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Consolidated Financial Results for the Six Months Ended July 31, 2022 [Japanese GAAP]

September 09, 2022

Company name: BESTERRA CO.,LTD
 Stock exchange listing: Tokyo
 Code number: 1433
 URL: <https://www.besterra.co.jp>
 Representative: Akitatsu Yoshino President and Representative Director
 Contact: Yutaka Honda Director and Planning Manager
 Phone: 03-3630-5555
 Scheduled date of filing quarterly securities report: September 14, 2022
 Scheduled date of commencing dividend payments: October 11, 2022
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended July 31, 2022 (February 01, 2022 to July 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended July 31, 2022	2,533	8.5	75	(53.4)	144	(47.1)	67	(69.3)
July 31, 2021	2,335	42.7	161	-	273	-	220	-

(Note) Comprehensive income: Six months ended July 31, 2022: ¥ 273 million [22.3%]
 Six months ended July 31, 2021: ¥ 223 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2022	7.75	7.75
July 31, 2021	26.60	26.42

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of July 31, 2022	8,341	4,894	58.5
January 31, 2022	9,020	4,354	48.1

(Reference) Equity: As of July 31, 2022: ¥ 4,879 million
 As of January 31, 2022: ¥ 4,334 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2022	-	6.00	-	10.00	16.00
Fiscal year ending January 31, 2023	-	10.00			
Fiscal year ending January 31, 2023 (Forecast)			-	10.00	20.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2023(February 01, 2022 to January 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,700	12.3	620	2.0	666	(20.8)	469	(68.1)	54.40

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended July 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

July 31, 2022: 8,990,200 shares

January 31, 2022: 8,750,400 shares

2) Total number of treasury shares at the end of the period:

July 31, 2022: 129,035 shares

January 31, 2022: 129,035 shares

3) Average number of shares during the period:

Six months ended July 31, 2022: 8,705,386 shares

Six months ended July 31, 2021: 8,273,405 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31,2022	As of July 31,2022
Assets		
Current assets		
Cash and deposits	2,122,236	2,096,790
Notes receivable, accounts receivable from completed construction contracts and other	2,212,594	-
Notes Receivable Accounts Receivable From Completed Construction Contracts Contract Assets And Other	-	1,329,745
Costs on construction contracts in progress	149,624	67,367
Other	79,593	109,697
Allowance for doubtful accounts	(2,532)	(1,555)
Total current assets	4,561,517	3,602,045
Non-current assets		
Property, plant and equipment	315,617	317,992
Intangible assets		
Goodwill	220,100	196,346
Other	17,185	17,414
Total intangible assets	237,286	213,761
Investments and other assets		
Investment securities	3,857,610	4,153,900
Other	48,994	54,617
Allowance for doubtful accounts	(820)	(820)
Total investments and other assets	3,905,784	4,207,698
Total non-current assets	4,458,689	4,739,451
Total assets	9,020,206	8,341,496

(Thousand yen)

	As of January 31,2022	As of July 31,2022
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,199,334	376,359
Current portion of long-term borrowings	262,695	259,608
Income taxes payable	240,650	55,789
Provision for bonuses for directors (and other officers)	-	7,596
Provision for bonuses	-	63,240
Other	478,952	208,925
Total current liabilities	2,181,632	971,519
Non-current liabilities		
Long-term borrowings	2,126,694	1,996,890
Retirement benefit liability	65,284	68,153
Deferred tax liabilities	278,883	398,548
Other	13,026	12,065
Total non-current liabilities	2,483,888	2,475,657
Total liabilities	4,665,521	3,447,176
Net assets		
Shareholders' equity		
Share capital	696,130	843,176
Capital surplus	657,100	804,146
Retained earnings	3,308,640	3,353,883
Treasury shares	(200,362)	(200,362)
Total shareholders' equity	4,461,509	4,800,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(126,562)	78,916
Total accumulated other comprehensive income	(126,562)	78,916
Share acquisition rights	17,974	11,942
Non-controlling interests	1,763	2,617
Total net assets	4,354,685	4,894,319
Total liabilities and net assets	9,020,206	8,341,496

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended July 31,2021	For the six months ended July 31,2022
Net sales		
Net sales of completed construction contracts	2,217,453	2,423,365
Net sales in sideline businesses	118,057	110,088
Total net sales	2,335,510	2,533,454
Cost of sales		
Cost of sales of completed construction contracts	1,740,854	1,937,446
Cost of sales in sideline businesses	88,698	83,183
Total cost of sales	1,829,553	2,020,629
Gross profit		
Gross profit on completed construction contracts	476,598	485,919
Gross profit on sideline business	29,358	26,905
Total gross profit	505,957	512,824
Selling, general and administrative expenses		
Employees' salaries and allowances	85,779	117,010
Provision for bonuses	19,400	24,942
Provision for bonuses for directors (and other officers)	6,400	7,596
Retirement benefit expenses	6,700	4,239
Depreciation	7,291	11,023
Other	218,795	272,692
Total selling, general and administrative expenses	344,366	437,504
Operating profit	161,591	75,320
Non-operating income		
Dividend income	0	64,272
Rental income from real estate	17,878	20,146
Share of profit of entities accounted for using equity method	114,401	-
Other	2,988	6,376
Total non-operating income	135,268	90,795
Non-operating expenses		
Interest expenses	3,862	3,648
Rental expenses on real estate	16,237	15,036
Other	2,981	2,492
Total non-operating expenses	23,080	21,177
Ordinary profit	273,779	144,938
Profit before income taxes	273,779	144,938
Income taxes - current	52,207	45,989
Income taxes - deferred	2,035	30,655
Total income taxes	54,242	76,645
Profit	219,536	68,293
Profit (loss) attributable to non-controlling interests	(551)	787
Profit attributable to owners of parent	220,088	67,506

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended July 31,2021	For the six months ended July 31,2022
Profit	219,536	68,293
Other comprehensive income		
Valuation difference on available-for-sale securities	3,829	205,479
Share of other comprehensive income of entities accounted for using equity method	457	-
Total other comprehensive income	4,287	205,479
Comprehensive income	223,824	273,772
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	224,375	272,985
Comprehensive income attributable to non-controlling interests	(551)	787

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended July 31,2021	For the six months ended July 31,2022
Cash flows from operating activities		
Profit before income taxes	273,779	144,938
Depreciation	10,782	11,270
Share of loss (profit) of entities accounted for using equity method	(114,401)	-
Amortization of goodwill	1,588	23,753
Increase (decrease) in allowance for doubtful accounts	(86)	(977)
Increase (decrease) in provision for shareholder benefit program	(9,000)	(13,500)
Increase (decrease) in provision for bonuses for directors (and other officers)	6,400	7,596
Increase (decrease) in provision for bonuses	48,400	63,240
Increase (decrease) in retirement benefit liability	7,486	2,868
Interest and dividend income	(1)	(64,274)
Interest expenses	3,862	3,648
Decrease (increase) in trade receivables	63,525	946,866
Decrease (increase) in costs on construction contracts in progress	(98,403)	82,257
Increase (decrease) in trade payables	122,803	(822,974)
Increase (decrease) in accounts payable - other	(54,235)	(134,575)
Other, net	137,037	(126,520)
Subtotal	399,535	123,617
Interest and dividends received	1	64,274
Interest paid	(3,849)	(3,636)
Income taxes refund (paid)	(29,976)	(225,335)
Net cash provided by (used in) operating activities	365,711	(41,078)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,111)	(9,928)
Purchase of software	(11,523)	(2,848)
Other, net	2,311	3,781
Net cash provided by (used in) investing activities	(12,322)	(8,995)
Cash flows from financing activities		
Repayments of long-term borrowings	(121,592)	(132,891)
Proceeds from issuance of shares	193,211	229,395
Dividends paid	(82,066)	(86,158)
Proceeds from issuance of share acquisition rights	24,888	-
Other, net	45,999	14,282
Net cash provided by (used in) financing activities	60,440	24,628
Net increase (decrease) in cash and cash equivalents	413,828	(25,446)
Cash and cash equivalents at beginning of period	1,367,126	2,122,236
Cash and cash equivalents at end of period	1,780,955	2,096,790