

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 Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

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 of ordinary general meeting of shareholders: June 18, 2024
 Scheduled date to file Securities Report: June 19, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024 | 40,259 | 11.8 | 2,062 | 26.0 | 2,036 | 25.3 | 1,353 | 31.9 |
| Year ended March 31, 2023 | 36,022 | 0.3 | 1,636 | (28.5) | 1,624 | (29.3) | 1,025 | (32.8) |

| | 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, 2024 | 29.81 | 29.58 | 9.6 | 4.9 | 5.1 |
| Year ended March 31, 2023 | 22.63 | 22.43 | 7.6 | 4.4 | 4.5 |

(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, 2024 | 42,351 | 14,448 | 33.9 | 321.35 |
| As of March 31, 2023 | 40,355 | 13,842 | 34.0 | 302.57 |

(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, 2024 | 231 | (443) | 208 | 1,816 |
| Year ended March 31, 2023 | (5,703) | (75) | 6,173 | 1,820 |

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, 2023 | — | 6.00 | — | 6.00 | 12.00 | 544 | 53.0 | 4.0 |
| Year ended March 31, 2024 | — | 6.00 | — | 8.00 | 14.00 | 631 | 47.0 | 4.5 |
| Year ending March 31, 2025 (Forecast) | — | 7.50 | — | 7.50 | 15.00 | | 43.9 | |

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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 | 4.3 | 2,400 | 16.4 | 2,350 | 15.4 | 1,550 | 14.5 | 34.14 |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024 | 45,795,000 shares | As of March 31, 2023 | 45,795,000 shares |
|----------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|------------------|----------------------|----------------|
| As of March 31, 2024 | 1,104,647 shares | As of March 31, 2023 | 384,596 shares |
|----------------------|------------------|----------------------|----------------|

Average number of shares during the period

| | | | |
|---------------------------|-------------------|---------------------------|-------------------|
| Year ended March 31, 2024 | 45,402,772 shares | Year ended March 31, 2023 | 45,343,243 shares |
|---------------------------|-------------------|---------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,837 | 1,838 |
| Notes receivable, accounts receivable from completed construction contracts and other | 28,280 | 30,033 |
| Costs on construction contracts in progress | 487 | 683 |
| Merchandise and finished goods | 1,373 | 1,717 |
| Work in process | 233 | 191 |
| Raw materials and supplies | 358 | 443 |
| Accounts receivable - other | 1,958 | 1,431 |
| Other | 23 | 28 |
| Total current assets | 34,553 | 36,367 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 6,834 | 6,938 |
| Machinery, vehicles, tools, furniture and fixtures | 5,843 | 6,067 |
| Land | 2,201 | 2,201 |
| Construction in progress | 1 | 15 |
| Leased assets | 19 | 38 |
| Accumulated depreciation and impairment | (9,858) | (10,181) |
| Total property, plant and equipment | 5,042 | 5,080 |
| Intangible assets | | |
| Software | 99 | 99 |
| Telephone subscription right | 20 | 20 |
| Total intangible assets | 119 | 119 |
| Investments and other assets | | |
| Investment securities | 427 | 546 |
| Deferred tax assets | 91 | 93 |
| Other | 139 | 161 |
| Allowance for doubtful accounts | (18) | (18) |
| Total investments and other assets | 640 | 783 |
| Total non-current assets | 5,802 | 5,984 |
| Total assets | 40,355 | 42,351 |

(Millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 5,255 | 5,022 |
| Electronically recorded obligations - operating | 2,314 | 3,021 |
| Short-term borrowings | 9,200 | 11,500 |
| Current portion of long-term borrowings | 1,199 | 2,199 |
| Accounts payable - other | 168 | 181 |
| Income taxes payable | 149 | 508 |
| Accrued consumption taxes | 21 | 234 |
| Deposits received | 249 | 252 |
| Advances received on construction contracts in progress | 2,044 | 1,091 |
| Provision for loss on construction contracts | 20 | 46 |
| Other | 196 | 343 |
| Total current liabilities | 20,821 | 24,403 |
| Non-current liabilities | | |
| Long-term borrowings | 5,566 | 3,366 |
| Other | 124 | 133 |
| Total non-current liabilities | 5,691 | 3,499 |
| Total liabilities | 26,513 | 27,903 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,114 | 3,114 |
| Capital surplus | 2,773 | 2,761 |
| Retained earnings | 7,912 | 8,719 |
| Treasury shares | (152) | (407) |
| Total shareholders' equity | 13,647 | 14,188 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 92 | 172 |
| Total accumulated other comprehensive income | 92 | 172 |
| Share acquisition rights | 103 | 87 |
| Total net assets | 13,842 | 14,448 |
| Total liabilities and net assets | 40,355 | 42,351 |

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

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 36,022 | 40,259 |
| Cost of sales | 31,730 | 35,288 |
| Gross profit | 4,291 | 4,970 |
| Selling, general and administrative expenses | 2,655 | 2,908 |
| Operating profit | 1,636 | 2,062 |
| Non-operating income | | |
| Interest and dividend income | 7 | 8 |
| Gain on sale of scraps | 47 | 39 |
| Miscellaneous income | 24 | 50 |
| Other | 7 | 7 |
| Total non-operating income | 86 | 105 |
| Non-operating expenses | | |
| Interest expenses | 55 | 69 |
| Construction guarantee fee | 18 | 18 |
| Financing expenses | 17 | 18 |
| Miscellaneous expenses | 6 | 24 |
| Other | – | 1 |
| Total non-operating expenses | 97 | 131 |
| Ordinary profit | 1,624 | 2,036 |
| Profit before income taxes | 1,624 | 2,036 |
| Income taxes - current | 561 | 721 |
| Income taxes - deferred | 37 | (39) |
| Total income taxes | 598 | 682 |
| Profit | 1,025 | 1,353 |
| Profit attributable to owners of parent | 1,025 | 1,353 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,025 | 1,353 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (9) | 80 |
| Total other comprehensive income | (9) | 80 |
| Comprehensive income | 1,016 | 1,433 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,016 | 1,433 |
| Comprehensive income attributable to non-controlling interests | — | — |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,114 | 2,794 | 7,429 | (247) | 13,091 |
| Changes during period | | | | | |
| Dividends of surplus | | | (543) | | (543) |
| Profit attributable to owners of parent | | | 1,025 | | 1,025 |
| Purchase of treasury shares | | | | | |
| Disposal of treasury shares | | (21) | | 94 | 73 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | (21) | 482 | 94 | 555 |
| Balance at end of period | 3,114 | 2,773 | 7,912 | (152) | 13,647 |

| | 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 | 101 | 101 | 103 | 13,296 |
| Changes during period | | | | |
| Dividends of surplus | | | | (543) |
| Profit attributable to owners of parent | | | | 1,025 |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | | 73 |
| Net changes in items other than shareholders' equity | (9) | (9) | – | (9) |
| Total changes during period | (9) | (9) | – | 546 |
| Balance at end of period | 92 | 92 | 103 | 13,842 |

Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,114 | 2,773 | 7,912 | (152) | 13,647 |
| Changes during period | | | | | |
| Dividends of surplus | | | (546) | | (546) |
| Profit attributable to owners of parent | | | 1,353 | | 1,353 |
| Purchase of treasury shares | | | | (365) | (365) |
| Disposal of treasury shares | | (11) | | 111 | 99 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (11) | 807 | (254) | 541 |
| Balance at end of period | 3,114 | 2,761 | 8,719 | (407) | 14,188 |

| | 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 | 92 | 92 | 103 | 13,842 |
| Changes during period | | | | |
| Dividends of surplus | | | | (546) |
| Profit attributable to owners of parent | | | | 1,353 |
| Purchase of treasury shares | | | | (365) |
| Disposal of treasury shares | | | | 99 |
| Net changes in items other than shareholders' equity | 80 | 80 | (15) | 64 |
| Total changes during period | 80 | 80 | (15) | 605 |
| Balance at end of period | 172 | 172 | 87 | 14,448 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,624 | 2,036 |
| Depreciation | 363 | 366 |
| Share-based payment expenses | 73 | 84 |
| Increase (decrease) in allowance for doubtful accounts | (5) | – |
| Increase (decrease) in provision for loss on construction contracts | (134) | 25 |
| Increase (decrease) in provision for warranties for completed construction | (20) | – |
| Interest and dividend income | (7) | (8) |
| Interest expenses | 55 | 69 |
| Decrease (increase) in trade receivables | (7,822) | (1,752) |
| Decrease (increase) in costs on construction contracts in progress | (110) | (195) |
| Decrease (increase) in other inventories | (395) | (386) |
| Decrease (increase) in accounts receivable - other | 1,931 | 384 |
| Increase (decrease) in trade payables | 430 | 474 |
| Increase (decrease) in advances received on construction contracts in progress | 259 | (952) |
| Increase (decrease) in accrued consumption taxes | 4 | 297 |
| Increase (decrease) in deposits received | (1,176) | 2 |
| Decrease (increase) in other assets | (15) | 14 |
| Increase (decrease) in other liabilities | (118) | 186 |
| Other loss (gain) | 0 | 1 |
| Subtotal | (5,059) | 647 |
| Interest and dividends received | 7 | 8 |
| Interest paid | (57) | (71) |
| Income taxes paid | (592) | (352) |
| Net cash provided by (used in) operating activities | (5,703) | 231 |
| Cash flows from investing activities | | |
| Payments into time deposits | (446) | (5) |
| Proceeds from withdrawal of time deposits | 560 | – |
| Purchase of property, plant and equipment | (158) | (372) |
| Purchase of intangible assets | (42) | (25) |
| Purchase of investment securities | (11) | (1) |
| Loan advances | (1) | (0) |
| Proceeds from collection of loans receivable | 24 | 0 |
| Other, net | – | (39) |
| Net cash provided by (used in) investing activities | (75) | (443) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 3,700 | 2,300 |
| Proceeds from long-term borrowings | 4,000 | – |
| Repayments of long-term borrowings | (983) | (1,199) |
| Repayments of lease liabilities | – | 20 |
| Proceeds from exercise of employee share options | – | 0 |
| Purchase of treasury shares | – | (365) |
| Dividends paid | (543) | (546) |
| Net cash provided by (used in) financing activities | 6,173 | 208 |
| Net increase (decrease) in cash and cash equivalents | 394 | (4) |
| Cash and cash equivalents at beginning of period | 1,425 | 1,820 |
| Cash and cash equivalents at end of period | 1,820 | 1,816 |