

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 2017

Company name: Br. Holdings Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 1726 URL <http://www.brhd.co.jp>  
 Representative: President Kimiyasu Fujita  
 Director, General Manager of Finance & Accounting Department Takeshi Amatsu  
 Inquiries: TEL 082-261-2860  
 Scheduled date to file Quarterly Securities Report: February 10, 2017  
 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, 2016 (from April 1, 2016 to December 31, 2016)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	16,818	28.3	622	–	574	–	330	–
Nine months ended December 31, 2015	13,111	(5.2)	47	(82.0)	32	(86.1)	(9)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	9.36	9.26
Nine months ended December 31, 2015	(0.30)	–

#### (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, 2016	20,618	4,160	19.6	103.86
As of March 31, 2016	14,710	2,680	17.7	79.08

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	2.00	–	2.00	4.00
Year ending March 31, 2017	–	3.00	–		
Year ending March 31, 2017 (Forecast)				2.00	–

### 3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,200	16.3	1,060	108.7	1,000	119.5	680	44.0	19.25

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016  
(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: Yes
- 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, 2016	39,700,000 shares	As of March 31, 2016	34,480,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	857,176 shares	As of March 31, 2016	1,637,096 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2016	35,333,191 shares	Nine months ended December 31, 2015	32,842,904 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	1,321,136	1,604,814
Notes receivable, accounts receivable from completed construction contracts and other	6,372,156	8,562,303
Costs on uncompleted construction contracts	292,573	2,158,840
Merchandise and finished goods	568,425	886,705
Work in process	66,319	101,056
Raw materials and supplies	79,158	98,984
Accounts receivable - other	1,597,201	2,758,538
Deferred tax assets	138,555	138,555
Other	20,896	28,244
Allowance for doubtful accounts	(1,730)	(1,422)
Total current assets	10,454,692	16,336,620
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,141,562	1,105,150
Land	2,097,557	2,097,557
Other, net	261,140	315,522
Total property, plant and equipment	3,500,260	3,518,230
Intangible assets	95,341	97,749
Investments and other assets		
Investment securities	417,580	430,583
Deferred tax assets	153,610	149,687
Other	107,966	104,306
Allowance for doubtful accounts	(19,059)	(18,858)
Total investments and other assets	660,098	665,719
Total non-current assets	4,255,700	4,281,699
Total assets	14,710,392	20,618,320

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,908,894	8,210,947
Short-term loans payable	1,950,000	3,040,000
Current portion of long-term loans payable	725,322	704,837
Income taxes payable	42,440	184,729
Advances received on uncompleted construction contracts	1,631,095	2,008,353
Provision for bonuses	–	128,122
Provision for loss on construction contracts	38,380	221,147
Provision for warranties for completed construction	57,706	102,221
Other	456,726	654,247
Total current liabilities	10,810,565	15,254,606
Non-current liabilities		
Long-term loans payable	1,078,805	1,056,160
Other	140,916	146,778
Total non-current liabilities	1,219,721	1,202,938
Total liabilities	12,030,287	16,457,545
Net assets		
Shareholders' equity		
Capital stock	800,500	1,317,541
Capital surplus	163,806	785,582
Retained earnings	1,627,180	1,866,852
Treasury shares	(104,471)	(54,705)
Total shareholders' equity	2,487,015	3,915,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	110,356	118,857
Total accumulated other comprehensive income	110,356	118,857
Subscription rights to shares	41,292	87,583
Non-controlling interests	41,441	39,065
Total net assets	2,680,105	4,160,775
Total liabilities and net assets	14,710,392	20,618,320

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	13,111,079	16,818,490
Cost of sales	11,611,892	14,668,228
Gross profit	1,499,187	2,150,261
Selling, general and administrative expenses	1,451,985	1,528,061
Operating income	47,201	622,200
Non-operating income		
Interest income	192	57
Dividend income	5,802	5,866
Gain on sales of scraps	10,902	10,558
Other	22,949	13,781
Total non-operating income	39,847	30,263
Non-operating expenses		
Interest expenses	34,594	22,978
Constraction guarantee fee	14,397	13,915
Financing expenses	—	23,180
Share issuance cost	—	11,345
Other	5,265	6,308
Total non-operating expenses	54,257	77,728
Ordinary income	32,791	574,735
Extraordinary income		
Gain on sales of investment securities	957	30
Total extraordinary income	957	30
Extraordinary losses		
Loss on valuation of investment securities	—	561
Total extraordinary losses	—	561
Profit before income taxes	33,748	574,204
Income taxes - current	45,994	246,794
Income taxes - deferred	(1,014)	(992)
Total income taxes	44,980	245,802
Profit (loss)	(11,232)	328,402
Loss attributable to non-controlling interests	(1,394)	(2,375)
Profit (loss) attributable to owners of parent	(9,837)	330,778

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit (loss)	(11,232)	328,402
Other comprehensive income		
Valuation difference on available-for-sale securities	1,057	8,501
Total other comprehensive income	1,057	8,501
Comprehensive income	(10,175)	336,903
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,780)	339,279
Comprehensive income attributable to non-controlling interests	(1,394)	(2,375)