

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: Br. Holdings Corporation
 Stock exchange listing: Tokyo
 Stock code: 1726 URL <https://www.brhd.co.jp>
 Representative: President Kimiyasu Fujita
 Director, General Manager, Administration
 Inquiries: Division Takeshi Amatsu TEL 082-261-2860
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	17,551	(1.7)	1,080	8.6	1,093	11.0	717	18.6
Six months ended September 30, 2020	17,860	29.6	995	144.2	985	146.3	604	183.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	15.91		15.77	
Six months ended September 30, 2020	15.59		15.43	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	32,245	12,778	39.3	280.59
As of March 31, 2021	32,649	12,152	36.9	267.80

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	5.00	–	6.00	11.00
Year ending March 31, 2022	–	6.00			
Year ending March 31, 2022 (Forecast)			–	6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	39,000	–	2,350	–	2,300	–	1,500	–	33.28

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	45,795,000 shares	As of March 31, 2021	45,795,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	622,596 shares	As of March 31, 2021	802,596 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	45,070,109 shares	Six months ended September 30, 2020	38,786,552 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,730	4,058
Notes receivable, accounts receivable from completed construction contracts and other	19,776	17,757
Costs on construction contracts in progress	635	576
Merchandise and finished goods	1,392	1,236
Work in process	97	158
Raw materials and supplies	116	159
Accounts receivable - other	1,902	2,108
Other	17	28
Total current assets	26,669	26,085
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,314	2,268
Land	2,081	2,201
Other, net	790	763
Total property, plant and equipment	5,186	5,234
Intangible assets	95	98
Investments and other assets		
Investment securities	410	459
Deferred tax assets	152	231
Other	158	161
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	698	827
Total non-current assets	5,980	6,160
Total assets	32,649	32,245

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,572	4,682
Electronically recorded obligations - operating	2,267	2,042
Short-term borrowings	5,300	4,300
Current portion of long-term borrowings	1,300	1,000
Income taxes payable	748	444
Deposits received	1,039	943
Advances received on construction contracts in progress	829	2,606
Provision for bonuses	–	311
Provision for loss on construction contracts	148	149
Provision for warranties for completed construction	18	18
Other	1,374	590
Total current liabilities	17,597	17,090
Non-current liabilities		
Long-term borrowings	2,750	2,250
Other	149	126
Total non-current liabilities	2,899	2,376
Total liabilities	20,497	19,467
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,776	2,794
Retained earnings	6,386	6,890
Treasury shares	(318)	(247)
Total shareholders' equity	11,958	12,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	122
Total accumulated other comprehensive income	90	122
Share acquisition rights	103	103
Total net assets	12,152	12,778
Total liabilities and net assets	32,649	32,245

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	17,860	17,551
Cost of sales	15,604	15,127
Gross profit	2,256	2,424
Selling, general and administrative expenses	1,261	1,343
Operating profit	995	1,080
Non-operating income		
Interest and dividend income	4	3
Gain on sale of scraps	6	21
Other	14	15
Total non-operating income	25	41
Non-operating expenses		
Interest expenses	21	14
Construction guarantee fee	14	14
Other	0	0
Total non-operating expenses	35	28
Ordinary profit	985	1,093
Profit before income taxes	985	1,093
Income taxes - current	517	495
Income taxes - deferred	(136)	(119)
Total income taxes	380	375
Profit	604	717
Profit attributable to owners of parent	604	717

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	604	717
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	31
Total other comprehensive income	(19)	31
Comprehensive income	585	748
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	585	748
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	985	1,093
Depreciation	159	160
Share-based payment expenses	104	89
Increase (decrease) in provision for bonuses	283	311
Increase (decrease) in provision for loss on construction contracts	–	3
Interest and dividend income	(4)	(3)
Interest expenses	21	14
Decrease (increase) in trade receivables	(2,797)	2,600
Decrease (increase) in costs on construction contracts in progress	(278)	15
Decrease (increase) in inventories	(106)	(352)
Decrease (increase) in accounts receivable - other	(669)	(175)
Increase (decrease) in trade payables	(500)	(114)
Increase (decrease) in advances received on construction contracts in progress	534	1,777
Increase (decrease) in deposits received	(130)	(95)
Other, net	253	(803)
Subtotal	(2,145)	4,519
Interest and dividends received	4	3
Interest paid	(20)	(14)
Income taxes paid	(392)	(758)
Net cash provided by (used in) operating activities	(2,553)	3,749
Cash flows from investing activities		
Payments into time deposits	(742)	(243)
Proceeds from withdrawal of time deposits	800	–
Purchase of property, plant and equipment	(192)	(344)
Purchase of intangible assets	(1)	(9)
Purchase of investment securities	(0)	(0)
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	2	2
Net cash provided by (used in) investing activities	(134)	(595)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,900	(1,000)
Repayments of long-term borrowings	(500)	(800)
Dividends paid	(193)	(269)
Repayments of lease obligations	(0)	–
Net cash provided by (used in) financing activities	2,205	(2,069)
Net increase (decrease) in cash and cash equivalents	(481)	1,085
Cash and cash equivalents at beginning of period	2,312	2,565
Cash and cash equivalents at end of period	1,830	3,650