



August 6, 2025

Company Name: Brother Industries, Ltd.
Representative: Kazufumi Ikeda, Representative Director & President
(Code: 6448;
Prime Market of the Tokyo Stock Exchange and Premier Market of the Nagoya Stock Exchange)
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Notice of Extension of Trust Period and Additional Contribution of Trust Funds for Performance-Based Stock Compensation Plan for Directors, etc. of the Company

At a Board of Directors meeting of Brother Industries, Ltd. (the “Company”) held today, the Company resolved to extend the trust period and make an additional contribution of trust funds to the Board Incentive Plan (BIP) Trust (hereinafter, the “Trust”) used for the performance-based stock compensation plan (hereinafter, the “Plan”) introduced in fiscal year 2022 for directors and executive officers (excluding Outside Directors, part-time Directors, and Directors and Executive Officers who are non-residents of Japan; eligible Directors and Executive Officers are hereinafter referred to as “Directors, etc.”). Details are as follows.

1. Reason for Extension of Trust Period and Additional Contribution

The Company has implemented the Plan since fiscal year 2022 and intends to continue granting and providing company shares and cash equivalent to the value of company shares (hereinafter, “Company Shares, etc.”) to Directors, etc. Accordingly, the Company have decided to extend the trust period, originally scheduled to end on August 31, 2025, by three years, and to make an additional monetary contribution to the Trust primarily to secure funds for the acquisition of company shares.

2. Overview of the Trust

(1) Trust Type

An individually-operated designated trust of cash other than cash trust (third party benefit trust)

(2) Trust Purpose

Providing incentives to Directors, etc.

(3) Settlor

The Company

(4) Trustee

Mitsubishi UFJ Trust and Banking Corporation

(Co-trustee: The Master Trust Bank of Japan, Ltd.)

(5) Beneficiaries

Directors, etc. of the Company satisfying the beneficiary requirements

(6) Trust Administrator

A third party that does not have any interest in the Company (Certified Public Accountant)

(7) Date of Trust Extension Agreement

August 12, 2025 (scheduled)

(8) Trust Period

August 26, 2022 – End of August 2028 (scheduled) (The trust period will be extended to the end of August 2028 by the amendment to the agreement dated August 12, 2025)

(9) Exercise of Voting Rights

No exercise

(10) Type of Acquired Shares

Common shares of the Company

(11) Amount of Additional Trust Funds

JPY 340 million (scheduled) (including trust fees and expenses)*

(12) Timing of Share Acquisition

August 18, 2025 (scheduled) – September 12, 2025 (scheduled)

(13) Method of Acquisition of Shares

Acquired from the stock market*

(14) Holder of a Vested Right

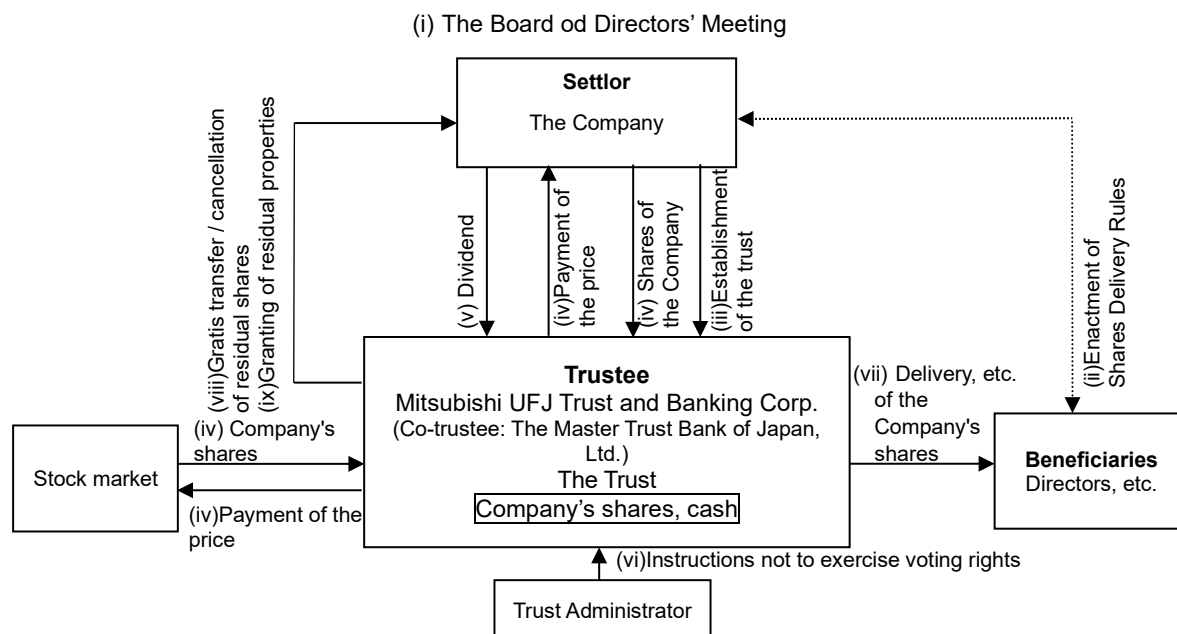
The Company

(15) Residual Property

Residual property that can be received by the Company, which is the holder of a vested right, will be within the limit of the trust expense reserve calculated by deducting the funds for share acquisition from the trust money.

* The additional monetary contribution and additional share acquisition will be conducted within the scope of the maximum trust fund amount (JPY 660 million, calculated as JPY 220 million multiplied by three years, as approved at the 130th Annual General Meeting of Shareholders held on June 20, 2022, after the extension) and the maximum number of company shares deliverable to Directors, etc. during the trust period (330,000 shares, calculated as 110,000 points (equivalent to 110,000 shares) multiplied by three years after the extension).

(Reference: Structure of the Trust)



1. The continuation of this Plan has been resolved by the Board of Directors.
2. The Board of Directors has partially revised the Share Delivery Rules pertaining to the content of this Plan.
3. The Company will contribute funds within the scope approved by the resolution at the 130th Annual General Meeting of Shareholders held on June 20, 2022, regarding the introduction of this Plan.
4. The Trust will acquire the Company's shares from the Company (through new share issuance or disposition of treasury stock) or from the stock market using the money contributed in 3 above in accordance with the instructions of the Trust Administrator.
5. Dividends on the shares of the Company in the Trust will be paid in the same manner as those on other shares of the Company.
6. The voting rights of shares of the Company in the Trust will not be exercised during the trust period.
7. During the trust period, Directors, etc. will be granted points in accordance with the Company's Share Delivery Rules. Directors, etc. satisfying meet certain beneficiary requirements will, after their resignation, receive delivery of shares of the Company equivalent to 70% of the accumulated points. The remaining shares of the Company equivalent to the remaining points will be liquidated within the Trust in accordance with the provisions of the trust agreement and cash equivalent to the liquidation value of the Company's shares will be paid to the Directors, etc.
8. At the expiration of the trust period, residual shares resulting from failure to achieve performance targets, etc. will be subject to delivery, etc. to Directors, etc. if the Trust is to continue to be used for the Plan or a stock-based compensation plan of the same type by way of modification of the trust agreement and additional entrustment. If the Trust is terminated at the expiration of the trust period, the Company plans to acquire the residual shares without consideration through a gratis transfer from the Trust and cancel them by a resolution of the Board of Directors as a return of earnings to shareholders.
9. The remainder of the dividends on the Company's shares in the Trust that arise at the expiration of the trust period will be used as funds for share acquisition if the Trust continues to be used. However, if the Trust is terminated at the expiration of the trust period, the remainder will be attributable to the Company within the trust expense reserve, which is the trust money minus the funds for share acquisition, and any excess of the trust expense reserve will be donated to an organization or organizations in which the Company and the Directors, etc. do not have any interest.