

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 Third Quarter Ended September 30, 2020 [Based on Japanese GAAP]

August 14, 2020

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

(Million yen, rounded down)

### 1. Consolidated Financial Results for the Third Quarter Ended September 30, 2020 (October 1, 2019 to June 30, 2020)

(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	%
Nine months ended June 30, 2020	383,551	4.6	38,445	5.7	53,241	56.1	41,896	71.1
June 30, 2019	366,608	40.4	36,385	15.2	34,105	11.6	24,484	14.6

(Note) Comprehensive income: Nine months ended June 30, 2020      ¥ 41,828 million [77.1%]  
 Nine months ended June 30, 2019      ¥ 23,612 million [10.3%]

	EPS	Diluted EPS
	Yen	Yen
Nine months ended June 30, 2020	378.80	376.53
June 30, 2019	217.28	215.99

(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 June 30, 2020	534,699	171,961	32.1
September 30, 2019	445,904	138,067	30.9

(Reference) Shareholders' equity: As of June 30, 2020      ¥ 171,670 million  
 As of September 30, 2019      ¥ 137,754 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	—	40.00	—	—	—
FY 2020 (Forecast)	—	—	—	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
Full year	570,000	5.5	62,000	7.3	77,000	40.2	59,000	49.7	533.45

(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: 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)

June 30, 2020: 115,356,500 shares    September 30, 2019: 115,237,000 shares

ii ) Treasury stock at period-end

June 30, 2020: 4,694,502 shares    September 30, 2019: 4,694,502 shares

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

June 30, 2020: 110,601,377 shares    June 30, 2019: 112,683,170 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 during the period" calculated assuming the stock split was 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 3Q (as of June 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	135,354	150,662
Operating accounts receivable	498	971
Real estate for sale	70,457	76,200
Real estate for sale in process	179,596	204,102
Operating loans	28,924	35,047
Other	10,167	7,841
Allowance for doubtful accounts	(232)	(204)
Total current assets	424,766	474,622
Non-current assets		
Property, plant and equipment	4,990	5,091
Intangible assets	3,456	3,166
Investments and other assets	12,659	51,792
Total non-current assets	21,106	60,050
Deferred assets	31	26
Total assets	445,904	534,699
<b>Liabilities</b>		
Current liabilities		
Notes payable	4,257	4,651
Operating accounts payable	16,913	19,788
Short-term loans payable	89,933	121,806
Current portion of bonds	372	242
Current portion of long-term loans payable	12,976	18,806
Income taxes payable	11,461	4,034
Provision	3,336	2,540
Other	23,097	23,232
Total current liabilities	162,348	195,101
Non-current liabilities		
Bonds payable	1,089	968
Long-term loans payable	143,972	166,186
Retirement benefit liability	326	356
Asset retirement obligations	100	105
Other	—	19
Total non-current liabilities	145,488	167,636
Total liabilities	307,837	362,738
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,234	4,315
Capital surplus	8,206	8,287
Retained earnings	134,629	168,451
Treasury shares	(8,806)	(8,806)
Total shareholders' equity	138,263	172,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	6
Foreign currency translation adjustment	(517)	(583)
Total accumulated other comprehensive income	(508)	(576)
Subscription rights to shares	312	290
Total net assets	138,067	171,961
Total liabilities and net assets	445,904	534,699

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

(Million yen)

	Nine months ended June 30, 2019 (From October 1, 2018 to June 30, 2019)	Nine months ended June 30, 2020 (From October 1, 2019 to June 30, 2020)
Revenue	366,608	383,551
Cost of revenue	307,256	320,759
Gross profit	59,352	62,791
Selling, general and administrative expenses	22,967	24,345
Operating income	36,385	38,445
Non-operating income		
Interest income	56	63
Dividends income	20	1
House rent income	113	112
Gain on sales of investment securities	—	109
Share of profit of entities accounted for using equity method	—	16,322
Other	129	194
Total non-operating income	320	16,803
Non-operating expenses		
Interest expenses	1,339	1,682
Commission expenses	764	192
Other	497	132
Total non-operating expenses	2,600	2,007
Ordinary income	34,105	53,241
Extraordinary income		
Gain on sales of non-current assets	773	—
Total extraordinary income	773	—
Profit before income taxes	34,878	53,241
Income taxes	10,393	11,345
Profit	24,484	41,896
Profit attributable to owners of parent	24,484	41,896

**Consolidated Quarterly Statements of Comprehensive Income**

(Million yen)

	Nine months ended June 30, 2019 (From October 1, 2018 to June 30, 2019)	Nine months ended June 30, 2020 (From October 1, 2019 to June 30, 2020)
Profit	24,484	41,896
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(1)
Foreign currency translation adjustment	(865)	(87)
Share of other comprehensive income of entities accounted for using equity method	—	20
Total other comprehensive income	(872)	(67)
Comprehensive income	23,612	41,828
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,612	41,828

### 3) Notes to Consolidated Quarterly Financial Statements

(Notes on going concern assumptions)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Notes on change in scope of consolidation or scope of application of equity method)

Pressance Corporation which the Company newly invested in is included in the scope of equity-method applicable companies from the third quarter of the current consolidated fiscal year.

(Adoption of special accounting methods for preparation of quarterly consolidated financial statements)

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

(Segment and other Information)

【Segment Information】

I Nine months ended June 30, 2019 (October 1, 2018 to June 30, 2019)

1. 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	246,932	26,508	74,851	18,316	366,608	—	366,608
Intersegment revenue and transfers	—	—	41	—	41	(41)	—
Total	246,932	26,508	74,893	18,316	366,650	(41)	366,608
Segment Income	22,835	3,863	8,217	2,197	37,113	(728)	36,385

(NOTE)

1. Adjustment of ¥(728)million for segment income includes intersegment elimination of ¥136 million and corporate expenses of ¥(865) 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 Nine months ended June 30, 2020 (October 1, 2019 to June 30, 2020)

1. 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	274,021	12,848	80,128	16,553	383,551	—	383,551
Intersegment revenue and transfers	—	—	41	36	77	(77)	—
Total	274,021	12,848	80,169	16,589	383,628	(77)	383,551
Segment Income (Loss)	28,969	489	8,444	1,402	39,305	(859)	38,445

(NOTE)

1. Adjustment of ¥ (859) million for segment income includes intersegment elimination of ¥493 million and corporate expenses of ¥ (1,353) 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.
2. Information relating to impairment loss on non-current assets or, goodwill, etc. for each reportable segment  
(Material profit from negative goodwill)
- The recorded amount of profit on negative goodwill is ¥13,708 million as investment gain on equity method for the current consolidated third quarter, as the Company acquired stocks of Pressance Corporation and adopted the equity method. It is not included segment income because investment gain on equity method by the said event is non-operating income.

(Important Subsequent Events)

(Issuance of new shares, disposal of treasury shares and secondary offering of shares)

At the meeting of its board of directors held on July 10, 2020, the Company resolved the issuance of new shares, the disposition of treasury shares, and the issuance of new shares by the third-party allotment to SMBC Nikko Securities relating to the secondary offering of shares by way of over-allotment as follows. Moreover the payment was completed on July 28, 2020 regarding the issuance of new shares and the disposition of treasury shares..

1. Issuance of new shares by way of public offering

- |   |   |
|---|---|
| (1) Class and number of shares to be offered  | 9,617,200 shares of common stock of the Company, the aggregate of (i) through (iii) described below<br>(i) 1,814,200 shares of common stock of the Company, issued for purchase by the Japanese Underwriters in the Japanese Public Offering<br>(ii) 6,531,600 shares of common stock of the Company, issued for purchase by the International Managers in the International Offering<br>(iii) 1,271,400 shares of common stock of the Company, additionally issued for purchase by the International Manager upon exercise of the option |
| (2) Amount to be paid   | ¥2,976 per share  |
| (3) Total amount to be paid   | ¥28,620 million   |
| (4) Amount of stated capital to be increased and additional paid-in capital to be increased | The amount of stated capital to be increased: ¥14,310 million<br>The amount of additional paid-in capital to be increased : ¥14,310 million   |
| (5) Payment date  | July 28, 2020   |

2. Disposal of treasury shares by way of public offering

- |  |  |
|--|--|
| (1) Class and number of shares to be offered | 4,694,500 shares of common stock of the Company, the aggregate of (i) and (ii) described below<br>(i) 2,000,000 shares of common stock of the Company, issued for purchase by the Japanese Underwriters in the Japanese Public Offering<br>(ii) 2,694,500 shares of common stock of the Company, issued for purchase by the International Managers in the International Offering |
| (2) Amount to be paid                        | ¥2,976 per share   |
| (3) Total amount to be paid                  | ¥13,970 million  |
| (4) Payment date                             | July 28, 2020  |

3. The third-party allotment in connection with the secondary offering by way of over-allotment

- |   |   |
|---|---|
| (1) Class and number of shares to be offered  | 684,600 shares of common stock of the Company   |
| (2) Amount to be paid   | ¥2,976 per share  |
| (3) Total amount to be paid   | Up to ¥2,037 million  |
| (4) Amount of stated capital to be increased and additional paid-in capital to be increased | The amount of stated capital to be increased: Up to ¥1,018 million<br>The amount of additional paid-in capital to be increased : Up to ¥1,018 million |
| (5) Subscription date   | August 24, 2020   |
| (6) Payment date  | August 25, 2020   |

4. Use of proceeds to be raised

The net proceeds in the maximum total amount of ¥ 44,285 million obtained from the Japanese offering, the international offering and the third-party allotment is intended to be applied to operating capital and the repayment of existing short term loans payable.