

FY11/20 Financial Earnings Summary



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First Brothers Co., Ltd. (3454)

January 8, 2021

Message from the management

We at First Brothers would like to express our sincere gratitude to all our stakeholders for your continued support.

We would first like to extend our deepest sympathies to all those who have contracted the COVID-19 virus. We also wish to pay tribute and express our sincere appreciation to the medical and other frontline workers active in various regions, as well as to all people engaged in daily activities to mitigate the spread of infections.

Although our operating environment was affected by the COVID-19 pandemic in FY11/20, the impact of the pandemic on our revenue from real estate leasing was minimal on the whole, owing to our property portfolio composition that is geared toward long-term stable income, our active engagement in leasing activities, and swift implementation of tenant-related measures. Meanwhile, amid a drop in transaction volume in the real estate trading market driven by COVID-19 fears and other factors, we altered the sales schedule for several properties that had been slated for sale during FY11/20. Consequently, our gross profit fell 19.4% year on year in FY11/20. However, the negative goodwill recognized when THE FUJI FACILITY SERVICE, INC. was added to the First Brothers Group in July 2020, as well as other factors, contributed to a 5.9% year-on-year increase in bottom-line profit.

We continue to make steady progress with the expansion of our portfolio of properties for lease, which is a stable source of income for the Group. In FY11/20 alone, we acquired shares (M&A) in a company with property holdings, our group company Higashinihon Fudosan Co., Ltd. newly invested in a large commercial facility in Hirosaki, Aomori Prefecture (its home turf), and the properties for lease of THE FUJI FACILITY SERVICE, INC. were added to our portfolio. As a result, the Group's portfolio of properties for lease expanded by roughly 20.3 billion yen over the full year.

In FY11/21, we expect the macro environment surrounding our portfolio to remain comparable to FY11/20, and forecast gross profit of 6.86 billion yen, operating profit of 4.73 billion yen, and profit attributable to owners of parent of 2.55 billion yen. We will operate our businesses while closely monitoring conditions in the real estate market, and consider making bold changes to our portfolio and businesses to adjust to the prevailing times.

Turning to dividends, our businesses are subject to annual earnings fluctuations. We therefore aspire to be a company that shareholders will continue to support over the medium to long term, and our policy is to provide stable and continuous dividends. We target a dividend on equity ratio (DOE) of 2.0%. We steadily expanded shareholders' equity in FY11/20, and will pay a year-end dividend of 24 yen per share in FY11/20 (up 3 yen from FY11/19), as scheduled. In FY11/21, we plan to further raise our year-end dividend by 3 yen to 27 yen per share.

Finally, we plan to review our shareholder benefit plan from FY11/21 in order to create a more attractive plan. Guided by the same rationale that underpins our dividend policy, we will consider and implement shareholder return policies that encourage shareholders to support the Group over the medium to long term.

We ask for your continued understanding and support.

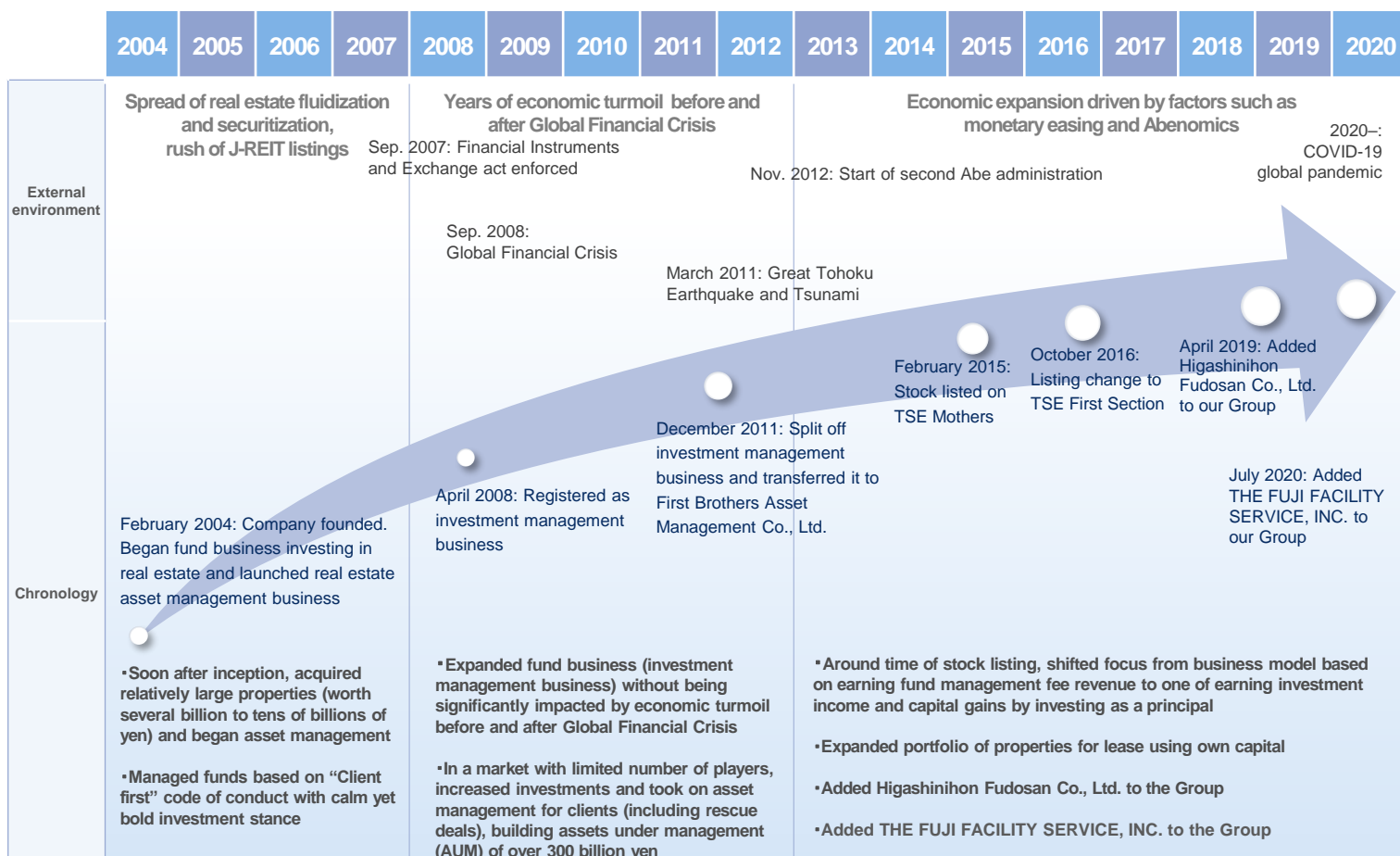
January 8, 2021
Tomoki Yoshihara
President
First Brothers Co., Ltd.

About us (1)

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 staff	120 (as of November 30, 2020; consolidated group basis)
Major subsidiaries	First Brothers Capital Co., Ltd. First Brothers Asset Management Co., Ltd. First Brothers Development Co., Ltd. Higashinihon Fudosan Co., Ltd. THE FUJI FACILITY SERVICE, INC.

Group chronology



About us (2)

Group's major businesses

Since our inception in February 2004, the First Brothers Group has grown centering around the core business of originating funds that mainly target real estate and managing investment assets on behalf of institutional investors^{*1}. Around the time of our stock listing in February 2015, we made significant changes to our business structure. Today, we are an investment company managing our own investment assets^{*2}, securing stable income primarily from real estate properties while also investing in various peripheral fields.

(1) Real estate investment

First Brothers maintains a portfolio of real estate for lease through which we expect to generate stable income over the medium to long term. From the vast number of properties available on the market, we carefully select and invest in small to medium-scale properties, and add value to them in various ways. We also develop new properties when sufficient returns can be expected. Our portfolio undergoes rotation as appropriate to realize gains from added property value.

We also conduct joint investments with institutional investors if we find investment opportunities in large-scale real estate projects.

(2) Private equity investment

First Brothers undertakes various other investment projects such as investment in distressed debt, venture capital, and unlisted company stocks.

(3) Renewable energy

Among the many forms of renewable energy, we focus our business development efforts on the geothermal energy sector. Although commercialization will take several years, we believe this is an area of investment where we can leverage our Group's expertise to make a visible contribution to society.

(4) Fund business

The fund business involves fund origination and provision of asset management services to institutional investors. Our funds invest in relatively large properties worth several billion to tens of billions of yen, and we adopt an investment strategy of securing both investment income and capital gains. Guided by our rule of conduct of "Client first," the First Brothers Group's top priority is to provide investment services that put client satisfaction above all else. Since we buy or sell investment assets for our funds at the most profitable timing, the Group's AUM balance changes significantly in tandem with real estate market trends.

We also apply the know-how that we have fostered in our fund business to occasionally handle asset management of active real estate investments that investors are running independently.

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

The Investment Management business provides client asset management through private funds that mainly invest in real estate and real estate beneficiary rights. This involves a series of business activities from investment strategy planning, proposals, and property acquisitions to property management during the investment period and disposition (sale of investment property). Investment Management has been the source of the Group's progress.

*2 Investment Banking business ((1), (2), and (3) above)

The Investment Banking business represents investment activities in which the Group is the principal investor. The business centers on investments in real estate for lease that are projected to return a stable income. It also includes private equity investments that harness the platforms 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 the Group. These investment activities form the pillar of the Group's growth.

Topics for FY11/20 (1)

Portfolio of properties for lease (principal investment)

The First Brothers Group is expanding its portfolio by acquiring properties for lease that are projected to return a stable income over the medium to long term.

In FY11/20, we continued to newly acquire quality properties for lease to add to our portfolio.

The balance of our portfolio and corresponding book value, market value, and unrealized gain are shown below.

(Unit: million yen)	FY11/18 (end of fiscal year)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)	Change from end of FY11/19	Change from end of FY11/19 (%)
Balance* ¹ (number of properties)	33,012 (27 properties)	43,377 (49 properties)	55,618 (55 properties)	+12,241	+28.2%
Increase* ¹	17,934	22,171	20,323	-	-
Decrease* ¹	12,971	11,807	8,082	-	-
Book value* ²	34,014	44,340	56,179	+11,839	+26.7%
Market value* ³	38,502	49,990	64,456	+14,466	+28.9%
Unrealized gain* ³	4,487	5,650	8,276	+2,626	+46.5%
NOI yield* ⁴	6.4%	6.9%	6.6%	-	-

*1 Balance and increase/decrease values are based on acquisition price (before tax). Increase values include increases from M&A and from completion of development projects.

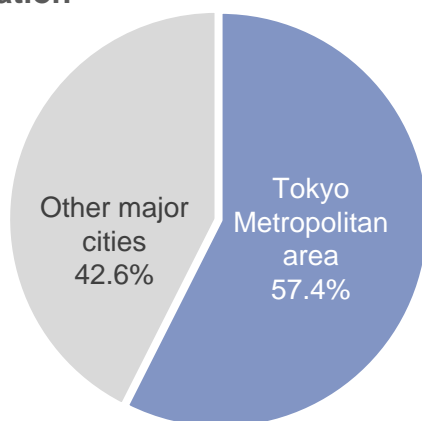
*2 Book value is adjusted by adding transaction costs at the time of acquisition to the acquisition price, and reflecting capital expenditures and depreciation expenses for the investment period.

*3 Market value is the most recent appraised value or assessment value based on the appraised value, and unrealized gain is the difference between this value and book value.

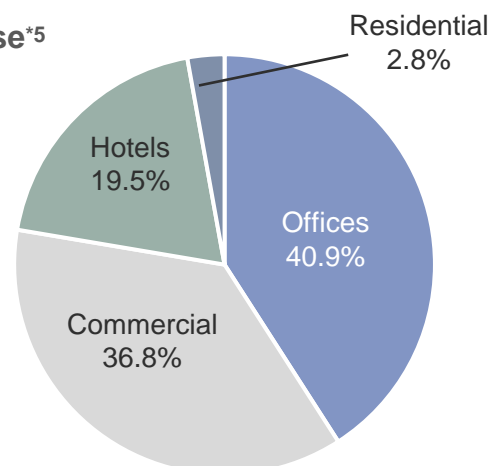
*4 Assumed APR for stable operation (cash-based net income from rents minus administrative expenses, etc., divided by acquisition price).

The graphs below break down the balance (acquisition price-based, as of end FY11/20) of our portfolio of properties for lease by location and use.

By location



By use*⁵



*5 Mixed-use properties calculated based on primary usage.

Topics for FY11/20 (2)

Portfolio of properties for lease / Stable income and SGA cover rate

Our policy is to expand our portfolio of properties for lease in order to increase stable gross profit from leasing^{*1}. However, gross profit from leasing may drop temporarily due to factors such as the sale of assets for portfolio rotation and vacancy losses incidental to work to enhance property value.

In FY11/20, gross profit from leasing trended above selling, general and administrative (SGA) expenses as we made progress with expanding our portfolio of properties for lease (increase of 12.2 billion yen in balance of property holdings from end FY11/19).

	FY11/17 (12 months)	FY11/18 (12 months)	FY11/19 (12 months)	FY11/20 (12 months)
Gross profit from leasing ^{*1} (million yen)	1,241	1,156	1,591	2,190 ^{*3}
SGA cover rate ^{*2}	98%	85%	104%	137%

*1 Net income gained from properties for lease (NOI [excluding one-time factors] – depreciation expenses)

*2 Gross profit from leasing / Selling, general and administrative expenses (excluding one-time factors)

*3 Correlation between NOI yield during stable operation (see p. 4) and gross profit from leasing (FY11/20)

• NOI during stable operation in FY11/20 3,365 million yen
 (49,497 million yen [average balance of property holdings at beginning/end of FY11/20] x 6.8% (average NOI yield at beginning/end of FY11/20))

• Depreciation expenses in FY11/20 – 706 million yen

• Vacancy losses incidental to work to add value to properties and rent for properties acquired during FY11/20, etc. – 469 million yen

 • Gross profit from leasing in FY11/20 2,190 million yen

Portfolio of properties for lease / Portfolio rotation through property sale

We manage the properties for lease we acquire, adding value to them through enhancements, and also sell some on the market as appropriate to achieve portfolio rotation and generate capital gains.

As in other years, in FY11/20, we sold some of our properties to realize gains from our portfolio.

(million yen)	FY11/17 (12 months)	FY11/18 (12 months)	FY11/19 (12 months)	FY11/20 (12 months)
Sales value ^{*1}	16,450	19,646	16,541	10,654
Gross profit from sale ^{*1}	3,397	5,332	3,833	2,174

*1 Includes sales of real estate for sale in process (including land for development of properties for lease).

■ Fluctuations in sales value and gross profit from sale

For the purpose of portfolio rotation, we sell some of our properties to which we have successfully added significant value, or in cases where we find a buyer presenting favorable conditions. We select these properties by assessing our progress in value enhancement. Because the value of each property is relatively large and each sales transaction can be affected by a range of factors, total sales value on a quarterly or annual basis can fluctuate significantly depending on the number of executed transactions. Gross profit from sale also fluctuates, since the profit margin varies from property to property.

Topics for FY11/20 (3)

Portfolio of properties for lease / Financing status

Our loan balance tends to increase as investment progresses, because we take out loans when acquiring properties.

As a rule, we take out super long-term loans with repayment terms of 10 years or longer and use interest rate swaps^{*1} to maintain a fixed interest rate for a certain portion of our loan balance.

^{*1} The market price of an interest rate swap contract fluctuates according to interest rate market trends.

We recorded a valuation loss of 58 million yen on interest rate swap contracts in FY11/20 as market rates trended lower. Our policy, however, is to fix interest payments over the long term to avoid the risk of interest rates going up; the swap contracts contribute to stabilizing our cash flow.

	FY11/17 (end of fiscal year)	FY11/18 (end of fiscal year)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)
Loan balance (million yen) ^{*2}	24,377	27,930	37,646	45,976
(Of which, non- recourse loans)	748	629	613	598
Leverage ^{*3}	84.7%	82.1%	84.9%	81.8%
Weighted average residual period	22.4 years	16.2 years	13.9 years	12.1 years
Weighted average interest rate ^{*4}	0.92%	0.79%	0.84%	0.75%
% of loans with fixed interest rates	56.1%	61.6%	55.1%	44.3%

^{*2} Loans to fund acquisitions of properties for lease

^{*3} Loan balance / Book value of properties for lease

^{*4} Before fixing interest rates

Fund business (Investment Management business)

Guided by our rule of conduct of “Client first,” the First Brothers Group’s top priority is to provide investment services that put client satisfaction above all else. We therefore always buy or sell investment assets for our funds at the most profitable timing. As a consequence, the Group’s AUM balance changes significantly based on real estate market price movements.

In FY11/20, competition to buy relatively large-scale properties—our funds’ target assets—was fierce compared with the market for small to mid-size properties that we invest in on our own account. As such, the Group refrained from new property acquisitions at the funds for which we manage investment independently.

The change in AUM in FY11/20 reflected the change in AUM associated with the real estate investment activities that our investor clients undertake independently, for which the Group provides asset management on contract for the duration of the investment period.

We are continuing our efforts to seek out new properties for acquisition at our funds for which we manage investment independently.

(million yen)	FY11/17 (end of fiscal year)	FY11/18 (end of fiscal year)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)
AUM	0	8,733	13,583	11,820
Increase ^{*1}	0	8,733	4,850	21,570
Decrease ^{*1}	32,183	0	0	23,333

^{*1} Increase/decrease include conclusion and expiration of asset management agreements.

FY11/20 earnings summary (1)

Consolidated income statement (summary)

In FY11/20, consolidated net sales, operating profit, and ordinary profit declined due to a year-on-year drop in the sale of properties accompanying portfolio rotation. However, profit attributable to owners of parent exceeded the year-earlier level as we booked an extraordinary profit to account for the negative goodwill recognized when THE FUJI FACILITY SERVICE, INC. was added to the Group in July 2020.

(million yen)	FY11/18	FY11/19	FY11/20	YoY change	Earnings forecast	Progress rate in FY11/20
Net sales	21,864	19,838	15,642	-21.2%	15,620	100.1%
Gross profit	6,488	5,326	4,293	-19.4%	-	-
Selling, general and administrative expenses	1,357	1,863	1,752	-5.9%	-	-
Operating profit	5,130	3,462	2,541	-26.6%	2,400	105.9%
Ordinary profit	4,700	2,810	1,816	-35.4%	1,650	110.1%
Profit attributable to owners of parent	2,885	2,183	2,313	+5.9%	2,150	107.6%

Gross profit breakdown

(million yen)	FY11/18	FY11/19	FY11/20	YoY change
Investment Management business	43	94	353	+275.8%
Investment Banking business	6,444	5,231	3,916	-25.1%
Gross profit from sale	5,332	3,833	2,174	-43.3%
Gross profit from leasing	1,052	1,409	2,088	+48.2%
Other	59	(10) ^{*1}	(347) ^{*2}	N/A
Other business	0	0	23	N/A
Total gross profit	6,488	5,326	4,293	-19.4%

*1 Includes loss associated with silent partnership distributions (13 million yen) in the private equity investment business

*2 Includes valuation losses on operational investment securities (144 million yen), and on real estate for sale and real estate for sale in process (231 million yen)

Selling, general and administrative expenses breakdown

(million yen)	FY11/18	FY11/19	FY11/20	YoY change
Personnel expenses	835	950	987	+36
Rent	153	176	171	-5
Commission expenses / remuneration	172	477 ^{*2}	253 ^{*3}	-224
Taxes and dues	126	111	131	+19
Other	69 ^{*1}	146	209 ^{*4}	+62
Total selling, general and administrative expenses	1,357	1,863	1,752	-110

*1 Reflects reversal of allowance for doubtful accounts on recovery of overdue accounts receivable (deduction of 41 million yen)

*2 Includes expenses related to the acquisition of shares in an M&A transaction (158 million yen)

*3 Includes expenses related to the acquisition of shares in an M&A transaction (102 million yen)

*4 Includes provision of allowance for doubtful accounts (42 million yen)

FY11/20 earnings summary (2)

Consolidated balance sheet (summary)

Although we hold properties for lease mainly to generate stable income, they are recorded in the balance sheet as real estate for sale so that we can sell properties at the right opportunity when we conduct portfolio rotation.

Real estate for sale and borrowings increased in FY11/20 due to expansion of our portfolio of properties for lease.

Consolidated assets (million yen)	End FY11/18	End FY11/19	End FY11/20	Change
Total current assets	47,180	62,336	71,874	+9,538
Cash and deposits	7,672	7,705	6,207	-1,497
Deposits in trust	505	501	563	+62
Real estate for sale	34,014	44,365	56,205	+11,839
Real estate for sale in process	3,265	6,315	6,449	+133
Other	1,722	3,449	2,449	-1,000
Total non-current assets	862	1,532	1,887	+354
Total assets	48,043	63,869	73,762	+9,893

Consolidated liabilities and net assets (million yen)	End FY11/18	End FY11/19	End FY11/20	Change
Total liabilities	33,760	47,572	55,431	+7,859
Total current liabilities	3,363	5,216	6,009	+792
Short-term borrowings	600	1,763	2,000	+237
Current portion of long-term borrowings	779	1,398	1,741	+342
Current portion of long-term non-recourse loans payable	15	15	15	0
Other	1,968	2,040	2,253	+213
Total non-current liabilities	30,396	42,355	49,422	+7,066
Long-term borrowings	28,521	38,182	43,318	+5,135
Long-term non-recourse loans payable	613	598	582	-15
Other	1,261	3,574	5,521	+1,946
Total net assets	14,283	16,296	18,330	+2,033
Total shareholders' equity	14,251	16,181	18,211	+2,030
Other	31	115	118	+2
Total liabilities and net assets	48,043	63,869	73,762	+9,893
Net D/E ratio*1	1.52	2.05	2.21	-

*1 Net D/E ratio = (Interest-bearing debt excluding non-recourse loans – [cash and deposits + deposits in trust]) / Shareholders' equity

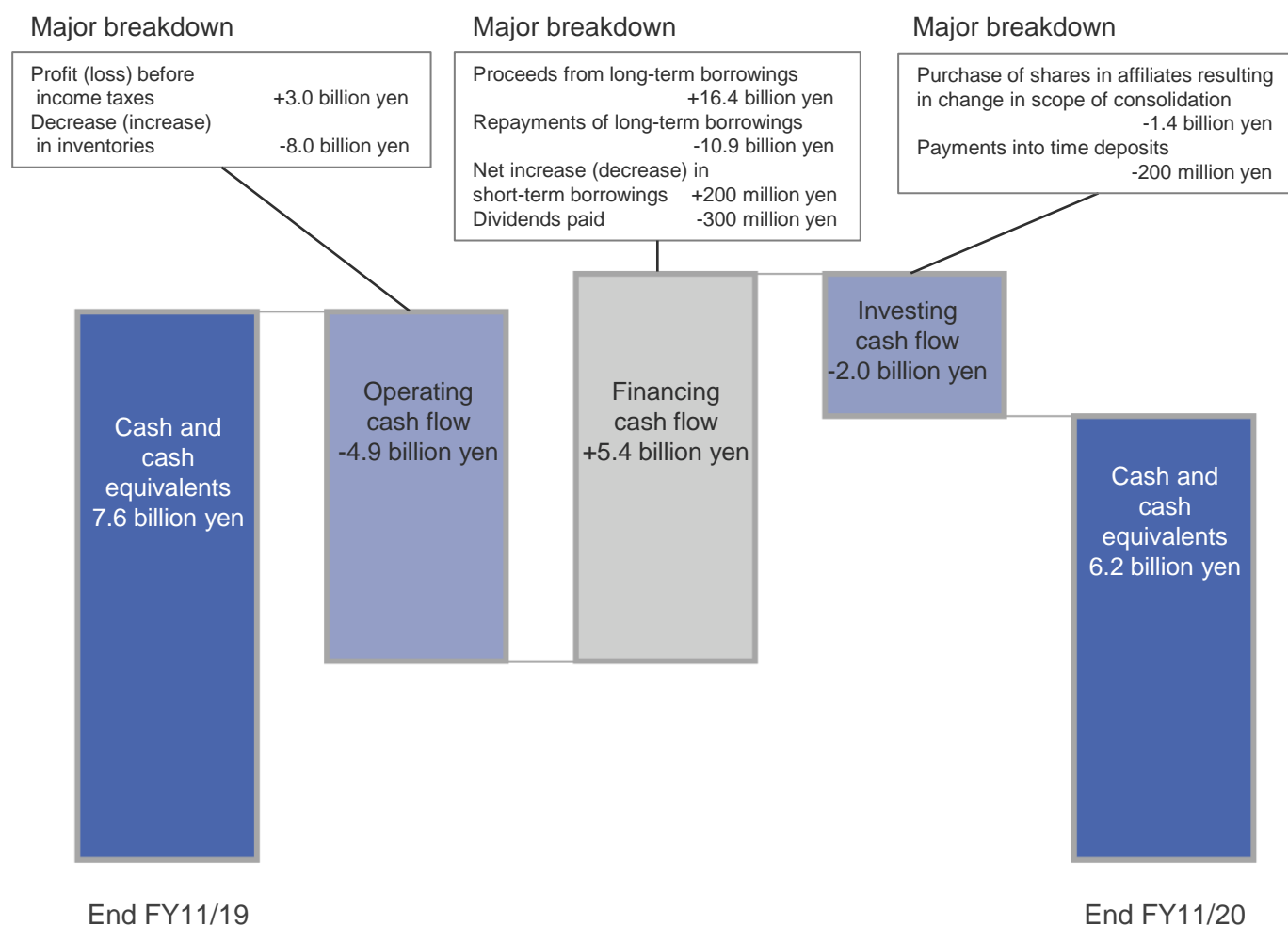
FY11/20 earnings summary (3)

Cash flow status

Because our operations are structured around acquiring properties for lease (inventory) with capital raised through borrowings, growth in our portfolio tends to drive operating cash outflows and financing cash inflows.

In FY11/20, we recorded an operating cash outflow of 4.9 billion yen mainly due to an increase in inventory as we built up the balance of our portfolio of properties for lease. Financing cash flow finished at a net inflow of 5.4 billion yen mainly due to an increase in long-term borrowings, and investing cash flow marked a net outflow of 2.0 billion yen mainly due to the addition of THE FUJI FACILITY SERVICE, INC. to our Group.

The breakdown of changes in each cash flow item is shown below.



FY11/21 full-year earnings forecast

The First Brothers Group positions the expansion of its portfolio of properties for lease as the pillar of its growth strategy. We will continue to acquire and manage properties that present opportunities for value enhancement, engage in real estate development as necessary, and seek to achieve sustainable corporate growth while coexisting harmoniously with local communities.

In FY11/21, we forecast growth in consolidated sales and profits fueled by a projected year-on-year increase in the sale of properties accompanying portfolio rotation.

Note: The Group manages earnings on a full-year basis, and thus only discloses a full-year earnings forecast.

(million yen)	FY11/19 Full-year results	FY11/20 Full-year results	FY11/21 Full-year forecast	YoY change
Net sales	19,838	15,642	30,100	+92.4%
Gross profit	5,326	4,293	6,860	+59.8%
Investment Management business	94	353	127	-64.0%
Investment Banking business	5,231	3,916	6,691	+70.9%
Other	0	23	42	+78.3%
Operating profit	3,462	2,541	4,730	+86.1%
Ordinary profit	2,810	1,816	4,010	+120.8%
Profit attributable to owners of parent	2,183	2,313	2,550	+10.2%

About the Group's earnings performance

The Group's policy is to expand its portfolio of properties for lease while increasing profits and shareholders' equity, but its earnings performance has the following characteristics at present because of the relatively large weighting of profit from property sale.

(1) Short-term earnings fluctuations

Our quarterly and annual earnings performance can fluctuate significantly, because large sales and profits tend to be recorded when we sell properties, whereas most of our SGA expenses are fixed expenses such as personnel expenses and rent.

Also, Group consolidated profit margins at all levels tend to fluctuate, because profit margins in property sale vary between real estate investment projects.

While real estate transactions are influenced by various circumstances, there are no obvious seasonal patterns (such as net sales being skewed toward 1H).

(2) Gross profit over net sales

We prioritize gross profit over net sales, because net sales include the sales value of properties. This means we prefer investments with a small transaction value and a large profit over those with a large transaction value and lower profit.

Shareholder returns / Dividend policy

Basic dividend policy

- Dividends are paid once a year (end of fiscal year)
- Stable and continuous dividends regardless of short-term earnings fluctuations
- Dividends to increase in the medium to long term as the company grows
- Target dividend on equity (DOE) of around 2.0%

Formula for calculating dividend per share

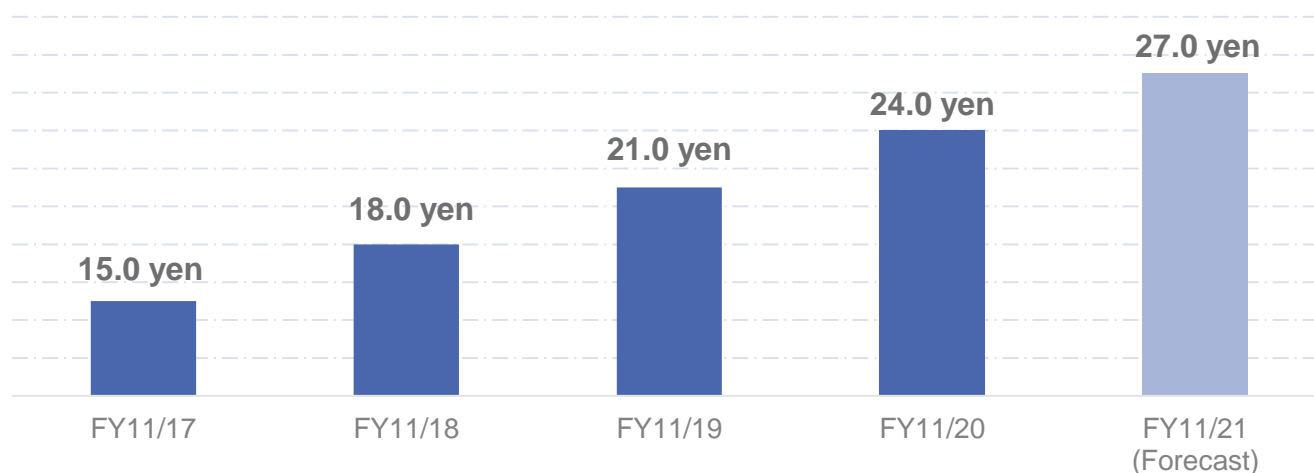
Consolidated shareholders' equity (average of beginning and end of fiscal year) x 2.0% / Average number of shares for fiscal year

Although the dividend payout ratio is generally used as a standard for calculating dividends, we use consolidated shareholders' equity (a balance sheet item) instead. This is because the dividend payout ratio is linked to annual profit, whereas we intend to provide stable and continuous dividends regardless of short-term earnings fluctuations.

Provided net income is in profit and exceeds the dividends amount, consolidated shareholders' equity will gradually rise every fiscal year. We can therefore increase our dividends over the medium to long term in line with the company's growth.

We also consider share buy-backs as a flexible method for providing shareholder returns.

Dividend per share



Note: We plan to pay a dividend of 27.0 yen per share for FY11/21.

Shareholder returns / Shareholder benefit plan

We plan to adopt the following shareholder benefit plan to show our appreciation for the continuous support of our shareholders as well as to make investment in our stock more attractive so that we can engage a greater number of long-term shareholders.

In addition, in accordance with our previous shareholder benefit plan, we will offer a QUO card to all shareholders registered in the company shareholder ledger as of November 30, 2020.

[Shareholder benefit plan \(overview\)](#)

We will make the shareholder benefit plan, “First Brothers Premium Benefits Club,” available to all shareholders registered in our shareholder ledger who retain the prescribed number of shares as of November 30, 2021.

Details of the First Brothers Premium Benefits Club

The plan extends shareholder benefit points to shareholders commensurate with the quantity and duration of their holdings.

By logging on to our shareholder-exclusive website, shareholders may exchange their points for groceries, electronic goods, gifts, or travel and recreation.

We plan to add additional premiums to the First Brothers Premium Benefits Club, including Amazon gift certificates and local specialties from regions with connections to the First Brothers Group.

Shareholder Benefit Points Table

Shareholders with shares held continuously for at least one year*

Shareholders with shares held for less than one year

No. of shares held	Benefits
At least 500 shares	5,000 points
At least 600 shares	6,000 points
At least 700 shares	7,000 points
to	Additional 1,000 points for each additional 100 shares
At least 5,000 shares	50,000 points

No. of shares held	Benefits
At least 3,000 shares	5,000 points
At least 3,100 shares	6,000 points
At least 3,200 shares	7,000 points
to	Additional 1,000 points for each additional 100 shares
At least 5,000 shares	25,000 points

* Applies to shareholders registered in the company shareholder ledger at least three consecutive times under the same shareholder number each year on May 31 and November 30.

How to apply

Information on the launch of our shareholder-exclusive First Brothers Premium Benefits Club website, content of the specific premiums available for points exchange, and the starting date for accepting shareholder benefit applications will be announced as soon as the details are determined.

Growth strategy /

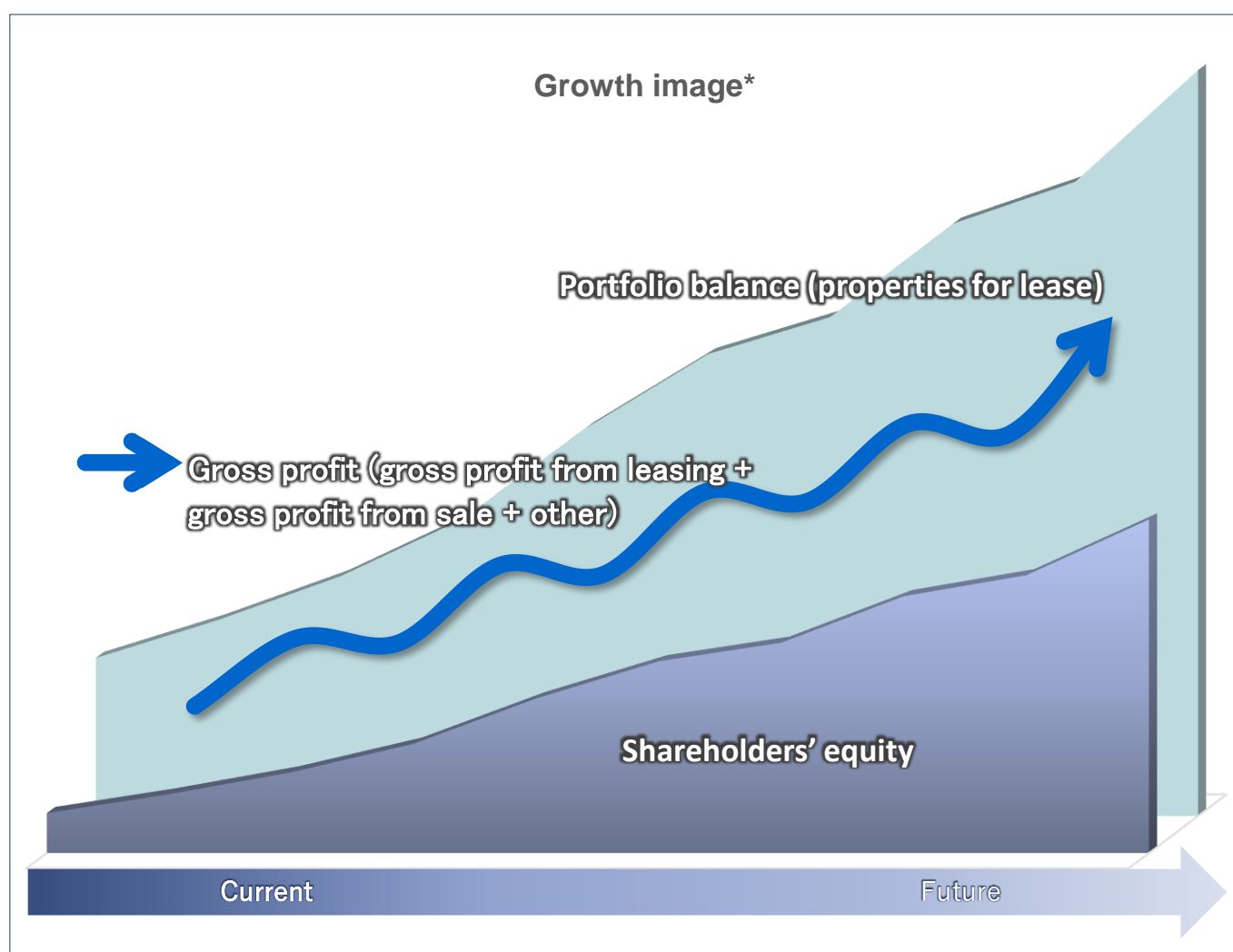
Expansion strategy for our portfolio of properties for lease

Around the time of our stock listing in February 2015, we shifted focus from a business model of earning fee revenue from asset management services to one of generating investment income and capital gains through principal investment.

The Group's principal investment activities mainly focus on investments in real estate for lease. Our strategy in this area is to continue expanding our portfolio consisting of multiple properties. By expanding our portfolio, we achieve the following: (1) generate more stable income (income from leasing); (2) boost unrealized gains by adding value to each property; and (3) monetize the unrealized gains through portfolio rotation (selling some properties), securing appropriate profit from the sale.

The Group positions the expansion of property portfolio as the pillar of its investment strategy. To this end, we will continue to acquire and manage properties that present opportunities for value enhancement. At the same time, we will take on the challenge of property development as necessary and seek to exist harmoniously with local communities to ensure sustained growth of group companies.

Although the Group expects profits and shareholder's equity to grow as we expand our portfolio, since profit from property sale (to refresh the portfolio) accounts for a large weighting at this stage, term profit is subject to change depending on the status of such sale during the corresponding period.



* This is a conceptual image. Scale and growth rates do not reflect the Group's profit plans.

Management team

Group strengths

The First Brothers Group has a large team of elite professionals including people who have been active at the forefront of the industry from the earliest days of real estate securitization in Japan to accountants, real estate appraisers, and lawyers. Our strengths lie in the depth of our elite personnel, who play a central role in the Group's businesses.

Team members

President
First Brothers Co., Ltd.

**Tomoki
Yoshihara**

- Founder of First Brothers Group. Has been involved in numerous large-scale transactions and remains active in the front lines of the industry
- After a career with a trust bank, where he engaged in scheme development in the early days of real estate securitization, achieved success in real estate investment at a foreign investment bank before starting his own business in 2004
- Has extensive experience, a successful track record, and a broad network of contacts in the investment business

Executive Director
First Brothers Co., Ltd.

**Kazutaka
Tsuji**

- Joined Group after career with trust bank, foreign investment bank, and asset management company
- Expert in compliance and risk management
- Real estate appraiser

Executive Director
First Brothers Co., Ltd.

**Yoshinobu
Hotta**

- Joined Group after career with trust bank, auditing firm, and consulting company
- Expert in investment structures
- Certified public accountant and real estate appraiser

Executive Director
First Brothers Co., Ltd.

**Kohtaro
Tamura**

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

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

**Tatsuo
Watanabe**

- Distinguished career in financial administration. Ex-Ministry of Finance, held positions as Director of FSA Securities and Exchange Audit Committee Office, Deposit Insurance Organization board member, Vice Chairman of Japan Securities Dealers Association, and Chairman of Financial Information System Center

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

**Akihito
Sato**

- Joined Group after career with real estate appraisal office and asset management company
- Substantial knowledge and experience in real estate investment and portfolio management
- Real estate appraiser

Corporate Advisor
First Brothers Co., Ltd.

**Tadashi
Iwashita**

- Ex-Ministry of Finance, where he was Deputy Vice Minister of Finance, also serving as Japanese envoy in the USA and Secretary to the Prime Minister
- Held positions as director of the board at Japan Bank for International Cooperation, chairman of Lone Star Japan, and advisor at Daiwa Securities Group head office
- Representative Director and Chairman of Lawson Bank Inc.

President
First Brothers Capital Co., Ltd.

Taichi Kano

- Assumed current position after positions as trust bank executive and director of J-REIT asset management company
- Extensive experience and contacts in financial industry
- Oversees Group's principal investment activities

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

Daisuke Taniguchi

- Assumed current position after career with major general contractor and foreign investment fund
- Involved in investment projects totaling 1 trillion yen
- Oversees Group's asset management activities

Executive Officer
First Brothers Capital Co., Ltd.

Tomo Aoki

- Joined Group after career with real estate company and asset management firm
- Wealth of experience as asset manager of private funds
- Extensive experience in sourcing and disposition within Group

Executive Officer
First Brothers Capital Co., Ltd.

Taichi Ishikawa

- Joined Group after career with general real estate company, foreign investment fund, and investment bank
- Expert in finance administration and real estate fund business
- Experienced in acquisition and asset management of diverse properties

Executive Officer
First Brothers Capital Co., Ltd.

Kazunori Sawada

- Joined Group after serving as head of asset management of domestic bank
- Experienced in diverse traditional and alternative investments
- Large network of contacts with numerous domestic and international financial institutions and investors

Investment Management Business Director
First Brothers Asset Management Co., Ltd.

Masaki Minemura

- Joined Group after career with major general contractor and foreign investment fund
- Experience in wide range of asset management, including real estate investment, stocks, and infrastructure projects

Director, Investment Department
First Brothers Capital Co., Ltd.

Kosei Shibata

- Joined Group after career with domestic asset management company and property developer
- Experience in acquisitions of various asset types, asset management, and property development
- Track record of completing M&A deals at the Group

Business Management Director
Higashinihon Fudosan Co., Ltd.

Masakazu Suto

- Experience in real estate investment and development business in the Tohoku area at Higashinihon Fudosan
- Access to broad regional network centered on Aomori Prefecture, particularly in the city of Hirosaki

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