

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 Second Quarter Ended September 30, 2016 [Based on Japanese GAAP]

May 13, 2016

Company name: Open House Co., Ltd.  
 Stock exchange listings: Tokyo Stock Exchange, First section  
 Code Number: 3288  
 URL: <http://openhouse-group.com/ir>  
 Representative: Masaaki Arai, President and CEO  
 Scheduled date of quarterly securities report filing: May 13, 2016  
 Supplementary materials for quarterly financial results: Yes  
 Quarterly results briefing meeting: Yes (for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

### 1. Consolidated Financial Results for the Second Quarter Ended September 30, 2016 (October 1, 2015 to March 31, 2016)

(1) Consolidated operating results (Year-to-date)

(% 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	%
FY 2016 2Q	117,163	49.1	15,160	77.2	14,697	80.7	9,424	85.4
FY 2015 2Q	78,588	42.9	8,557	13.2	8,134	15.0	5,084	20.9

(Note) Comprehensive income: From October 1, 2015 to March 31, 2016 ¥ 9,429 million (85.6%)  
 From October 1, 2014 to March 31, 2015 ¥ 5,082 million (20.9%)

	EPS	Diluted EPS
	Yen	Yen
FY 2016 2Q	166.82	166.22
FY 2015 2Q	88.85	—

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. 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	%
March 31, 2016	173,877	54,671	31.3
September 30, 2015	162,447	47,609	29.2

(Reference) Shareholders' equity: As of March 31, 2016 ¥54,404 million yen  
 As of September 30, 2015 ¥47,453 million yen

### 2. Dividends

	Annual dividends per share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2015	—	0.00	—	30.00	30.00
FY 2016	—	0.00	—	—	—
FY 2016 (Forecast)	—	—	—	50.00	50.00

(Note) Revision of the latest dividend forecast: No

### 3. Forecast of Consolidated Operating Results for FY2016 (October 1, 2015 to September 30, 2016)

(% 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
Full year	245,000	36.6	29,000	36.1	28,000	38.0	18,000	42.4	318.60

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

\*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: Yes
  - 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)  
March 31, 2016: 57,400,000 shares      September 30, 2015: 57,400,000 shares
  - ii ) Treasury stock at period-end  
March 31, 2016: 1,215,836 shares      September 30, 2015: 813,257 shares
  - iii) Average number of shares issued (cumulative consolidated quarterly periods)  
March 31, 2016: 56,497,221 shares      March 31, 2015: 57,226,882 shares
- (Note) The company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. Number of shares issued and outstanding (common stock) calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

\* 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 FY 2015 (September 30, 2015)	End of FY 2016 2Q (March 31, 2016)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	43,330	47,002
Accounts receivable, trade	628	489
Real estate for sale	22,235	22,392
Real estate for sale in process	80,379	85,599
Operating loans	5,657	5,834
Other	4,476	5,048
Allowance for doubtful accounts	(171)	(148)
Total current assets	156,535	166,218
Fixed assets		
Tangible fixed assets	2,799	2,778
Intangible fixed assets	1,490	1,383
Investments and other assets	1,544	3,427
Total fixed assets	5,834	7,589
Deferred assets	76	69
Total assets	162,447	173,877
<b>Liabilities</b>		
Current liabilities		
Accounts payable	7,775	8,597
Short-term loans payable	33,498	34,763
Current portion of long-term loans payable	7,959	14,229
Current portion of bonds	662	602
Income taxes payable	5,308	5,297
Reserves	1,417	1,534
Other	10,415	10,672
Total current liabilities	67,037	75,697
Long-term liabilities		
Bonds payable	3,137	2,836
Long-term loans payable	44,276	40,509
Net defined benefit liability	12	12
Asset retirement obligations	96	96
Other	277	53
Total long-term liabilities	47,799	43,508
Total liabilities	114,837	119,205

(Million yen)

	End of FY 2015 (September 30, 2015)	End of FY 2016 2Q (March 31, 2016)
Net assets		
Shareholders' equity		
Capital stocks	3,982	3,982
Capital surplus	5,883	5,883
Retained earnings	38,711	46,438
Treasury stock	(1,072)	(1,852)
Total shareholders' equity	47,505	54,451
Other comprehensive income		
Net unrealized holding gains/losses on securities	8	5
Foreign currency translation adjustment	(60)	(52)
Accumulated other comprehensive income	(51)	(46)
Subscription rights to shares	156	266
Total net assets	47,609	54,671
Total liabilities and net assets	162,447	173,877

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

(Million yen)

	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)
Revenue	78,588	117,163
Cost of revenue	64,758	94,791
Gross profit	13,829	22,372
Selling, general and administrative expenses	5,271	7,212
Operating income	8,557	15,160
Non-operating income		
Interest income	6	4
Dividends income	2	1
Insurance income	9	27
Other	145	84
Total non-operating income	163	116
Non-operating expenses		
Interest expenses	437	401
Commission	107	15
Other	42	162
Total non-operating expenses	587	579
Ordinary income	8,134	14,697
Income before income taxes and minority interests	8,134	14,697
Income taxes-current	3,049	5,272
Income before minority interests	5,084	9,424
Profit attributable to owners of parent	5,084	9,424

## Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)
Net income before minority interests	5,084	9,424
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(2)
Foreign currency translation adjustment	(5)	7
Total other comprehensive income	(2)	5
Comprehensive income	5,082	9,429
(Breakdown)		
Comprehensive income attributable to owners of parent	5,082	9,429

### 3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes and minority interests	8,134	14,697
Depreciation and amortization	135	186
Stock based compensation expense	56	109
Increase (Decrease) in allowance for doubtful accounts	(1)	(23)
Increase (Decrease) in net defined benefit liability	0	0
Increase (Decrease) in reserves	292	116
Interest and dividend income	(9)	(5)
Interest expense	437	401
Loss (Gain) on sales of securities	—	(20)
Decrease (Increase) in notes and accounts receivable-trade	210	137
Decrease (Increase) in inventories	(15,798)	(5,468)
Increase (Decrease) in notes and accounts payable-trade	42	821
Increase (Decrease) in loans receivable	(20)	(177)
Other	(778)	(198)
Subtotal	(7,297)	10,578
Interest and dividends received	8	5
Interest paid	(437)	(395)
Income taxes paid	(3,731)	(5,292)
Net cash provided by (used in) operating activities	(11,457)	4,895
Cash flows from investing activities		
Payments into time deposits	(75)	(30)
Proceeds from withdrawal of time deposits	3,655	—
Purchase of securities	—	(163)
Proceeds from sales of securities	—	184
Purchase of tangible fixed assets	(210)	(138)
Purchase of intangible fixed assets	(42)	(76)
Purchase of investment securities	—	(1,584)
Purchase of shares of subsidiaries in consolidation	(100)	—
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,571)	—
Payments for investments in capital	—	(300)
Payments for lease and guarantee deposits	(71)	(56)
Proceeds from collection of lease and guarantee deposits	407	40
Other	0	(0)
Net cash provided by (used in) investing activities	1,992	(2,124)
Cash flows from financing activities		
Proceeds from short-term loans payable	29,846	30,601
Repayment of short-term loans payable	(25,504)	(29,335)
Proceeds from long-term loans payable	32,158	26,469
Repayment of long-term loans payable	(14,498)	(23,966)
Proceeds from issuance of bonds	2,654	—
Redemption of bonds	(220)	(361)
Purchase of treasury stock	(1,078)	(782)
Cash dividends paid	(1,148)	(1,697)
Other	(19)	(19)
Net cash provided by (used in) financing activities	22,190	907
Effect of exchange rate changes on cash and cash equivalents	53	(35)
Net increase (decrease) in cash and cash equivalents	12,778	3,642
Cash and cash equivalents at beginning of period	24,426	43,325
Cash and cash equivalents at end of period	37,204	46,967

#### 4) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Pursuant to a resolution passed by the Board of Directors at the meeting held February 15, 2016, the Company has purchased 402,400 shares of treasury stock. This will raise the amount of treasury stock by 780 million yen in the cumulative term of the consolidated second quarter, bringing the treasury stock to 1,852 million yen at the end of the consolidated second quarter.

(Segment and Other Information)

I FY2015 2Q (October 1, 2014 to March 31, 2015)

Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	1,756	44,512	6,912	3,926	21,283	196	78,588	—	78,588
Intersegment revenue and transfers	1,639	—	556	—	—	24	2,219	(2,219)	—
Total	3,395	44,512	7,468	3,926	21,283	220	80,807	(2,219)	78,588
Segment Income (Loss)	1,171	3,841	175	79	3,308	66	8,643	(85)	8,557

(Note)

1. Adjustment of -¥85 million for segment income includes intersegment elimination of ¥15 million and corporate expenses of -¥101million 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 FY2016 2Q (October 1, 2015 to March 31, 2016)

i Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	1,947	59,132	15,013	2,385	38,478	206	117,163	—	117,163
Intersegment revenue and transfers	1,932	—	2,278	13	—	28	4,253	(4,253)	—
Total	3,879	59,132	17,292	2,398	38,478	234	121,416	(4,253)	117,163
Segment Income (Loss)	1,327	6,988	729	(321)	6,459	74	15,257	(97)	15,160

(Note)

1. Adjustment of -¥97 million for segment income includes intersegment elimination of ¥45 million and corporate expenses of -¥142 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 Changes in reportable segments

Effective from the first quarter for the current fiscal year, the Company has changed reportable segments to ensure appropriate disclosure of management information. The former Real Estate Sales Business is divided into four reportable segments: Single-family Homes; Asakawa Home; Condominiums; Property Resales.



"Others" refers to business segments not included in reportable segments.

As a result, the Group now has the following six reporting segments: Brokerage, Single-Family Homes, Asakawa Home, Condominiums, Property Resales, and Others.