OPEN HOUSE GROUP

Annual Financial Summary 2024

(Securities Code: 3288)

[For Translation Purposes Only]

OPEN HOUSE GROUP

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1. Introduction

Summary of Selected Financial Data

Fiscal year		24th business term	25th business term	26th business term	27th business term	**28th business term**
Year end		Sept 2020	Sept 2021	Sept 2022	Sept 2023	**Sept 2024**
Net sales	(Millions of yen)	575,951	810,540	952,686	1,148,484	**1,295,862**
Ordinary profit	(Millions of yen)	77,357	97,590	121,166	136,927	**120,283**
Profit attributable to owners of parent	(Millions of yen)	59,491	69,582	77,884	92,050	**92,921**
Comprehensive income	(Millions of yen)	58,812	74,483	94,793	101,399	**96,266**
Net assets	(Millions of yen)	233,695	347,143	395,702	480,416	**535,919**
Total assets	(Millions of yen)	569,038	879,913	1,031,174	1,198,668	**1,282,090**
Net assets per share	(Yen)	1,855.66	2,329.72	2,802.19	3,448.66	**3,982.75**
Earnings per share (EPS)	(Yen)	525.36	552.40	626.24	763.72	**782.60**
Diluted earnings per share (Diluted EPS)	(Yen)	522.37	550.41	624.87	762.40	**781.26**
Equity ratio	(%)	41.0	33.4	32.7	34.7	**36.2**
Return on equity (ROE)	(%)	32.1	26.4	24.7	24.4	**21.1**
Price earnings ratio	(Times)	7.23	11.98	7.82	6.64	**6.91**
Net cash provided by (used in) operating activities	(Millions of yen)	48,793	50,123	(16,353)	17,393	**104,764**
Net cash provided by (used in) investing activities	(Millions of yen)	(24,054)	23,541	(4,367)	(35,575)	**(22,584)**
Net cash provided by (used in) financing activities	(Millions of yen)	59,430	40,588	24,694	49,103	**(69,253)**
Cash and cash equivalents at end of period	(Millions of yen)	219,218	334,506	346,080	378,643	**390,924**
Number of employees	(Persons)	2,876	4,087	4,493	4,904	**6,107**
Average number of temporary employees	(Persons)	(242)	(286)	(351)	(466)	**(664)**

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(Note)
The number of employees represents the number of active employees (excluding individuals seconded from the Group (the Company and its consolidated subsidiaries) to companies outside the Group and including individuals seconded from companies outside the Group to the Group).
The number of temporary employees (including dispatched workers from staffing agencies) is shown in parentheses as an additional figure, representing the average number of such employees for each consolidated fiscal year.
Furthermore, the Group temporarily employs new graduates scheduled for regular hiring in April for training purposes before their official start date. However, these individuals are not included in the above-mentioned number of temporary employees.

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CEO MESSAGE

OPEN HOUSE GROUP

Regarding the Financial Results for the Fiscal Year Ending September 2024

Achieved Record-High Sales and Net Profit for the 12th Consecutive Year

Our Group has been steadily working towards achieving the management goals set forth in the three-year management policy (fiscal year ending September 2024 to fiscal year ending September 2026) formulated in November 2023.

For the fiscal year ending September 2024, net sales increased by 12.8% year-on-year to 1,295.8 billion yen. Operating profit decreased by 16.3% to 119.0 billion yen, ordinary profit decreased by 12.2% to 120.2 billion yen, and profit attributable to owners of parent increased by 0.9% to 92.9 billion yen. Net sales, ordinary profit, and profit attributable to owners of parent were almost in line with our initial plan.

Regarding the overview by segment, the property resale business and others (such as the U.S. real estate business), where investment appetite from investors and high-net-worth individuals remained high, and the Pressance Corporation segment, which saw steady sales of well-located investment and family condominiums in the Kansai area, increased their sales. Additionally, Meldia Co., Ltd. (formerly Sanei Architectural Design Co., Ltd.), which became a consolidated subsidiary from the fiscal year ending September 2024, made a significant contribution to our performance.

Since our listing on the First Section of the Tokyo Stock Exchange in September 2013, the Group has been updating record highs in net sales and profit attributable to owners of parent for 12 consecutive fiscal years. Compared to our performance at the time of listing, our net sales have increased 13-fold and dividends per share have increased 26-fold, demonstrating steady growth.

We believe that the Group has been able to continue this growth thanks to the support of our shareholders. I would like to take this opportunity to express my heartfelt gratitude.

Progress of the Group's Three-year Basic Policy

First Year Progressing Smoothly According to Policy

Regarding the 10 years since our company's listing, the real estate industry has benefited from continuing monetary easing policies. However, with recent discussions about changes in monetary policy such as ending negative interest rates, the outlook for the external environment going forward is expected to be uncertain.

Under these business conditions, in November 2023, our group formulated a three-year basic policy (fiscal year ending September 2024 to fiscal year ending September 2026) and set financial, growth investment, and shareholder return policies based on a three-year profit assumption.

We assume a cumulative net profit of 250-260 billion yen for the three years (upwardly revised from the initial 250 billion yen). As for the financial policy, we have set targets of an equity ratio of 35% or more and a net D/E ratio of 1.0 or less. For the growth investment policy, we have set an investment amount of 500 billion yen, and for the shareholder return policy, we have set a shareholder return amount of 100 billion yen.

In the first year, net profit landed as initially forecasted (92.9 billion yen), and financial indicators achieved the plan with an equity ratio of 36.2% and a net D/E ratio of 0.4. Additionally, we were able to make a smooth start towards achieving our policies for both growth investment and shareholder returns.

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CEO MESSAGE

OPEN HOUSE GROUP

Initiatives for the Fiscal Year Ending September 2025

To Secure Increased Revenue and Profit While Strengthening Our Internal Organizational Structure

For the Group's consolidated performance forecast for the fiscal year ending September 2025, we plan for net sales of 1,300 billion yen and expect increases in both operating profit and ordinary profit. Although the forecast for profit attributable to owners of parent shows a decrease, this is due to the recording of 12.7 billion yen in negative goodwill gain associated with the M&A of Meldia Co., Ltd. as extraordinary income in the fiscal year ending September 2024. Excluding the impact of this, we expect an increase in profit compared to the previous year's figures.

Furthermore, continuing from the fiscal year ending September 2024, the Group will actively work on governance and compliance reforms, promotion of sustainability, improvement of customer satisfaction, and strengthening of human resource recruitment. As management that is conscious of capital costs and stock prices, we will aim to increase corporate value while particularly focusing on growing EPS (Earnings Per Share).

Masaaki Arai

President & CEO

Open House Group Co., Ltd

Shareholder Returns

Dividends and Acquisition of Treasury Shares

The Company recognizes that returning profit to shareholders is an important management issue. Our basic policy is to continue paying stable dividends while considering future business developments and strengthening of our financial position. We intend to use retained earnings for future business expansions. Additionally, in the three-year management policy announced in November 2023, we have formulated a shareholder return policy totaling 100 billion yen over three years (breakdown: 60 billion yen in dividends, 40 billion yen in share acquisitions).

Based on the above policy, for the fiscal year ending September 2024, we have set the annual dividend per share at 166 yen (83 yen interim dividend, 83 yen year-end dividend), an increase of 2 yen from the previous year. The payout ratio based on this annual dividend is 21.2%. For the fiscal year ending September 2025, we plan to increase the annual dividend per share by 2 yen to 168 yen (84 yen interim dividend, 84 yen year-end dividend). We plan to increase the payout ratio by 2.7 percentage points to 23.9% compared to the previous year.

Regarding share acquisitions, we conducted two share acquisitions during the fiscal year ending September 2024, totaling 19.8 billion yen (3.46% of the total number of issued shares excluding treasury stock). For the fiscal year ending September 2025, we plan to acquire shares totaling 20 billion yen, and on November 14, 2024, we announced a share acquisition with a maximum acquisition amount of 10 billion yen and a maximum number of shares to be acquired of 2.5 million (2.15% of the total number of issued shares excluding treasury stock).

We ask for your continued and increased support for our Group as we aim for further growth.

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Corporate Profile

In the first quarter of the consolidated fiscal year, **Open House Group Co., Ltd.** (hereinafter the “**Company**”) acquired 93.02% of the total voting rights of Sanei Architectural Planning Co., Ltd. (renamed to Meldia Co., Ltd. as of March 1, 2024; hereinafter referred to as "Meldia") on October 5, 2023, making it a consolidated subsidiary. On November 6 of the same year, an additional 6.98% was acquired of the total voting rights, making it a wholly-owned subsidiary. This was done with the aim of expanding the Group's product lineup by adding Meldia's aesthetically designed single-family homes, improving cost competitiveness through enhanced purchasing power leveraging economies of scale, and realizing synergies such as facilitating and stabilizing Meldia's financial institution transactions.

As a result, the number of subsidiaries increased by 19, and the Group now consists of the Company and **60 affiliated companies** (comprising 59 subsidiaries and 1 equity-method affiliate, excluding non-consolidated subsidiaries and companies not accounted for by the equity method). The business segments have expanded from five to six, now including: Single-Family Homes Related Business, Condominium Business, Property Resale Business, Others, the segment for Pressance Corporation's business (hereinafter referred to as "Pressance"), and the newly added Meldia segment. It should be noted that the Company falls under the category of specified listed companies, and therefore, when determining the materiality of insider trading regulations based on the numerical standards set in comparison with the size of listed companies, judgments will be made based on consolidated figures. The contents of each business and the positioning of the Company and its main affiliated companies in relation to these businesses are as follows.

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Single-family homes Related Business

Since the Group's founding in 1997 as a brokerage company for newly built single-family homes, it has continuously pursued "homes that customers want". Since 2000, with changes in lifestyles such as the advancement of women in society and an increase in dual income households, there has been a stronger tendency to seek reasonably priced housing in highly convenient urban areas. The Group concluded that to consistently and efficiently supply affordable single-family homes in urban areas, it would be best to establish a system where all functions from land acquisition to construction could be completed within the Group, in addition to the brokerage function from its founding. Therefore, the Group operates with an integrated manufacturing and sales model that is unique in the housing industry.

The single-family homes related business consists of four sub-segments:

①Brokerage (Open House), ②Single-family homes sales (Open House Development),
③Single-family homes sales (Hawk One), and ④Construction contracting (Open House Architect).

①Brokerage (Open House)	• Open House Co., Ltd. (hereinafter “OH”) primarily engages in brokerage services for newly built single-family homes and residential land that the Company offers for sale. • As of the end of the current consolidated fiscal year, a total of 70 sales centers are operated across Tokyo, Kanagawa, Aichi, Saitama, Fukuoka, Chiba, Osaka, Hyogo, and Gunma prefectures. • Customer insights are gained through the sales activities at each of these centers and reflected in the development of new single-family homes. • The Company aims to expand its business area through the establishment of multiple new sales centers going forwards

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Corporate Profile

Single-family homes Related Business (Ctnd.)

②Single-family homes sales (Open House Development)

- Open House Development Co., Ltd. (hereinafter "OHD") sells newly built single-family homes and residential land, as well as undertakes the construction of single-family homes for customers who have purchased residential land from the company.
- OHD handles the procurement of residential land and the construction of single-family homes, while OH provides brokerage services to customers.
- Business operations efficiency is achieved by completing the entire process of supplying newly built single-family homes within the Group.
- In procurement, OHD carefully selects residential land that meets customer needs from a vast amount of property information actively gathered, focusing on highly convenient urban areas.
- In construction, three-story newly built single-family homes are mainly offered, to effectively utilize limited land areas, thereby consistently providing reasonably priced housing.

③Single-family homes sales (Hawk One)

- Hawk One Corporation (hereinafter "Hawk One"), which became a consolidated subsidiary at the end of September 2018, is positioned as one of the sub-segments constituting the Group's single-family homes related business.
- Hawk One operates primarily in the Tokyo metropolitan area and Nagoya area, focusing on providing "high-quality, comfortable, and safe homes" at reasonable prices.
- Moving forward, the company will strive to expand its market share while also aiming to further improve its management efficiency through the brokerage services provided by the Group.

④Construction contracting (Open House Architect)

- Open House Architect Co., Ltd. (hereinafter "OHA") is engaged in construction contracting for built-for-sale housing developers in the Tokyo metropolitan area, Nagoya area, and Kansai region.
- Since becoming a consolidated subsidiary in January 2015, OHA has steadily increased the number of construction contracts for OHD, contributing to the strengthening of the Group's construction capabilities.
- Furthermore, OHA will continue to increase the number of construction contracts for OHD, which will contribute to the growth in the number of single-family homes supplied by the Group.

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Corporate Profile

Condominium Business

・Involves OHD developing and selling new condominiums, with OHA handling construction for some properties.
・The focus is on compact and family-type condominiums targeting single individuals and two-person households with a strong preference for condominium living, primarily in highly convenient and valuable locations in urban areas of the Tokyo metropolitan area, Nagoya area, and Fukuoka area.
・Moving forward, the policy is to provide high-quality products at more reasonable prices by thoroughly managing costs, keeping model rooms and promotional materials for each site to the minimum necessary.

Property Resale Business

・Involves Open House Real Estate Co., Ltd., OHD, and others, to handle the acquisition, management, and sale of domestic real estate for resale purposes, while Open House Property Management Co., Ltd. manages some of these properties.
・The Group primarily acquires small-scale rental apartments or office buildings in the Tokyo metropolitan area, enhances their asset value through leasing and renovation, then sell them as investment properties to high-net-worth individuals and businesses.
・Moving forward, the Company will continue to focus on properties that can be sold on a small scale and in a short period to maximize profits from sales while mitigating price fluctuation risks due to sudden changes in market conditions.

Others

・From the perspective of business scale and importance, businesses for which individual segments have not been established are classified as “Others.”
・Open House Realty & Investments, Inc., together with US, OH and other domestic affiliated companies, develops U.S. real estate businesses for wealthy residents in Japan. These businesses include sales, consulting, property management, and financial services related to U.S. real estate.
・IB Net Co., Ltd. (hereinafter "IBN") provides housing-related loan services and financial services for individual customers when purchasing homes.

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PRESSANCE CORPORATION

・Engaged in the planning, development, and sales of studio type condominiums (investment-type condominiums primarily for rental to single occupants) and family-type condominiums (for family use).
・Primarily operates in the Kansai, Tokai, Kanto, and Okinawa areas, mainly handling the planning, development, and sales of condominiums and studio apartments.
・Pressance Jyuhan Co., Ltd. acts as a sales agent for family-type condominiums as well as handles the planning, development, and sales of single-family homes.
・Pressance Realta Co., Ltd. is involved in the brokerage, purchase, and sale of pre-owned properties.
・Sanritsu Precon Co Ltd. plans, develops, and sells family-type condominiums in the Tokai region.
・MELDIA Development & Construction CO., LTD. primarily plans, develops, and sells studio type condominiums and single-family homes in the Kansai region.
・Pressance also manages rental studio type condominiums (including tenant referrals and rent collection services) and operates a rental business (renting out Pressance-owned condominiums).
・Furthermore, Pressance Community Co., Ltd. manages buildings for condominiums sold by Pressance and operates an insurance agency.
・MELDIA Development & Construction CO., LTD. is engaged in the construction industry, undertaking contracted construction work for condominiums and hotels.

(Notes) 1. Pressance is listed on the Tokyo Stock Exchange Standard Market.
2. MELDIA Development & Construction CO., LTD., formerly a consolidated subsidiary of Meldia, became a consolidated subsidiary of Pressance following a tender offer in February 2024 and a share consolidation in May of the same year.

Meldia

・Main business is real estate sales, primarily focusing on the sale of newly built single-family homes, mainly operating in the Kanto and Tokai regions.
・MeldiaAsset Investment Co., Ltd. sells residential condominiums and property resale, as well as manages rentals.
・MELDIA Realty Co., Ltd. engages in real estate brokerage and related services.
Additionally, in the U.S., Alpha Construction Co. Inc. undertakes construction contracts.

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Introduction

Corporate Profile

[Business Structure Diagram]

The following diagram illustrates the main affiliated companies and their business activities.

Open House Group Co., Ltd.	Single-family homes	Open House Co., Ltd.	Real estate brokerage
		Open House Development Co., Ltd.	Sale of single-family homes
		Open House Architect Co., Ltd.	Construction contracting
		HAWK ONE CORPORATION	Sale of single-family homes
		others	
	Condominium	Open House Development Co., Ltd.	Sale of condominiums
		Open House Architect Co., Ltd.	Construction contracting
		others	
	Property Resale	Open House Real Estate Co., Ltd.	Sale of property resale
		Open House Development Co., Ltd.	Sale of property resale
		Open House Property Management Co., Ltd.	Management of Property resale properties
		others	
	Others	Open House Co., Ltd.	Consulting
		IB Net Co., Ltd.	Real estate purchase financing
		Open House Realty & Investments, Inc.	Sale of U.S. properties etc.
		others	
	Pressance	Pressance Corporation Co.,Ltd.	Development and sales of condominiums
		Pressance Jyuhan Co.,Ltd.	Condominium sales agency, sale of single-family homes
		Sanritsu Precon Co Ltd.	Construction and sales of condominiums
		Pressance Realta Co., Ltd.	Sale and purchase of pre-owned condominiums
		Pressance Community Co.,Ltd.	Condominium management
		MELDIA Development & Construction CO., LTD.	Construction contracting, sale of single-family homes
		others	
	Meldia	MELDIA CO.,LTD.	Sale of single-family homes
		MeldiaAsset Investment Co.,Ltd.	Sale of property resale, rental management
		MELDIA Realty Co., Ltd.	Real estate brokerage
		Alpha Construction Co. Inc.	Construction contracting
		others	

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2. Business Conditions

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Management Policy, Business Environment, and Issues to be Addressed

The management policy, business environment, and issues to be addressed are as follows:

Statements regarding the future in this text are based on judgements made by the Group as of the end of the current consolidated fiscal year.

Basic Management Policy of the Company

The Group will pursue the following "Corporate Mission" by aiming for the "Business Vision" and conducting activities and behaviors in line with the Company's "Values".

Corporate Mission:

To thoroughly pursue the needs of our customers

and deliver valuable real estate

Business Vision:

① Upholding Market Integrity to Earn Societal Trust

② Driving Innovations to Pursue Growth Beyond Conventional Boundaries

③ Commitment to Revitalizing Communities for Local Prosperity and Vibrancy

Values:

① Customer-Centric Decision Making

② Engaging Customers with Authenticity and Dedication

③ Fostering a Culture of Positive and Professional Conduct

④ Attract a Wide Range of Motivated People and Create an Organization that Rewards Results

⑤ Empowering Dedicated Employees with Opportunities for Challenge

⑥ Cultivating an Inclusive Workplace that Empowers Future Aspirations

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Overview of Business Performance

- During the current fiscal year, the Japanese economy has seen an improvement in business sentiment, with the Nikkei Stock average reaching a record high, despite rising prices due to prolonged yen depreciation. Improvements in employment and income conditions have led to a recovery in personal consumption and capital investment.

- While housing construction has remained flat and public investment has been steady, corporate earnings and business sentiment have shown an improving trend, with consumer prices rising moderately, indicating a gradual economic recovery despite some weak movements.

- In the real estate industry, to which the Group belongs, land prices have risen, particularly in the three major metropolitan areas, due to the gradual economic recovery.

- In residential areas, housing demand in urban centers and regions with excellent living convenience has remained strong, leading to continued increases in land prices.

- In commercial areas, store demand has been on the rise, especially in central urban areas, and office demand has remained firm, indicating an upward trend in land prices.

- Under these business conditions, the Group has been working towards achieving the management goals set forth in the three-year management policy formulated in November 2023 (for the fiscal years ending September 2024 to September 2026).

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Medium-term Management Policy and Issues to be Addressed

Three-Year Basic Policy

- In November 2023, the Group announced the three-year basic policy (from the fiscal year ending September 2024 to the fiscal year ending September FY2026).
- Given the expected continuation of uncertain conditions in the future outlook, the Group set a certain profit assumption for the three years and formulated financial, investment, and shareholder return policies based on this assumption.
- Regarding the profit assumption, the Group set the cumulative net income for the three years at 250 billion yen.
- This assumes that the net income of 80 billion yen attributable to business operations, excluding the temporary negative goodwill gain associated with the acquisition of Meldia, will continue until 2026, resulting in a cumulative total of 250 billion yen.
- This does not include any increase in net income from future M&A activities following the acquisition of Meldia. In November 2024, based on the current business progress, the Group revised this three-year cumulative net income upward to 250-260 billion yen.

I. Financial Policy:

*Key Indicator

Equity Ratio*

Target	New Target
Over 30%	Over 35%

Net D /E Ratio

Maintain 1.0 or less

ROE

FY2024 20% or more

FY2025 15% or more

・These financial targets are designed to strengthen the Group's financial structure in an uncertain economic environment, while balancing the emphasis on capital efficiency with the flexibility to pursue growth opportunities such as M&A.

II. Growth Investment Policy:

Total Investment Amount (Cumulative for Three Years):

500 billion

350 billion
Domestic & Overseas M&A

Including about 100 billion yen for the complete acquisition of Meldia in November 2023.

150 billion

Increase in inventory assets & Investments in existing businesses (US development, DX & sustainability initiatives)

III. Shareholder Return Policy:

Total Shareholder Return Amount (Cumulative for Three Years):

100 billion

Dividends	60 billion
Share Acquisitions	40 billion

	Announced Nov 14, 2023	Announced May 15, 2024
Total number of shares acquired	2,200,000 shares	1,967,000 shares
Total acquisition amount	9.8 billion yen	9.9 billion yen
Acquisition period	Nov 15, 2023~ April 30, 2024	May 16, 2024~ Sept 30, 2024

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Medium-term Management Policy and Issues to be Addressed (Continued)

The Group has established the following materialities in formulating the three-year basic policy announced in November 2023.

Important issues (materiality)

i. Governance and compliance reform
ii. Enhance customer satisfaction
iii. Strengthening hiring of key talent
iv. Promotion of sustainability (sustainable society and corporate growth)
v. Maximize the value of human capital
vi. Realize healthy and safe living
vii. Contribute to decarbonization

Continuous Growth Centered on Single-Family Related Business

a. Growth of Existing Business Centered on Single-Family Homes Business

The Group positions the single-family homes related business as its core business, characterized by an integrated manufacturing and sales system where all processes from land acquisition to design, construction, and sales are conducted within the Group. All aspects are crucial as unique management resources of the Group: the procurement capability to acquire well-located land at appropriate prices; the product strength to construct high-quality homes at low cost and provide products that meet customer needs at reasonable prices with a market-in approach; and the sales capability supported by multi-store development that matches the characteristic of a high proportion of customers purchasing within walking distance of their current residence. Moving forward, the Group will further strengthen its procurement capability, product strength, and sales capability to pursue growth in existing businesses centered on single-family homes.

b. Expansion of Single-Family Homes Related Business into the Kansai Region

To further expand the Group's single-family homes related business, it is important to continue opening sales centers that serve as sales bases for newly built single-family homes. Until now, the Group has focused on opening stores in Tokyo's 23 wards, Kawasaki City and Yokohama City in Kanagawa Prefecture, as well as surrounding areas, in addition to Nagoya City in Aichi Prefecture and Fukuoka City in Fukuoka Prefecture. Furthermore, the Group began sales in the Kansai region from the fiscal year ending September 2022. Moving forward, the Group will aim to expand its market share in the four major metropolitan areas.

c. Steady Growth of the Condominium Business

The Group operates a condominium business centered on compact-type condominiums in highly convenient urban locations, receiving high customer support for both location and price. So far, the business has been developed in urban areas of the Tokyo metropolitan area, Nagoya area, and Fukuoka area. The Group will continue to aim for steady growth while considering the expansion of the condominium business, while also emphasizing profitability for each property.

d. Sustainable Growth of the Property Resale Business

With the continuation of monetary easing policies, demand for investment properties is expected to remain at high levels. Moving forward, in the property resale business, the Group will focus on smaller-scale properties with shorter business periods to control business risks. In the short term, the Group will carefully manage the business in light of financial institutions' lending attitudes, while aiming for sustainable growth in the property resale business.

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Medium-term Management Policy and Issues to be Addressed (Continued)

Pursuit of Group Synergies with Pressance and Meldia

a. Development of new investment condominium business in the Tokyo metropolitan area with Pressance

To leverage the Group's extensive land information in the Tokyo metropolitan area and Pressance's expertise in the investment condominium business and strong sales capabilities, both companies are working together to develop the investment condominium business in the Tokyo metropolitan area. The Group will continue to pursue the realization of synergy effects through the capital and business alliance with Pressance.

Promotion of M&A

a. Progress of M&A activities

The Group is actively pursuing M&A opportunities that can generate business synergies for further growth. For example, the Group made OHA a wholly owned subsidiary in January 2015 and Hawk One in October 2018. Since becoming consolidated subsidiaries of the Group, both companies have achieved significant increases in sales through substantial growth in the number of orders. For OHA, the number of units delivered increased by 2,549 units from 2,173 to 4,722 units (note), while for Hawk One, the number of units brokered by OH increased by 1,642 units from 25 to 1,667 units (note) out of the total units delivered. Additionally, the Group has realized substantial growth in operating profit through reduced procurement costs and improved purchasing efficiency due to economies of scale.

Furthermore, by mutually utilizing the Group's recruitment know-how and resources, the companies have successfully hired more personnel.

In this way, the Group has achieved steady performance expansion and improved management efficiency as a whole through M&A activities.

Additionally, aiming to build regional and product complementary relationships, the Group signed a capital and business alliance agreement with Pressance in April 2020 to maximize benefits for both companies and their customers, shareholders, employees, business partners, and stakeholders by realizing business synergies through the fusion of management resources and expertise.

Subsequently, in May 2020, the Group completed the acquisition of 31.9% of Pressance's total voting rights (as of March 31, 2020), making Pressance an equity-method affiliate. However, as of September 2020, it was recognized that financial institutions' lending attitudes towards Pressance remained cautious, and the COVID-19 pandemic had not subsided, with the risk of more severe impacts from further outbreaks. In response to this situation, the Group began considering making Pressance a consolidated subsidiary to enhance its credit support, stabilize funding, and further increase the potential for synergies. In January 2021, through a third-party allotment and a tender offer under the Financial Instruments and Exchange Act, combined with the May 2020 acquisition, the Group acquired 64.45% of Pressance's total voting rights (as of September 30, 2020), making it a consolidated subsidiary.

Furthermore, the Group initiated a tender offer in Aug 2023 under the Financial Instruments and Exchange Act to improve both companies' single-family homes businesses by mutually utilizing Meldia's supply capacity and the Group's sales capabilities. This move aimed to expand the Group's product lineup by adding Meldia's aesthetically designed homes, enhance cost competitiveness through strengthened purchasing power leveraging economies of scale, and facilitate and stabilize their financial institution transactions. In October of the same year, the Group completed

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Medium-term Management Policy and Issues to be Addressed (Continued)

the acquisition of 93.02% of Meldia's total voting rights(as of May 31, 2023), making it a consolidated subsidiary.
Subsequently, in November, They became a wholly owned subsidiary through a share cash-out. With these consolidations realized, the Group, as an independent comprehensive real estate company, aims to bring its consolidated sales to a scale approaching that of major competing real estate companies and further enhance its positioning in the industry.

Note: The figures represent the increase in the number of units delivered for OHA from the fiscal period immediately preceding the share acquisition completion date (January 15, 2015) to the Group's most recent fiscal period (September 2024), and the increase in the number of brokerage cases by the Group for Hawk One from the fiscal period immediately preceding the share acquisition completion date (October 1, 2018) to the Group's most recent fiscal period (September 2024), respectively.)

b. Active Investment in Existing and New Areas

The Group positions the single-family homes related business as its core business while aiming to build an efficient business portfolio by entering new growth areas based on changes in the external environment. Moving forward, the Group will continue to pursue M&A activities aimed at accelerating growth by expanding scale and improving profitability in existing areas, as well as entering new domains.

Development of Private REIT Business Centered on Residential Properties

The Group is developing a business to support growth by continuously supplying investment properties such as rental condominiums and hospitality assets as a sponsor company of OPEN HOUSE REIT Investment Corporation (private REIT), for which OPEN HOUSE REAL ESTATE INVESTMENT ADVISORS Corporation has been entrusted with asset management. This business leverages the development capabilities and Information gathering abilities of the Group and Pressance for investment properties. The OPEN HOUSE REIT investment Corporation was established in the fiscal year ending September 2022 and is being managed with a certain asset size. Moving forward, the Group will further promote these efforts with a view to potentially growing it into a listed REIT in the medium term.

Acquisition of New Business Opportunities Due to Environmental Changes in the Post-COVID Era

With the spread of COVID-19, the real estate industry, to which the Group belongs, saw instances of rent decreases and deterioration in the real estate sales market. The Group also experienced some impact, such as a significant year-on-year decrease in the number of brokerage contracts for single-family homes in April 2020. However, triggered by environmental changes due to the spread of COVID-19, families spending more time together at home and increased opportunities for telework led to new housing needs, and demand for single-family homes surged rapidly. Even in this environment, the initiatives in the medium-term management plan progressed smoothly, led by the Group's main business of single- family home-related operations.

Subsequently, as the environment shifted from "with COVID" to "after COVID," the extremely high demand for single-family homes showed a tendency to normalize. However, demand for highly convenient single-family homes in urban areas remains steady. Even in this environment, the Group will continue to promote its main business of single-family homes related operations to acquire new business opportunities.

Target Management Indicators

To maintain a highly secure financial structure, the Group has set target management indicators in its three-year basic policy announced in November 2023:

- Maintain an equity ratio of **35.0**% or higher
- Maintain a net D/E ratio of **1.0** or less.
- Equity ratio: **36.2**%, net D/E ratio: 0.4 (for the current consolidated fiscal year).

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Management's Analysis and Discussion of Financial Position, Operating Results and Cash Flows

Overview of operating results, etc.

(The Group's financial position and operating results for the fiscal year ended September 30, 2024)

Assets

・Total assets of 1,282,090 million yen, a year-on-year increase of increase of 83,422 million yen.

・This was mainly due to a combined increase of 42,922 million yen in real estate for sale and real estate for sale in progress, an increase of 29,501 million yen in trade receivables and contract assets as well as operating loans combined, and an increase of 13,021 million yen in investments and other assets.

Liabilities

・Total liabilities amounted to 746,171 million yen, a year-on-year increase of 27,919 million yen.

・This was mainly due to a decrease of 10,005 million yen in income taxes payable, while short-term loans payable, long-term loans payable (including current portion of long-term loans payable), and bonds payable (including current portion of bonds) increased by 36,634 million yen in total.

Net assets

・Net assets amounted to 535,919 million yen, a year-on-year increase of 55,502 million yen.

・This was mainly due to a decrease in net assets of 19,878 million yen from the acquisition of treasury stock, while retained earnings increased by 71,963 million yen.

Operating results

・Net sales of 1,295,862 million yen (up 12.8% year on year), operating profit was 119,088 million yen (down 16.3%), ordinary profit of 120,283 million yen (down 12.2%) and profit attributable to owners of parent of 92,921 million yen (up 0.9%).

Overview of operating results by segment:

Single-family homes related business

- As a result of inventory adjustments undertaken since the latter half of the previous consolidated fiscal year, sales remained flat, and the gross profit margin declined.
- However, the inventory adjustments have already been completed, and sales have recently shown a recovery trend.
- As a result, sales were 589,053 million yen (decrease of 0.2% year on year), and operating profit was 49,668 million yen (decrease of 21.4%).

Condominiums business

- The Group is developing new condominiums for sale in the central areas of the Tokyo metropolitan area, Nagoya area, and Fukuoka area.
- Against the backdrop of significant increases in land prices for condominiums and material costs, it has made careful decisions on land acquisitions. Resulting in performance lower than the previous consolidated fiscal year, but recently sales have progressed smoothly.
- As a result, sales were 89,238 million yen (decrease of 28.4% year on year), and operating profit was 10,664 million yen (decrease of 57.6%).

Property resale business

- Strong demand persists from corporate clients and affluent individuals, investing in condominiums, office buildings, and similar properties.
- As a result, sales were 196,048 million yen (increase of 6.1% year on year), and operating profit was 17,268 million yen (decrease of 14.6%).

Others

- There is strong investment demand among affluent individuals in Japan for U.S. real estate as a means of asset diversification, and sales have been progressing smoothly.
- As a result, sales were 105,832 million yen (increase of 21.0% year on year), and operating profit was 11,452 million yen (increase of 32.1%)

PRESSANCE CORPORATION

- Focused on the sale of investment condominiums and condominiums for families in prime locations in its main sales areas of Kinki and Tokai-Chukyo regions.
- As a result, sales were 180,850 million yen (increase of 12.1% year on year), and operating profit was 27,466 million yen (increase of 6.5%).

Meldia

- Focused on its main business of single-family homes, it continued to pursue designs tailored to the customers' lifestyles and offered products that responded to changes in the customers' needs for their homes.
- As a result, sales were 134,811 million yen (This is a newly set up segment from the first quarter of the consolidated fiscal year due to the consolidation of Meldia as a subsidiary, year on year comparison is not shown), and operating profit was 3,731 million yen.

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Management's Analysis and Discussion of Financial Position, Operating Results and Cash Flows

Cash Flows

At the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter as funds) **increased by 12,281 million yen** compared to the end of the previous consolidated fiscal year, **reaching 390,924 million yen**.

- Net cash used in operating activities amounted to 17,393 million yen (16,353 million yen was used in the previous fiscal year).
- Mainly due to an increase in inventories of 85,219 million yen and income taxes paid of 40,239 million yen, while net profit before income taxes of 136,901 million yen and an increase in accounts payables of 7,857 million yen.

Cash Flows from Operating Activities

- Funds generated from operating activities amounted to 104,764 million yen (compared to 17,393 million yen year on year).
- This was mainly due to income before income taxes of 133,646 million yen, despite income taxes paid of 35,534 million yen.

Cash flows from investing activities

- Funds used as a result of investing activities amounted to 22,584 million yen (compared to 35,575 million yen year-on-year).
- This is mainly due to the expenditure of 23,867 million on the acquisition of subsidiary shares involving changes in the scope of consolidation.

Cash Flows from Financing Activities

- Funds used as a result of financing activities amounted to 69,253 million yen (compared to 49,103 million yen year-on-year).
- This is mainly due to net expenditures of 25,142 million yen from borrowing and repayment of loans, dividend payments of 20,955 million yen, and expenditure of 19,878 million for share acquisitions.

Results of production, orders received and sales

The Group's **results of production** are approximately the same as the results of sales, for details, refer to "**Results of Sales**."

Results of Orders Received

The status of orders received for built-to order houses during the fiscal year ended September 30, 2024 is as follows:

Segment	Orders received (Millions of yen)	YoY change (%)	Order backlog (Millions of yen)	YoY change (%)
Single-family homes related business	70,261	0.7	44,771	(14.3)
PRESSANCE CORPORATION	147,377	6.6	81,879	9.1

Notes: The information on segments other than the above is omitted as the nature of services offered through such segments is not fit to describe the status of orders received.

Result of Sales

Sales results are shown by segment in "(1) Overview of operating results, etc."

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Management's Analysis and Discussion of Financial Position, Operating Results and Cash Flows

Management's Analysis and Discussion of Operating Results, etc.

Management's recognition, analysis and discussion of the Group's operating results, etc. are as follows.
Any forward-looking statements in the following discussion are based on the judgment of management as of September 30, 2024.

Recognition, Analysis and Discussion of Financial Position and Operating Results

Recognition, analysis and discussion of operating results, etc.

During the current fiscal year, the Japanese economy has seen an improvement in business sentiment, with the Nikkei Stock average reaching a record high, despite rising prices due to prolonged yen depreciation. Improvements in employment and income conditions have led to a recovery in personal consumption and capital investment. While housing construction has remained flat and public investment has been steady, corporate earnings and business sentiment have shown an improving trend, with consumer prices rising moderately, indicating a gradual economic recovery despite some weak movements.
In the real estate industry, to which the Group belongs, land prices have risen, particularly in the three major metropolitan areas, due to the gradual economic recovery. In residential areas, housing demand in urban centers and regions with excellent living convenience has remained strong, leading to continued increases in land prices. In commercial areas, store demand has been on the rise, especially in central urban areas, and office demand has remained firm, indicating an upward trend in land prices.
Under these business conditions, the Group has been working towards achieving the management goals set forth in the three-year management policy formulated in November 2023 (for the fiscal years ending September 2024 to September 2026).

Analysis of operating results

Net sales

- Net sales increased by 147,378 million yen year on year to 1,295,862 million yen (up 12.8% year on year).
- This was mainly due to an increase in sales of 134,811 million yen in the newly established Meldia segment, which was created following the consolidation of Meldia Co., Ltd. as a subsidiary in the current consolidated fiscal year.

Cost of sales, gross profit

- Cost of sales increased by 158,817 million yen year on year to 1,088,944 million yen (up 17.1% year on year), while gross profit decreased by 11,439 million yen to 206,917 million yen (down 5.2%).
- Gross profit margin decreased by 3.0 percentage points to 16.0% (compared to 19.0% in the previous fiscal year).
- This was mainly due to the decrease in gross profit margin by 6.9 percentage points to 20.0% (26.9% for the previous fiscal year), driven by an increase in land purchasing and construction cost in the condominium business.

Selling, general and administrative expenses, operating profit

- Increased by 11,802 million yen year on year to 87,828 million yen (up 15.5% year on year).
- Selling, general and administrative expense ratio increased by 0.2 percentage points to 6.8% (compared to 6.6% in the previous fiscal year).
- This is mainly due to an increase in selling, general and administrative expenses of 9,291 million yen in the Meldia segment.
- Operating profit decreased by 23,241 million yen year on year to 119,088 million yen (down to 16.3%). The operating profit margin decreased by 3.2 percentage points to 9.2% (12.4% in the previous fiscal year).

Non-operating income and expenses, ordinary profit

- Increased by 6,711 million yen year on year to 9,152 million yen (up 274.9% year on year),
- This is mainly due to an increase of 5,558 million yen in gains on sales of investment securities, dividend income, and interest income combined. Non-operating expenses increased by 113 million yen to 7,957 million yen (up 1.4% year-on-year).
- As a result, ordinary profit decreased by 16,643 million yen to 120,283 million yen (down 12.2% compared to the previous consolidated fiscal year). The ordinary profit margin decreased by 2.6 percentage points to 9.3% (compared to 11.9% in the previous consolidated fiscal year).

Extraordinary income or loss, profit attributable to owners of parent

Due to the consolidation of Meldia as a subsidiary, the fair value of net assets at the time of business combination exceeded the acquisition cost, resulting in a negative goodwill gain of 12,766 million yen, which was recorded as extraordinary income.
Profit attributable to owners of parent increased by 871 million yen to 92,921 million yen (up 0.9% compared to the previous consolidated fiscal year). The net profit margin decreased by 0.8 percentage points to 7.2% (compared to 8.0% in the previous consolidated fiscal year).

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Management's Analysis and Discussion of Financial Position, Operating Results and Cash Flows

OPEN HOUSE GROUP

Objective indicators to assess the achievement of management policies, strategies and targets

The Group formulated a three-year management policy (from the fiscal year ending September 2024 to the fiscal year ending September 2026) in November 2023.
In this management policy, based on an assumed cumulative net profit of 250 billion yen over three years (revised upward to 250-260 billion yen in November 2024 due to steady business progress), the Group set a growth investment amount of 500 billion yen and a shareholder return amount of 100 billion yen over the three-year period.

The objective indicators used to assess the achievement of goals for the current consolidated fiscal year, which is the first year of this management policy, are as follows:

Indicators	Target for FY2024	Result for FY2024	Difference (+/-)
Equity ratio	35.0%	36.2%	+1.2pt
Net D/E ratio	1.0	0.4	-0.6
ROE	20%	21.1%	+1.1pt
Dividend payout ratio	20%	21.2%	+1.2pt

The Group exceeded all indicator targets.

Capital resources and funding liquidity

The main funding needs of the Group are for business sites, property acquisitions, construction funds, investment funds for business expansion, and working capital in each segment.
The sources for these funds include cash flows from operating activities, equity capital, interest-bearing debt such as borrowings from financial institutions and bond issuances, in addition to efforts to secure a wide range of funding methods appropriate for the intended use of funds.

Significant accounting policies and estimates

The Group's consolidated financial statements are prepared in accordance with accounting standards generally accepted as fair and appropriate in Japan.
In preparing these consolidated financial statements, the Group makes estimates and assumptions that affect reported amounts of assets and liabilities at the balance sheet date and those of income and expenses during the reporting period.
With respect to these estimates, the Group makes estimates by making assumptions and gathering information based on past experience and other reasonable factors under the circumstances. However, actual results may differ from these estimates due to the uncertainty inherent in these estimates.

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3. Sustainability

Approach to Sustainability and Initiatives

Statements regarding the future in this text are based on judgments made by the Group as of the end of the current consolidated fiscal year.

The Group promotes "sustainability" aimed at contributing to the realization of a sustainable society through its business activities while pursuing sustainable corporate growth. To achieve its corporate mission of "To thoroughly pursue the needs of our customers and deliver valuable real estate", the Open House Group aims for the following "Business Vision" and conducts activities and behaviors in line with its "Values". The Group has continued to practice this mission while working on its business with the mission of "providing affordable housing in urban areas." By continuing its mission amid changing times, the Group is practicing the creation of shared value that aims to balance social and business value. In addition, the Group is strongly aware of its social responsibility associated with business activities and its contribution to achieving the SDGs and is promoting initiatives through business activities to address issues related to the environment, society, and governance (ESG).

Governance (Promotion System)

The Group has established a Sustainability Committee consisting of directors, executive officers, and others. This committee, which operates under the supervision of the Board of Directors, identifies, and evaluates risks and opportunities related to sustainability, and collects and manages information regarding responses in each business divisions and group companies. Progress and results are reported to and discussed by the Sustainability Committee. Important matters discussed at the committee are then reported to the Board of Directors.
Additionally, in October 2024, the Group established a new Sustainability Promotion Department within the Corporate Planning Division. The Group will strengthen the promotion of sustainability and aim to further enhance corporate value.

Risk Management

As described previously, risk management is carried out through governance centered on the Sustainability Committee. Among the important sustainability issues newly established in the three-year basic policy as material issues, the Group is advancing initiatives including risk management related to "Governance and Compliance Reform" and "Contribution to Decarbonization".

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Approach to Sustainability and Initiatives

Strategy

Maximize the Value of Human Capital

The Group believes that to attain sustainable company growth, it needs to place importance on "human resources" as the most important capital in the company. The Group is strengthening the recruitment of talented individuals and continuously implementing educational training for employee skill development. As stated in its corporate philosophy, to realize "an organization that widely accepts motivated people and rewards results," the Group appoints human resources regardless of background and strives to develop human resources that will be the driving force of business growth and future management.

Demonstration of Ability and Wage Increases

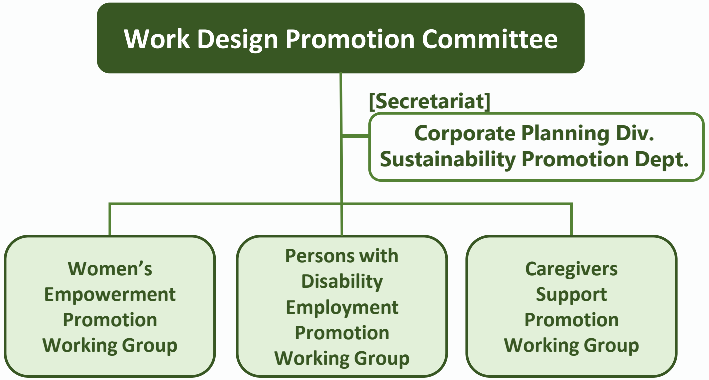
The Group conducts assessments for promotions four times a year to promote appropriate personnel. By designing a system that reflects results quickly, it strives to provide opportunities for prompt promotion and allowing each employee to maximize their abilities.

Health Management

The Group believes that maintaining and improving employee health contributes to organizational vitalization and productivity improvement and has established a health management promotion system with the representative director as the Chief Health Officer, setting health goals and implementing measures. In addition to hygiene management as required by law, the Group is working to expand welfare benefits that contribute to health management. The Group is also planning and implementing work style reform measures such as correcting long working hours. Through these efforts, it strives to create an environment where employees can maintain their health and continue to demonstrate high performance.

Promoting Diversity

The Group strives to respect the human rights of each employee and create an organization with a comfortable work environment that leverages diversity, regardless of attributes such as gender, age, nationality, or disability. To develop the initiatives that have been promoted by each department, centered on the Human Resources Department, into company-wide promotion, the Group established the Work Design Promotion Committee in April 2024. This committee has set "promotion of women's participation", "promotion of employment of people with disabilities", and "care support" as priority initiatives, and is advancing efforts to promote diversity as follows.



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Sustainability and Initiatives

Strategy

Women's Empowerment Promotion

The Group believes that to build sustainable careers for female employees, it is necessary to have systems and environments that can flexibly respond to changes in life stages such as pregnancy, childbirth, and child-rearing. Therefore, the Group has designed a support system that provides stage-appropriate support from before taking leave to after returning to work. As part of this, the Group has introduced an "Open Career Design System" that allows employees to choose their own working hours and number of holidays. In addition to these systemic efforts, the Group focuses on supporting long-term career development for women by conducting various training programs, primarily for younger employees.

Persons with Disability Employment Promotion

The Group aims to create a workplace where both people with and without disabilities can work comfortably. A department called the "Operation Center" was established specifically to support the active participation of people with disabilities. As of June 2024, the employment rate of people with disabilities is at 2.75%, which is 0.25 percentage points higher than the legally required employment rate of 2.5%. As a major initiative to acquire and promote the success of talent, the Company has opened three barrier-free designed offices, established a monthly paid leave system for hospital visits, and assigned five full-time support staff. Through these efforts, the Group is working to develop an environment and systems where people with disabilities can demonstrate stable performance.

Caregivers Support Promotion

In Japan, with the progression of an aging society and nuclear families, the number of households with individuals requiring nursing care is increasing. As a result, it is expected that more people will find it difficult to balance work and caregiving, even if they want to work. Therefore, the Group has established consultation services and various systems and environments to enable employees facing caregiving responsibilities to work with peace of mind for a long time while balancing work and caregiving.

Childcare Support

In addition to the priority initiatives set by the Work Design Promotion Committee, the Group believes that children, who will lead the next generation, are the most important treasure in realizing a sustainable society. Additionally, since the majority of the Group's employees are of the child-rearing generation, it is placing particular emphasis on childcare support. The Group has implemented multiple economic support measures, such as childbirth gifts of "1 million yen worth of baby bonus" and "allowances for single parents," as well as "shared use of company-led childcare facilities." Going forward, the Group will continue to aim for sustainable enhancement of corporate value by supporting the improvement of employees' lives and work environment, thereby encouraging them to demonstrate their abilities.

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Sustainability and Initiatives

Goals and Indicators

Regarding the goals and indicators related to human capital in the Group, it has set a target in the "Open House Group Declaring Promoting Women's Empowerment" to increase the ratio of female managers in the four main companies (*1) to 10% by the fiscal year ending September 2025. As of the end of September 2024, the ratio stands at 8.44%.

(*1) Open House Group Co., Ltd., Open House Co., Ltd., and Open House Development Co., Ltd., Open House Real Estate Co., Ltd.

Governance and Compliance Reform

The Group has exceeded sales of 1 trillion yen in the fiscal year ending September 2023, recognized the importance of strengthening the governance and compliance system to suit its corporate scale. To this end, the Group has implemented governance and compliance reform initiatives, identified potential issues, received advice and verification from external experts, and continuously working to strengthen the system. These initiatives targeted Open House Co., Ltd., Open House Development Co., Ltd., Open House Architect Co., Ltd., and HAWK ONE CORPORATION.

Governance

The Group Transformation Promotion Headquarters was established as an organization directly under the President and CEO, who serves as the Head of the Headquarters. Composed of representatives from relevant departments, it operates from a cross-organizational perspective without being bound by company restrictions.

Risk Management

The Group conducted compliance risk assessments to identify governance and compliance issues. This assessment was conducted by the Risk Assessment Group in cooperation with an outside expert law firm.

Strategy

The Risk Assessment Group, with the support of outside experts, identifies organizational governance issues and legal issues within the Group, who then reports and submits these issues to the Group Transformation Promotion Headquarters. Based on given instructions, the Transformation Promotion Group will then formulate reformation policies, review systems and processes, present improvement measures, and work to ensure that they are thoroughly disseminated throughout the Group. The Main Contact for Customer Service Inquires serves as the point of contact for inquiries and complaints for the entire Group and takes the lead in resolving issues identified by customers. The knowledge gained through this process is then transferred to business departments to implement improvement measures for customer satisfaction.

Goals

The Group implemented the following measures to strengthen its governance and compliance systems, including measures that had already begun.

- Pursuit of long-term customer satisfaction
- Strengthening the quality control system in the construction of single-family homes
- Reformation of organizational culture
- Harassment prevention training
- Expansion of internal reporting system
- Establishment of a system to strengthen subsidiary governance

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Sustainability and Initiatives

Results of Initiatives

i. The Main Contact for Customer Service Inquires

Previously, customer inquiries within the Group were handled by separate desks for single-family homes purchases, condominium purchases, and design consultations depending on the nature of the inquiry. To improve customer convenience and satisfaction, "The Main Contact for Customer Service Inquires" was established on April 1, 2024, where all inquiries can be made at a single point of contact.

ii. The Group Transformation Promotion Headquarters

The Group Designated departments responsible for improving issues identified through the Compliance Risk Assessment conducted by the Risk assessment Group. These departments will take the initiative in implementing improvements.

iii. Risk Assessment Group

Nagashima Ohno & Tsunematsu Law Office was commissioned to conduct a Compliance Risk Assessment targeting "Power Harassment Risks and Prevention Systems," "Key Contract Contents and Contract Management Systems," and "Compliance Systems for Ordering and Construction Management."
They also conducted a review of the recruitment process flow and developed manuals.

Future Plans

The Group was able to identify issues and establish a path for improvement through the activities of the Group Transformation Promotion Headquarters, this headquarters has been disbanded.
Going forward, the departments responsible for improvements will promote efforts to address each issue, and the Risk Management Committee will oversee the progress of these efforts by each responsible department.

Sustainability and Initiatives

Contribute to Decarbonization (Disclosure in Line with TCFD Reduction)

The Company announced its support for the ''TCFD'' (*2) recommendations in January 2021, and since joining the ''TCFD Consortium'' (*3), recognizing the urgency needed to respond to climate change, it conducted a scenario analysis regarding the impact of climate change on the Group's mainstay single-family home related business (*4).

(*2) "TCFD (Task Force on Climate-related Financial Disclosures)"
An initiative established by the Financial Stability Board (FSB) in response to the wishes of G20 Finance Ministers and Central Bank Governors. Recommending the assessment and disclosure of the financial impact of climate change risks and opportunities.

(*3) "TCFD Consortium"
An organization established to discuss the efforts of companies, financial institutions, etc. that express their support for TCFD recommendations to promote their efforts in unison and to effectively disclose corporate information and to link disclosed information to appropriate investment decisions by financial institutions, etc.

(*4) Single-family homes related business:
The Group has conducted a scenario analysis of the single-family homes related business operated by Open House Co., Ltd. and Open House Development Co., Ltd.

(i)Governance

The Group positions the Sustainability Committee as the body to consider climate change issues, and it examines responses to various challenges related to climate change. The Board of Directors supervises the Sustainability Committee and conducts reporting and deliberation on important policies and matters.

(ii)Risk management (system)

The Group formulates basic policies on environmental issues and manages climate change-related risks through the Sustainability Committee. The Sustainability Committee identifies issues for the Group by exchanging information with external experts and monitoring trends in climate response in Japan and globally.
It also consults with group companies and business divisions on necessary measures and monitors their progress. Regarding GHG emission reduction targets, the Sustainability Committee manages progress and continues to consider further raising targets. The Group has established a system to appropriately address the risks and opportunities associated with climate change, which are becoming more diverse, widespread, and severe, by reporting climate change-related issues and progress of initiatives from the Sustainability Committee to the Board of Directors.

(iii)Strategy

The Group has identified risks and opportunities presented by climate change envisioned for 2030 for its mainstay single-family homes related business. It also analyzed the financial effects based on two scenarios envisioned by the Intergovernmental Panel on Climate Change ("IPCC") and considered future response policies as follows.

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Sustainability and Initiatives

Scenario analysis assumptions (definitions)

		(i) 1.5°C scenario	(ii) 4°C scenario
Transition risk	Risks and opportunities associated with changes in policies, rules, technologies, the market, customer preferences, etc. during the transition period to a low-carbon society.	Strict global climate change policies are thoroughly implemented, succeeding in limiting global warming. As a result, the average temperature in 2050 will only rise by 1.5°C compared to before the Industrial Revolution in the 18th century.	Despite various calls for attention to global warming, the world's nations are unable to cooperate, and strict policies are not introduced. As a result, global warming progresses further, the average temperature will rise by 4°C, and natural disasters become more severe and frequent.
Physical risk	The acute risk such as natural disasters becoming more severe and frequent due to climate change, and the chronic risk such as rising average temperatures and abnormal weather.		

Results of scenario analysis

1.5°C scenario
In the 1.5°C scenario, the transition risk of introducing a carbon tax and mandating solar panels is seen as the main factor pressuring earnings. However, winning new customers by providing homes with a low environmental impact is an opportunity for earnings. In terms of the physical risk, the risk from natural disasters, etc. is negligible. Overall, the Group has concluded that the financial effects of this scenario are limited.

4°C scenario
In the 4°C scenario, the Group has concluded that there is no significant transition risk. In terms of physical risk, the single-family homes related business is a short-flow business. Because of this, by increasing the sensitivity to changes in the external environment such as intensifying natural disasters, it can reduce risks and have concluded that there are no significant financial effects in this scenario.

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Sustainability and Initiatives

	Risks and opportunities/Items	Effects	Financial effects 1.5℃	Financial effects 4℃
Transition risk・Opportunity	[Risk] Carbon tax introduction	Rising procurement costs of materials, etc. from the introduction of the carbon tax (Rising construction contracting costs)	↓	－
		Rising fuel costs for company vehicles from the introduction of the carbon tax	↓	－
		Rising electricity usage costs from the introduction of the carbon tax	↓	－
	[Risk] Mandated installation of solar panels	Rising costs (0% pass-through rate to sale price) from the mandated installation of solar panels	↓	－
	[Opportunity] Rising demand for homes with a low environmental impact	Increased earnings with the provision of homes with a low environmental impact (ZEH Oriented)	↑	－
Physical risk	[Risk] Effects of intensifying typhoons and floods	Increased costs due to reduced productivity of construction workers from severe heat	↓	↓
	[Risk] Increased negative health effects from severe heat (heatstroke, etc.)	Decreased earnings from reduced sales efficiency of sales staff from severe heat	↓	↓

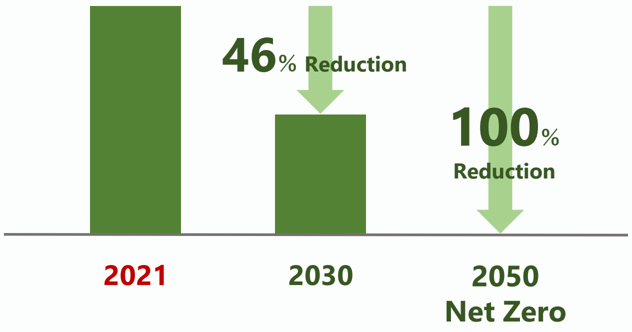
↑/↓: absolute value of ¥1 billion or more and less than ¥5 billion
Not applicable: absolute value of ¥100 million or more and less than ¥1 billion
↑ / ↓: absolute value of ¥10 million or more and less than ¥100 million
－: no financial effect, or an absolute value of less than ¥10 million

Metrics and targets

Based on the results of the scenario analysis, to reduce the risks from climate change, the Company set medium- to long-term GHG emission reduction targets for the first time in November 2021 and added Scope 3 to its targets in October 2022. In September 2024, the Group expanded the scope of GHG emissions calculations to consolidated basis (excluding overseas operations, etc.) and set the base year for targets as fiscal year 2021. The Group will continue to promote the "Open House Group Decarbonization Project" to achieve its goals.

GHG (greenhouse gas) emission reduction targets

(Scope 1, 2, 3 intensity compared to 2021)



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4. Business Risks

Business Risks etc.

The main matters considered to be potential risks regarding business development and other aspects of the Group are described below. In addition, from the perspective of active information disclosure to investors, the Group also discloses matters that, while they do not necessarily constitute those kinds of risk factors, are considered important for investors in making investment decisions. Forward-looking statements in this document are based on the judgment of the Group as of the end of the fiscal year ended September 30, 2023.

1. Management Environment Surrounding the Business

i. Impact of economic trends and interest rate trends, etc.

- Corporate results in the real estate industry to which the Group belongs are closely related to changes in macro-economic factors such as trends in economic conditions, interest rate levels, land value levels, and foreign exchange markets.
- For this reason, economic and political circumstances such as real estate market conditions, trends in home loan interest rates and increase of consumption tax, population trends, and real property tax system reforms, as well as psychological trends in prospective home buyers, have the potential to impact on the Group’s business performance and the development of its business.

ii. Concentration of business areas in the Tokyo metropolitan area and the impact of competition, disasters, etc.

- The Group is centered in the Tokyo metropolitan area, where, in addition to real estate brokerage, it engages in the sale of new single-family homes, new condominiums, and property resale and in built-to-order houses.
- Given the high demand for homes and property resale in the Tokyo metropolitan area, there are many competitors, and there is potential for that competition to further intensify in the future. In recent years business have expanded into the Nagoya, Fukuoka, and Kansai areas, where there are competition with other companies.
- In the event of a relative decline in the Group’s ability to procure land and its selling power or a sharp drop in demand due to price fluctuations as a result of factors such as the impact of competitors who have more competitive advantages in terms of purchasing power, selling power, and brand power compared to the Group, there may be an impact on the Group’s business performance and the development of its business.
- Additionally, because the Group conducts its business activities in urban areas, mainly in the Tokyo metropolitan area, it is particularly susceptible to the impact of population trends, geographical changes, changes in average income, regional economic conditions, and real estate market conditions in the Tokyo metropolitan area and other cities. Such factors have the potential to have an adverse impact on the business, business performance, and financial position of the Group.
- Further, if an earthquake, typhoon, or other disaster were to occur in a region in which the Group conducts its business, in addition to damage to people and property, there are risks of delays in works and the inability to conduct development or sales, the risk of a fall in the value of real estate, the risk of costs required for repairs, etc., and other adverse impacts on the business, business performance, and financial position of the Group.

iii. Regarding the spread of infectious diseases

- The novel coronavirus infection is reclassified as a Class 5 infectious disease under the Infectious Diseases Control Law, reducing the risk of economic activity stagnation due to its spread. However, if an infectious disease with no treatment methods established were to spread in the future, it could have a significant adverse effect on the Group's business, performance, liquidity, and financial condition.
- In the event of a relative decline in the Group’s ability to procure land and its selling power or a sharp drop in demand due to price fluctuations as a result of factors such as the impact of competitors who have more competitive advantages in terms of purchasing power, selling power, and brand power compared to the Group, there may be an impact on the Group’s business performance and the development of its business.
- Moreover, as a preventive measure against infection, activities may be restricted for the Group, customers, subcontractors, suppliers, and partners, potentially hindering the strength in sales activities and disrupting supply chains. Additionally, there is no guarantee that infection prevention measures will be effective, and if these measures fail, it could adversely affect the Group's business activities and execution of business plans.
- While the Group considers the spread of new infectious diseases as a potential new business opportunity, there is no guarantee that such opportunities will continue in the future.
- It should be noted that the ultimate overall impact of such infectious diseases on the Group is extremely uncertain and difficult to predict, as it depends on future developments such as when the infectious disease will be contained. Depending on the extent of the impact, it may adversely affect the Group's business, performance, liquidity, and financial condition.

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Business Risks etc.

2. Land Procurement, Purchasing of Timber and Building Materials, etc., and Personnel

- The Group procures land primarily for properties in the Tokyo metropolitan area and other urban locations, and the cost of such procurement accounts for a major proportion of development costs.
- However, due to external factors beyond the Group's control, such as shortage of supply of properties in those areas, there is potential for procurement prices to rise sharply.
- In addition, the newly built single-family homes offered by the Company's consolidated subsidiaries, use timber, building materials, and other raw materials.
- Further, there is potential for sharp rises in the personnel expenses for construction work due to factors such as labor shortages in the construction industry.
- If it is difficult to pass these cost increases onto selling prices, there is potential for serious adverse impacts on the business performance of the Group.

3. Business Strategy

- The Group is engaged in various initiatives under its declared business strategies aimed at growth. However, there are uncertainties inherent in future business performance and market environments, and it is possible that, due to many and varied factors, the Group's business strategies will fail and be forced to make changes to those strategies.
- For example, the Group has a policy of opening sales offices in the Tokyo metropolitan area and Nagoya, Fukuoka, and Kansai areas, where the Group conducts its single-family home-related business,
- based on a comprehensive assessment of factors such as the suitability of the location of the prospective site where the office would be opened, competitors' movements, unique characteristics of the area, and profitability.
- If the Group is unable to find properties that meet its criteria for opening offices and progress is not made in new office openings, this has the potential to impact on the business performance and business development of the Group.

4. M&A

- The Group conducts M&As, including the acquisition of companies, strategic equity investments, and partnerships, as part of its business expansion strategy, and it will continue to pursue this strategy into the future. However, going forward, there is no guarantee that suitable prospective target companies matching the Group's business strategy will be found or that the Group will be able to conduct M&As on appropriate terms and conditions with such prospective target companies.
- **Meldia was made a wholly owned subsidiary in November 2023, but there are various risks involved even when such M&As are conducted.**
  - business integration with the target does not proceed as planned
  - synergies do not eventuate
  - resources expended on the work required for the M&A hinder the Group's regular business activities
  - an exodus of the target company's talented personnel
  - target is unable to operate at the same level of compliance as the that of the Group
  - misjudgments in the assessment of the target company's value
  - large amounts of goodwill will be recorded that may become the target of future impairment
  - the Group's liabilities related to the M&A will increase
- If the Group acquires only a non-controlling interest in the target company, there is a risk that it will not be able to supervise or control the management of the target company effectively and that the target company will not implement management policies and business strategies that the Group considers appropriate for realizing the effectiveness of the strategic investment.
- In such cases, there is a possibility of adverse impact on the business, business performance, and financial position of the Company.
- There is a further risk that the existence of a partnership with a certain partner will restrict the freedom of the Group to collaborate with other prospective partners in the future.
- In addition, **PRESSANCE CORPORATION Co., Ltd., which was made a consolidated subsidiary in January 2021**, continue to be listed, as the Company believes that the independence of their management should be respected.
- At the same time, while aiming for the realization of synergies with both companies, the Company must, as the parent company, encourage the improvement and enhancement of their corporate governance and internal control systems, and there is a risk that such initiatives may not proceed as planned. As a result of these kinds of risks, depending on the circumstances, there is a possibility of impact on the business performance and financial position of the Group.

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Business Risks etc.

5. Dependence on Interest-Bearing Debt

- The Group's funds for the acquisition of land and properties for business and its working capital are primarily covered by loans from financial institutions.
- As of the end of the fiscal year under review (September 30, 2024), the balance of the Group's consolidated interest-bearing debt was 611,771 million yen, an increase of 36,634 million yen from the end of the previous fiscal year (September 30, 2023).
- Interest-bearing debt accounted for 47.7% of total assets.
- Changes in current interest rate levels have the potential to impact business performance.
- In addition, if the Group were unable to procure sufficient funds for some reason, such as sudden changes in monetary conditions, this has the potential to impact on the business performance, financial position, and business development of the Group.

6. Protraction of Timing of Recognition of Revenue in Real Estate Development

- In the real estate sales business in which the Group is engaged, a considerable length of time is required from the procurement of land until the sale to general consumers, and large investments are required on multiple occasions during that period.
- There is potential for unexpected time and cost requirements during the period until sale to general consumers due to external factors beyond the Group's control, such as sharp rises in raw material prices, labor shortages, and changes in customer demand.
- In addition, if, due to delays in development, the Group is forced to hold onto inventory for longer than initially planned.
- If market conditions deteriorate in that time, as well as the possibility that this could lead to the recording of losses on valuation of inventory assets, there is potential for delays in revenue recognition, which could have a serious adverse impact on the business performance and financial position of the Group.
- Further, if development cannot be completed according to initial plans, there is a risk that the Group's credibility could be damaged and that liability toward customers could be incurred.

7. Inventory

The Group is engaged in the real estate sales business and records real estate for sale and real estate for sale in progress as inventory assets. The situation as of the end of September 2024 is as follows.

Breakdown of real estate for sale and real estate for sale in progress

Items	Real estate for sale (¥ million)	Real estate for sale in progress (¥ million)
Single-family homes related	70,275	163,626
Condominiums	17	89,766
Property resale	49,103	23,767
Others	33,851	17,000
PRESSANCE CORPORATION CO., Ltd	23,897	162,793
Total	21,276	28,802

- There is a risk that the real estate value of the inventory assets owned by the Group could fall due to various factors.
- In addition, if it is difficult to sell at the prices envisaged by the Group, the Group may take measures to promote sales by lowering selling prices for the purpose of mitigating inventory risk.
- If the decrease in profits and losses on valuation of inventory assets becomes significant as a result of such measures, this has the potential to impact on the business performance and financial position of the Group.

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Business Risks etc.

8. Subcontracting Management

- In the construction of new single-family homes, in principle, the Group divides up and places orders with subcontractors for operations, excluding construction supervision work (management of quality, safety, processes, and costs).
- Also, in the condominium construction business, the majority of work, including construction supervision work, is outsourced to construction companies.
- Because the Group depends on subcontracting for the majority of its construction operations, if it is unable to secure sufficient subcontractors, if there are problems with the quality of the construction work of a subcontractor, or if financial difficulties and construction delays occur at a subcontractor, this has the potential to impact the business performance and financial position of the Group.
- Because the Group depends on subcontracting for the majority of its construction operations, if it is unable to secure sufficient subcontractors, if there are problems with the quality of the construction work of a subcontractor, or if financial difficulties and construction delays occur at a subcontractor, this has the potential to impact the business performance and financial position of the Group.

9. Securing Human Resources

- The Group intends to continue to develop its business with a focus on the single-family home-related business.
- To provide products and services of good quality that meet customer needs, a key management challenge will be to provide education and training of human resources, who have high potential and who are able to make product proposals that will satisfy customers, and to put those human resources on the front lines.
- With the future expansion of its business, the Group intends to actively recruit large numbers of talented human resources.
- If the Group is unable to secure enough human resources, if there is an exodus of human resources currently at the Group, or if the costs of securing human resources rise, this has the potential to impact business development and business performance.

10. Warranty Against Defects and Contract Non-Conformity Warranty

Pursuant to the Housing Quality Assurance Act, the Group bears a ten-year warranty against defects or a contract non-conformity warranty for the main parts of the structure of newly-built homes and for the prevention of penetration of rainwater. In the unlikely event that there is a serious defect in a property sold by the Group, even if the direct cause of the defect is the fault of a party other than the Group, the Group may bear the responsibility for that defect as the vendor. In such an event, increases in the costs of guarantee work and the decline in the Group's credibility have the potential to impact the business performance, financial position, and business development of the Group.

11. Statutory Regulations

The Group is subject to a variety of statutory regulations in the management of its business. These include the Real Estate Brokerage Act, the Building Standards Act, the City Planning Act, the Construction Business Act, the National Land Use Planning Act, the Money Lending Business Act, and environmental regulations.

The Group strives to comply with the various criteria for obtaining permits and licenses under laws and ordinances and with the provisions of the relevant laws and regulations, and there are no circumstances at present that would lead to the cancellation of any of these permits and licenses. Going forward, if the relevant laws are revised or abolished or new statutory regulations are established, or if the Group has been unable to comply with these regulations, including laws and ordinances, this has the potential to impact the business performance and business development of the Group.

12. Management of Personal Information

In each of its businesses, the Group holds information about potential customers, information about customers with whom the Group has transacted, and other personal information obtained through the Group's businesses, and is subject to regulations governing such information, including the Act on the Protection of Personal Information.

Individual Group companies that hold such personal information manage it with meticulous care. However, in the unlikely event of an incident such as an external leak, compensation for damages, the loss of social credibility and other consequences have the potential to impact the business performance and business development of the Group.

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5. Corporate Governance

Information on Corporate Governance, etc.

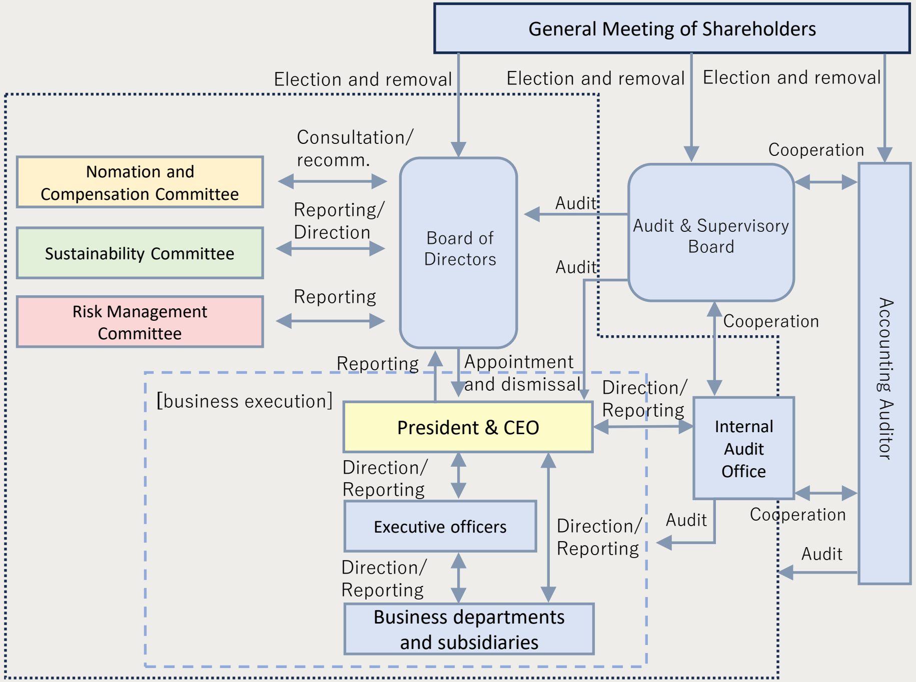
Basic Approach to Corporate Governance

The Company recognizes the development and promotion of a corporate governance system as one of the important management issues to realize sustainable growth of the Group and enhance corporate value over the medium to long term, under our corporate mission of "To thoroughly pursue the needs of our customers and deliver valuable real estate." Based on this recognition, the Company has formulated and disclosed the "Corporate Governance Basic Policy" which outlines the basic approach and fundamental policies regarding corporate governance for the Group, and have this disclosed on the corporate website.
The Company has positioned the "Basic Policy on Corporate Governance" as the highest norm for corporate governance of the Group and will practice management based on this Basic Policy while fully considering the purpose and background of the Corporate Governance Code.

Overview of corporate governance structure and reasons for adoption of this structure

■ **Overview of corporate governance structure**

The Company's corporate governance structure is as follows:



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Information on Corporate Governance, etc.

Board of Directors and Executive Officer

With Masaaki Arai, President & CEO, as the Chairman, the Board of Directors of the Company consists of a total of nine Directors, of which six are inside Directors (Masaaki Arai, Kazuhiko Kamata, Kotaro Wakatabi, Ryosuke Fukuoka, Hiroshi Munemasa and Kenta Kikuchi) and three are Outside Directors (Hitoshi Ishimura, Yuko Omae and Maoko Kotani). As a management decision-making body, the Board of Directors deliberates and makes decisions on management policies and other important management matters based on the Board of Directors Rules and supervises the execution of duties by Directors. In addition to regular meetings held once a month, the Board of Directors holds meetings as needed and has lively discussions over various matters related to the Company's business activities.

The Company's Articles of Incorporation limit the number of Directors to the minimum necessary from the perspective of pursuing swift decision making and full management function of the Board of Directors simultaneously. The Board of Directors supports swift and decisive decision-making by senior management based on this structure.

Furthermore, the Board of Directors, in accordance with laws and regulations, makes decisions on important management matters and supervises business execution, while also periodically monitoring the development and operational status of the internal control system. In the fiscal year ending September 2024, the Board of Directors met 17 times and engaged in active discussions on a wide range of topics including business strategy, capital policy, fundraising, internal regulations development, and sustainability.

Audit & Supervisory Board

With Megumi Koyama, Full-time Audit & Supervisory Board Member, as the Chairman, the Audit & Supervisory Board consists of one Inside Audit & Supervisory Board Member (Megumi Koyama), and two Outside Audit & Supervisory Board Members (Koichi Matsumoto and Shoko Sasaki). In addition to a regular monthly meeting, meetings are held on a needed basis. Full-time Audit & Supervisory Board Member Megumi Koyama and Audit & Supervisory Board Member Koichi Matsumoto have extensive knowledge of finance and accounting.

The Audit & Supervisory Board Members conduct audits of the directors' execution of duties based on an independent position from the directors, in accordance with the audit policies and audit plans formulated and established at the Audit & Supervisory Board at the beginning of the fiscal year. This is done through attending Board of Directors meetings and hearing reports on management conditions from directors and others. Additionally, they strive to strengthen the audit function of the Audit & Supervisory Board Members by complementing operational audits and accounting audits through information exchange, sharing of awareness, and cooperation with the Internal Audit Department and Accounting Auditors.

Further, the Audit & Supervisory Board Members assess the appropriateness of the Accounting Auditor in accordance with the "Standards for Appointment and Evaluation of Accounting Auditor," and determines the details of a proposal concerning matters including the election of the Accounting Auditor to be submitted at the General Meeting of Shareholders.

In the fiscal year ending September 2024, the Audit & Supervisory Board Members met 13 times, focusing on discussions and exchanges of opinions on corporate governance and internal control.

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Information on Corporate Governance, etc.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of three members, chaired by Outside Director Hitoshi Ishimura, Outside Director Yuko Omae and Senior Managing Director Kotaro Wakatabi, and the purpose of the Committee, which the Company established voluntarily, is to contribute to the enhancement of corporate governance in the Group as a whole.
In addition to deliberating on the nomination of key executives and employees of the Group, the Nomination and Remuneration Committee is authorized to decide on the amount of compensation, etc. for individual Directors of the Company, and it supplements the decision-making by the Board of Directors from an objective stance that is somewhat removed from the execution of the Company's business.
In the fiscal year ending September 2024, 5 meetings were held and based on the Nomination and Remuneration Committee Regulations, deliberated and considered matters such as the remuneration amount for individual directors and the appointment and dismissal of key officers.

Internal Audit Division

The Internal Audit Division (seven staff members), which is placed directly under the President, conducts internal audits on the legality and appropriateness of the operation of internal systems and business executions in all aspects of management, in accordance with an internal audit plan and other such documents drawn up and formulated at the beginning of the fiscal year.
In principle, the Internal Audit Division conducts internal audits of all departments of the Group and reports the results to each group company's president & representative director and departments subject to the audits.

The Internal Audit Division also gives improvement instructions to departments subject to the audits and monitors their improvement on an ongoing basis. Furthermore, the Internal Audit Division strives to strengthen its internal audit function by supplementing internal audits through information exchange, shared recognition and cooperation with Audit & Supervisory Board Members and the Accounting Auditor.

Accounting Auditor

The Company has appointed Deloitte Touche Tohmatsu LLC as its accounting auditor, and certified public accountants affiliated with this audit firm conduct fair audits based on the Companies Act and the Financial Instruments and Exchange Act.
The Accounting Auditor reports the audit plans and audit results to the Audit & Supervisory Board Members and Internal Audit Division as needed to ensure cooperation within the tripartite audit system.

Reasons for Adoption of This Structure

The Company believes that swift decision-making is especially important in appropriately adapting to the business environment surrounding the Group and consistently enhancing its corporate value. The Company adopts the current corporate governance structure from the perspective of ensuring the transparency and fairness of management by establishing an objective and neutral management monitoring function while enabling flexible decision-making by considering the Group's business size and business plans.

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Information on Corporate Governance, etc.

OPEN HOUSE GROUP

Renumeration for Officers

Matters related to the determination of remuneration amount for officers and/or the calculation method.

Details of the policy on the determination of remuneration amount for officers and/or the calculation method and the determination method thereof.＊

Renumeration of Directors

- Consists of fixed remuneration, performance-based remuneration, and stock-based remuneration. Outside directors' monetary remuneration is not determined based on performance evaluation from the standpoint of their role and independence.
- Furthermore, outside directors do not receive stock remuneration.

Fixed Renumeration

- The Company has adopted a policy of formulating and determining a remuneration table according to the position, duties, skills, responsibilities, etc. of each director for the current fiscal year.

Stock Renumeration

- The Company has adopted a policy granting stock compensation-type stock options annually, with the amount equivalent to 10% of their monetary remuneration.
- This allows directors to share the benefits and risks of stock price fluctuations with shareholders and further enhance motivation to contribute to medium to long-term corporate value improvements.

Note＊ The Company revised its policy on decisions regarding individual directors' remuneration, etc., at the Board of Directors meeting held on January 19, 2023.

Performance-based Remuneration

- the company aims to improve directors' motivation for performance by immediately reflecting the previous period's results in the current period's compensation.
- The Company has established that the performance indicator used for performance-based compensation is the ordinary profit from the previous consolidated fiscal year.
- Additionally, the Company considers the achievement status of financial indicators in the medium-term management plan, areas of responsibility, positions, and duties to ensure that the compensation is not overly focused on short-term performance.
- The Company has adopted a policy that limits the total amount of performance-linked compensation for all directors to a maximum of 1% of consolidated ordinary profit.

The amount of individual remuneration

- Determined by the Nomination and Remuneration Committee, of which the majority is outside directors.
- Upon delegation from the Board of Directors, in accordance with the remuneration determination policy determined by the Board of Directors after deliberation by the Nomination and Remuneration Committee.

Remuneration for Audit & Supervisory Board Members

- Consists of monetary remuneration.
- The amount of remuneration is determined in discussions among Audit & Supervisory Board Members within the maximum limit of the total amount resolved at the General Meeting of Shareholders.

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Information on Corporate Governance, etc.

Renumeration for Officers

Continued.

Policy on Determining the Remuneration Amount for Officers or The Calculation Method by Position

- Regarding remuneration for officers, the Company classifies directors into two categories: executive directors and non-executive directors, a fixed remuneration table is formulated and determined for each category.
- Executive directors receive fixed-remuneration, performance-based remuneration and stock-based remunerations, while non-executive directors receive fixed-remuneration only.
- Audit & Supervisory Board Members are classified into two categories: full-time Audit & Supervisory Board Members and part-time Audit & Supervisory Board Members, and specific amounts of remuneration, etc., are determined within predetermined upper limits for each category.

Details of Resolutions on Remuneration for Officers at the General Meeting of Shareholders

a. The following details were resolved, regarding remuneration for directors, at the general meeting of shareholders. The number of directors is stipulated in the articles of incorporation to be 12 or less.

i. The total remuneration for directors per fiscal year shall not exceed 2,000 million yen per year (of which, the amount for outside directors shall not exceed 200 million yen per year. However, this excludes the salary of directors who concurrently serve as employees). (26th Ordinary General Meeting of Shareholders to held on December 21, 2022)

ii. Separately from i, directors (excluding outside directors) are to receive remuneration related to stock acquisition rights as stock options within 300 million yen per fiscal year, and the number of stock acquisition rights is 1,200 (The number of shares for each stock acquisition right shall be limited to 100 shares). (26th Ordinary General Meeting of Shareholders held on December 21, 2022)

b. The remuneration for Audit & Supervisory Board Members was resolved at the 7th Ordinary General Meeting of Shareholders held on December 25, 2003, that the remuneration would be no more than 100 million yen per year. The number of Audit & Supervisory Board Members is stipulated in the articles of incorporation to be no more than four.

Policy and Decision-Making Method Regarding the Amount of Remuneration, etc. for Officers or the Calculation Method Thereof.＊

Remuneration etc., for Directors.

- "ESG third-party evaluation" will be added as one of the evaluation indicators in performance-based remuneration.
- In order to effectively and efficiently execute the business under their supervision, the Company's directors may concurrently serve as directors of subsidiaries, and in such cases, the subsidiary may pay or bear the remuneration, etc. In such cases, the Nomination and Remuneration Committee, which is delegated by the Board of Directors, will resolve on both the total amount of individual remuneration for the Company's directors (including remuneration paid or borne by subsidiaries) and the amount borne by the Company out of the total remuneration.

* The Company resolved to change the content of this policy at the Board of Directors meeting held on September 13, 2024.

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Information on Corporate Governance, etc.

Renumeration for Officers Continued.

Remuneration Amount for Officers

Total amount of remuneration by officer category, total amount of remuneration by type of remuneration and the number of eligible officers.

Officer category	Total amount of remuneration (¥ Millions)	Amount of consolidated remuneration by type of remuneration (¥ Millions)			Number of eligible officers (Persons)
		Fixed remuneration	Performance-based remuneration	Share-based remuneration	
Director (excl. Outside Directors)	1,302	441	700	161	6
Outside Officer	91	91	—	—	6

Notes:

1. The above table includes one Outside Audit & Supervisory Board Member who retired at the conclusion of the 27th Annual General Meeting of Shareholders held on December 20, 2023.
2. Regarding the remuneration of directors for the current consolidated fiscal year, the Nomination and Compensation Committee, having been delegated authority by the Board of Directors, made decisions in line with the remuneration policy previously determined by the Board of Directors after deliberation by the Nomination and Compensation Committee. The reason for delegating this authority is to enhance fairness and objectivity by having the Nomination and Compensation Committee, which consists of a majority of outside directors, determine remuneration from an objective standpoint somewhat removed from the company's business execution. The committee is composed of three members: Outside Director Hitoshi Ishimura as chairman, Outside Director Yuko Omae, and Senior Managing Director, CFO and Head of Corporate Planning Division Kotaro Wakatabi. The remuneration for Audit & Supervisory Board Members is determined through discussions among the auditors.
3. The target figure for the indicator related to the remuneration paid in the current fiscal year was the budgeted consolidated ordinary profit of 120,000 million yen for the fiscal year ending September 2024, while the actual figure was the consolidated ordinary profit of 120,283 million yen for the fiscal year ending September 2024.
4. Fixed remuneration and performance-based remuneration consist of monetary remuneration, and stock remuneration consists of restricted stock remuneration and stock remuneration-type stock options.
5. In addition to the above, the Company covers the rent for company housing of one Directors. The amount covered in the fiscal year ended September 30, 2024, was 6 million yen.

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Information on Corporate Governance, etc.

Renumeration for Officers Continued.

Remuneration Amount for Officers

Total amount of remuneration by officer category, total amount of remuneration by type of remuneration and the number of eligible officers.

Name	Total amount of remuneration (¥ Millions)	Officer category	Company category	Amount of consolidated remuneration by type of remuneration (¥ Millions)		
				Fixed remuneration	Performance-based remuneration	Stock remuneration
Masaaki Arai	672	Director	Reporting entity	180	420	72
Kazuhiko Kamata	292	Director	Reporting entity	81	171	40
Kotaro Wakatabi	242	Director	Reporting entity	63	147	32
Ryosuke Fukuoka	112	Director	Reporting entity	36	60	15

Notes:
1. The above table only includes those who received consolidated remuneration of 100 million yen or more.
2. Fixed remuneration and performance-based remuneration consist of monetary remuneration, while stock remuneration consists of restricted stock remuneration and stock remuneration-type stock options
3. In addition to the above, the Company covers the rent for company housing of one Director. The amount covered in the fiscal year ended September 30, 2024, was 6 million yen.

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6. Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Balance Sheets

(¥Millions)

	End of FY2023 (as of September 30, 2023)	End of FY 2024 (as of September 30, 2024)
Assets		
Current assets		
Cash and deposits	401,879	409,957
Trade accounts receivable and Contract assets	4,776	19,048
Real estate for sale	147,857	198,422
Real estate for sale in process	493,398	485,757
Operating loans	49,301	64,530
Other	34,105	21,702
Allowance for doubtful accounts	(549)	(815)
Total current assets	1,130,769	1,198,602
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,012	9,785
Accumulated depreciation	(2,426)	(3,638)
Buildings and structures, net	4,585	6,147
Real estate for rent	21,975	22,354
Accumulated depreciation	(1,444)	(1,815)
Real estate for rent, net	20,530	20,538
Land	2,278	3,039
Other	2,521	3,737
Accumulated depreciation	(1,459)	(2,240)
Other, net	1,061	1,496
Total property, plant and equipment	28,456	31,221
Intangible assets	2,690	2,493
Investments and other assets		
Investment securities	20,955	33,371
Deferred tax assets	8,345	8,671
Other	7,468	8,077
Allowance for doubtful accounts	(18)	(346)
Total investments and other assets	36,751	49,773
Total non-current assets	67,898	83,488
Total assets	1,198,668	1,282,090

Consolidated Financial Statements

Consolidated Balance Sheets

(¥ Millions)

	End of FY2023 (as of September 30, 2023)	End of FY2024 (as of September 30, 2024)
Liabilities		
Current liabilities		
Notes payable - trade	1,631	1,834
Trade accounts payable	34,929	42,070
Electronically recorded obligations – operating	11,860	10,021
Short-term borrowings	182,734	171,610
Current portion of bonds payable	10,242	494
Current portion of long-term borrowings	38,457	44,416
Income taxes payable	22,518	12,512
Contract liabilities	32,681	27,366
Guarantee deposits received	3,709	2,829
Provision for bonuses	4,604	4,941
Provision for warranties for completed construction	1,395	1,522
Other	28,760	29,138
Total current liabilities	373,526	348,758
Non-current liabilities		
Bonds payable	121	14,789
Long-term borrowings	343,582	380,461
Retirement benefit liability	326	817
Asset retirement obligations	230	328
Deferred tax liabilities	–	29
Other	464	986
Total non-current liabilities	344,725	397,413
Total liabilities	718,251	746,171

(¥ Millions)

	End of FY2023 (as of September 30, 2023)	End of FY2024 (as of September 30, 2024)
Net assets		
Shareholders' equity		
Share capital	20,110	20,149
Capital surplus	19,767	19,442
Retained earnings	361,583	433,547
Treasury shares	(18)	(19,896)
Total shareholders' equity	401,443	453,243
Accumulated other comprehensive profit		
Valuation difference on available-for-sale securities	42	(130)
Foreign currency translation adjustment	14,368	10,834
Total accumulated other comprehensive profit	14,411	10,704
Share acquisition rights	752	773
Non-controlling interests	63,808	71,198
Total net assets	480,416	535,919
Total liabilities and net assets	1,198,668	1,282,090

Consolidated Financial Statements
Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Net sales	1,148,484	1,295,862
Cost of sales	930,127	1,088,944
Gross profit	218,356	206,917
Selling, general and administrative expenses	76,026	87,828
Operating profit	142,330	119,088
Non-operating income		
Interest income	625	1,309
Dividend income	137	1,594
Gain on sale of securities	101	3,518
Gains on investment securities	–	262
Rental income from buildings	225	216
Foreign exchange gains	471	283
Share of profit of entities accounted for using equity method	69	–
Other	809	1,966
Total non-operating income	2,441	9,152
Non-operating expenses		
Loss on valuation of investment securities	2,038	–
Interest expenses	3,965	5,512
Share of loss of entities accounted for using equity method	–	21
Commission expenses	687	1,109
Other	1,152	1,313
Total non-operating expenses	7,884	7,957
Ordinary profit	136,927	120,283
Extraordinary income		
Gain on negative goodwill	–	12,766
Gain on sale of share of subsidiaries and associates	–	956
Total extraordinary income	–	13,723
Loss on sale of shares of subsidiaries and associates		
Impairment losses	25	360
Extraordinary losses	25	360
Profit before income taxes	136,901	133,646
Income taxes – current	41,743	34,235
Income taxes – deferred	(3,216)	(568)
Income taxes	38,526	33,667
Profit	98,375	99,979
Profit (loss) attributable to non-controlling interests	6,324	7,058
Profit attributable to owners of parent	92,050	92,921

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Profit	98,375	99,979
Other comprehensive income		
Valuation difference on other securities	76	(190)
Foreign currency translation adjustment	2,931	(3,528)
Share of other comprehensive income of entities accounted for using equity method	6	5
Total other comprehensive income	3,024	(3,712)
Comprehensive income	101,399	96,266
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	95,062	89,214
Comprehensive income attributable to non-controlling interests	6,336	7,052

Consolidated Statement of Changes in Equity

FY 2023 (From October 1, 2022 to September 30, 2023)

(¥ Millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,070	19,882	286,286	(18)	326,221
Changes in items during period					
Issuance of new shares (Exercise of share acquisition rights)	40	40			80
Dividends of surplus			(16,753)		(16,753)
Profit attributable to owners of parent			92,050		92,050
Purchase of treasury shares				(0)	(0)
Capital increase of consolidated subsidiaries		(155)			(155)
Net changes of items other than shareholders' equity					
Total changes in items during period	40	(114)	75,297	(0)	75,222
Balance at end of period	20,110	19,767	361,583	(18)	401,443

(¥ Millions)

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(34)	11,434	11,399	474	57,606	395,702
Changes in items during period						
Issuance of new shares (Exercise of share acquisition rights)						80
Dividends of surplus						(16,753)
Profit attributable to owners of parent						92,025
Disposal of treasury shares						(0)
Capital increase of consolidated subsidiaries						(155)
Net changes of items other than shareholders' equity	77	2,934	3,011	277	6,202	9,491
Total changes in items during period	77	2,934	3,011	277	6,202	84,714
Balance at end of period	42	14,368	14,411	752	63,808	480,416

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Consolidated Statement of Changes in Equity

FY 2024 (From October 1, 2023 to September 30, 2024)

(¥ Millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,110	19,767	361,583	(18)	401,443
Changes in items during period					
Issuance of new shares (Exercise of share acquisition rights)	38	38			77
Dividends of surplus			(20,955)		(20,955)
Profit attributable to owners of parent			92,921		92,921
Purchase of treasury shares				(19,878)	(19,878)
Changes in parent's ownership interest due to transactions with non-controlling interests			(2)		(2)
Net changes of items other than shareholders' equity		(364)			(364)
Total changes in items during period					
Total changes in items during period	38	(325)	71,963	△19,878	51,799
Balance at end of period	20,149	19,442	433,547	△19,896	453,243

(¥ Millions)

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	42	14,368	14,411	752	63,808	480,416
Changes in items during period						
Issuance of new shares (Exercise of share acquisition rights)						77
Dividends of surplus						(20,955)
Profit attributable to owners of parent						92,921
Disposal of treasury shares						(19,878)
Changes in scope of consolidation						(2)
Capital increase of consolidated subsidiaries						(364)
Net changes of items other than shareholders' equity	(172)	(3,534)	(3,707)	20	7,389	3,703
Total changes in items during period	(172)	(3,534)	(3,707)	20	7,389	55,502
Balance at end of period	(130)	10,834	10,704	773	71,198	535,919

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Consolidated Statements of Cash Flows

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	136,901	133,646
Depreciation	1,487	2,256
Share-based payment expenses	498	446
Increase (decrease) in provision for bonuses	(67)	(73)
Increase (decrease) in allowance for doubtful accounts	205	(87)
Increase (decrease) in provision for warranties for completed construction	256	82
Increase (decrease) in retirement benefit liability	7	(324)
Loss (gain) on sales of shares of subsidiaries and associates	–	(956)
Loss (gain) on valuation of investment securities	–	(3,518)
Loss (gain) on securities trading	2,038	(262)
Share of loss (profit) of entities accounted for using equity method	(69)	21
Interest and dividend income	(763)	(2,904)
Foreign exchange losses (gains)	(455)	(681

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Interest expenses	3,965	5,512
Gain on negative goodwill	–	(12,766)
Decrease (increase) in trade receivables	(2,873)	(2,853)
Decrease (increase) in inventories	(85,219)	58,206
Increase (decrease) in trade payables	7,857	(11,006)
Decrease (increase) in operating loans receivable	(6,038)	(15,229)
Increase (decrease) in contract liabilities	(3,475)	(6,192)
Increase (decrease) in guarantee deposits received	864	(1,167)
Increase (decrease) in deposits received	2,401	(7,591)
Decrease (increase) in advance payments to suppliers	(446)	1,247
Increase (decrease) in accrued consumption taxes	824	1,952
Other, net	2,884	5,194
Subtotal	60,783	142,953
Interest and dividends received	763	2,900
Dividends received from entities accounted for using equity method	19	–
Interest paid	(3,932)	(5,555)
Income taxes paid	(40,239)	(35,534)
Net cash provided by (used in) operating activities	17,393	104,764

Consolidated Statements of Cash Flows

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Cash flows from investing activities		
Payments into time deposits	(18,527)	4,651
Purchase of property, plant and equipment	(6,381)	(4,842)
Proceeds from sale of property, plant and equipment	8	1,855
Purchase of intangible assets	(340)	(503)
Loan advances	(2,953)	(1,528)
Proceeds from collection of loans receivable	2,181	2,015
Purchase of investment securities	(2,403)	(31,486)
Proceeds from sale and redemption of investment securities	2,317	35,588
Purchase of shares of subsidiaries and associates	(332)	(236)
Proceeds from sale of shares of subsidiaries and associates	40	134
Payments for investments in capital of subsidiaries and associates	(10,537)	(11,787)
Repayment from investment in capital of subsidiaries and affiliates	1,544	3,303
Proceeds from repayment of investments in capital of subsidiaries and affiliates	–	700
Payments of leasehold and guarantee deposits	(5,782)	(694)
Proceeds from refund of leasehold and guarantee deposits	5,602	1,334
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(23,867)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	–	2,795
Other, net	(12)	(18)
Net cash provided by (used in) investing activities	(35,575)	(22,584)

(¥ Millions)

	FY 2023 (From October 1, 2022 to September 30, 2023)	FY 2024 (From October 1, 2023 to September 30, 2024)
Cash flows from financing activities		
Proceeds from short-term borrowings	275,724	354,569
Repayments of short-term borrowings	(237,298)	(390,006)
Proceeds from long-term borrowings	207,404	203,346
Repayments of long-term borrowings	(179,414)	(192,728)
Proceeds from Issuance of bonds		12,000
Redemption of bonds	(242)	(12,324)
Proceeds from exercise of employee share options	56	53
Purchase of treasury shares	(0)	(19,878)
Repayments to non-controlling shareholders	(0)	(0)
Proceeds from share issuance to non-controlling shareholders	565	527
Dividends paid	(16,753)	(20,955)
Dividends paid to non-controlling interests	(938)	(1,094)
Payments for acquisition of subsidiaries' stock without change in scope of consolidation	–	(2,762)
Net cash provided by (used in) financing activities	49,103	(69,253)
Effect of exchange rate change on cash and cash equivalents	1,641	(744)
Net increase (decrease) in cash and cash equivalents	32,562	12,181
Cash and cash equivalents at beginning of period	346,080	378,643
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	100
Cash and cash equivalents at end of period	378,643	390,924

7. Issuance, Redemption or Acquisition of Shares

Issuance, Redemption or Acquisition of Shares

Changes in the total number of shares issued, share capital, etc.

Date	Change in the total number of shares issued (Shares)	Balance of the total number of shares issued (Shares)	Change in share capital (¥ Millions)	Balance of share capital (¥ Millions)	Change in legal capital surplus (¥ Millions)	Balance of legal capital surplus (¥ Millions)
October 1, 2019 (Note 5)	57,618,500	115,237,000	—	4,234	—	4,017
October 1, 2019 to December 31, 2019 (Note 1)	21,200	115,258,200	8	4,242	8	4,026
February 5, 2020 (Note 5)	25,500	115,283,700	40	4,283	40	4,066
February 6, 2020 to March 31, 2020 (Note 1)	72,800	115,356,500	32	4,315	32	4,098
July 28, 2020 (Note 6)	9,617,200	124,973,700	14,310	18,625	14,310	18,408
August 25, 2020 (Note 7)	684,600	125,658,300	1,019	19,644	1,019	19,427
August 26, 2020 to September 30, 2020 (Note 1)	160,800	125,819,100	97	19,741	97	19,524
October 1, 2020 to December 31, 2020 (Note 1)	21,600	125,840,700	8	19,750	8	19,533
February 10, 2022 (Note 8)	22,700	125,863,400	46	19,796	46	19,579
February 11, 2021 to September 30, 2021 (Note 1)	253,600	126,117,000	142	19,939	142	19,722
February 10, 2022 (Note 9)	18,700	126,135,700	54	19,994	54	19,777
February 11, 2022 to May 22, 2021 (Note 1)	149,000	126,284,700	75	20,070	75	19,853
August 31,2022 (Note 10)	(5,796,800)	120,487,900	—	20,070	—	19,853
September 1, 2022 to March 17, 2022 (Note 1)	80,000	120,567,900	31	20,101	31	19,884
March 18, 2023 to September 13, 2023 (Note 1)	20,200	120,588,100	8	20,110	8	19,893
October 1, 2023 to September 30, 2024 (Note 1)	73,400	120,661,500	38	20,149	38	19,932

OPEN HOUSE GROUP

Notes:
1. Changes due to the exercise of share acquisition rights.
2. Changes due to a stock split (1:2).
3. Changes due to a paid issuance of new shares for the purpose of granting restricted stock compensation.
   Issue price: 3,175 yen.
   Amount to be included in capital: 1,587.5 yen
4. Public offering of new shares (general offering).
   Issue price: 3,104 yen
   Paid-in amount: 2,976 yen
   Amount to be included in capital: 1,488 yen
5. Third-party allotment (third-party allotment capital increase related to the over-allotment of the Company's shares).
   Issue price: 2,976 yen
   Amount to be included in capital: 1,488 yen
   Allottee: SMBC Nikko Securities Inc.
6. Changes due to a paid issuance of new shares for the purpose of granting restricted stock compensation.
   Issue price: 4,100 yen
   Amount to be included in capital: 2,050 yen
7. Changes due to a paid issuance of new shares for the purpose of granting restricted stock compensation.
   Issue price: 5,860 yen
   Amount to be included in capital: 2,930 yen
8. Changes due to a decrease from the cancellation of treasury shares.
9. During the period from October 1, 2024 to November 30, 2024, due to the exercise of stock options, the total number of issued shares increased by 19,600 shares, and both capital stock and legal capital surplus increased by 7 million yen each.

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Transaction with Related Parties

(1) Transactions between the company submitting consolidated financial statements and related parties.
Officers and major shareholders (limited to individuals) of significant subsidiaries of the company submitting consolidated financial statements.

Previous consolidated fiscal year (From October 1, 2022 to September 30, 2023)
Not applicable.

Current consolidated fiscal year (From October 1, 2023 to September 30, 2024)
Not applicable.

(2) Transactions between consolidates subsidiaries of the company submitting consolidated financial statements and relates parties

① **Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements.**
Previous consolidated fiscal year (From October 1, 2022 to September 30, 2023)

Type	Name of company or individual	Location	Capital or investment (¥ Millions)	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship with the related party	Summary of transaction	Transaction amount (¥ Millions)	Items	Balance at end of period (¥ Millions)
Officer	Kazuhiko Kamata	–	–	Executive Vice President	(Held) Direct: 0.1	Sale of real estate	Sale of real estate (Note.1)	178	Contract liabilities	27
Officer	Hitoshi Imamura	–	–	Director	(Held) Direct: 1.7	Sale of real estate	Sale of real estate (Note.2)	144	Contract liabilities	38

Note:
Transaction terms are determined in the same manner as general transaction terms, taking market prices into consideration.

②**Officers and major shareholders (limited to individuals) of significant subsidiaries of the company submitting consolidated financial statements.**

Previous consolidated fiscal year (From October 1, 2022 to September 30, 2023)
Not applicable.

Current consolidated fiscal year (From October 1, 2023 to September 30, 2024)
Not applicable.

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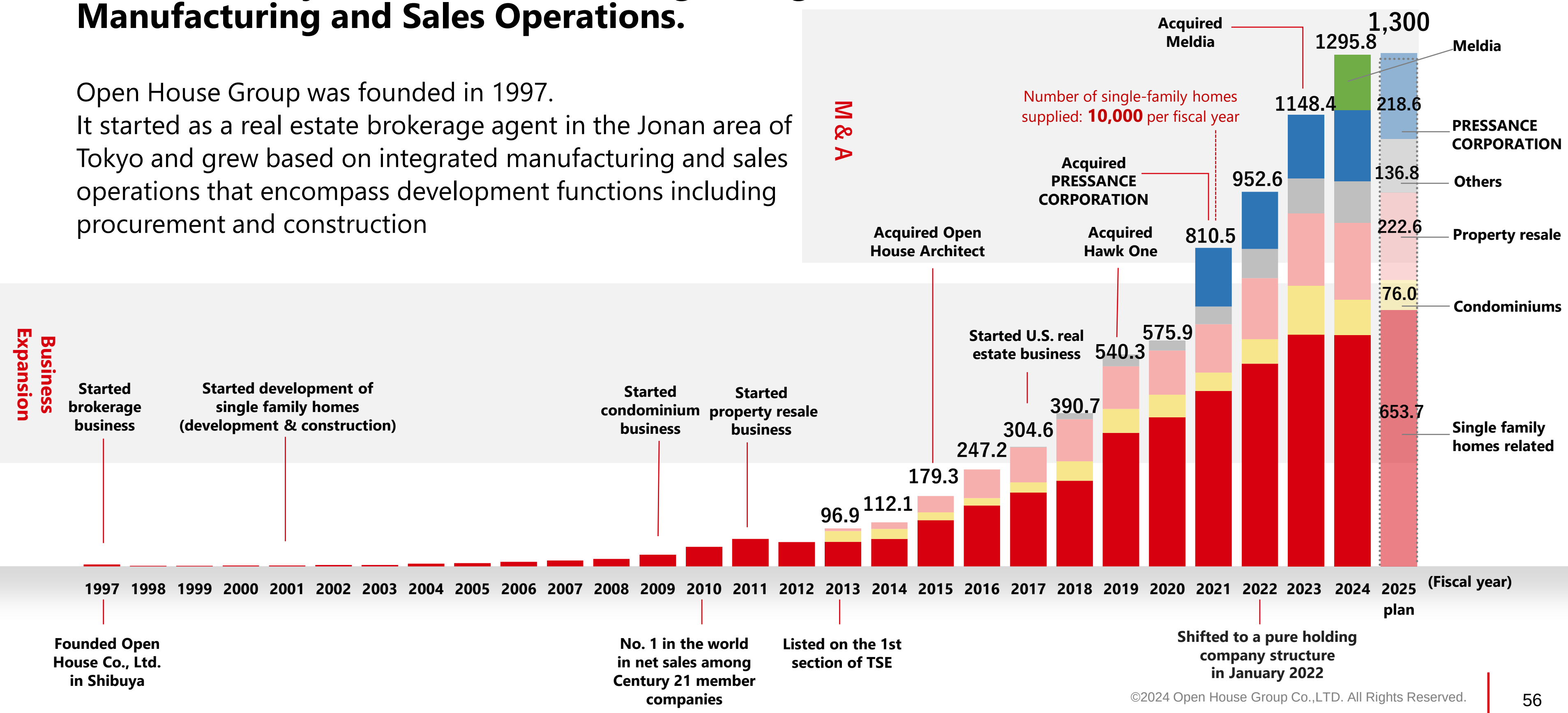
8. History

Corporate History and Trends in Net Sales

Growth Mainly in Urban Areas through Integrated Manufacturing and Sales Operations.

Open House Group was founded in 1997.
It started as a real estate brokerage agent in the Jonan area of Tokyo and grew based on integrated manufacturing and sales operations that encompass development functions including procurement and construction

(¥ Billion)



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History

Month/Year	Events
September 1997	Founded under the name of Open House Co., Ltd. and commenced the trading and brokerage of newly-built single-family homes.
September 1997	Opened the Head Office in Shibuya-ku, Tokyo
October 1997	Concluded a franchise agreement with “CENTURY 21 REAL ESTATE OF JAPAN LTD.”
February 2001	Commenced the sale of newly-built single-family homes built by the Company itself.
August 2001	Registered as First-class Architect Office [No. 46671 registered by Governor of Tokyo].
September 2001	Acquired all the stake in Souken Build Ltd. and converted it to a wholly-owned subsidiary. (Converted Souken Build Ltd. to a stock company in July 2002 and changed the trading name to Tomari Build Co., Ltd. in August 2004.)
October 2006	Changed the trading name of Tomari Build Co., Ltd. to Open House Development Co., Ltd.
March 2007	Opened “Mizonokuchi Sales Center” in Takatsu-ku, Kawasaki-shi, Kanagawa Prefecture and commenced operations in Kanagawa Prefecture.
August 2007	Acquired all the shares in Ito-pia Business Net Co., Ltd. from Itochu Corporation and converted it to a wholly-owned subsidiary (after the acquisition, held a 67% stake and acquired 100% stake in September 2010) and changed the trading name to IB Net Co., Ltd.
October 2008	Commenced the sale of condominiums through Open House Development Co., Ltd.
January 2010	Opened “Marunouchi Office” in Marunouchi, Chiyoda-ku, Tokyo (relocated a part of the Head Office functions).
September 2010	Acquired all the stake in IB Net Co., Ltd. and converted it to a wholly-owned subsidiary.
September 2010	Launched Open House Realty & Investments, Inc. in California, the U.S.
September 2010	Launched Wangjia Architectural Design Consulting (Shanghai) Co., Ltd. in Shanghai, China.
October 2011	Launched OH Real Estate Management Co., Ltd. in Marunouchi, Chiyoda-ku, Tokyo.
September 2012	Terminated the franchise agreement with “CENTURY 21 REAL ESTATE OF JAPAN LTD.”
January 2013	Relocated the Head Office to Marunouchi, Chiyoda-ku, Tokyo.
September 2013	Listed on the First Section of The Tokyo Stock Exchange.
January 2015	Acquired shares of Asakawa Home Co., Ltd. and converted it to a wholly-owned subsidiary.
October 2016	Changed the trading name of Asakawa Home Co., Ltd. to Open House Architect Co., Ltd.
October 2016	Opened “Sakae Sales Center” in Naka-ku, Nagoya-shi, Aichi Prefecture and commenced operations in Aichi Prefecture.

Month/Year	Events
December 2016	Opened “Open House Group Shibuya Showroom” for single-family homes in Shibuya-ku, Tokyo.
September 2017	Opened “OPENHOUSE GINZA SALON” in Chuo-ku, Tokyo.
September 2017	Opened “Nagoya Mansion Gallery” in Naka-ku, Nagoya-shi, Aichi Prefecture.
October 2017	Opened “Urawa Sales Center” in Urawa-ku, Saitama-shi, Saitama Prefecture and commenced operations in Saitama Prefecture.
July 2018	Acquired shares of HAWK ONE CORPORATION and converted it to a subsidiary (ratio of voting rights holding: 69.7% including voting rights acquired in August 2018).
October 2018	Converted HAWK ONE CORPORATION to a wholly-owned subsidiary through a stock exchange.
January 2019	Opened “Tenjin Sales Center” in Chuo-ku, Fukuoka-shi, Fukuoka Prefecture and commenced operations in Fukuoka Prefecture.
March 2019	Opened “NAGOYA SALON” in Nakamura-ku, Nagoya-shi, Aichi Prefecture.
March 2019	Opened “Iidabashi Mansion Gallery” in Shinjuku-ku, Tokyo.
July 2019	Opened “Motoyawata Sales Center” in Ichikawa-shi, Chiba Prefecture and commenced operations in Chiba Prefecture.
May 2020	Acquired shares of PRESSANCE CORPORATION Co., Ltd. and converted it to an equity-method affiliate (ratio of voting rights holding: 31.9%)
November 2020	Opened “Tenjin Mansion Gallery” in Fukuoka-shi, Fukuoka Prefecture.
January 2021	Acquired additional shares of PRESSANCE CORPORATION Co., Ltd. and converted it to a consolidated subsidiary (ratio of voting rights holding: 64.45%)
March 2021	Changed the trading name of OH Real Estate Management Co., Ltd. to Open House Real Estate Co., Ltd.
October 2021	Launched the brokerage business in the Kansai area, opened “Umeda Sales Center” in Kita-ku, and “Tennouji Sales Center” in Abeno-ku, Osaka-shi, Osaka Prefecture."
January 2022	Shifted to a pure holding company structure, and changed the company name from Open House Co., Ltd. to Open House Group Co., Ltd.
April 2022	Transition to the Prime Market in Tokyo Stock Exchange.
January 2023	The head office relocated to JP Tower in Marunouchi, Chiyoda-ku, Tokyo.
October 2023	Acquired shares of SANEI ARCHITECTURE PLANNING CO.LTD. And converted it to a consolidated subsidiary.
November 2023	Acquired additional shares of SANEI ARCHITECTURE PLANNING CO.LTD., and converted to a wholly owned subsidiary.
March 2024	SANEI ARCHITECTURE PLANNING CO.LTD. changed its name to MELDIA Co., Ltd.

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9. Corporate Data

Corporate Data

Business Information (as of September 30, 2024)

Company name	Open House Group Co., Ltd.
Business inaguration	September 1997
Listed market	The Prime Market of Tokyo Stock Exchange (Securities Code: 3288)
Listed	September 2013
Business year	From October 1 to September 30
Capital stock	¥ 20,149 million
Number of employees	6,107 persons (Consolidated)
Head Office	2-7-2 Marunouchi, Chiyoda-Ku, Tokyo JP Tower 20F (General Reception)/21F
Telephone	+81-3-6213-0776
Consolidated subsidiaries	59 subsidiaries Open House Co., Ltd Open House Development Co., Ltd. IB Net Co., Ltd Open House Realty & Investments, Inc. Open House Real Estate Co., Ltd. Open House Architect Co., Ltd HAWK ONE CORPORATION PRESSANCE CORPORATION Co., Ltd. MELDIA Co., Ltd. And 50 other subsidiaries
Website	https://openhouse-group.co.jp/ir/en

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Supervisory Board Members (as of December 25, 2024)

President & CEO	Masaaki Arai
Executive Vice President	Kazuhiko Kamata
Senior Managing Director, CFO	Kotaro Wakatabi
Director, Senior Managing Executive Officer	Ryosuke Fukuoka
Director	Hiroshi Munemasa
Director、 Managing Executive Officer	Kenta Kikuchi
Director*	Hitoshi Ishimura
Director*	Yuko Omae
Director*	Maoko Kotani
Audit & Supervisory Board Member (Full-time)	Megumi Koyama
Audit & Supervisory Board Member**	Koichi Matsumoto
Audit & Supervisory Board Member**	Shoko Sasaki

* Outside Director, ** Outside Audit & Supervisory Board Member

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Corporate Data

Shareholder Composition (as of September 30, 2024)

Major Shareholders (Top 10)

Name	Number of shares held (in thousands)	Shareholding ratio (%)
Masaaki Arai	38,237,200	32.82
Ichigo Trust PTE Limited	14,903,500	12.79
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,001,900	9.44
Custody Bank of Japan, Ltd. (Trust Account)	3,681,600	3.16
SMBC Trust Bank Ltd. (Trustee of Regulated Securities in Trust)	3,420,000	2.93
STATE STREET BANK AND TRUST COMPANY 510312	2,095,174	1.79
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15. 315 PCT NON TREATY ACCOUNT	1,750,000	1.50
STATE STREET BANK AND TRUST COMPANY 510311	1,718,726	1.47
Hitoshi Imamura	1,704,000	1.46
JP MORGAN CHASE BANK 385864	1,320,200	1.13

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Number of shares of common stock

Total number of authorized shares	**325,200,000**
Total number of issued shares	**120,661,500**
Number of shareholders	**8,169**

Note:

1. 3,300,000 shares out of 3,420,000 shares held by SMBC Trust Bank Ltd. as a trustee of regulated securities in trust pertain to a trust agreement between Masaaki Arai, President & CEO of the Company, as the settlor and beneficiary, and SMBC Trust Bank Ltd. as the trustee, the purpose of which is the management of shares. Therefore, the number of shares effectively held by Masaaki Arai is 41,537,200 shares and the shareholding ratio is 35.65%.
2. Ichigo Trust Pte. Ltd. (standing proxy: HSBC Tokyo Branch) has newly become a major shareholder.
3. The Company holds 4,172,434 treasury shares.

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