

Open House Group Co., Ltd.
Financial Results for the Period Ending in September 2025
Conference Call and Financial Briefing Summary

- In the previous fiscal year, both net sales and net income achieved record highs. Net income surpassed the 100 billion yen mark.
- For the current fiscal year, the Group plans to achieve new record highs, forecasting growth of over 10% in both net sales and profits at all levels.
- In the previous fiscal year, the Group achieved an operating profit margin of 10% across all segments. We have established a business framework capable of consistently generating profits without relying on any specific business. For the current fiscal year, the Group plans to continue achieving this metric.
- In the single-family home related business, the gross profit margin improved after weathering the surge in demand during the COVID-19 pandemic and the subsequent reactionary decline. Net sales on a <sales contract basis> for the fourth quarter of the previous fiscal year were strong, increasing 19.8% year-on-year.
- The condominium business plans to achieve significant growth in both net sales and profits for the current fiscal year. We opened a dedicated Ginza Salon for our high-end condominium brand, INNOVACIA, at GINZA SIX and have commenced sales of the properties.
- In the property resale business, the gross profit margin improved, supported by strong demand. We opened 'KÚON Hakone Gora,' a hotel directly operated by the Group. This project represents hotel development through renovation as a method of value-add."
- In the U.S. real estate business, rental demand remained solid despite high interest rates in the U.S., and domestic high-net-worth individuals continued to diversify their investments into U.S. dollar assets. The number of properties managed locally has exceeded 6,000 units, making it a significant recurring revenue business.
- Pressance Corporation became a wholly owned subsidiary in April 2025, resolving the parent-subsidary listing. In the previous fiscal year, condominium sales in the Kansai region expanded, and starting from the current fiscal year, the company has commenced full-scale entry into the Tokyo metropolitan area.

- Regarding SG&A expenses, the SG&A-to-sales ratio for the previous fiscal year stood at 7.3%, due to increased personnel costs resulting from headcount expansion for growth and the inclusion of advertising expenses for single-family homes. For the current fiscal year, we anticipate this ratio will be contained at approximately 7.0% due to the increase in net sales.
 - Financial soundness is maintained even after the TOB, with an equity ratio of 38.1% and a net D/E ratio of 0.6x.
 - We have upwardly revised the net profit assumptions and shareholder return policy for the three-year period (Sep. 2024 – Sep. 2026). The initial plan for net profit has been raised from 250 billion yen to 305.5 billion yen, and the shareholder return amount from 100 billion yen to 130 billion yen. Following the policy change from a "dividend payout ratio of 20% or higher" to a "total return ratio of 40% or higher," we plan to increase the dividend for the current fiscal year by 10 yen to 188 yen per share and continue with share buybacks totaling 25 billion yen.
 - By the end of the previous fiscal year, the Group had executed approximately half of its 500 billion yen three-year growth investment plan. We intend to continue investing aggressively in growth opportunities, with M&A as a core driver.
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Conference Call for Analysts and Institutional Investors

Date and time: November 14, 2025, 16:00

Speaker: Kotaro Wakatabi, Senior Managing Director, CFO

Q&A:

- 【Q.1】** What are the reasons for the strong 19.8% year-on-year increase in sales on a <sales contract basis> for the previous 4Q, and what is the outlook for the sustainability of this growth? Also, are there any regional biases or variations in sales performance?
- 【A.1】** The recovery in demand is not driven by temporary or special factors, and we anticipate similar performance levels going forward. There are no specific regional biases; sales are robust in the Tokyo metropolitan area, which represents the volume zone. The limited supply of family-oriented condominiums is serving as a tailwind.
- 【Q.2】** What are the reasons for the decline in the gross profit margin for the single-family home related business in the previous 4Q (OHD 15.2%, Meldia 15.1%) and what is the quarterly outlook for the gross profit margin in the current fiscal year?
- 【A.2】** The decrease in the previous 4Q was not due to the disposal of low-margin properties, but rather the retention of high-margin properties for sales in the current

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fiscal year. Our quarterly plan for the current fiscal year anticipates securing profits in the first half, consistent with the usual seasonal pattern.

【Q.3】 What is the sales plan for rental single-family homes resulting from the alliance with Kenedix?

【A.3】 The current number of contracts is still limited, and we are not yet seeing a prominent increase. However, if this initiative proceeds smoothly, we project that it will contribute to our earnings in the next fiscal year.

【Q.4】 What are the reasons for the planned gross profit margin of 31.7% in the condominium business for the current fiscal year?

【A.4】 This is attributable to the rise in selling prices in the condominium market and the improved profitability of individual properties.

【Q.5】 Could you detail the inventory composition of the U.S. Real Estate Business? Has the focus remained on existing single-family homes for Japanese high-net-worth individuals, or are development projects increasing?

【A.5】 Existing single-family homes remain the primary focus. We have commenced development projects, but their contribution will be reflected in earnings from the next fiscal year onward.

【Q.6】 What were the factors that allowed Pressance Corporation's profit to exceed the initial plan last fiscal year, and what factors lead you to anticipate high profits this fiscal year?

【A.6】 The primary factor was our ability to secure profit by transferring the rising construction costs to the selling prices. We anticipate solid performance for both studio and family-type condominiums. Studio units, in particular, are seeing an increase in customers due to the strong investment property market and the affordability of the prices.

【Q.7】 The current guidance shows the condominium business as prominent, while other segments appear to be taking a conservative approach. Is this guidance subdued in anticipation of future growth (next fiscal year onward), or does it reflect the actual business reality?

【A.7】 Current single-family home sales are strong, and we are confident in this fiscal year's performance. We will focus on property acquisition this fiscal year so that we can approach the next fiscal year and subsequent periods with sufficient capacity and flexibility.

- 【Q.8】** The Group has set a policy of a total return ratio of 40%. If unutilized funds arise from the investment budget, perhaps due to slow M&A progress, will these funds be allocated to shareholder returns?
- 【A.8】** M&A will continue to be actively promoted as a pillar of growth. While allocating funds to the sourcing of inventory for existing businesses, we will also steadily implement a total return ratio of 40% or more. If any unutilized investment budget arises, consideration will be given to both growth and shareholder returns, depending on the situation at that time.
- 【Q.9】** Could you elaborate on the new role of Founder Arai, specifically regarding new businesses? Also, who will be responsible for promoting cross-selling, and how?
- 【A.9】** As a Director, Founder Arai will monitor existing businesses but will take a step back to focus primarily on M&A, new businesses, and overseas operations. The new President, Fukuoka, oversees existing businesses, and cross-selling will be promoted within the framework of existing businesses.
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Consolidated Financial Highlights Briefing

Date and Time: November 19, 2025, 10:00 AM

Speakers: Ryosuke Fukuoka, President & CEO

Kotaro Wakatabi, Senior Managing Director, CFO

Management Policy and Environmental Awareness

■ Management Policy

The Open House Group will carry forward its strengths while undertaking new challenges that capture the needs of the times.

■ Outlook for Real Estate for actual demand

Regarding the single-family home related business, demand is increasing due to soaring condominium prices and rising wages and rents, creating a highly favorable environment.

In the Condominium Business, while prices and construction costs are rising, the quality of the location remains the decisive factor. We will therefore continue to source prime sites, exercising keen discernment."

■ **Trends in Investment Real Estate**

Regarding the Property Resale Business, as we recognize the substantial risks involved, we aim for growth while minimizing risk through high turnover and accurately assessing the value of properties.

We will expand our offerings for high-net-worth individuals, such as U.S. real estate, and develop cross-selling initiatives.

■ **Key Focus Areas**

Strengthening Recruitment:

We strengthened our recruitment efforts, positioning human resource hiring as the highest priority management issue, and successfully recruited the planned number of employees in the previous fiscal year. The increase in personnel costs is viewed as a forward-looking investment for future growth.

Sustainability:

In response to the soaring housing prices in the Tokyo metropolitan area, we contribute to solving the social issue through the provision of affordable housing—offering well-located, high-quality single-family homes at "affordable prices."

Governance and Compliance:

While maintaining the spirit of a venture company, we will reform practices that conflict with current standards. Regarding working hours, we are fundamentally revising the work attendance system for improvement. We conduct compliance training tailored to each employee level and are strengthening our auditing functions by increasing the personnel in the Internal Audit Department.

Q&A:

【Q.1】 What are the current trends in the single-family home market?

【A.1】 With rising condominium prices, customer affordability is nearing its limit. An inflationary mindset has taken root, creating a strong sense that "if I don't buy now, prices will go up further." Combined with expectations for wage increases, purchase motivation is high.

【Q.2】 Regarding the inventory of single-family homes, how has the composition changed compared to the previous fiscal year?

【A.2】 While there was a period in the past when we disposed of slow-moving inventory, the current inventory has shifted to more marketable properties, representing a significant change in composition.

【Q.3】 How much room is there to increase the Group's 17.5% share of the single-family home market in Tokyo 23 wards?

【A.3】 We do not have a specific figure for an upper limit, but we do not feel that further growth would be difficult. We perceive that there is still room for expansion.

【Q.4】 What are the future outlook and thoughts on scale expansion for the condominium business? Also, what is the strategy for high-end lines like INNOVACIA?

【A.4】 We plan for net sales of 100 billion yen this fiscal year. Rather than pursuing scale, we will carefully assess whether each individual property fits the location and market, and plan accordingly. INNOVACIA will be a high-end line targeting high prices and prime locations, aiming for a niche market typical of the Group.

【Q.5】 What is the ratio of sales to inbound customers (foreign buyers) in the condominium business and the property resale business?

【A.5】 It is approximately 10% for the condominium business and 30% for the property resale business.

【Q.6】 In the property resale business, how do you view the risks regarding tensions in Japan-China relations?

【A.6】 The Chinese customers' motivation for purchase Japanese real estates is asset diversification stemming from a lack of trust in their home country. We believe that heightened tensions actually increase purchase motivation.

From the perspective of preventing money laundering, we are implementing thorough measures against illicit fund inflows.

【Q.7】 I would like to ask about the current status of Pressance Corporation's re-entry into the Tokyo metropolitan area.

【A.7】 They are currently selling properties in Musashi-Urawa. While OHD primarily focuses on compact properties in central Tokyo, Pressance Corporation is preparing multiple orthodox family-type properties in Saitama and Kanagawa. We aim to generate Group synergy by collaborating with the single-family home sales team.

【Q.8】 Regarding SG&A expenses, how will you control rising personnel costs and the SG&A ratio going forward?

【A.8】 We will firmly invest in personnel costs that lead to growth. Performance bonuses were paid in the previous fiscal year. The overall cost structure is not expected to change significantly, and the SG&A-to-sales ratio is expected to remain around 7%. We aim to lower the ratio through cost management and increased net sales.

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【Q.9】 How do you view new businesses, and how do you plan to build them up?

【A.9】 We will steadily build up businesses that are extensions of our existing operations.
Current initiatives include utilizing sites for hotels, apartments, and retail facilities

【Q.10】 What do you consider to be the "strengths of the Group"?

【A.10】 In procurement, our strength lies in grounded business promotion—obtaining abundant information not by relying on planning power, but through accumulated efforts such as building relationships with business partners. In sales, we recognize our strength in grounded sales promotion by thoroughly providing information to customers in the surrounding neighborhoods.

【Q.11】 At what stage do you recognize the Group's growth to be? Are you solidifying the footing for a leap, or are you at the entrance of that leap?

【A.11】 We believe the foundation for the leap is firmly established, and this fiscal year marks our standing at the entrance of growth. This is supported by the current accumulation of sales contracts and the status of inventory secured.

【Q.12】 With the transition from former President Arai, the founder, how do you intend to demonstrate your own leadership and change the Group?

【A.12】 I intend to demonstrate a leadership style different from my predecessor, applying insights and identifying upside potential gained from my long experience on the front lines to management. I want to create an environment where all officers take ownership and thrive. I will evolve alongside them, and we will advance in unity.