

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



December 19, 2025

Name of Company: A.D. Works Group Co., Ltd.  
Representative: Hideo Tanaka, President and CEO  
(Code: 2982 Tokyo Stock Exchange, Prime)  
Contact: Hideo Goto, Senior Managing Director and CFO  
Telephone: +81-(0)3-5251-7641

## Notice Concerning 2026 Tax Reform and the Company's Growth Strategies

A.D. Works Group Co., Ltd. (the "Company") have confirmed that the 2026 Tax Reform Proposals, which was published by the Japanese government on December 19, 2025, indicates the valuation method for small-lot real estate investment products will be amended. This amendment may have a short-term impact on our small-lot real estate business, one of our core businesses. However, we still intend to continue positioning this business as a core business and put it on a path to recovery and growth in the medium to long term.

At the same time, we will start the full-scale development of our office units sales business ahead of schedule, accelerating growth in this business from 2026 onwards. We will also ensure strong growth in our single-building income property sales business. By doing so, we will steadily maintain and strengthen our medium to long-term growth and aim to achieve sustainable improvements in corporate value.

### 1. Impact of the Tax Reform

The 2026 Tax Reform Proposals indicates to amend the valuation method for small-lot real estate investment products under the Inheritance Tax Act. As a result of this amendment, our small-lot real estate business may see a certain decrease in annual sales for the fiscal year ending December 2026 compared to the current fiscal year ending December 2025 (estimated annual sales of approximately 22 billion yen). We are currently reviewing this matter and will disclose appropriate information as it progresses.

The Company expects that the impact on our full-year business plan for the fiscal year ending December 2025 will be minor.

### 2. Accelerating Growth in the Office Units Sales Business and Continuing Strong Growth in the Single-building Income Property Sales Business

The Company will accelerate the growth of our office units sales business, which began operations during this fiscal year, by strategically shifting our sales personnel.

<Sales Target (Office Units Sales Business)> (Current Estimate)

2025 Sales Estimate: Approximately ¥600 million

2026 Sales Target : ¥10 billion

2028 Sales Target : ¥30 billion

Our initial plan for this business was to achieve annual sales of 30 billion yen by 2035, but due to the following factors, we have decided to bring forward the target date to 2028.

- Sales of office-classified products was accelerated in the fourth quarter of 2025, allowing us to gain sales expertise.
- Sales personnel will be secured due to the temporary reduction in the real estate fractionalization business.
- These will eliminate the growth bottleneck in this business.

In addition, following the planned sale of the property management business for external owners of our consolidated subsidiary A.D. Partners Co., Ltd. in January 2026, we will shift a significant number of personnel engaged in the property management business to work on the property value enhancement of the single-building income property sales business, thereby ensuring continued strong growth in the single-building income property sales business and supporting the Group's revenue base.

### 3. Future Policy for the Small-lot Real Estate Business

Although we expect a temporary decline in revenue from the small-lot real estate business in 2026, we believe that healthy and stable demand of the products will be maintained with a high degree of certainty. Along with the detailed clarification of the valuation method and progress in market recognition of the tax reform, we expect this market to return to a recovery track from 2027 onwards.

However, as our business plan may fluctuate depending on the details of tax reform and the market environment, we are not yet at the stage where we can provide a definitive outlook. Based on sales trends in the first half of 2026 and upcoming information on tax reform, we plan to update our medium-term plan for the small-lot real estate business by around summer 2026, which will include a replanning of our target announced in July 2025 of "aiming for total annual sales of real estate fractionalization products of 60 billion yen in 2030."

### 4. Full-year Business Plan for the Next Fiscal Year ending December 2026

After carefully examining the details of the tax reform and its impact on each business, we plan to announce our full-year business plan for the next fiscal year ending December 2026 in mid-February 2026.

As disclosed in the "Notice Concerning the Company Split (Absorption-Type Split) of a Consolidated Subsidiary" dated November 26, 2025, we expect to record an extraordinary profit of approximately 1.7 billion yen next fiscal year due to the sale of the property management business for external owners of our consolidated subsidiary, A.D. Partners Co., Ltd. While this profit is a one-off, it is expected to be a foundation for our business plan of next fiscal year.

In addition, based on the sales progress of our small-lot real estate investment products and office units products in the first half of 2026 and the detailed announcement of the tax reform, we will disclose our medium-term plans for our small-lot real estate business, office units sales business, and single-building income property sales business after summer 2026.

We will allocate management resources based on the characteristics and growth stage of each business, and aim to maintain and strengthen our medium- to long-term growth trajectory, despite short-term fluctuations in performance across the company, thereby achieving sustainable growth in corporate value.