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September 11, 2025

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## **Notice Concerning the Issuance of the 6th Stock Acquisition Rights (Tax-qualified Stock Options)**

A.D. Works Group Co., Ltd. (the "Company") hereby announce that at our Board of Directors meeting held on September 11, 2025, we resolved to issue the A.D. Works Group Co., Ltd. 6th Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Rights") to the directors and employees (collectively referred to as the "Directors and Employees") of our company and its wholly owned domestic subsidiaries (collectively referred to as the "Group") pursuant to Articles 236, 238 and 240 of the Companies Act, as set forth below.

### **I. Purpose and reason for offering the Stock Acquisition Rights**

Based on our "Growth Strategies to Enhance Corporate Value" (announced on February 13, 2025), we have set the goal of achieving an ROE of 13-14% or more and sustainably improving our PBR. We have therefore been working to accelerate the top line of our ARISTO business, improve the marginal profit ratio of our whole-building resale business, create new businesses, strengthen shareholder returns, deepen our investor relations activities, and improve employee engagement, which supports these efforts.

As a result, in the second quarter of the fiscal year ending December 2025, we revised our full-year results plan upward and increased our dividends in response to strong business performance. Furthermore, our proactive investor relations activities have fostered growth expectations, and the results of our efforts to improve corporate value are steadily becoming apparent, with our stock price having more than doubled since the beginning of the year. This is creating an environment in which employees can personally experience the virtuous cycle of "strategic improvements in business performance leading to increased corporate value, which in turn leads to higher stock prices."

Under these circumstances, we will continue to strive to increase our corporate value through the implementation of our growth strategies and meet the expectations of our shareholders.

The purpose of allocating the Stock Acquisition Rights to the Group's Directors and Employees at this time is to provide them with an opportunity to share in the economic benefits that will come from the increase in the Group's corporate value and the resulting rise in stock price through the promotion and achievement of the Group's results plan.

By granting stock acquisition rights whose value fluctuates in line with the company's stock price, we intend to function them as an incentive to increase the corporate value of our group and thereby contribute to an increase in our stock price.

We believe that if each and every member of the Group implements reforms in their motivation and behavior aimed at increasing corporate value, increased corporate value will lead to increased shareholder value, and the Group's Directors and Employees who have been allocated stock acquisition rights will be able to obtain profits from rising stock prices by exercising their stock acquisition rights, which will in turn lead to further heightened motivation.

For the above purposes, the Company will issue the Stock Acquisition Rights to its Group's Directors and Employees.

If all of these 6th Stock Acquisition Rights are exercised, dilution of up to 1.26% (1.28% of the total number of voting rights) will occur with respect to the total number of issued shares as of June 30, 2025, which is 50,000,864 shares (491,260 voting rights).

Also today, a resolution was passed to issue the 7th A.D. Works Group Co., Ltd. Stock Acquisition Rights, which, like the 6th, will be allocated to the Directors and Employees of the Group. If all of the 6th and 7th Stock Acquisition Rights are exercised, a maximum dilution of 2.26% (2.30% of the total number of voting rights) will occur. For details on the reasons for the issuance of the 7th Stock Acquisition Rights, please refer to the "Notice Concerning the Issuance of the 7th Stock Acquisition Rights (S&P 500 Index-Linked Paid-in Stock Options)" disclosed on the same day.

## II. Terms and conditions for issuing the Stock Acquisition Rights

### 1. Number of the Stock Acquisition Rights

6,286 units

The total number of shares that can be issued by exercising the Stock Acquisition Rights will be 628,600 common shares of the Company, and if the Number of Granted Shares for the Stock Acquisition Rights is adjusted pursuant to 3. (1) below, the number of shares that can be issued will be the number obtained by multiplying the number of Stock Acquisition Rights by the adjusted Number of Granted Shares.

### 2. Amount to be paid in exchange for the Stock Acquisition Rights

No monetary payment is required in exchange for the Stock Acquisition Rights. The Stock Acquisition Rights are granted as incentive compensation, and the fact that no monetary payment is required does not constitute a favorable issuance.

### 3. Details of the Stock Acquisition Rights

#### (1) Type and number of shares subject to the Stock Acquisition Rights

The number of shares subject to each Stock Acquisition Right (hereinafter referred to as the "Number of Granted Shares") shall be 100 shares of the Company's common stock.

If the Company conducts a stock split (including a gratis allotment of the Company's common stock; the same applies below) or a stock consolidation after the allotment date of the Stock Acquisition Rights, the Number of Granted Shares shall be adjusted according to the following formula. However, such adjustment shall only be made to the Number of Granted Shares that have not yet been exercised, and any fractional shares resulting from the adjustment shall be rounded down:

Number of Granted Shares After Adjustment

= Number of Granted Shares Before Adjustment × Split (or Consolidation) Ratio

Furthermore, if the Company undergoes a merger, company split, or capital reduction after the allotment date of the Stock Acquisition Rights, or if an adjustment to the Number of Granted Shares is required due to such a case, the Number of Granted Shares shall be appropriately adjusted within reasonable limits.

(2) Value or calculation method of assets to be contributed upon exercise of the Stock Acquisition Rights

The value of the assets to be contributed upon the exercise of the Stock Acquisition Rights shall be the amount to be paid per share (the "Exercise Price") multiplied by the Number of Granted Shares.

The Exercise Price shall be the closing price of regular trading of the Company's shares on the Tokyo Stock Exchange, Inc. on September 10, 2025 (the "Issue Price Determination Date"), which is the trading day immediately preceding the date of the Board of Directors' resolution regarding the issuance of the Stock Acquisition Rights (if no transaction has been concluded, the closing price on the most recent trading day prior thereto shall be used). However, the Exercise Price may be revised in accordance with (6)(i) below.

If the Company conducts a stock split or a stock consolidation after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted using the following formula, with any fraction less than one yen resulting from the adjustment being rounded up:

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Split (or Consolidation) Ratio}}$$

In addition, if, after the allotment date of the Stock Acquisition Rights, the Company issues new shares or disposes of treasury stock at a price below the market price of the Company's common stock (excluding the issuance of new shares and disposal of treasury stock based on the exercise of Stock Acquisition Rights and the transfer of treasury stock through a share exchange), the exercise price will be adjusted using the following formula, and any fraction less than one yen resulting from the adjustment will be rounded up:

$$\text{Exercise price after adjustment} = \frac{\text{Exercise price before adjustment} \times \left( \frac{\text{Number of already issued shares}}{\text{Number of already issued shares} + \text{Number of newly issued shares}} \right) \times \text{Paid amount per share}}{\text{Market price per share before new issuance}}$$

In the above formula, "number of already issued shares" means the total number of issued common shares of the Company minus the number of treasury shares of the Company's common shares, and in the event of a disposal of treasury shares of the Company's common shares, "number of newly issued shares" shall be read as "number of treasury shares to be disposed of."

Furthermore, in addition to the above, if, after the allotment date of Stock Acquisition Rights, the Company merges with another company, undergoes a company split, or otherwise requires an adjustment of the exercise price in similar cases, the Company may adjust the exercise price appropriately within a reasonable limits.

(3) Period during which the Stock Acquisition Rights can be exercised

The period during which the Stock Acquisition Rights can be exercised (hereinafter referred to as the "Exercise Period") will be from November 15, 2027 to March 31, 2031.

(4) Matters concerning the increase in capital and capital reserves

- (i) The amount of increase in capital resulting from the issuance of shares upon the exercise of these Stock Acquisition Rights shall be half of the maximum increase in capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fractional amounts less than one yen resulting from this calculation shall be rounded up to the nearest yen.
- (ii) The amount of increase in capital reserve resulting from the issuance of shares upon the exercise of these Stock Acquisition Rights shall be the maximum increase in capital, etc. set forth in (i) above minus the amount of increase in capital set forth in (i) above.

- (5) Restrictions on the acquisition of the Stock Acquisition Rights through transfer  
The acquisition of the Stock Acquisition Rights through transfer shall require approval by resolution of the Company's Board of Directors.
- (6) Conditions for exercising the Stock Acquisition Rights
  - (i) The holder of the Stock Acquisition Rights must be a director or employee of the Group at the time of exercising the Stock Acquisition Rights, unless the holder resigns due to the expiration of his/her term of office, retirement at mandatory retirement age, or other valid reason recognized by the Board of Directors.
  - (ii) The exercise of the Stock Acquisition Rights by the heirs of the Stock Acquisition Rights holders will not be permitted.
  - (iii) If the exercise of Stock Acquisition Rights would cause the total number of issued shares of the Company to exceed the total number of authorized shares at that time, the Stock Acquisition Rights cannot be exercised.
  - (iv) Less than one Stock Acquisition Right may not be exercised.
  - (v) The Stock Acquisition Rights may not be exercised if there is a violation of the agreement concluded with the Company regarding the allocation of the Stock Acquisition Rights.
4. Allocation date of the Stock Acquisition Rights  
September 30, 2025
5. Matters concerning the acquisition of the Stock Acquisition Rights
  - (1) If a merger agreement in which the Company will be the disappearing company, a company split agreement or plan in which the Company will be the split company, or a share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary is approved at a general shareholders' meeting (or a resolution of the Board of Directors if approval of the general shareholders' meeting is not required), or if a stock issuance plan established by a share-issuing parent company in which the Company will be a subsidiary is approved at a general shareholders' meeting (or a resolution of the Board of Directors if approval of the general shareholders' meeting is not required), the Company may acquire all of the Stock Acquisition Rights free of charge on the arrival of a date separately determined by the Board of Directors of the Company.
  - (2) The Company may acquire the Stock Acquisition Rights free of charge at any time by resolution of the Board of Directors.
6. Treatment of the Stock Acquisition Rights in the event of organizational restructuring  
In the event that the Company undergoes a merger (only in cases where the Company is dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange, a share transfer, or a share issuance (in the case of a share issuance, only in cases where the Company becomes a wholly owned subsidiary of another company; hereinafter collectively referred to as the "Organizational Restructuring"), on the effective date of the Organizational Restructuring, stock acquisition rights of the surviving company in the absorption-type merger, the company incorporated in the incorporation-type merger, the succeeding company in the absorption-type company split, the company incorporated in the incorporation-type company split, the wholly owning parent company in the share exchange, the wholly owning parent company in the share transfer, or the share-issuing parent company (hereinafter referred to as the "Reorganized Company") will be issued to the Stock Acquisition Rights holders, respectively, in accordance with the conditions below. However, this shall only apply if the issuance of stock acquisition rights of the Reorganized Company in accordance with the conditions below is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type

company split agreement, incorporation-type company split plan, share exchange agreement, share transfer plan, or share issuance plan.

- (1) Number of stock acquisition rights to be issued by the reorganized company  
The number of stock acquisition rights to be issued shall be equal to the number of Stock Acquisition Rights held by each Stock Acquisition Right holder.
- (2) Type of shares of the reorganized company that are the subject of the Stock Acquisition Rights  
The shares will be common stock of the reorganized company.
- (3) Number of Reorganized Company Shares to be Issued  
The number will be determined in accordance with 3. (1) above, taking into consideration the conditions of the reorganization.
- (4) Value of assets to be contributed when stock acquisition rights are exercised  
The value of the assets to be contributed upon the exercise of each stock acquisition right to be issued shall be the post-reorganization exercise price, obtained by adjusting the exercise price set out in 3. (2) above, taking into consideration the terms of the organizational restructuring, etc., multiplied by the number of shares of the reorganized company that are the object of the Stock Acquisition Rights, as determined in accordance with 6. (3) above.
- (5) Period during which stock acquisition rights can be exercised  
The exercise period shall commence from the later of either the first day of the exercise period set forth in 3. (3) above or the effective date of the organizational restructuring action, and end on the last day of the exercise period set forth in 3. (3) above.
- (6) Matters concerning the increase in capital and capital reserves when shares are issued through the exercise of stock acquisition rights  
To be determined in accordance with 3. (4) above.
- (7) Restrictions on the acquisition of stock acquisition rights through transfer  
Restrictions on acquisition by transfer shall require approval by resolution of the board of directors of the reorganized company.
- (8) Other conditions for exercising stock acquisition rights  
To be determined in accordance with 3. (6) above.
- (9) Other conditions for exercising stock acquisition rights  
To be determined in accordance with 5 above.
- (10) Other terms and conditions will be determined in accordance with the terms and conditions of the reorganized company.

7. Matters concerning the Stock Acquisition Rights certificates

The Company will not issue Stock Acquisition Right certificates in relation to the Stock Acquisition Rights.

8. Application Deadline

September 22, 2025

9. Persons and number of persons to receive the Stock Acquisition Rights s

Directors and Employees of the Company and its wholly owned domestic subsidiaries: 238 people; 6,286 units