

Summary of Earnings Report for First Quarter of Year Ending December 31, 2020

August 12, 2020

Name of listed company: A.D.Works Group Co., Ltd. Listed stock exchange: Tokyo Stock Exchange
 Code: 2982 URL <http://www.adwg.co.jp/>
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 Scheduled date of filing August 12, 2020 Scheduled date of dividend payment —
 Additional material of financial result : Yes
 Result meeting : No

(Millions of yen, rounded down)

1. Consolidated Results for the First Quarter of the Fiscal Year Ending December 31, 2020 (April 1, 2020–June 30, 2020)

(1) Consolidated business results (cumulative) (%: Year-on-year comparison)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter, year ending December 31, 2020	2,253	—	(180)	—	(256)	—	(180)	—

(Notes) Comprehensive Income: 2020 1Q (226) million yen (—%)

	Net Income per Share	Diluted Net Income per Share
First quarter, year ending December 31, 2020	Yen (4.65)	Yen —

Note: Since the Company was established on April 1, 2020 through a sole share transfer, quarterly results for the previous year and the rate of increase (decrease) from the same period in the previous year are not noted here.

(2) Consolidated financial conditions

	Total Assets	Net Assets	Equity Ratio
First quarter, year ending December 31, 2020	Million yen 37,483	Million yen 12,740	% 34.0

(Notes) Equity: 2020 1Q 12,735 million yen

Note: Since the Company was established on April 1, 2020 through a sole share transfer, there are no results to report for the previous fiscal year.

2. Dividends Information

	Dividend per Share				
	1Q	Interim	3Q	Year end	Total
Fiscal year ending December 31, 2020	Yen —	Yen	Yen	Yen	Yen
Fiscal year ending December 31, 2020 (forecast)	—	—	—	—	—

(Notes)

- Correction to most recently announced dividend forecast: None
- Since the Company was established on April 1, 2020 through a sole share transfer, results for the previous year and quarterly results for the previous year are not available.
- The Company was established with a fiscal year that ends in December, and as a result the first fiscal year (the current fiscal year) will be nine months long.
- The Articles of Incorporation stipulate the last day of the first half of the fiscal year and the last day of the fiscal year as the record dates for payment of dividends, but at this point, the planned dividend amount on the record date is undecided.

Disclaimer

This document was prepared in English for convenience purposes only. The original Japanese document shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this document.

3. Consolidated Business Plan for Fiscal Year Ending December 31, 2020 (April 1, 2020–December 31, 2020)

The A.D.W. Group announces its business targets for each consolidated fiscal year in the form of a “results plan.” A results plan consists of targets for our businesses, and are different from the forecasts and predictions.

Note that for projections of business results, the outlook at the end of each quarter will be updated as appropriate and disclosed as a forecast based on information that is highly accurate for the Group overall and deemed reasonable at that time.

(%: comparison with the previous period)

	Net sales		EBITDA		Ordinary Income		Net income before taxes		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	16,000	—	680	—	400	—	400	—	255	—

(Notes)

1. Since the Company was established on April 1, 2020 through a sole share transfer, the rate of increase (decrease) from the same period in the previous year is not available.
2. Since the Company was established on April 1, 2020 with a fiscal year ending in December, the consolidated business plan for the fiscal year ending December 31, 2020 covers the nine-month period from April 1, 2020 to December 31, 2020.

1. Consolidated Financial Statements

(1) Consolidated balance sheets

(Units: Thousands of yen)

Current consolidated first quarter
(June 30, 2020)

Assets	
Current assets	
Cash and deposits	7,938,605
Accounts receivable - trade	198,397
Real estate for sale	25,395,977
Real estate for sale in process	1,007,560
Other	1,596,049
Allowance for doubtful accounts	(2,787)
Total current assets	36,133,802
Non-current assets	
Property, plant and equipment	
Other, net	184,114
Total property, plant and equipment	184,114
Intangible assets	
Goodwill	67,643
Other	51,393
Total intangible assets	119,037
Investments and other assets	
Investment securities	185,611
Deferred tax assets	461,587
Other	347,668
Allowance for doubtful accounts	(16,227)
Total investments and other assets	978,640
Total non-current assets	1,281,792
Deferred assets	
Share issuance cost	31,595
Establishment costs	36,574
Total deferred assets	68,170
Total assets	37,483,764
Liabilities	
Current liabilities	
Accounts payable - trade	543,677
Short-term loans payable	30,000
Current portion of bonds	229,400
Current portion of long-term loans payable	2,256,398
Income taxes payable	68,900
Provision	35,774
Other	2,317,133
Total current liabilities	5,481,283
Non-current liabilities	
Bonds payable	742,200
Long-term loans payable	18,416,326
Other	103,657
Total non-current liabilities	19,262,183
Total liabilities	24,743,467

(Units: Thousands of yen)

Current consolidated first quarter
(June 30, 2020)

Net assets	
Shareholders' equity	
Capital stock	5,504,250
Capital surplus	4,524,281
Retained earnings	2,938,144
Treasury shares	(75,950)
Total shareholders' equity	12,890,725
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(6,674)
Foreign currency translation adjustments	(148,836)
Total accumulated other comprehensive income	(155,510)
Subscription rights to shares	5,082
Total net assets	12,740,297
Total liabilities and net assets	37,483,764

(2) Consolidated Profit and Loss Statement, and Consolidated Comprehensive Income Statement

Consolidated Profit and Loss Statement

First quarter of consolidated fiscal year

	(Units: Thousands of yen)
	Current consolidated first quarter (April 1, 2020 - June 30, 2020)
Net sales	2,253,324
Cost of sales	1,666,911
Gross profit	586,412
Selling, general and administrative expenses	767,253
Operating loss (-)	(180,840)
Non-operating income	
Interest and dividend income	61
Insurance income	60
Other	209
Total non-operating income	331
Non-operating expenses	
Interest expenses	55,360
Borrowing fee	5,891
Amortization of establishment costs	1,925
Other	13,233
Total non-operating expenses	76,409
Ordinary losses (-)	(256,918)
Quarterly net loss before income taxes (-)	(256,918)
Income taxes - current	(76,390)
Total income taxes	(76,390)
Quarterly net loss (-)	(180,528)
Net income attributable to owners of parent company (-)	(180,528)