

LIFULL Co., Ltd.

Third Quarter Results IFRS

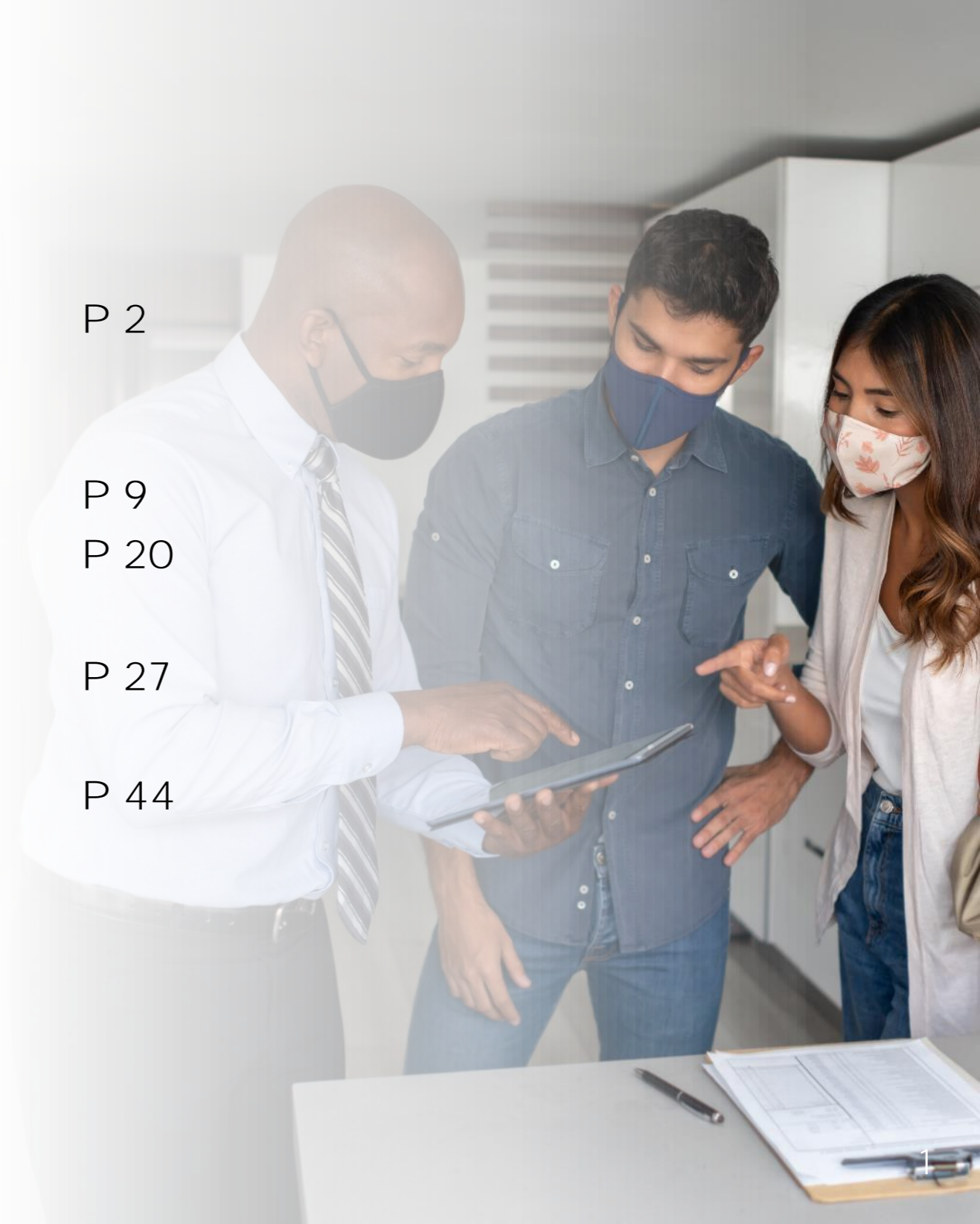
FY2021/9 Q3
(October 2020 – June 2021)

Disclaimer

The opinions and projections, etc. contained herein represent the judgment of LIFULL Co., Ltd. at the time this document was prepared. Please be aware that actual results may vary considerably due to various reasons. We provide no guarantees regarding the accuracy of the information. Please keep in mind that actual performance and results may vary significantly due to changes in various factors.

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Third Quarter Financial Results

(October 1, 2020 – June 30, 2021)

Condensed Statements of Income and Loss IFRS

Consolidated revenue recovered to 0.1% YoY with +17.7% compared to the 3Q (Apr. - Jun.) of the previous year. Active growth investments (primarily domestic) progressing according to schedule with operating income at -32.8% and net profit -36.4% YoY.

Unit: JPY mil.	FY2020 Q3 (Oct.-Jun.)	FY2021 Q3 (Oct.-Jun.)	Change	Change %	
Revenue	26,892	26,925	+33	+0.1%	*1
Cost of revenue	3,143	2,892	-250	-8.0%	*2
SG&A	20,074	21,358	+1,284	+6.4%	
Personnel expenses	6,175	6,662	+487	+7.9%	*3
Advertising expenses	8,327	8,911	+584	+7.0%	*4
Operating expenses	358	284	-74	-20.7%	*5
Depreciation and amortization	1,493	1,487	-6	-0.4%	
Other	3,720	4,012	+292	+7.9%	*6
Other income and expenses	12	-198	-210	-	
Operating income	3,686	2,476	-1,210	-32.8%	
Operating income margin	13.7%	9.2%	-4.5pt	-	
Net profit*	2,323	1,477	-846	-36.4%	

* Net profit attributable to owners of the parent

*1 Refer to segment revenue (Page 4)

*2 Decrease in commissions for marketing products due to COVID-19

*3 Increase in monthly LIFULL employees salaries and associated legal welfare expenses

*4 Continuing domestic growth investments and gradual opening of overseas markets

*5 Reductions in travel expenses with active usage of IT tools for sales initiatives

*6 Increase in R&D and system expenses for improvement of LIFULL HOME'S

Revenue / Income and Loss by Segment IFRS

Although more of Japan is under a state of emergency, quarterly revenue for HOME'S Services continues to recover with the YoY gap in total revenue down to 1.6%. Overseas revenue increasing with considerable gains in profit from cost controls and transfer of R&D personnel expenses.

Unit: JPY mil.	FY2020 Q3 (Oct.-Jun.)	FY2021 Q3 (Oct.-Jun.)	Change	Change %	Main items
Revenue	26,892	26,925	+33	+0.1%	
HOME'S Services	20,483	20,157	-325	-1.6%	Earnings from Kenbiya included, but decline from effects of the pandemic. Recovery is continuing with 3Q (Apr.-Jun.) +6.1% YoY.
Overseas	4,999	5,181	+182	+3.6%	Although LIFULL CONNECT was +63.1% for 3Q YoY, accumulative revenue was down 2.3% YoY and JPY-EUR exchange rate down 6.8%.
Other	1,409	1,586	+176	+12.6%	Revenue increases in subsidiaries (senior, SPACE, Investment) as well as contributions from additional new business (LIFULL Leadership)

Unit: JPY mil.	FY2020 Q3 (Oct.-Jun.)	FY2021 Q3 (Oct.-Jun.)	Change	Change %	Main items
Segment income and loss	3,674	2,674	-1,000	-27.2%	
HOME'S Services	3,572	1,804	-1,767	-49.5%	Primarily due to increases in LIFULL personnel salaries and marketing investments to increase brand awareness
Overseas	386	1,261	+874	+226.3%	Primarily due to increased revenue and cost controls on advertising expenses as well as transfer of development personnel expenses
Other	-277	-423	-146	-	Increased revenue seen in senior etc. while costs increased for Regional Revitalization
Inter-segment transactions	-6	32	+39	-	

Primary businesses in each segment are listed on [page 31](#)

The % Change values for negative results in the current previous periods have been left blank

Condensed Statement of Financial Position and Goodwill IFRS

Unit: JPY mil.	As of Sep 30, 2020	As of Jun 30, 2021	Change	Change %	Main items
Current assets	23,083	21,210	-1,873	-8.1%	Cash -2,708 Refer to "Condensed Statement of Cash Flows" Accounts Receivable +229 Products +780 Primarily Regional Revitalization efforts Works-In-Progress -386 Primarily Regional Revitalization efforts Deposits +101 Increase from payment of annual system usage fees Income Taxes Receivable +300 Uncollected Consumption Tax -126 Security Deposits -134 Termination of subsidiary office leases
Non-current assets	32,477	32,767	+290	+0.9%	Buildings -137 Tools, Furniture and Fixtures -150 Right-of-Use Assets -852 Termination of lease for overseas subsidiaries Goodwill +1,544 Due to fluctuations in foreign currency exchange rates Software +208 Primarily in overseas subsidiaries Other Intangible Fixed Assets -80 Investment Securities +185 Shares of Affiliates -106 Deferred Tax Assets (Fixed) -156
Assets	55,560	53,977	-1,582	-2.8%	
Current liabilities	16,016	12,652	-3,363	-21.0%	Accounts payable - trade +592 Short-Term Loans Payable -1,734 Repayment of COVID-related loans Accrued Income Taxes -1,012 Accrued Consumption Taxes -345 Provisions for Bonuses -604 Payment and reconfiguration of bonuses
Non-current liabilities	5,905	5,168	-736	-12.5%	Long-Term Lease Obligations -769 Termination of lease for overseas subsidiaries Deferred Taxes (Fixed) -50
Liabilities	21,921	17,821	-4,100	-18.7%	
Total Equity	33,639	36,156	+2,517	+7.5%	Capital Surplus +780 Foreign Currency Translation Adjustm. +1,657 Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	254.12	273.50	+19.39		As provisional accounting methods for corporate mergers were determined during the third quarter of the current fiscal year, the same provisional accounting methods have been applied to values for the fiscal year ended September 30, 2020.

Condensed Statement of Cash Flow IFRS

Cash and cash equivalents decreased by 2.7 billion yen to 13.2 billion yen due to payment of taxes and repayment of loans.

Unit: JPY mil.	FY2020 Q3	FY2021 Q3	Change	Main items		
	(Oct.-Jun.)	(Oct.-Jun.)		Items	FY2020 Q3	FY2021 Q3
Operating cash flow	3,170	533	-2,637	Profit for the period before tax	+3,445	+2,294
				Depreciation and amortization	+1,507	+1,500
				Decr. (incr.) in accounts receivable-trade and other current receivables	+1,180	-101
				Incr. (decr.) in accounts payable-trade and other current payables	-1,331	+319
				Other	-358	-1,471 *
				Tax payments	-1,289	-1,983
Investing cash flow	-538	-516	+21	Proceeds from sale of financial instrument assets	+505	-
				Purchase of financial assets	-68	-100
				Purchase of property, plant and equipment	-480	-73
				Purchase of intangible assets	-234	-239
				Business acquisition expenditures	-	-402
				Payments of loans receivable	-727	-718
				Proceeds from collection of loans receivable	+468	+736
Other	-1	+276				
Financing cash flow	3,332	-3,026	-6,359	Proceeds from loans payable	+9,398	+234
				Repayment of loans payable	-3,813	-1,902
				Dividends paid	-590	-697
				Repayment of lease obligations	-670	-635
				Purchase of treasury shares	-522	-
				Expenditure for deposit of treasury shares	-497	-
Change in cash and cash equivalents	5,994	-2,708	-			
Balance of cash and cash equivalents	15,233	13,254	-1,979			

* Primarily bonus provisions and consumption tax

FY 2021 /9 Forecast and Progress IFRS

Condensed Statements of Income and Loss

Unit: JPY mil.	FY2021 Oct.-Sep. [Full-Year Forecast]	FY2021 Q3 Oct.-Jun. [Actual]	Progress
Revenue	38,476	26,925	70.0%
Cost of revenue	4,971	2,892	58.2%
SG&A	30,032	21,358	71.1%
Personnel expenses	10,158	6,662	65.6%
Advertising expenses	10,957	8,911	81.3%
Operating expenses	870	284	32.6%
Depreciation and amortization	2,001	1,487	74.3%
Other	6,045	4,012	66.4%
Other revenues and expenses	-38	-198	-
Operating income	3,434	2,476	72.1%
Operating income margin	8.9%	9.2%	-
Net profit*	2,033	1,477	72.7%

Revenue by Service

Unit: JPY mil.	FY2021 Oct.-Sep. [Full-year forecast]	FY2021 Q3 Oct.-Jun. [Actual]	Progress
Revenue	38,476	26,925	70.0%
HOME'S Services	29,485	20,157	68.4%
Overseas	6,320	5,181	82.0%
Others	2,670	1,586	59.4%

Exchange rate Estimation: EUR 1 = JPY 121
(Actual exchange rate: EUR 1 = JPY 128.0)

* Net Profit: Profit attributable to owners of the parent

FOCAL POINTS

HOME'S
SERVICES

OVERSEAS

OTHER
BUSINESSES

OMNI-
CHANNEL



DX

(DIGITAL TRANSFORMATION)

Moving
to
Direct

REGIONAL
REVITALIZATION
& SENIOR
CITIZENS

Growth through solutions to social issues through our existing businesses



Segment Update HOME'S Services

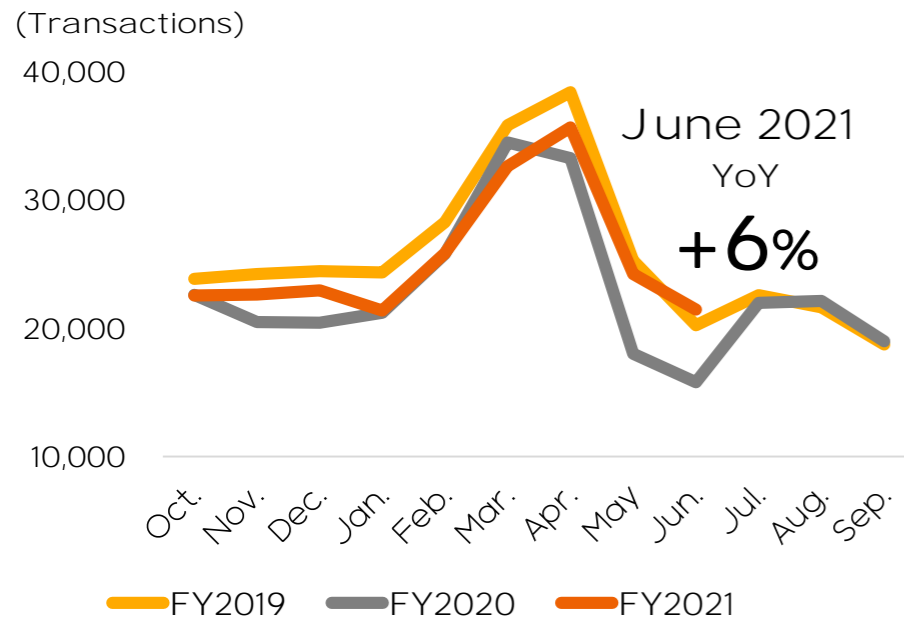
(Ref) Trends in the Japanese Real Estate Market

Starts for new-build residences have continued to increase, but have not yet returned to 2019 pre-COVID levels. Sales of resale units continue to grow resulting in less properties available.

Rental

Transactions have returned to pre-COVID levels

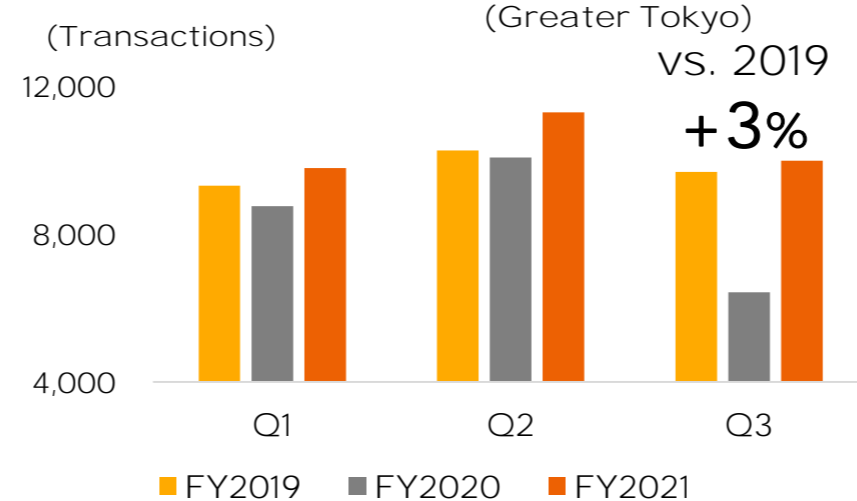
Rental Transactions



Resale

Transactions still positive YoY, but less properties available

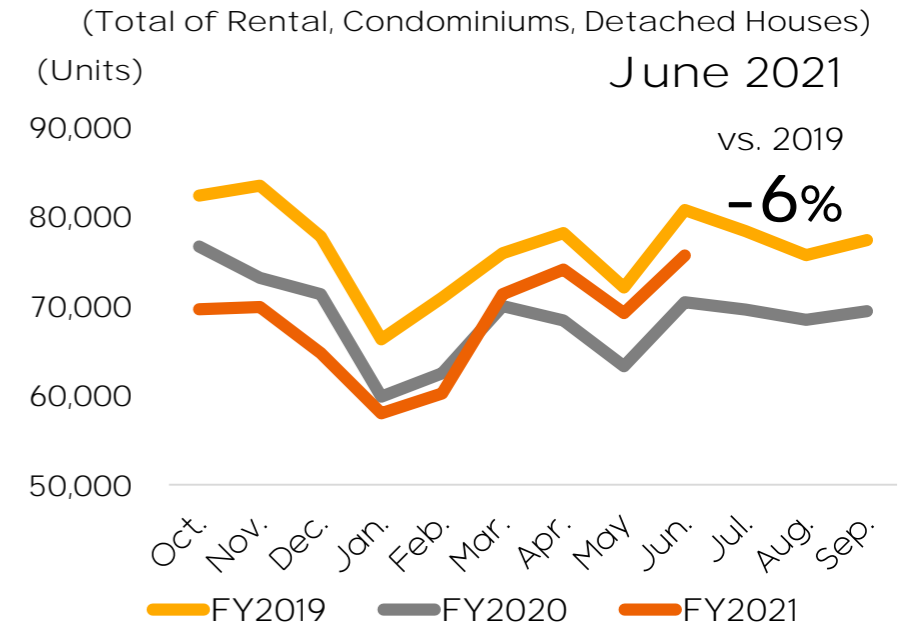
Resale Transactions



New-Build

Gradually more building starts, but not yet completely recovered

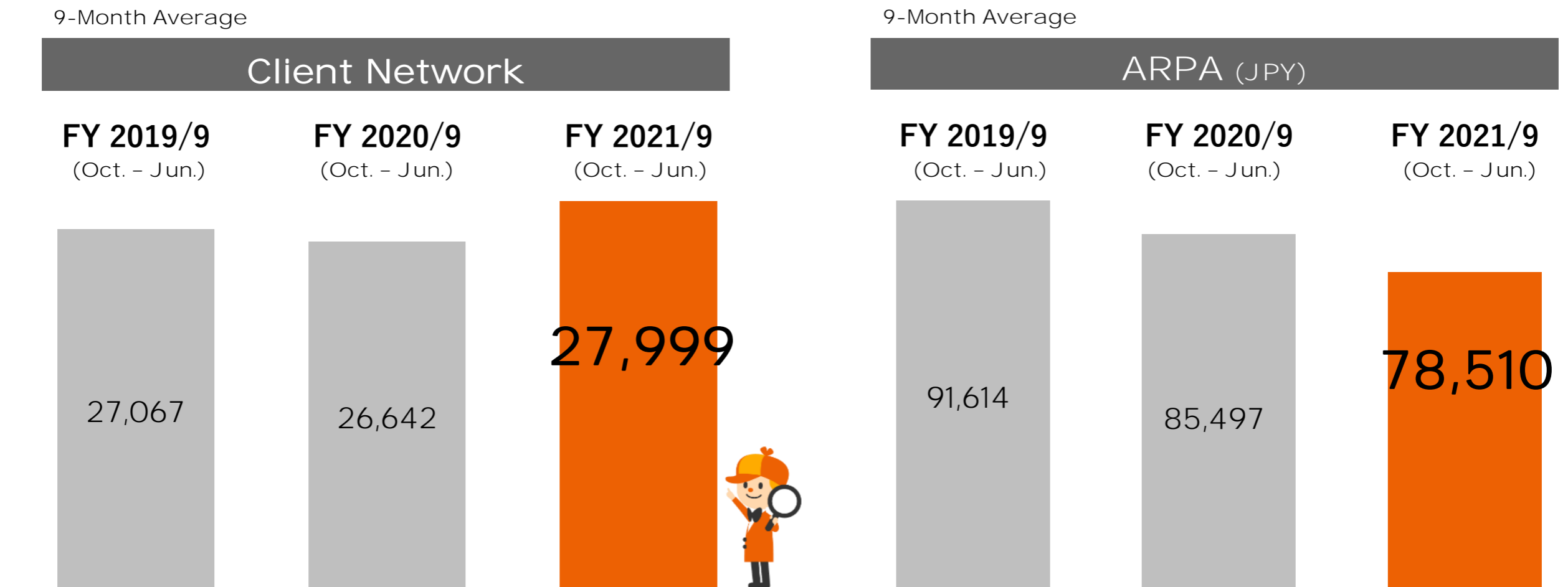
New Residential Starts



Available Properties
Decreasing over last 13 months

Key Performance Indicators Client Network and ARPA

Our client network continues to reach record levels due to progress in onboarding initiatives, but the increase in clients has had a negative impact on ARPA. For the 3Q, client network and revenue growth have kept ARPA stable.

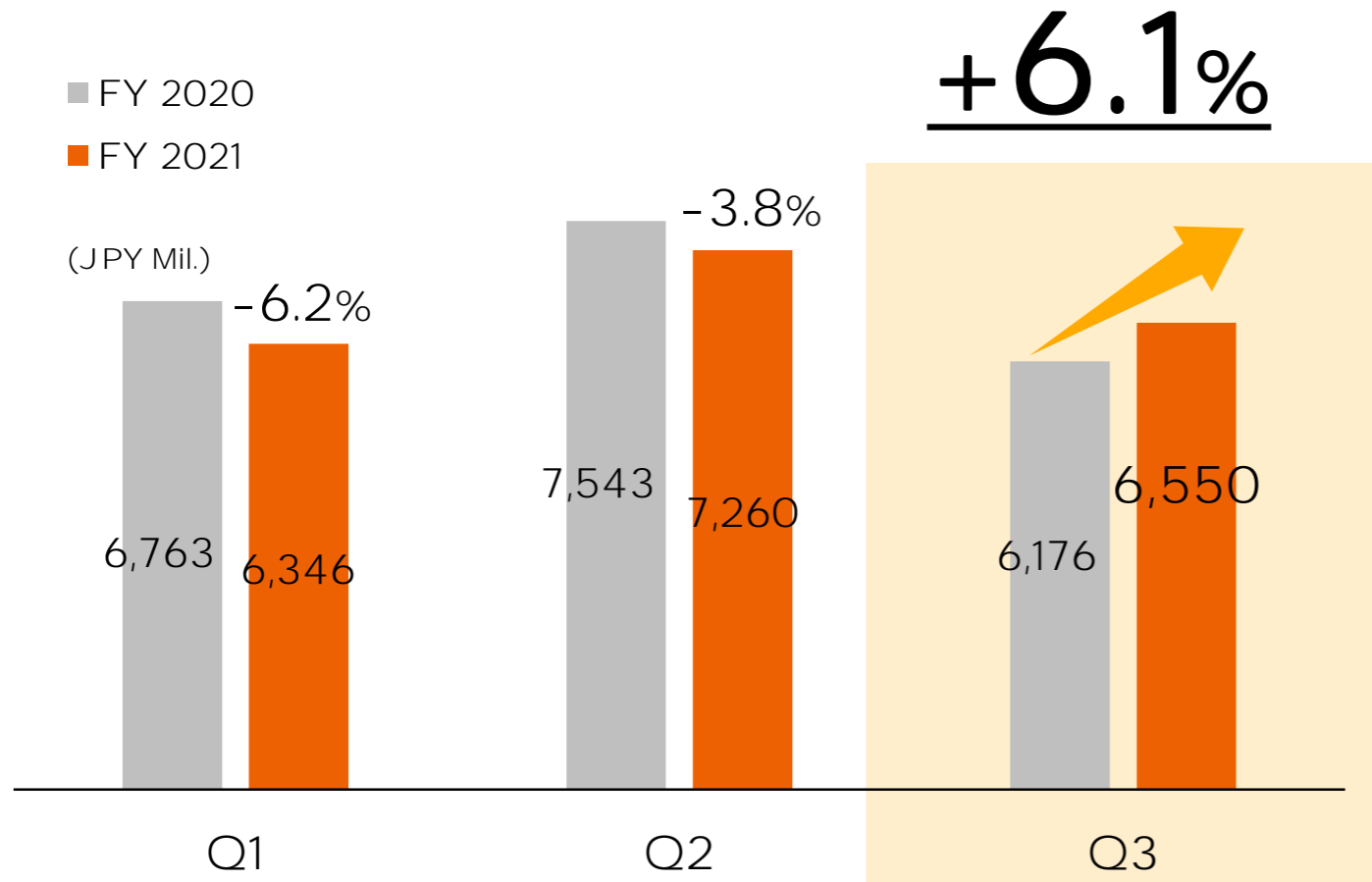


Calculations until FY 2019/9 only included the number of clients with charges in the current month. However, due to the partial change of the pricing structure implemented in the first quarter of FY 2020/9, this number has been altered to reflect all clients and have adjusted the values for the previous years. The Client Network and ARPA do not reflect the effects of the acquisition of Kenbiya Co., Ltd.

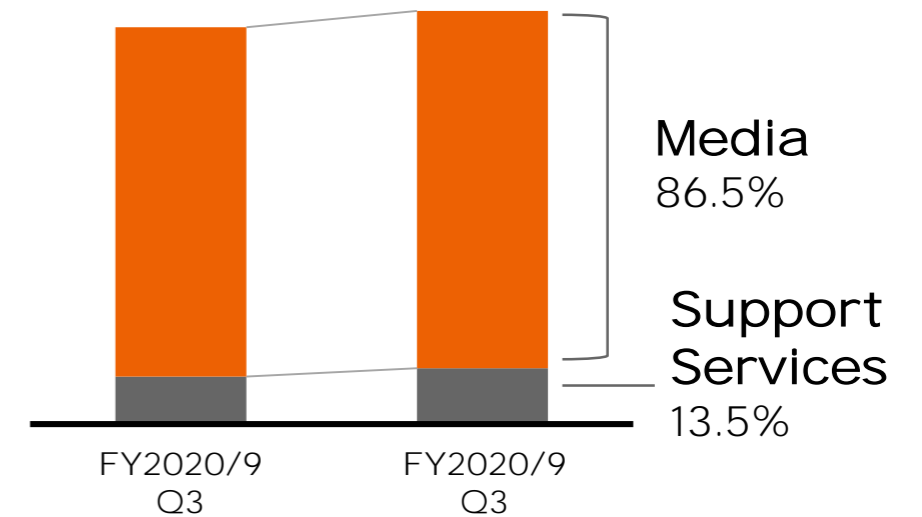
Steady Recovery in LIFULL HOME'S

Sustained positive growth in traffic and inquiries has resulted in positive sales revenue growth in the third quarter for HOME'S.

Quarterly Revenue Trend (YoY)



Breakdown of Sales Revenue (Before Segment Eliminations)



MEDIA



Rental, re-sale, new-build condominium and house, storefronts, offices, custom-built houses and investment property listings and Kenbiya

SUPPORT SERVICES

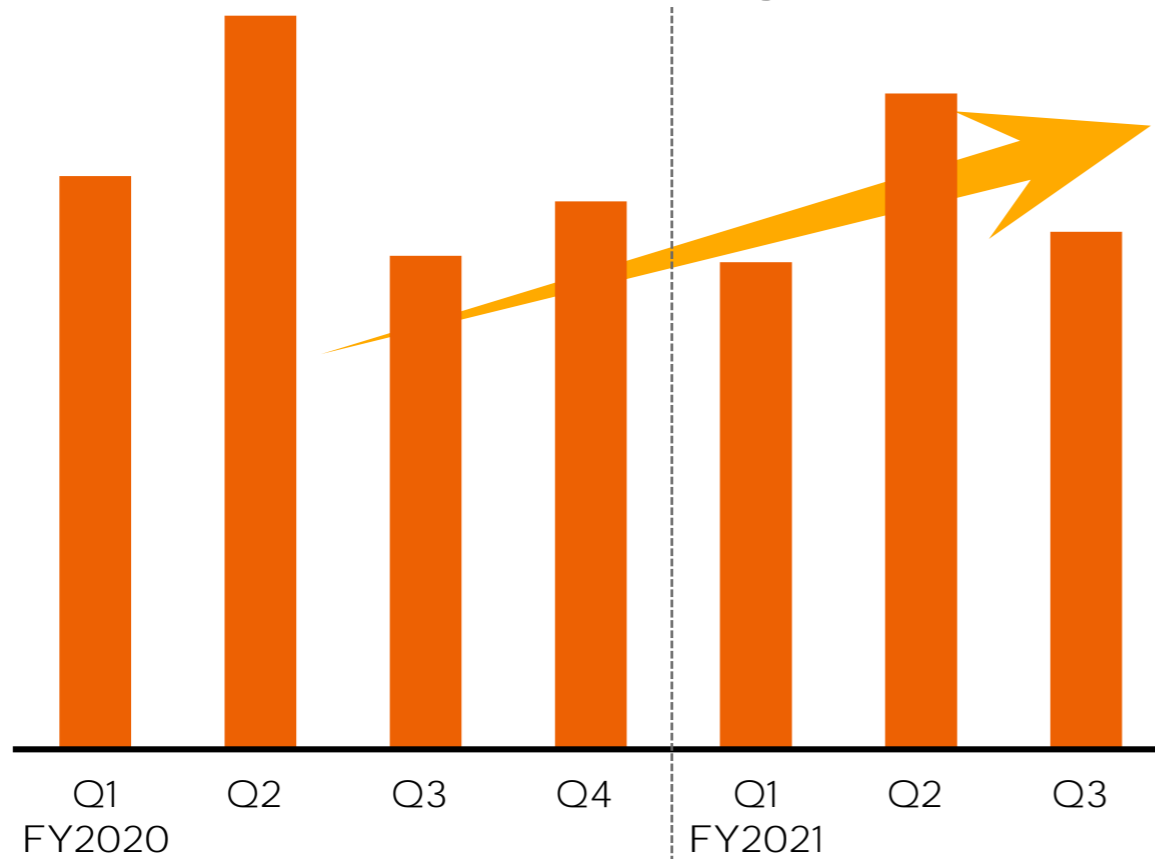


Online advertising and consultation and CRM/DMP services

Recovery in LIFULL HOME'S Revenue in LIFULL HOME'S Media

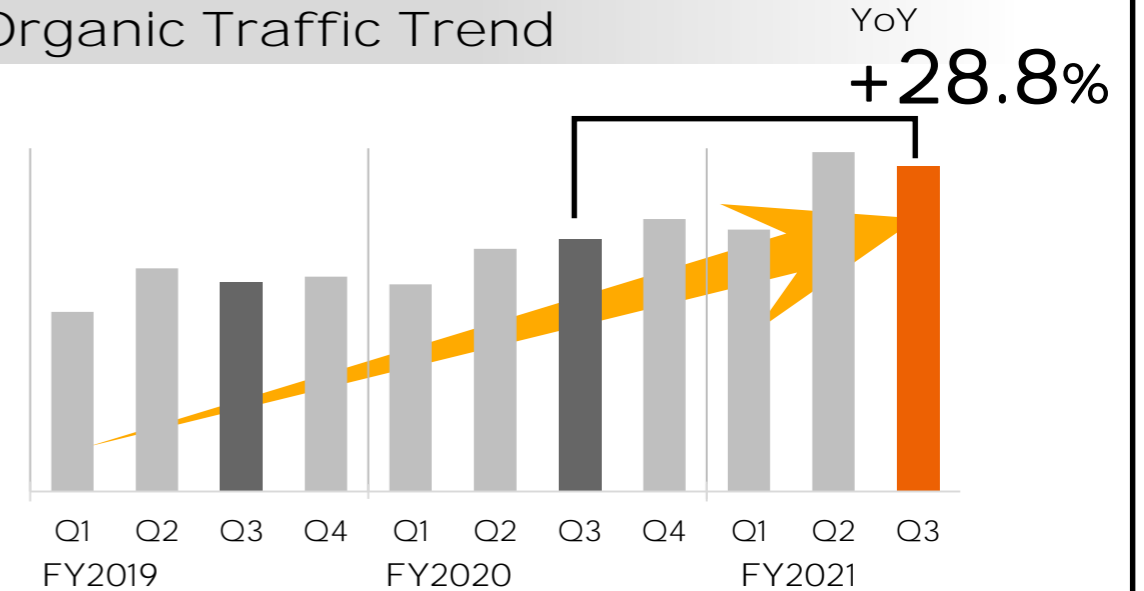
Sales revenue from LIFULL HOME'S Media improving despite downturns in new-build transactions and properties available for resale.

Media Sales Revenue for HOME'S Services Segment

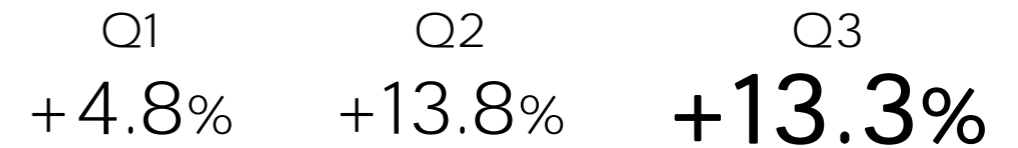


Reference

Organic Traffic Trend



Inquiries (YoY)



Providing the necessary resources for smoother transactions

Growth



Brand Recognition for LIFULL HOME'S

Promoting our services and corporate brand on TV and online to reach across multiple generations. These efforts have resulted in higher brand recognition as well as more long-term users for our services.

TVCM

LIFULL HOME'S

"Smoother Home Search"
#1 Paraglider Version

LIFULL HOME'S

"Smoother Home Search"
#2 Lake Version

CORPORATE

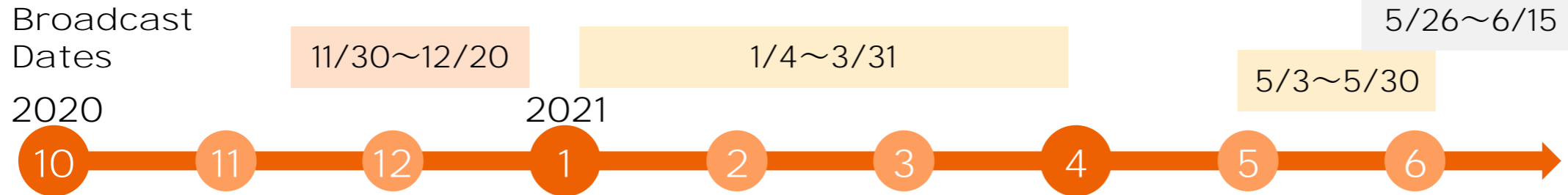
"Nothing I can't do."
2021"

Largest Broadcast Area

Kanto, Kansai, Chukyo,
Fukuoka, Hokkaido, Sendai,
Shizuoka, Hiroshima

Since January "Lake" Commercial
Okayama, Kumamoto

Broadcast
Dates



YouTube

LIFULL HOME'S From 2020/11-

YouTube Advertising
LIFULL HOME'S
Feature Showcase

CORPORATE LIFULL HOME'S From 2021/1 -

YouTube Channel
LIFE-NISTA

New Ways to Find a New Home Promising Results from New Search Features

With our new search features, we are offering a unique experience for each individual user to find the right home for their lifestyle.

LIFULL HOME'S Search Features



Released Nov. 2020

Nice-To-Have Search

Add preferences to searches to better organize results

Size Rent Amenities Area

Released Mar. 2021

Search by Current Residence

Automatically add the specifications of your current home for easier searches

Current Home + Rent Amenities Area

- Likelihood to Add Properties to Favorites
- Likelihood to Use the Same Service Again

Outperforming Standard Search

Enhanced Information about Potential Hazards for Home-Seekers

Now providing a hazard map with information about floods, landslides and earthquakes for new-build houses to give users added peace of mind when searching for a home and strengthen our media presence.

(Currently only available on smartphone)



LIFULL HOME'S
Flood, Landslide & Earthquake

Hazard Map

For New Detached Houses



Flood



Unstable
Ground



Land-
slide



Earth-
quake

Check risks for natural disasters
while searching online

Users



More

Satisfaction

Safety information to
Support home-seekers

Safety Point 1

Smooth map display

Realtors



More

Satisfaction

Improved success rates
for transactions

Safety Point 2

Color schemes to
make results visible
for color-blind users

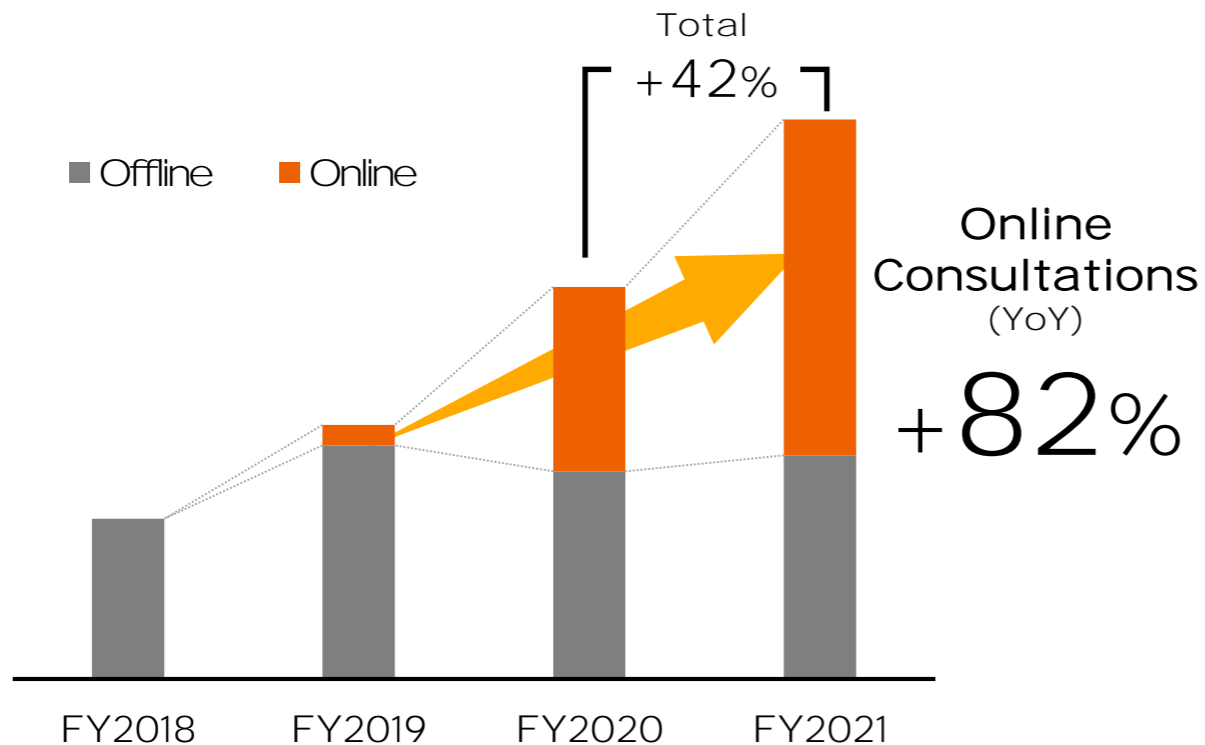
Expanding to other Property Types in the Future

<https://lifull.com/news/20819/>

Progress in Omnichannel Expansion LIFULL HOME'S *Sumai No Madoguchi*

Total consultations continue to increase with further demand for online support due to the pandemic. We are further expanding our face-to-face service area in order to support even more users.

Consultations (Total Oct. - Jun.)



Sumai no Madoguchi

Search

<https://www.homes.co.jp/counter/>

More Locations in Kansai For More Users Support

Osaka

2 New Locations

Jan. 2021

Considerable Increase in Consultations

NEW

Nagoya

2 New Locations

Apr. 2021

Considerable Increase in Consultations

Further new locations in planning

Digital Transformation of the Moving Process LIFULL HOME'S LIVE

Increase in clients for LIFULL HOME'S LIVE, a tool for online consultations, property viewings and disclosures. After a period of free service, client numbers have grown with more users communicating with realtors online.

LIFULL HOME'S LIVE Usage

Consultations

Viewings

Disclosures

Via Online Video Chat

■ Q1 ■ Q2 ■ Q3

+32.9%

FY2020

FY2021

Clients Using LIFULL HOME'S LIVE

Mar. 2020

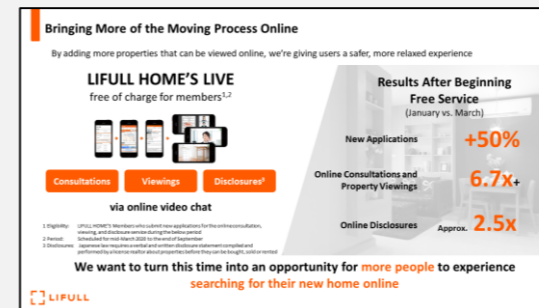


Jun. 2021



+19.1%

(Ref.) Support for Realtors During Pandemic



Mar. – Sep. 2020
Free Use of
LIFULL HOME'S LIVE
For New Applicants

(Ref.) FY 2020/9 Q2
Earnings Presentation



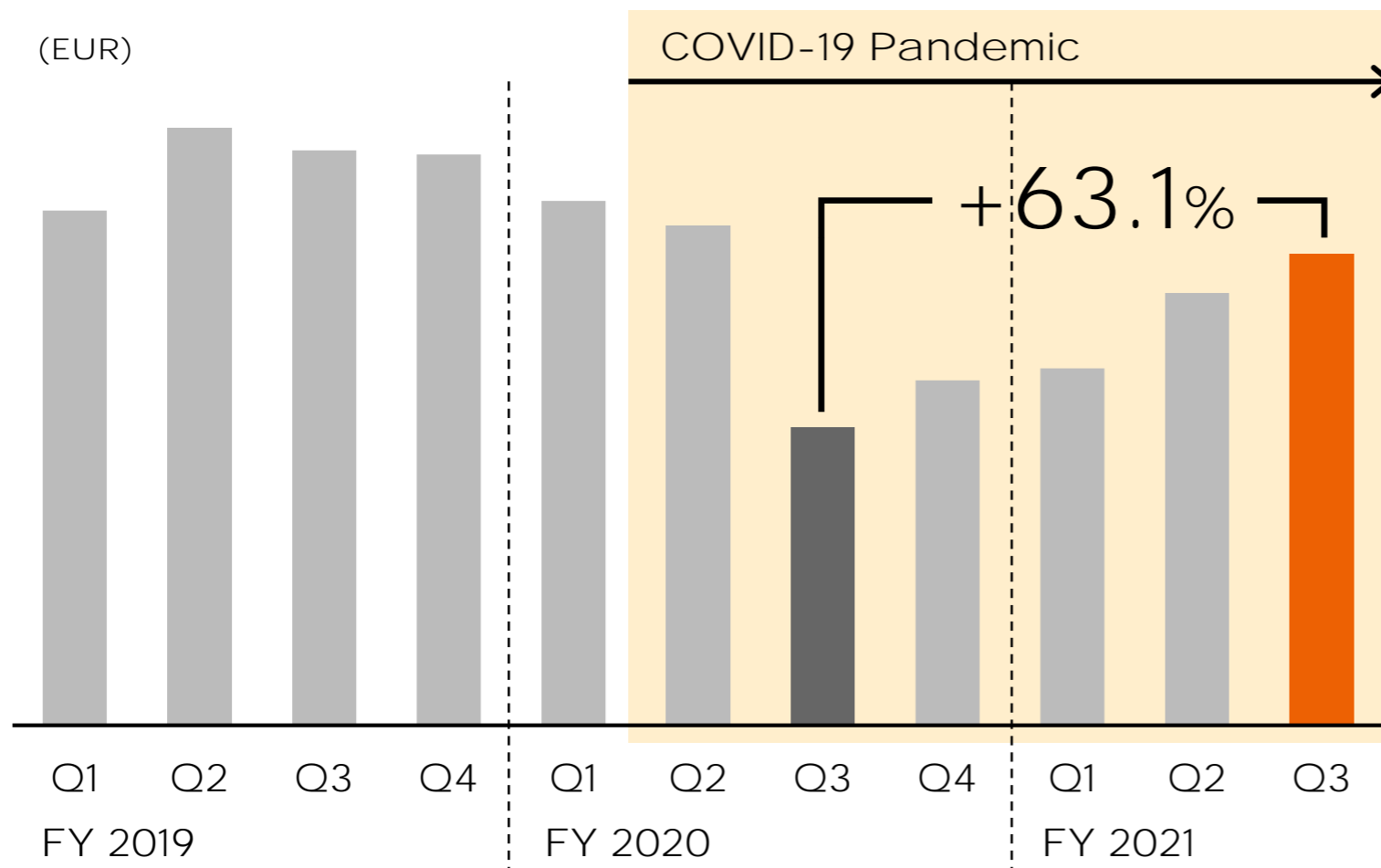
Segment Update Overseas



Recovery in LIFULL CONNECT

Due to sustained positive trends in traffic, third quarter revenue has shown positive growth YoY. However, while the pandemic continues, more time is needed for a complete recovery to FY 2019/9 levels.

Quarterly Revenue Trend



Revenue Recovery

Compared to FY 2020/9

Q1	Q2	Q3
-29.4%	-12.5%	+63.1%

Compared to FY 2019/9

Q1	Q2	Q3
-27.9%	-24.8%	-14.6%

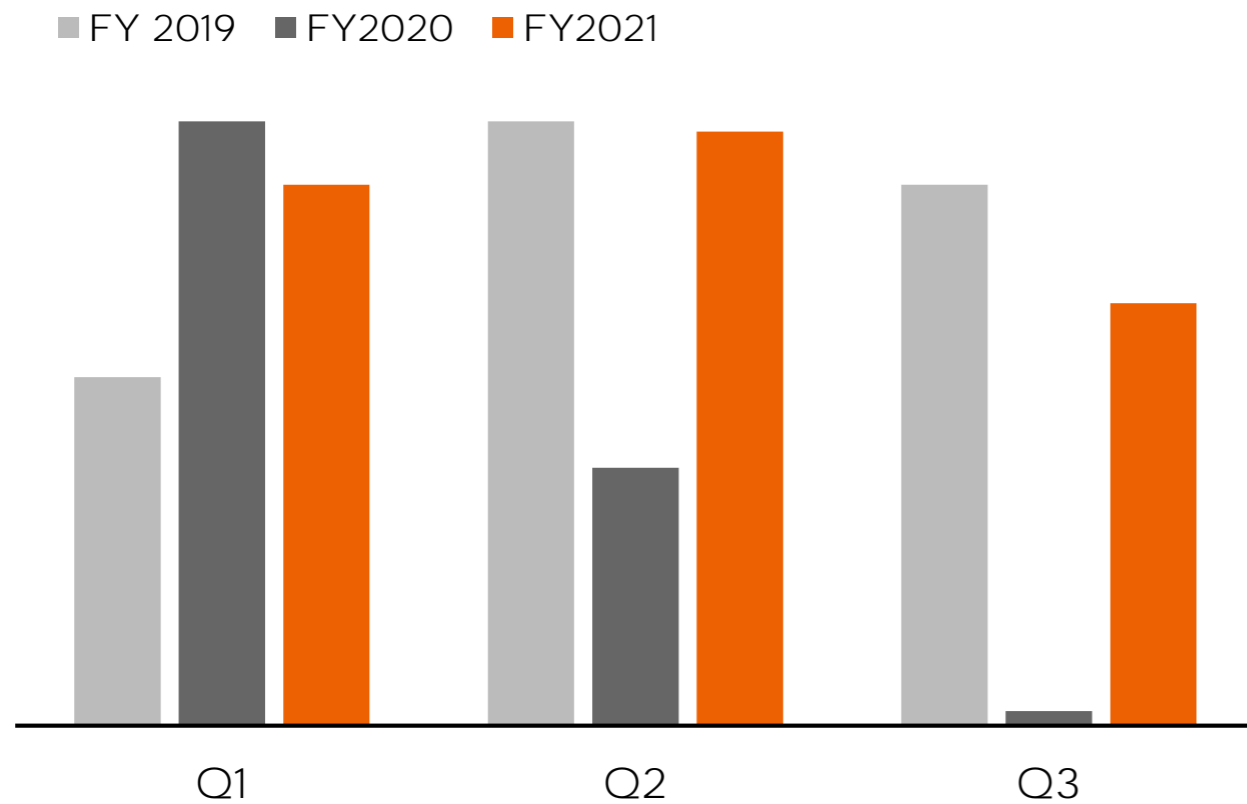
Current Status of Primary Markets

Vaccination programs supported an initial downturn in new infections. However, infections have been increasing again since May 2021, and lockdown restrictions and stay-home orders remain in place in some regions. In Latin America, new variants of the virus are keeping infection rates high while infections in Southeast Asia have also been on the rise since June.

LIFULL CONNECT Operations

Recovery has been evident in revenue, but the effects of the pandemic are persisting longer than originally expected. During this time we are focusing on bottom line management while gradually increasing investments for future growth.

Quarterly Operating Profit



Efficient Cost Management



Optimization

Flexible cost management while monitoring market recovery for considerable improvement in profitability

Preparation for the Post-Pandemic World Refining UX in our Direct Markets

We are fine-tuning the user experience on websites across our enormous network to in preparation for accelerated growth after the COVID-19 subsides.

Enhancing the User Experience of our Portals

(Example)

By fine-tuning our search results pages,
We have improved user engagement

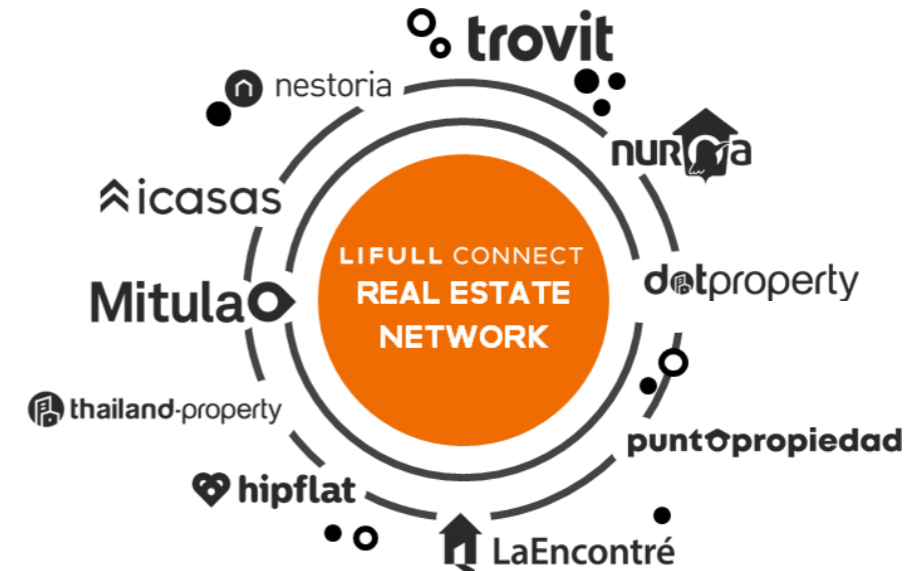
(3-Weeks Before / After Implementation)

Time / User +11%

Conversion Rate +17%

More value for users and clients

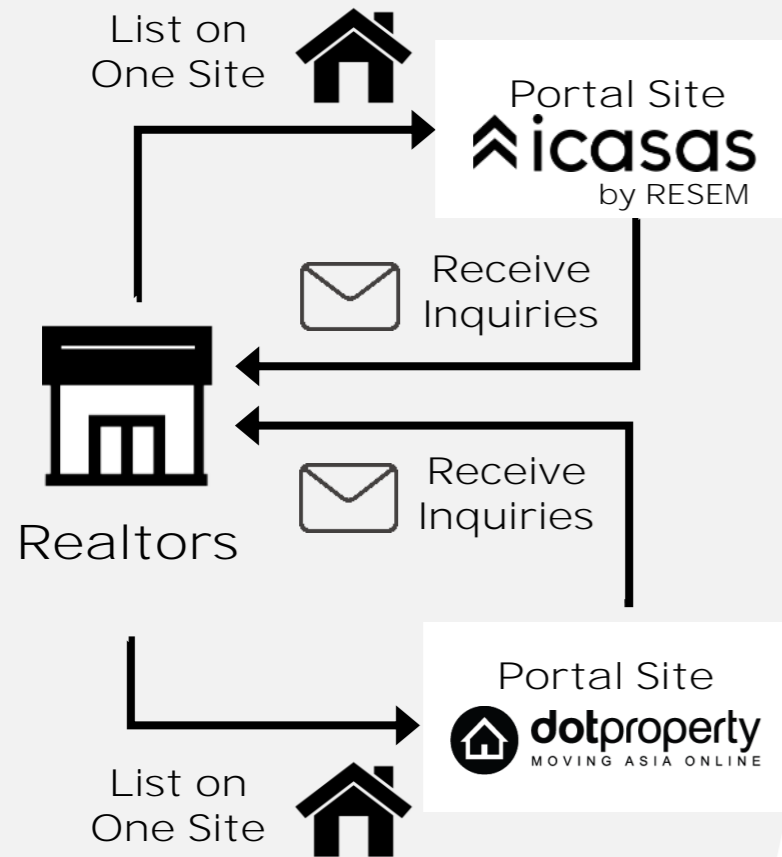
More Powerful Network



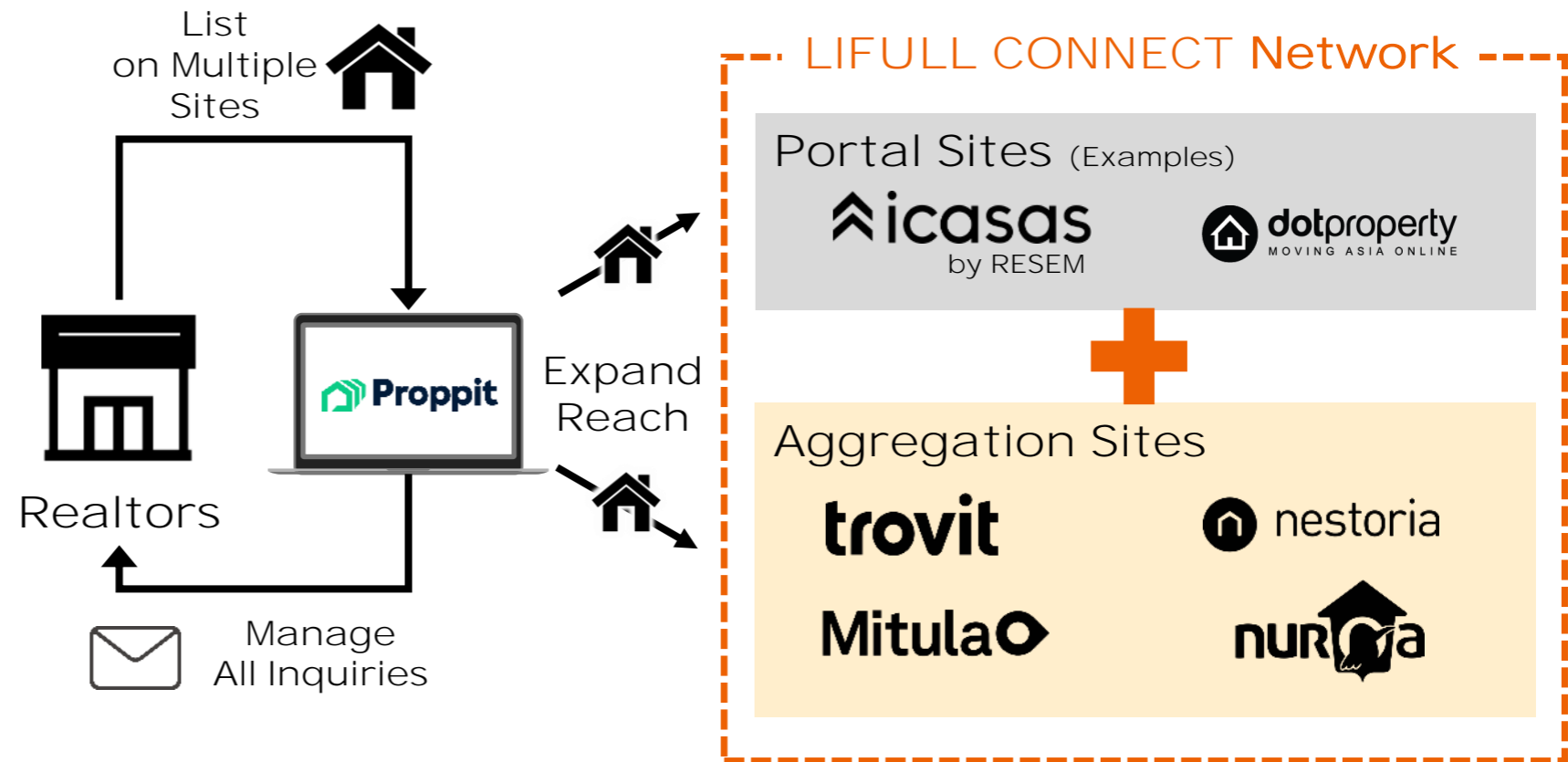
LIFULL CONNECT Leveraging Multimedia to Boost Traffic

Using Proppit, a management tool for realtors in our key regions of Latin America and Southeast Asia, realtors are able to list across LIFULL CONNECT's exclusive and highly-qualified audience and manage inquiries in one place.

Traditional Listings



Listing via Proppit

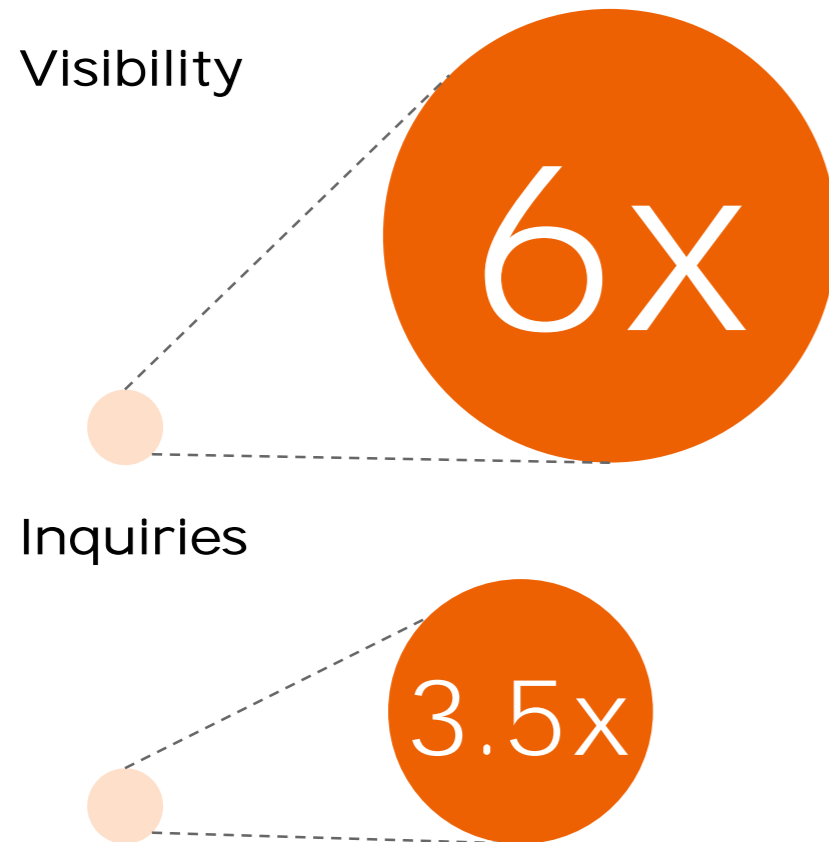


Preparation for the Post-Pandemic World Expansion of Proppit

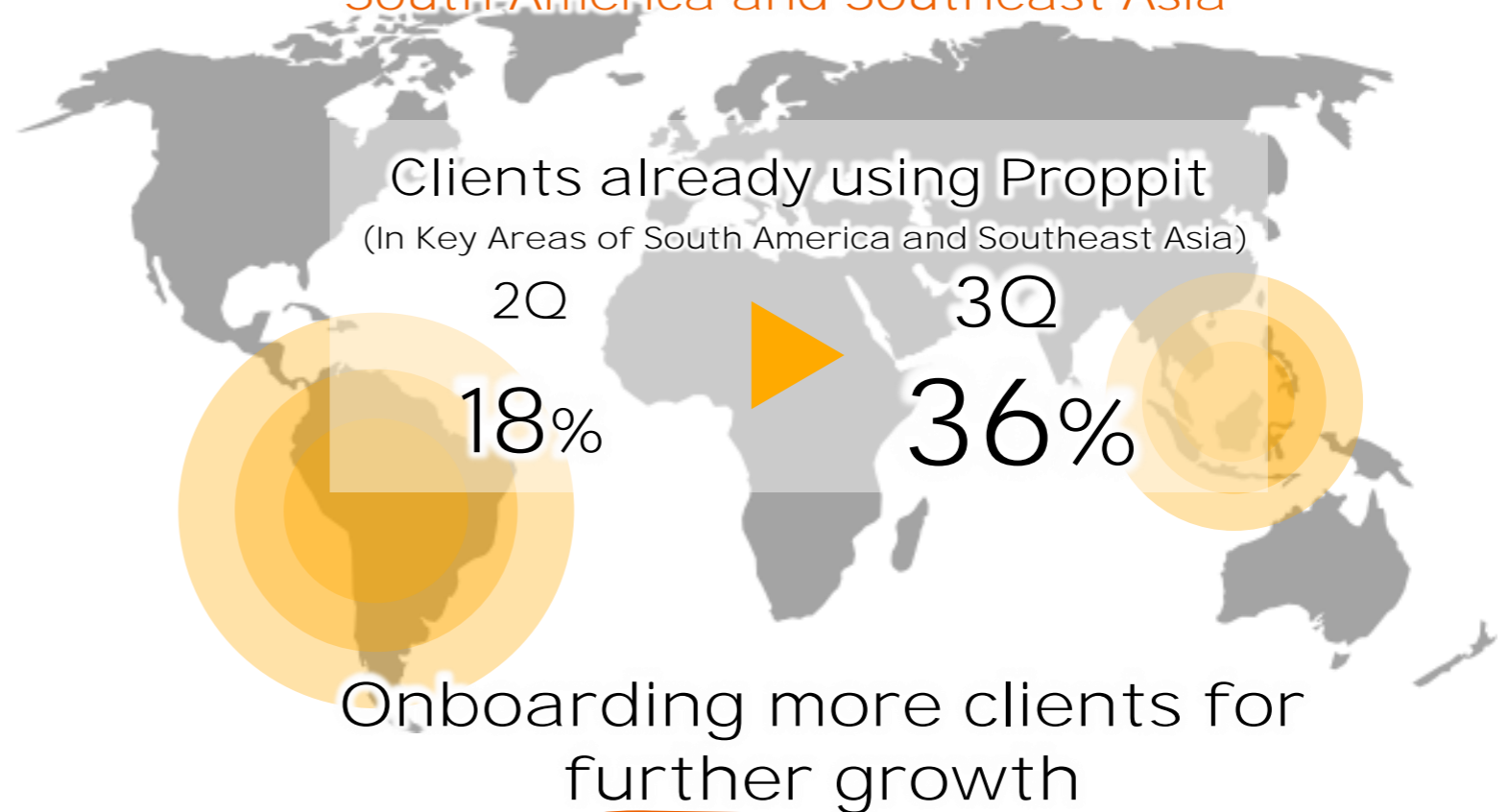
By expanding Proppit into our key regions, we are able to continue to offer the service to more real estate professionals and expand our client network.

Impact from Proppit

*Results as of March, 2021



now available in key regions of South America and Southeast Asia





 **LIFULL**

Make every LIFE FULL

Appendices

Corporate Information (as of June 31, 2021)

Company LIFULL Co., Ltd.

Stock code 2120 (TSE 1st Section)

Representative Takashi Inoue, President and CEO

History
Mar. 12, 1997 Established
Oct. 2006 Listed in TSE, Mother's Section
Mar. 2010 Listed on TSE 1st Section

Capital JPY 9,716 mil.

Stock issues 134,239,870 shares (incl. 2,458,256 shares of treasury stock)

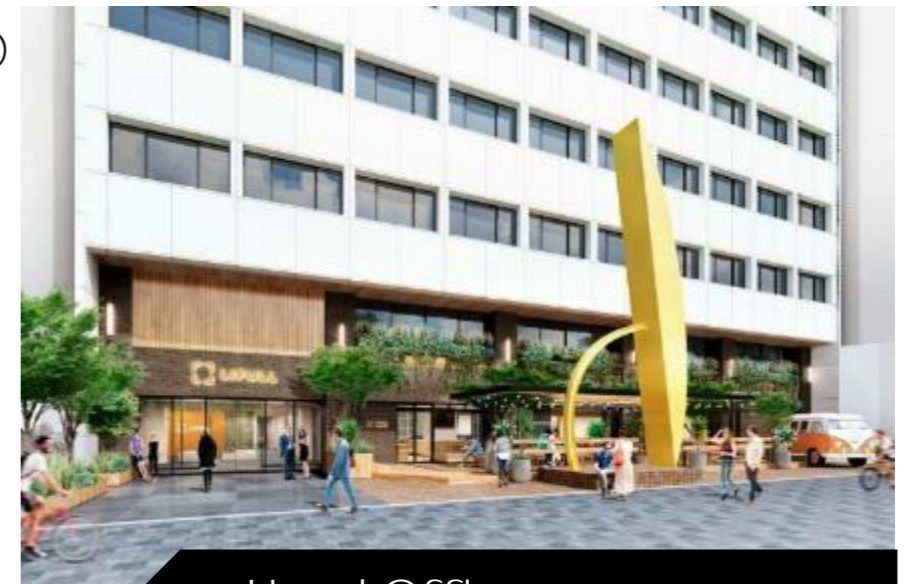
Consol. number of employees 1,495 (incl. 192 temporary and 355 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.1%)

Main subsidiaries (stake)
LIFULL CONNECT, S.L.U. (100%)
LIFULL Marketing Partners (100%)



President and CEO Takashi Inoue



Head Office
Chiyoda-ku, Tokyo, Japan

LIFULL HOME'S Real Estate and Housing Information Site

<https://www.homes.co.jp/>

- One of the largest real estate listing sites in Japan
- Apart from property listings, LIFULL HOME'S also features an in-house Quality Screening Team to ensure the reliability of listing information.
- Constantly evolving, the site has been optimized for smart devices to provide the best possible search experience for users.



- Search by city, train line, station or time to destination
- Filters including "No Deposit," "Pets Allowed"
- Select and compare multiple properties
- To-do lists, new property notifications and other extensive support services



LIFULL HOME'S
iOS • Android Apps



Primary Group Companies

(Listed according to date of founding / acquisition)

LIFULL Marketing Partners Co., Ltd.	<ul style="list-style-type: none">• Internet marketing for real estate and related business operators
LIFULL senior Co., Ltd.	<ul style="list-style-type: none">• Operation of one of the largest search engines for nursing homes and senior housing in Japan, LIFULL Nursing Care• Operation of the search site "Minna no ihinsei" for companies which organize the possessions of the deceased
LIFULL MOVE Co., Ltd.	<ul style="list-style-type: none">• Operation of the moving company price estimate and reservation website, LIFULL Hikkoshi
LIFULL SPACE Co., Ltd.	<ul style="list-style-type: none">• Operation of one of the largest search engines for storage space in Japan, LIFULL Trunk Room• Operation of a search site for rental meeting rooms and other spaces, LIFULL Rental Space
LIFULL bizas Co., Ltd.	<ul style="list-style-type: none">• Contractor for clerical work and other back-office operations• Contractor for call center operations
LIFULL Investment Co., Ltd.	<ul style="list-style-type: none">• Operation of the crowdfunding platforms, LIFULL Investment• Operation of the LIFULL Regional Revitalization Fund
LIFULL Tech Vietnam Co., Ltd.	<ul style="list-style-type: none">• Offshore, lab-type, software and application development as well as creative production
Rakuten LIFULL STAY, Inc. ^{1,2}	<ul style="list-style-type: none">• Operation of vacation rental platforms
LIFULL CONNECT, S.L.U.	<ul style="list-style-type: none">• Operation of aggregation sites for real estate, job listings, used vehicles and fashion aggregation sites as well as portals
LIFULL ArchiTech Co., Ltd.	<ul style="list-style-type: none">• Research and development on construction and living environments; management of patents
Kenbiya Co., Ltd.	<ul style="list-style-type: none">• Operation of the real estate investment site Kenbiya
LIFULL Leadership Co., Ltd.	<ul style="list-style-type: none">• Employee training consultant: Designing and providing training courses for leadership development and management skills

Segments and Primary Services

Segments	Main services
HOME'S Services	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR Advertising & Consulting Agency (LIFULL Marketing Partners Co., Ltd.) Kenbiya (Kenbiya Co., Ltd.)
Overseas	Trovit (LIFULL CONNECT) Mitula (LIFULL CONNECT) Nestoria (LIFULL CONNECT) RESEM (LIFULL CONNECT) Dot Property (LIFULL CONNECT) App Development (LIFULL Tech Vietnam) Other subsidiary services of LIFULL CONNECT
Other Businesses	LIFULL <i>Kaigo</i> (Nursing Care) (LIFULL senior Co., Ltd.) LIFULL <i>Hikkoshi</i> (Moving) (LIFULL MOVE Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) Regional Revitalization Business Financing Business (LIFULL Investment Co., Ltd.) Regional Revitalization Fund (LIFULL Investment Co., Ltd.) Other LIFULL subsidiaries and new services

New Initiatives for Rural Japan Relocation Matching Service LOCAL MATCH

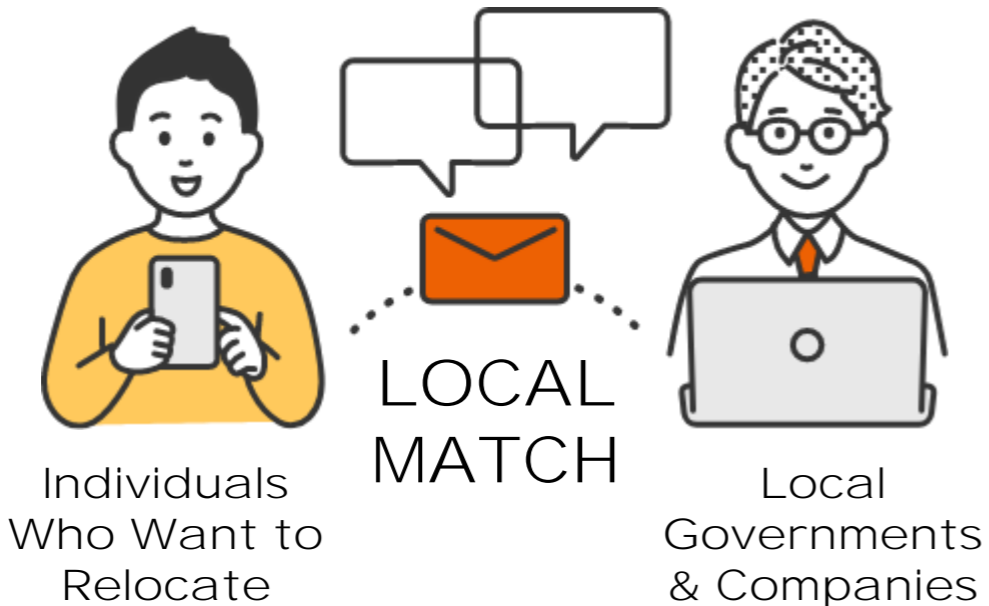
Matching individuals interested in relocating to rural regions with jobs and information from local communities. Providing an opportunity for people to live their preferred lifestyle while helping to solve the issue of a limited workforce in rural communities



Started May 10, 2021

LOCAL MATCH

Matching Service Connecting
People with Rural Communities



SERVICE

One-stop information for people interested in living and working in to rural locations



Find Job Listings



Learn About Relocation Events



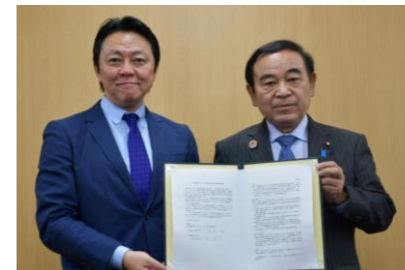
Search for Short-Term Living Facilities



Consult with Local Representatives

SYNERGY

LOCAL MATCH + LivingAnywhere Commons



Entered into a cooperation agreement with the Cabinet Secretariat on telework to promote regional revitalization

プレスリリース : <https://lifull.com/news/21094/>

New Service Online Interview Service: unii

Offering a low-cost interview platform to help new start-up businesses take off

Starting July 5, 2021

uniiResearch

Online Interview Service

Connecting development professionals with individual users to share insights

Issue

42%

of new business are unsuccessful due to a lack of understanding of end-consumer needs *

Business Model



Client Interviewing Companies

Supporters Interviewees (Users)

Benefits

Reach difficult-to-find groups

Gratitude payments (Can donate to NPOs)

Accelerating Insight Acquisition For Startups

Boost Growth

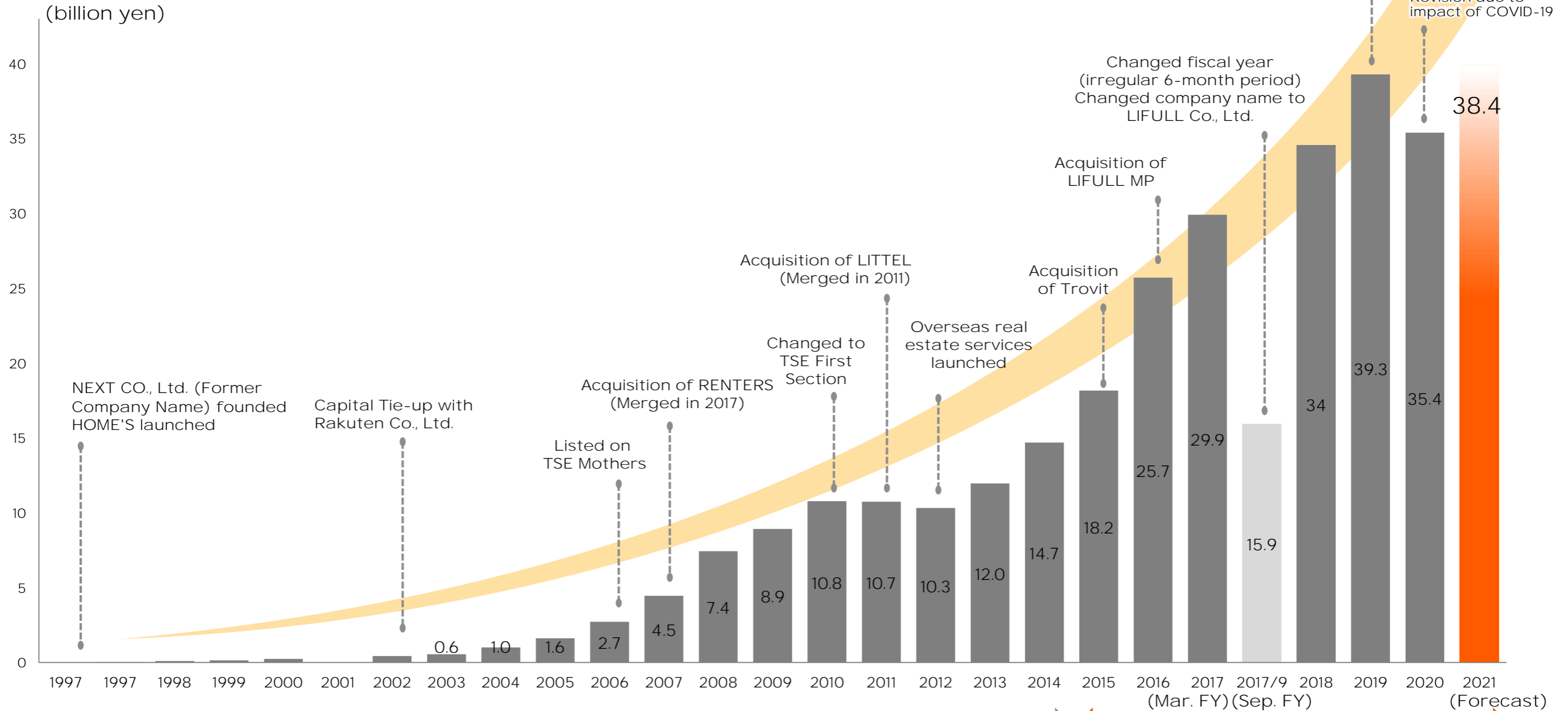
*Source: <https://www.cbinsights.com/research/startup-failure-reasons-top/>

unii Research

Search

<https://unii-research.lifull.net/business/>

Annual Revenue and Timeline of Company Growth



Consolidated Statements of Profit and Loss Quarterly

Unit : JPY mil	FY2017/3				FY2017/9		FY2018				FY2019				FY2020				FY2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944	9,202	9,983	7,706	8,510	8,271	9,581	9,072
HOME'S Services	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062	6,833	6,963	6,860	8,404	7,060	7,330	6,763	7,543	6,176	6,652	6,346	7,260	6,550
Overseas	823	750	750	867	859	858	883	935	983	1,058	986	2,315	2,213	2,165	2,006	1,892	1,101	1,378	1,440	1,766	1,974
Other Businesses	406	377	400	525	461	479	502	542	528	527	544	488	479	448	432	547	429	479	484	554	547
Cost of revenue	670	737	774	897	915	946	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116	1,157	869	953	945	1,056	890
SG&A	4,998	4,798	5,761	7,096	6,600	6,366	6,136	7,253	6,212	6,818	6,139	9,526	7,062	7,985	7,031	7,390	5,651	6,940	6,467	7,426	7,464
Personnel expenses	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783	1,963	2,082	1,969	2,087	2,217	2,428	2,535	1,590	2,048	2,785	2,345	2,001	2,315
Advertising expenses	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657	2,431	2,869	2,347	4,882	2,790	3,252	2,559	3,882	1,884	2,160	2,155	3,585	3,170
Operating expenses	246	236	282	244	240	215	236	267	209	229	190	204	240	290	170	123	64	106	96	87	100
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259	304	308	303	490	515	486	525	524	487	474
Other SG&A	1,066	1,082	1,183	1,624	1,393	1,373	1,236	1,279	1,344	1,374	1,372	2,047	1,505	1,710	1,274	1,278	1,167	1,363	1,345	1,263	1,403
Other revenues and expenses	-6	-42	-30	-39	-72	-30	71	18	6	-44	425	-332	9	59	-9	-41	62	-1,817	-83	-85	-28
Operating income	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629	90	1,664	800	1,044	1,393	1,248	-1,201	775	1,011	688
Operating income margin	17.1%	19.3%	7.6%	11.3%	2.6%	9.9%	14.0%	14.2%	13.7%	7.9%	19.4%	0.8%	17.1%	8.1%	11.3%	14.0%	16.2%	-14.1%	9.4%	10.6%	7.6%
Net profit*	734	942	331	756	22	467	591	980	702	585	1,003	-41	1,073	370	527	949	846	-1,161	387	639	449

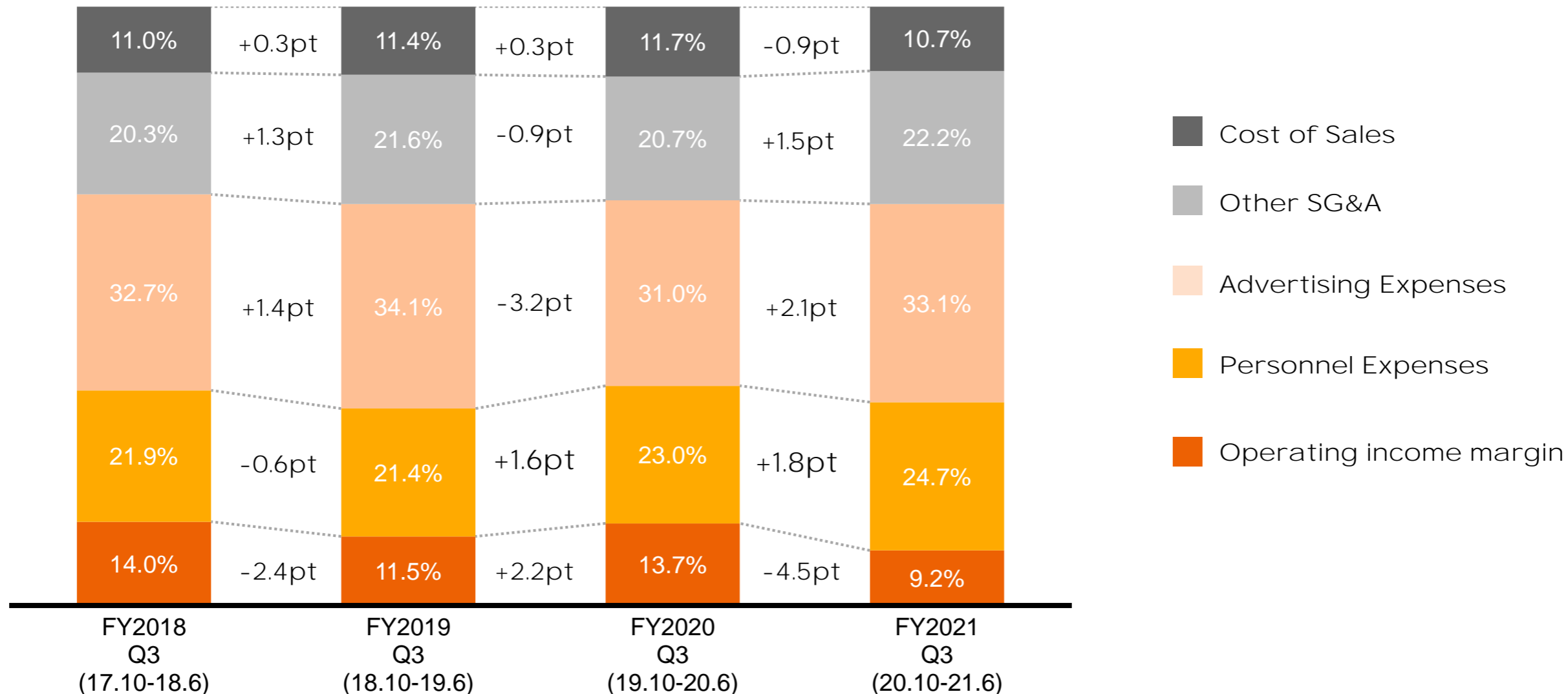
1) Net income = Net income attributable to owners of the parent

2) Disclosure segments modified since FY2017/09. Sales of prior periods has been described in conjunction with the segment change.

3) As the provisional accounting measures for corporate mergers have been defined for FY 2020/9, these provisional accounting measures have been applied to all related values.

Expense-to-Revenue Ratio IFRS

The effects of the COVID-19 pandemic continue with reduced consolidated revenue. Increased expenses due to progressive investments in personnel expenses for LIFULL employee raises and advertising expenses to further increase brand recognition of LIFULL HOME'S.

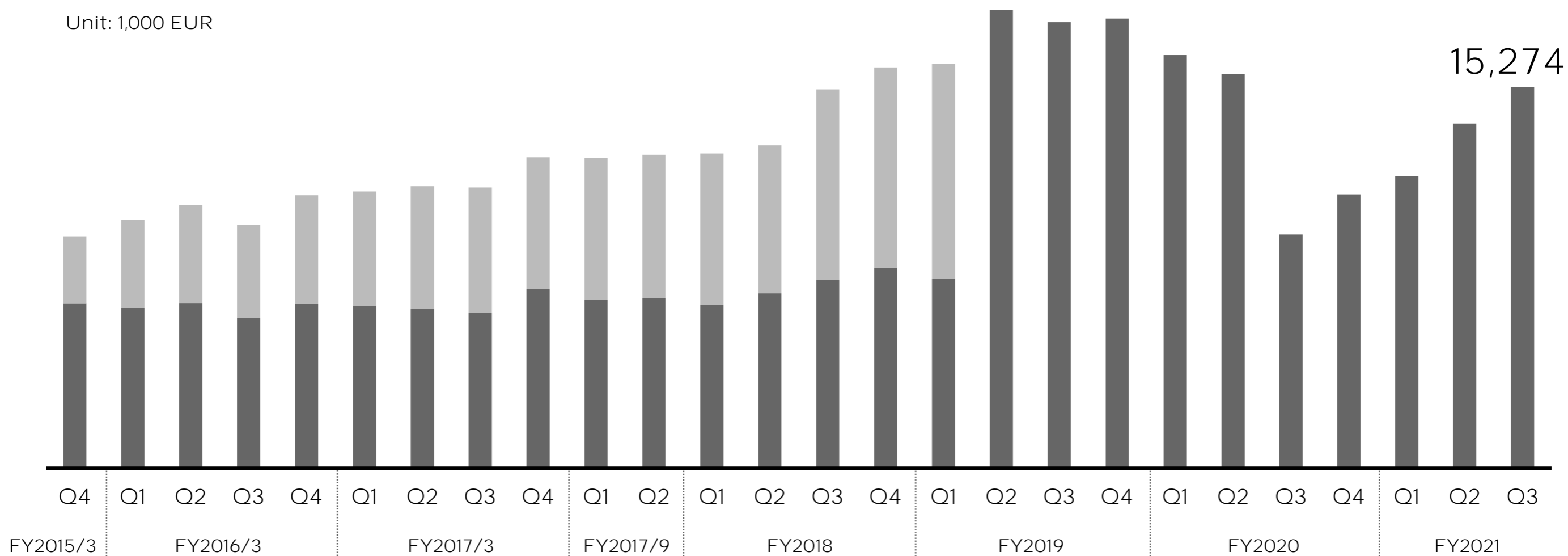


Quarterly Results LIFULL CONNECT

Currently seeing recovery from decrease in revenue due to the COVID-19 pandemic.

Results from LIFULL CONNECT* in EUR (■ Pre-consolidation results of Mitula Group)

Unit: 1,000 EUR



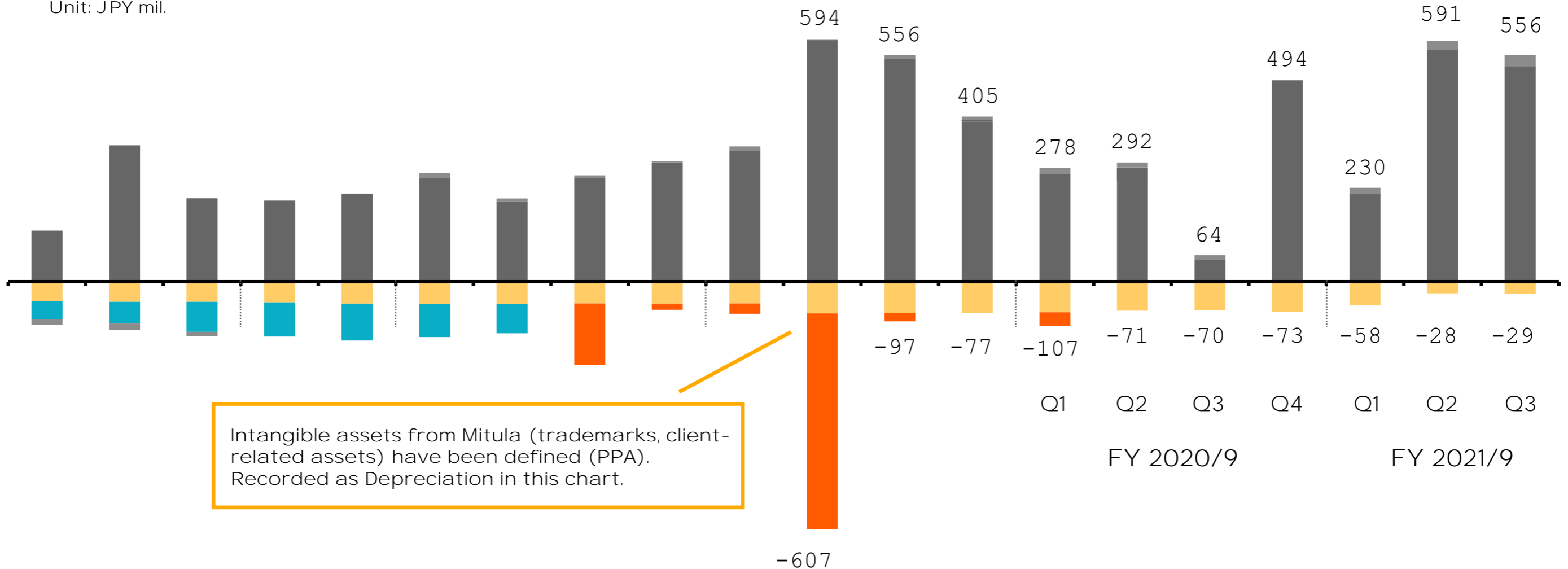
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Despite the ever-changing situation due to the on-going pandemic, we continuing to secure profits while making investments to make ourselves even more competitive

Quarterly Segment P&L

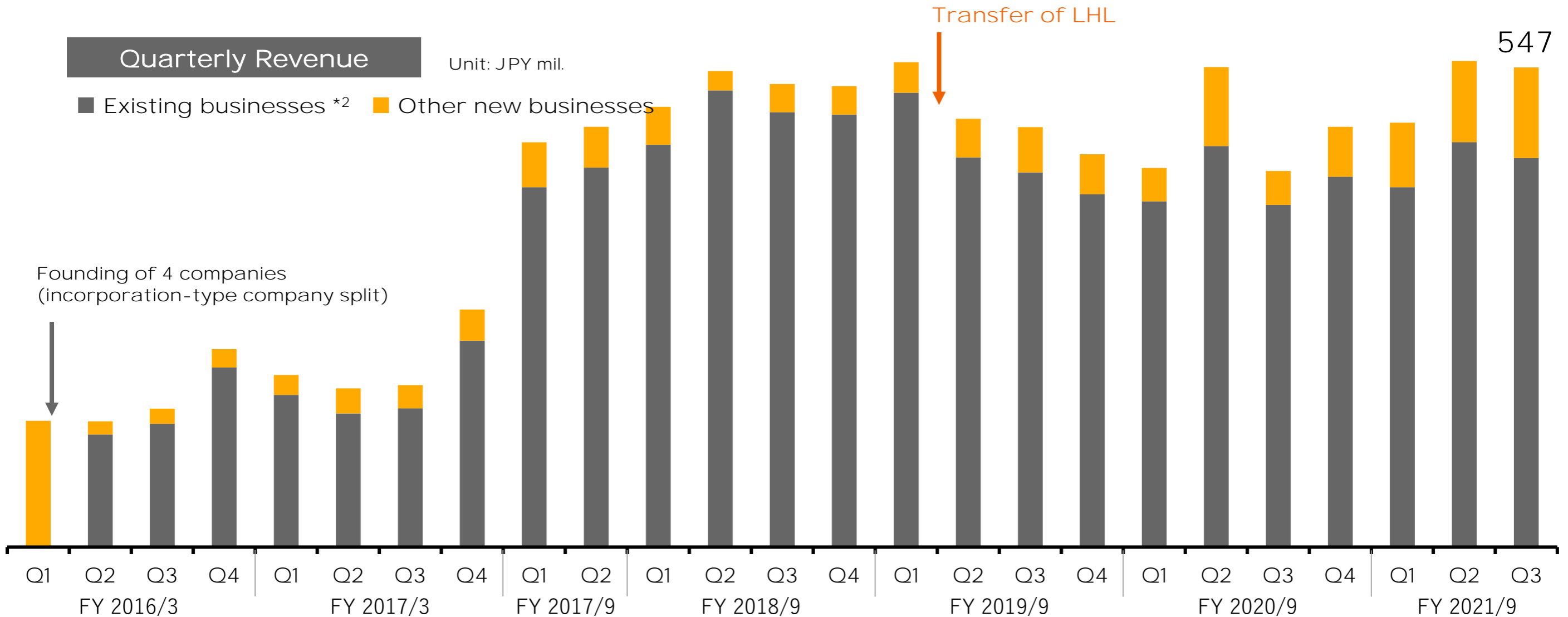
■ LIFULL CONNECT ■ International Division ■ Depreciation ■ M&A Costs ■ Other

Unit: JPY mil.



Other Businesses Segment Sales Revenue (Quarterly)

Existing businesses driving revenue growth

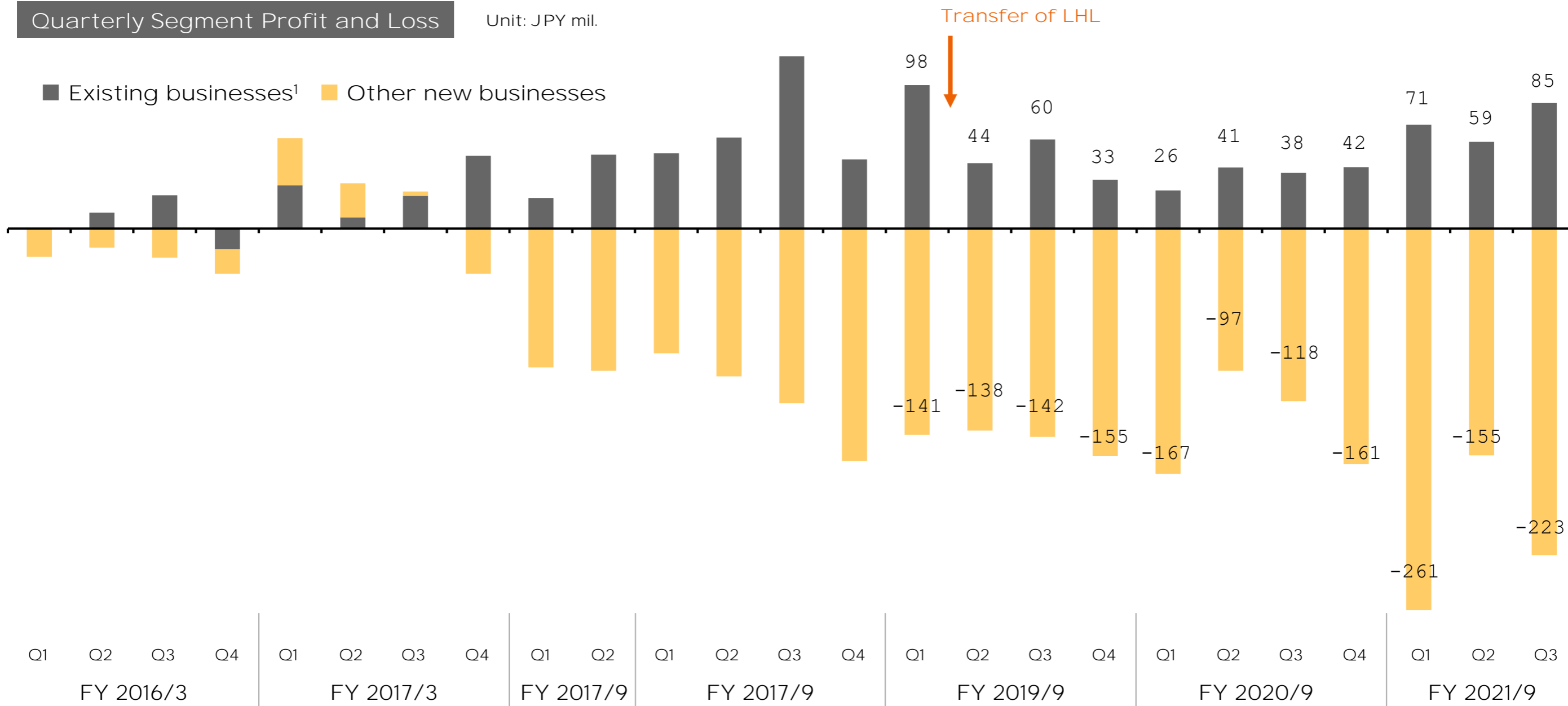


Other Businesses Segment Profit and Loss (Quarterly)

Quarterly Segment Profit and Loss

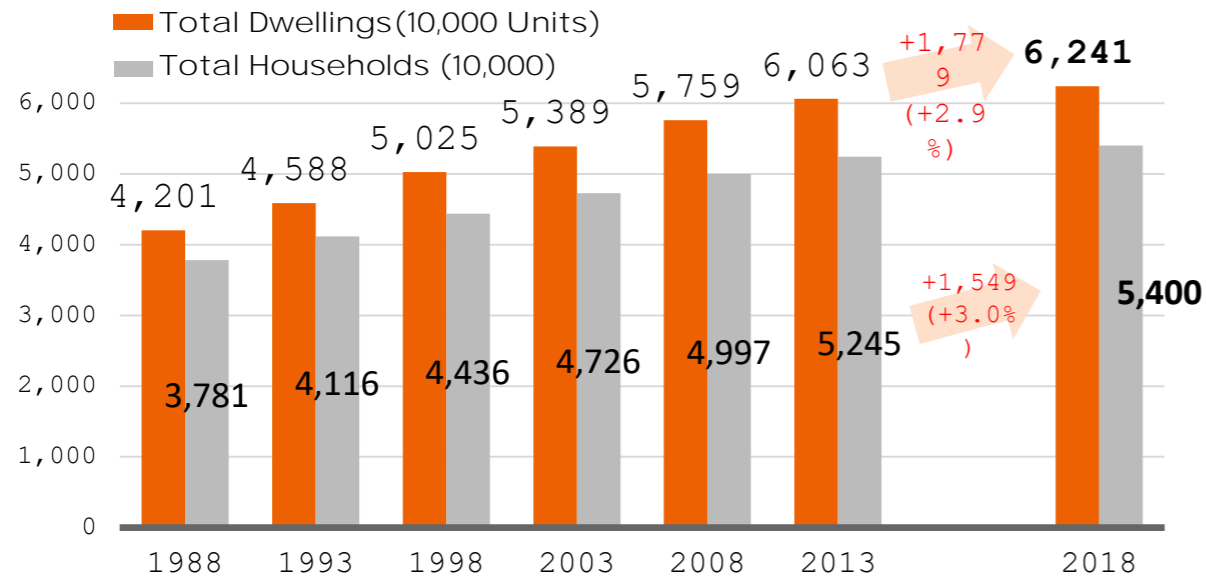
Unit: JPY mil.

Existing businesses¹ Other new businesses

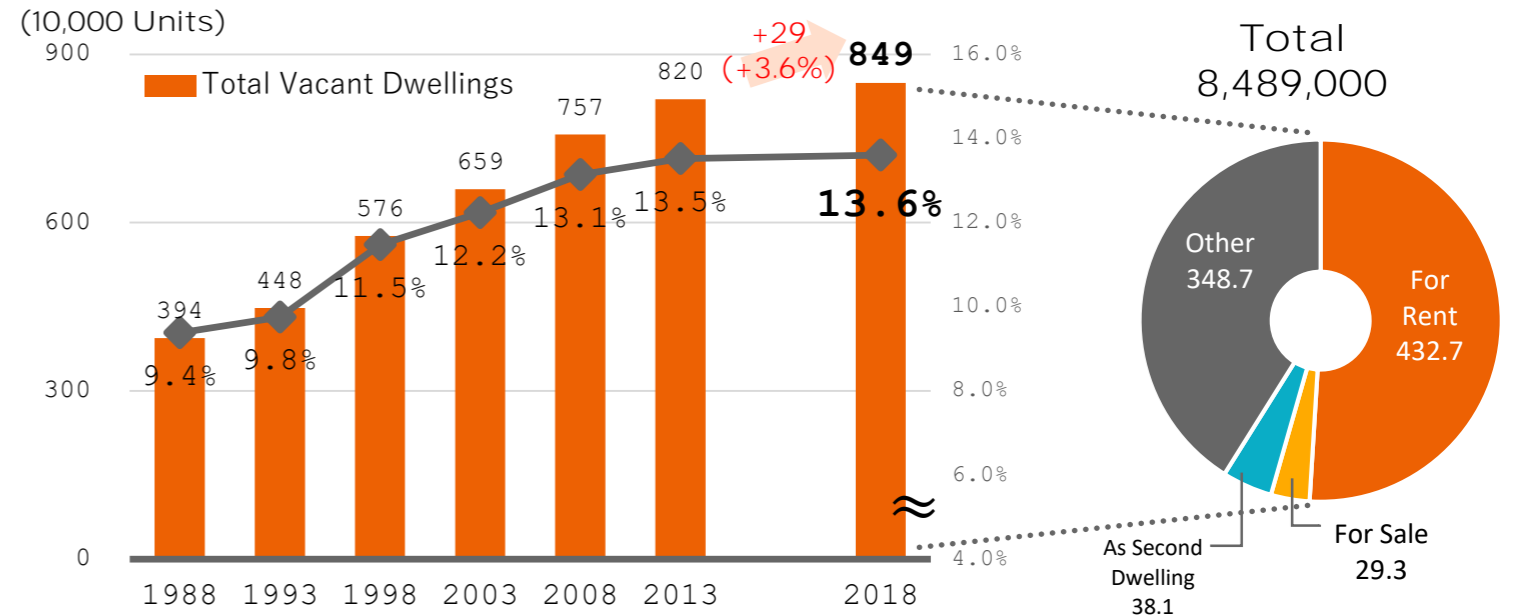


(Ref.) Base Results of the 2018 Housing and Land Survey (Statistics Bureau of Japan)

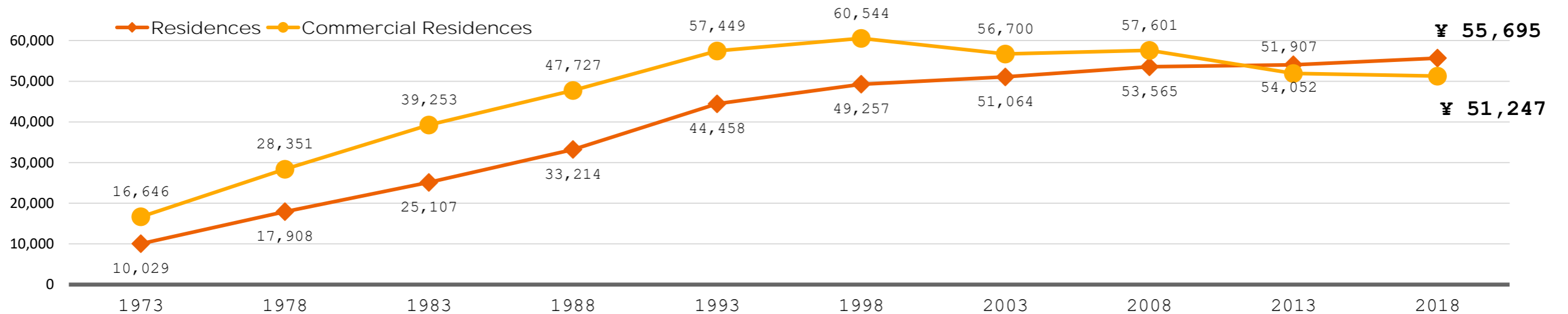
Trend of Total Dwellings and Total Households



Trend of Number of Vacant Homes and Vacancy Rates



National Trend in Monthly Rent



(Ref.) External Market Data Monthly

Annual		2019												2020												2021					
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		2018	2019	2020	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																											
(1) Number of Apartments for sales	Capital Region	37,132	31,238	27,228	1,421	2,206	2,259	1,932	1,819	2,359	2,007	3,293	6,392	1,237	1,488	2,142	686	393	1,543	2,083	1,669	2,477	3,358	2,790	7,362	1,325	2,243	3,103	2,089	2,578	1,939
	YoY	3.4%	-15.9%	-12.8%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%	-29.5%	-4.9%	-14.3%	-34.9%	-35.7%	-35.8%	-51.7%	-82.2%	-31.7%	7.8%	-8.2%	5.0%	67.3%	-15.3%	15.2%	7.1%	50.7%	44.9%	204.5%	556.0%	25.7%
	Kinki	20,958	18,042	15,195	852	1,388	1,500	1,788	1,341	1,406	1,271	1,492	3,230	621	1,035	1,528	494	214	1,407	921	1,617	1,228	1,415	1,610	3,105	695	1,718	1,815	1,093	1,321	1,731
	YoY	7.1%	-13.9%	-15.8%	-51.1%	-6.2%	23.9%	18.1%	-2.7%	-24.4%	-28.4%	-42.3%	17.0%	-40.5%	-19.2%	5.5%	-42.0%	-84.6%	-6.2%	-48.5%	20.6%	-12.7%	11.3%	7.9%	-3.9%	11.9%	66.0%	18.8%	121.3%	517.3%	23.0%
(2) Trend of Price for Apartments	Capital Region	5,871	6,083	6,083	5,895	6,093	5,964	5,676	6,405	5,991	5,992	5,469	5,876	8,386	6,536	6,156	6,216	6,485	6,389	6,124	6,011	5,812	6,130	5,922	5,620	5,824	6,380	6,330	7,764	5,908	6,211
	YoY	-0.6%	1.7%	1.7%	6.3%	1.0%	-4.5%	-8.3%	19.5%	16.6%	1.0%	-9.1%	-0.3%	48.3%	3.9%	-6.0%	5.4%	6.4%	7.1%	7.9%	-6.2%	-3.0%	2.3%	8.3%	-4.4%	-30.6%	-2.4%	2.8%	24.9%	-8.9%	-2.8%
	Kinki	3,844	4,181	4,181	3,358	4,152	3,364	4,713	3,054	3,448	3,476	3,532	4,253	4,296	3,370	4,905	3,434	4,286	3,608	4,971	3,492	4,693	4,901	4,449	3,913	4,629	3,954	4,226	5,356	3,828	4,572
	YoY	0.2%	8.1%	8.1%	-12.2%	7.3%	-6.0%	3.2%	-14.8%	-14.7%	-4.9%	1.3%	2.1%	14.4%	-13.2%	11.4%	2.3%	3.2%	7.3%	4.3%	14.3%	36.1%	41.0%	26.0%	-8.0%	7.8%	17.3%	-13.8%	56.0%	-10.7%	26.7%

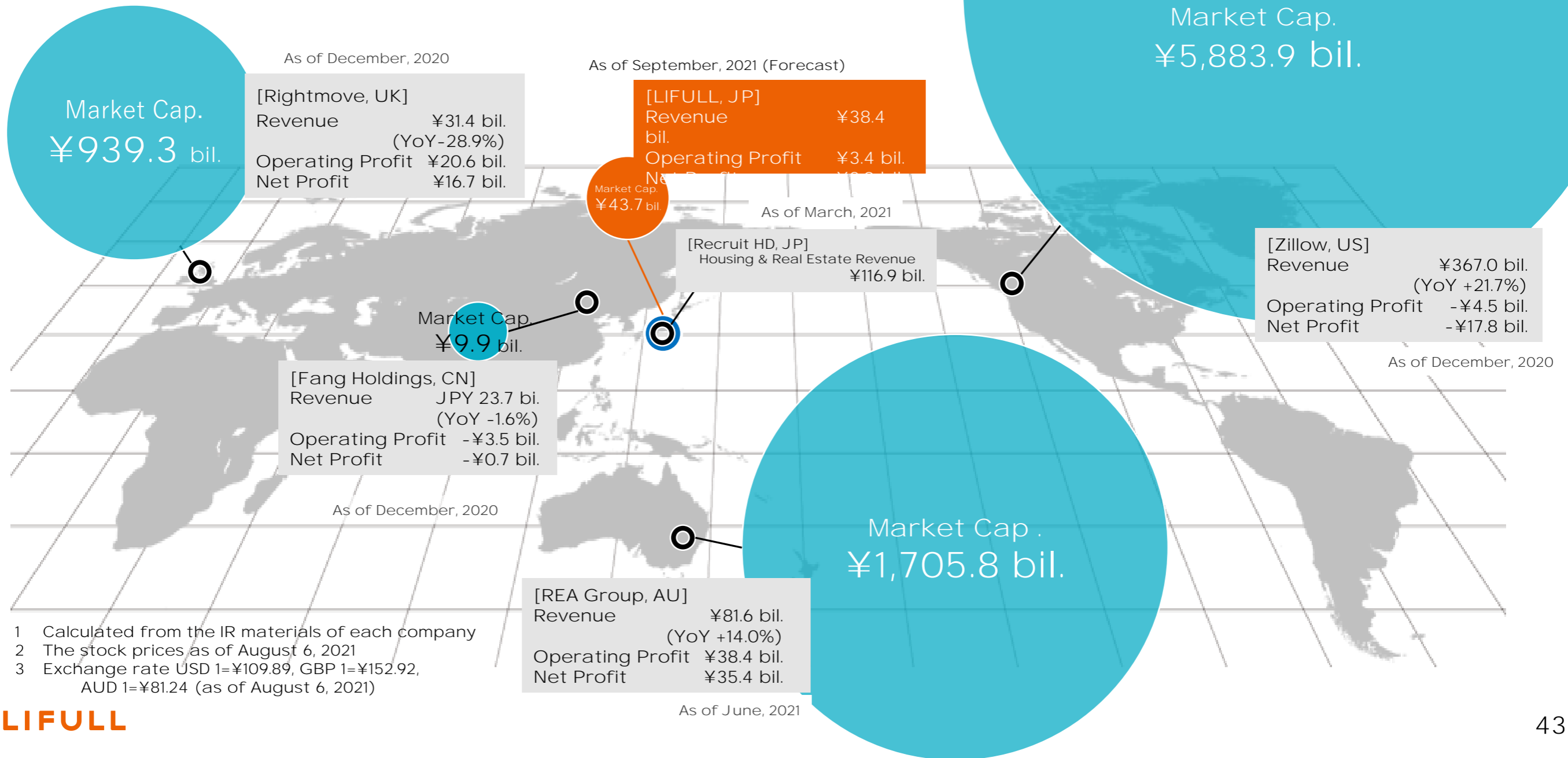
		2018	2019	2020	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																											
(3) New build properties	House for Rent	396,404	306,753	306,753	29,511	26,164	30,645	30,383	29,255	29,414	29,417	28,779	27,611	24,147	22,638	26,545	25,379	24,041	26,666	27,696	27,671	25,053	26,043	26,451	24,423	19,794	22,556	27,245	28,825	25,074	29,802
	YoY	-5.5%	-10.4%	-10.4%	-16.7%	-15.8%	-12.2%	-15.2%	-17.5%	-16.8%	-16.5%	-17.5%	-10.3%	-2.5%	-18.9%	-6.6%	-14.0%	-8.1%	-13.0%	-8.8%	-5.4%	-14.8%	-11.5%	-8.1%	-11.5%	-18.0%	-0.4%	2.6%	13.6%	4.3%	11.8%
	Apartment	110,510	107,884	107,884	10,480	9,165	8,597	8,600	10,159	12,022	9,998	7,995	8,957	6,789	9,353	9,500	10,723	9,292	8,422	8,352	9,377	11,970	9,908	8,049	6,149	8,775	6,779	10,392	10,776	9,444	7,024
	YoY	-3.8%	-8.4%	-8.4%	-15.1%	-22.7%	4.2%	-1.1%	11.1%	34.6%	16.2%	-23.6%	-6.2%	-27.5%	2.4%	-28.7%	2.3%	1.4%	-2.0%	-2.9%	-7.7%	-0.4%	-0.9%	0.7%	-31.3%	29.3%	-27.5%	9.4%	0.5%	1.6%	-16.6%
	House	142,393	130,753	130,753	12,698	11,899	13,096	13,074	12,236	11,889	12,726	12,705	12,427	10,881	10,907	11,616	11,665	10,381	11,658	10,820	9,455	10,036	10,647	11,372	11,315	10,213	10,470	11,319	11,595	11,797	12,654
	YoY	3.0%	-11.4%	-11.4%	3.0%	-0.4%	10.0%	8.9%	2.4%	0.1%	1.4%	1.1%	-4.5%	-2.8%	-7.9%	-1.0%	-8.1%	-12.8%	-11.0%	-17.2%	-22.7%	-15.6%	-16.3%	-10.5%	-8.9%	-6.1%	-4.0%	-2.6%	-0.6%	13.6%	8.5%
Owned house	283,235	261,088	261,088	25,436	24,826	28,394	26,282	24,027	24,008	24,495	23,655	22,294	18,037	19,557	22,327	21,018	19,697	23,650	22,708	21,915	22,337	23,013	24,010	22,819	19,200	20,390	22,340	22,877	22,887	26,151	
YoY	-0.4%	-9.6%	-9.6%	9.2%	6.5%	12.9%	3.3%	-1.6%	-3.5%	-5.6%	-7.3%	-8.7%	-13.8%	-11.1%	-0.3%	-17.4%	-20.7%	-16.7%	-13.6%	-8.8%	-7.0%	-6.1%	1.5%	2.4%	6.4%	4.3%	0.1%	8.8%	16.2%	10.6%	

		2018	2019	2020	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																											
(4) Internal migrants	Total	5,359,174	5,403,465	5,255,721	767,021	418,489	351,394	418,590	378,793	372,471	392,668	336,866	351,063	332,383	362,076	965,051	764,186	300,861	352,719	379,492	369,596	358,658	370,201	342,467	358,031	320,671	376,039	975,925	709,863	357,793	365,883
	YoY	0.8%	0.8%	-2.7%	0.7%	-0.5%	2.3%	6.5%	-3.2%	12.3%	-5.4%	-4.1%	0.8%	-1.1%	-2.1%	6.0%	-0.4%	-28.1%	0.4%	-9.3%	-2.4%	-3.7%	-5.7%	1.7%	2.0%	-3.5%	3.9%	1.1%	-7.1%	18.9%	3.7%
	Only Japanese	4,889,713	4,889,191	4,840,852	705,182	377,454	314,638	376,197	341,164	330,044	346,967	298,343	311,932	298,530	326,715	898,498	703,617	279,480	328,543	353,481	344,022	331,449	341,034	312,989	322,494	281,919	332,330	915,925	662,701	328,587	334,602
YoY	-0.1%	0.0%	-1.0%	-1.1%	-1.8%	1.2%	5.8%	-3.4%	11.9%	-5.9%	-4.8%	-0.2%	-1.3%	-2.4%	5.7%	-0.2%	-26.0%	4.4%	-6.0%	0.8%	0.4%	-1.7%	4.9%	3.4%	-5.6%	1.7%	1.9%	-5.8%	17.6%	1.8%	
(5) Japan Population	Unit : Thousand	Oct. 1, 2018	Oct. 1, 2019	Oct. 1, 2020	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
	Total	126,443	126,167	125,708	126,254	126,181	126,252	126,265	126,219	126,131	126,167	126,161	126,144	125,988	126,004	125,962	125,930	125,895	125,858	125,836	125,809	125,754	125,708	125,669	125,651	125,630	125,552	125,480	125,410	125,360	125,470

[Source] (1)(2)Real Estate Economic Institute Co., Ltd. (3)Source : Ministry of Land, Infrastructure, Transport and Tourism (4)(5)Source : Ministry of Internal Affairs

(Ref.) Overseas competitors

Competitors have high market capitalization due to their user shares in each country.



1 Calculated from the IR materials of each company
 2 The stock prices as of August 6, 2021
 3 Exchange rate USD 1=¥109.89, GBP 1=¥152.92, AUD 1=¥81.24 (as of August 6, 2021)

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Annual Report 2019



Japanese

<https://lifull.com/ir/ir-data/fy2019/>

English

<https://lifull.com/en/ir/ir-data/fy2019/>

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