

Note: The accompanying consolidated financial statements were not audited since they have been prepared only for reference purposes only. All statements are based on “Kessan Tanshin” report prepared in accordance with the provisions set forth in the accounting regulations and principals generally accepted in Japan.

Consolidated Financial Results for the Third Quarter ended September 30, 2025 [Based on Japanese GAAP]

November 14, 2025

Listed company name: MUGEN ESTATE Co., Ltd
Securities code: 3299
Representative: Shinichi Fujita, President
Contact: Hiroaki Sato, Senior Executive Officer,
General Manager of Administration Division
Scheduled date of dividend payment: —
Supplementary material for financial results: Yes
Quarterly financial results briefing: No

Listed Stock Exchange: Tokyo Stock Exchange
URL <https://www.mugen-estate.co.jp/en/>

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(fractions of one million yen are rounded off)

1. Consolidated financial results for the third quarter ended September 30, 2025 (January 1 to September 30, 2025)

(1) Consolidated financial results (cumulative) (Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q ended September 30, 2025	46,959	(2.9)	7,117	(6.1)	6,310	(9.8)	4,197	(9.0)
3Q ended September 30, 2024	48,352	20.9	7,577	46.7	6,998	52.6	4,613	51.4

(Note) Comprehensive income: 3Q ended September 30, 2025 4,203 million yen (-8.9%)
3Q ended September 30, 2024 4,613 million yen (51.4%)

	Net Income per share	Diluted net income per share
	Yen	Yen
3Q ended September 30, 2025	179.91	178.83
3Q ended September 30, 2024	196.18	195.01

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	100,349	33,072	32.9
As of December 31, 2024	87,503	32,076	36.6

(Reference) Shareholders' equity: As of September 30, 2025 32,979 million yen
As of December 31, 2024 31,983 million yen

2. Dividends

	Annual dividends per share				
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	—	0.00	—	104.00	104.00
Year ending December 31, 2025	—	45.00	—		
Year ending December 31, 2025 (forecast)				67.00	112.00

(Note) Revision of the latest dividend forecast: No

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025

(January 1, 2025 to December 31, 2025)

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2025 (Full year)	64,135	3.1	10,216	6.2	9,147	3.3	6,178	1.5	264.56

(Note) Revision of the latest consolidated financial results forecast: Yes

*** Notes**

(1) Changes in significant subsidiaries during the period: Yes

New company MUGEN ASSET MANEGEMENT CO., LTD.

(2) Application of any accounting procedures specific to 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 other than (i) | : None |
| (iii) Changes in accounting estimates | : None |
| (iv) Restatement of prior period financial statements after error corrections | : None |

(4) Number of shares issued (common stock)

(i) Number of shares outstanding at end of the period (including treasury stock)

As of September 30, 2025 24,361,000 shares

As of December 31, 2024 24,361,000 shares

(ii) Number of treasury stock held at end of the period

As of September 30, 2025 980,531 shares

As of December 31, 2024 1,092,491 shares

(iii) Average number of shares outstanding during the period (cumulative)

As of September 30, 2025 23,333,713 shares

As of September 30, 2024 23,515,289 shares

*The current quarterly financial results are not subject to the quarterly review procedures.

* Explanation of the proper use of financial forecasts and other important notes

(1) Financial forecasts

The statements about the future included in this report, including financial forecasts, are based on information currently available to the Company and certain assumptions that are considered reasonable, which do not guarantee the achievement of such projected results. Actual results may vary considerably from these projections due to a range of factors. See “(3) Explanation of Consolidated Financial Results and Other Forward-Looking Statements” under “1. Overview of Operating Results and Financial Position “ on page 2 of the Accompanying Materials for the assumptions of the financial forecasts and points to note in the use of financial forecasts.

(2) Access to presentation materials for financial results

Presentation materials are disclosed through TDnet and on the Company’s website on the same day.

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Period

During the first nine months of the fiscal year under review (January 1, 2025 through September 30, 2025), the real estate industry in which the MUGEN ESTATE Group (the “Group”) operates saw the 2025 benchmark land prices (as of July 1, 2025) announced by the Ministry of Land, Infrastructure, Transport and Tourism on September 16, 2025, rise by 1.5% from the previous period on average across all land uses, including residential and commercial areas throughout the country. This increase was driven by factors such as economic recovery, redevelopment, and inbound demand.

Furthermore, real estate investment in the Japanese market surpassed 3 trillion yen in the first half of 2025, with Tokyo ranking first among cities worldwide. Demand from overseas investors was particularly strong, with their real estate purchases accounting for 34% of the total. On the other hand, future demand trends, influenced by factors such as the Bank of Japan’s policy interest rate hikes affecting investment decisions and contributing to the rise in mortgage interest rates, require careful monitoring.

According to the Real Estate Information Network Systems (REINS) Eastern Japan, the number of transactions for used condominiums in the Tokyo area increased by 46.9% year on year to 4,475 in September 2025, marking the 11th consecutive month of year-on-year growth. The average contract price per square meter increased by 12.3% year on year to 851,800 yen, surpassing the same month in the previous year for 65 consecutive months. The average contract price increased by 10.1% to 53,520,000 yen, marking the 11th consecutive month of year-on-year increases. Inventory decreased by 3.4% year on year to 43,850, the second consecutive month of year-on-year decline.

In this business environment, the Group’s mainstay Real Estate Purchase and Resale Business saw strong sales in high-priced properties among residential-type properties, while sales of investment-type properties slowed due to a focus on profitability in sales activities, which led to weaker performance in large property sales. In regional areas, sales reached 3,011 million yen, a significant 175.5% increase compared with the same period last year, with the success of regional offices gradually becoming apparent. On the purchasing side, the strengthening of sales activities in the third quarter has been effective, resulting in an increase in both the purchase amount and the number of purchases year on year. Particularly in regional areas, the purchase of residential-type properties has been progressing smoothly, reaching 2,232 million yen (a 95.0% increase year on year), and the diversification of asset types based on local characteristics is steadily progressing as well.

In the Real Estate Development Business, we advanced the completion of our original brand, the “SIDEPLACE” series, and in July, we completed a seven-story, steel-framed building above ground in Asagaya, Suginami-ku. We will advance the purchasing activities for new development sites, while focusing on proactive sales activities and conducting process management at work-in-progress sites.

In the Real Estate Specified Joint Business, the seventh product, the “Shinkoiwa Project,” was fully sold, and formation of the voluntary partnership for this project was completed in September. Contracts for the Ogikubo Project, which are currently on sale, are progressing steadily.

As a result, consolidated net sales decreased 2.9% year on year, to 46,959 million yen, consolidated operating income fell 6.1% year on year, to 7,117 million yen, consolidated ordinary income decreased 9.8% year on year, to 6,310 million yen, and consolidated profit attributable to owners of parent was down 9.0% year on year, to 4,197 million yen in the first nine months under review.

The following is an overview of the results by segment.

[Real Estate Trading Business]

In the Real Estate Trading Business, the number of units sold in investment-type properties came to 155 (up 16 units year on year) and the average unit selling price was 121 million yen (down 19.7% year on year), registering net sales of 18,875 million yen (down 10.4% year on year). Meanwhile, the number of units sold in residential-type properties came to 316 (down 56 units year on year) and the average unit selling price was 79 million yen (up 38.2% year on year), registering net sales of 25,122 million yen (up 17.4% year on year).

The Real Estate Development Business has no sales achievements as of the third quarter.

In the Real Estate Specified Joint Business, the Sapporo Hostel Project and the Shinkoiwa Project were formed, resulting in net sales of 775 million yen, a 47.7% decrease from the same period last year.

As a result, net sales for the segment decreased 3.7% year on year, to 44,836 million yen, and the segment profit (operating income for the segment) decreased 2.9% year on year, to 8,558 million yen.

[Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 1,974 million yen (up 19.8% year on year).

As a result, net sales for the segment increased 17.8% year on year, to 2,123 million yen, and segment profit (operating income for the segment) down 7.4% year on year, to 527 million yen.

Note: The “investment-type properties” are classified as real estate generating rental income, including rental condominiums, and office blocks, which are used by buyers for the purpose of investment. The “residential-type properties” are classified as real estate used by buyers as their housing units, most of which are owned condominiums.

(2) Overview of Financial Positions for the Period

The financial position at the end of the third quarter of the consolidated fiscal year under review included total assets of 100,349 million yen (up 14.7% from the end of the previous fiscal year), liabilities of 67,277 million yen (up 21.4% from the end of the previous fiscal year), and net assets of 33,072 million yen (up 3.1% from the end of the previous fiscal year).

(Assets)

The increase in total assets resulted mainly from a 9,617 million yen increase in real estate for sale (including real estate for sale in process), a 771 million yen increase in buildings, and a 1,396 million yen increase in land.

(Liabilities)

The major factors for the increase in liabilities were a 7,371 million yen increase in long-term borrowings (including current portion) and a 4,657 million yen increase in short-term borrowings.

(Net assets)

The major factors for the increase of net assets were an increase 4,197 million yen in retained earnings due to the posting of a profit attributable to owners of parent and a decline of 3,472 million yen in retained earnings due to the payment of dividends.

(3) Explanation of Consolidated Financial Results and Other Forward-Looking Statements

The Forecasts for consolidated financial results and dividends for the fiscal year ending December 31, 2025 are as announced in the Notice Regarding Revision of Earnings Forecast released on November 14, 2025.

The descriptions of business forecasts presented in this document are based on the future assumptions, outlook, and plans as of the date of the publication of this document, which include risks and uncertain factors. Actual results may vary significantly from the forecasts presented in this document due to the economic environment, market trends, and other factors that affect the business of the Group.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 3Q (As of September 30, 2025)
Assets		
Current assets		
Cash and deposits	22,016	22,039
Accounts receivable - trade	63	73
Real estate for sale	60,525	69,917
Real estate for sale in process	367	594
Other	758	1,553
Allowance for doubtful accounts	(5)	(4)
Total current assets	83,725	94,174
Non-current assets		
Property, plant and equipment		
Buildings	1,782	2,629
Accumulated depreciation	(474)	(550)
Buildings, net	1,307	2,079
Land	1,412	2,809
Other	120	168
Accumulated depreciation	(68)	(78)
Other, net	52	89
Total property, plant and equipment	2,773	4,978
Intangible assets	79	82
Investments and other assets		
Deferred tax assets	481	473
Other	401	587
Total investments and other assets	883	1,061
Total non-current assets	3,735	6,123
Deferred assets	41	52
Total assets	87,503	100,349

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 3Q (As of September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	606	1,074
Short-term borrowings	7,818	12,475
Current portion of bonds payable	3,999	2,697
Current portion of long-term borrowings	5,170	8,542
Income taxes payable	2,009	764
Provision for bonuses	56	246
Provision for bonuses for directors (and other officers)	65	—
Provision for Executive Officers bonuses	109	—
Construction warranty reserve	51	29
Other	2,406	2,889
Total current liabilities	22,296	28,720
Non-current liabilities		
Bonds payable	3,004	4,189
Long-term borrowings	28,825	32,824
Net defined benefit liability	388	450
Other	911	1,093
Total non-current liabilities	33,130	38,557
Total liabilities	55,426	67,277
Net assets		
Shareholders' equity		
Share capital	2,552	2,552
Capital surplus	2,575	2,748
Retained earnings	27,809	28,539
Treasury shares	(919)	(830)
Total shareholders' equity	32,018	33,009
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(34)	(29)
Total accumulated other comprehensive income	(34)	(29)
Share acquisition rights	92	92
Total net assets	32,076	33,072
Total liabilities and net assets	87,503	100,349

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

[Quarterly Consolidated Statements of Income]

(For nine months from January 1 to September 30, 2025)

	(Million yen)	
	FY2024 3Q (From January 1 to September 30, 2024)	FY2025 3Q (From January 1 to September 30, 2025)
Net sales	48,352	46,959
Cost of sales	35,629	34,249
Gross profit	12,722	12,709
Selling, general and administrative expenses	5,144	5,591
Operating profit	7,577	7,117
Non-operating income		
Interest and dividend income	3	27
Commission income	27	21
Penalty income	14	17
Refund of real estate acquisition taxes	5	29
Other	6	20
Total non-operating income	57	117
Non-operating expenses		
Interest expenses	559	659
Commission expenses	46	224
Other	29	42
Total non-operating expenses	636	925
Ordinary profit	6,998	6,310
Extraordinary income		
Gain on sales of fixed assets	2	—
Total extraordinary income	2	—
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	7,001	6,306
Income taxes - current	2,459	2,102
Income taxes - deferred	(71)	5
Total income taxes	2,387	2,108
Profit	4,613	4,197
Profit attributable to owners of parent	4,613	4,197

[Quarterly Consolidated Statements of Comprehensive Income]

(For nine months from January 1 to September 30, 2025)

(Million yen)

	FY2024 3Q (From January 1 to September 30, 2024)	FY2025 3Q (From January 1 to September 30, 2025)
Profit	4,613	4,197
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	—	5
Total other comprehensive income	—	5
Comprehensive income	4,613	4,203
(Breakdown)		
Comprehensive income attributable to owners of parent	4,613	4,203

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment Information)

For nine months ended September 30, 2024 (From January 1 to September 30, 2024)

Information relating to the amount of net sales, and income or loss by reportable segment

(Million yen)

	Reportable Segments			Adjustment (Note 1)	Total (Note 2)
	Real Estate Trading Business	Real Estate Leasing and Other Business	Sub-total		
Net sales					
Net sales to external customers	46,550	1,802	48,352	—	48,352
Inter-segment sales or transfer	3	16	19	(19)	—
Total	46,553	1,818	48,372	(19)	48,352
Segment profit	8,812	569	9,381	(1,803)	7,577

(Note) 1. The segment profit adjustment of (1,803) million yen consists of primarily company-wide expenses that are not allocated to the selling, general and administrative expenses of each reported segment.

2. Segment profit has been adjusted to operating income stated in quarterly consolidated statements of income.

For nine months ended September 30, 2025 (From January 1 to September 30, 2025)

Information relating to the amount of net sales, and income or loss by reportable segment

(Million yen)

	Reportable Segments			Adjustment (Note 1)	Total (Note 2)
	Real Estate Trading Business	Real Estate Leasing and Other Business	Sub-total		
Net sales					
Net sales to external customers	44,836	2,123	46,959	—	46,959
Inter-segment sales or transfer	—	3	3	(3)	—
Total	44,836	2,126	46,963	(3)	46,959
Segment profit	8,558	527	9,085	(1,967)	7,117

(Note) 1. The segment profit adjustment of (1,967) million yen consists of primarily company-wide expenses that are not allocated to the selling, general and administrative expenses of each reported segment.

2. Segment profit has been adjusted to operating income stated in quarterly consolidated statements of income.

(Notes to Statements of Cash Flows)

The quarterly consolidated statements of cash flows have not been prepared for the nine months ended September 30, 2025. Depreciation and amortization (including amortization of Intangible assets) for the nine months ended September 30, 2025 are as below.

(Million yen)

	FY2024 3Q (From January 1 to September 30, 2025)	FY2025 3Q (From January 1 to September 30, 2025)
Depreciation and amortization	598	757