

Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

Summary of Consolidated Financial Results for the Third Quarter Ended September 30, 2017 [Based on Japanese GAAP]

August 14, 2017

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	http://openhouse-group.com/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of quarterly securities report filing:	August 14, 2017
Supplementary materials for quarterly financial results:	Yes
Quarterly results briefing meeting :	No

(Million yen, rounded down)

1. Consolidated Financial Results for the Third Quarter Ended September 30, 2017 (October 1, 2016 to June 30, 2017)

(1) Consolidated operating results (Cumulative)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended June 30, 2017	211,427	17.2	25,414	12.4	24,244	11.1	15,762	12.8
June 30, 2016	180,434	48.2	22,607	77.3	21,814	80.0	13,974	84.6

(Note) Comprehensive income: Nine months ended June 30, 2017 ¥15,821 million (13.0%)
Nine months ended June 30, 2016 ¥13,995 million (84.6%)

	EPS		Diluted EPS	
	Yen		Yen	
Nine months ended June 30, 2017	281.60		280.00	
June 30, 2016	247.80		246.77	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2017	241,958	74,288	30.5
September 30, 2016	204,868	64,084	31.1

(Reference) Shareholders' equity: As of June 30, 2017 ¥73,872 million yen
As of September 30, 2016 ¥63,708 million yen

2. Dividends

	Annual dividends per share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2016	—	0.00	—	50.00	50.00
FY 2017	—	30.00	—		
FY 2017 (Forecast)				35.00	65.00

(Note) Revision of the latest dividend forecast: Yes

3. Forecast of Consolidated Operating Results for FY2017 (October 1, 2016 to September 30, 2017)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	300,000	21.4	35,000	11.7	34,000	16.6	22,000	17.6	393.04

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

*Notes:

- (1) Significant changes in consolidated subsidiaries during the period
(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None
- (2) Adoptions of special accounting methods in presentation of quarterly financial statements: Yes
- (3) Changes in accounting policies, changes of accounting estimates, and revisions and restatements
- i) Changes in accounting policies in accordance with changes in accounting principles: None
 - ii) Changes in accounting policies other than the above: None
 - iii) Changes in accounting estimates: None
 - iv) Revisions and restatements: None
- (4) Number of shares issued and outstanding (common stock)
- i) Number of shares issued at period-end (including treasury stock)
June 30, 2017: 57,447,400 shares September 30, 2016: 57,400,000 shares
 - ii) Treasury stock at period-end
June 30, 2017: 1,673,194 shares September 30, 2016: 1,215,836 shares
 - iii) Average number of shares issued (cumulative consolidated quarterly periods)
June 30, 2017: 55,973,249 shares June 30, 2016: 56,393,250 shares

* Notes regarding forward-looking statements:

Consolidated business forecasts are based on assumptions from information available to management at the time of disclosure and those deemed to be reasonable.

Actual results may differ significantly from forecast due to various unpredictable reasons.

Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

(Million yen)

	As of September 30, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	67,508	80,976
Accounts receivable, trade	577	742
Real estate for sale	34,434	24,556
Real estate for sale in process	83,112	113,368
Operating loans	5,708	5,615
Other	5,602	6,330
Allowance for doubtful accounts	(151)	(138)
Total current assets	196,792	231,451
Fixed assets		
Tangible fixed assets	2,651	3,066
Intangible fixed assets	1,389	1,336
Investments and other assets	3,972	6,049
Total fixed assets	8,013	10,452
Deferred assets	62	54
Total assets	204,868	241,958
Liabilities		
Current liabilities		
Accounts payable	8,874	10,393
Short-term loans payable	34,937	45,078
Current portion of bonds	582	562
Current portion of long-term loans payable	8,458	10,268
Income taxes payable	6,594	3,463
Reserves	1,745	1,443
Other	13,096	12,243
Total current liabilities	74,288	83,451
Long-term liabilities		
Bonds payable	2,555	2,144
Long-term loans payable	63,792	81,923
Net defined benefit liability	11	12
Asset retirement obligations	81	81
Other	55	56
Total long-term liabilities	66,495	84,217
Total liabilities	140,784	167,669
Net assets		
Shareholders' equity		
Capital stock	3,982	4,019
Capital surplus	5,883	5,921
Retained earnings	55,723	67,003
Treasury stock	(1,852)	(3,102)
Total shareholders' equity	63,736	73,841
Other comprehensive income		
Net unrealized holding gains/losses on securities	5	8
Foreign currency translation adjustment	(33)	22
Accumulated other comprehensive income	(28)	31
Subscription rights to shares	375	415
Total net assets	64,084	74,288
Total liabilities and net assets	204,868	241,958

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

(Million yen)

	Nine months ended June 30, 2016 (From October 1, 2015 to June 30, 2016)	Nine months ended June 30, 2017 (From October 1, 2016 to June 30, 2017)
Revenue	180,434	211,427
Cost of revenue	146,738	172,842
Gross profit	33,695	38,585
Selling, general and administrative expenses	11,087	13,171
Operating income	22,607	25,414
Non-operating income		
Interest income	5	10
Dividends income	2	3
Foreign exchange gains	—	224
Other	146	145
Total non-operating income	154	382
Non-operating expenses		
Interest expenses	593	635
Commission fee	24	664
Foreign exchange losses	224	—
Other	104	252
Total non-operating expenses	947	1,552
Ordinary income	21,814	24,244
Income before income taxes	21,814	24,244
Income taxes-current	7,840	8,482
Profit	13,974	15,762
Profit attributable to owners of parent	13,974	15,762

Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	Nine months ended September 30, 2016 (From October 1, 2015 to June 30, 2016)	Nine months ended September 30, 2017 (From October 1, 2016 to June 30, 2017)
Profit	13,974	15,762
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	3
Foreign currency translation adjustment	26	56
Total other comprehensive income	21	59
Comprehensive income	13,995	15,821
(Breakdown)		
Comprehensive income attributable to owners of parent	13,995	15,821

3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Pursuant to a resolution passed by the Board of Directors at the meeting held November 14, 2016, the Company has purchased 457,300 shares of treasury stock. This will raise the amount of treasury stock by 1,249 million yen in the cumulative term of the consolidated third quarter, bringing the treasury stock to 3,102 million yen at the end of the consolidated third quarter.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

The tax expenses are calculated based on a logical estimate of the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year including the third quarter under review and then multiplying income before income taxes for the quarter by the estimated effective tax rate.

(Segment and Other Information)

I Nine months ended September 30, 2016 (October 1, 2015 to June 30, 2016)

Information relating to the amounts of revenue, income or loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family homes	Open House Architect	Condomi- nium	Property resales	Others	Total		
Revenue									
Revenue from Outside Customers	3,083	89,862	21,660	9,647	55,877	303	180,434	—	180,434
Intersegment revenue and transfers	3,135	—	3,993	13	3	40	7,185	(7,185)	—
Total	6,219	89,862	25,653	9,660	55,880	343	187,620	(7,185)	180,434
Segment Income	2,180	9,766	1,083	1,003	8,606	108	22,748	(140)	22,607

(Note)

- Adjustment of (140) million yen for segment income includes intersegment elimination of ¥77 million yen and corporate expenses of (218) million yen that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.
- Segment income has been adjusted to operating income described in consolidated quarterly statements of income.

II Nine months ended September 30, 2017 (October 1, 2016 to June 30, 2017)

i Information relating to the amounts of revenue, income or loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single- family homes	Open House Architect	Condomi- nium	Property resales	Others	Total		
Revenue									
Revenue from Outside Customers	3,862	108,048	21,843	9,262	67,813	597	211,427	—	211,427
Intersegment revenue and transfers	3,829	135	4,324	—	507	36	8,834	(8,834)	—
Total	7,691	108,184	26,167	9,262	68,321	634	220,262	(8,834)	211,427
Segment Income (Loss)	2,530	12,002	1,261	760	8,947	(0)	25,501	(87)	25,414

(Note)

- Adjustment of (87) million yen for segment income (loss) includes intersegment elimination of ¥127 million yen and corporate expenses of (214) million yen that is not distributed to the reportable segments. Corporate expenses are primarily general and administrative expenses that do not belong to the reportable segments.

2. Segment income (loss) has been adjusted to operating income described in consolidated quarterly statements of income.

ii Notes relating to changes in reportable segments etc

(Changes in names of reportable segments)

The Group changed the name of "Asakawa Home" reportable segment to "Open House Architect" from the first quarter of the current fiscal year. This change had no effect on profit and loss for the current fiscal year.

Segment information for the third quarter of the previous fiscal year on a consolidated basis was prepared based on the segment category applied for the same period of the fiscal year under review.