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

Summary of Consolidated Financial Results for the Fiscal Year Ended September 30, 2019〔Based on Japanese GAAP〕

November 14, 2019

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	https://openhouse-group.co.jp/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of annual general meeting of shareholders :	December 18, 2019
Scheduled date of dividends:	December 19, 2019
Scheduled date of annual securities report filing:	December 19, 2019
Supplementary materials for financial results:	Yes
Results briefing meeting :	Yes （for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the fiscal year ended September 30, 2019

(October 1, 2018 to September 30, 2019)

(1) Consolidated operating results (% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2019	540,376	38.3	57,779	22.1	54,926	19.3	39,405	23.9
FY 2018	390,735	28.3	47,304	25.8	46,052	27.5	31,806	28.3

(Note) Comprehensive income: From October 1, 2018 to September 30, 2019 ¥ 38,538 million (20.1%)
From October 1, 2017 to September 30, 2018 ¥ 32,096 million (28.9%)

	EPS	Diluted EPS	ROE	ROA	Operating income Margin
	Yen	Yen	%	%	%
FY 2019	351.20	349.09	32.3	13.1	10.7
FY 2018	285.08	282.88	33.6	14.2	12.1

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2019	445,904	138,067	30.9	1,246.15
September 30, 2018	393,367	113,486	27.0	960.22

(Reference) Shareholders' equity: As of September 30, 2019: ¥ 137,752million
As of September 30, 2018: ¥ 106,156million

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

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at FY end
	Million yen	Million yen	Million yen	Million yen
FY 2019	14,344	(4,800)	7,186	135,345
FY 2018	(10,017)	(12,582)	50,696	118,978

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY 2018	—	46.00	—	52.00	98.00	5,442	17.2	5.8
FY 2019	—	60.00	—	66.00	126.00	7,022	17.9	5.7
FY 2020 (Forecast)	—	40.00	—	40.00	80.00		20.1	

(Note) For FY2018 and FY2019, the actual dividend amounts are shown. However the divided forecast per shares for FY2020 is the amount after the stock split as the Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. So, as annual dividend per share for FY2019 calculated without considering the stock split is ¥63, the dividend forecast for FY 2020 is an increase of 17 yen per share from the previous fiscal year.

3. Forecast of Consolidated Operating Results for FY2020 (October 1, 2019 to September 30, 2020)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (Cumulative)	260,000	7.1	25,700	8.0	24,500	10.4	17,150	6.3	155.14
Full year	600,000	11.0	65,500	13.4	63,000	14.7	44,100	11.9	398.94

(Note) The Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. The forecast information about EPS for FY2020 is provided after taking the stock split into consideration.

*Notes:

(1) Significant changes in consolidated subsidiaries during the period
(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes of accounting estimates, and revisions and restatements
ⅰ) Changes in accounting policies in accordance with changes in accounting principles: None
ⅱ) Changes in accounting policies other than the above: Yes
ⅲ) Changes in accounting estimates: None
ⅳ) Revisions and restatements: None

(3) Number of shares issued and outstanding (common stock)
ⅰ) Number of shares issued at period-end (including treasury stock)
September 30, 2019: 115,237,000 shares September 30, 2018: 115,025,000 shares
ⅱ) Treasury stock at period-end
September 30, 2019: 4,694,502 shares September 30, 2018: 4,470,160 shares
ⅲ) Average number of shares issued
September 30, 2019: 112,202,231 shares September 30, 2018: 111,570,469 shares

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

[Reference] Non-Consolidated Financial Results for the fiscal year ended September 30, 2019

(October 1, 2018 to September 30, 2019)

(1) Non-Consolidated Operating Results (% figures indicate year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2019	12,385	26.9	856	147.0	15,543	1.2	15,862	4.3
FY 2018	9,762	(5.0)	346	(87.1)	15,361	89.7	15,209	106.2

	EPS	Diluted EPS
	Yen	Yen
FY 2019	141.37	140.53
FY 2018	136.32	135.27

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

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
September 30, 2019	97,180	34,481	35.2	309.08
September 30, 2018	88,818	26,229	29.1	233.75

(Reference) Shareholders' equity: As of September 30, 2019: ¥ 34,166million
As of September 30, 2018: ¥ 25,841million

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

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

** Notes regarding forward-looking statements:*
Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.
Actual results may differ significantly from forecast due to various unpredictable reasons.

Consolidated Financial Statements

1）Consolidated Balance Sheets

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	*2 119,053	135,354
Accounts receivable, trade	1,291	498
Real estate for sale	*2 47,238	*2 70,457
Real estate for sale in process	*2 186,033	*2 179,596
Operating loans	*2 14,244	*2 28,924
Other	10,127	10,167
Allowance for doubtful accounts	(172)	(232)
Total current assets	377,818	424,766
Fixed asset		
Tangible fixed assets		
Buildings and structures	*2 4,154	*2 4,077
Accumulated depreciation	*3 (1,390)	*3 (1,359)
Buildings and structures, net	2,764	2,718
Land	*2 2,403	*2 1,845
Other	951	1,183
Accumulated depreciation	*3 (644)	*3 (755)
Other, net	306	427
Total tangible fixed assets	5,474	4,990
Intangible fixed assets	3,515	3,456
Investments and other assets		
Investment securities	*1 1,435	*1 7,084
Deferred tax assets	1,824	2,475
Other	3,276	3,121
Allowance for doubtful accounts	(18)	(22)
Total investments and other assets	6,517	12,659
Total fixed assets	15,508	21,106
Deferred assets		
Bond issuance cost	40	31
Total deferred assets	40	31
Total assets	393,367	445,904

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Liabilities		
Current liabilities		
Notes payable-trade	4,557	4,257
Accounts payable	14,803	16,913
Short-term loans payable	*2, *4 111,583	*2, *4 89,933
Current portion of bonds	532	372
Current portion of long-term loans payable	*2 18,756	*2 12,976
Income taxes payable	9,713	11,461
Advances received	10,556	14,053
Guarantee deposits received	1,280	1,250
Provision for bonuses	1,962	2,404
Provision for warranties for completed construction	765	932
Other	7,893	7,793
Total current liabilities	182,405	162,348
Long-term liabilities		
Bonds payable	1,461	1,089
Long-term loans payable	*2, *4, *5 95,619	*2, *4, *5 143,972
Net defined benefit liability	300	326
Asset retirement obligations	92	100
Other	0	—
Total long-term liabilities	97,475	145,488
Total liabilities	279,880	307,837
Net assets		
Shareholders' equity		
Capital stocks	4,094	4,234
Capital surplus	4,481	8,206
Retained earnings	103,324	134,627
Treasury stock	(6,102)	(8,806)
Total shareholders' equity	105,798	138,261
Other comprehensive income		
Net unrealized holding gains/losses on securities	15	8
Foreign currency translation adjustment	342	(517)
Accumulated other comprehensive income	358	(508)
Subscription rights to shares	388	314
Non-controlling interests	6,941	—
Total net assets	113,486	138,067
Total liabilities and net assets	393,367	445,904

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

Consolidated Statements of Income

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Revenue	390,735	540,376
Cost of revenue	*2 320,483	*2 450,715
Gross profit	70,251	89,661
Selling, general and administrative expenses	*1 22,946	*1 31,881
Operating income	47,304	57,779
Non-operating income		
Interest income	35	68
Dividends income	14	20
House rent income	123	146
Other	90	176
Total non-operating income	264	421
Non-operating expenses		
Interest expenses	1,147	1,817
Commission fee	77	871
Other	291	576
Total non-operating expenses	1,516	3,265
Ordinary income	46,052	54,926
Extraordinary income		
Gain on sales of non-current assets	—	772
Total extraordinary income	—	772
Extraordinary losses		
Consumption tax difference	595	—
Total extraordinary losses	595	—
Income before income taxes	45,456	55,699
Income taxes-current	14,501	16,942
Income taxes-deferred	(851)	(648)
Total income taxes	13,649	16,293
Net income	31,806	39,405
Profit attributable to owners of parent	31,806	39,405

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Net income	31,806	39,405
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(7)
Foreign currency translation adjustment	282	(860)
Total other comprehensive income	289	(867)
Comprehensive income	*1, *2 32,096	*1, *2 38,538
(Profit attributable to)		
Comprehensive income attributable to shareholders' of the parent	32,096	38,538

3) Consolidated Statements of Changes in Shareholders' Equity

FY2018 (From October 1, 2017 to September 30, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2017	4,032	5,934	76,038	(3,102)	82,902
Change of items during the period					
Issuance of new shares (Exercise of subscription rights to shares)	62	62			124
Dividends from surplus			(4,520)		(4,520)
Profit attributable to owners of parent			31,806		31,806
Purchase of treasury stock				(3,000)	(3,000)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(1,514)			(1,514)
Net changes of items other than shareholders' equity					
Total changes of items during the period	62	(1,452)	27,286	(3,000)	22,895
Balance at September 30, 2018	4,094	4,481	103,324	(6,102)	105,798

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at October 1, 2017	8	60	68	408	—	83,379
Change of items during the period						
Issuance of new shares (Exercise of subscription rights to shares)						124
Dividends from surplus						(4,520)
Profit attributable to owners of parent						31,806
Purchase of treasury stock						(3,000)
Change in treasury shares of parent arising from transactions with non-controlling shareholders						(1,514)
Net changes of items other than shareholders' equity	7	282	289	(20)	6,941	7,211
Total changes of items during the period	7	282	289	(20)	6,941	30,107
Balance at September 30, 2018	15	342	358	388	6,941	113,486

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

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at October 1, 2018	4,094	4,481	103,324	(6,102)	105,798
Cumulative effects of changes in accounting policies			(1,853)		(1,853)
Restated balance	4,094	4,481	101,471	(6,102)	103,944
Change of items during the period					
Issuance of new shares (Exercise of subscription rights to shares)	139	139			279
Dividends from surplus			(6,249)		(6,249)
Profit attributable to owners of parent			39,405		39,405
Purchase of treasury stock				(6,411)	(6,411)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		3,585		3,707	7,292
Net changes of items other than shareholders' equity					
Total changes of items during the period	139	3,724	33,156	(2,704)	34,316
Balance at September 30, 2019	4,234	8,206	134,627	(8,806)	138,261

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at October 1, 2018	15	342	358	388	6,941	113,486
Cumulative effects of changes in accounting policies						(1,853)
Restated balance	15	342	358	388	6,941	111,633
Change of items during the period						
Issuance of new shares (Exercise of subscription rights to shares)						279
Dividends from surplus						(6,249)
Profit attributable to owners of parent						39,405
Purchase of treasury stock						(6,411)
Change in treasury shares of parent arising from transactions with non-controlling shareholders						7,292
Net changes of items other than shareholders' equity	(7)	(860)	(867)	(73)	(6,941)	(7,882)
Total changes of items during the period	(7)	(860)	(867)	(73)	(6,941)	26,434
Balance at September 30, 2019	8	(517)	(508)	314	—	138,067

4）Consolidated Statements of Cash Flows

(Millions of yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Cash flows from operating activities		
Income before income taxes	45,456	55,699
Depreciation and amortization	418	517
Share-based compensation expenses	13	39
Increase (Decrease) in provision for bonuses	297	442
Increase (Decrease) in allowance for doubtful accounts	(6)	64
Increase (Decrease) in provision for warranties for completed construction	55	166
Increase (Decrease) in net defined benefit liability	1	25
Interest and dividends income	(50)	(89)
Foreign exchange loss (gain)	90	(17)
Interest expense	1,147	1,817
Commission for syndicate loan	—	653
Amortization of bond issuance cost	10	9
Decrease (Increase) in notes and accounts receivable-trade	(392)	(320)
Decrease (Increase) in inventories	(40,288)	(17,456)
Increase (Decrease) in notes and accounts payable-trade	1,928	1,809
Decrease (Increase) in operating loans	(8,188)	(14,679)
Increase (Decrease) in advances received	2,545	2,719
Increase (Decrease) in guarantee deposits received	23	(22)
Increase (Decrease) in deposits received	1,222	47
Other	(574)	(917)
Subtotal	3,711	30,508
Interest and dividend income received	50	83
Interest expenses paid	(1,154)	(1,782)
Income taxes paid	(12,625)	(14,465)
Net cash provided by (used in) operating activities	(10,017)	14,344
Cash flows from investing activities		
Payments into time deposits	(11,874)	(9,039)
Proceeds from withdrawal of time deposits	11,874	9,118
Purchase of tangible fixed assets	(1,028)	(983)
Proceeds from sales of tangible fixed assets	29	1,823
Purchase of intangible fixed assets	(40)	(185)
Purchase of investment securities	(790)	(5,539)
Proceeds from sales and redemption of investment securities	1,001	510
Payments for investments in capital	(100)	(0)
Collection of investments in capital	386	3
Payments of loans receivable from subsidiaries and associates	(110)	—
Payments for investments in capital of subsidiaries and associates	(330)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,178)	—
Payments for lease and guarantee deposits	(505)	(434)
Proceeds from collection of lease and guarantee deposits	49	46
Other	32	(120)
Net cash provided by (used in) investing activities	(12,582)	(4,800)

(Millions of yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Cash flows from financing activities		
Increase in short-term loans payable	152,161	169,917
Decrease in short-term loans payable	(109,902)	(191,567)
Proceeds from long-term loans payable	92,816	123,463
Repayment of long-term loans payable	(76,327)	(80,887)
Commission for syndicate loan paid	—	(653)
Redemption of bonds	(562)	(532)
Proceeds from exercise of share options	45	130
Purchase of treasury stock	(3,015)	(6,425)
Cash dividend paid	(4,520)	(6,249)
Other	–	(9)
Net cash provided by (used in) financing activities	50,696	7,186
Effect of exchange rate changes on cash and cash equivalents	(27)	(364)
Net increase (decrease) in cash and cash equivalents	28,068	16,366
Cash and cash equivalents at beginning of period	90,910	118,978
Cash and cash equivalents at end of period	*1, 118,978	*1, 135,345

(Notes to Consolidated Balance Sheets)

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

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Other in Investments and other assets	110	247
Investment securities (Stocks)		
Other in Investments and other assets (Investments in capital)	498	4,563

*2 Pledged assets and secured liabilities

Pledged assets are as follows.

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Cash and deposits	75	—
Real estate for sale	30,868	46,157
Real estate for sale in process	123,550	101,836
Operating loans	3,519	6,963
Buildings and structures	372	86
Land	866	471
Total	159,253	155,516

Secured liabilities are as follows.

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Short-term loans payable	76,822	71,469
Current portion of long-term loans payable	16,612	8,777
Long-term loans payable	45,061	45,631
Total	138,497	125,878

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

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Accumulated impairment loss	201	105

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

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Total loan commitment	121,756	144,000
Outstanding loans	93,734	84,210
Balance of unexecuted loans	28,021	59,789

*5 Financial restraint clause

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

(Notes to Consolidated Statements of Income)

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

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Directors' compensations	557	772
Salaries	3,484	5,338
Provision for bonuses	512	720
Provision of allowance for doubtful accounts	—	88
Retirement benefit expenses	78	105
Advertising expenses	1,868	2,290
Rents	2,553	3,246
Taxes and dues	2,782	4,103
Sales commission	3,170	4,886

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

FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
816	906

(Notes to Consolidated Statements of Comprehensive Income)

*1 The amount of recycling associated with other comprehensive income

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Valuation difference on available-for-sale securities:		
Amount recognized during the year	10	(10)
Amount of recycling	—	—
Total	10	(10)
Foreign currency translation adjustment:		
Amount recognized during the year	282	(860)
Amount of recycling	—	—
Total	282	(860)
Total before income tax effect	292	(870)
Income tax effect	(3)	3
Total other comprehensive income	289	(867)

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

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Valuation difference on available-for-sale securities:		
Before income tax effect	10	(10)
Amount of income tax effects	(3)	3
After tax effect adjustment	7	(7)
Foreign currency translation adjustment:		
Before income tax effect	282	(860)
Amount of income tax effects	—	—
After tax effect adjustment	282	(860)
Total other comprehensive income		
Before income tax effect	292	(870)
Amount of income tax effects	(3)	3
After tax effect adjustment	289	(867)

(Notes to Consolidated Statements of Cash Flows)

*1 Reconciliation of balance sheet items to cash and cash equivalents in the consolidated statements of cash flows is as follows.

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Cash and deposits	119,053	135,354
Deposits with a term of over 3 months	(75)	—
Restricted deposit	—	9
Cash and cash equivalents	118,978	135,345

(Segment Information)

1. The reportable segments of the Group comprise those business units for which separate financial information is available, and which are subject to a regular review conducted by the Company's Board of Directors in order to determine the allocation of management resources and evaluate their performance.
   The Group designated four segments: single-family related business, condominiums business, property resale business and others as reportable segments.

2. Method for calculating revenue, income/loss, assets, liabilities, and other items for reportable segments
   The accounting policies of reportable segments are generally the same as those described in "Basis of Presenting the Consolidated Financial Statements."
   Segment income is based on operating income.
   Intersegment revenue and transfers are based on market price.

3. Information on revenue, income or loss, and other items by reportable segment
   FY2018 (From October 1, 2017 to September 30, 2018)

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single- family homes related	Condominium	Property resale	Others	Total		
Revenue							
Revenue from Outside Customers	218,540	49,385	107,399	15,409	390,735	—	390,735
Intersegment revenue and transfers	—	—	31	—	31	(31)	—
Total	218,540	49,385	107,430	15,409	390,766	(31)	390,735
Segment Income	26,276	7,230	12,272	2,408	48,188	(883)	47,304
Other items							
Depreciation	332	20	8	6	367	51	418
Amortization of goodwill	137	—	—	—	137	—	137

(NOTE)

1. Adjustment of ¥(883)million for segment income includes intersegment elimination of ¥58million and corporate expenses of ¥(941) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

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

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single- family homes related	Condominium	Property resale	Others	Total		
Revenue							
Revenue from Outside Customers	340,528	60,956	108,353	30,538	540,376	—	540,376
Intersegment revenue and transfers	—	—	57	—	57	(57)	—
Total	340,528	60,956	108,410	30,538	540,433	(57)	540,376
Segment Income	32,620	10,815	11,487	3,777	58,701	(922)	57,779
Other items							
Depreciation	444	27	8	7	487	29	517
Amortization of goodwill	402	—	—	—	402	—	402

(NOTE)

1. Adjustment of ¥ (922) million for segment income includes intersegment elimination of ¥248 million and corporate expenses of ¥ (1,170) million that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
2. Segment income has been adjusted to operating income described in consolidated statements of income.
3. Segment assets are not listed as assets are not allocated to reportable segments.
4. Adjustment for depreciation and amortization refers to depreciation expenses related to corporate assets.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	44,232	31,052
Operating accounts receivable	1,289	1,308
Prepaid expense	256	260
Short-term loans receivable from subsidiaries and associates	7,300	19,400
Income taxes receivable	2,901	2,996
Other	1,300	1,755
Total current assets	57,280	56,774
Fixed asset		
Tangible fixed assets		
Buildings	875	1,232
Vehicles	30	21
Tools, furniture and fixtures	130	228
Other	0	—
Total tangible fixed assets	1,037	1,482
Intangible fixed assets		
Software	125	116
Other	3	2
Total intangible fixed assets	128	119
Investments and other assets		
Investment securities	95	368
Shares of subsidiaries and associates	28,394	36,067
Long-term prepaid expenses	30	43
Lease and guarantee deposits received	1,462	1,602
Other	43	26
Allowance for doubtful accounts	(9)	(4)
Deferred tax assets	318	668
Total investments and other assets	30,335	38,773
Total fixed assets	31,501	40,375
Deferred assets		
Bond issuance cost	36	30
Total deferred assets	36	30
Total assets	88,818	97,180

(Million yen)

	FY 2018 (as of September 30, 2018)	FY 2019 (as of September 30, 2019)
Liabilities		
Current liabilities		
Short-term loans payable	19,772	—
Current portion of bonds	242	242
Current portion of long-term loans payable	625	2,695
Accounts payable	1,521	1,093
Accrued expenses	217	261
Advances received	—	610
Deposits received	79	89
Provision for bonuses	717	894
Other	82	196
Total current liabilities	23,257	6,082
Long-term liabilities		
Bonds payable	1,331	1,089
Long-term loans payable	38,000	55,527
Total long-term liabilities	39,331	56,616
Total liabilities	62,588	62,699
Net assets		
Shareholders' equity		
Capital stocks	4,094	4,234
Capital surplus		
Legal capital surplus	3,877	4,017
Other capital surplus	2,118	5,947
Total capital surplus	5,996	9,965
Retained earnings		
Legal retained earnings	35	35
Other retained earnings		
Retained earnings brought forward	21,801	28,729
Total retained earnings	21,837	28,764
Treasury stock	(6,102)	(8,806)
Total shareholders' equity	25,825	34,158
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15	8
Total valuation and translation adjustments	15	8
Subscription rights to shares	388	314
Total net assets	26,229	34,481
Total liabilities and net assets	88,818	97,180

Non-Consolidated Statements of Income

(Million yen)

	FY2018 (From October 1, 2017 to September 30, 2018)	FY2019 (From October 1, 2018 to September 30, 2019)
Operating revenue	9,762	12,385
Operating cost	5,104	6,074
Gross operating profit	4,658	6,311
Selling, general and administrative expenses	4,311	5,455
Operating income	346	856
Non-operating income		
Interest income	99	257
Dividends income	15,014	15,020
Guarantee commission received	591	152
Other	253	313
Total non-operating income	15,959	15,743
Non-operating expenses		
Bad debts expenses	—	6
Interest expenses	468	612
Interest on bonds	8	7
Amortization of bond issuance cost	5	5
Guarantee commission	425	137
Commission fee	19	227
Other	15	59
Total non-operating expenses	944	1,056
Ordinary income	15,361	15,543
Income before Income taxes	15,361	15,543
Income taxes-current	185	27
Income taxes-deferred	(32)	(346)
Total income Taxes	152	(319)
Net income	15,209	15,862

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2018 (From October 1, 2017 to September 30, 2018)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
						Retained earnings brought forward			
Balance at October 1, 2017	4,032	3,815	2,118	5,934	35	11,113	11,148	(3,102)	18,012
Change of items during the period									
Issuance of new shares (Exercise of subscription rights to shares)	62	62		62					124
Dividends from surplus						(4,520)	(4,520)		(4,520)
Net income						15,209	15,209		15,209
Purchase of treasury stock								(3,000)	(3,000)
Net changes of items other than shareholders' equity									
Total changes of items during the period	62	62	—	62	—	10,688	10,688	(3,000)	7,813
Balance at September 30, 2018	4,094	3,877	2,118	5,996	35	21,801	21,837	(6,102)	25,825

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2017	8	8	408	18,429
Change of items during the period				
Issuance of new shares (Exercise of subscription rights to shares)				124
Dividends from surplus				(4,520)
Net income				15,209
Purchase of treasury stock				(3,000)
Net changes of items other than shareholders' equity	7	7	(20)	(13)
Total changes of items during the period	7	7	(20)	7,800
Balance at September 30, 2018	15	15	388	26,229

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

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at October 1, 2018	4,094	3,877	2,118	5,996	35	21,801	21,837	(6,102)	25,825
Cumulative effects of changes in accounting policies						(2,685)	(2,685)		(2,685)
Restated balance	4,094	3,877	2,118	5,996	35	19,115	19,151	(6,102)	23,140
Change of items during the period									
Issuance of new shares (Exercise of subscription rights to shares)	139	139			139				279
Dividends from surplus						(6,249)	(6,249)		(6,249)
Net income						15,862	15,862		15,862
Purchase of treasury stock								(6,411)	(6,411)
Increase by share exchanges			3,829	3,829				3,707	7,536
Net changes of items other than shareholders' equity									
Total changes of items during the period	139	139	3,829	3,968	—	9,613	9,613	(2,704)	11,017
Balance at September 30, 2019	4,234	4,017	5,947	9,965	35	28,729	28,764	(8,806)	34,158

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at October 1, 2018	15	15	388	26,229
Cumulative effects of changes in accounting policies				(2,685)
Restated balance	15	15	388	23,544
Change of items during the period				
Issuance of new shares (Exercise of subscription rights to shares)				279
Dividends from surplus				(6,249)
Net income				15,862
Purchase of treasury stock				(6,411)
Increase by share exchanges				7,536
Net changes of items other than shareholders' equity	(7)	(7)	(73)	(80)
Total changes of items during the period	(7)	(7)	(73)	10,937
Balance at September 30, 2019	8	8	314	34,481