



F I R S T B R O T H E R S

**1Q FY11/26
Financial Earnings Summary**

April 10, 2026

First Brothers Co., Ltd.

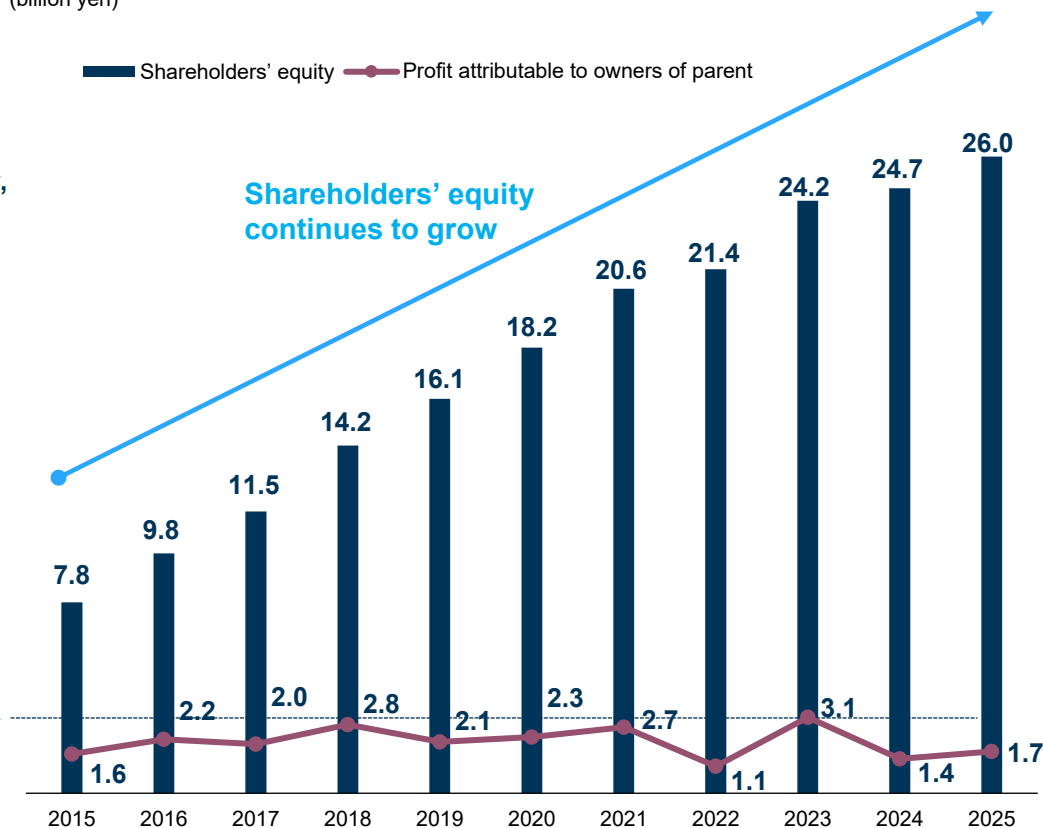
(Tokyo Stock Exchange Standard Market: 3454)

We believe stable and sustainable growth of shareholders' equity will directly lead to maximization of shareholder value

- We intend to increase shareholders' equity every year, and commensurate with this growth, pay year-end dividends based on a target dividend on equity ratio (DOE) of 2.0%
- Profit tends to fluctuate sharply from year to year due to our policy of maximizing profit by selling highly individualized properties at optimal timing. However, when performance is strong, we intend to pay interim dividends in addition to the usual year-end dividends, flexibly returning profits to shareholders

If profit attributable to owners of parent exceeds 2.0 billion yen in the immediately preceding fiscal year
Pay interim dividends equivalent to 40% of the profit in excess
 (implemented in FY11/24)

(billion yen)



- In the Investment Banking business, we recorded gains on sale of properties, resulting in each profit level coming in significantly higher YoY
- Although some property sales will be recognized in Q2 due to timing differences, we made steady progress with property sales

Consolidated results

<p>Gross profit</p> <p>1,186 million yen</p> <p>+23.6% YoY ↑</p>	<p>Operating profit</p> <p>506 million yen</p> <p>+63.6% YoY ↑</p>	<p>Ordinary profit</p> <p>319 million yen</p> <p>+272.1% YoY ↑</p>	<p>Profit attributable to owners of parent</p> <p>491 million yen</p> <p>+622.3% YoY ↑</p>
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Investment Management

Although it decreased YoY due to a decline in the balance of assets under management, progress was in line with expectations

Gross profit

3 million yen

-45.1% YoY ↓

Investment Banking

Gross profit from real estate leasing decreased slightly YoY due to concentrated timing of sales and acquisitions and the absence of lease income following large-scale property sales in FY11/25, but unrealized gains increased, expanding the potential for future gains on sale

Unrealized gains in real estate

18,072 million yen

+310 million yen versus end-FY11/25 ↑

Gross profit from real estate leasing

813 million yen

-3.9% YoY ↓

Facility Operation

Steadily captured robust accommodation demand, resulting in higher profit

Gross profit

114 million yen

+8.6% YoY ↑

The cash and cash equivalents balance on the consolidated balance sheet appears significantly lower than the actual level at approximately 2.2 billion yen, due to a timing discrepancy in accounting. Actual balance is approximately 6.2 billion yen

Reasons for discrepancies

First Brothers (parent company)

Fiscal year end: November

- Borrowing funds from financial institutions to acquire the property

←
Consolidation
delayed by
one month

Group companies (subsidiaries)

Fiscal year end: October

- The company that owns the property
- Consolidation delayed by one month

Unreflected sale transactions (scheduled to be recorded in Q2)

Revenue (sale amount)	Cost of sale (acquisition cost, etc.)	Gain on sale (gross profit)
Approx. 4.3 billion yen	Approx. 2.7 billion yen	Approx. 1.6 billion yen

Summary of transaction details

Q1 scope of consolidation

● Dec–Feb (parent company) + Nov–Jan (subsidiary)

As the subsidiary is on a one-month delay, Q1 includes Nov–Jan

End of February

● Property sale transaction completed

Revenue approx. 4.3 billion yen / Gain on sale approx. 1.6 billion yen.
Reflected in consolidated Q2 as it falls outside the subsidiary's Q1 period

Q1 consolidated BS

● Transaction completed, but only loan repayment is reflected in the consolidated figures

[Parent company] Repayment of borrowings to financial institutions following the sale

→ This repayment has already been reflected in the Q1 consolidated BS
[Subsidiary] The sale transaction has been completed, but due to the one-month delay in consolidation, the gain on sale and increase in cash and cash equivalents will be reflected in Q2

[Result] Only the outflow of cash and cash equivalents due to loan repayments has been recorded ahead of time, making the balance appear lower than the actual level

Actual cash and cash equivalents

Presentation on the consolidated BS

Approx. **2.2** billion yen

Proceeds from sale not reflected
Only loan repayments have been reflected

Actual balance

Approx. **6.2** billion yen

Actual balance taking into account this transaction

The temporary decrease in cash and cash equivalents is due to a timing difference in accounting
The increase in revenue and cash and cash equivalents from the large-scale sale transaction realized at the end of February will be reflected in the Q2 consolidated financial results
The actual balance remains approximately 6.2 billion yen, and sufficient investment capacity continues to be maintained

Selected TAKE AND GIVE. NEEDS Co., Ltd. (T&G) as the operating partner for a hotel owned in Kamakura City Executed an agreement to outsource operations as the first hotel under the company's new hotel brand



Koshigoe, Kamakura City, Kanagawa Prefecture Hotel exterior (architectural design by Manabu Chiba)

Facility overview

Location	3-1-7 Koshigoe, Kamakura City, Kanagawa Prefecture
Ancillary facilities	Restaurants, banquet and ceremony spaces, etc.
Facility name	To be decided

Background of this project

The Shonan–Kamakura area is one of Japan's leading tourist destinations, attracting approximately 16 million visitors annually. There is still room for development in accommodation options, and the Group has made ongoing efforts to bring out the charm of the location in this area (such as the revitalization of the Former Kagaya Residence in Hase, Kamakura). At this facility as well, we aim to create a form of stay that is befitting of the location of Kamakura–Koshigoe

Operating partner: TAKE AND GIVE. NEEDS Co., Ltd. (T&G)

We selected this company for its unique brand-building and operational capabilities in the hospitality sector and executed an agreement. This facility is planned to be the first hotel under T&G's new hotel brand

TAKE AND GIVE. NEEDS Co., Ltd. Head office: Shinagawa-ku, Tokyo
Website: <https://www.tgn.co.jp/>

Our approach

We identify the inherent appeal of locations and buildings and leverage it in a manner suited to the times and the local area. At this facility as well, we will realize a form of stay that is befitting of the location of Kamakura–Koshigoe

Established a track record of collaboration with quality operators. Building on the execution of the agreement with T&G, further expand hotel assets in the Investment Banking business

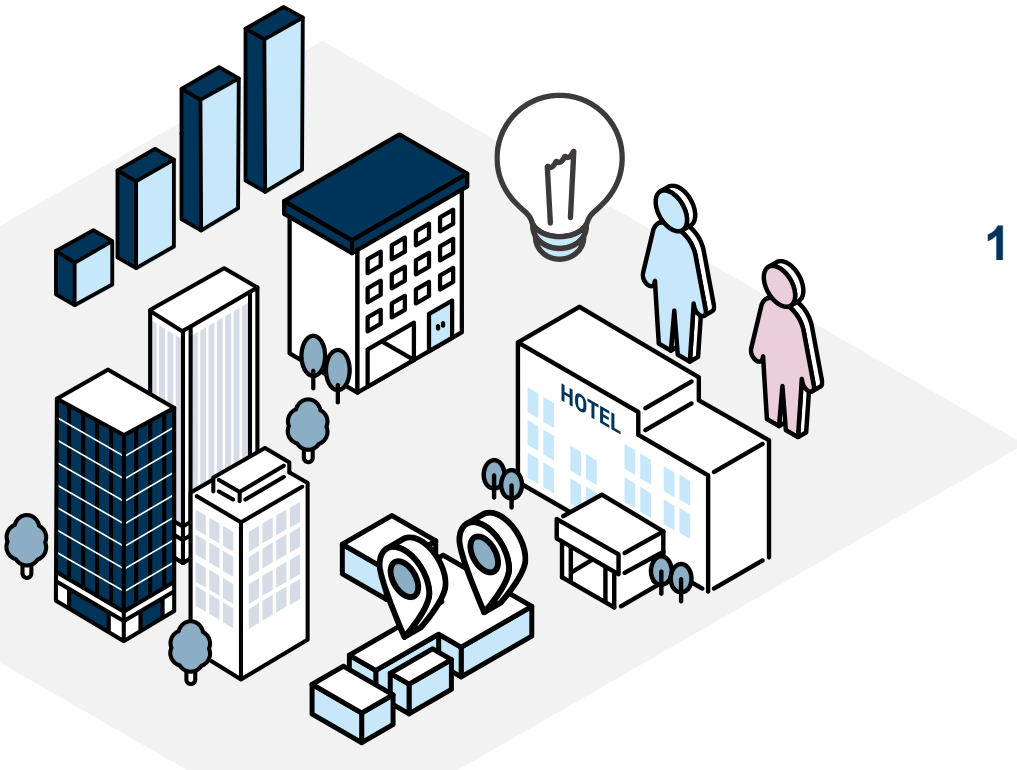
This initiative	Significance of collaboration with T&G	Future strategy
<p>Agreement details</p> <p>We entrusted the operation of the Kamakura hotel held within the Investment Banking business to T&G. We will continue to own the property and receive a portion of operating revenue as rent</p> <hr/> <p>Target property</p> <p>Koshigoe, Kamakura City, Kanagawa Prefecture (property held in the Investment Banking business)</p>	<p>Asset valuation</p> <p>Enhancement of external evaluation of our assets by having T&G, which has its own brand and operational capabilities, operate the property</p> <hr/> <p>Co-creation with the new brand</p> <p>As the first hotel under T&G's new brand in Japan, we expect to increase awareness of the facility and enhance its value in the Kamakura area</p>	<p>Network building</p> <p>This collaboration will serve as an opportunity to expand partnerships not only with T&G but also with other quality hotel operators</p> <hr/> <p>Expansion of assets</p> <p>While maintaining property standards evaluated by the operating company, we will continue to explore investment opportunities in hotel assets</p>

[Reference] Our two business segments			
Investment Banking	This project	Facility Operation	Separate business from this T&G project
	<p>Structure</p> <p>We acquire and hold real estate and entrust operations to an external hotel operating company. A revenue model in which a portion of operating revenue is received as variable rent</p>		<p>Structure</p> <p>A business in which the Group itself undertakes both ownership and operation of properties. Not directly related to this T&G project</p>
	<p>Operating entity</p> <p>External hotel operating company (in this case, T&G)</p>		<p>Operating entity</p> <p>Our Group</p>

Table of contents

- 1 ——— **First Brothers' business**
- 2 ——— **Earnings highlights**
- 3 ——— **Investment Banking business**
- 4 ——— **Investment Management business**
- 5 ——— **Facility Operation business**
- 6 ——— **Earnings forecast**
- 7 ——— **Awareness of share price and cost of capital**
- 8 ——— **Shareholder returns**
- 9 ——— **Appendix**

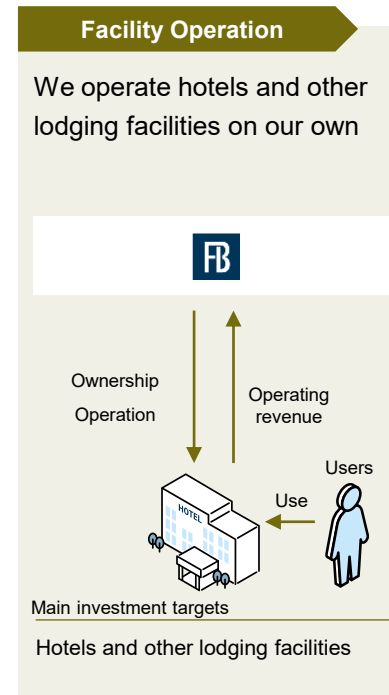
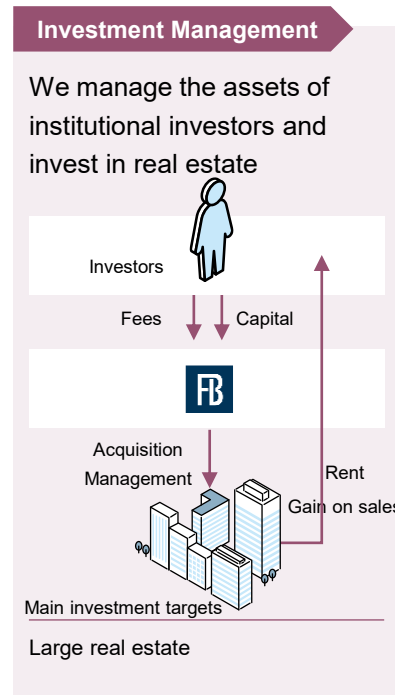
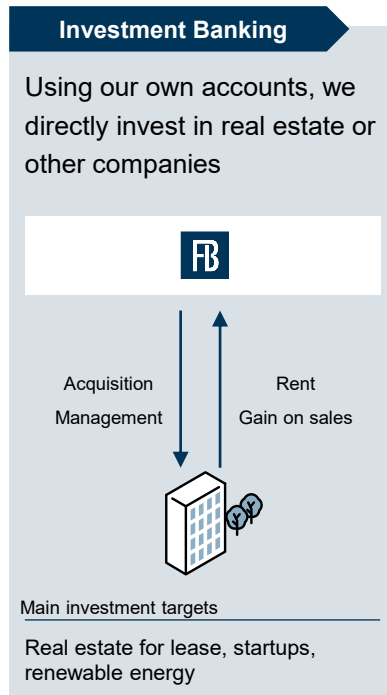
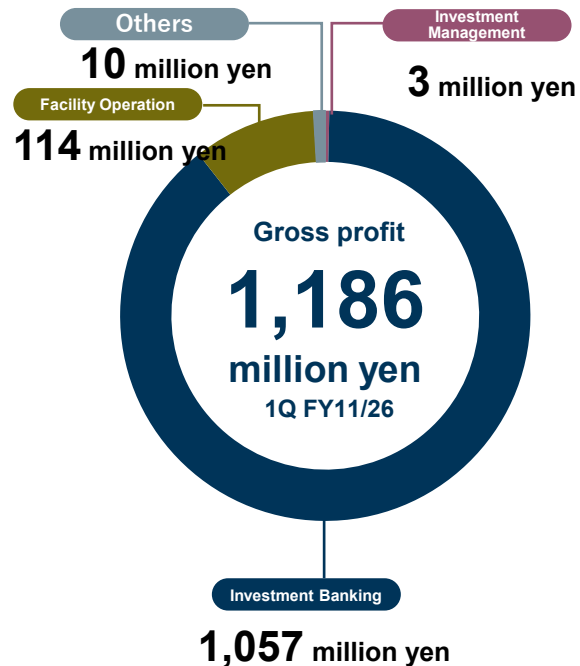




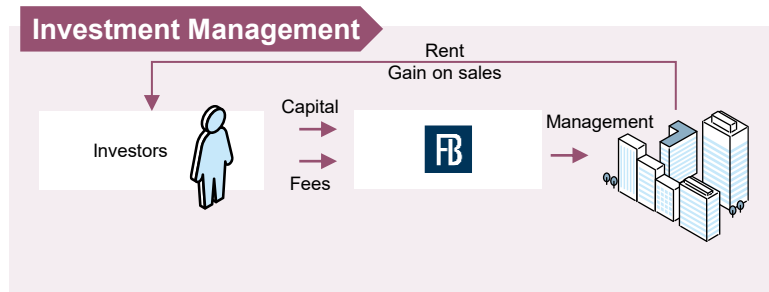
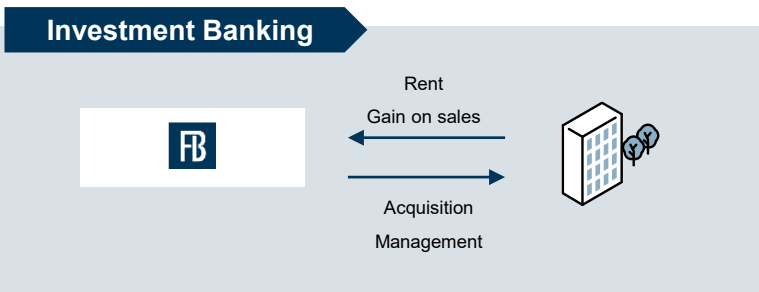
1 — First Brothers' business

Leveraging our proprietary investment as a central foundation, we operate three businesses that draw on the strengths characterizing First Brothers

The Investment Banking business, a principal investment business, is a core earnings pillar



Through the Investment Banking business, we invest in real estate directly using our own capital (with borrowings), and therefore own the properties in which we invest. In contrast, through our Investment Management (fund) business, we adopt a fee-based model under which we collect management fees from investors



Funding

Proprietary capital (with borrowings)

Investment from institutional investors

Target

Small to medium-sized properties valued at 5.0 billion yen or less

Large properties valued at over 10.0 billion yen

Features

Attractive investment opportunities are numerous thanks to high liquidity and robust market activity (large transaction volume)

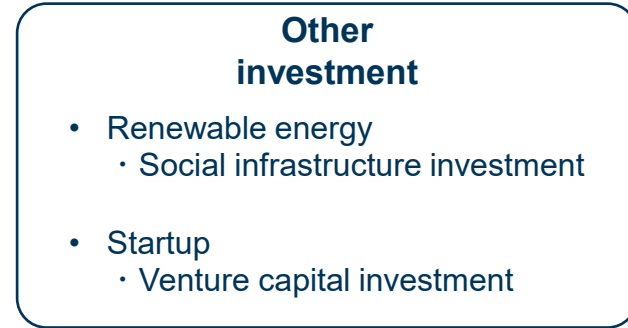
The market for large properties generates lower transaction volumes than markets for small or medium-sized properties, and competition for prime deals is especially heated

Environmental awareness

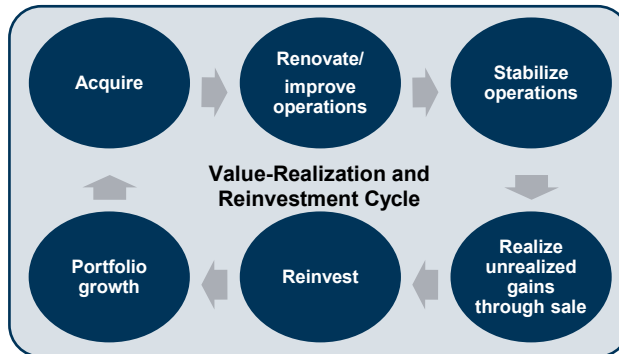
- In core city markets, investment yields have continued to decline amid overheated competition
- The willingness to lend among financial institutions has not changed significantly
- With interest rates on the rise, low-yield deals are compelling caution

- The J-REIT market continues to expand, and further growth is expected due to recent policy clarifications permitting J-REITs to handle certain building-integrated data-center equipment as real estate
- Investors overseas continue to exhibit interest in relatively inexpensive Japanese real estate
- Out of caution regarding market overheating, we are refraining from forming First Brothers-led funds at this time

Using proprietary capital for direct investment, we generate stable earnings and sustained portfolio growth



Securing stable earnings × Portfolio growth



Higashinihon Fudosan (HNF) utilizes its locally rooted information network to source prime properties in less competitive markets. This approach enables HNF to build a concentrated portfolio of high-yield assets in regional cities



**Community-based
information
network**

**Developing locally
rooted real estate
business**

- HNF has established strong relationships with local governments and real estate agents, primarily in Aomori
- These ties supply HNF with early and priority access to information on high-quality properties



**Acquisition
of properties
in less
competitive
markets**

**Ownership of numerous
prime office and
commercial facilities in
regional cities**

- Entry of major capital into regional cities is limited
- Thanks to HNF's credibility and track record, we receive many referral-sourced property opportunities and frequently collaborate with local authorities, enabling off-market acquisitions

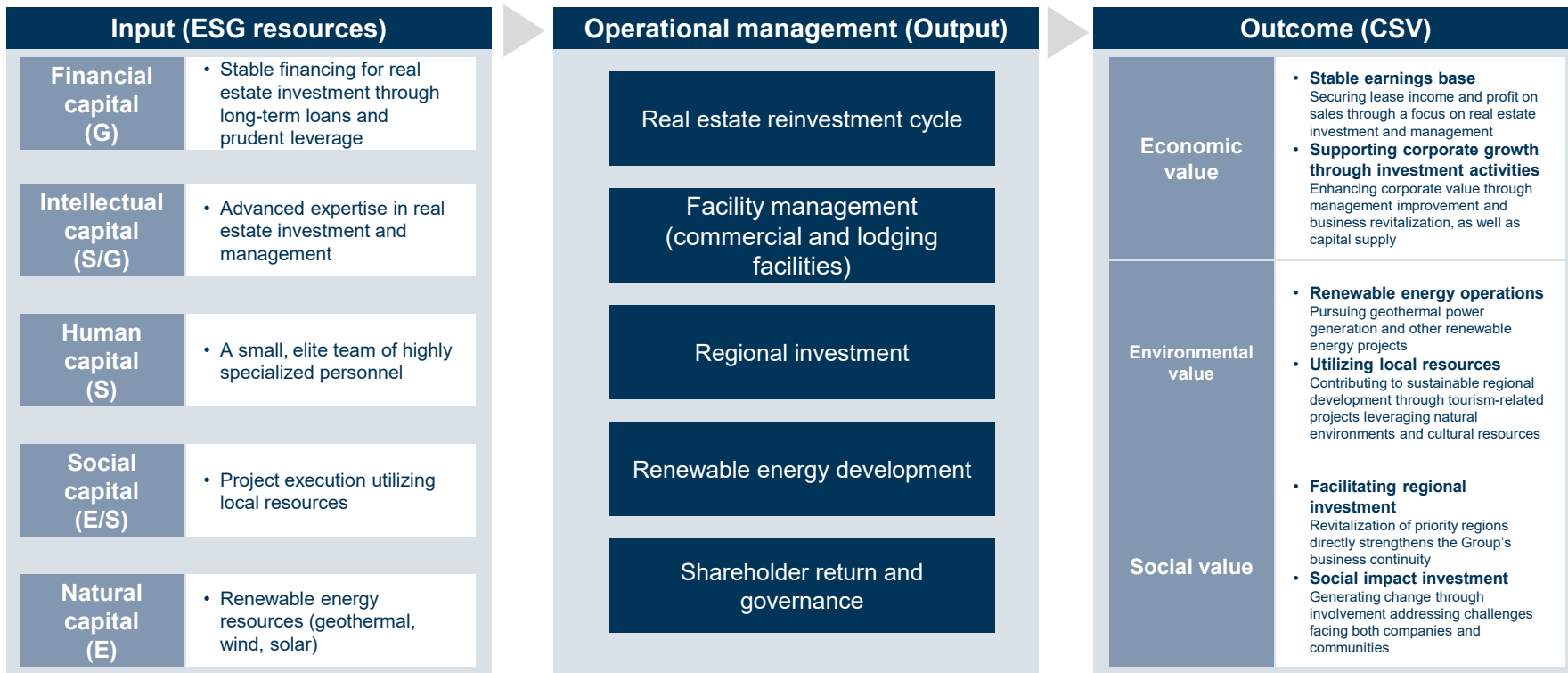


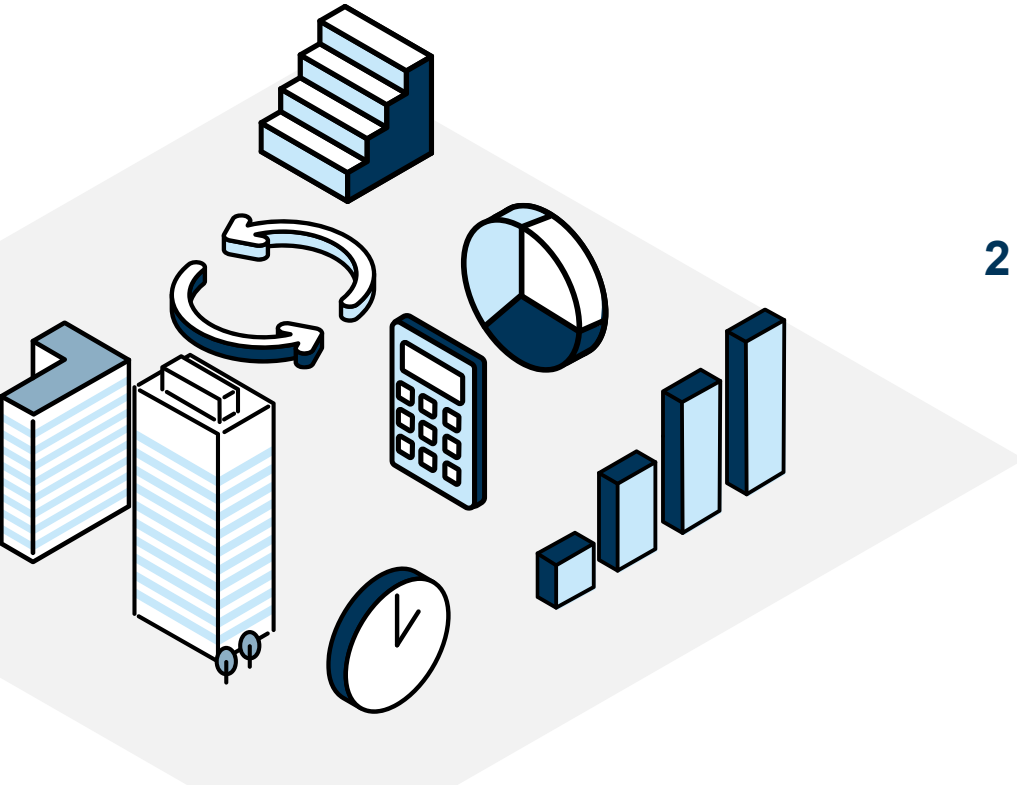
**High-yield
property
hotspots**

**Properties with high
potential value**

- Many properties in the Tohoku area offer high NOI yields, so profitability is strong
- New property supply is scarce, and tenant demand remains robust

Through appropriate capital allocation and an operational strategy built primarily around real estate, we secure stable earnings and growth, converting our activities into CSV—simultaneous creation of economic and social value





2 — Earnings highlights

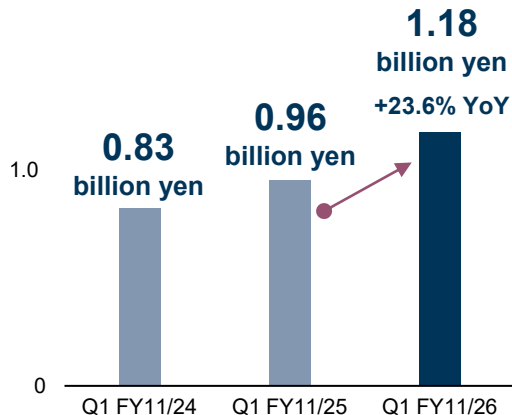
Reflecting the absence of property sales in the same period of the previous year, multiple property sales were recorded from Q1, resulting in a substantial increase in gross profit

Despite higher interest expenses due to rising interest rates, gains on sale contributed to substantial YoY increases in both ordinary profit and net income

Gross profit

Up 23.6% YoY, mainly due to the absence of property sale revenue in the same period of the previous year and the recording of multiple property sales from Q1 in the current period

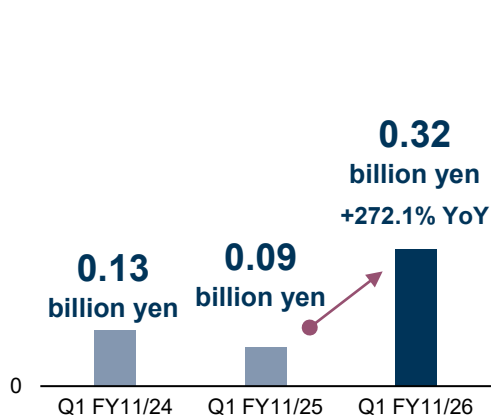
(billion yen)



Ordinary profit

Up 272.1% YoY, as gains on sale of properties more than offset higher interest expenses due to rising interest rates

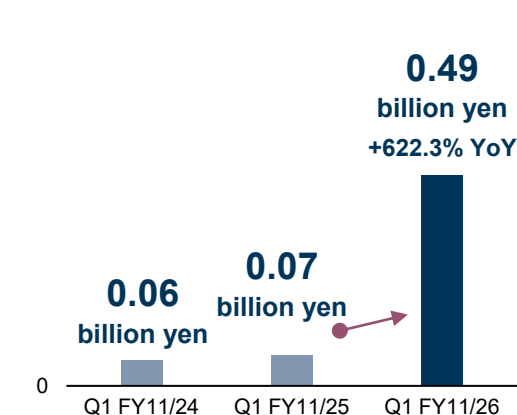
(billion yen)



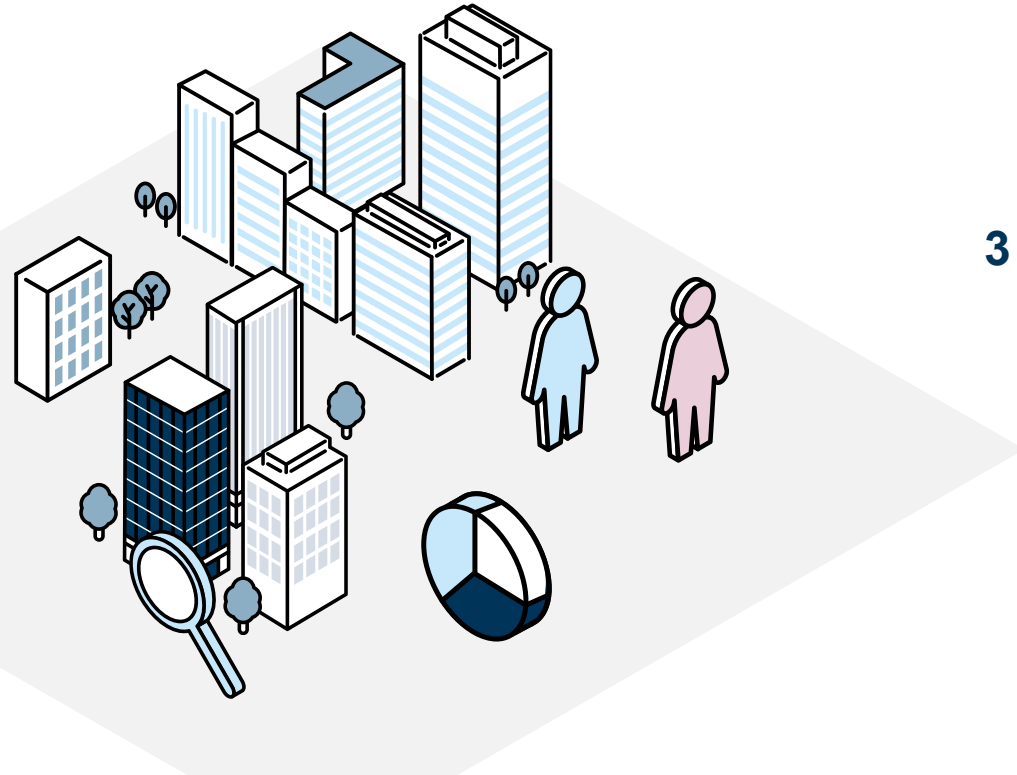
Profit attributable to owners of parent

Up 622.3% YoY, as gains on sale of properties contributed to profit growth and income taxes decreased following the recognition of deferred tax assets (see note)

(billion yen)



Note: A revision to the recoverability of tax loss carryforwards at a subsidiary based on the likelihood of property sales realization
A one-time special factor



3 ——— Investment Banking business

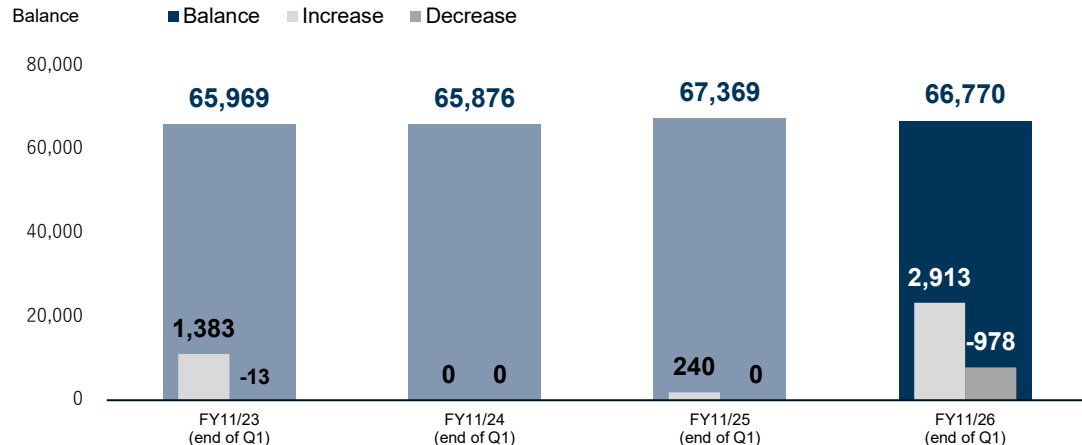
As a key driver of earnings, we are promoting acquisitions of properties for lease expected to generate stable earnings over the medium to long term

Despite some fluctuations, the balance and number of properties for lease steadily increased

In contrast to the previous fiscal year, this fiscal year saw active acquisitions and disposals executed from Q1

Balance of properties for lease

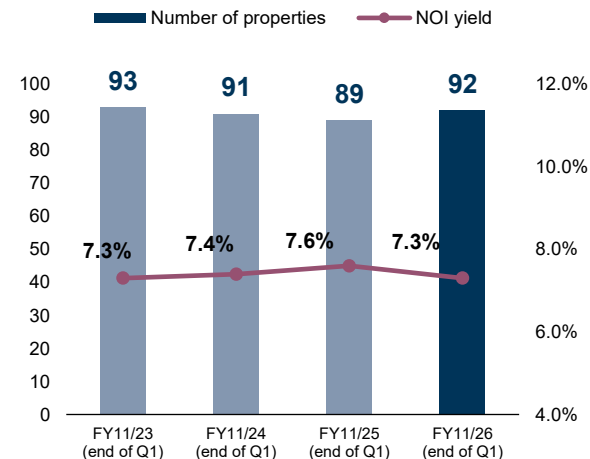
(million yen)



Note: Balance and increase/decrease values are based on acquisition price. Increase values include increases from M&A and from completion of development projects

No. of properties/NOI yield

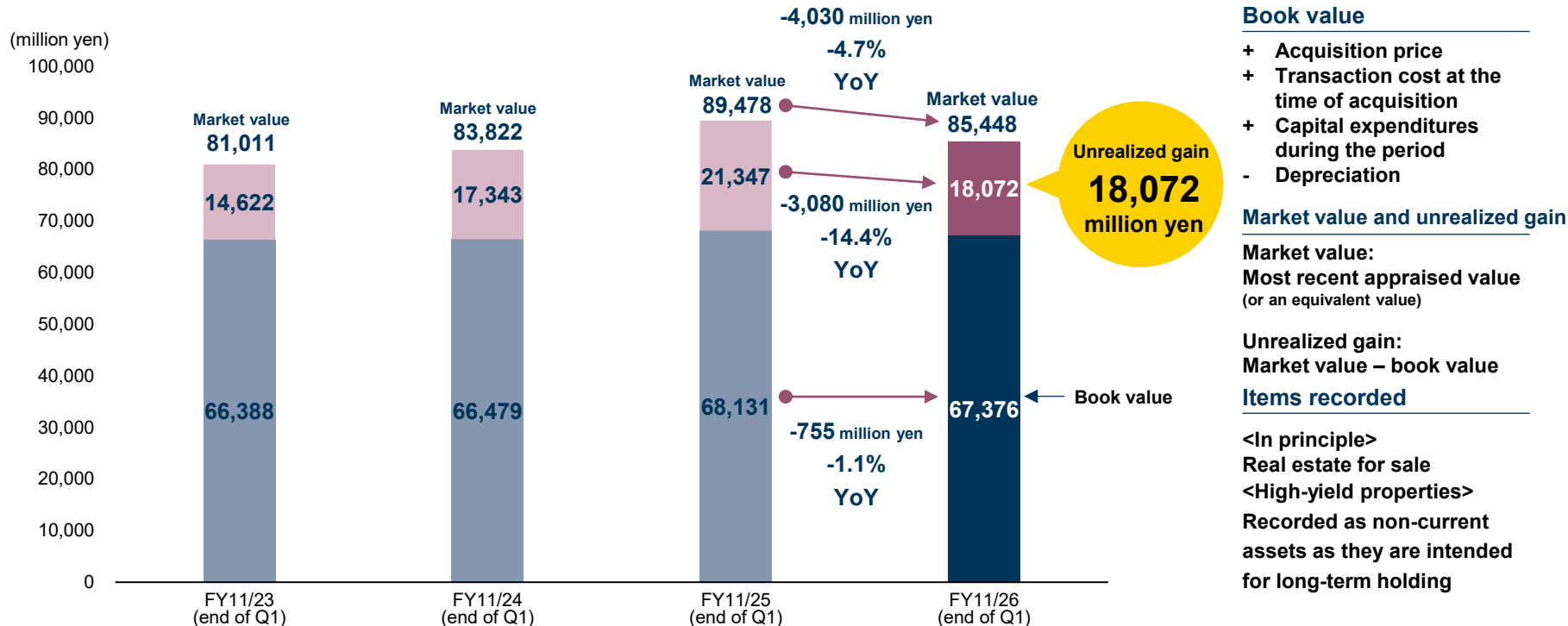
Change



Note: NOI yield is the assumed APR for stable operation (cash flow-based net income / acquisition price)

Due to new acquisitions in Q1 and value enhancement of existing projects, unrealized gains decreased YoY but increased compared to the end of the previous fiscal year

Unrealized gains are realized at the time of property sales, contributing to future profit and serving as a source for reinvestment



Book value

- + Acquisition price
- + Transaction cost at the time of acquisition
- + Capital expenditures during the period
- Depreciation

Market value and unrealized gain

Market value:
Most recent appraised value (or an equivalent value)

Unrealized gain:
Market value – book value

Items recorded

- <In principle>
- Real estate for sale
- <High-yield properties>
- Recorded as non-current assets as they are intended for long-term holding

Properties recorded as non-current assets

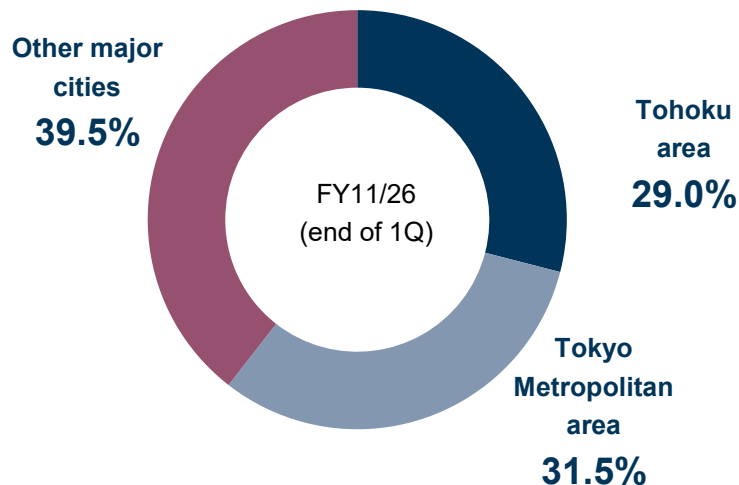
We internally manage properties recorded as non-current assets with the intention of generating lease income over the long term in the same manner as properties recorded as property for sale. When these properties are deemed suitable for sale, we may sell them as non-current assets, or review the purpose of ownership at fiscal year-end and reclassify them as property for sale, as appropriate.

With small and medium-sized properties in the Tokyo Metropolitan area and regional cities as investment targets, we ensure stable operations while securing high yields

We expand and flexibly rotate the portfolio in response to changes in the market environment

By location

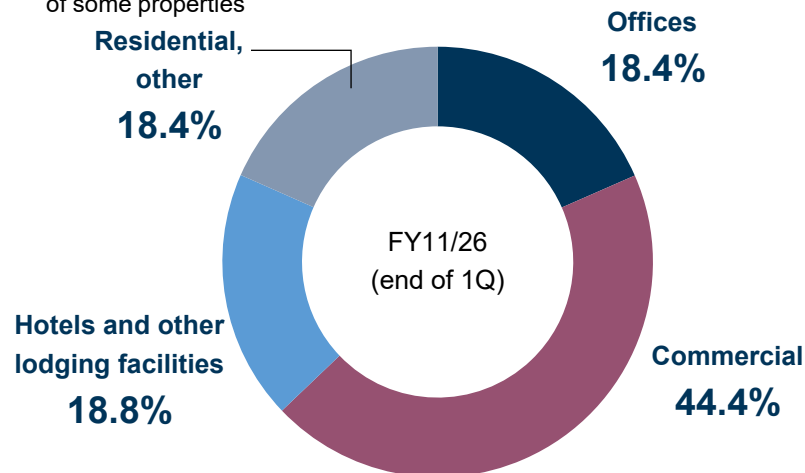
Carefully select prime investment properties in the Tohoku region, the base for Higashinihon Fudosan, and other regions throughout the nation, in addition to the Tokyo Metropolitan area



By use*

Primarily office buildings and commercial facilities in locations with solid tenant demand

Lodging facilities acquired during the COVID-19 pandemic declined due to sale of some properties

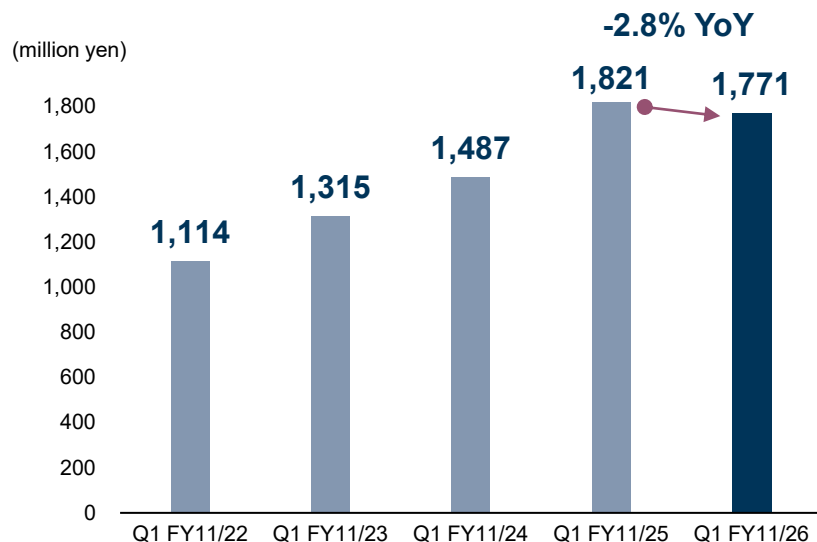


* Mixed-use properties are calculated based on primary usage.

We secure stable earnings by selectively acquiring high-quality properties for lease expected to generate stable lease income and enhancing the value of properties held, and although multiple properties were acquired from Q1, their contribution to earnings during the period will be from Q2 onward

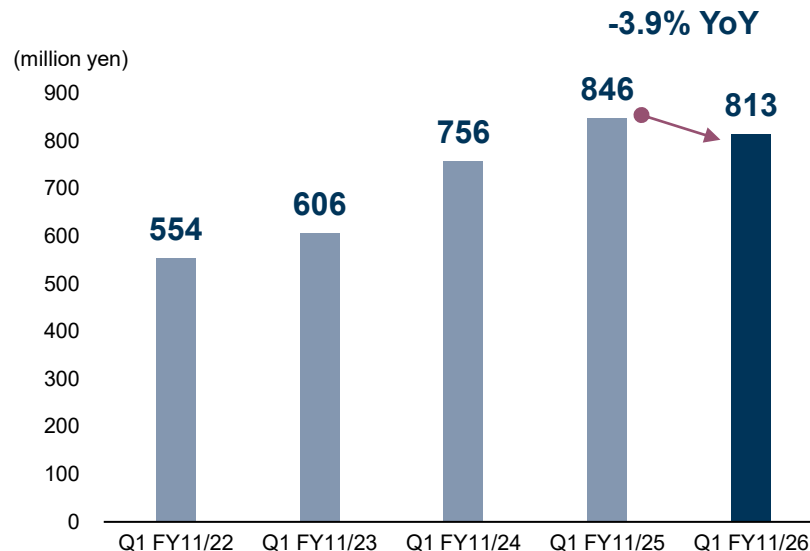
Revenue from real estate leasing (cumulative)

Revenue from properties for lease steadily increased
Slight decrease in revenue YoY due to the sale of a property with large lease income in the previous fiscal year



Gross profit from real estate leasing (cumulative)

In Q1, gross profit from lease income declined in line with the decrease in revenue from leasing

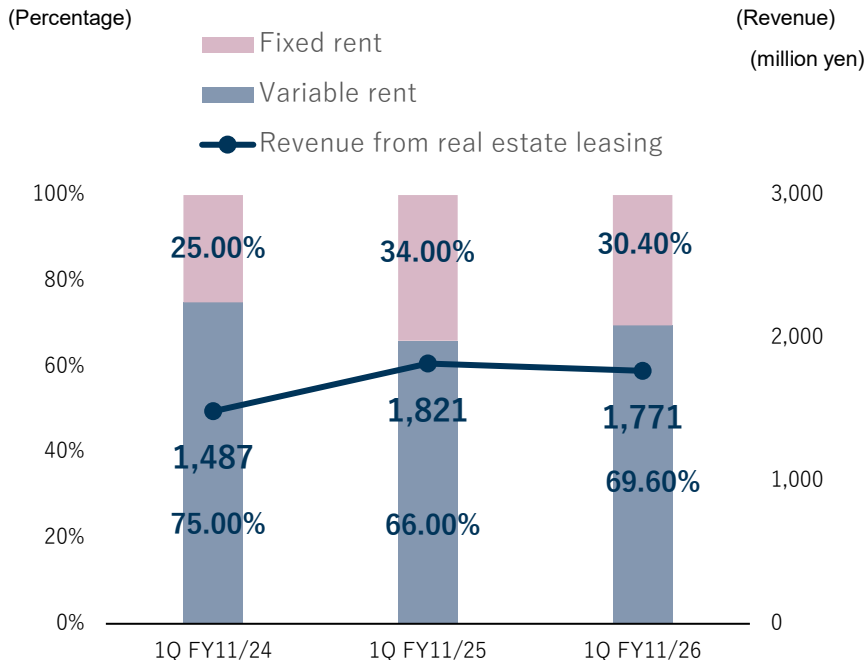


Growth associated with our portfolio of properties for lease occurred primarily through variable-rent income from hotels and similar properties

Our investment decisions prioritize the maximization of medium- to long-term corporate value while maintaining overall portfolio balance

Breakdown of cumulative revenue from real estate leasing

(Shares generated through fixed and variable rent)



<Fixed rent>

Rent: In principle, amount is fixed throughout the contract period
Stability: Since rent is fixed, income fluctuations are minimal throughout the contract period
Purpose: Establishing a defensive foundation for earnings
 To ensure stability, fixed rent is combined in appropriate proportion with variable rent, which offers upside potential

<Variable rent>

Rent: Determined based on tenant revenues or hotel occupancy metrics
Stability: Subject to fluctuations influenced by economic conditions, planned events, etc.
Objective: Proactively capturing growth opportunities
 Variable rent is combined in appropriate proportion with fixed rent to secure upside potential for earnings

Key takeaways

Customer demand heavily influences lease income from commercial facilities and hotels with variable rents. Therefore, we balance this variable rent with steadier recurring revenue and prioritize the timing of sales, especially when markets appear overheated. Moving forward, the Group will continue basing its investment decisions on careful assessments of market trends

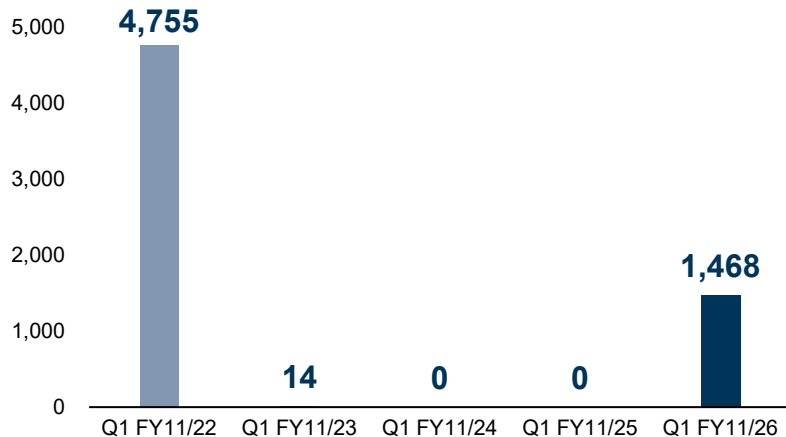
Continued implementing measures to enhance the value and earnings potential of held properties, realize the resulting unrealized gains through sales, and reinvest the proceeds to create a virtuous cycle

In FY11/26, we plan to sell multiple properties, including those recorded as non-current assets

Revenue from real estate sales (cumulative) ^{*1*2}

Real estate sales in Q1 were limited to small-scale transactions, and transactions expected to generate significant gains on sale will be recorded from Q2 onward

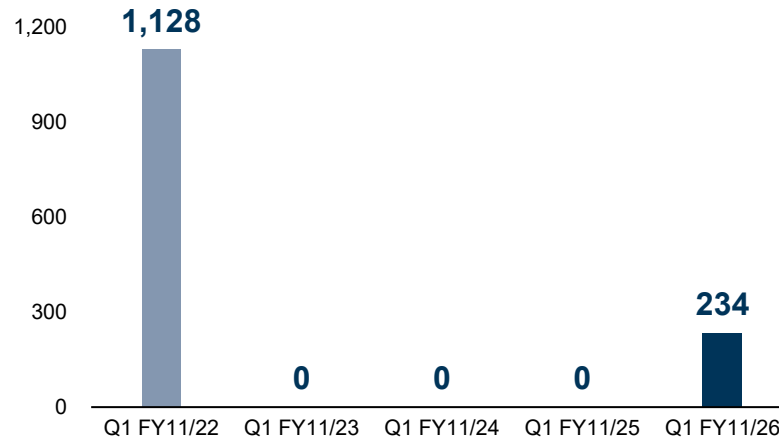
(million yen)



Gross profit from real estate sales (cumulative) ^{*1*2}

Recorded a certain level of gains on sale associated with the sales shown at left

(million yen)

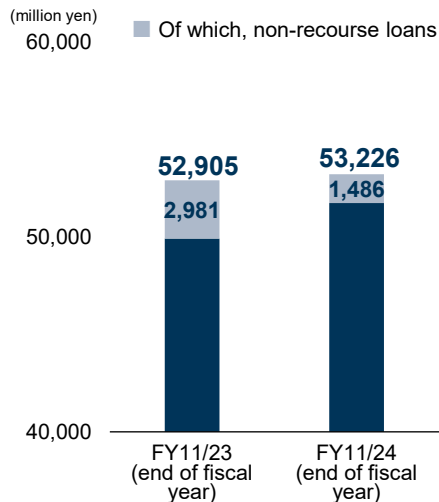


*1 Includes sales of real estate for sale in process (including land for development of properties for lease)

*2 Includes sales of real estate for lease recorded as non-current assets in the consolidated balance sheet (recorded as extraordinary income/losses)

Our loan balance tends to increase as investment progresses, as we fund lease property acquisitions with loans
 In principle, we obtain long-term loans—typically with a term of around 10 years—at low interest rates, and hedge against refinancing and interest rate hike risks

Loan balance *1

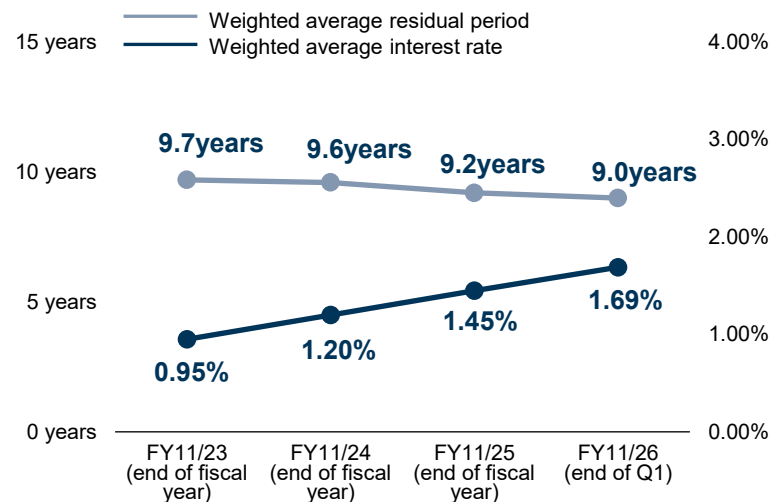


Loan type

In principle, we place priority on loan terms such as the amount, interest rate, duration, and repayment schedule. However, depending on the structure of the financing scheme, we may choose non-recourse loans.

*1 Loans to fund acquisitions of properties for lease

Weighted average residual period/ Weighted average interest rate *2



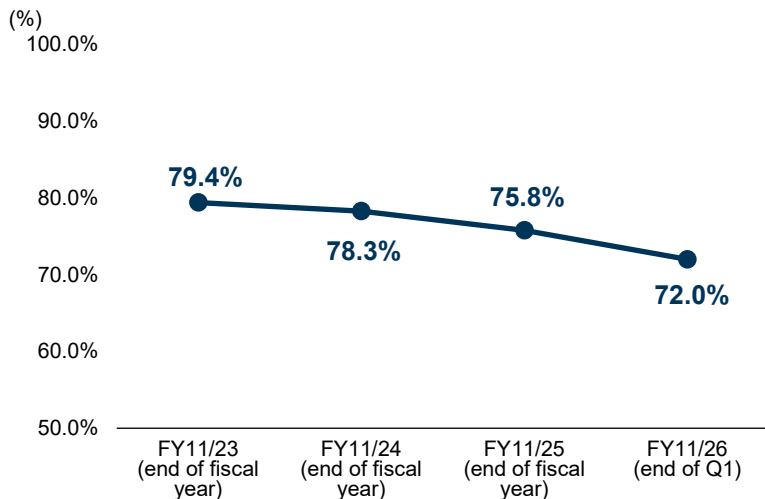
Interest rate trends

Long-term interest rates are on an upward trend, and benchmark rates for floating interest loans are also trending upward. For FY11/26, we assume an increase in interest burden of +0.75 percentage points during the period compared to the end of the previous fiscal year in our budget.

*2 Before fixing interest rates

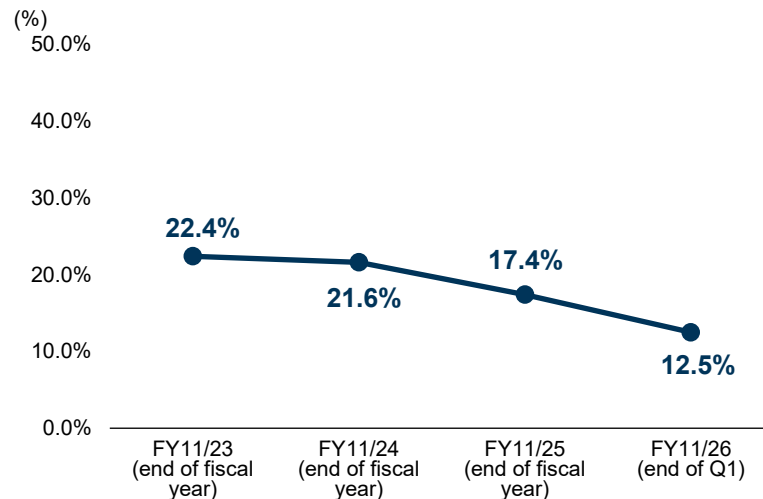
Leverage remains in the 70% range as we utilize borrowings with low funding costs as much as possible to enhance capital efficiency
 Although we use interest rate swaps to fix a portion of interest rates, no new swaps are executed in consideration of costs, and the ratio declines naturally

Leverage*1



*1 Loan balance / Book value of properties for lease

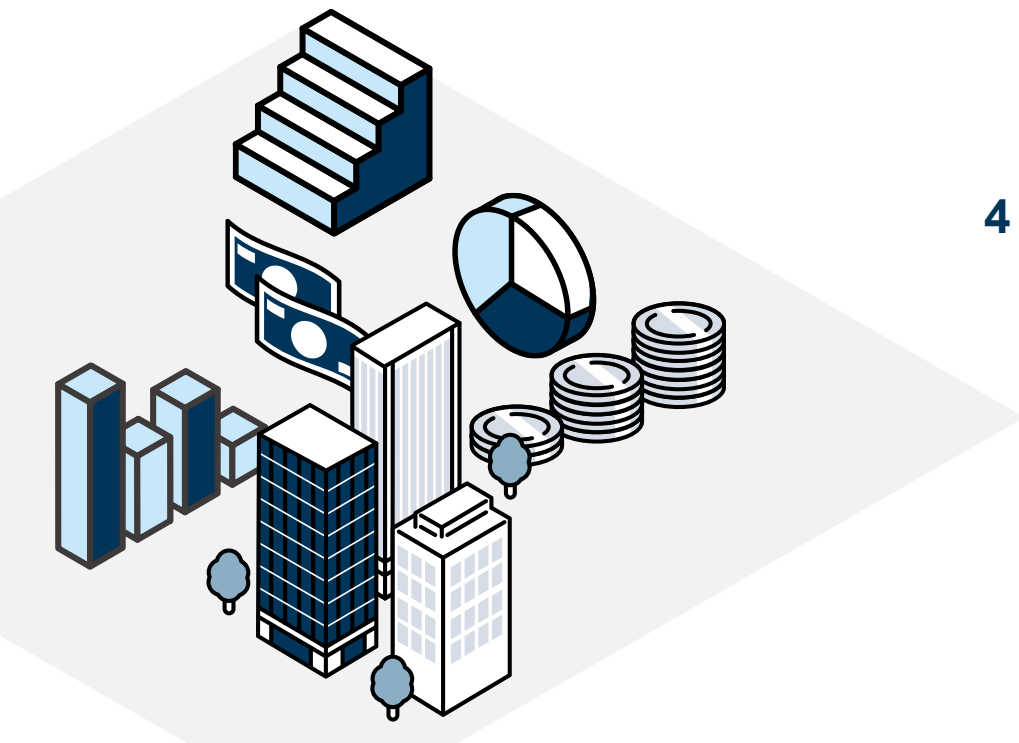
% of loans with fixed interest rates



Interest rate swaps

We exchange floating interest rates with fixed rates to avert the risk of interest rate hikes.

While market value fluctuates in line with changes in the market interest rate and affects non-operating income/expenses, interest rate swaps contribute to stabilizing cash flows.



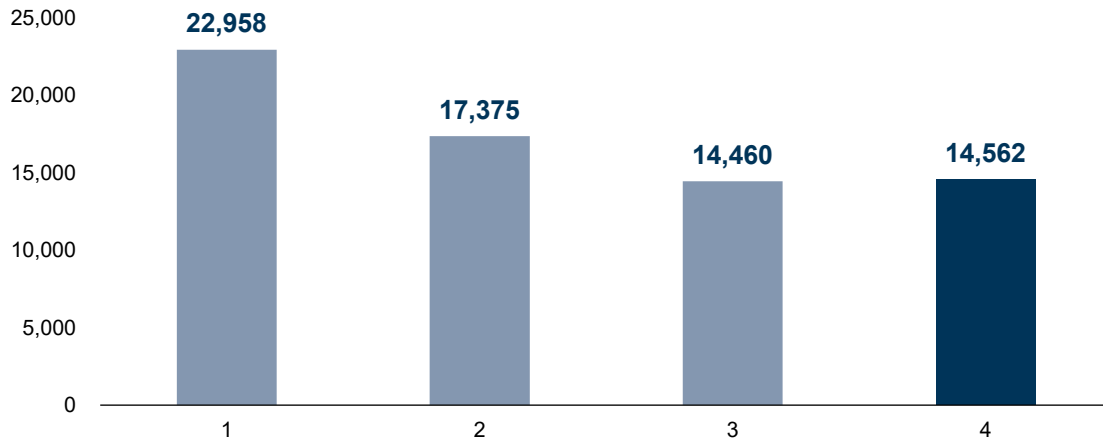
4 — Investment Management business

Competition to acquire large properties, the investment targets of funds arranged by the Group, remains intense, with prices continuing to rise, and no new mandates have been accepted while maintaining a cautious stance

Meanwhile, we won management contracts for properties acquired by investors, primarily, as appropriate, and earned asset management fees

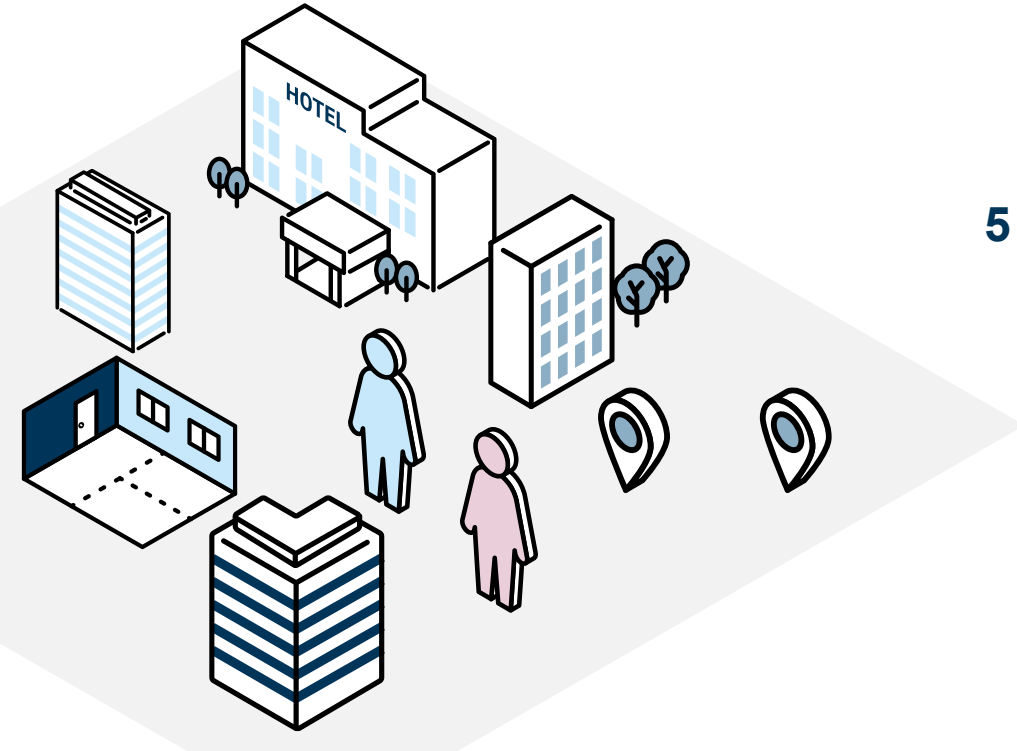
Balance of assets under management

(million yen)



Key takeaways

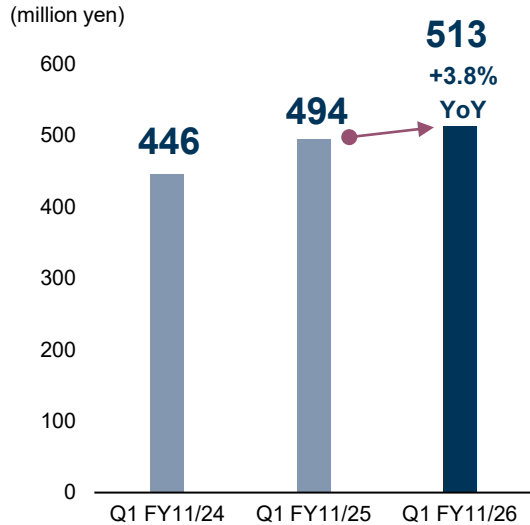
- The decline in balance was due to portfolio rotation by investors
- We continue to evaluate new mandate opportunities in response to investor demand
- We are also considering forming new funds with properties held by the Group as investment targets, but for the time being we will prioritize maximizing gains on sale of properties over fund formation



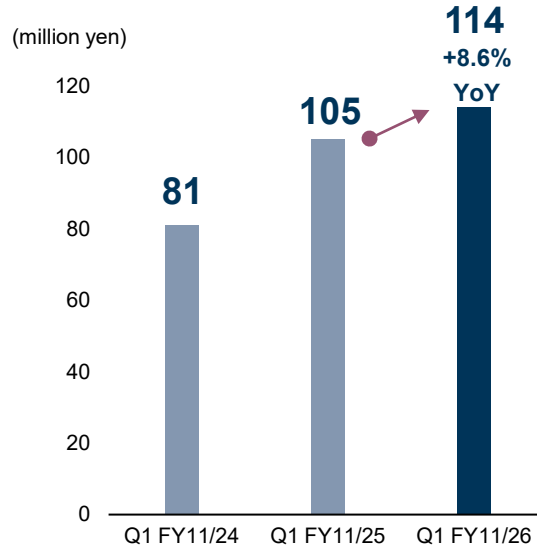
5 — Facility Operation business

Sales and profit increased YoY, as facilities under operation continued to benefit from robust tourism demand
 Although results were in the black, this was mainly due to a decrease in goodwill amortization following an impairment loss recorded at the end of the previous fiscal year

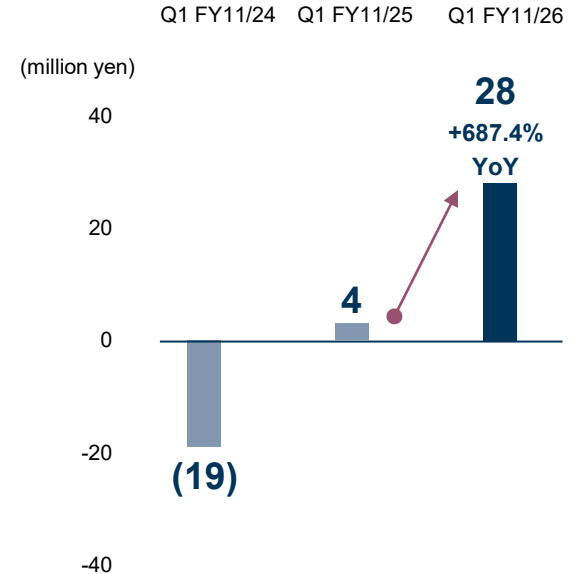
Sales



Gross profit

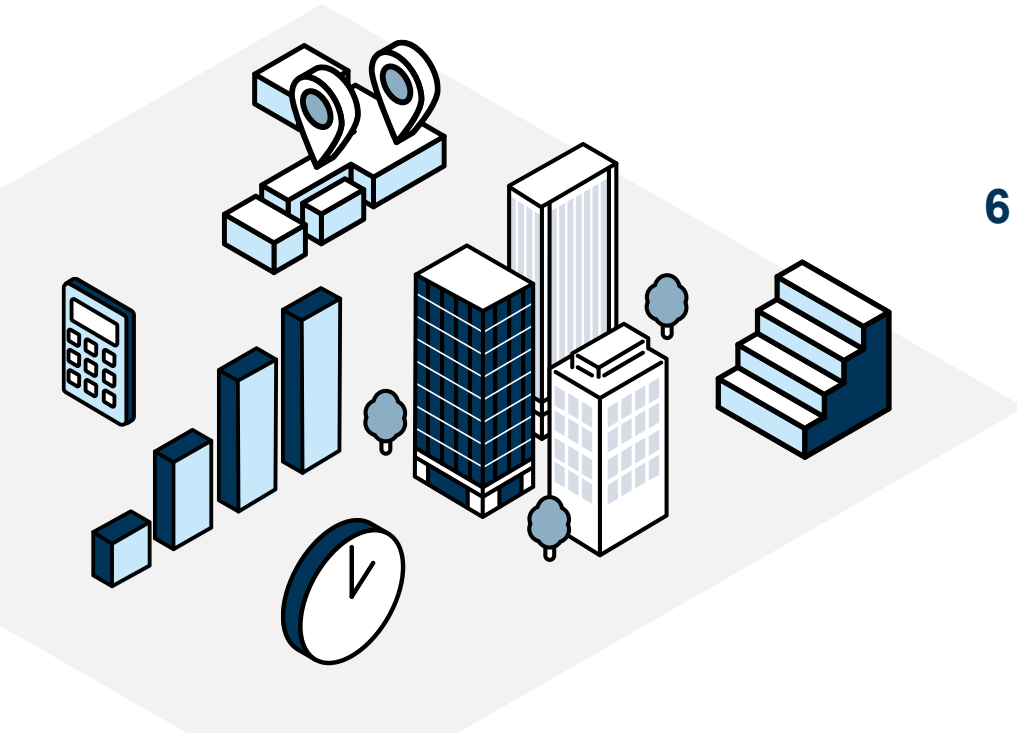


Operating profit



Facility Operation

In this business, we operate hotels and other lodging facilities on our own. Currently, we own all facilities under operation.

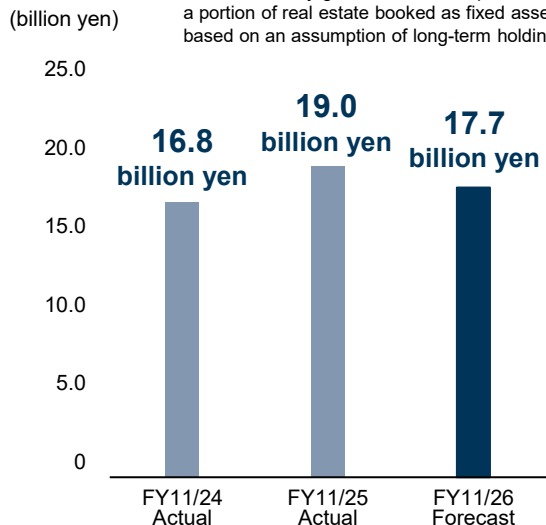


6 — Earnings forecast

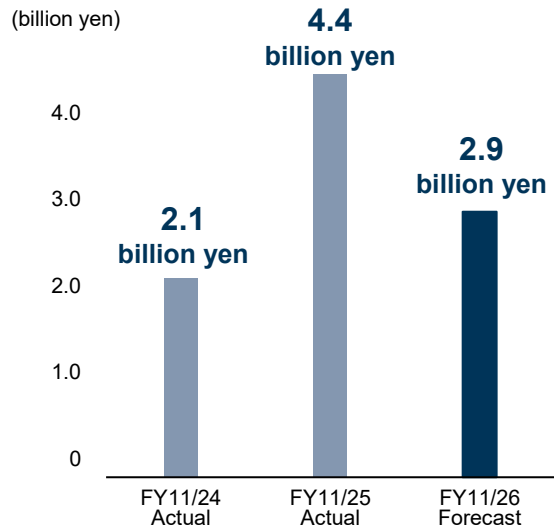
- At present, the Group's performance is characterized by a high dependence on real estate sales and significant fluctuations from period to period
- In FY11/25, we made cautious investment decisions while accounting for the rise in domestic interest rates and its impact on the funding environment. We anticipate the outlook will remain uncertain for FY11/26 as well
- We will maintain our cautious investment stance for FY11/26. Meanwhile, with regard to high-yield properties for lease, a stable earnings source, we will pursue strategically flexible investment activities—including acquisitions and sales—after fully considering the cost of capital

Net sales

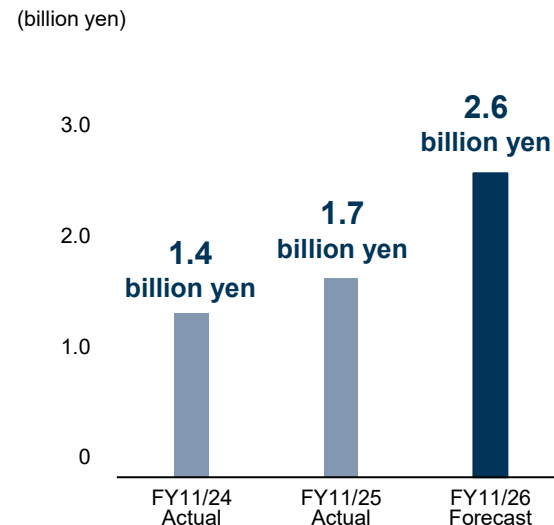
Note: In FY11/26, we expect to record gains on sale as extraordinary gains because we plan to sell a portion of real estate booked as fixed assets based on an assumption of long-term holding



Ordinary profit



Profit attributable to owners of parent



Progress for gross profit was 15.7%, because we sold no properties in the mainstay Investment Banking business
From Q2 onward, we expect property sales and growth in lease income backed by new property acquisitions

(million yen)	FY11/25 Actual	Q1 FY11/26 Actual	Progress rate	FY11/26 Forecast (YoY change)
Net sales	19,063	3,789	21.4%	17,730 (-7.0%)
Gross profit	7,833	1,186	18.2%	6,500 (-17.0%)
Investment Management business	39	3	11.1%	27 (-46.8%)
Investment Banking business	7,449	1,056	17.2%	6,138 (-17.5%)
Facility Operation business	319	114	38.6%	295 (-7.5%)
Other business	25	10	25.0%	40 (-21.6%)
Operating profit	5,295	506	12.2%	4,150 (+24.0%)
Ordinary profit	4,433	319	10.9%	2,920 (-34.1%)
Profit attributable to owners of parent	1,749	491	18.7%	2,620 (+49.7%)

Key takeaway 1

Prioritize gross profit growth because net sales fluctuate sharply depending on the size of properties sold

Key takeaway 2

Property sales (or the lack thereof) significantly affect each profit category

Key takeaway 3

Forecasts are prepared and managed on an annual basis, as quarterly results largely fluctuate depending on the timing of property sales

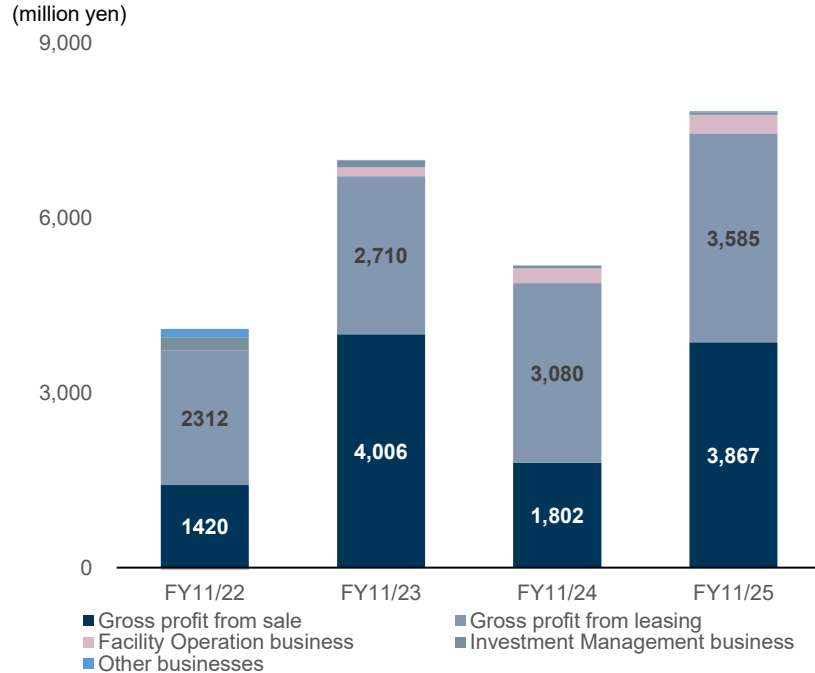


7 — Awareness of share price and cost of capital

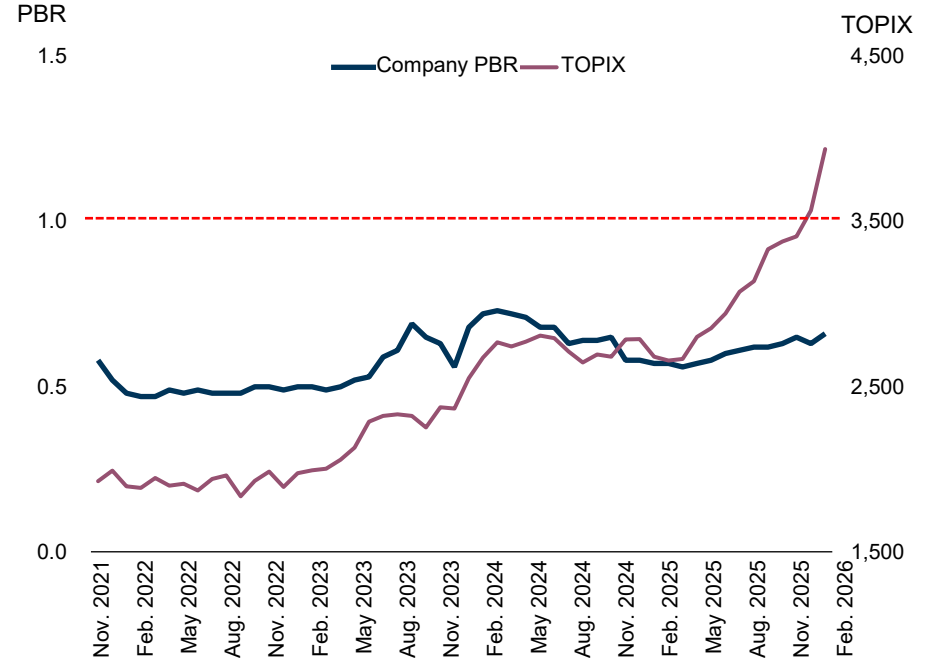
Gross profit is composed mainly of lease income and gains on sale generated by selling properties following value enhancement

While gains on sale fluctuate significantly from period to period, lease income continues to grow steadily, and we intend to further expand our holdings going forward

Gross profit by business segment



Company PBR and TOPIX

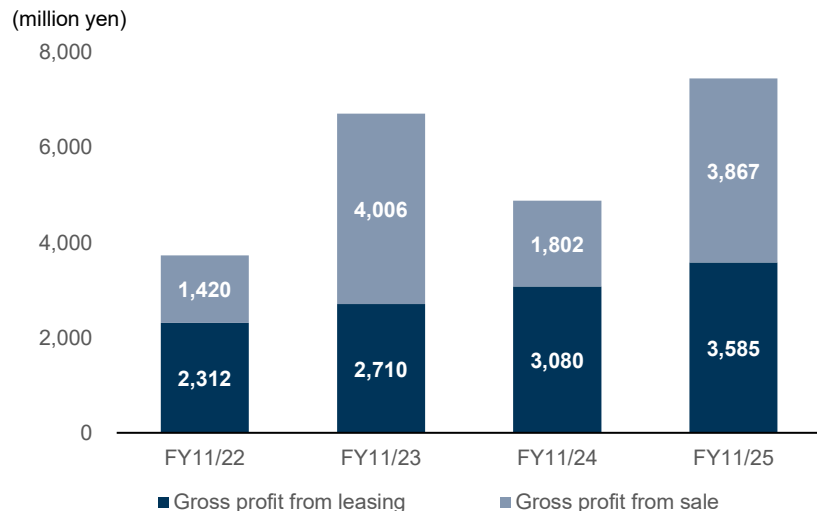


We are aware a profit structure dependent on gains on sale generates sharp swings in ROE and situations in which ROE exceeds (or fails to cover) the cost of capital and recognize this type of profit structure is a major factor behind our PBR of below 1.0

Short-lived surges in earnings are not valued by the market due to concerns regarding reproducibility

Current analysis of our earnings structure and challenges recognized

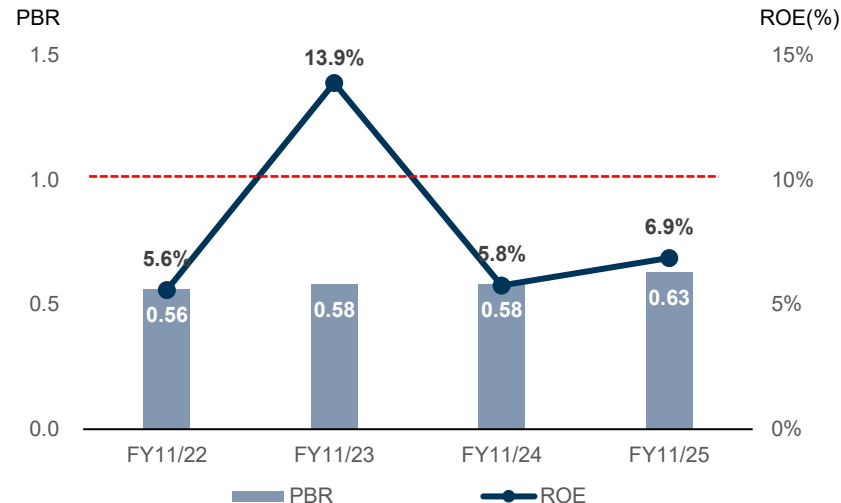
- Lease-related profit has been steadily accumulating and has become a foundation for stable growth. However, gains on the sale of real estate account for a high proportion of total profit, and this share fluctuates sharply from period to period. Accordingly, we view these circumstances as a factor behind our PBR of below 1.0



Source: Japan Exchange Group website

Analysis of cost of capital and market valuation

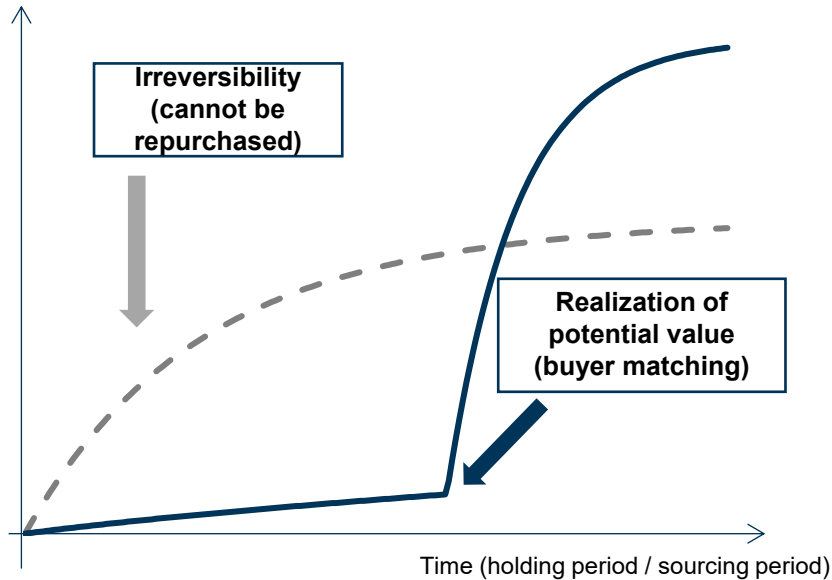
- We recognize our current share price (PBR of 0.63) is a discounted valuation applied in response to period-to-period volatility, as the market's expected rate of return (i.e., cost of capital) exceeds the ROE we generate



We aim to maximize potential value and make true value visible by finding strategically favorable matches for highly individualized real estate

→ While we believe this approach contributes to maximizing shareholder value from a medium- to long-term perspective, the concern noted on the previous page (reproducibility) cannot be fully dispelled

Realized value (sale price)



— — General sale (early exit)

— Our strategy (maximization of value)

1

Real estate is extremely individualized, and the better the property, the more difficult it is to reacquire under the same conditions once it has been sold; therefore, we do not hastily execute early sales

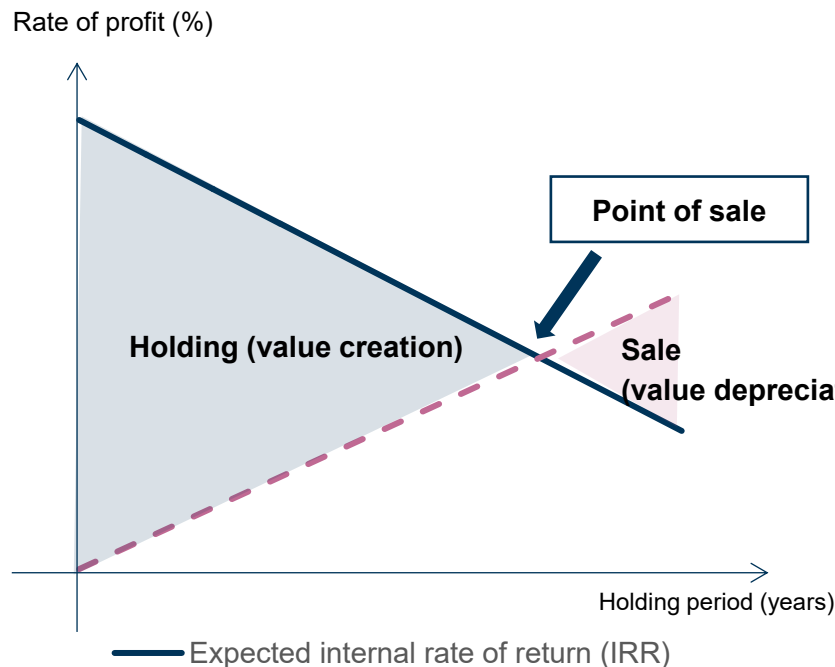
2

For properties with high potential profit, the key to maximizing profit lies in the best match between “timing” and “buyer attributes”

3

Rather than simply holding an asset, by finding the buyer who can value it the most highly and selling at the optimal time, we reveal the “true value” that exceeds the book value recorded on the balance sheet

By assessing whether value in excess of the cost of capital is being created, we will shift toward a policy prioritizing the disposal of assets with expected returns that have fallen below that threshold. Meanwhile, we will further enhance capital efficiency by conducting even more strategically deliberate cost-conscious portfolio management



Cost awareness

A “wait to sell” decision requires awareness that the “cost of capital (the opportunity cost of shareholders’ equity)” will continue to accrue over that waiting period

Strict rules

Rather than passively holding assets, we strictly monitor whether each property’s “expected rate of return” exceeds its “cost of capital”

Action

With regard to assets for which we determine expected returns have fallen below cost (i.e., value creation has ended), we will immediately sell and rotate assets, regardless of whether unrealized gains exist

As stated in our Corporate Governance Report, we recognize our cost of capital, estimated using CAPM and other methods, to be approximately 7–9%

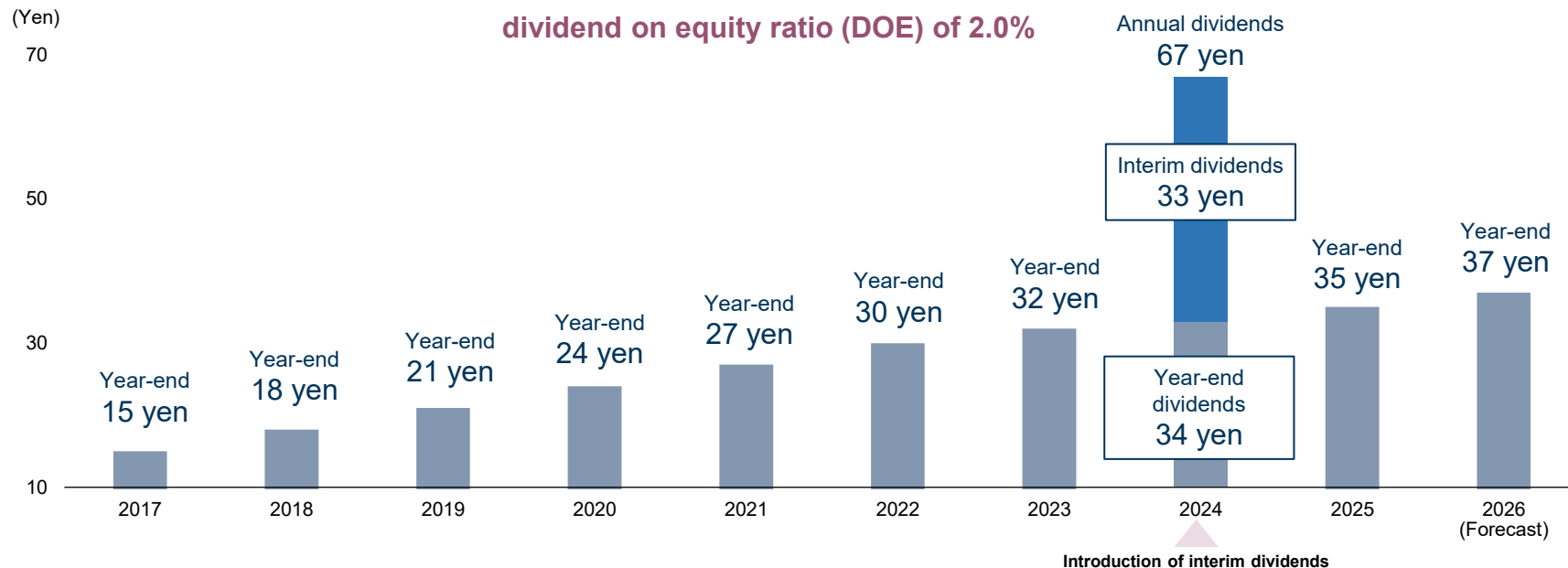


8 — Shareholder returns

We consider returning profits to shareholders a management priority

- We pay stable dividends, primarily in the form of year-end dividends, once a year, based on a target dividend on equity ratio (DOE) of 2.0%, instead of a profit-linked payout ratio
- If profit attributable to owners of parent in the immediately preceding fiscal year exceeds 2.0 billion yen, we pay interim dividends equivalent to 40% of the profit in excess (implemented in FY11/24)
- We will continue to consider shareholder return measures aligned with our performance characteristics and plan to disclose them during FY11/26 once determined

Dividend per share



We have introduced a shareholder benefit plan to thank our shareholders for their support, increase the appeal of investing in our stock, and encourage investors to hold our stock for the medium to long term

Eligible shareholders

Shareholders who are recorded in the shareholder register as of November 30 of each year and meet certain conditions

Shareholder benefits

First Brothers Premium Benefits Club

The plan extends shareholder benefit points to shareholders commensurate with the quantity and duration of their holdings. Shareholders can exchange their points for Amazon gift certificates, food products, electrical appliances, and various opportunities for travel and personal experiences through a dedicated site

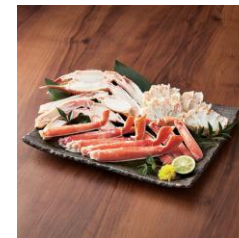
Shareholders with shares held continuously for at least one year*

No. of shares held	Benefits
At least 500 shares	5,000 points
At least 600 shares	6,000 points
At least 700 shares	7,000 points
to	Additional 1,000 points for each additional 100 shares
At least 5,000 shares	50,000 points

Shareholders with shares held for less than one year

No. of shares held	Benefits
At least 3,000 shares	5,000 points
At least 3,100 shares	6,000 points
At least 3,200 shares	7,000 points
to	Additional 1,000 points for each additional 100 shares
At least 5,000 shares	25,000 points

amazon gift card



Notes: For inquiries regarding products for which benefit points can be redeemed, please contact First Brothers Premium Benefits Club (TEL: 0120-980-965). Amazon, Amazon.co.jp, and their logos are trademarks of Amazon.com, Inc. or affiliated companies.

* Recorded in the shareholder register at least three consecutive times under the same shareholder number each year on May 31 and November 30.



9 — Appendix

Consolidated balance sheet

(million yen)	End FY11/24	End FY11/25	End Q1 FY11/26	Change
Total current assets	58,651	59,329	56,094	-3,234
Cash and deposits	4,817	6,830	2,119	-4,710
Deposits in trust	1,242	1,096	1,294	+197
Real estate for sale	47,366	46,304	47,961	+1,656
Real estate for sale in process	3,327	3,423	3,431	+8
Other	1,897	1,673	1,286	-386
Total non-current assets	30,490	30,503	31,095	+591
Total assets	89,141	89,832	87,189	-2,643
Total liabilities	64,234	63,580	60,949	-2,630
Total current liabilities	5,747	6,188	4,683	-1,504
Short-term borrowings	71	343	398	+55
Current portion of long-term borrowings	3,462	2,536	2,454	-82
Current portion of long-term non-recourse loans payable	0	0	0	±0
Other	2,213	3,308	1,831	-1,477
Total non-current liabilities	58,487	57,391	56,265	-1,125
Long-term borrowings	53,154	53,604	52,541	-1,062
Long-term non-recourse loans payable	1,486	0	0	±0
Other	3,846	3,787	3,724	-62
Total net assets	24,907	26,252	26,239	-13
Total shareholders' equity	24,740	26,013	26,013	+0
Other	166	239	225	-13
Total liabilities and net assets	89,141	89,832	87,189	-2,643
Net D/E ratio ^{*1}	2.05	1.87	2.00	+0.13pt

Comments

- Due to the special factors described on page 4, borrowings decreased significantly relative to changes in real estate for sale (a one-time factor limited to Q1)
- As explained on the page above, cash and cash equivalents appear to have decreased significantly to 2.1 billion yen as of the end of Q1, but the actual balance is approximately 6.2 billion yen

Key takeaways

- We generally utilize borrowings to the maximum extent for investments, and the loan ratio tends to increase as investments progress
- To keep risk in check, we principally utilize long-term borrowings while closely monitoring cash flows by individual property

*1 Net D/E ratio = (Interest-bearing debt excluding non-recourse loans – [cash and deposits + deposits in trust]) / Shareholders' equity

Consolidated income statement

	(million yen)	Q1 FY11/24	Q1 FY11/25	Q1 FY11/26	YoY change
Consolidated income statement (summary)	Net sales	1,955	2,344	3,789	+61.6%
	Gross profit	830	960	1,186	+23.6%
	Selling, general and administrative expenses	590	650	680	+4.5%
	Operating profit	240	309	506	+63.6%
	Ordinary profit	129	85	319	+272.1%
	Profit attributable to owners of parent	63	68	491	+622.3%
	Gross profit breakdown	Investment Management business	9	6	3
Investment Banking business		739	847	1,056	+24.7%
Gross profit from sale		0	0	234	N/A
Gross profit from leasing		756	846	813	-3.9%
Other		(17)	0	8	N/A
Facility Operation business		81	105	114	+8.6%
Other business		0	0	10	N/A
Total gross profit	830	960	1,186	+23.6%	
Selling, general and administrative expenses breakdown	Personnel expenses	315	259	295	+36
	Rent	42	43	43	+0
	Commission expenses / remuneration	70	100	87	-12
	Taxes and dues	9	10	18	+8
	Amortization of goodwill	28	61	7	-53
	Other	123	176	226	+50
	Total selling, general and administrative expenses	590	650	680	+29

Comments

- In Q1, when property sales outpaced acquisitions, lease income declined 3.9% YoY
- As described on page 4, there are sale transactions scheduled to be recorded in Q2 that were actually completed in February, and the sales plan is progressing smoothly

Company overview

Company name First Brothers Co., Ltd.

Stock code 3454 (TSE Standard Market)

Established February 4, 2004

Address Marunouchi Bldg., 25th Fl., 2-4-1 Marunouchi,
Chiyoda-ku, Tokyo

Capital 100,000,000 yen

Number of staff 184 (as of February 28, 2026; consolidated group basis)

Major subsidiaries First Brothers Capital Co., Ltd.
First Brothers Asset Management Co., Ltd.
First Brothers Development Co., Ltd.
Higashinihon Fudosan Co., Ltd.
From First Hotels Co., Ltd.

Group's major businesses

Ownership and management of real estate for lease

Own and manage properties for lease expected to generate stable earnings over the medium to long term

Real estate asset management

Manage assets of institutional investors and invest in relatively large properties valued at several tens of billions of yen

Renewable energy

Develop and operate renewable energy, centered on geothermal power generation

Facility Operation (hospitality services)

Operate lodging facilities on our own

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