

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 5, 2020

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: February 12, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	25,890	43.8	1,339	111.0	1,311	103.1	785	129.5
Nine months ended December 31, 2018	18,007	7.4	634	(45.0)	645	(44.3)	342	(51.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	19.98		19.76	
Nine months ended December 31, 2018	8.75		8.63	

(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, 2019	26,783	6,363	23.4	161.75
As of March 31, 2019	23,017	6,261	26.6	156.24

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, 2019	–	3.00	–	4.00	7.00
Year ending March 31, 2020	–	4.00	–		
Year ending March 31, 2020 (Forecast)				4.00	8.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	34,000	24.4	1,750	26.2	1,700	20.1	1,050	41.6	26.72

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(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, 2019	39,700,000 shares	As of March 31, 2019	39,700,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2019	995,796 shares	As of March 31, 2019	475,996 shares
-------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	39,301,148 shares	Nine months ended December 31, 2018	39,113,733 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	2,812	2,695
Notes receivable, accounts receivable from completed construction contracts and other	9,926	14,291
Costs on construction contracts in progress	3,145	1,648
Merchandise and finished goods	1,238	1,282
Work in process	132	167
Raw materials and supplies	110	134
Accounts receivable - other	310	853
Other	26	81
Total current assets	17,703	21,153
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,635	2,190
Land	2,081	2,081
Other, net	790	570
Total property, plant and equipment	4,508	4,842
Intangible assets	91	79
Investments and other assets		
Investment securities	518	468
Deferred tax assets	61	113
Other	161	152
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	714	707
Total non-current assets	5,314	5,629
Total assets	23,017	26,783

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,706	3,992
Electronically recorded obligations - operating	2,621	2,554
Short-term borrowings	2,400	7,000
Current portion of long-term borrowings	975	624
Income taxes payable	269	198
Advances received on construction contracts in progress	3,541	2,038
Provision for bonuses	–	207
Provision for loss on construction contracts	45	–
Provision for warranties for completed construction	45	35
Other	1,002	1,052
Total current liabilities	14,608	17,704
Non-current liabilities		
Long-term borrowings	2,050	2,600
Other	97	116
Total non-current liabilities	2,147	2,716
Total liabilities	16,756	20,420
Net assets		
Shareholders' equity		
Share capital	1,317	1,317
Capital surplus	889	951
Retained earnings	3,792	4,262
Treasury shares	(30)	(395)
Total shareholders' equity	5,968	6,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	124
Total accumulated other comprehensive income	160	124
Share acquisition rights	133	103
Total net assets	6,261	6,363
Total liabilities and net assets	23,017	26,783

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, 2018	Nine months ended December 31, 2019
Net sales	18,007	25,890
Cost of sales	15,647	22,810
Gross profit	2,359	3,079
Selling, general and administrative expenses	1,725	1,740
Operating profit	634	1,339
Non-operating income		
Interest and dividend income	6	6
Gain on sales of scraps	23	11
Other	18	19
Total non-operating income	49	37
Non-operating expenses		
Interest expenses	15	24
Constraction guarantee fee	15	21
Other	6	19
Total non-operating expenses	37	65
Ordinary profit	645	1,311
Extraordinary losses		
Loss on retirement of non-current assets	7	-
Total extraordinary losses	7	-
Profit before income taxes	638	1,311
Income taxes - current	290	562
Income taxes - deferred	6	(36)
Total income taxes	296	526
Profit	342	785
Profit attributable to owners of parent	342	785

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	342	785
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(35)
Total other comprehensive income	20	(35)
Comprehensive income	363	749
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	363	749
Comprehensive income attributable to non-controlling interests	—	—