

October 22, 2021

For Immediate Release

Company name: First Brothers Co., Ltd.
President: Tomoki Yoshihara
(TSE First Section, Stock code: 3454)
Inquiries: Chief Financial Officer
Yoshinobu Hotta
(Tel: +81-3-5219-5370)

Notice Regarding Subsidiary's Launch of New Business

On October 22, 2021, From First Hotels Co., Ltd., a wholly owned subsidiary of First Brothers Co., Ltd., resolved to launch a new business (Lodging business). Details are included below.

1. Purpose behind the Launch

For years, the First Brothers Group has been generating results through real estate investment by identifying the unique characteristics associated with all individual projects, formulating original scenarios, and subsequently realizing them. With the aim of achieving further corporate growth, the Group conducts its business activities while seeking to establish an investment portfolio that accommodates ever-changing needs and targeting bold shifts in the nature of its business.

For some time, the Group has been striving to increase the number of lodging facilities it maintains. However, in accordance with the aims indicated above, the Group has decided to start its own Lodging business as a first step toward expanding its business operations beyond the scope of real estate investment over the medium to long term and begin providing hospitality services. From First Hotels has played a central role in the Group's investment in lodging facilities, and it will assume responsibility for the newly launched Lodging business as well.

We will develop our new Lodging business into a commercial activity that is characteristic of First Brothers while respecting the values of our customers, maintaining harmony with surrounding local communities, and creating unique experiences that will never be duplicated.

2. Overview of the New Business

(1) Details of the new business

From First Hotels will operate lodging facilities (attracting and serving guests, providing meals, etc.) along with a lodging facility management company in which the First Brothers Group will acquire shares.

(2) Outline of the Subsidiary Responsible for This Business

Name	From First Hotels Co., Ltd.
Location	25F Marunouchi Building, 2-4-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Takahiro Kawai, Representative Director
Main business	Hotel operation and management
Capital	¥50 million
Major shareholders and their ownership ratios	First Brothers Co., Ltd. (100%)

(3) Amount and details of extraordinary expenditures incurred to facilitate the launch of this business

First Brothers plans to pay the cost of acquiring shares in the aforementioned lodging facility management company and related expenses. The Company will refrain from announcing the amount of these expenditures due to a non-disclosure agreement with the transferor of shares. However, this amount will be equivalent to at least 10% of the book value of the Company's consolidated non-current assets as of November 30, 2020. No noteworthy capital, personal, or business relationships exist between the Company and the transferor of shares.

3. Schedule

(1) Date of Board of Directors' resolution

October 22, 2021

(2) Launch date (date on which shares of the lodging facility management company will be acquired)

Mid-November 2021 (tentative)

4. Future Outlook

We project that this business launch will have only a minor impact on consolidated business results for the fiscal year ending November 30, 2021. However, we anticipate that this business will begin contributing to improvement in our corporate value in the following fiscal year and beyond. We will promptly disclose any matters requiring public announcement.