

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended February 29, 2024 (Based on Japanese GAAP)

April 8, 2024

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 052-307-5090  
 Scheduled date to file Quarterly Securities Report: April 8, 2024  
 Scheduled date to commence dividend payments: May 20, 2024  
 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 29, 2024 (from September 1, 2023 to February 29, 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	%
Six months ended February 29, 2024	31,846	32.1	(5)	–	0	(99.9)	21	(94.0)
Six months ended February 28, 2023	24,108	7.8	575	244.3	597	167.7	354	251.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 29, 2024	1.48		–	
Six months ended February 28, 2023	24.81		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2024	70,138	27,436	39.1
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 six months ended February 29, 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 February 29, 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 February 29, 2024	546,355 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)

Six months ended February 29, 2024	14,313,488 shares	Six months ended February 28, 2023	14,276,618 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	13,097,491	10,144,546
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,639,258	2,023,447
Real estate for sale	20,947,143	22,899,928
Costs on development business and other	24,017,224	25,620,543
Costs on construction contracts in progress	3,864,850	3,264,640
Raw materials and supplies	15,282	9,825
Other	429,183	508,821
Allowance for doubtful accounts	(702)	(163)
Total current assets	64,009,731	64,471,590
Non-current assets		
Property, plant and equipment	3,849,939	2,871,241
Intangible assets		
Goodwill	1,174,551	1,099,980
Other	221,173	103,535
Total intangible assets	1,395,725	1,203,516
Investments and other assets		
Investment securities	416,531	430,752
Other	1,191,553	1,161,569
Total investments and other assets	1,608,085	1,592,321
Total non-current assets	6,853,750	5,667,079
Total assets	70,863,482	70,138,669
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,269,294	2,075,734
Short-term borrowings	24,495,441	24,002,335
Current portion of bonds payable	20,000	30,000
Current portion of long-term borrowings	950,389	2,398,243
Income taxes payable	220,263	158,939
Contract liabilities	2,489,369	1,918,849
Provision for bonuses	160,243	116,794
Provision for warranties for completed construction	19,157	23,633
Other	1,337,412	1,094,639
Total current liabilities	31,961,572	31,819,169
Non-current liabilities		
Bonds payable	115,000	90,000
Long-term borrowings	10,626,930	10,297,268
Other	536,258	495,962
Total non-current liabilities	11,278,188	10,883,230
Total liabilities	43,239,760	42,702,399

(Thousands of yen)

	As of August 31, 2023	As of February 29, 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	21,169,137
Treasury shares	(543,910)	(506,719)
Total shareholders' equity	27,582,138	27,365,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,583	70,349
Total accumulated other comprehensive income	41,583	70,349
Total net assets	27,623,721	27,436,269
Total liabilities and net assets	70,863,482	70,138,669

## 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, 2023	Six months ended February 29, 2024
Net sales	24,108,104	31,846,501
Cost of sales	20,366,781	28,155,010
Gross profit	3,741,322	3,691,490
Selling, general and administrative expenses	3,165,817	3,697,171
Operating profit (loss)	575,505	(5,680)
Non-operating income		
Interest income	221	747
Dividend income	3,918	10,310
Administrative service fee income	42,639	41,416
Refunded real-estate acquisition tax	47,908	41,948
Other	48,992	83,905
Total non-operating income	143,681	178,328
Non-operating expenses		
Interest expenses	89,139	122,231
Commission for syndicated loans	27,850	13,877
Other	4,858	35,950
Total non-operating expenses	121,847	172,058
Ordinary profit	597,339	589
Extraordinary income		
Gain on sale of non-current assets	1,232	102,758
Gain on reversal of asset retirement obligations	1,863	–
Total extraordinary income	3,096	102,758
Extraordinary losses		
Loss on retirement of non-current assets	23,851	70,060
Other	–	3,273
Total extraordinary losses	23,851	73,333
Profit before income taxes	576,584	30,014
Income taxes	222,319	8,778
Profit	354,265	21,235
Profit attributable to owners of parent	354,265	21,235

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Profit	354,265	21,235
Other comprehensive income		
Valuation difference on available-for-sale securities	6,094	28,766
Total other comprehensive income	6,094	28,766
Comprehensive income	360,359	50,001
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	360,359	50,001
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	576,584	30,014
Depreciation	133,558	104,789
Amortization of goodwill	43,140	74,570
Gain on reversal of asset retirement obligations	(1,863)	–
Increase (decrease) in allowance for doubtful accounts	(24)	(538)
Increase (decrease) in provision for bonuses	(14,854)	(43,448)
Increase (decrease) in provision for warranties for completed construction	(5,398)	4,476
Increase (decrease) in retirement benefit liability	(110,184)	–
Interest and dividend income	(4,140)	(11,058)
Interest expenses	89,139	122,231
Loss (gain) on sale of non-current assets	(1,232)	(102,758)
Loss on retirement of non-current assets	23,851	70,060
Decrease (increase) in trade receivables	(519,264)	(384,189)
Decrease (increase) in inventories	(7,275,028)	(2,950,436)
Increase (decrease) in trade payables	(128,044)	(193,560)
Increase (decrease) in contract liabilities	953,271	(570,520)
Transfer from fixed assets to inventories	474,054	465,695
Other, net	(217,597)	(221,096)
Subtotal	(5,984,033)	(3,605,769)
Interest and dividends received	3,931	11,736
Interest paid	(97,762)	(123,028)
Income taxes paid	(518,568)	(187,527)
Income taxes refund	3,228	9,868
Net cash provided by (used in) operating activities	(6,593,205)	(3,894,720)
Cash flows from investing activities		
Payments into time deposits	(48,423)	(121,332)
Proceeds from withdrawal of time deposits	50,162	43,960
Purchase of property, plant and equipment	(41,107)	(128,532)
Proceeds from sale of property, plant and equipment	1,232	591,973
Purchase of intangible assets	(8,733)	(5,602)
Purchase of investment securities	(1,595)	(1,626)
Proceeds from sale of investment securities	–	10,000
Proceeds from redemption of investment securities	22,000	23,000
Additional purchase of investments in consolidated subsidiaries	(43,817)	–
Other, net	9,074	114,118
Net cash provided by (used in) investing activities	(61,203)	525,960

(Thousands of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	13,181,020	16,840,700
Repayments of short-term borrowings	(14,427,200)	(17,333,806)
Proceeds from long-term borrowings	6,545,000	2,017,000
Repayments of long-term borrowings	(3,026,260)	(898,808)
Proceeds from issuance of bonds	–	30,000
Redemption of bonds	–	(45,000)
Dividends paid	(270,966)	(271,641)
Net cash provided by (used in) financing activities	2,001,592	338,443
Net increase (decrease) in cash and cash equivalents	(4,652,815)	(3,030,316)
Cash and cash equivalents at beginning of period	13,741,896	13,042,487
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	8,985,764	10,012,171