

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 7, 2023

Company name: Br. Holdings Corporation
 Stock exchange listing: Tokyo
 Stock code: 1726 URL <https://www.brhd.co.jp>
 Representative: President Kimiyasu Fujita
 Inquiries: Accounting Manager Hiroaki Kawano TEL 082-261-2860
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	26,144	(2.1)	803	(49.3)	816	(49.5)	490	(52.6)
Nine months ended December 31, 2021	26,715	(5.7)	1,585	(16.5)	1,617	(14.2)	1,034	(13.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	10.82		10.73	
Nine months ended December 31, 2021	22.93		22.73	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	40,913	13,309	32.3	290.82
As of March 31, 2022	33,961	13,296	38.8	292.06

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, 2022	–	6.00	–	6.00	12.00
Year ending March 31, 2023	–	6.00	–		
Year ending March 31, 2023 (Forecast)				6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	35,000	(2.5)	1,550	(32.3)	1,500	(34.7)	1,000	(34.5)	22.06

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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: No
- 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 December 31, 2022	45,795,000 shares	As of March 31, 2022	45,795,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	384,596 shares	As of March 31, 2022	622,596 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	45,321,263 shares	Nine months ended December 31, 2021	45,104,332 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	1,556	2,805
Notes receivable, accounts receivable from completed construction contracts and other	20,458	26,483
Costs on construction contracts in progress	376	999
Merchandise and finished goods	1,204	1,408
Work in process	229	331
Raw materials and supplies	136	209
Accounts receivable - other	3,972	2,688
Other	13	63
Total current assets	27,949	34,990
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,398	2,311
Land	2,201	2,201
Other, net	623	591
Total property, plant and equipment	5,223	5,104
Intangible assets	103	125
Investments and other assets		
Investment securities	429	419
Deferred tax assets	123	153
Other	155	138
Allowance for doubtful accounts	(23)	(18)
Total investments and other assets	685	693
Total non-current assets	6,012	5,923
Total assets	33,961	40,913

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,242	5,284
Electronically recorded obligations - operating	1,897	1,986
Short-term borrowings	5,500	13,300
Current portion of long-term borrowings	950	500
Income taxes payable	181	32
Deposits received	1,425	497
Advances received on construction contracts in progress	1,784	2,623
Provision for bonuses	–	110
Provision for loss on construction contracts	155	134
Provision for warranties for completed construction	20	11
Other	580	498
Total current liabilities	17,737	24,980
Non-current liabilities		
Long-term borrowings	2,800	2,500
Other	128	123
Total non-current liabilities	2,928	2,623
Total liabilities	20,665	27,603
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,794	2,773
Retained earnings	7,429	7,376
Treasury shares	(247)	(152)
Total shareholders' equity	13,091	13,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	94
Total accumulated other comprehensive income	101	94
Share acquisition rights	103	103
Total net assets	13,296	13,309
Total liabilities and net assets	33,961	40,913

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	26,715	26,144
Cost of sales	23,184	23,351
Gross profit	3,530	2,792
Selling, general and administrative expenses	1,945	1,989
Operating profit	1,585	803
Non-operating income		
Interest and dividend income	6	7
Gain on sale of scraps	42	37
Other	23	20
Total non-operating income	72	64
Non-operating expenses		
Interest expenses	25	37
Construction guarantee fee	15	13
Other	0	0
Total non-operating expenses	41	52
Ordinary profit	1,617	816
Profit before income taxes	1,617	816
Income taxes - current	603	350
Income taxes - deferred	(20)	(25)
Total income taxes	582	325
Profit	1,034	490
Profit attributable to owners of parent	1,034	490

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,034	490
Other comprehensive income		
Valuation difference on available-for-sale securities	9	(7)
Total other comprehensive income	9	(7)
Comprehensive income	1,043	483
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,043	483
Comprehensive income attributable to non-controlling interests	—	—