

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



August 7, 2025

## Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 (Under Japanese GAAP)

Company name: URBANET CORPORATION Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3242  
 URL: <https://www.urbanet.jp/en/>  
 Representative: Atsushi Tanaka, President and Representative Director  
 Inquiries: Wataru Akai, Managing Director and Senior Executive Officer, General Manager of Administration Division  
 Telephone: +81-3-6550-9160  
 Scheduled date of annual general meeting of shareholders: September 25, 2025  
 Scheduled date to commence dividend payments: September 26, 2025  
 Scheduled date to file annual securities report: September 24, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	33,933	21.3	3,481	27.7	2,787	14.9	1,850	8.8
June 30, 2024	27,965	38.0	2,726	12.2	2,426	13.4	1,701	17.5

Note: Comprehensive income For the fiscal year ended June 30, 2025: ¥1,850 million [6.7%]  
 For the fiscal year ended June 30, 2024: ¥1,734 million [16.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2025	56.26	56.22	11.4	5.1	10.3
June 30, 2024	54.15	54.00	11.9	5.3	9.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended June 30, 2025: ¥— million  
 For the fiscal year ended June 30, 2024: ¥— million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	62,322	17,347	27.8	495.85
June 30, 2024	46,972	15,064	32.1	468.18

Reference: Equity  
 As of June 30, 2025: ¥17,347 million  
 As of June 30, 2024: ¥15,062 million

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2025	(7,009)	(2,871)	12,770	11,398
June 30, 2024	2,978	(81)	(3,517)	8,509

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2024	—	10.00	—	11.00	21.00	678	38.8	4.6
Fiscal year ended June 30, 2025	—	10.00	—	12.00	22.00	763	39.1	4.6
Fiscal year ending June 30, 2026 (Forecast)	—	11.00	—	11.00	22.00		40.5	

**3. Consolidated earnings forecasts for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2026	37,044	9.2	3,623	4.1	2,850	2.2	1,900	2.7	54.31

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	35,574,100 shares
As of June 30, 2024	32,774,100 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	588,649 shares
As of June 30, 2024	602,463 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2025	32,891,447 shares
Fiscal year ended June 30, 2024	31,417,610 shares

Note: The number of treasury shares at the end of the period includes the Company's shares held in the trust account used as a result of the introduction of a trust-based stock compensation plan for directors (excluding outside directors) of the Company and some of its subsidiaries, as well as employees of the Company, and the Company's shares held in the trust account are included in the treasury shares excluded from the calculation of the average number of shares outstanding during the period.

## [Reference] Overview of non-consolidated financial results

### Non-consolidated financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	25,698	(0.4)	2,083	(25.1)	1,563	(37.8)	1,450	(18.5)
June 30, 2024	25,789	29.3	2,783	12.9	2,514	17.6	1,779	19.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2025	44.09	44.06
June 30, 2024	56.66	56.50

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	52,156	16,954	32.5	484.62
June 30, 2024	39,923	15,071	37.7	468.41

Reference: Equity

As of June 30, 2025: ¥16,954 million

As of June 30, 2024: ¥15,069 million

<Reasons for differences in non-consolidated financial results from actual results for the previous fiscal year>

In the current fiscal year, the Company saw an increase in selling, general and administrative expenses in connection with the addition of personnel for land acquisition, and higher interest expenses due to an increase in borrowings resulting from the progress in the purchase of well-located project sites. As a result, there are differences between the actual results for ordinary profit in the previous fiscal year and those in the current fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Urbanet Group and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. The assumptions underlying the earnings forecasts and notes on their use are described in “1. Overview of Results of Operations, (4) Outlook” on page 4 of the Attached Material.

(Means of access to contents of supplementary material on financial results and financial results briefing)

Materials on financial results will be disclosed on the Timely Disclosure network (TDnet) and available on the Group’s website at the same time as this financial summary.

We plan to hold the following financial results briefing for investors.

Videos recorded at this event are to be posted promptly on the Group’s website following the briefing.

Thursday, August 7, 2025: Financial results briefing for institutional investors and analysts

## Attached Material

1. Overview of Results of Operations .....	2
(1) Overview of Results of Operations for the Fiscal Year Under Review.....	2
(2) Overview of Financial Position for the Fiscal Year Under Review .....	2
(3) Analysis of Cash Flows for the Fiscal Year Under Review .....	3
(4) Outlook .....	4
(5) Profit Allocation Policy and Dividend Payment Plan for the Fiscal Year Under Review and Next Fiscal Year.....	4
2. Basic Approach to the Selection of Accounting Standards .....	5
3. Consolidated Financial Statements and Significant Notes Thereto.....	6
(1) Consolidated Balance Sheet.....	6
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	8
(3) Consolidated Statement of Changes in Equity.....	10
(4) Consolidated Statement of Cash Flows .....	11
(5) Notes to Consolidated Financial Statements.....	13
Notes to Going Concern Assumption .....	13
Notes to Segment Information, Etc.....	13
Notes to Per Share Information .....	15
Notes to Significant Subsequent Events .....	15
4. Others .....	16
(1) Changes in Board Members.....	16

# 1. Overview of Results of Operations

## (1) Overview of Results of Operations for the Fiscal Year Under Review

For the fiscal year under review, the Urbanet Group companies (hereinafter, “the Urbanet Group” or “the Group”) reported net sales of 33,933 million yen (up 21.3% year on year), operating profit of 3,481 million yen (up 27.7% year on year), ordinary profit of 2,787 million yen (up 14.9% year on year), and profit attributable to owners of parent of 1,850 million yen (up 8.8% year on year), all of which figures exceeded the consolidated earnings forecasts in line with initial plans.

This was due to the Group’s continued efforts mainly in the Real Estate Business to work on its unique business model of development and sale of a whole building with urban rental condominiums within a 10-minute walk from a train station in Tokyo’s 23 wards, with a strong focus on a manufacturing style for each project. Other factors were strong performances by K-nine Co., Ltd., and by the Group’s hotel business, located in front of Kamata Station in Tokyo, which performed steadily thanks mainly to a recovery in inbound tourism.

The performance by each business segment is explained below.

### (Real Estate Business)

Net sales in the Real Estate Business were 33,695 million yen (up 21.4% year on year), and segment profit was 5,019 million yen (up 29.6% year on year).

Among these, the total amount of net sales from real estate development and sales was 32,155 million yen (up 18.6% year on year) with revenues derived from the sale of 607 units in a total of 12 urban rental condominiums, the sale, etc. of 43 detached and terraced houses, and the sale of nine tracts of land for sites. With regard to development of urban rental condominiums, sales of both buildings and units exceeded forecasts from the beginning of the fiscal year under review. This was mainly due to the fact that the Group successfully completed all the projects scheduled for the fiscal year under review as a result of thorough management of the construction process through careful coordination with contractors, etc., which was enabled by the relationship of trust with contractors the Group had built over a long time. Another contributing factor was, against the backdrop of the ever-increasing appreciation in the real estate market of the urban rental condominiums developed by the Group, that we clarified the sales strategy for each property and strived to maximize profits. As a result, in the fiscal year under review, we were able to record sales and profit of 52 units in a rental condominium as real estate for sale, although we initially did not plan to record them at the beginning of the fiscal year. The sale, etc. of detached and terrace houses, was the result of sales by K-nine Co., Ltd. of high-quality residential homes constructed in-house and sold at a reasonable price in the southwestern part of Tokyo’s 23 wards, Kawasaki City, Yokohama City, and elsewhere. Total net sales from real estate purchase and sales were 727 million yen (compared with 46 million yen for one unit of a pre-owned condominium in the previous fiscal year) with revenues derived from the purchase and resale of a pre-owned rental condominium (one building). In the other real estate business, net sales were 811 million yen (up 38.6% year on year) due to real estate brokerage and real estate leasing.

### (Hotel Business)

In the Hotel Business, net sales were 238 million yen (up 9.2% year on year) and segment profit was 45 million yen (up 46.8% year on year) due to room charges and other factors at Hotel Asyl Tokyo Kamata. This took place against the backdrop of such factors as a recovery in domestic tourist demand and an increase in inbound tourism, which led to a year-on-year increase in unit value per room and room occupancy rates, etc.

## (2) Overview of Financial Position for the Fiscal Year Under Review

### (Analysis of Financial Position)

As for the financial position at the end of the fiscal year under review compared to the end of the previous fiscal year, total assets increased 15,349 million yen to 62,322 million yen, liabilities increased 13,066 million yen to 44,974 million yen, and net assets increased 2,283 million yen to 17,347 million yen.

The increase in total assets was mainly due to an increase in inventories of 11,214 million yen, which resulted from progress in purchases of condominium project sites in favorable locations in the city center after increasing the staff for the purchase of land for sites as part of our continued investment in human capital, despite the challenging purchasing environment for such sites in the city center; and also resulted from proactive purchases of land for detached houses and apartment sites by K-nine Co., Ltd. Another factor was an

increase in property, plant and equipment of 926 million yen driven by purchases of revenue-generating properties, etc.

The increase in liabilities was mainly due to an increase of 12,912 million yen in long-term borrowings (including the current portion of long-term borrowings) as a result of the purchase of land for sites.

The increase in net assets was mainly due to a total increase of 1,127 million yen in share capital and capital surplus as a result of the exercise of share acquisition rights, etc., and also due to an increase in retained earnings of 1,153 million yen thanks to the recording of 1,850 million yen in profit attributable to owners of parents despite a decrease of 696 million yen due to dividends paid.

### (3) Analysis of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review increased by 2,889 million yen compared to the end of the previous fiscal year to 11,398 million yen, due to an increase in cash in financing activities, despite a decrease in cash in operating and investing activities.

Cash flows from operating activities

Net cash used in operating activities amounted to 7,009 million yen (compared with net cash provided of 2,978 million yen in the previous fiscal year). This was mainly due to an increase in inventories, which outweighed the recording of profit before income taxes, etc.

Cash flows from investing activities

Net cash used in investing activities amounted to 2,871 million yen (compared with net cash used of 81 million yen in the previous fiscal year). This was mainly due to purchase of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities amounted to 12,770 million yen (compared with net cash used of 3,517 million yen in the previous fiscal year). This was mainly due to proceeds from long-term borrowings in connection with the purchase of land for sites and proceeds from issuance of shares resulting from exercise of share acquisition rights, which outweighed repayments of long-term borrowings in connection with sales of properties and dividends paid, etc.

#### Reference: Trends in cash flow indicators

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Equity-to-asset ratio (%)	34.2	33.6	30.6	32.1	27.8
Market value-based equity-to-asset ratio (%)	27.5	24.7	23.0	27.3	26.1
Interest-bearing debt to cash flow ratio (years)	(Note 6)	42.7	(Note 6)	9.9	(Note 6)
Interest coverage ratio (times)	(Note 6)	2.8	(Note 6)	12.0	(Note 6)

Notes: 1. The above indicators are calculated based on the following formulas.

Equity-to-asset ratio:  $\text{Equity} / \text{Total assets}$

Market value-based equity-to-asset ratio:  $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio:  $\text{Cash flows} / \text{Interest payments}$

2. All the indicators are calculated using financial reporting figures on a consolidated basis.

3. Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).

4. Cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows.

5. Interest-bearing debt includes all debt on the consolidated balance sheet that incurs interest.

Interest payments are calculated using the figures for interest paid in the consolidated statement of cash flows.

6. Interest-bearing debt to cash flow ratio and interest coverage ratio are not presented because operating cash flows were negative.

#### (4) Outlook

The Group's consolidated earnings forecasts for the fiscal year ending June 30, 2026 include net sales of 37,044 million yen (up 9.2% year on year), operating profit of 3,623 million yen (up 4.1% year on year), ordinary profit of 2,850 million yen (up 2.2% year on year) and profit attributable to owners of parent of 1,900 million yen (up 2.7% year on year).

In the fiscal year ending June 30, 2026, the Group plans to sell 12 buildings containing 552 units of urban rental condominiums, etc., 39 detached or terraced houses, and develop and sell several apartments, as well as reselling several tracts of land. As for the urban rental condominiums, etc. mentioned above, 525 units have effectively been sold with contracts already signed.

(Millions of yen)

	Fiscal year ended June 30, 2025 (Results)	Fiscal year ending June 30, 2026 (Forecast)
Net sales	33,933	37,044
Operating profit	3,481	3,623
Ordinary profit	2,787	2,850
Profit attributable to owners of parent	1,850	1,900

Number of units of urban rental condominiums / detached houses, etc. sold, or to be sold	650	591
--	-----	-----

#### (5) Profit Allocation Policy and Dividend Payment Plan for the Fiscal Year Under Review and Next Fiscal Year

While we are keenly aware of the need to maintain sufficient retained earnings and liquidity to ensure financial soundness, we also bear in mind that the return of profits to our shareholders is an increasingly important management issue. Since our stock was listed, we have consistently prioritized paying dividends based on the results of operations, in accordance with our corporate policy.

As a basic dividend policy, the Group pays out 40% of the figure obtained after eliminating the effect of income taxes - deferred from profit attributable to owners of parent. However, with this dividend policy, the dividend would be lower than the initial forecast of a full-year dividend of 21 yen per share due to effects of an increase in the number of shares issued following the issuance of new shares, as well as of an increase in tax burden, etc., not anticipated at the beginning of the fiscal year. Nevertheless, we have reached the conclusion that we must respond to the support of our shareholders by paying a dividend exceeding our initial forecast, after comprehensively considering the facts such as that the Group's net sales surpassed 30,000 million yen thanks to successful M&A activities, that profit attributable to owners of parent recorded an all-time high, and that our high priority is placed on the return of profits to our shareholders.

Accordingly, we have decided that the year-end dividend for the fiscal year ended June 30, 2025 will be 12 yen per share, as separately announced today in the "Notice of Payment of Dividends (Dividend Increase) from Surplus." Since 10 yen per share has already been paid as an interim dividend, the full-year dividend will amount to 22 yen per share.

For the dividends for the fiscal year ending June 30, 2026, we plan to pay a full-year dividend of 22 yen per share (including an interim dividend of 11 yen per share) based on the outlook and the above-mentioned dividend policy, while making continued efforts to increase dividends.

The Group will continue to place its high priority on the return of profits to its shareholders.



## **2. Basic Approach to the Selection of Accounting Standards**

Currently, all business activities are conducted in Japan and shareholders, creditors and business partners in Japan account for most stakeholders. Furthermore, there is no plan to procure funds from overseas. The Urbanet Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being.

We will take suitable action with regard to the application of International Financial Reporting Standards (IFRS) after taking into account relevant factors in Japan and other countries.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	8,531,315	11,423,168
Accounts receivable - trade	18,577	16,580
Investments in leases	37,101	40,054
Real estate for sale	1,495,892	2,070,324
Real estate for sale in process	28,720,692	39,361,222
Supplies	3,326	3,068
Advance payments to suppliers	487,994	468,576
Prepaid expenses	65,557	83,268
Other	20,399	281,266
Total current assets	39,380,857	53,747,530
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,528,108	3,036,619
Accumulated depreciation	(996,323)	(735,425)
Buildings and structures, net	2,531,784	2,301,193
Tools, furniture and fixtures	15,034	16,744
Accumulated depreciation	(11,466)	(10,480)
Tools, furniture and fixtures, net	3,568	6,263
Land	4,208,144	5,291,508
Leased assets	54,991	154,205
Accumulated depreciation	(25,145)	(52,916)
Leased assets, net	29,845	101,288
Construction in progress	36,044	28,202
Other	4,498	12,892
Accumulated depreciation	(3,934)	(4,881)
Other, net	563	8,010
Total property, plant and equipment	6,809,952	7,736,467
Intangible assets		
Software	7,108	13,914
Total intangible assets	7,108	13,914
Investments and other assets		
Investments in capital	2,320	2,510
Long-term prepaid expenses	42,159	34,261
Deferred tax assets	178,221	224,289
Investments in leases	147,814	107,346
Leasehold and guarantee deposits	235,698	194,795
Other	168,816	261,459
Total investments and other assets	775,030	824,663
Total non-current assets	7,592,090	8,575,045
Total assets	46,972,948	62,322,576

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	718,619	984,221
Short-term borrowings	3,160,536	2,662,100
Current portion of long-term borrowings	8,578,056	9,128,116
Lease liabilities	13,662	32,510
Accounts payable - other	155,296	240,462
Accrued expenses	63,125	49,203
Income taxes payable	556,840	861,707
Accrued consumption taxes	24,991	406
Advances received	398,210	496,685
Deposits received	63,494	58,136
Provision for shareholder benefit program	–	76,929
Provision for warranties for completed construction	11,482	12,780
Other	64,378	66,986
Total current liabilities	13,808,694	14,670,246
Non-current liabilities		
Long-term borrowings	17,429,965	29,791,941
Lease liabilities	27,243	85,349
Provision for share awards for directors (and other officers)	69,896	99,666
Provision for employee stock ownership plan trust	13,925	29,832
Retirement benefit liability	65,041	73,103
Deferred tax liabilities	302,536	–
Other	191,185	224,598
Total non-current liabilities	18,099,794	30,304,492
Total liabilities	31,908,489	44,974,739
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,956,131	3,519,264
Capital surplus	2,454,259	3,018,320
Retained earnings	9,862,128	11,015,974
Treasury shares	(210,325)	(205,922)
Total shareholders' equity	15,062,194	17,347,636
Share acquisition rights	2,265	200
Total net assets	15,064,459	17,347,836
Total liabilities and net assets	46,972,948	62,322,576

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statement of Income**

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	27,965,910	33,933,706
Cost of sales	23,334,712	27,470,605
Gross profit	4,631,198	6,463,101
Selling, general and administrative expenses		
Salaries and allowances	385,639	559,810
Remuneration for directors (and other officers)	227,371	304,422
Bonuses	168,766	307,196
Provision for share awards for directors (and other officers)	41,301	34,865
Provision for employee stock ownership plan trust	13,925	16,200
Retirement benefit expenses	9,911	11,766
Legal welfare expenses	88,735	129,307
Advertising expenses	29,179	84,677
Promotion expenses	10,368	6,723
Travel and transportation expenses	32,750	48,080
Supplies expenses	14,585	26,736
Rent expenses on land and buildings	130,182	195,387
Insurance expenses	16,193	13,643
Taxes and dues	186,126	351,957
Commission expenses	184,260	264,022
Fee expenses	64,606	71,593
Outsourcing expenses	88,439	50,085
Depreciation	25,152	82,895
Other	187,338	422,365
Total selling, general and administrative expenses	1,904,835	2,981,739
Operating profit	2,726,363	3,481,361
Non-operating income		
Interest income	73	3,066
Dividend income	8,073	30
Distribution profit	15,450	—
Subsidy income	—	3,200
Other	10,991	3,536
Total non-operating income	34,588	9,832
Non-operating expenses		
Interest expenses	257,808	487,625
Commission expenses	66,148	212,915
Other	10,109	2,975
Total non-operating expenses	334,066	703,516
Ordinary profit	2,426,885	2,787,677
Extraordinary income		
Gain on bargain purchase	20,867	—
Surrender value of insurance policies	85,507	—
Other	776	—
Total extraordinary income	107,150	—
Profit before income taxes	2,534,036	2,787,677
Income taxes - current	880,337	1,285,682
Income taxes - deferred	(80,401)	(348,605)
Total income taxes	799,936	937,077
Profit	1,734,100	1,850,600
Profit attributable to non-controlling interests	32,923	—
Profit attributable to owners of parent	1,701,177	1,850,600

## Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Profit	1,734,100	1,850,600
Other comprehensive income	—	—
Comprehensive income	1,734,100	1,850,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,701,177	1,850,600
Comprehensive income attributable to non-controlling interests	32,923	—

**(3) Consolidated Statement of Changes in Equity**

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	2,693,701	2,191,829	8,792,432	(126,494)	13,551,468	—	1,641,434	15,192,903
Changes during period								
Issuance of new shares	262,430	262,430			524,860			524,860
Dividends of surplus			(631,480)		(631,480)			(631,480)
Profit attributable to owners of parent			1,701,177		1,701,177			1,701,177
Purchase of treasury shares				(83,831)	(83,831)			(83,831)
Net changes in items other than shareholders' equity						2,265	(1,641,434)	(1,639,169)
Total changes during period	262,430	262,430	1,069,696	(83,831)	1,510,725	2,265	(1,641,434)	(128,444)
Balance at end of period	2,956,131	2,454,259	9,862,128	(210,325)	15,062,194	2,265	—	15,064,459

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,956,131	2,454,259	9,862,128	(210,325)	15,062,194	2,265	15,064,459
Changes during period							
Issuance of new shares	563,132	563,132			1,126,265		1,126,265
Dividends of surplus			(696,754)		(696,754)		(696,754)
Profit attributable to owners of parent			1,850,600		1,850,600		1,850,600
Purchase of treasury shares				(34)	(34)		(34)
Disposal of treasury shares		928		4,438	5,366		5,366
Net changes in items other than shareholders' equity						(2,065)	(2,065)
Total changes during period	563,132	564,060	1,153,845	4,403	2,285,442	(2,065)	2,283,377
Balance at end of period	3,519,264	3,018,320	11,015,974	(205,922)	17,347,636	200	17,347,836

**(4) Consolidated Statement of Cash Flows**

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,534,036	2,787,677
Depreciation	142,750	201,151
Gain on bargain purchase	(20,867)	–
Increase (decrease) in provision for shareholder benefit program	–	76,929
Increase (decrease) in provision for warranties for completed construction	(1,138)	1,298
Increase (decrease) in provision for share awards for directors (and other officers)	41,301	29,770
Increase (decrease) in provision for employee stock ownership plan trust	13,925	15,907
Increase (decrease) in retirement benefit liability	5,636	8,062
Interest and dividend income	(8,147)	(3,096)
Distribution profit	(15,450)	–
Interest expenses	257,808	487,625
Surrender value of insurance policies	(85,507)	–
Decrease (increase) in investments in leases	34,886	37,515
Decrease (increase) in inventories	2,270,582	(9,517,935)
Increase (decrease) in trade payables	(155,108)	265,601
Increase (decrease) in advances received	(888,550)	98,474
Increase (decrease) in accrued consumption taxes	21,063	(24,584)
Other, net	(177,987)	(531)
Subtotal	3,969,234	(5,536,132)
Interest and dividends received	8,147	3,094
Interest paid	(247,525)	(502,354)
Income taxes paid	(751,452)	(973,765)
Net cash provided by (used in) operating activities	2,978,403	(7,009,158)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(300)	(2,702)
Purchase of property, plant and equipment	(107,206)	(2,733,427)
Proceeds from sale of property, plant and equipment	–	2,524
Purchase of intangible assets	(6,850)	(7,749)
Purchase of investment securities	–	(36,000)
Purchase of insurance funds	–	(39,382)
Proceeds from cancellation of insurance funds	207,585	–
Payments of leasehold and guarantee deposits	(109,999)	(36)
Proceeds from refund of leasehold and guarantee deposits	–	12,938
Decrease (increase) in investments and other assets	300,000	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(377,096)	–
Payments of conditional acquisition consideration for shares of subsidiaries	–	(56,100)
Other, net	11,988	(12,042)
Net cash provided by (used in) investing activities	(81,878)	(2,871,977)

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	941,021	(498,436)
Proceeds from long-term borrowings	8,003,000	24,400,000
Repayments of long-term borrowings	(10,573,460)	(11,487,964)
Purchase of treasury shares	(83,831)	(34)
Proceeds from disposal of treasury shares	–	5,366
Repayments of lease liabilities	(12,140)	(35,714)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	522,200	1,124,200
Proceeds from issuance of share acquisition rights	4,925	–
Dividends paid	(631,284)	(696,528)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,674,357)	–
Other, net	(14,000)	(40,600)
Net cash provided by (used in) financing activities	(3,517,927)	12,770,287
Net increase (decrease) in cash and cash equivalents	(621,402)	2,889,150
Cash and cash equivalents at beginning of period	9,131,018	8,509,615
Cash and cash equivalents at end of period	8,509,615	11,398,766



## (5) Notes to Consolidated Financial Statements

### Notes to Going Concern Assumption

Not applicable.

### Notes to Segment Information, Etc.

#### 1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors is performed to decide the allocation of management resources and to assess performance.

The Urbanet Group has two reportable segments: the Real Estate Business and the Hotel Business. The Real Estate Business operates businesses related to real estate development and sales, real estate purchase and sales, real estate brokerage and real estate leasing. The Hotel Business operates businesses related to hotel operations.

#### 2. Methods for determining net sales, profit or loss, assets, liabilities and other items for each reportable segment

Accounting methods for reportable segments are mostly the same as those adopted for preparing the consolidated financial statements.

Reportable segment profit is based on operating profit.

#### 3. Information related to net sales, profit or loss, assets, liabilities and other items for each reportable segment

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Reportable segments		Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Real Estate	Hotel			
Net sales					
External sales	27,747,622	218,288	27,965,910	—	27,965,910
Inter-segment sales and transfers	—	—	—	—	—
Total	27,747,622	218,288	27,965,910	—	27,965,910
Segment profit	3,873,847	31,134	3,904,981	(1,178,617)	2,726,363
Segment assets	37,145,378	1,336,262	38,481,640	8,491,307	46,972,948
Other items					
Depreciation	88,051	36,976	125,028	17,722	142,750
Increase in property, plant and equipment and intangible assets	794,032	—	794,032	5,372	799,404

Notes: 1. Details of adjustments are as follows:

- (1) The negative 1,178,617 thousand yen adjustment to segment profit represents corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
- (2) The 8,491,307 thousand yen adjustment to segment assets represents corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of cash and deposits held by the Company that are not attributable to any of the reportable segments.

2. Segment profit is adjusted with operating profit shown on the consolidated financial statements.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Thousands of yen)

	Reportable segments		Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Real Estate	Hotel			
Net sales					
External sales	33,695,377	238,329	33,933,706	—	33,933,706
Inter-segment sales and transfers	—	—	—	—	—
Total	33,695,377	238,329	33,933,706	—	33,933,706
Segment profit	5,019,521	45,699	5,065,220	(1,583,858)	3,481,361
Segment assets	49,563,919	1,295,483	50,859,403	11,463,172	62,322,576
Other items					
Depreciation	118,012	36,764	154,776	46,374	201,151
Increase in property, plant and equipment and intangible assets	2,515,493	—	2,515,493	356,625	2,872,119

Notes: 1. Details of adjustments are as follows:

- (1) The negative 1,583,858 thousand yen adjustment to segment profit represents corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
- (2) The 11,463,172 thousand yen adjustment to segment assets represents corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of cash and deposits held by the Company that are not attributable to any of the reportable segments.

2. Segment profit is adjusted with operating profit shown on the consolidated financial statements.

## Notes to Per Share Information

(Yen)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Net assets per share	468.18	495.85
Basic earnings per share	54.15	56.26
Diluted earnings per share	54.00	56.22

Notes: 1. The number of common shares as of the end of the fiscal year under review used to calculate net assets per share, as well as the average number of common shares during the fiscal year used to calculate basic earnings per share and diluted earnings per share are calculated by deducting the portion of shares held under own name, and deducting the shares of the Company held as trust assets for the stock compensation plan for directors of the Company (excluding outside directors) and directors of some of its subsidiaries and for employees of the Company (shares as of the end of the previous fiscal year: 602,400 shares; average number of shares during the previous fiscal year: 424,187 shares; shares as of the end of the fiscal year under review: 588,500 shares; average number of shares during the fiscal year: 592,546 shares).

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

(Thousands of yen, unless otherwise stated)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Basic earnings per share		
Profit attributable to owners of parent	1,701,177	1,850,600
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	1,701,177	1,850,600
Average number of shares outstanding of common stock during the period (shares)	31,417,610	32,891,447
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in number of shares of common stock (shares)	88,498	26,496
(of which share acquisition rights)	88,498	26,496
Overview of potential shares not included in the calculation of diluted earnings per share because they have no dilutive effect	11th share acquisition rights resolved at the meeting of the Board of Directors held on August 24, 2023 (number of shares to be issued on exercise of share acquisition rights: 2,100,000) 12th share acquisition rights resolved at the meeting of the Board of Directors held on August 24, 2023 (number of shares to be issued on exercise of share acquisition rights: 2,000,000)	12th share acquisition rights resolved at the meeting of the Board of Directors held on August 24, 2023 (number of shares to be issued on exercise of share acquisition rights: 2,000,000)

## Notes to Significant Subsequent Events

Not applicable.

## 4. Others

### (1) Changes in Board Members

The following changes in the board members to be effective on September 25, 2025 were approved (reappointment of seven current Directors and appointment of two new Directors) at the Board of Directors' meeting held on August 7, 2025. The changes are expected to be authorized subject to approval at the 28th Annual General Meeting of Shareholders and the subsequent Board of Directors' meeting, both scheduled on September 25, 2025.

#### 1. Candidates for director

Director (Reappointment)	Shinji Hattori (Current Chairman, Representative Director and CEO)
Director (Reappointment)	Atsushi Tanaka (Current President and Representative Director, General Manager of First Business Division)
Director (Reappointment)	Wataru Akai (Current Managing Director and Senior Executive Officer, General Manager of Administration Division)
Director (Reappointment)	Akifumi Ino (Current Director, Senior Executive Officer, General Manager of Second Business Division)
Director (New appointment)	Hajime Ito (Current Executive Officer, Deputy General Manager of First Business Division, and General Manager of External Relations Department)
Director (New appointment)	Yuichi Furugori (Current President and Representative Director of K-nine Co., Ltd.)
Director (Reappointment)	Shinichiro Nakajima (Current Outside Director, Independent Director)
Director (Reappointment)	Tetsushi Shinoda (Current Outside Director, Independent Director)
Director (Reappointment)	Sayaka Yamaguchi (Current Outside Director, Independent Director)

#### Career summary of new candidates for Director

Hajime Ito (born on February 18, 1965)

Apr. 1987	Joined Japan Urban Development Company
Apr. 2002	Joined KOWA ESTATE Inc.
Jan. 2006	Joined Noel Co., Ltd.
July 2011	Joined the Company
May 2025	Executive Officer, Deputy General Manager of First Business Division, and General Manager of External Relations Department (current position)

Yuichi Furugori (born on January 2, 1967)

Apr. 1989	Joined ITOCHU Real Estate Co., Ltd.
Oct. 1992	Joined ITOCHU Corporation
May 2000	Director and General Manager of Business Division, Noel Co., Ltd.
Dec. 2008	President and Representative Director of K-nine Co., Ltd. (current position)

#### 2. Changes in Audit & Supervisory Board Members

All three of the Audit & Supervisory Board Members are currently serving their terms, and thus there is no change.