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<3288 TSE>

Consolidated Financial Highlights

for the Third Quarter Ended September 30, 2015

OPEN HOUSE CO., LTD.





FY2015 3Q Topics

3Q Highlights

■ Revenue and income continued to post record highs (3Q cumulative).

Revenue: **¥ 121.7 billion (+67.4% YOY)**

Operating income: **¥ 12.7 billion (+50.2% YOY)**

- ➡ Single-family homes showed continued steady growth, with revenue in this sector growing by 44.1% YOY.
- ➡ Property resales experienced dramatic growth, with revenue in this sector growing by 274.6% YOY.
- ➡ Contracts were concluded for all condominium units scheduled for delivery during the 4Q (225 units).
- ➡ Asakawa Home, made a consolidated subsidiary in January 2015, contributed to business expansion.

Property Purchases

■ Proactively purchasing properties and building sites to achieve further company growth

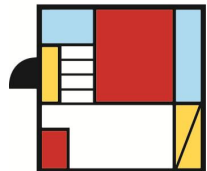
- ➡ Inventory at the end of 3Q: ¥93.8 billion (+¥30.4 billion from the end of the previous period)

Shareholder Benefit Program

■ Adopting a new Shareholder Benefits Program

- ➡ Shareholders will receive benefits in home purchasing, etc. (basis date for benefits: September 30, 2015)

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I . FY2015 3Q Consolidated Summary

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II . Consolidated Business Performance Forecasts for FY2015

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Overview of Consolidated Income Statement

- Revenue increased significantly in FY2015 3Q, exceeding FY2014 full-year revenue (¥112.1 billion) in the last three quarters.
- Business performance progressed according to plan. Revenue reached 70% and operating income 64% of forecast figures. The condominium business was strong, with contracts concluded for all condominium units scheduled for delivery during the 4Q (225 units).

(Million yen)

	FY2014 3Q		FY2015 3Q		YOY%
		% of Revenue		% of Revenue	
Revenue	72,737		121,733		67.4%
Gross profit	13,730	18.9%	21,423	17.6%	56.0%
SG&A Expenses	5,239	7.2%	8,673	7.1%	65.5%
Operating income	8,490	11.7%	12,749	10.5%	50.2%
Non-operating income	78	0.1%	232	0.2%	197.7%
Non-operating expenses	802	1.1%	861	0.7%	7.3%
Ordinary income	7,766	10.7%	12,121	10.0%	56.1%
Net income	4,625	6.4%	7,571	6.2%	63.7%

I. FY2015 3Q Consolidated Summary

Revenue by segment/business

- The real estate brokerage and single-family home businesses maintained steady growth.
- The property resale business achieved significant growth based on energetic progress in the purchase and sale of properties.
- Asakawa Home, made a consolidated subsidiary in January 2015, also contributed to business expansion (consolidated accounting period: January - June).

(Million yen)

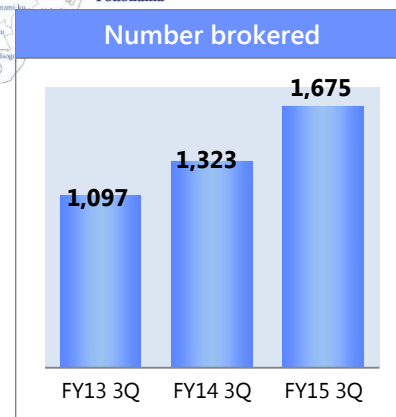
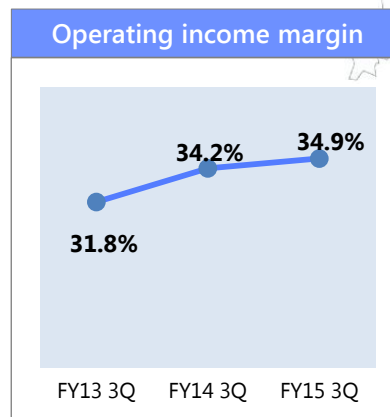
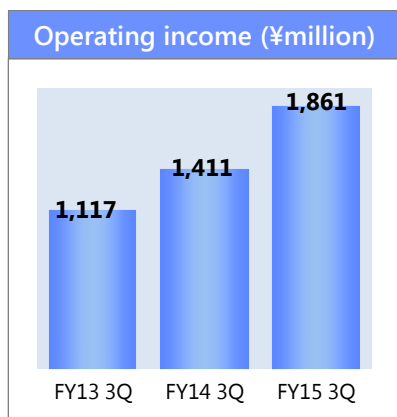
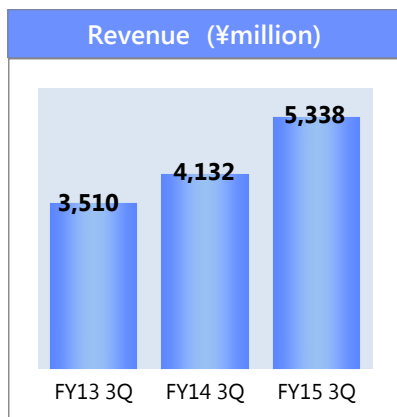
	FY2014 3Q	FY 2015 3Q	YOY%
Real estate brokerage	4,132	5,338	29.2%
Real estate sales	70,280	118,674	68.9%
Single-family homes	46,396	66,856	44.1%
Condominiums	14,853	4,956	(66.6%)
Property resale	8,624	32,311	274.6%
Asakawa Home	-	13,903	-
Others	405	645	59.3%
Real estate financing	283	291	2.7%
Adjustments	(1,959)	(2,570)	-
Total	72,737	121,733	67.4%

I. FY2015 3Q Consolidated Summary

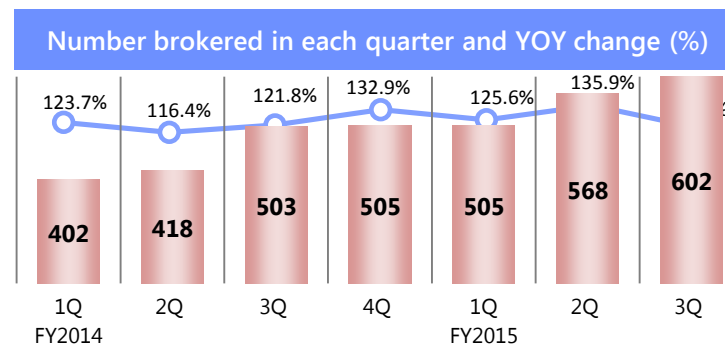
Real Estate Brokerage Business



- The Kichijoji brokerage office and Jiyugaoka brokerage office opened in April 2015 and July 2015, respectively, bringing the total number of offices to sixteen.
- Despite the consumption tax hike, the number brokered in each quarter increased significantly YOY.



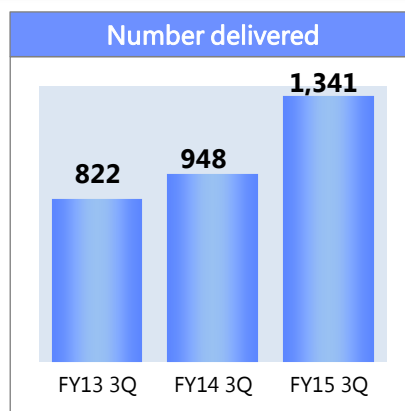
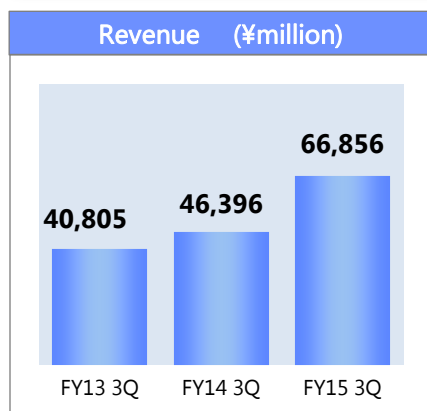
	2013 3Q	2014 3Q	2015 3Q	Inc.(Dec.)
Revenue (¥million)	3,510	4,132	5,338	29.2%
Operating income (¥million)	1,117	1,411	1,861	31.9%
Operating income margin	31.8%	34.2%	34.9%	0.7%
Number brokered	1,097	1,323	1,675	352



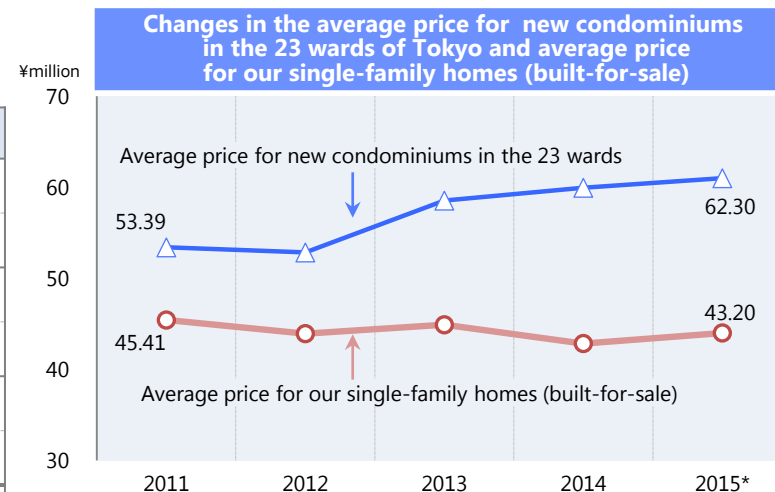
I. FY2015 3Q Consolidated Summary

Real Estate Sales Business: Single-family homes

- Ensuring continued steady growth by maintaining steady purchases of scarce residential building sites in urban locations.
- As prices of new condominiums rise, single-family homes continue to hold a price advantage, resulting in strong sales of single-family homes.



By type of sale		2013 3Q	2014 3Q	2015 3Q	Inc.(Dec.)
built-for-sale houses	Revenue (¥million)	15,816	15,164	26,264	73.2%
	Number delivered <u><a></u>	353	357	608	251
lands	Revenue (¥million)	20,727	26,486	34,002	28.4%
	Number delivered <u></u>	469	591	733	142
built-to-order houses	Revenue (¥million)	4,261	4,745	6,590	38.9%
	Number delivered	289	310	449	139
Total	Revenue (¥million)	40,805	46,396	66,856	44.1%
	Number delivered <u><a>+</u>	822	948	1,341	393



Source: MLIT "Monthly marketing report of lands"

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

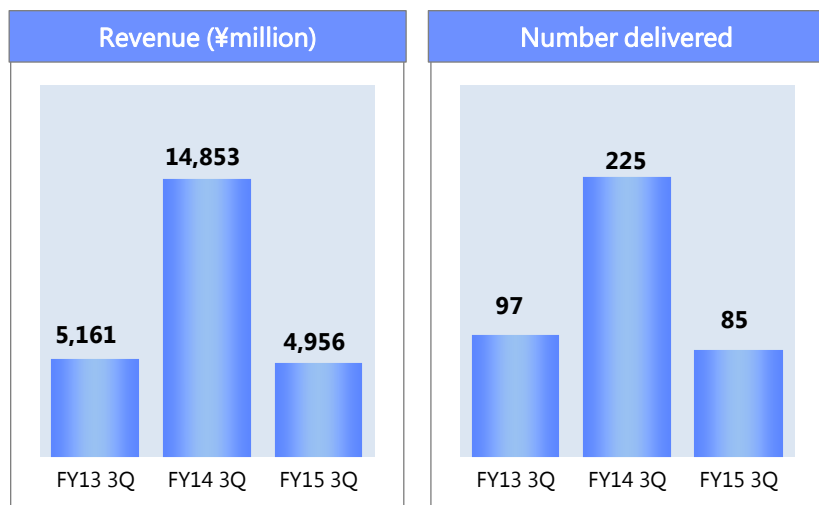
* For 2015 only, condominium prices are for January - June. Prices for our single-family homes are for the period of October 2014 - June 2015.

I. FY2015 3Q Consolidated Summary

Real Estate Sales Business: Condominiums



- Conclusion of sales contracts has proceeded smoothly.
Contracts were concluded on all units scheduled for delivery during the 4Q (225 units).
- Land prices and construction costs remain high.
We will maintain a course of business development based on careful decision-making.



Projects delivered in FY2015 3Q	Units	Median price range
Open Residencia Shinjuku-yochomachi	19	¥50million

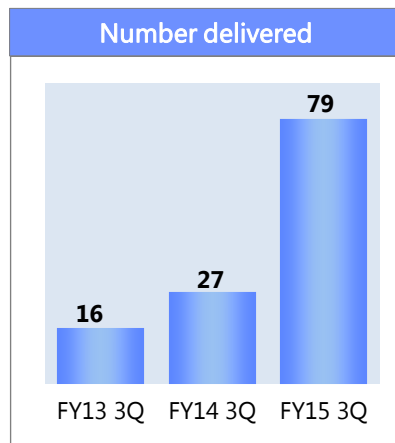
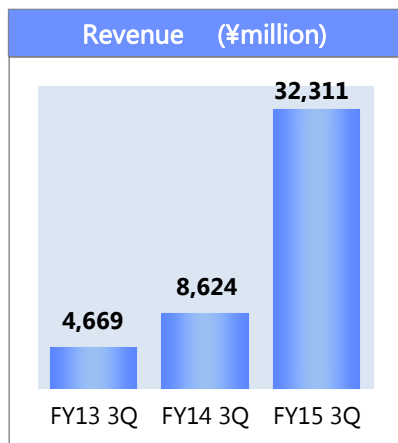
	2013 3Q	2014 3Q	2015 3Q	Inc.(Dec.)
Revenue (¥million)	5,161	14,853	4,956	(66.6%)
Number delivered	97	225	85	(140)

Major projects to be sold in FY15 3Q	Units	Median price range
Open Residencia Higashinakano	18	¥50million
Open Residencia Ebisu The House	25	¥90million
Open Residencia Nihonbashi Mitsukoshimae	19	¥50million
Open Residencia Yoga	18	¥60million

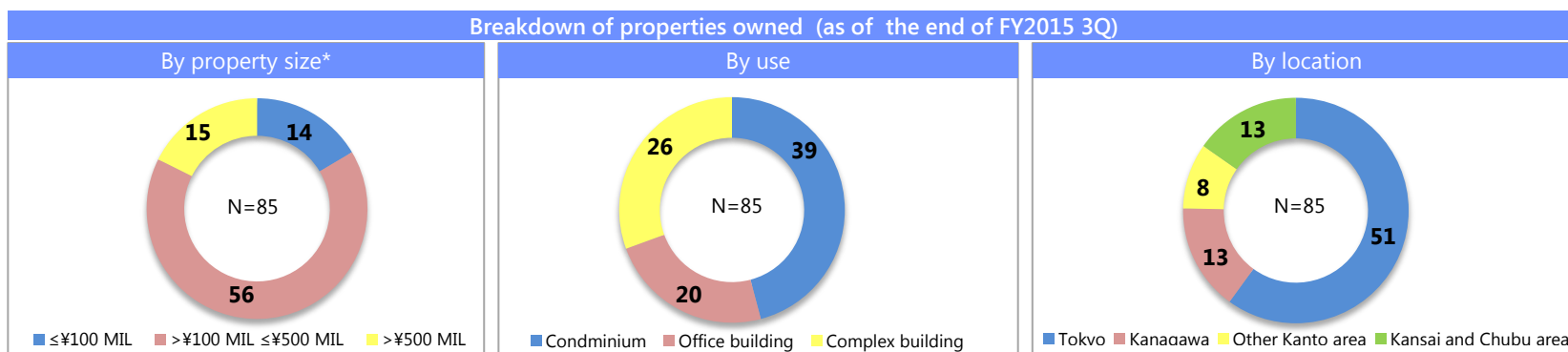
I. FY2015 3Q Consolidated Summary

Real Estate Sales Business : Property resales

- The real estate investment market has continued to grow, backed by the BOJ's monetary easing policies.
- Property resales demonstrated strong growth, thanks to the proactive purchase and sale of properties.



	2013 3Q	2014 3Q	2015 3Q	Inc.(Dec.)
Revenue (¥million)	4,669	8,624	32,311	274.6%
Number delivered	16	27	79	52



* Based on book values at the end of FY2015 3Q

Real Estate Sales Business: Asakawa home

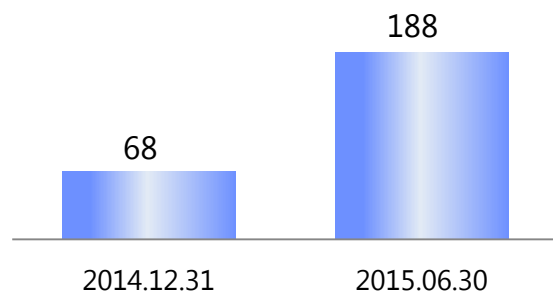
- Steady growth in contracts, particularly in construction contracting to real estate companies
- Contracts increased for subcontracting to Asakawa Home by Open House Development, contributing to a stable future supply of single-family homes.

Operating results for FY2015 3Q cumulative (From January 1, 2015 to June 30, 2015)


Revenue	¥ 13,903 million
Number delivered (built-to-order houses)	963

Unfilled subcontracting orders received from Open House Development

December 31, 2014	68
June 30, 2015	188



	January-June period of 2014	January-June period of 2015
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Construction completed	1,006	 1,284
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Building sales collaboration (sales began August 2015)

<Belleza Bunkyo Sengoku-Asakawa Home brand condominium>

Seller/constructor : Asakawa Home

Sales collaboration (sales representative) : Open House Development



I. FY2015 3Q Consolidated Summary

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



(Million yen)

S&G expenses

	FY2014 3Q		FY2015 3Q		Inc.(Dec.)
		% of Revenue		% of Revenue	
S&G expenses	5,239	7.2%	8,673	7.1%	3,434
Personnel expenses	1,414	1.9%	2,531	2.1%	1,117
Sales commissions	453	0.6%	1,177	1.0%	724
General expenses	716	1.0%	1,117	0.9%	400
Advertising expenses	650	0.9%	788	0.7%	138
Promotion expenses	350	0.5%	345	0.3%	(5)
Others	1,654	2.3%	2,713	2.2%	1,058

- The increase in S&G expenses was attributable to factors such as growth in personnel and general expenses associated with hiring new employees, office openings, and growth in sales costs due to increased sales in property resale business, as well as to procedures required to make Asakawa Home a consolidated subsidiary.

Non-operating income and expenses

	FY2014 3Q		FY2015 3Q		Inc.(Dec.)
		% of Revenue		% of Revenue	
Non-operating income	78	0.1%	232	0.2%	154
Foreign exchange gain	34	0.0%	135	0.1%	100
Others	43	0.1%	97	0.1%	53
Non-operating expenses	802	1.1%	861	0.7%	58
Interest expenses	604	0.8%	678	0.6%	73
Commissions	108	0.1%	111	0.1%	2
Others	89	0.1%	71	0.1%	(17)

- The increase in non-operating expenses was due to factors such as increased balance of long- and short-term debt, despite lower interest rates, due to the company's improved credit rating.

I. FY2015 3Q Consolidated Summary

Consolidated Balance Sheet



(Million yen)

	Sep 30, 2014	June 30, 2015	Inc.(Dec.)		Sep 30, 2014	June 30, 2015	Inc.(Dec.)
Current assets	98,196	140,643	42,447	Liabilities	63,530	104,291	40,760
Cash and cash equivalents	26,426	36,681	10,255	Current liabilities	46,269	62,450	16,180
Inventories	63,368	93,815	30,447	Long-term liabilities	17,261	41,841	24,580
Others	8,401	10,147	1,745				
Fixed assets	2,358	6,076	3,717	Net assets	37,047	42,509	5,462
Tangible fixed assets	720	2,935	2,214	Shareholders' equity	37,088	42,439	5,351
Intangible fixed assets	161	1,457	1,296	Other accumulated comprehensive income	(41)	70	111
Investments and other assets	1,476	1,682	206				
Deferred assets	23	80	57				
Total assets	100,577	146,800	46,223	Total liabilities and net assets	100,577	146,800	46,233

➤ The increase in assets was due to various factors, including increased inventories after making Asakawa Home a consolidated subsidiary and the proactive acquisition of properties and building sites in the real estate sales business.

➤ Liabilities increased due to fundraising, primarily through borrowing to make Asakawa Home a consolidated subsidiary and to purchase properties and commercial building sites in the real estate sales business.

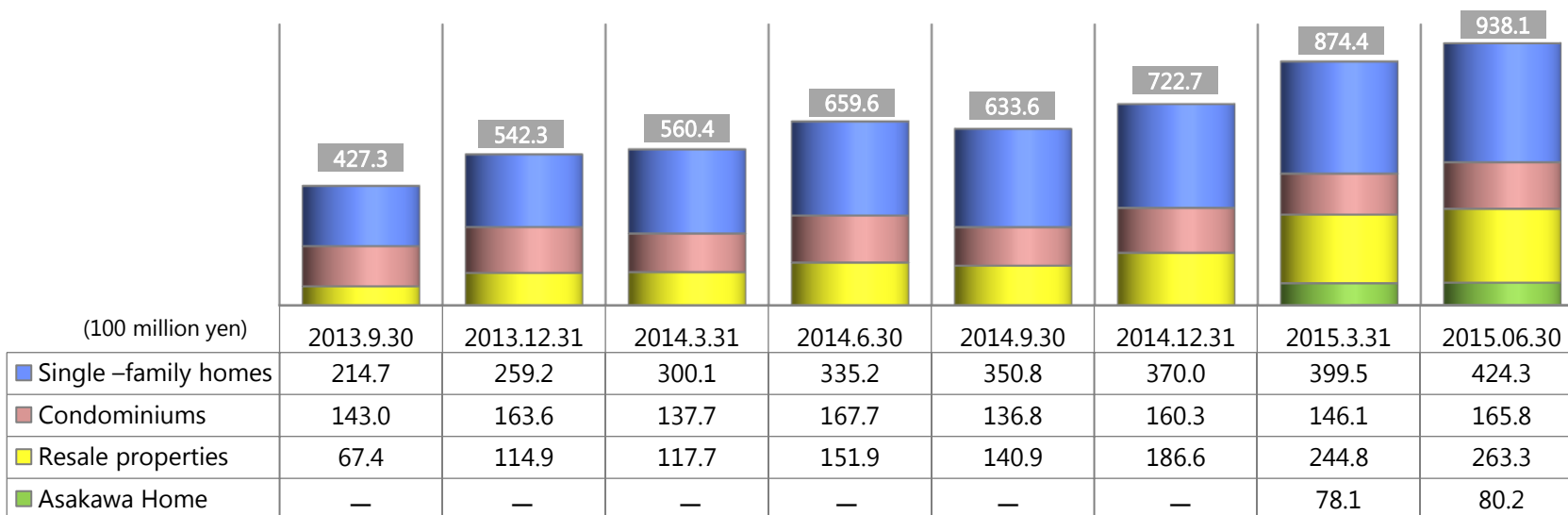
I. FY2015 3Q Consolidated Summary

Inventory Details

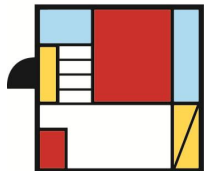


(Million yen)

	Sep. 30, 2013	(Ratio)	Sep. 30, 2014 <A>	(Ratio)	June 30, 2015 	(Ratio)	Inc. (Dec.) -<A>
Single-family homes	21,476	50.3%	35,080	55.4%	42,434	45.2%	7,354
Condominiums	14,309	33.5%	13,683	21.6%	16,583	17.7%	2,900
Property resales	6,741	15.8%	14,090	22.2%	26,334	28.1%	12,244
Asakawa Home	—	—	—	—	8,026	8.6%	8,026
Others	203	0.5%	513	0.8%	437	0.5%	(76)
Total	42,730	100.0%	63,368	100.0%	93,815	100.0%	30,447



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I . FY2015 3Q Consolidated Summary

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II . Consolidated Business Performance Forecasts for FY2015

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II. Consolidated Business Performance Forecasts for FY2015

Business performance forecasts

- We revised our forecasts upward twice in February and May 2015 following the announcement of initial FY2015 forecasts in November 2014.
- Since business performance has progressed according to plan through 3Q, current business performance forecasts remain unchanged.

	FY2013	FY2014		FY2015	
	Actual results	Actual results	YOY(%)	Forecast	YOY(%)
Revenue (million yen)	96,999	112,145	15.6%	175,000	56.0%
Operating income (million yen)	10,185	13,746	35.0%	20,000	45.5%
Ordinary income (million yen)	9,179	12,882	40.3%	19,000	47.5%
Net income (million yen)	5,661	7,763	37.1%	12,000	54.6%
Annual dividends per share (yen) *1	25.00	40.00 *2	15.00	60.00	20.00
<Post-stock split>	12.50	20.00	7.50	30.00 *3	10.00
EPS (yen)	287.82	275.50	—	420.95	—
<Post-stock split>	143.91	137.75	—	210.48	—
Payout ratio (%)	8.7	14.5		14.3	

(NOTE) The company undertook a 2-for-1 split of common stock with an effective date of July 1, 2015. *1

Breakdown for dividends: Common dividend ¥35.00, commemorative dividend ¥5.00 *2

Ordinary dividend ¥30.00 (pre-stock split: ¥60.00)*3

II. Consolidated Business Performance Forecasts for FY2015

Revisions to business performance forecasts (by segment)

(Million yen)

	FY2013	FY2014		FY2015	
	Actual results	Actual results	YOY%	Forecast	YOY%
Real estate brokerage	4,704	5,728	21.7%	7,300	27.4%
Real estate sales	94,082	108,760	15.6%	170,800	57.0%
Single-family homes	58,628	66,100	12.7%	90,000	36.2%
Condominiums	27,136	25,661	(5.4%)	20,000	(22.1%)
Property resales	6,968	16,528	137.2%	41,000	148.0%
Asakawa Home**	—	—	—	19,500	—
Others	1,349	469	(65.2%)	300	(36.1%)
Real estate financing	369	376	3.1%	400	6.2%
Adjustments	(2,157)	(2,720)	—	(3,500)	—
Total	96,999	112,145	15.6%	175,000	56.0%

II. Consolidated Business Performance Forecasts for FY2015

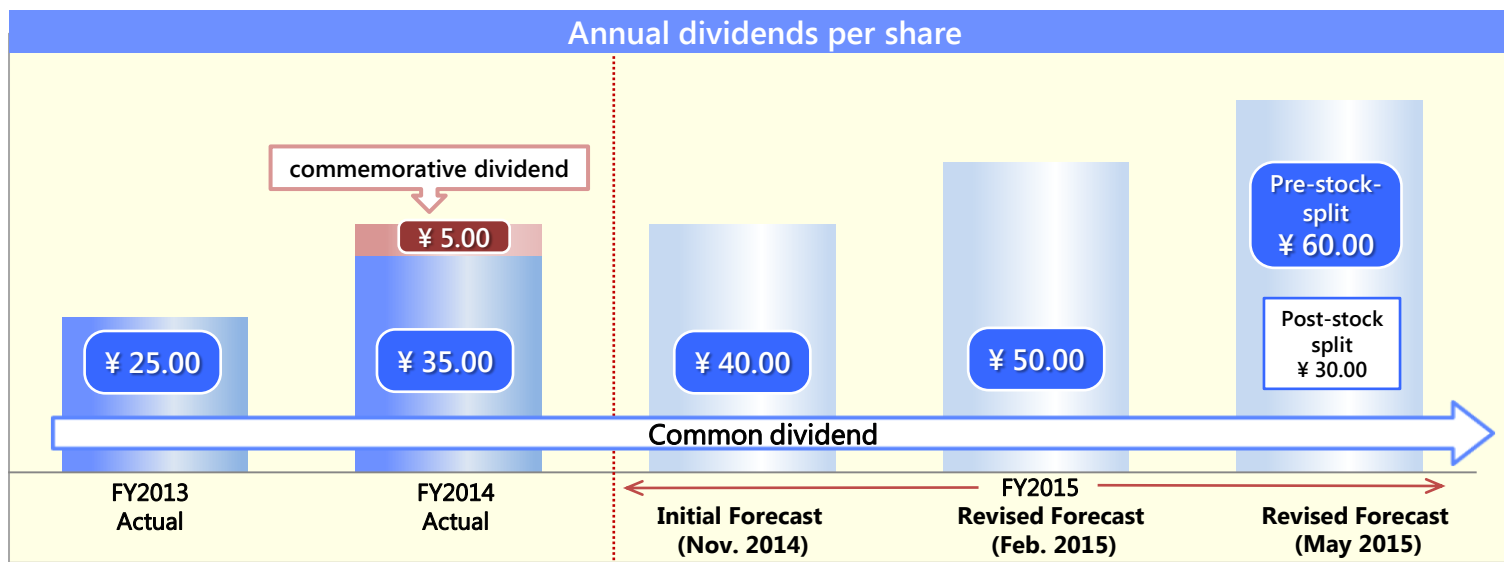
Returns to Shareholders

Stock Split

Object	The stock split was intended to increase the liquidity of company stock and to create a more advantageous environment for investors.
Summary	One share of common stock was split into two shares of common stock (effective date: July 1, 2015).
Total number of issued shares after stock split	57,400,000 shares

Increase in dividends

Basic policy on dividends:	Our basic policy is to maintain stable dividends while duly accounting for matters such as future business development and ensuring adequate strength in our financial base. Dividend payout ratio:10–20%
Summary:	Dividends were increased twice alongside two upward revisions in business performance forecasts.



Shareholder Benefits Program

Purposes of adopting a new Shareholder Benefits Program

To express gratitude for continued shareholder support for the company and to make company stock more attractive to investors, thereby increasing the numbers of shareholders who hold company stock for the long term, as well as to provide shareholders with opportunities to more broadly understand the group's businesses

Summary

1. 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

2. Details of benefits

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

3. Start of this program

The Shareholder Benefits Program will be implemented on the first basis date of September 30, 2015.

II. Consolidated Business Performance Forecasts for FY2015

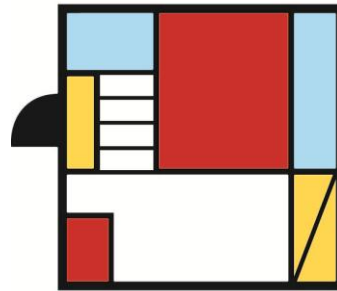
Target indicators

- Ordinary income ratio: 10%; ROE: 20%; equity ratio: 30%
- We continue to maintain a course of strategic investment targeting growth while maintaining a balance between financial soundness and capital efficiency.

(Million yen)

	FY2013	FY2014 3Q	FY2014	FY2015 3Q	FY2015 (Forecast)
Revenue	96,999	72,737	112,145	121,733	175,000
Ordinary income	9,179	7,766	12,882	12,121	19,000
Net income	5,661	4,625	7,763	7,571	12,000
Total assets	78,069	91,846	100,577	146,800	—
Net assets	29,963	33,912	37,047	42,509	—
Ordinary income ratio	9.5%	10.7%	11.5%	10.0%	10.9%
ROE	25.2%	—	23.2%	—	—
Equity ratio	38.4%	36.9%	36.8%	28.9%	—

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