

[Translation for Reference Purpose Only]

August 13, 2025

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Notice of Updates to Information Disclosure Based on TCFD Recommendations

Open House Group Co., Ltd. (the "Company") hereby announces that it has updated our climate-related financial disclosures in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, as detailed below.

The Company declared its support for the TCFD recommendations and joined the TCFD Consortium in January 2021. In November 2021, we conducted a scenario analysis of the effects of climate change on the Company's mainstay "Single-Family Homes Related Business" ^{*1} and disclosed information in accordance with the TCFD recommendations.

This time, in addition to the Single-Family Homes Related Business, we have expanded the scope of our assessment to include the "Condominium Business," "Property Resale Business," and "U.S. Real Estate Business." This expansion allows us to assess the financial impacts of climate change across all businesses operated by our group.

Our group has identified "Contribute to Decarbonization" as one of our materiality issues. We will continue to promote environmental conservation activities and decarbonization projects.

(*1) Single-family homes related business:

We conducted a scenario analysis of the single-family homes related business operated by Open House Co., Ltd. and Open House Development Co., Ltd.

[Attachment] Information Disclosure Based on TCFD Recommendations



Information Disclosure Based on TCFD Recommendations

August 13, 2025

Open House Group Co., Ltd.

Information Disclosure Based on TCFD Recommendations

Governance

Our Group has established an organizational governance structure for sustainability issues, including risks and opportunities related to climate change. To promote company-wide policies and initiatives for corporate sustainability, we have established a “Sustainability Committee” under the supervision of the Board of Directors to strengthen the promotion of sustainability.

< Sustainability Promotion System >



Our Group recognizes climate change as an issue that has a significant impact on management, and has established the Sustainability Committee in November 2019. Positioned as a body to consider sustainability issues, including climate change-related issues, this committee meets once every three months. With the Senior Managing Director CFO as the chairperson and department heads as members, it discusses responses to various sustainability issues.

The committee operates under the supervision of the Board of Directors, managing ESG risks and progress on responses for each materiality item, and collecting information on initiatives from each business division and group company. Progress and results are reported to and discussed by the Sustainability Committee. Important matters discussed are regularly reported to the Board of Directors.

In October 2024, we established a new Sustainability Promotion Department to strengthen sustainability promotion across the entire group. This department serves as the secretariat for the Sustainability Committee, supporting the committee's operations and promoting sustainability activities both internally and externally.

Strategy (1/4)

Based on the framework proposed by TCFD, our Group has identified the risks and opportunities posed by climate change for all existing businesses. Furthermore, we have evaluated future financial impacts using two scenario analysis methods: a 1.5°C scenario (focused on transition risks) and a 4°C scenario (focused on physical risks).

(1) Premise (definitions) for Scenario Analysis

- We conducted scenario analysis based on 1.5°C and 4°C scenarios to identify significant climate-related risks and opportunities.

Transition Risks Opportunities	Risks and opportunities associated with changes in policies, regulations, technology, markets, and customer preferences during the transition to a decarbonized society.
Physical Risks	Acute risks such as increased frequency and intensity of natural disasters due to climate change, and chronic risks such as rising average temperatures and abnormal weather events.
1.5°C Scenario	Strict measures against climate change are thoroughly implemented worldwide, successfully curbing global warming. As a result, the average temperature in 2050 will be limited to a 1.5°C increase compared to pre-industrial levels in the 18 th century.
4°C Scenario	Despite various warnings about global warming, countries fail to align their efforts, and strict measures are not introduced. As a result, warming progresses further, with average temperatures rising by 4°C, and natural disasters becoming more severe and frequent.

- Target businesses: All businesses of the Group (Single-family homes, Condominiums, Property Resale, US Real estate)
- Assumed periods: Short-term: Up to 2027 Medium-term: Up to 2030 Long-term: Up to 2050
- Financial impact: Small: Absolute value less than ¥500 million Medium: Absolute value ¥500 million or more but less than ¥5 billion Large: Absolute value ¥5 billion or more

Strategy (2/4)

(2) Scenario Analysis Results

As a result of the scenario analysis, we have identified the following significant risks and opportunities.

① Transition Risks

- We have identified “introduction of carbon pricing” and “strengthening of environmental regulations for housing” as the main risks that will affect our Group.
- Regarding introduction of carbon pricing, we have assessed the medium-term financial impact as “low”. We assume that it will be possible to mitigate the impact by closely monitoring future trends and promoting initiatives that contribute to reducing emissions.
- Regarding strengthening of environmental regulations for single-family homes and condominiums, based on trends such as the government policy on ZEH and mandatory installation of solar panels by some local governments, we have assessed the medium-term financial impact as “medium” in 1.5°C scenario (assessed as “low” in the 4°C scenario). As countermeasure, we assume that it will be possible to mitigate the impact by implementing efficient procurement and pursuing economies of scale, utilizing government subsidies, and appealing to customers about the benefits of improved environmental performance in housing.

■ Financial Impact of Transition Risks and Future Countermeasure to Promote Impact

Transition Risks	Impact	Relevant Business				Financial Impact		Impact Period	Future Countermeasure to Promote
		Single-family homes	Condominium	Property Resale	US Real estate	1.5°C	4°C		
Introduction of Carbon Pricing	Increase in procurement costs for materials, etc. based on introduction of carbon pricing	●	●	●		Low	Low	Medium-term	<ul style="list-style-type: none"> · Promoting initiatives with supply chain · Consideration of alternative materials that contribute to CO2 emission reduction
	Increase in fuel costs for company vehicles based on introduction of carbon pricing	●	●		●	Low	Low	Medium-term	<ul style="list-style-type: none"> · Introduction of hybrid and electric vehicles
	Increase in electricity usage costs based on introduction of carbon pricing	●	●	●	●	Low	Low	Medium-term	<ul style="list-style-type: none"> · Energy conservation and renewable energy introduction in office
Strengthening of Environmental Regulations for Housing	Increase in costs to comply with strengthened environmental regulations for single-family homes and condominiums	●	●			Med.	Low	Medium-term	<ul style="list-style-type: none"> · Building a highly efficient supply chain · Utilization of subsidies · Value proposition of ZEH etc. to customers · Consideration of introducing the latest technologies

Strategy (3/4)

② Physical Risks

- We have identified “impacts from intensification of typhoons and floods” and “decreased productivity due to extreme heat” as the main risks affecting our Group.
- We identified five risks regarding the impacts from intensification of typhoons and floods:
 - We assessed the medium-term financial impact as “low” for increased costs due to construction work stoppage periods, decreased revenue from discounting houses under construction, and increased costs for preventative measures against damage.
 - For the increase in fire insurance costs for real estate held until delivery, we assessed the short-term financial impact as “low”. While we expect this risk to materialize in the medium to long term in Japan, we are considering the possibility of short-term materialization in the US, based on the trend of rising fire insurance premiums due to wildfires in Los Angeles in 2025.
 - Regarding the decrease in revenue due to the reduction of constructible areas associated with the expansion of flood-prone areas, we assessed the long-term financial impact as “medium”. Our Group mainly engages in short-term development projects, and we assume it is possible to secure the same scale of revenue early by prioritizing development in areas with low flood risk.
- Regarding decreased productivity due to extreme heat, we identified risks of decreased revenue due to reduced work efficiency of construction workers and reduced sales efficiency of sales staff and have assessed the medium-term financial impact as “low”. We assume that it is possible to mitigate the impact by thoroughly implementing heat stroke prevention measures for construction workers and sales staff.

■ Financial Impact of Physical Risks and Future Countermeasure to Promote Impact

Physical Risks	Impact	Relevant Business				Financial Impact		Impact Period	Future Countermeasure to Promote
		Single-family homes	Condominium	Property/Retail	US Real estate	1.5°C	4°C		
Impacts from Intensification of Typhoons and Floods	Increased costs due to work stoppage caused by typhoons and floods	●	●			Low	Low	Medium-term	<ul style="list-style-type: none"> Setting construction periods considering risks Preventative measure against damage expansion
	Decreased revenue from houses under construction due to typhoons and floods	●				Low	Low	Medium-term	Same as above
	Increased costs for preventive measures against typhoon and flood damage		●	●		Low	Low	Medium-term	Same as above
	Increased fire insurance costs for real estate held until delivery	●	●		●	Low	Low	Short-term	<ul style="list-style-type: none"> Consideration of business areas according to the situation
	Decreased revenue due to reduction of constructible areas associated with expansion of flood-prone zones	●	●			Med.	Med.	Long-term	<ul style="list-style-type: none"> Shifting markets to areas with low flood risk
Decreased Productivity Due to Extreme Heat	Decreased revenue due to reduced work efficiency of construction workers caused by extreme heat	●	●	●		Low	Low	Medium-term	<ul style="list-style-type: none"> Introduction of window air conditioners during construction Review of work systems and dress codes
	Decreased revenue due to reduced sales efficiency of sales staff caused by extreme heat	●	●			Low	Low	Medium-term	<ul style="list-style-type: none"> Review of work systems and dress codes Beverage cost subsidy system

Strategy (4/4)

③ Opportunities

- We have identified “increased demands for environmentally friendly housing” and “increased demand for environmentally friendly services” as the main opportunities for the Group.
- Regarding the expansion of revenue by providing environmentally friendly single-family homes and condominiums, we assessed the financial impact as “medium” in the 1.5°C scenario, where customer behavior is expected to change along with social trends towards decarbonization (assessed as “low” in the 4°C scenario). We assume that quickly grasping changes in customer preferences and needs and appropriately revising marketing strategies will be effective in creating opportunities in the future.
- Regarding the increase in demand for environmentally friendly services, we assessed the financial impact of expanding the “Ouchi Link Denki” service, which allows the use of renewable energy-derived electricity, as “low” in both scenarios. We believe that providing the “Ouchi Link Denki” service is an effective means to achieve decarbonization, as it contributes to reducing greenhouse gas emissions for housing usage (Category 11 emissions under Scope 3).

■ Financial Impact and Strategies to Capitalize on Opportunities

Opportunities	Impact	Relevant Business				Financial Impact		Impact Period	Strategies to Capitalize for the Future
		Single-family homes	Condominium	Property/Retail	US Real estate	1.5°C	4°C		
Increased Demands for Environmentally Friendly Housing	Increase in revenue from providing environmentally friendly single-family homes and condominiums	●	●			Med.	Low	Medium-term	<ul style="list-style-type: none"> Optimization of marketing strategies Expansion of product lines Review of pricing strategies
Increased Demand for Environmentally Friendly Services	Increase in revenue from the “Ouchi Link Denki” service that enables the use of renewable energy-derived electricity	●	●			Low	Low	Medium-term	<ul style="list-style-type: none"> highlighting convenience and environmental benefits to customers Strengthening marketing efforts

Risk Management

Our Group has established a system and process for identifying, managing, and evaluating climate change-related risks

Under the supervision of the Board of Directors, the Group has established a Sustainability Committee to identify and evaluate risks and opportunities related to sustainability, including climate change-related risks, as well as collect and manage information from each business division and group companies. We have established a system to regularly report the content discussed in the Sustainability Committee to the Board of Directors.

The Sustainability Committee grasps the challenges facing the Group based on global trends in climate change response, such as exchanging information with external experts, discusses necessary measures, and regularly monitors their process. The progress of our Group's GHG emission reduction targets and initiatives towards reduction are also managed by the Sustainability Committee.

In addition, regarding risks due to the impact of regulations in the housing business, we have established a Construction Subcommittee consisting of group companies directly under the Sustainability Committee. This subcommittee discusses customer trends and responses, and reports to the Management Meeting and Sustainability Committee as appropriate.

In this way, important risks related to group management and the progress of initiatives are regularly reported to the Board of Directors, and we have established a system to appropriately deal with risks and opportunities associated with climate change, which are expected to diversify, expand and intensify in the future.

Indicators and Targets

Our company has set goals and established indicators for greenhouse gases in order to advance our response to climate change.

■ Goals

Our Group has set medium- and long-term greenhouse gas (GHG) emission reduction targets to realize a decarbonized society. We aim to reduce GHG emissions (per unit) in Scopes 1, 2, and 3 by 46% in fiscal year 2030 compared to fiscal year 2021 by reducing GHG emissions in our business activities. In fiscal year 2023, we expanded the scope of GHG emissions calculation to a consolidated basis (excluding overseas businesses, etc.), and our Group is working together to contribute to a decarbonized society.

■ GHG Emissions

The GHG emission reduction targets and actual GHG emissions are as shown on the next page and on our sustainability website.

<https://openhouse-group.co.jp/en/company/sustainability/environment/>

While expanding our business areas and diversifying our business, we will work to reduce GHG emissions, aiming for sustainable corporate growth and contribution to a decarbonized society simultaneously.

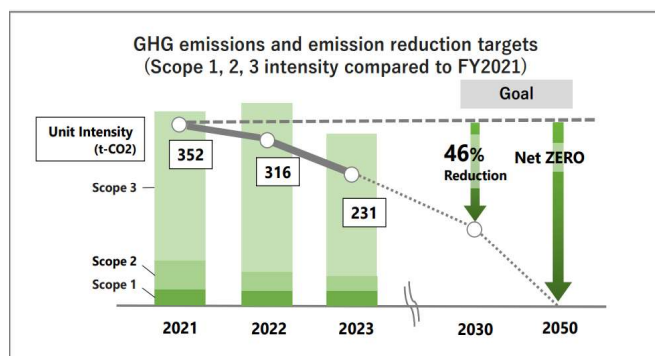
■ Initiatives to Achieve Goals

Our Group has identified "Contributing to a Decarbonized Society" as one of our materialities, and we are promoting various initiatives to realize a sustainable society while collaborating with stakeholders as a unified group. While considering customer needs, we will promote the installation of solar power generation systems for homes, ZEH and ZEH condominiums, and offer residential electricity using effectively renewable energy. Through these measures, we will actively implement strategies to reduce GHG emissions in our main housing-related business.

In addition, we will continue to collect and aggregate data on GHG emissions in our business activities and monitor emission reduction efforts to reduce GHG emissions. In the future, we will consider formulating a long-term decarbonization transition plan towards carbon neutrality by 2050.

Indicators and Targets

Our Group has set “Contribute to Decarbonization” as one of our materiality issues, and we aim to reduce greenhouse gas (GHG) emissions (per unit) by 46% by fiscal year 2030 compared to fiscal year 2021 and achieve net zero by fiscal year 2050.



- Calculation scope: Open House Group Co., Ltd. and its consolidated subsidiaries (excluding overseas operations, etc.)
- Unit intensity is CO2 emissions per 100 million yen of sales

GHG Emissions

Unit: t-CO2

	FY2021	FY2022	FY2023
Scope1	3,104	3,462	3,335
Scope2	20,188	19,994	15,076
Scope3	3,147,962	3,258,334	2,775,007
Total emissions	3,171,254	3,281,790	2,793,418

- Scope 1, 2, and 3 are as follows:
 Scope 1: Emissions from the business activities of the target companies (direct emissions)
 Scope 2: Emissions associated with the use of energy supplied by other companies (indirect emissions)
 Scope 3: Emissions associated with other business activities (indirect emissions such as material procurement, emissions during housing use after sale, etc.)
- For details, please visit our website.
<https://openhouse-group.co.jp/en/company/sustainability/environment/>