

March 28, 2019

For Immediate Release

Company: First Brothers Co., Ltd.
President: Tomoki Yoshihara
(TSE First Section, Stock code: 3454)
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**Notice of the Conclusion of a Share Transfer Agreement to Acquire Shares in
Higashinihon Fudosan Co., Ltd. (Conversion into a Subsidiary)**

First Brothers Co., Ltd. announces that we resolved at a Board of Directors meeting held on March 28, 2019 to enter into a share transfer agreement to acquire shares in Higashinihon Fudosan Co., Ltd. (hereinafter “Higashinihon Fudosan”) as below and to turn it into our subsidiary.

1. Reasons for the Share Acquisition

It is the policy of our group to achieve sustainable growth together with communities through involvement in real estate in harmony with local communities.

Higashinihon Fudosan has achieved corporate growth while contributing to the development of communities. It has achieved this by building up trust and results through the ownership and operation of many excellent office buildings and commercial facilities as a real estate company rooted in communities over many years in the Tohoku area.

In this way, the business activities of Higashinihon Fudosan are similar to the management policy of our group. With mutual cooperation, we can revitalize local communities and achieve greater growth together. Therefore, we have decided to welcome Higashinihon Fudosan as a company in our group.

We will further refine the trust and results built up over many years by Higashinihon Fudosan in the Tohoku area with its addition to our group. We will then continue to work on realizing a business model in which we will grow together with communities by contributing to regional development from the perspective of long-term and sustainable urban development.

2. Overview of the Subsidiary Being Transferred (Higashinihon Fudosan)

(1) Name	Higashinihon Fudosan Co., Ltd.		
(2) Address	13-1 Kitakawarake-cho, Hirosaki-shi, Aomori		
(3) Name and title of representative	Shihoko Watanabe, President		
(4) Business operations	<ul style="list-style-type: none">● Trade, rental and management of real estate● Renewable energy business		
(5) Capital	¥50,000,000		
(6) Date of establishment	December 23, 1983		
(7) Major shareholders and shareholding ratio	Higashinihon Asset: 56.66% Hiroshi Akimoto: 27.54% Four other individual shareholders: 15.80%		
(8) Relationship between First Brothers Co., Ltd. and Higashinihon Fudosan	Capital relationship	There are no relevant matters.	
	Personnel relationship	There are no relevant matters.	
	Business relationship	There are no relevant matters.	
(9) Business results and financial condition for the last three years of Higashinihon Fudosan			
Fiscal year	Fiscal Year Ended February 29, 2016	Fiscal Year Ended February 28, 2017	Fiscal Year Ended February 28, 2018
Net assets	¥1,294,930,000	¥1,489,468,000	¥1,659,363,000
Total assets	¥8,112,595,000	¥9,721,698,000	¥11,059,522,000
Net assets per share	¥71,941	¥4,137	¥4,609
Sales	¥1,444,747,000	¥1,721,660,000	¥1,844,580,000
Operating income	¥336,861,000	¥444,778,000	¥493,939,000
Ordinary income	¥226,307,000	¥310,631,000	¥325,907,000
Net income	¥276,236,000	¥194,458,000	¥169,931,000
Net income per share	¥15,346	¥540	¥472
Dividend per share	-	-	-

Note: Higashinihon Fudosan performed a stock split at a ratio of 20 shares per common share in the fiscal year ended February 28, 2017.

3. Overview of the Other Major Party in the Share Acquisition (Higashinihon Asset)

(1) Name	HIGASHINIHON ASSET	
(2) Address	Hirosaki-shi, Aomori	
(3) Name and title of representative	Hiroshi Akimoto, Director	
(4) Business operations	Acquisition, possession and management of marketable securities	
(5) Capital	¥3,000,000	
(6) Date of establishment	April 8, 2004	
(7) Net assets	-	
(8) Total assets	-	
(9) Major shareholder and shareholding ratio	Hiroshi Akimoto: 100%	
(10) Relationship between First Brothers Co., Ltd. and HIGASHINIHON ASSET	Capital relationship	There are no relevant matters.
	Personnel relationship	There are no relevant matters.
	Business relationship	There are no relevant matters.
	Applicable situation with the relevant parties	There are no relevant matters.

Note: HIGASHINIHON ASSET is a privately held company. We have not disclosed its net assets and total assets at its request.

(1) Name	Hiroshi Akimoto
(2) Address	Hirosaki-shi, Aomori
(3) Relationship between First Brothers Co., Ltd. and Hiroshi Akimoto	There are no capital, personnel or business relationships that need to be mentioned.

Note: We have not disclosed an overview of the four other individual shareholders at their request.

4. Number of Shares to Be Acquired, Acquisition Price and Shares Owned Before/After the Acquisition

(1) Number of shares owned before the transfer	0 (Number of voting rights: 0)
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	(Percentage of voting rights owned: 0.00%)
(2) Number of shares to be acquired	225,000 (Number of voting rights: 225,000)
(3) Acquisition price	Total of the common shares of Higashinihon Fudosan and advisory expenses (approximate amount): ¥2,659,000,000
(4) Number of shares owned after the transfer	225,000 (Number of voting rights: 225,000) (Percentage of voting rights owned: 100.00%)

Note: The total number of issued shares in Higashinihon Fudosan is 360,000. Higashinihon Fudosan plans to acquire the remaining 135,000 shares excluding the shares acquired above as treasury stock on the date of the share transfer. The capital Higashinihon Fudosan needs to acquire the treasury stock is scheduled to be provided by First Brothers Co., Ltd. Accordingly, if we combine those funds with the acquisition price of the above shares, we expect the total to be ¥4,159,000,000 (approximate amount).

5. Schedule

(1) Date of the Resolution of the Board of Directors	March 28, 2019
(2) Date of the conclusion of the agreement	March 29, 2019
(3) Date of the share transfer	April 26, 2019 (scheduled)

6. Future Forecast

The impact on our consolidated results for the fiscal year ending November 30, 2019 due to this matter is currently under careful examination. However, we will immediately make an announcement if any matters arise that need to be disclosed in the future.