



**OPEN HOUSE
GROUP**

Consolidated Financial Highlights for the Second Quarter of FY2024

(2023/10-2024/3)

OPEN HOUSE GROUP CO., LTD.
[3288 TSE]

FY2024 2Q Financial Results Topics

◆ The 2Q exceeded performance expectations.

Business Performance 2Q FY2024	<u>FY2024 2Q Results</u>			<u>Variance</u>
	Net sales	¥ 602.7 billion	[111.3%YoY]	8.5 billion
	Ordinary profit	¥ 58.3 billion	[86.4%YoY]	6.0 billion
	Profit attributable to owners of parents	¥ 51.9 billion	[116.8%YoY]	5.2 billion

◆ Progress is proceeding smoothly in line with full-year performance forecasts.

Financial Forecasts for FY2024	<u>FY2024 Forecasts</u>		
	Net sales	¥ 1.3 trillion	[113.2%YoY]
	Ordinary profit	¥ 120 billion	[87.6%YoY]
	Profit attributable to owners of parents	¥ 92.5 billion	[100.5%YoY]

Shareholder Returns	Additional treasury share acquisition	¥ 10 billion	2,500 thousand shares	(Percentage of issued shares: 2.11%)
	Previous implementation conducted (up to end of April)	¥ 9.8 billion	2,200 thousand shares	

◆ We have achieved the upgrade in the credit rating that was set as this term's goal. Credit rating: BBB (before change ⇒BBB-)

Credit Rating

Renewal of Corporate Philosophy

The Group achieved a significant milestone by exceeding ¥1 trillion in sales for the fiscal year ending September 2023.

As we aim for further expansion in our business and industries, our commitment to understanding and meeting our customers' needs remains paramount.

With this in mind, we have renewed our corporate philosophy to serve as a guiding light for the Group's continued growth.

■ Corporate Mission

To Thoroughly Pursue the Needs of Our Customers and Deliver Valuable Real Estate

■ Business Outlook

Embracing Integrity: Gaining Society's Trust Through Market Engagement

Pursuing Growth with Innovative Thinking Beyond Conventions and Common Practices

Actively Contributing to Enhancing Regional Vitality and Creating Vibrancy in the Community

Performance Highlights for the Second Quarter of FY 2024

- **The sales contracts for single-family homes have bottomed out, showing signs of recovery (increasing by 15.6 yoy comparison, excluding Meldia, a 4.2% increase).**
- **Conservatively set aside for large-scale projects etc., of property resale real estate (▲4.9 billion yen), one-time impairment loss.**
- **Even with weak yen, the flow of investment into U.S. real estate remains strong.**
- **Pressance Corporation also exceeds its first-half plan and achieves a better-than-expected result.**
- **The steady execution of Meldia's PMI, leveraging the Group's strong sales force.**
- **Significant increase in non-operating income, securing an increase in net profit for the period through substantial gains in extraordinary income and negative goodwill arising from special profits.**
- **Conscious of shareholder returns and EPS improvement, the company will implement early buyback of its own shares.**

Shareholder Return

- Complete acquisition of 40 billion yen worth of treasury stock outlined in the three-year basic policy within two years.
- The additional acquisition of treasury stock will be determined by the Board of Directors on a case-by-case basis, considering factors such as the status of M&A activities.

Three-Year Medium-Term Management Plan (FY2024~FY2026)

First Year (Acquisition of 20 Billion Yen)	Second Year (Acquisition of 20 Billion Yen)	Third Year
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Nov 2023 to April 2024
(Acquired)
Acquisition amount:
9.8 billion yen
No. of acquired shares:
2.2 million shares

May 2024 to Sept 2024
(Current acquisition)
Acquisition amount:
10 billion yen
No. of acquired shares:
2.5 million shares

Nov 2024 to Sept 2025
(Future acquisition)
20 billion yen

- Taking into account the M&A implementation status and other factors, decisions will be made on additional acquisitions in the final year of the three-year term.

1. 2Q FY2024 Consolidated Financial Summary



OPEN HOUSE GROUP

Consolidated Statements of Income (Summary)

- Outperforming first half performance forecast.
- Hit a record high in net sales and profit in the second quarter.

(¥ Million)

	2Q FY2023 (2022/10-2023/3)		2Q FY2024 (2023/10-2024/3)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales	
Net sales	541,794	-	602,756	-	111.3%
Operating profit	69,650	12.9%	55,723	9.2%	80.0%
Ordinary profit	67,536	12.5%	58,322	9.7%	86.4%
Profit attributable to owners of parent	44,452	8.2%	51,902	8.6%	116.8%

<Performance forecast>

2Q FY2024 (2023/10-2024/3)	
Forecast	Inc. (Dec.)
594,200	8,556
55,100	623
52,300	6,022
46,700	5,202

Performance by Segment (Net Sales/Operating Profit)

- The condominium business will experience a decrease in revenue due to a concentration of handovers in the fourth quarter; however, sales contracts are progressing smoothly.
- The property resale business will see a decrease in operating profit due to conservative provision recording.

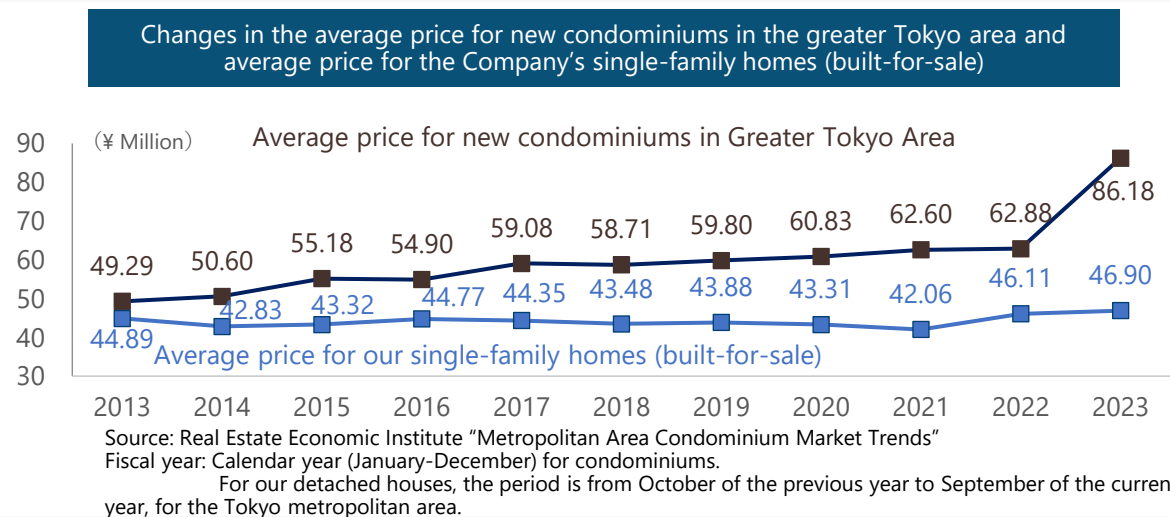
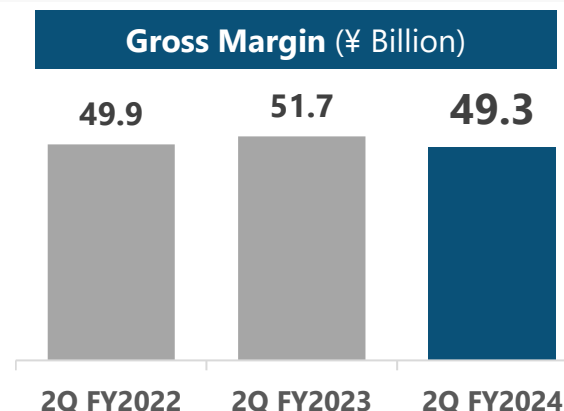
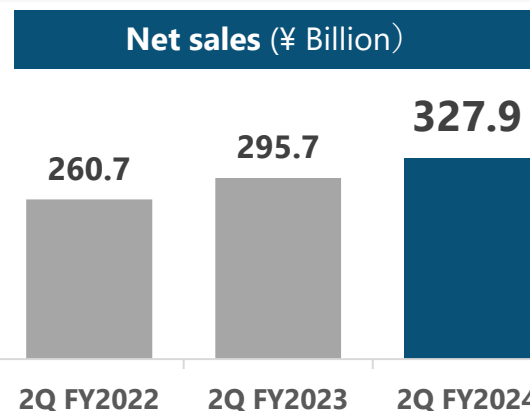
	Net sales				
	2Q FY2023 (2022/10-2023/3)		2Q FY2024 (2023/10-2024/3)		Inc. (Dec.)
	Result	Ratio	Result	Ratio	
Total	541,794	100.0%	602,756	100.0%	111.3%
Single-family home related business	295,777	54.6%	327,967	54.4%	110.9%
Condominium	26,474	4.9%	5,545	0.9%	20.9%
Property resale	92,673	17.1%	76,734	12.7%	82.8%
Others (including U.S. real estate business)	41,769	7.7%	47,488	7.9%	113.7%
Pressance Corporation	85,697	15.8%	82,927	13.8%	96.8%
Meldia Co.	-	-	67,685	11.2%	-
Adjustments	(598)	-	(5,591)	-	-

	Operating profit (¥ Million)				
	2Q FY2023 (2022/10-2023/3)		2Q FY2024 (2023/10-2024/3)		Inc. (Dec.)
	Result	% of Net sales	Result	% of Net sales	
Total	69,650	12.9%	55,723	9.2%	80.0%
Single-family home related business	35,177	11.9%	31,407	9.6%	89.3%
Condominium	4,129	15.6%	(1,917)	-	-
Property resale	10,886	11.7%	4,594	6.0%	42.2%
Others (including U.S. real estate business)	4,492	10.8%	4,878	10.3%	108.6%
Pressance Corporation	15,416	18.0%	15,719	19.0%	102.0%
Meldia Co.	-	-	2,386	3.5%	-
Adjustments	(450)	-	(1,345)	-	-

Single-family Home Related Business (Overall)

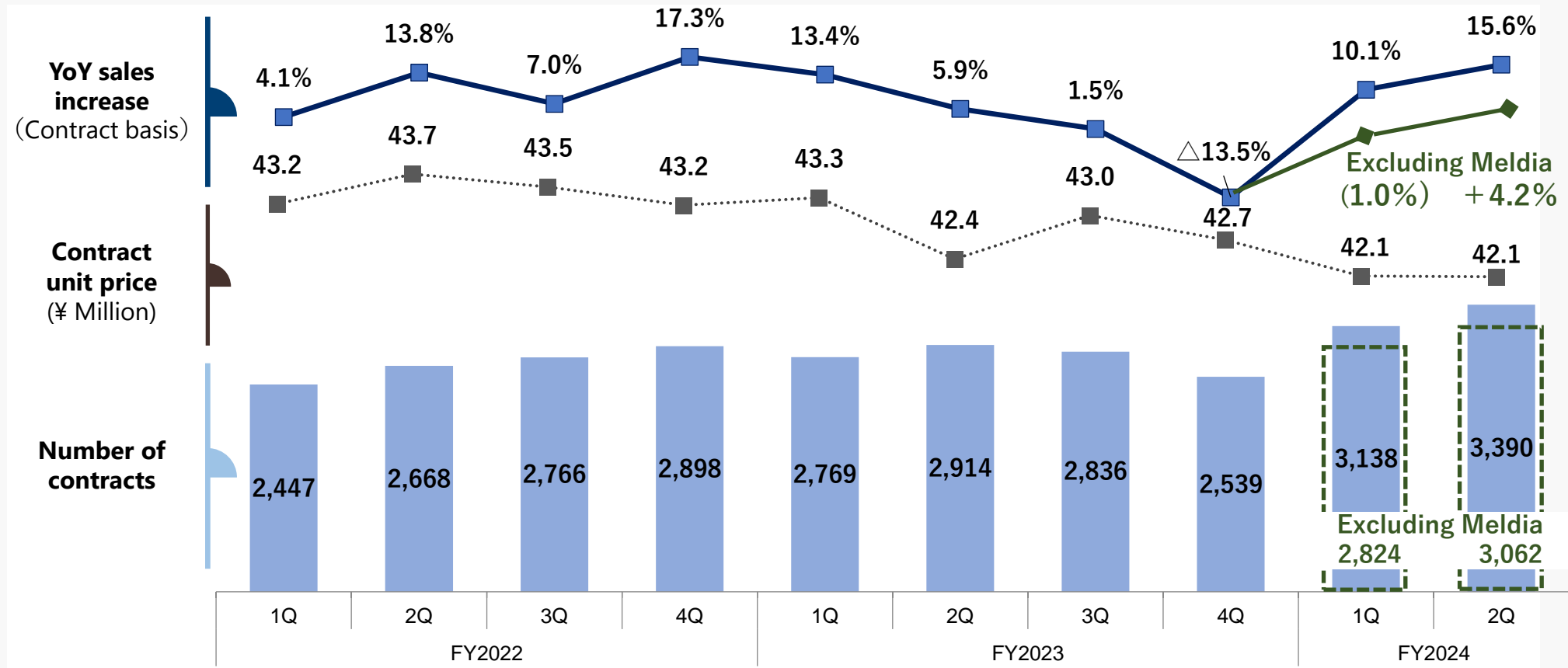
- Demand for single-family homes in metropolitan areas remains solid, and net sales have increased.
- While the adjustment of inventory assets resulted in a decrease in the gross profit margin, this is within expected range.

	2Q FY2022 (2021/10-2022/03)	2Q FY2023 (2022/10-2023/03)	2Q FY2024 (2023/10-2024/03)	Inc. (Dec.)
				(¥ Million)
Net sales	260,771	295,777	327,967	110.9%
Gross profit	49,916	51,770	49,395	95.4%
Gross profit margin	19.1%	17.5%	15.1%	(2.4)pt
Operating profit	35,953	35,177	31,407	89.3%
Operating profit margin	13.8%	11.9%	9.6%	(2.3)pt



Single-family Home Related Business (Trends in Sales Contracts)

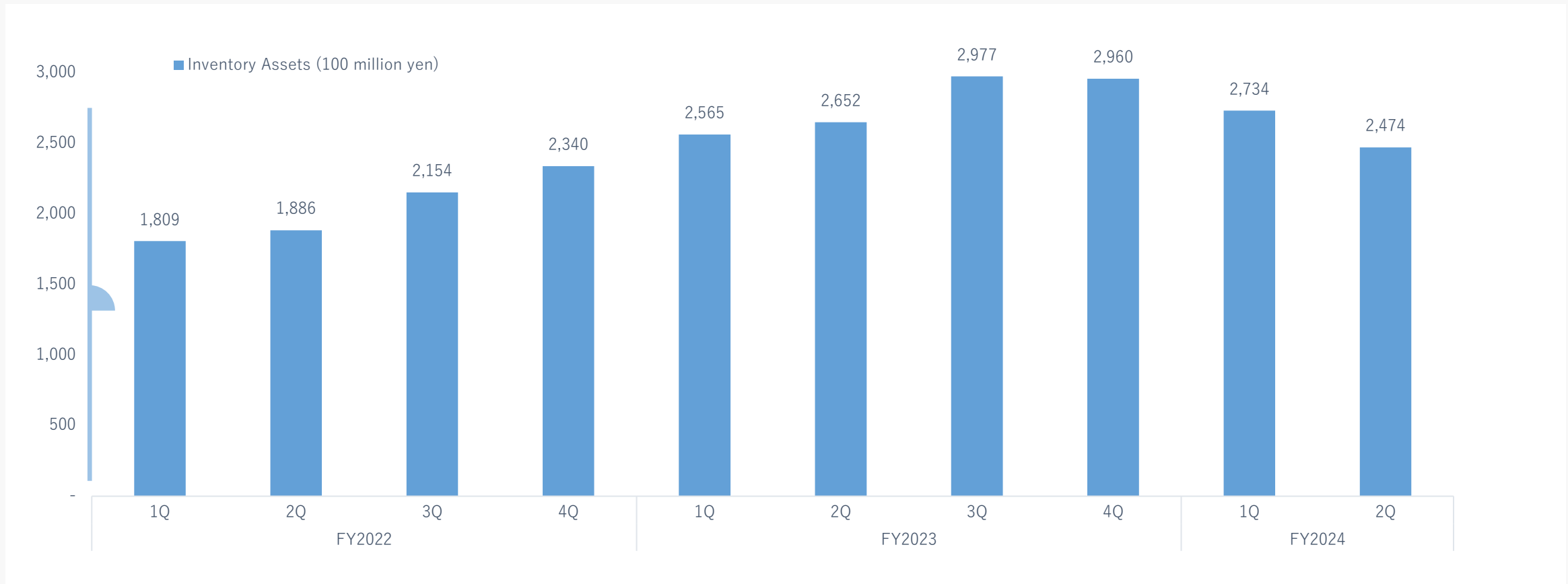
- Sales increased by 15.6% compared to the same period last year, showing steady growth.
- Sales contracts recovered, even excluding Meldia, there's an increase of 4.2%.



Operating companies : Open House Development Co.,Ltd. (OHD), Hawk One Corporation (HO), & Meldia.
 Scope : Sales (built-for-sale + land), not including contracted work

Single-family Home Related Business (Inventory Asset Trends)

- Ahead of industry competitors, worked on adjusting inventory and improved them to appropriate levels.

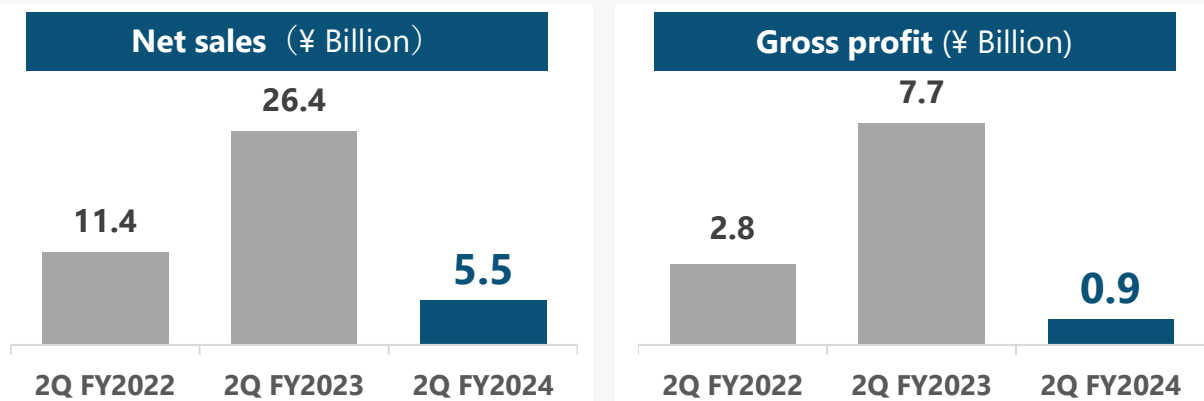


Target: Single-family home-related businesses (Open House Development, Hawk One, Open House Architect), excluding Meldia.

Condominium Business

- Scheduled deliveries for 2Q FY2024 were completed as planned.
- Plan to deliver condominiums worth over ¥60 billion yen in 4Q, and sales contracts have progressed over 90%.

	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	2Q FY2024 (2023/10-2024/3)	Inc. (Dec.)
				(¥ Million)
Net sales	11,467	26,474	5,545	20.9%
Gross profit	2,854	7,731	927	12.0%
Gross profit margin	24.9%	29.2%	16.7%	(12.5)pt
Operating profit	419	4,129	(1,917)	-
Operating profit margin	3.7%	15.6%	-	-
Number delivered	185	458	103	(355)
Unit price	60.6	57.7	53.3	(4.4)

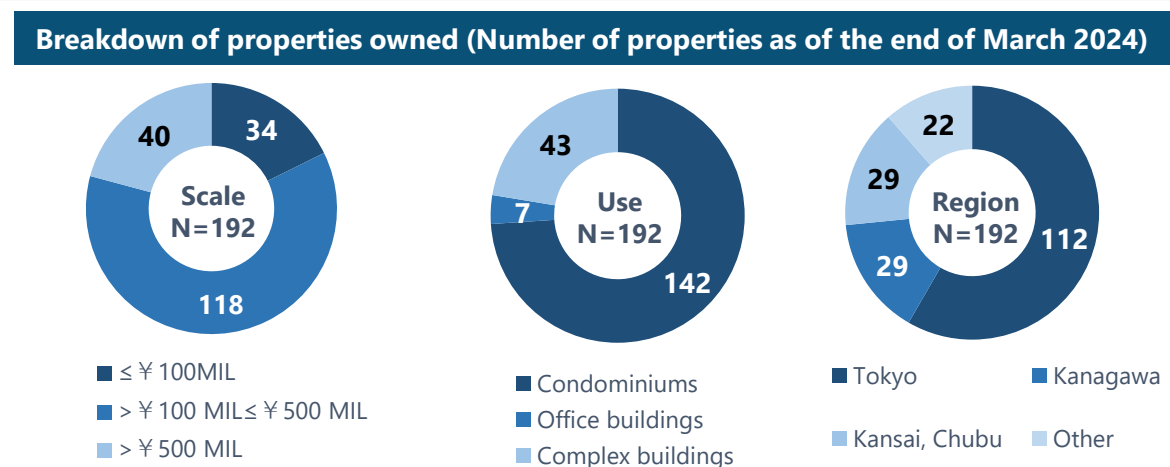
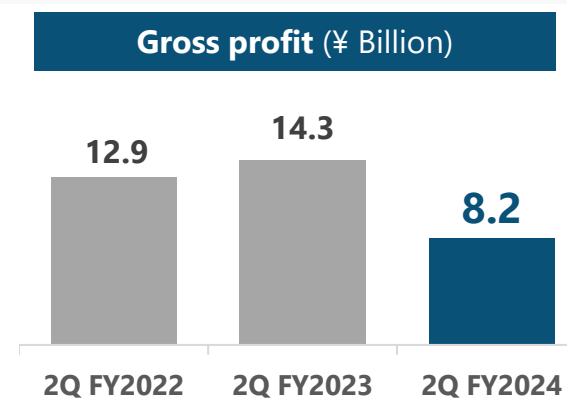
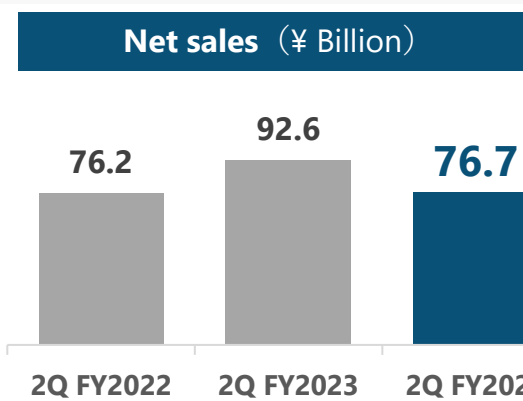


Major Condominiums Delivered in FY2024		
Name	Units	Average Price
Open Residence Yutenji (Tokyo)	17	100 million yen
Open Residencia Shimokitazawa Hills (Tokyo)	18	90 //
Open Residencia Aoi The Place (Nagoya)	42	40 //
Open Residencia Ohori Nishi (Fukuoka)	25	40 //

Property Resale Business

- Due to the weakening yen, there is strong interest among overseas investors in property resale properties.
- Excluding the impact of conservative impairment losses (▲4.9 billion yen) on large-scale projects etc., the gross profit margin is at the same level as the previous year.

	2Q FY2022 (2021/10-2022/03)	2Q FY2023 (2022/10-2023/03)	2Q FY2024 (2023/10-2024/03)	Inc. (Dec.)
	(¥ Million)			
Net sales	76,205	92,673	76,734	82.8%
Gross profit	12,919	14,315	8,284	57.9%
Gross profit margin	17.0%	15.4%	10.8%	(4.7)pt
Operating profit	9,130	10,886	4,594	42.2%
Operating profit margin	12.0%	11.7%	6.0%	(5.8)pt
Number delivered	160	195	199	4
Unit price	461	463	373	(90)

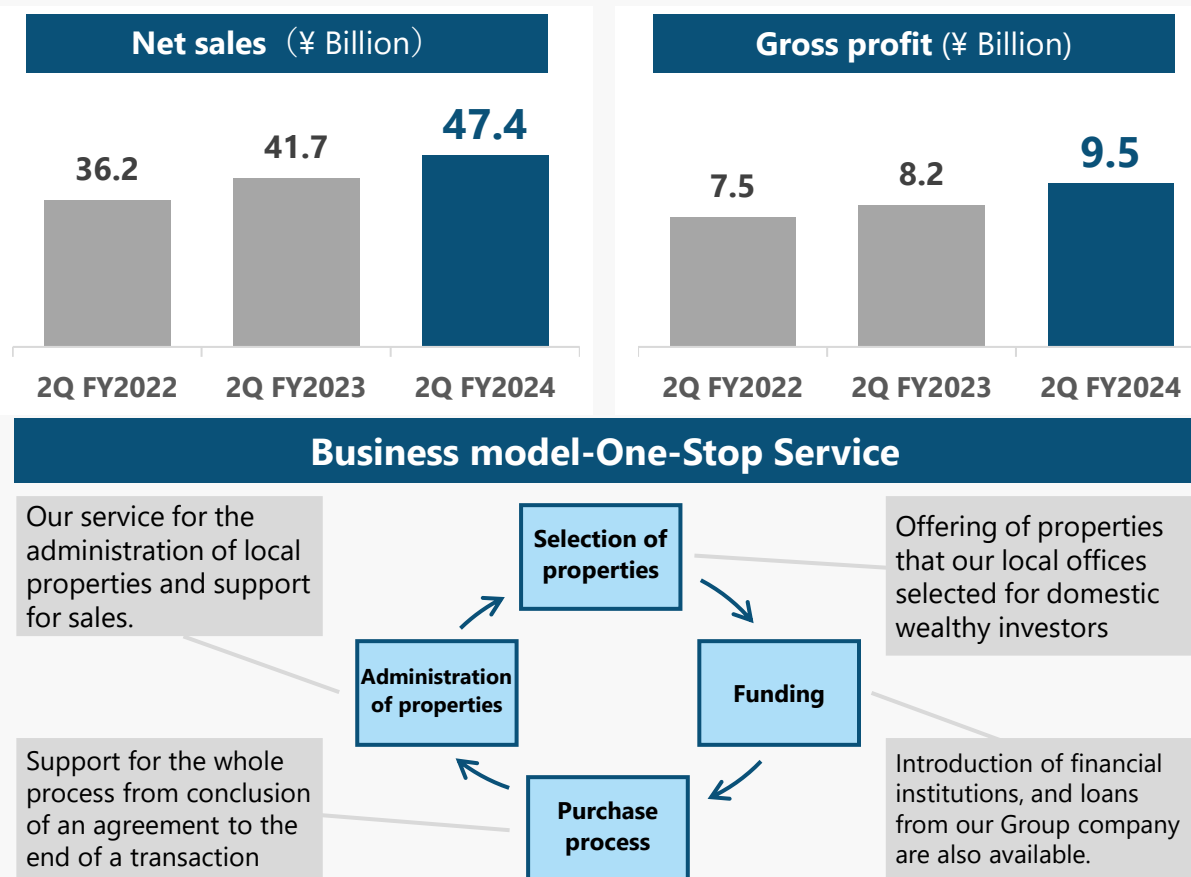


Other Segment (U.S. Real Estate Business)

- Steady increase in transactions by highly motivated active affluent individuals.
- Investment properties aimed at asset diversification, with limited impact from exchange rate fluctuations.

	(¥ Million)			
	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	2Q FY2024 (2023/10-2024/3)	Inc. (Dec.)
Net sales	36,277	41,769	47,488	113.7%
Gross profit	7,538	8,276	9,578	115.7%
Gross profit margin	20.8%	19.8%	20.2%	0.4pt
Operating profit	4,564	4,492	4,878	108.6%
Operating profit margin	12.6%	10.8%	10.3%	(0.5)pt
Number delivered*	564	511	578	67
No. of buildings managed*	2,998	3,935	4,814	879

* Figures for U.S. Real Estate Business are shown.

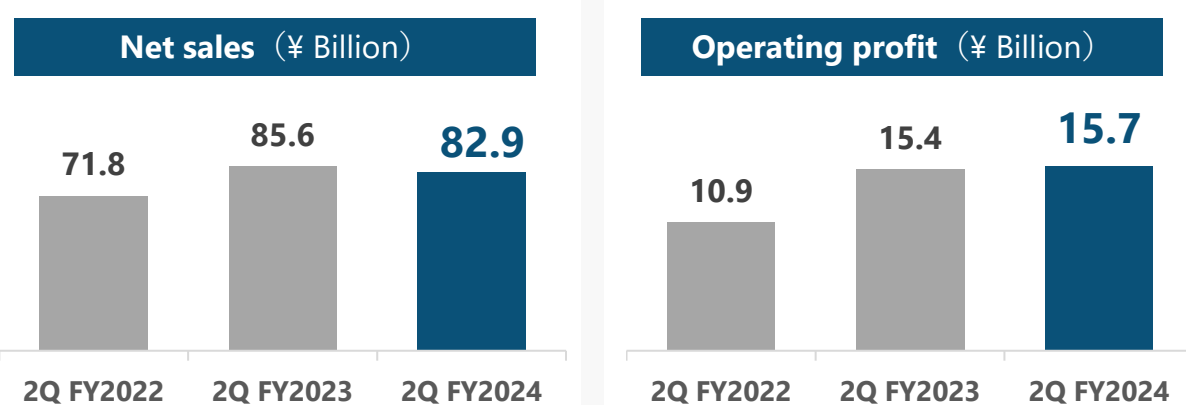


Pressance Corporation

- Demand for condominiums in the Kansai region remains strong, for both investment and owner-occupier properties.
- Exceeding the plan for the first half of the fiscal year.

	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	2Q FY2024 (2023/10-2024/3)	Inc. (Dec.)
	(¥ Million)			
Net sales	71,827	85,697	82,927	96.8%
Gross profit	18,763	23,544	23,478	99.7%
Gross profit margin	26.1%	27.5%	28.3%	0.8pt
Operating profit	10,985	15,416	15,719	102.0%
Operating profit margin	15.3%	18.0%	19.0%	1.0pt
Actual by products	2,290	3,147	2,740	(407)
Studio-type condominiums	1,588	2,238	1,969	(269)
Family-type condominiums	702	909	771	(138)

*Since Pressance Corporation became consolidated subsidiary in January 2021, the results for 2Q FY2021 are for the three months from January to March 2021.



Nationwide 2023 Condominium Supply Ranking (Units)					
rank	Company Name	Units	rank	Company Name	Units
1	Mitsui Fudosan Residential	3,423	6	Takara Leben	1,982
2	Pressance Corporation	3,390	7	ANABUKI	1,773
3	Nomura Real Estate Development	3,061	8	Open House Development	1,647
4	Sumitomo Realty & Development	2,859	9	ESLEAD	1,607
5	MITSUBISHI ESTATE RESIDENCE	2,093	10	Hankyu Hanshin Properties Corp.	1,590

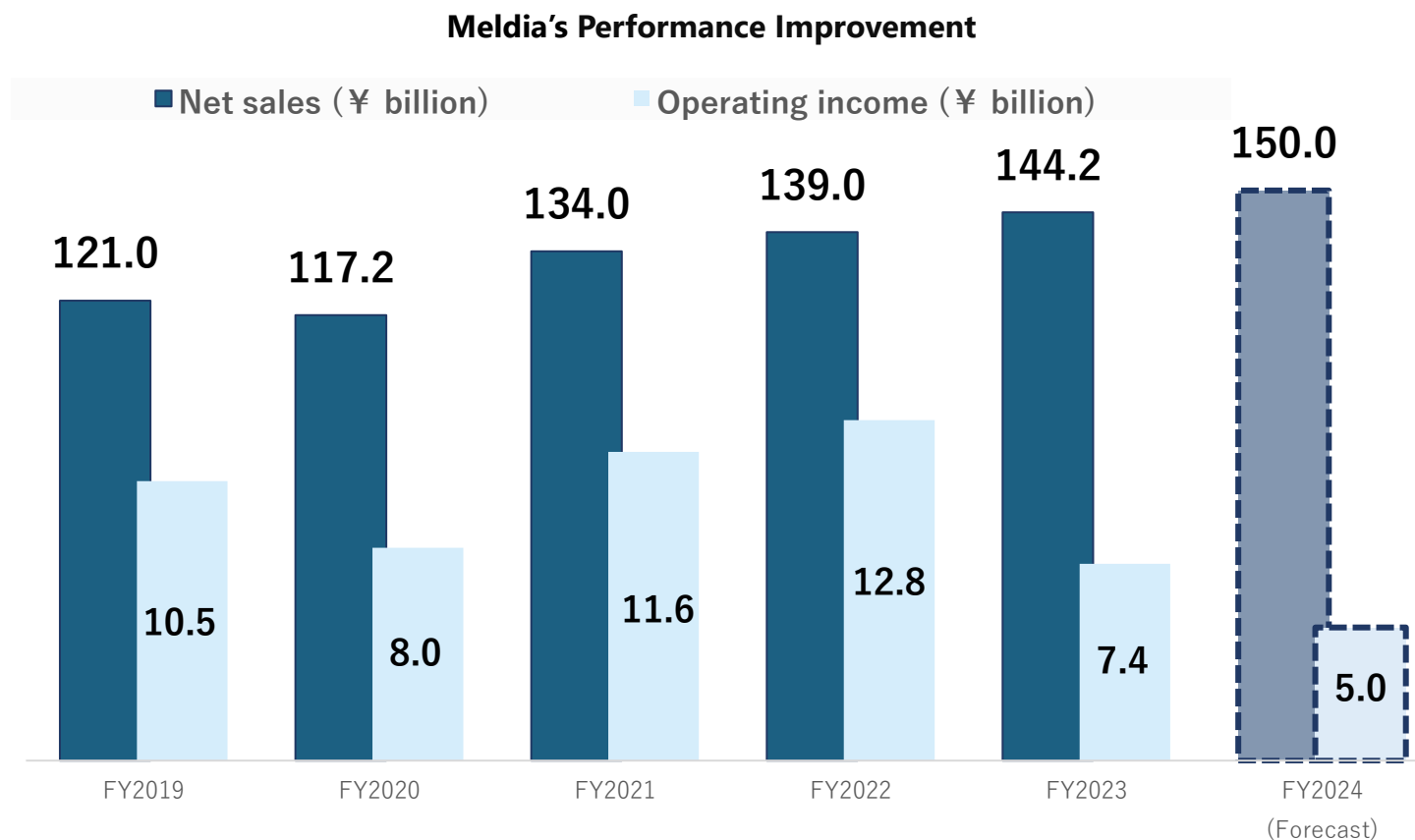
Meldia

- Consolidation as a new segment began in 1Q FY2024.
- Implement PMI and aim for an early recovery of profit levels.

	¥ Million
	2Q FY2024*1 (2023/9-2024/2)
Net sales	67,685
Gross profit	7,301
Gross profit margin	10.8%
Operating profit	2,386
Operating profit margin	3.5%
No. delivered *2	578

*1 Consolidated the performance of Meldia from Sept 2023 to Feb 2024, in 2Q FY2024.

*2 Including 69 apartment buildings.



Breakdown of SG&A Expenses, Non-Operating Profit/Expenses

(¥ Million)

SG&A Expenses						Non-Operating Income / Expenses					
	2Q FY2023 (2022/10-2023/3)		2Q FY2024 (2023/10-2024/3)		Inc. (Dec.)		2Q FY2023 (2022/10-2023/3)		2Q FY2024 (2023/10-2024/3)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales			Actual	% of net sales	Actual	% of net sales	
SG&A expenses	35,612	6.6%	42,171	7.0%	6,559	Non-Operating income	972	0.2%	6,192	1.0%	5,220
Personnel expenses	11,278	2.1%	15,089	2.5%	3,810	Gain on sale of investment securities	144	0.0%	3,518	0.6%	3,374
Sales commissions	3,822	0.7%	4,220	0.7%	397	Dividend income	113	0.0%	682	0.1%	568
Office maintenance cost	3,990	0.7%	4,201	0.7%	211	Profit on currency exchange	-	-	400	0.1%	400
Advertising expenses	1,957	0.4%	2,680	0.4%	723	Other	714	0.1%	1,591	0.3%	876
Promotion expenses	1,689	0.3%	949	0.2%	(740)	Non-operating expenses	3,086	0.6%	3,592	0.6%	506
Others	12,873	2.4%	15,030	2.5%	2,156	Interest expenses	1,902	0.4%	2,694	0.4%	792
						Commission expenses	263	0.0%	490	0.1%	226
						Foreign exchange loss	325	0.1%	-	-	(325)
						Other	595	0.1%	407	0.1%	(187)

Consolidated Balance Sheet

- Maintain a healthy financial condition even after consolidation of Meldia.
- Maintain investment reserves to be able to respond flexibly to M&A opportunities.

(¥ Million)

	FY2023	2Q FY2024	Inc. (Dec.)		FY 2023	2Q FY2024	Inc. (Dec.)
	Consolidated balance sheet						
Current assets	1,130,769	1,241,286	110,516	Liabilities	718,251	805,209	86,957
Cash and deposits	401,879	389,578	(12,300)	Current liabilities	373,526	390,658	17,132
Inventories	641,256	752,405	111,149	Non-current liabilities	344,725	414,550	69,825
Others	87,633	99,301	11,667	Net assets	480,416	518,829	38,413
Non-current assets	67,898	82,753	14,854	Shareholders' equity	401,443	434,887	33,444
Property, plant and equipment	28,456	31,951	3,495	Valuation and translation adjustments	15,163	16,452	1,288
Intangible assets	2,690	2,771	81	Non-controlling interests	63,808	67,489	3,680
Investments and other assets	36,751	48,030	11,278	Total liabilities and net assets	1,198,668	1,324,039	125,371
Total asset	1,198,668	1,324,039	125,371				
Safety index							
	FY2023	2Q FY2024	Inc. (Dec.)		FY2023	2Q FY2024	Inc. (Dec.)
Net D/E ratio	0.4	0.6	0.2	Equity ratio	34.7%	34.0%	(0.7pt)
D/E ratio	1.4	1.5	0.1	Current ratio	302.7%	317.7%	15.0pt

Efforts Towards Financial Stabilization

- To secure funds on hand to obtain opportunities for growth investments, while also diversifying fundraising to adapt to changes in the financial environment.

Long-term funding procurement (Business investment capital: 42.9 billion yen)

Syndicated Loan

Amount borrowing **37.9 billion yen**

Lender	Sumitomo Mitsui Banking Corporation (Arranger & Agent) Mizuho Bank, Ltd. Resona Bank, Limited The Gunma Bank, Ltd. San ju San Bank, Ltd. The Chiba Bank, Ltd.
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Period, Interest Rate 10 years, fixed interest rate

Long-term borrowings

Amount borrowing **5 billion yen**

Lender	MUFJ Bank, Ltd.
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Period, Interest Rate 7 years, fixed interest rate

Credit rating upgrade, bond issuance registration

Change (Upgrade) of Credit Rating

Credit Rating Agency	Rating and Investment Information, Inc. (R&I)
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After Change	B B B
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Before Change	B B B –
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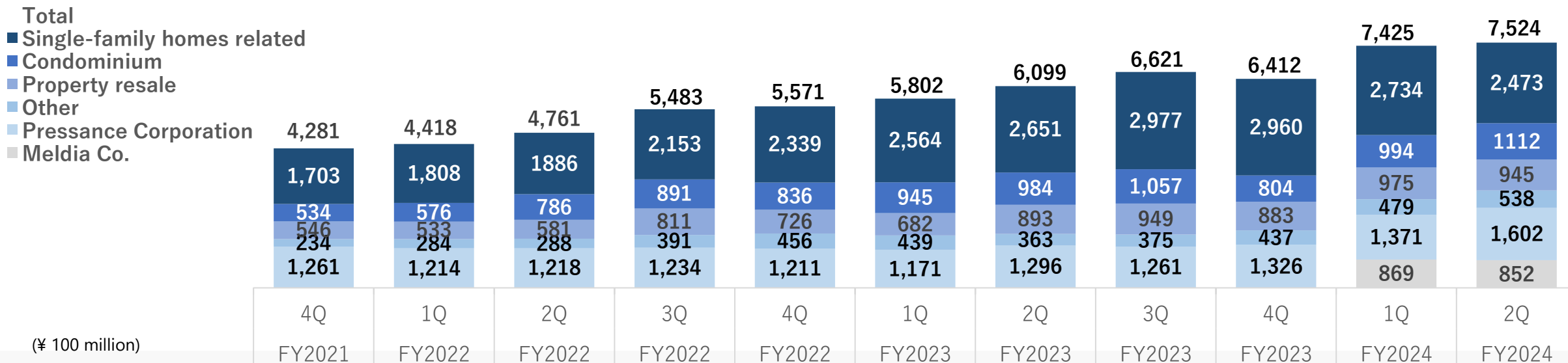
Bond Issuance Registration

Planned Amount **50 billion yen (max.)**

Planned Period	From March 22, 2024, to March 21, 2026
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Inventory Details

	FY2021	FY2022	FY2023	2Q FY2024	Ratio	(¥ Million) Inc. (Dec.)
Inventory	428,129	557,105	641,256	752,405	100.0%	111,149
Single-family home related	170,389	233,979	296,015	247,355	32.9%	(48,660)
Condominium	53,496	83,632	80,443	111,213	14.8%	30,769
Property resale	54,681	72,678	88,326	94,551	12.6%	6,224
Other (US real estate business)	23,452	45,639	43,798	53,854	7.2%	10,055
Pressance Corporation	126,109	121,174	132,672	160,209	21.3%	27,536
Meldia Co.	-	-	-	85,222	11.3%	85,222



Consolidated Cash Flow Statement

(¥ Million)

	FY2023 2Q (2022/10-2023/3)	FY2024 2Q (2023/10-2024/3)	Main Factors etc.
Cash flow from operating activities	(17,604)	(2,198)	<ul style="list-style-type: none"> • Recognition of pre-tax quarterly net profit • Payment of corporate taxes and other taxes • Negative goodwill arising gain, increase in inventory assets, etc.
Cash flow from investment activities	(7,462)	(14,677)	<ul style="list-style-type: none"> • Income decrease due to decrease in time deposits • Expenditure from subsidiary share acquisition involving changes in consolidation scope, etc.
Cash flow from financing activities	23,439	13,028	<ul style="list-style-type: none"> • Payment of dividends, acquisition of treasury stock • Increase in borrowings, etc.
Effect of exchange rate changes on cash and cash equivalents	(2,024)	255	
Net increase (decrease) in cash and cash Equivalent	(3,652)	(3,591)	
Cash and cash equivalents at beginning of Period	346,080	378,643	
Cash and cash equivalents at end of period	342,428	375,052	

2. Consolidated Business Performance Forecasts for FY2024



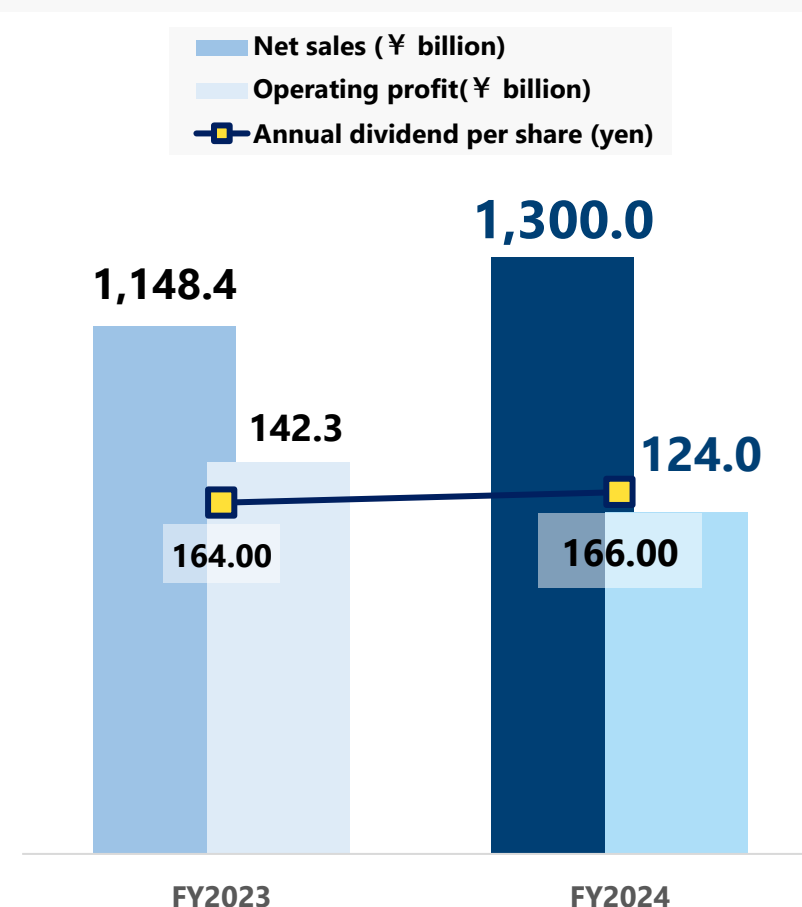
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Consolidated Business Performance Forecasts

- A year that will test our ability to deliver business performance even without a tailwind environment.
- Environment which enables us to differentiate ourselves from competitors.

(¥ Million)

	FY2023 (2022/10-2023/9)		FY2024 Forecasts (2023/10-2024/9)	
	Results	Inc. (Dec.)	Forecasts	Inc. (Dec.)
Net sales	1,148,484	120.6%	1,300,000	113.2%
Operating profit	142,330	119.2%	124,000	87.1%
Ordinary profit	136,927	113.0%	120,000	87.6%
Profit attributable to owners of parent	92,050	118.2%	92,500	100.5%
EPS (yen)	763.72	-	771.84	-
Annual dividends per share (yen)	164.00	35.00	166.00	2.00
Payout ratio	21.5%	-	21.5%	-



Consolidated Business Forecasts (Net Sales by Business Segment)

(¥ Million)

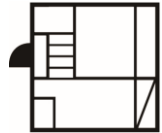
	FY2023 (2022/10-2023/9)		FY2024 Forecasts (2023/10-2024/9)	
	Results	Inc. (Dec.)	Forecast	Inc. (Dec.)
Total	1,148,484	120.6%	1,300,000	113.2%
Single-family home related business	590,394	114.3%	581,000	98.4%
Condominium	124,984	200.4%	90,000	72.0%
Property resale	185,018	118.6%	205,000	110.8%
Others (including U.S. real estate business)	88,301	118.6%	111,500	126.3%
Pressance Corporation	161,476	111.1%	167,000	103.4%
Meldia	-	-	150,000	-
Adjustments	(1,692)	-	(4,500)	-

3. Positioning for FY2024

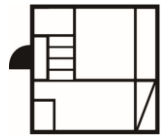


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Positioning of FY2024



PMI(Normalize Management of Meldia)



Response to Important Issues(Materiality)

Reinforce our internal operations in preparation for the next stage

PMI(Resumption of New Lending Support)

- **Resumption of new lending support from financial institutions to Meldia.**
 - ⇒ **The establishment of an effective system for preventing recurrence has been completed, and the continuous monitoring of the progress is being evaluated.**

Board of Directors

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graph TD; Board[Board of Directors] --- RPMC[Recurrence Prevention Monitoring Committee]; Board --- EMC[Elimination Monitoring Committee];
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Recurrence Prevention Monitoring Committee

Confirmation of the progress in implementing measures to prevent recurrence.

Elimination Monitoring Committee

Confirmation of contact status with individuals subject to elimination.

We will continue to hold both committees, monthly reports to the Board of Directors on committee confirmed matters.

⇒ **Officers who are not members of the committees will also actively participate in efforts to prevent recurrence.**

PMI (Business Outlook for Meldia)

- **Aiming to shorten business turnover periods.**

⇒ Shifting from large-scale developments in suburban areas to more compact sites in highly accessible locations.

⇒ Initiate advance sales of land. Subsequently undertake construction to expedite fund recovery and achieve simultaneous progress in home building.

- **Strengthening the supply system for new wooden rental apartments.**

⇒ Supplying to individual investors and real estate funds, aiming for steady growth.



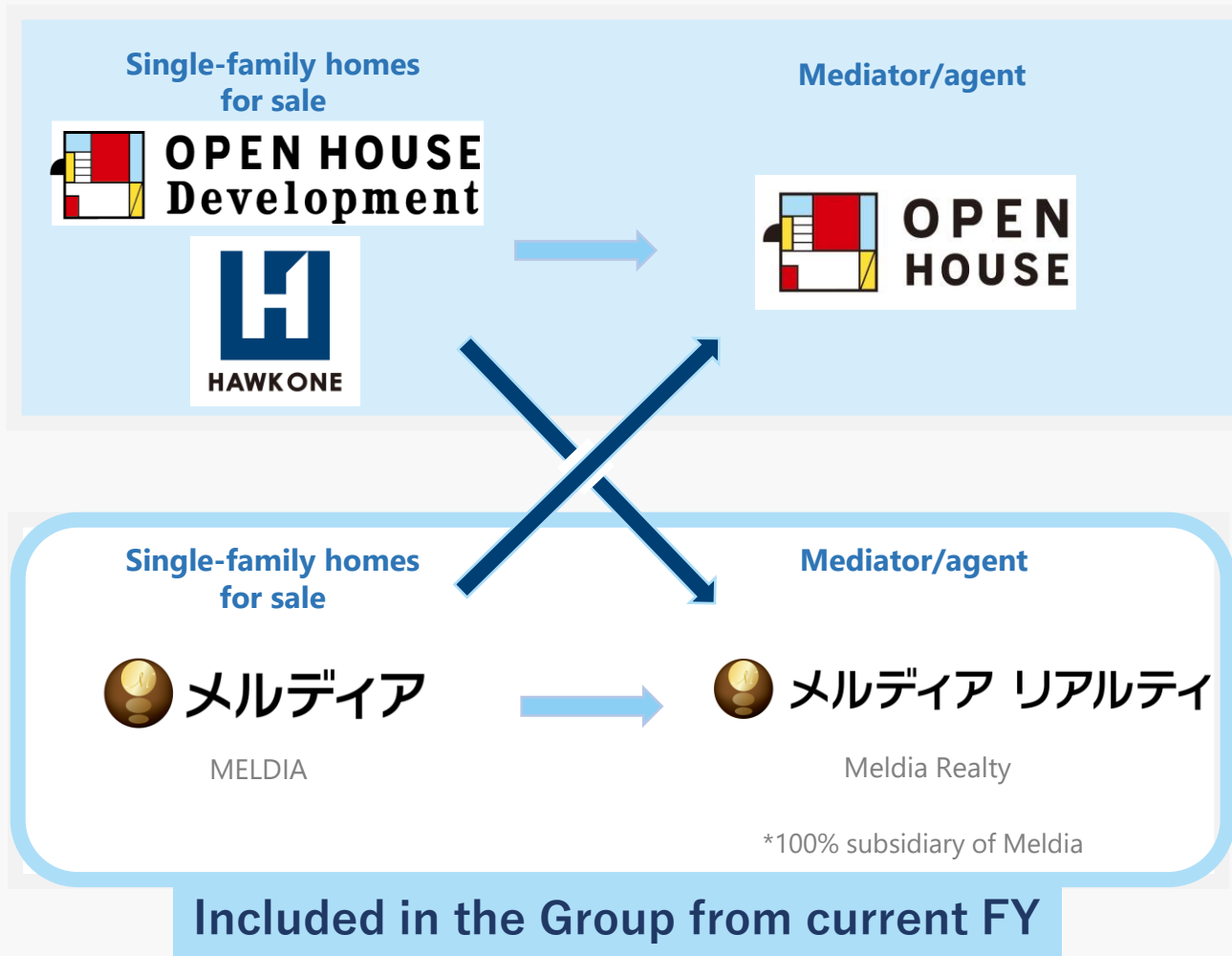
Single-family homes business



Apartment business

PMI(Strengthen the Sales Structure)

- Build a cross-group collaboration system and improve group-wide sales through cross-selling.

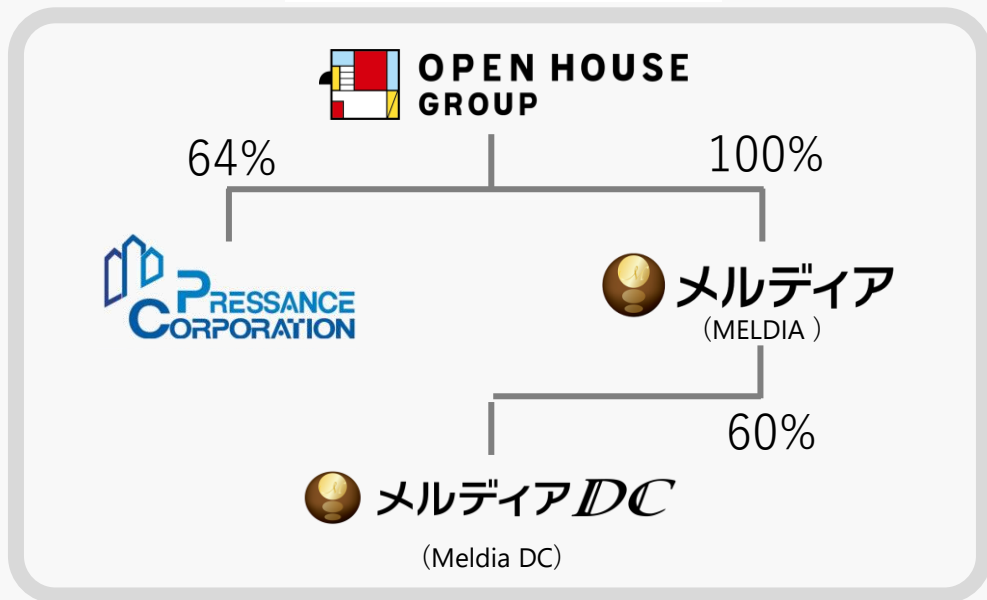


- Official launch in December 2023
- **Over 30%** of Meldia's properties were sold through Open House
- Meldia to sell properties by Open House Development and Hawk One
- Building a cross-collaboration system

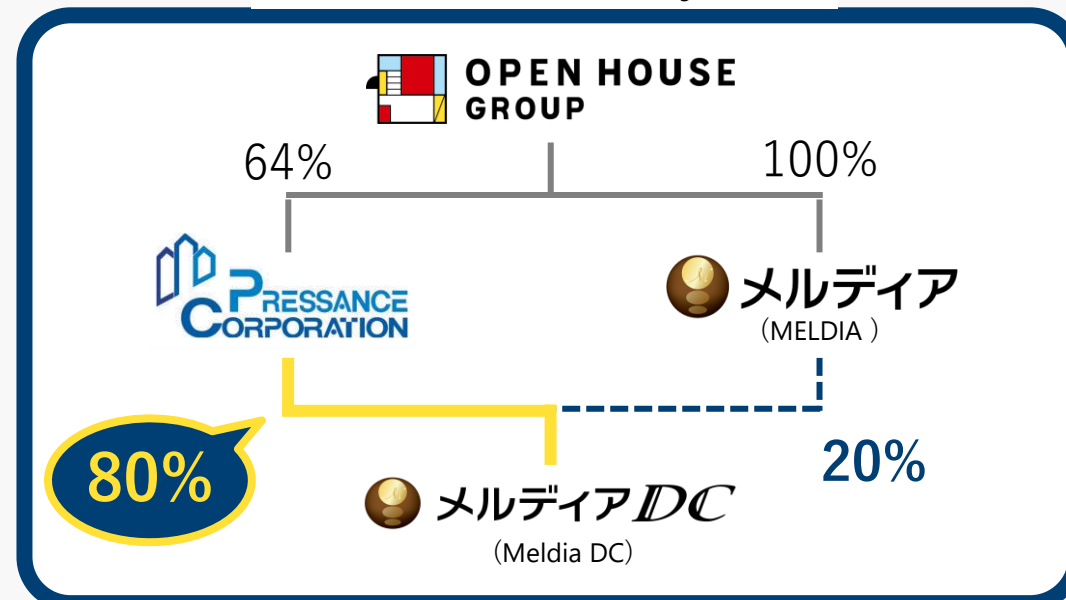
PMI(Group Synergy)

- Pressance Corporation to make Meldia DC a subsidiary, scheduled for completion.
- Maximize group synergies through collaboration between the two companies with strength in the Kansai region.

December 2023



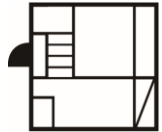
Scheduled for late May 2024



Company Profile

Company name	MELDIA Development & Construction CO.,LTD.	Business details	Design, construction, and supervision of construction work, sale of condominiums and single-family homes, etc.
Main office	Osaka	Capital	100 million yen (as of September 30, 2023)
Representative	Representative Director and President Kazuya Tanaka	Date of establishment	October 1, 1993

Important Issues(Materiality)



Governance and Compliance Reform



Enhance Customer Satisfaction



Strengthen Hiring of Key Talent

■ Governance and Compliance Reform, Enhance Customer Satisfaction

- Respond to issues faced and assess risks
- Restructure our systems to deliver greater customer satisfaction

(1) Training for senior management

Conducted training run by outside attorneys for senior management of OHG and major subsidiaries.

(2) Regular compliance testing

Conduct regular tests to improve employees' understanding of compliance

(3) Compliance risk assessments

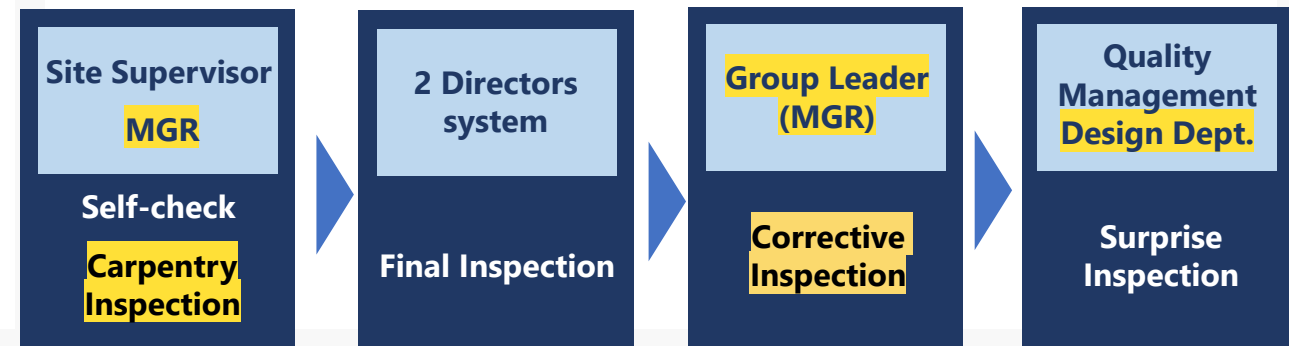
Introduce risk assessments by legal firms for critical workflows

(4) Separation of sales operations from contracting operations

From July 2023, explanation of important contract details will be performed by a dedicated specialist department (100% remote operation)

(5) Strengthening of quality control systems in construction of single-family homes

(Strengthened areas ■)




Enhance Customer Satisfaction

- **Centralizing all customer inquiries into one contact point to improve customer convenience.**

⇒ Centralizing response points in the construction department, previously handled separately for each site.

⇒ Aim to improve customer satisfaction by centralizing information regarding complaints and inquiries.



We care about the voice of our customers

Open House Group Customer Consultation Center

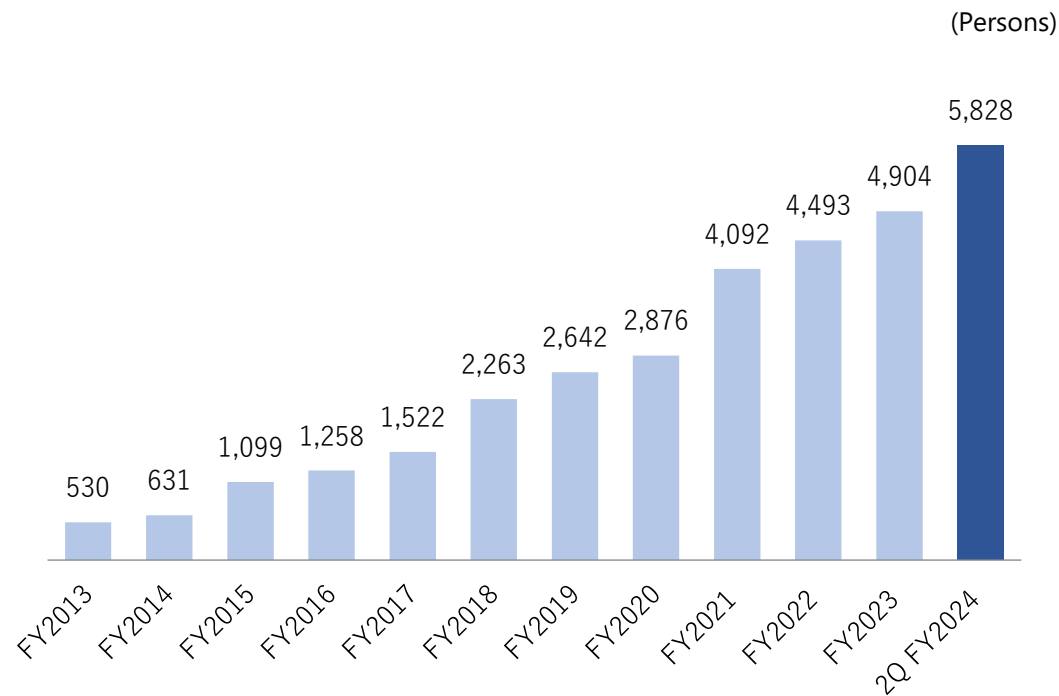
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(10 AM ~6PM)

Strengthening Human Resource Recruitment

- Our people are the source of the Group's growth.
- Hiring key talent is one of our key management priorities.

Changes in the Number of Personnel



Note: Includes personnel from Meldia CO.

■ Corporate Philosophy (Value)

“Attract a wide range of motivated people and create an organization that rewards results.”

■ The President & CEO Takes the Lead in Hiring

- Assigned top salespeople from each business division to serve as recruiting staff.
- Strengthen motivation to join the company through interviews with top executives

4. Sustainability



OPEN HOUSE GROUP

Sustainability

Realization of a **Sustainable Society**, Made Possible by Open House Group

**Regional
cocreation**

**Providing
affordable housing
in
Metropolitan areas**

**Popularizing
wooden
houses**

**Promoting
decarbonization
for the next
generation**

**Promotion of
women's
participation
in workplace**

**Corporate culture in
which motivated
people can find
fulfillment
in their work**

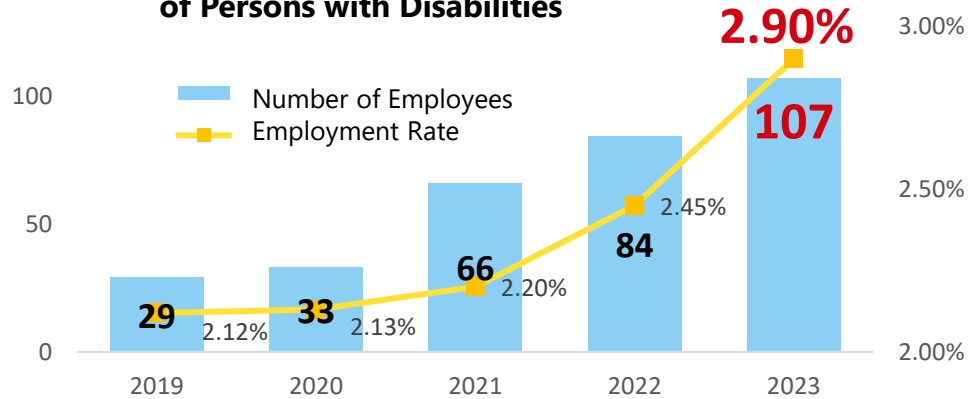
Important Issues (Materiality)

- **Promotion of Sustainability**
(Realization of a Sustainable Society and Company)
 - **Maximizing the Value of Human Capital**
 - **Realize Healthy and Safe Living**
 - **Contribution to Decarbonization**

Maximizing the Value of Human Capital (Diversity)

- The employment rate of persons with disabilities has reached 2.90%. We are establishing a new company with the aim of obtaining special subsidiary certification.
- In order to create an environment where diverse talents can thrive, we have established a Work Design Promotion Committee and will continue various initiatives.

Status of Promotions of Employment of Persons with Disabilities



< New Company Overview >

Company Name	Open House Operations Co., Ltd.
Business	Outsourcing of administrative tasks within the group
Date of Establishment	April 5, 2024
Future Plans	In September 2024, we plan to apply for certification as a special subsidiary under the Act for Promotion of Employment of Persons with Disabilities.

Establishment of the Work Design Promotion Committee in April 2024



Childcare support measures (example)

Baby Bonus



Single-Parent Allowance



50,000 yen per month per household

Contribution to Decarbonization and Realize Healthy and Safe Living

- Promoting decarbonization through the installation of solar power generation systems in single-family homes, providing clean energy.
- Undertaking initiatives through the Japan Wood-Housing Association for environmental conservation and to promote healthy and safe living.

Launching a flat-rate service for solar power generation and energy storage systems.

Made possible through a partnership with TEPCO Home Tech Co., Ltd. (THT). Providing homes equipped with the ability to use electricity even in the event of a disaster, ensuring peace of mind.



The number of contracts for Ouchi Link Denki is also steadily increasing.



6,265

April 2023

2,874

December 2022

Environmental conservation through the activities of the Japan Wood-Housing Association
Rebuilding the circulation of forests and contributing to the reduction of river-related disasters.



Promoting a Healthier and Safer Living Environment through Sick House Syndrome Measures Implementation
Utilizing building materials within our group that emit low levels of formaldehyde, a substance associated with Sick House Syndrome, by employing "F☆☆☆☆" materials, thereby contributing to healthy and safe living.

Community Co-creation Initiative

- Initiatives embodying our corporate philosophy of "actively contributing to the vitality of the community and energizing the town".
- After 5 years since our capital participation aiming to "ignite Gunma through basketball", we have contributed to the revitalization of the community.

Gunma Crane Thunders' collaborative efforts through sports for regional co-creation:

June 2019	invested in the operating company of Gunma Crane Thunders. Our motto: 'Igniting Gunma's passion through basketball.'
May 2021	Achieved B ¹ championship and promotion to B1 league, the first B1 club in Gunma Prefecture.
July 2021	Relocated from Maebashi City to Ota City.
Sept 2021	Initiated the social responsibility activity 'CRANE THUNDERS ONGAESHI.
May 2022	Signed the new standards of the United Nations Sports for Climate Action framework.
April 2023	Completed the Ota City General Gymnasium (nickname: OPEN HOUSE ARENA OTA), utilizing our corporate version of the hometown tax payment system to support local revitalization efforts.

The 'carbon-free clean electricity' provided by partner companies

Oct 2023	During the 23 home games held at OPEN HOUSE ARENA OTA (from October 2023 to March 2024), V-Power Co., Ltd., one of our partner companies, adds environmental value to the electricity used. Clean energy utilization is available within OPEN HOUSE ARENA OTA.
April 2024	The coverage will be expanded to encompass the entire Ota City Sports Park, allowing everyone in the park to utilize clean energy."



Many citizens attending OPEN HOUSE AREA OTA



A basketball-exclusive arena capable of accommodating 5,000 people.



A scheme for providing carbon-free, clean electricity.

Community Co-creation Initiative

■ Long-term mutual prosperity with the local community

- Sales of NOT A HOTEL MINAKAMI TOJI*, jointly developed with NOT A HOTEL Inc. (NAH), in Minakami Town, Gunma Prefecture, are showing strong performance.
- Toward the commencement of use in August 2025, nearing full occupancy.



Exterior of NOT A HOTEL MINAKAMI TOJI



Sauna with exclusive access to breathtaking views

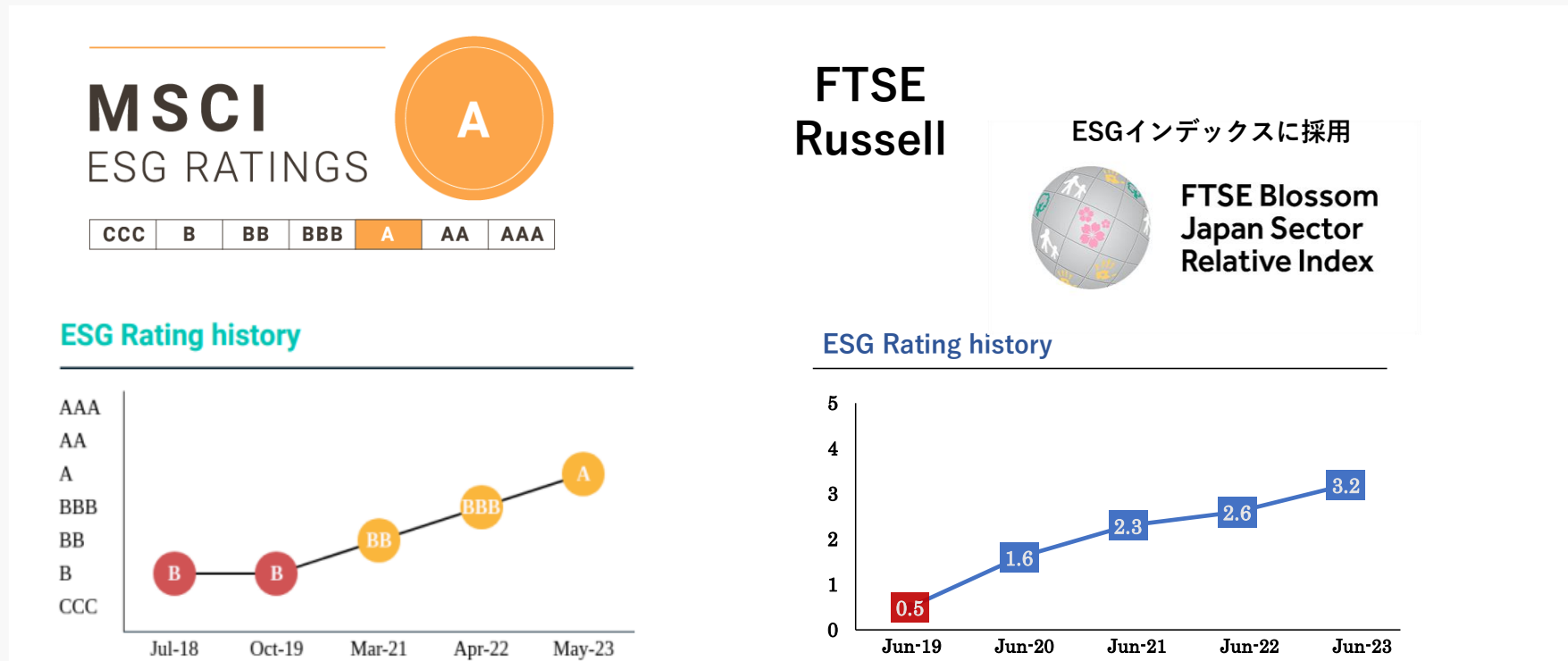


An infinity pool surrounding the living room area (Hot water)

*As part of our Company's community co-creation initiative, leveraging our relationship with NAH and Minakami Town, we are developing high-end villas that combine the design expertise of world-renowned architects and creators with the comfort provided by technology such as IoT.

Improving Corporate Image

- Evaluations by rating agencies regarding ESG are improving year by year.
- In the future, we aim to improve the brand image among business-people.



5. Supplemental Financial Data



OPEN HOUSE GROUP

Consolidated Financial Results Trend

(\$ Million)

		FY2022				FY2023				FY2024		FY2021	FY2022	FY2023	FY2024	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Actual	Actual	Actual	Plan	
Single-family homes related	Net sales	136,051	124,719	115,787	139,995	141,735	154,042	136,227	158,389	170,186	157,780	446,959	516,554	590,394	581,000	
	Gross profit	28,339	21,576	20,194	23,801	24,925	26,845	22,590	23,981	26,740	22,655	87,252	93,912	98,343	87,300	
	Gross Profit margin	20.8%	17.3%	17.4%	17.0%	17.6%	17.4%	16.6%	15.1%	15.7%	14.4%	19.5%	18.2%	16.7%	15.0%	
	Operating Profit	21,799	14,153	12,634	14,426	16,484	18,692	13,902	14,098	17,959	13,447	62,294	63,014	63,178	-	
	Operating Profit margin	16.0%	11.3%	10.9%	10.3%	11.6%	12.1%	10.2%	8.9%	10.6%	8.5%	13.9%	12.2%	10.7%	-	
Open House Development	Net sales	86,733	81,974	80,171	87,623	98,829	105,090	92,299	101,185	120,303	103,786	294,169	336,502	397,405	385,600	
	Gross profit	18,626	14,862	14,982	15,212	17,822	18,923	15,785	15,245	18,759	14,487	57,705	63,683	67,778	58,000	
	Gross Profit margin	21.5%	18.1%	18.7%	17.4%	18.0%	18.0%	17.1%	15.1%	15.6%	14.0%	19.6%	18.9%	17.1%	15.0%	
	Number delivered															
	Unit price															
	Built-for-sale houses	787	837	919	1,081	1,184	1,267	1,145	1,333	1,642	1,483	3,396	3,624	4,929	4,960	
	Lands	1,042	849	725	786	833	940	816	844	915	693	3,088	3,402	3,433	3,730	
	Built-to order houses	408	444	553	513	544	474	382	402	503	433	1,814	1,918	1,802	1,560	
	Built-for-sale houses	43.4	43.1	43.1	42.8	44.0	43.6	42.9	42.3	43.1	41.6	40.9	43.1	43.2	41.8	
	Lands	44.3	46.1	44.4	42.7	45.6	44.3	44.5	44.8	44.6	49.7	41.5	44.4	44.8	40.6	
Hawk One	Net sales	36,429	28,207	24,547	36,168	28,992	35,637	29,572	41,161	35,999	40,297	105,329	125,352	135,363	141,000	
	Gross profit	7,316	4,907	4,117	5,484	4,702	5,018	4,086	5,297	4,214	4,608	19,783	21,825	19,105	19,800	
	Gross Profit margin	20.1%	17.4%	16.8%	15.2%	16.2%	14.1%	13.8%	12.9%	11.7%	11.4%	18.8%	17.4%	14.1%	14.0%	
	Number delivered															
	Unit price															
	Built-for-sale houses	665	546	433	639	524	647	506	726	671	718	2,150	2,283	2,403	2,430	
	Lands	106	64	67	109	83	112	100	118	83	119	292	346	413	530	
	Built-to order houses	63	13	40	52	32	43	40	42	52	49	82	168	157	210	
	Sales	46.4	45.2	47.7	47.2	46.8	46.1	47.6	48.0	46.7	47.1	42.5	46.6	47.1	46.5	
Open House Architect	Net sales	13,382	16,974	14,669	22,469	18,267	19,990	20,662	22,795	18,112	18,834	57,800	67,495	81,715	73,000	
	Gross profit	1,135	1,612	1,058	2,323	1,898	2,471	2,685	3,094	2,777	3,091	7,926	6,130	10,149	9,800	
	Gross Profit margin	8.5%	9.5%	7.2%	10.3%	10.4%	12.4%	13.0%	13.6%	15.3%	16.4%	13.7%	9.1%	12.4%	13.4%	
	Number delivered															
	Unit price															
	to outside customers	694	690	684	808	679	644	697	744	615	627	2,631	2,876	2,764	2,600	
	to OHD	337	475	411	658	529	686	649	731	540	600	1,634	1,881	2,595	2,290	

Consolidated Financial Results Trend

(₩ Million)

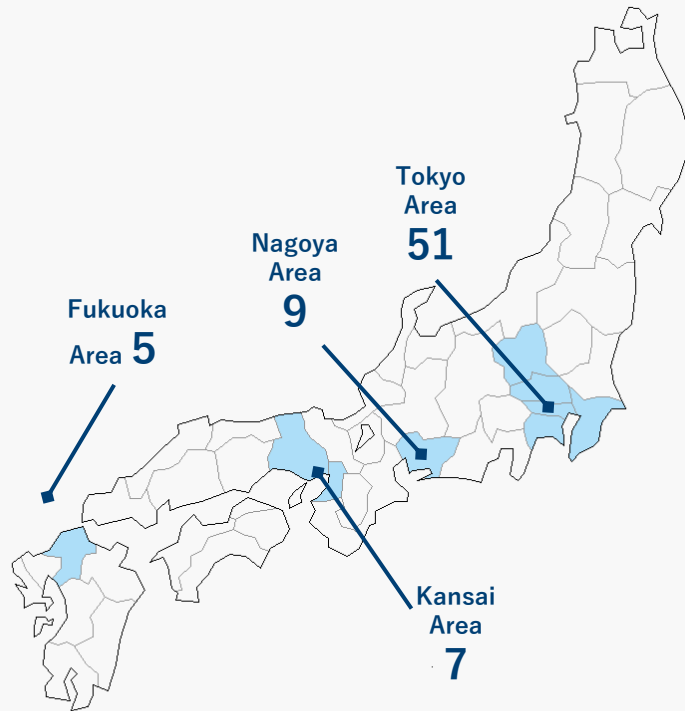
		FY2022				FY2023				FY2024		FY2021	FY2022	FY2023	FY2024
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Actual	Actual	Actual	Plan
Condominiums	Net sales	4,374	7,092	13,390	37,503	3,347	23,126	13,481	85,029	3,730	1,815	47,147	62,362	124,984	90,000
	Gross profit	1,008	1,846	2,977	10,553	804	6,927	3,275	22,675	684	243	11,133	16,385	33,683	18,000
	Gross Profit margin	23.0%	26.0%	22.2%	28.1%	24.0%	30.0%	24.3%	26.7%	18.3%	13.4%	23.6%	26.3%	26.9%	20.0%
	Operating Profit	-118	537	1,512	8,721	-432	4,561	1,218	19,791	-731	-1,185	6,507	10,654	25,139	-
	Operating Profit margin	-	7.6%	11.3%	23.3%	-	19.7%	9.0%	23.3%	-	-	13.8%	17.1%	20.1%	-
	Number delivered	73	112	317	714	59	399	303	1,634	68	35	1,081	1,216	2,395	1,740
Unit price	59.7	61.1	42.7	52.3	56.6	57.9	44.2	51.9	54.7	50.5	43.0	51.1	52.0	51.6	
Property resales	Net sales	41,064	35,140	31,566	48,189	44,533	48,140	35,643	56,701	33,100	43,634	123,061	155,961	185,018	205,000
	Gross profit	7,232	5,687	5,204	6,571	7,422	6,892	6,337	7,747	6,063	2,220	17,918	24,695	28,400	32,200
	Gross Profit margin	17.6%	16.2%	16.5%	13.6%	16.7%	14.3%	17.8%	13.7%	18.3%	*5.1%	14.6%	15.8%	15.3%	15.7%
	Operating Profit	5,324	3,805	3,725	4,813	5,429	5,456	4,300	5,036	4,257	337	12,285	17,669	20,222	-
	Operating Profit margin	13.0%	10.8%	11.8%	10.0%	12.2%	11.3%	12.1%	8.9%	12.9%	*0.8%	10.0%	11.3%	10.9%	-
	Number delivered	69	91	71	97	80	115	99	140	90	109	292	328	434	480
Unit price	578	368	427	482	543	408	347	396	352	390	411	458	415	415	
Others (U.S. real estate business)	Net sales	17,042	19,235	18,026	20,167	19,529	22,239	23,005	23,526	22,764	24,723	45,159	74,471	88,301	111,500
	Gross profit	3,687	3,851	4,233	2,757	3,992	4,283	5,218	3,183	4,389	5,189	9,459	14,530	16,679	21,400
	Gross Profit margin	21.6%	20.0%	23.5%	13.7%	20.4%	19.3%	22.7%	13.5%	19.3%	21.0%	20.9%	19.5%	18.9%	19.2%
	Operating Profit	2,202	2,362	2,595	1,045	2,267	2,224	3,194	980	2,096	2,782	5,232	8,205	8,667	-
	Operating Profit margin	12.9%	12.3%	14.4%	5.2%	11.6%	10.0%	13.9%	4.2%	9.2%	11.3%	11.6%	11.0%	9.8%	-
	Number delivered	264	300	240	267	221	290	303	281	256	322	827	1,071	1,095	1,330
Pressance Corporation	Net sales	37,028	34,798	33,288	40,208	39,199	46,497	35,596	40,183	40,999	41,928	149,337	145,324	161,476	167,000
	Gross profit	10,197	8,565	8,260	8,515	10,520	13,023	9,506	9,356	11,632	11,846	29,424	35,539	42,407	-
	Gross Profit margin	27.5%	24.6%	24.8%	21.2%	26.8%	28.0%	26.7%	23.3%	28.4%	28.3%	19.7%	24.5%	26.3%	-
	Operating Profit	6,272	4,713	3,780	5,961	6,827	8,588	5,205	5,169	8,031	7,688	16,502	20,727	25,791	-
	Operating Profit margin	16.9%	13.5%	11.4%	14.8%	17.4%	18.5%	14.6%	12.9%	19.6%	18.3%	11.1%	14.3%	16.0%	-
	Number delivered	619	969	590	844	900	1,338	674	637	977	992	4,963	3,022	3,549	-
	Studio-type condominiums	392	310	401	379	474	435	443	478	429	342	1,205	1,482	1,830	-
Family-type condominiums	227	659	189	465	426	903	231	159	548	650	3,758	1,540	1,719	-	
Total	1,011	1,279	991	1,223	1,374	1,773	1,117	1,115	1,406	1,334	6,168	4,504	5,379	-	

* Including the conservative one time provision for large project, etc.

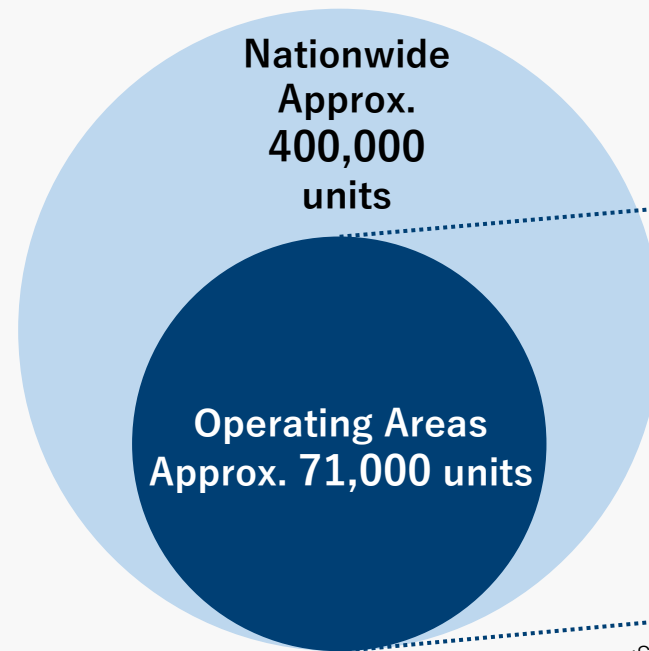
Single-family Homes Market share

■ Market share in existing areas is still around 11% with room for further expansion

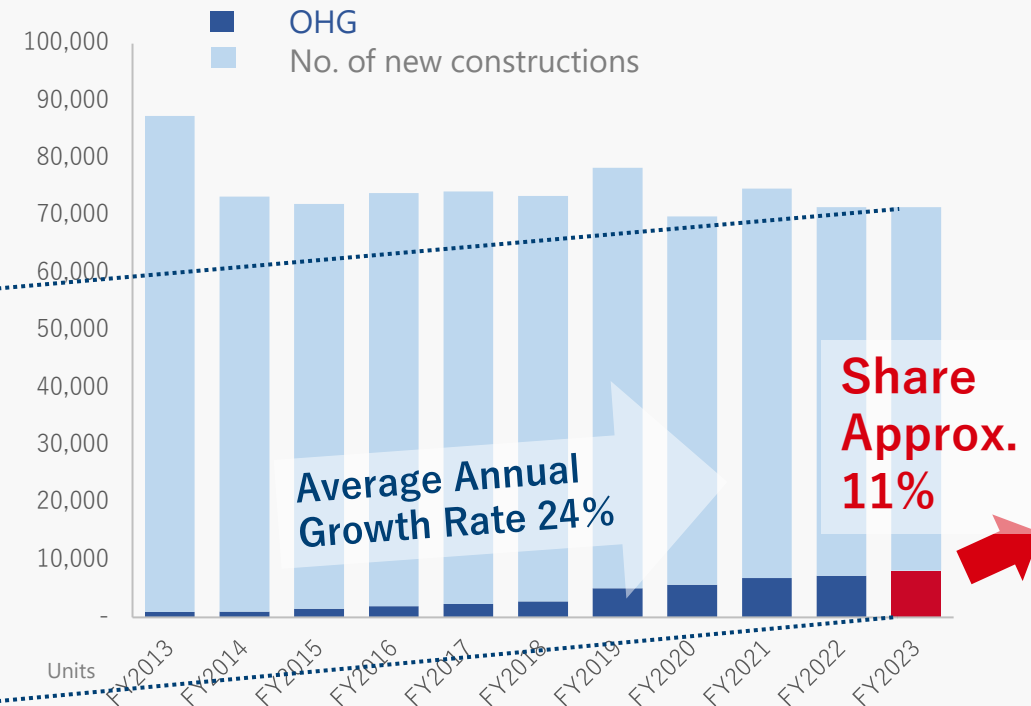
Number of Sales Centers by Area



Market Share in Operating Areas



Trends in Number of New Constructions



<Source>

Number of new construction starts: Ministry of Land, Infrastructure, Transport and Tourism
 "Housing Construction Starts Statistics" Single-family homes (owner-owned homes + condominiums)
 OHG : OHD, Number of Hawk One buildings delivered (built + contracted)

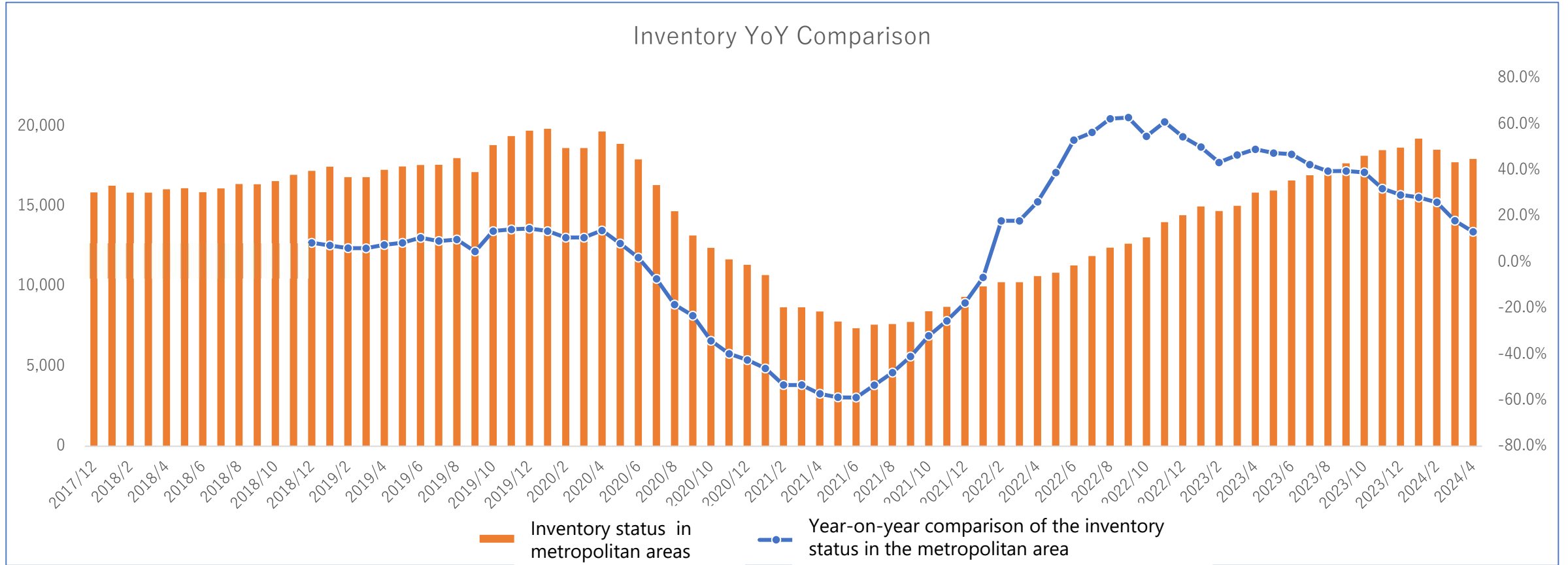
6. References



OPEN HOUSE GROUP

Inventory of newly built single-family homes increased from the latter half of 2021 and decreasing in 2024.

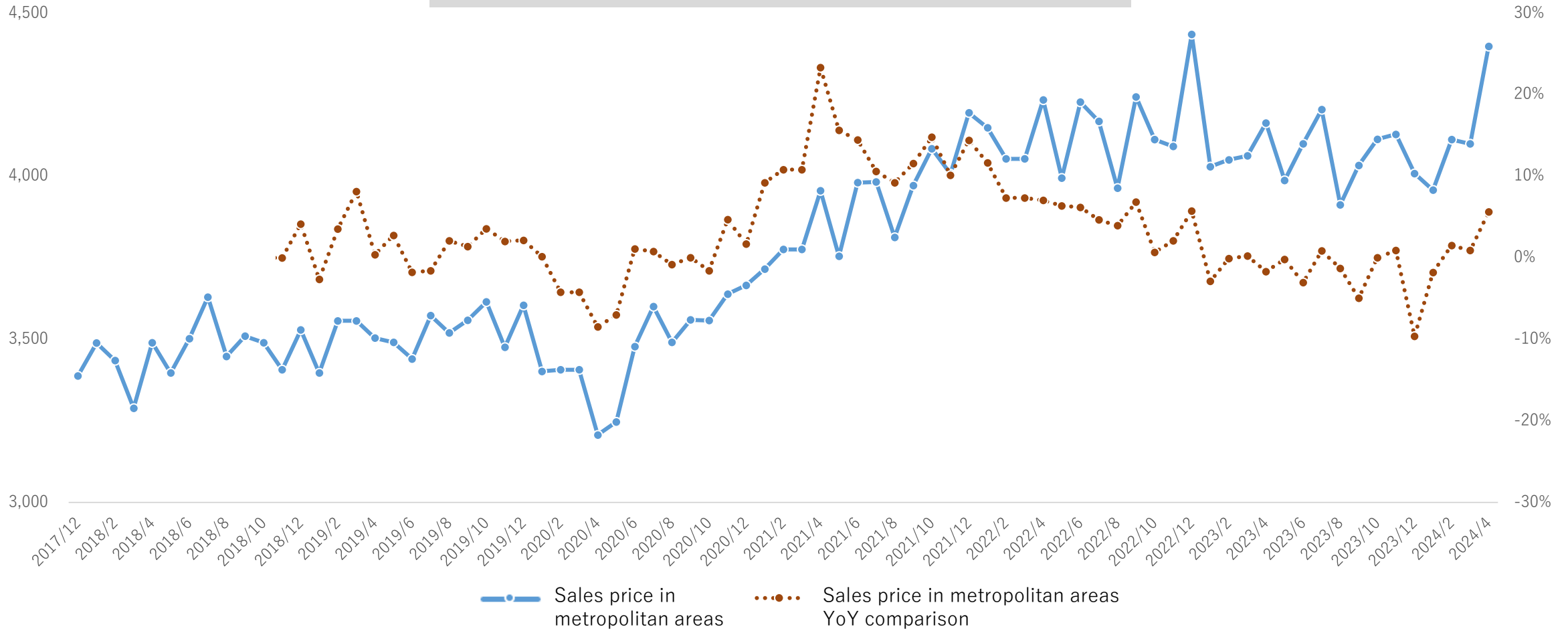
Inventory in Metropolitan Areas - YoY Comparison



Source: REINS Market Information: "Monthly Market Watch" New Single-Family Home Report - Inventory Status

Newly built single-family homes underwent price adjustments after a surge in sales prices due to the tailwind of COVID-19.

Sales Price in Metropolitan areas – YoY Comparison

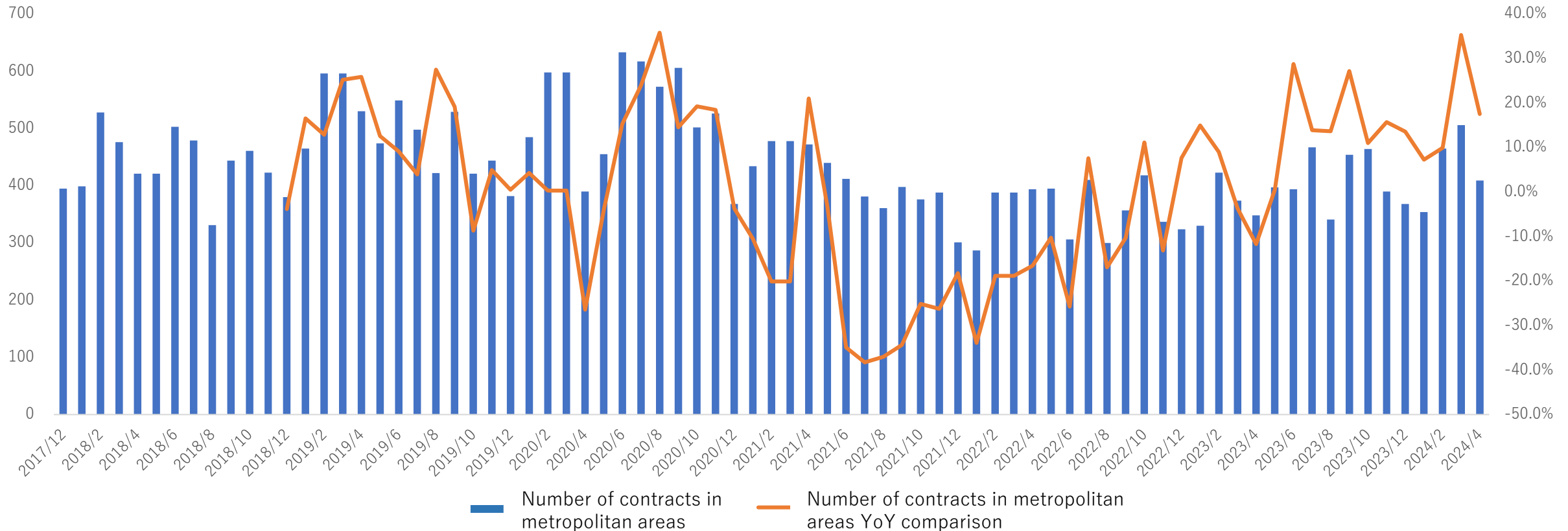


Source: REINS Market Information: "Monthly Market Watch" New Single-Family Home Report - Sales Price

6. References

Current demand for newly built single-family homes remains strong, with the number of contracts showing signs of recovery.

Number of contracts in the metropolitan area - YoY comparison

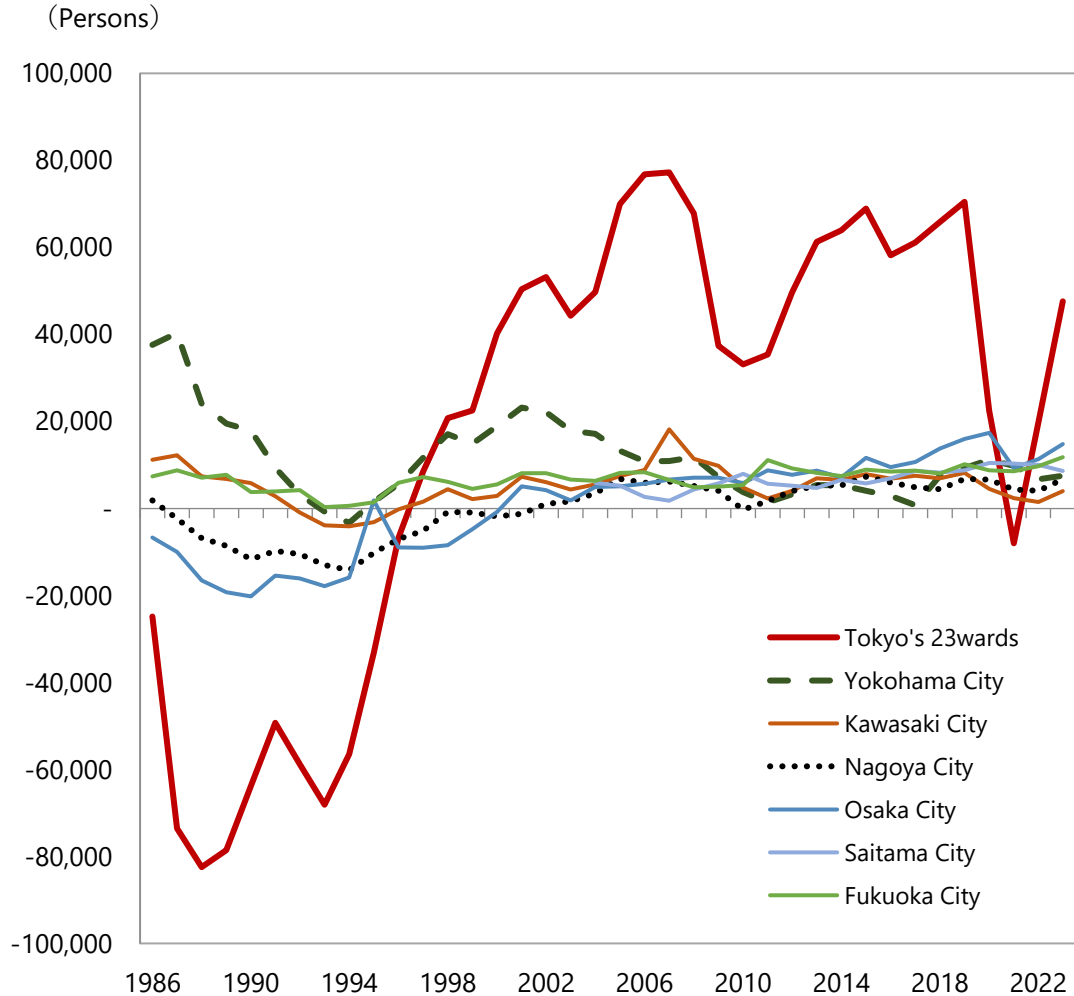


Source: REINS Market Information:
"Monthly Market Watch" New Single-Family Home Report - Contract Status

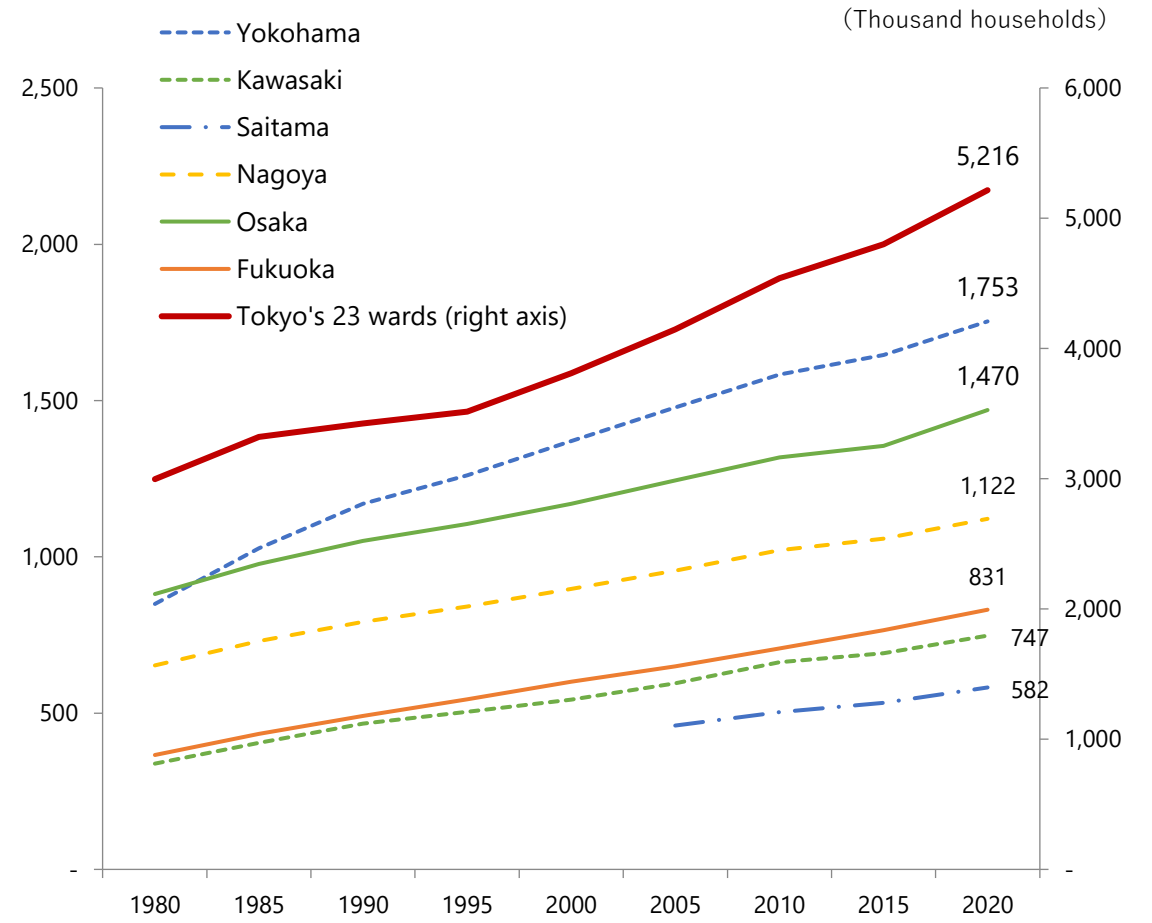
6. References

The population has been concentrating and the number of households has been increasing in urban areas.

Net migration into urban cities



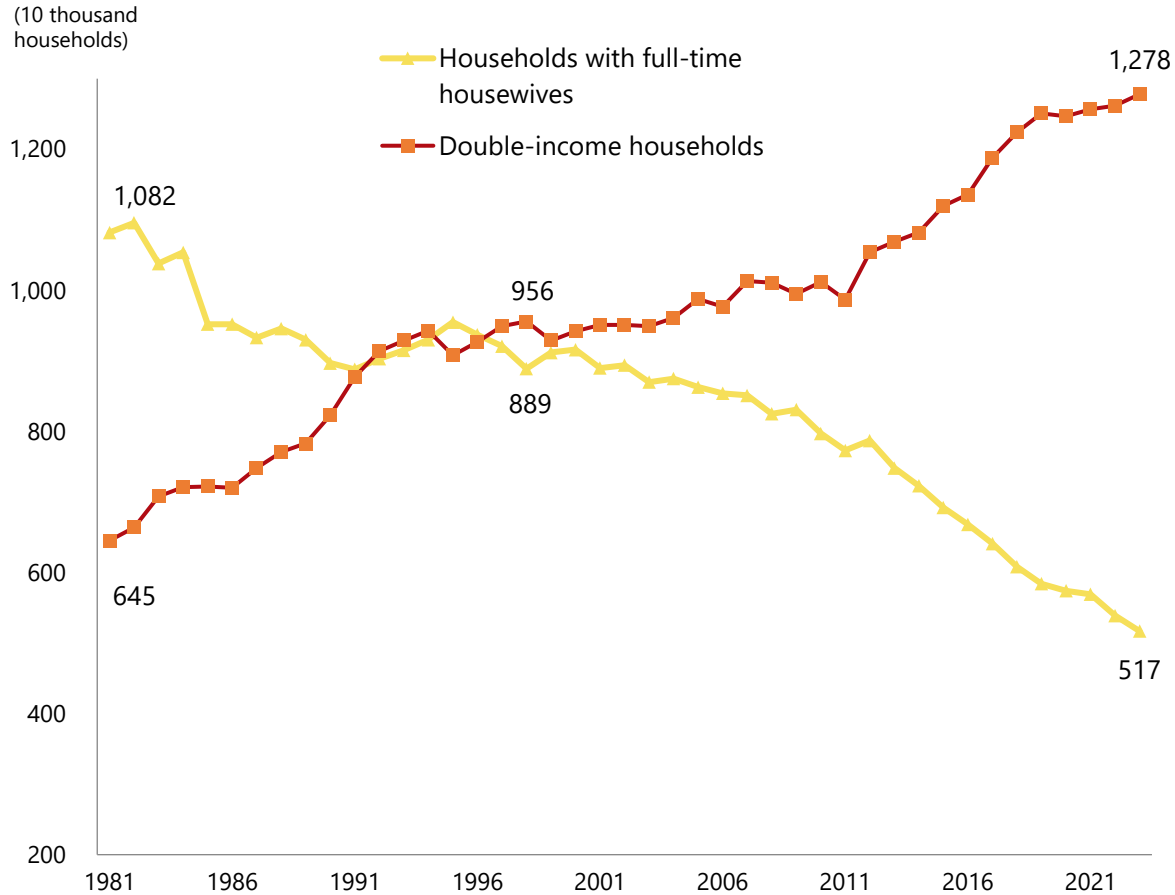
Number of households in major cities



6. References

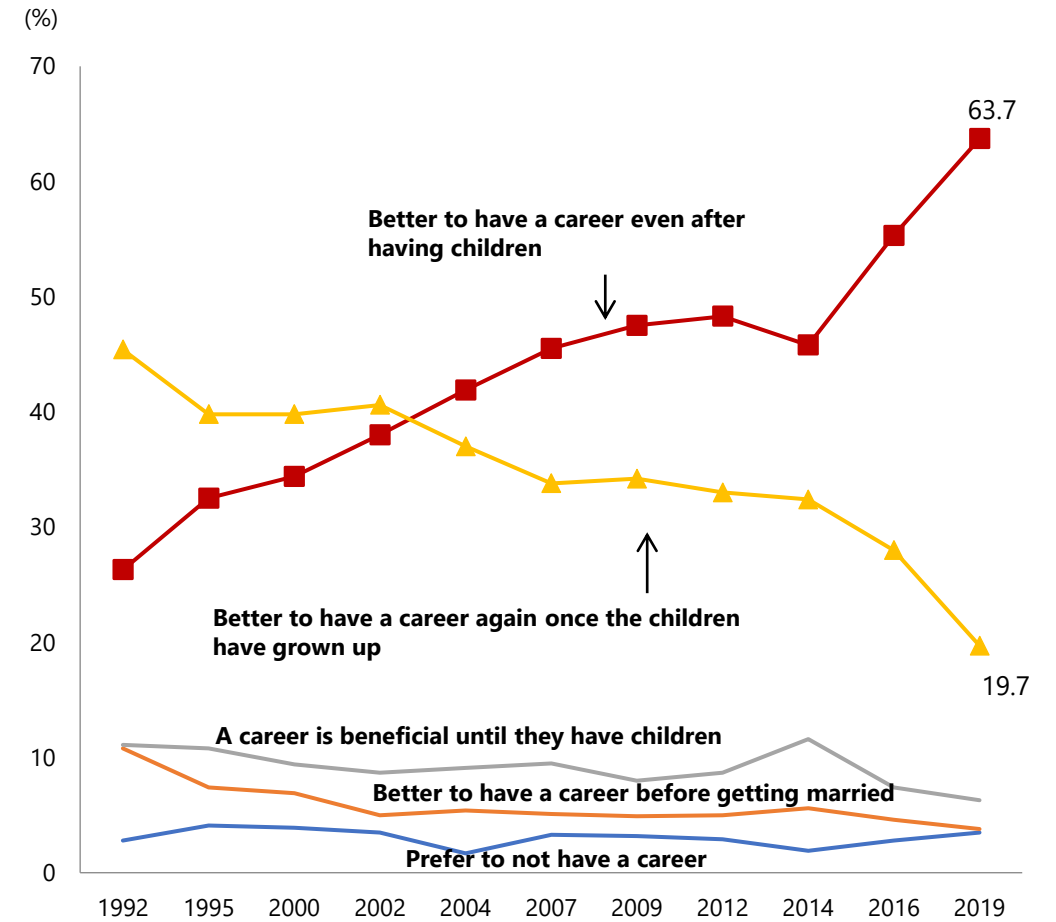
Double-income households and child-rearing households are turning their eyes to urban areas, where they can reduce commuting time.

Trends in double-income households/households with full-time housewives (nationwide)



Source: "White Paper on Gender Equality 2020", Cabinet Office, Government of Japan
Labor force survey, the Ministry of Internal Affairs and Communications

Changes in attitude toward work among women (nationwide)

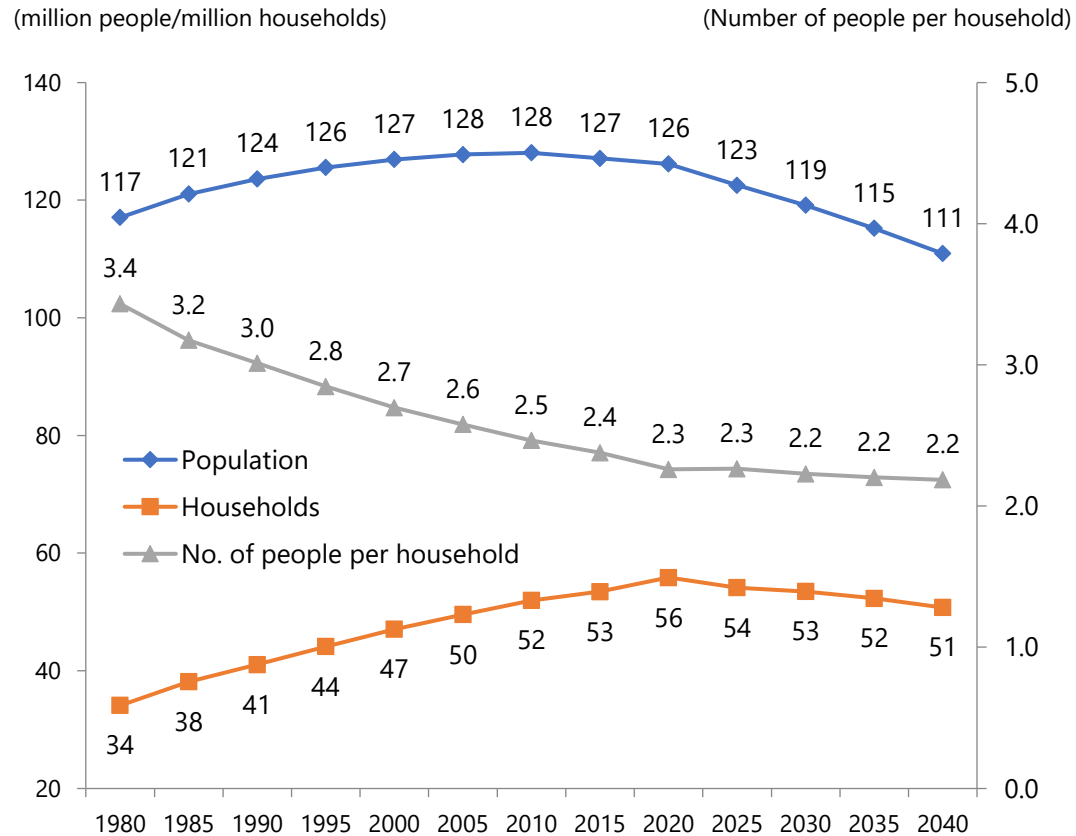


Source: "White Paper on Gender Equality 2020," Cabinet Office, Government of Japan

6. References

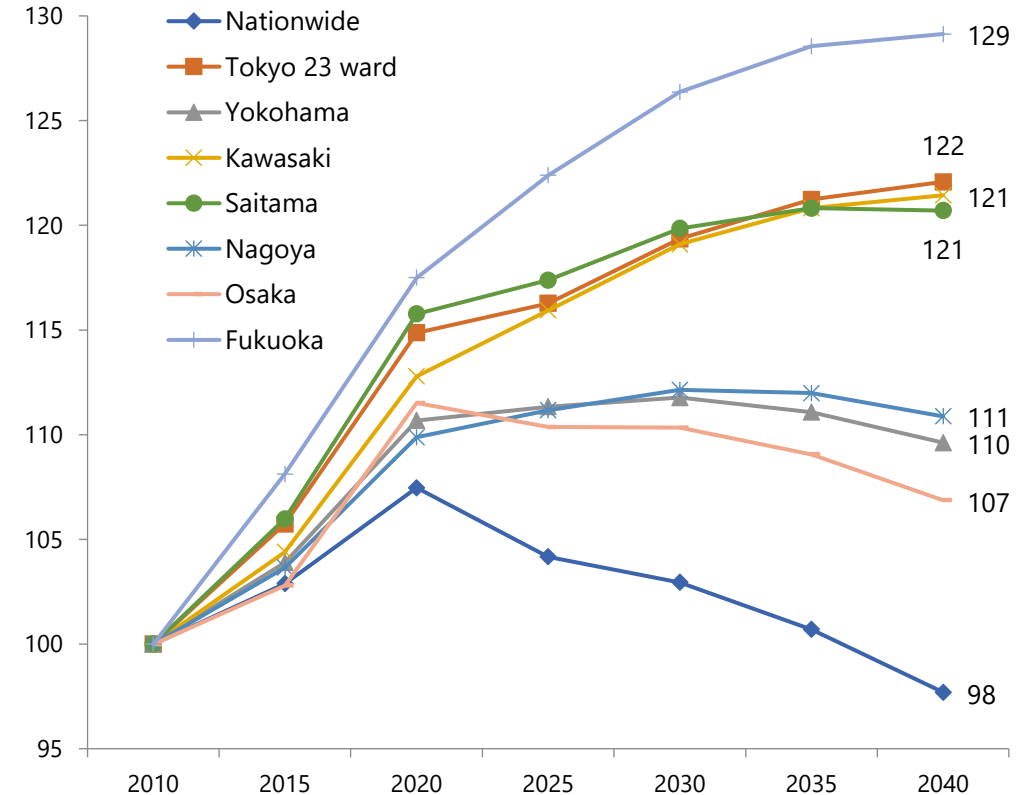
The number of households in urban areas is expected to continue increasing, despite a total population decline in Japan.

Future population and household estimates for Japan



Sources:
 1980-2015 : "2015 Population Census", Statistics Japan
 2015-2040 : "Population Projection for Japan, 2018 projection", "Household Projections for Japan, 2018 projection", the National Institute of Population and Social Security Research
 Number of people per household was calculated by dividing the total population by number of households.

Future household estimates for urban areas (index)

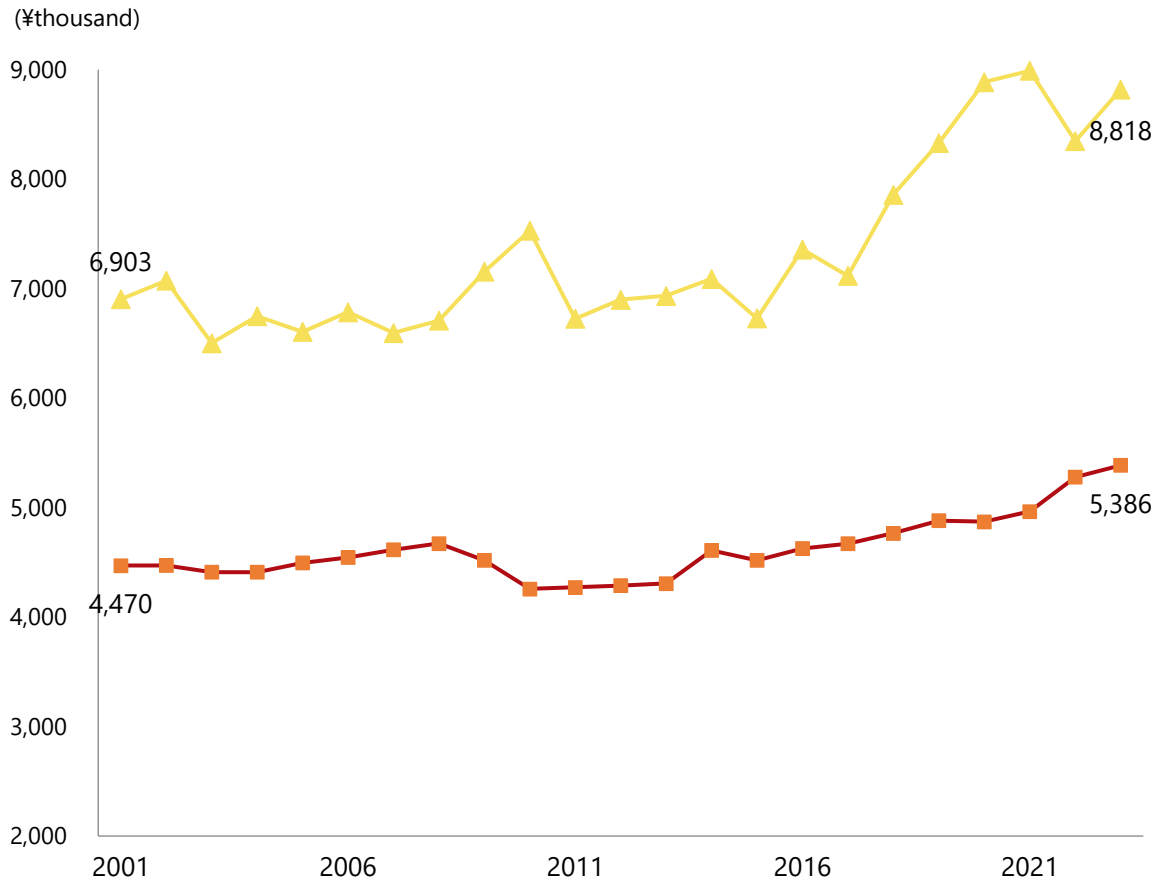


Sources: Numbers of households by city were projected with reference to "Household Projection for Japan (National Projection)" and "Population Projection for Japan by Prefectures" for 2018 projection, published by the National Institute of Population and Social Security Research, and were converted to indicators with actual results of 2010 set at 100.

6. References

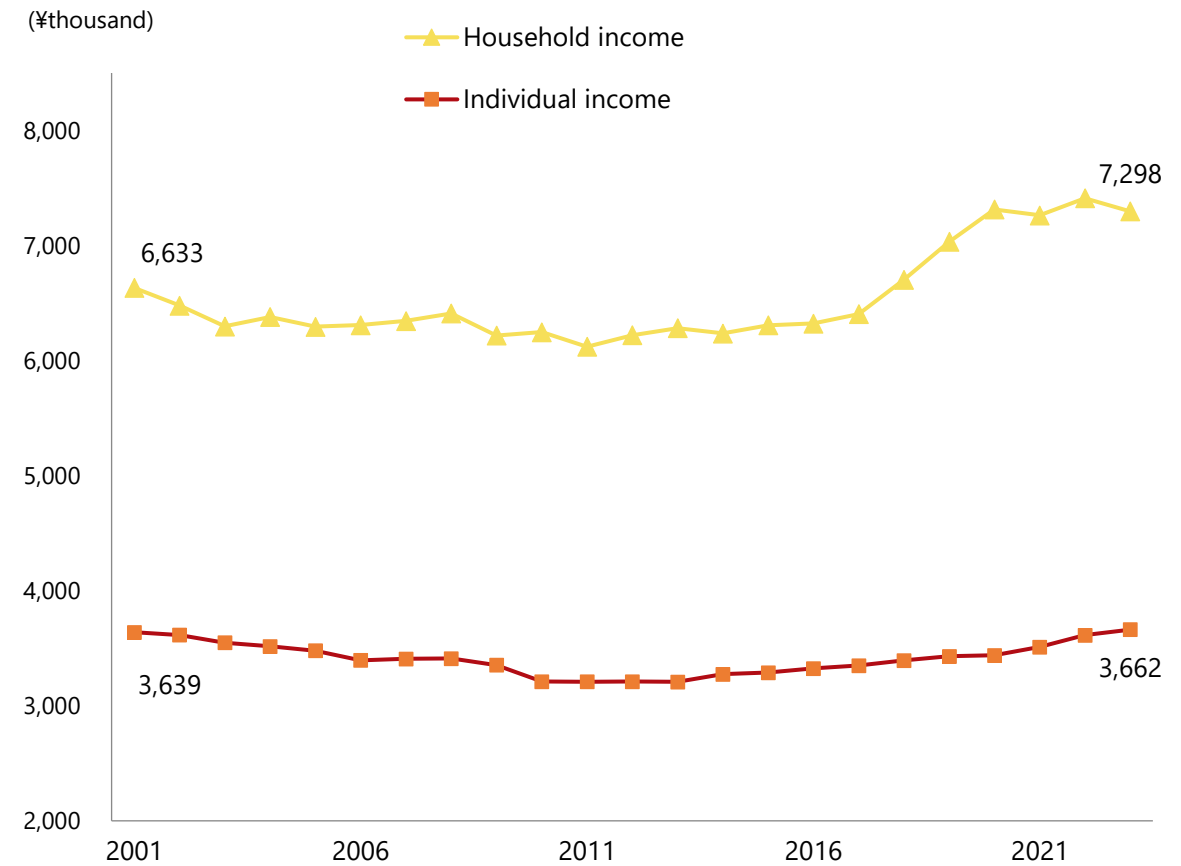
In urban areas, incomes are rising more rapidly, offering promising potential for purchasing power in the housing market.

Household income and Individual income (Tokyo's 23 wards)



Source: Annualized based on the actual monthly income of households (working families) with two-or-more person household, obtained from the report "Family Income and Expenditure Survey," the Ministry of Internal Affairs and Communications
Calculated by dividing taxable income by the number of taxpayers, based on data obtained from the report "Survey of Taxation of Municipal Inhabitant Taxes, etc." by the Ministry of Internal Affairs and Communications

Household income and Individual income (nationwide)

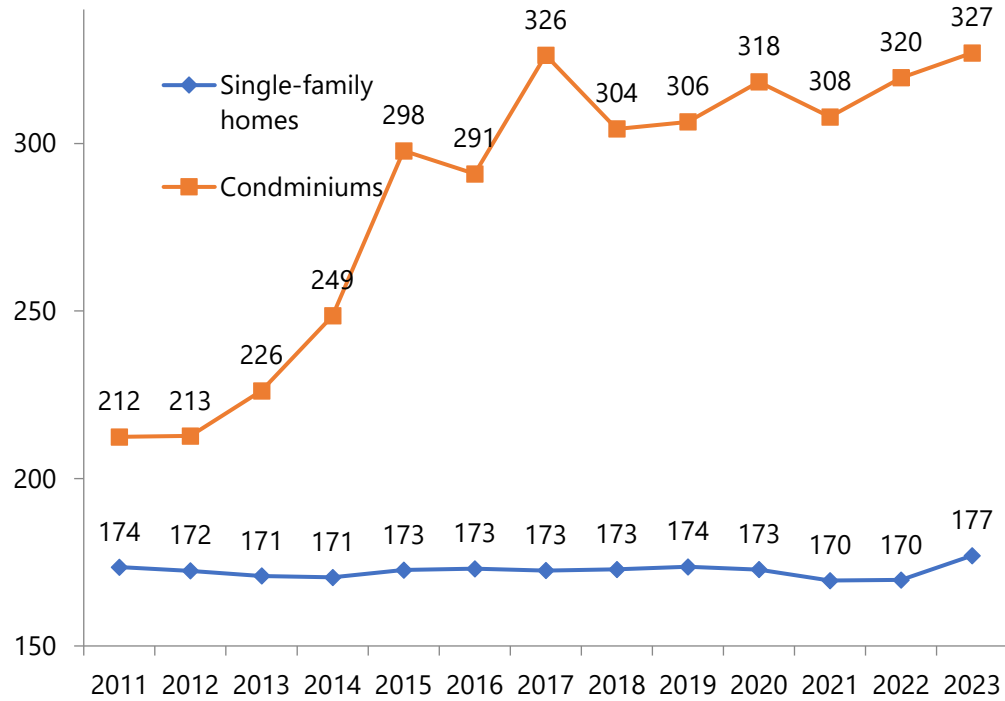


6. References

Price gaps between condominiums and single-family homes have occurred due to the difference between construction costs and land cost.

Construction costs per m² (in Tokyo)

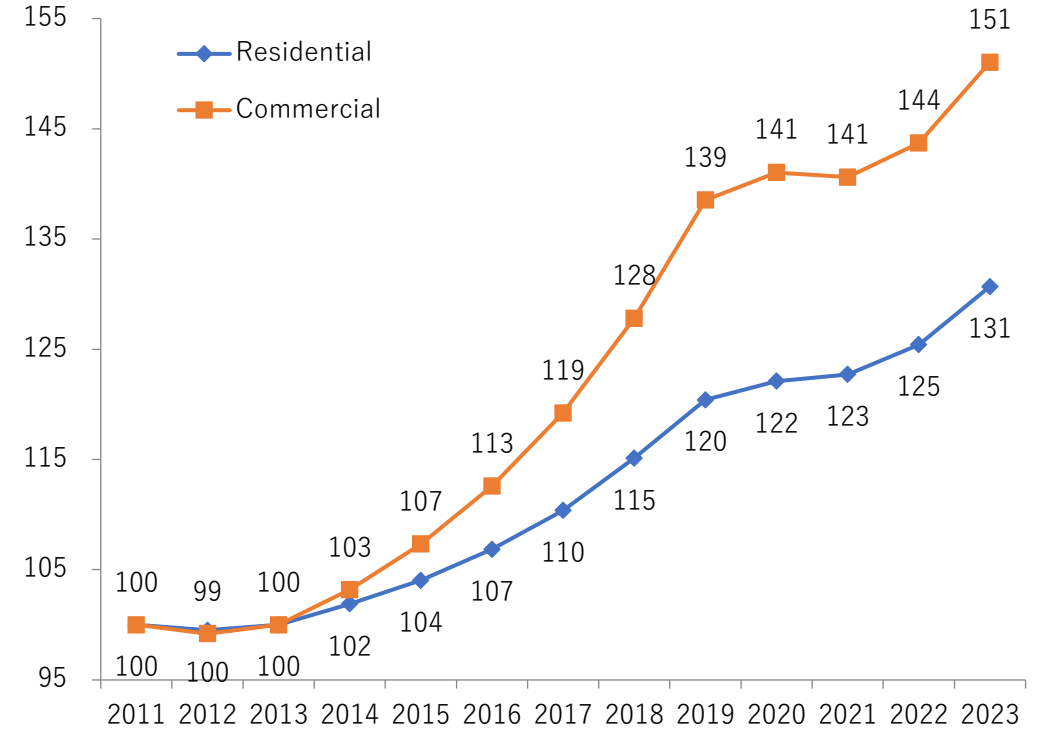
(¥Thousand / m²)



Source: MLIT "Housing Starts"
 The average construction cost per m² was calculated by dividing the estimated construction cost by the total floor area.
 Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.

Land price by use (in Tokyo's 23 wards)

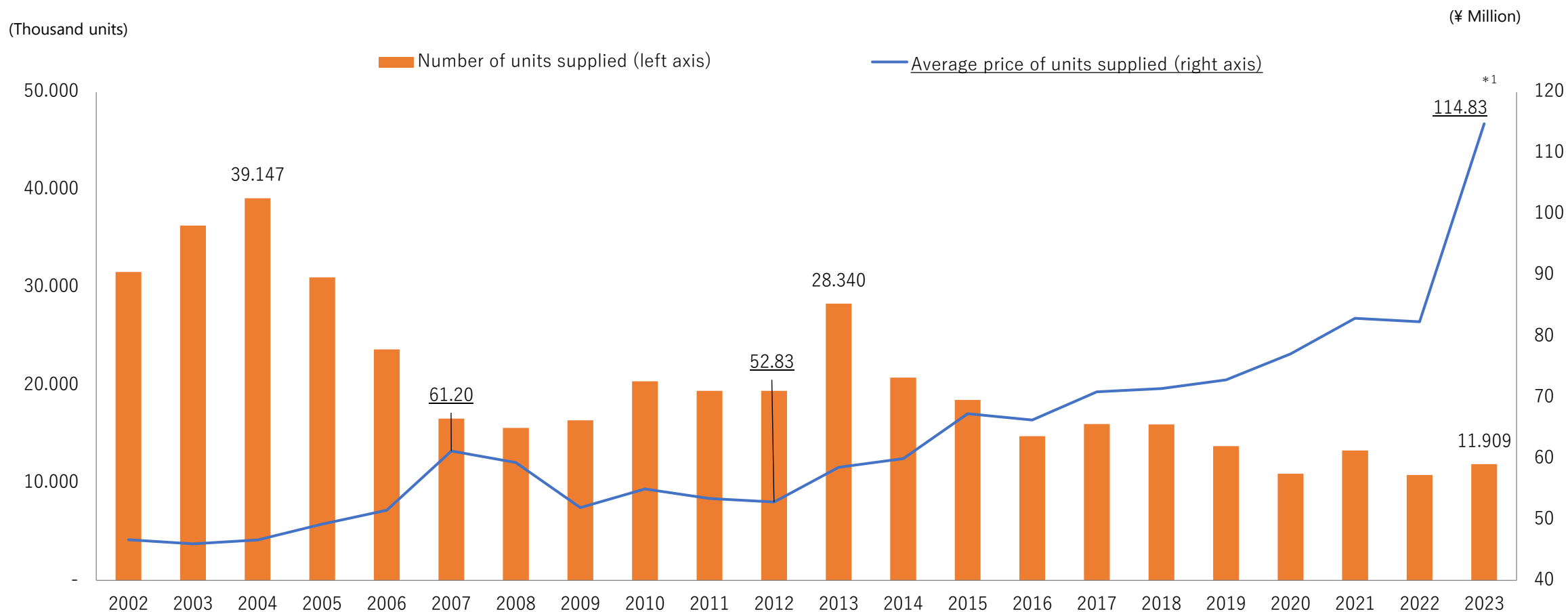
(Index)



Source: MLIT "Prefectural Land Price"
 The standard land price as of July 1 each year is determined by prefectural governors.
 The land price index of each year was calculated by using the rate of change from the land price by use in 2011, which was indexed to 100.

Options available for consumers are decreasing due to the increase in condominium prices and decrease in number of new condominiums supplied.

Number and average price of new condominiums supplied in Tokyo's 23 wards

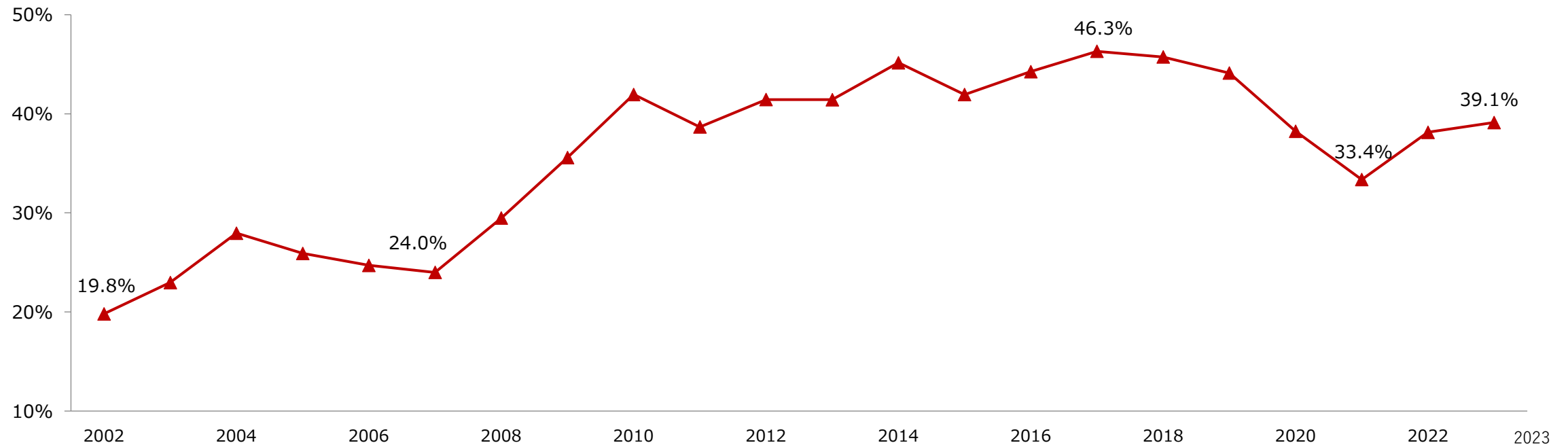


Source: MILT, "Annual Summary of National New Condominium Market Trends"

* 1 : the average prices of condominiums have increased as a result of the sales influence from luxury developments like "Mita Garden Hills"

Prices of condominiums are less likely to fall sharply as the market is oligopolistic and dominated by major real estate companies.

Trends in the market share of seven major real estate companies in new condominiums in the Tokyo metropolitan area



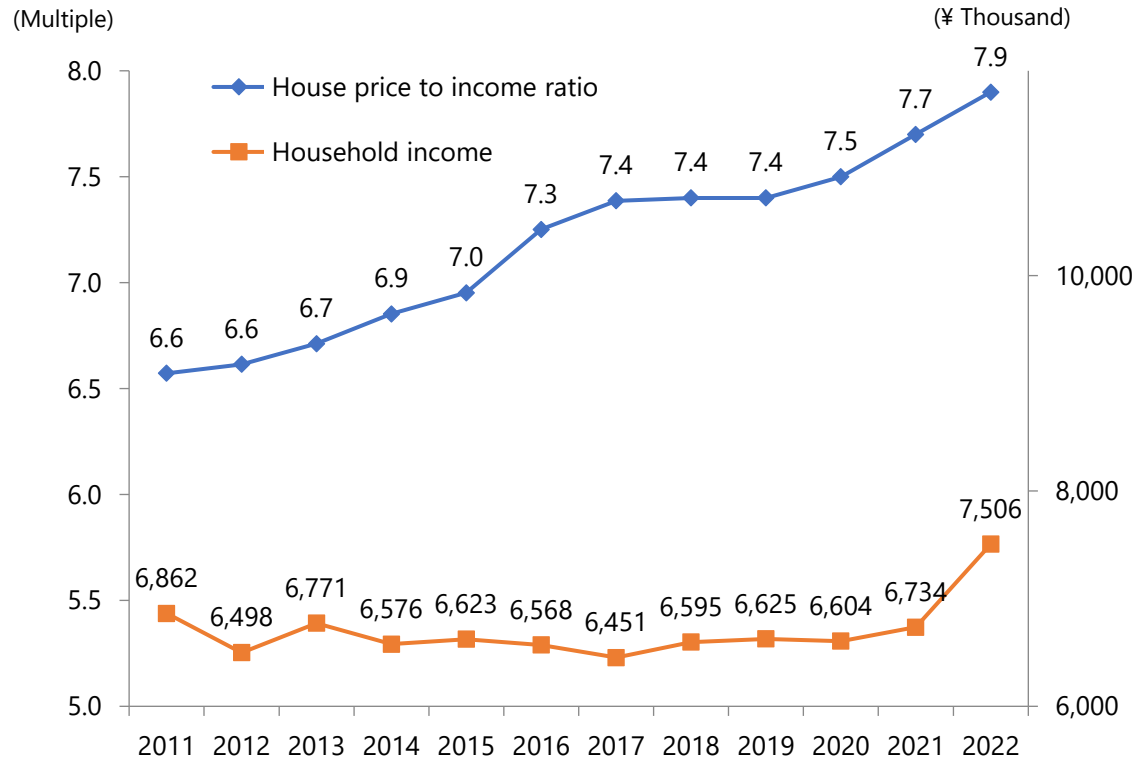
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.

* Seven major real estate companies:

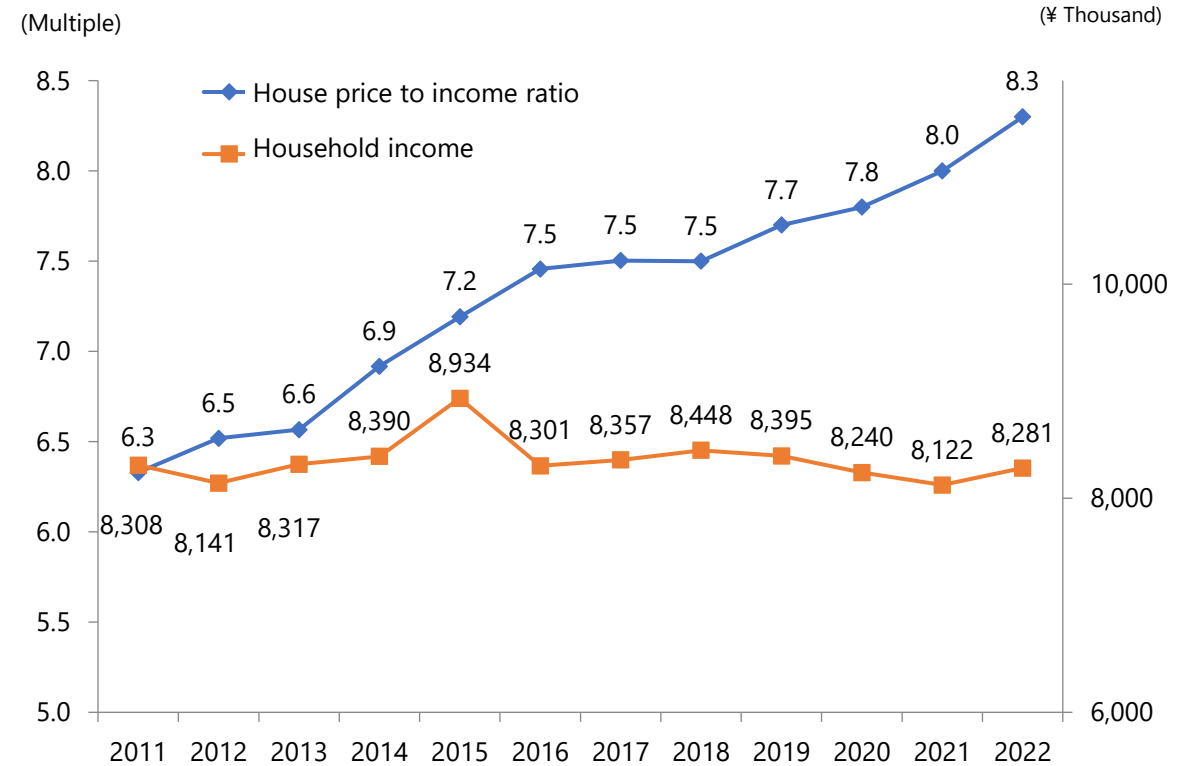
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyo Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

The income multiplier has increased, leading to significant disparities in household income.

House Price to Income Ratio and Household Income of Single-family Home Purchasers (in Tokyo)



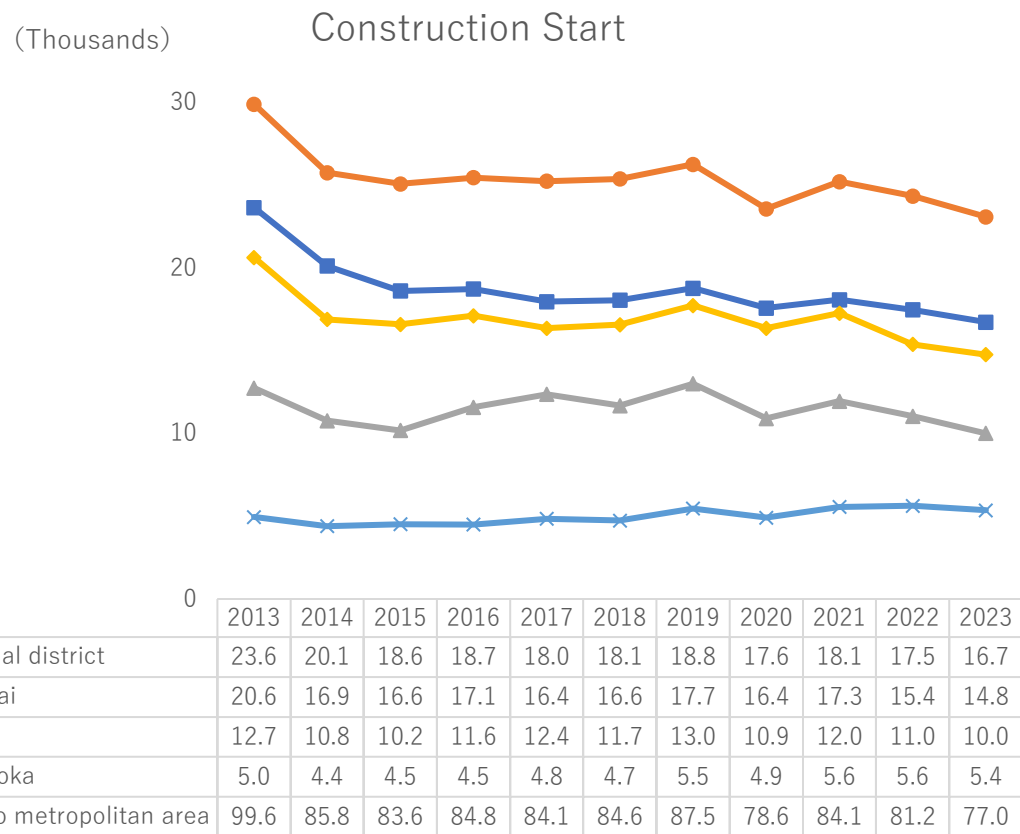
House Price to Income Ratio and Household Income of Condominium Purchasers (in Tokyo)



Source: "Customer Survey on Flat 35 Users" by Japan Housing Finance Agency
 Compiled using data of housing loans approved from April through March of the following year
 Single-family homes: New home purchase funds (detached house, etc.); Condominiums: New condominium purchase funds (apartment buildings)
 Household income is the total of income of home loan applicants and income of his or her spouse or other person(s) living in the same household
 Home price to income ratio is calculated based on the total necessary funds including funds on hand.

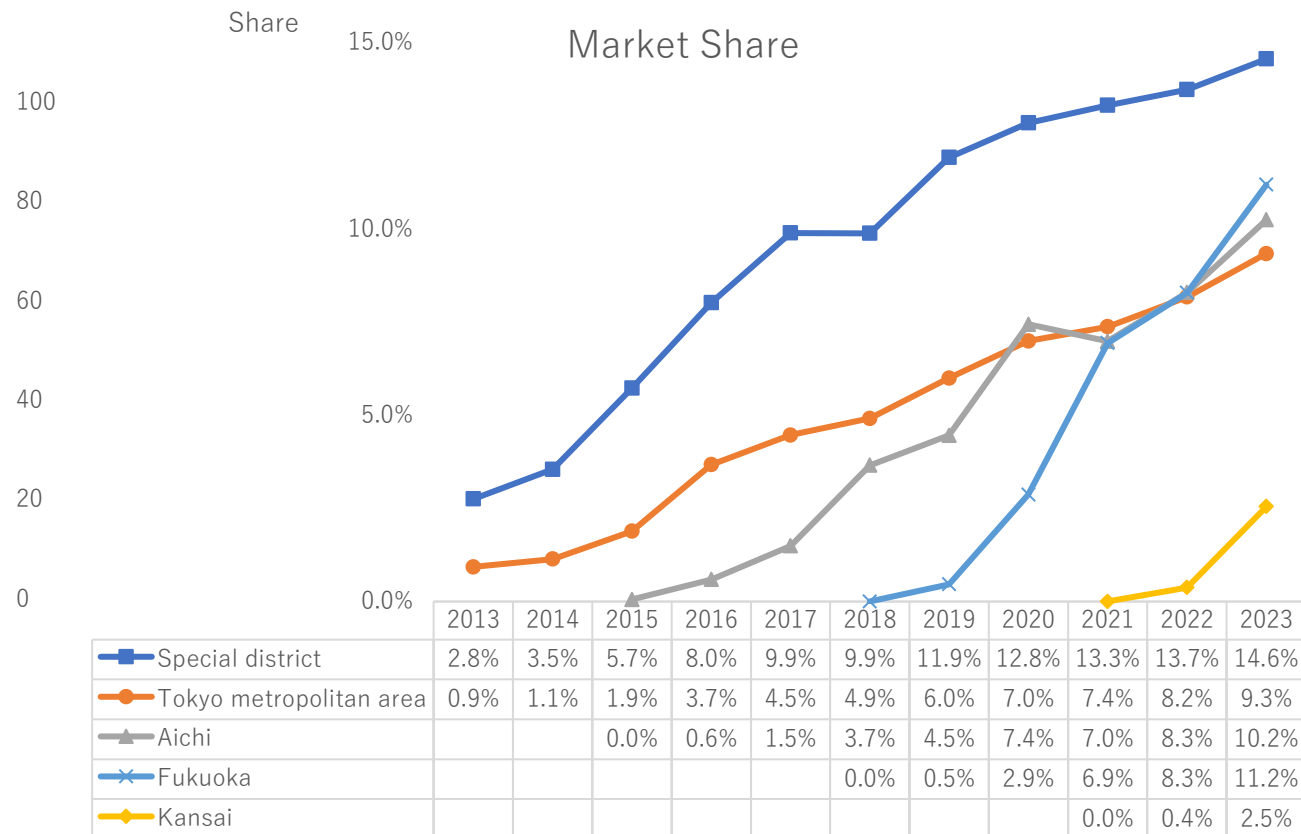
Our single-family homes are deploying a dominant strategy in urban areas, steadily increasing market share.

New single-family housing starts in our service areas



Sources: "Construction Statistics", "Housing Starts", the Ministry of Land, Infrastructure, Transport and Tourism.

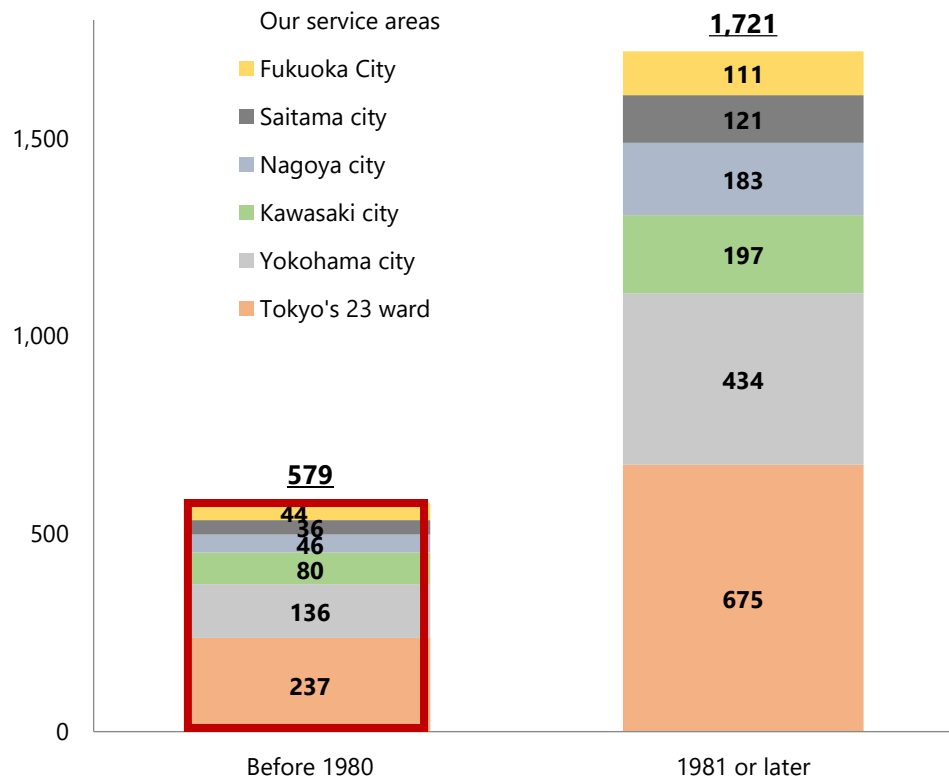
The Group's market share by service area



Calculated by dividing number of properties delivered in each period of the Group by the number of construction starts by area in each year.
 Until FY2018: Only Open House Development is included
 From FY2019: Hawk One is included.
 FY2021 figures are estimates divided by the number of housing starts by area in 2020 due to the period for statistical.

There is an abundant supply of aging housing stock available for development purposes.

Building stock of wooden single-family homes by construction period



Sources:
 "Housing and Land Survey in 2018" by the Ministry of Internal Affairs and Communications

Housing situation in Japan

- The average age of homes rebuilt in Japan is **37.0 years.** *1
- The average site area per single-family home lot in Tokyo's 23 wards in 1988 was **40.3 tsubo** (1,431.6 sq. ft). *2
- The average site area of single-family homes developed by Open House is **17-18 tsubo** (600-640 sq. ft), enabling it to build two homes per single-family home lot.

Sources:

*1 "Customer Survey Report on the Purchase of Detached Houses in the Fiscal Year 2017" by Japan Federation of Housing Organizations

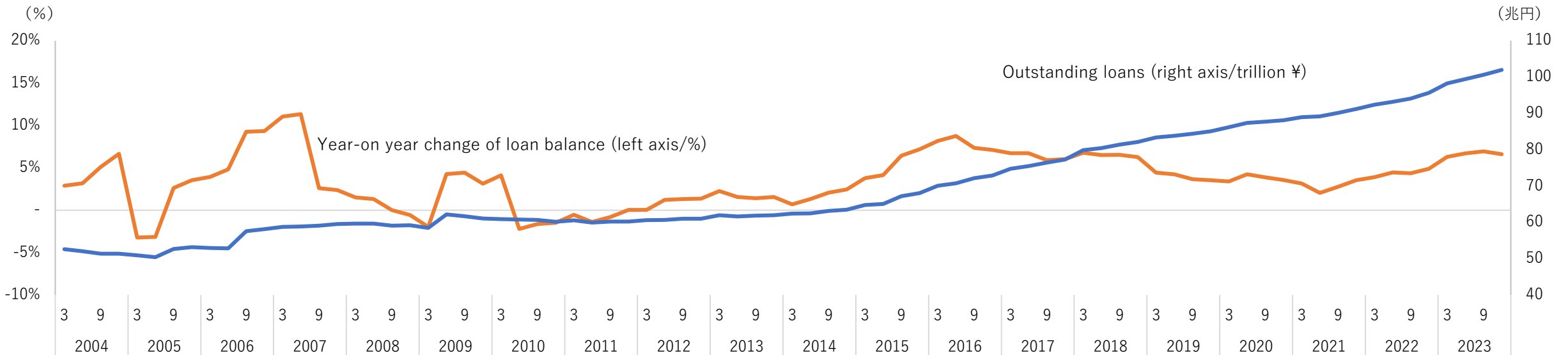
*2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications

New lending to the real estate industry is decreasing, yet the outstanding loan balance is increasing.

New loans financed to the real estate industry



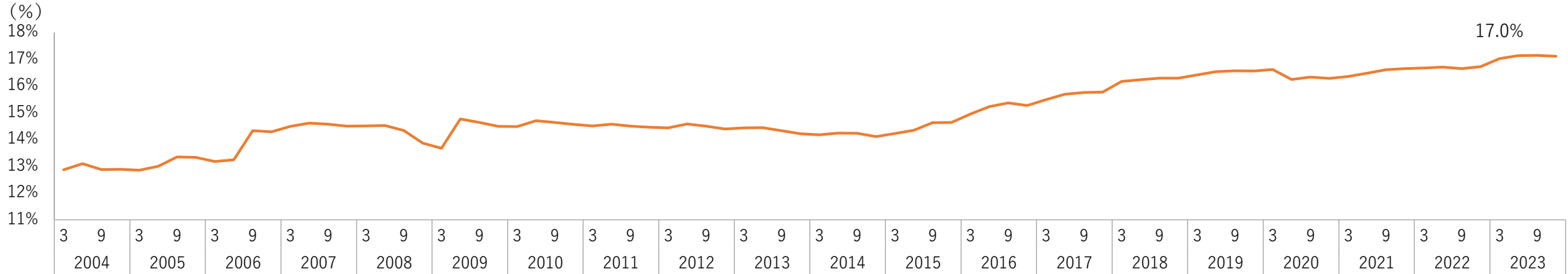
Outstanding loans financed to the real estate industry and year-on-year change thereof



Source: "Loans by borrower" published by the Bank of Japan

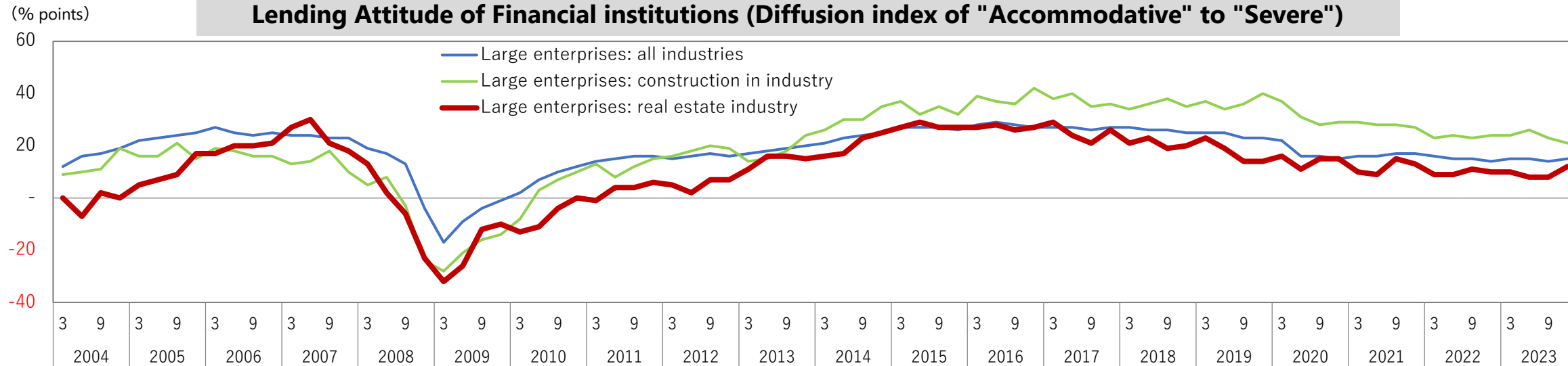
The ratio of outstanding loans financed to the real estate industry to total loans has increased.

Ratio of outstanding loans financed to real estate industry to total loans



Source: "Loans by borrower" published by the Bank of Japan

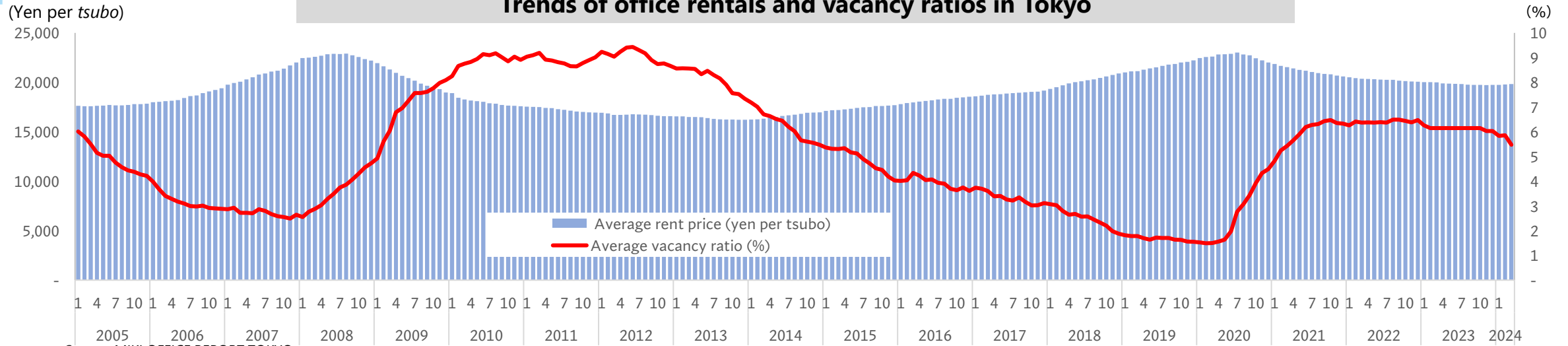
Lending Attitude of Financial institutions (Diffusion index of "Accommodative" to "Severe")



Source: "Short-Term Economic Survey of Enterprises in Japan" published by the Bank of Japan

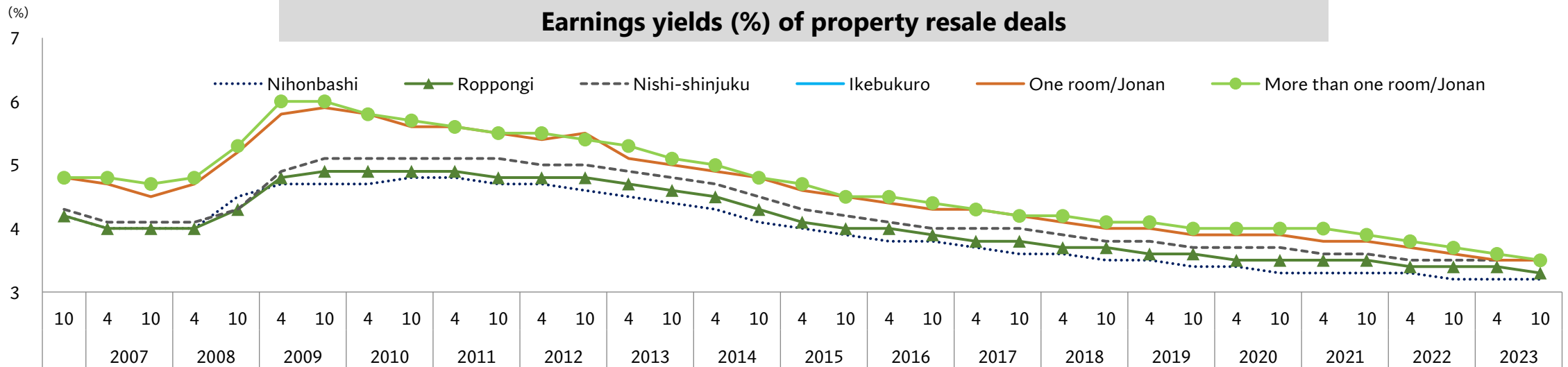
Demand for property resale real estate remains strong, driven by rising rental costs and decline in yields.

Trends of office rentals and vacancy ratios in Tokyo

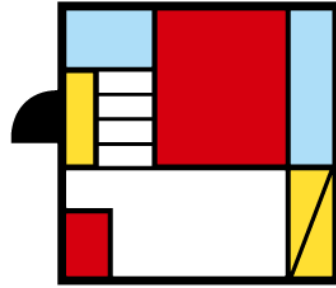


Source: MIKI OFFICE REPORT TOKYO

Earnings yields (%) of property resale deals



Source: Japan Real Estate Institute, "The Japanese Real Estate Investor Survey"



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