Translation

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Summary of Consolidated Financial Results for the Year Ended August 31, 2024 (Based on Japanese GAAP)

October 15, 2024

Company name: AVANTIA CO.,LTD.
Stock exchange listing: Tokyo, Nagoya
Stock code: 8904 URL https://avantia-g.jp/corp/
Representative: Representative Director President — Yasunari Sawada
Inquiries: Director and Department Manager of Administration — Shoji Higuchi TEL 052-307-5090
Scheduled date of ordinary general meeting of shareholders: November 27, 2024
Scheduled date to file Securities Report: November 28, 2024
Scheduled date to commence dividend payments: November 12, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(1) Consolidated operating results

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	%
Year ended August 31, 2024	71,021	22.1	946	(50.7)	919	(53.2)	589	(52.3)
Year ended August 31, 2023	58,161	(1.0)	1,921	(17.4)	1,962	(18.9)	1,234	(34.0)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended August 31, 2024	41.12	–	2.1	1.3	1.3
Year ended August 31, 2023	86.43	–	4.5	3.0	3.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	67,375	27,750	41.2	1,935.46
As of August 31, 2023	70,863	27,623	39.0	1,932.02

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended August 31, 2024	3,869	286	(3,160)	14,038
Year ended August 31, 2023	(4,125)	(708)	4,237	13,042

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2023	–	19.00	–	19.00	38.00	543	44.0	2.0
Year ended August 31, 2024	–	19.00	–	19.00	38.00	544	92.4	2.0
Year ending August 31, 2025 (Forecast)	–	19.00	–	19.00	38.00		45.4	

3. Forecast of consolidated financial results for the year ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

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, 2025	34,000	6.8	50	–	40	–	26	22.4	1.81
Full year	82,000	15.5	2,200	132.4	2,000	117.6	1,200	103.7	83.69

4. Notes

(1) Significant changes in the scope of consolidation during the year ended August 31, 2024: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2024	14,884,300 shares	As of August 31, 2023	14,884,300 shares

Number of treasury shares at the end of the period

As of August 31, 2024	546,356 shares	As of August 31, 2023	586,455 shares

Average number of shares during the period

Year ended August 31, 2024	14,325,783 shares	Year ended August 31, 2023	14,287,319 shares

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	13,097,491	14,128,779
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,639,258	1,816,990
Real estate for sale	20,947,143	20,112,630
Costs on development business and other	24,017,224	19,486,229
Costs on construction contracts in progress	3,864,850	2,413,736
Raw materials and supplies	15,282	9,546
Other	429,183	568,698
Allowance for doubtful accounts	(702)	–
Total current assets	64,009,731	58,536,610
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,153,473	3,487,232
Accumulated depreciation	(1,382,085)	(1,143,693)
Buildings and structures, net	1,771,388	2,343,539
Vehicles	81,120	81,141
Accumulated depreciation	(57,172)	(47,306)
Vehicles, net	23,947	33,835
Land	1,980,591	3,651,327
Other	483,445	433,502
Accumulated depreciation	(409,433)	(331,798)
Other, net	74,012	101,703
Total property, plant and equipment	3,849,939	6,130,405
Intangible assets		
Goodwill	1,174,551	1,025,410
Software	74,685	78,426
Other	146,487	20,264
Total intangible assets	1,395,725	1,124,100
Investments and other assets		
Investment securities	416,531	437,672
Deferred tax assets	394,662	331,026
Other	796,890	815,811
Total investments and other assets	1,608,085	1,584,510
Total non-current assets	6,853,750	8,839,016
Total assets	70,863,482	67,375,627

(Thousands of yen)

	As of August 31, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,269,294	2,509,179
Short-term borrowings	24,495,441	19,279,056
Current portion of bonds payable	20,000	30,000
Current portion of long-term borrowings	950,389	1,745,744
Income taxes payable	220,263	212,904
Contract liabilities	2,489,369	1,523,893
Provision for bonuses	160,243	151,495
Provision for warranties for completed construction	19,157	28,958
Provision for share awards	–	37,145
Other	1,337,412	1,080,851
Total current liabilities	31,961,572	26,599,228
Non-current liabilities		
Bonds payable	115,000	325,000
Long-term borrowings	10,626,930	12,211,530
Other	536,258	489,324
Total non-current liabilities	11,278,188	13,025,854
Total liabilities	43,239,760	39,625,082
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	21,464,588
Treasury shares	(543,910)	(506,720)
Total shareholders' equity	27,582,138	27,661,369
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,583	89,174
Total accumulated other comprehensive income	41,583	89,174
Total net assets	27,623,721	27,750,544
Total liabilities and net assets	70,863,482	67,375,627

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Net sales	58,161,224	71,021,500
Cost of sales	49,406,500	62,601,373
Gross profit	8,754,723	8,420,127
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	317,444	345,033
Employees' salaries and allowances	2,236,999	2,398,862
Provision for bonuses	62,254	95,371
Retirement benefit expenses	35,063	33,701
Advertising expenses	863,832	929,772
Taxes and dues	644,931	605,999
Provision of allowance for doubtful accounts	469	(702)
Other	2,671,799	3,065,248
Total selling, general and administrative expenses	6,832,796	7,473,285
Operating profit	1,921,927	946,841
Non-operating income		
Interest income	1,383	2,071
Dividend income	8,724	15,342
Administrative service fee income	79,395	68,886
RefundedRealEstateAcquisitionTax	92,006	78,879
Miscellaneous income	92,104	142,167
Total non-operating income	273,614	307,347
Non-operating expenses		
Interest expenses	192,610	249,127
Commission expenses	5,139	24,463
Commission for syndicated loans	27,850	13,877
Miscellaneous losses	7,459	47,612
Total non-operating expenses	233,059	335,080
Ordinary profit	1,962,482	919,108
Extraordinary income		
Gain on sale of non-current assets	5,648	109,061
Gain on reversal of asset retirement obligations	2,709	–
Total extraordinary income	8,358	109,061
Extraordinary losses		
Impairment losses	47,558	–
Loss on retirement of non-current assets	29,119	72,691
Loss on valuation of golf club membership	18,830	–
Other	–	3,273
Total extraordinary losses	95,507	75,965
Profit before income taxes	1,875,332	952,204

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Income taxes - current	699,711	314,646
Income taxes - deferred	(59,292)	48,450
Total income taxes	640,419	363,097
Profit	1,234,913	589,107
Profit attributable to owners of parent	1,234,913	589,107

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Profit	1,234,913	589,107
Other comprehensive income		
Valuation difference on available-for-sale securities	22,293	47,591
Total other comprehensive income	22,293	47,591
Comprehensive income	1,257,206	636,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,257,206	636,698
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended August 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,732,673	2,978,249	20,732,264	(575,443)	26,867,743
Changes during period					
Dividends of surplus			(542,672)		(542,672)
Profit attributable to owners of parent			1,234,913		1,234,913
Purchase of treasury shares				–	–
Disposal of treasury shares		(4,435)		31,533	27,098
Effect of changes in accounting period of subsidiaries			(4,945)		(4,945)
Net changes in items other than shareholders' equity					
Total changes during period	–	(4,435)	687,296	31,533	714,394
Balance at end of period	3,732,673	2,973,813	21,419,560	(543,910)	27,582,138

	Accumulated other comprehensive income	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	19,289	26,887,033
Changes during period		
Dividends of surplus		(542,672)
Profit attributable to owners of parent		1,234,913
Purchase of treasury shares		–
Disposal of treasury shares		27,098
Effect of changes in accounting period of subsidiaries		(4,945)
Net changes in items other than shareholders' equity	22,293	22,293
Total changes during period	22,293	736,687
Balance at end of period	41,583	27,623,721

Fiscal year ended August 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,732,673	2,973,813	21,419,560	(543,910)	27,582,138
Changes during period					
Dividends of surplus			(544,080)		(544,080)
Profit attributable to owners of parent			589,107		589,107
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2,985)		37,190	34,205
Effect of changes in accounting period of subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,985)	45,027	37,190	79,231
Balance at end of period	3,732,673	2,970,828	21,464,588	(506,720)	27,661,369

	Accumulated other comprehensive income	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	41,583	27,623,721
Changes during period		
Dividends of surplus		(544,080)
Profit attributable to owners of parent		589,107
Purchase of treasury shares		(0)
Disposal of treasury shares		34,205
Effect of changes in accounting period of subsidiaries		–
Net changes in items other than shareholders' equity	47,591	47,591
Total changes during period	47,591	126,822
Balance at end of period	89,174	27,750,544

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,875,332	952,204
Depreciation	267,424	202,989
Impairment losses	47,558	–
Amortization of goodwill	90,447	149,141
Gain on reversal of asset retirement obligations	(2,709)	–
Increase (decrease) in allowance for doubtful accounts	469	(702)
Increase (decrease) in provision for bonuses	(5,641)	(8,748)
Increase (decrease) in provision for warranties for completed construction	(4,679)	9,800
Increase (decrease) in retirement benefit liability	(281,712)	–
Interest and dividend income	(10,108)	(17,413)
Interest expenses	192,610	249,127
Loss (gain) on sale of non-current assets	(5,648)	(109,061)
Loss on retirement of non-current assets	29,119	72,691
Loss (gain) on valuation of investment securities	18,830	–
Decrease (increase) in trade receivables	(57,902)	(177,731)
Decrease (increase) in inventories	(6,350,243)	3,374,155
Increase (decrease) in trade payables	(557,746)	239,884
Increase (decrease) in contract liabilities	653,501	(965,475)
Transfer from fixed assets to inventories	599,244	775,164
Other, net	435,232	(177,527)
Subtotal	(3,066,620)	4,568,500
Interest and dividends received	9,209	17,749
Interest paid	(207,975)	(255,759)
Income taxes paid	(918,631)	(488,280)
Income taxes refund	58,988	27,335
Net cash provided by (used in) operating activities	(4,125,030)	3,869,545

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from investing activities		
Payments into time deposits	(17,883)	(172,482)
Proceeds from withdrawal of time deposits	14,162	136,762
Purchase of property, plant and equipment	(93,866)	(219,578)
Proceeds from sale of property, plant and equipment	8,559	418,990
Purchase of intangible assets	(15,948)	(32,528)
Purchase of investment securities	(3,205)	(3,414)
Proceeds from sale of investment securities	–	6,739
Proceeds from redemption of investment securities	40,000	45,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(477,507)	–
Additional purchase of investments in consolidated subsidiaries	(77,730)	–
Other, net	(85,216)	106,989
Net cash provided by (used in) investing activities	(708,636)	286,477
Cash flows from financing activities		
Proceeds from short-term borrowings	36,154,010	41,974,349
Repayments of short-term borrowings	(34,305,483)	(47,190,734)
Proceeds from long-term borrowings	8,375,000	5,030,000
Repayments of long-term borrowings	(5,443,437)	(2,650,045)
Proceeds from issuance of bonds	–	250,000
Redemption of bonds	–	(30,000)
Dividends paid	(542,514)	(544,024)
Net cash provided by (used in) financing activities	4,237,574	(3,160,454)
Net increase (decrease) in cash and cash equivalents	(596,092)	995,568
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	13,042,487	14,038,055