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Consolidated Financial Results for the Year Ended January 31, 2024 [Japanese GAAP]

March 8, 2024

Company name: BESTERRA CO.,LTD	
Stock exchange listing: Tokyo	
Code number: 1433	
URL: https://www.besterra.co.jp	
Representative: Yutaka Honda	President and Representative Director
Contact: Shinya Ikeda	Executive Officer and Planning Manager
Phone: +81-3-3630-5555	
Scheduled date of Annual General Meeting of Shareholders:	April 25, 2024
Scheduled date of commencing dividend payments:	April 9, 2024
Scheduled date of filing annual securities report:	April 26, 2024
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, 2024 (February 1, 2023 to January 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended January 31, 2024	9,394	72.1	246	-	407	-	231	-
January 31, 2023	5,458	(8.5)	(215)	-	(94)	-	(64)	-

(Note) Comprehensive income: Fiscal year ended January 31, 2024: ¥ (102) million [-%]
Fiscal year ended January 31, 2023: ¥ (52) million [-%]

	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
	Yen	Yen	%	%	%
Fiscal year ended January 31, 2024	26.08	-	5.5	4.2	2.6
January 31, 2023	(7.33)	-	(1.5)	(1.1)	(4.0)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2024: ¥ - million
Fiscal year ended January 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2024	10,879	4,095	37.6	461.31
January 31, 2023	8,427	4,379	51.8	493.05

(Reference) Equity: As of January 31, 2024: ¥ 4,087 million
As of January 31, 2023: ¥ 4,368 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended January 31, 2024	(1,370)	(26)	1,503	1,444
January 31, 2023	(354)	(515)	85	1,337

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	Millions of yen	%	%
January 31, 2023	-	10.00	-	10.00	20.00	176	-	4.1
January 31, 2024	-	10.00	-	10.00	20.00	177	76.7	4.2
Fiscal year ending January 31, 2025 (Forecast)	-	10.00	-	10.00	20.00		50.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended January 31, 2024 :

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2025 (February 1, 2024 to January 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,000	6.4	420	70.1	520	27.6	350	51.4	39.50

* 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, 2024: 8,990,200 shares

January 31, 2023: 8,990,200 shares

2) Number of treasury shares at the end of the period:

January 31, 2024: 129,035 shares

January 31, 2023: 129,035 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended January 31, 2024: 8,861,165 shares

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2024 (February 1, 2023 to January 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	7,567	70.0	194	-	315	-	214	-
January 31, 2023	4,450	(12.1)	(303)	-	(174)	-	(121)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2024	24.15	-
January 31, 2023	(13.87)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2024	9,998	4,012	40.1	451.99
January 31, 2023	8,126	4,310	53.0	485.62

(Reference) Equity: As of January 31, 2024: ¥ 4,005 million
As of January 31, 2023: ¥ 4,303 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	1,337,606	1,444,088
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	1,761,539	4,648,022
Costs on construction contracts in progress	121,467	94,520
Income taxes refund receivable	176,130	-
Other	173,763	110,794
Allowance for doubtful accounts	(2,002)	(4,679)
Total current assets	3,568,505	6,292,745
Non-current assets		
Property, plant and equipment		
Buildings and structures	176,541	196,740
Accumulated depreciation	(49,294)	(63,450)
Buildings and structures, net	127,247	133,289
Machinery, vehicles, tools, furniture and fixtures	170,189	231,468
Accumulated depreciation	(154,917)	(206,761)
Machinery, vehicles, tools, furniture and fixtures, net	15,271	24,707
Leased assets	2,979	2,979
Accumulated depreciation	(2,135)	(2,730)
Leased assets, net	844	248
Land	165,745	165,745
Construction in progress	1,287	-
Total property, plant and equipment	310,394	323,990
Intangible assets		
Goodwill	98,644	286,779
Leased assets	2,191	1,048
Other	12,602	14,402
Total intangible assets	113,438	302,230
Investments and other assets		
Investment securities	4,374,452	3,892,344
Deferred tax assets	-	5,536
Other	61,688	63,216
Allowance for doubtful accounts	(820)	(820)
Total investments and other assets	4,435,320	3,960,276
Total non-current assets	4,859,154	4,586,496
Total assets	8,427,659	10,879,242

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	786,095	1,631,120
Short-term borrowings	300,000	2,100,000
Current portion of long-term borrowings	256,318	602,192
Lease liabilities	1,926	1,612
Income taxes payable	285	121,106
Provision for loss on construction contracts	3,978	105
Provision for shareholder benefit program	34,530	60,916
Provision for retirement benefits for directors (and other officers)	184,987	-
Other	297,352	468,818
Total current liabilities	1,865,473	4,985,870
Non-current liabilities		
Long-term borrowings	1,870,376	1,540,244
Bonds payable	-	50,000
Retirement benefit liability	66,406	69,785
Provision for retirement benefits for directors (and other officers)	-	5,670
Lease liabilities	1,612	-
Deferred tax liabilities	234,052	121,786
Other	10,620	10,620
Total non-current liabilities	2,183,067	1,798,106
Total liabilities	4,048,540	6,783,977
Net assets		
Shareholders' equity		
Share capital	843,176	843,176
Capital surplus	804,146	803,214
Retained earnings	3,037,498	3,091,398
Treasury shares	(200,362)	(200,362)
Total shareholders' equity	4,484,458	4,537,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(115,477)	(449,709)
Total accumulated other comprehensive income	(115,477)	(449,709)
Share acquisition rights	7,548	7,548
Non-controlling interests	2,589	-
Total net assets	4,379,118	4,095,265
Total liabilities and net assets	8,427,659	10,879,242

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Net sales		
Net sales of completed construction contracts	5,242,436	9,136,731
Net sales in sideline businesses	216,292	258,096
Total net sales	5,458,728	9,394,828
Cost of sales		
Cost of sales of completed construction contracts	4,402,007	7,713,509
Cost of sales in sideline businesses	167,070	161,589
Total cost of sales	4,569,077	7,875,099
Gross profit		
Gross profit on completed construction contracts	840,429	1,423,221
Gross profit on sideline businesses	49,222	96,507
Total gross profit	889,651	1,519,729
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	100,566	127,062
Employees' salaries and allowances	237,050	298,477
Retirement benefit expenses	10,294	5,676
Provision for retirement benefits for directors (and other officers)	184,987	5,682
Provision for shareholder benefit program	34,530	60,916
Depreciation	50,104	23,110
Other	487,778	751,896
Total selling, general and administrative expenses	1,105,312	1,272,822
Operating profit (loss)	(215,661)	246,906
Non-operating income		
Dividend income	119,038	107,034
Rental income from real estate	40,293	40,293
Surrender value of insurance policies	-	51,775
Other	5,869	8,493
Total non-operating income	165,200	207,596
Non-operating expenses		
Interest expenses	7,093	9,295
Rental expenses on real estate	30,537	30,859
Other	6,732	6,721
Total non-operating expenses	44,363	46,876
Ordinary profit (loss)	(94,823)	407,626
Extraordinary income		
Gain on sale of non-current assets	-	4,016
Total extraordinary income	-	4,016
Extraordinary losses		
Loss on sale of golf club membership	-	4,084
Total extraordinary losses	-	4,084
Profit (loss) before income taxes	(94,823)	407,558
Income taxes - current	46,139	139,372
Income taxes - deferred	(77,431)	36,584
Total income taxes	(31,292)	175,956
Profit (loss)	(63,531)	231,601
Profit attributable to non-controlling interests	825	479
Profit (loss) attributable to owners of parent	(64,357)	231,122

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Profit (loss)	(63,531)	231,601
Other comprehensive income		
Valuation difference on available-for-sale securities	11,085	(334,232)
Total other comprehensive income	11,085	(334,232)
Comprehensive income	(52,445)	(102,630)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(53,271)	(103,109)
Comprehensive income attributable to non-controlling interests	825	479

Consolidated Statements of Changes in Equity

For the fiscal year ended January 31, 2023

(Thousands of 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

For the fiscal year ended January 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	843,176	804,146	3,037,498	(200,362)	4,484,458
Changes during period					
Dividends of surplus			(177,223)		(177,223)
Profit (loss) attributable to owners of parent			231,122		231,122
Additional purchase of shares of consolidated subsidiaries		(931)			(931)
Net changes in items other than shareholders' equity					
Total changes during period	-	(931)	53,899	-	52,967
Balance at end of period	843,176	803,214	3,091,398	(200,362)	4,537,426

	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	(115,477)	(115,477)	7,548	2,589	4,379,118
Changes during period					
Dividends of surplus					(177,223)
Profit (loss) attributable to owners of parent					231,122
Additional purchase of shares of consolidated subsidiaries				(2,589)	(3,520)
Net changes in items other than shareholders' equity	(334,232)	(334,232)			(334,232)
Total changes during period	(334,232)	(334,232)	-	(2,589)	(283,853)
Balance at end of period	(449,709)	(449,709)	7,548	-	4,095,265

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(94,823)	407,558
Gain on sale of non-current assets	-	(4,016)
Loss (gain) golf membership	-	4,084
Depreciation	50,632	23,989
Amortization of goodwill	27,787	51,779
Increase (decrease) in allowance for doubtful accounts	(529)	2,482
Interest and dividend income	(119,104)	(107,180)
Increase (decrease) in provision for loss on construction contracts	(5,071)	(3,872)
Increase (decrease) in provision for shareholder benefit program	21,030	26,386
Increase (decrease) in provision for retirement benefits for directors (and other officers)	184,987	(179,317)
Increase (decrease) in retirement benefit liability	1,121	3,379
Interest expenses	7,093	9,295
Decrease (increase) in trade receivables	514,879	(2,749,539)
Decrease (increase) in costs on construction contracts in progress	28,157	29,186
Increase (decrease) in trade payables	(413,239)	690,691
Other, net	(222,134)	181,370
Subtotal	(19,213)	(1,613,725)
Interest and dividends received	119,104	107,180
Interest paid	(7,069)	(9,448)
Income taxes refund (paid)	(447,602)	145,428
Net cash provided by (used in) operating activities	(354,780)	(1,370,564)
Cash flows from investing activities		
Purchase of investment securities	(500,269)	-
Proceeds from sale of property, plant and equipment	-	5,738
Purchase of property, plant and equipment	(13,704)	(14,830)
Purchase of intangible assets	(2,848)	(5,755)
Proceeds from cancellation of insurance funds	-	54,490
Purchase of shares of subsidiaries	-	(105,135)
Proceeds from collection of loans receivable	-	48,600
Other, net	1,667	(10,055)
Net cash provided by (used in) investing activities	(515,154)	(26,947)
Cash flows from financing activities		
Proceeds from short-term borrowings	300,000	1,812,000
Proceeds from long-term borrowings	-	206,900
Repayments of long-term borrowings	(262,695)	(331,853)
Repayments of lease liabilities	(1,909)	(1,926)
Proceeds from issuance of shares	225,000	-
Dividends paid	(175,091)	(177,127)
Other, net	-	(4,000)
Net cash provided by (used in) financing activities	85,305	1,503,993
Net increase (decrease) in cash and cash equivalents	(784,629)	106,481
Cash and cash equivalents at beginning of period	2,122,236	1,337,606
Cash and cash equivalents at end of period	1,337,606	1,444,088