

Brother Announces Dissolution of a Subsidiary

Brother Industries, Ltd. ("Brother") resolved at its board of director's meeting held on November 26, 2008 to dissolve its subsidiary, Brother Machine Industriali S.R.L. ("BMI").

1. Reason for dissolution

To optimize the management resources in the industrial sewing machine business in Europe and establish more efficient operation system to better respond to customer needs, Brother has decided to reorganize its European sales network. Brother Internationale Industriemaschinen G.m.b.H ("BIMH"), a sales subsidiary in Germany, will take a role of headquarters in the European industrial sewing business from now on and BMI, a sales subsidiary in Italy, will transfer its business to BIMH and will be dissolved. BIMH will open a new branch in Italy, which will continue BMI's current sales activities and service to customers.

2. About BMI

Name:	Brother Machine Industriali S.R.L.
Date of foundation	April 28, 1989
Address	Via Parini No. 7 Casalecchio Di Reno, 40033 Bologna, Italy
Representative	Valerio Scotti
Capital	Euro 624,000
Shareholders	100% owned by Brother Holding (Europe), Ltd. ("BHE") BHE is a 100% subsidiary of Brother.

3. Schedule

November 26, 2008	Resolution to dissolve BMI
March 31, 2009	Transfer of business to BIMH (plan)
June 2009	Liquidation of BMI (plan)

4. Estimated impact on financial results

There will be no impact on the forecasts announced on October 31, 2008.

(Information) Consolidated forecasts for year ending March 31, 2009 as announced on October 31, 2008

(Million yen)

	Net sales	Operating income	Current profits	Net income
Forecasts for year ending March 31, 2009	530,000	30,000	33,500	22,500
Results for year ended March 31, 2008	566,378	53,503	46,535	27,110