

**Fiscal Year 2012 (ending March 31, 2013)**

**Third Quarter Results**  
(ended December 31, 2012)

**Brother Industries, Ltd.**  
**February 5, 2013**

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 (ending March 31, 2013) < Q3( 9-month Results ) >



(100 Millions of Yen)

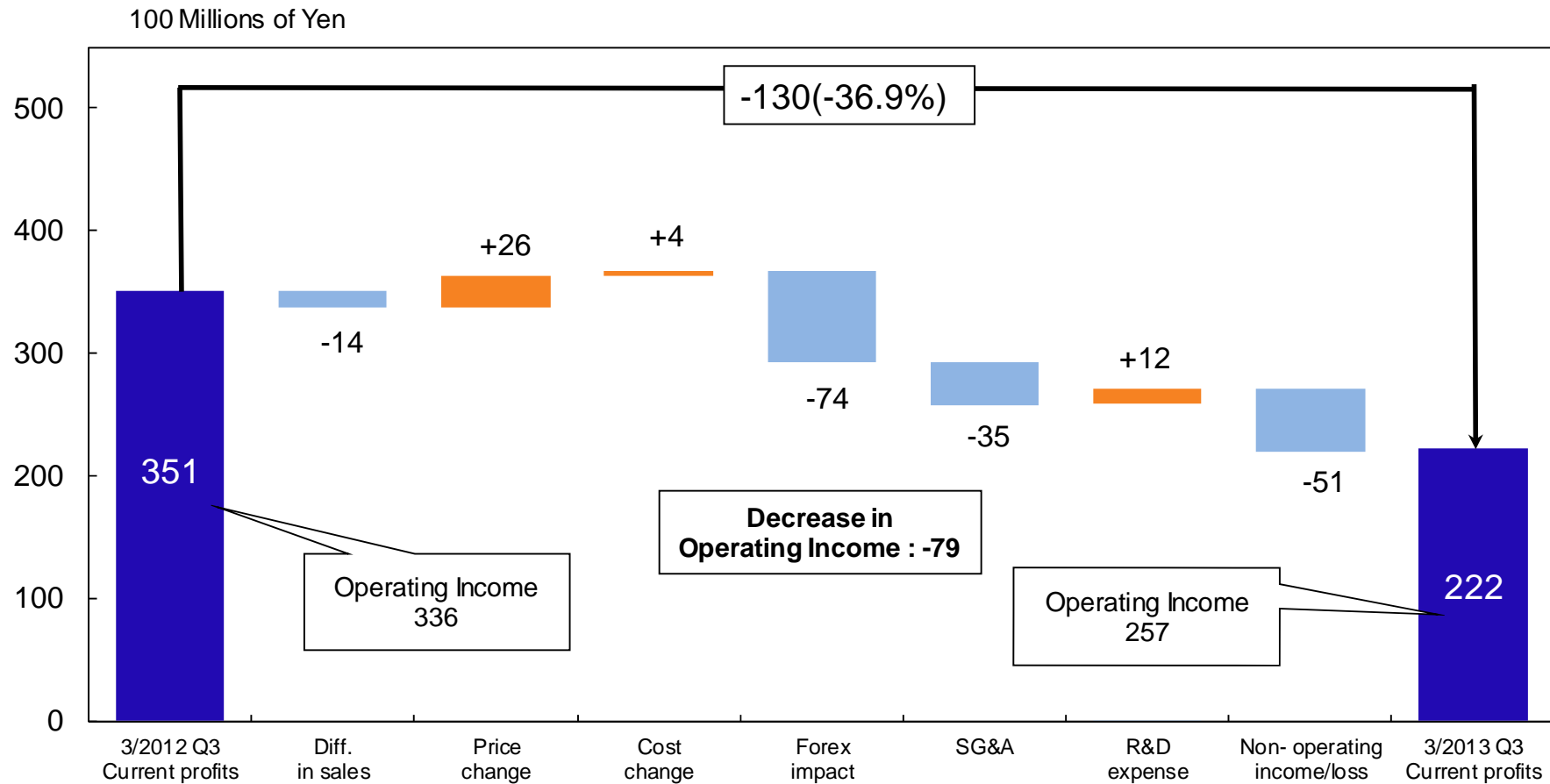
	Nine months ended Dec.31, 2012			
	3/2013 [Actual]	3/2012 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	3,773	3,728	44	1.2% (+2.5%)
Operating Income	257	336	-79	-23.4%
Operating Income Ratio	6.8%	9.0%	-2.2%	
Non-operating Income (Loss)	-36	15	-51	
Current Profits	222	351	-130	-36.9%
Extraordinary Income (Loss)	-1	2	-3	
Income Taxes	98	162	-63	
Net Income	122	192	-69	-36.2%

(Yen)

Exchange Rates	USD	80.43	79.17	1.26
	EUR	103.24	111.32	-8.08

- Sales increased due to steady business growth mainly in communications and printing equipment and Karaoke business.
- Operating income decreased mainly due to a negative impact from forex, and sales decrease in industrial sewing machine.
- Current profits decreased due to a negative effect from mark-to-market forex derivative losses.

# Main Factors for Changes in Current Profits < FY2012 Q3 ( 9-month Results ) >



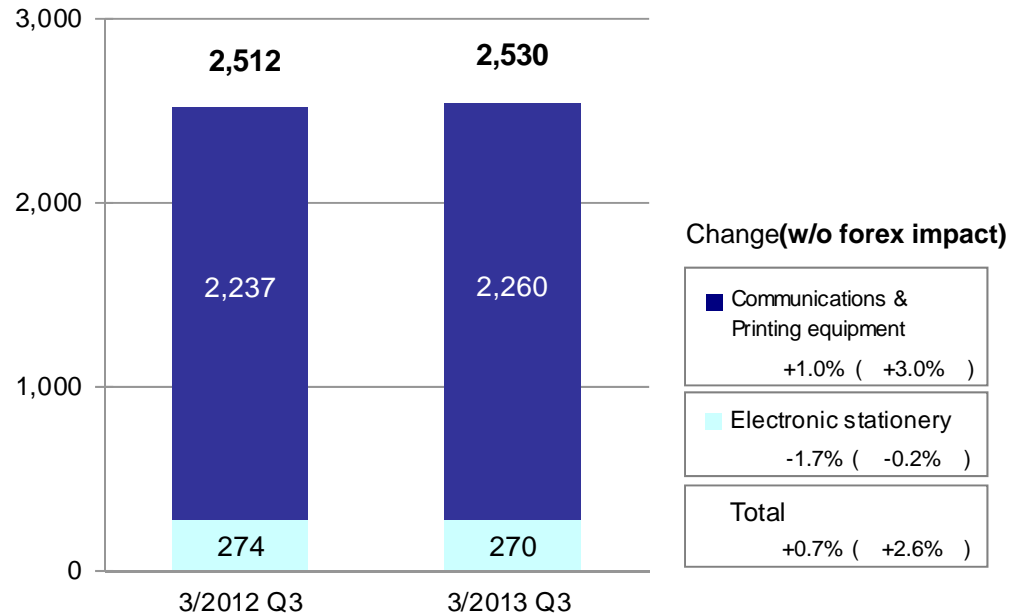
# Printing & Solutions Sales & Operating Income

## < FY2012 Q3( 9-month Results ) >



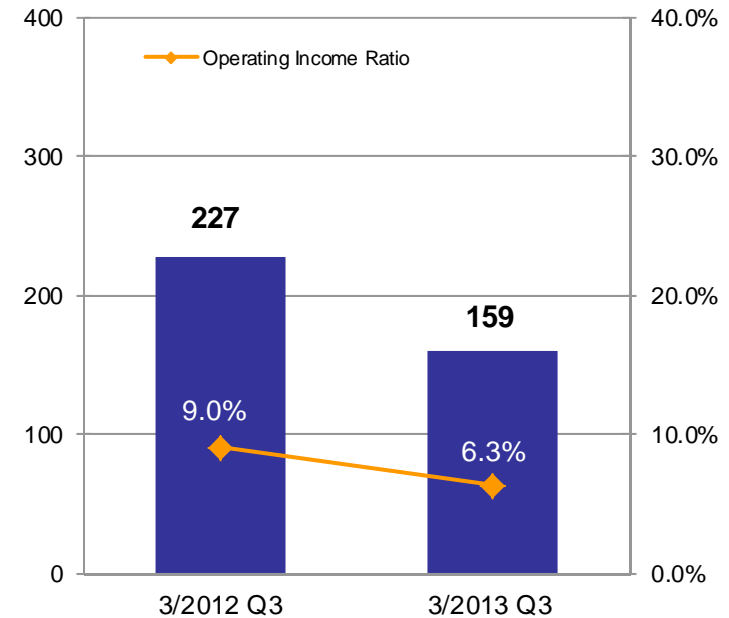
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



#### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2012 Q3	3/2013 Q3	Change (w/o forex impact)
Americas	770	859	+11.6% (+11.8%)
Europe	836	756	-9.5% (-4.0%)
Asia & Others	305	296	-2.8% (-4.1%)
Japan	326	348	+6.9% (+6.9%)

#### Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 Q3	3/2013 Q3	Change (w/o forex impact)
Americas	129	130	+0.2% (-0.2%)
Europe	85	80	-5.9% (+0.4%)
Asia & Others	33	32	-4.2% (-6.4%)
Japan	27	28	+5.6% (+5.6%)

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

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

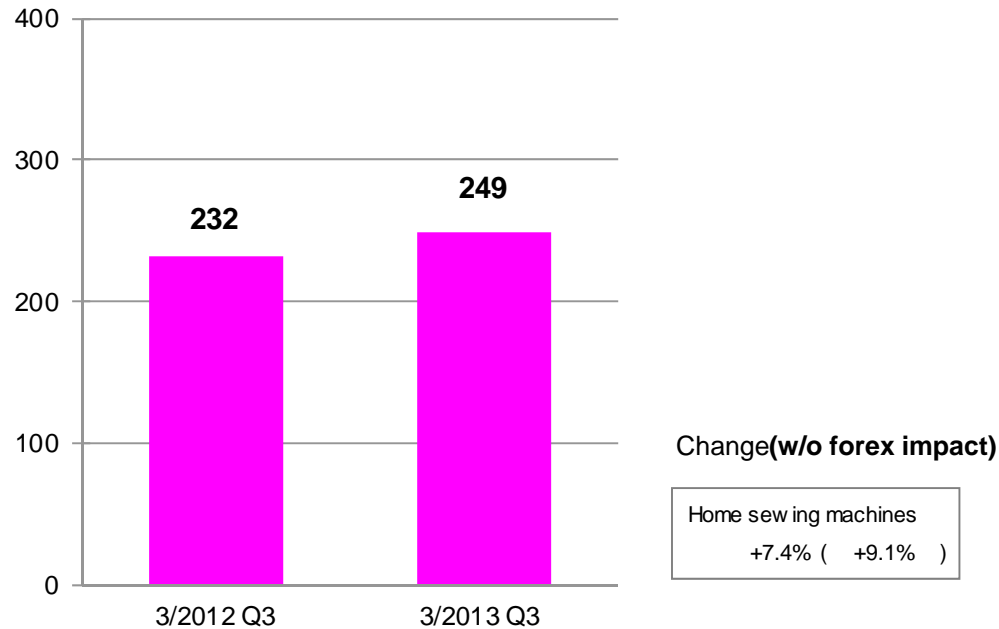
# Personal & Home Sales & Operating Income

## < FY2012 Q3( 9-month Results ) >



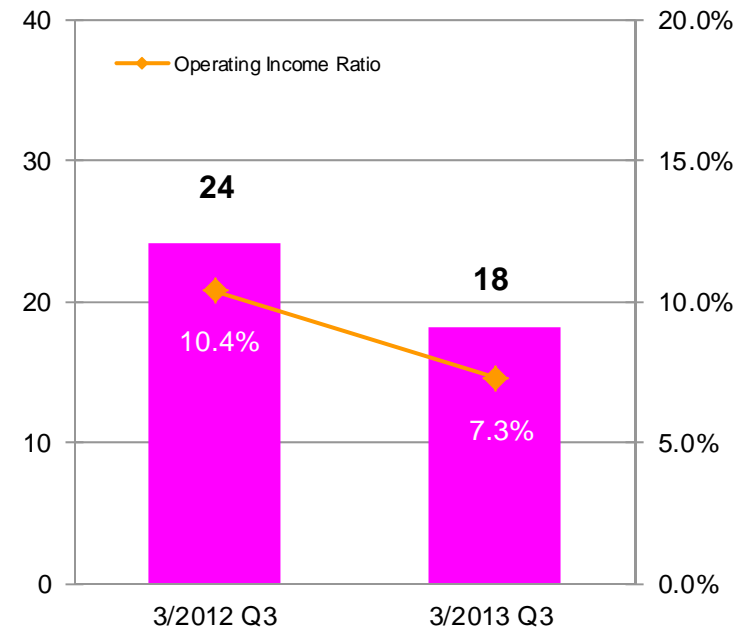
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



### Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Q3	3/2013 Q3	Change (w/o forex impact)
Americas	116	132	+13.6% (+13.4%)
Europe	52	56	+9.1% (+18.0%)
Asia & Others	22	21	-5.5% (-6.9%)
Japan	42	40	-5.4% (-5.4%)

- 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 the cost increase caused by operating a new factory.

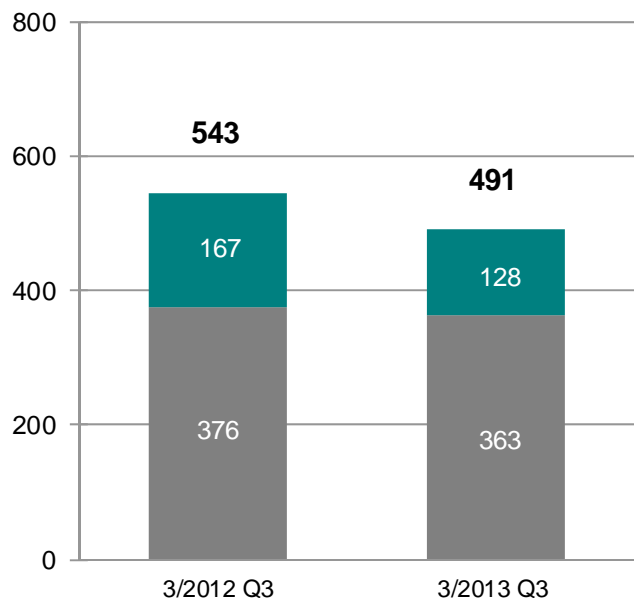
# Machinery & Solution Sales & Operating Income

## < FY2012 Q3( 9-month Results ) >



### Net Sales

(100 Millions of Yen)

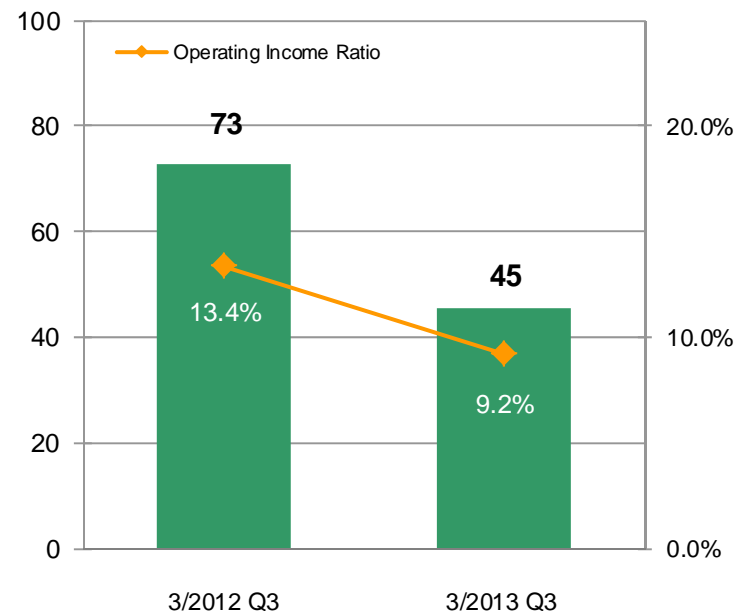


#### Change(w/o forex impact)

Industrial sewing machines	-23.3% ( -23.5% )
Machine tools	-3.5% ( -4.4% )
<b>Total</b>	<b>-9.6% ( -10.3% )</b>

### Operating Income

(100 Millions of Yen)



#### Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2012 Q3	3/2013 Q3	Change (w/o forex impact)
Americas	25	26	+6.2% (+4.9%)
Europe	24	21	-13.1% (-5.9%)
Asia & Others	114	77	-32.3% (-33.9%)
Japan	4	4	-8.4% (-8.4%)

#### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2012 Q3	3/2013 Q3	Change
Americas	13	14	+10.4%
Europe	14	9	-37.5%
Asia & Others	312	302	-3.3%
Japan	37	38	+2.6%

- Sales of machine tools decreased due to the sharp deterioration of market conditions in the 3<sup>rd</sup> quarter.
- Sales of industrial sewing machines decreased due to the continued market slump.
- Operating income has decreased due to 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.

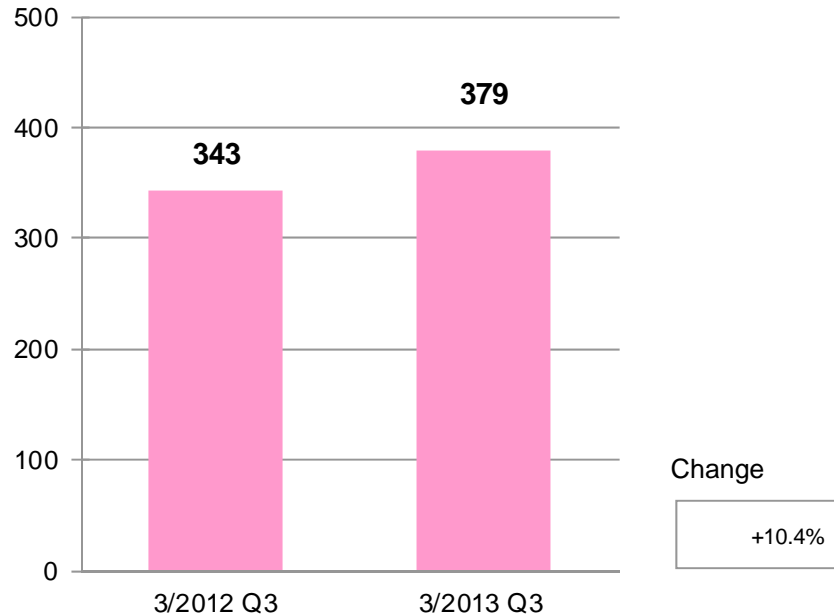
# Network & Contents Sales & Operating Income

< FY2012 Q3( 9-month Results ) >



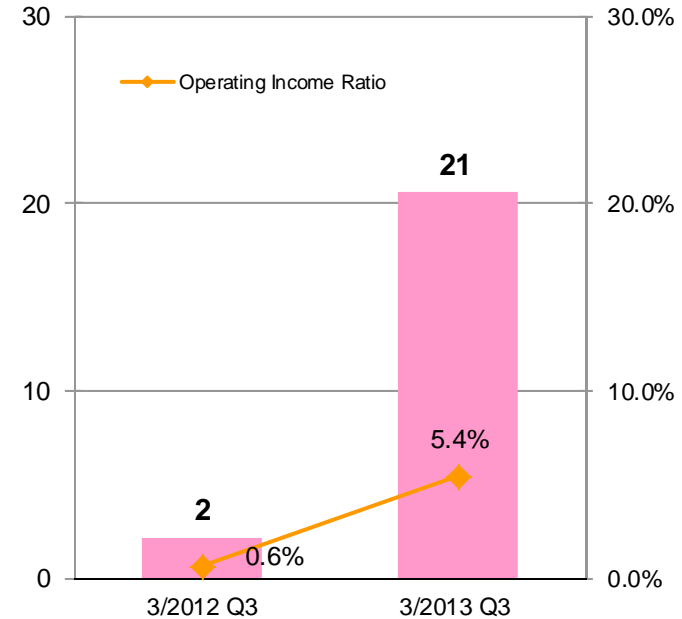
## Net Sales

(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 sharply increased due to the sales increase.

- 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% (+2.2%)	5,100	-
Operating Income	280	342	-62	-18.1%	300	-6.7%
Operating Income Ratio	5.5%	6.9%	-1.4%		5.9%	
Non-operating Income (Loss)	-45	2	-47		0	
Current Profits	235	344	-109	-31.6%	300	-21.7%
Extraordinary Income (Loss)	45	-2	47		-10	
Income Taxes	100	146	-46		90	
Net Income	180	195	-15	-7.8%	200	-10.0%

(Yen)

Exchange Rates	USD	81.30	79.30	2.00	78.74
	EUR	105.93	110.17	-4.24	100.62

\* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2013 are USD=83.00 yen and EUR=115.00 yen.

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

- Although sales in M&S business are expected to decrease sharply due to the market deterioration, Net Sales is expected to increase over the previous fiscal year, since sales of communications & printing equipment and home sewing machines are expected to increase steadily in the Americas.
- Operating income is expected to decrease mainly due to a negative impact from forex and sales decrease in M&S business.
- Current profits is expected to decreased due to a negative effect from mark-to-market forex derivative losses.



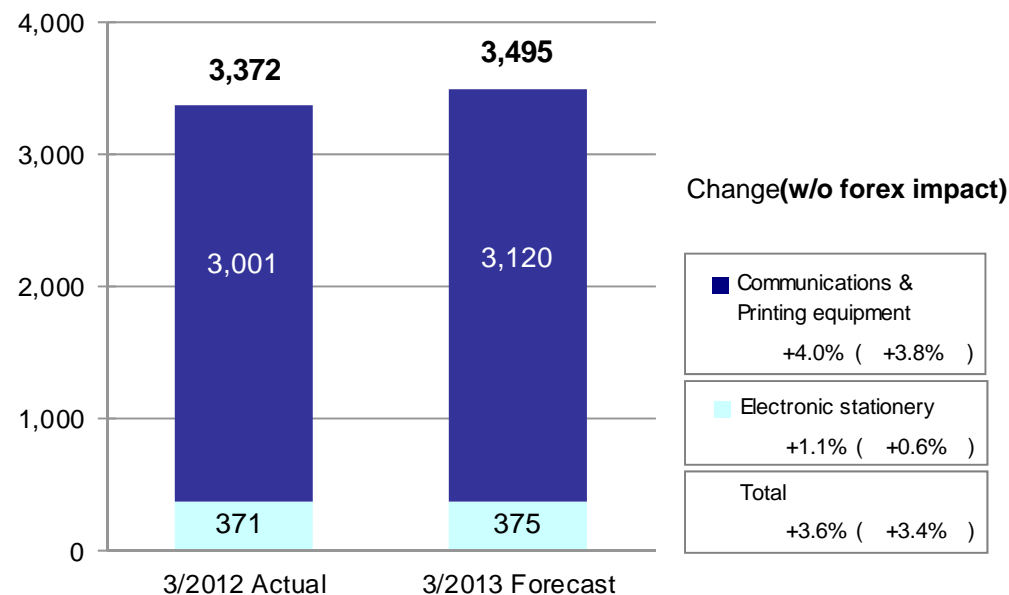
# Printing & Solutions Sales & Operating Income

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



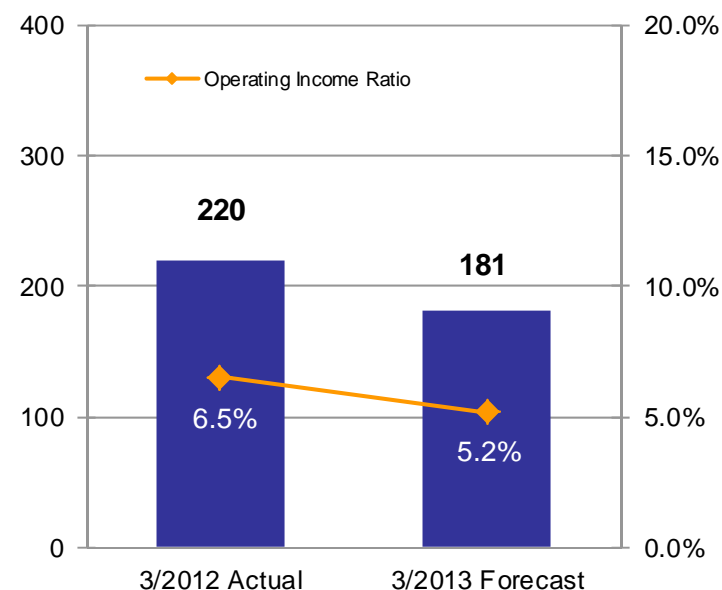
### Net Sales

(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	1,181	+13.0% (+11.2%)
Europe	1,129	1,078	-4.6% (-2.4%)
Asia & Others	399	402	+0.6% (-2.0%)
Japan	427	459	+7.4% (+7.4%)

#### Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change (w/o forex impact)
Americas	176	178	+1.2% (-0.9%)
Europe	116	112	-3.4% (-0.7%)
Asia & Others	43	42	-1.5% (-4.7%)
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 mainly due to a negative impact from forex.

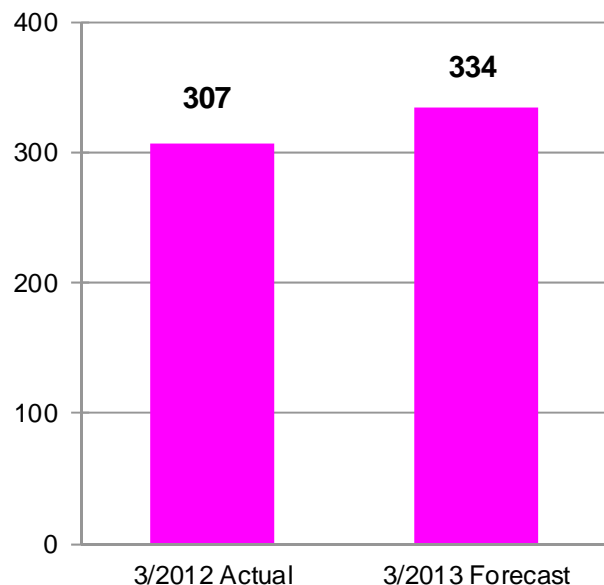
# Personal & Home Sales & Operating Income

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



### Net Sales

(100 Millions of Yen)

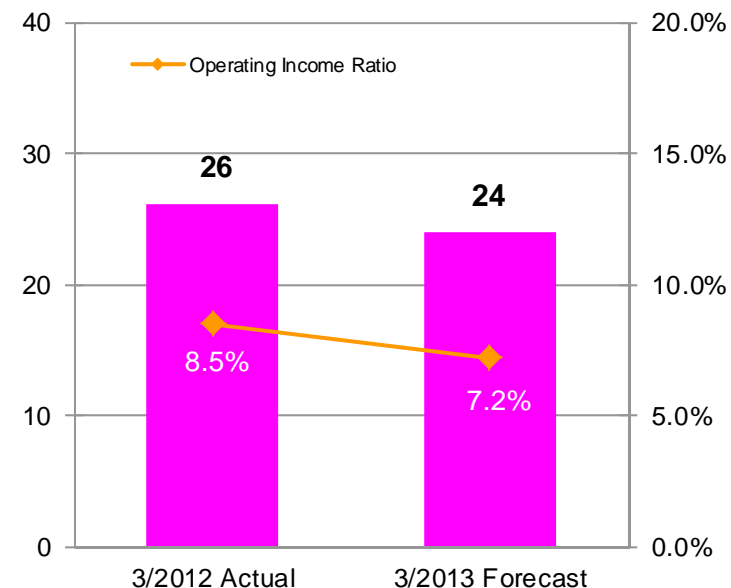


Change(w/o forex impact)

Home sewing machines  
+8.8% ( +8.7% )

### 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	168	+13.9% (+12.1%)
Europe	70	75	+7.7% (+12.5%)
Asia & Others	29	29	+1.6% (-1.1%)
Japan	61	62	+1.0% (+1.0%)

- Sales are expected to show a steady growth mainly in the Americas and Europe.
- Operating income is expected to decrease due to a negative impact from forex and the cost increase caused by operating a new factory.

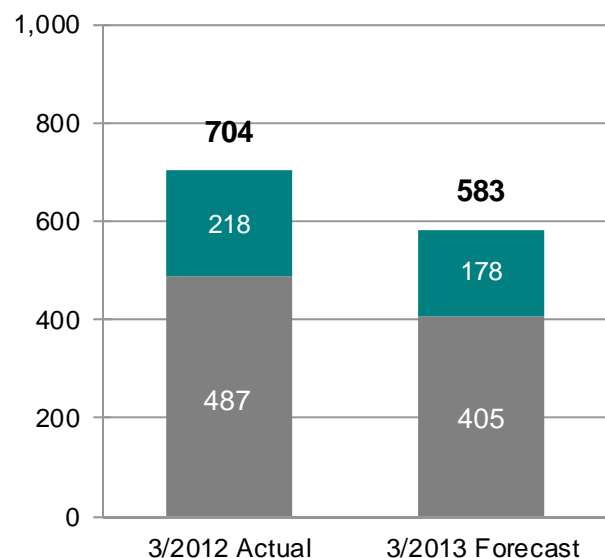
# Machinery & Solution Sales & Operating Income

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



### Net Sales

(100 Millions of Yen)

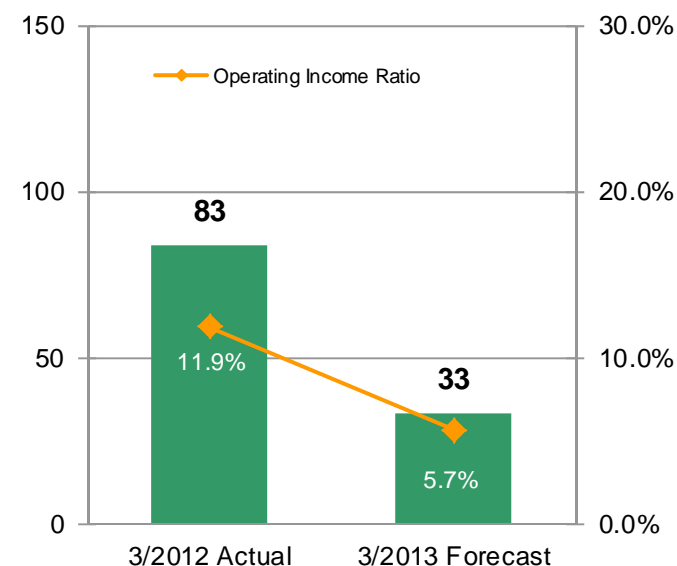


#### Change(w/o forex impact)

Industrial sewing machines	-18.2% ( -19.9% )
Machine tools	-16.8% ( -17.7% )
<b>Total</b>	<b>-17.2% ( -18.4% )</b>

### 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	34	+8.4% (+5.6%)
Europe	30	30	+0.6% (+4.2%)
Asia & Others	151	109	-27.6% (-30.2%)
Japan	6	5	-13.2% (-13.2%)

### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2012 Actual	3/2013 Forecast	Change
Americas	18	18	-0.9%
Europe	15	12	-23.0%
Asia & Others	404	329	-18.4%
Japan	50	46	-7.1%

- Sales are expected to decrease due to the tough market condition.
- Operating income is expected to decrease due to sales decrease.

\*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.

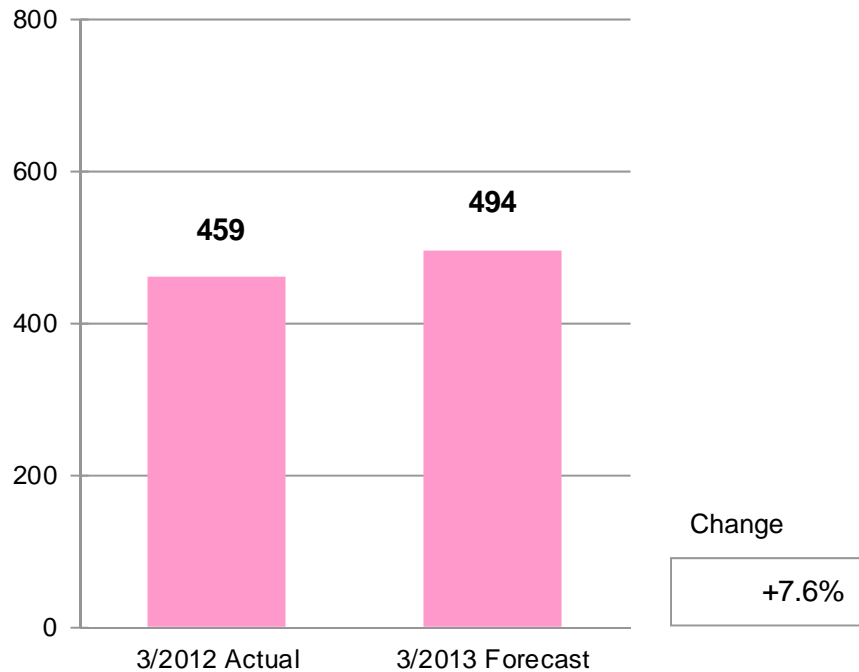
# Network & Contents Sales & Operating Income

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



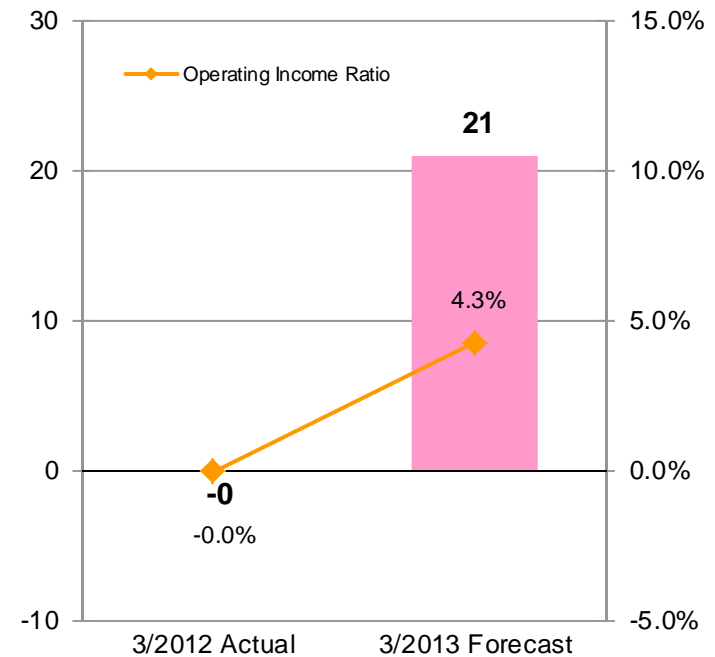
## Net Sales

(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 Q3( 3-month Results ) >



(100 Millions of Yen)

	[Reference data] Three months ended Dec.31, 2012			
	Q3 3/2013 [Actual]	Q3 3/2012 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,327	1,263	65	5.1% (+2.1%)
Operating Income	61	76	-15	-19.5%
Operating Income Ratio	4.6%	6.0%	-1.4%	
Non-operating Income (Loss)	-40	8	-48	
Current Profits	21	84	-63	-75.0%
Extraordinary Income (Loss)	7	-3	10	
Income Taxes	54	25	29	
Net Income	-26	56	-82	-

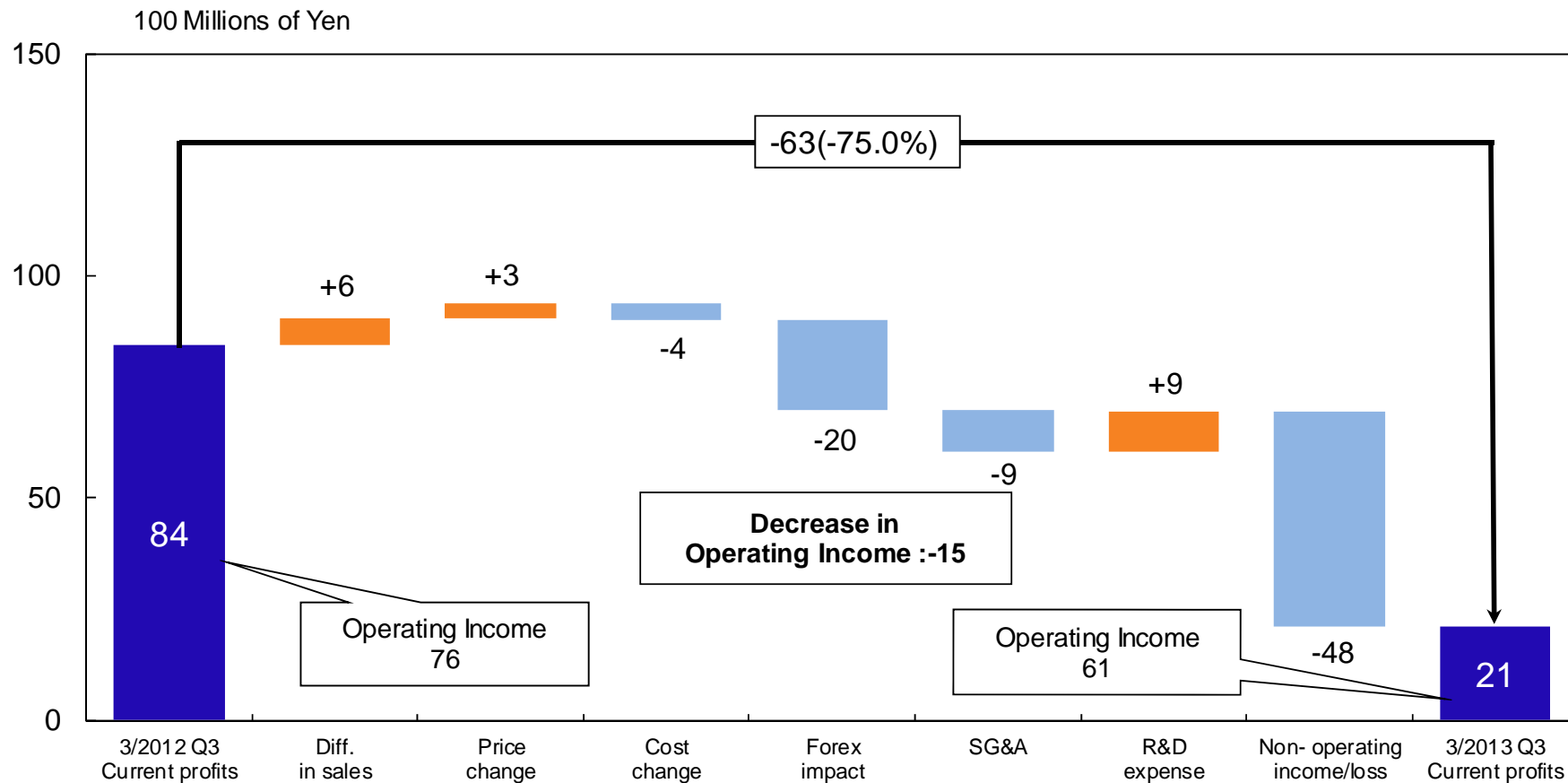
(Yen)

Exchange Rates	USD	81.49	77.57	3.92
	EUR	106.20	104.67	1.53

- Although sales of machine tools sharply decreased due to the market deterioration, Net Sales increased due to steady growth in communications & printing equipment and home sewing machine businesses.
- Operating income decreased due to a negative impact from forex and sales decrease of machine tools.
- Current profits decreased due to a negative effect from mark-to-market forex derivative losses.
- Net income ended in the red due to an increase of income tax caused by tax effect accounting.

# Main Factors for Changes in Current Profits

## < FY2012 Q3 ( 3-month Results ) >

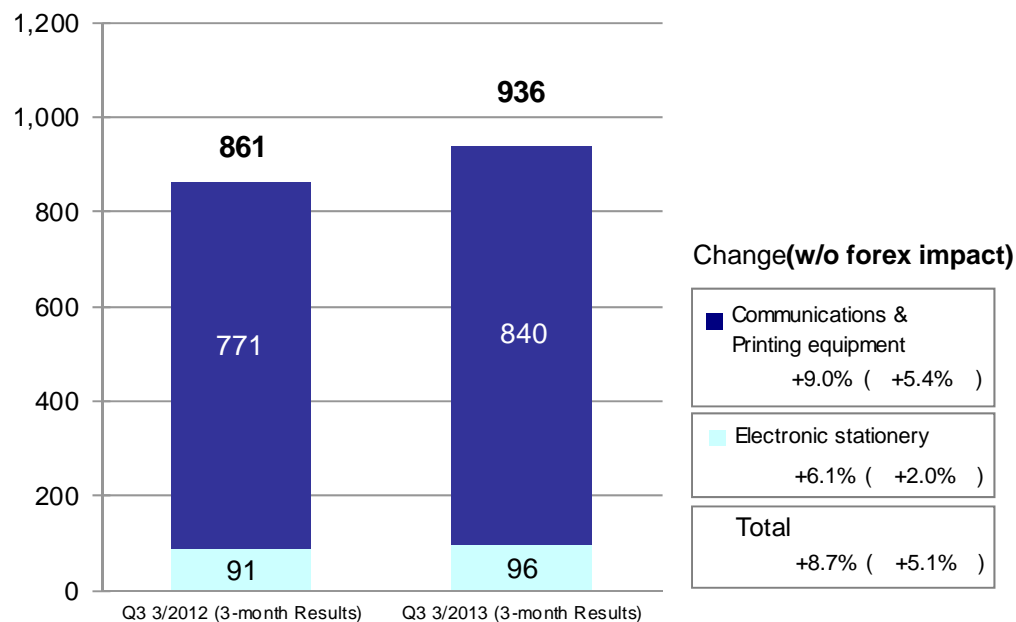


# (Reference) Printing & Solutions Sales & Operating Income < FY2012 Q3( 3-month Results ) >



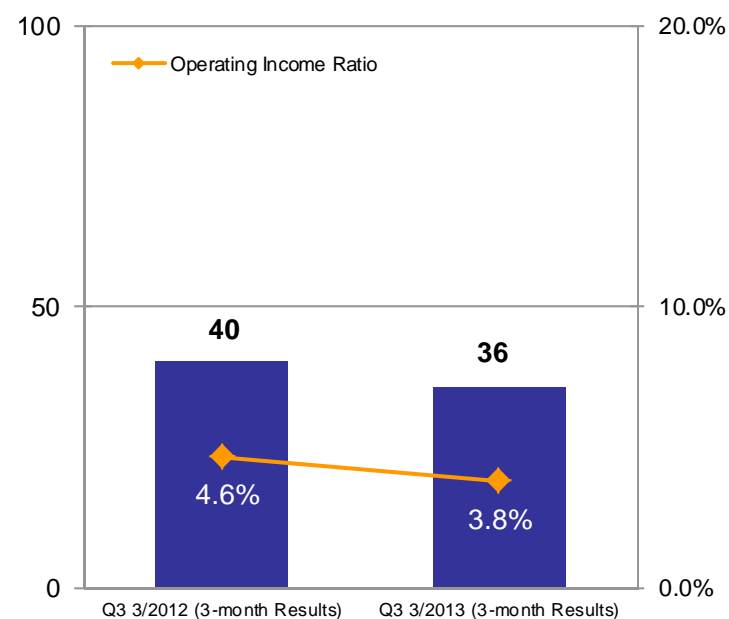
## Net Sales

(100 Millions of Yen)



## Operating Income

(100 Millions of Yen)



### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q3 3/2012 (3-month Results)	Q3 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	265	319	+20.4% (+15.5%)
Europe	294	292	-0.8% (-3.5%)
Asia & Others	94	98	+3.3% (-3.4%)
Japan	117	131	+12.3% (+12.3%)

### Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q3 3/2012 (3-month Results)	Q3 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	42	47	+11.0% (+5.8%)
Europe	29	29	+1.7% (-0.7%)
Asia & Others	12	11	-6.9% (-13.5%)
Japan	8	9	+15.5% (+15.5%)

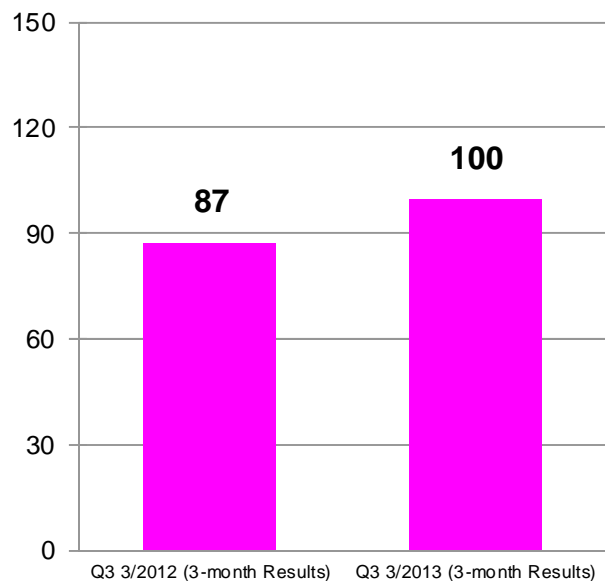
# (Reference) Personal & Home Sales & Operating Income

## < FY2012 Q3( 3-month Results ) >



### Net Sales

(100 Millions of Yen)

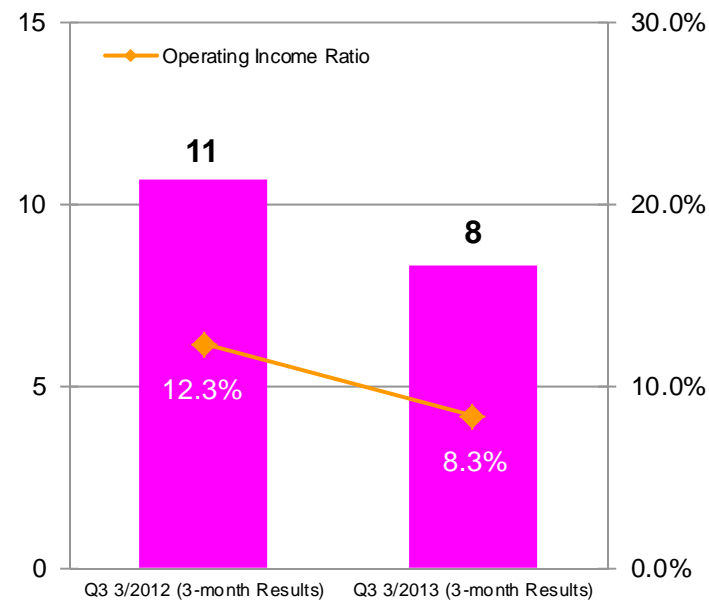


Change(w/o forex impact)

Home sewing machines  
+14.7% ( +10.8% )

### Operating Income

(100 Millions of Yen)



### Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2012 (3-month Results)	Q3 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	45	59	+31.1% (+25.5%)
Europe	20	21	+5.7% (+4.4%)
Asia & Others	8	8	-5.5% (-12.4%)
Japan	14	12	-13.5% (-13.5%)

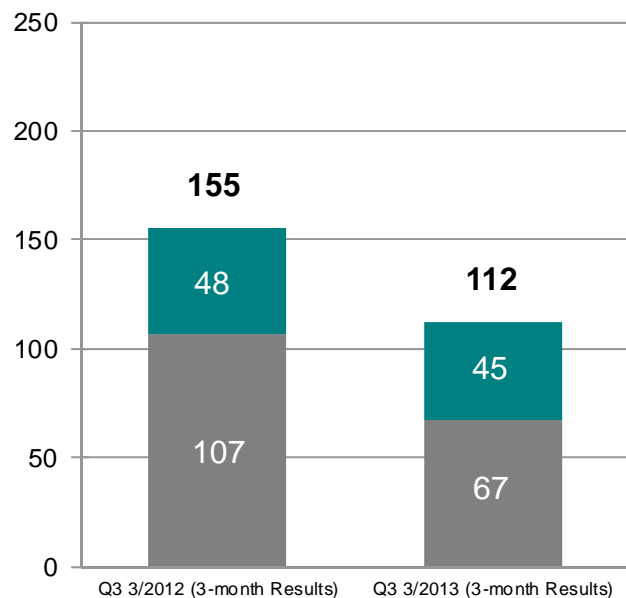


# (Reference) Machinery & Solution Sales & Operating Income < FY2012 Q3( 3-month Results ) >



## Net Sales

(100 Millions of Yen)

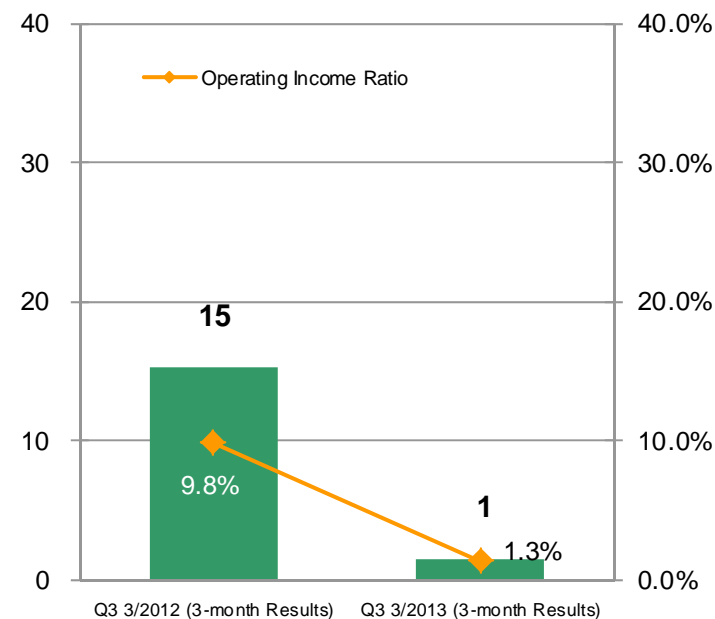


### Change(w/o forex impact)

Industrial sewing machines	-6.5% ( -10.7% )
Machine tools	-37.4% ( -38.9% )
<b>Total</b>	<b>-27.8% ( -30.1% )</b>

## Operating Income

(100 Millions of Yen)



## Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2012 (3-month Results)	Q3 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	8	10	+24.8% (+19.1%)
Europe	6	8	+25.8% (+25.2%)
Asia & Others	33	26	-20.3% (-25.0%)
Japan	1	1	-0.7% (-0.7%)

## Machine tools

Geographical Sales(100 Millions of Yen)

	Q3 3/2012 (3-month Results)	Q3 3/2013 (3-month Results)	Change (w/o forex impact)
Americas	5	5	-0.1%
Europe	3	3	+8.6%
Asia & Others	86	48	-44.0%
Japan	14	11	-16.8%

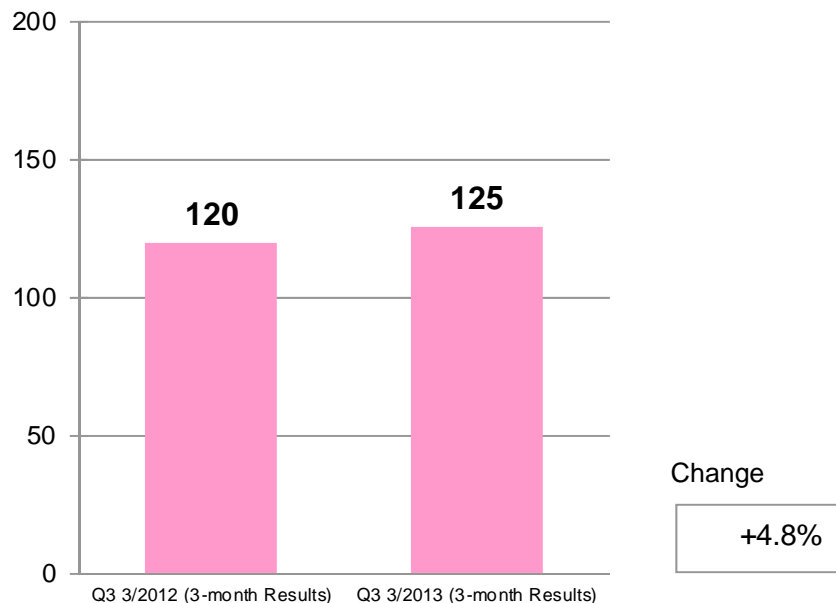
\*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown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

# (Reference) Network & Contents Sales & Operating Income < FY2012 Q3( 3-month Results ) >



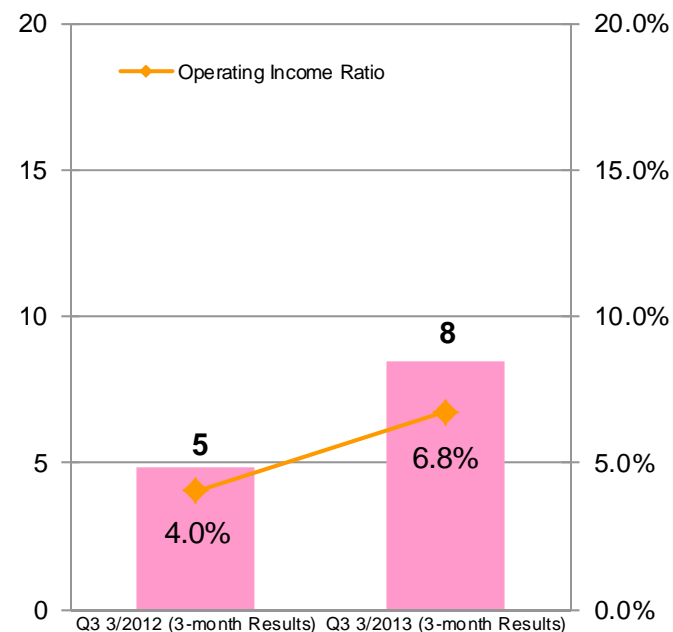
## Net Sales

(100 Millions of Yen)



## Operating Income

(100 Millions of Yen)



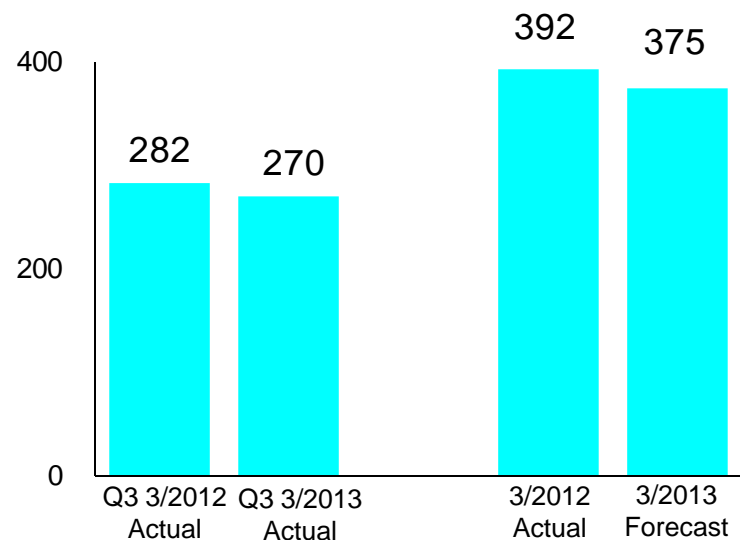
- Regional sales breakdown for “Network & Contents” is not referred here because majority of sales are made in Japan.

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



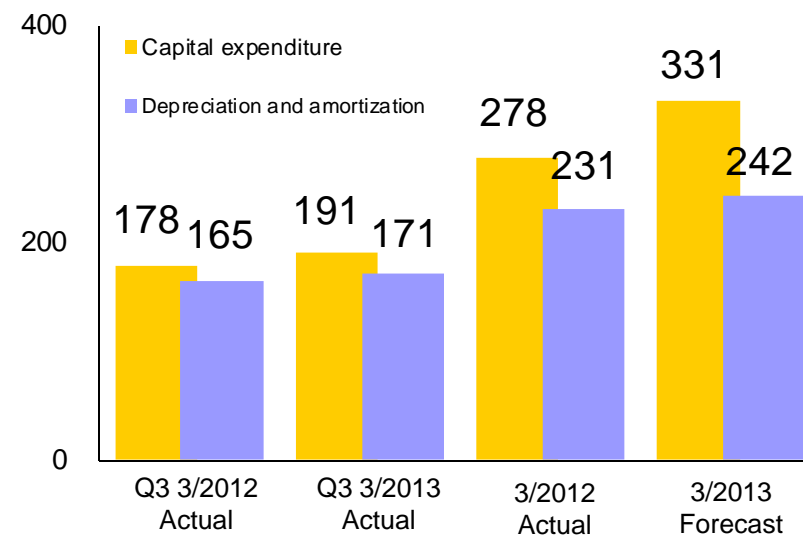
## R&D expenses

(100 Millions of Yen)



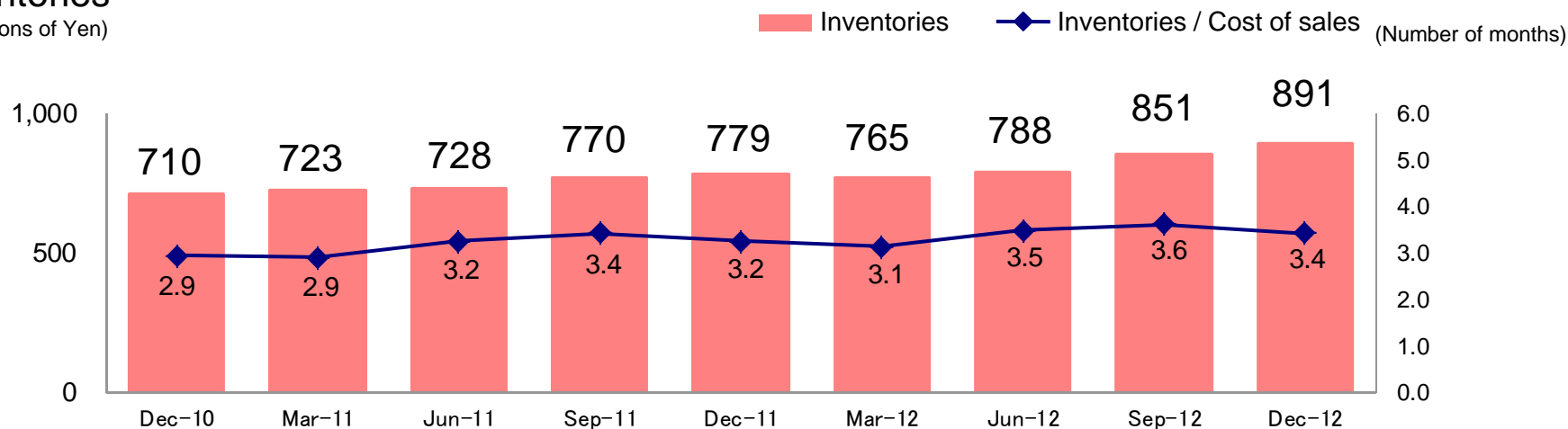
## Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



## Inventories

(100 Millions of Yen)



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