

# Q2 FY11/21 Financial Earnings Summary



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First Brothers Co., Ltd. (3454)

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July 9, 2021

## Message from the management

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

In 1H FY11/21, First Brothers reported gross profit of 3.77 billion yen, operating profit of 2.86 billion yen, ordinary profit of 2.61 billion yen, and profit attributable to owners of parent of 1.74 billion yen.

During the period, we already sold 11.3 billion yen in properties to actively rotate the assets in our real estate portfolio, and recorded corresponding profit. At the same time, we accelerated new investments in operational assets such as hotels.

As far as term profit (mainly income from leasing) is concerned, we continued to build up our portfolio under the expansion strategy for our portfolio of properties for lease that we have pursued all along, and gross profit from leasing remained above selling, general and administrative (SGA) expenses in 1H FY11/21. We regard income from leasing as a stable earnings foundation that will continue to underpin our earnings going forward.

Viewing the present economic environment as an opportunity for change, we, as the First Brothers Group, are not only pushing ahead with our original investment approach centered on real estate, but also undertaking initiatives to expand into fields where we can provide our own services. Going forward, we will continue to operate our businesses while considering 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%, and plan to pay a year-end dividend of 27 yen per share in FY11/21.

We ask for your continued understanding and support.

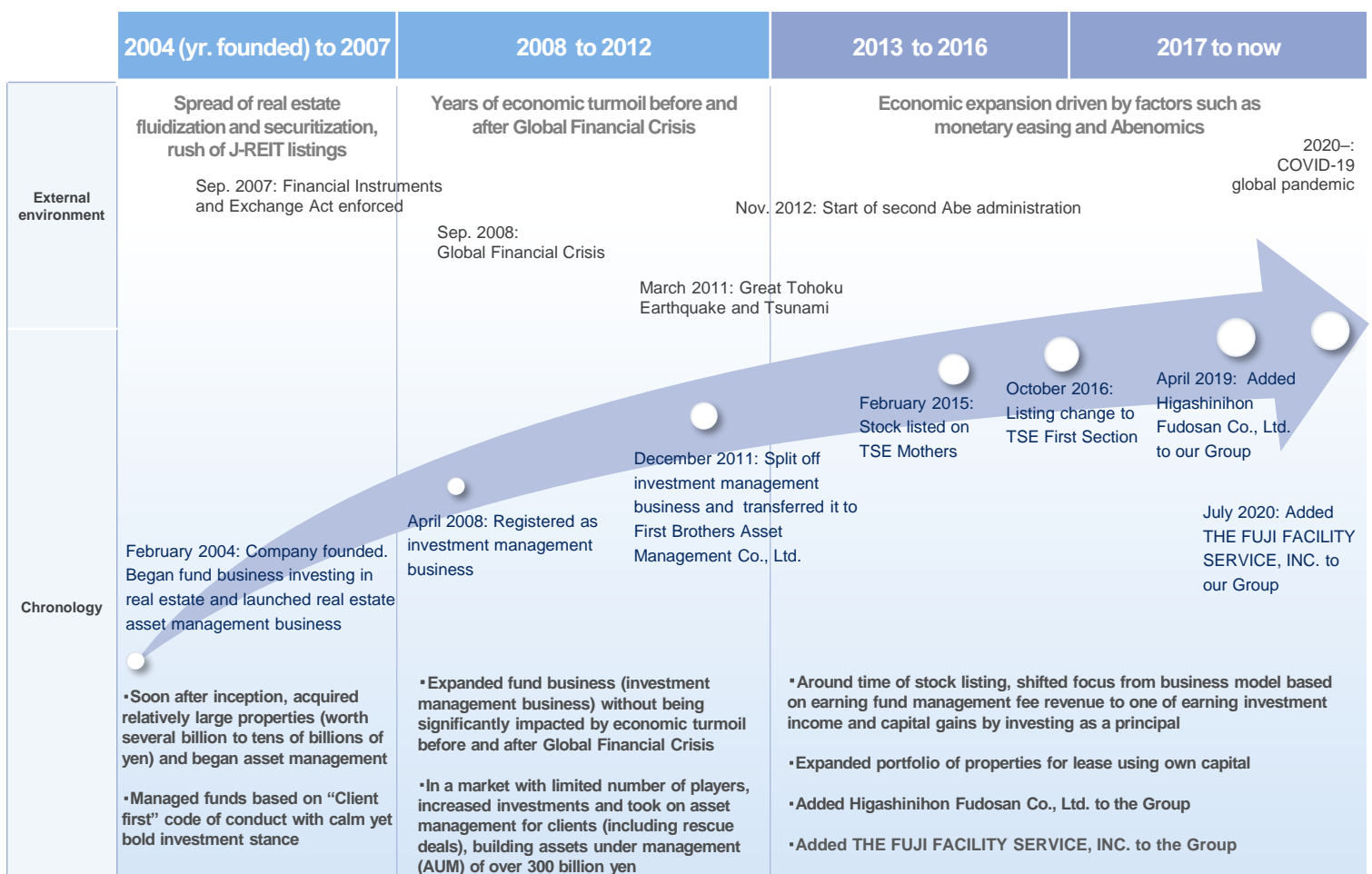
July 9, 2021  
Tomoki Yoshihara  
President  
First Brothers Co., Ltd.

# 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	119 (as of May 31, 2021; 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<sup>\*1</sup>. 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<sup>\*2</sup>, 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 Q2 FY11/21 (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 cumulative Q2 FY11/21, we acquired new quality properties for lease to expand our portfolio, and sold some properties to achieve portfolio rotation.

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

(Unit: million yen)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)	FY11/21 (end of Q2)	Change from end of FY11/20	Change from end of FY11/20 (%)
Balance* <sup>1</sup> (number of properties)	43,377 (49 properties)	55,618 (55 properties)	57,446 (63 properties)	+1,828	+3.3%
Increase* <sup>1</sup>	22,171	20,323	7,231	-	-
Decrease* <sup>1</sup>	11,807	8,082	5,403	-	-
Book value* <sup>2</sup>	44,340	56,179	57,955	+1,775	+3.2%
Market value* <sup>3</sup>	49,990	64,456	68,249	+3,793	+5.9%
Unrealized gain* <sup>3</sup>	5,650	8,276	10,294	+2,017	+24.4%
NOI yield* <sup>4</sup>	6.9%	6.6%	6.9%	-	-

\*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.

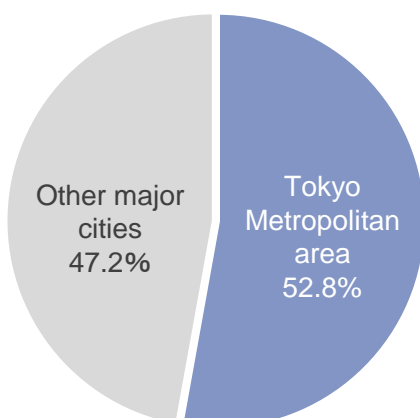
\*2 Book value is adjusted by adding transaction costs at the time of acquisition to the acquisition price, and reflecting capital expenditures and depreciation for the investment period.

\*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.

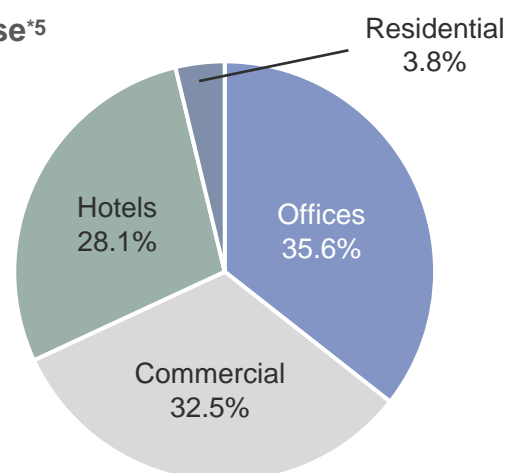
\*4 Assumed APR for stable operation (cash-based net income from rents minus administrative expenses, etc., divided by acquisition price).

The graphs below break down the balance (acquisition price-based, as of end Q2 FY11/21) of our portfolio of properties for lease by location and use.

#### By location



#### By use\*<sup>5</sup>



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

## Topics for Q2 FY11/21 (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\*<sup>1</sup>. 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 cumulative Q2 FY11/21, gross profit from leasing trended above selling, general and administrative (SGA) expenses as we made progress with expanding our portfolio of properties for lease.

	Q2 FY11/18 (six months)	Q2 FY11/19 (six months)	Q2 FY11/20 (six months)	Q2 FY11/21 (six months)
Gross profit from leasing* <sup>1</sup> (million yen)	613	664	953	1,186* <sup>3</sup>
SGA cover rate* <sup>2</sup>	91%	96%	127%	133%

\*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 (cumulative Q2 FY11/21)

•NOI during stable operation in cumulative Q2 FY11/21	1,922 million yen
(56,532 million yen [average balance of property holdings at beginning of year/end of Q2] x 6.8% [average NOI yield at beginning of year/end of Q2] x 6/12 months)	
•Depreciation expenses in cumulative Q2	-383 million yen
•Vacancy losses incidental to work to add value to properties and rent for properties acquired during cumulative Q2, etc.	-353 million yen

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 •Gross profit from leasing in cumulative Q2 FY11/21 1,186 million yen

### Portfolio of properties for lease / Portfolio rotation through property sale

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

In cumulative Q2 FY11/21, we sold several properties to partially realize gains from our portfolio. A summary of these transactions is shown below.

(million yen)	Q2 FY11/18 (six months)	Q2 FY11/19 (six months)	Q2 FY11/20 (six months)	Q2 FY11/21 (six months)
Sales value* <sup>1</sup>	12,956	2,800	4	11,300
Gross profit from sale* <sup>1</sup>	3,094	606	0	2,562

\*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 Q2 FY11/21 (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<sup>\*1</sup> to maintain a fixed interest rate for a certain portion of our loan balance.

\*1 While the market price of an interest rate swap contract fluctuates according to interest rate and market trends, we utilize such contracts to fix interest payments over the long term and avoid the risk of interest rates going up; the swap contracts contribute to stabilizing our cash flow. In cumulative Q2 FY11/21, we recorded a valuation gain of 30 million yen on interest rate swap contracts as market rates trended higher.

	FY11/18 (end of fiscal year)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)	Q2 FY11/21 (end of Q2)
Loan balance (million yen) <sup>*2</sup>	27,930	37,646	45,976	46,760
(Of which, non- recourse loans)	629	613	598	3,654
Leverage <sup>*3</sup>	82.1%	84.9%	81.8%	80.7%
Weighted average residual period	16.2 years	13.9 years	12.1 years	11.3 years
Weighted average interest rate <sup>*4</sup>	0.79%	0.84%	0.75%	0.86%
% of loans with fixed interest rates	61.6%	55.1%	44.3%	43.2%

\*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 “Client first” rule of conduct, 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 cumulative Q2 FY11/21, 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. However, the Group’s AUM balance rose due to real estate investment activities undertaken independently by investor clients, for which we provide 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)	FY11/18 (end of fiscal year)	FY11/19 (end of fiscal year)	FY11/20 (end of fiscal year)	Q2 FY11/21 (end of Q2)
AUM	8,733	13,583	11,820	23,407
Increase <sup>*1</sup>	8,733	4,850	21,570	11,587
Decrease <sup>*1</sup>	0	0	23,333	0

\*1 Increase/decrease include conclusion and expiration of asset management agreements.

## Q2 FY11/21 earnings summary (1)

### Consolidated income statement (summary)

In cumulative Q2 FY11/21, income from leasing increased from the same quarter a year earlier as we made progress in expanding our portfolio of properties for lease. Sales and profit expanded year-on-year mainly due to the sale of several properties versus virtually none in cumulative Q2 FY11/20.

The Group's quarterly earnings results are largely affected by whether or not properties are sold during the period under review, and we therefore manage our business plan on a full-year basis. As a result, our full-year forecast for FY11/21 remains unchanged.

(million yen)	Cumulative Q2 FY11/19	Cumulative Q2 FY11/20	Cumulative Q2 FY11/21	YoY change	Progress rate in Cumulative Q2 FY11/21
Net sales	4,081	1,997	14,176	+609.6%	47.1%
Gross profit	1,268	1,005	3,772	+275.0%	55.0%
Selling, general and administrative expenses	852	813	904	+11.2%	-
Operating profit	416	192	2,867	+1389.7%	60.6%
Ordinary profit	95	(159)	2,615	N/A	65.2%
Profit attributable to owners of parent	12	(92)	1,748	N/A	68.6%

### Gross profit breakdown

(million yen)	Cumulative Q2 FY11/19	Cumulative Q2 FY11/20	Cumulative Q2 FY11/21	YoY change
Investment Management business	68	97	151	+56.2%
Investment Banking business	1,200	908	3,602	+296.5%
Gross profit from sale	607	0	2,562	N/A
Gross profit from leasing	595	878	1,010	+15.1%
Other	(1)*	29	28	-2.4%
Other business	0	0	17	N/A
Total gross profit	1,268	1,005	3,772	+275.0%

\* Includes loss associated with silent partnership distributions in the private equity investment business.

### Selling, general and administrative expenses breakdown

(million yen)	Cumulative Q2 FY11/19	Cumulative Q2 FY11/20	Cumulative Q2 FY11/21	YoY change
Personnel expenses	437	490	551	+61
Rent	86	86	95	+9
Commission expenses / remuneration	235*1	95	99	+3
Taxes and dues	37	37	75	+37
Other	55	103*2	83	-20
Total selling, general and administrative expenses	852	813	904	+91

\*1 Includes expenses related to M&A transactions (158 million yen).

\*2 Includes provision of allowance for doubtful accounts (42 million yen).



## Q2 FY11/21 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.

In Q2 FY11/21, cash and deposits expanded mainly due to the sale of properties for lease, and real estate for sale and borrowings increased in tandem with the growth in the portfolio of properties for lease.

Consolidated assets (million yen)	End FY11/19	End FY11/20	End Q2 FY11/21	Change
Total current assets	62,336	71,874	74,682	+2,807
Cash and deposits	7,705	6,207	9,632	+3,424
Deposits in trust	501	563	818	+254
Real estate for sale	44,365	56,205	57,976	+1,771
Real estate for sale in process	6,315	6,449	3,969	-2,479
Other	3,449	2,449	2,285	-163
Total non-current assets	1,532	1,887	1,941	+54
Total assets	63,869	73,762	76,623	+2,861

Consolidated liabilities and net assets (million yen)	End FY11/19	End FY11/20	End Q2 FY11/21	Change
Total liabilities	47,572	55,431	56,865	+1,433
Total current liabilities	5,216	6,009	4,800	-1,209
Short-term borrowings	1,763	2,000	0	-2,000
Current portion of long-term borrowings	1,398	1,741	1,799	+58
Current portion of long-term non-recourse loans payable	15	15	234	+218
Other	2,040	2,253	2,766	+513
Total non-current liabilities	42,355	49,422	52,065	+2,643
Long-term borrowings	38,182	43,318	43,349	+31
Long-term non-recourse loans payable	598	582	3,420	+2,837
Other	3,574	5,521	5,295	-225
Total net assets	16,296	18,330	19,758	+1,428
Total shareholders' equity	16,181	18,211	19,623	+1,411
Other	115	118	135	+17
Total liabilities and net assets	63,869	73,762	76,623	+2,861
Net D/E ratio*1	2.05	2.21	1.77	-

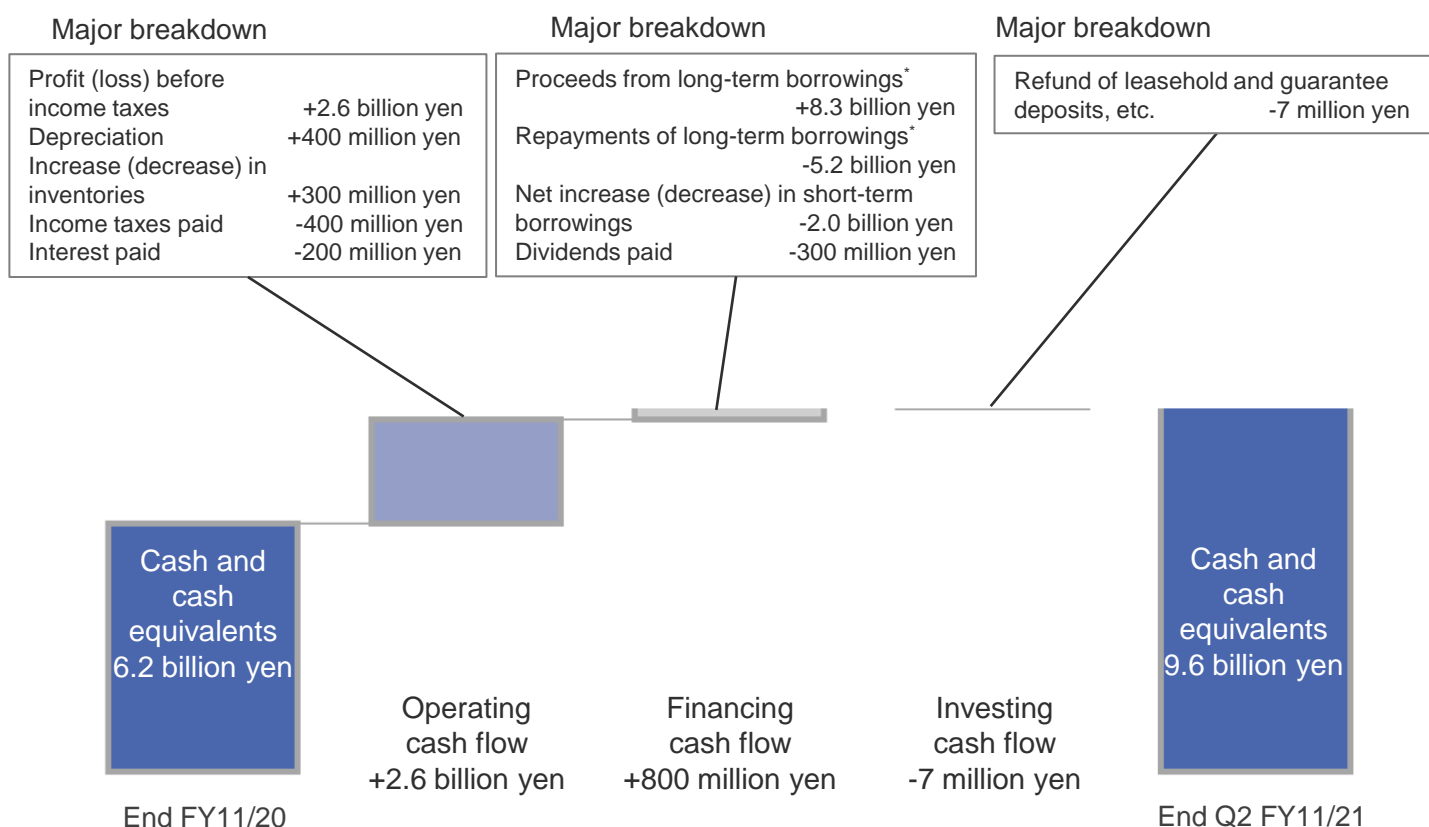
\*1 Net D/E ratio = (Interest-bearing debt excluding non-recourse loans – [cash and deposits + deposits in trust]) / Shareholders' equity

## 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 cumulative Q2 FY11/21, we recorded an operating cash inflow of 2.6 billion yen mainly due to the sale of real estate to rotate the properties for lease in our portfolio, and a financing cash inflow of 800 million yen mainly due to new borrowings accompanying the acquisition of properties for lease.

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



\* Borrowings include non-recourse loans.

## 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 of consolidated sales and profits fueled by a projected year-on-year increase in the sale of properties accompanying portfolio rotation.

Note: The Group managed 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

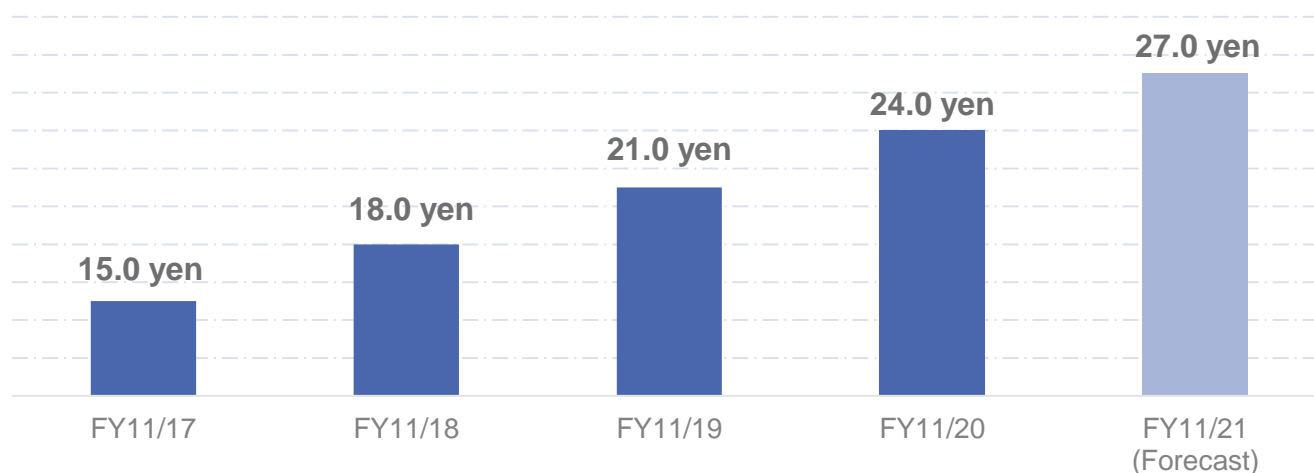
Consolidated shareholders' equity (average of beginning and end of fiscal year) x 2.0% / Average number of shares for fiscal year

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.

### 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.

Shareholders can log on to our shareholder-exclusive website to exchange their points for rewards, choosing from over 2,000 items including 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.

For examples of the rewards that can be exchanged for points, please visit the following website.

<https://firstbrothers.premium-yutaiclub.jp/pre/>

## Growth strategy /

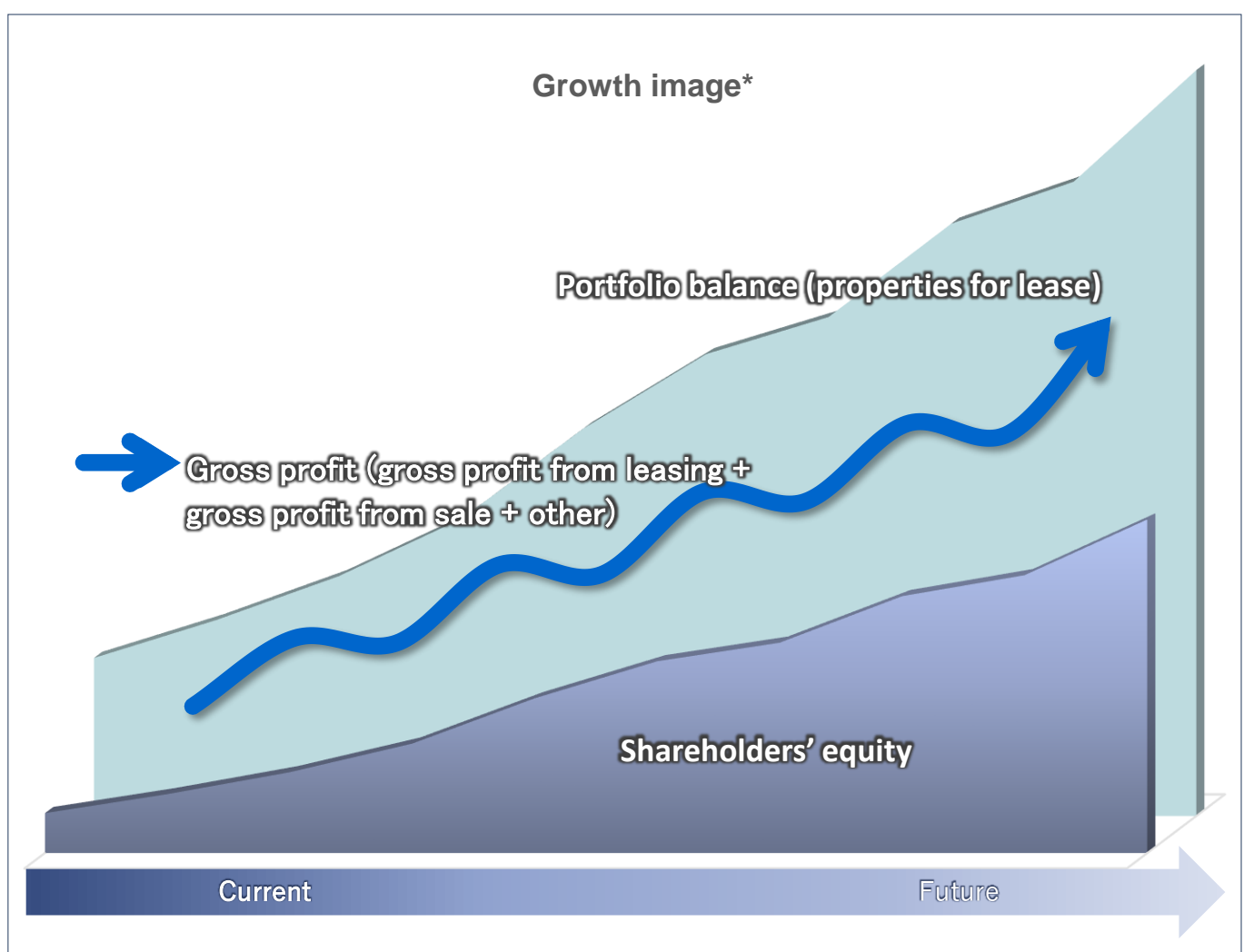
### Expansion strategy for our portfolio of properties for lease

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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Inquiries

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