

Open House Group Co., Ltd.
Financial Results for First Quarter of FY2026
Conference Call Summary

■ Upward Revision of Interim and Full-Year Results and Dividend Forecasts

1Q net sales, operating profit, and ordinary profit reached record highs. In view of the steady business progress at present, the Company revised upward the earnings and dividend forecasts for the interim period and the full year. The upward revision amounts are 4.5 billion yen for operating profit, 5.0 billion yen for ordinary profit, and 3.5 billion yen for profit attributable to owners of parent. For the latter half of the FY, the Company conservatively maintained the initial plan.

■ Single-family Home Related Business

1Q net sales (on a sales contract basis) increased by 18.1%, maintaining a high level following the previous 4Q. In preparation for future sales expansion, the Company is also increasing inventories, and expects 2Q net sales to increase by 15% YoY.

■ Condominium Business

Sales have been trending steadily, and the contract progress rate is 90%. Deliveries are scheduled to be concentrated in 4Q.

■ Property Resale Business

Strong demand for investment properties, and net sales increased by 64.4% YoY.

■ U.S. Real Estate Business

Robust demand from high-net-worth individuals for portfolio diversification into U.S. real estate. The number of units managed expanded to 6,200, and the total AUM expanded to the 350.0 billion yen scale.

■ Financial Position

The Company balances high growth with sound finances, with an equity ratio of 38.7% and a net D/E ratio of 0.7 times.

■ Shareholder Returns

In accordance with the policy of a "total return ratio of 40% or more," the Company will conduct share buybacks of 25.0 billion yen this FY, which also contributes to the improvement of earnings per share. The Company increased the full-year dividend forecast by 12 yen per share to 200 yen (an increase of 22 yen from FY2025).

Conference Call

Date and time: February 10, 2025, 16:00

Speaker: Kotaro Wakatabi, Senior Managing Director, CFO

Q&A:

【Q.1】 What are the specific reasons for the improvement in profit margin that led to the upward revision, and what has changed from the initial forecast?

【A.1】 The Company had estimated conservatively as usual. We reflected the situation where net sales and sales contracts are both steady and profit is being firmly secured.

【Q.2】 Regarding the background of the conservative plan, are there any concerns such as cost increases or oversupply? Also, how do you view the seasonality of the gross profit margin?

【A.2】 There are no specific matters of concern, and the Company assumes a trend at cruising speed throughout the year without expecting fluctuations in the gross profit margin by quarter.

【Q.3】 Will this dividend increase cause any changes to the investment strategy, such as the M&A funding framework?

【A.3】 The dividend increase is due to the upward revision of profit, and there is no change in the investment framework. At this point, there are no M&A matters to be announced, but the Company is continuously considering them.

【Q.4】 What are the factors for the deliveries in the Single-family home related business in this 1Q being fewer than in the previous 1Q? Is it a special factor, or is it within expectations?

【A.4】 This is due to the prolonged building confirmation screening period accompanying the revision of the Building Standards Act. Although there is a certain impact on the Company, it is within expectations as it has been factored in from the planning stage.

【Q.5】 Is the fact that the contract unit price of built-for-sale single family homes in the Tokyo metropolitan area has not risen due to the effect of the area mix? Also, what is the reason for the decrease in the number of contracts from the previous 4Q to this 1Q?

【A.5】 Unit prices in the Tokyo metropolitan area are stable. Nationwide averages and the raising of land sales unit prices are progressing. The decrease in the number of

contracts is due to a relative comparison with the previous 4Q, when the Company actively promoted land sales.

【Q.6】 How will the 18.0% gross profit margin of the Single-family home related business in this 1Q trend in the future? Is the reason the upward revision for the full year remains at 17.3% because you view the latter half conservatively?

【A.6】 For the full year, the Company assumes a level of 17.0% to 18.0%. We have set the plan conservatively.

【Q.7】 How do you view the hurdle for achieving the number of units in the single-family home business? Is it a strong plan in terms of the level of inventories?

【A.7】 Contracts are performing well. Although there is a prolongation of the building confirmation screening period, net sales and the number of deliveries for this fiscal year are expected to proceed as planned. The order backlog for the next FY is also favorable.

【Q.8】 Inventories are increasing, so I would like to hear your stance on land acquisition at present.

【A.8】 The Company is conducting acquisitions at aggressive prices, primarily in central Tokyo, and land acquisition is proceeding steadily. Without being biased toward specific large-scale properties, the Company is acquiring a large number of sites as before.

【Q.9】 How do you view the situation of competitors (local builders) in urban areas?

【A.9】 Other companies are struggling due to the prolongation of the building confirmation screening period. While there are areas with excess inventory in regional areas, inventories are low in the urban areas where the Company operates, and we are demonstrating our superiority.

【Q.10】 I would like to hear your thoughts on the Condominium business for the next FY. Will it drop significantly next FY as a reaction to the high gross profit margin in the current FY?

【A.10】 The Company expects that a certain gross profit margin can be secured even for properties in the next FY. We will aim for stable business results by adjusting the delivery timing of properties, etc.

【Q.11】 What are the sales trends for high-end condominiums such as INNOVACIA EBISU (average unit price of 230 million yen)?

【A.11】 They are performing well, but rather than rushing for early completion of sales, the Company will continue sales while also being conscious of the profit margin.

【Q.12】 Is there any impact from inbound demand in the property resale business? I would like to hear about future countermeasures.

【A.12】 There has been no impact on 1Q deliveries. While a certain degree of impact on sales activities is assumed in the future, the Company believes it is within a range that can be supplemented by domestic demand.

【Q.13】 The sales unit price in this 1Q is rising to 450 million yen, but is there any change in the content of the properties?

【A.13】 There are no particular changes. Although the previous 1Q was low at 200 million yen, 400 million yen is assumed to be a standard unit price

【Q.14】 What is the background behind the strong gross profit of Pressance Corporation?

【A.14】 Amid high demand for investment studio-type apartments, products are being provided at affordable price ranges. For family-type apartments, a certain profit margin was secured due to the rise in prices in the Kansai region.