

Fiscal Year 2014 (ending March 31, 2015)

First Quarter Results
(3-month results ended June 30, 2014)

Brother Industries, Ltd.
August 4, 2014

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 FY2014 Q1



(100 Millions of Yen)

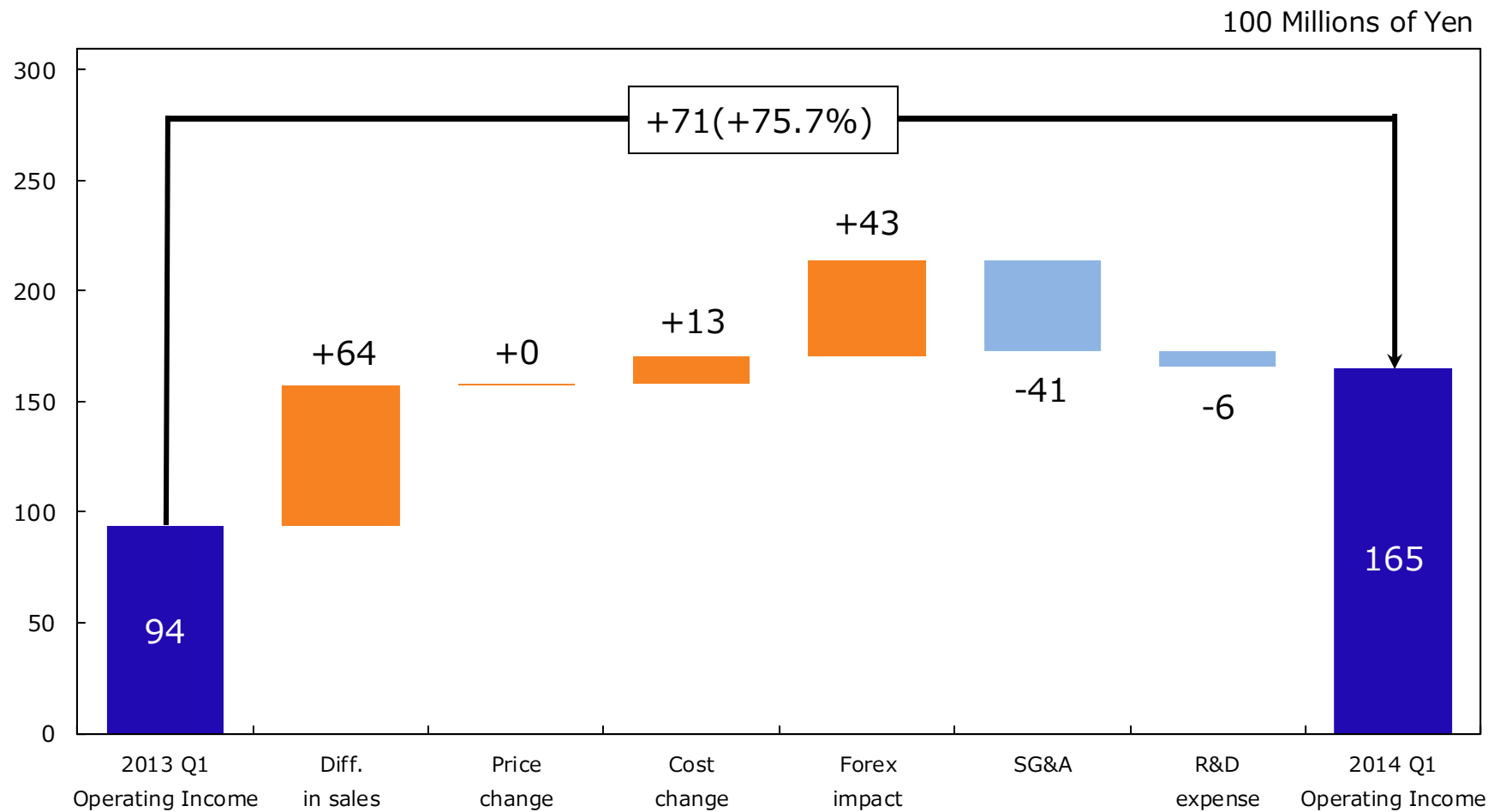
	Q1 3/2015 [Actual]	Q1 3/2014 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,604	1,393	211	15.2% (+11.3%)
Operating Income	165	94	71	75.6%
Operating Income Ratio	10.3%	6.7%	3.5%	
Non-operating Income (Loss)	-17	-35	18	
Current Profits	148	59	89	152.2%
Extraordinary Income (Loss)	162	0	162	
Income Taxes	16	46	-29	
Net Income	294	13	281	-

(Yen)

Exchange Rates	USD	102.14	97.94	4.20
	EUR	140.01	127.35	12.66

- ✓ Net sales showed double-digit growth due to strong sales of Communications & Printing equipment and Machine tools.
- ✓ Operating income rose due to increased sales and the yen's depreciation.
- ✓ Net income significantly increased due to a gain on the sale of property and tax effect accounting.

Main Factors for Changes in Operating Income < FY2014 Q1 >



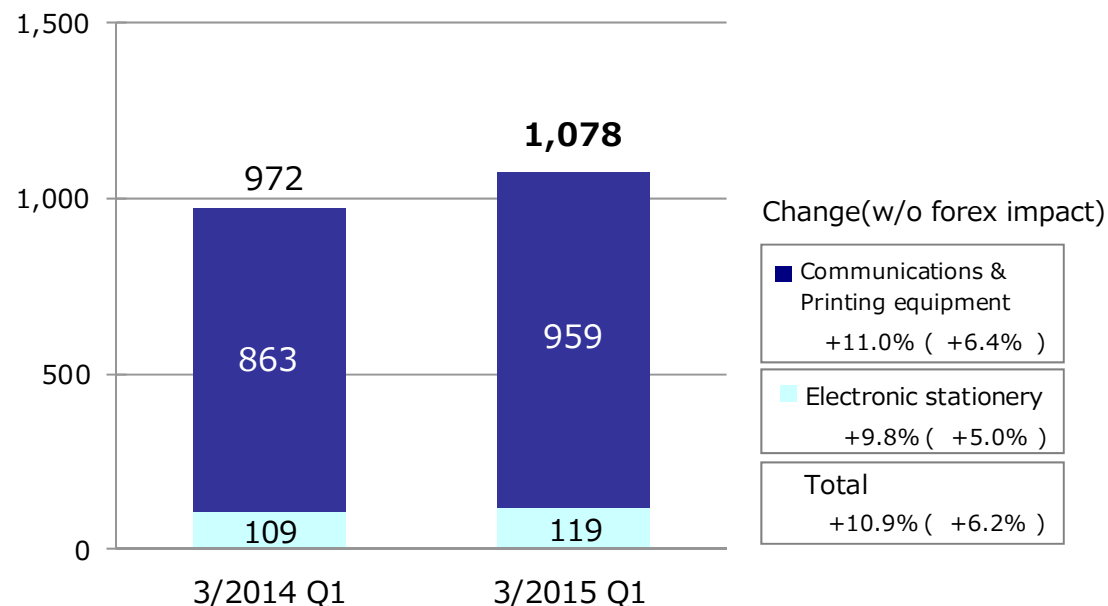
Printing & Solutions Sales & Operating Income

< FY2014 Q1 >



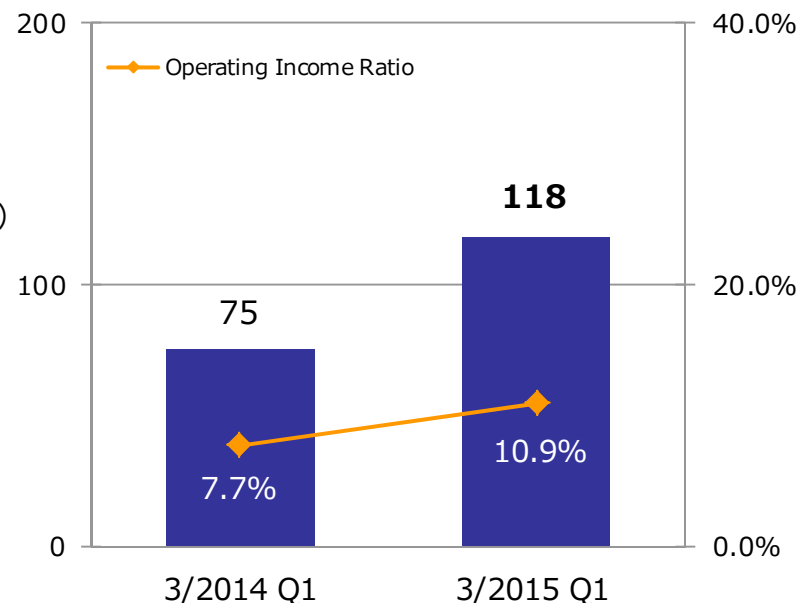
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change (w/o forex impact)
Americas	355	374	+5.4% (+3.3%)
Europe	275	326	+18.9% (+7.9%)
Asia & Others	141	173	+22.8% (+21.2%)
Japan	94	86	-8.2% (-8.2%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change (w/o forex impact)
Americas	52	56	+9.0% (+5.9%)
Europe	31	36	+17.2% (+6.4%)
Asia & Others	16	19	+20.0% (+18.0%)
Japan	10	8	-24.2% (-24.2%)

✓ Hardware sales were strong in Europe and Asia. Sales in Japan decreased due to the impact of the consumption tax hike.

✓ Despite an increase in SGA, operating income rose due to increased sales and the positive effect of forex.

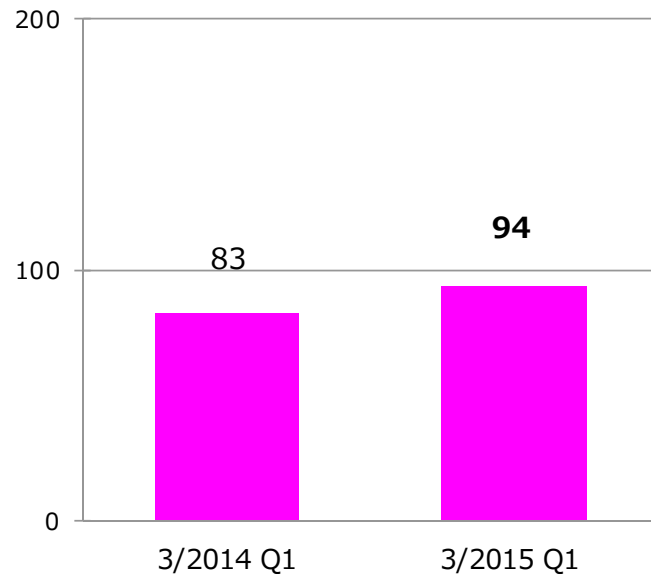
Personal & Home Sales & Operating Income

< FY2014 Q1 >



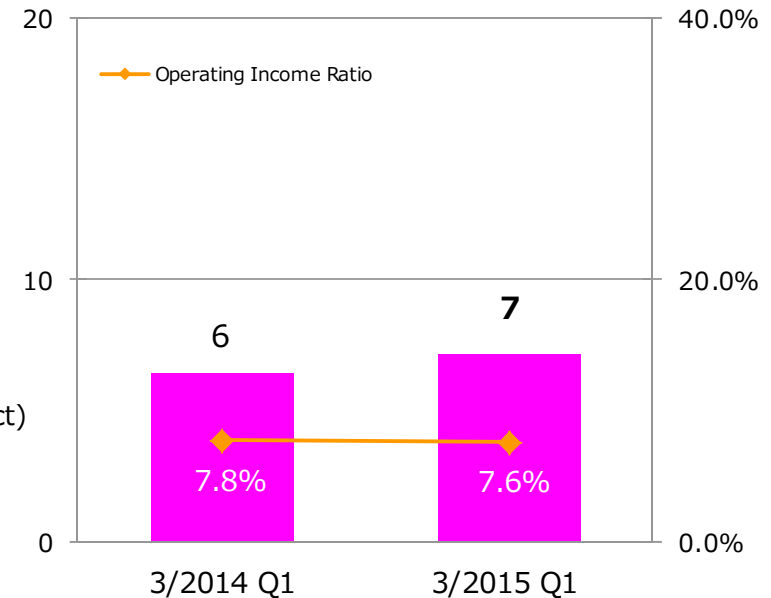
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Change(w/o forex impact)

Home sewing machines
+13.5% (+9.6%)

Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change (w/o forex impact)
Americas	40	48	+20.4% (+18.2%)
Europe	22	24	+12.2% (+2.1%)
Asia & Others	11	13	+19.7% (+18.2%)
Japan	10	9	-16.8% (-16.8%)

- ✓ Sales increased due to steady sales in the Americas.
- ✓ Operating income slightly increased year-on-year due to an increase in SGA.

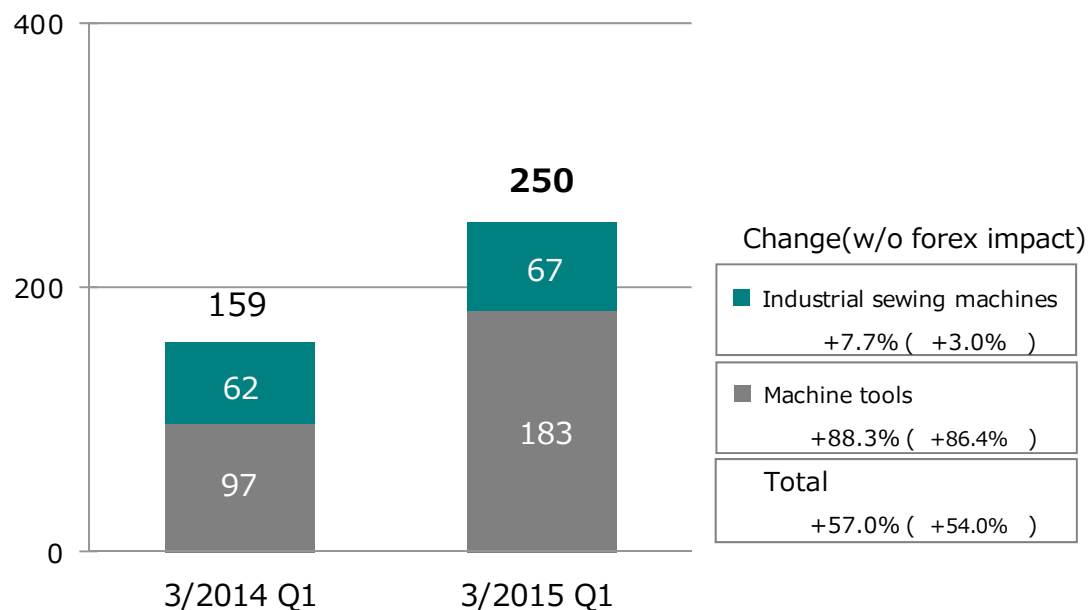
Machinery & Solution Sales & Operating Income

< FY2014 Q1 >



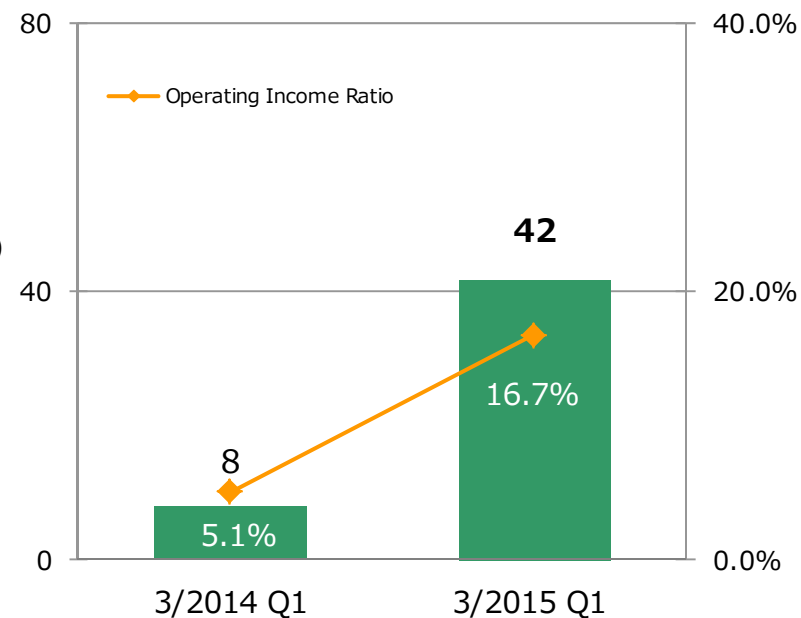
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change (w/o forex impact)
Americas	11	13	+14.5% (+10.7%)
Europe	9	10	+17.6% (+7.0%)
Asia & Others	41	42	+3.7% (-0.3%)
Japan	1	2	+12.3% (+12.3%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change
Americas	5	8	+43.2%
Europe	3	6	+120.1%
Asia & Others	82	158	+92.3%
Japan	7	12	+66.3%

- ✓ For Industrial sewing machines, sales increased due to growing demand for capital investment in the sewing industry in Southeast Asia, Europe and the U.S., despite weak demand in China.
- ✓ For Machine tools, quarterly sales reached record high due to expanding demand from IT related customers in China.
- ✓ Operating income significantly rose mainly due to increased sales of Machine tools.

*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.

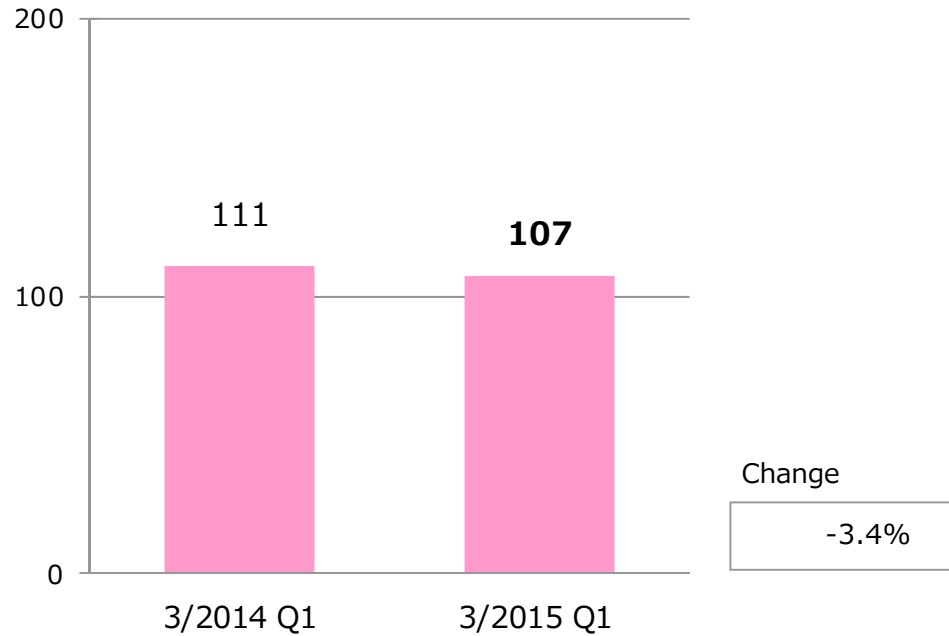
Network & Contents Sales & Operating Income

< FY2014 Q1 >



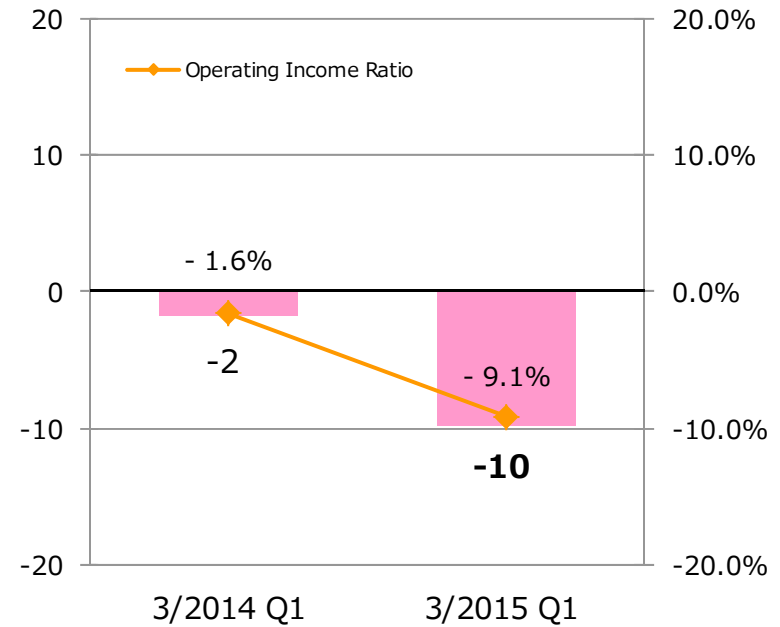
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- ✓ Despite steady business operation in karaoke shops, sales fell due to a decrease in replacement demand for online karaoke machines.
- ✓ Operating loss expanded due to decreased sales of equipment and an increase in expenses such as R&D costs.

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

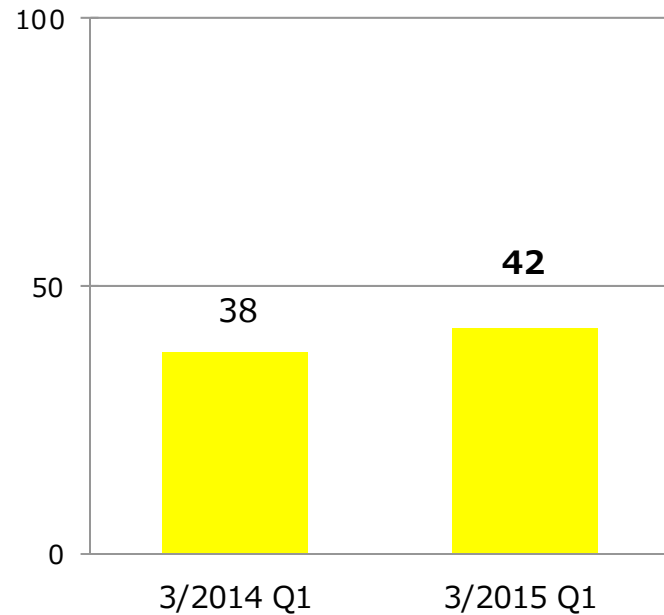
Industrial Part Sales & Operating Income

< FY2014 Q1 >



Net Sales

(100 Millions of Yen)

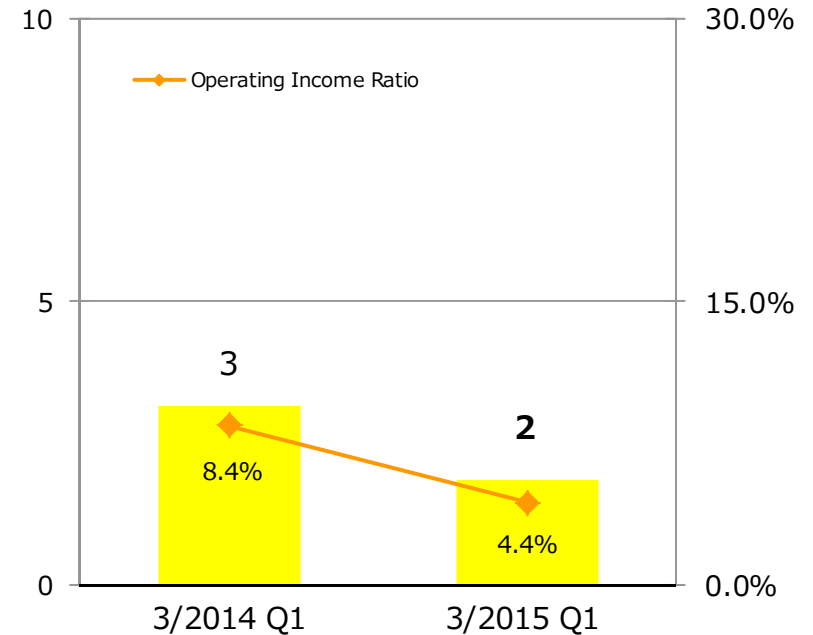


Change(w/o forex impact)

+11.6% (+10.9%)

Operating Income

(100 Millions of Yen)



Industrial Part

Geographical Sales(100 Millions of Yen)

	3/2014 Q1	3/2015 Q1	Change
Americas	1	6	+34.6%
Europe	0	0	-
Asia & Others	0	1	-
Japan	33	35	+5.5%

✓ Sales steadily increased due to strengthened operations in North America.

✓ Operating income fell due to increased fixed costs such as depreciation.

Consolidated Forecast for FY 2014 (ending March 31, 2015)



(100 Millions of Yen)

	3/2015 [Forecast] (A)	3/2014 [Actual] (B)	Change (A - B)	Rate of Change (w/o forex impact) (A/B - 1)	3/2015 [Previous Forecast] (C)	Change (A - C)
Net Sales	6,800	6,168	632	10.2% (+9.7%)	6,700	100
Operating Income	500	433	67	15.5%	470	30
Operating Income Ratio	7.4%	7.0%	0.3%		7.0%	0.3%
Non-operating Income (Loss)	-40	-77	37		-40	0
Current Profits	460	356	104	29.2%	430	30
Extraordinary Income (Loss)	150	-21	171		150	0
Income Taxes	120	143	-23		120	0
Net Income	490	192	298	154.9%	460	30

(Yen)

Exchange Rates	USD	100.71	100.00	100.00
	EUR	138.54	134.01	138.00

- ✓ Forecast for Machine tools has been revised upward due to expanding demand from IT related customers.
- ✓ Forecast for Industrial sewing machines has been revised downward due to weak demand in China.
- ✓ For P&S business, Q1 financial results have been reflected in the annual forecast. Forecast for the Japan area has been revised downward.

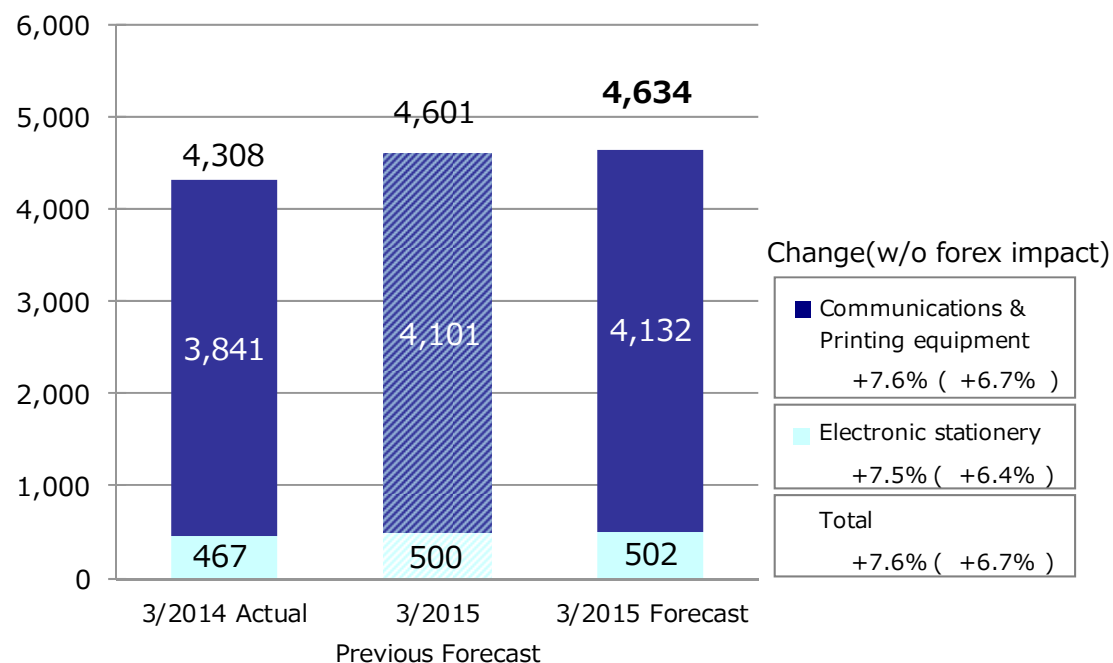
Printing & Solutions Sales & Operating Income

< Forecast for FY2014(ending March 31,2015) >



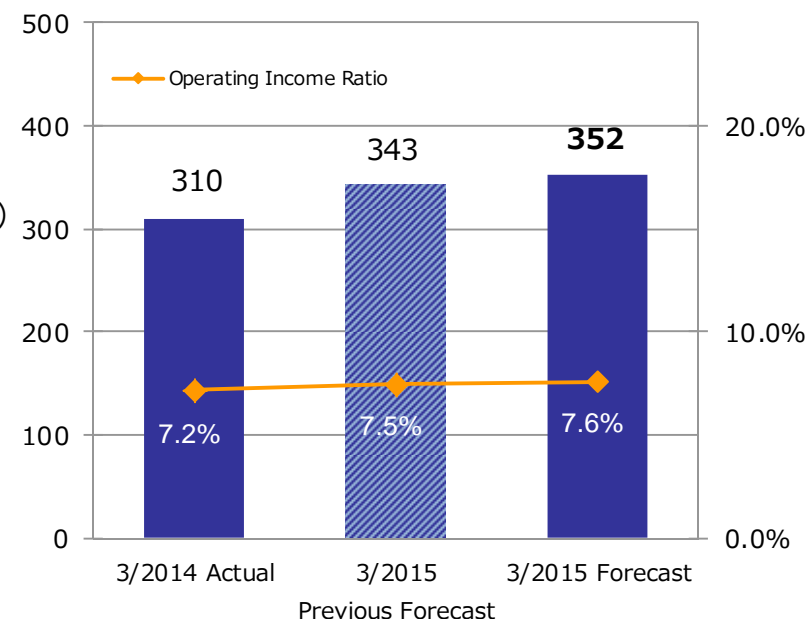
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change (w/o forex impact)
Americas	1,504	1,591	1,601	+6.4% (+6.8%)
Europe	1,327	1,389	1,396	+5.2% (+2.1%)
Asia & Others	579	655	691	+19.3% (+18.1%)
Japan	431	466	444	+3.0% (+3.0%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change (w/o forex impact)
Americas	216	228	229	+6.0% (+6.0%)
Europe	147	157	158	+7.4% (+4.1%)
Asia & Others	62	75	76	+22.2% (+21.0%)
Japan	42	40	39	-6.1% (-6.1%)

- ✓ Increase sales in all regions due to aggressive investments for sales growth.
- ✓ Although operating income will increase, the growth rate is expected to be limited due to aggressive investment spending for future growth.

*In accordance with a change in scope of consolidation this year, some figures, which were presented in "Japan" in the prior year, are reclassified into "Asia and Others".

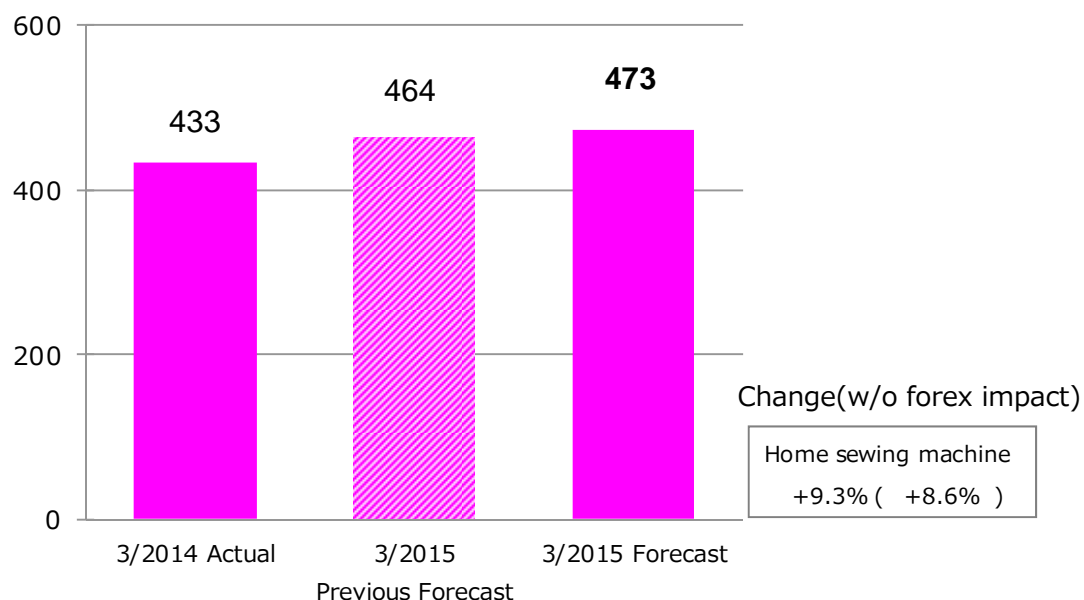
Personal & Home Sales & Operating Income

< Forecast for FY2014(ending March 31,2015) >



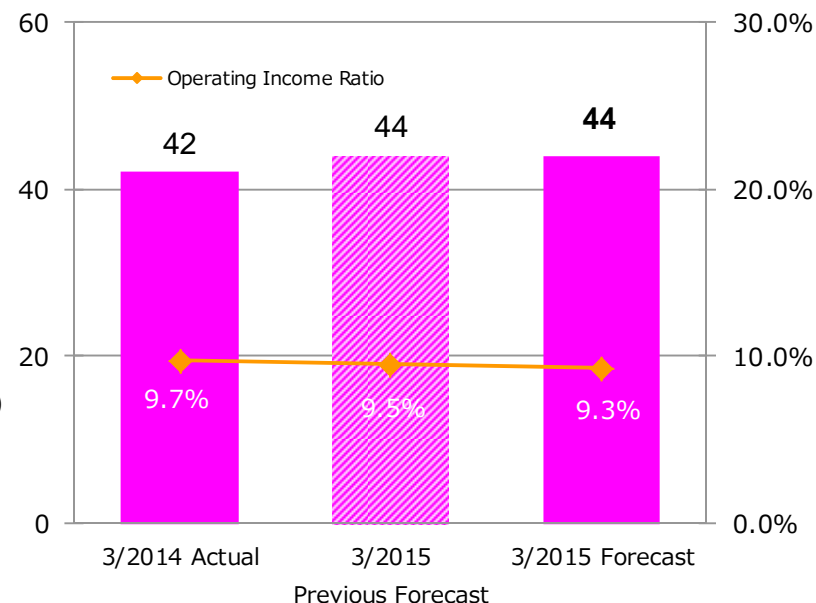
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change (w/o forex impact)
Americas	229	243	251	+9.6% (+9.8%)
Europe	107	110	110	+3.0% (+0.3%)
Asia & Others	46	58	59	+27.1% (+25.8%)
Japan	51	53	53	+4.9% (+4.9%)

- ✓ Expand sales further by developing in hobby area and emerging markets.
- ✓ Operating income is expected to grow due to increased sales.

*In accordance with a change in scope of consolidation this year, some figures, which were presented in "Japan" in the prior year, are reclassified into "Asia and Others".

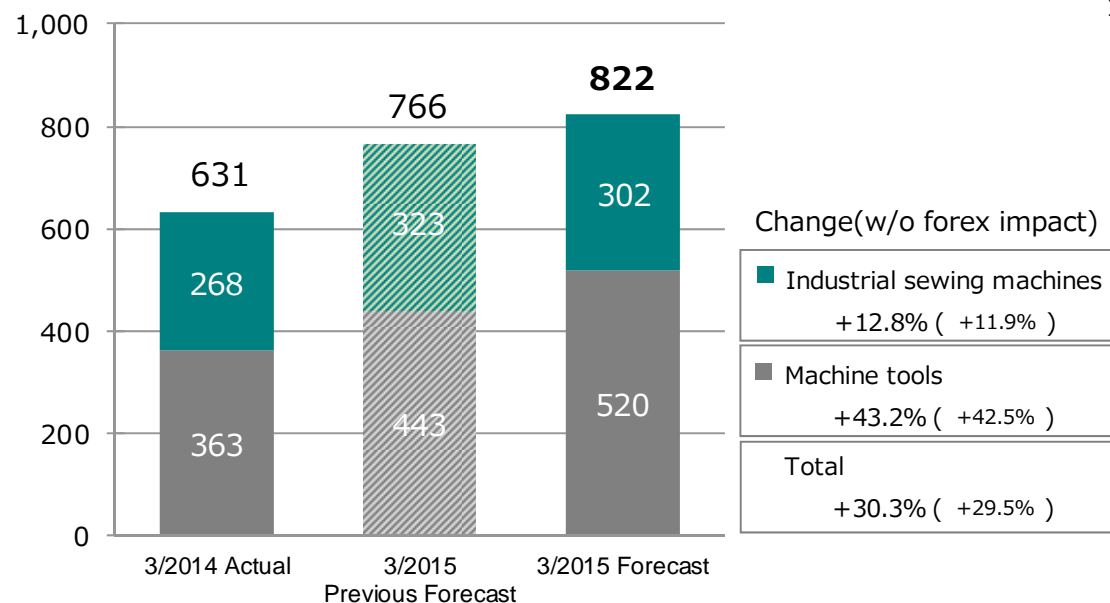
Machinery & Solution Sales & Operating Income

< Forecast for FY2014(ending March 31,2015) >



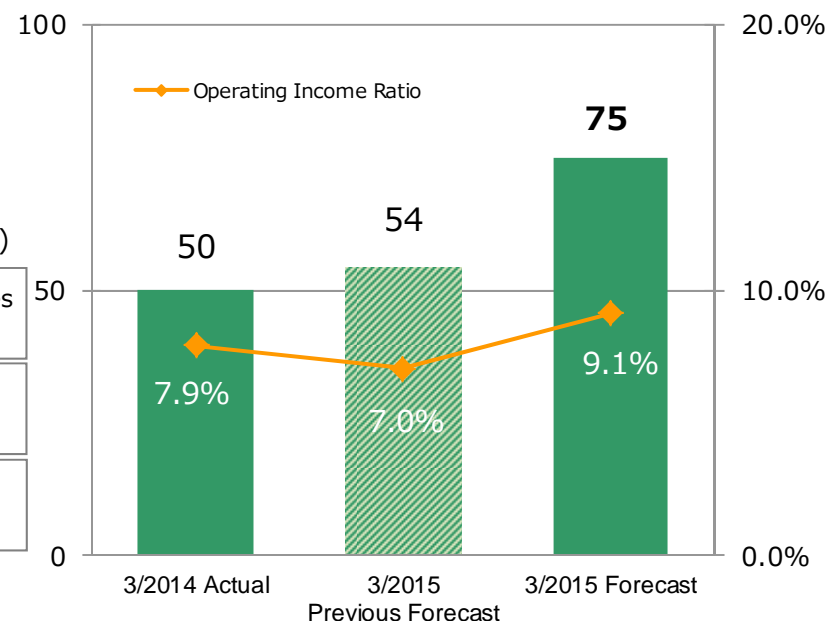
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change (w/o forex impact)
Americas	45	45	45	+0.2% (-0.1%)
Europe	38	44	45	+19.1% (+15.8%)
Asia & Others	178	229	207	+16.1% (+15.6%)
Japan	7	5	5	-25.8% (-25.8%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change
Americas	21	22	28	+31.8%
Europe	16	17	23	+46.6%
Asia & Others	282	358	416	+47.8%
Japan	44	45	52	+18.5%

- ✓ Increase significantly sales of industrial sewing machines by strengthening sales in Asian markets.
- ✓ Sales of Machine tools are expected to significantly increase due to expanding demand from IT related customers.
- ✓ Operating income is expected to grow due to increased sales.

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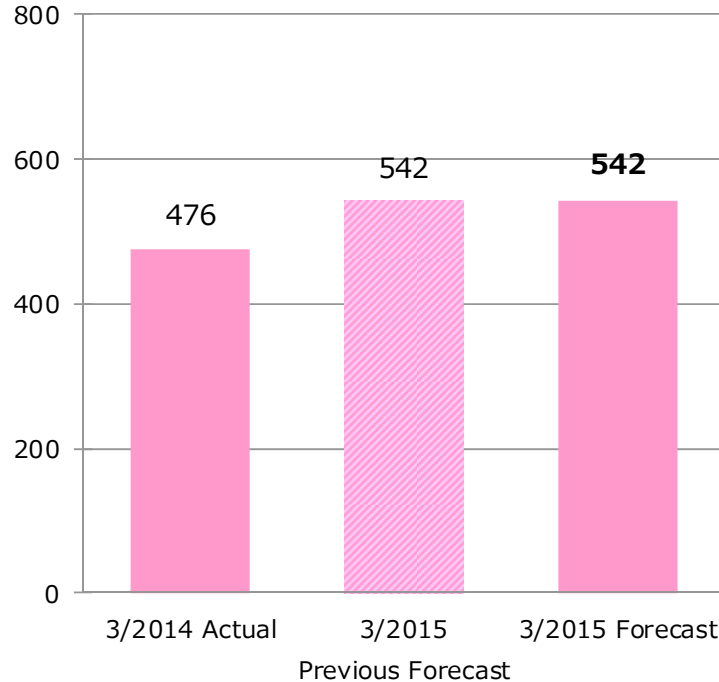
Network & Contents Sales & Operating Income

< Forecast for FY2014(ending March 31,2015) >



Net Sales

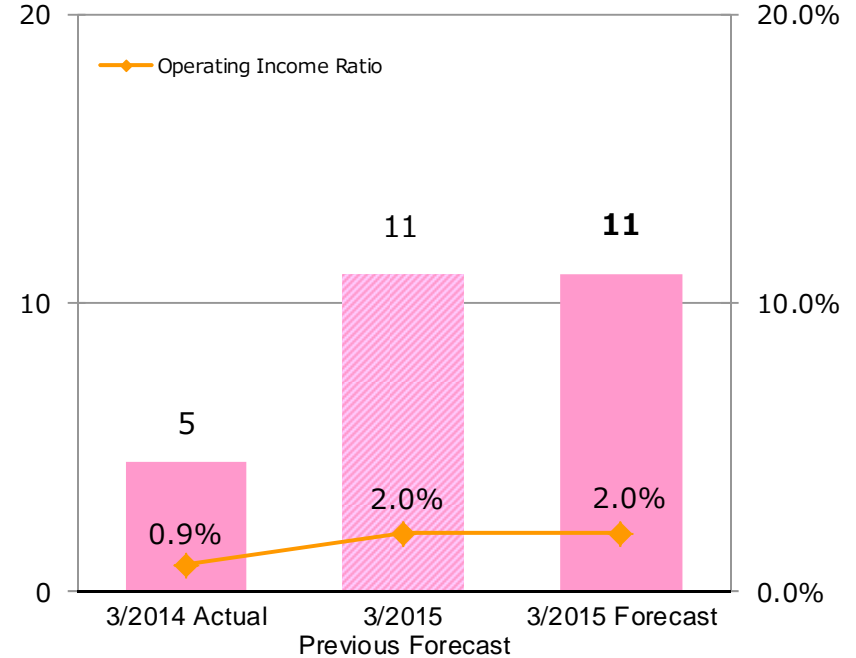
(100 Millions of Yen)



Change
+13.9%

Operating Income

(100 Millions of Yen)



- ✓ Sales are expected to increase due to the integration of Media Create Co., Ltd. and opening up karaoke shops.
- ✓ Operating income is expected to grow due to increased sales.

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

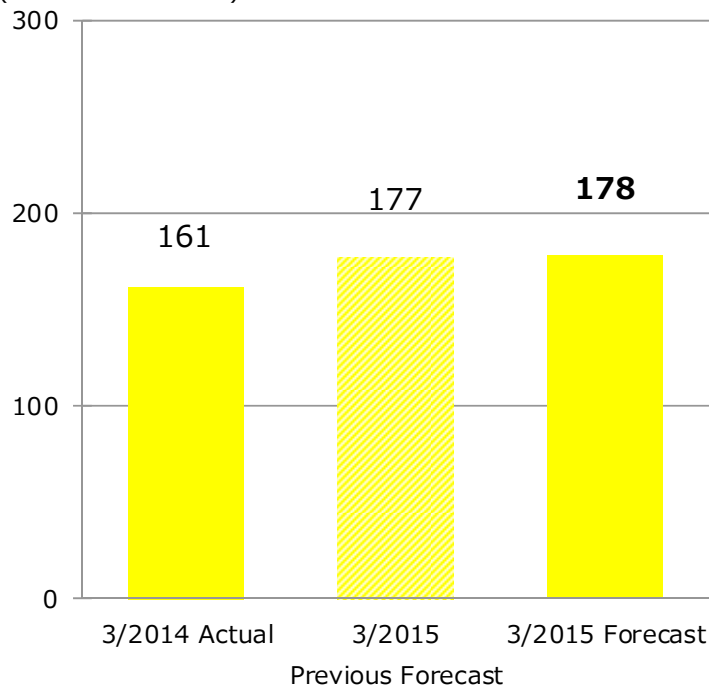
Industrial Part Sales & Operating Income

< Forecast for FY2014(ending March 31,2015) >



Net Sales

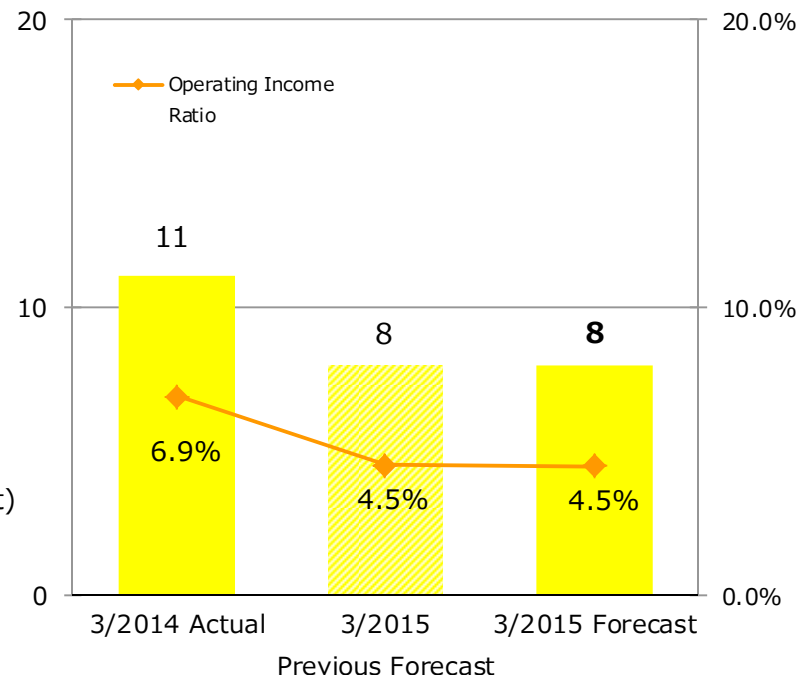
(100 Millions of Yen)



Change(w/o forex impact)
+10.6% (+10.5%)

Operating Income

(100 Millions of Yen)



Industrial Part

Geographical Sales(100 Millions of Yen)

	3/2014 Actual	3/2015 Previous Forecast	3/2015 Forecast	Change (w/o forex impact)
Americas	20	29	28	+38.1% (+37.7%)
Asia & Others	0	5	5	- (-)
Japan	141	143	145	+3.0% (+3.0%)

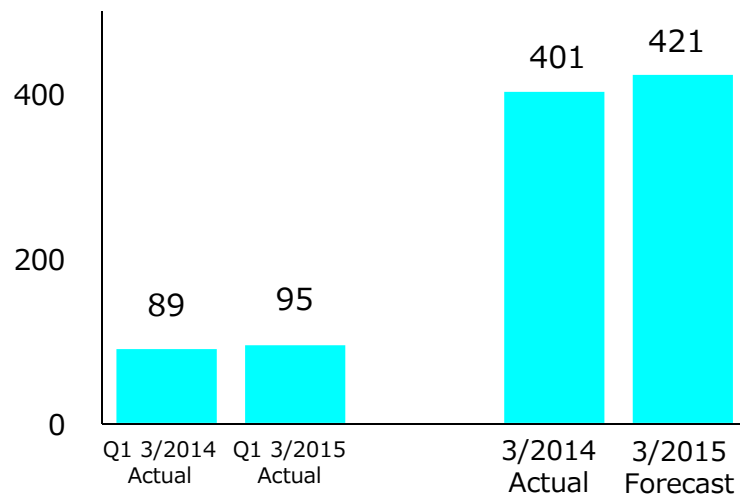
✓ Expand overseas sales by strengthening sales in North America.

✓ Operating income is expected to decrease due to an increase in fixed costs such as depreciation.

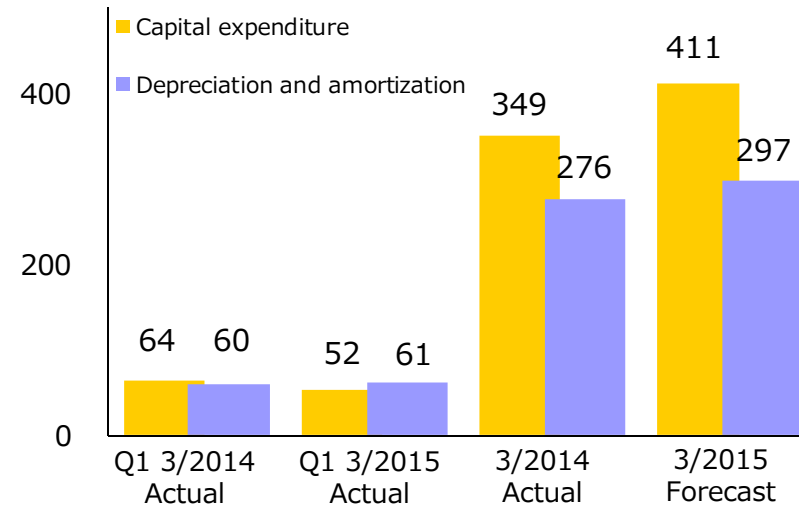
R&D expenses, Capital expenditure, Depreciation and amortization and Inventories



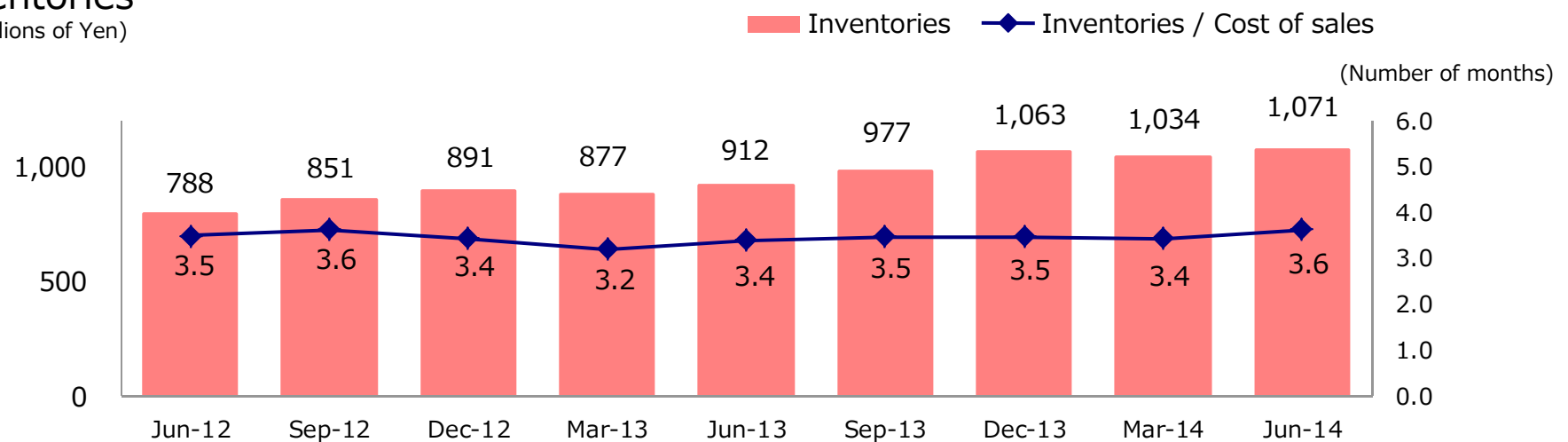
R&D expenses (100 Millions of Yen)



Capital expenditure and Depreciation and amortization (100 Millions of Yen)



Inventories (100 Millions of Yen)



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at your side