

Translation

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Summary of Consolidated Financial Results for the Three Months Ended February 29, 2024 (Based on Japanese GAAP)

April 9, 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 file Quarterly Securities Report: April 10, 2024
 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 29, 2024 (from December 1, 2023 to February 29, 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	%
Three months ended February 29, 2024	1,955	7.6	240	–	129	–	63	(82.8)
Three months ended February 28, 2023	1,817	(71.4)	12	(98.9)	(100)	–	369	(44.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 29, 2024	4.53		4.52	
Three months ended February 28, 2023	26.33		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	86,996	24,047	27.5	1,707.36
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	Yen	Yen	Yen	Yen
Year ended November 30, 2023	–	0.00	–	32.00	32.00
Year ending November 30, 2024	–				
Year ending November 30, 2024 (Forecast)		33.00	–	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) Changes in significant subsidiaries during the three months ended February 29, 2024
(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: 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 February 29, 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 February 29, 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)

Three months ended February 29, 2024	14,023,290 shares	Three months ended February 28, 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 February 29, 2024
Assets		
Current assets		
Cash and deposits	7,531,273	4,739,874
Deposits in trust	1,204,985	1,190,426
Accounts receivable - trade	308,315	221,358
Real estate for sale	50,184,620	50,092,682
Real estate for sale in process	3,268,813	3,281,342
Operational investment securities	625,750	631,823
Other	497,899	581,280
Total current assets	63,621,659	60,738,787
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,209,352	11,104,814
Land	10,230,423	10,230,423
Other, net	1,649,874	1,668,215
Total property, plant and equipment	23,089,650	23,003,452
Intangible assets		
Goodwill	1,000,822	971,861
Other	441,581	446,402
Total intangible assets	1,442,403	1,418,263
Investments and other assets	1,786,957	1,836,264
Total non-current assets	26,319,011	26,257,981
Total assets	89,940,670	86,996,769
Liabilities		
Current liabilities		
Short-term borrowings	91,000	117,596
Current portion of long-term borrowings	5,128,495	5,134,040
Current portion of Long-term non-recourse loans payable	23,468	31,193
Income taxes payable	1,370,944	101,367
Provision for bonuses	–	78,413
Provision for shareholder benefit program	24,071	8,467
Other	1,799,380	1,085,476
Total current liabilities	8,437,359	6,556,554
Non-current liabilities		
Long-term borrowings	50,252,956	49,603,131
Long-term non-recourse loans payable	2,958,081	2,950,356
Retirement benefit liability	17,897	18,294
Other	3,846,476	3,820,431
Total non-current liabilities	57,075,412	56,392,214
Total liabilities	65,512,771	62,948,769

(Thousands of yen)

	As of November 30, 2023	As of February 29, 2024
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	3,406,406	3,406,406
Retained earnings	21,006,999	20,621,767
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	24,235,319	23,850,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62,416	68,762
Deferred gains or losses on hedges	25,333	23,897
Total accumulated other comprehensive income	87,749	92,659
Non-controlling interests	104,829	105,252
Total net assets	24,427,898	24,047,999
Total liabilities and net assets	89,940,670	86,996,769

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, 2023	Three months ended February 29, 2024
Net sales	1,817,664	1,955,842
Cost of sales	1,159,224	1,124,849
Gross profit	658,440	830,992
Selling, general and administrative expenses	646,398	590,271
Operating profit	12,042	240,721
Non-operating income		
Interest income	55	32
Dividend income	53	29
Subsidy income	3,575	1,066
Insurance fee income	11,334	32,930
Gain on valuation of derivatives	35,498	3,110
Other	4,626	3,679
Total non-operating income	55,145	40,848
Non-operating expenses		
Interest expenses	154,266	147,323
Commission expenses	13,700	2,375
Loss on valuation of derivatives	–	1,889
Other	2	46
Total non-operating expenses	167,969	151,634
Ordinary profit (loss)	(100,782)	129,936
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	616,525	–
Total extraordinary income	616,525	–
Extraordinary losses		
Loss on sale of non-current assets	–	5,757
Loss on retirement of non-current assets	378	–
Total extraordinary losses	378	5,757
Profit before income taxes	515,364	124,178
Income taxes - current	51,937	96,764
Income taxes - deferred	95,713	(34,044)
Total income taxes	147,651	62,719
Profit	367,712	61,459
Loss attributable to non-controlling interests	(1,497)	(2,054)
Profit attributable to owners of parent	369,210	63,513

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended February 28, 2023	Three months ended February 29, 2024
Profit	367,712	61,459
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,017)	6,345
Deferred gains or losses on hedges	3,002	(1,442)
Total other comprehensive income	(1,014)	4,903
Comprehensive income	366,697	66,362
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	368,182	68,423
Comprehensive income attributable to non-controlling interests	(1,484)	(2,061)