

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 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: November 13, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	18,631	12.8	570	61.5	551	51.2	338	59.6
Six months ended September 30, 2022	16,516	(5.9)	353	(67.3)	364	(66.6)	212	(70.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	7.44		7.38	
Six months ended September 30, 2022	4.69		4.65	

(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, 2023	40,106	14,041	34.8	305.41
As of March 31, 2023	40,355	13,842	34.0	302.57

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, 2023	–	6.00	–	6.00	12.00
Year ending March 31, 2024	–	6.00			
Year ending March 31, 2024 (Forecast)			–	8.00	14.00

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	28.55

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	45,795,000 shares	As of March 31, 2023	45,795,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	104,646 shares	As of March 31, 2023	384,596 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, 2023	45,541,997 shares	Six months ended September 30, 2022	45,276,448 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,837	2,974
Notes receivable, accounts receivable from completed construction contracts and other	28,280	26,712
Costs on construction contracts in progress	487	592
Merchandise and finished goods	1,373	1,967
Work in process	233	158
Raw materials and supplies	358	410
Accounts receivable - other	1,958	1,299
Other	23	28
Total current assets	34,553	34,144
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,278	2,212
Land	2,201	2,201
Other, net	562	575
Total property, plant and equipment	5,042	4,989
Intangible assets	119	116
Investments and other assets		
Investment securities	427	498
Deferred tax assets	91	200
Other	139	175
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	640	856
Total non-current assets	5,802	5,962
Total assets	40,355	40,106

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,255	5,202
Electronically recorded obligations - operating	2,314	2,467
Short-term borrowings	9,200	8,900
Current portion of long-term borrowings	1,199	2,199
Income taxes payable	149	382
Deposits received	249	153
Advances received on construction contracts in progress	2,044	1,627
Provision for bonuses	–	322
Provision for loss on construction contracts	20	29
Other	386	685
Total current liabilities	20,821	21,970
Non-current liabilities		
Long-term borrowings	5,566	3,966
Other	124	127
Total non-current liabilities	5,691	4,093
Total liabilities	26,513	26,064
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,773	2,761
Retained earnings	7,912	7,978
Treasury shares	(152)	(41)
Total shareholders' equity	13,647	13,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	92	140
Total accumulated other comprehensive income	92	140
Share acquisition rights	103	87
Total net assets	13,842	14,041
Total liabilities and net assets	40,355	40,106

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, 2022	Six months ended September 30, 2023
Net sales	16,516	18,631
Cost of sales	14,788	16,567
Gross profit	1,728	2,063
Selling, general and administrative expenses	1,375	1,492
Operating profit	353	570
Non-operating income		
Interest and dividend income	4	4
Gain on sale of scraps	26	18
Other	11	11
Total non-operating income	41	35
Non-operating expenses		
Interest expenses	23	37
Construction guarantee fee	7	13
Other	0	2
Total non-operating expenses	30	54
Ordinary profit	364	551
Profit before income taxes	364	551
Income taxes - current	276	343
Income taxes - deferred	(123)	(130)
Total income taxes	152	212
Profit	212	338
Profit attributable to owners of parent	212	338

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	212	338
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	48
Total other comprehensive income	(12)	48
Comprehensive income	199	387
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	199	387
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	364	551
Depreciation	172	168
Share-based payment expenses	73	84
Increase (decrease) in provision for bonuses	318	322
Increase (decrease) in provision for loss on construction contracts	(13)	8
Interest and dividend income	(4)	(4)
Interest expenses	23	37
Decrease (increase) in trade receivables	(2,219)	1,567
Decrease (increase) in costs on construction contracts in progress	(435)	(104)
Decrease (increase) in inventories	(441)	(570)
Decrease (increase) in accounts receivable - other	917	569
Increase (decrease) in trade payables	(633)	99
Increase (decrease) in advances received on construction contracts in progress	921	(417)
Increase (decrease) in deposits received	(502)	(95)
Other, net	(120)	372
Subtotal	(1,586)	2,589
Interest and dividends received	4	4
Interest paid	(23)	(34)
Income taxes paid	(143)	(112)
Net cash provided by (used in) operating activities	(1,750)	2,446
Cash flows from investing activities		
Payments into time deposits	(243)	(2)
Purchase of property, plant and equipment	(90)	(93)
Purchase of intangible assets	(18)	(4)
Proceeds from collection of loans receivable	24	0
Other, net	(1)	(40)
Net cash provided by (used in) investing activities	(329)	(140)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,500	(300)
Repayments of long-term borrowings	(500)	(599)
Dividends paid	(270)	(272)
Other, net	–	0
Net cash provided by (used in) financing activities	3,729	(1,172)
Net increase (decrease) in cash and cash equivalents	1,649	1,134
Cash and cash equivalents at beginning of period	1,425	1,820
Cash and cash equivalents at end of period	3,075	2,954