

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended November 30, 2021 (Based on Japanese GAAP)

January 13, 2022

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 052-859-0034  
 Scheduled date to file Quarterly Securities Report: January 13, 2022  
 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, 2021 (from September 1, 2021 to November 30, 2021)

(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, 2021	9,160	32.4	(256)	–	(200)	–	(178)	–
Three months ended November 30, 2020	6,919	16.9	(171)	–	(126)	–	(118)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2021	(12.51)		–	
Three months ended November 30, 2020	(8.32)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	57,088	25,092	44.0
As of August 31, 2021	53,466	25,585	47.9

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, 2021	–	19.00	–	19.00	38.00
Year ending August 31, 2022	–	–	–	–	–
Year ending August 31, 2022 (Forecast)	–	19.00	–	19.00	38.00

3. Forecast of consolidated financial results for the year ending August 31, 2022 (from September 1, 2021 to August 31, 2022)

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 28, 2022	25,000	41.3	140	(52.1)	220	(39.7)	105	(54.3)	7.38
Full year	60,000	32.4	2,000	14.9	2,200	13.5	1,500	10.9	105.37

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2021  
(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: Yes
- 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, 2021	14,884,300 shares	As of August 31, 2021	14,884,300 shares
-------------------------	-------------------	-----------------------	-------------------

Number of treasury shares at the end of the period

As of November 30, 2021	649,155 shares	As of August 31, 2021	649,155 shares
-------------------------	----------------	-----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2021	14,235,145 shares	Three months ended November 30, 2020	14,205,245 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2021	As of November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	12,881,771	11,302,394
Notes receivable, accounts receivable from completed construction contracts and other	1,313,202	–
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	–	1,723,955
Real estate for sale	6,008,205	5,926,303
Costs on development business and other	22,974,924	27,316,778
Costs on construction contracts in progress	2,464,850	3,572,996
Raw materials and supplies	17,944	20,121
Other	625,381	454,930
Allowance for doubtful accounts	(1,597)	(372)
Total current assets	46,284,682	50,317,109
Non-current assets		
Property, plant and equipment	5,092,955	4,756,496
Intangible assets	662,791	639,145
Investments and other assets		
Investment securities	561,210	464,732
Other	865,315	910,567
Total investments and other assets	1,426,526	1,375,300
Total non-current assets	7,182,273	6,770,942
Total assets	53,466,956	57,088,051
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,194,225	1,924,138
Short-term borrowings	12,530,780	16,115,950
Current portion of long-term borrowings	1,269,855	1,459,014
Income taxes payable	345,932	69,833
Advances received on construction contracts in progress	3,615,221	–
Contract liabilities	–	3,369,477
Provision for bonuses	129,271	250,264
Provision for warranties for completed construction	30,614	20,529
Other	1,150,455	790,597
Total current liabilities	21,266,355	23,999,806
Non-current liabilities		
Long-term borrowings	5,897,960	7,293,555
Retirement benefit liability	253,542	259,521
Other	463,910	443,115
Total non-current liabilities	6,615,413	7,996,192
Total liabilities	27,881,769	31,995,998

(Thousands of yen)

	As of August 31, 2021	As of November 30, 2021
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,980,013	2,980,013
Retained earnings	19,403,285	18,954,742
Treasury shares	(602,061)	(602,061)
Total shareholders' equity	25,513,910	25,065,366
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,276	26,686
Total accumulated other comprehensive income	71,276	26,686
Total net assets	25,585,186	25,092,052
Total liabilities and net assets	53,466,956	57,088,051

## 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, 2020	Three months ended November 30, 2021
Net sales	6,919,859	9,160,179
Cost of sales	5,875,938	7,811,128
Gross profit	1,043,920	1,349,051
Selling, general and administrative expenses	1,215,775	1,605,875
Operating loss	(171,854)	(256,824)
Non-operating income		
Interest income	380	196
Dividend income	330	330
Administrative service fee income	15,360	17,166
Refunded Real Estate Acquisition Tax	33,332	32,469
Other	23,829	40,718
Total non-operating income	73,233	90,881
Non-operating expenses		
Interest expenses	19,374	14,818
Other	8,041	19,897
Total non-operating expenses	27,416	34,716
Ordinary loss	(126,037)	(200,659)
Extraordinary income		
Gain on sale of non-current assets	–	14
Gain on reversal of asset retirement obligations	2,083	–
Total extraordinary income	2,083	14
Extraordinary losses		
Loss on sale of non-current assets	–	29,966
Loss on retirement of non-current assets	23,784	134
Total extraordinary losses	23,784	30,100
Loss before income taxes	(147,738)	(230,744)
Income taxes	(29,606)	(52,669)
Loss	(118,131)	(178,075)
Loss attributable to owners of parent	(118,131)	(178,075)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended November 30, 2020	Three months ended November 30, 2021
Loss	(118,131)	(178,075)
Other comprehensive income		
Valuation difference on available-for-sale securities	43,467	(44,590)
Total other comprehensive income	43,467	(44,590)
Comprehensive income	(74,664)	(222,666)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(74,664)	(222,666)
Comprehensive income attributable to non-controlling interests	—	—