

Consolidated Financial Results for the First Quarter ended March 31, 2026
[Based on Japanese GAAP]

May 15, 2026

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

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

ir@mugen-estate.co.jp

Scheduled date of dividend payment: —

Supplementary material for financial results: Yes

Quarterly financial results briefing: No

(fractions of one million yen are rounded off)

1. Consolidated financial results for the first quarter ended March 31, 2026 (January 1 to March 31, 2026)

(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	%
1Q ended March 31, 2026	12,523	(27.0)	1,014	(66.0)	731	(72.5)	440	(75.5)
1Q ended March 31, 2025	17,153	39.4	2,982	152.3	2,656	167.5	1,800	176.5

(Note) Comprehensive income: 1Q ended March 31, 2026 437 million yen (-75.7%)
1Q ended March 31, 2025 1,802 million yen (176.8%)

	Net Income per share	Diluted net income per share
	Yen	Yen
1Q ended March 31, 2026	18.76	18.66
1Q ended March 31, 2025	77.39	76.92

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2026	108,443	34,617	31.8
As of December 31, 2025	106,698	35,802	33.5

(Reference) Shareholders' equity: As of March 31, 2026 34,530 million yen
As of December 31, 2025 35,709 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, 2025	—	45.00	—	69.00	114.00
Year ending December 31, 2026	—	—	—	—	—
Year ending December 31, 2026 (forecast)	—	52.00	—	78.00	130.00

(Note) Revision of the latest dividend forecast: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026

(January 1, 2026 to December 31, 2026) (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
FY2026 (Full year)	79,286	16.1	12,398	12.2	11,058	11.1	7,595	14.1	323.42

(Note) Revision of the latest consolidated financial results forecast: None

* Notes

- (1) Changes in significant subsidiaries during the period: None
- (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 March 31, 2026 | 24,361,000 shares |
| As of December 31, 2025 | 24,361,000 shares |
| (ii) Number of treasury stock held at end of the period | |
| As of March 31, 2026 | 866,251 shares |
| As of December 31, 2025 | 875,891 shares |
| (iii) Average number of shares outstanding during the period (cumulative) | |
| As of March 31, 2026 | 23,484,885 shares |
| As of March 31, 2025 | 23,268,509 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 three months of the fiscal year under review (January 1, 2026 through March 31, 2026), in the real estate industry where the Group operates, property prices for investment-type properties reached record highs across all asset classes. However, property prices rose at a faster pace than rents, and while yields remained at a certain level, they continued to trend downward. Demand for residential-type properties also remained stable overall, although discount rates in Tokyo's five central wards continued to rise, suggesting localized signs of price adjustment.

According to the official land prices announced by the Ministry of Land, Infrastructure, Transport and Tourism on March 17, 2026, the nationwide average for all land-use categories rose 2.8% year on year, marking the fifth consecutive annual increase. In particular, in the Tokyo metropolitan area and Osaka City, land prices continued to be supported by progress in large-scale redevelopment projects and solid office demand.

On the other hand, amid soaring crude oil prices driven by the worsening situation in the Middle East, supply constraints for housing equipment and rising construction material prices have emerged. Coupled with growing expectations of further interest rate hikes by the Bank of Japan, uncertainty over the outlook for the real estate business environment has increased.

According to the Real Estate Information Network Systems (REINS) Eastern Japan, the number of transactions for existing condominiums in the Tokyo metropolitan area increased by 0.2% year on year to 5,001 in March 2026, marking the 17th consecutive month of year-on-year growth. The average contract price per square meter increased by 9.3% year on year to 863,400 yen, surpassing the same month in the previous year for 71 consecutive months. The average contract price increased by 11.6% to 55,210,000 yen, marking the 17th consecutive month of year-on-year increases. Inventory increased by 1.8% year on year to 44,728, the first increase in eight months.

In this business environment, the Group's mainstay Real Estate Purchase and Resale Business saw some weakness in demand from overseas investors, and net sales and profit decreased significantly year on year due to the impact of sluggish sales of large properties.

In residential-type properties, while the number of units sold increased year on year, net sales were significantly lower than the same period of the previous year due to the impact of sluggish sales of high-priced properties. On the other hand, for investment-type properties, the average unit selling price rose due to an increase in the sale of whole buildings year on year, and net sales landed at a level exceeding the same period of the previous year.

In the Real Estate Specified Joint Business, the second phase of offering for the "Ogikubo Project" was completed, and the formation of a voluntary partnership was formed in March. Sales for the "Soka Project" began in March, and contracts are progressing steadily.

As a result, for the first three months of the fiscal year under review, net sales were 12,523 million yen (down 27.0% year on year), operating income was 1,014 million yen (down 66.0% year on year), ordinary income was 731 million yen (down 72.5% year on year), and profit attributable to owners of parent was 440 million yen (down 75.5% year on year).

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 35 (down 9 units year on year) and the average unit selling price was 157 million yen (up 107.6% year on year), registering net sales of 5,527 million yen (up 65.1% year on year). Meanwhile, the number of units sold in residential-type properties came to 110 (up 15 units year on year) and the average unit selling price was 52 million yen (down 62.0% year on year), registering net sales of 5,780 million yen (down 56.0% year on year).

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

In the Real Estate Specified Joint Business, one project was formed, resulting in net sales of 335 million yen (no sales achievements in the same period of the previous year).

As a result, net sales for the segment were 11,661 million yen (down 29.3% year on year), and segment profit (operating income for the segment) was 1,436 million yen (down 57.7% year on year).

[Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 808 million yen (up 33.5% year on year).

As a result, net sales for the segment increased 32.9% year on year, to 862 million yen, and segment profit (operating income for the segment) increased 13.8% year on year, to 222 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" includes real estate used by purchasers for residential purposes, mainly condominiums, as well as land and other properties.

(2) Overview of Financial Positions for the Period

The financial position at the end of the first quarter of the consolidated fiscal year under review included total assets of 108,443 million yen (up 1.6% from the end of the previous fiscal year), total liabilities of 73,826 million yen (up 4.1% from the end of the previous fiscal year), and net assets of 34,617 million yen (down 3.3% from the end of the previous fiscal year).

The increase in total assets resulted mainly from a 4,041 million yen increase in real estate for sale (including real estate for sale in process), while cash and deposits decreased by 2,559 million yen.

The major factors for the increase in total liabilities were a 756 million yen increase in short-term borrowings and a 3,057 million yen increase in long-term borrowings (including current portion), while income taxes payable decreased by 1,809 million yen.

The major factors for the decrease of net assets were an increase of 440 million yen in retained earnings due to the posting of a profit attributable to owners of parent, while there was a decline of 1,620 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, 2026 are as announced in the Consolidated Financial Results for the Fiscal Year ended December 31, 2025 on February 13, 2026.

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)

	FY2025 (As of December 31, 2025)	FY2026 1Q (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	20,718	18,158
Accounts receivable - trade	88	102
Real estate for sale	75,499	79,162
Real estate for sale in process	649	1,028
Other	1,407	1,625
Allowance for doubtful accounts	(8)	(5)
Total current assets	98,354	100,072
Non-current assets		
Property, plant and equipment		
Buildings	3,019	3,205
Accumulated depreciation	(510)	(548)
Buildings, net	2,509	2,656
Land	3,355	3,513
Other	147	137
Accumulated depreciation	(83)	(87)
Other, net	64	50
Total property, plant and equipment	5,929	6,220
Intangible assets	113	138
Investments and other assets		
Deferred tax assets	483	412
Other	1,764	1,554
Total investments and other assets	2,248	1,966
Total non-current assets	8,291	8,325
Deferred assets	52	45
Total assets	106,698	108,443

(Million yen)

	FY2025 (As of December 31, 2025)	FY2026 1Q (As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	1,048	1,372
Short-term borrowings	10,726	11,483
Current portion of bonds payable	2,740	2,706
Current portion of long-term borrowings	9,786	9,312
Income taxes payable	2,041	231
Provision for bonuses	134	174
provision for director's bonuses	74	—
provision for Executive Officers bonuses	124	—
Construction warranty reserve	42	34
Other	3,235	3,993
Total current liabilities	29,956	29,309
Non-current liabilities		
Bonds payable	4,364	4,279
Long-term borrowings	35,126	38,658
Retirement benefit liability	376	391
Other	1,072	1,188
Total non-current liabilities	40,939	44,517
Total liabilities	70,896	73,826
Net assets		
Shareholders' equity		
Share capital	2,552	2,552
Capital surplus	2,880	2,876
Retained earnings	30,997	29,817
Treasury shares	(747)	(739)
Total shareholders' equity	35,682	34,506
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	27	24
Total accumulated other comprehensive income	27	24
Share acquisition rights	92	75
Total net assets	35,802	34,617
Total liabilities and net assets	106,698	108,443

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 [Quarterly Consolidated Statements of Income]
 (For three months from January 1 to March 31, 2026)

(Million yen)

	FY2025 1Q (From January 1 to March 31, 2025)	FY2026 1Q (From January 1 to March 31, 2026)
Net sales	17,153	12,523
Cost of sales	12,397	9,708
Gross profit	4,756	2,815
Selling, general and administrative expenses	1,773	1,800
Operating profit	2,982	1,014
Non-operating income		
Interest and dividend income	9	19
Commission income	6	4
Penalty income	1	2
Refund of real estate acquisition taxes	18	12
Other	3	11
Total non-operating income	38	51
Non-operating expenses		
Interest expenses	188	309
Commission expenses	167	16
Other	9	8
Total non-operating expenses	365	334
Ordinary profit	2,656	731
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Total extraordinary losses	0	—
Profit before income taxes	2,656	731
Income taxes - current	848	218
Income taxes - deferred	6	72
Total income taxes	855	291
Profit	1,800	440
Profit attributable to owners of parent	1,800	440

[Quarterly Consolidated Statements of Comprehensive Income]
(For three months from January 1 to March 31, 2026)

(Million yen)

	FY2025 1Q (From January 1 to March 31, 2025)	FY2026 1Q (From January 1 to March 31, 2026)
Profit	1,800	440
Other comprehensive income		
Adjustment for retirement benefits	1	(3)
Total other comprehensive income	1	(3)
Comprehensive income	1,802	437
(Breakdown)		
Comprehensive income attributable to owners of parent	1,802	437

(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 three months ended March 31, 2025 (From January 1 to March 31, 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	16,505	648	17,153	—	17,153
Inter-segment sales or transfer	—	1	1	(1)	—
Total	16,505	649	17,155	(1)	17,153
Segment profit	3,396	195	3,591	(608)	2,982

(Note) 1. The segment profit adjustment of (608) 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 three months ended March 31, 2026 (From January 1 to March 31, 2026)

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	11,661	862	12,523	—	12,523
Inter-segment sales or transfer	4	—	4	(4)	—
Total	11,665	862	12,527	(4)	12,523
Segment profit	1,436	222	1,659	(644)	1,014

(Note) 1. The segment profit adjustment of (644) 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 three months ended March 31, 2026. Depreciation and amortization (including amortization of Intangible assets) for the three months ended March 31, 2026 are as below.

(Million yen)

	FY2025 1Q (From January 1 to March 31, 2025)	FY2026 1Q (From January 1 to March 31, 2026)
Depreciation and amortization	226	314