

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2022 (Based on Japanese GAAP)

July 14, 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: July 14, 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 nine months ended May 31, 2022 (from September 1, 2021 to May 31, 2022)

(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, 2022	36,850	40.5	784	259.7	858	158.4	546	192.5
Nine months ended May 31, 2021	26,233	7.0	218	–	332	197.7	186	390.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2022	38.33		–	
Nine months ended May 31, 2021	13.13		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2022	61,393	25,564	41.6
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	–	19.00	–		
Year ending August 31, 2022 (Forecast)				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
Full year	60,000	32.4	2,000	14.9	2,200	13.5	1,500	10.9	105.23

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended May 31, 2022
(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 May 31, 2022	14,884,300 shares	As of August 31, 2021	14,884,300 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	620,455 shares	As of August 31, 2021	649,155 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, 2022	14,251,966 shares	Nine months ended May 31, 2021	14,222,550 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	12,881,771	11,377,955
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	–	1,169,914
Real estate for sale	6,008,205	3,740,867
Costs on development business and other	22,974,924	30,497,618
Costs on construction contracts in progress	2,464,850	7,247,488
Raw materials and supplies	17,944	19,500
Other	625,381	713,223
Allowance for doubtful accounts	(1,597)	(264)
Total current assets	46,284,682	54,766,304
Non-current assets		
Property, plant and equipment	5,092,955	4,637,325
Intangible assets	662,791	623,673
Investments and other assets		
Investment securities	561,210	440,651
Other	865,315	925,344
Total investments and other assets	1,426,526	1,365,995
Total non-current assets	7,182,273	6,626,994
Total assets	53,466,956	61,393,299
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,194,225	2,690,491
Short-term borrowings	12,530,780	21,367,370
Current portion of long-term borrowings	1,269,855	2,833,363
Income taxes payable	345,932	170,831
Advances received on construction contracts in progress	3,615,221	–
Contract liabilities	–	1,784,698
Provision for bonuses	129,271	190,141
Provision for warranties for completed construction	30,614	20,011
Other	1,150,455	804,371
Total current liabilities	21,266,355	29,861,279
Non-current liabilities		
Long-term borrowings	5,897,960	5,292,498
Retirement benefit liability	253,542	257,655
Other	463,910	417,112
Total non-current liabilities	6,615,413	5,967,266
Total liabilities	27,881,769	35,828,545

(Thousands of yen)

	As of August 31, 2021	As of May 31, 2022
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,980,013	2,978,249
Retained earnings	19,403,285	19,408,131
Treasury shares	(602,061)	(575,443)
Total shareholders' equity	25,513,910	25,543,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,276	21,142
Total accumulated other comprehensive income	71,276	21,142
Total net assets	25,585,186	25,564,753
Total liabilities and net assets	53,466,956	61,393,299

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, 2021	Nine months ended May 31, 2022
Net sales	26,233,914	36,850,447
Cost of sales	22,250,538	31,241,212
Gross profit	3,983,375	5,609,235
Selling, general and administrative expenses	3,765,270	4,824,749
Operating profit	218,104	784,485
Non-operating income		
Interest income	1,021	553
Dividend income	2,913	3,085
Administrative service fee income	32,607	47,043
Refunded Real Estate Acquisition Tax	87,729	70,476
Other	69,048	77,311
Total non-operating income	193,319	198,469
Non-operating expenses		
Interest expenses	58,897	111,352
Other	20,454	13,602
Total non-operating expenses	79,351	124,954
Ordinary profit	332,071	858,001
Extraordinary income		
Gain on sale of non-current assets	6,524	1,790
Gain on reversal of asset retirement obligations	2,083	–
Total extraordinary income	8,607	1,790
Extraordinary losses		
Loss on sale of non-current assets	–	29,966
Loss on retirement of non-current assets	25,812	11,108
Total extraordinary losses	25,812	41,074
Profit before income taxes	314,867	818,716
Income taxes	128,116	272,389
Profit	186,751	546,327
Profit attributable to owners of parent	186,751	546,327

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2021	Nine months ended May 31, 2022
Profit	186,751	546,327
Other comprehensive income		
Valuation difference on available-for-sale securities	32,165	(50,134)
Total other comprehensive income	32,165	(50,134)
Comprehensive income	218,917	496,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	218,917	496,192
Comprehensive income attributable to non-controlling interests	—	—