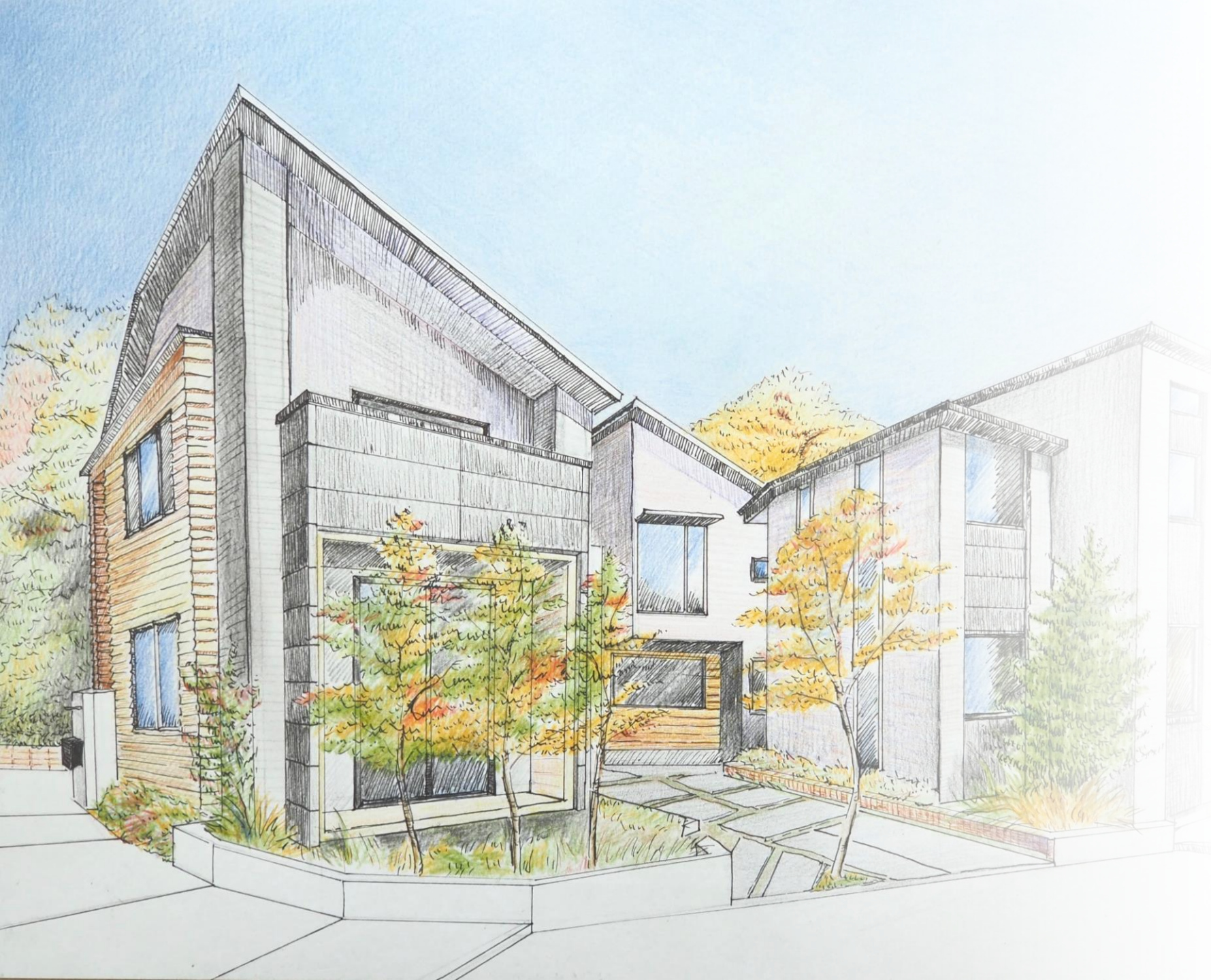


OPEN HOUSE GROUP

Consolidated Financial Highlights for the Fourth Quarter of FY2024

(2023/10-2024/ 9)

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

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FY2024 4Q Financial Results Topics

Business Performance 4Q FY2024

◆ **both sales and net profit reached record highs for FY2024.**

FY2024 4Q Results

Net sales	¥ 1.29 trillion	[112.8%YoY]
Ordinary profit	¥ 120.2 billion	[87.8%YoY]
Profit attributable to owners of parents	¥ 92.9 billion	[101.0%YoY]

Financial Forecasts for FY2025

◆ **FY2025, an increase in revenue and profit (excluding the impact of negative good will in FY2024) is expected.**

FY2024 Forecasts

Net sales	¥ 1.30trillion	[100.3%YoY]
Ordinary profit	¥ 130 billion	[109.2%YoY]
Profit attributable to owners of parents	¥ 82.0 billion	[88.2%YoY]

Shareholder Returns

◆ **Treasury share acquisition (Actual)** ¥ 19.8 billion (3.46% *)

(Planned) ¥ 20 billion (4.29% *)

Dividend per Share (Actual) 166 yen

(Forecast) 168 yen

Business Trends

◆ **Sales in the single-family home business, inventory adjustments completed in FY2024, and gross profit margin is expected to improve in FY2025.**

*Percentage of shares outstanding (excluding treasury shares)

Financial Results for FY 2024 and Outlook for FY2025

- Inventory adjustment of single-family home sales contracts was completed in the previous quarter, improving gross profit margin in the current quarter.
- For the condominium business, ¥100 billion of return to sales has been secured for the next fiscal year. This fiscal year, focused on improving gross profit margin.
- Property resale business, disposed of large stagnant projects in the previous fiscal year.
  The market conditions remain strong, and sales to overseas investors continue to be strong.
- Significant demand for asset diversification among the wealthy, in the U.S. real estate business.
- Non-asset business steadily growing as peripheral business.
- No changes to the three-year financial and investment shareholder return policy (2024.9.~2026.9).
- Maintained a healthy financial position with a 36.2% equity ratio and a net debt-to-equity ratio of 0.4 times.
- Recover operating margin to 10% and promote continuous EPS growth

1. 4Q FY2024 Consolidated Financial Summary

OPEN HOUSE GROUP

Consolidated Statements of Income (Summary)

■ **Achieved record-high sales and net profit.**

(¥ Million)

	4Q FY2023 (2022/10-2023/9)		**4Q FY2024 (2023/10-2024/9)**		**Inc. (Dec.)**
	Actual	% of net sales	Actual	% of net sales	
Net sales	1,148,484	-	**1,295,862**	-	**112.8%**
Operating profit	142,330	12.4%	**119,088**	9.2%	**83.7%**
Ordinary profit	136,927	11.9%	**120,283**	9.3%	**87.8%**
Profit attributable to owners of parent	92,050	8.0%	**92,921**	7.2%	**100.9%**

Performance by Segment (Net Sales/Operating Profit)

- Sales growth in investment properties including property resale.
- Other (U.S. real estate), Pressance Corporation contributed to increased operating profit.

Net sales

	4Q FY2023 (2022/10-2023/9)		4Q FY2024 (2023/10-2024/9)		Inc. (Dec.)
	Result	Ratio	Result	Ratio	
Total	1,148,484	100.0%	**1,295,862**	100.0%	**112.8%**
Single-family home related business	590,394	51.4%	**590,170**	45.5%	**100.0%**
Condominium	124,984	10.9%	**89,294**	6.9%	**71.4%**
Property resale	185,018	16.1%	**196,556**	15.2%	**106.2%**
Others (including U.S. real estate business)	88,301	7.7%	**105,911**	8.2%	**119.9%**
Pressance Corporation	161,476	14.1%	**180,850**	14.0%	**112.0%**
Meldia Co.	-	-	**140,518**	10.8%	**-**
Adjustments	(1,692)	-	**(7,439)**	-	**-**

Operating profit

(¥ Million)

	4Q FY2023 (2022/10-2023/9)		4Q FY2024 (2023/10-2024/9)		Inc. (Dec.)
	Result	% of Net sales	Result	% of Net sales	
Total	142,330	12.4%	**119,088**	9.2%	**83.7%**
Single-family home related business	63,178	10.7%	**49,668**	8.4%	**78.6%**
Condominium	25,139	20.1%	**10,664**	11.9%	**42.4%**
Property resale	20,222	10.9%	**17,268**	8.8%	**85.4%**
Others (including U.S. real estate business)	8,667	9.8%	**11,452**	10.8%	**132.1%**
Pressance Corporation	25,791	16.0%	**27,466**	15.2%	**106.5%**
Meldia Co.	-	-	**3,731**	2.7%	**-**
Adjustments	(668)	-	**(1,164)**	-	**-**

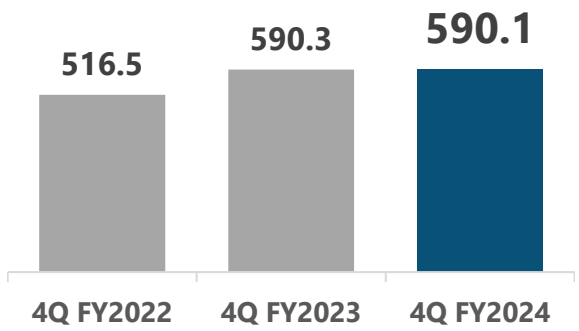
Single-family Home Related Business (Overall)

- **Sales landed flat compared to the previous fiscal year.**
- **Gross profit margin declined due to inventory adjustments from the second half of the previous fiscal year.**

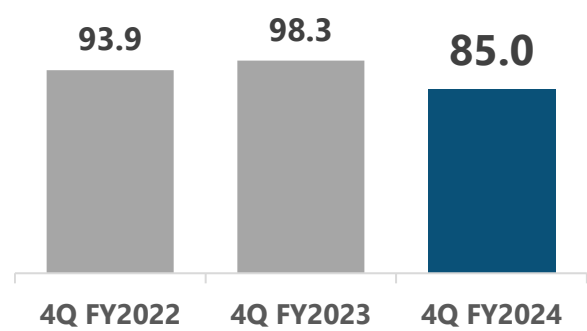
(¥ Million)

	4Q FY2022 (2021/10-2022/09)	4Q FY2023 (2022/10-2023/09)	**4Q FY2024 (2023/10-2024/09)**	**Inc. (Dec.)**
Net sales	516,554	590,394	**590,170**	**100.0%**
Gross profit	93,912	98,343	**85,040**	**86.5%**
Gross profit margin	18.2%	16.7%	**14.4%**	**(2.2)pt**
Operating profit	63,014	63,178	**49,668**	**78.6%**
Operating profit margin	12.2%	10.7%	**8.4%**	**(2.3)pt**

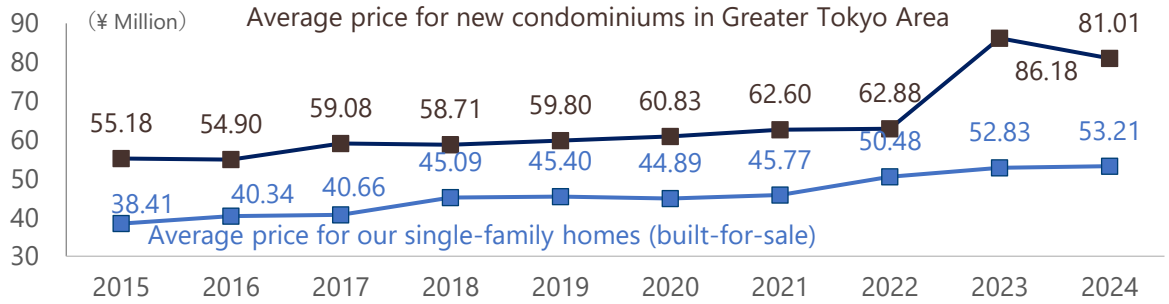
Net sales (¥ Billion)



Gross profit (¥ Billion)



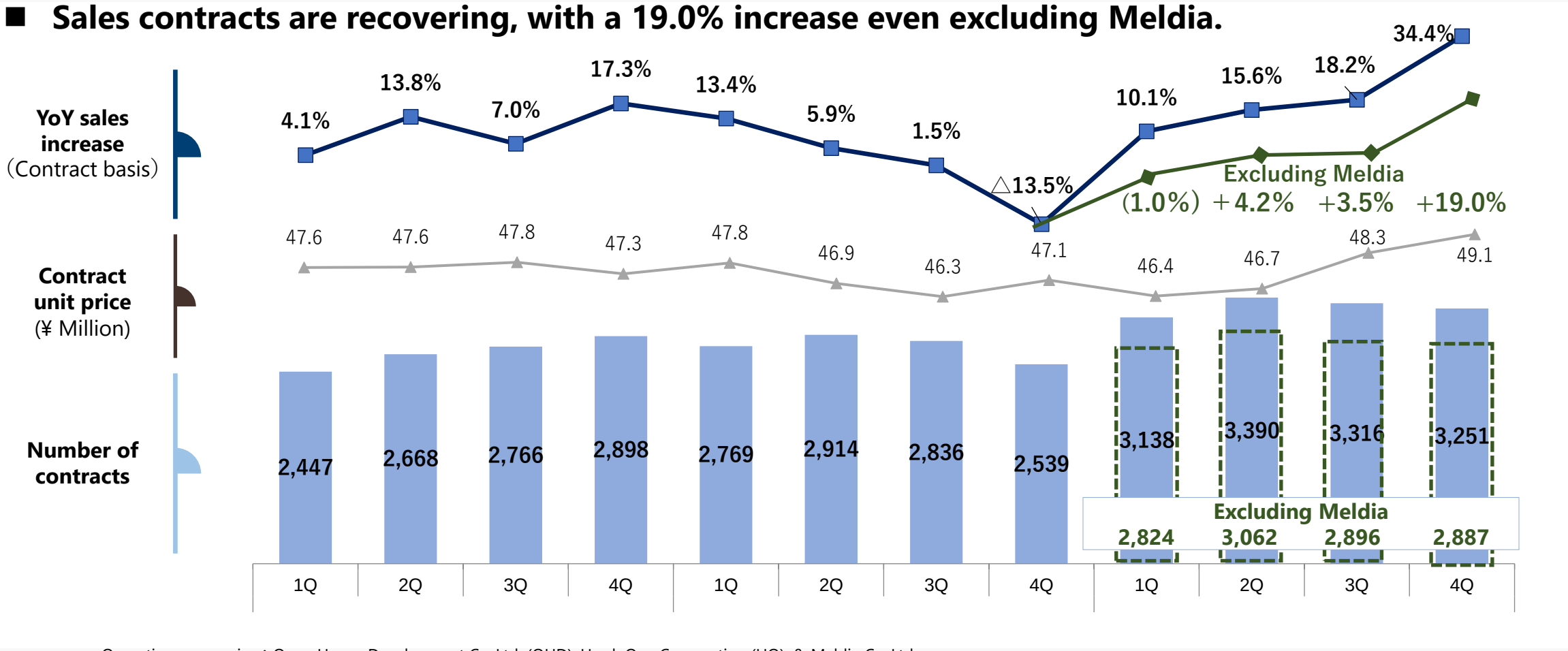
Changes in the average price for new condominiums in the greater Tokyo area and average price for the Company's single-family homes (built-for-sale)



Source: Real Estate Economic Institute "Metropolitan Area Condominium Market Trends"
Fiscal year: Calendar year (January-December) for condominiums.
For our detached houses, the period is from October of the previous year to September of the current year, for the Tokyo metropolitan area.

Single-family Home Related Business (Trends in Sales Contracts)

- **Sales increased by 34.4% year-on-year for the fourth quarter, showing strong performance.**
- **Sales contracts are recovering, with a 19.0% increase even excluding Meldia.**



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

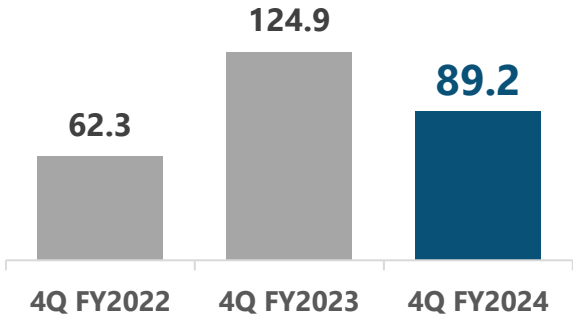
Condominium Business

■ The condominium business achieved a gross profit margin of 20%.

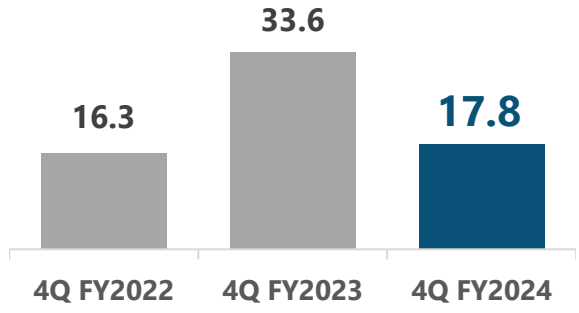
(¥ Million)

	4Q FY2022 (2021/10-2022/9)	4Q FY2023 (2022/10-2023/9)	4Q FY2024 (2023/10-2024/9)	Inc. (Dec.)
Net sales	62,362	124,984	**89,294**	**71.4%**
Gross profit	16,385	33,683	**17,857**	**53.0%**
Gross profit margin	26.3%	26.9%	**20.0%**	**(7.0)pt**
Operating profit	10,654	25,139	**10,664**	**42.4%**
Operating profit margin	17.1%	20.1%	**11.9%**	**(8.2)pt**
Number delivered	1,216	2,395	**1,773**	**(622)**
Unit price	51.1	52.0	**50.1**	**(1.9)**

Net sales (¥ Billion)



Gross profit (¥ Billion)



Major Condominiums Delivered in FY2024

Name	Units	Average Price
Open Residence Yutenji（Tokyo）	17	100 million yen
Open Residencia Shimokitazawa Hills（Tokyo）	18	90 〃
Open Residencia Aoi The Place（Nagoya）	42	40 〃
Open Residencia Ohori Nishi（Fukuoka）	25	40 〃

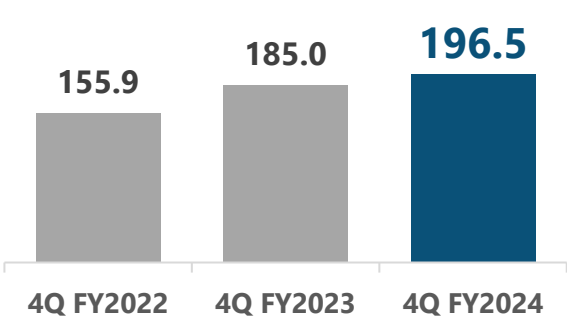
Property Resale Business

- **Processing of stagnant large-scale projects has been completed**
- **Investment appetite for investment properties by overseas investors remains high**

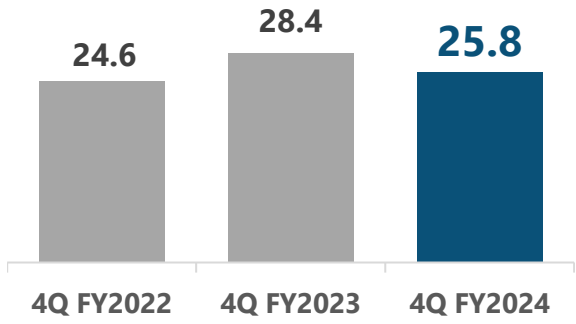
(¥ Million)

	4Q FY2022 (2021/10-2022/09)	4Q FY2023 (2022/10-2023/09)	4Q FY2024 (2023/10-2024/09)	Inc. (Dec.)
Net sales	155,961	185,018	**196,556**	**106.2%**
Gross profit	24,695	28,400	**25,890**	**91.2%**
Gross profit margin	15.8%	15.3%	**13.2%**	**(2.2)pt**
Operating profit	17,669	20,222	**17,268**	**85.4%**
Operating profit margin	11.3%	10.9%	**8.8%**	**(2.1)pt**
Number delivered	328	434	**424**	**(10)**
Unit price	458	415	**451**	**36**

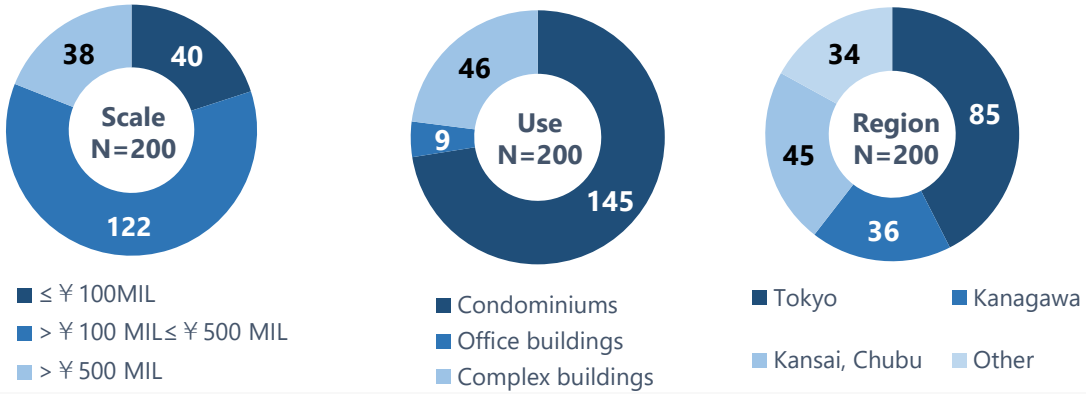
Net sales (¥ Billion)



Gross profit (¥ Billion)



Breakdown of properties owned (Number of properties as of the end of Sept 2024)



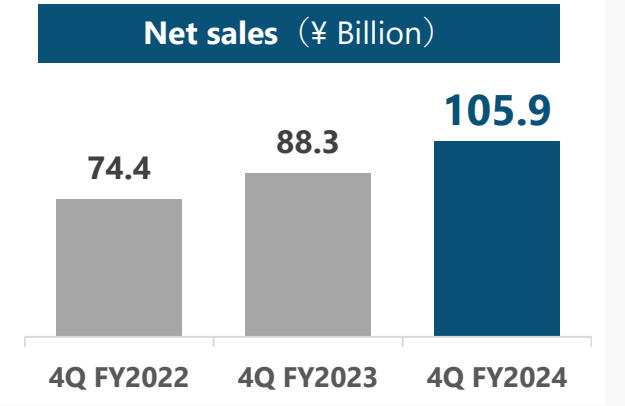
Other Segment (U.S. Real Estate Business)

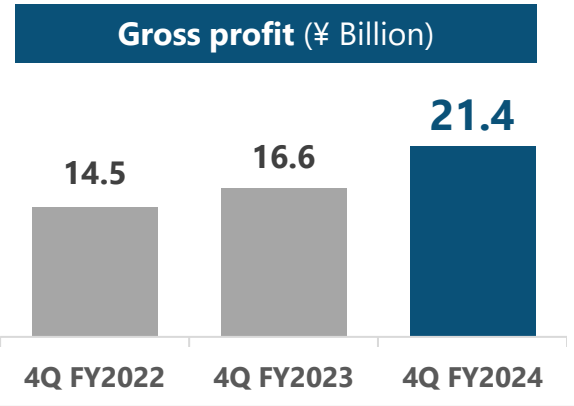
- **Investors with high investment enthusiasm, particularly active wealthy individuals, are the core of our customer base.**
- **Securitized 13.7 billion in U.S. real estate-backed loans, achieving an 'A' rating for trust beneficiary rights from JCR (Japan Credit Rating Agency, Ltd.).**

(¥ Million)

	4Q FY2022 (2021/10-2022/9)	4Q FY2023 (2022/10-2023/9)	4Q FY2024 (2023/10-2024/9)	Inc. (Dec.)
Net sales	74,471	88,301	**105,911**	**119.9%**
Gross profit	14,530	16,679	**21,424**	**128.5%**
Gross profit margin	19.5%	18.9%	**20.2%**	**1.3pt**
Operating profit	8,205	8,667	**11,452**	**132.1%**
Operating profit margin	11.0%	9.8%	**10.8%**	**1.0pt**
Number delivered*	1,071	1,095	**1,106**	**11**
No. of buildings managed*	3,471	4,419	**5,234**	**815**

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

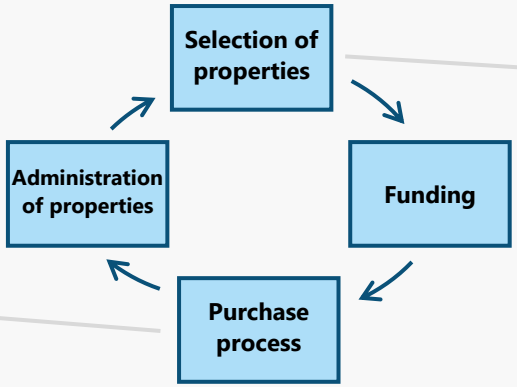




Business model-One-Stop Service

Our service for the administration of local properties and support for sales.

Support for the whole process from conclusion of an agreement to the end of a transaction



Offering of properties that our local offices selected for domestic wealthy investors

Introduction of financial institutions, and loans from our Group company are also available.

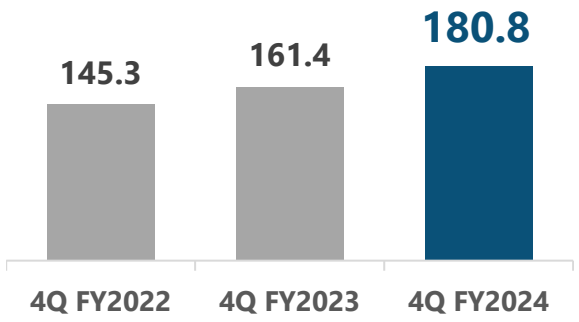
Pressance Corporation

■ Demand for condominiums in the Kansai region remains steady, for both investment and owner-occupier properties.

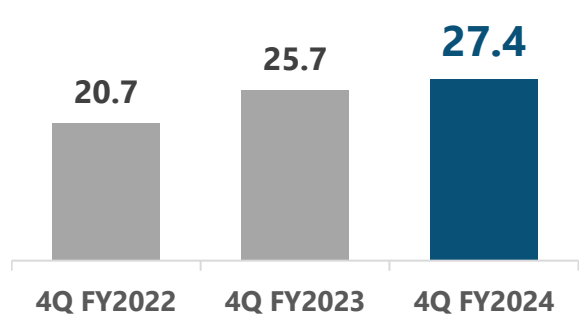
(¥ Million)

	4Q FY2022 (2021/10-2022/9)	4Q FY2023 (2022/10-2023/9)	4Q FY2024 (2023/10-2024/9)	Inc. (Dec.)
Net sales	145,324	161,476	**180,850**	112.0%
Gross profit	35,539	42,407	**45,576**	107.5%
Gross profit margin	24.5%	26.3%	**25.2%**	(1.1)pt
Operating profit	20,727	25,791	**27,466**	106.5%
Operating profit margin	14.3%	16.0%	**15.2%**	(0.8)pt
Actual by products	4,504	5,379	**5,499**	120
Studio-type condominiums	3,022	3,549	**3,788**	239
Family-type condominiums	1,482	1,830	**1,711**	(119)

Net sales (¥ Billion)



Operating profit (¥ Billion)



Nationwide 2023 Condominium Supply Ranking (Units)

rank	Company Name	Units	rank	Company Name	Units
1	Mitsui Fudosan Residential	3,423	6	Takara Leben	1,982
2	**Pressance Corporation**	**3,390**	7	ANABUKI	1,773
3	Nomura Real Estate Development	3,061	**8**	**Open House Development**	**1,647**
4	Sumitomo Realty & Development	2,859	9	ESLEAD	1,607
5	MITSUBISHI ESTATE RESIDENCE	2,093	10	Hankyu Hanshin Properties Corp.	1,590

Meldia

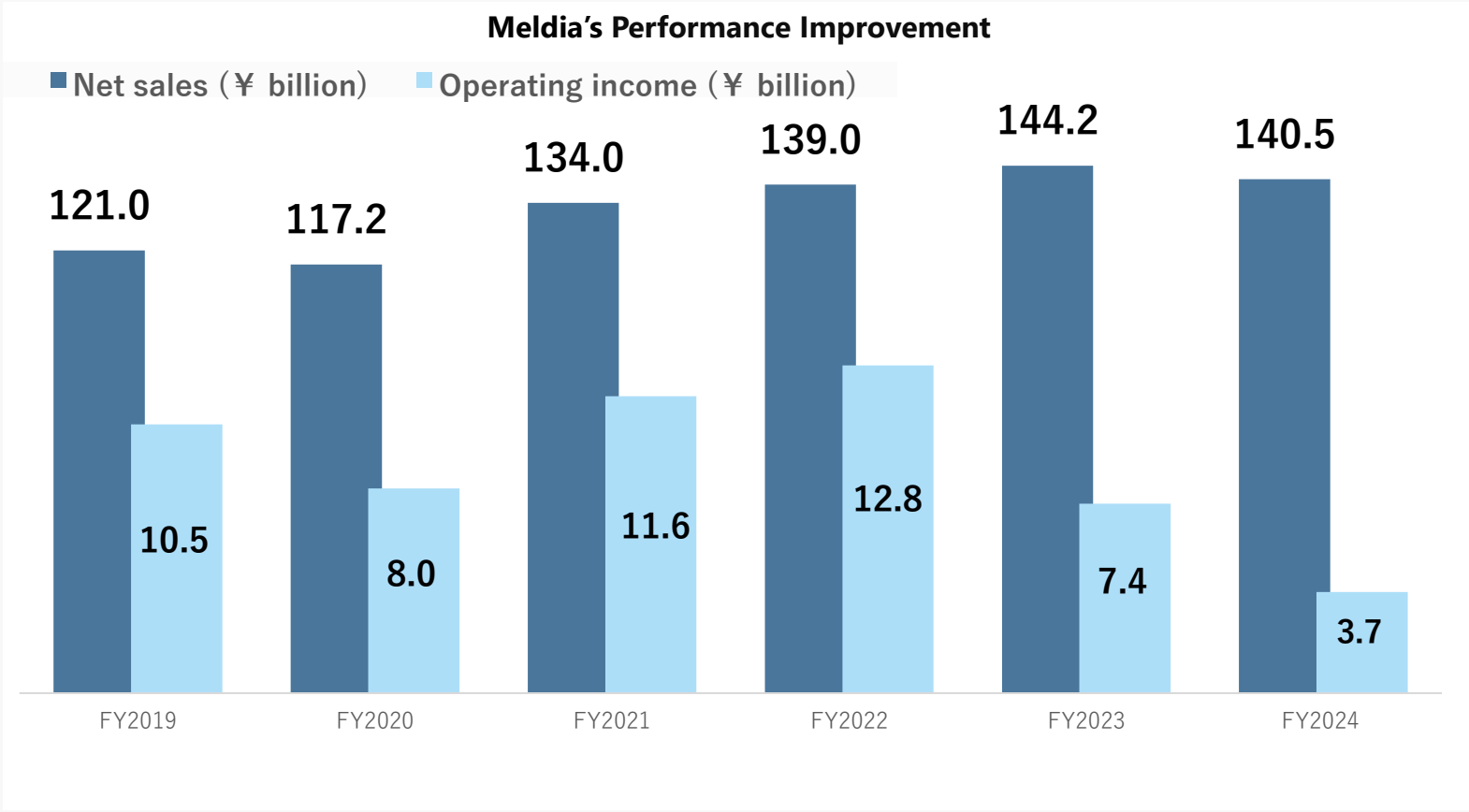
- Replacement of inventories and disposal of large income producing properties.
- Reorganize the Meldia segment into existing business segments beginning FY 2025.

¥ Million

	4Q FY2024*1 (2023/9-2024/9)
Net sales	140,518
Gross profit	13,022
Gross profit margin	9.3%
Operating profit	3,731
Operating profit margin	2.7%
No. delivered *2	1,503

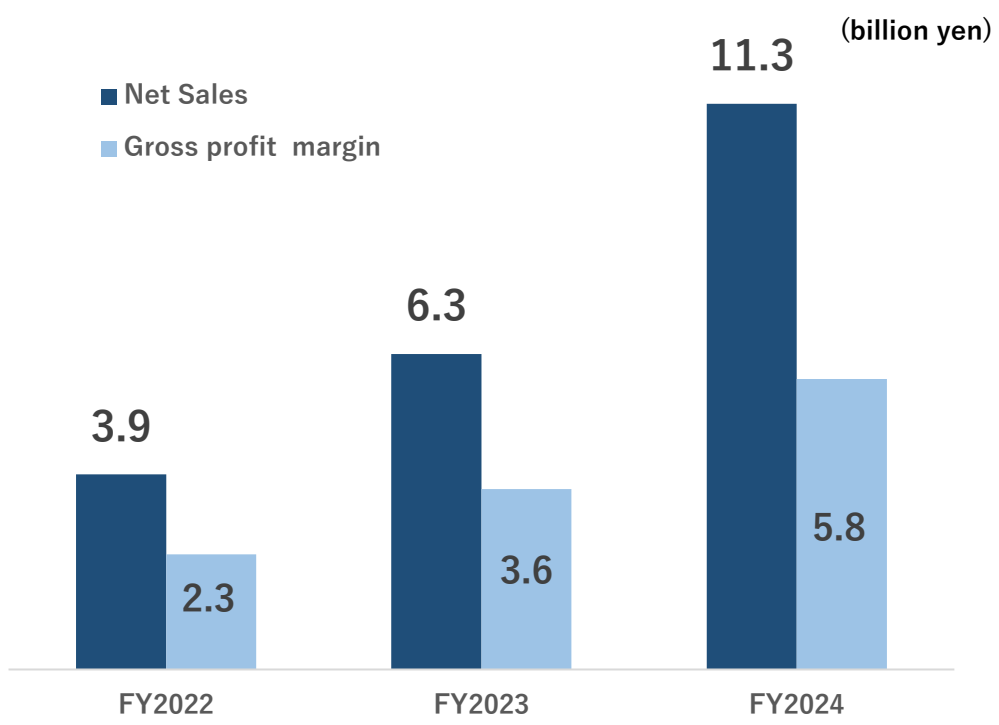
*1 Consolidated the performance of Meldia from Sept 2023 to Aug 2024, in 4Q FY2024.

*2 Including 110 apartment buildings.



(Reference) Non-Asset Business

- Cultivate non-asset business that were peripheral businesses.
- Business that stabilize earnings and improve asset efficiency.



Non-Asset Business of the Group

- Ouchi Link services related to single-family homes.
- Single-family homes management in the U.S. business.
- Condominium management for Pressance Corporation.

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

(¥ Million)

SG&A Expenses

	4Q FY2023 (2022/10-2023/9) Actual	4Q FY2023 (2022/10-2023/9) % of net sales	4Q FY2024 (2023/10-2024/9) Actual	4Q FY2024 (2023/10-2024/9) % of net sales	Inc. (Dec.)
SG&A expenses	76,026	6.6%	**87,828**	6.8%	**+11,802**
Personnel expenses	23,774	2.1%	**31,555**	2.4%	**+7,781**
Sales commissions	7,574	0.7%	**8,644**	0.7%	**+1,069**
Office maintenance cost	7,815	0.7%	**8,394**	0.6%	**+578**
Advertising expenses	4,718	0.4%	**5,625**	0.4%	**+906**
Promotion expenses	3,247	0.3%	**2,035**	0.2%	**(1,212)**
Others	28,895	2.5%	**31,574**	2.4%	**+2,678**

Non-Operating Income / Expenses

	4Q FY2023 (2022/10-2023/9) Actual	4Q FY2023 (2022/10-2023/9) % of net sales	4Q FY2024 (2023/10-2024/9) Actual	4Q FY2024 (2023/10-2024/9) % of net sales	Inc. (Dec.)
Non-Operating income	2,441	0.2%	**9,152**	0.7%	**+6,711**
Gain on sale of investment securities	101	0.0%	**3,518**	0.3%	**+3,416**
Dividend income	137	0.0%	**1,594**	0.1%	**+1,457**
Profit on currency exchange	471	0.0%	**283**	0.0%	**(187)**
Other	1,730	0.2%	**3,756**	0.3%	**+2,025**
Non-operating expenses	7,844	0.7%	**7,957**	0.6%	**+113**
Interest expenses	3,965	0.3%	**5,512**	0.4%	**+1,547**
Commission expenses	687	0.1%	**1,109**	0.1%	**+421**
Other	3,190	0.3%	**1,335**	0.1%	**(1,855)**

Consolidated Balance Sheet

- **Maintain a healthy financial condition with a 36.2% equity ratio even after consolidating Meldia.**
- **Keep a net D/E ratio of 0.4, ensuring sufficient investment capacity to respond flexibly to M&A opportunities.**

(¥ Million)

Consolidated balance sheet

	FY2023	4Q FY2024	Inc. (Dec.)
Current assets	1,130,769	**1,198,602**	+67,832
Cash and deposits	401,879	**409,957**	+8,077
Inventories	641,256	**684,179**	+42,922
Others	87,633	**104,466**	+16,832
Non-current assets	67,898	**83,488**	+15,589
Property, plant and equipment	28,456	**31,221**	+2,765
Intangible assets	2,690	**2,493**	(197)
Investments and other assets	36,751	**49,773**	+13,021
Total asset	1,198,668	**1,282,090**	+83,422

	FY 2023	4Q FY2024	Inc. (Dec.)
Liabilities	718,251	**746,171**	+27,919
Current liabilities	373,526	**348,673**	(24,853)
Non-current liabilities	344,725	**397,498**	+52,773
Net assets	480,416	**535,919**	+55,502
Shareholders' equity	401,443	**453,243**	+51,799
Valuation and translation adjustments	15,163	**11,477**	(3,686)
Non-controlling interests	63,808	**71,198**	+7,389
Total liabilities and net assets	1,198,668	**1,282,090**	+83,422

Safety index

	FY2023	4Q FY2024	Inc. (Dec.)
Net D/E ratio	0.4	**0.4**	0.0
D/E ratio	1.4	**1.3**	(0.1)

	FY2023	4Q FY2024	Inc. (Dec.)
Equity ratio	34.7%	**36.2%**	+1.5pt
Current ratio	302.7%	**343.8%**	+41.0pt

Efforts Towards Financial Stabilization

■ To secure funds on hand to obtain opportunities for growth investments, while also diversifying fundraising to adapt to changes in the financial environment.

Bond Issuance (12.0 billion yen)

The 2nd Issuance of Unsecured Bonds

Total Issued Value	12.0 billion yen
Redemption Date	July 2, 2027

Change (Upgrade) of Credit Rating

Credit Rating Agency	Rating and Investment Information, Inc.（R&I）
After Change	B B B
Before Change	B B B －

Long-term funding procurement (Business investment capital: 42.9 billion yen)

Syndicated Loan

Amount of Loan	37.9 billion yen
Lender	Sumitomo Mitsui Banking Corporation (Arranger & Agent) Mizuho Bank, Ltd. Resona Bank, Limited The Gunma Bank,Ltd. San ju San Bank,Ltd. The Chiba Bank, Ltd.
Period, Interest Rate	10 years, fixed interest rate

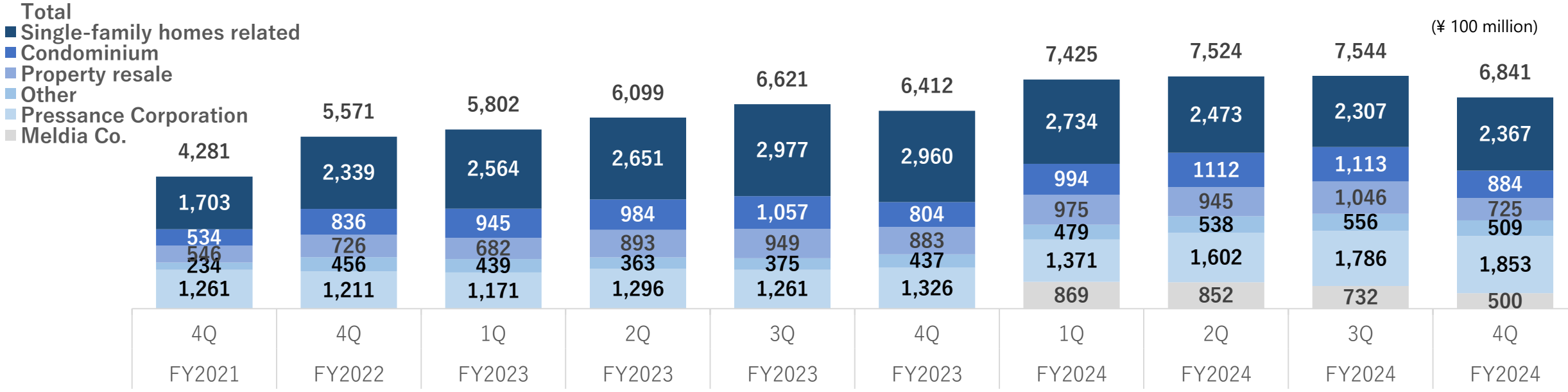
Long-term Borrowings

Amount borrowing	5 billion yen
Lender	MUFJ Bank, Ltd.
Period, Interest Rate	7 years, fixed interest rate

Inventory Details

(¥ Million)

	FY2021	FY2022	FY2023	4Q FY2024	Ratio	Inc. (Dec.)
Inventory	428,129	557,105	641,256	**684,179**	**100.0%**	**+42,922**
Single–family home related	170,389	233,979	296,015	**236,788**	**34.6%**	**(59,227)**
Condominium	53,496	83,632	80,443	**88,411**	**12.9%**	**+7,967**
Property resale	54,681	72,678	88,326	**72,566**	**10.6%**	**(15,760)**
Other (US real estate business)	23,452	45,639	43,798	**50,983**	**7.5%**	**+7,185**
Pressance Corporation	126,109	121,174	132,672	**185,350**	**27.1%**	**+52,677**
Meldia Co.	-	-	-	**50,079**	**7.3%**	**+50,079**



Consolidated Cash Flow Statement

(¥ Million)

	FY2023 (2022/10-2023/3)	FY2024 (2023/10-2024/3)	Main Factors etc.
Cash flow from operating activities	17,393	**104,764**	• Record of profit before tax adjustments • Payment of corporate taxes, etc.
Cash flow from investment activities	(35,575)	**(22,584)**	• Acquisition of subsidiary shares, etc.
Cash flow from financing activities	49,103	**(69,253)**	• Payment of dividends • Acquisition of treasury shares, etc.
Effect of exchange rate changes on cash and cash equivalents	1,641	**(744)**	
Net increase (decrease) in cash and cash Equivalent	32,562	**12,181**	
Cash and cash equivalents at beginning of Period	346,080	**378,643**	
Increase (decrease) in cash and cash equivalents due to changes in the scope of consolidation	-	**-**	
Cash and cash equivalents at end of period	378,643	**390,924**	

2. Consolidated Business Performance Forecasts for FY2025

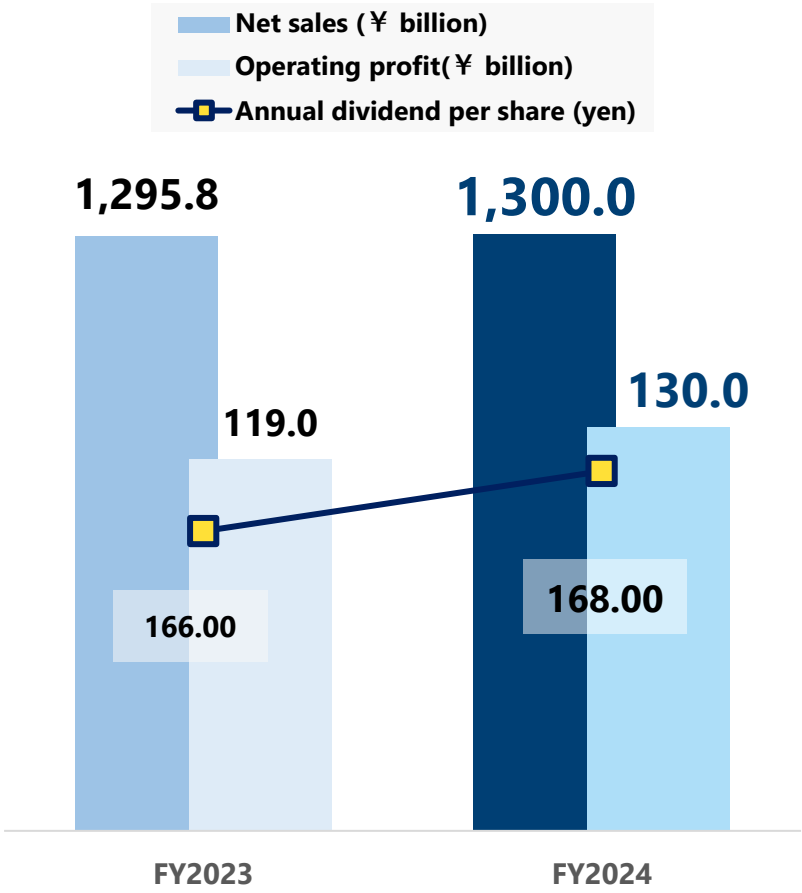
OPEN HOUSE GROUP

Consolidated Business Performance Forecasts

■ **Increase of revenue and profits, excluding the impact of negative goodwill in FY2024.**

(¥ Million)

	FY2024 (2023/10-2024/9)		FY2024 Forecasts (2023/10-2024/9)	
	Results	Inc. (Dec.)	Forecasts	Inc. (Dec.)
Net sales	1,295,862	**112.8%**	**1,300,000**	**100.3%**
Operating profit	119,088	**83.7%**	**130,000**	**109.2%**
Ordinary profit	120,283	**87.8%**	**123,000**	**102.3%**
Profit attributable to owners of parent	92,921	**100.9%**	**82,000**	**88.2%**
EPS (yen)	782.60	-	**703.93**	**-**
Annual dividends per share (yen)	166.00	+2.00	**168.00**	**+2.00**
Payout ratio	21.2%	-	**23.9%**	**-**



Consolidated Business Forecasts (Net Sales by Business Segment)

(¥ Million)

	FY2024* (2023/10-2024/9)			FY2025 Forecasts (2024/10-2025/9)			
	Sales	Operating profit	Operating profit margin	Sales	Y-o-Y sales growth	Operating profit	Operating profit margin
Total	1,295,862	119,088	9.2%	**1,300,000**	**100.3%**	**130,000**	**10.0%**
Single-family home related business	653,606	51,671	7.9%	**653,700**	**100.0%**	**61,500**	**9.4%**
Condominium	89,294	10,664	11.9%	**76,000**	**85.1%**	**9,600**	**12.6%**
Property resale	233,331	15,731	6.7%	**222,600**	**95.4%**	**22,700**	**10.2%**
Others (including U.S. real estate business)	146,219	14,718	10.1%	**136,800**	**93.6%**	**15,200**	**11.1%**
Pressance Corporation	180,850	27,466	15.2%	**218,600**	**120.9%**	**21,000**	**9.6%**
Meldia	(7,439)	(1,164)	–	**(7,700)**	-	-	-

* Reference values aggregating Meldia segment figures into single-family homes, property resale, and others

3. Three-Year Financial, Investment, Shareholder Return Policy

OPEN HOUSE GROUP

Profit Assumptions and Policies for Three Years (September 2024 - September 2026)

Profit Assumptions

Cumulative Net Profit (Three Years):

¥250 billion~

¥260 billion

■ **Revised upward from the initial 250 billion.**

*Excludes profit increases resulting from M&A activities after Meldia.

Policies

(1) Financial Policy

Equity Ratio: 35%

Net D/E Ratio: Within 1.0 times

(2) Growth Investment Policy

Total Investment Amount (Cumulative for Three Years):

500 billion

(3) Shareholder Return Policy

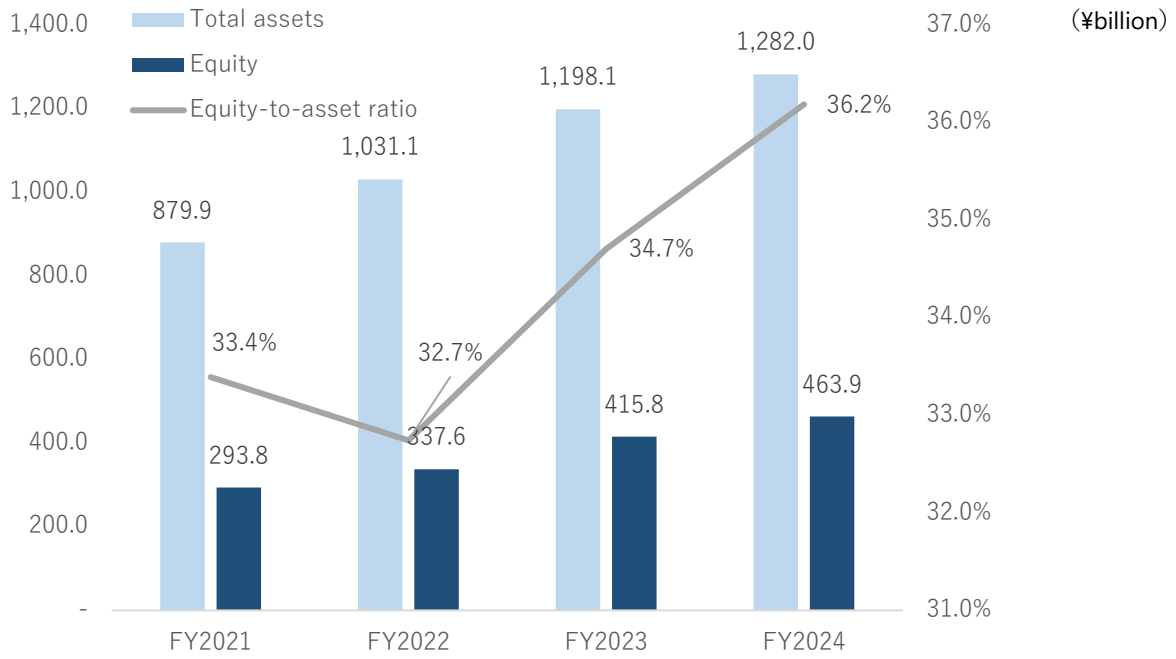
Total Shareholder Return Amount (Cumulative for Three Years):

100 billion

(1) Financial Policy

- Capital adequacy ratio to remain over 35%, aiming to diversify funding methods such as bonds.
- All targets have been achieved for FY 2024.

Changes in Capital Adequacy Ratio



Net D /E Ratio	0.3	0.4	0.4	0.4
ROE	26.4%	24.7%	24.4%	21.2%

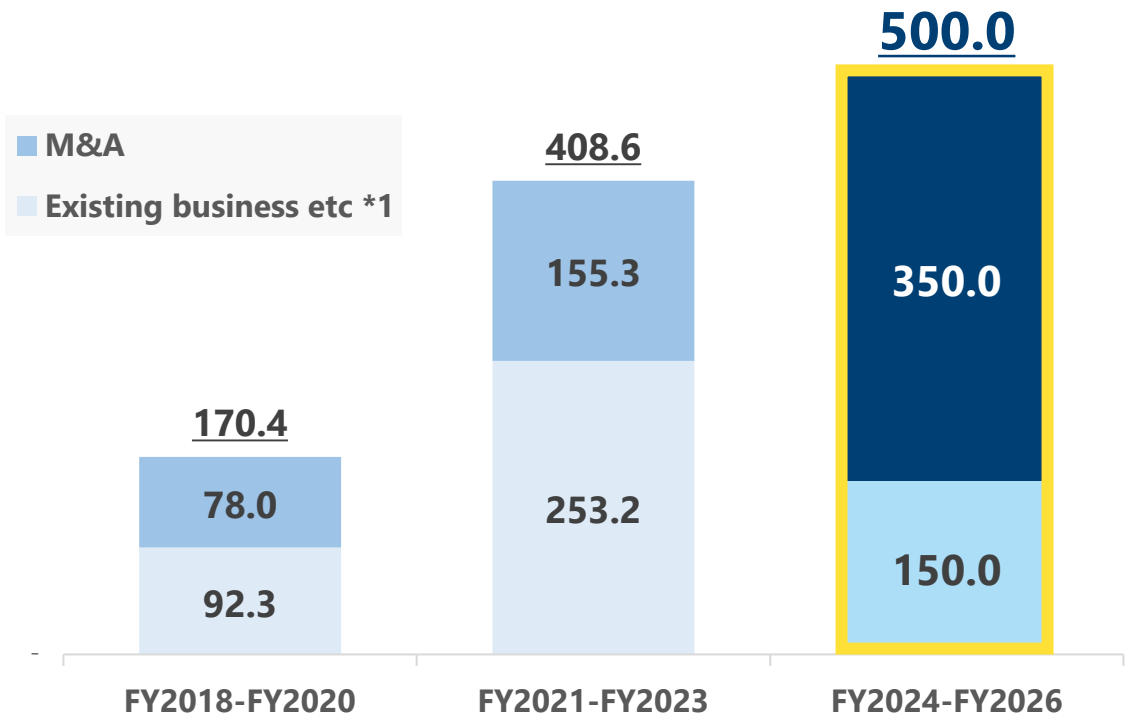
Indicators to Focus On

	Plan	Actual
Capital adequacy ratio	Over 35%	36.2%
Net D /E Ratio	1 time or less	0.4 time
ROE	FY2024 20%	21.2%

(2) Growth Investment Policy

- **Expect to invest 500 billion yen in total over the next 3 years.**
- **M&A (including Meldia) and other projects are progressing smoothly.**

Changes in Investment Amount (¥ Billion)



*1 Existing businesses, etc. include the increase in inventories, and M&A includes the increase in interest-bearing debt.

Detail of Investments

M&A

Domestic (multiple cases)	**300** billion yen Includes Meldia(100 billion yen)
U.S.	**50** billion yen

Investment in existing business

Increase in inventory assets (Domestic/Overseas)	**100** billion yen
U.S. development projects, DX, sustainability, etc.	**50** billion yen

(2) Growth Investment Policy (M&A Performance)

■ **Our M&A activities to date have delivered a steady track record of success.**

Company	Investment Period	Investment Amount *1	Performance etc.
OPEN HOUSE Architect	January 2015	¥7.9 billion	Net sales: Immediately before M&A ¥29.1 billion*2 → FY2024 ¥104.2 billion
HAWKONE	October 2018	¥27.3 billion	Net sales: Immediately before M&A ¥65.3 billion*3 → FY2024 ¥146.1 billion
PRESSANCE CORPORATION	May 2020 January 2021	¥64.4 billion	Negative goodwill ¥18.1 billion FY2024 Net sales ¥180.8 billion*4 Operating income ¥27.4 billion
Design Your Life MELDIA GROUP 三栄建築設計	October 2023	¥42.9 billion	Negative goodwill ¥12.7 billion (Expected) FY2024 Net sales ¥140.5 billion Operating income ¥3.7 billion

*1 Amount paid for acquisition of stock (excluding increase in interest-bearing debt)

*2 Results for FY2014 (full year)

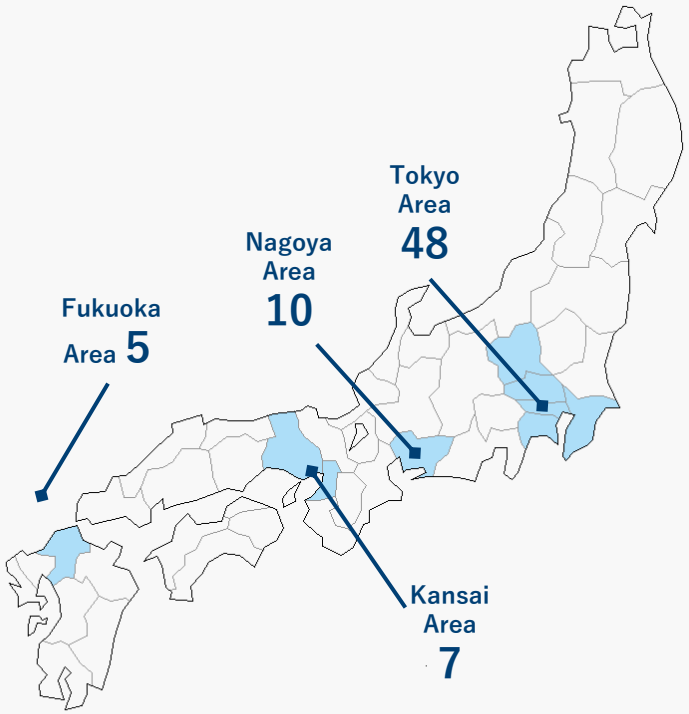
*3 Results for FY2018 (11-month financial results)

*4 Our consolidated results for the fiscal year ending September 2024

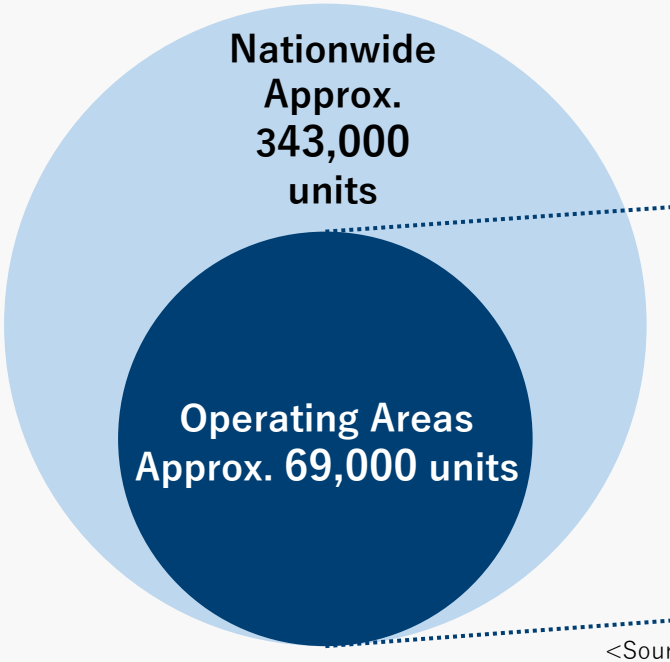
(2) Growth Investment Policy (Growth Potential in Single-family homes)

- With the acquisition of Meldia as a subsidiary, market share increased from 11% in the previous period to 14%.
- The single-family home industry consists of many small and medium-sized companies, indicating further room for growth.

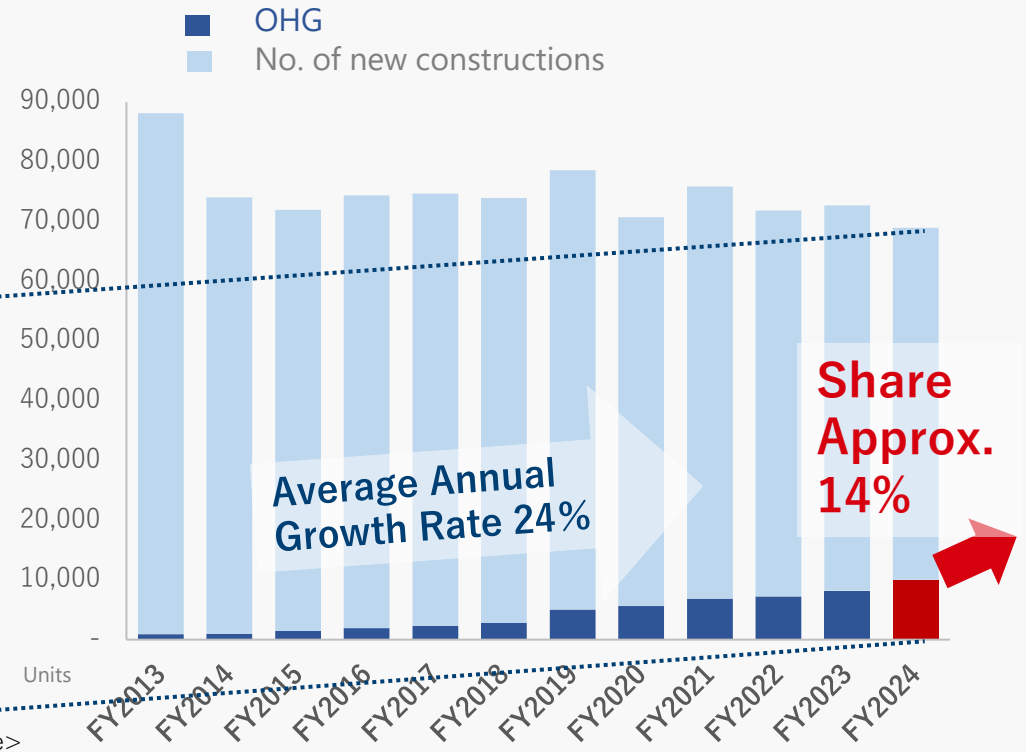
Number of Sales Centers by Area



Market Share in Operating Areas



Trends in Number of New Constructions

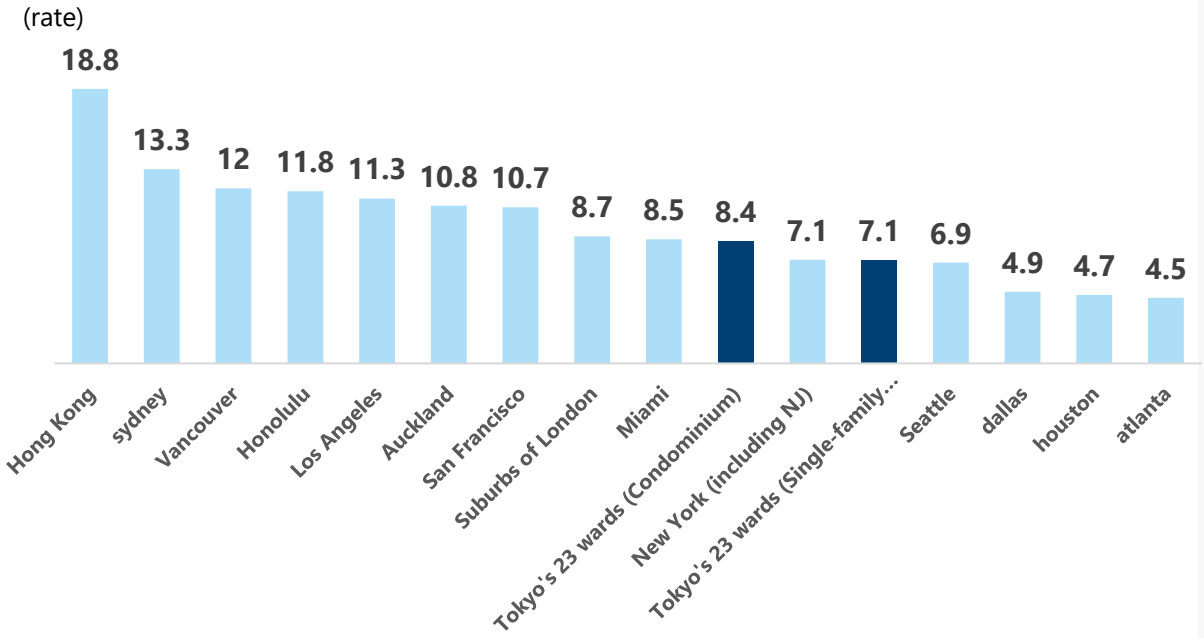


<Source>
Number of new construction starts: Ministry of Land, Infrastructure, Transport and Tourism "Housing Construction Starts Statistics" Single-family homes (owner-owned homes + condominiums)
OHG : OHD, Number of Hawk One buildings delivered (built + contracted)

(2) Growth Investment Policy (Supplying Affordable Housing)

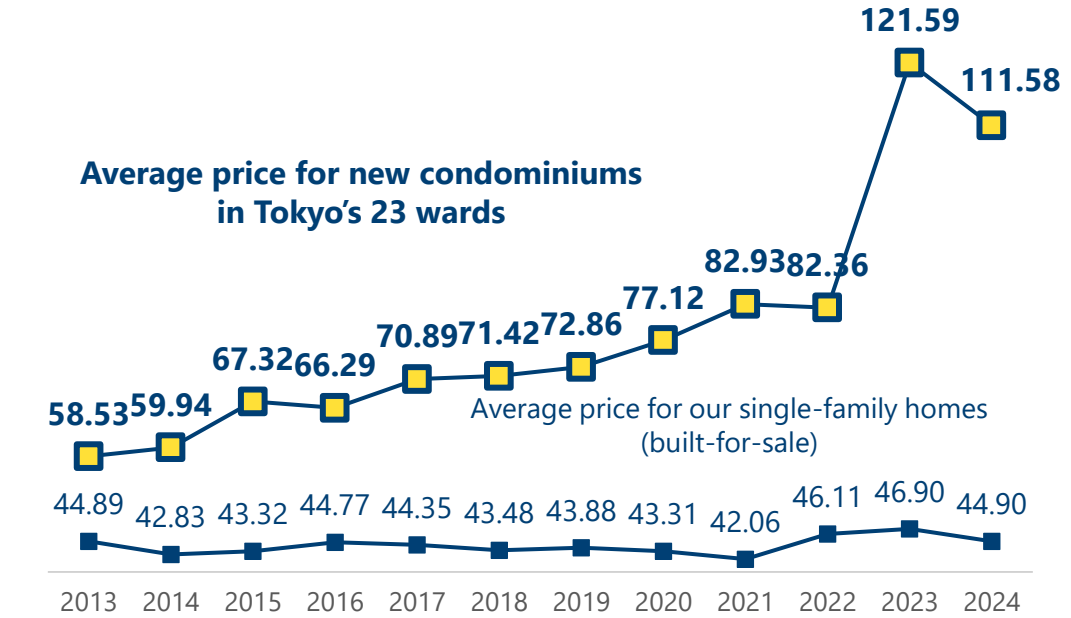
- **Housing-price-to-income ratios are also rising in major cities worldwide, creating a societal problem.**
- **Our efforts have made it possible for us to offer high-quality, affordable housing, even in central urban areas.**

Ratio of House Prices to Annual Household Income in Major Cities Around the World



source:
「DEMOGRAPHIA INTERNATIONAL HOUSING AFFORDABILITY 2023 EDITION」
Real Estate Economic Research Institute "Nationwide new condominium market trends 2022"
Tokyo Kantei "Average Price of Newly Built (Small) Single-Family Houses" (2022)
Daiwa Institute of Research: "In Tokyo's 23 wards, the median annual income for households with children in their 30s approaches 10 million yen."

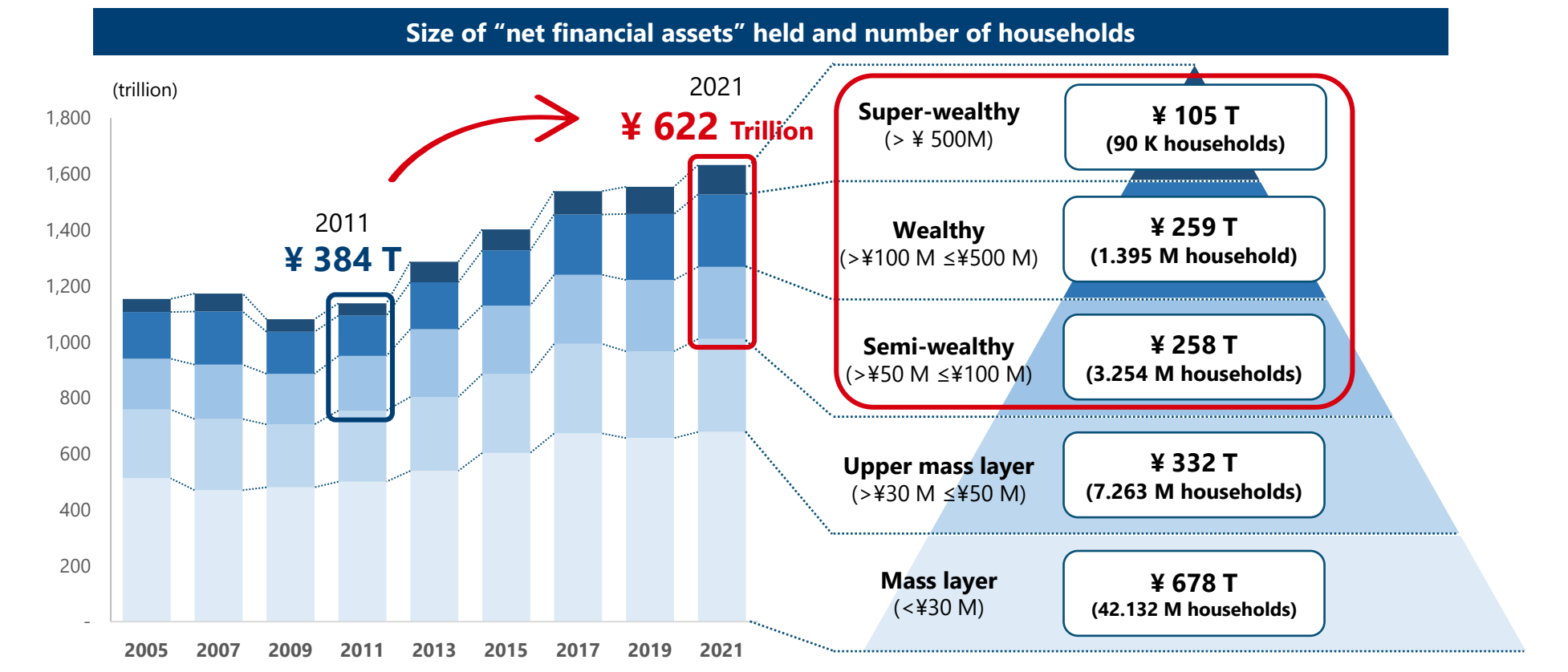
Trends in the Average Price of New Condominiums in Tokyo's 23 Wards



Source:
Real Estate Economic Research Institute "Tokyo Regional New Condominium Market Trends 2024"
Condominiums are from January ~ September 2024.

(2) Growth Investment Policy (Investment Real Estate)

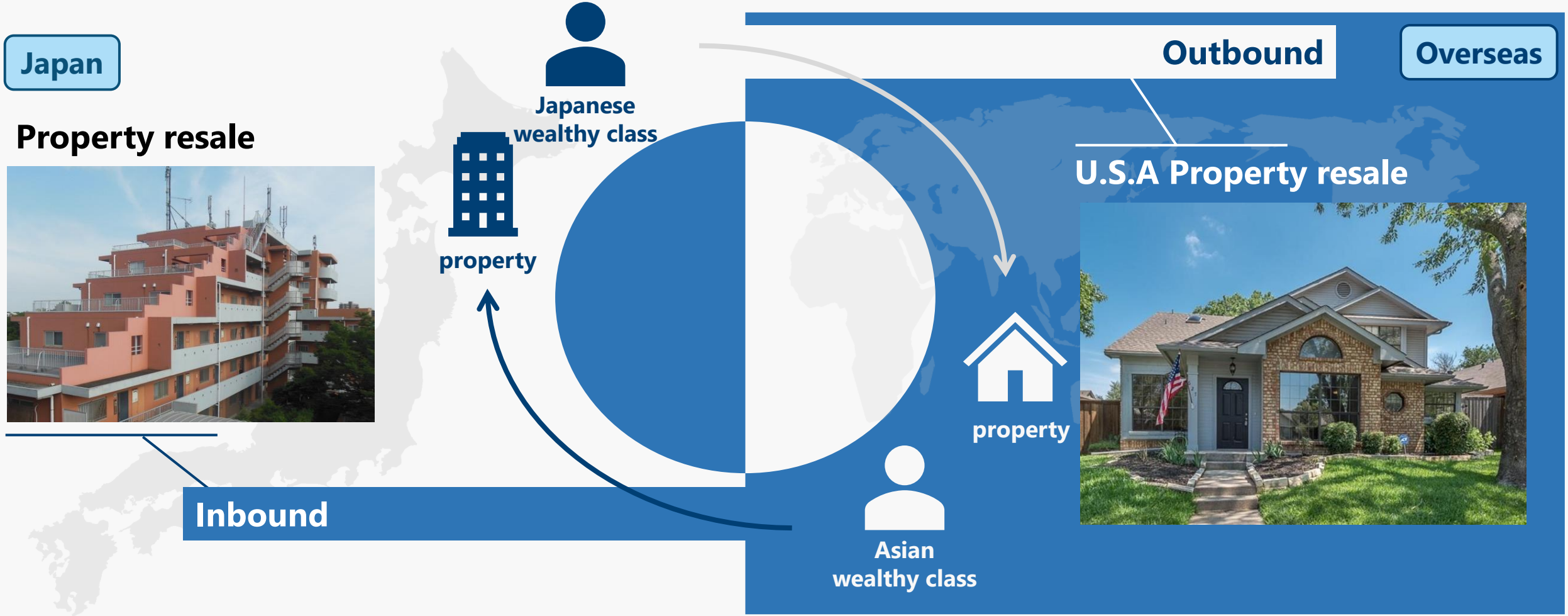
- **Financial assets held by Japanese people are on the rise, developing a "622 trillion yen" wealthy market with demand for asset diversification**
- **Capture investment demand for inflation-resistant, leveraged physical real estate.**



Source: Nomura Research Institute, Ltd. News release
"News Release "Nomura Research Institute estimates that there are 1.49 million affluent households in Japan with total net financial assets of 364 trillion yen."

(2) Growth Investment Policy (Investment Real Estate)

- Provide U.S. real estate to wealthy Japanese clients and Japanese real estate to wealthy Asian clients.
- In addition to our property sourcing capabilities, we also have strong operational capabilities in U.S. real estate.



(2) Growth Investment Policy (Investment Real Estate)

- **Initiated 3 new projects, in Houston, Atlanta and Fort Worth.**
- **Development of the first build-to-rent (BTR) specialized community, expanding the asset types.**

①Apartment Complex in Los Angeles





④Mixed Community near Dallas



NEW ⑥Apartment Complex near Atlanta



②Apartment Complex in Los Angeles



NEW ③Apartment Complex near Fort Worth



NEW ⑤Built-to-Rent Communities near Houston



⑦Apartment Complex near Orlando

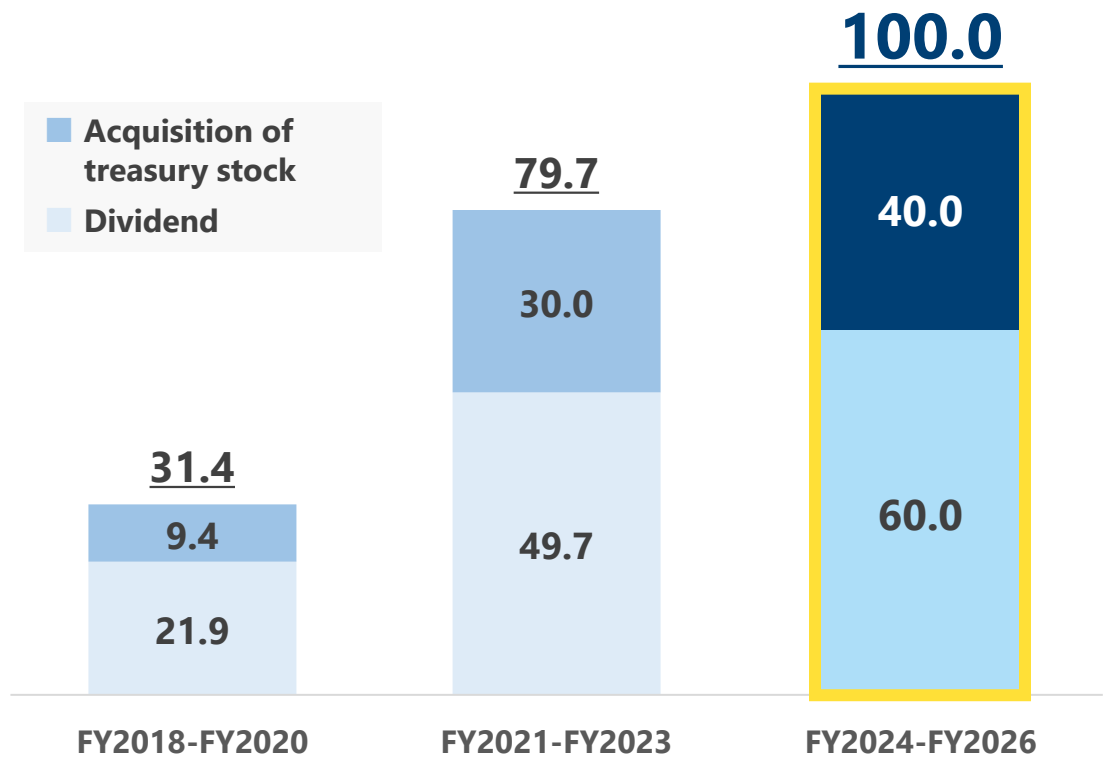


※BTR(Build to Rent)：Rental housing such as single-family homes and townhouses.

(3) Shareholder Return Policy

- Expected shareholders' return of 100 billion yen in total over the next 3 years.
- Implementing stable dividends (dividend payouts ratio of 20% or more) and flexible share acquisitions.

Actual Results and Plans (¥ billion)



Important Indicators

- Stable dividend (payout ratio over 20%)
- Flexible share acquisitions

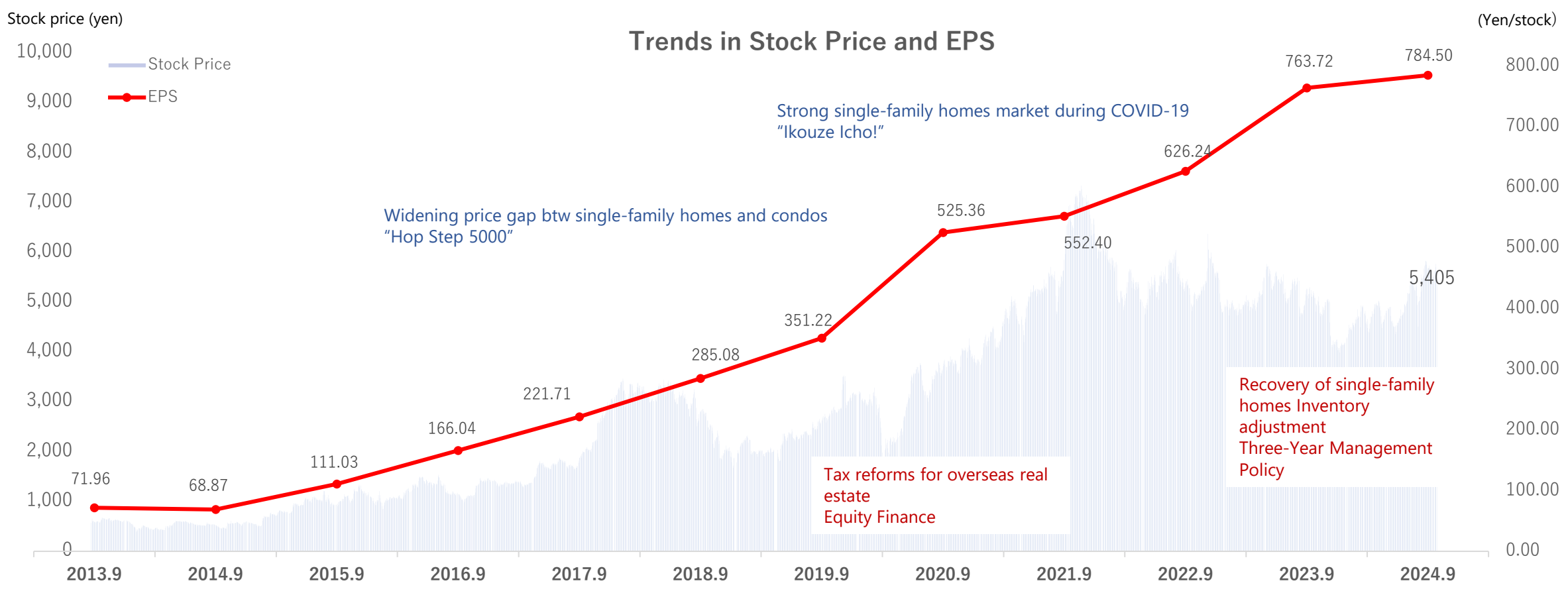
Share Acquisitions (Actual/Plan)

	Period	Amount	No. of shares	Percent
Actual	FY2024	19.8 billion yen	4,167 shares	3.46%
Plan	FY2025	20 billion yen	5,000 shares	4.29%

*percentage of total number of shares issued (excludes share acquisitions)

(4) Management Focused on Cost of Equity and Stock Price

■ Stock price has remained flat compared to the rise in EPS since the peak of FY2021.



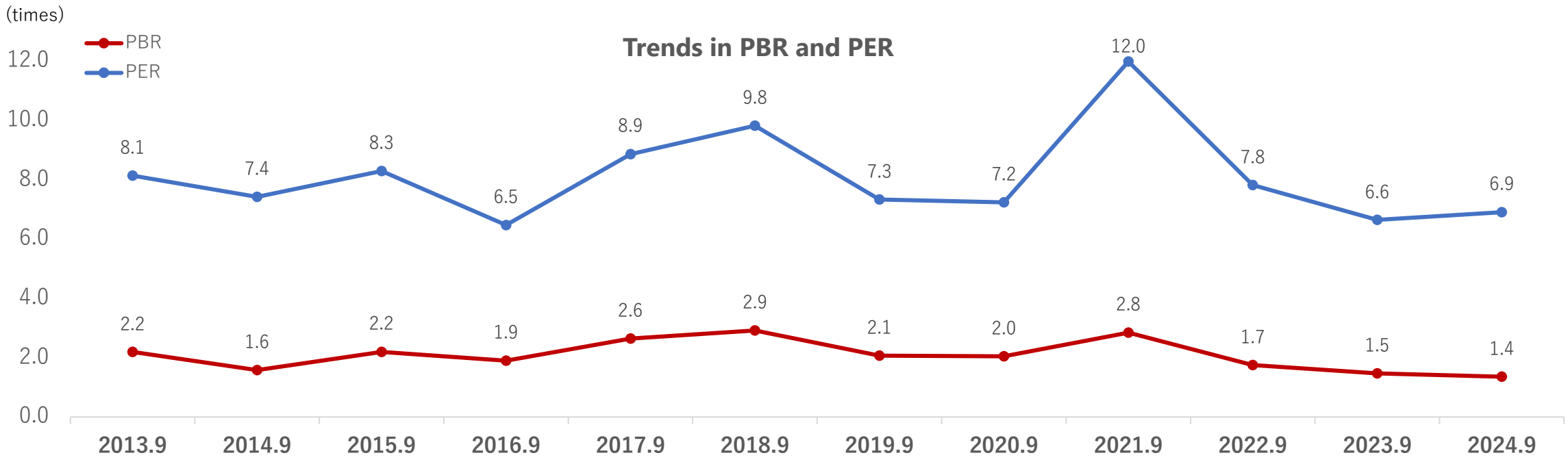
Note: Due to the 2-for-1 stock splits conducted by the company in the fiscal years ending Sept 2015 and Sept 2019, dividends have been calculated assuming a stock split was conducted in the fiscal year ending Sept 2013.

(4) Management Focused on Cost of Equity and Stock Price

■ **PBR remains above 1, while PER is generally at single-digit levels.**

PBR (Stock Price/Book Value per Share) = 1~3 times

PER (Stock Price/Book Value per Share) = 6~12 times



(4) Management Focused on Cost of Capital and Stock Price

■ ROE significantly exceeds cost of capital, with all three indicators at high levels.

CAPM-based Cost of Capital

Estimation using CAPM (Capital Asset Pricing Model)

Risk-free rate	+	β	×	Market risk premium
About 1%		About 1.2		4%~6%

Cost of Capital = 6~8%

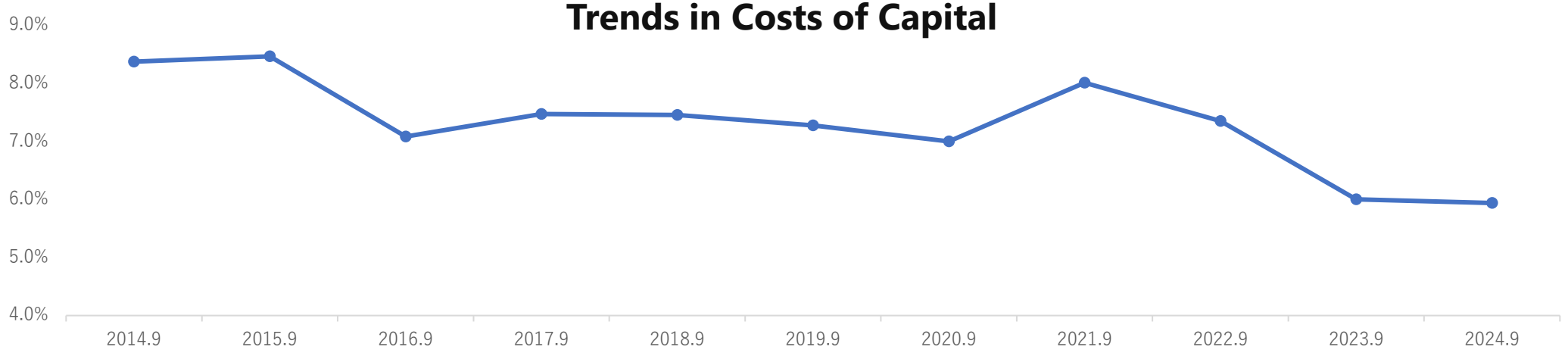
Market-Based Cost of Capital

ROE three-factor decomposition (DuPont Analysis)

Net Sales Net Profit Margin	×	Total Asset Turnover Ratio	×	Financial Leverage
7.2%		1.0 turnover		2.8 times

ROE (FY2024 Actual Results) = 21.1%

Trends in Costs of Capital



(4) Management Focused on Cost of Capital and Stock Price

■ Aim for EPS growth to enhance corporate value.

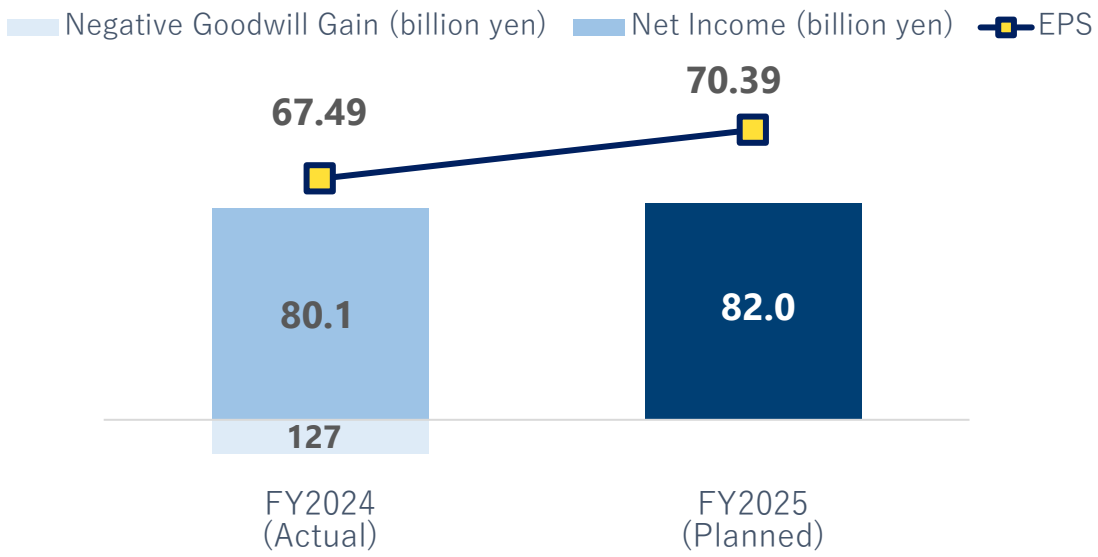
Current Understanding of Capital Costs

・The cost of capital reflects both market-wide risk and company-specific risk.
・The expected return sought by investors exceeds the cost of capital.

Direction for Enhancing Corporate Value

- The Company aims for EPS growth.
- Strengthening efforts to reduce the expected return rate sought by investors.
  Clarifying financial policies, growth investments, shareholder return policies, and progress.
  Promoting sustainability.
  Strengthening governance and compliance, etc.

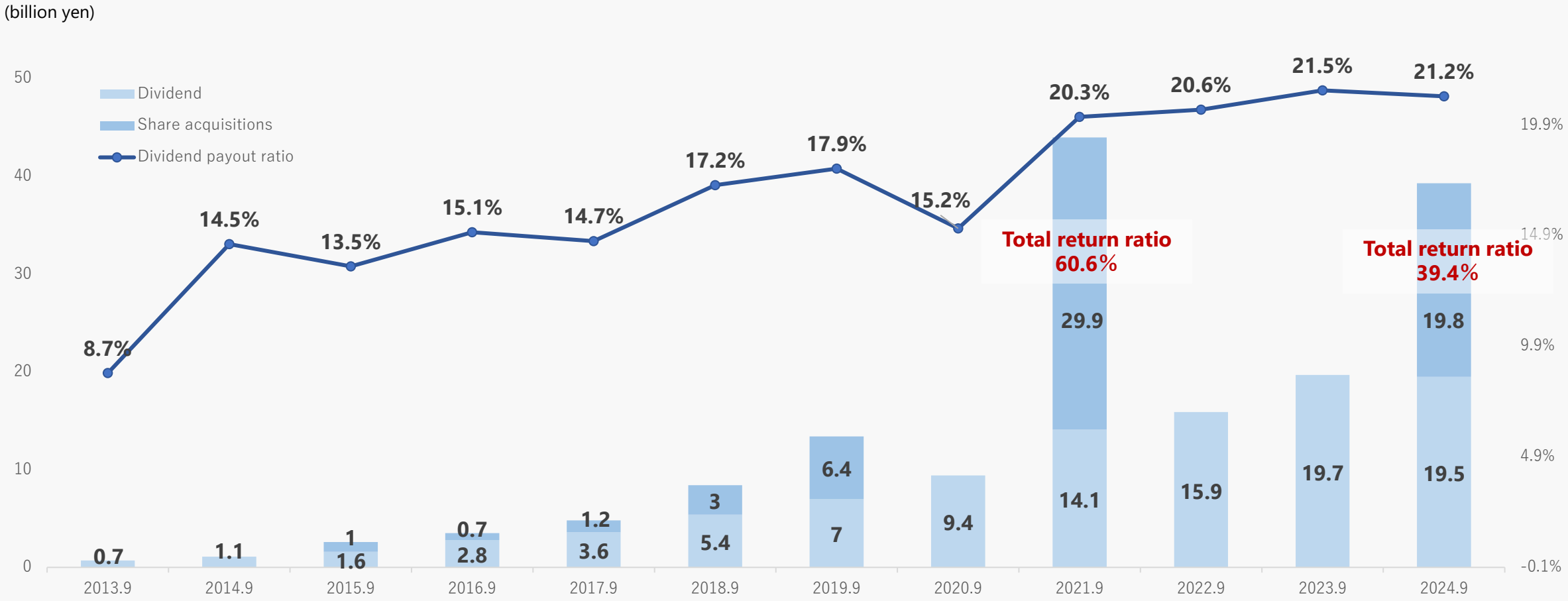
EPS Actual / Targets



* FY2024 Excludes the impact of the gain on negative goodwill.
FY2025 Excludes the impact of share acquisitions to be executed.

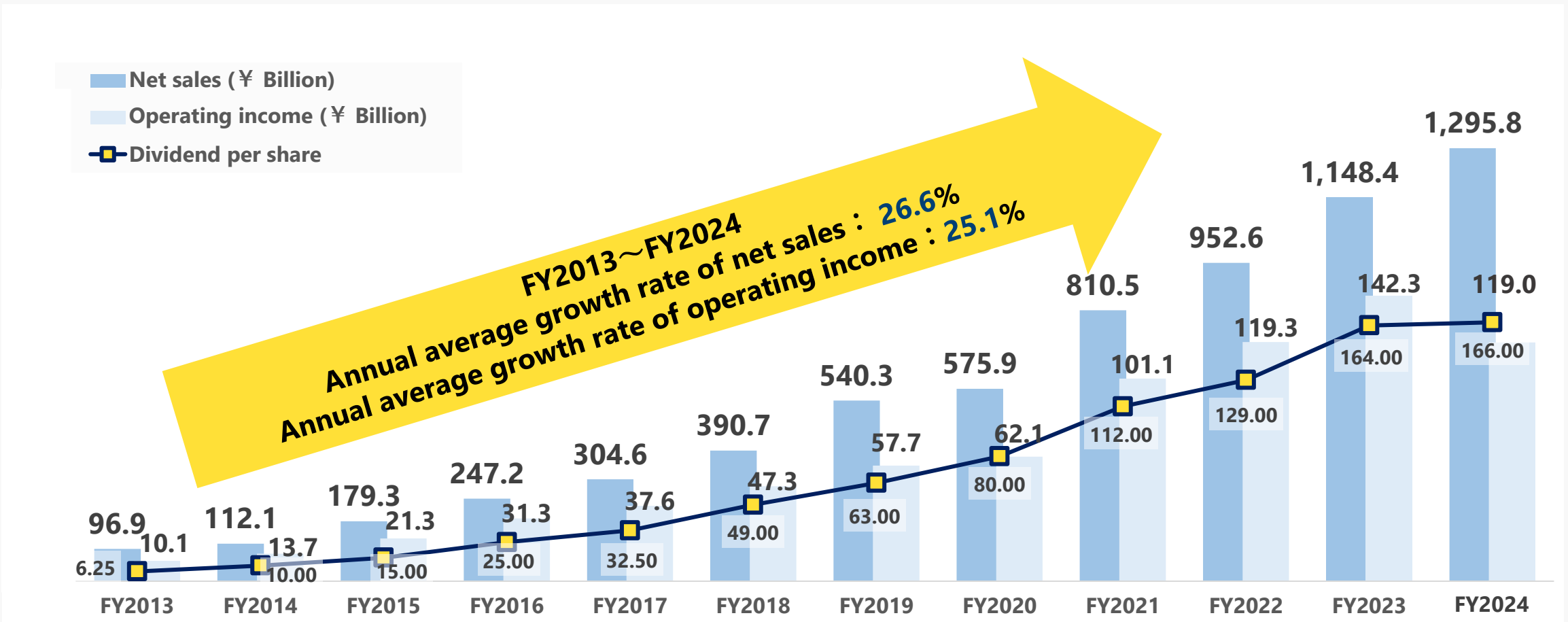
(4) Management Focused on Cost of Capital and Stock Price (Track record)

■ Stable dividends and flexible share acquisitions.



(4) Management Focused on Cost of Capital and Stock Price (Track record)

■ **Achieved continued growth since our listing in FY2013. Our sales have grown 13-fold and operating income 11-fold over the past 11 years.**



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

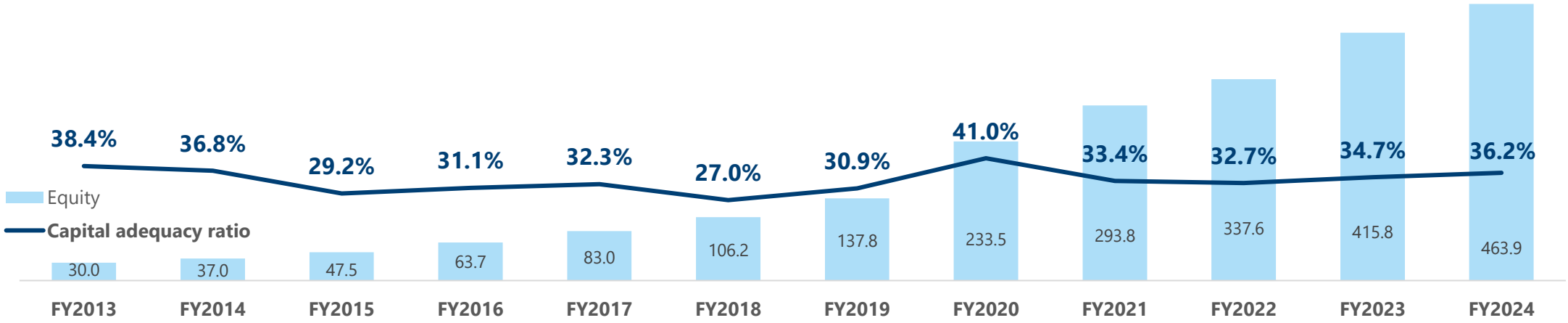
Track Record

■ **Expansion of business domain and M&A while maintaining a sound financial position.**

M&A

OPEN HOUSE Architect　HAWKONE　PRESSANCE CORPORATION　Design Your Life MELDIA GROUP 三栄建築設計

Capital Adequacy Ratio



Expand Business Areas

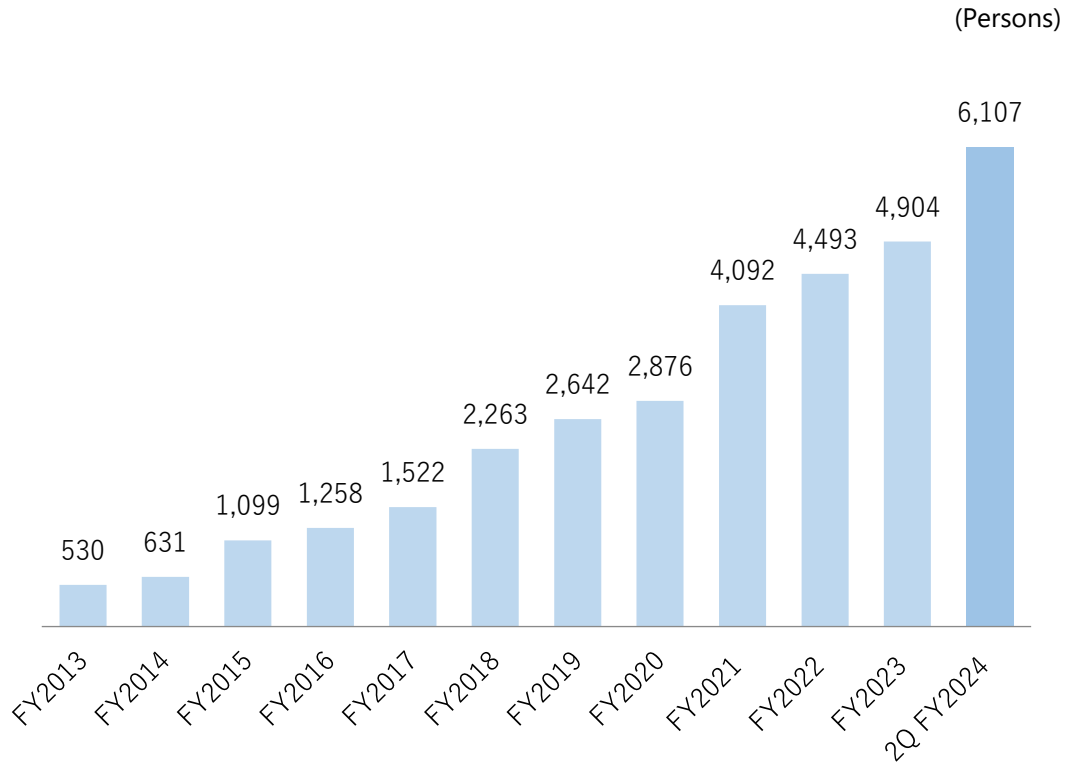
Property Resale	¥196.5 billin
U.S. Real Estate	¥89.4 bilion
General construction	¥47.4 billion*

*Including internal transactions

Strengthening Human Resource Recruitment

- Our people are the source of the Group's growth.
- Hiring key talent is one of our key management priorities.

Changes in the Number of Personnel



Number of New Graduates Hired

April 2024: 539 persons
April 2025: over 750 person (planned)

Corporate Philosophy (Value)

"Attract a wide range of motivated people and create an organization that rewards results."

The President & CEO Takes the Lead in Hiring

- Assigned top salespeople from each business division to serve as recruiting staff.
- Strengthen motivation to join the company through interviews with top executives

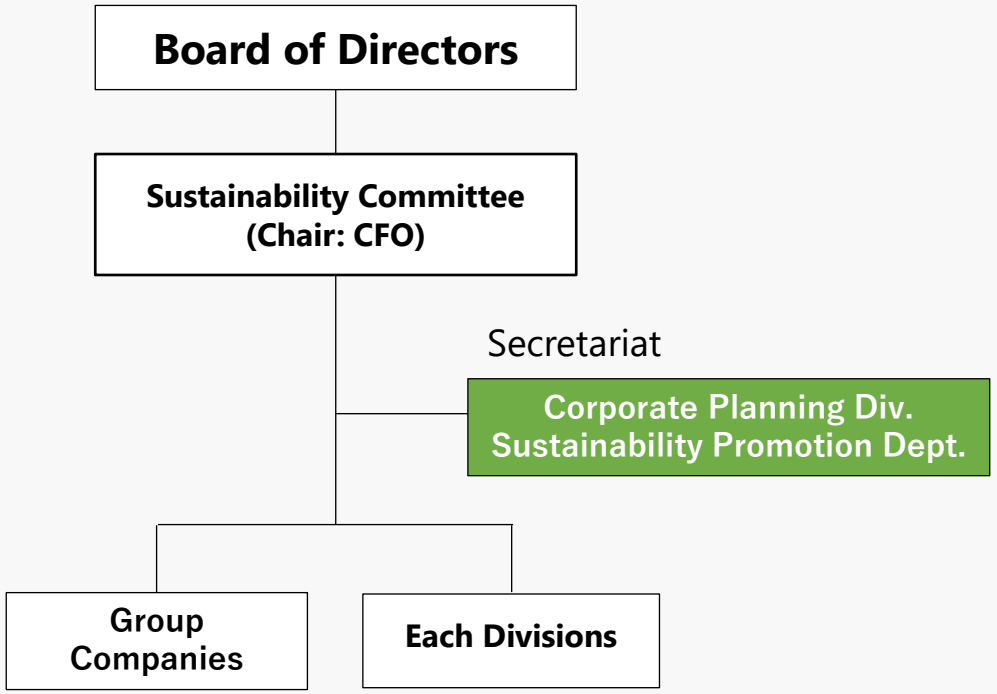
4. Sustainability



Strengthening the Sustainability Promotion System

- **Sustainability Promotion Department established in Corporate Planning Division**
- **Strengthens sustainability promotion activities to further enhance corporate value**

< Sustainability Promotion System >



<Established Sustainability Promotion Department>

・Oversees the Group's overall sustainability promotion response (measures to reduce GHG emissions, information disclosure, etc.)

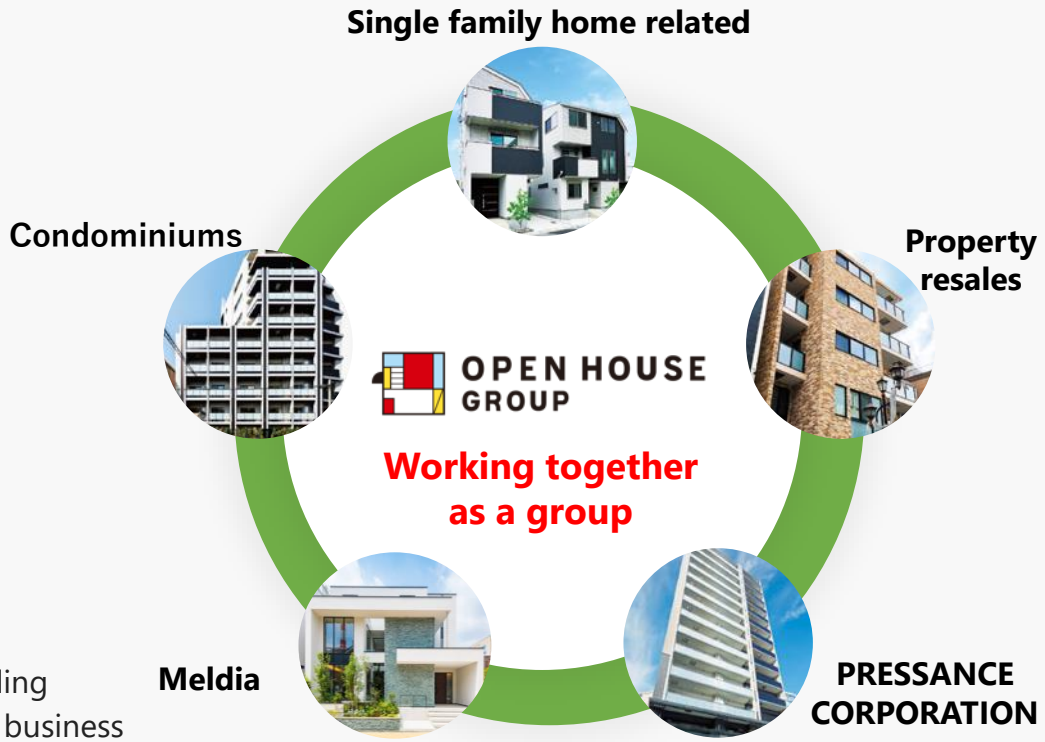
・Proposals for sustainability strategies and policies, etc.

Contribution to a Decarbonated Society (Expansion of the Scope of Calculating GHG Emissions)

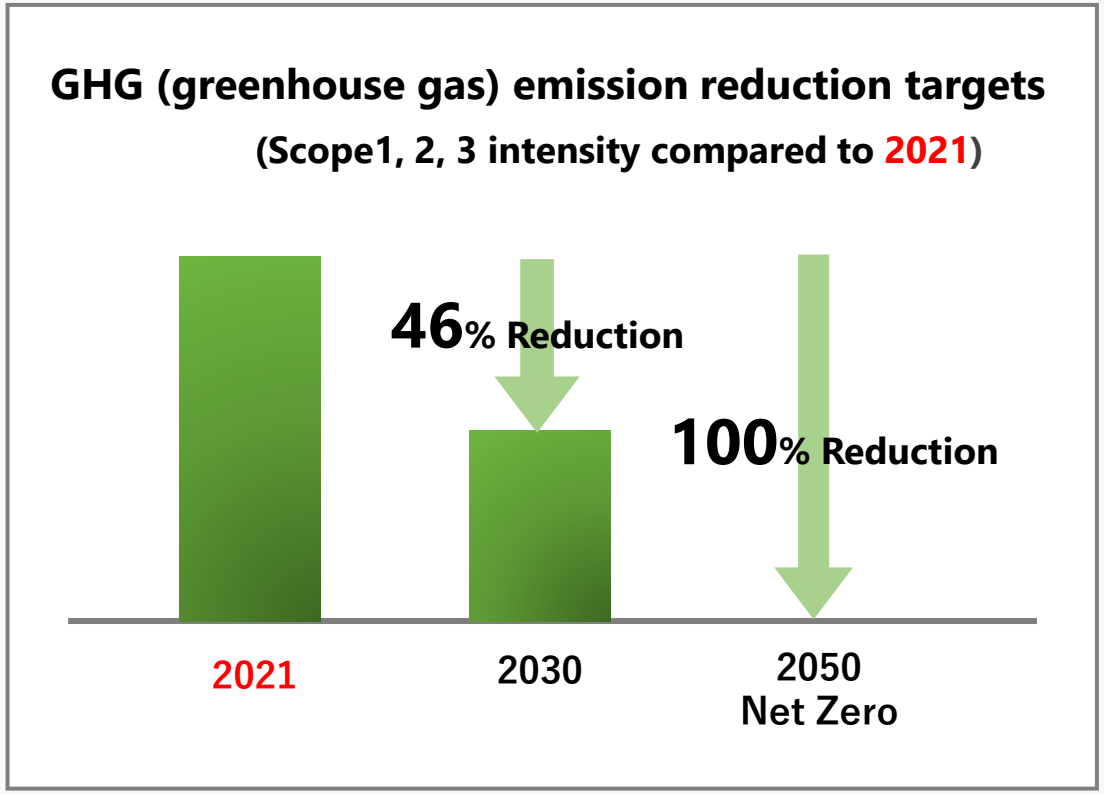
- **Expansion of the scope of calculation to consolidated basis *1**
- **With the expansion of the scope of calculation, the base year for the GHG emission reduction target was changed from FY2018 to FY2021.**

*GHG emission reduction targets remain unchanged (46% reduction by 2030, net zero by 2050).

< After change in scope calculation>



*1 Excluding overseas business etc.



Contribution to a Decarbonized Society (Provision of Virtually Renewable Energy)

■ **Start of providing purchased of single-family homes, with electricity from virtually 100% renewable energy sources, using renewable electricity from solar power plants operated by the Group.(December 2024).**

< Non-fossil certificate (with tracking) schemes based on individual agreements >

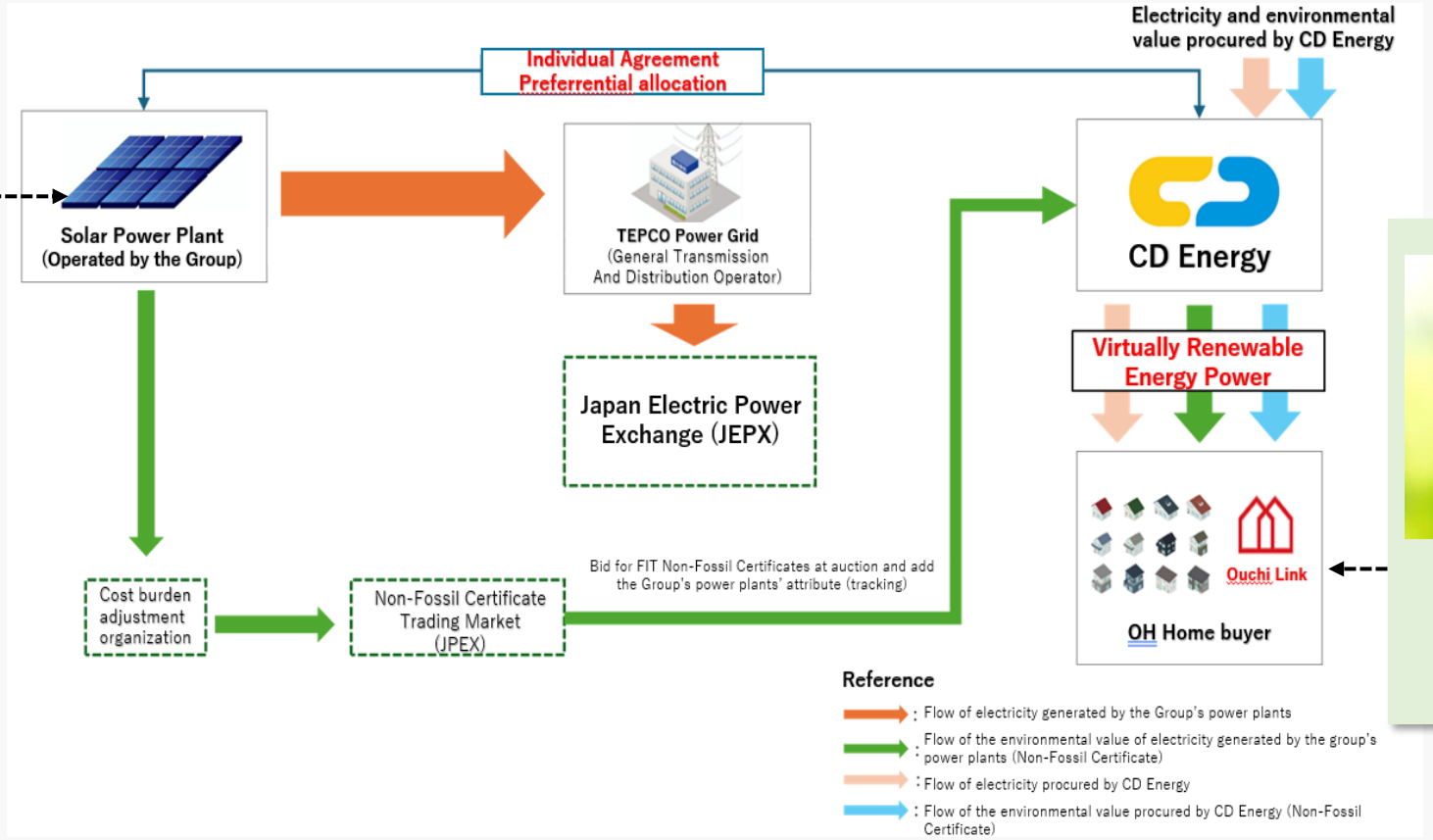
Energy Generation through the Group's solar funds (example)



Gunma Prefecture Power Plant



Fukushima Prefecture Power Plant





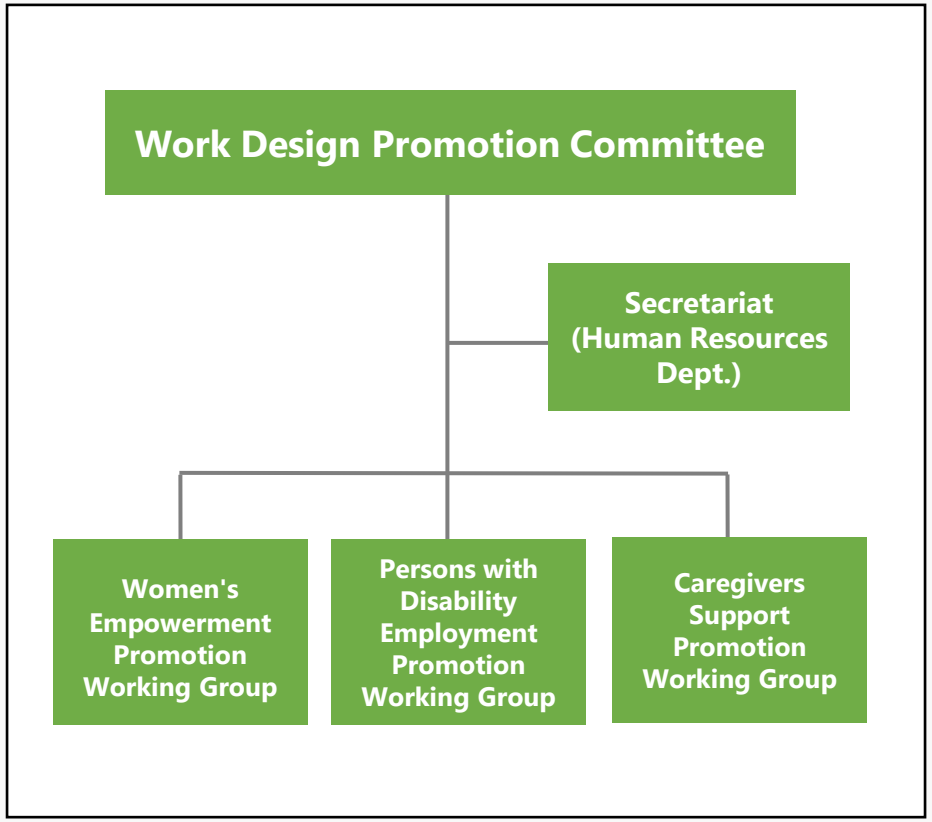
7,099

Cumulative number of contracts as of Sept 2024

Maximizing the Value of Human Capital（Diversity）

■ Promoting the creation of an environment in which a diverse workforce can flourish.

Promotion Structure



Childcare Support and Promotion of Women

New

Oocyte Cryopreservation Subsidy
Maximum Subsidy
¥400,000

Baby Bonus 3rd Child
¥1 million

Babysitter Allowance
Maximum Monthly Allowance
¥300,000

Single Parent Allowance
Flat Monthly Allowance
¥50,000

Baby Bonus





*Subject to conditions

Maximizing the Value of Human Capital (Employment of persons with disabilities)

- Received the “Excellent Company Award for Employment of Persons with Disabilities (Governor’s Award)” from the Tokyo Metropolitan Government.
- Open House Operations Co., Ltd. (established in April 2024) is applying for special company certification.

Excellent Company Award

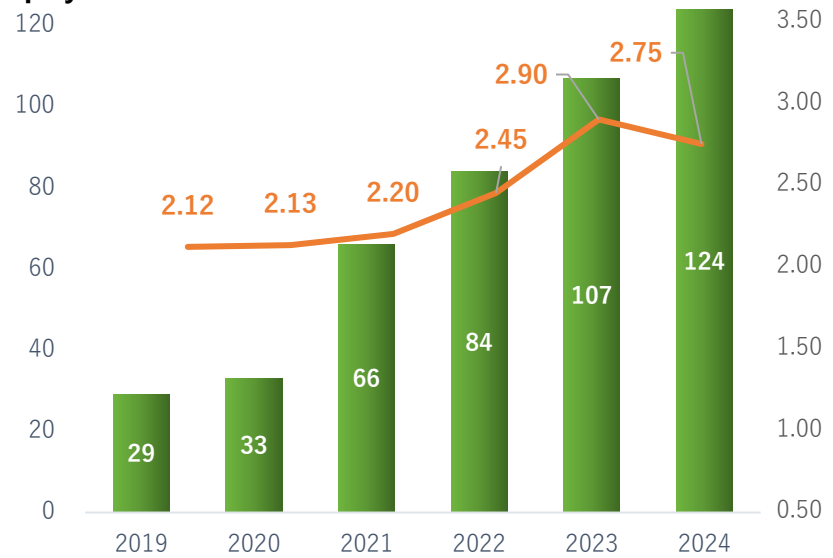


Awarded as a company recognized for permeating normalization.

Trends in the Employment Status of Persons with Disabilities

No. employed : 124 persons

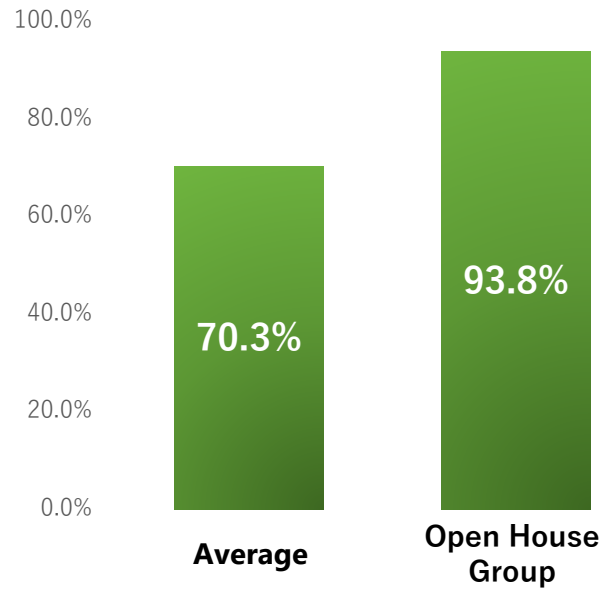
Employment rate : 2.75%



（2024年6月時点） ※法定雇用率2.5%

High Retention Rates

Retention rates : 93.8%



*1 One-year retention rate of persons with disabilities hired in the past three years, as of June 2024.
*2 Based on a survey conducted by JEED (2017, JEED).
2 Calculated by the Ministry of Health, Labour and Welfare based on a survey conducted by JEED (2017, JEED).

Maximizing the Value of Human Capital (Caregiving Support)

■ Enhance the caregiving support system and develop an environment that supports balancing work and caregiving.

New **The Group's Original Caregiving Support System**

Caregiving Support Allowance
Maximum monthly amount
¥50,000

Caregiving Preparation Leave
(Special paid leave)
Up to **20 days**

Special paid leave available to establish a system for continuing to work while providing care.

Ongoing Caregiving Leave
(Special paid leave)
10 days
Maximum per year

Special paid leave available for working while providing care.

Caregiving Support Handbook

Establishment of Caregiving Consultation Service

Provision of Travel Expenses for Caregiving Visits

Providing travel expenses for visiting family members who live far away and require care.

Flexible Work Arrangement for Caregivers

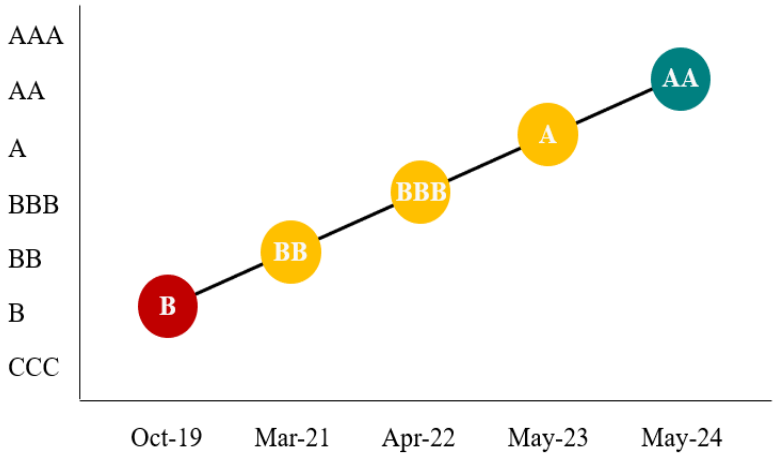
A system that allows employees to work reduced hours when caring for family members who require nursing care.

*Subject to conditions

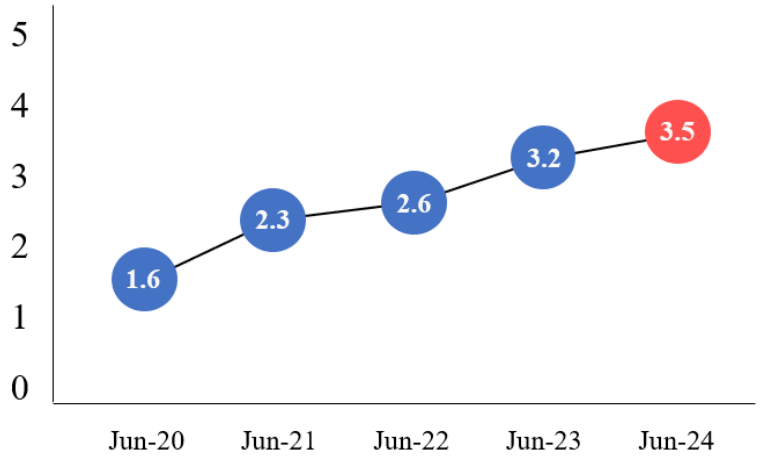
Third Party Evaluation

- **Evaluations by ESG rating agencies have improved.**
- **As a result, there has been an increase in new additions to ESG indices.**

MSCI ESG Rating history



FTSE ESG Rating history



2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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FTSE4Good

https://www.lseg.com/en/ftse-russell/indices/ftse4good

FTSE Blossom Japan Index

https://www.lseg.com/ja/ftse-russell/indices/blossom-japan

FTSE Blossom Japan Sector Relative Index

https://www.lseg.com/ja/ftse-russell/indices/blossom-japan

Sustainable Finance

- **Continues, and new execution of sustainability-related financing from various financial institutions.**
- **Setting sustainability initiatives as KPIs and obtaining third-party evaluations.**

Cont'd. **Positive Impact Finance (Mizuho Bank, Ltd.)**

Loan amount	10 billion yen
Loan term	10 years
Use of funds	Business funds
Execution date	Feb 28, 2022

Cont'd. **Syndicated Loan Based on ESG/SDGs Evaluation (Sumitomo Mitsui Banking Corporation)**

Loan amount	20.5 billion yen
Loan term	10 years
Use of funds	Business funds
Execution date	Sept 28, 2022

Cont'd. **Positive Impact Finance (Resona Bank, Limited)**

Loan amount	5 billion yen
Loan term	10 years
Use of funds	Business funds
Execution date	March 20, 2023

Cont'd. **Positive Impact Finance (Mizuho Bank, Ltd.)**

Loan amount	10 billion yen
Loan term	10 years
Use of funds	Business funds
Execution date	Sept 22, 2023

New **Positive Impact Finance / Syndicated Loan (The Gunma Bank, Ltd.)**

Loan amount	5 billion yen
Loan term	7 years
Use of funds	Business funds
Execution date	Sept 30, 2024

New **ESG/SDGs Promotion Analysis Financing (Sumitomo Mitsui Banking Corporation)**

Loan amount	10 billion yen
Loan term	10 years
Use of funds	Business funds
Execution date	Oct 10, 2024

Regional Co-creation

- **“Open House Area Ota” won the Good Desing Award 2024.**
- **“Abandoned Building Regeneration Marche” held in Minakami Town, Gunma Prefecture – Joint development of “NOT A HOTEL”, sold out before completion.**



GOOD DESIGN AWARD 2024

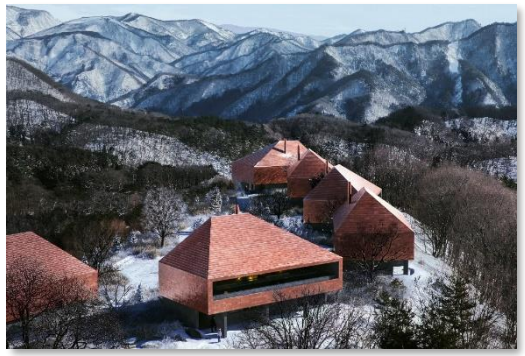
Home area to the “Gunma Crane Thunders”
“Open House Arena Ota” (Ota City General Gymnasium)

Community Co-Creation Arena

Reducing the financial burden on local government (Construction and operation)

- Corporate hometown tax donation from the Group to Ota City
- Utilization of naming rights sponsorship fees
- Attracting entertainment activities such as concerts, martial arts events, and esports.





Minakami Town, Gunma Prefecture – Minakami Onsen District

- Participating in regional co-creation based on a comprehensive industry-government-academia-finance partnership agreement *since FY2021 (*Partnership with Gunma Bank, Minakami Town, and Graduate School of Engineering, The University of Tokyo).
- Sept. 2024, the event was held at 4 locations in Minakami Onsen District, attracting 4,400 visitors.

Completion of sales for luxury vacation property, “NOT A HOTEL MINAKAMI TOJI” in Minakami Town, Gunma Prefecture.

- Long-term increase in the number of people engaged with the region
- Joint development with NOT A HOTEL Inc.
- Flexibility to acquire the optimal number of 10-night stays yearly.
- Hot spring villas designed by renowned architects.

5. Supplemental Financial Data

OPEN HOUSE GROUP

Consolidated Financial Results Trend

(¥ Million)

			FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2024 Plan
Single-family homes related	Net sales		141,735	154,042	136,227	158,389	**170,186**	**157,780**	**147,458**	**114,744**	516,554	590,394	590,170	**653,700**
	Gross profit		24,925	26,845	22,590	23,981	**26,740**	**22,655**	**20,566**	**15,078**	93,912	98,343	85,040	**103,700**
	Gross Profit margin		17.6%	17.4%	16.6%	15.1%	**15.7%**	**14.4%**	**13.9%**	**13.1%**	18.2%	16.7%	14.4%	**15.9%**
	Operating Profit		16,484	18,692	13,902	14,098	**17,959**	**13,447**	**11,696**	**6,564**	63,014	63,178	49,668	**61,500**
	Operating Profit margin		11.6%	12.1%	10.2%	8.9%	**10.6%**	**8.5%**	**7.9%**	**5.7%**	12.2%	10.7%	8.4%	**9.4%**
Open House Development	Net sales		98,829	105,090	92,299	101,185	**120,303**	**103,786**	**97,794**	**64,618**	336,502	397,405	386,502	**364,700**
	Gross profit		17,822	18,923	15,785	15,245	**18,759**	**14,487**	**13,786**	**8,328**	63,683	67,778	55,360	**62,000**
	Gross Profit margin		18.0%	18.0%	17.1%	15.1%	**15.6%**	**14.0%**	**14.1%**	**12.9%**	18.9%	17.1%	14.3%	**17.0%**
	Number delivered	Built-for-sale houses	1,184	1,267	1,145	1,333	**1,642**	**1,483**	**1,399**	**984**	3,624	4,929	5,508	**4,630**
		Lands	833	940	816	844	**915**	**693**	**842**	**429**	3,402	3,433	2,879	**3,780**
		Built-to order houses	544	474	382	402	**503**	**433**	**463**	**433**	1,918	1,802	1,832	**1,510**
	Unit price	Built-for-sale houses	44.0	43.6	42.9	42.3	**43.1**	**41.6**	**40.7**	**41.4**	43.1	43.2	41.8	**40.5**
		Lands	45.6	44.3	44.5	44.8	**44.6**	**49.7**	**38.8**	**37.4**	44.4	44.8	43.0	**39.7**
Hawk One	Net sales		28,992	35,637	29,572	41,161	**35,999**	**40,297**	**35,252**	**34,588**	125,352	135,363	146,138	**160,000**
	Gross profit		4,702	5,018	4,086	5,297	**4,214**	**4,608**	**4,102**	**4,611**	21,825	19,105	17,538	**21,500**
	Gross Profit margin		16.2%	14.1%	13.8%	12.9%	**11.7%**	**11.4%**	**11.6%**	**13.3%**	17.4%	14.1%	12.0%	**13.4%**
	Number delivered	Built-for-sale houses	524	647	506	726	**671**	**718**	**623**	**569**	2,283	2,403	2,581	**2,640**
		Lands	83	112	100	118	**83**	**119**	**80**	**111**	346	413	393	**450**
		Built-to order houses	32	43	40	42	**52**	**49**	**50**	**49**	168	157	200	**230**
	Unit price	Sales	46.8	46.1	47.6	48.0	**46.7**	**47.1**	**48.9**	**49.6**	46.6	47.1	48.0	**50.5**
Open House Architect	Net sales		18,267	19,990	20,662	22,795	**18,112**	**18,834**	**17,740**	**18,937**	67,495	81,715	73,625	**71,700**
	Gross profit		1,898	2,471	2,685	3,094	**2,777**	**3,091**	**2,786**	**2,422**	6,130	10,149	11,078	**10,000**
	Gross Profit margin		10.4%	12.4%	13.0%	13.6%	**15.3%**	**16.4%**	**15.7%**	**12.8%**	9.1%	12.4%	15.0%	**13.9%**
	Number delivered	to ouside customers	679	644	697	744	**615**	**627**	**661**	**753**	2,876	2,764	2,656	**2,460**
		to OHD	529	686	649	731	**540**	**600**	**472**	**454**	1,881	2,595	2,066	**2,150**
Meldia	Net sales						**37,332**	**30,353**	**28,271**	**44,563**			140,519	**73,400**
	Gross profit						**3,828**	**3,474**	**4,036**	**1,684**			13,023	**10,200**
	Gross Profit margin						**10.3%**	**11.4%**	**14.3%**	**3.8%**			9.3%	**13.9%**
	Number delivered	buildings etc.					**344**	**306**	**305**	**438**			1,393	**1,700**
		Apartments					**49**	**18**	**9**	**34**			110	**140**

Consolidated Financial Results Trend

(¥ Million)

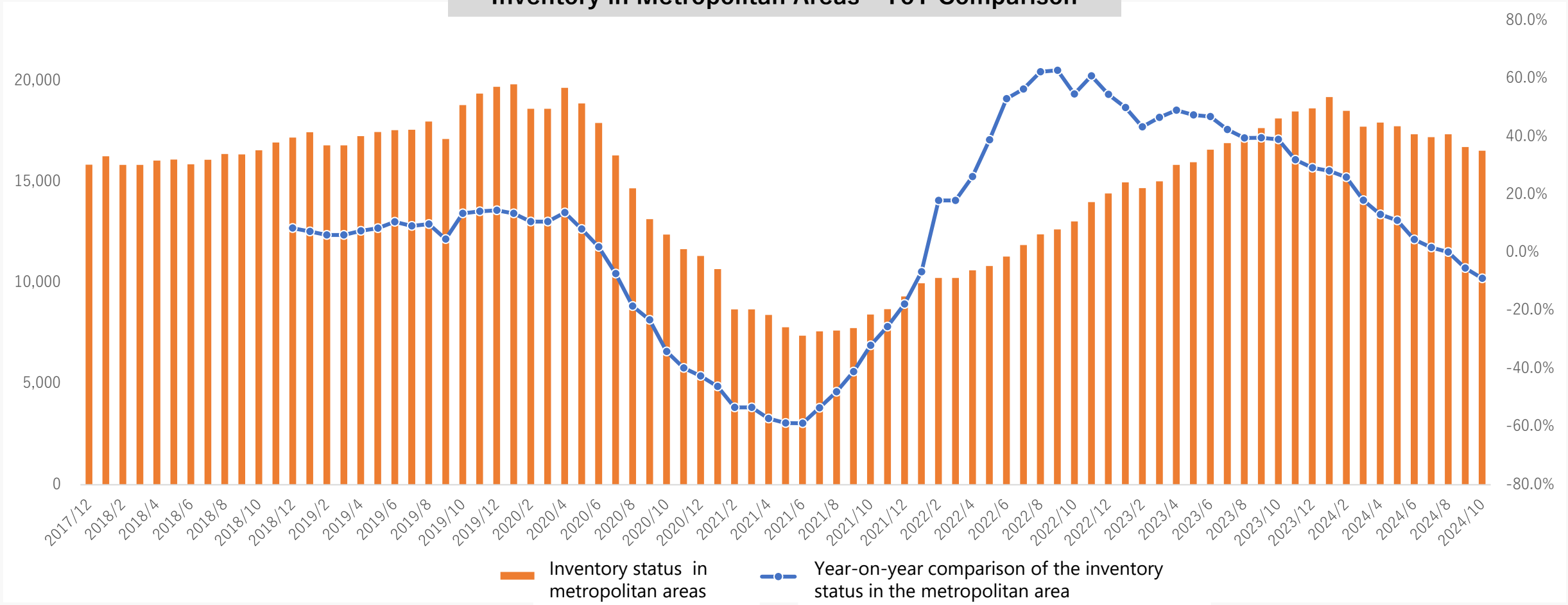
			FY2023				FY2024				FY2022	FY2023	FY2024	FY2025
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Actual	Actual	Actual	Plan
Condominiums	Net sales		3,347	23,126	13,481	85,029	**3,730**	**1,815**	**19,232**	**64,516**	62,362	124,984	89,294	**76,000**
	Gross profit		804	6,927	3,275	22,675	**684**	**243**	**3,972**	**12,956**	16,385	33,683	17,857	**16,700**
	Gross Profit margin		24.0%	30.0%	24.3%	26.7%	**18.3%**	**13.4%**	**20.7%**	**20.1%**	26.3%	26.9%	20.0%	**22.0%**
	Operating Profit		-432	4,561	1,218	19,791	**-731**	**-1,185**	**2,076**	**10,504**	10,654	25,139	25,139	**9,600**
	Operating Profit margin		-	19.7%	9.0%	23.3%	-	-	**10.8%**	**16.3%**	17.1%	20.1%	20.1%	**12.6%**
	Number delivered		59	399	303	1,634	**68**	**35**	**398**	**1,272**	1,216	2,395	1,773	**1,440**
	Unit price		56.6	57.9	44.2	51.9	**54.7**	**50.5**	**48.0**	**50.5**	51.1	52.0	50.1	**52.5**
Property resales	Net sales		44,533	48,140	35,643	56,701	**33,100**	**43,634**	**38,962**	**80,859**	155,961	185,018	196,556	**222,600**
	Gross profit		7,422	6,892	6,337	7,747	**6,063**	**2,220**	**6,082**	**11,522**	24,695	28,400	25,890	**34,200**
	Gross Profit margin		16.7%	14.3%	17.8%	13.7%	**18.3%**	**5.1%**	**15.6%**	**14.2%**	15.8%	15.3%	13.2%	**15.4%**
	Operating Profit		5,429	5,456	4,300	5,036	**4,257**	**337**	**3,589**	**9,085**	17,669	20,222	17,268	**22,700**
	Operating Profit margin		12.2%	11.3%	12.1%	8.9%	**12.9%**	**0.8%**	**9.2%**	**11.2%**	11.3%	10.9%	8.8%	**10.2%**
	Number delivered		80	115	99	140	**90**	**109**	**82**	**143**	328	434	424	**580**
	Unit price		543	408	347	396	**352**	**390**	**459**	**556**	458	415	451	**384**
Others (U.S. real estate business)	Net sales		19,529	22,239	23,005	23,526	**22,764**	**24,723**	**26,926**	**31,496**	74,471	88,301	105,911	**136,800**
	Gross profit		3,992	4,283	5,218	3,183	**4,389**	**5,189**	**6,086**	**5,760**	14,530	16,679	21,424	**24,600**
	Gross Profit margin		20.4%	19.3%	22.7%	13.5%	**19.3%**	**21.0%**	**22.6%**	**18.3%**	19.5%	18.9%	20.2%	**18.0%**
	Operating Profit		2,267	2,224	3,194	980	**2,096**	**2,782**	**3,767**	**2,807**	8,205	8,667	11,452	**15,200**
	Operating Profit margin		11.6%	10.0%	13.9%	4.2%	**9.2%**	**11.3%**	**14.0%**	**8.9%**	11.0%	9.8%	10.8%	**11.1%**
	Number delivered		221	290	303	281	**256**	**258**	**286**	**306**	1,071	1,095	1,106	**1,270**
Pressance Corporation	Net sales		39,199	46,497	35,596	40,183	**40,999**	**41,928**	**33,162**	**64,759**	145,324	161,476	180,850	**218,600**
	Gross profit		10,520	13,023	9,506	9,356	**11,632**	**11,846**	**8,406**	**13,690**	35,539	42,407	45,576	-
	Gross Profit margin		26.8%	28.0%	26.7%	23.3%	**28.4%**	**28.3%**	**25.3%**	**21.1%**	24.5%	26.3%	25.2%	-
	Operating Profit		6,827	8,588	5,205	5,169	**8,031**	**7,688**	**3,422**	**8,325**	20,727	25,791	27,466	**21,000**
	Operating Profit margin		17.4%	18.5%	14.6%	12.9%	**19.6%**	**18.3%**	**10.3%**	**12.9%**	14.3%	16.0%	15.2%	**9.6%**
	Number delivered	Studio-type condominiums	900	1,338	674	637	**977**	**992**	**904**	**861**	3,022	3,549	3,734戸	-
		Family-type condominiums	474	435	443	478	**429**	**342**	**255**	**683**	1,482	1,830	1,709戸	-
		Total	1,374	1,773	1,117	1,115	**1,406**	**1,334**	**1,159**	**1,544**	4,504	5,379	5,443戸	-

6. Supplementary Market Data

OPEN HOUSE GROUP

Inventory of newly built single-family homes increased from the latter half of 2021 and decreasing in 2024.

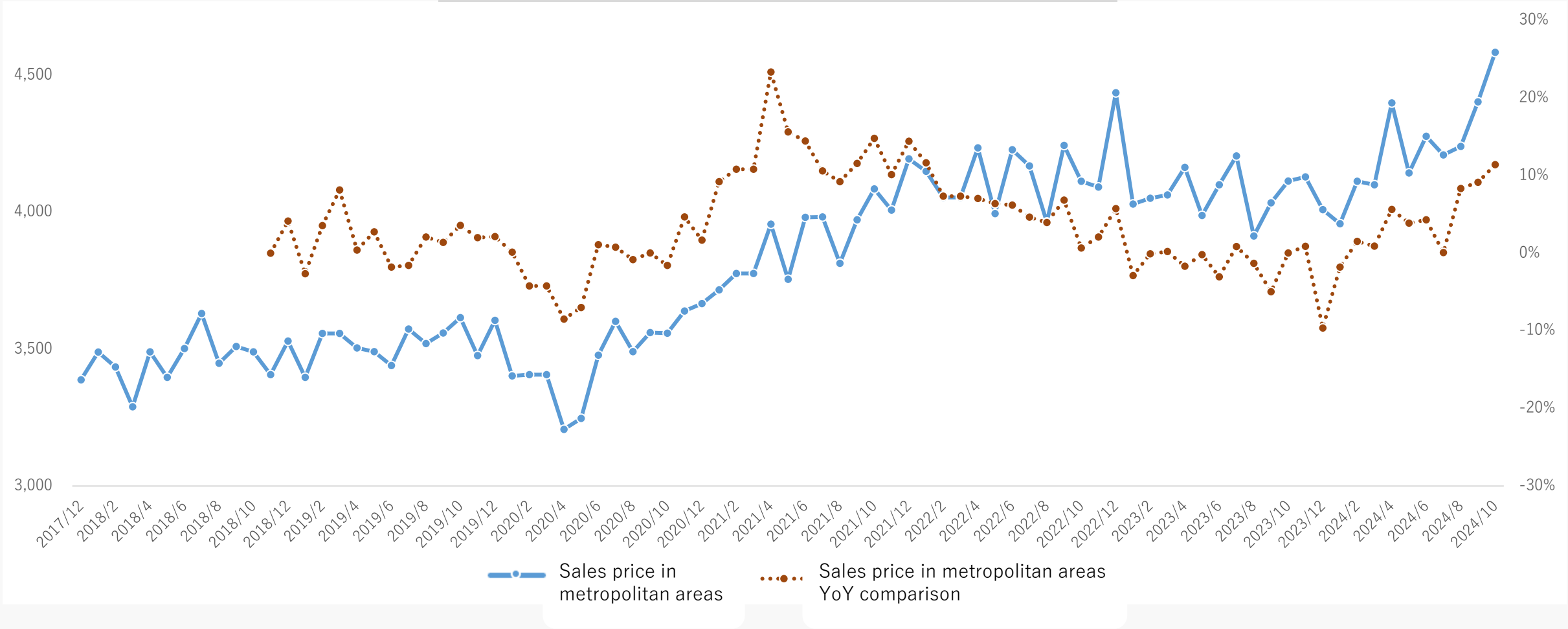
Inventory in Metropolitan Areas - YoY Comparison



Source: REINS Market Information:
"Monthly Market Watch" New Single-Family Home Report - Inventory Status

Newly built single-family homes underwent price adjustments after a surge in sales prices due to the tailwind of COVID-19.

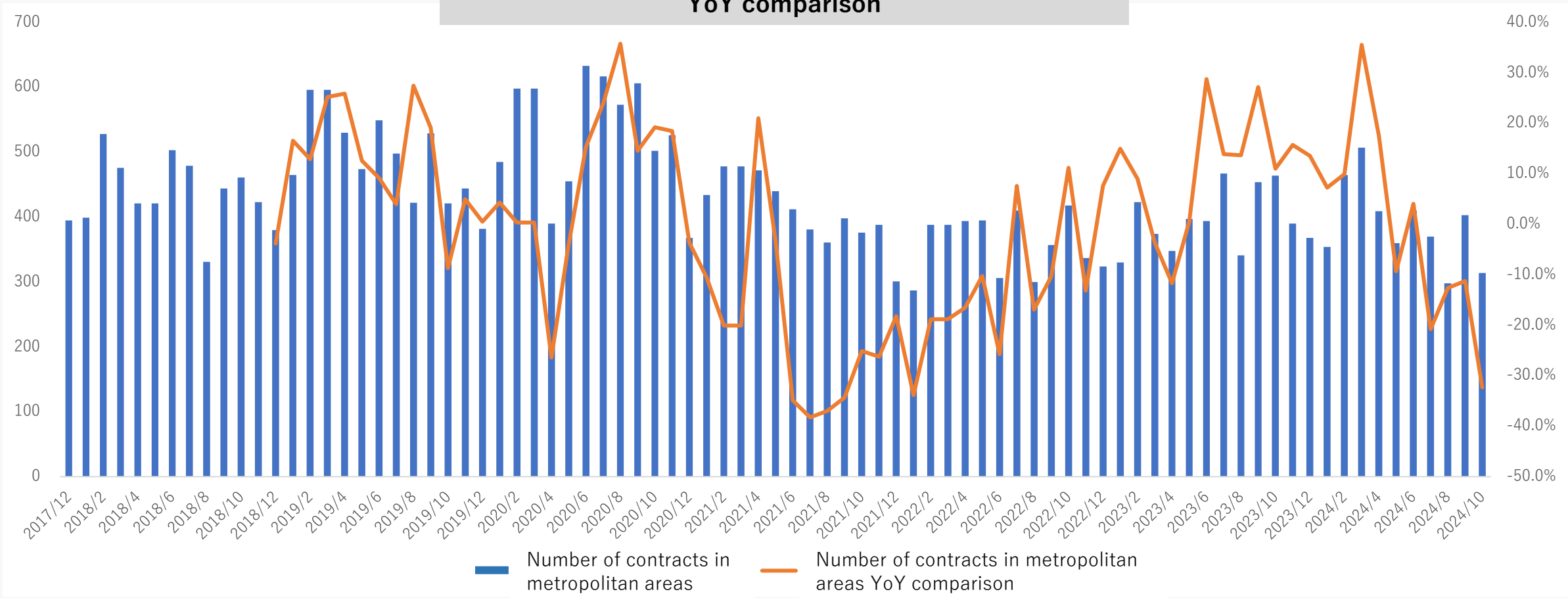
Sales Price in Metropolitan areas – YoY Comparison



Source: REINS Market Information:
"Monthly Market Watch" New Single-Family Home Report - Sales Price

While the current demand for newly built detached houses remains solid, the number of contracts signed is flat.

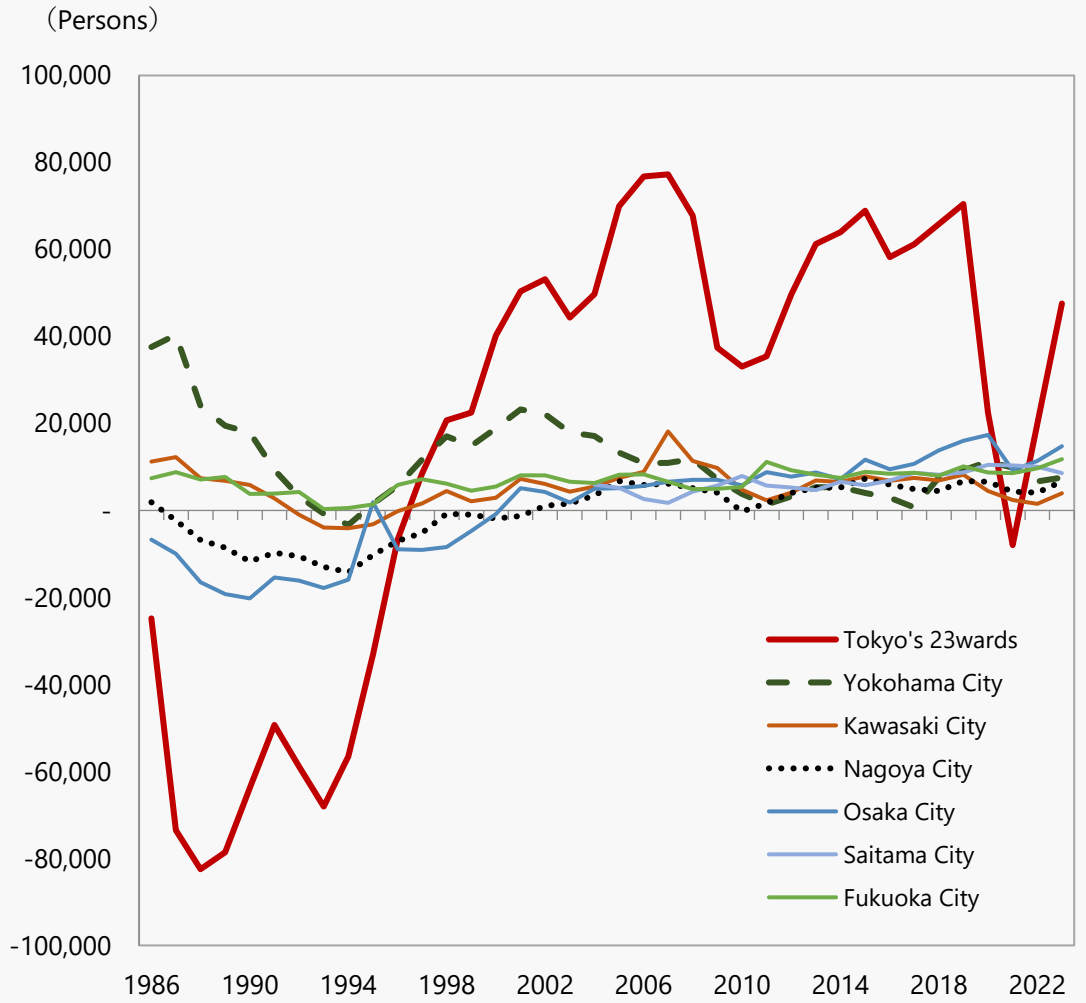
Number of contracts in the metropolitan area - YoY comparison



Source: REINS Market Information:
"Monthly Market Watch" New Single-Family Home Report - Contract Status

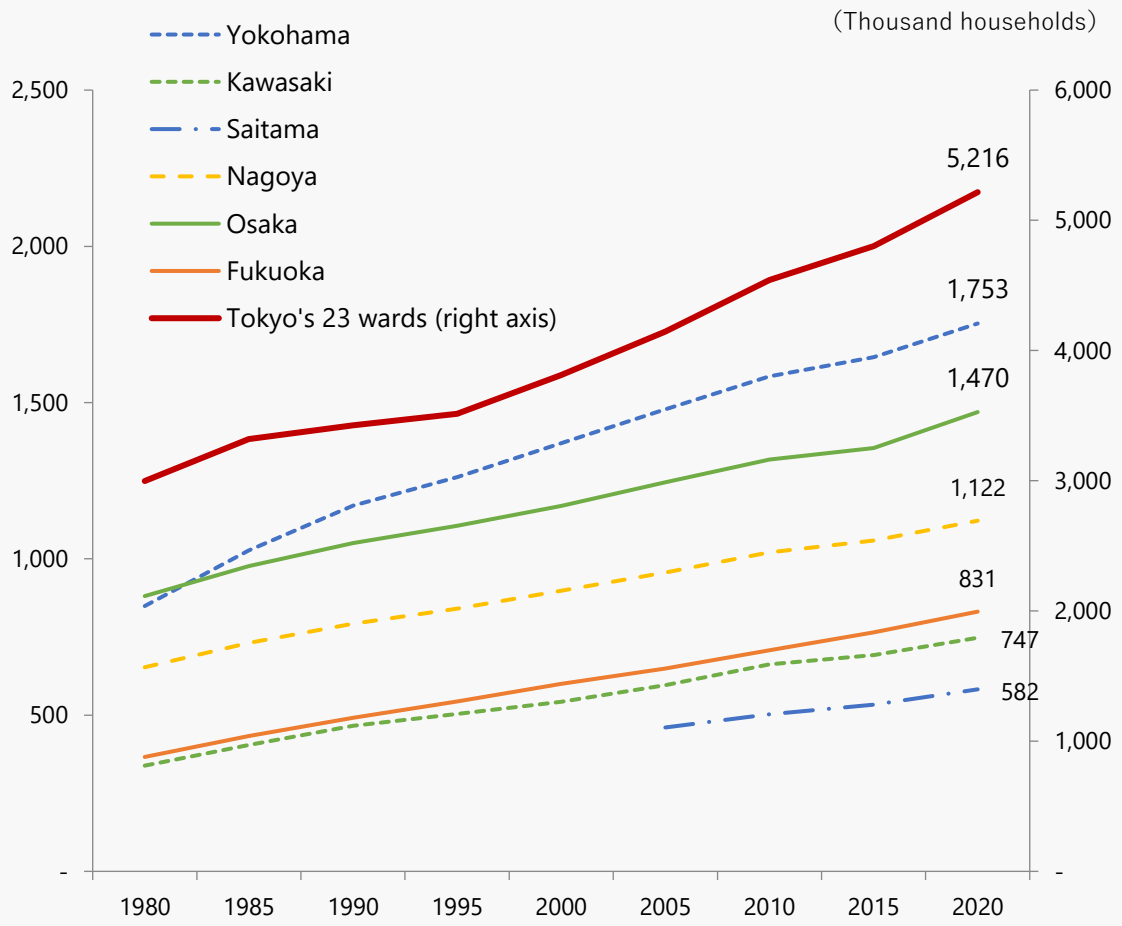
The population has been concentrating and the number of households has been increasing in urban areas.

Net migration into urban cities



Source: MIC, "Report on Internal Migration in Japan based on Basic Resident Register"

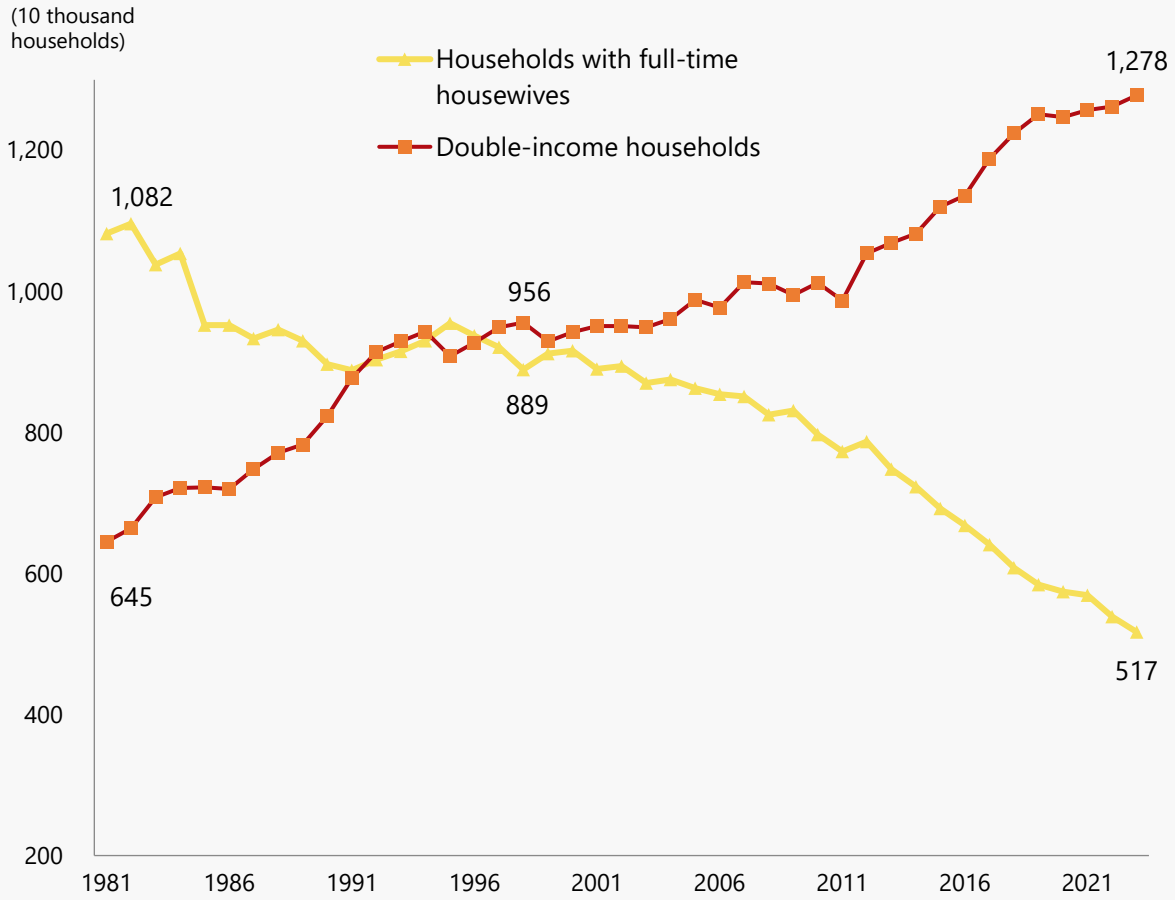
Number of households in major cities



Source: MIC, "Population Census of Japan"

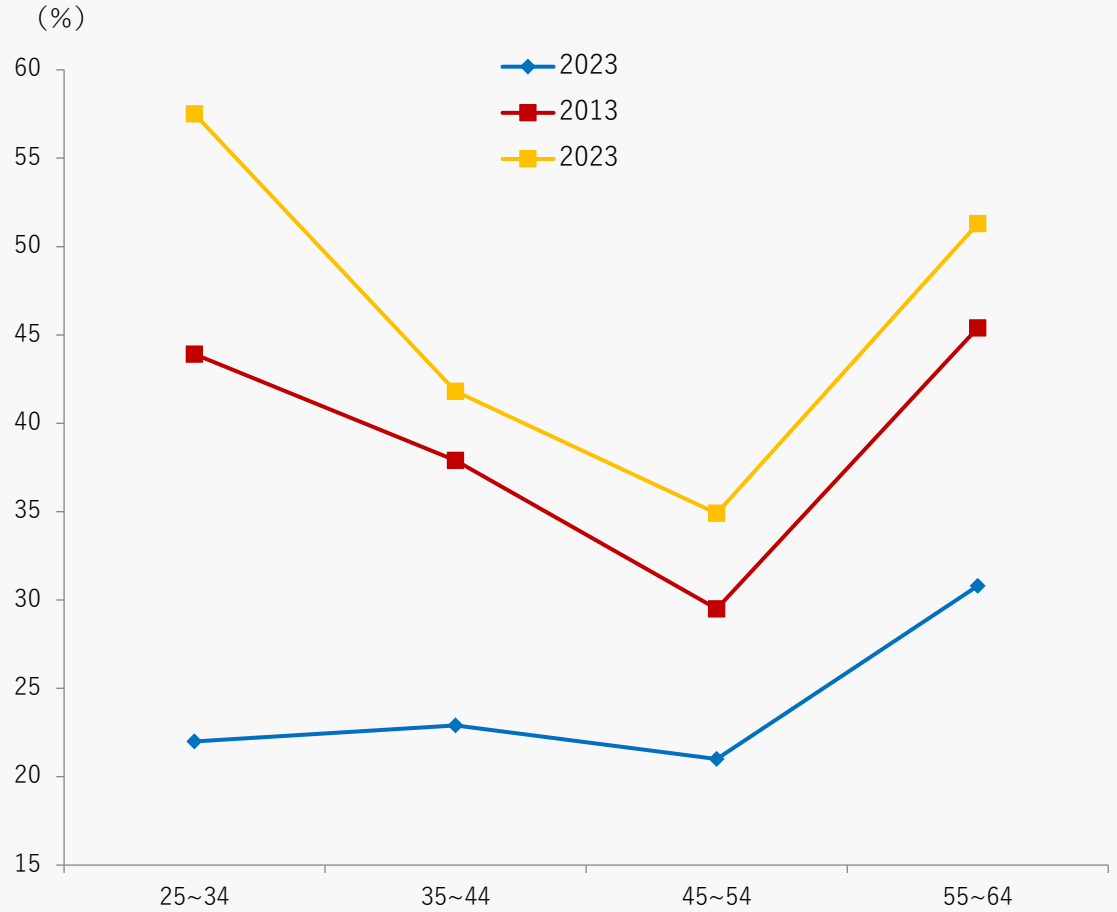
Double-income households and child-rearing households are turning their eyes to urban areas, where they can reduce commuting time.

Trends in double-income households/households with full-time housewives (nationwide)



Source: "White Paper on Gender Equality 2020", Cabinet Office, Government of Japan
Labor force survey, the Ministry of Internal Affairs and Communications

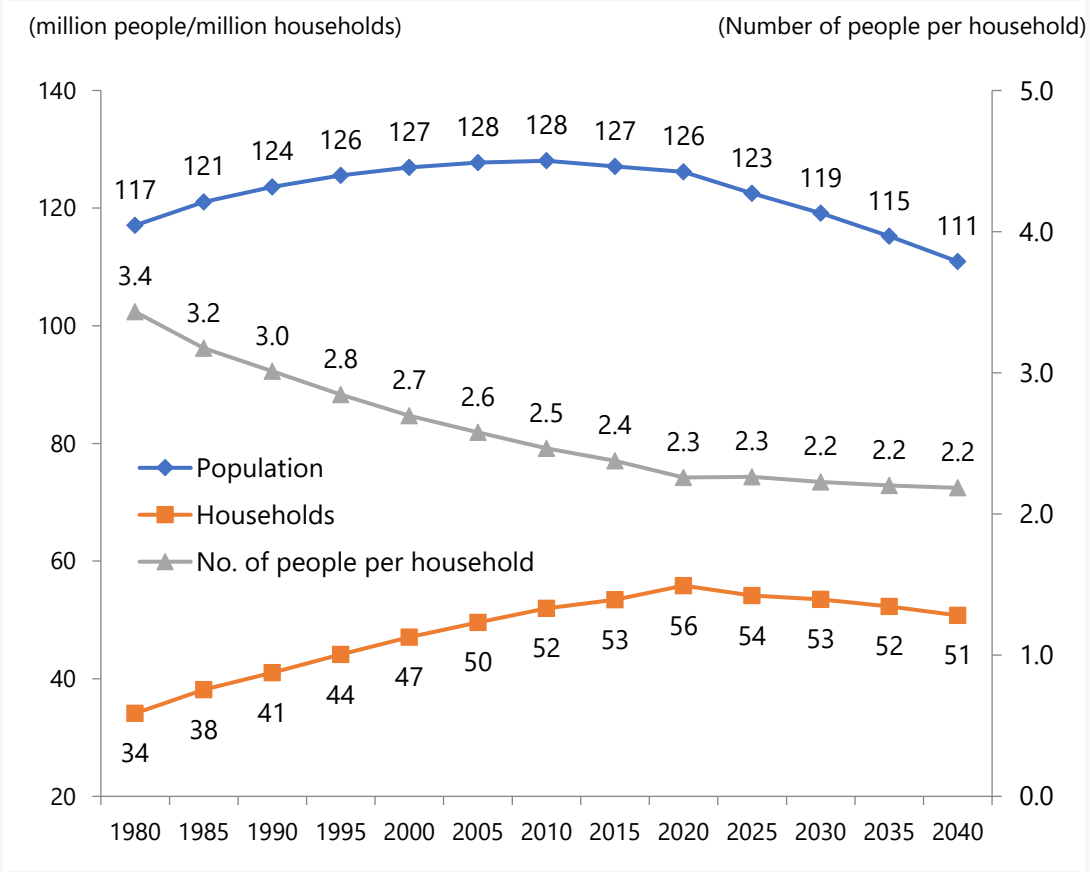
Trends in the Proportion of Full-Time Housewives (by Age Group)



Source: "White Paper on Gender Equality 2020," Cabinet Office, Government of Japan

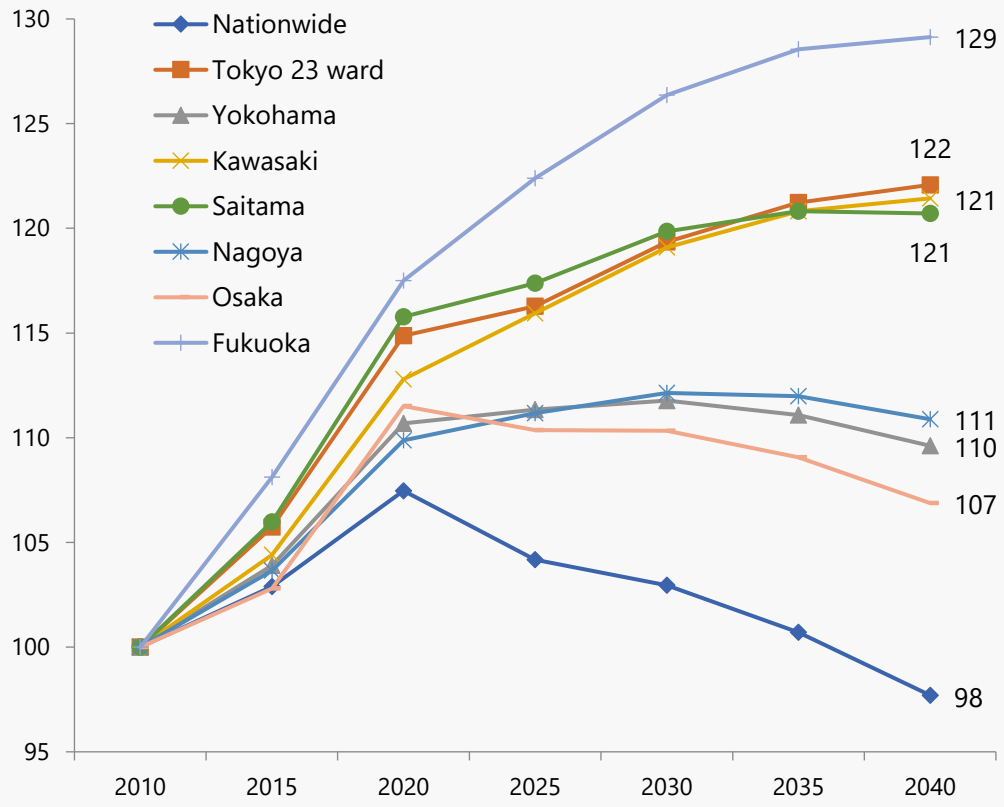
The number of households in urban areas is expected to continue increasing, despite a total population decline in Japan.

Future population and household estimates for Japan



Sources:
1980-2015：“2015 Population Census”, Statistics Japan
2015-2040：” Population Projection for Japan, 2018 projection ”, “Household Projections for Japan , 2018 projection ”, the National Institute of Population and Social Security Research
Number of people per household was calculated by dividing the total population by number of households.

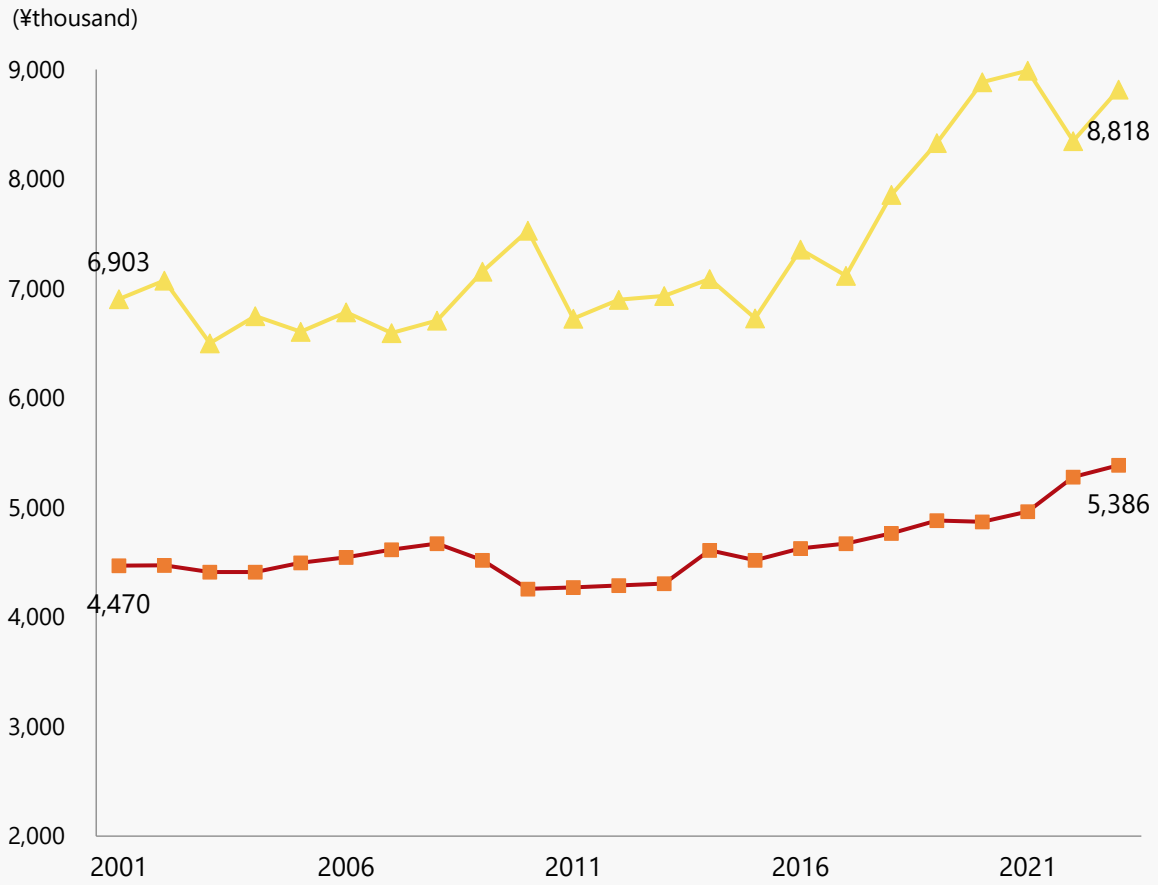
Future household estimates for urban areas (index)



Sources: Numbers of households by city were projected with reference to “Household Projection for Japan (National Projection)” and “Population Projection for Japan by Prefectures” for 2018 projection, published by the National Institute of Population and Social Security Research, and were converted to indicators with actual results of 2010 set at 100.

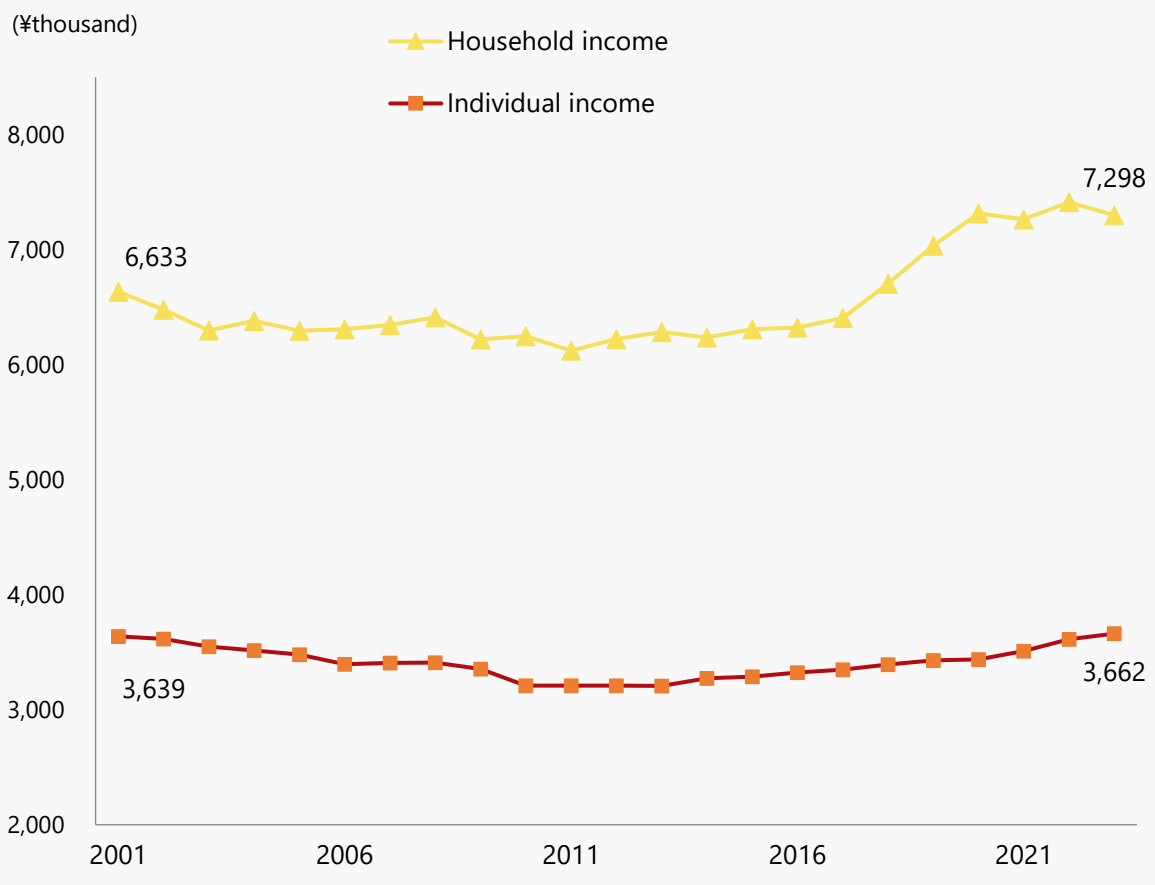
In urban areas, incomes are rising more rapidly, offering promising potential for purchasing power in the housing market.

Household income and Individual income (Tokyo's 23 wards)



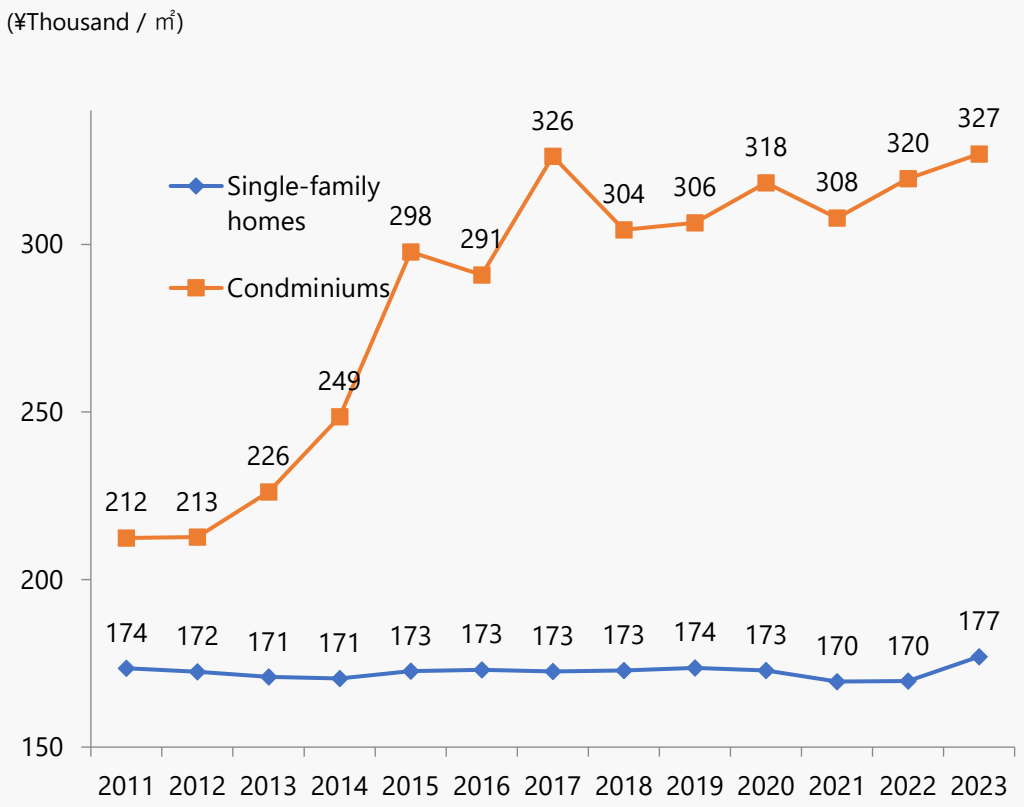
Source: Annualized based on the actual monthly income of households (working families) with two-or-more person household, obtained from the report "Family Income and Expenditure Survey," the Ministry of Internal Affairs and Communications
Calculated by diving taxable income by the number of taxpayers, based on data obtained from the report "Survey of Taxation of Municipal Inhabitant Taxes, etc." by the Ministry of Internal Affairs and Communications

Household income and Individual income (nationwide)



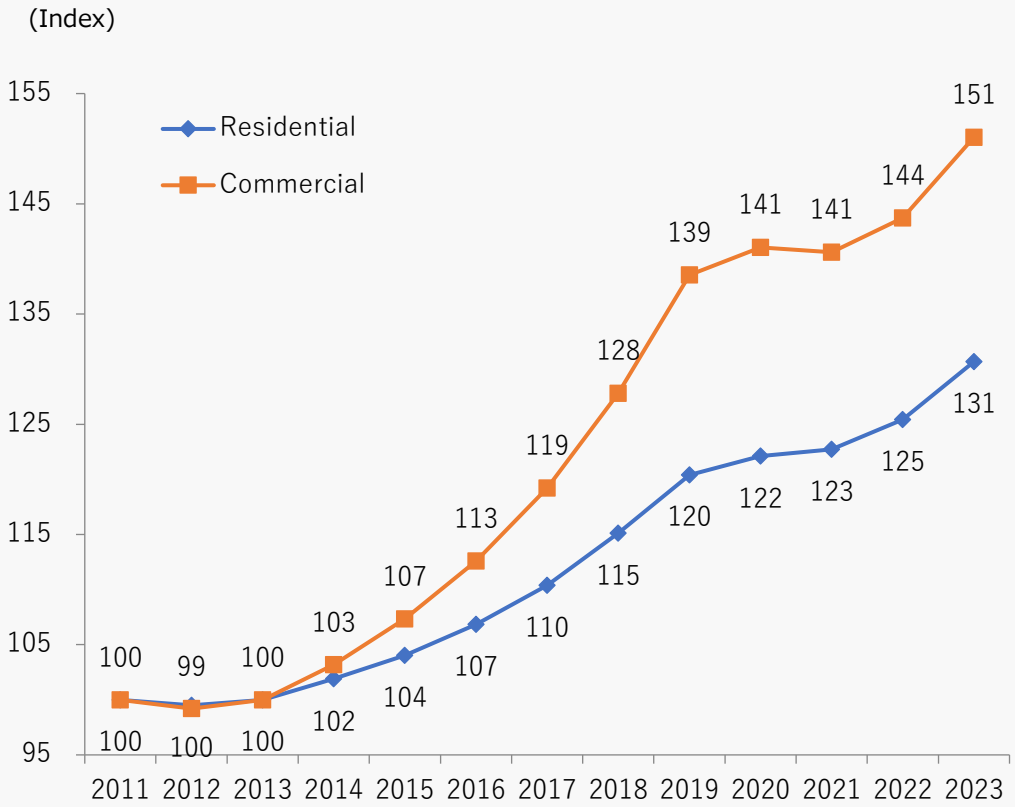
Price gaps between condominiums and single-family homes have occurred due to the difference between construction costs and land cost.

Construction costs per ㎡ (in Tokyo)



Source: MLIT "Housing Starts"
The average construction cost per ㎡ was calculated by dividing the estimated construction cost by the total floor area.
Data for ready built wooden single-family homes were used for single-family homes and data for RC and SRC apartment buildings were used for condominiums.

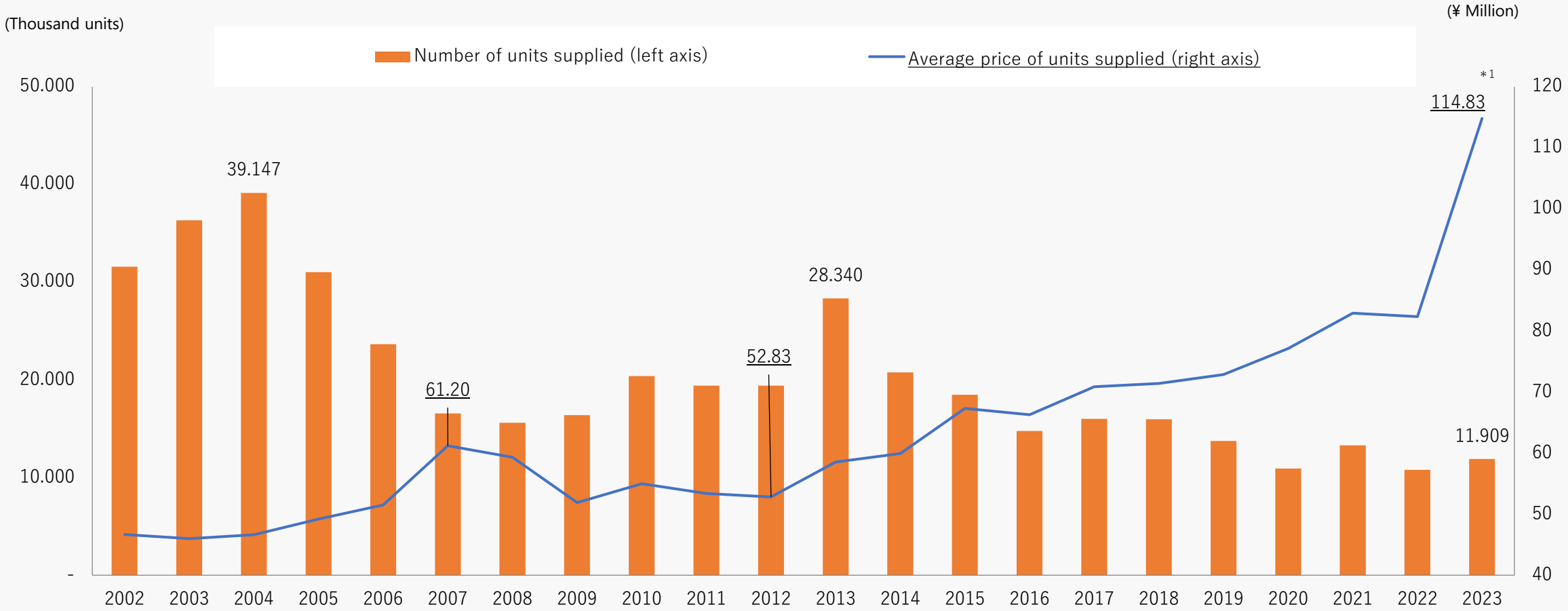
Land price by use (in Tokyo's 23 wards)



Source: MILT "Prefectural Land Price"
The standard land price as of July 1 each year is determined by prefectural governors.
The land price index of each year was calculated by using the rate of change from the land price by use in 2011, which was indexed to 100.

Options available for consumers are decreasing due to the increase in condominium prices and decrease in number of new condominiums supplied.

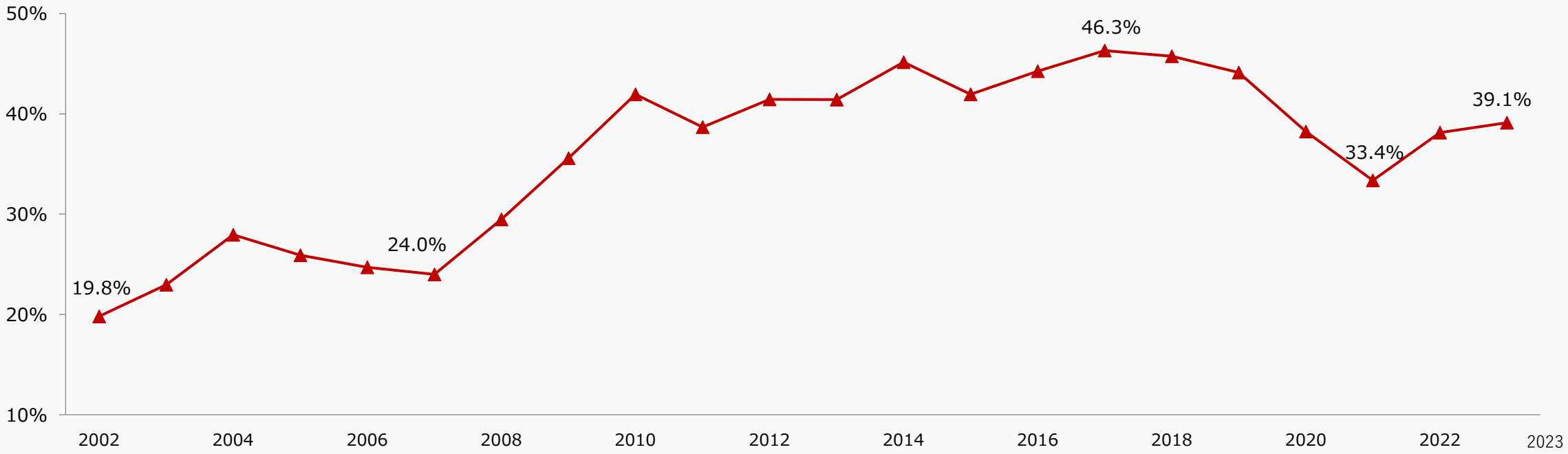
Number and average price of new condominiums supplied in Tokyo's 23 wards



Source: MILT, "Annual Summary of National New Condominium Market Trends"
＊1：the average prices of condominiums have increased as a result of the sales influence from luxury developments like "Mita Garden Hills"

Prices of condominiums are less likely to fall sharply as the market is oligopolistic and dominated by major real estate companies.

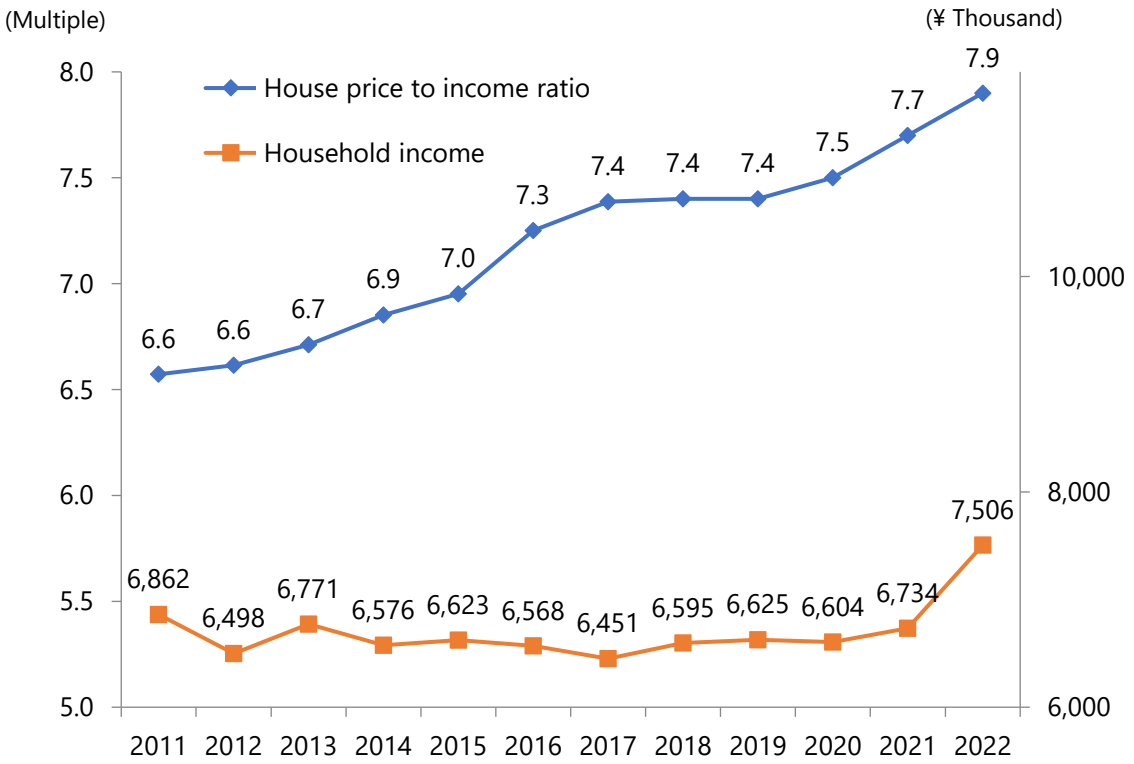
Trends in the market share of seven major real estate companies in new condominiums in the Tokyo metropolitan area



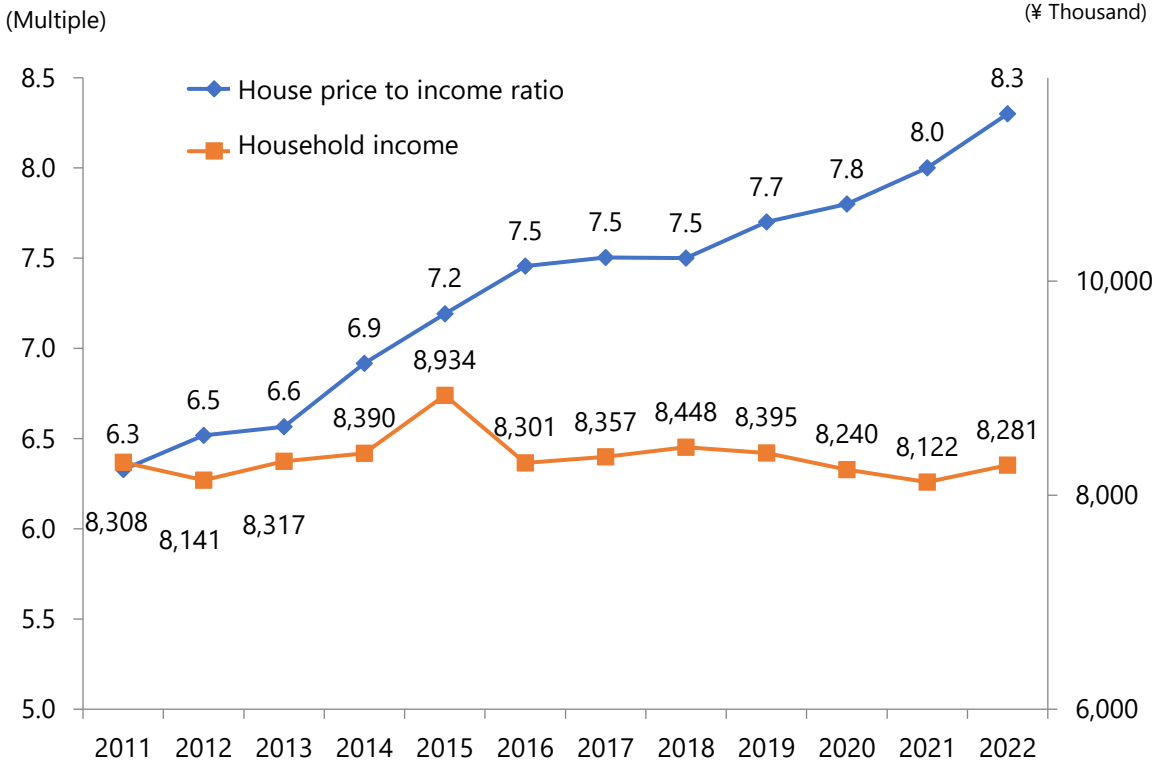
Source: The share of new condominium sales in the Tokyo Metropolitan area in "Condominium Market Trends" by Real Estate Economic Institute Co., Ltd.
＊Seven major real estate companies:
Sumitomo Realty & Development, Daikyo, Tokyu Land, Tokyo Tatemono, Nomura Real Estate Holdings, Mitsui Fudosan, Mitsubishi Estate

The income multiplier has increased, leading to significant disparities in household income.

House Price to Income Ratio and Household Income of Single-family Home Purchasers (in Tokyo)



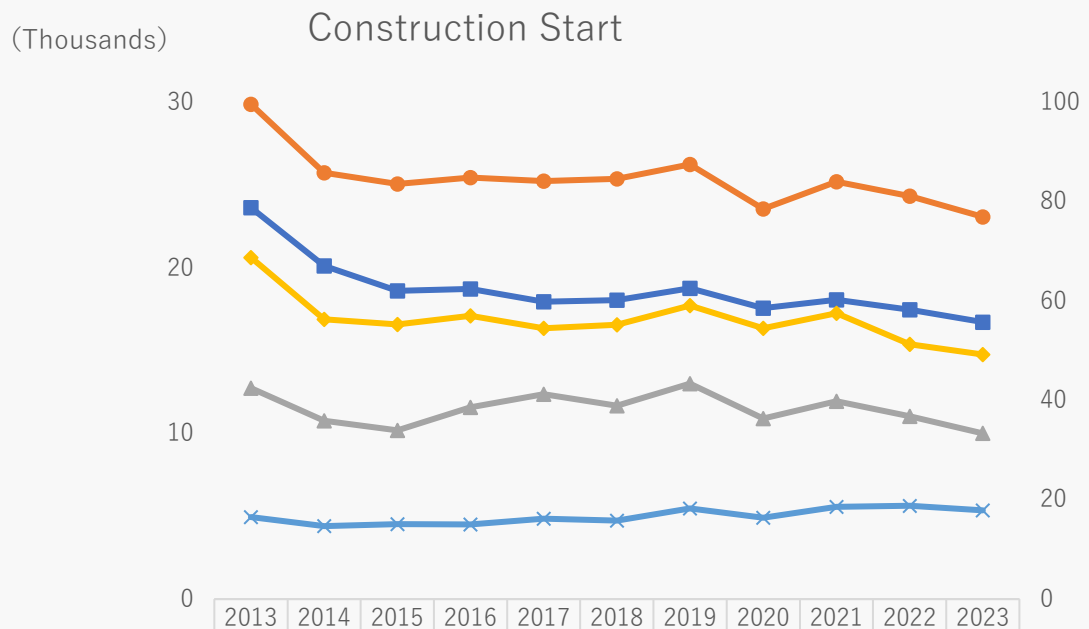
House Price to Income Ratio and Household Income of Condominium Purchasers (in Tokyo)



Source: "Customer Survey on Flat 35 Users" by Japan Housing Finance Agency
Compiled using data of housing loans approved from April through March of the following year
Single-family homes: New home purchase funds (detached house, etc.); Condominiums: New condominium purchase funds (apartment buildings)
Household income is the total of income of home loan applicants and income of his or her spouse or other person(s) living in the same household
Home price to income ratio is calculated based on the total necessary funds including funds on hand.

Our single-family homes are deploying a dominant strategy in urban areas, steadily increasing market share.

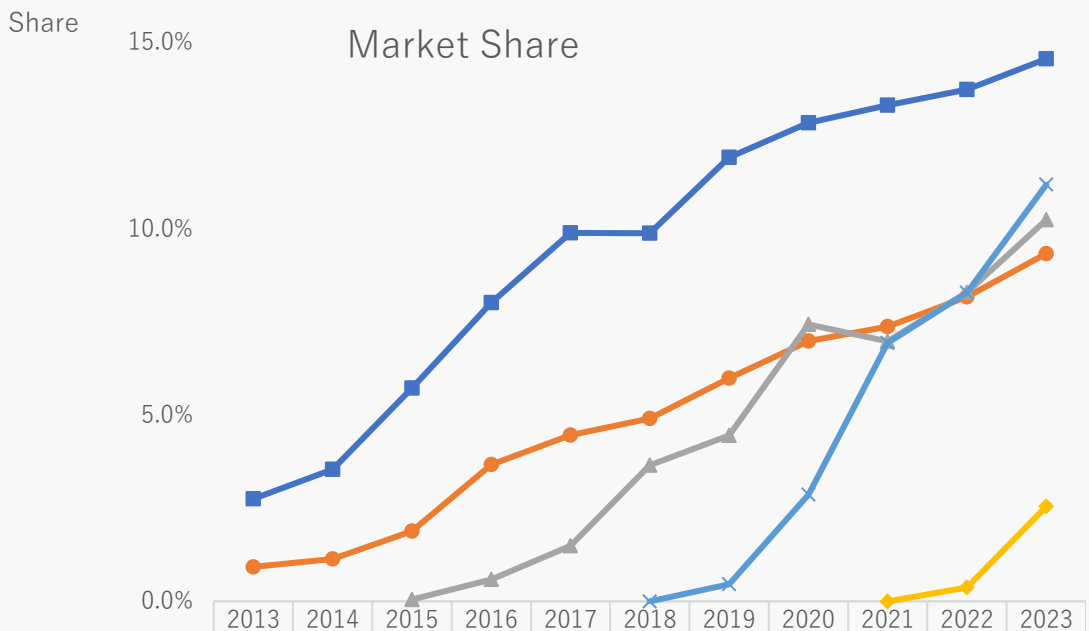
New single-family housing starts in our service areas



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Special district	23.6	20.1	18.6	18.7	18.0	18.1	18.8	17.6	18.1	17.5	16.7
Kansai	20.6	16.9	16.6	17.1	16.4	16.6	17.7	16.4	17.3	15.4	14.8
Aichi	12.7	10.8	10.2	11.6	12.4	11.7	13.0	10.9	12.0	11.0	10.0
Fukuoka	5.0	4.4	4.5	4.5	4.8	4.7	5.5	4.9	5.6	5.6	5.4
Tokyo metropolitan area	99.6	85.8	83.6	84.8	84.1	84.6	87.5	78.6	84.1	81.2	77.0

Sources: "Construction Statistics", "Housing Starts", the Ministry of Land, Infrastructure, Transport and Tourism.

The Group's market share by service area

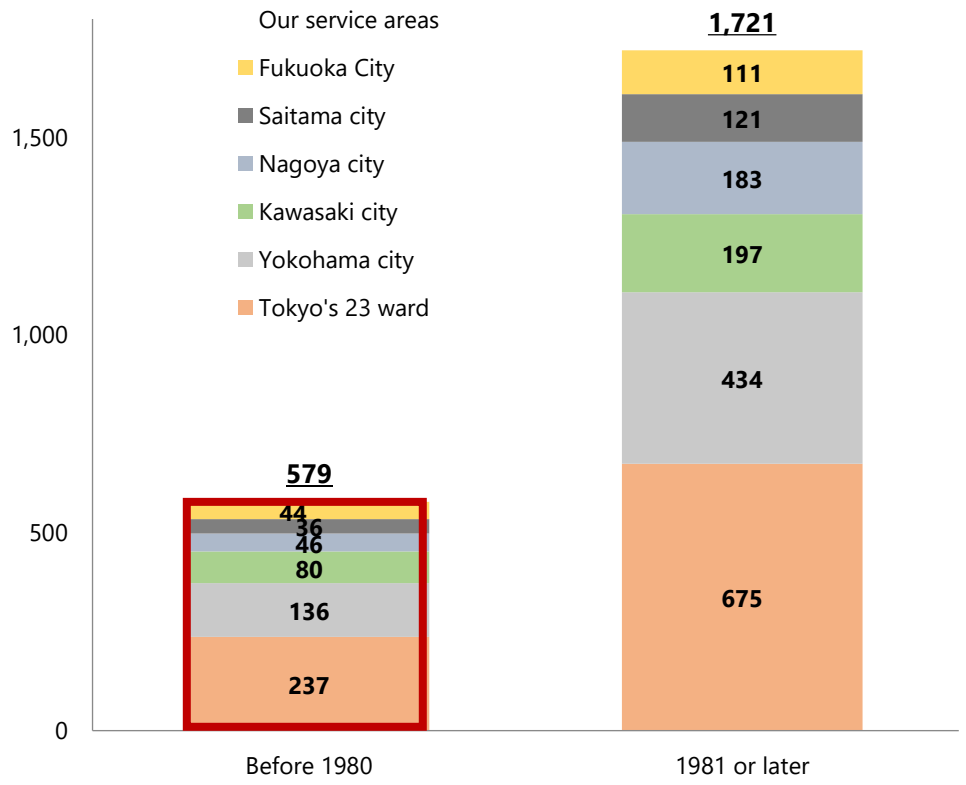


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Special district	2.8%	3.5%	5.7%	8.0%	9.9%	9.9%	11.9%	12.8%	13.3%	13.7%	14.6%
Tokyo metropolitan area	0.9%	1.1%	1.9%	3.7%	4.5%	4.9%	6.0%	7.0%	7.4%	8.2%	9.3%
Aichi			0.0%	0.6%	1.5%	3.7%	4.5%	7.4%	7.0%	8.3%	10.2%
Fukuoka						0.0%	0.5%	2.9%	6.9%	8.3%	11.2%
Kansai									0.0%	0.4%	2.5%

Calculated by dividing number of properties delivered in each period of the Group by the number of construction starts by area in each year.
Until FY2018: Only Open House Development is included
From FY2019: Hawk One is included.
FY2021 figures are estimates divided by the number of housing starts by area in 2020 due to the period for statistical.

There is an abundant supply of aging housing stock available for development purposes.

Building stock of wooden single-family homes by construction period



Sources:
"Housing and Land Survey in 2018" by the Ministry of Internal Affairs and Communications

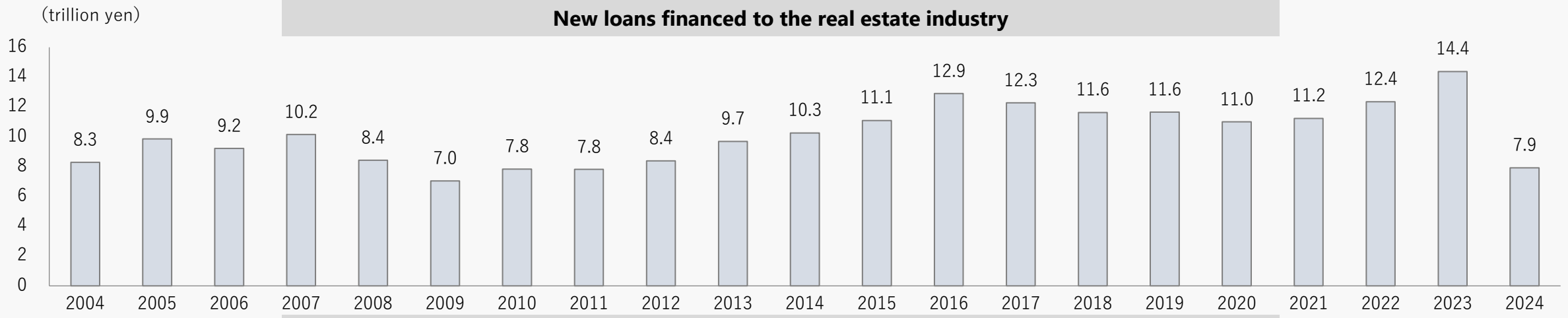
Housing situation in Japan

- The average age of homes rebuilt in Japan is **37.0 years**. *1
- The average site area per single-family home lot in Tokyo's 23 wards in 1988 was **40.3 *tsubo*** (1,431.6 sq. ft). *2
- The average site area of single-family homes developed by Open House is **17-18 *tsubo*** (600-640 sq. ft), enabling it to build two homes per single-family home lot.

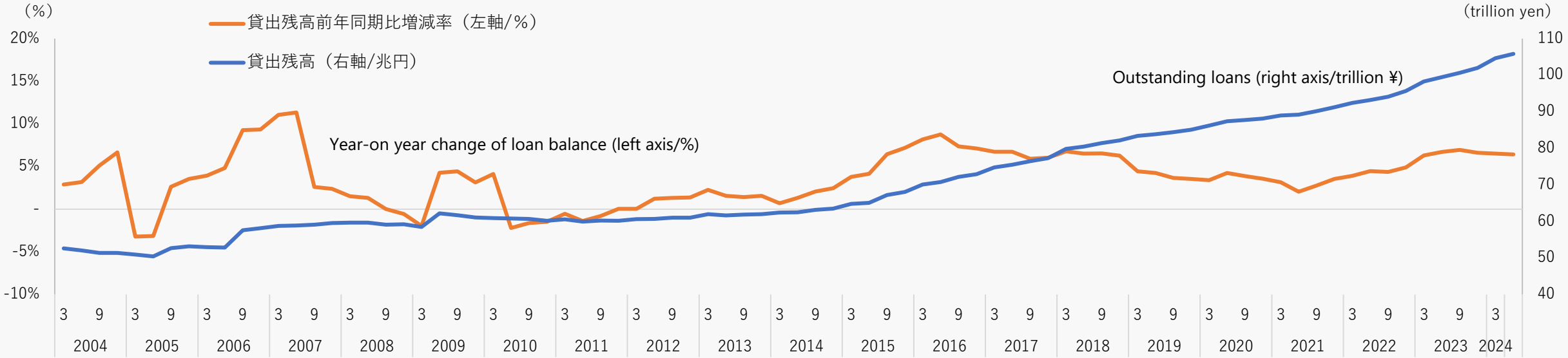
Sources:
*1 "Customer Survey Report on the Purchase of Detached Houses in the Fiscal Year 2017" by Japan Federation of Housing Organizations
*2 "Housing and Land Survey in 1988" by the Ministry of Internal Affairs and Communications

New lending to the real estate industry is decreasing, yet the outstanding loan balance is increasing.

New loans financed to the real estate industry



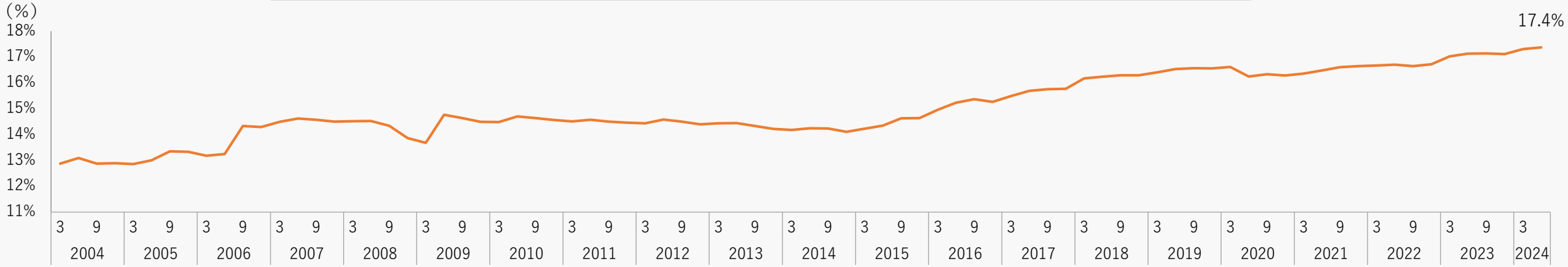
Outstanding loans financed to the real estate industry and year-on-year change thereof



Source: "Loans by borrower" published by the Bank of Japan

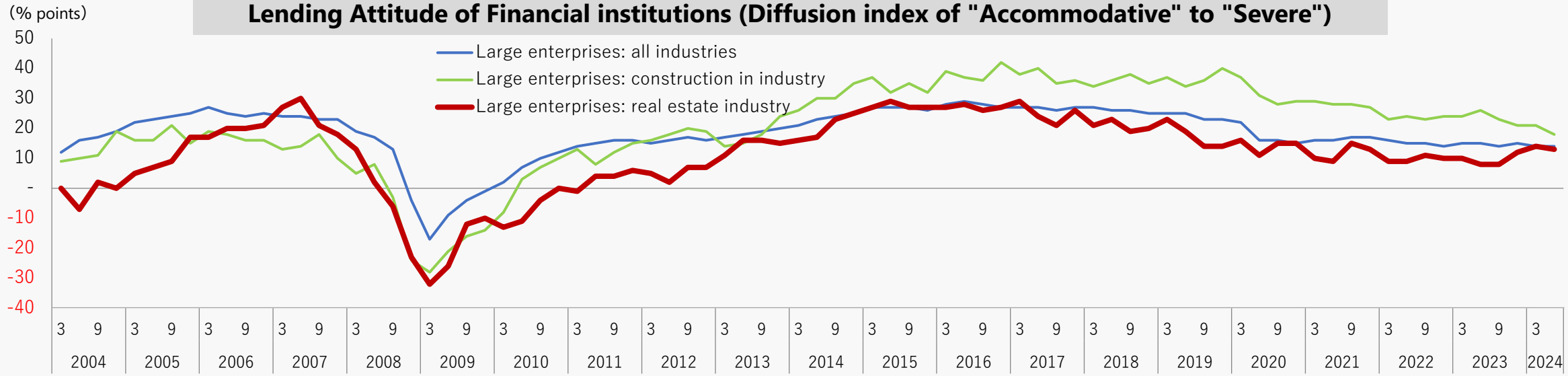
The ratio of outstanding loans financed to the real estate industry to total loans has increased.

Ratio of outstanding loans financed to real estate industry to total loans



Source: "Loans by borrower" published by the Bank of Japan

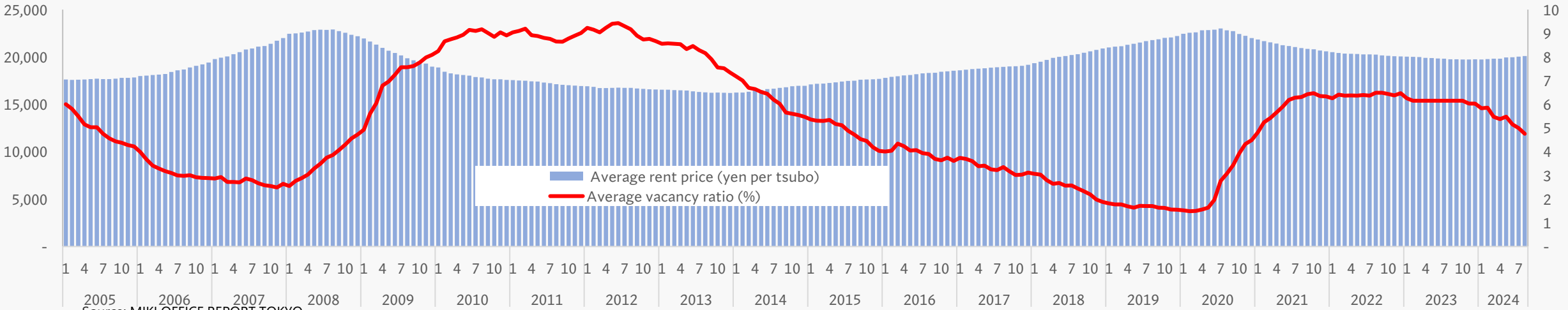
Lending Attitude of Financial institutions (Diffusion index of "Accommodative" to "Severe")



Source: "Short-Term Economic Survey of Enterprises in Japan" published by the Bank of Japan

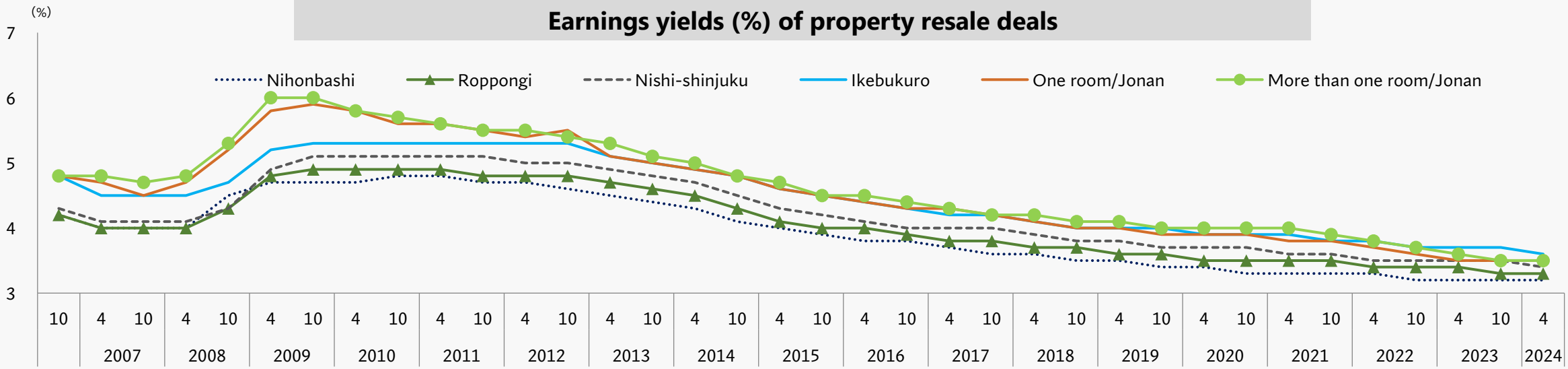
Demand for property resale real estate remains strong, driven by rising rental costs and decline in yields.

Trends of office rentals and vacancy ratios in Tokyo



Source: MIKI OFFICE REPORT TOKYO

Earnings yields (%) of property resale deals



Source: Japan Real Estate Institute, "The Japanese Real Estate Investor Survey"

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