

October 14, 2016

For Immediate Release

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### **Consolidated Subsidiary to Borrow Capital**

First Brothers Capital, Co., Ltd., a consolidated subsidiary of First Brothers Co., Ltd., announced that it passed a resolution to borrow capital at its Board of Directors meeting on October 14, 2016. We note that the parent company, First Brothers Co., Ltd., also passed a resolution approving the loans at its own board meeting, which was held the same day.

#### **1. Purpose of the loans**

One of the basic policies of the growth strategy of the First Brothers Group is to invest in prime real estate for commercial leasing as a potential steady income stream. The company plans to use this borrowed capital, along with other funds, to acquire real estate (trust beneficiary rights) in line with its growth strategy.

#### **2. Borrowings**

| Lender            | Loan             | Execution date   | Loan period |
|-------------------|------------------|------------------|-------------|
| Mizuho Bank, Ltd. | 1.01 billion yen | October 21, 2016 | 15 years    |

Note: We refrain from disclosing the interest rates on these loans. But we point out that the interest rates on these loans are ordinary rates.

#### **3. Forecast**

We factored the impact of the loan into our consolidated earnings forecasts for the fiscal year ending November 30, 2016, which we released on October 7, 2016. However, we will immediately disclose any important or sensitive matters warranting disclosure that may arise from future examination of these loans.