

Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

## Summary of Consolidated Financial Results for the First Quarter Ended September 30, 2020 [Based on Japanese GAAP]

February 14, 2020

Company name: **Open House Co., Ltd.**  
 Stock exchange listings: Tokyo Stock Exchange, First section  
 Code Number: 3288  
 URL: <https://openhouse-group.co.jp/ir>  
 Representative: Masaaki Arai, President and CEO  
 Scheduled date of quarterly securities report filing: February 14, 2020  
 Supplementary materials for quarterly financial results: Yes  
 Quarterly results briefing meeting : No

(Million yen, rounded down)

### 1. Consolidated Financial Results for the First Quarter Ended September 30, 2020 (October 1, 2019 to December 31, 2019)

(1) Consolidated operating results (Cumulative) (% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended December 31, 2019	126,987	20.9	14,517	56.0	14,046	72.2	9,790	70.5
December 31, 2018	105,029	37.4	9,305	(3.4)	8,155	(13.2)	5,742	(11.9)

(Note) Comprehensive income: Three months ended December 31, 2019 ¥ 10,237million [ 92.8%]  
 Three months ended December 31, 2018 ¥ 5,308million [ (18.6)%]

	EPS		Diluted EPS	
	Yen		Yen	
Three months ended December 31, 2019	88.57		88.01	
December 31, 2018	50.75		50.43	

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. EPS and Diluted EPS calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of December 31, 2019	459,020		144,667		31.4	
September 30, 2019	445,904		138,067		30.9	

(Reference) Shareholders' equity: As of December 31, 2019 ¥ 144,357 million  
 As of September 30, 2019 ¥ 137,752 million

### 2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2019	Yen —	Yen 60.00	Yen —	Yen 66.00	Yen 126.00
FY 2020	—	—	—	—	—
FY 2020 (Forecast)	—	40.00	—	40.00	80.00

(Note) Revision of the latest dividend forecast: No

The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. Though the dividend per share for 2019 is shown the actual amount without considering the stock split, the dividend forecast per share for FY2020 is the amount after the stock split. So, annual dividend per share for FY2019, if calculated on after-stock-split basis, would be ¥63, the dividend forecast for FY 2020 is an increase of 17 yen per share from the previous fiscal year.

### 3. Forecast of Consolidated Operating Results for FY2020 (October 1, 2019 to September 30, 2020)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (Cumulative)	260,000	7.1	25,700	8.0	24,500	10.4	17,150	6.3	155.14
Full year	600,000	11.0	65,500	13.4	63,000	14.7	44,100	11.9	398.92

(Note) Revision of the latest consolidated results forecast: No

The Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. The forecast information about EPS for FY2020 is provided after taking the stock split into consideration.

#### \*Notes:

(1) Significant changes in consolidated subsidiaries during the period

(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Adoptions of special accounting methods in presentation of quarterly financial statements: Yes

(3) Changes in accounting policies, changes of accounting estimates, and revisions and restatements

i ) Changes in accounting policies in accordance with changes in accounting principles: None

ii ) Changes in accounting policies other than the above: None

iii) Changes in accounting estimates: None

iv) Revisions and restatements: None

(4) Number of shares issued and outstanding (common stock)

i ) Number of shares issued at period-end (including treasury stock)

December 31, 2019: 115,258,200 shares    September 30, 2019: 115,237,000 shares

ii ) Treasury stock at period-end

December 31, 2019: 4,694,502 shares    September 30, 2019: 4,694,502 shares

iii) Average number of shares issued during the period (quarterly consolidated cumulative basis)

December 31, 2019: 110,547,337 shares    December 31, 2018 : 113,156,888 shares

(Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. "Number of shares issued at period-end", "Treasury stock at period-end", and "Average number of shares issued" calculated assuming the stock split were conducted at the beginning of the previous fiscal year.

\* This quarterly financial results report is not subject to quarterly review procedure based on the Financial Instruments and Exchange Act.

\* Notes regarding forward-looking statements:

Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.

Actual results may differ significantly from forecast due to various unpredictable reasons.

## Consolidated Quarterly Financial Statements

### 1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of FY2019 (as of September 30, 2019)	End of FY2020 1Q (as of December 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	135,354	139,635
Operating accounts receivable	498	642
Real estate for sale	70,457	67,964
Real estate for sale in process	179,596	186,129
Operating loans	28,924	32,389
Other	10,167	10,795
Allowance for doubtful accounts	(232)	(230)
Total current assets	424,766	437,326
Non-current assets		
Property, plant and equipment	4,990	4,948
Intangible assets	3,456	3,344
Investments and other assets	12,659	13,371
Total non-current assets	21,106	21,664
Deferred assets	31	29
Total assets	445,904	459,020
<b>Liabilities</b>		
Current liabilities		
Notes payable	4,257	4,067
Operating accounts payable	16,913	16,313
Short-term loans payable	89,933	90,199
Current portion of bonds	372	292
Current portion of long-term loans payable	12,976	20,563
Income taxes payable	11,461	4,388
Provision	3,336	2,047
Other	23,097	21,176
Total current liabilities	162,348	159,048
Non-current liabilities		
Bonds payable	1,089	1,089
Long-term loans payable	143,972	153,778
Net defined benefit liability	326	336
Asset retirement obligations	100	100
Total non-current liabilities	145,488	155,304
Total liabilities	307,837	314,352
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,234	4,242
Capital surplus	8,206	8,214
Retained earnings	134,627	140,769
Treasury shares	(8,806)	(8,806)
Total shareholders' equity	138,261	144,419
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	9
Foreign currency translation adjustment	(517)	(71)
Total accumulated other comprehensive income	(508)	(62)
Subscription rights to shares	314	309
Total net assets	138,067	144,667
Total liabilities and net assets	445,904	459,020

**2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income**

(Million yen)

	Three months ended December 31, 2018 (From October 1, 2018 to December 31, 2018)	Three months ended December 31, 2019 (From October 1, 2019 to December 31, 2019)
Revenue	105,029	126,987
Cost of revenue	88,556	104,577
Gross profit	16,473	22,409
Selling, general and administrative expenses	7,167	7,891
Operating income	9,305	14,517
Non-operating income		
Interest income	16	24
Dividends income	1	0
House rent income	44	31
Foreign exchange gains	—	34
Other	30	45
Total non-operating income	93	136
Non-operating expenses		
Interest expenses	409	504
Commission fee	670	65
Other	163	37
Total non-operating expenses	1,243	607
Ordinary income	8,155	14,046
Income before income taxes	8,155	14,046
Income taxes	2,412	4,255
Profit	5,742	9,790
Profit attributable to owners of parent	5,742	9,790

**Consolidated Quarterly Statements of Comprehensive Income**

(Million yen)

	Three months ended December 31, 2018 (From October 1, 2018 to December 31, 2018)	Three months ended December 31, 2019 (From October 1, 2019 to December 31, 2019)
Profit	5,742	9,790
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	1
Foreign currency translation adjustment	(430)	445
Total other comprehensive income	(433)	446
Comprehensive income	5,308	10,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,308	10,237

### 3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Changes in significant subsidiaries during the period)

Not applicable

(Significant changes in consolidated subsidiaries during the period)

Not applicable

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses is calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes for the fiscal year ended September 2020 including the first quarter under review.

(Segment and Other Information)

【Segment Information】

I Three months ended December 31, 2018 (October 1, 2018 to December 31, 2018)

Information on revenue, income or loss, and other items by reportable segment

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single-family homes related	Condominiums	Property resales	Others	Total		
Revenue							
Revenue from Outside Customers	78,995	6,504	13,029	6,498	105,029	—	105,029
Intersegment revenue and transfers	—	—	10	—	10	(10)	—
Total	78,995	6,504	13,040	6,498	105,040	(10)	105,029
Segment Income (Loss)	7,189	620	915	841	9,567	(261)	9,305

(NOTE)

1. Adjustment of ¥(261)million for segment income includes intersegment elimination of ¥42 million and corporate expenses of ¥(304) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.

II Three months ended December 31, 2019 (October 1, 2019 to December 31, 2019)

Information on revenue, income or loss, and other items by reportable segment

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single-family homes related	Condominiums	Property resales	Others	Total		
Revenue							
Revenue from Outside Customers	90,798	3,509	26,093	6,586	126,987	—	126,987
Intersegment revenue and transfers	—	—	15	9	24	(24)	—
Total	90,798	3,509	26,109	6,595	127,012	(24)	126,987
Segment Income (Loss)	10,331	(175)	3,825	817	14,799	(281)	14,517

(NOTE)

1. Adjustment of ¥ (281) million for segment income includes intersegment elimination of ¥172 million and corporate expenses of ¥ (454) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated quarterly statements of income.

(Important Subsequent Events)

The Company resolved at a meeting of its Board of Directors held on January 14, 2020, to issue new shares (the "Issuance of New Shares") as restricted stock compensation, and completed the payment on February 5, 2020.

1. Outline of the Issuance

(1) Payment date	February 5, 2020
(2) Class and number of shares to be issued	25,500 shares of common stock of the Company
(3) Issue price	3,175 yen per share
(4) Total issue price of shares to be issued	80,962,500 yen
(5) Allottees	3 Directors, Member of Board (excluding Outside Directors) of the Company 12,800 shares 4 Executive officers of the Company 5,900 shares 4 Executive officers of the Company's major subsidiaries, 6,800 shares
(6) Other	Issuance of New Shares to be allotted is conditioned on the securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Issuance

At a meeting of the Board of Directors held on November 14, 2017, the Company has resolved to introduce a restricted stock compensation plan (hereafter the "Plan") as a new compensation plan for the Company's directors (excluding outside directors), for the purpose of providing further incentive to them to increase the stock price and the corporate value of the Company by further sharing the benefits and risks of stock price fluctuations with shareholders. Moreover, at the 21st Ordinary General Meeting of Shareholders held on December 20, 2017, approval was given for the total amount of monetary compensation claims to be paid as remuneration in connection with the restricted shares to the Company's directors (excluding outside directors) based on the Plan to be set at no more than 200 million yen per year, and for the maximum amount of the total number of restricted shares to be allocated to the Company's directors (excluding outside directors) in each fiscal year to be set at 140,000 shares. (As the company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019, the number of shares adjusted from 70,000 shares to 140,000 shares.) Approval was also given for setting the restricted period for the restricted shares at a period between 3 years and 5 years.