

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended February 28, 2023 (Based on Japanese GAAP)

April 7, 2023

Company name: First Brothers Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 3454 URL <https://www.firstbrothers.com/>  
 Representative: President Tomoki Yoshihara  
 Inquiries: Chief Financial Officer Yoshinobu Hotta TEL 03(5219)5370  
 Scheduled date to file Quarterly Securities Report: April 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended February 28, 2023 (from December 1, 2022 to February 28, 2023)

(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	%
Three months ended February 28, 2023	1,817	(71.4)	12	(98.9)	(100)	–	369	(44.5)
Three months ended February 28, 2022	6,345	175.5	1,129	641.5	1,043	943.5	665	992.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 28, 2023	26.33		–	
Three months ended February 28, 2022	47.44		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2023	87,494	21,594	24.6	1,532.53
As of November 30, 2022	87,643	21,646	24.6	1,536.28

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, 2022	–	0.00	–	30.00	30.00
Year ending November 30, 2023	–				
Year ending November 30, 2023 (Forecast)		0.00	–	32.00	32.00

3. Forecast of consolidated financial results for the year ending November 30, 2023 (from December 1, 2022 to November 30, 2023)

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	19,400	35.8	3,345	84.2	2,525	86.1	2,000	69.4	142.62

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 28, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes
- 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 February 28, 2023	14,445,000 shares	As of November 30, 2022	14,445,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	421,710 shares	As of November 30, 2022	421,710 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 28, 2023	14,023,290 shares	Three months ended February 28, 2022	14,023,290 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of November 30, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	7,306,355	5,007,000
Deposits in trust	921,573	923,945
Accounts receivable - trade	391,453	222,374
Real estate for sale	46,956,270	48,280,358
Real estate for sale in process	3,479,627	3,481,199
Operational investment securities	335,632	331,649
Other	2,275,378	2,414,389
Total current assets	61,666,290	60,660,917
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,506,136	11,869,672
Land	10,584,024	11,049,006
Other, net	1,303,544	1,279,546
Total property, plant and equipment	23,393,705	24,198,226
Intangible assets		
Goodwill	1,116,664	1,087,704
Other	31,708	27,163
Total intangible assets	1,148,372	1,114,867
Investments and other assets	1,435,160	1,520,967
Total non-current assets	25,977,239	26,834,060
Total assets	87,643,529	87,494,978
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,156,657	1,058,597
Current portion of long-term borrowings	2,339,880	2,470,135
Current portion of Long-term non-recourse loans payable	119,700	119,700
Income taxes payable	161,172	66,184
Provision for bonuses	22,809	83,606
Provision for shareholder benefit program	24,316	8,790
Other	1,760,861	1,079,940
Total current liabilities	5,585,397	4,886,955
Non-current liabilities		
Long-term borrowings	50,678,274	51,723,203
Long-term non-recourse loans payable	4,940,000	4,940,000
Retirement benefit liability	19,939	17,750
Other	4,773,579	4,333,001
Total non-current liabilities	60,411,793	61,013,955
Total liabilities	65,997,191	65,900,910

(Thousands of yen)

	As of November 30, 2022	As of February 28, 2023
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	3,407,088	3,407,088
Retained earnings	18,240,953	18,189,464
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	21,469,955	21,418,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,018	49,000
Deferred gains or losses on hedges	20,703	23,693
Total accumulated other comprehensive income	73,722	72,694
Non-controlling interests	102,660	102,906
Total net assets	21,646,338	21,594,067
Total liabilities and net assets	87,643,529	87,494,978

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2022	Three months ended February 28, 2023
Net sales	6,345,730	1,817,664
Cost of sales	4,609,183	1,159,224
Gross profit	1,736,546	658,440
Selling, general and administrative expenses	607,448	646,398
Operating profit	1,129,097	12,042
Non-operating income		
Interest income	76	55
Dividend income	35	53
Subsidy income	18,702	3,575
Insurance fee income	54	11,334
Gain on valuation of derivatives	53,414	35,498
Other	5,214	4,626
Total non-operating income	77,497	55,145
Non-operating expenses		
Interest expenses	137,575	154,266
Commission expenses	25,265	13,700
Other	–	2
Total non-operating expenses	162,841	167,969
Ordinary profit (loss)	1,043,753	(100,782)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	616,525
Total extraordinary income	–	616,525
Extraordinary losses		
Loss on retirement of non-current assets	960	378
Total extraordinary losses	960	378
Profit before income taxes	1,042,793	515,364
Income taxes - current	324,700	51,937
Income taxes - deferred	55,358	95,713
Total income taxes	380,059	147,651
Profit	662,734	367,712
Loss attributable to non-controlling interests	(2,467)	(1,497)
Profit attributable to owners of parent	665,202	369,210

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

(Thousands of yen)

	Three months ended February 28, 2022	Three months ended February 28, 2023
Profit	662,734	367,712
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,153)	(4,017)
Deferred gains or losses on hedges	6,138	3,002
Total other comprehensive income	1,985	(1,014)
Comprehensive income	664,719	366,697
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	667,160	368,182
Comprehensive income attributable to non-controlling interests	(2,440)	(1,484)