

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 15, 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: Takeshi Amatsu TEL 082-261-2860
 Division
 Scheduled date of ordinary general meeting of shareholders: June 19, 2020
 Scheduled date to file Securities Report: June 22, 2020
 Scheduled date to commence dividend payments: June 22, 2020
 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, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	34,775	27.2	2,158	55.7	2,097	48.2	1,348	81.9
Year ended March 31, 2019	27,333	15.5	1,386	(17.2)	1,415	(13.3)	741	(27.7)

	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, 2020	34.45	34.07	20.9	8.5	6.2
Year ended March 31, 2019	18.94	18.68	12.8	6.6	5.1

(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, 2020	26,398	6,871	25.6	174.86
As of March 31, 2019	23,017	6,261	26.6	156.24

(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, 2020	(2,015)	(630)	2,725	2,312
Year ended March 31, 2019	(1,372)	(1,013)	1,009	2,232

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, 2019	–	3.00	–	4.00	7.00	274	37.0	4.7
Year ended March 31, 2020	–	4.00	–	5.00	9.00	351	26.1	5.4
Year ending March 31, 2021 (Forecast)	–	5.00	–	5.00	10.00		28.0	

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	36,000	3.5	2,250	4.2	2,150	2.5	1,400	3.8	35.76

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(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, 2020	39,700,000 shares	As of March 31, 2019	39,700,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	995,796 shares	As of March 31, 2019	475,996 shares
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Average number of shares during the period

Year ended March 31, 2020	39,152,728 shares	Year ended March 31, 2019	39,140,923 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	2,812	2,732
Notes receivable, accounts receivable from completed construction contracts and other	9,926	13,907
Costs on construction contracts in progress	3,145	1,416
Merchandise and finished goods	1,238	1,876
Work in process	132	168
Raw materials and supplies	110	157
Accounts receivable - other	310	489
Other	26	35
Total current assets	17,703	20,784
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,644	6,401
Machinery, vehicles, tools, furniture and fixtures	5,366	5,612
Land	2,081	2,081
Leased assets	19	19
Construction in progress	309	50
Accumulated depreciation and impairment loss	(8,914)	(9,223)
Total property, plant and equipment	4,508	4,943
Intangible assets		
Software	71	54
Telephone subscription right	20	20
Other	0	—
Total intangible assets	91	74
Investments and other assets		
Investment securities	518	387
Shares of subsidiaries and associates	15	15
Deferred tax assets	61	83
Other	146	135
Allowance for doubtful accounts	(26)	(25)
Total investments and other assets	714	596
Total non-current assets	5,314	5,614
Total assets	23,017	26,398

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,706	4,756
Electronically recorded obligations - operating	2,621	2,763
Accounts payable - other	222	183
Short-term borrowings	2,400	3,800
Current portion of long-term borrowings	975	1,000
Income taxes payable	269	337
Accrued consumption taxes	164	183
Advances received on construction contracts in progress	3,541	1,425
Provision for loss on construction contracts	45	—
Provision for warranties for completed construction	45	35
Other	615	868
Total current liabilities	14,608	15,353
Non-current liabilities		
Long-term borrowings	2,050	4,050
Other	97	123
Total non-current liabilities	2,147	4,173
Total liabilities	16,756	19,527
Net assets		
Shareholders' equity		
Share capital	1,317	1,317
Capital surplus	889	951
Retained earnings	3,792	4,826
Treasury shares	(30)	(395)
Total shareholders' equity	5,968	6,699
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	68
Total accumulated other comprehensive income	160	68
Share acquisition rights	133	103
Total net assets	6,261	6,871
Total liabilities and net assets	23,017	26,398

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	27,333	34,775
Cost of sales	23,687	30,304
Gross profit	3,645	4,471
Selling, general and administrative expenses	2,258	2,312
Operating profit	1,386	2,158
Non-operating income		
Interest and dividend income	6	6
Rental income from land and buildings	6	6
Royalty income	3	1
Gain on sales of scraps	26	14
Insurance claim income	37	–
Subsidy income	3	8
Reversal of allowance for doubtful accounts	12	–
Other	10	10
Total non-operating income	108	47
Non-operating expenses		
Interest expenses	22	35
Construction guarantee fee	18	25
Financing expenses	22	36
Other	15	11
Total non-operating expenses	79	108
Ordinary profit	1,415	2,097
Extraordinary losses		
Impairment loss	167	–
Total extraordinary losses	167	–
Profit before income taxes	1,247	2,097
Income taxes - current	557	730
Income taxes - deferred	(50)	18
Total income taxes	506	748
Profit	741	1,348
Profit attributable to owners of parent	741	1,348

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	741	1,348
Other comprehensive income		
Valuation difference on available-for-sale securities	43	(91)
Total other comprehensive income	43	(91)
Comprehensive income	784	1,257
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	784	1,257
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317	783	3,285	(50)	5,335
Changes during period					
Dividends of surplus			(234)		(234)
Profit attributable to owners of parent			741		741
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		105		20	126
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	–	105	507	20	633
Balance at end of period	1,317	889	3,792	(30)	5,968

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	116	116	159	–	5,611
Changes during period					
Dividends of surplus					(234)
Profit attributable to owners of parent					741
Purchase of treasury shares					(0)
Disposal of treasury shares					126
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity	43	43	(26)	–	17
Total changes during period	43	43	(26)	–	650
Balance at end of period	160	160	133	–	6,261

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					
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
Change in ownership interest of parent due to transactions with non-controlling interests		–			–
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	Non-controlling interests	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					
Dividends of surplus					(314)
Profit attributable to owners of parent					1,348
Purchase of treasury shares					(383)
Disposal of treasury shares					80
Change in ownership interest of parent due to transactions with non-controlling interests					–
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

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	1,247	2,097
Depreciation	311	342
Impairment loss	167	–
Share-based remuneration expenses	100	49
Increase (decrease) in allowance for doubtful accounts	(12)	(1)
Increase (decrease) in provision for loss on construction contracts	(129)	(45)
Increase (decrease) in provision for warranties for completed construction	(82)	(10)
Interest and dividend income	(6)	(6)
Interest expenses	22	35
Decrease (increase) in trade receivables	(3,758)	(3,980)
Decrease (increase) in costs on construction contracts in progress	(63)	1,728
Decrease (increase) in other inventories	(385)	(720)
Decrease (increase) in accounts receivable - other	140	(223)
Increase (decrease) in trade payables	1,779	1,191
Increase (decrease) in advances received on construction contracts in progress	(354)	(2,115)
Increase (decrease) in accrued consumption taxes	(17)	67
Decrease (increase) in other assets	(10)	(1)
Increase (decrease) in other liabilities	281	276
Subtotal	(770)	(1,315)
Interest and dividends received	6	6
Interest paid	(21)	(37)
Income taxes paid	(587)	(669)
Net cash provided by (used in) operating activities	(1,372)	(2,015)
Cash flows from investing activities		
Payments into time deposits	(780)	(1,220)
Proceeds from withdrawal of time deposits	540	1,380
Purchase of property, plant and equipment	(761)	(780)
Purchase of intangible assets	(16)	(12)
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	0	0
Loan advances	(0)	(1)
Collection of loans receivable	5	5
Net cash provided by (used in) investing activities	(1,013)	(630)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,075	1,400
Proceeds from long-term borrowings	–	3,000
Repayments of long-term borrowings	(828)	(975)
Proceeds from exercise of employee share options	0	0
Purchase of treasury shares	(0)	(383)
Dividends paid	(234)	(313)
Repayments of lease obligations	(2)	(1)
Net cash provided by (used in) financing activities	1,009	2,725
Net increase (decrease) in cash and cash equivalents	(1,376)	80
Cash and cash equivalents at beginning of period	3,609	2,232
Cash and cash equivalents at end of period	2,232	2,312