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Consolidated Financial Results for the Nine Months Ended March 31, 2026 (Under Japanese GAAP)

May 14, 2026

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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to millions of yen, unless otherwise noted.)

1. Consolidated financial results for the nine months ended March 31, 2026 (from July 1, 2025 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
March 31, 2026	25,614	117.2	3,315	—	2,588	—	1,690	—
March 31, 2025	11,791	(32.5)	48	(97.0)	(450)	—	(378)	—

Note: Comprehensive income For the nine months ended March 31, 2026 1,690 Millions of yen (—%)
 For the nine months ended March 31, 2025 (378) Millions of yen (—%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2026	46.29	46.23
March 31, 2025	(11.65)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	77,880	19,057	24.5
June 30, 2025	62,322	17,347	27.8

Reference: Owner's equity As of March 31, 2026 19,057 Millions of yen
 As of June 30, 2025 17,347 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	—	10.00	—	12.00	22.00
Fiscal year ending June 30, 2026	—	11.00	—		
Fiscal year ending June 30, 2026 (Forecast)				11.00	22.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

Fiscal year ending	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	%	
June 30, 2026	37,044	9.2	3,623	4.1	2,850	2.2	1,900	2.7	Yen 54.31

Note: Revisions to the earnings forecasts most recently announced : None

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 company (Kagurazaka Heights Co., Ltd.) Excluded: None

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto (3) Notes to Quarterly Consolidated Financial Statements (Notes to Changes in Scope of Consolidation or Equity Method)” on page 7 of the Attached Materials.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) 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

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)	As of March 31, 2026	37,574,100 shares	As of June 30, 2025	35,574,100 shares
(ii) Number of treasury stock at the period end	As of March 31, 2026	659,049 shares	As of June 30, 2025	588,649 shares
(iii) Average number of shares (quarterly period-YTD)	Nine months ended March 31, 2026	36,528,238 shares	Nine months ended March 31, 2025	32,525,396 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None

* 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. For the assumptions underlying the earnings forecasts and notes on their use, please refer to “1. Overview of Results of Operations (3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information” on page 3 of the Attached Materials.

(How to obtain supplementary materials for financial results and details of the 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, May 14, 2026: Financial results briefing for institutional investors and analysts

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1 . Overview of Results of Operations

(1) Overview of Results of Operations for the Period Under Review

For the period under review, the Urbanet Group companies (hereinafter “the Urbanet Group” or “the Group”) reported net sales of 25,614 million yen (up 117.2% from the same period of the previous fiscal year), operating profit of 3,315 million yen (compared with operating profit of 48 million yen in the same period of the previous fiscal year), ordinary profit of 2,588 million yen (compared with an ordinary loss of 450 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 1,690 million yen (compared with a loss attributable to owners of the parent of 378 million yen in the same period of the previous fiscal year).

The significant year-on-year increase in both sales and profits was mainly due to the steady progress in the completion and recording of sales for projects during the first nine months of the current fiscal year, in addition to the fact that the recording of sales for urban rental condominiums in the previous fiscal year was concentrated in the fourth quarter. In the current fiscal year, the Group plans to sell a total of 552 units in 12 urban rental condominiums, etc. During the period, sales were recorded for 337 units in seven urban rental condominiums, etc., while 17 units in two apartment buildings, 28 detached houses and townhouse units, and nine parcels of land were sold separately. The Group’s core business is the development and sale of urban rental condominium buildings. The timing, amount, and profit margin of sales upon completion of construction vary greatly from project to project and from year to year, causing quarterly sales and profits to fluctuate significantly each year. In the current fiscal year, however, the completion and delivery of urban rental condominiums have been more evenly distributed across quarters than in the previous fiscal year, and consolidated subsidiary K-nine Co., Ltd. has continued to perform strongly since the beginning of the fiscal year. These factors have also contributed to the increase in both sales and profits.

Beginning with the third quarter of the current fiscal year, the Group refers to the row-style residential properties developed by K-nine Co., Ltd. as townhouses instead of terraced houses.

The performance by each business segment is explained below.

(Real Estate Business)

Net sales in the Real Estate Business were 25,435 million yen, up 119.0% from the same period of the previous fiscal year, and segment profit was 4,526 million yen, up 260.6% from the same period of the previous fiscal year.

The total amount of net sales from real estate development and sales was 24,446 million yen, up 137.3% from the same period of the previous year, with revenues derived from the sale of 337 units in seven urban rental condominiums, etc., 17 units in two apartment buildings, 28 detached houses and townhouse units, and nine parcels of land. The total amount of net sales from real estate purchase and resale was 537 million yen, down 26.2% from the same period of the previous year, with revenues derived from the purchase and resale of three properties, etc. Net sales from other real estate business were 452 million yen, down 22.4% from the same period of the previous fiscal year, mainly attributable to real estate brokerage and leasing operations.

(Hotel Business)

In the Hotel Business, net sales were 178 million yen, up 0.6% from the same period of the previous fiscal year, and segment profit was 37 million yen, down 17.1% from the same period of the previous fiscal year, mainly reflecting room charges and other revenue at Hotel Asyl Tokyo Kamata.

(2) Overview of Financial Position for the Period Under Review

Analysis of Financial Position

Compared with the end of the previous fiscal year, total assets at the end of the third quarter of the fiscal year under review increased 15,558 million yen to 77,880 million yen, liabilities increased 13,848 million yen to 58,823 million yen, and net assets increased 1,709 million yen to 19,057 million yen.

The increase in total assets was mainly due to an increase of 4,956 million yen in real estate for sale, as well as an increase of 10,285 million yen in real estate for sale in process resulting from steady progress in the acquisition of sites in favorable city-center locations.

The increase in liabilities was mainly due to an increase of 2,549 million yen in short-term borrowings, as well as an increase of 10,687 million yen in long-term borrowings, including the current portion of long-term borrowings, associated with land purchases.

The increase in net assets was mainly due to profit attributable to owners of parent and increases in share capital and legal capital surplus resulting from the exercise of share acquisition rights, which outweighed a decrease due to the payment of dividends.

(3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information

The Group's financial results for the period under review were as follows: net sales of 25,614 million yen, operating profit of 3,315 million yen, ordinary profit of 2,588 million yen, and profit attributable to owners of parent of 1,690 million yen.

The significant year-on-year increase in both sales and profits was mainly due to the steady progress in the completion and recording of sales for projects during the first nine months of the current fiscal year, in addition to the fact that the recording of sales for urban rental condominiums in the previous fiscal year was concentrated in the fourth quarter.

The Group's core business is the development and sale of urban rental condominium buildings. The timing, amount, and profit margin of sales upon completion of construction vary greatly from project to project and from year to year, causing quarterly sales and profits to fluctuate significantly each year. In the current fiscal year, however, the completion and delivery of urban rental condominiums have been more evenly distributed across quarters than in the previous fiscal year, and K-nine Co., Ltd. has continued to perform strongly since the beginning of the fiscal year. These factors have also contributed to the increase in both sales and profits.

In the current consolidated fiscal year, construction on each project is generally progressing smoothly, and the recording of sales and profits is generally in line with initial assumptions. Accordingly, the Company has decided to maintain the full-year consolidated earnings forecasts for the current fiscal year disclosed on August 7, 2025. However, the Company will pay close attention to the impact on construction work of supply conditions and rising construction material prices due to Middle East tensions and other factors. If revisions to the consolidated earnings forecasts become necessary, the Company will promptly disclose them.

As stated in the "Notice of the Formulation of the Urbanet Group Medium-Term Management Plan" disclosed on May 13, 2025, the Group is proactively working to expand its core business, pursue M&A opportunities, invest in human capital, and develop new business initiatives. As a result, K-nine Co., Ltd. has made a significant contribution to the Group's earnings growth and has also generated synergies. In addition, thanks in part to the effects of investment in human capital, the Group has been able to acquire development sites in favorable city-center locations and large properties to support its mainstay business. The Group is also steadily advancing new businesses, such as the development of apartment hotels for inbound travelers and businesses targeting affluent customers. The Group aims to achieve sustainable growth while also striving to further increase corporate value and deliver returns to shareholders.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	11,423,168	10,420,835
Real estate for sale	2,070,324	7,026,596
Real estate for sale in process	39,361,222	49,646,711
Other	892,814	1,348,969
Total current assets	53,747,530	68,443,112
Non-current assets		
Property, plant and equipment	7,736,467	8,394,887
Intangible assets		
Goodwill	—	298,168
Other	13,914	19,734
Total intangible assets	13,914	317,903
Investments and other assets	824,663	725,031
Total non-current assets	8,575,045	9,437,821
Total assets	62,322,576	77,880,934
Liabilities		
Current liabilities		
Accounts payable - trade	984,221	2,289,874
Short-term borrowings	2,662,100	5,211,539
Current portion of long-term borrowings	9,128,116	9,051,067
Lease liabilities	32,510	26,578
Income taxes payable	861,707	202,333
Provision for shareholder benefit program	76,929	—
Provision for warranties for completed construction	12,780	14,788
Other	911,880	572,013
Total current liabilities	14,670,246	17,368,194
Non-current liabilities		
Long-term borrowings	29,791,941	40,556,330
Lease liabilities	85,349	61,267
Provision for share awards for directors (and other officers)	99,666	140,434
Provision for employee stock ownership plan trust	29,832	41,742
Retirement benefit liability	73,103	78,722
Other	224,598	576,849
Total non-current liabilities	30,304,492	41,455,346
Total liabilities	44,974,739	58,823,540
Net assets		
Shareholders' equity		
Share capital	3,519,264	3,967,364
Capital surplus	3,018,320	3,466,449
Retained earnings	11,015,974	11,866,596
Treasury shares	(205,922)	(243,015)
Total shareholders' equity	17,347,636	19,057,394
Share acquisition rights	200	—
Total net assets	17,347,836	19,057,394
Total liabilities and net assets	62,322,576	77,880,934

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

(Thousands of yen)

	Nine months ended March 31, 2025	Nine months ended March 31, 2026
Net sales	11,791,654	25,614,217
Cost of sales	9,558,388	19,731,666
Gross profit	2,233,266	5,882,550
Selling, general and administrative expenses	2,184,652	2,567,178
Operating profit	48,613	3,315,372
Non-operating income		
Interest income	2,909	14,540
Dividend income	1	4
Other	2,751	4,457
Total non-operating income	5,662	19,001
Non-operating expenses		
Interest expenses	328,749	511,967
Commission expenses	173,088	233,198
Other	2,771	846
Total non-operating expenses	504,610	746,012
Ordinary profit (loss)	(450,333)	2,588,361
Extraordinary losses		
Loss on retirement of non-current assets	88	7,919
Impairment losses	—	17,927
Total extraordinary losses	88	25,847
Profit (loss) before income taxes	(450,422)	2,562,513
Income taxes - current	263,420	779,471
Income taxes - deferred	(335,072)	92,219
Total income taxes	(71,652)	871,691
Profit (loss)	(378,770)	1,690,822
Profit (loss) attributable to owners of parent	(378,770)	1,690,822

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended March 31, 2025	Nine months ended March 31, 2026
Profit (loss)	(378,770)	1,690,822
Other comprehensive income	—	—
Comprehensive income	(378,770)	1,690,822
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(378,770)	1,690,822

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Changes in Scope of Consolidation or Equity Method)

Significant changes in scope of consolidation

From the second quarter consolidated accounting period, following the acquisition of all shares of Kagurazaka Heights Co., Ltd. by the Company's consolidated subsidiary K-nine Co., Ltd. on December 26, 2025, the said company is included in the scope of consolidation.

(Notes to Segment Information, Etc.)

I Nine months ended March 31, 2025 (July 1, 2024-March 31, 2025)

Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments		Total	Reconciling items	Per quarterly consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	11,614,346	177,308	11,791,654	—	11,791,654
Transactions with other segments	—	—	—	—	—
Net sales	11,614,346	177,308	11,791,654	—	11,791,654
Operating profit (loss)	1,255,130	44,772	1,299,903	(1,251,289)	48,613

Notes: 1. The negative 1,251,289 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. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

II Nine months ended March 31, 2026 (July 1, 2025-March 31, 2026)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments		Total	Reconciling items	Per quarterly consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	25,435,839	178,378	25,614,217	—	25,614,217
Transactions with other segments	—	—	—	—	—
Net sales	25,435,839	178,378	25,614,217	—	25,614,217
Operating profit (loss)	4,526,374	37,121	4,563,495	(1,248,123)	3,315,372

Notes: 1. The negative 1,248,123 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. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

(Significant impairment losses on non-current assets)

Impairment losses on non-current assets were recorded in the Real Estate Business. The amount of such impairment losses recorded was 17,927 thousand yen in the period under review.

(Significant changes in the amount of goodwill)

In the second quarter consolidated accounting period, the Company's consolidated subsidiary K-nine Co., Ltd. has acquired all shares of Kagurazaka Heights Co., Ltd., and the said company was newly included in the scope of consolidation.

As a result, goodwill of 318,046 thousand yen was recorded in the Real Estate Business.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared quarterly consolidated statement of cash flows for the period under review. Depreciation for the nine months ended March 31, 2025 and 2026 (including amortization of intangible assets other than goodwill) and amortization of goodwill were as follows.

	Nine months ended March 31, 2025 (July 1, 2024-March 31, 2025)	Nine months ended March 31, 2026 (July 1, 2025-March 31, 2026)
Depreciation	151,510 thousand yen	137,453 thousand yen
Amortization of goodwill	—	19,877

(Additional Information)

(Stock compensation plan for directors)

Pursuant to a resolution at the 25th Annual General Meeting of Shareholders held on September 28, 2022, the Company has introduced a trust-based stock compensation plan (hereinafter “the Plan”) for directors (excluding outside directors) of the Company. The purpose of the Plan is to clarify the link between the Company’s share value and directors’ compensation, and to enhance directors’ motivation to contribute to the improvement of corporate value by ensuring that directors not only enjoy the merits of a rising share price but also bear the risk of a falling share price, thereby sharing both the merits and risks of share price fluctuations with shareholders.

Also, pursuant to a resolution of the meeting of the Board of Directors held on June 20, 2024, the directors of some consolidated subsidiaries shall be included in the scope of the Plan from June 28, 2024. In addition, pursuant to a resolution of the Board of Directors held on August 7, 2025, the Company has additionally acquired shares necessary for future benefits to directors of consolidated subsidiaries, subject to an upper limit of 90,000 shares.

(1) Outline of transactions

The Plan is a stock compensation plan under which a trust established using money contributed by the Company (hereinafter “the Trust”) shall acquire the Company’s shares, and a number of the Company’s shares equivalent to the number of points granted to directors of the Company and K-nine Co., Ltd. (excluding outside directors, hereinafter “the Directors of the Company, etc.”) in accordance with the Share Delivery Regulations established by the Board of Directors of the Company, and an amount of money equivalent to the market value of the Company’s shares (hereinafter “the Company’s Shares, etc.”) shall be paid to Directors of the Company, etc. through the Trust.

Additionally, the timing of the grant of the Company’s Shares, etc. to Directors of the Company, etc. shall be, in principle, upon their resignation as a Director of the Company, etc.

(2) Company’s shares remaining in trust

The Company’s shares remaining in trust are recorded as treasury shares under net assets at the book value in trust (excluding the amount as ancillary expenses). The book value and number of shares of the relevant treasury shares were 122,331 thousand yen and 389,200 shares as of June 30, 2025, and 161,269 thousand yen and 464,000 shares as of March 31, 2026.

(Stock compensation plan for employees)

Pursuant to the resolution of the meeting of the Board of Directors held on May 9, 2024, the Company has introduced a trust-based stock compensation plan as part of an incentive plan for the Company’s employees (hereinafter “the Plan”; the trust agreement to be concluded with Resona Bank, Limited with respect to the Plan is hereinafter referred to as “the Trust Agreement”; and the trust to be established in accordance with the Trust Agreement is hereinafter referred to as “the Trust”) with the aim of increasing the morale and motivation of the Company’s employees to contribute to improving the Company’s performance and increasing in its corporate value over the medium to long term.

(1) Outline of transactions

The Plan is a system under which the Trust established by the Company uses money contributed by the Company to acquire the Company’s shares, and in accordance with the predetermined regulations for the Employee Stock Ownership Plan (hereinafter “the J-ESOP Regulations”), the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (hereinafter collectively “the Company’s Shares, etc.”) are provided to the Company’s employees who satisfy certain beneficiary requirements.

The Company grants points to eligible employees of the Company in accordance with the J-ESOP Regulations, and if the employees satisfy certain beneficiary requirements, they receive the Company’s Shares, etc., which correspond to the number of points granted to them, by completing the prescribed procedures. Since the Company contributes the entire amount of money related to the establishment of the Trust, there is no burden on the Company’s employees.

(2) Company’s shares remaining in trust

The Company’s shares remaining in trust are recorded as treasury shares under net assets at the book value in trust (excluding the amount as ancillary expenses). The book value and number of shares of the relevant treasury shares were 83,537 thousand yen and 199,300 shares as of June 30, 2025, and 81,693 thousand yen and 194,900 shares as of March 31, 2026.