



**OPEN HOUSE  
GROUP**

# Consolidated Financial Highlights for the Second Quarter of FY2023

(2022/10-2023/3)

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

## 2Q FY2023 Topics

### Business performance 2Q FY2023

◆ 2Q for FY2023 progressed beyond expectations.

	2Q Actual results	
Net sales:	¥ <b>541.7</b> billion	[19.0% YoY]
Operating profit:	¥ <b>69.6</b> billion	[16.1% YoY]
Profit attributable to owners of parents:	¥ <b>44.4</b> billion	[12.5% YoY]

### Revised forecasts of financial results FY2023

◆ Made an upward revision to the financial results of FY2023, reflecting good progress in 2Q.

	Revised forecast		Increase	Previous forecasts
Net sales:	¥ <b>1.13</b> trillion	[18.6% YoY]	¥ <b>30</b> billion	¥ <b>1.1</b> trillion
Operating profit:	¥ <b>141</b> billion	[18.1% YoY]	¥ <b>7</b> billion	¥ <b>134</b> billion
Profit attributable to owners of parents:	¥ <b>92</b> billion	[18.1% YoY]	¥ <b>6</b> billion	¥ <b>86</b> billion

### Shareholder returns

◆ Made an upward revision to the forecasts of the annual dividends in tandem with the revision to the financial results.

	Revised forecasts		Increase	Previous forecasts
Annual dividends:	¥ <b>164.00</b>	Payout ratio: 21.5%	¥ <b>10.00</b>	¥ <b>154.00</b>
Ordinary dividend:	¥ <b>154.00</b>	Payout ratio: 20.2%	¥ <b>10.00</b>	¥ <b>144.00</b>
Special dividend:	¥ <b>10.00</b>	Payout ratio: 1.3%	-	¥ <b>10.00</b>

# Corporate Philosophy and Our Mission

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## — Corporate Philosophy

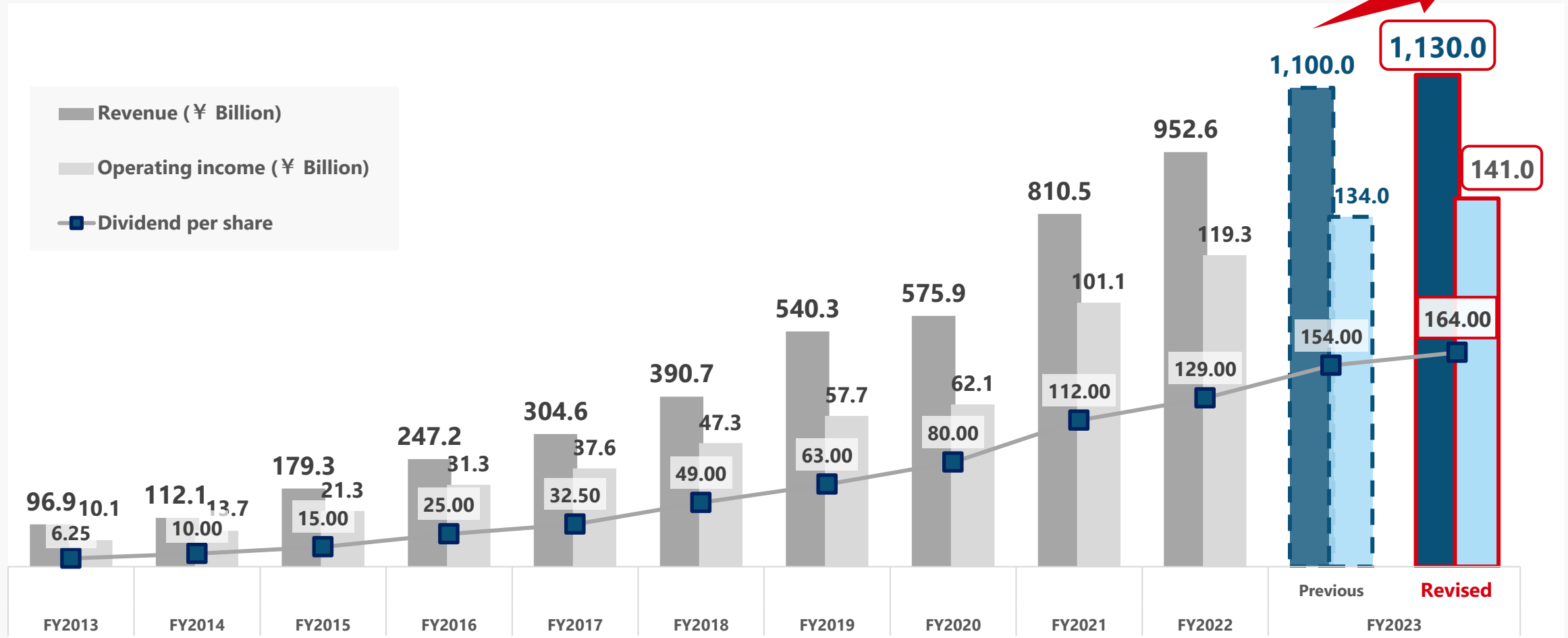
- Remain committed to pursuing "Houses that customers want" honestly and constantly.
- Attract a wide range of motivated people and create an organization that rewards results.
- Increase performance and expand the scale of our business, and be a real estate company needed by society.

## — Our Mission

**Supplying Affordable Housing in the Tokyo Metropolitan Area.**

# Business Performance and Shareholder Returns since Listing

- Aiming to hit the record high in net sales and profit for the eleventh consecutive year since listing in FY2013.



Note: Since the Company conducted a 2-for-1 stock split in FY2015 and FY2019, the dividends are calculated on the assumption that the stock split was conducted in FY2013.

## 1. 2Q FY2023 Consolidated Financial Summary



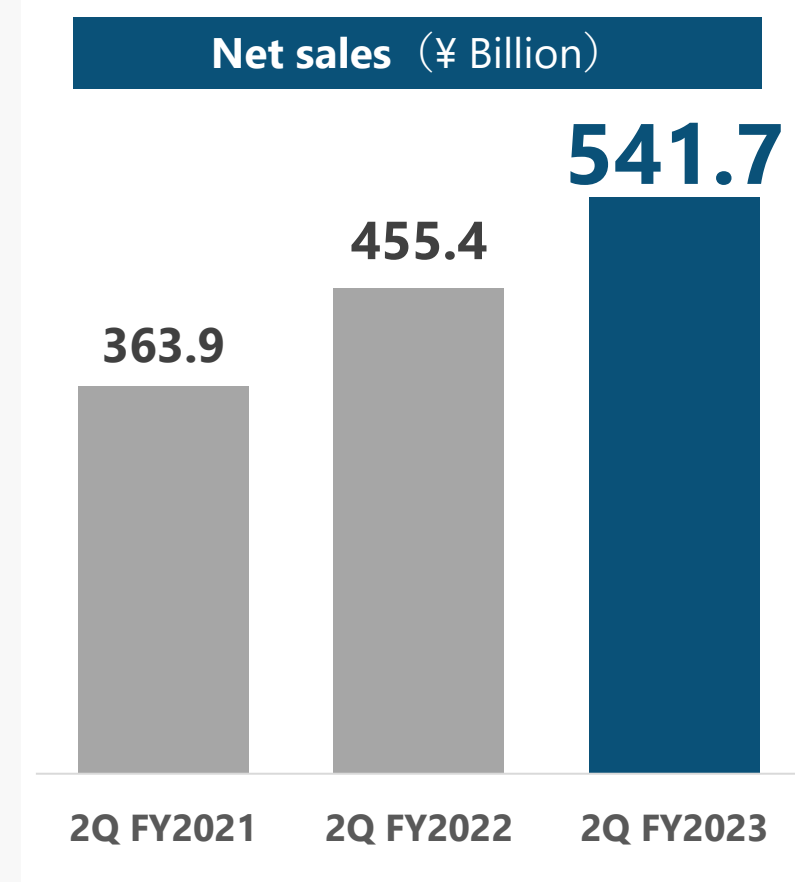
**OPEN HOUSE GROUP**

## Consolidated Statements of Income (Summary)

- Financial results from 2Q FY2023 exceeded the previous forecasts revised on February 14, 2023.
- Hit a record high in net sales and profit in the second quarter.

(¥ Million)

	2Q FY2022 (2021/10-2022/3)		2Q FY2023 (2022/10-2023/3)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales	
<b>Net sales</b>	455,411	-	<b>541,794</b>	-	<b>19.0%</b>
<b>Operating profit</b>	59,998	13.2%	<b>69,650</b>	12.9%	<b>16.1%</b>
<b>Ordinary profit</b>	61,627	13.5%	<b>67,536</b>	12.5%	<b>9.6%</b>
<b>Profit attributable to owners of parent</b>	39,530	8.7%	<b>44,452</b>	8.2%	<b>12.5%</b>



## Performance by Segment (Net sales/Operating profit)

- Achieved double digit or higher sales growth in all segments, although profits declined in single-family home related business.

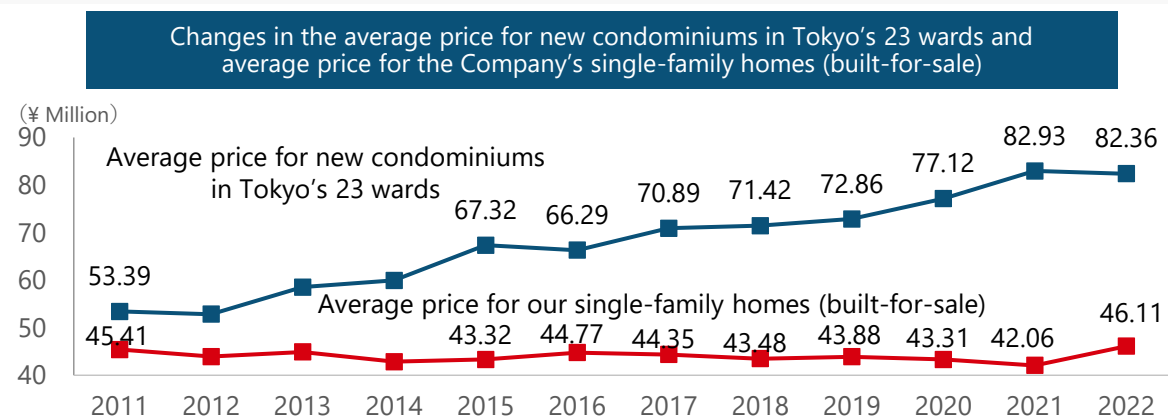
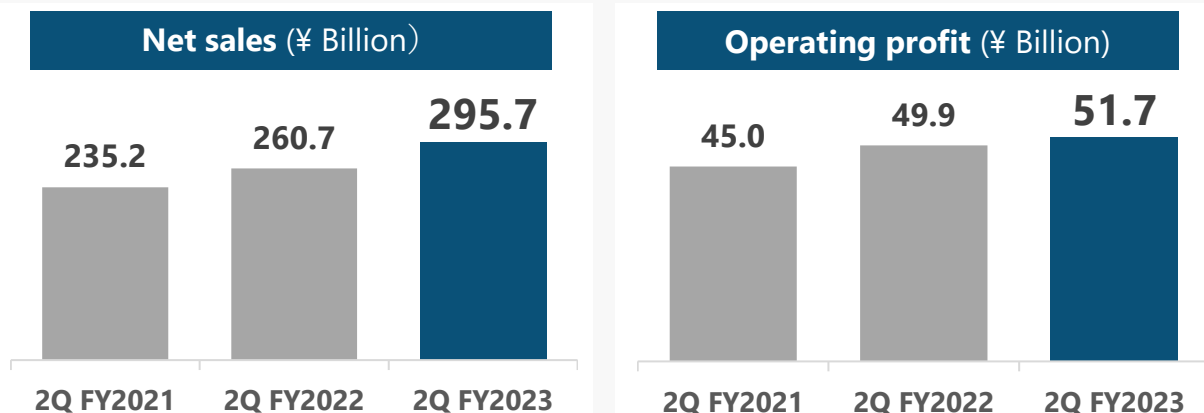
	Net sales				
	2Q FY2022 (2021/10-2022/3)		2Q FY2023 (2022/10-2023/3)		Inc. (Dec.)
	Actual	Ratio	Actual	Ratio	
<b>Total</b>	455,411	100.0%	<b>541,794</b>	100.0%	<b>19.0%</b>
<b>Single-family home related business</b>	260,771	57.3%	<b>295,777</b>	54.6%	<b>13.4%</b>
<b>Condominium</b>	11,467	2.5%	<b>26,474</b>	4.9%	<b>130.9%</b>
<b>Property resale</b>	76,205	16.7%	<b>92,673</b>	17.1%	<b>21.6%</b>
<b>Others (including U.S. real estate business)</b>	36,277	8.0%	<b>41,769</b>	7.7%	<b>15.1%</b>
<b>Pressance Corporation</b>	71,827	15.8%	<b>85,697</b>	15.8%	<b>19.3%</b>
<b>Adjustments</b>	(1,138)	-	<b>(598)</b>	-	-

	Operating profit <span style="float: right;">(¥ Million)</span>				
	2Q FY2022 (2021/10-2022/3)		2Q FY2023 (2022/10-2023/3)		Inc. (Dec.)
	Actual	% of Net sales	Actual	% of Net sales	
<b>Total</b>	59,998	13.2%	<b>69,650</b>	12.9%	<b>16.1%</b>
<b>Single-family home related business</b>	35,953	13.8%	<b>35,177</b>	11.9%	<b>(2.2)%</b>
<b>Condominium</b>	419	3.7%	<b>4,129</b>	15.6%	<b>884.9%</b>
<b>Property resale</b>	9,130	12.0%	<b>10,886</b>	11.7%	<b>19.2%</b>
<b>Others (including U.S. real estate business)</b>	4,564	12.6%	<b>4,492</b>	10.8%	<b>(1.6)%</b>
<b>Pressance Corporation</b>	10,985	15.3%	<b>15,416</b>	18.0%	<b>40.3%</b>
<b>Adjustments</b>	(1,055)	-	<b>(450)</b>	-	-

## Single-family Home Related Business (Overall)

- Business performance exceeded expectations due to our strong inhouse sales capability in tandem with high demand for family houses in urban areas.

	2Q FY2021 (2020/10-2021/03)	2Q FY2022 (2021/10-2022/03)	2Q FY2023 (2022/10-2023/03)	Inc. (Dec.)
				(¥ Million)
<b>Net sales</b>	235,203	260,771	<b>295,777</b>	<b>13.4%</b>
<b>Gross profit</b>	45,002	49,916	<b>51,770</b>	<b>3.7%</b>
<b>Gross profit margin</b>	19.1%	19.1%	<b>17.5%</b>	<b>(1.6)pt</b>
<b>Operating profit</b>	32,910	35,953	<b>35,177</b>	<b>(2.2)%</b>
<b>Operating profit margin</b>	14.0%	13.8%	<b>11.9%</b>	<b>(1.9)pt</b>



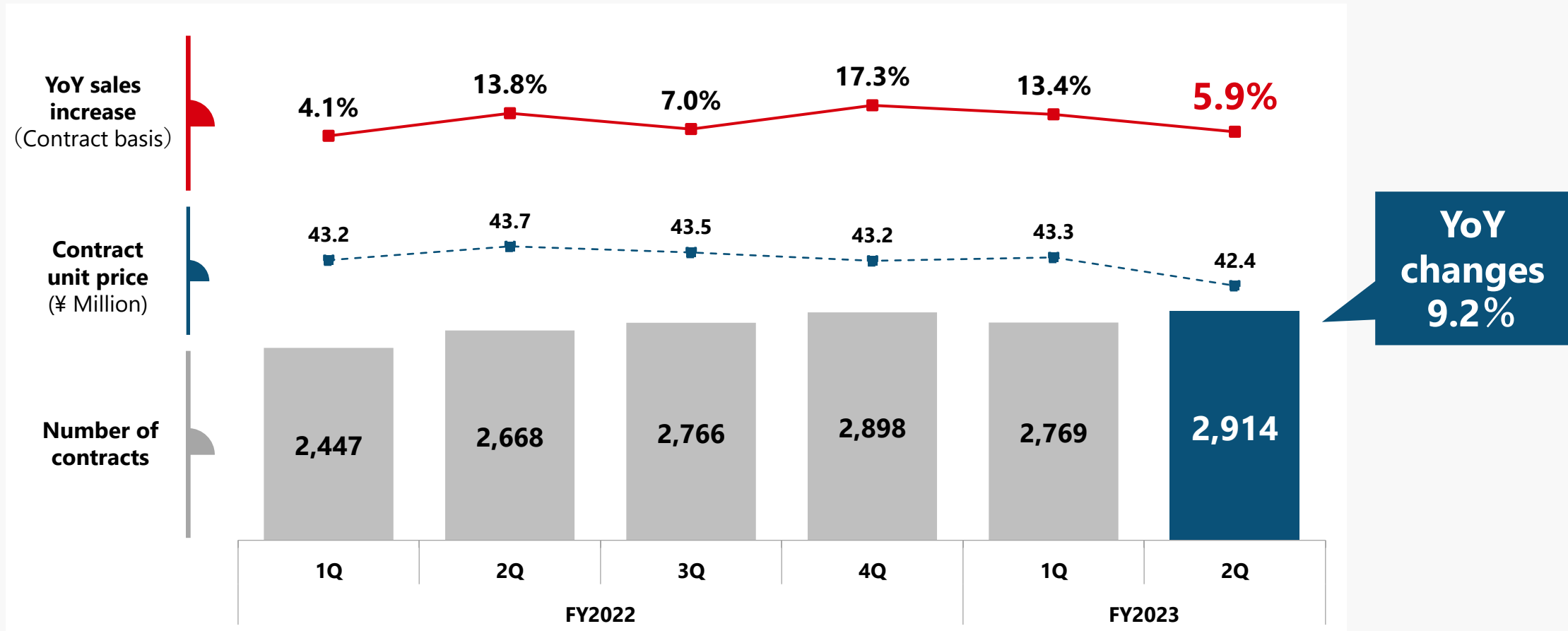
Source: Real Estate Economic Institute "Metropolitan Area Condominium Market Trends"  
Fiscal year: Calendar year (January-December) for condominiums.

For our detached houses, the period is from October of the previous year to September of the current year, for the Tokyo metropolitan area.



## Single-family Home Related Business (Trends in Sales Contracts)

- Sales in Kansai area made a positive contribution and the number of sales contracts progressed well.
- The decrease in unit price was due to the area mix resulting from an increase in sales in Kansai area.

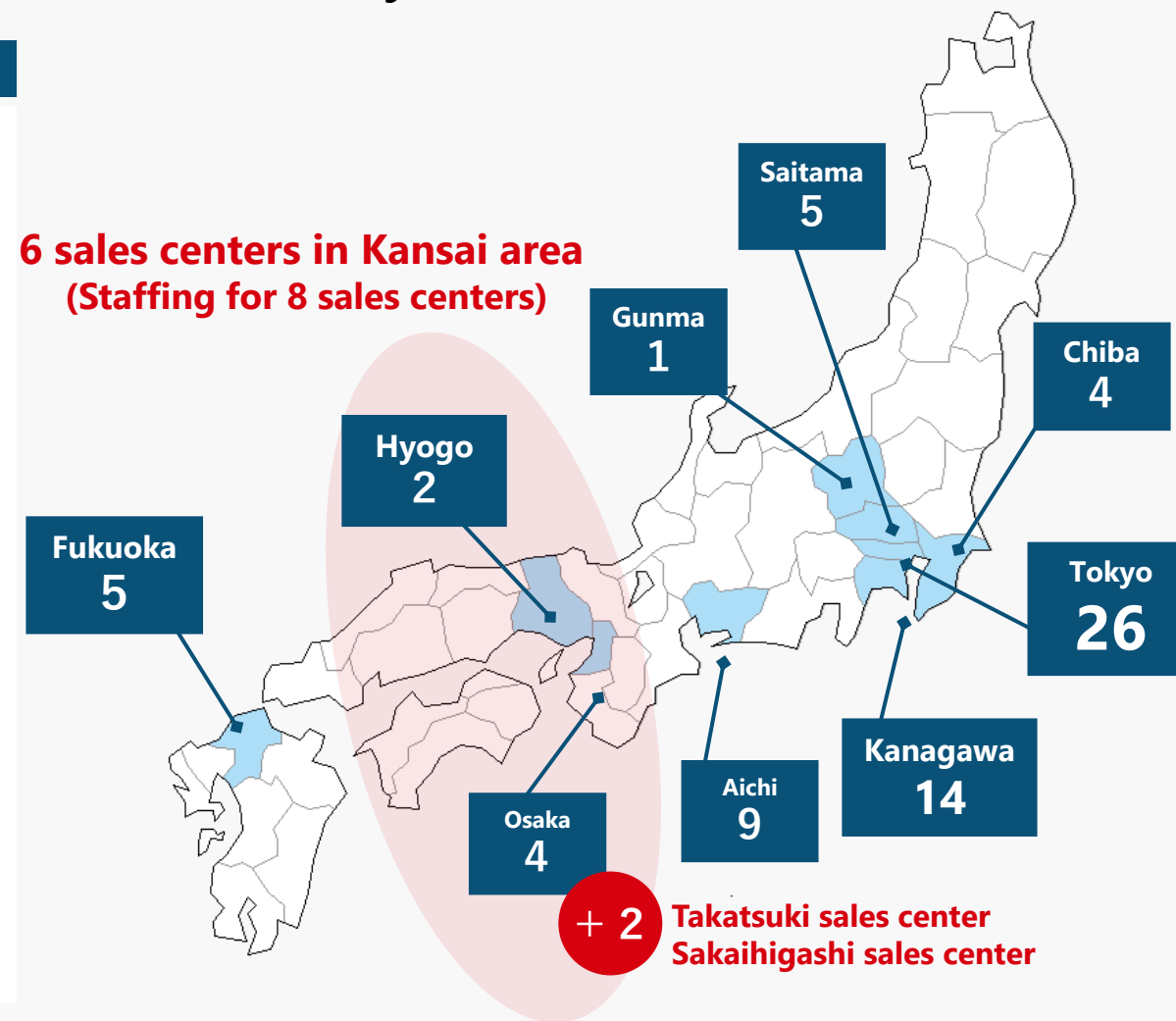


Operating companies : Open House Development Co., Ltd. (OHD) & Hawk One Corporation (HO)  
 Scope : Sales (built-for-sale + land), not including contracted work

## Single-family Home Related Business (Open House - Brokerage)

- In April 2023, two sales centers were opened in Osaka to solidify our sales base in Kansai area.

Number of sales centers					
	As of September 30, 2019	As of September 30, 2020	As of September 30, 2021	As of September 30, 2022	As of May 15, 2023
<b>Total</b>	42	49	57	66	<b>70</b>
<b>Tokyo</b>	19	21	23	25	<b>26</b>
<b>Kanagawa</b>	12	12	13	15	<b>14</b>
<b>Aichi</b>	5	7	8	8	<b>9</b>
<b>Saitama</b>	4	4	5	5	<b>5</b>
<b>Fukuoka</b>	1	3	4	4	<b>5</b>
<b>Chiba</b>	1	2	4	4	<b>4</b>
<b>Osaka</b>	-	-	-	2	<b>4</b>
<b>Hyogo</b>	-	-	-	2	<b>2</b>
<b>Gunma</b>	-	-	-	1	<b>1</b>

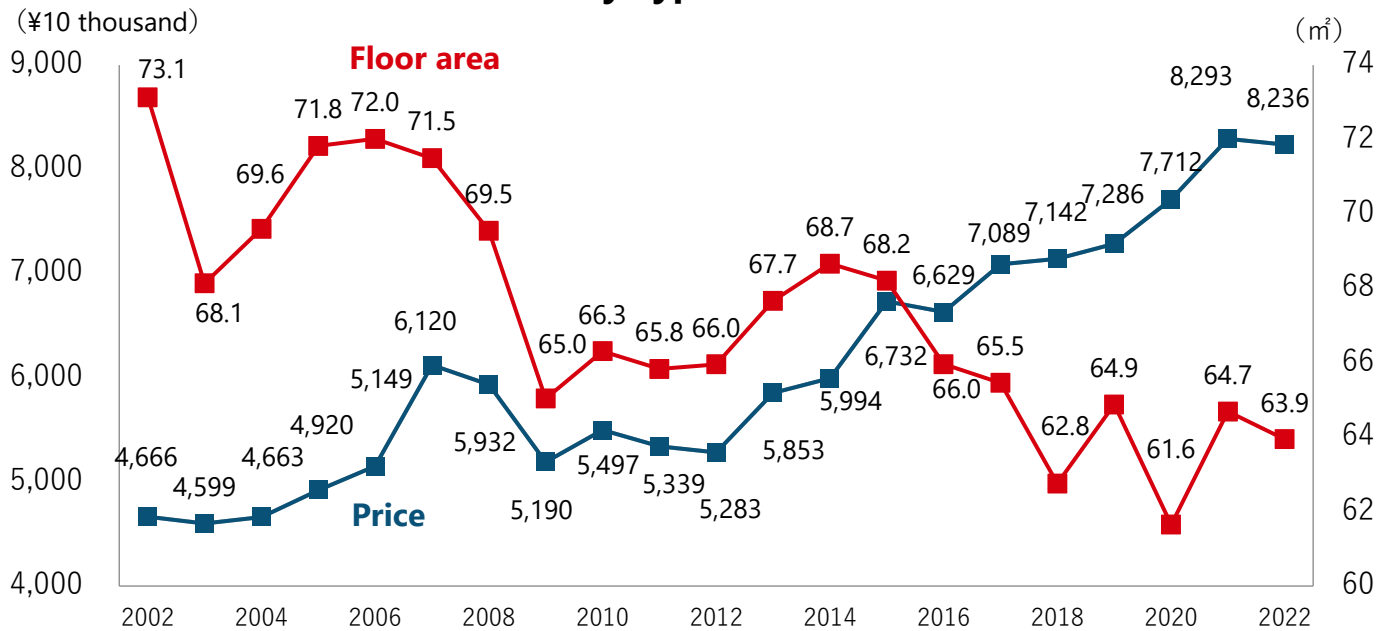


# Single-family Home Related Business (Background behind the focus on rental houses)

- Started supplying family-type rental houses for funds in 2021.
- Creating a new market of family-type rental houses in urban areas.

## Changes in the average price for new condominiums and average floor area (Tokyo's 23 wards)

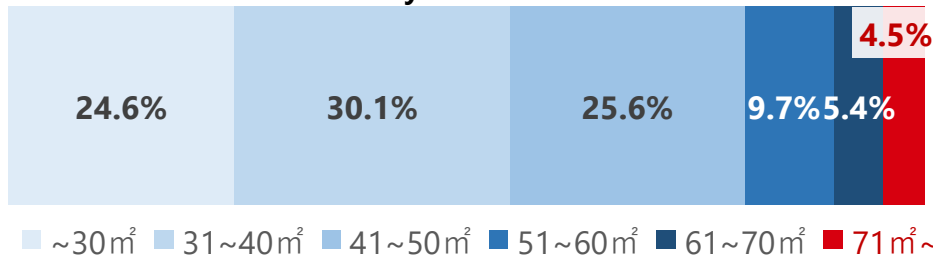
Price hikes and area reductions are occurring at the same time, resulting in a decrease in affordable family-type condominiums.



Source: Real Estate Economic Institute "Market Trends of New Condominiums for Sale in the Tokyo Metropolitan Area" Average area is estimated based on the average price and unit price per square meter of new condominiums for sale excluding studio apartments in Tokyo's 23 wards.

## Ratio of rental housing by floor area (Tokyo 23 wards)

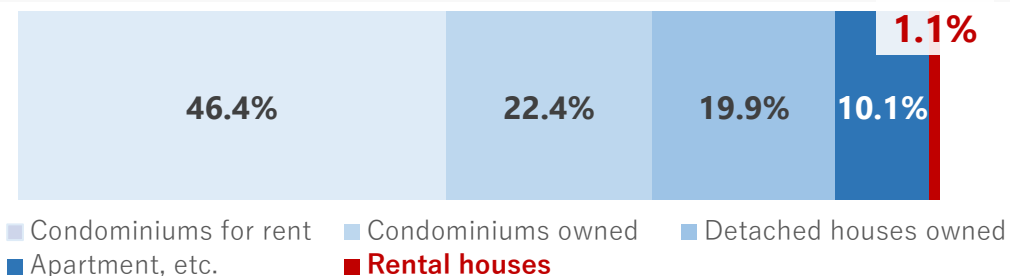
The percentage of houses with more than 70m<sup>2</sup> is 4.5%, and only a small fraction of these are for family.



Source: "Statistics on Construction Starts in 2021," Ministry of Land, Infrastructure, Transport and Tourism Aggregation of rental houses (condominiums, houses, and apartments) in Tokyo's 23 wards by floor area.

## Composition of housing stock by ownership and form (Tokyo's 23 wards)

Ratio of rental houses is 1.1%, meaning rental houses are scarce.



Source: Ministry of Land, Infrastructure, Transport and Tourism, "Housing and Land Survey 2018" Housing stock in Tokyo's 23 wards by ownership relationship and form (structure and construction method)

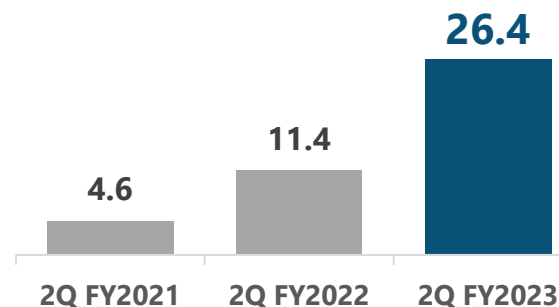
## Condominium Business

- Scheduled deliveries for 2Q FY2023 were completed.
- Deliveries totaling Approx. ¥80 billion are scheduled in 4Q. More than 90% of sales are already completed.

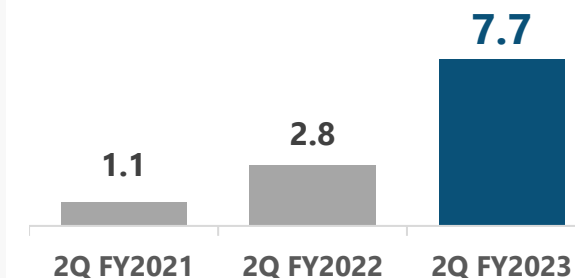
(¥ Million)

	2Q FY2021 (2020/10-2021/3)	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	Inc. (Dec.)
Net sales	4,644	11,467	<b>26,474</b>	<b>130.9%</b>
Gross profit	1,155	2,854	<b>7,731</b>	<b>170.8%</b>
Gross profit margin	24.9%	24.9%	<b>29.2%</b>	<b>4.3pt</b>
Operating profit	(816)	419	<b>4,129</b>	<b>884.9%</b>
Operating profit margin	-	3.7%	<b>15.6%</b>	<b>11.9pt</b>
Number delivered	60	185	<b>458</b>	<b>273</b>
Unit price	68.9	60.6	<b>57.7</b>	<b>(2.9)</b>

Net sales (¥ Billion)



Gross profit (¥ Billion)



Major condominiums delivered in FY2023

Name	Units	Average Price
Open Residencia Kagurazaka First (Tokyo)	25	¥ 90 million
Open Residencia Omiya Front (Saitama)	87	¥ 50 million
Open Residencia Sakaehushimi THE COURT (Nagoya)	70	¥ 30 million
Open Residencia Ohorikoen (Fukuoka)	44	¥ 30 million

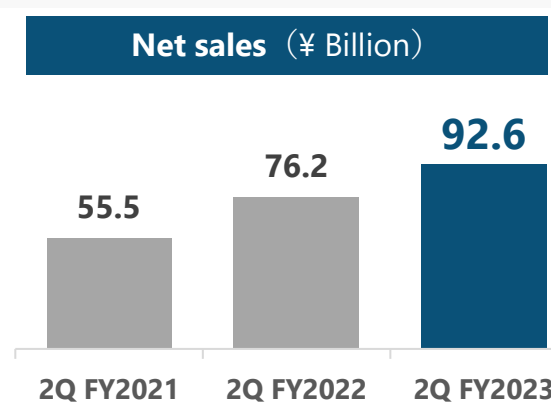
## Property Resale Business

- Appetite for investment properties was strong on the back of easing monetary policy.
- Growth through the effective use of group-wide real estate information.

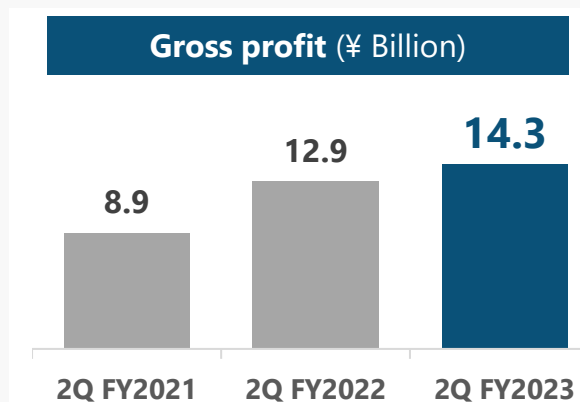
(¥ Million)

	2Q FY2021 (2020/10-2021/03)	2Q FY2022 (2021/10-2022/03)	2Q FY2023 (2022/10-2023/03)	Inc. (Dec.)
Net sales	55,589	76,205	<b>92,673</b>	<b>21.6%</b>
Gross profit	8,942	12,919	<b>14,315</b>	<b>10.8%</b>
Gross profit margin	16.1%	17.0%	<b>15.4%</b>	<b>(1.5)pt</b>
Operating profit	6,125	9,130	<b>10,886</b>	<b>19.2%</b>
Operating profit margin	11.0%	12.0%	<b>11.7%</b>	<b>(0.2)pt</b>
Number delivered	131	160	<b>195</b>	<b>35</b>
Unit price	416	461	<b>463</b>	<b>2</b>

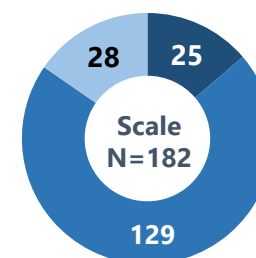
Net sales (¥ Billion)



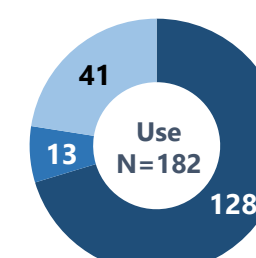
Gross profit (¥ Billion)



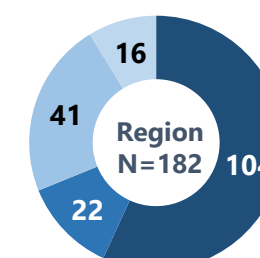
Breakdown of properties owned (Number of properties as of the end of March 2023)



■ ≤ ¥ 100MIL  
 ■ > ¥ 100 MIL ≤ ¥ 500 MIL  
 ■ > ¥ 500 MIL



■ Condominiums  
 ■ Office buildings  
 ■ Complex buildings



■ Tokyo  
 ■ Kanagawa  
 ■ Kansai, Chubu, Kyushu  
 ■ Other

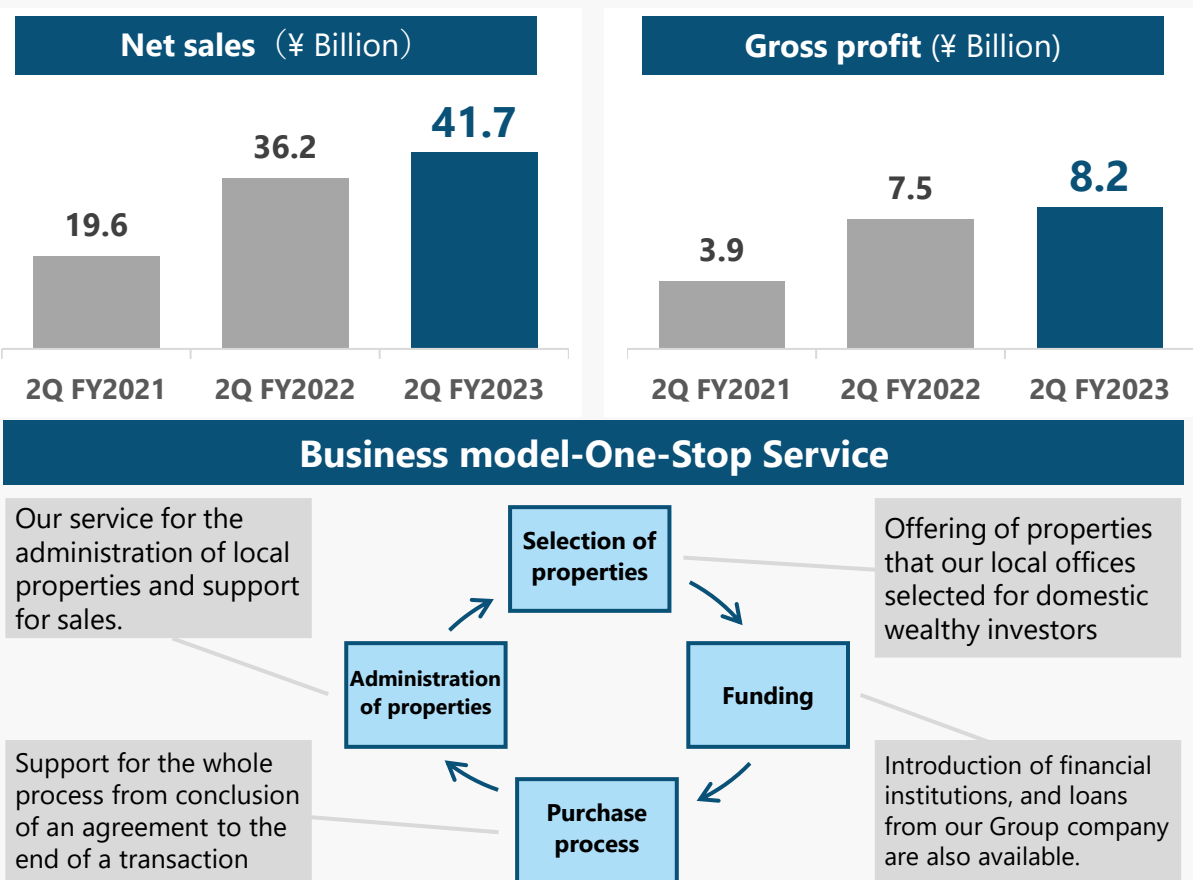
## Other Segment (U.S. Real Estate Business)

- High demand for investments that meet asset diversification needs.

(¥ Million)

	2Q FY2021 (2020/10-2021/3)	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	Inc. (Dec.)
Net sales	19,629	36,277	<b>41,769</b>	<b>15.1%</b>
Gross profit	3,996	7,538	<b>8,276</b>	<b>9.8%</b>
Gross profit margin	20.4%	20.8%	<b>19.8%</b>	<b>(1.0)pt</b>
Operating profit	2,117	4,564	<b>4,492</b>	<b>(1.6)%</b>
Operating profit margin	10.8%	12.6%	<b>10.8%</b>	<b>(1.8)pt</b>
Number delivered*	414	564	<b>511</b>	<b>(53)</b>
No. of buildings managed*	2,055	2,998	<b>3,935</b>	<b>937</b>

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



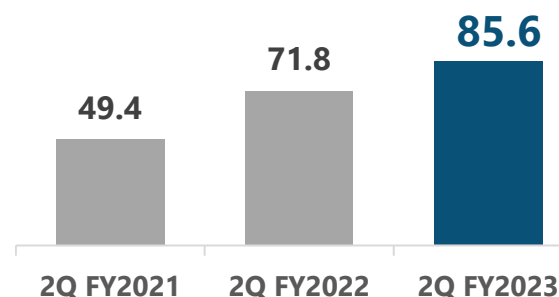
# Pressance Corporation

- As well as in the Tokyo Metropolitan area, demand for condominiums in Kansai area was strong in terms of both investment and actual.

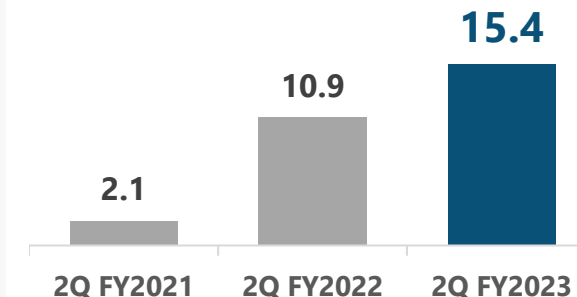
	2Q FY2021 (2020/10-2021/3)	2Q FY2022 (2021/10-2022/3)	2Q FY2023 (2022/10-2023/3)	Inc. (Dec.)
	(¥ Million)			
Net sales	49,492	71,827	<b>85,697</b>	19.3%
Gross profit	6,647	18,763	<b>23,544</b>	25.5%
Gross profit margin	13.4%	26.1%	<b>27.5%</b>	1.4pt
Operating profit	2,160	10,985	<b>15,416</b>	40.3%
Operating profit margin	4.4%	15.3%	<b>18.0%</b>	2.7pt
Actual by products	2,378	2,290	<b>3,147</b>	857
Studio-type condominiums	2,039	1,588	<b>2,238</b>	650
Family-type condominiums	339	702	<b>909</b>	207

\*Since Pressance Corporation became consolidated subsidiary in January 2021, the results for 2Q FY2021 are for the three months from January to March 2021.

## Net sales (¥ Billion)



## Operating profit (¥ Billion)



## Complementary relationships and key synergies between OHG and PSC

	Open House Group Co., Ltd.	Pressance Corporation
Regional Complementarity	<ul style="list-style-type: none"> <li>Strong in the Tokyo Metropolitan area</li> </ul>	<ul style="list-style-type: none"> <li>Strong in Kinki, Tokai and Chukyo regions</li> </ul>
Product Complementarity	<ul style="list-style-type: none"> <li>Single-family homes</li> <li>Condominiums</li> <li>Property resales</li> <li>U.S. real estate</li> </ul>	<ul style="list-style-type: none"> <li>Condominiums for investment</li> <li>Family-type condominiums</li> <li>Management of condominiums</li> </ul>
Key Synergies	<ul style="list-style-type: none"> <li>Single-family home business to tap into Kansai region</li> <li>Develop a business line of new condominiums for investment in the Tokyo metropolitan area</li> <li>Develop a real estate fund business managing primarily residential properties</li> </ul>	

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

(¥ Million)

SG&A Expenses						Non-Operating Income / Expenses					
	2Q FY2022 (2021/10-2022/3)		2Q FY2023 (2022/10-2023/3)		Inc. (Dec.)		2Q FY2022 (2021/10-2022/3)		2Q FY2023 (2022/10-2023/3)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales			Actual	% of net sales	Actual	% of net sales	
<b>SG&amp;A expenses</b>	31,593	6.9%	<b>35,612</b>	6.6%	<b>4,018</b>	<b>Non-Operating income</b>	3,709	0.8%	<b>972</b>	0.2%	<b>(2,737)</b>
Personnel expenses	9,893	2.2%	<b>11,278</b>	2.1%	<b>1,384</b>	Share of profit of entities accounted for using equity method	495	0.1%	<b>77</b>	0.0%	<b>(418)</b>
Sales commissions	3,673	0.8%	<b>3,822</b>	0.7%	<b>149</b>	Dividend income	1,656	0.4%	<b>113</b>	0.0%	<b>(1,543)</b>
Office maintenance cost	3,190	0.7%	<b>3,990</b>	0.7%	<b>799</b>	Profit on currency exchange	999	0.2%	-	-	<b>(999)</b>
Advertising expenses	1,855	0.4%	<b>1,957</b>	0.4%	<b>102</b>	Other	557	0.1%	<b>781</b>	0.1%	<b>223</b>
Promotion expenses	866	0.2%	<b>1,689</b>	0.3%	<b>823</b>	<b>Non-operating expenses</b>	2,081	0.5%	<b>3,086</b>	0.6%	<b>1,004</b>
Others	12,114	2.7%	<b>12,873</b>	2.4%	<b>759</b>	Interest expenses	1,704	0.4%	<b>1,902</b>	0.4%	<b>197</b>
						Commission expenses	257	0.1%	<b>263</b>	0.0%	<b>5</b>
						Foreign exchange loss	-	-	<b>325</b>	0.1%	<b>325</b>
						Other	118	0.0%	<b>595</b>	0.1%	<b>476</b>



## Consolidated Balance Sheet

### ■ Continued to maintain an equity ratio of 30% or more and a high level of financial stability.

(¥ Million)

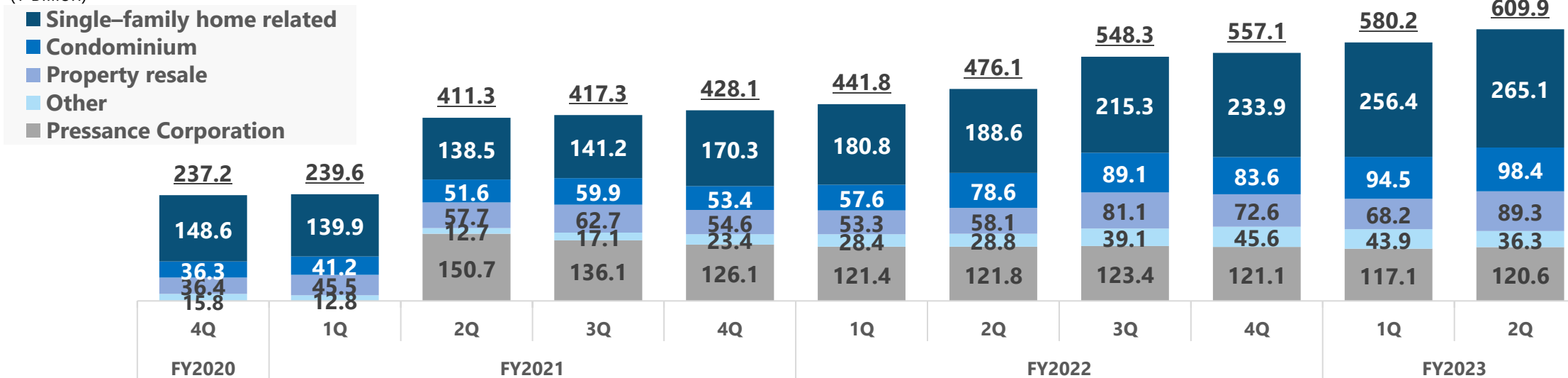
	FY2022	2Q FY2023	Inc. (Dec.)		FY 2022	2Q FY2023	Inc. (Dec.)
	<b>Consolidated balance sheet</b>						
<b>Current assets</b>	981,656	<b>1,035,447</b>	53,791	<b>Liabilities</b>	635,472	<b>663,603</b>	28,131
Cash and deposits	349,305	<b>342,653</b>	(6,652)	Current liabilities	309,495	<b>317,285</b>	7,790
Inventories	557,105	<b>609,945</b>	52,840	Non-current liabilities	325,976	<b>346,318</b>	20,341
Others	75,245	<b>82,848</b>	7,602	<b>Net assets</b>	395,702	<b>430,243</b>	34,540
<b>Non-current assets</b>	49,518	<b>58,399</b>	8,880	Shareholders' equity	326,221	<b>362,661</b>	36,440
Property, plant and equipment	21,123	<b>26,569</b>	5,446	Valuation and translation adjustments	11,874	<b>6,605</b>	(5,269)
Intangible assets	2,925	<b>2,775</b>	(149)	Non-controlling interests	57,606	<b>60,976</b>	3,369
Investments and other assets	25,470	<b>29,053</b>	3,583	<b>Total liabilities and net assets</b>	1,031,174	<b>1,093,847</b>	62,672
<b>Total asset</b>	1,031,174	<b>1,093,847</b>	62,672				
<b>Safety index</b>							
	FY2022	2Q FY2023	Inc. (Dec.)		FY2022	2Q FY2023	Inc. (Dec.)
<b>Net D/E ratio</b>	0.5	<b>0.5</b>	0.1	<b>Equity ratio</b>	32.7%	<b>33.7%</b>	0.9pt
<b>D/E ratio</b>	1.5	<b>1.5</b>	(0.0)	<b>Current ratio</b>	317.2%	<b>326.3%</b>	9.2pt

## Inventory Details

(¥ Million)

	FY2020	FY2021	FY2022	2Q FY2023	Ratio	Inc. (Dec.)
<b>Inventory</b>	237,287	428,129	557,105	<b>609,945</b>	<b>100.0%</b>	<b>52,840</b>
<b>Single-family homes related</b>	148,676	170,389	233,979	<b>265,185</b>	<b>43.5%</b>	<b>31,206</b>
<b>Condominiums</b>	36,339	53,496	83,632	<b>98,460</b>	<b>16.1%</b>	<b>14,827</b>
<b>Property resales</b>	36,445	54,681	72,678	<b>89,389</b>	<b>14.7%</b>	<b>16,710</b>
<b>Others</b>	15,825	23,452	45,639	<b>36,304</b>	<b>6.0%</b>	<b>(9,335)</b>
<b>Pressance Corporation</b>	-	126,109	121,174	<b>120,606</b>	<b>19.8%</b>	<b>(568)</b>

(¥ Billion)



## 2. Consolidated Business Performance Forecasts for FY2023



**OPEN HOUSE GROUP**

## Consolidated Business Performance Forecasts

- Made an upward revision to the forecasts of the financial results for FY2023, reflecting good progress in 2Q.
- The annual dividend forecasts also increased to ¥164.00, up ¥35.00 YoY.

(¥ Million)

	FY2022 (2021/10-2022/9)		Previous forecasts (2022/10-2023/9)		Revised forecasts (2022/10-2023/9)		Inc. (Dec.)	
	Actual	Inc. (Dec.)	Forecasts	Inc. (Dec.)	Forecasts	Inc. Dec.)		
Net sales	952,686	17.5%	<b>1,100,000</b>	<b>15.5%</b>	<b>1,130,000</b>	<b>18.6%</b>	<b>30,000</b>	
Operating profit	119,358	18.1%	<b>134,000</b>	<b>12.3%</b>	<b>141,000</b>	<b>18.1%</b>	<b>7,000</b>	
Ordinary profit	121,166	24.2%	<b>130,000</b>	<b>7.3%</b>	<b>136,500</b>	<b>12.7%</b>	<b>6,500</b>	
Profit attributable to owners of parent	77,884	11.9%	<b>86,000</b>	<b>10.4%</b>	<b>92,000</b>	<b>18.1%</b>	<b>6,000</b>	
EPS (yen)	626.24	-	<b>713.79</b>	-	<b>763.54</b>	-		Ordinary dividend
Annual dividends per share (yen)	129.00	17.00	<b>154.00</b>	<b>25.00</b>	<b>164.00</b>	<b>35.00</b>	<b>154.00</b>	<b>10.00</b>
Payout ratio	20.6%	-	<b>21.6%</b>	-	<b>21.5%</b>	-	<b>20.2%</b>	<b>1.3%</b>

## Consolidated Business Forecasts (Net Sales by Business Segments)

- Made upward revisions mainly to the performance in single family home related business and property resale business.
- Aiming for sales growth exceeding the previous year's performance, with well-balanced growth between actual demand and investment.

(¥ Million)

	FY2022 (2021/10-2022/9)		Previous forecasts (2022/10-2023/9)	
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)
<b>Total</b>	952,686	17.5%	<b>1,100,000</b>	<b>15.5%</b>
<b>Single-family home related business</b>	516,554	15.6%	<b>569,300</b>	<b>10.2%</b>
<b>Condominium</b>	62,362	32.3%	<b>120,000</b>	<b>92.4%</b>
<b>Property resale</b>	155,961	26.7%	<b>170,000</b>	<b>9.0%</b>
<b>Others (including U.S. real estate business)</b>	74,471	64.9%	<b>80,700</b>	<b>8.4%</b>
<b>Pressance Corporation</b>	145,324	(2.7)%	<b>160,000</b>	<b>10.1%</b>
<b>Adjustments</b>	(1,987)	-	-	-



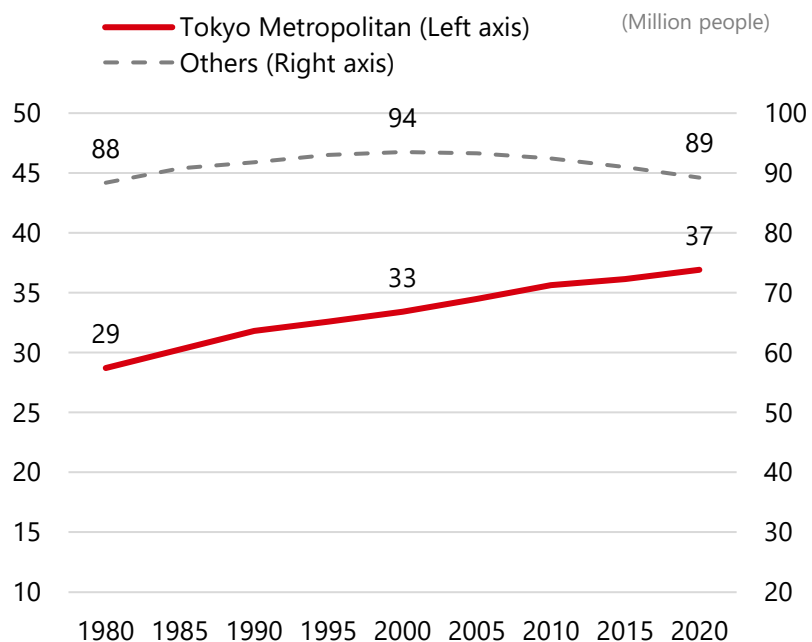
FY2023 (2022/10-2023/9)		Inc. (Dec.)
Forecast	Inc. (Dec.)	
<b>1,130,000</b>	<b>18.6%</b>	<b>30,000</b>
<b>584,300</b>	<b>13.1%</b>	<b>15,000</b>
<b>123,000</b>	<b>97.2%</b>	<b>3,000</b>
<b>182,000</b>	<b>16.7%</b>	<b>12,000</b>
<b>80,700</b>	<b>8.4%</b>	-
<b>160,000</b>	<b>10.1%</b>	-
-	-	-

# Competitive Advantages (Single-family Home Related Business)

- Operating in urban areas (Tokyo Metropolitan area) with a high population density.

## Population Trends in Japan

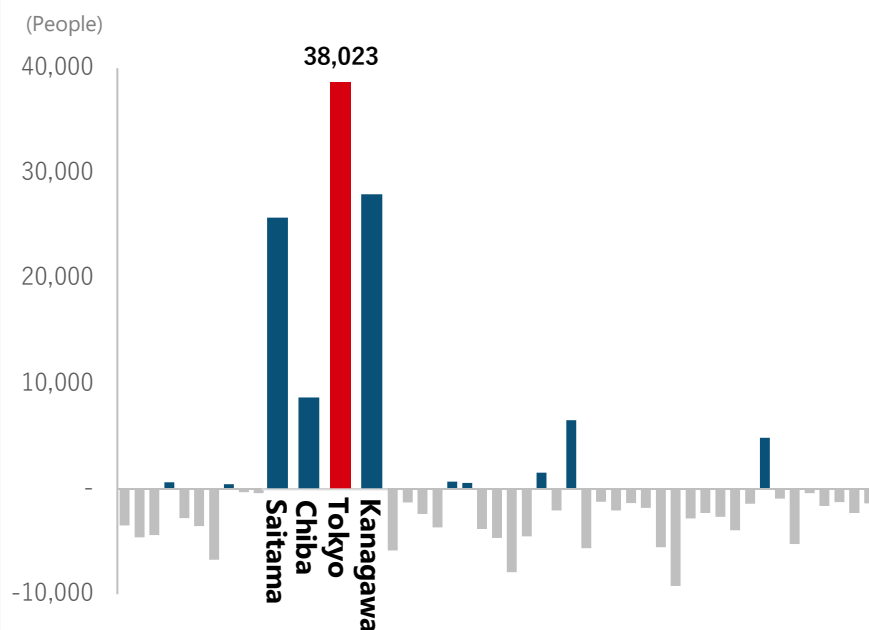
The Tokyo Metropolitan area has shown an upward trend while the others are on the decline.



Source: Ministry of Internal Affairs and Communications, "Population Census, Basic Tabulation of Population, etc."

## Number of excess transfers by prefecture in 2022

Re-acceleration of population in the Tokyo Metropolitan area

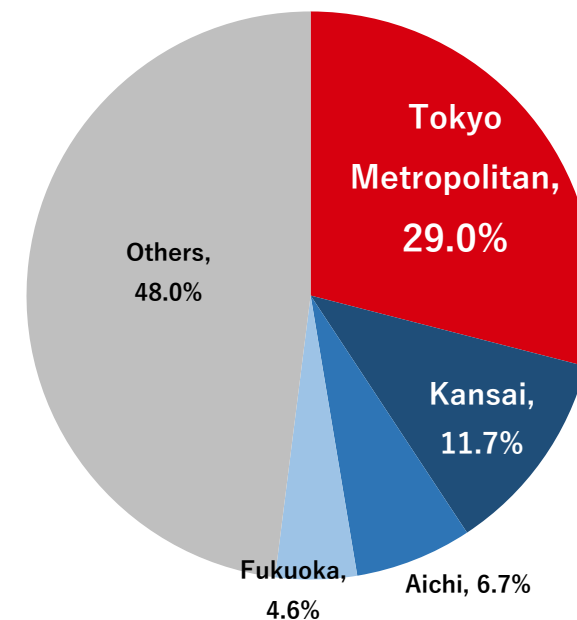


Source: Ministry of Internal Affairs and Communications, "Basic Resident Ledger Population Movement Report"

## Percentage of Births by Prefecture in 2022

Approx. 30% of children born in 2022 are born in the Tokyo Metropolitan area

Nationwide : Approx. 800,000 people



Source: Ministry of Health, Labor and Welfare, "Demographic Survey."

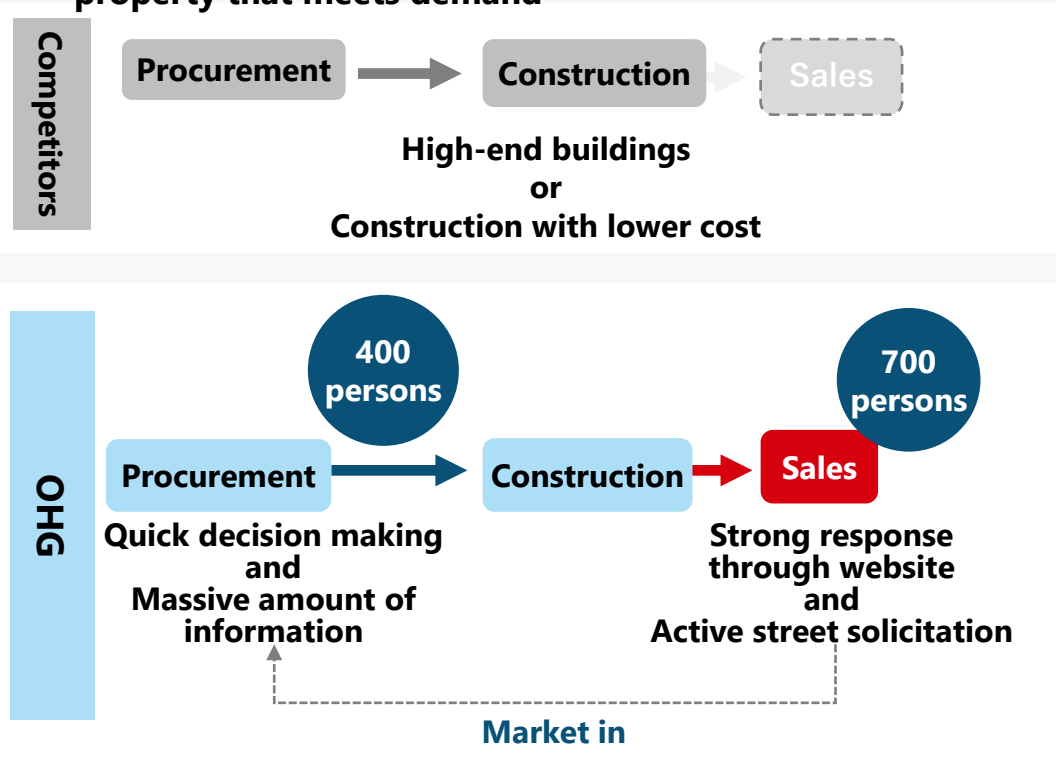
# Competitive Advantages (Single-family Home Related Business)

- Having an inhouse sales team enables the Company to maintain stable inventory.

## Value chain of integrated manufacturing and sales operations

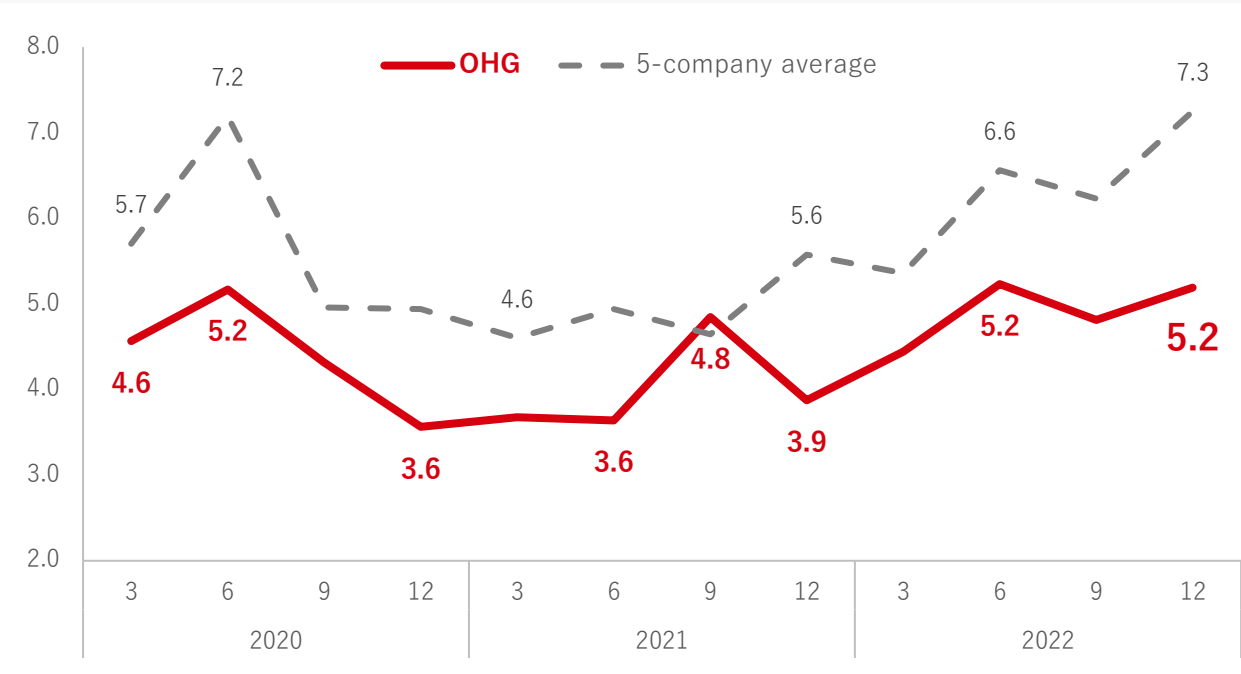
Having an inhouse sales team enables

- ▶ Strong sales capability to sell off inventory
- ▶ Customer demand is reflected in procurement; procuring property that meets demand



## Trend in inventory turnover period

Selling off the inventory in areas where there is demand allows for early capital recovery.



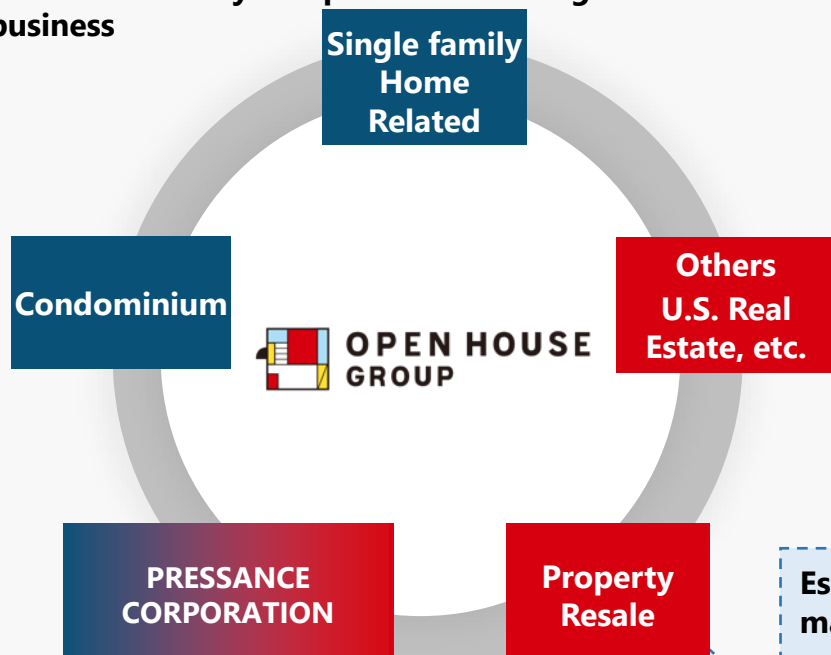
Source: OHG: Our single-family home related business  
 5-company average: Weighted average of 5 major housing companies  
 Calculation method: Inventories (average for the period) / (quarterly sales / 3)

# Competitive Advantages (All Segments)

## Business portfolio composed of actual demand and investment

### Utilizing massive information

Information sharing between **actual demand segments** and **investment segments**.  
 Growth driven by comprehensive strength in the real estate business



### Opportunity and risk diversification effects

	Actual	Investment
Customers	Average income holders	Wealthy individuals and corporations
Background	Increase in the number of dual-income households Concentration of population in urban areas	Continuing easing monetary policy Money glut
Strategy	Area expansion in urban areas Efficiency through integrated manufacturing and sales	Concentration on small properties and risk reduction driven by high turnover.

Established "Open House REIT Investment Corporation" as an asset management business.  
 Start of operation: September 2022  
 Scale: Approx. ¥12.5 billion (as of September 2022)  
 Target: Mainly rental housing  
 Utilizing OHG's information capacity and procurement capability, etc.

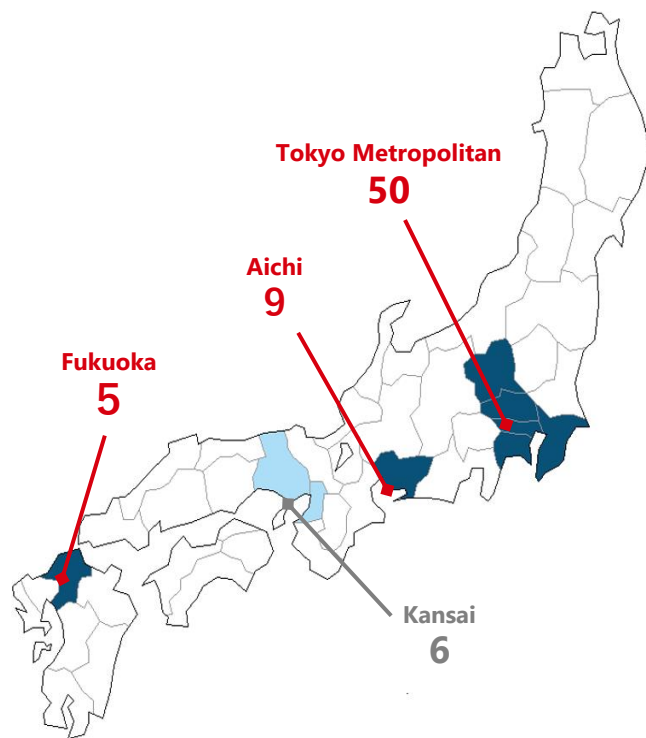


# Reference: Market Share of Single-family Home Related Business

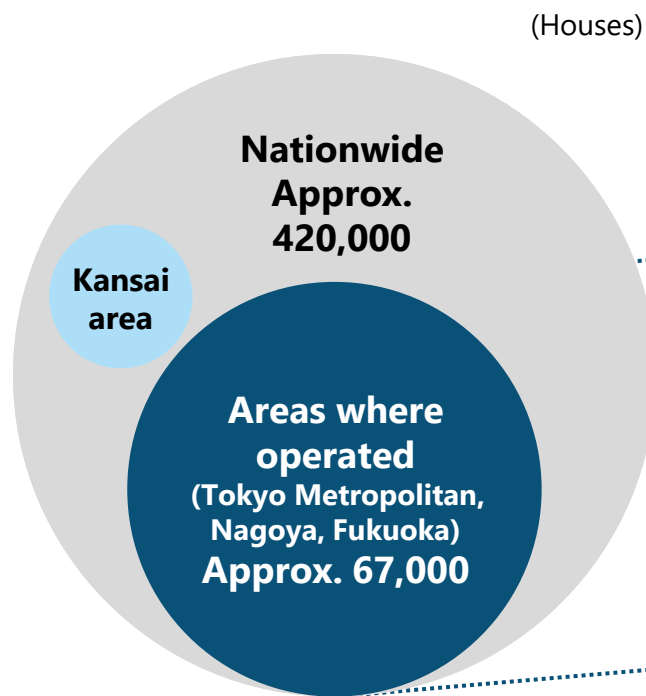
## Nationwide market size

- Sales have trended at an average annual growth rate of 25% despite the market has remained flat.
- Market share in operating areas is still about 10%, with room for further expansion.

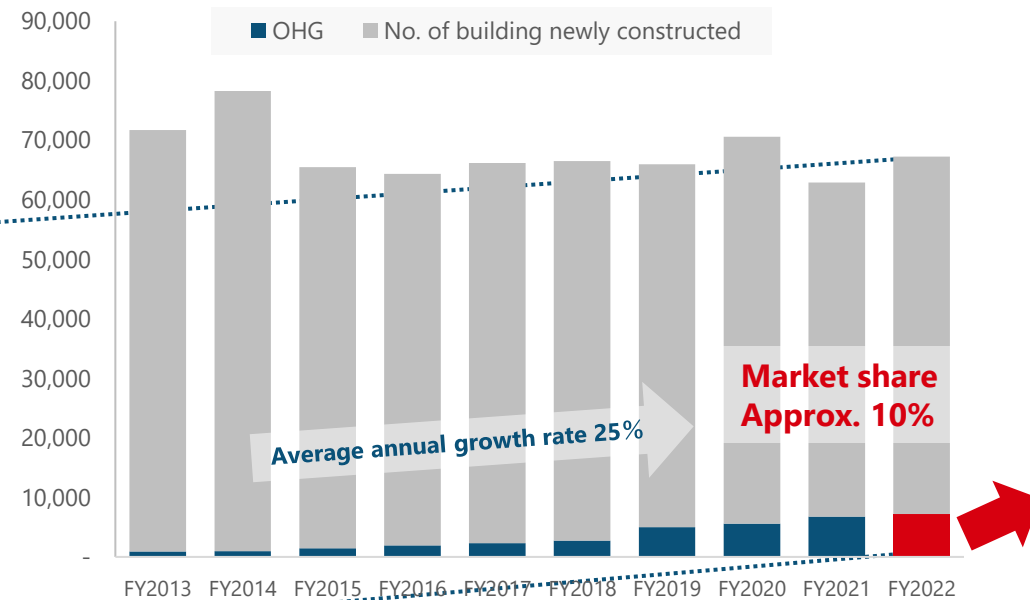
Number of sales centers of each area



Market size in the areas where operated



Trends in number of buildings newly constructed



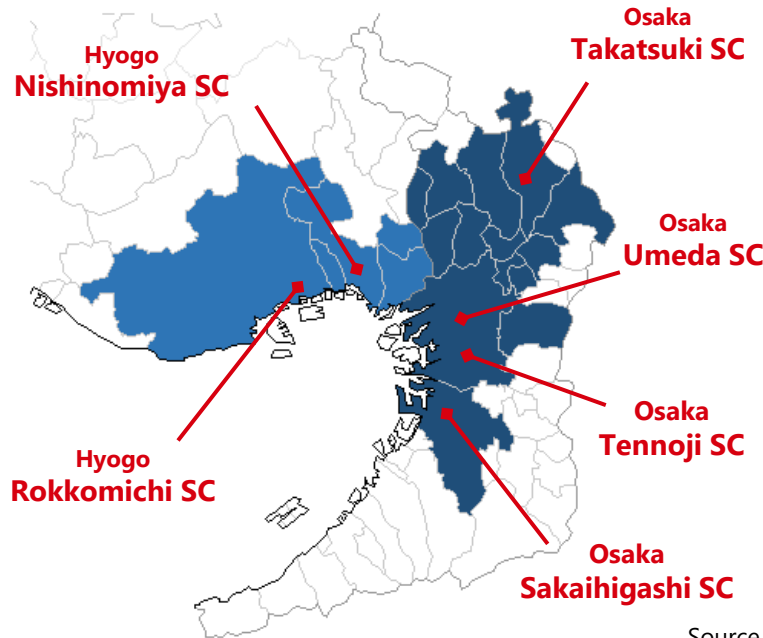
Source  
**No. of buildings newly constructed :**  
 "Construction Statistics", "Statistics on Building Construction Started",  
 Ministry of Land, Infrastructure, Transport and Tourism.  
**OHG :** No. of buildings delivered (built for sale + contracted)

# Reference: Market Share of Single-family Home Related Business

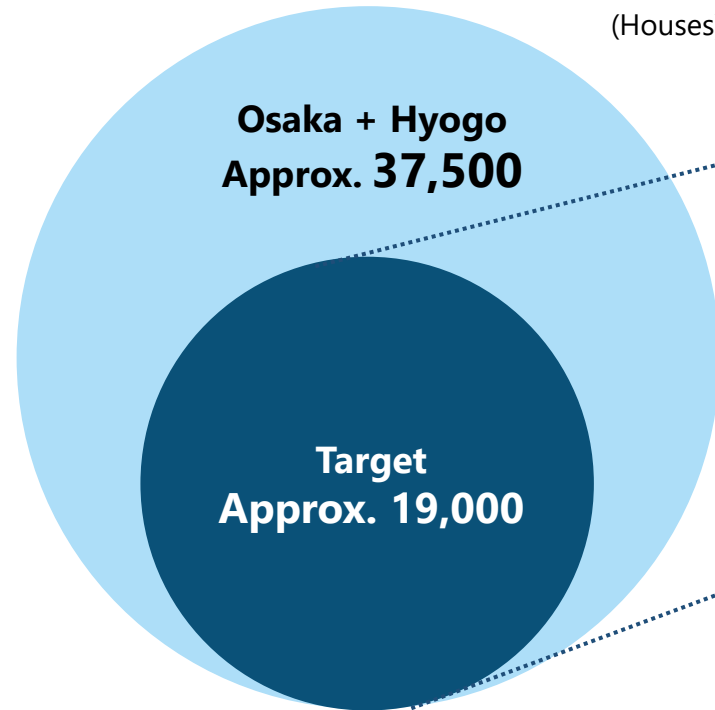
## Market size in Kansai area

- The company targets Approx. half of Osaka and Hyogo areas, expanding market share in Kansai area with a dominant strategy.
- The target market size is about the same size as the one in Tokyo's 23 wards. Aiming for rapid business expansion.

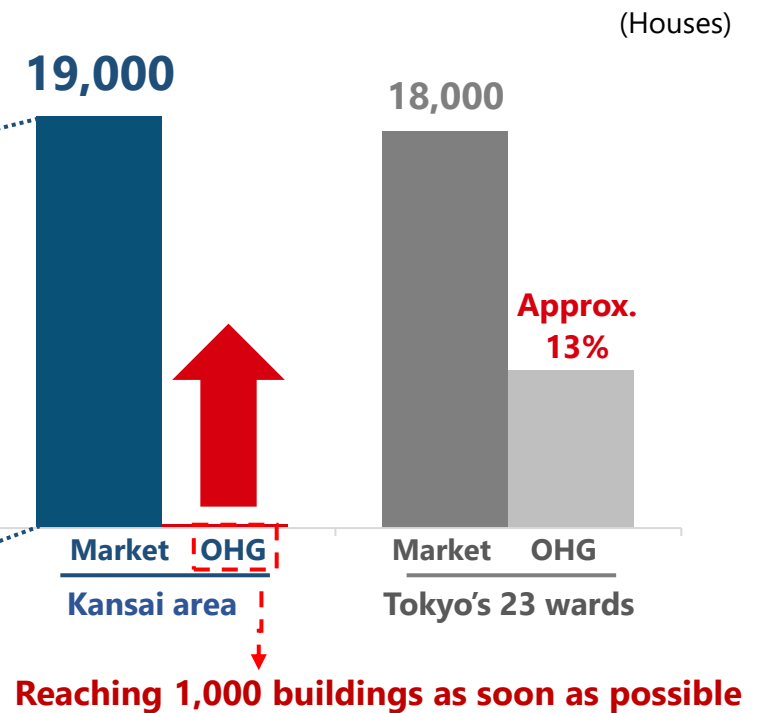
Target areas and existing sales centers



Target market size in Kansai area



Comparison of target market & Tokyo's 23 wards

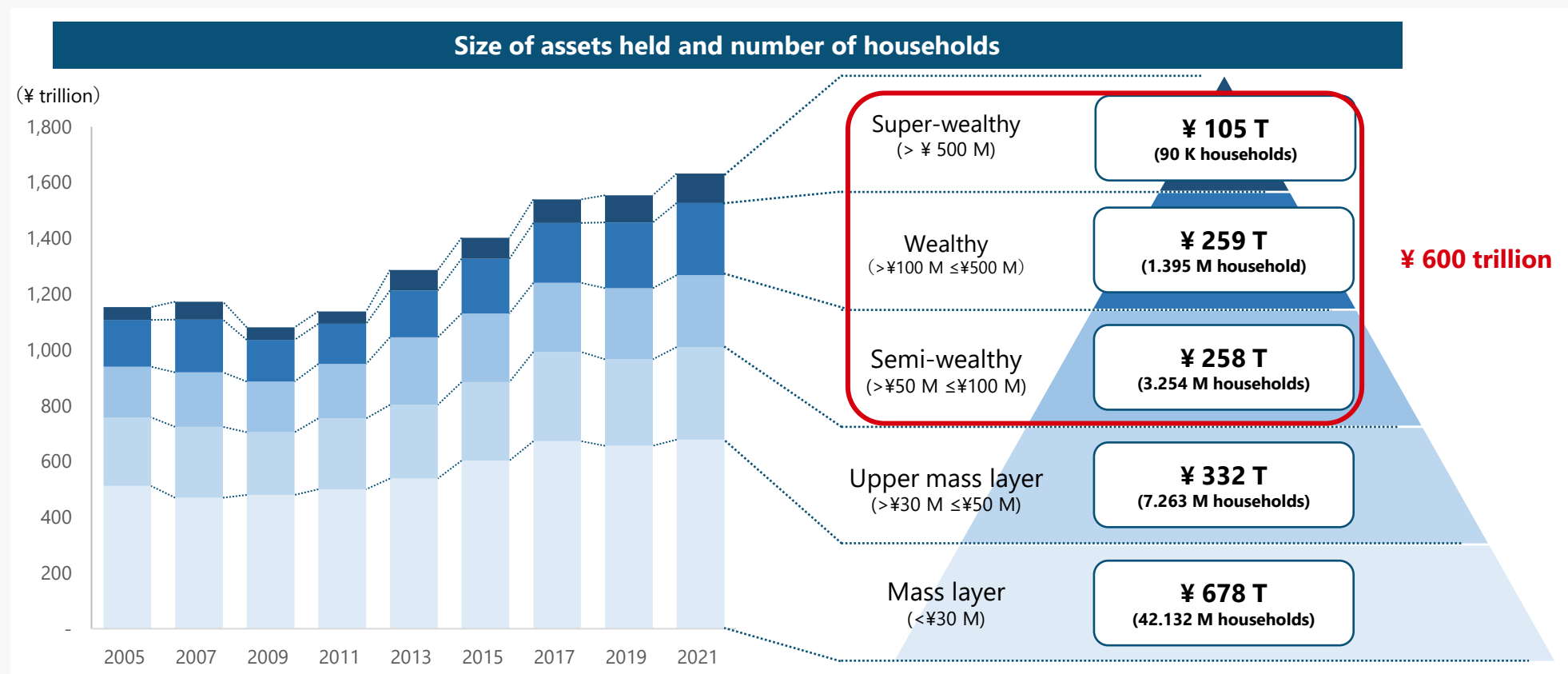


Source  
 No. of buildings newly constructed :  
 "Construction Statistics", "Statistics on Building Construction Started", Ministry of Land, Infrastructure, Transport and Tourism.  
 OHG : Number of buildings delivered by OHD and HO (built for sale + contracted)

Reaching 1,000 buildings as soon as possible

## Reference: Size of Wealth Holdings of Domestic Wealthy Individuals

- Financial assets of the domestic wealthy have been on the rise.
- Developing the ¥600 trillion high-net-worth market with demand for asset diversification.



Source: Nomura Research Institute, Ltd. News release

"News Release "Nomura Research Institute estimates that there are 1.49 million affluent households in Japan with total net financial assets of 364 trillion yen."

### 3. The Mid-term Business Plan



**OPEN HOUSE GROUP**

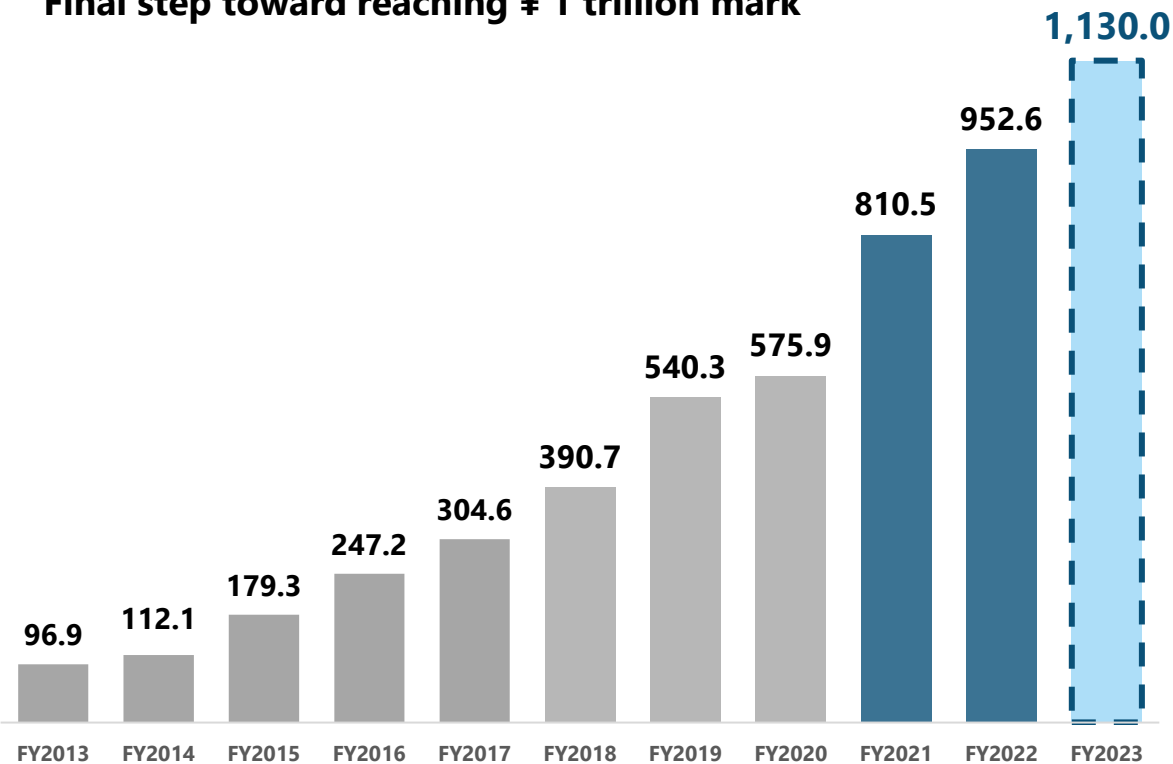
## Net Sales Trends and Capital / Financial Policies

### Net sales trends

The second mid-term management plan

**"Ikoze iccho! 2023"**

Final step toward reaching ¥ 1 trillion mark

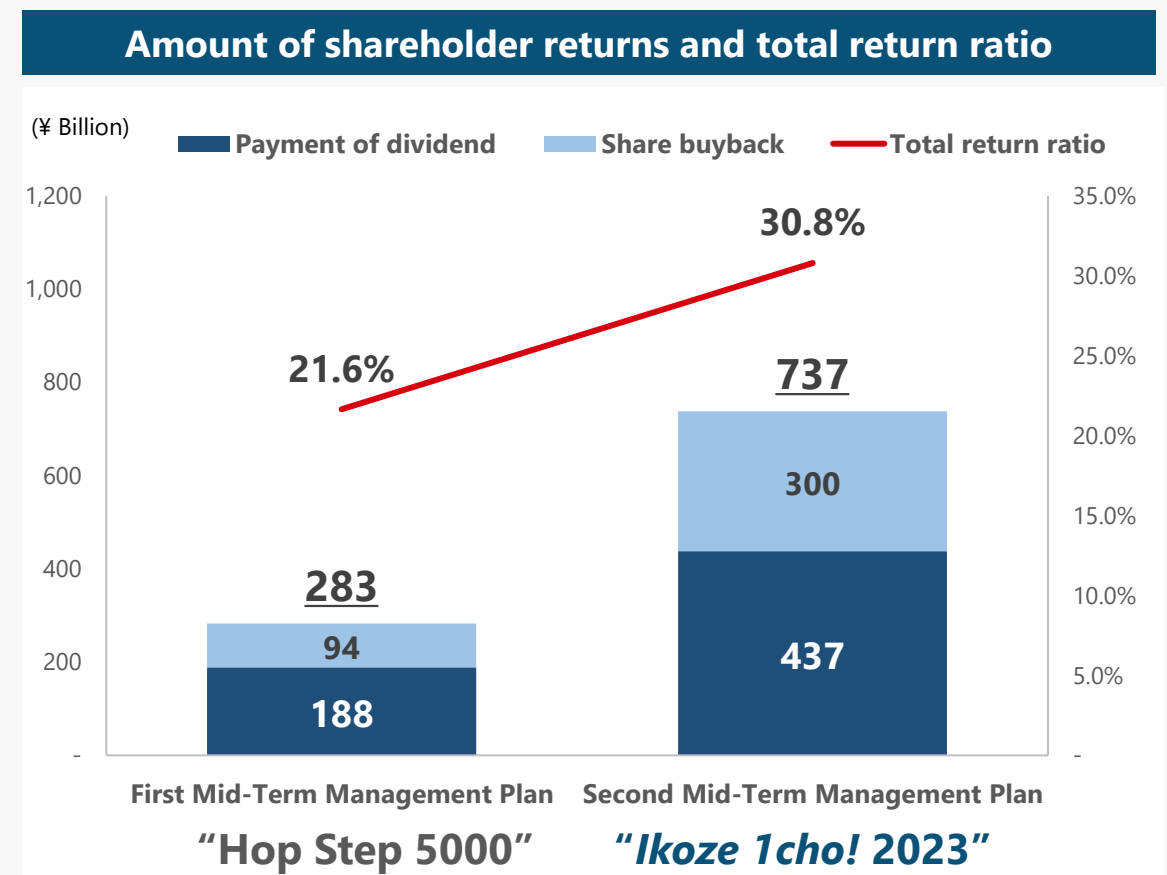
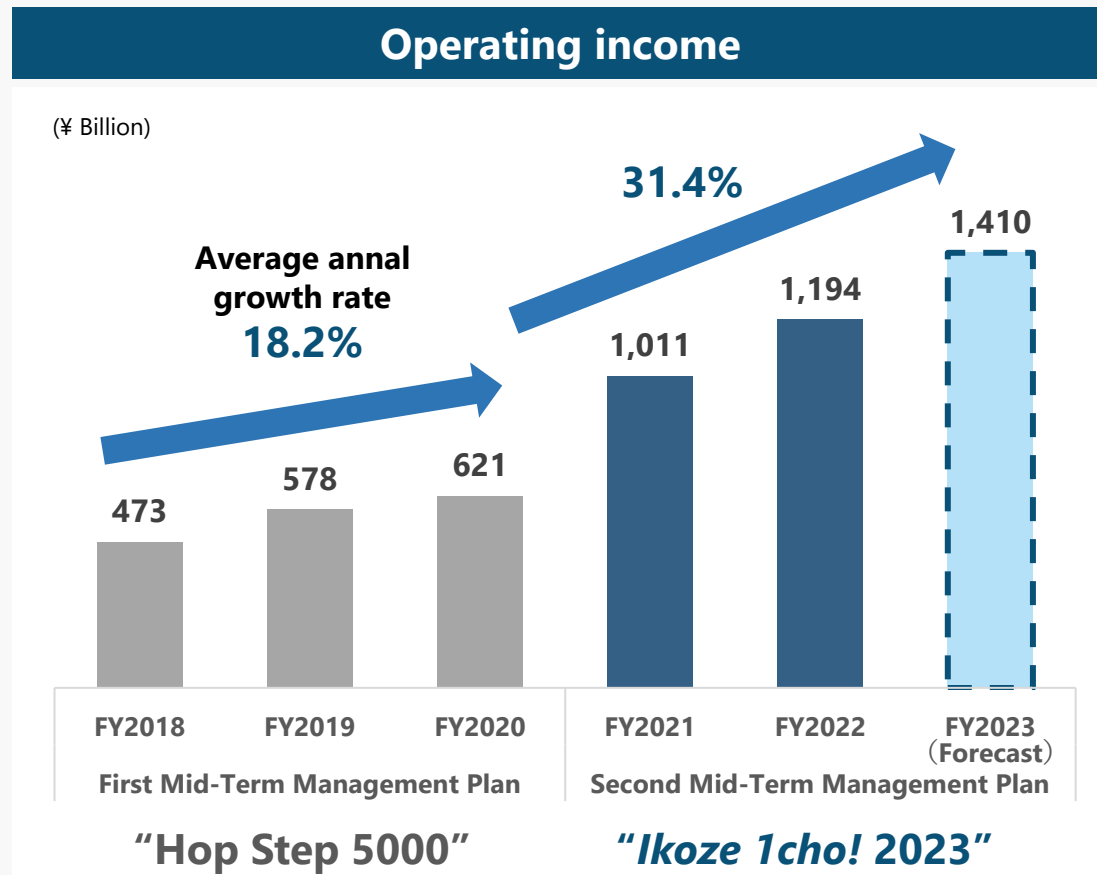


### Capital / financial policies

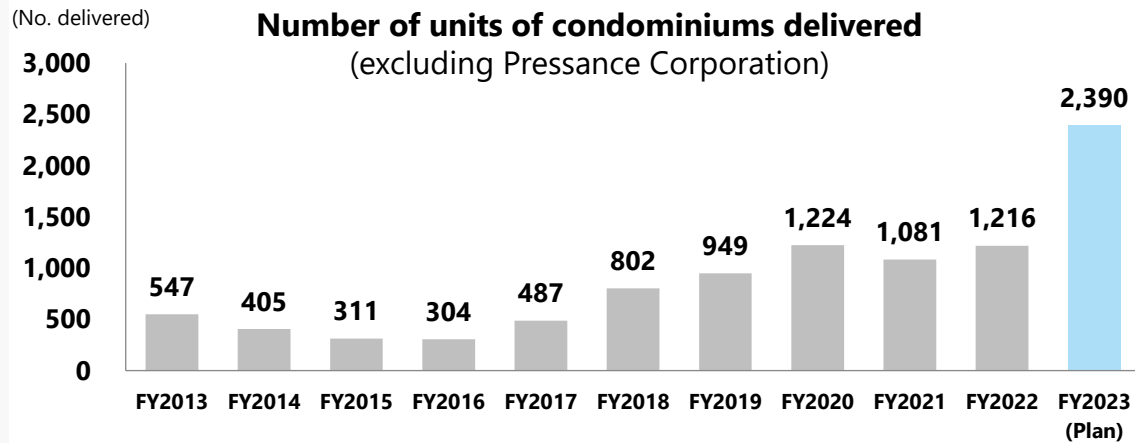
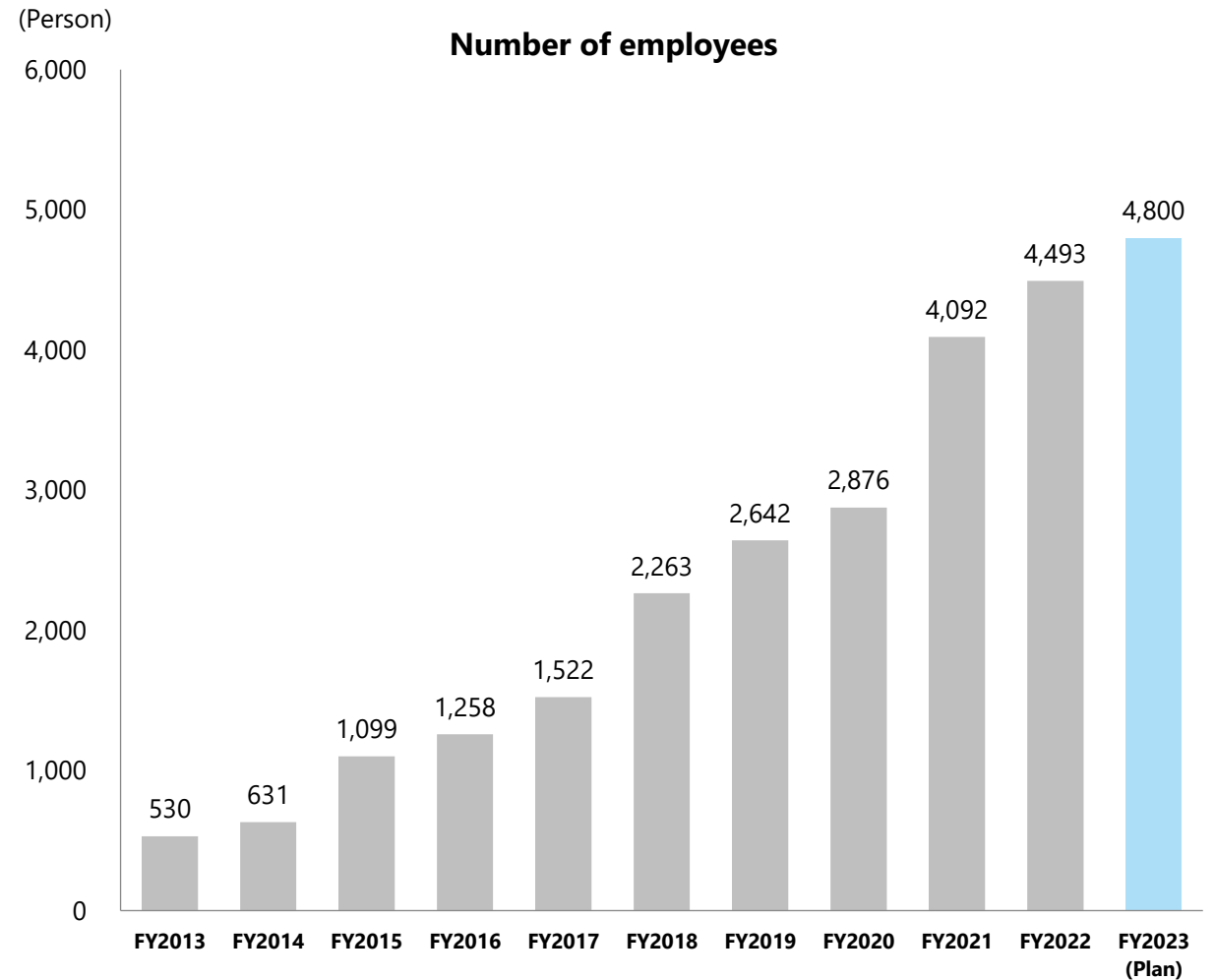
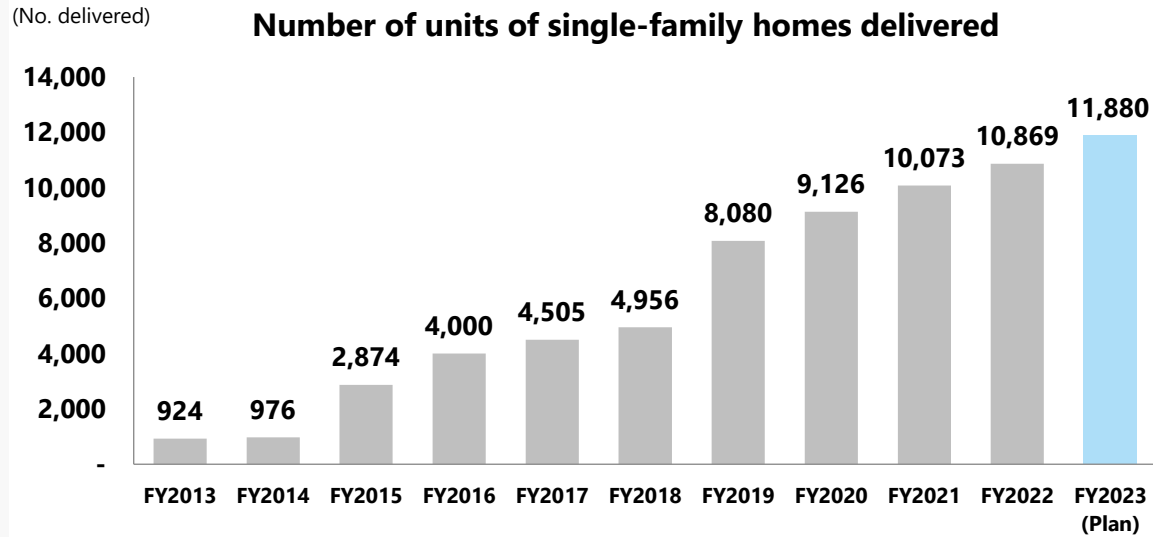
- Equity ratio of **30%** or more
- Net D/E ratio **1 time** or less
- ROE **20%** or more
- Dividend payout ratio **20%**
- Share buybacks in a flexible manner
- Proactive investment in growth opportunities

## Operating Income and Shareholder Returns

- Steady profit growth and increase in total return ratio.
- Continuing to pursue optimal allocation between investment in growth and shareholder returns.



# Quantitative Targets



## 4. Sustainability



**OPEN HOUSE GROUP**



## Open House Group Sustainability

Realization of a **sustainable society**, made possible by **Open House Group**

**Regional  
cocreation**

**Supplying  
affordable housing  
in the Tokyo  
Metropolitan area**

**Popularizing  
wooden  
houses**

**Promoting  
decarbonization  
for the next  
generation**

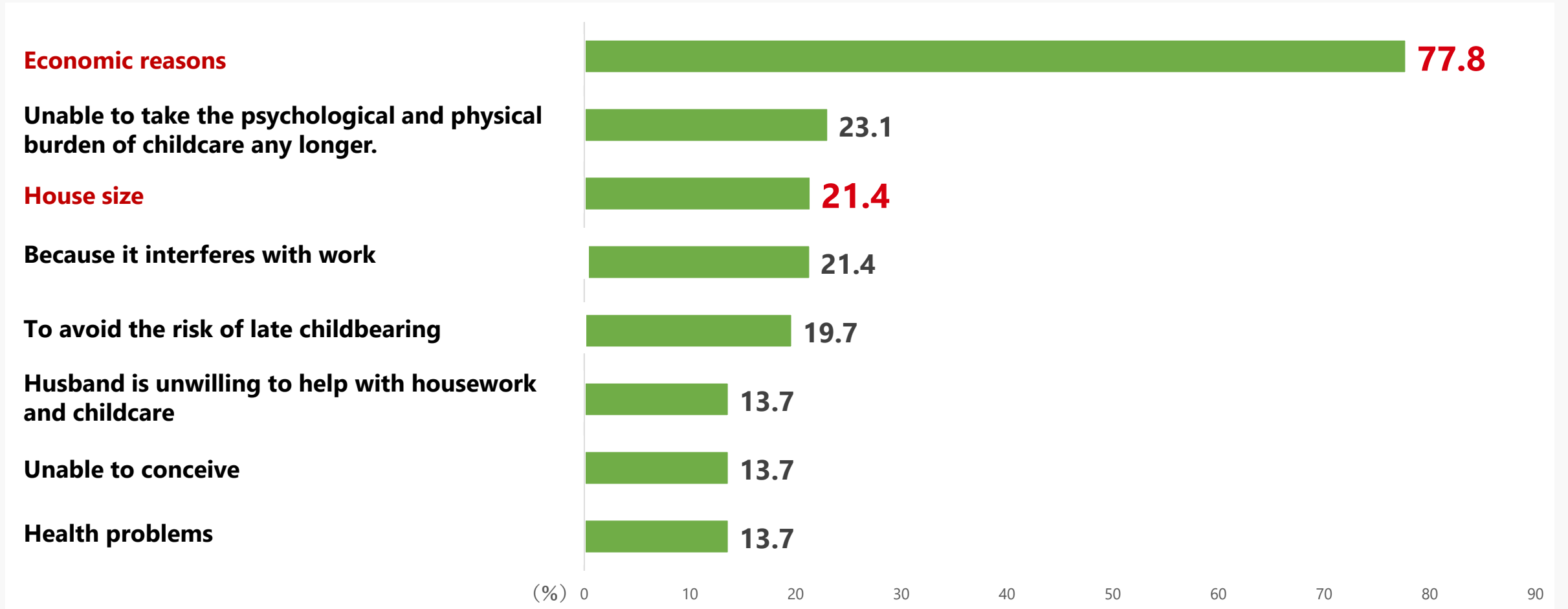
**Promotion of  
women's  
participation  
in workplace**

**Corporate culture in  
which motivated  
people can find  
fulfillment  
in their work**

# Social Issues

## Reasons for not having the ideal number of children

(Couples whose expected number of children is less than their ideal number of children, under 35 years old)



Source: "The 16th Japanese National Fertility Survey", National Institute of Population and Social Security Research

## Supplying Affordable Houses in the Tokyo Metropolitan Area



**Convenient  
and good  
location**

- ❑ Proactively procuring narrow and deformed land in convenient locations
- ❑ Planning for larger living spaces while maximizing the size of the land

**Compact but  
comfortable  
living space**

- ❑ Using design ingenuity to create larger living spaces despite site restrictions
- ❑ Design changes can be made to create workspaces to work from home

**Community  
development  
for the next  
generation**

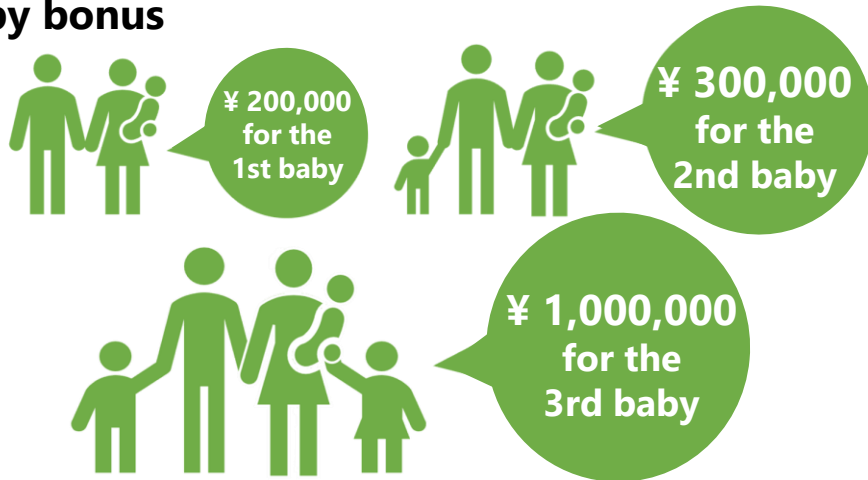
- ❑ 90% of customers are in their 20s~40s, revitalizing local communities through urban development tailored to the working generation
- ❑ Promoting the creation of greener environments by planting around the limited space at home

## Corporate Culture in which Motivated People Can Find Fulfillment in Their Work

### ■ Continuous increase in starting salary for new graduates

	2017	⇒	2018	2021	⇒	2022
Starting salary (monthly)	¥ 270,000	⇒	¥ 300,000	¥ 300,000	⇒	¥ 330,000

### ■ Baby bonus



- Support for balancing childcare and work  
Babysitter allowance up to ¥300,000 per month.

### New

### ■ Launched "Single Parent Allowance"

Eligible employees:

Employees who are single parents and have children of elementary school age or younger as dependents.

Amount paid:

**¥50,000** per family per month



## Sustainable Finance

- Introduced KPIs for sustainability initiatives: receiving third-party assessments.
- Long-term sustainable finance underpins these initiatives.

- **Positive Impact Finance\*<sup>1</sup>**  
(Mizuho Bank, Ltd.)

<b>Loan amount</b>	<b>¥10 billion</b>
<b>Loan period</b>	<b>10 years</b>
<b>Use of fund</b>	<b>Business fund</b>
<b>Issue date</b>	<b>February 28, 2022</b>

- **Positive Impact Finance**  
(Resona Bank, Limited)

<b>Loan amount</b>	<b>¥5 billion</b>
<b>Loan period</b>	<b>10 years</b>
<b>Use of fund</b>	<b>Business fund</b>
<b>Issue date</b>	<b>March 20, 2023</b>

- **Syndicated loans under ESG/SDGs Assessment\*<sup>2</sup>**  
(Sumitomo Mitsui Banking Corporation)

<b>Loan amount</b>	<b>¥20.5 billion</b>
<b>Loan period</b>	<b>10 years</b>
<b>Use of fund</b>	<b>Business fund</b>
<b>Issue date</b>	<b>September 28, 2022</b>

\*<sup>1</sup>: Positive Impact Finance is borrowing in line with the Positive Impact Finance Principles proposed by the United Nations Environment Programme and Finance Initiative (UNEP FI) (a common framework for finance to achieve SDGs, which involves both positive and negative impact assessment of the three dimensions of sustainable development (environmental, social and economic)).

\*<sup>2</sup>: It is a syndicated loan whereby a borrower's ESG/SDG related activities and information disclosure are assessed at the time of syndication, in accordance with certain standards developed jointly by SMBC and The Japan Research Institute, Limited (JRI).



## Regional Co-creation – Open House Arena

- The first game was held at the new arena with cutting-edge facilities such as the nation's largest movable center vision.
- The arena will become a new landmark in Ohta where people from both in and outside the city enjoy sports.



## Strengthening Governance of Group Subsidiaries

- The following initiatives were implemented based on the message from top management that "no harassment will be tolerated".

### **1) Conducted harassment training for senior management.**

Conducted training ran by outside attorneys for senior management of OHG and major subsidiaries.

### **2) Expansion of internal reporting system**

Established an internal whistle-blowing system at major subsidiaries using LINE, software which familiar to employees, while ensuring confidentiality.

### **3) Reinforcement of the Risk Management Department at head quarters to strengthen the governance of subsidiaries**

Increased the number of risk and labor management personnel and strengthened cooperation with the administration department of major subsidiaries.

## 5. Supplemental Financial Data



**OPEN HOUSE GROUP**



# Consolidated Financial Results Trend

(¥ Million)

		FY2021				FY2022				FY2023		FY2021	FY2022	FY2023	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Actual	Actual	Plan	
<b>Single-family homes related</b>	Net sales	121,524	113,679	115,344	96,411	136,051	124,719	115,787	139,995	141,735	<b>154,042</b>	446,959	516,554	<b>584,300</b>	
	Gross profit	22,656	22,345	23,455	18,795	28,339	21,576	20,194	23,801	24,925	<b>26,845</b>	87,252	93,912	<b>97,800</b>	
	Gross Profit margin	18.6%	19.7%	20.3%	19.5%	20.8%	17.3%	17.4%	17.0%	17.6%	<b>17.4%</b>	19.5%	18.2%	<b>16.7%</b>	
	Operating Profit	17,045	15,864	16,834	12,549	21,799	14,153	12,634	14,426	16,484	<b>18,692</b>	62,294	63,014	-	
	Operating Profit margin	14.0%	14.0%	14.6%	13.0%	16.0%	11.3%	10.9%	10.3%	11.6%	<b>12.1%</b>	13.9%	12.2%	-	
<b>Open House Development</b>	Net sales	75,568	73,229	77,046	68,324	86,733	81,974	80,171	87,623	98,829	<b>105,090</b>	294,169	336,502	<b>393,500</b>	
	Gross profit	14,075	14,763	15,423	13,442	18,626	14,862	14,982	15,212	17,822	<b>18,923</b>	57,705	63,683	-	
	Gross Profit margin	18.6%	20.2%	20.0%	19.7%	21.5%	18.1%	18.7%	17.4%	18.0%	<b>18.0%</b>	19.6%	18.9%	-	
	Number delivered	Built-for-sale houses	881	853	878	784	787	837	919	1,081	1,184	<b>1,267</b>	3,396	3,624	<b>4,890</b>
		Lands	845	801	766	676	1,042	849	725	786	833	<b>940</b>	3,088	3,402	<b>3,740</b>
		Built-to order houses	403	440	499	472	408	444	553	513	544	<b>474</b>	1,814	1,918	<b>1,690</b>
Unit price	Built-for-sale houses	40.3	39.7	41.8	41.6	43.4	43.1	43.1	42.8	44.0	<b>43.6</b>	40.9	43.1	-	
	Lands	40.4	40.8	42.8	42.2	44.3	46.1	44.4	42.7	45.6	<b>44.3</b>	41.5	44.4	-	
<b>Hawk One</b>	Net sales	33,695	28,933	25,510	17,191	36,429	28,207	24,547	36,168	28,992	<b>35,637</b>	105,329	125,352	<b>134,000</b>	
	Gross profit	5,855	5,266	5,067	3,594	7,316	4,907	4,117	5,484	4,702	<b>5,018</b>	19,783	21,825	-	
	Gross Profit margin	17.4%	18.2%	19.9%	20.9%	20.1%	17.4%	16.8%	15.2%	16.2%	<b>14.1%</b>	18.8%	17.4%	-	
	Number delivered	Built-for-sale houses	723	588	509	330	665	546	433	639	524	<b>647</b>	2,150	2,283	<b>2,430</b>
		Lands	80	77	68	67	106	64	67	109	83	<b>112</b>	292	346	<b>390</b>
		Built-to order houses	15	22	31	14	63	13	40	52	32	<b>43</b>	82	168	<b>190</b>
Unit price	Sales	41.7	43.0	43.5	42.2	46.4	45.2	47.7	47.2	46.8	<b>46.1</b>	42.5	46.6	-	
<b>Open House Architect</b>	Net sales	14,317	13,253	15,796	14,432	13,382	16,974	14,669	22,469	18,267	<b>19,990</b>	57,800	67,495	<b>80,000</b>	
	Gross profit	1,884	1,851	2,464	1,725	1,135	1,612	1,058	2,323	1,898	<b>2,471</b>	7,926	6,130	-	
	Gross Profit margin	13.2%	14.0%	15.6%	12.0%	8.5%	9.5%	7.2%	10.3%	10.4%	<b>12.4%</b>	13.7%	9.1%	-	
	Number delivered	to outside customers	691	643	709	588	694	690	684	808	679	<b>644</b>	2,631	2,876	<b>2,680</b>
to OHD		425	407	382	420	337	475	411	658	529	<b>686</b>	1,634	1,881	<b>2,390</b>	

# Consolidated Financial Results Trend

(¥ Million)

		FY2021				FY2022				FY2023		FY2021	FY2022	FY2023	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	Actual	Actual	Plan	
<b>Condominiums</b>	Net sales	262	4,381	8,856	33,646	4,374	7,092	13,390	37,503	3,347	<b>23,126</b>	47,147	62,362	<b>123,000</b>	
	Gross profit	48	1,107	2,230	7,747	1,008	1,846	2,977	10,553	804	<b>6,927</b>	11,133	16,385	<b>32,600</b>	
	Gross Profit margin	18.3%	25.3%	25.2%	23.0%	23.0%	26.0%	22.2%	28.1%	24.0%	<b>30.0%</b>	23.6%	26.3%	<b>26.5%</b>	
	Operating Profit	-808	-8	1,102	6,221	-118	537	1,512	8,721	-432	<b>4,561</b>	6,507	10,654	-	
	Operating Profit margin	-	-	12.4%	18.5%	-	7.6%	11.3%	23.3%	-	<b>19.7%</b>	13.8%	17.1%	-	
	Number delivered	9	51	177	844	73	112	317	714	59	<b>399</b>	1,081	1,216	<b>2,390</b>	
	Unit price	28.7	76.0	49.8	39.7	59.7	61.1	42.7	52.3	56.6	<b>57.9</b>	43.0	51.1	-	
<b>Property resales</b>	Net sales	24,633	30,955	29,764	37,707	41,064	35,140	31,566	48,189	44,533	<b>48,140</b>	123,061	155,961	<b>182,000</b>	
	Gross profit	3,642	5,299	4,582	4,393	7,232	5,687	5,204	6,571	7,422	<b>6,892</b>	17,918	24,695	<b>28,600</b>	
	Gross Profit margin	14.8%	17.1%	15.4%	11.7%	17.6%	16.2%	16.5%	13.6%	16.7%	<b>14.3%</b>	14.6%	15.8%	<b>15.7%</b>	
	Operating Profit	2,579	3,545	3,306	2,854	5,324	3,805	3,725	4,813	5,429	<b>5,456</b>	12,285	17,669	-	
	Operating Profit margin	10.5%	11.5%	11.1%	7.6%	13.0%	10.8%	11.8%	10.0%	12.2%	<b>11.3%</b>	10.0%	11.3%	-	
	Number delivered	54	77	71	90	69	91	71	97	80	<b>115</b>	292	328	<b>420</b>	
	Unit price	448	394	406	407	578	368	427	482	543	<b>408</b>	411	458	-	
<b>Others (U.S. real estate business)</b>	Net sales	8,766	10,863	11,957	13,572	17,042	19,235	18,026	20,167	19,529	<b>22,239</b>	45,159	74,471	<b>80,700</b>	
	Gross profit	1,779	2,216	2,719	2,742	3,687	3,851	4,233	2,757	3,992	<b>4,283</b>	9,459	14,530	<b>16,000</b>	
	Gross Profit margin	20.3%	20.4%	22.7%	20.2%	21.6%	20.0%	23.5%	13.7%	20.4%	<b>19.3%</b>	20.9%	19.5%	<b>19.8%</b>	
	Operating Profit	887	1,229	1,538	1,577	2,202	2,362	2,595	1,045	2,267	<b>2,224</b>	5,232	8,205	-	
	Operating Profit margin	10.1%	11.3%	12.9%	11.6%	12.9%	12.3%	14.4%	5.2%	11.6%	<b>10.0%</b>	11.6%	11.0%	-	
Number delivered	209	205	194	219	264	300	240	267	221	<b>290</b>	827	1,071	<b>1,110</b>		
<b>Pressance Corporation</b>	Net sales	-	49,492	54,014	45,831	37,028	34,798	33,288	40,208	39,199	<b>46,497</b>	149,337	145,324	<b>160,000</b>	
	Gross profit	-	6,647	12,794	9,981	10,197	8,565	8,260	8,515	10,520	<b>13,023</b>	29,424	35,539	-	
	Gross Profit margin	-	13.4%	23.7%	21.8%	27.5%	24.6%	24.8%	21.2%	26.8%	<b>28.0%</b>	19.7%	24.5%	-	
	Operating Profit	-	2,160	8,696	5,644	6,272	4,713	3,780	5,961	6,827	<b>8,588</b>	16,502	20,727	-	
	Operating Profit margin	-	4.4%	16.1%	12.3%	16.9%	13.5%	11.4%	14.8%	17.4%	<b>18.5%</b>	11.1%	14.3%	-	
	Number delivered	Studio-type condominiums	-	2,039	1,675	1,249	619	969	590	844	900	<b>1,338</b>	4,963	3,022	-
	Family-type condominiums	-	339	458	408	392	310	401	379	474	<b>435</b>	1,205	1,482	-	
Total	-	2,378	2,133	1,657	1,011	1,279	991	1,223	1,374	<b>1,773</b>	6,168	4,504	-		

## 6. References

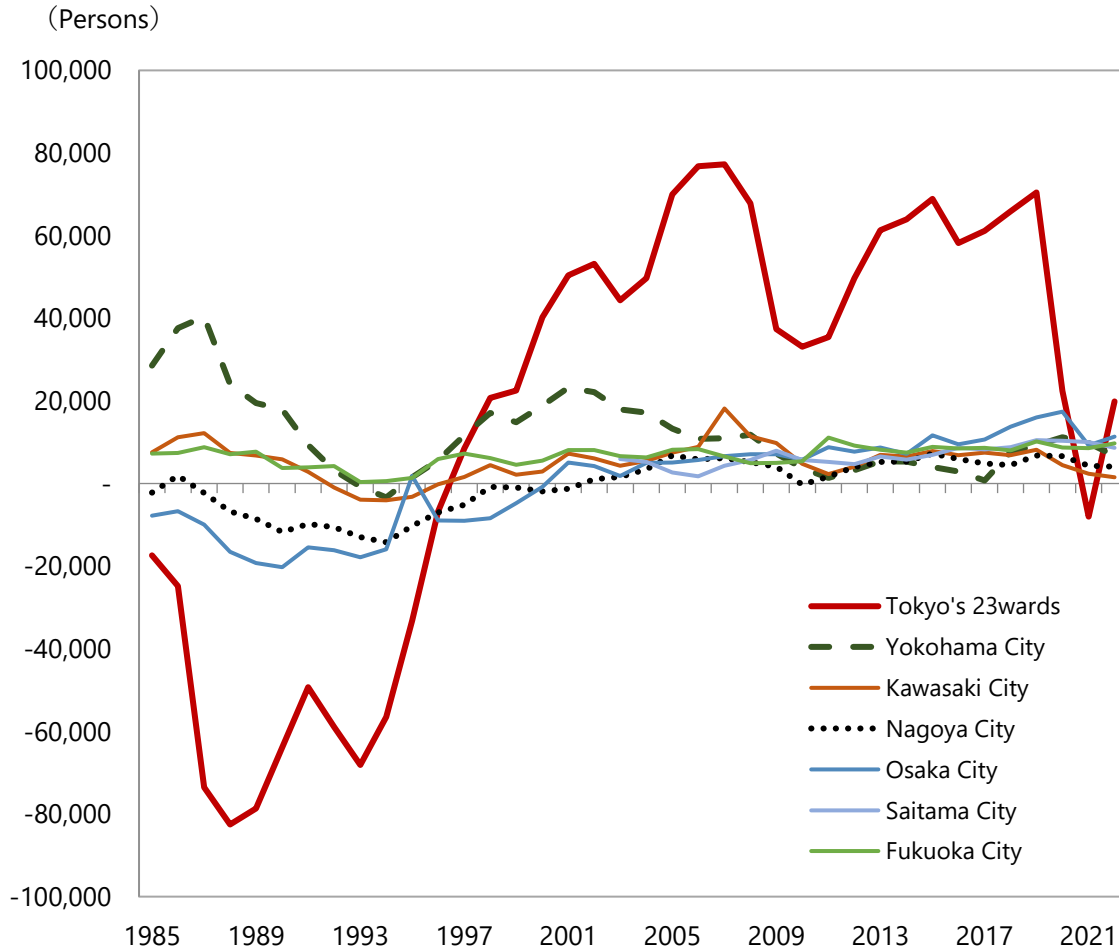


**OPEN HOUSE GROUP**

## 6. References

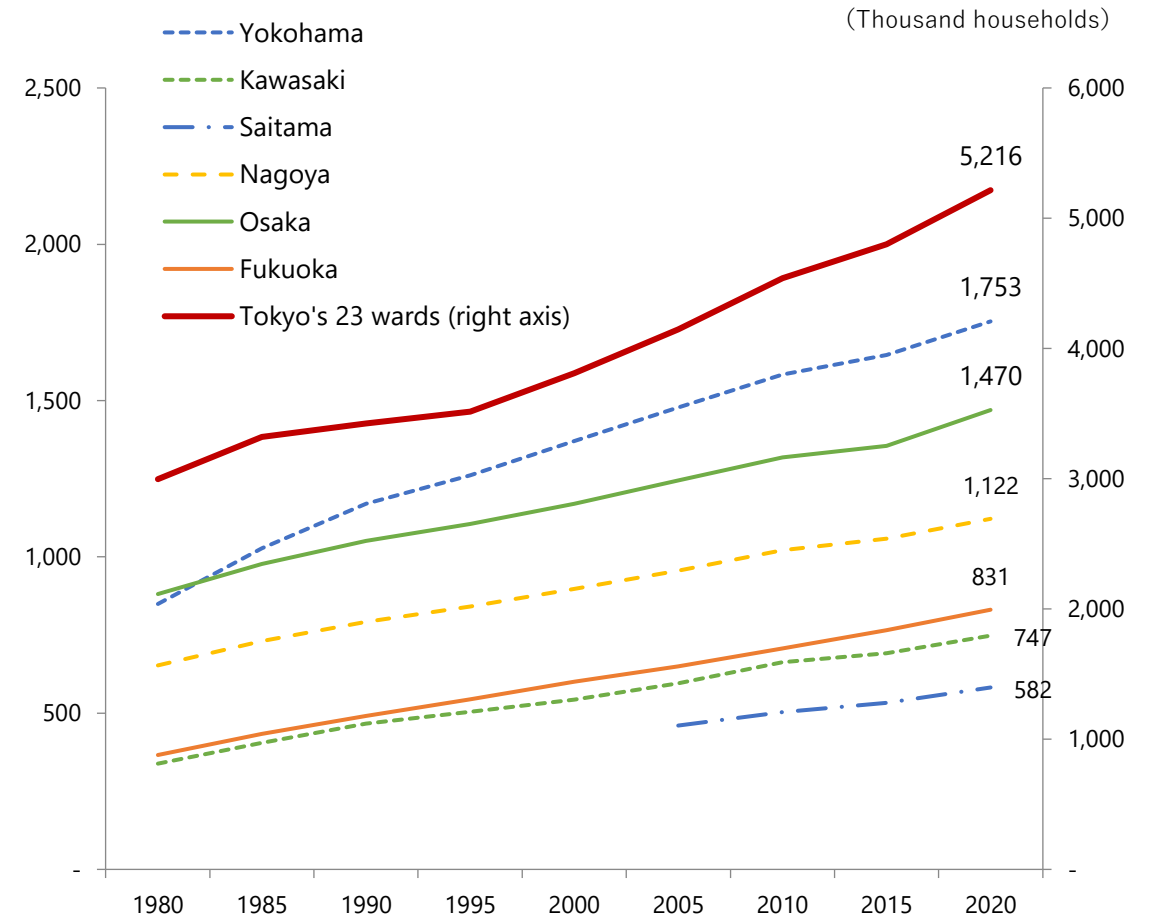
The population has been concentrating and the number of households has been increasing in urban areas.

### Net migration into urban cities



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

### Number of households in major cities



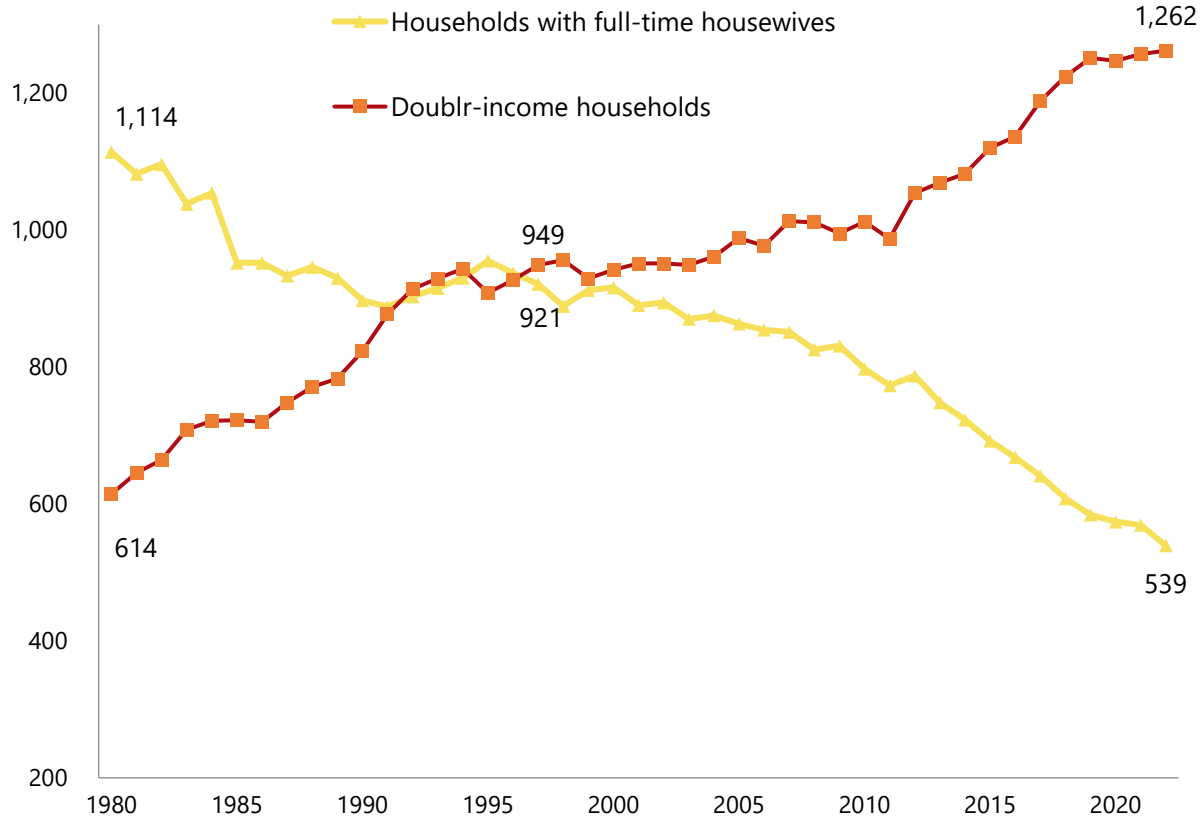
Source: MIC, "Population Census of Japan"

## 6. References

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

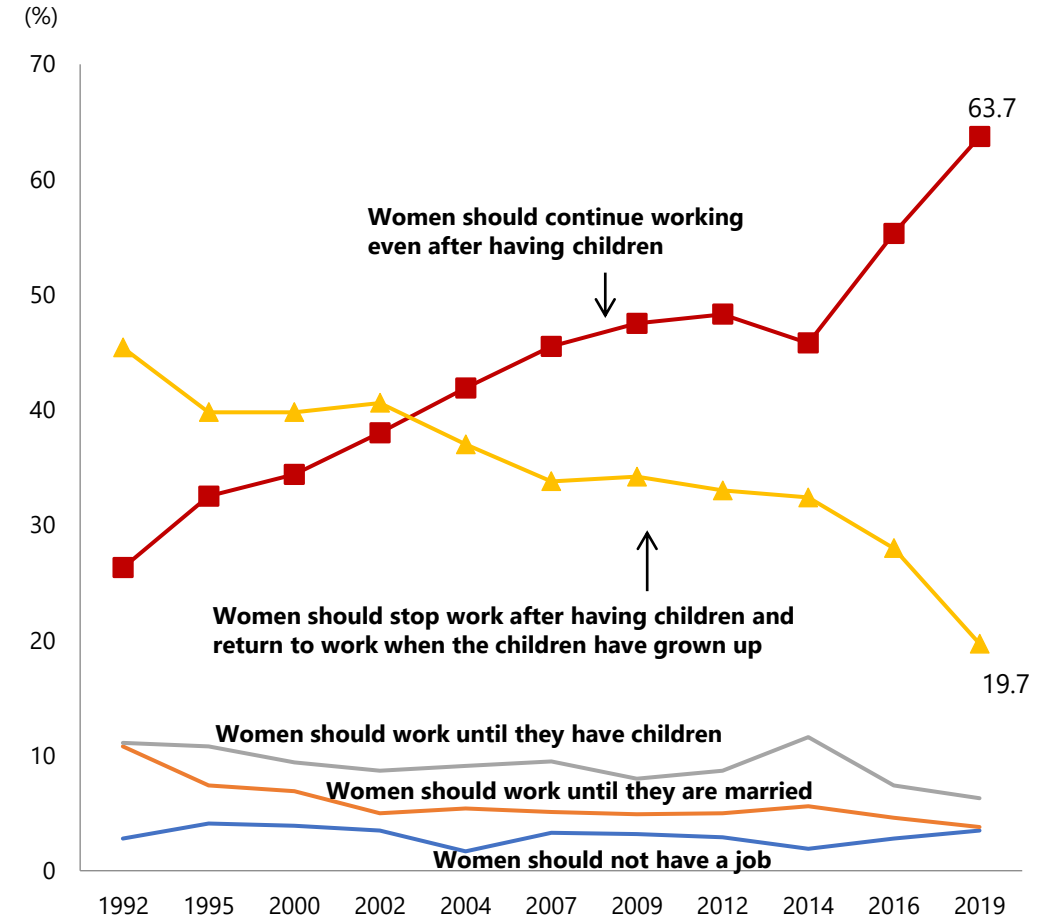
### Trends in double-income households/households with full-time housewives (nationwide)

(10 thousand households)



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

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

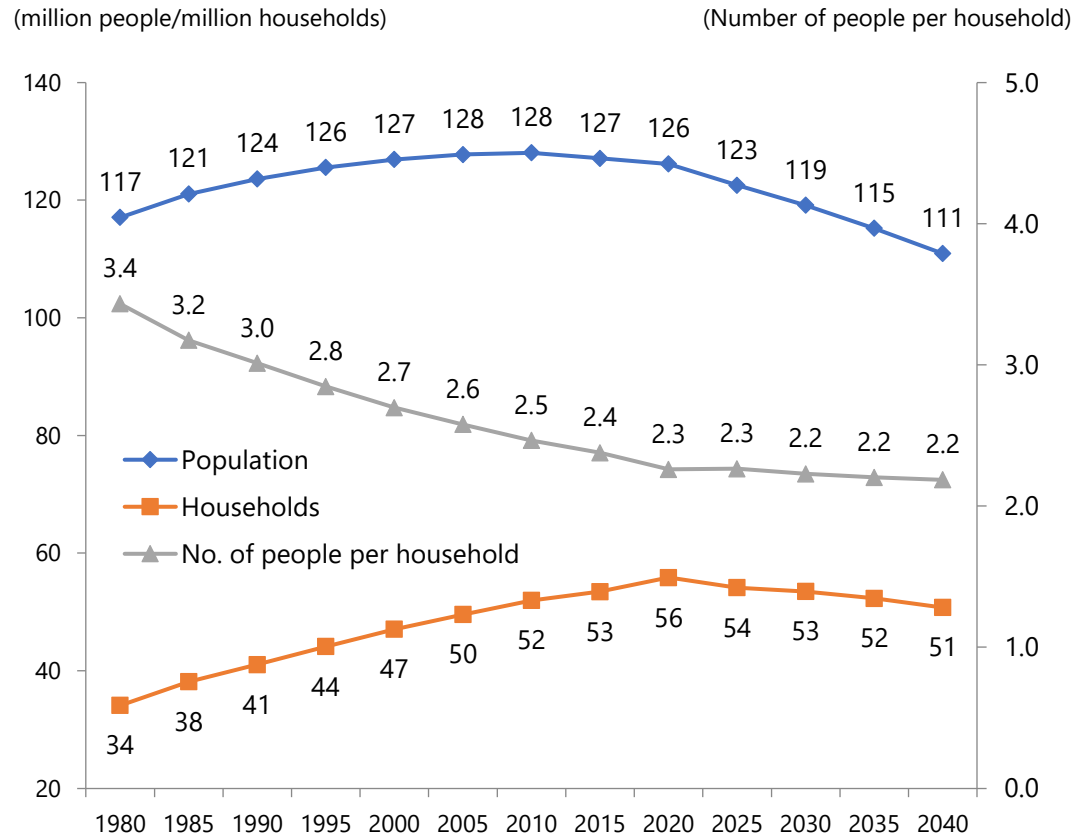


Source: "White Paper on Gender Equality 2020," Cabinet Office, Government of Japan

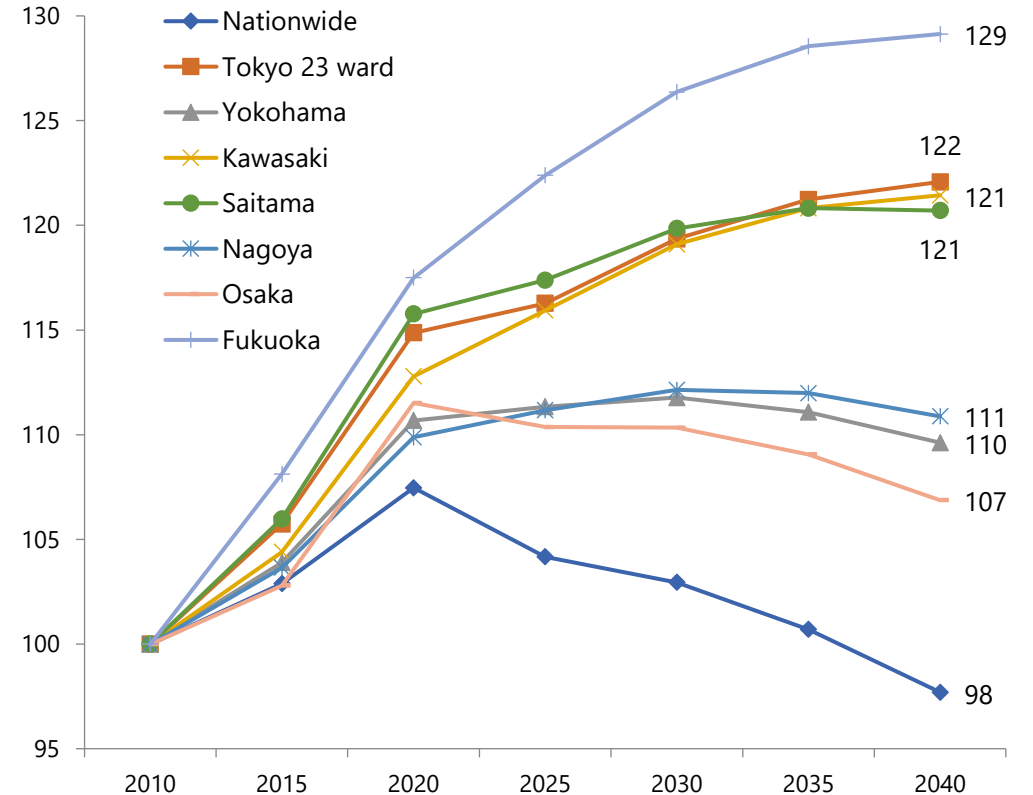
## 6. References

# 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)



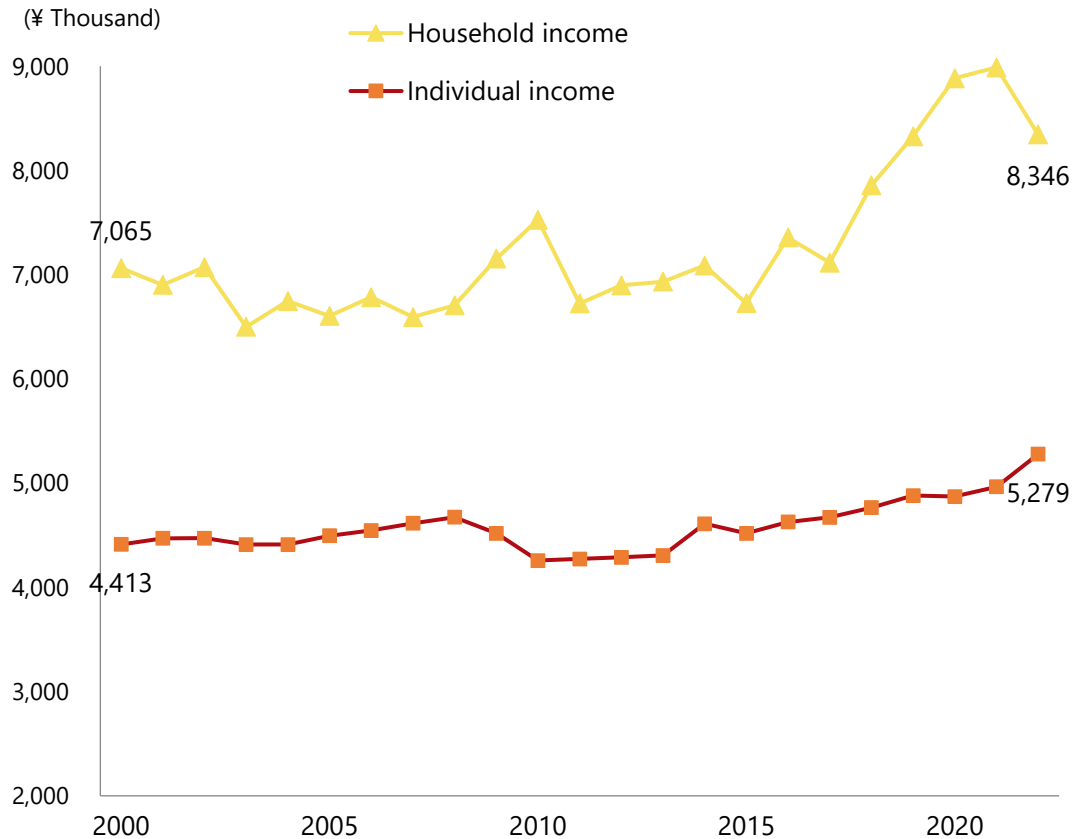
Sources:  
 1980-2015 : "2015 Population Census", Statistics Japan  
 2015-2040 : "Population Projection for Japan, 2018 projection", "Household Projections for Japan, 2018 projection", the National Institute of Population and Social Security Research  
 Number of people per household was calculated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

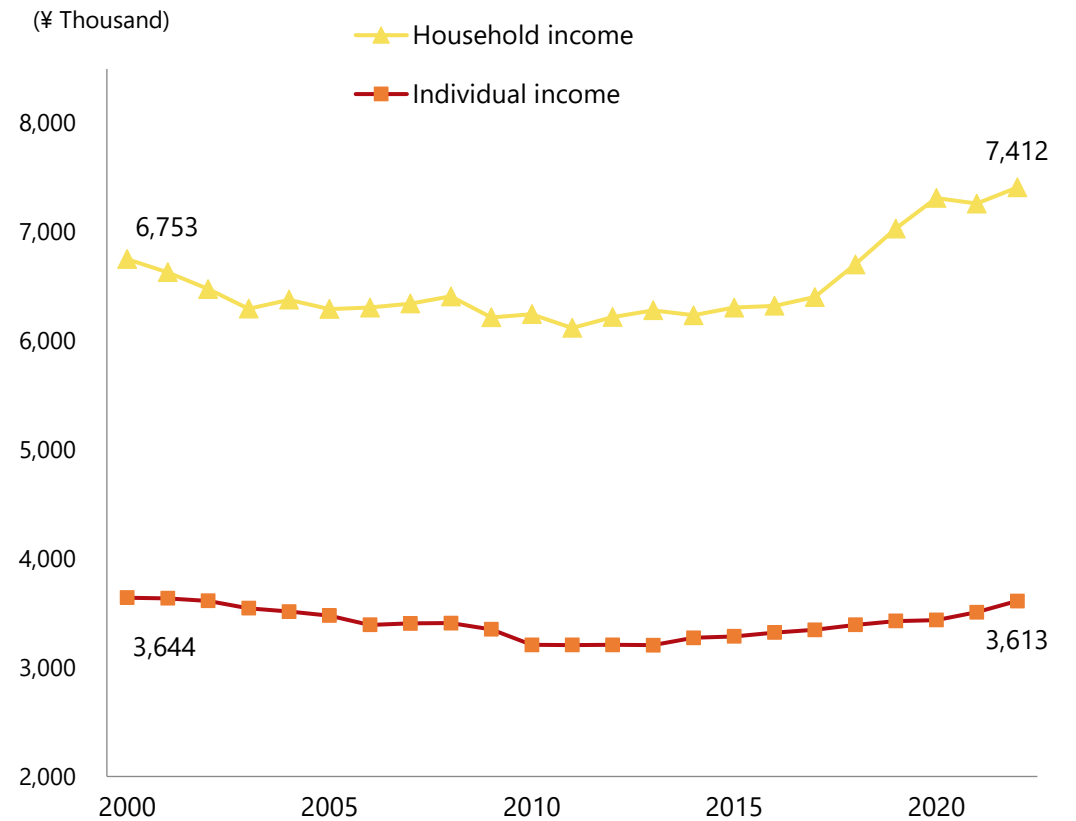
## 6. References

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

### Household income and Individual income (Tokyo's 23 wards)



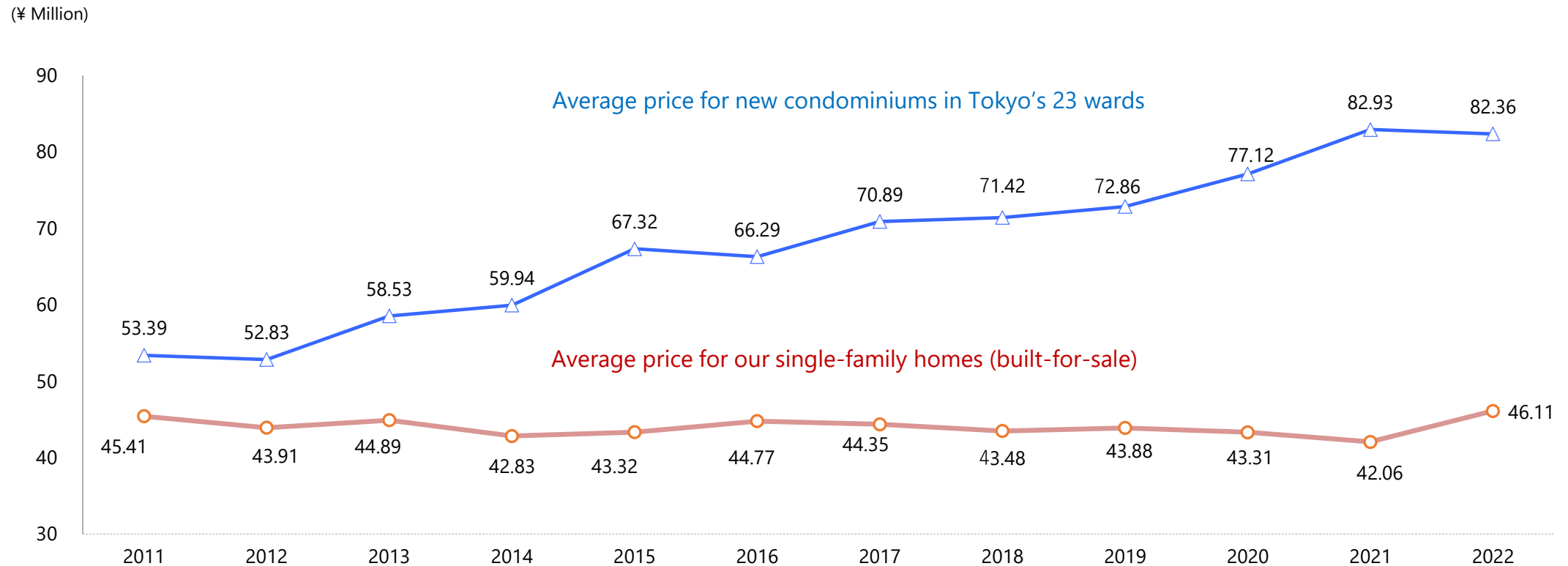
### Household income and Individual income (nationwide)



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 drawing attention for their stable prices in contrast to condominiums, whose prices have increased.

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



Source: MLIT, "Monthly marketing report of lands"

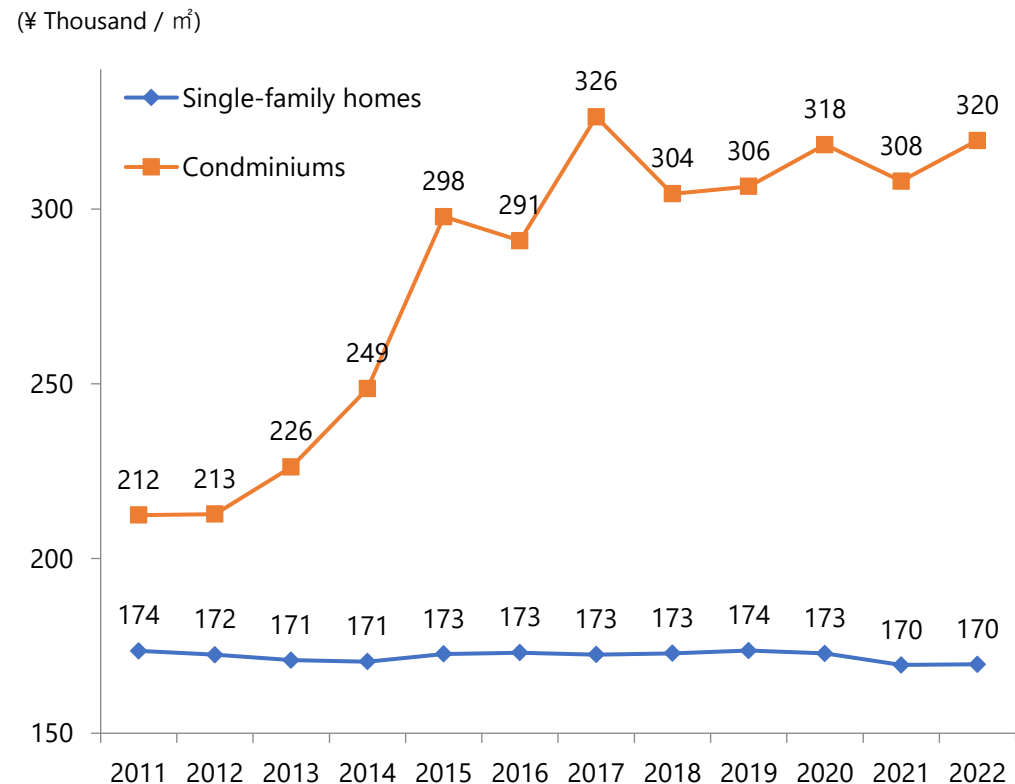
Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the period October – September .

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



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

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

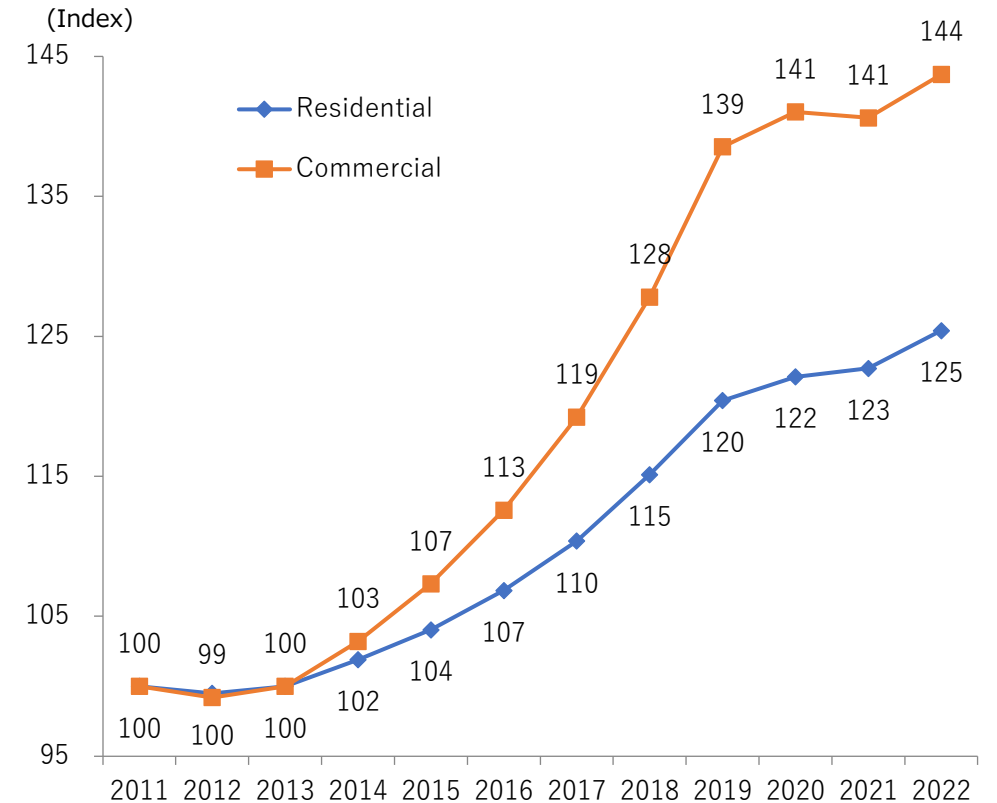


Source: MLIT "Housing Starts"

The average construction cost per m<sup>2</sup> was calculated by dividing the estimated construction cost by the total floor area.

Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.

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



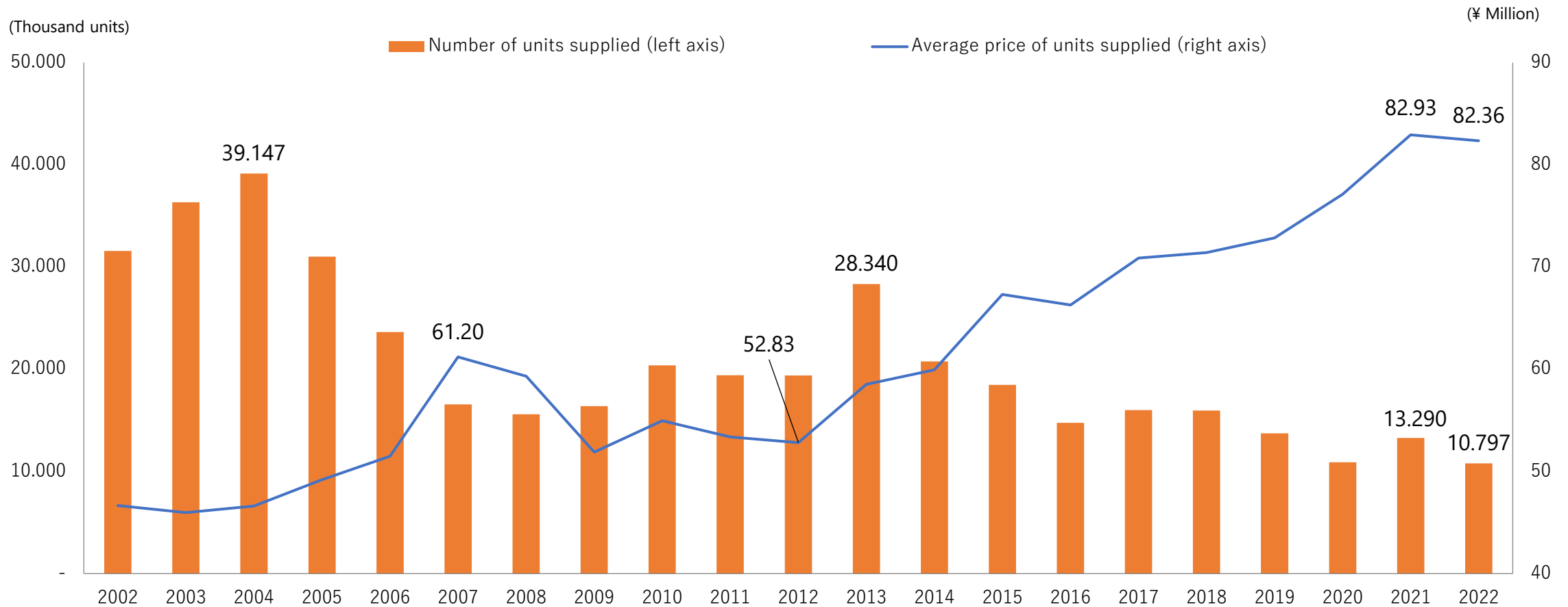
Source: MLIT "Prefectural Land Price"

The standard land price as of July 1 each year is determined by prefectural governors.

The land price index of each year was calculated by using the rate of change from the land price by use in 2011, which was indexed to 100.

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

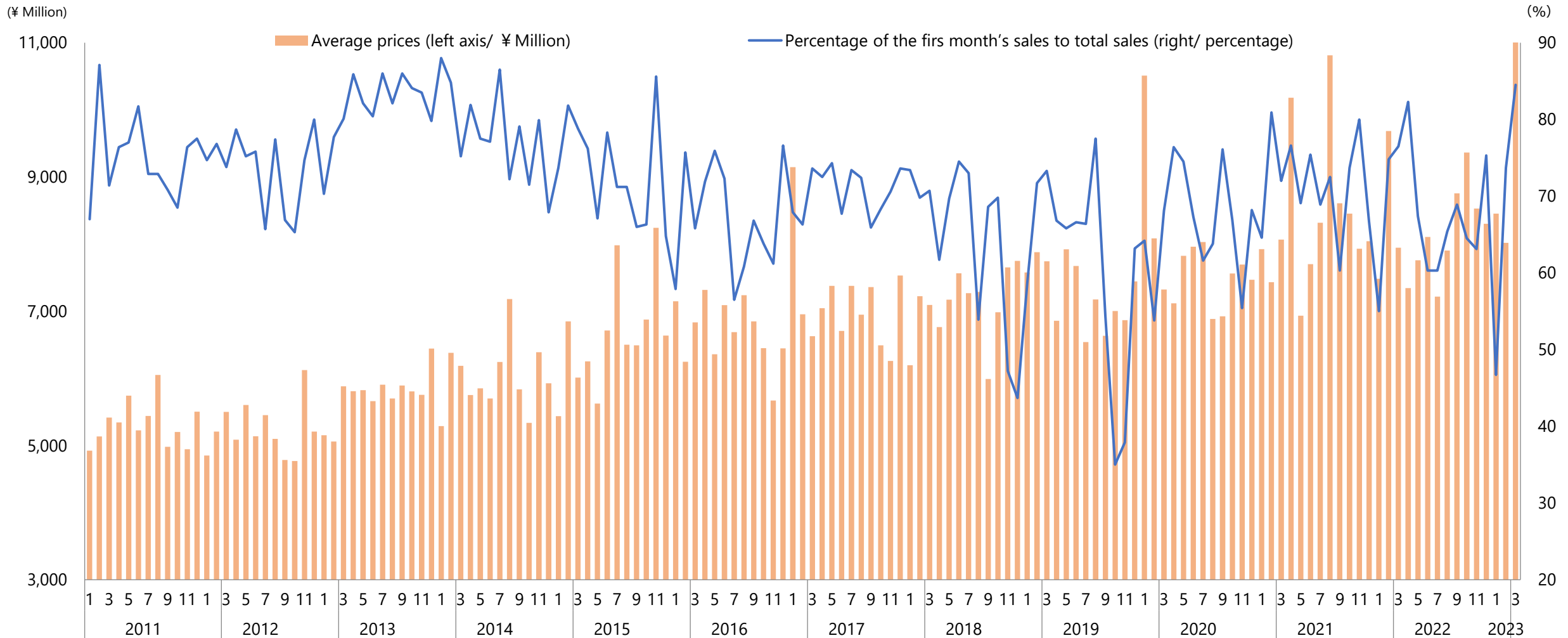
### Number and average price of new condominiums supplied in Tokyo's 23 wards



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

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

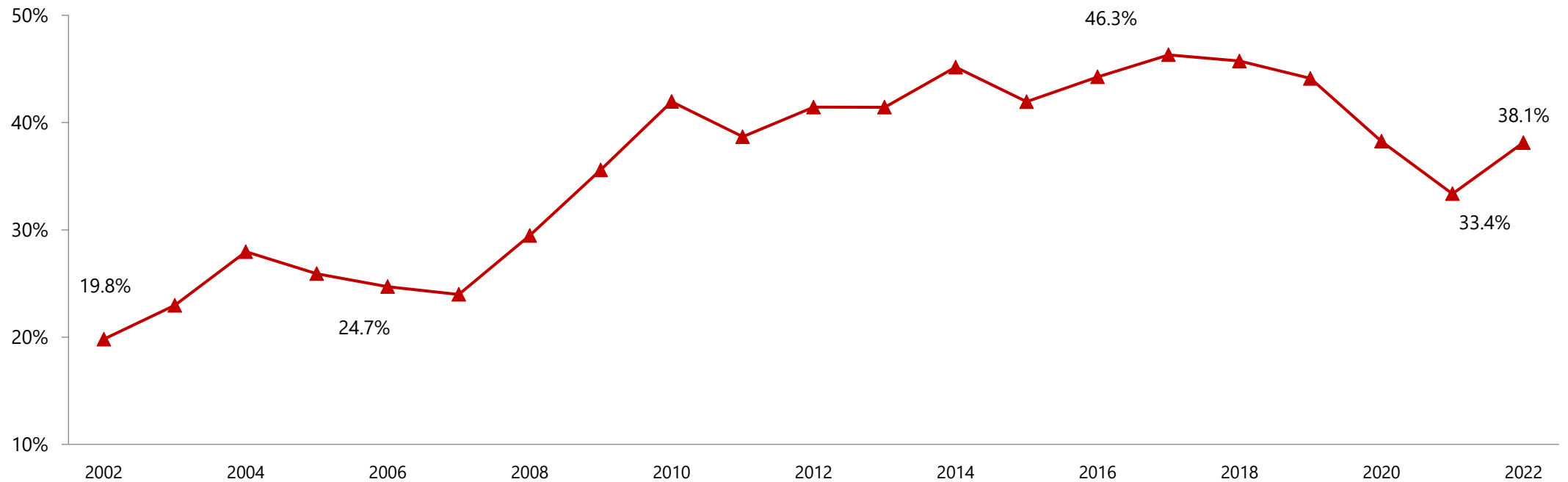
Trends of average prices of new condominiums and ratios of the first month's sales to total sales in Tokyo's 23 wards



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

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

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



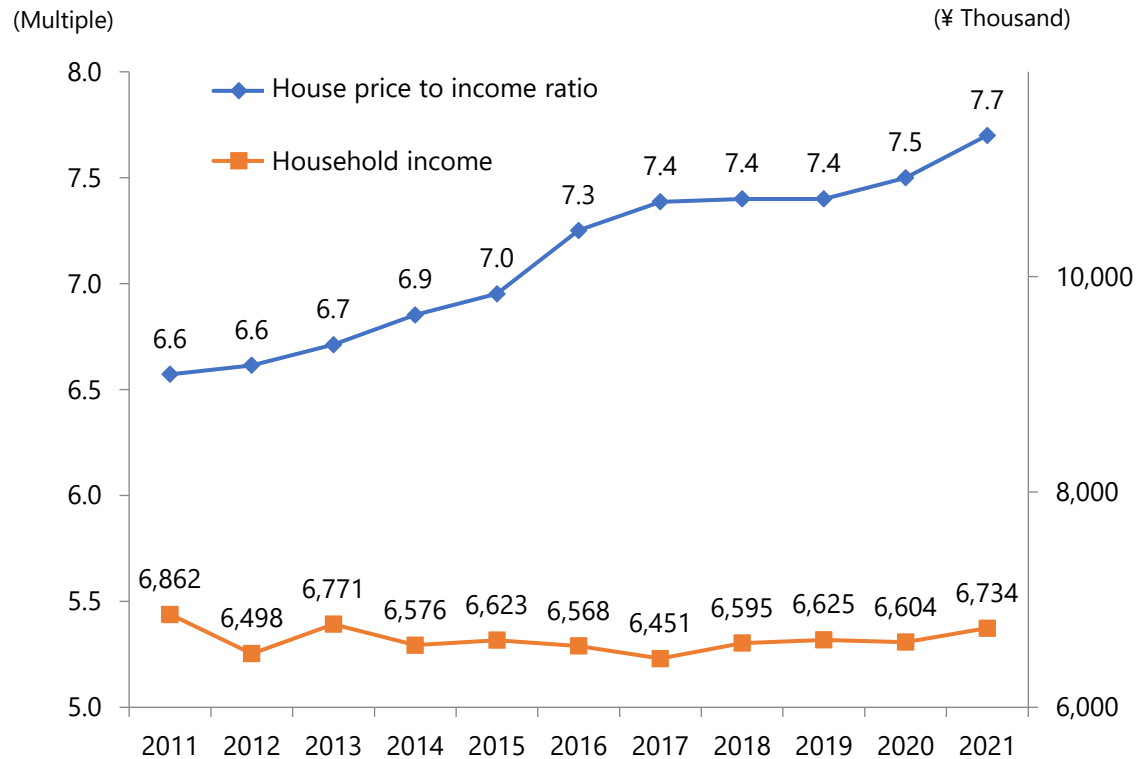
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.

\* Seven major real estate companies:

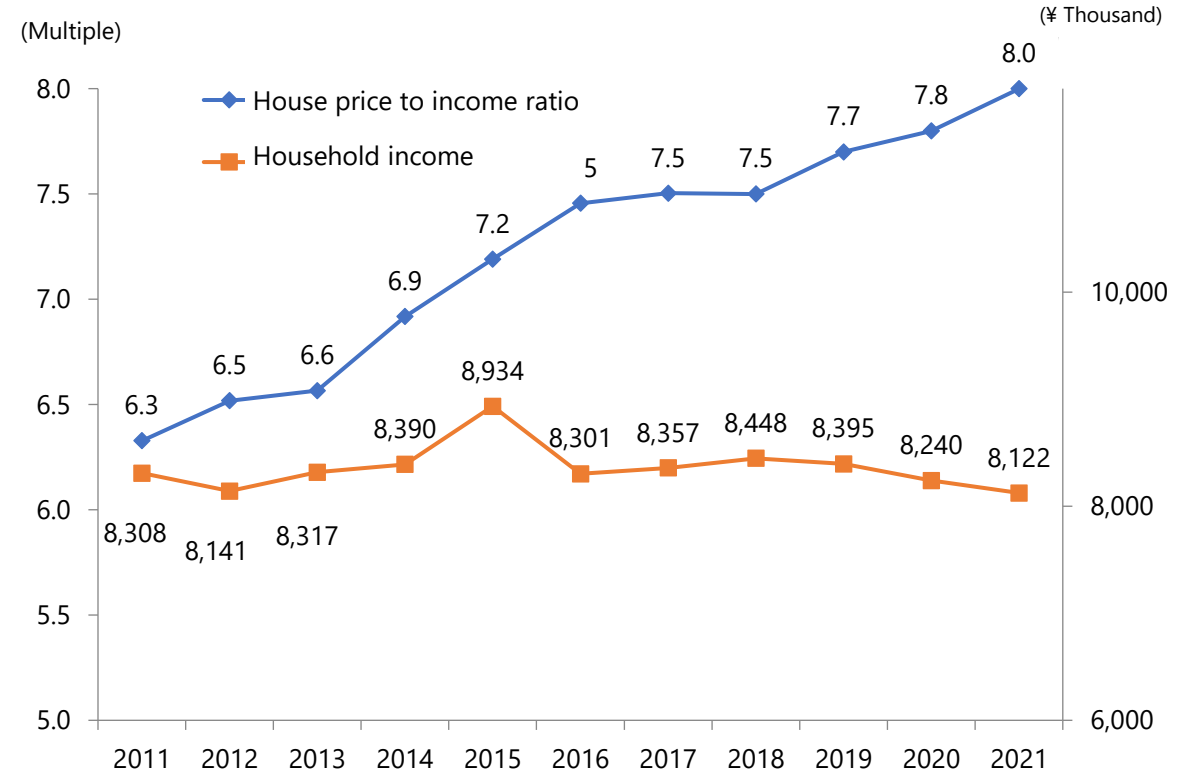
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyo Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

## Annual income multiplier increased, with a large gap in household income.

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



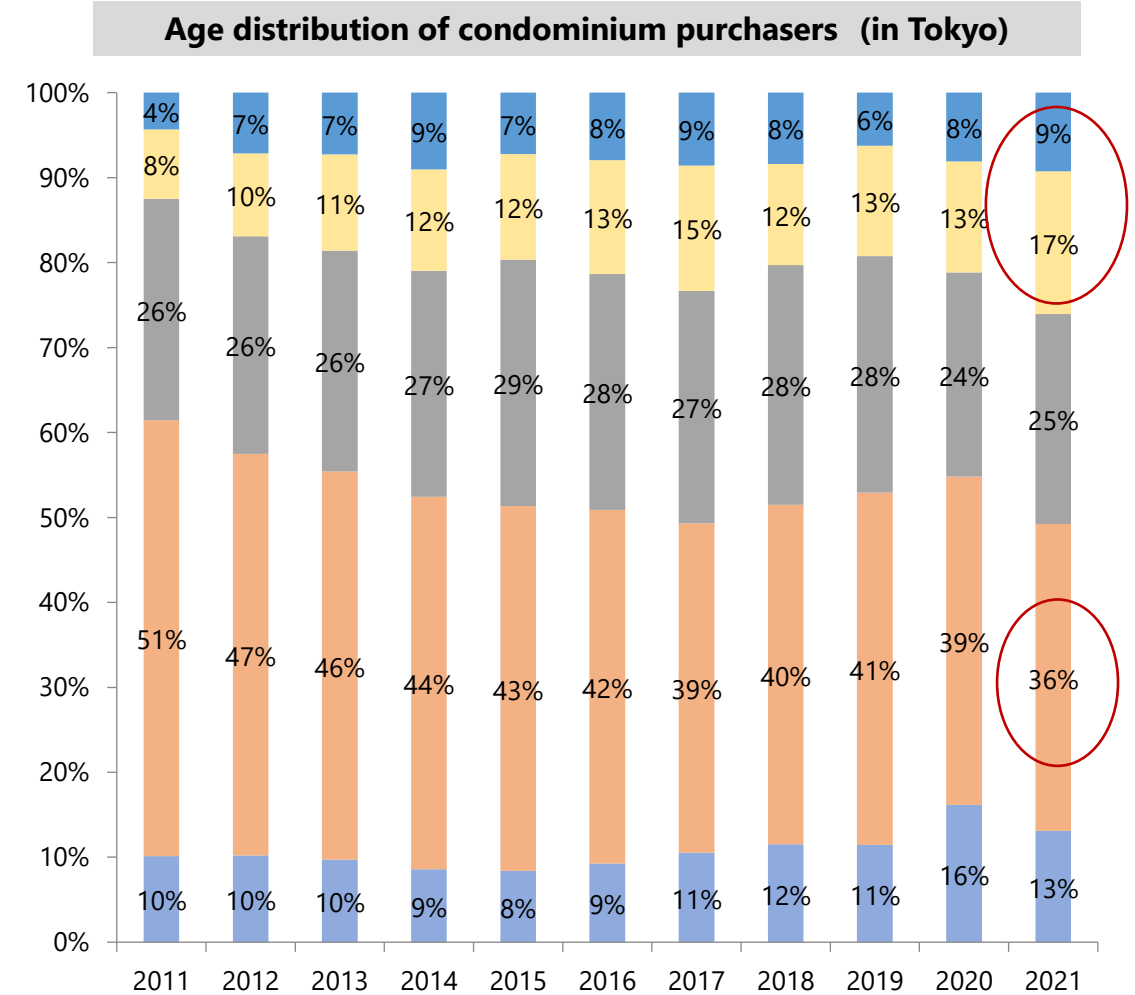
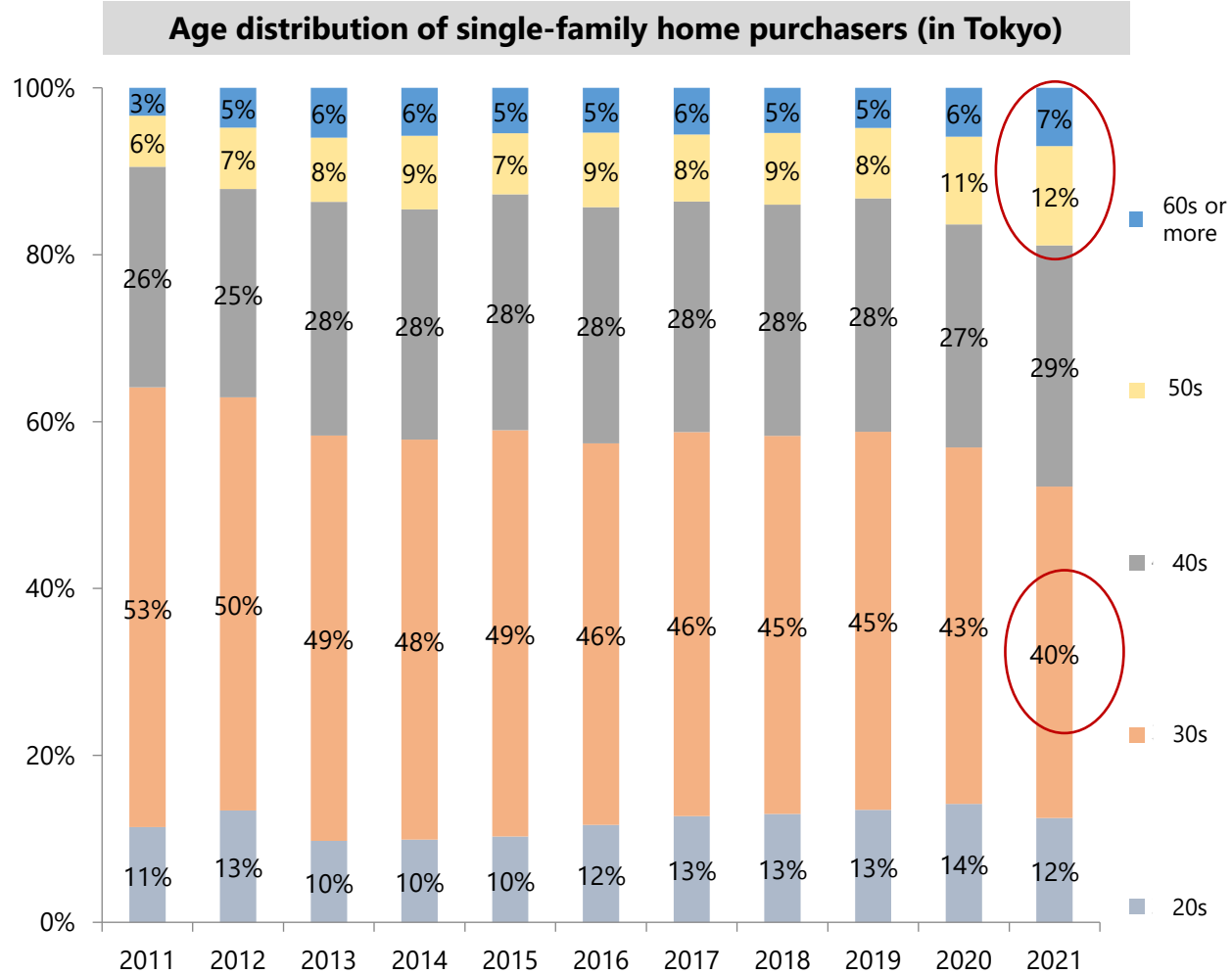
### House price to income ratio and household income of condominium purchasers (in Tokyo)



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.

## 6. References

**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.**

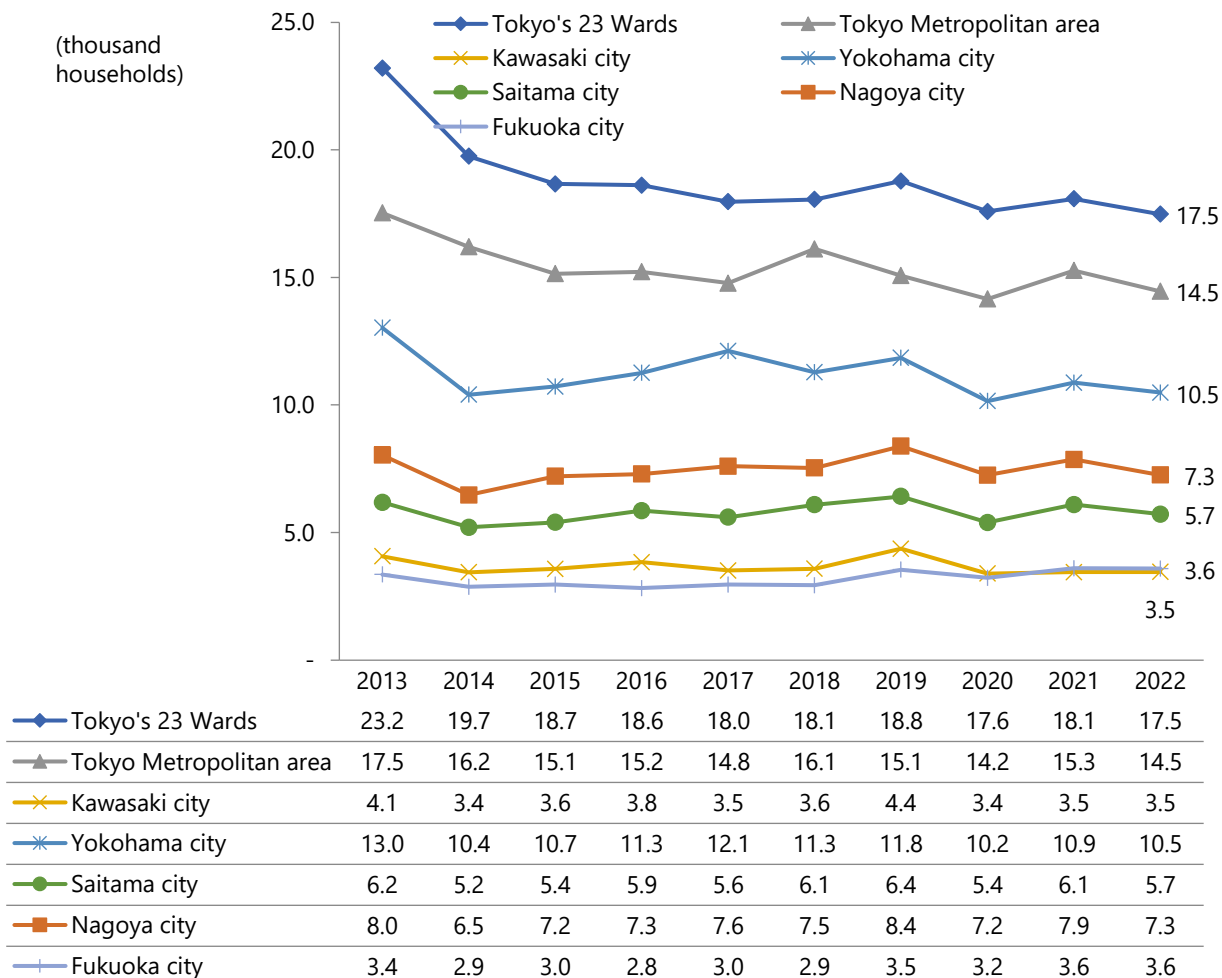


Source : Japan Housing Finance Agency

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)

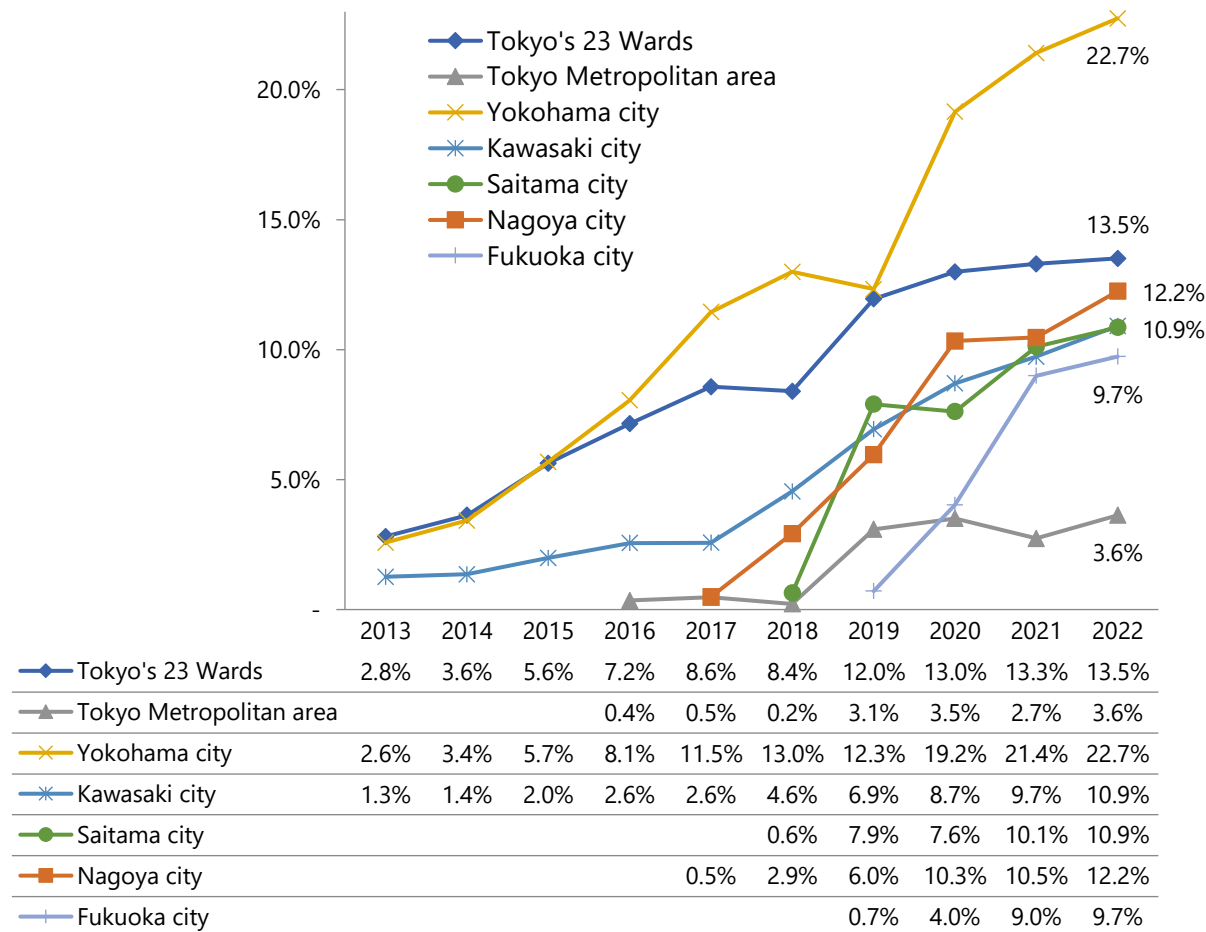
# Open House has been steadily acquiring shares in the single-family home market in urban areas by adopting a dominant strategy.

### New single-family housing starts in our service areas



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

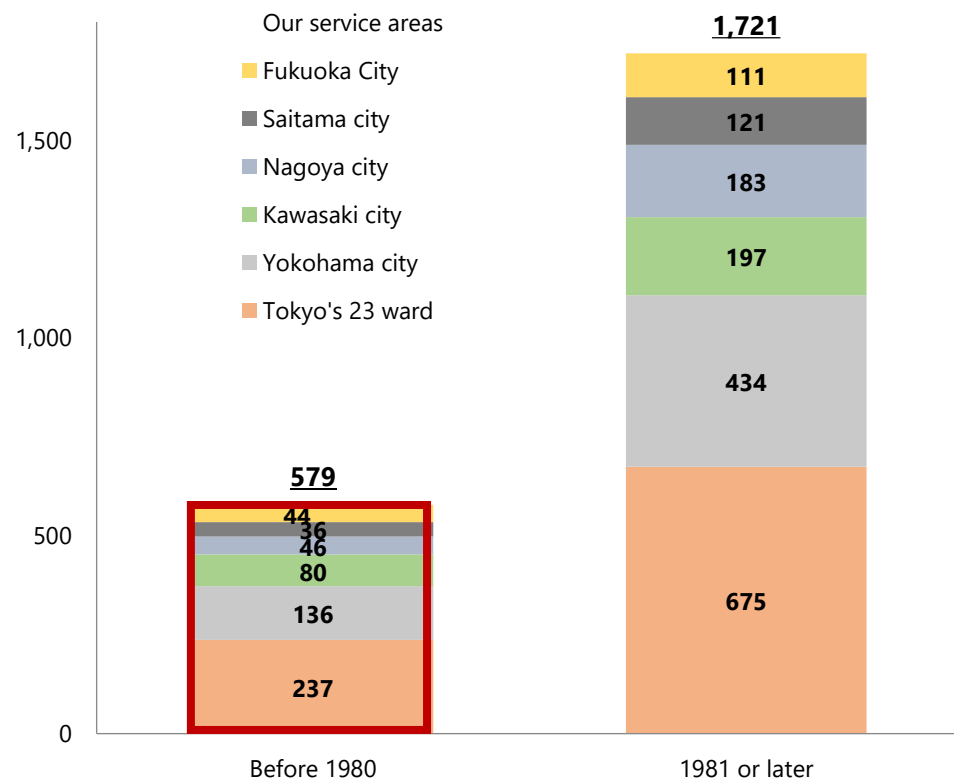
### The Group's market share by service area



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

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

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



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

### Housing situation in Japan

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

Sources:

\*1 "Customer Survey Report on the Purchase of Detached Houses in the Fiscal Year 2017" by Japan Federation of Housing Organizations

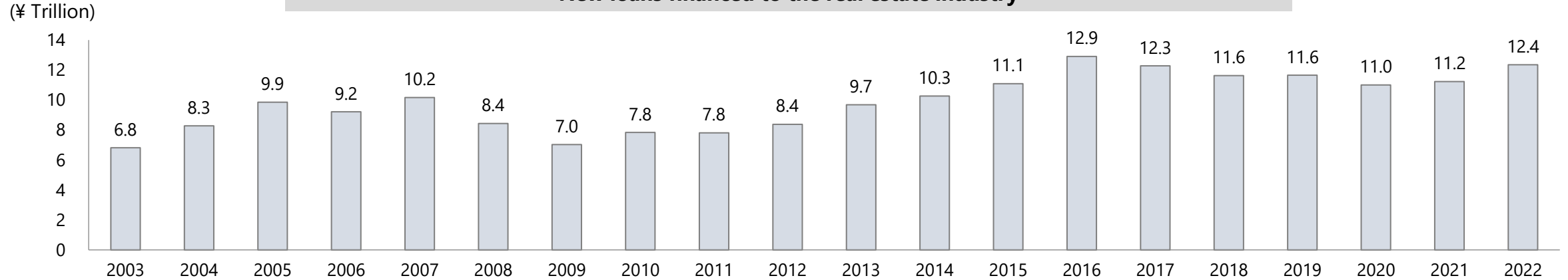
\*2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications



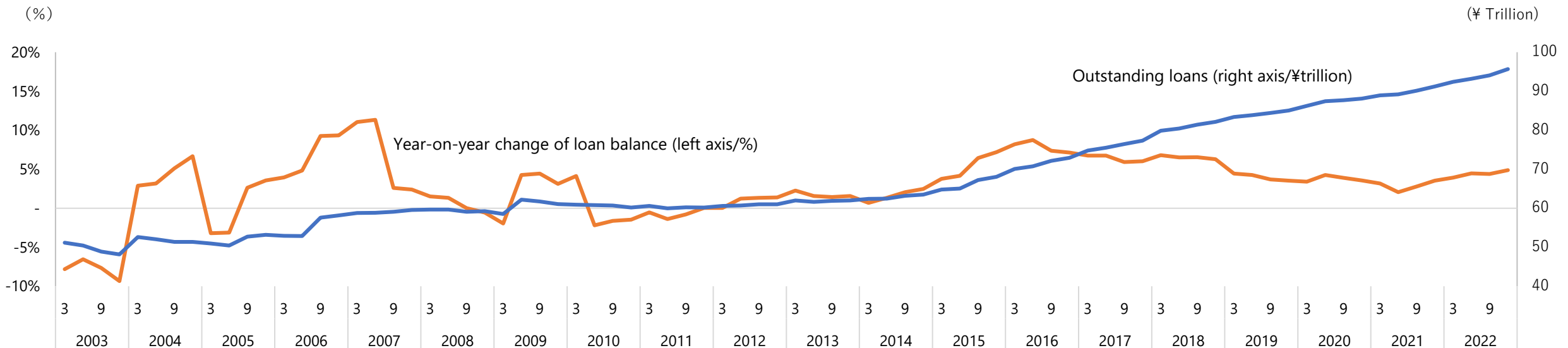
## 6. References

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

### New loans financed to the real estate industry



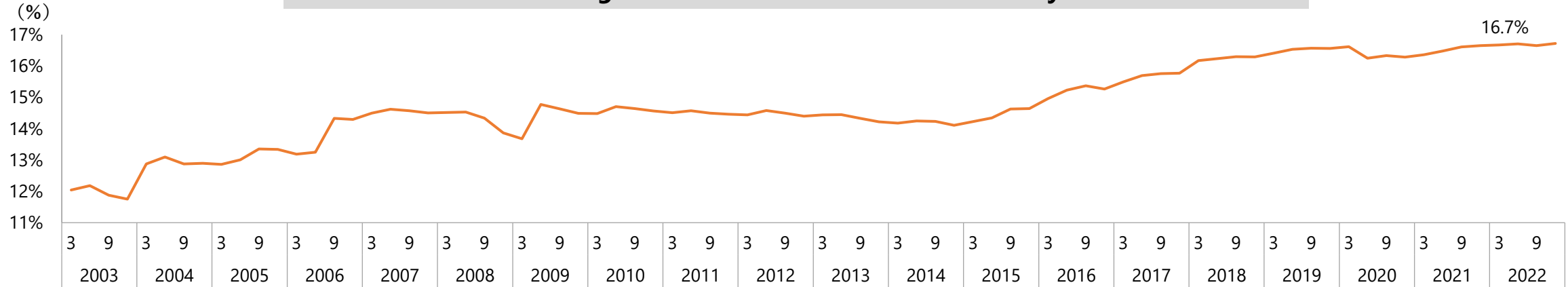
### Outstanding loans financed to the real estate industry and year-on-year change thereof



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

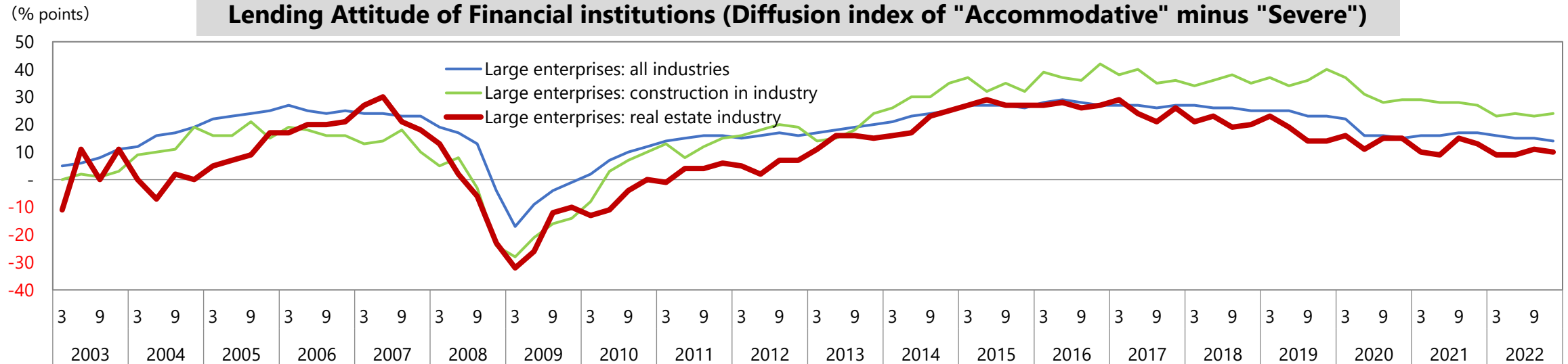
# The ratio of outstanding loans financed to the real estate industry to total loans has increased.

Ratio of outstanding loans financed to real estate industry to total loans



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

Lending Attitude of Financial institutions (Diffusion index of "Accommodative" minus "Severe")

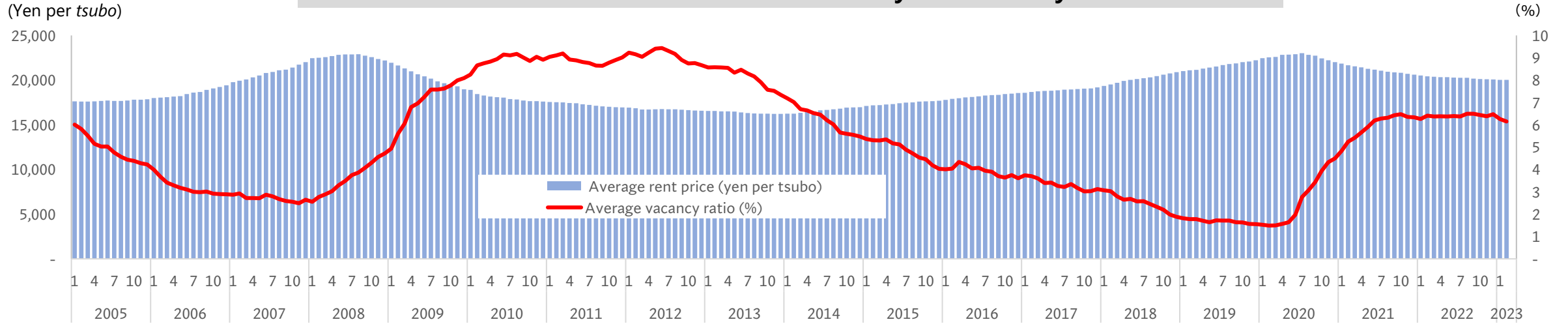


Source: "Short-Term Economic Survey of Enterprises in Japan" published by the Bank of Japan

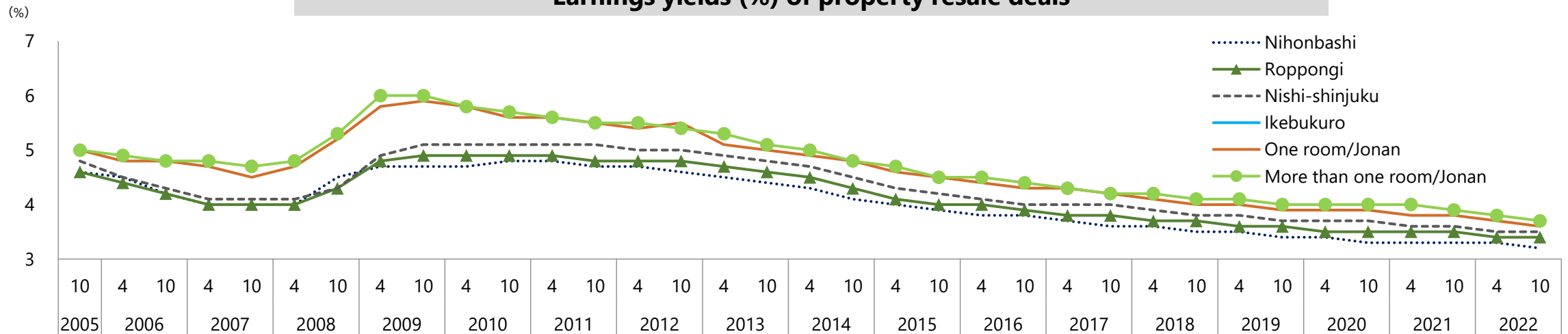
## 6. References

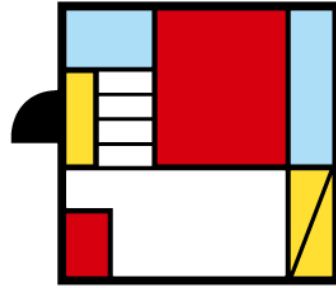
**Demand for property resale transactions is strong as shown by an increase in rent price and a decline in returns from property resale transactions.**

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



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





# OPEN HOUSE GROUP

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

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