

**OPEN
HOUSE**

Consolidated Financial Highlights
for the Second Quarter Ended September 30, 2021
(2020/10-2021/03)

OPEN HOUSE CO., LTD.
[3288 TSE]



JPX-NIKKEI 400

2017-2020



FY2021 2Q Topics

Business performance <FY2021 2Q >

- **Single-family homes remained strong. Single-family homes related business demonstrated 57.5% YOY increase in operating income. Consolidation of Pressance Corporation Co., Ltd. as a subsidiary.**

Revenue:	¥ 363.9 billion [39.0% YOY]
Operating income:	¥ 40.6 billion [56.0% YOY]
Profit attributable to owners of parent :	¥ 32.7 billion [80.6% YOY]

Performance forecasts for FY2021 upward revision

- **The second upward revision of the forecasts of performance and dividend during the period.**

	Revised forecast released on May 14, 2021		Revised forecast released on Feb 12, 2021
Revenue:	¥ 788.0 billion [36.8% YOY]	←	¥ 767.6 billion
Operating income:	¥ 96.0 billion [54.5% YOY]	←	¥ 83.8 billion
Profit attributable to owners of parent :	¥ 67.0 billion [12.6% YOY]	←	¥ 60.0 billion

Dividend increase

- **The annual dividend per share for FY2021**

Revised forecast released on May 14, 2021		Revised forecast released on Feb 12, 2021
¥110 (FY2020 result 80 yen)	←	¥100



FY2021 2Q Consolidated Summary

Overview of Consolidated Income Statement

- ✓ All-time high revenue and income for 2Q.
- ✓ Due to increase in single-family related business and the consolidation of Pressance Corporation as a subsidiary, there were significant increases in revenue and income.

(Million yen)

	FY2020 2Q <2019/10-2020/03>		FY2021 2Q <2020/10-2021/03>		Inc.(Dec.)
	Actual	% of revenue	Actual	% of revenue	
Revenue	261,922	—	363,945	—	39.0%
Operating income	27,035	10.3%	41,614	11.4%	53.9%
Ordinary income	26,091	10.0%	40,699	11.2%	56.0%
Profit attributable to owners of parent	18,136	6.9%	32,751	9.0%	80.6%

Performance by segment (revenue/operating income)

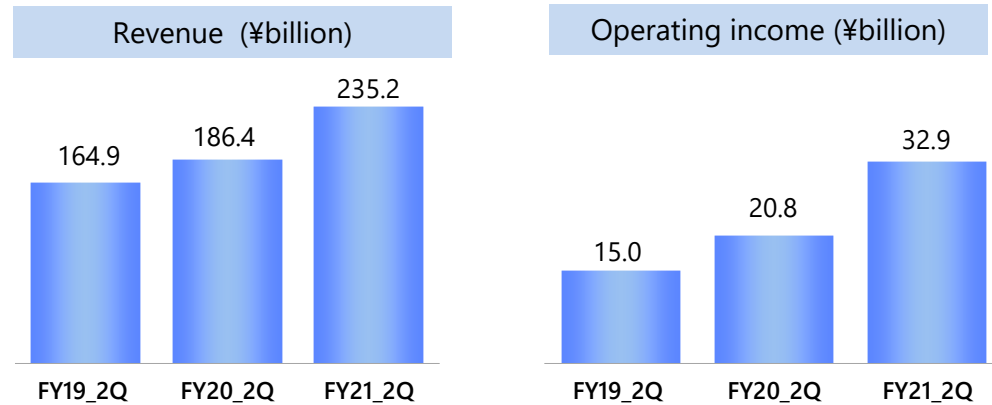
- ☑ Single-family homes-related business, which enjoyed strong sales under the “new lifestyle,” drove performance.
- ☑ “Pressance Corporation” segment was added.

(Million yen)

	FY2020 2Q <2019/10-2020/3>		FY2021 2Q <2020/10-2021/3>		Inc.(Dec.)
	Actual	Ratio	Actual	Ratio	
Revenue	261,922	100.0%	363,945	100.0%	39.0%
Single-family homes related business	186,467	71.2%	235,203	64.6%	26.1%
Condominiums	8,533	3.3%	4,644	1.3%	(45.6)%
Property resales	55,060	21.0%	55,589	15.3%	1.0%
Others (including U.S. real estate business)	11,911	4.5%	19,629	5.4%	64.8%
Pressance Corporation	—	—	49,492	13.6%	—
Adjustments	(50)	—	(613)	—	—
	Actual	% of revenue	Actual	% of revenue	Inc.(Dec.)
Operating Income	27,035	10.3%	41,614	11.4%	53.9%
Single-family homes related business	20,896	11.2%	32,910	14.0%	57.5%
Condominiums	(47)	—	(816)	—	—
Property resales	5,536	10.1%	6,125	11.0%	10.6%
Others (including U.S. real estate business)	1,221	10.3%	2,117	10.8%	73.3%
Pressance Corporation	—	—	2,160	4.4%	—
Adjustments	(572)	—	(883)	—	—

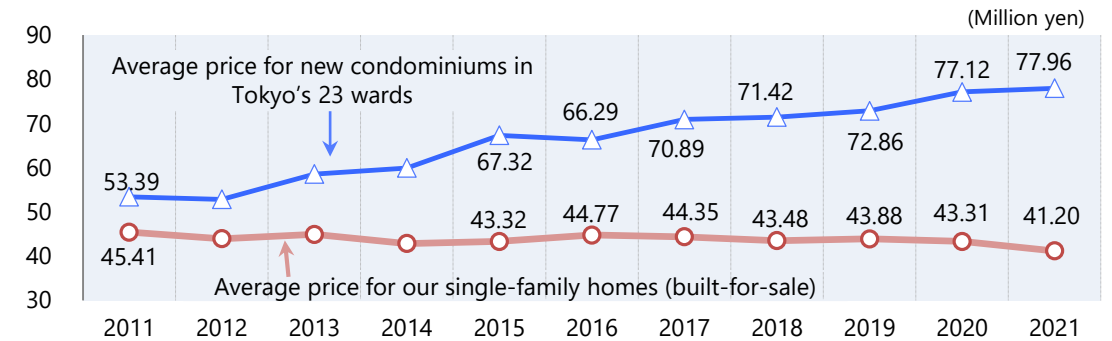
Single-family homes related business as a whole

- ✓ Demand for single-family homes remained high under the “new lifestyle” concept, which increased revenue 26.1%.
- ✓ Gross profit margin improved 2.9 pt., and operating income was up 57.5%.



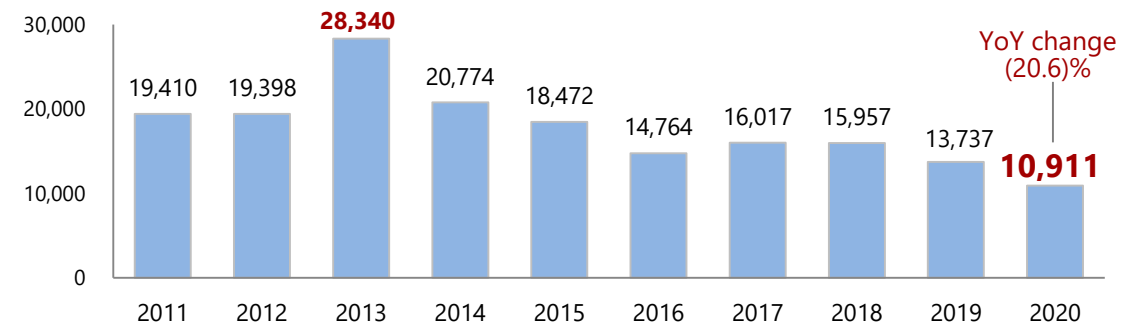
	FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	Inc. (Dec.)
Revenue (¥million)	164,959	186,467	235,203	26.1%
Gross profit(¥million)	24,422	30,360	45,002	48.2%
Gross profit margin	14.8%	16.3%	19.1%	2.9pt
Operating income (¥million)	15,008	20,896	32,910	57.5%
Operating income margin	9.1%	11.2%	14.0%	2.8pt

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 Oct–Sep.
Condominium prices for 2021 are for the Jan–Mar period.
Prices of our homes for 2021 are for the Oct 2020–Mar 2021 period in Tokyo metropolitan area.

Changes in the number of new condominiums supplied in Tokyo's 23 wards



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

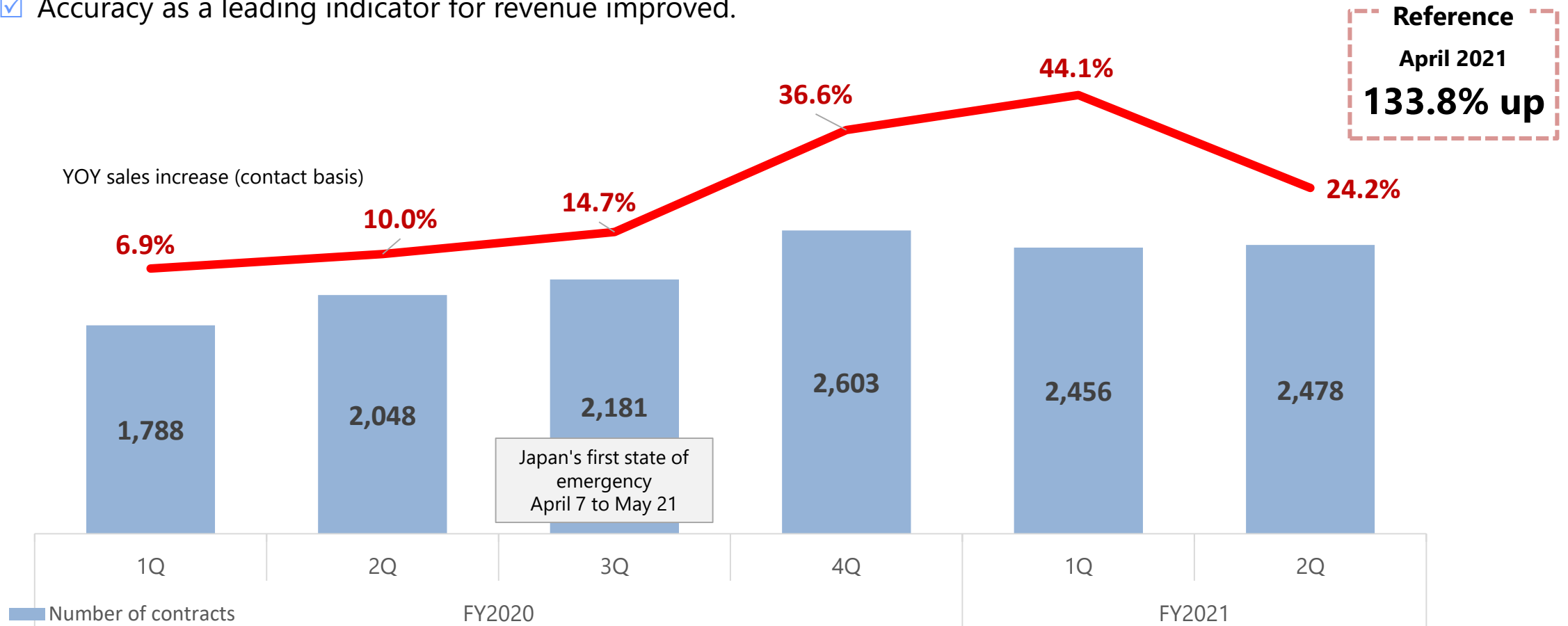
Single-family homes related business (Revenue by Sub-business Segment/Number delivered)

		Revenue / Gross profit (¥million)			Number delivered / Unit price (¥million)			
		FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3		FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3
Open House Development	Revenue	99,676	119,996	148,797	Built-for-sale houses	986	1,296	1,734
	Gross profit	15,866	20,146	28,839	Lands	1,104	1,271	1,646
	Gross profit margin	15.9%	16.8%	19.4%	Built-to-order houses	766	752	843
					Built-for-sale houses (unit price)	42.9	42.9	40.0
					Lands (unit price)	42.0	41.8	40.6
Hawk One	Revenue	47,494	44,483	62,628	Built-for-sale houses	1,156	1,080	1,311
	Gross profit	5,451	6,409	11,121	Lands	29	64	157
	Gross profit margin	11.5%	14.4%	17.8%	Built-to-order houses	32	15	37
					Sales (unit price) *	39.3	38.4	42.3
					* Sales (unit price) : Average unit price of built-for-sale houses and lands			
Open House Architect	Revenue	21,803	27,679	27,571	Built-to-order houses except number delivered to OHD	1,043	1,332	1,334
	Gross profit	2,492	3,230	3,736	Number delivered to OHD	583	797	832
	Gross profit margin	11.4%	11.7%	13.6%				

Improved gross profit margin due to synergies

Single-family homes related business (sales trend)

- ✓ We changed disclosure data related to revenue (contract basis) for built-for-sale houses (Open House Development + Hawk One) from the number of brokerage transactions to YOY increase.
- ✓ Accuracy as a leading indicator for revenue improved.

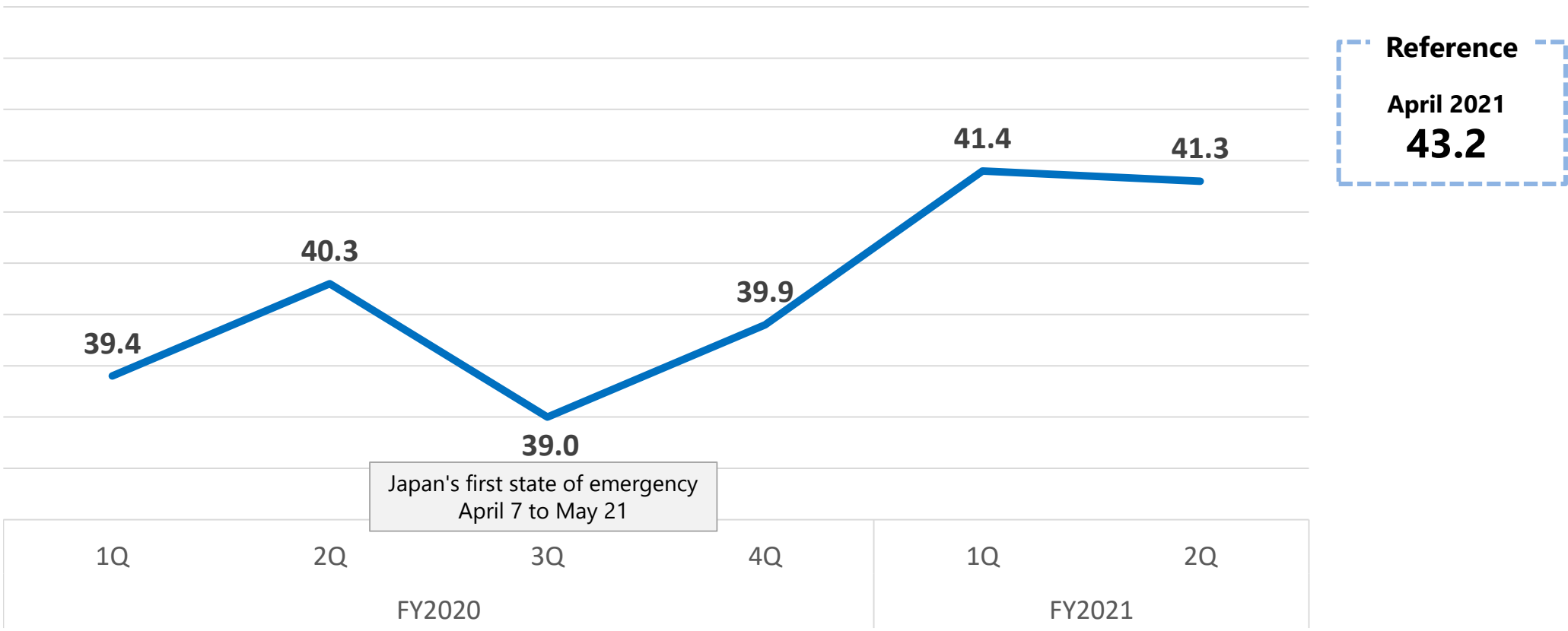


Scope: Combined number of built-for-sale houses and lands of Open House Development and Hawk One, not included number of built-to-order houses.

Change: The number of our brokerage transactions (which includes other companies' sales for which we served as a broker, but excludes sales of our properties mediated by other companies) was replaced with revenue from built-for-sale houses and lands (contract basis), which resulted in improved accuracy.

Single-family homes related business (contract unit price)

- ☑ The contract unit price of built-for-sale houses went up before and after the first state of emergency.
- ☑ Under the “new lifestyle” concept, people started reexamining single-family homes, and couples with two high incomes, who used to prefer a condominium, are showing more interest in houses.



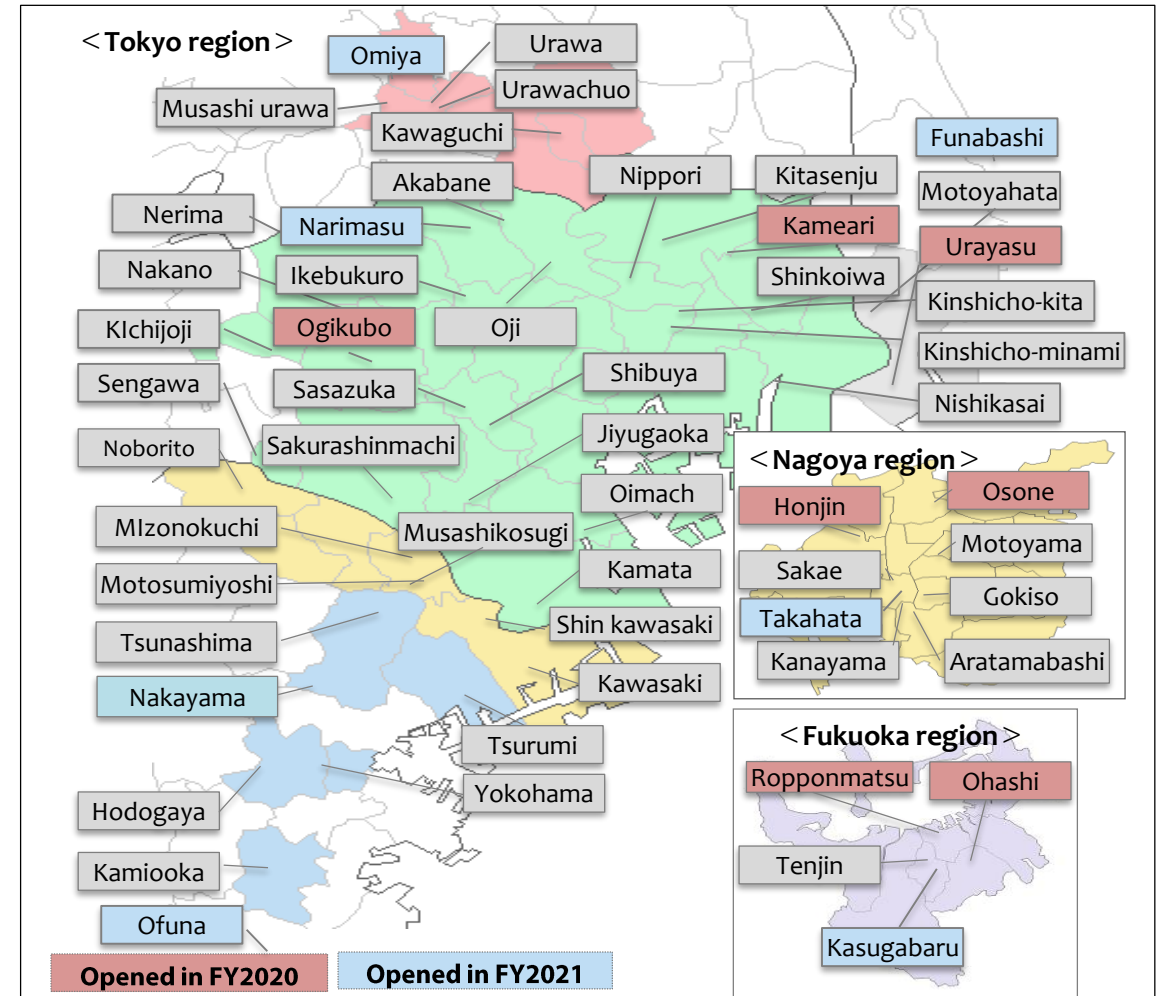
Scope: Combined number of built-for-sale houses and lands of Open House Development and Hawk One, not included number of built-to-order houses.

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

☑ The Company opened seven new sales centers * in FY2021, and operates a total of 55 sales centers.

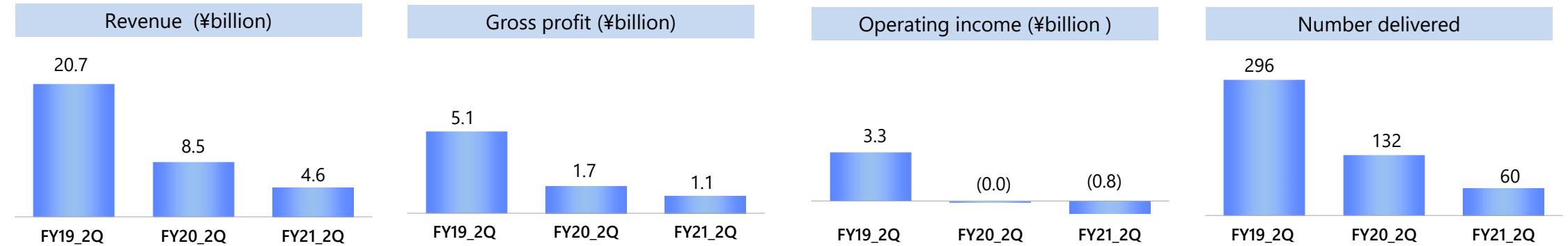
No. of sales centers of each area				
	FY2019 18/10-18/12	FY2020 19/10-19/12	FY2021 20/10-20/12	As of 2021.5.14
Tokyo	17	19	21	22
Kanagawa Prefecture	10	12	12	13
Aichi Prefecture	3	5	7	8
Saitama Prefecture	2	4	4	5
Fukuoka Prefecture	—	1	3	4
Chiba Prefecture	—	1	2	3
Total	32	42	49	55

* Including sales center that was relocated



Condominiums Business

☑ Sales and purchases in the Condominiums Business progressed as planned. Unit deliveries are concentrated in 4Q.



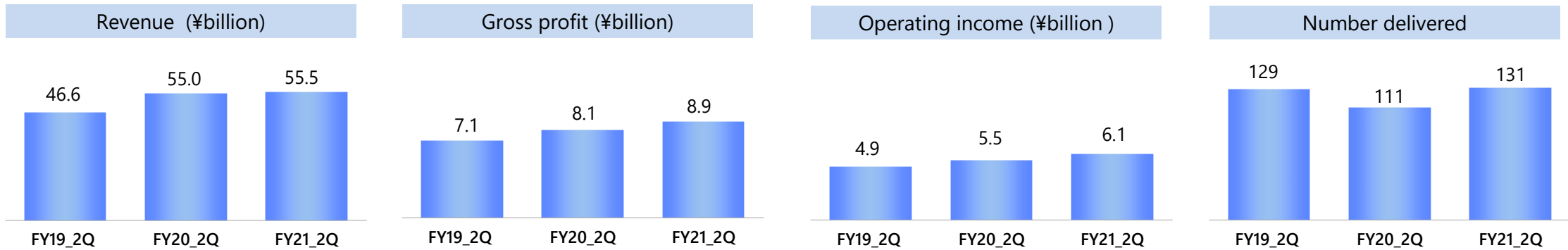
	FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	Inc. (Dec.)
Revenue (¥million)	20,768	8,533	4,644	(45.6)%
Gross profit (¥million)	5,139	1,717	1,155	(32.7)%
Gross profit margin	24.7%	20.1%	24.9%	4.8pt
Operating income (¥million)	3,305	(47)	(816)	—
Operating income margin	15.9%	—	—	—
Number delivered	296	132	60	(72)
Unit price (¥million)	69.7	64.1	68.9	4.8

— Major condominiums delivered in FY2021 —

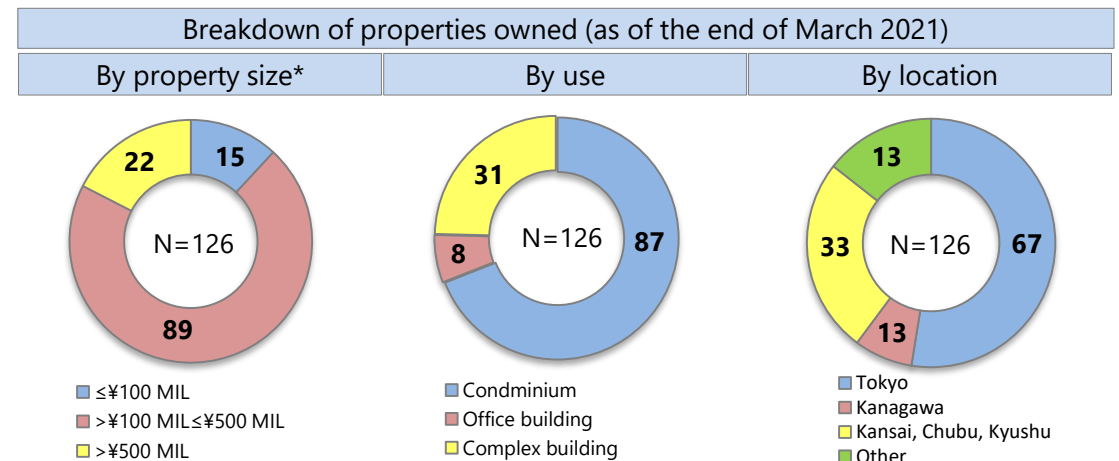
Name	Units	Average price
Open Residencia Shirokane Chojamaru (Tokyo)	19	¥90million
Open Residencia Koishikawa Harimazaka (Tokyo)	41	¥70million
Open Residencia Takamiya Hills (Fukuoka)	21	¥40million
Open Residencia Nagoya Avenue (Nagoya)	50	¥30million

Property Resale Business

- ✓ Strong demand for investment property backed by continued easy monetary policy.
- ✓ Because the Company focuses on rental condominiums in metropolitan areas, there is only a minor impact from the novel coronavirus.

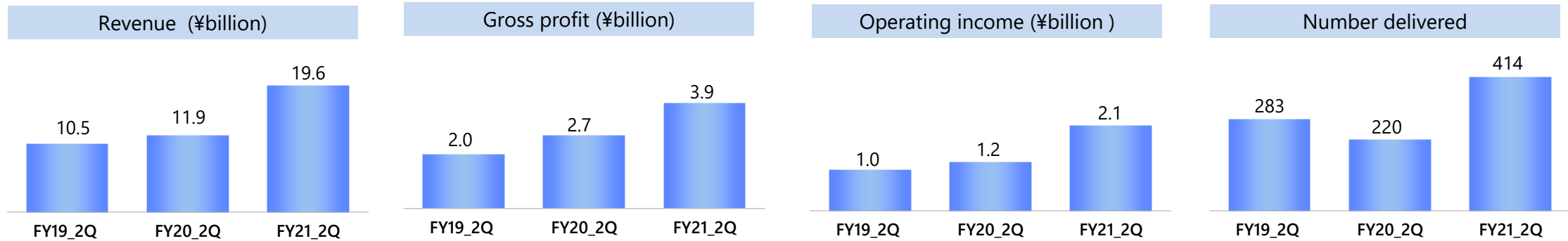


	FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	Inc. (Dec.)
Revenue (¥million)	46,613	55,060	55,589	1.0%
Gross profit (¥million)	7,179	8,144	8,942	9.8%
Gross profit margin	15.4%	14.8%	16.1%	1.3pt
Operating income (¥million)	4,908	5,536	6,125	10.6%
Operating income margin	10.5%	10.1%	11.0%	1.0pt
Number delivered	129	111	131	20
Unit Price (¥million)	349	487	416	(70)



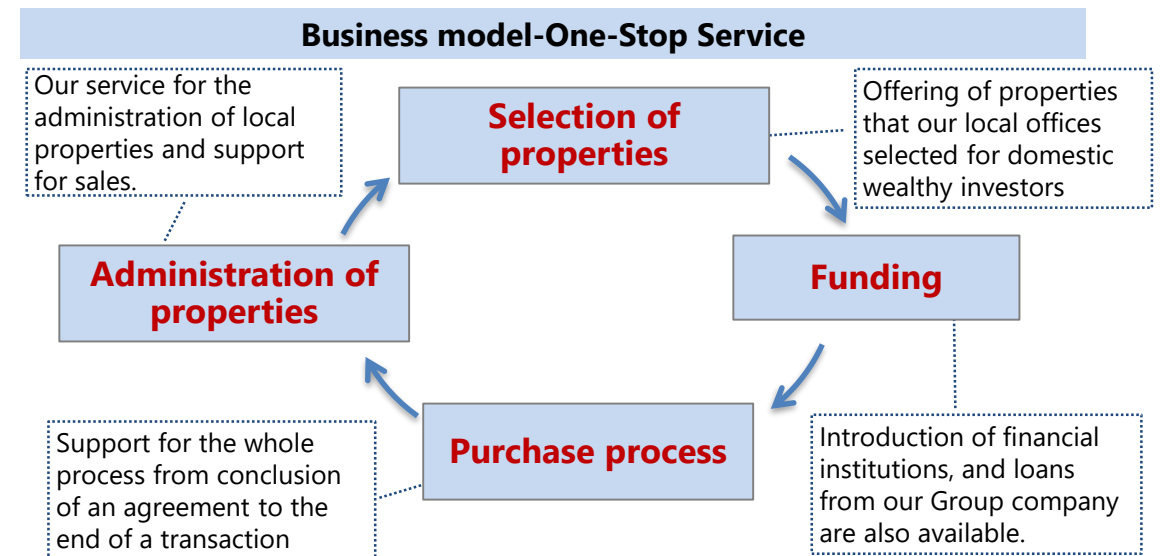
Other Segment (U.S. Real Estate Business)

- ☑ Due to our extensive experience in local property management, etc., revenue increased steadily, supported by net investment by domestic companies and individuals.
- ☑ By liquidating operating loans partially, we improved cash flows, asset efficiency, and financial soundness. (refer to page 30.)



	FY2019 2Q 18/10-19/3	FY2020 2Q 19/10-20/3	FY2021 2Q 20/10-21/3	Inc. (Dec.)
Revenue (¥million)	10,531	11,911	19,629	64.8%
Gross profit (¥million)	2,064	2,738	3,996	46.0%
Gross profit margin	19.6%	23.0%	20.4%	(2.6)pt
Operating income (¥million)	1,070	1,221	2,117	73.3%
Operating income margin	10.2%	10.3%	10.8%	0.5pt
Number delivered	283	220	414	194
Multi family homes included above	0	5	5	0

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



Pressance Corporation

- ✓ In January 2021, Pressance Corporation Co., Ltd. was consolidated as a subsidiary.
- ✓ Both business and performance for 2Q (January to March 2021) ended as planned.

	FY2021 2Q 2021/1-2021/3
Revenue (¥million)	49,492
Gross profit (¥million)	6,647
Gross profit margin	13.4%
Operating income (¥million)	2,160
Operating income margin	4.4%

FY2021 2Q Actual by product	
Product	Units
Studio-type condominium	2,039
family-type condominium	339
Total	2,378



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

Pressance Corporation (market position)

Actual results for condominium supply (sales) from January 1, 2020 to December 31, 2020

Prepared based on data of Real Estate Economic Institute Co., Ltd.

Area	Kinki	Tokai/Chukyo	Nationwide
Ranking	No.1 for 11 consecutive years	No.1 for 9 consecutive years	No.1 (for the first time)
Actual supply	2,766	1,204	4,342
Actual supply in entire area	15,195	5,386	59,907

Number of units supplied by top five companies	1	Pressance Corporation	2,766	Pressance Corporation	1,204	Pressance Corporation	4,342
	2	Eslead	1,861	Open House Development	586	Nomura Real Estate	3,791
	3	ES-CON JAPAN	670	Nomura Real Estate	417	Sumitomo Realty & Development	3,512
	4	WADAKOHSAN	654	Sumitomo Realty & Development	315	Mitsui Fudosan Residential	2,334
	5	Kintetsu Real Estate	535	Eslead	290	Eslead	2,151

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

(Million yen)

	FY2020 2Q 2019/10-2020/3		FY2021 2Q 2020/10-2021/3		Inc. (Dec.)		FY2020 2Q 2019/10-2020/3		FY2021 2Q 2020/10-2021/3		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue			Actual	% of revenue	Actual	% of revenue	
SG&A expenses	16,108	6.2%	24,229	6.7%	8,121						
Personnel expenses	4,929	1.9%	7,336	2.0%	2,406						
Sales commissions	2,363	0.9%	2,752	0.8%	388						
Office maintenance cost	1,870	0.7%	2,414	0.7%	544						
Advertising expenses	1,153	0.4%	1,669	0.5%	515						
Promotion expenses	532	0.2%	666	0.2%	134						
Others	5,259	2.0%	9,390	2.6%	4,131						
Non-operating income	407	0.2%	2,082	0.6%	1,675						
Share of profit of entities accounted for using equity method	—	—	1,448	0.4%	1,448						
Other	407	0.2%	634	0.2%	227						
Non-operating expenses	1,350	0.5%	2,997	0.8%	1,646						
Interest expenses	1,069	0.4%	1,371	0.4%	301						
Commission expenses	180	0.1%	321	0.1%	140						
Other	101	0.0%	1,304	0.4%	1,203						

Consolidated Balance Sheet

	Sep 30, 2020	Mar 31, 2021	Inc. (Dec.)
Current assets	507,123	779,963	272,839
Cash and deposits	219,227	314,754	95,526
Inventories	237,287	411,370	174,083
Others	50,608	53,838	3,229
Non-current assets	61,890	49,695	(12,194)
Property, plant and equipment	5,010	19,808	14,797
Intangible assets	3,080	3,119	38
Investments and other assets	53,798	26,767	(27,030)
Deferred assets	24	21	(2)
Total assets	569,038	829,680	260,641

<Safety index>

(times)	Sep 30, 2020	Mar 31, 2021	Inc. (Dec.)
D/E ratio	1.2	1.6	0.5
Net D/E ratio*	0.2	0.4	0.2

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

(Million yen)

	Sep 30, 2020	Mar 31, 2021	Inc. (Dec.)
Liabilities	335,342	516,467	181,125
Current liabilities	176,713	301,665	124,951
Non-current liabilities	158,628	214,802	56,173
Net Assets	233,695	313,212	79,516
Shareholders' equity	234,666	262,546	27,880
Valuation and translation adjustments	(970)	811	1,782
Non-controlling interests	—	49,854	49,854
Total liabilities and net assets	569,038	829,680	260,641

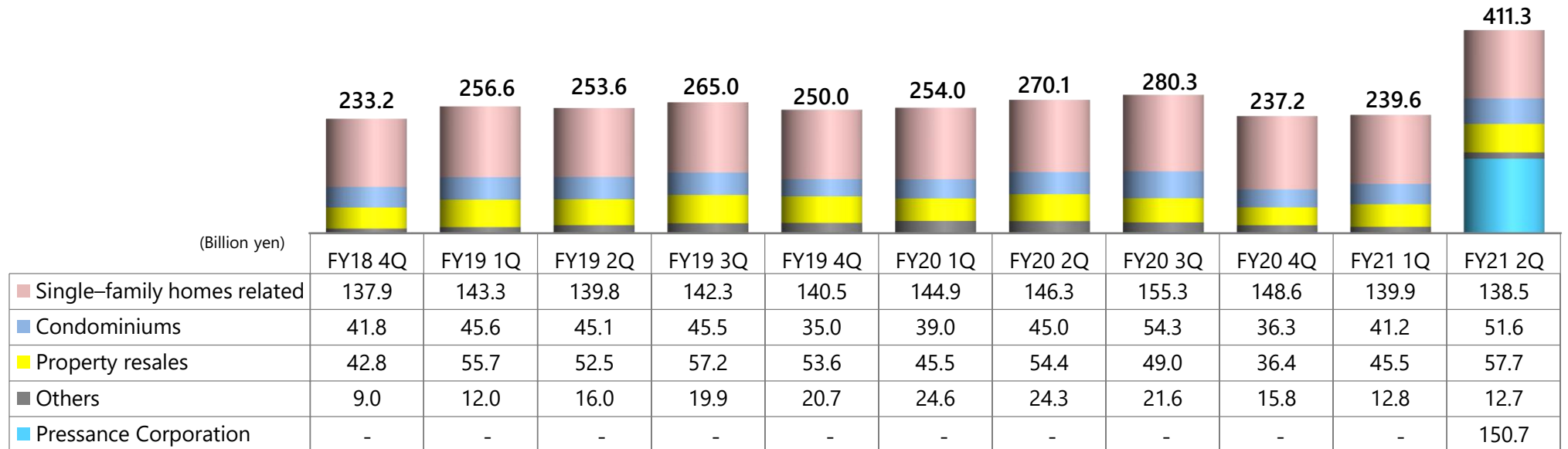
	Sep 30, 2020	Mar 31, 2021	Inc. (Dec.)
Equity ratio	41.0%	31.7%	(9.4)pt
Net equity ratio**	66.7%	51.0%	(15.7)pt

** Net equity ratio : Equity capital / (total assets-cash and deposits)

Inventory Details

(Million yen)

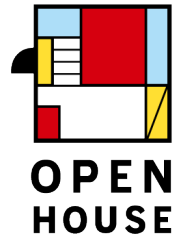
	End of FY2018 (Sep 30, 2018)	End of FY2019 (Sep 30, 2019)	End of FY2020 (Sep 30, 2020)	End of FY2021 2Q (Mar 31, 2021)	Ratio	Inc. (Dec.)
Single-family homes related	137,991	140,560	148,676	138,586	33.7%	(10,089)
Condominiums	43,322	35,065	36,339	51,612	12.5%	15,272
Property resales	42,873	53,691	36,445	57,735	14.0%	21,290
Others	9,084	20,735	15,825	12,703	3.1%	(3,122)
Pressance Corporation	—	—	—	150,773	36.6%	150,733
Total	233,272	250,054	237,287	411,370	100.0%	174,083



Consolidated Statement of Cash Flows

(Million yen)

	FY2020 2Q <2019/10-2020/3>	FY2021 2Q <2020/10-2021/3>	Main factors
Cash flows from operating activities	(8,696)	31,746	<ul style="list-style-type: none"> - Booking of income before income taxes - negative goodwill, Loss on step acquisitions - Increase in inventories - Payment of income taxes ,etc
Cash flows from investing activities	(901)	25,250	<ul style="list-style-type: none"> - Purchase of shares of subsidiaries, etc.
Cash flows from financing activities	30,576	34,258	<ul style="list-style-type: none"> - Increase in loans payable - Dividend payment, etc.
Effect of exchange rate changes on cash and cash equivalents	114	981	
Net increase (decrease) in cash and cash equivalents	21,092	92,236	
Cash and cash equivalents at beginning of period	135,345	219,218	
Cash and cash equivalents at end of period	156,438	311,654	<ul style="list-style-type: none"> - Including 19.9 million yen of Increase in cash and cash equivalents due to change in scope of consolidation



Consolidated Business Performance Forecasts for FY2021

Consolidated Business Performance Forecasts

- ✓ The second upward revision of forecasts of performance and dividend during the period following 1Q.
- ✓ Aiming to achieve record highs in revenue and income for the ninth consecutive year.

(Million yen)

	FY2020 (2019/10-2020/9)		FY2021 Revised forecast announced on Feb 12, 2021 (2020/10-2021/9)		FY2021 Revised forecast announced on May 14, 2021 (2020/10-2021/9)		Change (B-A)
	Actual	Inc. (Dec.)	Forecast (A)	Inc. (Dec.)	Forecast (B)	Inc. (Dec.)	
Revenue	575,951	6.6%	767,600	33.3%	788,000	36.8%	20,400
Operating income	62,129	7.5%	83,800	34.9%	96,000	54.5%	12,200
Ordinary income	77,357	40.8%	82,500	6.6%	93,000	20.2%	10,500
Profit attributable to owners of parent	59,491	51.0%	60,000	0.9%	67,000	12.6%	7,000
EPS* (yen)	525.36	—	476.86	—	523.39	—	55.59
Annual dividends per share* (yen)	80.00	17.00	100.00	20.00	110.00	30.00	10.00
Payout ratio	^{*1} 15.2%	—	21.0%	—	20.7%	—	—

*1 The dividend payout ratio excluding profit earned through the acquisition of Pressance Corporation's shares is **21.7%**

Consolidated Business Performance Forecasts (Revenue by business segment)

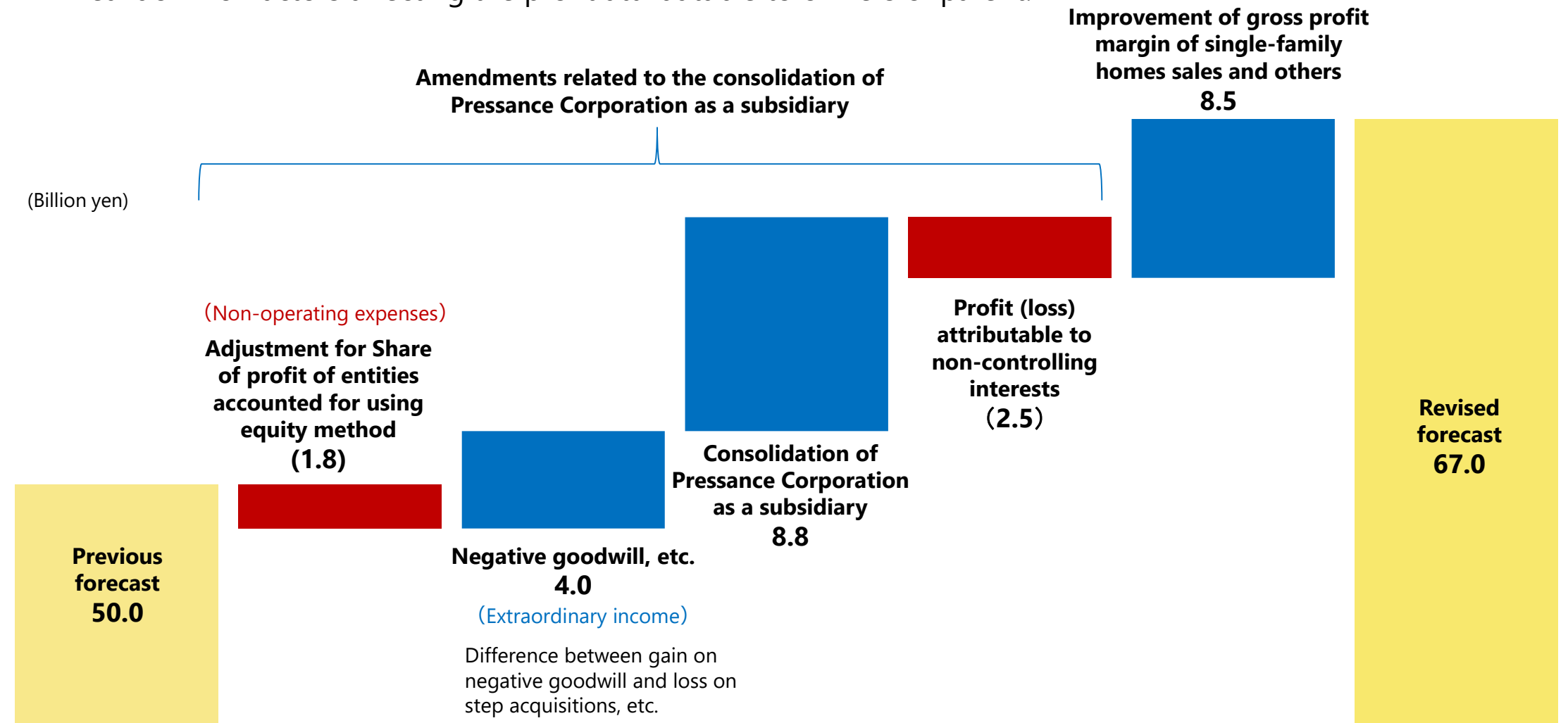
- ☑ Due to the sound progress of businesses, forecasts for single-family homes-related business and Pressance Corporation were revised upward.
- ☑ There is no change in the three segments other than above because their overall progress is on schedule.

(Million yen)

	FY2020 (2019/10-2020/9)		FY2021 Revised forecast announced on Feb 12, 2021 (2020/10-2021/9)		FY2021 Revised forecast announced on May 14, 2021 (2020/10-2021/9)		Change (B-A)
	Actual	Inc. (Dec.)	Forecast (A)	Inc. (Dec.)	Forecast (B)	Inc. (Dec.)	
Revenue	575,951	6.6%	767,600	33.3%	788,000	36.8%	20,400
Single-family homes related business	379,656	11.5%	436,500	15.0%	446,500	17.6%	10,000
Condominiums	58,169	(4.6)%	46,500	(20.1)%	46,500	(20.1)%	0
Property resales	112,207	3.5%	112,500	0.3%	112,500	0.3%	0
Others (including U.S. real estate business)	26,027	(14.8)%	38,500	47.9%	38,500	47.9%	0
Pressance Corporation	—	—	133,600	—	144,700	—	11,100
Adjustments	(110)	—	—	—	(700)	—	(700)

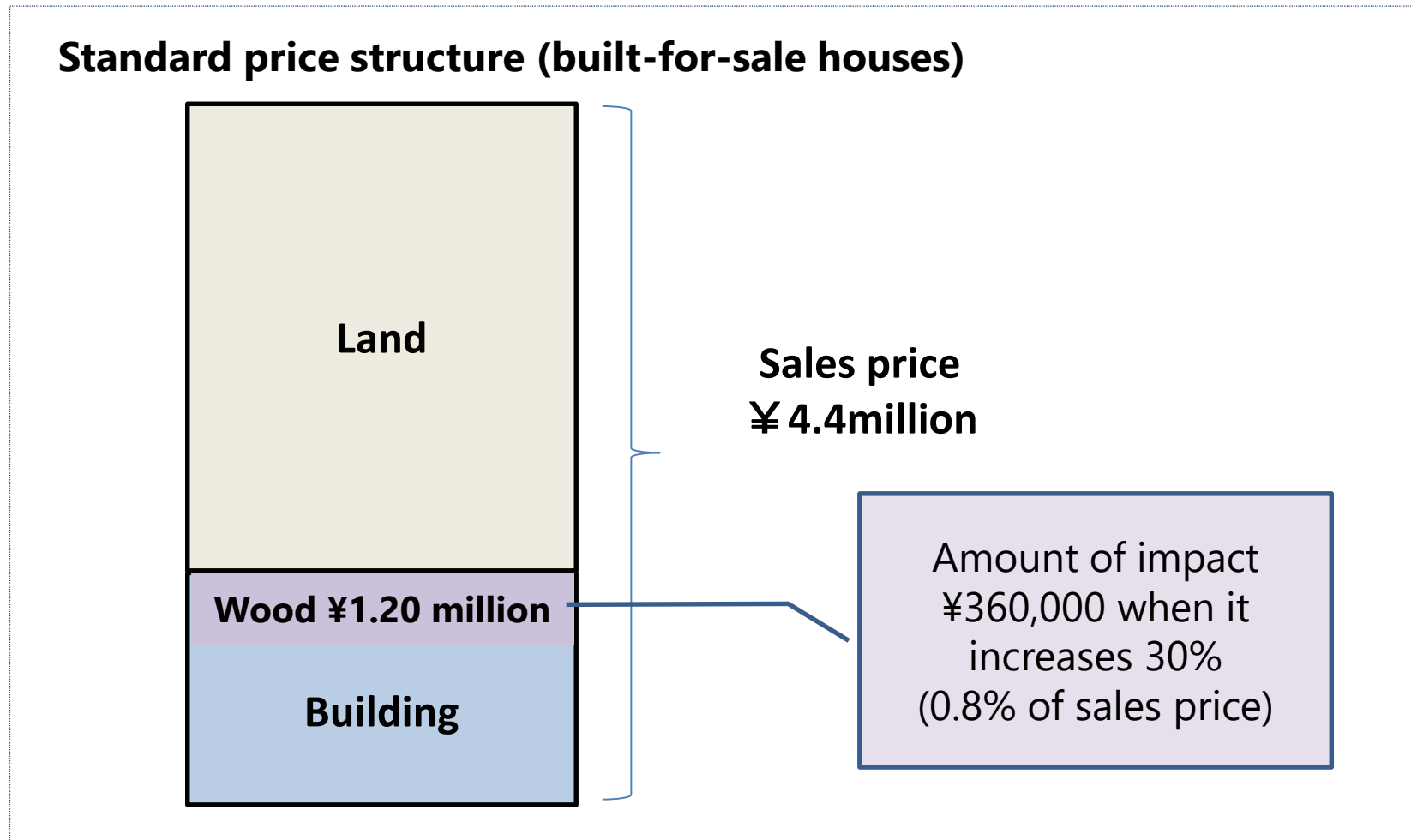
Consolidated Business Performance Forecasts (Factors)

- ☑ Breakdown of factors affecting the profit attributable to owners of parent.



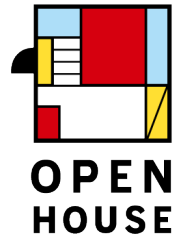
Single-family homes related business (impact of wood price hikes)

- ✓ The impact of wood price hikes on FY2021 performance is minor.
- ✓ Even if wood prices go up, the influence on performance is limited.



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

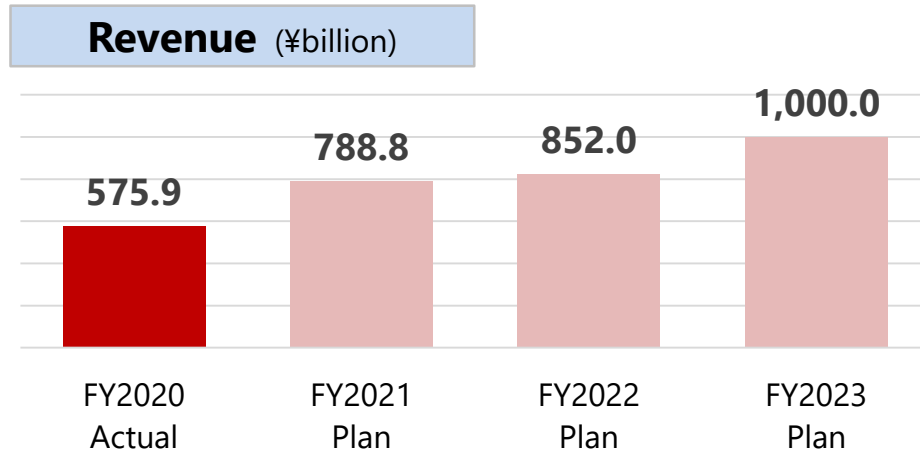
		Revenue (¥billion)					Number delivered		
		FY2019 (18/10-19/9) Actual	FY2020 (19/10-20/9) Actual	FY2021 (20/10-21/9) Plan			FY2019 (18/10-19/9) Actual	FY2020 (19/10-20/9) Actual	FY2021 (20/10-21/9) Plan
Open House Development	Built-for-sale houses	98.7	116.6	140.2	Built-for-sale houses		2,296	2,804	3,430
	Lands	100.1	108.0	127.3	Lands		2,458	2,645	3,190
	Built-to-order houses	21.9	23.6	26.4	Built-to-order houses		1,555	1,597	1,810
Open House Architect		48.1	55.5	62.0	Built-to-order houses		3,674	4,158	4,100
					Number delivered to OHD		1,484	1,535	1,480
Hawk One		82.2	87.0	105.0	Built-for-sale houses		1,989	2,063	2,170
					Lands		66	145	260
					Built-to-order houses		50	39	110
Condominiums		60.9	58.1	46.5	Units		949	1,224	1,120
Property resales		108.4	112.2	112.5	Buildings		255	230	240
U.S. real estate business		30.5	26.0	38.5	Homes		711	501	730
					Multi family homes included above		7	12	20



The Mid-term Business Plan

"Ikouze 1 cho!, 2023" — "Jump to 1 trillion, 2023"

- **Strive to achieve FY2023 target revenue of ¥1 trillion**



Growth Strategy

- Sustainable growth focusing on single-family home-related business
- Synergies with Pressance
- M&A and strategic investments
- New businesses

Capital Policy

- Dividend payment ratio 20%
- Annual dividend increase of 10 yen
- Flexible Share buyback

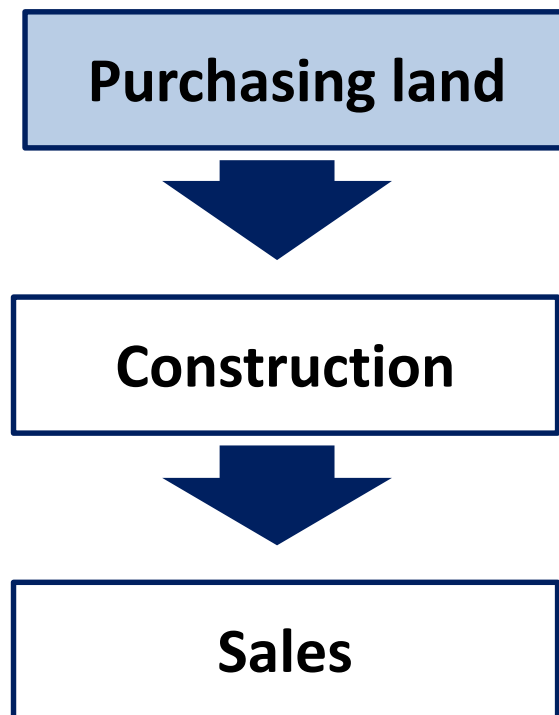
Financial Strategy

- Equity ratio 30% or more
- Within 1x or less of net D/E ratio.
- ROE 20% or more
- Actively invest in growth opportunities
(Investment capacity based on assumption above:
About ¥100 billion)

Sustainable growth focusing on single-family home-related business

(Penetration into Kansai region)

- In April 2021, the Open House Development Kansai Branch was opened to start purchases of land for single-family homes.
- We will add construction and sales functions to our operations in the Kansai region to develop a business that integrates purchasing land, construction and sales.



Dominant development and share expansion in the Kansai region

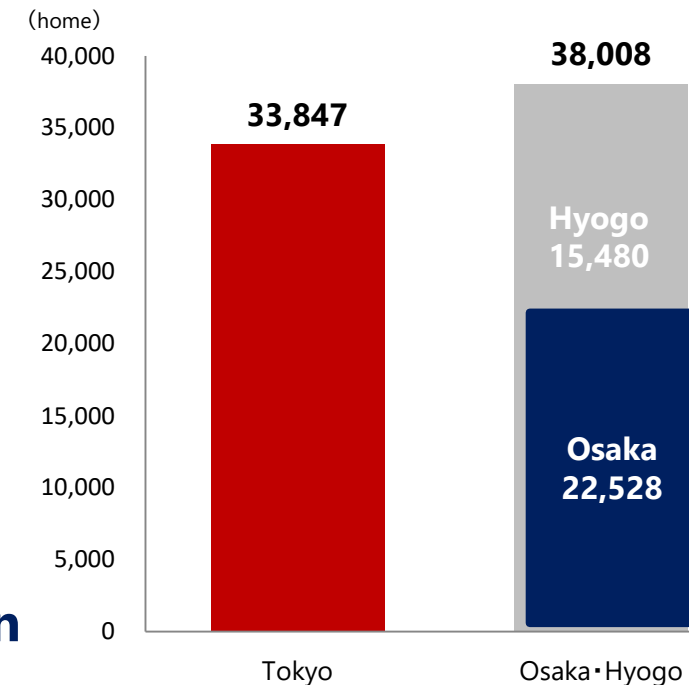
Estimated market size *1

1.2 trillion yen

Average price of single-family homes in Kinki region*2

31.93 million yen

Housing starts *3



*1: "Estimated market size" = "Housing starts in Osaka, Hyogo" x "Average single-family home price in Kinki region"

*2: "Average Price of single-family homes in the Kinki area" is the average price of new and secondhand single-family homes in 2019.

*3: "Housing starts" is the total number of owner-occupied and for-sale housing starts in 2019

*4: "Estimated population" is based on the census population as of October 1, 2015

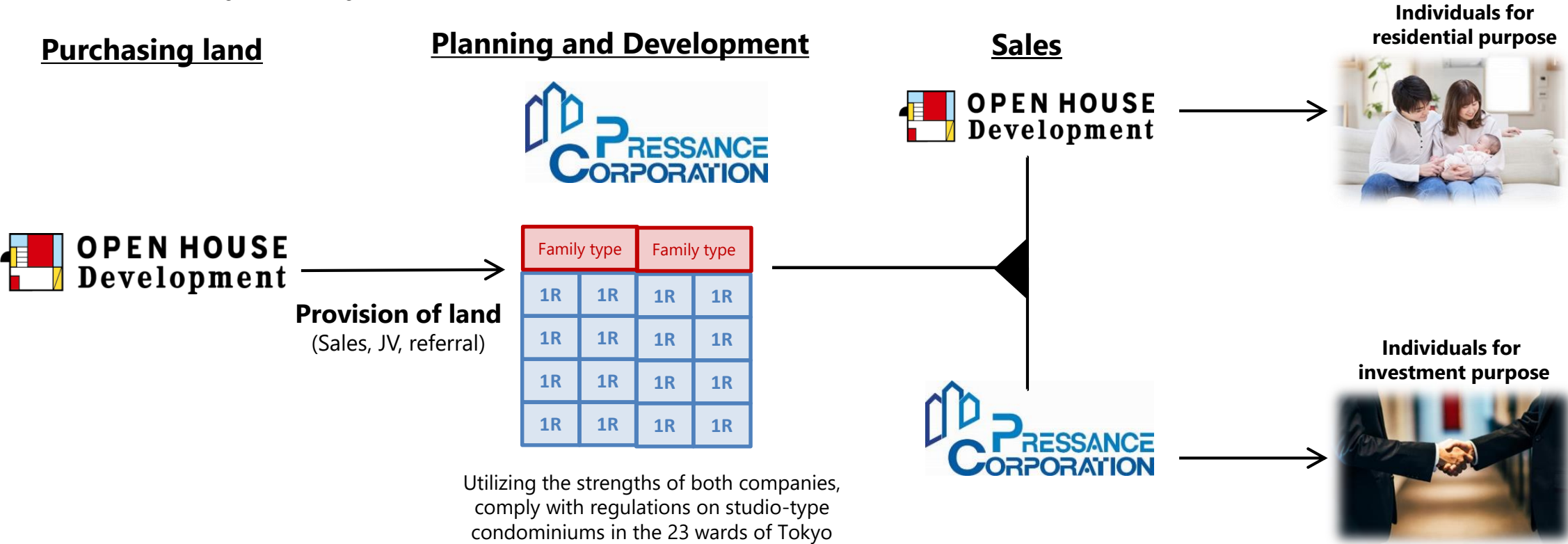
Source: MLIT, "Construction and housing starts statistics"

Source: "White paper 2019 on single-family homes data" published by TOKYO KANTEI Co., Ltd.

Synergies with Pressance Corporation

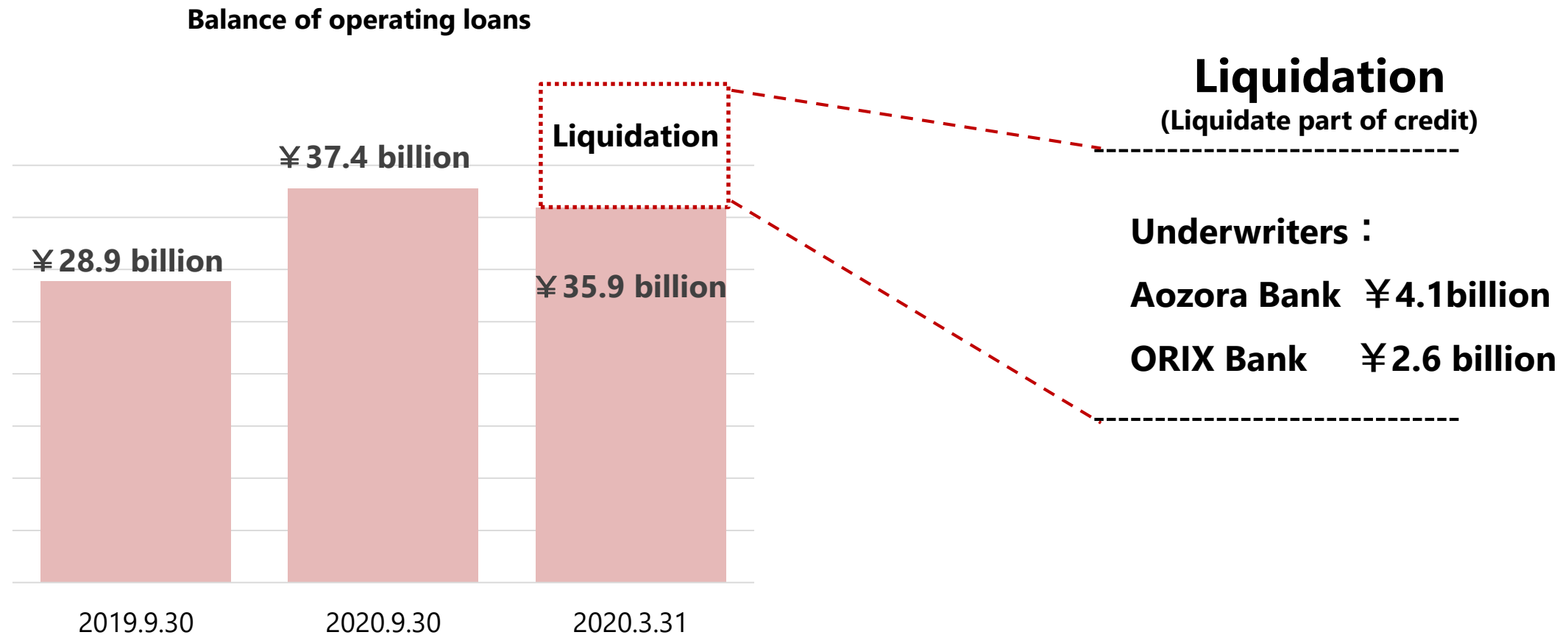
- Land purchases by Open House Development in the metropolitan area and the joint venture planned and developed by Pressance Corporation are underway.
- Three projects have been started by the joint venture.

< Overview of joint project No. 1 >



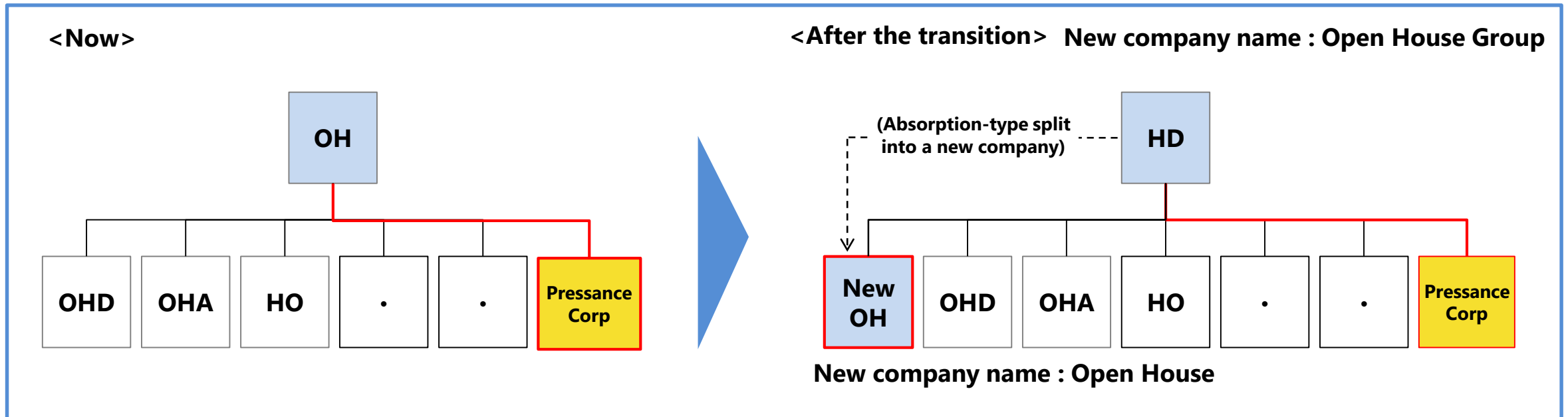
Financial Strategy (liquidation of credit)

- The fund to finance purchases of real estate in U.S. is steadily increasing, and from the viewpoint of fund efficiency, credit will be partially liquidated.
- Debtors are mostly the affluent. Aiming for continuous growth through asset control utilizing liquidation



Establishment of a new group management system (preparations for the transition to a holding company structure)

- Open House's administrative division will become a pure holding company by separating its business divisions through an absorption-type company split.
- Managerial and supervisory functions of management will be separated from business execution to enhance corporate value and sustainable growth.



< Purpose >

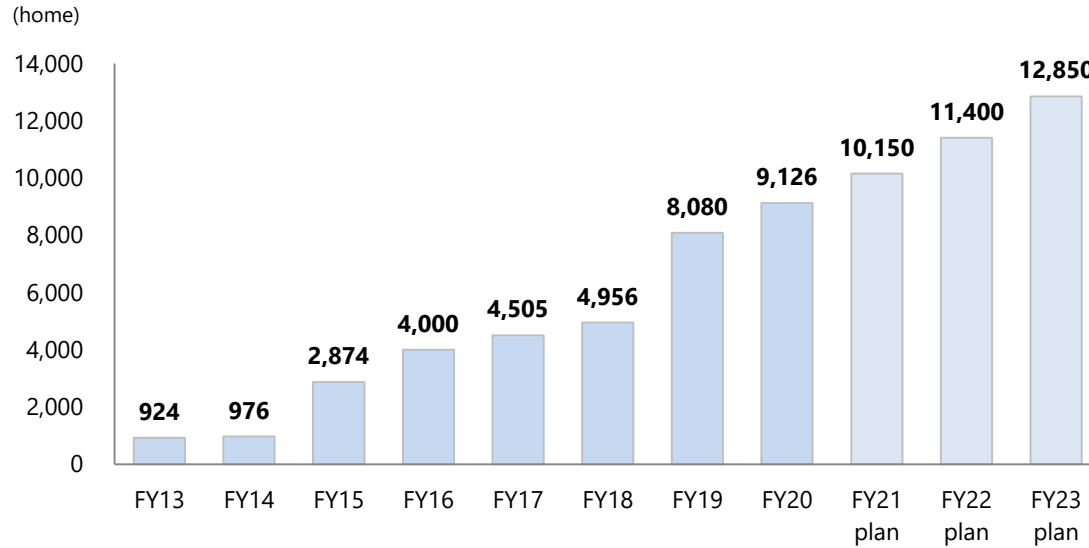
- (1) Speeding up decision making in business promotion
- (2) Strengthening the functions for managing the group
- (3) Building a forward-looking management system

< Schedule >

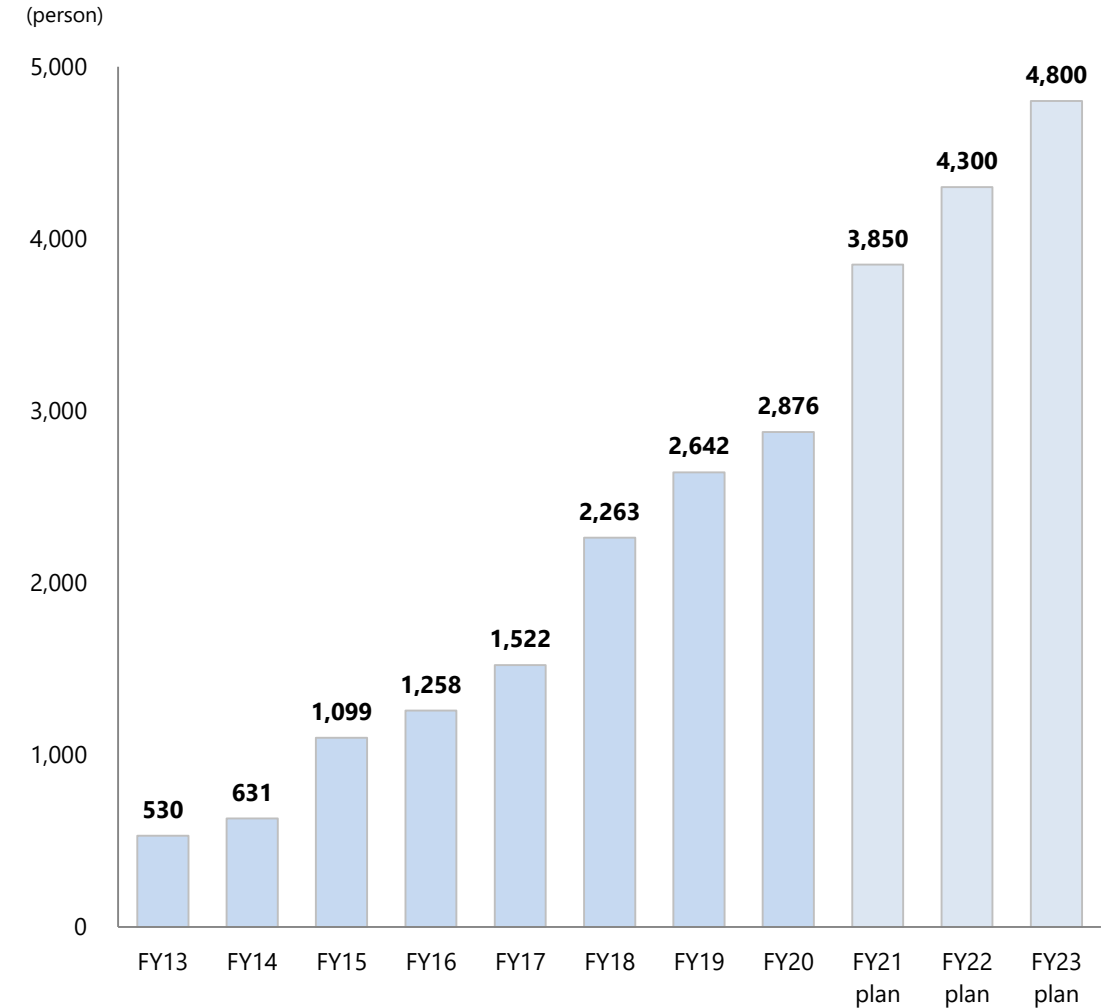
(1)	Board of directors' meeting to approve establishing the Split Preparation Company	February 12, 2021
(2)	Establishment of the Split Preparation Company	April 2021 (scheduled)
(3)	Board of directors' meeting to approve absorption-type company split agreement	November 2021 (scheduled)
(4)	Shareholders' meeting to approve proposals related to the amendment of the Articles of Incorporation and other matters	December 2021 (scheduled)
(5)	Effective date of the absorption-type company split	January 2022 (scheduled)

Quantitative Goals

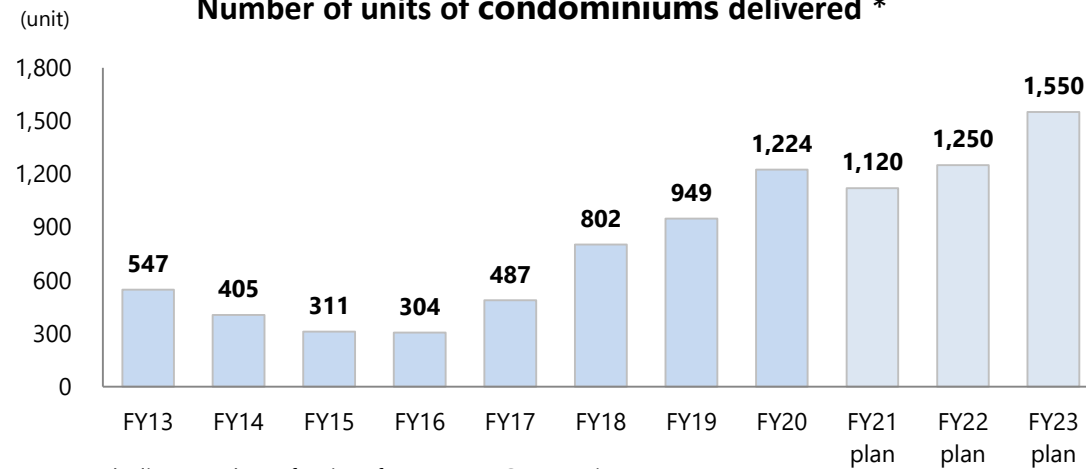
Number of units of Single family homes delivered



Number of employees



Number of units of condominiums delivered *



* Excluding number of units of Pressance Corporation



DX (Digital Transformation)

Promotion of DX to strengthen competitiveness

- Reform operating process utilizing IT
- Strengthen our Group's competitiveness further

IT system

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

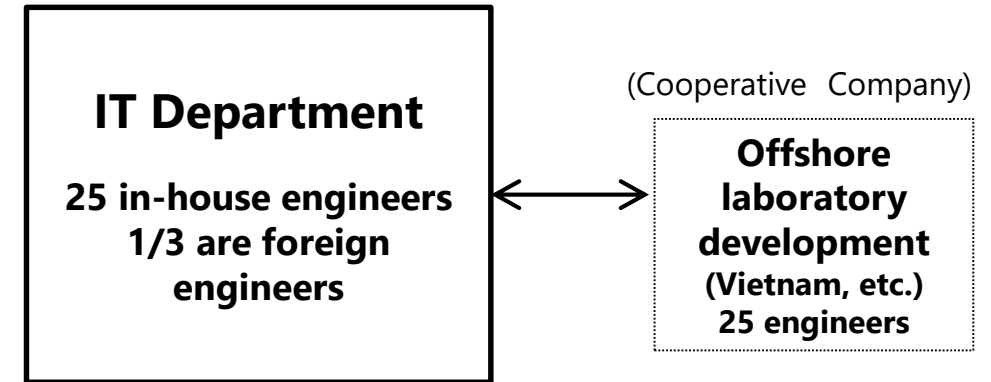
In-house engineers are in charge of the scope ranging from system planning and development to operation

Establish a system with diversity employing many foreign engineers by seeking talented people with English fluency and IT expertise, which are crucial for in-house system development, widely

IT Prize was awarded (Evaluation by a third party)

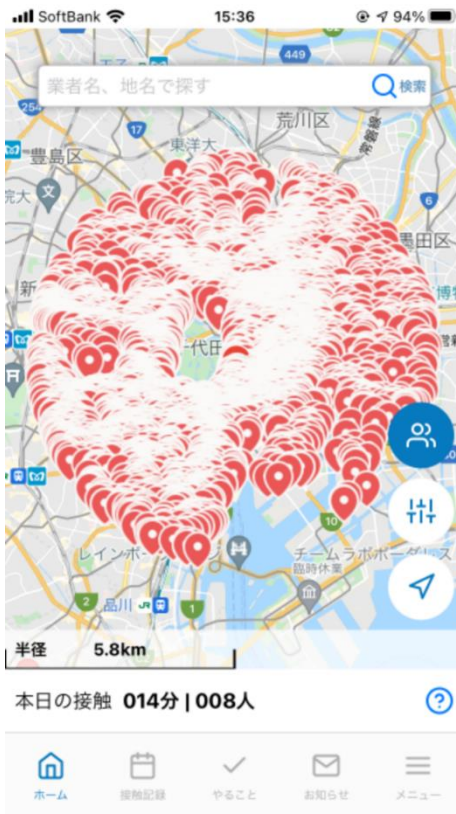
In November 2020, our IT department received the 38th IT Award (Management Area) for 2020 sponsored by the Japan Institute of Information Technology.

Establishment of an in-house IT organization, in which in-house engineers conduct interviews directly on on-site issues and provide solutions through the development of in-house systems, was highly evaluated.



(Practical Example 1) Utilization of data on 30,000 homebuilders in the metropolitan area for sales activities

- Conduct in-house development of an integrated management system of sales activities and projects based on business card management
- By consolidating sales activity records, improve operation efficiency and support sales.



(Location information screen showing housing land and building dealers)

- Data on housing land and building brokers
30,000 cases in the metropolitan area
Total of 100,000 cases in Nagoya, Osaka, and Fukuoka
- After interview, register business card data
Link and manage data on customers and housing land and building brokers

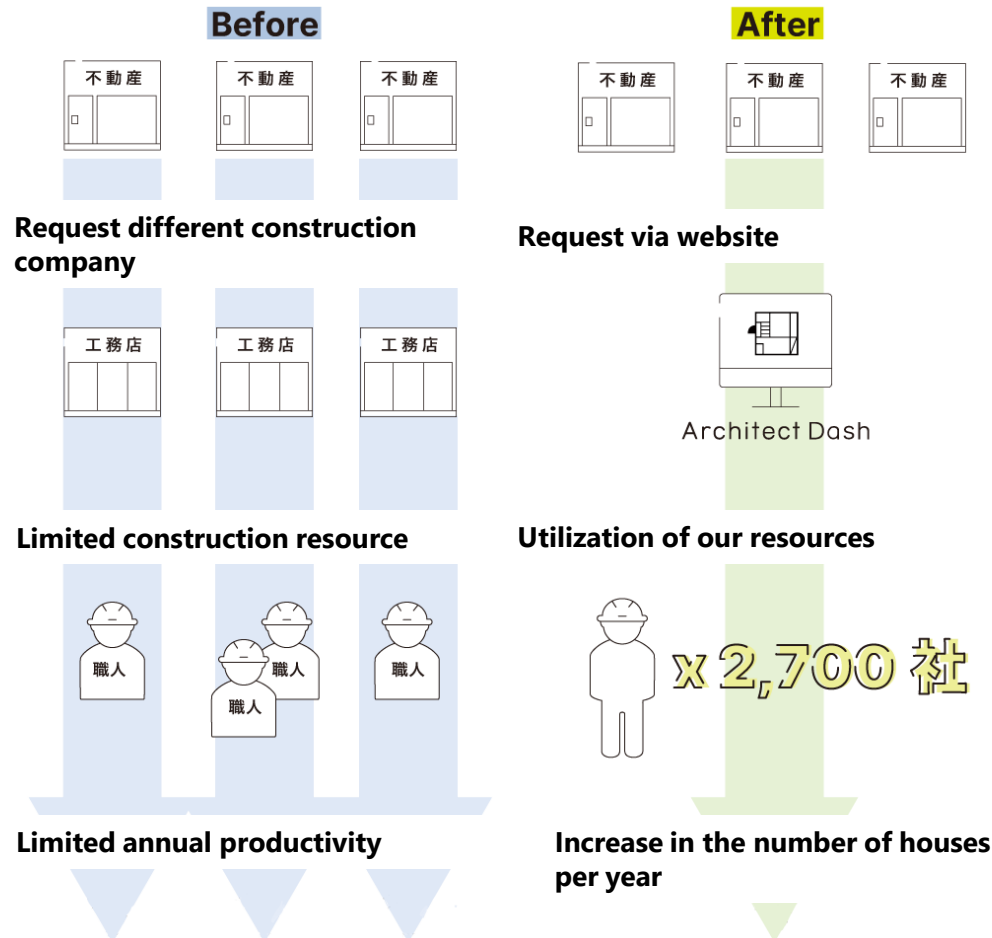
既存	接触	契約決済
✓	2021/05/09 (日) 15:12	株式会社オープンハウス 本店
		編集
既存	接触	案内
✓	2021/05/09 (日) 11:41	株式会社オープンハウス 本店
		編集
既存	接触	アポ
✓	2021/05/08 (土) 14:41	株式会社オープンハウス 本店
		編集

(Interview history screen for each customer)

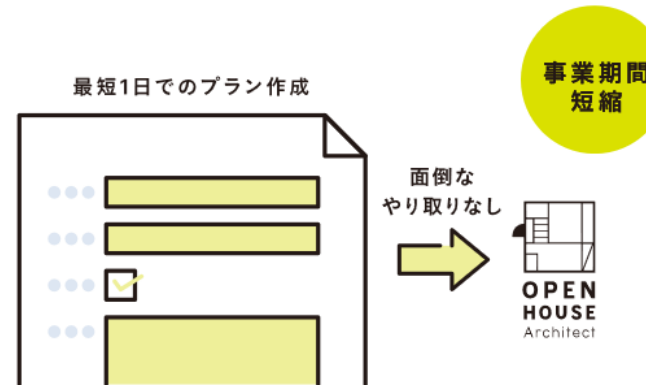
- Register contents of interview
Phone and emails are acceptable
- Keep track of history for each customer
It is OK to do so by property or person in charge

(Practical Example 2) Provision of free cloud service to real estate developers

- Open House Architect provides to real estate developers, who are our customers, with a free cloud service to support the operations of real estate businesses
- Optimize all operations of the two companies with DX and shorten the time required for business



Construction request



Construction request is processed with a simple form. Speedy estimation and planning. The fastest turnaround is one day.

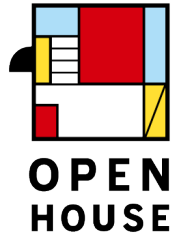
⇒ **Reduce time required for business**

Construction progress



Construction progress can be checked on the management screen and with a notification function. Various inspection processes can be checked in real time.













⇒ **Reduce management cost**



Sustainability

To realize a sustainable society

- Identified six key issues the Company should address
- To be examined in view of inputs from external assessment institutions, stakeholders, experts, and priorities to the Company

ESG	Key Issues	Initiatives	Relevant SDGs
Environment	Environmental conservation	<ul style="list-style-type: none"> ■ Established the Japan Wood Housing Association ■ Open House Forest 	 
	Product safety and security Promoting customer satisfaction	<ul style="list-style-type: none"> ■ Build and strengthen the system for promoting customer satisfaction 	 
Social	Talent development	<ul style="list-style-type: none"> ■ Utilization of a diverse workforce ■ Establish a training course reflecting the Company's founder 	 
	Work-style reforms	<ul style="list-style-type: none"> ■ Enhance productivity utilizing IT ■ Support for using childcare facilities and support system for balancing work and child rearing ■ Establish a counseling office for empowering women 	 
	Supply Chain Management	<ul style="list-style-type: none"> ■ Share sustainability guidelines with business partners 	 
Governance	Compliance	<ul style="list-style-type: none"> ■ Conduct compliance training ■ Invite female talent to join the board as an external director and a corporate auditor 	 

(Practical Example 1) Established the Japan Wood Housing Association

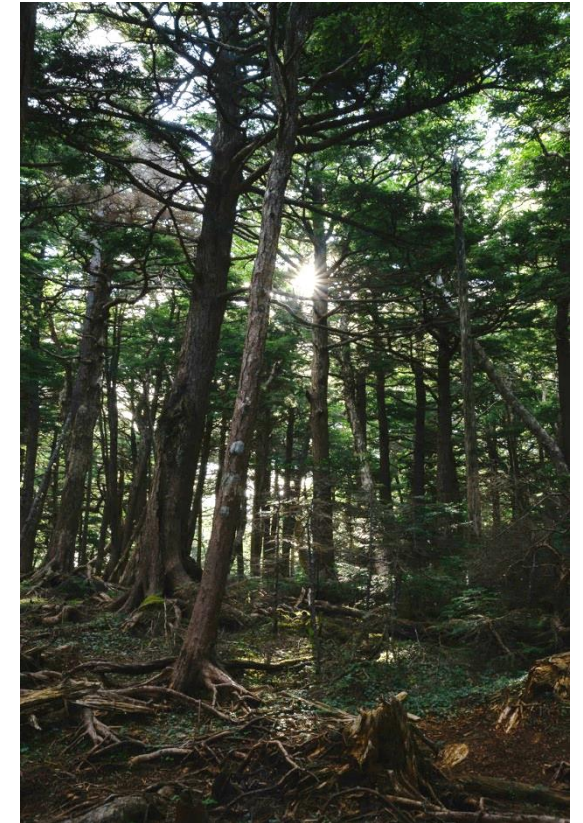
- In April 2021, Sanei Architecture Planning Co., Ltd., KI-STAR REAL ESTATE CO., LTD and our company jointly established the Japan Wood Housing Association to solve SDG issues.

Purpose

1. Promote high-quality wood houses that people can live in worry-free and achieve the sound development of the industry for wood houses built for sale
2. By promoting the use of domestic timber for wood houses built for sale, maintain and recover multifaceted functions of domestic forests (reduction of greenhouse gases, cultivation of water sources and conservation of biodiversity)

Business

- Support the promotion of domestic lumber usage
- Technological development and research on wood buildings
- Research, development, dissemination, and education to improve the capabilities and quality of wooden buildings
- Human resource development related to wood buildings
- Development and research on the supply system of temporary wood housing in the event of a disaster
- Presentation of proposals and opinions to government agencies and related organizations
- Other activities necessary to achieve the purposes of the association
- The operation shall be conducted throughout Japan and overseas.



(Practical Example 2) Contribution to regional revitalization through basketball

- Ota City, Gunma, plans to build a new civic gymnasium that will be the home arena of the Crane Thunders
- We plan to donate to the city utilizing a corporate version of the hometown tax payment system.

Summary of facility

Name: Ota City Sports Park Gymnasium (OTA ARENA (tentative name))

Capacity: 5,000 persons (B1 league standard)

Construction plan: Start in 2021, completion in the spring of 2023

Gunma Crane Thunders

Operating company: Gunma Professional Basketball Commission Co., Ltd.

Hometown: Ota City (from July 2021)

Ranking, etc. : B2 East area No.1, 33 consecutive win (New record in B2 league)

Striving to move up to B1 in the next season

Corporate version of hometown tax payment system

Our intention Utilizing regional revitalization support tax system, contribute to regional revitalization through sports



Image of Ota City Sports Park Gymnasium (Exterior and interior)

(Practical Example 3) Employment of the disabled: Application of special provision for company groups regarding the number of disabled employees

- The Group's system to employ the disabled was recognized, and application of the special provision was approved.
- From now on, we can take more flexible measures across regions and companies

Current status

The Group is actively working on employing the disabled by operating two satellite offices in the metropolitan area, etc. The ratio of the disabled of four major companies exceeds the legal requirement of 2.2%. (FY2020 actual)

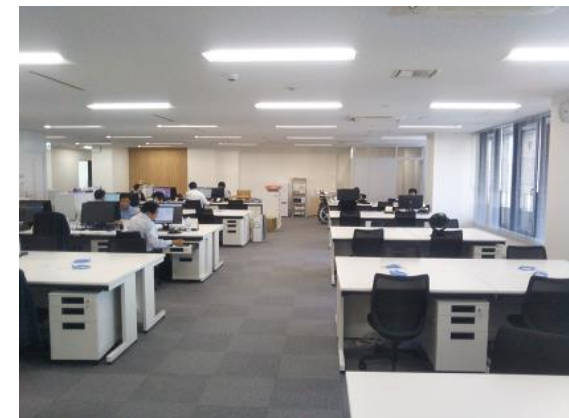
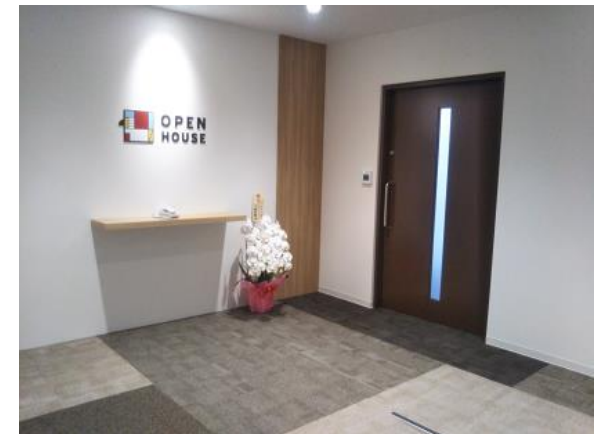
Special provision for company groups regarding the number of disabled employees

For calculating the disabled employee ratio, when a company satisfies certain requirements (such as a parent company has a person in charge of promoting the employment of the disabled, and subsidiaries can appropriately manage the employment of the disabled), it is permitted to calculate the ratio without a special subsidiary that pays special attention to employing the disabled.

Future plan

Promote employment of the disabled with a more flexible system as a group, beyond the boundaries of regions/companies. For example, we can add the number of disabled employees in the Kansai region including Pressance to the number of disabled employees in the metropolitan area.

Our satellite office
Barrier-free design with sliding doors, wide pathways, etc.

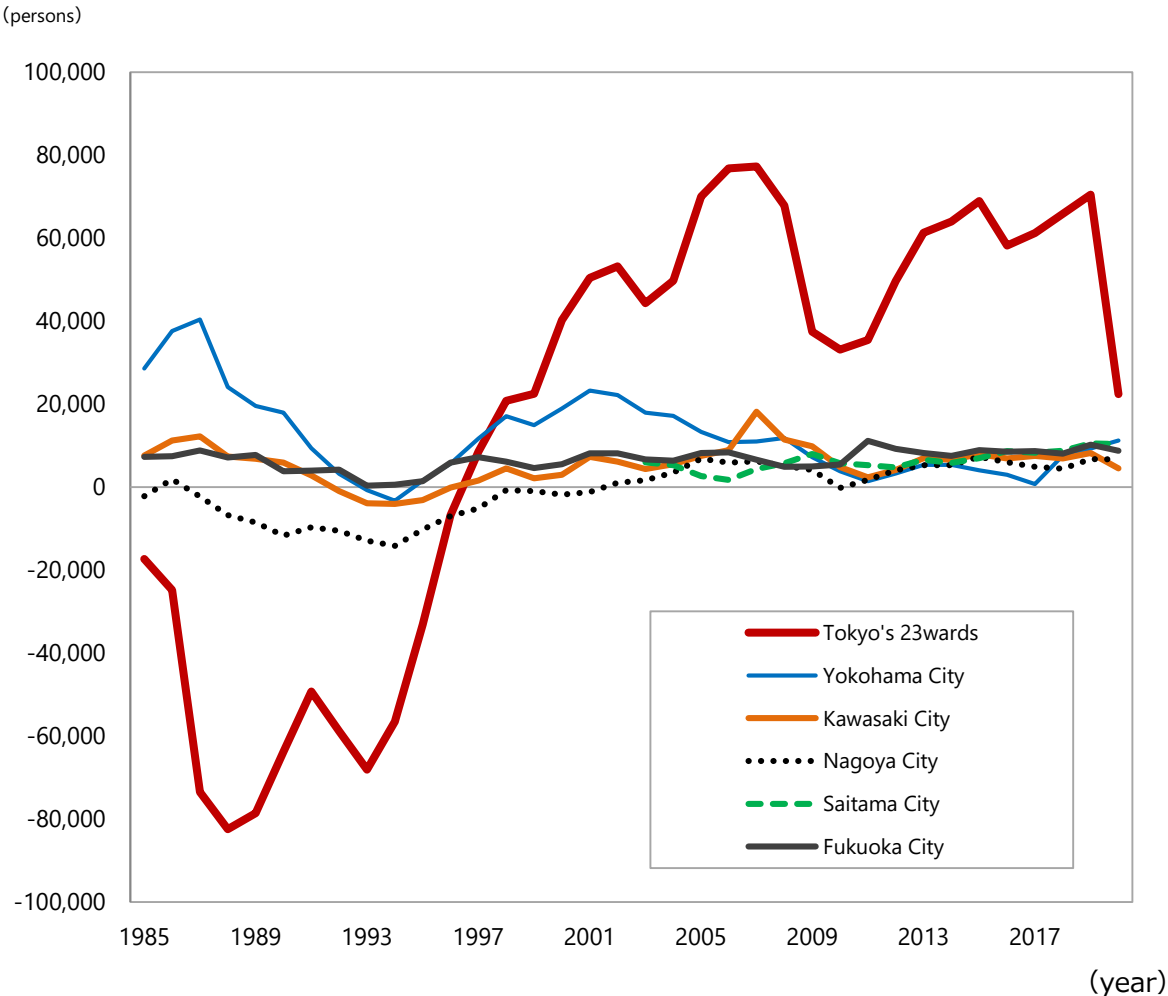




Reference materials

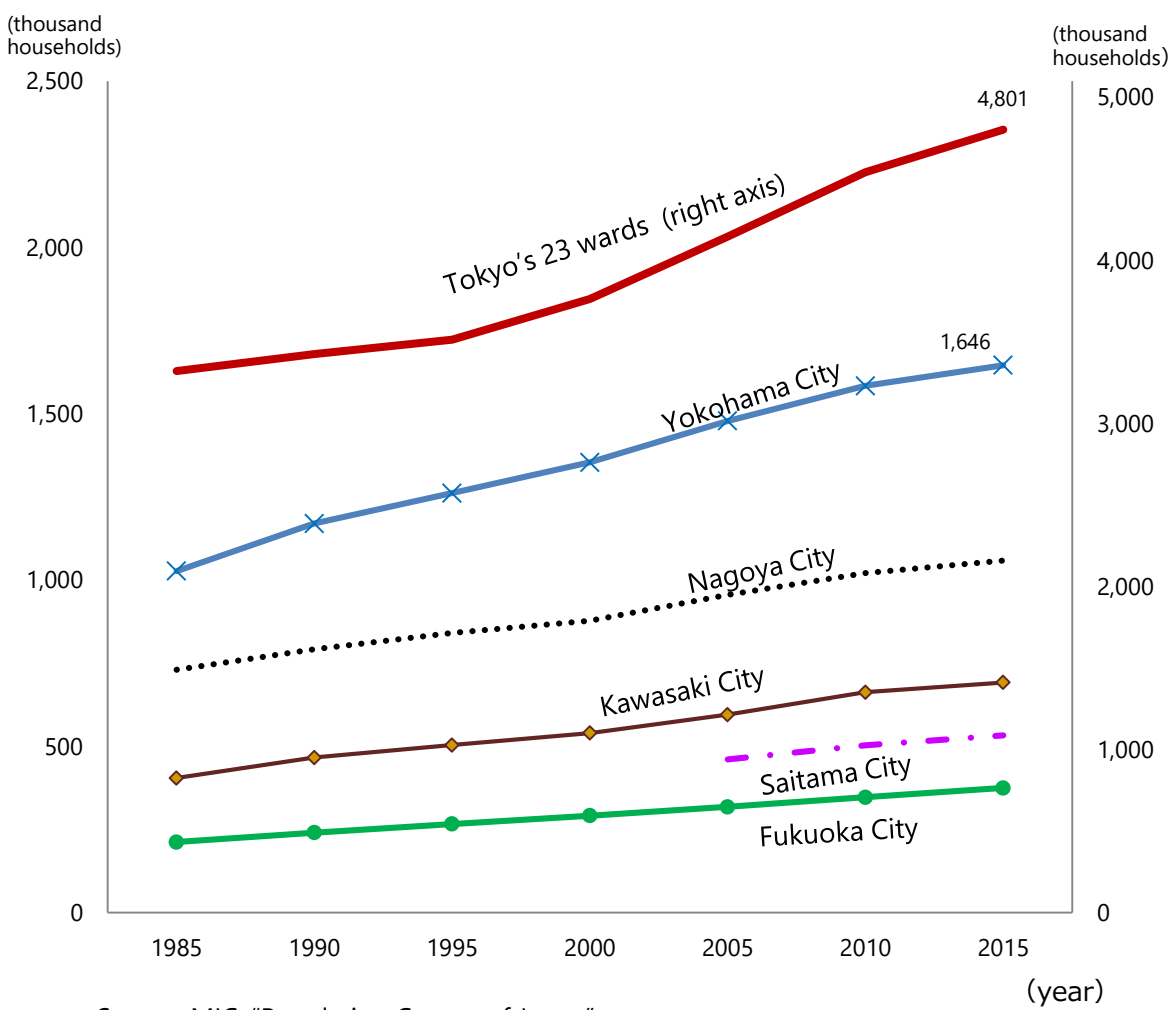
The population has been concentrating and number of households has been increasing in urban areas

Net migration into urban cities



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

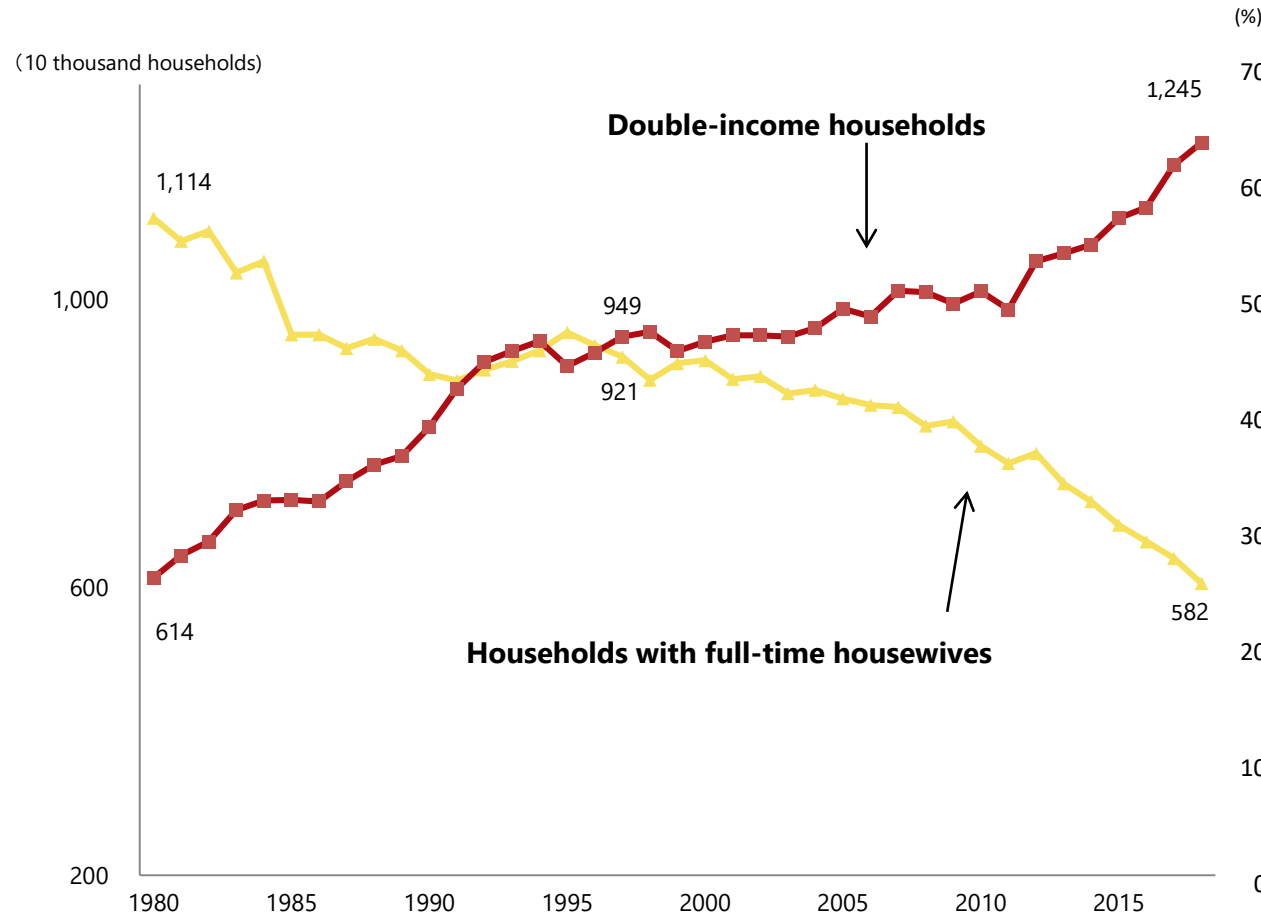
Number of households in major cities



Source: MIC, "Population Census of Japan"

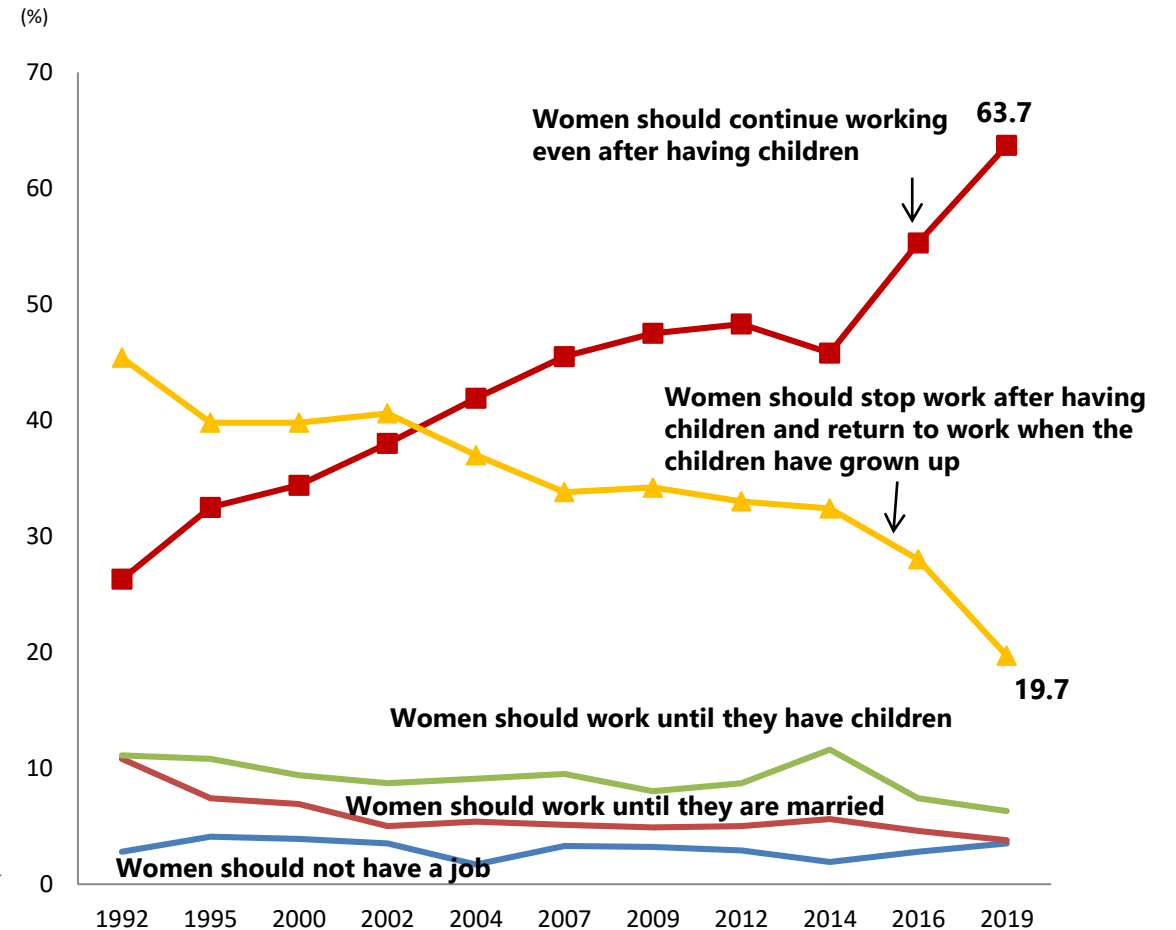
Double-income households and child-rearing households are turning their eyes to urban areas, where they can reduce commuting time

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



Source: "White Paper on Gender Equality 2015", Cabinet Office, Government of Japan
Labor force survey, the Ministry of Internal Affairs and Communications

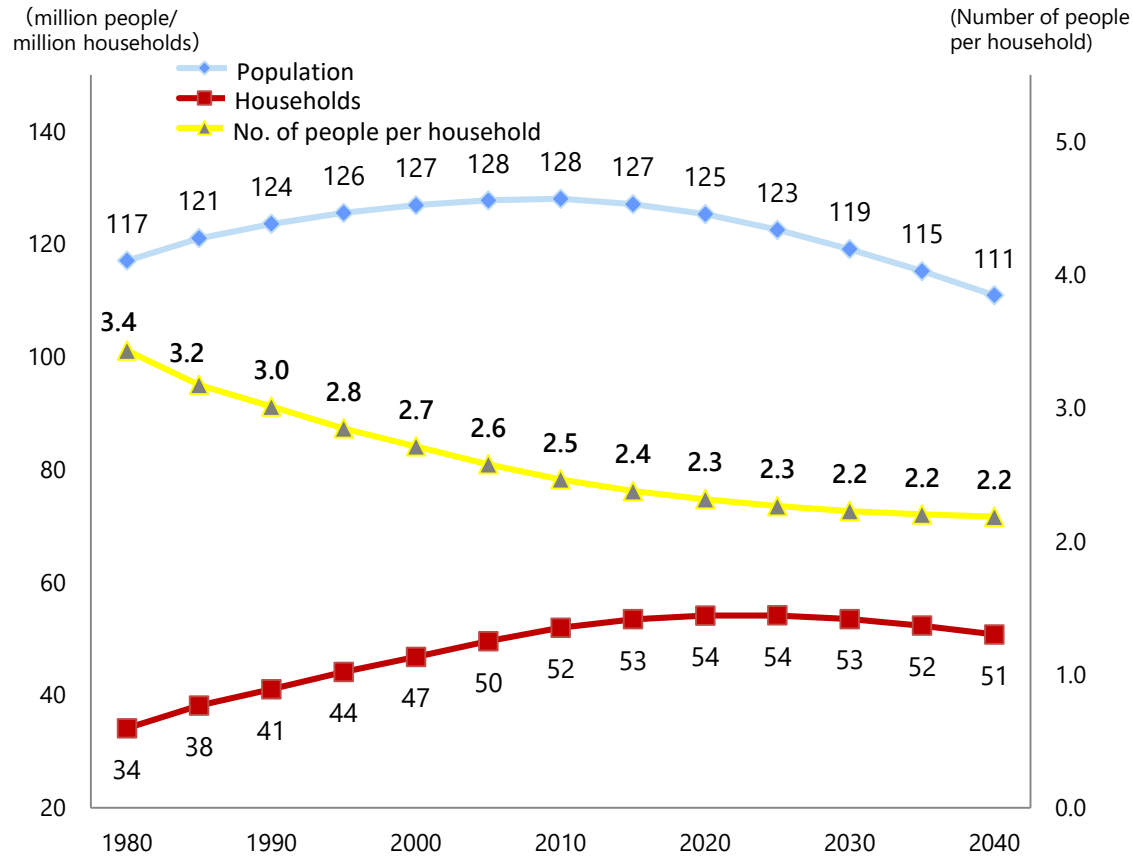
Changes in attitude toward work among women (nationwide)



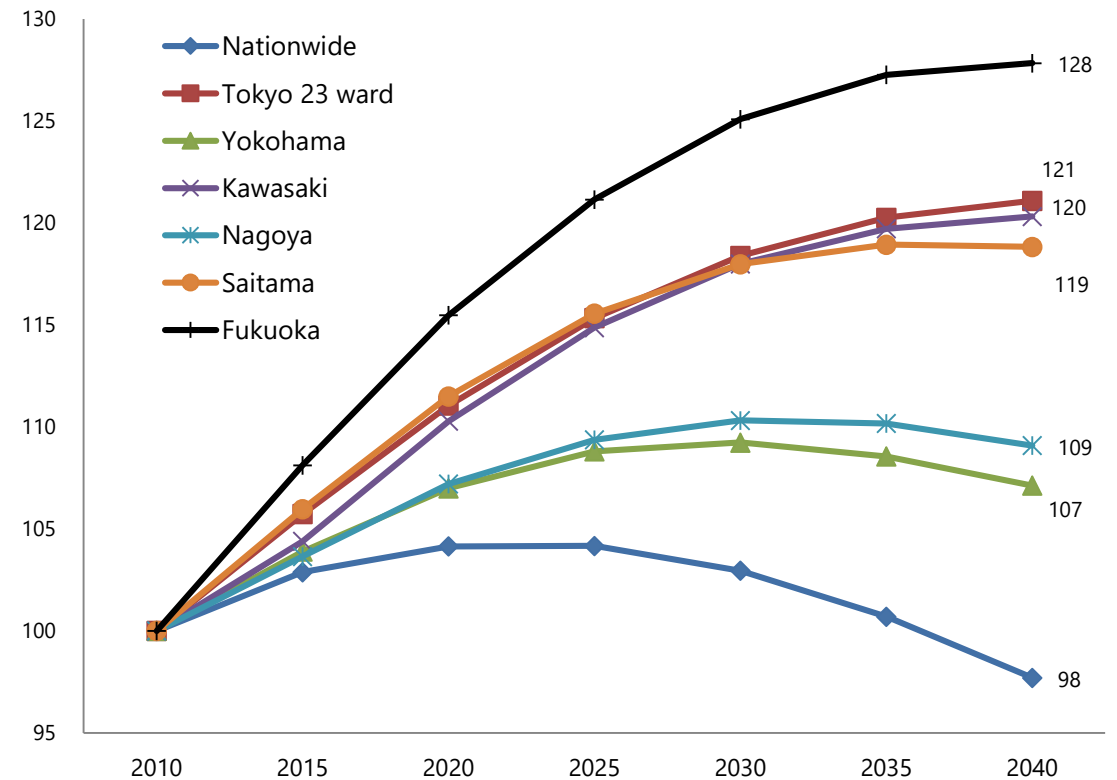
Source: "White Paper on Gender Equality 2016," Cabinet Office, Government of Japan

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



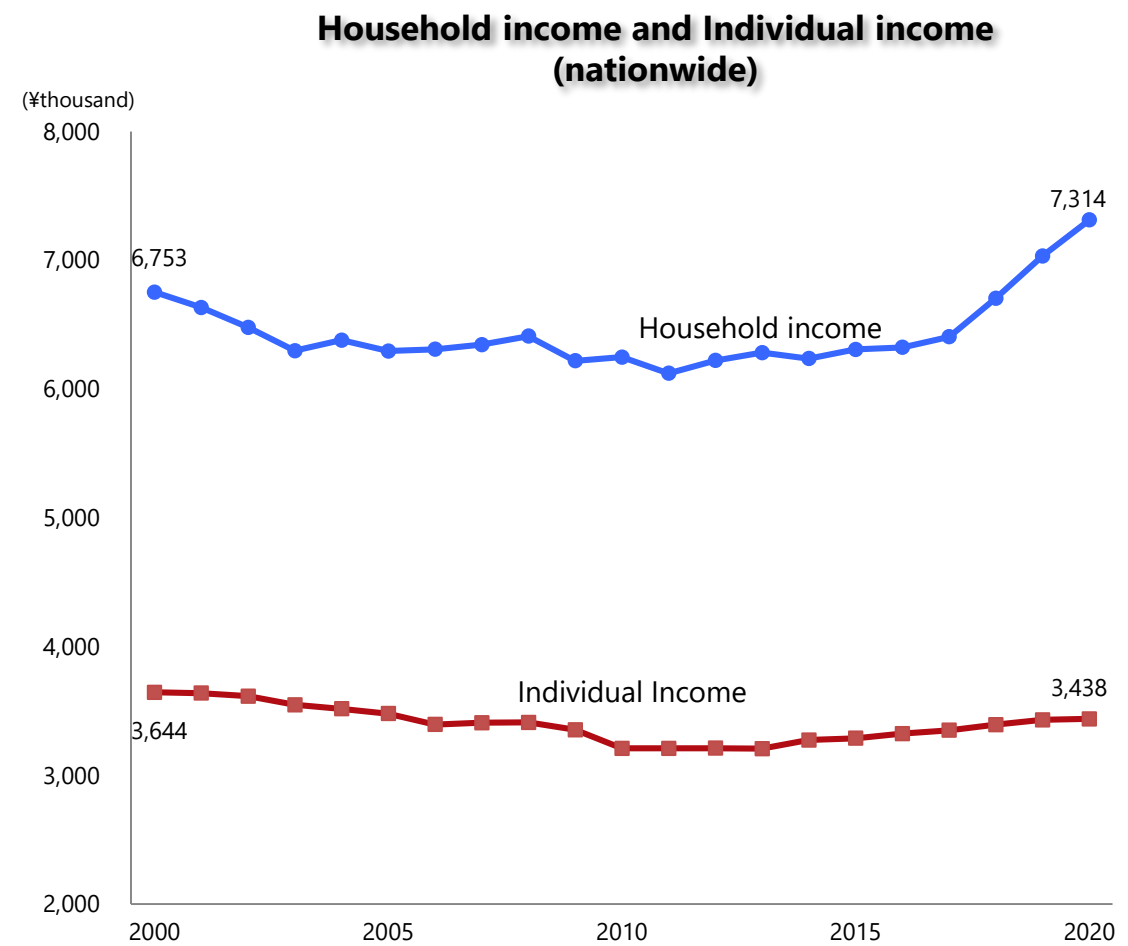
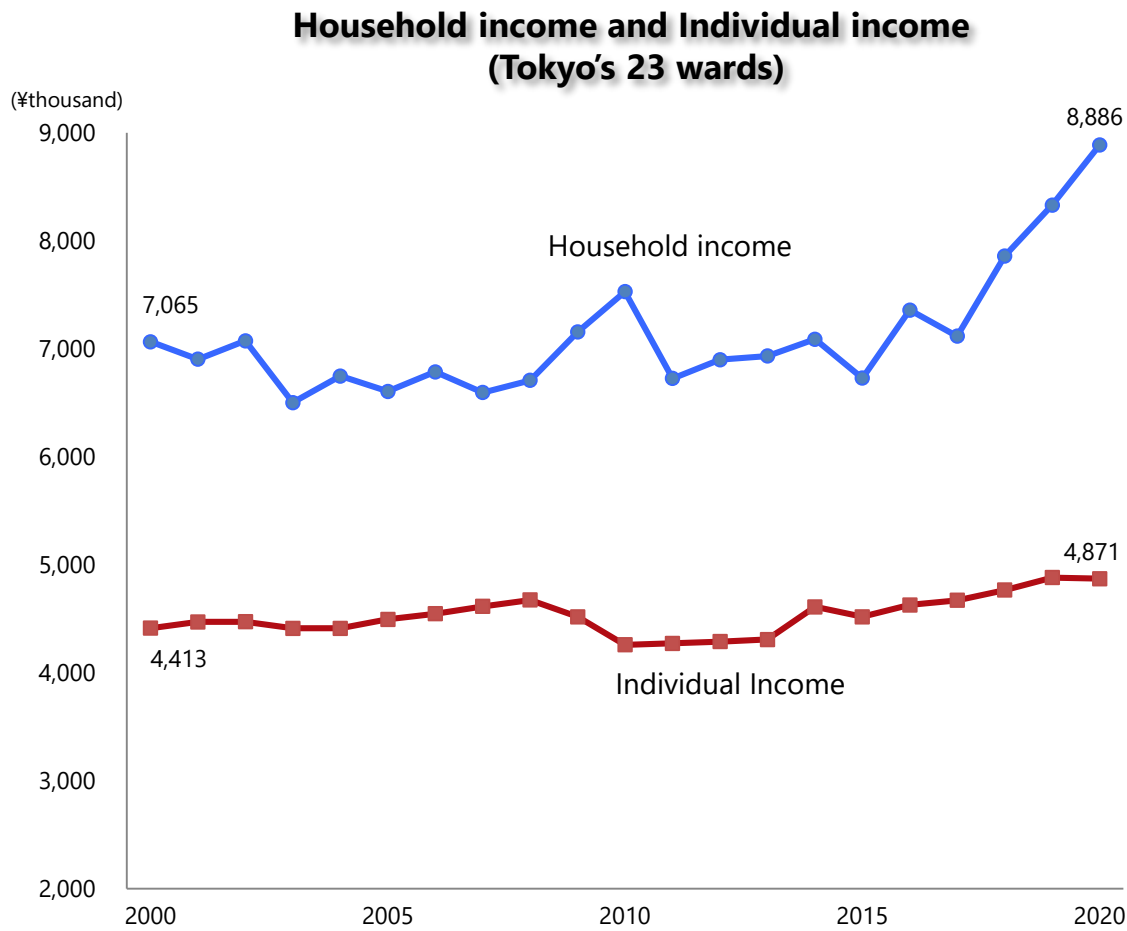
Future household estimates for urban areas (index)



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

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.

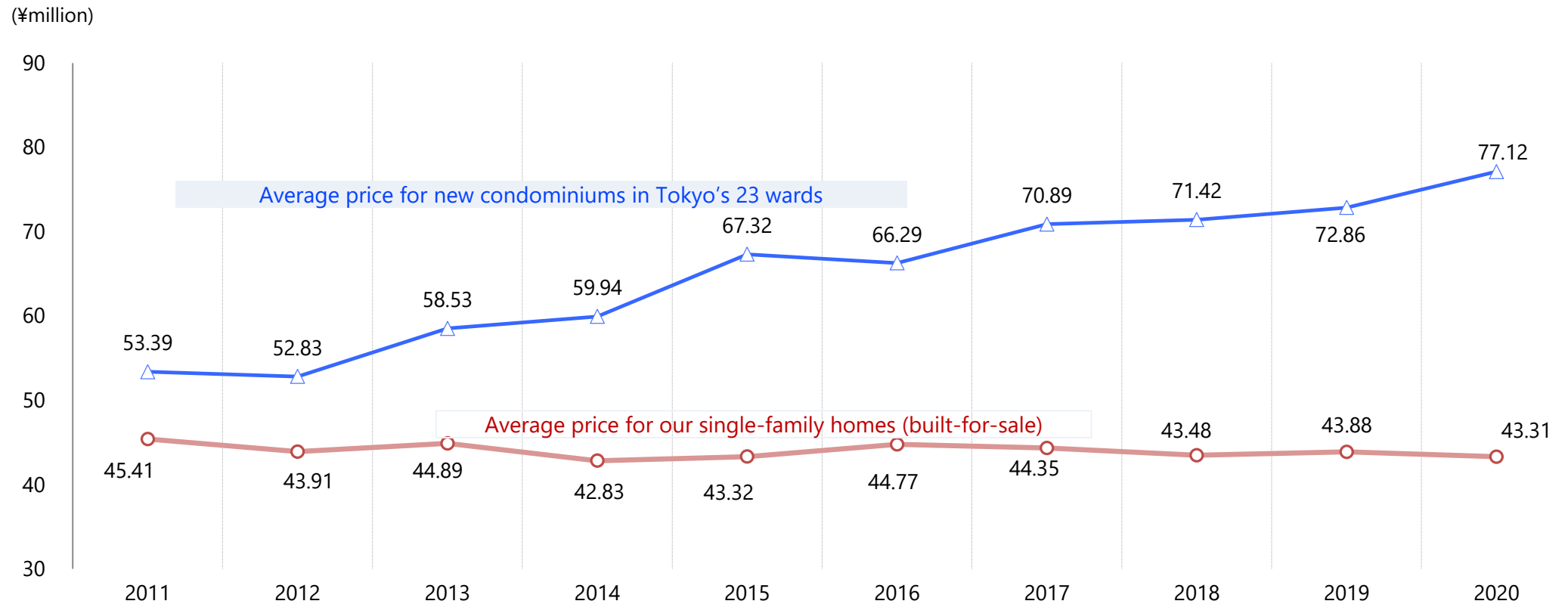
The pace of income recovery is faster for people in urban areas, showing promise for growth in spending power



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)

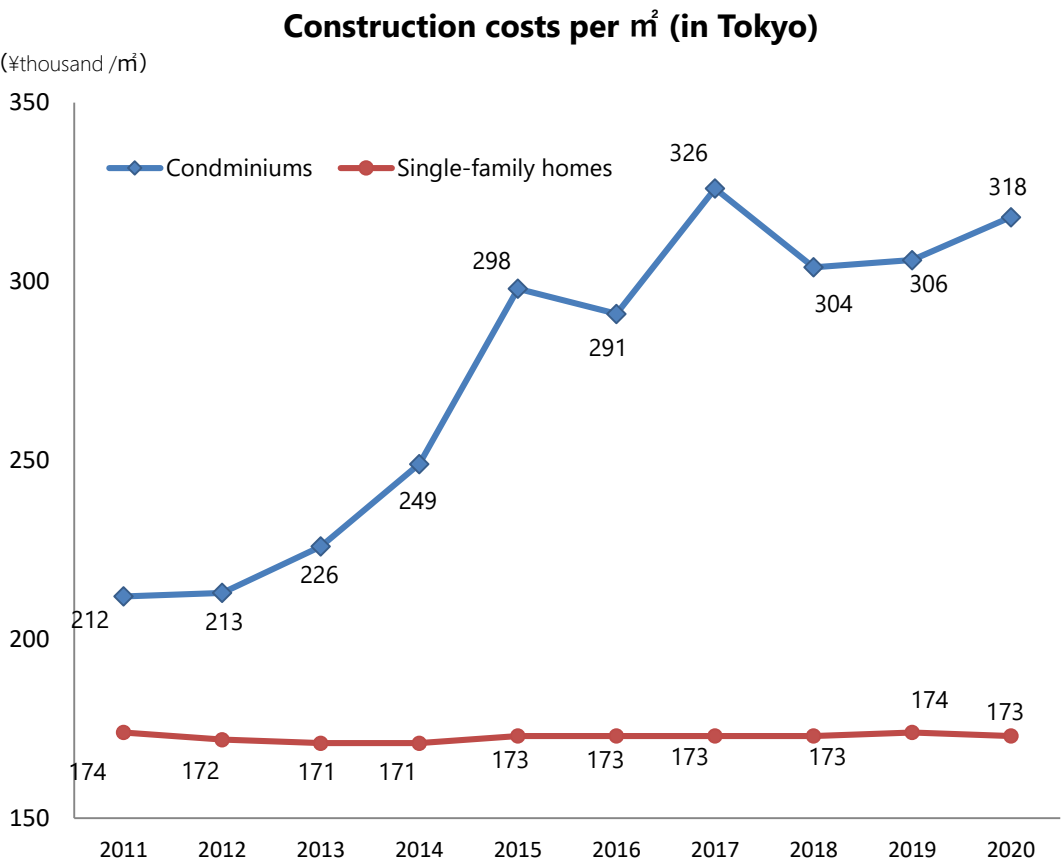


Source: MLIT, "Monthly marketing report of lands"

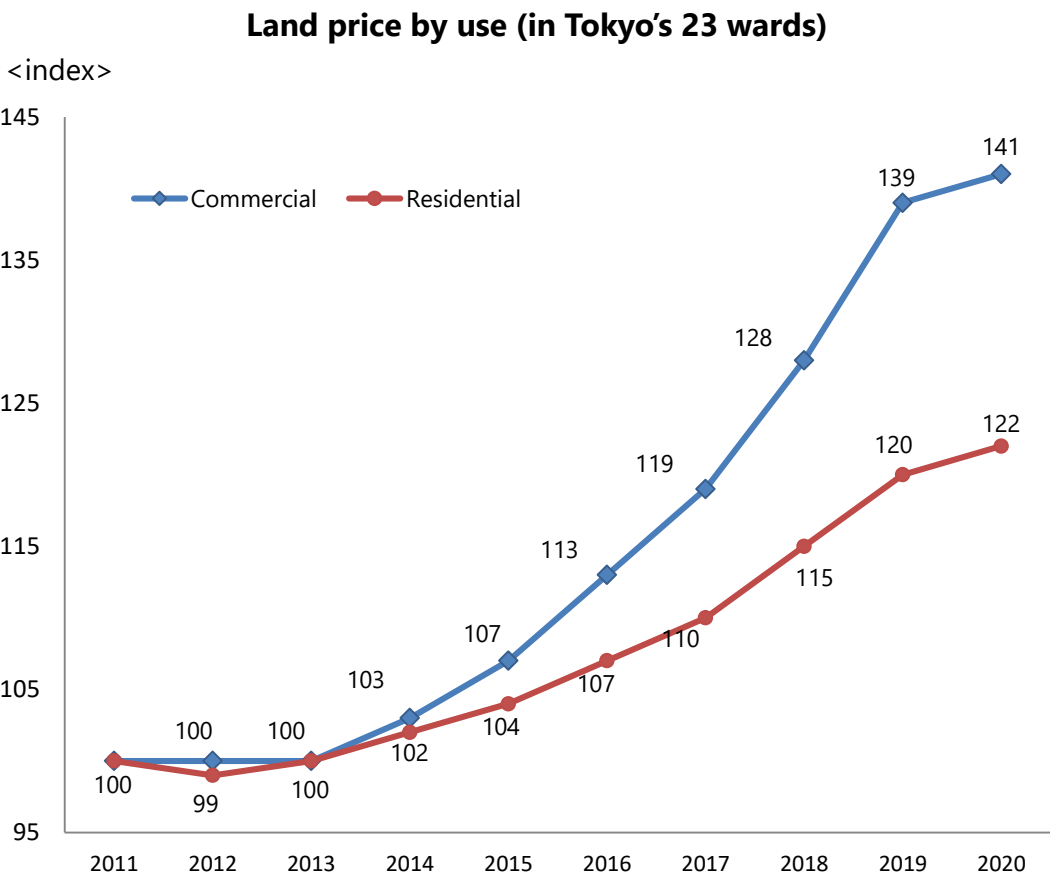
Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the period October – September .

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

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



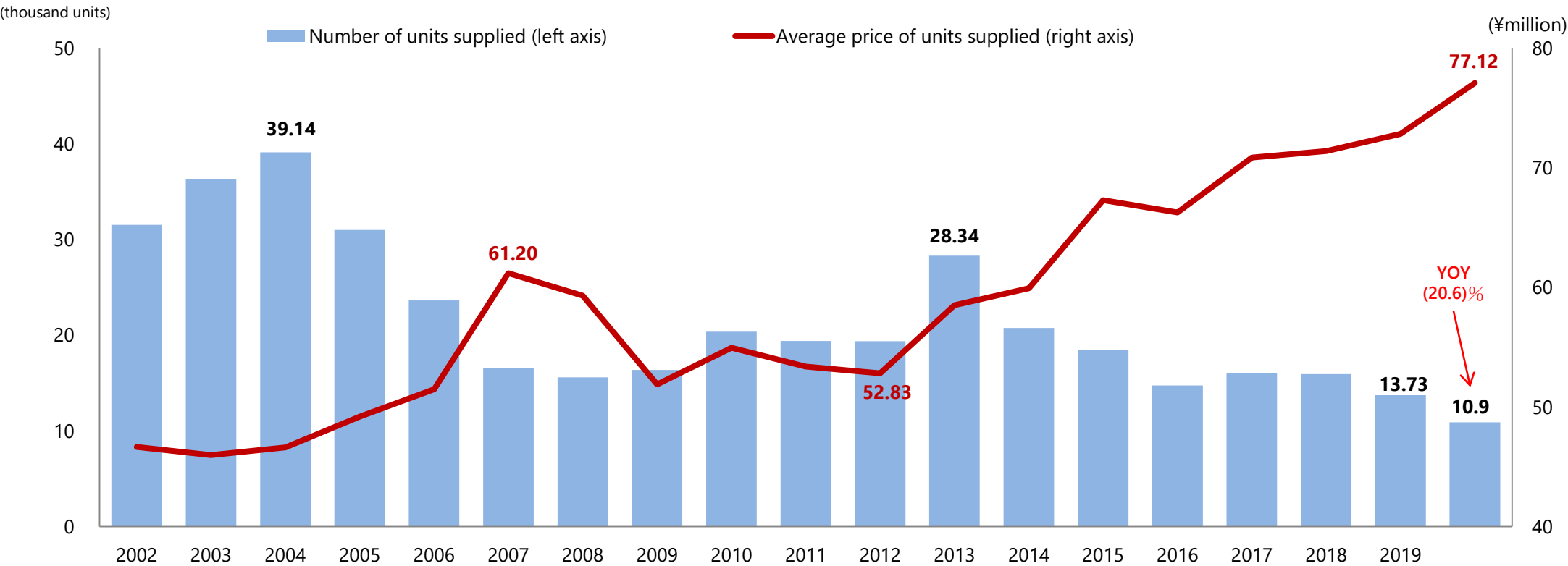
Source: MLIT “Housing Starts”
 The average construction cost per m² was calculated by dividing the estimated construction cost by the total floor area.
 Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.



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

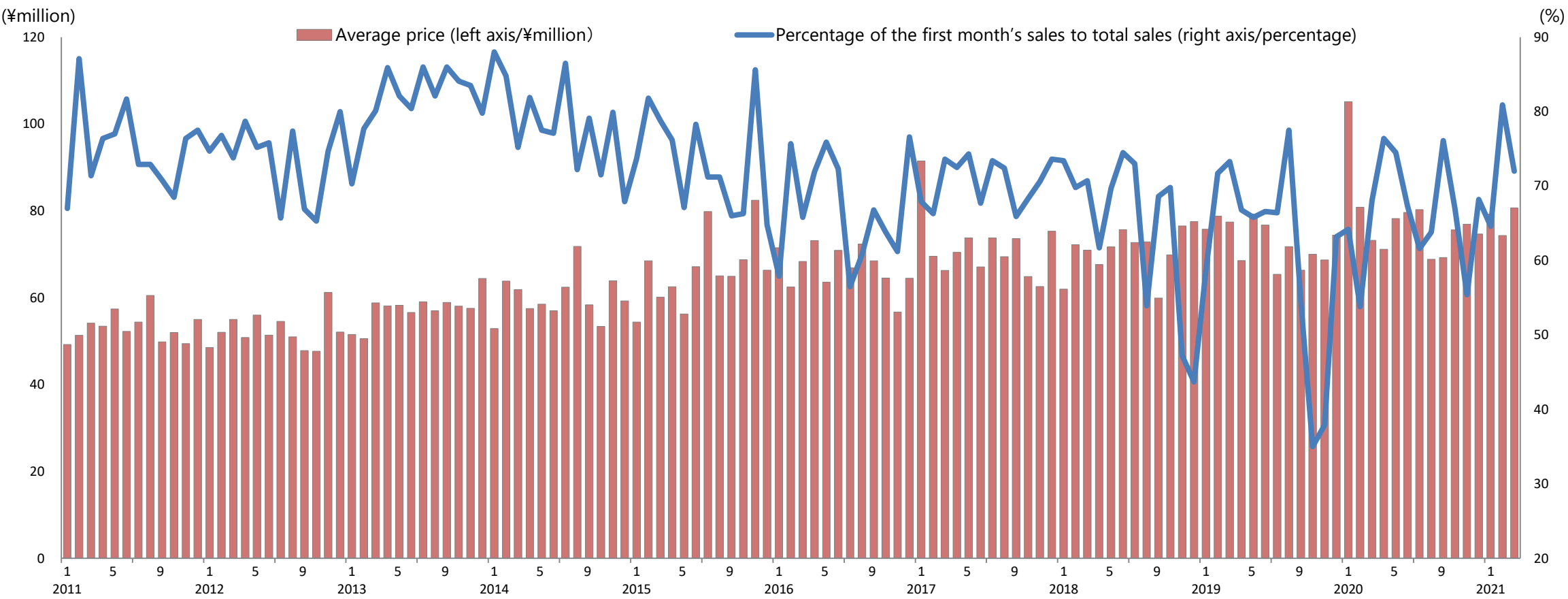
Number and average price of new condominiums supplied in Tokyo's 23 wards



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

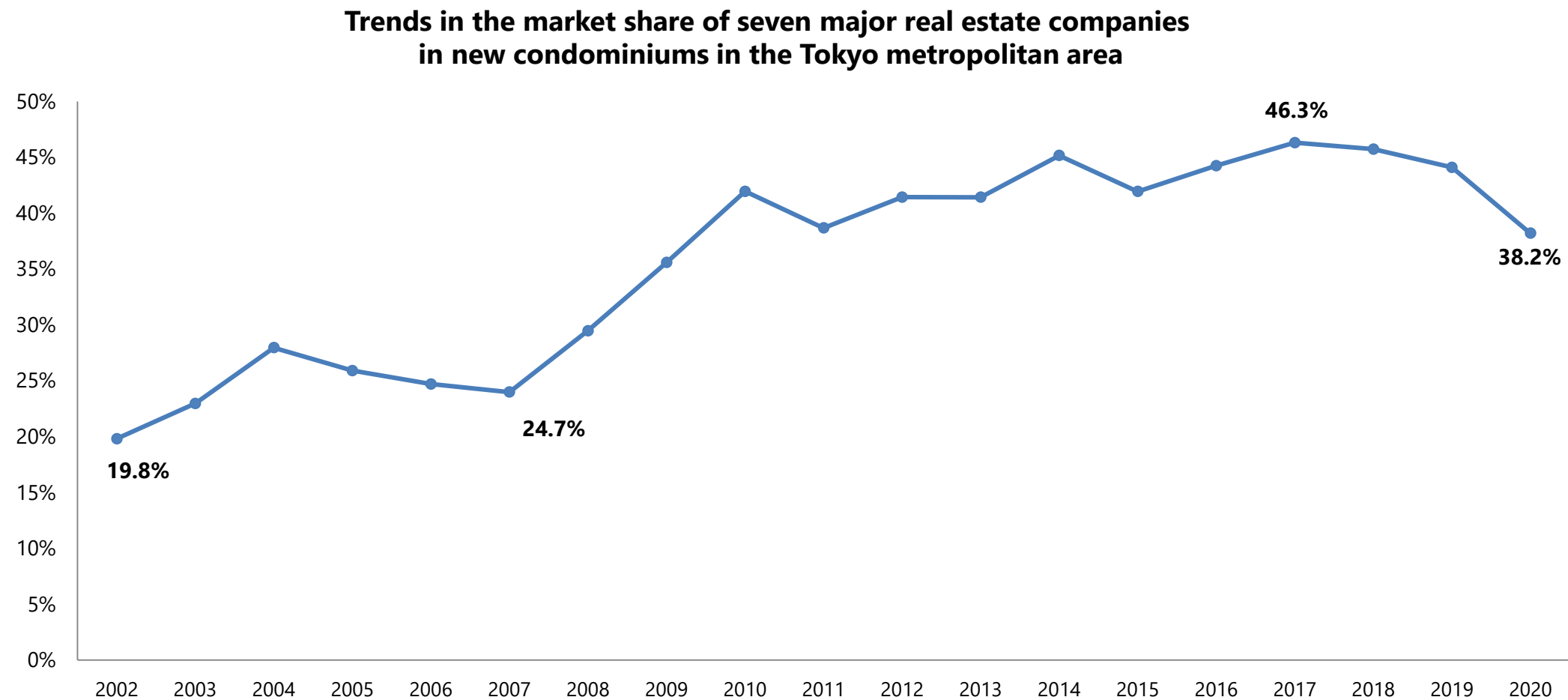
Contract ratios have been declining with the increase in prices of new condominiums

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.

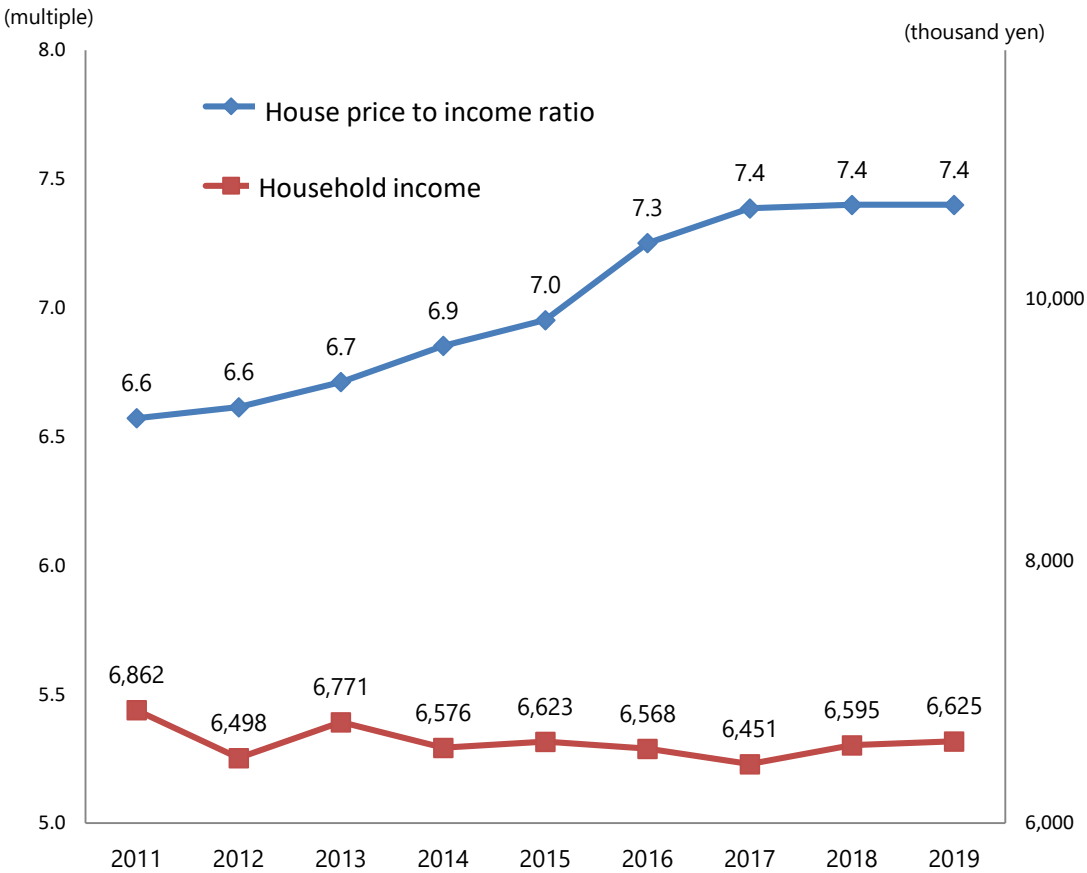
Prices of condominiums are less likely to fall sharply as the market is oligopolistic and dominated by major real estate companies



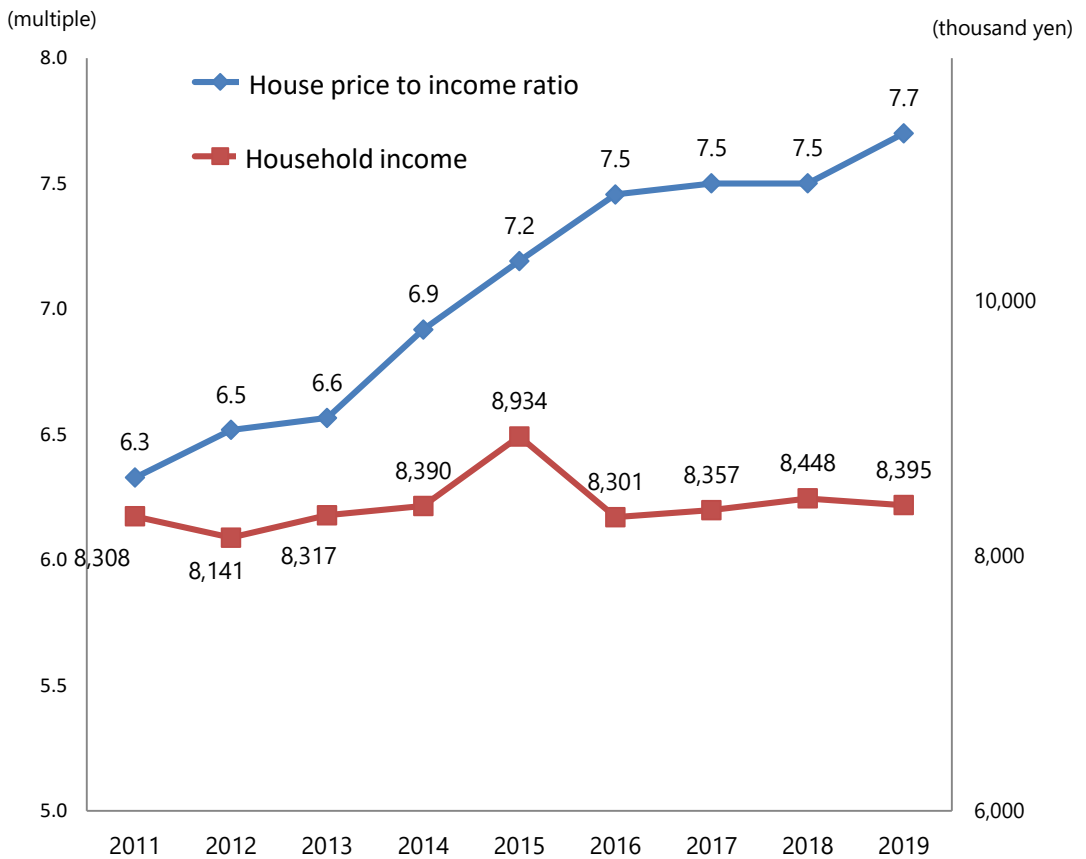
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.
* Seven major real estate companies:
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyo Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

The 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)



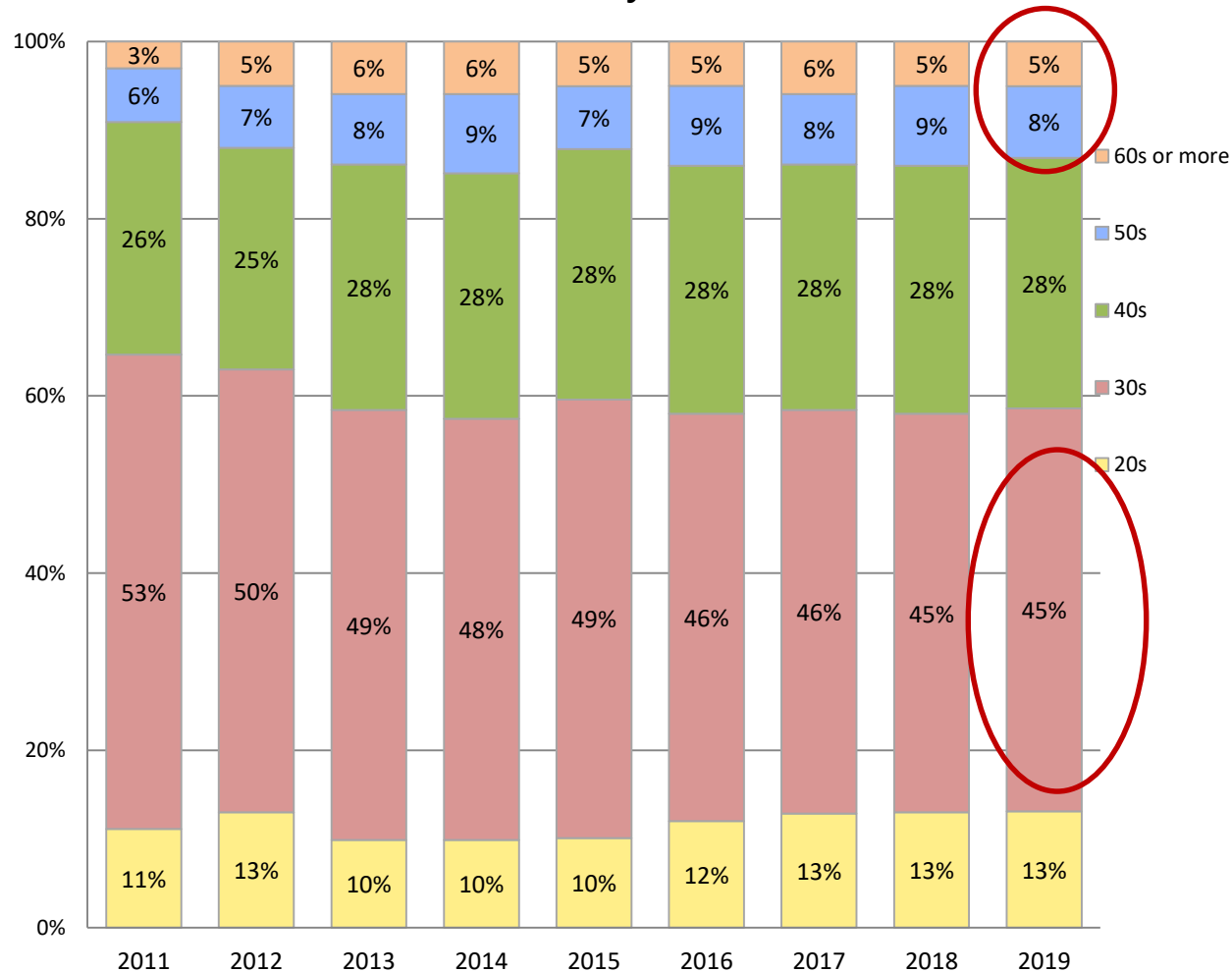
House price to income ratio and household income of condominium purchasers (in Tokyo)



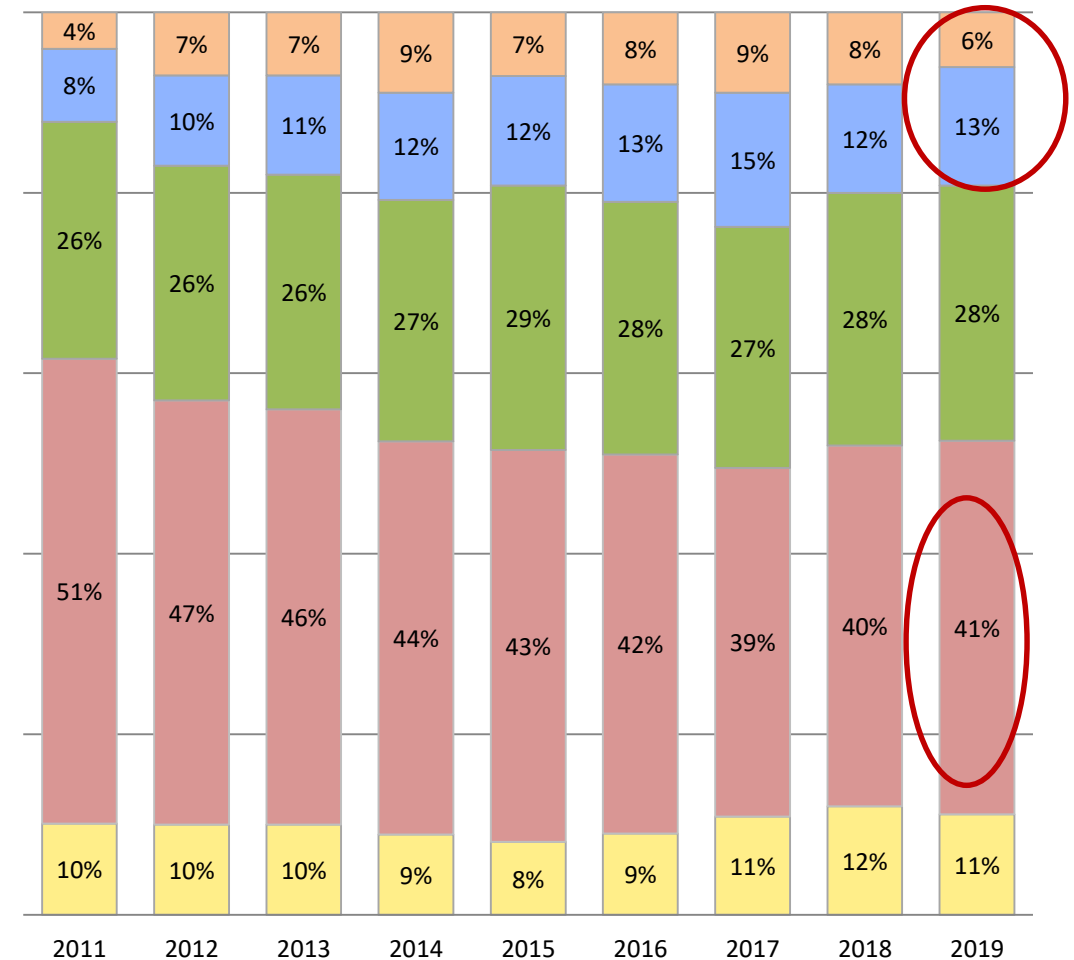
Source: "Customer Survey on Flat 35 Users" by Japan Housing Finance Agency
 Compiled using data of housing loans approved from April through March of the following year
 Single-family homes: New home purchase funds (detached house, etc.); Condominiums: New condominium purchase funds (apartment buildings)
 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 and 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)



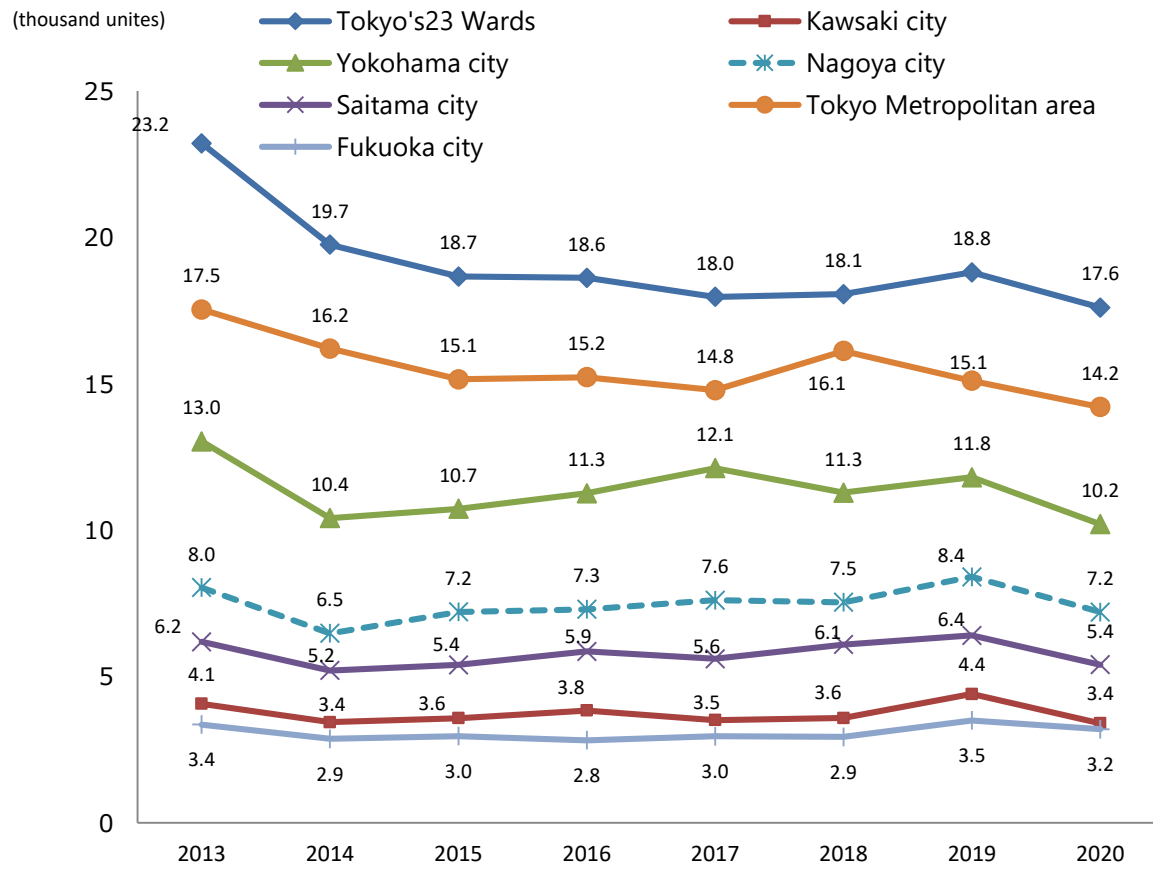
Source : Japan Housing Finance Agency

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)

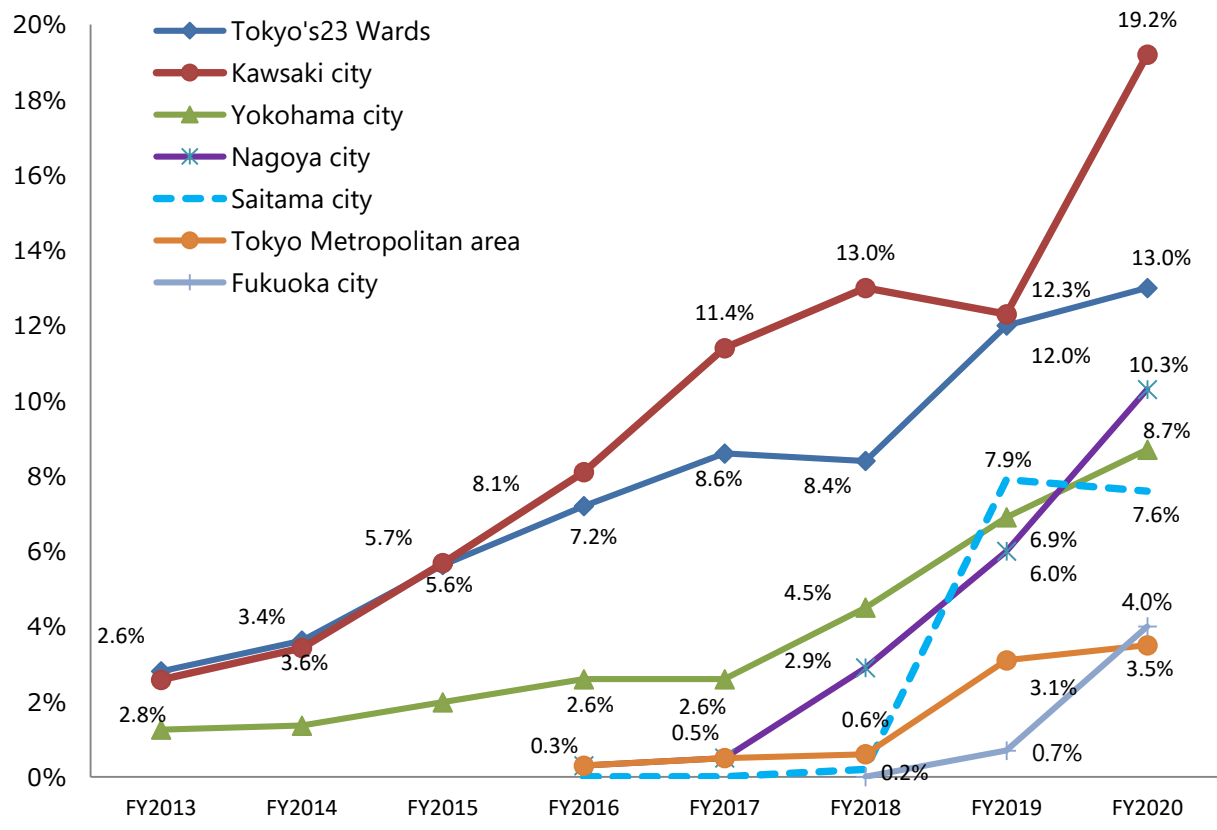
Open House has been steadily acquiring shares in the single-family homes market in urban areas by adopting a dominant strategy

New single-family housing starts in our service areas



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

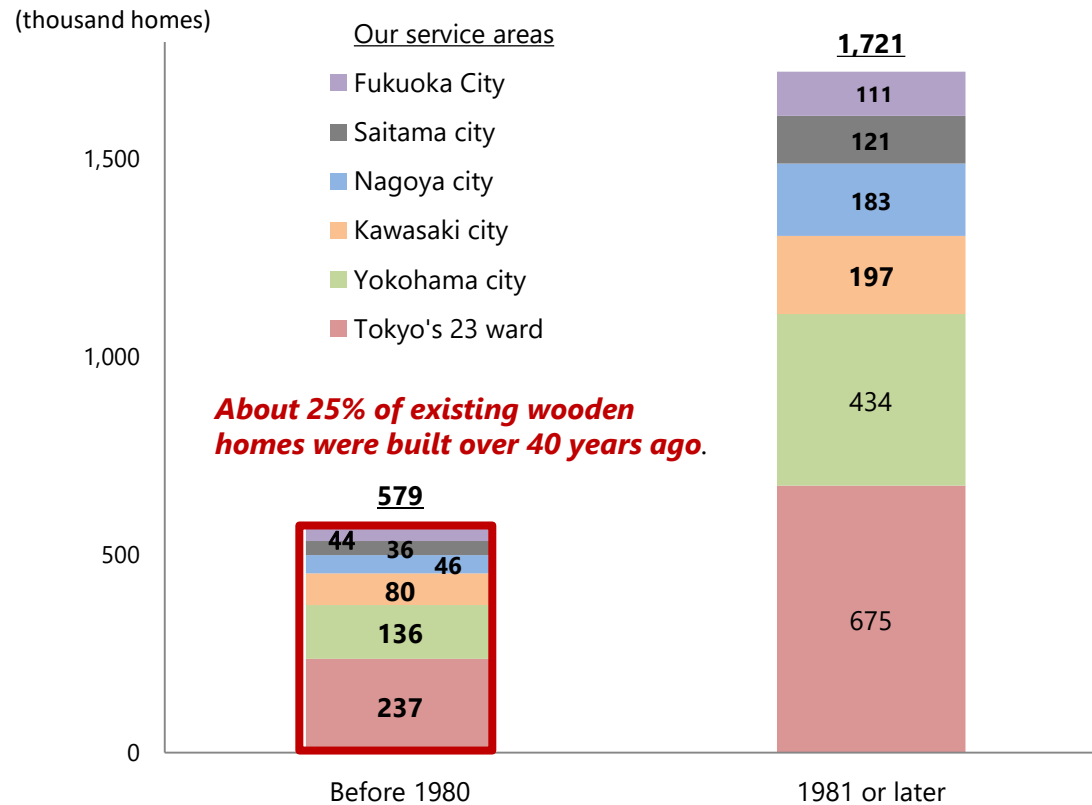
New single-family housing starts in our service areas



Calculated by dividing number of properties delivered in each period of the Group by the number of construction starts by area in each year.
 B to C: Calculated market share for properties that Open House Development provides to individual customers
 B to B: Except homes construction contracts to corporations of Open House Architect

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 2013" by the Ministry of Internal Affairs and Communications

Housing situation in Japan

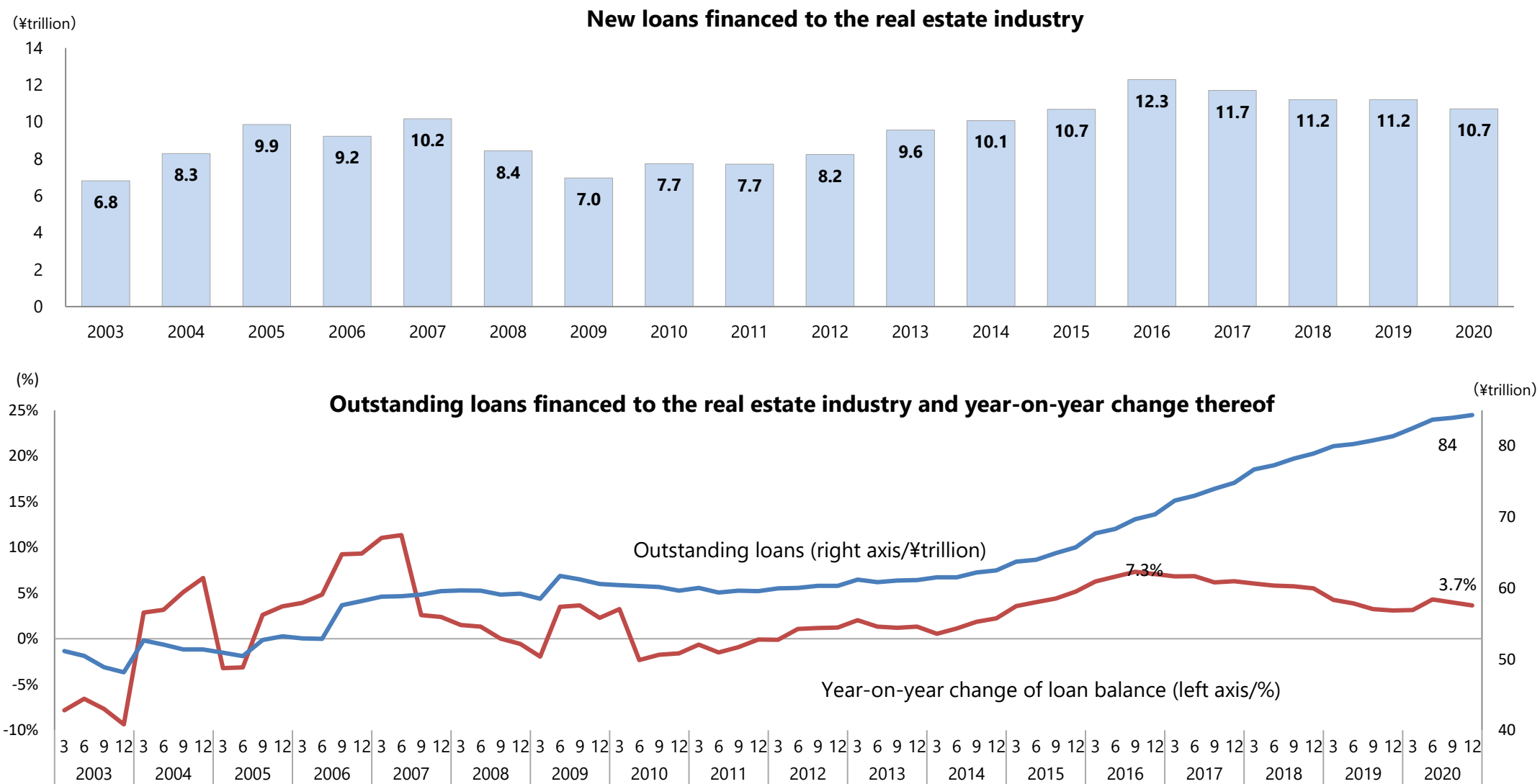
- The average age of homes rebuilt in Japan is **37.0 years.** *1
- The average site area per single-family home lot in Tokyo's 23 wards in 1988 was **40.3 tsubo** (1,431.6 sq. ft). *2
- The average site area of single-family homes developed by Open House is **17-18 tsubo** (600-640 sq. ft), enabling 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 2015" by Japan Federation of Housing Organizations

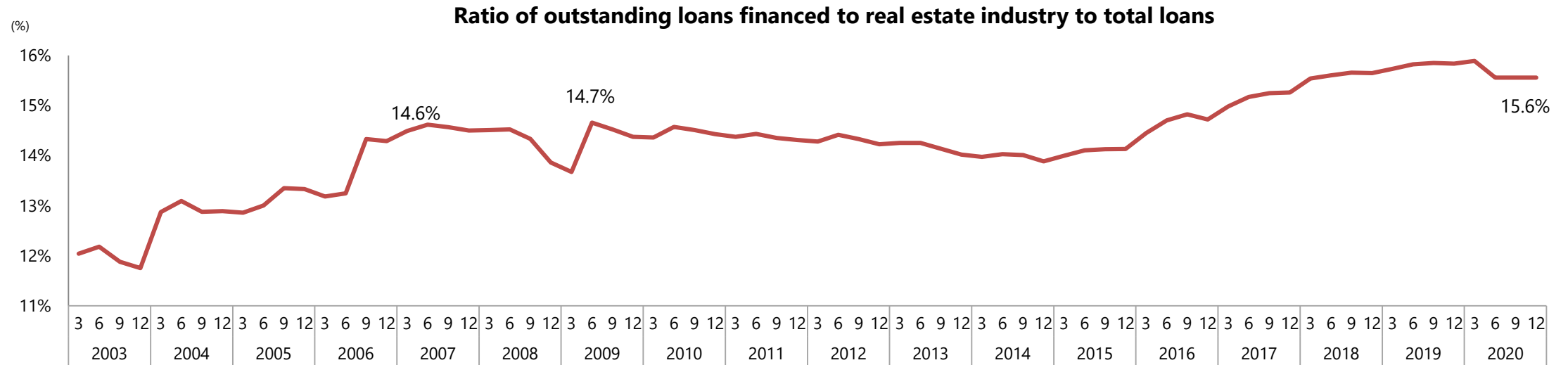
*2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications

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

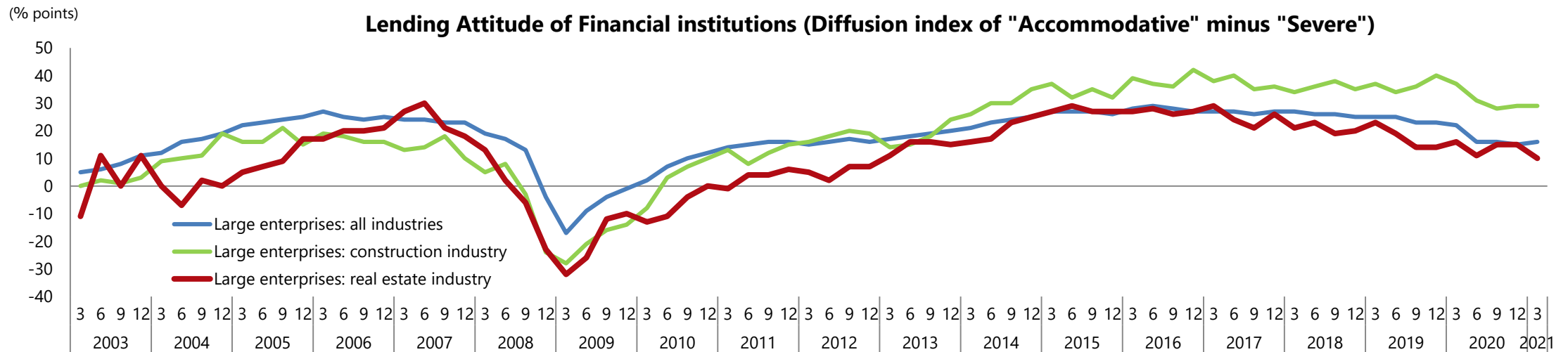


Source: "Loans by borrower" published by the Bank of Japan

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



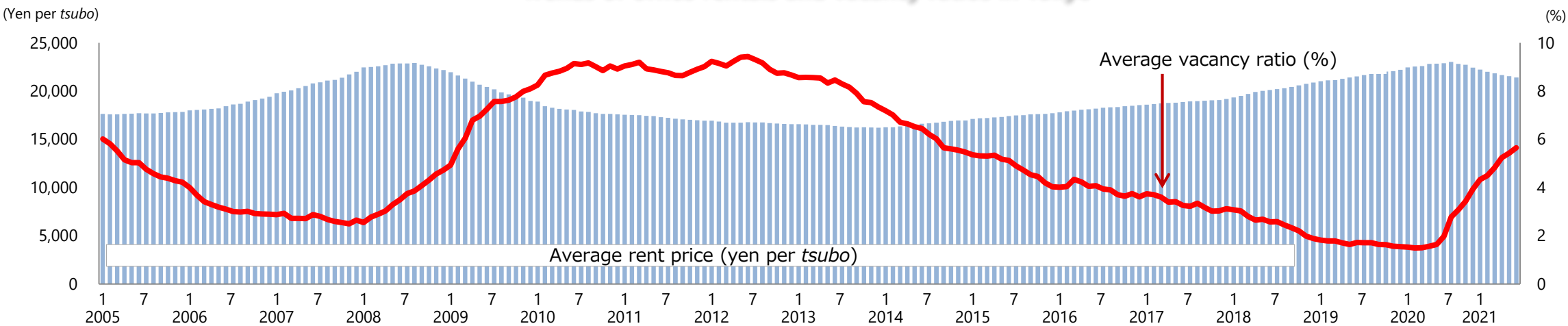
Source: "Loans by borrower" published by the Bank of Japan



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

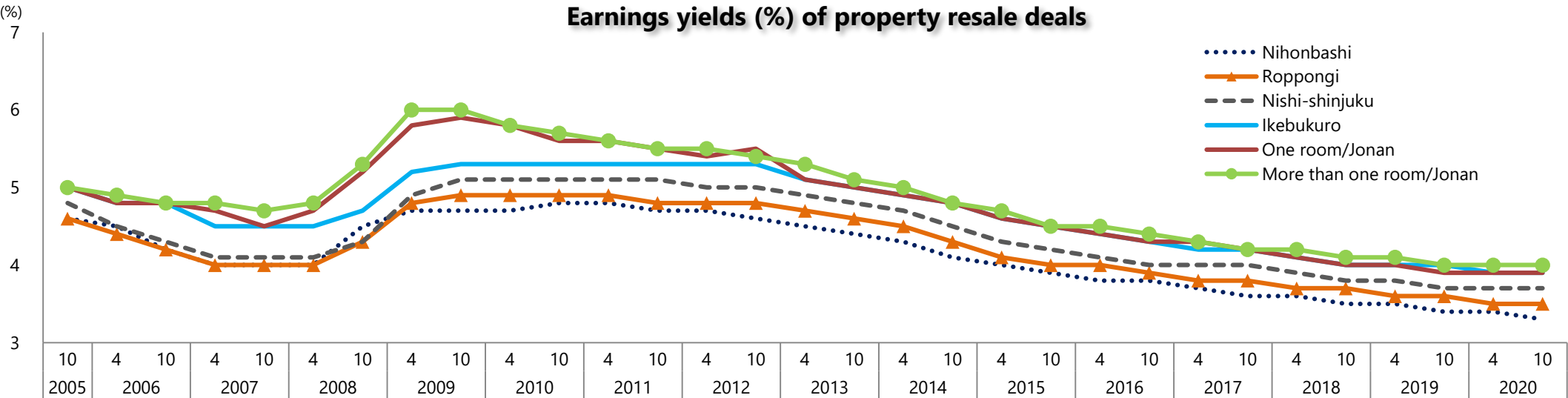
Demand for property resale transactions is strong as shown by an increase in rent price and a decline in returns from property resale transactions

Trends of office rentals and vacancy ratios in Tokyo



Source: MIKI OFFICE REPORT TOKYO

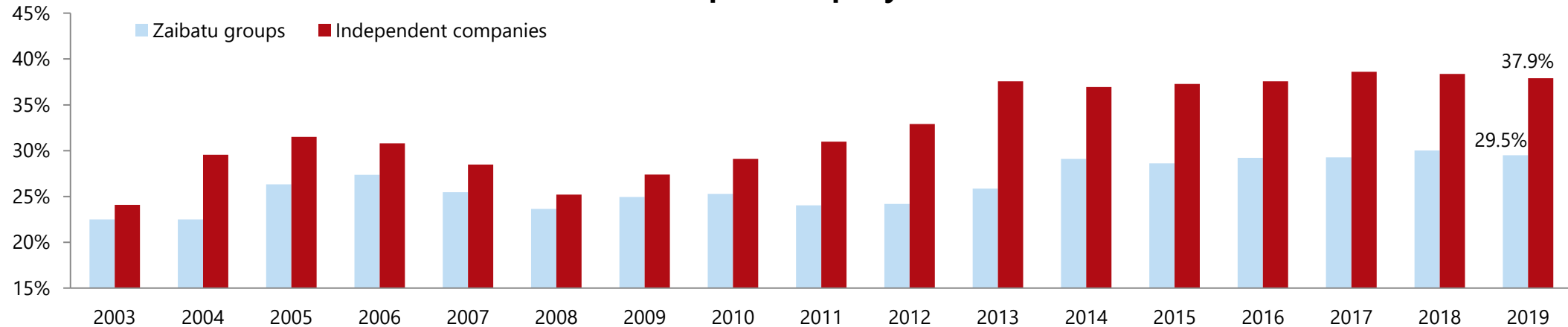
Earnings yields (%) of property resale deals



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

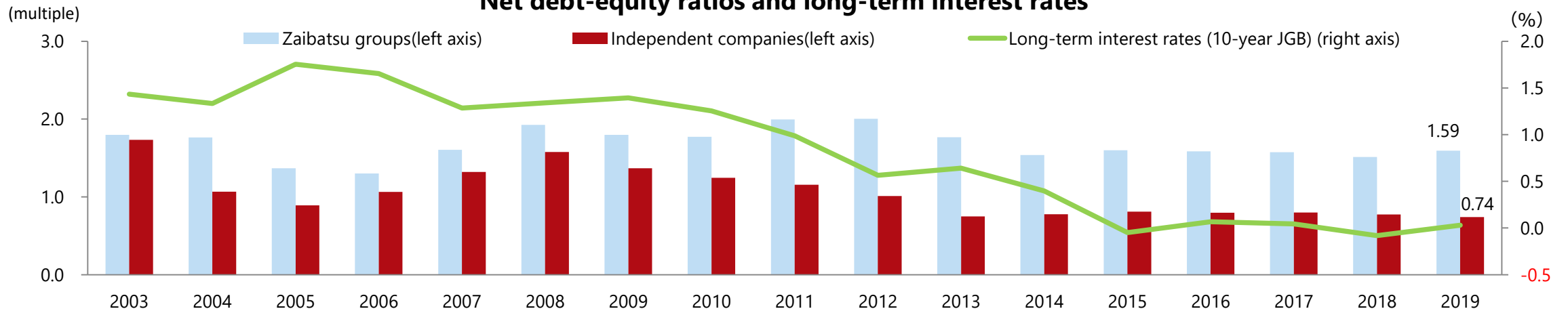
Independent companies have been maintaining stronger financial health than *zaibatsu* groups

Capital adequacy ratios



Note: "Zaibatsu" means a financial conglomerate

Net debt-equity ratios and long-term interest rates



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



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

— —Disclaimer — —

This document contains forward-looking statements concerning future business performance. These statements include company forecasts based on information available at the time of publication and involve potential risks and uncertainties. They do not constitute a guarantee of future results. The information provided herein is subject to change without notice; no guarantees are provided with regard to the accuracy or reliability of such information.

This document is provided for informational purposes only. It does not constitute a solicitation to invest.