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 Six Months ended June 30, 2026
[Under Japanese GAAP]

August 7, 2026

Listed company name: MUGEN ESTATE Co., Ltd.
Listed Stock Exchange: Tokyo Stock Exchange
Securities code: 3299
URL https://www.mugen-estate.co.jp/en/
Representative: Shinichi Fujita, President
Contact: Hiroaki Sato, Senior Executive Officer, General Manager of Administration Division
ir@mugen-estate.co.jp

Scheduled date to file Semi-annual Securities Report: August 7, 2026
Scheduled date to commence dividend payments:September 14,2026
Preparation of supplementary material on financial results: Yes
Holding financial results briefing: Yes (for analysts and institutional investors)

(fractions of one million yen are rounded off)

1. Consolidated financial results for the Six Months ended June 30, 2026 (January 1 to June 30, 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	26,743	(18.8)	2,773	(49.4)	2,142	(56.6)	1,320	(60.2)
June 30, 2025	32,943	4.6	5,479	9.0	4,932	6.2	3,320	8.4

(Note) Comprehensive income: For the six months ended June 30, 2026 1,316 million yen (-60.4%)
For the six months ended June 30, 2025 3,323 million yen (8.5%)

	Net Income per share	Diluted net income per share
Six months ended	Yen	Yen
June 30, 2026	56.14	55.83
June 30, 2025	142.44	141.58

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2026	110,277	35,690	32.3
December 31, 2025	106,698	35,802	33.5

(Reference) Shareholders' equity: As of June 30, 2026 35,603 million yen
As of December 31, 2025 35,709 million yen

2. Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended December 31, 2025	−	45.00	−	69.00	114.00
Fiscal Year ending December 31, 2026	−	52.00			
Fiscal Year ending December 31, 2026 (forecast)			−	52.00	104.00

(Note) Revision of the latest dividend forecast: Yes

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
Fiscal Year ending December 31, 2026	61,599	(9.8)	8,588	(22.3)	7,237	(27.3)	4,770	(28.4)	202.58

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

* Notes

(1) Changes in significant subsidiaries during the period: None

(2) Application of any accounting procedures specific to preparation of interim 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 June 30, 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 June 30, 2026	782,611 shares
As of December 31, 2025	875,891 shares

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

As of June 30, 2026	23,521,806 shares
As of June 30, 2025	23,309,949 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 period from January 1, 2026 to June 30, 2026, in the real estate industry where MUGEN ESTATE CO., Ltd. and its consolidated subsidiaries ("the Group") operate, strong demand for investment-type properties, particularly in urban areas, has been a factor pushing up the market. However, the market is currently in a phase where downward pressures, such as rising construction costs due to soaring material prices and labor costs, as well as the Bank of Japan's policy interest rate hikes, are intersecting, and the outlook remains uncertain.

According to the roadside land prices (as of January 1, 2026) announced by the National Tax Agency on July 1, 2026, the nationwide average rate of change rose for the fifth consecutive year, reaching a record high of 2.9%, driven by urban redevelopment and robust domestic and international real estate investment demand backed by the weak yen. In Tokyo, in particular, the rate of increase was 9.4%, the highest in the country, due to factors such as expanding office demand in the city center.

According to the Real Estate Information Network Systems (REINS) Eastern Japan, the number of transactions for used condominiums in the Tokyo area in June 2026 was 4,241 (down 1.3% year on year), marking the third consecutive month of year-on-year decline. The contract price per square meter was 826.4 thousand yen (down 0.8% year on year), and the contract price was 52.08 million yen (down 0.02% year on year), remaining almost flat but falling below the same month of the previous year for the second consecutive month. The number of properties for sale was 45,995 (up 3.5% year on year), exceeding the same month of the previous year for the fourth consecutive month.

Under these business conditions, the Group's mainstay Real Estate Purchase and Resale Business has been strengthening sales activities for domestic investors in response to the decline in demand from overseas investors. While the effects of these efforts are gradually appearing, their contribution to earnings during the interim consolidated accounting period was limited. In addition, sales of high-priced residential-type properties, primarily targeted at affluent domestic and overseas wealthy individuals, remained sluggish, resulting with respect to investment-type properties, both the number of units sold and net sales exceeded the levels of the same period of the previous year. Meanwhile, with respect to residential-type properties, although the number of units sold increased year on year, net sales were significantly lower than those of the same period of the previous fiscal year due to the sluggish sales of high-priced properties.

As a result, for the interim consolidated accounting period, net sales were 26,743 million yen (down 18.8% year on year), operating income was 2,773 million yen (down 49.4% year on year), ordinary income was 2,142 million yen (down 56.6% year on year), and profit attributable to owners of parent was 1,320 million yen (down 60.2% 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 99 (up 3 units year on year) and the average unit selling price was 126 million yen (down 1.3% year on year), registering net sales of 12,531 million yen (up 1.8% year on year). In addition, the number of units sold in residential-type properties came to 215 (up 5 units year on year) and the average unit selling price was 56 million yen (down 38.0% year on year), registering net sales of 12,068 million yen (down 36.5% year on year).

The Real Estate Development Business has no sales achievements for this period.

In the Real Estate Specified Joint Business, one project was formed, resulting in net sales of 335 million yen (up 63.4% year on year).

As a result, net sales for the segment were 24,965 million yen (down 20.9% year on year), and segment profit (operating income) was 3,522 million yen (down 44.3% year on year).

[Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 1,655 million yen (up 30.2% year on year).

As a result, net sales for the segment were 1,777 million yen (up 30.1% year on year), and segment profit (operating income) was 456 million yen (up 21.9% year on year)

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) Analysis of Financial Position

①[Status of assets, liabilities and net assets]

As of the end of the interim consolidated accounting period, total assets were 110,277 million yen (up 3.4% from the end of the previous fiscal year), total liabilities were 74,587 million yen (up 5.2% from the end of the previous fiscal year), and net assets were 35,690 million yen (down 0.3% from the end of the previous fiscal year).

(Assets)

The major factor for the increase in total assets was an increase of 5,990 million yen in real estate for sale (including real estate for sale in process), while cash and deposits decreased by 2,400 million yen.

(Liabilities)

The major factors for the increase in liabilities were an increase of 5,634 million yen in long-term borrowings (including current portion), while income taxes payable decreased by 1,252 million yen and short-term borrowings decreased by 1,232 million yen.

(Net assets)

The primary factor for the decrease in net assets was an increase of 1,320 million yen in retained earnings due to the recording of profit attributable to owners of parent for the interim period, while retained earnings decreased by 1,620 million yen due to the payment of dividends.

②[Status of cash flows]

Cash and cash equivalents (“cash”) at the end of the interim consolidated fiscal period decreased by 2,550 million yen from the end of the previous consolidated fiscal year to 16,622 million yen. The status of each cash flow and the factors contributing to them during the interim consolidated fiscal period are as follows.

(Cash flows from operating activities)

Net cash used in operating activities during the interim consolidated fiscal period was 4,237 million yen (net cash used in the same period of the previous fiscal year was 880 million yen). This was mainly attributable to the recording of profit before income taxes for the interim period of 2,138 million yen, offset by an increase in inventories of 6,540 million yen and income taxes paid of 1,944 million yen.

(Cash flows from investing activities)

Net cash used in investing activities during the interim consolidated fiscal period was 715 million yen (net cash used in the same period of the previous fiscal year was 248 million yen). This was mainly due to proceeds from withdrawal of time deposits of 885 million yen, offset by payments into time deposits of 1,036 million yen and expenditures for the acquisition of property, plant and equipment of 723 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities during the interim consolidated fiscal period was 2,401 million yen (net cash provided in the same period of the previous fiscal year was 1,094 million yen). This was mainly due to proceeds from long-term borrowings of 18,645 million yen, offset by repayments of long-term borrowings of 13,011 million yen and cash dividends paid of 1,620 million yen.

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

The consolidated earnings and dividend forecasts for the fiscal year ending December 2026 are as announced in the "Notice Regarding Revision of Earnings and Dividend Forecast" released on August 7, 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. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Million yen)

	Fiscal year ended December 31, 2025	Fiscal year ended June 30, 2026
Assets		
Current assets		
Cash and deposits	20,718	18,318
Accounts receivable - trade	88	116
Real estate for sale	75,499	80,901
Real estate for sale in process	649	1,238
Other	1,407	1,051
Allowance for doubtful accounts	(8)	(8)
Total current assets	98,354	101,618
Non-current assets		
Property, plant and equipment		
Buildings	3,019	3,406
Accumulated depreciation	(510)	(585)
Buildings, net	2,509	2,820
Land	3,355	3,697
Other	147	137
Accumulated depreciation	(83)	(91)
Other, net	64	46
Total property, plant and equipment	5,929	6,564
Intangible assets	113	142
Investments and other assets		
Investment securities	1,170	955
Deferred tax assets	483	402
Other	594	554
Total investments and other assets	2,248	1,912
Total non-current assets	8,291	8,619
Deferred assets	52	39
Total assets	106,698	110,277

(Million yen)

	Fiscal year ended December 31, 2025	Fiscal year ended June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,048	1,461
Short-term borrowings	10,726	9,493
Current portion of bonds payable	2,740	2,635
Current portion of long-term borrowings	9,786	10,133
Income taxes payable	2,041	788
Provision for bonuses	134	36
provision for director’s bonuses	74	19
provision for Executive Officers bonuses	124	19
Construction warranty reserve	42	31
Other	3,235	3,765
Total current liabilities	29,956	28,385
Non-current liabilities		
Bonds payable	4,364	4,093
Long-term borrowings	35,126	40,414
Retirement benefit liability	376	412
Other	1,072	1,281
Total non-current liabilities	40,939	46,201
Total liabilities	70,896	74,587
Net assets		
Shareholders’ equity		
Share capital	2,552	2,552
Capital surplus	2,880	2,985
Retained earnings	30,997	30,697
Treasury shares	(747)	(654)
Total shareholders’ equity	35,682	35,580
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	27	23
Total accumulated other comprehensive income	27	23
Share acquisition rights	92	86
Total net assets	35,802	35,690
Total liabilities and net assets	106,698	110,277

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

[Interim Consolidated Statements of Income]

(Million yen)

	For the six months ended June 30,2025	For the six months ended June 30,2026
Net sales	32,943	26,743
Cost of sales	23,868	20,408
Gross profit	9,074	6,334
Selling, general and administrative expenses	3,594	3,561
Operating profit	5,479	2,773
Non-operating income		
Interest and dividend income	9	36
Commission income	15	13
Penalty income	6	15
Refund of real estate acquisition taxes	26	17
Other	7	13
Total non-operating income	66	96
Non-operating expenses		
Interest expenses	406	645
Commission expenses	183	50
Other	22	30
Total non-operating expenses	612	726
Ordinary profit	4,932	2,142
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	4,932	2,138
Income taxes - current	1,624	735
Income taxes - deferred	(12)	82
Total income taxes	1,612	818
Profit	3,320	1,320
Profit attributable to owners of parent	3,320	1,320

[Interim Consolidated Statements of Comprehensive Income]

(Million yen)

	For the six months ended June 30,2025	For the six months ended June 30,2026
Profit	3,320	1,320
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	3	(4)
Total other comprehensive income	3	(4)
Comprehensive income	3,323	1,316
(Breakdown)		
Comprehensive income attributable to owners of parent	3,323	1,316

(3) Interim Consolidated Cash Flow

(Million yen)

	For the six months ended June 30,2025	For the six months ended June 30,2026
Cash flows from operating activities		
Profit before income taxes	4,932	2,138
Depreciation	478	639
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for bonuses	(21)	(98)
Increase (decrease) in provision for bonuses for directors (and other officers)	(65)	(55)
Increase (decrease) in provision for executive officer's bonuses	(109)	(105)
Increase (decrease) in construction warranty reserve	(3)	(10)
Increase (decrease) in net defined benefit liability	43	31
Interest and dividend income	(9)	(36)
Interest expenses	406	645
Share-based payment expenses	106	137
Amortization of bond issuance costs	17	13
Loss on retirement of non-current assets	0	4
Decrease (increase) in trade receivables	2	(28)
Decrease (increase) in inventories	(3,880)	(6,540)
Increase (decrease) in trade payables	262	412
Increase (decrease) in accrued consumption taxes	(50)	8
Decrease (increase) in consumption taxes refund receivable	(230)	361
Increase (decrease) in lease and guarantee deposits received	128	214
Decrease (increase) in other current assets	(391)	75
Increase (decrease) in other current liabilities	(143)	512
Other, net	0	(4)
Subtotal	1,472	(1,683)
Interest and dividends received	9	36
Interest paid	(415)	(659)
Income taxes refund	—	14
Income taxes paid	(1,946)	(1,944)
Net cash provided by (used in) operating activities	(880)	(4,237)
Cash flows from investing activities		
Payments into time deposits	(898)	(1,036)
Proceeds from withdrawal of time deposits	797	885
Purchase of property, plant and equipment	(190)	(723)
Purchase of intangible assets	(5)	(63)
Proceeds from sale of property, plant and equipment	—	213
Collection of investments in capital	53	10
Payments of leasehold and guarantee deposits	(16)	(1)
Proceeds from refund of leasehold and guarantee deposits	11	0
Net cash provided by (used in) investing activities	(248)	(715)

(Million yen)

	For the six months ended June 30,2025	For the six months ended June 30,2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,877	(1,232)
Proceeds from long-term borrowings	15,365	18,645
Repayments of long-term borrowings	(13,691)	(13,011)
Proceeds from issuance of bonds	3,574	—
Redemption of bonds	(3,608)	(376)
Dividends paid	(2,419)	(1,620)
Other	(2)	(3)
Net cash provided by (used in) financing activities	1,094	2,401
Net increase (decrease) in cash and cash equivalents	(33)	(2,550)
Cash and cash equivalents at beginning of period	20,500	19,173
Cash and cash equivalents at end of period	20,466	16,622

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment Information and Others)

[Segment information]

For the six months ended June 30, 2025 (From January 1 to June 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	31,576	1,366	32,943	—	32,943
Inter-segment sales or transfer	—	3	3	(3)	—
Total	31,576	1,370	32,946	(3)	32,943
Segment profit	6,328	374	6,702	(1,223)	5,479

(Note) 1. The segment profit adjustment of (1,223) 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 interim consolidated statements of income.

For the six months ended June 30, 2026 (From January 1 to June 30, 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	24,965	1,777	26,743	—	26,743
Inter-segment sales or transfer	4	—	4	(4)	—
Total	24,970	1,777	26,748	(4)	26,743
Segment profit	3,522	456	3,978	(1,204)	2,773

(Note) 1. The segment profit adjustment of (1,204) 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 interim consolidated statements of income.