

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2021 (Based on Japanese GAAP)

July 15, 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: July 15, 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 nine months ended May 31, 2021 (from September 1, 2020 to May 31, 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	%
Nine months ended May 31, 2021	26,233	7.0	218	–	332	197.7	186	390.3
Nine months ended May 31, 2020	24,518	2.6	(74)	–	111	(70.6)	38	(87.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2021	13.13		–	
Nine months ended May 31, 2020	2.61		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2021	52,995	24,430	46.1
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 nine months ended May 31, 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 May 31, 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 May 31, 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)

Nine months ended May 31, 2021	14,222,550 shares	Nine months ended May 31, 2020	14,576,809 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2020	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	14,141,167	10,106,996
Notes receivable, accounts receivable from completed construction contracts and other	2,036,136	850,757
Real estate for sale	8,045,535	6,600,532
Costs on development business and other	13,612,366	23,332,005
Costs on construction contracts in progress	1,780,559	4,055,470
Raw materials and supplies	13,690	20,178
Other	660,822	573,642
Allowance for doubtful accounts	(1,310)	(551)
Total current assets	40,288,968	45,539,033
Non-current assets		
Property, plant and equipment	2,832,496	5,342,045
Intangible assets	191,492	692,758
Investments and other assets		
Investment securities	627,957	576,339
Other	715,763	845,690
Allowance for doubtful accounts	(955)	—
Total investments and other assets	1,342,764	1,422,029
Total non-current assets	4,366,753	7,456,833
Total assets	44,655,721	52,995,866
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	3,422,802	1,619,553
Short-term borrowings	7,878,950	12,613,886
Current portion of long-term borrowings	342,090	1,128,324
Current portion of bonds payable	—	50,000
Income taxes payable	520,007	22,430
Advances received on construction contracts in progress	485,534	3,728,819
Provision for bonuses	133,625	195,498
Provision for warranties for completed construction	17,841	15,997
Other	1,120,569	942,346
Total current liabilities	13,921,420	20,316,857
Non-current liabilities		
Bonds payable	—	80,000
Long-term borrowings	5,276,987	7,414,937
Retirement benefit liability	250,379	254,876
Other	480,740	498,737
Total non-current liabilities	6,008,106	8,248,551
Total liabilities	19,929,527	28,565,408

	(Thousands of yen)	
	As of August 31, 2020	As of May 31, 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	18,237,249
Treasury shares	(629,792)	(602,061)
Total shareholders' equity	24,675,776	24,347,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,417	82,583
Total accumulated other comprehensive income	50,417	82,583
Total net assets	24,726,194	24,430,458
Total liabilities and net assets	44,655,721	52,995,866

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2020	Nine months ended May 31, 2021
Net sales	24,518,256	26,233,914
Cost of sales	20,993,056	22,250,538
Gross profit	3,525,199	3,983,375
Selling, general and administrative expenses	3,599,306	3,765,270
Operating profit (loss)	(74,106)	218,104
Non-operating income		
Interest income	2,578	1,021
Dividend income	2,895	2,913
Administrative service fee income	28,484	32,607
Refunded Real Estate Acquisition Tax	73,927	87,729
Other	154,088	69,048
Total non-operating income	261,974	193,319
Non-operating expenses		
Interest expenses	64,324	58,897
Other	11,990	20,454
Total non-operating expenses	76,314	79,351
Ordinary profit	111,553	332,071
Extraordinary income		
Gain on sales of non-current assets	32,742	6,524
Gain on reversal of asset retirement obligations	—	2,083
Total extraordinary income	32,742	8,607
Extraordinary losses		
Loss on sales of non-current assets	10	—
Loss on retirement of non-current assets	11,190	25,812
Total extraordinary losses	11,201	25,812
Profit before income taxes	133,094	314,867
Income taxes	95,006	128,116
Profit	38,088	186,751
Profit attributable to owners of parent	38,088	186,751

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2020	Nine months ended May 31, 2021
Profit	38,088	186,751
Other comprehensive income		
Valuation difference on available-for-sale securities	11,112	32,165
Total other comprehensive income	11,112	32,165
Comprehensive income	49,200	218,917
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	49,200	218,917
Comprehensive income attributable to non-controlling interests	—	—