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Consolidated Financial Results for the Six Months Ended July 31, 2024 [Japanese GAAP]

September 9, 2024

Company name: BESTERRA CO.,LTD Listing: Tokyo Securities code: 1433 URL: https://www.besterra.co.jp Representative: Yutaka Honda Inquiries: Shinya Ikeda Telephone: +81-3-3630-5555 Scheduled date to file semi-annual securities report: Scheduled date to commence dividend payments: Preparation of supplementary material on financial results: Holding of financial results briefing:	President and Representative Director Executive Officer and Planning Manager September 13, 2024 October 11, 2024 Yes Yes
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(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended July 31, 2024 (February 1, 2024 to July 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2024	5,767	73.3	211	-	258	-	127	-
July 31, 2023	3,328	31.4	(61)	-	(9)	-	(28)	-

(Note) Comprehensive income: Six months ended July 31, 2024: ¥ 258 million [-%]
Six months ended July 31, 2023: ¥ (396) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2024	14.36	-
July 31, 2023	(3.23)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of July 31, 2024	12,074	4,264	35.3
January 31, 2024	10,879	4,095	37.6

(Reference) Equity: As of July 31, 2024: ¥ 4,257 million
As of January 31, 2024: ¥ 4,087 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, 2024	-	10.00	-	10.00	20.00
Fiscal year ending January 31, 2025	-	10.00			
Fiscal year ending January 31, 2025 (Forecast)			-	10.00	20.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	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	11,000	17.1	500	102.5	650	59.5	480	107.7	54.17

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

July 31, 2024: 8,990,200 shares

January 31, 2024: 8,990,200 shares

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

July 31, 2024: 129,035 shares

January 31, 2024: 129,035 shares

3) Average number of shares outstanding during the period:

Six months ended July 31, 2024: 8,861,165 shares

Six months ended July 31, 2023: 8,861,165 shares

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	1,444,088	2,194,301
Notes receivable accounts receivable from completed construction contracts contract assets and other	4,648,022	4,737,509
Costs on construction contracts in progress	94,520	99,321
Other	110,794	298,653
Allowance for doubtful accounts	(4,679)	(4,767)
Total current assets	6,292,745	7,325,018
Non-current assets		
Property, plant and equipment	323,990	328,650
Intangible assets		
Goodwill	286,779	248,894
Other	15,450	12,653
Total intangible assets	302,230	261,547
Investments and other assets		
Investment securities	3,892,344	4,081,045
Other	68,752	78,909
Allowance for doubtful accounts	(820)	(840)
Total investments and other assets	3,960,276	4,159,115
Total non-current assets	4,586,496	4,749,313
Total assets	10,879,242	12,074,331

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts	1,631,120	1,298,235
Short-term borrowings	2,100,000	3,600,000
Current portion of long-term borrowings	602,192	289,620
Current portion of bonds payable	-	50,000
Income taxes payable	121,106	114,916
Provision for bonuses for directors (and other officers)	-	9,885
Provision for bonuses	-	92,395
Provision for shareholder benefit program	60,916	-
Provision for loss on construction contracts	105	23,649
Other	470,430	624,784
Total current liabilities	4,985,870	6,103,487
Non-current liabilities		
Long-term borrowings	1,540,244	1,404,614
Bonds payable	50,000	-
Retirement benefit liability	69,785	76,222
Provision for retirement benefits for directors (and other officers)	5,670	9,852
Deferred tax liabilities	121,786	205,302
Other	10,620	10,143
Total non-current liabilities	1,798,106	1,706,135
Total liabilities	6,783,977	7,809,623
Net assets		
Shareholders' equity		
Share capital	843,176	843,176
Capital surplus	803,214	803,214
Retained earnings	3,091,398	3,130,031
Treasury shares	(200,362)	(200,362)
Total shareholders' equity	4,537,426	4,576,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(449,709)	(318,899)
Total accumulated other comprehensive income	(449,709)	(318,899)
Share acquisition rights	7,548	7,548
Total net assets	4,095,265	4,264,707
Total liabilities and net assets	10,879,242	12,074,331

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Net sales		
Net sales of completed construction contracts	3,213,870	5,622,706
Net sales in sideline businesses	115,062	144,960
Total net sales	3,328,932	5,767,667
Cost of sales		
Cost of sales of completed construction contracts	2,775,306	4,697,795
Cost of sales in sideline businesses	83,147	109,066
Total cost of sales	2,858,453	4,806,861
Gross profit		
Gross profit on completed construction contracts	438,564	924,911
Gross profit on sideline businesses	31,915	35,893
Total gross profit	470,479	960,805
Selling, general and administrative expenses		
Employees' salaries and allowances	140,741	178,815
Provision for bonuses	36,748	40,835
Provision for bonuses for directors (and other officers)	7,998	9,885
Provision for retirement benefits for directors (and other officers)	2,847	4,182
Retirement benefit expenses	6,063	4,474
Depreciation	12,468	16,027
Other	324,808	494,819
Total selling, general and administrative expenses	531,675	749,039
Operating profit (loss)	(61,196)	211,766
Non-operating income		
Dividend income	51,428	51,461
Rental income from real estate	20,146	18,045
Other	2,605	2,106
Total non-operating income	74,180	71,613
Non-operating expenses		
Interest expenses	3,758	9,013
Rental expenses on real estate	15,191	14,064
Other	3,752	1,713
Total non-operating expenses	22,702	24,791
Ordinary profit (loss)	(9,717)	258,588
Extraordinary income		
Insurance income for accident and damage	-	124,906
Gain on sale of non-current assets	3,463	-
Total extraordinary income	3,463	124,906
Extraordinary losses		
Loss on sale of non-current assets	-	2,816
Loss on compensation for accident and damage	-	115,180
Total extraordinary losses	-	117,997
Profit (loss) before income taxes	(6,254)	265,497
Income taxes - current	10,352	109,504
Income taxes - deferred	11,513	28,748
Total income taxes	21,866	138,252
Profit (loss)	(28,120)	127,245
Profit attributable to non-controlling interests	479	-
Profit (loss) attributable to owners of parent	(28,599)	127,245

(Thousands of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Profit (loss)	(28,120)	127,245
Other comprehensive income		
Valuation difference on available-for-sale securities	(368,396)	130,809
Total other comprehensive income	(368,396)	130,809
Comprehensive income	(396,517)	258,054
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(396,996)	258,054
Comprehensive income attributable to non-controlling interests	479	-

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(6,254)	265,497
Insurance income for accident and damage	-	(124,906)
Loss on compensation for accident and damage	-	115,180
Loss on retirement of non-current assets	-	2,816
Gain on sale of non-current assets	(3,463)	-
Depreciation	12,598	17,815
Amortization of goodwill	13,893	37,885
Increase (decrease) in allowance for doubtful accounts	704	107
Increase (decrease) in provision for loss on construction contracts	13,395	23,544
Increase (decrease) in provision for shareholder benefit program	(34,530)	(60,916)
Increase (decrease) in provision for bonuses for directors (and other officers)	7,998	9,885
Increase (decrease) in provision for bonuses	76,744	92,395
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(182,152)	4,182
Increase (decrease) in retirement benefit liability	1,895	6,437
Interest and dividend income	(51,522)	(51,471)
Interest expenses	3,758	9,013
Decrease (increase) in trade receivables	(790,309)	(89,487)
Decrease (increase) in costs on construction contracts in progress	68,620	(4,800)
Increase (decrease) in trade payables	243,297	(332,884)
Increase (decrease) in accounts payable - other	(115,402)	(149,842)
Other, net	74,026	105,680
Subtotal	(666,700)	(123,865)
Interest and dividends received	51,522	51,471
Interest paid	(3,748)	(10,081)
Income taxes refund (paid)	167,973	(116,997)
Net cash provided by (used in) operating activities	(450,953)	(199,472)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,955)	(15,596)
Proceeds from sale of property, plant and equipment	6,624	-
Purchase of software	(1,206)	(225)
Other, net	6,265	3,226
Net cash provided by (used in) investing activities	1,727	(12,595)
Cash flows from financing activities		
Proceeds from short-term borrowings	900,000	1,500,000
Proceeds from long-term borrowings	-	30,000
Repayments of long-term borrowings	(129,804)	(478,202)
Dividends paid	(88,516)	(88,552)
Other, net	(4,961)	(964)
Net cash provided by (used in) financing activities	676,718	962,280
Net increase (decrease) in cash and cash equivalents	227,492	750,213
Cash and cash equivalents at beginning of period	1,337,606	1,444,088
Cash and cash equivalents at end of period	1,565,099	2,194,301