

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2021 (Based on Japanese GAAP)

October 8, 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: October 11, 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 nine months ended August 31, 2021 (from December 1, 2020 to August 31, 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	%
Nine months ended August 31, 2021	15,810	57.8	3,113	57.3	2,668	88.2	1,808	(11.3)
Nine months ended August 31, 2020	10,020	7.4	1,979	57.0	1,418	131.4	2,038	428.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 31, 2021	128.96		–	
Nine months ended August 31, 2020	145.35		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2021	85,713	19,816	23.0	1,405.76
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	–	0.00	–		
Year ending November 30, 2021 (Forecast)				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 nine months ended August 31, 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 August 31, 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 August 31, 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)

Nine months ended August 31, 2021	14,023,290 shares	Nine months ended August 31, 2020	14,022,699 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2020	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	6,207,421	8,857,854
Deposits in trust	563,711	742,156
Accounts receivable - trade	329,306	189,643
Real estate for sale	56,205,055	67,691,549
Real estate for sale in process	6,449,266	4,127,723
Operational investment securities	348,034	350,113
Other	1,772,122	1,540,046
Allowance for doubtful accounts	(0)	(0)
Total current assets	71,874,918	83,499,086
Non-current assets		
Property, plant and equipment	565,289	672,130
Intangible assets	12,948	170,513
Investments and other assets	1,308,970	1,372,221
Total non-current assets	1,887,208	2,214,865
Total assets	73,762,127	85,713,952
Liabilities		
Current liabilities		
Short-term borrowings	2,000,000	3,453,522
Current portion of long-term borrowings	1,741,206	1,990,881
Current portion of long-term non-recourse loans payable	15,488	234,000
Income taxes payable	427,724	914,398
Provision for bonuses	25,100	161,035
Other	1,800,328	1,385,929
Total current liabilities	6,009,848	8,139,768
Non-current liabilities		
Long-term borrowings	43,318,091	48,876,510
Long-term non-recourse loans payable	582,667	3,420,000
Retirement benefit liability	10,613	12,386
Other	5,510,677	5,449,226
Total non-current liabilities	49,422,048	57,758,122
Total liabilities	55,431,897	65,897,890
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	16,453,956
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	18,211,930	19,682,959
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,182	35,564
Deferred gains or losses on hedges	(4,501)	(5,100)
Total accumulated other comprehensive income	16,681	30,463
Non-controlling interests	101,618	102,638
Total net assets	18,330,230	19,816,061
Total liabilities and net assets	73,762,127	85,713,952

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended August 31, 2020	Nine months ended August 31, 2021
Net sales	10,020,570	15,810,726
Cost of sales	6,729,024	11,344,702
Gross profit	3,291,545	4,466,023
Selling, general and administrative expenses	1,312,149	1,352,572
Operating profit	1,979,396	3,113,450
Non-operating income		
Interest income	378	67
Dividend income	1,005	1,008
Interest on tax refund	3,165	1,985
Subsidy income	5,000	–
Gain on valuation of derivatives	–	33,713
Gain on sales of investment securities	1	35
Other	145	5,610
Total non-operating income	9,696	42,420
Non-operating expenses		
Interest expenses	313,054	333,007
Commission expenses	217,170	146,715
Loss on valuation of derivatives	35,341	1,733
Other	5,151	5,474
Total non-operating expenses	570,718	486,930
Ordinary profit	1,418,374	2,668,940
Extraordinary income		
Gain on bargain purchase	1,216,592	–
Total extraordinary income	1,216,592	–
Extraordinary losses		
Loss on retirement of non-current assets	–	629
Loss on valuation of shares of subsidiaries and associates	1,000	–
Total extraordinary losses	1,000	629
Profit before income taxes	2,633,967	2,668,311
Income taxes - current	791,707	1,066,876
Refund of income taxes	(17,270)	–
Income taxes - deferred	(175,725)	(202,987)
Total income taxes	598,711	863,889
Profit	2,035,255	1,804,422
Loss attributable to non-controlling interests	(2,904)	(4,052)
Profit attributable to owners of parent	2,038,159	1,808,474

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended August 31, 2020	Nine months ended August 31, 2021
Profit	2,035,255	1,804,422
Other comprehensive income		
Valuation difference on available-for-sale securities	6,056	14,381
Deferred gains or losses on hedges	(459)	(602)
Total other comprehensive income	5,597	13,779
Comprehensive income	2,040,852	1,818,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,043,759	1,822,256
Comprehensive income attributable to non-controlling interests	(2,907)	(4,055)