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September 16, 2026

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

Notice Regarding the Commencement of a Hotel Operations Business by a Consolidated Subsidiary

A.D.Works Group Co., Ltd. . (the "Company", and together with its consolidated subsidiaries, the "Group") hereby announces that Jupiter Funding Co., Ltd., a consolidated subsidiary of the Company, resolved at its extraordinary general meeting of shareholders and extraordinary meeting of the Board of Directors held on September 16, 2026, to appoint new officers and change its trade name (new trade name: ADW Hotel Management Co., Ltd.) in preparation for the commencement of a hotel operations business, as described below.

1. New Business (Hotel Operations Business)

(1) Business Description

We will develop the following businesses in the apartment hotel sector, primarily in Tokyo, Osaka, and Fukuoka.

- Opening and operation of hotel assets developed, acquired, and revitalized by the Group
- Provision of hotel management services for existing hotels owned by third-party owners, together with rebranding and revenue improvement support
- Planning and pre-opening support for newly constructed hotels developed by third-party owners, and provision of hotel management services
- Revenue management, customer acquisition and marketing, and operations management
- Support for external owners regarding acquisition, revitalization, operation, and exit strategies for hotel assets

[Target Hotel Criteria]

Hotel Type	Apartment hotel (medium to long-term stays, family and group use)
Target Areas	Major areas in Tokyo, Osaka, and Fukuoka
Expected Number of Rooms	Approximately 20 to 100 rooms

(2) Background and Objectives of Business Launch

(a) Apartment Hotel Market Expected to Grow over the Medium to Long Term

In recent years, accommodation demand in Japan has expanded, driven in part by an increase in international visitors. We expect demand for apartment hotels, which are well suited to groups and medium- to long-term stays, to continue growing.

Apartment hotels generally feature spacious guest rooms equipped with living areas, kitchens, furniture, and home appliances. They allow families and groups to stay together and prepare meals or do laundry during their stay, making them well suited to multi-occupancy and medium- to long-term stays that are difficult for conventional hotels to accommodate.

- **Growth in International Visitors to Japan**

  The number of international visitors to Japan reached a record 42.68 million in 2025, up 33.9% from 2019 and 15.8% year on year (Source: Japan National Tourism Organization (JNTO), "Visitor Arrivals Statistics").
- **Concentration of accommodation demand in our main business areas (Tokyo, Osaka, and Fukuoka)**

  In 2025, total guest nights amounted to approximately 107.9 million in Tokyo, ranking first nationwide, 58.77 million in Osaka, ranking second, and 25.48 million in Fukuoka, ranking eighth. Room occupancy rates in all three areas exceeded 70%, compared with the national average of 61.6% (Source: Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism, "Statistical Survey on Overnight Stays").
- **Expansion of demand for large groups and multi-night stays**

  As accommodation styles continue to diversify, demand for apartment hotels is increasing among families and groups traveling together and guests staying for extended periods. Among international visitors who traveled to Tokyo in 2025, stays of four to six nights represented the largest share at 41.8%, while stays of seven nights or more accounted for 19.7%, indicating demand for multi-night stays (Source: Tokyo Metropolitan Government Bureau of Industrial and Labor Affairs, "2025 Survey on the Behavioral Characteristics of International Visitors by Country/Region").
- **Slowdown in hotel supply pace**

  While the number of hotel rooms in Tokyo, Osaka, and Fukuoka has increased year by year, the pace of growth from FY2020 onward has slowed compared with the period before FY2020. Accordingly, room supply may not keep pace with future growth in accommodation demand (Source: Ministry of Health, Labour and Welfare, "Report on Public Health Administration and Services").
- **Government promotion of increased traveler numbers and long-term stays**

  Under the "Basic Plan for the Promotion of a Tourism-Oriented Country," the Japanese government has set a target of 60 million international visitors by 2030 and is promoting longer stays to increase inbound tourism expenditure. These policy initiatives are expected to support continued growth in accommodation demand and demand for longer stays in Japan.

Based on the above, we recognize that there is room for medium to long-term growth in the apartment hotel market.

(b) Leveraging Expertise from the Existing Income Property Business in the Closely Related Apartment Hotel Operations Business

The Group operates the single-building income property sales business, small-lot real estate product business, and office unit sales business, primarily in Tokyo, Osaka, and Fukuoka. Through these businesses, the Group has accumulated comprehensive expertise in the acquisition, development, product development, and sale of offices, commercial facilities, residences, and other properties. In product development, we increase the value of income properties through renovations tailored to location, property characteristics, and tenant needs, as well as through the operation of fully fitted offices and coworking spaces.

More recently, we have tested a private lodging business using properties owned by the Group and have worked with hotel operators to rebrand and enhance the value of acquired hotel assets. Through these initiatives, we have assessed guest needs, the profitability of hotel assets, and operational challenges.

Against this backdrop, we concluded that the Group's business platform and expertise in income properties are highly compatible with the planning and operation of apartment hotels, and that entering the hotel operations business will contribute to providing guests with enhanced stay experiences and improving the profitability of our existing real estate businesses.

- Business foundation in Tokyo, Osaka, and Fukuoka where accommodation demand is high
- Identifying locations with high expected accommodation demand and acquiring/developing properties suitable for hotel operations
- Design and operation of accommodation spaces equipped with living functions for long-term stays

- Utilization, revitalization, and rebranding of existing hotels without new construction

(c) Recruiting Experienced Professionals and Pursuing Medium- to Long-Term Growth through a Non-Asset Business Model

To launch the business in earnest, we revamped the consolidated subsidiary's management structure and changed its trade name. We also recruited multiple specialists with extensive knowledge and experience in hotel management and operations, construction and renovation, revenue management, customer acquisition and marketing, and other specialized fields, and established an integrated structure for the planning, opening, and operation of apartment hotels.

In the "Growth Strategy for Corporate Value Enhancement" announced on February 12, 2026, the Group identified the concentrated allocation of management resources to growth markets where the Group can leverage its strengths as a policy for expanding its business portfolio. In particular, we are focusing on developing non-asset businesses that generate fee-based earnings without relying primarily on the Company's own capital, with the aim of maximizing capital efficiency and building a resilient earnings base. We position our entry into the hotel operations business as part of this initiative.

In addition to operating hotels that we develop, acquire, and revitalize, we will provide hotel management services for hotels owned by third-party owners, together with pre-opening, rebranding, and revenue improvement support, with the aim of growing the hotel operations business and expanding fee-based earnings from non-asset businesses.

(3) Future Business Development

We will build a track record in hotel operations, focusing on urban apartment hotels in Tokyo, Osaka, and Fukuoka and targeting international visitors to Japan, domestic families and groups, and guests seeking medium- to long-term stays.

First, we will proceed with preparations to commence operations at our first hotel currently under development, the Fukuoka Hakata Station Front Project, which is scheduled to open around autumn 2027. We will also expand our hotel operations pipeline through multiple approaches, including in-house development, the acquisition of existing hotels, and the conversion of offices and residences, and establish the business model by operating multiple properties.

In parallel, we will pursue hotel management contracts with hotel owners, real estate developers, asset management companies, and other third parties, with the aim of expanding our portfolio to 40 hotels and 1,500 guest rooms under management by 2034.

2. Officer Appointments at the Consolidated Subsidiary and Changes in the Responsibilities of a Director of the Company

(1) Appointments of Directors and an Audit & Supervisory Board Member (as of September 16, 2026)

Name	New Position
Toshiya Suzuki	Representative Director and Chairman
Jun Yoshida	Representative Director and President
Manabu Shimizu	Director
Haruyasu Yamashita	Audit & Supervisory Board Member

(2) Directors' Backgrounds

Representative Director and Chairman: Toshiya Suzuki
He has more than 35 years of experience in real estate transactions and brokerage, investment, and asset management. After serving as head of various businesses at a major real estate developer, he currently leads the Group's management and business growth. At ADW Hotel Management Co., Ltd., he focuses on alignment with the Group's overall management strategy and on building relationships with key business partners. [Key Career History] - Recruit Cosmos Co., Ltd. (now COSMOS INITIA Co., Ltd.): Served as head of the asset management, brokerage, investment property planning and development, and leasing businesses - A.D.Works Co., Ltd.: Served as head of new business development and investment property sales business. Representative Director and President (current position) - A.D.Works Group Co., Ltd.: Senior Managing Director (current position)
Representative Director and President: Jun Yoshida
He has experience in transactions involving a broad range of asset types and customer segments in the investment property sector, as well as in launching and overseeing multiple new businesses. He has expertise in building businesses and developing organizations and culture from a real estate investment perspective. He currently oversees new business creation at A.D.Works Co., Ltd. and is promoting the launch and expansion of the hotel operations, real estate crowdfunding, grid-scale energy storage, and private fund businesses. At ADW Hotel Management Co., Ltd., he oversees business strategy, organizational development, and business development for hotel management contracts. [Key Career History] - COSMOS INITIA Co., Ltd.: Land acquisition for business use, investment property sales and brokerage, and new business development and promotion - A.D.Works Co., Ltd.: Served as General Manager, Sales Department, Investment Property Business Division. Executive Officer and Division Head, Business Planning Division (current position)
Director: Manabu Shimizu
He has extensive management experience in the hotel and tourism industry, covering hotel operations, sales and marketing, profitability improvement, and organizational management. He led a hotel business with net sales of approximately ¥25.2 billion and operating profit of approximately ¥3.6 billion. He launched VISON Hotels and established operational standards by developing SOPs (standard operating procedures), service standards, and management systems. He achieved profitability in the second fiscal year and continued to lead the business through its subsequent growth phase. At ADW Hotel Management Co., Ltd., he is developing the hotel operating platform and operational standards required for multi-property expansion. [Key Career History] - H.I.S. Hotel Holdings Co., Ltd.: Senior Managing Director (oversaw the management, operations, and administration of approximately 50 hotels in Japan and overseas) - VISON Hotel Management Co., Ltd.: Representative Director and President - A.D.Works Co., Ltd.: General Manager, Accommodation Business Department, Business Planning Division (current position)

(3) Responsibilities of a Director of the Company

<table>
<tr><th>Name</th><th>Position / Areas of Responsibility</th></tr>
<tr><td rowspan="2">Toshiya Suzuki</td><td>Senior Managing Director of the Company</td></tr>
<tr><td>Responsible for oversight of A.D.Works Co., Ltd. (a subsidiary of the Company) and ADW Hotel Management Co., Ltd. (the subsidiary referred to in this notice)</td></tr>
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3. Change of Trade Name of the Consolidated Subsidiary

(1) New Trade Name

ADW Hotel Management Co., Ltd. (Former trade name: Jupiter Funding Co., Ltd.)

(2) Reason for the Change

The trade name was changed to clarify that the company is responsible for the Group’s hotel operations business and to enhance recognition and trust among various stakeholders, including hotel owners.

(3) Date of Change

September 16, 2026

4. Overview of the Consolidated Subsidiary

<table>
<tr><td>(1) Trade name</td><td colspan="2">ADW Hotel Management Co., Ltd.
(Former trade name: Jupiter Funding Co., Ltd.)</td></tr>
<tr><td>(2) Location</td><td colspan="2">2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo</td></tr>
<tr><td>(3) Titles and names of representatives</td><td colspan="2">Representative Director and Chairman: Toshiya Suzuki
Representative Director and President: Jun Yoshida</td></tr>
<tr><td>(4) Business description</td><td colspan="2">Hotel operations business</td></tr>
<tr><td>(5) Capital</td><td colspan="2">9 million yen</td></tr>
<tr><td>(6) Date of establishment</td><td colspan="2">December 1, 2020</td></tr>
<tr><td>(7) Major shareholders and shareholding ratio</td><td colspan="2">A.D.Works Group Co., Ltd. 100%</td></tr>
<tr><td rowspan="3">(8) Relationship with the Company</td><td>Capital relationship</td><td>A wholly owned subsidiary of the Company</td></tr>
<tr><td>Personnel relationship</td><td>A Director of the Company concurrently serves as one of the subsidiary’s representative directors.</td></tr>
<tr><td>Business relationship</td><td>None at present.</td></tr>
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5. Scheduled Commencement Date of the New Business

Business development activities for hotel management contracts will commence in October 2026.

6. Total Planned Expenditures for the New Business

Costs related to hotel operations systems, personnel expenses, and advertising for business development activities are expected to be incurred; however, the specific amounts have not yet been determined.

7. Future Outlook

The impact of this matter on the Company's consolidated financial results for the fiscal year ending December 31, 2026 is expected to be immaterial. Should any matters requiring disclosure arise in the future, the Company will promptly disclose such matters.

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