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October 13, 2026

Consolidated Financial Results for the Fiscal Year Ended August 31, 2026 (Under Japanese GAAP)

Company name: AVANTIA CO.,LTD.
Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
Securities code: 8904
URL: https://avantia-g.jp/corp/
Representative: YasunariSawada, Representative Director President
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Scheduled date of annual general meeting of shareholders: November 27, 2026
Scheduled date to commence dividend payments: November 11, 2026
Scheduled date to file annual securities report: November 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31, 2026 (from September 1, 2025 to August 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	67,888	(2.0)	2,008	52.9	1,715	49.7	1,423	122.6
August 31, 2025	69,270	(2.5)	1,313	38.7	1,146	24.7	639	8.5

Note: Comprehensive income For the fiscal year ended August 31, 2026: ¥1,535 million [106.4%]
For the fiscal year ended August 31, 2025: ¥744 million [16.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2026	98.31	-	5.0	2.4	3.0
August 31, 2025	44.39	-	2.3	1.7	1.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended August 31, 2026: ¥(3) million
For the fiscal year ended August 31, 2025: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2026	72,175	28,967	40.1	1,997.53
August 31, 2025	71,081	28,022	39.4	1,941.57

Reference: Equity
As of August 31, 2026: ¥28,966 million
As of August 31, 2025: ¥28,021 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2026	(1,240)	(1,009)	(356)	14,513
August 31, 2025	4,325	(3,388)	3,156	18,130

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2025	-	19.00	-	19.00	38.00	548	85.6	2.0
Fiscal year ended August 31, 2026	-	19.00	-	19.00	38.00	551	38.7	1.9
Fiscal year ending August 31, 2027 (Forecast)		19.00		19.00	38.00		52.4	

3. Forecast of consolidated financial results for the fiscal year ending August 31, 2027 (from September 1, 2026 to August 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending August 31, 2027	75,000	10.5	2,300	14.5	1,800	4.9	1,050	(26.2)	72.50

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Avantia USA Inc.)
Excluded: 1 company (Kose Construction CO.,LTD.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of August 31, 2026	14,884,300 shares
As of August 31, 2025	14,884,300 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2026	383,256 shares
As of August 31, 2025	451,856 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2026	14,482,245 shares
Fiscal year ended August 31, 2025	14,404,224 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended August 31, 2026 (from September 1, 2025 to August 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	37,990	5.9	438	(6.7)	459	(64.7)	431	(64.2)
August 31, 2025	35,861	(2.5)	470	-	1,303	383.9	1,204	558.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
August 31, 2026	29.82	-
August 31, 2025	83.63	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2026	47,731	23,291	48.8	1,606.18
August 31, 2025	46,160	23,273	50.4	1,612.56

Reference: Equity
As of August 31, 2026: ¥23,291 million
As of August 31, 2025: ¥23,273 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on assumptions as of the date of this release regarding information available as of the date of this release and uncertain factors that may affect future results, and actual results may differ due to various factors in the future.

The Company plans to hold financial results briefings for institutional investors and analysts, and the financial results briefing materials distributed at the financial results briefing will be posted on the Company's website promptly after the meeting.

Consolidated balance sheet

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	18,275,884	14,567,366
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	2,471,801	1,497,963
Real estate for sale	18,958,515	14,902,607
Costs on development business and other	18,958,696	28,169,695
Costs on construction contracts in progress	1,963,361	4,993,570
Raw materials and supplies	7,692	10,316
Other	512,617	416,355
Allowance for doubtful accounts	-	(2,722)
Total current assets	61,148,568	64,555,153
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,073,098	3,063,085
Accumulated depreciation	(1,221,791)	(1,277,101)
Buildings and structures, net	1,851,307	1,785,983
Vehicles	93,604	77,701
Accumulated depreciation	(58,163)	(45,320)
Vehicles, net	35,441	32,381
Land	5,262,594	2,715,324
Other	438,649	417,175
Accumulated depreciation	(339,137)	(322,208)
Other, net	99,512	94,966
Total property, plant and equipment	7,248,854	4,628,654
Intangible assets		
Goodwill	885,753	755,582
Software	113,666	121,052
Other	18,572	14,734
Total intangible assets	1,017,993	891,369
Investments and other assets		
Investment securities	559,260	1,064,253
Deferred tax assets	328,412	313,728
Other	778,668	721,851
Total investments and other assets	1,666,341	2,099,833
Total non-current assets	9,933,189	7,619,858
Total assets	71,081,758	72,175,011

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,407,988	2,556,071
Short-term borrowings	21,865,934	21,760,000
Current portion of bonds payable	50,000	45,000
Current portion of long-term borrowings	3,042,042	3,361,966
Income taxes payable	473,277	383,734
Contract liabilities	1,034,042	1,061,306
Provision for bonuses	177,396	167,968
Provision for warranties for completed construction	18,739	28,869
Provision for share awards	27,208	38,047
Other	1,180,721	1,331,051
Total current liabilities	30,277,350	30,734,015
Non-current liabilities		
Bonds payable	365,000	310,000
Long-term borrowings	11,969,526	11,794,750
Other	447,340	369,073
Total non-current liabilities	12,781,867	12,473,824
Total liabilities	43,059,218	43,207,839
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,956,636	2,949,291
Retained earnings	21,557,397	22,331,342
Treasury shares	(419,075)	(353,226)
Total shareholders' equity	27,827,631	28,660,080
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193,965	289,311
Foreign currency translation adjustment	-	16,820
Total accumulated other comprehensive income	193,965	306,132
Non-controlling interests	942	958
Total net assets	28,022,540	28,967,171
Total liabilities and net assets	71,081,758	72,175,011

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Net sales	69,270,817	67,888,023
Cost of sales	60,155,661	57,971,636
Gross profit	9,115,156	9,916,386
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	378,875	340,730
Employees' salaries and allowances	2,251,983	2,203,713
Provision for bonuses	142,766	127,210
Retirement benefit expenses	35,617	33,197
Advertising expenses	820,242	817,933
Taxes and dues	639,709	718,824
Provision of allowance for doubtful accounts	-	2,722
Other	3,532,415	3,663,447
Total selling, general and administrative expenses	7,801,610	7,907,778
Operating profit	1,313,545	2,008,607
Non-operating income		
Interest income	1,499	5,357
Dividend income	15,009	22,067
Administrative service fee income	40,913	27,080
RefundedRealEstateAcquisitionTax	76,813	108,708
Miscellaneous income	118,520	78,814
Total non-operating income	252,756	242,029
Non-operating expenses		
Interest expenses	378,377	506,421
Commission expenses	17,158	4,171
Miscellaneous losses	24,379	24,313
Total non-operating expenses	419,915	534,905
Ordinary profit	1,146,386	1,715,731
Extraordinary income		
Gain on sale of non-current assets	365	2,134
Gain on reversal of asset retirement obligations	9,139	-
Gain on sale of shares of subsidiaries	-	370,798
Other	254	-
Total extraordinary income	9,759	372,932
Extraordinary losses		
Impairment losses	-	13,486
Loss on sale of non-current assets	139	-
Loss on retirement of non-current assets	35,582	3,080
Compensation loss for construction	-	9,760
Other	2,719	1,409
Total extraordinary losses	38,441	27,735
Profit before income taxes	1,117,705	2,060,927

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Income taxes - current	531,982	555,663
Income taxes - deferred	(53,597)	81,550
Total income taxes	478,384	637,213
Profit	639,320	1,423,714
Profit (loss) attributable to non-controlling interests	(125)	16
Profit attributable to owners of parent	639,446	1,423,698

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Profit	639,320	1,423,714
Other comprehensive income		
Valuation difference on available-for-sale securities	104,791	95,346
Foreign currency translation adjustment	-	16,820
Total other comprehensive income	104,791	112,166
Comprehensive income	744,111	1,535,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	744,237	1,535,865
Comprehensive income attributable to non-controlling interests	(125)	16

Consolidated statement of changes in equity

Fiscal year ended August 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	3,732,673	2,970,828	21,464,588	(506,720)	27,661,369	89,174	-	89,174
Changes during period								
Dividends of surplus			(546,637)		(546,637)			
Profit attributable to owners of parent			639,446		639,446			
Increase or decrease due to change in fiscal year of consolidated subsidiaries								
Disposal of treasury shares		(14,123)		87,644	73,521			
Capital increase of consolidated subsidiaries		(68)			(68)			
Net changes in items other than shareholders' equity						104,791	-	104,791
Total changes during period	-	(14,191)	92,809	87,644	166,261	104,791	-	104,791
Balance at end of period	3,732,673	2,956,636	21,557,397	(419,075)	27,827,631	193,965	-	193,965

	Non-controlling interests	Total net assets
Balance at beginning of period	-	27,750,544
Changes during period		
Dividends of surplus		(546,637)
Profit attributable to owners of parent		639,446
Increase or decrease due to change in fiscal year of consolidated subsidiaries		
Disposal of treasury shares		73,521
Capital increase of consolidated subsidiaries		(68)
Net changes in items other than shareholders' equity	942	105,734
Total changes during period	942	271,995
Balance at end of period	942	28,022,540

Consolidated statement of changes in equity

Fiscal year ended August 31, 2026

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	3,732,673	2,956,636	21,557,397	(419,075)	27,827,631	193,965	-	193,965
Changes during period								
Dividends of surplus			(549,781)		(549,781)			
Profit attributable to owners of parent			1,423,698		1,423,698			
Increase or decrease due to change in fiscal year of consolidated subsidiaries			(99,971)		(99,971)			
Disposal of treasury shares		(7,345)		65,849	58,504			
Capital increase of consolidated subsidiaries								
Net changes in items other than shareholders' equity						95,346	16,820	112,166
Total changes during period	-	(7,345)	773,944	65,849	832,448	95,346	16,820	112,166
Balance at end of period	3,732,673	2,949,291	22,331,342	(353,226)	28,660,080	289,311	16,820	306,132

	Non-controlling interests	Total net assets
Balance at beginning of period	942	28,022,540
Changes during period		
Dividends of surplus		(549,781)
Profit attributable to owners of parent		1,423,698
Increase or decrease due to change in fiscal year of consolidated subsidiaries		(99,971)
Disposal of treasury shares		58,504
Capital increase of consolidated subsidiaries		
Net changes in items other than shareholders' equity	16	112,183
Total changes during period	16	944,631
Balance at end of period	958	28,967,171

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,117,705	2,060,927
Depreciation	208,798	197,217
Impairment losses	-	13,486
Amortization of goodwill	139,656	130,171
Increase (decrease) in provision for bonuses	25,900	(6,158)
Increase (decrease) in provision for warranties for completed construction	(10,218)	2,622
Interest and dividend income	(16,508)	(27,425)
Interest expenses	378,377	506,421
Loss (gain) on sale of non-current assets	(226)	(2,134)
Loss on retirement of non-current assets	35,582	3,080
Decrease (increase) in trade receivables	(654,811)	452,810
Decrease (increase) in inventories	1,735,515	(7,584,150)
Increase (decrease) in trade payables	(101,190)	310,879
Increase (decrease) in contract liabilities	(489,851)	24,726
Transfer from fixed assets to inventories	2,403,961	3,120,284
Other, net	78,279	561,195
Subtotal	4,850,969	(236,044)
Interest and dividends received	16,458	27,389
Interest paid	(368,942)	(494,819)
Income taxes paid	(339,394)	(536,957)
Income taxes refund	166,020	-
Net cash provided by (used in) operating activities	4,325,111	(1,240,432)

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Cash flows from investing activities		
Payments into time deposits	(179,071)	(84,408)
Proceeds from withdrawal of time deposits	124,600	175,495
Purchase of property, plant and equipment	(3,335,086)	(958,014)
Proceeds from sale of property, plant and equipment	570	2,272
Purchase of intangible assets	(68,081)	(40,446)
Purchase of investment securities	(3,622)	(377,189)
Proceeds from redemption of investment securities	33,000	19,000
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	213,271
Other, net	38,783	40,211
Net cash provided by (used in) investing activities	(3,388,906)	(1,009,807)
Cash flows from financing activities		
Proceeds from short-term borrowings	39,715,114	41,100,006
Repayments of short-term borrowings	(37,128,236)	(41,028,820)
Proceeds from long-term borrowings	6,204,159	4,778,578
Repayments of long-term borrowings	(5,149,865)	(4,605,597)
Proceeds from issuance of bonds	100,000	-
Redemption of bonds	(40,000)	(50,000)
Proceeds from share issuance to non-controlling shareholders	1,000	-
Dividends paid	(545,742)	(550,349)
Net cash provided by (used in) financing activities	3,156,429	(356,183)
Effect of exchange rate change on cash and cash equivalents	-	9,375
Net increase (decrease) in cash and cash equivalents	4,092,633	(2,597,048)
Cash and cash equivalents at beginning of period	14,038,055	18,130,689
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	-	(1,020,382)
Cash and cash equivalents at end of period	18,130,689	14,513,258

Balance sheet

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	11,200,353	7,979,098
Accounts receivable from completed construction contracts	5,588	152,613
Real estate for sale	9,637,850	10,471,429
Costs on development business and other	9,783,368	16,607,995
Costs on construction contracts in progress	457,925	1,612,340
Raw materials and supplies	1,993	4,324
Prepaid expenses	39,949	69,438
Short-term loans receivable	1,802,907	1,605,502
Accounts receivable - other	1,228,662	355,828
Advances paid	54,211	67,270
Other	17,039	24,101
Total current assets	34,229,848	38,949,942
Non-current assets		
Property, plant and equipment		
Buildings, net	1,291,578	1,208,106
Structures, net	29,309	25,963
Vehicles, net	19,300	19,403
Tools, furniture and fixtures, net	77,157	61,501
Land	3,929,784	1,846,900
Total property, plant and equipment	5,347,129	3,161,875
Intangible assets		
Leasehold interests in land	4,108	3,631
Trademark right	2,657	1,771
Software	74,399	91,647
Telephone subscription right	7,181	7,181
Total intangible assets	88,347	104,232
Investments and other assets		
Investment securities	403,124	497,360
Shares of subsidiaries and associates	4,222,782	3,877,236
Long-term loans receivable	1,022,178	413,269
Deferred tax assets	230,649	97,847
Guarantee deposits	605,115	618,224
Other	11,560	11,560
Total investments and other assets	6,495,409	5,515,499
Total non-current assets	11,930,886	8,781,607
Total assets	46,160,735	47,731,549

(Thousands of yen)

	As of August 31, 2025	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts	292,079	792,353
Short-term borrowings	11,404,320	13,749,600
Current portion of long-term borrowings	2,255,856	1,631,156
Accounts payable - other	116,207	74,868
Accrued expenses	271,277	486,290
Income taxes payable	197,156	43,114
Contract liabilities	214,328	493,978
Deposits received	202,492	251,746
Provision for bonuses	79,086	111,631
Provision for warranties for completed construction	2,060	1,247
Provision for share awards	27,208	38,047
Other	10,896	7,554
Total current liabilities	15,072,970	17,681,588
Non-current liabilities		
Long-term borrowings	7,512,100	6,502,340
GuaranteeDeposited	96,593	93,393
Asset retirement obligations	103,899	103,888
Other	102,007	59,077
Total non-current liabilities	7,814,600	6,758,699
Total liabilities	22,887,570	24,440,288
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus		
Legal capital surplus	2,898,621	2,898,621
Other capital surplus		
Treasury Stock Type Disposal Marginal Profit	58,083	50,738
Total capital surplus	2,956,704	2,949,359
Retained earnings		
Legal retained earnings	109,802	109,802
Other retained earnings		
General reserve	14,710,000	14,710,000
Retained earnings brought forward	2,029,190	1,911,216
Total retained earnings	16,848,992	16,731,018
Treasury shares	(419,075)	(353,226)
Total shareholders' equity	23,119,295	23,059,825
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	153,869	231,435
Total valuation and translation adjustments	153,869	231,435
Total net assets	23,273,164	23,291,261
Total liabilities and net assets	46,160,735	47,731,549

Statement of income

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Net sales		
Net sales of completed construction contracts	12,431,932	11,507,670
Net sales in development business and other	22,994,580	26,031,885
Other revenue	435,258	450,799
Total net sales	35,861,770	37,990,355
Cost of sales		
Cost of sales of completed construction contracts	11,148,693	10,535,657
Cost of sales in development business and other	20,552,633	22,546,784
Total cost of sales	31,701,327	33,082,441
Gross profit		
Gross profit on completed construction contracts	1,283,238	972,012
Gross profit on development business and other	2,441,946	3,485,101
Gross profit - other	435,258	450,799
Total gross profit	4,160,443	4,907,913
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	204,254	195,635
Employees' salaries and allowances	682,883	925,269
Employees' bonuses	110,363	147,004
Provision for bonuses	60,737	86,976
Retirement benefit expenses	15,073	19,751
Share-based payment expenses	63,091	70,600
Legal welfare expenses	135,759	174,322
Welfare expenses	18,047	14,768
Repair expenses	7,066	4,071
Commission expenses	128,801	160,916
Office supplies expenses	12,944	21,321
Recording fee	2,938	2,529
Utilities expenses	20,229	17,670
Communication expenses	20,981	22,563
Travel and transportation expenses	63,029	73,746
Vehicle expences	10,101	14,383
Promotion expenses	64,706	130,054
Agent commission	688,784	774,575
Advertising expenses	99,755	167,036
Entertainment expenses	48,106	53,999
Depreciation	134,854	116,512
Taxes and dues	333,264	469,644
Insurance expenses	3,783	3,918

(Thousands of yen)

	Fiscal year ended August 31, 2025	Fiscal year ended August 31, 2026
Lease charge	28,010	42,463
Rent expenses on land and buildings	192,013	192,307
Other	540,495	567,036
Total selling, general and administrative expenses	3,690,077	4,469,082
Operating profit	470,366	438,830
Non-operating income		
Interest income	17,792	34,145
Interest on securities	49	-
Dividend income	895,476	132,372
Administrative service fee income	9,086	4,527
RefundedRealEstateAcquisitionTax	76,744	108,708
Miscellaneous income	61,036	26,089
Total non-operating income	1,060,186	305,843
Non-operating expenses		
Interest expenses	198,580	281,348
Commission expenses	15,971	2,893
Miscellaneous losses	12,783	919
Total non-operating expenses	227,336	285,161
Ordinary profit	1,303,216	459,512
Extraordinary income		
Gain on reversal of asset retirement obligations	9,139	-
Gain on sale of shares of subsidiaries	-	183,633
Total extraordinary income	9,139	183,633
Extraordinary losses		
Loss on retirement of non-current assets	31,522	2,787
Loss on asset retirement obligations	-	1,409
Impairment losses	-	13,486
Total extraordinary losses	31,522	17,683
Profit before income taxes	1,280,833	625,462
Income taxes - current	180,103	96,522
Income taxes - deferred	(103,855)	97,131
Total income taxes	76,248	193,654
Profit	1,204,585	431,808

Statement of changes in equity

Fiscal year ended August 31, 2025

(Thousands of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
			Other capital surplus			Other retained earnings				
	Share capital	Legal capital surplus	Treasury Stock Type Disposal Marginal Profit	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,732,673	2,898,621	72,206	2,970,828	109,802	14,710,000	1,371,242	16,191,044	(506,720)	22,387,826
Changes during period										
Dividends of surplus							(546,637)	(546,637)		(546,637)
Profit							1,204,585	1,204,585		1,204,585
Disposal of treasury shares			(14,123)	(14,123)				-	87,644	73,521
Net changes in items other than shareholders' equity										
Total changes during period	-	-	(14,123)	(14,123)	-	-	657,947	657,947	87,644	731,468
Balance at end of period	3,732,673	2,898,621	58,083	2,956,704	109,802	14,710,000	2,029,190	16,848,992	(419,075)	23,119,295

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	59,326	22,447,153
Changes during period		
Dividends of surplus		(546,637)
Profit		1,204,585
Disposal of treasury shares		73,521
Net changes in items other than shareholders' equity	94,542	94,542
Total changes during period	94,542	826,011
Balance at end of period	153,869	23,273,164

Statement of changes in equity

Fiscal year ended August 31, 2026

(Thousands of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
			Other capital surplus			Other retained earnings				
	Share capital	Legal capital surplus	Treasury Stock Type Disposal Marginal Profit	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,732,673	2,898,621	58,083	2,956,704	109,802	14,710,000	2,029,190	16,848,992	(419,075)	23,119,295
Changes during period										
Dividends of surplus							(549,781)	(549,781)		(549,781)
Profit							431,808	431,808		431,808
Disposal of treasury shares			(7,345)	(7,345)				-	65,849	58,504
Net changes in items other than shareholders' equity										
Total changes during period	-	-	(7,345)	(7,345)	-	-	(117,973)	(117,973)	65,849	(59,469)
Balance at end of period	3,732,673	2,898,621	50,738	2,949,359	109,802	14,710,000	1,911,216	16,731,018	(353,226)	23,059,825

	Valuation and translation adjustments	Total net assets
	Valuation difference on	

	available-for-sale securities	
Balance at beginning of period	153,869	23,273,164
Changes during period		
Dividends of surplus		(549,781)
Profit		431,808
Disposal of treasury shares		58,504
Net changes in items other than shareholders' equity	77,566	77,566
Total changes during period	77,566	18,097
Balance at end of period	231,435	23,291,261

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group is engaged in the detached housing business, condominium business, general contract construction business, second-hand distribution (renovation) business, commercial real estate business, renovation business, real estate brokerage business, etc., and the Company and its consolidated subsidiaries (12 companies) formulate strategies for one or more businesses and develop their businesses.

Accordingly, the Group's reporting segments consist of business-specific segments based on the Company and its consolidated subsidiaries, and the three reporting segments are the Condominium Sales Business, the Contracting Business, and the Real Estate Distribution Business. Business segments with generally similar economic characteristics are consolidated.

The key business activities of each reporting segment are as follows.

Residential development business	Design, construction, and sales of detached houses, planning and sales of condominiums
Contracting business	Contracting of construction, civil engineering and plumbing work
Real estate distribution business	Renovation and sale of second-hand detached houses and second-hand condominiums, purchase and sale of commercial real estate, etc.

(Matters Concerning Changes in Reporting Segments, etc.)

Since the beginning of the current fiscal year, we have changed the classification method of reporting segments in accordance with the revision of the performance management classification. The previous "detached housing business" and "condominium business" have been merged and the method of classification of reporting segments has been changed as "condominium business". In addition, the segment name has been changed from "General Contract Construction Business" to "Contract Business". Segment information for the previous fiscal year has also been rearranged and displayed in the changed segment categories.

2. Method of calculating the amount of sales, profit or loss, assets, and other items for each reporting segment

The method of accounting for the reported business segments is the same as described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements".

Profit in the reporting segment is a figure based on operating income.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, and other items for each reporting segment

The previous fiscal year (September 1, 2024 to August 31, 2025)

(Thousands of yen)

	Reportable segments				Other Businesses (Note)1	Total	Adjustment amount (Note) 2, 4	Amount recorded in consolidated financial statements (Note)3
	Residential development business	Contracting business	Real estate distribution business	Total				
Sales								
Revenues from external customers	47,879,447	7,082,340	12,537,047	67,498,834	1,771,982	69,270,817	-	69,270,817
Transactions with other segments	-	613,493	-	613,493	512,610	1,126,104	(1,126,104)	-
Total	47,879,447	7,695,834	12,537,047	68,112,328	2,284,593	70,396,921	(1,126,104)	69,270,817
Segment profit or loss (loss)	(11,562)	226,697	770,249	985,384	380,438	1,365,822	(52,276)	1,313,545
Segment Assets	58,298,474	5,864,739	13,522,119	77,685,332	529,850	78,215,183	(7,133,425)	71,081,758
Other items								
Depreciation	165,231	14,174	20,417	199,823	13,229	213,053	(4,255)	208,798
Amortization of goodwill	130,171	-	-	130,171	9,485	139,656	-	139,656
Increase in property, plant and equipment and intangible assets	178,751	5,209	4,467,357	4,651,317	-	4,651,317	-	4,651,317

Note: 1 The "Other Business" category is a business segment that is not included in the reporting segments, and includes renovations, real estate brokerage, etc.

2. Adjustments for segment profits or losses of (52,276) thousand yen include inter-segment transaction elimination of (109,801) thousand yen and inventory adjustments of 57,524 thousand yen.

3 Segment profit or loss is adjusted for operating income in the consolidated statements of income.

4 The adjustment amount of segment assets of (7,133,425) thousand yen includes the elimination of inter-segment transactions of (7,554,996) thousand yen and the company-wide assets of 421,571 thousand yen that have not been allocated to each reporting segment.

The current fiscal year (September 1, 2025 to August 31, 2026)

(Thousands of yen)

	Reportable segments				Other Businesses (Note)1	Total	Adjustment amount (Note) 2, 4	Amount recorded in consolidated financial statements (Note)3
	Residential development business	Contracting business	Real estate distribution business	Total				
Sales								
Revenues from external customers	48,973,853	6,632,986	9,947,295	65,554,135	2,333,887	67,888,023	-	67,888,023
Transactions with other segments	-	832,619	-	832,619	578,496	1,411,116	(1,411,116)	-
Total	48,973,853	7,465,605	9,947,295	66,386,754	2,912,384	69,299,139	(1,411,116)	67,888,023
Segment profit	1,161,402	168,364	112,701	1,442,468	476,637	1,919,105	89,502	2,008,607
Segment Assets	58,112,671	4,284,989	13,652,657	76,050,318	1,651,929	77,702,248	(5,527,236)	72,175,011
Other items								
Depreciation	147,615	16,963	20,324	184,903	16,519	201,422	(4,204)	197,217
Amortization of goodwill	130,171	-	-	130,171	-	130,171	-	130,171

Increase in property, plant and equipment and intangible assets	178,487	19,370	841,188	1,039,045	6,596	1,045,641	-	1,045,641

Note: 1 The "Other Business" category is a business segment that is not included in the reporting segments, and includes renovations, real estate brokerage, etc.

2 The adjustment amount of 89,502 thousand yen for segment profit includes the elimination of inter-segment transactions of (8,928) thousand yen and the adjustment of inventories of 98,430 thousand yen.

3 Segment profit is adjusted to operating income in the consolidated statements of income.

4 The adjustment amount of segment assets of (5,527,236) thousand yen includes the elimination of inter-segment transactions of (6,042,728) thousand yen and the company-wide assets of 515,491 thousand yen that have not been allocated to each reporting segment.