

Second Quarter FY2019 Financial Earnings Summary



FIRST BROTHERS

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

First Brothers Co., Ltd. (3454)

July 5, 2019

Management message

To our investors and shareholders

We at First Brothers would like to take this opportunity to thank you for your continued support.

Since our founding, First Brothers has been dedicated to the principle of putting the client first and has focused on offering the value customers desire. We apply this dedication to our investment and real estate business activities.

While we have altered aspects of our business in response to changes in our operating environment, there is no change in this fundamental stance. First Brothers will continue to increase profits in our existing business while taking a client first approach to pioneering new domains and fostering businesses that will become pillars for future growth.

As a topic for the second quarter, on April 26, 2019 we acquired stock in Higashinihon Fudosan Co., Ltd. to welcome the company as a Group subsidiary. In the Aomori region where Higashinihon Fudosan was founded, we will seek to spark innovation that resolves regional issues and maximizes latent value as we strive to create a business model that leads to mutual growth for both the business and the region.

FY2019 (the first six months) performance for First Brothers Co., Ltd. delivered gross profit of 1.26 billion yen, operating income of 410 million yen, ordinary income of 90 million yen and profit attributable to owners of parent of 10 million yen.

Due to the low level of sales of rental real estate during 1H it may appear that earnings progress is slow but sales planned for 2H are progressing favorably and so there is no change in our full-year earnings forecast.

As for our rental real estate balance, during 1H we completed new acquisitions totaling 5.2 billion yen. Additionally, with the acquisition of Higashinihon Fudosan stock, the company's 12.7 billion in rental real estate holdings (25 properties) is added to Group retained assets.

Looking at the current real estate transaction market, transaction prices remain high and economic conditions are subject to dramatic fluctuations. As such, there is no change in our view that now is the time to be cautious of future developments.

Transaction amounts are very large for the business deals in which we are involved so there is the potential for year-to-year variation in our earnings. Our approach to dividends is to aim to be a company that shareholders will continue to support over the medium- to long-term. With this in mind, our policy is to engage in stable and sustainable profit dividends. As such, we aim for a dividend payout ratio equivalent to 2.0% of shareholder capital. For the current fiscal year, we are planning for a year-end dividend of 21 yen per share. We will continue to evaluate and implement a shareholder return policy that promotes medium- to long-term retention by our shareholders.

First Brothers will continue to strengthen our revenue platform in our mainstay real estate investment business as we aim for mutual and sustainable growth of business and the regions in which we operate by applying new concepts to operations and management.

We ask for your continued understanding and support.

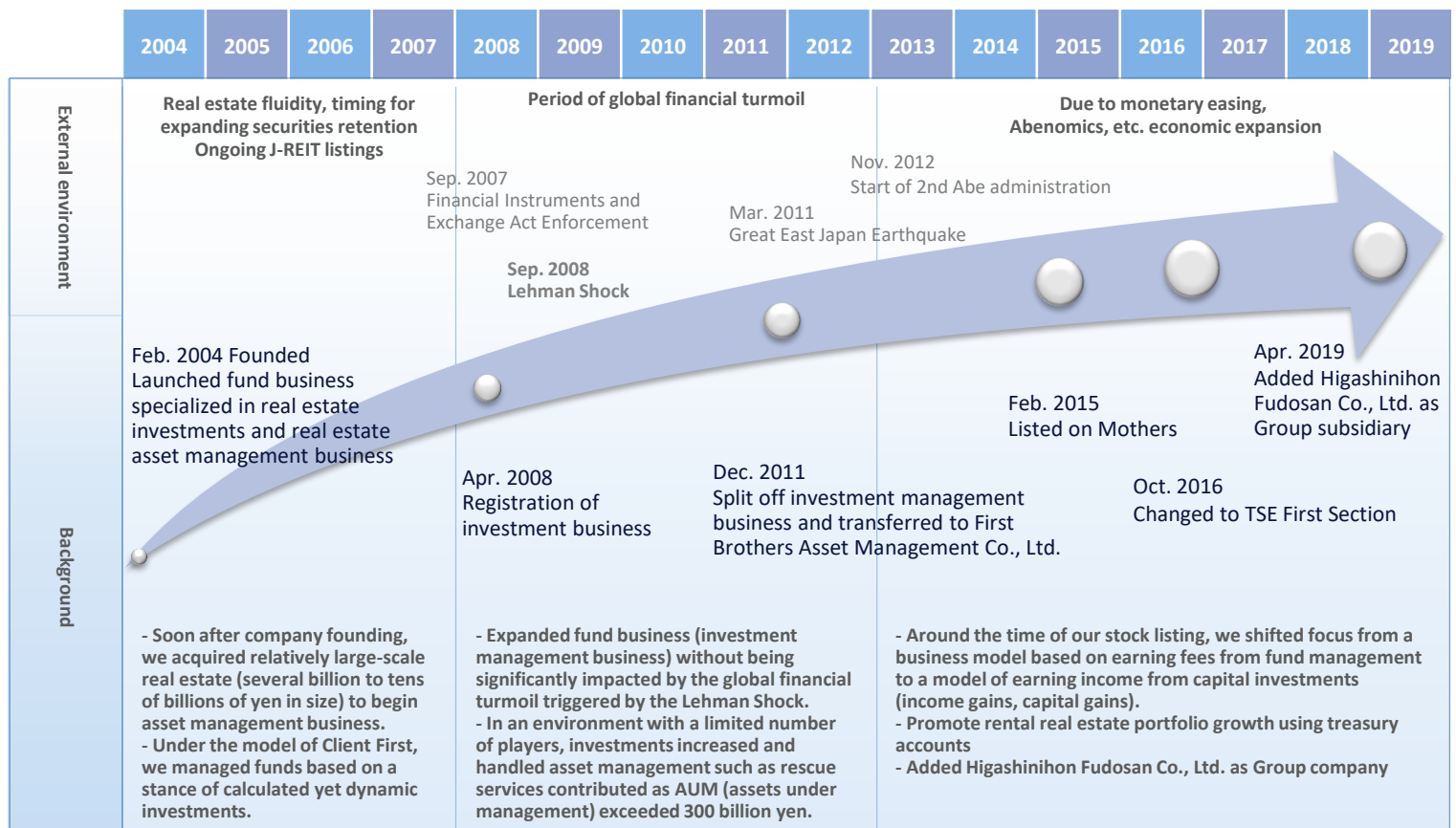
July 5, 2019
Tomoki Yoshihara
First Brothers Co., Ltd.
President

About Us

Company overview

Company name	First Brothers Co., Ltd.
Established	February 4, 2004
Address	Marunouchi Bldg., 25th Fl. 2-4-1 Marunouchi, Chiyoda-ku, Tokyo
Capital	1,589,830,800 yen
Stock code	3454 (Tokyo Stock Exchange First Section)
Number of employees	74 employees (as of 31 May, 2019 / Group consolidated)
Major subsidiaries	Consolidated principal investment functions into First Brothers Capital Co., Ltd. First Brothers Asset Management Co., Ltd. First Brothers Development Co., Ltd. Higashinohon Fudosan Co., Ltd.

Group background



Group major businesses

Since our founding in February 2004, our Group has formed a fund that focuses on investments in real estate and we have developed into a business whose core operations involve asset management for institutional investors*¹. Around the time of our stock listing in February 2015, we made significant changes to our business structure. Today, as an investment firm conducting our own asset management*², we use real estate investment as a core business for securing stable income while investing in various peripheral domains.

(1) Real estate investments

We retain a rental real estate portfolio that is projected to return stable income over the medium- to long-term. For individual real estate properties in our portfolio, we carefully select and invest in small- to mid-scale properties from among the vast number of properties available on existing markets and use various methods to increase property values. Additionally, we also engage in new development when we can anticipate sufficient returns. We refresh our rental real estate portfolios as necessary and generate unrealized gains by increasing property values.

If we find opportunities for investments in large-scale real estate projects, we will also conduct joint investments with institutional investors.

(2) Private equity investments

In addition to real estate, we also invest in various other projects, including defaulted debt, venture capital, and unlisted company stocks.

(3) Renewable energy

Among the various forms of renewable energy, we are particularly involved in business development in the geothermal energy sector. Although commercialization will take several years, we have focused on this field as an investment in which we can apply our Group knowhow and make visible contributions to society.

(4) Fund business

This is the business of creating a fund and conducting asset management for institutional investors. Funds target relatively large real estate investments (several billion to tens of billions of yen) and aim to secure both income gains and capital gains. Generally speaking, the scale of an asset management firm is evaluated based on the firm's total assets under management. The compensation for asset management in the forms of regularly received asset management fees is typically based on assets under management. As such, asset management firms tend to have incentives towards increasing their assets under management. However, under the model of Client First, the First Brothers Group places our highest priority on providing investment services that put client satisfaction above all else. By conducting investment transactions based on the timing that generates the greatest level of income, Group assets under management fluctuate significantly along with fluctuations on the real estate market.

Furthermore, we apply the knowledge we have built up in the fund business to at times handle asset management of active real estate investments that investors are running independently.

*1 Investment management business: ((4) above)

This business conducts client asset management through private funds that target mainly real estate and real estate trust beneficiary rights. This involves a series of business activities, including investment strategy planning, proposals and property acquisitions, property management during the investment period, and disposition (sale of investment property). The investment management business represents the origin of our growth.

*2 Investment banking business: ((1), (2), (3) above)

This business represents the investment activities conducted by our Group, and focuses on investments in rental real estate that is projected to return stable income. This business also includes private equity investments that utilize the platform and strengths of our existing businesses, investments in renewable energy and other social infrastructure, and joint investments (same-boat investments) in private funds formed by our Group. These investment activities form the pillar of our Group's growth.

Topics for 2Q/FY2019 (1)

Rental real estate portfolio (capital investments)

Our Group is enhancing our portfolio by acquiring a rental real estate portfolio that is projected to return stable income over the medium- to long-term.

During 2Q/FY2019, we acquired new quality rental real estate while also selling off certain properties by refreshing our portfolio. We further expanded portfolio by adding Higashinihon Fudosan Co., Ltd., which owns and operates several prime rental properties in the Tohoku area, as a Group subsidiary.

Our balance of rental real estate portfolio and the relative book value, market value, and unrealized gains are as follows.

(1 million yen)	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)	2Q/FY2019 (as of end of 2Q)
Balance* ¹ (Properties)	25,109 (18 properties)	28,050 (28 properties)	33,012 (27 properties)	49,130 (54 properties)
Increase* ¹	16,952	15,527	17,934	17,929
Decrease* ¹	7,553	12,586	12,971	1,811
Book value* ²	25,776	28,789	34,014	50,290
Market value* ³	32,661	34,099	38,502	54,648
Unrealized gain* ³	6,885	5,309	4,487	4,357
NOI yield* ⁴	5.8%	6.1%	6.4%	6.8%

*1 Balance, increase, and decrease amounts are based on acquisition price (pre-tax).

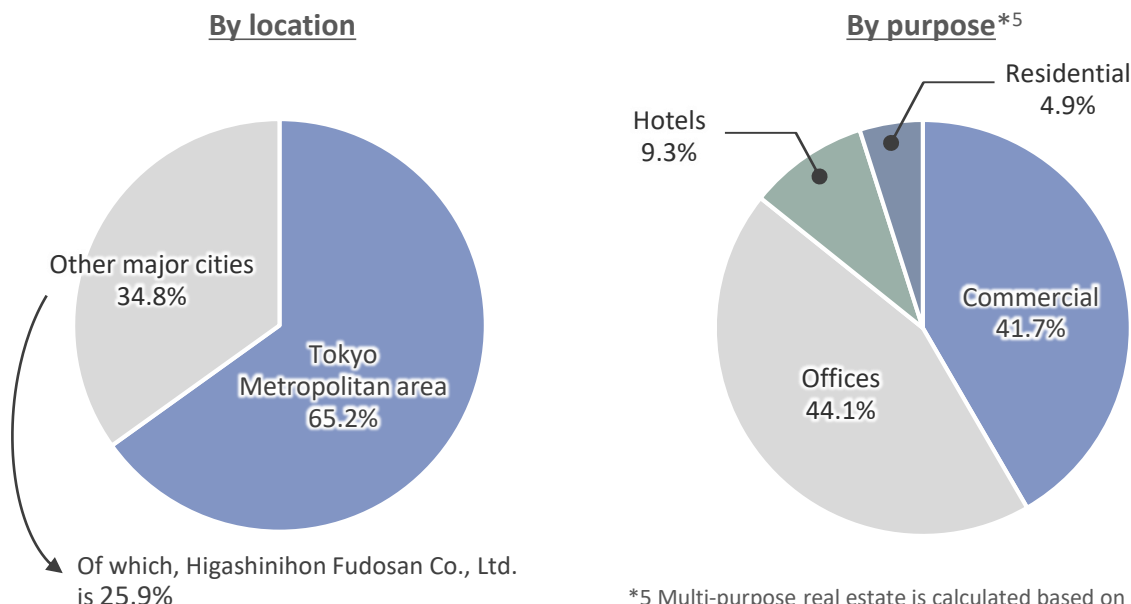
Furthermore, the acquisition price for Higashinihon Fudosan Co., Ltd. is based on the consolidated book value as of the start of consolidation.

*2 Book value is adjusted by adding transaction costs at the time of acquisition to acquisition costs and reflecting capital expenditures and depreciation costs for the investment period.

*3 Market value is the most recent appraised value or assessment value based on the appraised value and unrealized gains are the difference compared to the book value

*4 Assume APR for stable operation (cash-based net income from rents excluding administrative expenses, etc. / acquisition costs)

A breakdown of our rental real estate portfolio by location and purpose (a breakdown of balances based on acquisition costs) is shown in the following graph. (as of the end of 2Q/FY2019)



*5 Multi-purpose real estate is calculated based on its primary purpose.

Topics for 2Q/FY2019 (2)

Effect of adding Higashinihon Fudosan Co., Ltd. as a consolidated subsidiary

On April 26, 2019, we acquired stock in Higashinihon Fudosan Co., Ltd. (Group voting rights: 99.6%*) to make the company a Group subsidiary. With this acquisition the rental real estate held by Higashinihon Fudosan has been added to our Group rental real estate portfolio.

As of the end of 2Q, the breakdown of rental real estate separated by Group holdings and Higashinihon Fudosan Co., Ltd. holdings prior to this acquisition are as indicated in the tables below.

*The 0.4% held by Higashinihon Fudosan Co., Ltd. is held by a business (undisclosed) with knowledge in the Tohoku area real estate market.

(1 million yen)		(1 million yen)	
	2Q/FY2019 (as of end of 2Q)	First Brothers (as of end of 2Q)	Higashinihon Fudosan (as of end of 2Q)
Balance (Properties)	49,130 (54 properties)	36,421 (29 properties)	12,709 (25 properties)
Increase	17,929	5,220	12,709
Decrease	1,811	1,811	0
Book value	50,290	37,586	12,703
Market value	54,648	41,584	13,064
Unrealized gain	4,357	3,997	360
NOI yield	6.8%	6.4%	8.0%

Breakdown
→

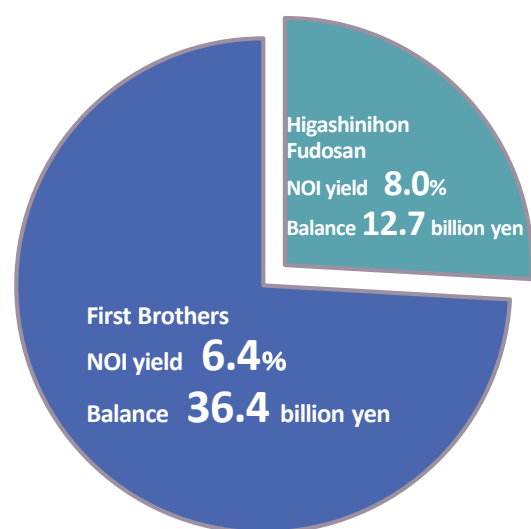
*See the previous page for a definition of "balance", etc.

■ Higashinihon Fudosan Co., Ltd. characteristics

Higashinihon Fudosan is a real estate company that has been deeply rooted in the Tohoku region of Japan for many years. The company owns and manages numerous quality office buildings and commercial facilities in major cities throughout the region. The company has developed a reputation for reliability and performance, and has achieved corporate growth while contributing to the development of the region.

Rent revenues are stable thanks to a favorable demand and supply balance in the rental markets of major cities in the Tohoku region. The company's rental real estate portfolio has maintained a relatively high income return rate (average NOI yield of approx. 8%).

As such, adding the company to our Group will have the effect of increasing our annual NOI by approximately 1 billion yen (before depreciation).



Topics for 2Q/FY2019 (3)

Rental real estate portfolio / stable income and SGA cover rate

As we enhance our rental real estate portfolio, we plan to earn more gross profit from rent (stable income after depreciation) at those properties. In 1H/FY2019, the addition of Higashinohon Fudosan Co., Ltd., which owns high-quality rental real estate in the Tohoku area, to our portfolio has resulted in an increase in gross profits from rent that exceeded selling, general, and administrative expenses for the most recent monthly accounting (since May 2019).

	FY2016 (12-month total)	FY2017 (12-month total)	FY2018 (12-month total)	2Q/FY2019 (6-month total)
Gross profit from renting* ¹ (1 million yen)	993	1,241	1,156	664* ³
SGA cover rate* ²	79%	98%	85%	94%

Most recent monthly earnings (since May 2019)
 Gross profit from renting Approx. 160 million/month
 SGA cover rate Approx. 115%

*1 Net income gained from rental real estate (NOI (excludes special factors) – depreciation expenses)

*2 Gross profit from rent / selling, general and administrative expenses (excludes special factors)

*3 About the correlation between NOI yield during stable operation (see P4) and rental real estate gross profit (2Q/2019)

*2Q NOI during stable operation	1,355 million yen
(41,071 million yen (retained property balance average of start of FY and end of 2Q) x 6.6% (NOI yield average of start of FY and end of 2Q) x 6 months/12 months)	
*Term depreciation expenses	-192 million yen
*Vacancy losses incidental to value improvement activities and rent from properties acquired during the fiscal year	-499 million yen

*Gross profit from rental real estate (2Q/2019)	664 million yen

Sales incidental to rental real estate portfolio / refreshing portfolio

For acquired real estate, we work to increase property value while conducting timely market transactions by refreshing our rental real estate portfolio to earn capital gains. During 2Q/FY2019, we sold multiple properties to capture unrealized gains from our portfolio.

Sales of rental real estate were as follows.

(1 million yen)	FY2016 (12-month total)	FY2017 (12-month total)	FY2018 (12-month total)	2Q/FY2019 (6-month total)
Sell value* ¹	10,615	16,450	19,646	2,800
Gross profit from sales* ¹	2,572	3,397	5,332	607

*1 Includes sale of real estate for sale in process (including land for rental real estate development)

■ About low volume of sales and gross profit from sales during 1H

In FY2019, we are planning on the sale of multiple properties as part of the refreshing of our rental real estate portfolio. We have concluded sales contracts for the three properties announced in the “Notice on Sales” (timely disclosures dated March 4, March 28, and June 27, respectively) and each sale is scheduled to take place in 2H. We also are anticipating the sales of other properties.

As this indicates, the timing of property sales will be concentrated in 2H so 1H sales and gross profit from sales are low. However, sales activities are proceeding favorably towards achieving the figures for sales and gross profit on sales outlined in our full-year forecast.

Topics for 2Q/FY2019 (4)

Status of rental real estate portfolio / capital procurement

Since we execute loans when acquiring rental real estate, our loan balances tend to increase relative to our investment activities. In principle, we execute super long-term loans (10 years or longer) and use interest swaps to secure fixed rates for a certain percentage of interest.

	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)	2Q/FY2019 (as of end of 2Q)
Loan balances* ¹ (1 million yen)	22,365	24,377	27,930	34,391
(portion of non-recourse loans)	0	748	629	621
Leverage* ²	86.8%	84.7%	82.1%	68.4% (82.0%)* ⁴
Weighted average residual period	20.7 years	22.4 years	16.2 years	15.8 years
Weighted average interest* ³	0.76%	0.92%	0.79%	0.84%
Set fixed interest ratio	61.9%	56.1%	61.6%	60.8%

*1 Indicates loans for the acquisition of rental real estate. Includes non-recourse loans and excludes other loans for the acquisition of development projects (rental real estate for sale in process) (3,466 million yen) and short-term bridge loans (6,850 million) incidental to adding Higashinohon Fudosan Co., Ltd. as a Group subsidiary.

*2 Loan balance / rental real estate book value

*3 Prior to fixed interest rates

*4 Leverage rate including short-term bridge loans (6,850 million) incidental to adding Higashinohon Fudosan Co., Ltd. as a Group subsidiary. Furthermore, we plan to convert said bridge loans to long-term loans.

Fund business (investment management business)

Under the model of Client First, the First Brothers Group places our highest priority on providing investment services that put client satisfaction above all else. By conducting investment transactions based on the timing that generates the greatest level of income, Group assets under management fluctuate significantly along with fluctuations on the real estate market.

During 2Q/FY2019, the relatively large-scale properties primarily targeted by the fund for investment are subject to intense acquisition competition compared to the small- to medium-sized properties we target for capital investments. As such, we have refrained from new acquisitions in funds in which the Group is managing investments independently. The increase during FY2019 is attributable to contracted asset management services for investor-led real estate investment activities accepted by the Group during the fiscal year. Note that the Group continues uncovering new projects for us to invest in independently in funds.

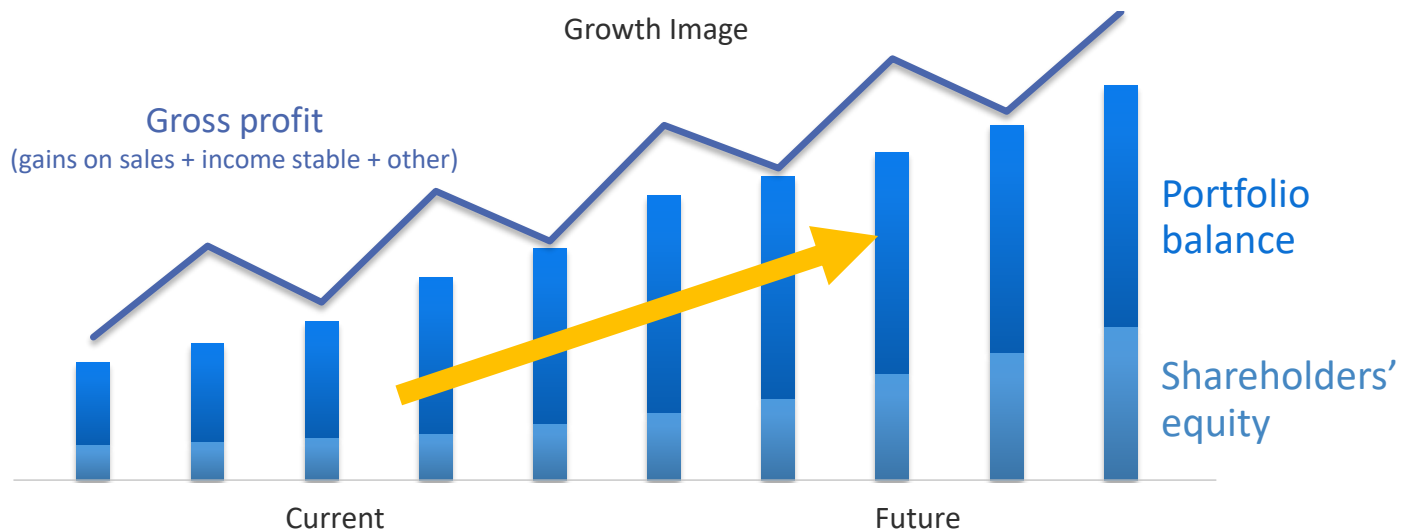
(1 million yen)	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)	2Q/FY2019 (as of end of 2Q)
AUM	32,183	0	8,733	13,583
Increase	0	0	8,733* ¹	4,850* ¹
Decrease	24,832	32,183	0	0

*1 Due to the Group having handled asset management of active real estate investments that investors are running independently during the fiscal year

Growth strategy and FY2019 Full-year Earnings Forecast

Our Group is positioning the expansion of our rental real estate portfolio as a core growth strategy. We will continue to acquire and manage real estate with potential for value improvements. We also will engage in development and realize sustainable growth with the region by promoting coexistence with the local society. For rental real estate portfolios, as part of the enhancement process we may refresh our portfolio (sell certain properties) to generate unrealized gains.

Our Group policy is to enhance our rental real estate portfolio while also increasing profits and shareholders' equity. At present, as our ratio of profit from the sale of real estate is relatively high, fiscal year profits or losses may fluctuate depending on the results of property sales.



FY2019 Full-year earnings forecast

We will throttle back on sales incidental to refreshing portfolio compared to the previous fiscal year. Due to this and other factors, we forecast lower revenues and profit due to a year-on-year decline in revenues and income from sales.

However, our consolidated earnings forecast for FY2019 will progress amid the implementation of our growth strategy so we will continue to respond flexibly to market changes while working to achieve sustainable growth.

Our Group manages earnings on a full-year basis and thus our earnings forecasts are for the full-year only.

(1 million yen)	FY2017 Full-year results	FY2018 Full-year results	FY2019 Full-year forecast	YoY
Net sales	18,766	21,864	20,020	-8.4%
Gross profit	4,720	6,488	5,380	-17.1%
Investment management business	10	43	32	-26.4%
Investment banking business	4,710	6,444	5,347	-17.0%
Operating income	3,373	5,130	3,850	-25.0%
Ordinary income	3,060	4,700	3,170	-32.6%
Profit attributable to owners of parent	2,048	2,885	2,000	-30.7%

2Q/FY2019 Earnings Summary

Matters concerning consolidated statements of income (summary)

During 1H/FY2019, we advanced the expansion of our rental real estate portfolio, including the Group acquisition of Higashinohon Fudosan Co., Ltd. However, as the timing of real estate sales related to the refreshing of our portfolio includes properties with concluded sales contracts, we anticipate income will concentrate in the second half of the year.

Our Group tends to record massive sales and profit figures after a property sale. As such, due to the low volume of property sales during the first half, the rate of progress relative to our fiscal year budget was relatively low. However, as we are anticipating significant property sales during the second half, there is no change in our full-year earnings forecast.

(1 million yen)	2Q/FY2017	2Q/FY2018	2Q/FY2019	YoY	2QFY2019 rate of progress
Net sales	10,067	14,131	4,081	-71.1%	20.4%
Gross profit	2,453	3,684	1,268	-65.6%	23.6%
Selling, general and administrative expenses	639	636	852	+33.9%	-
Operating income	1,814	3,047	416	-86.3%	10.8%
Ordinary income	1,667	2,851	95	-96.7%	3.0%
Profit attributable to owners of parent	1,096	1,798	12	-99.3%	0.6%

Gross profit breakdown

(1 million yen)	2Q/FY2017	2Q/FY2018	2Q/FY2019	YoY
Investment management business	9	27	68	+148.0%
Investment banking business	2,444	3,656	1,200	-67.2%
Gross profit from real estate sales	1,829	3,094	607	-80.4%
Gross profit from rental real estate	551	551	595	+7.9%
Other	63	10	-1*1	N/A
Gross profit total	2,453	3,684	1,268	-65.6%

*1 Includes anonymous association distribution losses (4 million yen) from the private equity investment business.

Selling, general and administrative expenses breakdown

(1 million yen)	2Q/FY2017	2Q/FY2018	2Q/FY2019	Change
Personnel expenses	384	412	437	+24
Land and rent	72	72	86	+13
Commission fee/compensation	82	83	235**2	+152
Duties and public taxes	48	59	37	-22
Other	51	8**1	55	+46
Selling, general and administrative expense total	639	636	852	+215

*1 The reversal of allowance for doubtful account (22 million yen) due to an overdue account receivable was deduced from this item.

*2 Includes 158 million in expenses related to the acquisition of Higashinohon Fudosan Co., Ltd. stock.

Consolidated balance sheet (summary)

Although rental real estate is mainly retained to secure stable profits, on the balance sheet we record these properties as real estate for sale to enable us to conduct dynamic sales of real estate when we seek to refresh our portfolio.

During 2Q/FY2019, real estate for sale and long-term loans payable increased due increase in our portfolio balance incidental to the acquisition of Higashinohon Fudosan Co., Ltd.

Consolidated / Assets (1 million yen)	FY2017 Year-end	FY2018 Year-end	FY2019 as of end of 2Q	Change
Total current assets	38,309	47,180	62,749	+15,568
Cash and deposits	6,161	7,672	5,375	-2,296
Trust deposits	536	505	657	+151
Real estate for sale	28,789	34,014	50,315	+16,300
Real estate for sale in process	1,215	3,265	4,365	+1,099
Other	1,606	1,722	2,035	+313
Total non-current assets	843	862	1,666	+803
Total assets	39,153	48,043	64,415	+16,371

Consolidated / Liabilities and net assets (1 million yen)	FY2017 Year-end	FY2018 Year-end	FY2019 as of end of 2Q	Change
Total liabilities	27,542	33,760	50,381	+16,621
Total current liabilities	2,660	3,363	10,503	+7,139
Short-term loans payable	860	600	8,305 ^{**2}	+7,705
Current portion of long-term loans payable	698	779	1,098	+319
Current portion of long-term non-recourse loans payable	7	15	15	0
Other	1,094	1,968	1,083	-884
Total non-current liabilities	24,882	30,396	39,878	+9,481
Long-term loans payable	22,931	28,521	35,233	+6,711
Long-term non-recourse loans payable	740	613	605	-7
Other	1,210	1,261	4,039 ^{**3}	+2,777
Total net assets	11,610	14,283	14,033	-249
Total shareholders' equity	11,576	14,251	14,012	-239
Other	33	31	21	-10
Total liabilities and net assets	39,153	48,043	64,415	+16,371
Net D/E ratio ^{*1}	1.54	1.52	2.76	-

*1. Net D/E ratio = (interest-bearing loans excluding non-recourse loans – (cash and deposits + trust deposits)) / shareholders' equity

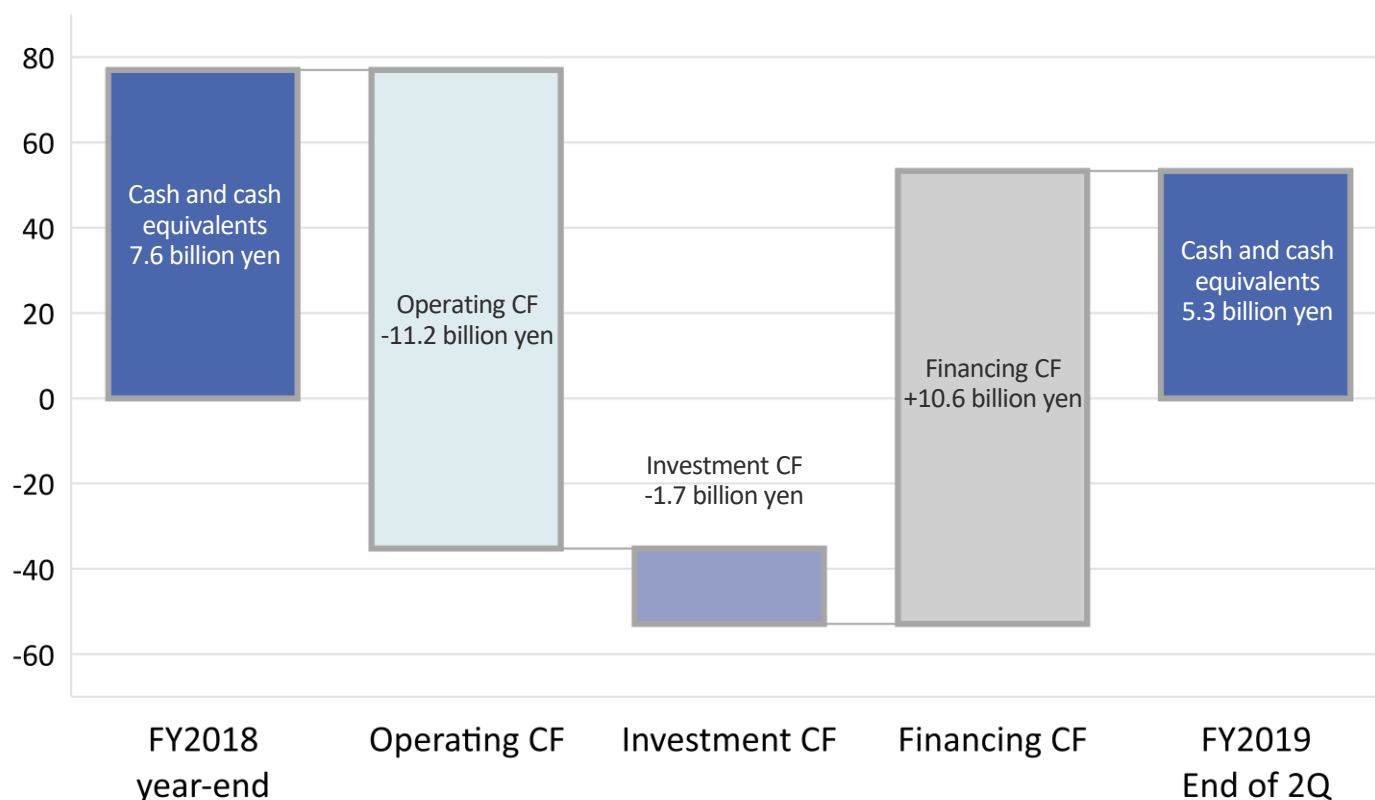
*2. Includes 6.85 billion yen in bridge loans incidental to the Group acquisition of Higashinohon Fudosan Co., Ltd. (planning to convert to long-term loans)

*3. Deferred tax liabilities and deposits incidental to the Group acquisition of Higashinohon Fudosan Co., Ltd.

Status of cash

Because we produce capital via loans, to acquire real estate (inventory assets), our operating cash flow tends to be negative and our cash flow from financing operations to be positive.

As of the end of 2Q/FY2019, cash flow from operating activities decreased by 11.2 billion yen and cash flow from financing activities increased by 10.6 billion yen due to the impact of increasing our rental real estate portfolio balances through new acquisition and the impact of acquiring Higashinihon Fudosan Co., Ltd. A breakdown of changes in cash flow is as shown below.



Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities
Increase in inventory assets -4.8 billion yen Increase in other current assets (Capital contribution related to adding Higashinihon Fudosan Co., Ltd. to Group) -4.7 billion yen Corporate taxes, etc. paid -0.5 billion yen	Expenditures for acquisition of Higashinihon Fudosan Co., Ltd. -1.7 billion yen	Short-term loans (including bridge loans) +7.6 billion yen Long-term loans (loans at new acquisition) +5.8 billion yen Payments of long-term loans (loans payments at time of sale) -2.6 billion yen

Shareholder Returns

Dividend basic policy

Dividends are issued once per year (term end)

- Issued continuously and stably regardless of short term fluctuation in earnings
- To be increased over the medium to long term in line with company growth
- Goal dividend ratio on equity (DOE) of 2.0%

[Formula for calculating per share dividend amount]

Consolidated shareholders' equity (average for term beginning and term end) x 2.0% / average number of shares for fiscal year

It is typical for dividend payout ratio to be used as the standard for calculating dividends. However, instead of a dividend payout ratio that would fluctuate with each year's profits, our policy is to use consolidated shareholders' equity, a recording category on our balance sheets, to issue continuous, stable dividends regardless of fluctuations in short-term performance.

If net income results in a profit (higher than dividend amount), then consolidated shareholders' equity will increase each term, which enables us to increase dividends over the medium- to long-term in line with company growth.

We also view share buy-backs as a dynamic method for producing shareholder returns.

Reference period	FY2017	FY2018	FY2019 (Forecast)
Dividends per share	15.0 yen	18.0 yen	21.0 yen
Total dividend payout (1,000 yen)	210,176	252,211	—
Total share buy-back value (1,000 yen)	—	—	—

About shareholder benefit plan

(1) Applicable shareholders

Shall apply to shareholders registered in the shareholder ledger retaining at least one unit of company stock (100 shares) as of November 30 of each year.

(2) Details of shareholder benefits

Applicable shareholders	Benefit details
Retained shares of 100 shares or more (persons not applicable indicated below)	Original 1,000 yen QUO Card
Shareholders retaining stock for one year or longer (Note 1) as well as retained shares of 100 or more shares, less than 200 shares	Original 2,000 yen QUO Card
Shareholders retaining stock for one year or longer (Note 1) as well as retained shares of 200 shares or more	Original 4,000 yen QUO Card

(Note 1) Shall apply to shareholders registered in the company shareholder register for three consecutive times under the same shareholder number each year as of the end of May and the end of November.

(3) Distribution timing

We send the certificates together with the Regular General Meeting of Shareholders Convening Notice issued every year in early February. Acceptance of requests for reissuance to shareholders unable to receive the certificates shall be up to the end of August for the year in question.

Reference Materials

Group strengths

Our Group boasts a team of numerous elite professionals with advanced expertise, from people who have been active at the forefront of the industry since the early days of asset backed securities in Japan to accountants, real estate appraisers, and attorneys. The depth of our elite personnel and their respective experiences as key individuals in our industry is the greatest strength of our Group.

Our management

**First Brothers Co., Ltd.
President**

**Tomoki
Yoshihara**

- Founder of First Brothers Group. Has been involved in numerous large-scale transactions and continues to be active on the front lines of the industry.
- After spending time at a trust bank where he was involved in scheme development from the early days of asset backed securities, he experienced further success at a foreign investment bank in real estate investments before going on his own in 2004.
- Has vast experience, success and connections in the investment industry.

**First Brothers Co., Ltd. Executive
Director**

**Kazutaka
Tsuji**

- Joined our Group after time at a trust bank, a foreign investment bank and an asset management company
- Expert in compliance and risk management
- Real estate appraiser

**First Brothers Co., Ltd. Executive
Director**

**Yoshinobu
Hotta**

- Joined our Group after time at a trust bank, auditing firm, and a consulting company
- Expert in investment structures
- Certified Public Accountant, real estate appraiser

**First Brothers Co., Ltd.
Executive Director**

**Kohtaro
Tamura**

- Partner attorney at Ushijima & Partners, Attorneys at Law
- MLIT Real Estate Investment Market Policy Workgroup Chairman
- Pioneer of legal affairs related to real estate securitization

**First Brothers Co., Ltd. Executive
Director (External)**

**Tatsuo
Watanabe**

- Formerly with the Ministry of Finance, Director of FSA Securities and Exchanges Audit Committee Office, Deposit Insurance Organization board member, Vice-Chairman of Japan Securities Association. Has long history in the field of financial administration
- Former chairman of Financial Information Systems Center

**First Brothers Co., Ltd. Corporate
Strategic Business Development
Department, Director**

**Akihito
Sato**

- Joined our Group after time at real estate appraisal office and an asset management company
- Vast experience and knowledge related to real estate investment and portfolio management
- Real estate appraiser

**First Brothers Co., Ltd.
Corporate Advisor**

**Tadashi
Iwashita**

- Formerly with the Ministry of Finance. Previous posts at the ministry include Deputy Vice Minister of Finance. Also served during this time as a Japanese envoy in the USA and Secretary to the Prime Minister
- Former director of the board at the Japan Bank for International Cooperation, former chairman of Lone Star Japan, former advisor at the Daiwa Securities Group's head office
- Representative Director and Chairman of Lawson Bank Inc.

**First Brothers Capital Co., Ltd.
President**
**Taichi
Kano**

- Assumed current position after time as a trust bank executive and as a director of J-REIT Assets Management
- Has vast experience and connections in the financial industry
- Oversees capital investments for our Group

**First Brothers Asset Management
Co., Ltd. Senior Executive
Managing Director**
**Daisuke
Taniguchi**

- Assumed current position after time as a trust bank executive and as a director of J-REIT Assets Management
- Has vast experience and connections in the financial industry
- Oversees capital investments for our Group

**First Brothers Capital Co., Ltd.
Executive Officer**
**Tomo
Aoki**

- Joined our Group after time at a real estate company and an asset management company
- Vast experience as a private fund asset manager
- Vast experience in sourcing and disposition within our Group

**First Brothers Capital Co., Ltd.
Executive Officer**
**Taichi
Ishikawa**

- Joined our Group after time at a general real estate corporation, a foreign investment fund and an investment bank
- Expert in finance administration and real estate fund business
- Diverse experience in property acquisition and asset management

**First Brothers Capital Co., Ltd.
Executive Officer**
**Kazunori
Sawada**

- Joined our Group after time at the head of asset management administration at a domestic bank
- Diverse experience in traditional and alternative investments
- Has vast connections with numerous domestic and international financial institutions and investors

**First Brothers Capital Co., Ltd.
Executive Officer**
**Yoshinori
Tajima**

- Joined our Group after time at a hotel management company, a foreign investment bank and an asset management company
- Vast knowledge and experience in underwriting and the hospitality business

**First Brothers Development Co., Ltd.
President**
**Yasushi
Kotani**

- Joined our Group after time at a major general contractor and an asset management company
- Vast experience and knowledge related to real estate development and infrastructure projects
- First-class architect

**First Brothers Asset Management
Co., Ltd. Investment
Management Business Director**
**Masaki
Minemura**

- Joined our Group after time at a major general contractor and a foreign investment fund
- Experience in a wide range of asset management, including real estate investments, stocks, and infrastructure businesses

Thank you for your attention.

- These materials are created for the purpose of providing information regarding our Group but our Group makes no assertions or guarantees concerning the content of these materials.
- Our Group uses due care during the creation of these materials but regardless of circumstances we shall bear no liability whatsoever in the event losses incurred due to an error in published information or due to data modification or downloads by a third party.
- The information included in these materials is created based on certain assumptions deemed reasonable by our Group but changes may be made without prior notification due to circumstances such as changes in the external or internal environment.
- Forward-looking statements included in these materials were made by the Group based on information available at the time. As these statements come with inherent risks or uncertainties such as changes in the external or internal environment, actual performance may differ from the forward-looking statements indicated in these materials.
- Even in the event of new information or occurrence of new circumstances, our Group shall bear no liability whatsoever to update or revise the content of these materials.
- These materials are not created for the purpose of soliciting investments. During actual investments, do not rely solely on these materials. Investment decisions should be made based on your own judgment.

Inquiries

First Brothers Co., Ltd. Business Planning Dept.
+81-3-5219-5370
IR@firstbrothers.com