

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended November 30, 2020 (Based on Japanese GAAP)

January 14, 2021

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  
 Inquiries: Senior Managing Director Takuya Miyazaki TEL 052-859-0034  
 Scheduled date to file Quarterly Securities Report: January 14, 2021  
 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, 2020 (from September 1, 2020 to November 30, 2020)

#### (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, 2020	6,919	16.9	(171)	–	(126)	–	(118)	–
Three months ended November 30, 2019	5,920	(5.8)	(307)	–	(213)	–	(162)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2020	(8.32)		–	
Three months ended November 30, 2019	(11.12)		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2020	42,618	24,381	57.2
As of August 31, 2020	44,655	24,726	55.4

### 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, 2020	–	19.00	–	19.00	38.00
Year ending August 31, 2021	–				
Year ending August 31, 2021 (Forecast)		19.00	–	19.00	38.00

### 3. Forecast of consolidated financial results for the year ending August 31, 2021 (from September 1, 2020 to August 31, 2021)

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, 2021	17,000	3.1	80	10.8	140	(35.9)	80	(36.4)	5.63
Full year	45,000	10.8	1,400	20.8	1,600	20.2	1,000	16.0	70.40

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2020  
(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, 2020	14,884,300 shares	As of August 31, 2020	14,884,300 shares
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Number of treasury shares at the end of the period

As of November 30, 2020	679,055 shares	As of August 31, 2020	679,055 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, 2020	14,205,245 shares	Three months ended November 30, 2019	14,580,745 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2020	As of November 30, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,141,167	10,946,513
Notes receivable, accounts receivable from completed construction contracts and other	2,036,136	1,640,069
Real estate for sale	8,045,535	8,056,741
Costs on development business and other	13,612,366	14,703,268
Costs on construction contracts in progress	1,780,559	2,496,370
Raw materials and supplies	13,690	13,048
Other	660,822	396,085
Allowance for doubtful accounts	(1,310)	(809)
<b>Total current assets</b>	<b>40,288,968</b>	<b>38,251,286</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,832,496	2,768,018
Intangible assets	191,492	198,408
<b>Investments and other assets</b>		
Investment securities	627,957	630,517
Other	715,763	771,656
Allowance for doubtful accounts	(955)	(955)
<b>Total investments and other assets</b>	<b>1,342,764</b>	<b>1,401,218</b>
<b>Total non-current assets</b>	<b>4,366,753</b>	<b>4,367,646</b>
<b>Total assets</b>	<b>44,655,721</b>	<b>42,618,932</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	3,422,802	2,493,426
Short-term borrowings	7,878,950	7,267,150
Current portion of long-term borrowings	342,090	863,088
Income taxes payable	520,007	29,404
Advances received on construction contracts in progress	485,534	647,277
Provision for bonuses	133,625	236,710
Provision for warranties for completed construction	17,841	18,645
Other	1,120,569	763,700
<b>Total current liabilities</b>	<b>13,921,420</b>	<b>12,319,403</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,276,987	5,174,883
Retirement benefit liability	250,379	253,166
Other	480,740	489,849
<b>Total non-current liabilities</b>	<b>6,008,106</b>	<b>5,917,898</b>
<b>Total liabilities</b>	<b>19,929,527</b>	<b>18,237,302</b>

(Thousands of yen)

	As of August 31, 2020	As of November 30, 2020
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,982,029	2,982,029
Retained earnings	18,590,865	18,202,834
Treasury shares	(629,792)	(629,792)
Total shareholders' equity	24,675,776	24,287,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,417	93,885
Total accumulated other comprehensive income	50,417	93,885
Total net assets	24,726,194	24,381,630
Total liabilities and net assets	44,655,721	42,618,932

**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, 2019	Three months ended November 30, 2020
Net sales	5,920,053	6,919,859
Cost of sales	5,104,163	5,875,938
Gross profit	815,890	1,043,920
Selling, general and administrative expenses	1,123,830	1,215,775
Operating loss	(307,939)	(171,854)
Non-operating income		
Interest income	1,060	380
Dividend income	330	330
Administrative service fee income	13,045	15,360
Refunded Real Estate Acquisition Tax	34,485	33,332
Other	72,155	23,829
Total non-operating income	121,076	73,233
Non-operating expenses		
Interest expenses	16,662	19,374
Other	9,586	8,041
Total non-operating expenses	26,248	27,416
Ordinary loss	(213,112)	(126,037)
Extraordinary income		
Gain on reversal of asset retirement obligations	–	2,083
Total extraordinary income	–	2,083
Extraordinary losses		
Loss on retirement of non-current assets	986	23,784
Total extraordinary losses	986	23,784
Loss before income taxes	(214,098)	(147,738)
Income taxes	(51,918)	(29,606)
Loss	(162,179)	(118,131)
Loss attributable to owners of parent	(162,179)	(118,131)

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

(Thousands of yen)

	Three months ended November 30, 2019	Three months ended November 30, 2020
Loss	(162,179)	(118,131)
Other comprehensive income		
Valuation difference on available-for-sale securities	17,399	43,467
Total other comprehensive income	17,399	43,467
Comprehensive income	(144,779)	(74,664)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(144,779)	(74,664)
Comprehensive income attributable to non-controlling interests	—	—