

July 14, 2017

For Immediate Release

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**Stock Split, Concurrent Amendment to Articles of Incorporation & Dividend Payout Plan
Revision**

First Brothers Co., Ltd. announced that its Board of Directors, at a meeting held on July 14, 2017, approved the following stock split, a concurrent amendment to the Articles of Incorporation, and a revision to its dividend payout plan.

1. Purpose of the Stock Split

The objective of the stock split is to improve share liquidity and increase opportunities for a wider range of investors to invest in First Brothers. Our goal is to create an environment that facilitates investment in our shares by making our 100-share round lots more affordable.

2. Summary of Stock Split

(1) Stock split method

Shareholders listed in the shareholders' register as of the end of the business day on the base date, which is tentatively set for August 31, 2017 (Thursday), will receive two common shares for each common share they currently own.

(2) Increase in shares owing to the stock split

(1) Total number of shares outstanding prior to the stock split	7,222,500 shares
(2) Increase in the number of shares owing to the stock split	7,222,500 shares
(3) Total number of shares outstanding after the stock split	14,445,000 shares
(4) Total number of authorized shares after the stock split	46,000,000 shares

(3) Schedule

(1) Announcement of the base date	August 16, 2017 (tentative)
(2) Base date	August 31, 2017 (tentative)
(3) Date split takes effect	September 1, 2017 (tentative)

(4) Adjustments to stock warrants

In conjunction with the stock split, in accordance with issuance guidelines, we will make the following adjustments to stock warrants granted as stock options on or after September 1, 2017.

Security	Exercise price		No. of shares issuable per warrant	
	Prior to adjustment	Post-adjustment	Prior to adjustment	Post-adjustment
No. 1 stock warrant	¥2,040	¥1,020	100 shares	200 shares

(5) Other

There was no change in capital due to this stock split.

3. Amendment to the Articles of Incorporation Concurrent with the Stock Split

(1) Reason for amending the Articles of Incorporation

We will amend the total number of shares outstanding in Article 6 of our Articles of Incorporation in accordance with the provisions stipulated in Paragraph 2, Article 184 of the Companies Act to reflect the stock split.

(2) Changes to be made to the Articles of Incorporation

The following changes are to be made.

(The underlined section is the amended portion)

Current article	Revised article
Article 6 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>23,000,000</u> shares.	Article 6 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>46,000,000</u> shares.

(3) Amendment to Articles of Incorporation

The amendment is set to take effect on September 1, 2017 (Friday).

4. Revision to the Dividend Payout Plan

Concurrent with the 2-for-1 stock split, we plan to revise the fiscal year-end dividend payout plan as follows for the fiscal year ending November 30, 2017. The fiscal year-end dividend payout plan was included in the Summary of Consolidated Financial Results for the Year Ended November 30, 2016 (Based on Japanese GAAP), which we released on January 13, 2017.

Note that the revised dividend payout plan reflects the increase in the total number of shares outstanding owing to the stock split. Consequently, the actual per-share dividend payout plan remains the same.

	Annual per-share dividend		
	End-1st Half	End-Fiscal Year	Total
Prior payout plan (Announced Jan. 13, 2017)		¥30.00	¥30.00
Revised payout plan (Prior to factoring in the stock split)		¥15.00 (¥30.00)	¥15.00 (¥30.00)
Dividend paid in the fiscal year ended November 30, 2016	¥0.00	¥50.00 (¥25.00 per common share) (¥25.00 commemorative dividend per share)	¥50.00 (¥25.00 per common share) (¥25.00 commemorative dividend per share)