

June 25, 2018

For Immediate Release

Company name: First Brothers Co., Ltd.
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(TSE First Section, Stock code: 3454)
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Subsidiary to Borrow Capital

First Brothers Capital, Co., Ltd., a consolidated subsidiary of First Brothers Co., Ltd., and G.K. RH-ONE, an unconsolidated subsidiary of First Brothers Co., Ltd., decided to borrow capital on June 25, 2018. 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. In keeping with this growth strategy, the company plans to use a portion of this borrowed capital to acquire real estate (trust beneficiary rights).

2. Borrowings

(1) First Brothers Capital, Co., Ltd.

Lender	Loan	Execution date	Loan period
Mizuho Bank, Ltd.	¥1,160 million	June 27, 2018	15 years

(2) G.K. RH-ONE

Lender	Loan	Execution date	Loan period
Mizuho Bank, Ltd.	¥640 million	June 27, 2018	15 years

Note1: We refrain from disclosing the interest rate on this loan. But we point out that the interest rate on this loan is an ordinary rate.

Note2: G.K. RH-ONE is a Special Purpose Company to acquire real estate (trust beneficiary rights) and will become a consolidated subsidiary of First Brothers Co., Ltd. due to increase importance.

3. Forecast

The impact from this loan to earnings has been factored into earnings forecasts for the fiscal year ending November 30, 2018, which were released on January 12, 2018. However, we will immediately disclose any important or sensitive matters warranting disclosure that may arise from future examination of this loan.