January 20, 2020

For Immediate Release

Company name: First Brothers Co., Ltd.
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(TSE First Section, Stock code: 3454)
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Dividend Payment

First Brothers Co., Ltd. hereby announces plans for a dividend payout with a base date of November 30, 2019. The decision was approved at a Board of Directors at a meeting held on January 20, 2020.

That said, the Company's articles of incorporation stipulate that the Company may distribute its retained earnings, by resolution of its Board of Directors, as stipulated in the provisions of Section 1 of Article 459 of the Companies Law.

1. Summary of dividend payout

	Amount	Recent dividend plan (announced January 11, 2019)	Dividend payout in prior fiscal year ended November 30, 2018
Base date	November 30, 2019	November 30, 2019	November 30, 2018
Per-share dividend	¥21.00	¥21.00	¥18.00
Total dividend payout	¥294 million	—	¥252 million
Effective date	February 6, 2020	—	February 12, 2019
Source of capital for dividends	Retained earnings	—	Retained earnings

2. Reason

From the perspective of improving value for our shareholders, First Brothers believes it is important to allocate its internal reserve for future business development. At the same time, we position the distribution of profits to our shareholders as one of our important management initiatives. In the medium/long term, we plan to consistently and continuously pay out a dividend while also raising our

dividend payout in tandem with the growth of our company.

Owing to the nature of our business, earnings at the First Brothers Group are impacted by external catalysts, including macroeconomic trends, such as trends in the real estate market, and the decisions made by our business partners. In particular, the group's earnings may fluctuate sharply in the short term due to the outcome of a specific transaction and the timing of returns given that the amount invested into each individual real estate project is fairly large.

In light of this we are employing the dividend on equity (DOE) ratio as a standard as opposed to the dividend payout ratio where the dividend would fluctuate each fiscal year in tandem with earnings trends. We believe the DOE ratio is a more suitable standard given that it moves in line with shareholders' equity, which is relatively more stable and generally trends upward.

Accordingly, our basic policy is to consistently and continuously pay out an annual year-end dividend that does not fluctuate in tandem with short term earnings. Taking into account factors such as the necessary level of internal reserve, in principle we aim to attain a DOE ratio of 2.0%.

That said, at the end of the fiscal year ending November 30, 2020, we plan a per-share dividend payout of ¥24.00, which is based on a DOE ratio of 2.0%.

(Reference) Breakdown of annual dividend

	Per-share dividend payout		
Base date	Interim	Year-end	Total
Dividend forecast (FY-ending November 30, 2020)	¥0.00	¥24.00	¥24.00
Dividend paid (FY-ended November 30, 2019)	¥0.00	¥21.00	¥21.00
Prior dividend payout (FY-ended November 30, 2018)	¥0.00	¥18.00	¥18.00