

August 8, 2025

For Immediate Release

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(TSE Standard Market, Stock code: 3454)
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**Notice Regarding Share Acquisition by Consolidated Subsidiary
(Conversion into Second-Tier Subsidiary) and Change in Specified Subsidiary**

On August 8, 2025, First Brothers Co., Ltd. decided to acquire all issued shares of Sugawara Cold Storage Co., Ltd. through consolidated subsidiary Higashinihon Fudosan Co., Ltd., thereby converting the former into a second-tier consolidated subsidiary. Higashinihon Fudosan approved the acquisition on the same date.

As Sugawara Cold Storage's stated capital is equivalent to at least 10% of First Brothers' stated capital, it will qualify as a specified subsidiary.

1. Reasons for Share Acquisition

To ensure corporate value growth over the medium to long term, the First Brothers Group focuses on sustainable growth and contribution to local communities as key strategic pillars of its approach toward management. In particular, consolidated subsidiary Higashinihon Fudosan (headquartered in Hirosaki City, Aomori Prefecture) has been addressing regional challenges while proactively investing in high-potential regional assets.

Sugawara Cold Storage—the target of this share acquisition—is based in Hirosaki City, Aomori Prefecture and operates cold/frozen storage warehouses. By providing storage for apple juice, a local specialty, it has supported the regional food-processing industry while serving as a key component of local logistics infrastructure. However, Sugawara Cold Storage has recently faced succession-related challenges due to its lack of next-generation leadership.

In response to these challenges, Higashinihon Fudosan will acquire 100% of Sugawara Cold Storage's shares and assume control of its management, thereby strengthening its operating platform, facilitating a strategic approach to broader succession issues impacting the regional economy, and supporting sustainable and stable maintenance of logistics infrastructure vital to the community.

We also plan to capitalize on Higashinihon Fudosan's locally rooted capabilities and expertise by drawing out the latent value of the asset portfolio and expanding into adjacent businesses, thereby expanding earning opportunities.

First Brothers regards this acquisition as a significant ESG investment that will simultaneously address succession shortages and enhance the medium- to long-term value of its corporate group. Moving forward, the First Brothers Group will continue to pursue sustainable growth in partnership with local communities.

2. Overview of Share-Acquiring Consolidated Subsidiary

(1) Name	Higashinihon Fudosan Co., Ltd.
(2) Location	13-1 Kitakawarakecho, Hirosaki, Aomori
(3) Title and name of representative	President Masakazu Suto
(4) Business	Undertakes real estate-related business activities in the Tohoku region
(5) Capital	¥50 million
(6) Major shareholder and shareholding ratio	First Brothers Co., Ltd. (99.52%)

3. Overview of Specified Subsidiary to Be Transferred

(1) Name	Sugawara Cold Storage Co., Ltd.		
(2) Location	2-9-4 Minami-Omachi, Hirosaki, Aomori		
(3) Title and name of representative	President Yoshiaki Saito		
(4) Business	Warehousing		
(5) Capital	¥12 million		
(6) Established	January 8, 1990 (from certified copy of register)		
(7) Major shareholders and shareholding ratios	Sachiko Saito 54.6% Yoshiaki Saito 45.4%		
(8) Relationship with First Brothers	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
(9) Operating results and financial condition of Sugawara Cold Storage over the most recent three fiscal years			
Fiscal year	FY06/22	FY06/23	FY06/24
Net assets	¥40,716,000	¥38,833,000	¥33,071,000
Total assets	¥63,232,000	¥59,963,000	¥55,965,000
Net assets per share	¥169,651	¥161,807	¥137,796
Net sales	¥45,651,000	¥47,579,000	¥42,781,000
Operating profit	¥(2,375,000)	¥(1,902,000)	¥(4,964,000)
Ordinary profit	¥(1,734,000)	¥(1,902,000)	¥(4,414,000)
Profit	¥(1,914,000)	¥(1,882,000)	¥(5,762,000)
Earnings per share	¥(7,977)	¥(7,843)	¥(24,010)
Dividends per share	¥0	¥0	¥0

4. Overview of Main Parties from Whom Shares Will Be Acquired

(1) Name	Sachiko Saito
(2) Location	Hirosaki, Aomori
(3) Relationships with First Brothers	No capital, personal, or business relationships

(1) Name	Yoshiaki Saito
(2) Location	Hirosaki, Aomori
(3) Relationships with First Brothers	No capital, personal, or business relationships

5. Number of shares to be acquired, acquisition price, and share ownership before and after acquisition

(1) Shares held prior to acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.00%)
(2) Number of shares to be acquired	240 shares (Number of voting rights: 240)
(3) Acquisition price	Total for common shares of Sugawara Cold Storage and advisory fees, etc. (estimate): ¥6,760,000
(4) Shares to be held following acquisition	240 shares (Number of voting rights: 240) (Percentage of voting rights held: 100.00%)

6. Schedule

(1) Resolution date	August 8, 2025
(2) Date of agreement	August 8, 2025
(3) Share transfer date	August 8, 2025

7. Outlook

First Brothers is currently reviewing the impact of this transaction on its consolidated results for the fiscal year ending November 30, 2025. Our current projections indicate this impact will be negligible. Should any matters requiring disclosure arise, First Brothers will promptly deliver a corresponding announcement.