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 Nine Months ended September 30, 2026 [Under Japanese GAAP]

November 13, 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 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 nine months ended September 30, 2026 (January 1 to September 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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	40,928	(12.8)	4,683	(34.2)	3,710	(41.2)	2,320	(44.7)
September 30, 2025	46,959	(2.9)	7,117	(6.1)	6,310	(9.8)	4,197	(9.0)

(Note) Comprehensive income: For the nine months ended September 30, 2026 2,315 million yen (-44.9%)
For the nine months ended September 30, 2025 4,203 million yen (-8.9%)

	Net Income per share	Diluted net income per share
Nine months ended	Yen	Yen
September 30, 2026	98.58	98.03
September 30, 2025	179.91	178.83

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	106,660	35,460	33.2
As of December 31, 2025	106,698	35,802	33.5

(Reference) Shareholders’ equity: As of September 30, 2026 35,374 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
Year ended December 31, 2025	–	45.00	–	69.00	114.00
Year ending December 31, 2026	–	52.00	–		
Year ending December 31, 2026 (forecast)				52.00	104.00

(Note) Revision of the latest dividend forecast: No

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)	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: No

* 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 September 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 September 30, 2026	783,811 shares
As of December 31, 2025	875,891 shares

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

As of September 30, 2026	23,540,736 shares
As of September 30, 2025	23,333,713 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 nine months ended September 30, 2026, in the real estate industry where MUGEN ESTATE CO., Ltd. and its consolidated subsidiaries (“the Group”) operate, the 2026 benchmark land prices (as of July 1, 2026) announced by the Ministry of Land, Infrastructure, Transport and Tourism on September 15, 2026, rose by an average of 1.5% across all land uses, including residential and commercial land nationwide, due to redevelopment accompanying the construction of factories by semiconductor-related companies and robust inbound demand.

In addition, the investment amount in the domestic real estate investment market for the first half of 2026 reached a record high of 3,751,700 million yen, and investors' appetite for acquisitions remains high.

On the other hand, in addition to the impact on investment sentiment from the Bank of Japan's policy interest rate hikes and rising mortgage interest rates, as well as the widening gap between listing prices and contract prices in the used condominium market in the city center, signs of correction in the overheating of the real estate market have emerged, and we recognize the need to continue to closely monitor future real estate demand and price trends.

According to the Real Estate Information Network Systems (REINS) Eastern Japan, the number of transactions for used condominiums in the Tokyo area in September 2026 was 3,457 (down 22.7% year on year), marking the sixth consecutive month of year-on-year decline, with the rate of decrease also expanding. The contract price per square meter was 810,700 yen (down 4.8% year on year), marking the fifth consecutive month of year-on-year decline, and the contract price also remained below the same month of the previous year for the fifth consecutive month at 51.11 million yen (down 4.5% year on year). The number of properties for sale was 50,450 (up 15.1% year on year), marking the seventh consecutive month of increase, and the rate of increase continues to show an expanding trend.

Under these business conditions, in the Real Estate Purchase and Resale Business, which is the Group's mainstay business, we are strengthening sales activities for domestic investors in response to the decline in demand from overseas investors in some areas. At present, the results of our sales measures are gradually appearing, and there are signs of improvement in sales trends. However, in addition to sluggish sales of high-priced properties in the residential-type real estate segment, where affluent domestic and overseas individuals are the primary purchasers, and the reaction to the sale of high-value land projects in the same period of the previous year, net sales and profit were lower than those of the same period of the previous year.

Regarding investment-type properties, sales of large-scale properties contributed, and while the number of units sold remained flat, net sales exceeded those of the same period of the previous year. On the other hand, regarding residential-type properties, although the number of units sold remained on par with the same period of the previous year, net sales and average unit selling price were significantly lower than those of the same period of the previous year.

In the Real Estate Specified Joint Business, the first round of subscription for the "Soka Project" was completed, and an anonymous partnership was formed in September. Regarding the second round of subscription, we began accepting applications in September and are promoting the strengthening of sales activities toward a sell-out.

As a result, for the nine months ended September 30, 2026, net sales were 40,928 million yen (down 12.8% year on year), operating income was 4,683 million yen (down 34.2% year on year), ordinary income was 3,710 million yen (down 41.2% year on year), and quarterly net income attributable to owners of parent was 2,320 million yen (down 44.7% year on year).

The following is an overview of the results by segment.

[Real Estate Trading Business]

In the Real Estate Purchase and Resale Business, the number of units sold in investment-type properties came to 154 (down 1 unit year on year), the average unit selling price was 131 million yen (up 7.7% year on year), and net sales were 20,192 million yen (up 7.0% year on year). In addition, the number of units sold in residential-type properties came to 319 (up 3 units year on year) and the average unit selling price was 53 million yen (down 32.3% year on year), registering net sales of 17,166 million yen (down 31.7% year on year).

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

In the Real Estate Specified Joint Business, two projects were formed, resulting in net sales of 713 million yen (down 8.0% year on year).

As a result, net sales for the segment were 38,230 million yen (down 14.7% year on year), and segment profit (operating income) was 5,778 million yen(down 32.5% year on year).

[Real Estate Leasing and Other Business]

In the Real Estate Leasing and Other Business, revenue from real estate leasing came to 2,500 million yen (up 26.6% year on year).

As a result, net sales for the segment were 2,697 million yen (up 27.1% year on year), and segment profit (operating income) was 687 million yen(up 30.4% 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” 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 106,660 million yen (down 0.04% from the end of the previous fiscal year), liabilities of 71,199 million yen (up 0.4% from the end of the previous fiscal year), and net assets of 35,460 million yen (down 1.0% from the end of the previous fiscal year).

(Assets)

The major factor for the decrease in total assets was a decrease of 4,756 million yen in cash and deposits, while real estate for sale (including real estate for sale in process) increased by 4,220 million yen and property, plant and equipment increased by 598 million yen.

(Liabilities)

The major factors for the increase in liabilities were an increase of 5,949 million yen in long-term borrowings (including current portion), while bonds payable (including current portion) decreased by 2,485 million yen and income taxes payable decreased by 2,040 million yen.

(Net assets)

The primary factor for the decrease in net assets was an increase of 2,320 million yen in retained earnings due to the recording of quarterly profit attributable to owners of parent, while retained earnings decreased by 2,846 million yen due to the payment of dividends.

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

The consolidated earnings and dividend forecasts for the fiscal year ending December 31, 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. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	20,718	15,962
Accounts receivable - trade	88	116
Real estate for sale	75,499	79,530
Real estate for sale in process	649	838
Other	1,407	1,158
Allowance for doubtful accounts	(8)	(9)
Total current assets	98,354	97,597
Non-current assets		
Property, plant and equipment		
Buildings	3,019	3,415
Accumulated depreciation	(510)	(627)
Buildings, net	2,509	2,788
Land	3,355	3,697
Other	147	134
Accumulated depreciation	(83)	(91)
Other, net	64	42
Total property, plant and equipment	5,929	6,528
Intangible assets	113	200
Investments and other assets		
Deferred tax asset	483	429
Other	1,764	1,872
Total investments and other assets	2,248	2,301
Total non-current assets	8,291	9,030
Deferred assets	52	32
Total assets	106,698	106,660

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,048	1,342
Short-term borrowings	10,726	8,848
Current portion of bonds payable	2,740	581
Current portion of long-term borrowings	9,786	10,131
Income taxes payable	2,041	0
Provision for bonuses	134	264
provision for director’s bonuses	74	35
provision for Executive Officers bonuses	124	35
Construction warranty reserve	42	33
Other	3,235	3,415
Total current liabilities	29,956	24,689
Non-current liabilities		
Bonds payable	4,364	4,038
Long-term borrowings	35,126	40,730
Retirement benefit liability	376	419
Other	1,072	1,321
Total non-current liabilities	40,939	46,510
Total liabilities	70,896	71,199
Net assets		
Shareholders’ equity		
Share capital	2,552	2,552
Capital surplus	2,880	2,982
Retained earnings	30,997	30,471
Treasury shares	(747)	(654)
Total shareholders’ equity	35,682	35,351
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	27	22
Total accumulated other comprehensive income	27	22
Share acquisition rights	92	86
Total net assets	35,802	35,460
Total liabilities and net assets	106,698	106,660

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

[Quarterly Consolidated Statements of Income]

(For nine months from January1 to September 30, 2026)

(Million yen)

	For the nine months ended September 30,2025	For the nine months ended September 30,2026
Net sales	46,959	40,928
Cost of sales	34,249	30,772
Gross profit	12,709	10,155
Selling, general and administrative expenses	5,591	5,472
Operating profit	7,117	4,683
Non-operating income		
Interest and dividend income	27	60
Commission income	21	21
Penalty income	17	18
Refund of real estate acquisition taxes	29	20
Other	20	20
Total non-operating income	117	141
Non-operating expenses		
Interest expenses	659	1,005
Commission expenses	224	73
Other	42	35
Total non-operating expenses	925	1,114
Ordinary profit	6,310	3,710
Extraordinary income		
Gain on sales of fixed assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on retirement of non-current assets	4	4
Total extraordinary losses	4	4
Profit before income taxes	6,306	3,706
Income taxes - current	2,102	1,329
Income taxes - deferred	5	55
Total income taxes	2,108	1,385
Profit	4,197	2,320
Profit attributable to owners of parent	4,197	2,320

[Quarterly Consolidated Statements of Comprehensive Income]

(For nine months from January 1 to September 30, 2026)

(Million yen)

	For the nine months ended September 30,2025	For the nine months ended September 30,2026
Profit	4,197	2,320
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	5	(5)
Total other comprehensive income	5	(5)
Comprehensive income	4,203	2,315
(Breakdown)		
Comprehensive income attributable to owners of parent	4,203	2,315

(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, 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.

For nine months ended September 30, 2026 (From January 1 to September 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	38,230	2,697	40,928	—	40,928
Inter-segment sales or transfer	4	—	4	(4)	—
Total	38,234	2,697	40,932	(4)	40,928
Segment profit	5,778	687	6,465	(1,782)	4,683

(Note) 1. The segment profit adjustment of (1,782) 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, 2026. Depreciation and amortization (including amortization of Intangible assets) for the nine months ended September 30, 2026 are as below.

(Million yen)

	For the nine months ended September 30,2025	For the nine months ended September 30,2026
Depreciation and amortization	757	983