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

October 29, 2019

Name of listed company: A.D.Works, Co., Ltd. Listed stock exchange: Tokyo Stock Exchange

Code: 3250 URL http://www.re-adworks.com/

Representative: Hideo Tanaka, President and CEO

Contact: Katsutoshi Hosoya, Senior Managing Director and CFO TEL: +81-(0)3-4500-4200 Scheduled date of filing November 14, 2019 Scheduled date of dividend payment December 3, 2019

Additional material of financial result : Yes

Result meeting : Yes (for institutional investors and analysts)

(Millions of yen, rounded down)

# 1. Consolidated Results for the First half of the Fiscal Year Ending March 31, 2020 (April 1, 2019–September 30, 2019)

#### (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 half, year ending March 31, 2020	11,934	4.6	740	(55.0)	563	(61.9)	390	(36.6)
First half, year ended March 31, 2019	11,406	(6.4)	1,646	118.5	1,479	140.1	615	60.8
(Notes) Comprehensive Income	2020 2Q	277 milli	on yen	(68.9%)	2019	2Q 8	890 million yen	120.3

Net Income per Share

Pirst half, year ending March 31, 2020
First half, year ended March 31, 2019

Net Income per Share

Yen

1.00

1.00

1.69

#### (2) Consolidated financial conditions

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
First half, year ending March 31, 2020	33,520	13,337	39.8
End of fiscal year ended March 31, 2019	30,625	11,947	39.0

(Notes) Shareholders' equity: 2020 2Q 13,332 million yen 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.

<sup>. (</sup>Note) On July 11, 2019, A.D. Works, Co., Ltd. carried out an allotment of subscription rights to shares to shareholders based on a non-commitment rights offering (with a non-discounted exercise price) and has issued new shares in conjunction with the exercise of the subscription rights to shares. The Company has calculated net income per share and diluted net income per share assuming that the payment for shares based on the rights offering was made at the start of previous consolidated fiscal year.

#### 2. Dividends Information

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

(Notes)

- 1. Correction to most recently announced dividend forecast: None
- Breakdown of interim dividend for the fiscal year ending March 31, 2020
   Gratitude dividend ¥1.65 per share
- 3. Year-end dividend for the fiscal year ending March 31, 2020 is yet to be determined as of the date of this document.

## 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	1	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

		(Units: Thousands of yen)
	Previous consolidated fiscal year (year ended March 31, 2019)	Current consolidated first half (September 30, 2019)
Assets		
Current assets		
Cash and deposits	7,105,036	7,590,412
Accounts receivable - trade	306,540	199,477
Real estate for sale	20,977,089	22,372,352
Real estate for sale in process	265,235	887,759
Other	1,048,034	1,285,324
Allowance for doubtful accounts	(1,968)	(1,925)
Total current assets	29,699,966	32,333,401
Non-current assets		
Property, plant and equipment		
Other, net	46,403	70,649
Total property, plant and equipment	46,403	70,649
Intangible assets		
Goodwill	_	80,327
Other	47,552	51,178
Total intangible fixed assets	47,552	131,505
Investments and other assets		
Other	792,533	937,342
Allowance for doubtful accounts	· –	(16,227)
Total investments and other assets	792,533	921,114
Total non-current assets	886,489	1,123,270
Deferred assets		, , , , ,
Share issuance cost	38,619	63,727
Total deferred assets	38,619	63,727
Total assets	30,625,075	33,520,398
Liabilities	20,022,072	20,020,030
Current liabilities		
Accounts payable - trade	562,470	652,266
Short-term loans payable	963,200	638,045
Current portion of bonds	183,400	143,400
Current portion of long-term loans payable	1,934,838	1,225,968
Income taxes payable	455,013	197,827
Provision	_	139,550
Other	2,432,300	2,333,486
Total current liabilities	6,531,223	5,330,545
Non-current liabilities	2,222,222	-,,
Bonds payable	471,660	419,900
Long-term loans payable	11,566,325	14,322,606
Other	108,032	110,104
Total non-current liabilities	12,145,958	14,852,611
Total liabilities	18,677,181	20,183,156

		(Onits. Thousands of yell)
	Previous consolidated fiscal year (year ended March 31, 2019)	Current consolidated first half (September 30, 2019)
Net assets		
Shareholders' equity		
Capital stock	4,385,822	5,096,226
Capital surplus	4,329,396	5,038,289
Retained earnings	3,399,161	3,667,255
Treasury shares	(133,962)	(317,925)
Total shareholders' equity	11,980,417	13,483,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,359)	(3,394)
Foreign currency translation adjustments	(36,335)	(148,292)
Deferred gains (losses) on hedges	(1,143)	0
Total accumulated other comprehensive income	(38,838)	(151,686)
Subscription rights to shares	6,314	5,082
Total net assets	11,947,894	13,337,242
Total liabilities and net assets	30,625,075	33,520,398

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

First half of consolidated fiscal year

		(Units: Thousands of yen)
	Previous consolidated first half (April 1, 2018 – September 30, 2018)	Current consolidated first half (April 1, 2019 - September 30, 2019)
Net sales	11,406,892	11,934,138
Cost of sales	8,320,319	9,559,650
Gross profit	3,086,572	2,374,488
Selling, general and administrative expenses	1,439,895	1,633,905
Operating income	1,646,677	740,582
Non-operating income		
Interest and dividend income	1,560	7,897
Insurance income	1,710	8,277
Subsidy income	1,552	
Other	1,181	187
Total non-operating income	6,004	16,362
Non-operating expenses		
Interest expenses	125,357	106,686
Borrowing fee	25,926	30,181
Other	21,530	56,515
Total non-operating expenses	172,814	193,383
Ordinary income	1,479,867	563,561
Extraordinary loss		
Prior year consumption taxes	757,465	
Loss on retirement of non-current assets	228	142
Total extraordinary loss	757,693	142
Income before income taxes and minority interests	722,173	563,418
Income taxes - current	106,335	173,215
Total income taxes	106,335	173,215
Net income (loss)	615,838	390,202
Net income attributable to owners of parent company	615,838	390,202