

Translation

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Summary of Consolidated Financial Results for the Three Months Ended February 28, 2021 (Based on Japanese GAAP)

April 9, 2021

Company name: First Brothers Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3454 URL <https://www.firstbrothers.com/>
 Representative: President Tomoki Yoshihara
 Inquiries: Chief Financial Officer Yoshinobu Hotta TEL 03(5219)5370
 Scheduled date to file Quarterly Securities Report: April 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended February 28, 2021 (from December 1, 2020 to February 28, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended February 28, 2021	2,303	150.7	152	368.4	100	–	60	–
Three months ended February 29, 2020	918	(72.2)	32	(93.4)	(264)	–	(190)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 28, 2021	4.34		–	
Three months ended February 29, 2020	(13.56)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2021	74,354	18,069	24.2	1,281.27
As of November 30, 2020	73,762	18,330	24.7	1,299.88

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended November 30, 2020	–	0.00	–	24.00	24.00
Year ending November 30, 2021	–	–	–	–	–
Year ending November 30, 2021 (Forecast)	–	0.00	–	27.00	27.00

3. Forecast of consolidated financial results for the year ending November 30, 2021 (from December 1, 2020 to November 30, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,100	92.4	4,730	86.1	4,010	120.8	2,550	10.2	181.84

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 28, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2021	14,445,000 shares	As of November 30, 2020	14,445,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2021	421,710 shares	As of November 30, 2020	421,710 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 28, 2021	14,023,290 shares	Three months ended February 29, 2020	14,021,425 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	6,207,421	5,006,098
Deposits in trust	563,711	722,472
Accounts receivable - trade	329,306	168,664
Real estate for sale	56,205,055	57,770,181
Real estate for sale in process	6,449,266	6,544,418
Operational investment securities	348,034	330,577
Other	1,772,122	1,857,816
Allowance for doubtful accounts	(0)	(0)
Total current assets	71,874,918	72,400,228
Non-current assets		
Property, plant and equipment	565,289	560,319
Intangible assets	12,948	11,251
Investments and other assets	1,308,970	1,382,217
Total non-current assets	1,887,208	1,953,788
Total assets	73,762,127	74,354,017
Liabilities		
Current liabilities		
Short-term borrowings	2,000,000	2,000,000
Current portion of long-term borrowings	1,741,206	1,785,040
Current portion of long-term non-recourse loans payable	15,488	15,488
Income taxes payable	427,724	288,700
Provision for bonuses	25,100	71,909
Other	1,800,328	1,856,121
Total current liabilities	6,009,848	6,017,260
Non-current liabilities		
Long-term borrowings	43,318,091	44,408,902
Long-term non-recourse loans payable	582,667	578,795
Retirement benefit liability	10,613	11,204
Other	5,510,677	5,268,153
Total non-current liabilities	49,422,048	50,267,055
Total liabilities	55,431,897	56,284,316
Net assets		
Shareholders' equity		
Share capital	1,589,830	1,589,830
Capital surplus	1,917,257	1,917,257
Retained earnings	14,982,928	14,707,124
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	18,211,930	17,936,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,182	28,654
Deferred gains or losses on hedges	(4,501)	2,834
Total accumulated other comprehensive income	16,681	31,488
Non-controlling interests	101,618	102,086
Total net assets	18,330,230	18,069,701
Total liabilities and net assets	73,762,127	74,354,017

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended February 29, 2020	Three months ended February 28, 2021
Net sales	918,947	2,303,379
Cost of sales	463,398	1,707,420
Gross profit	455,548	595,959
Selling, general and administrative expenses	423,040	443,689
Operating profit	32,507	152,269
Non-operating income		
Interest income	65	22
Dividend income	49	51
Interest on tax refund	401	477
Gain on valuation of derivatives	–	68,721
Gain on sales of investment securities	1	–
Other	129	2,883
Total non-operating income	646	72,156
Non-operating expenses		
Interest expenses	92,104	98,448
Commission expenses	44,532	25,958
Loss on valuation of derivatives	161,014	–
Other	–	0
Total non-operating expenses	297,651	124,406
Ordinary profit (loss)	(264,496)	100,019
Extraordinary losses		
Loss on retirement of non-current assets	–	37
Loss on valuation of shares of subsidiaries and associates	1,000	–
Total extraordinary losses	1,000	37
Profit (loss) before income taxes	(265,496)	99,982
Income taxes - current	24,648	282,491
Income taxes - deferred	(99,027)	(241,675)
Total income taxes	(74,379)	40,815
Profit (loss)	(191,117)	59,167
Loss attributable to non-controlling interests	(957)	(1,737)
Profit (loss) attributable to owners of parent	(190,160)	60,904

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended February 29, 2020	Three months ended February 28, 2021
Profit (loss)	(191,117)	59,167
Other comprehensive income		
Valuation difference on available-for-sale securities	33,156	7,471
Deferred gains or losses on hedges	(10,085)	7,367
Total other comprehensive income	23,070	14,838
Comprehensive income	(168,046)	74,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(167,044)	75,711
Comprehensive income attributable to non-controlling interests	(1,002)	(1,705)