

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

May 14, 2021

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 of ordinary general meeting of shareholders: June 18, 2021
 Scheduled date to file Securities Report: June 21, 2021
 Scheduled date to commence dividend payments: June 21, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	38,797	11.6	3,045	41.1	2,954	40.9	1,948	44.4
Year ended March 31, 2020	34,775	27.2	2,158	55.7	2,097	48.2	1,348	81.9

	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, 2021	49.69	49.18	20.7	10.0	7.8
Year ended March 31, 2020	34.45	34.07	20.9	8.5	6.2

(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, 2021	32,649	12,152	36.9	267.80
As of March 31, 2020	26,398	6,871	25.6	174.86

(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, 2021	(3,224)	(194)	3,672	2,565
Year ended March 31, 2020	(2,015)	(630)	2,725	2,312

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, 2020	–	4.00	–	5.00	9.00	351	26.1	5.4
Year ended March 31, 2021	–	5.00	–	6.00	11.00	464	22.1	5.0
Year ending March 31, 2022 (Forecast)	–	6.00	–	6.00	12.00		31.4	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	39,000	–	2,350	–	2,300	–	1,500	–	38.26

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	45,795,000 shares	As of March 31, 2020	39,700,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	802,596 shares	As of March 31, 2020	995,796 shares
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Average number of shares during the period

Year ended March 31, 2021	39,203,387 shares	Year ended March 31, 2020	39,152,728 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,732	2,730
Notes receivable, accounts receivable from completed construction contracts and other	13,907	19,776
Costs on construction contracts in progress	1,416	635
Merchandise and finished goods	1,876	1,392
Work in process	168	97
Raw materials and supplies	157	116
Accounts receivable - other	489	1,902
Other	35	17
Total current assets	20,784	26,669
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,401	6,574
Machinery, vehicles, tools, furniture and fixtures	5,612	5,683
Land	2,081	2,081
Leased assets	19	–
Construction in progress	50	165
Accumulated depreciation and impairment	(9,223)	(9,318)
Total property, plant and equipment	4,943	5,186
Intangible assets		
Software	54	46
Software in progress	–	28
Telephone subscription right	20	20
Total intangible assets	74	95
Investments and other assets		
Investment securities	387	410
Shares of subsidiaries and associates	15	–
Deferred tax assets	83	152
Other	135	158
Allowance for doubtful accounts	(25)	(24)
Total investments and other assets	596	698
Total non-current assets	5,614	5,980
Total assets	26,398	32,649

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	4,756	4,572
Electronically recorded obligations - operating	2,763	2,267
Accounts payable - other	183	277
Short-term borrowings	3,800	5,300
Current portion of long-term borrowings	1,000	1,300
Income taxes payable	337	748
Accrued consumption taxes	183	454
Deposits received	255	1,039
Advances received on construction contracts in progress	1,425	829
Provision for loss on construction contracts	–	148
Provision for warranties for completed construction	35	18
Other	612	642
Total current liabilities	15,353	17,597
Non-current liabilities		
Long-term borrowings	4,050	2,750
Other	123	149
Total non-current liabilities	4,173	2,899
Total liabilities	19,527	20,497
Net assets		
Shareholders' equity		
Share capital	1,317	3,114
Capital surplus	951	2,776
Retained earnings	4,826	6,386
Treasury shares	(395)	(318)
Total shareholders' equity	6,699	11,958
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68	90
Total accumulated other comprehensive income	68	90
Share acquisition rights	103	103
Total net assets	6,871	12,152
Total liabilities and net assets	26,398	32,649

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	34,775	38,797
Cost of sales	30,304	33,215
Gross profit	4,471	5,582
Selling, general and administrative expenses	2,312	2,537
Operating profit	2,158	3,045
Non-operating income		
Interest and dividend income	6	6
Rental income from land and buildings	6	6
Royalty income	1	5
Gain on sale of scraps	14	14
Subsidy income	8	5
Other	10	18
Total non-operating income	47	57
Non-operating expenses		
Interest expenses	35	48
Construction guarantee fee	25	19
Financing expenses	36	47
Share issuance costs	–	32
Other	11	0
Total non-operating expenses	108	148
Ordinary profit	2,097	2,954
Profit before income taxes	2,097	2,954
Income taxes - current	730	1,086
Income taxes - deferred	18	(80)
Total income taxes	748	1,006
Profit	1,348	1,948
Profit attributable to owners of parent	1,348	1,948

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,348	1,948
Other comprehensive income		
Valuation difference on available-for-sale securities	(91)	22
Total other comprehensive income	(91)	22
Comprehensive income	1,257	1,970
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,257	1,970
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317	889	3,792	(30)	5,968
Changes during period					
Issuance of new shares					
Dividends of surplus			(314)		(314)
Profit attributable to owners of parent			1,348		1,348
Purchase of treasury shares				(383)	(383)
Disposal of treasury shares		62		17	80
Net changes in items other than shareholders' equity					
Total changes during period	-	62	1,033	(365)	731
Balance at end of period	1,317	951	4,826	(395)	6,699

	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	160	160	133	6,261
Changes during period				
Issuance of new shares				
Dividends of surplus				(314)
Profit attributable to owners of parent				1,348
Purchase of treasury shares				(383)
Disposal of treasury shares				80
Net changes in items other than shareholders' equity	(91)	(91)	(30)	(122)
Total changes during period	(91)	(91)	(30)	609
Balance at end of period	68	68	103	6,871

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317	951	4,826	(395)	6,699
Changes during period					
Issuance of new shares	1,796	1,796			3,593
Dividends of surplus			(388)		(388)
Profit attributable to owners of parent			1,948		1,948
Purchase of treasury shares					
Disposal of treasury shares		28		76	104
Net changes in items other than shareholders' equity					
Total changes during period	1,796	1,824	1,560	76	5,258
Balance at end of period	3,114	2,776	6,386	(318)	11,958

	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	68	68	103	6,871
Changes during period				
Issuance of new shares				3,593
Dividends of surplus				(388)
Profit attributable to owners of parent				1,948
Purchase of treasury shares				
Disposal of treasury shares				104
Net changes in items other than shareholders' equity	22	22		22
Total changes during period	22	22		5,281
Balance at end of period	90	90	103	12,152

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,097	2,954
Depreciation	342	340
Share-based payment expenses	49	104
Share issuance costs	–	32
Increase (decrease) in allowance for doubtful accounts	(1)	(1)
Increase (decrease) in provision for loss on construction contracts	(45)	148
Increase (decrease) in provision for warranties for completed construction	(10)	(16)
Interest and dividend income	(6)	(6)
Interest expenses	35	21
Decrease (increase) in trade receivables	(3,980)	(5,869)
Decrease (increase) in costs on construction contracts in progress	1,728	781
Decrease (increase) in other inventories	(720)	596
Decrease (increase) in accounts receivable - other	(166)	(1,493)
Increase (decrease) in trade payables	1,191	(679)
Increase (decrease) in advances received on construction contracts in progress	(2,115)	(596)
Increase (decrease) in accrued consumption taxes	9	349
Decrease (increase) in other assets	(1)	(14)
Increase (decrease) in other liabilities	276	888
Subtotal	(1,315)	(2,461)
Interest and dividends received	6	6
Interest paid	(37)	(21)
Income taxes paid	(669)	(749)
Net cash provided by (used in) operating activities	(2,015)	(3,224)
Cash flows from investing activities		
Payments into time deposits	(1,220)	(985)
Proceeds from withdrawal of time deposits	1,380	1,240
Purchase of property, plant and equipment	(780)	(440)
Purchase of intangible assets	(12)	(43)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	0	30
Loan advances	(1)	(0)
Proceeds from collection of loans receivable	5	5
Net cash provided by (used in) investing activities	(630)	(194)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,400	1,500
Proceeds from long-term borrowings	3,000	–
Repayments of long-term borrowings	(975)	(1,000)
Proceeds from issuance of shares	–	3,561
Proceeds from exercise of employee share options	0	–
Purchase of treasury shares	(383)	–
Dividends paid	(313)	(387)
Repayments of lease obligations	(1)	(0)
Net cash provided by (used in) financing activities	2,725	3,672
Net increase (decrease) in cash and cash equivalents	80	252
Cash and cash equivalents at beginning of period	2,232	2,312
Cash and cash equivalents at end of period	2,312	2,565