

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 First Quarter ended March 31, 2025 [Based on Japanese GAAP]

May 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 first quarter ended March 31, 2025 (January 1 to March 31, 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	%
1Q ended March 31, 2025	17,153	39.4	2,982	152.3	2,656	167.5	1,800	176.5
1Q ended March 31, 2024	12,307	5.8	1,182	(19.6)	993	(22.4)	651	(23.0)

(Note) Comprehensive income: 1Q ended March 31, 2025 1,802 million yen ( 176.8%)  
 1Q ended March 31, 2024 651 million yen ( -23.0%)

	Net Income per share	Diluted net income per share
	Yen	Yen
1Q ended March 31, 2025	77.39	76.92
1Q ended March 31, 2024	27.64	27.47

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	88,326	31,458	35.5
As of December 31, 2024	87,503	32,076	36.6

(Reference) Shareholders' equity: As of March 31, 2025 31,365 million yen  
 As of December 31, 2024 31,983 million yen

### 2. Dividends

	Annual dividends per share				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> 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	—				
Year ending December 31, 2025 (forecast)		45.00	—	67.00	112.00

(Note) Revision of the latest dividend forecast: None

### 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)	80,694	29.8	10,961	13.9	9,955	12.4	6,504	6.9
								279.53

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

\* 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 March 31, 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 March 31, 2025 1,092,491 shares

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

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

As of March 31, 2025 23,268,509 shares

As of March 31, 2024 23,463,675 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 to March 31, 2025), demand remained firm in the real estate industry in which the MUGEN ESTATE Group operates, due to a strong market environment and gradual economic recovery that has continued since the previous fiscal year.

According to the official land prices released by the Ministry of Land, Infrastructure, Transport and Tourism on March 18, 2025, the national average for all land uses increased by 2.7% year on year, due to investment and redevelopment in Tokyo and other metropolitan areas and tourist destinations, stemming from the increase in international visitors. This was the highest rate of increase since the bursting of the bubble economy. On the other hand, the environment surrounding real estate is becoming increasingly uncertain, including concerns about a downturn in global economic conditions and the impact on exchange rates resulting from U.S. tariff policy, as well as interest rate hikes by the Bank of Japan.

According to the Real Estate Information Network Systems (REINS) Eastern Japan, the number of transactions for used condominiums in the Tokyo area increased by 31.0% year on year to 4,991 in March 2025, marking the fifth consecutive month of year-on-year growth. The average contract price per square meter increased by 4.1% year on year to 790,100 yen, surpassing the same month in the previous year for 59 consecutive months. The average contract price increased by 2.6% to 49,450,000 yen, marking the fifth consecutive month of year-on-year increases. Inventory decreased by 5.2% year on year to 43,941, the 11th consecutive month of year-on-year decline.

In this business environment, the MUGEN ESTATE Group, under its mainstay Real Estate Purchase & Resale Business, actively worked to expand its sales area, opening its Kyoto Sales Office in February and the Naha Sales Office in March. Although the number of residential-type properties sold declined year on year, sales of properties in the high price range were firm, and net sales significantly exceeded that of the same period of the previous fiscal year. The sales volume of investment-type properties was on a par with that of the same period of the previous fiscal year, but on the other hand, strong sales of smaller properties resulted in a fall in the average sales price, and net sales declined year on year. On the profit front, as a result of sales activities that emphasized profitability, gross profit margin increased year on year for both residential and investment properties.

In the Real Estate Specified Joint Business, Phase 2 offerings for the “Sapporo Hostel Project” wrapped up, and the voluntary partnership for this project was formed in April. Sales of the Shinkoiwa Project began in March, and contracts are progressing steadily.

As a result, consolidated net sales increased 39.4% year on year, to 17,153 million yen, consolidated operating income increased 152.3% year on year, to 2,982 million yen, consolidated ordinary income rose 167.5% year on year, to 2,656 million yen, and consolidated profit attributable to owners of parent increased 176.5% year on year, to 1,800 million yen in the first three 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 44 (up 5 units year on year) and the average unit selling price was 76 million yen (down 32.6% year on year), registering net sales of 3,347 million yen (down 23.9% year on year). Meanwhile, the number of units sold in residential-type properties came to 95 (down 31 units year on year) and the average unit selling price was 138 million yen (up 207.1% year on year), registering net sales of 13,126 million yen (up 131.6% year on year).

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

In the Real Estate Specified Joint Business, although Phase 2 of the Sapporo Hostel Project is complete, as the partnership project was not formed until April, net sales are not presented here.

As a result, net sales for the segment increased 40.7% year on year, to 16,505 million yen, and the segment profit (operating income for the segment) increased 120.6% year on year, to 3,396 million yen.

#### [Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 605 million yen (up 15.0% year on year).

As a result, net sales for the segment increased 12.4% year on year, to 648 million yen, and segment profit (operating income for the segment) up 10.0% year on year, to 195 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 assets of 88,326 million yen (up 0.9% from the end of the previous fiscal year), liabilities of 56,867 million yen (up 2.6% from the end of the previous fiscal year), and net assets of 31,458 million yen (down 1.9% from the end of the previous fiscal year).

The increase in total assets resulted mainly from a 707 million yen increase in real estate for sale (including real estate for sale in process).

The major factors for the increase in total liabilities were a 2,120 million yen increase in short-term borrowings and a 742 million yen increase in long-term borrowings (including current portion), a 1,100 million yen decrease in income taxes payable.

The major factors for the decrease of net assets were an increase of 1,800 million yen in retained earnings due to the posting of a profit attributable to owners of parent and a decline of 2,419 million yen in retained earnings due to the payment of dividends.

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

Forecasts for consolidated financial results and dividends for the fiscal year ending December 31, 2025 remain unchanged from the Notice Regarding Revisions to Forecasts for Financial Results and Dividend announced on February 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 1Q (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	22,016	22,084
Accounts receivable - trade	63	60
Real estate for sale	60,525	61,067
Real estate for sale in process	367	532
Other	758	826
Allowance for doubtful accounts	(5)	(1)
Total current assets	83,725	84,569
Non-current assets		
Property, plant and equipment		
Buildings	1,782	1,799
Accumulated depreciation	(474)	(497)
Buildings, net	1,307	1,301
Land	1,412	1,412
Other	120	133
Accumulated depreciation	(68)	(72)
Other, net	52	61
Total property, plant and equipment	2,773	2,776
Intangible assets	79	82
Investments and other assets		
Deferred tax assets	481	474
Other	401	388
Total investments and other assets	883	862
Total non-current assets	3,735	3,721
Deferred assets	41	35
Total assets	87,503	88,326

(Million yen)

	FY2024 (As of December 31, 2024)	FY2025 1Q (As of March 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	606	792
Short-term borrowings	7,818	9,939
Current portion of bonds payable	3,999	3,834
Current portion of long-term borrowings	5,170	7,276
Income taxes payable	2,009	909
Provision for bonuses	56	132
Provision for director's bonuses	65	—
Provision for Executive Officers bonuses	109	—
Construction warranty reserve	51	55
Other	2,406	2,163
Total current liabilities	22,296	25,104
Non-current liabilities		
Bonds payable	3,004	2,885
Long-term borrowings	28,825	27,461
Retirement benefit liability	388	408
Other	911	1,007
Total non-current liabilities	33,130	31,762
Total liabilities	55,426	56,867
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,552	2,552
Capital surplus	2,575	2,575
Retained earnings	27,809	27,190
Treasury shares	(919)	(919)
Total shareholders' equity	32,018	31,399
Accumulated other comprehensive income		
Accumulated retirement benefit adjustments	(34)	(33)
Total accumulated other comprehensive income	(34)	(33)
Share acquisition rights	92	92
Total net assets	32,076	31,458
Total liabilities and net assets	87,503	88,326

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
[Quarterly Consolidated Statements of Income]  
(For three months from January1 to March 31, 2025)

	(Million yen)	
	FY2024 1Q (From January 1 to March 31, 2024)	FY2025 1Q (From January 1 to March 31, 2025)
Net sales	12,307	17,153
Cost of sales	9,648	12,397
Gross profit	2,659	4,756
Selling, general and administrative expenses	1,477	1,773
Operating profit	1,182	2,982
Non-operating income		
Interest and dividend income	0	9
Commission income	5	6
Penalty income	2	1
Refund of real estate acquisition taxes	3	18
Other	2	3
Total non-operating income	14	38
Non-operating expenses		
Interest expenses	174	188
Commission expenses	16	167
Other	12	9
Total non-operating expenses	203	365
Ordinary profit	993	2,656
Extraordinary losses		
Loss on retirement of non-current assets	—	0
Total extraordinary losses	—	0
Profit before income taxes	993	2,656
Income taxes - current	325	848
Income taxes - deferred	16	6
Total income taxes	341	855
Profit	651	1,800
Profit attributable to owners of parent	651	1,800

[Quarterly Consolidated Statements of Comprehensive Income]  
(For three months from January 1 to March 31, 2025)

(Million yen)

	FY2024 1Q (From January 1 to March 31, 2024)	FY2025 1Q (From January 1 to March 31, 2025)
Profit	651	1,800
Other comprehensive income		
Adjustment for retirement benefits	—	1
Total other comprehensive income	—	1
Comprehensive income	651	1,802
(Breakdown)		
Comprehensive income attributable to owners of parent	651	1,802



(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, 2024 (From January 1 to March 31, 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	11,730	577	12,307	—	12,307
Inter-segment sales or transfer	3	5	9	(9)	—
Total	11,734	582	12,317	(9)	12,307
Segment profit	1,539	177	1,716	(534)	1,182

(Note) 1. The segment profit adjustment of (534) 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, 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.

(Notes to Statements of Cash Flows)

The quarterly consolidated statements of cash flows have not been prepared for the three months ended March 31, 2025. Depreciation and amortization (including amortization of Intangible assets) for the three months ended March 31, 2025 are as below.

(Million yen)

	FY2024 1Q (From January 1 to March 31, 2024)	FY2025 1Q (From January 1 to March 31, 2025)
Depreciation and amortization	177	226