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Consolidated Financial Results for the Three Months Ended September 30, 2026 (Under Japanese GAAP)

November 12, 2026

Company name URBANET CORPORATION Co., Ltd. Stock exchange listings: Tokyo Standard
Securities code 3242 URL https://www.urbanet.jp/
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Dividend payable date (as planned) : ―
Supplemental material of results : Yes
Convening briefing of results : 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, 2026 (from July 1, 2026 to September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	4,927	(65.4)	25	(99.0)	(260)	―	(277)	―
September 30, 2025	14,234	697.1	2,647	―	2,420	―	1,653	―

Note: Comprehensive income For the three months ended September 30, 2026 (277) Millions of yen (―%)
For the three months ended September 30, 2025 1,653 Millions of yen (―%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	(7.53)	―
September 30, 2025	46.23	46.01

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	87,063	18,729	21.5
June 30, 2026	79,050	19,496	24.7

Reference: Owner's equity As of September 30, 2026 18,729 Millions of yen
As of June 30, 2026 19,496 Millions of yen

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2026	―	11.00	―	13.00	24.00
Fiscal year ending June 30, 2027	―				
Fiscal year ending June 30, 2027 (Forecast)		12.00	―	12.00	24.00

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

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

Note: Revisions to the 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)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of September 30, 2026	37,574,100 shares	As of June 30, 2026	37,574,100 shares
② Number of treasury stock at the period end	As of September 30, 2026	659,050 shares	As of June 30, 2026	659,049 shares
③ Average number of shares (quarterly period-YTD)	Three months ended September 30, 2026	36,915,051 shares	Three months ended September 30, 2025	35,763,026 shares

Note: The 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.

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

* 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 Results of Operations, (3) Explanation Concerning the Forecast of Consolidated Financial Results and Other Forward-looking Information " on page 3 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.

November 12, 2026(Thu)・・・・・・Financial Results Briefing for Institutional Investors and Analysts

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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 4,927 million yen (down 65.4% from the same period of the previous fiscal year), operating profit of 25 million yen (down 99.0% from the same period of the previous fiscal year), an ordinary loss of 260 million yen (compared with ordinary profit of 2,420 million yen in the same period of the previous fiscal year), and a loss attributable to owners of parent of 277 million yen (compared with profit attributable to owners of parent of 1,653 million yen in the same period of the previous fiscal year).

The significant year-on-year decreases in both sales and profits mainly reflected differences in the timing of sales recognition: sales of urban rental condominiums, etc. were concentrated in the first quarter of the previous fiscal year, whereas those for the current fiscal year are concentrated in the third quarter and thereafter.

In the current fiscal year, the Group plans to sell a total of 618 units in 13 urban rental condominiums, etc. (including one apartment hotel with 16 rooms), 35 detached homes or townhouses, etc., seven apartment buildings, as well as parcels of land. During the period under review, sales were recorded for 20 units in two urban rental condominiums, etc., 11 detached homes or townhouses, three apartment buildings, and six parcels of land.

The Group's core business is developing urban rental condominium buildings and other properties and selling them as whole buildings. The timing, amount, and profit margins 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 completion and delivery of urban rental condominiums, etc. are concentrated in the third quarter and thereafter to a greater extent than in previous years, resulting in larger year-on-year fluctuations.

Meanwhile, sales of detached homes and townhouses together with apartment development—the core businesses of consolidated subsidiary K-nine Co., Ltd.—have remained strong since the beginning of the fiscal year, with both the number of units and buildings sold exceeding the corresponding figures for the same period of the previous fiscal year.

The performance by each business segment is explained below.

(Real Estate Business)

Net sales in the Real Estate Business were 4,873 million yen (down 65.6% from the same period of the previous fiscal year), and segment profit was 435 million yen (down 85.4% from the same period of the previous fiscal year).

Of this total, net sales from real estate development and sales were 4,321 million yen (down 68.2% from the same period of the previous fiscal year), with revenues derived from the sales of 20 units in two urban rental condominiums, etc., 11 detached homes or townhouses, 29 units in three apartment buildings, and six parcels of land, among other transactions.

Net sales from real estate purchase and resale were 384 million yen (down 7.9% from the same period of the previous fiscal year), reflecting the purchase and resale of one property. Net sales from other real estate businesses were 167 million yen (up 8.1% from the same period of the previous fiscal year) due to real estate brokerage, real estate leasing, and other factors.

(Hotel Business)

The Hotel Business generated net sales of 53 million yen (down 0.2% from the same period of the previous fiscal year), primarily from room charges at Hotel Asyl Tokyo Kamata, and segment profit of 9 million yen (down 10.1% from the same period of the previous fiscal year).

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

Analysis of Financial Position

At the end of the first quarter of the fiscal year under review, total assets increased by 8,012 million yen from the end of the previous fiscal year to 87,063 million yen, liabilities increased by 8,778 million yen to 68,333 million yen, and net assets decreased by 766 million yen to 18,729 million yen.

The increase in total assets was mainly due to an increase of 10,174 million yen in real estate for sale in process as a result of steady progress in the acquisition of development sites in prime locations, despite a decrease of 1,498 million yen in real estate for sale.

The increase in liabilities was mainly due to increases of 3,350 million yen in short-term borrowings and 4,820 million yen in long-term borrowings (including the current portion of long-term borrowings) to finance development site acquisitions and other expenditures.

The decrease in net assets was mainly due to the recording of a quarterly loss attributable to owners of parent and the 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 4,927 million yen, operating profit of 25 million yen, an ordinary loss of 260 million yen, and a loss attributable to owners of parent of 277 million yen.

The significant year-on-year decreases in both sales and profits mainly reflected differences in the timing of project completions and sales recognition: project completions and sales recognition for the current fiscal year are concentrated in the third quarter and thereafter, whereas sales of urban rental condominiums, etc. in the previous fiscal year were concentrated in the first quarter.

The Group's core business is developing urban rental condominium buildings and other properties and selling them as whole buildings. The timing, amount, and profit margins 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 completion and delivery of urban rental condominiums, etc. are concentrated in the third quarter and thereafter to a greater extent than in previous years, resulting in larger year-on-year fluctuations. Meanwhile, sales of detached homes and townhouses together with apartment development―the core businesses of the consolidated subsidiary K-nine Co., Ltd.―have remained strong since the beginning of the fiscal year, with both the number of units and buildings sold exceeding those of the same period of the previous fiscal year.

All 13 buildings comprising a total of 618 units of urban rental condominiums, etc. planned for development during the current fiscal year (including one apartment hotel with 16 rooms) are already contracted for sale, and construction of each project is progressing largely as initially anticipated at the beginning of the fiscal year. Therefore, the Company has decided to maintain its full-year consolidated earnings forecast for the current fiscal year, disclosed on August 6, 2026. However, the Company will continue to closely monitor how construction is affected by the availability and rising prices of construction materials amid heightened tensions in the Middle East and other factors. If any revisions to its consolidated earnings forecasts are necessary, the Company will promptly disclose them.

As stated in the "Notice of the Urbanet Group Medium-Term Management Plan" disclosed on May 13, 2025, the Group aims to expand its core business, engage in M&A, invest in human capital, and pursue new business initiatives. The Group is currently assessing the current business environment and its medium- to long-term business plans, with a view to revising and announcing its Medium-Term Management Plan around the time of the announcement of financial results for the first half of the fiscal year ending June 30, 2027 (early February 2027).

The Group has achieved increases in both net sales and profits for four consecutive fiscal years. Going forward, the Group will continue to pursue sustainable growth while striving to further enhance corporate value and deliver returns to shareholders.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	11,597,787	10,939,336
Real estate for sale	4,935,564	3,436,723
Real estate for sale in process	51,236,458	61,410,999
Other	864,669	803,708
Total current assets	68,634,479	76,590,767
Non-current assets		
Property, plant and equipment	9,318,335	9,291,765
Intangible assets		
Goodwill	278,291	245,161
Other	19,878	21,311
Total intangible assets	298,169	266,472
Investments and other assets	799,931	914,085
Total non-current assets	10,416,435	10,472,323
Total assets	79,050,915	87,063,091
Liabilities		
Current liabilities		
Accounts payable - trade	2,560,709	1,605,263
Short-term borrowings	3,355,189	6,705,739
Current portion of long-term borrowings	5,855,560	12,201,222
Lease liabilities	26,633	26,331
Income taxes payable	393,112	164,635
Provision for bonuses	—	57,254
Provision for shareholder benefit program	89,397	—
Provision for warranties for completed construction	15,796	18,738
Other	865,015	2,633,573
Total current liabilities	13,161,415	23,412,756
Non-current liabilities		
Long-term borrowings	45,539,639	44,014,079
Lease liabilities	56,671	50,186
Provision for share awards for directors (and other officers)	154,571	173,443
Provision for employee stock ownership plan trust	46,718	47,587
Retirement benefit liability	82,859	78,673
Other	512,935	556,708
Total non-current liabilities	46,393,394	44,920,679
Total liabilities	59,554,810	68,333,435
Net assets		
Shareholders' equity		
Share capital	3,967,364	3,967,364
Capital surplus	3,466,420	3,466,420
Retained earnings	12,305,335	11,538,886
Treasury shares	(243,015)	(243,015)
Total shareholders' equity	19,496,104	18,729,655
Total net assets	19,496,104	18,729,655
Total liabilities and net assets	79,050,915	87,063,091

（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, 2025	Three months ended September 30, 2026
Net sales	14,234,595	4,927,272
Cost of sales	10,701,636	3,927,922
Gross profit	3,532,958	999,349
Selling, general and administrative expenses	885,919	974,141
Operating profit	2,647,039	25,207
Non-operating income		
Interest income	4,856	14,152
Dividend income	4	2
Other	1,489	716
Total non-operating income	6,350	14,871
Non-operating expenses		
Interest expenses	154,567	274,583
Commission expenses	77,726	25,541
Other	184	73
Total non-operating expenses	232,477	300,197
Ordinary profit (loss)	2,420,911	(260,118)
Extraordinary losses		
Loss on valuation of golf club membership	—	4,441
Total extraordinary losses	—	4,441
Profit (loss) before income taxes	2,420,911	(264,559)
Income taxes - current	689,011	146,842
Income taxes - deferred	78,443	(133,414)
Total income taxes	767,454	13,427
Profit (loss)	1,653,456	(277,987)
Profit (loss) attributable to owners of parent	1,653,456	(277,987)

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026
Profit (loss)	1,653,456	(277,987)
Other comprehensive income	—	—
Comprehensive income	1,653,456	(277,987)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,653,456	(277,987)

（３）Notes to Quarterly Consolidated Financial Statements

（Notes to Segment Information, Etc.）

Ⅰ 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	Reconciling items	Per quarterly consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	14,180,606	53,989	14,234,595	－	14,234,595
Transactions with other segments	－	－	－	－	－
Net sales	14,180,606	53,989	14,234,595	－	14,234,595
Operating profit (loss)	2,988,246	10,331	2,998,577	(351,538)	2,647,039

（注）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 loss shown on the quarterly consolidated statement of income.

Ⅱ Three months ended September 30, 2026 (July 1, 2026-September 30, 2026)

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

(Thousands of yen)

	Reportable segments		Total	Reconciling items	Per quarterly consolidated financial statements
	Real Estate Business	Hotel Business			
Sales					
Revenues from external customers	4,873,406	53,865	4,927,272	－	4,927,272
Transactions with other segments	－	－	－	－	－
Net sales	4,873,406	53,865	4,927,272	－	4,927,272
Operating profit (loss)	435,339	9,286	444,626	(419,418)	25,207

（注）１． The negative 419,418 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 flow for the first quarter of the current fiscal year. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended September 30, 2025, and 2026 are as follows.

(Thousands of yen)

	Three months ended September 30, 2025 (July 1, 2025-September 30, 2025)	Three months ended September 30, 2026 (July 1, 2026-September 30, 2026)
Depreciation	45,815	57,878
Amortization of goodwill	―	33,129

（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 of both the Company and certain consolidated subsidiaries (excluding outside directors and non-residents of Japan; hereinafter collectively referred to as “the Directors of the Company, etc.”). The trust established pursuant to a trust agreement entered into with Resona Bank, Limited in connection with the Plan is hereinafter referred to as “the Trust.”

Furthermore, pursuant to a resolution adopted at the 29th Annual General Meeting of Shareholders held on September 25, 2026, the Company has partially revised the Plan and changed it to a “Stock Benefit Trust for Directors (Restricted Stock Delivery Type),” under which the Company's shares delivered to the Directors of the Company, etc. are subject to transfer restrictions until they cease to hold office or leave employment.

The purpose of the Plan is to further clarify the linkage between the compensation of the Directors of the Company, etc. and the performance and share value of the Group, thereby further enhancing their motivation to contribute to the improvement of the Group's performance and the enhancement of its corporate value over the medium to long term. In addition, by delivering the Company's shares to the Directors of the Company, etc. during their tenure and imposing transfer restrictions until they cease to hold office, the Plan aims to provide incentives for the sustainable enhancement of corporate value.

(1) Outline of transactions

Under the Plan, a trust established with funds contributed by the Company acquires the Company's shares (hereinafter “the Company's Shares”). In accordance with the Share Delivery Regulations established by the Company, the Directors of the Company, etc. receive, through the Trust, the Company's Shares corresponding to the number of points granted to them, as well as cash equivalent to the market value of the Company's Shares.

In principle, the Company's Shares are delivered to the Directors of the Company, etc. after the financial results for each fiscal year have been finalized. When the Directors of the Company, etc. receive the Company's Shares during their tenure, a transfer restriction agreement shall be entered into between the Company and the relevant Directors of the Company, etc. prior to delivery, and the shares shall be subject to transfer restrictions until they cease to hold office or leave employment.

(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 ancillary expenses). The book value and number of these treasury shares were 161,269 thousand yen and 464,000 shares, respectively, as of both June 30, 2026 and September 30, 2026.

（Stock compensation plan for employees）

Pursuant to a 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 established pursuant to a trust agreement entered into with Resona Bank, Limited in connection with the Plan 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 with funds contributed by the Company acquires 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 amount of funds required to establish the Trust, there is no financial 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 ancillary expenses). The book value and number of these treasury shares were 81,693 thousand yen and 194,900 shares, respectively, as of both June 30, 2026 and September 30, 2026.