July 22, 2019 Name of listed company: A.D.Works, Ltd. Listed stock exchange: Tokyo Stock Exchange 3250 URL http://www.re-adworks.com/ Code: Representative: Hideo Tanaka, President and CEO Contact: TEL: +81-(0)3-4500-4200 Katsutoshi Hosoya, Senior Managing Director and CFO Scheduled date of filing August 8, 2019 Scheduled date of dividend payment Additional material of financial result : Yes Result meeting : None

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

(Millions of yen, rounded down) 1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019–June 30, 2019)

(1) Conso	olidated business results (cumulative)					(%: Y	ear-on-year co	mparison)
		Net Sales			Income	Ordinary Income		Net income attributable to owners of parent	
		Million yen	%	Million yen	%	Million yen	%	Million yen	%
	quarter, year ending March 31, 2020	4,507	(3.0)	181	(13.2)	111	(8.5)	72	-
	quarter, year ended March 31, 2019	4,647	(24.9)	208	(48.8)	121	(65.0)	(306)	-
(Notes)	Comprehensive Income:	2020 1Q	(47) millio	on yen	(-%)	2019	1Q (151) million yen	(-%

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
First quarter, year ending March 31, 2020	0.20	0.20
First quarter, year ended March 31, 2019	(0.95)	(0.95)

(2) Consolidated financial conditions

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
First quarters, year ending March 31, 2020	29,288	11,806	40.3
End of fiscal year ended March 31, 2019	30,625	11,947	39.0
(Notes) Shareholders' equity	: 2020 1Q	11,801 million ye	en End of 2019

11,941 million yen

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.

2. Dividends Information

	Dividend per Share							
	1Q	1Q Interim 3Q Year end Tota						
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2019	—	0.00	—	0.35	0.35			
Fiscal year ending March 31, 2020	—							
Fiscal year ending March 31, 2020 (forecast)		1.65	_	_	_			

(Notes) Correction to most recently announced dividend forecast: None

3. Consolidated Business Plan for Fiscal Year Ending March 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	26,000	4.6	1,330	(42.8)	840	(53.4)	890	(14.7)	570	(14.1)

1. Consolidated Financial Statements

(1) Consolidated balance sheets

	Previous consolidated fiscal year (year ended March 31, 2019)	Current consolidated first quarter (June 30, 2019)
Assets	<u> </u>	
Current assets		
Cash and deposits	7,105,036	6,555,026
Accounts receivable - trade	306,540	177,306
Real estate for sale	20,977,089	20,049,547
Real estate for sale in process	265,235	267,460
Other	1,048,034	1,131,676
Allowance for doubtful accounts	(1,968)	(2,765)
Total current assets	29,699,966	28,178,250
Non-current assets		
Property, plant and equipment		
Other, net	46,403	95,082
Total property, plant and equipment	46,403	95,082
Intangible assets		· · · · · · · · · · · · · · · · · · ·
Goodwill	_	84,039
Other	47,552	43,254
Total intangible fixed assets	47,552	127,293
Investments and other assets		
Other	792,533	870,127
Allowance for doubtful accounts		(16,227)
Total investments and other assets	792,533	853,899
Total non-current assets	886,489	1,076,276
Deferred assets		, , ,
Share issuance cost	38,619	34,428
Total deferred assets	38,619	34,428
Total assets	30,625,075	29,288,954
Liabilities		
Current liabilities		
Accounts payable - trade	562,470	485,945
Short-term loans payable	963,200	1,659,496
Current portion of bonds	183,400	183,400
Current portion of long-term loans payable	1,934,838	1,301,444
Income taxes payable	455,013	80,007
Provision	—	55,431
Other	2,432,300	2,027,717
Total current liabilities	6,531,223	5,839,443
Non-current liabilities		
Bonds payable	471,600	471,600
Long-term loans payable	11,566,325	11,061,909
Other	108,032	109,077
Total non-current liabilities	12,145,958	11,642,587
Total liabilities	18,677,181	17,482,030

Capital surplus 4,329,396 4,33 Retained earnings 3,399,161 3,34	f yen)
Shareholders' equityCapital stock4,385,822Capital surplus4,329,396Retained earnings3,399,161Treasury shares(133,962)(122)	uarter
Capital stock 4,385,822 4,39 Capital surplus 4,329,396 4,33 Retained earnings 3,399,161 3,34 Treasury shares (133,962) (122)	
Capital surplus 4,329,396 4,33' Retained earnings 3,399,161 3,34' Treasury shares (133,962) (122)	
Retained earnings 3,399,161 3,34 Treasury shares (133,962) (122	5,369
Treasury shares (133,962) (122	7,866
	9,620
Total shareholders' equity11,980,41711,960	2,343)
	0,512
Accumulated other comprehensive income	
Net unrealized gain on securities (1,359) (3	3,553)
Foreign currency translation adjustments (36,335) (154	,539)
Deferred gains (losses) on hedges (1,143)	(578)
Total accumulated other comprehensive (38,838) (158	3,671)
Subscription rights to shares 6,314	5,082
Total net assets 11,947,894 11,800	6,924
Total liabilities and net assets30,625,07529,285	8,954

(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)
	Previous consolidated	Current consolidated
	first quarter (April 1, 2018 – June 30, 2018)	first quarter (April 1, 2019 - June 30, 2019)
Net sales	4,647,184	(April 1, 201) - Julie 30, 201) 4,507,966
Cost of sales	3,762,715	3,584,797
Gross profit	884,468	923,168
Selling, general and administrative expenses	675,928	742,110
Operating income	208,540	181,057
Non-operating income	,	, , ,
Interest and dividend income	30	3,734
Insurance income	1,652	8,229
Other	131	2
Total non-operating income	1,813	11,966
Non-operating expenses		
Interest expenses	60,248	53,504
Borrowing fee	17,540	9,497
Other	10,798	18,660
Total non-operating expenses	88,587	81,662
Ordinary income	121,767	111,361
Extraordinary loss		
Prior year consumption taxes	757,484	—
Total extraordinary loss	757,484	—
Income (loss) before income taxes and minority interests	(635,717)	111,361
Income taxes - current	(329,586)	38,793
Total income taxes	(329,586)	38,793
Net income (loss)	(306,130)	72,567
Net income attributable to owners of parent company (net loss attributable to owners of parent company)	(306,130)	72,567