

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2024 (Based on Japanese GAAP)

July 11, 2024

Company name: AVANTIA CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8904 URL <https://avantia-g.jp/corp/>
 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: July 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 nine months ended May 31, 2024 (from September 1, 2023 to May 31, 2024)

(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	%
Nine months ended May 31, 2024	46,761	22.8	(171)	–	(174)	–	(82)	–
Nine months ended May 31, 2023	38,085	3.4	758	(3.4)	799	(6.8)	471	(13.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2024	(5.73)		–	
Nine months ended May 31, 2023	33.03		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2024	69,711	27,083	38.9
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	Yen	Yen	Yen	Yen
Year ended August 31, 2023	–	19.00	–	19.00	38.00
Year ending August 31, 2024	–	19.00	–		
Year ending August 31, 2024 (Forecast)				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
Full year	70,000	20.4	1,100	(42.8)	1,100	(43.9)	700	(43.3)	48.86

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended May 31, 2024
(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 May 31, 2024	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 May 31, 2024	546,356 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)

Nine months ended May 31, 2024	14,321,700 shares	Nine months ended May 31, 2023	14,283,772 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	13,097,491	11,361,890
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,639,258	1,049,270
Real estate for sale	20,947,143	25,307,504
Costs on development business and other	24,017,224	22,183,938
Costs on construction contracts in progress	3,864,850	3,559,890
Raw materials and supplies	15,282	11,976
Other	429,183	762,671
Allowance for doubtful accounts	(702)	(78)
Total current assets	64,009,731	64,237,065
Non-current assets		
Property, plant and equipment	3,849,939	2,663,989
Intangible assets		
Goodwill	1,174,551	1,062,695
Other	221,173	94,945
Total intangible assets	1,395,725	1,157,641
Investments and other assets		
Investment securities	416,531	442,832
Other	1,191,553	1,210,367
Total investments and other assets	1,608,085	1,653,199
Total non-current assets	6,853,750	5,474,830
Total assets	70,863,482	69,711,895
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,269,294	1,973,473
Short-term borrowings	24,495,441	23,003,536
Current portion of bonds payable	20,000	30,000
Current portion of long-term borrowings	950,389	2,437,012
Income taxes payable	220,263	77,295
Contract liabilities	2,489,369	2,071,149
Provision for bonuses	160,243	215,305
Provision for warranties for completed construction	19,157	26,750
Other	1,337,412	857,352
Total current liabilities	31,961,572	30,691,874
Non-current liabilities		
Bonds payable	115,000	325,000
Long-term borrowings	10,626,930	11,121,584
Other	536,258	489,944
Total non-current liabilities	11,278,188	11,936,528
Total liabilities	43,239,760	42,628,402

(Thousands of yen)

	As of August 31, 2023	As of May 31, 2024
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,973,813	2,970,828
Retained earnings	21,419,560	20,793,476
Treasury shares	(543,910)	(506,720)
Total shareholders' equity	27,582,138	26,990,258
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,583	93,233
Total accumulated other comprehensive income	41,583	93,233
Total net assets	27,623,721	27,083,492
Total liabilities and net assets	70,863,482	69,711,895

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2023	Nine months ended May 31, 2024
Net sales	38,085,614	46,761,682
Cost of sales	32,448,793	41,373,028
Gross profit	5,636,820	5,388,654
Selling, general and administrative expenses	4,878,708	5,559,896
Operating profit (loss)	758,112	(171,242)
Non-operating income		
Interest income	692	1,673
Dividend income	3,918	10,310
Administrative service fee income	61,298	59,086
Refunded Real Estate Acquisition Tax	77,600	67,263
Other	72,834	106,390
Total non-operating income	216,344	244,724
Non-operating expenses		
Interest expenses	139,251	182,834
Commission for syndicated loans	27,850	13,877
Other	7,827	51,031
Total non-operating expenses	174,928	247,743
Ordinary profit (loss)	799,528	(174,260)
Extraordinary income		
Gain on sale of non-current assets	5,648	108,970
Gain on reversal of asset retirement obligations	2,709	-
Total extraordinary income	8,358	108,970
Extraordinary losses		
Loss on retirement of non-current assets	29,119	72,466
Other	-	3,273
Total extraordinary losses	29,119	75,739
Profit (loss) before income taxes	778,766	(141,029)
Income taxes	306,961	(59,025)
Profit (loss)	471,805	(82,004)
Profit (loss) attributable to owners of parent	471,805	(82,004)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2023	Nine months ended May 31, 2024
Profit (loss)	471,805	(82,004)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,150	51,650
Total other comprehensive income	1,150	51,650
Comprehensive income	472,956	(30,353)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	472,956	(30,353)
Comprehensive income attributable to non-controlling interests	—	—