

MUGEN ESTATE Co.,Ltd.

Fiscal Year ended Dec.31, 2023

Financial Results

Standard Market:3299 | Feb 14, 2024

<https://www.mugen-estate.co.jp/en/>

Contents

01 Overview of FY2023 Financial Results

02 FY2024 Earnings Forecast

03 Progress of 2nd Medium-term
Management Plan

04 Action to implement management that is
conscious of cost of capital and stock price

Appendix: Company Profile

FY2023 Highlights

- **Net sales and profit rose year on year.**

With the strong sales of the Purchase and Resale Business, massive year-on-year rises in net sales and profit were achieved, with net sales up 65.3% to 51.6 billion yen, operating income up 99.4% to 5.9 billion yen, ordinary income up 127.1% to 5.2 billion yen and profit attributable to owners of parent up 133.5% to 3.6 billion yen.

- **Sales were buoyant.**

Sales of both residential-type properties and investment-type properties were buoyant. For residential-type properties, the number of units sold surged 143 year on year and net sales grew significantly by 135.4% year on year.

For investment-type properties, sales of high-end properties were brisk. The number of units sold was up 41 year on year and net sales was up 21.7% year on year.

- **Efforts were focused on launching sales offices outside the Tokyo region.**

To continuously expand the Purchase and Resale Business, the Osaka Sales Office was established in May 2023. With sales offices also established in Sapporo, Nagoya and Fukuoka in January 2024, we will cultivate trade areas across the country.

- **Personnel increased.**

Group-wide, more personnel were employed, increase the number of staff by 68 for the fiscal year. That had a significant positive effect on net sales and unit sales.

01



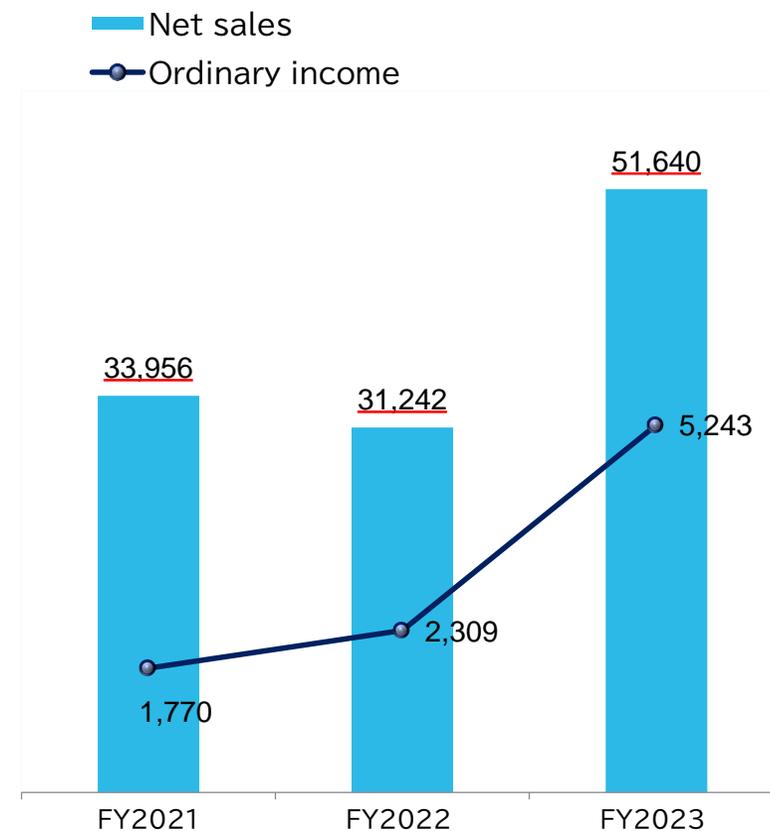
**Overview of FY2023
Financial Results**

Overview of Consolidated Financial Results for FY2023

- With the conditions in the real estate market being buoyant, the Purchase and Resale Business was healthy.
- There were huge increases in net sales and profit due to positive sales activities and sales of high-end properties.

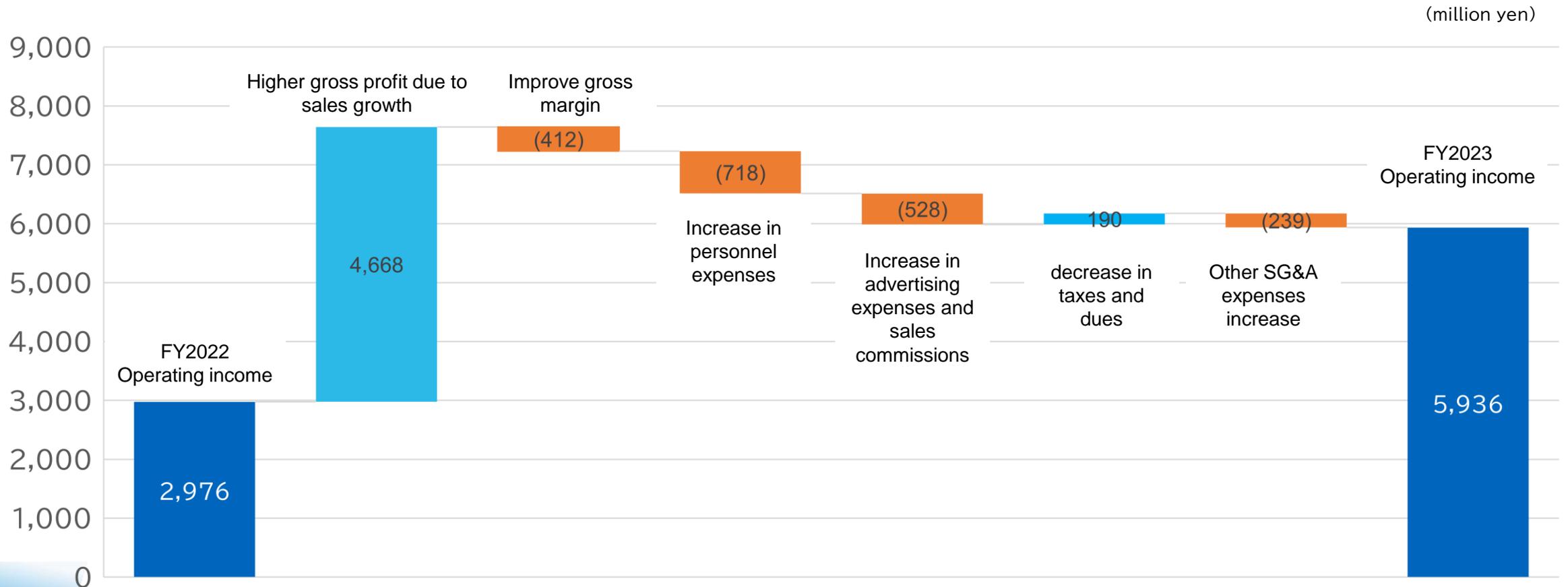
million yen	FY2022		FY2023		YOY	
	Results	Proportion (%)	Results	Proportion (%)	Results	Rate (%)
Net sales	31,242	100.0	51,640	100.0	20,397	65.3
Gross profit	7,150	22.9	11,406	22.1	4,256	59.5
SGA	4,173	13.4	5,469	10.6	1,296	31.1
Operating income	2,976	9.5	5,936	11.5	2,959	99.4
Ordinary income	2,309	7.4	5,243	10.2	2,933	127.1
Profit attributable to owners of parent	1,564	5.0	3,653	7.1	2,088	133.5

Net sales&Ordinary income (million yen)



Operating Income Analysis for FY2023

- Operating income rose 2.9 billion yen year on year to 5.9 billion yen.
- The growth of sales resulted in an approximate 4.6 billion yen increase in gross profit.
- Personnel expenses increased by around 0.7 billion yen and advertising expenses and sales commissions by some 0.5 billion yen.



Net sales and profits for reportable business segments

- Real Estate Trading Business: Net sales and profit grew due to the briskness of the Purchase and Resale Business.
- Real Estate Leasing and Other Business: Net sales and profit both stayed flat year on year.

million yen	FY2022		FY2023		YOY	
	Net sales	Proportion (%)	Net sales	Proportion (%)	Change	Rate (%)
Real Estate Trading	29,016	92.9	49,353	95.6	20,336	70.1
Real Estate Leasing & Other	2,226	7.1	2,286	4.4	60	2.7
Total	31,242	100.0	51,640	100.0	20,397	65.3

million yen	FY2022		FY2023		YOY	
	Segment profit	Proportion (%)	Segment profit	Proportion (%)	Change	Rate (%)
Real Estate Trading	4,051	83.8	7,194	90.3	3,143	77.6
Real Estate Leasing & Other	780	16.2	771	9.7	(8)	(1.1)
Total	4,831	100.0	7,966	100.0	3,134	64.9

Net sales

(million yen)



Segment profit

(million yen)



※ Net sales and Proportion indicates sales to external customers. Segment profit and Proportion indicates segment profit in comparison with operating income before segment adjustments

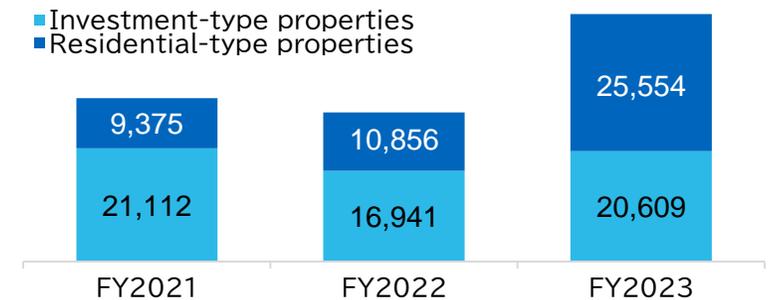
Net sales for reportable business segments

- Purchase and Resale Business: Net sales and unit sales increased, partly aided by the increase of sales personnel (by 34 year on year, including new graduates).
Sales of residential-type properties surged 135.4% year on year, after the establishment of sales offices and other actions for cultivating trade areas. Sales of investment-type properties were up 21.7% year on year due to monetary relaxation and increasing demand from Japanese and overseas investors.
- Development Business: Three buildings, Asakusa, Ueno EAST and Oshiage, were sold.
- Real Estate Specified Joint Business: The Phase 2 offering of the Setagaya Project and the Phase 1 offering of the Nursing Care Edogawa Project were sold out.

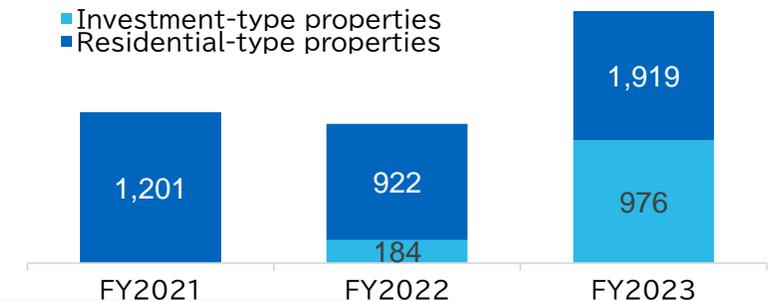
million yen	FY2022	FY2023	YOY	
	Results	Results	Change	Rate (%)
Real Estate Trading	29,016	49,353	20,336	70.1
Purchase and Resale Business (Investment-type properties)	16,941	20,609	3,668	21.7
Purchase and Resale Business (Residential-type properties)	10,856	25,554	14,698	135.4
Real Estate Development Business	184	976	791	428.7
Real Estate Specified Joint Business	922	1,919	996	108.0
Other	111	292	181	162.1
Real Estate Leasing & Other	2,226	2,286	60	2.7

※Sales of land are included in Residential-type properties

Net sales of Purchase and Resale Business (million yen)



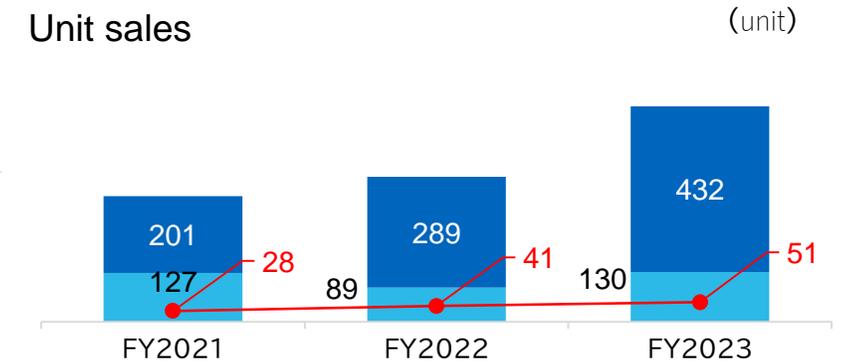
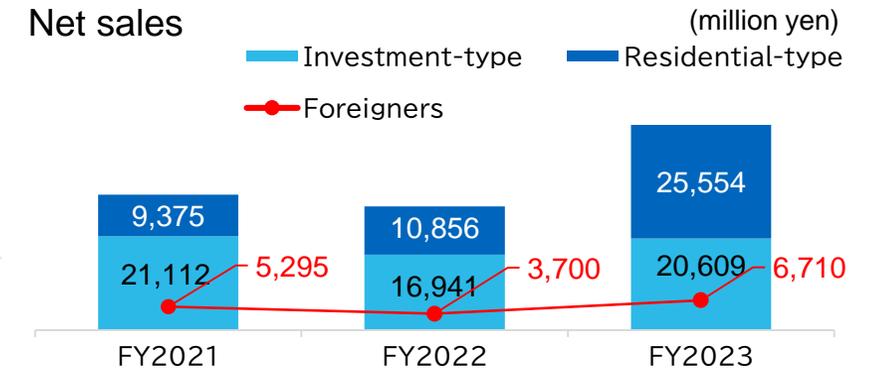
Real Estate Development Business
Real Estate Specified Joint Business



Purchase & Resale Business: Sales by Type

- Investment-type properties: Net sales and unit sales both increased due to brisk demand for rental condominiums and office buildings.
- Residential-type properties: Net sales and the average sale price per unit increased due to the cultivation of trade areas and sales of high-end properties.
- Foreigners: Net sales and the average sale price per unit increased, resulting chiefly from the recovery of demand from inbound visitors.

million yen	FY2022	FY2023	YOY	
			Change	Rate(%)
Net sales	27,797	46,164	18,366	66.1
Investment-type	16,941	20,609	3,668	21.7
Residential-type	10,856	25,554	14,698	135.4
Unit sales	378	562	184	48.7
Investment-type	89	130	41	46.1
Residential-type	289	432	143	49.5
Average selling price	73.5	82.1	8.6	11.7
Investment-type	190.3	158.5	(31.8)	(16.7)
Residential-type	37.5	59.1	21.5	57.5
Foreigners				
Net sales	3,700	6,710	3,340	90.3
Unit sales	41	51	11	26.8
Average selling price	90.2	131.5	45.1	50.0



※ Sales of land are included in Residential-type properties

Purchase & Resale Business: Sales by Area

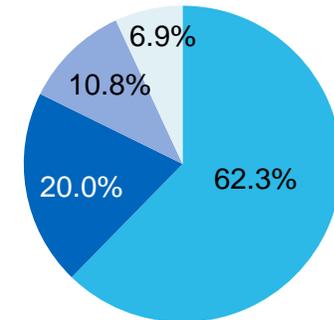
- Investment-type properties: Unit sales soared in the Tokyo region due to increasing demand from investors in Japan and overseas.
- Residential-type properties: Unit sales and net sales increased in all the areas following the establishment of sales office, other moves to cultivate trade areas and a personnel increase.

< Investment-type properties >

Area	FY2022				FY2023				YOY	
	Units sales	Proportion (%)	Sales amount	Average price	Units sales	Proportion (%)	Sales amount	Average price	Units sales	Sales amount
Tokyo	65	73.0	12,742	196.0	81	62.3	14,116	174.2	16	1,373
Kanagawa	12	13.5	2,806	233.8	26	20.0	2,268	87.2	14	(537)
Saitama	6	6.7	854	142.4	14	10.8	2,150	153.5	8	1,295
Chiba	6	6.7	537	89.5	9	6.9	2,075	230.5	3	1,537
Total	89	100.0	16,941	190.3	130	100.0	20,609	158.5	41	3,668

(million yen)

FY2023 Breakdowns of sales by area

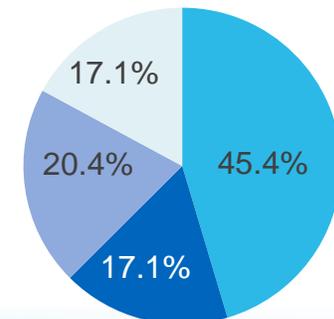


< Residential-type properties >

Area	FY2022				FY2023				YOY	
	Units sales	Proportion (%)	Sales amount	Average price	Units sales	Proportion (%)	Sales amount	Average price	Units sales	Sales amount
Tokyo	130	45.0	6,338	48.7	196	45.4	18,392	93.8	66	12,053
Kanagawa	40	13.8	1,187	29.6	74	17.1	2,648	35.7	34	1,461
Saitama	62	21.5	1,796	28.9	88	20.4	2,442	27.7	26	645
Chiba	57	19.7	1,533	26.9	74	17.1	2,071	27.9	17	537
Total	289	100.0	10,856	37.5	432	100.0	25,554	59.1	143	14,698

(million yen)

■ Tokyo ■ Kanagawa ■ Saitama ■ Chiba



※Residential-type properties include land, etc. that purchasing parties use for residential purposes.

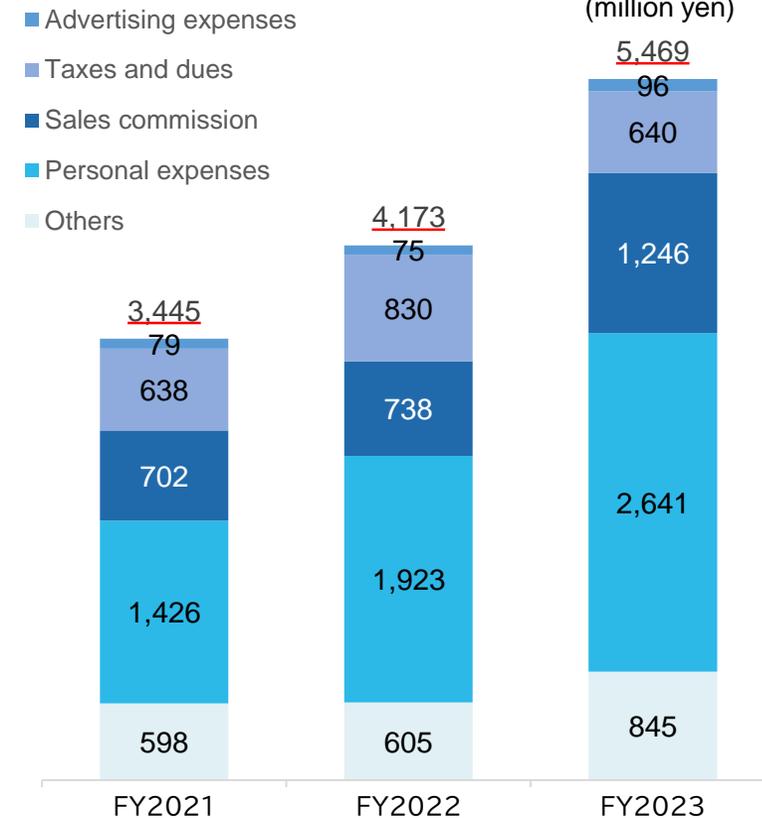
※Residential-type properties in Tokyo include property sales outside Tokyo and three neighboring prefectures in FY2023.

Selling, General & Administrative Expenses

- Selling, general and administrative expenses: Personnel expenses surged do to the expansion of the staff. Sales growth led to an increase in sales commissions and a drop in taxes and dues.
- Non-operating expenses: Interest expenses soared due to a rise in average outstanding borrowings during the fiscal year compared with the previous year.

million yen	FY2022		FY2023		YOY	
	Results	Sales ratio (%)	Results	Sales ratio (%)	Change	Rate (%)
Selling, general and administrative expenses	4,173	13.4	5,469	10.6	1,296	31.1
Personal expenses	1,923	6.2	2,641	5.1	718	37.4
Sales commission	738	2.4	1,246	2.4	508	68.9
Advertising expenses	75	0.2	96	0.2	20	26.5
Taxes and dues	830	2.7	640	1.2	(190)	(22.9)
Others	605	1.9	845	1.6	239	39.5
Non-operating income	63	0.2	131	0.3	68	106.8
Non-operating expenses	731	2.3	825	1.6	93	12.8
Interest expenses	655	2.1	724	1.4	68	10.5
Others	76	0.2	100	0.2	24	32.5

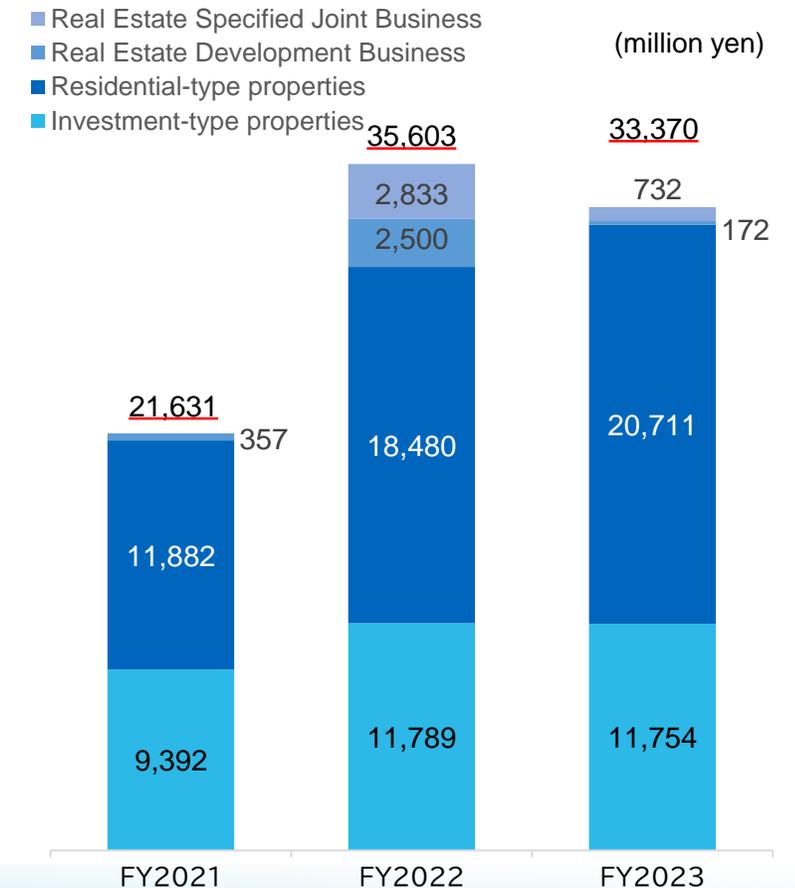
Selling, general and administrative expenses breakdown



Purchases by Business Segments

- Purchases of residential-type properties increased 2.2 billion yen, attributable to an increase in the number of sales personnel.
- The Development Business purchased one property in consideration of the rise of materials prices and labor expenses and other external conditions.
- In the Real Estate Specified Joint Business, one property was purchased after examining its profitability.

million yen	FY2022	FY2023	YOY	
	Results	Results	Change	Rate (%)
Investment-type properties	11,789	11,754	(35)	(0.3)
Residential-type properties	18,480	20,711	2,231	12.1
Real Estate Development Business	2,500	172	(2,327)	(93.1)
Real Estate Specified Joint Business	2,833	732	(2,100)	(74.1)
Total	35,603	33,370	(2,232)	(6.3)



Real Estate for Sales (Inventory)

- Real estate for sale increased slightly from the previous fiscal year.
- Residential-type properties increased 4.1 billion yen from the end of the previous fiscal year, due to area cultivation and increased sales staff.

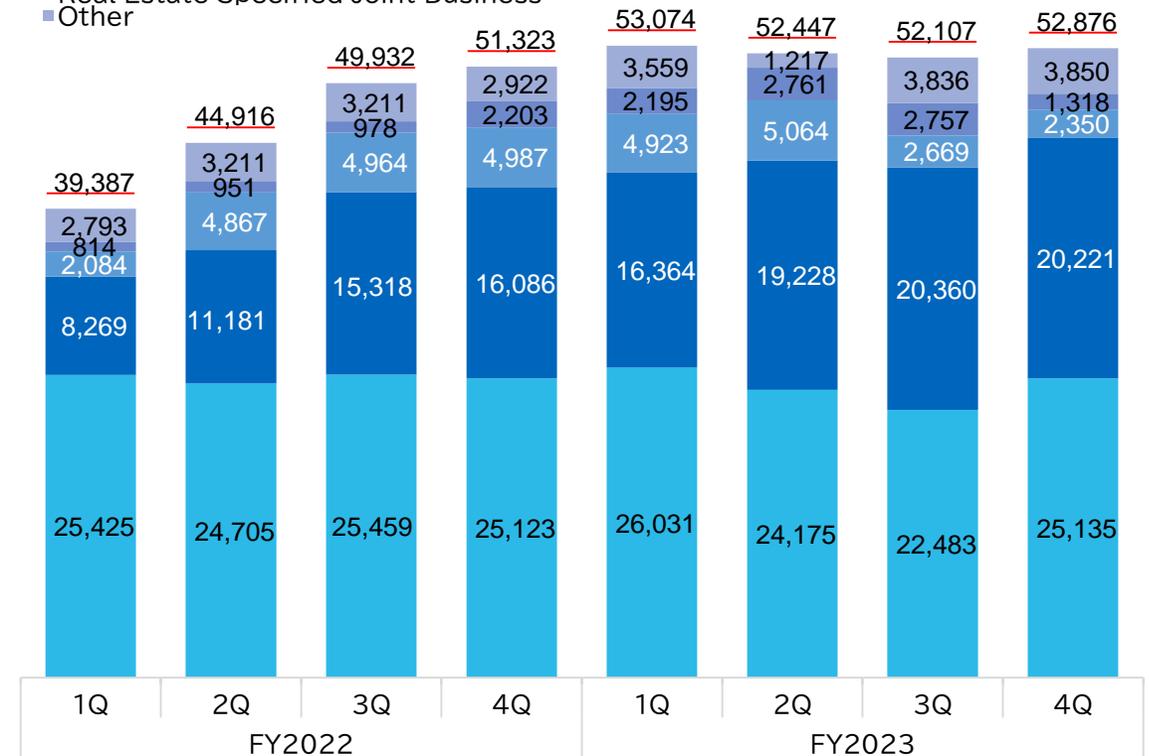
million yen	As of Dec.31,2022	As of Dec.31,2023	Change
Real estate for sales	51,323	52,876	1,553
Investment-type properties	25,123	25,135	12
Residential-type properties	16,086	20,221	4,134
Real Estate Development Business	4,987	2,350	(2,637)
Real Estate Specified Joint Business	2,203	1,318	(884)
Other	2,922	3,850	928

※ Real estate for sale (inventory) figures are non-consolidated figures.

Real estate for sales breakdown

- Investment-type properties
- Residential-type properties
- Real Estate Development Business
- Real Estate Specified Joint Business
- Other

(million yen)

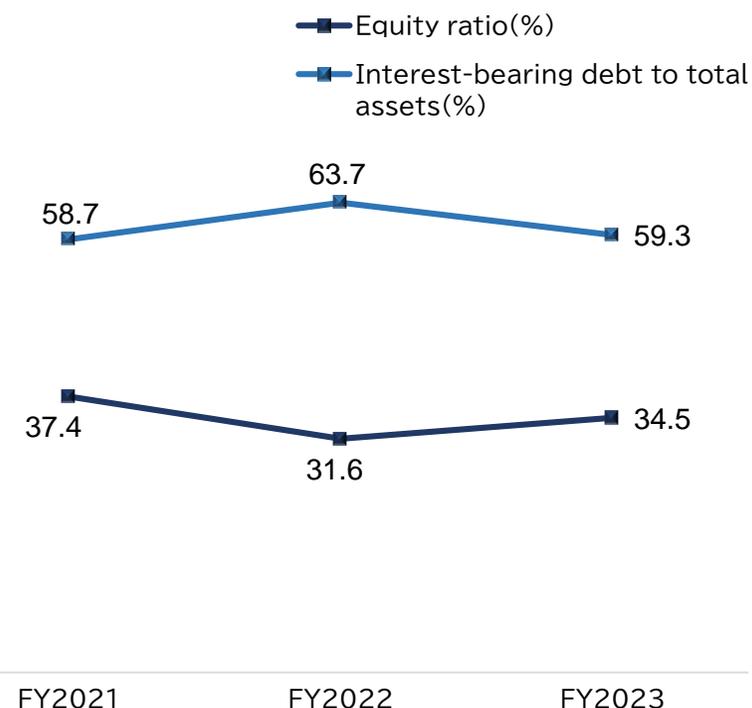


Overview of Consolidated Financial Position

- Non-current assets decreased after a transfer of three properties to real estate for sale.
- Sales of large properties helped advance the repayment of long-term borrowings and decrease interest-bearing debt.

million yen	As of Dec.31,2022	As of Dec.30,2023	YOY	
	Results	Results	Change	Rate (%)
Current assets	70,174	74,189	4,015	5.7
Cash & deposits	17,754	20,420	2,666	15.0
Real estate for sale	51,116	52,644	1,528	3.0
Non-current assets	7,213	6,119	(1,094)	(15.2)
Total assets	77,448	80,362	2,914	3.8
Current liabilities	18,501	19,484	982	5.3
Short-term interest-bearing debt	15,639	15,607	(31)	(0.2)
Non-current liabilities	34,342	33,034	(1,307)	(3.8)
Long-term interest-bearing debt	33,684	32,053	(1,630)	(4.8)
Total liabilities	52,843	52,518	(325)	(0.6)
Total net assets	24,604	27,844	3,239	13.2
Total liabilities & net assets	77,448	80,362	2,914	3.8
Average loan period (Investment-type)	3yr10mo.	4yr 0mo.	2mo.	-
Average loan period (Residential-type)	1yr	1yr	-	-

Equity ratio & Interest-bearing debt to total assets



02

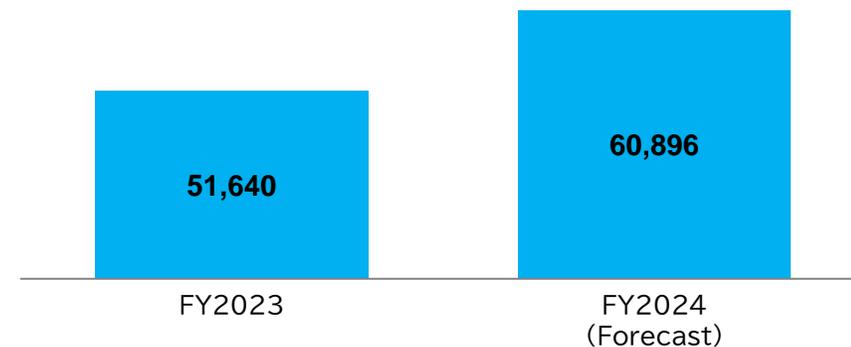
FY2024 Earnings Forecast

FY2024 Earnings Forecast <Consolidated> Revised

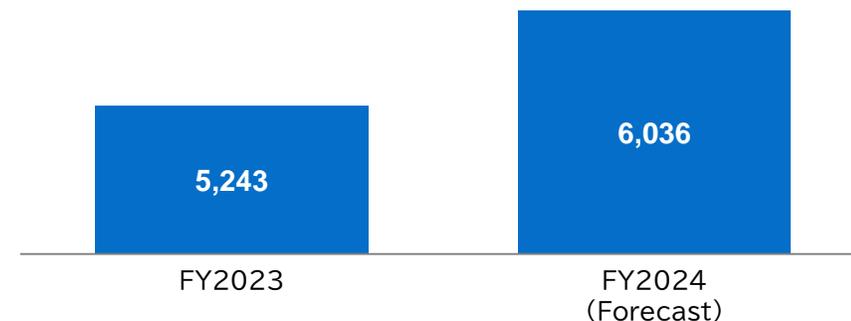
- We aim to continuously expand the Purchase and Resale Business by enlarging trade areas and reenforcing the sales staff.
- In light of the strong real estate market, we will also focus on investment-type properties and actively purchase such properties.

million yen	FY2023		FY2024	
	Results	YOY(%)	Forecast	YOY(%)
Net sales	51,640	65.3	60,896	17.9
Real Estate Trading	49,353	70.1	58,504	18.5
Real Estate Leasing & Other	2,286	2.7	2,392	4.6
Operating income	5,936	99.4	6,861	15.6
Ratio to net sales	11.5%	-	11.3%	-
Ordinary income	5,243	127.1	6,036	15.1
Ratio to net sales	10.2%	-	9.9%	-
Profit attributable to owners of parent	3,653	133.5	3,985	9.1
Ratio to net sales	7.1%	-	6.5%	-

Net sales (million yen)



Ordinary income

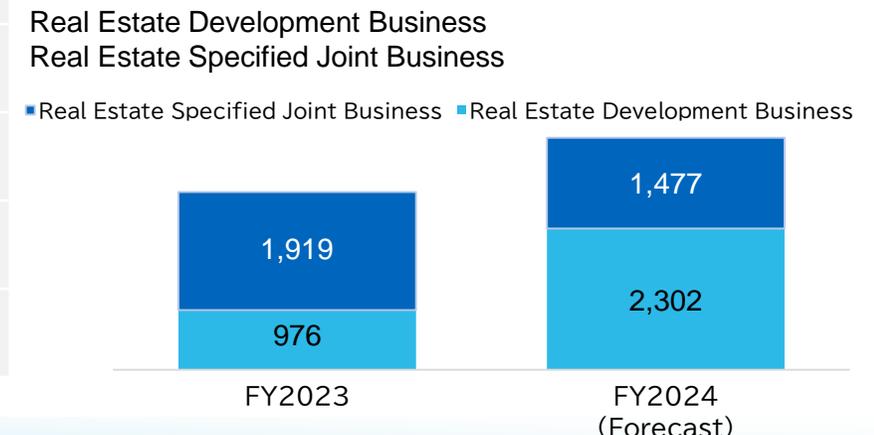
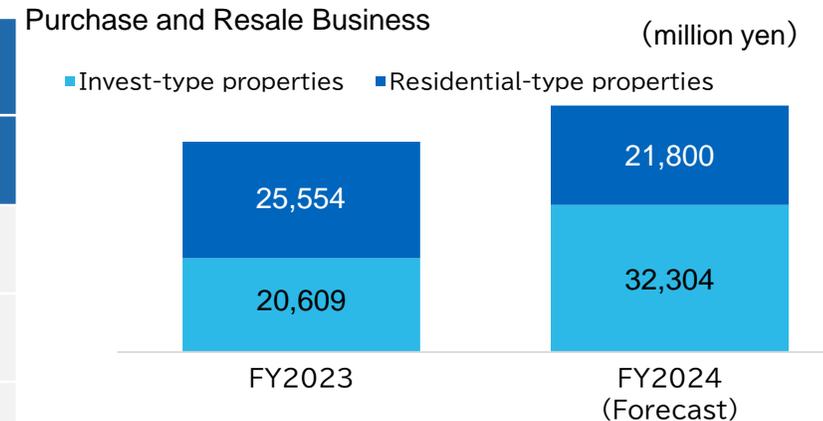


FY2024 Earnings Forecast

<Net sales for reportable business segments> Revised

- Purchase and Resales Business: We will continue sales activities with an emphasis on profitability as we did in the previous fiscal year. However, we will increase efforts to sell investment-type properties in addition to residential-type properties.
- Development Business: We are to start sales activities regarding five completed buildings.
- Real Estate Specified Joint Business: The Phase 2 offering of the Nursing Care Edogawa Project and the offering of a new project are planned.

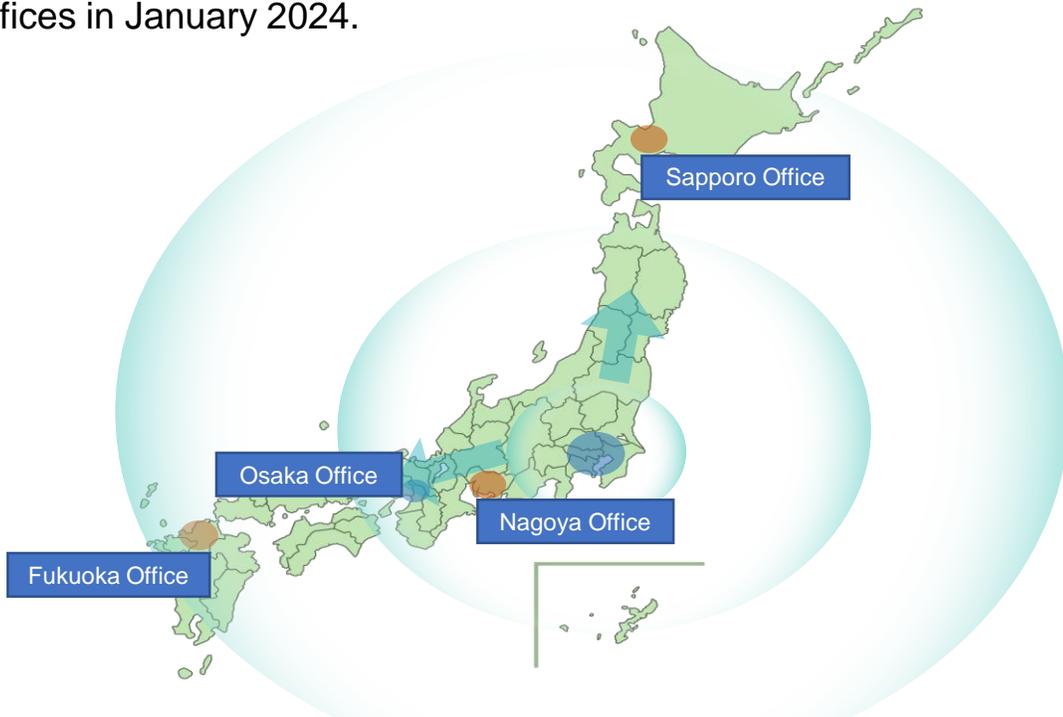
million yen	FY2023		FY2024	
	Results	YOY(%)	Forecast	YOY(%)
Real Estate Trading	49,353	70.1	58,504	18.5
Purchase and Resale Business (Investment-type properties)	20,609	21.7	32,304	56.7
Purchase and Resale Business (Residential-type properties)	25,554	135.4	21,800	(14.7)
Real Estate Development Business	976	428.7	2,302	135.8
Real Estate Specified Joint Business	1,919	108.0	1,477	(23.0)
Other	292	162.1	619	111.7
Real Estate Leasing & Other	2,286	2.7	2,392	4.6



Real Estate Purchase and Resale Business Initiatives

Expand sales offices to the West Japan and Hokkaido regions

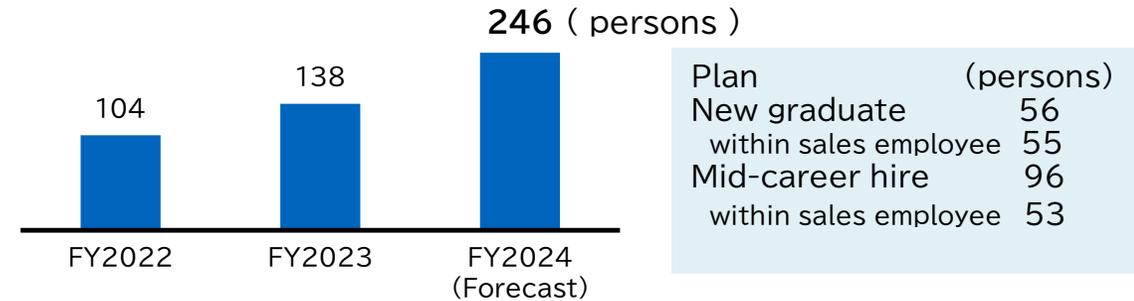
The establishment of the Osaka Sales Office in May 2023 was followed by the opening of the Sapporo, Nagoya and Fukuoka Sales Offices in January 2024.



In the Tokyo region, the Shibuya Sales Office will be established in or after this spring.

Increasing sales personnel

Continue to reinforce the sales workforce to increase opportunities for winning projects ⇒ Aim to expand sales.



Increase recognition outside the Tokyo region and strengthen advertising

Carry out different advertising activities in areas where we operate sales offices and gather information swiftly from brokers in an effort to enhance purchases and sales.



Real Estate Development Business & Real Estate Specified Joint Business Initiatives

Real Estate Development Business

Property name/location	Scheduled completion	Structure/total number of units and uses
SIDEPLACE HIRAI [Hirai, Edogawa-ku, Tokyo]	End of March 2024	Steel construction, 9 floor above ground 13 units for retail, office and residential uses
SIDEPLACE JUJO [Jujo-nakahara, Kita-ku, Tokyo]	End of September 2024	Reinforced concrete construction, 7 floor above ground/partial steel construction, 3 floor above ground 20 units for retail and residential uses

【SIDEPLACE Hirai】



【SIDEPLACE Jujo】



※ Product image for illustration purposes only. Actual product may vary

Real Estate Specified Joint Business

■ The voluntary partnership for the Nursing Care Edogawa Project (our fourth project)

Phase 2 offering underway: 410 million (409 units offered at 1 million yen per unit)

- Formation scheduled around June 2024.

■ Sales of the fifth project will start

The voluntary partnership for the Sumida Ryogoku Project (tentative)

- Scheduled in Spring 2024.

【Sumida Ryogoku Project (tentative)】

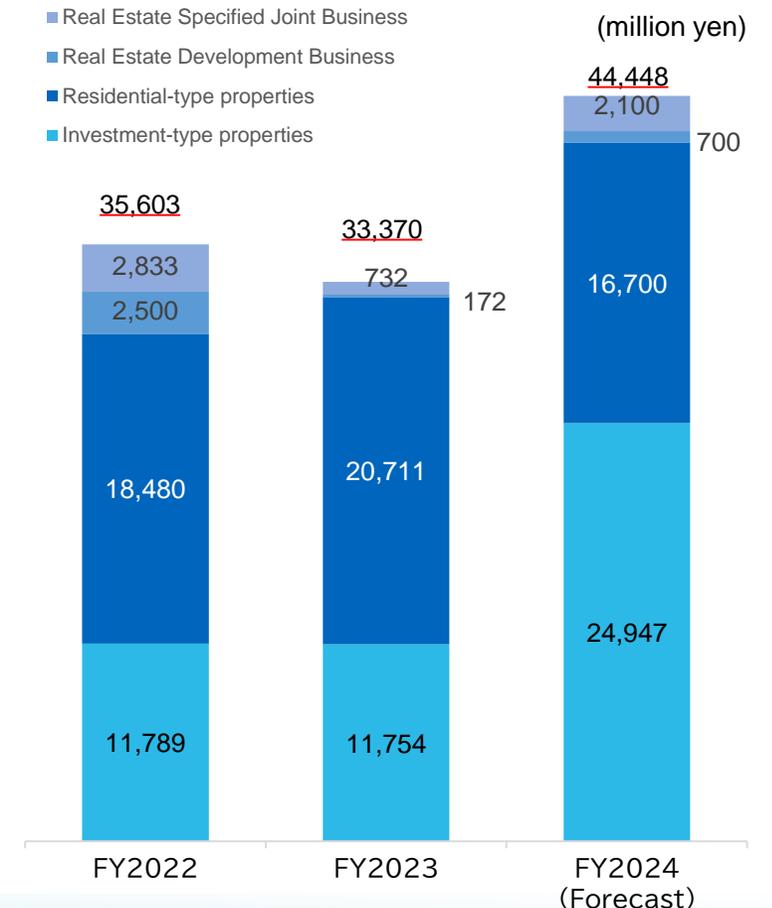
【Nursing Care Edogawa Project】



Acquisition Plan

- We will actively purchase investment-type properties in view of the current market conditions.
- In the Development Business, we will purchase one property in consideration of external circumstances such as the rise of materials prices and labor expenses as well as profitability.
- In the Real Estate Specified Joint Business, we are planning to purchase two properties.

million yen	FY2023	FY2024	YOY	
	Results	Forecast	Change	Rate (%)
Investment-type properties	11,754	24,947	13,193	112.2
Residential-type properties	20,711	16,700	(4,010)	(19.4)
Real Estate Development Business	172	700	527	305.4
Real Estate Specified Joint Business	732	2,100	1,367	186.7
Total	33,370	44,448	11,077	33.2



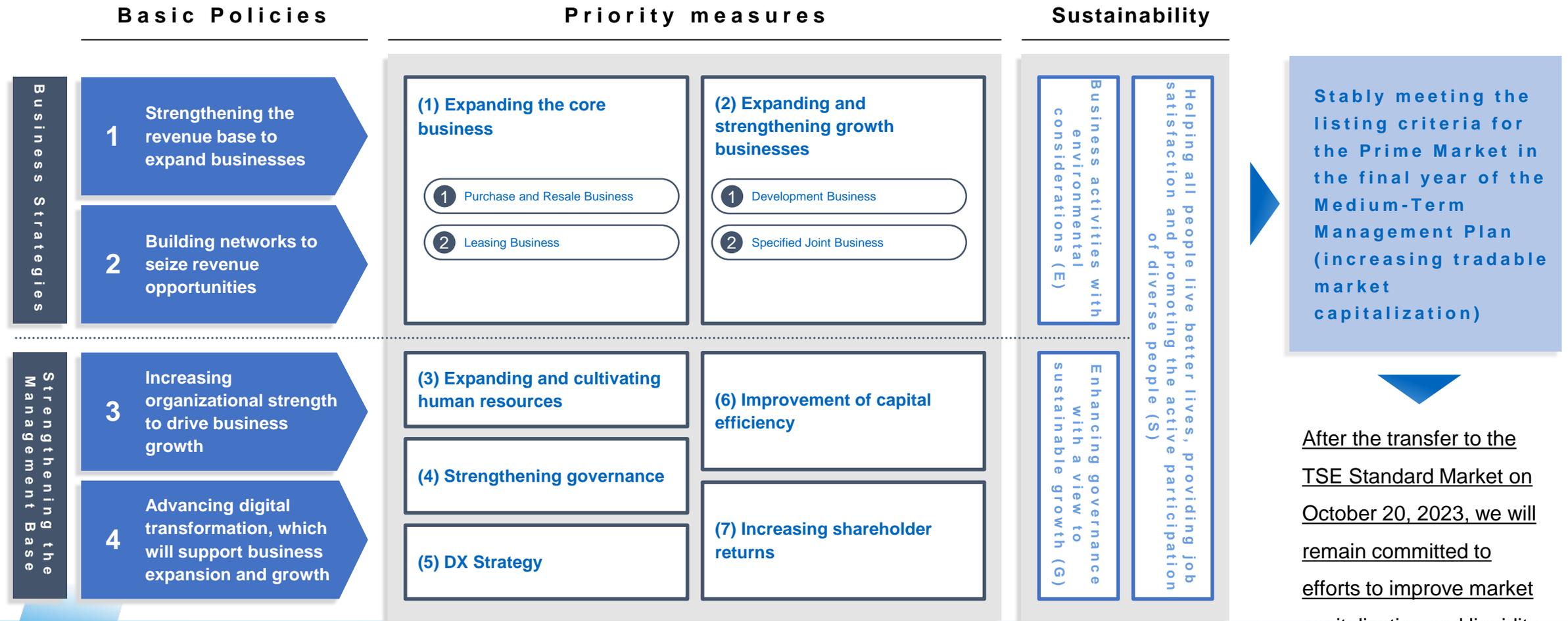
03

Progress of 2nd Medium-term Management Plan

[Reference] Basic Policies and Priority measures

In the second year of the second Medium-Term Management Plan, no changes have been made to the basic policies and priority measures. We will work to expand business and to strengthen the management foundation. In addition, we will implement management that considers sustainability and shareholder returns.

Moved to the TSE Standard Market on October 20, 2023. After the transfer, the Group will advance a plan covering the basic policy for initiatives to comply with the criteria for maintaining our listing on the Prime Market, issues to address and details of initiatives.



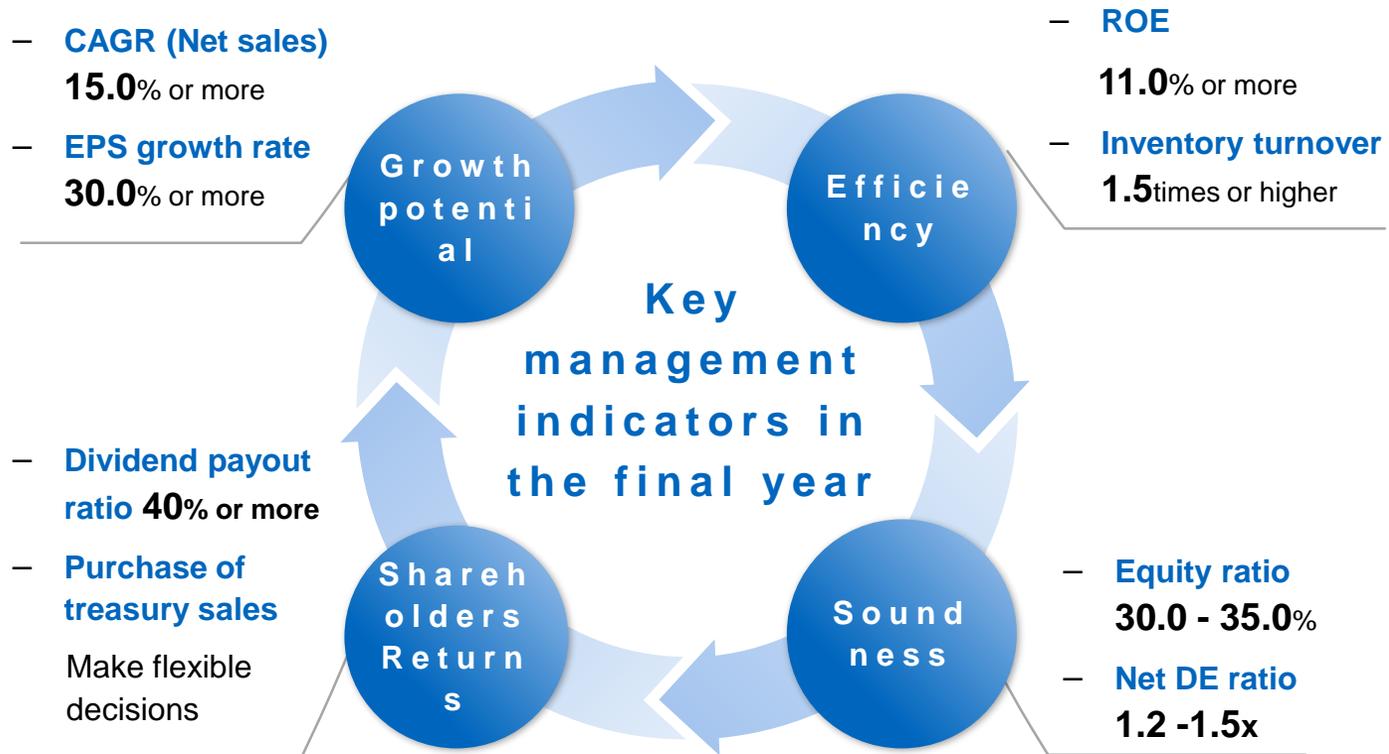
Revision of Second Medium-Term Management Plan Consolidated Results Targets

In light of the current results in the Real Estate Trading Business and the current real estate market conditions, we have revised our initial targets for 2024.

million yen	FY2022 Results	FY2023 Results	FY2024	FY2024
			Initial plan	Revised plan
Net sales	31,242	51,640	53,224	60,896
Real Estate Trading Business	29,016	49,353	49,797	58,504
Real Estate Leasing and Other Business	2,226	2,286	3,427	2,392
Operating income	2,976	5,936	4,991	6,861
Ratio to net sales	9.5%	11.5%	9.4%	11.3%
Ordinary income	2,309	5,243	4,411	6,036
Ratio to net sales	7.4%	10.2%	8.3%	9.9%
Profit attributable to owners of parent	1,564	3,653	2,805	3,985
Ratio to net sales	5.0%	7.1%	5.3%	6.5%

Progress of 2nd Medium-term Management Plan Key Performance Indicators

With a view to ensuring management with an awareness of capital costs and share price, we will work to improve capital profitability, capital costs and market evaluation.



	FY2023 Results	FY2024 Forecast
CAGR (Net sales)	23.3%	21.5%
EPS growth rate	133.3%	8.6%
ROE	14.0%	13.7%
Inventory turnover	0.95	1.08
Equity ratio	34.5%	36.8%
Net DE ratio	0.98	0.86
Dividend payout ratio	40.6%	40.3%

Progress of Strengthening the Management Base

In accordance with the Second Medium-Term Management Plan, we will hire more personnel, improve engagement and advance digital transformation (DX).

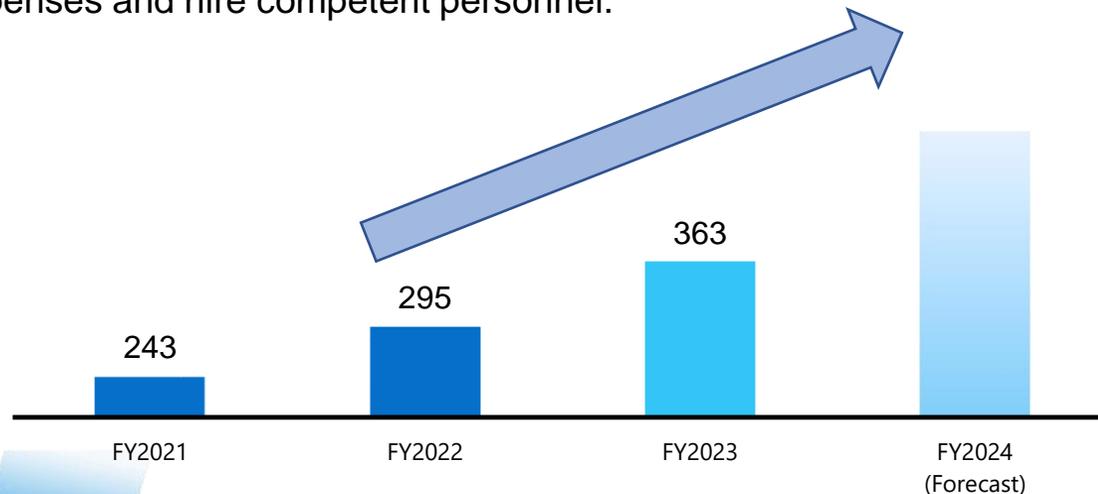
Human resource recruitment and development

■ Staff expansion

We increased the number of employees on a consolidated basis to 363 as of the end of 2023. For FY2024, we will continue to hire more new graduates chiefly for sales positions.

■ Effective use of the referral program

We will use the employee referral program to reduce recruitment expenses and hire competent personnel.



Efforts to improve engagement

■ Improving employee engagement

- We will conduct employee engagement surveys of all our staff members.
- We will conduct surveys on a quarterly basis to build closer relationships between the Group and individuals.
- We will continue efforts to understand changes in our organizational culture and in employees' workstyles, opinions and awareness in a timely manner and to incorporate findings into management.

Enhancement of governance and implementation of DX

■ Upgrade of information security systems

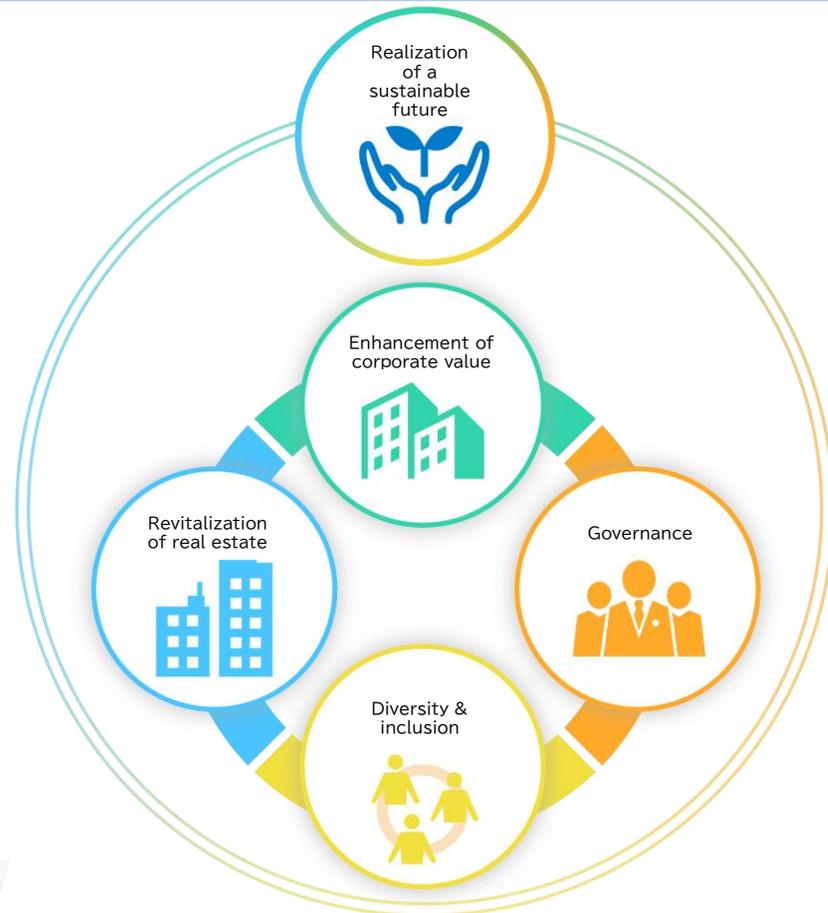
We will upgrade our security systems in preparation for the recently increasingly frequent ransomware attacks and other cyberattacks.

■ Revamp of personnel and recruitment systems

We have a plan to revamp our personnel system and introduce a recruitment system to centralize data management, enhance user satisfaction and increase work efficiency.

Identifying materiality

We will identify material issues we should address in view of the recent changes in the social environment and the demands of society.



(1) Realization of a sustainable future

(2) Enhancement of corporate value

- Increase corporate value and return to shareholders
- Strive for customer satisfaction
- Promotion of DX

(3) Revitalization of real estate

- Business activities with environmental considerations
- Offer high-quality real estate
- Serve society through the real estate revitalization business
- Coexistence with local communities

(4) Diversity & inclusion

- Construct an organizational culture where all employees can display their potential
- Hire and foster competent personnel
- Establish a desirable working environment and improve employee health

(5) Governance

- Respecting for human rights
- Strengthen corporate governance
- Prevent misconduct and violations and increase compliance

Sustainability Initiatives

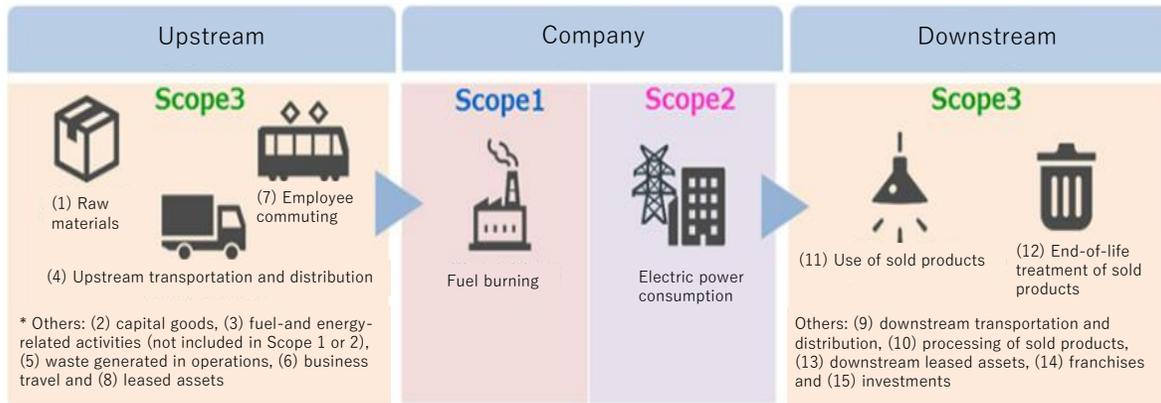
Environment (E)

[Calculation of Scope 3 emissions]

We start calculating the Group's greenhouse gas (GHG) emissions in its supply chains (Scope 3 emissions).*

We already started disclosing GHG emissions from our business activities (Scope 1 and 2 emissions) in FY2023.

*Emissions in supply chains are the total emissions associated with business activities, not confined to those of business operators.



Society (S)

[Formulation of a human rights policy]

We will organize the Group's stance and actions regarding respect for human rights and formulate the Mugen Estate Group Human Rights Policy to ensure human rights are considered in business activities.

[Women's Empowerment Project]

Our women's empowerment efforts in the current fiscal year will focus on supporting a healthy work-life balance. To increase internal awareness of both men and women taking childcare leave, we are planning activities that will include the participation of male employees.



Internal booklet created through the women's empowerment project

[Received "Platinum Kurumin" certification]

In April 2023, the Company received Kurumin recognition from the Minister of Health, Labour and Welfare as a childcare supporting company that meets the standards pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children.

In the future, we will endeavor to receive Platinum Kurumin recognition, which is a higher-level recognition under the Kurumin recognition program, with a view toward further improving employees' work-life balance.



Shareholder Returns: Dividend Policy and Dividend Forecast

Basic Policy for Dividend Distribution

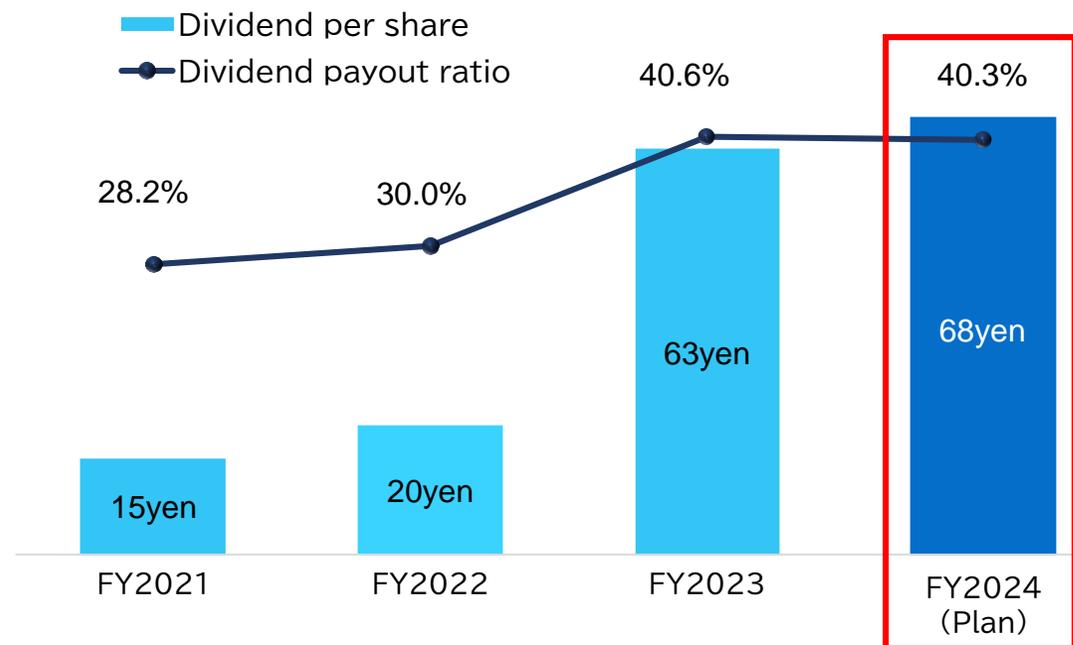
■ The Group's basic policy

- The Group continues to pay dividends consistently, while simultaneously strengthening its financial position and enhancing its internal reserves to expand its businesses on a long-term basis.
- The Group determines profit allocation comprehensively considering the financial results, the cost of capital based on the balance sheet, capital profitability and other factors.
- The Group aims for a consolidated dividend payout ratio of 40% or more in the medium to long term.

Dividend forecast (dividend increase)

■ Dividend forecast (dividend increase)

- Comprehensively considering the financial results for the fiscal year ended December 31, 2023 and future business developments, we expect to pay a year-end dividend of 63 yen per share for the fiscal year, up 10 yen from the latest dividend forecast. This will be a payout ratio of 40.6%.
- The dividend for the fiscal year ending December 31, 2024 is forecast to be 68 yen per share, with a payout ratio of 40.3%.

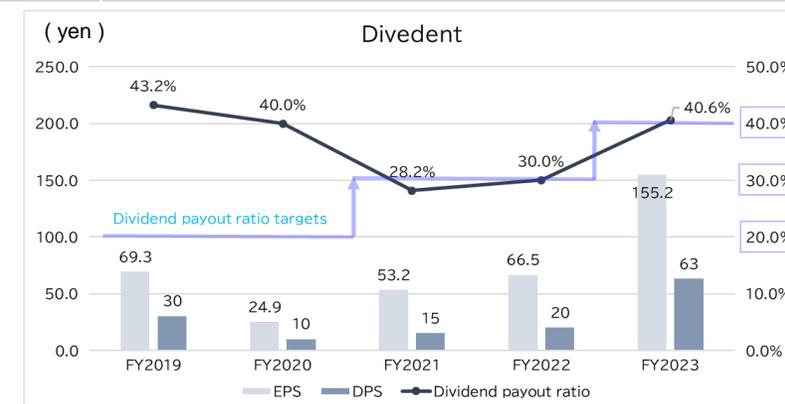
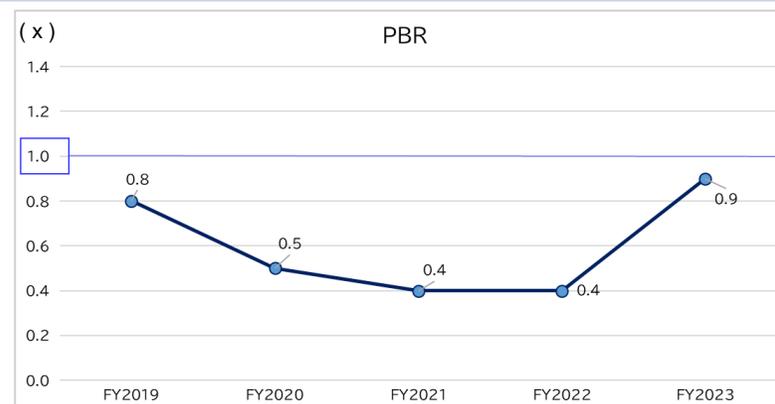
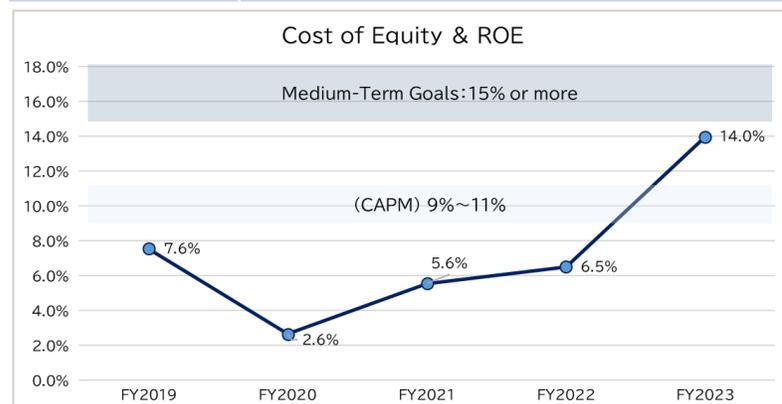


04

**Action to implement
management that is
conscious of cost of capital
and stock price**

Analysis of present status and recognition of issues regarding capital return and market evaluation

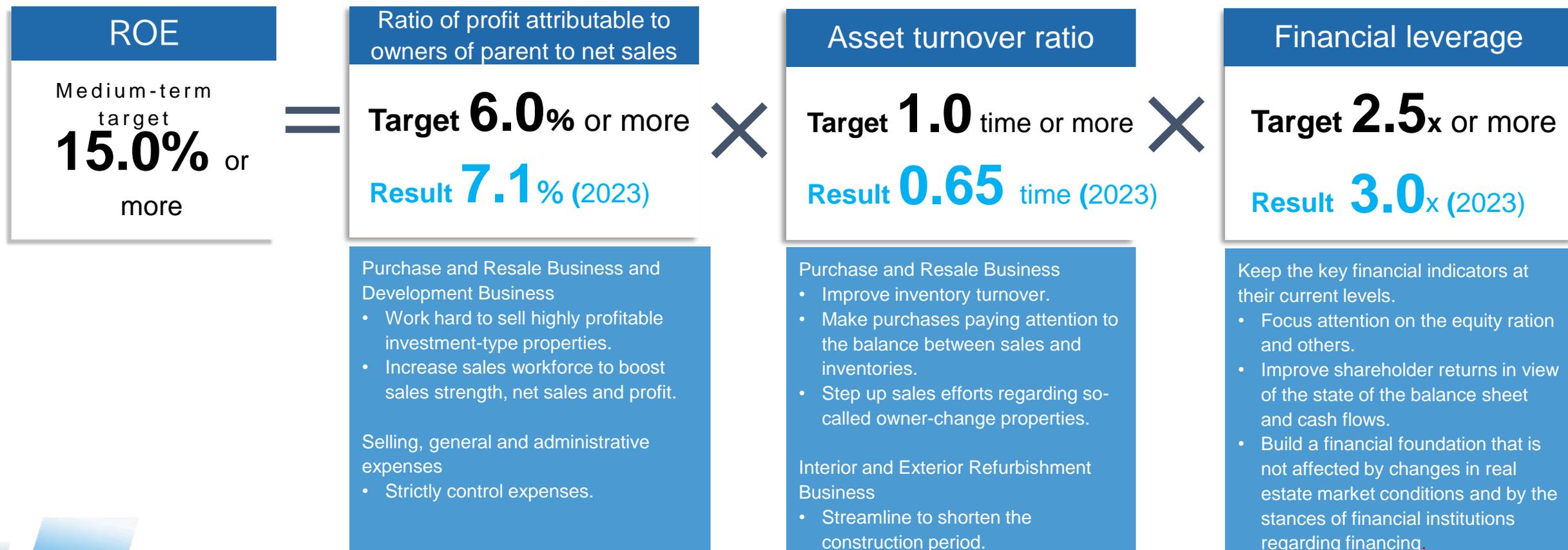
	Analysis of present status	Identified issues
Capital profitability	<ol style="list-style-type: none"> During the four financial years starting in 2019, ROE was below the cost of equity recognized by the Company. For FY2023, we achieved the increase in revenue in the core business and the strengthening of growth businesses mentioned in the Second Medium-Term Management Plan. ROE reached a level above the cost of equity, but failed to meet our medium-term target of 15%. 	<p>Achieve the ROE target and keep the ROE at the target level or higher.</p> <p>→ Improve ROE continuously using the DuPont analysis.</p>
Cost of capital	<ol style="list-style-type: none"> According to our understanding, the cost of equity in the capital asset pricing model (CAPM) is high, in the range of 9% to 11%. It is perceived to be trending downward due to an increase in market capitalization following the recent increase in the share price and the improvement of the financial balance. The cost of equity remains high. 	<p>Enhance the disclosure of IR data and non-financial information.</p> <p>→ Appropriate information disclosure</p>
Market assessment	<p>Previously, the price to book-value ratio (PBR) was constantly below 1. Currently, it hovers around 1 after the recovery of financial results the cause of non-financial information disclosures and its expansion. The payout ratio target is raised in a phased manner following successive revisions to the Company's capital allocation.</p>	<p>Is the Company's growth potential full understood by shareholders and investors?</p> <p>→ Dialogue with shareholders and investors</p>



Strive to improve capital profitability

Carry out the increase in revenue in the core business, strengthening of growth businesses and the strengthening of the foundation for management that supports them stated in the Second Medium-Term Management Plan, as planned to achieve them.

Medium-term targets for increasing ROE and actions towards them



Efforts to Decrease Cost of Capital and Improve Market Evaluation

Properly disclose information and increase opportunities for dialogue with shareholders and investors to reduce the cost of capital and improve market evaluation.

1. Expand and advance information disclosure, such as the simultaneous disclosure of financial results materials in the Japanese and English languages and the disclosure of more non-financial information.
2. Provide opportunities for dialogue to increase peoples' understanding of our businesses and growth potential, for example, by increasing online and offline briefings for individual investors and by actively engaging in dialogue with institutional investors.

Medium-term targets for reducing cost of equity and increasing PBR and actions towards them

Cost of equity Reduce cost continuously	Disclosure materials	Summary of Financial Statements	Japanese version: https://www.mugen-estate.co.jp/ir/library/ English version: https://www.mugen-estate.co.jp/en/ir/library/	Representative Director General Manager of IR
		Financial Results Briefing	Japanese version: https://www.mugen-estate.co.jp/ir/library/ English version: https://www.mugen-estate.co.jp/en/ir/library/	Representative Director General Manager of IR
		Securities Report	Japanese version: https://www.mugen-estate.co.jp/ir/library/	Representative Director General Manager of IR
PBR Medium-term target 1.0x or more	IR activities	Financial Results Briefings (3Q)	Organized by Logmi Inc. for individual investors and streamed once a year	Representative Director
		Financial Results Briefings (2Q and 4Q)	Organized by Nomura Investor Relations Co., Ltd. for institutional investors and streamed twice a year	Representative Director
		One-on-one meeting for investors (4Q)	Organized once a year by Investment Bridge Co, Ltd. for overseas investors (five companies)	Representative Director
		One-on-one meeting for investors	For 30 institutional investors in Japan (from January 2023 to December 2023)	Director of IR
		Others	Response to a media organization (Toyo Keizai Inc.), four times a year Four corporate reports distributed by Walden Research Japan Incorporated	Director of IR

Reference: Trends in Key Financial Indicators

		FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results
Market assessment	PBR	0.8×	0.5×	0.4×	0.4×	0.9×
	PER	11.4×	18.9×	9.0×	7.3×	7.0×
Capital profitability	ROE	7.6%	2.7%	5.6%	6.5%	14.0%
	ROIC	3.6%	2.0%	3.0%	3.3%	5.9%
Financial soundness	Equity ratio	33.2%	36.0%	37.4%	31.6%	34.5%
	Net DE ratio	1.29×	0.94×	0.82×	1.29×	0.98×

The background features several large, overlapping blue geometric shapes, including triangles and parallelograms, in various shades of blue. A central white rectangular box contains the text.

Appendix: Company Profile

Company Profile & History

<Company Profile>

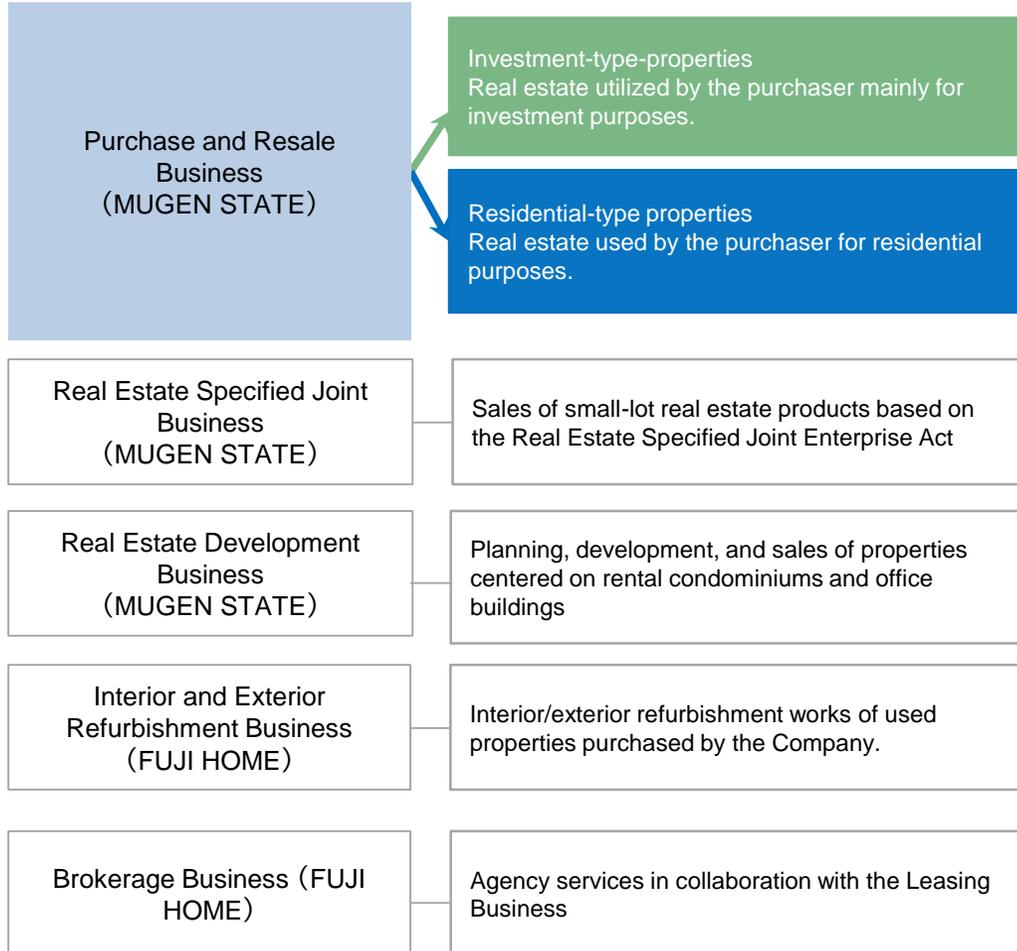
Corporate name	MUGEN ESTATE Co., Ltd.
Founded	May 1990
Representative	Susumu Fujita, Chairman Shinichi Fujita, President
Capital	2,552 million yen * as of Dec. 31, 2023
Financial period	The end of December
Stock market	Standard Market (3299:JP)
Number of employees	363 on a consolidated basis (average age 36.9) 283 on a non-consolidated basis (average age 36.4) * as of Dec. 31, 2023
Head office	1-9-7 Otemachi, Chiyoda-ku, Tokyo
Branches	Yokohama: 5nd Fl. ONEST Yokohama Nishiguchi Building, 2-6-1 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa
Sales Office	Kitasenju Office Funabashi Office Ogikubo Office Akabane Office Ikebukuro Office Kamata Office Osaka Office Sapporo Office Nagoya Office Fukuoka office
Consolidated subsidiary	FUJI HOME Co., Ltd. Mugen Funding Co., Ltd.

<History>

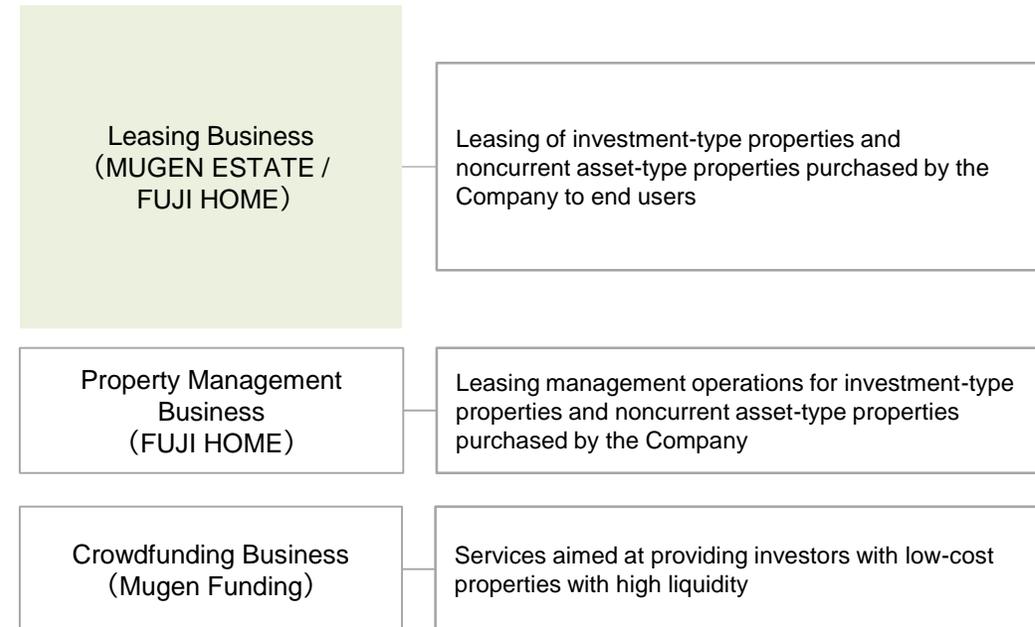
May 1990	MUGEN ESTATE founded
August 1997	Established FUJI HOME Co., Ltd. (Consolidated subsidiary)
July 2005	Registered as a first-class architect's office
May 2010	Change from the Building Lots and Buildings Transaction license to the Minister of Land, Infrastructure, Transport and Tourism
June 2010	Established Yokohama branch
June 2014	Listed on TSE Mothers
February 2016	Listed on TSE 1st Section
June 2018	Obtained the Real Estate Specified Joint Enterprise license from Tokyo Metropolitan Government
August 2018	Established Mugen Funding Co., Ltd. (Consolidated subsidiary)
May 2020	Moved head office to Otemachi, Chiyoda-ku, Tokyo
September 2021	Kitasenju Sales Office in Senju, Adachi-ku, Tokyo
October 2021	Funabashi Sales Office in Honmachi, Funabashi City, Chiba
November 2021	Ogikubo Sales Office in Ogikubo, Suginami-ku, Tokyo
December 2021	Akabane Sales Office is established in Akabane, Kita-ku, Tokyo Ikebukuro Sales Office opened in Nishi-Ikebukuro, Toshima-ku, Tokyo
April 2022	The listed market changed from TSE 1st Section to TSE Prime Market
December 2022	Kamata Sales Office opened in Kamata, Oota-ku, Tokyo
May 2023	Osaka Sales Office opened in Toyosaki, Kita-ku, Osaka
October 2023	The listed market changed from TSE Prime Market to TSE Standard Market
January 2024	Sapporo Sales Office in Kita7jonishi, Kita-ku, Sapporo City, Hokkaido Nagoya Sales Office in Sakae, Naka-ku, Nagoya City, Aichi Fukuoka Sales Office in Tenjin, Chuo-ku, Fukuoka City, Fukuoka

Our Business

Real Estate Trading Business



Real Estate Leasing and Other Business



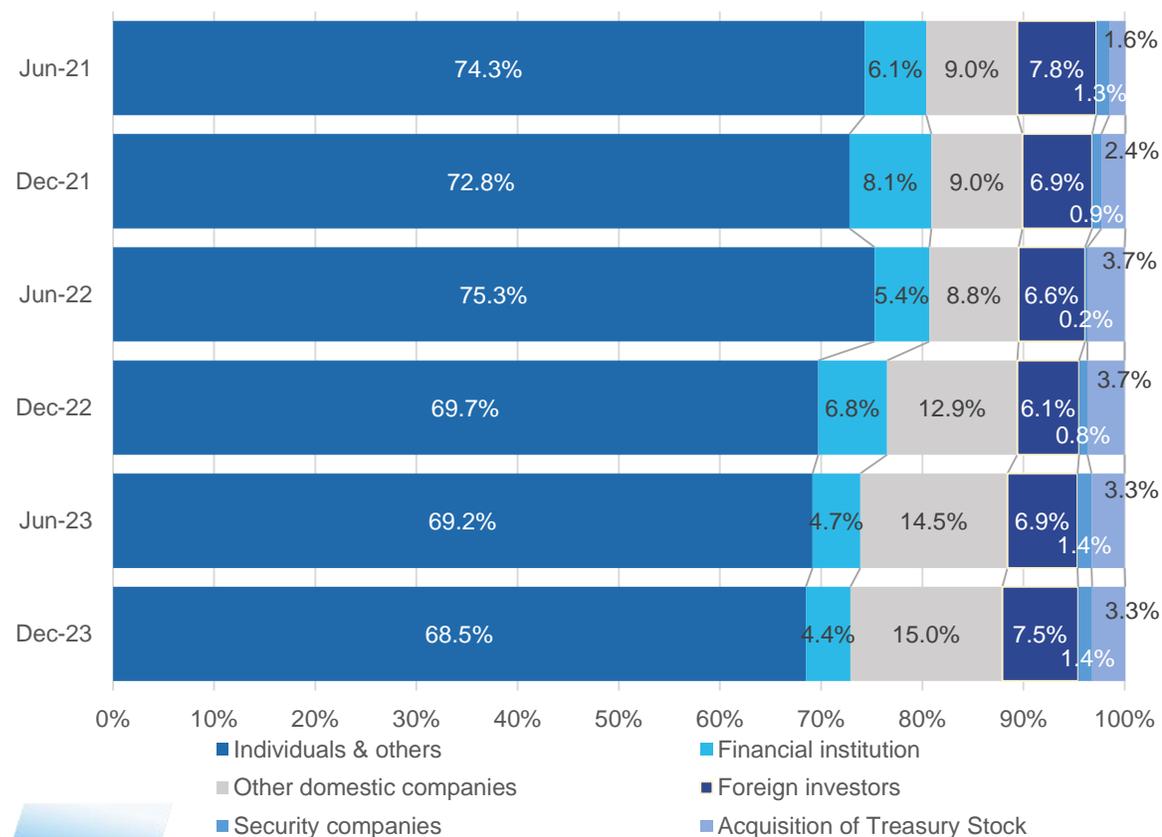
Stock Information (As of Dec. 31, 2023)

Authorized number of shares : 64,000,000 shares

Number of shares issued : 24,361,000 shares

Number of shareholders : 25,206 people

【 Composition by number of shareholdings 】



【 Major shareholders 】

	Name	Number of shares held (shares)	(%)
1	Susumu Fujita	4,558,500	19.3
2	Shinichi Fujita	2,084,000	8.8
3	Dream Come True Co., Ltd.	1,700,000	7.2
4	Celanese Co., Ltd.	1,000,000	4.2
5	Master Trust Bank of Japan, T.	814,000	3.5
6	MUGEN KIKAKU Co., Ltd.	760,000	3.2
7	Yuriko Fujita	700,000	3.0
7	Yuka Fujita	700,000	3.0
9	Keiji Shoda	676,000	2.9
10	Yuko Shoda	655,000	2.8

* The number of shares of treasury stock is not included in the chart above.
The Company holds 798,325 treasury shares as of Dec. 31, 2023.
Percentage of number of shares held is calculated based on the number of shares excluding treasury stock.

【Disclaimer】

- This presentation material is provided for information purposes only. It does not constitute a solicitation to invest.
- The forward-looking statements such as the forecasts of financial results included in this material are based on information that we have obtained and certain assumptions that we consider reasonable. We do not guarantee that we will achieve the forecasts. Actual results may differ from forecasts for a range of reasons. We do not assume any obligation to revise the forecasts in this material or publish them based on new information or future phenomena.
- As of the timing of publication of this material, the process of auditing consolidated financial statements pursuant to the Financial Instruments and Exchange Act is not finished.
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