May 15, 2015

Partial Amendments and Continuation of Policy Toward Large-scale Purchases of Brother Shares (Takeover Defensive Measures)

Brother resolved on the introduction of the "Policy Toward Large-scale Purchases of Brother Shares" at the Board of Directors' Meeting held on March 23, 2006, which was approved by the Brother shareholders at the 114th Brother Annual Shareholders Meeting held on June 23, 2006. Thereafter, necessary revisions were made to this Policy with the approval from the Brother Shareholders at the 117th Brother Annual Shareholders Meeting held on June 23, 2009. In addition, the continuation of the "Policy Toward Large-scale Purchases of Brother Shares" with necessary revisions to this Policy (the "Current Policy") was approved by the Brother shareholders at the 120th Brother Annual Shareholders Meeting held on June 26, 2012.

The expiration date of the Current Policy was set forth to be the time the first Board of Directors' Meeting to be held after the 123rd Brother Annual Shareholders Meeting scheduled to be held on June 23, 2015 (this "Shareholders Meeting ") ends, and Brother has continued to conduct further review of the Current Policy from the aspect of the corporate value of Brother or furthermore the common interests of its shareholders taking into account the changes in the environment surrounding Brother, etc. caused after the resolution on the Current Policy.

As a result, in order to assure and enhance the corporate value of Brother or furthermore the common interests of its shareholders, it has been resolved, with the approval from all 11 directors of Brother, including the 5 outside directors, who are independent directors (as provided for by the rules of the Tokyo Stock Exchange), to continue a new "Policy Toward Large-scale Purchases of Brother Shares" with the following amendments to the Current Policy (hereinafter the amended policy shall be referred to as the "Policy") at the Board of Directors' Meeting held on May 15, 2015, on condition that the Policy is approved by the Brother shareholders at this Shareholders Meeting, as an approach (Article 118, Item 3(ii)(2) of the Ordinance for Enforcement of the Companies Act) for preventing persons or entities who are deemed inappropriate according to the "Basic Policy Concerning the Shape of Persons or Entities Who Control the Decision on the Policy for Finance and Business" (the contents of which are set forth in Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act,

and hereinafter the "Basic Philosophy") from controlling the decision on Brother's policy for finance and business, and Brother hereby notifies you of such resolution.

All 5 statutory auditors of Brother, including the 3 outside statutory auditors, who are independent auditors (as provided for by the rules of the Tokyo Stock Exchange), have given the opinion that he/she will approve the Policy on condition that the specific operations of the Policy are carried out appropriately.

In the event that the Policy is approved by the Brother shareholders at this Shareholders Meeting, the Policy will be effectuated as of the resolution made at the first Board of Directors' Meeting to be held after this Shareholders Meeting.

The contents of the amendment are as follows:

i) The request period for information provision to a person or a company that intends to conduct a Large-scale Purchase (the "Large-scale Purchaser") is determined to be a maximum of 60 days,
ii) Countermeasures against Large-scale Purchases are limited to the gratis issue of stock acquisition rights,
iii) Conditions for taking the countermeasure are reviewed and
iv) Other necessary revisions are made in expressions, etc.

Just for the record, Brother would like to add that, as of today, there are no warnings or proposals specifically made from particular third parties to carry out Large-scale Purchases of Brother shares.

Notes: Large-scale Purchase is defined in Chapter 3 (2) below.

1. Basic Philosophy

The Brother Group recorded 80% or more of its sales in the market outside Japan, having manufacturing facilities and sales facilities in 44 various countries and areas abroad, with more than 30,000 employees on a consolidated basis (as of April, 2015). The corporate value of Brother is largely based on the faithful relationship between business partners in those countries and areas in which the Brother Group is conducting its business and on morals of the employees of the Brother Group.

The Brother Group is conducting business activities, with efforts to embody its customer-first corporate culture "At your side." in all the stages of our operations, including product planning, development, design, manufacturing, sales and services. Our goal is to ensure the perception that Brother is a "trustworthy brand" among our customers all over the world. To achieve it, Brother has built its unique management system "Brother Value Chain Management" as a core of our management. With the continuous efforts to improve it, we will work to swiftly provide the values that customers demand.

Under these circumstances, the Board of Directors believes that Brother shareholders should make the final decisions as to whether or not a Large-scale Purchase is acceptable, taking into account the business management policy and implementation thereof under the current management of Brother. At the same time, the Board of Directors believes that shareholders should be provided with necessary and sufficient information, through the Board of Directors, in order to make appropriate decisions as to whether or not a Large-scale Purchase is acceptable, such information as the conditions of the Large-scale Purchase, the influence of the Large-scale Purchase affecting Brother's corporate value or any alternative plan.

Based on the basic philosophy mentioned above, in order to provide an opportunity for Brother shareholders to receive necessary and sufficient information about the Large-scale Purchase and any alternative plans, the Board of Directors will establish rules concerning Large-scale Purchases of Brother shares (the "Large-scale Purchase Rules") as described Chapter 3 below. The Board of Directors will require the Large-scale Purchaser to comply with these rules. If the Large-scale Purchaser does not comply with these rules, the Board of Directors intends to take a certain countermeasure.

2. Special Approach Which Will Contribute to the Realization of the Basic Philosophy

As a premise of the Basic Philosophy mentioned above, Brother believes that it is important to enhance the corporate value of the Brother Group and to make many investors continue to invest to Brother in the long term. To that effect, in FY2002 we formulated our mid- to long-term corporate vision, "Global Vision 21 (GV21)," in which we define the following three objectives as goals of the Brother Group:

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 formulated its mid-term strategy as a road map to achieve GV 21. Reaching the last fiscal year of the mid-term strategy "CS B2015", which has the theme of "Back to Growth" for the period from FY2011 to FY2015, we are challenging our growth strategies in all businesses in order to achieve management targets.

As for our main Printing and Solutions Business, we will promote a global growth strategy. In developed countries, we will work to strengthen the sales of highly functional products that meet the needs of SMB (Small and Medium Business) customers. We will also work to strengthen the sales of black-and-white laser products and inkjet products equipped with a large-capacity ink tank in growing emerging countries.

For the Personal & Home (P&H) Business, the sales of home sewing machines, embroidery machines and the home cutting machine are growing steadily. We will continue to expand our sales of embroidery machines and in the craft field, while enhancing our sales in growing emerging countries.

For the Machinery and Solution (M&S) Business, we aim to expand our sales of industrial sewing machines in the Asian market by launching new products and reinforcing our sales. We are also aiming at expanding the sales of machine tools into stable markets, such as the automobile industry and general machinery industry in addition to the IT industry.

For the Network & Contents Business, we will generate consistent profits through steady expansion by further developing the link between contents business and directly-operated store business, mainly in the online karaoke field.

For the Industrial Part Business, we aim to grow our overseas sales mainly in America and China by utilizing the network in the Brother Group.

As for the new businesses, we aim to expand our business of the solution field targeting

SMB customers in two business domains: One is the document application business, which helps to digitize documents by using a scanner; and another is the remote collaboration business, which improves operational efficiency by using a web conferencing system. We will also develop the wearable market by further pursuing functions and usability of the head-mounted display.

The Brother Group will, aiming at the growth of these businesses, make investments such as R&D investment and capital expenditure, etc. in an affirmative way. We are also looking for opportunities for M&A and corporate alliances in each business and region in order to accelerate the growth. Further, we will aim to achieve GV 21 by strengthening management infrastructure in all aspects (development, production, sales, human resources and CSR) and by accelerating "True Globalization".

3. Details of the Policy

(1) The Purpose of the Policy

The purpose of the Policy is to assure and enhance the corporate value of Brother or furthermore the common interests of its shareholders by ensuring the necessary information to Brother shareholders for their proper judgment of whether or not to accept the Large-scale Purchases as well as ensuring the opportunities to the Board of Directors to evaluate, review, negotiate on, form opinions on and propose any alternative plans for the Large-scale Purchases.

(2) The Scope of a Large-scale Purchase

A Large-scale Purchase that is subject to the Policy is (i) a purchase of Brother shares and other securities[1] by a specific group of shareholders[2] with the intent to hold 20% or more of the total voting rights[3] of Brother, or (ii) a purchase of Brother shares and other securities resulting in a specific group of shareholders holding 20% or more of the total voting rights of Brother (the purchases set out in (i) or (ii) above are not limited to any specific type of purchase, such as a purchase to be made on the market or a purchase by a tender offer; the purchases set out in (i) or (ii) above do not include the purchases to which Brother's Board of Directors has given consent in advance).

Notes: 1. Shares and other securities as defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law. In the case the relevant statutes or regulations

are amended, etc., the above description shall be adjusted properly so that it shall have an appropriate meaning.

2. A specific group of shareholders shall mean any of the following:
(i) a holder (including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 of the Financial Instruments and Exchange Law; hereinafter the same) of shares and other securities of Brother (defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law) and any joint holders (defined in Paragraph 5, Article 27-23 of the Financial Instruments and Exchange Law, including a person deemed as a joint holder pursuant to Paragraph 6 thereof; hereinafter the same), or
(ii) a person or a company who makes a purchase (defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law, including a purchase made on a financial instruments exchange market) of shares and other securities of Brother (defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law) and any specially related parties (defined in Paragraph 7, Article 27-2 of the Financial Instruments and Exchange Law; hereinafter the same).
In the case the relevant statutes or regulations are amended, etc., the above description shall be adjusted properly so that it shall have an appropriate meaning.

3. The ratio of the total voting rights shall mean:
(i) in the case of note 2(i) above, the shareholding ratio (defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law) of the holder (taking into account the number of shares (defined in the said Paragraph) held by any joint holders) or
(ii) in the case of note 2(ii) above, the sum of the shareholding ratio (defined in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law) of the purchaser and its specially related parties.
In calculating the voting rights ratio, the annual report, the quarterly report or the treasury stock purchase report of Brother, whichever is submitted to the authorities most recently, may be referred to in deciding the total number of voting rights (defined in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law) or total number of issued shares (defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law).
In the case the relevant statutes or regulations are amended, etc., the above description shall be adjusted properly so that it shall have an appropriate meaning.

(3) Large-scale Purchase Rules

Brother's Board of Directors believes that a Large-scale Purchaser should comply with the Large-scale Purchase Rules for the common interest of shareholders of Brother, whereby Brother shareholders would be provided with an opportunity to receive necessary information about the Large-scale Purchase and any alternative plans. The Large-scale Purchase Rules require that (i) a Large-scale Purchaser provide sufficient information to the Board of Directors before the commencement of the Large-scale Purchase, and (ii) a Large-scale Purchaser be permitted to commence the Large-scale Purchase only after the prescribed period has elapsed during which the Board of Directors assesses the provided information. The details of the Large-scale Purchase Rules are as prescribed in the following paragraphs.

(i) Submission of Intention Letter

First, when a Large-scale Purchaser intends to commence a Large-scale Purchase, such Large-scale Purchaser is required to submit to Brother a letter of intention to comply with the Large-scale Purchase Rules (the "Intention Letter"). In the Intention Letter, the name of the Large-scale Purchaser, address, governing law of incorporation, the name of the representative, contact details in Japan and an outline of the proposed Large-scale Purchase should be specified.

(ii) Provision of Information

Second, the Large-scale Purchaser is required to provide Brother's Board of Directors with necessary and sufficient information (the "Large-scale Purchase Information") so that the company's shareholders may make decisions and the Board of Directors may form its opinion regarding such Large-scale Purchase (including proposals of alternative plans). The Large-scale Purchase Information includes the following; provided, however, that Brother's Board of Directors will, upon consulting the Independent Advisory Committee and giving maximum respect to its advice and recommendation, prepare a list of the Large-scale Purchase Information to be initially provided by the Large-scale Purchaser:

(a) an outline of the Large-scale Purchaser and its group;
(b) the purposes and conditions of the Large-scale Purchase;
(c) the basis for determination of the purchase price and funds for purchase; and
(d) management policies and business plans which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase.

In order for the Large-scale Purchaser to provide the Large-scale Purchase Information, the Board of Directors will, within five business days after receipt of the Intention Letter, deliver to the Large-scale Purchaser the list of the Large-scale Purchase Information to be initially provided by the Large-scale Purchaser. If the information initially provided by the Large-scale Purchaser is reasonably deemed insufficient as Large-scale Purchase Information, the Board of Directors may, upon consulting the Independent Advisory Committee and giving maximum respect to its advice and recommendation, require additional information within 60 days after receipt of the Intention Letter by the Board of Directors (the "Request Period for Information Provision"). The Board of Directors will disclose all or part of the Large-scale Purchase Information submitted to the Board of Directors at the time it deems appropriate, if such disclosure is considered necessary for shareholders to make decisions.

(iii) Assessment Period

The Large-scale Purchaser may commence the Large-scale Purchase only after the Assessment Period (as defined below) has elapsed.

After Brother's Board of Directors delivers to the Large-scale Purchaser a letter certifying that all the Large-scale Purchase Information is provided or the expiration date of the Request Period for Information Provision, the Board of Directors should be allowed a maximum of 60 days (in the case of the purchase of all Brother shares by a tender offer with cash-only (yen) consideration) or a maximum of ninety days (in the case of any other Large-scale Purchase), depending on the difficulty level of assessment, as the period during which it will assess, examine, negotiate, form an opinion and seek alternatives (the "Assessment Period"). The Board of Directors will thoroughly examine and assess the provided Large-scale Purchase Information during the Assessment Period, and upon consulting the Independent Advisory Committee and giving maximum respect to its advice and recommendation, will form and disclose its opinion. The Board of Directors may negotiate with the Large-scale Purchaser in order to improve the terms of the proposed Large-scale Purchase or it may offer alternative plans to shareholders, as necessary. If the Board of Directors of Brother has determined, as a result of its examination and negotiation, that the Large-scale Purchase will maximize the corporate value of Brother or furthermore the common interests of its shareholders, the Board of Directors of Brother shall promptly end the Assessment Period and disclose such.

(4) Independent Advisory Committee

In order to assure the appropriateness of the operations of the Board of Directors with respect to the Large-scale Purchase Rules, and to further secure the fairness and transparency of the decision making by the Board of Directors upon the Large-scale Purchase, the Independent Advisory Committee will be established.

In the Large-scale Purchase Rules, matters concerning the implementation of the countermeasure are set forth in section (5) described hereafter, and when such countermeasure is implemented or other important decisions are made by the Board of Directors related to the operation of the Large-scale Purchase Rules, the Board of Directors shall, in principle, consult with the Independent Advisory Committee and give maximum respect to its advice and recommendation. Details of the Independent Advisory Committee are as provided in Attachment 1. The details of the Independent Advisory Committee may be amended by a resolution of Brother's Board of Directors to the reasonable extent that the amendment is consistent with the intent of further securing the fairness and transparency of the decision making by the Board of Directors.

(5) Actions to be Taken When the Large-scale Purchases are Conducted
If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, Brother's Board of Directors may, upon consulting the Independent Advisory Committee and giving maximum respect to its advice and recommendation, make gratis issue of stock acquisition rights as a countermeasure against the Large-scale Purchaser to protect the corporate value of Brother or furthermore the common interests of its shareholders.
In the event that the Board of Directors elects to make gratis issue of stock acquisition rights to shareholders as such specific countermeasure, the outline of such stock acquisition rights is as provided in Attachment 2. Brother may, upon the gratis issue of the stock acquisition rights, determine the conditions and other matters of the stock acquisition rights in consideration of the effectiveness thereof as a countermeasure, such conditions as not allowing the exercise of stock acquisition rights held by a person or a company belonging to a specific group of shareholders holding a specific percentage of the total voting rights or attaching a call option (*shutoku-joko*) which allows Brother to only acquire the stock acquisition rights held by the shareholders not belonging to a specific group of shareholders when acquiring only a part of the stock acquisition rights.

If a Large-scale Purchaser complies with the Large-scale Purchase Rules, the Board of Directors does not intend to prevent the Large-scale Purchase at its sole discretion

without the will of the shareholders, unless it is clear that such Large-scale Purchase will cause irreparable damage or loss to the corporate value of Brother or furthermore the common interests of its shareholders.

As cases where it is obvious that Large-scale Purchase will cause irreparable damage or loss to the corporate value of Brother or furthermore the common interests of its shareholders, Brother envisions cases where acts such as (i) through (v) below are contemplated.
(i) To buy up Brother shares and demand Brother to buy such shares at a high price;
(ii) To control Brother temporarily, and to conduct its business in a way to realize the interests of the Large-scale Purchaser at the sacrifice of Brother such as to acquire important assets and other things of Brother at an extraordinary low price;
(iii) To divert the assets of Brother as security for debts or as resource for payments of the Large-scale Purchaser or its group companies, etc.;
(iv) To control Brother temporarily and to cause Brother to dispose of the expensive assets and other things that are not, at the moment, concerned with Brother business, and to cause Brother to pay out high dividends temporarily with such disposal credits or aim to sell Brother shares at the highest price upon rapid uplift of share price due to the temporary high dividends;
(v) A way of purchase, such as high-handed two step purchase (which is a way to sell and purchase shares by tender offer, etc. in two steps, where at the first purchase not all shares are solicited for sale and the purchase conditions of the second step purchase are set unfavorably to shareholders or not clearly specified), which may practically force the shareholders to sell its shares;

In deciding whether or not Brother will take the countermeasure, the Board of Directors will decide by obtaining advice from attorneys, financial advisors and other external advisors, fully respecting statements made by outside directors and Corporate Auditors and consulting the Independent Advisory Committee giving maximum respect to its advice and recommendation, and will make appropriate disclosure at an appropriate time.

Upon adopting the countermeasure above, if the Board of Directors concludes that it is appropriate to confirm the shareholders' opinion from the aspect of the common interests of Brother shareholders, Brother will hold a general shareholders meeting.
If the Board of Directors decides to hold a general shareholders meeting, it will

disclose such matter and the reason for holding such shareholders meeting at that time.

After deciding the implementation of the countermeasure, if the Board of Directors concludes that it is not appropriate to take the countermeasure due to the reasons such as the Large-Scale Purchaser withdrawing its attempt for or making any changes to the Large-Scale Purchase, the Board of Directors may, upon obtaining advice from attorneys, financial advisors and other external advisors, fully respecting statements made by outside directors and statutory Auditors and consulting the Independent Advisory Committee giving maximum respect to its advice and recommendation, suspend or change the implementation of the countermeasure. In such a case, the Board of Directors will make a prompt disclosure regarding such decision.

(6) Influence on Shareholders and Investors, etc.

(i) Influence on Shareholders and Investors, etc. given by the Large-scale Purchase Rules

The purpose of the Large-scale Purchase Rules is to provide an opportunity for Brother shareholders to receive information necessary to determine whether or not the Large-scale Purchase is acceptable, an opinion by the Board of Directors that is currently in charge of Brother's management, and any alternative plans. The Board of Directors believes that under the Large-scale Purchase Rules, Brother shareholders will be able to make appropriate decisions, provided with sufficient information, as to whether or not the Large-scale Purchase is acceptable, whereby the common interests of Brother shareholders shall be protected. Accordingly, the Board of Directors believes that the establishment of the Large-scale Purchase Rules is an appropriate condition in order for shareholders and investors to make appropriate decisions and is for the benefit of Brother shareholders and investors.

The Board of Directors is hereby advising Brother shareholders and investors to observe carefully any actions by a Large-scale Purchaser, because steps and actions to be taken by Brother will be different depending on whether or not a Large-scale Purchaser complies with the Large-scale Purchase Rules, as described in (5) above.

(ii) Influence on Shareholders and Investors, etc. given by Countermeasure

If a Large-scale Purchaser does not comply with the Large-scale Purchase Rules, Brother's Board of Directors may, by consulting the Independent Advisory Committee and giving maximum respect to its advice and recommendation, take the

countermeasure against the Large-scale Purchaser to protect the corporate value of Brother or furthermore the common interests of its shareholders. In such a case, as a function of the possible countermeasure itself, the Board of Directors is not assuming that such countermeasure taken will cause any specific legal or economic damage or loss to Brother shareholders (excluding a Large-scale Purchaser who does not comply with the Large-scale Purchase Rules), as the stock value of the entire Brother shares owned by the shareholders remains the same, while such gratis issue of stock acquisition rights and subsequent delivery of shares causes dilution of the stock value per Brother share. However, even if the Board of Directors adopts a resolution to make gratis issue of stock acquisition rights, such gratis issue may be canceled or Brother may acquire the stock acquisition rights without delivering its shares in exchange by the day immediately before the first day of the exercise period of the stock acquisition rights due to reasons such as Large-scale Purchaser withdrawing its attempt for Large-scale Purchase. In such a case, as there will be no dilution of the stock value per Brother share, those investors who purchased or sold the Brother shares based on the assumption that there will be a dilution of the stock value per Brother share may suffer unexpected damages by the fluctuations in stock prices. When the Board of Directors elects to take such specific countermeasure, the Board of Directors shall make appropriate disclosure at an appropriate time in accordance with the relevant laws and financial products market regulations.

With respect to the gratis issue of stock acquisition rights taken as a countermeasure, since the stock acquisition rights will be allotted to those shareholders listed or recorded in the latest shareholders' list as of the allotment date separately provided by the Board of Directors, it is necessary that the shareholders complete the procedures for transfer by the allotment date of stock acquisition rights. The Board of Directors will make notification about the details of such steps in accordance with the relevant laws in the case Brother is to make gratis issue of such stock acquisition rights.

If the gratis issue of the stock acquisition rights is made, Brother may, as of the date designated by the Board of Directors, acquire the stock acquisition rights held by the shareholders not belonging to a specific group of shareholders and in exchange deliver the Brother shares. In this case, the shareholders not belonging to a specific group of shareholders will, without such shareholders making any payment of money for the exercise of the stock acquisition rights, acquire the Brother shares subject to the stock acquisition rights as consideration for Brother's such acquisition when Brother takes the necessary procedures for acquisition.

The shareholders subject to such acquisition may separately be requested to submit a written confirmation in the prescribed form confirming that such shareholder is not a person or a company belonging to a specific group of shareholders and information on the account where shares will be recorded.

(7) Effective Date and Effective Term of the Policy
If the Policy is approved at this general shareholders meeting, the Policy will be ad opted by the resolution of the first meeting of Brother's Board of Directors to be held after this general shareholders meeting, and will take effect as of the same day. The Policy will remain effective until the close of the first meeting of the Board of Directors to be held after the ordinary general shareholders meeting in 2018.

The Board of Directors intends to review the Policy from time to time from the viewpoint of assuring and enhancing the corporate value of Brother or furthermore the common interests of its shareholders, taking into account the enactments of various legislation, and may amend or abolish the Policy as necessary even during the effective term of the Policy; provided, however, that the Board of Directors will not make any amendment to the Policy that is contrary to the intent of the approval by the Brother shareholders at this Shareholders Meeting and, in the case of amendment or abolishment of the Policy, the Board of Directors will consult the Independent Advisory Committee and give maximum respect to its advice and recommendation before such amendment or abolishment. Further, if it is resolved in the general shareholders meeting that the Policy shall be abolished, the Policy will be abolished.

If the Policy is amended or abolished, Brother will make a prompt disclosure regarding the amendment (including the contents of the amendment) or abolishment of the Policy and other matters that the Board of Directors deems appropriate.

(8) Decision of the Board of Directors Concerning the Reasonableness of the Policy
(i) The Policy follows the Basic Philosophy of Brother
The Policy is to assure the corporate value of Brother or furthermore the common interests of its shareholders upon proposal of Large-scale Purchase by, among others, allowing the shareholders to determine whether or not to accept the Large-scale Purchase, or to retain necessary information and time for the Board of Directors to propose alternative plans, or to negotiate with the Large-scale Purchaser for the benefit of the shareholders, and this follows the Basic Philosophy of Brother as described in

Chapter 1 above.

(ii) The Policy does not impair the common interests of Brother shareholders or is not aimed to maintain the positions of the Brother officers
The Board of Directors has determined that the Policy does not impair the common interests of Brother shareholders or is not aimed to maintain the positions of the Brother officers pursuant to the following reasons:

(a) The Policy reflects the will of the shareholders
If the Policy is approved at this general shareholders meeting, the Policy will be adopted by the resolution of the first meeting of Brother's Board of Directors to be held after this general shareholders meeting, and will take effect as of the same day. Further, even before the expiration of the effective term of the Policy, if it is resolved in the general shareholders meeting that the Policy shall be abolished, the Policy will be abolished as of the same day, and as a result, the intent of the shareholders will be reflected.

(b) Respect to the advice and recommendation by the independent outside advisors
In order to assure the appropriateness of the operations of the Policy, and to further secure the fairness and transparency of the decision making by the Board of Directors upon the Large-scale Purchase, the Independent Advisory Committee will be established. The Independent Advisory Committee will discuss and resolve the matters consulted by the Board of Directors and shall advise and make recommendations to the Board of Directors pursuant to such resolution, and the Board of Directors shall give maximum respect to such advice and recommendation provided.

(c) Designed based on the "Guideline Concerning the Takeover Defensive Measures for Assuring and Enhancing the CorporateValue and the Common Interests of Shareholders" and the "Way of the Takeover Defensive Measures With Aspect to Current Changes in the Various Environments"
The Policy fulfills the 3 principles prescribed in the "Guideline Concerning the Takeover Defensive Measures for Assuring and Enhancing the CorporateValue and the Common Interests of Shareholders" set forth by the Ministry of Economy, Trade and Industry and Ministry of Justice as of May 27, 2005 (which are Principle of Assuring and Enhancing the Corporate Value and the Common Interests of Shareholders, Principle of Prior Disclosure and Shareholders' Will and Principle of Ensuring Necessity and Fairness), and the Policy is designed based on the "Way of Takeover

Defensive Measures With Aspect to Current Changes in the Various Environments" set forth by the Corporate Value Research Association as of June 30, 2008.

(d) No difficulties in abolishing the Policy

The Policy may be abolished by the Board of Directors composed of the directors elected by the general shareholders meeting of Brother. Further, since the term of the Brother directors is one (1) year, the Large-scale Purchaser may elect a director nominated by it at the general shareholders meeting, and by the Board of Directors composed of such elected directors, the Policy may be abolished without particularly taking a long period of time.

End

Attachment 1

Details of Independent Advisory Committee

1. Members

Members of the Independent Advisory Committee shall be independent from the management members executing the business of Brother. The number of the members of the Independent Advisory Committee shall be no less than three (3) members. Brother's Board of Directors shall elect such members from among (i) company operators having a proven track record, (ii) persons who are familiar with investment banking operations, (iii) persons who are familiar with corporate and business activities, (iv) attorneys, (v) certified accountants (vi) researchers whose main subject of research is the Corporate Code of Japan, etc. or (vii) any person holding positions equivalent to those stated above.
The term of office of the members of the Independent Advisory Committee shall be until the close of the first meeting of the Board of Directors to be held after the ordinary general shareholders meeting concerning the fiscal year ending within one (1) year after the election, and reelection shall not be prohibited. Brother shall enter into an agreement with each member of the Independent Advisory Committee that includes provisions with respect to the due care of a prudent manager, etc., as specified by the Board of Directors.
These shall not apply if otherwise resolved by a resolution of a meeting of Brother's Board of Directors.
Further, when Board of Directors resolves to abolish the Policy, the term of office of the members of the Independent Advisory Committee shall expire as of with the abolishment of the Policy.

2. Requirements for Resolutions

A resolution of the Independent Advisory Committee shall be adopted by a majority of the members of the Independent Advisory Committee present at a meeting of the Independent Advisory Committee at which two thirds (2/3) of all members of the Independent Advisory Committee are present, in principle; provided, however, that, in case of urgent or unavoidable reasons, a resolution of the Independent Advisory Committee shall be adopted by a majority of the members of the Independent Advisory

Committee present at a meeting of the Independent Advisory Committee at which majority of all members of the Independent Advisory Committee are present.

3. Matters to be Decided, Etc.

In the case Brother's Board of Directors consults with the Independent Advisory Committee, the Independent Advisory Committee shall respond thereto and shall make decisions primarily in respect of the matters described in each of the following items after the conducting of detailed audits, examinations, deliberations, etc., and shall advise and provide recommendations to Brother's Board of Directors with respect to the content of the decisions made, attaching the reasons thereof. Brother's Board of Directors, as an organization under the Corporate Code of Japan, shall resolve matters holding such advice of the Independent Advisory Committee in high esteem, to the fullest extent. Also, each member of the Independent Advisory Committee and each director of Brother shall be required to make decisions from the viewpoint of whether or not such decisions exclusively contribute to the corporate values of Brother or furthermore to the common interests of its shareholders. Decisions by each member of the Independent Advisory Committee and each director of Brother shall not be made to promote the private interests of himself/herself or the current management members of Brother.

i) Extent to which information should be provided to Brother's Board of Directors by the Large-scale Purchaser;

ii) Whether or not the Large-scale Purchaser has complied with the Large-scale Purchase rules;

iii) Whether or not the Large-scale Purchase has made irreparable damages to the corporate value of Brother or furthermore the common interests of its shareholders;

iv) Whether or not a countermeasure should be taken, and whether or not the content of the countermeasure is adequate; and

v) Other matters of consultation consulted by Brother's Board of Directors.

Also, in order to provide the adequate decisions, the Independent Advisory Committee

shall make every effort to collect necessary and sufficient information in respect of any decision to be made in respect of the above matters, and may receive advice from independent third parties, including financial advisors, certified accountants, attorneys, consultants and other specialists with the expense of Brother, which expensive shall be within the reasonable limit.
Moreover, the Independent Advisory Committee may require the participation of the directors, auditors, and employees of Brother, as well as other parties deemed necessary by the Independent Advisory Committee, and may require the explanation of matters required by the Independent Advisory Committee.

Further, the Independent Advisory Committee shall regularly hold Independent Advisory Committee meetings in addition to meetings held in the case Brother's Board of Directors consults with the Independent Advisory Committee, and the Independent Advisory Committee shall receive reports from the directors of Brother and other parties deemed necessary by the Independent Advisory Committee with respect to the business conditions of Brother, including the progress of the mid-term management plan.

End

Reference Material of Attachment 1

Name and Brief Personal History of Independent Advisory Committee Members-to-be

On condition that the Policy is approved by the Brother shareholders at this Shareholders Meeting, Independent Advisory Committee Members-to-be are three persons as shown below.

Kazunari Uchida
[Brief Personal History]
Year of birth: 1951
1974: Joined Japan Airlines Co., Ltd.
1985: Joined The Boston Consulting Group
1991: Vice President (Partner) of The Boston Consulting Group
1999: Senior Vice President of The Boston Consulting Group
2000: Japan Representative of The Boston Consulting Group
2005: Senior Vice President of The Boston Consulting Group
2006: Professor of Waseda University (Present)

Akira Yamada
[Brief Personal History]
Year of birth: 1953
1986: Registered as an attorney
1986: Joined Miyake, Hatasawa & Yamazaki
1991: Admitted as an attorney in New York
1992: Partner of Miyake & Yamazaki (Present)
1994: Representative of Bangkok Office of Miyake & Yamazaki
1997: Miyake & Yamazaki, Tokyo (Present)

Hideaki Iwatani (newly-appointed)
[Brief Personal History]
Year of birth: 1945
1968: Joined Matsushita Electric Industrial Co., Ltd.
1978: Seconded to Matsushita Electric Corporation of America
1996: President & COO of Panasonic Consumer Electronics Company (USA)

2000: Director of Matsushita Electric Industrial Co., Ltd. and Chairman & CEO of Matsushita Electric Corporation of America
2004: Officer of Matsushita Electric Industrial Co., Ltd. and Director & Officer of Global Strategy Research Institute
2005: Advisor of Matsushita Electric Industrial Co., Ltd.
2008: Director of Meiji Gakuin
2011: Executive Director of Meiji Gakuin
2014: President and CEO of Simeon Consulting Group LLC (Present)

*There is no special interest relationship between these people and Brother.

End

Attachment 2

Outline of Stock Acquisition Rights

1. Shareholders who are entitled to receive stock acquisition rights and conditions of allotment thereof:

A number of stock acquisition rights, which number is to be separately provided by the Board of Directors, per one share held by shareholders (excluding the shares held by Brother as treasury stock), whose names are listed or recorded in the latest shareholders' list as of the allotment date separately provided by the Board of Directors, shall be granted to such shareholders.

2. Type and number of shares to be issued upon exercise of stock acquisition rights:

The type of shares to be issued upon exercise of stock acquisition rights shall be common stock of Brother, and the maximum of the total number of shares to be issued upon exercise of stock acquisition rights shall be 300,000,000 shares. The number of shares to be allotted per one share held by a shareholder shall be separately provided by the Board of Directors.

3. Total number of stock acquisition rights to be allotted:

The total number of stock acquisition rights to be allotted shall be separately provided by the Board of Directors. The Board of Directors may allot the stock acquisition rights in several times, as necessary.

4. Issuance method of stock acquisition rights:

Issuance method of stock acquisition rights shall be gratis issue.

5. Amount to be paid upon exercise of each stock acquisition right:

The amount to be paid upon exercise of each stock acquisition right shall be the amount to be determined by the Board of Directors, which shall be one Japanese yen or more.

6. Restriction on transfer of stock acquisition rights:

Stock acquisition rights may only be transferred with the approval of the Board of Directors.

7. Exercise conditions of stock acquisition rights:

Such exercise conditions as below may be established with respect to the stock acquisition rights, the details of which will be provided by the Board of Directors separately:
- A person or a company belonging to a specific group of shareholders that has held 20% or more of the total voting rights as of or after the effective date of the Policy cannot exercise the stock acquisition rights.

8. Acquisition of Stock Acquisition Rights by Brother

(1) Brother may, at anytime until the day immediately before the first day of the exercise period, acquire all of the stock acquisition rights without compensation effective as of the day separately provided by the Board of Directors if the Board of Directors determines that such acquisition by Brother is appropriate.
(2) Brother may, as a call option (*shutoku-joko*) of stock acquisition rights, set forth, among others, that Brother may acquire stock acquisition rights held by a person or a company not belonging to a specific group of shareholders and deliver shares subject to such stock acquisition rights to such shareholders effective as of the day separately provided by the Board of Directors.

Other matters concerning the acquisition of stock acquisition rights shall be separately determined at the Board of Directors, as necessary.

9. Exercise period and other matters of stock acquisition rights:

Exercise period and other necessary matters concerning the stock acquisition rights shall be separately provided by the Board of Directors.

End

Reference Material 1

Condition of the Brother Shares (as of March 31, 2015)

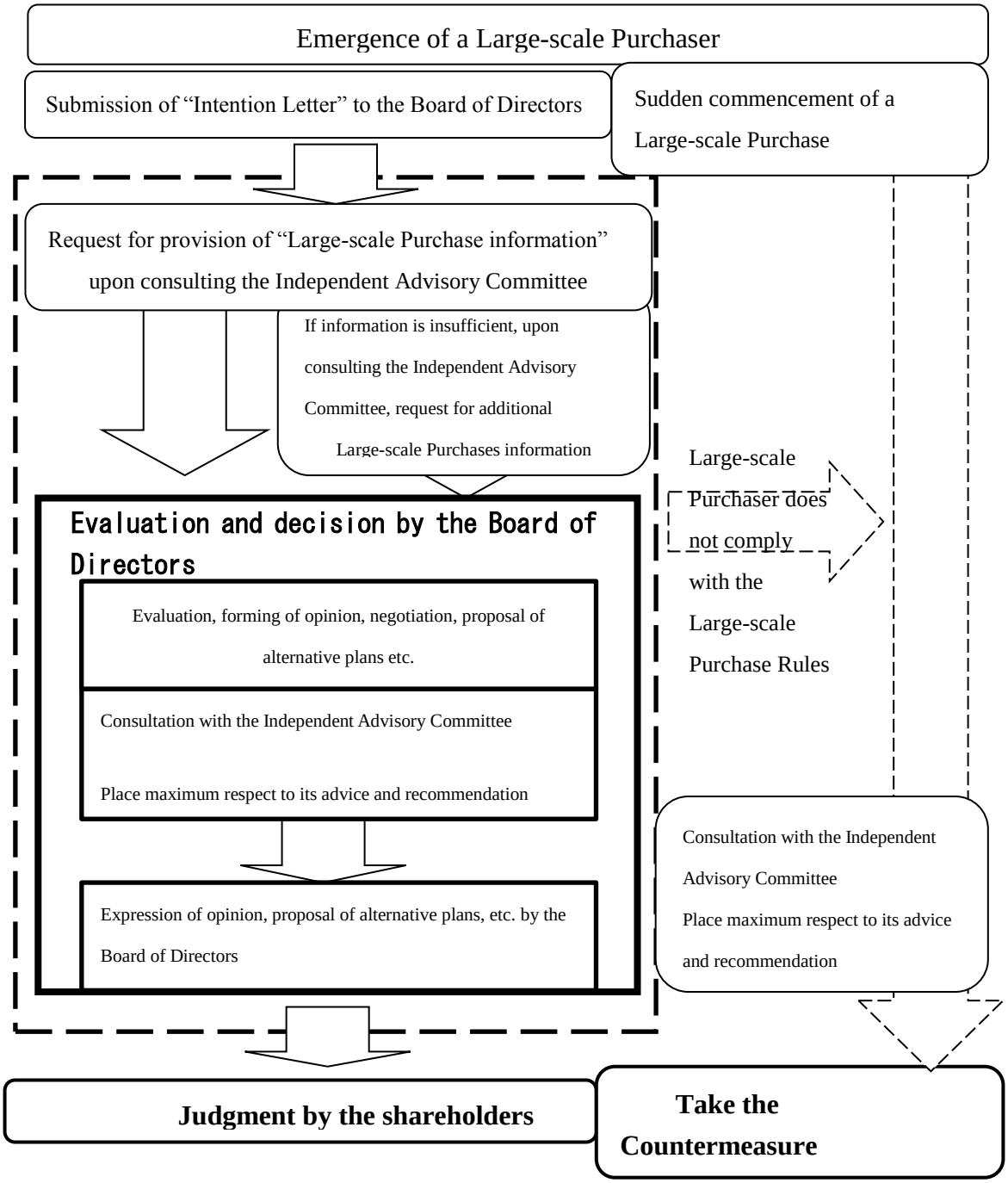
1. Total number of shares Brother is authorized to issue: 600,000,000 shares
2. Total number of issued shares: 277,535,866 shares
3. Total number of shareholders: 21,822 shareholders
4. Condition of the large shareholders:

Name of Shareholders	Number of shares held (1,000 shares)	Percentage of shares held (%)
State Street Bank and Trust Company	15,698	5.66
Nippon Life Insurance Company	11,798	4.25
The Master Trust Bank of Japan, Ltd. (in trusts)	11,069	3.99
Japan Trustee Services Bank Japan, Ltd. (in trusts)	10,475	3.77
Sumitomo Mitsui Banking Corporation	7,398	2.67
Sumitomo Life Insurance Company	4,499	1.62
Employee Stock Ownership of the Brother Group	4,349	1.57
State Street Bank and Trust Company 505225	4,172	1.50
Asahi Jitsugyo Co., Ltd.	4,160	1.50
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,796	1.37

*1: The percentage of shares held is indicated by rounding to the nearest hundredth.
*2: 17,559,384 shares of the treasury stocks (6.33%) held by Brother are not included in the above chart.

Reference Material 2

Diagram of the Image of the Policy



The above diagram of the image of the Policy is prepared only as a reference material. For the details of the Policy, please refer to the Chapter “3. Details of the Policy” in the main text.