

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 16, 2023
 Scheduled date to file Securities Report: June 19, 2023
 Scheduled date to commence dividend payments: June 19, 2023
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	36,022	0.3	1,636	(28.5)	1,624	(29.3)	1,025	(32.8)
Year ended March 31, 2022	35,899	(7.5)	2,289	(24.8)	2,296	(22.3)	1,527	(21.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	22.63	22.43	7.6	4.4	4.5
Year ended March 31, 2022	33.85	33.55	12.1	6.9	6.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	40,355	13,842	34.0	302.57
As of March 31, 2022	33,961	13,296	38.8	292.06

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(5,702)	(76)	6,173	1,820
Year ended March 31, 2022	20	(520)	(639)	1,425

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	6.00	—	6.00	12.00	542	35.5	4.3
Year ended March 31, 2023	—	6.00	—	6.00	12.00	544	53.0	4.0
Year ending March 31, 2024 (Forecast)	—	6.00	—	6.00	12.00		41.9	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	42,000	16.6	2,050	25.3	2,000	23.1	1,300	26.7	28.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	384,596 shares	As of March 31, 2022	622,596 shares
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Average number of shares during the period

Year ended March 31, 2023	45,343,243 shares	Year ended March 31, 2022	45,121,117 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,556	1,837
Notes receivable, accounts receivable from completed construction contracts and other	20,458	28,280
Costs on construction contracts in progress	376	487
Merchandise and finished goods	1,204	1,373
Work in process	229	233
Raw materials and supplies	136	358
Accounts receivable - other	3,972	1,958
Other	13	23
Total current assets	27,949	34,553
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,801	6,834
Machinery, vehicles, tools, furniture and fixtures	5,733	5,843
Land	2,201	2,201
Construction in progress	1	1
Accumulated depreciation and impairment	(9,514)	(9,839)
Total property, plant and equipment	5,223	5,042
Intangible assets		
Software	83	99
Telephone subscription right	20	20
Total intangible assets	103	119
Investments and other assets		
Investment securities	429	427
Deferred tax assets	123	91
Other	155	139
Allowance for doubtful accounts	(23)	(18)
Total investments and other assets	685	640
Total non-current assets	6,012	5,802
Total assets	33,961	40,355

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,242	5,255
Electronically recorded obligations - operating	1,897	2,314
Short-term borrowings	5,500	9,200
Current portion of long-term borrowings	950	1,199
Accounts payable - other	152	168
Income taxes payable	181	149
Accrued consumption taxes	99	21
Deposits received	1,425	249
Advances received on construction contracts in progress	1,784	2,044
Provision for loss on construction contracts	155	20
Provision for warranties for completed construction	20	–
Other	328	196
Total current liabilities	17,737	20,821
Non-current liabilities		
Long-term borrowings	2,800	5,566
Other	128	124
Total non-current liabilities	2,928	5,691
Total liabilities	20,665	26,513
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,794	2,773
Retained earnings	7,429	7,912
Treasury shares	(247)	(152)
Total shareholders' equity	13,091	13,647
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	92
Total accumulated other comprehensive income	101	92
Share acquisition rights	103	103
Total net assets	13,296	13,842
Total liabilities and net assets	33,961	40,355

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	35,899	36,022
Cost of sales	31,053	31,730
Gross profit	4,845	4,291
Selling, general and administrative expenses	2,556	2,655
Operating profit	2,289	1,636
Non-operating income		
Interest and dividend income	6	7
Gain on sale of scraps	54	47
Other	33	31
Total non-operating income	94	86
Non-operating expenses		
Interest expenses	39	55
Construction guarantee fee	18	18
Financing expenses	28	17
Other	1	6
Total non-operating expenses	87	97
Ordinary profit	2,296	1,624
Profit before income taxes	2,296	1,624
Income taxes - current	772	561
Income taxes - deferred	(2)	37
Total income taxes	769	598
Profit	1,527	1,025
Profit attributable to owners of parent	1,527	1,025

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,527	1,025
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(9)
Total other comprehensive income	10	(9)
Comprehensive income	1,538	1,016
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,538	1,016
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,776	6,386	(318)	11,958
Cumulative effects of changes in accounting policies			57		57
Restated balance	3,114	2,776	6,443	(318)	12,015
Changes during period					
Dividends of surplus			(540)		(540)
Profit attributable to owners of parent			1,527		1,527
Disposal of treasury shares		17		71	89
Net changes in items other than shareholders' equity					
Total changes during period	–	17	986	71	1,075
Balance at end of period	3,114	2,794	7,429	(247)	13,091

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	90	90	103	12,152
Cumulative effects of changes in accounting policies				57
Restated balance	90	90	103	12,209
Changes during period				
Dividends of surplus				(540)
Profit attributable to owners of parent				1,527
Disposal of treasury shares				89
Net changes in items other than shareholders' equity	10	10	–	10
Total changes during period	10	10	–	1,086
Balance at end of period	101	101	103	13,296

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,114	2,794	7,429	(247)	13,091
Changes during period					
Dividends of surplus			(543)		(543)
Profit attributable to owners of parent			1,025		1,025
Disposal of treasury shares		(21)		94	73
Net changes in items other than shareholders' equity					
Total changes during period	–	(21)	482	94	555
Balance at end of period	3,114	2,773	7,912	(152)	13,647

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	101	101	103	13,296
Changes during period				
Dividends of surplus				(543)
Profit attributable to owners of parent				1,025
Disposal of treasury shares				73
Net changes in items other than shareholders' equity	(9)	(9)	–	(9)
Total changes during period	(9)	(9)	–	546
Balance at end of period	92	92	103	13,842

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,296	1,624
Depreciation	349	364
Share-based payment expenses	89	73
Increase (decrease) in allowance for doubtful accounts	(1)	(5)
Increase (decrease) in provision for loss on construction contracts	8	(134)
Increase (decrease) in provision for warranties for completed construction	1	(20)
Interest and dividend income	(6)	(7)
Interest expenses	39	55
Decrease (increase) in trade receivables	(601)	(7,822)
Decrease (increase) in costs on construction contracts in progress	215	(110)
Decrease (increase) in other inventories	(351)	(395)
Decrease (increase) in accounts receivable - other	(2,071)	1,931
Increase (decrease) in trade payables	299	430
Increase (decrease) in advances received on construction contracts in progress	961	259
Increase (decrease) in accrued consumption taxes	(405)	4
Increase (decrease) in deposits received	386	(1,176)
Decrease (increase) in other assets	2	(15)
Increase (decrease) in other liabilities	136	(118)
Other loss (gain)	0	(0)
Subtotal	1,349	(5,058)
Interest and dividends received	6	7
Interest paid	(40)	(57)
Income taxes paid	(1,295)	(592)
Net cash provided by (used in) operating activities	20	(5,702)
Cash flows from investing activities		
Payments into time deposits	(446)	(446)
Proceeds from withdrawal of time deposits	480	560
Purchase of property, plant and equipment	(529)	(154)
Purchase of intangible assets	(28)	(47)
Purchase of investment securities	(1)	(11)
Loan advances	(0)	(1)
Proceeds from collection of loans receivable	5	24
Net cash provided by (used in) investing activities	(520)	(76)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	3,700
Proceeds from long-term borrowings	1,000	4,000
Repayments of long-term borrowings	(1,300)	(983)
Dividends paid	(539)	(543)
Net cash provided by (used in) financing activities	(639)	6,173
Net increase (decrease) in cash and cash equivalents	(1,139)	394
Cash and cash equivalents at beginning of period	2,565	1,425
Cash and cash equivalents at end of period	1,425	1,820