

**OPEN HOUSE  
GROUP**

# Consolidated Financial Highlights for the First Quarter of FY2023

(2022/10-2022/12)

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

## 1Q FY2023 Topics

### Business performance 1Q FY2023

◆ 1Q for FY2023 progressed beyond expectations; profit decline factored in

Net sales:	¥ <b>248.1</b> billion	[5.5% YoY]
Operating profit:	¥ <b>30.6</b> billion	[(12.5)% YoY]
Profit attributable to owners of parents:	¥ <b>19.6</b> billion	[(13.3)% YoY]

### Revised financial forecast 2Q FY2023

◆ Upward revision of financial forecast for 2Q FY2023, reflecting good progress in reportable segments including single family homes

	<u>Revised forecast</u>	<u>Increase</u>	<u>Previous forecast</u>
Net sales:	¥ <b>520.7</b> billion [14.3% YoY]	¥ <b>25</b> billion	¥ 495.7 billion
Operating profit:	¥ <b>65.3</b> billion [ 8.8% YoY ]	¥ <b>5</b> billion	¥ 60.3 billion
Profit attributable to owners of parents:	¥ <b>41.1</b> billion [ 4.0% YoY ]	¥ <b>3.5</b> billion	¥ 37.6 billion

### Consolidated financial forecast FY2023

◆ Aiming to hit the record high in net sales and profit for the eleventh consecutive year

Net sales:	¥ <b>1.1</b> trillion	[15.5% YoY]
Operating profit:	¥ <b>134</b> billion	[12.3% YoY]
Profit attributable to owners of parents:	¥ <b>86</b> billion	[10.4% YoY]

# Corporate Philosophy and Our Mission

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## — Corporate Philosophy

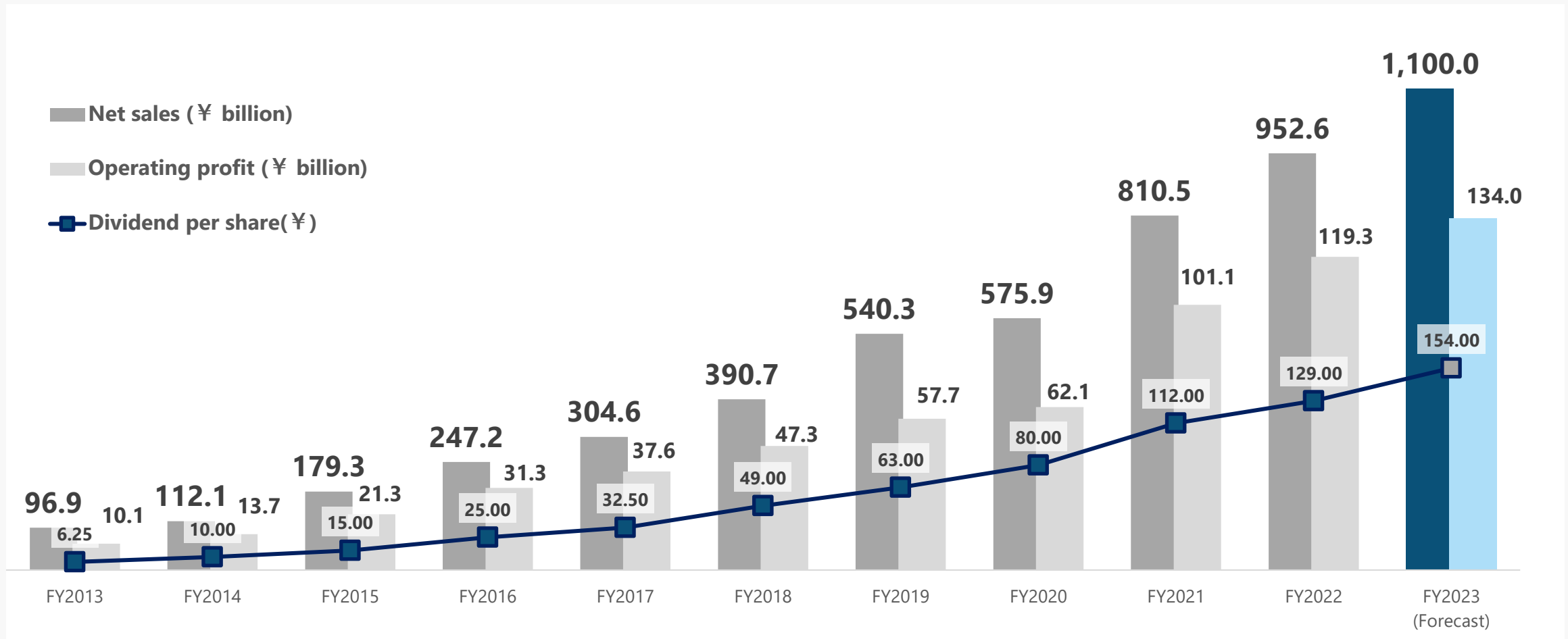
- Remain committed to pursuing "Houses that customers want" honestly and constantly.
- Attract a wide range of motivated people and create an organization that rewards results.
- Increase performance and expand the scale of our business, and be a real estate company needed by society.

## — Our Mission

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

# Business Performance and Shareholder Returns since Listing

- Aiming to hit the record high in net sales and profit for the eleventh consecutive year since listing in FY2023



Note: The Company conducted a 2-for-1 stock split in FY2015 and FY2019 and, the dividends are calculated on the assumption that the stock split was conducted in FY2013.

## 1. 1Q FY2023 Consolidated Financial Summary



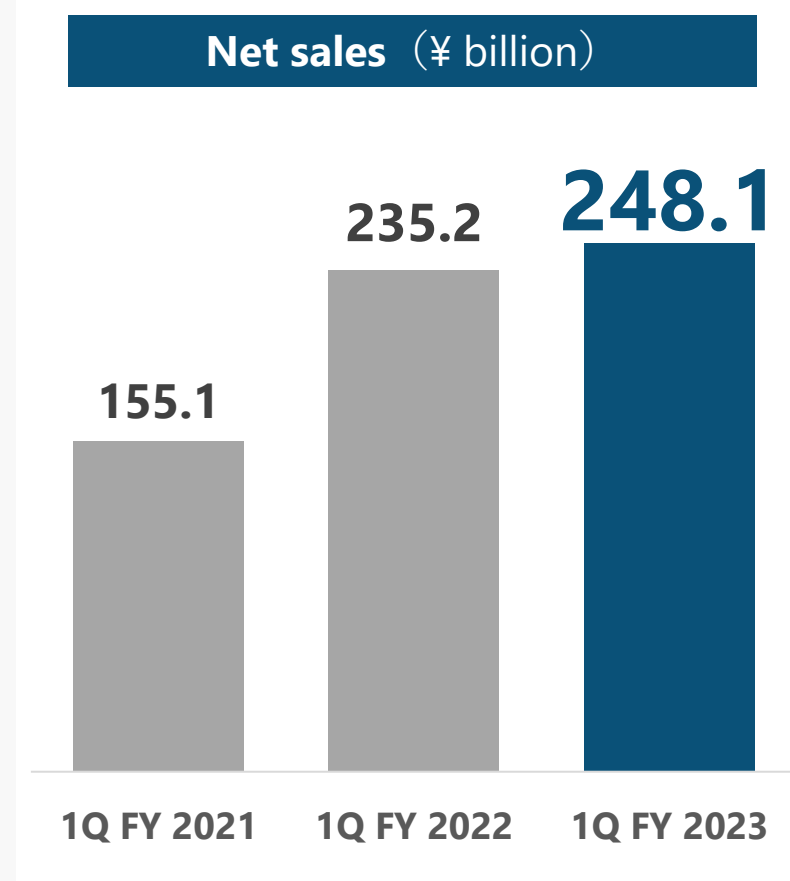
**OPEN HOUSE GROUP**

## Consolidated Statements of Income (Summary)

- Toward the full year forecast, 1Q FY2023 progressed beyond expectations

(¥ Million)

	1Q FY2022 (2021/10-2021/12)		1Q FY2023 (2022/10-2022/12)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales	
<b>Net sales</b>	235,255	-	<b>248,198</b>	-	<b>+5.5%</b>
<b>Operating profit</b>	35,041	14.9%	<b>30,668</b>	12.4%	<b>(12.5)%</b>
<b>Ordinary profit</b>	35,418	15.1%	<b>29,514</b>	11.9%	<b>(16.7)%</b>
<b>Profit attributable to owners of parent</b>	22,653	9.6%	<b>19,643</b>	7.9%	<b>(13.3)%</b>



## Performance by Segment (Net sales/Operating profit)

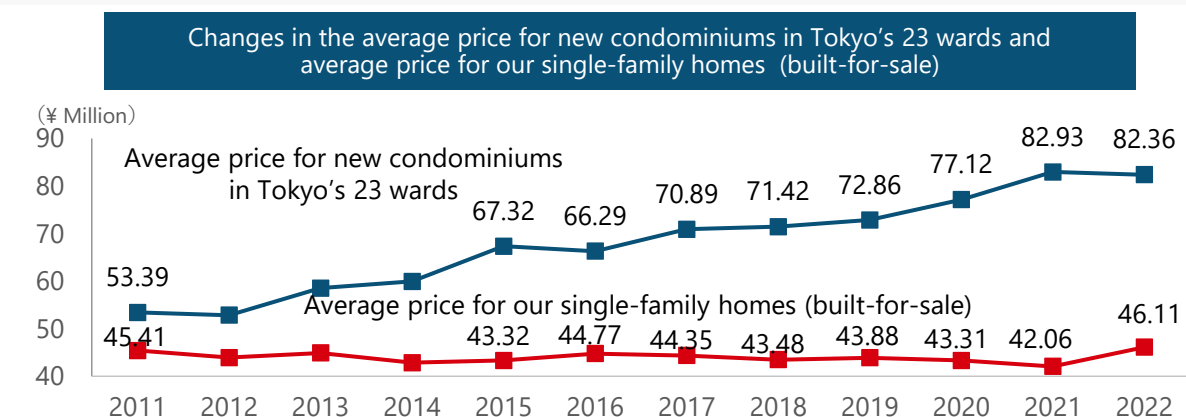
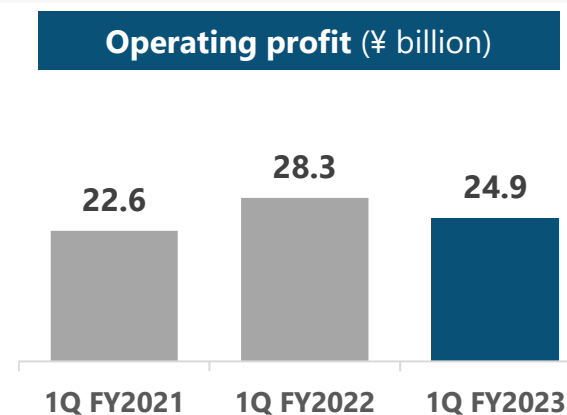
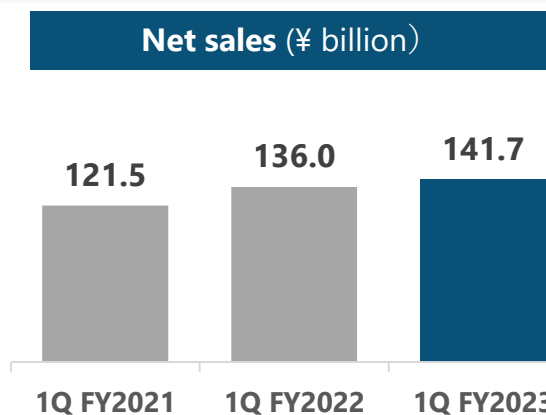
- Despite a decrease in operating profit, performance in our single family homes related business was beyond expectations while other reportable segments also remained healthy

	Net sales					Operating profit (¥ Million)				
	1Q FY2022 (2021/10-2021/12)		1Q FY2023 (2022/10-2022/12)		Inc. (Dec.)	1Q FY2022 (2021/10-2021/12)		1Q FY2023 (2022/10-2022/12)		Inc. (Dec.)
	Actual	Ratio	Actual	Ratio		Actual	% of Net sales	Actual	% of Net sales	
<b>Total</b>	235,255	100.0%	<b>248,198</b>	100.0%	<b>5.5%</b>	35,041	14.9%	<b>30,668</b>	12.4%	<b>(12.5)%</b>
<b>Single-family homes related business</b>	136,051	57.8%	<b>141,735</b>	57.1%	<b>4.2%</b>	21,799	16.0%	<b>16,484</b>	11.6%	<b>(24.4)%</b>
<b>Condominiums</b>	4,374	1.9%	<b>3,347</b>	1.3%	<b>(23.5)%</b>	(118)	-	<b>(432)</b>	-	-
<b>Property resales</b>	41,064	17.5%	<b>44,533</b>	17.9%	<b>8.4%</b>	5,324	13.0%	<b>5,429</b>	12.2%	<b>2.0%</b>
<b>Others (including U.S. real estate business)</b>	17,042	7.2%	<b>19,529</b>	7.9%	<b>14.6%</b>	2,202	12.9%	<b>2,267</b>	11.6%	<b>3.0%</b>
<b>Pressance Corporation</b>	37,028	15.7%	<b>39,199</b>	15.8%	<b>5.9%</b>	6,272	16.9%	<b>6,827</b>	17.4%	<b>8.9%</b>
<b>Adjustments</b>	(306)	-	<b>(147)</b>	-	-	(439)	-	<b>91</b>	-	-

## Single-family Homes Related Business as a Whole

- Gross profit margin has recovered since the previous quarter
- Business performance exceeded expectations due to strong demand in urban areas

	1Q FY2021 (2020/10-2020/12)	1Q FY2022 (2021/10-2021/12)	1Q FY2023 (2022/10-2022/12)	Inc. (Dec.)
				(¥ Million)
<b>Net sales</b>	121,524	136,051	<b>141,735</b>	<b>4.2%</b>
<b>Gross profit</b>	22,656	28,339	<b>24,925</b>	<b>(12.0)%</b>
<b>Gross profit margin</b>	18.6%	20.8%	<b>17.6%</b>	<b>(3.2)pt</b>
<b>Operating profit</b>	17,045	21,799	<b>16,484</b>	<b>(24.4)%</b>
<b>Operating profit margin</b>	14.0%	16.0%	<b>11.6%</b>	<b>(4.4)pt</b>



Source: MLIT, "Monthly marketing report of lands"

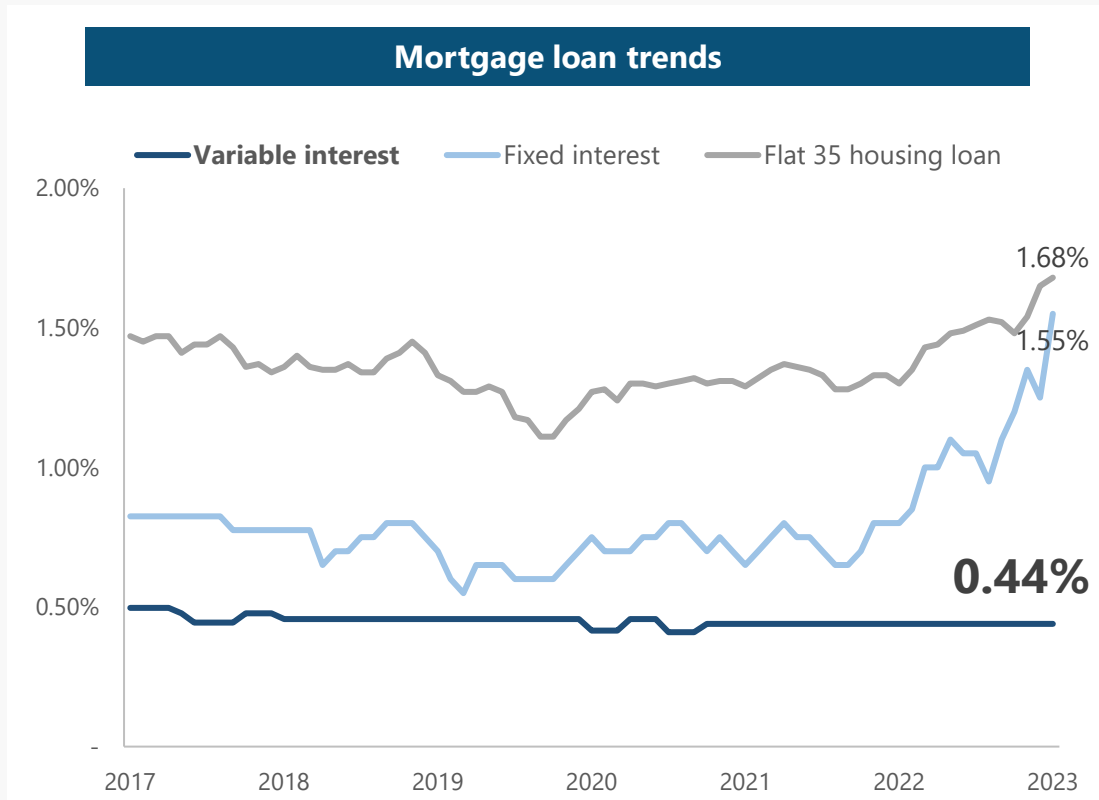
Fiscal years: Condominium prices are on a calendar-year basis. Prices for our homes are for the period Oct.-Jun. Condominium prices for 2021 are for the Oct.-Sep. period.

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.

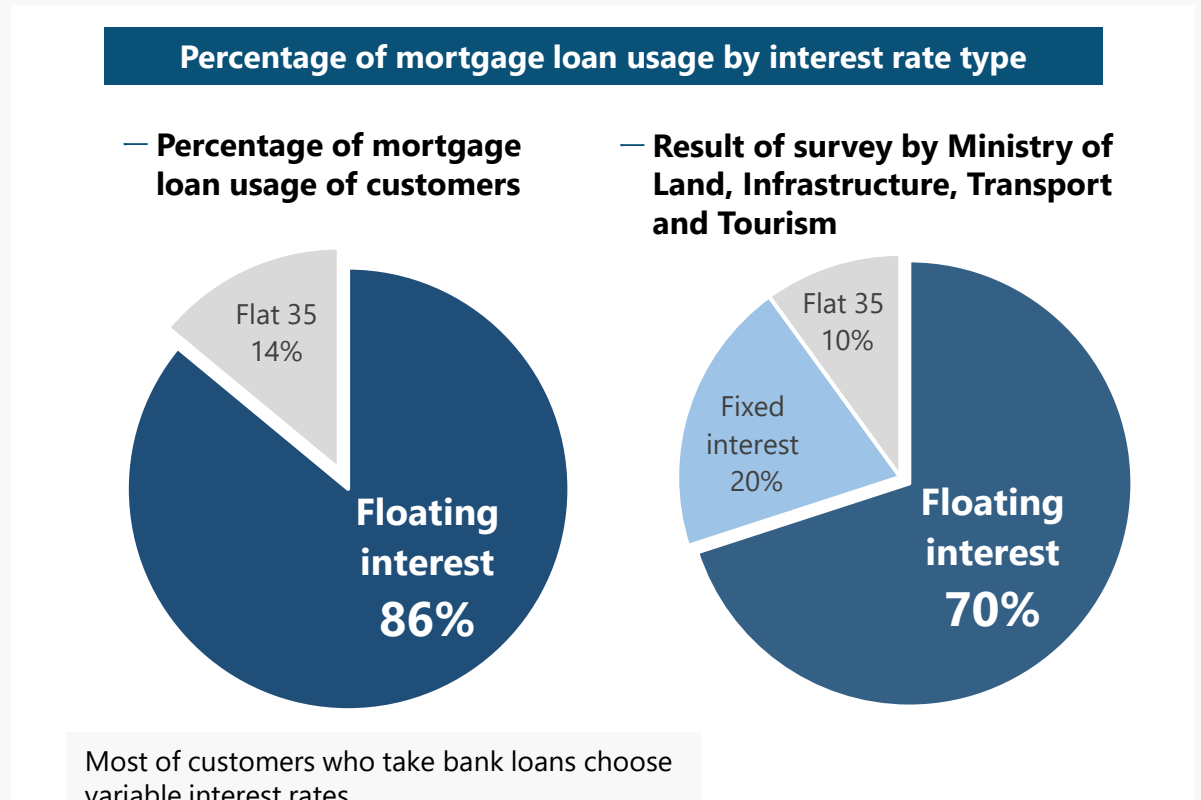


# Average price for new condominiums in Tokyo's 23 wards (Mortgage Rates and Usage Ratio Status)

- Variable-rate mortgage loan remained low
- Approx. 86% of customers choose variable interest rates; limited impact of rising long-term interest rates



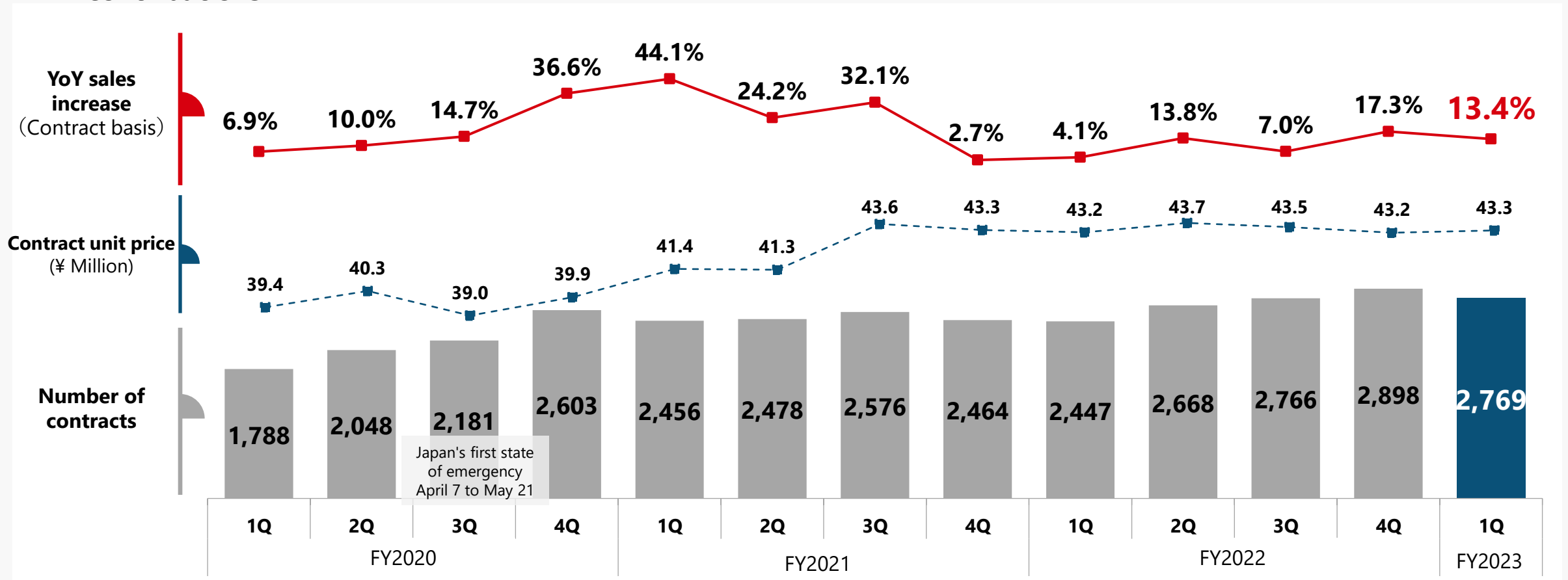
< Source > · Diamond Real Estate Institute, "What are the interest rates and trends in mortgage rates (132 banks and 1,000 products)?"  
 · Variable interest rate: SBI Sumishin Net Bank "Full Year Reduction Plan"  
 · Fixed interest rate: Mizuho Bank "Full Term Focus Plan"  
 · 35-year fixed: "Flat 35 (borrowing period: 21 years or more, down payment: 10% or more)"



< Source > · OHG : Actual of Open House Co., Ltd. in 2022  
 · Ministry of Land, Infrastructure, Transport and Tourism: "FY2021 Survey on Actual Conditions of Private-sector Mortgage Loans Result Report"

## Single-family Homes Related Business (Trends in Sales Contract)

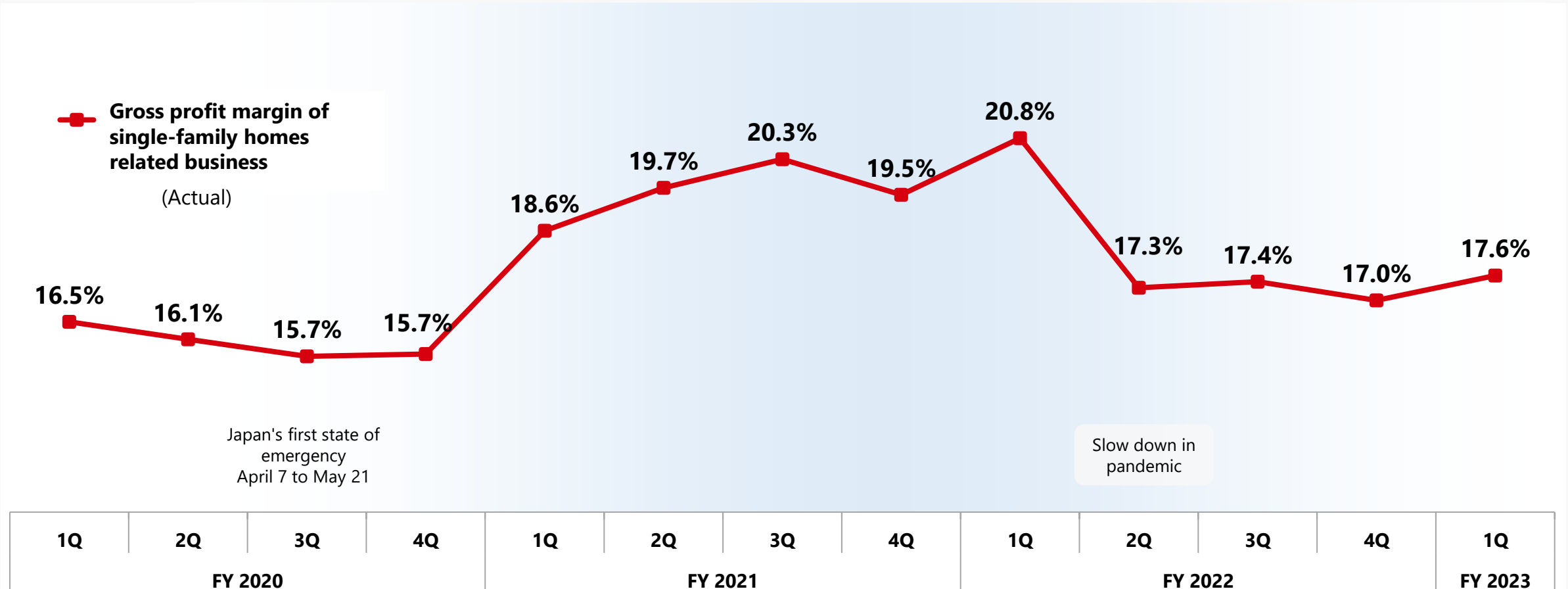
- Demand in the Tokyo Metropolitan areas was solid, maintaining double-digit growth
- Sales of single-family homes in the Kansai area and single-family investment rentals made a positive contributions



Target companies : Open House Development Co., Ltd. (OHD) & Hawk One Corporation (HO)  
 Scope : Sales (built-for-sale + land), not including contracted work

## Single-family Homes Related Business (Trends in Gross Profit Margin)

- Profitability has stabilized in the wake of slow down in pandemic
- Our procurement and sales capabilities contributed stabilizing profit against a background of strong demand in the Tokyo Metropolitan areas



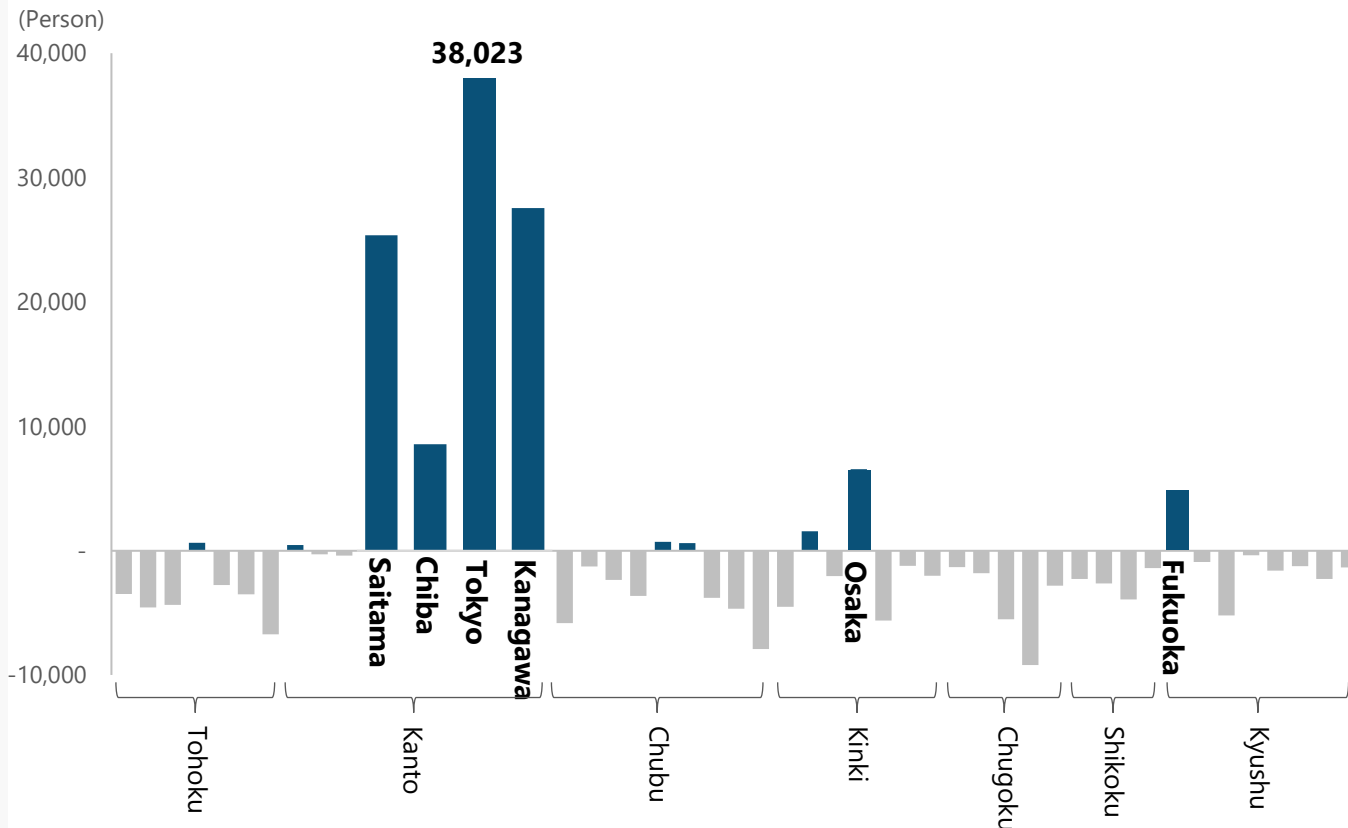
# Single-family Homes Related Business (Market Trends in the Tokyo Metropolitan Area)

- The population concentrated in the Tokyo Metropolitan areas
- More couples do not have an ideal number of children because of "house size"

**Supplying affordable housing in the Tokyo Metropolitan areas**

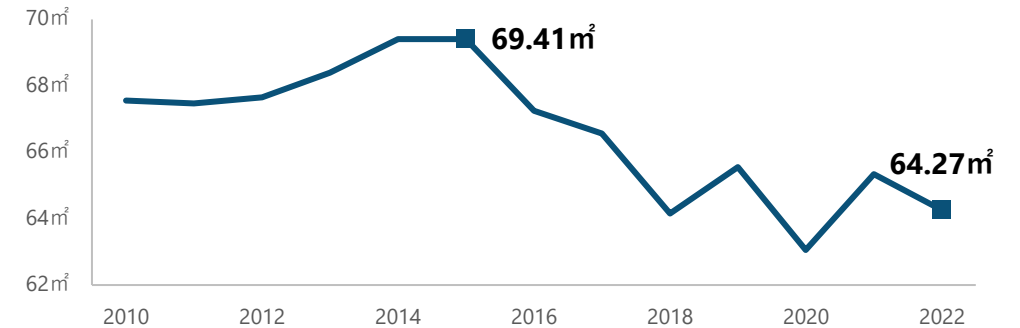
Most houses are 3 bedroom detached houses for families

Number of excess transfers by prefecture in 2022



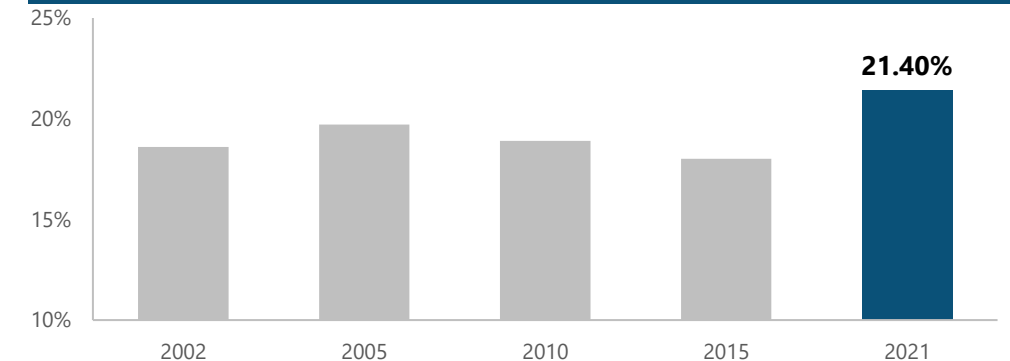
Source: Ministry of Internal Affairs and Communications "Basic Resident Ledger Population Movement Report,"

Average exclusive area of new condominiums in Tokyo



Source: Real Estate Economic Institute, "New Condominium Market Trends"

Ratio of couples who chose "house size" as a reason for not having an ideal number of children



※Please also refer to P.32-P.34

Source: National Institute of Population and Social Security Research, "The 16th Basic Survey on Birth Trends"

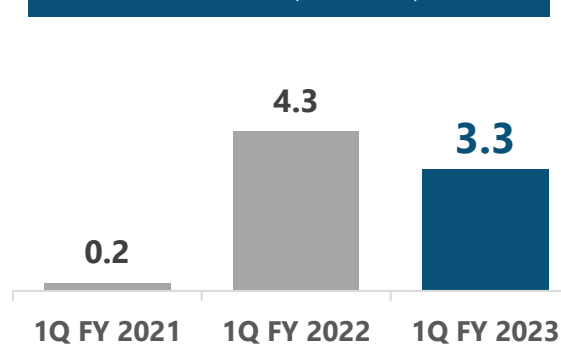
## Condominium Business

- **Approx. 90% of condominium sales are scheduled to be delivered in this quarter**
- **Sales totalizing Approx. ¥ 22 billion are expected in the 2Q with an increase in net sales in the first half of the year**

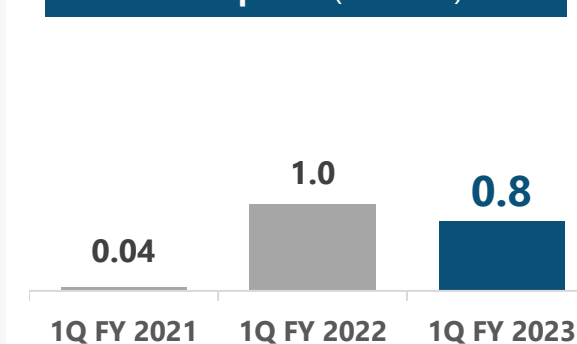
(¥ Million)

	1Q FY2021 (2020/10-2020/12)	1Q FY2022 (2021/10-2021/12)	1Q FY2023 (2022/10-2022/12)	Inc. (Dec.)
Net sales	262	4,374	<b>3,347</b>	<b>(23.5)%</b>
Gross profit	48	1,008	<b>804</b>	<b>(20.3)%</b>
Gross profit margin	18.6%	23.1%	<b>24.0%</b>	<b>1.0pt</b>
Operating profit	(808)	(118)	<b>(432)</b>	-
Operating profit margin	-	-	-	-
Number delivered	9	73	<b>59</b>	<b>(14)</b>
Unit price	28.7	59.7	<b>56.6</b>	<b>(3.2)</b>

Net sales (¥ billion)



Gross profit (¥ billion)



Major condominiums delivered in FY2023

Name	Units	Average Price
Open Residencia Kagurazaka First (Tokyo)	25	¥ 90 million
Open Residencia Omiya Front (Saitama)	87	¥ 50 million
Open Residencia Sakaehushimi THE COURT (Nagoya)	70	¥ 30 million
Open Residencia Ohorikoen (Fukuoka)	44	¥ 30 million

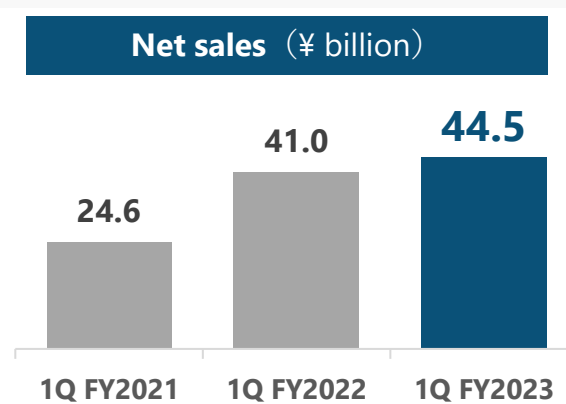
## Property Resale Business

- Appetite for investment properties was strong on the back of easing monetary policy
- Growth through the effective use of real estate information group-wide

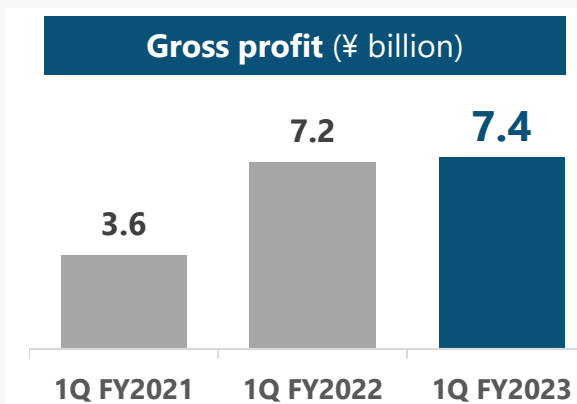
(¥ Million)

	1Q FY2021 (2020/10-2020/12)	1Q FY2022 (2021/10-2021/12)	1Q FY2023 (2022/10-2022/12)	Inc. (Dec.)
Net sales	24,633	41,064	<b>44,533</b>	<b>8.4%</b>
Gross profit	3,642	7,232	<b>7,422</b>	<b>2.6%</b>
Gross profit margin	14.8%	17.6%	<b>16.7%</b>	<b>(0.9)pt</b>
Operating profit	2,579	5,324	<b>5,429</b>	<b>2.0%</b>
Operating profit margin	10.5%	13.0%	<b>12.2%</b>	<b>(0.8)pt</b>
Number delivered	54	69	<b>80</b>	<b>11</b>
Unit price	447	578	<b>543</b>	<b>(34)</b>

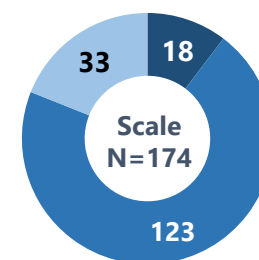
Net sales (¥ billion)



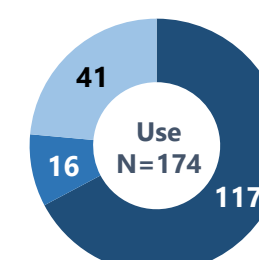
Gross profit (¥ billion)



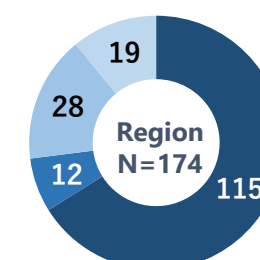
Breakdown of properties owned (as of the end of December 2022)



■ ≤¥100MIL  
 ■ >¥100 MIL≤¥500 MIL  
 ■ >¥500 MIL



■ Condominiums  
 ■ Office buildings  
 ■ Complex buildings



■ Tokyo  
 ■ Kanagawa  
 ■ Kansai, Chubu, Kyushu  
 ■ Other

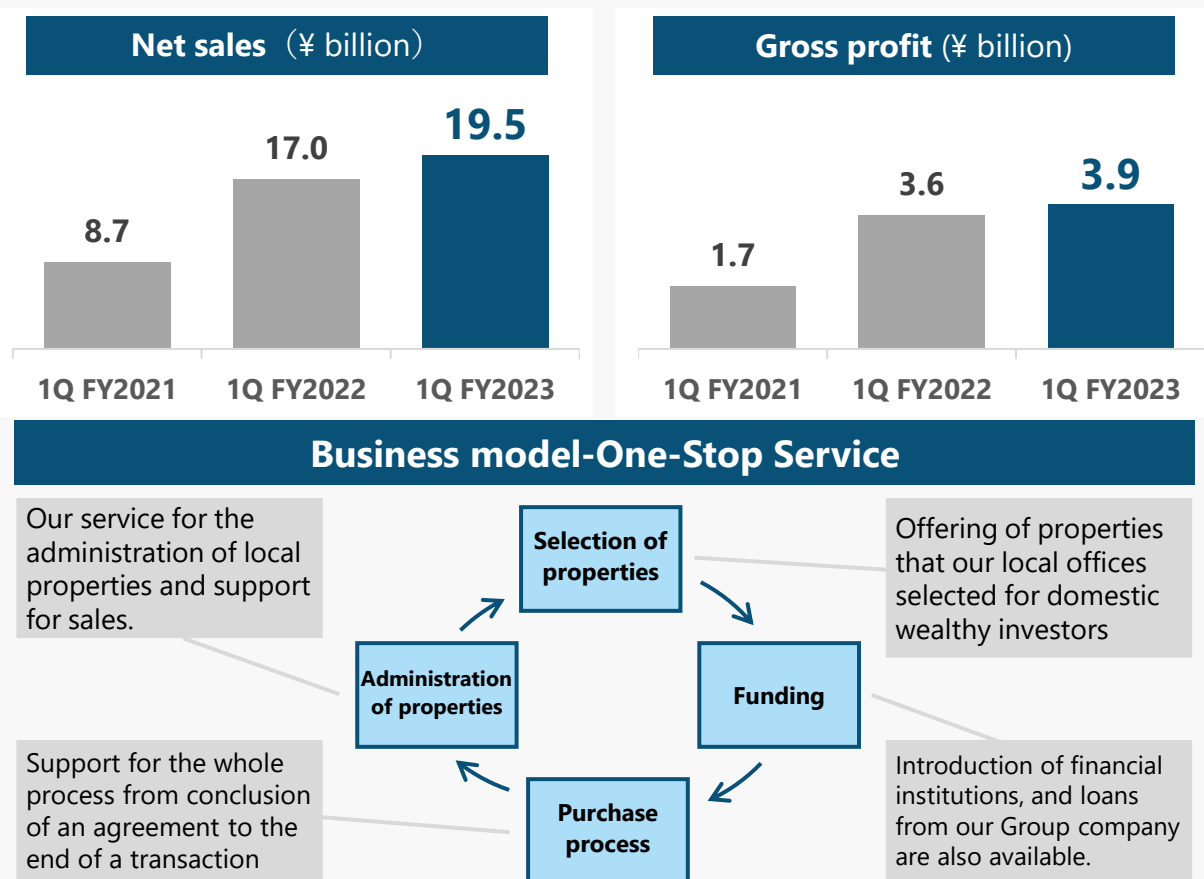
## Other Segment (U.S. Real Estate Business)

- High demand for investments that meet asset diversification needs

(¥ Million)

	1Q FY 2021 (2020/10-2020/12)	1Q FY 2022 (2021/10-2021/12)	1Q FY 2023 (2022/10-2022/12)	Inc. (Dec.)
Net sales	8,766	17,042	<b>19,529</b>	<b>14.6%</b>
Gross profit	1,779	3,687	<b>3,992</b>	<b>8.3%</b>
Gross profit margin	20.3%	21.6%	<b>20.4%</b>	<b>(1.2)pt</b>
Operating profit	887	2,202	<b>2,267</b>	<b>3.0%</b>
Operating profit margin	10.1%	12.9%	<b>11.6%</b>	<b>(1.3)pt</b>
Number delivered*	209	264	<b>221</b>	<b>(43)</b>
No. of buildings managed*	1,849	2,710	<b>3,678</b>	<b>968</b>

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



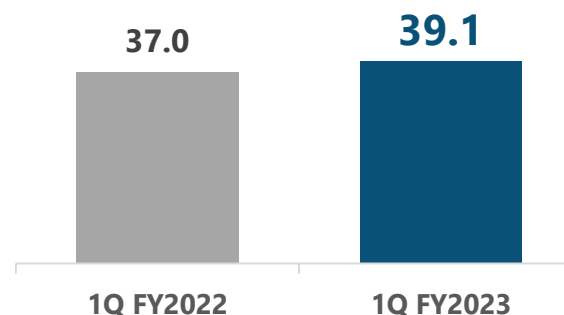
# Pressance Corporation

- As well as in the Tokyo Metropolitan areas, demand for condominiums in the Kansai region was strong in terms of both investment and actual

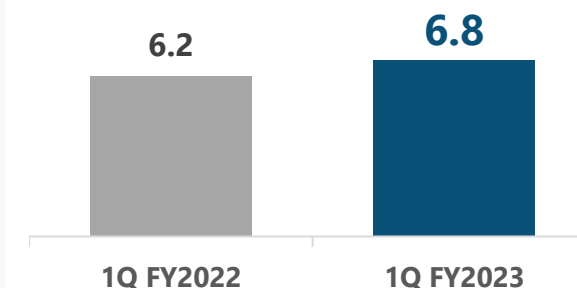
(¥ Million)

	1Q FY2022 (2021/10-2021/12)	1Q FY2023 (2022/10-2022/12)	Inc. (Dec.)
<b>Net sales</b>	37,028	<b>39,199</b>	5.9%
<b>Gross profit</b>	10,197	<b>10,520</b>	3.2%
<b>Gross profit margin</b>	27.5%	<b>26.8%</b>	(0.7)pt
<b>Operating profit</b>	6,272	<b>6,827</b>	8.9%
<b>Operating profit margin</b>	16.9%	<b>17.4%</b>	0.5pt
<b>Actual by products</b>	1,011	<b>1,374</b>	363
<b>Studio-type condominiums</b>	619	<b>900</b>	281
<b>Family-type condominiums</b>	392	<b>474</b>	82

## Net sales (¥ billion)



## Operating profit (¥ billion)



## Complementary relationships and key synergies between OHG and PSC

### Open House Group Co., Ltd.

### Pressance Corporation

#### Regional Complementarity

- Strong in the Tokyo metropolitan area

- Strong in the Kinki, Tokai and Chukyo regions

#### Product Complementarity

- Single-family homes
- Condominiums
- Property resales
- U.S. real estate

- Condominiums for investment
- Condominiums for families
- Management of condominiums

#### Key Synergies

- Single-family home business to tap into Kansai region
- Develop a business line of new condominiums for investment in the Tokyo metropolitan area
- Develop a real estate fund business managing primarily residential properties



## Breakdown of SG&A Expenses, Non-Operating Profit/Expenses

(¥ Million)

SG&A Expenses					Non-Operating Income / Expenses						
	1Q FY2022 (2021/10-2021/12)		1Q FY2023 (2022/10-2022/12)		Inc. (Dec.)		1Q FY2022 (2021/10-2021/12)		1Q FY2023 (2022/10-2022/12)		Inc. (Dec.)
	Actual	% of net sales	Actual	% of net sales			Actual	% of net sales	Actual	% of net sales	
<b>SG&amp;A expenses</b>	15,594	6.6%	<b>16,951</b>	6.8%	<b>1,356</b>	<b>Non-Operating income</b>	1,437	0.6%	<b>479</b>	0.2%	<b>(957)</b>
Personnel expenses	4,857	2.1%	<b>5,385</b>	2.2%	<b>527</b>	Share of profit of entities accounted for using equity method	429	0.2%	<b>112</b>	0.0%	<b>(316)</b>
Sales commissions	1,852	0.8%	<b>1,911</b>	0.8%	<b>58</b>	Dividend income	715	0.3%	<b>58</b>	0.0%	<b>(656)</b>
Office maintenance cost	1,538	0.7%	<b>2,033</b>	0.8%	<b>495</b>	Profit on currency exchange	292	0.1%	<b>308</b>	0.1%	<b>15</b>
Advertising expenses	918	0.4%	<b>890</b>	0.4%	<b>(27)</b>	Other	1,059	0.5%	<b>1,633</b>	0.7%	<b>573</b>
Promotion expenses	389	0.2%	<b>542</b>	0.2%	<b>153</b>	<b>Non-operating expenses</b>	916	0.4%	<b>979</b>	0.4%	<b>63</b>
Others	6,036	2.6%	<b>6,186</b>	2.5%	<b>149</b>	Interest expenses	111	0.0%	<b>19</b>	0.0%	<b>(91)</b>
						Commission expenses	-	-	<b>421</b>	0.2%	<b>421</b>
						Others	32	0.0%	<b>212</b>	0.1%	<b>180</b>

# Consolidated Balance Sheet

(¥ Million)

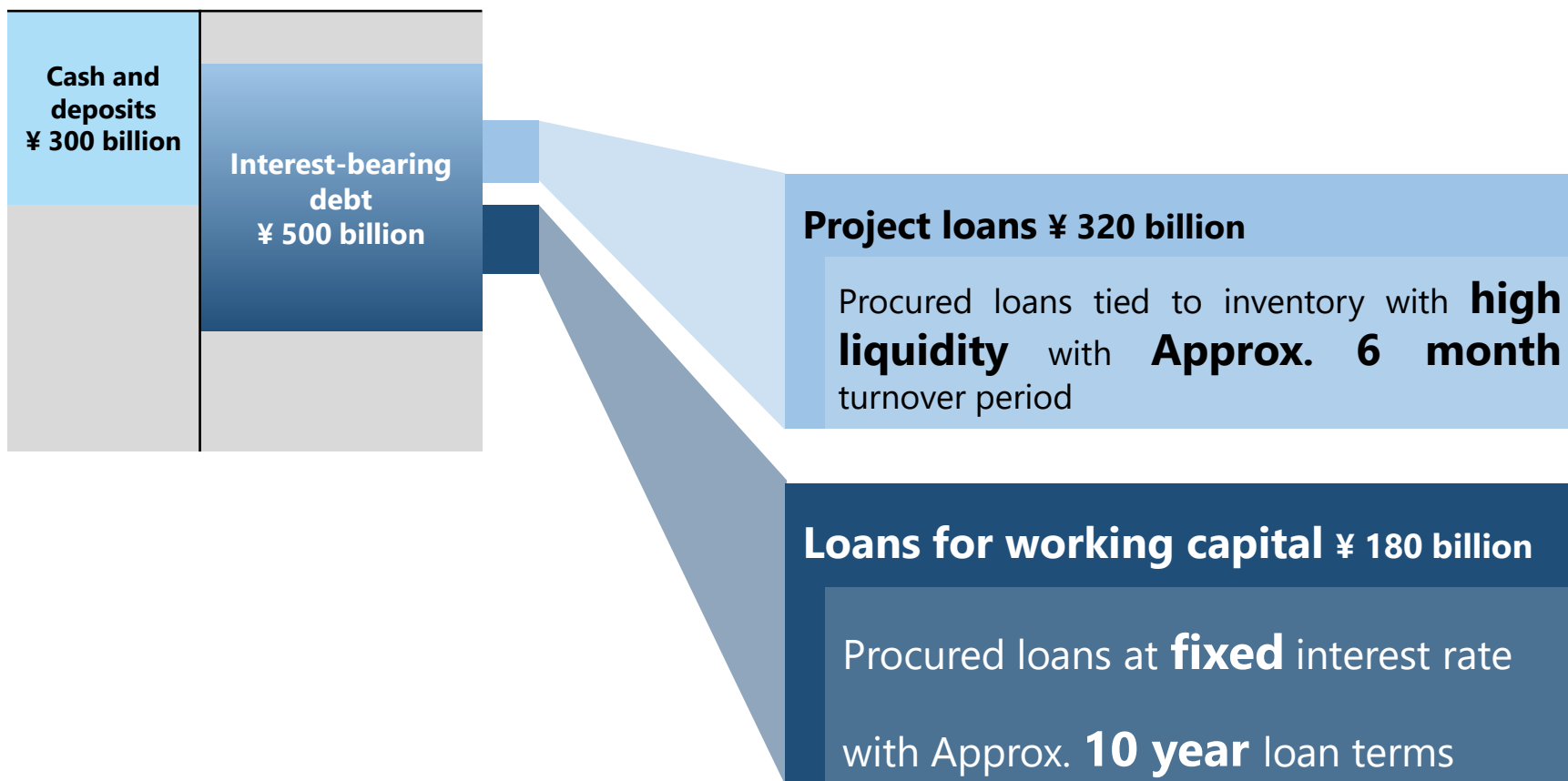
	FY2022	1Q FY2023	Inc. (Dec.)		FY 2022	1Q FY2023	Inc. (Dec.)
	<b>Consolidated balance sheet</b>						
<b>Current assets</b>	981,656	<b>967,286</b>	(14,370)	<b>Liabilities</b>	635,472	<b>616,099</b>	(19,373)
Cash and deposits	349,305	<b>307,415</b>	(41,890)	Current liabilities	309,495	<b>300,017</b>	(9,478)
Inventories	557,105	<b>580,286</b>	23,181	Non-current liabilities	325,976	<b>316,082</b>	(9,894)
Others	75,245	<b>79,583</b>	4,337	<b>Net assets</b>	395,702	<b>402,543</b>	6,841
<b>Non-current assets</b>	49,518	<b>51,357</b>	1,839	Shareholders' equity	326,221	<b>337,791</b>	11,569
Property, plant and equipment	21,123	<b>21,733</b>	610	Valuation and translation adjustments	11,874	<b>5,908</b>	(5,965)
Intangible assets	2,925	<b>2,857</b>	(67)	Non-controlling interests	57,606	<b>58,844</b>	1,237
Investments and other assets	25,470	<b>26,766</b>	1,296	<b>Total liabilities and net assets</b>	1,031,174	<b>1,018,643</b>	(12,531)
<b>Total asset</b>	1,031,174	<b>1,018,643</b>	(12,531)				
<b>Safety index</b>							
<b>Net D/E ratio</b>	0.5	<b>0.6</b>	0.1	<b>Equity ratio</b>	32.7%	<b>33.7%</b>	0.9pt
<b>D/E ratio</b>	1.5	<b>1.5</b>	(0.0)	<b>Current ratio</b>	317.2%	<b>322.4%</b>	5.2pt

■ Continued to maintain an equity ratio of 30+ % and a high level of financial stability

# Consolidated Balance Sheet (Strong Procurement Base Resistant to Changes in Financial Conditions)

- Procurements of long-term, fixed interest rate loans for working capital
- Established a financial structure to limit the impact of changes in financial conditions

BS as of the end of  
December 2022



## Examples of working capital loans

### Positive Impact Finance

Amount	¥ 10 billion
Lender	Mizuho
Period	10 years
Issue date	February 28, 2022

### ESG/SDGs Assessment Syndication

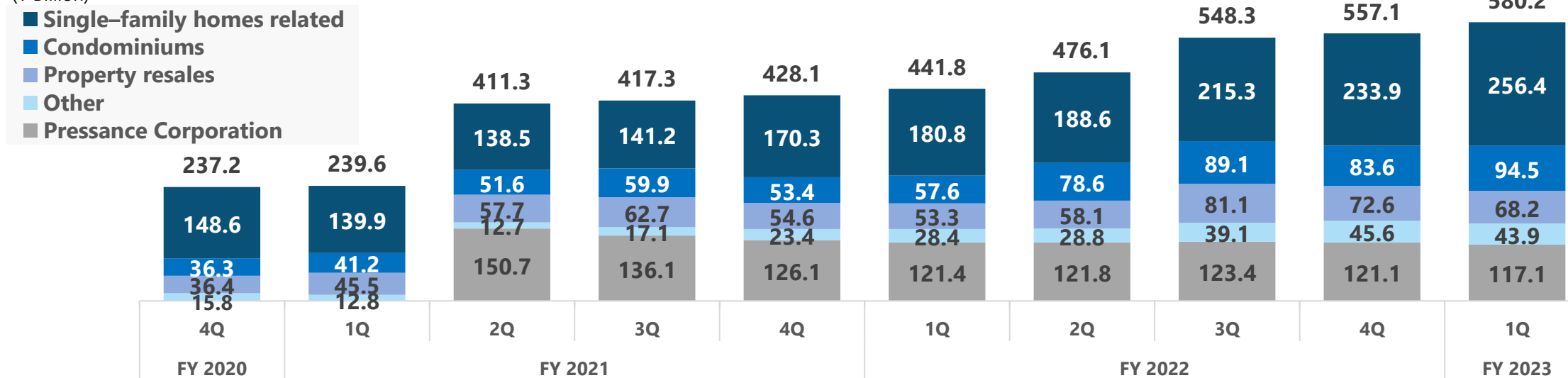
Amount	¥ 20.5 billion
Arranger	Mitsui Sumitomo
Period	10 years
Issue date	September 28, 2022

## Inventory Details

(¥ Million)

	FY2020	FY2021	FY2022	1Q FY2023	Ratio	Inc. (Dec.)
<b>Inventory</b>	237,287	428,129	557,105	<b>580,286</b>	<b>100.0%</b>	<b>23,181</b>
<b>Single-family homes related</b>	148,676	170,389	233,979	<b>256,474</b>	<b>44.2%</b>	<b>22,495</b>
<b>Condominiums</b>	36,339	53,496	83,632	<b>94,501</b>	<b>16.3%</b>	<b>10,869</b>
<b>Property resales</b>	36,445	54,681	72,678	<b>68,271</b>	<b>11.8%</b>	<b>(4,406)</b>
<b>Others</b>	15,825	23,452	45,639	<b>43,913</b>	<b>7.6%</b>	<b>(1,726)</b>
<b>Pressance Corporation</b>	-	126,109	121,174	<b>117,125</b>	<b>20.2%</b>	<b>(4,049)</b>

(¥ Billion)



**2. Consolidated Business Performance Forecasts for FY2023**



**OPEN HOUSE GROUP**

## Consolidated Business Performance Forecast

- Upward revision of financial forecast for the 2Q FY2023, reflecting a good performance in reportable segments including single family homes business
- Aiming to hit the record high in net sales and profit for the eleventh consecutive year

	FY2022 (2021/10-2022/9)		FY2023 (2022/10-2023/9)		Revision of consolidated financial forecast for the first half year of FY 2023 (2022/10-2023/3)			
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	Revised forecast	YoY changes	Inc. (Dec.)	Previous forecast
Net sales	952,686	17.5%	<b>1,100,000</b>	<b>15.5%</b>	<b>520,700</b>	<b>14.3%</b>	<b>25,000</b>	<b>495,700</b>
Operating profit	119,358	18.1%	<b>134,000</b>	<b>12.3%</b>	<b>65,300</b>	<b>8.8%</b>	<b>5,000</b>	<b>60,300</b>
Ordinary profit	121,166	24.2%	<b>130,000</b>	<b>7.3%</b>	<b>63,100</b>	<b>2.4%</b>	<b>4,500</b>	<b>58,600</b>
Profit attributable to owners of parent	77,884	11.9%	<b>86,000</b>	<b>10.4%</b>	<b>41,100</b>	<b>4.0%</b>	<b>3,500</b>	<b>37,600</b>
EPS (yen)	626.24	-	<b>713.79</b>	-	Ordinary dividend		Special dividend	
Annual dividends per share (yen)	129.00	17.00	<b>154.00</b>	<b>25.00</b>	<b>144.00</b>	+	<b>10.00</b>	
Payout ratio	20.6%	-	<b>21.6%</b>	-	<b>20.2%</b>		<b>1.4%</b>	

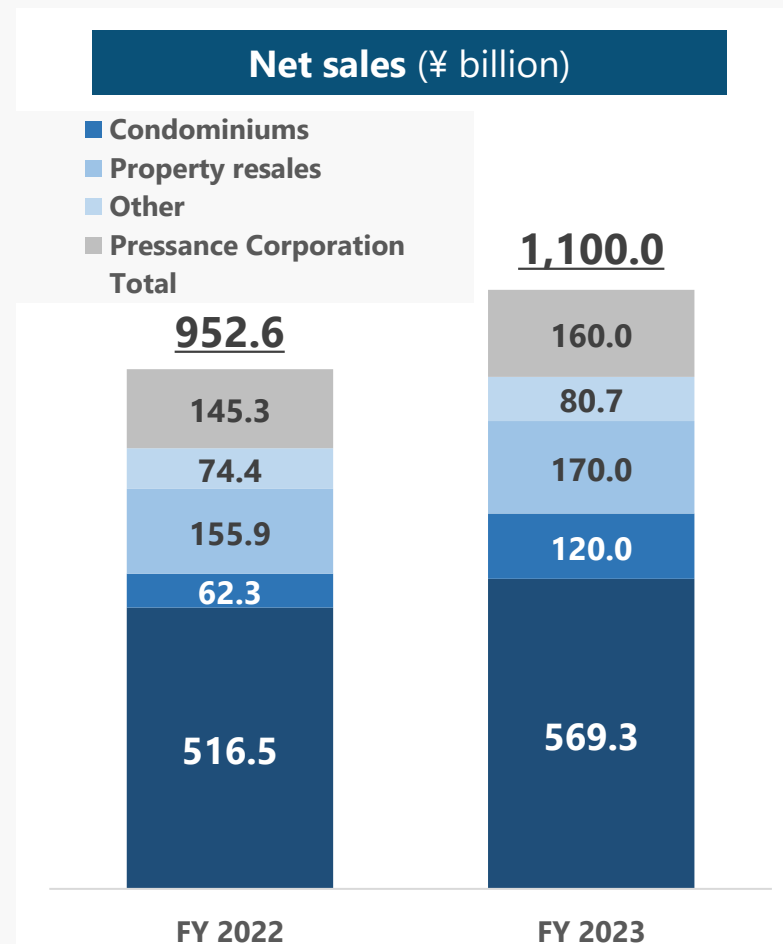
(¥ Million)

## Consolidated Business Forecasts (Net Sales by Business Segments)

- Sales of condominium were also healthy with a significant increase in net sales, continuing to aim for double-digit growth overall

(¥ Million)

	FY2022 (2021/10-2022/9)		FY2023 (2022/10-2023/9)		Inc. (Dec.)
	Actual	Inc. (Dec.)	Forecast	Inc. (Dec.)	
<b>Total</b>	952,686	100.0%	<b>1,100,000</b>	100.0%	<b>15.5%</b>
<b>Single-family homes related business</b>	516,554	54.2%	<b>569,300</b>	51.8%	<b>10.2%</b>
<b>Condominiums</b>	62,362	6.5%	<b>120,000</b>	10.9%	<b>92.4%</b>
<b>Property resales</b>	155,961	16.4%	<b>170,000</b>	15.5%	<b>9.0%</b>
<b>Others (including U.S. real estate business)</b>	74,471	7.8%	<b>80,700</b>	7.3%	<b>8.4%</b>
<b>Pressance Corporation</b>	145,324	15.3%	<b>160,000</b>	14.5%	<b>10.1%</b>
<b>Adjustments</b>	(1,987)	-	-	-	-



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

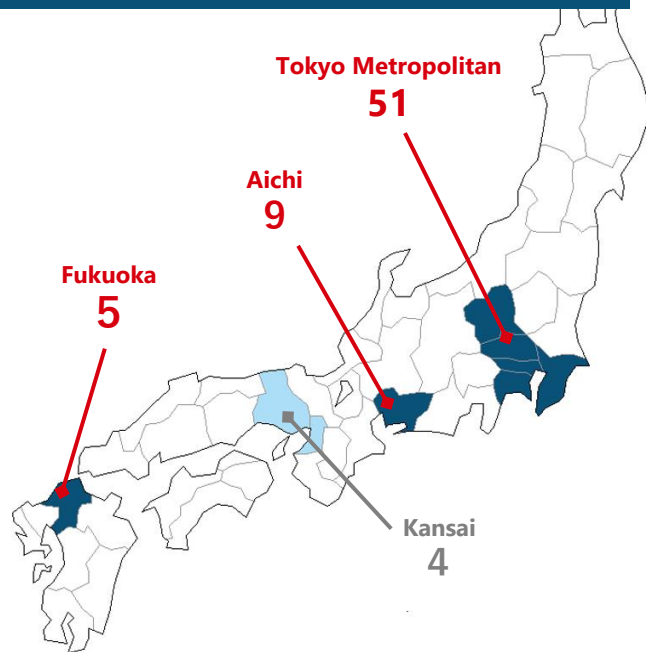
## Single-family homes related

FY2023 Forecast

Net sales **¥ 569.3 billion**

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

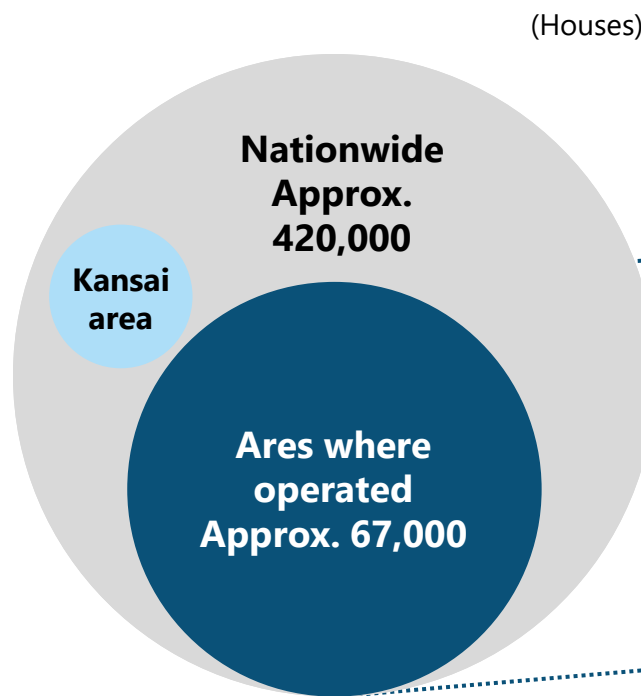
### Number of sales centers of each area



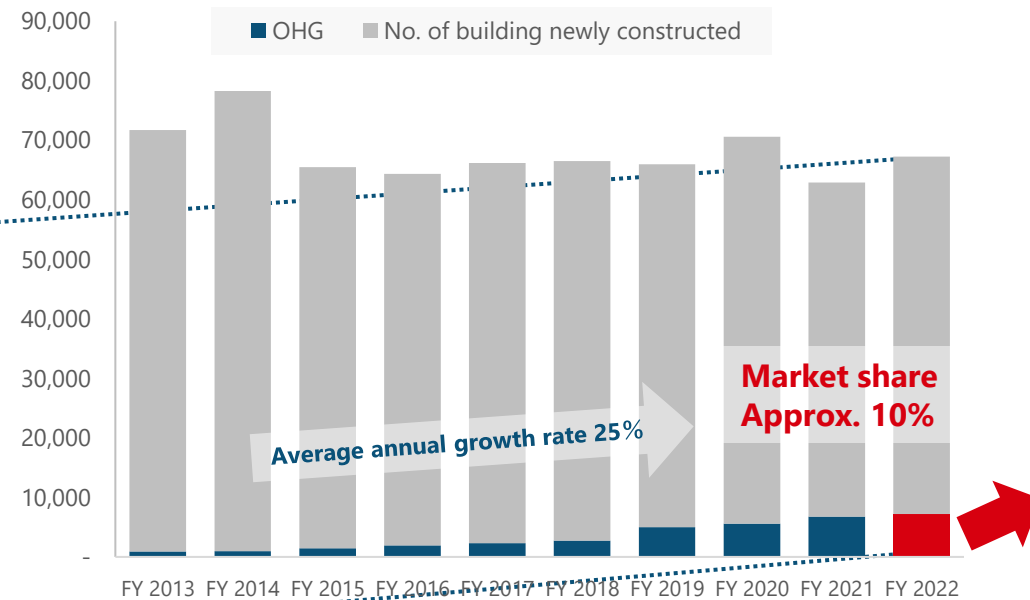
## Nationwide market size

- Sales have trended at an average annual growth rate of 25% despite the market has remained 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 newly constructed : "Construction Statistics", "Statistics on Building Construction Started", Ministry of Land, Infrastructure, Transport and Tourism.

OHG : No. of buildings delivered (built for sale + contracted)

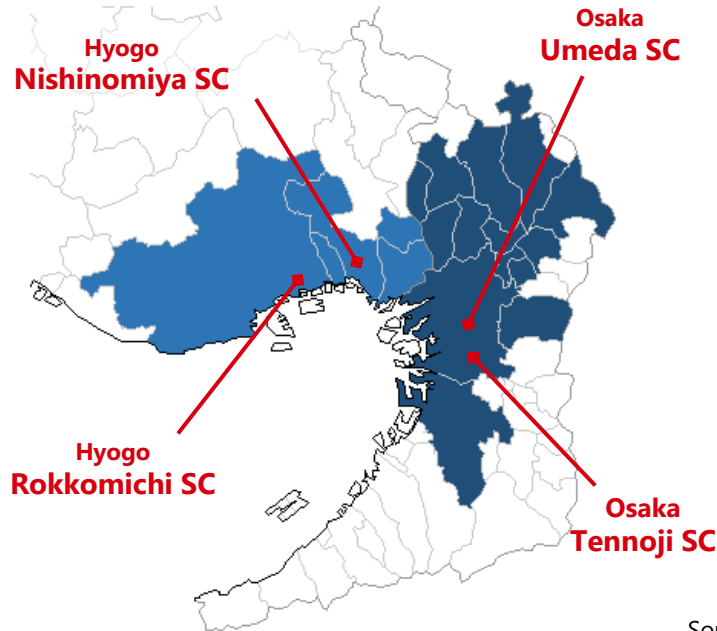


# Real Estate for Actual Demand (Single-family Homes Related Business)

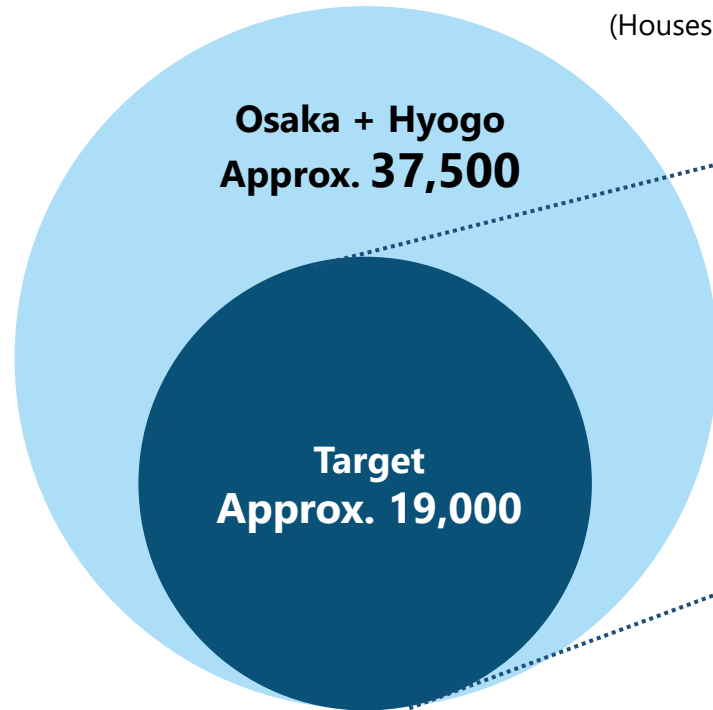
## Market size in the Kansai area

- The company targets approx. 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.

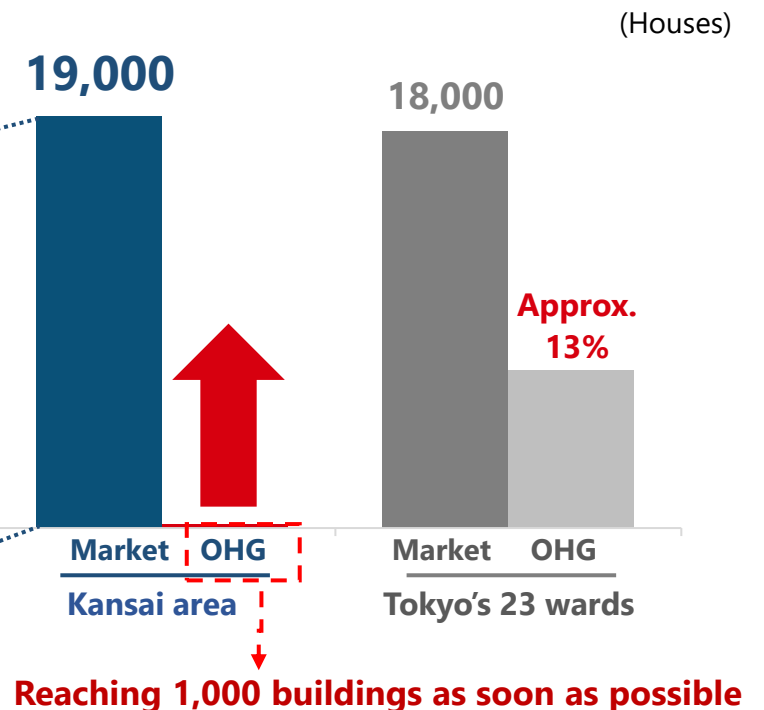
### Target areas and existing sales centers



### Target market size in the Kansai area



### Comparison of target market & Tokyo's 23 wards



Source

No. of buildings newly constructed :

"Construction Statistics", "Statistics on Building Construction Started", Ministry of Land, Infrastructure, Transport and Tourism.

OHG : Number of buildings delivered by OHD and HO (built for sale + contracted)

# Real Estate for Actual Demand (Condominium Business)

## Condominiums

FY2023 forecast

Net sales **¥ 120 billion**

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

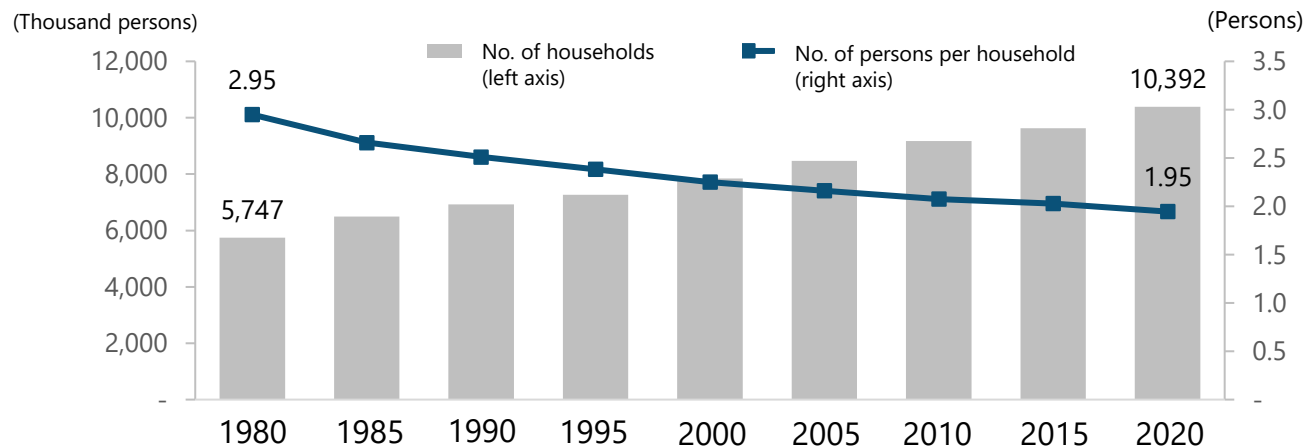
In urban area,

■ Increase in smaller households 

■ Decrease in condominium supply 

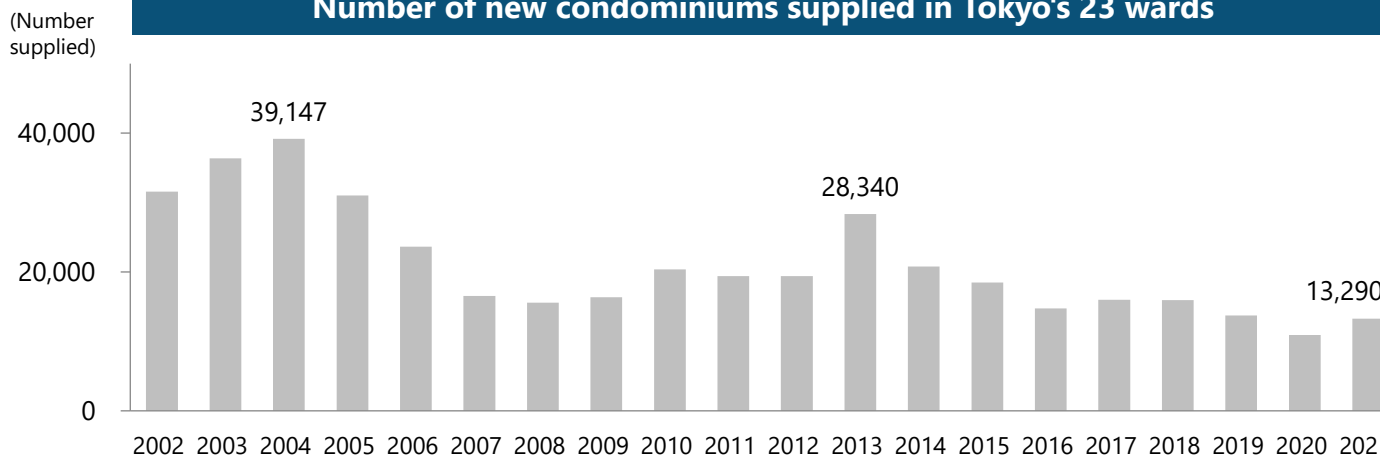
⇒ Demand exceeds supply

### 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 resale business

FY2023 forecast

Net sales **¥ 170 billion**

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

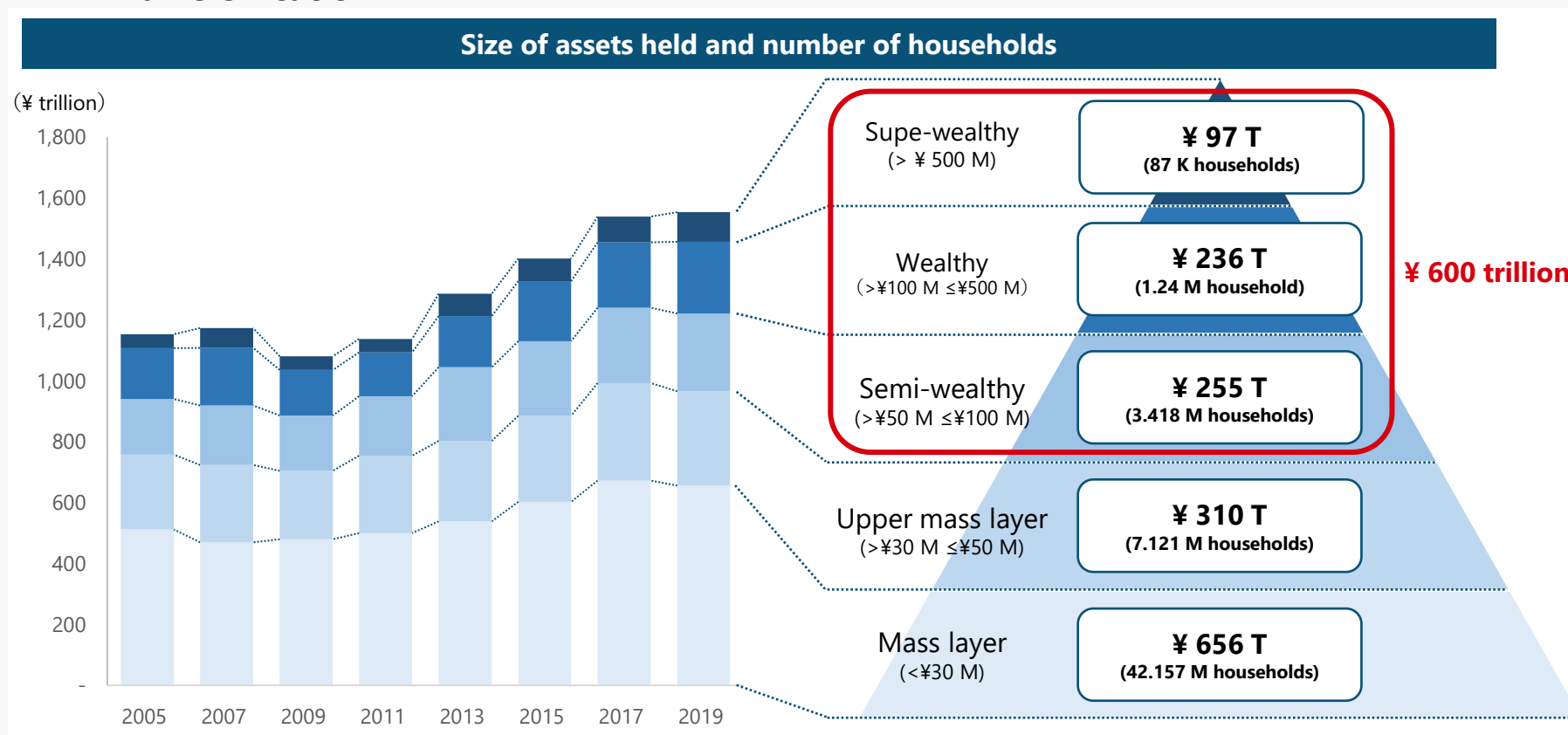
## Others (U.S. real estate business)

FY2023 forecast

Net sales **¥ 80.7 billion**

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

- Financial assets of the domestic wealthy have been 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. The Mid-term Business Plan**



**OPEN HOUSE GROUP**

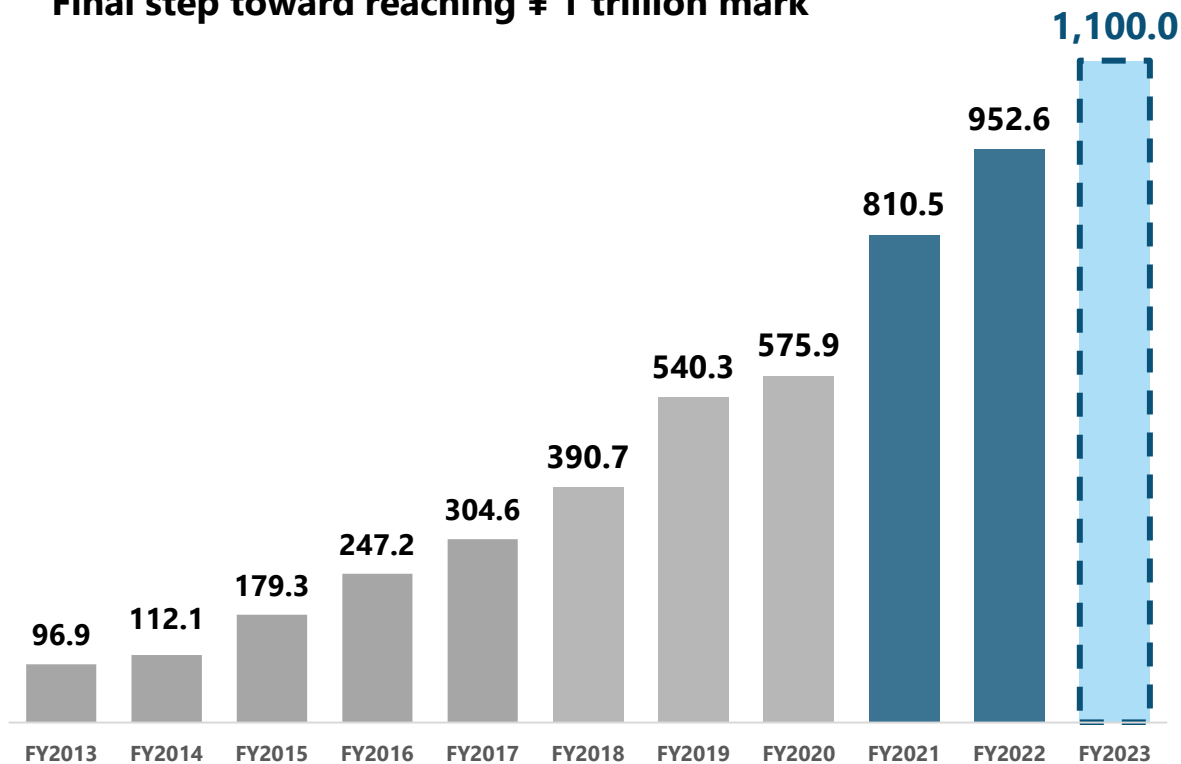
## Sales Trends and Capital / Financial Policies

## Net sales trends

The second mid-term management plan

*"Ikoze iccho! 2023"*

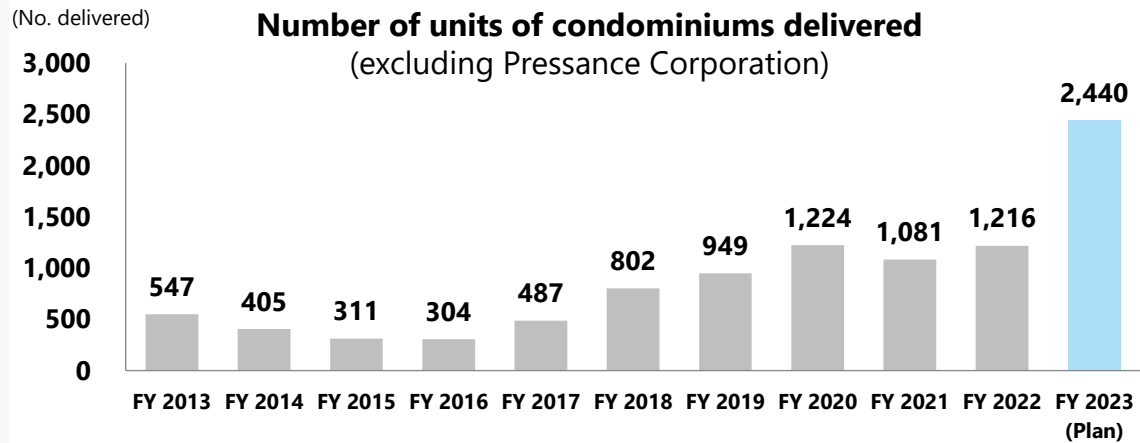
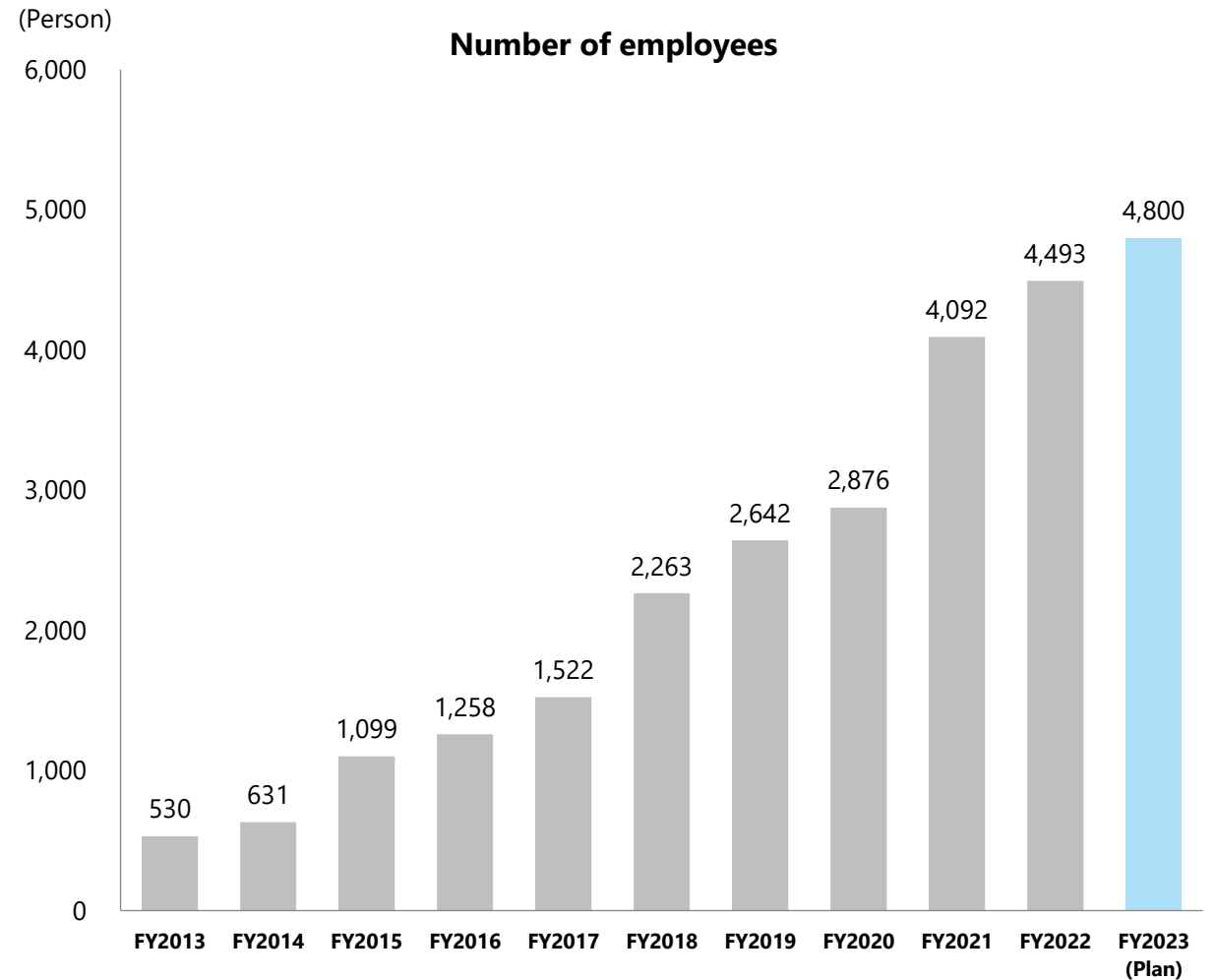
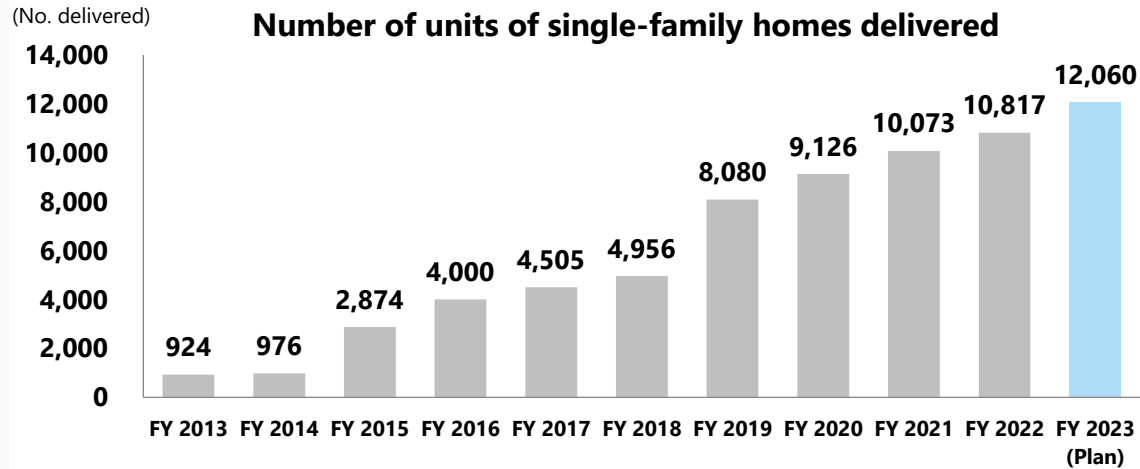
Final step toward reaching ¥ 1 trillion mark



## Capital / financial policies

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

# Mid-term Management Plan\_Quantitative Targets



# 4. Sustainability



**OPEN HOUSE GROUP**

## Open House Group Sustainability

Realization of a **sustainable society**, made possible by **Open House Group**

**Regional  
cocreation**

**Supplying  
affordable housing  
in the Tokyo  
Metropolitan area**

**Popularizing  
wooden  
houses**

**Promoting  
decarbonization  
for the next  
generation**

**Promotion of  
women's  
participation  
in workplace**

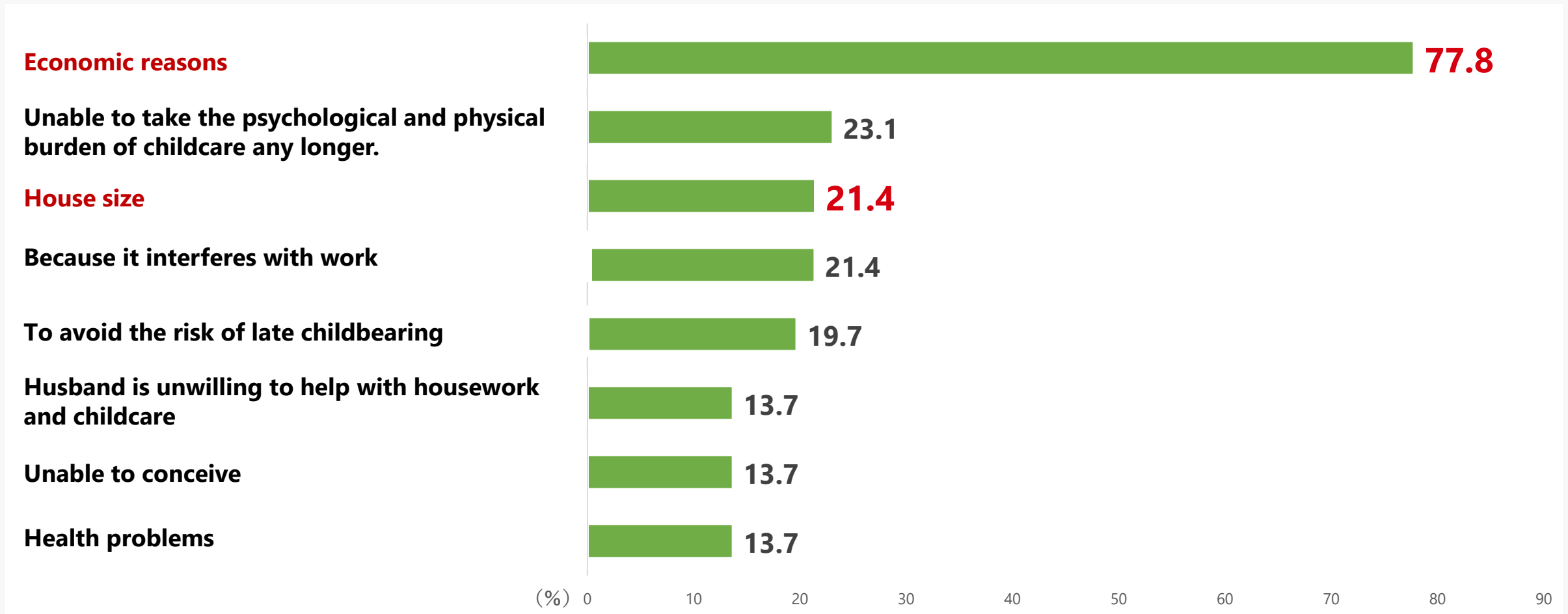
**Corporate culture in  
which motivated  
people can find  
fulfillment  
in their work**



# Social Issues

## Reasons for not having the ideal number of children

(Couples whose expected number of children is less than their ideal number of children, under 35 years old)



Source: "The 16th Japanese National Fertility Survey", National Institute of Population and Social Security Research

## Supplying Affordable Housing in the Tokyo Metropolitan Areas



**Convenient  
and good  
location**

- ❑ Proactively procuring narrow and deformed land in convenient locations
- ❑ Planning for larger living spaces while maximizing the size of the land

**Compact but  
comfortable  
living space**

- ❑ Using design ingenuity to create larger living spaces despite site restrictions
- ❑ Design changes can be made to create workspaces to work from home

**Community  
development  
for the next  
generation**

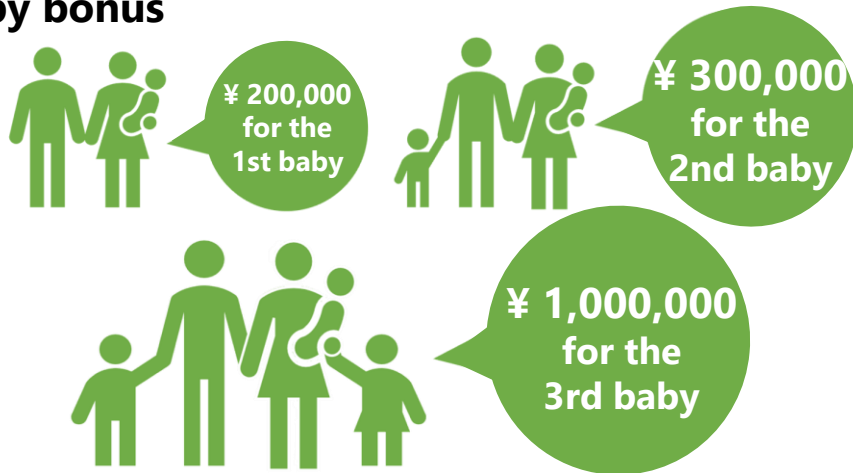
- ❑ 90% of customers are in their 20s~40s, revitalizing local communities through urban development tailored to the working generation
- ❑ Promoting the creation of greener environments by planting around the limited space at home

## Corporate Culture in which Motivated People Can Find Fulfillment in Their Work<sup>①</sup>

### ■ Continuous increase in starting salary for new graduates

	2017	⇒	2018	2021	⇒	2022
Starting salary (monthly)	¥ 270,000	⇒	¥ 300,000	¥ 300,000	⇒	¥ 330,000

### ■ Baby bonus



### ■ Support for balancing childcare and work Babysitter allowance up to ¥ 300,000 per month

Responding to inflation, countermeasures to the declining birthrate, and reducing the burden of childcare...

**Aggressive investment in human resources to resolve social issues**

# Corporate Culture in which Motivated People Can Find Fulfillment in Their Work ②

**"Excellent company found by 13 million word-of-mouth"\***

The Company was ranked in the following categories

**"High Employee Morale" No. 1**

**"Appropriateness of Personnel Evaluation" 5th**  
**"Overall Evaluation" 37th**



\* Published January 13, 2023  
by Toyo Keizai Inc.

**Our employee won the Para Snowboard World Cup for the first time**



Center : Para Athlete Junta Kosuda

**Employment initiatives for people with disabilities were introduced on local government websites**

**Employment initiatives for people with disabilities as part of diversity promotion were introduced on the websites of the following local governments**

- Chiba Prefecture  
<https://www.pref.chiba.lg.jp/sanjin/shougai/friendly/r4-jigyousho.html>
- Yokohama City  
<https://www.city.yokohama.lg.jp/kurashi/fukushi-kaigo/fukushi/annai/shuro/sonota-syuro-koyo/jirei.html#fudosan>



# Promoting Decarbonization for the Next Generation

## ■ Bolstered networks to achieve decarbonization goals

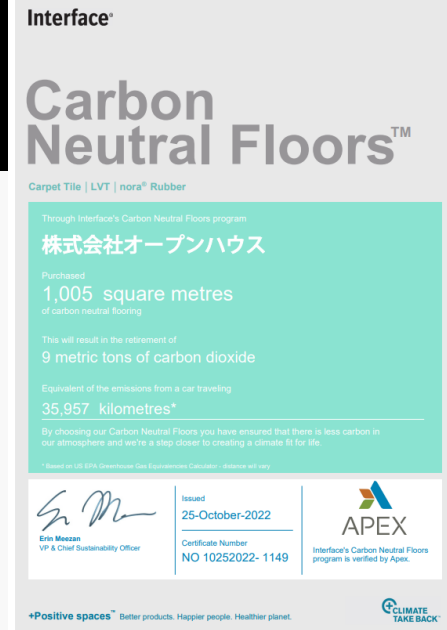
### 01 Joined JAPAN CLIMATE INITIATIVE (JCI\*)

In January 2023, the Company aligned with companies, municipalities and NGOs actively working to combat climate change to bolster networks for the achievement of decarbonization goals.

\*JCI : Japan Climate Initiative

### 02 Use of environmentally friendly materials at the new head office

1,005 m<sup>2</sup> of floor space at the new head office to which we relocated to in January 2023 is covered with flooring which is certified carbon-neutral.



## <Current activities of decarbonization project>



Promotion of solar panels in cooperation with Tokyo Gas



Supplying renewable energy for buyers of single family homes



Creation of renewable energy by solar fund



Activities to promote domestic timber by Japan wood-housing association



Environmental conservation activities by employees

## Regional Cocreation Project

- In April 2023, the new arena is scheduled to be completed in Ota City, Gunma Prefecture, hometown of our group, Gunma Crain Thunders
- Revitalizing area around the arena, and making the arena a new landmark symbolizing regional cocreation



**5. Supplemental Financial Data**



**OPEN HOUSE GROUP**

# Consolidated Financial Results Trend

		FY2021				FY2022				FY2023	FY2021	FY2022	FY2023	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	Actual	Actual	Plan	
<b>Single-family homes related</b>	Net sales	121,524	113,679	115,344	96,411	136,051	124,719	115,787	139,995	<b>141,735</b>	446,959	516,554	569,300	
	Gross profit	22,656	22,345	23,455	18,795	28,339	21,576	20,194	23,801	<b>24,925</b>	87,252	93,912	96,600	
	Gross Profit margin	18.6%	19.7%	20.3%	19.5%	20.8%	17.3%	17.4%	17.0%	<b>17.6%</b>	19.5%	18.2%	17.0%	
	Operating Profit	17,045	15,864	16,834	12,549	21,799	14,153	12,634	14,426	<b>16,484</b>	62,294	63,014	-	
	Operating Profit margin	14.0%	14.0%	14.6%	13.0%	16.0%	11.3%	10.9%	10.3%	<b>11.6%</b>	13.9%	12.2%	-	
<b>Open House Development</b>	Net sales	75,568	73,229	77,046	68,324	86,733	81,974	80,171	87,623	<b>98,829</b>	294,169	336,502	377,000	
	Gross profit	14,075	14,763	15,423	13,442	18,626	14,862	14,982	15,212	<b>17,822</b>	57,705	63,683	-	
	Gross Profit margin	18.6%	20.2%	20.0%	19.7%	21.5%	18.1%	18.7%	17.4%	<b>18.0%</b>	19.6%	18.9%	-	
	Number delivered	Built-for-sale houses	881	853	878	784	787	837	919	1,081	<b>1,184</b>	3,396	3,624	4,970
		Lands	845	801	766	676	1,042	849	725	786	<b>833</b>	3,088	3,402	3,270
Built-to order houses		403	440	499	472	408	444	553	513	<b>544</b>	1,814	1,918	1,790	
Unit price	Built-for-sale houses	40.3	39.7	41.8	41.6	43.4	43.1	43.1	42.8	<b>44.0</b>	40.9	43.1	-	
	Lands	40.4	40.8	42.8	42.2	44.3	46.1	44.4	42.7	<b>45.6</b>	41.5	44.4	-	
<b>Hawk One</b>	Net sales	33,695	28,933	25,510	17,191	36,429	28,207	24,547	36,168	<b>28,992</b>	105,329	125,352	134,000	
	Gross profit	5,855	5,266	5,067	3,594	7,316	4,907	4,117	5,484	<b>4,702</b>	19,783	21,825	-	
	Gross Profit margin	17.4%	18.2%	19.9%	20.9%	20.1%	17.4%	16.8%	15.2%	<b>16.2%</b>	18.8%	17.4%	-	
	Number delivered	Built-for-sale houses	723	588	509	330	665	546	433	639	<b>524</b>	2,150	2,283	2,430
		Lands	80	77	68	67	106	64	67	109	<b>83</b>	292	346	390
Built-to order houses		15	22	31	14	63	13	40	52	<b>32</b>	82	168	190	
Unit price	Sales	41.7	43.0	43.5	42.2	46.4	45.2	47.7	47.2	<b>46.8</b>	42.5	46.6	-	
<b>Open House Architect</b>	Net sales	14,317	13,253	15,796	14,432	13,382	16,974	14,669	22,469	<b>18,267</b>	57,800	67,495	80,000	
	Gross profit	1,884	1,851	2,464	1,725	1,135	1,612	1,058	2,323	<b>1,898</b>	7,926	6,130	-	
	Gross Profit margin	13.2%	14.0%	15.6%	12.0%	8.5%	9.5%	7.2%	10.3%	<b>10.4%</b>	13.7%	9.1%	-	
	Number delivered	to outside customers	691	643	709	588	694	690	684	808	<b>679</b>	2,631	2,876	2,680
		to OHD	425	407	382	420	337	475	411	658	<b>529</b>	1,634	1,881	2,390

(¥ Million)



## Consolidated Financial Forecast for FY2023\_Sales and Unit Plan by Segments

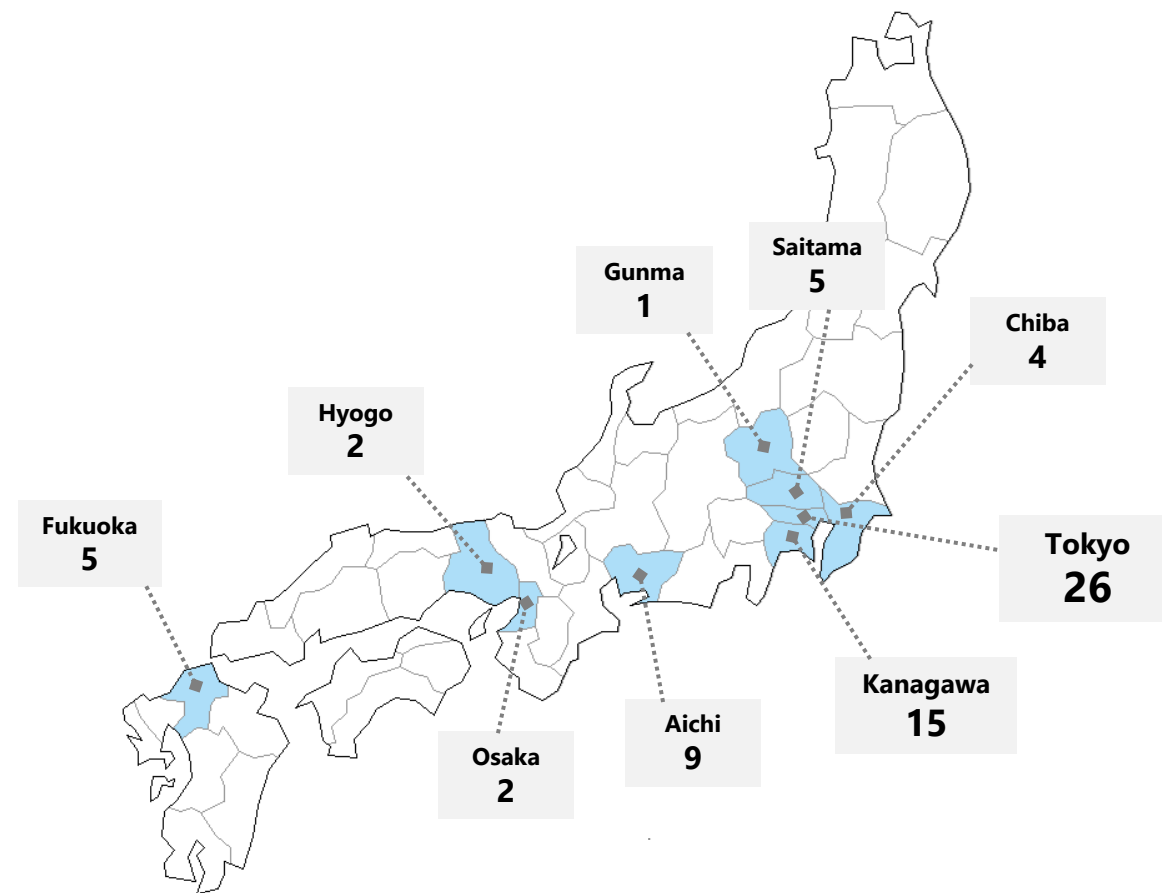
(¥ Million)

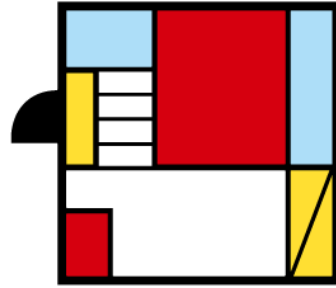
		FY2021				FY2022				FY2023	FY2021	FY2022	FY2023
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	Actual	Actual	Plan
<b>Condominiums</b>	Net sales	262	4,381	8,856	33,646	4,374	7,092	13,390	37,503	<b>3,347</b>	47,147	62,362	120,000
	Gross profit	48	1,107	2,230	7,747	1,008	1,846	2,977	10,553	<b>804</b>	11,133	16,385	31,200
	Gross Profit margin	18.3%	25.3%	25.2%	23.0%	23.0%	26.0%	22.2%	28.1%	<b>24.0%</b>	23.6%	26.3%	26.0%
	Operating Profit	-808	-8	1,102	6,221	-118	537	1,512	8,721	<b>-432</b>	6,507	10,654	-
	Operating Profit margin	-	-	12.4%	18.5%	-	7.6%	11.3%	23.3%	<b>-</b>	13.8%	17.1%	-
	Number delivered	9	51	177	844	73	112	317	714	<b>59</b>	1,081	1,216	2,440
	Unit price	28.7	76.0	49.8	39.7	59.7	61.1	42.7	52.3	<b>56.6</b>	43.0	51.1	-
<b>Property resales</b>	Net sales	24,633	30,955	29,764	37,707	41,064	35,140	31,566	48,189	<b>44,533</b>	123,061	155,961	170,000
	Gross profit	3,642	5,299	4,582	4,393	7,232	5,687	5,204	6,571	<b>7,422</b>	17,918	24,695	25,900
	Gross Profit margin	14.8%	17.1%	15.4%	11.7%	17.6%	16.2%	16.5%	13.6%	<b>16.7%</b>	14.6%	15.8%	15.2%
	Operating Profit	2,579	3,545	3,306	2,854	5,324	3,805	3,725	4,813	<b>5,429</b>	12,285	17,669	-
	Operating Profit margin	10.5%	11.5%	11.1%	7.6%	13.0%	10.8%	11.8%	10.0%	<b>12.2%</b>	10.0%	11.3%	-
	Number delivered	54	77	71	90	69	91	71	97	<b>80</b>	292	328	410
	Unit price	448	394	406	407	578	368	427	482	<b>543</b>	411	458	-
<b>Others (U.S. real estate business)</b>	Net sales	8,766	10,863	11,957	13,572	17,042	19,235	18,026	20,167	<b>19,529</b>	45,159	74,471	80,700
	Gross profit	1,779	2,216	2,719	2,742	3,687	3,851	4,233	2,757	<b>3,992</b>	9,459	14,530	16,000
	Gross Profit margin	20.3%	20.4%	22.7%	20.2%	21.6%	20.0%	23.5%	13.7%	<b>20.4%</b>	20.9%	19.5%	19.8%
	Operating Profit	887	1,229	1,538	1,577	2,202	2,362	2,595	1,045	<b>2,267</b>	5,232	8,205	-
	Operating Profit margin	10.1%	11.3%	12.9%	11.6%	12.9%	12.3%	14.4%	5.2%	<b>11.6%</b>	11.6%	11.0%	-
Number delivered	209	205	194	219	264	300	240	267	<b>221</b>	827	1,071	1,110	
<b>Pressance Corporation</b>	Net sales	-	49,492	54,014	45,831	37,028	34,798	33,288	40,208	<b>39,199</b>	149,337	145,324	160,000
	Gross profit	-	6,647	12,794	9,981	10,197	8,565	8,260	8,515	<b>10,520</b>	29,424	35,539	-
	Gross Profit margin	-	13.4%	23.7%	21.8%	27.5%	24.6%	24.8%	21.2%	<b>26.8%</b>	19.7%	24.5%	-
	Operating Profit	-	2,160	8,696	5,644	6,272	4,713	3,780	5,961	<b>6,827</b>	16,502	20,727	-
	Operating Profit margin	-	4.4%	16.1%	12.3%	16.9%	13.5%	11.4%	14.8%	<b>17.4%</b>	11.1%	14.3%	-
	Number delivered												
	Studio-type condominiums	-	2,039	1,675	1,249	619	969	590	844	<b>900</b>	4,963	3,022	-
Family-type condominiums	-	339	458	408	392	310	401	379	<b>474</b>	1,205	1,482	-	
Total	-	2,378	2,133	1,657	1,011	1,279	991	1,223	<b>1,374</b>	6,168	4,504	-	

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

(Number of sales centers)

	FY2018	FY2019	FY2020	FY2021	FY2022	As of 2023.2.14	
Kanto	Tokyo	17	19	21	23	25	26
	Kanagawa	10	12	12	13	15	15
	Saitama	2	4	4	5	5	5
	Chiba	-	1	2	4	4	4
	Gunma	-	-	-	-	1	1
Subtotal	29	36	39	45	50	51	
Chubu	Aichi	3	5	7	8	8	9
	Subtotal	3	5	7	8	8	9
Kinki	Osaka	-	-	-	-	2	2
	Hyogo	-	-	-	-	2	2
	Subtotal	-	-	-	-	4	4
Kyushu	Fukuoka	-	1	3	4	4	5
	Subtotal	-	1	3	4	4	5
Total	32	42	49	57	66	69	





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