

Translation

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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2023 (Based on Japanese GAAP)

January 11, 2024

Company name: AVANTIA CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8904 URL <https://avantia-g.co.jp/>
 Representative: Representative Director Yasunari Sawada
 President
 Director and Department
 Inquiries: Manager of Administration Shoji Higuchi TEL 052-307-5090
 Scheduled date to file Quarterly Securities Report: January 11, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended November 30, 2023 (from September 1, 2023 to November 30, 2023)

(1) Consolidated operating results (cumulative)

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	%
Three months ended November 30, 2023	15,133	48.4	38	(35.6)	40	(39.1)	75	133.8
Three months ended November 30, 2022	10,195	11.3	59	–	66	–	32	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2023	5.27		–	
Three months ended November 30, 2022	2.26		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	71,441	27,431	38.4
As of August 31, 2023	70,863	27,623	39.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended August 31, 2023	–	19.00	–	19.00	38.00
Year ending August 31, 2024	–	–	–	–	–
Year ending August 31, 2024 (Forecast)	–	19.00	–	19.00	38.00

3. Forecast of consolidated financial results for the year ending August 31, 2024 (from September 1, 2023 to August 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending February 29, 2024	30,000	24.4	800	39.0	800	33.9	520	46.8	36.37
Full year	70,000	20.4	2,400	24.9	2,400	22.3	1,550	25.5	108.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2023	14,884,300 shares	As of August 31, 2023	14,884,300 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	586,455 shares	As of August 31, 2023	586,455 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2023	14,297,845 shares	Three months ended November 30, 2022	14,263,845 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	13,097,491	12,016,390
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,639,258	1,465,733
Real estate for sale	20,947,143	21,779,568
Costs on development business and other	24,017,224	25,670,706
Costs on construction contracts in progress	3,864,850	4,192,959
Raw materials and supplies	15,282	12,163
Other	429,183	358,872
Allowance for doubtful accounts	(702)	(111)
Total current assets	64,009,731	65,496,283
Non-current assets		
Property, plant and equipment	3,849,939	3,084,455
Intangible assets		
Goodwill	1,174,551	1,137,266
Other	221,173	139,833
Total intangible assets	1,395,725	1,277,100
Investments and other assets		
Investment securities	416,531	403,360
Other	1,191,553	1,180,630
Total investments and other assets	1,608,085	1,583,991
Total non-current assets	6,853,750	5,945,547
Total assets	70,863,482	71,441,830
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,269,294	1,908,272
Short-term borrowings	24,495,441	24,686,181
Current portion of bonds payable	20,000	10,000
Current portion of long-term borrowings	950,389	828,743
Income taxes payable	220,263	88,848
Contract liabilities	2,489,369	2,171,289
Provision for bonuses	160,243	196,334
Provision for warranties for completed construction	19,157	23,361
Other	1,337,412	1,475,659
Total current liabilities	31,961,572	31,388,688
Non-current liabilities		
Bonds payable	115,000	100,000
Long-term borrowings	10,626,930	12,038,549
Other	536,258	482,752
Total non-current liabilities	11,278,188	12,621,301
Total liabilities	43,239,760	44,009,990

(Thousands of yen)

	As of August 31, 2023	As of November 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,973,813	2,973,813
Retained earnings	21,419,560	21,223,308
Treasury shares	(543,910)	(543,910)
Total shareholders' equity	27,582,138	27,385,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,583	45,954
Total accumulated other comprehensive income	41,583	45,954
Total net assets	27,623,721	27,431,840
Total liabilities and net assets	70,863,482	71,441,830

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2022	Three months ended November 30, 2023
Net sales	10,195,722	15,133,780
Cost of sales	8,548,890	13,232,394
Gross profit	1,646,831	1,901,386
Selling, general and administrative expenses	1,587,189	1,862,985
Operating profit	59,642	38,400
Non-operating income		
Interest income	111	339
Dividend income	377	381
Administrative service fee income	28,812	20,995
Refunded Real Estate Acquisition Tax	23,783	18,005
Other	29,471	61,506
Total non-operating income	82,554	101,228
Non-operating expenses		
Interest expenses	45,409	60,737
Commission for syndicated loans	27,850	13,877
Other	2,647	24,632
Total non-operating expenses	75,907	99,247
Ordinary profit	66,289	40,381
Extraordinary income		
Gain on sale of non-current assets	–	49,121
Gain on reversal of asset retirement obligations	823	–
Total extraordinary income	823	49,121
Extraordinary losses		
Loss on retirement of non-current assets	258	4,089
Total extraordinary losses	258	4,089
Profit before income taxes	66,854	85,413
Income taxes	34,608	10,007
Profit	32,246	75,406
Profit attributable to owners of parent	32,246	75,406

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2022	Three months ended November 30, 2023
Profit	32,246	75,406
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,020)	4,371
Total other comprehensive income	(11,020)	4,371
Comprehensive income	21,225	79,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,225	79,777
Comprehensive income attributable to non-controlling interests	—	—