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## Consolidated Financial Results for the Year Ended January 31, 2023 [Japanese GAAP]

March 10, 2023

Company name: BESTERRA CO.,LTD	
Stock exchange listing: Tokyo	
Code number: 1433	
URL: <a href="https://www.besterra.co.jp">https://www.besterra.co.jp</a>	
Representative: Yutaka Honda	President and Representative Director
Contact: Shinya Ikeda	Executive Officer and Planning Manager
Phone: 03-3630-5555	
Scheduled date of Annual General Meeting of Shareholders:	April 27, 2023
Scheduled date of commencing dividend payments:	April 11, 2023
Scheduled date of filing annual securities report:	April 28, 2023
Availability of supplementary briefing material on annual financial results:	Yes
Schedule of annual financial results briefing session:	Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2023 (February 01, 2022 to January 31, 2023)

#### (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	%
Fiscal year ended January 31, 2023	5,458	(8.5)	(215)	-	(94)	-	(64)	-
January 31, 2022	5,966	62.0	488	292.6	721	238.9	1,391	876.2

(Note) Comprehensive income: Fiscal year ended January 31, 2023: ¥ (52) million [ -%]  
Fiscal year ended January 31, 2022: ¥ 1,240 million [ 566.6%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended January 31, 2023	Yen (7.33)	Yen -	% (1.5)	% (1.1)	% (4.0)
January 31, 2022	165.48	162.73	40.6	9.6	8.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2023: ¥ - million  
Fiscal year ended January 31, 2022: ¥ 201 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of January 31, 2023	Million yen 8,427	Million yen 4,379	% 51.8	Yen 493.05
January 31, 2022	8,953	4,278	47.6	493.97

(Reference) Equity: As of January 31, 2023: ¥ 4,368 million  
As of January 31, 2022: ¥ 4,258 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended January 31, 2023	Million yen (354)	Million yen (515)	Million yen 85	Million yen 1,337
January 31, 2022	537	(32)	250	2,122

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2022	-	6.00	-	10.00	16.00	136	9.7	4.0
January 31, 2023	-	10.00	-	10.00	20.00	176	-	4.1
Fiscal year ending January 31, 2024 (Forecast)	-	10.00	-	10.00	20.00		44.3	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2024 (February 01, 2023 to January 31, 2024)

(% 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	7,800	42.9	510	-	586	-	400	-	45.14

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

January 31, 2023: 8,990,200 shares

January 31, 2022: 8,750,400 shares

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

January 31, 2023: 129,035 shares

January 31, 2022: 129,035 shares

3) Average number of shares during the period:

Fiscal Year ended January 31, 2023: 8,783,916 shares

Fiscal Year ended January 31, 2022: 8,410,682 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2023 (February 01, 2022 to January 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2023	4,450	(12.1)	(303)	-	(174)	-	(121)	-
January 31, 2022	5,064	47.4	463	260.9	582	172.7	1,378	975.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2023	(13.87)	-
January 31, 2022	163.93	161.21

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
January 31, 2023	8,126	4,310	53.0	485.62
January 31, 2022	8,497	4,268	50.0	493.01

(Reference) Equity: As of January 31, 2023: ¥ 4,303 million  
As of January 31, 2022: ¥ 4,250 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousand yen)

	As of January 31,2022	As of January 31,2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,122,236	1,337,606
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	2,212,594	1,761,539
Costs on construction contracts in progress	149,624	121,467
Income taxes refund receivable	-	176,130
Other	79,593	173,763
Allowance for doubtful accounts	(2,532)	(2,002)
<b>Total current assets</b>	<b>4,561,517</b>	<b>3,568,505</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	148,857	176,541
Accumulated depreciation	(40,709)	(49,294)
Buildings and structures, net	108,147	127,247
Machinery, vehicles, tools, furniture and fixtures	163,161	170,189
Accumulated depreciation	(150,367)	(154,917)
Machinery, vehicles, tools, furniture and fixtures, net	12,793	15,271
Leased assets	2,979	2,979
Accumulated depreciation	(1,539)	(2,135)
Leased assets, net	1,439	844
Land	116,490	165,745
Construction in progress	76,746	1,287
<b>Total property, plant and equipment</b>	<b>315,617</b>	<b>310,394</b>
Intangible assets		
Goodwill	126,431	98,644
Leased assets	3,335	2,191
Other	40,525	12,602
<b>Total intangible assets</b>	<b>170,292</b>	<b>113,438</b>
Investments and other assets		
Investment securities	3,857,610	4,374,452
Deferred tax assets	1,676	-
Other	47,318	61,688
Allowance for doubtful accounts	(820)	(820)
<b>Total investments and other assets</b>	<b>3,905,784</b>	<b>4,435,320</b>
<b>Total non-current assets</b>	<b>4,391,695</b>	<b>4,859,154</b>
<b>Total assets</b>	<b>8,953,212</b>	<b>8,427,659</b>

(Thousand yen)

	As of January 31,2022	As of January 31,2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	1,199,334	786,095
Short-term borrowings	-	300,000
Current portion of long-term borrowings	262,695	256,318
Lease liabilities	1,909	1,926
Income taxes payable	240,650	285
Provision for loss on construction contracts	-	3,978
Provision for shareholder benefit program	13,500	34,530
Provision for retirement benefits for directors (and other officers)	-	184,987
Other	463,543	297,352
Total current liabilities	2,181,632	1,865,473
Non-current liabilities		
Long-term borrowings	2,126,694	1,870,376
Retirement benefit liability	65,284	66,406
Lease liabilities	3,538	1,612
Deferred tax liabilities	288,112	234,052
Other	9,487	10,620
Total non-current liabilities	2,493,118	2,183,067
Total liabilities	4,674,750	4,048,540
<b>Net assets</b>		
Shareholders' equity		
Share capital	696,130	843,176
Capital surplus	657,100	804,146
Retained earnings	3,232,417	3,037,498
Treasury shares	(200,362)	(200,362)
Total shareholders' equity	4,385,286	4,484,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(126,562)	(115,477)
Total accumulated other comprehensive income	(126,562)	(115,477)
Share acquisition rights	17,974	7,548
Non-controlling interests	1,763	2,589
Total net assets	4,278,461	4,379,118
Total liabilities and net assets	8,953,212	8,427,659

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended January 31,2022	For the fiscal year ended January 31,2023
<b>Net sales</b>		
Net sales of completed construction contracts	5,736,886	5,242,436
Net sales in sideline businesses	229,996	216,292
Total net sales	5,966,882	5,458,728
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	4,435,425	4,402,007
Cost of sales in sideline businesses	174,255	167,070
Total cost of sales	4,609,681	4,569,077
<b>Gross profit</b>		
Gross profit on completed construction contracts	1,301,460	840,429
Gross profit on sideline business	55,740	49,222
Total gross profit	1,357,200	889,651
<b>Selling, general and administrative expenses</b>		
Remuneration for directors (and other officers)	87,167	100,566
Employees' salaries and allowances	184,733	237,050
Retirement benefit expenses	9,942	10,294
Provision for retirement benefits for directors (and other officers)	-	184,987
Provision for shareholder benefit program	13,500	34,530
Depreciation	139,478	50,104
Other	433,627	487,778
Total selling, general and administrative expenses	868,449	1,105,312
Operating profit (loss)	488,751	(215,661)
<b>Non-operating income</b>		
Dividend income	27,864	119,038
Rental income from real estate	38,025	40,293
Share of profit of entities accounted for using equity method	201,312	-
Other	10,527	5,869
Total non-operating income	277,728	165,200
<b>Non-operating expenses</b>		
Interest expenses	7,602	7,093
Rental expenses on real estate	30,980	30,537
Other	6,630	6,732
Total non-operating expenses	45,213	44,363
Ordinary profit (loss)	721,265	(94,823)
<b>Extraordinary income</b>		
Gain on exchange from business combination	1,275,449	-
Total extraordinary income	1,275,449	-
Profit (loss) before income taxes	1,996,715	(94,823)
Income taxes - current	264,064	46,139
Income taxes - deferred	341,146	(77,431)
Total income taxes	605,211	(31,292)
Profit (loss)	1,391,504	(63,531)
Profit (loss) attributable to non-controlling interests	(266)	825
Profit (loss) attributable to owners of parent	1,391,770	(64,357)

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31,2022	For the fiscal year ended January 31,2023
Profit (loss)	1,391,504	(63,531)
Other comprehensive income		
Valuation difference on available-for-sale securities	(150,565)	11,085
Total other comprehensive income	(150,565)	11,085
Comprehensive income	1,240,938	(52,445)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,241,204	(53,271)
Comprehensive income attributable to non-controlling interests	(266)	825

Consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31,2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	417,178	378,148	1,973,047	(200,301)	2,568,071
Changes during period					
Issuance of new shares	278,952	278,952			557,905
Dividends of surplus			(132,400)		(132,400)
Profit (loss) attributable to owners of parent			1,391,770		1,391,770
Purchase of treasury shares				(61)	(61)
Net changes in items other than shareholders' equity					
Total changes during period	278,952	278,952	1,259,370	(61)	1,817,214
Balance at end of period	696,130	657,100	3,232,417	(200,362)	4,385,286

	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	24,003	24,003	1,214	2,029	2,595,318
Changes during period					
Issuance of new shares					557,905
Dividends of surplus					(132,400)
Profit (loss) attributable to owners of parent					1,391,770
Purchase of treasury shares					(61)
Net changes in items other than shareholders' equity	(150,565)	(150,565)	16,760	(266)	(134,070)
Total changes during period	(150,565)	(150,565)	16,760	(266)	1,683,143
Balance at end of period	(126,562)	(126,562)	17,974	1,763	4,278,461



For the fiscal year ended January 31,2023

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	696,130	657,100	3,232,417	(200,362)	4,385,286
Cumulative effects of changes in accounting policies			44,264		44,264
Restated balance	696,130	657,100	3,276,681	(200,362)	4,429,550
Changes during period					
Issuance of new shares	147,045	147,045			294,090
Dividends of surplus			(174,825)		(174,825)
Profit (loss) attributable to owners of parent			(64,357)		(64,357)
Net changes in items other than shareholders' equity					
Total changes during period	147,045	147,045	(239,182)	-	54,908
Balance at end of period	843,176	804,146	3,037,498	(200,362)	4,484,458

	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	(126,562)	(126,562)	17,974	1,763	4,278,461
Cumulative effects of changes in accounting policies					44,264
Restated balance	(126,562)	(126,562)	17,974	1,763	4,322,725
Changes during period					
Issuance of new shares					294,090
Dividends of surplus					(174,825)
Profit (loss) attributable to owners of parent					(64,357)
Net changes in items other than shareholders' equity	11,085	11,085	(10,426)	825	1,484
Total changes during period	11,085	11,085	(10,426)	825	56,392
Balance at end of period	(115,477)	(115,477)	7,548	2,589	4,379,118

## Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31,2022	For the fiscal year ended January 31,2023
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	1,996,715	(94,823)
Gain on exchange from business combination	(1,275,449)	-
Depreciation	146,459	50,632
Share of profit of investments accounted for using equity method	(201,312)	-
Amortization of goodwill	9,329	27,787
Increase (decrease) in allowance for doubtful accounts	(1,080)	(529)
Interest and dividend income	(27,867)	(119,104)
Increase (decrease) in provision for shareholder benefit program	4,500	21,030
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	184,987
Increase (decrease) in retirement benefit liability	(15,910)	1,121
Interest expenses	7,602	7,093
Decrease (increase) in trade receivables	(506,478)	514,879
Decrease (increase) in costs on construction contracts in progress	(33,759)	28,157
Increase (decrease) in trade payables	256,246	(413,239)
Other, net	178,657	(227,206)
Subtotal	537,652	(19,213)
Interest and dividends received	117,827	119,104
Interest paid	(7,578)	(7,069)
Income taxes refund (paid)	(110,052)	(447,602)
Net cash provided by (used in) operating activities	537,849	(354,780)
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(59)	(500,269)
Purchase of property, plant and equipment	(37,916)	(13,704)
Purchase of intangible assets	(11,523)	(2,848)
Other, net	16,713	1,667
Net cash provided by (used in) investing activities	(32,785)	(515,154)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	-	300,000
Repayments of long-term borrowings	(250,259)	(262,695)
Repayments of lease liabilities	(1,893)	(1,909)
Proceeds from issuance of shares	549,851	225,000
Proceeds from issuance of share acquisition rights	24,888	-
Dividends paid	(132,283)	(175,091)
Other, net	59,742	-
Net cash provided by (used in) financing activities	250,046	85,305
Net increase (decrease) in cash and cash equivalents	755,109	(784,629)
Cash and cash equivalents at beginning of period	1,367,126	2,122,236
Cash and cash equivalents at end of period	2,122,236	1,337,606