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November 12, 2026

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Notice Concerning Change in Dividend Policy (Consolidated Dividend Payout Ratio of Approximately 40%) and Revision of Year-End Dividend Forecast (Dividend Increase)

A.D. Works Group Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held today, it resolved to change its dividend policy to one based on a consolidated dividend payout ratio of approximately 40% and to revise its year-end dividend forecast for the fiscal year ending December 31, 2026 (an increase of 6 yen per share, to a year-end dividend of 16 yen per share), as outlined below.

1. Change in Dividend Policy

(1) Reason for the Change

Under the Company's previous dividend policy, the dividend amount was determined based on the stock price. As the stock price can fluctuate due to factors other than the Company's business performance, depending on stock price trends, it could be difficult to ensure consistency with appropriate capital allocation. In addition, this policy made it difficult for shareholders to predict dividend amounts.

To enhance corporate value over the medium to long term, the Company emphasizes an appropriate balance among growth investment, financial soundness, and shareholder returns. As part of the Third Medium-term Management Plan currently under development, the Company is formulating a new capital allocation framework, which will set out its approach to allocating capital among these priorities.

In light of the progress made in formulating the new capital allocation framework under the Third Medium-term Management Plan, the Company has decided to change its dividend policy ahead of the plan's announcement, adopting a consolidated dividend payout ratio of approximately 40% as its basic policy. This change is intended to better align dividend payments with capital allocation and improve the predictability of dividends for shareholders.

The Third Medium-term Management Plan and the new capital allocation framework are scheduled to be announced in February 2027.

(2) Details of the Change

(Before the Change)

The dividend amount is determined so that the dividend yield (annual dividend per share divided by the average of month-end share prices from January through December) is at least 4%, provided that the forecast dividend payout ratio (total dividends divided by profit attributable to owners of parent in the full-year business plan) does not exceed 50%.

(After the Change)

The Company will pay dividends with a consolidated dividend payout ratio of approximately 40% as its basic policy, while balancing investment for sustainable growth and the maintenance of financial soundness.

(3) Timing of the Change

The new policy will apply from the year-end dividend for the fiscal year ending December 31, 2026.

2. Revision of Year-End Dividend Forecast for the Fiscal Year Ending December 31, 2026

(1) Reason for the Revision

In light of the above change in dividend policy and the current status of sales in relation to the consolidated business plan for the fiscal year ending December 31, 2026, the Company has revised its year-end dividend forecast upward by 6 yen per share, from 10 yen to 16 yen, with a record date of December 31, 2026. Combined with the interim dividend of 10 yen per share, the annual dividend forecast is now 26 yen per share (forecast dividend payout ratio of 40.6%).

(2) Details of the Revision

	Annual dividend per share			Dividend payout ratio
	Second quarter-end	Fiscal year-end	Total	
Previous forecast (Announced August 6, 2026)		Yen 10.00	Yen 20.00	31.3% (Forecast EPS: 64.01 yen)
Revised forecast		**16.00**	**26.00**	**40.6% (Forecast EPS: 64.01 yen)**
Results for the current fiscal year	10.00			
(Reference) Results for the previous fiscal year (FY2025)	6.00	10.00	16.00	23.4% (Actual EPS: 68.46 yen)