

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended February 28, 2021 (Based on Japanese GAAP)

April 12, 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: April 12, 2021  
 Scheduled date to commence dividend payments: May 20, 2021  
 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, 2021 (from September 1, 2020 to February 28, 2021)

#### (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, 2021	17,690	7.3	292	304.9	364	67.0	229	82.9
Six months ended February 29, 2020	16,489	1.5	72	(75.4)	218	(44.7)	125	(58.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 28, 2021	16.17		—	
Six months ended February 29, 2020	8.62		—	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2021	43,031	24,741	57.5
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	Yen	Yen	Yen	Yen
Year ended August 31, 2020	—	19.00	—	19.00	38.00
Year ending August 31, 2021	—	19.00			
Year ending August 31, 2021 (Forecast)			—	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
Full year	45,000	10.8	1,400	20.8	1,600	20.2	1,000	16.0	70.30

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended February 28, 2021  
(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, 2021	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 February 28, 2021	649,155 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)

Six months ended February 28, 2021	14,216,148 shares	Six months ended February 29, 2020	14,586,668 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	14,141,167	12,353,925
Notes receivable, accounts receivable from completed construction contracts and other	2,036,136	1,321,465
Real estate for sale	8,045,535	6,767,347
Costs on development business and other	13,612,366	15,281,792
Costs on construction contracts in progress	1,780,559	2,500,210
Raw materials and supplies	13,690	14,191
Other	660,822	491,905
Allowance for doubtful accounts	(1,310)	(1,109)
Total current assets	40,288,968	38,729,728
Non-current assets		
Property, plant and equipment	2,832,496	2,733,703
Intangible assets	191,492	191,689
Investments and other assets		
Investment securities	627,957	612,290
Other	715,763	765,443
Allowance for doubtful accounts	(955)	(955)
Total investments and other assets	1,342,764	1,376,778
Total non-current assets	4,366,753	4,302,171
Total assets	44,655,721	43,031,899
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,422,802	2,704,964
Short-term borrowings	7,878,950	7,225,950
Current portion of long-term borrowings	342,090	866,753
Income taxes payable	520,007	168,845
Advances received on construction contracts in progress	485,534	522,203
Provision for bonuses	133,625	89,310
Provision for warranties for completed construction	17,841	18,797
Other	1,120,569	859,721
Total current liabilities	13,921,420	12,456,546
Non-current liabilities		
Long-term borrowings	5,276,987	5,103,219
Retirement benefit liability	250,379	257,334
Other	480,740	472,929
Total non-current liabilities	6,008,106	5,833,482
Total liabilities	19,929,527	18,290,028

	(Thousands of yen)	
	As of August 31, 2020	As of February 28, 2021
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,982,029	2,980,013
Retained earnings	18,590,865	18,550,872
Treasury shares	(629,792)	(602,061)
Total shareholders' equity	24,675,776	24,661,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,417	80,373
Total accumulated other comprehensive income	50,417	80,373
Total net assets	24,726,194	24,741,871
Total liabilities and net assets	44,655,721	43,031,899

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended February 29, 2020	Six months ended February 28, 2021
Net sales	16,489,459	17,690,369
Cost of sales	14,148,339	14,981,215
Gross profit	2,341,120	2,709,153
Selling, general and administrative expenses	2,268,892	2,416,722
Operating profit	72,228	292,430
Non-operating income		
Interest income	2,121	753
Dividend income	2,895	2,913
Administrative service fee income	20,184	23,705
Refunded real-estate acquisition tax	51,652	57,302
Other	117,804	39,435
Total non-operating income	194,659	124,111
Non-operating expenses		
Interest expenses	37,873	38,615
Other	10,570	13,049
Total non-operating expenses	48,443	51,664
Ordinary profit	218,444	364,877
Extraordinary income		
Gain on sales of non-current assets	1,388	—
Gain on reversal of asset retirement obligations	—	2,083
Total extraordinary income	1,388	2,083
Extraordinary losses		
Loss on sales of non-current assets	10	—
Loss on retirement of non-current assets	6,278	25,023
Total extraordinary losses	6,288	25,023
Profit before income taxes	213,544	341,937
Income taxes	87,835	112,031
Profit	125,709	229,906
Profit attributable to owners of parent	125,709	229,906

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

(Thousands of yen)

	Six months ended February 29, 2020	Six months ended February 28, 2021
Profit	125,709	229,906
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,191)	29,955
Total other comprehensive income	(15,191)	29,955
Comprehensive income	110,517	259,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	110,517	259,862
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended February 29, 2020	Six months ended February 28, 2021
Cash flows from operating activities		
Profit before income taxes	213,544	341,937
Depreciation	103,634	105,907
Amortization of goodwill	7,149	16,634
Gain on reversal of asset retirement obligations	–	(2,083)
Increase (decrease) in allowance for doubtful accounts	14	(201)
Increase (decrease) in provision for bonuses	(32,959)	(44,315)
Increase (decrease) in provision for warranties for completed construction	(414)	956
Increase (decrease) in retirement benefit liability	(2,073)	6,954
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(114,576)	–
Interest and dividend income	(5,017)	(3,667)
Interest expenses	37,873	38,615
Loss (gain) on sales of property, plant and equipment	(1,378)	–
Loss on retirement of non-current assets	6,278	25,023
Decrease (increase) in trade receivables	(1,098,797)	714,671
Decrease (increase) in inventories	(4,233,799)	(1,111,388)
Increase (decrease) in trade payables	45,122	(717,837)
Increase (decrease) in advances received on construction contracts in progress	(132,968)	36,669
Other, net	(128,675)	(47,213)
Subtotal	(5,337,043)	(639,335)
Interest and dividends received	2,923	2,967
Interest paid	(37,835)	(37,563)
Income taxes (paid) refund	312,431	(475,747)
Net cash provided by (used in) operating activities	(5,059,523)	(1,149,679)
Cash flows from investing activities		
Payments into time deposits	(51,131)	(78,076)
Proceeds from withdrawal of time deposits	51,230	60,114
Purchase of property, plant and equipment	(64,991)	(32,701)
Proceeds from sales of property, plant and equipment	8,074	–
Purchase of intangible assets	(5,794)	(37,353)
Purchase of investment securities	(1,511)	(1,527)
Proceeds from redemption of investment securities	–	61,000
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	108,215	–
Other, net	(22,738)	(54,659)
Net cash provided by (used in) investing activities	21,352	(83,203)
Cash flows from financing activities		
Proceeds from short-term borrowings	11,633,300	7,050,500
Repayments of short-term borrowings	(9,101,000)	(7,703,500)
Proceeds from long-term borrowings	500,000	505,000
Repayments of long-term borrowings	(326,704)	(154,105)
Dividends paid	(277,020)	(270,214)
Net cash provided by (used in) financing activities	2,428,575	(572,319)
Net increase (decrease) in cash and cash equivalents	(2,609,594)	(1,805,202)
Cash and cash equivalents at beginning of period	10,956,297	14,097,824
Cash and cash equivalents at end of period	8,346,702	12,292,621