

Fiscal Year 2012 (ending March 31, 2013)

First Half & Second Quarter Results
(ended September 30, 2012)

Brother Industries, Ltd.

November 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.

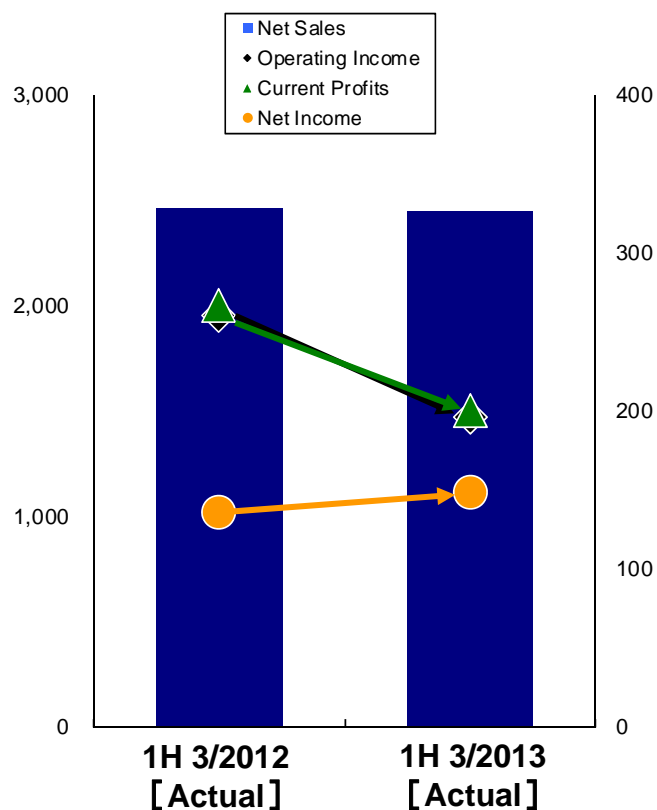
Results for first half of FY2012(ending March 31,2013)



(100 Millions of Yen)

Net Sales

Profits



USD	79.73	79.43
EUR	114.09	101.12

(w/o forex impact)[100 Millions of Yen]

	1H 3/2013 Actual	Year-on-Year Changes	
Net Sales	2,445	2,466	-20 -0.8% (+2.7%)
Operating Income	196	260	-64 -24.6%
Current Profits	200	267	-66 -24.8%
Net Income	148	136	+13 +9.5%

- ✓ Despite the negative impact from forex and a sharp decrease in sales in industrial sewing machines due to market deterioration, overall sales have remained at the same level to the previous year with steady sales growth in machine tools and Online karaoke business.
- ✓ Operating income has decreased mainly due to the negative impact from forex.
- ✓ Net income increased due to a decrease of income tax caused by tax effect accounting.

New models released in the first half of FY2012

<P&S/New Business> New models to support SOHO/SMB customers in their business scenes were launched



Black & White Laser
All-in-One
MFC-8950DW



Black & White
Laser Printer
HL-6180DW



Color Inkjet
All-in-One
MFC-J4510N



Desktop Color Scanner
ADS-2500W



Mobile Scanner
MDS-700D



Web conference system
Omnijoin



Hi-Speed
Inkjet Printer
HL-S7000DN

- High-speed print engine loaded, capable of printing up to 40 pages/min in black and white. Made a full model change of high end black and white All-in-Ones/laser printer
- Durability was increased from 200,000 to 300,000 pages
- Large reduction in standby power consumption
- Highest print speed in its class with a large size print head
- A slim body with 290mm depth able to print A3 sized paper
- Various services became available with cloud computing
- Adopted a new touch panel for ease of operation similar to a smartphone
- Expanded lineup of network scanners
- Enable direct access to cloud computing services without a computer (ADS-2500W)
- High speed scanner 24 sheets/min, up to 50 sheets can be set in it's tray at once(ADS-2500W)
- Established Web conference with high quality image and sound developed using Brother's own unique technology
- Interface designed to be intuitive and easy to use
- No initial capital cost required. Available at low cost
- A compact body easily fits into the desk space. High speed black and white A4 printer, able to print 100 sheets/min.
- Eco friendly with its low power consumption
- Incorporated a pre-coating system to prevent smearing and established high quality print

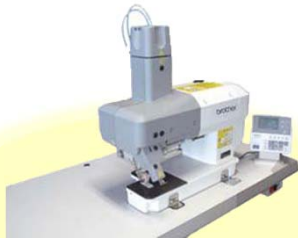
<P&H> Releasing embroidery sewing machine equipped with industry's first function for expert users



Innov-is V7

- Slender body allows wider sewing space (about 29cm width)
- Able to set a stitch width with one touch of a button using an ultrasonic pen
- Laser guide line helps users to sew in a straight line

<M&S> Releasing the world first adhesive base bonding machine



Bonding machine
BM-1000

- High productivity by applying glue and pressing in one process
- Strong and Stable using Special Glue
- User-friendly Operation like a Sewing Machine

<N&C>A new flagship model "JOYSOUND f1" created by utilizing technology and know-how of JOYSOUND and UGA was launched.



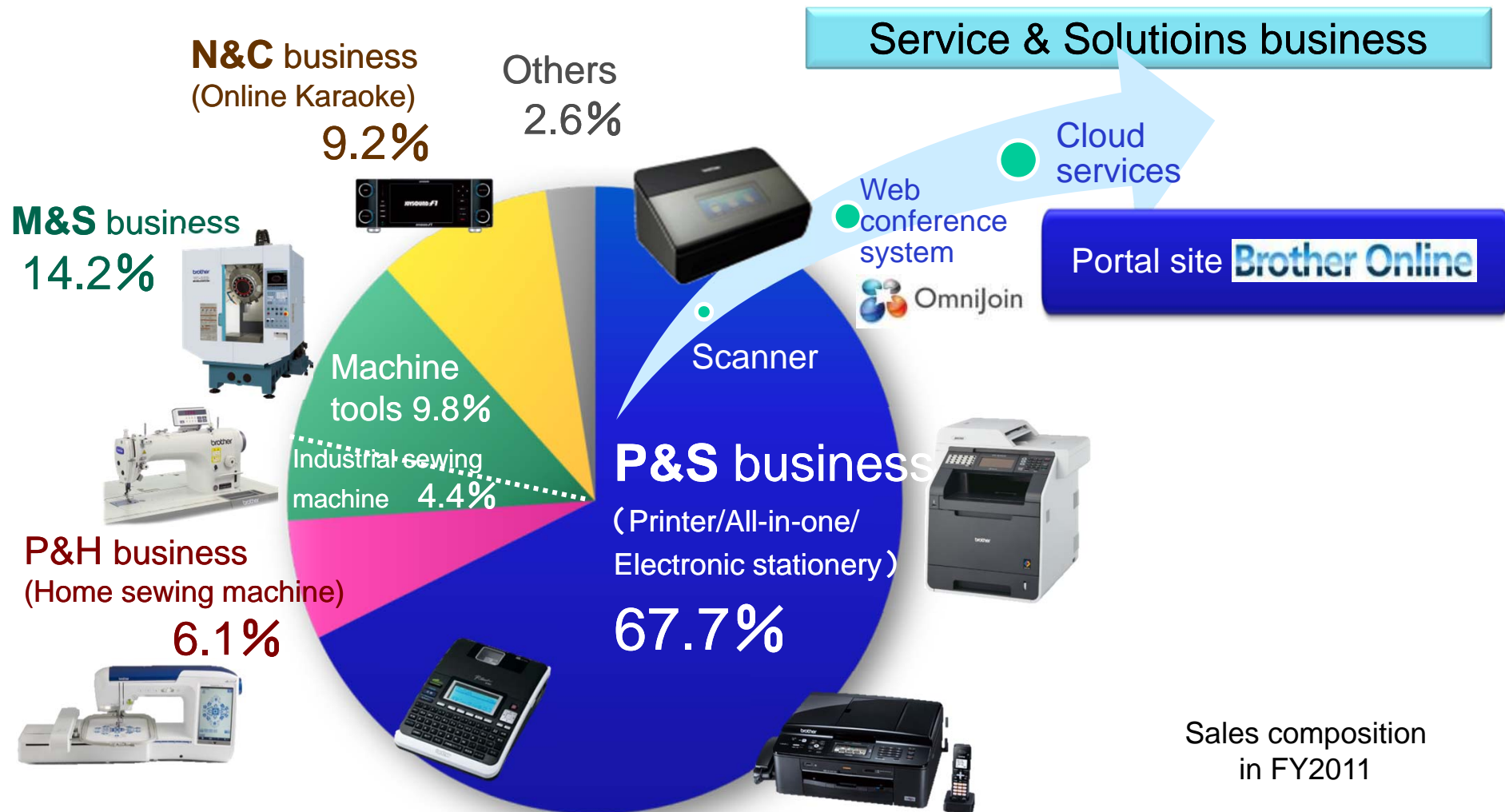
Online Karaoke
JOYSOUND f1

- Displays 200,000 songs which is the largest number in karaoke industry
- Largely enhanced entertainment function such as "Collaborative Animation Movies" of "Utasuki" function
- Able to play a guitar using a special device

Re-establishing an organization for expanding our new business

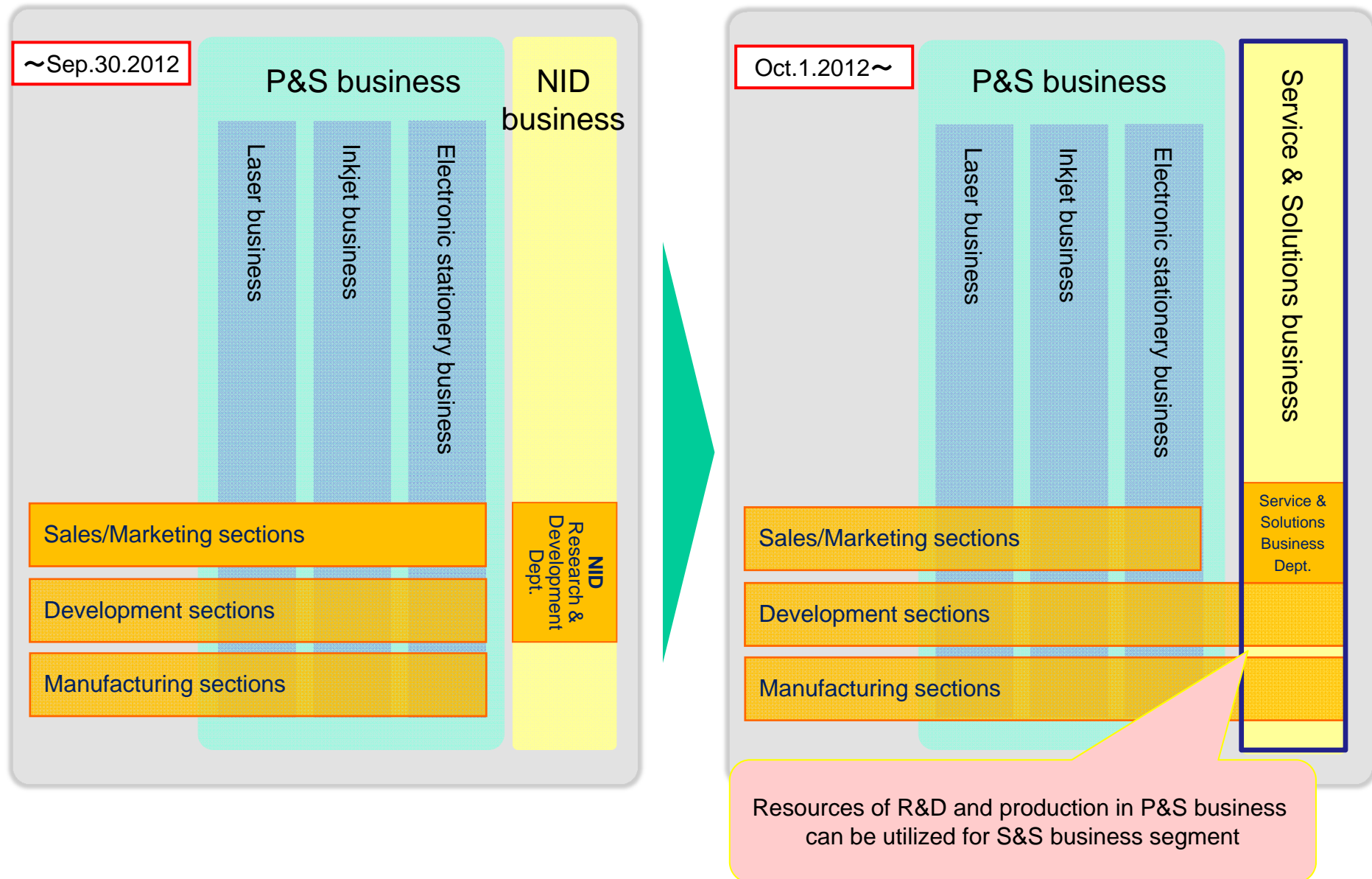


Enhancing the Service and Solutions Business in addition to the Printing Business.



Sales composition in FY2011

Re-establishing an organization for expanding our new business

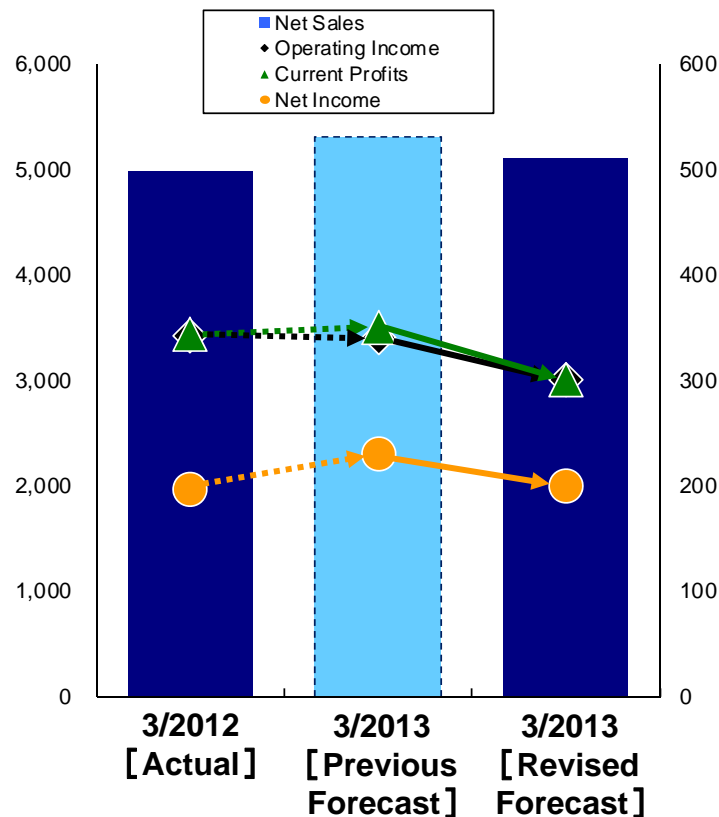


Forecast for FY2012(ending March 31,2013)



(100 Millions of Yen)

Net Sales Profits



USD	79.30	80.07	78.74
EUR	110.17	104.01	100.62

(w/o forex impact)[100 Millions of Yen]

	3/2013 Forecast	Year-on-Year Changes		Changes to Previous Forecast	
Net Sales	5,100	4,974	126 2.5% (+4.9%)	5,300	-200 -3.8%
Operating Income	300	342	-42 -12.2%	340	-40 -11.8%
Current Profits	300	344	-44 -12.7%	350	-50 -14.3%
Net Income	200	195	+5 +2.4%	230	-30 -13.0%

◆ Highlights of Comparison with Previous Forecasts

- ✓ Due to the economic slowdown in the Europe and Asia and revised Euro exchange rate, forecasts of sales and profits have been revised downwards.
- ✓ Sales forecast of Communications & Printing equipment in the Europe and Asia was reduced. Sales forecast of Industrial Sewing Machine has decreased due to tough market conditions.
- ✓ Operating income was revised downwards mainly due to strong Yen exchange rate and decreased sales forecasts of P&S, M&S .

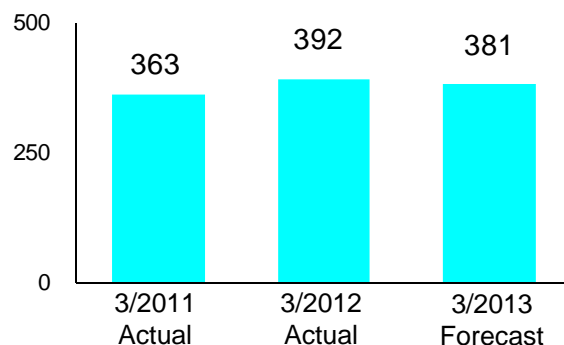
Promoting growth strategy based on the Mid-Term Business Strategy

- <P&S> Launching new products in each region and the development of new models for emerging countries by continuing and promoting research and development for the business growth
- <M&S> Aim to receive steady orders while monitoring economic trends
- <N&C> Aiming for sales expansion with new online karaoke models
- <New Business> Establishing business structure and business promotion

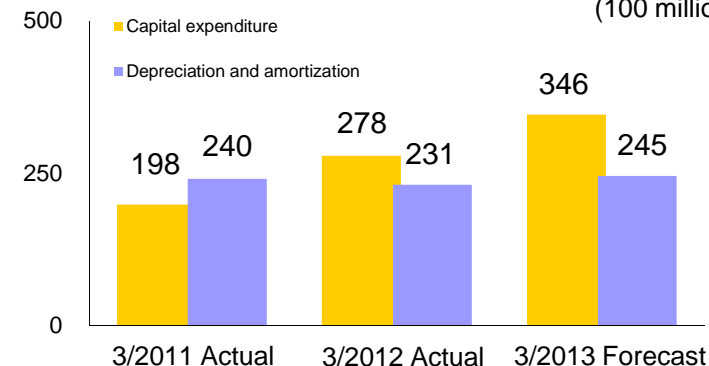
Promote and strengthen “Development/Production” structure to support business growth and profit

- ◆ Continue R&D investment for business growth
- ◆ Make investment to enhance production infrastructure and improve safety & disaster prevention

•R&D expenses
(100 Million of yen)



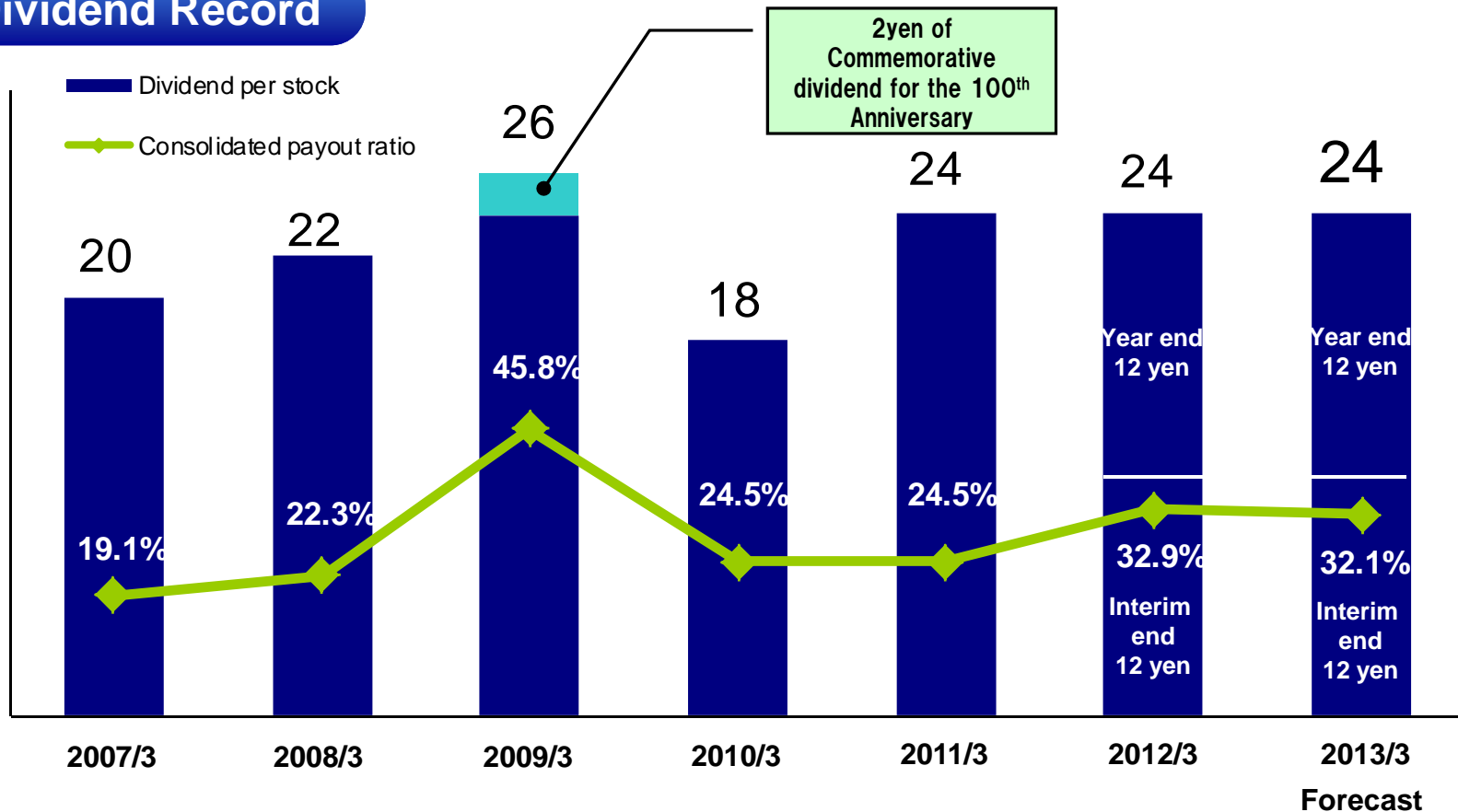
•Capital expenditure/Depreciation and amortization
(100 million of yen)



Dividend and Payout ratio

Basic policy remains unchanged with consolidated payout ratio of about 30%
 Dividends forecast for 2nd half of 3/2013 are unchanged from 1st half of 3/2013

Dividend Record



Details of Financial Results for First Half & Second Quarter

(ended September 30, 2012)

and Forecasts for FY2012

(ending March 31, 2013)

Consolidated Results for FY2012 (ending March 31, 2013) < FY2012 1H (6-month Results) >



(100 Millions of Yen)

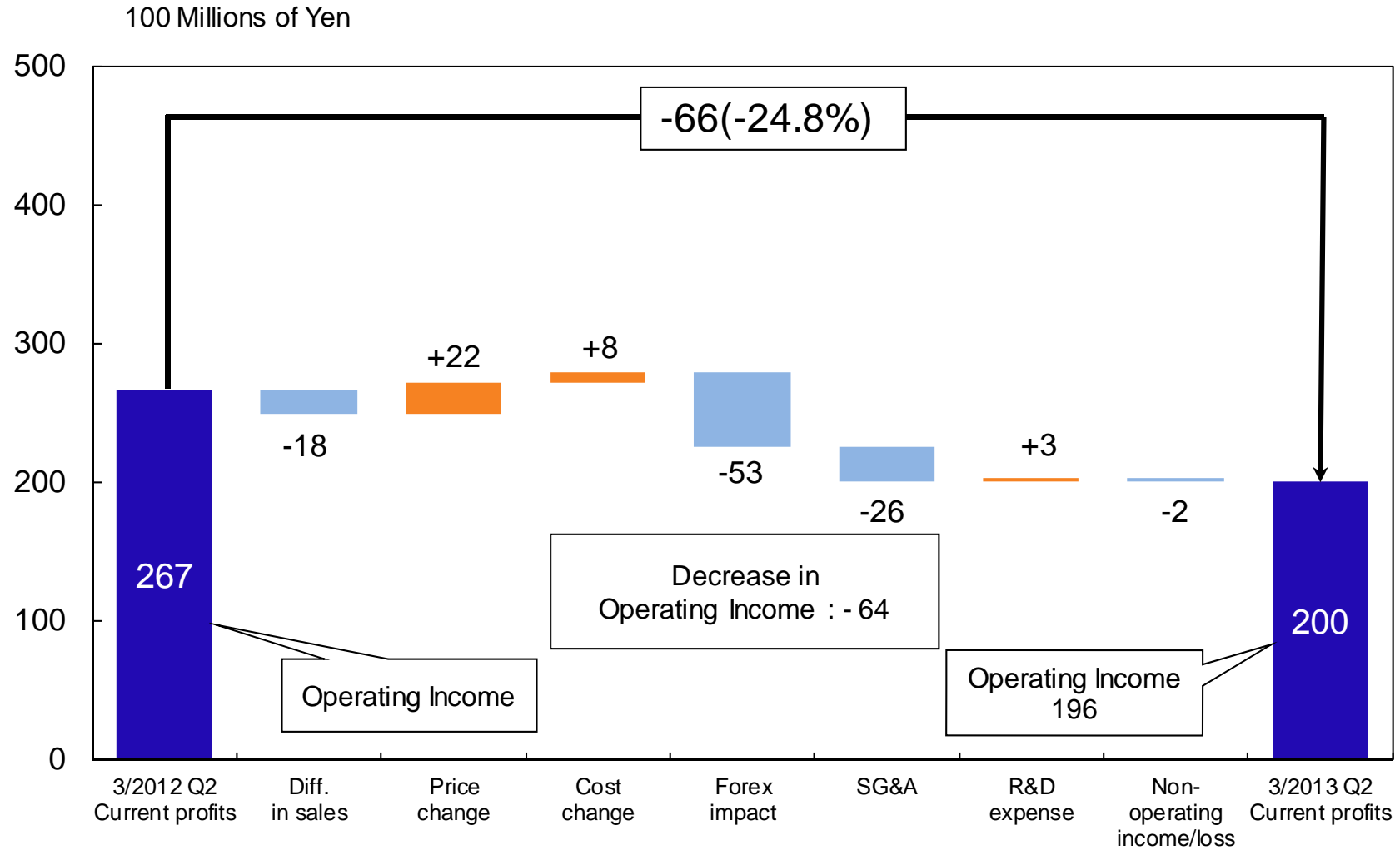
	Six months ended Sep. 30, 2012			
	1H 3/2013 [Actual]	1H 3/2012 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	2,445	2,466	-20	-0.8% (+2.7%)
Operating Income	196	260	-64	-24.6%
Operating Income Ratio	8.0%	10.6%	-2.5%	
Non-operating Income (Loss)	4	7	-2	
Current Profits	200	267	-66	-24.8%
Extraordinary Income (Loss)	-7	5	-13	
Income Taxes	45	137	-92	
Net Income	148	136	13	9.5%

(Yen)

Exchange Rates	USD	79.43	79.73	-0.30
	EUR	101.12	114.09	-12.97

- Despite the negative impact from forex and a sharp decrease in sales in industrial sewing machines due to market deterioration, overall sales have remained at the same level to the previous year with steady sales growth in machine tools and online karaoke business.
- Operating income has decreased mainly due to a negative impact from forex.
- Net income increased due to a decrease of income tax caused by tax effect accounting.

Main Factors for Changes in Current Profits < FY2012 1H (6-month Results) >



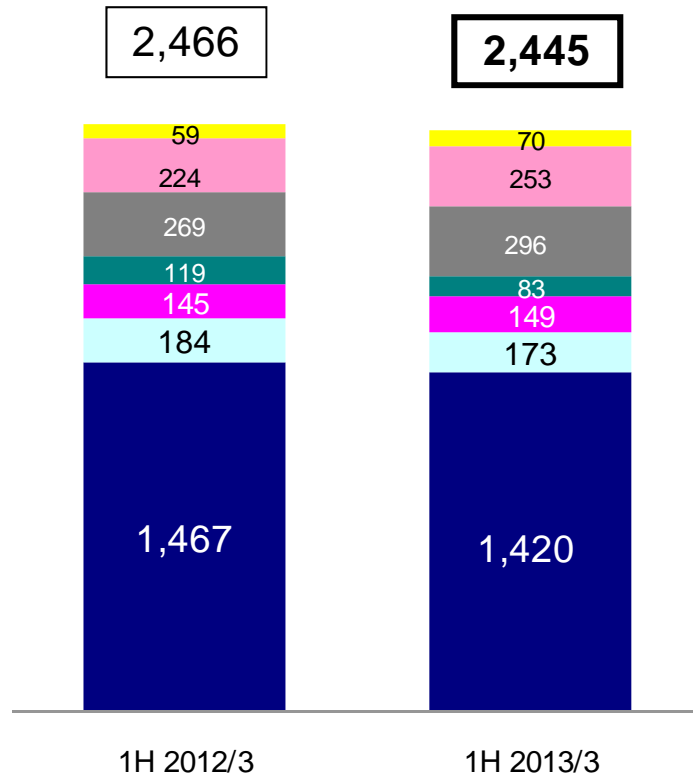
Consolidated Results for FY2012 1H (6-month Results)

Sales and Operating Income by Business Segment



Net Sales

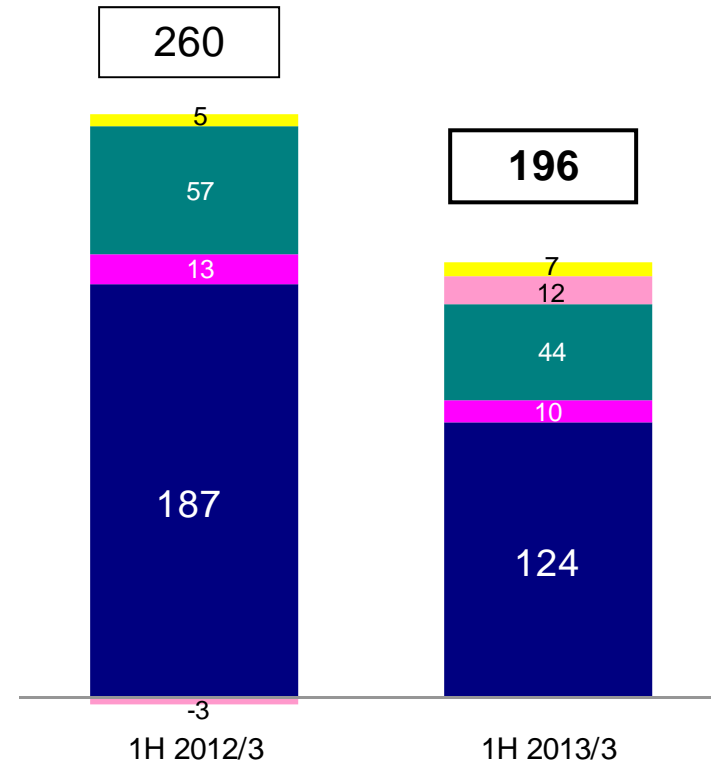
(100 Millions of Yen)



- 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

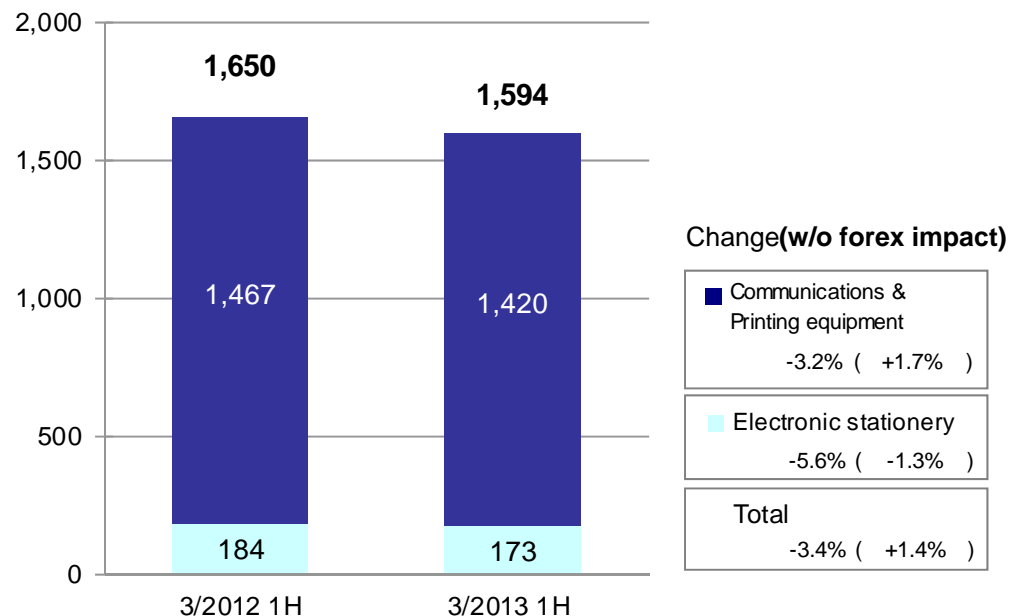
Printing & Solutions Sales & Operating Income

< FY2012 1H(6-month Results) >



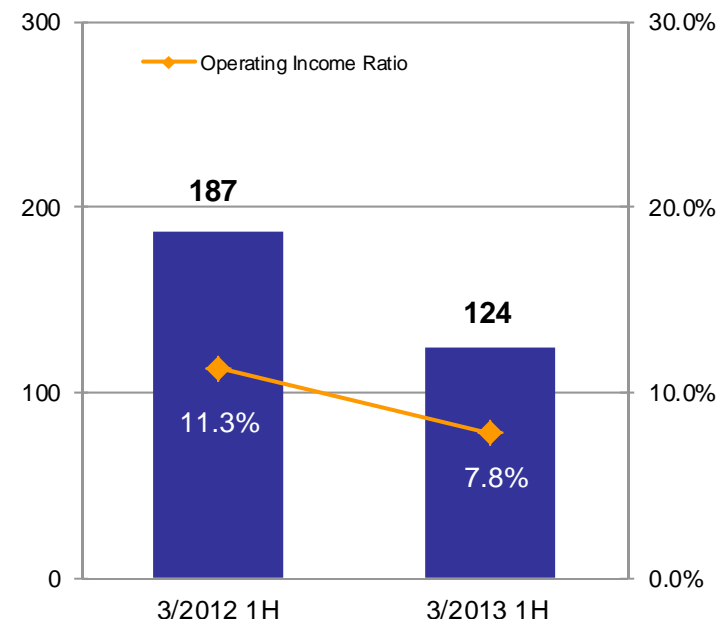
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2012 1H	3/2013 1H	Change (w/o forex impact)
Americas	505	540	+7.0% (+9.8%)
Europe	542	464	-14.3% (-4.3%)
Asia & Others	211	199	-5.6% (-4.4%)
Japan	209	217	+3.8% (+3.8%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 1H	3/2013 1H	Change (w/o forex impact)
Americas	87	83	-5.1% (-3.2%)
Europe	57	51	-9.8% (+0.9%)
Asia & Others	21	20	-2.6% (-2.2%)
Japan	19	19	+1.6% (+1.6%)

➤ Although sales in the Americas have shown a steady increase, sales in the Europe, Asia & Others have decreased due to tough market conditions.

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

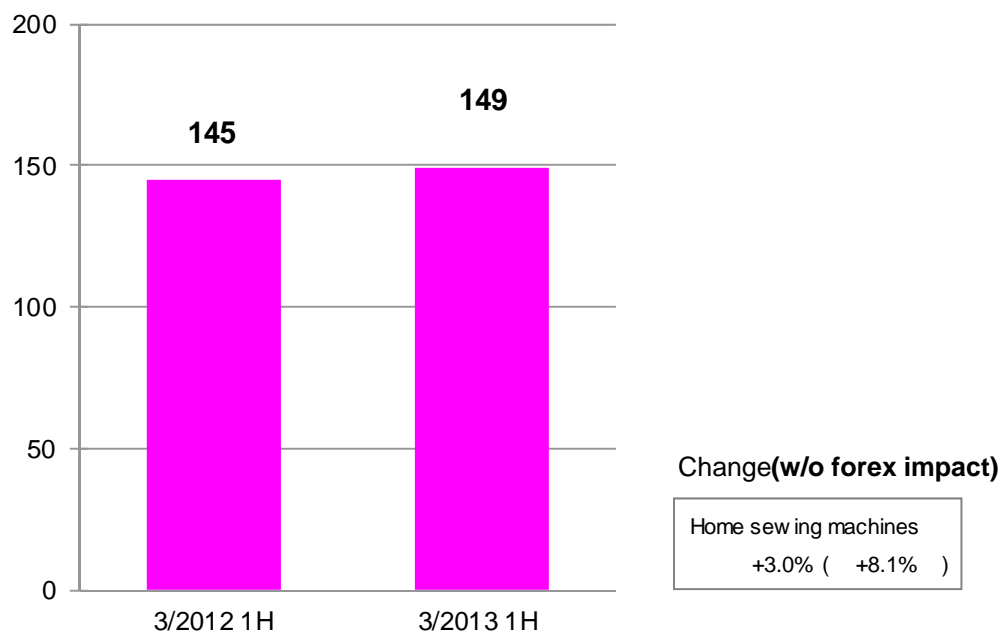
Personal & Home Sales & Operating Income

< FY2012 1H(6-month Results) >



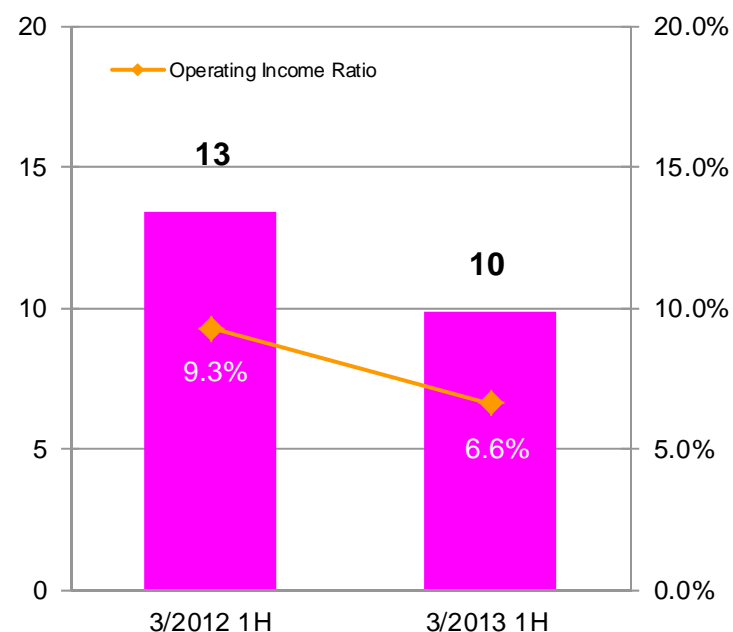
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 1H	3/2013 1H	Change (w/o forex impact)
Americas	71	73	+2.6% (+5.8%)
Europe	32	36	+11.2% (+26.2%)
Asia & Others	14	13	-5.5% (-3.8%)
Japan	28	27	-1.2% (-1.2%)

- Sales have shown steady growth mainly in Europe and the Americas.
- Although sales have increased, operating income decreased due to a negative impact from forex and an increase in costs.

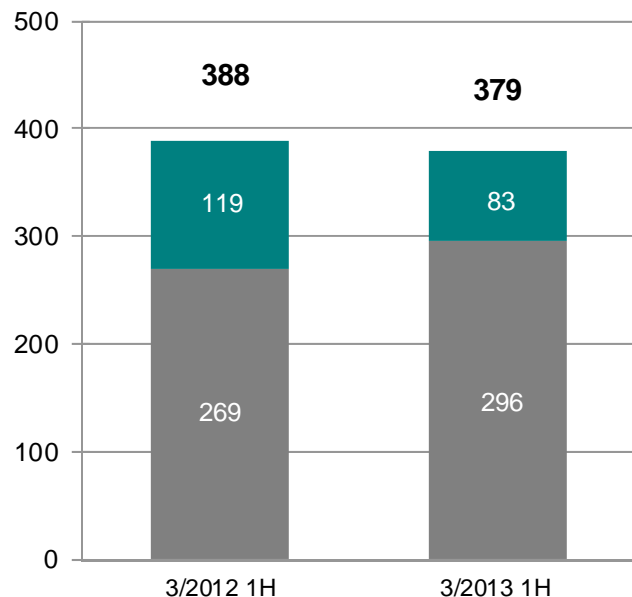
Machinery & Solution Sales & Operating Income

< FY2012 1H(6-month Results) >



Net Sales

(100 Millions of Yen)

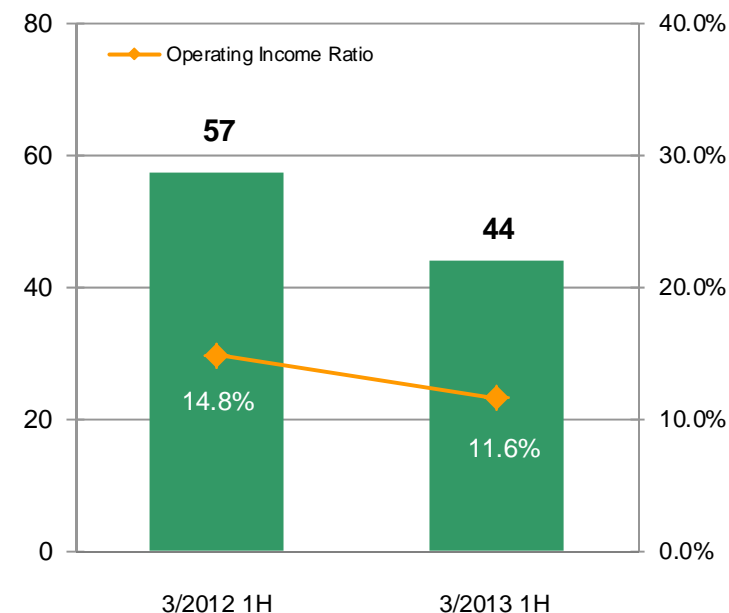


Change(w/o forex impact)

Industrial sewing machines	-30.1% (-28.7%)
Machine tools	+9.9% (+9.3%)
Total	-2.3% (-2.3%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 1H	3/2013 1H	Change (w/o forex impact)
Americas	17	16	-2.4% (-1.6%)
Europe	18	13	-26.7% (-16.8%)
Asia & Others	81	51	-37.2% (-37.5%)
Japan	3	3	-11.9% (-11.9%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2012 1H	3/2013 1H	Change
Americas	8	10	+16.0%
Europe	11	6	-47.6%
Asia & Others	226	253	+12.2%
Japan	24	27	+13.7%

➤ Although sales of Machine tools grew steadily mainly for IT products manufacturers, sales of industrial sewing machines have decreased due to tough market condition.

➤ Operating income of industrial sewing machine has decreased due to the impact of the decline in sales of 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.

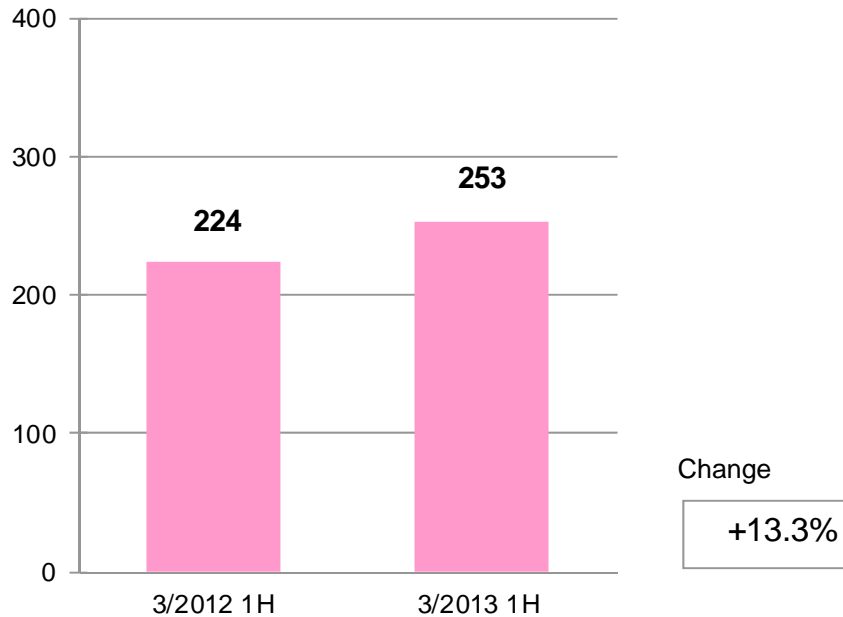
Network & Contents Sales & Operating Income

< FY2012 1H(6-month Results) >



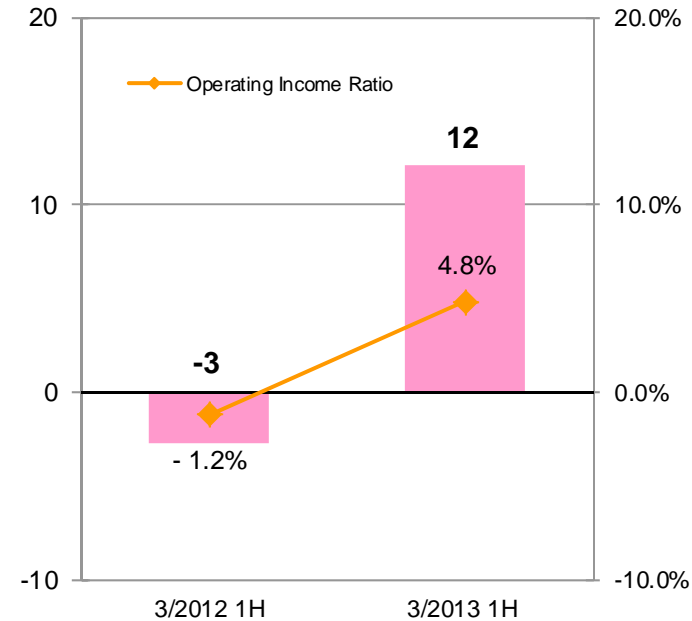
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- Sales has increased due to the steady sales growth of new online karaoke models.
- Operating income has moved into the black due to the increase in sales.

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

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

(100 Millions of Yen)

	3/2013 [Forecast] (A)	3/2012 [Actual] (B)	Change (A - B)	Rate of Change (w/o forex impact) (A/B - 1)	3/2013 [Previous Forecast] (C)	Rate of Change (A/C - 1)
Net Sales	5,100	4,974	126	2.5% (+4.9%)	5,300	-3.8%
Operating Income	300	342	-42	-12.2%	340	-11.8%
Operating Income Ratio	5.9%	6.9%	-1.0%		6.4%	
Non-operating Income (Loss)	0	2	-2		10	
Current Profits	300	344	-44	-12.7%	350	-14.3%
Extraordinary Income (Loss)	-10	-2	-8		-10	
Income Taxes	90	146	-56		110	
Net Income	200	195	5	2.4%	230	-13.0%

(Yen)

Exchange Rates	USD	78.74	79.30	-0.56	80.07
	EUR	100.62	110.17	-9.55	104.01

* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2013 are USD=78.00 yen and EUR=100.00 yen.

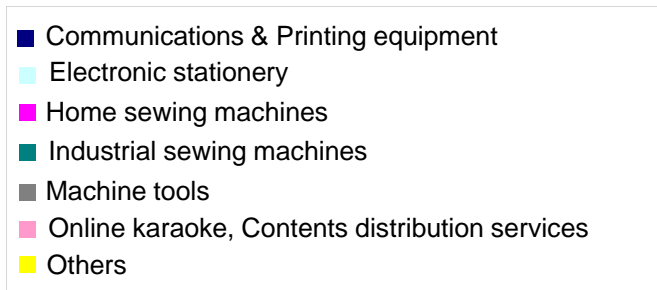
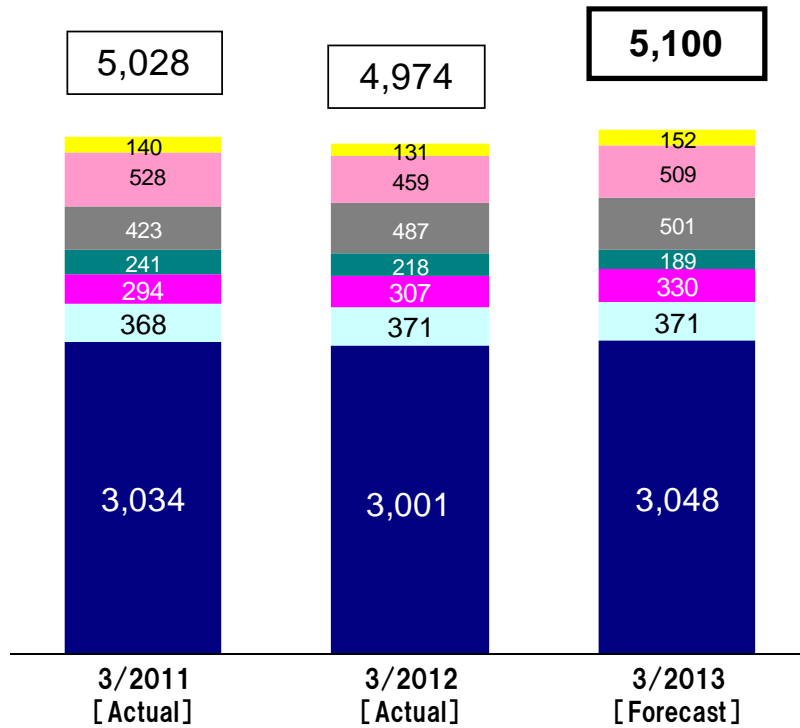
* The above "Exchange Rates" for the fiscal year ending March 31, 2013 are the average rates for the year.

- Despite a negative impact from forex, sales are expected to increase in total except for sales in industrial sewing machines.
- Operating income is expected to decrease mainly due to a negative impact from forex, and reduced sales of industrial sewing machines.

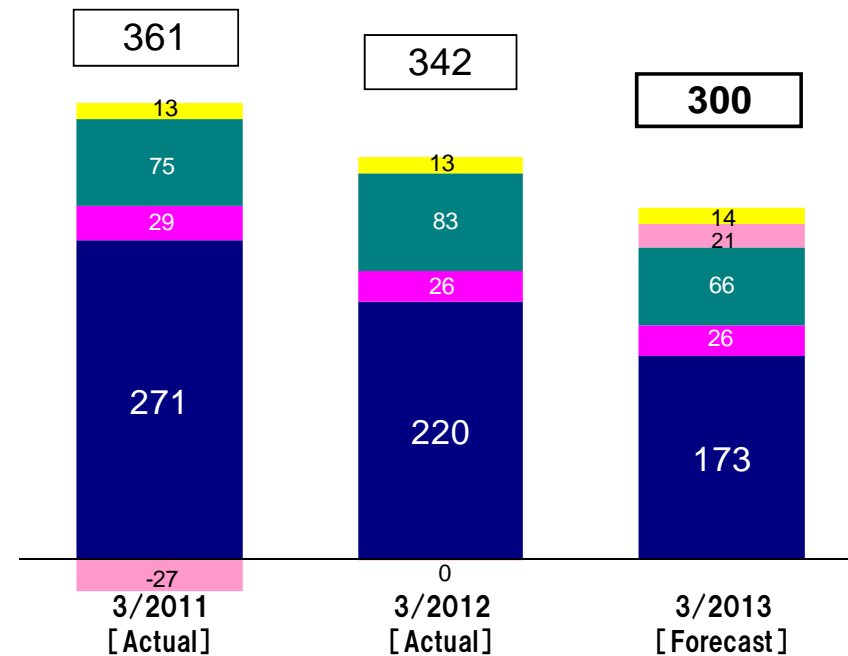
Consolidated Forecast for FY2012 (ending March 31, 2013) Sales and Operating Income by Business Segment



Net Sales (100 Millions of Yen)



Operating Income (100 Millions of Yen)



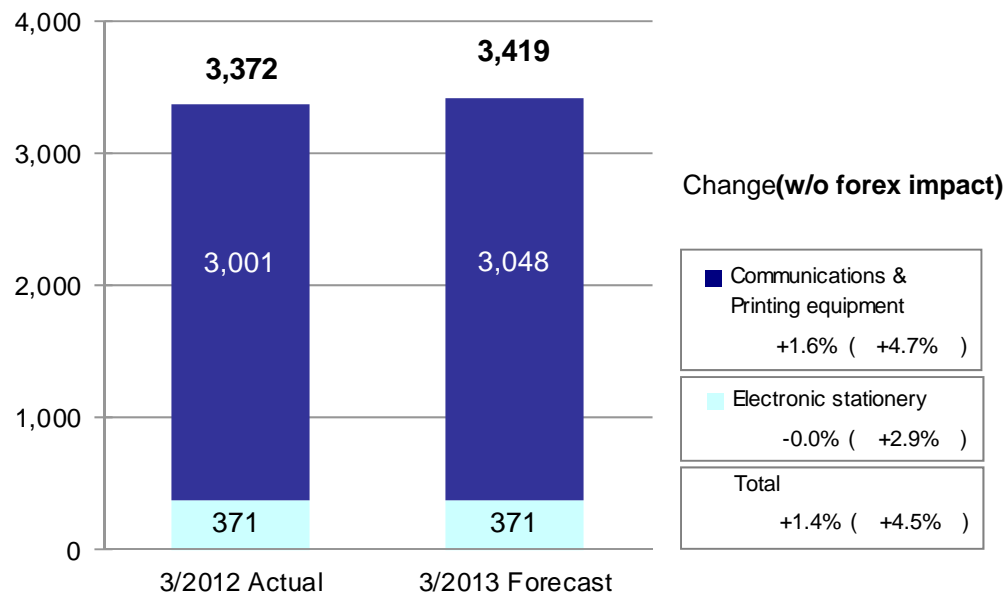
Printing & Solutions Sales & Operating Income

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



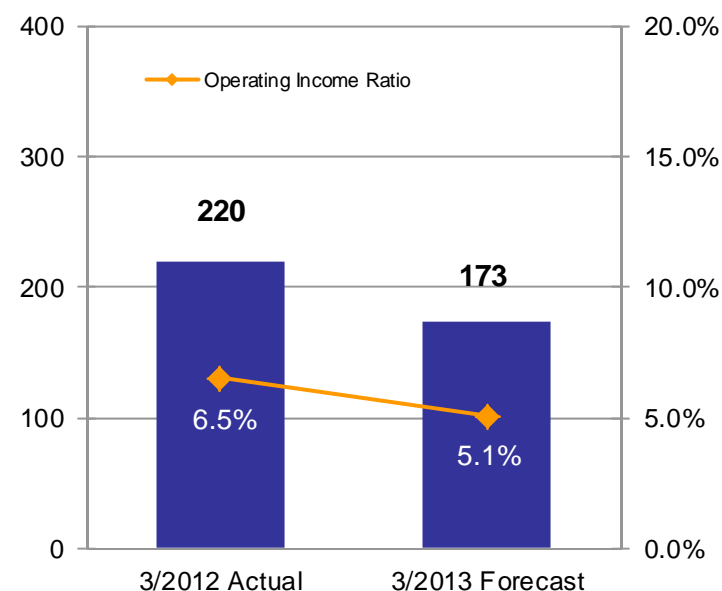
Net Sales

(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	1,141	+9.2% (+11.0%)
Europe	1,129	1,030	-8.8% (-2.2%)
Asia & Others	399	407	+1.9% (+2.4%)
Japan	427	470	+10.0% (+10.0%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	176	175	-0.5% (+0.8%)
Europe	116	111	-4.3% (+2.9%)
Asia & Others	43	42	-1.5% (-1.4%)
Japan	36	43	+17.8% (+17.8%)

- Sales are expected to increase mainly due to steady growth in the Americas.
- Operating income is expected to decrease due to a negative impact from forex and an increase in depreciation and amortization expense.

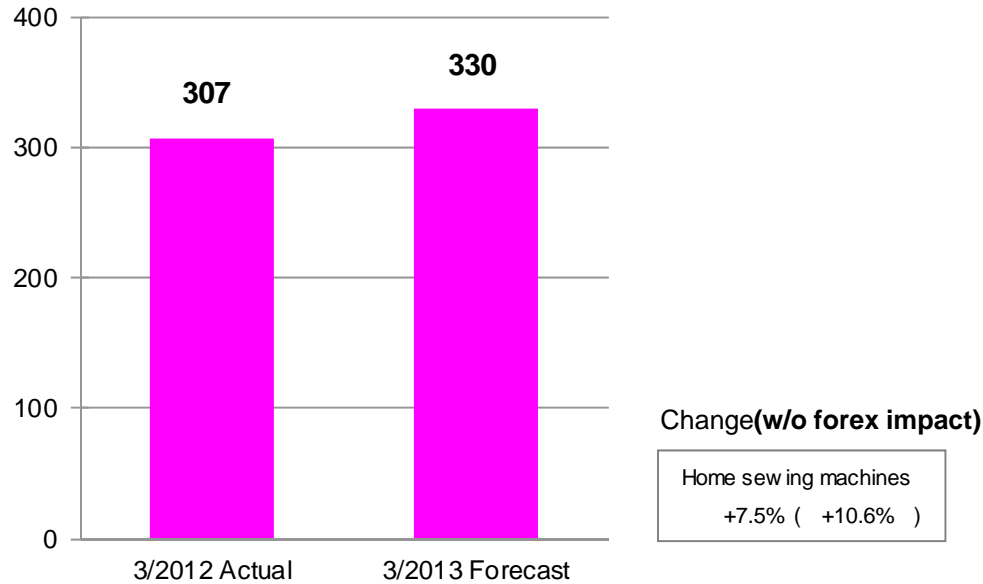
Personal & Home Sales & Operating Income

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



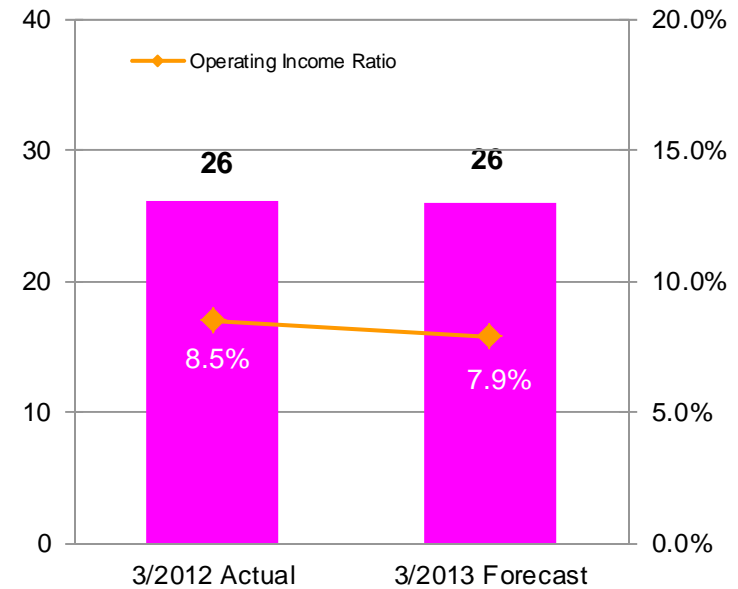
Net Sales

(100 Millions of Yen)



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	165	+11.9% (+13.8%)
Europe	70	72	+3.4% (+12.8%)
Asia & Others	29	29	+1.6% (+2.1%)
Japan	61	64	+4.3% (+4.3%)

- Sales are expected to increase steadily mainly in the Americas and Europe.
- Operating income is expected to remain at a level similar to the last year.

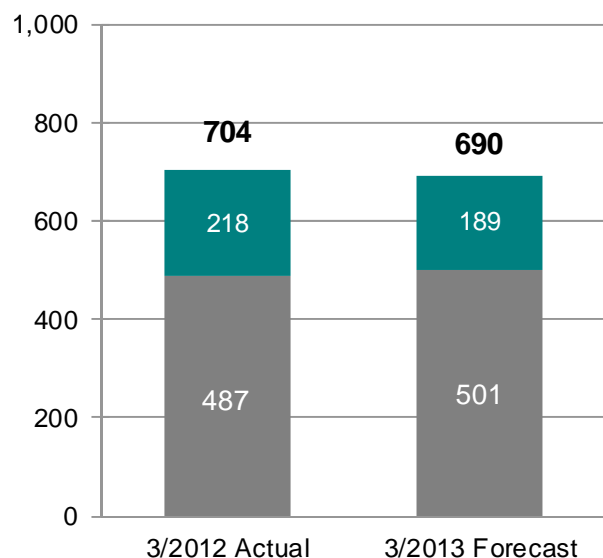
Machinery & Solution Sales & Operating Income

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



Net Sales

(100 Millions of Yen)

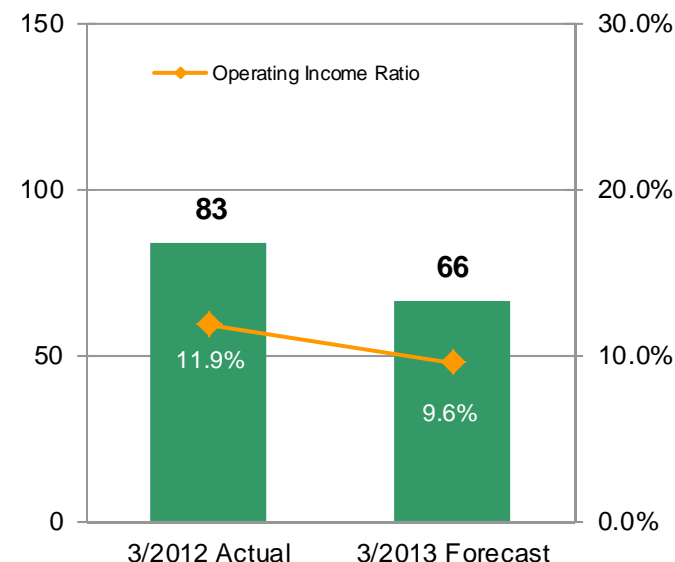


Change(w/o forex impact)

Industrial sewing machines	-13.1% (-11.7%)
Machine tools	+2.9% (+2.7%)
Total	-2.0% (-1.8%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	31	31	-1.2% (-0.5%)
Europe	30	30	+0.6% (+9.2%)
Asia & Others	151	124	-17.6% (-17.5%)
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	-9.0%
Europe	15	11	-30.3%
Asia & Others	404	422	+4.5%
Japan	50	52	+4.3%

- Sales are expected to show a slight decrease due to the market deterioration of industrial sewing machines.
- Operating income is expected to reduce due to the impact of decreasing sales of 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.

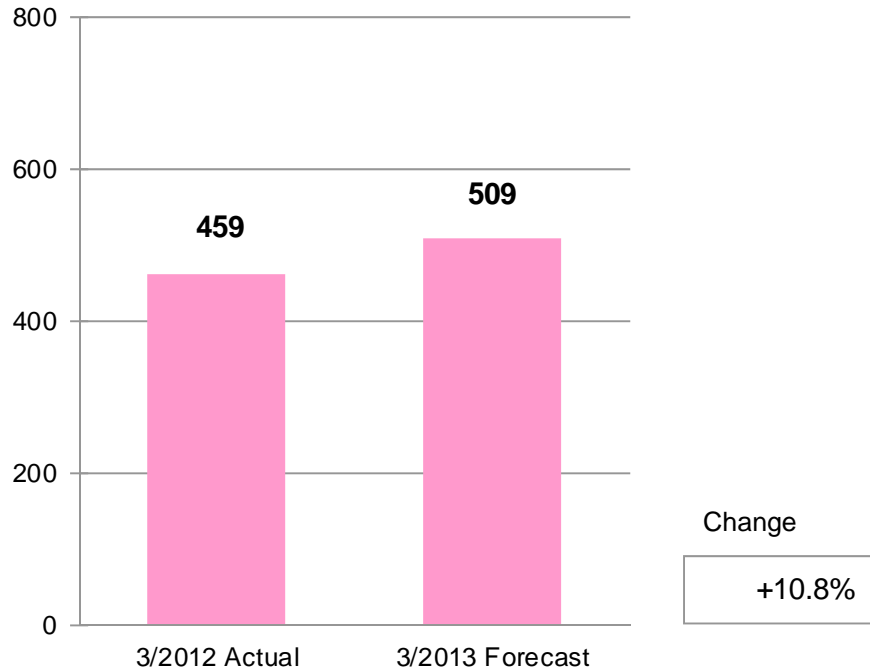
Network & Contents Sales & Operating Income

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



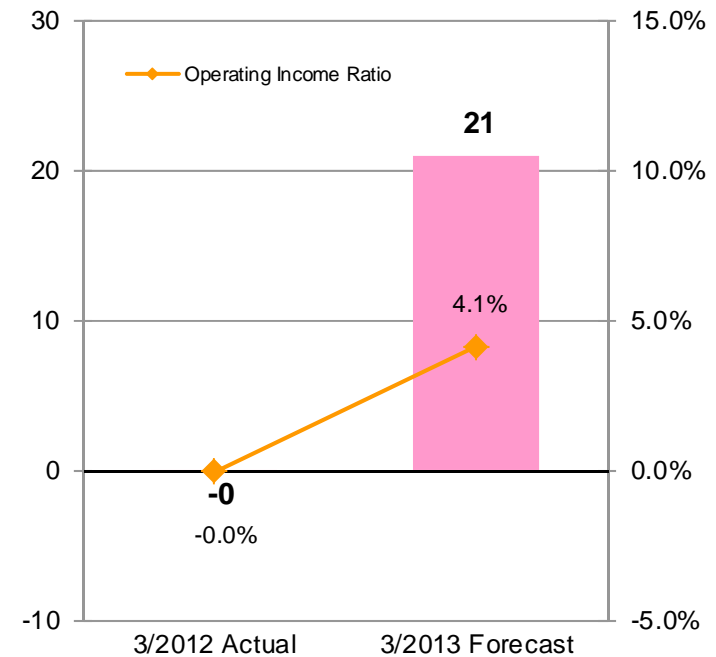
Net Sales

(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) Consolidated Results for FY2012(ending March 31,2013)
 < FY2012 Q2(3-month Results) >



(100 Millions of Yen)

	[Reference data] Three months ended Sep. 30, 2012			
	Q2 3/2013 [Actual]	Q2 3/2012 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,239	1,238	1	0.1% (+2.6%)
Operating Income	81	118	-37	-31.5%
Operating Income Ratio	6.5%	9.5%	-3.0%	
Non-operating Income (Loss)	-3	3	-6	
Current Profits	78	121	-43	-35.4%
Extraordinary Income (Loss)	-4	-3	0	
Income Taxes	29	48	-19	
Net Income	45	70	-24	-35.0%

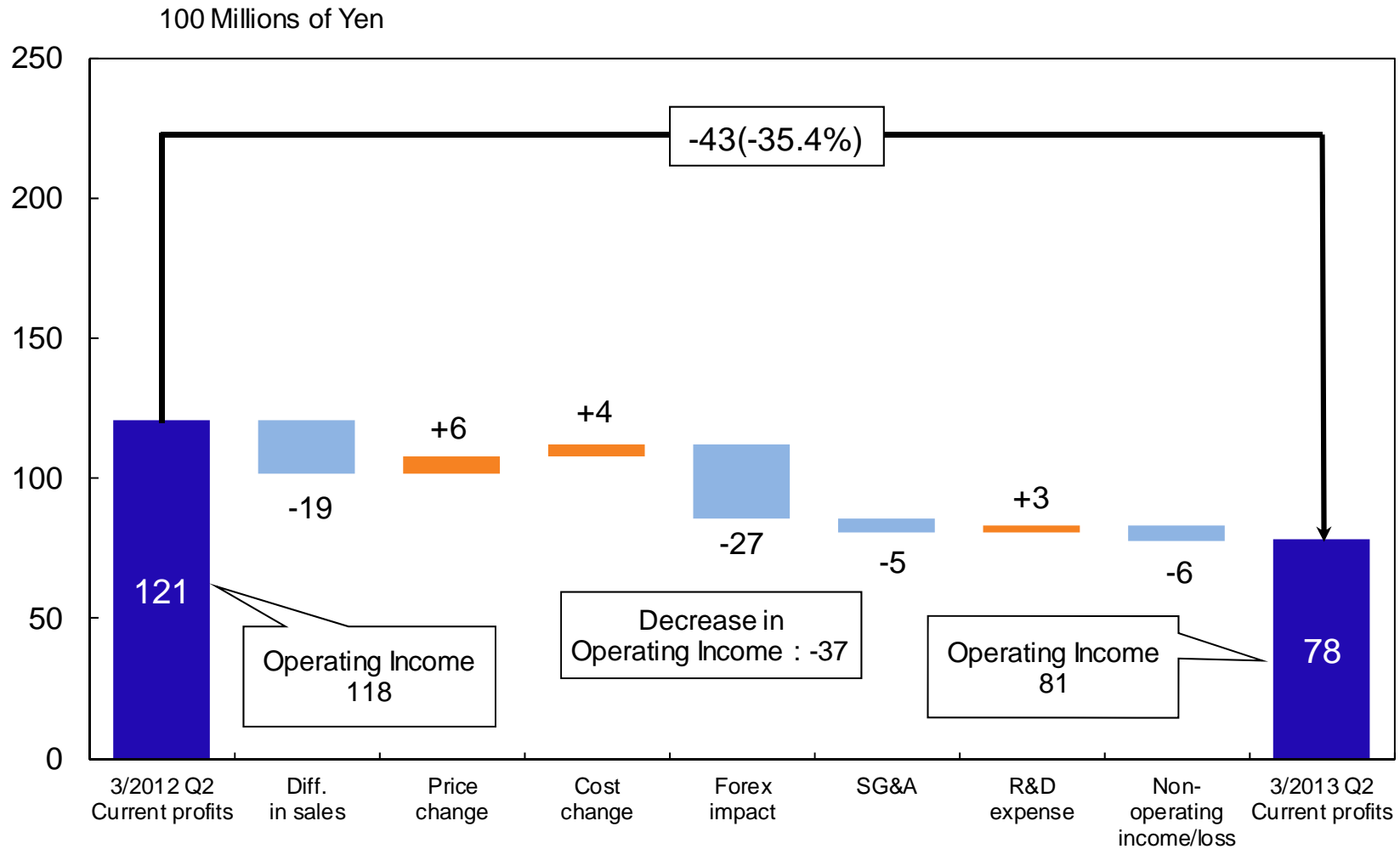
(Yen)

Exchange Rates	USD	78.42	77.99	0.43
	EUR	98.30	110.76	-12.46

- Despite the negative impact from forex and a sharp decrease in sales in industrial sewing machines due to market deterioration, overall sales have remained at the same level to same period last year with steady sales growth in machine tools and online karaoke business.
- Operating income decreased due to a negative impact from forex and reduced sales of industrial sewing machines.

Main Factors for Changes in Current Profits

< FY2012 Q2 (3-month Results) >

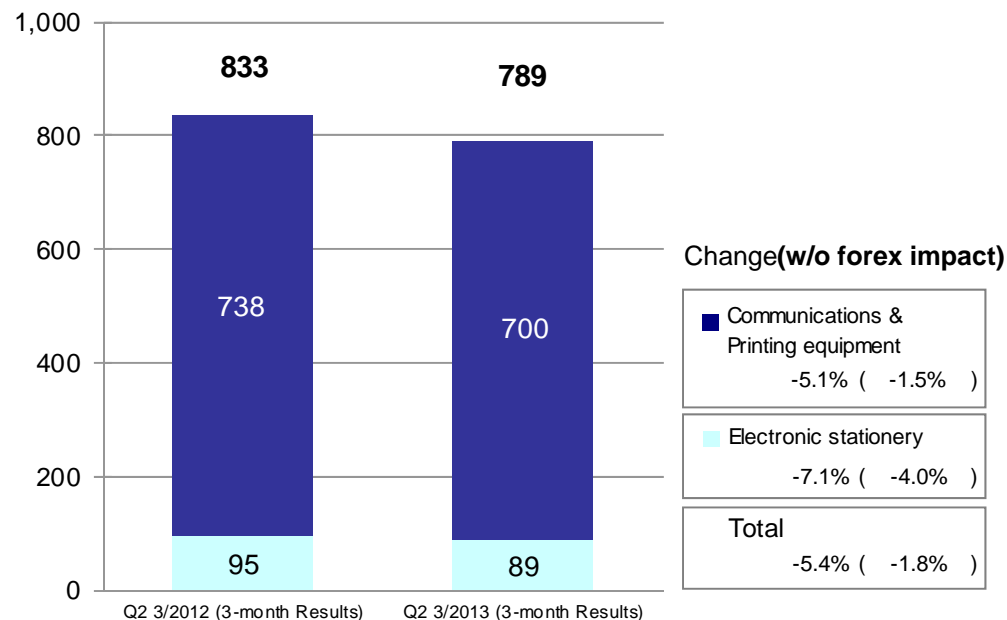


(Reference) Printing & Solutions Sales & Operating Income < FY2012 Q2(3-month Results) >



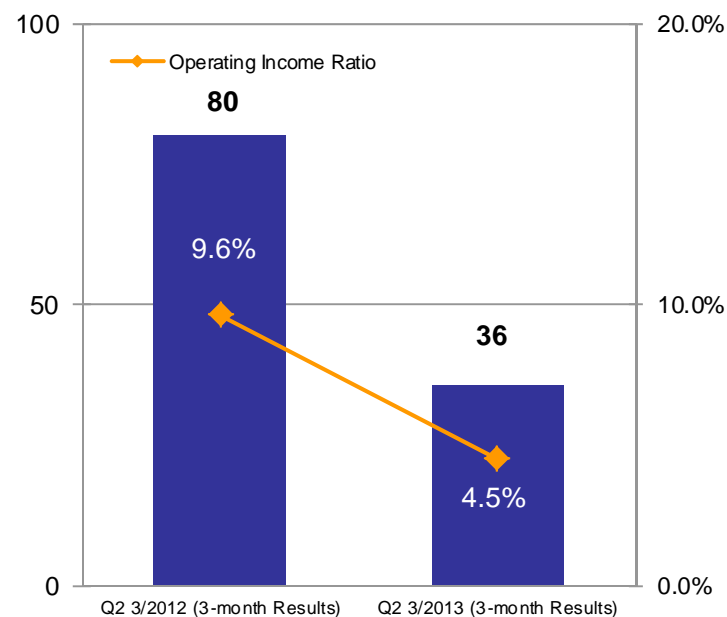
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q2 3/2012 (3-month Results)	Q2 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	259	271	+4.7% (+5.9%)
Europe	265	221	-16.5% (-7.5%)
Asia & Others	105	97	-8.1% (-8.0%)
Japan	109	111	+1.9% (+1.9%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

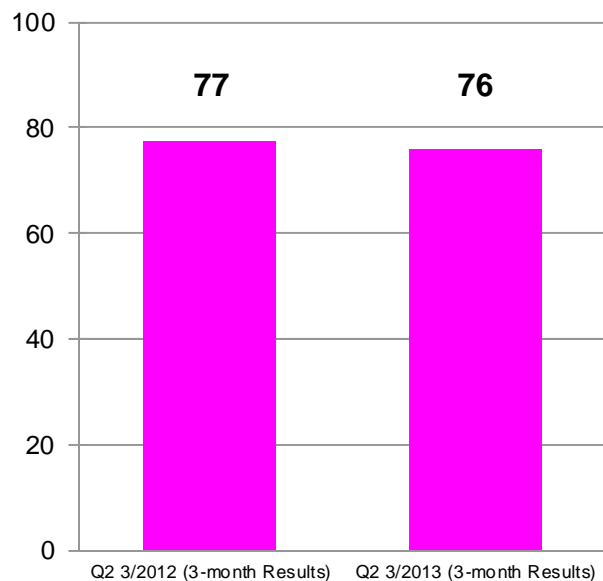
	Q2 3/2012 (3-month Results)	Q2 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	45	42	-7.4% (-6.9%)
Europe	29	26	-10.2% (-0.2%)
Asia & Others	10	10	-5.9% (-6.4%)
Japan	11	11	+0.5% (+0.5%)

(Reference) Personal & Home Sales & Operating Income < FY2012 Q2(3-month Results) >



Net Sales

(100 Millions of Yen)

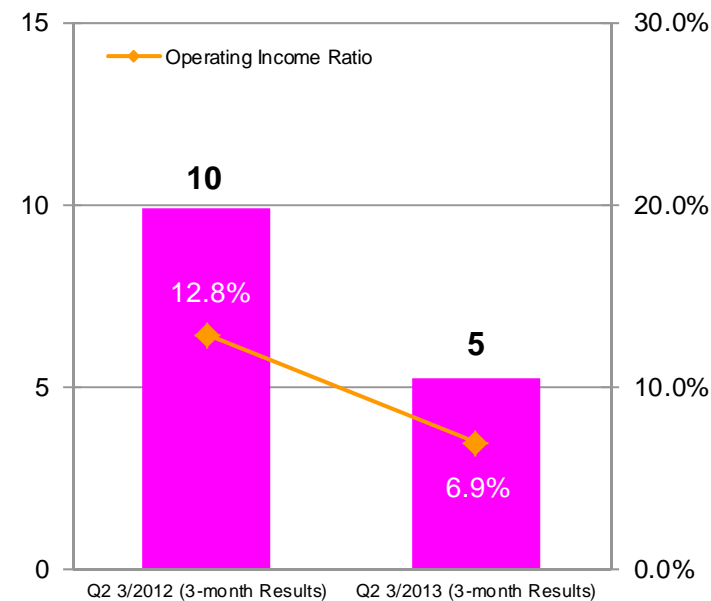


Change(w/o forex impact)

Home sewing machines	-2.0% (+1.6%)
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Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

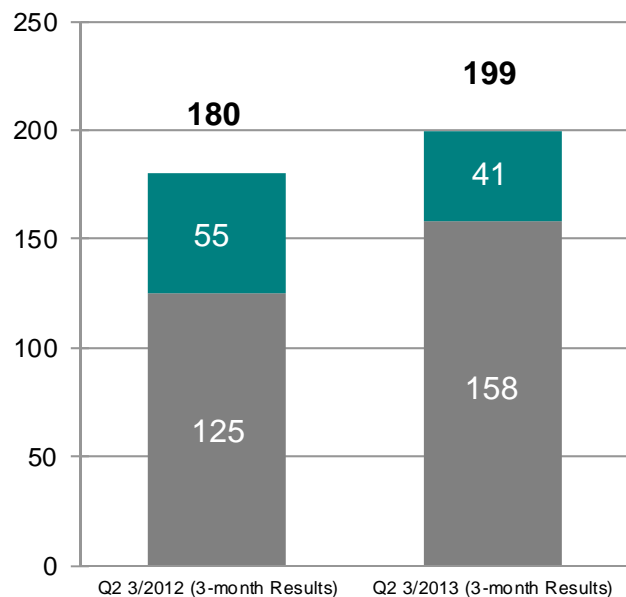
	Q2 3/2012 (3-month Results)	Q2 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	39	39	-0.5% (+1.2%)
Europe	18	17	-4.4% (+7.7%)
Asia & Others	7	7	-5.8% (-5.4%)
Japan	14	13	-1.4% (-1.4%)

(Reference) Machinery & Solution Sales & Operating Income < FY2012 Q2(3-month Results) >



Net Sales

(100 Millions of Yen)

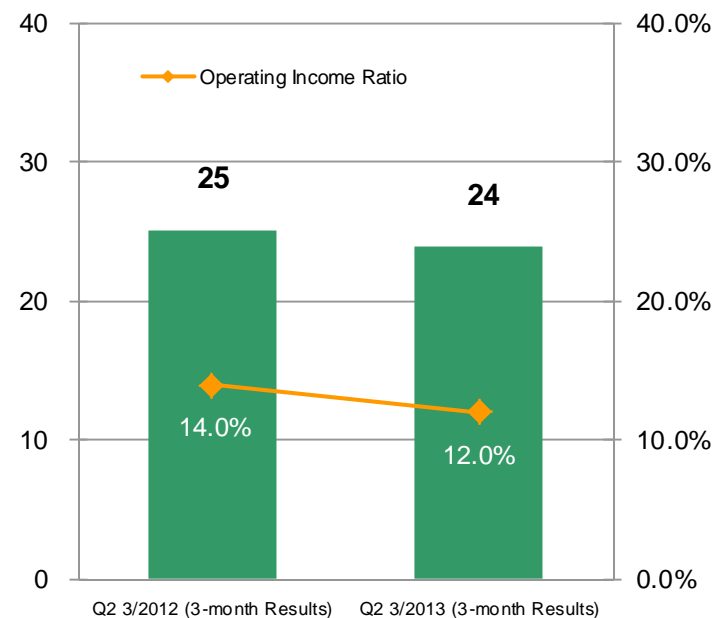


Change(w/o forex impact)

Industrial sewing machines	-24.1% (-23.2%)
Machine tools	+26.1% (+25.2%)
Total	+10.9% (+10.5%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q2 3/2012 (3-month Results)	Q2 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	8	8	-8.1% (-8.5%)
Europe	7	6	-15.7% (-5.0%)
Asia & Others	37	26	-29.9% (-30.7%)
Japan	2	1	-10.6% (-10.6%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q2 3/2012 (3-month Results)	Q2 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	3	4	+23.7%
Europe	5	2	-53.6%
Asia & Others	103	139	+34.7%
Japan	14	13	-8.6%

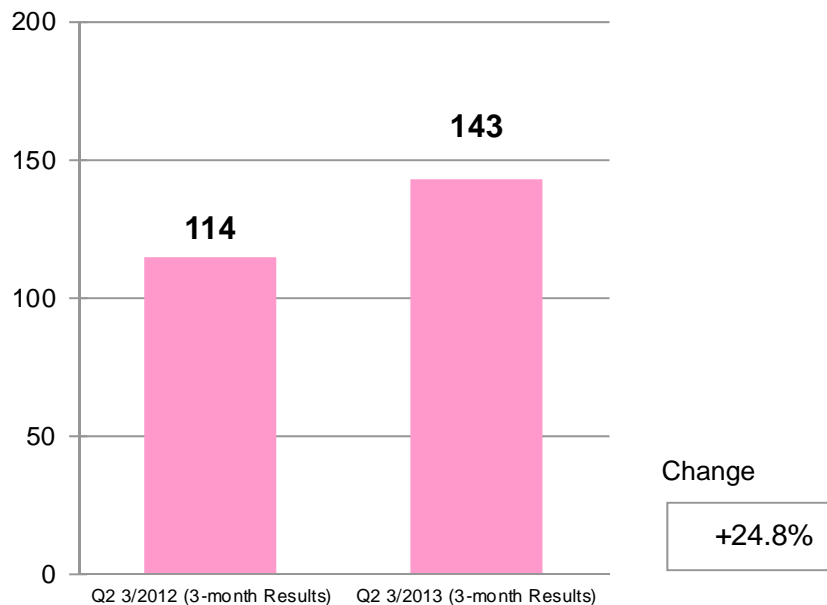
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

(Reference) Network & Contents Sales & Operating Income < FY2012 Q2(3-month Results) >



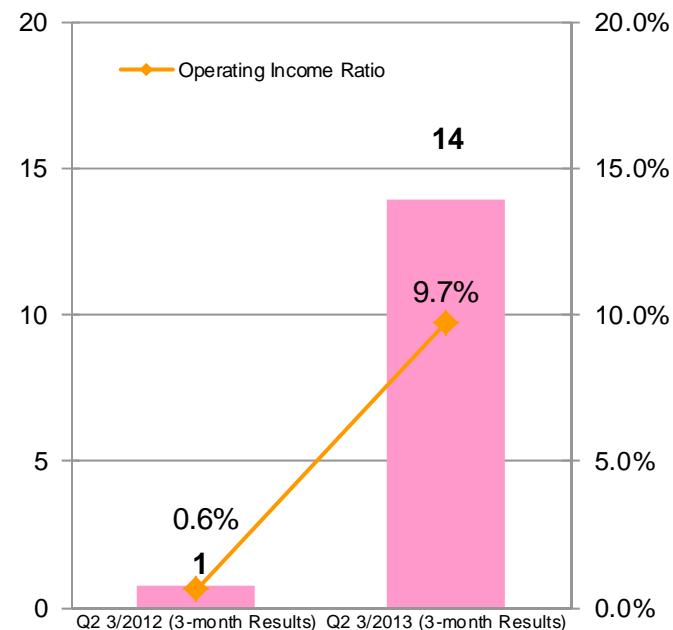
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



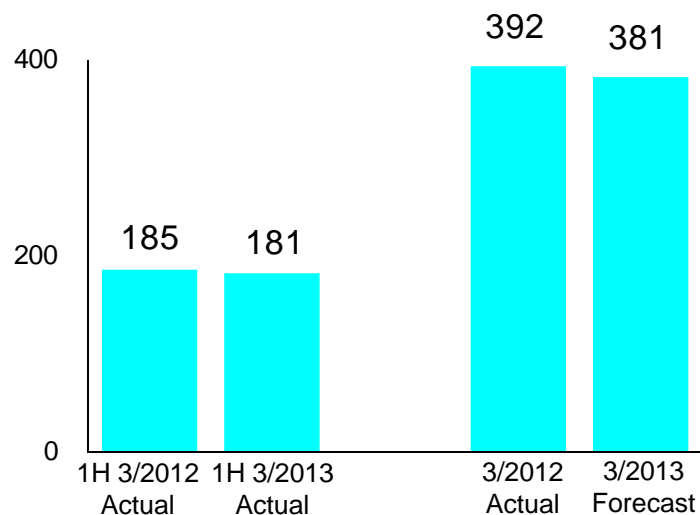
- Regional sales breakdown for “Network & Contents” is not referred here because majority of sales are made in Japan.

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



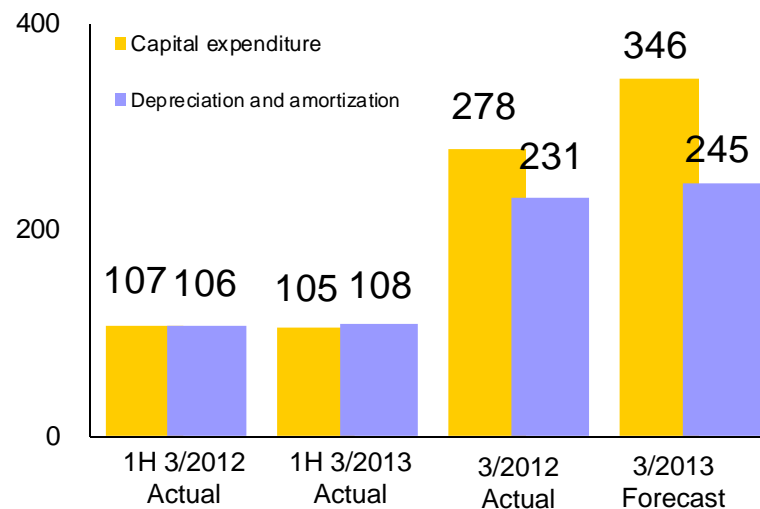
R&D expenses

(100 Millions of Yen)



Capital expenditure and Depreciation and amortization

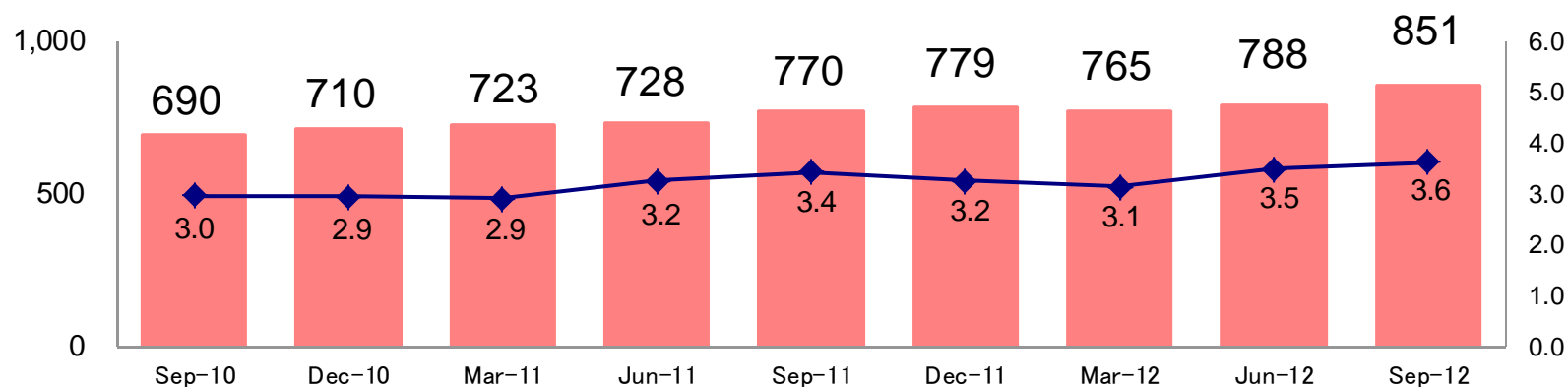
(100 Millions of Yen)



Inventories

(100 Millions of Yen)

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



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