

During fiscal 2011, ended March 31, 2012, the sense of uncertainty toward the future of the global economy heightened, while Japan's manufacturing industry faced an extremely challenging environment marked by the sharp appreciation of the yen as well as the impact of several serious natural disasters, including major flooding in Thailand and the aftermath of the Great East Japan Earthquake.

Under these circumstances, the Brother Group's consolidated net sales, while impacted by the negative effect of exchange rates, overall was nearly on par with the previous fiscal year thanks to firm demand for communications and printing equipment as well as machine tools. In terms of profitability, the online karaoke business posted an improvement in earnings, but the impact from exchange rates, rising research and development costs and an increase in corporate income tax and other taxes owing to deferred tax accounting meant that overall profits declined compared to the previous fiscal year.

While we expect the uncertain economic environment will continue in fiscal 2012, we will focus our efforts on achieving the targets set forth in the mid-term business strategy "CS B2015". In this regard, I kindly ask for the continued support and understanding of our shareholders and other stakeholders.

Representative Director & President
Toshikazu Koike

