

April 14, 2025

Consolidated Financial Results for the Six Months Ended February 28, 2025 (Under Japanese GAAP)

Company name: AVANTIACO.,LTD.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 8904
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 Scheduled date to file semi-annual securities report: April 14, 2025
 Scheduled date to commence dividend payments: May 20, 2025
 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 six months ended February 28, 2025 (from September 1, 2024 to February 28, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	26,975	(15.3)	(217)	-	(247)	-	(330)	-
February 29, 2024	31,846	32.1	(5)	-	0	(99.9)	21	(94.0)

Note: Comprehensive income For the six months ended February 28, 2025: ¥(307) million [-%]
 For the six months ended February 29, 2024: ¥50 million [(86.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 28, 2025	(23.02)	-
February 29, 2024	1.48	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	69,715	27,244	39.1
August 31, 2024	67,375	27,750	41.2

Reference: Equity
 As of February 28, 2025: ¥27,243 million
 As of August 31, 2024: ¥27,750 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	-	19.00	-	19.00	38.00
Fiscal year ending August 31, 2025	-	19.00			
Fiscal year ending August 31, 2025 (Forecast)				19.00	38.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending August 31, 2025	73,000	2.8	1,300	37.3	1,100	19.7	700	18.8	48.60

Note: Revisions to the earnings forecasts most recently announced: None

For details, please refer to the "Notice of Revision of Planned Values of the fiscal year ending August 31, 2025 Earnings Forecast and Medium-Term Management Plan" announced on April 11, 2025.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to Appendix P.9 "2. Interim Consolidated Financial Statements and Key Notes (4) Notes on Interim Consolidated Financial Statements (Application of Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements)".

(3) 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

(4) Number of issued shares (common shares)

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

As of February 28, 2025	14,884,300 shares
As of August 31, 2024	14,884,300 shares

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

As of February 28, 2025	451,856 shares
As of August 31, 2024	546,356 shares

(iii) Average number of shares outstanding during the period(cumulative from the beginning of the fiscal year)

Six months ended February 28, 2025	14,375,535 shares
Six months ended February 29, 2024	14,313,488 shares

* Semi-annual financial results reports are exempt from review 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.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of August 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	14,128,779	10,964,760
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,816,990	2,463,239
Real estate for sale	20,112,630	22,123,995
Costs on development business and other	19,486,229	20,751,586
Costs on construction contracts in progress	2,413,736	3,068,720
Raw materials and supplies	9,546	9,705
Other	568,698	532,031
Total current assets	58,536,610	59,914,039
Non-current assets		
Property, plant and equipment	6,130,405	7,127,751
Intangible assets		
Goodwill	1,025,410	950,839
Other	98,690	85,896
Total intangible assets	1,124,100	1,036,736
Investments and other assets		
Investment securities	437,672	453,287
Other	1,146,837	1,183,938
Total investments and other assets	1,584,510	1,637,225
Total non-current assets	8,839,016	9,801,712
Total assets	67,375,627	69,715,751

	As of August 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,509,179	2,764,661
Short-term borrowings	19,279,056	19,702,649
Current portion of bonds payable	30,000	30,000
Current portion of long-term borrowings	1,745,744	4,154,463
Income taxes payable	212,904	152,710
Contract liabilities	1,523,893	2,114,659
Provision for bonuses	151,495	115,410
Provision for warranties for completed construction	28,958	19,888
Provision for share awards	37,145	37,145
Other	1,080,851	744,884
Total current liabilities	26,599,228	29,836,473
Non-current liabilities		
Bonds payable	325,000	300,000
Long-term borrowings	12,211,530	11,891,172
Other	489,324	443,125
Total non-current liabilities	13,025,854	12,634,298
Total liabilities	39,625,082	42,470,771
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,970,828	2,956,636
Retained earnings	21,464,588	20,861,279
Treasury shares	(506,720)	(419,075)
Total shareholders' equity	27,661,369	27,131,513
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	89,174	112,398
Total accumulated other comprehensive income	89,174	112,398
Non-controlling interests	-	1,068
Total net assets	27,750,544	27,244,980
Total liabilities and net assets	67,375,627	69,715,751

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Net sales	31,846,501	26,975,619
Cost of sales	28,155,010	23,591,820
Gross profit	3,691,490	3,383,798
Selling, general and administrative expenses	3,697,171	3,600,835
Operating loss	(5,680)	(217,036)
Non-operating income		
Interest income	747	489
Dividend income	10,310	5,536
Administrative service fee income	41,416	22,261
Refunded real-estate acquisition tax	41,948	41,329
Other	83,905	67,865
Total non-operating income	178,328	137,482
Non-operating expenses		
Interest expenses	122,231	149,705
Commission for syndicated loans	13,877	-
Other	35,950	18,589
Total non-operating expenses	172,058	168,295
Ordinary profit (loss)	589	(247,850)
Extraordinary income		
Gain on sale of non-current assets	102,758	-
Total extraordinary income	102,758	-
Extraordinary losses		
Loss on retirement of non-current assets	70,060	24,182
Other	3,273	3,352
Total extraordinary losses	73,333	27,535
Profit (loss) before income taxes	30,014	(275,385)
Income taxes	8,778	55,502
Profit (loss)	21,235	(330,888)
Profit (loss) attributable to owners of parent	21,235	(330,888)

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Profit (loss)	21,235	(330,888)
Other comprehensive income		
Valuation difference on available-for-sale securities	28,766	23,224
Total other comprehensive income	28,766	23,224
Comprehensive income	50,001	(307,663)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	50,001	(307,663)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	30,014	(275,385)
Depreciation	104,789	113,018
Amortization of goodwill	74,570	74,570
Increase (decrease) in allowance for doubtful accounts	(538)	-
Increase (decrease) in provision for bonuses	(43,448)	(36,085)
Increase (decrease) in provision for warranties for completed construction	4,476	(9,069)
Interest and dividend income	(11,058)	(6,025)
Interest expenses	122,231	149,705
Loss (gain) on sale of non-current assets	(102,758)	-
Loss on retirement of non-current assets	70,060	24,182
Decrease (increase) in trade receivables	(384,189)	(646,248)
Decrease (increase) in inventories	(2,950,436)	(4,283,343)
Increase (decrease) in trade payables	(193,560)	255,482
Increase (decrease) in contract liabilities	(570,520)	590,765
Transfer from fixed assets to inventories	465,695	1,415,497
Other, net	(221,096)	(410,464)
Subtotal	(3,605,769)	(3,043,399)
Interest and dividends received	11,736	6,781
Interest paid	(123,028)	(151,133)
Income taxes paid	(187,527)	(201,208)
Income taxes refund	9,868	151,483
Net cash provided by (used in) operating activities	(3,894,720)	(3,237,476)
Cash flows from investing activities		
Payments into time deposits	(121,332)	(57,660)
Proceeds from withdrawal of time deposits	43,960	11,000
Purchase of property, plant and equipment	(128,532)	(2,180,360)
Proceeds from sale of property, plant and equipment	591,973	-
Purchase of intangible assets	(5,602)	(4,012)
Purchase of investment securities	(1,626)	(1,803)
Proceeds from sale of investment securities	10,000	-
Proceeds from redemption of investment securities	23,000	16,000
Other, net	114,118	27,751
Net cash provided by (used in) investing activities	525,960	(2,189,086)
Cash flows from financing activities		
Proceeds from short-term borrowings	16,840,700	20,647,390
Repayments of short-term borrowings	(17,333,806)	(20,223,797)
Proceeds from long-term borrowings	2,017,000	3,566,000
Repayments of long-term borrowings	(898,808)	(1,477,639)
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	(45,000)	(25,000)
Proceeds from share issuance to non-controlling shareholders	-	1,000
Dividends paid	(271,641)	(272,070)
Net cash provided by (used in) financing activities	338,443	2,215,883
Net increase (decrease) in cash and cash equivalents	(3,030,316)	(3,210,679)
Cash and cash equivalents at beginning of period	13,042,487	14,038,055
Cash and cash equivalents at end of period	10,012,171	10,827,376

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (September 1, 2023 to February 29, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments					Other Businesses (Note)1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	Custom detached houses	Condominiums	General contracted construction	Real estate distribution business	Total				
Sales									
Revenues from external customers	23,671,353	1,047,317	2,525,917	3,765,125	31,009,714	836,787	31,846,501	-	31,846,501
Transactions with other segments	-	-	659,308	-	659,308	146,496	805,804	(805,804)	-
Total	23,671,353	1,047,317	3,185,225	3,765,125	31,669,022	983,283	32,652,305	(805,804)	31,846,501
Segment Profit or Loss	(436,770)	26,265	77,664	138,707	(194,133)	254,993	60,860	(66,540)	(5,680)

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 profit or loss of (66,540) thousand yen include (8,094) thousand yen for inter-segment transactions and (58,445) thousand yen for inventories, etc.

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

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. Interim Consolidated Accounting Period (September 1, 2024 to February 28, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reportable segments					Other Businesses (Note)1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
	Custom detached houses	Condominiums	General contracted construction	Real estate distribution business	Total				
Sales									
Revenues from external customers	17,759,311	135,916	3,379,405	4,874,102	26,148,735	826,883	26,975,619	-	26,975,619
Transactions with other segments	-	-	322,221	-	322,221	142,852	465,073	(465,073)	-
Total	17,759,311	135,916	3,701,626	4,874,102	26,470,957	969,735	27,440,692	(465,073)	26,975,619
Segment Profit or Loss	(875,964)	(143,246)	100,119	602,529	(316,561)	124,270	(192,290)	(24,745)	(217,036)

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 profit or loss of (24,745) thousand yen include inter-segment transaction elimination of (57,143) thousand yen and adjustment of inventories of 32,397 thousand yen.

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

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

3. Matters Concerning Changes to Reporting Segments, etc.

Previously, the second-hand distribution (renovation business) and the commercial real estate business, which were previously included in the other business, are displayed as the reporting segment "Real Estate Distribution Business" from the previous fiscal year. Segment information for the previous interim consolidated accounting period is based on the segment classification after the change.