(Correction) Partial Correction on July 31, 2020

Summary of Consolidated Financial Results for the Second Quarter Ended September 30, 2020 [Based on Japanese GAAP]

May 15, 2020

Company name:	Open H
Stock exchange listings:	Tokyo Sto
Code Number:	3288
URL:	https://op
Representative:	Masaaki A
Scheduled date of quarterly securities report filing:	May 15, 2
Scheduled starting date of dividend payments:	June 11, 2
Supplementary materials for quarterly financial results:	Yes
Quarterly results briefing meeting :	No

Open House Co., Ltd.

Tokyo Stock Exchange, First section 3288 https://openhouse-group.co.jp/ir Masaaki Arai, President and CEO May 15, 2020 June 11, 2020 Yes No

(Million yen, rounded down)

1. Consolidated Financial Results for the Second Quarter Ended September 30, 2020 (October 1, 2019 to March 31, 2020)

ne	Ordinary ind	come	Profit attribut	able to
Revenue Operating income				arent
%	Million yen	%	Million yen	%
13.6	26,091	17.6	18,136	12.4
13.0	22,193	10.0	16,132	15.1
	3.6 3.0	3.626,0913.022,193	3.6 26,091 17.6	3.626,09117.618,1363.022,19310.016,132

(Note) Comprehensive income:Six months ended March 31, 2020¥ 18,367 million [16.0%]Six months ended March 31, 2019¥ 15,836 million [15.3%]

	EPS	Diluted EPS
Six months ended	Yen	Yen
March 31, 2020	164.03	163.02
March 31, 2019	142.84	141.96

(Note) The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. EPS and Diluted EPS calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
March 31, 2020	491,687	152,924	31.0
September 30, 2019	445,904	138,067	30.9
(Reference) Shareholder	s' equity: As of March	31, 2020 ¥ 152.6	534 million

(Reference) Shareholders' equity: As of March 31, 2020 ¥ 152,634

As of September 30, 2019 ¥ 137,754 million

2. Dividends

	Annual dividends per share					
	1Q-end 2Q-end		3Q-end	Year-end	Total	
	Yen	Yen	Yen	Yen	Yen	
FY 2019	_	60.00	_	66.00	126.00	
FY 2020	_	40.00				
FY 2020 (Forecast)			—	40.00	80.00	

(Note) Revision of the latest dividend forecast: No

The company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. Though the dividend per share for 2019 is shown the actual amount without considering the stock split, the divided forecast per share for FY2020 is the amount after the stock split. So, annual dividend per share for FY2019, if calculated on after-stock-split basis, would be ¥63, the dividend forecast for FY 2020 is an increase of 17 yen per share from the previous fiscal year.

3. Forecast of Consolidated Operating Results for FY2020 (October 1, 2019 to September 30, 2020)

(% figures indicate year-on-year change) Profit attributable to Revenue Operating income Ordinary income EPS owners of parent Million yen % Million yen % Million yen % % Yen Million yen Full year 5.5 570,000 62,000 7.3 77,000 40.2 59,000 49.7 533.59

(Note) Revision of the latest consolidated results forecast: Yes

The Company conducted a 2-for-1 stock split of common stock with an effective date of October 1, 2019. The forecast information about EPS for FY2020 is provided after taking the stock split into consideration.

*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 pri	nciples: 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, 2020: 115,356,500 shares September 30, 2019: 115,237,000 shares
- ii) Treasury stock at period-end

March 31, 2020: 4,694,502 shares September 30, 2019: 4,694,502 shares

iii) Average number of shares issued during the period (quarterly consolidated cumulative basis)March 31, 2020: 110,571,232 shares March 31, 2019: 112,948,077 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

Assets Issists Current assets 135,354 155 Operating accounts receivable 498 155 Operating accounts receivable 70,457 66 Real estate for sale in process 179,556 200 Operating loans 28,924 33 Other 10,167 44 Allowance for doubtful accounts (222) 170 Non-current assets 342,766 477 Non-current assets 34,56 31 Investments and other assets 21,106 221 Total non-current assets 21,106 221 Total assets 31 21 Current liabilities 31 31 Current liabilities 31 31 Current liabilities 33 39 Current liabilities 33,35 31 Current portion of long-term loans payable 16,913 11 Short-term loans payable 3,336 32 32 Current portion of long-term loans payable 1,499 32,336		End of FY2019 (as of September 30, 2019)	(Million yen) End of FY2020 2Q (as of March 31, 2020)
Current assets 135,354 151 Cash and deposits 135,354 151 Operating accounts receivable 498 66 Real estate for sale 70,457 66 Real estate for sale 70,457 66 Real estate for sale 79,596 200 Operating loans 28,924 33 Other 10,167 34 Allowance for doubtful accounts (232) 7 Total current assets 3424,766 477 Property, plant and equipment 4.990 9 Intragible assets 3,456 31 Total non-current assets 21,106 22 Deferred assets 31 7 Liabilities 445,904 49 Liabilities 422,75 4 Operating accounts payable 4,257 4 Operating accounts payable 16,913 11 Short-term loans payable 18,933 99 Current liabilities 182,346 17 Non-current liab	Assets		
Cash and deposits 135,354 155 Operating accounts receivable 498 498 Real estate for sale in process 179,596 200 Operating loans 28,924 33 Other 10,167 44 Allowance for doubtful accounts (232) 424,766 470 Non-current assets 424,766 470 Non-current assets 34,56 31 Intangible assets 3,456 31 Intangible assets 3,456 31 Total assets 21,106 22 Deferred assets 31 50 Current liabilities 31 50 Current liabilities 445,904 49 Liabilities 31 50 Current portion of long-term loans payable 16,913 11 Short-term loans payable 12,576 11 Income taxes payable 10,461 57 Current portion of long-term loans payable 12,376 11 Income taxes payable 1,481 16 <td></td> <td></td> <td></td>			
Operating accounts receivable 498 Real estate for sale in process 70,457 6 Real estate for sale in process 717,556 200 Operating loans 28,924 33 Other 10,167 34 Allowance for doubtful accounts (232) 7 Total current assets 424,766 470 Non-current assets 3,456 31 Property, plant and equipment 4,990 9 Intangible assets 3,456 31 Total anon-current assets 21,060 22 Deferred assets 31 31 Current iabilities 445,904 49 Liabilities 31 31 Operating accourts payable 4,257 4 Operating accourts payable 16,913 11 Short-term loans payable 32,326 32 Current portion of bonds 372 336 32 Other 23,097 22 7 46 Provision 3,336 32		135.354	157,100
Real estate for sale 70,457 60 Real estate for sale in process 179,596 200 Operating leans 28,924 33 Other 10,167 44 Allowance for doubtful accounts (232) 424,766 477 Non-current assets 424,766 477 43 Property, plant and equipment 4,990 9 9 Intangible assets 3,456 31 31 Total non-current assets 21,106 22 445,904 49 Liabilities 31 31 31 31 31 31 31 33 32 32 32 33 34 33 34 33 <td></td> <td></td> <td>980</td>			980
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Operating loans 28,924 3. Other 10,167 3.4 Allowance for doubtful accounts (232) 1 Total current assets 424,766 477 Non-current assets 424,766 477 Intangible assets 3.456 3 Investments and other assets 12,659 1 Total assets 21,106 22 Corrent lassets 3.1 1 Total assets 445,904 49 Liabilities 3.1 1 Current liabilities 42,57 4 Operating accounts payable 16,913 11 Short-term loans payable 16,913 11 Short-term loans payable 33.3 372 Current portion of long-term loans payable 12,976 19 Income taxes payable 12,976 19 Income taxes payable 108,933 37 Other 23,097 22 Total current liabilities 162,348 17 Non-current liabilitie			202,767
Other 10,167 10 Allowance for doubtful accounts (232) Total current assets 424,766 470 Non-current assets 4990 9 Intangible assets 3,456 3 Investments and other assets 21,106 20 Deferred assets 31 445,904 49 Total assets 21,106 20 445,904 49 Current liabilities 42,57 4 4 49 1 Current liabilities 42,577 4 4 1			34,647
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Non-current assetsProperty, plant and equipment4,990Intangible assets3,456Investments and other assets12,659Total non-current assets21,106Deferred assets31Total assets445,904Additional assets445,904Additional assets445,904Current liabilities4257Current liabilities4257Operating accounts payable4,257Operating accounts payable89,933Short-term loans payable89,933Current portion of bonds372Current portion of long-term loans payable12,976Income taxes payable11,461Provision3,336Other23,097Total current liabilities162,348Bonds payable1,089Long-term loans payable143,972Non-current liabilities100Total non-current liabilities307,837Shareholders' equity326Capital stock4,234Capital stock4,234Capital stock4,234Capital stock4,234Capital stock4,234Capital stock4,234Capital stock comprehensive income138,263Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Total current assets		470,987
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Current portion of long-term loans payable12,97619Income taxes payable11,46111Provision3,33611Other23,09721Total current liabilities162,348177Non-current liabilities162,348177Bonds payable1,089100Long-term loans payable143,972164Net defined benefit liability326100Total non-current liabilities145,488166Total non-current liabilities307,837338Shareholders' equity307,837338Capital stock4,2344Capital stock4,2344Capital stock4,82064Treasury shares(8,806)(6Total shareholders' equity138,263152Accumulated other comprehensive income8157Valuation difference on available-for-sale securities85Foreign currency translation adjustment(517)7Total accumulated other comprehensive income(508)312			97,048
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Total current liabilities162,348177Non-current liabilities1,089Bonds payable1,089Long-term loans payable143,972166Net defined benefit liability326100Total non-current liabilities100100Total non-current liabilities307,837338Idet assets307,837338Shareholders' equity4,234166Capital stock4,234168Treasury shares(8,806)168Total shareholders' equity138,263152Accumulated other comprehensive income8152Valuation difference on available-for-sale securities8152Foreign currency translation adjustment(517)108Total accumulated other comprehensive income312312			3,370
Non-current liabilitiesBonds payable1,089Long-term loans payable143,972Net defined benefit liability326Asset retirement obligations100Total non-current liabilities145,4881otal iabilities307,837Shareholders' equity326Capital stock4,234Capital stock4,234Capital stock8,206Retained earnings134,629Treasury shares(8,806)Courulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312			21,518
Bonds payable1,089Long-term loans payable143,972164Net defined benefit liability326100Asset retirement obligations100100Total non-current liabilities145,488166Total liabilities307,837336Net assets307,837336Shareholders' equity4,234166Capital stock4,234166Retained earnings134,629145Treasury shares(8,806)(8Total shareholders' equity138,263155Accumulated other comprehensive income8157Valuation difference on available-for-sale securities88Foreign currency translation adjustment(517)170Total accumulated other comprehensive income(508)312		162,348	172,646
Long-term loans payable143,972164Net defined benefit liability326Asset retirement obligations100Total non-current liabilities145,488Total non-current liabilities307,837Shareholders' equity307,837Capital stock4,234Capital stock4,234Capital stock4,234Capital stock4,234Capital stock134,629Itreasury shares(8,806)Total shareholders' equity138,263Treasury shares(8,806)Counulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312			
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Asset retirement obligations100Total non-current liabilities145,488166Total liabilities307,837338Net assets307,837338Shareholders' equity4,234166Capital stock4,234166Capital surplus8,206145Retained earnings134,629145Treasury shares(8,806)(8Total shareholders' equity138,263152Accumulated other comprehensive income8166Valuation difference on available-for-sale securities8166Foreign currency translation adjustment(517)170Total accumulated other comprehensive income(508)312			164,701
Total non-current liabilities145,488166Total liabilities307,837338Net assets307,837338Shareholders' equity4,234100Capital stock4,234100Capital surplus8,206100Retained earnings134,629149Treasury shares(8,806)(8Total shareholders' equity138,263152Accumulated other comprehensive income8100Valuation difference on available-for-sale securities8100Foreign currency translation adjustment(517)100Total accumulated other comprehensive income(508)312	· ·		346
Total liabilities307,837338Net assetsShareholders' equityCapital stock4,234Capital surplus8,206Retained earnings134,629Treasury shares(8,806)Total shareholders' equity138,263Accumulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312			101
Net assetsShareholders' equityCapital stock4,234Capital surplus8,206Retained earnings134,629Treasury shares(8,806)Total shareholders' equity138,263Accumulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312		145,488	166,117
Shareholders' equityCapital stock4,234Capital surplus8,206Retained earnings134,629Treasury shares(8,806)Total shareholders' equity138,263Accumulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Total liabilities	307,837	338,763
Capital stock4,234Capital surplus8,206Retained earnings134,629Treasury shares(8,806)Total shareholders' equity138,263Accumulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Net assets		
Capital surplus8,206Retained earnings134,629Treasury shares(8,806)Total shareholders' equity138,263Accumulated other comprehensive income8Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)	Shareholders' equity		
Retained earnings134,629149Treasury shares(8,806)(8Total shareholders' equity138,263152Accumulated other comprehensive income8152Valuation difference on available-for-sale securities8152Foreign currency translation adjustment(517)152Total accumulated other comprehensive income(508)152Subscription rights to shares312152	Capital stock	4,234	4,31
Treasury shares(8,806)(8Total shareholders' equity138,263152Accumulated other comprehensive incomeValuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Capital surplus	8,206	8,287
Total shareholders' equity138,263152Accumulated other comprehensive incomeValuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Retained earnings	134,629	149,118
Accumulated other comprehensive incomeValuation difference on available-for-sale securitiesForeign currency translation adjustment(517)Total accumulated other comprehensive incomeSubscription rights to shares312	Treasury shares	(8,806)	(8,806
Valuation difference on available-for-sale securities8Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Total shareholders' equity	138,263	152,914
Foreign currency translation adjustment(517)Total accumulated other comprehensive income(508)Subscription rights to shares312	Accumulated other comprehensive income		
Total accumulated other comprehensive income(508)Subscription rights to shares312	•	8	5
Total accumulated other comprehensive income(508)Subscription rights to shares312	Foreign currency translation adjustment	(517)	(285)
Subscription rights to shares 312			(279
			289
150,007 150			152,924
Fotal liabilities and net assets 445,904 49 ⁻			491,687

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

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	Six months ended March 31, 2019 (From October 1, 2018 to March 31, 2019)	Six months ended March 31, 2020 (From October 1, 2019 to March 31, 2020)
Revenue	242,846	261,922
Cost of revenue	203,986	218,778
Gross profit	38,859	43,143
Selling, general and administrative expenses	15,062	16,108
Operating income	23,797	27,035
Non-operating income		
Interest income	36	59
Dividends income	19	0
House rent income	79	71
Foreign exchange gains	—	109
Other	86	166
Total non-operating income	221	407
Non-operating expenses		
Interest expenses	878	1,069
Commission fee	737	180
Other	209	101
Total non-operating expenses	1,825	1,350
Ordinary income	22,193	26,091
Extraordinary income		
Gain on sales of non-current assets	772	
Total extraordinary income	772	_
Profit before income taxes	22,966	26,091
Income taxes	6,833	7,954
Profit	16,132	18,136
Profit attributable to owners of parent	16,132	18,136

Consolidated Quarterly Statements of Comprehensive Income

		(Million yen)
	Six months ended March 31, 2019 (From October 1, 2018 to March 31, 2019)	Six months ended March 31, 2020 (From October 1, 2019 to March 31, 2020)
Profit	16,132	18,136
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(2)
Foreign currency translation adjustment	(289)	231
Total other comprehensive income	(296)	229
Comprehensive income	15,836	18,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,836	18,365

3) Consolidated Quarterly Statements of Cash Flows

	Six months ended March 31, 2019	(Millions of yen) Six months ended March 31, 2020
	(From October 1, 2018 to March 31, 2019)	(From October 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	22,966	26,09
Depreciation and amortization	252	25
Increase (Decrease) in allowance for doubtful accounts	1	(1
Increase (Decrease) in net defined benefit liability	6	1
Increase (decrease) in provision	185	
Interest and dividend income	(56)	(5
Foreign exchange loss (gain)	30	(6
Loss (gain) on sales of non-current assets	(772)	-
Interest expense	878	1,06
Commission for syndicated loans	653	-
Decrease (Increase) in notes and accounts receivable-trade	(218)	(55
Decrease (Increase) in inventories	(21,452)	(19,91
Increase (Decrease) in notes and accounts payable-trade	820	1,80
Decrease (Increase) in operating loans	(5,228)	(5,72
Increase (Decrease) in advances received	1,581	2,5
Increase (Decrease) in guarantee deposits received	98	18
Increase (Decrease) in deposits received	(3,208)	(3,30
Other	450	(1,59
Subtotal	(3,011)	79
Interest and dividend income received	52	Ĩ
Interest paid	(870)	(1,06
Income taxes paid	(5,818)	(8,47
Net cash provided by (used in) operating activities	(9,649)	(8,69
Cash flows from investing activities		(-,
Payments into time deposits	(5,983)	(65
Proceeds from withdrawal of time deposits	5,507	
Purchase of property, plant and equipment	(619)	(42
Purchase of intangible fixed assets	(96)	(5
Proceeds from sales of non-current assets	1,668	()
		(1.00
Purchase of investment securities	(567)	(1,96
Proceeds from sales of investment securities		9
Proceeds from redemption of investment securities	510	1,5
Payments for investments in capital	(0)	
Collection of investments in capital	3	
Payments for lease and guarantee deposits	(293)	(38
Proceeds from collection of lease and guarantee deposits	22	
Other	16	(3
Net cash provided by (used in) investing activities	169	(90
Cash flows from financing activities		
Increase in short-term loans payable	82,173	160,6
Decrease in short-term loans payable	(104,404)	(153,60
Proceeds from long-term loans payable	68,416	105,14
Repayment of long-term loans payable	(35,972)	(77,84
Redemption of bonds	(281)	(20
Payment for commission for syndicated loans	(653)	
Proceeds from exercise of stock options	112	
Purchase of treasury stock	(1,819)	
Cash dividend paid	(2,874)	(3,64
Net cash provided by (used in) financing activities	4,696	30,5
Effect of exchange rate changes on cash and cash equivalents	(164)	
Net increase (decrease) in cash and cash equivalents	(4,947)	21,09
Cash and cash equivalents at beginning of period	118,978	135,34
Cash and cash equivalents at end of period	114,031	156,43

4) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumptions) Not applicable

- (Changes in significant subsidiaries during the period) Not applicable
- (Significant changes in consolidated subsidiaries during the period) Not applicable

(Adoption of Special Accounting Methods for Preparation of Quarterly Consolidated Financial Statements) Tax expenses is calculated by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year ended September 2020 including the second quarter under review.

(Segment and Other Information)

- [Segment Information]
- I Six months ended March 31, 2019 (October 1, 2018 to March 31, 2019)

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

(Million ye							(Million yen)
		Repor	table Segment			Adjustments	Amount Recorded on
	Single-family homes related	Condominiums	Property resales	Others	Total	(Note 1)	Consolidated Quarterly Statements of Income (Note 2)
Revenue							
Revenue from Outside Customers	164,959	20,768	46,587	10,531	242,846	_	242,816
Intersegment revenue and transfers	-	—	26	_	26	(26)	_
Total	164,959	20,768	46,613	10,531	242,872	(26)	242,846
Segment Income	15,008	3,305	4,908	1,070	24,293	(495)	23,797

(NOTE)

 Adjustment of ¥(495)million for segment income includes intersegment elimination of ¥78 million and corporate expenses of ¥(573) 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.

I Six months ended March 31, 2020 (October 1, 2019 to March 31, 2020)
Information on revenue, income or loss, and other items by reportable segment

				, ,	5		(Million yen)
	Reportable Segment					A	Amount Recorded on
	Single-family homes related	Condominiums	Property resales	Others	Total	Adjustments (Note 1)	Consolidated Quarterly Statements of Income (Note 2)
Revenue							
Revenue from Outside Customers	186,467	8,533	55,031	11,889	261,922	_	261,922
Intersegment revenue and transfers	_	—	28	21	50	(50)	_
Total	186,467	8,533	55,060	11,911	261,972	(50)	261,922
Segment Income (Loss)	20,896	(47)	5,536	1,221	27,607	(572)	27,035

(NOTE)

 Adjustment of ¥ (572) million for segment income includes intersegment elimination of ¥331 million and corporate expenses of ¥ (904) 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.

(Important Subsequent Events)

(Conclusion of Capital and Business Alliance Agreement and Addition of Equity-Method Affiliate through Acquisition of Shares)

At the Board of Directors' meeting held on April 6, 2020, we decided to form a capital and business alliance (hereinafter referred to as the "capital and business alliance") with Pressance Corporation Co., Ltd. (hereinafter referred to as "Pressance Corporation"), and entered into a capital and business alliance agreement on the same day.

At the same Board of Directors' meeting on April 6, 2020, we also decided to acquire shares of stock of Pressance Corporation. We signed a stock transfer agreement on the same day and completed the acquisition on May 8, 2020.

1. Capital and Business Alliance

(1) Purpose of the agreement

The corporate philosophy is "Committed to pursuing 'Houses that customers want' honestly and constantly." Based on this, the Open House Group is engaged in the Single-family homes related business, the Condominiums business and the Property resales business mainly in the Tokyo metropolitan area as major businesses, aiming to be a real estate company that is needed by society.

Meanwhile, Pressance Corporation, since its foundation, has focused on realizing a more comfortable and affluent lifestyle for residents by delivering high-value condominiums with the emphasis on convenient locations. In addition, with its corporate philosophy, "Lighting up a corner," in mind, Pressance Corporation, as an independent condominium developer, works to develop condominiums from urban condominiums to family condominiums by leveraging its unique development capabilities. It has expanded its businesses in a wide range of areas from the Tokyo metropolitan area to Kyushu. In particular, it has supplied a large number of condominiums in the Kinki, Tokai and Chukyo areas.

We formed the capital and business alliance with Pressance Corporation based on the belief that it will help to maximize profit for both companies as well as customers, shareholders, employees, business partners and other stakeholders thereof. This can result from creating a business synergy by combining the management resources and know-how of both companies and thereby mutually supplementing the regions in which we operate and expanding the product lineups.

(2) Details of the agreement

1) Details of the business alliance

We will further discuss and finalize the details of the business alliance with Pressance Corporation. Also, we plan to strengthen cooperation in the areas of "Regional supplement," "Product supplement," "Maintenance and management of rental properties and properties for sale," and "Cost reduction."

2) Details of the capital alliance

We entered into an agreement with two major shareholders, the largest and second-largest shareholders of Pressance Corporation. In it, we decided to acquire from each of the parties concerned a total of 20,621,100shares of Pressance Corporation off-market on a negotiation basis (hereinafter referred to as the "share acquisition").

After the share acquisition, Open House now holds 31.91% (rounded off to two decimal places) of the shares of Pressance Corporation, and Pressance Corporation has become an equity method affiliate of Open House.

1	Name	Pressance Corporation Co., Ltd			
2	Location	1-2-27 Shiromi, Chuo-ku, Osaka			
3	Name and title of the representative	Yutaka Doi, President and Representative Director			
4	Lines of business	Planning, development and sales of condominiums for investment and family condominiums			
5	Capital	4,290 million yen (As of March 31, 2020)			

(3) Overview of the counterparty of the agreement

- 2. Addition of Equity-Method Affiliate through Acquisition of Shares
 - (1) Purpose

As described in 1. above, we entered into a capital and business alliance agreement with Pressance Corporation on April 6, 2020.

By making Pressance Corporation an equity-method affiliate, we believe the business alliance between these two companies will help us build a stronger complementary business relationship. Accordingly, we determined the share acquisition.

(2) Counterparty of the share acquisition

Pacific Co., Ltd. and Mr. Shinobu Yamagishi

- (3) Company whose shares Open House acquired
 - 1) Name: Pressance Corporation Co., Ltd.
 - 2) Location: 1-2-27 Shiromi, Chuo-ku, Osaka
 - 3) Name and title of the representative: Yutaka Doi, President and Representative Director
 - 4) Lines of business:
 - Planning, development and sales of condominiums for investment and condominiums for families
 - 5) Capital: 4,290 million yen
 - 6) Date of establishment: October 1, 1997
- (4) Number of shares acquired, cost of acquisition and percentage of ownership after the acquisition Number of shares acquired: 20,621,100 shares
 Cost of acquisition: 22,683 million yen
 Percentage of ownership after the acquisition: 31.91%
- (5) Financing

The share acquisition is financed by borrowing from Sumitomo Mitsui Banking Corporation.