



May 17, 2018  
Brother Industries, Ltd.

## **Notice of Partial Amendments to the Articles of Incorporation**

BROTHER INDUSTRIES, LTD. (the “Company”) announces that it passed a resolution at the meeting of the Board of Directors held today to propose partial amendments to the Articles of Incorporation for resolution at the 126th annual meeting of shareholders to be held on June 26, 2018.

### 1. Reasons for amendments

#### (1) Amendments to purposes

In addition to the existing business, in Mid-Term Business Strategy “CS B2018” that started in FY2016 the Company is currently promoting various measures for new business startups and expanding industrial printing business and business for enterprises. In order to respond to the diversification of the future business affairs along with those approaches, and to adjust the purposes according the current business situation of our group, the Company proposes to rearrange a total of 28 items in Article 2 (Purposes) of the current Articles of Incorporation into 14 items as per the proposed amendment.

#### (2) Amendments regarding the exemption from liability of Directors and Statutory Auditors

In order to make the amount of the limit of the liability under the agreements for limitation of liability between outside Directors and the Company and between outside Statutory Auditors and the Company the amount specified by the law and legal ordinances, the Company proposes to make partial amendments to Article 33 (Agreement with Outside Directors Regarding Limitation of Liability) and to Article 44 (Agreement with Outside Statutory Auditors Regarding Limitation of Liability) of the current Articles of Incorporation. Further, consent has been obtained from each Statutory Auditor for partial amendment to Article 33 of the current Articles of Incorporation.

### 2. Details of amendments

The proposed amendments to the Articles of Incorporation are as stated in the Appendix.

### 3. Schedule

Date of the annual meeting of shareholders for amendments to the Articles of Incorporation: Tuesday, June 26, 2018

Effective date of amendments to the Articles of Incorporation: Tuesday, June 26, 2018

Appendix

The details of the amendments are as follows.

(Proposed amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Purposes)</p> <p>Article 2 The Company is formed for the following purposes:</p> <p>(1) <u>To manufacture and sell sewing machines and parts thereof;</u></p> <p>(2) <u>To manufacture and sell machine tools;</u></p> <p>(3) <u>To manufacture, sell, and rent electric machines and appliances; electronic machines and appliances; and information and communication machines and appliances;</u></p> <p>(4) <u>To manufacture and sell knitting machines;</u></p> <p>(5) <u>To manufacture and sell business machines;</u></p> <p>(6) <u>To manufacture and sell musical instruments;</u></p> <p>(7) <u>To manufacture and sell furniture and bedding;</u></p> <p>(8) <u>To manufacture, sell, and rent health, medical, and measuring equipment;</u></p> <p>(9) <u>To manufacture and sell parts for various machines and equipment;</u></p> <p>(10) <u>To manufacture, sell, and lease machines and equipment for generation and storage of electricity and associated parts;</u></p> <p>(11) <u>To manufacture and sell wiring and connecting devices for optical telecommunication;</u></p> <p>(12) <u>To export or import such products and/or parts as stated in any of the foregoing subparagraphs;</u></p>	<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Purposes)</p> <p>Article 2 The Company is formed for the following purposes:</p> <p>(1) <u>To manufacture and sell sewing machines and appliances;</u></p> <p>(2) <u>To manufacture and sell industrial machinery and equipment;</u></p> <p>(3) <u>To manufacture and sell electronic and electric machines and appliances, and information and communication machines and appliances;</u></p> <p>(4) <u>To manufacture and sell audio/visual devices and appliances;</u></p> <p>(5) <u>To manufacture and sell equipment in fields related to health, medical and energy;</u></p> <p>(6) <u>To manufacture and sell various machines and equipment, and parts thereof;</u></p> <p>(7) <u>To conduct data processing business; provide information, and information and communication services;</u></p> <p>(8) <u>To conduct advertising agency business; and to plan, make and sell publications, software, and events;</u></p> <p>(9) <u>To conduct insurance agency business, to conduct financing business and to conduct leasing business;</u></p> <p>(10) <u>To conduct real estate business, construction, and transporting and warehousing, and to conduct automobile maintenance business;</u></p> <p>(11) <u>To sell clothing, daily commodities, furniture and fixtures, automobiles, vouchers, foodstuff and liquor, and to deal in secondhand articles</u></p> <p>(12) <u>To manage various facilities, such as restaurants, amusement facilities, sports facilities; to do business of travel agency; to do business of dispatching labors; to do business of fee-charging placement; and to do business of security services;</u></p>

<p>(13) <u>To import, export and sell clothing, daily commodities, cosmetics, interior decorations, artistic handicrafts, books, stationery, teaching materials and/or tools, leather articles, sports equipment or materials, amusement goods, precision instruments, optical instruments, precious metals, personal ornaments, automobiles, motor bicycles, mini-cars, foodstuff and liquor;</u></p> <p>(14) <u>To conduct computerized data processing business; and to produce, sell, and rent software;</u></p> <p>(15) <u>To do business of provision of information, information and communication, and advertising agency, using new media technology;</u></p> <p>(16) <u>To do business of acquiring industrial property, and to consult on such business;</u></p> <p>(17) <u>To sell, purchase, lease, manage, act as an intermediary or otherwise deal with real estate;</u></p> <p>(18) <u>To do business of planning, executing, contracting the civil engineering construction and the gardening works;</u></p> <p>(19) <u>To do business of contracting to maintain and guard the buildings;</u></p> <p>(20) <u>To manage restaurants, cultural schools, karaoke boxes and bars, and fitness clubs; to do business of travel agency; to do business of printing and publishing; to sell medical supplies; to do business of dispatching labors; and to do business of fee-charging placement;</u></p> <p>(21) <u>To raise musicians and other performers and arrange their performances, and to plan and hold various events;</u></p> <p>(22) <u>To plan, make, and sell publication and software of sounds, pictures, videos, and characters, and to acquire and license their copyright and rights neighboring to copyright.</u></p> <p>(23) <u>To do business of in-home care service support and in-home care service under the Long-Term Care Insurance Law, and to manage care facilities, and to sell nursing care goods and instruments;</u></p> <p>(24) <u>To do business of consulting on safety and health;</u></p> <p>(25) <u>To sell, purchase, deal with securities, and to do financing business and to do leasing business;</u></p> <p>(26) <u>To do agency of nonlife insurance and life insurance;</u></p> <p>(27) <u>To do business of transporting by trucks and warehousing;</u></p>	<p>(13) <u>To provide services incidental to any of the purposes stated in any of the foregoing subparagraphs.</u></p> <p>(14) <u>To conduct any of the businesses incidental to or relating to any of the purposes stated in any of the foregoing subparagraphs.</u></p>
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<p><u>(28) To do any of the business incidental to or relating to any of the purposes stated in any of the foregoing subparagraphs.</u></p> <p>Articles 3 to 32 (Text omitted)</p> <p>(Agreement with Outside Directors Regarding Limitation of Liability)</p> <p>Article 33 The Company and outside Directors may, if a case falls under requirements specified by law or ordinance regarding the liability of the Article 423, Paragraph 1 of the Company Law, enter into an agreement which limit the liability of outside directors. <u>Provided the limit of the liability shall be the higher amount of money, either the amount designated by the agreement which shall be higher than Yen 10,000,000 or the amount of money of the minimum liability limit regulated by the law and the ordinance.</u></p> <p>Articles 34 to 43 (Text omitted)</p> <p>(Agreement with Outside Statutory Auditors Regarding Limitation of Liability)</p> <p>Article 44 The Company and outside Statutory Auditors may, if a case falls under requirements specified by law or ordinance regarding the liability of the Article 423, Paragraph 1 of the Company Law, enter into an agreement which limit the liability of outside Statutory Auditors. <u>Provided the limit of the liability shall be the higher amount of money, either the amount designated by the agreement which shall be higher than 10,000,000 yen or the amount of money of the minimum liability limit regulated by the law and the ordinance.</u></p>	<p>Articles 3 to 32 (Remain unchanged)</p> <p>(Agreement with Outside Directors Regarding Limitation of Liability)</p> <p>Article 33 The Company and outside Directors may, if a case falls under requirements specified by law or ordinance regarding the liability of the Article 423, Paragraph 1 of the Company Law, enter into an agreement which limit the liability of outside directors. <u>Provided that the amount of liability under such agreement shall be limited to the minimum liability amount regulated by the law and legal ordinances.</u></p> <p>Articles 34 to 43 (Remain unchanged)</p> <p>(Agreement with Outside Statutory Auditors Regarding Limitation of Liability)</p> <p>Article 44 The Company and outside Statutory Auditors may, if a case falls under requirements specified by law or ordinance regarding the liability of the Article 423, Paragraph 1 of the Company Law, enter into an agreement which limit the liability of outside Statutory Auditors. <u>Provided that the amount of liability under such agreement shall be limited to the minimum liability amount regulated by the law and legal ordinances.</u></p>
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