



June 26, 2017
Brother Industries, Ltd.

Notice Concerning Shelf Registration for Issuance of Stock Acquisition Rights

Brother Industries, Ltd. filed a shelf registration statement with the Japanese regulatory authorities on June 26th, 2017 for possible issues of stock acquisition rights in accordance with the “Policy Toward Large-scale Purchases of Brother Shares” (hereafter referred to as the “Policy”), as the effective term (July 2nd, 2015 to July 1st, 2017) of the shelf registration statement, which had been filed based on the current Policy (on June 27th, 2012), is approaching its expiration.

1. Securities Type: Stock acquisition rights
Issuable Period: 1 year from the effective date of the shelf registration of stock acquisition rights (July 4th, 2017 to July 3th, 2018)
2. Offering Method: Allotment to shareholders
3. Issuable Amount: 0 yen
(Total issue price of stock acquisition rights)
300 million yen
(Aggregate of total issue price of stock acquisition rights (zero yen) and total amount to be paid upon the exercise of all stock acquisition rights.)

Brother implemented the Policy in accordance with a resolution made at the first Board of Directors Meeting, after the Policy was approved at the 117th Ordinary General Meeting of Shareholders held on June 23rd, 2009. Subsequently, the company renewed the Policy by making necessary revisions with the approval of the 120th Ordinary General Meeting of Shareholders held on June 26th, 2012. Brother now continues the Policy with necessary revisions to the previous Policy, upon the approval of the shareholders at the 123rd Ordinary General Meeting of Shareholders held on June 23rd, 2015.

The Policy stipulates steps to be taken and ensures adequate information and time be given to the shareholders for their proper judgment in the case that a Large-Scale Purchase of Brother Share is about to be made, while providing a prior cautionary plan to assure compliance with these steps. If a purchaser does not follow these steps or it is obvious that the purchase will cause irreparable damage or loss to the corporate value of Brother or furthermore the common interests of its shareholders, Brother will issue all the shareholders the stock acquisition rights, over which a purchaser cannot exercise their rights, and reduce the voting rights of the purchaser to comply with the steps and prevent inappropriate purchase of Brother shares. Filing of the shelf registration statement will allow Brother to issue the stock acquisition rights through agile allotment of shareholders.

For details regarding the Policy, please visit Brother’s website at
<http://www.brother.com/en/investor/policy/index.htm>