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 Third Quarter Ended September 30, 2018 〔Based on Japanese GAAP〕

August 14, 2018

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:	August 14, 2018
Supplementary materials for quarterly financial results:	Yes
Quarterly results briefing meeting :	No

(Million yen, rounded down)

1. Consolidated Financial Results for the Third Quarter Ended September 30, 2018 (October 1, 2017 to June 30, 2018)

(1) Consolidated operating results (Cumulative) (% figures indicate year-on-year change)

	Revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2018	261,048	23.5	31,588	24.3	30,562	26.1	21,366	35.6
June 30, 2017	211,427	17.2	25,414	12.4	24,244	11.1	15,762	12.8

(Note) Comprehensive income: Nine months ended June 30, 2018 ¥ 21,397 million (35.2%)
Nine months ended June 30, 2017 ¥ 15,821 million (13.0 %)

	EPS	Diluted EPS
Nine months ended	Yen	Yen
June 30, 2018	382.86	379.88
June 30, 2017	281.60	280.00

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
June 30, 2018	309,449	100,346	32.3
September 30, 2017	256,736	83,379	32.3

(Reference) Shareholders' equity: As of June 30, 2018 ¥ 99,952 million
As of September 30, 2017 ¥ 82,970 million

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2017	—	30.00	—	35.00	65.00
FY 2018	—	46.00	—		
FY 2018 (Forecast)				52.00	98.00

(Note) Revision of the latest dividend forecast: No

3. Forecast of Consolidated Operating Results for FY2018 (October 1, 2017 to September 30, 2018)

(% 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	380,000	24.7	47,500	26.3	46,000	27.3	31,700	27.8	568.14

(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

(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)
June 30, 2018: 57,502,300 shares September 30, 2017: 57,463,600 shares

ii) Treasury stock at period-end
June 30, 2018: 1,673,280 shares September 30, 2017: 1,673,194 shares

iii) Average number of shares issued during the period (quarterly consolidated cumulative basis)
June 30, 2018: 55,807,111 shares June 30, 2017: 55,973,249 shares

** This quarterly financial results report is not subject to quarterly review procedure based on the Financial Instruments and Exchange Act.*

** 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 2017 (as of September 30, 2017)	End of FY 2018 3Q (as of June 30, 2018)
Assets		
Current assets		
Cash and deposits	90,910	84,785
Operating accounts receivable	925	1,297
Real estate for sale	19,542	38,239
Real estate for sale in process	125,351	157,782
Operating loans	6,056	11,387
Other	5,820	7,889
Allowance for doubtful accounts	(178)	(166)
Total current assets	248,429	301,216
Non-current assets		
Property, plant and equipment	3,113	3,442
Intangible assets	1,299	1,148
Investments and other assets	3,841	3,598
Total non-current assets	8,255	8,189
Deferred assets	51	43
Total assets	256,736	309,449
Liabilities		
Current liabilities		
Operating accounts payable	10,652	12,681
Short-term loans payable	41,854	60,375
Current portion of bonds	562	562
Current portion of long-term loans payable	8,696	20,666
Income taxes payable	5,205	5,064
Provision	2,113	1,667
Other	13,529	14,979
Total current liabilities	82,613	115,996
Non-current liabilities		
Bonds payable	1,993	1,582
Long-term loans payable	88,641	91,421
Net defined benefit liability	12	13
Asset retirement obligations	79	69
Other	17	19
Total non-current liabilities	90,743	93,106
Total liabilities	173,357	209,103
Net assets		
Shareholders' equity		
Capital stock	4,032	4,085
Capital surplus	5,934	5,986
Retained earnings	76,038	92,883
Treasury shares	(3,102)	(3,103)
Total shareholders' equity	82,902	99,852
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	14
Foreign currency translation adjustment	60	84
Total accumulated other comprehensive income	68	99
Subscription rights to shares	408	394
Total net assets	83,379	100,346
Total liabilities and net assets	256,736	309,449

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

Consolidated Quarterly Statements of Income

(Million yen)

	Nine months ended September 30, 2017 (From October 1, 2016 to June 30, 2017)	Nine months ended September 30, 2018 (From October 1, 2017 to June 30, 2018)
Revenue	211,427	261,048
Cost of revenue	172,842	213,108
Gross profit	38,585	47,940
Selling, general and administrative expenses	13,171	16,351
Operating income	25,414	31,588
Non-operating income		
Interest income	10	20
Dividends income	3	14
House rent income	42	78
Foreign exchange gains	224	—
Other	103	68
Total non-operating income	382	182
Non-operating expenses		
Interest expenses	635	813
Commission fee	664	48
Foreign exchange losses	—	206
Other	252	139
Total non-operating expenses	1,552	1,207
Ordinary income	24,244	30,562
Income before income taxes	24,244	30,562
Income taxes	8,482	9,196
Profit	15,762	21,366
Profit attributable to owners of parent	15,762	21,366

Consolidated Quarterly Statements of Comprehensive Income

(Million yen)

	Nine months ended September 30, 2017 (From October 1, 2016 to June 30, 2017)	Nine months ended September 30, 2018 (From October 1, 2017 to June 30, 2018)
Profit	15,762	21,366
Other comprehensive income		
Valuation difference on available-for-sale securities	3	6
Foreign currency translation adjustment	56	24
Total other comprehensive income	59	30
Comprehensive income	15,821	21,397
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,821	21,397

3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions)

Not applicable

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

Tax expenses is calculated by multiplying income before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated income before income taxes for the fiscal year ended September 2018 including the third quarter under review.

(Change in scope of consolidation and application of the equity method)

From the first quarter for FY2018, Open House Texas Property Management LLC and Open House Ohio Realty & Investments LLC, which were non-consolidated subsidiaries of the Company, have been included in the scope of consolidation as those importances have increased.

(Segment and Other Information)

【Segment Information】

Ⅰ. Nine months ended September 30, 2017 (October 1, 2016 to June 30, 2017)

Information on revenue, income or loss, and other items by reportable segment

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single-family homes related	Condominiums	Property resales	Others	Total		
Revenue							
Revenue from Outside Customers	133,754	9,262	67,813	597	211,427	—	211,427
Intersegment revenue and transfers	—	—	507	—	507	(507)	–
Total	133,754	9,262	68,321	597	211,935	(507)	211,427
Segment Income (Loss)	16,404	760	8,947	(1)	26,111	(697)	25,414

(NOTE)

1. Adjustment of ¥(697)million for segment income (loss) includes intersegment elimination of ¥(6)million and corporate expenses of ¥(690) 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 (loss) has been adjusted to operating income described in consolidated quarterly statements of income.

Ⅱ. Nine months ended September 30, 2018 (October 1, 2017 to June 30, 2018)

Information on revenue, income or loss, and other items by reportable segment

(Million yen)

	Reportable Segment					Adjustments (Note 1)	Amount Recorded on Consolidated Quarterly Statements of Income (Note 2)
	Single-family homes related	Condominiums	Property resales	Others	Total		
Revenue							
Revenue from Outside Customers	151,690	21,058	78,550	9,748	261,048	—	261,048
Intersegment revenue and transfers	—	—	22	—	22	(22)	—
Total	151,690	21,058	78,572	9,748	261,070	(22)	261,048
Segment Income	18,848	2,205	9,610	1,570	32,234	(646)	31,588

(NOTE)

1. Adjustment of ¥ (646) million for segment income includes intersegment elimination of ¥31 million and corporate expenses of ¥ (678) 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.

2. Notes relating to changes in reportable segments etc.

The Group has changed its reportable segments from this first quarter. The brokerage business, single-family homes business, and Open House Architect has be consolidated to establish a new segment, the single-family homes related business with the aim of strengthening the business model - a comprehensive system from purchase and construction to intermediacy. The Group designated four segments: single-family related business, condominiums business, property resales business and others as reportable segments.

Segment information for the nine months ended September 2017 on a consolidated basis was prepared based on the reportable segments applied for the nine months ended September 2018.