

Fiscal Year 2012 (ending March 31, 2013)

First Quarter Results
(3-month results ended June 30, 2012)

Brother Industries, Ltd.
August 2, 2012

Information on this report, other than historical facts, refers to future prospects and performance, and has been prepared by our Management on the basis of information available at the time of the announcement. This covers various risks, including, but not limited to, economic conditions, customer demand, foreign currency exchange rates, tax rules, regulation and other factors. As a result, actual future performance may differ from any forecasts contained on this report.

Consolidated Results for FY2012 Q1



(100 Millions of Yen)

	Q1 3/2013 [Actual]	Q1 3/2012 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,207	1,228	-21	-1.7% (2.7%)
Operating Income	115	142	-27	-18.8%
Operating Income Ratio	9.6%	11.6%	-2.0%	
Non-operating Income (Loss)	7	4	3	
Current Profits	122	146	-24	-16.1%
Extraordinary Income (Loss)	-4	9	-12	
Income Taxes	16	89	-73	
Net Income	103	66	37	56.8%

(Yen)

Exchange Rates	USD	80.40	81.71	-1.31
	EUR	103.35	118.11	-14.76

- Although sales of communications & printing equipment and home sewing machines steadily increased, total sales slightly decreased due to a negative impact from forex and sharp decline of sales in industrial sewing machines.
- Operating income decreased due to a negative impact from forex and sales decrease in the Machinery & Solution business.
- Net Income increased due to an decrease in income tax caused by tax effect accounting.

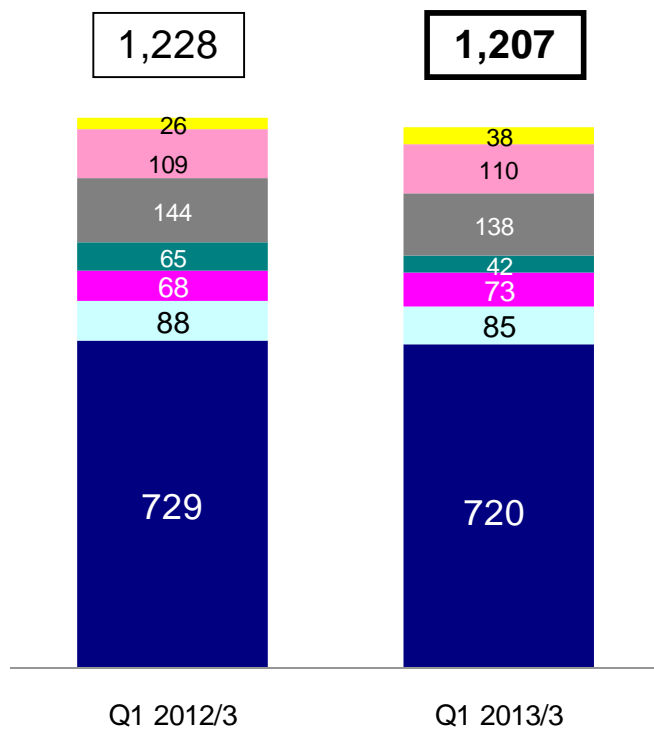
Consolidated Results for FY2012 Q1

Sales and Operating Income by Business Segment



Net Sales

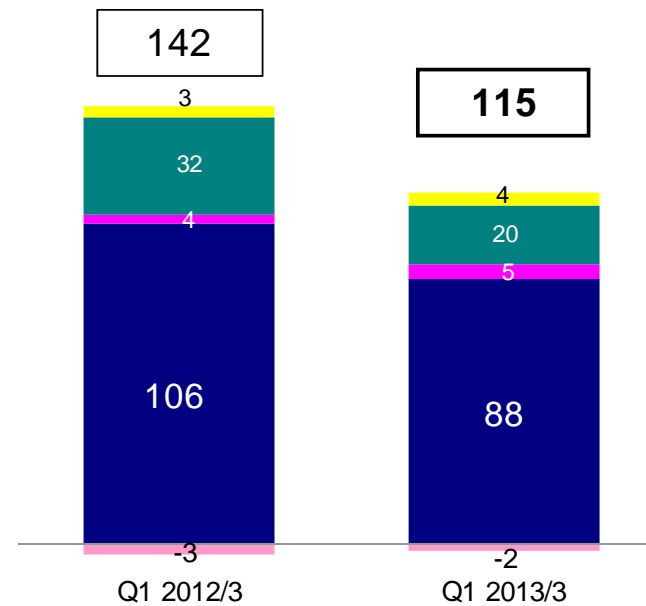
(100 Millions of Yen)



- Communications & Printing equipment
- Electronic stationery
- Home sewing machines
- Industrial sewing machines
- Machine tools
- Online karaoke, Contents distribution services
- Others

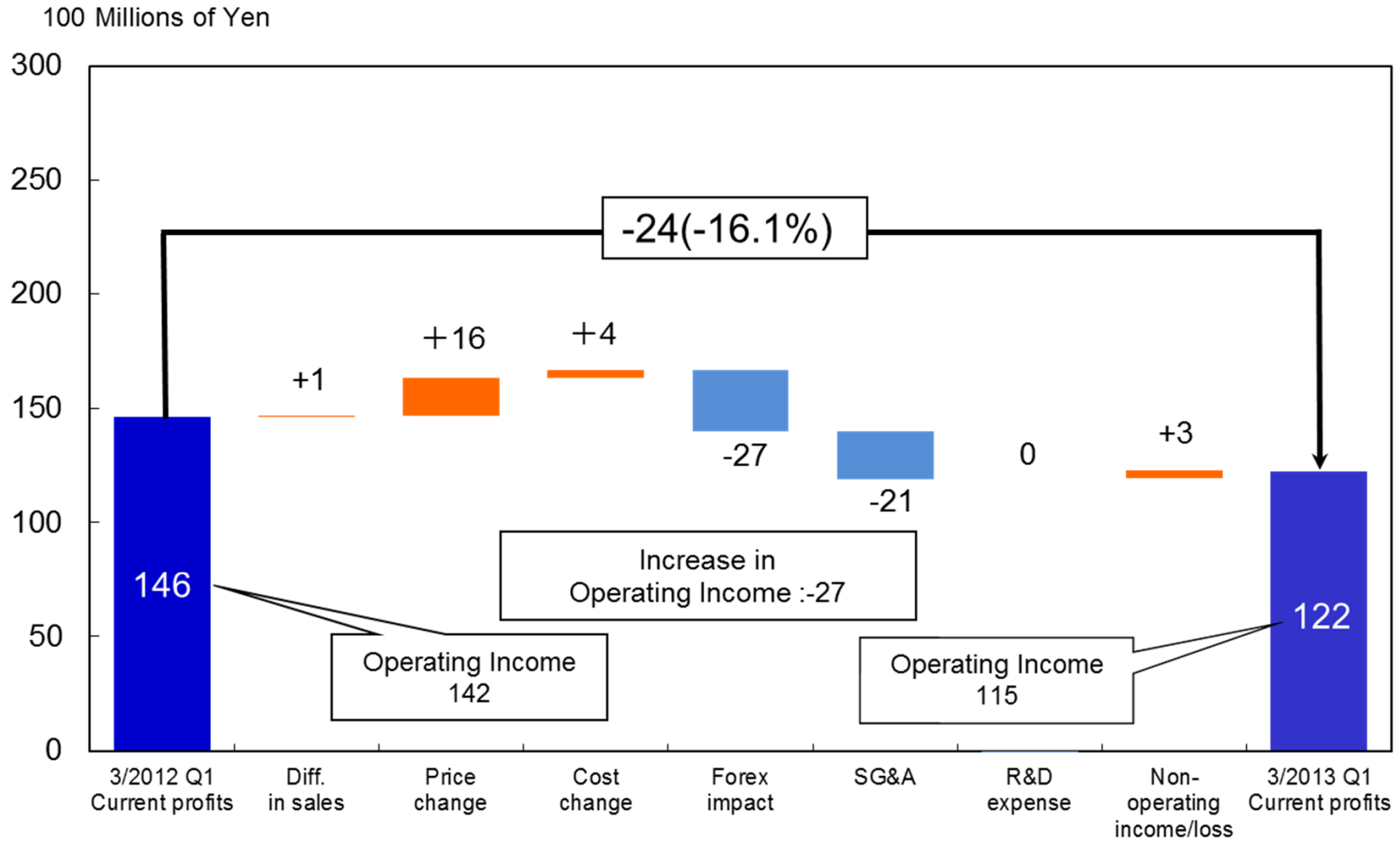
Operating Income

(100 Millions of Yen)



- Printing & Solutions
- Personal & Home
- Machinery & Solution
- Network & Contents
- Others

Main Factors for Changes in Current Profits < FY2012 Q1 >



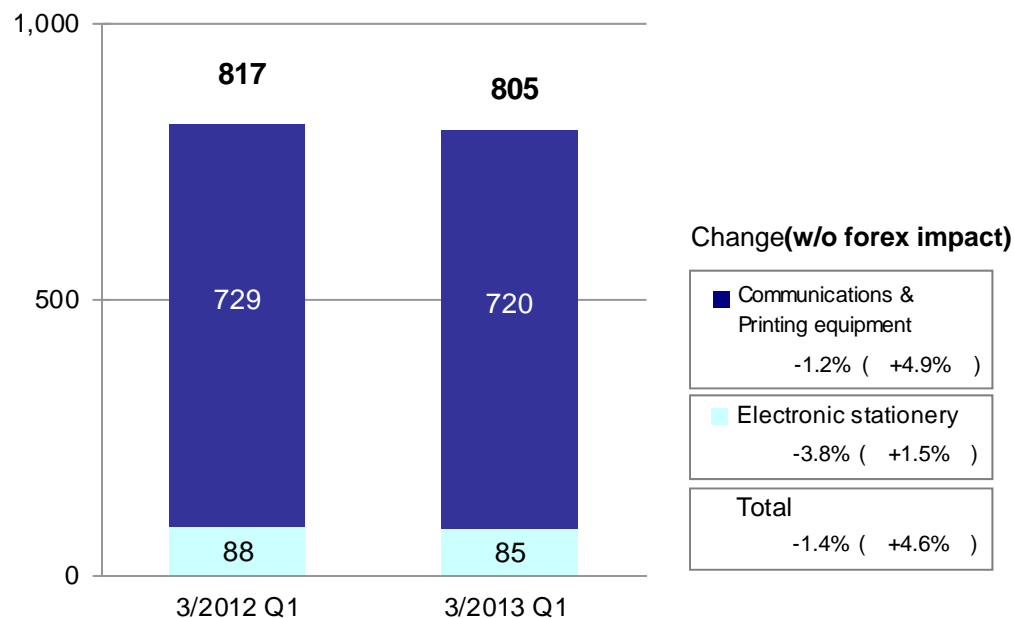
Printing & Solutions Sales & Operating Income

< FY2012 Q1 >



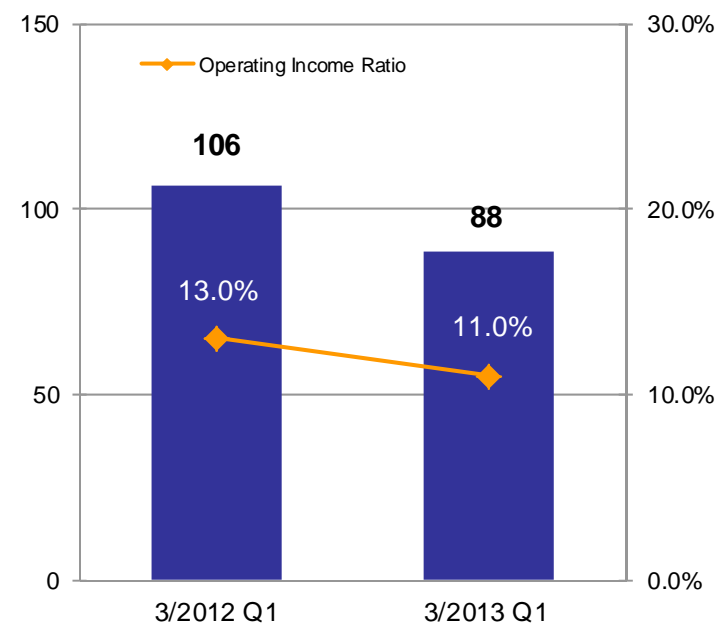
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2012 Q1	3/2013 Q1	Change (w/o forex impact)
Americas	246	269	+9.3% (+14.0%)
Europe	277	243	-12.2% (-1.3%)
Asia & Others	105	102	-3.2% (-0.8%)
Japan	100	106	+5.9% (+5.9%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 Q1	3/2013 Q1	Change (w/o forex impact)
Americas	42	41	-2.5% (+0.8%)
Europe	28	25	-9.4% (+2.0%)
Asia & Others	10	11	+0.6% (+1.8%)
Japan	8	8	+3.2% (+3.2%)

➤ Although sales grew steadily in hardware and consumables in the Americas, total sales decreased due to a negative impact from forex.

➤ Operating income decreased mainly due to a negative impact from forex.

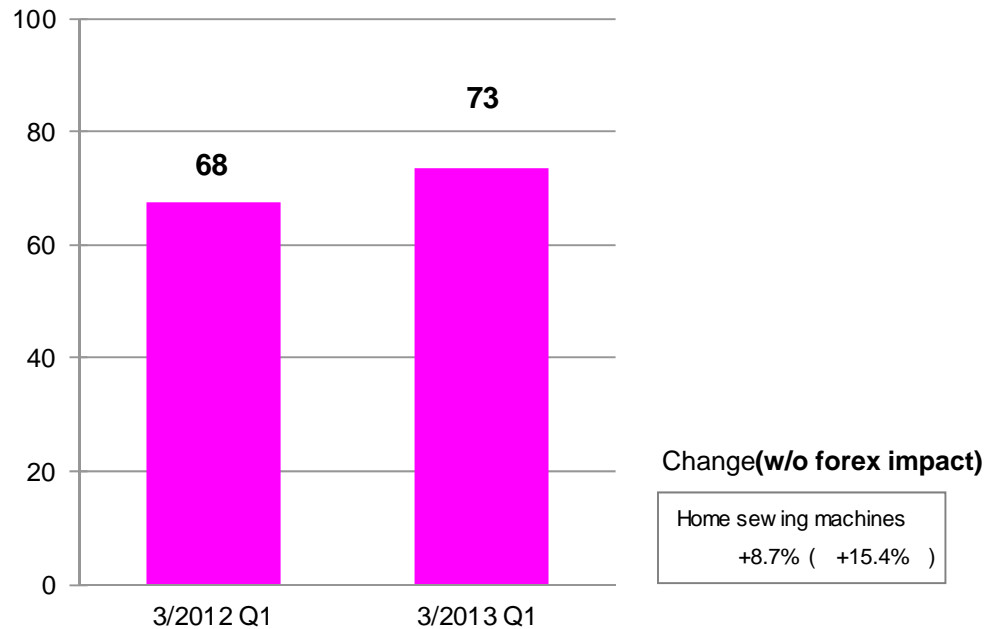
Personal & Home Sales & Operating Income

< FY2012 Q1 >



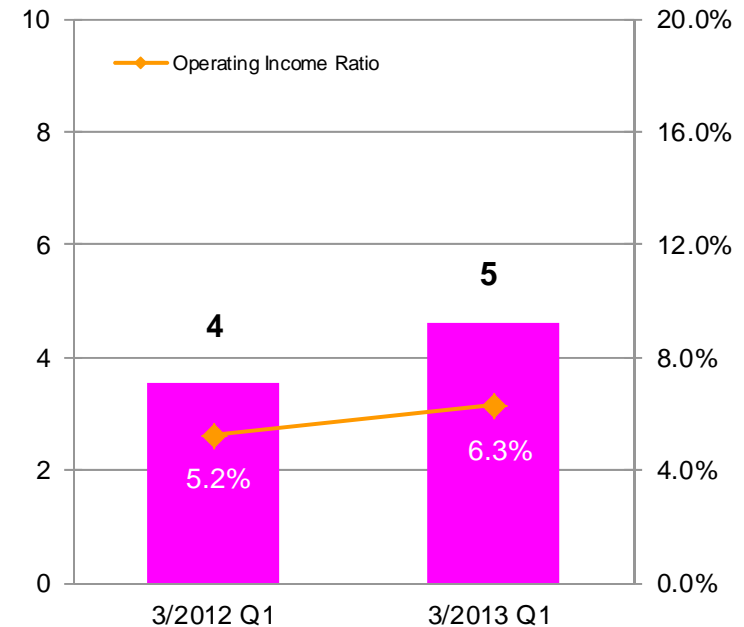
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Q1	3/2013 Q1	Change (w/o forex impact)
Americas	32	34	+6.3% (+11.4%)
Europe	14	19	+30.7% (+49.3%)
Asia & Others	7	7	-5.2% (-2.1%)
Japan	14	14	-1.0% (-1.0%)

- Sales grew steadily mainly in Europe and the Americas.
- Operating income increased mainly due to a sales increase.

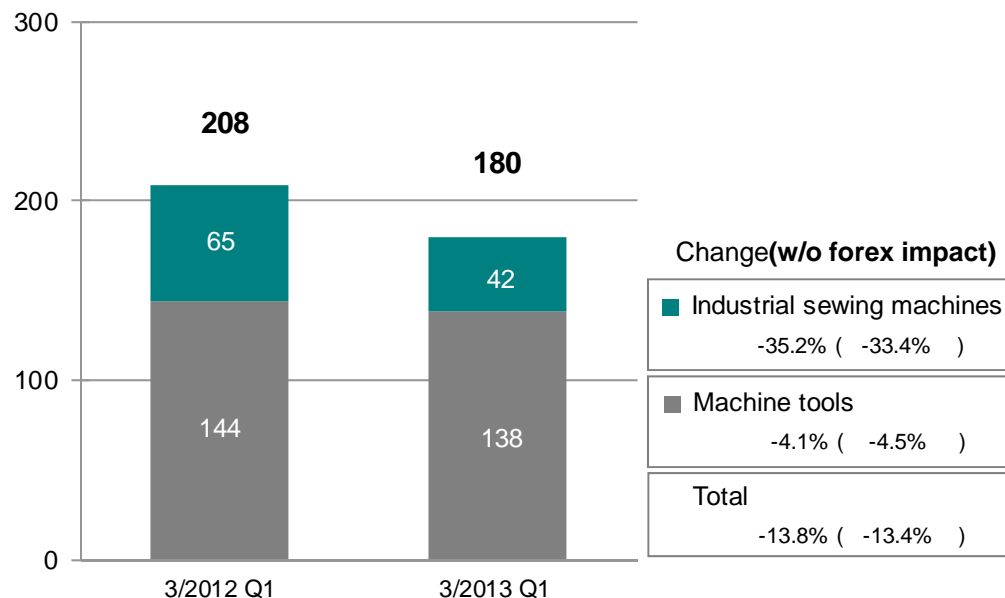
Machinery & Solution Sales & Operating Income

< FY2012 Q1 >



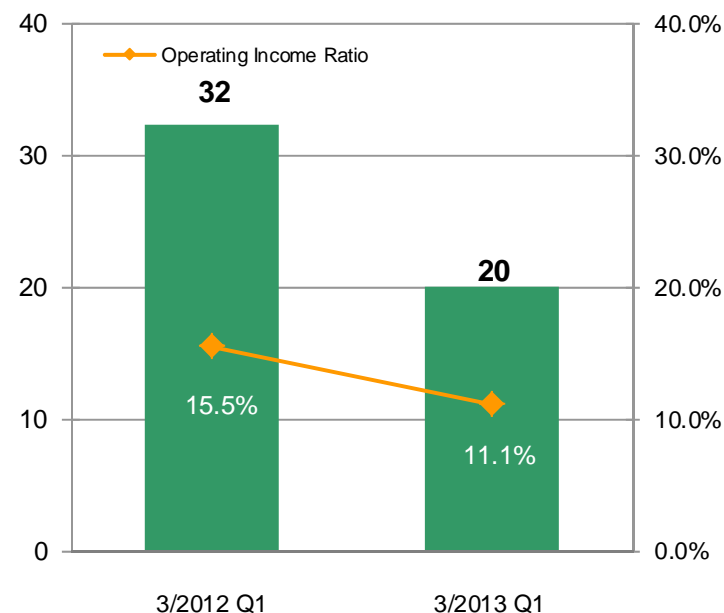
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Q1	3/2013 Q1	Change (w/o forex impact)
Americas	8	9	+3.3% (+5.3%)
Europe	10	7	-34.6% (-25.3%)
Asia & Others	44	25	-43.3% (-43.2%)
Japan	1	1	-13.5% (-13.5%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2012 Q1	3/2013 Q1	Change
Americas	5	5	+10.5%
Europe	6	4	-43.1%
Asia & Others	123	115	-6.6%
Japan	10	14	+45.5%

- Sales decreased due to weak demands of industrial sewing machine while demands of machine tools were steady.
- Operating income decreased due to a sales decrease in Industrial sewing machines.

*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

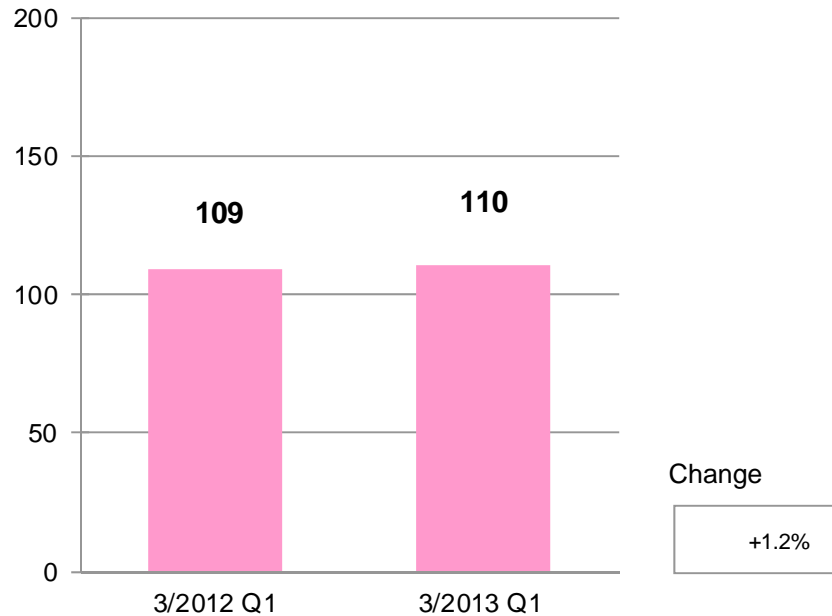
Network & Contents Sales & Operating Income

< FY2012 Q1 >



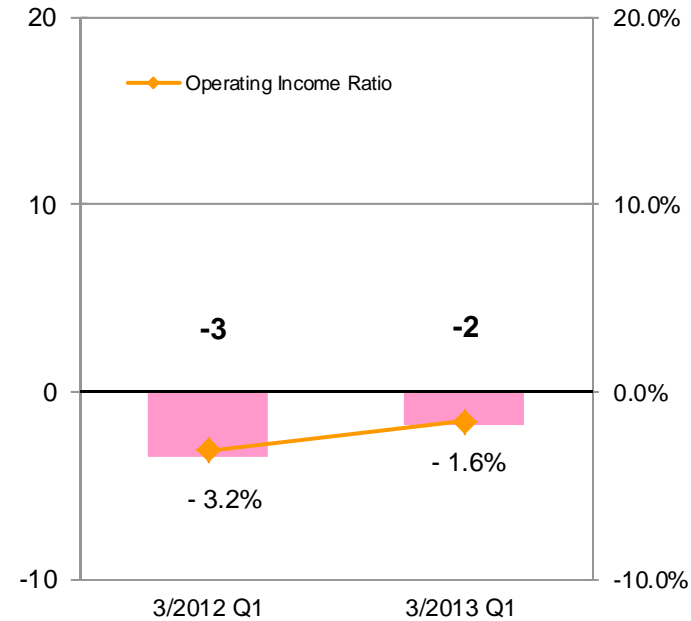
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



➤ Although sales in the karaoke shops steadily increased, total sales remained at a similar level to the same period of last year due to a restraint of purchase of the Online Karaoke Machine before a new model release.

➤ Although Network & Contents business was in the red, it was improved compared to the same period of last year.

- Regional sales breakdown for “Network & Contents” is not referred here because majority of sales are made in Japan.

Consolidated Forecast for FY 2012 (ending March 31, 2013)



(100 Millions of Yen)

	3/2013 [Forecast]	3/2012 [Actual]	Change	Rate of Change
Net Sales	5,300	4,974	326	6.6%
Operating Income	340	342	-2	-0.5%
Operating Income Ratio	6.4%	6.9%	-0.5%	
Non-operating Income (Loss)	10	2	8	
Current Profits	350	344	6	1.9%
Extraordinary Income (Loss)	-10	-2	-8	
Income Taxes	110	146	-36	
Net Income	230	195	35	17.8%

(Yen)

Exchange Rates	USD	80.07	79.30	0.77
	EUR	104.01	110.17	-6.16

* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2013 are USD=80.00 yen and EUR=105.00 yen.

* The above "Exchange Rates" for the fiscal year ending March 31, 2013 are the average rates for the year.

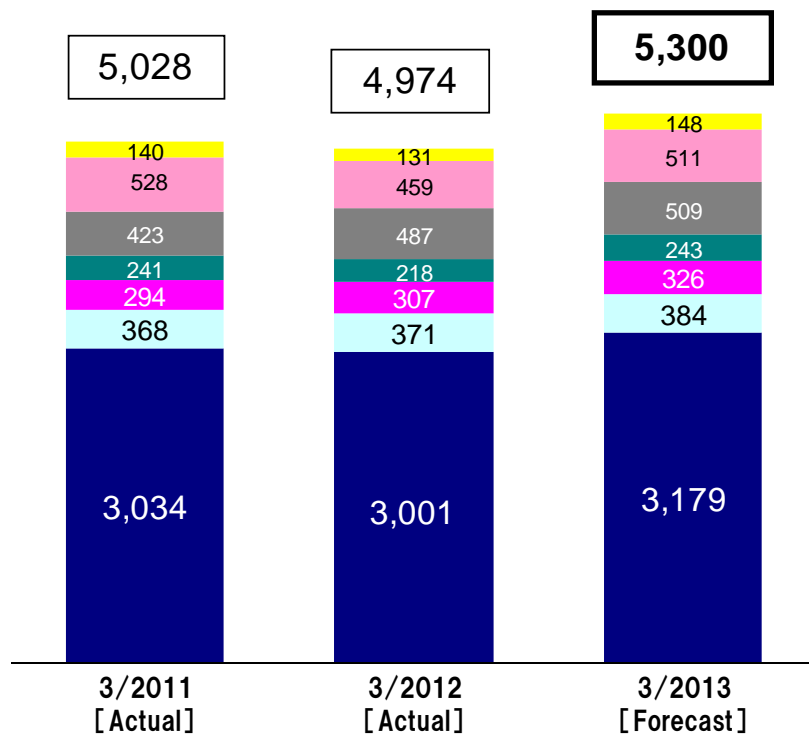
- Sales are expected to increase in all business segments as demand for products is expected to be steady.
- Despite the negative impact from forex, operating income is expected to remain at a similar level to the previous year due to profits from the increased sales and cost reduction.

Consolidated Forecast for FY2012 (ending March 31, 2013) Sales and Operating Income by Business Segment



Net Sales

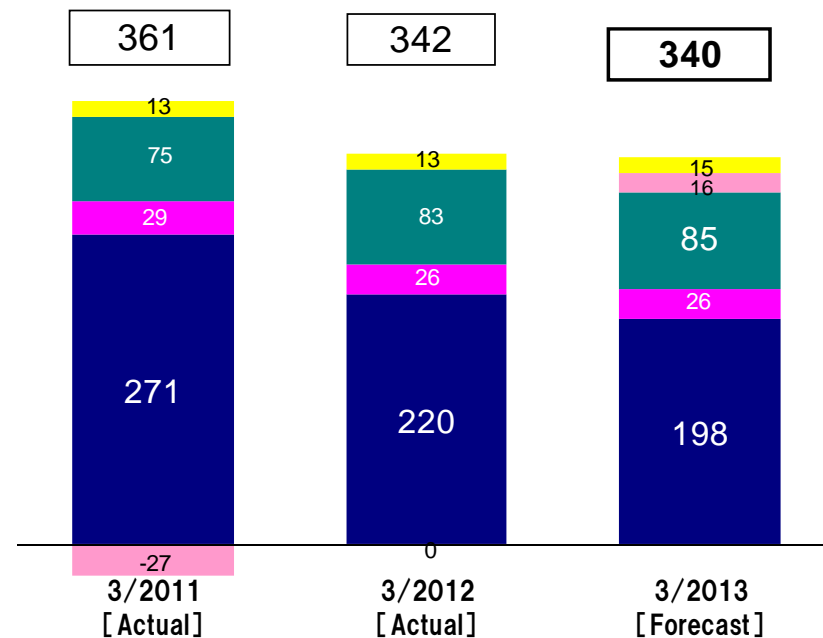
(100 Millions of Yen)



- Communications & Printing equipment
- Electronic stationery
- Home sewing machines
- Industrial sewing machines
- Machine tools
- Online karaoke, Contents distribution services
- Others

Operating Income

(100 Millions of Yen)



- Printing & Solutions
- Personal & Home
- Machinery & Solution
- Network & Contents
- Others

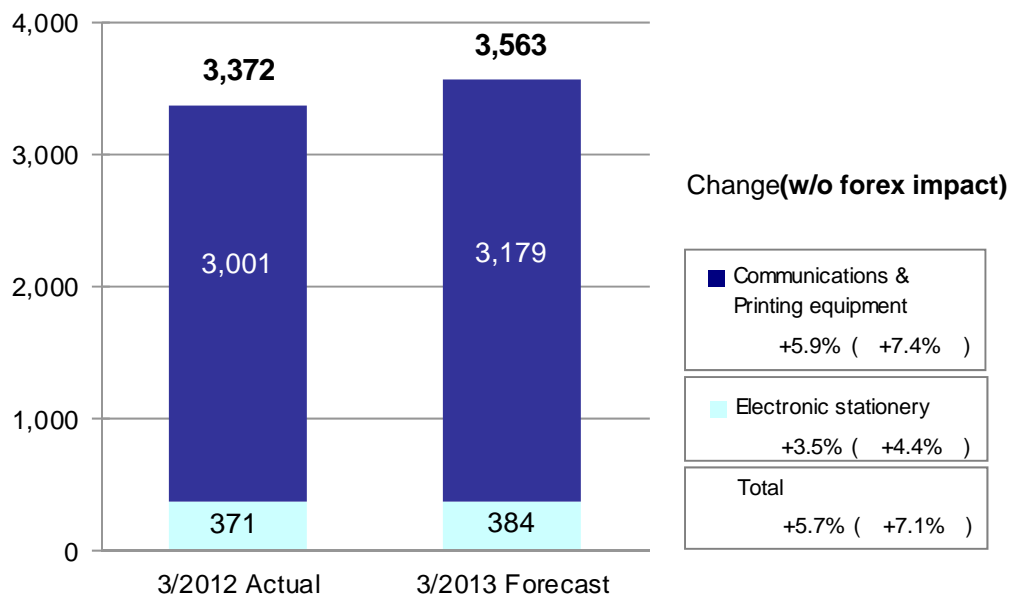
Printing & Solutions Sales & Operating Income

< Forecast for FY2012(ending March 31,2013) >



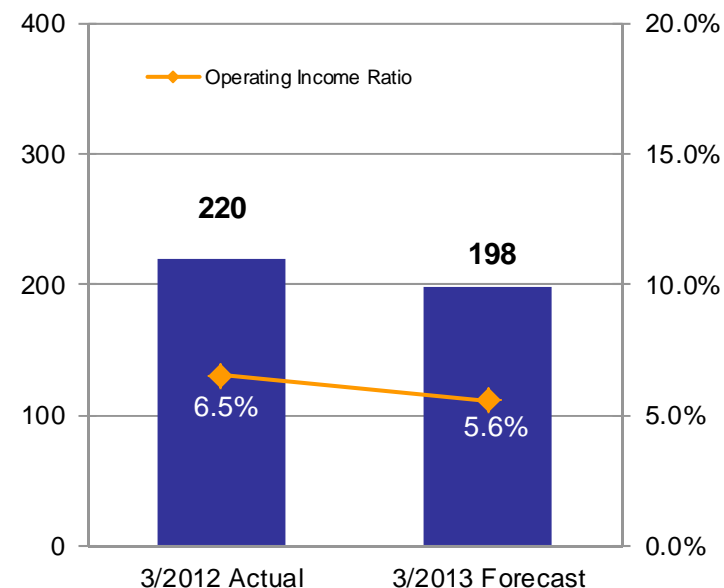
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	1,045	1,122	+7.4% (+7.6%)
Europe	1,129	1,130	+0.0% (+4.2%)
Asia & Others	399	447	+11.9% (+10.6%)
Japan	427	480	+12.3% (+12.3%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	176	180	+2.3% (+2.1%)
Europe	116	117	+0.9% (+5.2%)
Asia & Others	43	49	+14.9% (+12.4%)
Japan	36	38	+4.1% (+4.1%)

- Sales are expected to increase steadily in all regions
- Operating income is expected to decrease due to the negative impact from forex and increases in depreciation and amortization expense.

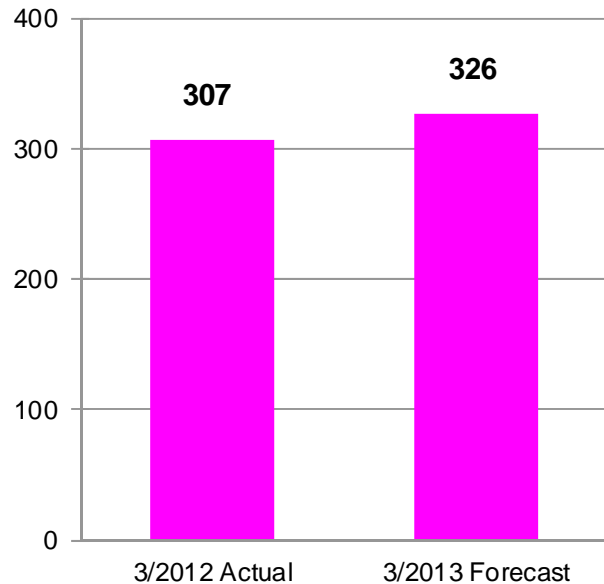
Personal & Home Sales & Operating Income

< Forecast for FY2012(ending March 31,2013) >



Net Sales

(100 Millions of Yen)

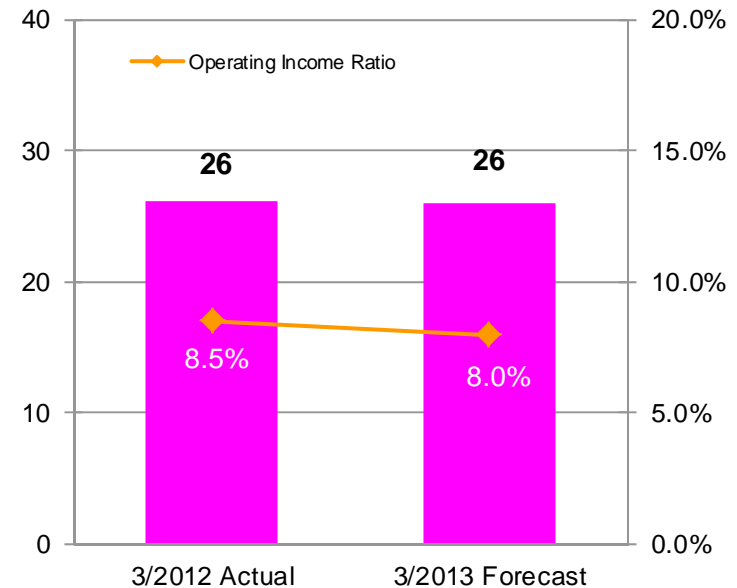


Change(w/o forex impact)

Home sewing machines
+6.2% (+7.5%)

Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	148	152	+3.1% (+3.1%)
Europe	70	75	+7.7% (+13.8%)
Asia & Others	29	31	+8.6% (+8.2%)
Japan	61	68	+10.8% (+10.8%)

- Sales are expected to increase steadily in all regions
- Operating income is expected to remain at a similar level to the previous year.

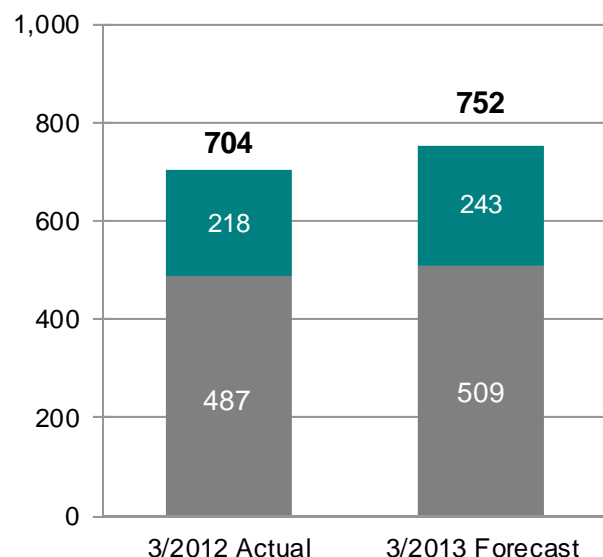
Machinery & Solution Sales & Operating Income

< Forecast for FY2012(ending March 31,2013) >



Net Sales

(100 Millions of Yen)

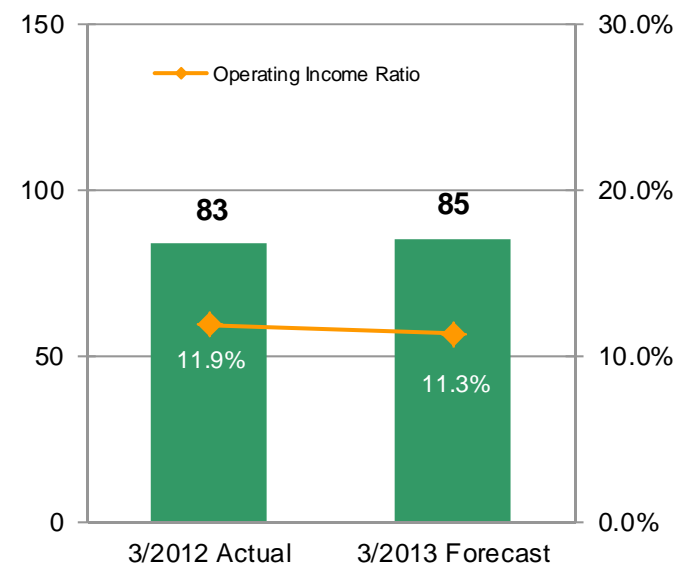


Operating Income

(100 Millions of Yen)

Change(w/o forex impact)

Industrial sewing machines	+11.7% (+10.0%)
Machine tools	+4.6% (+2.7%)
Total	+6.8% (+5.0%)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	31	34	+8.4% (+7.4%)
Europe	30	32	+7.3% (+13.2%)
Asia & Others	151	173	+14.9% (+11.5%)
Japan	6	4	-30.6% (-30.6%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change
Americas	18	16	-12.3%
Europe	15	14	-10.6%
Asia & Others	404	431	+6.7%
Japan	50	49	-1.7%

- Sales are expected to increase due to steady demands from Asia & Others.
- Operating income is expected to have a slight increase against the previous year.

*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

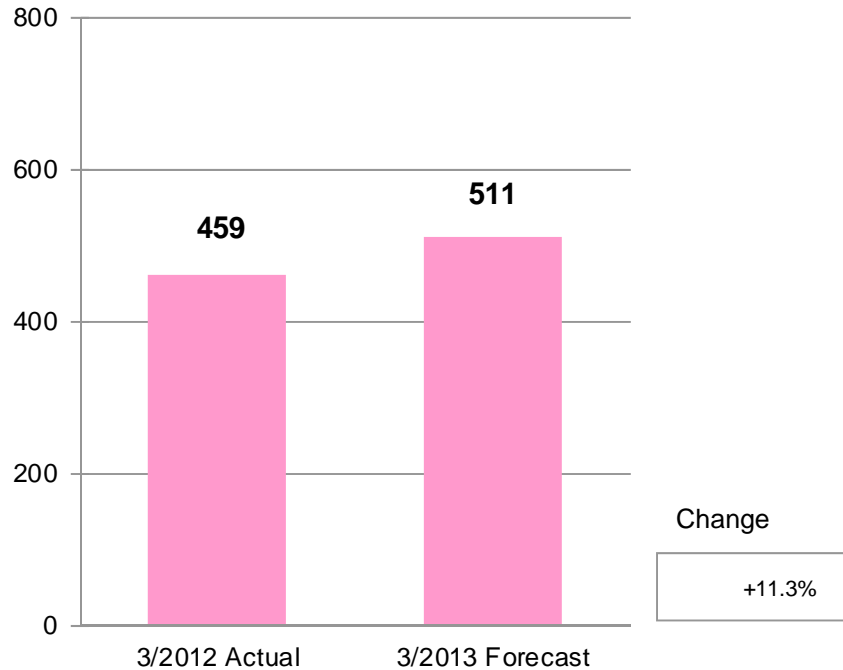
Network & Contents Sales & Operating Income

< Forecast for FY2012(ending March 31,2013) >



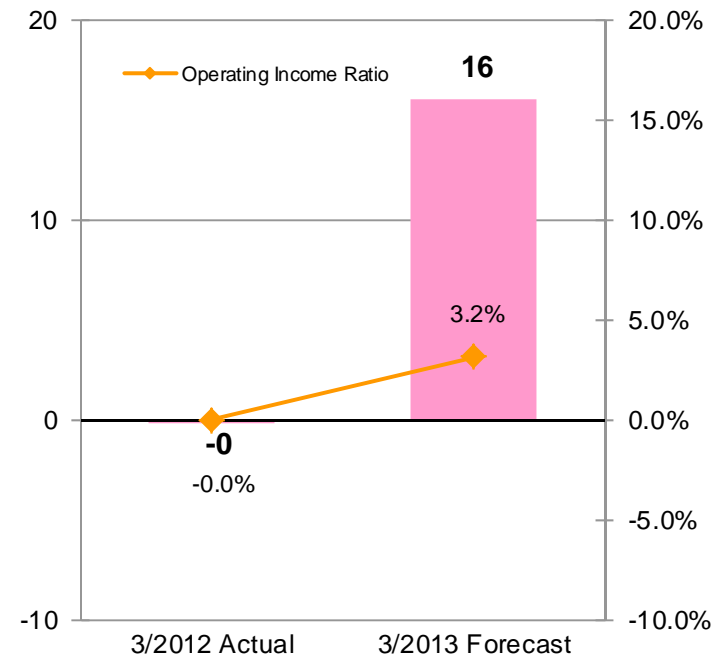
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- Sales are expected to increase due to the introduction of the new Online Karaoke Machine
- Operating income is expected to show a profit due to sales increase.

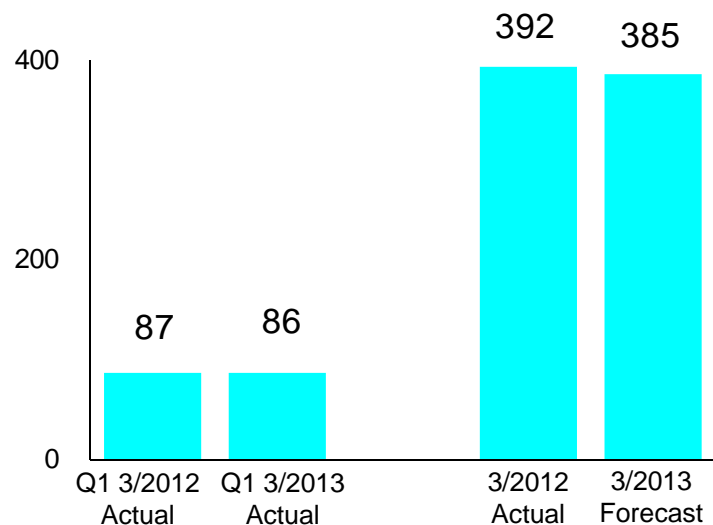
* Regional sales breakdown for "Network & Contents" is not referred here because the major part of sales are made in Japan.

(Reference) R&D expenses, Capital expenditure, Depreciation and amortization and Inventories



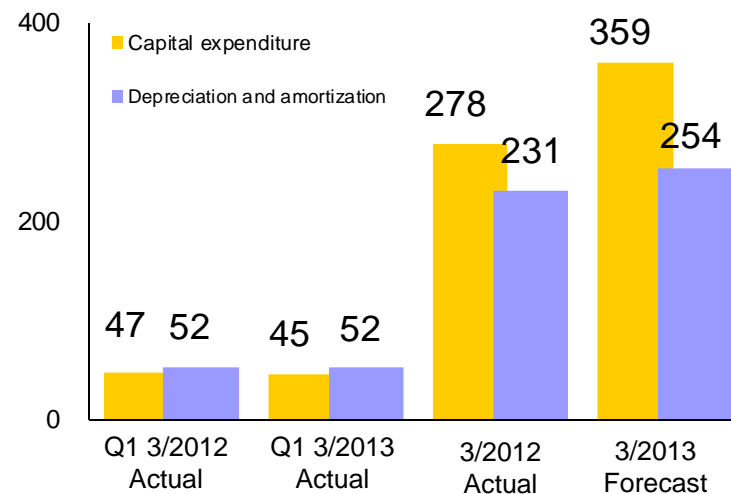
R&D expenses

(100 Millions of Yen)



Capital expenditure and Depreciation and amortization

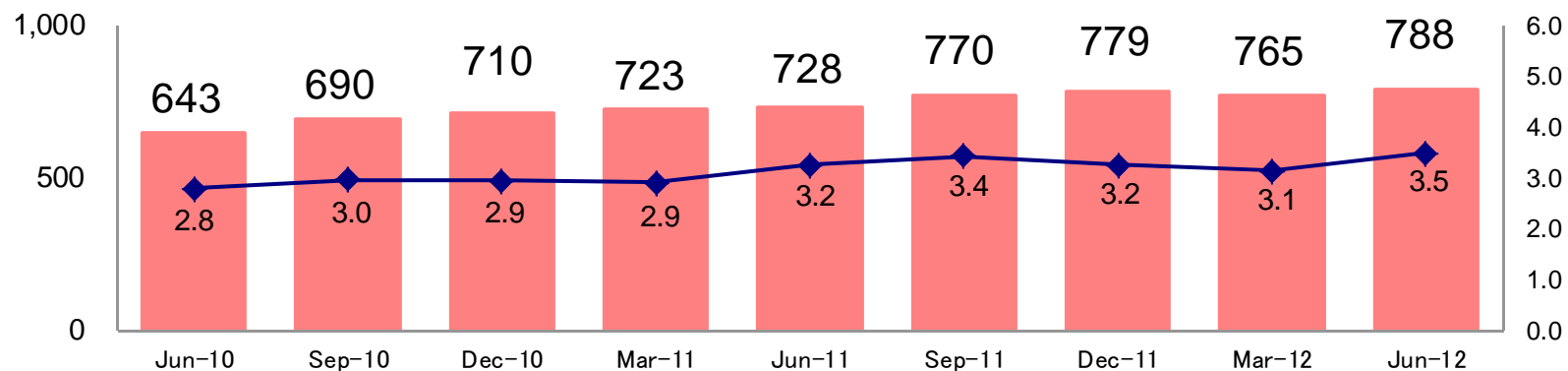
(100 Millions of Yen)



Inventories

(100 Millions of Yen)

Inventories (Red bars) Inventories / Cost of sales (Number of months) (Blue line with diamonds)



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