

MUGEN ESTATE Co., Ltd.

3299

Tokyo Stock Exchange Standard Market

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In FY12/25, the Company achieved record-high net sales and profits under a profitability-focused strategy

MUGEN ESTATE Co., Ltd. <3299> (hereafter, also “the Company”) is engaged in the business of purchasing and reselling pre-owned properties, primarily investment-type and residential-type condominiums. The Company is recognized as a pioneer in the real estate industry and is highly profitable.

1. Overview of FY12/25 results

For FY12/25, net sales increased 9.8% year on year (YoY) to ¥68,262mn, operating income rose 14.8% to ¥11,049mn, ordinary income grew 12.3% to ¥9,951mn, and net profit attributable to owners of parent increased 9.4% to ¥6,659mn, with net sales and all profit levels reaching record highs.

While the Bank of Japan has raised policy rates, leading to higher interest rates, interest rates in Japan remain low by global standards, and the impact on the real estate market has been limited. In 2025 (January–December), the number of transactions for pre-owned condominiums in the Tokyo metropolitan area increased for the 3rd consecutive year, while transaction prices rose for the 13th consecutive year. In the Tokyo metropolitan real estate market, although investment costs per property are increasing, rising rents have helped maintain profitability.

In the core Purchase & Resale Business, demand from both domestic and overseas investors remained firm against a solid market backdrop, driving revenue growth in both investment-type properties and residential-type properties. Notably, in 4Q, sales of several large-scale properties progressed ahead of expectations, contributing to an upside to the full-year plan. By category, sales of investment-type properties increased 14.1% YoY to ¥30,866mn, while sales of residential-type properties rose 16.0% to ¥32,438mn, with both categories performing strongly. Geographically, Tokyo accounted for a high 63.4% of sales of investment-type properties (up 3.5 percentage points (pp)); however, both sales volume and sales value in regional market areas also increased from the previous fiscal year. A notable feature of the Company is the high proportion of sales to overseas investors. Meanwhile, the Real Estate Development Business and the Real Estate Specified Joint Business recorded a decline in revenue YoY. On the profit side, gross profit increased due to higher revenue and sales activities focusing on profitability, with the gross profit margin improving to 28.3% (up 1.6pp). Although SG&A expenses increased, mainly due to higher personnel costs, operating income rose 14.8%, and the operating margin improved to 16.2% (up 0.7pp).

2. FY12/26 forecasts

In FY12/26, the Company forecasts double-digit growth in both net sales and profits at each level, with net sales expected to increase 16.1% YoY to ¥79,286mn, operating income to rise 12.2% to ¥12,398mn, ordinary income to grow 11.1% to ¥11,058mn, and net profit attributable to owners of parent to increase 14.1% to ¥7,595mn.

In the core Purchase & Resale Business, the Company aims to enhance sales productivity by strengthening its sales infrastructure and increasing the average unit price of properties handled. Following the previous fiscal year, it also plans to further diversify the types of assets it handles, including logistics facilities, hotels, and healthcare facilities. By category within the Purchase & Resale Business, sales from investment-type properties are projected to increase 27.6% YoY to ¥39,379mn, while sales from residential-type properties are expected to decline 4.2% to ¥31,086mn, clearly differentiating the growth profile between the two. The Company positions investment-type properties as the growth driver of the Purchase & Resale Business. The Real Estate Development Business aims to accelerate sales by enhancing the value of development properties through branding initiatives and the acquisition of environmental certifications, with sales projected to increase 229.5% YoY. In the Real Estate Specified Joint Business, the Company

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plans to pursue business expansion cautiously, taking into account the impact of the announced Outline of Tax Reform, while forecasting an 84.9% YoY increase in sales. In the newly launched Asset Management Business, the Company completed registration in December 2025 as a Type II Financial Instruments Business Operator and as an investment advisory and agency business operator, and aims to establish a private placement fund at an early stage. Real estate for sale at the end of the fiscal year totaled ¥75,600mn (up ¥14,874mn from the end of the previous fiscal year, including a ¥11,872mn increase in investment-type properties), indicating a sufficient inventory level. Based on recent earnings trends, operating income in 2H FY12/25 increased 21.2% YoY, suggesting that the FY12/26 forecast of a 12.2% increase is highly achievable. The Company is also strengthening its workforce and promoting digital transformation (DX), providing a solid foundation for achieving its plan.

Growth Strategy and Topic: Numerical targets under the ongoing Third Medium-Term Management Plan revised with a greater focus on profitability

The Company is currently implementing its three-year Third Medium-Term Management Plan, which runs through FY12/27 as the final year. Under its vision for 2027 – “Strengthen its organizational capabilities to expand the business scope and create new businesses” – the Company is advancing initiatives aligned with this vision and aimed at creating new value. While there has been no change to the positioning or overall strategy of the plan, the numerical targets have been revised to improve achievability, taking into account the FY12/25 results. For FY12/26, the Company has placed greater emphasis on profitability, revising its initial sales target downward while setting profit targets slightly above the original plan (as mentioned above). For the final year, FY12/27, net sales and profit targets at all levels have been revised downward to reflect uncertainties in the interest rate environment and other factors, in order to enhance achievability. Nevertheless, the Company plans to maintain growth even in a more challenging environment, forecasting net sales of ¥94,770mn (1.39 times FY12/25 results) and operating income of ¥13,843mn (1.25 times FY12/25 results) for FY12/27.

Shareholder return policy: For FY12/25, the annual dividend increased ¥10 to ¥114 (¥45 interim dividend paid and a ¥69 year-end dividend declared, up ¥2 from the initial plan). For FY12/26, the Company forecasts an annual dividend of ¥130

The Company positions shareholder returns as one of its key management priorities. Its basic policy is to maintain stable dividends while strengthening its financial base and enhancing internal reserves to support long-term business expansion. In determining profit allocation, the Company comprehensively considers earnings levels, capital costs, and capital efficiency based on its balance sheet its balance sheet, and has set a medium- to long-term consolidated dividend payout ratio target of 40% or higher. For FY12/25, the Company introduced an interim dividend and set the annual dividend of ¥114 per share (up ¥10 YoY; ¥45 interim dividend paid and ¥69 year-end dividend projected, up ¥2 from the initial plan), with a payout ratio of 40.0%. For FY12/26, the Company forecasts an annual dividend of ¥130 per share (up ¥16 YoY; ¥52 interim dividend and ¥78 year-end dividend), and a payout ratio of 40.2%.



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