

Translation

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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2022 (Based on Japanese GAAP)

January 12, 2023

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 12, 2023
 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, 2022 (from September 1, 2022 to November 30, 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	%
Three months ended November 30, 2022	10,195	11.3	59	–	66	–	32	–
Three months ended November 30, 2021	9,160	32.4	(256)	–	(200)	–	(178)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2022	2.26		–	
Three months ended November 30, 2021	(12.51)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2022	60,334	26,632	44.1
As of August 31, 2022	60,683	26,887	44.3

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, 2022	–	19.00	–	19.00	38.00
Year ending August 31, 2023	–	–	–	–	–
Year ending August 31, 2023 (Forecast)	–	19.00	–	19.00	38.00

3. Forecast of consolidated financial results for the year ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

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, 2023	27,000	20.8	600	259.0	600	168.9	400	297.3	28.04
Full year	62,000	5.5	1,900	(18.3)	1,900	(21.5)	1,300	(30.5)	91.14

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 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: 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, 2022	14,884,300 shares	As of August 31, 2022	14,884,300 shares
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Number of treasury shares at the end of the period

As of November 30, 2022	620,455 shares	As of August 31, 2022	620,455 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, 2022	14,263,845 shares	Three months ended November 30, 2021	14,235,145 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	13,792,559	9,324,288
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,615,504	1,888,060
Real estate for sale	9,458,472	12,584,690
Costs on development business and other	24,242,458	25,033,620
Costs on construction contracts in progress	4,209,562	4,737,013
Raw materials and supplies	15,913	14,735
Other	610,323	571,166
Allowance for doubtful accounts	(882)	(306)
Total current assets	53,943,911	54,153,268
Non-current assets		
Property, plant and equipment	4,562,532	4,018,231
Intangible assets		
Goodwill	636,390	614,820
Other	111,555	108,786
Total intangible assets	747,945	723,606
Investments and other assets		
Investment securities	429,096	391,935
Other	1,000,075	1,047,520
Total investments and other assets	1,429,171	1,439,456
Total non-current assets	6,739,650	6,181,295
Total assets	60,683,562	60,334,563
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,709,920	1,814,186
Short-term borrowings	19,472,703	17,638,218
Current portion of long-term borrowings	4,325,611	3,904,612
Income taxes payable	431,409	262,502
Contract liabilities	1,261,087	1,851,375
Provision for bonuses	124,580	223,888
Provision for warranties for completed construction	18,694	11,784
Other	1,108,603	1,055,580
Total current liabilities	29,452,609	26,762,148
Non-current liabilities		
Long-term borrowings	3,639,845	6,411,268
Retirement benefit liability	281,712	–
Other	422,360	528,845
Total non-current liabilities	4,343,918	6,940,114
Total liabilities	33,796,528	33,702,262

(Thousands of yen)

	As of August 31, 2022	As of November 30, 2022
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,978,249	2,978,249
Retained earnings	20,732,264	20,488,552
Treasury shares	(575,443)	(575,443)
Total shareholders' equity	26,867,743	26,624,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,289	8,269
Total accumulated other comprehensive income	19,289	8,269
Total net assets	26,887,033	26,632,301
Total liabilities and net assets	60,683,562	60,334,563

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, 2021	Three months ended November 30, 2022
Net sales	9,160,179	10,195,722
Cost of sales	7,811,128	8,548,890
Gross profit	1,349,051	1,646,831
Selling, general and administrative expenses	1,605,875	1,587,189
Operating profit (loss)	(256,824)	59,642
Non-operating income		
Interest income	196	111
Dividend income	330	377
Administrative service fee income	17,166	28,812
Refunded Real Estate Acquisition Tax	32,469	23,783
Other	40,718	29,471
Total non-operating income	90,881	82,554
Non-operating expenses		
Interest expenses	14,818	45,409
Commission for syndicated loans	–	27,850
Other	19,897	2,647
Total non-operating expenses	34,716	75,907
Ordinary profit (loss)	(200,659)	66,289
Extraordinary income		
Gain on sale of non-current assets	14	–
Gain on reversal of asset retirement obligations	–	823
Total extraordinary income	14	823
Extraordinary losses		
Loss on sale of non-current assets	29,966	–
Loss on retirement of non-current assets	134	258
Total extraordinary losses	30,100	258
Profit (loss) before income taxes	(230,744)	66,854
Income taxes	(52,669)	34,608
Profit (loss)	(178,075)	32,246
Profit (loss) attributable to owners of parent	(178,075)	32,246

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2021	Three months ended November 30, 2022
Profit (loss)	(178,075)	32,246
Other comprehensive income		
Valuation difference on available-for-sale securities	(44,590)	(11,020)
Total other comprehensive income	(44,590)	(11,020)
Comprehensive income	(222,666)	21,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(222,666)	21,225
Comprehensive income attributable to non-controlling interests	—	—