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For Immediate Release

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Notice Regarding Revision to Earnings Forecast

In light of recent trends in earnings, First Brothers Co., Ltd. has revised its earnings forecast for the fiscal year ended November 30, 2024, which was announced on January 12, 2024, as follows.

Exchange rules normally stipulate disclosure when a difference of 10% or more is expected for sales and a difference of 30% or more is expected for each category of profit, relative to the previously released forecast. When the earnings forecast is given in a range format, this applies to both the upper and lower end of the range. The Company announced its full-year consolidated earnings forecast for the fiscal year ended November 30, 2024, in a range format, and in the revised forecast sales are expected to fall more than 10% short of the upper end of the range, while each profit category is expected to surpass the lower end of the range by 30% or more, meeting the threshold for disclosure.

1. Revision to full-year earnings forecast (December 1, 2023–November 30, 2024)

	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
Previous forecast (A)	21,700 – 17,500	3,100 – 2,100	2,200 – 1,200	1,370 – 720	97.69 – 51.34
Revised forecast (B)	16,890	2,830	2,180	1,350	96.27
Difference (B-A)	(4,810) – (610)	(270) – 730	(20) – 980	(20) – 630	—
Difference (%)	(22.2) – (3.5)	(8.7) – 34.8	(0.9) – 81.7	(1.5) – 87.5	—
Reference: Results for previous fiscal year (FY11/23)	22,268	4,461	3,837	3,186	227.26

2. Reason for revision

At present, the Group's earnings are heavily influenced by gains from the sale of real estate, which means that performance fluctuates greatly from one fiscal year to the next. In the fiscal year ended November 30, 2024, the Company took a conservative approach to investing amid significant changes in the economic situation, including interest rate trends both domestically and overseas. Even in our initial earnings forecast, we made conservative assumptions concerning the acquisition and sale of properties. As a result, while net sales were lower than the previously released forecast due to our prudent approach to the sale of properties, each category of profit is expected to be significantly above the lower end of the forecast range while not reaching the upper end, due to higher profit margins on property sales, improved lease income, and reduced expenses.

We attribute this to the following factors.

(1) Profit margins were higher than expected owing to the conservative approach taken to property sales.
(2) Lease income increased more than projected as a consequence of continuously implementing measures to enhance the value of our asset holdings.
(3) We reduced expenses more than initially anticipated by keeping tight control of selling, general and administrative expenses.
(4) The increase in interest rates was smaller than we initially expected, and non-operating expenses were lower than projected.

While financial results for the fiscal year ended November 30, 2024 are still being finalized, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to exceed the lower end of the range given in our previously released forecast.

Note: The earnings forecast figures above are based on information currently available to the Group and certain assumptions the Group deems reasonable, but actual earnings may differ from forecast figures for a variety of reasons.