FY2018
Financial Earnings Summary

FIRST BROTHERS

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First Brothers Co., Ltd. (3454)

January 11, 2019

Management message

To our Shareholders and Investors

About performance

FY2018 (“the previous fiscal year” below) performance for First Brothers Co., Ltd delivered gross profit of 6.49 billion yen, operating income of 5.13 billion yen and profit attributable to owners of parent of 2.89 billion yen, representing record high profit as planned.

In light of current economic conditions and the recognition that we are heading into a period that will require caution, we evaluated our portfolio management policies for each rental real estate property. As a result, the plan for refreshing our portfolio in FY2019 (hereinafter, "this fiscal year") will focus on throttling back on sales compared to the previous fiscal year (for earnings forecasts for the current fiscal year, refer to our future growth strategy as well as pages 8 to 10).

Business trends and First Brothers' direction

■Capital investment (investment banking business)

The current real estate sales market continues to see high transaction prices but there is concern about the impact trade friction and global economic trends could have on the Japanese economy. As such, we will carefully evaluate future trends.

In the previous fiscal year, we obtained rental real estate worth 17.9 billion yen and gained 5.33 billion yen worth of real estate sales (on a gross profit basis). The number of properties obtained and the value of sales exceeded those in FY 2017.

During the previous fiscal year we focused on property sales more than the acquisition of rental real estate, resulting in a mild increase in our rental real estate portfolio balance. This served as a stable income source and also resulting in abundant cash flows, increasing our ability to acquire new properties.

This fiscal year, we will continue property sales accompanying a portfolio refresh. At the same time, we will increase our focus on new property acquisition in order to increase long-term stable income.

Furthermore, this fiscal year we will examine areas of high potential and conduct targeted investments in those areas as we shift from individual properties (site-specific) to total areas (locations) as a means of procuring properties for long-term retention. By contributing to urban development in those areas, we will increase portfolio value based on a long-term perspective.

Instead of pursing short-term investment returns, we will contribute to urban development that will result in increasing long-term asset value. We will approach this strategy with the techniques and approaches unique to First Brothers.

■Fund business (investment management business)

The point of us having a fund business is to provide client investors with good, carefully selected investment opportunities with strong projected performance, as well as to effect high performance by undertaking the management of the properties we invest in. This is grounded in our model of Client First and Performance First. During the previous fiscal year, we started with zero total assets under management after deciding to conclude the management of all existing funds based on an evaluation of the market over the past several years. We also chose not to form any new funds during the previous fiscal year.

At the same time, our year-end assets under management increased to 8.7 billion yen due to having more asset management handled.

There is still an especially strong appetite for investment among foreign investors and they have great expectations for us as an independent management firm, but rather than rushing to expand business, we would like to stick to our policy and work to develop business with a focus on building a reputation and trust among client investors.

Financial strategy

We raise funds to support capital investments while suppressing risks associated with taking on a greater number of interest-bearing loans by controlling the pace of investments (property acquisition) and profit realization (property sales). This is a common theme throughout our financial strategy, and at present we believe we are doing quite well.

When acquiring a property, we make maximum use of loans to increase capital efficiency. As of the end of November 2018, our leverage level (i.e. the ratio of loan values to the book value of rental real estate) was 82.1% as we continue to make capital investments financed primarily by loans.

Furthermore, we retain a large portion of profits gained and fatten shareholders' equity, thereby widening leeway to expand our balance sheet through capital investments. As of the end of November 2018, our net D/E ratio was a healthy 1.52 and we retain sufficient capital capacity to add capital investments.

Meanwhile, in terms of managing the risk of interest-bearing loans, we control repayment risks with super long-term loans and control interest rate fluctuation risks with fixed interest loans. As of the end of November 2018, the average remaining loan term for rental real estate loans was 16.2 years and the ratio of fixed interest rate loans was 61.6 %. Thus, even in the event of a credit crunch in the near future, we believe there is little chance that our financial foundations would incur serious harm.

About shareholder returns

As our policy calls for stable, continuous profit-sharing with shareholders, we set the ratio of dividends to shareholders' equity at 2.0%. In line with our initial plan, we shall issue a divided of 18 yen per share based on the previous fiscal year's performance.

We introduced a shareholder benefit plan to increase the appeal of investing in our shares and add to the number of investors retaining shares over the medium- and long-term.

In the real estate business we operate, performance may vary from year to year due to the large differences in the value of transactions between individual properties. In addition, as we are still growing, we need to further expand our business.

Therefore, we would like to reward shareholders by first working to raise corporate value over the medium- and long-term. The shareholder return policy we implement generally has in mind shareholders who retain shares for the medium- and long-term.

By "Sustaining the Highest Professionalism," we are developing a firm that establishes our significance and value for the public and for stock markets.

We hope to continue receiving your kind support.

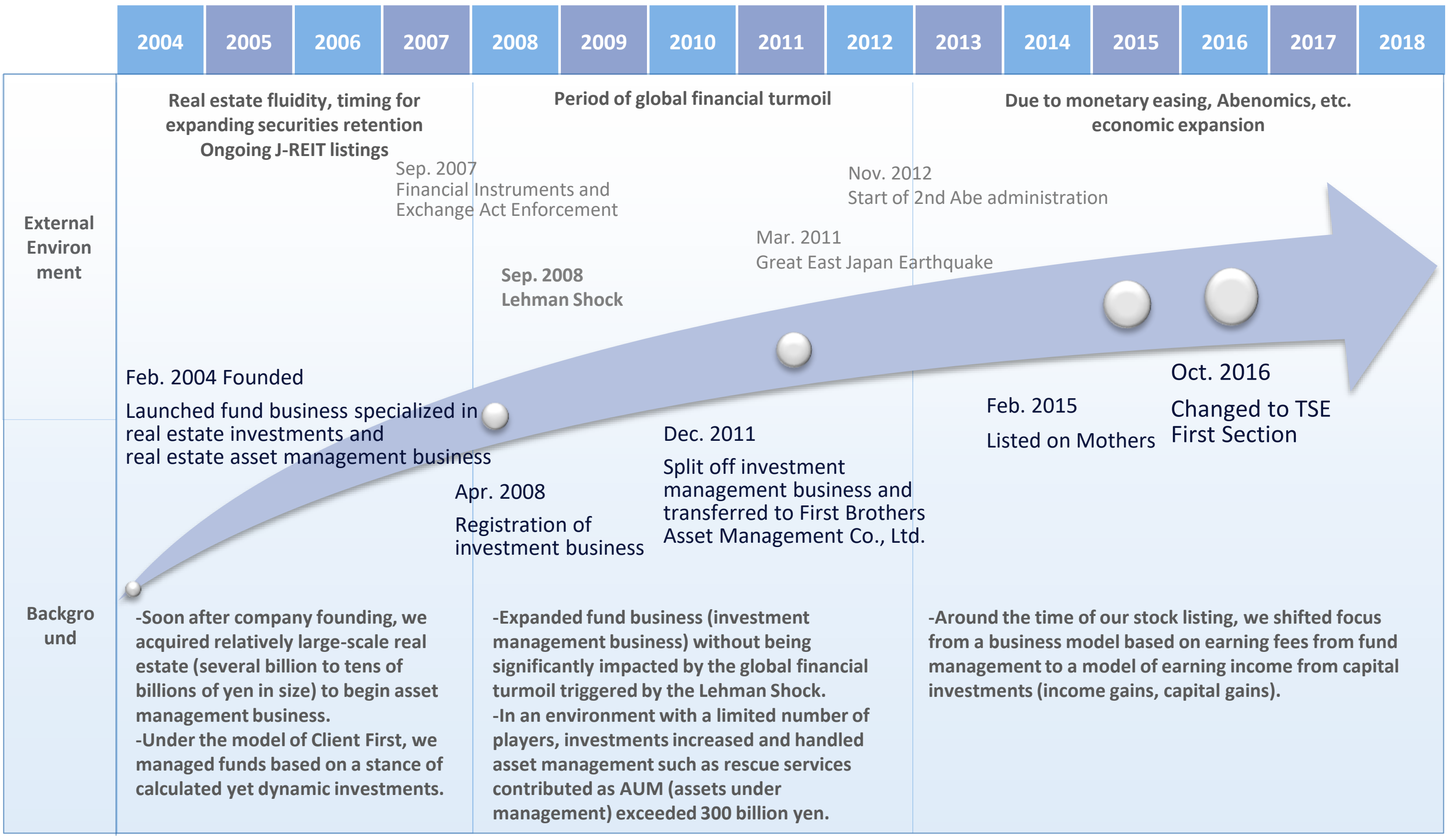
January 11, 2019
Tomoki Yoshihara
First Brothers Co., Ltd.
President

About Us

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 employees	54 employees (as of 30 November, 2018 / Group consolidated)
Major subsidiaries	Consolidated principal investment functions into First Brothers Capital Co., Ltd. First Brothers Asset Management Co., Ltd. First Brothers Development Co., Ltd.

Group background



Group major businesses

Since our founding in February 2004, our Group has formed a fund that focuses on investments in real estate and we have developed into a business whose core operations involve asset management for institutional investors*1. Around the time of our stock listing in February 2015, we made significant changes to our business structure. Today, as an investment firm conducting our own asset management*2, we use real estate investment as a core business for securing stable income while investing in various peripheral domains.

(1) Real estate investments

We retain a rental real estate portfolio that is projected to return stable income over the medium- to long-term. For individual real estate properties in our portfolio, we carefully select and invest in small- to mid-scale properties from among the vast number of properties available on existing markets and use various methods to increase property values. Additionally, we also engage in new development when we can anticipate sufficient returns. We refresh our rental real estate portfolios as necessary and generate unrealized gains by increasing property values.

If we find opportunities for investments in large-scale real estate projects, we will also conduct joint investments with institutional investors.

(2) Private equity investments

In addition to real estate, we also invest in various other projects, including defaulted debt, venture capital, and unlisted company stocks.

(3) Renewable energy

Among the various forms of renewable energy, we are particularly involved in business development in the geothermal energy sector. Although commercialization will take several years, we have focused on this field as an investment in which we can apply our Group knowhow and make visible contributions to society.

(4) Fund business

This is the business of creating a fund and conducting asset management for institutional investors. Funds target relatively large real estate investments (several billion to tens of billions of yen) and aim to secure both income gains and capital gains. Generally speaking, the scale of an asset management firm is evaluated based on the firm's total assets under management. The compensation for asset management in the forms of regularly received asset management fees is typically based on assets under management. As such, asset management firms tend to have incentives towards increasing their assets under management. However, under the model of Client First, the First Brothers Group places our highest priority on providing investment services that put client satisfaction above all else. By conducting investment transactions based on the timing that generates the greatest level of income, Group assets under management fluctuates significantly along with fluctuations on the real estate market.

Furthermore, we apply the knowledge we have built up in the fund business to at times handle asset management of active real estate investments that investors are running independently.

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

This business conducts client asset management through private funds that target mainly real estate and real estate trust beneficiary rights. This involves a series of business activities, including investment strategy planning, proposals and property acquisitions, property management during the investment period, and disposition (sale of investment property). The investment management business represents the origin of our growth.

*2 Investment banking business: ((1), (2), (3) above)

This business represents the investment activities conducted by our Group, and focuses on investments in rental real estate that is projected to return stable income. This business also includes private equity investments that utilize the platform 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 our Group. These investment activities form the pillar of our Group's growth.

Topics for FY2018 (1)

Rental real estate portfolio (capital investments)

Our Group is enhancing our portfolio by acquiring a rental real estate portfolio that is projected to return stable income over the medium- to long-term.

During FY2018, we worked to increase our portfolio of quality rental real estate and enhanced our portfolio.

Our balance of rental real estate portfolio and the relative book value, market value, and unrealized gains are as follows.

In addition to these, we retain 3,265 million yen (as of the end of FY2018) as rental real estate in development (including land for development).

(1 million yen)	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)	1H/FY2018 (as of end of 1H)	2H/FY2018 (as of end of 2H)
Balance*1 (Properties)	25,109 (18 properties)	28,050 (28 properties)	33,012 (27 properties)	25,363 (21 properties)	-
Increase*1	16,952	15,527	17,934	6,858	11,076
Decrease*1	7,553	12,586	12,971	9,546	3,426
Book value*2	25,776	28,789	34,014	26,194	-
Market value*3	32,661	34,099	38,502	30,017	-
Unrealized gain*3	6,885	5,309	4,487	3,822	-
NOI yield*4	5.8%	6.1%	6.4%	6.5%	-

*1 Balance, increase, and decrease amounts are based on acquisition price (pre-tax).

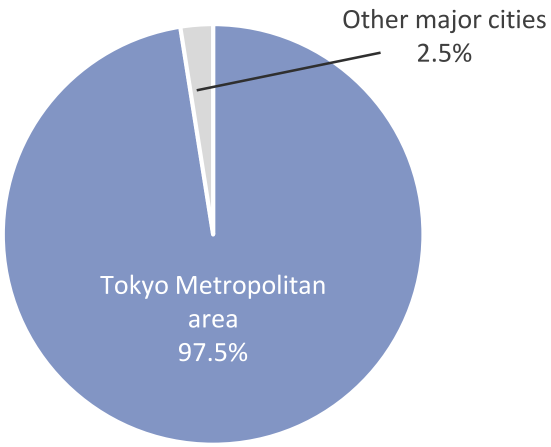
*2 Book value is adjusted by adding transaction costs at the time of acquisition to acquisition costs and reflecting capital expenditures and depreciation costs for the investment period

*3 Market value is the most recent appraised value or assessment value based on the appraised value and unrealized gains are the difference compared to the book value

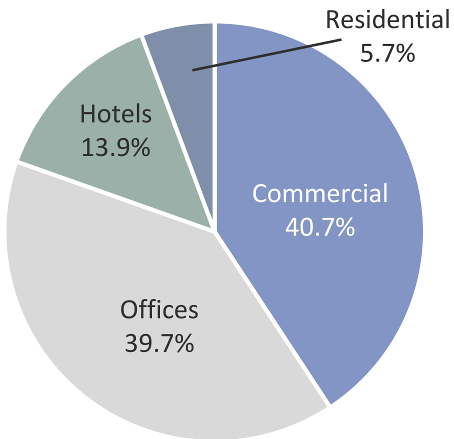
*4 Assume APR for stable operation (cash-based net income from rents excluding administrative expenses, etc. / acquisition costs)

A breakdown of our rental real estate portfolio by location and purpose (a breakdown of balances based on acquisition costs) is shown in the following graph. (as of the end of FY2018)

By location



By purpose*5



*5 Multi-purpose real estate is calculated based on its primary purpose.

Topics for FY2018 (2)

Sales incidental to rental real estate portfolio / refreshing portfolio

For acquired real estate, we work to increase property value while conducting timely market transactions by refreshing our rental real estate portfolio to earn capital gains. During FY2018, we sold multiple properties to capture unrealized gains from our portfolio.

Sales of rental real estate were as follows.

(1 million yen)	FY2016 (12-month total)	FY2017 (12-month total)	FY2018 (12-month total)	1H/FY2018 (6-month total)	2H/FY2018 (6-month total)
Sell value*1	10,615	16,450	19,646	12,956	6,690
Gross profit from sales*1	2,572	3,397	5,332	3,094	2,237

*1 Includes sale of real estate for sale in process (including land for rental real estate development)

Rental real estate portfolio / stable income and SGA cover rate

As we enhance our rental real estate portfolio, we plan to earn more gross profit from rent (stable income) at those properties, but due to such factors as property sales accompanying a portfolio refresh and vacancy losses accompanying value improvement activities, gross profit from renting and the SGA cover rate may drop temporarily. During the second half of FY2018, gross profit from renting and the SGA cover rate declined temporarily because property sales were concentrated in during the first half of the year.

	FY2016 (12-month total)	FY2017 (12-month total)	FY2018 (12-month total)	1H/FY2018 (6-month total)	2H/FY2018 (6-month total)
Gross profit from renting*1 (1 million yen)	993	1,241	1,156*3	613	543
SGA cover rate*2	79%	98%	85%	91%	79%

*1 Net income gained form rental real estate (NOI (excludes special factors) – depreciation expenses)

*2 Gross profit from rent / Selling, general and administrative expenses (excludes special factors)

*3 About the correlation between NOI yield during stable operation (see P5) and rental real estate gross profit (FY2018)

・FY2018 NOI during stable operation 1,923 million yen

(30,531 million yen (average retained property balance at beginning/end of FY2018) x 6.3% (average NOI yield balance at beginning/end of FY2018))

・Term depreciation expenses -312 million yen

・Vacancy losses incidental to value improvement activities and rent from properties acquired during the fiscal year -455 million yen

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・Gross profit from rental real estate (FY2018) 1,156 million yen

Topics for FY2018 (3)

Status of rental real estate portfolio / capital procurement

Since we execute loans when acquiring rental real estate, our loan balances tend to increase relative to our investment activities.

In principle, we execute super long-term loans (10 years or longer) and use interest swaps to secure fixed rates for a certain percentage of interest.

	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)
Loan balances*1 (1 million yen)	22,365	24,377	27,930
(portion of non-recourse loans)	0	748	629
Leverage*2	86.8%	84.7%	82.1%
Weighted average residual period	20.7 years	22.4 years	16.2 years
Weighted average interest*3	0.76%	0.92%	0.79%
Set fixed interest ratio	61.9%	56.1%	61.6%

*1 Including non-recourse loans (excludes loans of real estate for sale in process)

*2 Loan balance / rental real estate book value

*3 Prior to fixed interest rates

Fund business (investment management business)

Under the model of Client First, the First Brothers Group places our highest priority on providing investment services that put client satisfaction above all else. By conducting investment transactions based on the timing that generates the greatest level of income, Group assets under management fluctuates significantly along with fluctuations on the real estate market.

During FY2018, the relatively large-scale properties primarily targeted by the fund for investment are subject to intense acquisition competition compared to the small- to medium-sized properties we target for capital investments. As such, we have refrained from new acquisitions in funds in which the Group is managing investments independently. The increased value of investments under management in FY2018 was due to the Group handling asset management of active real estate investments that investors are running independently. Note that the Group continues uncovering new projects for us to invest in independently in funds.

(1 million yen)	FY2016 (as of end of year)	FY2017 (as of end of year)	FY2018 (as of end of year)	1H/FY2018 (as of end of 1H)	2H/FY2018 (as of end of 2H)
AUM	32,183	0	8,733	8,733	-
Increase*1	0	0	8,733	8,733	0
Decrease*1	24,832	32,183	0	0	0

*1 Increase and Decrease include conclusion and expiration of AM agreement.

Growth strategy / Strategy of expanding rental real estate portfolio (1)

Around the time of our stock listing in February 2015, our Group shifted focus from a business model based on earning fees from asset management to a model of earning income from capital investments (income gains, capital gains).

We are particularly focusing on investments in rental real estate as part of our capital investment strategy. We plan to continue expanding this portfolio consisting of multiple properties. By expanding our rental real estate portfolio, we (1) improve stable income (income from rents), (2) increase unrealized gains by improving the value of each rental real estate, and (3) further refresh our portfolio (sale of certain properties) to generate unrealized gains and secure appropriate income from sale of real estate.

Our Group is positioning the expansion of our rental real estate portfolio as a core growth strategy through which we will achieve sustainable growth. Specific measures (tactics) for expanding our rental real estate portfolio include (1) a "long-term retention tactic" through which we conduct long-term retention instead of selling properties and (2) a "portfolio refresh tactic" involving expanding our portfolio by selling certain properties (refreshing real estate portfolio) while reinvesting (acquiring new properties). We plan to apply both these tactics as we promote portfolio growth.

An overview of each tactic is provided below.

Long-term retention tactic

Through this tactic, instead of selling acquired rental real estate, we will focus on long-term retention while continuing to acquire new rental real estate in order to improve stable income. We will accumulate those unrealized gains while expanding our portfolio.

This tactic enables the long-term, stable management of acquired rental real estate but at the same time limits excess investment capital for acquiring additional properties. As such, the pace of portfolio growth will be gradual.

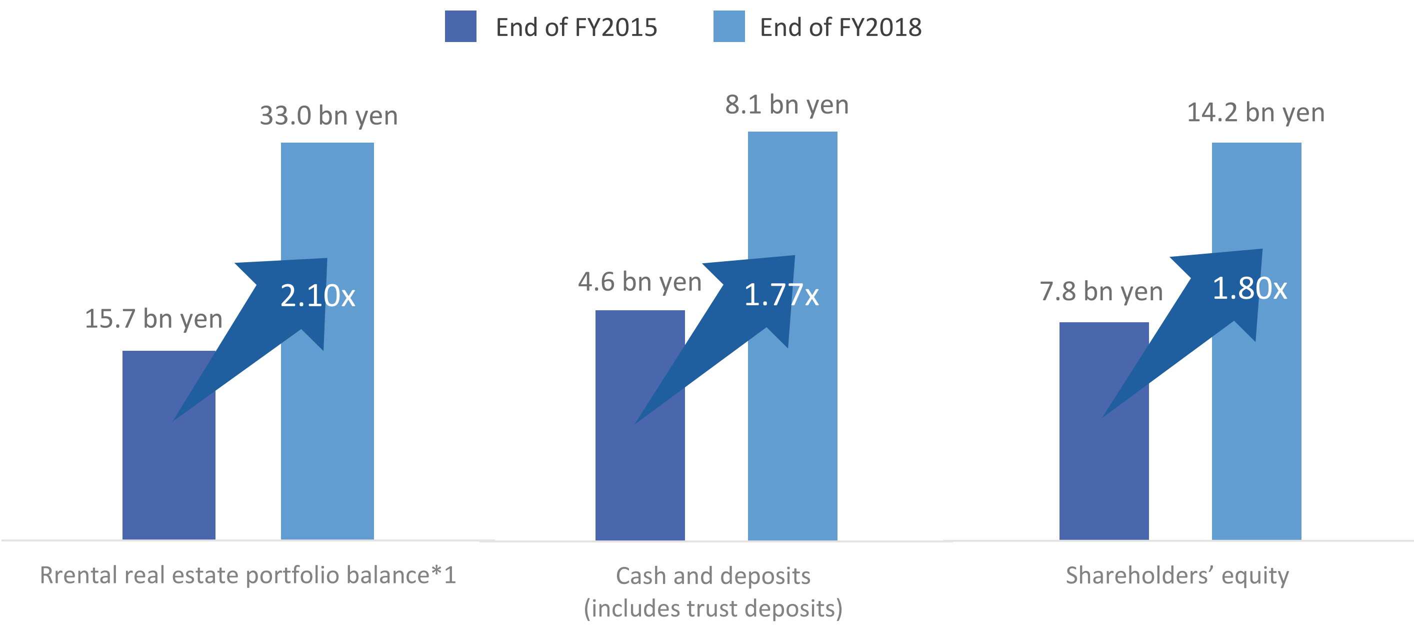
Portfolio refresh tactic

This tactic involves earning profits by selling rental real estate that is appropriate for sale due to the completion of value improvement work and using the capital gained through investment recovery to acquire new rental real estate. We will achieve portfolio expansion by repeating this process.

Through this tactic, we (1) are able to acquire higher-priced (multiple) rental real estate by using investment recovery capital gained through the sale of real estate and, (2) gains on sales increase equity on our balance sheet, which will increase the loan capability. This will enable us to balance our financial figures while expanding our rental real estate portfolio. On the other hand, since this tactic involves selling rental real estate for which value improvements have been completed, the accumulation of unrealized gains is gradual.

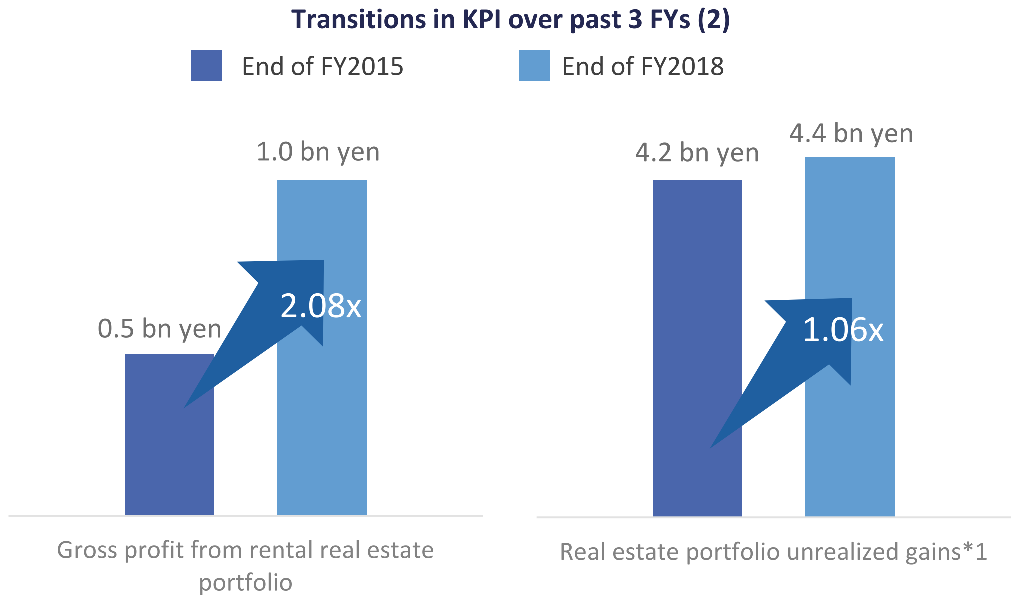
Over the past three fiscal years (FY2015 to FY2018), we have applied both of these two tactics to expand our rental real estate portfolio while increasing our KPI (key performance indicators).

Transitions in KPI over past 3 FYs (1)



*1 Rental real estate portfolio balances are based on acquisition price (pre-tax)

Growth strategy / Strategy of expanding rental real estate portfolio (2)



*1 Real estate portfolio unrealized gains are the difference between the book value and market value (most recent appraised value or assessment value)

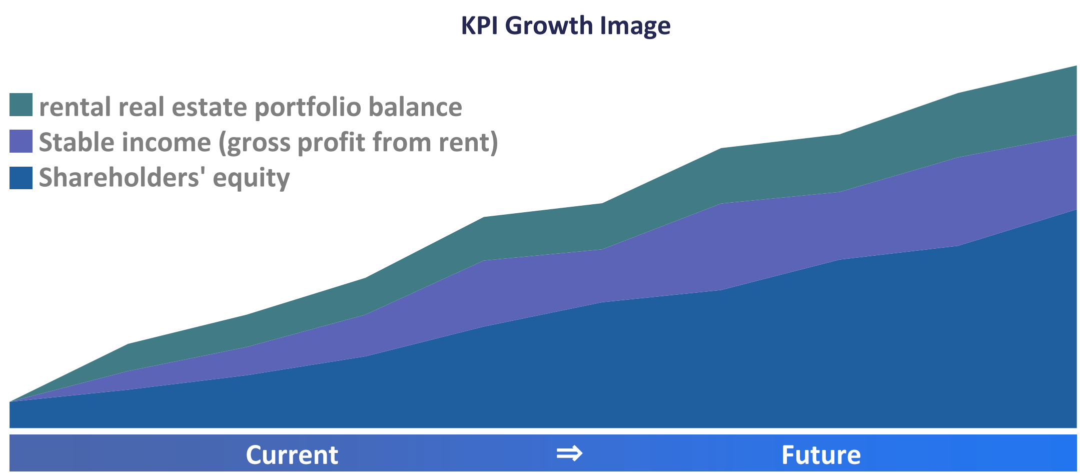
The following is a supplemental explanation of how we select and manage properties for long-term retention while applying both a long-term retention tactic and a portfolio refresh tactic.

The rental real estate we select as appropriate for long-term retention is real estate that, through our management of that rental real estate, contributes to urban development that benefits the surrounding environment and community residents. Furthermore, recognition of the property as a local landmark helps increase the value of the community and, consequently, contributes to increasing the value of the real estate.

We plan to further evolve this approach by shifting from our past focus on site-specific investments (individual properties) to expand the scope of investments to include total areas (specific locations, entire towns). In other words, we will identify specific areas with promising futures and conduct focused investments within that area (multiple properties) to contribute to urban development that is beneficial to the local environment and residents while increasing the value of the area (stimulating vitality). This tactic will lead to increase value for the entirety of our rental real estate portfolio in that area. For example, this involves not selecting tenants solely based on high rent potential and other economic conditions but also selecting tenants from the perspective of contributions to community stimulation in order to elevate the value of the entire area.

Growth vision

Our Group is positioning the expansion of our rental real estate portfolio as a core growth strategy. We will continue to acquire and manage real estate with potential for future value improvements. We also will engage in development as necessary to ensure coexistence with the community and achieve sustainable corporate growth.



FY2019 Full-year Earnings Forecast

We are positioning the expansion of our rental real estate portfolio as a long-term initiative to support our Group growth strategy. With this in mind, factors influencing FY2019 earnings include the following:

(1) We will throttle back on sales incidental to refreshing portfolio compared to the previous fiscal year and,

(2) in FY2018 we sold rental real estate with relatively significant unrealized gains but are not planning on such a transaction during FY2019.

As such, we forecast lower revenues and profit due to a year-on-year decline in revenues and income from sales of rental real estate.

However, our consolidated earnings forecast for FY2019 will progress amid the implementation of our growth strategy so we will continue to respond flexibly to market changes while working to achieve sustainable growth.

Our Group manages earnings on a full-year basis and thus our earnings forecasts are for the full-year only.

(1 million yen)	FY2017 Full-year results	FY2018 Full-year results	FY2019 Full-year forecast	YoY
Net sales	18,766	21,864	20,020	-8.4%
Gross profit	4,720	6,488	5,380	-17.1%
Investment management business	10	43	32	-26.4%
Investment banking business	4,710	6,444	5,347	-17.0%
Operating income	3,373	5,130	3,850	-25.0%
Ordinary income	3,060	4,700	3,170	-32.6%
Profit attributable to owners of parent	2,048	2,885	2,000	-30.7%

About Group performance

Our Group's main business is real estate investments, which results in a relatively high percentage of sales and income from real estate sales. As a result, our business has the following characteristics.

(1) Short-term performance fluctuations

While the majority of our selling, general and administrative expenses are fixed expenses (personnel expenses, rent, etc.), we tend to record massive sales and income amounts when we sell real estate. As such, quarterly and annual performance may fluctuate wildly depending on sales.

In addition, as the profit margin from the sale of individual real estate investments may vary, profit margins in individual categories are also relatively susceptible to fluctuations compared to the Group's consolidated sale performance.

Furthermore, while real estate transactions are influenced by a variety of circumstances, there are no specific seasonal tendencies (ex.: sales concentrated in first half, etc.).

(2) We focus on gross profit over net sales

Net sales are included in the actual sales price for real estate so we focus on gross profit when looking at Group performance. This means that our Group prefers investments with a small transaction volume and high rate of return over large volumes of low return investments.

FY2018 Earnings Summary

Matters concerning consolidated statements of income (summary)

During FY2018, revenues and income from sales increased on the sale of certain properties accompanying a rental real estate portfolio refresh, resulting in increased revenues and profit to compared to the previous year.

(1 million yen)	FY2016	FY2017	FY2018	YoY
Net sales	14,606	18,766	21,864	+16.5%
Gross profit	5,238	4,720	6,488	+37.5%
Selling, general and administrative expenses	1,272	1,347	1,357	+0.8%
Operating income	3,966	3,373	5,130	+52.1%
Ordinary income	3,662	3,060	4,700	+53.6%
Profit attributable to owners of parent	2,287	2,048	2,885	+40.9%

Gross Profit Breakdown

(1 million yen)	FY2016	FY2017	FY2018	YoY
Investment management business	1,099	10	4.3	+327.6%
Investment banking business	4,139	4,710	6,444	+36.8%
Gross profit from real estate sales	2,572	3,397	5,332	+56.9%
Gross profit from rental real estate	857	1,221	1,052	-13.9%
Same-boat investment income	691	0	0	N/A
Other	18	90	59	-34.1%
Gross profit total	5,238	4,720	6,488	+37.5%

Selling, general and administrative expenses breakdown

(1 million yen)	FY2016	FY2017	FY2018	Change
Personnel expenses	779	779	835	+56
Land and rent	148	145	153	+8
Commission fee/compensation	178	156	172	+16
Duties and public taxes	90	155	126	-28
Other	74	110	69	-41
Selling, general and administrative expenses total	1,272	1,347	1,357	+10

(Note 1) "Other" of Selling, general and administrative expenses for FY2018 includes the reversal of allowance for doubtful account (41 million yen) due to an overdue account receivable. The same amount was deducted from this item.

(Note 2) During FY2018, we recorded impairment losses (57 million yen) because consolidated subsidiary FSK Co., Ltd. reduced the book value of retained real estate to the projected recoverable amount after canceling initial plans for the commercialization of said real estate.

Consolidated balance sheet (summary)

Although rental real estate is mainly retained to secure stable profits, on the balance sheet we record these properties as real estate for sales to enable us to conduct dynamic sales of real estate when we seek to refresh our portfolio.

During FY2018,, we acquired properties in line with our strategy to expand our rental real estate portfolio. As a result, real estate for sale (rental real estate) increased by 5,225 million yen and real estate for sale in process (rental real estate in development) increased by 2,049 million yen.

Consolidated balance sheet / Assets (1 million yen)	FY2017 Year-end	FY2018 Year-end	Change
Total current assets	38,449	47,282	+8,832
Cash and deposits	6,161	7,672	+1,510
Trust deposits	536	505	-30
Real estate for sale	28,789	34,014	+5,225
Real estate for sale in process	1,215	3,265	+2,049
Other	1,746	1,824	+77
Total non-current assets	703	761	+58
Total assets	39,153	48,043	+8,890

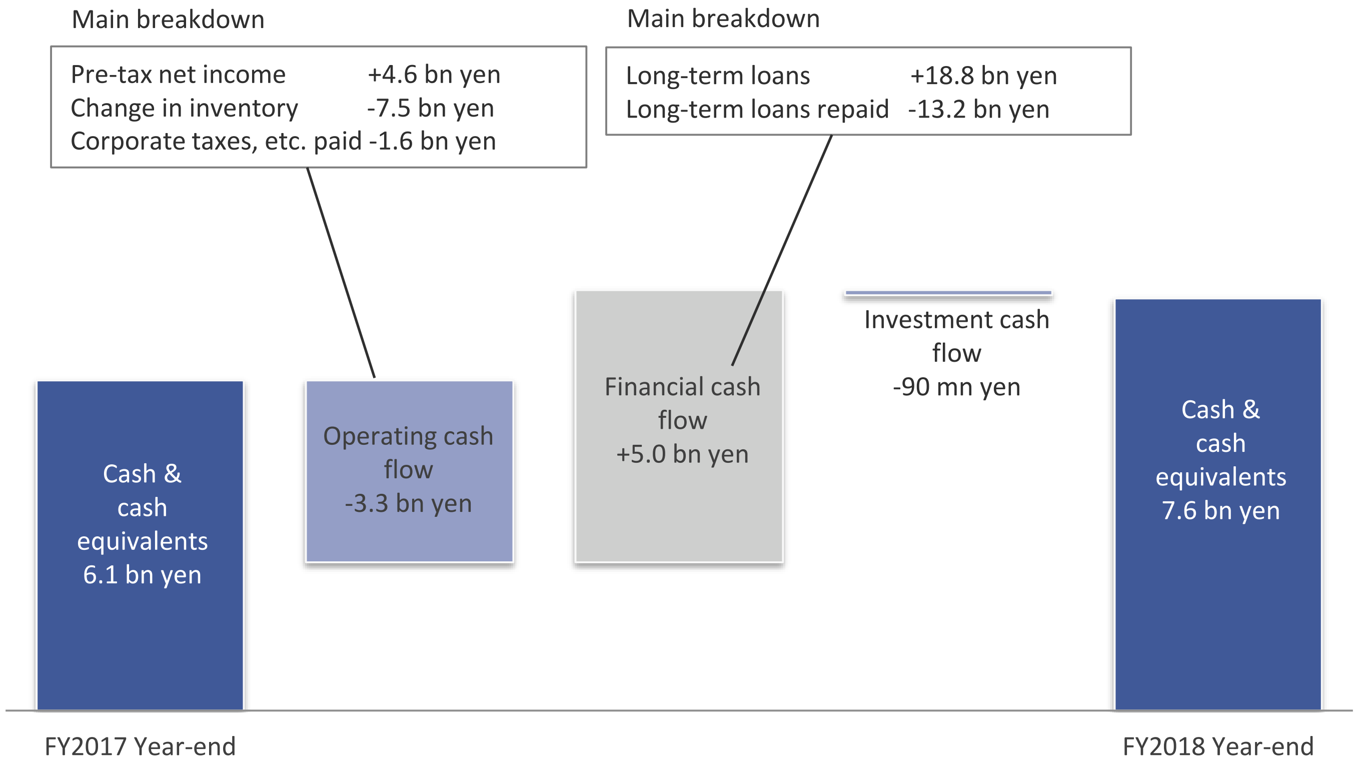
Consolidated balance sheet / Liabilities and net assets (1 million yen)	FY2017 Year-end	FY2018 Year-end	Change
Total liabilities	27,542	33,760	+6,217
Total current liabilities	2,663	3,606	+943
Short-term loans payable	860	600	-260
Current portion of long-term loans payable	698	779	+81
Current portion of long-term non-recourse loans payable	7	15	+7
Other	1,097	2,211	+1,114
Total non-current liabilities	24,879	30,153	+5,273
Long-term loans payable	22,931	28,521	+5,590
Long-term non-recourse loans payable	740	613	-126
Other	1,207	1,017	-189
Total net assets	11,610	14,283	+2,673
Total shareholders' equity	11,576	14,251	+2,675
Other	33	31	-2
Total liabilities and net assets	39,153	48,043	+8,890
Net D/E ratio*1	1.54	1.52	-

*1 Net D/E ratio = (interest-bearing loans excluding non-recourse loans–(cash and deposits + trust deposits)) /shareholders' equity

Cash flow situation

As we acquire rental real estate (i.e. inventory) by raising money through loans, our Group's cashflow tends to be characterized by negative net cash flow from operations and positive net cash flow from financial activities.

During FY2018, cash flows from operations decreased by 3.39 billion yen and cash flows from financial activities increased by 5.08 billion yen due to increased inventory resulting from higher rental real estate balances and the execution of new loans.



Shareholder Returns

Dividend basic policy

- Dividends are issued once per year (term end)
- Issued continuously and stably regardless of short-term fluctuation in earnings
- To be increased over the medium- to long-term in line with company growth
- Goal dividend ratio on equity (DOE) of 2.0%

[Formula for calculating per share dividend amount]
Consolidated shareholders' equity (average for term beginning and term end) x 2.0% / average number of shares for fiscal year

It is typical for dividend payout ratio to be used as the standard for calculating dividends. However, instead of a dividend payout ratio that would fluctuate with each year's profits, our policy is to use consolidated shareholders' equity, a recording category on our balance sheets, to issue continuous, stable dividends regardless of fluctuations in short-term performance.
If net income results in a profit, then consolidated shareholders' equity will increase gradually each term, which enables us to increase dividends over the medium- to long-term in line with company growth.
We also view share buy-backs as a dynamic method for producing shareholder returns.

Reference period	FY2017	FY2018	FY2019 (Forecast)
Dividends per share	15.0 yen	18.0 yen	21.0 yen
Total dividend payout (1,000 yen)	210,176	252,211	—
Total share buy-back value (1,000 yen)	—	—	—

About shareholder benefit plan

(1) Applicable shareholders
Shall apply to shareholders registered in the shareholder ledger retaining at least one unit of company stock (100 shares) as of November 30 of each year.

(2) Details of shareholder benefits

Applicable shareholders	Benefit details
Retained shares of 100 shares or more (persons not applicable indicated below)	Original 1,000 yen QUO Card
Shareholders retaining stock for one year or longer (Note 1) as well as retained shares of 100 or more shares, less than 200 shares	Original 2,000 yen QUO Card
Shareholders retaining stock for one year or longer (Note 1) as well as retained shares of 200 shares or more	Original 4,000 yen QUO Card

(Note 1) Shall apply to shareholders registered in the company shareholder register for three consecutive times under the same shareholder number each year as of the end of May and the end of November.

(3) Distribution timing
We send the certificates together with the Regular General Meeting of Shareholders Convening Notice issued every year in early February. Acceptance of requests for reissuance to shareholders unable to receive the certificates shall be up to the end of August for the year in question.

Reference Materials

Group strengths

Our Group boasts a team of numerous elite experts, from people who have been active at the forefront of the industry since the early days of asset backed securities in Japan to accountants, real estate appraisers, and attorneys. The depth of our elite personnel and their respective experiences as key individuals in our industry is the greatest strength of our Group.

Our management

First Brothers Co., Ltd.
President

Tomoki Yoshihara

- Founder of First Brothers Group. Has been involved in numerous large-scale transactions and continues to be active on the front lines of the industry.
- After spending time at a trust bank where he was involved in scheme development from the early days of asset backed securities, he experienced further success at a foreign investment bank in real estate investments before going on his own in 2004.
- Has vast experience, success and connections in the investment industry, and is an expert at increasing real estate value.

First Brothers Co., Ltd.
Executive Director

Kazutaka Tsujino

- Joined our Group after time at a trust bank, a foreign investment bank and an asset management company
- Expert in compliance and risk management
- Real estate appraiser

First Brothers Co., Ltd.
Executive Director

Kohtaro Tamura

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

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

Akihito Sato

- Joined our Group after time at real estate appraisal office and an asset management company
- Vast experience and knowledge related to real estate investment and portfolio management
- Real estate appraiser

First Brothers Co., Ltd.
Executive Director

Yoshinobu Hotta

- Joined our Group after time at a trust bank, auditing firm, and a consulting company
- Expert in investment structures
- Certified Public Accountant, real estate appraiser

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

Tatsuo Watanabe

- Formerly with the Ministry of Finance, Director of FSA Securities and Exchanges Audit Committee Office, Deposit Insurance Organization board member, Vice-Chairman of Japan Securities Association. Has long history in the field of financial administration
- Former chairman of Financial Information Systems Center

First Brothers Co., Ltd.
Corporate Advisor

Tadashi Iwashita

- Formerly with the Ministry of Finance. Previous posts at the ministry include Deputy Vice Minister of Finance. Also served during this time as a Japanese envoy in the USA and Secretary to the Prime Minister
- Former director of the board at the Japan Bank for International Cooperation, former chairman of Lone Star Japan, former advisor at the Daiwa Securities Group's head office
- Representative Director and Chairman of Lawson Bank Inc.

Consolidated principal investment functions into First Brothers Capital Co., Ltd. President

Taichi Kano

- Assumed current position after time as a trust bank executive and as a director of J-REIT Assets Management
- Has vast experience and connections in the financial industry
- Oversees capital investments for our Group

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

Daisuke Taniguchi

- Assumed current position after time at a major general contractor and a foreign investment fund
- Involved in investment projects totaling over 1 trillion yen
- Oversees asset management for our Group

Consolidated principal investment functions into First Brothers Capital Co., Ltd. Executive Officer

Tomo Aoki

- Joined our Group after time at a real estate company and an asset management company
- Vast experience as a private fund asset manager
- Vast experience in sourcing and disposition within our Group

Consolidated principal investment functions into First Brothers Capital Co., Ltd. Executive Officer

Taichi Ishikawa

- Joined our Group after time at a general real estate corporation, a foreign investment fund and an investment bank
- Expert in finance administration and real estate fund business
- Diverse experience in property acquisition and asset management

Consolidated principal investment functions into First Brothers Capital Co., Ltd. Executive Officer

Kazunori Sawada

- Joined our Group after time at the head of asset management administration at a domestic bank
- Diverse experience in traditional and alternative investments
- Has vast connections with numerous domestic and international financial institutions and investors

Consolidated principal investment functions into First Brothers Capital Co., Ltd. Executive Officer

Yoshinori Tajima

- Joined our Group after time at a hotel management company, a foreign investment bank and an asset management company
- Vast knowledge and experience in underwriting and the hospitality business

First Brothers Development Co., Ltd. President

Yasushi Kotani

- Joined our Group after time at a major general contractor and an asset management company
- Vast experience and knowledge related to real estate development and infrastructure projects
- First-class architect

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

Masaki Minemura

- Joined our Group after time at a major general contractor and a foreign investment fund
- Experience in a wide range of asset management, including real estate investments, stocks, and infrastructure businesses

Thank you for your attention.

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- Our Group uses due care during the creation of these materials but regardless of circumstances we shall bear no liability whatsoever in the event losses incurred due to an error in published information or due to data modification or downloads by a third party.
- The information included in these materials is created based on certain assumptions deemed reasonable by our Group but changes may be made without prior notification due to circumstances such as changes in the external or internal environment.
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Inquiries

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