

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2023 (Based on Japanese GAAP)

October 6, 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: October 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 nine months ended August 31, 2023 (from December 1, 2022 to August 31, 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	%
Nine months ended August 31, 2023	16,040	48.1	3,430	142.7	2,925	185.4	2,657	234.9
Nine months ended August 31, 2022	10,833	(31.5)	1,413	(54.6)	1,024	(61.6)	793	(56.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 31, 2023	189.49		–	
Nine months ended August 31, 2022	56.59		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	92,638	23,899	25.7	1,696.83
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	–	0.00	–		
Year ending November 30, 2023 (Forecast)				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	21,760	52.3	4,000	120.2	3,240	138.8	2,700	128.7	192.54

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended August 31, 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 August 31, 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 August 31, 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)

Nine months ended August 31, 2023	14,023,290 shares	Nine months ended August 31, 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 August 31, 2023
Assets		
Current assets		
Cash and deposits	7,306,355	6,592,659
Deposits in trust	921,573	1,268,999
Accounts receivable - trade	391,453	233,283
Real estate for sale	46,956,270	51,689,107
Real estate for sale in process	3,479,627	3,494,963
Operational investment securities	335,632	641,981
Other	2,275,378	634,364
Total current assets	61,666,290	64,555,358
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,506,136	11,907,819
Land	10,584,024	11,191,735
Other, net	1,303,544	1,635,957
Total property, plant and equipment	23,393,705	24,735,512
Intangible assets		
Goodwill	1,116,664	1,029,782
Other	31,708	442,626
Total intangible assets	1,148,372	1,472,409
Investments and other assets	1,435,160	1,875,080
Total non-current assets	25,977,239	28,083,002
Total assets	87,643,529	92,638,361

(Thousands of yen)

	As of November 30, 2022	As of August 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	1,156,657	91,000
Current portion of long-term borrowings	2,339,880	2,654,877
Current portion of Long-term non-recourse loans payable	119,700	36,759
Income taxes payable	161,172	1,680,264
Provision for bonuses	22,809	193,534
Provision for shareholder benefit program	24,316	2,217
Other	1,760,861	1,288,652
Total current liabilities	5,585,397	5,947,306
Non-current liabilities		
Long-term borrowings	50,678,274	54,219,465
Long-term non-recourse loans payable	4,940,000	4,903,240
Retirement benefit liability	19,939	17,500
Other	4,773,579	3,650,876
Total non-current liabilities	60,411,793	62,791,082
Total liabilities	65,997,191	68,738,389
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	3,407,088	3,406,406
Retained earnings	18,240,953	20,477,415
Treasury shares	(278,086)	(278,086)
Total shareholders' equity	21,469,955	23,705,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,018	65,864
Deferred gains or losses on hedges	20,703	23,555
Total accumulated other comprehensive income	73,722	89,420
Non-controlling interests	102,660	104,816
Total net assets	21,646,338	23,899,972
Total liabilities and net assets	87,643,529	92,638,361

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended August 31, 2022	Nine months ended August 31, 2023
Net sales	10,833,051	16,040,381
Cost of sales	7,752,540	10,696,765
Gross profit	3,080,511	5,343,615
Selling, general and administrative expenses	1,667,274	1,913,487
Operating profit	1,413,237	3,430,128
Non-operating income		
Interest income	122	73
Dividend income	1,007	1,974
Consumption taxes refund	0	28,485
Subsidy income	33,947	7,103
Insurance fee income	54	24,119
Gain on valuation of derivatives	110,464	15,974
Gain on sale of investment securities	233	–
Other	22,286	14,950
Total non-operating income	168,118	92,680
Non-operating expenses		
Interest expenses	426,838	472,881
Commission expenses	129,131	104,270
Loss on valuation of derivatives	–	20,062
Other	400	3
Total non-operating expenses	556,369	597,217
Ordinary profit	1,024,986	2,925,592
Extraordinary income		
Gain on sale of non-current assets	–	234,441
Gain on sale of shares of subsidiaries and associates	–	616,525
Total extraordinary income	–	850,966
Extraordinary losses		
Loss on sale of non-current assets	–	444
Loss on retirement of non-current assets	3,134	2,138
Total extraordinary losses	3,134	2,582
Profit before income taxes	1,021,851	3,773,976
Income taxes - current	188,146	1,683,425
Income taxes - deferred	45,067	(562,997)
Total income taxes	233,213	1,120,427
Profit	788,637	2,653,548
Loss attributable to non-controlling interests	(4,886)	(3,759)
Profit attributable to owners of parent	793,524	2,657,308

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended August 31, 2022	Nine months ended August 31, 2023
Profit	788,637	2,653,548
Other comprehensive income		
Valuation difference on available-for-sale securities	16,525	12,846
Deferred gains or losses on hedges	13,228	2,874
Total other comprehensive income	29,754	15,721
Comprehensive income	818,391	2,669,269
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	823,218	2,673,006
Comprehensive income attributable to non-controlling interests	(4,826)	(3,736)