

**OPEN HOUSE
GROUP**

Consolidated Financial Highlights

for the Fiscal Year Ended September 30, 2022

(2021/10-2022/09)

OPEN HOUSE GROUP CO., LTD.
[3288 TSE]

Business performance FY 2022

- ◆ Achieved record highs in revenue and income for the tenth consecutive year
 - In addition to actual demand, real estate for investment was a major driver of the performance

			Forecast as of May 13, 2022
Revenue:	¥ 952.6 billion	[17.5% YoY]	¥ 935 billion
Operating income:	¥ 119.3 billion	[18.1% YoY]	¥ 116 billion
Profit attributable to owners of parents:	¥ 77.8 billion	[11.9% YoY]	¥ 75.7 billion

Consolidated financial forecast FY 2023

- ◆ Aiming for revenue exceeding ¥ 1 trillion in the final year of mid-term business plan
 - Significant increase in sales in condominium business
 - Further expansion of single-family homes business in the Kansai area

			Forecast as of November 12, 2021
Revenue:	¥ 1.1 trillion	[15.5% YoY]	¥ 1.05 trillion
Operating income:	¥ 134 billion	[12.3% YoY]	¥ 125 billion
Profit attributable to owners of parents:	¥ 86 billion	[10.4% YoY]	¥ 80 billion

Corporate Philosophy and Our Mission

— Corporate Philosophy

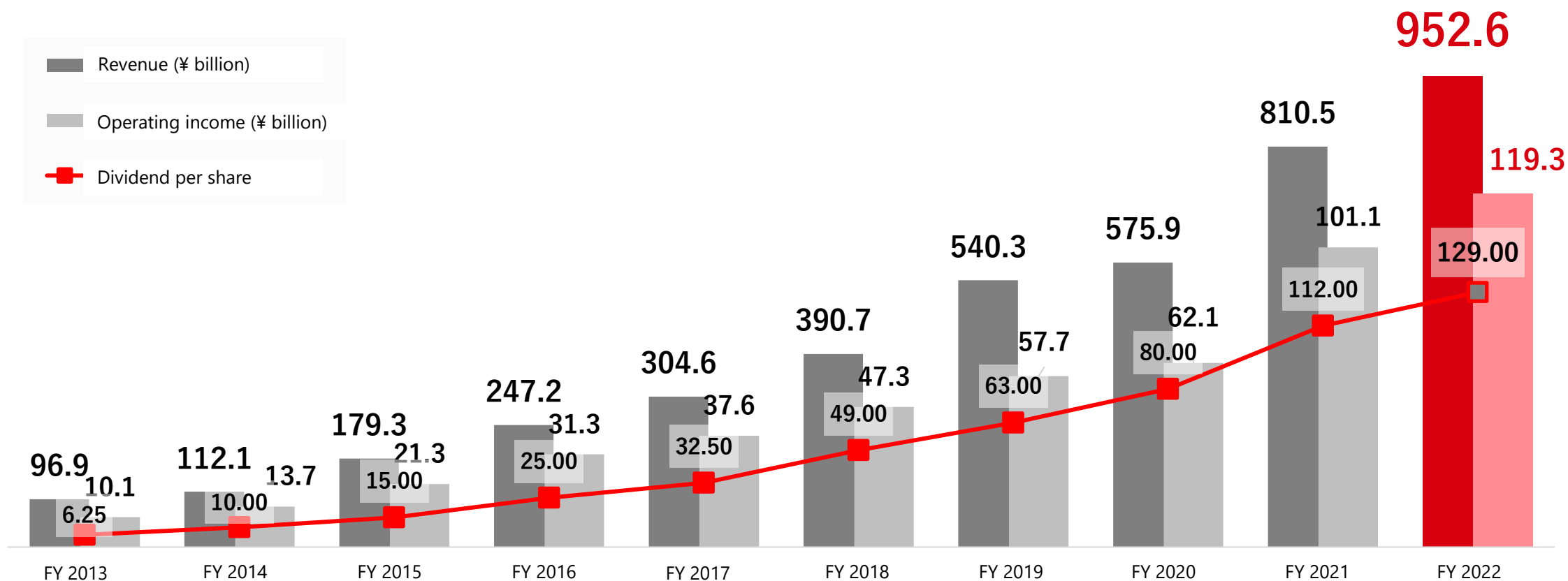
- Remain committed to pursuing "Houses that customers want" honestly and constantly.
- Attract a wide range of motivated people and create an organization that rewards results.
- Increase performance and expand the scale of our business, and be a real estate company needed by society.

— Our Mission

Supplying Affordable Housing in the Tokyo Metropolitan Area

Business Performance and Shareholder Returns since listing

- Achieved record highs in revenue and income for the tenth consecutive year since listing in FY2013
- Revenue expanded 10 times, operating income was up 12 times, and dividend per share grew 20 times (compared with FY 2013)



1. Consolidated Financial Summary for FY2022



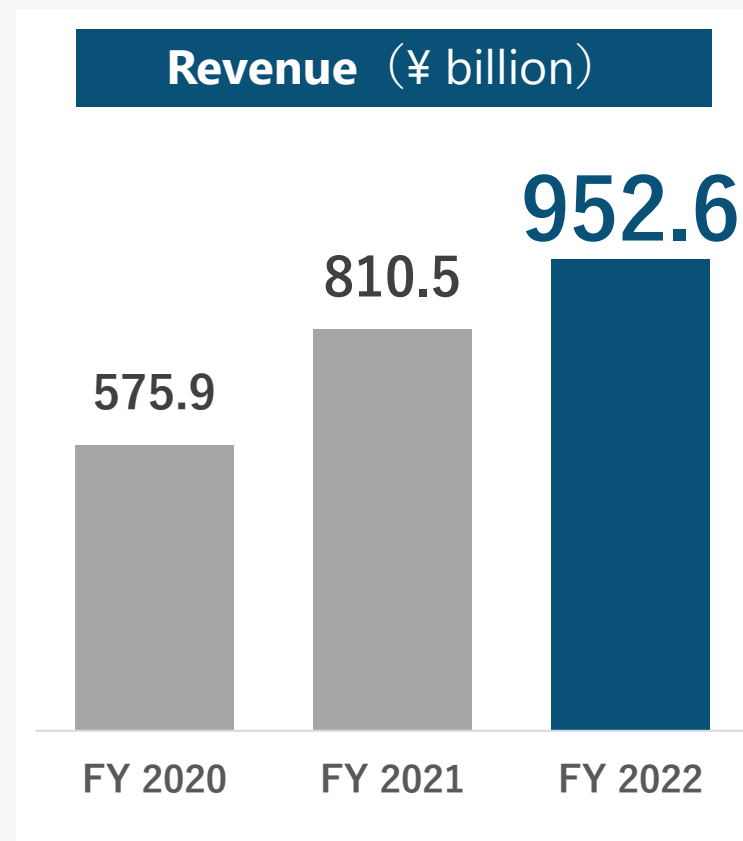
OPEN HOUSE GROUP

Consolidated Statements of Income (Summary)

- Achieved record highs in revenue and income for the tenth consecutive year
- Double-digit growth in sales and profit at all levels

(¥ Million)

	FY 2021 (2020/10-2021/9)		FY 2022 (2021/10-2022/9)		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
Revenue	810,540	-	952,686	-	17.5%
Operating income	101,103	12.5%	119,358	12.5%	18.1%
Ordinary income	97,590	12.0%	121,166	12.7%	24.2%
Profit attributable to owners of parent	69,582	8.6%	77,884	8.2%	11.9%



Performance by Segment (Revenue/Operating Income)

- Continued growth through portfolio management based on both actual demand and investment

	Revenue					Operating income (¥ Million)				
	FY 2021 (2020/10-2021/9)		FY 2022 (2021/10-2022/9)		Inc. (Dec.)	FY 2021 (2020/10-2021/9)		FY 2022 (2021/10-2022/9)		Inc. (Dec.)
	Actual	Ratio	Actual	Ratio		Actual	% of revenue	Actual	% of revenue	
Total	810,540	100.0%	952,686	100.0%	17.5%	101,103	12.5%	119,358	12.5%	18.1%
Single-family homes related business	446,959	55.1%	516,554	54.2%	15.6%	62,294	13.9%	63,014	12.2%	1.2%
Condominiums	47,147	5.8%	62,362	6.5%	32.3%	6,507	13.8%	10,654	17.1%	63.7%
Property resales	123,061	15.2%	155,961	16.4%	26.7%	12,285	10.0%	17,669	11.3%	43.8%
Others (including U.S. real estate business)	45,159	5.6%	74,471	7.8%	64.9%	5,232	11.6%	8,205	11.0%	56.8%
Pressance Corporation	149,337	18.4%	145,324	15.3%	-	16,502	11.1%	20,727	14.3%	-
Adjustments	(1,126)	-	(1,987)	-	-	(1,719)	-	(913)	-	-

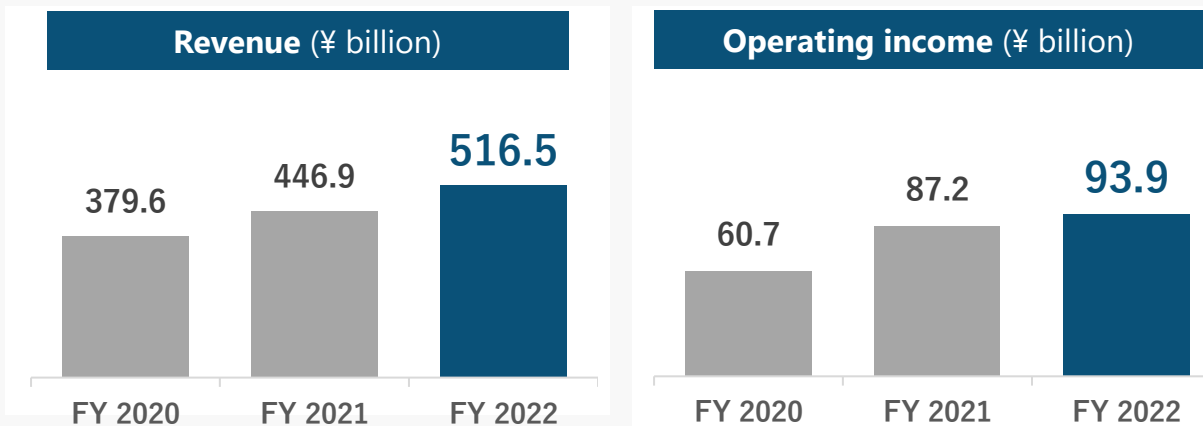
* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year revenue and operating income is not indicated.

Single-family Homes Related Business as a Whole

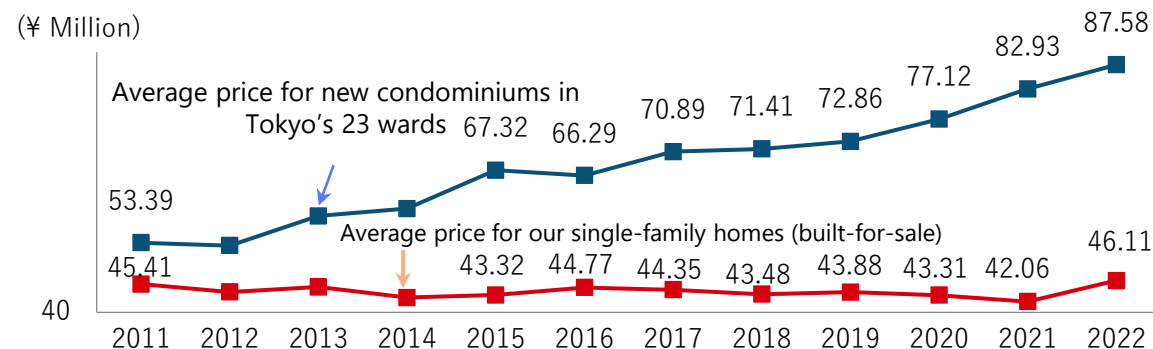
- The demand remained strong in urban areas
- Continuing to increase sales and profits by supplying single-family homes at affordable prices

(¥ Million)

	FY 2020 (2019/10-2020/9)	FY 2021 (2020/10-2021/9)	FY 2022 (2021/10-2022/9)	Inc. (Dec.)
Revenue	379,656	446,959	516,554	15.6%
Gross profit	60,709	87,252	93,912	7.6%
Gross profit margin	16.0%	19.5%	18.2%	(1.3)pt
Operating income	40,677	62,294	63,014	1.2%
Operating income margin	10.7%	13.9%	12.2%	(1.7)pt



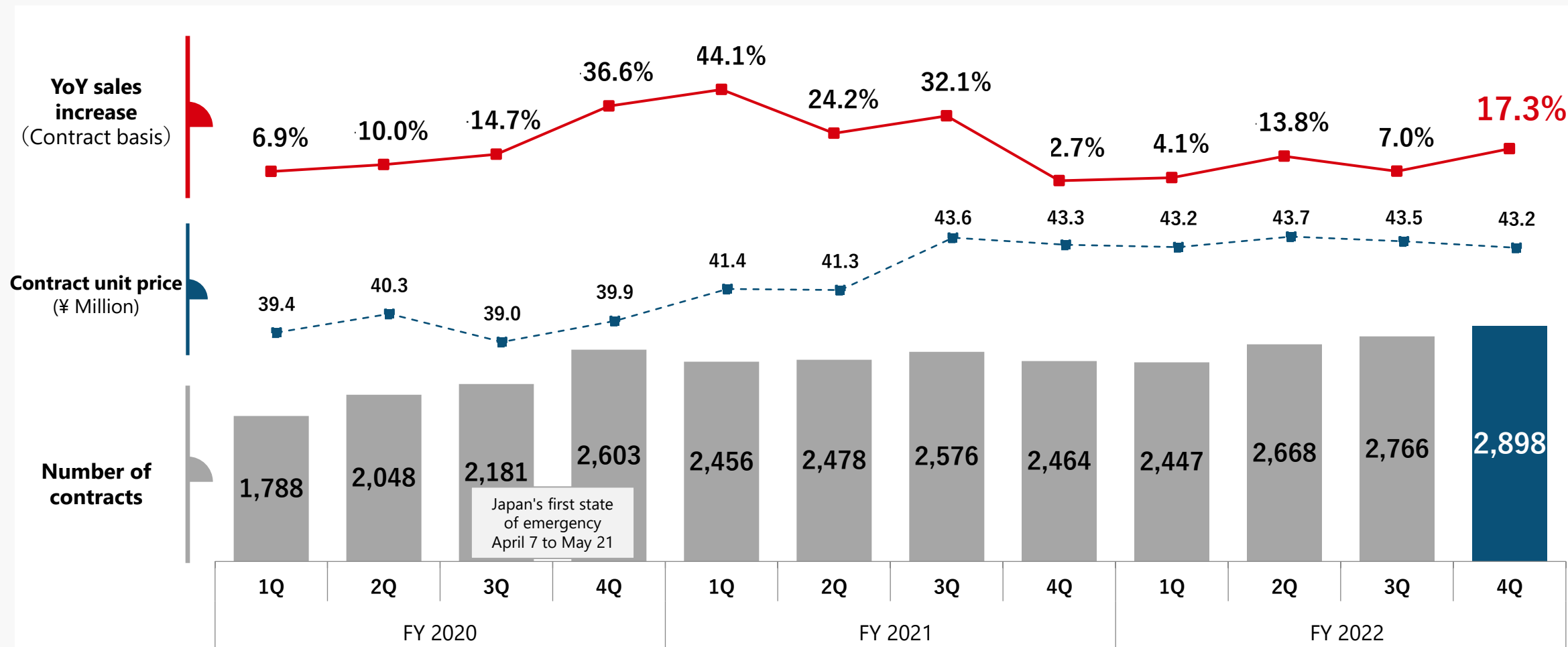
Changes in the average price for new condominiums in Tokyo's 23 wards and average price for our single-family homes (built-for-sale)



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 Oct.-Jun. Condominium prices for 2021 are for the Oct.-Sep. period.
 Prices of our homes for 2021 are for the Jan. 2021-Dec. 2021 period, and for 2022 are for the Oct. 2021-Mar. 2022 period in Tokyo metropolitan area.

Single-family Homes Related Business (Sales Contract Basis)

- Achieved double-digit growth in 4Q
- Sales of single-family homes in the Kansai area and rental single-family homes for funds made a positive contribution



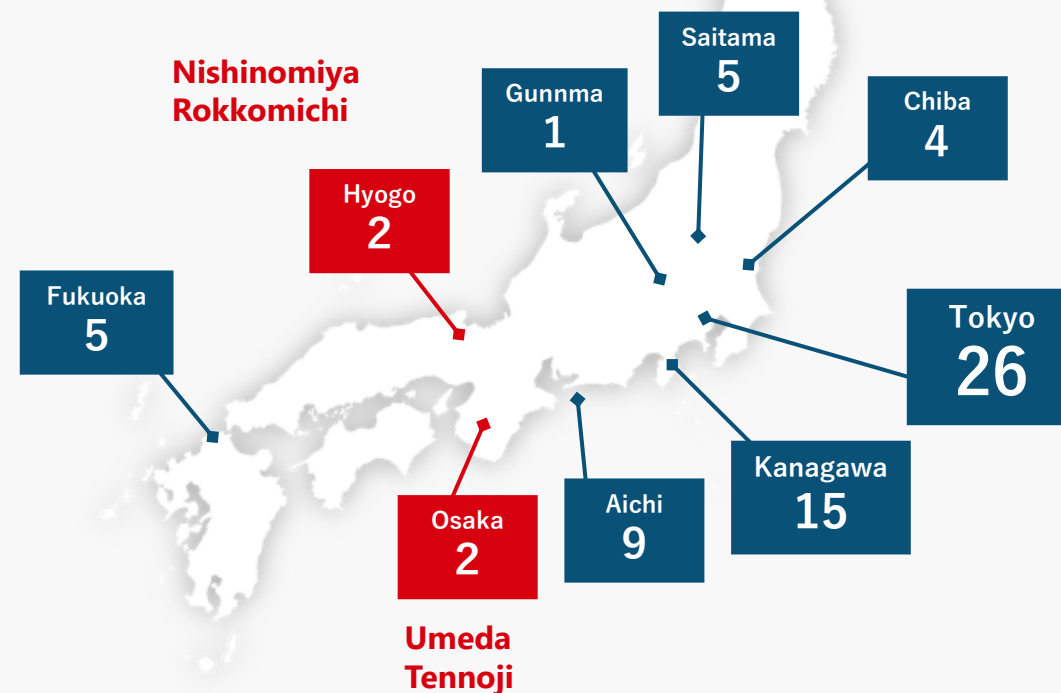
Single-family Homes Related Business (Open House-brokerage)

- In FY 2022, 4 sales centers were opened in the Kansai area

Number of sales centers of each area

(Number of sales centers)

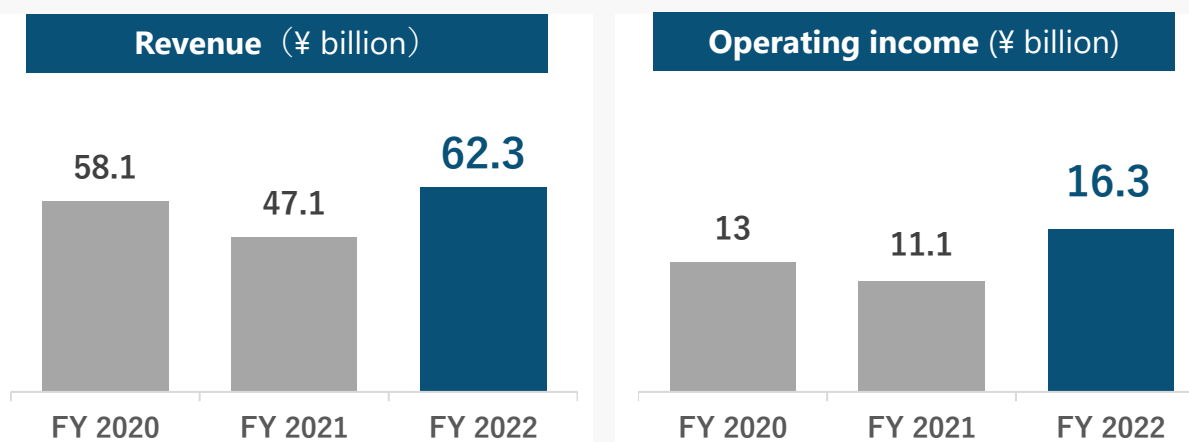
	FY 2019	FY 2020	FY 2021	FY 2022	As of 2022.11.14
Total	42	49	57	66	69
Tokyo	19	21	23	25	26
Kanagawa	12	12	13	15	15
Aichi	5	7	8	8	9
Saitama	4	4	5	5	5
Fukuoka	1	3	4	4	5
Chiba	1	2	4	4	4
Osaka	-	-	-	2	2
Hyogo	-	-	-	2	2
Gunma	-	-	-	1	1



Condominium Business

- Steady land acquisition led to a V-shaped recovery in business performance
- Current demand has been high and sales of condominiums to be delivered this fiscal year were strong

	FY 2020 (2019/10- 2020/9)	FY 2021 (2020/10- 2021/9)	FY 2022 (2021/10- 2022/9)	Inc. (Dec.)
				(¥ Million)
Revenue	58,169	47,147	62,362	32.3%
Gross profit	13,009	11,133	16,385	47.2%
Gross profit margin	22.4%	23.6%	26.3%	2.7pt
Operating income	9,608	6,507	10,654	63.7%
Operating income margin	16.5%	13.8%	17.1%	3.3pt
Number delivered	1,224	1,081	1,216	135
Unit price	47.3	43.0	51.1	8.1



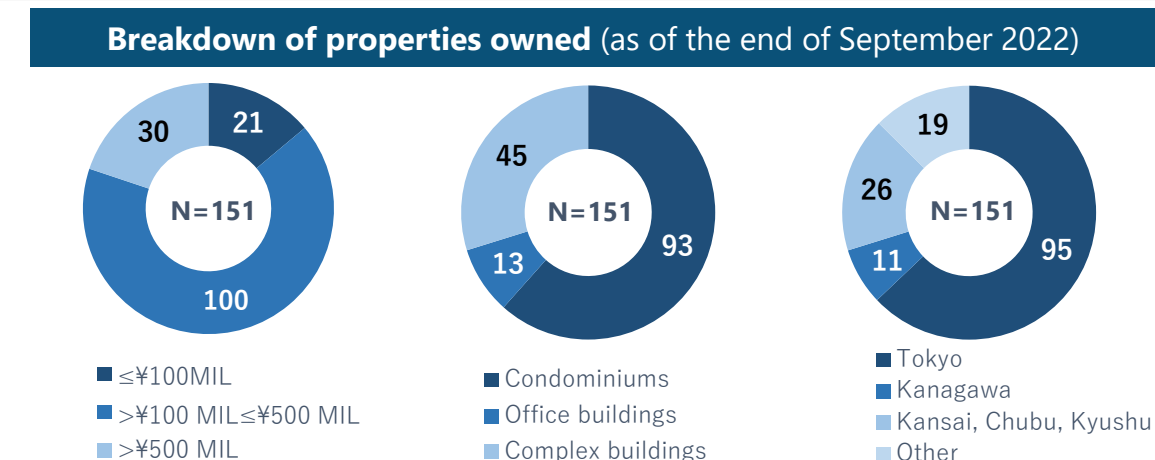
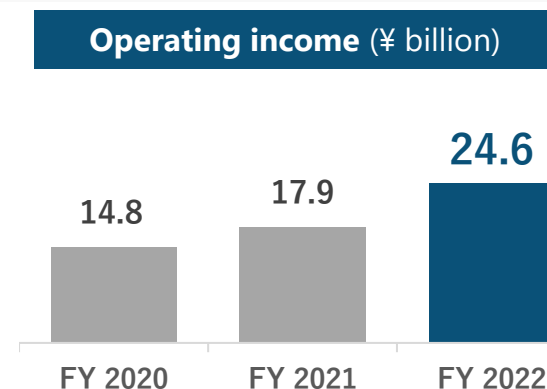
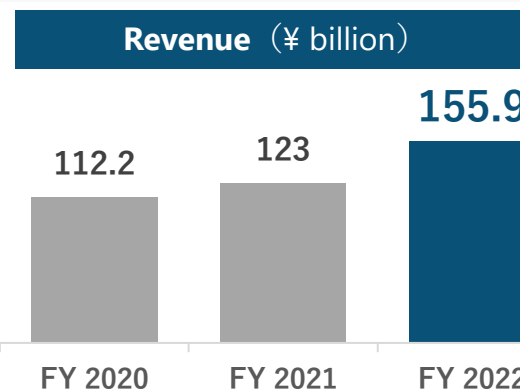
Major condominiums delivered in FY 2022		
Name	Units	Average price
Open Residencia Takanawa THE HOUSE (Tokyo)	34	¥ 110 million
Open Residencia Yokohama (Kanagawa)	86	¥ 50 million
Open Residencia Meieki Minami THE COURT (Nagoya)	62	¥ 30 million
Open Residencia Yakuin Minami (Fukuoka)	45	¥ 30 million

Property Resale Business

- Continued high demands against the backdrop of monetary easing policy
- Overwhelming volume of information on real estate in urban areas marked the Company out from its competitors, accelerating the growth

(¥ Million)

	FY 2020 (2019/10-2020/9)	FY 2021 (2020/10-2021/9)	FY 2022 (2021/10-2022/9)	Inc. (Dec.)
Revenue	112,207	123,061	155,961	26.7%
Gross profit	14,892	17,918	24,695	37.8%
Gross profit margin	13.3%	14.6%	15.8%	1.3pt
Operating income	10,485	12,285	17,669	43.8%
Operating income margin	9.3%	10.0%	11.3%	1.3pt
Number delivered	230	292	328	36
Unit price	478	411	458	47



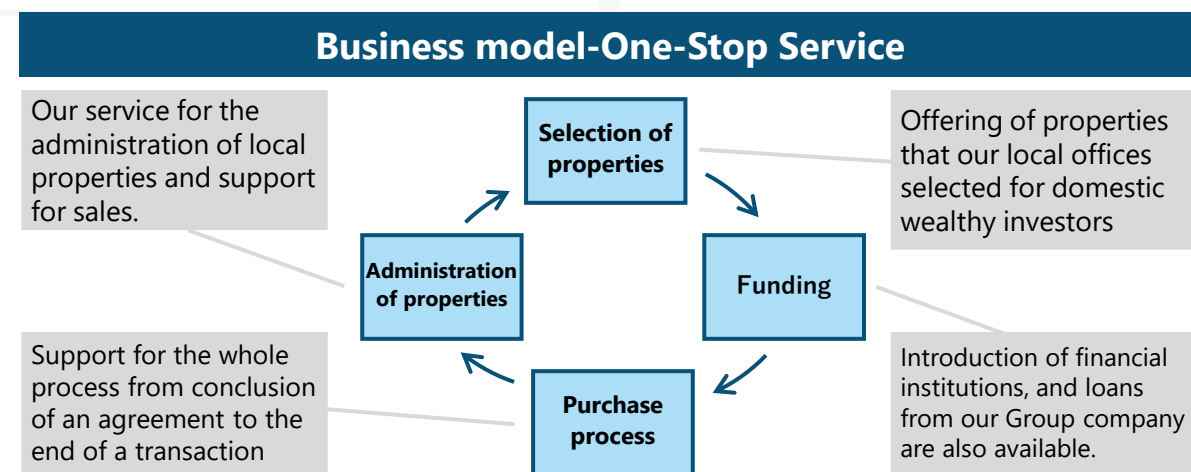
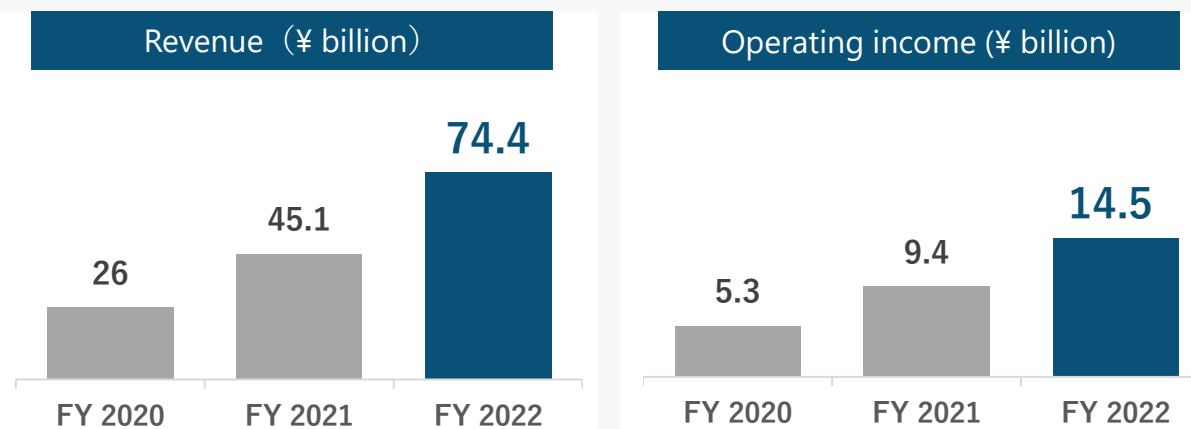
Other Segment (U.S. Real Estate Business)

- Sales were in good shape thanks to strong demand from corporate and wealthy individuals
- Offering investment products to meet asset diversification needs

(¥ Million)

	FY 2020 (2019/10-2020/9)	FY 2021 (2020/10-2021/9)	FY 2022 (2021/10-2022/9)	Inc. (Dec.)
Revenue	26,027	45,159	74,471	64.9%
Gross profit	5,389	9,459	14,530	53.6%
Gross profit margin	20.7%	20.9%	19.5%	(1.4)pt
Operating income	2,314	5,232	8,205	56.8%
Operating income margin	8.9%	11.6%	11.0%	(0.6)pt
Number delivered*	501	827	1,071	244
Number of buildings managed*	1,645	2,501	3,569	1,068

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



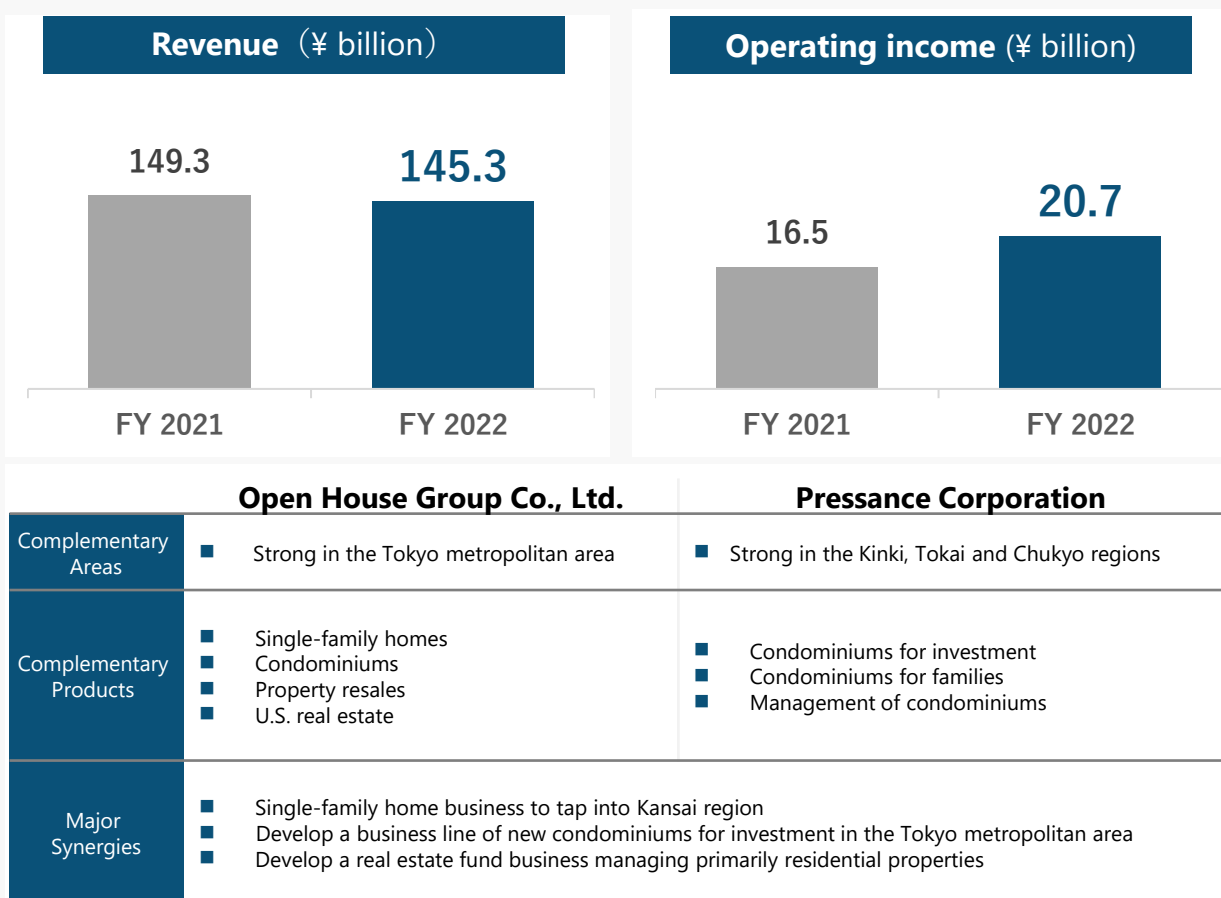
Pressance Corporation

- Achieved previous upward revision plan
- Demand for studio-type condominiums was particularly strong

(¥ Million)

	FY 2021 (2020/10- 2021/9)	FY 2022 (2021/10- 2022/9)	Inc.(Dec.)
Revenue	149,337	145,324	-
Gross profit	29,424	35,539	-
Gross profit margin	19.7%	24.5%	-
Operating income	16,502	20,727	-
Operating income margin	11.1%	14.3%	-
Actual by products	6,168	4,504	-
Studio-type condominiums	4,963	3,022	-
Family-type condominiums	1,205	1,482	-

* Since Pressance Corporation was included in the scope of consolidation from the second quarter of FY2021, full-year actual is not indicated.



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

(¥ Million)

	SG&A Expenses				
	FY 2021 (2020/10-2021/9)		FY 2022 (2021/10-2022/9)		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
SG&A expenses	54,211	6.7%	65,210	6.8%	10,998
Personnel expenses	16,987	2.1%	21,157	2.2%	4,170
Sales commissions	5,517	0.7%	7,288	0.8%	1,770
Office maintenance cost	5,380	0.7%	6,993	0.7%	1,612
Advertising expenses	3,431	0.4%	3,874	0.4%	443
Promotion expenses	1,474	0.2%	2,045	0.2%	571
Others	21,420	2.6%	23,851	2.5%	2,430

	Non-Operating Income / Expenses				
	FY 2021 (2020/10-2021/9)		FY 2022 (2021/10-2022/9)		Inc. (Dec.)
	Actual	% of revenue	Actual	% of revenue	
Non-operating income	2,473	0.3%	8,291	0.9%	5,817
Share of profit of entities accounted for using equity method	1,395	0.2%	383	0.0%	(1,012)
Dividend income	13	0.0%	1,853	0.2%	1,840
Profit on currency exchange	437	0.1%	5,069	0.5%	4,631
Other	625	0.1%	983	0.1%	357
Non-operating expenses	5,986	0.7%	6,482	0.7%	496
Interest expenses	3,118	0.4%	3,531	0.4%	412
Commission expenses	869	0.1%	601	0.1%	(268)
Others	1,998	0.2%	2,350	0.2%	352

Consolidated Balance Sheet

				(¥ Million)			
				FY 2021	FY2022	Inc. (Dec.)	
Consolidated balance sheet	Current assets	830,727	981,656	150,929			
	Cash and deposits	337,731	349,305	11,574			
	Inventories	428,129	557,105	128,976			
	Others	64,867	75,245	10,378			
	Non-current assets	49,185	49,518	332			
	Property, plant and equipment	21,297	21,123	(174)			
	Intangible assets	3,031	2,925	(106)			
	Investments and other assets	24,856	25,470	613			
	Total asset	879,913	1,031,174	151,261			
	Safety index		FY 2021	FY2022	Inc. (Dec.)		
D/E ratio		0.3	0.5	0.1			
Net D/E ratio		1.5	1.5	0.0			
		FY 2021	FY2022	Inc. (Dec.)			
Equity ratio		33.4%	32.7%	(0.6)pt			
Current ratio		324.2%	317.2%	(7.0)pt			
Liabilities		532,769	635,472	102,703			
Current liabilities	256,237	309,495	53,258				
Non-current liabilities	276,532	325,976	49,444				
Net assets	347,143	395,702	48,558				
Shareholders' equity	293,256	326,221	32,964				
Valuation and translation adjustments	1,104	11,874	10,769				
Non-controlling interests	52,782	57,606	4,824				
Total liabilities and net assets	879,913	1,031,174	151,261				

- Net D/E ratio of less than 1 time, retaining ¥ 200 billion in investment capacity
- Maintained an equity ratio of 30% or higher while expanding total assets to ¥ 1 trillion

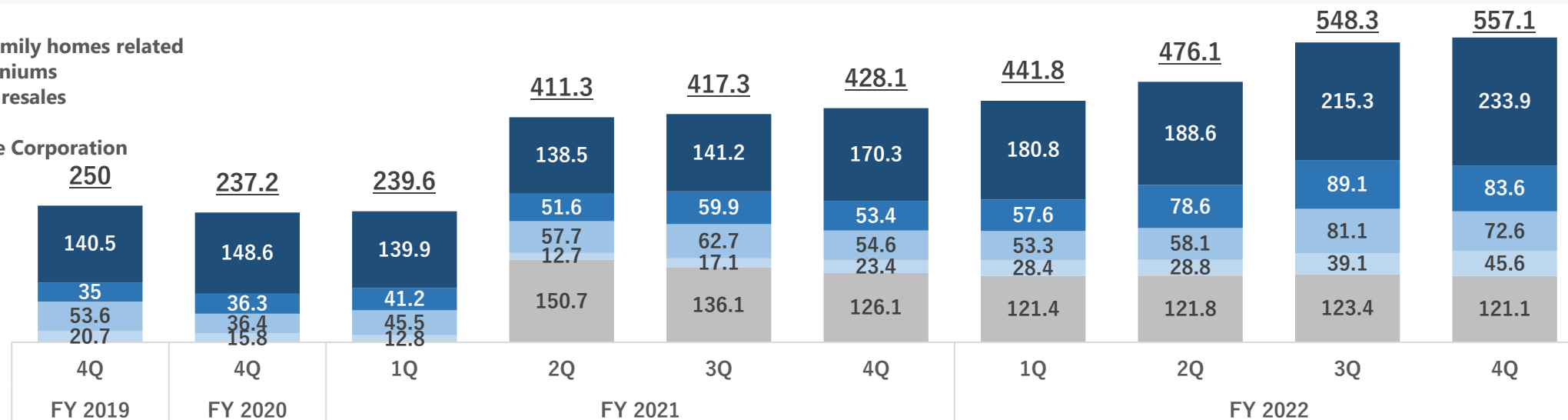
Inventory Details

(¥ Million)

	FY 2019	FY 2020	FY 2021	FY 2022	Ratio	Inc. (Dec.)
Inventory	250,054	237,287	428,129	557,105	100.0%	128,976
Single-family homes related	140,560	148,676	170,389	233,979	42.0%	63,589
Condominiums	35,065	36,339	53,496	83,632	15.0%	30,136
Property resales	53,691	36,445	54,681	72,678	13.0%	17,997
Others	20,735	15,825	23,452	45,639	8.2%	22,187
Pressance Corporation	-	-	126,109	121,174	21.8%	(4,934)

(¥ Billion)

- Single-family homes related
- Condominiums
- Property resales
- Other
- Pressance Corporation



Consolidated Statement of Cash Flows

(¥ Million)

	FY 2021 (2020/10-2021/9)	FY 2022 (2021/10-2022/9)	Main factors
Cash flows from operating activities	50,123	(16,353)	-Booking of income before income taxes -Increase in inventories -Payment of income taxes ,etc
Cash flows from investing activities	23,541	(4,367)	-Collection of loans receivable -Purchase of shares of subsidiaries, etc.
Cash flows from financing activities	40,588	24,694	-Increase in loans payable -Dividend payment, etc.
Effect of exchange rate changes on cash and cash equivalents	809	6,858	
Net increase (decrease) in cash and cash equivalents	115,063	10,832	
Cash and cash equivalents at beginning of period	219,218	334,506	
Cash and cash equivalents resulting from change in scope of consolidation	224	741	
Cash and cash equivalents at end of period	334,506	346,080	

2. Consolidated Business Performance Forecasts for FY2023



OPEN HOUSE GROUP

Consolidated Business Performance Forecast

- Revised revenue and operating income upward by ¥ 50 billion and ¥ 9 billion, respectively, from the previous forecast
- Special dividend of ¥ 10 is scheduled to be distributed to commemorate the 10th anniversary of the company's listing and the achievement of ¥ 1 trillion in sales

(¥ Million)

	FY 2022 (2021/10-2022/9)		FY 2023 (2022/10-2023/9)	
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)
Revenue	952,686	17.5%	1,100,000	15.5%
Operating income	119,358	18.1%	134,000	12.3%
Ordinary income	121,166	24.2%	130,000	7.3%
Profit attributable to owners of parent	77,884	11.9%	86,000	10.4%
EPS (yen)	626.24	-	713.79	-
Annual dividends per share (yen)	129.00	17.00	154.00	25.00
Payout ratio	20.6%	-	21.6%	-

First half year (2022/10-2023/3)		Second half year (2023/4-2023/9)	
Forecast	Inc. (Dec.)	Forecast	Inc. (Dec.)
495,700	8.8%	604,300	21.5%
60,300	0.5%	73,700	24.2%
58,600	(4.9)%	71,400	19.9%
37,600	(4.9)%	48,400	26.2%

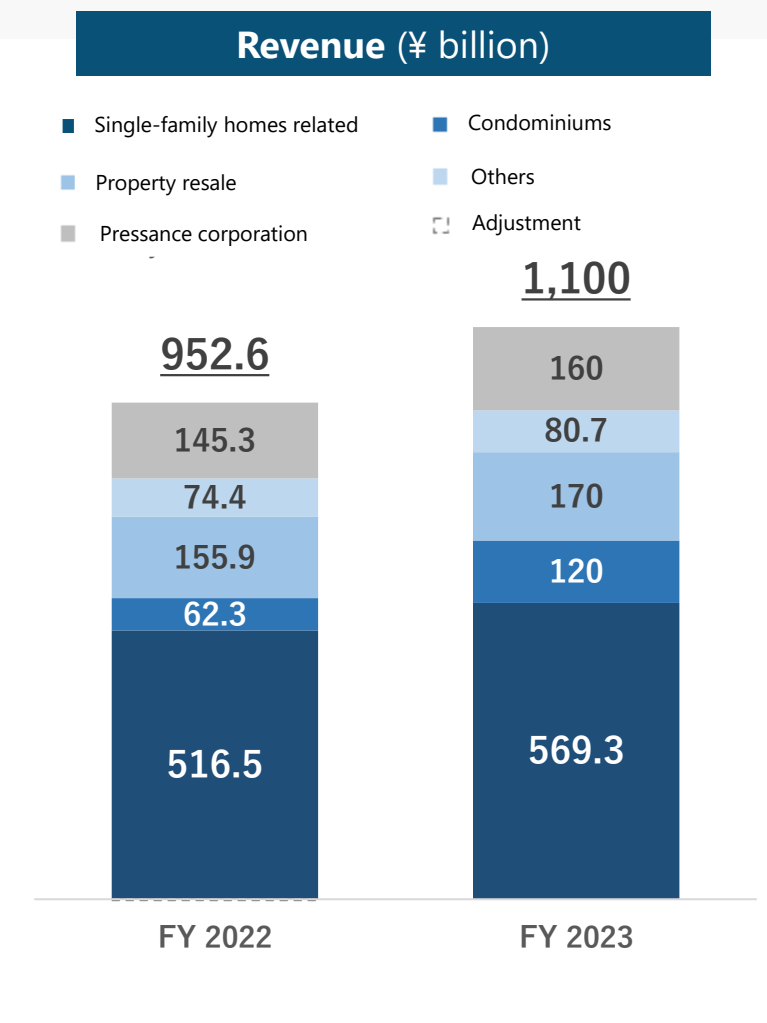
Ordinary dividends	+	Special dividends
144.00		10.00
20.2%		1.4%

Consolidated Business Forecasts (Revenue by business segment)

- Expecting double-digit overall growth in real estate for actual demand including condominium business

(¥ Million)

	FY 2022 (2021/10-2022/9)		FY 2023 (2022/10-2023/9)		Inc. (Dec.)
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	
Total	952,686	100.0%	1,100,000	100.0%	15.5%
Single-family homes related business	516,554	54.2%	569,300	51.8%	10.2%
Condominiums	62,362	6.5%	120,000	10.9%	92.4%
Property resales	155,961	16.4%	170,000	15.5%	9.0%
Others (including U.S. real estate business)	74,471	7.8%	80,700	7.3%	8.4%
Pressance Corporation	145,324	15.3%	160,000	14.5%	10.1%
Adjustments	(1,987)	-	-	-	-



Toward sales exceeding ¥ 1 trillion

- Balanced growth in real estate for actual demand as well as real estate for investment
- Developing each business in markets with growth potential

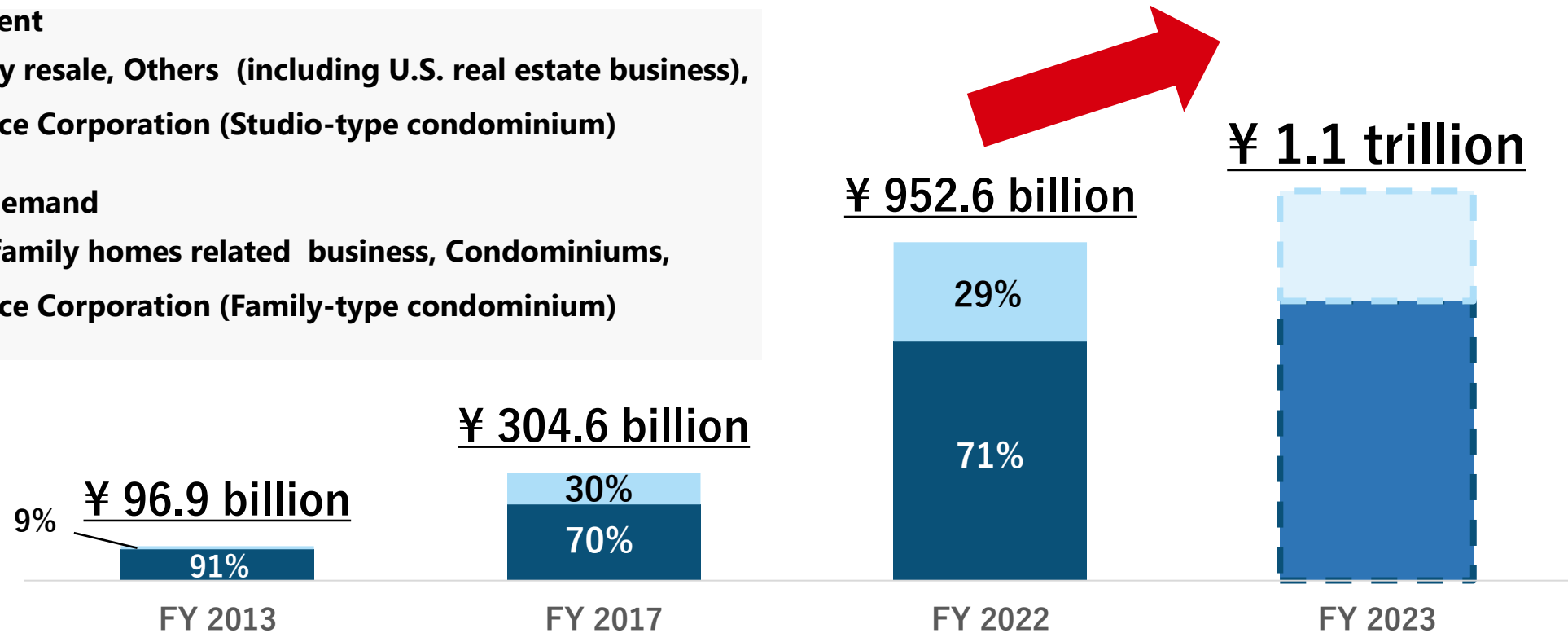
— Revenue by business segment

■ Investment

Property resale, Others (including U.S. real estate business),
Pressance Corporation (Studio-type condominium)

■ Actual demand

Single-family homes related business, Condominiums,
Pressance Corporation (Family-type condominium)



Real Estate for Actual Demand (single-family Homes Related Business)

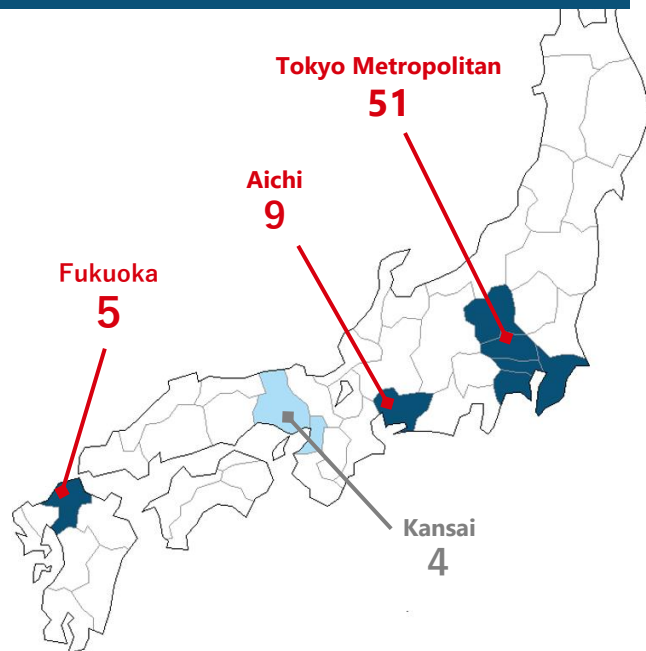
Single-family homes related

FY 2023 Forecast

Revenue **¥ 569.3 billion**

Inc. (Dec.) **10.2%**

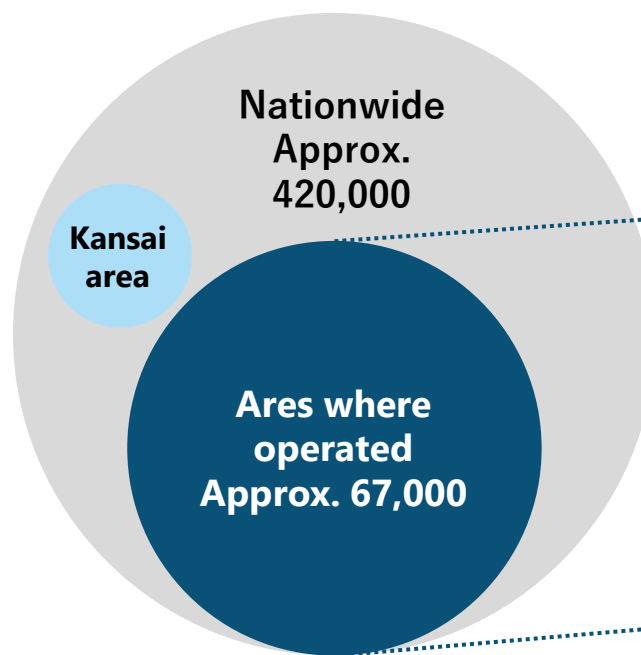
Number of sales centers of each area



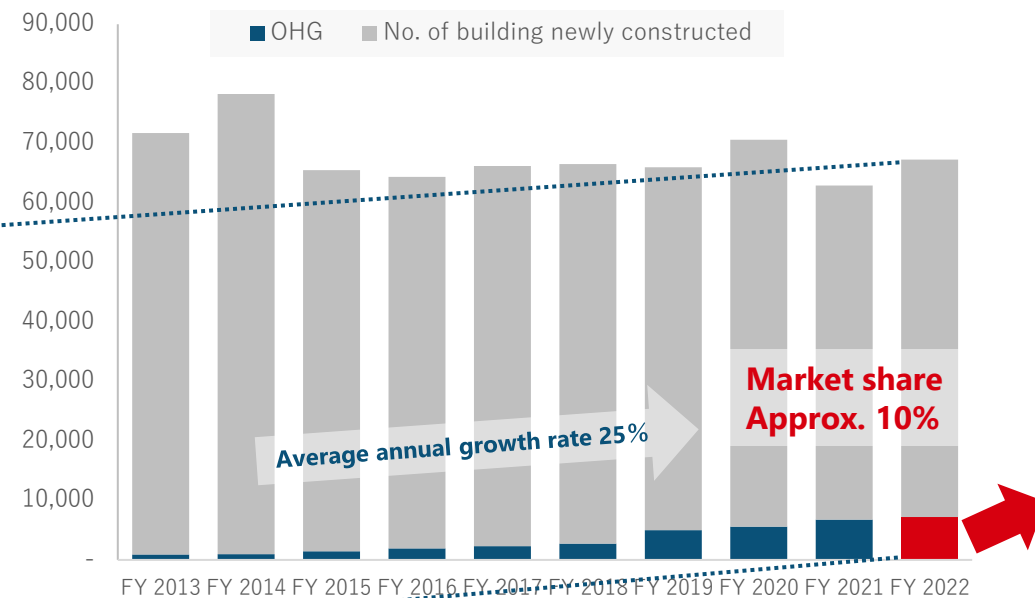
Nationwide market size

- Sales continue to grow at a compound annual growth rate of 25% despite the market remains flat
- Market share in existing business areas is still about 10%, with room for further expansion

Market size in the areas where operated



Trends in number of buildings newly constructed



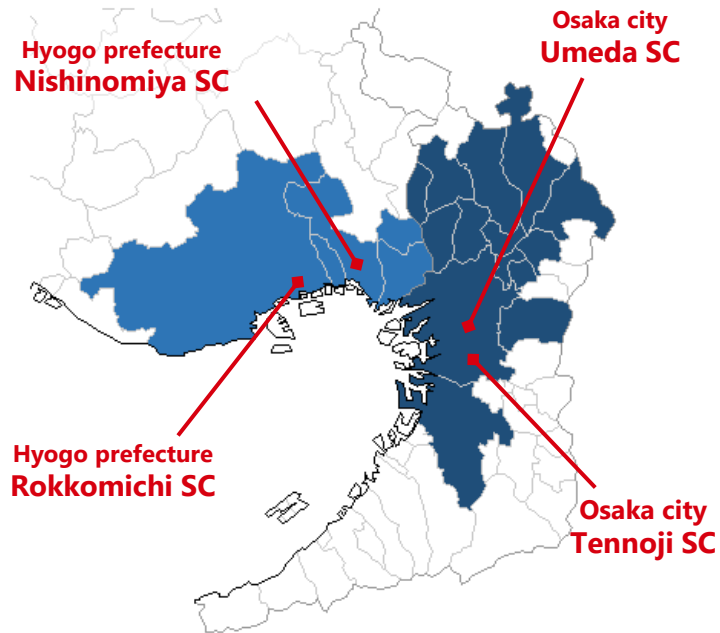
Source
No. of buildings : "Construction Statistics", "Housing Starts", the Ministry of Land, Infrastructure, Transport and Tourism.
OHG : No. of buildings delivered (built for sale + contracted)

Real Estate for Actual Demand (Single-family Homes Related Business)

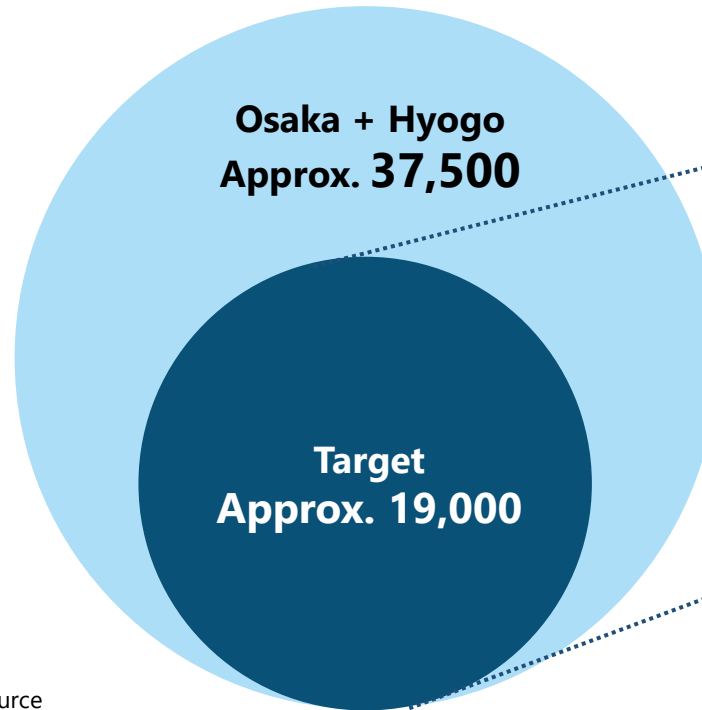
Market size in the Kansai area

- The company targets approximately half of the Osaka and Hyogo areas, expanding market share in the Kansai area with a dominant strategy.
- The target market size is about the same size as the one in Tokyo's 23 wards. Aiming for rapid business expansion.

Target areas and existing sales centers



Target market size in the Kansai area



Comparison of target market & Tokyo's 23 wards



Source
No. of buildings : "Construction Statistics", "Housing Starts", the Ministry of Land, Infrastructure, Transport and Tourism.
OHG : No. of buildings delivered (built for sale + contracted)

Real Estate for Actual Demand (Condominium Business)

Condominiums

FY 2023 forecast

Revenue **¥ 120 billion**

Inc. (Dec.) **92.4%**

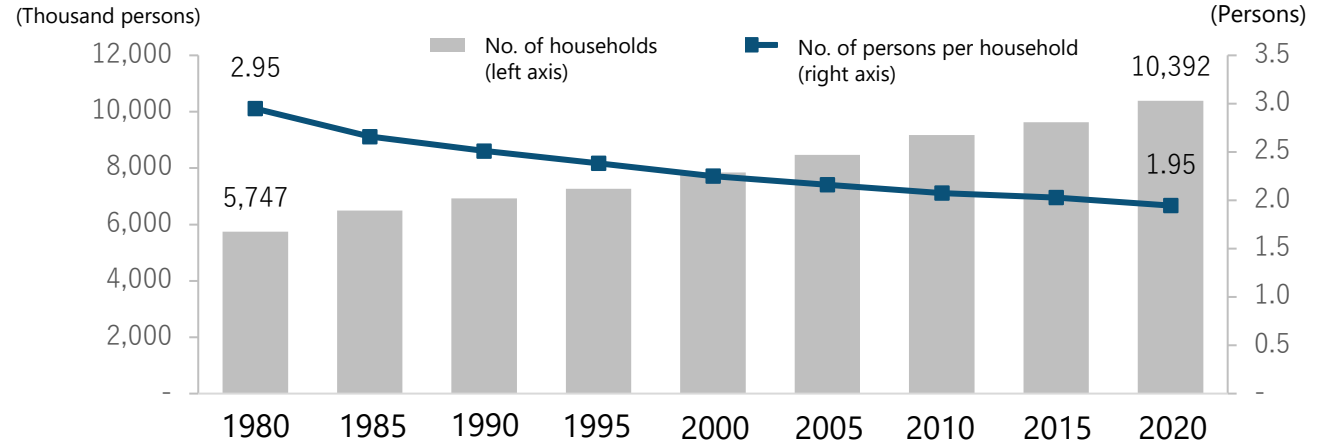
In urban area,

■ Increase in smaller households 

■ Decrease in condominium supply 

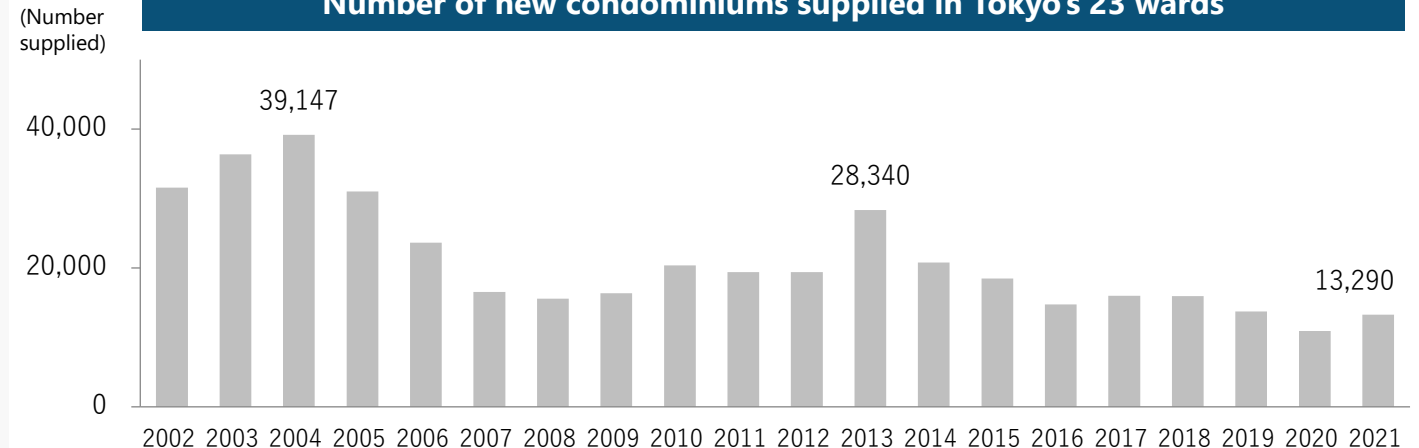
⇒ Demand exceeds supply

Number of households and persons per household in urban areas



Source: Census, Ministry of Internal Affairs and Communications Total of Tokyo 23 wards, Yokohama, Nagoya, Osaka, and Fukuoka

Number of new condominiums supplied in Tokyo's 23 wards



Source: MILT, "Monthly Report of Real Estate Market Trend"

Real Estate for Investment

Property resales

FY 2023 forecast

Revenue **¥ 170 billion**

Inc. (Dec.) **9.0%**

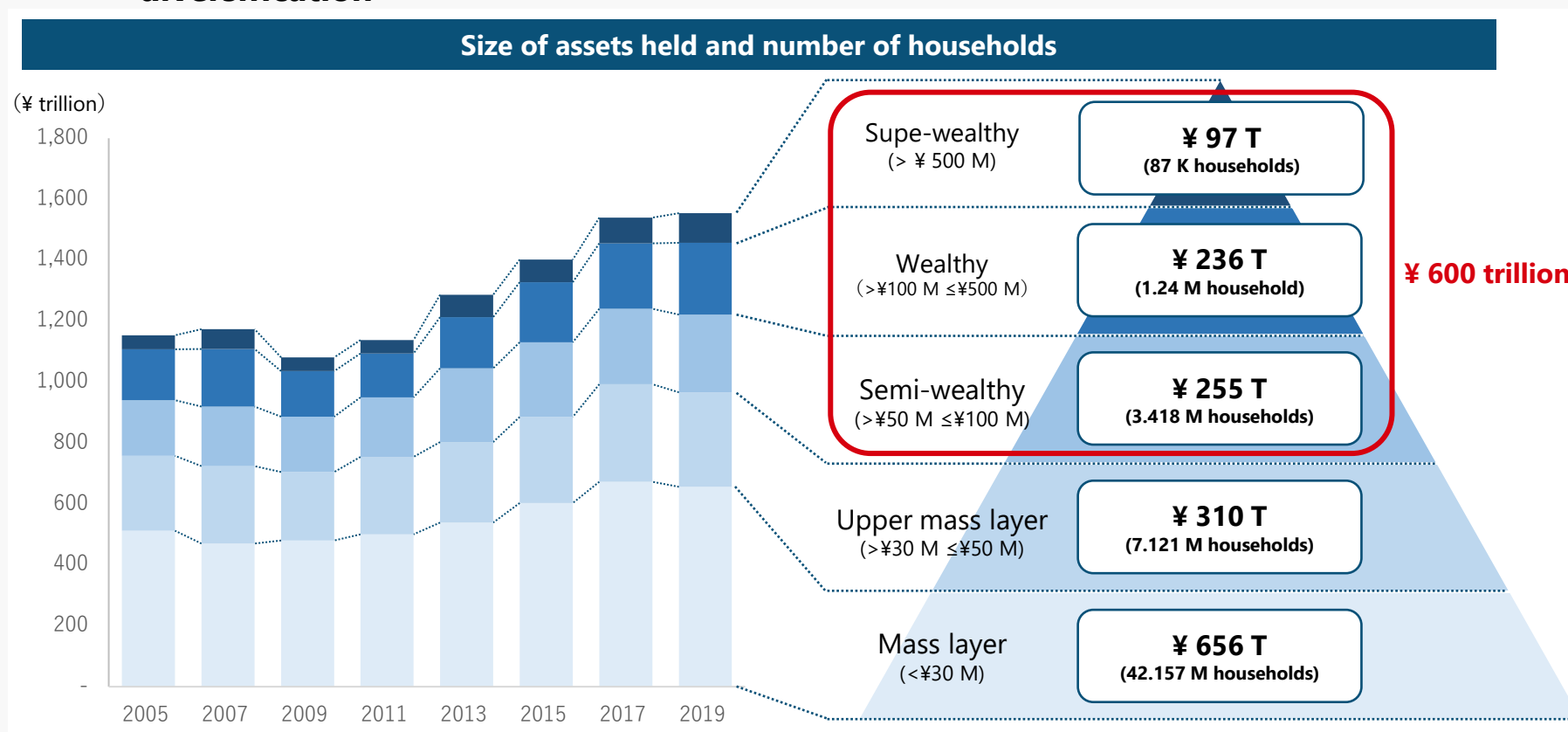
Others (U.S. real estate business)

FY 2023 forecast

Revenue **¥ 80.7 billion**

Inc. (Dec.) **8.4%**

- Financial assets of the domestic wealthy are on the rise
- Developing the **¥ 600 trillion** high-net-worth market with demand for asset diversification



Source: Nomura Research Institute, Ltd. News release "Nomura Research Institute estimates that there are 1.33 million affluent households in Japan with total net financial assets of ¥ 333 trillion."

3. Mid-term Management Plan



OPEN HOUSE GROUP

Performance under the Mid-term Management Plan

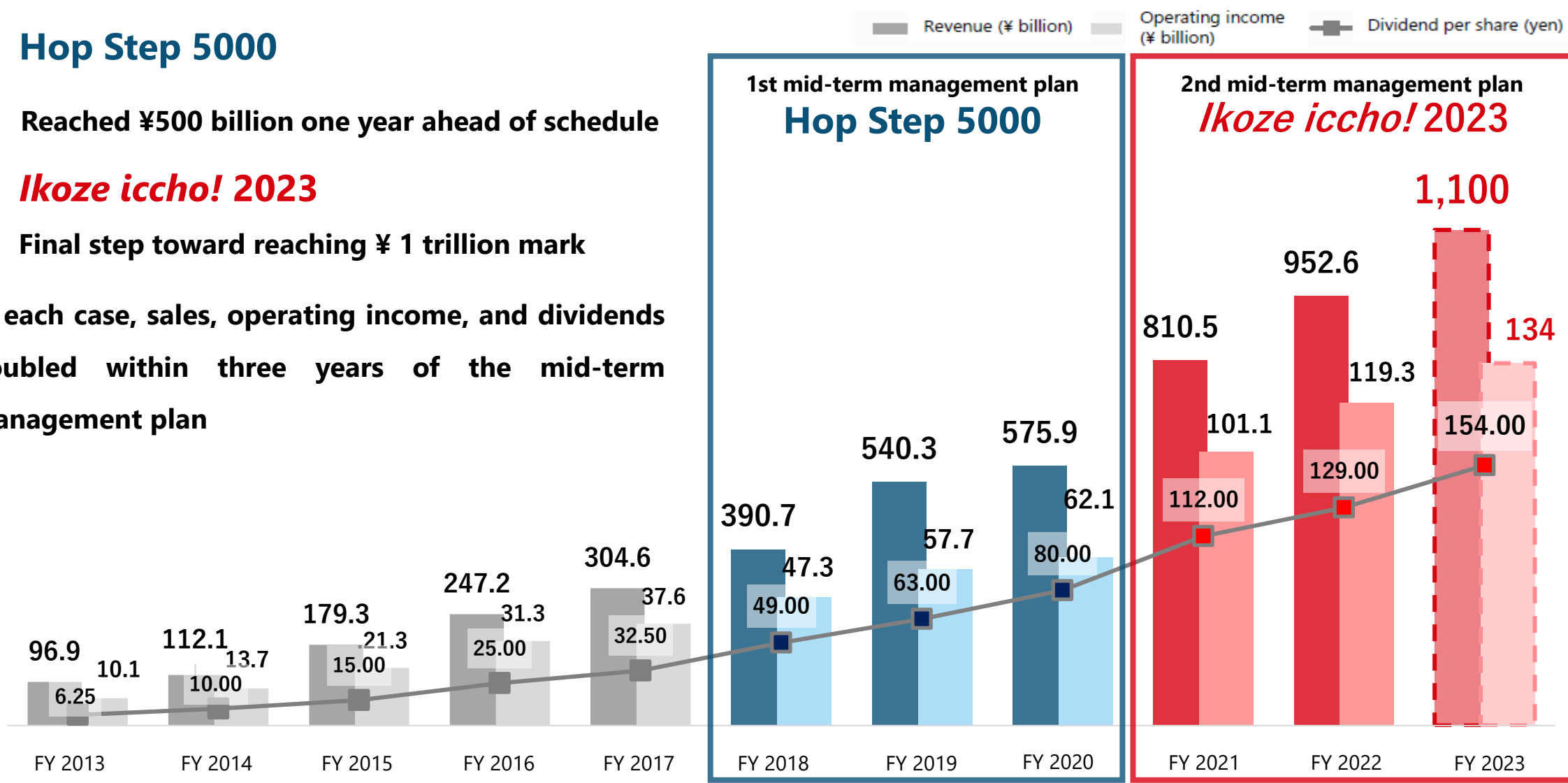
■ Hop Step 5000

Reached ¥500 billion one year ahead of schedule

■ *Ikoze iccho!* 2023

Final step toward reaching ¥ 1 trillion mark

In each case, sales, operating income, and dividends doubled within three years of the mid-term management plan



Capital and Financial Strategy

- Maintaining a balance between financial stability and high capital efficiency
- Acquisition of treasury shares would be carried out flexibly, taking into an account performance, share price, balance sheet conditions, and other factors

Financial Strategy

- Equity ratio of **30%** or more
- Net D/E ratio **1 time** or less
- ROE **20%** or more
- Dividend payout ratio **20%**
- Agile share buybacks
- Proactive investment in growth opportunities

4. Sustainability



OPEN HOUSE GROUP



OPEN HOUSE GROUP

Our mission

**Supplying Affordable Housing
in the Tokyo Metropolitan Area**

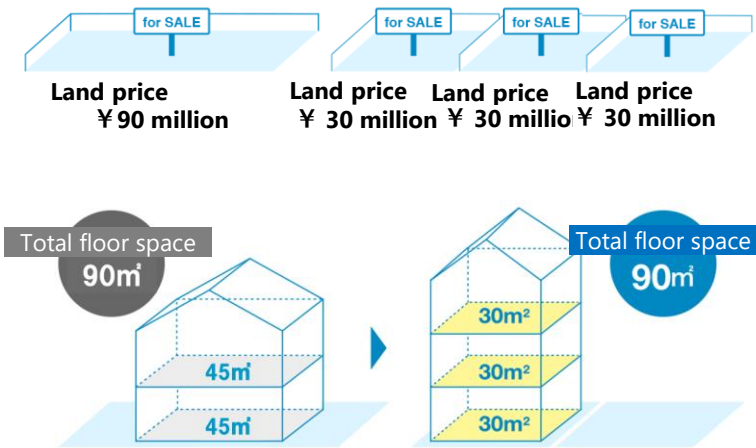
Approach to Sustainability

The OPEN HOUSE Group promotes sustainability aiming to contribute to the realization of a sustainable society through our business activities while achieving sustainable corporate growth.

- **Sustainable society is essential for sustainable corporate growth**
- **Balancing our mission and social responsibility is the key**

Contribution to solving social issues related to housing purchase

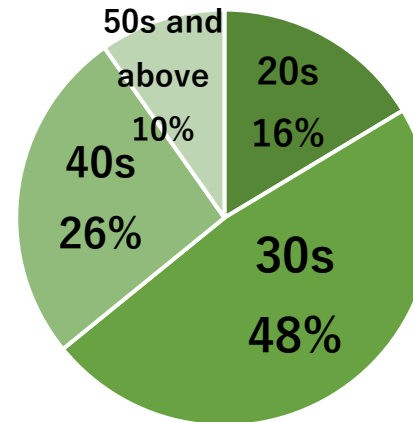
01 Affordable housing supply in great locations



- Effective use of limited premises
- Total floor space secured by building three stories
- Comfortable living space even in a compact size realized by know-how and technical capabilities based on our experience
- Easy to change specifications to suit lifestyles, such as adding a workspace

02 Town development for younger generations

Percentage of our single-family home buyers by age*



- Older homes tend to be lived in by elderly residents
- 90% of purchasers are in their 20–40s.
- Contributing to revitalization of local communities
- Locations in central Tokyo close to stations contribute to the continued employment of women in dual-earner/child-rearing households

* Ages of householders of our customers that contracted from January to December 2019.

03 Compact wooden houses with low environmental burden



- Thermal insulation performance equivalent to the highest grade 4 (Top Runner Standard)
- Providing comfortable living as well as contributing to decarbonization
- Resistance against disasters (earthquakes, fires, etc.) can be improved by rebuilding old houses
- Compared with large-scale development such as earthworks, the impact on nature from wooden construction in residential areas is minimal

Contribution to SDGs through business activities

- November 2021** Signed on to TCFD
- January 2022** Signed the UN Global Compact
- February 2022** Concluded a Positive Impact Finance Agreement with Mizuho Bank, Ltd. (¥10 billion)
- April 2022** Included “FTSE Blossom Japan Sector Relative Index”
Received rating of BBB by MSCI ESG ratings
- September 2022** Raised funds with ESG/SDG-Based Syndicated Loan (¥20.5 billion)
- October 2022** Started providing renewable energy “Ouchi Link Denki”
Launched solar power energy generation business and set reduction target for Scope 3 GHG emissions
Received R&I Green Bond Assessment (¥1.7 billion)
Established of Nomination and Remuneration Committee



FTSE Blossom
Japan Sector
Relative Index

MSCI
ESG RATINGS



CCC B BB **BBB** A AA AAA



Decarbonization Project



- Launched both renewable and creative energy initiatives as a decarbonization project

Started offering renewable energy electricity to purchasers of single-family homes

- In October 2020, switch to renewable energy sources for electricity services provided to customers through our subsidiary, OuchiLink Co.,Ltd.
- Contributed to the reduction of Scope 3 emissions, which account for 73% of our emissions



Launched solar power generation business, contributing to energy creation

- Owning solar power plants throughout Japan through subsidiary company (SPC) that operates solar power plants

Portfolio	Nationally distributed, all operational solar power plants (20 locations)
Panel Capacity	15.4MW
Estimated annual power generation	Approx. 20 million kWh (equivalent to the annual electricity consumption of 4,100 general households)
Total Investment	Approx. ¥ 6 billion



Decarbonization Project



■ Maintain existing initiatives to decarbonize, contributing to GHG emission reductions



Promoting the Spread of Solar Panels

- Launched flat-rate solar power generation services in collaboration with TOKYO GAS Co., Ltd.



Japan Wood-Housing Association,

- Continue forest cycle preservation activities including promotion of use of domestic timber, donation of seedlings, etc.



Open House Forest Project

- Conduct forest conservation training for employees and prospective employees

New <GHG (greenhouse gas) emission reduction targets>

Scope 1, 2 and 3:

Reducing 46% of GHG emissions by 2030 compared to FY 2018

Set a goal to achieve net-zero emissions by 2050

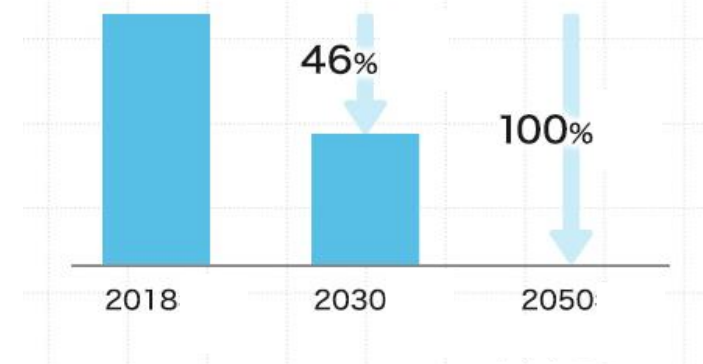
Target: Single family homes related business operated by OH and OHD

Scope 1,2,3 :

Scope 1: Emissions from the business activities of the subject company (direct emissions)

Scope 2: Emissions from the use of energy supplied by other companies (indirect emissions)

Scope 3: Emissions from other business activities (indirect emissions such as material procurement and emissions from the use of homes after sale)



Regional Co-creation Project



- **Industry-Government-Academia-Finance Collaboration for Town Development" in Minakami, Gunma Prefecture**
- **Promoting regional contribution activities through sports projects**

Project to revitalize the Minakami hot spring resort

- Mini "Marche" for revitalizing abandoned buildings in a dormitory of a closed-down onsen ryokan
- Realized through the "Comprehensive Collaborative Agreement on Industry-Government-Academia-Finance" signed with the University of Tokyo in September 2021



Before the maintenance

After the maintenance by locals and students

CRANE THUNDERS ONGAESHI

Continue donation activities to solve social issues

- Red Feather Community Chest Theme "A System to Improve My Town"
- Lemonade stand to support childhood cancer



Gunma Crain Thunders' players also participated the activities (photo right: Kei Igarashi)

5. DX (Digital Transformation)



OPEN HOUSE GROUP

OHA's Virtual Exhibition "LIFE DESIGN PARK 3D"

- Opened a virtual exhibition hall which anyone, anytime, anywhere, can explore
- High-quality, realistic 3D design houses can be viewed from PCs or smartphones



**24 hours a day,
365 days a year
available**

**Offering
real time trend**

— User Benefits —

- Waiting time can be reduced
- Cost-effective houses are available
- A wide variety of designs to match the latest trends
- Enabling to check the details to user's heart content
- Encouraging users to preview while picturing actual living environment



AI Sales Staff

- Started demonstration test of "AI sales staff," approaching a new customers
- Aiming to develop "AI sales" using large-scale language AI to promote DX in sales and marketing

Conventional House Hunting

In-store consultation

- ❑ Time constraints
- ❑ Curfews during the pandemic

While it is beneficial to consult with professionals, there are restrictions.



Online House Hunting

- ❑ Lack of user's expertise
- ❑ Unable to verbalize conditions and requests

While it is convenient to search, it is difficult to find the right fit.



House Hunting by AI Sales Staff

Providing a new customer experience, such as searching for a house easily through chat and consulting with a professional



– User Benefits –

- Receiving advice in response to user's concerns and hesitations
- Users can get suggestion of recommended houses
- Feeling free to chat anytime

– OHG's Benefits –

- Developing a new customer base
- Expecting reduction of working hours, improvement of working environment, and productivity increase

6. Supplemental Financial Data



OPEN HOUSE GROUP

Consolidated Financial Summary for FY 2022

Single-family Homes Related Business Results by Sub-Segment

(¥ Million)

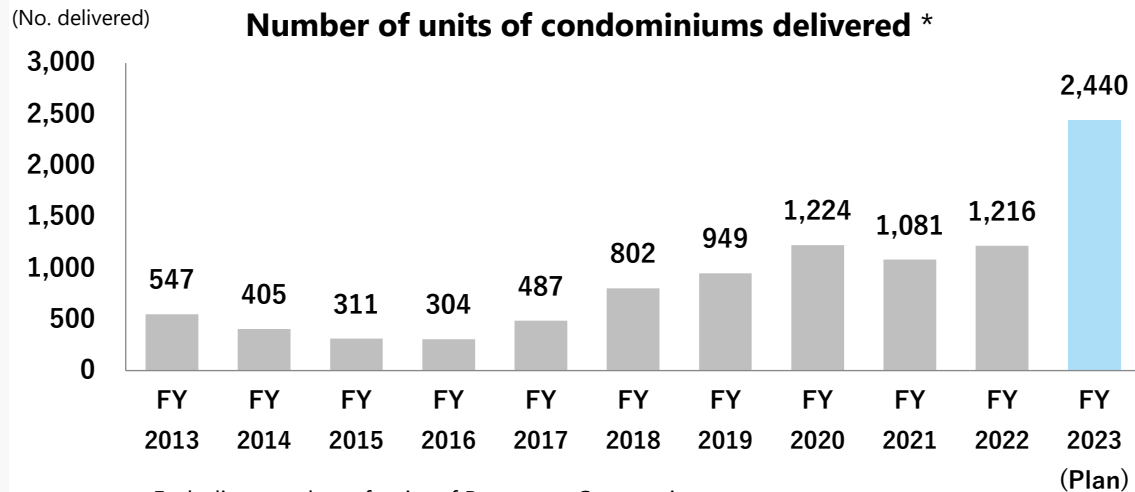
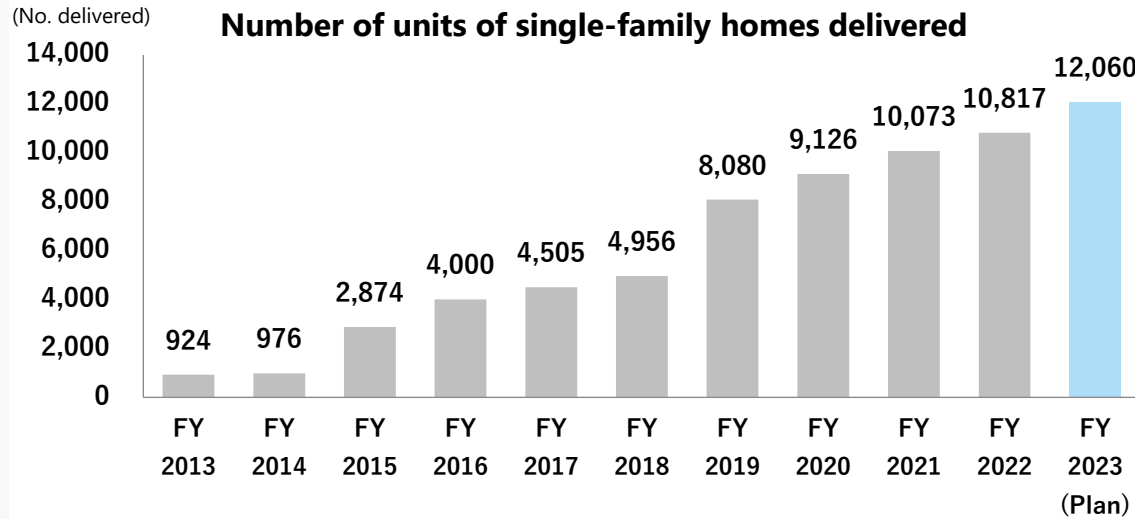
		FY 2020	FY 2021	FY 2022
Open House Development (Sale)	Revenue	248,980	294,169	336,502
	Gross profit	40,846	57,705	63,683
	Gross profit margin	16.4%	19.6%	18.9%
Hawk One (Sale)	Revenue	87,094	105,329	125,352
	Gross profit	12,508	19,783	21,825
	Gross profit margin	14.4%	18.8%	17.4%
Open House Architect (Construction)	Revenue	55,508	57,800	67,495
	Gross profit	6,235	7,926	6,130
	Gross profit margin	11.2%	13.7%	9.1%

		FY 2020	FY 2021	FY 2022
Number delivered	Built-for-sale houses	2,804	3,396	3,624
	Lands	2,645	3,088	3,402
	Built-to-order houses	1,597	1,814	1,918
Unit price	Built-for-sale houses	41.6	40.9	43.1
	Lands	40.9	41.5	44.4
Number delivered	Built-for-sale houses	2,063	2,150	2,283
	Lands	145	292	346
	Built-to-order houses	39	82	168
Unit price	Sales	39.0	42.5	46.6
Number delivered	Built-to-order houses except number delivered to OHD	2,623	2,631	2,876
	Number delivered to OHD	1,535	1,634	1,881

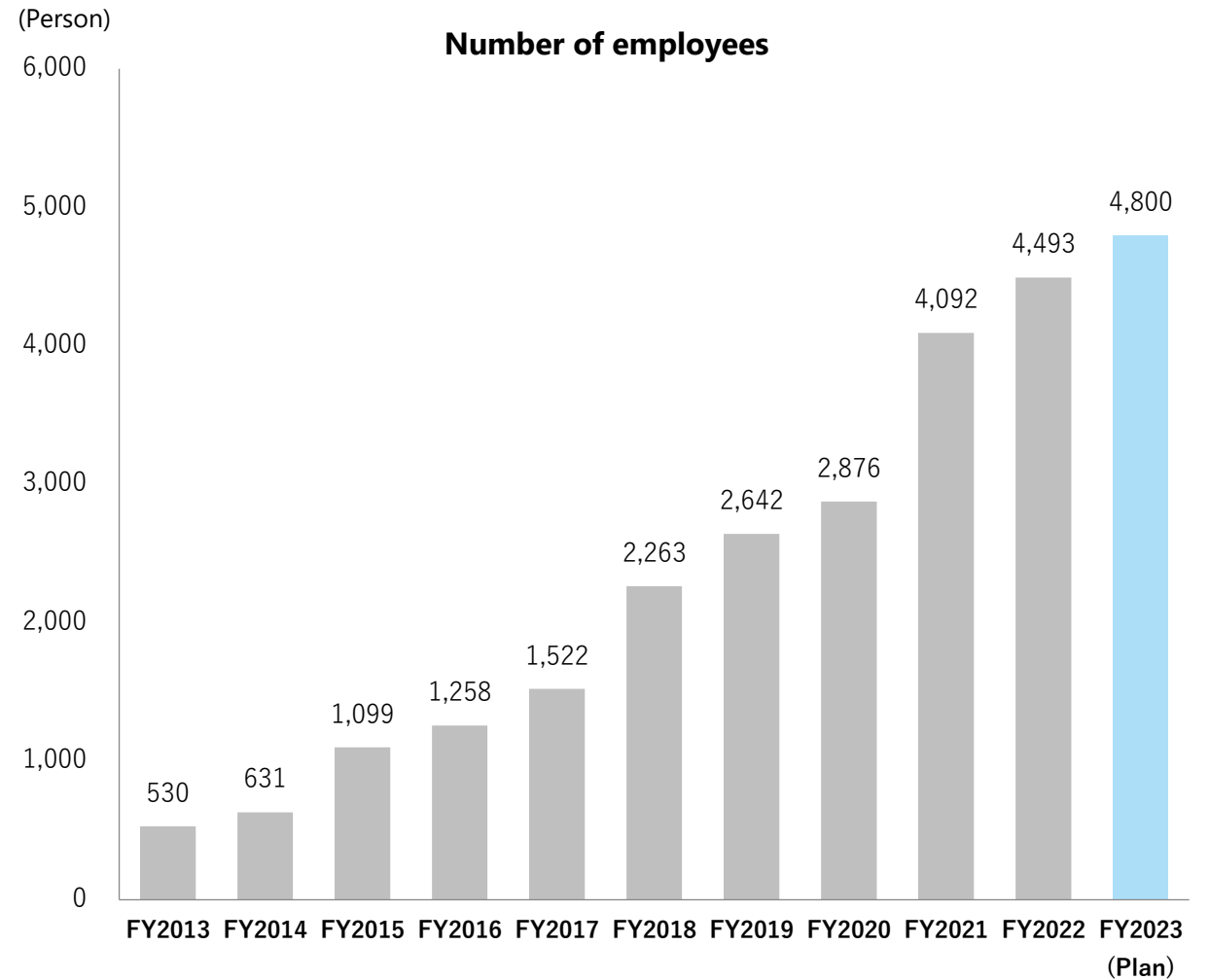
Consolidated Financial Forecast for FY 2023_Sales and Unit Plan by Segment

		Revenue / Gross profit (¥ billion)			Units				
		FY 2021	FY 2022	FY 2023	FY 2021	FY 2022	FY 2023		
		Actual	Actual	Plan	Actual	Actual	Plan		
Single-family homes related	Revenue	446.9	516.5	569.3	Revenue (¥ billion)	294.1	336.5	377	
	Gross profit	87.2	93.9	96.6	Open House Development	Number delivered			
	Gross profit margin	19.5%	18.2%	17.0%		Built-for-sale houses	3,396	3,624	4,970
					Lands	3,088	3,402	3,270	
					Built-to-order houses	1,814	1,918	1,790	
Condominiums	Revenue	47.1	62.3	120	Revenue (¥ billion)	105.3	125.3	134	
	Gross profit	11.1	16.3	31.2	Hawk One	Number delivered			
	Gross profit margin	23.6%	26.2%	26.0%		Built-for-sale houses	2,150	2,283	2,430
					Lands	292	346	390	
					Built-to-order houses	82	168	190	
Property resales	Revenue	123	155.9	170	Revenue (¥ billion)	57.8	67.4	80	
	Gross profit	17.9	24.6	25.9	Open House Architect	Number delivered			
	Gross profit margin	14.6%	15.8%	15.2%		Built-to-order houses except number delivered to OHD	2,631	2,876	2,680
					Number delivered to OHD	1,634	1,881	2,390	
Others (U.S. real estate business)	Revenue	45.1	74.4	80.7	Condominiums	Number delivered	1,081	1,216	2,440
	Gross profit	9.4	14.5	16	Property resales	Number delivered	292	328	410
	Gross profit margin	20.8%	19.5%	19.8%	U.S. real estate business	Number delivered	827	1,071	1,110

Mid-term Management Plan_Quantitative Targets



* Excluding number of units of Pressance Corporation



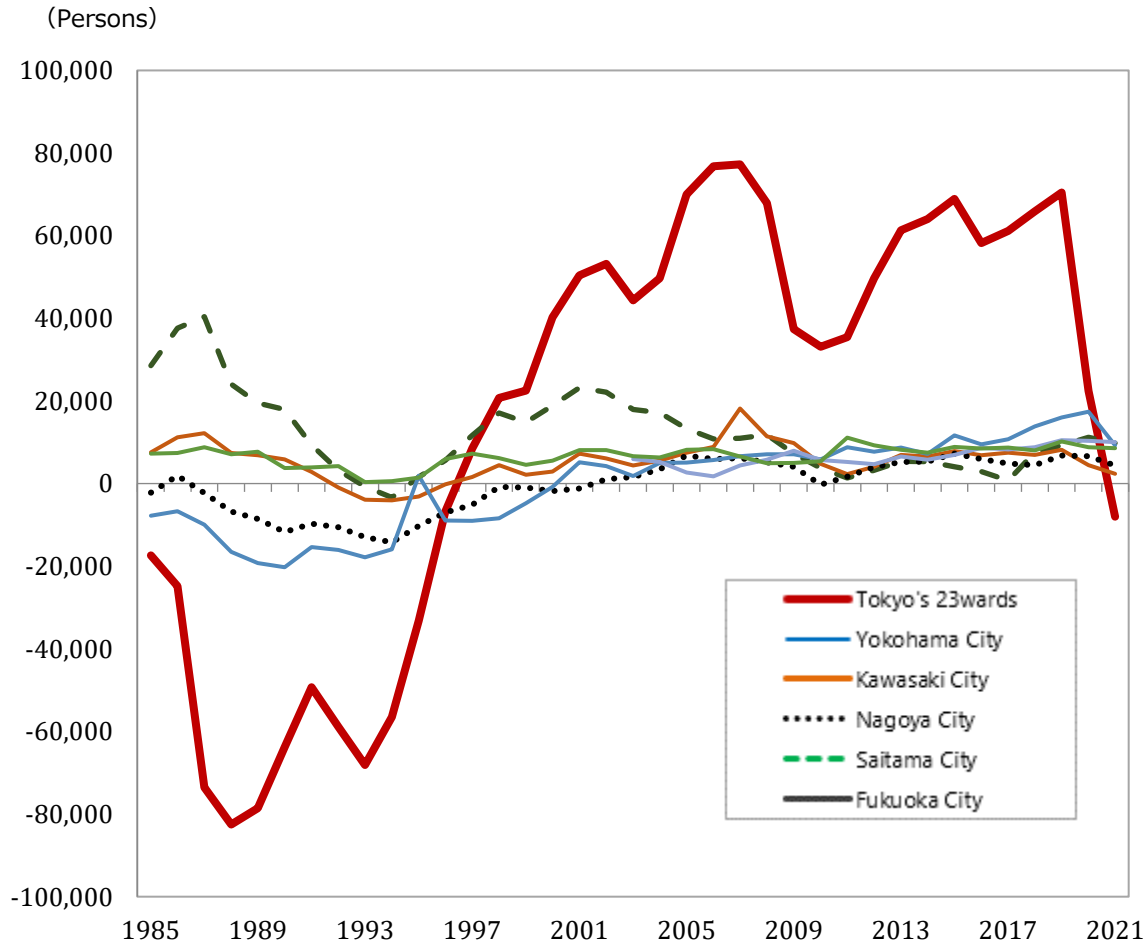
7. References



OPEN HOUSE GROUP

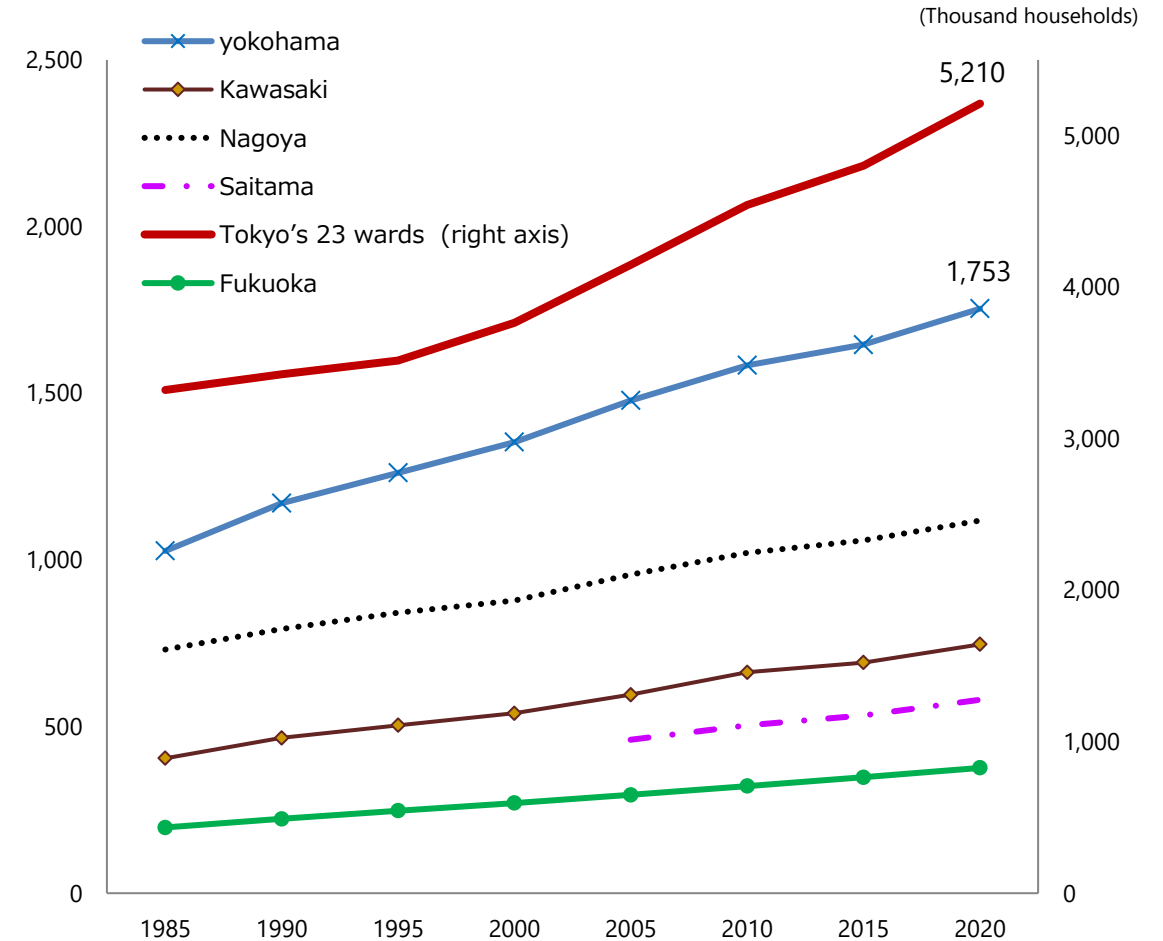
The population has been concentrating and number of households has been increasing in urban areas

Net migration into urban cities



Source: MIC, "Report on Internal Migration in Japan based on Basic Resident Register"

Number of households in major cities

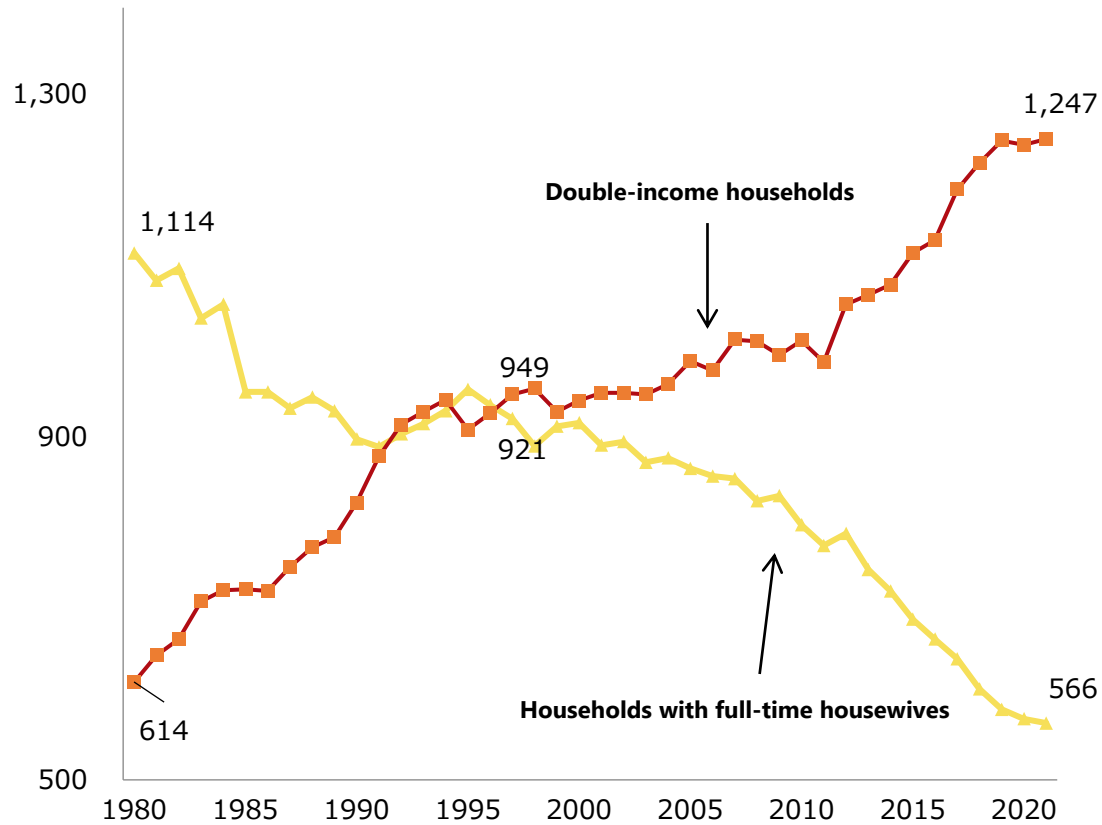


Source: MIC, "Population Census of Japan"

Double-income households and child-rearing households are turning their eyes to urban areas, where they can reduce commuting time

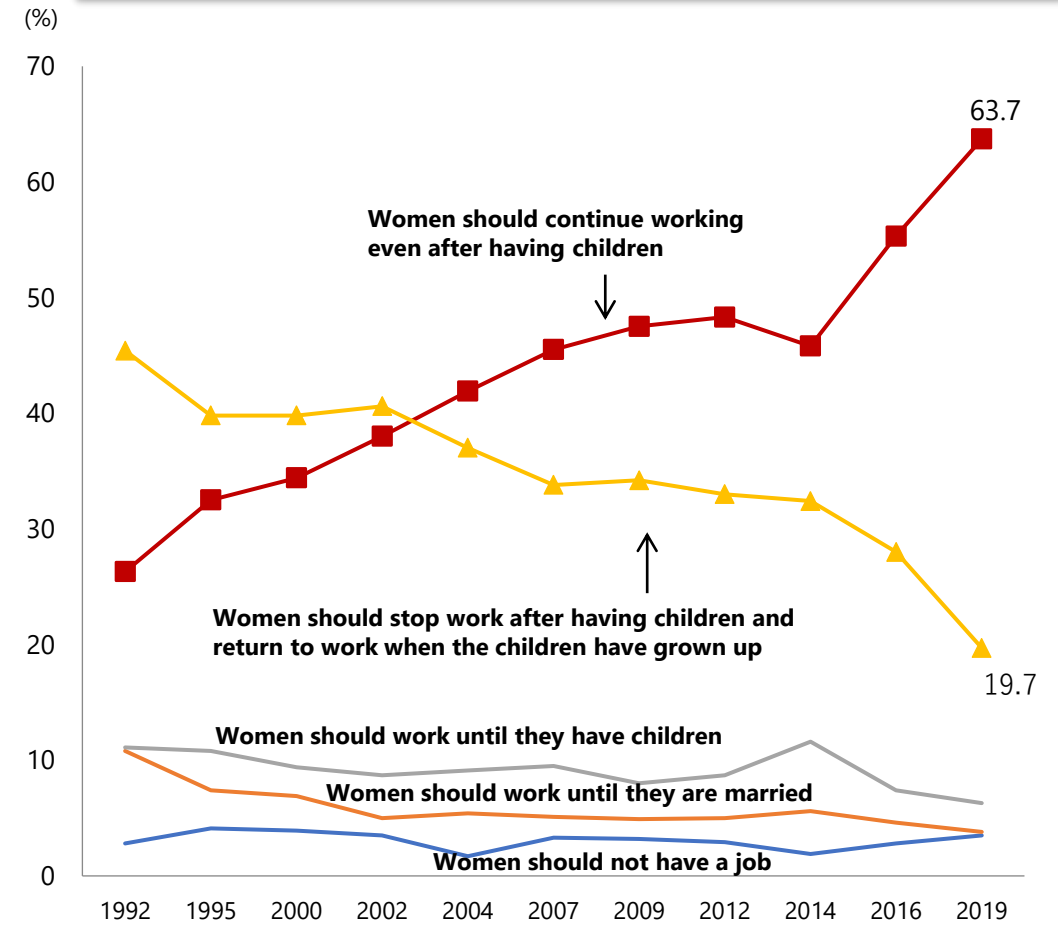
Trends in double-income households/households with full-time housewives (nationwide)

(10 thousand households)



Source: "White Paper on Gender Equality 2020", Cabinet Office, Government of Japan
Labor force survey, the Ministry of Internal Affairs and Communications

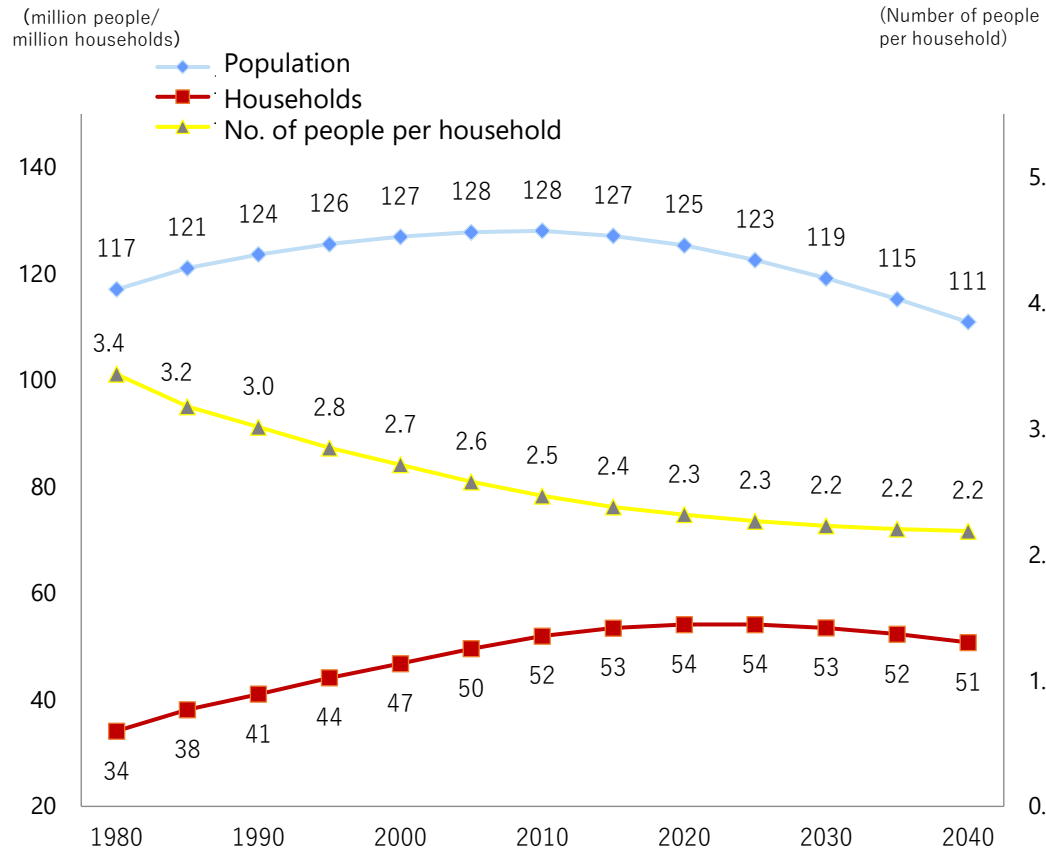
Changes in attitude toward work among women (nationwide)



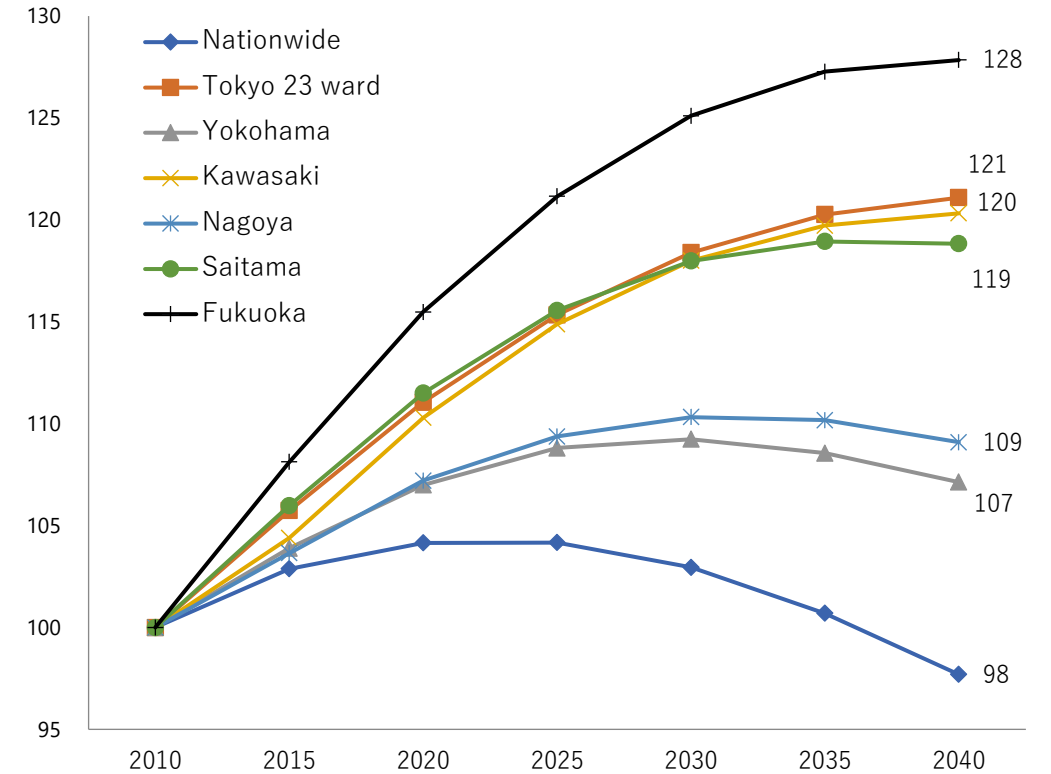
Source: "White Paper on Gender Equality 2020," Cabinet Office, Government of Japan

The number of households in urban areas is expected to continue increasing, despite a total population decline in Japan

Future population and household estimates for Japan



Future household estimates for urban areas (index)

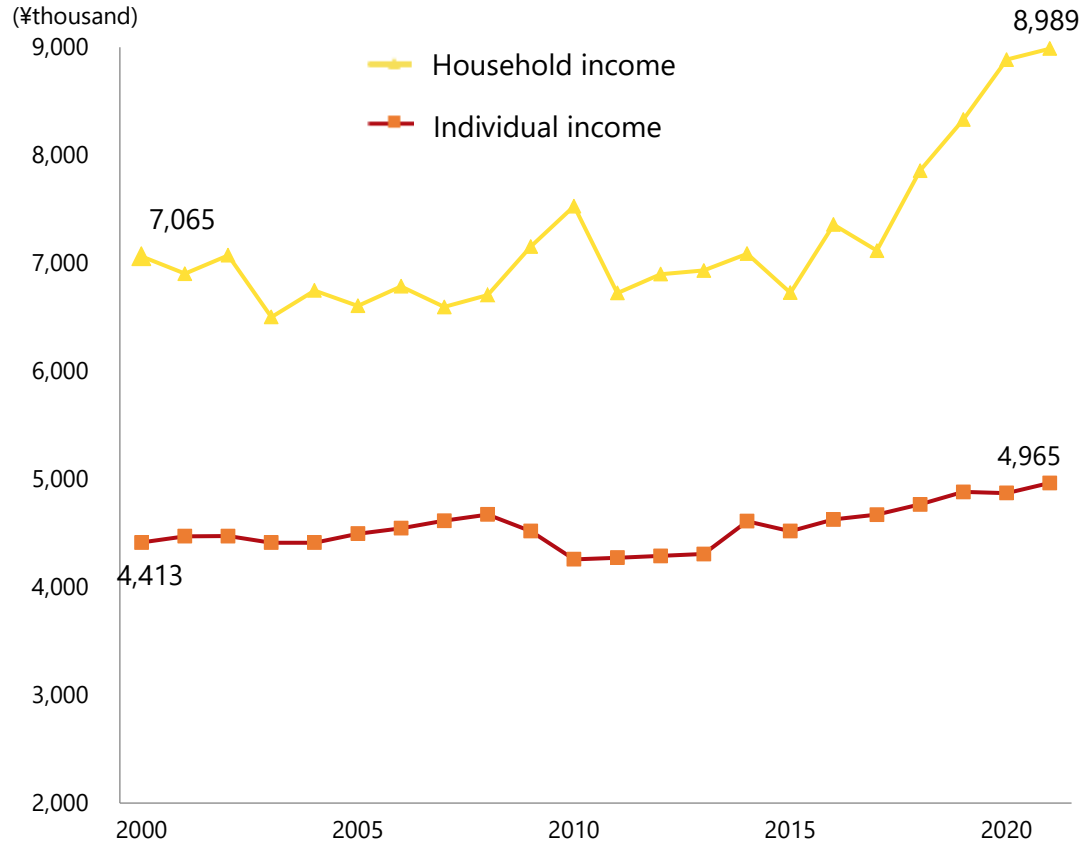


Sources:
 1980-2015 : "2015 Population Census", Statistics Japan
 2015-2040 : "Population Projection for Japan, 2018 projection", "Household Projections for Japan, 2018 projection", the National Institute of Population and Social Security Research
 Number of people per household was calculated by dividing the total population by number of households.

Sources: Numbers of households by city were projected with reference to "Household Projection for Japan (National Projection)" and "Population Projection for Japan by Prefectures" for 2018 projection, published by the National Institute of Population and Social Security Research, and were converted to indicators with actual results of 2010 set at 100.

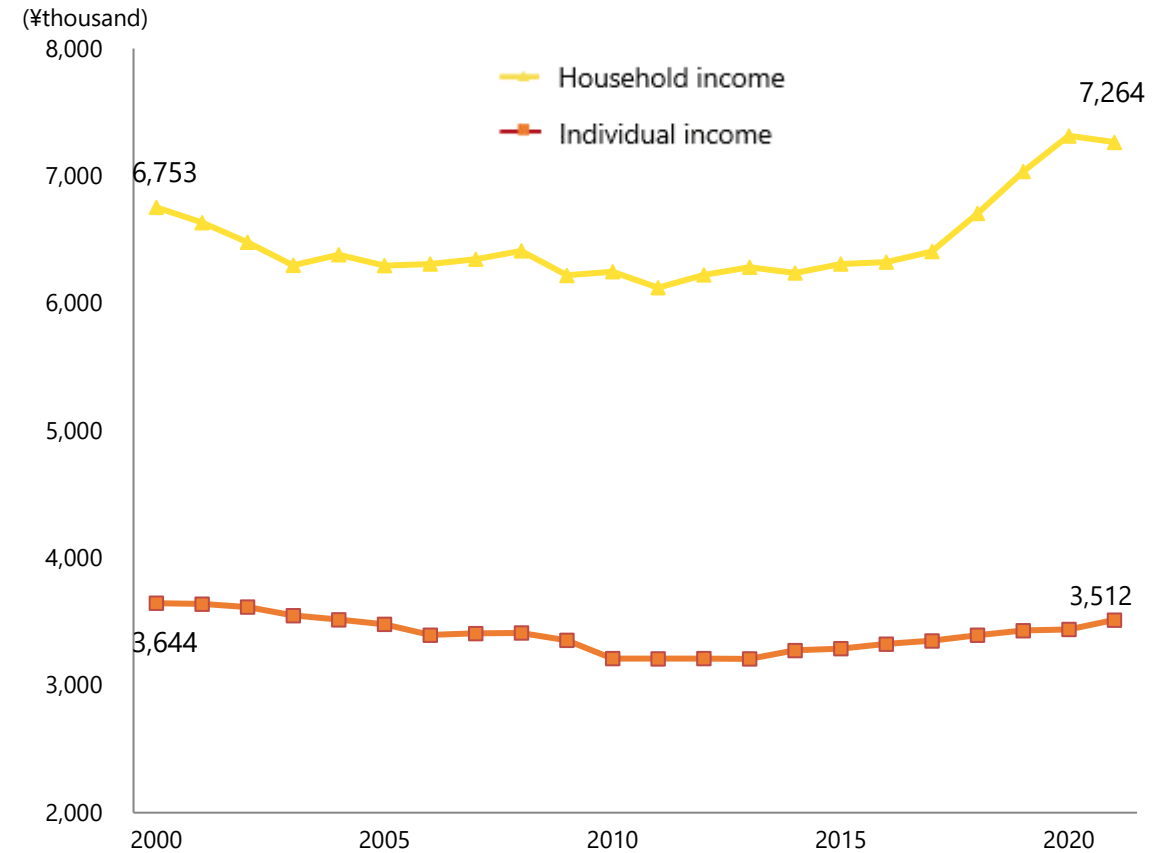
The pace of income recovery is faster for people in urban areas, showing promise for growth in spending power

Household income and Individual income
(Tokyo's 23 wards)



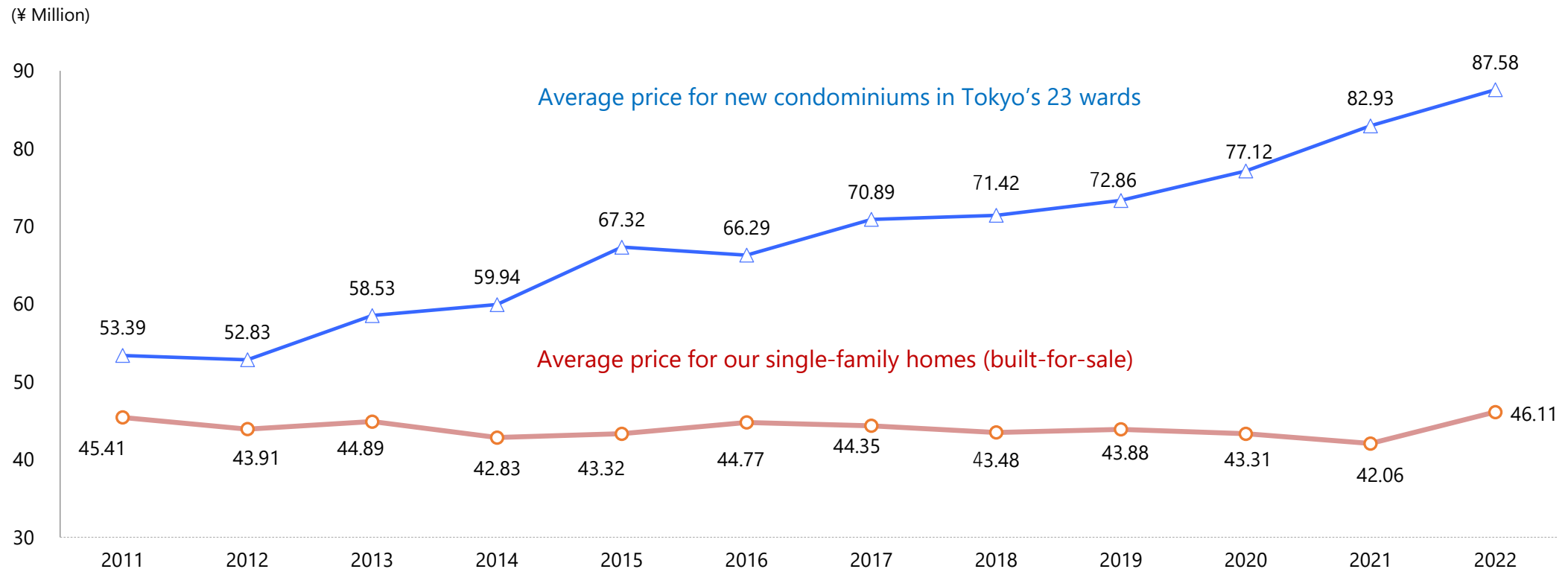
Source: Annualized based on the actual monthly income of households (working families) with two-or-more person household, obtained from the report "Family Income and Expenditure Survey," the Ministry of Internal Affairs and Communications
Calculated by dividing taxable income by the number of taxpayers, based on data obtained from the report "Survey of Taxation of Municipal Inhabitant Taxes, etc." by the Ministry of Internal Affairs and Communications

Household income and Individual income
(nationwide)



Single-family homes are attracting attention for their stable prices in contrast to condominiums, whose prices have increased

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



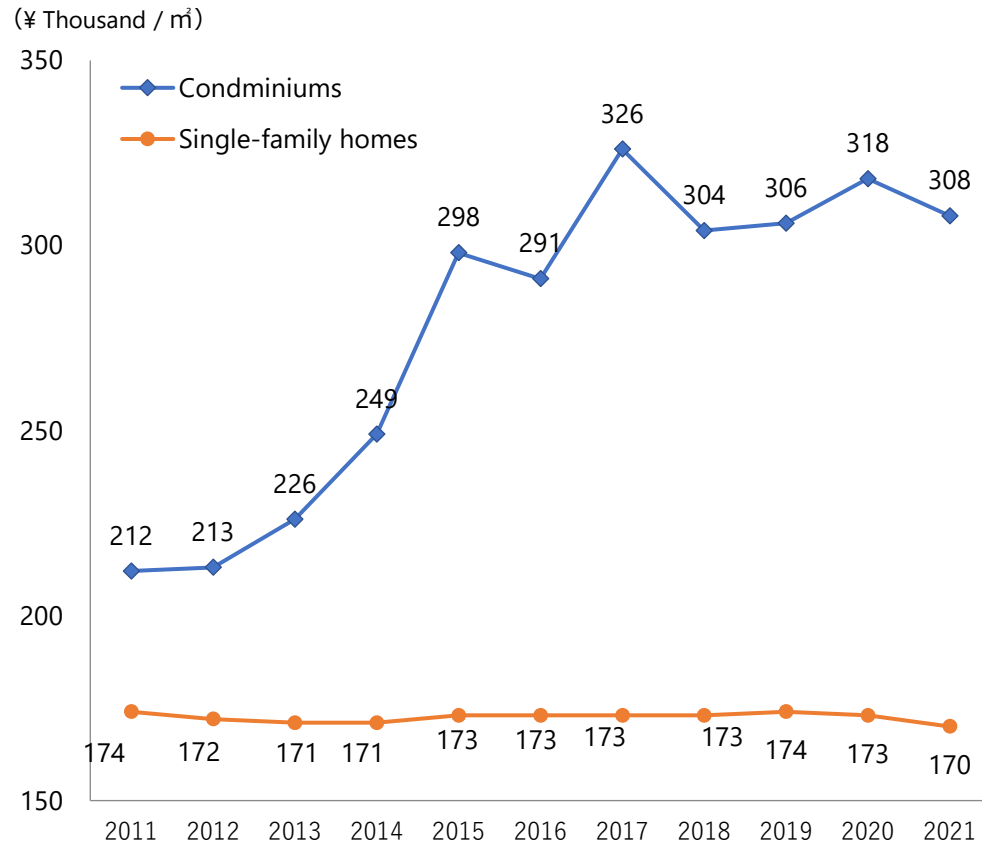
Source: MLIT, "Monthly marketing report of lands"

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

Condominium prices for 2020 are for the January – December period. Prices of our homes for 2020 are for the October 2019- September 2020 period.

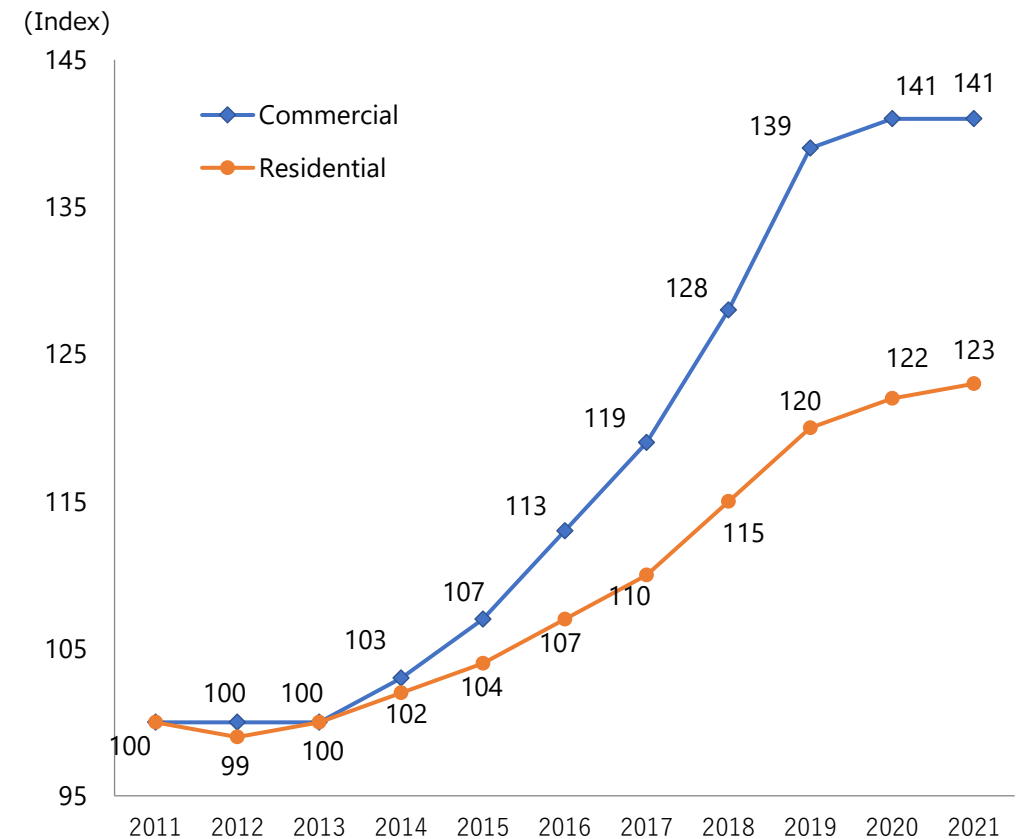
Price gaps between condominiums and single-family homes have occurred due to the difference between construction costs and land cost

Construction costs per m² (in Tokyo)



Source: MLIT "Housing Starts"
 The average construction cost per m² was calculated by dividing the estimated construction cost by the total floor area.
 Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.

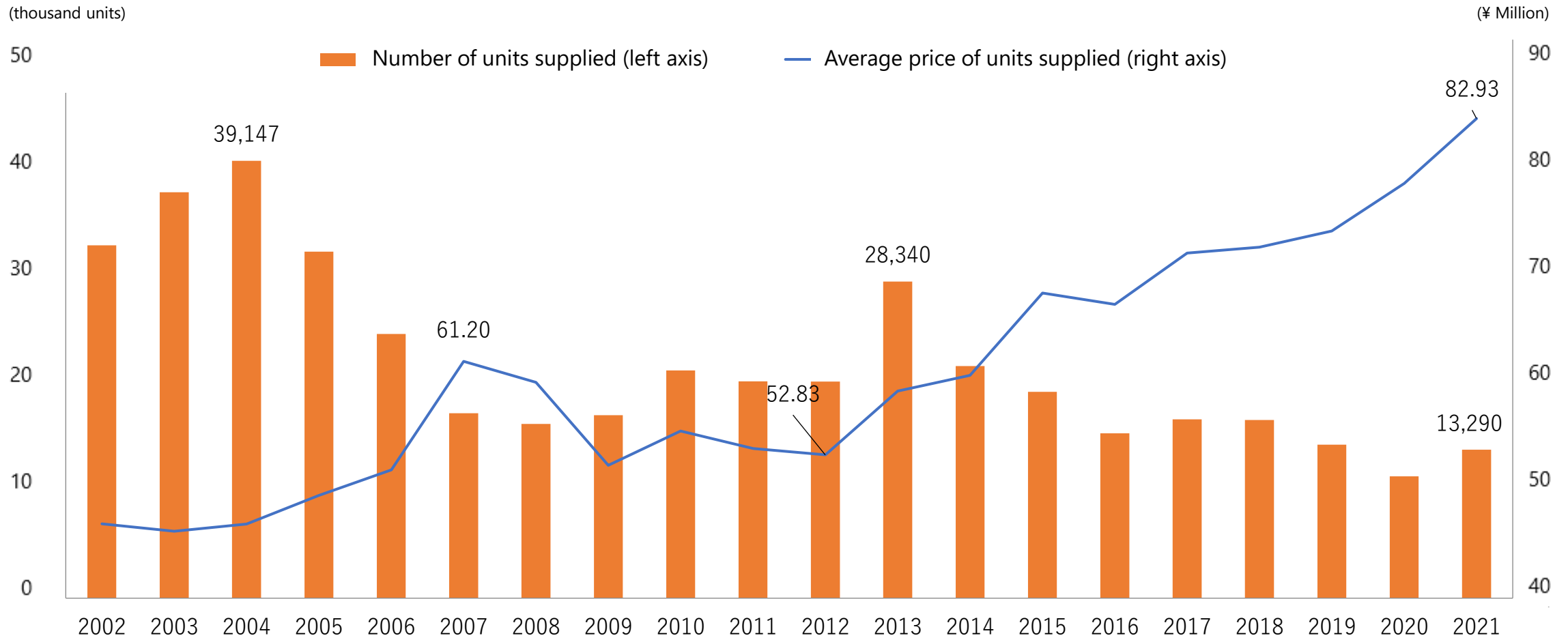
Land price by use (in Tokyo's 23 wards)



Source: MLIT "Prefectural Land Price"
 The standard land price as of July 1 each year is determined by prefectural governors.
 The land price index of each year was calculated by using the rate of change from the land price by use in 2011, which was indexed to 100.

Options available for consumers are decreasing due to the increase in condominium prices and decrease in number of new condominiums supplied

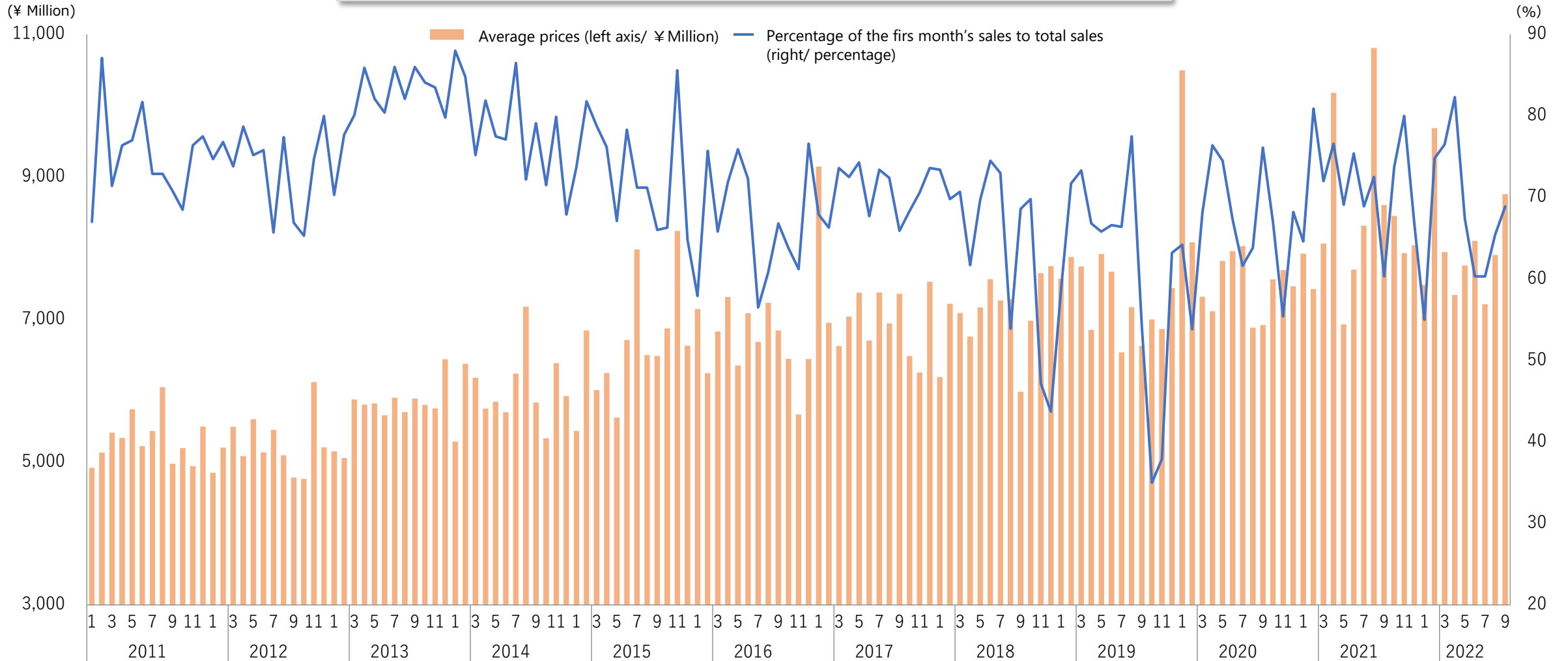
Number and average price of new condominiums supplied in Tokyo's 23 wards



Source: MILT, "Monthly Report of Real Estate Market Trend"

Contract ratios have been declining with the increase in prices of new condominiums

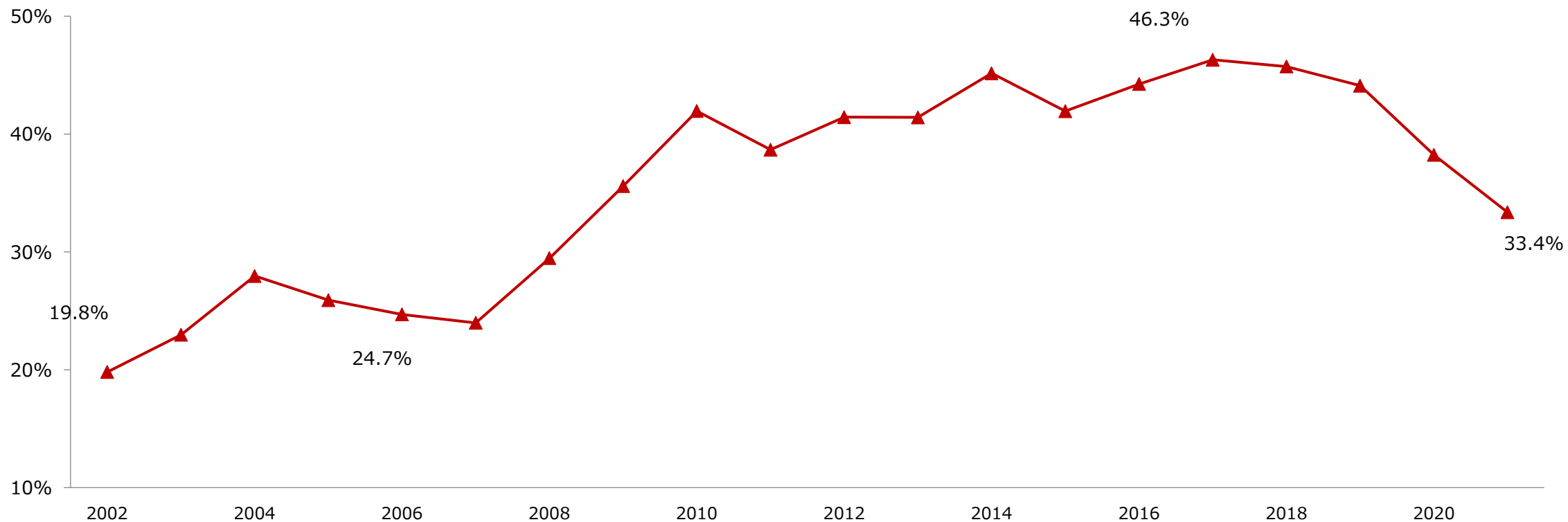
Trends of average prices of new condominiums and ratios of the first month's sales to total sales in Tokyo's 23 wards



Source: "Monthly Report of Real Estate Market Trend" published by Land General Information Library of the Ministry of Land, Infrastructure, Transport and Tourism.

Prices of condominiums are less likely to fall sharply as the market is oligopolistic and dominated by major real estate companies

Trends in the market share of seven major real estate companies in new condominiums in the Tokyo metropolitan area



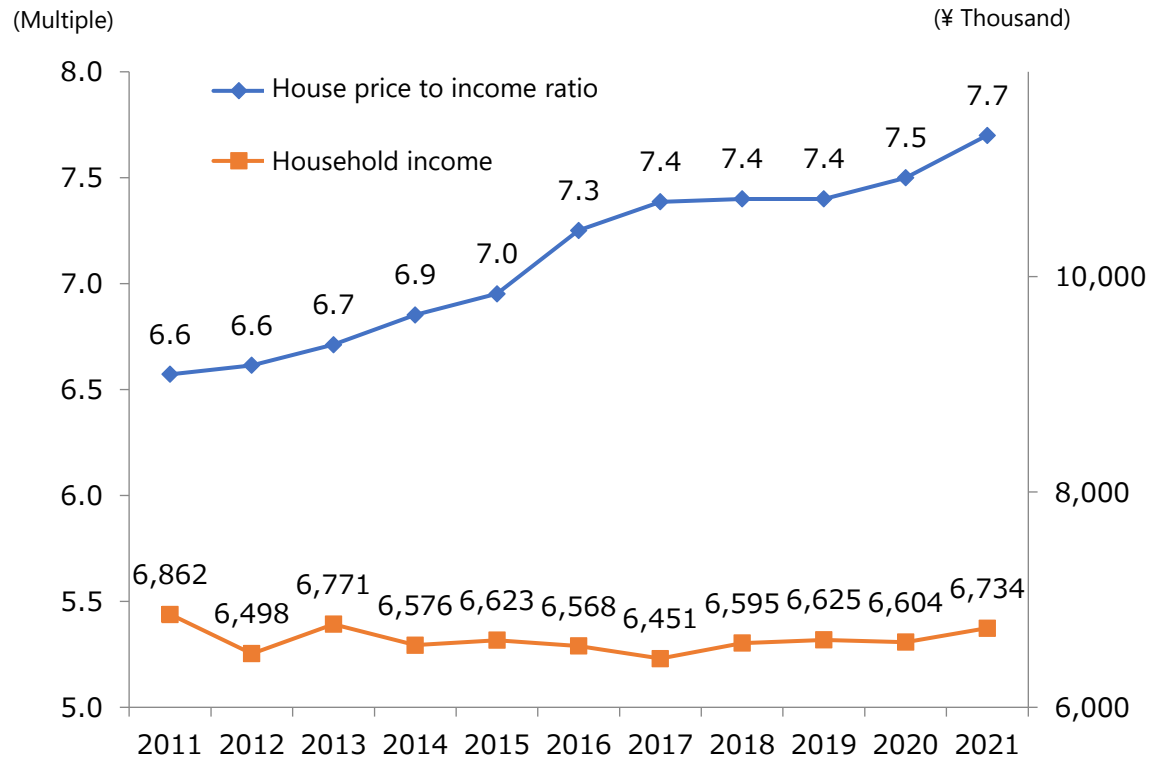
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.

* Seven major real estate companies:

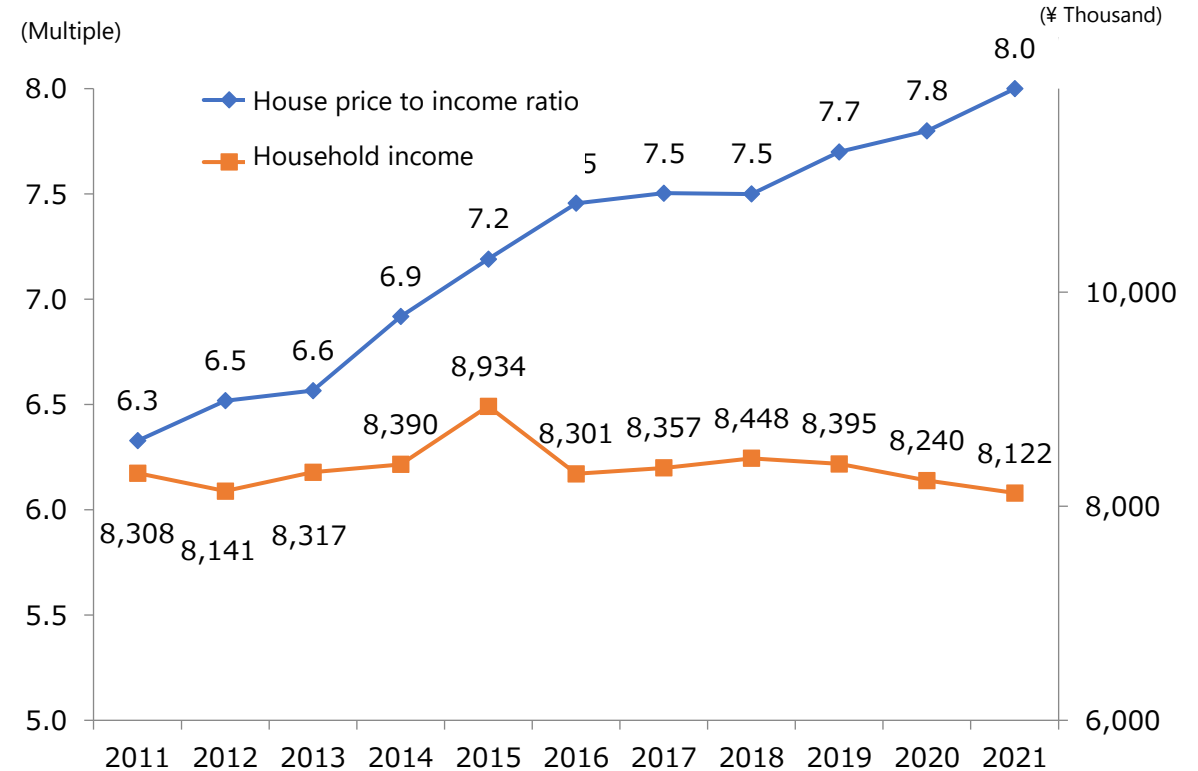
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyo Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

Annual income multiplier increased, with a large gap in household income

House price to income ratio and household income of single-family home purchasers (in Tokyo)

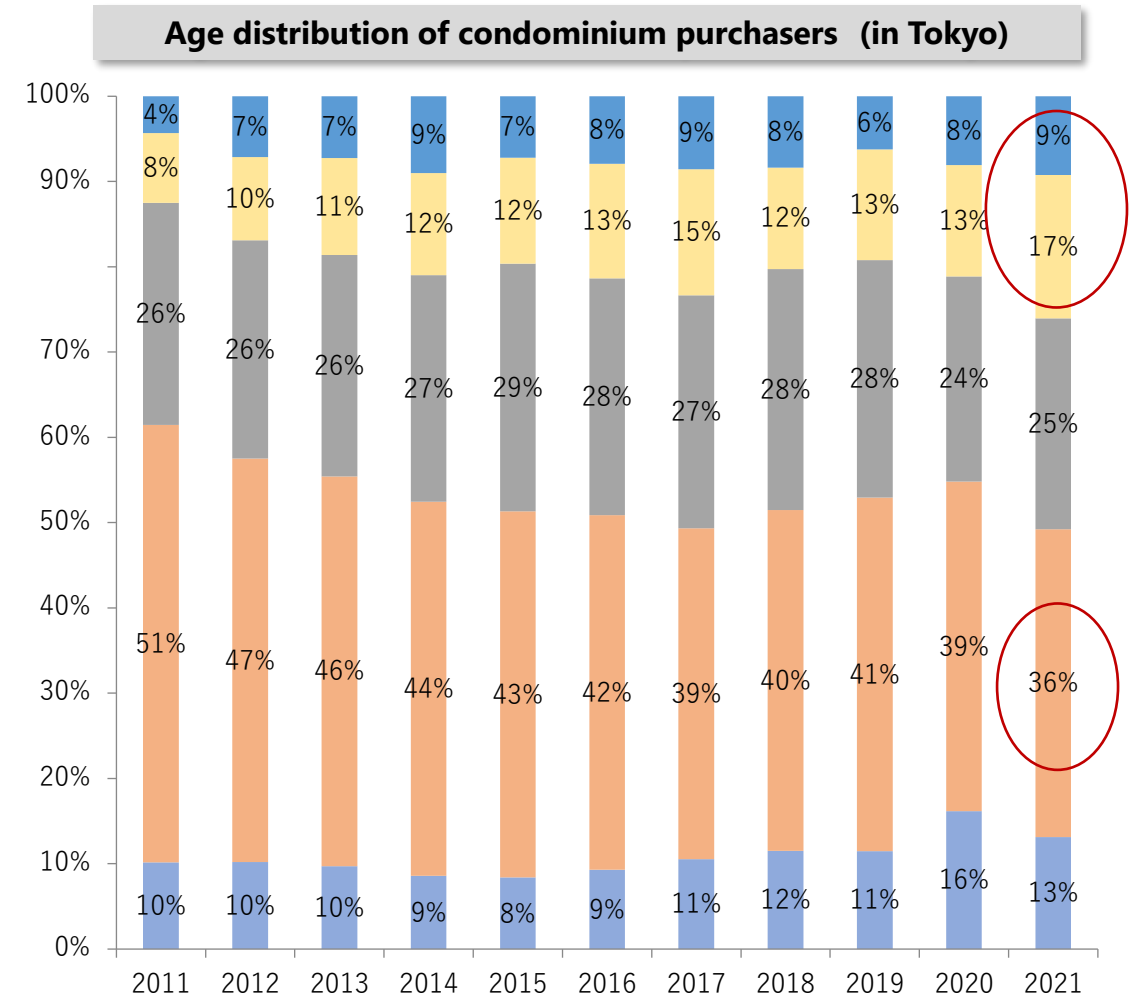
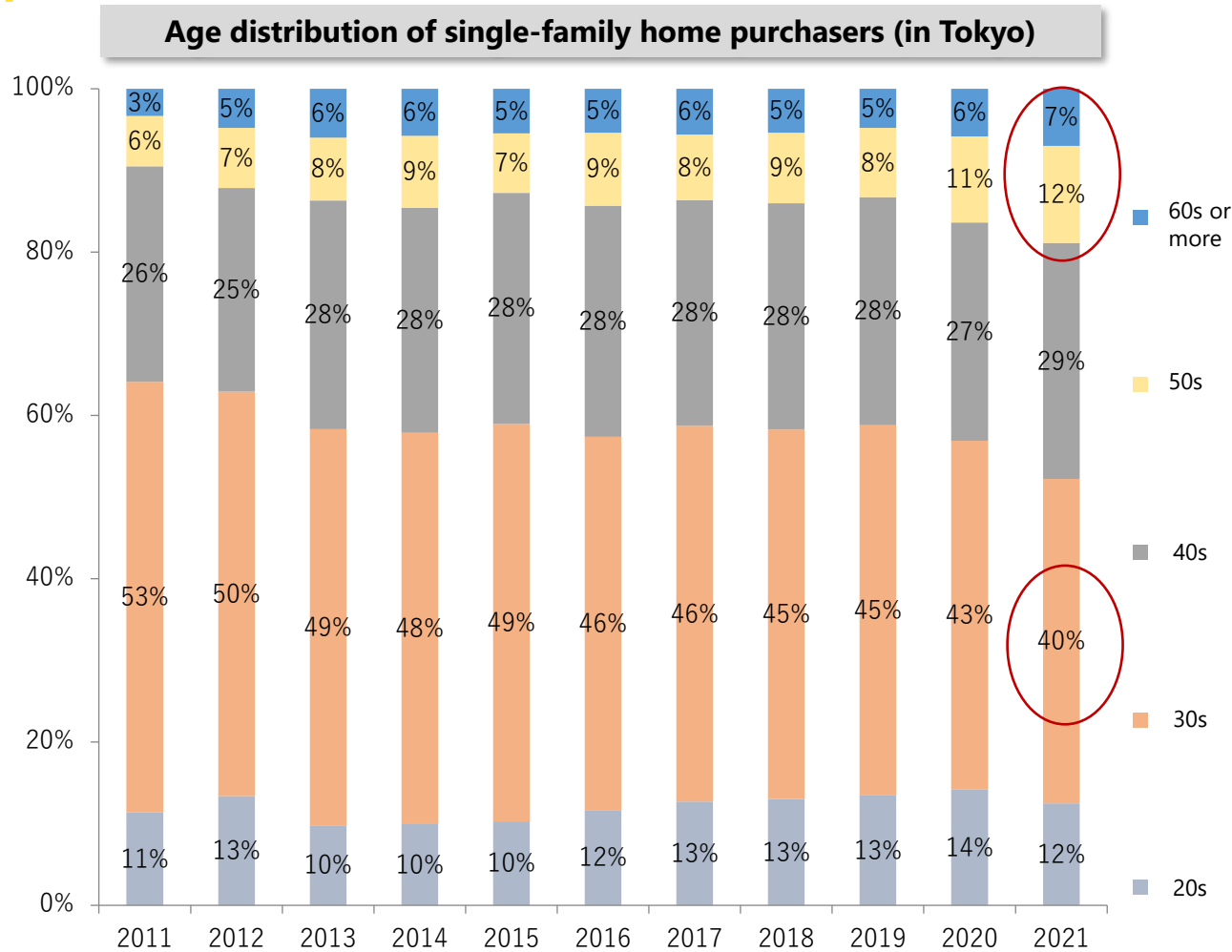


House price to income ratio and household income of condominium purchasers (in Tokyo)



Source: "Customer Survey on Flat 35 Users" by Japan Housing Finance Agency
 Compiled using data of housing loans approved from April through March of the following year
 Single-family homes: New home purchase funds (detached house, etc.); Condominiums: New condominium purchase funds (apartment buildings)
 Household income is the total of income of home loan applicants and income of his or her spouse or other person(s) living in the same household
 Home price to income ratio is calculated based on the total necessary funds including funds on hand.

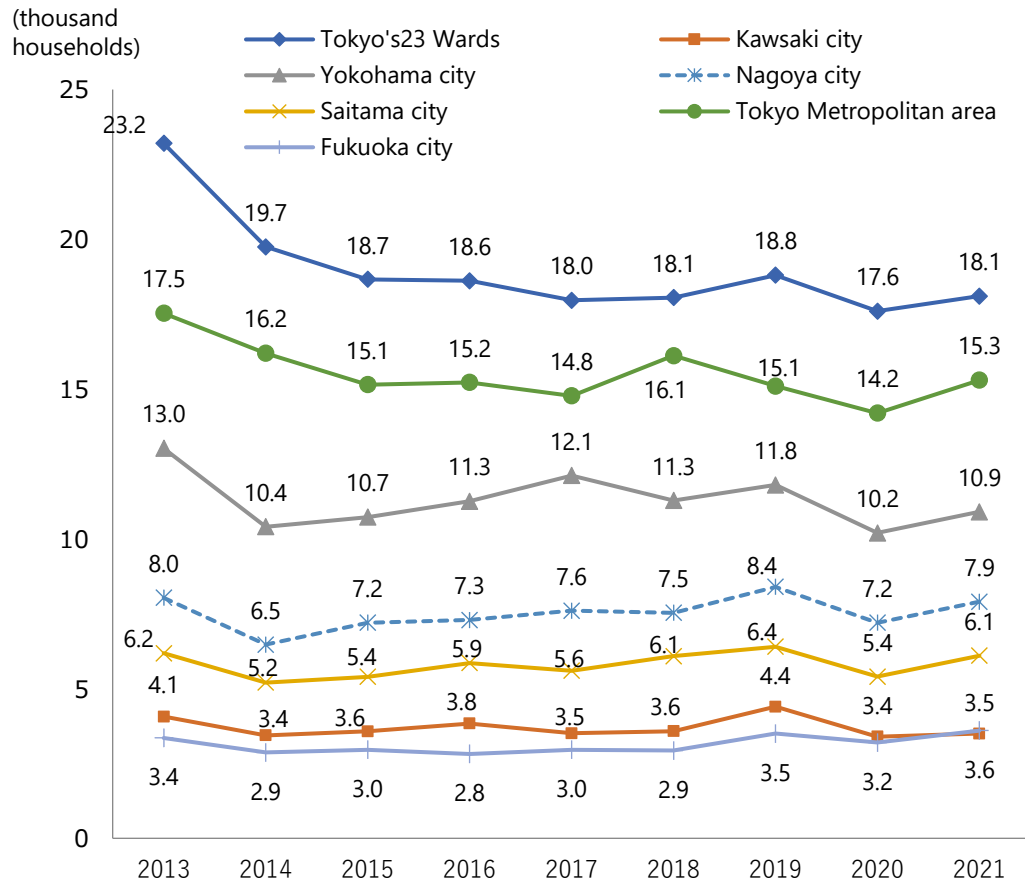
Among the people who purchased condominiums, the percentage of people in their 50s has been on the rise and that of people in their 30s has been on the decline



Source : Japan Housing Finance Agency
 Compiled using data of housing loans approved from April through March of the following year.
 Single-family homes: New home purchase funds (detached house, etc.); condominiums: new condominium purchase funds (apartment buildings)

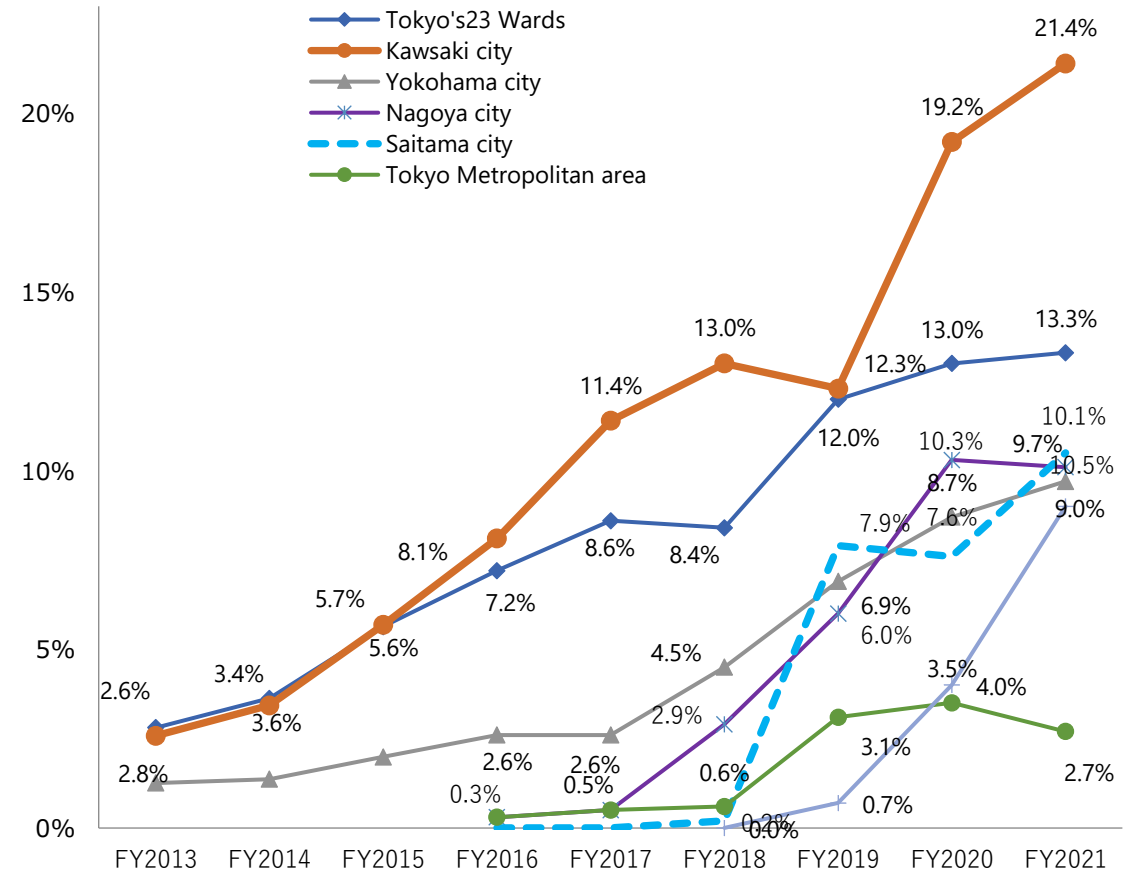
Open House has been steadily acquiring shares in the single-family homes market in urban areas by adopting a dominant strategy

New single-family housing starts in our service areas



Sources: "Construction Statistics", "Housing Starts", the Ministry of Land, Infrastructure, Transport and Tourism.

The Group's market share by service area



Calculated by dividing number of properties delivered in each period of the Group by the number of construction starts by area in each year.

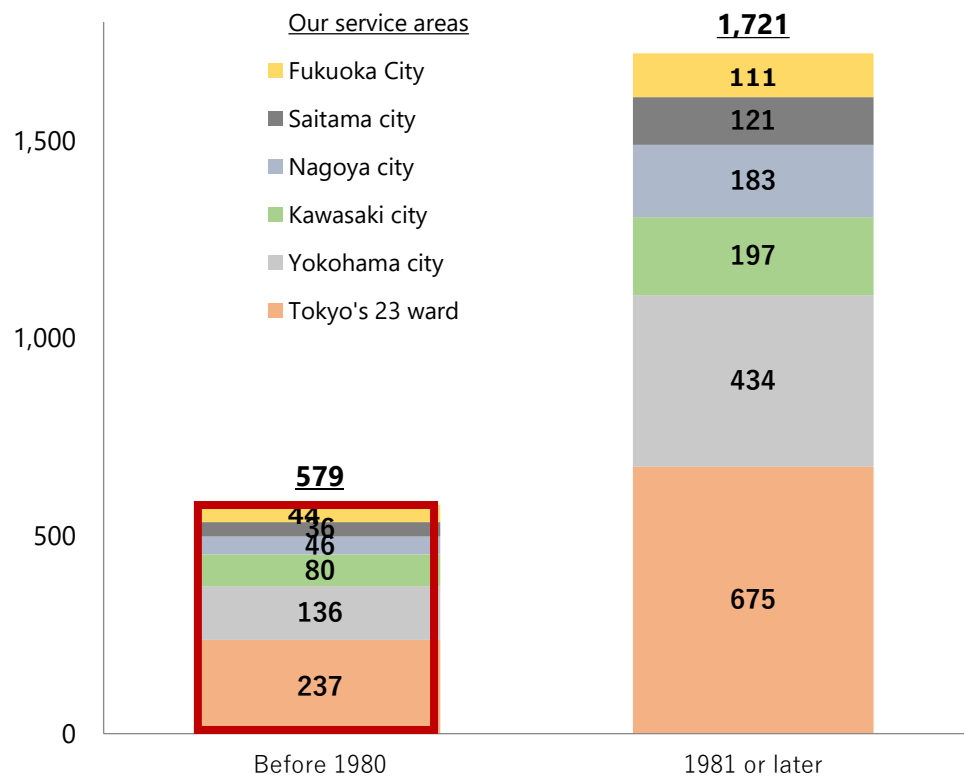
Until FY2018: Only Open House Development is included

From FY2019: Hawk One is included.

FY2021 figures are estimates divided by the number of housing starts by area in 2020 due to the period for statistical.

Housing stock that can be used as land for development is available in large volumes

Building stock of wooden single-family homes by construction period



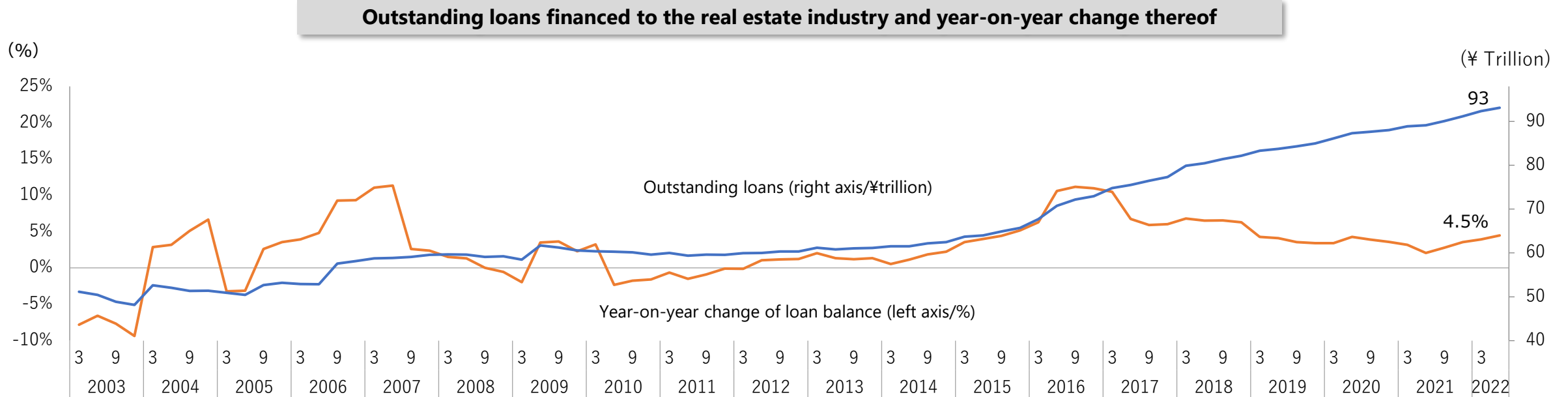
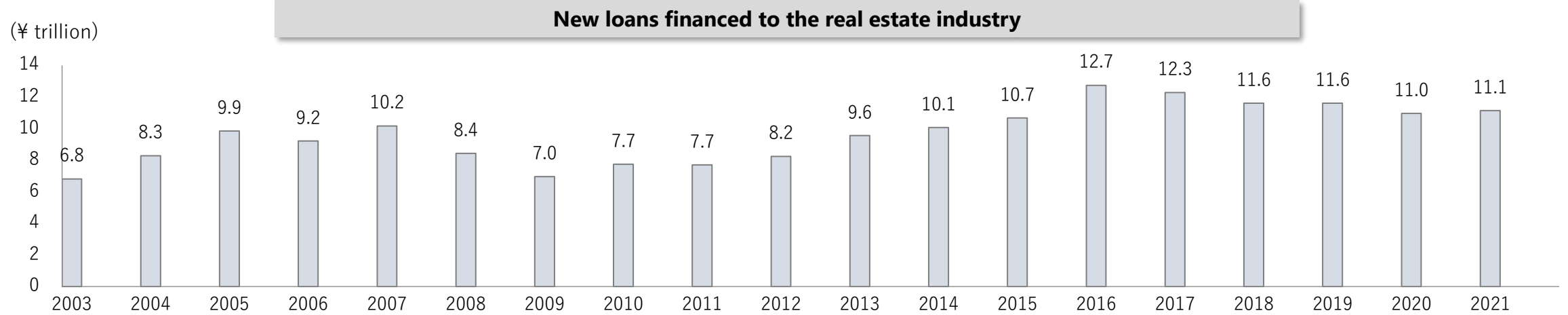
Sources:
 "Housing and Land Survey in 2018" by the Ministry of Internal Affairs and Communications

Housing situation in Japan

- The average age of homes rebuilt in Japan is **37.0 years.** *1
- The average site area per single-family home lot in Tokyo's 23 wards in 1988 was **40.3 tsubo** (1,431.6 sq. ft). *2
- The average site area of single-family homes developed by Open House is **17-18 tsubo** (600-640 sq. ft), enabling it to build two homes per single-family home lot.

Sources:
 *1 "Customer Survey Report on the Purchase of Detached Houses in the Fiscal Year 2017" by Japan Federation of Housing Organizations
 *2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications

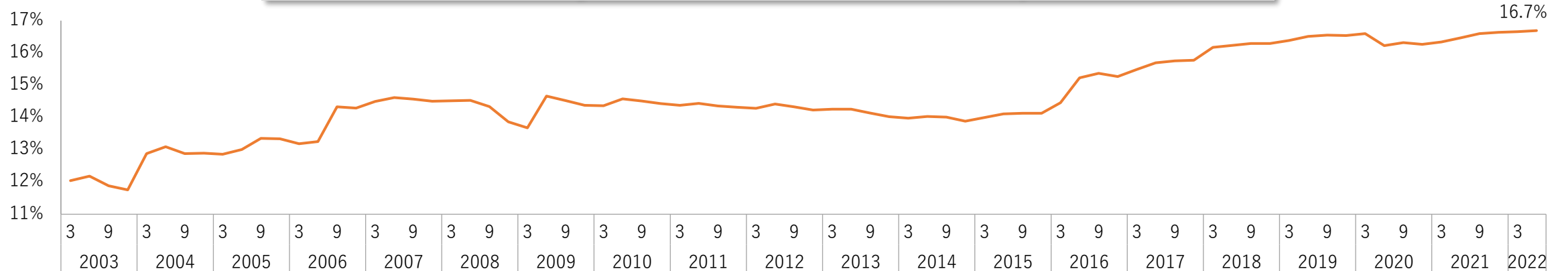
Outstanding loans have been increasing although new loans financed to the real estate industry have declined slightly



Source: "Loans by borrower" published by the Bank of Japan

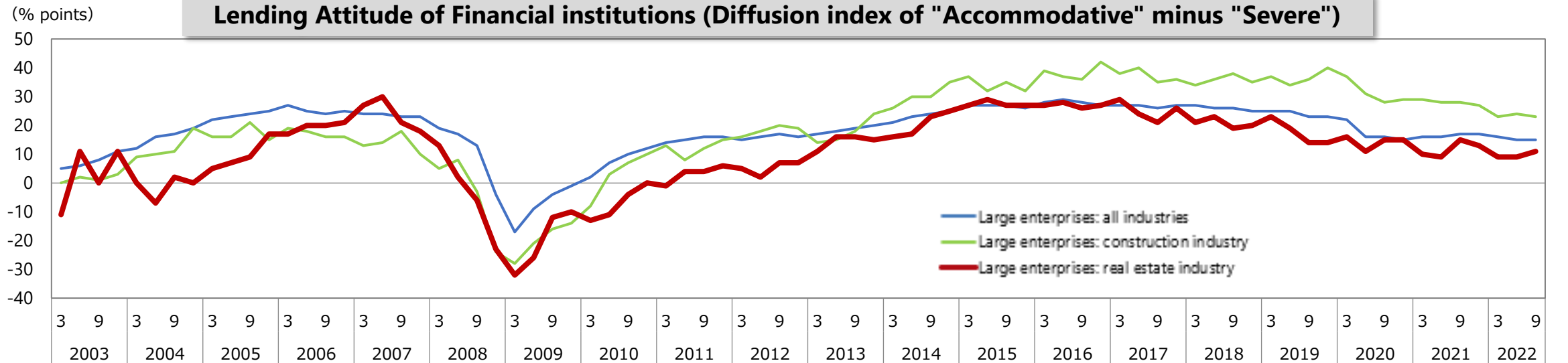
The ratio of outstanding loans financed to the real estate industry to total loans has increased

Ratio of outstanding loans financed to real estate industry to total loans



出所：日本銀行「貸出先別貸出金」

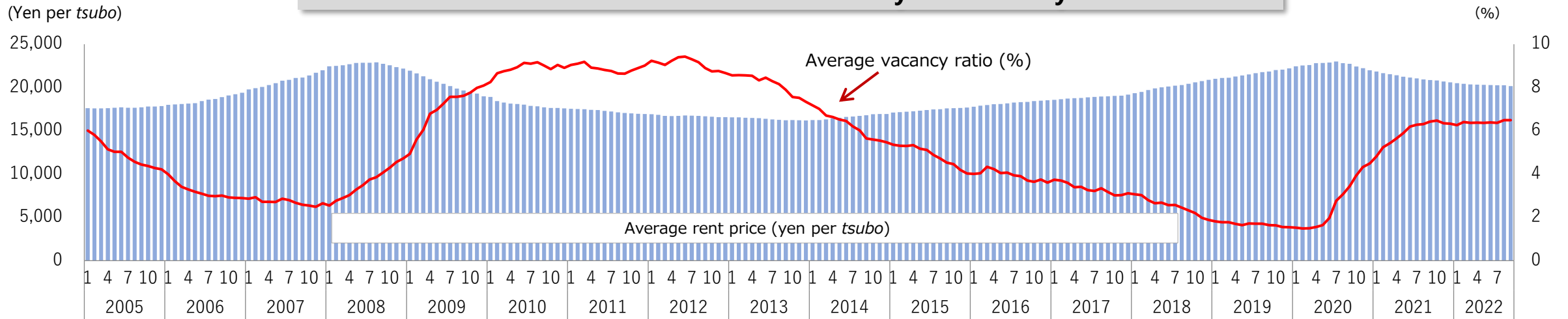
Lending Attitude of Financial institutions (Diffusion index of "Accommodative" minus "Severe")



出所：日銀銀行「全国企業短期経済観測調査」

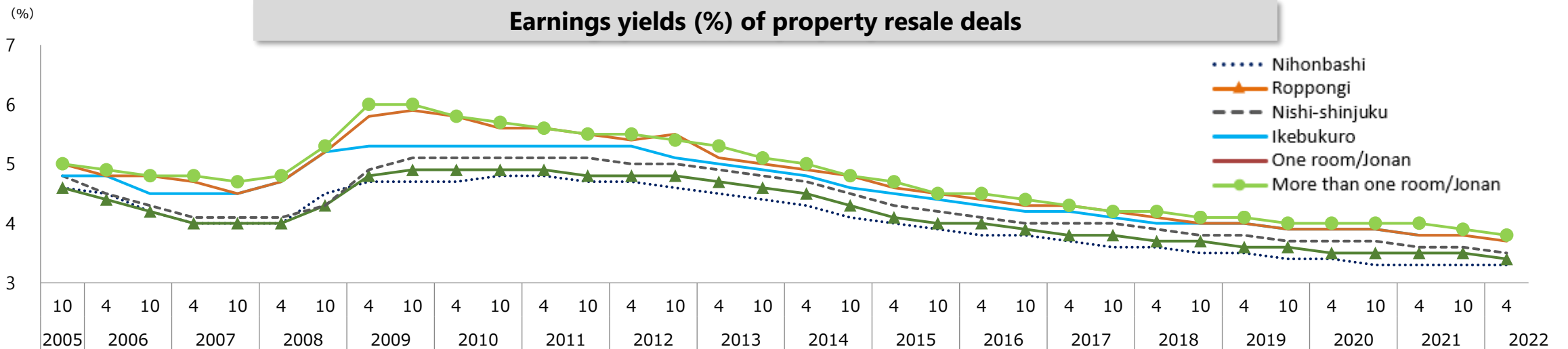
Demand for property resale transactions is strong as shown by an increase in rent price and a decline in returns from property resale transactions

Trends of office rentals and vacancy ratios in Tokyo

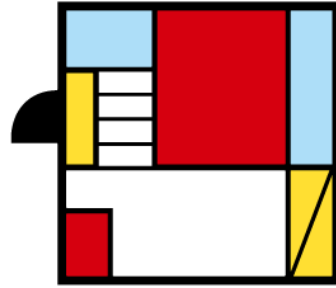


Source: MIKI OFFICE REPORT TOKYO

Earnings yields (%) of property resale deals



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



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<https://openhouse-group.co.jp/ir/en/>

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