

**OPEN  
HOUSE  
GROUP**

# Consolidated Financial Highlights for the Second Quarter Ended September 30, 2022

(2021/10-2022/03)

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



**JPX-NIKKEI 400**

2017-2020



# FY2022 2Q Topics

## Business performance FY2022 2Q

### ■ Achieved record highs in revenue and income for the second quarter.

	Actual	FY 2022 2Q Forecast
Revenue:	¥ 445.4 billion [ 25.1% YOY ]	¥ 446.7 billion
Operating income:	¥ 59.9 billion [ 44.2% YOY ]	¥ 56.9 billion
Profit attributable to owners of parent :	¥ 39.5 billion [ 20.7% YOY ]	¥ 35.9 billion

## Upward revision of consolidated financial forecast FY2022

### ■ Aiming to achieve record highs in revenue and income for the tenth consecutive year.

	Revised Forecast	Previous Forecast
Revenue:	<b>¥ 935 billion [15.4% YOY]</b>	¥ 920 billion
Operating income:	<b>¥ 116 billion [14.7% YOY]</b>	¥ 112 billion
Ordinary income:	<b>¥ 115 billion [17.8% YOY]</b>	¥ 108.9 billion

## Details of upward revision

### ■ Revised up the financial forecasts for U.S. real estate business and PRESSANCE CORPORATION

	Revised Forecast	Previous Forecast
U. S. real estate business:	<b>¥ 65.3 billion [44.6% YOY]</b>	¥ 52 billion
Pressance Corporation:	<b>¥ 142.5 billion [ - ]</b>	¥ 140.8 billion

# Shareholder Return

- ☑ The Company decided to acquire and cancel its treasury shares, worth ¥30 billion in total or about 6% of its total number of outstanding shares.
- ☑ The purpose is to enhance shareholder value by having agile management of capital policy and reducing the number of outstanding shares.

## 1. Details of Acquisition

(1) Total number of shares to be acquired

**7,500,000 shares** (maximum)  
(5.94% of total number of shares outstanding)

(2) Total amount for share acquisition

**¥ 30 billion** (maximum)

(3) Acquisition period

May 16, 2022 to September 30, 2022

(4) Acquisition method

Purchases through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) of the Tokyo Stock Exchange or open market purchases on the Tokyo Stock Exchange  
Masaaki Arai, who is the President and CEO of the Company, agreed to sell up to 2.7 million shares\* out of the shares to be acquired this time in a bid to mitigate the impact on the market that may be caused by the acquisition.  
\*It is equivalent to the percentage of shares held by Mr. Arai out of the total number of shares outstanding (excluding treasury shares) as of the end of March 2022.

## 2. Details of Cancellation

(1) Number of shares to be cancelled

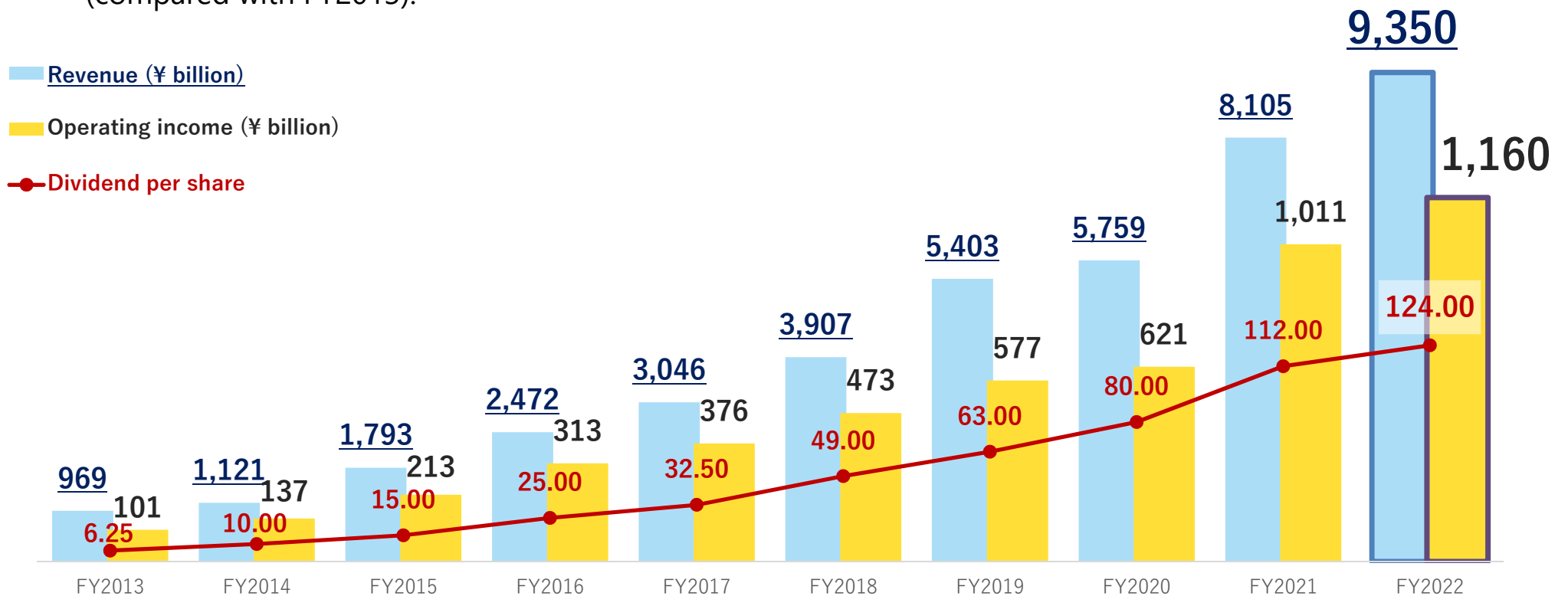
All shares acquired

(2) Scheduled date of cancellation

September 30, 2022

# Business performance and shareholders return

- ☑ Aiming to achieve record highs in revenue and income for the tenth consecutive year since its listing in FY2013
- ☑ Revenue expanded 10 times, operating income was up 11 times, and dividend per share grew 20 times (compared with FY2013).



\*Since the Company executed a two-for-one stock split in FY2015 and FY2019, the stock price and dividend are calculated on the assumption that the stock split took place in FY2013.

# Corporate Philosophy and Our Mission

## Corporate Philosophy

1. Remain committed to pursuing "Houses that customers want" honestly and constantly.
2. Attract a wide range of motivated people and create an organization that rewards results.
3. Increase performance and expand the scale of our business, and be a real estate company needed by society.

## Our Mission

### Supplying Affordable Housing in the Tokyo Metropolitan Area

\*For more details, please refer to the page 42-44

# Sustainability

## Views on Sustainability

The OPEN HOUSE Group promotes sustainability aiming to contribute to the realization of a sustainable society through our business activities while achieving sustainable corporate growth.

ESG	Material Issues
Environment	Environmental conservation
Social	Product safety and security, and customer satisfaction
	Talent development
	Work-style reforms
	Supply chain management
Governance	Compliance

# Key initiatives and external evaluations in FY 2022

<p><b>November 2021</b></p>  <p><b>Signed on to TCFD</b></p>	<p><b>March 2022</b></p>  <p><b>Certified as DX Business Operator by METI*</b> *the Ministry of Economy, Trade and Industry of Japan</p>
<p><b>January 2022</b></p>  <p><b>Signed the UN Global Compact</b></p> <p>Since 2022 the Company has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption.</p>	<p><b>April 2022</b></p>  <p><b>Included in "FTSE Blossom Japan Sector Relative Index"</b></p>
<p><b>February 2022</b></p>   <p><b>Concluded a Positive Impact Finance Agreement with Mizuho Bank, Ltd. Loan amount: ¥ 10 billion</b></p>	<p><b>April 2022</b></p>  <p><b>Received rating of BBB by MSCI ESG Ratings</b></p>



## **FY2022 2Q Consolidated Financial Summary**



## Overview of Consolidated Income Statement

- ☑ Achieved record highs in revenue and income for the second quarter.

(Million yen)

	FY2021 2Q <2020/10-2021/3>		FY2022 2Q <2021/10-2022/3>		Inc.(Dec.)
	Actual	% of revenue	Actual	% of revenue	
<b>Revenue</b>	363,945	-	<b>455,411</b>	-	25.1%
<b>Operating income</b>	41,614	11.4%	<b>59,998</b>	13.2%	44.2%
<b>Ordinary income</b>	40,699	11.2%	<b>61,627</b>	13.5%	51.4%
<b>Profit attributable to owners of parent</b>	32,751	9.0%	<b>39,530</b>	8.7%	20.7%

## Performance by segment (Revenue/Operating income)

- ☑ All segments saw both revenue and operating income increases.
- ☑ The Property Resales business and the U.S. Real Estate business, in particular, were robust.

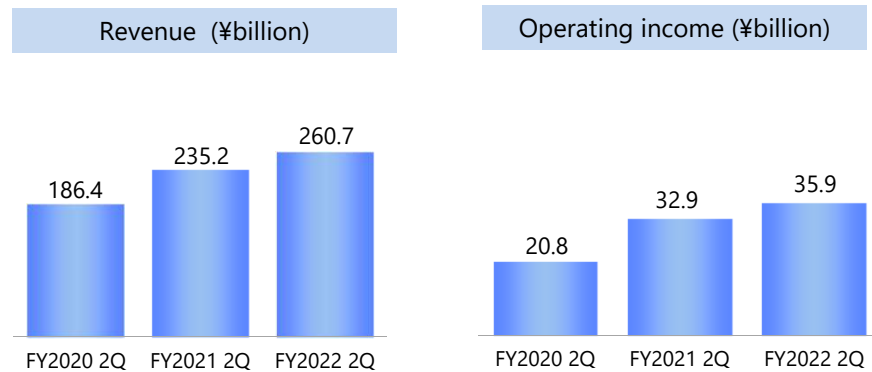
(Million yen)

	FY2021 2Q <2020/10-2021/3>		FY2022 2Q <2021/10-2022/3>		Inc.(Dec.)
	Actual	Ratio	Actual	Ratio	
<b>Revenue</b>	363,945	100.0%	<b>455,411</b>	100.0%	25.1%
Single-family homes related business	235,203	64.6%	<b>260,771</b>	57.3%	10.9%
Condominiums	4,644	1.3%	<b>11,467</b>	2.5%	146.9%
Property resales	55,589	15.3%	<b>76,205</b>	16.7%	37.1%
Others (including U.S. real estate business)	19,629	5.4%	<b>36,277</b>	8.0%	84.8%
Pressance Corporation	49,492	13.6%	<b>71,827</b>	15.8%	-
Adjustments	(613)	-	<b>(1,138)</b>	-	-
	Actual	% of revenue	Actual	% of revenue	Inc.(Dec.)
<b>Operating Income</b>	41,614	11.4%	<b>59,998</b>	13.2%	44.2%
Single-family homes related business	32,910	14.0%	<b>35,953</b>	13.8%	9.2%
Condominiums	(816)	-	<b>419</b>	3.7%	-
Property resales	6,125	11.0%	<b>9,130</b>	12.0%	49.1%
Others (including U.S. real estate business)	2,117	10.8%	<b>4,564</b>	12.6%	115.6%
Pressance Corporation	2,160	4.4%	<b>10,985</b>	15.3%	-
Adjustments	(883)	-	<b>(1,055)</b>	-	-

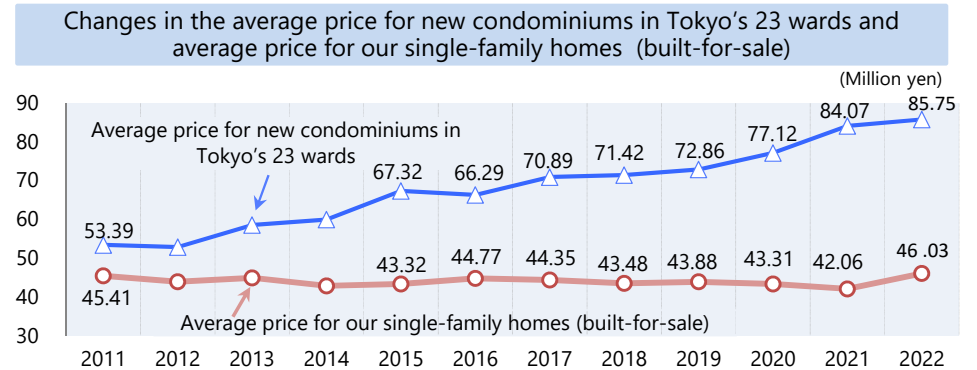
\* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year revenue and operating income is not indicated.

# Single-family homes related business as a whole

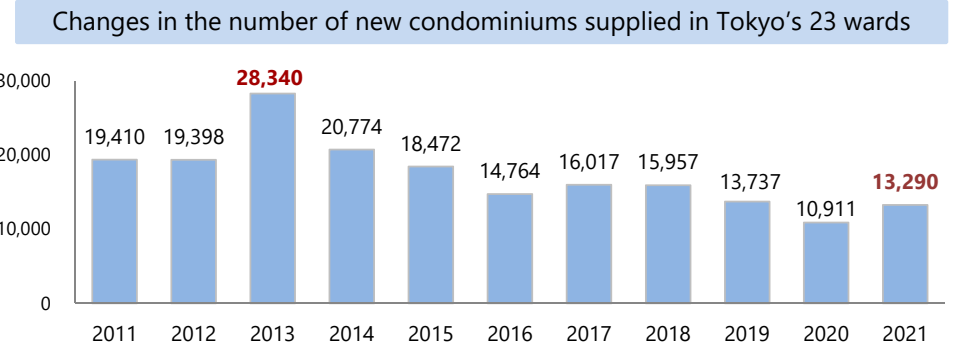
- ✓ The average price of single-family homes for 2022 rose due to high demand.
- ✓ New condominium prices continued to go up due to high demand and low supply.



	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3	Inc. (Dec.)
Revenue (¥million)	186,467	235,203	<b>260,771</b>	10.9%
Gross profit (¥million)	30,360	45,002	<b>49,916</b>	10.9%
Gross profit margin	16.3%	19.1%	<b>19.1%</b>	0.0pt
Operating income (¥million)	20,896	32,910	<b>35,953</b>	9.2%
Operating income margin	11.2%	14.0%	<b>13.8%</b>	(0.2)pt



Source: MLIT, "Monthly marketing report of lands"  
 Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the period Oct.–Sep.  
 Condominium prices for 2021 are for the Oct.–Sep. period.  
 Prices of our homes for 2021 are for the Jan. 2021–Dec. 2021 period, and for 2022 are for the Oct. 2021–Mar. 2022 period in Tokyo metropolitan area.



Source: MLIT, "Monthly marketing report of lands"  
 Fiscal years: : Calendar-year basis for the Jan–Dec period

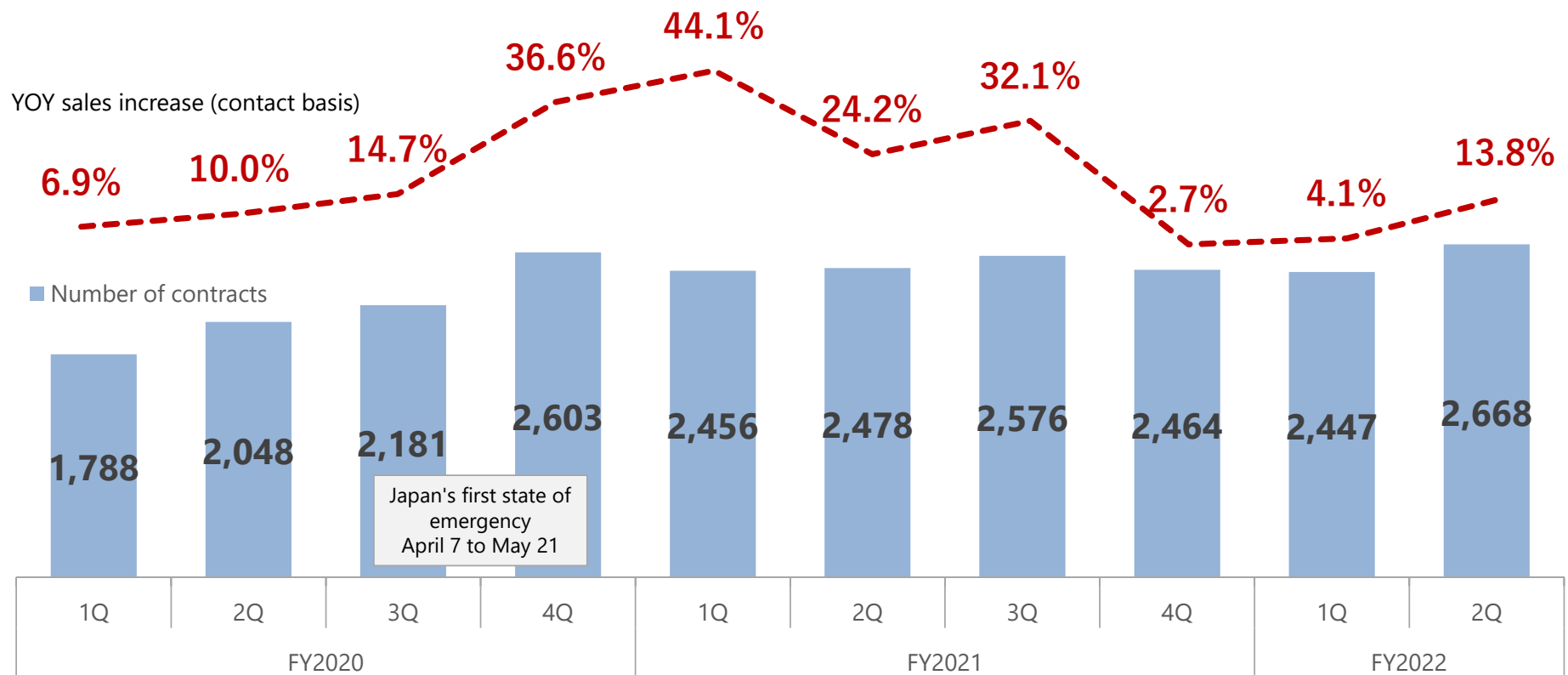
## Single-family homes related business (Revenue by Sub-business Segment / Number delivered)

		Revenue / Gross profit (¥million)				Number delivered / Unit price (¥million)		
		FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3		FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3
<b>Open House Development (Sale)</b>	Revenue	119,996	148,797	<b>168,707</b>	Built-for-sale houses	1,296	1,734	<b>1,624</b>
	Gross profit	20,146	28,839	<b>33,489</b>	Lands	1,271	1,646	<b>1,891</b>
	Gross profit margin	16.8%	19.4%	<b>19.9%</b>	Built-to-order houses	752	843	<b>852</b>
					Built-for-sale houses (unit price)	42.9	40.0	<b>43.2</b>
					Lands (unit price)	41.8	40.6	<b>45.1</b>
<b>Hawk One (Sale)</b>	Revenue	44,483	62,628	<b>64,636</b>	Built-for-sale houses	1,080	1,311	<b>1,211</b>
	Gross profit	6,409	11,121	<b>12,223</b>	Lands	64	157	<b>170</b>
	Gross profit margin	14.4%	17.8%	<b>18.9%</b>	Built-to-order houses	15	37	<b>76</b>
					Sales (unit price) *	38.4	42.3	<b>45.9</b>
<b>Open House Architect (Construction)</b>	Revenue	27,679	27,571	<b>30,357</b>	Built-to-order houses except number delivered to OHD	1,332	1,334	<b>1,384</b>
	Gross profit	3,230	3,736	<b>2,748</b>	Number delivered to OHD	797	832	<b>812</b>
	Gross profit margin	11.7%	13.6%	<b>9.1%</b>				

\* Sales (unit price) : Average unit price of built-for-sale houses and lands

## Single-family homes related business (Sales trend)

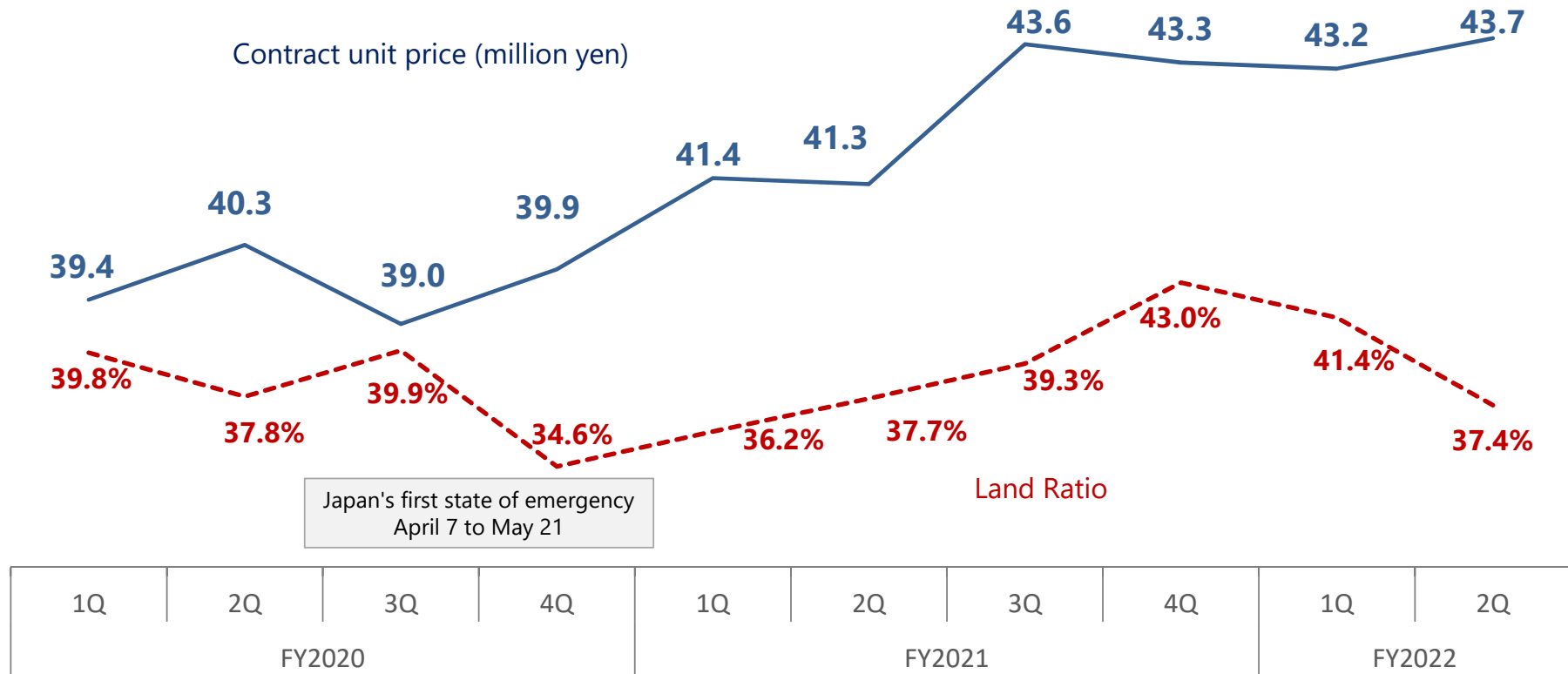
- ☑ Sales of single-family home remained high due partly to strong sales in the Kansai region launched in October 2021.
- ☑ Sales of rental single-family homes for funds also made a positive contribution.



Scope: Combined number of built-for-sale houses and lands of Open House Development and Hawk One, not included number of built-to-order houses.

# Single-family homes related business (Contract unit price)

☑ Contract unit price also remains high



Scope: Combined number of built-for-sale houses and lands of Open House Development and Hawk One, not included number of built-to-order houses.

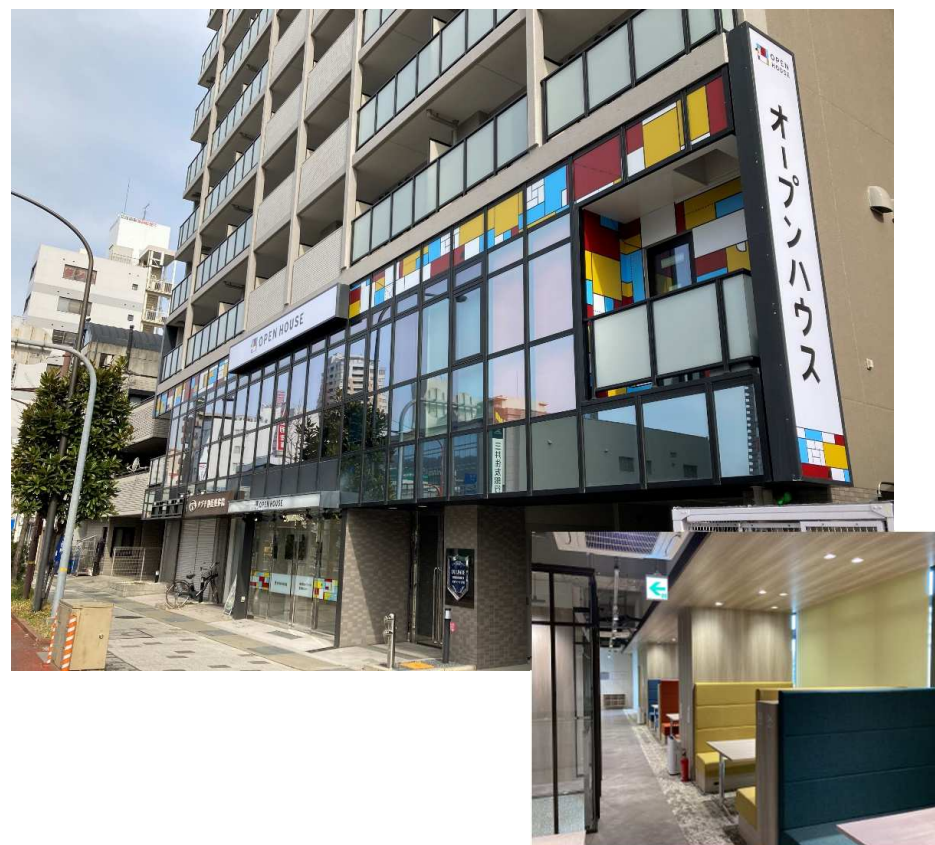
## Single-family homes related business (Open House-brokerage)

☑ In April 2022, Nishinomiya sales center was opened as the third sales center in the Kansai region.

Number of sales centers of each area

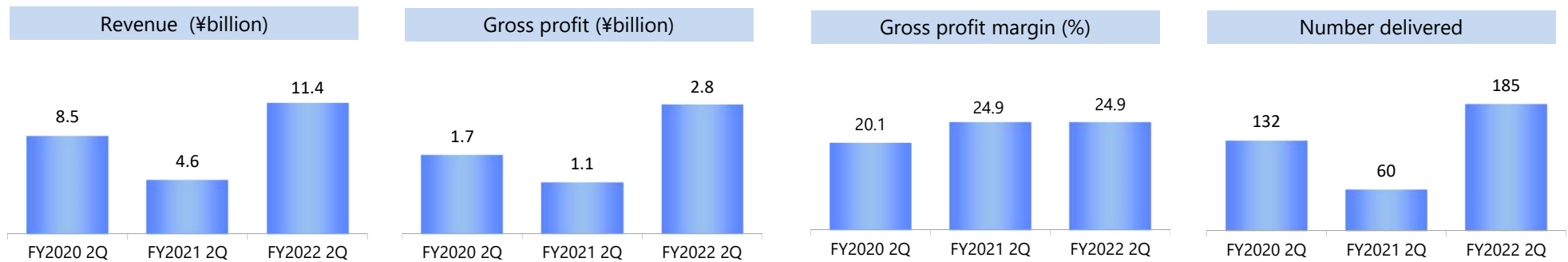
	FY2018	FY2019	FY2020	FY2021 20/10-21/9	As of 2022.5.13
Tokyo	17	19	21	23	<b>25</b>
Kanagawa	10	12	12	13	<b>14</b>
Aichi	3	5	7	8	<b>8</b>
Saitama	2	4	4	5	<b>5</b>
Fukuoka	-	1	3	4	<b>4</b>
Chiba	-	1	2	4	<b>4</b>
Osaka	-	-	-	-	<b>2</b>
Hyogo	-	-	-	-	<b>1</b>
Gunma	-	-	-	-	<b>1</b>
<b>Total</b>	<b>32</b>	<b>42</b>	<b>49</b>	<b>57</b>	<b>64</b>

Nishinomiya sales center opened in April 2022



# Condominiums Business

- ☑ The contract rate of condominiums scheduled to be delivered during the current fiscal year was 95%; actual deliveries will be concentrated in 4Q.
- ☑ Purchases also progressed smoothly in the Tokyo metropolitan area, looking toward regrowth in FY2022.



	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3	Inc. (Dec.)
Revenue (¥million)	8,533	4,644	<b>11,467</b>	146.9%
Gross profit (¥million)	1,717	1,155	<b>2,854</b>	147.0%
Gross profit margin	20.1%	24.9%	<b>24.9%</b>	0.0pt
Operating income (¥million)	(47)	(816)	<b>419</b>	-
Operating income margin	-	-	<b>3.7%</b>	-
Number delivered	132	60	<b>185</b>	125
Unit price (¥million)	64.1	68.9	<b>60.6</b>	(8.3)

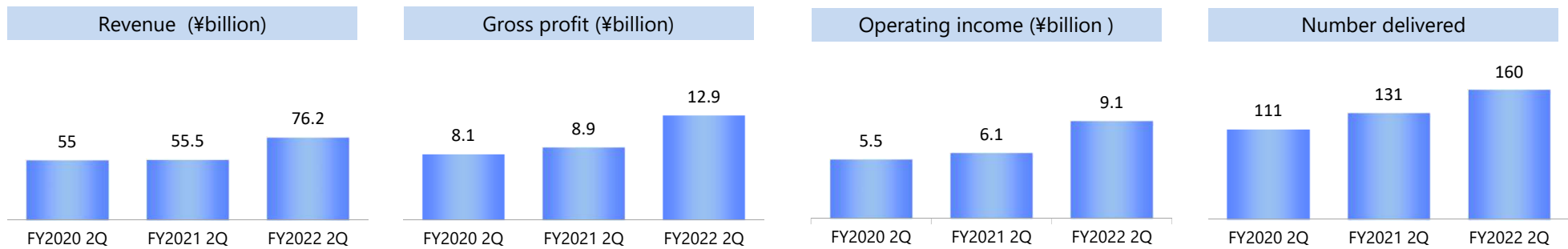
## — Major condominiums delivered in FY2022 —

Name	Units	Average price
Open Residencia Takanawa THE HOUSE (Tokyo)	34	¥ 110 million
Open Residencia Yokohama (Kanagawa)	86	¥ 50 million
Open Residencia Meieki Minami THE COURT (Nagoya)	62	¥ 30 million
Open Residencia Yakuin Minami (Fukuoka)	45	¥ 30 million

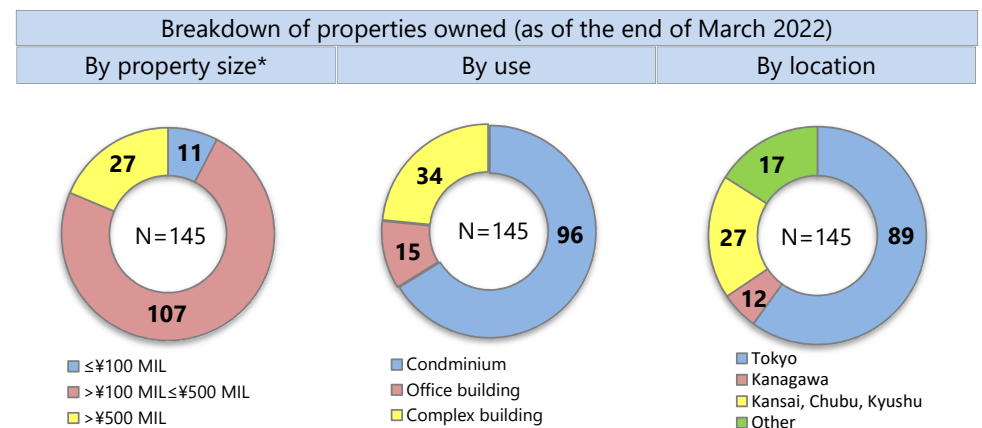


# Property Resale Business

- ✓ Sales were robust on the back of strong demand for investment property.
- ✓ Accelerated growth by utilizing its overwhelming amount of information on properties in metropolitan areas.



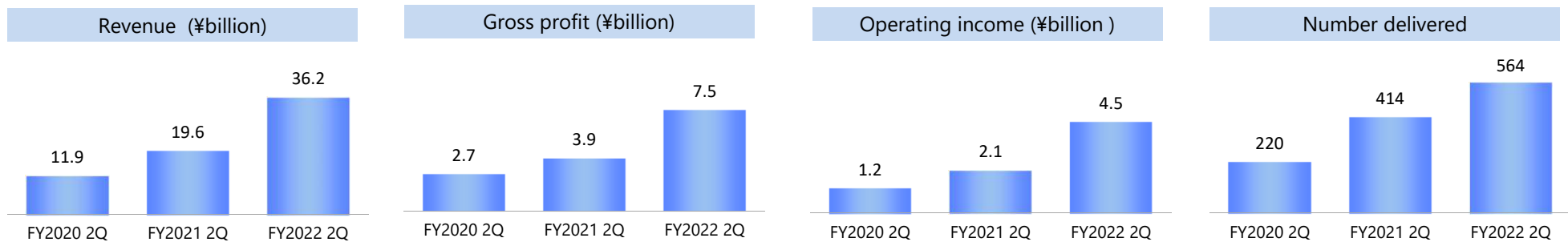
	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3	Inc. (Dec.)
Revenue (¥million)	55,060	55,589	<b>76,205</b>	37.1%
Gross profit (¥million)	8,144	8,942	<b>12,919</b>	44.5%
Gross profit margin	14.8%	16.1%	<b>17.0%</b>	0.9pt
Operating income (¥million)	5,536	6,125	<b>9,130</b>	49.1%
Operating income margin	10.1%	11.0%	<b>12.0%</b>	1.0pt
Number delivered	111	131	<b>160</b>	29
Unit Price (¥million)	487	416	<b>461</b>	44



\* Based on book values as of the end of March 2022

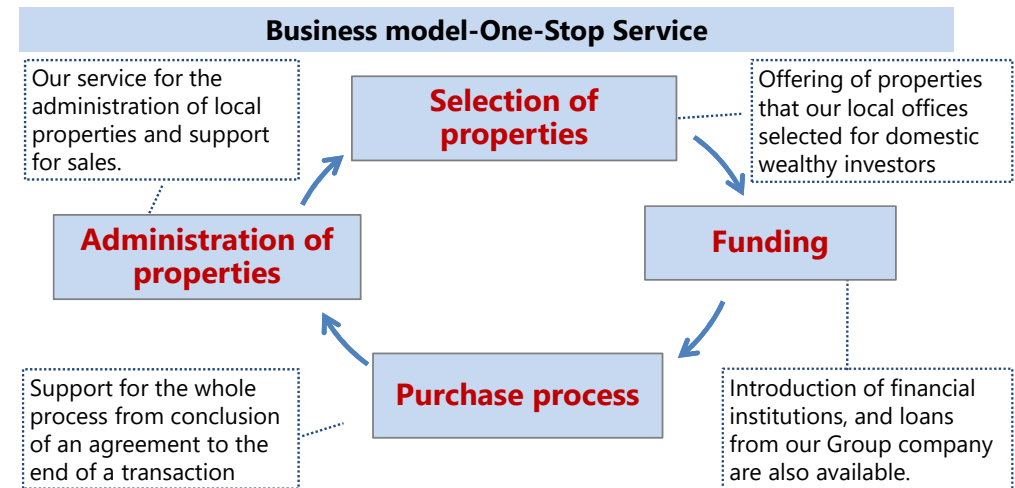
## Other Segment (U.S. Real Estate Business )

- ✓ Providing U.S. real estate to Japanese investors through one-stop services.
- ✓ Sales remained healthy due to strong demand for pure investment and asset diversification by corporations and wealthy individual investors.



	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	FY2022 2Q 21/10-22/3	Inc. (Dec.)
Revenue (¥million)	11,911	19,629	<b>36,277</b>	84.8%
Gross profit (¥million)	2,738	3,996	<b>7,538</b>	88.6%
Gross profit margin	23.0%	20.4%	<b>20.8%</b>	0.4pt
Operating income (¥million)	1,221	2,117	<b>4,564</b>	115.6%
Operating income margin	10.3%	10.8%	<b>12.6%</b>	1.8pt
Number delivered	220	414	<b>564</b>	150
Multi family homes included above	5	5	<b>14</b>	9

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

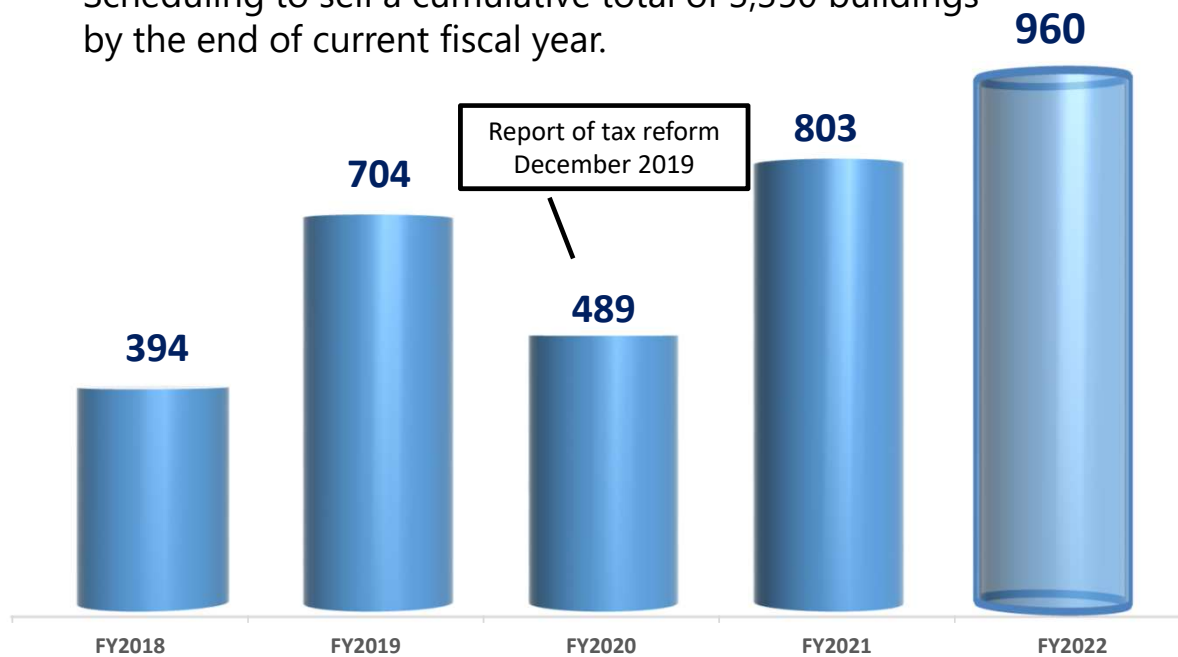


## Other Segment (U.S. Real Estate Business )

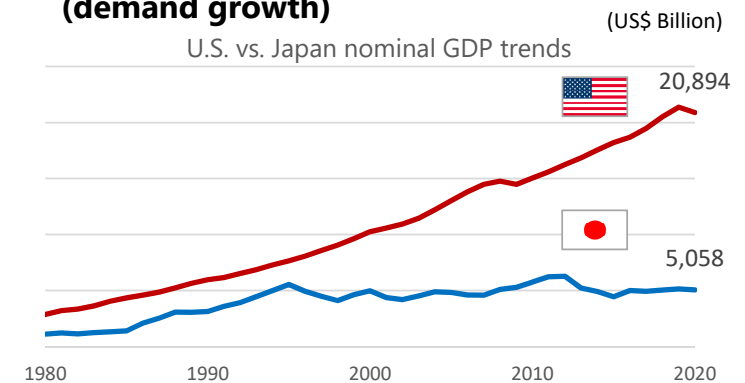
- ☑ The business grew steadily against the backdrop of the growing U.S. market.
- ☑ Holding the No. 1 position among Japanese companies in terms of the number of transactions and the volume of U.S. properties the Company handles.

### ➤ Number Delivered

Scheduling to sell a cumulative total of 3,350 buildings by the end of current fiscal year.

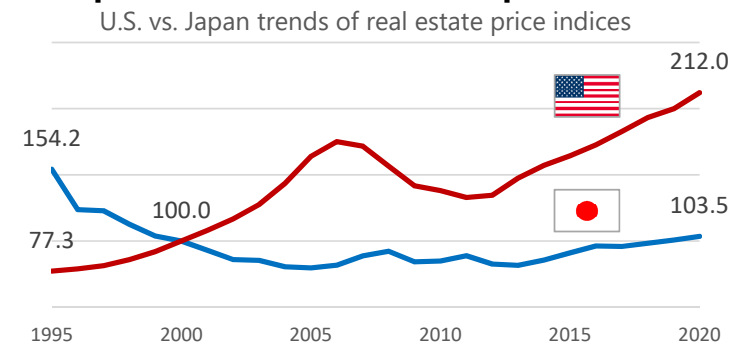


### ➤ Economic growth caused by population growth (demand growth)



Source: "National Account (GDP)" Cabinet Office of Japan

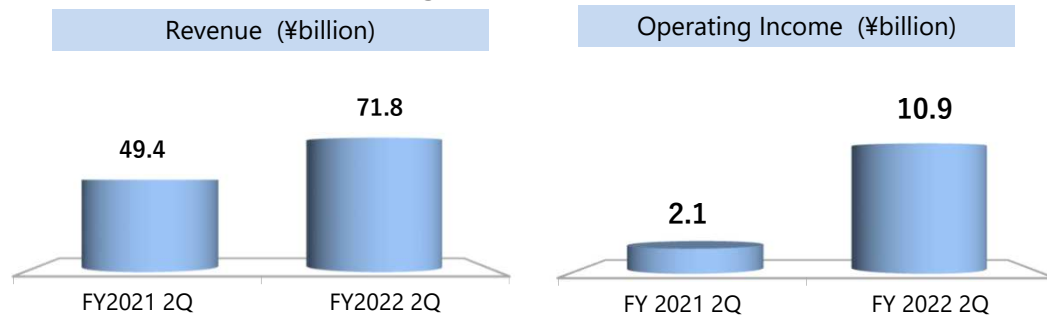
### ➤ Upward trend of real estate prices



Source: "S&P CoreLogic Case-Shiller Home Price Indices" Japan Real Estate Institute

# Pressance Corporation

- ☑ Pressance Corporation was included in the scope of consolidation in January 2021
- ☑ Both revenue and gross profit exceeded previous forecast



Actual by Products		
Products	FY2021 2Q 21/1-21/3	FY2022 2Q 21/10-22/3
Studio-type condominium	2,039	1,588
Family-type condominium	339	702
<b>Total</b>	<b>2,378</b>	<b>2,290</b>



	FY2021 2Q 21/1-21/3	FY2022 2Q 21/10-22/3
Revenue (¥million)	49,492	<b>71,827</b>
Gross profit (¥million)	6,647	<b>18,763</b>
Gross profit margin	13.4%	<b>26.1%</b>
Operating income (¥million)	2,160	<b>10,985</b>
Operating income margin	4.4%	<b>15.3%</b>

\* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year actual is not indicated.

Complementary Areas	<ul style="list-style-type: none"> <li>■ Strong in the Tokyo metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>■ Strong in the Kinki, Tokai and Chukyo regions</li> </ul>
Complementary Products	<ul style="list-style-type: none"> <li>■ Single-family homes</li> <li>■ Condominiums</li> <li>■ Property resales</li> <li>■ U.S. real estate</li> </ul>	<ul style="list-style-type: none"> <li>■ Condominiums for investment</li> <li>■ Condominiums for families</li> <li>■ Management of condominiums</li> </ul>
Major Synergies	<ul style="list-style-type: none"> <li>■ Single-family home business to tap into Kansai region</li> <li>■ Develop a business line of new condominiums for investment in the Tokyo metropolitan area</li> <li>■ Develop a real estate fund business managing primarily residential properties</li> </ul>	

## Breakdown of SG&A Expenses, Non-Operating Income / Expenses

(Million yen)

	FY2021 2Q 2020/10-2021/3		FY2022 2Q 2021/10-2022/3		Inc. (Dec.)		FY2021 2Q 2020/10-2021/3		FY2022 2Q 2021/10-2022/3		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue			Actual	% of revenue			
<b>SG&amp;A expenses</b>	24,229	6.7%	<b>31,593</b>	6.9%	7,364	<b>Non-operating income</b>	2,082	0.6%	<b>3,709</b>	0.8%	1,627
Personnel expenses	7,336	2.0%	<b>9,893</b>	2.2%	2,557	Share of profit of entities accounted for using equity method	1,448	0.4%	<b>495</b>	0.1%	(952)
Sales commissions	2,752	0.8%	<b>3,673</b>	0.8%	921	Dividend income	11	0.0%	<b>1,656</b>	0.4%	1,645
Office maintenance cost	2,414	0.7%	<b>3,190</b>	0.7%	775	Other	623	0.2%	<b>1,557</b>	0.3%	934
Advertising expenses	1,669	0.5%	<b>1,855</b>	0.4%	186	<b>Non-operating expenses</b>	2,997	0.8%	<b>2,081</b>	0.5%	(915)
Promotion expenses	666	0.2%	<b>866</b>	0.2%	199	Interest expenses	1,371	0.4%	<b>1,704</b>	0.4%	333
Others	9,390	2.6%	<b>12,114</b>	2.7%	2,723	Commission expenses	321	0.1%	<b>257</b>	0.1%	(63)
						Other	1,304	0.4%	<b>118</b>	0.0%	(1,186)

Dividend income from U.S. real estate cases

Foreign exchange profit 999 million yen

# Consolidated Balance Sheet

	Sep 30, 2021	Mar 31, 2022	Inc. (Dec.)
<b>Current assets</b>	830,727	<b>905,814</b>	75,086
Cash and deposits	337,731	<b>375,710</b>	37,979
Inventories	428,129	<b>476,111</b>	47,982
Others	64,867	<b>53,991</b>	(10,875)
<b>Non-current assets</b>	49,185	<b>48,909</b>	(275)
Property, plant and equipment	21,297	<b>21,878</b>	580
Intangible assets	3,031	<b>3,005</b>	(26)
Investments and other assets	24,856	<b>24,026</b>	(830)
<b>Deferred assets</b>	-	-	-
<b>Total assets</b>	879,913	<b>954,723</b>	74,810

<Safety index> (times)	Sep 30, 2021	Mar 31, 2022	Inc. (Dec.)
D/E ratio	1.5	<b>1.4</b>	(0.1)
Net D/E ratio*	0.3	<b>0.3</b>	(0.1)

\*Net debt/equity ratio:  
(loans payable + corporate bonds-cash & deposits) / net assets

	Sep 30, 2021	Mar 31, 2022	Inc. (Dec.)
<b>Liabilities</b>	532,769	<b>569,585</b>	36,815
Current liabilities	256,237	<b>280,946</b>	24,708
Non-current liabilities	276,532	<b>288,639</b>	12,107
<b>Net Assets</b>	347,143	<b>385,138</b>	37,994
Shareholders' equity	293,256	<b>325,256</b>	32,000
Valuation and translation adjustments	1,104	<b>4,521</b>	3,416
Non-controlling interests	52,782	<b>55,360</b>	2,577
<b>Total liabilities and net assets</b>	879,913	<b>954,723</b>	74,810

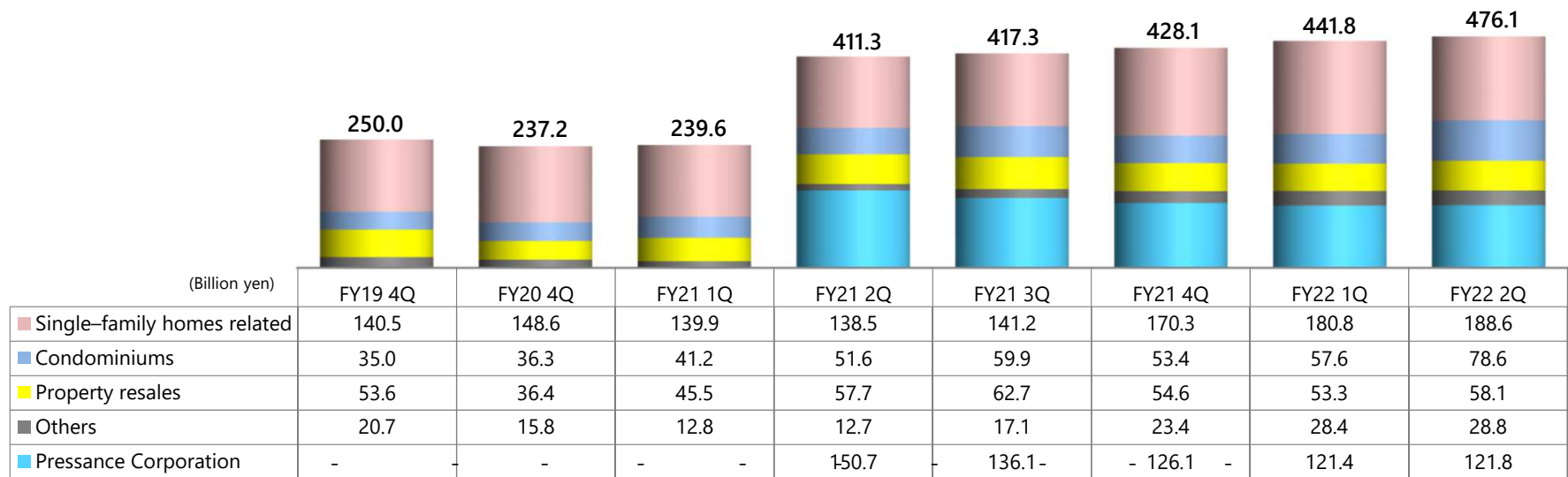
	Sep 30, 2021	Sep 30, 2022	Inc. (Dec.)
Equity ratio	33.4%	<b>34.5%</b>	1.1 pt
Current ratio	324.2%	<b>322.4%</b>	(1.8) pt

Net D/E ratio one time or less/Equity ratio 30% or more  
**Investment capacity Solid financial structure**

# Inventory Details

(Million yen)

	FY2019 (Sep 30, 2019)	FY2020 (Sep 30, 2020)	FY2021 (Sep 30, 2021)	FY2022 2Q (Mar 31, 2022)	Ratio	Inc. (Dec.)
Single-family homes related	140,560	148,676	170,389	<b>188,611</b>	<b>39.6%</b>	<b>18,222</b>
Condominiums	35,065	36,339	53,496	<b>78,670</b>	<b>16.5%</b>	<b>25,174</b>
Property resales	53,691	36,445	54,681	<b>58,182</b>	<b>12.2%</b>	<b>3,501</b>
Others	20,735	15,825	23,452	<b>28,803</b>	<b>6.0%</b>	<b>5,350</b>
Pressance Corporation	-	-	126,109	<b>121,842</b>	<b>25.6%</b>	<b>(4,266)</b>
<b>Total</b>	<b>250,054</b>	<b>237,287</b>	<b>428,129</b>	<b>476,111</b>	<b>100.0%</b>	<b>47,982</b>



# Consolidated Statement of Cash Flows

(Million yen)

	FY2021 2Q <2020/10-2021/3>	FY2022 2Q <2021/10-2022/9>	Main factors
Cash flows from operating activities	<b>31,746</b>	<b>11,701</b>	<ul style="list-style-type: none"> <li>- Booking of income before income taxes</li> <li>- Increase in inventories</li> <li>- Payment of income taxes ,etc</li> </ul>
Cash flows from investing activities	<b>25,250</b>	<b>1,844</b>	<ul style="list-style-type: none"> <li>- Collection of loans receivable</li> <li>- Purchase of shares of subsidiaries, etc.</li> </ul>
Cash flows from financing activities	<b>34,258</b>	<b>21,410</b>	<ul style="list-style-type: none"> <li>- Increase in loans payable</li> <li>- Dividend payment, etc.</li> </ul>
Effect of exchange rate changes on cash and cash equivalents	<b>981</b>	<b>2,294</b>	
Net increase (decrease) in cash and cash equivalents	<b>92,236</b>	<b>37,250</b>	
Cash and cash equivalents at beginning of period	<b>219,218</b>	<b>334,506</b>	
Cash and cash equivalents resulting from change in scope of consolidation	<b>199</b>	<b>728</b>	
Cash and cash equivalents at end of period	<b>311,654</b>	<b>372,485</b>	





## **Consolidated Business Performance Forecasts for FY2022**

# Consolidated Business Performance Forecasts

- ☑ Based on the first-half results, the second-half forecast is conservative and the full-year forecast was revised upward.
- ☑ Aiming to achieve record highs in revenue and income for the tenth consecutive year.

(Million yen)

Substantial growth of 16.1% if excluding the impact of negative goodwill in the previous fiscal year

	FY2021 (2020/10-2021/9)		FY2022 Previous forecast (2021/10-2022/9)		FY2022 Revised forecast (2021/10-2022/9)		Revised Amount
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Forecast	Inc. (Dec.)	
Revenue	<b>810,540</b>	40.7%	<b>920,000</b>	13.5%	<b>935,000</b>	+15.4%	<b>+15,000</b>
Operating income	<b>101,103</b>	62.7%	<b>112,000</b>	10.8%	<b>116,000</b>	+14.7%	<b>+4,000</b>
Ordinary income	<b>97,590</b>	26.2%	<b>108,900</b>	11.6%	<b>115,000</b>	+17.8%	<b>+6,100</b>
Profit attributable to owners of parent	<b>69,582</b>	17.0%	<b>72,000</b>	3.5%	<b>75,700</b>	+8.8%	<b>+3,700</b>
EPS* (yen)	<b>552.40</b>	—	<b>570.91</b>	—	<b>600.15</b>	—	<b>Shareholder Return</b> <b>Payment ratio</b> <b>20% or more</b>
Annual dividends per share (yen)	<b>112.00</b>	32.00	<b>124.00</b>	12.00	<b>124.00</b>	12.00	
Payout ratio	<b>20.3%</b>	—	<b>21.7%</b>	—	<b>20.7%</b>	—	

## Consolidated Business Forecasts (Revenue by business segment)

The forecasts of U. S. real estate business and pressance corporation were revised upward

(Million yen)

	FY2021 (2020/10-2021/9)		FY2022 Previous forecast (2021/10-2022/9)		FY2022 Revised forecast (2021/10-2022/9)		Revised amount
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Forecast	Inc. (Dec.)	
Revenue	<b>810,540</b>	40.7%	<b>920,000</b>	13.5%	<b>935,000</b>	15.4%	15,000
Single-family homes related business	<b>446,959</b>	17.7%	<b>513,700</b>	14.9%	<b>513,700</b>	14.9%	—
Condominiums	<b>47,147</b>	(18.9)%	<b>62,000</b>	31.5%	<b>62,000</b>	31.5%	—
Property resales	<b>123,061</b>	9.7%	<b>151,500</b>	23.1%	<b>151,500</b>	23.1%	—
Others (U.S. real estate business)	<b>45,159</b>	73.5%	<b>52,000</b>	15.1%	<b>65,300</b>	44.6%	13,300
Pressance Corporation	<b>149,337</b>	—	<b>140,800</b>	—	<b>142,500</b>	—	1,700
Adjustments	<b>(1,126)</b>	—	—	—	—	—	—

\* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year increase/decrease is not indicated.

## Consolidated Business Performance Forecasts (Revenue by Sub-business Segment/Number delivered)

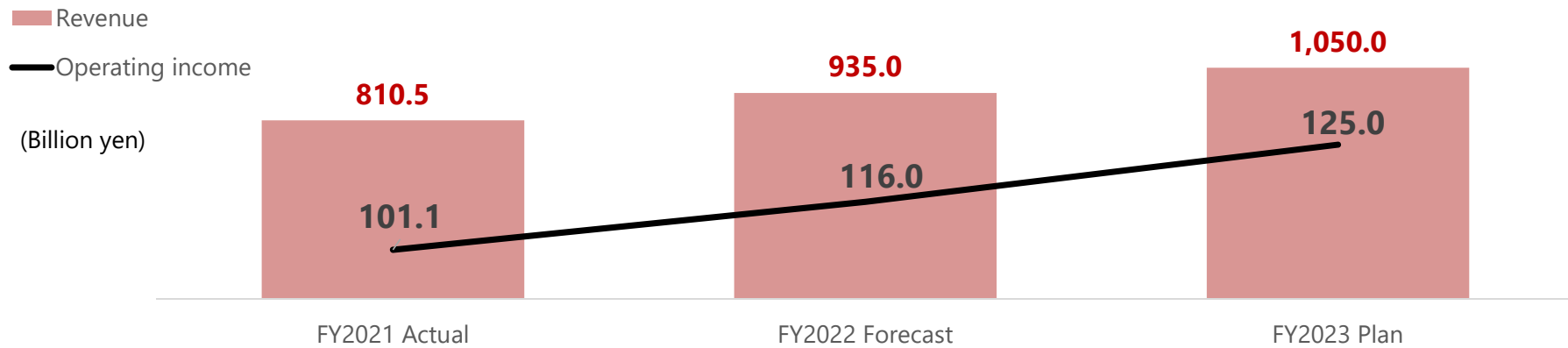
		Revenue (¥billion)			Number delivered			
		FY2020 (19/10-20/9) Actual	FY2021 (20/10-21/9) Actual	FY2022 (21/10-22/9) Plan	FY2020 (19/10-20/9) Actual	FY2021 (20/10-21/9) Actual	FY2022 (21/10-22/9) Plan	
<b>Open House Development</b>	Built-for-sale houses	116.6	138.7	<b>152.8</b>	Built-for-sale houses	2,804	3,396	<b>3,690</b>
	Lands	108.0	128.1	<b>152.3</b>	Lands	2,645	3,088	<b>3,730</b>
	Built-to-order houses	23.6	26.6	<b>30.8</b>	Built-to-order houses	1,597	1,814	<b>2,070</b>
<b>Open House Architect</b>		55.5	57.8	<b>66.8</b>	Built-to-order houses	4,158	4,265	<b>4,740</b>
					Number delivered to OHD	1,535	1,634	<b>1,860</b>
<b>Hawk One</b>		87.0	105.3	<b>124.0</b>	Built-for-sale houses	2,063	2,150	<b>2,440</b>
	Lands				145	292	<b>360</b>	
	Built-to-order houses				39	82	<b>170</b>	
<b>Condominiums</b>		58.1	47.1	<b>62.0</b>	Units	1,224	1,081	<b>1,210</b>
<b>Property resales</b>		112.2	123.0	<b>151.5</b>	Buildings	230	292	<b>340</b>
<b>U.S. real estate business</b>		26.0	45.1	<b>65.2</b>	Homes	501	827	<b>980</b>
					Multi family homes included above	12	24	<b>20</b>



## **The Mid-term Business Plan**

# Profit/Loss Plan

☑ No change to the final year (FY2023) forecast – to be reviewed at the end of the current fiscal year.



(Million yen)	FY2021 (2020/10-2021/9)		FY2022 (2021/10-2022/9)		FY2023 (2022/10-2023/9)	
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Plan	Inc. (Dec.)
Revenue	<b>810,540</b>	40.7%	<b>935,000</b>	15.4%	<b>1,050,000</b>	12.3%
Operating income	<b>101,103</b>	62.7%	<b>116,000</b>	14.7%	<b>125,000</b>	7.8%
Ordinary income	<b>97,590</b>	26.2%	<b>115,000</b>	17.8%	<b>120,000</b>	4.3%
Profit attributable to owners of parent	<b>69,582</b>	17.0%	<b>75,700</b>	8.8%	<b>80,000</b>	5.7%

Substantial growth of 16.1% if excluding the impact of negative goodwill in the previous fiscal year

## Plan by Business Segment

No change to the final year (FY2023) forecast – to be reviewed at the end of the current fiscal year.

(Million yen)

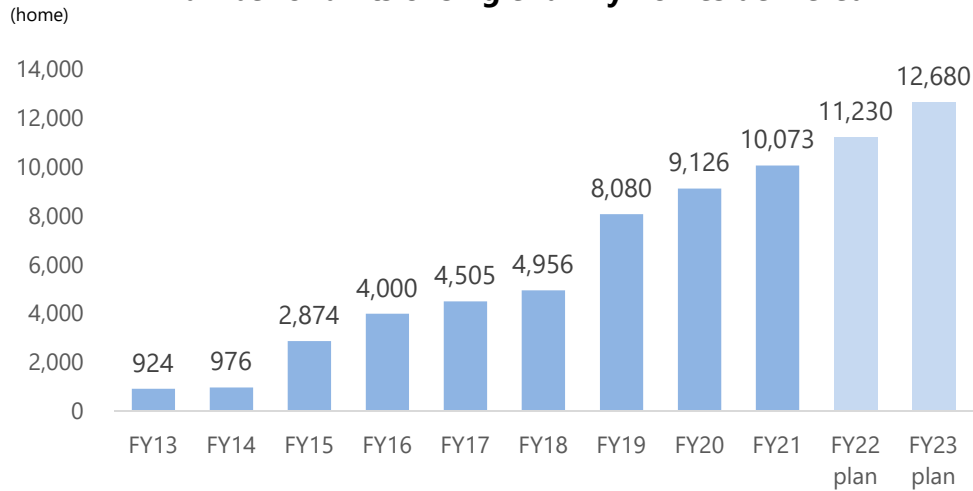
	FY2021 (2020/10-2021/9)		FY2022 (2021/10-2022/9)		FY2023 (2022/10-2023/9)	
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Plan	Inc. (Dec.)
Revenue	<b>810,540</b>	40.7%	<b>935,000</b>	15.4%	<b>1,050,000</b>	12.3%
Single-family homes related business	<b>446,959</b>	17.7%	<b>513,700</b>	14.9%	<b>561,500</b>	9.3%
Condominiums	<b>47,147</b>	(18.9)%	<b>62,000</b>	31.5%	<b>100,000</b>	61.3%
Property resales	<b>123,061</b>	9.7%	<b>151,500</b>	23.1%	<b>157,500</b>	4.0%
Others (including U.S. real estate business)	<b>45,159</b>	73.5%	<b>65,300</b>	44.6%	<b>60,800</b>	(6.9)%
Pressance Corporation	<b>149,337</b>	—	<b>142,500</b>	—	<b>170,200</b>	19.4%
Adjustments	<b>(1,126)</b>	—	—	—	—	—

\* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year increase/decrease is not indicated.

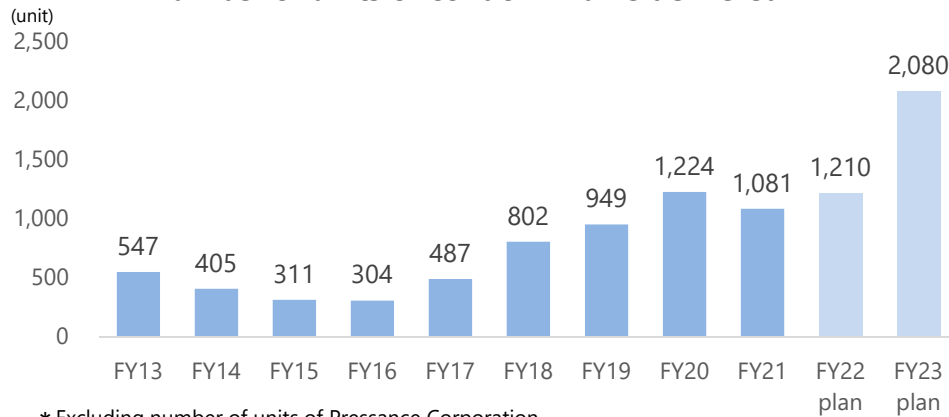


# Quantitative Goals

### Number of units of single family homes delivered

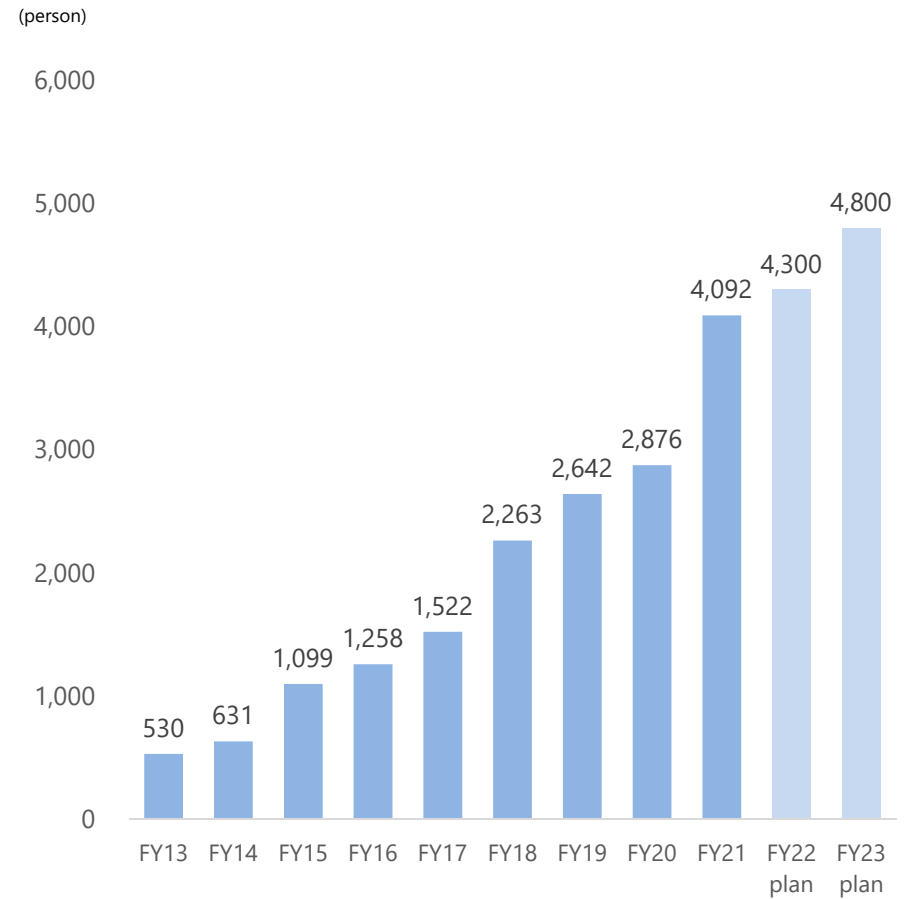


### Number of units of condominiums delivered \*



\* Excluding number of units of Pressance Corporation

### Number of employees







## **DX (Digital Transformation)**

# DX Structure to Support the Group's Growth

- Encouraging internalized DX led by the in-house IT Department.
- Building a DX structure composed of 50 diverse engineers.

## Approach to the DX structure

Aiming to build IT department that does not rely on external parties, establish an in-house development system.

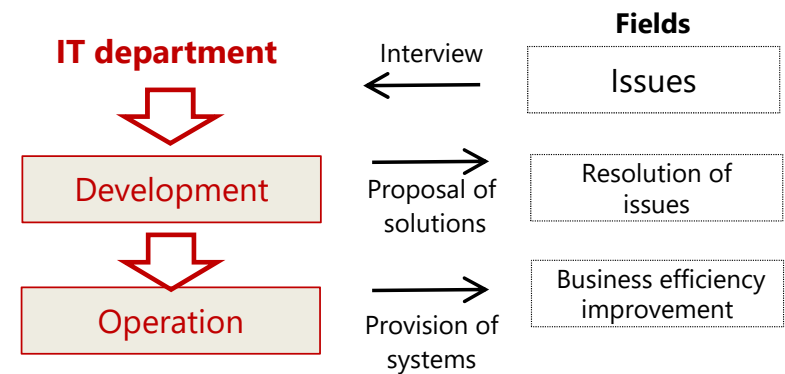
In-house engineers are in charge of the scope ranging from system planning and development to operation.

## Certified as DX Business Operator by METI on March 2022

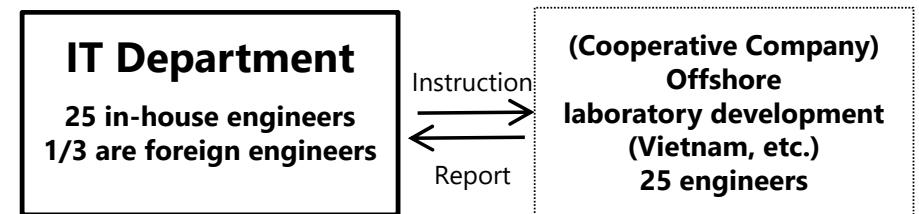
The DX Certification is an initiative by the Japanese government that certifies companies prepared to promote DX through such steps as formulating a management vision and adopting strategies and systems.



### System development and operation flow



### DX structure composed of 50 engineers in total



Our IT department received the 38th IT Award (Management Area) for 2020 sponsored by the Japan Institute of Information Technology. Establishment of an in-house IT organization structured for Developers' eXperience was highly evaluated.

# Implementing online contracting procedures for the U.S. Real Estate business

- ☑ The contracting procedures were put online.
- ☑ Managed to both improve customer convenience and reduce working hours.

## ➤ Target: U.S. real estate business

The online system is available for the overall contracting procedures for purchasing and selling of real estate in the U.S.

## ➤ Merits



	Provision of investment opportunities	Improvement of operational efficiency
Past	Distant customers had difficulties in accessing property information	Contracting procedures relied on mailing and business trips
Digitalization	Enabling customers to complete necessary procedures from anywhere	Making the most of electronic signatures and emailing
Benefits	Creation of investment opportunities and streamlining of contracting procedures	<ul style="list-style-type: none"> <li>- Reduction of working hours by approx. 4,000 hours a year</li> <li>- Reduction of expenses by approx. ¥9 million a year</li> </ul>



## Sustainability

# Sustainability Initiatives

## Views on Sustainability

The OPEN HOUSE Group promotes sustainability aiming to contribute to the realization of a sustainable society through our business activities while achieving sustainable corporate growth.

### Key Initiatives

November 2019

Sustainability Committee was established, and materiality (material issues) was identified.

October 2020

Office for Promoting Women's Empowerment was established, and the promotion system was improved.

December 2020

Two female directors and one female audit and supervisory board member took office (no less than 30% of the board members).

April 2021

General incorporated association Japan Wood-Housing Association was founded.

September 2021

Gunma Crane Thunders\* signed the UN's Sports for Climate Action Framework.

\* A professional basketball team in the J1 League run by Gunma Pro Basketball Commission Co., Ltd .

# Key initiatives and external evaluations in FY 2022

<p><b>November 2021</b></p>  <p><b>Signed on to TCFD</b></p>	<p><b>March 2022</b></p>  <p><b>Certified as DX Business Operator by METI*</b> *the Ministry of Economy, Trade and Industry of Japan</p>
<p><b>January 2022</b></p>  <p><b>Signed the UN Global Compact</b></p> <p>Since 2022 the Company has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption.</p>	<p><b>April 2022</b></p>  <p><b>Included in "FTSE Blossom Japan Sector Relative Index"</b></p>
<p><b>February 2022</b></p>  <p><b>Concluded a Positive Impact Finance Agreement with Mizuho Bank, Ltd. Loan amount: ¥ 10 billion</b></p>	<p><b>April 2022</b></p>  <p><b>Received rating of BBB by MSCI ESG Ratings</b></p>

# (Practical Example 1) The Positive Impact Finance



- ☑ Took out a loan that was in compliance with the Principle for Positive Impact Finance\*1 from Mizuho Bank, Ltd.
- ☑ Obtained a third-party opinion\*2 from Japan Credit Rating Agency, Ltd. (JCR).

## Overview of Loan

Loan Amount	¥ 10 billion
Lender	Mizuho Bank, Ltd.
Loan Period	10 years
Use of Loan	Long-term operating funds
Issue Date	February 28, 2022

### \*1 Principle for Positive Impact Finance

A common financial framework to achieve the SDGs that was announced in 2017 by the Positive Impact Working Group, a group of UN Environment Finance Initiative (UNEP FI) banking and investment members.

### \*2 Third-party opinion

An opinion on compliance with the Principle for Positive Impact Finance and the Basic concept of impact finance developed by the Impact Finance Task Force, which was established in accordance with Paragraph 2 (4) of the Guidelines for Establishment of the ESG Finance High-Level Panel of the Ministry of Environment.

## The Company received recognition for the following efforts and initiatives :

Impact	KPI	SDGs
Residence	Sales of single-family home related businesses (Provide highly convenient homes at affordable prices)	
Resource efficiency/safety/energy	Use of high-performance thermal insulator	
Climate/atmosphere	Reduction rate of greenhouse gas emissions	
	Promotion of tree-planting	
Waste	Initiatives for promotion of waste recycling	
Holistic and sound economy	Initiatives for women empowerment	
Health and sanitation	Manufacturing and provision of products that have seismic resistance and durability	
Employment/security for individuality and people	Stopping harassment	
	Percentages of workers completing health checks and stress checks	
Biodiversity and ecosystem services	Promotion of the ONE TREE, MAKE A FOREST PROJECT	

## (Practical Example 2) MSCI ESG Ratings

- ☑ The Company became a new constituent in ESG indices.

		<b>2022 CONSTITUENT MSCI日本株女性活躍指数 (WIN)</b>	
Characteristics of index	- An ESG composite index, which employs the magnitude of environmental burden and evaluation of management toward climate change risks, in addition to the FTSE Russell's ESG ratings.	- The index is constructed by selecting companies with a high gender diversity score, which is calculated based on data disclosed in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace.	- Based on carbon emission data, the index increases the investment weight of companies in the same industry with high carbon efficiency, and those that disclose information on their greenhouse gas emissions.
Number of constituents	<b>494</b>	<b>352</b>	<b>1,825</b>

- ☑ Received rating of BBB by MSCI ESG Ratings



### About MSCI ESG Rating

The MSCI ESG Rating is a seven-point evaluation system ranging from the highest rank of AAA to the lowest rank of CCC, based on an analysis of the environmental, social and governance initiatives and risk management capabilities of more than 8,500 companies worldwide.

### The Company's rating trend

~2020	2021	2022
B	BB	<b>BBB</b>



## (Practical Example 3) Regional Co-creation (B1 league Gunma Crane Thunders)

- ☑ Started CSR activity “CRANE THUNDERS ONGAESHI” (September 2021)
- ☑ Signed to Sports for Climate Action Framework (September 2021)



### Key Activities from February to April 2022

#### ONGAESHI WOMEN AWARDS 2022

- Recognizing women who thrive in local communities
- Cooperating with local companies to promote women’s empowerment

#### Organizing a food drive

- Collecting unopened food of households and donating them to food banks
- Contributing to local community aid and reduction of food loss

#### Used book collection project

- Carrying out a used book collection project at a Gunma Crane Thunders home game
- Using the total funds raised for philanthropy

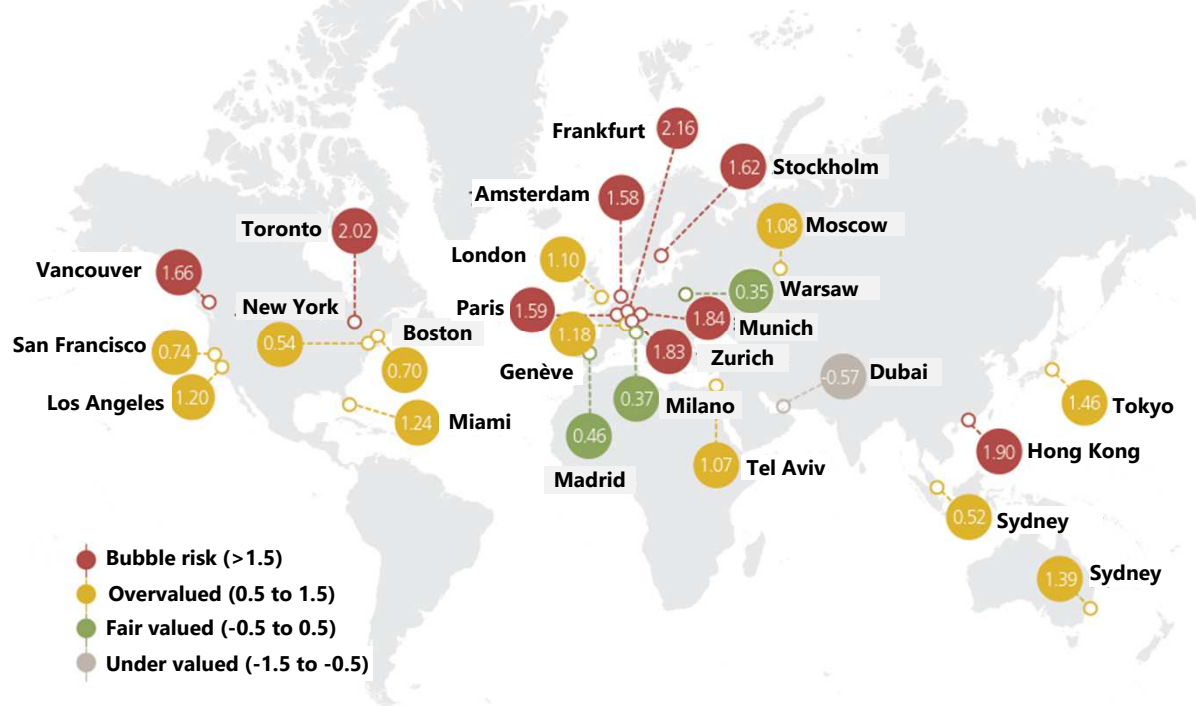


# Social Issues around Housing Purchases

- House price growth of the major cities of the world accelerated
- Affordability continues to worsen.

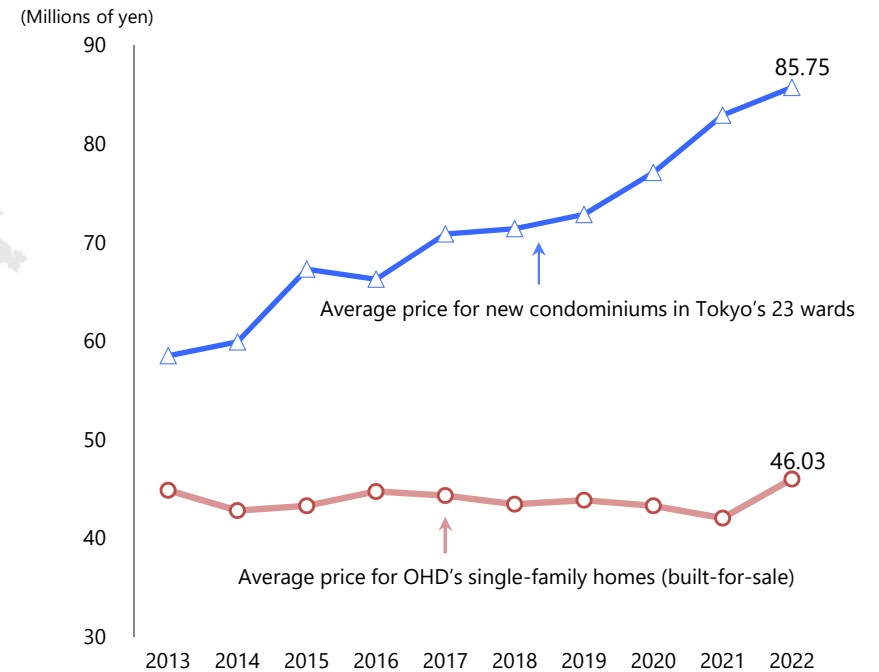
- Rising condominium prices in central Tokyo

**UBS Global Real Estate Bubble Index**  
Index scores for the housing markets of select cities, 2021



Source: UBS Global Wealth Management CIO

Changes in the average price for new condominiums in Tokyo's 23 wards and average price for OHD's single-family homes (built-for-sale house)



Source: "Condominium Market Trend in Greater Tokyo Area" by the Real Estate Economic Institute Co., Ltd. Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the Oct-Sep period.

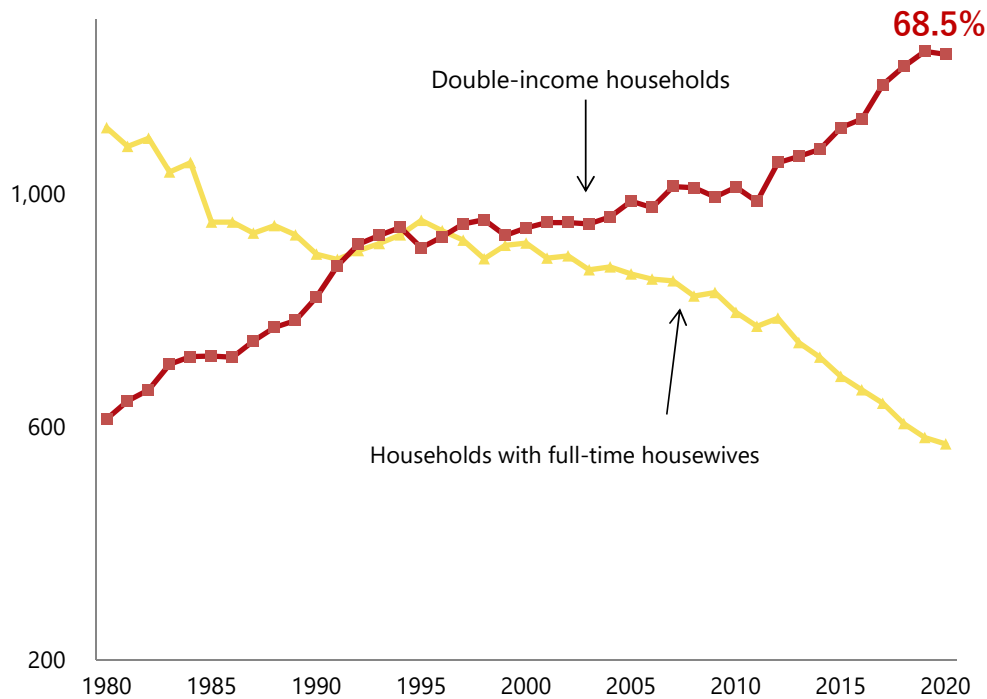
# Social Issues around Housing Purchases

■ Double-income households account for 70% of the total

■ Many of the houses are over 40 years old and obsolete

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

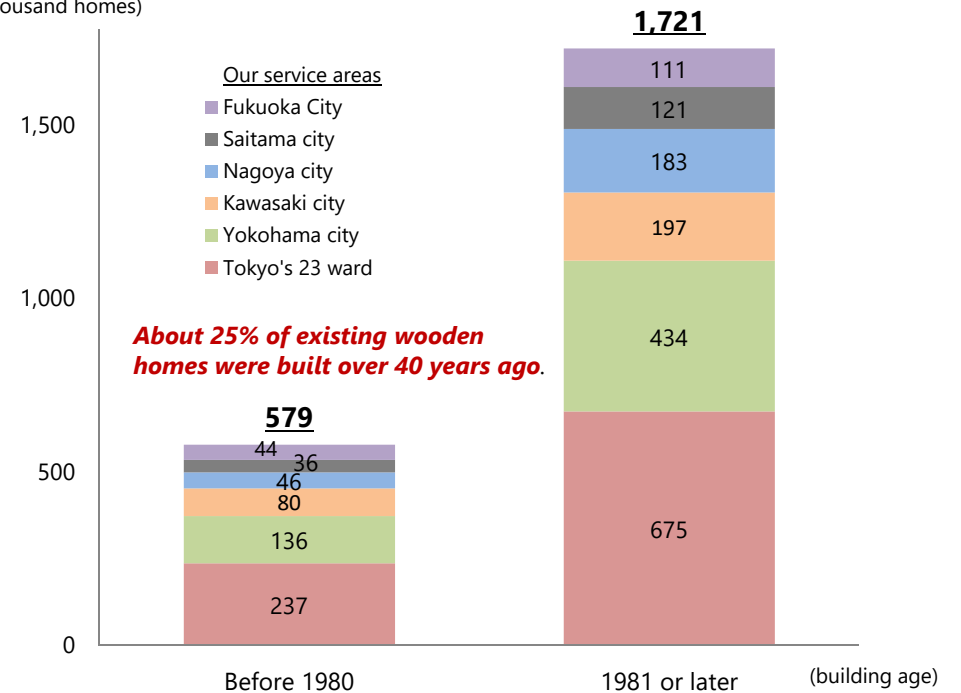
(10 thousand households)



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

**Building stock of wooden single-family homes by construction period**

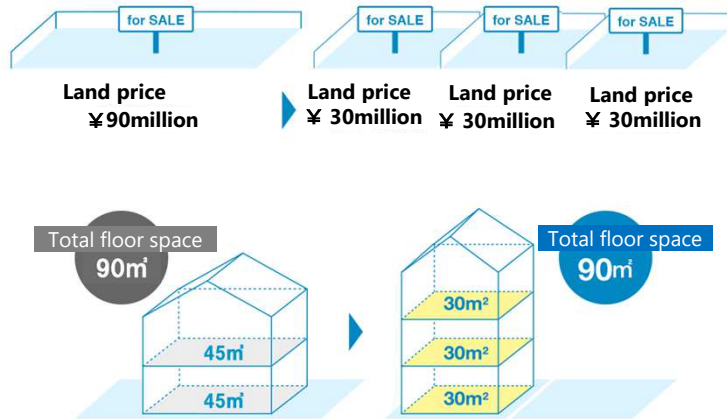
(thousand homes)



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

# Contribution to SDGs through business activities

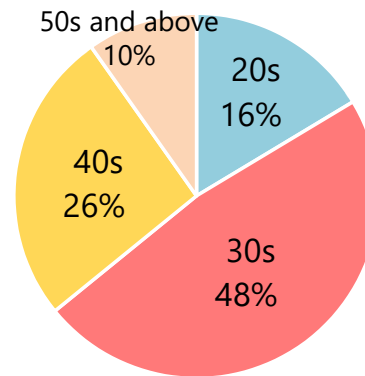
## 01 Affordable housing supply in great locations



- Effective use of limited premises
- Total floor space secured by building three stories
- Comfortable living space even in a compact size realized by know-how and technical capabilities based on our experience
- Easy to change specifications to suit lifestyles, such as adding a workspace

## 02 Town development for younger generations

Percentage of our single-family home buyers by age\*



- Older homes tend to be lived in by elderly residents
- 90% of purchasers are in their 20–40s.
- Contributing to revitalization of local communities
- Locations in central Tokyo close to stations contribute to the continued employment of women in dual-earner/child-rearing households

\* Ages of householders of our customers that contracted from January to December 2019.

## 03 Compact wooden houses with low environmental burden



- Thermal insulation performance equivalent to the highest grade 4 (Top Runner Standard)
- Providing comfortable living as well as contributing to decarbonization
- Resistance against disasters (earthquakes, fires, etc.) can be improved by rebuilding old houses
- Compared with large-scale development such as earthworks, the impact on nature from wooden construction in residential areas is minimal

# To realize a sustainable society

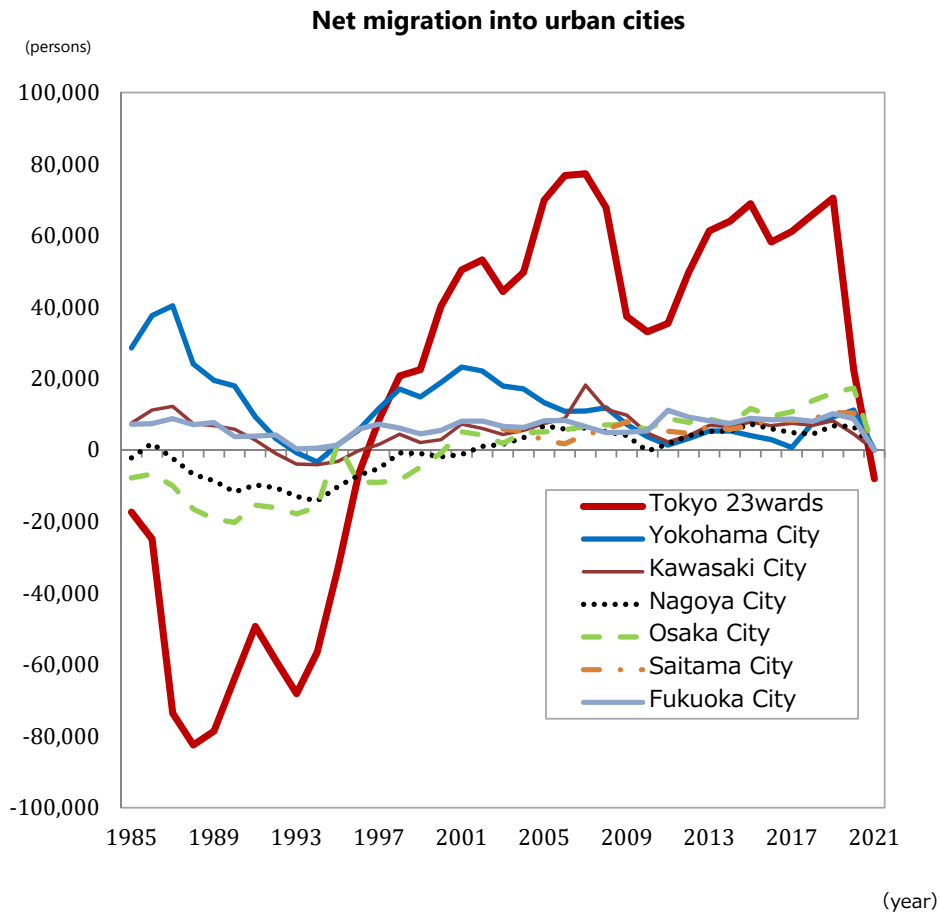
■ Identified key issues (materiality) based on the level of interest of stakeholders and the priorities to the Company.

ESG	Key Issues	Initiatives
<b>E</b> nvironment	Environmental conservation	<ul style="list-style-type: none"> <li>■ Support for TCFD</li> <li>■ Established the Japan Wood Housing Association</li> <li>■ Open House Forest</li> </ul>
<b>S</b> ocial	Product safety and security Promoting customer satisfaction	<ul style="list-style-type: none"> <li>■ Build and strengthen the system for promoting customer satisfaction</li> </ul>
	Talent development	<ul style="list-style-type: none"> <li>■ Raising the starting salaries of new graduates</li> <li>■ Utilization of a diverse workforce</li> </ul>
	Work-style reforms	<ul style="list-style-type: none"> <li>■ Enhance productivity utilizing IT</li> <li>■ Support for using childcare facilities and support system for balancing work and child rearing</li> <li>■ Consultation desk to support women's empowerment and work-life balance</li> </ul>
	Supply Chain Management	<ul style="list-style-type: none"> <li>■ Share sustainability guidelines with business partners</li> </ul>
<b>G</b> overnance	Compliance	<ul style="list-style-type: none"> <li>■ Participation in the U.N. Global Compact</li> <li>■ Strengthening the audit system</li> <li>■ Invite female talent to join the board as an external director and a corporate auditor</li> </ul>

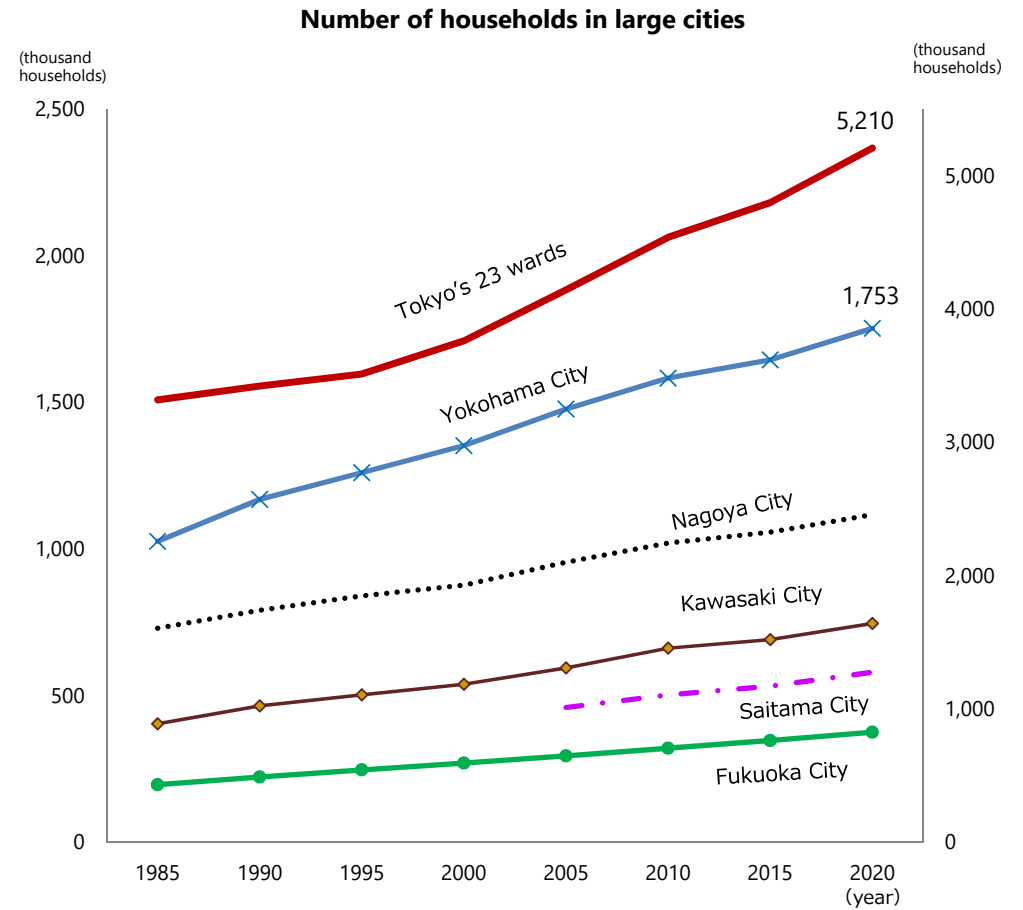


## Reference materials

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



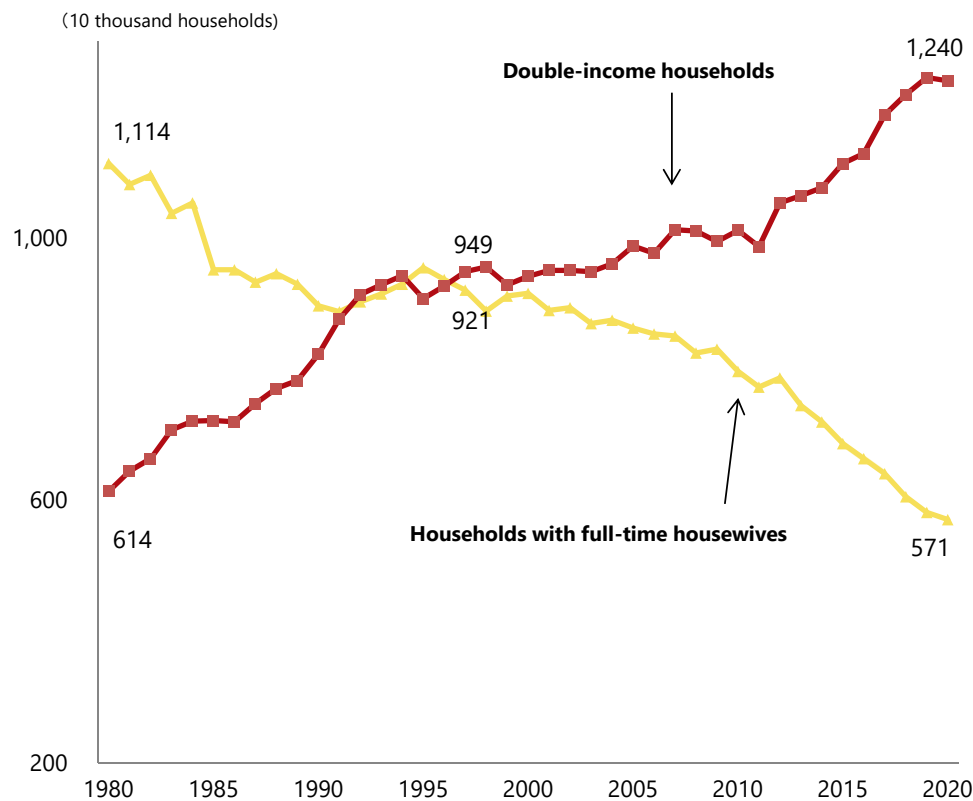
Source: MIC, "Report on Internal Migration in Japan based on Basic Resident Register"



Source: MIC, "Population Census of Japan"

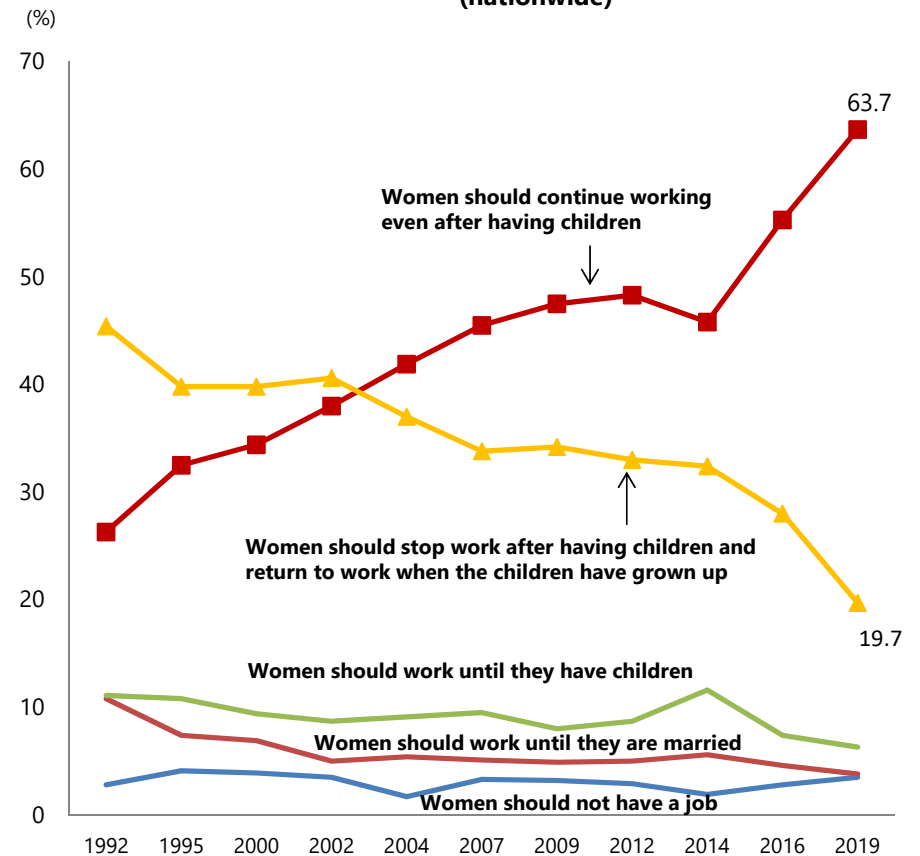
# Double-income households and child-rearing households are turning their eyes to urban areas, where they can reduce commuting time

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



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

**Changes in attitude toward work among women (nationwide)**

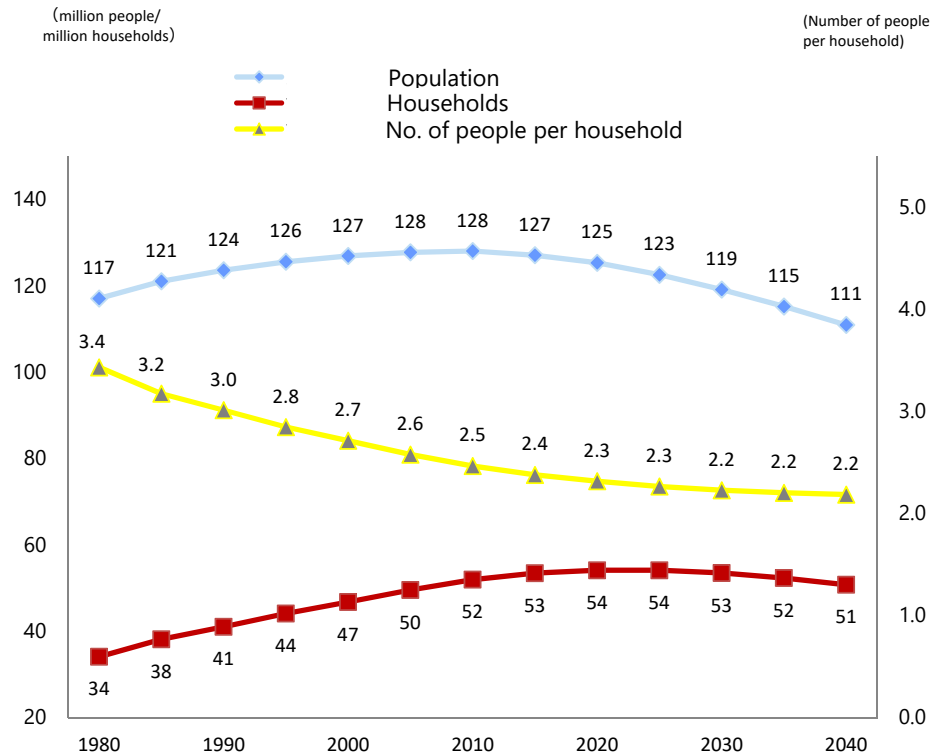


Source: "White Paper on Gender Equality 2020," Cabinet Office, Government of Japan



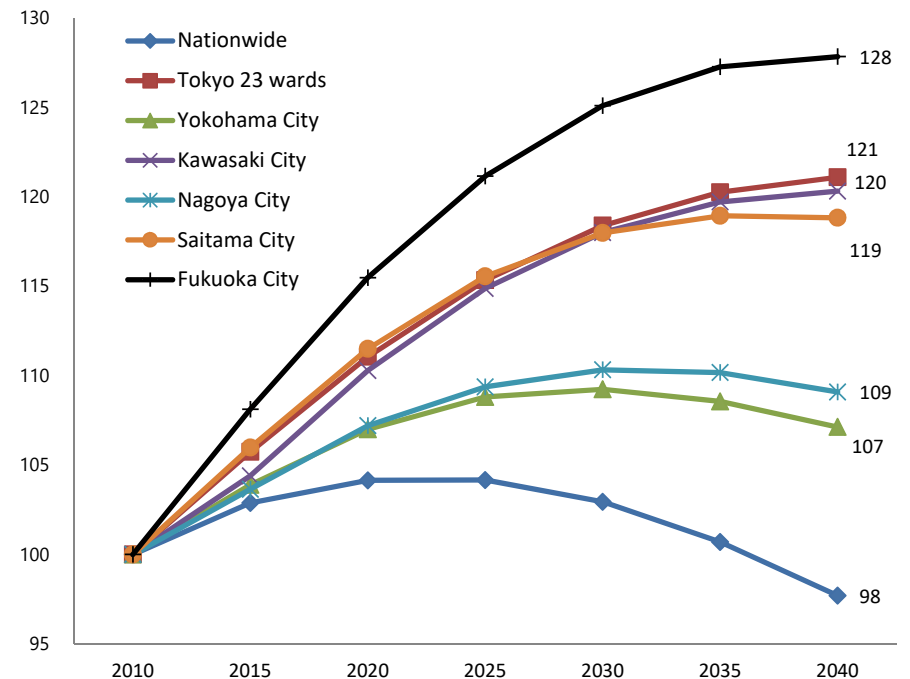
# The number of households in urban areas is expected to continue increasing, despite a total population decline in Japan

### Future population and household estimates for Japan



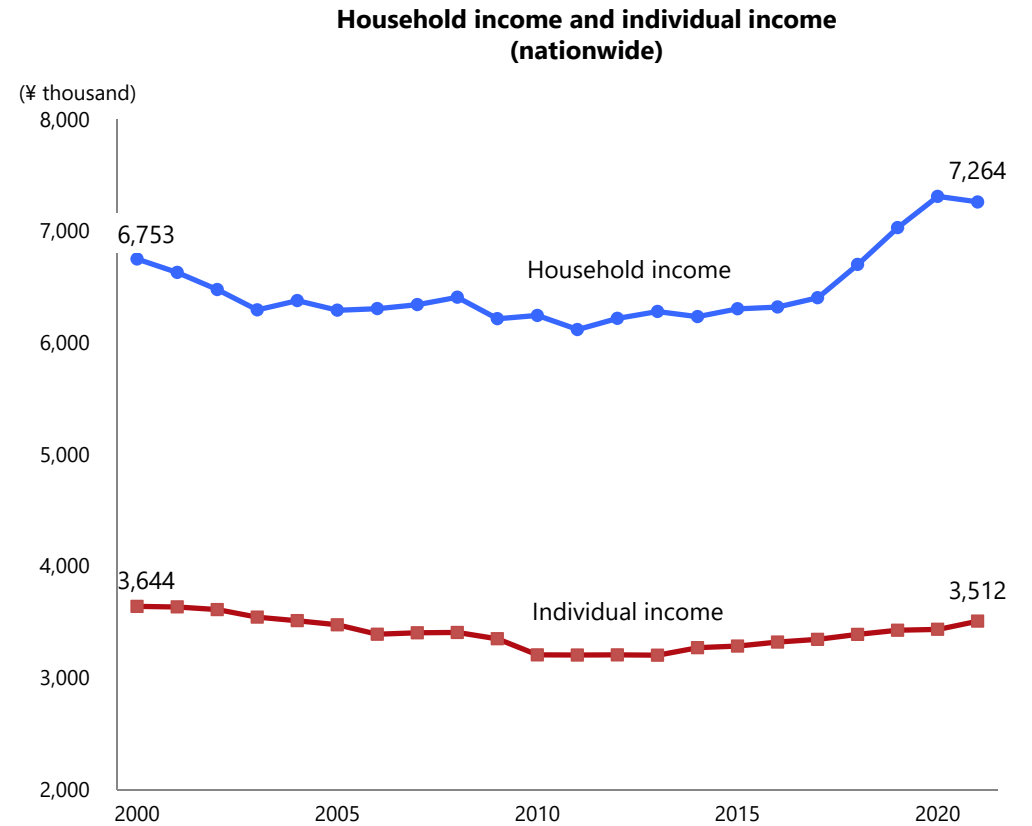
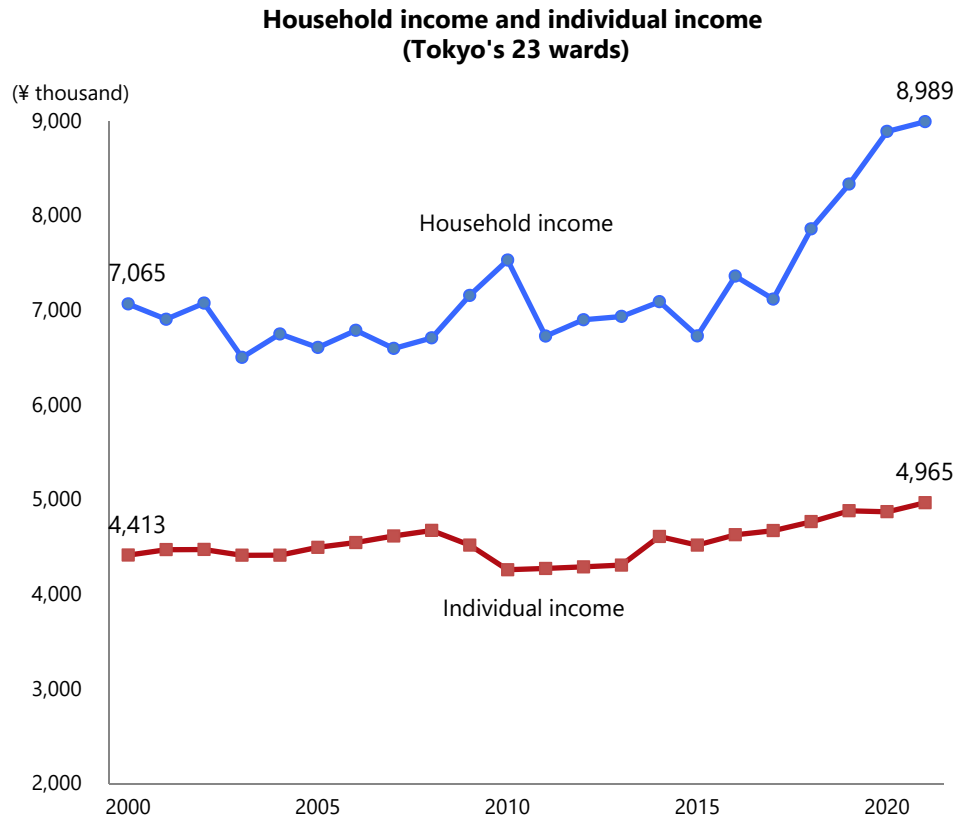
Sources:  
 1980-2015 : "2015 Population Census", Statistics Japan  
 2015-2040 : "Population Projection for Japan, 2018 projection", the National Institute of Population and Social Security Research  
 Number of people per household was calculated by dividing the total population by number of households.

### Future household estimates for urban areas (index)



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

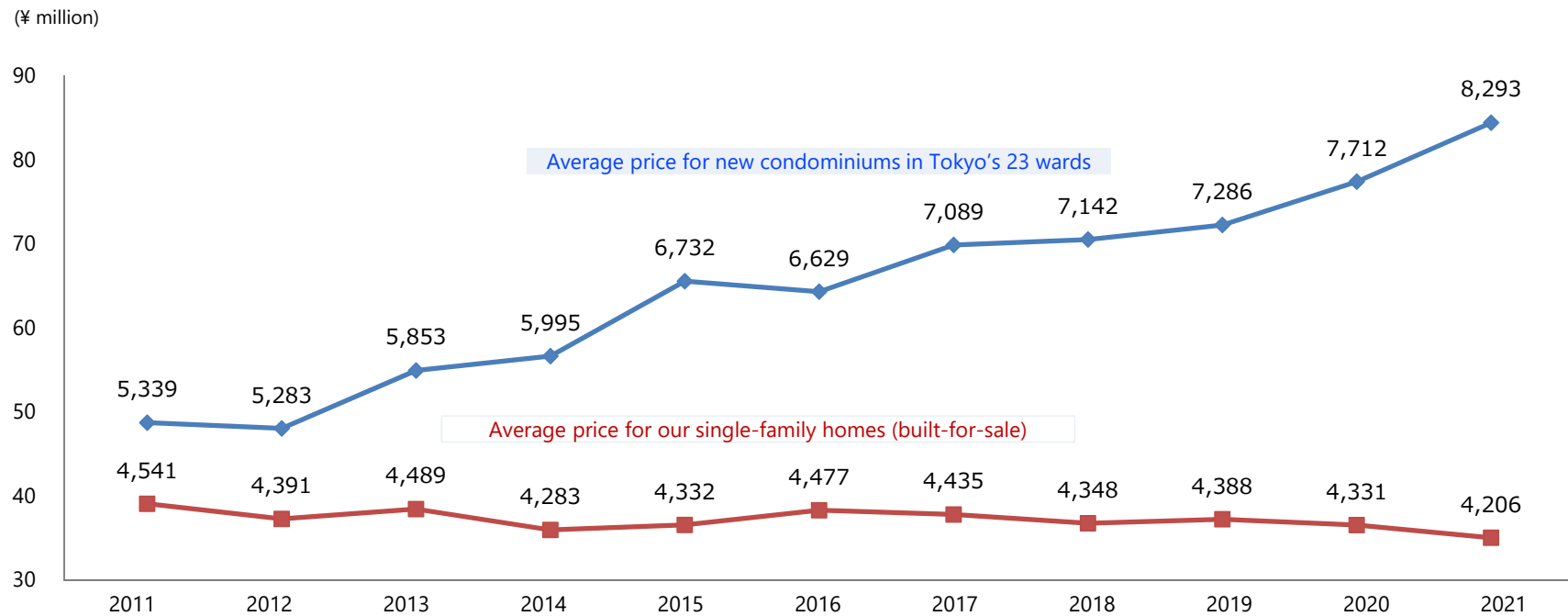
# The pace of income recovery is faster for people in urban areas, showing promise for growth in spending power



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

# Single-family homes are attracting attention for their stable prices in contrast to condominiums, whose prices have increased

Changes in the average price for new condominiums in Tokyo's 23 wards and average price for our single-family homes (built-for-sale)



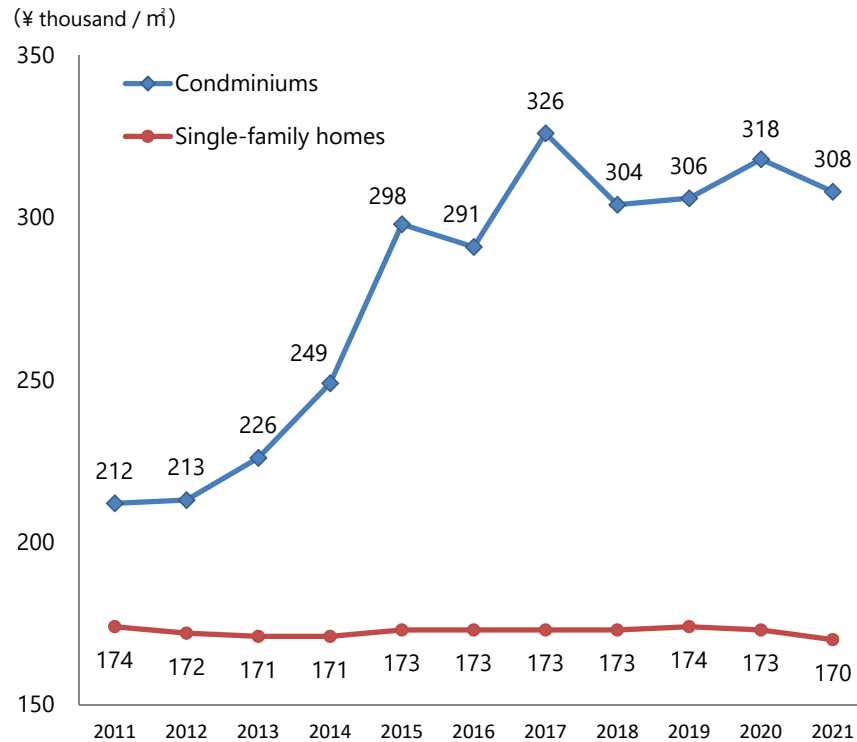
Source: MLIT, "Monthly marketing report of lands"

Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the period October - September .

Condominium prices for 2020 are for the January - December period. Prices of our homes for 2020 are for the October 2019- September 2020 period.

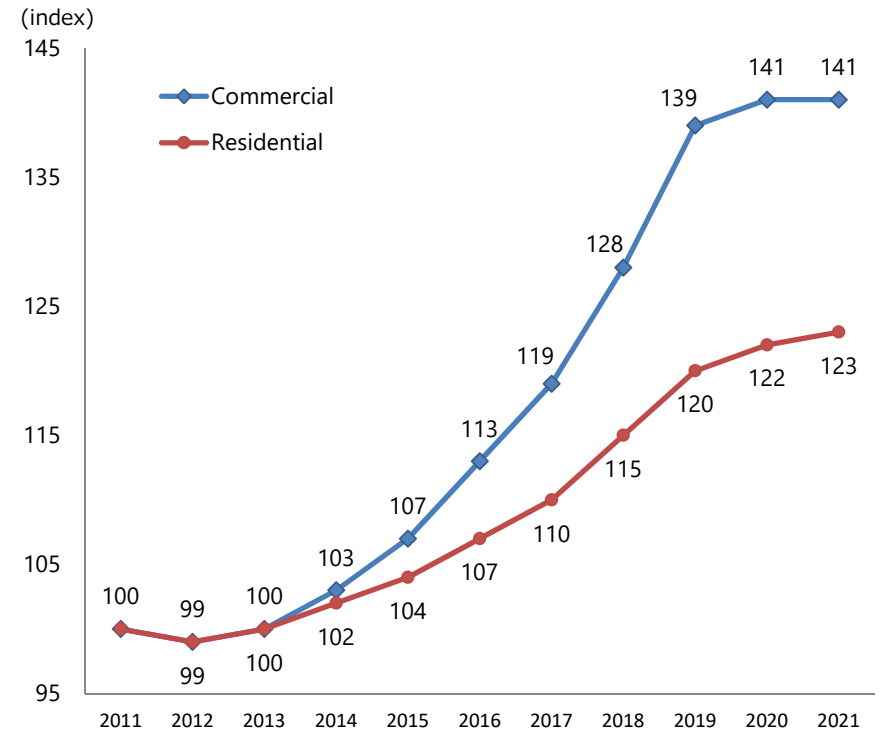
# Price gaps between condominiums and single-family homes have occurred due to the difference between construction costs and land cost

Construction costs per m<sup>2</sup> (in Tokyo)



Source: MLIT "Housing Starts"  
 The average construction cost per m<sup>2</sup> was calculated by dividing the estimated construction cost by the total floor area.  
 Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.

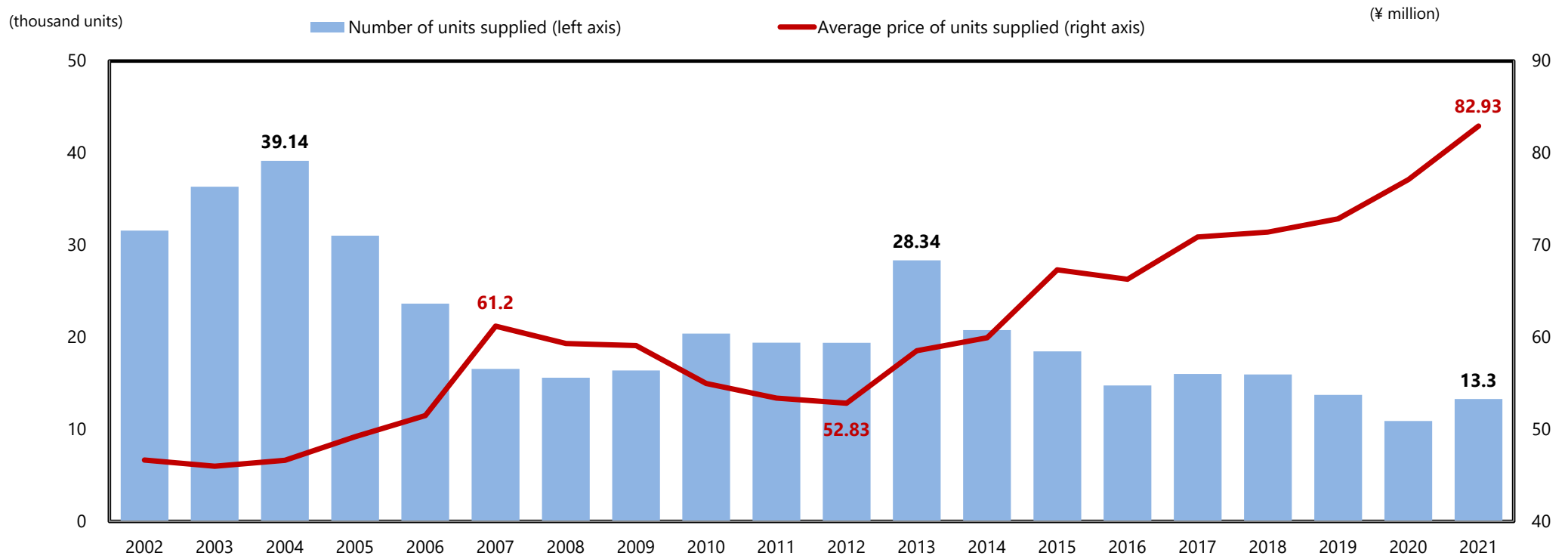
Land price by use (in Tokyo's 23 wards)



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

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

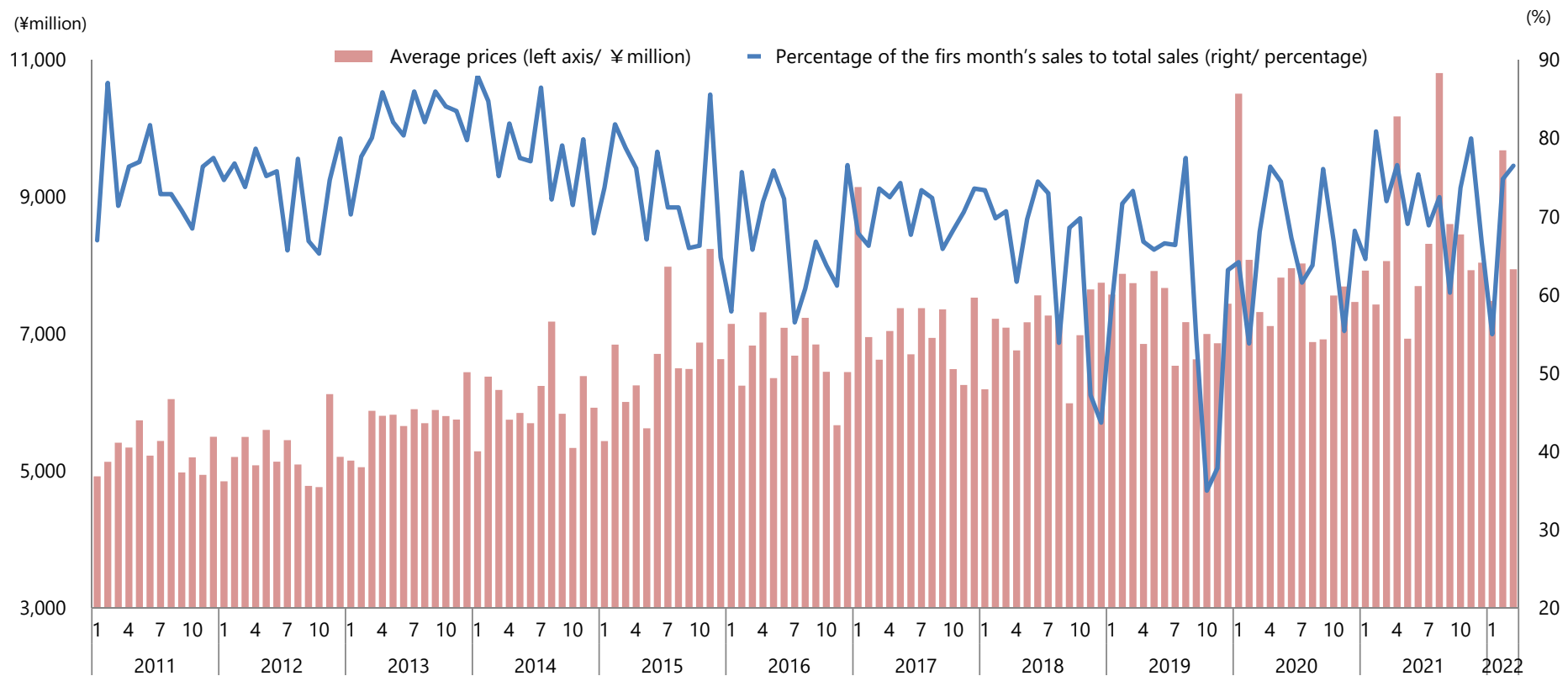
Number and average price of new condominiums supplied in Tokyo's 23 wards



Source: MILT, "Monthly Report of Real Estate Market Trend"

## Contract ratios have been declining with the increase in prices of new condominiums

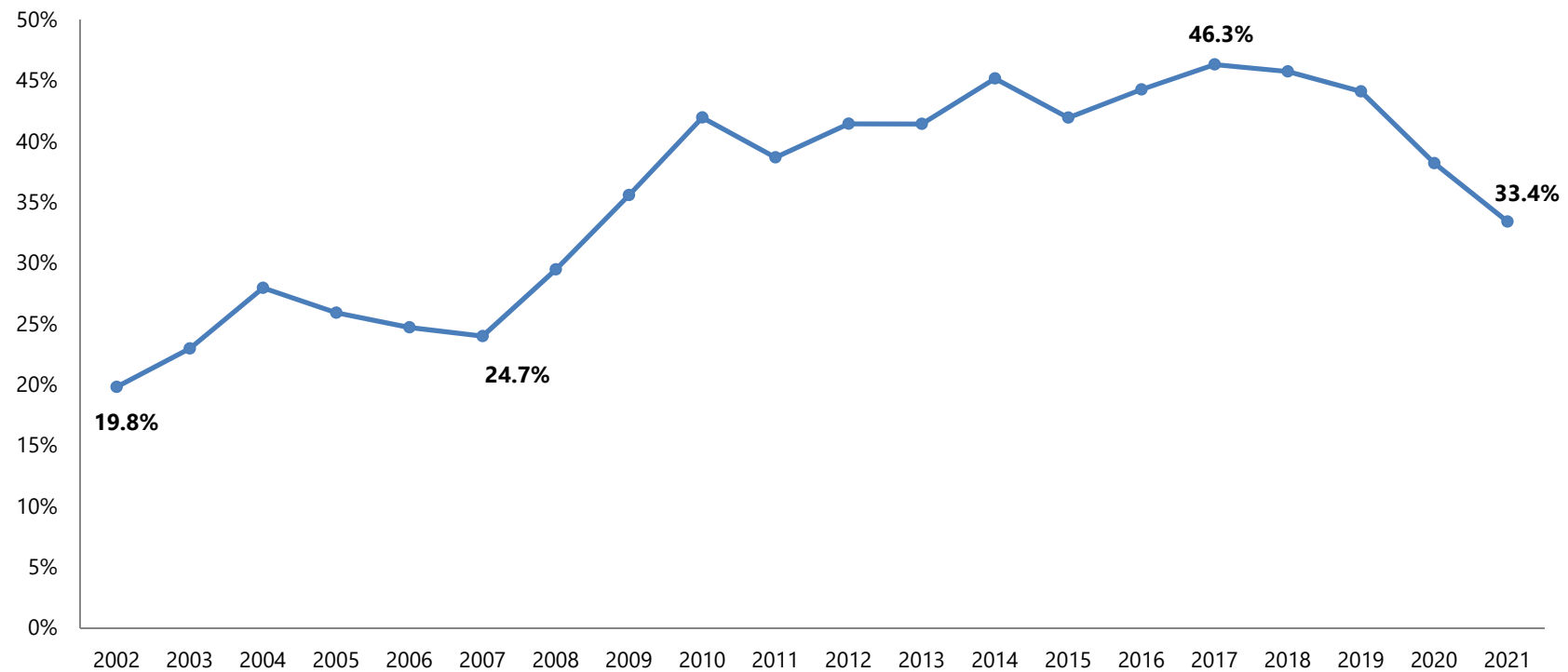
**Trends of average prices of new condominiums and ratios of the first month's sales to total sales in Tokyo's 23 wards**



Source: "Monthly Report of Real Estate Market Trend" published by Land General Information Library of the Ministry of Land, Infrastructure, Transport and Tourism.

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

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



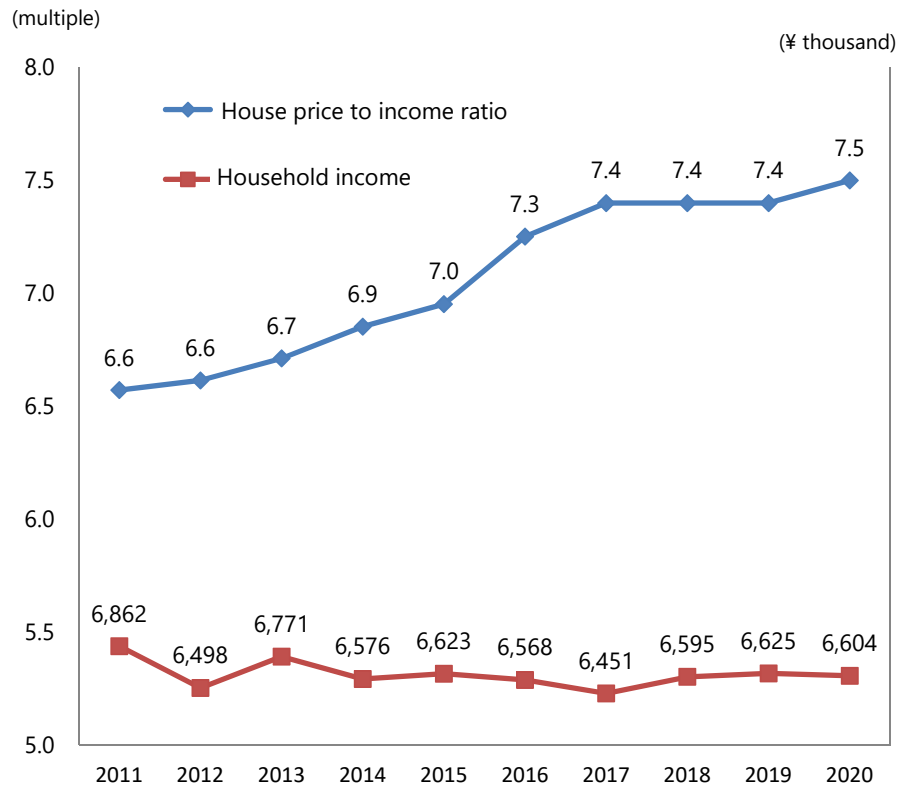
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.

\* Seven major real estate companies:

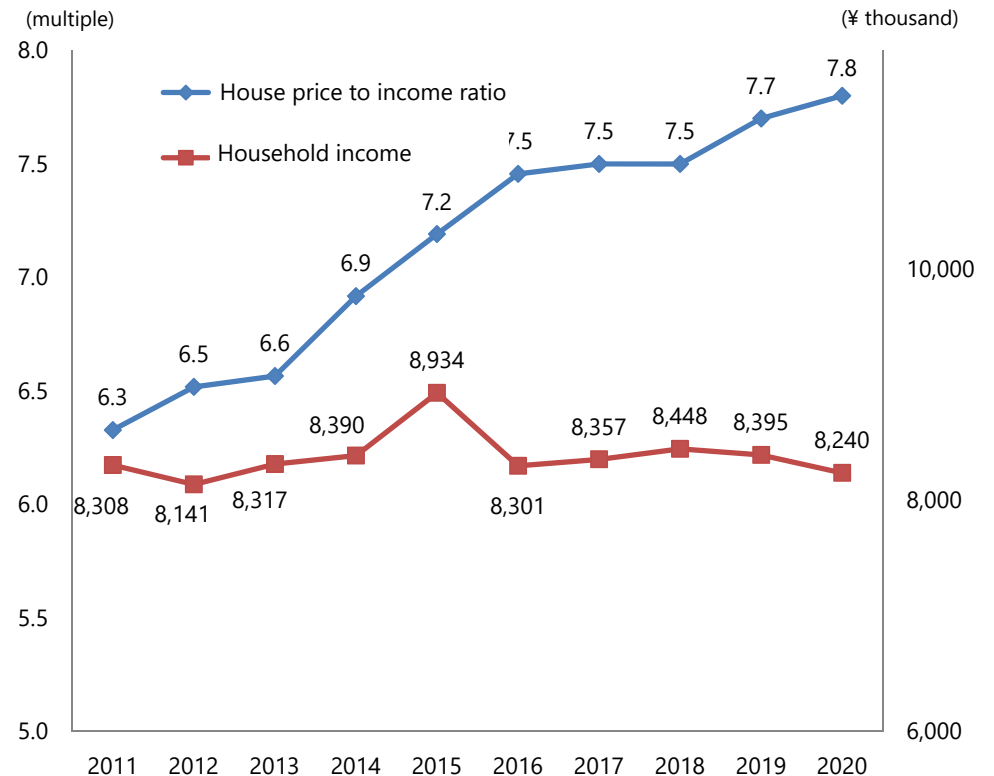
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyu Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

# The house price to income ratio has increased, with a significant difference between annual income of single-family home purchasers and condominium purchasers

### House price to income ratio and household income of single-family home purchasers (in Tokyo)



### House price to income ratio and household income of condominium purchasers (in Tokyo)

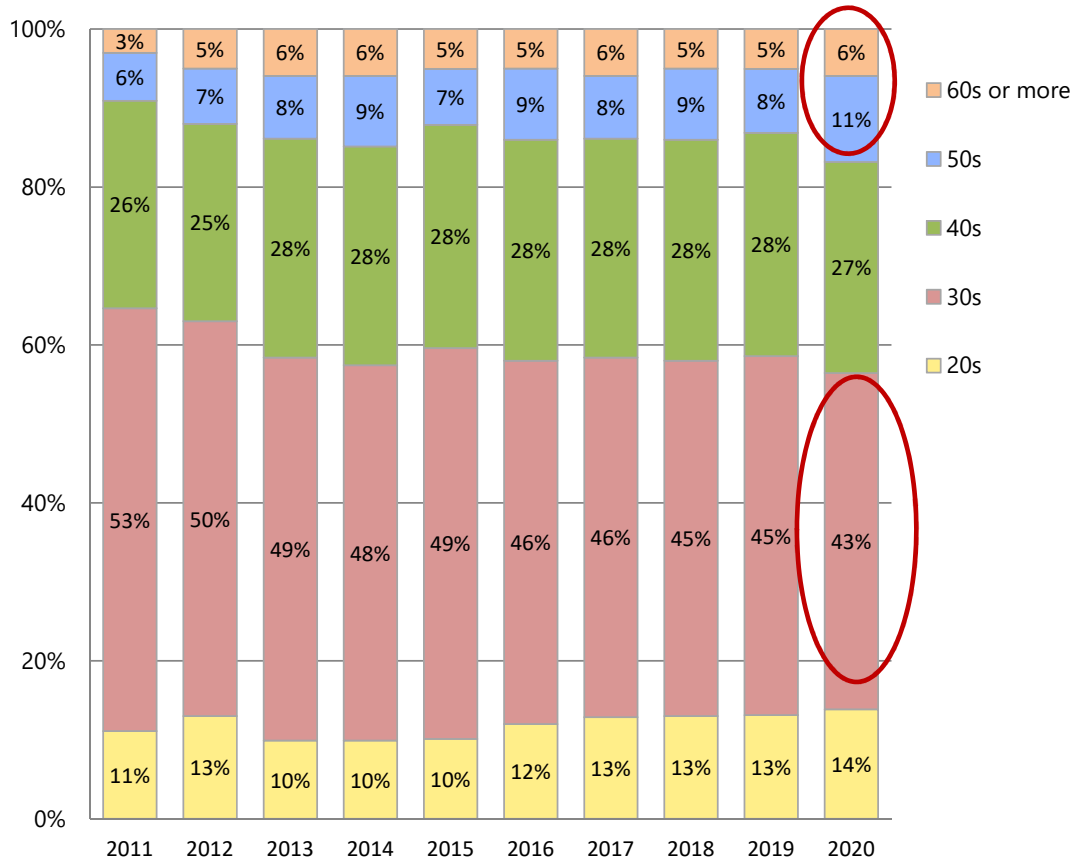


Source: "Customer Survey on Flat 35 Users" by Japan Housing Finance Agency  
 Compiled using data of housing loans approved from April through March of the following year  
 Single-family homes: New home purchase funds (detached house, etc.); Condominiums: New condominium purchase funds (apartment buildings)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

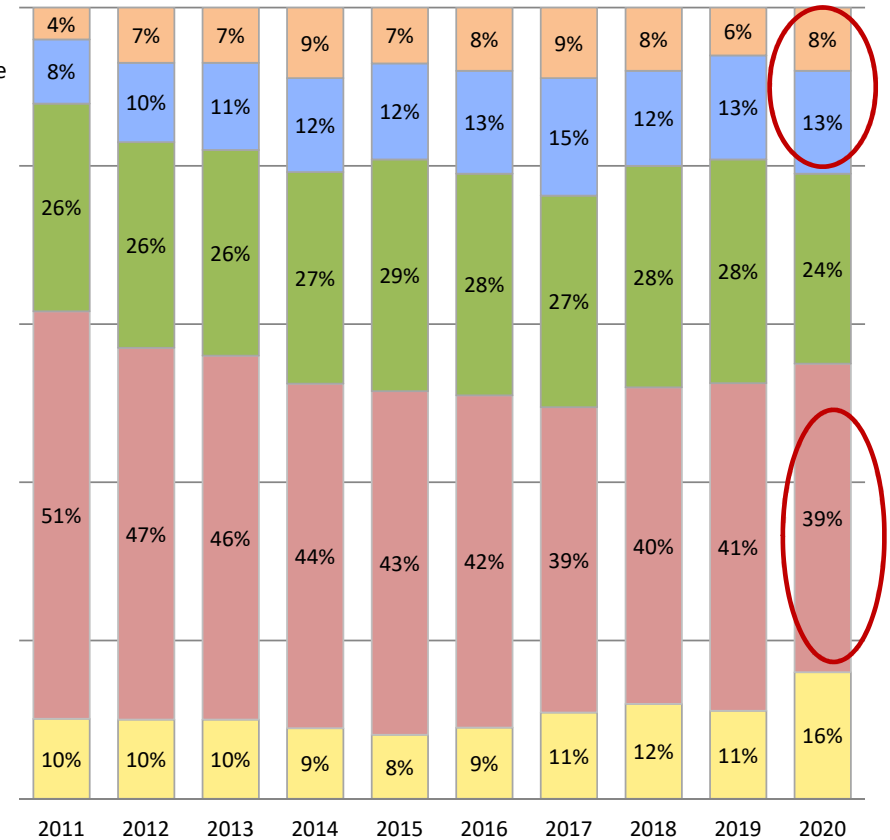


## Among the people who purchased condominiums, the percentage of people in their 50s has been on the rise whereas that of people in their 30s has been on the decline

### Age distribution of single-family home purchasers (in Tokyo)



### Age distribution of condominium purchasers (in Tokyo)



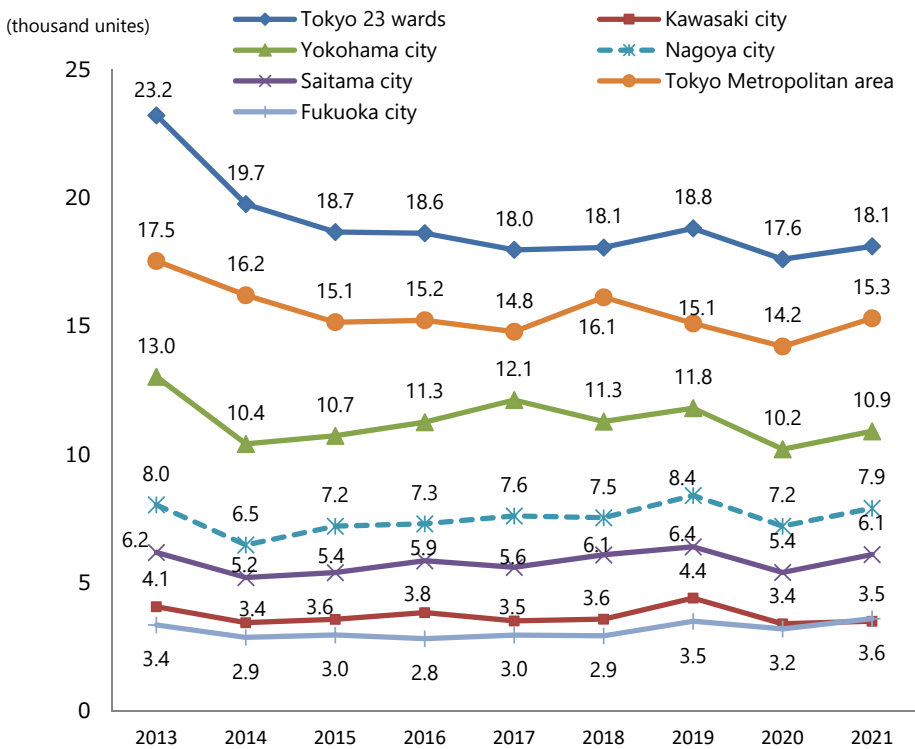
Source : Japan Housing Finance Agency

Compiled using data of housing loans approved from April through March of the following year.

Single-family homes: New home purchase funds (detached house, etc.); condominiums: new condominium purchase funds (apartment buildings)

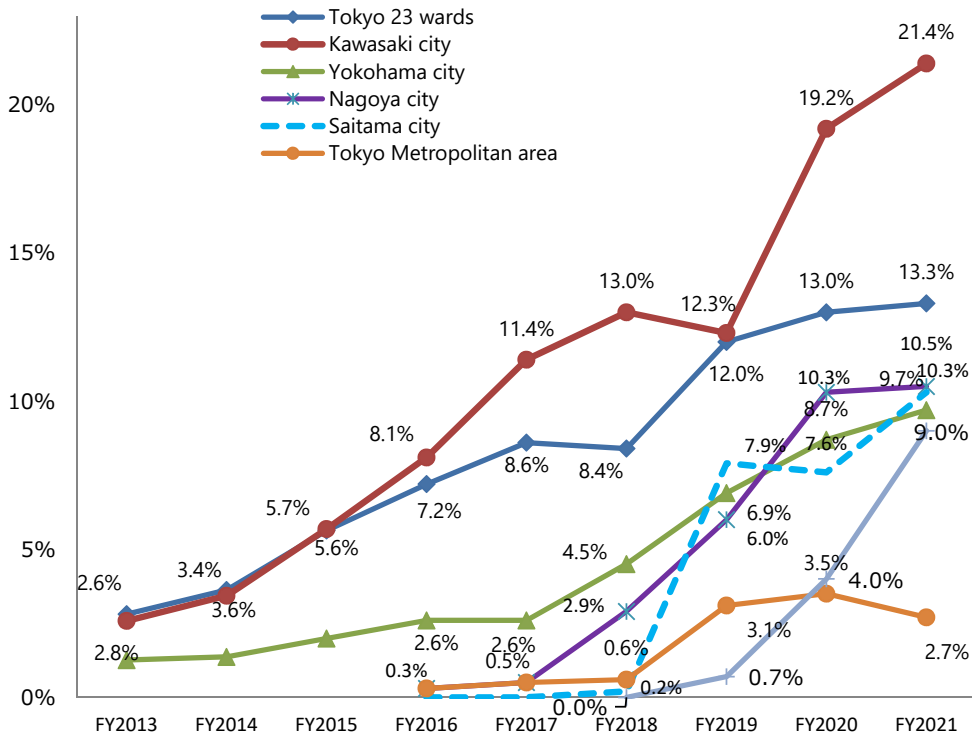
# Open House has been steadily acquiring shares in the single-family homes market in urban areas by adopting a dominant strategy

The number of new single-family housing starts in our service areas



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

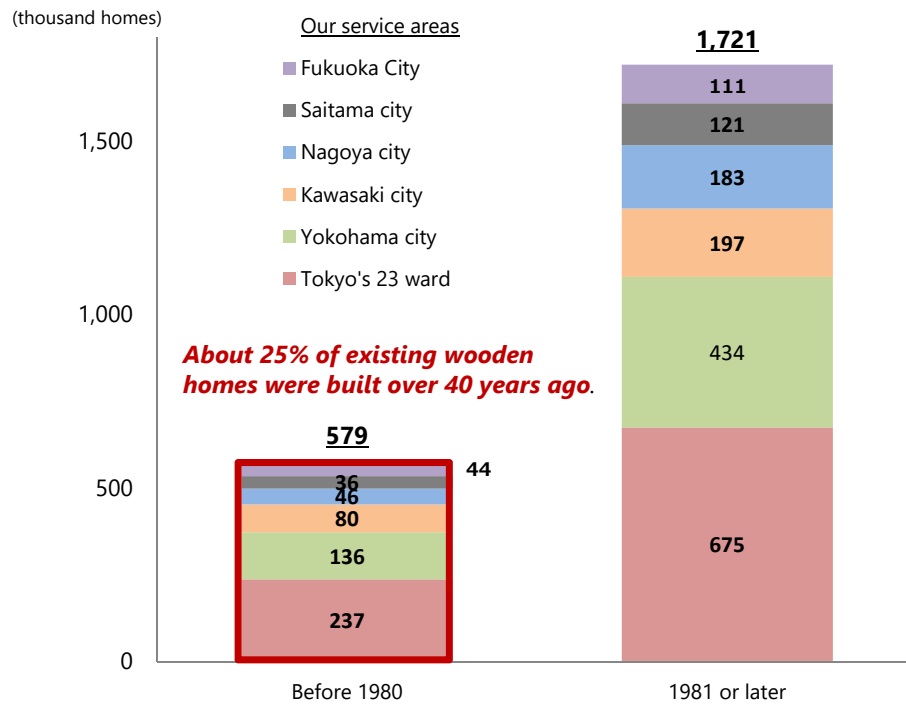
The Group's market share by service area



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

# Housing stock that can be used as land for development is available in large volumes

### Building stock of wooden single-family homes by construction period



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

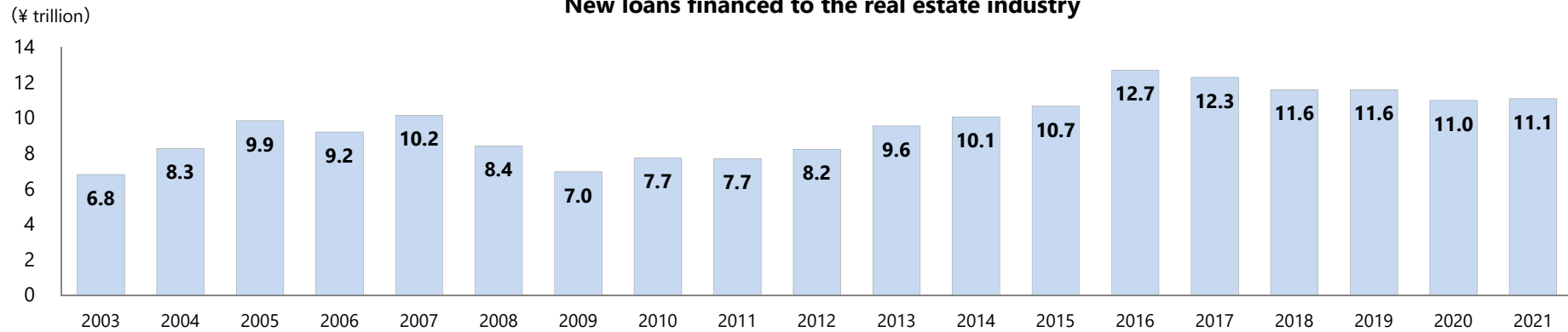
### Housing situation in Japan

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

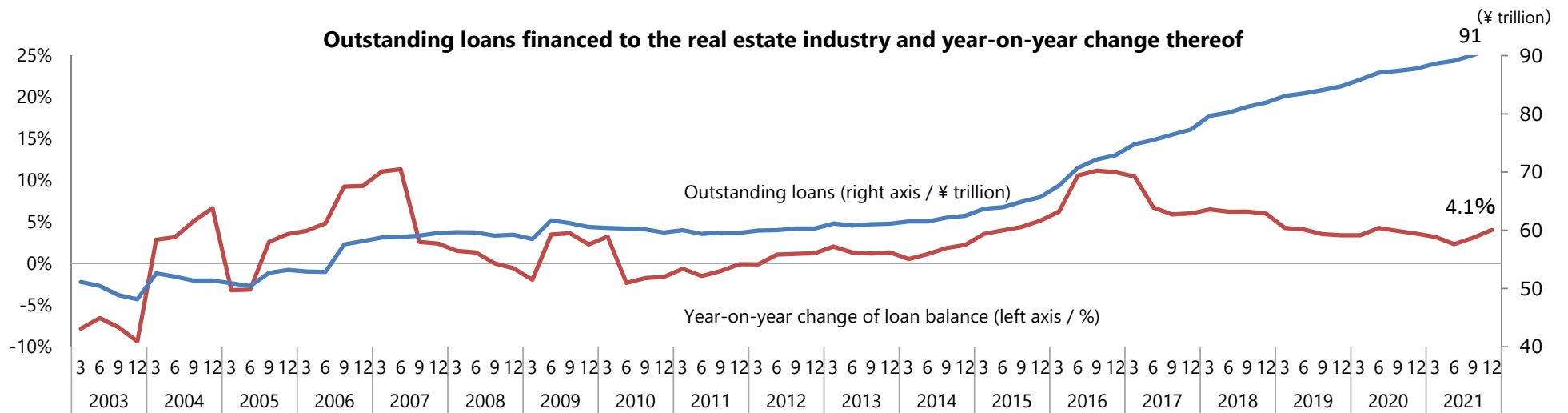
Sources:  
 \*1 "Customer Survey Report on the Purchase of Detached Houses in the Fiscal Year 2017" by Japan Federation of Housing Organizations  
 \*2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications

# Outstanding loans have been increasing although new loans financed to the real estate industry have declined slightly

**New loans financed to the real estate industry**

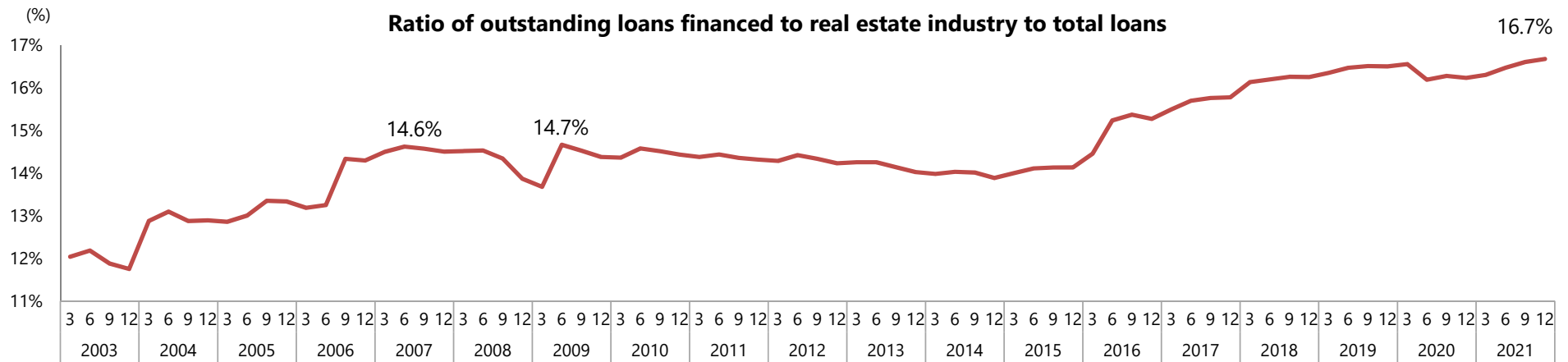


**Outstanding loans financed to the real estate industry and year-on-year change thereof**

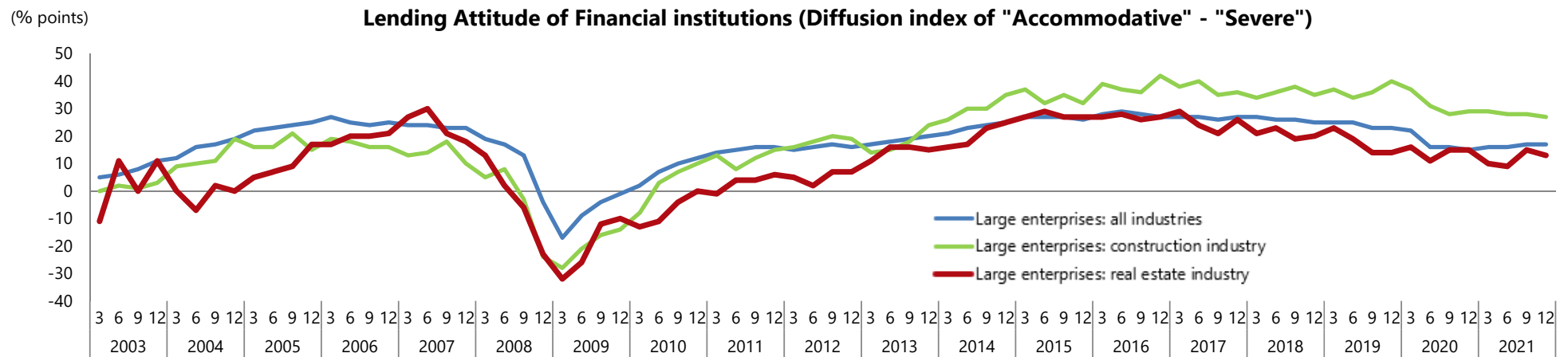


Source: "Loans by borrower" published by the Bank of Japan

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



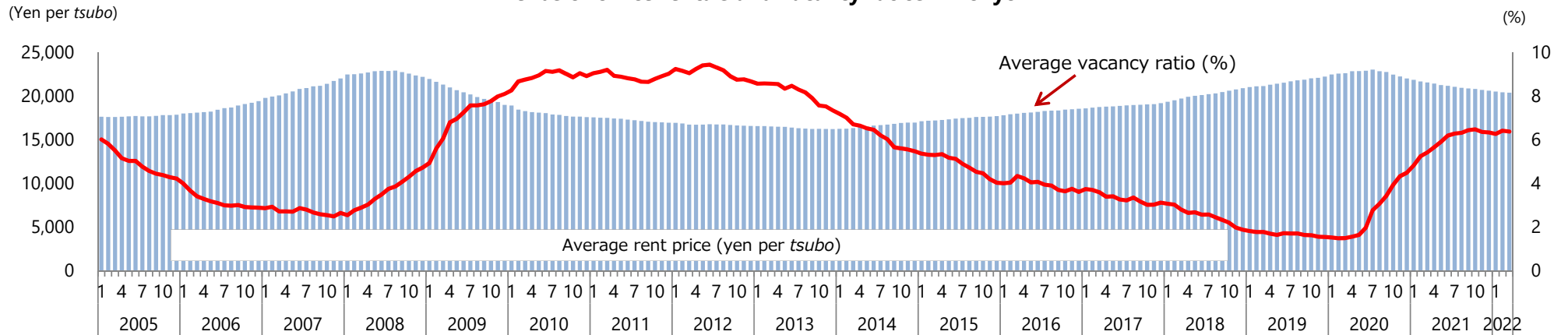
Source: "Loans by borrower" published by the Bank of Japan



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

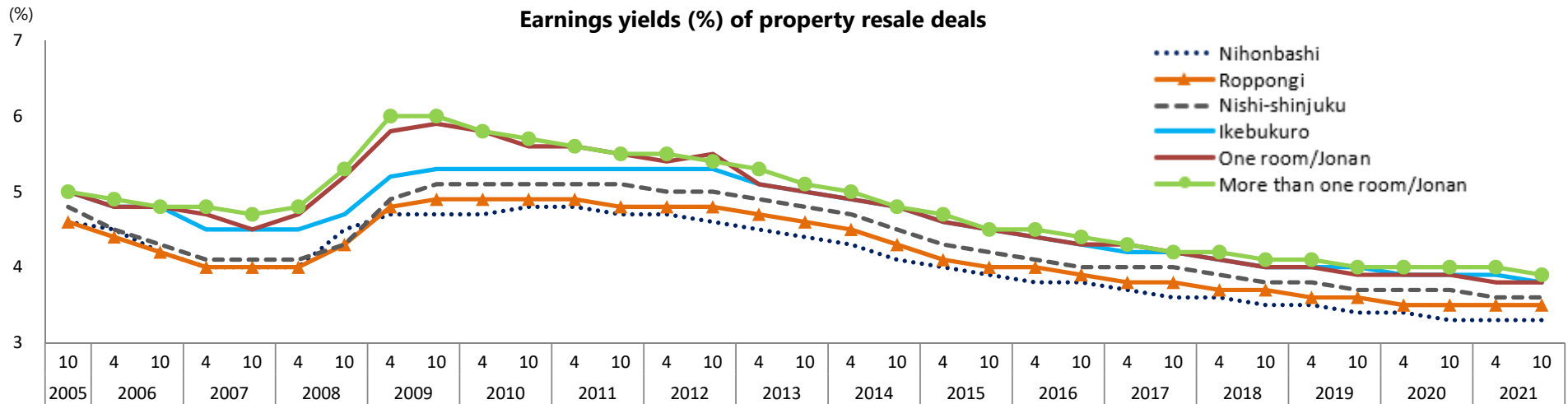
# Demand for property resale transactions is strong as shown by an increase in rent price and a decline in returns from property resale transactions

### Trends of office rentals and vacancy ratios in Tokyo



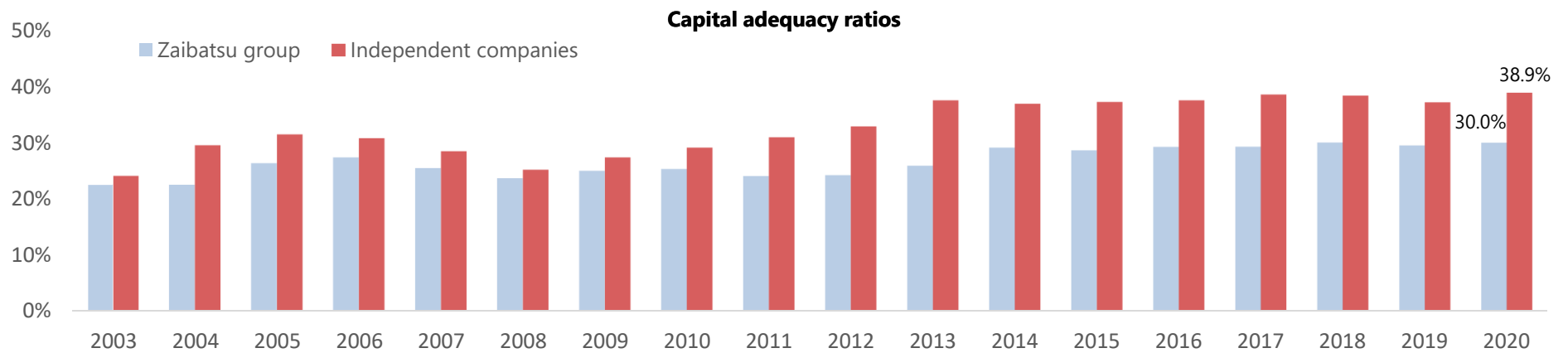
Source: MIKI OFFICE REPORT TOKYO

### Earnings yields (%) of property resale deals

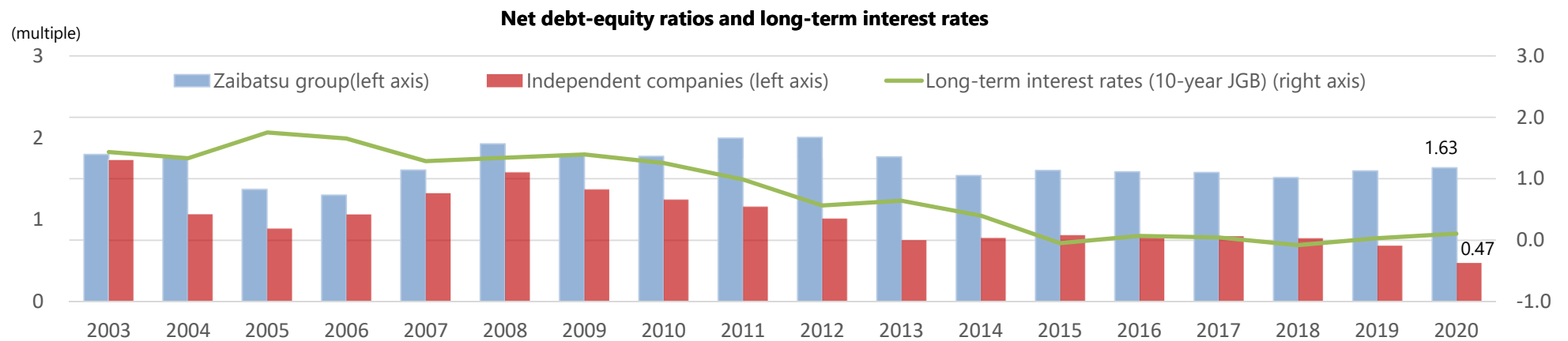


Source: Japan Real Estate Institute, "The Japanese Real Estate Investor Survey"

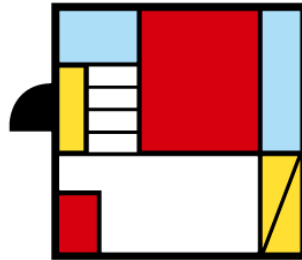
# Independent companies have been maintaining stronger financial health than *zaibatsu* groups



Note: "Zaibatsu" means a financial conglomerate



Companies surveyed: Seven real estate companies of zaibatsu groups, and 25 independent companies which are listed on the real estate industry of the Tokyo Stock Exchange and hold total assets of ¥ 100 billion or above  
 Long-term interest rates: Actuals as of March 31 of every year, Net debt-equity ratio: (Borrowing+ Corporate bonds- Cash/deposits) / Net assets  
 Source: Weighted average numbers calculated based on the actual figures reported in companies' annual security reports



# OPEN HOUSE GROUP

<https://openhouse-group.co.jp/ir/en/>

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