

July 30, 2021

For Immediate Release

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(TSE First Section, Stock code: 3454)
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Notice on Borrowing of Funds by a Consolidated Subsidiary

On July 30, 2021, First Brothers Co., Ltd. (hereafter “the Company”) resolved to have its consolidated subsidiary, Hanzomon Tatemono Kanri G.K. , obtain capital loans as outlined below. Hanzomon Tatemono Kanri G.K. is a special purpose company (SPC) established for the sole purpose of acquiring real estate. Effective July 29, 2021, the Company contributed capital to the SPC through a silent partnership, thereby including Hanzomon Tatemono Kanri G.K. in its scope of consolidation.

1. Reason for obtaining the capital loans

One of the basic policies the First Brothers Group outlines in its growth strategy is the acquisition of quality real estate for lease that can produce stable revenues. The capital loans were obtained for the purpose of acquiring real estate based on this strategy.

2. Outline of capital loans

Lender	Amount to be borrowed	Term of loan	Borrowing date
ORIX Bank Corporation	¥3,143 million	One year	July 30, 2021
	¥2,851 million	Five years	
	¥370 million	Five years	August 31, 2021 (planned)

Note: The interest rate is not disclosed, but the loan is obtained at current market rate.

3. Outlook

The impact of this loan transaction has been factored into the Company's consolidated earnings forecast for the fiscal year ending November 30, 2021, released on January 8, 2021. In case future assessments of the transaction reveal matters that require public disclosure, the Company will promptly disclose such matters.