

Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

Summary of Consolidated Financial Results for the Fiscal Year Ended September 30, 2020 [Based on Japanese GAAP]

November 13, 2020

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	https://openhouse-group.co.jp/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of annual general meeting of shareholders :	December 23, 2020
Scheduled date of dividends:	December 24, 2020
Scheduled date of annual securities report filing:	December 24, 2020
Supplementary materials for financial results:	Yes
Results briefing meeting :	Yes (for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the fiscal year ended September 30, 2020

(October 1, 2019 to September 30, 2020)

(1) Consolidated operating results

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2020	575,951	6.6	62,129	7.5	77,357	40.8	59,491	51.0
FY 2019	540,376	38.3	57,781	22.1	54,928	19.3	39,407	23.9

(Note) Comprehensive income: From October 1, 2019 to September 30, 2020 ¥ 58,840 million (52.7%)
From October 1, 2018 to September 30, 2019 ¥ 38,540 million (20.1%)

	EPS	Diluted EPS	ROE	ROA	Operating income Margin
	Yen	Yen	%	%	%
FY 2020	525.36	522.37	32.0	15.2	10.8
FY 2019	351.22	349.11	32.3	13.1	10.7

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. EPS and Diluted EPS calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2020	569,066	233,723	41.0	1,855.88
September 30, 2019	445,904	138,067	30.9	1,246.15

(Reference) Shareholders' equity: As of September 30, 2020: ¥ 233,505 million
As of September 30, 2019: ¥ 137,754 million

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. Net assets per share calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at FY end
	Million yen	Million yen	Million yen	Million yen
FY 2020	48,793	(24,054)	59,430	219,218
FY 2019	14,344	(4,800)	7,186	135,345

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2019	—	60.00	—	66.00	126.00	7,022	17.9	5.7
FY 2020	—	40.00	—	40.00	80.00	9,459	15.2	4.9
FY 2021(Forecast)	—	44.00	—	44.00	88.00		22.1	

(Note) FY2019, the actual dividend amounts are shown. However the dividend forecast per shares for FY2020 is the amount after the stock split as the Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. So, as annual dividend per share for FY2019 calculated without considering the stock split is ¥63, the dividend forecast for FY 2020 is an increase of 17 yen per share from the previous fiscal year.

3. Forecast of Consolidated Operating Results for FY2021 (October 1, 2020 to September 30, 2021)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (Cumulative)	289,500	10.5	31,500	16.5	32,000	22.6	23,000	26.8	182.80
Full year	634,000	10.1	69,000	11.1	70,000	(9.5)	50,000	(16.0)	397.40

(Note) The forecast of consolidated operating results for FY2021 is assumed that Pressance Corporation Co., Ltd., is an equity method affiliate of the Company. Please refer to Japanese "Kessan Tanshin" on page 5, 1 Review of business results (4) the outlook of futures.

*Notes:

(1) Significant changes in consolidated subsidiaries during the period

(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes of accounting estimates, and revisions and restatements

i) Changes in accounting policies in accordance with changes in accounting principles: None

ii) Changes in accounting policies other than the above: None

iii) Changes in accounting estimates: None

iv) Revisions and restatements: None

(3) Number of shares issued and outstanding (common stock)

i) Number of shares issued at period-end (including treasury shares)

September 30, 2020: 125,819,100 shares September 30, 2019: 115,237,000 shares

ii) Treasury shares at period-end

September 30, 2020: 41 shares September 30, 2019: 4,694,502 shares

iii) Average number of shares issued

September 30, 2020: 113,240,260 shares September 30, 2019: 112,202,231 shares

(Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. "Number of shares issued at period-end", "Treasury shares at period-end", and "Average number of shares issued" calculated assuming the stock split were conducted at the beginning of the previous fiscal year.

[Reference] Non-Consolidated Financial Results for the fiscal year ended September 30, 2020

(October 1, 2019 to September 30, 2020)

(1) Non-Consolidated Operating Results

(% figures indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2020	12,960	4.6	227	(73.4)	25,495	64.0	25,539	61.0
FY 2019	12,385	26.9	858	147.0	15,545	1.2	15,864	4.3

	EPS	Diluted EPS
	Yen	Yen
FY 2020	225.54	224.25
FY 2019	141.39	140.55

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. EPS and Diluted EPS calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2020	157,755	96,835	61.2	767.91
September 30, 2019	97,180	34,481	35.2	309.08

(Reference) Shareholders' equity: As of September 30, 2020: ¥ 96,617 million

As of September 30, 2019: ¥ 34,168 million

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. Net assets per share calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

**This summary of financial statements is exempt from audit procedures required by Financial Instruments and Exchange Act.*

** Notes regarding forward-looking statements:*

Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.

Actual results may differ significantly from forecast due to various unpredictable reasons.

Consolidated Financial Statements
1) Consolidated Balance Sheets

(Million yen)

	FY 2019 (as of September 30, 2019)		FY 2020 (as of September 30, 2020)	
Assets				
Current assets				
Cash and cash equivalents		135,354		219,227
Trade accounts receivable		498		620
Real estate for sale	*2	70,457	*2	64,372
Real estate for sale in process	*2	179,596	*2	172,914
Operating loans	*2	28,924	*2	37,463
Other		10,167		12,787
Allowance for doubtful accounts		(232)		(262)
Total current assets		424,766		507,123
Fixed asset				
Tangible fixed assets				
Buildings and structures	*2	4,077		4,430
Accumulated depreciation	*3	(1,359)	*3	(1,578)
Buildings and structures, net		2,718		2,851
Land	*2	1,845		1,778
Other		1,183		1,258
Accumulated depreciation	*3	(755)	*3	(877)
Other, net		427		381
Total tangible fixed assets		4,990		5,010
Intangible fixed assets		3,456		3,080
Investments and other assets				
Investment securities	*1	7,084	*1	47,282
Deferred tax assets		2,475		3,032
Other		3,121		3,529
Allowance for doubtful accounts		(22)		(18)
Total investments and other assets		12,659		53,825
Total fixed assets		21,106		61,917
Deferred assets				
Bond issuance cost		31		24
Total deferred assets		31		24
Total assets		445,904		569,066

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Liabilities		
Current liabilities		
Notes payable-trade	4,257	4,831
Trade accounts payable	16,913	17,525
Short-term loans payable	*2,*4 89,933	*2,*4 103,930
Current portion of bonds	372	242
Current portion of long-term loans payable	*2,*5 12,976	*2,*5 8,912
Income taxes payable	11,461	10,831
Advances received	14,053	15,531
Guarantee deposits received	1,250	1,248
Provision for bonuses	2,404	2,773
Provision for warranties for completed construction	932	998
Other	7,793	9,889
Total current liabilities	162,348	176,713
Long-term liabilities		
Bonds payable	1,089	847
Long-term loans payable	*2,*4,*5 143,972	*2,*4,*5 157,347
Net defined benefit liability	326	328
Asset retirement obligations	100	105
Total long-term liabilities	145,488	158,628
Total liabilities	307,837	335,342
Net assets		
Shareholders' equity		
Share capital	4,234	19,741
Capital surplus	8,206	28,877
Retained earnings	134,629	186,047
Treasury shares	(8,806)	(0)
Total shareholders' equity	138,263	234,666
Other comprehensive income		
Net unrealized holding gains/losses on securities	8	6
Foreign currency translation adjustment	(517)	(1,166)
Accumulated other comprehensive income	(508)	(1,160)
Share acquisition rights	312	217
Total net assets	138,067	233,723
Total liabilities and net assets	445,904	569,066

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

(Million yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Revenue	540,376	575,951
Cost of revenue	*2 450,715	*2 481,638
Gross profit	89,661	94,312
Selling, general and administrative expenses	*1 31,879	*1 32,183
Operating income	57,781	62,129
Non-operating income		
Interest income	68	70
Dividends income	20	1
House rent income	146	148
Gain on sales of investment securities	—	109
Share of profit of entities accounted for using equity method	—	*3 17,786
Other	176	240
Total non-operating income	412	18,356
Non-operating expenses		
Interest expenses	1,817	2,298
Commission fee	871	224
Share issuance cost	—	327
Other	576	278
Total non-operating expenses	3,265	3,128
Ordinary income	54,928	77,357
Extraordinary income		
Gain on sales of non-current assets	772	—
Total extraordinary income	772	—
Income before income taxes	55,701	77,357
Income taxes-current	16,942	18,421
Income taxes-deferred	(648)	(555)
Total income taxes	16,293	17,865
Net income	39,407	59,491
Profit attributable to owners of parent	39,407	59,491

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2019 (From October 1, 2018 to September 30, 2019)		FY2020 (From October 1, 2019 to September 30, 2020)	
Net income		39,407		59,491
Other comprehensive income				
Valuation difference on available-for-sale securities		(7)		(1)
Foreign currency translation adjustment		(860)		(663)
Share of other comprehensive income of entities accounted for using equity method		—		13
Total other comprehensive income		(867)		(651)
Comprehensive income		*1,*2 38,540		*1,*2 58,840
(Profit attributable to)				
Comprehensive income attributable to shareholders' of the parent		38,540		58,840

3) Consolidated Statements of Changes in Shareholders' Equity

FY2019 (From October 1, 2018 to September 30, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at October 1, 2018	4,094	4,481	103,324	(6,102)	105,798
Cumulative effects of changes in accounting policies			(1,853)		(1,853)
Restated balance	4,094	4,481	101,471	(6,102)	103,944
Change of items during the period					
Issuance of new shares (Exercise of subscription rights to shares)	104	104			208
Issuance of new shares (Issuance of restricted shares)	35	35			71
Dividends from surplus			(6,249)		(6,249)
Profit attributable to owners of parent			39,407		39,407
Purchase of treasury shares				(6,411)	(6,411)
Change in ownership interest of parent due to transactions with non-controlling interests		3,585		3,707	7,292
Net changes of items other than shareholders' equity					
Total changes of items during the period	139	3,724	33,158	(2,704)	34,318
Balance at September 30, 2019	4,234	8,206	134,629	(8,806)	138,263

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at October 1, 2018	15	342	358	388	6,941	113,486
Cumulative effects of changes in accounting policies						(1,853)
Restated balance	15	342	358	388	6,941	111,633
Change of items during the period						
Issuance of new shares (Exercise of subscription rights to shares)						208
Issuance of new shares (Issuance of restricted shares)						71
Dividends from surplus						(6,249)
Profit attributable to owners of parent						39,407
Purchase of treasury shares						(6,411)
Change in ownership interest of parent due to transactions with non-controlling interests						7,292
Net changes of items other than shareholders' equity	(7)	(860)	(867)	(75)	(6,941)	(7,884)
Total changes of items during the period	(7)	(860)	(867)	(75)	(6,941)	26,434
Balance at September 30, 2019	8	(517)	(508)	312	—	138,067

FY2020 (From October 1, 2019 to September 30, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at October 1, 2019	4,234	8,206	134,629	(8,806)	138,263
Change of items during the period					
Issuance of new shares	15,329	15,329			30,658
Issuance of new shares (Exercise of subscription rights to shares)	137	137			275
Issuance of new shares (Issuance of restricted shares)	40	40			80
Dividends from surplus			(8,074)		(8,074)
Profit attributable to owners of parent			59,491		59,491
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		5,164		8,806	13,970
Net changes of items other than shareholders' equity					
Total changes of items during the period	15,507	20,671	51,417	8,806	96,402
Balance at September 30, 2020	19,741	28,877	186,047	(0)	234,666

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at October 1, 2019	8	(517)	(508)	312	138,067
Change of items during the period					
Issuance of new shares					30,658
Issuance of new shares (Exercise of subscription rights to shares)					275
Issuance of new shares (Issuance of restricted shares)					80
Dividends from surplus					(8,074)
Profit attributable to owners of parent					59,491
Purchase of treasury shares					(0)
Disposal of treasury shares					13,970
Net changes of items other than shareholders' equity	(2)	(649)	(651)	(94)	(746)
Total changes of items during the period	(2)	(649)	(651)	(94)	95,656
Balance at September 30, 2020	6	(1,166)	(1,160)	217	233,723

4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Cash flows from operating activities		
Income before income taxes	55,701	77,357
Depreciation and amortization	517	534
Share-based compensation expenses	39	66
Increase (Decrease) in provision for bonuses	442	368
Increase (Decrease) in allowance for doubtful accounts	64	25
Increase (Decrease) in provision for warranties for completed construction	166	66
Increase (Decrease) in net defined benefit liability	25	1
Loss (gain) on sales of investment securities	—	(109)
Share of (profit) loss of entities accounted for using equity method	—	(17,786)
Interest and dividends income	(89)	(72)
Foreign exchange loss (gain)	(17)	18
Interest expense	1,817	2,298
Commission for syndicate loan	653	—
Amortization of bond issuance cost	9	6
Share issuance cost	—	327
Decrease (increase) in trade receivables	(320)	(264)
Decrease (Increase) in inventories	(17,456)	12,516
Increase (decrease) in trade payables	1,809	1,186
Decrease (Increase) in operating loans	(14,679)	(8,539)
Increase (Decrease) in advances received	2,719	1,508
Increase (Decrease) in guarantee deposits received	(22)	6
Increase (Decrease) in deposits received	47	2,200
Other	(919)	(156)
Subtotal	30,508	71,561
Interest and dividend income received	83	70
Interest expenses paid	(1,782)	(2,244)
Income taxes paid	(14,465)	(20,593)
Net cash provided by (used in) operating activities	14,344	48,793
Cash flows from investing activities		
Payments into time deposits	(9,039)	(1,310)
Proceeds from withdrawal of time deposits	9,118	1,310
Purchase of tangible fixed assets	(938)	(617)
Proceeds from sales of tangible fixed assets	1,823	1
Purchase of intangible fixed assets	(185)	(138)
Purchase of investment securities	(5,539)	(2,010)
Proceeds from sales and redemption of investment securities	510	2,544
Purchase of shares of subsidiaries and associates	—	(22,973)
Payments for investments in capital	(0)	—
Collection of investments in capital	3	0
Payments for lease and guarantee deposits	(434)	(582)
Proceeds from collection of lease and guarantee deposits	46	162
Other	(120)	(440)
Net cash provided by (used in) investing activities	(4,800)	(24,054)

(Millions of yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Cash flows from financing activities		
Increase in short-term loans payable	169,917	295,859
Decrease in short-term loans payable	(191,567)	(281,860)
Proceeds from long-term loans payable	123,463	134,341
Repayment of long-term loans payable	(80,887)	(125,029)
Commission for syndicate loan paid	(653)	—
Redemption of bonds	(532)	(372)
Proceeds from issuance of common shares	—	30,420
Proceeds from exercise of share options	130	175
Purchase of treasury shares	(6,425)	(0)
Proceeds from sales of treasury shares	—	13,970
Cash dividend paid	(6,249)	(8,074)
Other	(9)	—
Net cash provided by (used in) financing activities	7,186	59,430
Effect of exchange rate changes on cash and cash equivalents	(364)	(296)
Net increase (decrease) in cash and cash equivalents	16,366	83,872
Cash and cash equivalents at beginning of period	118,978	135,345
Cash and cash equivalents at end of period	* 135,345	* 219,218

(Notes to Consolidated Balance Sheets)

*1 The following items are related to unconsolidated subsidiaries and affiliates.

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Other in Investments and other assets Investment securities (Stocks)	247	41,088
Other in Investments and other assets (Investments in capital)	4,563	5,151

*2 Pledged assets and secured liabilities

Pledged assets are as follows.

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Real estate for sale	46,157	39,766
Real estate for sale in process	101,836	96,666
Operating loans	6,963	22,928
Buildings and structures	86	—
Land	471	—
Total	155,516	159,361

Secured liabilities are as follows.

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Short-term loans payable	71,469	67,312
Current portion of long-term loans payable	8,777	4,954
Long-term loans payable	45,631	63,928
Total	125,878	136,195

*3 The accumulated amount of impairment loss is included in the amount of accumulated depreciation.

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Accumulated impairment loss	105	78

*4 4 consolidated subsidiaries (Open House Development Co., Ltd. and IB Net Co., Ltd., Open House Architect Co., Ltd., Hawk One Corporation) have current account overdraft and commitment line agreements, the balance of unexecuted loans as of the end of the fiscal year under review, based on these agreements, is as follows.

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Total loan commitment	144,000	170,880
Outstanding loans	84,210	98,618
Balance of unexecuted loans	59,789	72,261

*5 Financial restraint clause

The Company concluded contracts for a syndicate loan payable and a term loan payable with financial institutions. The contract includes a financial restraint clause with criteria set by certain indicators that are computed based on the consolidated balance sheet, income statements, etc.

(Notes to Consolidated Statements of Income)

*1 Selling, general and administrative expenses account includes the following major items and amounts

	(Million yen)	
	FY2019	FY2020
	(From October 1, 2018 to September 30, 2019)	(From October 1, 2019 to September 30, 2020)
Directors' compensations	772	837
Salaries	5,338	5,951
Provision for bonuses	720	946
Provision of allowance for doubtful accounts	88	30
Retirement benefit expenses	105	61
Advertising expenses	2,290	2,308
Rents	3,246	3,620
Taxes and dues	4,103	4,170
Sales commission	4,886	4,265

*2 The balance of inventories as of the end of the period is the amount after the carrying value is been written down, and the following appraisal losses are included in the cost of revenue.

	FY2019	FY2020
	(From October 1, 2018 to September 30, 2019)	(From October 1, 2019 to September 30, 2020)
	906	1,532

*3 Share of profit of entities accounted for using equity method

This includes the amount equivalent to the negative goodwill of 13,708 million yen arising from acquiring the shares of Pressance Corporation Co., Ltd., and having applied the equity method.

(Notes to Consolidated Statements of Comprehensive Income)

*1 The amount of recycling associated with other comprehensive income

(Million yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Valuation difference on available-for-sale securities:		
Amount recognized during the year	(10)	(2)
Amount of recycling	—	—
Total	(10)	(2)
Foreign currency translation adjustment:		
Amount recognized during the year	(860)	(663)
Amount of recycling	—	—
Total	(860)	(663)
Share of other comprehensive income of entities accounted for using equity method		
Amount recognized during the year	—	13
Total before income tax effect	(870)	(652)
Amount of income tax effects	3	0
Total other comprehensive income	(867)	(651)

*2 The amount of income tax effects associated with other comprehensive income

(Million yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Valuation difference on available-for-sale securities:		
Before income tax effect	10	(2)
Amount of income tax effects	(3)	0
After tax effect adjustment	(7)	(1)
Foreign currency translation adjustment:		
Before income tax effect	(860)	(663)
Amount of income tax effects	—	—
After tax effect adjustment	(860)	(663)
Share of other comprehensive income of entities accounted for using equity method		
Before income tax effect	—	13
Amount of income tax effects	—	—
After tax effect adjustment	—	13
Total other comprehensive income		
Before income tax effect	(870)	(652)
Amount of income tax effects	3	0
After tax effect adjustment	(867)	(651)

(Notes to Consolidated Statements of Cash Flows)

* Reconciliation of balance of "cash and cash equivalents at the end of period" and the amounts of items stated in the consolidated balance sheet is as follows

	(Million yen)	
	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Cash and deposits	135,354	219,227
Restricted deposit	(9)	(9)
Cash and cash equivalents	135,345	219,218

(Segment Information)

1. The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group designated four segments: single-family related business, condominiums business, property resale business and others as reportable segments.

2. Method for calculating revenue, income/loss, assets, liabilities, and other items for reportable segments

The accounting policies of reportable segments are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements."

Segment income is based on operating income.

Intersegment revenue and transfers are based on market price.

3. Information on revenue, income or loss, and other items by reportable segment

FY2019 (From October 1, 2018 to September 30, 2019)

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single- family homes related	Condominium	Property resale	Others	Total		
Revenue							
Revenue from Outside Customers	340,528	60,956	108,353	30,538	540,376	—	540,376
Intersegment revenue and transfers	—	—	57	—	57	(57)	—
Total	340,528	60,956	108,410	30,538	540,433	(57)	540,376
Segment Income	32,620	10,815	11,487	3,777	58,701	(920)	57,781
Other items							
Depreciation	444	27	8	7	487	29	517
Amortization of goodwill	402	—	—	—	402	—	402

(NOTE)

1. Adjustment of ¥(920)million for segment income includes intersegment elimination of ¥237million and corporate expenses of ¥(1,157) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

FY2020 (From October 1, 2019 to September 30, 2020)

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single- family homes related	Condominium	Property resale	Others	Total		
Revenue							
Revenue from Outside Customers	379,656	58,169	112,154	25,970	575,951	—	575,951
Intersegment revenue and transfers	—	—	53	56	110	(110)	—
Total	379,656	58,169	112,207	26,027	576,061	(110)	575,951
Segment Income	40,677	9,608	10,485	2,314	63,085	(956)	62,129
Other items							
Depreciation	433	30	10	15	489	44	534
Amortization of goodwill	402	—	—	—	402	—	402

(NOTE)

1. Adjustment of ¥ (956) million for segment income includes intersegment elimination of ¥687 million and corporate expenses of ¥ (1,644) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

(Notes on Significant subsequent events)

(Execution of Agreement Concerning Amendments, etc. to Capital and Business Alliance Agreement with Pressance Corporation Co., Ltd., Commencement of Tender Offer against Pressance Corporation Co., Ltd. Shares and Subscription of Capital Increase through Third-Party Allotment)

The Company resolved at the Board of Directors meeting held on November 13, 2020 ; (i) to acquire the common stock (the "Target Company's Stock") of Pressance Corporation Co., Ltd.(the "Target Company") through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act,);and (ii) to execute an agreement (the "Agreement") with the Target Company to amend etc. the capital and business alliance agreement between t The Company and the Target Company dated April 6, 2020,; and (iii)to implement the Tender Offer of the Target Company's Stock by combining both the Tender Offer and the Capital Increase through Third-Party Allotment.

1. Overview of Tender Offer

1) Purpose of Purchase, Etc.

The Company holds 20,621,100 shares of common stock of the Target Company (shareholding percentage: 31.82%) which are listed on the First Section of the Tokyo Stock Exchange, Inc., and the Target Company is its equity-method affiliate. The Company affirmed that ensuring the Target Company's credit enhancement and stabilization of financing by making the Target Company a consolidated subsidiary of the Company through the Transaction, and at the same time, deepening the cooperation between both companies while respecting the independence of the Target Company's management promote the capital and business alliance between the two companies and contribute to the enhancement of the corporate value of both companies , so the Company executed the Agreement with the Target Company on November 13, 2020.

2) Outline of Target Company

Name	Pressance Corporation Co., Ltd.
Location	2-27 Shiromi 1-chome, Chuo-ku, Osaka-shi, Osaka
Name and Title of Representative	Yutaka Doi, President and Representative Director
Contents of Business	Planning, development and sales of condominiums for investment and condominiums for families
Capital	4,380 million yen (As of end of September 2020)
Date of Incorporation	October 1, 1997

3) Period for Purchase, Etc.

From November 16, 2020 (Monday) through January 14, 2021 (Thursday) (38business day)

4) Price for Purchase, Etc

1,850 yen per share of common stock

5) Number of Share Certificates, Etc. to Be Purchased

Number of shares to be purchased: 19,881,500 shares

Minimum number of shares to be purchased: — shares

Maximum number of shares to be purchased: 19,881,500 shares

6) Aggregate Tender Offer Price: 36,780,775,000 yen

(Note) The aggregate tender offer price is calculated by multiplying the number of shares intended to be purchased in the Tender Offer (19,881,500 shares) by the Tender Offer Price per share (1,850 yen).

2. Overview of Capital Increase through Third-Party Allotment

1) Type of offered shares: Common stock

2) Number of offered shares: 3,508,772 shares

3) Amount to be paid: 1,425 yen per share

4) Total amount to be paid: 5,000,000,100 yen

5) Payment period: From January 15, 2021 to January 19, 2021

3. Procurement of funds

Funds of the tender offer and the payment for the Capital Increase through Third-Party Allotment will be applied by own funds.

4. Possibility of Delisting and Reasons Therefor

As of the date hereof, the Target Company's Stock are listed on the First Section of the Tokyo Stock Exchange. The Target Company' Stock are not intended to be delisted through the Tender Offer, the Company will conduct the Tender Offer by setting the maximum number of shares to be purchased at 19,881,500 shares (shareholding percentage: 30.68%), and the Company's Shareholding Percentage after Dilution will be 64.42% at the maximum even if the payment for the Capital Increase through Third-Party Allotment is made and the Tender Offer is completed. Therefore, the Target Company's Stock will remain listed on the First Section of the Tokyo Stock Exchange after the completion of the Tender Offer.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Assets		
Current assets		
Cash and cash equivalents	31,052	72,288
Trade accounts receivable	1,308	1,147
Prepaid expense	260	273
Short-term loans receivable from subsidiaries and associates	19,400	13,557
Income taxes receivable	2,996	4,817
Other	1,755	1,650
Total current assets	56,774	93,735
Fixed asset		
Tangible fixed assets		
Buildings	1,232	1,347
Vehicles	21	11
Tools, furniture and fixtures	228	216
Total tangible fixed assets	1,482	1,575
Intangible fixed assets		
Software	116	84
Other	2	2
Total intangible fixed assets	119	86
Investments and other assets		
Investment securities	368	548
Shares of subsidiaries and associates	36,067	59,120
Long-term prepaid expenses	43	50
Lease and guarantee deposits received	1,602	1,733
Other	26	32
Allowance for doubtful accounts	(4)	(4)
Deferred tax assets	668	852
Total investments and other assets	38,773	62,334
Total fixed assets	40,375	63,996
Deferred assets		
Bond issuance cost	30	24
Total deferred assets	30	24
Total assets	97,180	157,755

(Million yen)

	FY 2019 (as of September 30, 2019)	FY 2020 (as of September 30, 2020)
Liabilities		
Current liabilities		
Current portion of bonds	242	242
Current portion of long-term loans payable	2,695	2,757
Accounts payable	1,093	743
Accrued expenses	261	358
Advances received	610	901
Deposits received	89	203
Provision for bonuses	894	1,114
Other	196	7
Total current liabilities	6,082	6,328
Long-term liabilities		
Bonds payable	1,089	847
Long-term loans payable	55,527	53,745
Total long-term liabilities	56,616	54,592
Total liabilities	62,699	60,920
Net assets		
Shareholders' equity		
Share capital	4,234	19,741
Capital surplus		
Legal capital surplus	4,017	19,524
Other capital surplus	5,947	11,111
Total capital surplus	9,965	30,636
Retained earnings		
Legal retained earnings	35	35
Other retained earnings		
Retained earnings brought forward	28,731	46,196
Total retained earnings	28,767	46,232
Treasury shares	(8,806)	(0)
Total shareholders' equity	34,160	96,610
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	6
Total valuation and translation adjustments	8	6
Share acquisition rights	312	217
Total net assets	34,481	96,835
Total liabilities and net assets	97,180	157,755

Non-Consolidated Statements of Income

(Million yen)

	FY2019 (From October 1, 2018 to September 30, 2019)	FY2020 (From October 1, 2019 to September 30, 2020)
Operating revenue	12,385	12,960
Operating cost	6,074	6,988
Gross operating profit	6,311	5,972
Selling, general and administrative expenses	5,453	5,745
Operating income	858	227
Non-operating income		
Interest income	257	196
Dividends income	15,020	25,500
Guarantee commission received	152	181
Other	313	714
Total non-operating income	15,743	26,593
Non-operating expenses		
Bad debts expenses	6	—
Interest expenses	612	754
Interest on bonds	7	6
Amortization of bond issuance cost	5	5
Share issuance costs	—	327
Guarantee commission	137	130
Commission fee	227	5
Other	59	95
Total non-operating expenses	1,056	1,325
Ordinary income	15,545	25,495
Income before Income taxes	15,545	25,495
Income taxes-current	27	138
Income taxes-deferred	(346)	(182)
Total income Taxes	(319)	(44)
Net income	15,864	25,539

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2019 (From October 1, 2018 to September 30, 2019)

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at October 1, 2018	4,094	3,877	2,118	5,996	35	21,801	21,837	(6,102)	25,825
Cumulative effects of changes in accounting policies						(2,685)	(2,685)		(2,685)
Restated balance	4,094	3,877	2,118	5,996	35	19,115	19,151	(6,102)	23,140
Change of items during the period									
Issuance of new shares (Exercise of subscription rights to shares)	104	104		104					208
Issuance of new shares (Issuance of restricted shares)	35	35		35					71
Dividends from surplus						(6,249)	(6,249)		(6,249)
Net income						15,864	15,864		15,864
Purchase of treasury shares								(6,411)	(6,411)
Increase by share exchanges			3,829	3,829				3,707	7,536
Net changes of items other than shareholders' equity									
Total changes of items during the period	139	139	3,829	3,968	—	9,615	9,615	(2,704)	11,020
Balance at September 30, 2019	4,234	4,017	5,947	9,965	35	28,731	28,767	(8,806)	34,160

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2018	15	15	388	26,229
Cumulative effects of changes in accounting policies				(2,685)
Restated balance	15	15	388	23,544
Change of items during the period				
Issuance of new shares (Exercise of subscription rights to shares)				208
Issuance of new shares (Issuance of restricted shares)				71
Dividends from surplus				(6,249)
Net income				15,864
Purchase of treasury shares				(6,411)
Increase by share exchanges				7,536
Net changes of items other than shareholders' equity	(7)	(7)	(75)	(82)
Total changes of items during the period	(7)	(7)	(75)	10,937
Balance at September 30, 2019	8	8	312	34,481

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at October 1, 2019	4,234	4,017	5,947	9,965	35	28,731	28,767	(8,806)	34,160
Change of items during the period									
Issuance of new shares	15,329	15,329		15,329					30,658
Issuance of new shares (Exercise of subscription rights to shares)	137	137		137					275
Issuance of new shares (Issuance of restricted shares)	40	40		40					80
Dividends from surplus						(8,074)	(8,074)		(8,074)
Net income						25,539	25,539		25,539
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares			5,164	5,164				8,806	13,970
Net changes of items other than shareholders' equity									
Total changes of items during the period	15,507	15,507	5,164	20,671	—	17,465	17,465	8,806	62,450
Balance at September 30, 2020	19,741	19,524	11,111	30,636	35	46,196	46,232	(0)	96,610

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2019	8	8	312	34,481
Change of items during the period				
Issuance of new shares				30,658
Issuance of new shares (Exercise of subscription rights to shares)				275
Issuance of new shares (Issuance of restricted shares)				80
Dividends from surplus				(8,074)
Net income				25,539
Purchase of treasury shares				(0)
Disposal of treasury shares				13,970
Net changes of items other than shareholders' equity	(1)	(1)	(94)	(96)
Total changes of items during the period	(1)	(1)	(94)	62,353
Balance at September 30, 2020	6	6	217	96,835