

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Note: Page numbers written in the following sentences refer to pages in the Japanese version, not pages in this document.

(Securities code: 6448)

June 1, 2009

To Our Shareholders

15-1, Naeshiro-cho, Mizuho-ku, Nagoya
BROTHER INDUSTRIES, LTD.

Toshikazu Koike
President, Representative Director

NOTICE OF THE 117TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 117th Ordinary General Meeting of Shareholders.

If you are unable to attend the meeting, please vote by using one of the methods which are described in "Exercise of Voting Rights" on the following page. Please review the attached "Reference Material for General Meeting of Shareholders" and exercise your voting right by 6 pm, Monday, June 22, 2009.

Meeting Details

- 1. Date and time:** June 23, 2009 (Tuesday) at 10:00 am
- 2. Place:** Baroque Room 3rd Floor
Nagoya Tokyu Hotel
4-6-8, Sakae, Naka-ku, Nagoya
The Place is different from the last meeting. Please see the "Map to Place of General Meeting of Shareholders" at the end to confirm the location.
- 3. Objectives of meeting:
Reporting:**
 1. Presentation of the Business Report, Consolidated Financial Statements and the Audit Findings for the Consolidated Financial Statements prepared by the Independent Auditor and the Board of Corporate Auditors for the 117th Business Period (from April 1, 2008 to March 31, 2009)
 2. Presentation of Financial Statements for the 117th business period (from April 1, 2008 to March 31, 2009)

Agenda:

- | | |
|--------------------|---|
| Proposal 1: | Partial amendment to Articles of Incorporation |
| Proposal 2: | Election of 7 Directors |
| Proposal 3: | Election of 1 Corporate Auditor |
| Proposal 4: | Approval of Policy toward Large-scale Purchases of Brother Shares |

A social gathering with our executive officers will be held after the Meeting. You will be welcome to attend the gathering.

Exercise of Voting Rights

- (1) If you are unable to attend the meeting, please vote by using one of the following methods.

[Voting by proxy]

You can appoint another Shareholder who has a voting right as your proxy to attend the meeting. Please note that your agent will be requested to present a written proof of the right of proxy.

[Voting by mail]

Please indicate your approval or disapproval of the proposals in the enclosed document for exercise of voting rights, and then return it.

[Voting by Internet]

Access the Company's designated site for the exercise of voting rights (<http://www.evotep.jp/>) from your personal computer or mobile telephone (i-mode, EZweb or Yahoo! Keitai), enter the "login ID" and the "temporary password" provided in the enclosed document for exercise of voting rights, and then enter your approval or disapproval of individual proposals by following the instructions displayed on the screen. If voting by the Internet, please read the "Notes for Exercising Voting Rights on the Internet" contained in the attached reference material (Page 63).

Nominee Shareholders (including standing proxies) such as trust banks can apply in advance to use the electronic voting platform provided by ICJ Inc. to exercise their voting rights through that platform.

- (2) If a voting right is exercised redundantly both by mail and Internet, the vote by Internet shall be treated as the valid vote.

If voting by the Internet, you can vote more than once (revote) on the voting website. In this case, however, only the last vote shall be regarded as valid. The last vote shall also be regarded as valid if a voting right is exercised redundantly both by personal computer and by mobile telephone.

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If you plan to attend the meeting, please present the enclosed document for exercise of voting rights to the receptionist at the meeting.

If revisions to the reference material for General Meeting of Shareholders, the business report, or the unconsolidated or consolidated financial statements are required, please note that these will be published on our website (<http://www.brother.co.jp/investor/index.htm>).

# Reference Material for General Meeting of Shareholders

## Proposals and Reference Information

### Proposal 1: Partial amendments to Articles of Incorporation

#### 1. Reason of Amendments

As the “Act Revising Part of the Act on Transfer of Bonds and Other Securities for the Purpose of Rationalization of Settlement Procedures in Share and Other Securities Transactions” (Act No. 88, 2004; hereinafter referred to as “Settlement Rationalization Act”), the Company will make necessary amendments as follows:

- (1) Pursuant to Article 6, Supplementary Provisions to the Settlement Rationalization Act, the Company is deemed to have adopted a resolution to amend the Articles of Incorporation to eliminate the provision on the issuance of share certificates on the date of implementation of the dematerialization of share certificates (January 5, 2009). Accordingly the Company will remove Article 9 (Issuance of Share Certificates) of the Articles of Incorporation, and delete and amend the text related to share certificates.
- (2) With the abolition of the “Act on Depository and Book-Entry for Stocks, etc.,” the Company will delete and amend the text related to beneficial owners and the beneficial owner list in the Articles of Incorporation.
- (3) As the registry of lost share certificates shall be created and maintained before one year lapses from the day after the date of implementation of the Settlement Rationalization Act, the Company will establish necessary clauses in the Supplementary Provisions.
- (4) In addition, the Company will make other necessary amendments such as addition, removal and modification of the provisions and text therein.

#### 2. Details of Amendments

(Changes are underlined)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Issuance of Share Certificates)</u></p> <p>Article 9: <u>The Company shall issue certificates for shares.</u></p> <p>2. <u>Notwithstanding the preceding paragraph, the Company is entitled not to issue certificates for shares less than one stock trade unit.</u></p> <p>(Request for Sale by Shareholders with Shares Less than One Stock Trade Unit)</p> <p>Article 10: A shareholder of the Company <u>(here and hereinafter, including beneficial owners)</u> who owns shares less than one stock trade unit may, pursuant to the Share Handling Regulations, request the Company to sell the number of shares enough to constitute the stock trade unit together with the number of the shares owned by the</p> | <p>(Removed)</p> <p>(Request for Sale by Shareholders with Shares Less than One Stock Trade Unit)</p> <p>Article 9: A shareholder of the Company who owns shares less than one stock trade unit may, pursuant to the Share Handling Regulations, request the Company to sell the number of shares enough to constitute the stock trade unit together with the number of the shares owned by the shareholder (hereinafter referred to as "Additional Purchase").</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>shareholder (hereinafter referred to as "Additional Purchase").</p> <p>(Rights of Shareholders Owning Shares Less than One Stock Trade Unit)</p> <p>Article <u>11</u>: (Text omitted)</p> <p>(Manager of Shareholder List)</p> <p>Article <u>12</u>: The Company shall have a manager of the shareholder list.</p> <p>2 The manager of the shareholder list and his/her administrative office shall be assigned by a resolution of the Board of Directors.</p> <p>3 The Company shall place the shareholder list (<u>here and hereinafter, including the beneficial owner list</u>), <u>registry of lost share certificates</u>, and registry of stock acquisition rights in the administrative office of the manager of the shareholder list; delegate to the manager of the shareholder list the registration or recording in the shareholder list, <u>registry of lost share certificates</u> and registry of stock acquisition rights, purchase of shares less than one stock trade unit and Additional Purchase, and other administrative work related to shares and stock acquisition rights; and shall not be engaged in such work on its own.</p> <p>(Share Handling Regulations)</p> <p>Article <u>13</u>: The <u>classes of share certificates issued by the Company, and</u> registration or recording in the shareholder list, <u>registry of lost share certificates</u> and registry of stock acquisition rights, purchase of shares less than one stock trade unit and Additional Purchase, and other work to handle shares or stock acquisition rights, procedures and fees for shareholders' exercise of their rights shall be governed by laws and the Articles of Incorporation as well as by the Share Handling Regulations</p> | <p>(Rights of Shareholders Owning Shares Less than One Stock Trade Unit)</p> <p>Article <u>10</u>: (Text unchanged)</p> <p>(Manager of Shareholder List)</p> <p>Article <u>11</u>: The Company shall have a manager of the shareholder list.</p> <p>2 The manager of the shareholder list and his/her administrative office shall be assigned by a resolution of the Board of Directors.</p> <p>3 The Company shall place the shareholder list and registry of stock acquisition rights in the administrative office of the manager of the shareholder list; delegate to the manager of the shareholder list the registration or recording in the shareholder list and registry of stock acquisition rights, purchase of shares less than one stock trade unit and Additional Purchase, and other administrative work related to shares and stock acquisition rights; and shall not be engaged in such work on its own.</p> <p>(Share Handling Regulations)</p> <p>Article <u>12</u>: The registration or recording in the shareholder list and registry of stock acquisition rights, purchase of shares less than one stock trade unit and Additional Purchase, and other work to handle shares or stock acquisition rights, procedures and fees for shareholders' exercise of their rights shall be governed by laws and the Articles of Incorporation as well as by the Share Handling Regulations established by the Board of Directors.</p> |

| Current Articles of Incorporation                                                                                                                                                                                | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <p>established by the Board of Directors.</p> <p>Articles <u>14</u> through <u>48</u>: (Omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> | <p>Articles <u>13</u> through <u>47</u>: (Text unchanged)</p> <p style="text-align: center;"><b><u>Supplementary Provisions</u></b></p> <p><u>Article 1: The Company shall place the registry of lost share certificates in the administrative office of the manager of the shareholder list; delegate to the manager of the shareholder list the registration or recording in the registry of lost share certificates; and shall not be engaged in such work on its own.</u></p> <p><u>Article 2: The registration or recording in the Company's registry of lost share certificates shall be governed by laws and the Articles of Incorporation as well as by the Share Handling Regulations established by the Board of Directors.</u></p> <p><u>Article 3: Articles 1 through 3 of the Supplementary Provisions shall be removed on January 6, 2010.</u></p> |

## Proposal 2: Election of 7 Directors

Since the term of office of all eight Directors will expire at the close of this Ordinary General Meeting of Shareholders, it is proposed that seven Directors be elected.

The candidates for Directors are as follows:

| Candidate number | Name<br>(Date of birth)                | Personal History, position, duties and involvement with other corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of this Company's shares in possession |
|------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 1                | Toshikazu Koike<br>(October 14, 1955)  | <p>April 1979: Entered the Company</p> <p>August 1982: Seconded to Brother International Corporation (U.S.A.)</p> <p>October 1992: Director of Brother International Corporation (U.S.A.)</p> <p>January 2000: Director President of Brother International Corporation (U.S.A.)</p> <p>June 2004: Director of the Company</p> <p>January 2005: Director Chairman of Brother International Corporation (U.S.A.)</p> <p>April 2005: Director Managing Executive Officer of the Company</p> <p>April 2006: Director Senior Managing Executive Officer of the Company</p> <p>June 2006: Representative Director Senior Managing Executive Officer of the Company</p> <p>June 2007: Representative Director President of the Company (current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 11,300                                        |
| 2                | Shigeki Ishikawa<br>(January 18, 1953) | <p>April 1976: Entered the Company</p> <p>June 1995: General Manager of Production Dept., Image System Division, Image Equipment Business of the Company</p> <p>October 1997: Division Manager, Image System Division of the Company</p> <p>June 2000: Executive Officer of the Company, Executive Vice President of Information &amp; Document Company</p> <p>April 2002: Executive Officer of the Company, President of Information &amp; Document Company</p> <p>June 2002: Director Managing Executive Officer of the Company</p> <p>April 2008: Director Senior Managing Executive Officer of the Company</p> <p>June 2008: Representative Director Senior Managing Executive Officer of the Company (current position)</p> <p>[Responsibilities in the Company]<br/>Responsible for: Software Development Dept. 1, Software Development Dept. 2, Electronic System Development Dept., Mechanical System Development Dept., LE Development Dept., IE Development Dept., ES Development Dept., Development Planning Dept., Design Dept., Development Management Dept., Intellectual Property Dept., NID Research &amp; Development Dept., Technology Development Dept., N&amp;C Business Dept., Network Solutions Strategic Business Unit, Network System Development Dept., and New Business Planning &amp; Promoting Dept.</p> <p>[External position]<br/>Chief Director of Brother Health Insurance Association</p> | 21,400                                        |

| Candidate number | Name<br>(Date of birth)             | Personal History, position, duties and involvement with other corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of this Company's shares in possession |
|------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 3                | Yuji Furukawa<br>(January 12, 1951) | <p>April 1974: Entered Brother Sewing Machine Sales, Ltd. (which merged into the Company in April 1999)</p> <p>November 1978: Entered the Company</p> <p>June 1996: General Manager of Sales Planning Dept., Peripheral Equipment Division, Image Equipment Business of the Company</p> <p>October 1999: Director of Brother International Singapore</p> <p>March 2000: Director President of Brother International Singapore</p> <p>January 2003: Director Chairman and President of Brother International Europe</p> <p>February 2003: Director President of Brother Holdings (Europe)</p> <p>June 2006: Director of the Company</p> <p>April 2007: Director Managing Executive Officer of the Company</p> <p>April 2008: Director Senior Managing Executive Officer of the Company</p> <p>June 2008: Representative Director Senior Managing Executive Officer of the Company (current position)</p> <p>[Responsibilities in the Company]<br/>Responsible for: Sales &amp; Marketing Dept., Product Planning Dept., Production Planning Dept., Production Dept., Production Technology Dept., Purchasing Dept., Supplier Quality Management Dept., Parts Engineering Dept., Quality Management Dept., Customer Satisfaction Dept., and Environmental Management Dept.</p> | 9,500                                         |
| 4                | Kobun Koike<br>(November 3, 1950)   | <p>April 1976: Entered the Company</p> <p>October 1998: General Manager of Information Service Dept., I/O System Division of the Company</p> <p>April 2000: General Manager of Management &amp; Planning Dept. of Information &amp; Document Company</p> <p>June 2002: Executive Officer of the Company, Executive Vice President and General Manager of Management &amp; Planning Dept. of Information &amp; Document Company</p> <p>October 2003: Executive Officer of the Company, General Manager of MIS Dept.</p> <p>June 2004: Director Executive Officer of the Company, General Manager of MIS Dept.</p> <p>October 2004: Director Executive Officer of the Company, General Manager of MIS and Design Depts.</p> <p>April 2006: Director Managing Executive Officer of the Company (current position)</p> <p>[Responsibilities in the Company]<br/>Responsible for: Global CSR Promotion &amp; Brand Strategy Dept., Personnel Dept., Public Relations &amp; General Affairs Dept., Finance &amp; Accounting Dept., and MIS Dept.</p>                                                                                                                                                                                                                               | 11,602                                        |

| Candidate number | Name<br>(Date of birth)           | Personal History, position, duties and involvement with other corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of this Company's shares in possession |
|------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 5                | Haruyuki Niimi<br>(April 5, 1936) | <p>January 1960: Entered Shell Sekiyu K.K.<br/> December 1979: Director of Shell Sekiyu<br/> January 1984: Managing Director of Shell Sekiyu<br/> January 1985: Managing Director of Showa Shell Sekiyu K.K.<br/> March 1993: Senior Managing Director of Showa Shell Sekiyu<br/> September 1993: Vice President, Representative Director of Showa Shell Sekiyu<br/> March 1995: Chairman, Representative Director of Showa Shell Sekiyu<br/> February 1998: Chairman and President, Representative Director of Showa Shell Sekiyu<br/> March 2002: Chairman and CEO, Representative Director of Showa Shell Sekiyu<br/> March 2003: Chairman, Representative Director of Showa Shell Sekiyu<br/> October 2005: Chairman and President, Representative Director of Showa Shell Sekiyu<br/> March 2006: Chairman, Representative Director of Showa Shell Sekiyu<br/> June 2007: Director of the Company (current position)<br/> March 2009: Chairman Emeritus of Showa Shell Sekiyu (current position)</p> | 6,300                                         |
| 6                | Mitsuo Hirose<br>(March 31, 1937) | <p>November 1964: Entered Dai Nippon Printing Co, Ltd.<br/> December 1979: Representative Director and President, Dai Nippon Printing America, Inc.<br/> April 1988: Representative Director and President, Johnson &amp; Johnson Medical Inc.,<br/> January 1999: Top Advisor to Johnson &amp; Johnson Medical Inc., and Johnson &amp; Johnson, Inc.<br/> September 2001: Representative Director and President, Maverick Transnational Inc. (current position)<br/> June 2003: Outside Director, Nichirei Corporation (current position)<br/> December 2007: Representative Director and Chairman, Pacific Golf Group International Holdings KK<br/> June 2008: Director of the Company (current position)<br/> March 2009: Supreme Honorary Chairman and Director, Pacific Golf Group International Holdings KK (current position)<br/> April 2009: Representative Director and Chairman, Bausch &amp; Lomb Japan Co., Ltd. (current position)</p>                                                     | 3,100                                         |

| Candidate number | Name<br>(Date of birth)                     | Personal History, position, duties and involvement with other corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of this Company's shares in possession |
|------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 7                | *<br>Yukihisa Hirano<br>(February 25, 1938) | <p>April 1961: Entered Toyota Motor Co., Ltd. (now Toyota Motor Corporation)</p> <p>December 1989: Director and President, Toyota Motor Manufacturing (UK) Ltd.</p> <p>September 1990: Director and General Manager of Europe Business Division, Toyota Motor Corporation</p> <p>June 1997: Director and President, Kanto Auto Works, Ltd.</p> <p>May 1998: Representative Director and President, Central Japan International Airport Co., Ltd.</p> <p>June 2007: Director and Chairman, Central Japan International Airport Co., Ltd. (current position)</p> | 0                                             |

- Notes)
1. There are no special interests between each of these candidates and the Company.
  2. The asterisk indicates a newly nominated director candidate.
  3. Haruyuki Niimi, Mitsuo Hirose and Yukihisa Hirano are candidates for outside director positions.
  4. The reasons for the nomination of the outside director candidates are as follows.
    - Haruyuki Niimi: He has an extensive experience and knowledge as a global corporate executive, and can provide an objective point of view independent of the acting management executive.
    - Mitsuo Hirose: He has an extensive experience and knowledge as a global corporate executive, and can provide an objective point of view independent of the acting management executive.
    - Yukihisa Hirano: He has an extensive experience and knowledge as an executive of a global manufacturing business, and can provide an objective point of view independent of the acting management executive.
  5. Both Haruyuki Niimi and Mitsuo Hirose are currently outside directors of the Company and as of the end of this Ordinary General Meeting of Shareholders, have been so for two years and for one year, respectively.
  6. Both Haruyuki Niimi and Mitsuo Hirose are currently outside directors of the Company, and both have concluded limitation of liability agreements with the Company for the maximum liability of 10 million yen or the minimum legal liability, whichever is higher. Both of them intend to conclude again the same limitation of liability agreements as above if appointed once again to the position of outside director. If Yukihisa Hirano is approved to be appointed as outside director, he intends to conclude a limitation of liability agreement with the Company for the maximum liability of 10 million yen or the minimum legal liability, whichever is higher.

### Proposal 3: Election of 1 Corporate Auditor

The corporate auditor Koichi Sugisaka will leave his office upon the expiry of his term of office at the end of this Ordinary General Meeting of Shareholders, hence we request the appointment of one new corporate auditor.

This proposal is agreed by the board of auditors.

The candidate for the post of corporate auditor is as follows.

| Name<br>(Date of birth)                  | Personal History, position, duties and involvement with other corporations                                                                                                                                                                                                                                                                   | Number of this<br>Company's shares<br>in possession |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| *<br>Masato Narita<br>(January 28, 1954) | April 1976: Entered the Company<br>June 2001: General Manager of Personnel & General Affairs Dept.<br>April 2004: Chairman and C.E.O. of Brother International (Shanghai) Co., Ltd.<br>June 2005: Chairman and C.E.O. of Brother (China) Ltd.<br>April 2009: General Manager of Corporate Auditors' Office of the Company (current position) | 5,000                                               |

- Notes) 1. There is no special interest between Masato Narita and the Company.  
2. The asterisk indicates a newly nominated corporate auditor candidate.

### Proposal 4: Approval of Policy toward Large-scale Purchases of Brother Shares

#### 1. Reason Why This Proposal is Made

Brother resolved on the “Policy Toward Large-scale Purchases of Brother Shares” (the “Current Policy”) at the Board of Directors’ Meeting held on March 23, 2006 on condition that such policy be approved by the Brother shareholders at the 114th Brother Annual Shareholders Meeting held on June 23, 2006 and submitted it to the said shareholders meeting, and the Current Policy was approved by majority of the Brother shareholders present at the said shareholders meeting. Subsequently, Directors and Corporate Auditors have continued to conduct further review of the Current Policy from the aspect of assuring and enhancing the corporate value of Brother or furthermore the common interests of its shareholders taking into account the amendments to the laws and ordinances, etc. and the decisions made by judicial court, etc. 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, based on the basic philosophy as described below (“Basic Philosophy”), which refers to the philosophy set forth in the body of Article 127 of the Ordinance for Enforcement of the Companies Act, it has been resolved to implement a new “Policy Toward Large-scale Purchases of Brother Shares” (the “New Policy”) by making necessary revisions to the Current Policy at the Board of Directors’ Meeting held on April 30, 2009, on condition that the New Policy is approved by the Brother shareholders at this Shareholders Meeting.

Accordingly we request you to approve the implementation of the New Policy. For details of the policy, please see “2. Details of New Policy Subject to Approval.”.

## **(Basic Philosophy)**

The Brother Group recorded 80% or more of its sales in the market outside Japan, having 19 manufacturing facilities (including 5 manufacturing facilities held by Brother itself) and 44 business grounds in 41 various countries and areas abroad, with more than 20,000 employees on a consolidated basis (as of April, 2009). 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, as defined in “2. Details of New Policy Subject to Approval (2),” 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.

## **2. Details of New Policy Subject to Approval**

### **(1) The Purpose of the New Policy**

The purpose of the New 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 New Policy is (i) a purchase of Brother shares and other securities<sup>1</sup> by a specific group of shareholders<sup>2</sup> with the intent to hold 20% or more of the total voting rights<sup>3</sup> 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 share holding 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 (hereinafter referred to as 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 (hereinafter referred to as 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:

- (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 a 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 until it receives necessary and sufficient information. 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, the Board of Directors should be allowed a maximum of sixty 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 (hereinafter referred to as 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 countermeasures are set forth in section (5) described hereafter, and when such countermeasures are 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, as provided in the material attached below, may be revised by a resolution of the Board of Directors to a reasonable extent consistent with the purpose to further secure 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, take countermeasures against the Large-scale Purchaser to protect the corporate value of Brother or furthermore the common interests of its shareholders. Countermeasures include the gratis issue of stock acquisition rights or any other measures that the Board of Directors is permitted to take under the Corporate Code of Japan or other laws and the company's articles of incorporation.

The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. In the event that the Board of Directors elects to make gratis issue of stock acquisition rights as such specific countermeasure, Brother may 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 examples of 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 countermeasures and in adopting specific countermeasures, 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 countermeasures 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.

#### **(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 Countermeasures

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 countermeasures, which the Board of Directors is permitted to take under the Corporate Code of Japan or other laws and the company's articles of incorporation, against the Large-scale Purchaser to protect the corporate value of Brother or furthermore the common interests of its shareholders. As a function of a countermeasure itself, however, 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). 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 any 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 contemplated 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 New Policy**

If the New Policy is approved at this general shareholders meeting, the New 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. The New Policy will remain effective until the first meeting of the Board of Directors to be held after the ordinary general shareholders meeting in 2012.

The Board of Directors intends to review the New 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 New Policy as necessary even during the effective term of the New Policy. Further, if it is resolved in the general shareholders meeting that the Policy shall be abolished, the New Policy will be abolished.

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

#### **(8) Decision of the Board of Directors Concerning the Reasonableness of the New Policy**

(i) The New Policy follows the Basic Philosophy of Brother

The New 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 New 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 New 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 New Policy reflects the will of the shareholders

If the New Policy is approved at this general shareholders meeting, the New 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 New Policy, if it is resolved in the general shareholders meeting that the New Policy shall be abolished, the New 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 New 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" and the "Way of the Takeover Defensive Measures"

The New Policy fulfills the 3 principles prescribed in the "Guideline Concerning the Takeover Defensive Measures

for Assuring and Enhancing the Corporate Value 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 New 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 New Policy

The New 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 New Policy may be abolished without particularly taking a long period of time.

## Material

### Outline 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, unless otherwise resolved by a resolution of a meeting of Brother's Board of Directors.

Further, when Board of Directors resolves to abolish the New Policy, the term of office of the members of the Independent Advisory Committee shall expire as of with the abolishment of the New 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 countermeasures should be taken, and whether or not the content of the countermeasures are 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 expense 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.

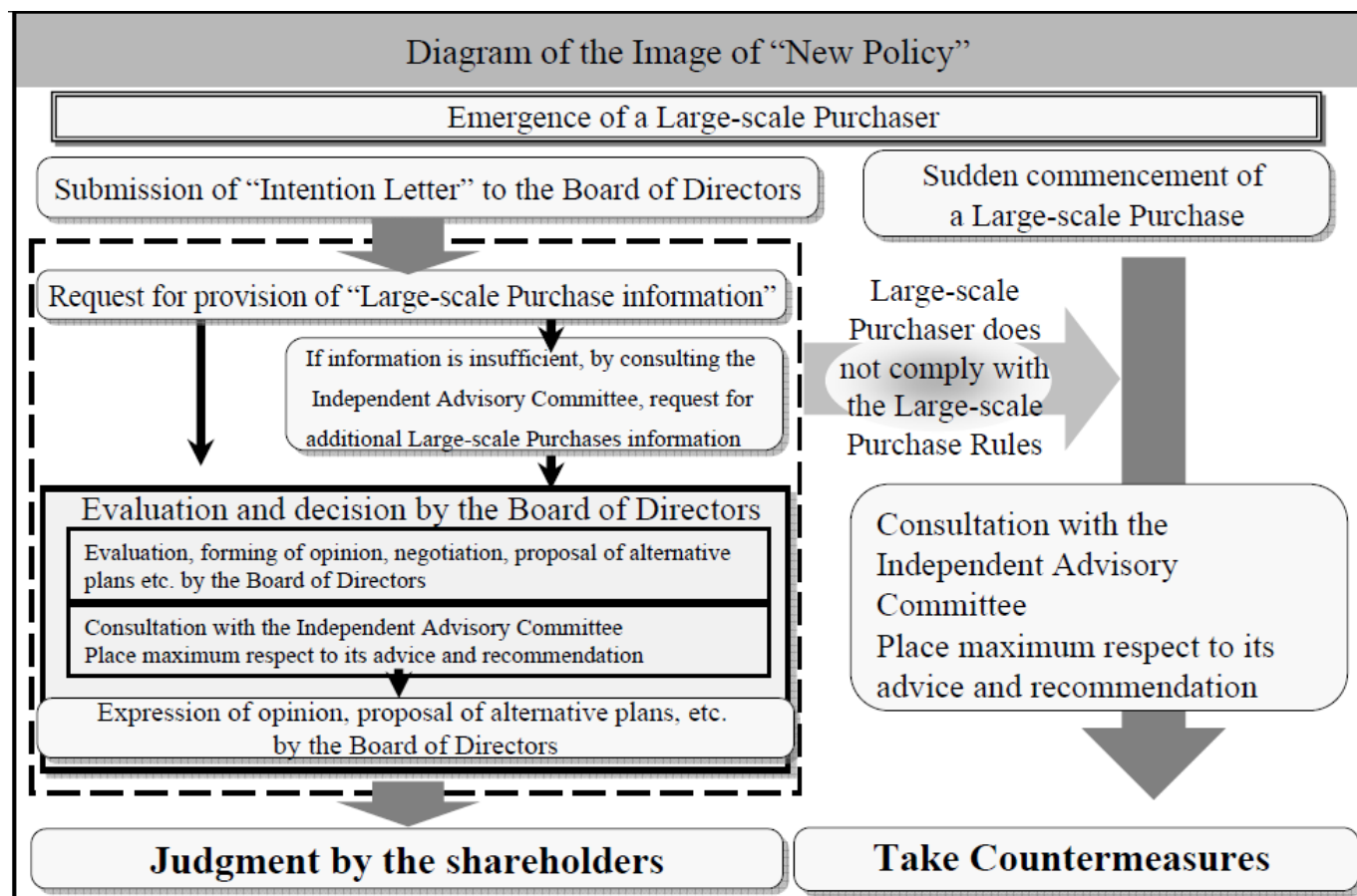
End

(Reference)

1. Members of Independent Advisory Committee-to-be
  - Yukio Masuda (Corporate Adviser of Mitsubishi Corporation)
  - Kunihiro Matsuo (Lawyer)
  - Atsushi Nishijo (Chairman of Sumisho Computer Systems Corporation)
  - Yasuhiro Tsubota (Management Consultant)

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

2. Diagram of the Image of the New Policy



The above diagram of the image of the New Policy is prepared only as a reference material. For the details of the New Policy, please refer to the Chapter "2. Details of New Policy Subject to Approval" in the main text.

End