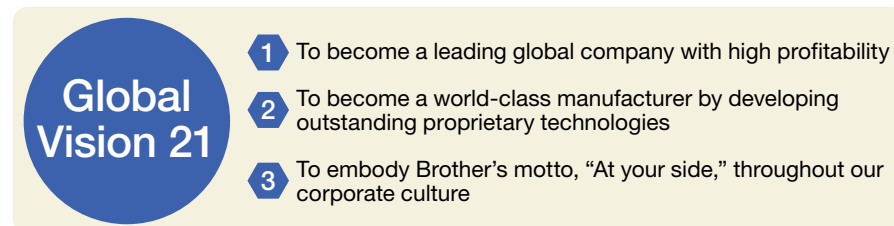


Mid-Term Business Strategy “CS B2015” Enters Second Year

The Brother Group has formulated a mid- to long-term corporate vision—Global Vision 21—in which we define three objectives for the Group.



Global Vision 21

- 1 To become a leading global company with high profitability
- 2 To become a world-class manufacturer by developing outstanding proprietary technologies
- 3 To embody Brother’s motto, “At your side,” throughout our corporate culture

The Brother Group has been formulating mid-term business strategies as a roadmap for achieving Global Vision 21, and the mid-term strategy “CS B2015” launched in April 2011 focuses on key growth strategies under the theme “Back to Growth.” Although we have experienced many changes in our business environment since formulating this mid-term strategy, our fundamental objective to capitalize on growth strategies and expand our businesses remains unchanged. That is, we remain firmly committed to achieving our vision for 2015 by responding to changes in our business environment, actively pushing forward with capital investments, research and development, M&A, and the strengthening of our sales structure, as well as expanding each of our businesses, including new businesses.

CS B2015 Theme – Back to Growth

Progress of Each Business in Fiscal 2011 and Objectives for Fiscal 2012

◆ Printing & Solutions Business (All-in-Ones, Printers, Electronic Stationery)

Promote growth strategies on a global basis, and establish a leading position in each target area

The Printing & Solutions Business saw robust sales of laser printing equipment and consumables for SOHO^{*1}/SMB^{*2}—one of our core strengths. Going forward, we plan to launch a new high-end black-and-white laser printers and an inkjet model equipped with high-speed line head, as we further strengthen sales aimed at customers in business segments where high printing volume can be anticipated.

^{*1} SOHO: Small Office, Home Office ^{*2} SMB: Small and Medium Business

◆ Personal & Home Business (Home Sewing Machines)

Secure stable growth and profitability

The Personal & Home Business recorded robust performance thanks to the popularity of mid- to high-end embroidery machines in North America. Going forward, we plan to further expand sales of high demand mid- to high-end models while seeking to expand business in emerging markets.

◆ Machinery & Solution Business (Industrial Sewing Machines / Machine Tools)

Establish both growth and profits with a range of products that hold the leading position in respective categories

We were able to secure an increase in machine tool sales for the year and record the highest ever net sales for the business, despite falling below initial projections due to the impact of monetary tightening measures initiated in China. In contrast, industrial sewing machine net sales suffered from the economic slowdown, falling below initial projections. In fiscal 2012, we will seek to develop new, more competitive products both the machine tool and industrial sewing machine businesses as well as further strengthen our sales structure in Asian markets where growth is expected.

◆ Network & Contents Business (Online Karaoke / Contents Service)

Maximize profitability in online karaoke business and nurture new businesses

The Network & Contents Business faced a challenging business environment in the wake of the Great East Japan Earthquake. Nevertheless, we sought to achieve an integration effect of the online karaoke business acquired through M&A. In fiscal 2012, we plan to increase profits by bringing a new online karaoke machine model to market.

◆ Network Imaging Device Business (New Business)

Nurture and establish new businesses for the next generation

In terms of new business, we will focus on the document application business, which supports the digitization of documents and database creation, and the remote collaboration business, which generates new value by combining network technologies with competitive Brother products. These new businesses will be promptly established and made commercially viable through proactive M&A and alliances.

Special Feature

–Introduction to New Business–

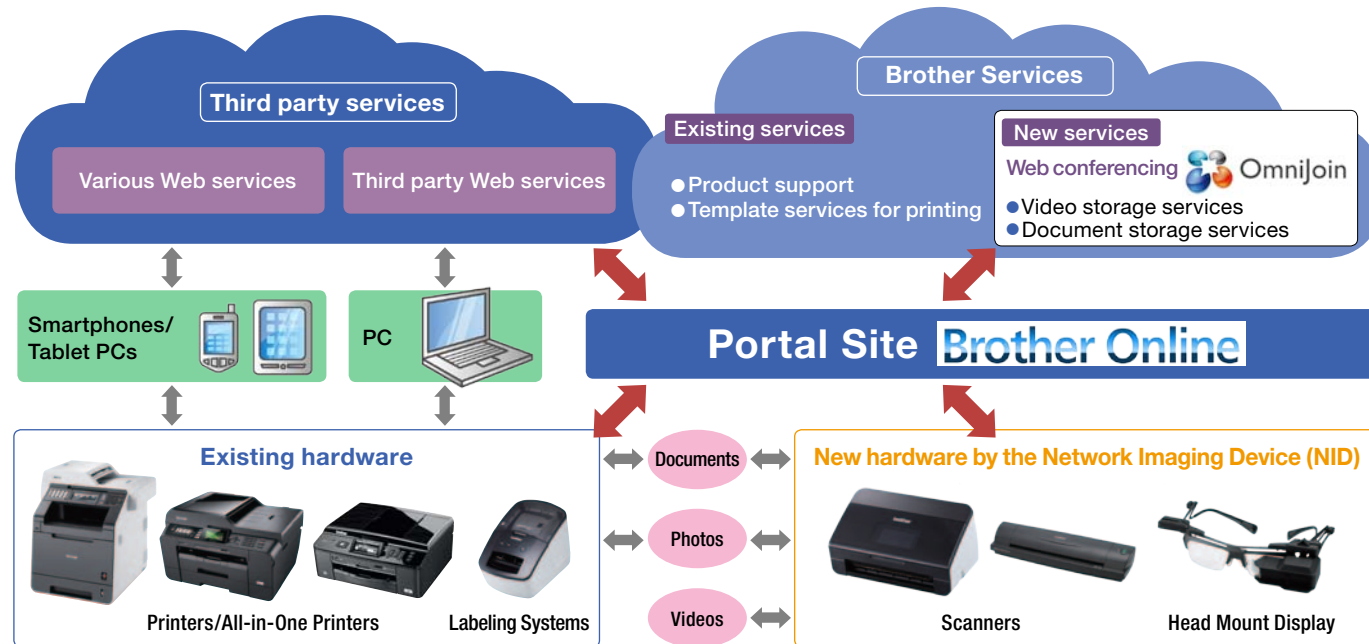
New services provided through Brother Online

Brother has provided compact and highly cost-effective printers to SOHO, small businesses and corporations with offices spread out across multiple locations for many years. In addition to our existing products, we have also developed new scanners and head mount displays as key new businesses, expanding their product lines, which has made it easier than ever before for customers to share and convey information like documents, photos and videos.

As a new business venture that enhances the value of these products, we will launch Brother Online, a portal site linking Brother products with cloud computing services, in

Europe, North America and other major countries in 2012. As the first new service provided via Brother Online, we will launch the Web conferencing “OmniJoin” that capitalizes on our proprietary high resolution imaging technologies.

Going forward, we will develop products that can be connected to a variety of services via Brother Online, and by expanding our new online services through partnerships with other companies, we will enhance the value of Brother products as well as expand our business presence in both the printing and non-printing segments.



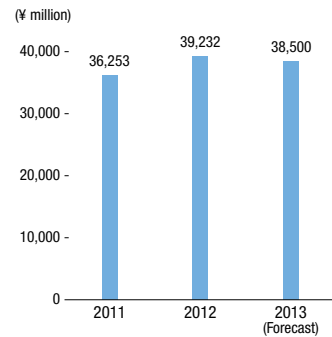
Strengthening Our Management Infrastructure

In fiscal 2011, we initiated a strategy based on mid-term business strategy for optimizing functions of our manufacturing facilities on a global basis. Our new home sewing machine factory constructed near Ho Chi Minh City, Vietnam, commenced operations in April 2012, while the new factory for the Printing & Solutions Business located in the Philippines and the new factory for consolidating multiple manufacturing facilities of the Machinery & Solutions Business in Xian, China, are moving forward with preparations to start operations during fiscal 2013. Going forward, we will work to strengthen our production structure to support our continued growth as well as make capital investments to ensure that we are prepared for disasters and undertake prevention measures.

We have been accelerating research and development since fiscal 2011, and we will continue to make investments in our future growth, including promoting new product development in our existing business segments as well as strengthening efforts to develop new businesses.

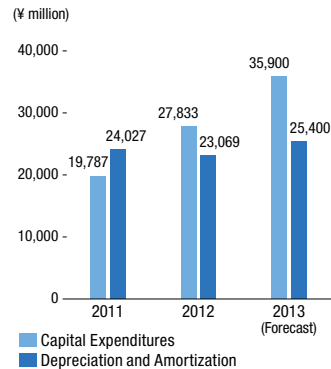
Research and Development Costs

Fiscal years ended March 31

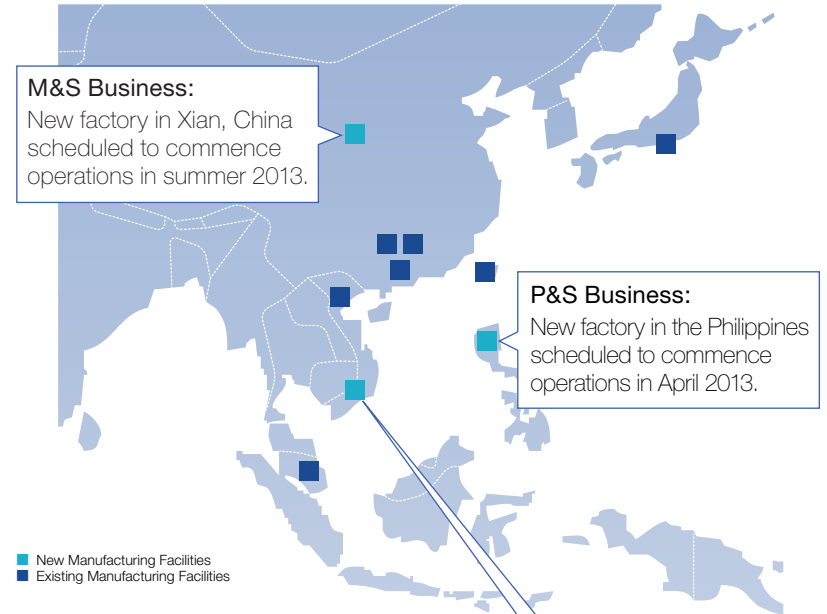


Capital Expenditures/Depreciation and Amortization

Fiscal years ended March 31



Optimizing Our Manufacturing Facilities on a Global Basis



P&H Business:
New factory in Vietnam commenced operations in April 2012.