

**OPEN
HOUSE**

Consolidated Financial Highlights

for the Third Quarter Ended September 30, 2018

OPEN HOUSE CO., LTD.
[3288 TSE]



JPX-NIKKEI 400
2017



FY2018 3Q Topics

Business performance

■ Revenue and income for the first nine months hit record highs

Revenue:	¥ 261.0 billion (+23.5% YOY)
Operating income:	¥ 31.5 billion (+24.3% YOY)
Profit attributable to owners of parent :	¥ 21.3 billion (+35.6% YOY)

- Revenue and operating income in all segments increased significantly from the same period of the previous fiscal year.

Performance forecasts

■ Performance forecasts steadily advanced as we move toward achieving record highs in revenue and income for six consecutive fiscal years

Revenue:	¥ 380.0 billion (+24.7% YOY)
Operating income:	¥ 47.5 billion (+26.3% YOY)
Profit attributable to owners of parent :	¥ 31.7 billion (+27.8% YOY)
Annual dividends per share	¥ 98.00 (+¥33.00 YOY)

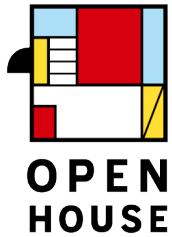
M&A

■ Announcement of conversion of HAWK ONE CORPORATION into a subsidiary of the Company

The subsidiary is engaged in single-family home development and sales centered on quasi-urban areas of the Tokyo metropolitan district.

Revenue:	¥ 63.9 billion (for the year ended Oct. 31, 2017)
Operating income:	¥ 4.5billion
Net income:	¥ 2.9billion

- Impacts on the Company's operating results for FY2018 are under examination.



FY2018 3Q Consolidated Summary



Overview of Consolidated Income Statement

- ☑ Revenue and income for the first nine months hit record highs.
- ☑ Operating performance in all segments steadily advanced as planned, as we move toward achieving the full-year forecasts for FY2018.

(Million yen)

	FY2017 3Q <2016/10-2017/6>		FY2018 3Q <2017/10-2018/6>		
	Actual	% of revenue	Actual	% of revenue	Inc.(Dec.)
Revenue	211,427	—	261,048	—	23.5%
Gross profit	38,585	18.2%	47,940	18.4%	24.2%
SG&A expenses	13,171	6.2%	16,351	6.3%	24.1%
Operating income	25,414	12.0%	31,588	12.1%	24.3%
Non-operating income	382	0.2%	182	0.1%	(52.4%)
Non-operating expenses	1,552	0.7%	1,207	0.5%	(22.2%)
Ordinary income	24,244	11.5%	30,562	11.7%	26.1%
Profit attributable to owners of parent	15,762	7.5%	21,366	8.2%	35.6%



Performance by segment (revenue/operating income)

- ☑ Revenue and operating income in all segments increased significantly from the same period of the previous fiscal year.
- ☑ In particular, the U.S. real estate business of Others grew substantially.

(Million yen)

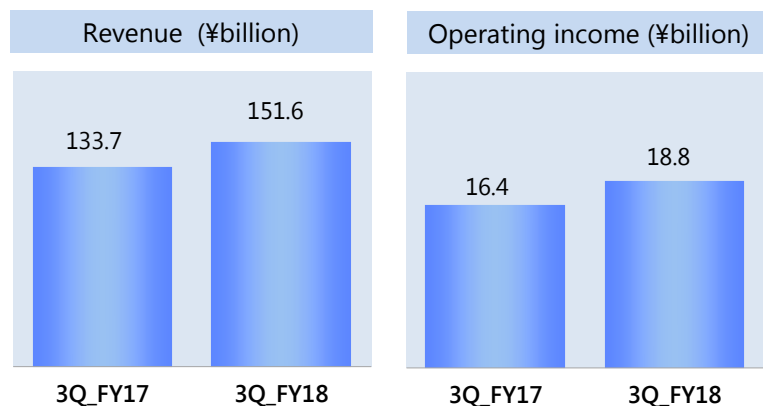
	FY2017 3Q <2016/10-2017/6>		FY2018 3Q <2017/10-2018/6>		Inc.(Dec.)
	Actual	Ratio	Actual	Ratio	
Revenue	211,427	100.0%	261,048	100.0%	23.5%
Single-family homes related business* 1	133,754	63.3%	151,690	58.1%	13.4%
Condominiums	9,262	4.4%	21,058	8.1%	127.4%
Property resales	68,321	32.3%	78,572	30.1%	15.0%
Others (including U.S. real estate business)	597	0.3%	9,748	3.7%	9,150
Adjustments	(507)	—	(22)	—	—
	Actual	% of revenue	Actual	% of revenue	Inc.(Dec.)
Operating Income	25,414	12.0%	31,588	12.1%	24.3%
Single-family homes related business* 1	16,404	12.3%	18,848	12.4%	14.9%
Condominiums	760	8.2%	2,205	10.5%	189.9%
Property resales	8,947	13.1%	9,610	12.2%	7.4%
Others (including U.S. real estate business)	(1)	(0.2%)	1,570	16.1%	1,571
Adjustments	(697)	—	(646)	—	—

* 1 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 were consolidated into the single-family homes related business in FY2018

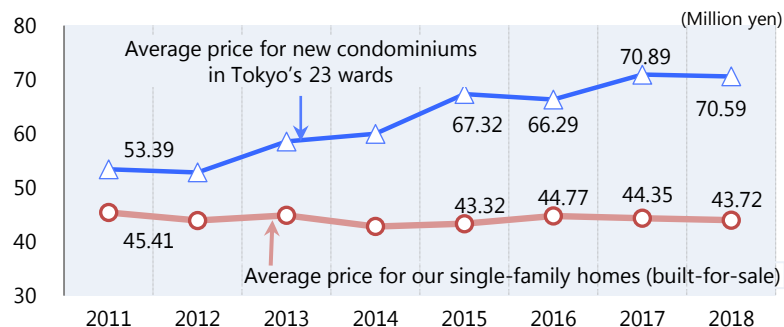


Single-family homes related business as a whole

- ☑ Significant difference between prices for new condominiums and prices for single-family homes continues to serve as a favorable tailwind to the single-family homes related business.
- ☑ Number of contracts brokered in the April–June period of 2018 steadily increased 26.3% the same period of the previous fiscal 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)

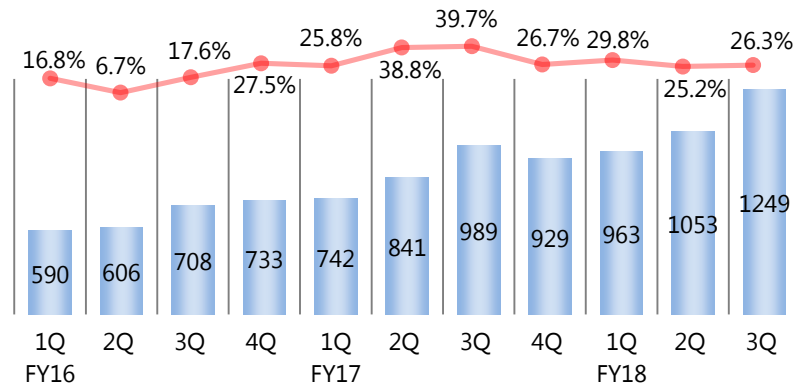


Source: MLIT, "Monthly marketing report of lands"
 Fiscal years: Condominium prices are on a calendar – year basis.
 Prices for our homes are for the period October – September.
 Condominium prices for 2017 are for the January – June 2018 period.
 Prices of our homes for 2018 are for the October 2017 – June 2018 period.

	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	Inc.(Dec.)
Revenue (¥million)	133,754	151,690	13.4%
Gross profit (¥million)	24,463	28,161	15.1%
Gross profit margin	18.3%	18.6%	0.3pt
Operating income (¥million)	16,404	18,848	14.9%
Operating income margin	12.3%	12.4%	0.2pt

The above figures in the third quarter of FY2017 were restated on a new segment basis, in conjunction with the change in the reporting segment effective FY2018.

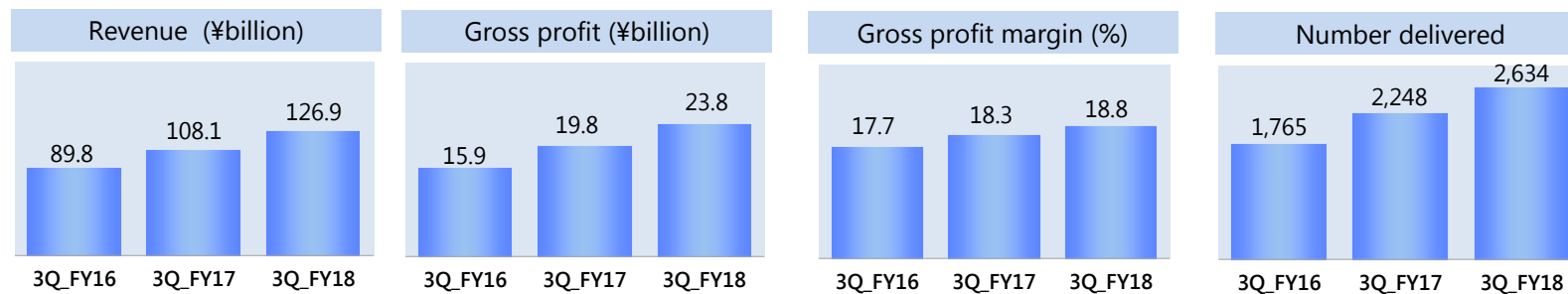
Number brokered in each quarter and YOY change





Single-family homes related business (1. Single-family homes)

- Land and build-to-order houses achieved a year-on-year increase of more than 30% in revenue for the first nine months, serving as driving forces of the business.
- Total revenue of the single-family homes related business in the July–Sept. period of 2018 is forecast to increase more than 30% from the same period of the previous fiscal year.

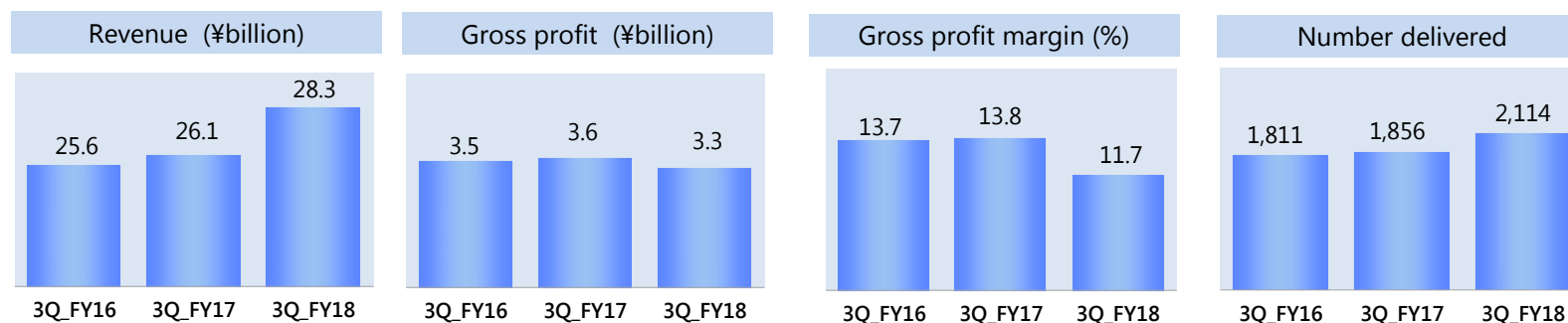


		FY2016 3Q 15/10-16/6	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	Inc. (Dec.)
TOTAL	Revenue (¥million)	89,862	108,184	126,908	17.3%
	Gross profit (¥million)	15,904	19,843	23,886	20.4%
	Gross profit margin	17.7%	18.3%	18.8%	0.5pt
	Number delivered (built-for-sale houses + lands)	1,765	2,248	2,634	386
【By type of sales】					
Built-for-sale houses	Revenue (¥million)	40,231	45,065	43,852	(2.7%)
	Number delivered	899	1,021	1,013	(8)
	Unit price (¥million)	44.8	44.1	43.3	(0.8)
Lands	Revenue (¥million)	40,912	53,575	70,266	31.2%
	Number delivered	866	1,227	1,621	394
	Unit price (¥million)	47.2	43.7	43.3	(0.3)
Built-to-order houses	Revenue (¥million)	8,548	9,106	12,324	35.3%
	Number delivered	554	618	866	248
	Unit price (¥million)	15.4	14.7	14.2	(0.5)
Others	Revenue (¥million)	169	438	457	6.0%



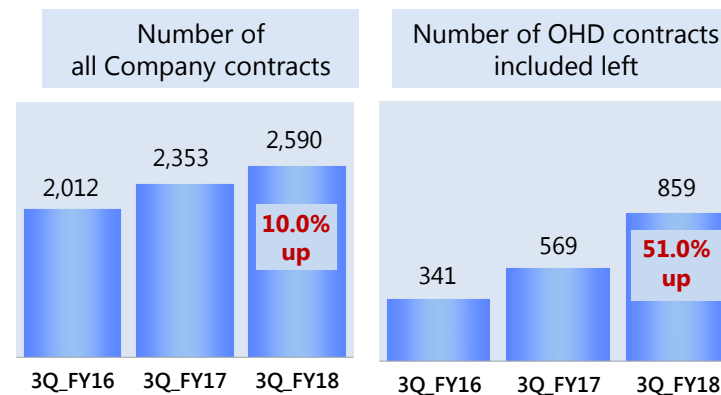
Single-family homes related business (2. Construction work)

- Number of OHD contracts for construction orders surged, contributing to improved construction performance of single-family homes within the Group.
- Declined gross profit margin was due to more intra-deals set at predetermined prices excluding redundant operation expenses.



	FY2016 3Q 15/10-16/6	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	Inc.(Dec.)
Revenue (¥million)	25,653	26,167	28,388	8.5%
Gross profit (¥million)	3,520	3,620	3,329	(8.0%)
Gross profit margin	13.7%	13.8%	11.7%	(2.1pt)
Number delivered ^{*1}	1,811	1,856	2,114	258
	317	342	594	252

*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)

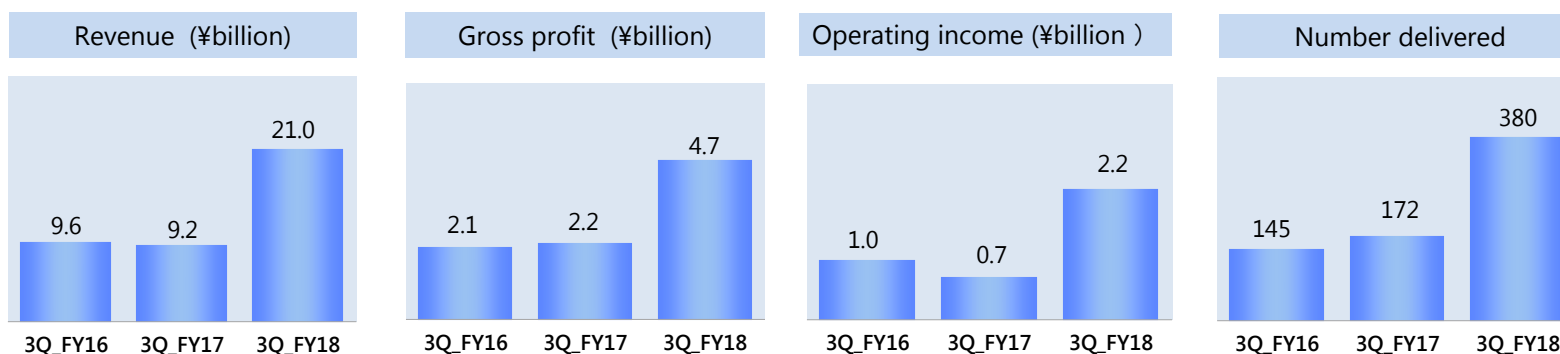


The above represents the number of contracts for construction orders received during the respective fiscal year.



Condominiums Business

- ☑ Sales of condominiums in urban areas steadily grew, and sales contracts for targeted number of condominiums to be delivered for FY2018 were all completed.
- ☑ Revenue in the July–Sept. period of 2018, the peak season for delivery, is forecast to account for more than 50% of the full-year revenue.



	FY2016 3Q 15/10-16/6	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	Inc. (Dec.)
Revenue (¥million)	9,660	9,262	21,058	127.4%
Gross profit (¥million)	2,186	2,222	4,707	111.8%
Gross profit margin	22.6%	24.0%	22.4%	(1.6pt)
Operating income (¥million)	1,003	760	2,205	189.9%
Operating income margin	10.4%	8.2%	10.5%	2.3pt
Number delivered	145	172	380	208
Unit price (¥million)	66.3	53.7	55.2	1.6

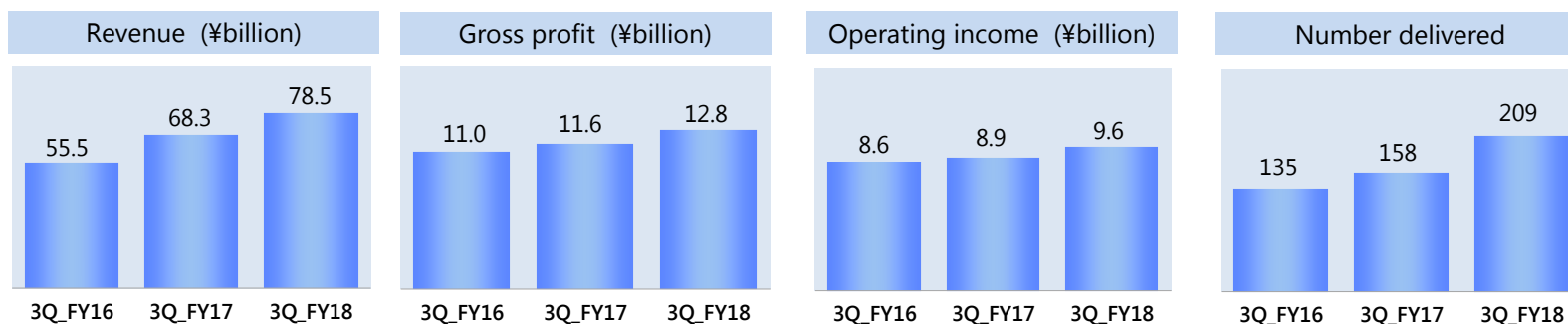
— Major condominiums delivered in FY2018 —

Name	Units	Average price
Open Residencia Azabu Roppongi	34	¥70million
Open Residencia Kagurazaka West Terrace	30	¥70million
Open Residencia Ochanomizu	21	¥60million
Open Residencia Hongo 3chome	22	¥50million

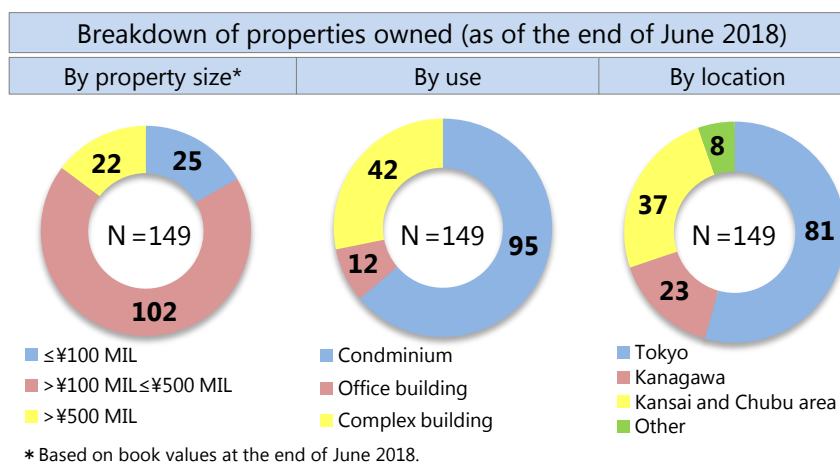


Property Resales Business

- Since the Company's major customers are the wealthy class and corporations, the impact by some financial institutions' tightening of lending to individuals is likely to be minor.
- Revenue and gross profit margin steadily increased in line with the full-year plan.



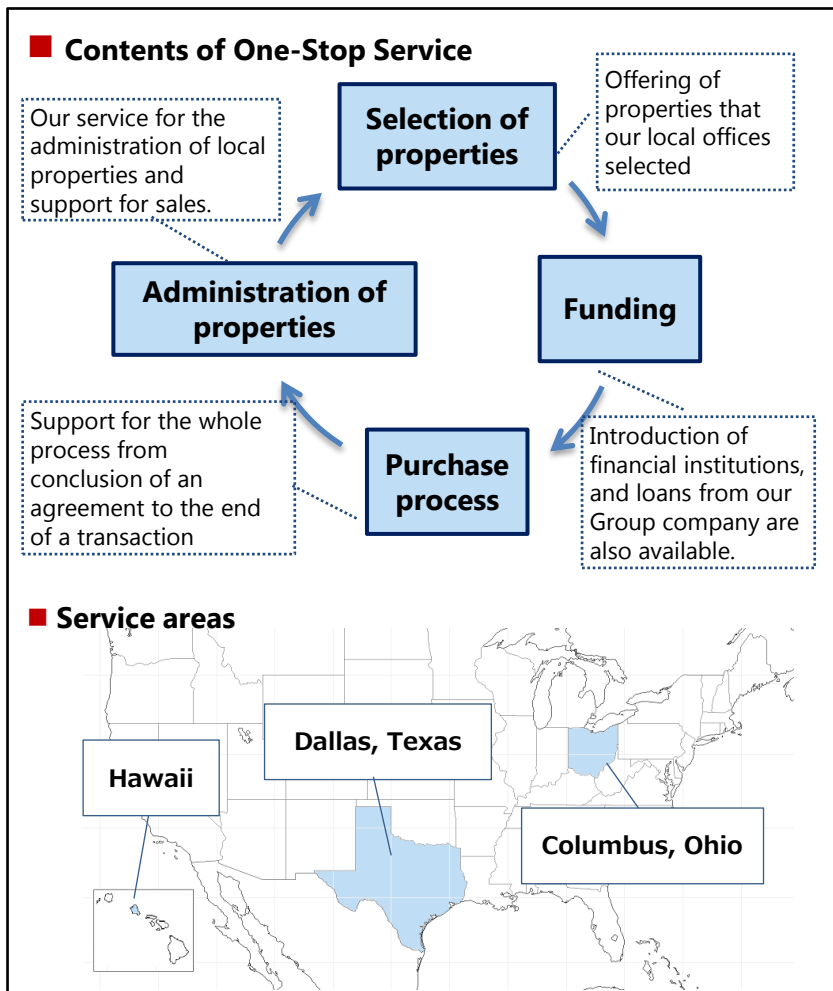
	FY2016 3Q 15/10-16/6	FY2017 3Q 16/10-17/6	FY2018 3Q 17/10-18/6	Inc. (Dec.)
Revenue (¥million)	55,880	68,321	78,572	15.0%
Gross profit (¥million)	11,037	11,663	12,813	9.9%
Gross profit margin	19.8%	17.1%	16.3%	(0.8pt)
Operating income (¥million)	8,606	8,947	9,610	7.4%
Operating income margin	15.4%	13.1%	12.2%	(0.9pt)
Number delivered	135	158	209	51
Unit price (¥million)	399	422	368	(54)





U.S. Real Estate Business

- ☑ The business activity of offering properties to customers started in full swing, backed by the acquisition of local companies in the states of Hawaii.
- ☑ Operating performance is on a strong uptrend and revenue is forecast to exceed the full-year target of ¥10 billion.



■ Outline of companies acquired

Company Name	Sachi Hawaii- Pacific Century Property Management LLC
Address	88 Piikoi St. #301, Honolulu HI96814
Representative	Sachi Braden, President
Main business	Real estate brokerage business
Established	December, 2003
Revenue	\$ 5,187 thousand for the year ended Dec. 31, 2017

Company Name	Sachi Hawaii- Pacific Century Property Management LLC
Address	88 Piikoi St. #301, Honolulu HI96814
Representative	Sachi Braden, President
Main business	Property management business
Established	December, 2003
Revenue	\$ 731 thousand for the year ended Dec. 31, 2017

June 29: Execution of share transfer from both companies*

* As of June 30, 2018, the above two companies are treated as unconsolidated subsidiaries as they are small-sized with no material impacts on consolidated financial statements.



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

(Million yen)

	FY2017 3Q 2016/10-2017/6		FY2018 3Q 2017/10-2018/6		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
SG&A expenses	13,171	6.2%	16,351	6.3%	3,180
Personnel expenses	3,627	1.7%	4,367	1.7%	739
Sales commissions	1,893	0.9%	2,387	0.9%	493
Office expenses	1,755	0.8%	2,026	0.8%	271
Advertising expenses	1,205	0.6%	1,388	0.5%	183
Promotion expenses	558	0.3%	905	0.3%	347
Others	4,130	2.0%	5,274	2.0%	1,144

	FY2017 3Q 2016/10-2017/6		FY2018 3Q 2017/10-2018/6		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
Non-operating income	382	0.2%	182	0.1%	(200)
Foreign exchange gain	224	0.1%	—	—	(224)
Others	158	0.1%	182	0.1%	23
Non-operating expenses	1,552	0.7%	1,207	0.5%	(344)
Interest expenses	635	0.3%	813	0.3%	178
Commission fee	664	0.3%	48	0.0%	(616)
Foreign exchange loss	—	—	206	0.1%	206
Other	252	0.1%	139	0.1%	(113)



Consolidated Balance Sheet

(Million yen)

	Sep 30, 2017	Jun 30, 2018	Inc. (Dec.)
Current assets	248,429	301,216	52,786
Cash and deposits	90,910	84,785	(6,124)
Inventories	144,894	196,022	51,127
Others	12,625	20,408	7,783
Non-current assets	8,255	8,189	(65)
Property, plant and equipment	3,113	3,442	328
Intangible assets	1,299	1,148	(150)
Investments and other assets	3,841	3,598	(243)
Deferred assets	51	43	(8)
Total assets	256,736	309,449	52,713

	Sep 30, 2017	Jun 30, 2018	Inc. (Dec.)
Liabilities	173,357	209,103	35,745
Current liabilities	82,613	115,996	33,383
Non-current liabilities	90,743	93,106	2,362
Net Assets	83,379	100,346	16,967
Shareholders' equity	82,902	99,852	16,950
Valuation and translation adjustments	477	494	17
Total liabilities and net assets	256,736	309,449	52,713

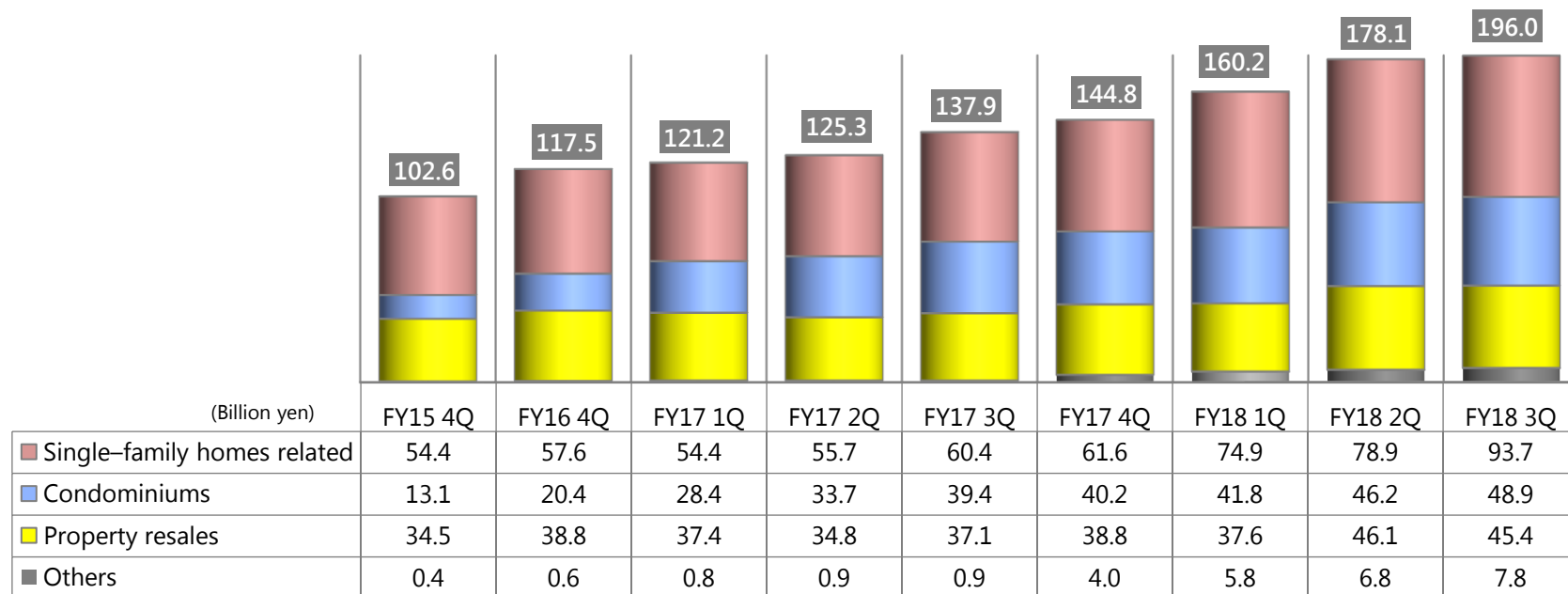
	Sep 30, 2017	Jun 30, 2018	Inc. (Dec.)
Equity ratio	32.3%	32.3%	(0.0pt)

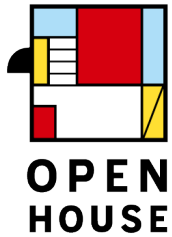


Inventory Details

(Million yen)

	End of FY2015 (Sep 30, 2015)	End of FY2016 (Sep 30, 2016)	End of FY2017 (Sep 30, 2017)	End of FY2018 3Q (Jun 30, 2018)	(Ratio)	Inc. (Dec.)
Single-family homes related	54,497	57,633	61,667	93,733	47.8%	32,106
Condominiums	13,101	20,422	40,291	48,919	25.0%	8,628
Property resales	34,586	38,838	38,871	45,484	23.2%	6,613
Others	428	651	4,064	7,844	4.0%	3,779
Total	102,614	117,546	144,894	196,022	100.0%	51,127





Consolidated Business Performance Forecasts for FY2018



Business Performance Forecasts

- ☑ On May 15, 2018, the Company revised the business performance forecasts upward due to steady improvement in business performance.
- ☑ Performance forecasts steadily advanced as we move toward achieving record highs in revenue and income for six consecutive fiscal years.

(Million yen)

	FY2017 2016/10-2017-9		FY2018 Initial forecast 2017/10-2018/9		FY2018 Revised forecast 2017/10-2018/9	
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Forecast	Inc. (Dec.)
Revenue	304,651	23.2%	380,000	24.7%	380,000	24.7%
Operating income	37,617	20.1%	44,700	18.8%	47,500	26.3%
Ordinary income	36,131	23.9%	43,500	20.4%	46,000	27.3%
Profit attributable to owners of parent	24,797	32.5%	30,000	21.0%	31,700	27.8%
EPS (yen)	443.41	—	537.73	—	568.14	—
Annual dividends per share (yen)	65.00	15.00	92.00	27.00	98.00	33.00
Payout ratio	14.7%	—	17.1%	—	17.2%	—



Consolidated Business Performance Forecasts (Revenue by Business Segment)

- ☑ Segment-based revenue forecasts remain unchanged.
- ☑ Business performance is improving steadily toward the full-year forecast goal.

— Before change in business segments

(Million yen)

	FY2016	FY2017	
	2015/10-2016/9	2016/10-2017/9	Inc. (Dec.)
	Actual	Actual	Inc. (Dec.)
Revenue	247,210	304,651	23.2%
Brokerage	8,528	10,197	19.6%
Single-family homes	119,563	151,998	27.1%
Open House Architect	37,625	39,154	4.1%
Condominiums	19,059	26,480	38.9%
Property resales	72,801	88,976	22.2%
Others	455	1,825	300.9%
Adjustments	(10,822)	(13,981)	—

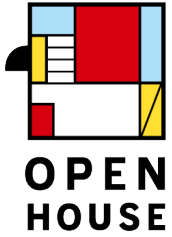
— After change in business segments

(Million yen)

	FY2017	FY2018	
	2016/10-2017/9	2017/10-2018/9	Inc. (Dec.)
	Actual	Forecast	Inc. (Dec.)
Revenue	304,651	380,000	24.7%
Single-family homes related business			
— Brokerage			
— Single-family homes			
— Construction work Former Open House Architect	188,475	226,000	19.9%
Condominiums	26,480	43,500	64.3%
Property resales	88,976	100,000	12.4%
Others (including U.S. real estate business)	1,825	11,000	502.6%
Adjustments	(1,105)	(500)	—

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 will be consolidated to establish a new segment, the single-family homes related business.

* Single-family homes related business = Brokerage + Single-family homes + Open House Architect – Adjustments for internal transactions (¥12,875 million)



Current Initiatives



Announcement of conversion of HAWK ONE CORPORATION into a subsidiary of the Company 1

- ☑ Engaged in single-family home development and sales centered on quasi-urban areas of the Tokyo metropolitan district: Revenue: ¥63.9 billion; operating income: ¥4.5 billion (for the year ended Oct. 31, 2017)
- ☑ Acquisition amount: ¥28.3 billion equiv. (about ¥20 billion in cash and ¥8.3 billion equiv. in simplified share exchange)

Company Profile

Corporate name	HAWK ONE CORPORATION (hereinafter "HAWK ONE")
Head Office	1-15-13 Miyamae, Suginami-ku, Tokyo
Representative	Hiroyuki Hiratsuka, President & CEO
Main business	Development and sales of single-family homes
Capital	55 million yen
Established	May, 1995
Fiscal term	October
Number of employees	321 (as of May 1, 2018)

Operating results and Financial position

(Million yen)

Fiscal term	FY ending in October, 2015	FY ending in October, 2016	FY ending in October, 2017
Net assets	15,555	17,971	20,672
Total assets	39,367	46,633	52,210
Revenue	47,672	52,193	63,901
Operating income	2,940	4,083	4,517
Ordinary income	2,656	3,886	4,275
Net income	1,464	2,532	2,903

■ Current status and schedule

July 31:

Shares acquired. Share exchange agreement concluded.

*1, *2

Oct. 1:

Conversion to a wholly-owned subsidiary of the Company

(plan) (Effective date of share exchange)

*1 The financial impact on the Company's consolidated operating results for FY2018 due to the conversion to a consolidated subsidiary is under examination.

*2 The conversion to a consolidated subsidiary is likely to generate goodwill. The amount and amortization period of goodwill are currently being examined.





Announcement of conversion of HAWK ONE CORPORATION into a subsidiary of the Company 2

- ☑ The conversion to a subsidiary will bring significant advantages to both the Company and HAWK ONE.
- ☑ The Company has operation bases centered on urban areas, while HAWK ONE has those centered on quasi-urban areas, and they can complement each other.

Purposes

1. Expanding share in the Tokyo metropolitan district and the Nagoya region

Companies can complement each other in regard to areas and price ranges.

- HAWK ONE: Quasi-urban areas; average price: ¥38 million
- OPEN HOUSE: Urban areas; average price: ¥44 million

2. Strengthening construction performance by leveraging advantage of scale

Group-wide supply of single-family homes would amount to 7,000 homes per year.

- HAWK ONE: 2,000 homes
- OPEN HOUSE: 5,000 homes (including Open House Architect)

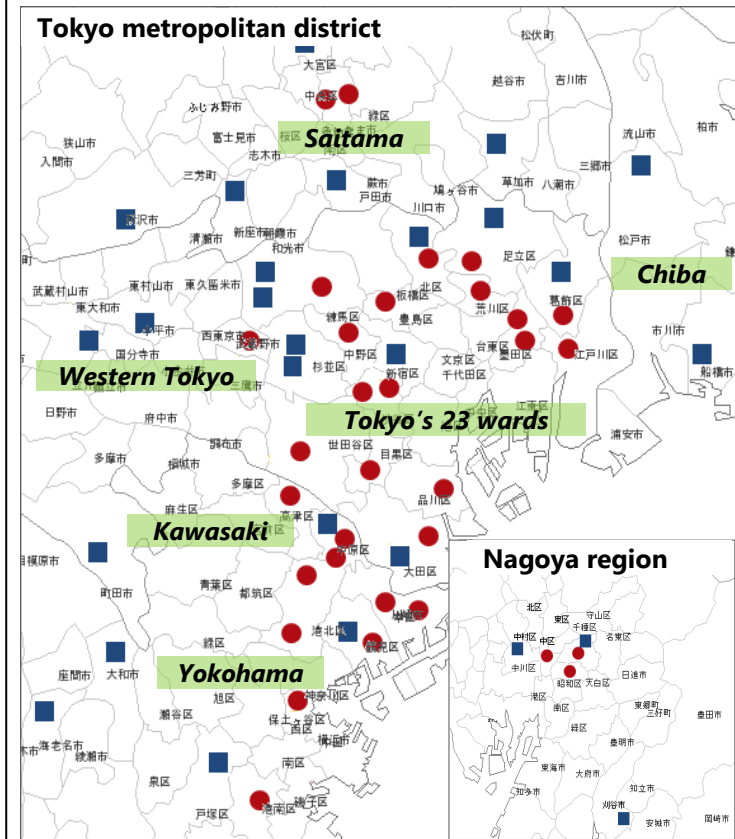
3. Improving management efficiency by leveraging the brokerage function

Sales of HAWK ONE properties through the Company's brokerage

- HAWK ONE: Sales of homes through local brokers
- OPEN HOUSE: Sales of HAWK ONE properties is viable

Sales Centers

- OPEN HOUSE 32
- HAWK ONE 28

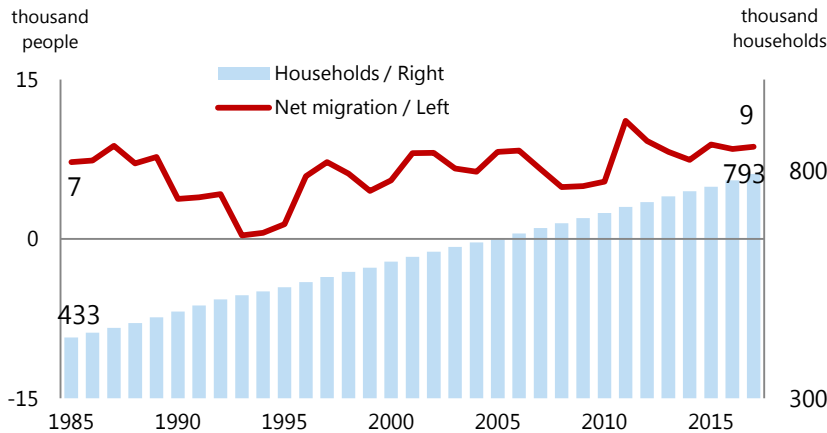




Business development to be launched in the Fukuoka region

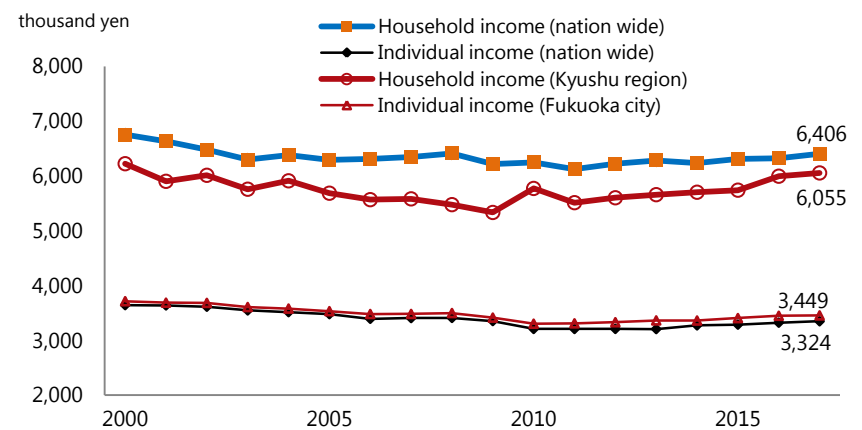
- ☑ Business activities in the Fukuoka region, where there is potential for continued high growth, are planned to be implemented in FY 2019.
- ☑ Same as in the Nagoya region, business portfolios are single-family homes, condominiums, and property resales.

No. of households and net migration in Fukuoka City



Source: "Report on Internal Migration in Japan based on Basic Resident Register" published by the Ministry of Internal Affairs and Communications

Household income and individual income of residents of Fukuoka City



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

<Reference> Social structure of Fukuoka City (in comparison with other ordinance-designated cities)

Ranking	Population growth rate (2010-2015) (thousand people)		Population (thousand people)		Proportion of people in 20-30 age group (20-30 age group to all age groups)		Ranking of potential-growth cities (general evaluation)	
1	Fukuoka	1,539	5.1%	Yokohama	3,725	Tokyo Ku-area	28.2%	Tokyo Ku-area
2	Tokyo Ku-area	9,273	3.7%	Osaka	2,691	Kawasaki	28.0%	Fukuoka
3	Kawasaki	1,475	3.5%	Nagoya	2,296	Fukuoka	26.9%	Kyoto
4	Sendai	1,082	3.5%	Sapporo	1,952	Osaka	25.6%	Osaka
5	Saitama	1,264	3.4%	Fukuoka	1,539	Sendai	24.9%	Kagoshima *Not an ordinance-designated city
Reference	Whole nation	127,095	△0.8%	Tokyo Ku-area	9,273	Average	22.0%	Fukuoka city is ranked first in the Potential Group
Source	2010-2015 Population Census Statistics Bureau			2015 Population Census Statistics Bureau		2015 Population Census Statistics Bureau		2017 Potential-growth cities Nomura Research Institute



Business Development in the Nagoya Region

- ☑ Backed by brisk sales of three-story, urban-type single-family homes, the Company opened Gokiso Sales Center, the third sales center in the Nagoya region.
- ☑ The Company launched the sale of Open Residencia Gokiso, the fifth condominium in the Nagoya region.

Current status of business activities

Single-family homes

- October 2016
Opening of Sakae Sales Center, the first sales center in the Nagoya region
- July 2017
Opening of Motoyama Sales Center
- April 2018
Opening of Gokiso Sales Center

Condominiums

- September 2017
Opening of Nagoya Sogo Mansion Gallery
Launch of sales of Open Residencia Aoi, the first condominium released in the Nagoya region.
All 32 units were completely sold by December 2017.
- February 2018
Launch of sales of Open Residencia Nagoya Sakae
- March 2018
Launch of sales of Open Residencia Sakura-dori Toyomae-cho
- May 2018
Launch of sales of Open Residencia Showa Fukiage
- August 2018
Launch of sales of Open Residencia Gokiso

Opening of Gokiso Sales Center

- Address:
3fl. DIS Gokiso Bldg., 4-chome, Ayuchi-dori, Showa-ku, Nagoya
- Access:
1-minute walk from Gokiso Station on the Sakura-dori Line and Tsurumai Line (subways).



Launch of Open Residencia Gokiso

- Address:
3-chome, Akebono-cho, Showa-ku, Nagoya
- Access:
6-minute walk from Fukiage Station on the Sakura-dori Line (subway)
- Structure and size:
Reinforced concrete building with 10 stories above ground
- Total no. of units: 27
- Delivery schedule: August 2019





Business Development of Sales Centers

- ☑ The Company is operating a total of 32 sales centers, including newly opened sales centers. They are Urawa and Tsurumi opened in October 2017, Urawachuo and Motosumiyoshi in January 2018, Gokiso and Shinkoiwa in April 2018, Shin-kawasaki in July 2018.

No. of sales centers of each area

	FY2016 15/10-16/9	FY2017 16/10-17/9	FY2018 3Q 17/10-18/6	As of 2018.8.14
Tokyo	13	16	17	17
Kanagawa Prefecture	5	7	9	10
Aichi Prefecture	—	2	3	3
Saitama Prefecture	—	—	2	2
Total	18	25	31	32



Shin-kawasaki sales Center

< Tokyo region >



< Nagoya region >

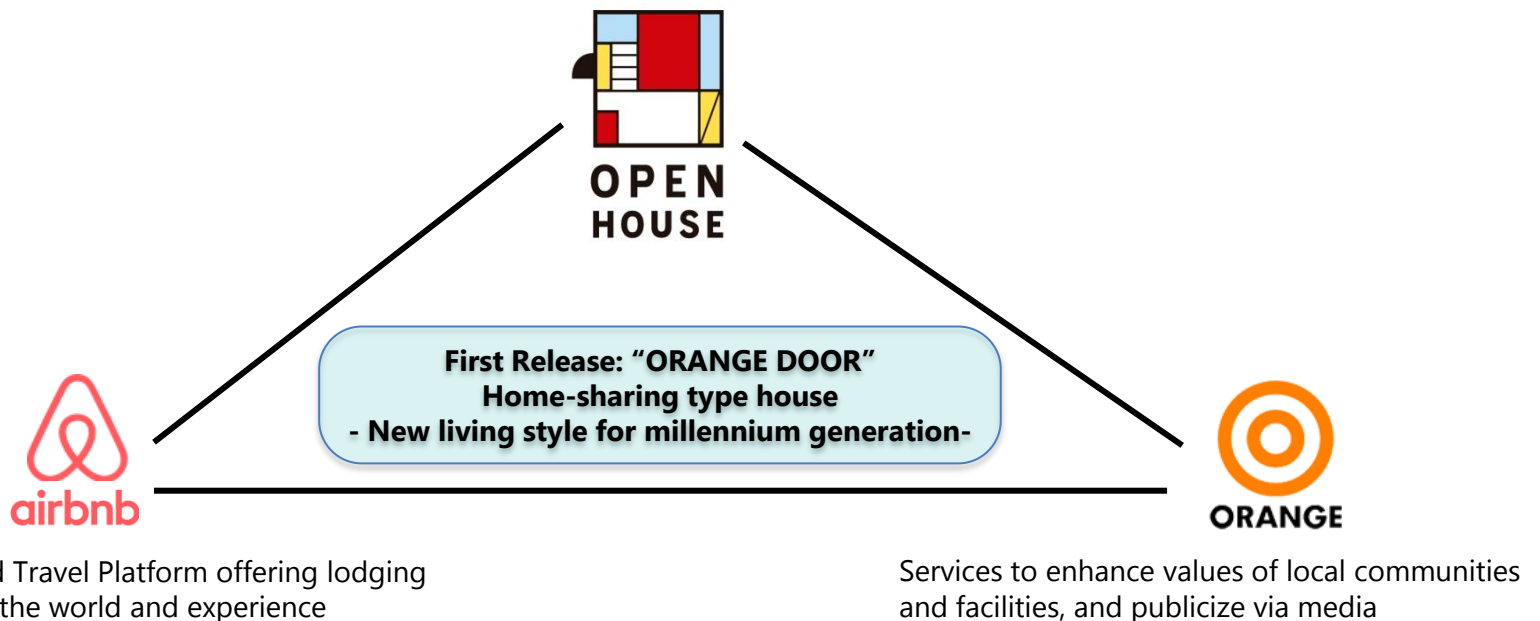


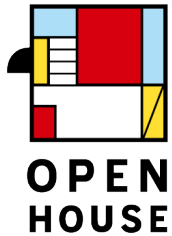
News Release of the Formation of a Three-Company Partnership among Open House, Airbnb Japan and ORANGE AND PARTNERS

- ☑ The Company, Airbnb Japan, and ORANGE AND PARTNERS led by Mr. Kundo Koyama have formed a three-company partnership.
- ☑ The Company is developing a home-sharing type house, the house officially designed by Airbnb, jointly with the partners and plans to launch sales by the end of this year.

Following the enactment of the New Home-Sharing Law (Minpaku Law) on June 15, 2018, three companies entered into a partnership. The partnership is aimed at releasing ORANGE DOOR, officially designed by Airbnb as a new single-family home, by leveraging the Company's development strength.

We offer single-family homes for living in urban areas





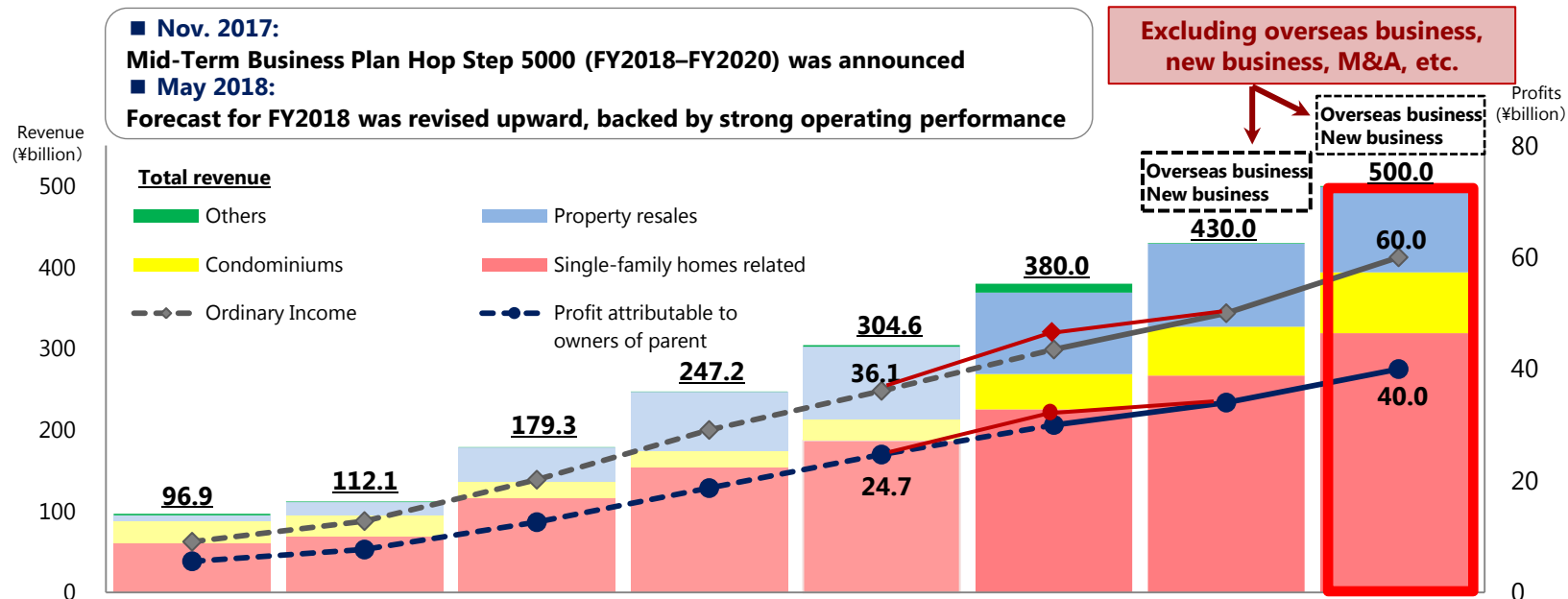
(Reference) Mid-Term Business Plan

Announced on November 14, 2017



The Mid-Term Business Plan Hop Step 5000 to Be Updated

- ✓ The Mid-Term Business Plan is scheduled to be updated when the financial results for FY2018 are released.
- ✓ New business activities including the U.S. real estate business and HAWK ONE will be incorporated.



(¥ billion)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 forecast	FY2019 plan	FY2020 plan
Single-family homes related	61.1	69.2	116.7	155.0	187.3	225.5	267.0	319.0
Condominiums	27.1	25.7	20.0	19.0	26.4	43.5	60.0	75.0
Property resales	6.9	16.5	41.7	72.8	88.9	100.0	102.0	105.0
Others	1.7	0.6	0.7	0.4	1.8	11.0	1.0	1.0
Total revenue	96.9	112.1	179.3	247.2	304.6	380.0	430.0	500.0
Ordinary income	9.1	12.8	20.2	29.1	36.1	46.0	50.0	60.0
Profit attributable to owners of parent	5.6	7.7	12.6	18.7	24.7	31.7	34.0	40.0

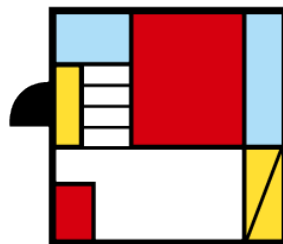
Note: The Single-Family Homes Related Business includes Brokerage, Open House Architect, and adjustment amounts. The Earnings Plan has been prepared on the basis of the existing businesses, excluding overseas business, new business, M&A, etc.

2013.9-2017.9
Revenue
CAGR:33.1%

2018.5
Upward revision

2017.9-2020.9
Revenue
CAGR:18.0%

東京に、家を持つ。



**OPEN
HOUSE**

—Disclaimer—

This document contains forward-looking statements concerning future business performance. These statements include company forecasts based on information available at the time of publication and involve potential risks and uncertainties. They do not constitute a guarantee of future results. The information provided herein is subject to change without notice; no guarantees are provided with regard to the accuracy or reliability of such information.

This document is provided for informational purposes only. It does not constitute a solicitation to invest.