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For Immediate Release

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### **Notice on Capital Loan Acceptance by First Brothers and a Consolidated Subsidiary**

First Brothers Co., Ltd. announces the decision for First Brothers and its consolidated subsidiary First Brothers Capital Co., Ltd. to accept capital loans. Details are as outlined below.

#### **1. Purpose of the loans**

One of the basic policies the First Brothers Group outlines in its growth strategy is the acquisition of quality rental properties that can produce stable revenues. To advance that strategy, First Brothers will accept a capital loan that will be applied towards acquiring all shares of a company solely engaged in real estate retention.

Note: The impact of the target company on First Brothers Group consolidated financial statements is minor. Due to the existence of a non-disclosure agreement, we will refrain from disclosing details concerning the company in question

#### **2. Borrowings**

| Borrower                         | Lender          | Loan         | Execution date | Loan period |
|----------------------------------|-----------------|--------------|----------------|-------------|
| First Brothers Co., Ltd.         | Chiba Bank Ltd. | ¥525 million | Feb. 28, 2020  | 25 years    |
| First Brothers Capital Co., Ltd. | Chiba Bank Ltd. | ¥525 million | Feb. 28, 2020  | 25 years    |

Note: 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.

#### **3. Forecast**

We have reflected the impact of this loan transactions on earnings into the FY2020 consolidated earnings forecast released on January 10, 2020. We will quickly publish additional information in the event future evaluation reveals matters for disclosure.