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February 14, 2024

Summary of Consolidated Financial Results for the First Quarter Ending September 30, 2024 (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/en/
Representative:	Masaaki Arai, President and CEO
Inquiries:	Kotaro Wakatabi, Senior Managing Director and CFO
Scheduled date to file quarterly securities report:	February 14, 2024
Scheduled start date of dividend payment	—
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	No

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

1. Consolidated financial results for the first quarter of the fiscal year ending September 30, 2024 (October 1, 2023 to December 31, 2023)

(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	%
1Q FY 2024	304,846	22.8	32,643	6.4	32,262	9.3	32,994	68.0
1Q FY 2023	248,198	5.5	30,668	(12.5)	29,514	(16.7)	19,643	(13.3)

Note: Comprehensive income: For the first quarter of the fiscal year ending September 2024: 30,844 million yen (101.2%)
For the first quarter of the fiscal year ending September 2023: 15,326 million yen (-41.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q FY 2024	274.11	273.70
1Q FY 2023	163.04	162.75

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
1Q FY 2024	1,291,262	499,948	33.3
FY 2023	1,198,668	480,416	34.7

Reference: Equity: As of December 31, 2023: ¥ 430,573 million
As of September 30, 2023: ¥ 415,855 million

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	72.00	—	92.00	164.00
FY 2024	—				
FY 2024 (Forecast)		83.00	—	83.00	166.00

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

3. Forecast of consolidated operating results for FY 2024 (October 1, 2023 to September 30, 2024)

(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)	594,200	9.7	55,100	(20.9)	52,300	(22.6)	46,700	5.1	387.96
Full year	1,300,000	13.2	124,000	(12.9)	120,000	(12.4)	92,500	0.5	768.45

Note: Revision to the forecast of consolidated results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
Newly included: 1 company (Sanei Architecture Planning Co., Ltd.)
- (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) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	120,588,100 shares
As of September 30, 2022	120,588,100 shares

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

As of December 31, 2023	706,417 shares
As of September 30, 2023	3,515 shares

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

Three months ended December 31, 2024	120,372,226 shares
Three months ended December 31, 2023	120,484,415 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 the forecast due to various unpredictable reasons.

Consolidated Quarterly Financial Statements

1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	End of FY 2023 (as of September 30, 2023)	End of FY 2024 1Q (as of December 31, 2023)
Assets		
Current assets		
Cash and deposits	401,879	354,480
Trade accounts receivable and contract assets	4,776	17,698
Real estate for sale	147,517	201,578
Real estate for sale in process	493,398	540,978
Operating loans	49,301	54,193
Other	34,105	42,085
Allowance for doubtful accounts	(549)	(819)
Total current assets	1,130,769	1,210,322
Non-current assets		
Property, plant and equipment	28,456	33,830
Intangible assets	2,690	2,998
Investments and other assets	36,751	44,111
Total non-current assets	67,898	80,940
Total assets	1,198,668	1,291,262
Liabilities		
Current liabilities		
Notes payable – trade	1,631	1,649
Trade accounts payable	34,929	44,925
Electronically recorded obligations - operating	11,860	8,565
Short-term borrowings	182,734	235,936
Current portion of bonds payable	10,242	11,012
Current portion of long-term borrowings	38,457	51,457
Income taxes payable	22,518	8,726
Provisions	6,034	3,611
Other	65,118	59,100
Total current liabilities	373,526	424,985
Non-current liabilities		
Bonds payable	121	4,244
Long-term borrowings	343,582	357,881
Allowance liabilities	—	47
Retirement benefit liability	326	833
Asset retirement obligations	230	366
Other	464	2,955
Total non-current liabilities	344,725	366,328
Total liabilities	718,251	791,314

(Millions of yen)

	End of FY 2023 (as of September 30, 2023)	End of FY 2024 1Q (as of December 31, 2023)
Net assets		
Share capital	20,110	20,110
Capital surplus	19,767	19,744
Retained earnings	361,583	383,484
Treasury shares	(18)	(2,946)
Total shareholders' equity	401,443	420,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	(34)
Cumulative adjustment of retirement benefits		2
Foreign currency translation adjustment	14,368	10,212
Total accumulated other comprehensive income	14,411	10,180
Share acquisition rights	752	788
Non-controlling interests	63,808	68,587
Total net assets	480,416	499,948
Total liabilities and net assets	1,198,668	1,291,262

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, 2022 (from October 1, 2022 to December 31, 2022)	Three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)
Net sales	248,198	304,846
Cost of sales	200,578	252,462
Gross profit	47,619	52,383
Selling, general and administrative expenses	16,951	19,742
Operating profit	30,668	32,640
Non-operating income		
Interest income	34	492
Dividend income	58	665
Rental income from buildings	52	51
Gain on sale of investment securities	144	—
Share of profit of entities accounted for using equity method	112	—
Other	76	286
Total non-operating income	479	1,496
Non-operating expenses		
Interest expenses	979	1,393
Commission expenses	19	52
Foreign exchange losses	421	251
Other	212	180
Total non-operating expenses	1,633	1,877
Ordinary profit	29,514	32,259
Extraordinary profit		
Gain on negative goodwill	—	12,748
Total Extraordinary profit	—	12,748
Profit before income taxes	29,514	45,008
Income taxes	8,178	9,957
Profit	21,336	35,050
Profit attributable to non-controlling interests	1,692	2,071
Profit attributable to owners of parent	19,643	32,979

Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)	Three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)
Profit	21,336	35,050
Other comprehensive income		
Valuation difference on available-for-sale securities	63	(83)
Foreign currency translation adjustment	(6,072)	(4,138)
Adjustment amount for retirement benefits	—	2
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	(6,009)	(4,218)
Comprehensive income	15,326	30,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,637	28,758
Comprehensive income attributable to non-controlling interests	1,689	2,074

3) Notes regarding consolidated quarterly financial statement

(Notes regarding on-going concern assumptions)

Not applicable

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

The Company acquired treasury stock based on the resolution of the Board of Directors held on November 14, 2023. As a result, treasury stock increased by 2,928 million yen during the current first quarter consolidated cumulative period.

(Changes in significant subsidiaries during the period)

From the first quarter of the consolidated accounting period, as a result of acquiring the shares of Sanei Architectural Design Co., Ltd., the company and its affiliated companies have been included in the scope of consolidation.

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

Regarding tax expenses, we reasonably estimate the effective tax rate after applying tax effect accounting to the consolidated net income before income taxes for the consolidated fiscal year including the current first quarter and multiply the quarterly net income before income taxes by the estimated effective tax rate.

(Changes in accounting policies)

Not applicable

(Segment and other information)

【Segment information】

I. 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	221,135	2	221,138
Other income	13,463	—	11,847	967	782	27,060	—	27,060
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.

II. Three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

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	Condos	Property resale	Others	PRESSANCE CORPORATION	Meldia	Total		
Net sales									
Net sales from contracts with customers	155,771	3,730	31,487	21,682	40,011	34,143	286,827	3	286,831
Other income	14,056	—	1,469	1,024	987	477	18,014	—	18,014
Net sales from outside customers	169,828	3,730	32,957	22,706	40,999	34,620	304,842	3	304,846
Intersegment net sales and transfers	358	—	143	57	—	2,711	3,270	(3,270)	—
Total	170,186	3,730	33,100	22,764	40,999	37,331	308,113	(3,267)	304,846
Segment profit (Loss)	17,959	(731)	4,257	2,096	8,031	1,327	32,940	(300)	32,640

(NOTE)

- Adjustment of ¥ (300) million for segment profit (loss) includes intersegment elimination of ¥ 656 million and corporate expenses of ¥ (965) 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.
- 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.

The Group has changed its segment classification from the first quarter of the current consolidated accounting period. With the addition of Sanei Architecture Planning Co., Ltd. to a consolidated subsidiary in October 2023, we have added "Meldia" as a new segment. As a result of the above changes, the reportable segments of our Group has changed to six segments: "Single-family homes related," "Condominiums," "Property resale," "Others," "PRESSANCE CORPORATION," and "Meldia".

(Significant gain on negative goodwill)

In the Meldia segment, we recognized a gain on negative goodwill due to acquiring the shares of Sanei Architecture Planning Co., Ltd. and making it a consolidated subsidiary.

The amount of gain on negative goodwill recorded due to this event was 12,748 million yen. Please note that the gain on negative goodwill is an extraordinary profit and is therefore not included in the segment profit above.

(Significant subsequent events)

Not applicable