



Consolidated Balance Sheets

Brother Industries, Ltd. and Consolidated Subsidiaries
March 31, 2011 and 2010

| | Millions of Yen | | Thousands of U.S. Dollars (Note 1) |
|--|-----------------|-----------|--|
| | 2011 | 2010 | 2011 |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents (Note 16) | ¥ 65,101 | ¥ 49,031 | \$ 784,349 |
| Time deposits | 2,366 | 1,228 | 28,506 |
| Marketable securities (Notes 4 and 16) | 300 | 300 | 3,614 |
| Receivables (Note 16): | | | |
| Trade notes and accounts | 62,142 | 69,932 | 748,699 |
| Unconsolidated subsidiaries and associated companies | 1,768 | 1,723 | 21,301 |
| Allowance for doubtful accounts | (1,725) | (2,727) | (20,783) |
| | 62,185 | 68,928 | 749,217 |
| Inventories (Note 5) | 72,256 | 64,740 | 870,554 |
| Deferred tax assets (Note 13) | 15,123 | 9,221 | 182,205 |
| Other current assets | 11,686 | 16,630 | 140,796 |
| Total current assets | 229,017 | 210,078 | 2,759,241 |
| PROPERTY, PLANT AND EQUIPMENT: | | | |
| Land (Notes 6, 7 and 8) | 11,931 | 12,895 | 143,747 |
| Buildings and structures (Notes 6, 7 and 8) | 76,954 | 78,230 | 927,157 |
| Machinery and vehicles | 34,917 | 33,735 | 420,687 |
| Furniture and fixtures (Note 6) | 85,719 | 82,581 | 1,032,759 |
| Lease assets (Notes 6 and 15) | 4,017 | 889 | 48,398 |
| Construction in progress | 425 | 213 | 5,120 |
| Total | 213,963 | 208,543 | 2,577,868 |
| Accumulated depreciation | (145,803) | (135,994) | (1,756,663) |
| Net property, plant and equipment | 68,160 | 72,549 | 821,205 |
| INVESTMENTS AND OTHER ASSETS: | | | |
| Investment securities (Notes 4 and 16) | 13,507 | 14,431 | 162,735 |
| Investments in unconsolidated subsidiaries and associated companies (Note 16) | 16,406 | 15,838 | 197,663 |
| Goodwill | 8,059 | 9,148 | 97,096 |
| Deferred tax assets (Note 13) | 2,867 | 2,907 | 34,542 |
| Prepaid pension cost (Note 9) | 12,620 | 13,406 | 152,048 |
| Other investments and assets | 31,673 | 41,713 | 381,603 |
| Allowance for doubtful accounts | (9,663) | (14,079) | (116,422) |
| Total investments and other assets | 75,469 | 83,364 | 909,265 |
| TOTAL | ¥ 372,646 | ¥ 365,991 | \$ 4,489,711 |



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|--|-----------------|-----------|--|
| | 2011 | 2010 | 2011 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Short-term borrowings (Notes 8 and 16) | ¥ 8,637 | ¥ 6,337 | \$ 104,060 |
| Current portion of long-term debt (Notes 8 and 16) | 3,422 | 6,952 | 41,229 |
| Payables (Note 16): | | | |
| Trade notes and accounts | 32,416 | 32,116 | 390,554 |
| Unconsolidated subsidiaries and associated companies | 1,632 | 2,116 | 19,663 |
| Other | 13,367 | 13,671 | 161,048 |
| | 47,415 | 47,903 | 571,265 |
| Income taxes payable (Note 16) | 7,346 | 4,368 | 88,506 |
| Accrued expenses | 39,921 | 40,490 | 480,976 |
| Deferred tax liabilities (Note 13) | 164 | 37 | 1,976 |
| Other current liabilities (Notes 8 and 10) | 6,016 | 6,587 | 72,482 |
| Total current liabilities | 112,921 | 112,674 | 1,360,494 |
| LONG-TERM LIABILITIES: | | | |
| Long-term debt (Notes 8 and 16) | 18,306 | 18,185 | 220,554 |
| Liability for retirement benefits (Note 9) | 7,649 | 7,188 | 92,157 |
| Deferred tax liabilities (Note 13) | 5,908 | 5,901 | 71,181 |
| Other long-term liabilities (Notes 8 and 10) | 7,393 | 8,511 | 89,072 |
| Total long-term liabilities | 39,256 | 39,785 | 472,964 |
| CONTINGENT LIABILITIES (Note 18) | | | |
| EQUITY (Note 11): | | | |
| Common stock, no par value: | | | |
| Authorized: 600,000,000 shares | | | |
| Issued: 277,535,866 shares in 2011 and 2010 | 19,210 | 19,210 | 231,446 |
| Capital surplus | 16,157 | 16,149 | 194,663 |
| Stock acquisition rights (Note 12) | 339 | 287 | 4,084 |
| Retained earnings (Note 20) | 230,352 | 211,647 | 2,775,325 |
| Treasury stock, at cost | | | |
| 2011 - 9,887,643 shares | | | |
| 2010 - 9,901,661 shares | (11,689) | (11,702) | (140,831) |
| Accumulated other comprehensive income | | | |
| Unrealized gain on available-for-sale securities | 2,445 | 3,098 | 29,458 |
| Deferred (loss) gain under hedge accounting | (91) | 1,101 | (1,096) |
| Foreign currency translation adjustments | (36,261) | (27,280) | (436,880) |
| Total | 220,462 | 212,510 | 2,656,169 |
| Minority interests | 7 | 1,022 | 84 |
| Total equity | 220,469 | 213,532 | 2,656,253 |
| TOTAL | ¥ 372,646 | ¥ 365,991 | \$ 4,489,711 |

See notes to consolidated financial statements.