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Notice of Revisions to Consolidated Financial Results Forecast

LIFULL Co., Ltd. (the "Company") hereby announces that a meeting of the Board of Directors held today resolved to make the following revisions to the *Consolidated Financial Results Forecast of the Fiscal Year Ending September 30, 2022 (October 1, 2021, to September 30, 2022)* announced on November 11, 2021.

1. Revision to the consolidated financial results for the fiscal year ending September 30, 2022

Consolidated Financial Results (October 1, 2021, to September 30, 2022)

(Million yen)

| | Sales Revenue | Operating profit | Profit attributable to owners of the parent | Basic earnings per share |
|---|---------------|------------------|---|--------------------------|
| Previous forecast (A) | 39,000 | 1,700 | 700 | 5.31 |
| Revised forecast (B) | 36,000 | 400 | (100) | (0.76) |
| Change (B-A) | (3,000) | (1,300) | (800) | (6.07) |
| Rate of change (%) | (7.7) | (76.5) | (114.3) | (114.3) |
| (Ref.) Previous FY results [FY ended September 30, 2021] | 35,857 | (6,644) | (5,901) | (44.78) |

2. Primary reasons for the revisions

Revenue forecasts by segment for the fiscal year ending September 30, 2022 are as below.

(Million yen)

| Revenue by segment | HOME'S Services | Overseas | Other | Total |
|---|-----------------|----------|-------|---------|
| Previous forecast (A) | 27,832 | 8,192 | 2,974 | 39,000 |
| Revised forecast (B) | 25,938 | 7,192 | 2,869 | 36,000 |
| Change (B-A) | (1,894) | (1,000) | (105) | (3,000) |
| Rate of change (%) | (6.8) | (12.2) | (3.5) | (7.7) |
| (Ref.) Previous FY results [FY ended September 30, 2021] | 26,693 | 7,019 | 2,144 | 35,857 |

Business Environment

Although concerns about the pandemic had not been completely dispelled, we based our Results Forecast for the current fiscal year on the premise that economic activity would gradually recover. Based on this expectation, we planned for active investments to stimulate long-term growth and have remained on-track with these plans. However, the temporary increase in demand for existing real estate, new variants of COVID-19 including the omicron variant, the conflict in the Ukraine and other factors have resulted in overall stagnation due to concerns about the impact on global economic activities and the real estate market.

In the domestic Japanese market, we are focusing our mid to long-term investments around our flagship service, LIFULL HOME'S. As we have been proceeding according to our original plans, it is our intention to continue with these investments. At the same time, more people working remotely and spending more time at home has led to a new swell in demand for real estate while numbers of available properties are declining. In addition, increased prices for land and building materials have also resulted in increased prices for real estate and delays in the supply of new properties. Border restrictions are also preventing people from moving to Japan from overseas. We believe these issues are having a negative effect on our short-term earnings and preventing us from reaching our original forecast.

In addition to these external issues, we have also made strategic alterations such as the termination of a portion of our alliance partners and expect these changes to cause our earnings to dip below our original forecast.

Overseas, we acquired Properati, a network of real estate portals active in several countries, and have been making active investments to accelerate the growth of our real estate portals particularly in Latin America. We have also taken measures to strengthen the service offering and profitability of our aggregation sites in Europe and North America. However, we have been reducing advertising spending due the uncertainty of the current situation and have been progressing below our original forecast.

Refer to the "FY 2022/9 Q2 Earnings Presentation" Page 9 - 15 disclosed at the same time as this document for more details on the revisions.

The above forecasts have been made based on currently available information and hypotheses on how moving parts may affect the business in the future. Actual future results may differ from the forecasts due to a variety of factors.