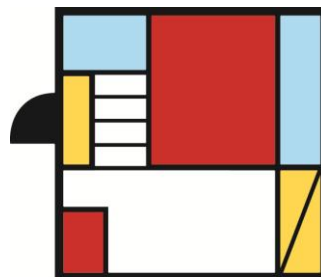


(Correction) Partial Correction on July 31, 2020



**OPEN
HOUSE**

Consolidated Financial Highlights

for the Third Quarter Ended September 30, 2019

OPEN HOUSE CO., LTD.
[3288 TSE]



JPX-NIKKEI 400

2017-2018



FY2019 3Q Topics

Business performance <FY2019 3Q>

- **Both revenue and income achieved record highs in the first nine-month operating performance.**

Revenue:	¥ 366.6 billion [40.4% YOY]
Operating income:	¥ 36.3 billion [15.2% YOY]
Profit attributable to owners of parent :	¥ 24.4 billion [14.6% YOY]

- **Single-family homes related business:**
Gross profit margin for the third quarter (April–June) rebounded.
- **Condominium business:**
Steadily growing operating performance is expected to outperform the full-year forecast.
- **Property resales business:**
Business has been running better than the forecast, thanks to strong demand from corporations.
- **U.S. Real Estate business:**
Meeting needs of wealthy class of domestic customers, the business expects to achieve greater operating performance than the full-year forecast.

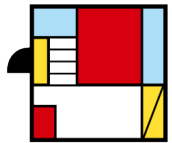
Performance forecasts revised upward

- **Performance forecasts were revised upward, mainly driven by steady growth in property resales and condominium businesses. Operating performance stays on a strong uptrend toward achieving record highs in revenue and income for seven years in a row.**

Revenue:	¥ 530.0 billion [35.6% YOY] ← ¥ 510.0 billion
Ordinary income:	¥ 56.5 billion [19.4% YOY] ← ¥ 54.0 billion
Profit attributable to owners of parent :	¥ 38.2 billion [20.1% YOY] ← ¥ 37.0 billion

Increasing dividends, Stock splits

- **Strengthening of shareholder returns**
Increasing dividends: Annual dividends per share ¥ 126.00 (¥ 28.00 YOY) ← ¥ 121.00
Stock splits: Ratio of 2-for-1 (Record date: September 30, 2019)
Shareholder benefits program: Will be abolished after implementation of the last plan on September 30, 2019, the next record date.



**OPEN
HOUSE**

FY2019 3Q Consolidated Summary

Overview of Consolidated Income Statement

- ☑ Revenue has significantly increased by 40%, driven by strong performance at single-family homes related business.
- ☑ Both revenue and income achieved double-digit growth, marking record highs in the first nine-month operating performance.

(Million yen)

	FY2018 3Q <2017/10-2018/6>		FY2019 3Q <2018/10-2019/6>		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
Revenue	261,048	—	366,608	—	40.4%
Operating income	31,588	12.1%	36,385	9.9%	15.2%
Ordinary income	30,562	11.7%	34,105	9.3%	11.6%
Profit attributable to owners of parent	21,366	8.2%	24,484	6.7%	14.6%



Performance by segment (revenue/operating income)

- ☑ Increases in both revenue and income were driven by actual demand at single-family homes related and condominiums businesses.
- ☑ Revenue from combining property resales and other (U.S. real estate business) businesses stayed on an uptrend.

(Million yen)

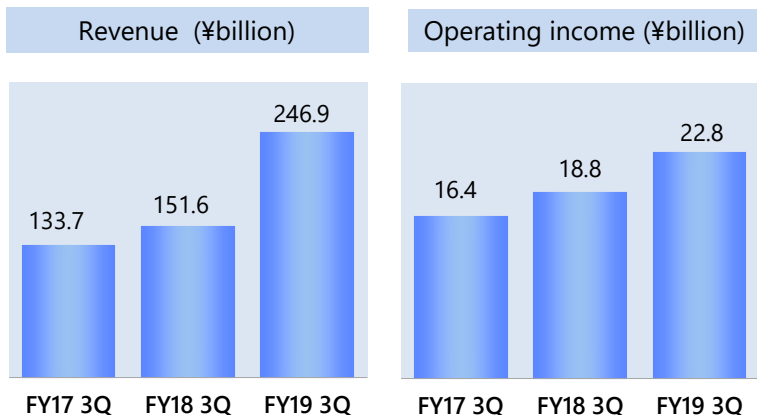
	FY2018 3Q <2017/10-2018/6>		FY2019 3Q <2018/10-2019/6>		Inc.(Dec.)
	Actual	Ratio	Actual	Ratio	
Revenue	261,048	100.0%	366,608	100.0%	40.4%
Single-family homes related business *	151,690	58.1%	246,932	67.4%	62.8%
Condominiums	21,058	8.1%	26,508	7.2%	25.9%
Property resales	78,572	30.1%	74,893	20.4%	(4.7)%
Others (including U.S. real estate business)	9,748	3.7%	18,316	5.0%	87.9%
Adjustments	(22)	—	(41)	—	—
	Actual	% of revenue	Actual	% of revenue	Inc.(Dec.)
Operating Income	31,588	12.1%	36,385	9.9%	15.2%
Single-family homes related business *	18,848	12.4%	22,835	9.2%	21.1%
Condominiums	2,205	10.5%	3,863	14.6%	75.1%
Property resales	9,610	12.2%	8,217	11.0%	(14.5)%
Others (including U.S. real estate business)	1,570	16.1%	2,197	12.0%	40.0%
Adjustments	(646)	—	(728)	—	—

* Earnings of Hawk One are included in the single-family homes related business segment from FY2019 1Q.

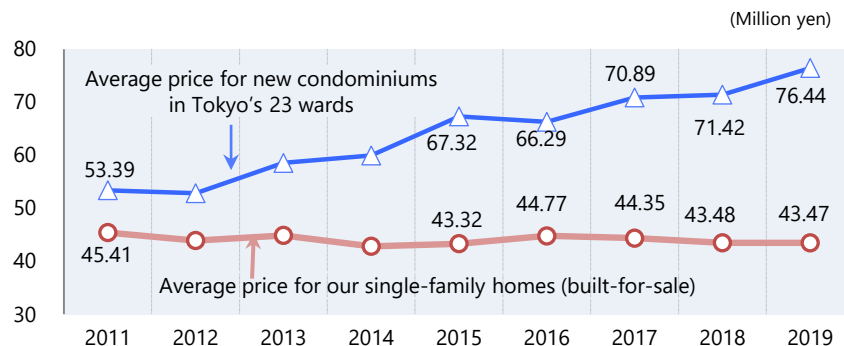


Single-family homes related business as a whole/brokerage

- High demand for single-family homes has continued, due to rising prices of new condominiums and a decline in sales of units.
- Sales have grown steadily and number of brokerage transactions increased 21.8% year on year.



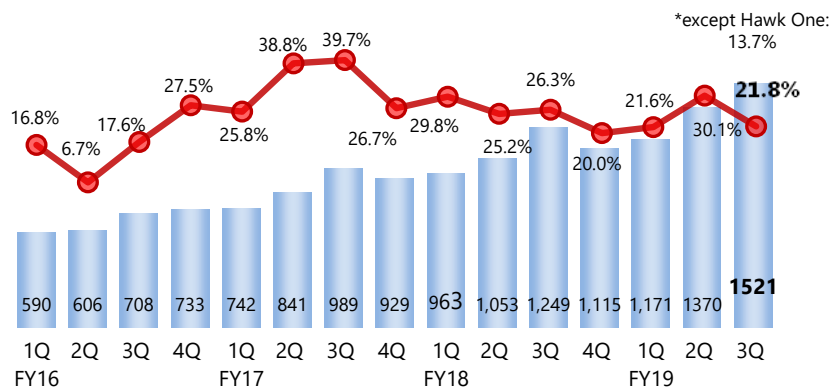
Changes in the average price for new condominiums in Tokyo's 23 wards and average price for our single-family homes (built-for-sale)



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 2019 are for the January – June period. Prices of our homes are for the October 2018- June 2019 period.

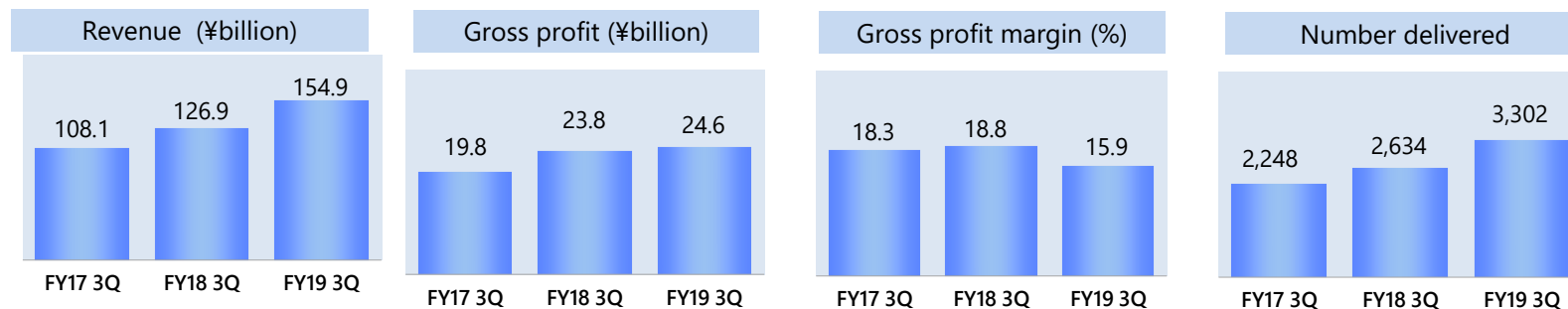
	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	FY2019 3Q 18/10-19/6	Inc. (Dec.)
Revenue (¥million)	133,754	151,690	246,932	62.8%
Gross profit(¥million)	24,463	28,161	37,237	32.2%
Gross profit margin	18.3%	18.6%	15.1%	(3.5)pt
Operating income (¥million)	16,404	18,848	22,835	21.1%
Operating income margin	12.3%	12.4%	9.2%	(3.2)pt

Number brokered in each quarter



Single-family homes related business (Open House Development)

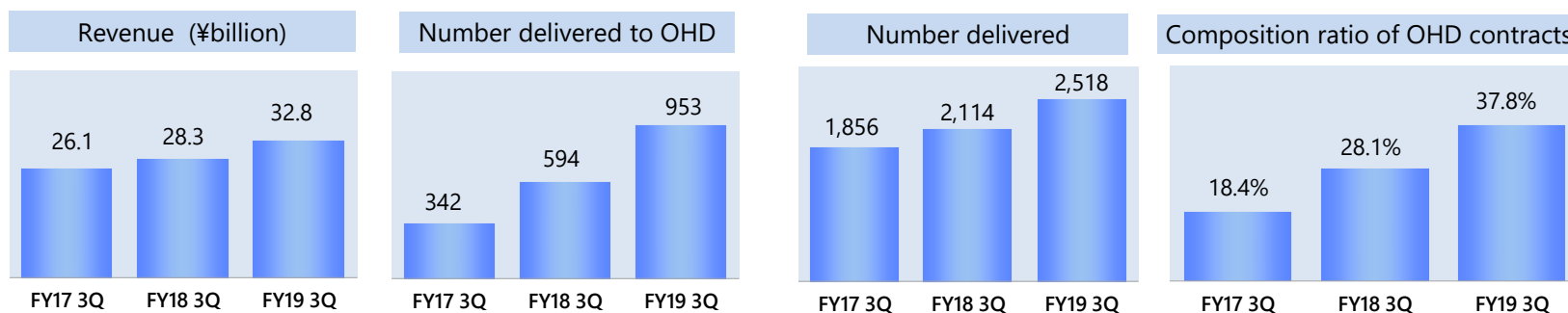
- ☑ Gross profit margin rebounded after hitting the bottom in the second quarter (January–March) and is expected to move upward further in the fourth quarter (July–Sept.).
- ☑ A decline in gross profit margin in the previous year had been due to gross margin mix resulting from increased number of built-for-sale houses and higher purchase prices of land.



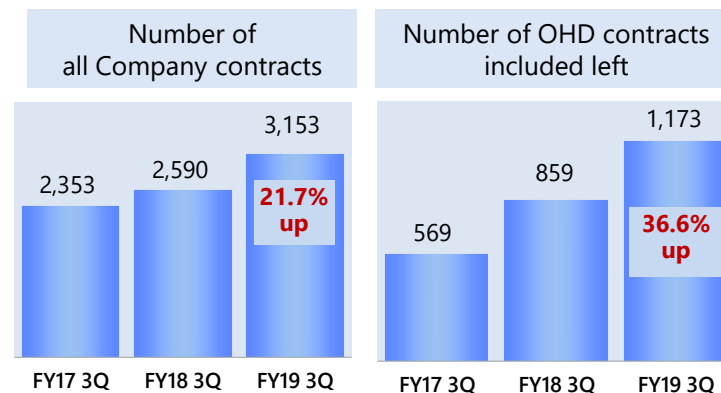
By type of sale		FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	FY2019 3Q 18/10-19/6	Inc. (Dec.)
Built-for-sale houses	Revenue (¥million)	45,065	43,852	67,263	53.4%
	Number delivered	1,021	1,013	1,574	561
	Unit Price(¥million)	44.1	43.3	42.7	(0.6)
Lands	Revenue (¥million)	53,575	70,266	70,909	0.9%
	Number delivered	1,227	1,621	1,728	107
	Unit Price(¥million)	43.7	43.3	41.0	(2.3)
Built-to-order houses	Revenue (¥million)	9,106	12,324	16,356	32.7%
	Number delivered	618	866	1,167	301
	Unit Price(¥million)	14.7	14.2	14.0	(0.2)
Others	Revenue (¥million)	438	457	427	(6.6)%
Total	Revenue (¥million)	108,184	126,908	154,960	22.1%
	Gross profit (¥million)	19,843	23,886	24,629	3.1%
	Gross profit margin	18.3%	18.8%	15.9%	(2.9)pt
	Number delivered (built-for-sale houses + lands)	2,248	2,634	3,302	668

Single-family homes related business (Construction work- Open House Architect)

- ☑ The business engaged in an increasing number of construction contracts for OHD, while responding to growing demand from general providers for built-for-sale homes in the Tokyo metropolitan district.
- ☑ Gross profit margin declined as expected, due to an increase in the number of houses delivered under OHD contracts that do not incur operating expenses.



	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	FY2019 3Q 18/10-19/6	Inc. (Dec.)
Revenue (¥million)	26,167	28,388	32,825	15.6%
Gross profit (¥million)	3,620	3,329	3,672	10.3%
Gross profit margin	13.8%	11.7%	11.2%	(0.5)pt
Number delivered ^{*1}	1,856 342	2,114 594	2,518 953	404 359



*1 Number delivered refers to the number of properties delivered under single-family homes construction contracts to corporations.
Number delivered to OHD on the lower line

The above represents the number of contracts for construction orders received during the respective fiscal year.

Single-Family Homes Related Business (Hawk One)

- ☑ The number of brokerage transactions in regard to Hawk One's units by Open House also showed steady increase.
- ☑ Gross profit margin for the third quarter (April–June) rebounded, though the margin for the first half remained low because of special factors.

Outline of performance

	FY2019 3Q (18/10-19/6)
Revenue (¥million)	65,521
Gross profit (¥million)	8,055
Gross profit margin	12.3%
Number delivered *including land ,built-to-order houses	1,673 (20%YOY)
Number of Sales *contract basis	1,601
Number of brokerage *contract basis	299 (9 at the same period last year)

Special factors in gross profit margin

1. Evaluation of market value of inventories

(FY2019 1Q: October-December 2018)

When consolidating at the end of the previous fiscal year, contracted inventories were valued at market value according to sales value, and the amount equivalent to the gain on valuation (¥850 million) was recorded under net assets and not under gross profit.

2. Disposal of long-term inventories

(FY2019 2Q: January-March 2019)

Long-term inventories (those open for contracts, with over 60 days after completion of construction) were disposed of in line with the policy aimed at improving asset efficiency. As a result, gross profit margin temporarily declined.

Number of brokerage transactions on Hawk One's Units in each Open House Sales Center *contract basis

FY2019 3Q (2018/10-2019/6)

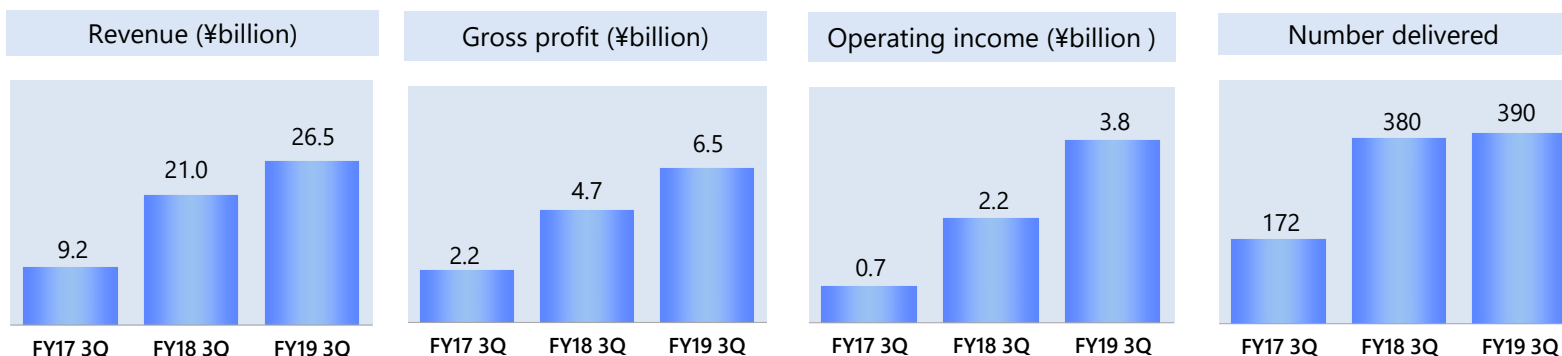
10 units and more

Under 10 units



Condominiums Business

- ✓ Ratios of revenue components rose in the fourth quarter (July–Sept.), the peak period of completing construction.
- ✓ The full-year forecast has been revised upward, as actual operating performance is expected to outperform the initial goal.



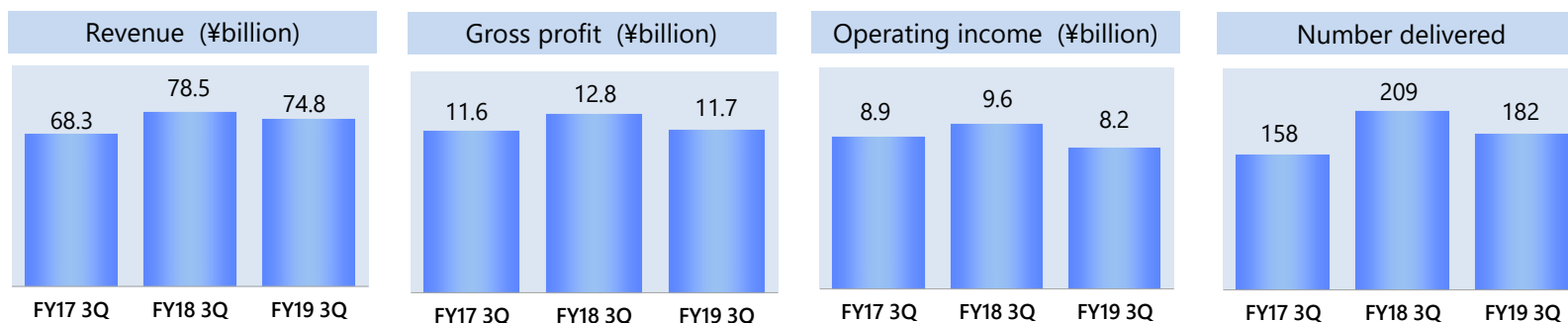
	FY2017 3Q 16/10-17/06	FY2018 3Q 17/10-18/06	FY2019 3Q 18/10-19/06	Inc. (Dec.)
Revenue (¥million)	9,262	21,058	26,508	25.9%
Gross profit (¥million)	2,222	4,707	6,531	38.7%
Gross profit margin	24.0%	22.4%	24.6%	2.3pt
Operating income (¥million)	760	2,205	3,863	75.1%
Operating income margin	8.2%	10.5%	14.6%	4.1pt
Number delivered	172	380	390	10
Unit price(¥million)	53.7	55.2	67.5	12.3

— Major condominiums delivered in FY2019 —

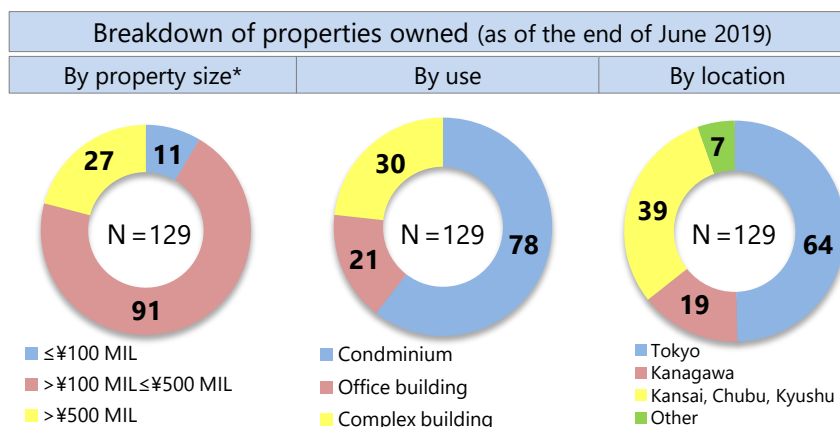
Name	Units	Average price
Open Residencia Showa Fukiage (Nagoya)	27	¥30million
Open Residencia Aoi (Nagoya)	32	¥40million
Open Residencia Yanaka (Tokyo)	19	¥60million
Open Residencia Oimach James Saka (Tokyo)	31	¥60million

Property Resales Business

- ☑ The business has steadily grown since the second quarter (Jan.–June), after a temporary decline in delivery in the first quarter.
- ☑ The full-year forecast has been revised upward with the expectation of better performance than the initial goal.

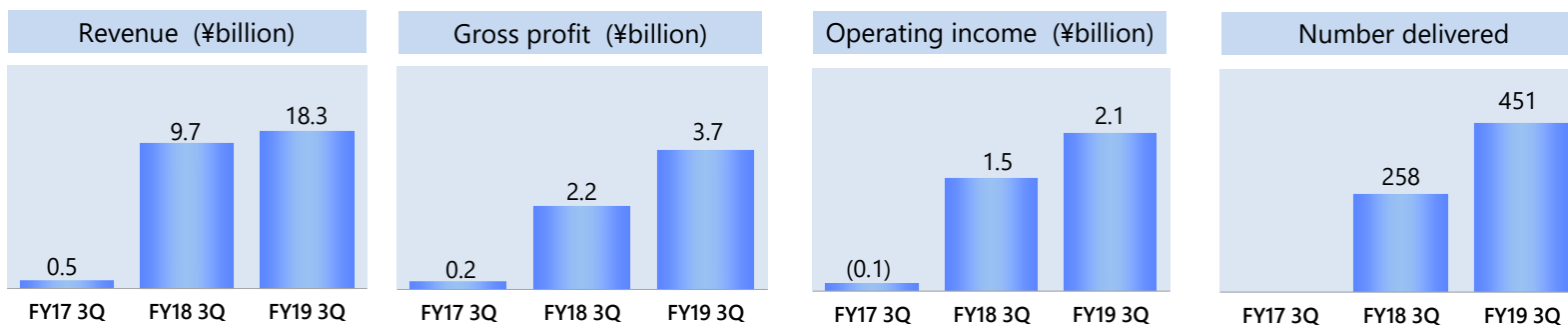


	FY2017 3Q 16/10-17/06	FY2018 3Q 17/10-18/06	FY2019 3Q 18/10-19/06	Inc. (Dec.)
Revenue (¥million)	68,321	78,572	74,893	(4.7)%
Gross profit (¥million)	11,663	12,813	11,702	(8.7)%
Gross profit margin	17.1%	16.3%	15.6%	(0.7)pt
Operating income (¥million)	8,947	9,610	8,217	(14.5)%
Operating income margin	13.1%	12.2%	11.0%	(1.3)pt
Number delivered	158	209	182	(27)
Unit Price(¥million)	422	368	400	32

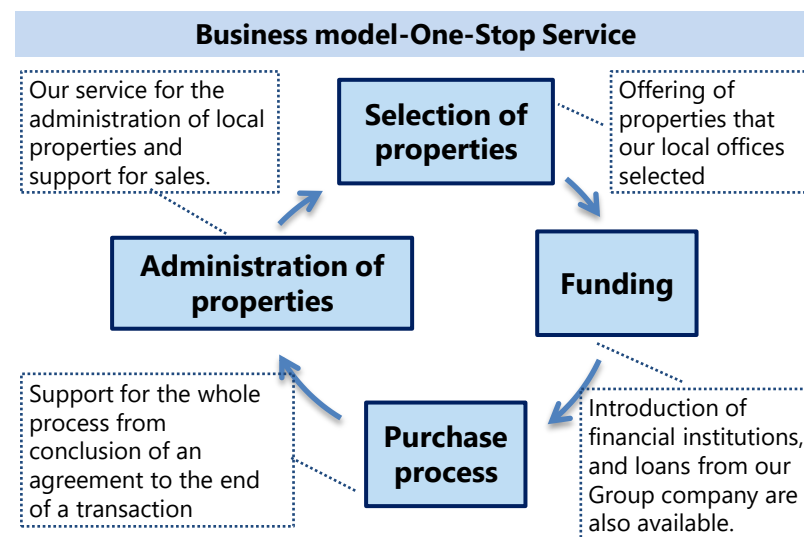


Other Segment (U.S. Real Estate Business)

- ☑ The business has stayed on an uptrend since the third quarter (April–June) following a fall in delivery due to a seasonal factor in the second quarter (Jan.–March).
- ☑ The full-year forecast has been revised upward as actual operating performance is likely to outperform the initial goal.



	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	FY2019 3Q 18/10-19/6	Inc. (Dec.)
Revenue (¥million)	597	9,748	18,316	87.9%
Gross profit (¥million)	256	2,255	3,784	67.8%
Gross profit margin	42.9%	23.1%	20.7%	(2.5)pt
Operating income (¥million)	(1)	1,570	2,197	627
Operating income margin	(0.2)%	16.1%	12.0%	(4.1)pt
Number delivered	–	258	451	193
multi family homes*			4	



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



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

(Million yen)

	FY2018 3Q 2017/10-2018/6		FY2019 3Q 2018/10-2019/6		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
SG&A expenses	16,351	6.3%	22,967	6.3%	6,615
Personnel expenses	4,367	1.7%	6,695	1.8%	2,328
Sales commissions	2,387	0.9%	3,708	1.0%	1,320
Office expenses	2,026	0.8%	2,614	0.7%	587
Advertising expenses	1,388	0.5%	1,618	0.4%	229
Promotion expenses	905	0.3%	1,036	0.3%	130
Others	5,274	2.0%	7,294	1.9%	2,019

	FY2018 3Q 2017/10-2018/6		FY2019 3Q 2018/10-2019/6		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
Non-operating income	182	0.1%	320	0.1%	138
Non-operating expenses	1,207	0.5%	2,600	0.7%	1,393
Interest expenses	813	0.3%	1,339	0.4%	525
Commission fee	48	0.0%	764	0.2%	716
Foreign exchange loss	206	0.1%	147	0.0%	(59)
Other	139	0.1%	350	0.1%	210

Consolidated Balance Sheet

(Million yen)

	Sep 30, 2018	Jun 30, 2019	Inc. (Dec.)
Current assets	377,818	400,810	22,992
Cash and deposits	119,053	105,453	(13,600)
Inventories	233,272	265,061	31,789
Others	25,492	30,295	4,803
Non-current assets	15,508	17,863	2,355
Property, plant and equipment	5,474	4,864	(610)
Intangible assets	3,515	3,532	17
Investments and other assets	6,517	9,467	2,949
Deferred assets	40	33	(7)
Total assets	393,367	418,707	25,340

	Sep 30, 2018	Jun 30, 2019	Inc. (Dec.)
Liabilities	279,880	293,392	13,511
Current liabilities	182,405	160,933	(21,471)
Non-current liabilities	97,475	132,459	34,983
Net Assets	113,486	125,315	11,828
Shareholders' equity	105,798	125,509	19,711
Valuation and translation adjustments	* 7,688	(194)	(7,882)
Total liabilities and net assets	393,367	418,707	25,340

*Including Non-controlling interests 6,941 million yen

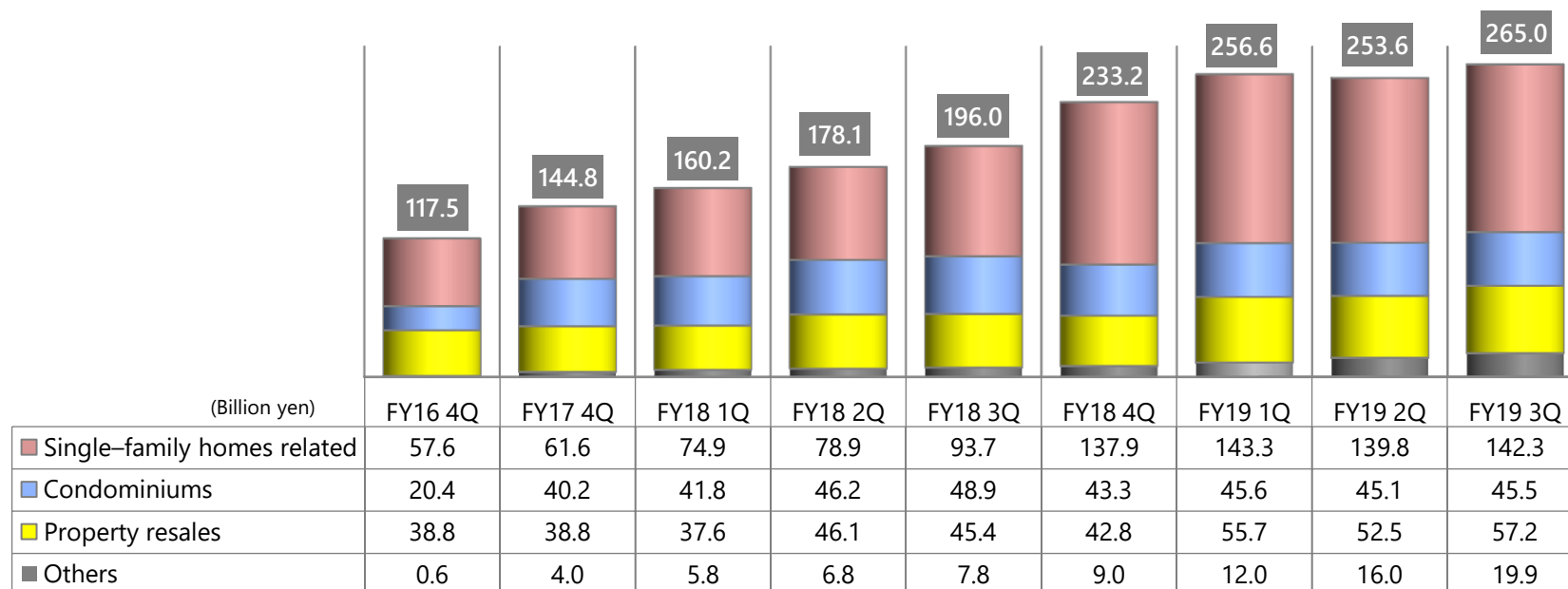
<Safety index>	Sep 30, 2018	Jun 30, 2019	Inc. (Dec.)
Equity ratio	27.0%	29.9%	2.9%

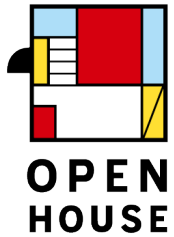


Inventory Details

(Million yen)

	End of FY2016 (Sep 30, 2016)	End of FY2017 (Sep 30, 2017)	End of FY2018 (Sep 30, 2018)	End of FY2019 3Q (Jun 30, 2019)	(Ratio)	Inc. (Dec.)
Single-family homes related	57,633	61,667	137,991	142,320	53.7%	4,329
Condominiums	20,422	40,291	43,322	45,591	17.2%	2,268
Property resales	38,838	38,871	42,873	57,232	21.6%	14,358
Others	651	4,064	9,084	19,917	7.5%	10,833
Total	117,546	144,894	233,272	265,061	100.0%	31,789





Consolidated Business Performance Forecasts for FY2019



Business Performance Forecasts

- ☑ Performance forecasts have been revised upward, backed by solid growth in recent months.
- ☑ Forecast for annual dividend has been revised upward 5 yen to 126 yen per share.

(Million yen)

	FY2018 (2017/10-2018/9)		FY2018 Initial forecast (2018/10-2019/9)		FY2019 Revised forecast (2018/10-2019/9)		
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Increase from initial forecast	Forecast	Inc. (Dec.)
Revenue	390,735	28.3%	510,000	30.5%	20,000	530,000	35.6%
Operating income	47,304	25.8%	54,000	14.2%	2,500	56,500	19.4%
Ordinary income	46,052	27.5%	51,500	11.8%	2,200	53,700	16.6%
Profit attributable to owners of parent	31,806	28.3%	37,000	16.3%	1,200	38,200	20.1%
EPS (yen)	570.17	—	655.17	—	—	678.01	—
Annual dividends per share (yen)	98.00	33.00	121.00	23.00	5.00	126.00	28.00
Payout ratio	17.2%	—	18.5%	—		18.6%	—



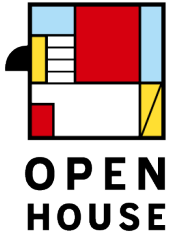
Consolidated Business Performance Forecasts (Revenue by Business Segment)

- Forecasts for revenues at property resales, condominiums and U.S. real estate businesses have been revised upward, given steady improvement in their performance.
- Single-family homes related business keeps its original goal for revenue of a 55.6% increase year-on-year.

(Million yen)

	FY2018 (2017/10-2018/9)		FY2019 Initial forecast (2018/10-2019/9)		FY2019 Revised forecast (2018/10-2019/9)		
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Increase from initial forecast	Forecast	Inc. (Dec.)
Revenue	390,735	28.3%	510,000	30.5%	20,000	530,000	35.6%
Single-family homes related business*	218,540	16.3%	340,000	55.6%	0	340,000	55.6%
Condominiums	49,385	86.5%	57,000	15.4%	3,500	60,500	22.5%
Property resales	107,430	20.7%	87,000	(19.0)%	14,500	101,500	(5.5)%
Others (including U.S. real estate business)	15,409	744.2%	26,000	68.7%	2,000	28,000	81.7%
Adjustments	(31)	—	0	—	0	0	—

* To further strengthen the business model — a comprehensive system from purchase and construction to intermediary and sales— the brokerage business, single-family homes business, and Open House Architect consolidated to establish a new segment, the single-family homes related business from FY 2018, and Hawk One consolidated to the segment of single-family homes from FY 2019.



Current Initiatives



Shareholder returns

- ☑ Repurchased shares amounted to 81.6% of the targeted maximum buybacks as of July 31.
- ☑ The Company implemented a stock split to improve liquidity by lowering the minimum trading unit.
- ☑ The Company will abolish its benefit program to step up measures focused on the fairness of shareholder return.

Repurchase of treasury shares

Repurchase period	From May 16, 2019 to September 30, 2019 (Share buyback status as of July 31)
Total number of shares to be repurchased	Repurchased number of shares amounted to 815,500 shares of targeted maximum of 1,000,000 shares (81.6% achievement).
Total repurchase amount	Repurchased amount stood at 3,727 million yen of targeted maximum of 5,000 million yen (74.5% achievement).

Share split

Method of the share split	Split at the ratio of 2-for-1 for one common stock
Record date	September 30, 2019
Total number of shares issued	57,602,900 shares as of July 31, 2019 (After the share split :115,205,800 shares)
Total number of authorized shares	162,600,000shares (After the share split :325,200,000 shares)

Shareholder Benefits Program

The program will be abolished after the implementation of the last program* with a record date of Sept. 30, 2019.

* It is scheduled to be delivered in late December 2019.

Details of benefits	Less than 3 years' continuous holding	3 or more years' continuous holding
Benefits when purchasing homes brokered by the company or sold by the group	100,000 yen cash back	300,000 yen cash back
Quo Card	3000-yen card	5000-yen card

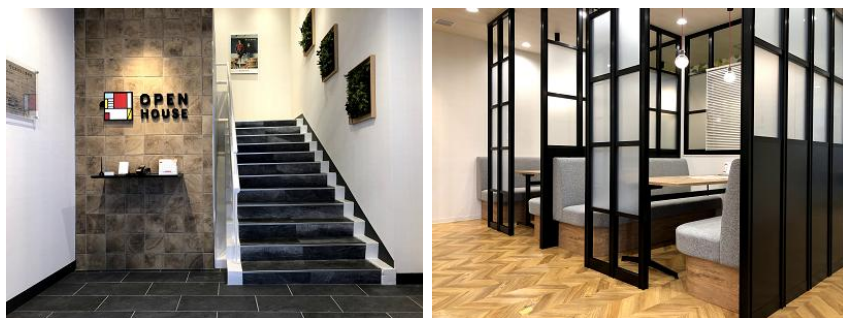
Eligible shareholders: Those owning one or more trading units (100 shares) of company stock as recorded on the shareholders' register as of September 30 of each year
Continued holding represents shareholders who have retained one unit (100 shares) or more of the Company's common shares for not less than 3 years, with the initial day of reckoning of September 30, 2016.



Motoyawata Sales Center, the first sales center located in Chiba Prefecture, was opened.

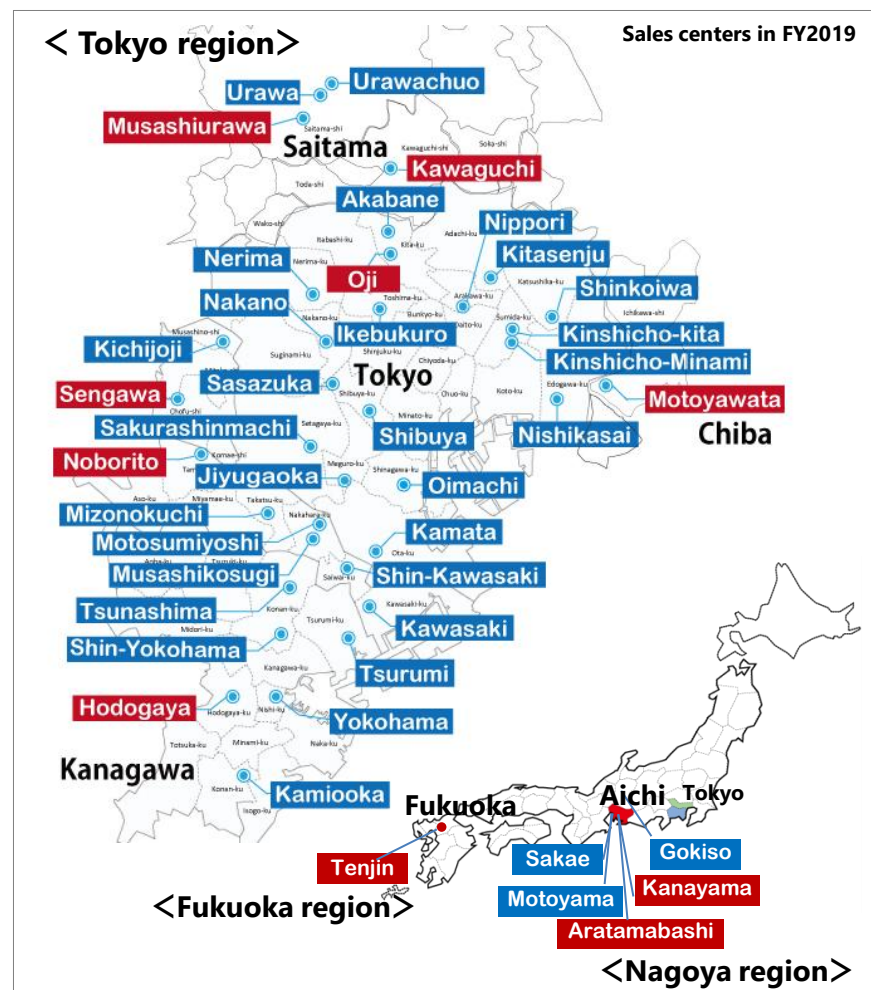
- ☑ With the opening of new sales bases below, a total of 42 sales centers are operated.
- ☑ Musashiurawa, Kawaguchi, Kanayama in October, Noborito in November in 2018, and Tenjin in January 2019. Senkawa, Aratamabashi in April, and Oji, Hodogaya, Motoyawata in July 2019.

Opening of Sales Centers



No. of sales centers of each area

	FY2016 15/10-16/9	FY2017 16/10-17/9	FY2018 17/10-18/9	As of 2019.8.14
Tokyo	13	16	17	19
Kanagawa Prefecture	5	7	10	12
Aichi Prefecture	—	2	3	5
Saitama Prefecture	—	—	2	4
Chiba Prefecture	—	—	—	1
Fukuoka Prefecture	—	—	—	1
Total	18	25	32	42





Refer to Presentation material for the Second Quarter Ended September 30, 2014 (P27)

Comparison of impacts of the consumption tax hike

- Purchasers of single-family homes supplied by Open House can gain greater benefits from the housing loan tax credit (increase in the maximum amount eligible for tax deduction) than purchasers of homes supplied by other real estate companies.
- Open House has a business structure with which demand is little affected by consumption tax hikes.

Outline of property	(thousand yen)	Amount of consumption tax	Amount of tax credit (10-year cumulative amount)
Open House Single-family home in Tokyo's 23 wards home: Price: 43,000 Land: 30,000 Building: 13,000	Before the tax hike (5%) ①	650	2,000
	After the tax hike (8%) ②	1,040	3,745
	Difference (①-②)	▲ 390	+ 1,745
	Total balance		+ 1,355

→ The maximum amount eligible for tax deduction of 20 million yen × 1% × 10 years
 → The above maximum amount was increased to 40 million yen, resulting in a significant increase in the amount of tax credit.
 → It will be beneficial to purchase homes after a tax hike.

<Reference>

Power builder	Single-family home in suburban area Price: 25,000 Land: 15,000 Building: 10,000	Difference	▲ 300	+ 205
		Total balance		▲ 95
Custom-home builder	Custom-built home Price: 25,000 Land: 0 Building: 25,000	Difference	▲ 750	+ 205
		Total balance		▲ 545

→ The negative impact of a tax hike will be large even in terms of 10-year cumulative impact.

→ Purchasing after a tax hike will be money-losing.

- Assumptions of the above trial calculations —
- Consumption tax will be paid in cash, and the entire purchase price of a property will be covered by a housing loan, without taking other miscellaneous expenses into account.
 - Payment method: Monthly principal and interest equal payment for 35 years; 12 times a year with no additional payment; interest rates: (Flat 35) Loan-to-value (LTV) ratio of 90% or less: 1.73%, LTV ratio of more than 90%: 2.17%.
 - Assuming that eligibility requirements for maximum tax deduction for a housing loan of 40 million yen (for general housing) applicable from April 1, 2014 are met.
 - The trial calculations are conducted by applying general prices for each of the above business categories and do not relate to all properties actually distributed in the market.

CSR Initiative (1):

Support for employee who has committed himself to becoming a Paralympic athlete

<One of CSR Initiatives: The Group helps to promote sports.>

- While working as an Open House employee, he aims to become a para-athlete at the 2020 Tokyo Paralympic games.

The 30th Japan Para Athletic Championship in June 2019
Results:

1st in 100-meter sprint
2nd in long jump



He does hard exercise, while engaging in regular work as an employee.



Junta Kosuda, a 28-year old employee, engages in regular work in the Property Resale Business Division, while doing athletic exercise every day, aiming to become a 2020 Tokyo Paralympic athlete. He also has many accomplishments in snowboard games and was appointed as an athlete training for the 2022 Paralympic Winter Games in Beijing. He is a promising candidate for going to the games.

CSR Initiative (2): Contribution to local communities through professional sports

- Open House became Team Sponsor of the Fukuoka SoftBank HAWKS, a professional baseball team.
- Open House invested in the capital of a company which runs the Gunma Crane Thunders, a professional basketball team.

The Company will boost the Fukuoka region together with the Fukuoka SoftBank HAWKS.



The Company concluded a team sponsor contract with the Fukuoka SoftBank HAWKS based in Fukuoka City in July 2019. The Open House logo will be put on the players' helmets in all regular games held in the latter half of the 2019 season.

The Company launched single-family homes related, condominiums, and property resales businesses in Fukuoka City in 2019, and will work on vitalizing the Fukuoka region with activities as a team sponsor for the Fukuoka SoftBank HAWKS.

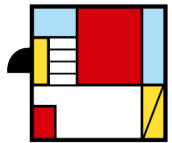
The Company supports Gunma Crane Thunders' activities together with local people.



In June 2019, Open House acquired the majority of shares of Gunma Pro Basketball Commission Co., Ltd., which runs the Gunma Crane Thunders, making it a subsidiary* of the Company.

*Non-consolidated subsidiary as an entity that would have no material impact on the Company

The Company will provide support, together with local people, for the Gunma Crane Thunders, which aims to be promoted from the current B2 League to the B1 League.



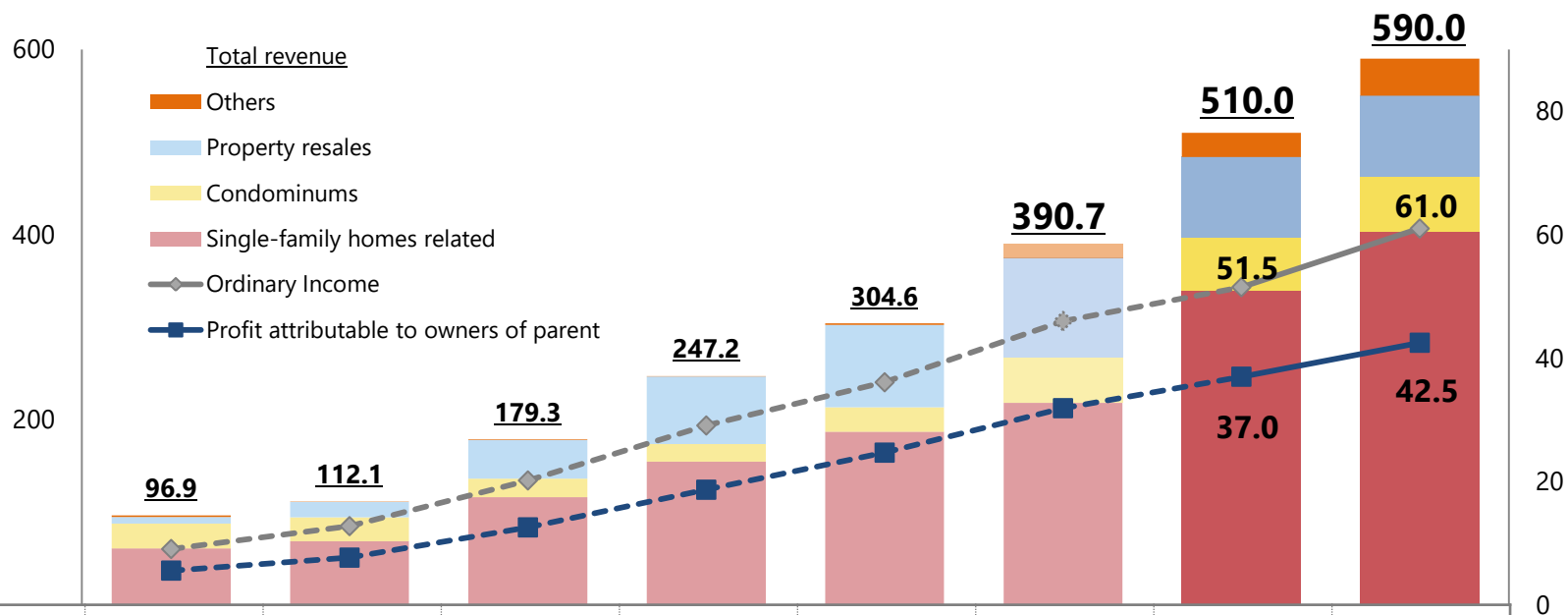
**OPEN
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Mid-Term Business Plan

Updated on November 14, 2018



Mid-Term Business Plan : Hop Step 5000 updated



(¥ billion)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 forecast	FY2020 plan
Single-family homes related	61.1	69.2	116.7	155.0	187.3	218.5	340.0	403.0
Condominiums	27.1	25.7	20.0	19.0	26.4	49.3	57.0	60.0
Property resales	6.9	16.5	41.7	72.8	88.9	107.4	87.0	87.0
Others	1.7	0.6	0.7	0.4	1.8	15.4	26.0	40.0
Total revenue	96.9	112.1	179.3	247.2	304.6	390.7	510.0	590.0
Ordinary income	9.1	12.8	20.2	29.1	36.1	46.0	51.5	61.0
Profit attributable to owners of parent	5.6	7.7	12.6	18.7	24.7	31.8	37.0	42.5

2013.9-2017.9
Revenue
CAGR:33.1%

2017.9-2020.9
Revenue
CAGR:24.6%

Formulation of the Mid-Term Business Plan

Basic policies

- We strive to become a real estate company that is needed by society by achieving sound operating performance and business expansion through the continued offering of products that customers demand.
- We aim to further raise the corporate value by optimizing business portfolios focused on the single-family homes related business.

Initiatives

(1) Bolstering of competitiveness of the single-family homes related business as the Company's mainstay

- **Expansion of business development areas** (Acceleration of business development into new areas including Aichi and Saitama prefectures, in addition to existing areas) ⇒ ① **Expanded the business area to Fukuoka Prefecture**
- **Strengthening of functions for development and construction** (Shortening of a project period, reduction of construction costs, improvement in productivity by leveraging IT, etc.)
- **Enhancement of the Group management** (Further improvement in a comprehensive system from purchase and construction to intermediary and sales as the Company's advantage) .) ⇒ ② **Expanded market share through acquisition of Hawk One**

(2) Formation of business portfolios reflecting changes in external environment

- **Bolstering of the condominiums business** (Development focused on promising compact condominiums located in very convenient urban centers) ⇒ ③ **Driven by robust business in the Nagoya area**
- **Sustainable growth of property resales business** (Retention of customers, development of new property portfolios, etc.)
⇒ ④ **Implement a cautious management approach under conservative plans**
- **New business development** (Full-fledged operation of the U.S. property investment services for the wealthy class of customers, M&A enhancement, etc.) ⇒ ⑤ **Expansion of the U.S. real estate business**

(3) Strengthening of the management base to underpin corporate growth

- **Recruitment of resources** (proactive investment in people, goods and money, set as the top priority for management)
⇒ ⑥ **Hired 298 new graduates in April 2019**
- **Development of human resources for business management** (Reinforced fostering of next-generation management group)
- **Innovation on work style and enhancement of diversity** (Appropriate management of labor hours, support for child-care and nursing-care, and recruitment of non-Japanese or disabled people, etc.)

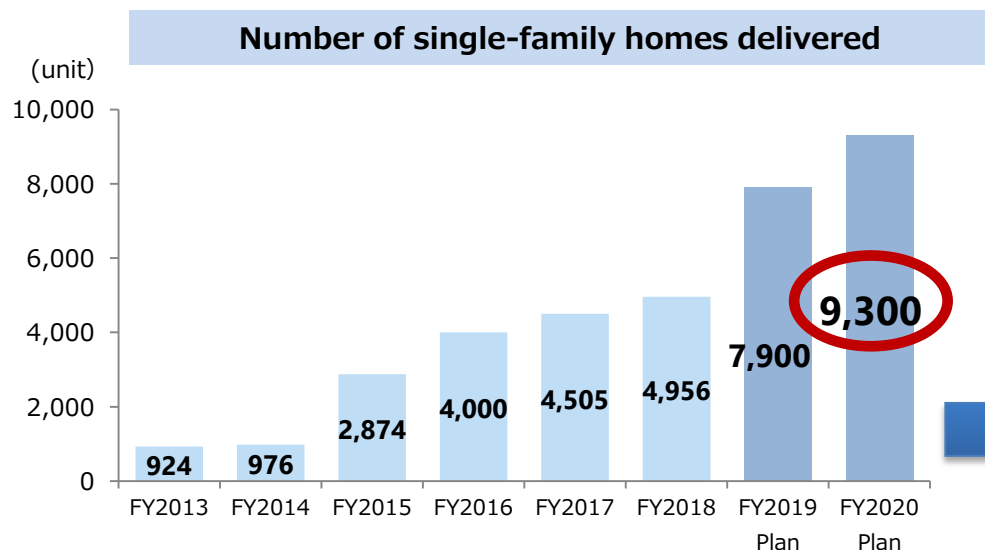
Capital policies

Establishment of both capital efficiency and financial soundness

- **Maintenance of high capital efficiency** (Targeting the level of 30% ROE)
- **Maintenance of sound financial strength to assure financial safety** (Maintaining the capital adequacy ratio at or above 30%)
- **Strengthening of shareholders return** (Gradual increase in the dividend payout ratio, targeting the level of 20% for the fiscal year ending September 30, 2020)

Position of the Single-Family Homes Related Business

- ☑ The Open House Group's presence in the housing industry improved with the increase in the number of single-family homes delivered.
- ☑ Cumulative total number of single-family homes sold by the Open House Group has exceeded 60,000 units mainly in Tokyo metropolitan area.



Note: Calculated by totaling the results and projections of single-family homes delivered by Open House Development, Open House Architect and Hawk One (after offsetting internal transactions and excluding the results before conversion to consolidated subsidiaries)

Cumulative total number of single-family homes sold by the Open House Group: Approx. 60,000 units

Our housing stocks are mainly in the Tokyo metropolitan area where the number of households is expected to increase.

Note: Calculated by totaling the results of single-family homes sold by Open House Development, Open House Architect and Hawk One (after offsetting internal transactions and including the results before conversion to consolidated subsidiaries)

Ranking of single-family home sales

Rank	Company name	No. of sales	Ratio
1	Company IG	44,763	10.6%
	Company TH Company M Company P	17,000	4.0%
2	Company SH	13,294	3.1%
3	Company IK	12,492	3.0%
4	Company SK	9,880	2.3%
5	Company A	9,792	2.3%
6	Company D	9,227	2.2%
7	Company T	8,310	2.0%
8	Company SR	7,864	1.9%
9	Company M	6,885	1.6%
10	Company P	5,747	1.4%

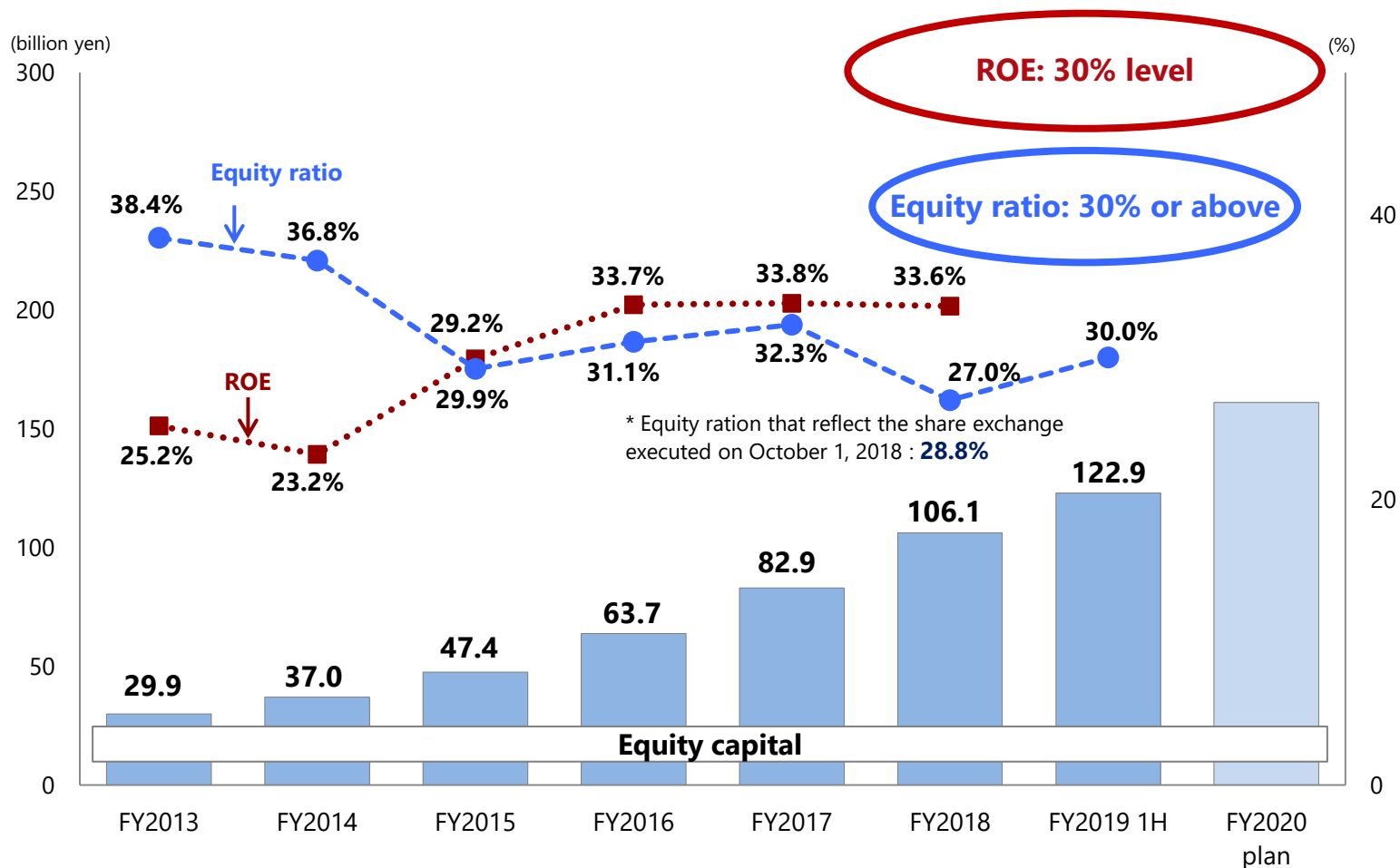
Number of housing starts : 422,998

Compiled by the Company based on the most recent financial figures disclosed by each company (For 2017 (partly for 2016), total of the number of contracts and the number of single-family homes sold (partly the number of homes ordered for construction))

"Building Starts / Housing Starts" by Ministry of Land, Infrastructure, Transport and Tourism (Number of newly built houses in 2018 (total of possessed houses and houses built for sale))

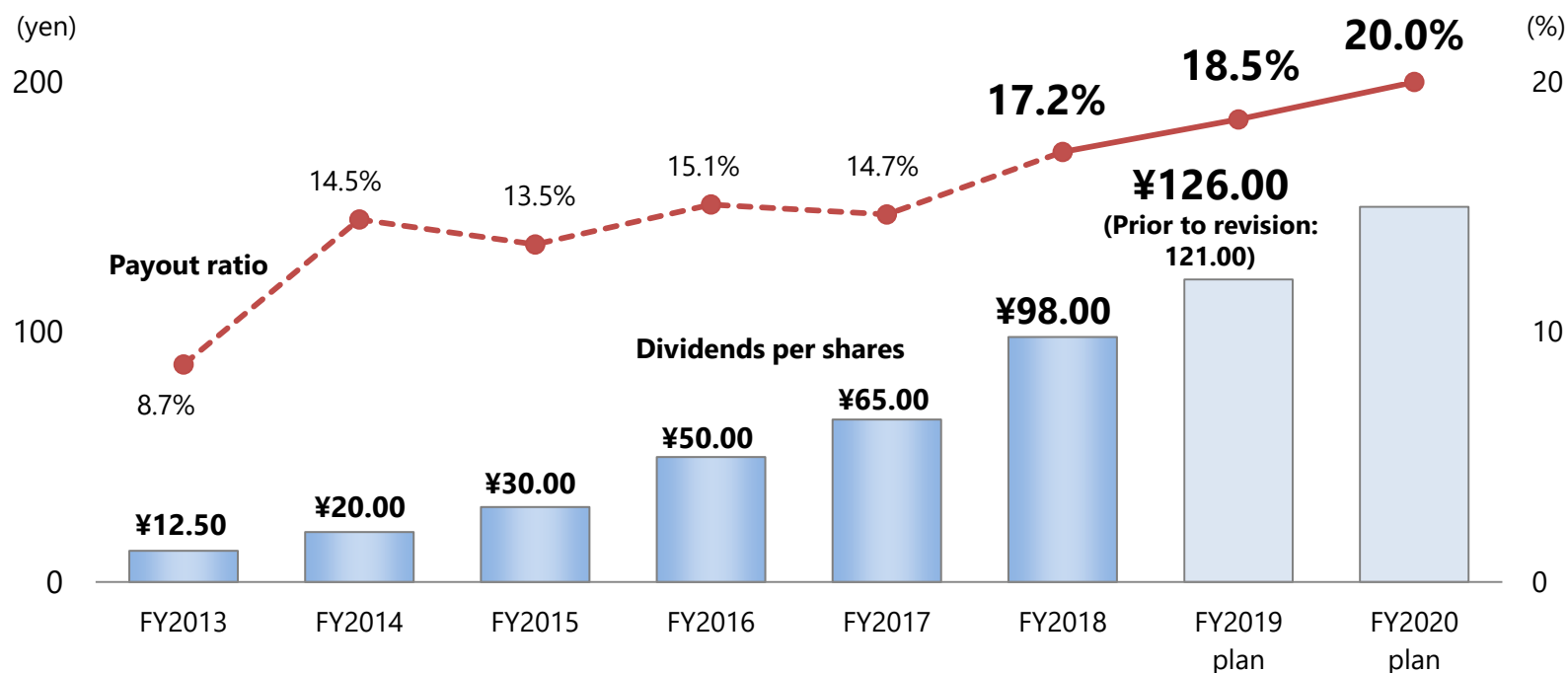
Capital policy Assurance of both high capital efficiency and sound financial condition

- ☑ Sustaining high capital efficiency (ROE: 30% level)
- ☑ Maintaining strong financial condition to ensure the safety of financial aspects (Equity ratio: 30% or above)



Capital policy **Strengthening of Shareholder Return (Raising Dividend Payout Ratio)**

- ☑ We plan to gradually increase the dividend payout ratio, targeting 20% in the fiscal year ending September 30, 2020.
- ☑ We will flexibly buy back shares with comprehensive consideration given to financial strength, business performance, stock prices, etc.



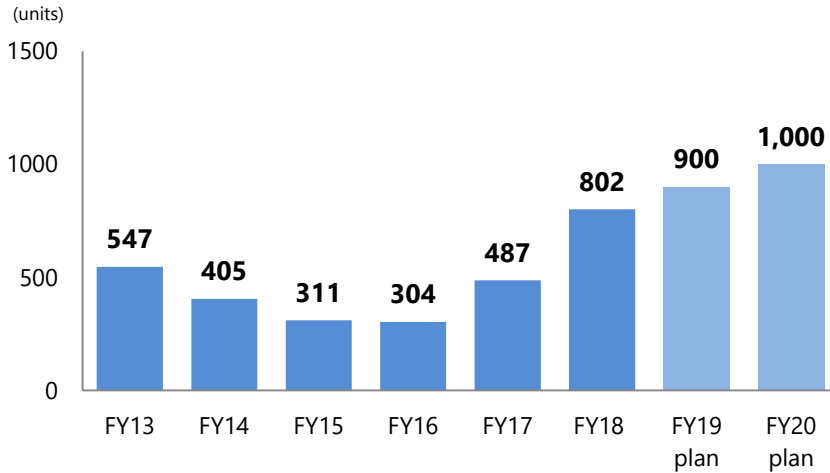
<Assumptions made in calculating indicator per share>

1. The stock splits (1,000-for-one stock split on June 28, 2013 and two-for-one stock split on July 1, 2015) are assumed to have been executed in the beginning of the fiscal year ended September 30, 2013.
2. Figures in and after the fiscal year ending September 30, 2019 are calculated based on the number of shares (total number of shares issued – treasury shares) as of September 30, 2018.

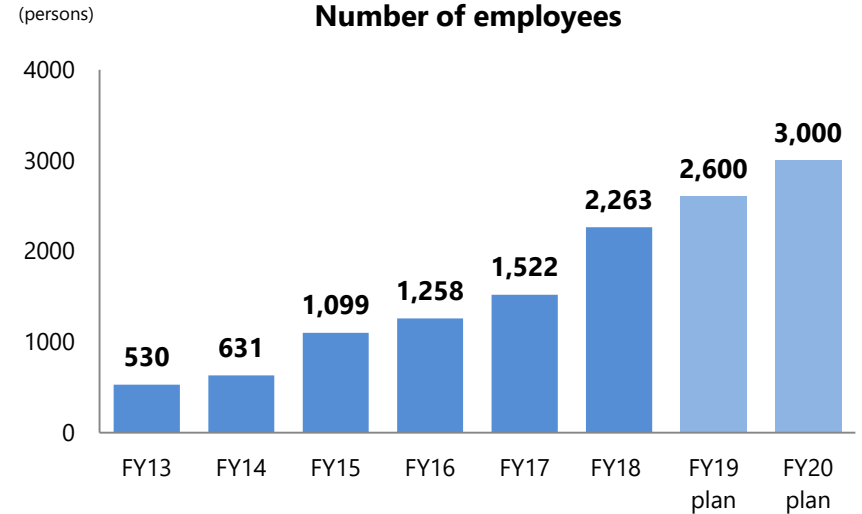


Quantitative Goals

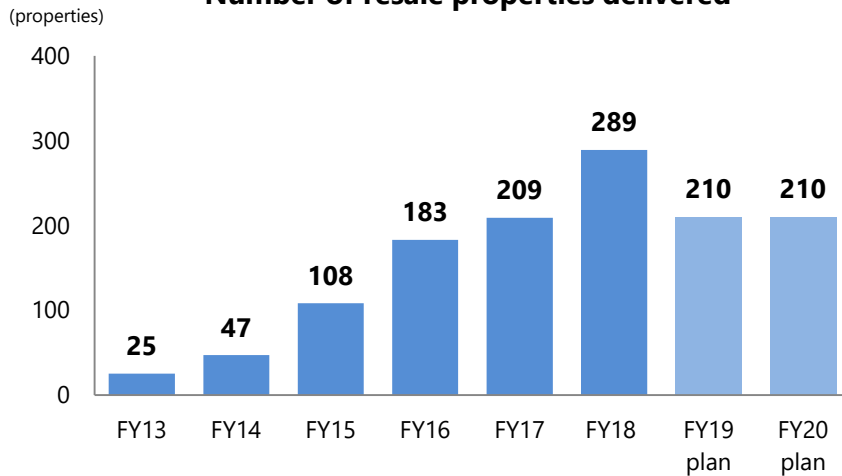
Number of units of condominiums delivered



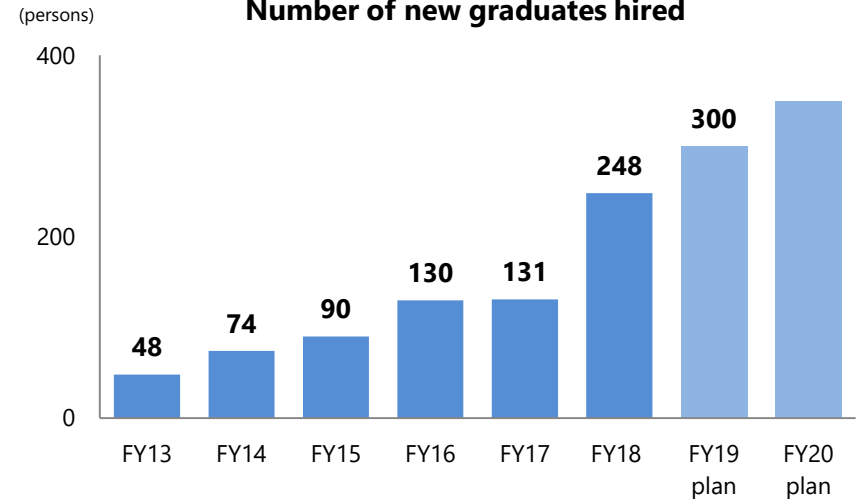
Number of employees



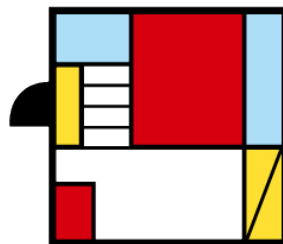
Number of resale properties delivered



Number of new graduates hired



東京に、家を持とう。



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