

The English translation of this financial report was prepared for reference purposes only. The financial information contained in this report is delivered from our unaudited financial statements.

Consolidated Financial Report for the Three-month Period Ended December 31, 2021 (IFRS)

February 9, 2022

| | |
|--------------------------------|---|
| Company name: LIFULL Co., Ltd. | Listed exchange: Tokyo Stock Exchange |
| Stock code: 2120 | URL: https://ir.lifull.com/en/ |
| Representative: INOUE, Takashi | (Position) President and CEO |
| Contact: FUKUZAWA, Hidekazu | (Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603 |

Scheduled quarterly securities report submission date: February 9, 2022
 Scheduled date of start of dividend payments: -
 Preparation of supporting documentation for earnings: Yes
 Earnings presentations: None

(Millions of yen; amounts have been rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three-month Period Ended December 31, 2021 (October 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results

| | Revenue | | Operating income | | Profit before income taxes | | Net profit | | Profit attributable to owners of the parent | | Total comprehensive income | |
|--|-------------|--------|------------------|--------|----------------------------|--------|-------------|--------|---|--------|----------------------------|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % | million yen | % | million yen | % |
| Three-month ended December 31, 2021 | 8,510 | 2.9 | 588 | (24.1) | 573 | (20.8) | 358 | (7.6) | 365 | (5.8) | 440 | (59.7) |
| Three-month ended December 31, 2020 | 8,271 | (10.1) | 775 | (25.7) | 723 | (24.5) | 387 | (26.4) | 387 | (26.5) | 1,091 | (27.3) |

(Percentages indicate year-over-year change)

| | Basic earnings per share (yen) | Diluted earnings per share (yen) |
|---|--------------------------------|----------------------------------|
| Three months ended December 31, 2021 | 2.77 | 2.77 |
| Three months ended December 31, 2020 | 2.94 | 2.94 |

Note 1: As provisional accounting methods for corporate mergers were determined during the third quarter of the fiscal year ended on September 30, 2021 the same provisional accounting methods have been applied for values in the first quarter of the fiscal year ended on September 30, 2021.

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to the owners of the parent | Equity attributable to the owners of the parent ratio |
|--------------------------------|--------------|--------------|---|---|
| As of December 31, 2021 | 44,746 | 28,507 | 28,394 | 63.5 |
| As of December 31, 2020 | 45,887 | 28,538 | 28,413 | 61.9 |

2. Dividends

| | Annual dividend | | | | |
|------------------------------|-------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Fiscal 2021 | - | 0.00 | - | 3.62 | 3.62 |
| Fiscal 2022 | - | - | - | - | - |
| Fiscal 2022(Forecast) | - | - | - | - | - |

Note 1: There have been no changes to the dividend forecast.

Note 2: Dividends for FY 2022/9 are expected to be calculated based on a payout ratio of 25%.

3. Forecasts on the Consolidated Results for Fiscal 2022 (October 1, 2021 to September 30, 2022)

| | Revenue | | Operating income | | Profit attributable to owners of the parent | | Basic earnings per share |
|-------------|-------------|-----|------------------|-----|---|-----|--------------------------|
| | million yen | (%) | million yen | (%) | million yen | (%) | yen |
| Fiscal 2022 | 39,000 | 8.8 | 1,700 | - | 700 | - | 5.31 |

Note 1: There have been no changes in dividend forecast.

*** Notes**

(1) There have been no changes in material subsidiaries during the term.

(2) Changes in accounting policies and changes or restatement of accounting estimates

[1] Changes in accounting policies required by IFRS : No

[2] Changes in accounting policies other than [1] : No

[3] Changes in accounting estimates : No

(3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the period (including treasury stock)

[2] Treasury shares at the end of the period

[3] Average shares during the period

| | | | |
|-------------------------|-------------|--------------------------|-------------|
| As of December 31, 2021 | 134,239,870 | As of September 30, 2021 | 134,239,870 |
| As of December 31, 2021 | 2,458,270 | As of September 30, 2021 | 2,458,256 |
| As of December 31, 2021 | 131,781,600 | As of December 31, 2020 | 131,781,614 |

* This consolidated financial report is not subject to quarterly review procedures.

* Regarding appropriate use of result forecasts and other notes

- In addition, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL's IR website for more details. (<https://ir.lifull.com/en/ir/>)

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1. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

| | As of September 30, 2021 | As of December 31, 2021 |
|---|-----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 13,145,308 | 12,183,228 |
| Accounts receivable-trade and other current receivables | 5,000,620 | 4,522,269 |
| Other short-term financial assets | 589,366 | 812,249 |
| Other current assets | 2,809,658 | 3,483,919 |
| Total current assets | 21,544,954 | 21,001,668 |
| Non-current assets | | |
| Property, plant and equipment | 1,441,114 | 1,379,546 |
| Right-of-use assets | 3,429,723 | 3,243,475 |
| Goodwill | 11,026,612 | 11,092,891 |
| Intangible assets | 3,083,910 | 3,026,108 |
| Investments accounted for using the equity method | 339,161 | 338,928 |
| Other long-term financial assets | 2,101,373 | 1,787,926 |
| Deferred tax assets | 2,849,230 | 2,796,007 |
| Other non-current assets | 71,516 | 80,391 |
| Total non-current assets | 24,342,642 | 23,745,276 |
| Total assets | 45,887,597 | 44,746,944 |

| | As of September 30, 2021 | As of December 31, 2021 |
|---|-----------------------------|----------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and other current payables | 3,178,334 | 2,615,788 |
| Short-term loans | 6,628,630 | 6,274,880 |
| Lease liabilities | 738,168 | 736,887 |
| Accrued corporate income taxes | 296,043 | 288,744 |
| Other current liabilities | 1,298,117 | 1,159,825 |
| Total current liabilities | 12,139,294 | 11,076,126 |
| Non-current liabilities | | |
| Short-term loans | 998,980 | 1,133,879 |
| Lease obligations | 2,762,701 | 2,577,127 |
| Provisions | 511,000 | 511,085 |
| Other long-term financial liabilities | 109,579 | 125,364 |
| Deferred tax liabilities | 483,326 | 471,567 |
| Other non-current liabilities | 344,326 | 344,428 |
| Total non-current liabilities | 5,209,913 | 5,163,453 |
| Total liabilities | 17,349,208 | 16,239,580 |
| Equity | | |
| Attributable to the owners of the parent | | |
| Capital stock | 9,716,363 | 9,716,363 |
| Capital surplus | 9,982,062 | 9,993,187 |
| Retained earnings | 10,296,601 | 10,184,762 |
| Treasury shares | (1,009,262) | (1,009,267) |
| Other components of equity | (572,117) | (490,442) |
| Attributable to the owners of the parent | 28,413,647 | 28,394,603 |
| Attributable to non-controlling interests | 124,741 | 112,761 |
| Total equity | 28,538,388 | 28,507,364 |
| Total liabilities and equity | 45,887,597 | 44,746,944 |

(2) Condensed Consolidated Statements of Profit or Loss and Condensed Consolidated Statements of Comprehensive Income

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended December 31, 2021

(Thousands of yen)

| | Three-month period ended December 31, 2020 | Three-month period ended December 31, 2021 |
|---|--|---|
| Revenue | 8,271,675 | 8,510,725 |
| Cost of revenue | 945,730 | 947,506 |
| Gross profit | 7,325,944 | 7,563,218 |
| Selling, general and administrative expenses | 6,467,225 | 7,010,487 |
| Other revenue | 20,125 | 52,394 |
| Other expenses | 103,175 | 16,233 |
| Operating income | 775,668 | 588,892 |
| Financial revenue | 4,319 | 20,554 |
| Financial expenses | 27,948 | 21,379 |
| Share of profit (loss) of investments accounted for using the equity method | (28,072) | (14,559) |
| Profit before taxes | 723,967 | 573,506 |
| Income tax expenses | 336,118 | 214,945 |
| Profit for the period | 387,849 | 358,561 |
| Profit (loss) for the period attributable to: | | |
| Owners of the parent | 387,848 | 365,210 |
| Non-controlling interests | 0 | (6,648) |
| Total | 387,849 | 358,561 |
| | (yen) | (yen) |
| Profit for the period per share attributable to owners of the parent | | |
| Basic profit for the period per share | 2.94 | 2.77 |
| Diluted profit for the period per share | 2.94 | 2.77 |

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended December 31, 2021

(Thousands of yen)

| | Three-month period ended December 31, 2020 | Three-month period ended December 31, 2021 |
|--|--|--|
| Profit for the period | 387,849 | 358,561 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Equity instruments measured at FVTOCI | 193 | (6,824) |
| Total of items that will not be reclassified to profit or loss | 193 | (6,824) |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of foreign operations | 713,375 | 69,234 |
| Share of other comprehensive income of investments accounted for using the equity method | (9,478) | 19,265 |
| Total of items that may be reclassified subsequently to profit or loss | 703,897 | 88,500 |
| Other comprehensive income, net of tax | 704,091 | 81,675 |
| Total comprehensive income for the period | 1,091,940 | 440,237 |
| Comprehensive income for the period attributable to: | | |
| Owners of the parent | 1,092,057 | 446,885 |
| Non-controlling interests | (116) | (6,648) |
| Total | 1,091,940 | 440,237 |

(3) Condensed Consolidated Statements of Changes in Equity

For the three-month period ended December 31, 2020 (October 1, 2020 to December 31, 2020)

(Thousands of yen)

| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Other components of equity | Equity attributable to owners of the parent | Non-controlling interests | Total shareholders' equity |
|--|---------------|-----------------|-------------------|-----------------|----------------------------|---|---------------------------|----------------------------|
| Balance as of October 1, 2020 | 9,716,363 | 9,922,957 | 16,834,306 | (1,009,262) | (1,976,672) | 33,487,692 | 151,443 | 33,639,135 |
| Profit for the period | - | - | 387,848 | - | - | 387,848 | 0 | 387,849 |
| Other comprehensive income | - | - | - | - | 704,208 | 704,208 | (117) | 704,091 |
| Total comprehensive income for the period | - | - | 387,848 | - | 704,208 | 1,092,057 | (116) | 1,091,940 |
| Dividends of surplus | - | - | (697,124) | - | - | (697,124) | (3,375) | (700,499) |
| Equity transactions with non-controlling interest shareholders | - | - | - | - | - | - | 13,028 | 13,028 |
| Total transactions with owners | - | - | (697,124) | - | - | (697,124) | 9,653 | (687,471) |
| Balance as of December 31, 2020 | 9,716,363 | 9,922,957 | 16,525,030 | (1,009,262) | (1,272,463) | 33,882,624 | 160,979 | 34,043,604 |

For the three-month period ended December 31, 2021 (October 1, 2021 to December 31, 2021)

(Thousands of yen)

| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Other components of equity | Equity attributable to owners of the parent | Non-controlling interests | Total shareholders' equity |
|---|---------------|-----------------|-------------------|-----------------|----------------------------|---|---------------------------|----------------------------|
| Balance as of October 1, 2021 | 9,716,363 | 9,982,062 | 10,296,601 | (1,009,262) | (572,117) | 28,413,647 | 124,741 | 28,538,388 |
| Profit for the period | - | - | 365,210 | - | - | 365,210 | (6,648) | 358,561 |
| Other comprehensive income | - | - | - | - | 81,675 | 81,675 | - | 81,675 |
| Total comprehensive income for the period | - | - | 365,210 | - | 81,675 | 446,885 | (6,648) | 440,237 |
| Transfer to retained earnings | - | - | (477,049) | - | - | (477,049) | (5,331) | (482,381) |
| Share-based payment transactions | - | 11,124 | - | - | - | 11,124 | - | 11,124 |
| Purchase of treasury shares | - | - | - | (4) | - | (4) | - | (4) |
| Total transactions with owners | - | 11,124 | (477,049) | (4) | - | (465,929) | (5,331) | (471,261) |
| Balance as of December 31, 2021 | 9,716,363 | 9,993,187 | 10,184,762 | (1,009,267) | (490,442) | 28,394,603 | 112,761 | 28,507,364 |

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

| | Three-month period ended December 31, 2020 | Three-month period ended December 31, 2021 |
|---|--|--|
| Net cash from operating activities | | |
| Profit for the period before tax | 723,967 | 573,506 |
| Depreciation and amortization | 529,118 | 464,054 |
| Financial revenue | (4,319) | (20,554) |
| Financial expenses | 27,948 | 21,379 |
| Decrease (increase) in accounts receivable-trade and other current receivables | 204,012 | 496,084 |
| Increase (decrease) in accounts payable-trade and other current payables | (293,522) | (604,652) |
| Other | (1,041,803) | (517,809) |
| Subtotal | 145,402 | 412,009 |
| Interest and dividends received | 3,531 | 586 |
| Interest paid | (28,285) | (21,804) |
| Income taxes paid | (1,208,301) | (399,328) |
| Net cash from operating activities | (1,087,653) | (8,536) |
| Net cash used in investing activities | | |
| Proceeds from sale of financial instrument assets | - | 20,000 |
| Purchase of property, plant and equipment | (18,292) | (30,775) |
| Proceeds from sale of property, plant and equipment | 1,572 | - |
| Purchase of intangible assets | (85,231) | (136,578) |
| Payments for transfer of business | (385,010) | - |
| Payments of loans receivable | (161,000) | (209,300) |
| Collection of loans receivable | 464,976 | 296,416 |
| Others | (2,987) | (6,262) |
| Net cash from investing activities | (185,973) | (66,498) |
| Net cash provided by (used in) financing activities | | |
| Repayment of short-term loans | (549) | (250,000) |
| Proceeds from long-term loans payable | 234,000 | 205,500 |
| Repayment of long-term loans | (250,673) | (174,350) |
| Dividends paid | (689,425) | (470,387) |
| Repayment of lease obligations | (232,710) | (187,597) |
| Dividends paid to non-controlling interests | (3,375) | (5,331) |
| Proceeds from share issuance to non-controlling interests | 11,700 | - |
| Purchase of treasury shares | - | (4) |
| Net cash from financing activities | (931,033) | (882,171) |
| Effect of exchange rate changes on cash and cash equivalents | 154,759 | (4,872) |
| Net increase (decrease) in cash and cash equivalents | (2,049,901) | (962,079) |
| Cash and cash equivalents at beginning of period | 15,962,746 | 13,145,308 |
| Cash and cash equivalents at end of period | 13,912,845 | 12,183,228 |

(5) Notes on the Consolidated Financial Statements**1. Note Regarding Going Concern Assumption**

Not applicable.

2. Note Regarding Going Concern Assumption

Not applicable.