

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 First Quarter Ended September 30, 2016 [Based on Japanese GAAP]

February 12, 2016

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: February 12, 2016
 Supplementary materials for quarterly financial results: Yes
 Quarterly results briefing meeting: No

(Million yen, rounded down)

1. Consolidated Financial Results for the First Quarter Ended September 30, 2016 (October 1, 2015 to December 31, 2015)

(1) Consolidated operating results (Year-to-date) (% 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 2016 1Q	61,049	110.3	8,509	211.7	8,331	227.3	5,370	230.7
FY 2015 1Q	29,035	59.3	2,729	52.9	2,545	60.3	1,624	72.4

(Note) Comprehensive income: From October 1, 2015 to December 31, 2015 ¥ 5,370 million (231.1%)
 From October 1, 2014 to December 31, 2014 ¥ 1,622 million (72.4%)

	EPS		Diluted EPS	
	Yen		Yen	
FY 2016 1Q	94.91		94.57	
FY 2015 1Q	28.30		—	

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. 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
	Million yen	Million yen	%
December 31, 2015	164,053	51,337	31.2
September 30, 2015	162,447	47,609	29.2

(Reference) Shareholders' equity: As of December 31, 2015 ¥51,125 million yen
 As of September 30, 2015 ¥47,453 million yen

2. Dividends

	Annual dividends per share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2015	—	—	—	30.00	30.00
FY 2016	—	—	—	—	—
FY 2016 (Forecast)	—	—	—	40.00	40.00

(Note) Revision of the latest dividend forecast: No

3. Forecast of Consolidated Operating Results for FY2016 (October 1, 2015 to September 30, 2016)

(% 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)	107,000	36.2	11,200	30.9	10,700	31.5	6,900	35.7	121.94
Full year	240,000	33.8	25,000	17.4	24,000	18.3	15,500	22.7	273.92

(Note) Revision of the latest consolidated results forecast: No

*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) 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: Yes
 - 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)
December 31, 2015: 57,400,000 shares September 30, 2015: 57,400,000 shares
 - ii) Treasury stock at period-end
December 31, 2015: 813,373 shares September 30, 2015: 813,257 shares
 - iii) Average number of shares issued (cumulative consolidated quarterly periods)
December 31, 2015: 56,586,686 shares December 31, 2014: 57,400,000 shares
- (Note) The company conducted a 2-for-1 stock split of common stock with an effective date of July 1, 2015. Number of shares issued and outstanding (common stock) calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

** 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 2015 (September 30, 2015)	End of FY 2016 1Q (December 31, 2015)
Assets		
Current assets		
Cash and cash equivalents	43,330	44,052
Accounts receivable, trade	628	422
Real estate for sale	22,235	20,204
Real estate for sale in process	80,379	81,926
Operating loans	5,657	5,797
Other	4,476	4,504
Allowance for doubtful accounts	(171)	(159)
Total current assets	156,535	156,749
Fixed assets		
Tangible fixed assets	2,799	2,778
Intangible fixed assets	1,490	1,449
Investments and other assets	1,544	3,004
Total fixed assets	5,834	7,231
Deferred assets	76	72
Total assets	162,447	164,053
Liabilities		
Current liabilities		
Accounts payable	7,775	8,119
Short-term loans payable	33,498	34,476
Current portion of long-term loans payable	7,959	11,444
Current portion of bonds	662	662
Income taxes payable	5,308	2,969
Reserves	1,417	943
Other	10,415	10,841
Total current liabilities	67,037	69,458
Long-term liabilities		
Bonds payable	3,137	2,987
Long-term loans payable	44,276	40,096
Net defined benefit liability	12	12
Asset retirement obligations	96	100
Other	277	60
Total long-term liabilities	47,799	43,257
Total liabilities	114,837	112,716

(Million yen)

	End of FY 2015 (September 30, 2015)	End of FY 2016 1Q (December 31, 2015)
Net assets		
Shareholders' equity		
Capital stocks	3,982	3,982
Capital surplus	5,883	5,883
Retained earnings	38,711	42,384
Treasury stock	(1,072)	(1,072)
Total shareholders' equity	47,505	51,177
Other comprehensive income		
Net unrealized holding gains/losses on securities	8	8
Foreign currency translation adjustment	(60)	(60)
Accumulated other comprehensive income	(51)	(52)
Subscription rights to shares	156	211
Total net assets	47,609	51,337
Total liabilities and net assets	162,447	164,053

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

(Million yen)

	1Q ended September 30, 2015 (From October 1, 2014 to December 31, 2014)	1Q ended September 30, 2016 (From October 1, 2015 to December 31, 2015)
Revenue	29,035	61,049
Cost of revenue	24,292	48,893
Gross profit	4,742	12,156
Selling, general and administrative expenses	2,013	3,646
Operating income	2,729	8,509
Non-operating income		
Interest income	2	0
Dividends income	2	1
Insurance income	8	18
Other	115	43
Total non-operating income	128	63
Non-operating expenses		
Interest expenses	202	205
Commission	91	5
Other	18	31
Total non-operating expenses	312	241
Ordinary income	2,545	8,331
Income before income taxes and minority interests	2,545	8,331
Income taxes-current	921	2,960
Income before minority interests	1,624	5,370
Profit attributable to owners of parent	1,624	5,370

Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	1Q ended September 30, 2015 (From October 1, 2014 to December 31, 2014)	1Q ended September 30, 2016 (From October 1, 2015 to December 31, 2015)
Net income before minority interests	1,624	5,370
Other comprehensive income		
Valuation difference on available-for-sale securities	2	0
Foreign currency translation adjustment	(4)	(0)
Total other comprehensive income	(2)	(0)
Comprehensive income	1,622	5,370
(Breakdown)		
Comprehensive income attributable to owners of parent	1,622	5,370

3) 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 FY2015 1Q (October 1, 2014 to December 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)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	826	21,163	—	80	6,868	96	29,035	—	29,035
Intersegment revenue and transfers	827	—	—	—	—	13	841	(841)	—
Total	1,654	21,163	—	80	6,868	110	29,876	(841)	29,035
Segment Income (Loss)	618	1,554	—	(270)	840	30	2,773	(43)	2,729

(Note)

- Adjustment of -¥43 million for segment income includes intersegment elimination of ¥6 million and corporate expenses of -¥50 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.
- Segment income has been adjusted to operating income described in consolidated quarterly statements of income.

II FY2016 1Q (October 1, 2015 to December 31, 2015)

i 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)
	Brokerage	Single- family Homes	Asakawa Home	Condo	Property Resales	Others	Total		
Revenue									
Revenue from Outside Customers	966	30,209	7,348	1,054	21,366	103	61,049	—	61,049
Intersegment revenue and transfers	953	—	997	8	—	15	1,975	(1,975)	—
Total	1,919	30,209	8,346	1,063	21,366	119	63,025	(1,975)	61,049
Segment Income (Loss)	705	3,782	284	(171)	3,911	33	8,545	(36)	8,509

(Note)

- Adjustment of -¥36 million for segment income includes intersegment elimination of ¥31 million and corporate expenses of -¥67 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.
- Segment income has been adjusted to operating income described in consolidated quarterly statements of income.

ii Changes in reportable segments

Effective from the first quarter for the current fiscal year, the Company has changed reportable segments to ensure appropriate disclosure of management information. The former Real Estate Sales Business is divided into four reportable segments: Single-family Homes; Asakawa Home; Condominiums; Property Resales.

"Others" refers to business segments not included in reportable segments.

As a result, the Group now has the following six reporting segments: Brokerage, Single-Family Homes, Asakawa Home, Condominiums, Property Resales, and Others.