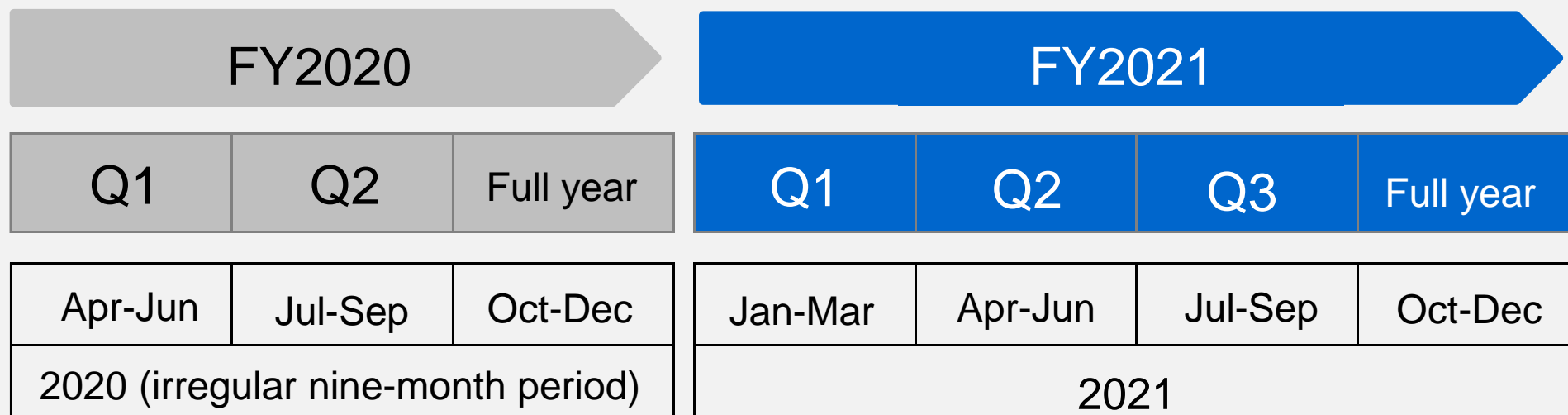


IR Briefing Materials: The First Three Quarters of the Year Ending December 31, 2021

A.D.Works Group Co., Ltd.

- The end of the fiscal period was changed to December 31, beginning with the fiscal year ended on December 31, 2020.
- The fiscal period ended on December 31, 2020 was an irregular nine-month period lasting from April to December.
- The year-on-year comparisons for the first three quarters of the fiscal year ending on December 31, 2021 have been made to the full fiscal year ended on December 31, 2020 (nine-month period from April-December 2020).



- A.D.Works Group Co., Ltd. was established as a wholly owning parent company of A.D.Works Co., Ltd. as a result of the shift to a holding company structure through sole share transfer on April 1, 2020.
- Information in these materials for the fiscal year ended on March 31, 2020 (FY2019, April 1, 2019 to March 31, 2020) and earlier pertains to A.D.Works Co., Ltd.

Summary of the Third Quarter of the Fiscal Year Ending December 31, 2021

Results Plan for Fiscal Year Ending in December 2021

(announced February 10, 2021)

(Unit: millions yen)	FY ended in December 2020 (results for nine months)	FY ended in December 2020 (converted into 12 months)	Fiscal year ending in December 2021 (planned)	Change from previous fiscal year [※]	% change from previous fiscal year [※]
Net sales	16,840	22,453	23,000	547	102.4%
E B I T D A	759	1,012	1,100	88	108.7%
Ordinary income	427	569	600	31	105.4%
Pre-tax income	432	576	600	24	104.2%
Net income	264	352	380	28	108.0%

※ The change from the previous fiscal year and % change from the previous fiscal year represent the comparison to results for the fiscal year ended in December 2020 converted into 12 months.

Overview of the Third Quarters of the Year Ending December 31, 2021

	FY ended in December 2020 (results for nine months)		FY (FY2021) Q3		Change from previous fiscal year	Full-year plan progress
	Amount	% of sales	Amount	% of sales		
Net sales	16,840	100.0%	17,944	100.0%	6.6%	78.0%
Gross profit	3,147	18.7%	3,275	18.3%	4.1%	—
SG&A	2,501	14.9%	2,658	14.8%	6.3%	—
EBITDA	759	4.5%	725	4.0%	△4.5%	65.9%
Ordinary income	427	2.5%	417	2.3%	△2.4%	69.5%
Income before taxes	432	2.6%	417	2.3%	△3.5%	69.5%
Net income	264	1.6%	277	1.5%	5.0%	73.0%

* Net income attributable to owners of the parent.

* The year-on-year comparisons for the first three quarters of the fiscal year ending on December 31, 2021 have been made to the full fiscal year ended on December 31, 2020 (nine-month period from April-December 2020).

➤ Comparison to same period in previous year (Jan-Sep 2020)

* We have not provided figures for net income in the same period the previous year because the basis for tax calculation differs by fiscal period.

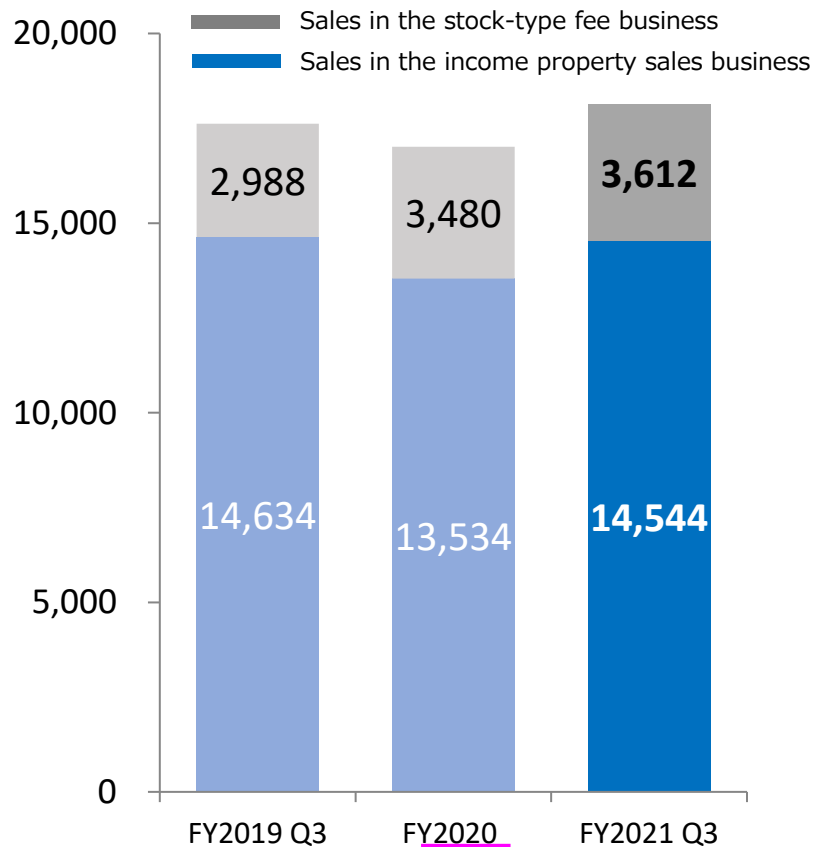
	<u>Year-on-year comparison</u>		FY (FY2021)		Change from previous fiscal year	Full-year plan progress
	January 1 to September 30, 2020		Q3			
	Amount	% of sales	Amount	% of sales		
Net sales	18,404	100.0%	17,944	100.0%	△2.5%	78.0%
E B I T D A	718	3.9%	725	4.0%	0.9%	65.9%
Ordinary income	361	2.0%	417	2.3%	15.4%	69.5%
Pre—tax income	366	2.0%	417	2.3%	13.8%	69.5%
Net income	—	—	277	1.5%	—	73.0%

* Net income attributable to owners of the parent.

Changes in Segment Results

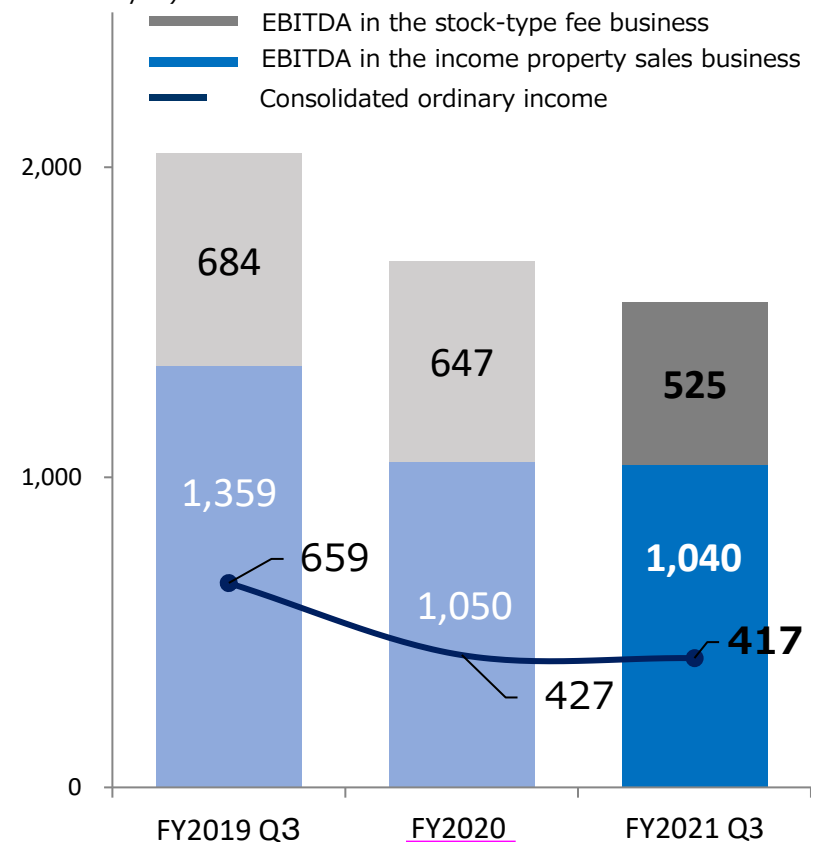
Changes in segment sales

(Unit: million yen)



Changes in segment EBITDA

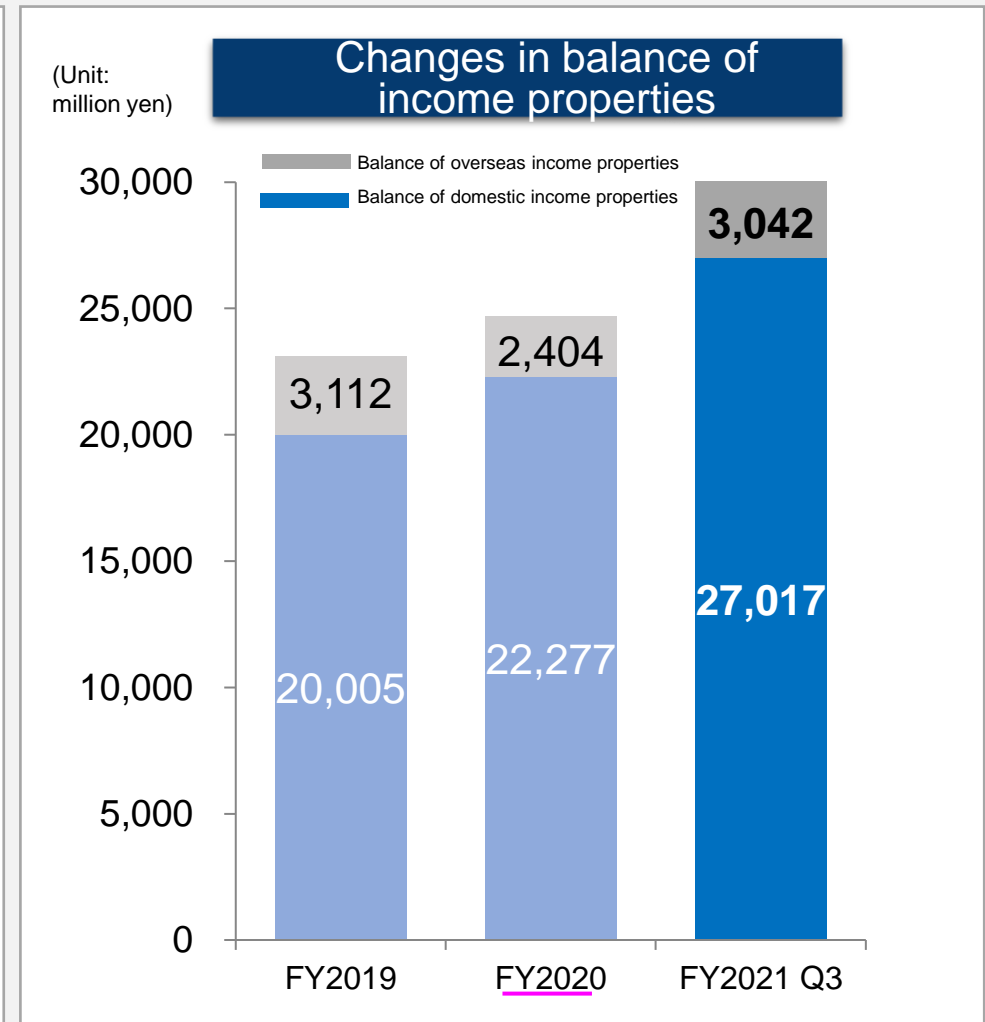
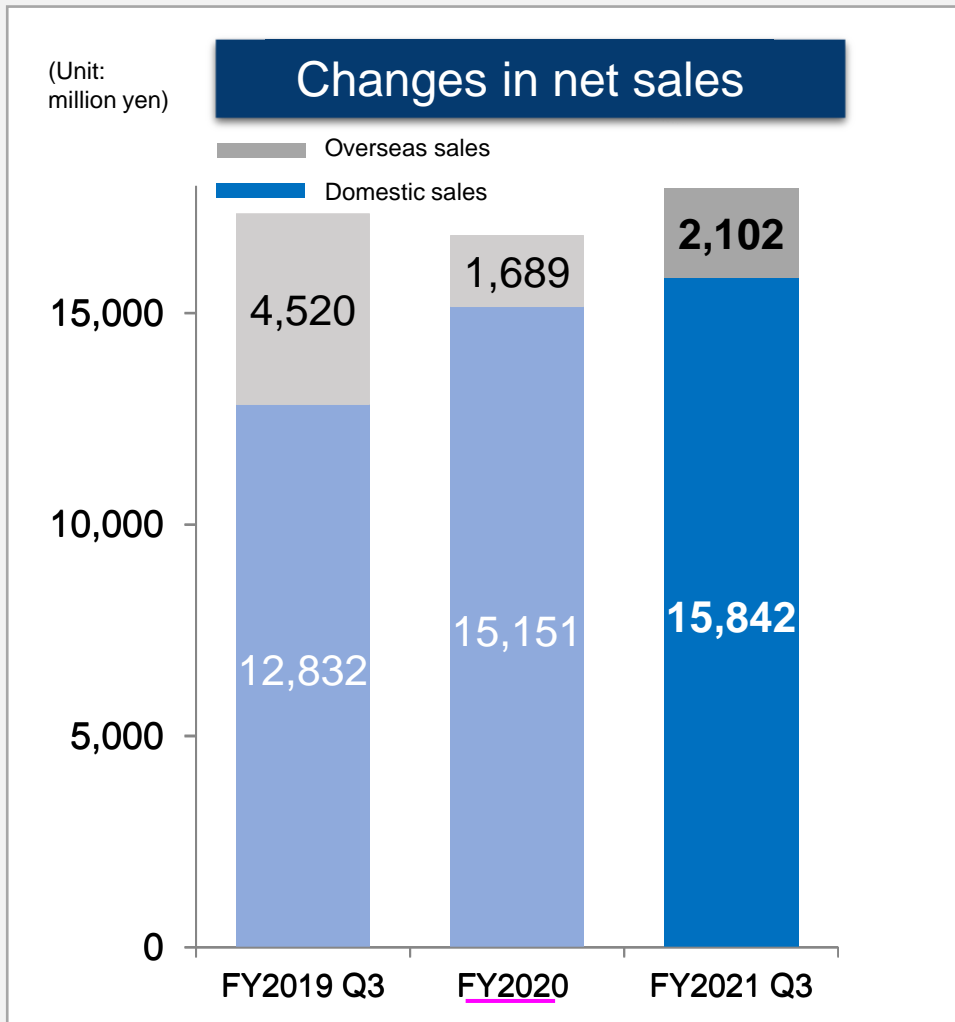
(Unit: million yen)



* Since sales for each segment include intersegment sales, the totals for each segment differ from consolidated net sales.

* Full-year figures are presented for FY2020 as it was a nine-month irregular fiscal period.

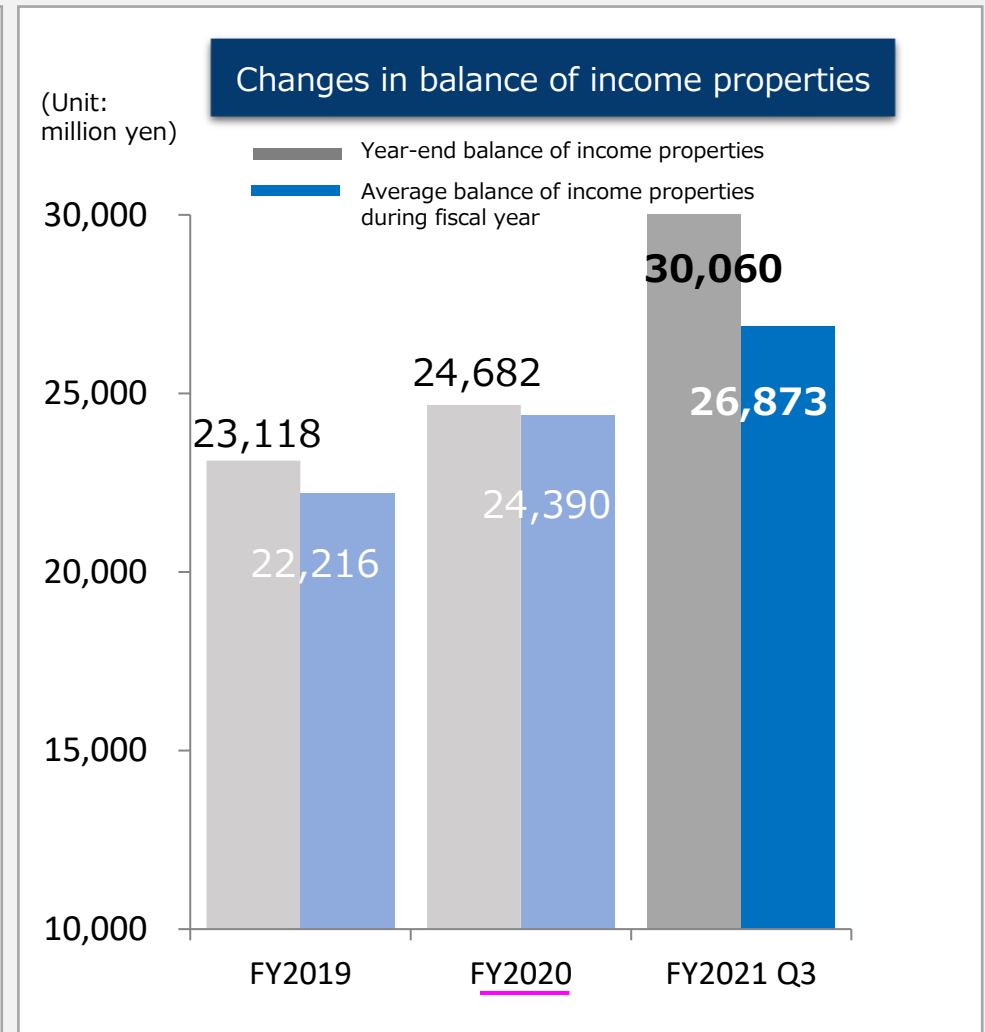
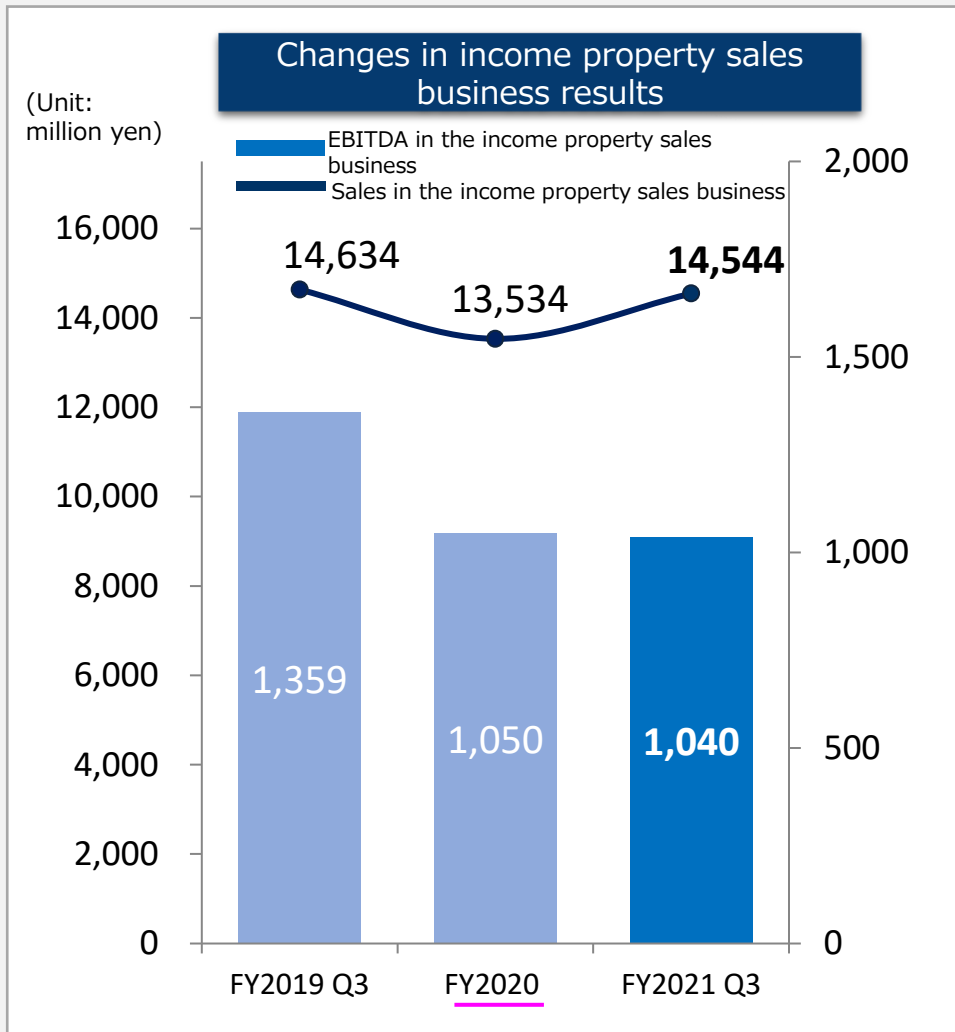
Changes in scale of business by region



* The balance of income properties does not include the reserves for the estimated consumer tax payment posted as an asset due to the notice of correction received from the Tokyo Regional Taxation Bureau regarding consumption tax payments for prior years.

* Full-year figures are presented for FY2020 as it was a nine-month irregular fiscal period.

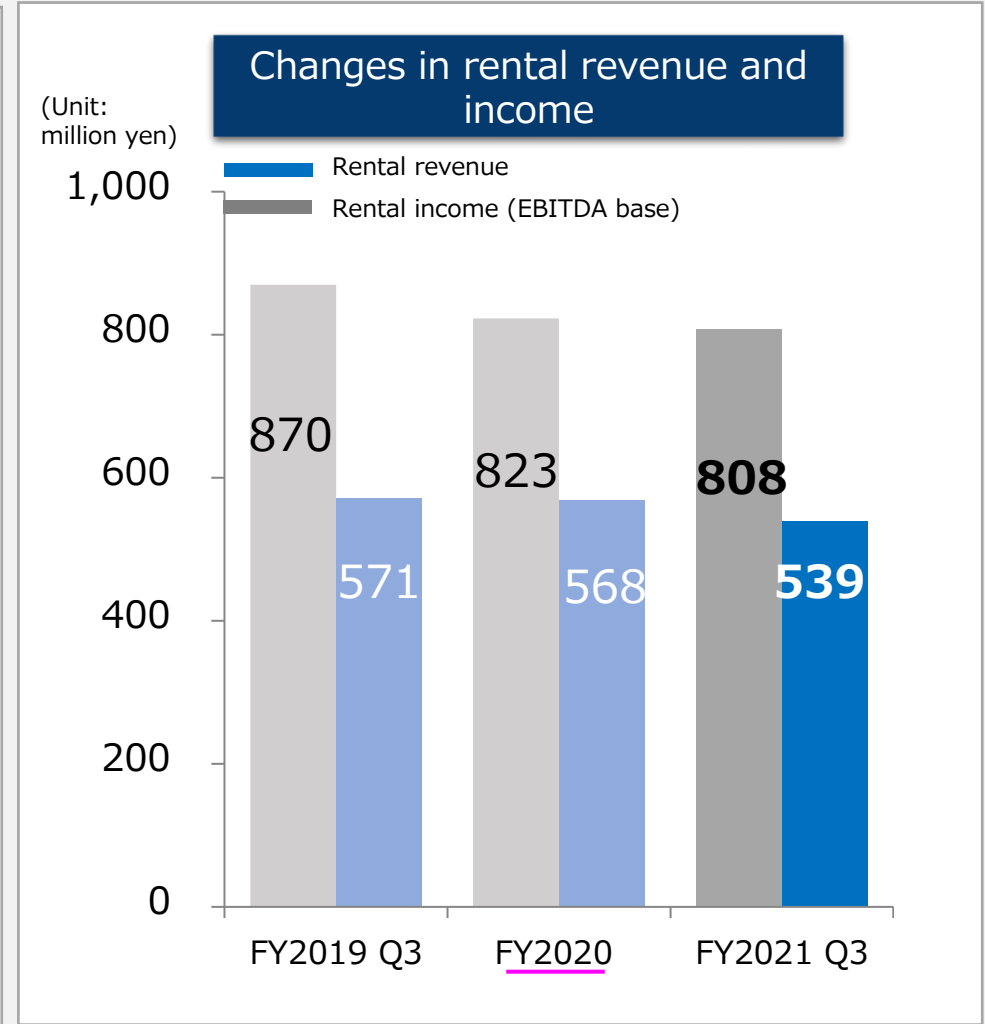
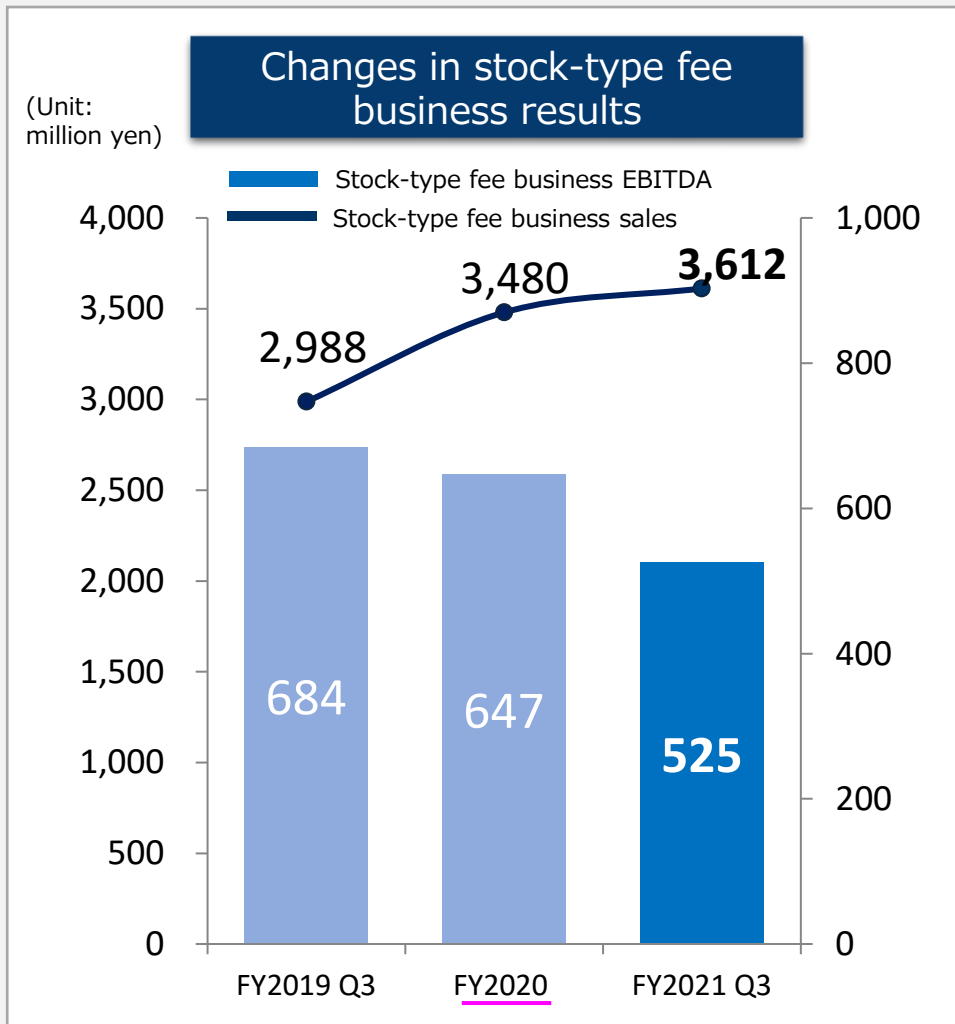
Overview of the Income Property Sales Business



* The balance of income properties does not include the reserves for the estimated consumer tax payment posted as an asset due to the notice of correction received from the Tokyo Regional Taxation Bureau regarding consumption tax payments for prior years.

* Full-year figures are presented for FY2020 as it was a nine-month irregular fiscal period. ©2021 A.D.Works Group Co., Ltd All Rights Reserved

Overview of the Stock-Type Fee Business



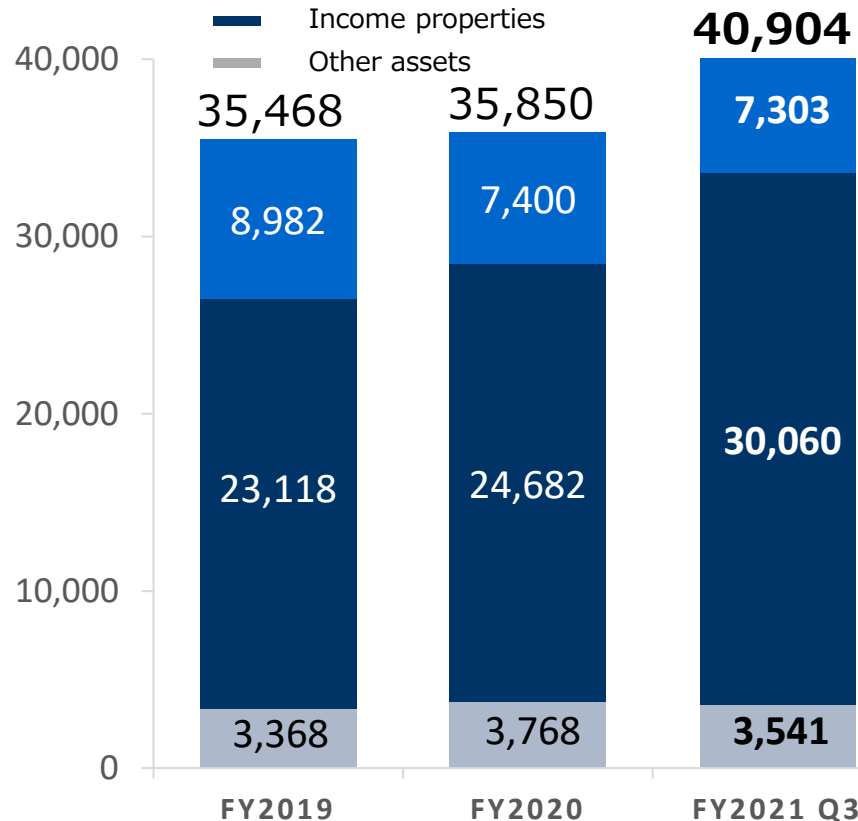
* Full-year figures are presented for FY2020 as it was a nine-month irregular fiscal period.

Consolidated balance sheet summary

Total assets

(Unit: million yen)

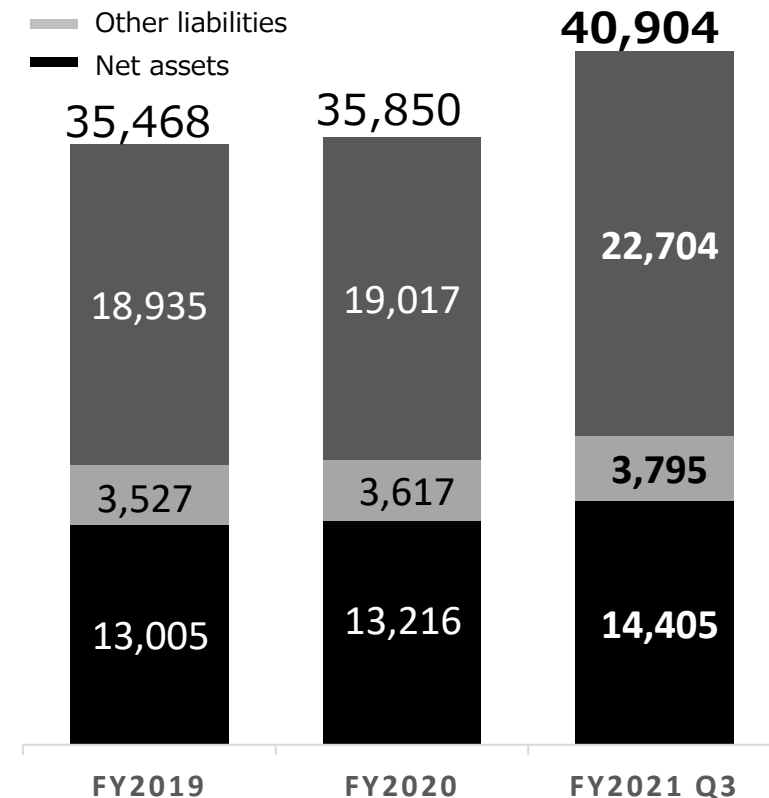
- Cash and deposits
- Income properties
- Other assets



Total liabilities and net assets

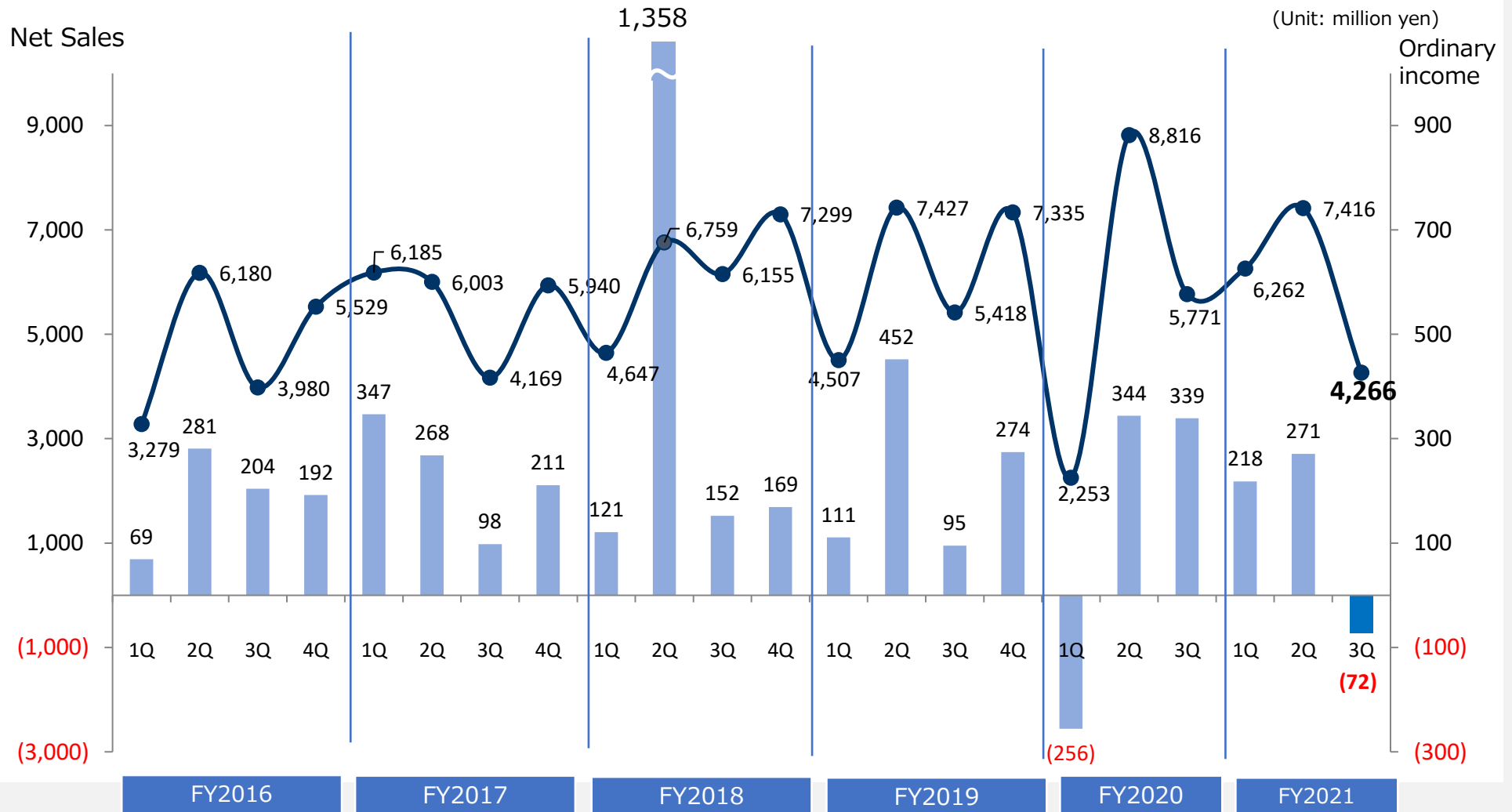
(Unit: million yen)

- Interest-bearing debt
- Other liabilities
- Net assets



Note: The income real estate balance does not include the reserves for the estimated consumer tax payment posted as an asset due to the notice of correction received from the Tokyo Regional Taxation Bureau regarding consumption tax payments for prior years.

Trends in consolidated quarterly earnings



Changes in Consolidated Results

	Year ended March 31, 2015 Results	Year ended March 31, 2016 Results	Year ended March 31, 2017 Results	Year ended March 31, 2018 Results	Year ended March 31, 2019 Results	Year ended March 31, 2020 Results	Year ended Dec 31, 2020 Results	year ended Dec 31, 2021 Q3 Results
Net sales	10,735	15,733	18,969	22,299	24,861	24,687	16,840	17,944
Ordinary income	540	650	748	926	1,802	932	427	417
Net income	333	426	540	584	663	625	264	277
Net assets	5,478	5,842	6,415	10,152	11,947	13,005	13,216	14,405
Total assets	16,681	17,925	25,832	30,801	30,625	35,468	35,850	40,904
Balance of income properties	12,931	14,551	20,318	22,376	21,229	23,118	24,682	30,060
Rental revenue	717	842	1,058	1,112	1,319	1,147	823	808
Rental revenue/Sales ratio (%)	6.7%	5.4%	5.6%	5.0%	5.3%	4.6%	4.9%	4.5%
Number of employees	99人	115人	136人	146人	167人	185人	195人	204人

Topics



Topic 1

Green loan procurement

The Group raised financing for the development of office buildings—the Group’s own development project—in Daimyo, Chuo-ku, Fukoka with a green loan.

This was the first initiative in Japan that used a cloud funding platform to directly raise investments from individual investors interested in cooperating with environmental conservation.

Environmental certification: Four-star ranking in the Building-Housing Energy-efficiency Labeling System (BELS) ★★★★★

For details, please refer to: (Japanese only)

[August 18, 2021: A.D.Works Group decides on Japan’s first green loan financing using cloud funding](#)

Topic 2

Plan for listing on Prime Market released

The Group's Board of Directors decided to target listing in the Prime Market and applied for same. The Group determined the Prime Market to be essential to raising the Group's business value and achieving sustainable growth and medium- and long-term increases in corporate value. As a result, we organized our plan to achieve the criteria for maintaining this listing in the Plan to Satisfy Criteria for Maintaining Listing in New Market Category, and submitted it to the Tokyo Stock Exchange on September 1, 2021.

For details, please refer to: (Japanese only)

[September 1, 2021: Plan to Satisfy Criteria for Maintaining Listing in New Market Category](#)

Topic 3

Sustainability initiatives

The Company established a Sustainability Committee on October 1, 2021.

The Group is pursuing SDGs management with the aim of realizing a sustainable society through our business activities.

For details, please refer to: (Japanese only)

[Notice of Establishment of Sustainability Committee and Appointment of Director in Charge](#)

Reference Materials



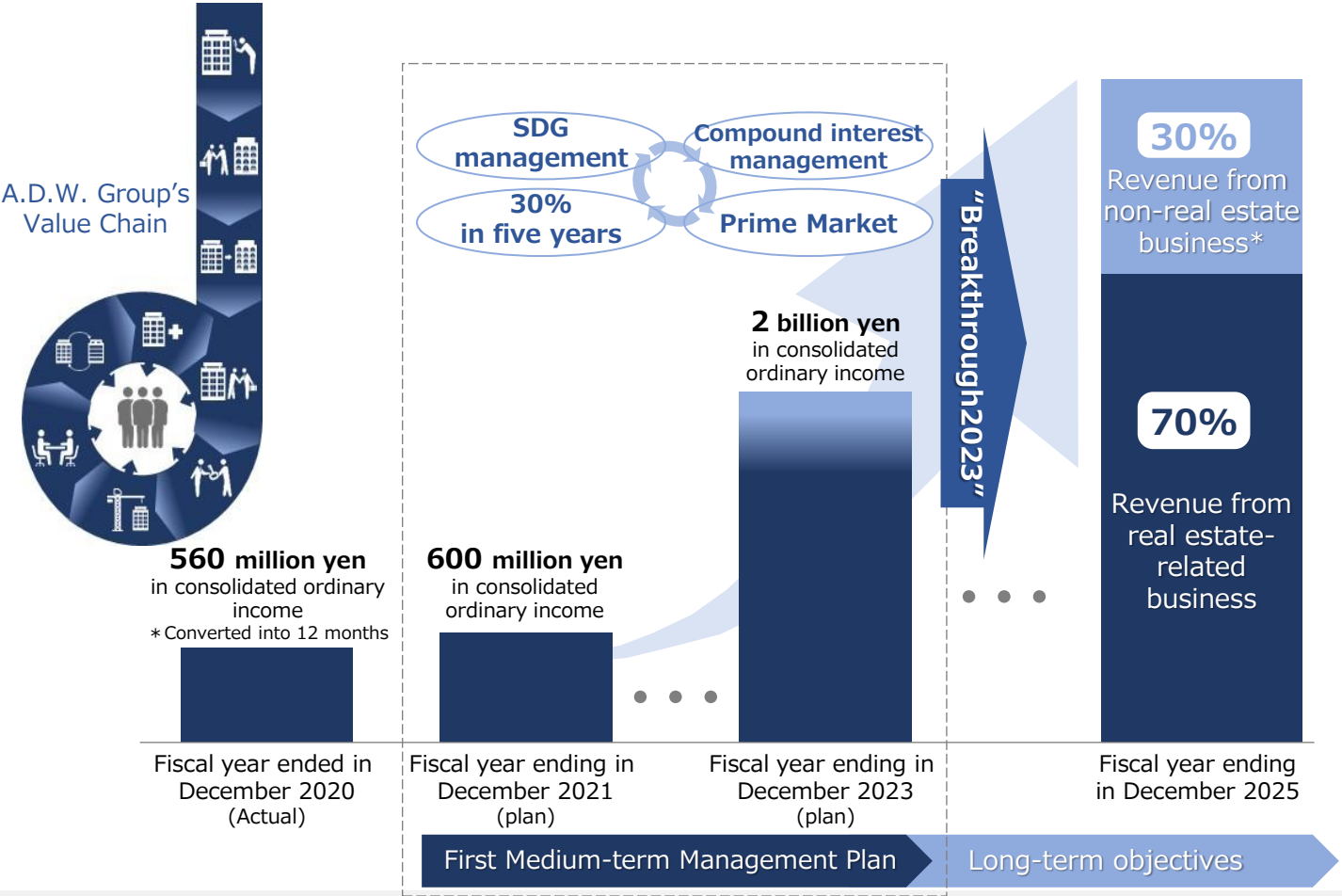
Company Profile

- Company name:** A.D.Works Group Co., Ltd.
- Establishment:** April 1, 2020
* A.D.Works, the Group's predecessor, was established in February 1886 and incorporated in May 1936.
- Headquarters:** Fifth Floor, Hibiya Kokusai Building, 2-2-3, Uchisaiwai-cho, Chiyoda-ku, Tokyo
- Capital:** 5,949 million yen
- Listed:** First Section of the Tokyo Stock Exchange
- Business:** Income property rental, sale and development business (Japan, overseas), sale of real estate small-lot investment products
Property management business, real estate consulting, architecture and construction business
Real estate tech business, corporate venture capital business
- Subsidiaries:** A.D.Works Co., Ltd.
A.D.Partners Co., Ltd.
A.D.Designbuild Co., Ltd.
Angel Torch Co., Ltd.
Sumikawa Works Co., Ltd.
Jupiter Funding Co., Ltd.
A.D.Works USA, Inc.
ADW-No.1 LLC
ADW Management USA, Inc.
ADW Lending LLC
ADW Hawaii LLC
Avenue Works Burnside LLC

Overview of First Medium-term Management Plan ①

➤ "Breakthrough 2023" ~Innovations leading to excess profit~

Income-earning real estate company → Investment solution company



Unit: 100 mn yen	FY2021/12	FY2023/12
Net sales	230.0	306.0
EBITDA	11.0	27.0
Ordinary income	6.0	20.0
Income before taxes	6.0	20.0

Unit: 100 mn yen	FY2021/12	FY2023/12
Balance of income-earning properties	250.0	500.0
Total assets	362.0	622.0
Net assets	135.0	152.0

Unit: %	FY2021/12	FY2023/12
A:WACC	3.9	3.2
B:ROIC	2.2	4.1
B-A : Excess profit	-1.7P	+0.9P

	FY2021/12	FY2023/12
Net income (100 mn yen)	3.9	3.2
Net assets (100 mn yen)	2.2	4.1
ROE (%)	-1.7P	+0.9P

* Details are available on our website.
<https://www.adwg.co.jp/ir/plan/index.html>

※ Non-real estate business: Business outside of the real estate field that will become our second pillar in the future.

➤ Basic Policies for First Medium-term Management Plan

All strategies are organized and integrated based on three basic policies.

I. Excess profit

Aiming for management that will raise capital efficiency and generate and continuously improve excess profit

- ▶ Currently, ROIC (return on invested capital) is below WACC (weighted average capital costs), but in the fiscal year ending in December 2023, we plan to reverse this and generate and continuously raise excess profit.

II. External resources

Aggressively utilize external resources and foster organizational strengths rich in creativity and the spirit of innovation

- ▶ In order to incorporate cutting-edge knowledge that is rapidly developing, such as DX, we will take the initiative with CVC and adapt to change by actively using external resources such as M&A and capital and business tie-ups under our holding company structure.

III. Customer expansion

Expand customer targets and offer broad range of products and services

- ▶ While still focusing on wealthy individuals, we will expand the scope of our clients and use the Internet to respond to wide-ranging investment demand, while also working with business firms and institutional investors as well as individuals.

* Details are available on our website.
<https://www.adwg.co.jp/ir/plan/index.html>

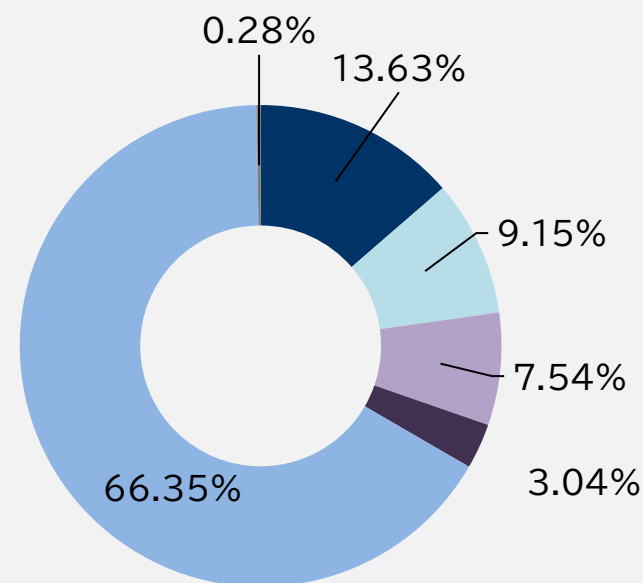
Overview of second stock acquisition rights (third-party allocation)

Allotment date	September 18, 2020
Allotment recipient	Milestone Capital Management, Ltd.
Total number of stock acquisition rights	96,000 units
Number of dilutive shares resulting from this issuance	9,600,000 shares (100 shares per stock acquisition right)
Amount raised	Maximum of about 1.43 billion yen ※ 10 million yen in stock acquisition rights issued + 1.42 billion yen in stock acquisition rights exercised
Exercise price	148 yen per share (variable)
Exercise period	September 18, 2020 – September 17, 2022
Progress with funding	About 945 million yen raised (as of October 30, 2021)

Shareholder Composition (as of September 30, 2021)

1. Number of issued shares: 45,311,064 shares
2. Number of shareholders: 19,078 (shareholders with voting rights: 12,183)
3. Major shareholders
4. Allocation by owner

No.	Shareholder name	議決権割合
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.79%
2	Hideo Tanaka	9.04%
3	Liberty House Co., Ltd.	4.39%
4	SBI Securities Co., Ltd.	3.06%
5	Morgan Stanley MUFG Securities Co., Ltd.	2.24%
6	Rakuten Securities, Inc.	2.02%
7	Milestone Capital Management Co., Ltd.	1.98%
8	Custody Bank of Japan, Ltd. (Trust Account)	1.64%
9	Akio Ikegami	1.03%
10	The Master Trust Bank of Japan, Ltd. (Directors' stock compensation trust account; 76,398 accounts)	0.56%



- Financial institutions
- Financial instruments businesses
- Other corporate bodies
- Foreign corporate bodies
- Individuals, others
- Treasury stock



These materials were created in order to provide an understanding of the A.D.Works Group. They are not intended to solicit investment in our company. The future forecasts contained in these materials were determined based on the information available at the present time, and include many uncertain elements. Please understand that actual results may differ from the forecasts here due to changes in a wide variety of factors.

The overall business objectives of the Group are announced in the form of plans. The plans of our company are targets for our business, and are different from "forecasts and predictions" that are calculated rationally based on highly accurate information. The A.D.Works Group announces predicted progress for each quarter in the form of "forecasts" that are updated as needed. These are based on highly accurate information concerning the A.D.Works Group and information that we judge to be rational.

The data contained in these materials contains publicly-available information that we judge to be trustworthy and accurate, however the A.D.Works Group does not guarantee the accuracy and correctness of this information.

Please direct inquiries to : A.D.Works Group Disclosure Division
E-mail : ir@re-adworks.com