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Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (Under Japanese GAAP)

August 6, 2026

Company name	URBANET CORPORATION Co., Ltd.	Stock exchange listings: Tokyo Standard
Securities code	3242	URL https://www.urbanet.jp/
Representative	Atsushi Tanaka, President and Representative Director	
Inquiries	Wataru Akai, Senior Managing Director and Senior Executive Officer, General Manager of Administration Division	
Telephone:	+81-3-6550-9160	

Date of general shareholders' meeting (as planned) September 25, 2026
Dividend payable date (as planned) September 28, 2026
Annual securities report filing date (as planned) September 24, 2026
Supplemental material of annual results : Yes
Convening briefing of annual results : Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	39,394	16.1	4,147	19.1	3,135	12.5	2,129	15.1
June 30, 2025	33,933	21.3	3,481	27.7	2,787	14.9	1,850	8.8

Note: Comprehensive income For the fiscal year ended June 30, 2026 2,129 Millions of yen (15.1%)
For the fiscal year ended June 30, 2025 1,850 Millions of yen (6.7%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2026	58.15	58.09	11.6	4.4	10.5
June 30, 2025	56.26	56.22	11.4	5.1	10.3

Reference: Investment profit (loss) on equity method For the fiscal year ended June 30, 2026 — Millions of yen
For the fiscal year ended June 30, 2025 — Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	79,050	19,496	24.7	528.13
June 30, 2025	62,322	17,347	27.8	495.85

Reference: Owner's equity As of June 30, 2026 19,496 Millions of yen
As of June 30, 2025 17,347 Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2026	(9,690)	(3,232)	13,112	11,587
June 30, 2025	(7,279)	(2,601)	12,770	11,398

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2025	－	10.00	－	12.00	22.00	763	39.1	4.6
Fiscal year ended June 30, 2026	－	11.00	－	13.00	24.00	901	41.3	4.7
Fiscal year ending June 30, 2027 (Forecast)	－	12.00	－	12.00	24.00		41.2	

3. Consolidated financial forecast for the fiscal year ending June 30, 2027 (from July 1, 2026 to June 30, 2027)

(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, 2027	43,500	10.4	4,200	1.3	3,150	0.5	2,150	1.0	58.24

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 company (Company name) Kagurazaka Heights Co., Ltd.; Excluded: － companies (Company name)

Note: or details, please refer to "3. Consolidated Financial Statements and Key Notes, (5) Notes to Consolidated Financial Statements (Notes on Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)" on page 11 of the attached materials.

(2) 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

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	As of June 30, 2026	37,574,100shares	As of June 30, 2025	35,574,100shares
② Number of treasury stock at the end of fiscal year	As of June 30, 2026	659,049shares	As of June 30, 2025	588,649shares
③ Average number of shares	Fiscal year ended June 30, 2026	36,624,676shares	Fiscal year ended June 30, 2025	32,891,447shares

Note: he number of treasury shares at the end of the fiscal year includes shares of the Company held by the trust established under the share-based compensation plan introduced for directors (excluding outside directors) of the Company and certain consolidated subsidiaries, as well as employees of the Company. Shares of the Company held by the trust are included in treasury shares deducted in calculating the average number of shares during the period.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	30,787	19.8	3,201	53.6	2,429	55.4	1,657	14.3
June 30, 2025	25,698	(0.4)	2,083	(25.1)	1,563	(37.8)	1,450	(18.5)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2026	45.25	45.21
June 30, 2025	44.09	44.06

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	64,772	18,630	28.8	504.70
June 30, 2025	52,156	16,954	32.5	484.62

Reference:Owner's equity As of June 30, 2026 18,630 Millions of yen
As of June 30, 2025 16,954 Millions of yen

＜Reasons for differences in non-consolidated financial results from actual results for the previous fiscal year＞
Due to the strong performance of the real estate business during the fiscal year under review, net sales and ordinary profit differed between the previous fiscal year and the fiscal year under review.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
(Note on forward-looking statements)
Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Group and certain assumptions deemed reasonable. Actual results may differ materially due to various factors. For the assumptions underlying the earnings forecasts and notes regarding the use of such forecasts, please refer to "1. Overview of Operating Results and Financial Position, (4) Outlook" on page 4 of the attached materials.

(How to Obtain Supplementary Financial Results Materials and Information on the Financial Results Briefing)
Supplementary financial results materials are disclosed on TDnet and the Company's website at the same time as this financial results report.
The Company plans to hold an investor briefing as follows.
A video of this briefing is scheduled to be posted on the Company's website promptly after the event.
August 6, 2026 (Thu)・・・・・・Financial Results Briefing for Institutional Investors and Analysts

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１．Overview of Operating Results

（１）Overview of Operating Results for the Fiscal Year Under Review

For the fiscal year under review, the Group reported net sales of ¥39,394 million (up 16.1% year on year), operating profit of ¥4,147 million (up 19.1%), ordinary profit of ¥3,135 million (up 12.5%), and profit attributable to owners of the parent of ¥2,129 million (up 15.1%), with all figures exceeding the earnings forecasts announced at the beginning of the fiscal year.

The main factors contributing to these results were the Group's commitment to craftsmanship in each project and its continued provision of high-quality living spaces, primarily in the real estate business, in line with the Urbanet Group Mid-Term Management Plan announced on May 13, 2025. Specifically, the Company continued to pursue its business model of developing and selling entire urban rental apartment buildings located within a 10-minute walk of railway stations in Tokyo's 23 wards, while K-Nine Co., Ltd. actively engaged in the sale of detached houses and the development and construction of townhouses, mainly in the southwestern part of Tokyo's 23 wards.

The performance by each business segment is explained below.

（Real Estate Business）

In the real estate business, net sales were ¥39,157 million (up 16.2% year on year), and segment profit was ¥5,909 million (up 17.7%).

Of this amount, net sales from real estate development and sales were ¥38,025 million (up 18.3% year on year), reflecting the sale of 12 urban rental apartment buildings comprising 541 units, 52 detached houses and townhouses, and 13 plots of land. In the development of urban rental apartment buildings, the number of buildings and units sold was generally in line with the plan formulated at the beginning of the fiscal year. This was mainly attributable to all projects planned for the fiscal year under review being completed on schedule as a result of thorough discussions with contractors and rigorous schedule management, despite widespread concerns over the supply of construction materials. These efforts were supported by the Group's long-standing relationships with its contractors, as well as its efforts to strengthen and diversify its relationships with buyers.

In addition, K-Nine Co., Ltd. recorded sales of detached houses and townhouses mainly in the southwestern part of Tokyo's 23 wards, while sales of high-quality homes constructed in-house remained strong. With respect to land sales, both the Company and K-Nine Co., Ltd. further strengthened their efforts with a focus on construction costs and maximizing profitability for each project.

In the real estate purchase and resale business, net sales were ¥537 million (down 26.2% year on year), reflecting the purchase and resale of one pre-owned rental apartment building and two pre-owned condominium units.

In other real estate businesses, net sales were ¥595 million (down 26.7% year on year), reflecting revenue from real estate brokerage, real estate leasing, and other activities.

（Hotel Business）

In the hotel business, net sales were ¥237 million (down 0.4% year on year), and segment profit was ¥39 million (down 14.5%), reflecting room charges and other revenue from Hotel Asyl Tokyo Kamata.

Although room rates and occupancy rates remained at strong levels comparable to the previous fiscal year, supported by increased domestic travel demand and inbound tourism, commissions associated with domestic sales activities increased compared with the previous fiscal year, resulting in the decline in segment profit.

（２）Overview of Financial Position for the Fiscal Year Under Review

（Analysis of Financial Position）

As of the end of the fiscal year under review, total assets increased by ¥16.728 billion from the end of the previous fiscal year to ¥79.050 billion. Total liabilities increased by ¥14.580 billion to ¥59.554 billion, while net assets increased by ¥2.148 billion to ¥19.496 billion.

The increase in total assets was mainly attributable to a ¥14.742 billion increase in inventories, resulting from the continued acquisition of land for condominiums in prime locations in Tokyo, the acquisition of land in central Tokyo to meet demand for company housing and hotel development, and K-Nine Co., Ltd.'s active acquisition of land for detached houses, townhouses, and apartments. Another factor was a ¥1.581 billion increase in property, plant and equipment resulting from the acquisition of income-producing properties and other assets.

The increase in liabilities was mainly attributable to a ¥12.475 billion increase in long-term borrowings, including the current portion of long-term borrowings, associated with land acquisitions and other activities, as well as a ¥1.576 billion increase in accounts payable.

The increase in net assets was mainly attributable to an ¥896 million combined increase in capital stock and capital surplus resulting from the exercise of stock acquisition rights, and a ¥1.289 billion increase in retained earnings. The increase in retained earnings reflected profit attributable to owners of the parent of ¥2.129 billion, partially offset by a ¥840 million decrease resulting from dividend payments.

（３）Analysis of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year under review increased by ¥189 million from the end of the previous fiscal year to ¥11.587 billion, as net cash provided by financing activities exceeded net cash used in operating and investing activities.

（Cash flows from operating activities）

Net cash used in operating activities was ¥9.690 billion, compared with ¥7.279 billion used in the previous fiscal year. This was mainly because an increase in inventories more than offset profit before income taxes and other cash inflows.

（Cash flows from investing activities）

Net cash used in investing activities was ¥3.232 billion, compared with ¥2.601 billion used in the previous fiscal year. This was mainly attributable to expenditures for the acquisition of property, plant and equipment and the acquisition of shares of subsidiaries resulting in changes in the scope of consolidation.

（Cash flows from financing activities）

Net cash provided by financing activities was ¥13.112 billion, compared with ¥12.770 billion provided in the previous fiscal year. This was mainly because proceeds from long-term borrowings associated with land acquisitions and other activities, as well as proceeds from the issuance of shares upon the exercise of stock acquisition rights, exceeded repayments of long-term borrowings associated with property sales and dividend payments.

Reference: Trends in cash flow indicators

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Equity-to-asset ratio（%）	33.6	30.6	32.1	27.8	24.7
Market value-based equity-to-asset ratio（%）	24.7	23.0	27.3	26.1	23.7
Interest-bearing debt to cash flow ratio（years）	42.7	(Note 6)	9.9	(Note 6)	(Note 6)
Interest coverage ratio（times）	2.8	(Note 6)	12.0	(Note 6)	(Note 6)

（注） １． The above indicators are calculated based on the following formulas.

Equity-to-asset ratio: Equity / Total assets

Market value-based equity-to-asset ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

２． All the indicators are calculated using financial reporting figures on a consolidated basis.

３． Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).

４． Cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows.

５． Interest-bearing debt includes all debt on the consolidated balance sheet that incurs interest. Interest payments are calculated using the figures for interest paid in the consolidated statement of cash flows.

６． 「Interest-bearing debt to cash flow ratio and interest coverage ratio are not presented because operating cash flows were negative.」

(4) Outlook

For the fiscal year ending June 30, 2027, the Group forecasts net sales of ¥43.5 billion (up 10.4% year on year), operating profit of ¥4.2 billion (up 1.3%), ordinary profit of ¥3.15 billion (up 0.5%), and profit attributable to owners of the parent of ¥2.15 billion (up 1.0%).

Supported by its investments in human capital, the Group has actively acquired well-located land and expanded its business domains. As a result, these initiatives have strengthened the Group's earnings capacity, and the earnings forecasts for the fiscal year ending June 30, 2027 exceed the targets set forth in the Medium-Term Management Plan. In light of this, the Group is currently assessing the current business environment and its medium- to long-term business plans and intends to conduct a review of the Medium-Term Management Plan and announce revised targets when it announces its financial results for the second quarter of the fiscal year ending June 30, 2027, scheduled for early February 2027.

For the fiscal year ending June 30, 2027, the Group plans to sell 13 urban rental apartment buildings and other properties comprising 618 units, 35 detached houses and townhouses, seven apartment buildings to be developed and sold, as well as land for resale. Of the urban rental apartment buildings and other properties, sales contracts have already been concluded for 576 units.

(Millions of yen)

	Fiscal year ending June 30, 2026 (Results)	Fiscal year ending June 30, 2027 (Forecast)
Net sales	39,394	43,500
Operating profit	4,147	4,200
Ordinary profit	3,135	3,150
Profit attributable to owners of parent	2,129	2,150

Number of units of urban rental condominiums / detached houses, etc. sold, or to be sold	593	653

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Under Review and the Next Fiscal Year

While recognizing the need to retain sufficient earnings and maintain adequate liquidity to ensure a sound financial position, the Group considers the return of profits to shareholders to be one of its most important management priorities. Since its listing, the Group has maintained a basic policy of prioritizing shareholder returns through dividends in accordance with its financial performance.

Under its basic dividend policy, the Group aims to distribute dividends equivalent to 40% of profit attributable to owners of the parent, excluding the effects of income tax adjustments.

For the fiscal year ended June 30, 2026, as announced separately today in the "Notice Concerning Dividends from Surplus (Dividend Increase)," the Company plans to pay a year-end dividend of ¥13 per share, an increase of ¥2 from the previous forecast. Together with the interim dividend of ¥11 per share already paid, the annual dividend will amount to ¥24 per share.

For the fiscal year ending June 30, 2027, based on the outlook for future business performance and the above dividend policy, the Company plans to pay an annual dividend of ¥24 per share, including an interim dividend of ¥12 per share.

2. Basic Approach to the Selection of Accounting Standards

The Group currently conducts its business activities in Japan, and the majority of its stakeholders are domestic shareholders, creditors, and business partners. In addition, as the Group has no plans to raise funds overseas, it intends to continue preparing its consolidated financial statements in accordance with Japanese GAAP for the time being.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Group will respond appropriately, taking into consideration developments in Japan and overseas.

３． Consolidated Financial Statements and Significant Notes Thereto

（１） Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	11,423,168	11,597,787
Accounts receivable - trade	16,580	19,042
Investments in leases	40,054	43,384
Real estate for sale	2,070,324	4,935,564
Real estate for sale in process	39,361,222	51,236,458
Supplies	3,068	4,748
Advance payments to suppliers	468,576	389,161
Prepaid expenses	83,268	73,216
Other	281,266	335,114
Total current assets	53,747,530	68,634,479
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,036,619	3,362,107
Accumulated depreciation	(735,425)	(763,213)
Buildings and structures, net	2,301,193	2,598,893
Tools, furniture and fixtures	16,744	28,223
Accumulated depreciation	(10,480)	(14,641)
Tools, furniture and fixtures, net	6,263	13,581
Land	5,291,508	6,549,555
Leased assets	154,205	136,540
Accumulated depreciation	(52,916)	(63,916)
Leased assets, net	101,288	72,623
Construction in progress	28,202	77,829
Other	12,892	12,934
Accumulated depreciation	(4,881)	(7,082)
Other, net	8,010	5,851
Total property, plant and equipment	7,736,467	9,318,335
Intangible assets		
Goodwill	—	278,291
Software	13,914	19,805
Other	—	72
Total intangible assets	13,914	298,169
Investments and other assets		
Investments in capital	2,510	2,610
Long-term prepaid expenses	34,261	28,140
Deferred tax assets	224,289	203,459
Investments in leases	107,346	63,947
Leasehold and guarantee deposits	194,795	181,746
Other	261,459	320,027
Total investments and other assets	824,663	799,931
Total non-current assets	8,575,045	10,416,435
Total assets	62,322,576	79,050,915

(Thousands of yen)

	As of June 30, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	984,221	2,560,709
Short-term borrowings	2,662,100	3,355,189
Current portion of long-term borrowings	9,128,116	5,855,560
Lease liabilities	32,510	26,633
Accounts payable - other	240,462	262,393
Accrued expenses	49,203	55,332
Income taxes payable	861,707	393,112
Accrued consumption taxes	406	15,830
Advances received	496,685	369,581
Deposits received	58,136	86,055
Provision for shareholder benefit program	76,929	89,397
Provision for warranties for completed construction	12,780	15,796
Other	66,986	75,821
Total current liabilities	14,670,246	13,161,415
Non-current liabilities		
Long-term borrowings	29,791,941	45,539,639
Lease liabilities	85,349	56,671
Provision for share awards for directors (and other officers)	99,666	154,571
Provision for employee stock ownership plan trust	29,832	46,718
Retirement benefit liability	73,103	82,859
Deferred tax liabilities	—	349,208
Other	224,598	163,727
Total non-current liabilities	30,304,492	46,393,394
Total liabilities	44,974,739	59,554,810
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	12,305,335
Treasury shares	(205,922)	(243,015)
Total shareholders' equity	17,347,636	19,496,104
Share acquisition rights	200	—
Total net assets	17,347,836	19,496,104
Total liabilities and net assets	62,322,576	79,050,915

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

（Consolidated Statement of Income）

(Thousands of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Net sales	33,933,706	39,394,808
Cost of sales	27,470,605	31,546,660
Gross profit	6,463,101	7,848,147
Selling, general and administrative expenses		
Salaries and allowances	559,810	641,063
Remuneration for directors (and other officers)	304,422	424,713
Bonuses	307,196	381,213
Provision for share awards for directors (and other officers)	34,865	54,904
Provision for employee stock ownership plan trust	16,200	18,756
Retirement benefit expenses	11,766	15,409
Legal welfare expenses	129,307	144,563
Advertising expenses	84,677	50,728
Promotion expenses	6,723	9,302
Travel and transportation expenses	48,080	54,036
Supplies expenses	26,736	18,555
Rent expenses on land and buildings	195,387	178,652
Insurance expenses	13,643	14,849
Taxes and dues	351,957	413,332
Commission expenses	264,022	481,850
Fee expenses	71,593	71,984
Outsourcing expenses	50,085	121,488
Depreciation	82,895	58,281
Amortization of goodwill	―	39,755
Other	422,365	507,168
Total selling, general and administrative expenses	2,981,739	3,700,609
Operating profit	3,481,361	4,147,538
Non-operating income		
Interest income	3,066	14,608
Dividend income	30	35
Subsidy income	3,200	―
Other	3,536	4,846
Total non-operating income	9,832	19,490
Non-operating expenses		
Interest expenses	487,625	757,581
Commission expenses	212,915	272,753
Other	2,975	852
Total non-operating expenses	703,516	1,031,188
Ordinary profit	2,787,677	3,135,840
Extraordinary income		
Gain on sale of non-current assets	―	19,999
Total extraordinary income	―	19,999
Extraordinary losses		
Loss on retirement of non-current assets	―	7,919
Impairment losses	―	17,927
Total extraordinary losses	―	25,847
Profit before income taxes	2,787,677	3,129,993
Income taxes - current	1,285,682	979,282
Income taxes - deferred	(348,605)	21,148
Total income taxes	937,077	1,000,430
Profit	1,850,600	2,129,562
Profit attributable to owners of parent	1,850,600	2,129,562

（Consolidated Statement of Comprehensive Income）

(Thousands of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Profit	1,850,600	2,129,562
Other comprehensive income	—	—
Comprehensive income	1,850,600	2,129,562
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,850,600	2,129,562

（３）Consolidated Statement of Changes in Equity

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,956,131	2,454,259	9,862,128	(210,325)	15,062,194	2,265	15,064,459
Changes during period							
Issuance of new shares	563,132	563,132			1,126,265		1,126,265
Dividends of surplus			(696,754)		(696,754)		(696,754)
Profit attributable to owners of parent			1,850,600		1,850,600		1,850,600
Purchase of treasury shares				(34)	(34)		(34)
Disposal of treasury shares		928		4,438	5,366		5,366
Net changes in items other than shareholders' equity						(2,065)	(2,065)
Total changes during period	563,132	564,060	1,153,845	4,403	2,285,442	(2,065)	2,283,377
Balance at end of period	3,519,264	3,018,320	11,015,974	(205,922)	17,347,636	200	17,347,836

Fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	3,519,264	3,018,320	11,015,974	(205,922)	17,347,636	200	17,347,836
Changes during period							
Issuance of new shares	448,100	448,100			896,200		896,200
Dividends of surplus			(840,200)		(840,200)		(840,200)
Profit attributable to owners of parent			2,129,562		2,129,562		2,129,562
Purchase of treasury shares				(38,937)	(38,937)		(38,937)
Disposal of treasury shares				1,844	1,844		1,844
Net changes in items other than shareholders' equity						(200)	(200)
Total changes during period	448,100	448,100	1,289,361	(37,093)	2,148,468	(200)	2,148,268
Balance at end of period	3,967,364	3,466,420	12,305,335	(243,015)	19,496,104	—	19,496,104

(４) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,787,677	3,129,993
Depreciation	201,151	208,058
Impairment losses	―	17,927
Amortization of goodwill	―	39,755
Increase (decrease) in provision for shareholder benefit program	76,929	12,468
Increase (decrease) in provision for warranties for completed construction	1,298	3,015
Increase (decrease) in provision for share awards for directors (and other officers)	29,770	54,904
Increase (decrease) in provision for employee stock ownership plan trust	15,907	18,729
Increase (decrease) in retirement benefit liability	8,062	9,756
Interest and dividend income	(3,096)	(14,643)
Interest expenses	487,625	757,581
Gain on sale of non-current assets	―	(19,999)
Loss on retirement of non-current assets	―	7,919
Decrease (increase) in investments in leases	37,515	40,069
Decrease (increase) in inventories	(9,788,161)	(13,248,050)
Increase (decrease) in trade payables	265,601	1,576,488
Increase (decrease) in advances received	98,474	(127,104)
Increase (decrease) in accrued consumption taxes	(24,584)	15,423
Other, net	(531)	55,936
Subtotal	(5,806,358)	(7,461,768)
Interest and dividends received	3,094	14,640
Interest paid	(502,354)	(763,308)
Payments for cancellation of leases	―	(7,643)
Income taxes paid	(973,765)	(1,472,686)
Net cash provided by (used in) operating activities	(7,279,384)	(9,690,766)
Cash flows from investing activities		
Payments into time deposits	(2,702)	(1,600)
Proceeds from withdrawal of time deposits	―	55,960
Purchase of property, plant and equipment	(2,463,202)	(2,286,706)
Proceeds from sale of property, plant and equipment	2,524	21,068
Purchase of intangible assets	(7,749)	(9,580)
Purchase of investment securities	(36,000)	―
Purchase of insurance funds	(39,382)	(42,494)
Proceeds from cancellation of insurance funds	―	26,608
Payments of leasehold and guarantee deposits	(36)	―
Proceeds from refund of leasehold and guarantee deposits	12,938	―
Purchase of shares of subsidiaries resulting in change in scope of consolidation	―	(983,783)
Payments of conditional acquisition consideration for shares of subsidiaries	(56,100)	―
Other, net	(12,042)	(11,742)
Net cash provided by (used in) investing activities	(2,601,752)	(3,232,270)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(498,436)	693,089
Proceeds from long-term borrowings	24,400,000	29,997,600
Repayments of long-term borrowings	(11,487,964)	(17,522,458)
Purchase of treasury shares	(34)	(38,937)
Proceeds from disposal of treasury shares	5,366	―
Repayments of lease liabilities	(35,714)	(33,183)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,124,200	896,000
Dividends paid	(696,528)	(839,451)
Other, net	(40,600)	(40,600)
Net cash provided by (used in) financing activities	12,770,287	13,112,058
Net increase (decrease) in cash and cash equivalents	2,889,150	189,021
Cash and cash equivalents at beginning of period	8,509,615	11,398,766
Cash and cash equivalents at end of period	11,398,766	11,587,787

(５) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes on Changes in the Scope of Consolidation or Application of the Equity Method)

During the fiscal year under review, Kagurazaka Heights Co., Ltd. was included in the scope of consolidation following the acquisition of all its shares by K-nine Co., Ltd., a consolidated subsidiary of the Company.

(Notes to Segment Information, Etc.)

１． Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors is performed to decide the allocation of management resources and to assess performance.

The Urbanet Group has two reportable segments: the Real Estate Business and the Hotel Business. The Real Estate Business operates businesses related to real estate development and sales, real estate purchase and sales, real estate brokerage and real estate leasing. The Hotel Business operates businesses related to hotel operations.

２． Methods for determining net sales, profit or loss, assets, liabilities and other items for each reportable segment

Accounting methods for reportable segments are mostly the same as those adopted for preparing the consolidated financial statements.

Reportable segment profit is based on operating profit.

３． Information related to net sales, profit or loss, assets, liabilities and other items for each reportable segment

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Thousands of yen)

	Reportable segments		Total	Reconciling items	Per consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	33,695,377	238,329	33,933,706	—	33,933,706
Transactions with other segments	—	—	—	—	—
Net sales	33,695,377	238,329	33,933,706	—	33,933,706
Operating profit (loss)	5,019,521	45,699	5,065,220	(1,583,858)	3,481,361
Assets	49,563,919	1,295,483	50,859,403	11,463,172	62,322,576
Other items					
Depreciation	118,012	36,764	154,776	46,374	201,151
Increase in property, plant and equipment and intangible assets	2,515,493	—	2,515,493	356,625	2,872,119

Notes: １． Details of adjustments are as follows:

（１） The negative 1,583,858 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） The 1,468,172 thousand yen adjustment to segment assets represents corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of cash and deposits held by the Company that are not attributable to any of the reportable segments.

２． Segment profit is adjusted with operating profit shown on the consolidated financial statements.

Fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(Thousands of yen)

	Reportable segments		Total	Reconciling items	Per consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	39,157,447	237,361	39,394,808	—	39,394,808
Transactions with other segments	—	—	—	—	—
Net sales	39,157,447	237,361	39,394,808	—	39,394,808
Operating profit (loss)	5,909,426	39,064	5,948,490	(1,800,952)	4,147,538
Assets	66,873,028	1,463,738	68,336,766	10,714,148	79,050,915
Other items					
Depreciation	122,856	36,498	159,354	48,704	208,058
Amortization of goodwill	39,755	—	39,755	—	39,755
Increase in property, plant and equipment and intangible assets	2,614,945	1,607	2,616,553	16,860	2,633,413

Notes: １． Details of adjustments are as follows:

（１） The negative 1,800,952 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） The 10,714,148 thousand yen adjustment to segment assets represents corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of cash and deposits held by the Company that are not attributable to any of the reportable segments.

２． Segment profit is adjusted with operating profit shown on the consolidated financial statements.

（Notes to Per Share Information） (Yen)

	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Net assets per share	495.85	528.13
Basic earnings per share	56.26	58.15
Diluted earnings per share	56.22	58.09

Notes: １． The number of common shares as of the end of the fiscal year under review used to calculate net assets per share, as well as the average number of common shares during the fiscal year used to calculate basic earnings per share and diluted earnings per share are calculated by deducting the portion of shares held under own name, and deducting the shares of the Company held as trust assets for the stock compensation plan for directors of the Company (excluding outside directors) and directors of some of its subsidiaries and for employees of the Company (shares as of the end of the previous fiscal year: 588,500 shares; average number of shares during the previous fiscal year: 592,546 shares; shares as of the end of the fiscal year under review: 658,900 shares; average number of shares during the fiscal year: 651,192 shares).

２． The basis for calculating basic earnings per share and diluted earnings per share is as follows.

(Thousands of yen, unless otherwise stated)

	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)	Fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)
Basic earnings per share		
Profit attributable to owners of parent	1,850,600	2,129,562
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders of parent	1,850,600	2,129,562
Average number of shares outstanding of common stock during the period (shares)	32,891,447	36,624,676
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in number of shares of common stock (shares)	26,496	35,442
(of which share acquisition rights)	(26,496)	(35,442)
Overview of potential shares not included in the calculation of diluted earnings per share because they have no dilutive effect	12th share acquisition rights resolved at the meeting of the Board of Directors held on August 24, 2023 (number of shares to be issued on exercise of share acquisition rights: 2,000,000)	—

(Notes to Significant Subsequent Events)

Not applicable.

４．Others

（１）Changes in Board Members

The Company hereby announces that, at a meeting of its Board of Directors held on August 6, 2026, it resolved on the following proposed changes in officers, effective September 25, 2026: the reappointment of six of the nine current Directors and the appointment of one new Director, as well as the reappointment of all three current Audit & Supervisory Board Members and the appointment of one new Audit & Supervisory Board Member.

These changes are subject to approval at the 29th Annual General Meeting of Shareholders scheduled to be held on September 25, 2026, and, where applicable, resolutions at the subsequent meeting of the Board of Directors.

１．Candidates for director

Director (Reappointment) Shinji Hattori (Current Chairman and CEO)
Director (Reappointment) Atsushi Tanaka (Current President and Representative Director)
Director (Reappointment) Wataru Akai (Current Senior Managing Director, Senior Executive Officer, Head of Administration Division)
Director (Reappointment) Yuichi Furugori (Current President and Representative Director of K-nine Co., Ltd.)
Director (Reappointment) Shinichiro Nakajima (Current Outside Director and Independent Officer)
Director (Reappointment) Sayaka Yamaguchi (Current Outside Director and Independent Officer)
Director (New Appointment) Fujio Kodaka

２．Directors Scheduled to Retire

Akifumi Ino (currently Director, Senior Executive Officer, and Head of the Second Business Division)
Hajime Ito (currently Director, Executive Officer, and Head of the External Affairs Department)
Tetsushi Shinoda (Current Outside Director and Independent Officer)
*Mr. Akifumi Ino and Mr. Hajime Ito are scheduled to continue working for the Company as Executive Officers.

３．Changes in Audit & Supervisory Board Members

Auditor (New Appointment) Yoshizumi Kimura
Auditor (Reappointment) Shoichi Shindo
Auditor (Reappointment) Hideaki Tokuyama
Auditor (Reappointment) Satoko Ueyama

— End —