

July 13, 2023

Company name:	AVANTIA CO.,LTD.
Name of representative:	Yasunari Sawada Representative Director President (Securities code: 8904; Tokyo, Nagoya Market)
Inquiries:	Shoji Higuchi Director and Department Manager of Administration (Telephone: +81-052-859-0034)

**[Updated]Summary of Consolidated Financial Results  
for the Six Months Ended February 28, 2023  
(Based on Japanese GAAP)**

AVANTIA CO.,LTD. (the “Company”) hereby announces that there have been corrections made to the above-mentioned English disclosure material released on April 10, 2023.

**Details of and reason for correction**

After the “Summary of Consolidated Financial Results for the Six Months Ended February 28, 2023 (Based on Japanese GAAP)” was filed, it was discovered that the attached materials in the English translation were for the fiscal year ended August 31, 2022. Accordingly, the English translation of the filed Summary of Consolidated Financial Results for the Six Months Ended February 28, 2023 was corrected to include the proper attached materials for the six months ended February 28, 2023.

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 Six Months Ended February 28, 2023 (Based on Japanese GAAP)

April 10, 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: April 10, 2023  
 Scheduled date to commence dividend payments: May 19, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended February 28, 2023 (from September 1, 2022 to February 28, 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	%
Six months ended February 28, 2023	24,108	7.8	575	244.3	597	167.7	354	251.9
Six months ended February 28, 2022	22,359	26.4	167	(42.8)	223	(38.8)	100	(56.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 28, 2023	24.81		-	
Six months ended February 28, 2022	7.07		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2023	63,135	26,998	42.8
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	-	19.00	-	-	-
Year ending August 31, 2023 (Forecast)	-	-	-	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
Full year	62,000	5.5	1,900	(18.3)	1,900	(21.5)	1,300	(30.5)	90.99

4. Notes

- (1) Changes in significant subsidiaries during the six months ended February 28, 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 February 28, 2023	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 February 28, 2023	586,455 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)

Six months ended February 28, 2023	14,276,618 shares	Six months ended February 28, 2022	14,245,927 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	13,792,559	9,035,308
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,615,504	2,099,391
Real estate for sale	9,458,472	16,040,385
Costs on development business and other	24,242,458	24,402,658
Costs on construction contracts in progress	4,209,562	4,768,844
Raw materials and supplies	15,913	13,547
Other	610,323	643,221
Allowance for doubtful accounts	(882)	(208)
Total current assets	53,943,911	57,003,148
Non-current assets		
Property, plant and equipment	4,562,532	3,998,556
Intangible assets	747,945	696,751
Investments and other assets		
Investment securities	429,096	417,787
Other	1,000,075	1,018,935
Total investments and other assets	1,429,171	1,436,723
Total non-current assets	6,739,650	6,132,031
Total assets	60,683,562	63,135,179
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,709,920	2,530,789
Short-term borrowings	19,472,703	18,171,523
Current portion of long-term borrowings	4,325,611	2,113,684
Income taxes payable	431,409	218,659
Contract liabilities	1,261,087	2,233,279
Provision for bonuses	124,580	109,876
Provision for warranties for completed construction	18,694	11,762
Other	1,108,603	850,932
Total current liabilities	29,452,609	26,240,507
Non-current liabilities		
Long-term borrowings	3,639,845	9,360,512
Retirement benefit liability	281,712	–
Other	422,360	535,625
Total non-current liabilities	4,343,918	9,896,138
Total liabilities	33,796,528	36,136,645

(Thousands of yen)

	As of August 31, 2022	As of February 28, 2023
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,978,249	2,973,813
Retained earnings	20,732,264	20,810,571
Treasury shares	(575,443)	(543,910)
Total shareholders' equity	26,867,743	26,973,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,289	25,384
Total accumulated other comprehensive income	19,289	25,384
Total net assets	26,887,033	26,998,533
Total liabilities and net assets	60,683,562	63,135,179

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Net sales	22,359,102	24,108,104
Cost of sales	19,063,089	20,366,781
Gross profit	3,296,012	3,741,322
Selling, general and administrative expenses	3,128,880	3,165,817
Operating profit	167,132	575,505
Non-operating income		
Interest income	392	221
Dividend income	3,085	3,918
Administrative service fee income	28,824	42,639
Refunded real-estate acquisition tax	49,744	47,908
Other	47,976	48,992
Total non-operating income	130,022	143,681
Non-operating expenses		
Interest expenses	51,810	89,139
Commission for syndicated loans	–	27,850
Other	22,172	4,858
Total non-operating expenses	73,983	121,847
Ordinary profit	223,171	597,339
Extraordinary income		
Gain on sale of non-current assets	14	1,232
Gain on reversal of asset retirement obligations	–	1,863
Total extraordinary income	14	3,096
Extraordinary losses		
Loss on sale of non-current assets	29,966	–
Loss on retirement of non-current assets	9,862	23,851
Total extraordinary losses	39,828	23,851
Profit before income taxes	183,357	576,584
Income taxes	82,683	222,319
Profit	100,673	354,265
Profit attributable to owners of parent	100,673	354,265

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Profit	100,673	354,265
Other comprehensive income		
Valuation difference on available-for-sale securities	(42,682)	6,094
Total other comprehensive income	(42,682)	6,094
Comprehensive income	57,990	360,359
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,990	360,359
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	183,357	576,584
Depreciation	161,759	133,558
Amortization of goodwill	34,973	43,140
Gain on reversal of asset retirement obligations	–	(1,863)
Increase (decrease) in allowance for doubtful accounts	(1,323)	(24)
Increase (decrease) in provision for bonuses	(20,110)	(14,854)
Increase (decrease) in provision for warranties for completed construction	(10,587)	(5,398)
Increase (decrease) in retirement benefit liability	3,301	(110,184)
Interest and dividend income	(3,477)	(4,140)
Interest expenses	51,810	89,139
Loss (gain) on sale of non-current assets	29,951	(1,232)
Loss on retirement of non-current assets	9,862	23,851
Decrease (increase) in trade receivables	(621,325)	(519,264)
Decrease (increase) in inventories	(7,088,074)	(7,275,028)
Increase (decrease) in trade payables	71,824	(128,044)
Increase (decrease) in contract liabilities	(1,297,957)	953,271
Transfer from fixed assets to inventories	–	474,054
Other, net	(10,381)	(217,597)
Subtotal	(8,506,396)	(5,984,033)
Interest and dividends received	3,130	3,931
Interest paid	(52,108)	(97,762)
Income taxes refund (paid)	(366,939)	(515,339)
Net cash provided by (used in) operating activities	(8,922,314)	(6,593,205)
Cash flows from investing activities		
Payments into time deposits	(65,282)	(48,423)
Proceeds from withdrawal of time deposits	69,344	50,162
Purchase of property, plant and equipment	(26,970)	(41,107)
Proceeds from sale of property, plant and equipment	1,878	1,232
Purchase of intangible assets	(5,726)	(8,733)
Purchase of investment securities	(1,538)	(1,595)
Proceeds from redemption of investment securities	33,000	22,000
Additional purchase of investments in consolidated subsidiaries	–	(43,817)
Other, net	(27,186)	9,074
Net cash provided by (used in) investing activities	(22,482)	(61,203)
Cash flows from financing activities		
Proceeds from short-term borrowings	21,990,705	13,181,020
Repayments of short-term borrowings	(16,172,025)	(14,427,200)
Proceeds from long-term borrowings	1,755,000	6,545,000
Repayments of long-term borrowings	(667,972)	(3,026,260)
Dividends paid	(270,426)	(270,966)
Net cash provided by (used in) financing activities	6,635,280	2,001,592
Net increase (decrease) in cash and cash equivalents	(2,309,516)	(4,652,815)
Cash and cash equivalents at beginning of period	12,832,707	13,741,896
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	–	(103,317)
Cash and cash equivalents at end of period	10,523,190	8,985,764