

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 Second Quarter Ended September 30, 2015 [Based on Japanese GAAP]

May 15, 2015

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	http://openhouse-group.com/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of quarterly securities report filing:	May 15, 2015
Supplementary materials for quarterly financial results:	Yes
Quarterly results briefing meeting :	Yes (for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2015 (October 1, 2014 to March 31, 2015)

(1) Consolidated operating results (Year-to-date)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2015 2Q	78,588	42.9	8,557	13.2	8,134	15.0	5,084	20.9
FY 2014 2Q	54,993	54.2	7,557	224.7	7,072	259.8	4,203	230.2

(Note) Comprehensive income: From October 1, 2014 to March 31, 2015 ¥ 5,082 million (20.9%)
From October 1, 2013 to March 31, 2014 ¥ 4,203 million (237.3%)

	EPS	Diluted EPS
	Yen	Yen
FY 2015 2Q	177.70	—
FY 2014 2Q	150.00	146.52

(Note)

Though consolidated financial statements for the second quarter ended September 30, 2013 were not prepared based on the Financial Instruments and Exchange Act, the percentage change from the same period for the second quarter ended September 30, 2014 are presented for reference.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
March 31, 2015	141,007	39,965	28.3
September 30, 2014	100,577	37,047	36.8

(Reference) Shareholders' equity: As of March 31, 2015: ¥39,909 million yen
As of September 30, 2014: ¥37,047 million yen

2. Dividends

	Annual dividends per share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2014	—	0.00	—	40.00	40.00
FY 2015	—	0.00	—	—	—
FY 2015 (Forecast)	—	—	—	30.00	30.00

(Note) Revision of the latest dividend forecast: Yes

As a 2-for-1 stock split of common stock of the Company is scheduled with the effective date of July 1, 2015, the amounts stated for annual dividends per share for FY2015 are calculated after taking the stock split into consideration. Annual dividend per share for FY2015, calculated without considering the stock split, is ¥60.

Breakdown for dividends of FY2014: Common dividend: ¥35.00 and commemorative dividend: ¥5.00
Breakdown for dividends of FY2015 (Forecast): Common dividend: ¥30.00 (Pre-stock-split basis: ¥60.00)

3. Forecast of Consolidated Operating Results for FY2015 (October 1, 2014 to September 30, 2015)

(% figures indicate year-on-year change)

Full year	Revenue		Operating income		Ordinary income		Net income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	175,000	56.0	20,000	45.5	19,000	47.5	12,000	54.6	209.69

(Note) Revision of the latest consolidated results forecast: Yes

As a 2-for-1 stock split of common stock of the Company is scheduled with the effective date of July 1, 2015, forecast information about EPS for FY2015 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): Yes

New: 1 (Asakawa Home Co., Ltd.)

Excluded: None

(2) Adoptions of special accounting methods in presentation of quarterly financial statements: Yes

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

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

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

iii) Changes in accounting estimates: None

iv) Revisions and restatements: None

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

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

March 31, 2015: 28,700,000 shares September 30, 2014: 28,700,000 shares

ii) Treasury stock at period-end

March 31, 2015: 406,500 shares September 30, 2014: — shares

iii) Average number of shares issued (cumulative consolidated quarterly periods)

March 31, 2015: 28,613,441 shares March 31, 2014: 28,025,000 shares

* 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 Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

(Million yen)

	End of FY 2014 (September 30, 2014)	End of FY 2015 2Q (March 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	26,426	37,204
Accounts receivable, trade	256	510
Real estate for sale	9,541	14,445
Real estate for sale in process	53,826	72,995
Operating loans	5,076	5,096
Other	3,155	4,808
Allowance for doubtful accounts	△86	△ 181
Total current assets	98,196	134,878
Fixed assets		
Tangible fixed assets	720	2,874
Intangible fixed assets	161	1,503
Investments and other assets	1,476	1,670
Total fixed assets	2,358	6,048
Deferred assets	23	81
Total assets	100,577	141,007
Liabilities		
Current liabilities		
Accounts payable	3,640	7,626
Short-term loans payable	24,721	31,146
Current portion of long-term loans payable	7,097	7,875
Current portion of bonds	440	682
Income taxes payable	3,579	3,065
Reserves	939	1,313
Other	5,850	9,219
Total current liabilities	46,269	60,928
Long-term liabilities		
Bonds payable	730	2,988
Long-term loans payable	16,418	36,716
Net defined benefit liability	10	11
Asset retirement obligations	—	99
Other	101	298
Total long-term liabilities	17,261	40,113
Total liabilities	63,530	101,042

(Million yen)

	End of FY 2014 (September 30, 2014)	End of FY 2015 2Q (March 31, 2015)
Net assets		
Shareholders' equity		
Capital stocks	3,982	3,982
Capital surplus	5,883	5,883
Retained earnings	27,222	31,158
Treasury stock	—	△1,071
Total shareholders' equity	37,088	39,953
Other comprehensive income		
Net unrealized holding gains/losses on securities	11	15
Foreign currency translation adjustment	△53	△58
Accumulated other comprehensive income	△41	△43
Subscription rights to shares	—	56
Total net assets	37,047	39,965
Total liabilities and net assets	100,577	141,007

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

(Million yen)

	2Q ended September 30, 2014 (From October 1, 2013 to March 31, 2014)	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)
Revenue	54,993	78,588
Cost of revenue	44,053	64,758
Gross profit	10,940	13,829
Selling, general and administrative expenses	3,382	5,271
Operating income	7,557	8,557
Non-operating income		
Interest income	4	6
Dividends income	0	2
Foreign exchange gain	50	105
Other	26	49
Total non-operating income	81	163
Non-operating expenses		
Interest expenses	410	437
Commission	86	107
Other	69	42
Total non-operating expenses	566	587
Ordinary income	7,072	8,134
Income before income taxes and minority interests	7,072	8,134
Income taxes-current	2,868	3,049
Income before minority interests	4,203	5,084
Net income	4,203	5,084

Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	2Q ended September 30, 2014 (From October 1, 2013 to March 31, 2014)	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)
Net income before minority interests	4,203	5,084
Other comprehensive income		
Valuation difference on available-for-sale securities	1	3
Foreign currency translation adjustment	△2	△5
Total other comprehensive income	△0	△2
Comprehensive income	4,203	5,082
(Breakdown)		
Comprehensive income attributable to shareholders' of the parent	4,203	5,082

3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	2Q ended September 30, 2014 (From October 1, 2013 to March 31, 2014)	2Q ended September 30, 2015 (From October 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	7,072	8,134
Depreciation and amortization	64	135
Stock based compensation expense	—	56
Increase (Decrease) in allowance for doubtful accounts	0	△1
Increase (decrease) in net defined benefit liability	—	0
Increase (Decrease) in reserves	97	292
Interest and dividends income	△4	△9
Foreign exchange gain or loss	△42	△67
Interest expense	410	437
Decrease (Increase) in notes and accounts receivable-trade	80	210
Decrease (Increase) in inventories	△13,300	△15,798
Increase (Decrease) in notes and accounts payable-trade	140	42
Increase (Decrease) in loans receivable	△28	△20
Other	△243	△710
Subtotal	△5,752	△7,297
Interest and dividends received	2	8
Interest paid	△397	△437
Income taxes paid	△2,783	△3,731
Net cash provided by (used in) operating activities	△8,931	△11,457
Cash flows from investing activities		
Decrease in time deposits	△2,000	△75
Increase in time deposits	150	3,655
Purchase of tangible fixed assets	△122	△210
Purchase of intangible fixed assets	△13	△42
Purchase of investment securities	△101	—
Purchase of treasury stock of subsidiaries in consolidation	—	△100
Payments for purchase of investments in subsidiaries resulting in change in scope of consolidation	—	△1,571
Payments for lease and guarantee deposits	△85	△71
Proceeds from collection of lease and guarantee deposits	27	407
Other	△6	0
Net cash provided by (used in) investing activities	△2,150	1,992
Cash flows from financing activities		
Proceeds from short-term loans payable	25,035	29,846
Repayment of short-term loans payable	△17,352	△25,504
Proceeds from long-term loans payable	5,974	32,158
Repayment of long-term loans payable	△7,220	△14,498
Proceeds from issuance of bonds	294	2,654
Redemption of bonds	△1,240	△220
Purchase of treasury stock	—	△1,078
Cash dividends paid	△700	△1,148
Other	54	△19
Net cash provided by (used in) financing activities	4,844	22,190
Effect of exchange rate changes on cash and cash equivalents	44	53
Net increase (decrease) in cash and cash equivalents	△6,193	12,778
Cash and cash equivalents at beginning of period	25,850	24,426
Cash and cash equivalents at end of period	19,656	37,204

4) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Segment and Other Information)

I FY2014 2Q (October 1, 2013 to March 31, 2014)

Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Real Estate Brokerage	Real Estate Sales	Real Estate Financing	Total		
Revenue						
Revenue from Outside Customers	1,373	53,429	190	54,993	—	54,993
Intersegment revenue and transfers	1,198	—	—	1,198	△ 1,198	—
Total	2,572	53,429	190	56,192	△ 1,198	54,993
Segment Income (Loss)	840	6,705	76	7,622	△ 64	7,557

(NOTE)

1. Adjustment of -¥64 million for segment income includes intersegment elimination of ¥18 million and corporate expenses of -¥83 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 quarterly statements of income.

II FY2015 2Q (October 1, 2014 to March 31, 2015)

1. Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment				Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Real Estate Brokerage	Real Estate Sales	Real Estate Financing	Total		
Revenue						
Revenue from Outside Customers	1,756	76,640	191	78,588	—	78,588
Intersegment revenue and transfers	1,639	—	—	1,639	△ 1,639	—
Total	3,395	76,640	191	80,227	△ 1,639	78,588
Segment Income (Loss)	1,171	7,365	94	8,631	△ 73	8,557

(NOTE)

1. Adjustment of -¥73 million for segment income includes intersegment elimination of ¥28 million and corporate expenses of -¥101 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 quarterly statements of income.

2. Information regarding assets by reporting segment

In the second quarter ended September 30, 2015, the assets of the Real Estate Sales Segment increased by ¥39,341 million from the previous fiscal year, due to acquisition of the shares of Asakawa Home Co.,Ltd..