

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

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 14, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 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, 2022 (from April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	16,516	(5.9)	353	(67.3)	364	(66.6)	212	(70.4)
Six months ended September 30, 2021	17,551	(1.7)	1,080	8.6	1,093	11.0	717	18.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	4.69		4.65	
Six months ended September 30, 2021	15.91		15.77	

(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, 2022	38,088	13,298	34.6	290.58
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)	22.09

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 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)

Six months ended September 30, 2022	45,276,448 shares	Six months ended September 30, 2021	45,070,109 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,556	3,449
Notes receivable, accounts receivable from completed construction contracts and other	20,458	22,678
Costs on construction contracts in progress	376	812
Merchandise and finished goods	1,204	1,616
Work in process	229	193
Raw materials and supplies	136	201
Accounts receivable - other	3,972	3,049
Other	13	31
Total current assets	27,949	32,032
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,398	2,349
Land	2,201	2,201
Other, net	623	605
Total property, plant and equipment	5,223	5,157
Intangible assets	103	112
Investments and other assets		
Investment securities	429	410
Deferred tax assets	123	255
Other	155	138
Allowance for doubtful accounts	(23)	(18)
Total investments and other assets	685	785
Total non-current assets	6,012	6,055
Total assets	33,961	38,088

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,242	4,254
Electronically recorded obligations - operating	1,897	2,251
Short-term borrowings	5,500	10,000
Current portion of long-term borrowings	950	650
Income taxes payable	181	311
Deposits received	1,425	923
Advances received on construction contracts in progress	1,784	2,705
Provision for bonuses	–	318
Provision for loss on construction contracts	155	141
Provision for warranties for completed construction	20	18
Other	580	491
Total current liabilities	17,737	22,067
Non-current liabilities		
Long-term borrowings	2,800	2,600
Other	128	122
Total non-current liabilities	2,928	2,722
Total liabilities	20,665	24,789
Net assets		
Shareholders' equity		
Share capital	3,114	3,114
Capital surplus	2,794	2,773
Retained earnings	7,429	7,371
Treasury shares	(247)	(152)
Total shareholders' equity	13,091	13,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	89
Total accumulated other comprehensive income	101	89
Share acquisition rights	103	103
Total net assets	13,296	13,298
Total liabilities and net assets	33,961	38,088

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, 2021	Six months ended September 30, 2022
Net sales	17,551	16,516
Cost of sales	15,127	14,788
Gross profit	2,424	1,728
Selling, general and administrative expenses	1,343	1,375
Operating profit	1,080	353
Non-operating income		
Interest and dividend income	3	4
Gain on sale of scraps	21	26
Other	15	11
Total non-operating income	41	41
Non-operating expenses		
Interest expenses	14	23
Construction guarantee fee	14	7
Other	0	0
Total non-operating expenses	28	30
Ordinary profit	1,093	364
Profit before income taxes	1,093	364
Income taxes - current	495	276
Income taxes - deferred	(119)	(123)
Total income taxes	375	152
Profit	717	212
Profit attributable to owners of parent	717	212

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	717	212
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(12)
Total other comprehensive income	31	(12)
Comprehensive income	748	199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	748	199
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,093	364
Depreciation	160	172
Share-based payment expenses	89	73
Increase (decrease) in provision for bonuses	311	318
Increase (decrease) in provision for loss on construction contracts	3	(13)
Interest and dividend income	(3)	(4)
Interest expenses	14	23
Decrease (increase) in trade receivables	2,600	(2,219)
Decrease (increase) in costs on construction contracts in progress	15	(435)
Decrease (increase) in inventories	(352)	(441)
Decrease (increase) in accounts receivable - other	(175)	917
Increase (decrease) in trade payables	(114)	(633)
Increase (decrease) in advances received on construction contracts in progress	1,777	921
Increase (decrease) in deposits received	(95)	(502)
Other, net	(803)	(120)
Subtotal	4,519	(1,586)
Interest and dividends received	3	4
Interest paid	(14)	(23)
Income taxes paid	(758)	(143)
Net cash provided by (used in) operating activities	3,749	(1,750)
Cash flows from investing activities		
Payments into time deposits	(243)	(243)
Purchase of property, plant and equipment	(344)	(90)
Purchase of intangible assets	(9)	(18)
Purchase of investment securities	(0)	(0)
Loan advances	(0)	(0)
Proceeds from collection of loans receivable	2	24
Net cash provided by (used in) investing activities	(595)	(329)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	4,500
Repayments of long-term borrowings	(800)	(500)
Dividends paid	(269)	(270)
Net cash provided by (used in) financing activities	(2,069)	3,729
Net increase (decrease) in cash and cash equivalents	1,085	1,649
Cash and cash equivalents at beginning of period	2,565	1,425
Cash and cash equivalents at end of period	3,650	3,075