



September 9, 2025

To shareholders,

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Notice of Differences between Forecasts and Results for the Second Quarter and Revision of Full-Year

Forecasts

BESTERRA CO., LTD announces there were differences between the consolidated financial results forecasts for the second quarter (interim period) of the fiscal year ending January 31, 2026 published on June 9, 2025 and the actual results announced today. The details are as follows. Moreover, in view of recent performance trends, the Company announces that it has revised the consolidated financial results forecasts for the fiscal year ending January 31, 2026 as follows.

1. Differences between Consolidated Financial Results Forecasts and Actual Results and Revision of Full-Year Consolidated Financial Results Forecasts

(1) Differences between consolidated financial results forecasts for the second quarter (interim period) of the fiscal year ending January 31, 2026 (February 1, 2025 to July 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Millions of yen 5,242	Millions of yen 353	Millions of yen 393	Millions of yen 350	Yen 39.77
Actual results (B)	5,100	226	215	220	24.78
Amount of change (B-A)	(141)	(126)	(177)	(129)	
Percentage change (%)	(2.7)	(35.9)	(45.3)	(37.0)	
(Reference) Results for the previous fiscal year (First half of the fiscal year ended January 31, 2025)	5,767	211	258	127	14.36

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(2) Revision of full-year consolidated financial results forecasts for the fiscal year ending January 31, 2026 (February 1, 2025 to January 31, 2026)

	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
Previously announced forecast (A)	13,000	1,200	1,280	950	108.18
Revised forecast (B)	12,000	700	700	550	61.06
Amount of change (B-A)	(1,000)	(500)	(580)	(400)	
Percentage change (%)	(7.7)	(41.7)	(45.3)	(42.1)	
(Reference) Results for the previous fiscal year (Fiscal year ended January 31, 2025)	10,897	373	592	409	46.25

2. Reasons for Differences between Consolidated Financial Results Forecasts and Actual Results and Revision of the Full-Year Consolidated Financial Results Forecasts

Under the Action Plan for Decarbonization, concluding in the fiscal year ending January 31, 2026 (“the current fiscal year”), the Company has been implementing various measures. In terms of profitability management for contracted construction projects, the Company reviewed sales and order-receiving processes, including the establishment of a new construction management department specializing in estimating and cost calculation, based on lessons learned from low-profit project orders and projects that resulted in losses that occurred in and before the fiscal year ended January 31, 2025.

During the current fiscal year, the Company has set a high operating margin target and has been conducting sales activities based on a policy of selectively accepting orders for projects with a high profit margin on completed construction (“profit margin”). As a result, the profit margin of contracted construction projects (order backlog) showed a recovery trend. However, as the system for selectively accepting orders has not been sufficiently developed, there were missed opportunities to secure some large-scale projects with high profit margins, and the forecast for net sales is expected to decrease. In addition, there was a temporary suspension of work on a construction project underway that began during the current fiscal year due to client circumstances. This resulted in a delay in revenue recognition (percentage-of-completion method) in conjunction with the delay in construction progress. From the profit perspective, this construction project also experienced a decline in the profit margin due to factors such as standby charges incurred when work was suspended and delays in the removal of scrap. The Company plans to engage in customer negotiations for this project.

In addition to the above, the Company had been exploring the potential for business recovery while expecting a certain level of sales and profits in some unprofitable businesses (design, software development and sales, and engineer dispatch business) up until the second quarter (interim period) of the current fiscal year. However, with no prospect for improvement in profitability, the Company decided to sell two Group companies as described in Notice of Change in Consolidated Subsidiary (Share Transfer) announced on August 21, 2025.

As a result of the aforementioned factors, in the second quarter (interim period) of the fiscal year ending January

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31, 2026, although net sales only decreased by 2.7 percentage points, there was a lag in profit margin improvement, resulting in lower-than-expected operating profit, ordinary profit, and profit attributable to owners of parent.

Moreover, with regard to the full-year financial results forecasts, the Company expects that net sales, operating profit, ordinary profit, and profit attributable to owners of parent will all be lower than the previously announced forecasts taking into account current trends in orders received and the lag in profit margin improvement as described above in 2. as the reasons for the differences between consolidated financial results forecasts and actual results. Therefore, the financial results forecasts have been revised.

Going forward, the Company will actively develop the system for selectively accepting orders while concentrating management resources on the plant dismantling business, where demand is rapidly increasing due to the aging of social capital.

3. Revision of Dividend Forecast

There is no change in the year-end dividend forecast due to the revision of the financial results forecasts.

* The financial results forecasts presented above have been calculated based on information available as of the date of the release of this document. Actual results may differ from these forecasts due to various future factors.