Note: Please note that this document is a Japanese-English translation of the summary of the official announcement in Japanese "Kessan Tanshin" for reference purposes only.

Summary of Consolidated Financial Results
For the Second Quarter Ended September 30, 2017〔Based on Japanese GAAP〕

May 15, 2017

Company name:	Open House Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange, First section
Code Number:	3288
URL:	http://openhouse-group.com/ir
Representative:	Masaaki Arai, President and CEO
Scheduled date of quarterly securities report filing:	May 15, 2017
Scheduled date of dividends:	June 12, 2017
Supplementary materials for quarterly financial results:	Yes
Quarterly results briefing meeting :	Yes （for institutional investors and analysts, in Japanese)

(Million yen, rounded down)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2017 （October 1, 2016 to March 31, 2017）

(1) Consolidated operating results (Year-to-date) (% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2017 2Q	148,368	26.6	18,237	20.3	17,829	21.3	11,651	23.6
FY 2016 2Q	117,163	49.1	15,160	77.2	14,697	80.7	9,424	85.4

(Note) Comprehensive income: From October 1, 2016 to March 31, 2017 ¥ 11,705 million (24.1%)
From October 1, 2015 to March 31, 2016 ¥ 9,429 million (85.6%)

	EPS	Diluted EPS
	Yen	Yen
FY 2017 2Q	207.80	206.67
FY 2016 2Q	166.82	166.22

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
March 31, 2017	222,003	71,836	32.2
September 30, 2016	204,868	64,084	31.1

(Reference) Shareholders' equity: As of March 31, 2017 ¥71,429 million yen
As of September 30, 2016 ¥63,708 million yen

2. Dividends

	Annual dividends per share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
FY 2016	—	0.00	—	50.00	50.00
FY 2017	—	30.00			
FY 2017 (Forecast)			—	30.00	60.00

(Note) Revision of the latest dividend forecast: No

3. Forecast of Consolidated Operating Results for FY2017 (October 1, 2016 to September 30, 2017)

(% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	300,000	21.4	35,000	11.7	34,000	16.6	22,000	17.6	392.35

(Note) Revision of the latest consolidated results forecast: No

*Notes:

(1) Significant changes in consolidated subsidiaries during the period
(Changes in specific subsidiaries resulting in a change in the scope of consolidation): None

(2) Adoptions of special accounting methods in presentation of quarterly financial statements: Yes
(Note) Please refer to 4) Notes to Consolidated Quarterly Financial Statements on page 7.

(3) Changes in accounting policies, changes of accounting estimates, and revisions and restatements
ⅰ) Changes in accounting policies in accordance with changes in accounting principles: None
ⅱ) Changes in accounting policies other than the above: None
ⅲ) Changes in accounting estimates: None
ⅳ) Revisions and restatements: None

(4) Number of shares issued and outstanding (common stock)
ⅰ) Number of shares issued at period-end (including treasury stock)
March 31, 2017: 57,447,400 shares September 30, 2016: 57,400,000 shares
ⅱ) Treasury stock at period-end
March 31, 2017: 1,673,136 shares September 30, 2016: 1,215,836 shares
ⅲ) Average number of shares issued (cumulative consolidated quarterly periods)
March 31, 2017: 56,072,765 shares March 31, 2016: 56,497,221 shares

** Notes regarding forward-looking statements:*
Consolidated business forecasts are based on assumptions from information available to management 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

(Million yen)

	End of FY 2016 (September 30, 2016)	End of FY 2017 2Q (March 31, 2017)
Assets		
Current assets		
Cash and cash equivalents	67,508	75,543
Accounts receivable, trade	577	679
Real estate for sale	34,434	22,909
Real estate for sale in process	83,112	102,446
Operating loans	5,708	5,455
Other	5,602	5,655
Allowance for doubtful accounts	(151)	(134)
Total current assets	196,792	212,554
Fixed assets		
Tangible fixed assets	2,651	3,031
Intangible fixed assets	1,389	1,354
Investments and other assets	3,972	5,004
Total fixed assets	8,013	9,391
Deferred assets	62	57
Total assets	204,868	222,003
Liabilities		
Current liabilities		
Accounts payable	8,874	9,601
Short-term loans payable	34,937	44,098
Current portion of bonds	582	562
Current portion of long-term loans payable	8,458	7,649
Income taxes payable	6,594	6,219
Reserves	1,745	1,811
Other	13,096	10,885
Total current liabilities	74,288	80,828
Long-term liabilities		
Bonds payable	2,555	2,274
Long-term loans payable	63,792	66,914
Net defined benefit liability	11	11
Asset retirement obligations	81	81
Other	55	56
Total long-term liabilities	66,495	69,337
Total liabilities	140,784	150,166
Net assets		
Shareholders' equity		
Capital stock	3,982	4,019
Capital surplus	5,883	5,921
Retained earnings	55,723	64,565
Treasury stock	(1,852)	(3,102)
Total shareholders' equity	63,736	71,404
Other comprehensive income		
Net unrealized holding gains/losses on securities	5	7
Foreign currency translation adjustment	(33)	17
Accumulated other comprehensive income	(28)	25
Subscription rights to shares	375	407
Total net assets	64,084	71,836
Total liabilities and net assets	204,868	222,003

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

Consolidated Quarterly Statements of Income

(Million yen)

	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)	2Q ended September 30, 2017 (From October 1, 2016 to March 31, 2017)
Revenue	117,163	148,368
Cost of revenue	94,791	121,535
Gross profit	22,372	26,832
Selling, general and administrative expenses	7,212	8,595
Operating income	15,160	18,237
Non-operating income		
Interest income	4	4
Dividends income	1	2
Foreign exchange gains	—	205
Other	111	119
Total non-operating income	116	330
Non-operating expenses		
Interest expenses	401	421
Commission fee	15	107
Other	162	209
Total non-operating expenses	579	738
Ordinary income	14,697	17,829
Income before income taxes	14,697	17,829
Income taxes-current	5,272	6,178
Profit	9,424	11,651
Profit attributable to owners of parent	9,424	11,651

Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)	2Q ended September 30, 2017 (From October 1, 2016 to March 31, 2017)
Net income	9,424	11,651
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	2
Foreign currency translation adjustment	7	51
Total other comprehensive income	5	53
Comprehensive income	9,429	11,705
(Breakdown)		
Comprehensive income attributable to owners of parent	9,429	11,705

3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	2Q ended September 30, 2016 (From October 1, 2015 to March 31, 2016)	2Q ended September 30, 2017 (From October 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit before income taxes	14,697	17,829
Depreciation and amortization	186	173
Stock based compensation expense	109	53
Increase (Decrease) in allowance for doubtful accounts	(23)	(16)
Increase (Decrease) in net defined benefit liability	0	0
Increase (Decrease) in reserves	116	65
Interest and dividend income	(5)	(6)
Foreign exchange loss (gains)	47	(125)
Interest expense	401	421
Loss (Gain) on sales of investment securities	(20)	—
Decrease (Increase) in notes and accounts receivable-trade	137	(97)
Decrease (Increase) in inventories	(5,468)	(7,866)
Increase (Decrease) in notes and accounts payable-trade	821	727
Decrease (Increase) in operating loans receivable	(177)	252
Increase (decrease) in advances received	853	148
Increase (decrease) in guarantee deposits received	(225)	(840)
Increase (decrease) in deposits received	(153)	(871)
Other	(721)	(1,104)
Subtotal	10,578	8,743
Interest and dividends received	5	6
Interest expense paid	(395)	(424)
Income taxes paid	(5,292)	(6,067)
Net cash provided by (used in) operating activities	4,895	2,257
Cash flows from investing activities		
Payments into time deposits	(30)	—
Purchase of tangible fixed assets	(138)	(496)
Purchase of intangible fixed assets	(76)	(89)
Purchase of investment securities	(1,747)	—
Proceeds from sales of investment securities	184	—
Payments of loans receivable to affiliates	—	(949)
Payments for investments in capital	(300)	—
Payments for lease and guarantee deposits	(56)	(173)
Proceeds from collection of lease and guarantee deposits	40	14
Other	(0)	42
Net cash provided by (used in) investing activities	(2,124)	(1,652)
Cash flows from financing activities		
Proceeds from short-term loans payable	30,601	49,324
Repayment of short-term loans payable	(29,335)	(40,163)
Proceeds from long-term loans payable	26,469	37,481
Repayment of long-term loans payable	(23,966)	(35,173)
Redemption of bonds	(361)	(301)
Proceeds from exercise of stock option	—	52
Purchase of treasury stock	(782)	(1,256)
Cash dividends paid	(1,697)	(2,809)
Other	(19)	(7)
Net cash provided by (used in) financing activities	907	7,147
Effect of exchange rate changes on cash and cash equivalents	(35)	281
Net increase (decrease) in cash and cash equivalents	3,642	8,034
Cash and cash equivalents at beginning of period	43,325	67,508
Cash and cash equivalents at end of period	46,967	75,543

4) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Pursuant to a resolution passed by the Board of Directors at the meeting held November 14, 2016, the Company has purchased 457,300 shares of treasury stock. This will raise the amount of treasury stock by 1,249 million yen in the cumulative term of the consolidated second quarter, bringing the treasury stock to 3,102 million yen at the end of the consolidated second quarter.

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)

Tax expenses are calculated based on a logical estimate of the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year and then multiplying income before income taxes for the quarter by the estimated effective tax rate.

(Segment and Other Information)

Ⅰ FY2016 2Q (October 1, 2015 to March 31, 2016)

Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single-family homes	Open House Architect	Condominium	Property resales	Others	Total		
Revenue									
Revenue from Outside Customers	1,947	59,132	15,013	2,385	38,478	206	117,163	–	117,163
Intersegment revenue and transfers	1,932	–	2,278	13	–	28	4,253	(4,253)	–
Total	3,879	59,132	17,292	2,398	38,478	234	121,416	(4,253)	117,163
Segment Income (Loss)	1,327	6,988	729	(321)	6,459	74	15,257	(97)	15,160

(Note)

1. Adjustment of -¥97 million for segment income includes intersegment elimination of ¥45 million and corporate expenses of -¥142million 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 income has been adjusted to operating income described in consolidated quarterly statements of income.

Ⅱ FY2017 2Q (October 1, 2016 to March 31, 2017)

i Information relating to the amounts of revenue, income and loss by reportable segment

(Million yen)

	Reportable Segment							Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Brokerage	Single-family homes	Open House Architect	Condominium	Property resales	Others	Total		
Revenue									
Revenue from Outside Customers	2,414	72,328	15,283	7,713	50,437	191	148,368	–	148,368
Intersegment revenue and transfers	2,579	78	2,423	–	8	25	5,116	(5,116)	–
Total	4,993	72,407	17,707	7,713	50,446	217	153,485	(5,116)	148,368
Segment Income (Loss)	1,740	8,182	955	863	6,495	16	18,254	(16)	18,237

(Note)

1 . Adjustment of -¥16 million for segment income includes intersegment elimination of ¥124 million and corporate expenses of -¥141 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 income has been adjusted to operating income described in consolidated quarterly statements of income.

ii Changes in reportable segments

The Group changed the name of "Asakawa Home" reportable segment to "Open House Architect" from the first quarter of the current fiscal year. This change had no effect on profit and loss for the current fiscal year.

Segment information for the second quarter of the previous fiscal year on a consolidated basis was prepared based on the segment category applied for the same period of the fiscal year under review.