

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended November 30, 2019 (Based on Japanese GAAP)

January 10, 2020

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 10, 2020  
 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, 2019 (from September 1, 2019 to November 30, 2019)

#### (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, 2019	5,920	(5.8)	(307)	–	(213)	–	(162)	–
Three months ended November 30, 2018	6,286	(2.5)	(291)	–	(243)	–	(129)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2019	(11.12)		–	
Three months ended November 30, 2018	(8.86)		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2019	44,295	24,272	54.8
As of August 31, 2019	41,746	24,694	59.2

### 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, 2019	–	19.00	–	19.00	38.00
Year ending August 31, 2020	–				
Year ending August 31, 2020 (Forecast)		19.00	–	19.00	38.00

### 3. Forecast of consolidated financial results for the year ending August 31, 2020 (from September 1, 2019 to August 31, 2020)

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 29, 2020	17,442	7.4	379	29.3	490	24.1	308	1.6	21.18
Full year	41,789	8.6	1,675	12.2	1,884	9.2	1,263	1.0	86.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2019  
(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, 2019	14,884,300 shares	As of August 31, 2019	14,884,300 shares
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Number of treasury shares at the end of the period

As of November 30, 2019	303,555 shares	As of August 31, 2019	303,555 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, 2019	14,580,745 shares	Three months ended November 30, 2018	14,580,745 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of August 31, 2019	As of November 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,987,115	8,854,218
Notes receivable, accounts receivable from completed construction contracts and other	1,351,164	1,497,202
Real estate for sale	2,978,962	5,478,837
Development projects in progress	19,393,856	20,763,723
Costs on construction contracts in progress	1,916,739	2,437,577
Raw materials and supplies	7,615	9,090
Other	883,420	888,311
Allowance for doubtful accounts	(898)	(1,638)
<b>Total current assets</b>	<b>37,517,976</b>	<b>39,927,323</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,740,490	2,738,007
Intangible assets	135,871	125,220
<b>Investments and other assets</b>		
Investment securities	790,849	934,584
Other	562,157	570,692
Allowance for doubtful accounts	(955)	–
<b>Total investments and other assets</b>	<b>1,352,051</b>	<b>1,505,277</b>
<b>Total non-current assets</b>	<b>4,228,414</b>	<b>4,368,505</b>
<b>Total assets</b>	<b>41,746,391</b>	<b>44,295,829</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	3,391,595	3,032,889
Short-term borrowings	6,148,200	9,315,200
Current portion of long-term borrowings	584,508	907,508
Income taxes payable	118,418	63,534
Advances received on construction contracts in progress	666,543	883,233
Provision for bonuses	119,973	228,117
Provision for warranties for completed construction	15,470	15,713
Other	1,012,371	758,811
<b>Total current liabilities</b>	<b>12,057,081</b>	<b>15,205,007</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,270,573	4,097,696
Provision for retirement benefits for directors (and other officers)	114,576	–
Retirement benefit liability	247,761	244,785
Other	362,112	475,868
<b>Total non-current liabilities</b>	<b>4,995,023</b>	<b>4,818,349</b>
<b>Total liabilities</b>	<b>17,052,105</b>	<b>20,023,357</b>

(Thousands of yen)

	As of August 31, 2019	As of November 30, 2019
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,984,589	2,984,589
Retained earnings	18,283,089	17,843,875
Treasury shares	(346,801)	(346,801)
Total shareholders' equity	24,653,550	24,214,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,734	58,134
Total accumulated other comprehensive income	40,734	58,134
Total net assets	24,694,285	24,272,471
Total liabilities and net assets	41,746,391	44,295,829

**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, 2018	Three months ended November 30, 2019
Net sales	6,286,112	5,920,053
Cost of sales	5,373,137	5,104,163
Gross profit	912,974	815,890
Selling, general and administrative expenses	1,204,649	1,123,830
Operating loss	(291,675)	(307,939)
Non-operating income		
Interest income	1,200	1,060
Dividend income	330	330
Administrative service fee income	12,672	13,045
Refunded Real Estate Acquisition Tax	20,426	34,485
Other	31,079	72,155
Total non-operating income	65,708	121,076
Non-operating expenses		
Interest expenses	11,205	16,662
Other	6,070	9,586
Total non-operating expenses	17,275	26,248
Ordinary loss	(243,241)	(213,112)
Extraordinary income		
Gain on sales of investment securities	31,011	–
Insurance claim income	44,423	–
Total extraordinary income	75,434	–
Extraordinary losses		
Loss on retirement of non-current assets	–	986
Total extraordinary losses	–	986
Loss before income taxes	(167,807)	(214,098)
Income taxes	(38,586)	(51,918)
Loss	(129,221)	(162,179)
Loss attributable to owners of parent	(129,221)	(162,179)

## Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2018	Three months ended November 30, 2019
Loss	(129,221)	(162,179)
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,061)	17,399
Total other comprehensive income	(15,061)	17,399
Comprehensive income	(144,282)	(144,779)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(144,282)	(144,779)
Comprehensive income attributable to non-controlling interests	—	—