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Consolidated Financial Results for the Year Ended January 31, 2022 [Japanese GAAP]

March 11, 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 Annual General Meeting of Shareholders: April 27, 2022
 Scheduled date of commencing dividend payments: April 28, 2022
 Scheduled date of filing annual securities report: April 28, 2022
 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, 2022 (February 01, 2021 to January 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	%
Fiscal year ended January 31, 2022	5,966	62.0	607	388.3	840	294.9	1,467	929.7
January 31, 2021	3,682	7.2	124	33.6	212	118.9	142	137.8

(Note) Comprehensive income: Fiscal year ended January 31, 2022: ¥ 1,317 million [607.5%]
 Fiscal year ended January 31, 2021: ¥ 186 million [221.6%]

	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, 2022	Yen 174.54	Yen 171.65	% 42.4	% 11.2	% 10.2
January 31, 2021	17.33	-	5.6	3.9	3.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2022: ¥ 201 million
 Fiscal year ended January 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of January 31, 2022	Million yen 9,020	Million yen 4,354	% 48.1	Yen 502.81
January 31, 2021	6,030	2,595	43.0	315.08

(Reference) Equity: As of January 31, 2022: ¥ 4,334 million
 As of January 31, 2021: ¥ 2,592 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, 2022	Million yen 537	Million yen (32)	Million yen 250	Million yen 2,122
January 31, 2021	(108)	(101)	638	1,367

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, 2021	-	6.00	-	10.00	16.00	131	92.3	5.1
January 31, 2022	-	6.00	-	10.00	16.00	136	9.2	3.9
Fiscal year ending January 31, 2023 (Forecast)	-	10.00	-	10.00	20.00		36.8	

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

* 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: No

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, 2022: 8,750,400 shares

January 31, 2021: 8,355,600 shares

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

January 31, 2022: 129,035 shares

January 31, 2021: 128,994 shares

3) Average number of shares during the period:

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

Fiscal Year ended January 31, 2021: 8,226,695 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2022 (February 01, 2021 to January 31, 2022)

(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, 2022	5,064	47.4	463	260.9	582	172.7	1,378	975.8
January 31, 2021	3,435	4.5	128	27.4	213	101.8	128	87.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2022	163.93	161.21
January 31, 2021	15.58	-

(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, 2022	8,497	4,268	50.0	493.01
January 31, 2021	5,989	2,598	43.4	315.66

(Reference) Equity: As of January 31, 2022: ¥ 4,250 million
As of January 31, 2021: ¥ 2,596 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of January 31,2021	As of January 31,2022
Assets		
Current assets		
Cash and deposits	1,367,126	2,122,236
Notes receivable, accounts receivable from completed construction contracts and other	1,392,304	2,212,594
Costs on construction contracts in progress	115,865	149,624
Other	74,565	79,593
Allowance for doubtful accounts	(1,699)	(2,532)
Total current assets	2,948,161	4,561,517
Non-current assets		
Property, plant and equipment		
Buildings and structures	144,865	148,857
Accumulated depreciation	(32,129)	(40,709)
Buildings and structures, net	112,736	108,147
Machinery, vehicles, tools, furniture and fixtures	150,350	163,161
Accumulated depreciation	(134,784)	(150,367)
Machinery, vehicles, tools, furniture and fixtures, net	15,566	12,793
Leased assets	2,979	2,979
Accumulated depreciation	(943)	(1,539)
Leased assets, net	2,035	1,439
Land	116,490	116,490
Construction in progress	46,155	76,746
Total property, plant and equipment	292,983	315,617
Intangible assets		
Goodwill	12,708	220,100
Leased assets	4,479	3,335
Other	6,733	13,850
Total intangible assets	23,921	237,286
Investments and other assets		
Investment securities	159,840	3,857,610
Shares of subsidiaries and associates	2,527,765	-
Deferred tax assets	38,638	1,676
Other	40,271	47,318
Allowance for doubtful accounts	(820)	(820)
Total investments and other assets	2,765,695	3,905,784
Total non-current assets	3,082,600	4,458,689
Total assets	6,030,762	9,020,206

(Thousand yen)

	As of January 31,2021	As of January 31,2022
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	558,039	1,199,334
Current portion of long-term borrowings	242,453	262,695
Lease obligations	1,893	1,909
Income taxes payable	36,855	240,650
Provision for shareholder benefit program	9,000	13,500
Other	245,897	463,543
Total current liabilities	1,094,138	2,181,632
Non-current liabilities		
Long-term borrowings	2,277,399	2,126,694
Retirement benefit liability	53,195	65,284
Lease obligations	5,448	3,538
Deferred tax liabilities	-	278,883
Other	5,262	9,487
Total non-current liabilities	2,341,305	2,483,888
Total liabilities	3,435,443	4,665,521
Net assets		
Shareholders' equity		
Share capital	417,178	696,130
Capital surplus	378,148	657,100
Retained earnings	1,973,047	3,308,640
Treasury shares	(200,301)	(200,362)
Total shareholders' equity	2,568,071	4,461,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,003	(126,562)
Total accumulated other comprehensive income	24,003	(126,562)
Share acquisition rights	1,214	17,974
Non-controlling interests	2,029	1,763
Total net assets	2,595,318	4,354,685
Total liabilities and net assets	6,030,762	9,020,206

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Net sales		
Net sales of completed construction contracts	3,414,395	5,736,886
Net sales in sideline businesses	268,468	229,996
Total net sales	3,682,864	5,966,882
Cost of sales		
Cost of sales of completed construction contracts	2,748,678	4,435,425
Cost of sales in sideline businesses	201,409	174,255
Total cost of sales	2,950,088	4,609,681
Gross profit		
Gross profit on completed construction contracts	665,716	1,301,460
Gross profit on sideline business	67,059	55,740
Total gross profit	732,775	1,357,200
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	80,110	87,167
Employees' salaries and allowances	175,217	184,733
Retirement benefit expenses	2,042	9,942
Provision for shareholder benefit program	9,000	13,500
Other	341,903	453,948
Total selling, general and administrative expenses	608,273	749,292
Operating profit	124,501	607,908
Non-operating income		
Dividend income	91,461	27,864
Rental income from real estate	37,313	38,025
Share of profit of entities accounted for using equity method	-	201,312
Other	15,320	10,527
Total non-operating income	144,095	277,728
Non-operating expenses		
Interest expenses	7,908	7,602
Rental expenses on real estate	29,336	30,980
Other	18,509	6,630
Total non-operating expenses	55,754	45,213
Ordinary profit	212,842	840,423
Extraordinary income		
Gain on exchange from business combination	-	1,275,449
Total extraordinary income	-	1,275,449
Extraordinary losses		
Impairment losses	10,399	-
Total extraordinary losses	10,399	-
Profit before income taxes	202,443	2,115,873
Income taxes - current	52,558	264,064
Income taxes - deferred	6,521	384,080
Total income taxes	59,079	648,145
Profit	143,363	1,467,727
Profit (loss) attributable to non-controlling interests	792	(266)
Profit attributable to owners of parent	142,571	1,467,993

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Profit	143,363	1,467,727
Other comprehensive income		
Valuation difference on available-for-sale securities	42,806	(150,565)
Total other comprehensive income	42,806	(150,565)
Comprehensive income	186,170	1,317,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	185,378	1,317,427
Comprehensive income attributable to non-controlling interests	792	(266)

Consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	417,178	378,148	1,962,103	(200,124)	2,557,305
Changes during period					
Issuance of new shares	-	-			-
Dividends of surplus			(131,628)		(131,628)
Profit attributable to owners of parent			142,571		142,571
Purchase of treasury shares				(176)	(176)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	10,943	(176)	10,766
Balance at end of period	417,178	378,148	1,973,047	(200,301)	2,568,071

	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	(18,803)	(18,803)	1,218	1,237	2,540,956
Changes during period					
Issuance of new shares					-
Dividends of surplus					(131,628)
Profit attributable to owners of parent					142,571
Purchase of treasury shares					(176)
Net changes in items other than shareholders' equity	42,806	42,806	(4)	792	43,594
Total changes during period	42,806	42,806	(4)	792	54,361
Balance at end of period	24,003	24,003	1,214	2,029	2,595,318

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 attributable to owners of parent			1,467,993		1,467,993
Purchase of treasury shares				(61)	(61)
Net changes in items other than shareholders' equity					
Total changes during period	278,952	278,952	1,335,593	(61)	1,893,437
Balance at end of period	696,130	657,100	3,308,640	(200,362)	4,461,509

	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 attributable to owners of parent					1,467,993
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)	1,759,366
Balance at end of period	(126,562)	(126,562)	17,974	1,763	4,354,685

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Cash flows from operating activities		
Profit before income taxes	202,443	2,115,873
LossGainOnExchangeFromBusinessCombination	-	(1,275,449)
Impairment losses	10,399	-
Depreciation	28,816	22,371
Share of profit of investments accounted for using equity method	-	(201,312)
Amortization of goodwill	7,976	14,259
Increase (decrease) in allowance for doubtful accounts	476	(1,080)
Interest and dividend income	(91,462)	(27,867)
Increase (decrease) in provision for shareholder benefit program	(3,000)	4,500
Increase (decrease) in retirement benefit liability	2,210	(15,910)
Interest expenses	7,908	7,602
Decrease (increase) in trade receivables	(683,781)	(506,478)
Decrease (increase) in costs on construction contracts in progress	(7,282)	(33,759)
Increase (decrease) in trade payables	210,852	256,246
Other, net	25,238	178,657
Subtotal	(289,205)	537,652
Interest and dividends received	91,462	117,827
Interest paid	(7,929)	(7,578)
Income taxes refund (paid)	97,020	(110,052)
Net cash provided by (used in) operating activities	(108,653)	537,849
Cash flows from investing activities		
Purchase of investment securities	(47,765)	(59)
Purchase of property, plant and equipment	(48,187)	(37,916)
Purchase of intangible assets	(2,615)	(11,523)
Other, net	(2,489)	16,713
Net cash provided by (used in) investing activities	(101,058)	(32,785)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,000,000	-
Repayments of long-term borrowings	(227,974)	(250,259)
Repayments of lease obligations	(1,872)	(1,893)
Proceeds from issuance of shares	-	549,851
Proceeds from issuance of share acquisition rights	-	24,888
Dividends paid	(131,816)	(132,283)
Other, net	(176)	59,742
Net cash provided by (used in) financing activities	638,160	250,046
Net increase (decrease) in cash and cash equivalents	428,448	755,109
Cash and cash equivalents at beginning of period	938,677	1,367,126
Cash and cash equivalents at end of period	1,367,126	2,122,236