

July 10, 2020

For Immediate Release

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(TSE First Section, Stock code: 3454)  
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**Notice Regarding Conclusion of Share Transfer Agreement  
for Acquisition of Shares in Fuji Facility Service (Conversion into Subsidiary)**

On July 10, 2020, First Brothers Co., Ltd. ("First Brothers") resolved to acquire shares in THE FUJI FACILITY SERVICE, INC. ("Fuji Facility Service") and enter into a share transfer agreement to convert the company into a subsidiary. The details are outlined below.

1. Reason for the share acquisition

The First Brothers Group positions the realization of sustainable growth together with local communities through real estate operations as a strategically important undertaking.

Fuji Facility Service has provided facility management and business process outsourcing (BPO) services for more than half a century. The company is headquartered in Osaka and operates sales branches in many cities. It has accumulated a track record in regional areas and gained the trust of local communities through the provision of high-quality services.

With the addition of the company to the First Brothers Group, we believe we will be able to leverage Fuji Facility Service's sales branches based in various cities, including Osaka, as a foothold to expand our business area, collaborate with the company to revitalize local communities, and accordingly achieve further substantial growth together.

Fuji Facility Service will further strengthen the trust and track record it has built over many years, and continue its business activities with the aim of contributing to long-term, sustainable corporate growth for the First Brothers Group as a whole.

## 2. Overview of subsidiary to be transferred

(1) Name	THE FUJI FACILITY SERVICE, INC.		
(2) Location	2-5-8 Minamisenba, Chuo-ku, Osaka-shi, Osaka		
(3) Name and title of representatives	Shunsuke Nishimura, Representative Director and Chairman Hiroaki Toishi, Representative Director and President		
(4) Businesses	Building operation and management, facility inspection and cleaning, security, office work and system outsourcing support		
(5) Capital	¥100 million		
(6) Date of establishment	November 1, 1963		
(7) Major shareholders and shareholding ratios	AIG Harmony Co. Ltd. 10.31% AIG General Insurance Company, Ltd. 9.69% Other (15 companies, three individuals) 80.00%		
(8) Relationship with First Brothers	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	
(9) Operating results and financial condition of Fuji Facility Service in recent three fiscal years			
Fiscal year	FY03/18	FY03/19	FY03/20
Net assets	¥2,813,368,000	¥2,887,663,000	¥2,938,853,000
Total assets	¥4,156,013,000	¥4,116,106,000	¥4,042,660,000
Net assets per share	¥6,546	¥6,716	¥6,838
Net sales	¥2,243,153,000	¥1,995,299,000	¥1,833,100,000
Operating profit	¥110,140,000	¥117,514,000	¥86,450,000
Ordinary profit	¥111,180,000	¥106,635,000	¥88,287,000
Profit	¥66,150,000	¥80,741,000	¥57,635,000
Earnings per share	¥153	¥187	¥134
Dividends per share	¥15	¥15	—

## 3. Overview of main counterparties to the share acquisition

(1) Name	AIG Harmony Co. Ltd.
(2) Location	1-2-4 Kinshi, Sumida-ku, Tokyo
(3) Name and title of representative	Naoki Nishida, Representative Director
(4) Businesses	Special subsidiary (provides contracted services to group)
(5) Capital	¥20 million
(6) Date of establishment	2017 (change of company name)
(7) Net assets	¥83 million

(8) Total assets	¥220 million	
(9) Major shareholder and shareholding ratio	AIG Business Partners KK 100%	
(10) Relationship with First Brothers	Capital relationship	Not applicable.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Status as a related party	Not applicable.

(1) Name	AIG General Insurance Company, Ltd.	
(2) Location	4-3-20 Toranomom, Minato-ku, Tokyo	
(3) Name and title of representative	Kenneth Reilly, Representative Director	
(4) Businesses	Non-life insurance business	
(5) Capital	¥13.7 billion	
(6) Date of establishment	1946	
(7) Net assets	¥87.5 billion	
(8) Total assets	¥824.5 billion	
(9) Major shareholder and shareholding ratio	AIG Japan Holdings Kabushiki Kaisha 100%	
(10) Relationship with First Brothers	Capital relationship	Not applicable.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Status as a related party	Not applicable.

Note: A breakdown of the shareholding ratios for the other shareholders (15 companies, three individuals) of Fuji Facility Service is shown below. We refrain from disclosing further details about these shareholders at their request.

	Shareholding ratios	Relationship with Fuji Facility Service
1	9.31%	Business partner of Fuji Facility Service
2	9.31%	Business partner of Fuji Facility Service
3	9.31%	Business partner of Fuji Facility Service
4	4.89%	Business partner of Fuji Facility Service
5	4.84%	Business partner of Fuji Facility Service

6	4.65%	Business partner of Fuji Facility Service
7	4.65%	Business partner of Fuji Facility Service
8	4.19%	Business partner of Fuji Facility Service
9	4.19%	Business partner of Fuji Facility Service
10	4.19%	Business partner of Fuji Facility Service
11	4.19%	Business partner of Fuji Facility Service
12	4.19%	Business partner of Fuji Facility Service
13	2.33%	Business partner of Fuji Facility Service
14	2.33%	Business partner of Fuji Facility Service
15	1.16%	Business partner of Fuji Facility Service
16	2.10%	Director at Fuji Facility Service
17	2.09%	Director at Fuji Facility Service
18	2.09%	Director at Fuji Facility Service

4. Number of shares to be acquired, acquisition price, and share ownership before and after acquisition

(1) Shares held before the acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.00%)
(2) Number of shares to be acquired	429,740 shares (Number of voting rights: 429,740)
(3) Acquisition price	Total for common shares of Fuji Facility Service and advisory fees, etc. (estimate): ¥2,173 million
(4) Shares held after the acquisition	429,740 shares (Number of voting rights: 429,740) (Percentage of voting rights held: 100.00%)

Note: In addition to the above, Fuji Facility Service is scheduled to repay loans (roughly ¥390 million) received from financial institutions, and First Brothers plans to provide the funds to cover the repayments. Adding these funds to the aforementioned acquisition price for the shares brings the total to ¥2,600 million (estimate).

5. Schedule

(1) Board of Directors resolution date	July 10, 2020
(2) Contract signing date	July 13-27, 2020 (scheduled)
(3) Share transfer date	End-July 2020 (scheduled)

6. Outlook

We are currently reviewing the impact of this transaction on our consolidated results for FY11/20, and shall promptly make an announcement should any matters arise that warrant disclosure.