

December 21, 2016

For Immediate Release

Company name: First Brothers Co., Ltd.
President: Tomoki Yoshihara
(TSE First Section, Stock code: 3454)
Inquiries: Chief Financial Officer
Yoshinobu Hotta
(Tel: +81-3-5219-5370)

Conversion of Development Company into Consolidated Subsidiary

First Brothers Co., Ltd. plans to convert First Brothers Development Co., Ltd. (formerly FBE Co., Ltd.) into a consolidated subsidiary, from its current status as a non-consolidated subsidiary. This reflects the growing importance of the company and its operations to the First Brothers Group.

1. Reasons for conversion into a consolidated subsidiary

One of growth strategies of the First Brothers Group is to invest in fields where the group's strengths can be leveraged. We recognize the field of renewable energy as being a promising investment target. After repeated examinations of various possibilities, we decided to embark on the full-fledged commercialization of the geothermal electric power business, which is one area in the field of renewable energy. In addition, we restructured First Brothers Development Co., Ltd. (formerly FBE Co., Ltd.) to promote a development business that will engage in social infrastructure investment overall. First Brothers Development has been set up as a company with a Board of Directors and Audit & Supervisory Board. In addition, we hiked the capital of First Brothers Development to ¥50 million (from a previous ¥1 million). In light of this, we believe First Brothers Development should play a more important role in the group going forward. We therefore converted it into a consolidated subsidiary from the start of the fiscal year ending November 30, 2017.

2. Summary of First Brothers Development Co., Ltd.

Current as of December 21, 2016

Name	First Brothers Development Co., Ltd.
Address	(Head office) 2-4-1 Marunouchi, Chiyoda-ku, Tokyo (Branch office) 1-9-17 Tenjin, Chuo-ku, Fukuoka City, Fukuoka Prefecture

Board of Directors (Main concurrent post)	President Yasushi Kotani (First Brothers Capital Co., Ltd. Director Head of Renewable Energy Investment) Executive Taichi Kano Director (First Brothers Capital Co., Ltd. President) Executive Akihito Sato Director (First Brothers Capital Co., Ltd. Executive Officer) Executive Yoshinobu Hotta Director (First Brothers Co., Ltd. Chief Financial Officer)
Business profile	Geothermal electric power business, social infrastructure investment and infrastructure development
Capital	JPY 50,000,000
Shareholder (ownership ratio)	First Brothers Co., Ltd. (100%)

3. Outlook

First Brothers Development Co., Ltd. is commercializing its geothermal electric power operations and is also considering investing in social infrastructure in general. Given that commercialization will require several years, we forecast the impact to earnings from this consolidated subsidiary should be minimal in the fiscal year ending November 30, 2017. Note that we plan to announce our consolidated earnings forecasts for the fiscal year ending November 30, 2017 on January 13, 2017.