

Brother Issues Differences Between Consolidated Results for 1st Half of the Fiscal Year ending March 31, 2010 and the Same Period of the Previous Year

Brother Industries, Ltd. ("Brother") announces its consolidated results for the 1st half of the fiscal year ending March 31, 2010 (that is, from April 1, 2009 to September 30, 2009) and the same period of the previous year as follows to explain the comparatively large differences between them.

1. Differences between consolidated results for 1st half of the fiscal year ending March 31, 2010 and the same period of the previous year

	Net sales	Operating income	Current profits	Net income	Net income per share (yen)
1st half of fiscal year ended March 31, 2009 (A)	256,597	17,238	16,092	11,731	43.47
1st half of fiscal year ending March 31, 2010 (B)	199,421	9,956	13,384	4,920	18.38
Difference (B – A)	-57,176	-7,282	-2,708	-6,811	-
Change (%)	-22.3%	-42.2%	-16.8%	-58.1%	-

2. Reasons for differences

Net sales decreased due to the strong yen and the economic recession which caused a major drop in sales in the Machinery and Solution business, resulting in a 22.3% downturn to Yen 199,421 million compared to the same period in the previous fiscal year.

Operating income showed some improvement due to cost reduction, however, it decreased by 42.2% to Yen 9,956 million compared to the same period in the previous fiscal year due to a negative impact from foreign exchange and the decreased sales in the Machinery and Solution business.

Decrease of current profits is suppressed to 16.8% to Yen 13,384 million mainly due to gains on forward exchange contracts in non-operating income.

Net income decreased by 58.1% to Yen 4,920 million compared to the same period in the previous fiscal year due to an increase in extraordinary losses on revision of the retirement benefit plan and an increase in income tax caused by tax effect accounting.

In addition, the average exchange rates of the consolidated cumulative period of the 1st half of the fiscal year are 95.27 yen to the US dollar and 132.73 yen to the euro. The average exchange rates of the 1st half of the previous fiscal year are 105.36 yen to the US dollar and 161.56 yen to the euro.