

Small-lot Real Estate Products “ARISTO” Annual sales to reach 60 billion yen in 2030

Market environment and competitive advantages
of the small-lot real estate business

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A.D.Works Group Co., Ltd.

Hideo Tanaka, President and CEO

TSE Prime, Code: 2982

Contact:

Hideo Goto, Senior Managing Director and CFO

+81-(0)3-5251-7641

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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.

Expansion Strategy of Small-lot Real Estate Products “ARISTO” : Tripling Sales in next 5 years to 60 billion yen

A.D.W. GROUP SINCE 1980

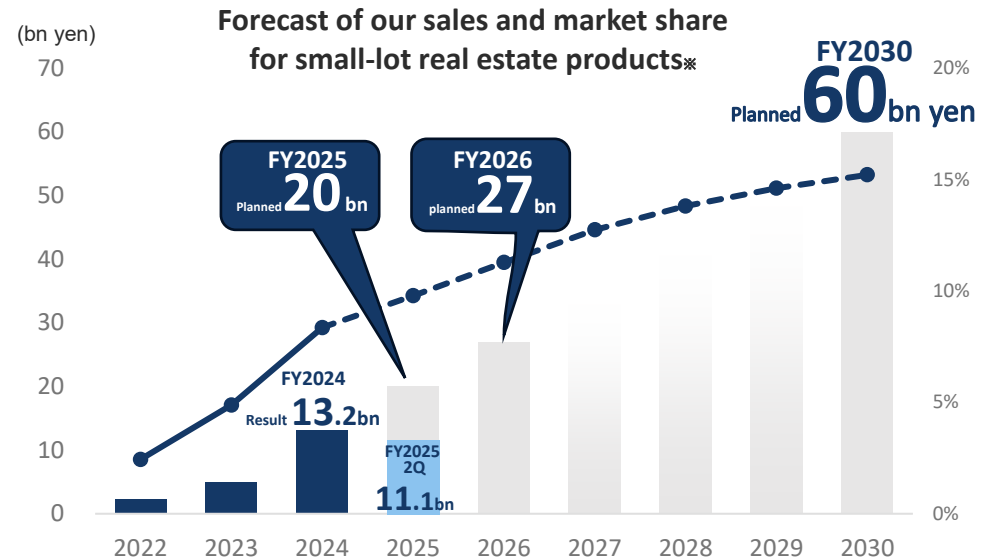
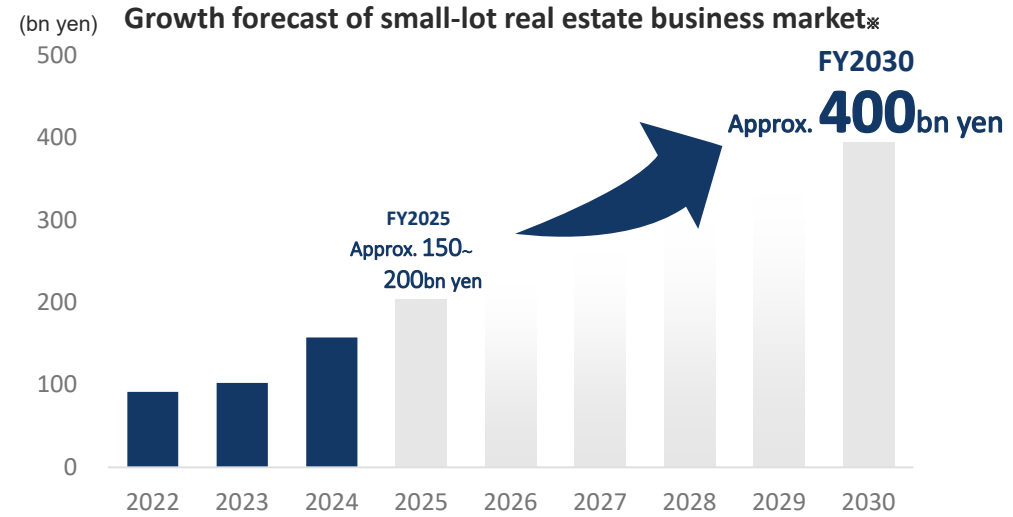
Market growth

- 1 **Increase in inherited assets**
 - Inheritance assets are expected to increase as the elderly population in Japan continues to grow
- 2 **Increase in awareness of small-lot real estate**
 - The proportion of inherited assets in small-lot real estate products is 0.3-0.4%



Market share

- 1 **Oligopolistic market**
 - Barriers to building sales channels for financial products
 - A virtuous cycle where sales results lead to the next sale (sales → trust → sales)
- 2 **Reasons why people choose us**
 - Company specializing in income properties with over 20 years of experience
 - Solid investment performance
 - Trust as a listed company on the TSE Prime market



※Created based on our own research and IR disclosure materials of competing companies.

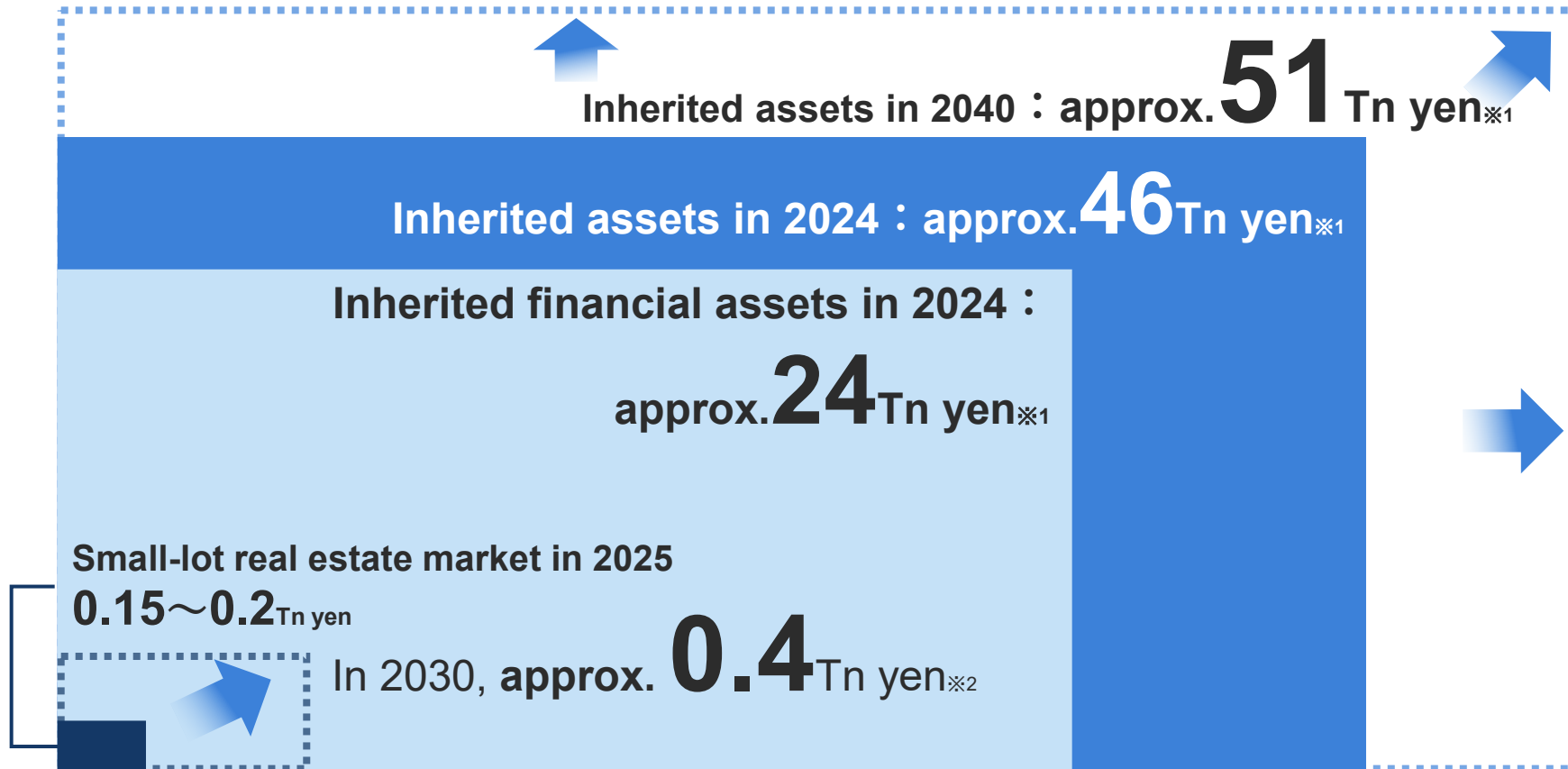
【Appendix① : Market growth】

Expansion of inherited assets and potential of the small-lot real estate market

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According to a report by the Japan Research Institute, inherited assets are estimated to reach approximately 46 trillion yen in 2024, and grow to approximately 51 trillion yen in 2040. Meanwhile, **the market for small-lot real estate is still low, accounting for only 0.3-0.4% of inherited assets.**

Small-lot real estate products are 1) to allow for hassle-free investment in high-value urban real estate, and 2) to allow for equal division at the time of inheritance. Therefore, they expected to expand in the future due to "increasing inherited assets" and "increasing awareness"



※1 Our estimate based on “多死社会で増加する相続をめぐる課題 一 家族・社会の変化を踏まえた対応を— (2024/3 Japan Research Institute) ” “相続資産額の規模は年間約37 兆円～求められる相続税の本質的かつ定量的議論～ (2012/8 Japan Research Institute) ” etc.

※2 The amount of inherited assets in 2030 is estimated to be 48.8 trillion yen, and the proportion of the small-lot real estate market in the amount of inherited assets is estimated to be 0.82%. The compound annual growth rate (CAGR) of the market for the small-lot real estate from 2024 to 2030 is estimated to be approximately 18%.

Reason(1) Company specializing in income properties with over 20 years of experience

- With more than 25 staff members specializing in property procurement and more than 20 staff members specializing in commercialization, we have highly specialized personnel. **We are able to supply high-quality products through an operation system that is difficult to imitate and is integrated at a high level with our existing business (single-building renovation and sales business).**
- The company's impressive reputation among financial institutions, accounting firms, etc. has contributed greatly to sales growth.

Reason(2) Solid investment performance

For two straight years in FY2023 and FY2024

ARISTO Series Investment Products

Occupancy rate **99.9%**

Average of all 17 products

Above the assumed yield at the time of sale

Actual dividend yield **3.05%**

Equity interest sold during contract period is all **Sold at or above the principal amount**

Reason(3) Trust as a listed company on the TSE Prime market

- As a company listed on the TSE Prime market, **we have thorough compliance management.**
- These are products that **handle clients' valuable assets for a long period of time (10–15 years), leading to a certain level of trust.**