

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2024 (Based on Japanese GAAP)

October 8, 2024

Company name: First Brothers Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 3454 URL <https://www.firstbrothers.com/>  
 Representative: President Tomoki Yoshihara  
 General Manager of Corporate Planning Toshiyuki Kawamura  
 Inquiries: Department TEL 03(5219)5370  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended August 31, 2024 (from December 1, 2023 to August 31, 2024)

(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, 2024	7,909	(50.7)	1,149	(66.5)	735	(74.9)	502	(81.1)
Nine months ended August 31, 2023	16,040	48.1	3,430	142.7	2,925	185.4	2,657	234.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 31, 2024	35.80		35.73	
Nine months ended August 31, 2023	189.49		–	

(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, 2024	87,726	24,027	27.3	1,705.84
As of November 30, 2023	89,940	24,427	27.0	1,734.48

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, 2023	–	0.00	–	32.00	32.00
Year ending November 30, 2024	–	33.00	–		
Year ending November 30, 2024 (Forecast)				34.00	67.00

3. Forecast of consolidated financial results for the year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

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	21,700	(2.6)	3,100	(30.5)	2,200	(42.7)	1,370	(57.0)	97.69
	~17,500	~(21.4)	~2,100	~(52.9)	~1,200	~(68.7)	~720	~(77.4)	~51.34

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended August 31, 2024: 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, 2024	14,445,000 shares	As of November 30, 2023	14,445,000 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	421,710 shares	As of November 30, 2023	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, 2024	14,023,290 shares	Nine months ended August 31, 2023	14,023,290 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	7,531,273	3,718,503
Deposits in trust	1,204,985	974,337
Accounts receivable - trade	308,315	270,065
Real estate for sale	50,184,620	51,680,366
Real estate for sale in process	3,268,813	3,327,849
Operational investment securities	625,750	621,256
Other	497,899	561,134
Total current assets	63,621,659	61,153,514
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,209,352	11,212,975
Land	10,230,423	10,498,594
Other, net	1,649,874	1,571,415
Total property, plant and equipment	23,089,650	23,282,984
Intangible assets		
Goodwill	1,000,822	913,940
Other	441,581	444,385
Total intangible assets	1,442,403	1,358,325
Investments and other assets	1,786,957	1,931,827
Total non-current assets	26,319,011	26,573,137
Total assets	89,940,670	87,726,652

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term borrowings	91,000	71,000
Current portion of long-term borrowings	5,128,495	3,854,317
Current portion of Long-term non-recourse loans payable	23,468	23,125
Income taxes payable	1,370,944	194,116
Provision for bonuses	–	175,460
Provision for shareholder benefit program	24,071	2,117
Other	1,799,380	1,112,449
<b>Total current liabilities</b>	<b>8,437,359</b>	<b>5,432,586</b>
<b>Non-current liabilities</b>		
Long-term borrowings	50,252,956	52,101,259
Long-term non-recourse loans payable	2,958,081	2,202,793
Retirement benefit liability	17,897	24,514
Other	3,846,476	3,938,273
<b>Total non-current liabilities</b>	<b>57,075,412</b>	<b>58,266,841</b>
<b>Total liabilities</b>	<b>65,512,771</b>	<b>63,699,428</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	100,000	100,000
Capital surplus	3,406,406	3,406,406
Retained earnings	21,006,999	20,597,540
Treasury shares	(278,086)	(278,086)
<b>Total shareholders' equity</b>	<b>24,235,319</b>	<b>23,825,860</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	62,416	70,978
Deferred gains or losses on hedges	25,333	24,638
<b>Total accumulated other comprehensive income</b>	<b>87,749</b>	<b>95,616</b>
<b>Non-controlling interests</b>	<b>104,829</b>	<b>105,747</b>
<b>Total net assets</b>	<b>24,427,898</b>	<b>24,027,224</b>
<b>Total liabilities and net assets</b>	<b>89,940,670</b>	<b>87,726,652</b>

## 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, 2023	Nine months ended August 31, 2024
Net sales	16,040,381	7,909,103
Cost of sales	10,696,765	5,033,541
Gross profit	5,343,615	2,875,561
Selling, general and administrative expenses	1,913,487	1,725,986
Operating profit	3,430,128	1,149,575
Non-operating income		
Interest income	73	380
Dividend income	1,974	2,931
Consumption taxes refund	28,485	2,316
Subsidy income	7,103	1,427
Insurance fee income	24,119	79,567
Gain on valuation of derivatives	15,974	47,879
Other	14,950	14,728
Total non-operating income	92,680	149,231
Non-operating expenses		
Interest expenses	472,881	464,783
Commission expenses	104,270	41,893
Loss on valuation of derivatives	20,062	–
Other	3	56,706
Total non-operating expenses	597,217	563,383
Ordinary profit	2,925,592	735,424
Extraordinary income		
Gain on sale of non-current assets	234,441	–
Gain on sale of shares of subsidiaries and associates	616,525	–
Total extraordinary income	850,966	–
Extraordinary losses		
Loss on sale of non-current assets	444	6,426
Loss on retirement of non-current assets	2,138	–
Loss on valuation of shares of subsidiaries and associates	–	4,999
Total extraordinary losses	2,582	11,426
Profit before income taxes	3,773,976	723,997
Income taxes - current	1,683,425	322,580
Income taxes - deferred	(562,997)	(126,650)
Total income taxes	1,120,427	195,929
Profit	2,653,548	528,067
Profit (loss) attributable to non-controlling interests	(3,759)	26,012
Profit attributable to owners of parent	2,657,308	502,054

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended August 31, 2023	Nine months ended August 31, 2024
Profit	2,653,548	528,067
Other comprehensive income		
Valuation difference on available-for-sale securities	12,846	8,562
Deferred gains or losses on hedges	2,874	(698)
Total other comprehensive income	15,721	7,863
Comprehensive income	2,669,269	535,930
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,673,006	509,922
Comprehensive income attributable to non-controlling interests	(3,736)	26,008