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Consolidated Financial Results for the Nine Months Ended October 31, 2022 [Japanese GAAP]

December 08, 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: December 15, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended October 31, 2022 (February 01, 2022 to October 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	%
Nine months ended October 31, 2022	3,863	5.7	7	(97.0)	77	(82.6)	16	(98.6)
October 31, 2021	3,655	41.5	243	275.5	446	176.6	1,202	898.9

(Note) Comprehensive income:
 Nine months ended October 31, 2022: ¥ 306 million [(81.9)%]
 Nine months ended October 31, 2021: ¥ 1,689 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
October 31, 2022	1.92	1.92
October 31, 2021	144.12	143.15

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
October 31, 2022	8,627	4,757	55.0
January 31, 2022	8,953	4,278	47.6

(Reference) Equity:
 As of October 31, 2022: ¥ 4,747 million
 As of January 31, 2022: ¥ 4,258 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	5,250	(12.0)	(270)	-	(140)	-	(200)	-	(23.20)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended October 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):

October 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:

October 31, 2022: 129,035 shares

January 31, 2022: 129,035 shares

3) Average number of shares during the period:

Nine months ended October 31, 2022: 8,757,883 shares

Nine months ended October 31, 2021: 8,345,932 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31,2022	As of October 31,2022
Assets		
Current assets		
Cash and deposits	2,122,236	1,461,867
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	-	1,474,586
Costs on construction contracts in progress	149,624	139,289
Income taxes receivable	-	166,231
Other	79,593	124,654
Allowance for doubtful accounts	(2,532)	(1,720)
Total current assets	4,561,517	3,364,909
Non-current assets		
Property, plant and equipment	315,617	313,034
Intangible assets		
Goodwill	126,431	105,591
Other	43,860	16,104
Total intangible assets	170,292	121,695
Investments and other assets		
Investment securities	3,857,610	4,773,865
Other	48,994	55,247
Allowance for doubtful accounts	(820)	(820)
Total investments and other assets	3,905,784	4,828,293
Total non-current assets	4,391,695	5,263,023
Total assets	8,953,212	8,627,932

(Thousand yen)

	As of January 31,2022	As of October 31,2022
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,199,334	826,280
Current portion of long-term borrowings	262,695	258,316
Income taxes payable	240,650	187
Provision for bonuses for directors (and other officers)	-	11,394
Provision for bonuses	-	94,860
Provision for loss on construction contracts	9,050	66,800
Other	469,902	183,761
Total current liabilities	2,181,632	1,441,599
Non-current liabilities		
Long-term borrowings	2,126,694	1,933,280
Retirement benefit liability	65,284	69,038
Deferred tax liabilities	288,112	413,779
Other	13,026	12,716
Total non-current liabilities	2,493,118	2,428,813
Total liabilities	4,674,750	3,870,412
Net assets		
Shareholders' equity		
Share capital	696,130	843,176
Capital surplus	657,100	804,146
Retained earnings	3,232,417	3,138,117
Treasury shares	(200,362)	(200,362)
Total shareholders' equity	4,385,286	4,585,076
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(126,562)	162,107
Total accumulated other comprehensive income	(126,562)	162,107
Share acquisition rights	17,974	7,548
Non-controlling interests	1,763	2,787
Total net assets	4,278,461	4,757,519
Total liabilities and net assets	8,953,212	8,627,932

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended October 31,2021	For the nine months ended October 31,2022
Net sales		
Net sales of completed construction contracts	3,481,922	3,701,965
Net sales in sideline businesses	173,794	161,720
Total net sales	3,655,717	3,863,685
Cost of sales		
Cost of sales of completed construction contracts	2,768,912	3,080,720
Cost of sales in sideline businesses	131,856	126,279
Total cost of sales	2,900,769	3,207,000
Gross profit		
Gross profit on completed construction contracts	713,010	621,244
Gross profit on sideline business	41,937	35,440
Total gross profit	754,947	656,685
Selling, general and administrative expenses	511,127	649,275
Operating profit	243,820	7,409
Non-operating income		
Dividend income	2,161	67,632
Rental income from real estate	27,951	30,219
Share of profit of entities accounted for using equity method	201,312	-
Other	5,915	6,804
Total non-operating income	237,340	104,656
Non-operating expenses		
Interest expenses	5,744	5,322
Rental expenses on real estate	23,539	22,708
Other	5,262	6,308
Total non-operating expenses	34,545	34,339
Ordinary profit	446,615	77,727
Extraordinary income		
Gain on exchange from business combination	1,275,449	-
Total extraordinary income	1,275,449	-
Profit before income taxes	1,722,065	77,727
Income taxes - current	104,485	50,806
Income taxes - deferred	415,338	9,170
Total income taxes	519,823	59,977
Profit	1,202,241	17,750
Profit (loss) attributable to non-controlling interests	(571)	957
Profit attributable to owners of parent	1,202,813	16,792

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

(Thousand yen)

	For the nine months ended October 31,2021	For the nine months ended October 31,2022
Profit	1,202,241	17,750
Other comprehensive income		
Valuation difference on available-for-sale securities	486,777	288,670
Total other comprehensive income	486,777	288,670
Comprehensive income	1,689,019	306,420
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,689,590	305,462
Comprehensive income attributable to non-controlling interests	(571)	957