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February 14, 2023

Summary of Consolidated Financial Results for the First Quarter Ended September 30, 2023 (Based on Japanese GAAP)

Company name:	Open House Group Co., Ltd.
Listing:	Tokyo Stock Exchange
Securities code:	3288
URL:	https://openhouse-group.co.jp/ir
Representative:	Masaaki Arai, President and CEO
Inquiries:	Kotaro Wakatabi, Senior Managing Director and CFO
Scheduled date to file quarterly securities report:	February 14, 2023
Scheduled starting date of dividend payments:	-
Supplementary material on quarterly financial results:	Yes
Quarterly financial results briefing:	No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended December 31, 2022

(October 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
December 31, 2022	248,198	5.5	30,668	(12.5)	29,514	(16.7)	19,643	(13.3)
December 31, 2021	235,255	51.7	35,041	80.7	35,418	71.5	22,653	52.6

Note: Comprehensive income For the three months ended December 31, 2022: ¥ 15,326 million [(41.2) %]
For the three months ended December 31, 2021: ¥ 26,057 million [83.8 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2022	163.04	162.75
December 31, 2021	179.63	179.13

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	1,018,643	402,543	33.7
September 30, 2022	1,031,174	395,702	32.7

Reference: Equity As of December 31, 2022: ¥ 343,178 million
As of September 30, 2022: ¥ 337,620 million

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2022	—	62.00	—	67.00	129.00
FY 2023	—				
FY 2023 (Forecast)		72.00	—	82.00	154.00
Ordinary dividend		72.00	—	72.00	144.00
Special dividend		—	—	10.00	10.00

Note1: Revisions to the forecast of cash dividends most recently announced: None

Note2: The special dividend for the fiscal year ending September 30, 2023 (forecast) is due to the commemoration of the 10th anniversary of the Company's listing and the achievement of 1 trillion yen in net sales.

3. Forecast of consolidated operating results for FY 2023 (October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (Cumulative)	520,700	14.3	65,300	8.8	63,100	2.4	41,100	4.0	341.12
Full year	1,100,000	15.5	134,000	12.3	130,000	7.3	86,000	10.4	713.79

Note: Revision to the forecast of consolidated results most recently announced: Yes

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	120,487,900 shares
As of September 30, 2022	120,487,900 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2022	3,485 shares
As of September 30, 2022	3,485 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2022	120,484,415 shares
Three months ended December 31, 2021	126,113,559 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements contained in this summary are based on assumptions from information available to the Company 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

(Millions of yen)

	End of FY 2022 (as of September 30, 2022)	End of FY 2023 1Q (as of December 31, 2022)
Assets		
Current assets		
Cash and deposits	349,305	307,415
Trade accounts receivable and contract assets	2,198	2,613
Real estate for sale	95,717	97,411
Real estate for sale in process	461,388	482,875
Operating loans	43,262	48,291
Other	30,128	29,045
Allowance for doubtful accounts	(344)	(366)
Total current assets	981,656	967,286
Non-current assets		
Property, plant and equipment	21,123	21,733
Intangible assets	2,925	2,857
Investments and other assets	25,470	26,766
Total non-current assets	49,518	51,357
Total assets	1,031,174	1,018,643
Liabilities		
Current liabilities		
Notes payable – trade	1,238	1,288
Trade accounts payable	31,220	32,376
Electronically recorded obligations - operating	8,104	8,422
Short-term borrowings	144,309	150,270
Current portion of bonds payable	242	242
Current portion of long-term borrowings	39,262	43,260
Income taxes payable	20,292	8,596
Provisions	5,808	3,112
Other	59,017	52,448
Total current liabilities	309,495	300,017
Non-current liabilities		
Bonds payable	10,363	10,363
Long-term borrowings	314,784	304,888
Retirement benefit liability	318	328
Asset retirement obligations	211	210
Other	298	291
Total non-current liabilities	325,976	316,082
Total liabilities	635,472	616,099
Net assets		
Shareholders' equity		
Share capital	20,070	20,070
Capital surplus	19,882	19,881
Retained earnings	286,286	297,857
Treasury shares	(18)	(18)
Total shareholders' equity	326,221	337,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	25
Foreign currency translation adjustment	11,434	5,361
Total accumulated other comprehensive income	11,399	5,387
Share acquisition rights	474	521
Non-controlling interests	57,606	58,844
Total net assets	395,702	402,543
Total liabilities and net assets	1,031,174	1,018,643

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

(Millions of yen)

	Three months ended December 31, 2021 (from October 1, 2021 to December 31, 2021)	Three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)
Net sales	235,255	248,198
Cost of sales	184,620	200,578
Gross profit	50,635	47,619
Selling, general and administrative expenses	15,594	16,951
Operating profit	35,041	30,668
Non-operating income		
Interest income	2	34
Dividend income	715	58
Rental income from buildings	30	52
Gain on sale of investment securities	—	144
Share of profit of entities accounted for using equity method	429	112
Foreign exchange gains	196	—
Other	62	76
Total non-operating income	1,437	479
Non-operating expenses		
Interest expenses	916	979
Commission expenses	111	19
Foreign exchange losses	—	421
Other	32	212
Total non-operating expenses	1,059	1,633
Ordinary profit	35,418	29,514
Profit before income taxes	35,418	29,514
Income taxes	10,379	8,178
Profit	25,038	21,336
Profit attributable to non-controlling interests	2,384	1,692
Profit attributable to owners of parent	22,653	19,643

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three months ended December 31, 2021 (From October 1, 2021 to December 31, 2021)	Three months ended December 31, 2022 (From October 1, 2022 to December 31, 2022)
Profit	25,038	21,336
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	63
Foreign currency translation adjustment	1,018	(6,072)
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	1,019	(6,009)
Comprehensive income	26,057	15,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,672	13,637
Comprehensive income attributable to non-controlling interests	2,384	1,689

3) Notes to consolidated quarterly financial statement

(Notes on going concern assumptions)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Changes in significant subsidiaries during the period)

Not applicable

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Tax expenses were calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year ended September 2023 including the first quarter. However, in case where calculation tax expenses using the estimated effective tax rate would result in a significant lack of rationality, tax expenses were calculated by taking into account significant additions and subtractions and tax deduction items.

(Changes in accounting policies)

Not applicable

(Segment and other information)

【Segment information】

I. Three months ended December 31, 2021 (October 1, 2021 to December 31, 2021)

1. Information on net sales, profit or loss, and other items by reportable segments

(Millions of yen)

	Reportable Segment						Adjustment (Note1)	Amount recorded in consolidated quarterly statements of income (Note2)
	Single-family homes related	Condominiums	Property resale	Others	PRESSANCE CORPORATION	Total		
Net sales								
Net sales from contracts with customers	136,050	4,374	24,351	16,272	36,254	217,303	—	217,303
Other income	1	—	16,464	711	774	17,951	—	17,951
Net sales from outside customers	136,051	4,374	40,816	16,984	37,028	235,255	—	235,255
Intersegment net sales and transfers	—	—	248	57	0	306	(306)	—
Total	136,051	4,374	41,064	17,042	37,028	235,562	(306)	235,255
Segment profit (loss)	21,799	(118)	5,324	2,202	6,272	35,481	(439)	35,041

(NOTE)

1. Adjustment of ¥ (439) million for segment profit (loss) includes intersegment elimination of ¥ 193 million and corporate expenses of ¥ (633) million 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 profit (loss) has been adjusted to operating profit described in consolidated quarterly statements of income.

II. Three months ended December 31, 2022 (October 1, 2022 to December 31, 2022)

1. Information on Net sales, profit or loss, and other items by reportable segments

(Millions of yen)

	Reportable Segment						Adjustment (Note1)	Amount recorded in consolidated quarterly statements of income (Note2)
	Single-family homes related	Condominiums	Property resale	Others	PRESSANCE CORPORATION	Total		
Net sales								
Net sales from contracts with customers	128,272	3,347	32,630	18,467	38,417	224,785	2	224,788
Other income	13,463	—	11,847	967	782	23,409	—	23,409
Net sales from outside customers	141,735	3,347	44,477	19,435	39,199	248,195	2	248,198
Intersegment net sales and transfers	—	—	55	94	—	150	(150)	—
Total	141,735	3,347	44,533	19,529	39,199	248,346	(147)	248,198
Segment profit (Loss)	16,484	(432)	5,429	2,267	6,827	30,577	91	30,668

(NOTE)

1. Adjustment of ¥ 91 million for segment profit (loss) includes intersegment elimination of ¥ 856 million and corporate expenses of ¥ (765) million 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 profit (loss) has been adjusted to operating profit described in consolidated quarterly statements of income.
2. Notes relating to changes in reportable segments etc.
- As a result of the transition to a holding company structure on January 1, 2022, the Company changed the method of allocating corporate expenses to each reportable segment from the second quarter of the previous fiscal year. The impact of this change on segment profit (loss) is immaterial. In addition, segment profit for the first quarter of the previous fiscal year was calculated using the method prior to the transition to a holding company structure, as it is difficult to use the calculation method after the transition .

(Significant subsequent events)

Not applicable