



[Translation for Reference Purpose Only]

February 12, 2021

To All Concerned Parties

Company Name: Open House Co., Ltd.  
Representative: Masaaki Arai, President and CEO  
Securities code: 3288, First section of TSE  
Contact: Kotaro Wakatabi, Managing Director, CFO

## **Notice of Commencement of Preparations for the Transition to a Holding Company Structure**

Open House Co., Ltd. (the "Company") hereby announces that it has decided, by resolution of its Board of Directors today, to commence preparations for the transition to a holding company structure and to establish a wholly-owned subsidiary of the Company as a preparatory company for the transition (the "Split Preparation Company").

The Company plans to continue to be listed on the stock exchange after the transition to a holding company structure.

### **1. Background and Purpose of Transition to a Holding Company Structure**

The Company has pursued "Housing desired by customers" since its foundation in 1997 as an intermediary company for the sale of newly-built single-family homes. In order to provide affordable housing in urban areas, the Company established Open House Development Co., Ltd. and established an integrated business model covering activities from the purchase of land to construction and sales, which had been unprecedented in the housing industry. Subsequently, with the aim of supplementing the construction function and expanding areas, the Company has strengthened its competitiveness in its mainstay Single-Family Homes Related Business utilizing M&As with Open House Architect Co., Ltd. (formerly named Asakawa Home Co., Ltd.) and Hawk One Co., Ltd.

The Company has also worked on building its business portfolio in the light of a changing external environment. This includes the Condominiums Business, which develops and sells new condominiums; the Property Resale Business, which purchases and sells real estate for investment; and, a business that sells used single-family homes in the US to wealthy investors in Japan who are interested in investing in overseas real estate.

In November 2020, the Company announced in its medium-term management plan (for October 2020 to September 2023) that it would aim for sales of 1 trillion yen in the final fiscal year. Currently, the Company is promoting efforts that include continuous growth centering on the Single-Family Homes Business, M&As, and new initiatives. In addition, Pressance Corporation Co., Ltd. (Securities code: 3254) was made a consolidated subsidiary in January 2021.

The Company will begin preparations for the transition to a holding company structure in order to establish a management foundation that supports the further enhancement of corporate value and the achievement of sustainable growth with the following aims.

(1) Speeding up decision making in business promotion

Each operating company will be responsible for promoting existing businesses. The Company will move forward with the transfer of authority and establish a system that enables us to make speedy decisions in promoting businesses, thereby strengthening our competitiveness and expanding businesses in response to a rapidly changing environment.

(2) Strengthening the functions for managing the group

The holding company will focus on managing the group and operations related to listed shares. Besides internal audits, investor relations, management of performance and finances of the group companies, and creation of synergies, the Company will also promote implementation of capital policies required for growth and new business development needed for the group's growth, such as M&As.

(3) Building a forward-looking management system

The Group aims to maximize corporate value across the Group and achieve sustainable growth by establishing a forward-looking management system, in order to optimally allocate management resources, secure and develop managerial personnel, and improve group governance.

2. Transition to a holding company structure

In the transition to a holding company structure, the Company will adopt the method of an absorption-type company split, while remaining listed on the stock exchange. In this process, the Company (current company name: Open House Co., Ltd., new company name: Open House Group) will be the splitting company and the newly established Split Preparation Company for the split (new company name: Open House) will be the succeeding company.

In accordance with the provisions of Article 784, Paragraph 2 of the Companies Act, the Company plans to implement the above-mentioned absorption-type company split through simplified absorption-type company split procedures that do not require the approvals required by an absorption-type company split agreement at a general meeting of shareholders.

The transition to a holding company structure is premised on approval of an amendment to the Articles of Incorporation pertaining to the trade name and purpose and other matters at an Ordinary General Meeting of Shareholders scheduled to be held in December 2021, as well as the permits and approvals from the competent government and public agencies required for the continuation of business.

3. Schedule

(1) Board of directors' meeting to approve establishing the Split Preparation Company	February 12, 2021
(2) Establishment of the Split Preparation Company	April 1, 2020 (scheduled)
(3) Board of directors' meeting to approve absorption-type company split agreement	Mid-November 2021 (scheduled)
(4) Shareholders' meeting to approve proposals related to the amendment of the Articles of Incorporation and other matters	Late December 2021 (scheduled)
(5) Effective date of the absorption-type company split	January 2022 (scheduled)

#### 4. Outline of Split Preparation Company

(1) Company name	Open House Preparatory Company Co., Ltd.
(2) Description of business	Real estate business
(3) Date of Establishment	April 2021 (scheduled)
(4) Location of head office	3-3-1 Marunouchi, Chiyoda-ku, Tokyo (scheduled)
(5) Name and title of representative	To be determined
(6) Capital	JPY100 million
(7) Major shareholders and shareholding ratio	100% owned by the Company
(8) Other	The trade name of the Split Preparation Company will be changed to Open House Co., Ltd. at the same time as the Company changes its trade name.

#### 5. Future Prospects

The impacts on the consolidated business results will be minor, as the Split Preparation Company, which will succeed business through this company split, is a wholly owned subsidiary of the Company. Details of the company split will be announced as soon as a decision is made.

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