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November 6, 2025

Consolidated Financial Results for the Three Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: URBANET CORPORATION Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3242
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended September 30, 2025 (from July 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
September 30, 2025	14,234	697.1	2,647	–	2,420	–	1,653	–
September 30, 2024	1,785	(61.2)	(130)	–	(262)	–	(200)	–

Note: Comprehensive income For the three months ended September 30, 2025: ¥1,653 million [–%]
 For the three months ended September 30, 2024: ¥(200) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2025	46.23	46.01
September 30, 2024	(6.22)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	63,838	19,432	30.4
June 30, 2025	62,322	17,347	27.8

Reference: Equity As of September 30, 2025: ¥19,432 million
 As of June 30, 2025: ¥17,347 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	–	10.00	–	12.00	22.00
Fiscal year ending June 30, 2026	–				
Fiscal year ending June 30, 2026 (Forecast)		11.00	–	11.00	22.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2026	37,044	9.2	3,623	4.1	2,850	2.2	1,900	2.7	54.31

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the 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 due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	37,574,100 shares
As of June 30, 2025	35,574,100 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2025	661,349 shares
As of June 30, 2025	588,649 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2025	35,763,026 shares
Three months ended September 30, 2024	32,171,849 shares

Note: The number of treasury shares at the end of the period includes the Company's shares held in the trust account used as a result of the introduction of a trust-based stock compensation plan for directors (excluding outside directors) of the Company and some of its subsidiaries, as well as employees of the Company, and the Company's shares held in the trust account are included in the treasury shares excluded from the calculation of the average number of shares outstanding during the period.

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Urbanet Group and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. For the assumptions underlying the earnings forecasts and notes on their use, please refer to "1. Overview of Results of Operations (3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information" on page 3 of the Attached Material.

(Means of access to contents of supplementary material on financial results and financial results briefing)

Materials on financial results will be disclosed on the Timely Disclosure network (TDnet) and available on the Group's website at the same time as this financial summary.

We plan to hold the following financial results briefing for investors.

Videos recorded at this event are to be posted promptly on the Group's website following the briefing.

Thursday, November 6, 2025: Financial results briefing for institutional investors and analysts

Attached Material

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Period Under Review

For the period under review, the Urbanet Group companies (hereinafter “the Urbanet Group” or “the Group”) reported net sales of 14,234 million yen (up 697.1% from the same period of the previous fiscal year), operating profit of 2,647 million yen (compared with an operating loss of 130 million yen in the same period of the previous fiscal year), ordinary profit of 2,420 million yen (compared with an ordinary loss of 262 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 1,653 million yen (compared with a loss attributable to owners of the parent of 200 million yen in the same period of the previous fiscal year).

The significant year-on-year increase in both sales and profits was mainly due to the steady progress in the completion and recording of sales for projects during the first quarter of the current fiscal year, in addition to the fact that the recording of sales for urban rental condominiums in the previous fiscal year was concentrated in the fourth quarter of the fiscal year. In the current fiscal year, the Group plans to sell a total of 552 units in 12 urban rental condominiums, etc. During the period under review, sales were recorded for 229 units in four urban rental condominiums, 9 detached or terraced houses, and four parcels of land for development sites. The Group’s core business is the development and sale of buildings with urban rental condominiums, and the timing, amount, and profit ratio of sales upon completion of construction vary greatly from project to project and from year to year, causing quarterly net sales and profits to fluctuate significantly each year. Consolidated subsidiary K-nine Co., Ltd. continues to perform strongly.

For the Group as a whole, construction is generally progressing smoothly toward June 2026, and at present, net sales and profits are both generally progressing in line with initial plans.

The performance by each business segment is explained below.

(Real Estate Business)

Net sales in the Real Estate Business were 14,180 million yen (up 720.3% from the same period of the previous fiscal year), and segment profit was 2,988 million yen (compared with a segment profit of 217 million yen in the same period of the previous fiscal year).

Among these, the total amount of net sales from real estate development and sales was 13,608 million yen (up 766.1% from the same period of the previous year) with revenues derived from the sales of 229 units in four urban rental condominiums, 9 detached or terraced houses, and four parcels of land for development sites. The total amount of net sales from real estate purchase and resales was 417 million yen (none recorded in the same period of the previous fiscal year) with revenues derived from the purchase and resale of two units, and net sales from other real estate business were 155 million yen (down 1.5% from the same period of the previous fiscal year) due to real estate brokerage, real estate leasing, and other factors.

(Hotel Business)

In the hotel business, net sales were 53 million yen (down 5.4% from the same period of the previous fiscal year) and segment profit was 10 million yen (down 24.3% from the same period of the previous fiscal year) due to room charges and other factors at Hotel Asyl Tokyo Kamata.

(2) Overview of Financial Position for the Period Under Review

Analysis of Financial Position

As for the financial position at the end of the first quarter of the fiscal year under review, compared to the end of the previous fiscal year, total assets increased 1,515 million yen to 63,838 million yen, liabilities decreased 568 million yen to 44,405 million yen, and net assets increased 2,084 million yen to 19,432 million yen.

The increase in total assets was mainly due to a strong recording of sales, which led to an increase in cash and deposits of 2,463 million yen, despite a decrease in real estate for sale by 981 million yen.

The decrease in liabilities was mainly due to a decrease of 797 million yen in long-term borrowings (including the current portion of long-term borrowings) as a result of the sale of projects.

The increase in net assets was mainly due to profit attributable to owners of parent and an increase in share capital and legal capital surplus as a result of the exercise of share acquisition rights, which outweighed a decrease due to payment of dividends.

(3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information

The Group's financial results for the period under review were as follows: net sales of 14,234 million yen, operating profit of 2,647 million yen, ordinary profit of 2,420 million yen, and profit attributable to owners of parent of 1,653 million yen.

The significant year-on-year increases in both sales and profits were mainly due to the steady progress in project completion and the recording of sales for projects during the first quarter of the current fiscal year, in addition to the fact that the recording of sales for urban rental condominiums in the previous fiscal year was concentrated in the fourth quarter of the fiscal year. On August 7, 2025, the Company disclosed its forecast figures for the fiscal year ending June 30, 2026, and has made significant progress against these forecast figures. This was also due to the steady progress in project completion and the recording of sales in the first quarter of the current fiscal year. Sales and profits were generally in line with our initial assumptions.

The Group's core business is the development and sale of buildings with urban rental condominiums, and the timing, amount, and profit ratio of sales upon completion of construction vary greatly from project to project and from year to year, causing quarterly net sales and profits to fluctuate significantly each year.

In the current fiscal year, the Group plans to sell a total of 552 units in 12 urban rental condominiums, etc., of which 525 units in 11 buildings have already been contracted or sold, and construction is progressing smoothly for each project. The performance of consolidated subsidiaries is also robust. Therefore, the Company has decided to maintain the forecast figures for the full-year consolidated earnings forecasts for the current fiscal year, disclosed on August 7, 2025.

As stated in the "Notice of the Urbanet Group Medium-Term Management Plan" disclosed on May 13, 2025, the Group aims to achieve sustainable growth in the future by expanding its core business, engaging in M&A, investing in human capital, and pursuing new business initiatives. We will also strive to further increase corporate value and deliver returns to shareholders.

The Company will pay close attention to uncertainties such as the occurrence of unexpected additional construction within the Group, the impact of the supply status of construction materials and soaring prices on construction schedules and costs, as well as the impact of the future economic situation, financial environment, etc., on sales. If any revisions to its consolidated earnings forecasts are necessary, the Company will promptly disclose them.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	11,423,168	13,886,840
Real estate for sale	2,070,324	1,088,715
Real estate for sale in process	39,361,222	39,451,097
Other	892,814	937,541
Total current assets	53,747,530	55,364,195
Non-current assets		
Property, plant and equipment	7,736,467	7,716,304
Intangible assets	13,914	17,414
Investments and other assets	824,663	740,204
Total non-current assets	8,575,045	8,473,923
Total assets	62,322,576	63,838,118
Liabilities		
Current liabilities		
Accounts payable - trade	984,221	929,320
Short-term borrowings	2,662,100	3,407,800
Current portion of long-term borrowings	9,128,116	6,112,494
Lease liabilities	32,510	32,299
Income taxes payable	861,707	725,554
Provision for bonuses	–	44,422
Provision for shareholder benefit program	76,929	–
Provision for warranties for completed construction	12,780	12,173
Other	911,880	621,945
Total current liabilities	14,670,246	11,886,010
Non-current liabilities		
Long-term borrowings	29,791,941	32,009,810
Lease liabilities	85,349	77,246
Provision for share awards for directors (and other officers)	99,666	120,238
Provision for employee stock ownership plan trust	29,832	34,683
Retirement benefit liability	73,103	71,121
Other	224,598	206,660
Total non-current liabilities	30,304,492	32,519,759
Total liabilities	44,974,739	44,405,769
Net assets		
Shareholders' equity		
Share capital	3,519,264	3,967,364
Capital surplus	3,018,320	3,466,420
Retained earnings	11,015,974	12,242,543
Treasury shares	(205,922)	(243,979)
Total shareholders' equity	17,347,636	19,432,348
Share acquisition rights	200	–
Total net assets	17,347,836	19,432,348
Total liabilities and net assets	62,322,576	63,838,118

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**Quarterly Consolidated Statement of Income**

(Thousands of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025
Net sales	1,785,740	14,234,595
Cost of sales	1,271,276	10,701,636
Gross profit	514,464	3,532,958
Selling, general and administrative expenses	644,915	885,919
Operating profit (loss)	(130,451)	2,647,039
Non-operating income		
Interest income	367	4,856
Dividend income	6,627	4
Other	648	1,489
Total non-operating income	7,643	6,350
Non-operating expenses		
Interest expenses	91,577	154,567
Commission expenses	47,616	77,726
Other	277	184
Total non-operating expenses	139,472	232,477
Ordinary profit (loss)	(262,279)	2,420,911
Profit (loss) before income taxes	(262,279)	2,420,911
Income taxes - current	111,861	689,011
Income taxes - deferred	(174,127)	78,443
Total income taxes	(62,265)	767,454
Profit (loss)	(200,013)	1,653,456
Profit (loss) attributable to owners of parent	(200,013)	1,653,456

Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025
Profit (loss)	(200,013)	1,653,456
Other comprehensive income	–	–
Comprehensive income	(200,013)	1,653,456
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(200,013)	1,653,456

(3) Notes to Quarterly Consolidated Financial Statements

Notes to Segment Information, Etc.

I Three months ended September 30, 2024 (July 1, 2024-September 30, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments		Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Real Estate	Hotel			
Net sales					
External sales	1,728,681	57,058	1,785,740	–	1,785,740
Inter-segment sales and transfers	–	–	–	–	–
Total	1,728,681	57,058	1,785,740	–	1,785,740
Segment profit	217,436	13,645	231,081	(361,533)	(130,451)

Notes: 1. The negative 361,533 thousand yen adjustment to segment profit represents corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted with operating loss shown on the quarterly consolidated statement of income.

II Three months ended September 30, 2025 (July 1, 2025-September 30, 2025)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments		Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Real Estate	Hotel			
Net sales					
External sales	14,180,606	53,989	14,234,595	–	14,234,595
Inter-segment sales and transfers	–	–	–	–	–
Total	14,180,606	53,989	14,234,595	–	14,234,595
Segment profit	2,988,246	10,331	2,998,577	(351,538)	2,647,039

Notes: 1. The negative 351,538 thousand yen adjustment to segment profit represents corporate expenses that are not allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted with operating profit shown on the quarterly consolidated statement of income.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Going Concern Assumption

Not applicable.

Notes to Quarterly Consolidated Statement of Cash Flows

The Company has not prepared quarterly consolidated statement of cash flows for the first quarter of the current fiscal year. Depreciation for the three months ended September 30, 2024 and 2025 (including amortization of intangible assets) are as follows.

(Thousands of yen)

	Three months ended September 30, 2024 (July 1, 2024-September 30, 2024)	Three months ended September 30, 2025 (July 1, 2025-September 30, 2025)
Depreciation	46,194	45,815

Additional Information

Stock compensation plan for directors

Pursuant to a resolution adopted at the 25th Annual General Meeting of Shareholders held on September 28, 2022, the Company has introduced a trust-based stock compensation plan (hereinafter “the Plan”) for directors (excluding outside directors) of the Company. The purpose of the Plan is to strengthen the linkage between the Company’s share value and directors’ compensation, and to enhance directors’ motivation to contribute to the improvement of corporate value by ensuring that directors not only enjoy the merits of a rising share price but also bear the risk of a falling share price, thereby sharing both the merits and risks of share price fluctuations with shareholders.

Also, pursuant to a resolution of the Board of Directors adopted on June 20, 2024, the directors of some consolidated subsidiaries shall be included in the scope of the Plan from June 28, 2024. In accordance with a resolution of the Board of Directors adopted on August 7, 2025, the Company additionally acquired up to 90,000 shares, representing the maximum number required for future benefits to directors of consolidated subsidiaries.

(1) Outline of transactions

The Plan is a stock compensation plan under which a trust established with funds contributed by the Company (hereinafter “the Trust”) shall acquire the Company’s shares, and a number of the Company’s shares equivalent to the number of points granted to directors of the Company and K-nine Co., Ltd. (excluding outside directors, hereinafter “the Directors of the Company, etc.”) in accordance with the Share Delivery Regulations established by the Board of Directors of the Company, and an amount of cash equivalent to the market value of the Company’s shares (hereinafter “the Company’s Shares, etc.”) shall be paid to Directors of the Company, etc. through the Trust.

Additionally, the Company’s Shares, etc. will be granted to the Directors of the Company, etc. upon their resignation as a Director of the Company, etc. from office.

(2) Company’s shares remaining in trust

The Company’s shares remaining in trust are recorded as treasury shares under net assets at their book value in the Trust (excluding the amount as ancillary expenses). The book value and number of shares of the relevant treasury shares were 122,331 thousand yen and 389,200 shares as of June 30, 2025, and 161,269 thousand yen and 464,000 shares as of September 30, 2025.

Stock compensation plan for employees

Pursuant to the resolution of the Board of Directors adopted on May 9, 2024, the Company has introduced a trust-based stock compensation plan as part of an incentive program for the Company’s employees (hereinafter “the Plan”; and the trust to be established in accordance with the trust agreement to be concluded with Resona Bank, Limited is hereinafter referred to as “the Trust”) with the aim of increasing the morale and motivation of the Company’s employees to contribute to improving the Company’s performance and increasing its corporate value over the medium to long term.

(1) Outline of transactions

The Plan is a system under which the Trust established by the Company uses funds contributed by the Company to acquire the Company’s shares, and in accordance with the predetermined regulations for the Employee Stock Ownership Plan (hereinafter “the J-ESOP Regulations”), the Company’s shares and cash equivalent to the market value of the Company’s shares (hereinafter collectively “the Company’s Shares, etc.”) are granted to the Company’s employees who satisfy certain beneficiary requirements.

The Company grants points to eligible employees of the Company in accordance with the J-ESOP Regulations, and if the employees satisfy certain beneficiary requirements, they receive the Company’s Shares, etc., which correspond to the number of points granted to them, by completing the prescribed procedures. Since the Company contributes the entire cost of establishing and operating the Trust, there is no burden on the Company’s employees.

(2) Company’s shares remaining in trust

The Company’s shares remaining in trust are recorded as treasury shares under net assets at their book value in the Trust (excluding the amount as ancillary expenses). The book value and number of shares of

the relevant treasury shares were 83,537 thousand yen and 199,300 shares as of June 30, 2025, and 82,657 thousand yen and 197,200 shares as of September 30, 2025.