

For Immediate Release

Company name: First Brothers Co., Ltd.
 President: Tomoki Yoshihara
 (TSE First Section, Stock code: 3454)
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Notice Regarding Reduction of Capital

At the Board of Directors meetings held on January 20, 2022, First Brothers Co., Ltd. (hereafter “the Company”) resolved to submit a proposal on the reduction of the amount of capital at the 18th Ordinary General Meeting of Shareholders scheduled to be held on February 25, 2022.

1. Purpose

To ensure the flexibility and mobility of the Company's future capital policy, the Company proposes to reduce the amount of paid-in capital pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act.

The reduction of paid-in capital entails reclassification of items of the net assets section on the balance sheet, and will not change the amount of total net assets or the total number of outstanding shares of the Company. Hence, this transaction will have no impact on the number of shares held by our shareholders or net assets per share.

2. Overview of capital reduction

(1) Amount of capital to be reduced

The Company will reduce its paid-in capital by 1,489,830,800 yen, from 1,589,830,800 yen to 100,000,000 yen.

(2) Method of reduction

It will be a reduction of capital without compensation. The entire decrease in paid-in capital will be reclassified as other capital surplus without changing the total number of outstanding shares.

3. Timeline for capital reduction (tentative)

(1) Date of resolution by the Board of Directors	January 20, 2022
(2) Date of resolution by the General Meeting of Shareholders	February 25, 2022 (tentative)

(3) Date of notice to creditors on submission of objections	March 15, 2022 (tentative)
(4) Deadline for creditor objections	April 20, 2022 (tentative)
(5) Effective date	May 1, 2022 (tentative)

4. Outlook

The reduction in capital is merely a reclassification of items of the net assets section on the balance sheet and will not affect the Company's total net assets. Hence, the transaction will have no impact on the Company's earnings performance.

The capital reduction will be subject to the approval of the 18th Ordinary General Meeting of Shareholders scheduled to be held on February 25, 2022.