

LIFULL Co., Ltd.

Full-Year Results

IFRS

FY 2022/9 Q4
(October 2021 – September 2022)

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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Main Points for FY 2022/9 Full-Year

FY 2022/9 Earnings

Revenue

¥35.7 Billion YoY -0.4%

Smooth progression along annual schedule with reduced revenue due to the **discontinuation of HOME'S alliance partnerships and lower third-party advertising overseas**

Operating Profit

¥0.16 Billion YoY —

In addition to **increased growth investments** both domestically and overseas, **profit generated through the sale of subsidiaries**

TOPICS

Revisions to the Mid-Term Management Plan

2025



Revised mid-term plans to reflect recent organizational changes to focus management resources

(Details from Page 14)

Revenue Forecast and Growth Strategy for FY 2023/9



Maintaining a selective focus while increasing business scope

(Details from Page 34)

Shareholder Returns

To our Shareholders

Year-end dividends and share buyback program

(Details from Page 11)



Review of FY 2022/9

Review of FY 2022/9

Highlights

Selective Focus on Main Businesses

Successes & Results

Domestic



- Development of new features for our transformation into a Super Hyper Assistant
- Proactive **promotion efforts**
- New departments formed to **re-approach previous clients**

- **Transfer of shares of**



Marketing Partners

Marketing support service and advertising agency for real estate professionals

- **Reorganization of Alliances**
(Focus on high-quality leads)

YoY as of Sep. 30

Clients +2.5% ↑ **Listings** +20% ↑

- Reduced inquiries due to discontinuation of alliance partnerships
- Development of new features progressing on-schedule

Overseas



- M&A for **expansion of Latin American real estate portals**



Latin American RE Portal Network



CRM for RE Professionals

- **Transfer of shares of Kleding B.V.**



Fashion Aggregation

- **Highest CPC for Premium Ads ever**

CPC (Ann. Avg.) +20% ↑

- Lower revenue from third-party advertising products (AdSense, etc.)





FY 2022/9

Full-Year Financial Results



(October 1, 2021 – September 30, 2022)



Condensed Statements of Income and Loss IFRS

Despite recent up-turns, lower consolidated and segment revenue in both HOME'S Services and Overseas YoY. Operating income increased due to reduced costs, sales of subsidiaries and an impairment loss in the previous FY.

Unit: JPY mil.	FY2021 (Oct.-Sep.)	FY2022 (Oct.-Sep.)	Change	Change %	
Revenue	35,857	35,730	-126	-0.4%	*1
Cost of revenue	3,951	4,055	+104	+2.6%	
SG&A	28,599	31,362	+2,763	+9.7%	
Personnel expenses	8,905	9,684	+779	+8.8%	*2
Advertising expenses	11,851	12,824	+972	+8.2%	*3
Operating expenses	400	537	+136	+34.1%	*4
Depreciation and amortization	1,961	1,893	-67	-3.5%	
Other	5,479	6,422	+942	+17.2%	*5
Other income and expenses	-9,950	1,369	+11,320	-	*6
Operating income	-6,644	1,681	+8,326	-	
Operating income margin	-18.5%	4.7%	+23.2pt	-	
Net profit*	-5,901	1,187	+7,088	-	

*1 Refer to segment revenue (Page 7)

*2 Transfer of assets in previous FY. Increased Group headcount by 84 (ann. avg.) due to Overseas acquisitions.

*3 Primarily for active investments in domestic businesses

*4 Increases for face-to-face sales initiatives as domestic market reopens and travel expenses for driving synergies in Overseas acquisitions

*5 Primarily due to increased outsourcing and system usage fees

*6 Primarily due to sale of Fashiola and LIFULL Marketing Partners and impairment loss in the previous FY

* Net profit attributable to owners of the parent

Revenue / Income and Loss by Segment IFRS

HOME'S Services has seen positive growth in recent months, but revenue remains negative YoY due to the discontinuation of some alliance partners. Profit in both HOME'S Services and Overseas lower YoY due to proactive growth investments.

Unit: JPY mil.	FY2021 (Oct.-Sep.)	FY2022 (Oct.-Sep.)	Change	Change %	Main items
Revenue	35,857	35,730	-126	-0.4%	
HOME'S Services	26,693	26,067	-625	-2.3%	Decrease in inquiries due to removal of partner sites and lower advertising prices for new-build properties due to rising real estate prices while overall inquiries increased and helped fill the gap in Q4.
Overseas	7,019	6,938	-81	-1.2%	As revenue for premium ads on aggregation services increased, revenue from third-party advertisements remained low.
Other	2,144	2,725	+580	+27.0%	Primarily increases in from LIFULL senior and other subsidiaries as well as and Regional Revitalization.

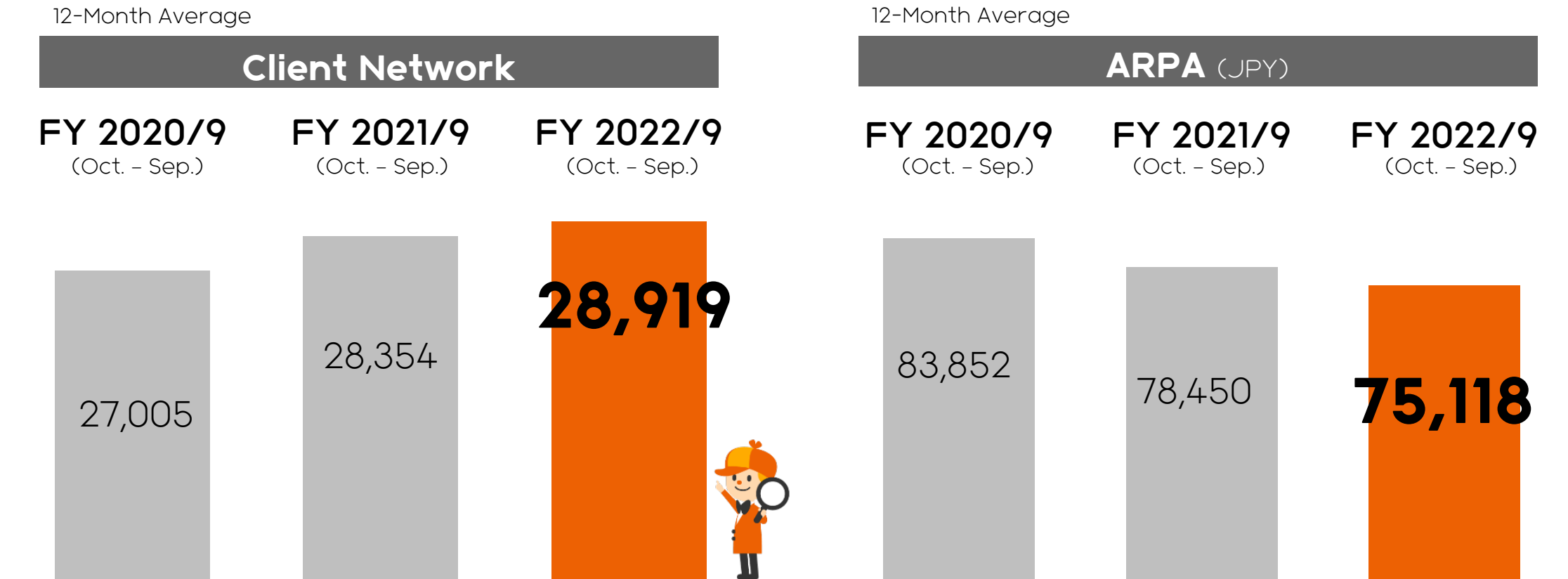
Unit: JPY mil.	FY2021 (Oct.-Sep.)	FY2022 (Oct.-Sep.)	Change	Change %	Main items
Segment income and loss	3,306	312	-2,994	-90.6%	
HOME'S Services	2,364	349	-2,014	-85.2%	Due to decreased revenue, promotion efforts and proactive growth investments.
Overseas	1,577	576	-1,000	-63.4%	Due to acquisitions, lower revenue and transfer of personnel costs in the previous FY.
Other	-679	-661	+17	-	
Inter-segment transactions	43	47	-	+8.5%	

Primary businesses in each segment are listed on Page 42

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

Key Performance Indicators Client Network and ARPA

Our client network continues to progress smoothly in the custom-built, re-sale and investment markets, but the increase in clients and decrease in revenue for HOME'S Services have had a negative impact on ARPA.



Condensed Statement of Financial Position and Goodwill IFRS

Transfer of shares of LIFULL Marketing Partners and Fashiola. Goodwill increased ¥500 mil. from the acquisitions of Properati and Wasi and effects of the weak yen. Capital tie-up with Hash Dash Holdings in Feb. 2022

Unit: JPY mil.	As of Sep 30, 2021	As of Sep 30, 2022	Change	Change %	Main items	
Current assets	21,544	25,011	+3,466	+16.1%	Cash	+3,375 Refer to "Condensed Statement of Cash Flows"
					Accounts receivable-trade	-610 Primarily Regional Revitalization efforts
					Products	+883 Primarily Regional Revitalization efforts
					Works-in-progress	-345 Primarily Regional Revitalization efforts
					Prepaid Expenses	+120 Primarily annual system usage fees
					Income taxes receivable	-605
					Consumption taxes receivable	+134
Non-current assets	24,342	23,695	-647	-2.7%	Buildings, Tools, Furniture and Fixtures	-229 Primarily depreciation and amortization
					Right-of-Use Assets	-773 Primarily depreciation and amortization
					Goodwill	+564 Primarily from Overseas acquisitions and currency fluctuations
					Stocks - associated parts	+773 Primarily for the acquisition of shares of Hash Dash
					Long-term loans receivable	-308 Primarily Regional Revitalization efforts
					Deferred taxes - non-current	-133 Primarily for the sale of shares of LMP
Assets	45,887	48,706	+2,819	+6.1%		
Current liabilities	12,139	13,389	+1,250	+10.3%	Accounts payable - trade	-481 Primarily for the sale of shares of LMP
					Short-term loans - payable	+1,039 Primarily transfer from long-term loans payable
					Provisions for Bonuses	+399
					Long-term loans payable within 1 year	+340
					Accounts payable - other	-536
Non-current liabilities	5,209	4,186	-1,023	-19.6%	Long-term loans payable	-725 Transfer to long-term loans payable within 1 year
					Long-Term Lease Obligations	+170
					Long-term accounts payable - other	
Liabilities	17,349	17,575	+226	+1.3%		
Total Equity	28,538	31,130	+2,592	+9.1%	Capital Surplus	-127
					Foreign Currency Translation Adjustm.	+1,802 Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	215.61	235.23	+19.62			

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 11,098 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 116 mil. Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,323 mil.

Condensed Statement of Cash Flow IFRS

+¥1.4 bil. in the operating cash flow due to tax refunds for the reorganization of Mitula Group in the previous FY.
 +¥1.4 bil. in the investing cash flow from the sale of shares of LIFULL Marketing Partners and Kleding B.V.

Unit: JPY mil.	FY2021	FY2022	Change	Main items		
	(Oct.-Sep.)	(Oct.-Sep.)		Items	FY2021	FY2022
Operating cash flow	1,287	2,697	+1,409	Profit for the period before tax	-6,857	+1,396
				Depreciation and amortization	+9,749	-
				Decr. (incr.) in accounts receivable-trade & other current receivables	+2,645	-1,738
				Incr. (decr.) in accounts payable-trade & other current payables	-2,627	+2,174
				Tax payments	-1,921	+205
				Other	-1,653	-1,168
Investing cash flow	-1,068	388	+1,456	Payments for the acquisition of equity instrument assets	-100	-
				Purchase of intangible assets	-678	-586
				Business acquisition expenditures	-417	-453
				Proceeds from the sale of shares of subsidiaries	-	+2,440
				Payments for the acquisition of affiliates	-	-800
				Payment of loans receivable	-813	-985
				Proceeds from collection of loans receivable	+762	+1,141
Financing cash flow	-3,291	-54	+3,237	Proceeds from loans payable	+409	+1,822
				Repayment of loans payable	-2,155	-654
				Dividends paid	-697	-477
				Repayment of lease obligations	-828	-739
Change in cash and cash equivalents	-2,817	3,375	-			
Balance of cash and cash equivalents	13,145	16,521	+3,375			

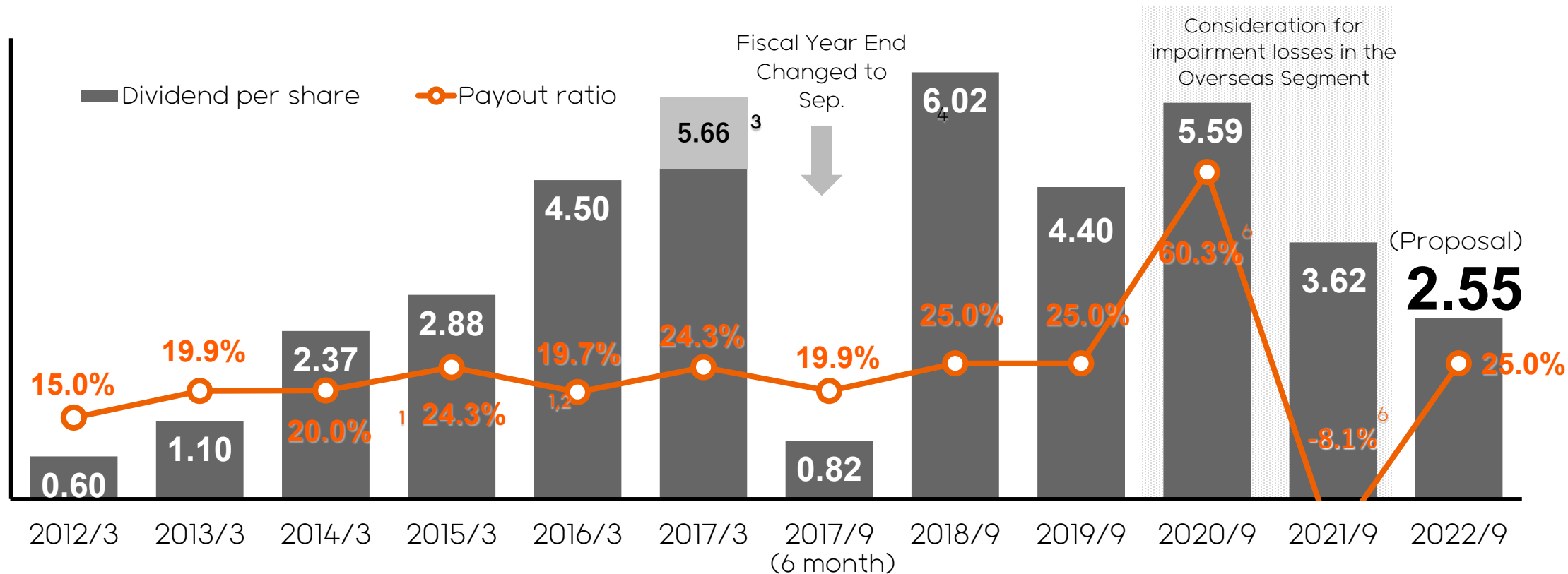
* Primarily provisions for employee bonuses



Returns for Stakeholders

Shareholder Return

Continuation of our basic policy. The proposed dividend for FY 2022/9 will be ¥2.25 (submitted to the General Shareholders' Meeting to be held on December 22, 2022)



1. The Company implemented a stock split at a ratio of three shares per share of common stock as the effective on January 1, 2014 and a stock split at a ratio of two shares per share of common stock effective on June 1, 2015.
2. Due to the transition period to IFRS, the dividend payout ratio for the FY 2015/3 was computed on the basis of net profit that excluded the "effects of LIFULL's acquisition of Trovit." Thus, the resultant payout ratio was 24.3%.
3. To commemorate the twentieth year since the founding of the Company, 100 yen was added to the regular dividend of 4.66 resulting in a payout rate of 24.3%.
4. The Company changed the end of the fiscal year as of the fiscal year ended September 3, 2017. The fiscal year ended September 3, 2017 was an irregular six-month financial period which began on April 1, 2017 and ended on September 30, 2017.
5. Dividends for the FY 2019/9 have been calculated based on the number of issued shares as of the end of the period.
6. Dividends for FY 2020/9 and FY2021/9 have been calculated in consideration of the impact from the impairment loss for overseas subsidiaries.

Enriching Stakeholder Returns Share Buyback Program

In addition to enhancing shareholder returns, we want to enable the flexible use of capital in response to changes in the business environment, comprehensively evaluate the current share price in light of business forecasts and ensure appropriate shareholder value.

Goals

Enhance shareholder returns

Flexible use of capital

Ensure appropriate shareholder value

Overview

Share Type

Ordinary Shares

Total Shares for Repurchase

5,000,000 (Max.)

Ratio of treasury stock to be acquired to shares outstanding [excluding treasury stock]: **3.79%**

Aggregate Repurchase Price

¥1.0 bil. (Max.)

Repurchase Period

Nov. 10, 2022 – May 9, 2023

Repurchase Method

Market purchase based on discretionary trading contract

Ref. Treasury Shares as of September 30, 2022

Shares outstanding (excl. treasury shares): 134,239,870

Treasury Shares: 2,458,270



Revisions to Mid-Term Targets (FY 2025/9)

Revisions to the Mid-Term Management Plan (FY 2025/9)

Revenue growth has remained largely flat after the adjustments to pricing (2019/10) and the COVID-19 pandemic. Therefore, we have adjusted our mid-term targets due to reflect our focused investments on primary services while scaling down or selling non-core businesses.

Previous Mid-Term Targets

Released Nov. 2021

By FY 2025/9

CAGR Approx. 15%

Operating Income Approx. 20%

(Ref.)
FY 2021/9
Earnings Presentation
P 39



Consolidated Revenue Trend

Revenue from LIFULL Marketing Partners (sold September 2022) & Fashiola (sold July 2022)

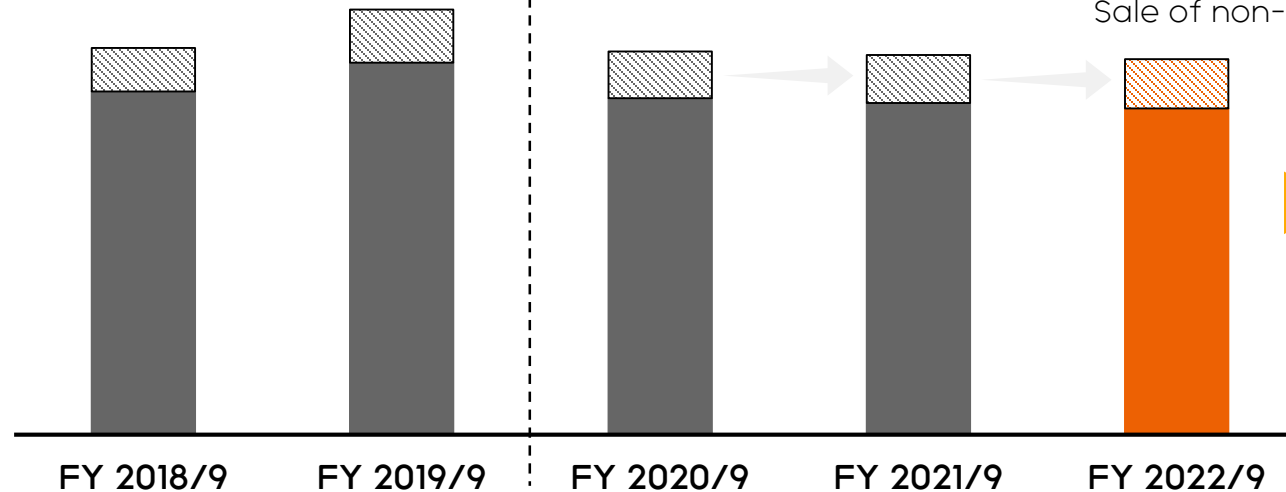
Effects of COVID-19

Stay-home orders and lockdowns around the world resulting in less people moving and properties available on the market

Selective Focus

Growth investments in core businesses

Sale of non-core businesses



Lower revenue growth than initially planned

New Mid-Term Management Plan for FY 2025/9

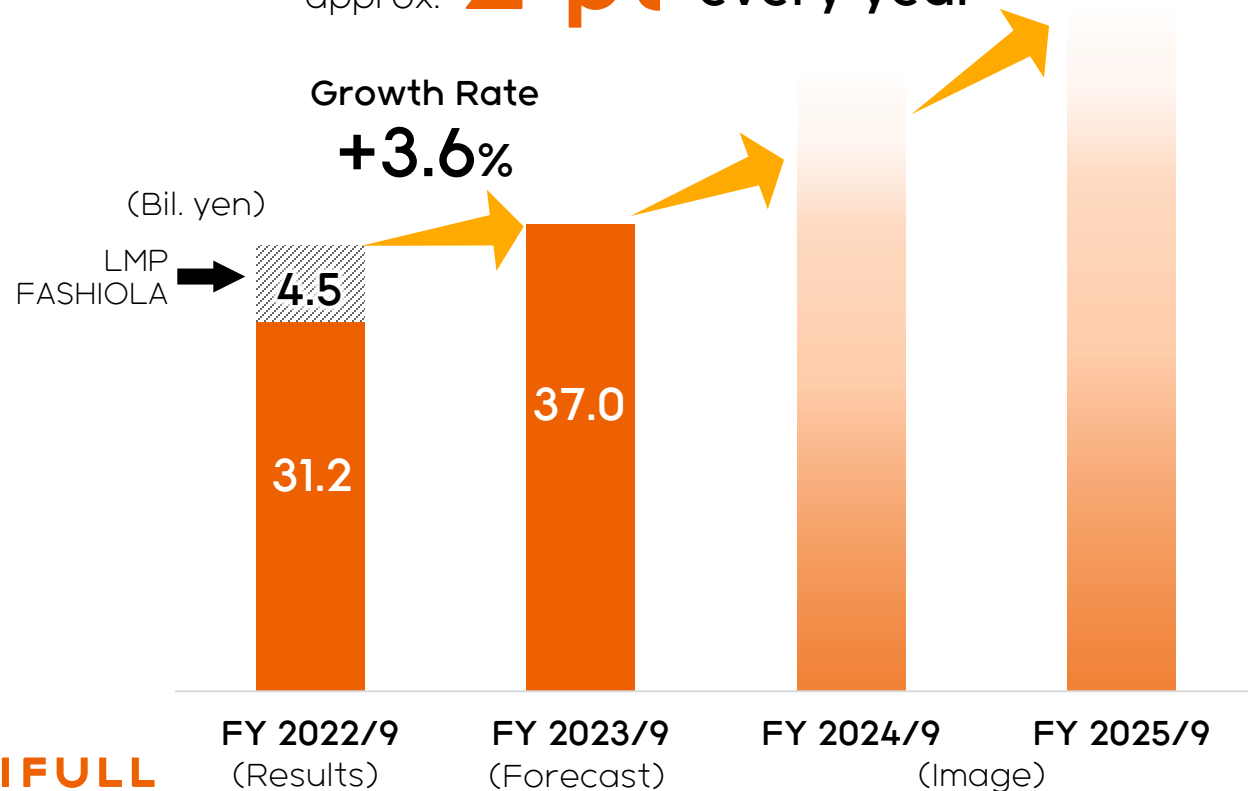
Continue our policy of focus on revenue expansion and strive for consistent revenue growth.
Drive growth to reach our highest profit level ever: 5.0 billion yen

Representation of Revenue Growth

Operating Income

Improve Growth Rate

by approx. **2 pt** every year



Drive growth for our
Most Profit Ever

(¥5.0 bil.)

by the end of FY 2025/9

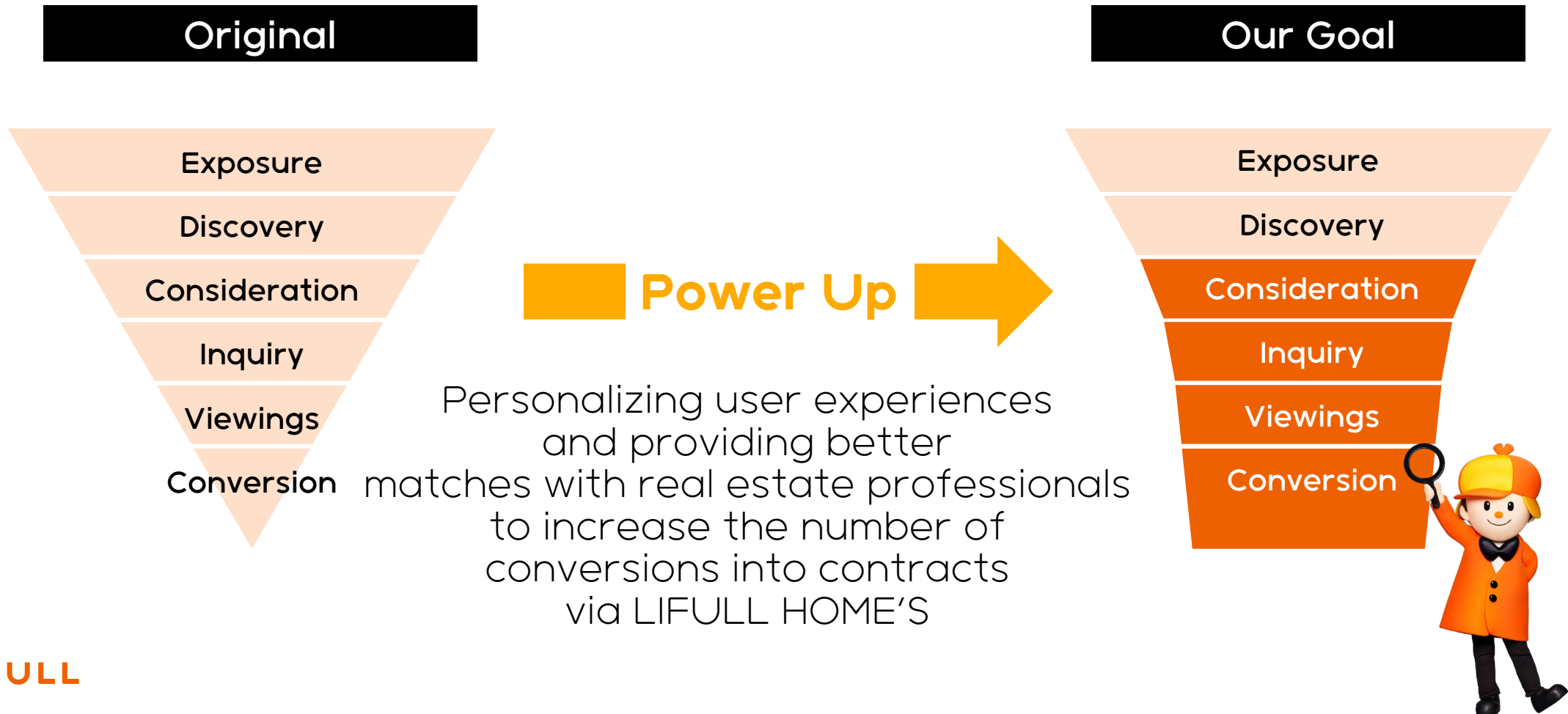
The

「」 LIFULL

HOME'S

Vision

We are driving the value (transactions) we provide to clients to become a more efficient platform for finding a new home



SUPER HYPER ASSISTANT Overview of our New Services

Focusing around the three pillars of Richer Listings, Search Assistance and Personal Support, we are working to improve user satisfaction and lead quality.

Creating new, more powerful services and features to help everyone find the right home



SUPER HYPER ASSISTANT

(Sample Features)

Richer Listings



Property Data

Detailed Area Information



Oct., 2021
3D Floor Plans

Search Assistance



Feb., 2021
New Property Notifications via LINE



Jan., 2022
Nice-to-Have Searches

Mar., 2021
Search by "Would-Like" Criteria or based on your current home

Aug. 2021
AI Search Result Order

Personal Support



Online Viewing and Paperwork Tool
LIFULL HOME'S LIVE



Strengthening
Sumai No Madoguchi
Consultation Services

Feb., 2022
AI Homes-kun Beta

Foundation

Enhanced Log-In Page

Feb., 2022



Favorites



Saved Searches



Viewed Properties

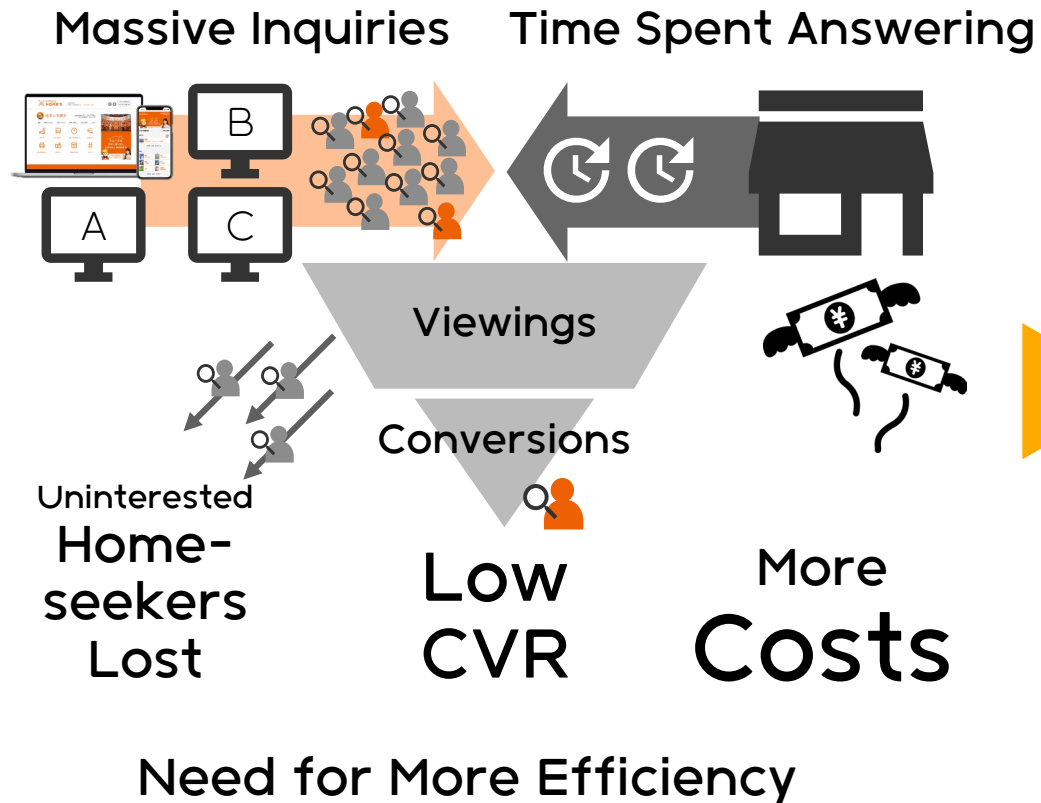


Inquiry History

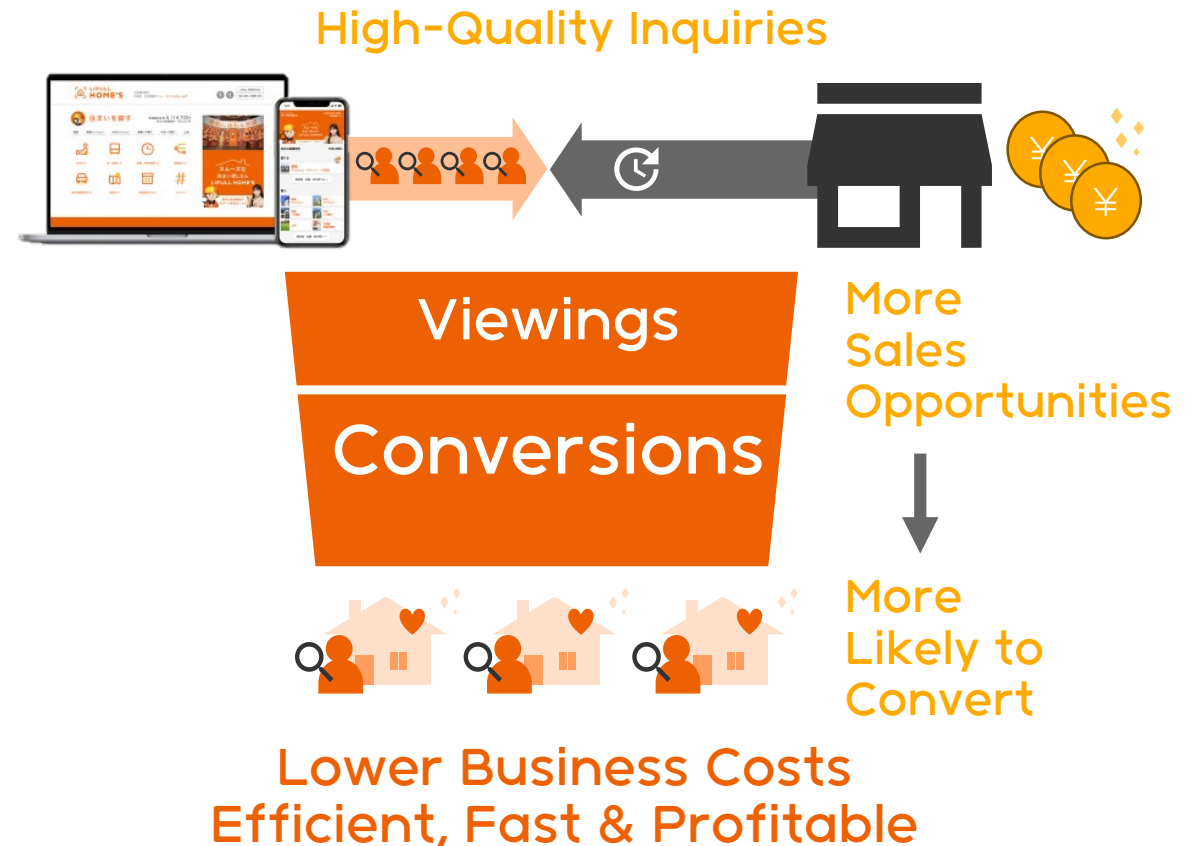
How SUPER HYPER ASSISTANT Helps Real Estate Professionals

Our individually-tailored services will boost conversion rates for our clients. Clients will be able to work more efficiently without having to spend too much time on understanding home-seeker needs which will save them money overall.

Issues for Real Estate Professionals



Our Vision



Effects of SUPER HYPER ASSISTANT Results in FY 2022/9

We are already seeing improved quality in leads and have received positive feedback from real estate companies with better conversion rates from LIFULL HOME'S (in-house research)

More inquiries from serious users

Inquiries with Phone Contact Details



YoY

+10%

Reservations for Property Viewings or Agent Consultations



YoY

+23%



Higher conversion rates from inquiries via LIFULL HOME'S

YoY Conversion Rates

LIFULL HOME'S Members

Company A



+16%¹

Company B



+18%¹

¹ LIFULL in-house research

Progress in Becoming a SUPER HYPER ASSISTANT

We are continuing to develop ourselves as a Super Hyper Assistant for home-seekers while also improving the quality of leads for real estate professionals to support users in finding the right place to live.

FY 2022/9

FY 2023/9



**SUPER
HYPER
ASSISTANT**

Development
Investments



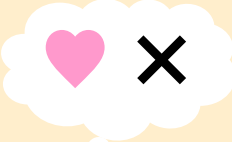
Next Steps (Examples)

Standard Inquiries



Limited

Contact info and
property details



Detailed Info

Organized
preferences of
home-seekers



Higher Quality Leads



Real Estate Professionals

Reduce time spent collecting
basic details from home-seekers



Easier to make
convincing suggestions

Home-Seekers



**Find a new home
faster**



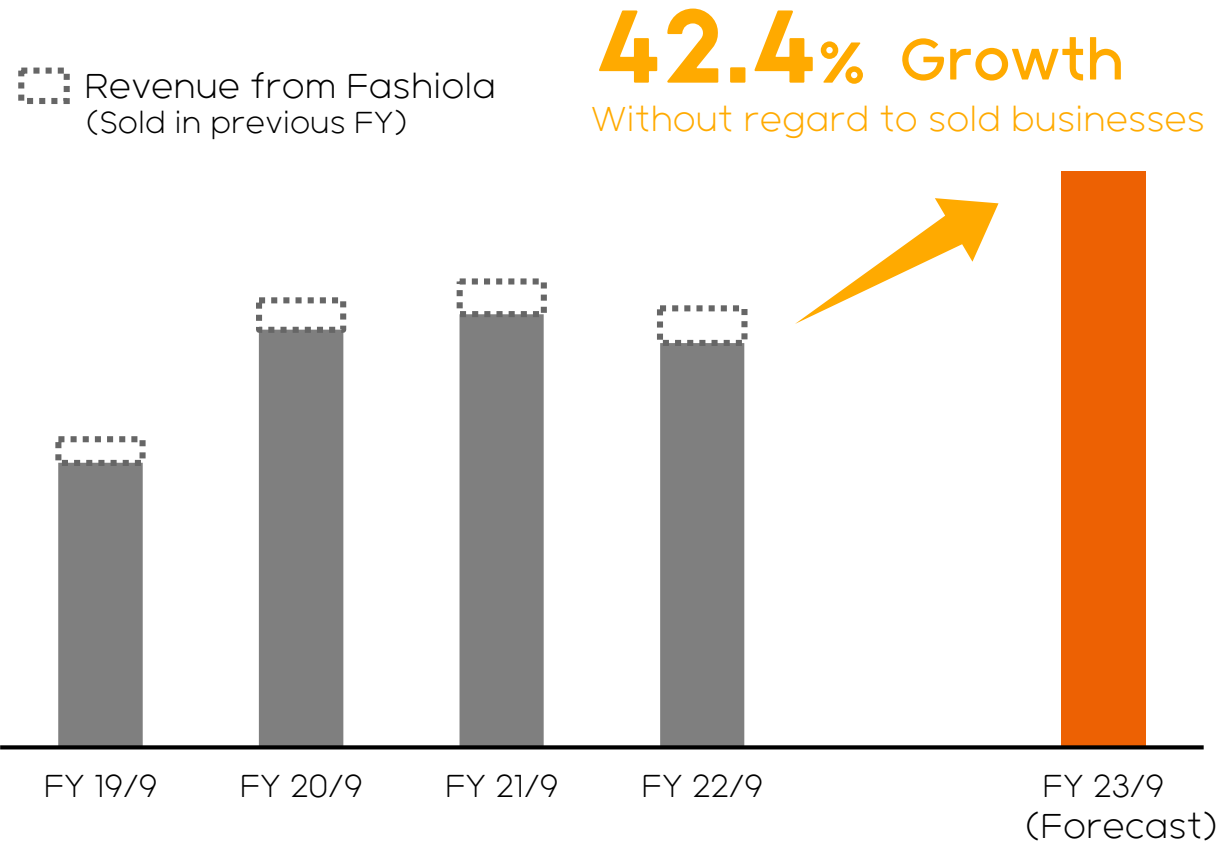


Overseas Strategy

Results Forecast and Overseas Growth Strategy

Expanding revenue through both our aggregation sites and real estate portals

LIFULL CONNECT Revenue (EUR)



Growth Drivers

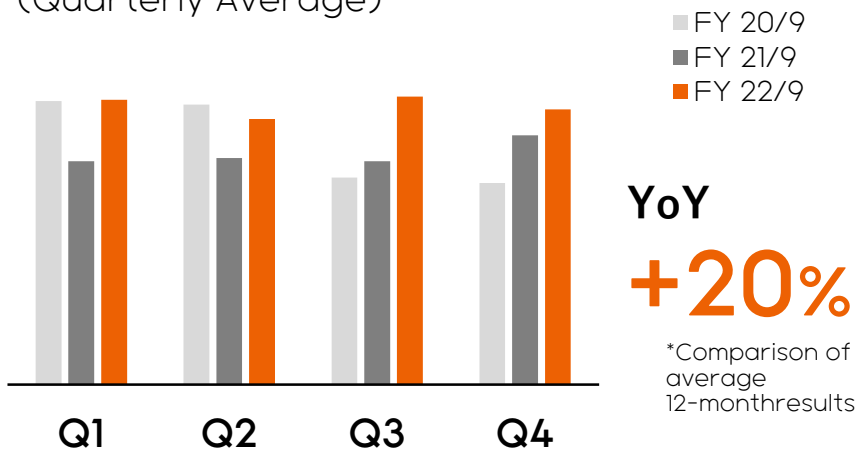
- 1 Continued Growth in CPC for Aggregation Premium Ads
- 2 Increasing clients and growing real estate portals
Bringing  **Proppit** to more people
- 3 Considering M&A opportunities

Growth in CPC for Aggregation Premium Advertisements

In the previous FY, we successfully improved efficiency in real estate and cars verticals for better monetization of advertising. With further development of aggregation sites and campaign settings, we expect continued growth in CPC.

Successful monetization of premium advertising of real estate and cars verticals

Premium Advertising CPC (Quarterly Average)



Developing a stronger platform for cross-brand campaigns

- Implement features and solutions across brands



Implementing best practices across different services to optimize value

Operate in real time

Provide an optimal advertising environment

Drive CPC growth

Driving Growth in Real Estate Portals

After reinforcing our sales resources with the acquisition of the Latin American portal network, Properati, we continue to bring in new clients and are utilizing new developments in Proppit to boost this growth.

Property Management Tool for Real Estate Professionals

Creating a more robust client network with Proppit

Onboarding

Boosting Local Sales Teams with Properati

After acquisition of Properati (From Jan. 2022)

New clients growing by
Avg. **3%** each month



Existing Clients



Smaller-Scale Professionals

- Adding new features to allow clients to make changes quickly to fit their needs and improve efficiency.



Larger-Scale Real Estate Companies & Developers

- Development and implementation of more features

Ex.: Lead Qualification

Currently provided for more than **85%** of leads

Development: Data Analytics

Providing high-level data for clients

Considering M&A Opportunities

In order to further expand the enormous network of LIFULL CONNECT, we are continuing to consider further acquisitions of local real estate portals and support services for real estate companies.

M&A in FY 2022/9



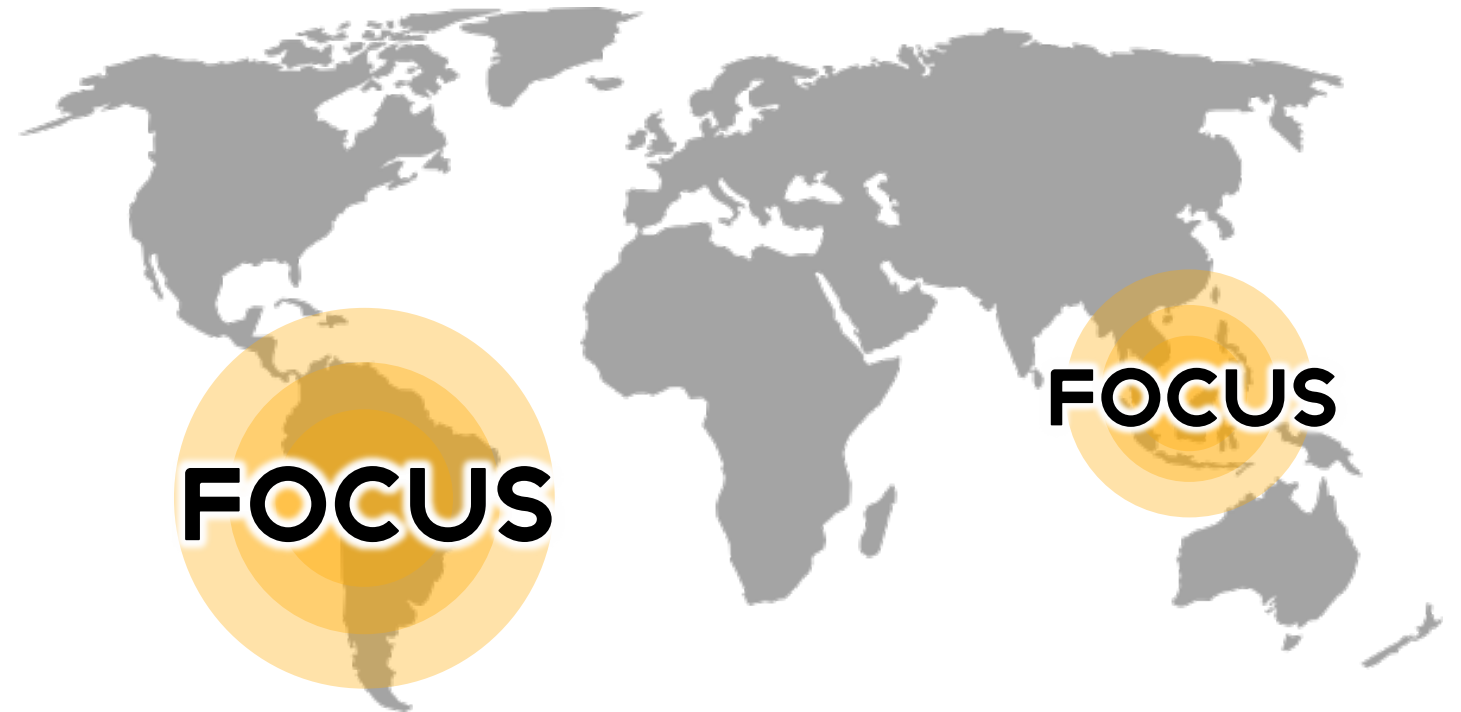
Latin American
Real Estate Portal
Network



CRM for Real Estate
Professionals

Growing Real Estate Portals

Continuing to review potential opportunities in our target regions of Latin America and South East Asia





Selective Focus

Investment Policy for Additional Areas

As we intensify our focus on LIFULL HOME'S and LIFULL CONNECT, we are limiting our investments in Regional Revitalization of rural Japan new initiatives.

Investments up to FY 2022/9

Regional Revitalization

- Reducing Teams
- Reworking Strategies
- Lowering Costs



空き家バンク

LOCAL MATCH

Limit Invest.

LivingAnywhere Commons

- Reducing Teams
- Reworking Strategies
- Closing some locations

Limit Invest.

New Initiatives

- Stopping proactive investments

Limit Invest.

Aim for
Profitability
in Regional Revitalization & New Initiatives



Focus investments on core businesses

Approach to Promotion

We will be reducing our corporate branding to focus more on services in our core areas and increasing overall recognition of the LIFULL Group by developing our individual services

CORPORATE

Reduce

TVCM 等



SERVICE

FOCUS



LIFULL HOME'S

Commercials & Online / Offline Marketing



YouTube

Spotify

radiko



Search Site for Care Facilities for the Elderly

LIFULL 介護 Kaigo

Improve brand recognition to become No.1 in the care facility market



Official LIFULL Kaigo

YouTube Channel

<https://www.youtube.com/c/lifullkaigo/>

Actions in Investment Real Estate Listings

We are moving forward with the combination of LIFULL HOME'S Real Estate Investment and the investment property site, Kenbiya, to increase market share and become Number One in the industry.

Become absolute
No. 1
in
Investment Real Estate

- Efficient management
- Accelerate growth



Link Systems

Result



Results as of
Sep. 30, 2022

Revenue

¥0.66 bil.

Reg. Users

~214,000

Listings

~50,000

Ref.

Competitor

~¥1.7 bil.

~300,000

~50,000



Achieving Our Mid-Term Targets

Buy-in Stock Option to Help Reach Our Mid-Term Targets

We will release employee stock options in order to further motivate employees toward reaching our mid-term targets.

Purpose of the Stock Option

Offer further incentives to motivate employees

Provide shared incentives that benefit shareholders with improved corporate value

Refer to the following release for more details (November 9, 2022)
“Notice of Issuance of Share Acquisition Rights (Stock Options Offered for Value)”



Party

Board Members, Managing Directors, CxO Positions

Req.

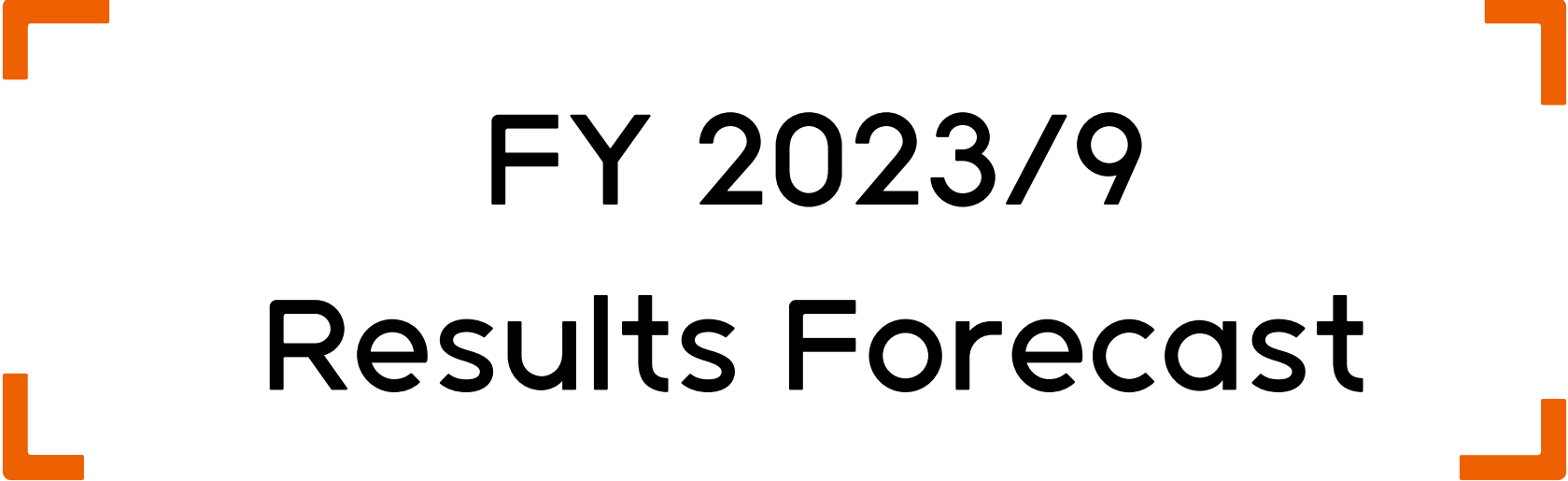
Consolidated OP: **5 bil. +**
and LIFULL non-cons. OP **3 bil. +**

Party

LIFULL Co., Ltd. Employees

Req.

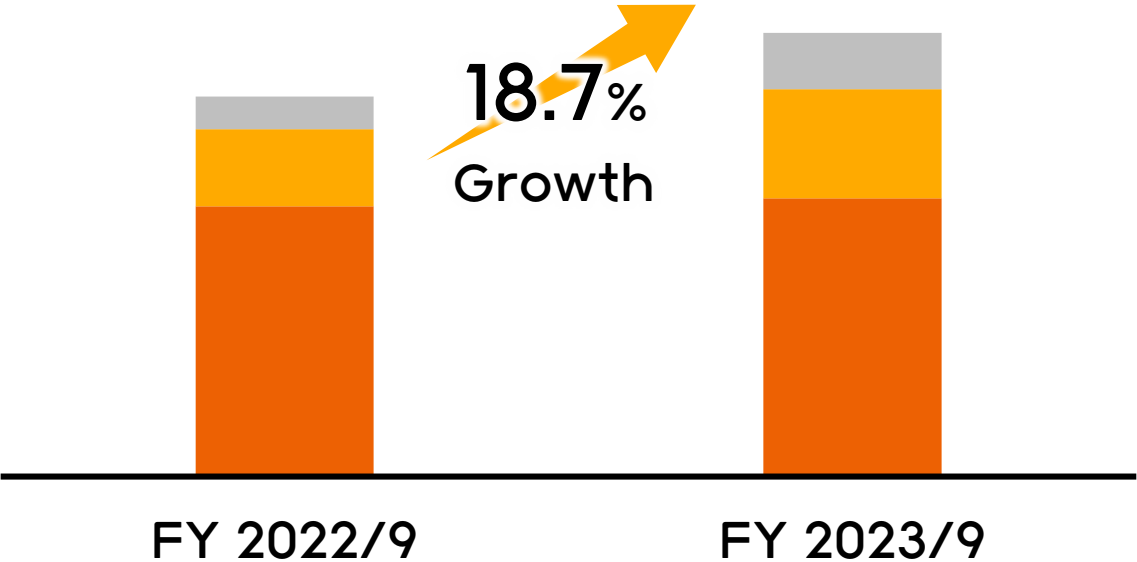
LIFULL non-cons. OP **3 bil. +**



FY 2023/9 Results Forecast

Focus on Revenue Growth in our core businesses

LIFULL Group Revenue (Cons.)
(Effects of the sale of subsidiaries removed)



HOME'S Services Omnichannel × DX

Overseas Moving to Direct

Other Services for seniors

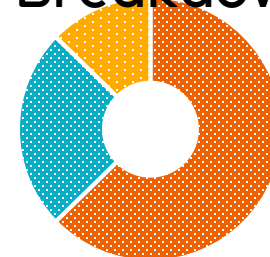
FY 2023/9 Results Forecast IFRS

Revenue
¥**37.0**
bil.

OP
¥**3.3**
bil.

Net Profit*
¥**2.5**
bil.

Revenue Breakdown



HOME'S Services: 62.7%
Overseas: 24.6%
Other Businesses: 12.7%

Condensed Statements of Income and Loss

Unit: Millions of yen	FY2022 Oct.-Sep. [Actual]	FY2023 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	35,730	37,000	+1,269	+3.6%
Cost of revenue	4,055	3,650	-405	-10.0%
SG&A (excl. depreciation)	31,362	30,507	-855	-2.7%
Personnel expenses	9,684	9,815	+130	+1.4%
Advertising expenses	12,824	12,150	-673	-5.3%
Operating expenses	537	565	+27	+5.2%
Other	8,316	7,975	-340	-4.1%
Other revenues and expenses	1,369	457	-912	-66.6%
Operating income	1,681	3,300	+1,618	+96.2%
Operating income margin	4.7%	8.9%	+4.2pt	-
Net profit*	1,187	2,500	+1,312	+110.5%

Revenue by Segment

Unit: Millions of yen	FY2022 Oct.-Sep. [Actual]	FY2023 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	35,730	37,000	+1,270	+3.6%
HOME'S Service	26,067	23,200	-2,867	-11.0%
Overseas	6,938	9,100	+2,161	+31.2%
Others	2,725	4,700	+1,974	+72.5%

Additional Information

HOME'S Services : Revenue excluding LIFULL Marketing Partners
¥22,545 mil. (FY 2022/9)
Segment revenue growth: +2.9%

Others : Expecting revenue growth from the sale of
investments made by the Regional
Revitalization Fund

Estimated Exchange Rate: EUR 1 = JPY 134

*Net Profit: Profit attributable to owners of the parent

Focus on Core

Increase Profitability Across Businesses

 LIFULL
Make all LIFE FULL



Appendices

Corporate Information (as of September 30, 2022)

Company LIFULL Co., Ltd.

Stock code 2120 (TSE Prime)

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
Apr. 2022	Transition to TSE Prime

Capital JPY 9,716 mil.

Stock issues 134,239,870 shares (incl. 2,458,270 shares of treasury stock)

Consol. number of employees 1,549 (incl. 183 temporary and 440 overseas)

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

Main subsidiaries (stake) LIFULL CONNECT, S.L.U. (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. ¹	<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 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. 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

¹ All shares transferred on September 30, 2022, removed from consolidation

² All shares transferred and removed from consolidation on October 31, 2022

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.) ¹ 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 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

¹ All shares transferred on September 30, 2022, removed from consolidation

Transfer of Shares of Rakuten LIFULL STAY

Despite growth in the market for vacation rentals, opportunities for the repurposing of abandoned houses (Akiya) have been limited. Therefore, we transferred all shares of Rakuten LIFULL Stay on Oct. 31, 2022.



All shares transferred on **October 31, 2022**



Proceeds from share transfer **included in FY 2023/9 Results Forecast**

Reasoning

Limited opportunities for the repurposing of Akiya into vacation rentals

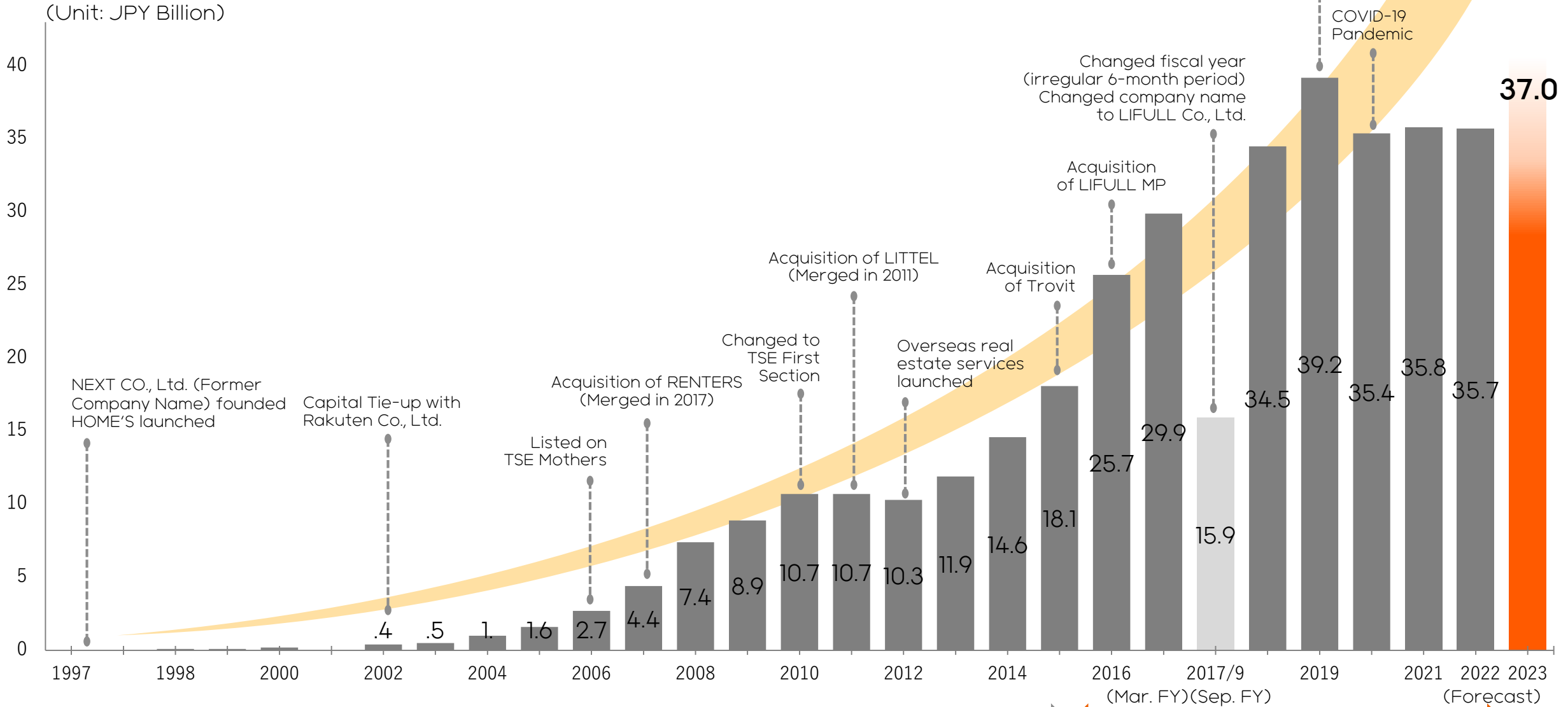


Selective Focus on Core Businesses

Details: Release disclosed on Oct. 24, 2022

[Notice Regarding Change in Equity Method Affiliate \(Transfer of Shares\) and Recording Gain on Sale of Shares](#)

Annual Revenue and Timeline of Company Growth



Consolidated Statements of Profit and Loss Quarterly

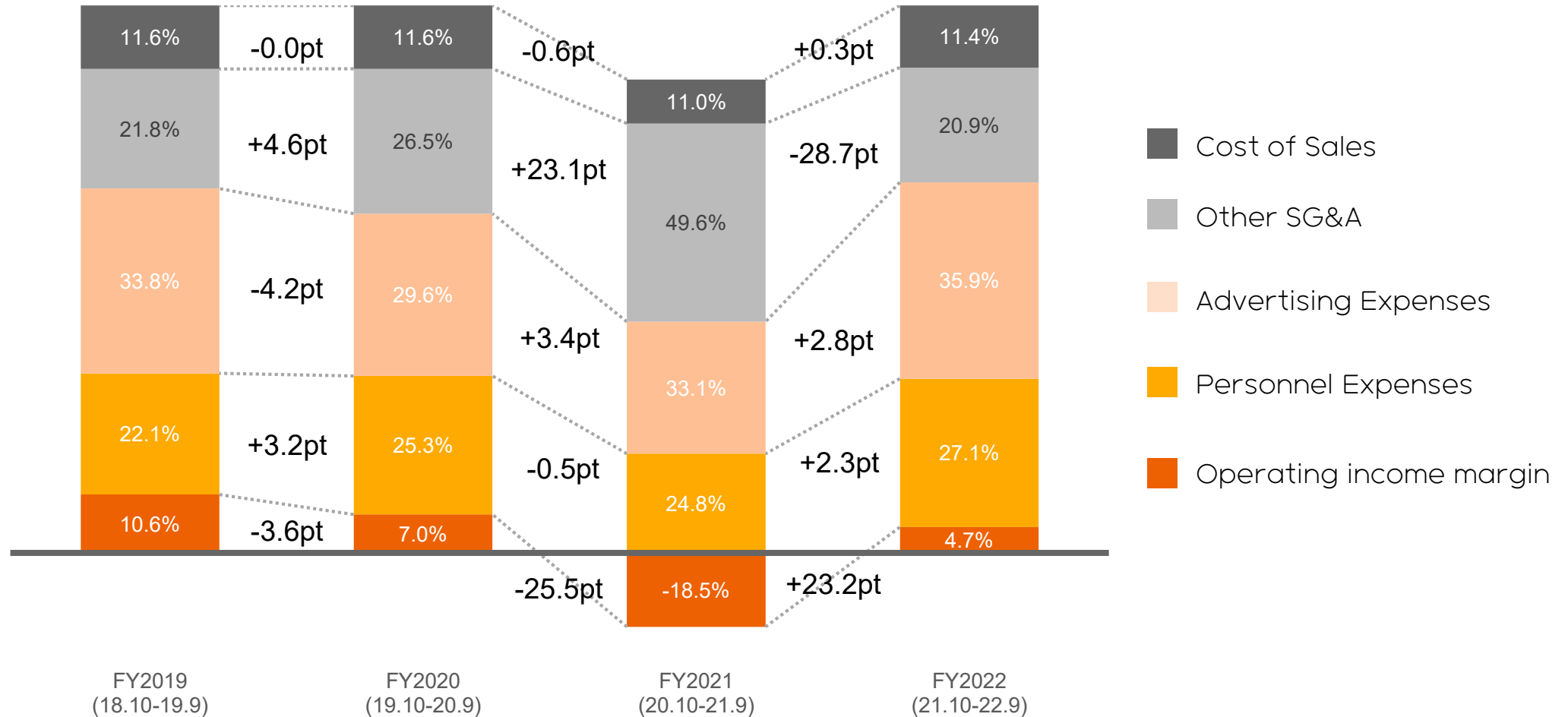
Unit : JPY mil	FY2018				FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944	9,202	9,983	7,706	8,510	8,271	9,581	9,072	8,931	8,510	9,530	8,645	9,044
HOME'S Services	6,742	8,062	6,833	6,963	6,860	8,404	7,060	7,330	6,763	7,543	6,176	6,652	6,346	7,260	6,550	6,535	6,139	7,085	6,263	6,579
Overseas	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	1,837	1,787	1,762	1,660	1,727
Other Businesses	502	542	528	527	544	488	479	448	432	547	429	479	484	554	547	558	583	682	721	737
Cost of revenue	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116	1,157	869	953	945	1,056	890	1,058	947	1,066	957	1,084
SG&A	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	7,240	7,010	8,580	7,853	7,917
Personnel expenses	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	2,242	2,203	2,485	2,436	2,558
Advertising expenses	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	2,940	2,731	3,916	3,160	3,015
Operating expenses	236	267	209	229	190	204	240	290	170	123	64	106	96	87	100	116	121	120	144	150
Depreciation/amortization cost	274	266	263	263	259	304	308	303	490	515	486	525	524	487	474	474	459	468	478	487
Other SG&A	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	1,466	1,494	1,589	1,634	1,704
Other revenues and expenses	71	18	6	-44	425	-332	9	59	-9	-41	62	-1,817	-83	-85	-28	-9,752	36	50	274	1,008
Operating income	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	-9,120	588	-66	108	1,050
Operating income margin	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%	-102.1%	6.9%	-0.7%	1.3%	11.6%
Net profit*	591	980	702	585	1,003	-41	1,073	370	527	949	846	-1,161	387	639	449	-7,378	365	-179	163	837

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

2) 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

Increase in advertising expenses primarily from proactive investments in LIFULL HOME'S. Personnel expenses increased primarily due to acquisition of Properati and Wasi.

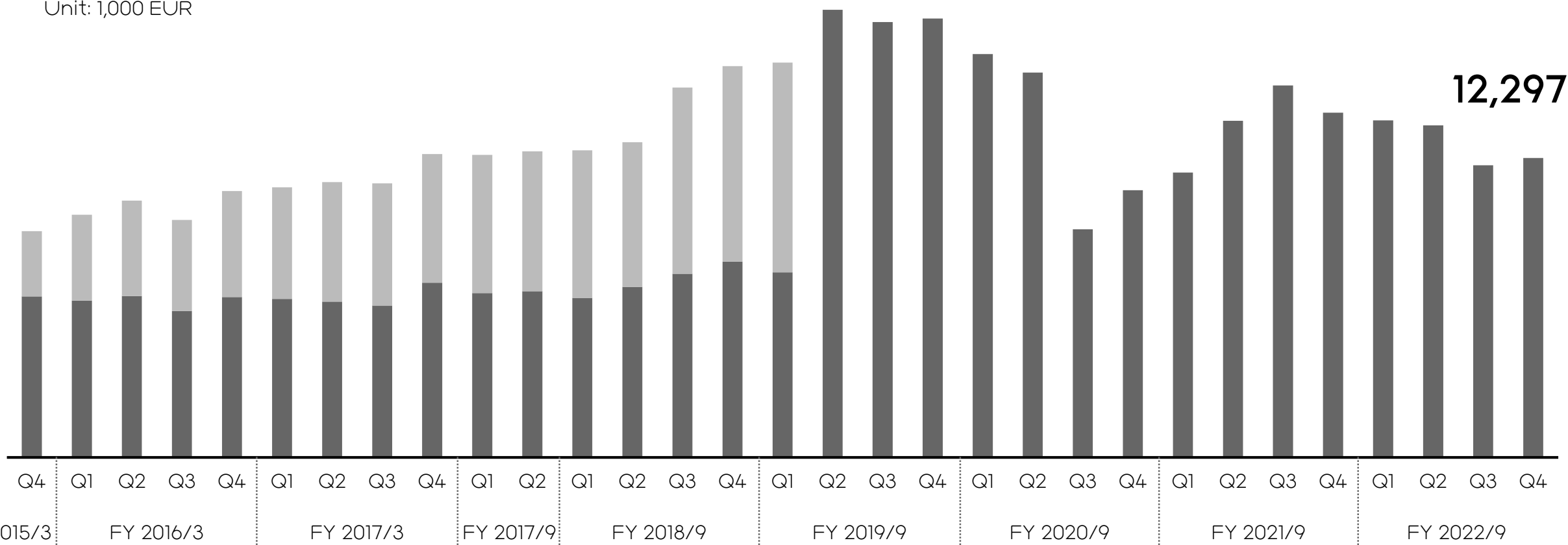


Quarterly Results LIFULL CONNECT

Despite growth in LIFULL CONNECT products, revenue has declined due to low performance in third-party AdSense advertising.

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

Unit: 1,000 EUR



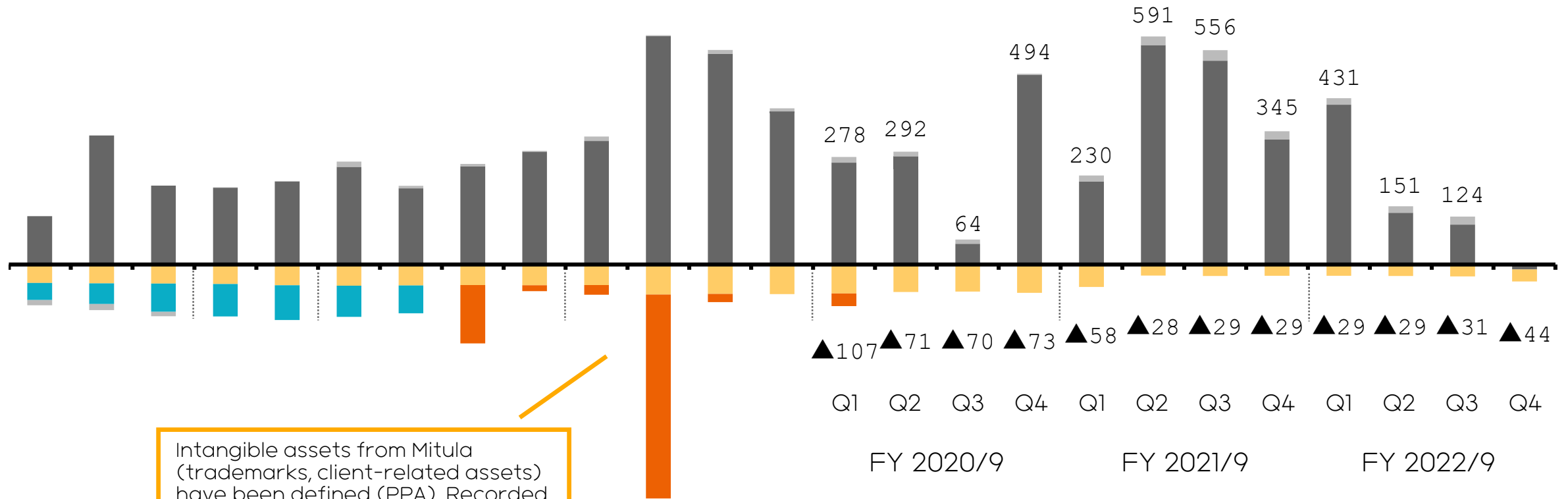
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Although revenue from real estate portals and premium advertisements on aggregation services continues to grow, lower profit from decrease in third-party AdSense revenue on aggregation sites.

Quarterly Segment P&L

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

Unit: JPY mil.

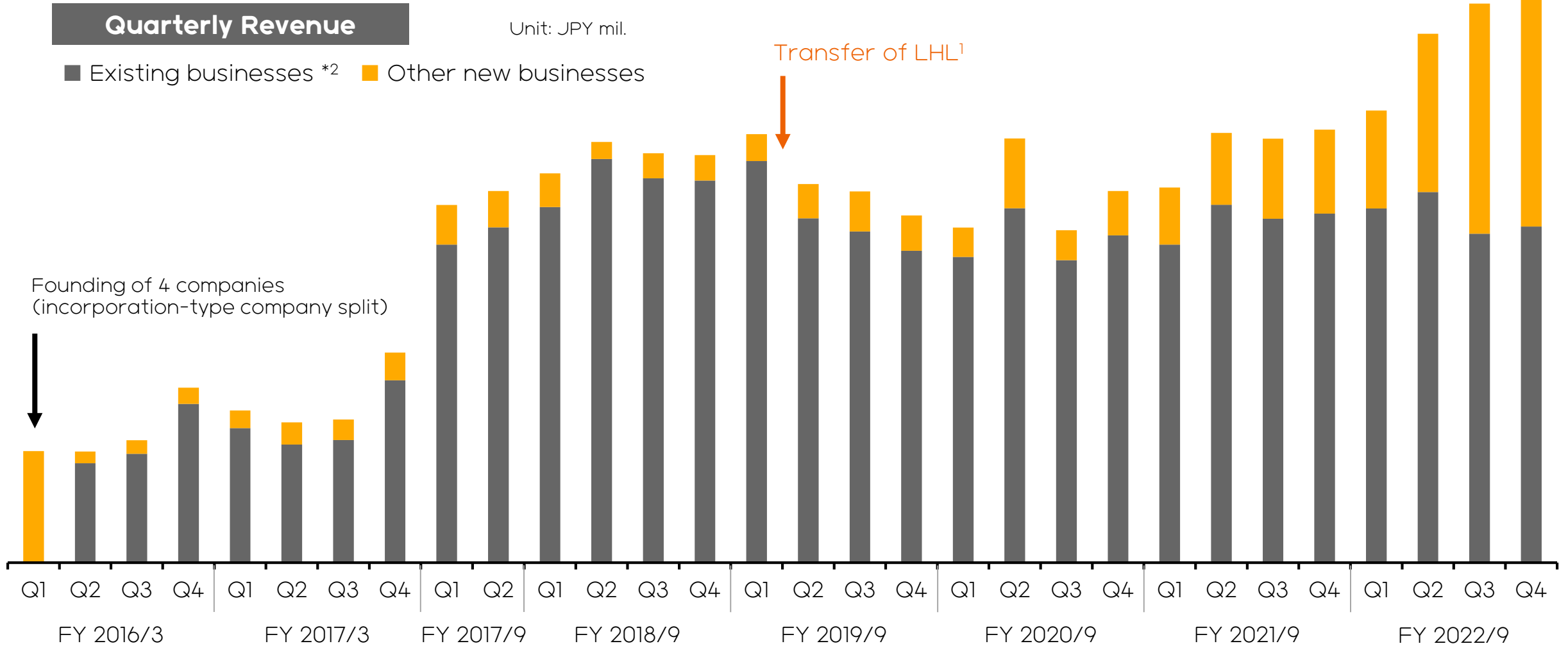


Intangible assets from Mitula (trademarks, client-related assets) have been defined (PPA). Recorded as Depreciation in this chart.

Other Businesses Segment Sales Revenue (Quarterly)

LIFULL senior and Regional Revitalization businesses currently driving revenue growth

737



1) Founded as a subsidiary of FinTech and transferred to Nippon Life Insurance Company in December 2018.
 2) Currently comprised of 4 companies: FinTech, MOVE, senior and SPACE

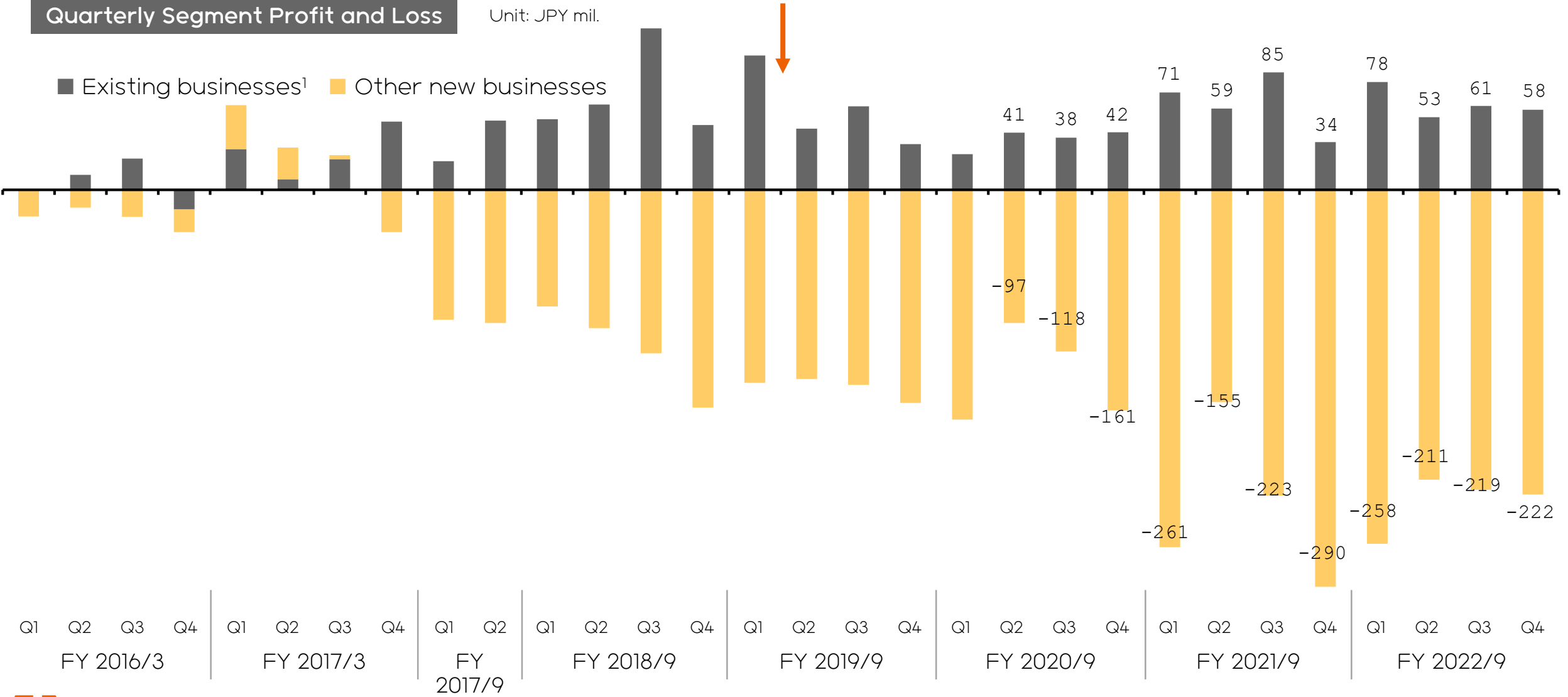
Other Businesses Segment Profit and Loss (Quarterly)

Quarterly Segment Profit and Loss

Unit: JPY mil.

Transfer of LHL

Existing businesses¹ Other new businesses



(Ref) Positive Developments in the Real Estate Market Jul. – Sep. Update

As restrictions on going out in public ease, the moving industry is beginning to see recovery. Currently, internal migrants and rental leases have increased significantly with more listings for available new-build houses.

Japanese Real Estate Market

- Same as 2019 or above
- Some improvement, but not at 2019 levels
- Unchanged

	Jul. – Sep.		Status
	vs. 2021	vs. 2019	
Internal Migrants	+9.3%	-0.3%	●
Rental Signed Leases	+12.0%	+1.0%	●
Re-sale Sales Contracts	-5.6%	-9.1%	●
New Condos Building Starts	-7.4%	-6.0%	●
New Houses Reg. Properties	+42.4%	-34.8%	●

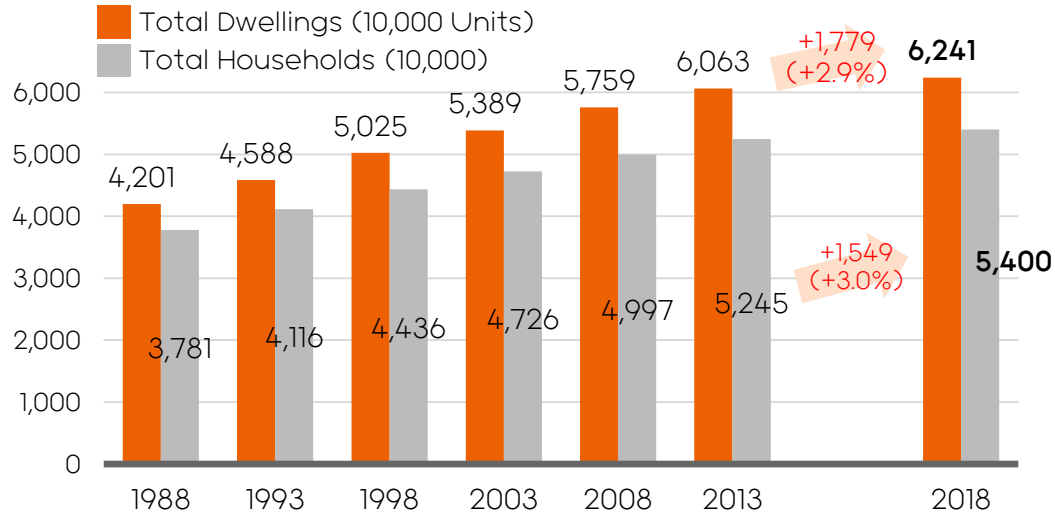
Recovery to Pre-COVID Levels

(Ref.) External Market Data Monthly

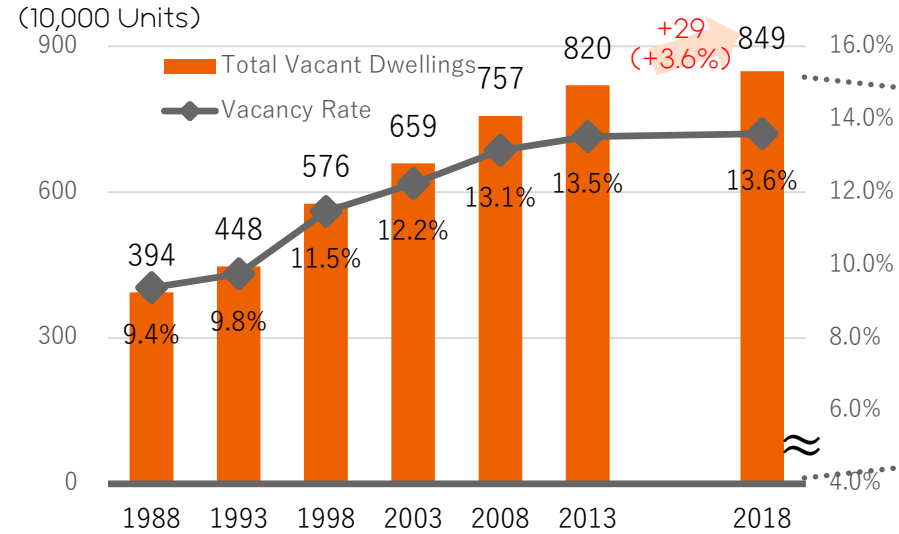
		Annual			2020							2021							2022												
		2019 (Jan-Dec)	2020 (Jan-Dec)	2021 (Jan-Dec)	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
(1) Number of Apartments for Sale	Capital Region	31,238	27,228	33,636	2,083	1,669	2,477	3,358	2,790	7,362	1,325	2,243	3,103	2,089	2,578	1,939	1,952	1,940	△2,311	2,055	5,452	6,649	1,128	2,287	2,492	2,426	2,466	1,917	2,268	1,162	2,036
	YoY	-15.9%	-12.8%	23.5%	7.8%	-8.2%	5.0%	67.3%	-15.3%	15.2%	7.1%	50.7%	44.9%	204.5%	556.0%	25.7%	-6.3%	16.2%	6.7%	-38.8%	95.4%	-9.7%	-14.9%	2.0%	-19.7%	16.1%	-4.3%	-1.1%	16.2%	-40.1%	-11.9%
	Kinki	18,042	15,195	18,951	921	1,617	1,228	1,415	1,610	3,105	695	1,718	1,815	1,093	1,321	1,731	1,950	1,050	△1,210	1,457	2,099	2,812	792	1,378	1,267	1,148	1,379	1,261	1,374	1,059	1,332
	YoY	-13.9%	-15.8%	24.7%	-48.5%	20.6%	-12.7%	11.3%	7.9%	-3.9%	11.9%	66.0%	18.8%	121.3%	517.3%	23.0%	111.7%	-35.1%	1.5%	3.0%	30.4%	-9.4%	14.0%	-19.8%	-30.2%	5.0%	4.4%	-27.2%	-29.5%	0.9%	10.1%
(2) Apartment Price Trend	Capital Region	6,083	6,083	6,260	6,124	6,011	5,812	6,130	5,922	5,620	5,824	6,380	6,330	7,764	5,908	6,211	6,498	7,452	6,584	6,750	6,123	5,384	6,157	7,418	6,518	6,291	6,088	6,450	6,379	6,102	6,653
	YoY	1.7%	1.7%	2.9%	7.9%	-6.2%	-3.0%	2.3%	8.3%	-4.4%	-30.6%	-2.4%	2.8%	24.9%	-8.9%	-2.8%	6.1%	24.0%	13.3%	10.1%	3.4%	-4.2%	5.7%	16.3%	3.0%	-19.0%	3.0%	3.8%	-1.8%	-18.1%	1.0%
	Kinki	4,181	4,181	4,562	4,971	3,492	4,693	4,901	4,449	3,913	4,629	3,954	4,226	5,356	3,828	4,572	4,463	4,413	4,757	4,222	6,041	4,274	3,992	4,433	5,067	3,983	4,853	4,422	4,984	4,295	4,698
	YoY	8.1%	8.1%	9.1%	4.3%	14.3%	36.1%	41.0%	26.0%	-8.0%	7.8%	17.3%	-13.8%	56.0%	-10.7%	26.7%	-9.2%	26.4%	1.4%	-13.9%	35.8%	9.2%	-13.8%	12.1%	19.9%	-25.6%	26.8%	-3.3%	11.7%	-2.7%	-1.2%
(3) New Build Starts (Units)	House for Rent	306,753	306,753	321,376	27,696	27,671	25,053	26,043	26,451	24,423	19,794	22,556	27,245	28,825	25,074	29,802	29,230	28,733	28,254	29,822	26,819	25,222	23,083	23,583	32,305	29,444	25,942	30,285	29,668	31,295	30,555
	YoY	-10.4%	-10.4%	4.8%	-8.8%	-5.4%	-14.8%	-11.5%	-8.1%	-11.5%	-18.0%	-0.4%	2.6%	13.6%	4.3%	11.8%	5.5%	3.8%	12.8%	14.5%	1.4%	3.3%	16.6%	4.6%	18.6%	2.1%	3.5%	1.6%	1.5%	8.9%	8.1%
	Apartment	107,884	107,884	101,292	8,352	9,377	11,970	9,908	8,049	6,149	8,775	6,779	10,392	10,776	9,444	7,024	9,117	7,968	7,251	8,436	8,239	7,091	9,727	10,618	12,685	7,569	7,855	8,053	10,727	8,386	
	YoY	-8.4%	-8.4%	-6.1%	-2.9%	-7.7%	-0.4%	-0.9%	0.7%	-31.3%	29.3%	-27.5%	9.4%	0.5%	1.6%	-16.6%	9.2%	-15.0%	-39.4%	-14.9%	2.4%	15.3%	-19.4%	43.5%	2.2%	17.7%	-19.9%	11.8%	-11.7%	34.6%	15.7%
	House	130,753	130,753	141,094	10,820	9,455	10,036	10,647	11,372	11,315	10,213	10,470	11,319	11,595	11,797	12,654	12,242	11,783	11,505	12,284	12,509	12,723	11,003	11,590	12,439	12,448	11,905	12,689	12,461	12,341	12,290
	YoY	-11.4%	-11.4%	7.9%	-17.2%	-22.7%	-15.6%	-16.3%	-10.5%	-8.9%	-6.1%	-4.0%	-2.6%	-0.6%	13.6%	8.5%	13.1%	24.6%	14.6%	15.4%	10.0%	12.4%	7.7%	10.7%	9.9%	7.4%	0.9%	0.3%	1.8%	4.7%	6.8%
Owned house	261,088	261,088	285,575	22,708	21,915	22,337	23,013	24,010	22,819	19,200	20,390	22,340	22,877	22,887	26,151	26,071	25,100	25,659	26,840	25,329	22,731	18,130	19,258	20,246	21,014	21,307	23,184	22,406	22,291	22,248	
YoY	-9.6%	-9.6%	9.4%	-13.6%	-8.8%	-7.0%	-6.1%	1.5%	2.4%	6.4%	4.3%	0.1%	8.8%	16.2%	10.6%	14.8%	14.5%	14.9%	16.6%	5.5%	-0.4%	-5.6%	-5.6%	-9.4%	-8.1%	-6.9%	-11.3%	-14.1%	-11.2%	-13.5%	
(4) Internal Migrants	Total	5,403,465	5,255,721	5,247,744	379,492	369,596	358,658	370,201	342,467	358,031	320,671	376,039	975,925	709,863	357,793	365,883	363,284	370,565	346,666	356,889	359,777	344,389	326,360	345,584	947,081	678,630	423,842	384,633	377,542	401,973	358,962
	YoY	0.8%	-2.7%	-0.2%	-9.3%	-2.4%	-3.7%	-5.7%	1.7%	2.0%	-3.5%	3.9%	1.1%	-7.1%	18.9%	3.7%	-4.3%	0.3%	-3.3%	-3.6%	5.1%	-3.8%	1.8%	-8.1%	-3.0%	-4.4%	18.5%	5.1%	3.9%	8.5%	3.5%
	Only Japanese	4,889,191	4,840,852	4,818,721	353,481	344,022	331,449	341,034	312,989	322,494	281,919	332,330	915,925	662,701	328,587	334,602	334,781	340,850	316,482	326,739	328,179	315,626	298,411	317,470	892,728	630,331	365,625	324,725	330,113	357,644	318,047
	YoY	0.0%	-1.0%	-0.5%	-6.0%	0.8%	0.4%	-1.7%	4.9%	3.4%	-5.6%	1.7%	1.9%	-5.8%	17.6%	1.8%	-5.3%	-0.9%	-4.5%	-4.2%	4.9%	-2.1%	5.8%	-4.5%	-2.5%	-4.9%	11.3%	-3.0%	-1.4%	4.9%	0.5%
(5) Japan Population	Unit : Thousand	Oct. 1, 2019	Oct. 1, 2020	Oct. 1, 2021	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
	Total	126,167	125,708	125,120	125,836	125,809	125,754	125,708	125,669	125,651	125,630	125,552	125,480	125,417	125,339	125,285	125,682	125,633	125,559	125,502	125,443	125,380	125,309	125,194	125,103	125,071	125,072	124,930	124,840	124,780	124,750

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

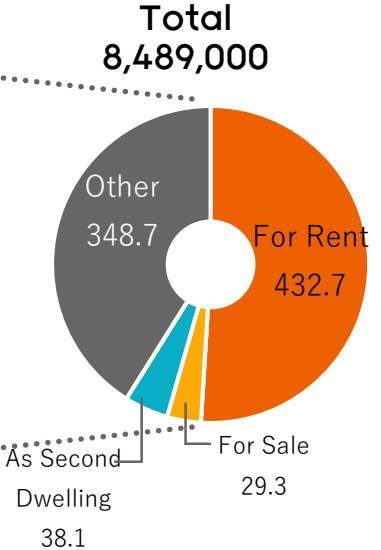
Trend of Total Dwellings and Total Households



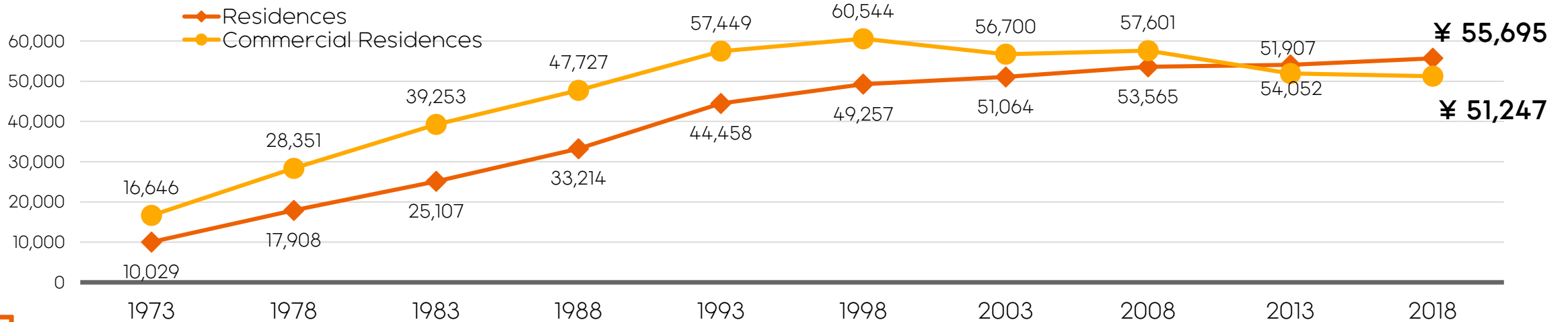
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent



IR Team Contact Information



IR Site

Japanese <https://ir.LIFULL.com/>

English <https://ir.LIFULL.com/en/>



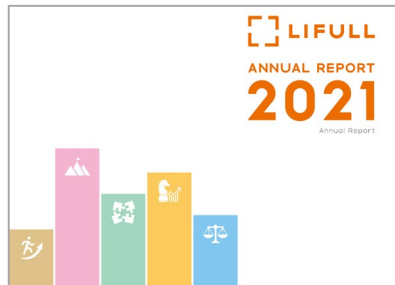
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ir@LIFULL.com

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(Weekdays 10:00 - 18:00 JST)

Annual Report 2021



Japanese <https://ir.lifull.com/ir/ir-data/report/>

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

Other Information about LIFULL



Twitter



https://twitter.com/LIFULL_Corp



Facebook Page



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