

Translation

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Summary of Consolidated Financial Results for the Three Months Ended February 28, 2022 (Based on Japanese GAAP)

April 8, 2022

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 11, 2022
 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, 2022 (from December 1, 2021 to February 28, 2022)

(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, 2022	6,345	175.5	1,129	641.5	1,043	943.5	665	992.2
Three months ended February 28, 2021	2,303	150.7	152	368.4	100	–	60	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 28, 2022	47.44		–	
Three months ended February 28, 2021	4.34		–	

(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, 2022	80,437	21,107	26.1	1,497.92
As of November 30, 2021	82,551	20,809	25.1	1,476.71

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, 2021	–	0.00	–	27.00	27.00
Year ending November 30, 2022	–				
Year ending November 30, 2022 (Forecast)		0.00	–	30.00	30.00

3. Forecast of consolidated financial results for the year ending November 30, 2022 (from December 1, 2021 to November 30, 2022)

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	24,900	(6.7)	2,880	(41.7)	2,010	(54.1)	1,300	(53.5)	92.70

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 28, 2022
(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: Yes
- 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, 2022	14,445,000 shares	As of November 30, 2021	14,445,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	421,710 shares	As of November 30, 2021	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, 2022	14,023,290 shares	Three months ended February 28, 2021	14,023,290 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	10,766,170	8,490,593
Deposits in trust	740,507	708,657
Accounts receivable - trade	281,949	243,375
Real estate for sale	44,908,794	41,693,513
Real estate for sale in process	4,275,774	3,285,066
Operational investment securities	342,414	346,098
Other	1,339,478	1,524,041
Allowance for doubtful accounts	(0)	(0)
Total current assets	62,655,088	56,291,346
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,690,582	10,304,816
Land	8,753,917	10,190,260
Other, net	666,467	1,134,078
Total property, plant and equipment	18,110,967	21,629,155
Intangible assets		
Goodwill	367,290	1,204,812
Other	14,186	13,838
Total intangible assets	381,476	1,218,650
Investments and other assets	1,404,206	1,298,403
Total non-current assets	19,896,650	24,146,210
Total assets	82,551,738	80,437,556
Liabilities		
Current liabilities		
Short-term borrowings	3,454,179	2,905,837
Current portion of long-term borrowings	1,890,848	1,918,184
Income taxes payable	856,693	216,367
Provision for bonuses	25,850	80,944
Other	2,642,917	1,191,737
Total current liabilities	8,870,488	6,313,071
Non-current liabilities		
Long-term borrowings	44,384,923	44,264,196
Long-term non-recourse loans payable	3,420,000	3,420,000
Retirement benefit liability	12,977	29,846
Other	5,053,360	5,302,639
Total non-current liabilities	52,871,260	53,016,683
Total liabilities	61,741,748	59,329,754

(Thousands of yen)

	As of November 30, 2021	As of February 28, 2022
Net assets		
Shareholders' equity		
Share capital	1,589,830	1,589,830
Capital surplus	1,917,257	1,917,257
Retained earnings	17,440,845	17,736,237
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	20,669,847	20,965,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,337	35,184
Deferred gains or losses on hedges	(816)	5,295
Total accumulated other comprehensive income	38,521	40,479
Non-controlling interests	101,620	102,082
Total net assets	20,809,990	21,107,802
Total liabilities and net assets	82,551,738	80,437,556

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2021	Three months ended February 28, 2022
Net sales	2,303,379	6,345,730
Cost of sales	1,707,420	4,609,183
Gross profit	595,959	1,736,546
Selling, general and administrative expenses	443,689	607,448
Operating profit	152,269	1,129,097
Non-operating income		
Interest income	22	76
Dividend income	51	35
Interest on tax refund	477	0
Subsidy income	1,017	18,702
Gain on valuation of derivatives	68,721	53,414
Other	1,866	5,269
Total non-operating income	72,156	77,497
Non-operating expenses		
Interest expenses	98,448	137,575
Commission expenses	25,958	25,265
Other	0	–
Total non-operating expenses	124,406	162,841
Ordinary profit	100,019	1,043,753
Extraordinary losses		
Loss on retirement of non-current assets	37	960
Total extraordinary losses	37	960
Profit before income taxes	99,982	1,042,793
Income taxes - current	282,491	324,700
Income taxes - deferred	(241,675)	55,358
Total income taxes	40,815	380,059
Profit	59,167	662,734
Loss attributable to non-controlling interests	(1,737)	(2,467)
Profit attributable to owners of parent	60,904	665,202

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2021	Three months ended February 28, 2022
Profit	59,167	662,734
Other comprehensive income		
Valuation difference on available-for-sale securities	7,471	(4,153)
Deferred gains or losses on hedges	7,367	6,138
Total other comprehensive income	14,838	1,985
Comprehensive income	74,006	664,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	75,711	667,160
Comprehensive income attributable to non-controlling interests	(1,705)	(2,440)