

January 20, 2021

For Immediate Release

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(TSE First Section, Stock code: 3454)
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Notice on Dividend Payment

First Brothers Co., Ltd. hereby announces plans for a dividend payout with a record date of November 30, 2020. The decision was approved by a resolution at our Board of Directors meeting held on January 20, 2021.

Our articles of incorporation stipulate that we may distribute our retained earnings, by resolution of the Board of Directors, as stipulated in the provisions of Section 1 of Article 459 of the Companies Act.

1. Dividend payout details

	Resolved payout	Most recent forecast (announced January 10, 2020)	Previous payout (fiscal year ended November 30, 2019)
Record Date	November 30, 2020	November 30, 2020	November 30, 2019
Dividend per share	¥24.00	¥24.00	¥21.00
Total dividend payout	¥336 million	—	¥294 million
Effective date	February 5, 2021	—	February 6, 2020
Source of payout	Retained earnings	—	Retained earnings

2. Reason

We are committed to building shareholder value by investing our internal reserves in future business growth, while optimal distribution of profits to our shareholders is also one of our highest corporate management priorities. We have a dividend policy under which we aim to make stable and consistent payouts every year and align dividend growth with our long-term corporate growth.

Owing to the nature of our business, earnings at the First Brothers Group are susceptible to external influences such as real estate prices and other macroeconomic trends as well as decisions made by our business partners. Real estate investments in particular have the potential to cause substantial short-term volatility in our Group earnings since the relatively large sums involved in many of the transactions means that periodic profits are often influenced by the end results or timing of certain deals.

We therefore determine dividend amounts on the basis of the dividend on equity (DOE) ratio. Since it is pegged to shareholders' equity, which is relatively stable and tends to plot a growth trend, we find DOE a more suitable yardstick than the dividend payout ratio, which is pegged to annual profits, meaning dividend amounts would fluctuate from year to year.

Accordingly, we have adopted a dividend policy for stable and consistent annual year-end payouts regardless of any short-term earnings volatility. Taking into account factors such as the necessary level of internal reserves, in principle we target a DOE ratio of 2.0%.

Regarding dividends for the fiscal year ending November 30, 2021, we plan a per-share dividend payout of ¥27.00, which is based on a DOE ratio of 2.0%.

(Reference) Breakdown of annual dividend

Record date	Per-share dividend payout		
	Interim	Year-end	Total
Dividend forecast (FY-ending November 30, 2021)	¥0.00	¥27.00	¥27.00
Dividend forecast (FY-ended November 30, 2020)	¥0.00	¥24.00	¥24.00
Dividend forecast (FY-ended November 30, 2019)	¥0.00	¥21.00	¥21.00