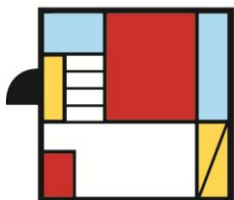




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**OPEN
HOUSE**

Consolidated Financial Highlights

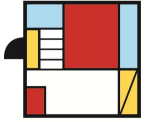
for the fiscal year ended September 30, 2014

OPEN HOUSE CO., LTD.



<3288 TSE>

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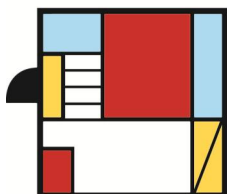
**OPEN
HOUSE**

OPEN HOUSE CO.,LTD.

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| ii | Business Performance Forecast for FY2015 | p.15 |
| iii | Our initiatives toward next stage | p.19 |
| iv | <Reference> Market Trends | p.25 |

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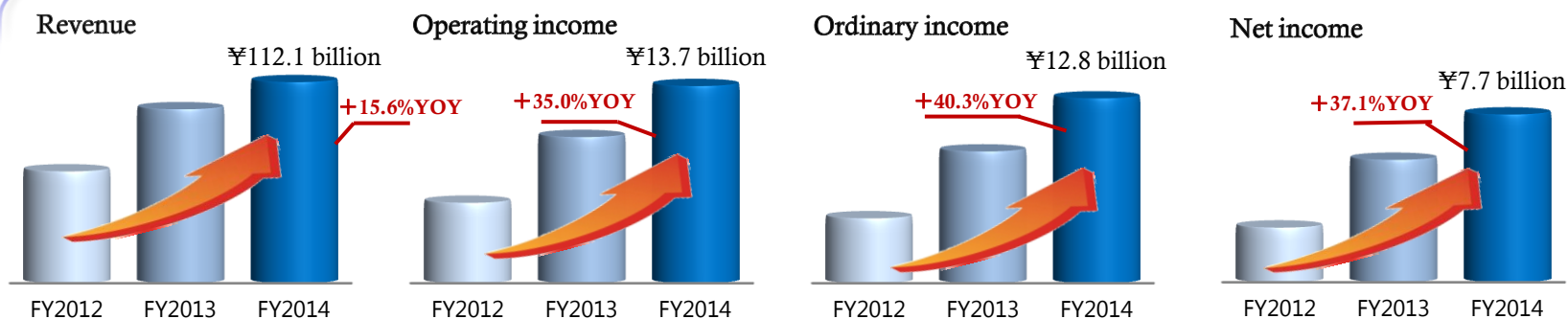
**OPEN
HOUSE**

FY2014 Consolidated Financial Results

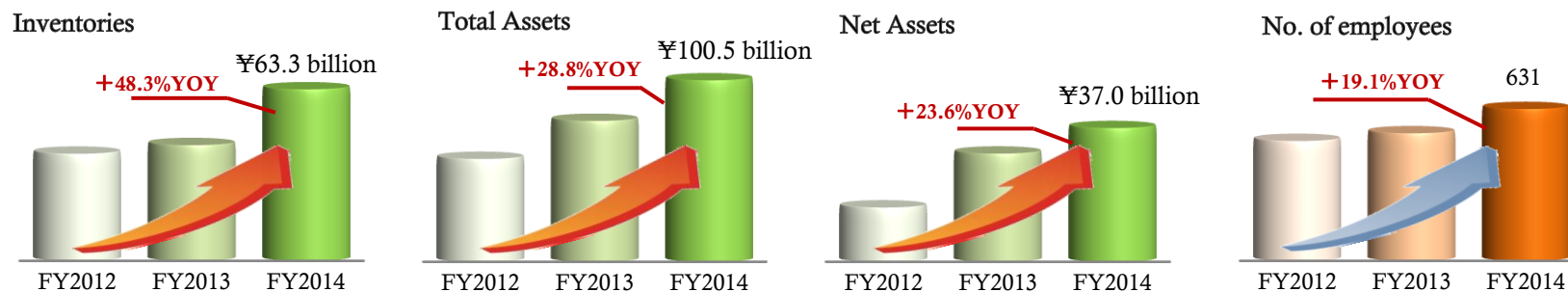
OPEN HOUSE CO.,LTD.

FY2014 Summary

- Revenue exceeded ¥100 billion.
- Revenue and income were all at record-high levels.



- As a result of solid property purchases, our total assets exceeded ¥100 billion.
- Maintaining a stable financial position
- Expanding recruiting activities were positive.





Overview of Consolidated Income Statement

(Million yen)	FY2013		FY2014		%YOY	FY2014		%Change
		% of Revenue		% of Revenue		Forecast as of 2013.11.14	Forecast as of 2014.5.7	
Revenue	96,999		112,145		+15.6%	115,000	115,000	△2.5%
Gross profit	17,001	17.5%	20,994	18.7%	+23.5%			
SG&A Expenses	6,816	7.0%	7,248	6.5%				
Operating income	10,185	10.5%	13,746	12.3%	+35.0%	12,200	13,700	+0.3%
Non-operating income	318		180					
Non-operating expenses	1,324		1,044					
Ordinary income	9,179	9.5%	12,882	11.5%	+40.3%	11,000	12,600	+2.2%
Extraordinary income	0		—					
Extraordinary expenses	—		—					
Net income	5,661	5.8%	7,763	6.9%	+37.1%	6,700	7,700	+0.8%
EPS (Yen)	287.82*		275.50			239.07	274.75	

* EPS for FY2013 is calculated based on the average number of shares during the fiscal year
 EPS calculated based on the total number of outstanding shares at the end of FY2013: 202.00 yen

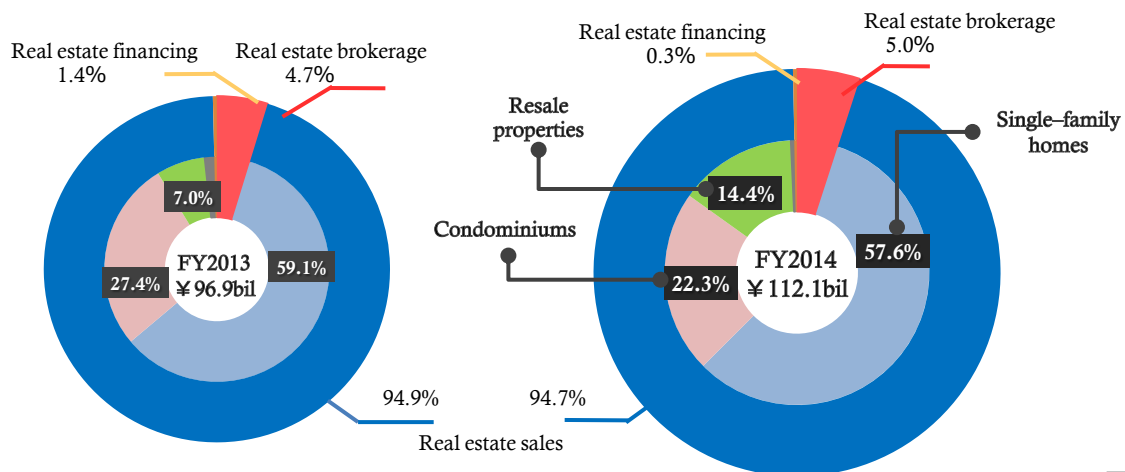
- Net sales, operating income, ordinary income and net income were all at record-high levels.
- Revenue exceeded ¥100 billion for the first time, however, decreased slightly from the forecast.
 - Despite sales of single-family homes remained stronger than expected, the delivery of some properties in FY2014 was postponed until FY2015, due to unexpected prolonged construction period.



Consolidated Segment Revenue

	FY2013	FY2014		FY2014 Forecast	%Change
		(Million yen)	%YOY		
Real estate brokerage	4,704	5,728	+21.7%	5,730	Δ0.0%
Real estate sales	94,082	108,760	+15.6%	111,640	Δ2.6%
Single-family homes	58,628	66,100	+12.7%	69,720	Δ5.2%
Condominiums	27,136	25,661	Δ5.4%	25,000	+2.6%
Resale properties	6,968	16,528	+137.2%	16,220	+1.9%
Others	1,349	469	Δ65.2%	700	Δ33.0%
Real estate financing	369	376	+3.1%	360	+4.4%
Adjustments	Δ2,157	Δ2,720	—	Δ2,730	—
Total	96,999	112,145	+15.6%	115,000	Δ2.5%

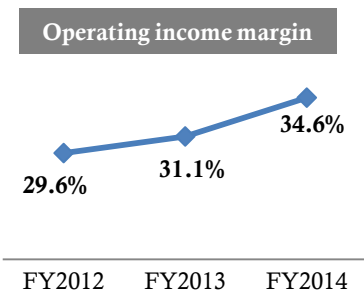
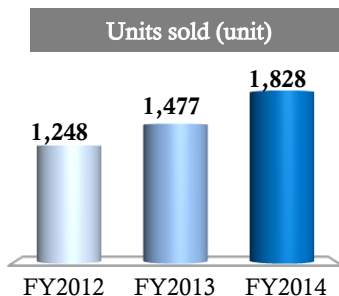
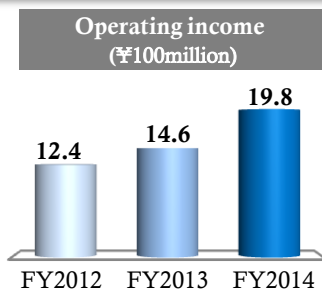
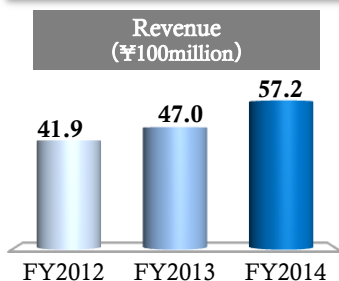
● All 3 business segments performed as planned.





Real Estate Brokerage Business

- Establishment of 4 new brokerage offices in FY2014 contributed the growth of number of sales, revenue and income
- Our firm's brokerage business remained consistent pre and past the forecasted consumption tax hike.
- By increasing revenue, the ratio of fixed costs decreased and operating income margin improved.



	FY2012	FY2013	FY2014	YOY
Revenue (¥million)	4,193	4,704	5,728	+21.7%
Operating income (¥million)	1,240	1,464	1,987	+35.7%
Operating income margin	29.6%	31.1%	34.6%	+3.5P
Units sold (unit)	1,248	1,477	1,828	+351

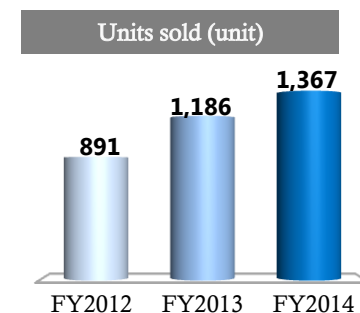
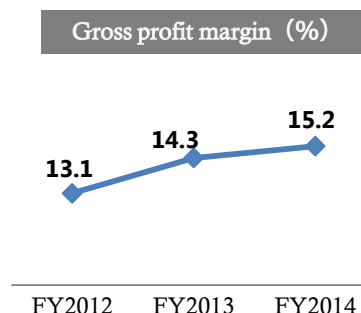
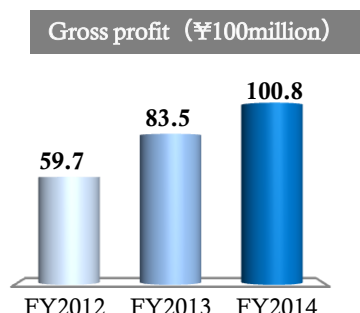
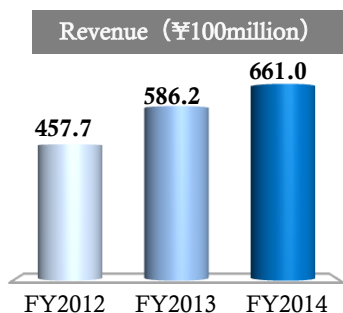
Expanding sales network based in Tokyo's 23wards, Yokohama and Kawasaki





Real Estate Sales Business: Single-family homes

- Our bold land purchases for development enable our firm to establish a solid system with a constant supply of properties.
- Despite sales of single-family homes remained stronger than expected, the delivery of some properties in FY2014 was postponed, until FY2015, due to unexpected prolonged construction period.
- Some properties ongoing scheduled for delivery in FY2014 have been postponed until the following year. These properties will be a contributing factor in FY2015 business performance.



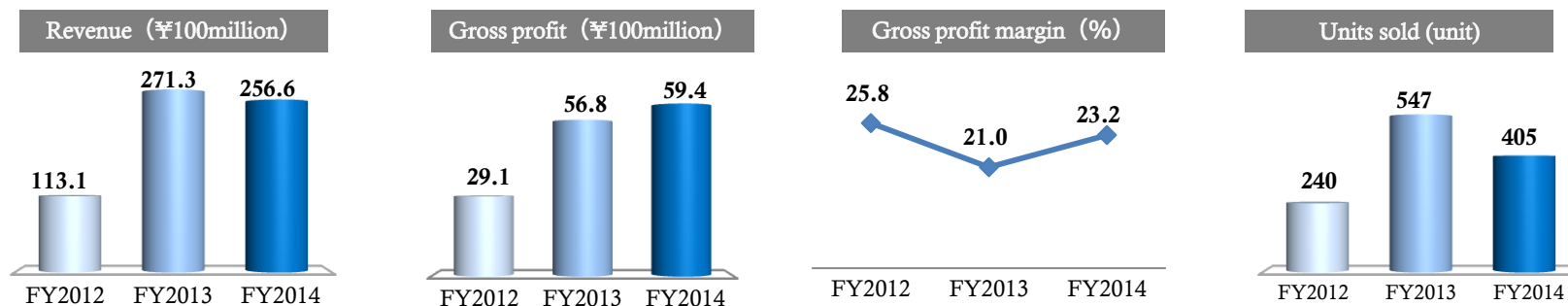
	FY2012	FY2013	FY2014	YOY
Revenue (¥million)	45,775	58,628	66,100	+ 12.7%
Gross profit (¥million)	5,974	8,358	10,080	+ 20.6%
Gross profit margin	13.1%	14.3%	15.2%	+ 1.0P
Units sold (unit)	891	1,186	1,367	+ 181





Real Estate Sales Business: Condominiums

- Given our diligence at the development phase of the process, our revenue decreased slightly.
- Gross profit margin improved, due to sales strategies based on real estate market conditions, central areas of cities and the development of properties; putting more emphasis on urban lifestyles.



	FY2012	FY2013	FY2014	YOY
Revenue (¥million)	11,316	27,136	25,661	△5.4%
Gross profit (¥million)	2,913	5,689	5,944	+4.5%
Gross profit margin	25.8%	21.0%	23.2%	+2.2P
Units sold (unit)	240	547	405	△142

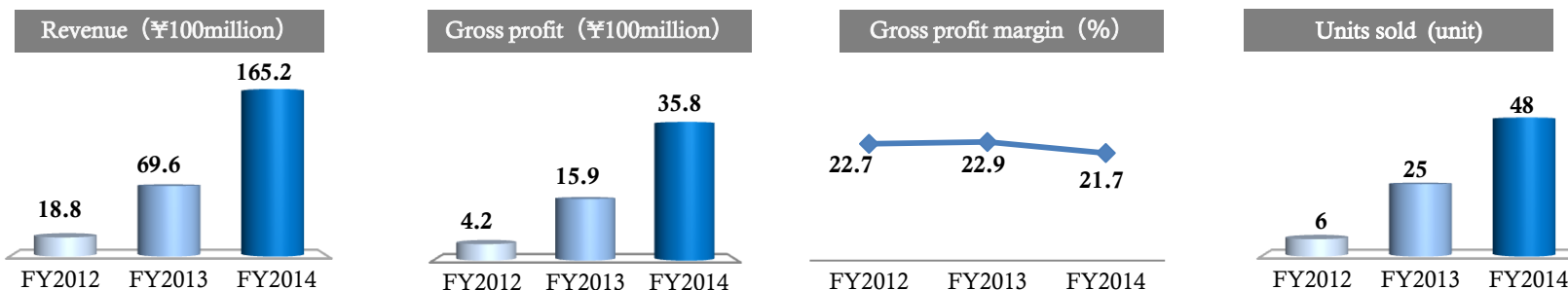
Major projects delivered in FY2014	Units	Average price
Open Residencia Takanawa Place	70	¥60million
Open Residencia Asagaya Hiroo I	31	¥80million
Open Residencia Omotesando est	58	¥60million





Real Estate Sales Business: Resale properties

- After 3 years steady growth, from start-up, it has emerged as our 3rd core business due to inflow of funds into real estate investment market.
- Expanding business continuously by acquiring knowledge



	FY2012	FY2013	FY2014	YOY
Revenue (¥million)	1,888	6,968	16,528	+137.2%
Gross profit (¥million)	427	1,594	3,586	+124.9%
Gross profit margin	22.7%	22.9%	21.7%	△1.2P
Units sold (unit)	6	25	48	+23





Breakdown of S&G expenses, non-operating income and expenses

S&G expenses

(Million yen)	FY2013		FY2014		Changes
		% of Revenue		% of Revenue	
S&G expenses	6,816	7.0%	7,248	6.5%	+ 431
Personnel expenses	1,732	1.8%	1,898	1.7%	+ 165
Advertising expenses	941	1.0%	912	0.8%	△28
Promotion expenses	909	0.9%	482	0.4%	△427
Lease payments	790	0.8%	902	0.8%	+ 112
Taxes and dues	503	0.5%	729	0.7%	+ 226
Other	1,939	2.0%	2,323	2.1%	+ 383

Non-operating income · Non-operating expenses

(Million yen)	FY2013		FY2014		Changes
		% of Revenue		% of Revenue	
Non-operating income	318	0.3%	180	0.2%	△137
Interest income	3	0.0%	9	0.0%	+ 5
Dividends income	12	0.0%	24	0.0%	+ 12
Rentals received	257	0.3%	119	0.1%	△138
Foreign exchange gain	7	0.0%	18	0.0%	+ 11
Insurance income	37	0.0%	9	0.0%	△28
Other					
Non-operating expenses	1,324	1.4%	1,044	0.9%	△279
Interest expenses	895	0.9%	794	0.7%	△100
Commission	263	0.3%	129	0.1%	△133
Other	165	0.2%	120	0.1%	△45

- Increase in personnel costs is a result of redeveloping current infrastructure for future business growth.
- Decrease in promotional expenses is due to improvement of out brand recognition via television commercials and listing on TSE
- Decline in SGA Ratio from 7.0% to 6.5%

- Decrease in foreign exchange gain due to continuing depreciation of the yen against the U.S. dollar
- Decrease in interest expenses and commission due to improvement of creditworthiness as a listed company on the First Section of the TSE



Overview of Consolidated Balance Sheet

(Million yen)	Sep 30, 2013	Sep 30, 2014	Changes		Sep.30, 2013	Sep.30, 2014	Changes
Current assets	76,286	98,196	+ 21,909	Liabilities	48,105	63,530	+ 15,424
Cash and cash equivalents	26,077	26,426	+ 348	Current liabilities	35,655	46,269	+ 10,613
Inventories	42,730	63,368	+ 20,637	Long-term liabilities	12,450	17,261	+ 4,810
Other	7,478	8,402	+ 922				
				Net assets	29,963	37,047	+ 7,083
Fixed assets	1,748	2,358	+ 609	Shareholders' equity	30,005	37,088	+ 7,083
Tangible fixed assets	315	720	+ 405	Capital stocks	3,972	3,982	+ 10
Intangible fixed assets	205	161	△44	Capital surplus	5,873	5,883	+ 10
Investments and other assets	1,227	1,476	+ 248	Retained earnings	20,159	27,222	+ 7,062
Deferred assets	33	23	△10	Accumulated other comprehensive income	△41	△41	0
Total assets	78,069	100,577	22,508	Total liabilities and net assets	78,069	100,577	22,508

BPS	1290.84 yen
Equity Ratio	36.8%
ROE	23.2%

- Increase in inventories is from steady property purchases.
- Increase in interest-bearing debt is mainly for purchasing properties to increase our inventories
- Increase in net assets is a result of profit increase.



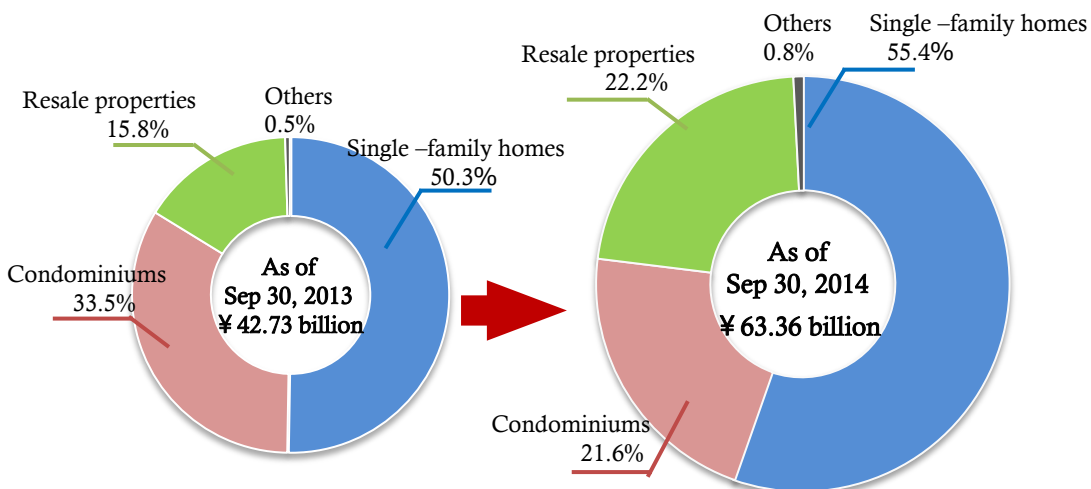
Consolidated Statements of Cash Flows

(Million yen)	FY2013	FY2014	Changes	
Cash flows from operating activities	4,219	△11,382	△15,602	<ul style="list-style-type: none"> — Increase of net income before income taxes — Increase in inventories, etc.
Cash flows from investing activities	△463	△2,620	△2,157	<ul style="list-style-type: none"> — Increase of time deposits — Purchases of tangible fixed assets, etc.
Cash flows from financing activities	12,696	12,495	△201	<ul style="list-style-type: none"> — Increase of bank loans payable — Payments for redemption of bonds, etc.
Effect of exchange rate changes on cash and cash equivalents	118	83	△34	
Net increase (decrease) in cash and cash equivalents	16,570	△1,424	△17,995	
Cash and cash equivalents at beginning of the period	9,279	25,850	+ 16,570	
Cash and cash equivalents at end of the period	25,850	24,426	△1,424	

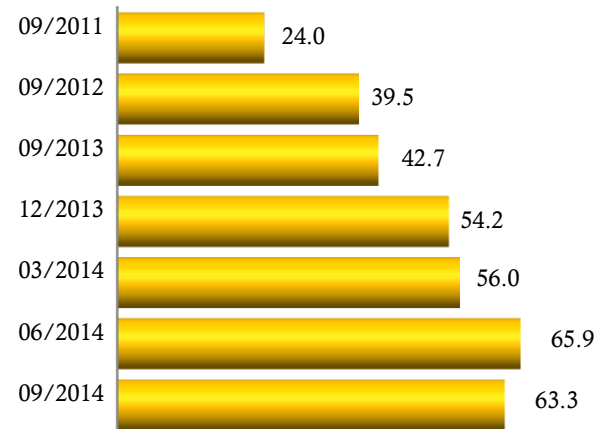


Breakdown of inventories

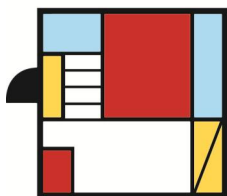
(Million yen)	Sep. 30, 2013	Proportion	Sep. 30, 2014	Proportion	Changes
Single-family homes	21,476	50.3%	35,087	55.4%	+13,604
Condominiums	14,309	33.5%	13,683	21.6%	△626
Resale properties	6,741	15.8%	14,090	22.2%	+7,349
Others	203	0.5%	513	0.8%	+311
Total	42,730	100.0%	63,368	100.0%	+20,637



Changes in inventories (¥ billion)



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Business Performance Forecast for FY2015

OPEN HOUSE CO.,LTD.



Business Performance Forecast for FY2015

	FY2014 Actual 10/2013-09/2014	FY2015 Forecast 10/2014-09/2015	%YOY
Revenue (million yen)	112,145	145,000	+29.3%
Operating income (million yen)	13,746	15,700	+14.2%
Ordinary income (million yen)	12,882	14,500	+12.6%
Net income (million yen)	7,763	9,100	+17.2%
Net assets per share (yen)	275.50	317.07	+15.1%

The above forecast for FY 2015 does not include the financial numbers of Asakawa Home to be acquired on January 15, 2015.

Business Performance Forecasts for FY2015- segment



(Million yen)	FY2014 Actual 10/2013-09/2014	FY2015 Forecast 10/2014-09/2015	%YOY
Real estate brokerage	5,728	7,150	+24.8%
Real estate sales	108,760	141,000	+29.6%
Single –family homes	66,100	90,000	+36.2%
Condominiums	25,661	20,000	Δ22.1%
Resale properties	16,528	30,000	+81.5%
Other	469	1,000	+113.0%
Real estate financing	376	350	Δ7.0%
Adjustments	Δ2,720	Δ3,500	-
Total	112,145	145,000	+29.3%

Single –family homes



Pursuing stable and sustained growth

Condominiums



Making careful decisions
based on real estate market conditions

Resale properties



Accelerating business growth with taking
advantage of current financial
environment

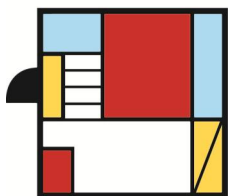


Shareholder Return

	FY2013 10/2012-09/2013	FY2014 10/2013-09/2014 ①	FY2015 10/2014-09/2015 ②	Changes ②-①
Annual dividends per share (yen)	25.00	40.00	40.00	±0
Total dividends (million yen)	700	1,148	1,148	±0
Payout ratio (%)	8.7	14.5	12.6	Δ1.9
No. of shares issued	28,025,000	28,700,000	28,700,000	—
Basic policy on profit distribution	Our basic policy is to maintain stable payouts with consideration to future business development and strengthening our financial base.			
Dividend payout ratio	Target 10—20%			

(NOTE) Breakdown of annual dividends per share: FY2014 common dividend of 35 yen and commemorative dividend of 5 yen
 FY2015 common dividend of 40 yen

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Our initiatives toward next stage

OPEN HOUSE CO.,LTD.



About Asakawa Home

Company	Asakawa Home Co.,Ltd.
Headquarter	1-22-7 Akebonocho Tachikawa-shi, Tokyo
Established	March 1991
Capital	99 million yen
No. of employees	350 (as of March 31, 2014)
Main Business	Build-to-Order business
URL	http://www.asakawahome.com/

Overviews of the acquisition

Acquisition price	7.94 billion yen
Voting rights holding ratio	100.00%
Date for the execution of the share purchase	January 15, 2015
Funding for the acquisition	Our own capital and loans payable

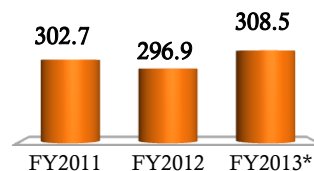
Asakawa Home will become a consolidated subsidiary of Open House after completing the acquisition of all the shares as of January 15, 2015.

Mr. Mikio Hikita plans to assume the duties of CEO (after acquisition), after his assumption of office as Senior Advisor of Open house, starting November 13, 2014

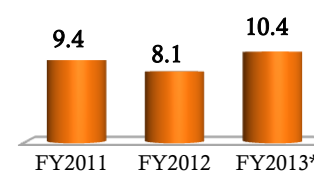
*Mr. Hiroyuki Hosobuchi, CEO (currently) of Asakawa Home plans to assume the position of chairman without executive power.

Operating results and financial position

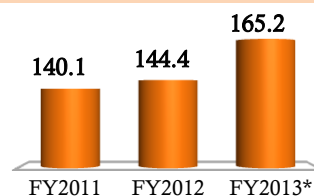
Revenue (¥ 100 million)



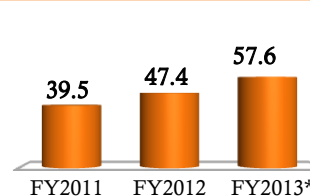
Net income (¥ 100 million)



Total assets (¥ 100 million)



Net assets (¥ 100 million)



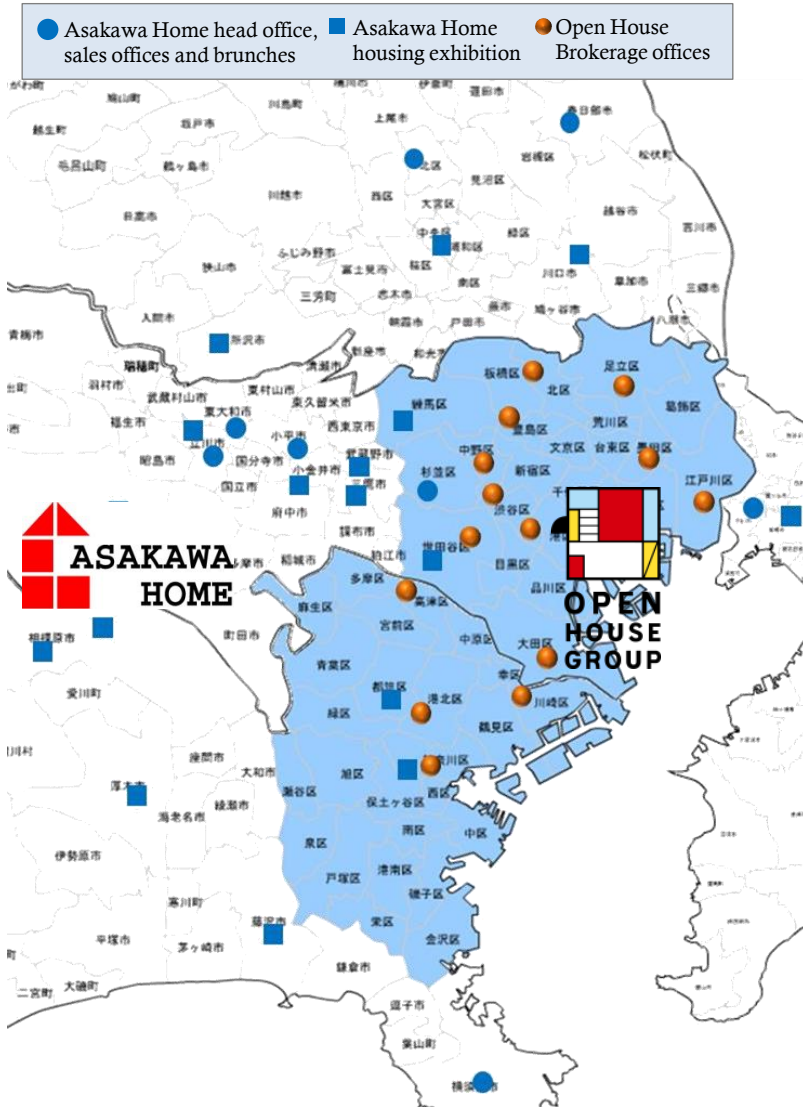
(Million yen)	FY2011	FY2012	FY2013 *	Changes
Revenue	30,270	29,697	30,858	+3.9%
Net income	944	812	1,041	+28.2%
Total assets	14,014	14,449	16,525	+20.75
Net assets	3,950	4,743	5,769	+10.26

* Jan 31, 2013 to Dec 31, 2013



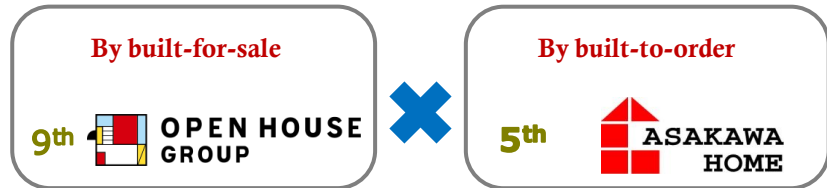
Area strategy & Product strategy

Area strategy



Product strategy

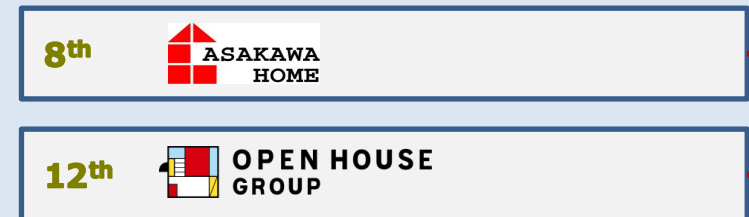
Sales rankings by business category
of home builders < FY2012 >



Source: "TACT 2013.10" by JSK

Rankings of the supply of new houses
in the Tokyo metropolitan area <FY2012>

Ranking Before Acquisition



Ranking After Acquisition



(Estimated by Open House)

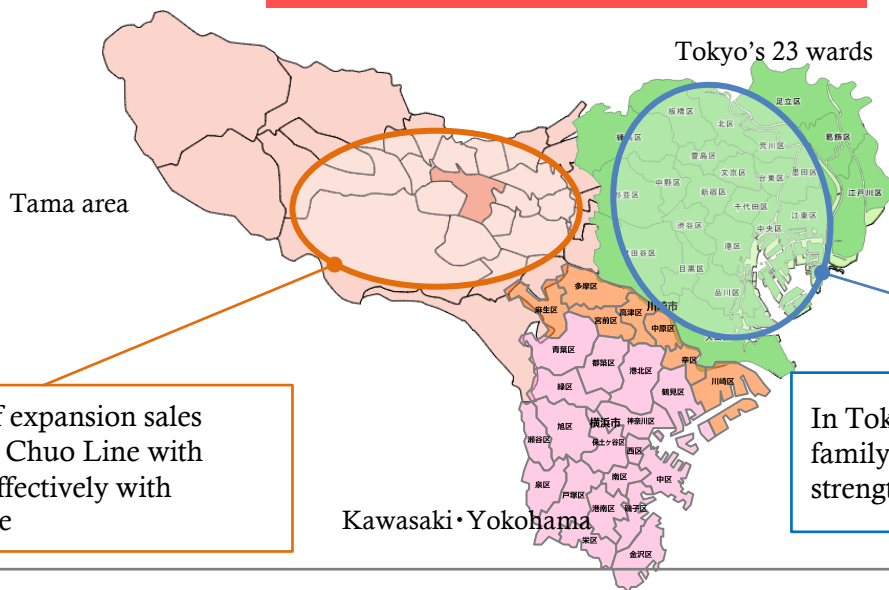


Acquisition of Shares in Asakawa Home

Business model	Built-for-sale	Built-to-order
Advantage	Sales forces : property purchases and brokerage service	Construction
Main business areas	Tokyo's 23 wards, Kawasaki and Yokohama	Tama area, Tokyo metropolitan area
Units for construction per year	Approximately 1000units	Approximately 2200 units

Synergy effects from the acquisition

* Tama area consists of the 26 cities and three towns except Tokyo's 23 wards in Tokyo.



Consideration of collaboration with Asakawa Home in a development project of small/medium sized condominium

Acceleration of expansion sales areas along the Chuo Line with collaborating effectively with Asakawa Home

In Tokyo 23's wards, increasing sales amount of single-family homes with leveraging Asakawa Home's strength based on construction business.

Further enhancements in the synergy effect will be sought.
Expanding sales network to the Tokyo metropolitan area
Reduction of construction costs (through joint purchasing and product development)

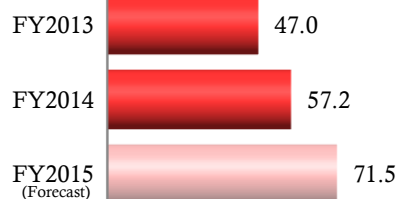


Our new initiatives for FY2015

Revenue (¥million)

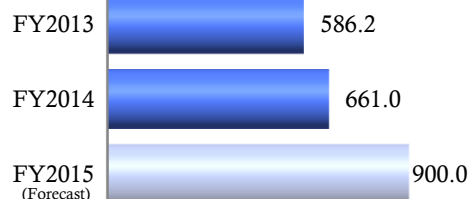
Activities and initiatives

Brokerage



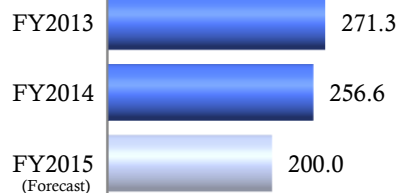
- Expanding business infrastructure
- Planning to open new brokerage office
* an increase of one or two more offices the previous year
- Planning to enter into the Tama area along the Chuo Line
* Tama area consists of the 26 cities and three towns except Tokyo's 23 wards in Tokyo.

Single-family homes



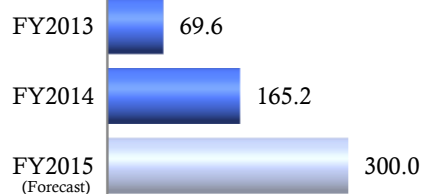
- The decrease in supply and the increase in sales price of new condominiums creates more business opportunities.
- Reduction of construction period and construction cost
- Leveraging Asakawa Home's strength based on construction business

Condominiums



- Focusing on urban-type projects in central areas of cities where there is a steady demand
- Developing efficient sales strategy based on future market trends

Resale properties



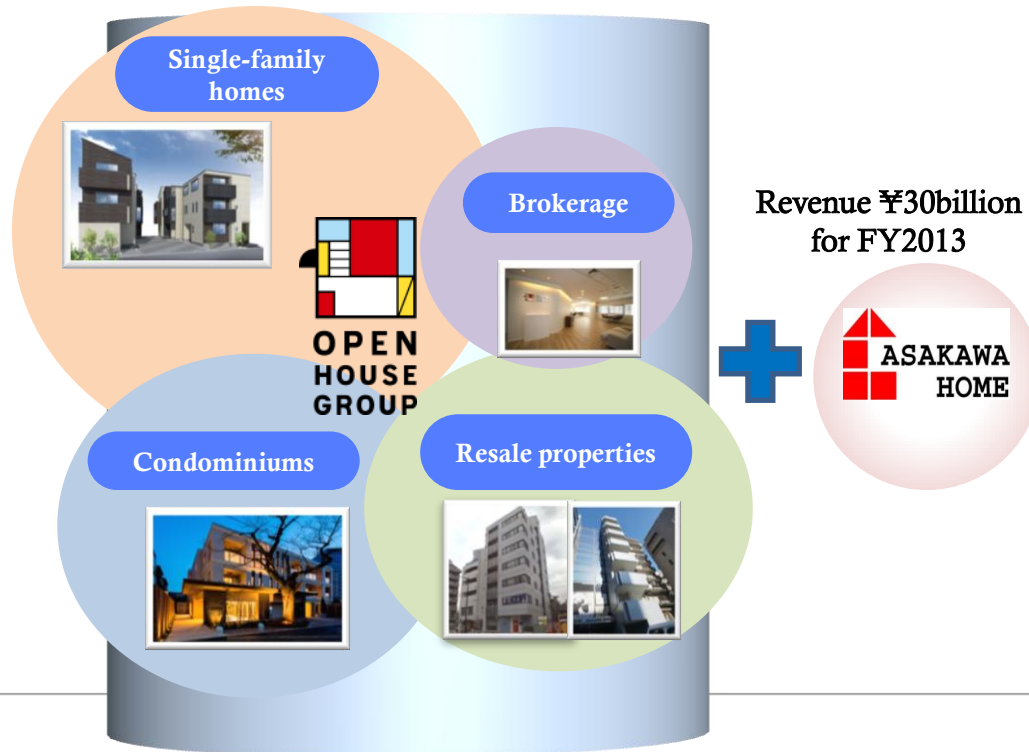
- Cultivating and expanding our business model for resale properties
- Expanding business areas to Osaka and Nagoya
* Planned to open Osaka branch



Our next stage of growth

Early achievement of ¥200 billion in sales through the effective utilization of existing management resources

Revenue ¥145billion
for FY2015 forecast



Target
Revenue ¥200 billion

Single-family homes
continues to be a major driving force
behind our growth and evolution.



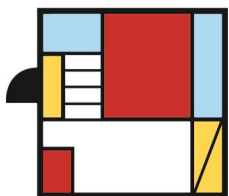
Condominiums & Resale properties
secure stable earnings and sustain
corporate growth by adopting
portfolio management.

—Adapting to the changes in business
environment

FY2015



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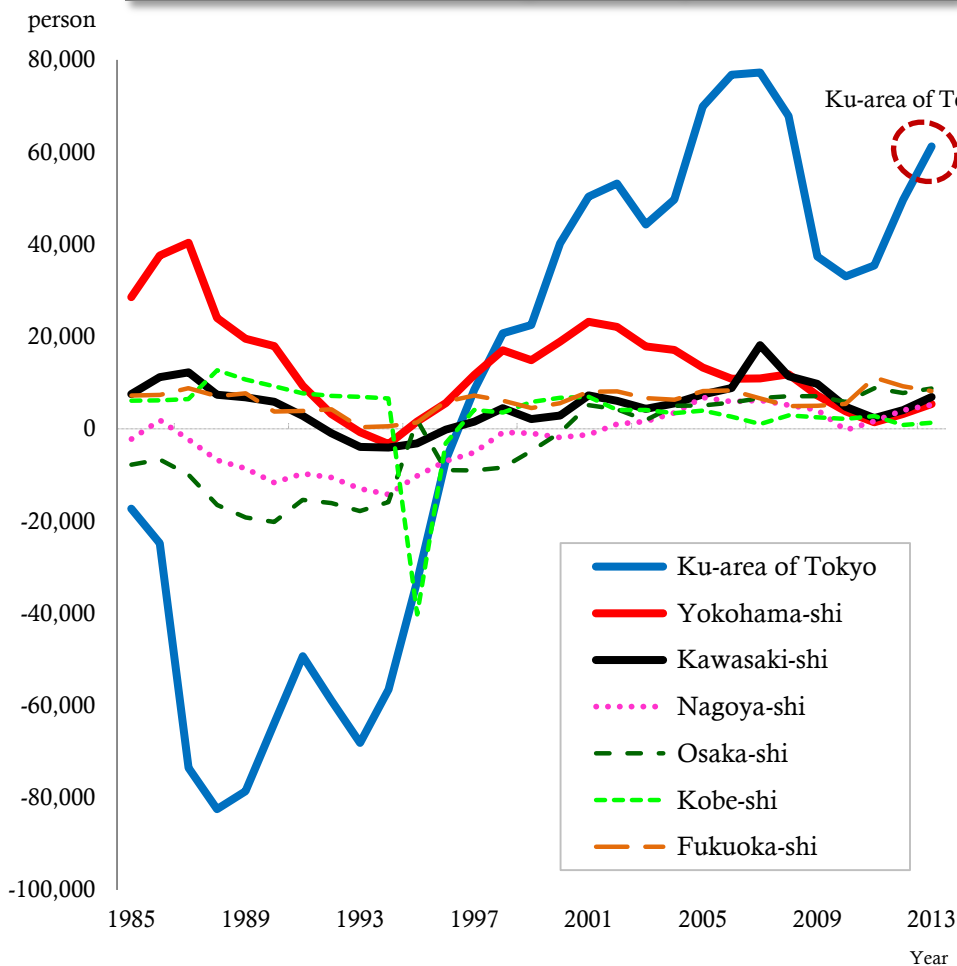
<Reference> Market Trends

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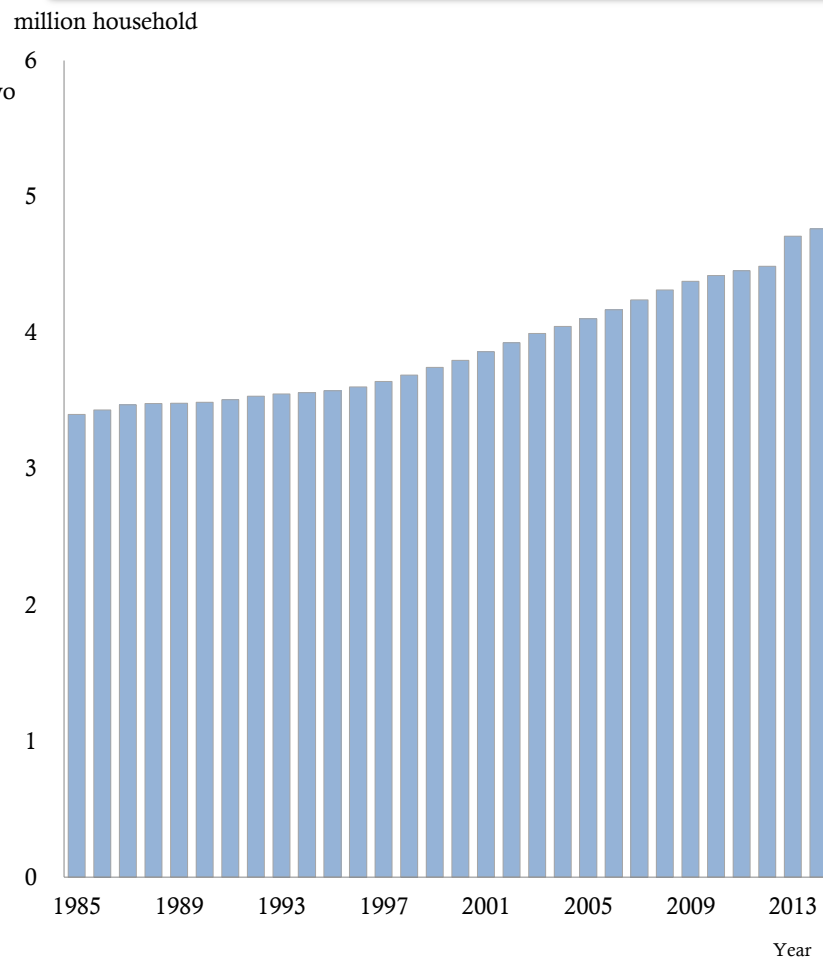


Concentration of population in Tokyo's 23 wards

Number of Net-migration for major cities



Number of the households change of ku-area of Tokyo



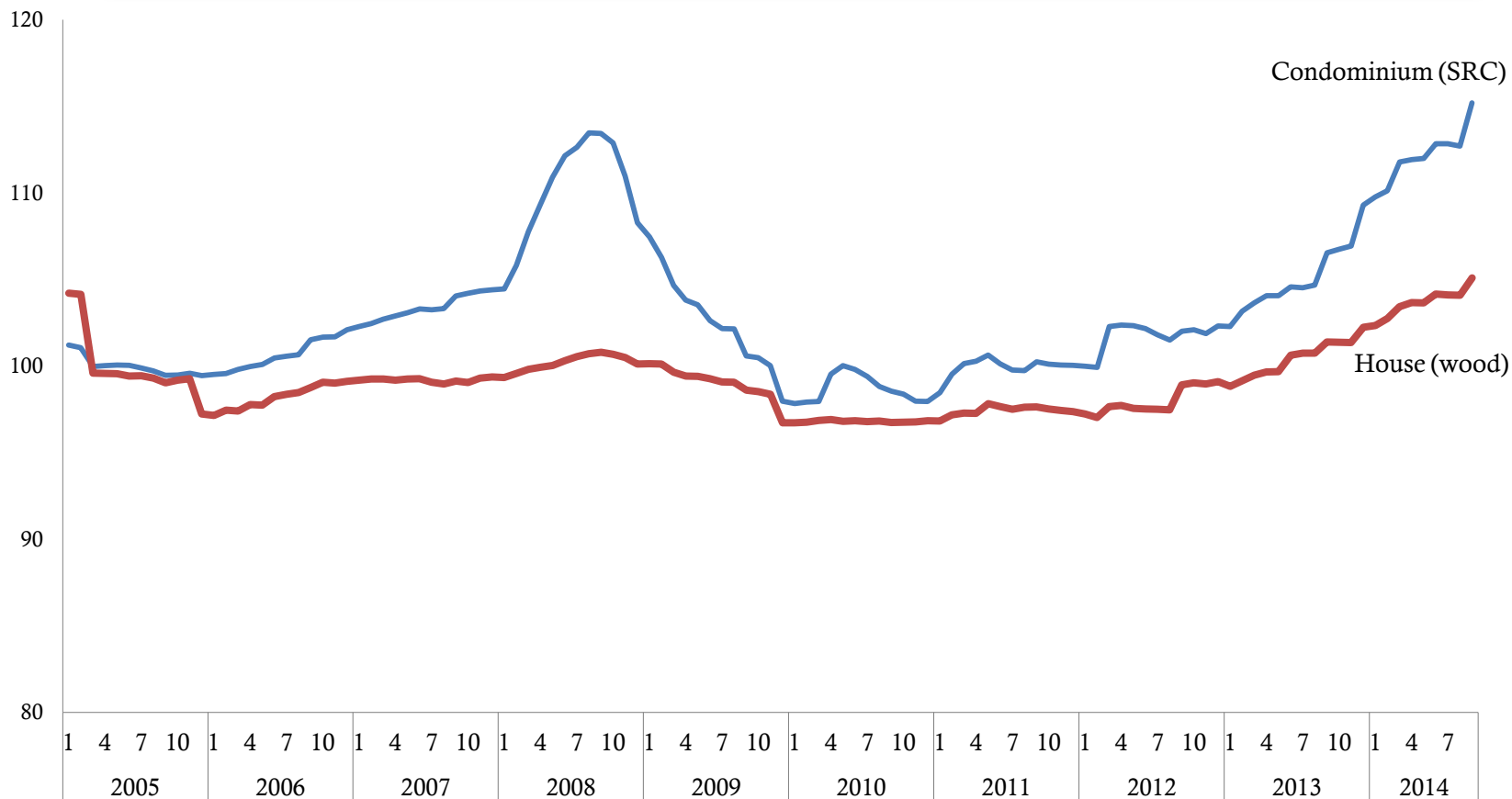
Source: Ministry of Internal Affairs and Communications
"Report on Internal Migration in Japan"

Source: Statistics Division Bureau of General Affairs



Building Construction Cost Index

Building Construction Cost Index : Construction cost



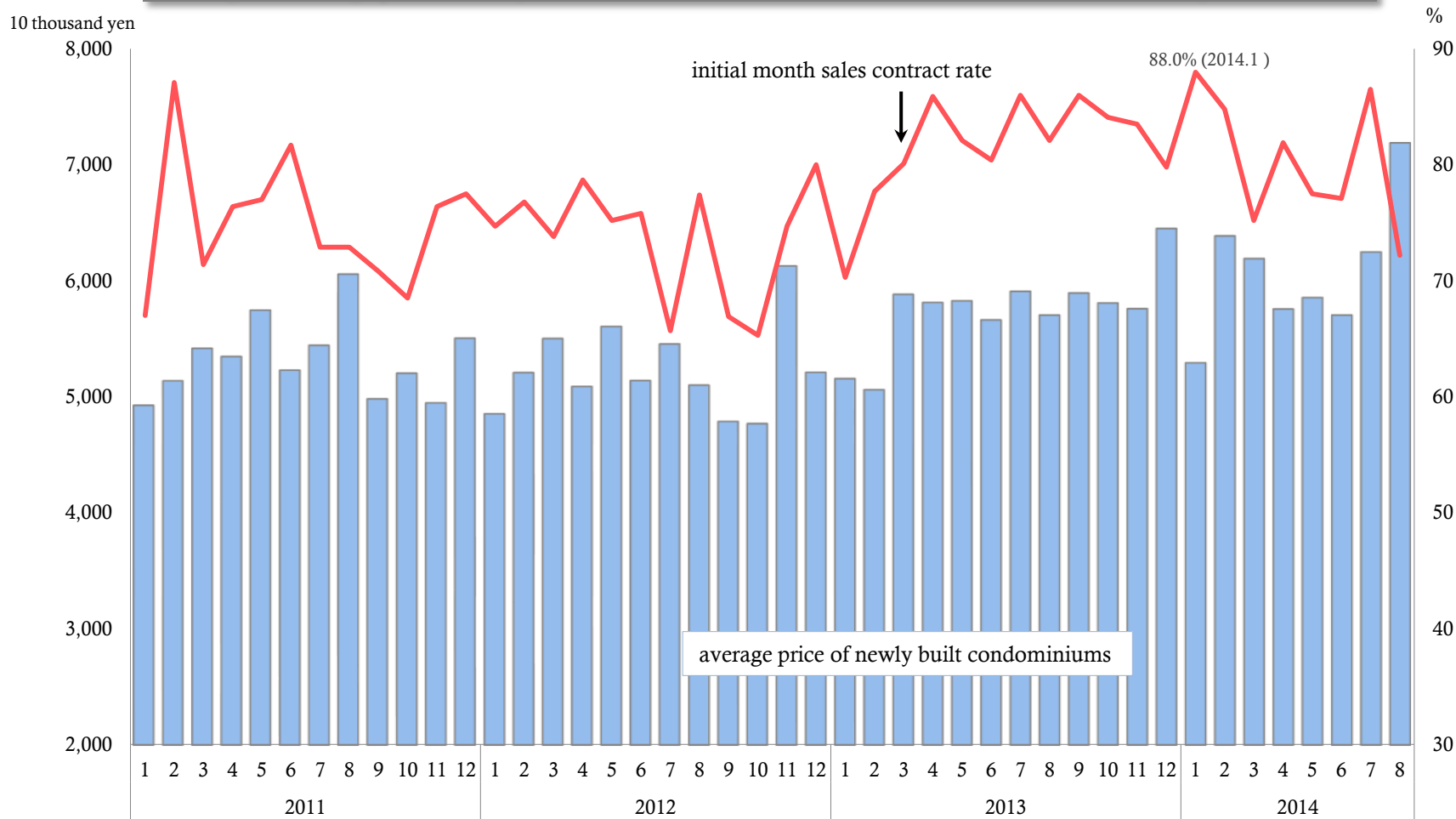
2005 average = 100

Source : Construction Research Institute "Monthly Report on Construction Price Index"



Trends in the new supply of the condominium market

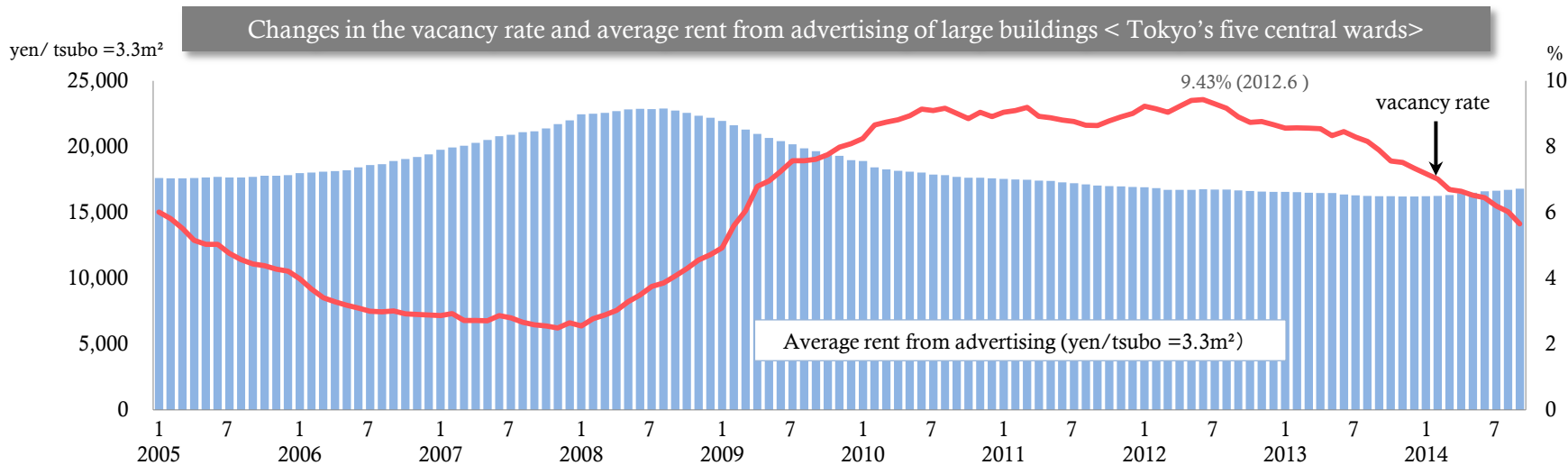
Changes in average price of newly built condominiums and initial month sales contract rate <Tokyo's 23 wards>



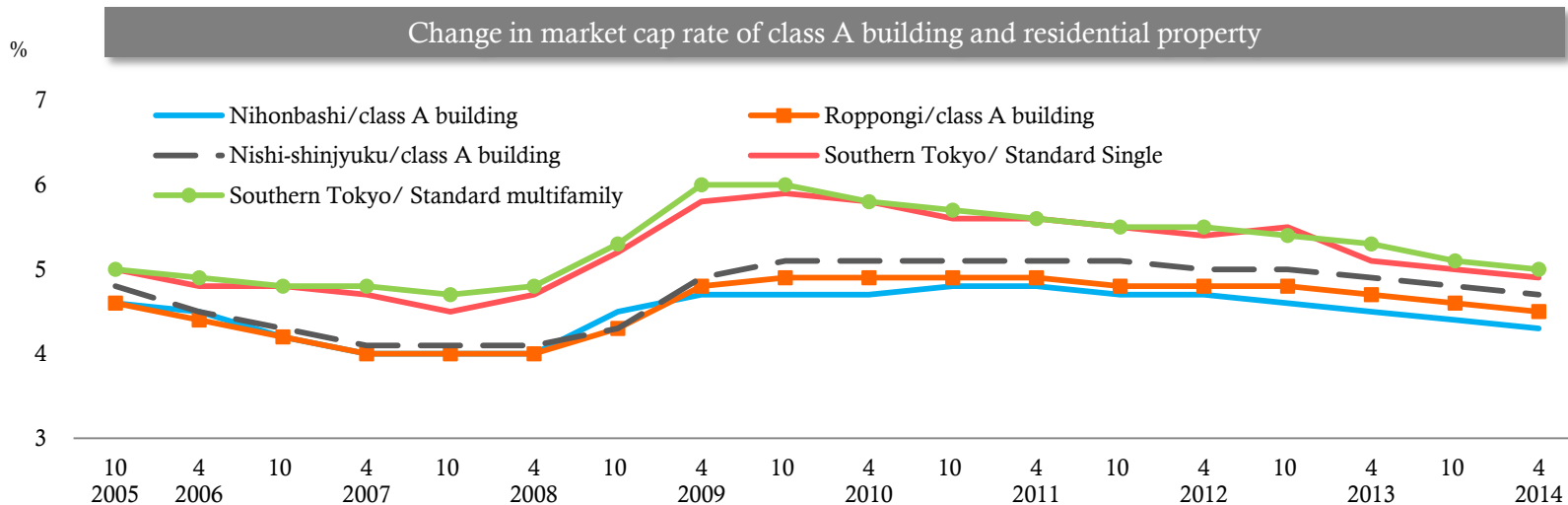
Source : MILT "Monthly marketing report of lands"



Change in the real estate investment market



Source: Miki Shoji Co., Ltd. "Tokyo (5 Central Wards) Office Building Market Research Reports"

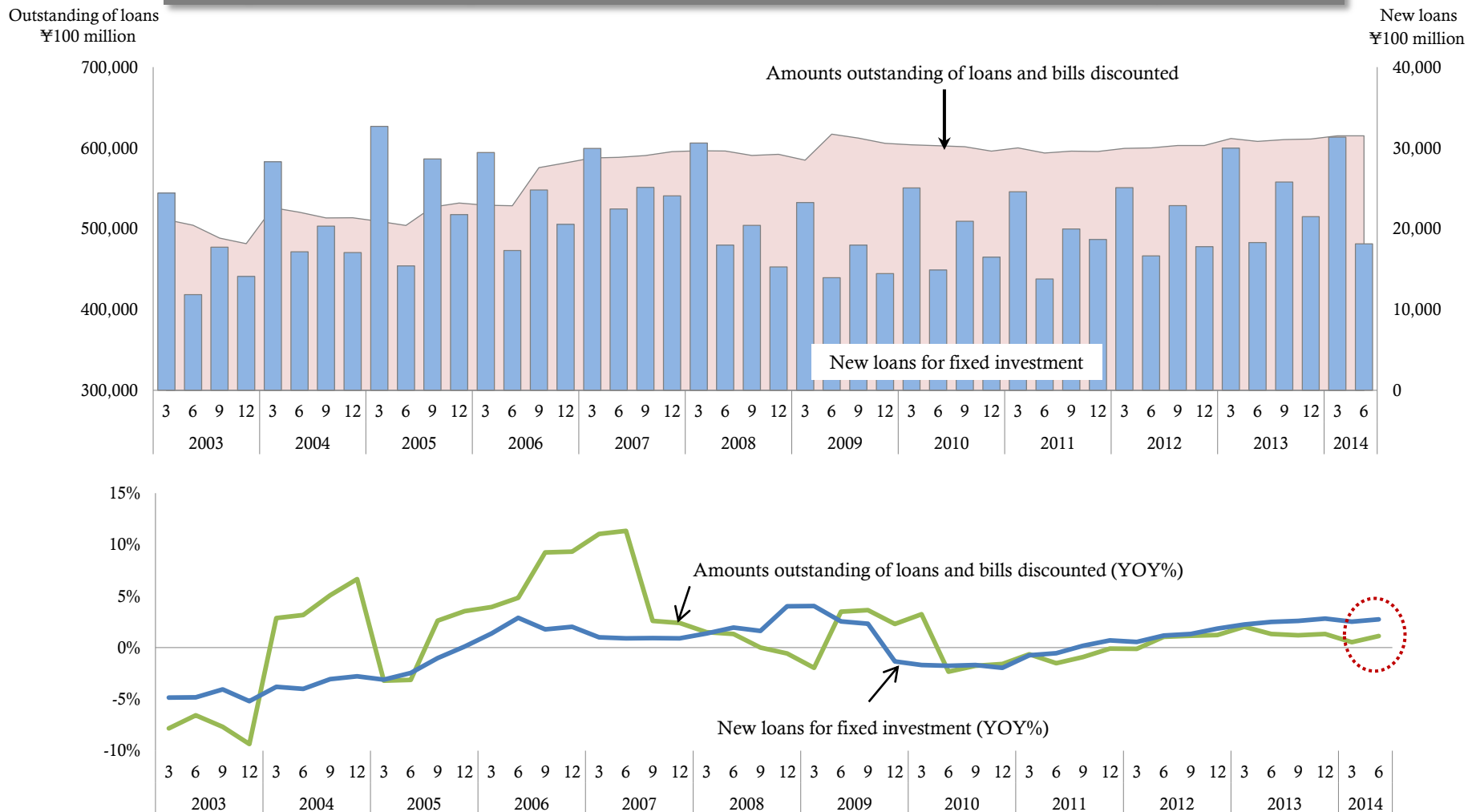


Source : Japan Real Estate Institute "The Japanese Real Estate Investor Survey"



Trends in Lending to the real estate sector by Domestic Banks

Change in “Amounts outstanding of loans and bills discounted” and “New loans for fixed investment” (Domestically Licensed Banks)

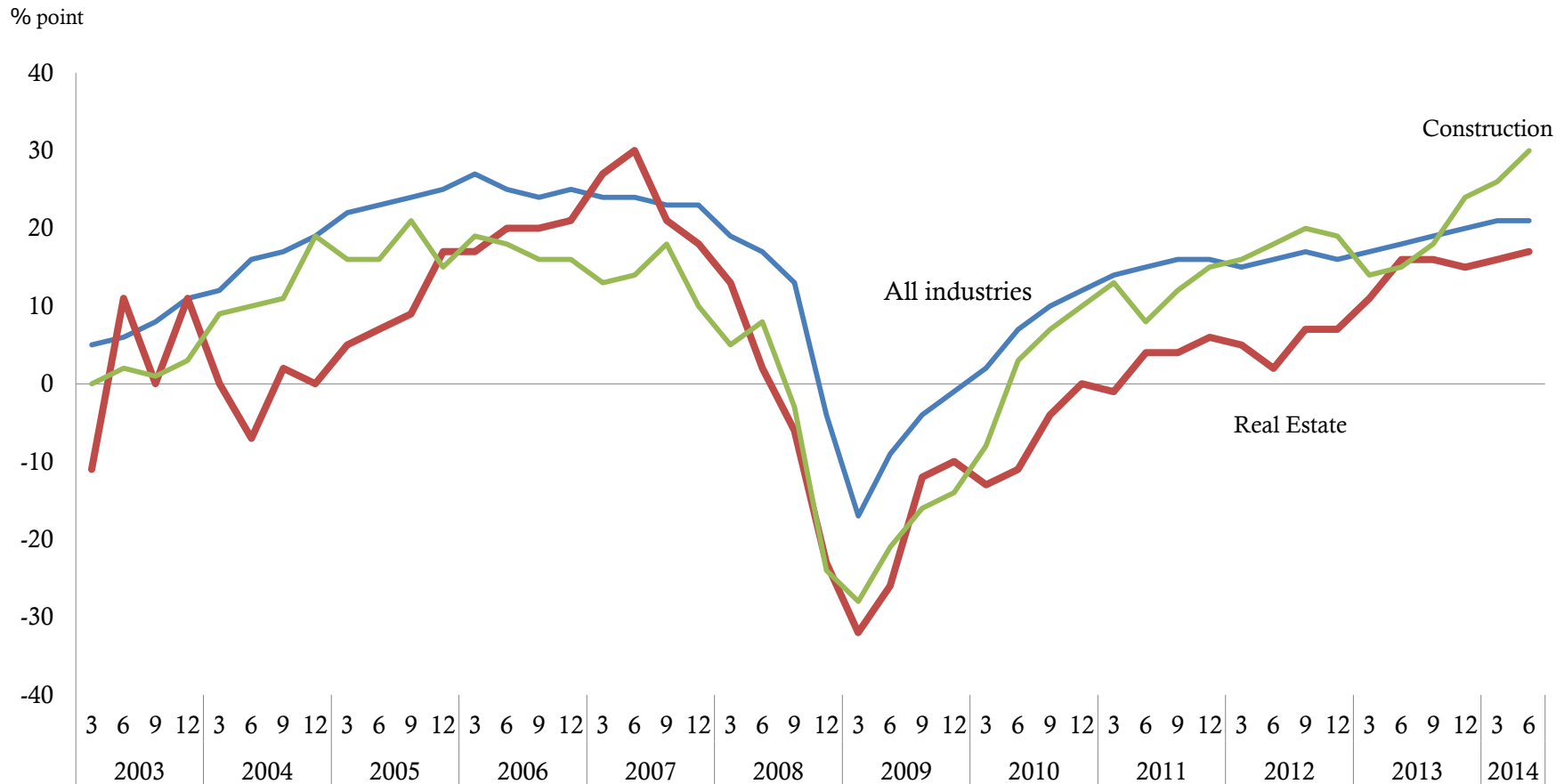


Source : Bank of Tokyo “Loans and Bills Discounted by Sector”



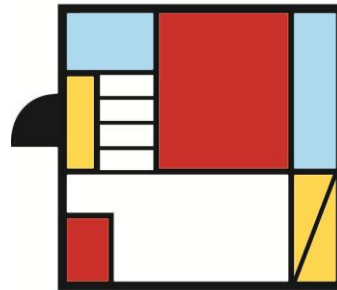
Lending Attitude of Financial institutions

Diffusion index of "Accommodative" minus "Severe"



Source : Bank of Tokyo "TANKAN"

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