

LIFULL Co., Ltd.

Third Quarter Results

IFRS

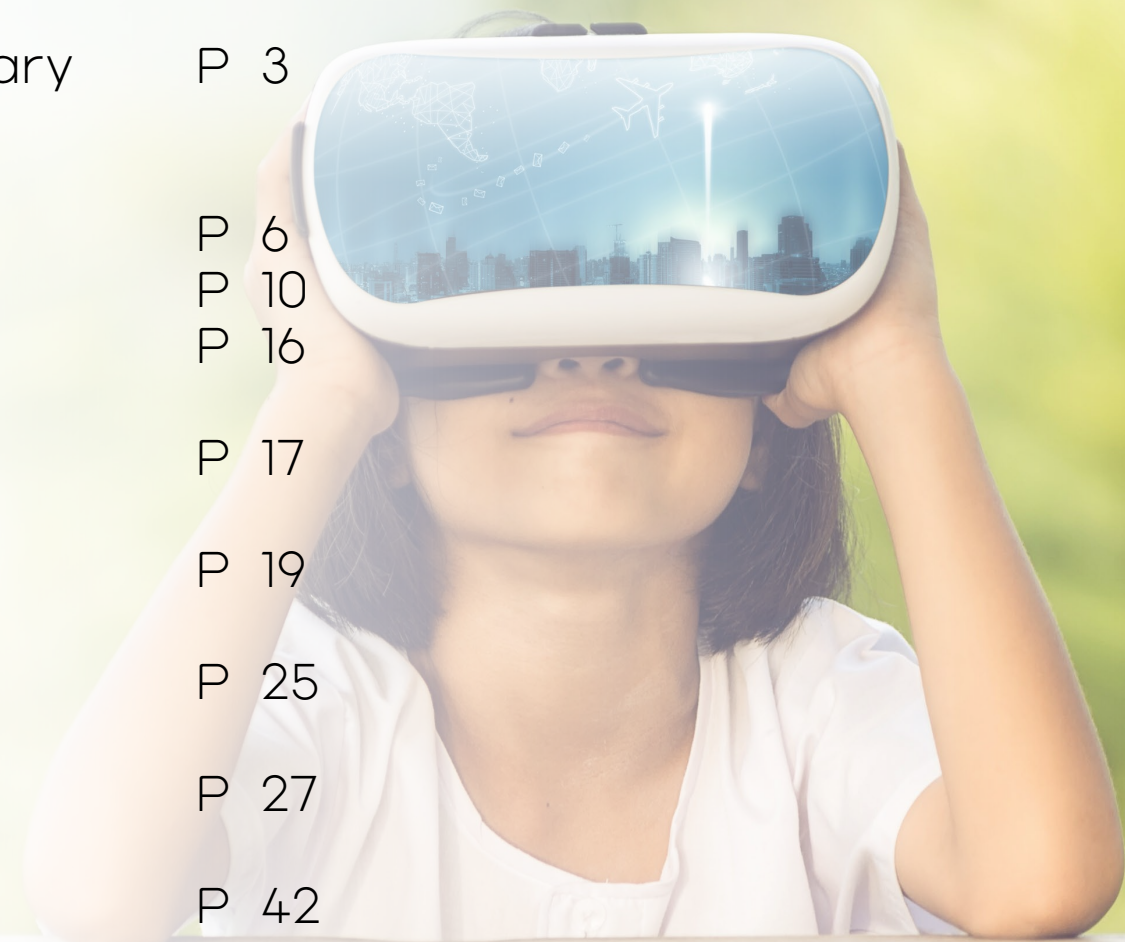
FY 2023/9 Q3
(October 2022 – June 2023)

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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FY 2023/9 Third Quarter Earnings Main Points

Revenue and profit growth (YoY)

Progress mostly in-line with full-year forecast

Prioritization of investments for growth in the next FY

Third Quarter Consolidated Results Revenue

Increased revenue in the third quarter in-line with forecast

Growth in Japan and overseas businesses driving consolidated revenue gains

Consolidated Revenue

(Oct. - Jun.)

Result

YoY

¥**27.9** Bil. **+18.8%**

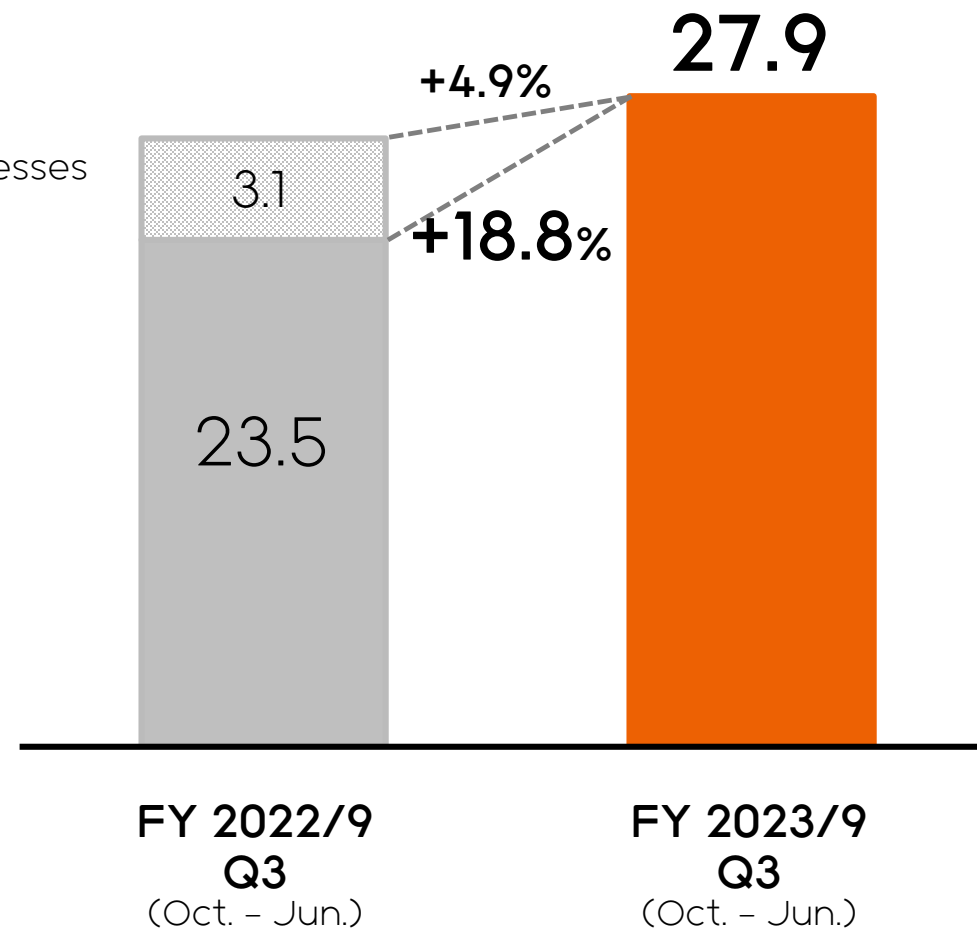
(Excl. rev. from businesses sold¹ in prev. FY)

1 Sold Businesses

LIFULL Marketing Partners (LMP)
Fashiola (KLEDING B.V.)

(Unit: JPY Bil.)

Impact of businesses sold¹ in prev. FY



Third Quarter Consolidated Results Operating Profit

3Q progress in-line with forecast. 3x growth in operating profit even after removing the effects of the sale of properties by the Regional Revitalization Fund.

Consolidated Operating Profit

(Oct. - Jun.)

Result

YoY

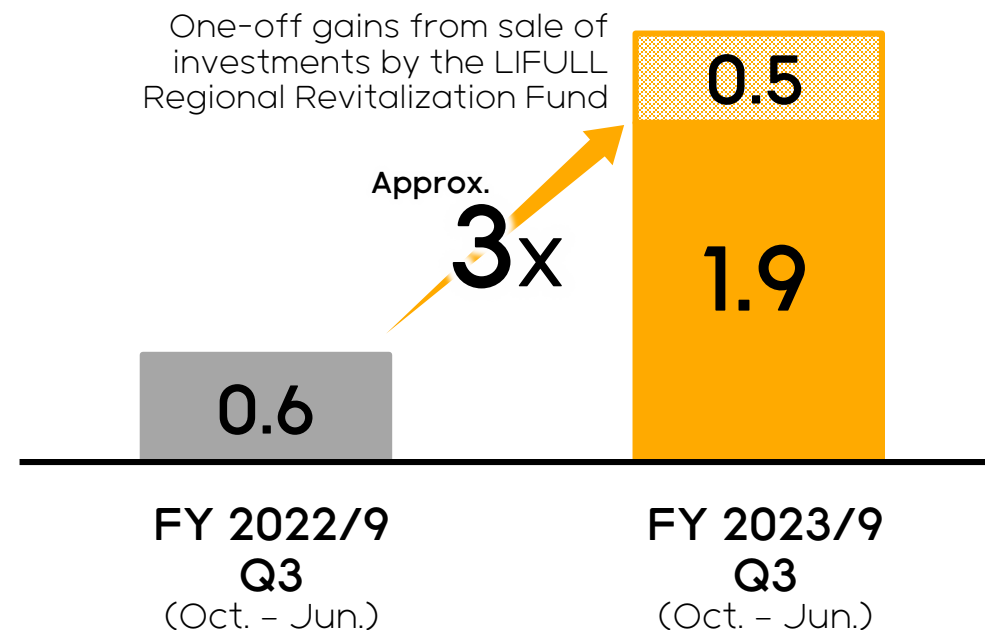
¥2.4 Bil.

+296.9%

Factors for OP Growth

- Improved profitability in the HOME'S Services segment
- One-off gains from the Regional Revitalization Fund

(Unit: JPY Bil.)



⇒ More details about HOME'S Services

P 6-9

⇒ More details about the Reg. Revitalization Fund

P 16



FY 2023/9 Third Quarter
Segment Results

Segment Results HOME'S Services

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results

YoY

¥17.4 Bil.

¥2.0 Bil.

+3.6%

+599.0%

YoY comparison does not include results from LMP which was sold during FY 2022/9.

REFERENCE



Site Indicators

(Oct. – Jun.)

Property Listings



Inquiries



Market recovery slower than expected

POINT 1

Revenue & Profit Growth

Progress in-line with forecast



POINT 2

More initiatives to make LIFULL HOME'S a

SUPER HYPER ASSISTANT

LIFULL HOME'S Worldview

P 7

3Q Super Hyper Assistant Initiatives

P 8

POINT 3

Ad spend in-line with budget & optimization of our promotions

Promotion costs and initiatives in HOME'S Services

P 9



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



3Q Super Hyper Assistant Initiatives



SUPER HYPER ASSISTANT

Taking actions to improve the quality of user inquiries and transform LIFULL HOME'S into a Super Hyper Assistant

Areas of Focus

Richer Listings

Search Assistance

Personal Support

Transaction Support

Actions in the 3Q

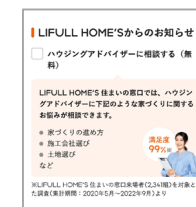
PICK UP 1

Improved access to details useful for finding a new home



PICK UP 2

Improved contact forms to provide users with more support



Results

Even Better User Experience

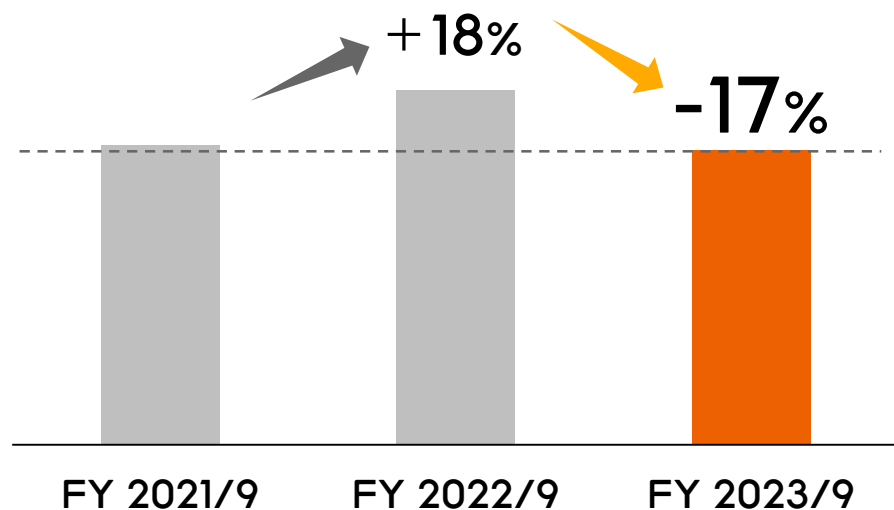
SUPER HYPER ASSISTANT

Optimization of Promotion of HOME'S Services

Advertising spending has remained in-line with our budgets, and we have continued to optimize our initiatives during the third quarter.

Advertising Spend (Oct. - Jun.)

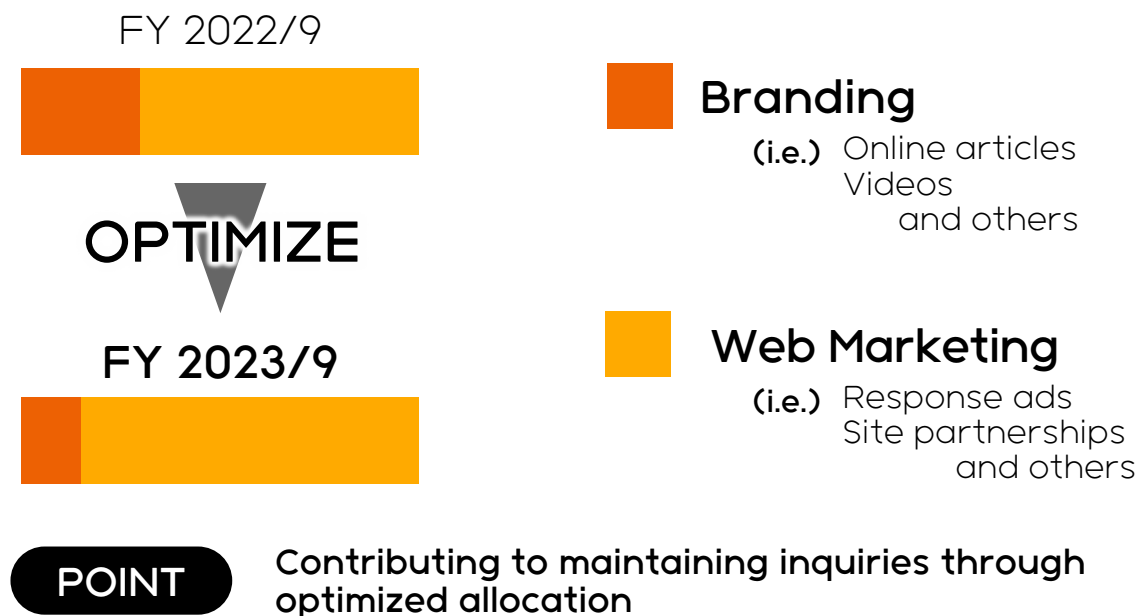
Returned to
FY 2021/9 levels as planned



Optimizing Allocation

Adjusting allocation in accordance with ROI

Allocation of Ad Spend (Image)



Segment Results Overseas

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results
YoY

¥6.2 Bil. -¥0.09 Bil.

+32.1%

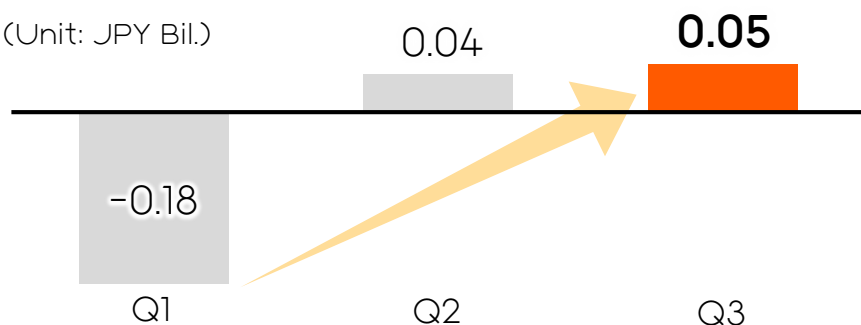
* FY 2022/9 Segment Profit: ¥0.6 Bil.

YoY comparison does not include results from Fashiola sold during FY 2022/9.

REFERENCE

Segment Profit Trend (Quarterly)

(Unit: JPY Bil.)



POINT 1

Progress slightly behind full-year budget

Portals and transaction over-performing

P 11

POINT 2

trovit Mitula nestoria NURSA

Reason for delay: Decline in revenue for Premium Advertising in aggregation sites

Market conditions for Premium Ads

P 12

Initiatives for boosting Premium Ad revenue

P 13

POINT 3

FazWaz Lamudi

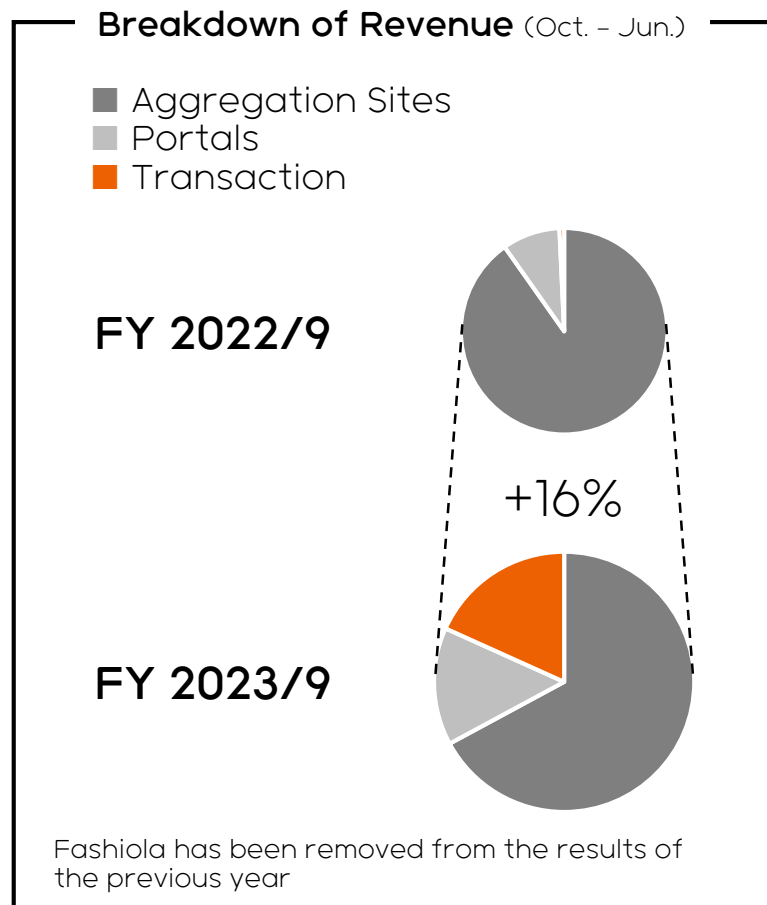
Smooth Progress on Integration of 2 Newly Consolidated Subsidiaries

Integration of FazWaz and Lamudi

P 14

Progress of LIFULL CONNECT Services

The sluggish real estate markets in Europe and North America continue to have a negative impact on aggregation site revenue. However, with acquisitions in the first half of the year, the transactional business continues to over-perform our original expectations.



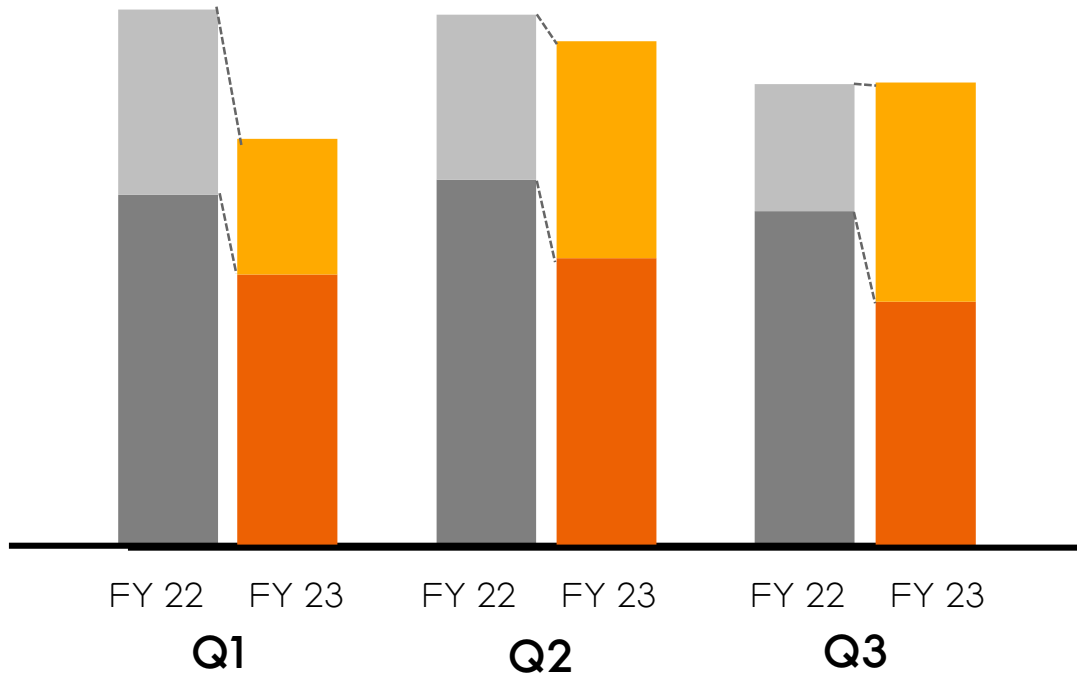
| | Status vs. Budget | Details | |
|-------------|---|------------------|--------------|
| Aggregation | Premium Advertisements | Partially Behind | More on P 12 |
| | Third-Party Advertising Prod. (Google AdSense etc.) | On-Schedule | |
| Portals | Online Listing Subscriptions | Out-Performing | More on P 14 |
| Transaction | FazWaz | Out-Performing | More on P 14 |

Market Conditions for Premium Advertisements

Revenue from third-party advertising products continues on an upward trend. However, we are taking proactive measures to revive Premium Ads for after market conditions begin to stabilize. (See next page for details)

Breakdown of Revenue & Trends

Aggregation Sites



Ref. Third-Party Advertising Products

Efforts continuing to pay back with YoY recovery in revenue despite overall negative market conditions

Premium Advertisements

Continued Negative Effects from RE Markets

Increases in interest rates and inflation in many countries are negatively affecting real estate markets

➔ **Clients changing strategy:**
(ie. limited budget for marketing, downsizing, filing for bankruptcy etc.)

Solution

Actions for Recovery

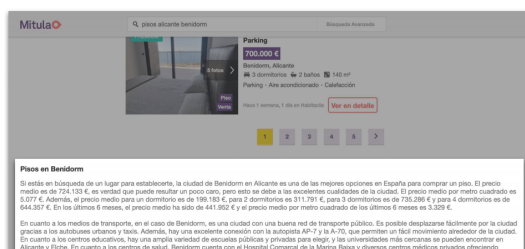
Details on Next Page



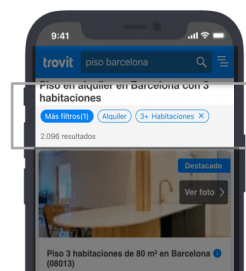
Examples of Actions to Boost Premium Advertising

We continue to improve and adjust our sites to provide more value to our clients and stimulate sustainable revenue growth.

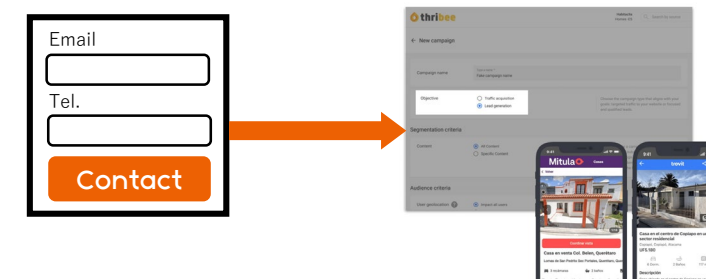
RICHER LISTINGS



IMPROVED USABILITY



NEW VALUE



Generative AI to Boost Quality

We are taking advantage of generative AI tools to deepen our understanding of listings and further develop the quality of the information available on our websites

More Powerful Search

We are utilizing generative AI and enriched listings to allow us to make further improvements to our search experience (i.e. deeper search filters)

Delivering Leads

Aggregation clients now have the ability to capture leads/inquiries directly from any of our websites and build more diversified marketing strategies across our audience

Note: The above features have each been implemented on sites in limited regions and will be expanded into more countries and brands as we gain more insight.

Integration of FazWaz and Lamudi (1) Resource Synergies

Post-merger integration of FazWaz (acquired Jan. 2023) and Lamudi (acquired Mar. 2023) is moving forward according to schedule.



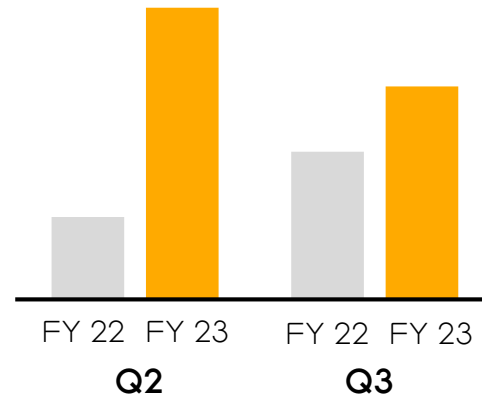
Tech-Enabled Real Estate Solution in Thailand

Smooth Integration Process

ACTIONS

- Expanding our sales reach
- Better insights from data integration
- Improving support tools for sales staff

Revenue Trend
Continued YoY Growth



POINT Exploring a New Market with High Potential

Currently testing this business model in the UAE

NEW UAE <https://www.fazwaz.ae/>



Leading Real Estate Portal in Mexico

Client Network

EXISTING

Integration of clients into LIFULL CONNECT systems complete with higher client engagement than originally predicted.

Significantly improved value provided to clients by allowing real estate professionals to list across multiple sites

NEW

Strengthening leadership of consolidated sales teams to accelerate expansion of local clients

Integration of FazWaz and Lamudi (2) Cost Synergies

Releasing more synergies between LIFULL CONNECT and Lamudi and FazWaz for further gains in profitability



OPTIMIZATION

SYSTEM

Integrated accounting, HR systems, etc. **for more efficient and automated back office work**

ADVERTISING

Maximizing the potential of the LIFULL CONNECT audience to **optimize advertising spend**

OFFICES

Integrating team leads to create more efficient working environments while **minimalizing fixed costs**

Segment Results Other Businesses

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results

YoY

¥4.2 Bil. -¥0.01 Bil.

+115.4% -

Segment loss in the prev. FY was ¥0.4 bil.

REFERENCE



 **Instant House**

どこでも、すぐに、住みたくなる心地よさ。

Featured on National Television

“Ryu’sTalking Live” Tokyo TV
(June 15, 2023)

[Press Release](#) (in Japanese)



POINT 1

Revenue slightly above budget
Closing the gap on profit

- Completed the sale of two hotel development project during Q2

IMPACT

Revenue Approx. ¥0.5 bil.

Exact amount undisclosed

Ref.) FY 2023/9 Q2 Earnings Presentation P 23

- Completed the sale of construction land during planned for FY 2024/9 during Q3

IMPACT

Revenue Approx. ¥0.3 bil.

Very limited Impact on profit

POINT 2

YoY increase in advertising spend due to branding for LIFULL senior (Q2)



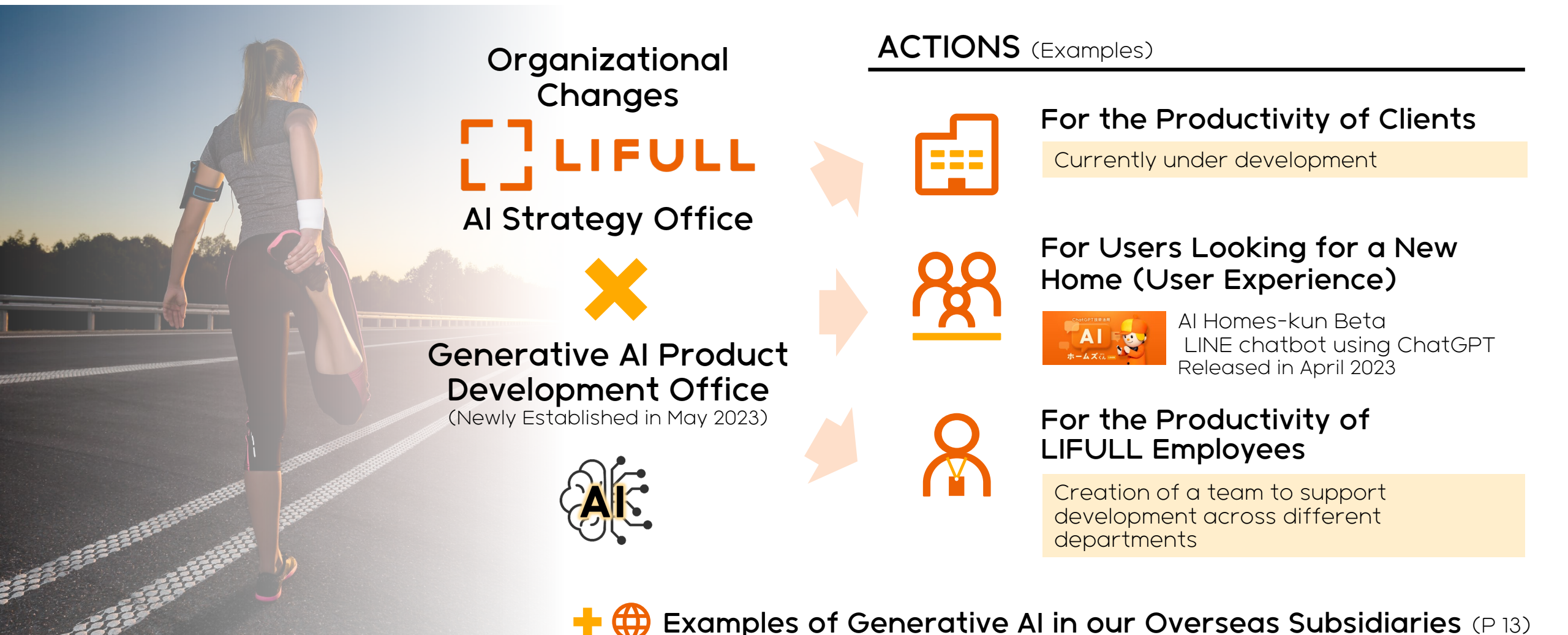
FY 2023/9 Q3

Other Topics



Utilizing Chat GPT and Other Generative AI Tools

Implementing the latest technology at an early stage to both improve the services we provide to our users as well as the efficiency of our clients and employees.





FY 2023/9



Third Quarter Financial Results



(October 1, 2022 – June 30, 2023)



Condensed Statements of Income and Loss IFRS

Removing the effects of the sale of subsidiaries (LIFULL Marketing Partners and Fashiola) in the previous FY, revenue increased 18.8%. Operating profit increased due to advances in HOME'S Services and one-off property sales from the Regional Revitalization Fund.

| Unit: JPY mil. | FY2022 Q3 (Oct.-Jun.) | FY2023 Q3 (Oct.-Jun.) | Change | Change % | |
|----------------------------------|--------------------------|--------------------------|---------------|----------------|----|
| Revenue | 26,686 | 27,994 | +1,308 | +4.9% | *1 |
| Cost of revenue | 2,971 | 3,412 | +441 | +14.9% | *2 |
| SG&A | 23,448 | 22,663 | -784 | -3.3% | |
| Personnel expenses | 7,125 | 7,213 | +87 | +1.2% | |
| Advertising expenses | 9,808 | 8,828 | -980 | -10.0% | *3 |
| Operating expenses | 386 | 454 | +67 | +17.5% | |
| Depreciation and amortization | 1,410 | 1,468 | +58 | +4.1% | |
| Other | 4,717 | 4,698 | -18 | -0.4% | |
| Other income and expenses | 361 | 573 | +212 | +58.7% | *4 |
| Operating income | 628 | 2,492 | +1,864 | +296.9% | |
| Operating income margin | 2.4% | 8.9% | +6.5pt | - | |
| Net profit* | 346 | 1,503 | +1,156 | +333.5% | |

* Net profit attributable to owners of the parent

*1 After removing effects of sales of subsidiaries in previous FY, +18.8%. Refer to segment revenue (Page 21)

*2 Reduction from sale of LIFULL Marketing Partners, but temporary increase from sale of Regional Revitalization investments

*3 Primarily due to decreased promotion spend in LIFULL HOME'S(P9)

*4 Primarily due to sale of shares in Rakuten LIFULL STAY

Revenue / Income and Loss by Segment IFRS

Revenue for HOME'S Services increased 3.6% YoY excluding revenue from LMP sold in the previous FY with increased profit from returning ad spend to FY 2021/9 levels. Overseas revenue increased due to acquisitions in 2Q and continues to remain profitable in 3Q.

| Unit: JPY mil. | FY2022 Q3 (Oct.-Jun.) | FY2023 Q3 (Oct.-Jun.) | Change | Change % | Main items |
|-----------------|--------------------------|--------------------------|---------------|--------------|---|
| Revenue | 26,686 | 27,994 | +1,308 | +4.9% | |
| HOME'S Services | 19,488 | 17,474 | -2,013 | -10.3% | Sale of LIFULL Marketing Partners (Like-for-like comparison: +3.6% YoY) |
| Overseas | 5,210 | 6,237 | +1,027 | +19.7% | Despite decreased revenue from aggregation sites and due to sale of Fashiola, revenue growth from new consolidation of two acquisitions |
| Other | 1,987 | 4,282 | +2,294 | +115.4% | Increased revenue from sale of Regional Revitalization Fund investments |

| Unit: JPY mil. | FY2022 Q3 (Oct.-Jun.) | FY2023 Q3 (Oct.-Jun.) | Change | Change % | Main items |
|------------------------------------|--------------------------|--------------------------|---------------|----------------|--|
| Segment income and loss | 266 | 1,918 | +1,652 | +620.1% | |
| HOME'S Services | 114 | 2,019 | +1,904 | +1,663.9% | Increased due to optimization of advertising spend, etc. |
| Overseas | 612 | -91 | -704 | - | Decrease from decline in revenue on aggregation sites and increased headcount etc. However, new acquisitions are out-performing original expectations continuing to be profitable from 2Q (¥52 mil.) |
| Other | -497 | -18 | +479 | - | Increased costs due to branding initiatives in 2Q for LIFULL senior, but also increase from the sale of Regional Revitalization Fund investments |
| Inter-segment transactions | 36 | 9 | -27 | -75.1% | |

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, 2022 | As of Jun 30, 2023 | Change | Change % | Main items | | |
|--|-----------------------|-----------------------|---------------|---------------|---------------------------------------|--------|--|
| Current assets | 25,011 | 22,775 | -2,235 | -8.9% | Cash | -337 | Refer to "Condensed Statement of Cash Flows" |
| | | | | | Accounts Receivable - Trade | +349 | Primarily consolidation of FazWaz |
| | | | | | Products | -1,994 | Primarily sale of Regional Revitalization investments |
| | | | | | Prepaid Expenses | +153 | Primarily promotional & system usage fees |
| | | | | | Income Taxes Receivable | -287 | |
| Non-current assets | 23,715 | 28,090 | +4,374 | +18.4% | Right-of-Use Assets | -375 | Primarily depreciation and amortization |
| | | | | | Goodwill | +5,277 | Primarily M&A and currency differences in Overseas segment |
| | | | | | Shares of Affiliates | -540 | Primarily sale of shares of Rakuten LIFULL STAY |
| | | | | | Long-Term Loans Receivable | +582 | Primarily Regional Revitalization projects |
| | | | | | Deferred Tax Assets | -175 | |
| Assets | 48,727 | 50,865 | +2,138 | +4.4% | | | |
| Current liabilities | 13,389 | 11,806 | -1,583 | -11.8% | Accounts Payable - Trade | +264 | |
| | | | | | Short-Term Loans Payable | -2,763 | Primarily Regional Revitalization Fund and LIFULL |
| | | | | | Taxes Payable | +565 | Primarily M&A in Overseas segment |
| | | | | | Provisions for Bonuses | +167 | |
| Non-current liabilities | 4,214 | 5,881 | +1,667 | +39.6% | Long-Term Lease Liabilities | -405 | Primarily for payments of leases |
| | | | | | Long-Term Accounts Payable | +2,158 | Primarily M&A in Overseas segment |
| Liabilities | 17,603 | 17,687 | +83 | +0.5% | | | |
| Total Equity | 31,123 | 33,178 | +2,054 | +6.6% | Capital Surplus | +1,163 | |
| | | | | | Purchase of Treasury Shares | -1,000 | Due to share buyback |
| | | | | | Foreign Currency Translation Adjustm. | +1,825 | Due to fluctuations in foreign currency exchange rates |
| Equity per share attributable to owners of the parent (JPY) | 235.18 | 250.99 | +15.82 | | | | |

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 16,281 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 118 mil. Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,337 mil.

Condensed Statement of Cash Flow IFRS

The operating cash flow increased by ¥5.2 bil. primarily due to increased profit. However, the investing cash flow decreased by ¥1.0 bil. due to overseas acquisitions. Also, the financing cash flow decreased by ¥4.9 bil. due to repayment of loans. As a result cash and cash equivalents decreased by ¥0.3 bil. amounting to ¥16.1 bil.

| Unit: JPY mil. | FY2022 Q3 | FY2023 Q3 | Change | Main items | | |
|--------------------------------------|-------------|-------------|--------|--|-----------|-----------|
| | (Oct.-Jun.) | (Oct.-Jun.) | | Items | FY2022 Q3 | FY2023 Q3 |
| Operating cash flow | 1,833 | 5,216 | +3,383 | Profit for the period before tax | +481 | +2,209 |
| | | | | Depreciation and amortization | +1,422 | +1,479 |
| | | | | Decr. (incr.) in accounts receivable-trade and other current receivables | +531 | +709 |
| | | | | Incr. (decr.) in accounts payable-trade and other current payables | -519 | -1,334 |
| | | | | Other | -276 | +2,239 * |
| | | | | Income taxes paid or refunded (paid) | +228 | -156 |
| Investing cash flow | -1,581 | -1,072 | +508 | Purchase of intangible assets | -430 | -325 |
| | | | | Payments for transfer of business | -357 | - |
| | | | | Purchase of subsidiaries | -312 | -1,096 |
| | | | | Purchase of shares of affiliates | -800 | - |
| | | | | Proceeds from the sale of affiliates | - | +858 |
| | | | | Payments of loans receivable | -726 | -1,592 |
| | | | | Proceeds from collection of loans receivable | +1,105 | +1,157 |
| Financing cash flow | -265 | -4,996 | -4,731 | Proceeds from long-term loans | +1,319 | - |
| | | | | Repayment of loans | -544 | -3,192 |
| | | | | Dividends paid | -477 | -296 |
| | | | | Payment of lease liabilities | -560 | -559 |
| | | | | Purchase of treasury shares | -0 | -1,000 |
| Change in cash and cash equivalents | 575 | -337 | - | | | |
| Balance of cash and cash equivalents | 13,721 | 16,184 | +2,463 | | | |

*Other:
Primarily from inventory assets

FY 2023/9 Forecast and Progress IFRS

Progress mostly in-line with forecast with slight delays in the Overseas segment

Condensed Statements of Income and Loss

| Unit: JPY mil. | FY2023 Oct.-Sep. [Full-Year Forecast] | FY2023 Q3 Oct.-Jun. [Actual] | Progress |
|------------------------------------|--|------------------------------------|---------------|
| Revenue | 37,000 | 27,994 | 75.7% |
| Cost of revenue | 3,650 | 3,412 | 93.5% |
| SG&A | 30,507 | 22,663 | 74.3% |
| Personnel expenses | 9,815 | 7,213 | 73.5% |
| Advertising expenses | 12,150 | 8,828 | 72.7% |
| Operating expenses | 565 | 454 | 80.4% |
| Other | 7,975 | 6,167 | 77.3% |
| Other revenues and expenses | 457 | 573 | 125.4% |
| Operating income | 3,300 | 2,492 | 75.5% |
| Operating income margin | 8.9% | 8.9% | +0.0pt |
| Net profit* | 2,500 | 1,503 | 60.1% |

Revenue by Service

| Unit: JPY mil. | FY2023 Oct.-Sep. [Full-year forecast] | FY2023 Q3 Oct.-Jun. [Actual] | Progress |
|-----------------|--|------------------------------------|--------------|
| Revenue | 37,000 | 27,994 | 75.7% |
| HOME'S Services | 23,200 | 17,474 | 75.3% |
| Overseas | 9,100 | 6,237 | 68.5% |
| Others | 4,700 | 4,282 | 91.1% |

Estimated Exchange Rate for Forecast: EUR 1 = JPY 134,
Actual Rate: EUR 1 = JPY 146

* Net Profit: Profit attributable to owners of the parent



Sustainability Initiatives

Sustainability Management

We have taken several initiatives in-line with the Sustainability Issues (materiality) and our Sustainability Policy.

Actions During FY 2023/9 Q3

Completed Partner Survey for Clients of LIFULL

Conducted to determine potential human rights risks in our businesses

Improving ESG Disclosure

Increased FTSE Rating

2022 Score: 1.3 Pt

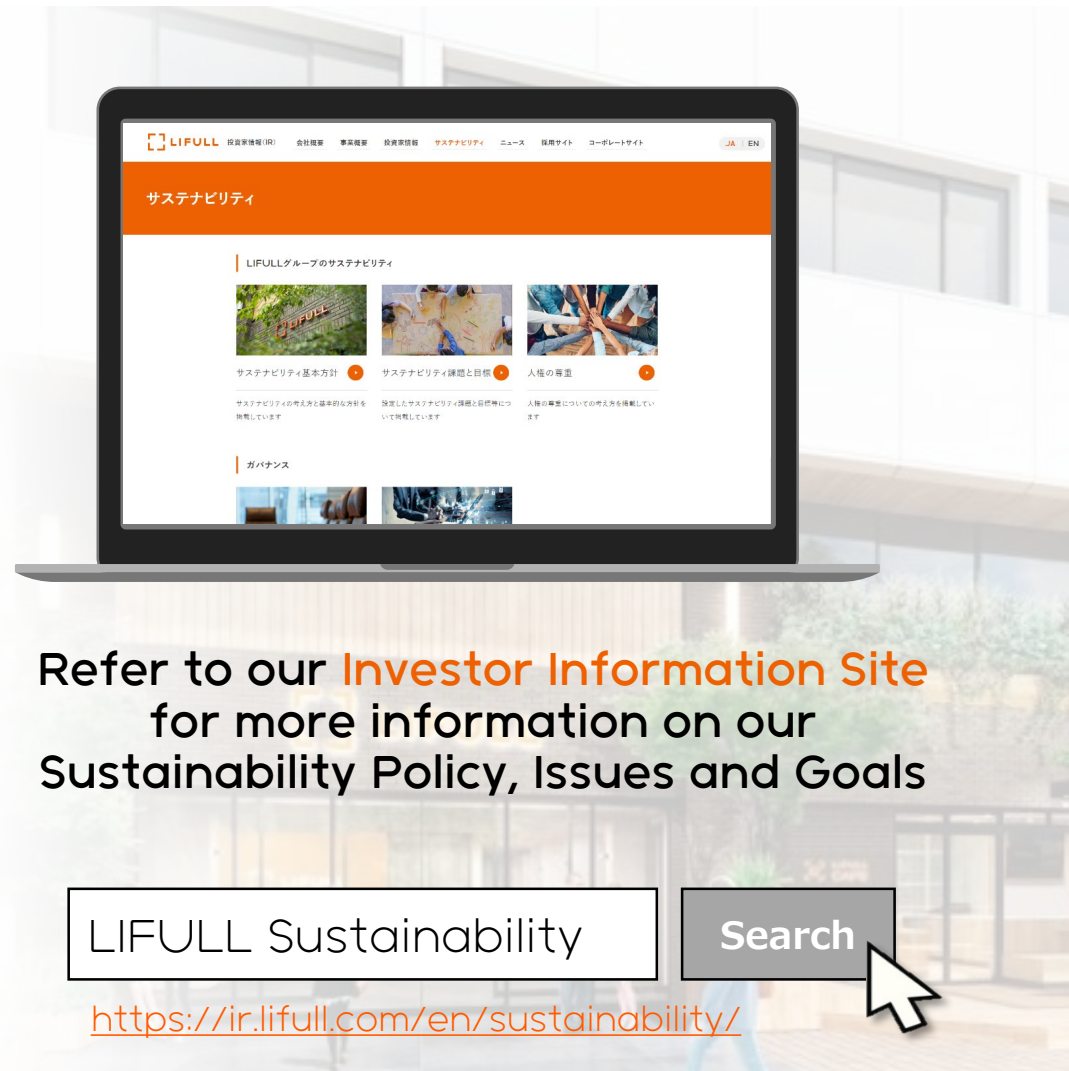


2023 Score: 2.7Pt



FTSE ESG Rating:

The FTSE Russel ESG rating model evaluates companies' approaches to potential ESG risks based on the characteristics of their businesses and also plays apart in ESG index management.



Refer to our **Investor Information Site** for more information on our Sustainability Policy, Issues and Goals

LIFULL Sustainability

Search

<https://ir.lifull.com/en/sustainability/>

Appendices

Corporate Information (as of June 30, 2023)

Company LIFULL Co., Ltd.

Stock code 2120 (TSE Prime)

Representative INOUE Takashi, 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. 6,245,057 shares of treasury stock)

Consol. number of employees 1,802 (incl. 534 temporary and 845 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.6%)

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.



LIFULL HOME'S
iOS · Android Apps



- 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

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 ihinseri” 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 |
| LIFULL Tech Malaysia SDN. BHD. | <ul style="list-style-type: none">• Offshore, lab-type, software and application development as well as creative production |

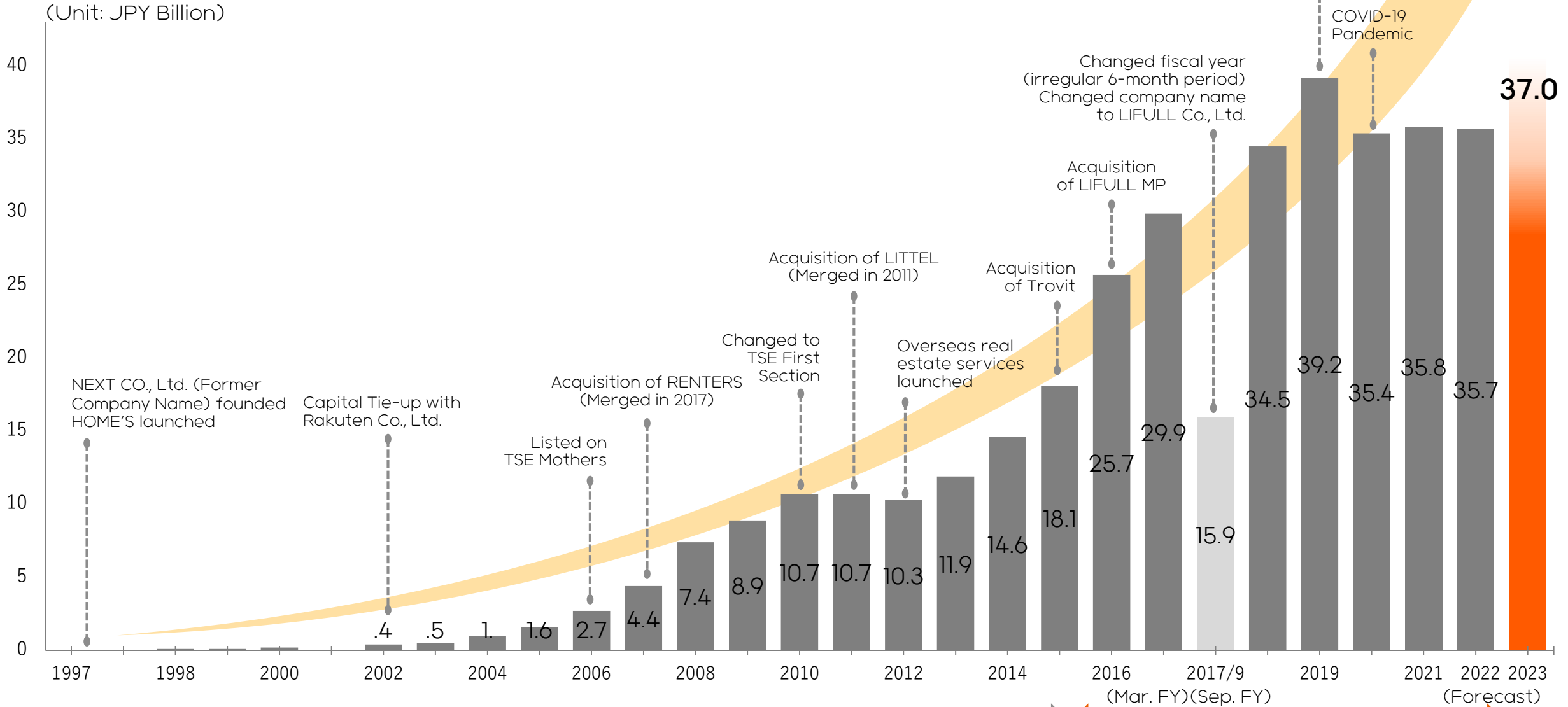
¹ All shares transferred on September 30, 2022, removed from consolidation

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

Segments and Primary Services

| Segments | Main services |
|-------------------------|--|
| HOME'S Services | <p>LIFULL HOME'S</p> <p>AD Master (former Renter's Net)</p> <p>NabiSTAR</p> <p>Advertising & Consulting Agency (LIFULL Marketing Partners Co., Ltd.)¹</p> <p>Kenbiya (Kenbiya Co., Ltd.)</p> |
| Overseas | <p>LIFULL CONNECT S.L.U.</p> <p>Aggregation Services: Trovit, Mitula, Nestoria, Nuroa</p> <p>Real Estate Portals: Dot Property, Properati, Lamudi, iCasas</p> <p>Transactional Services: FazWaz, Dot Property</p> <p>Support Services: Proppit, Thribee, Wasi</p> <p>Offshore Development (LIFULL Tech Vietnam, LIFULL Tech Malaysia)</p> <p>Other subsidiary services of LIFULL CONNECT</p> |
| Other Businesses | <p>LIFULL <i>Kaigo</i> (Nursing Care) (LIFULL senior Co., Ltd.)</p> <p>LIFULL Trunk Room (LIFULL SPACE Co., Ltd.)</p> <p>Regional Revitalization Business</p> <p>Financing Business (LIFULL Investment Co., Ltd.)</p> <p>Regional Revitalization Fund (LIFULL Investment Co., Ltd.)</p> <p>Other LIFULL subsidiaries and new services</p> |

Annual Revenue and Timeline of Company Growth



Consolidated Statements of Profit and Loss Quarterly

| Unit : JPY mil | FY2020 | | | | FY2021 | | | | FY2022 | | | | FY2023 | | |
|--------------------------------|--------|-------|-------|--------|--------|-------|-------|---------|--------|-------|-------|-------|--------|--------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Revenue | 9,202 | 9,983 | 7,706 | 8,510 | 8,271 | 9,581 | 9,072 | 8,931 | 8,510 | 9,530 | 8,645 | 9,044 | 7,583 | 11,585 | 8,825 |
| HOME'S Services | 6,763 | 7,543 | 6,176 | 6,652 | 6,346 | 7,260 | 6,550 | 6,535 | 6,139 | 7,085 | 6,263 | 6,579 | 5,482 | 6,448 | 5,543 |
| Overseas | 2,006 | 1,892 | 1,101 | 1,378 | 1,440 | 1,766 | 1,974 | 1,837 | 1,787 | 1,762 | 1,660 | 1,727 | 1,478 | 2,432 | 2,326 |
| Other Businesses | 432 | 547 | 429 | 479 | 484 | 554 | 547 | 558 | 583 | 682 | 721 | 737 | 622 | 2,704 | 956 |
| Cost of revenue | 1,116 | 1,157 | 869 | 953 | 945 | 1,056 | 890 | 1,058 | 947 | 1,066 | 957 | 1,084 | 328 | 2,240 | 843 |
| SG&A | 7,031 | 7,390 | 5,651 | 6,940 | 6,467 | 7,426 | 7,464 | 7,240 | 7,010 | 8,580 | 7,857 | 7,923 | 6,972 | 8,421 | 7,297 |
| Personnel expenses | 2,535 | 1,590 | 2,048 | 2,785 | 2,345 | 2,001 | 2,315 | 2,242 | 2,203 | 2,485 | 2,436 | 2,558 | 2,334 | 2,374 | 2,503 |
| Advertising expenses | 2,559 | 3,882 | 1,884 | 2,160 | 2,155 | 3,585 | 3,170 | 2,940 | 2,731 | 3,916 | 3,160 | 3,015 | 2,482 | 3,737 | 2,608 |
| Operating expenses | 170 | 123 | 64 | 106 | 96 | 87 | 100 | 116 | 121 | 120 | 144 | 150 | 135 | 146 | 173 |
| Depreciation/amortization cost | 490 | 515 | 486 | 525 | 524 | 487 | 474 | 474 | 459 | 468 | 482 | 493 | 488 | 487 | 493 |
| Other SG&A | 1,274 | 1,278 | 1,167 | 1,363 | 1,345 | 1,263 | 1,403 | 1,466 | 1,494 | 1,589 | 1,634 | 1,704 | 1,531 | 1,675 | 1,491 |
| Other revenues and expenses | -9 | -41 | 62 | -1,817 | -83 | -85 | -28 | -9,752 | 36 | 50 | 274 | 1,008 | 539 | 1 | 32 |
| Operating income | 1,044 | 1,393 | 1,248 | -1,201 | 775 | 1,011 | 688 | -9,120 | 588 | -66 | 105 | 1,044 | 822 | 924 | 744 |
| Operating income margin | 11.3% | 14.0% | 16.2% | -14.1% | 9.4% | 10.6% | 7.6% | -102.1% | 6.9% | -0.7% | 1.2% | 11.5% | 10.8% | 8.0% | 8.4% |
| Net profit* | 527 | 949 | 846 | -1,161 | 387 | 639 | 449 | -7,378 | 365 | -179 | 161 | 833 | 564 | 588 | 350 |

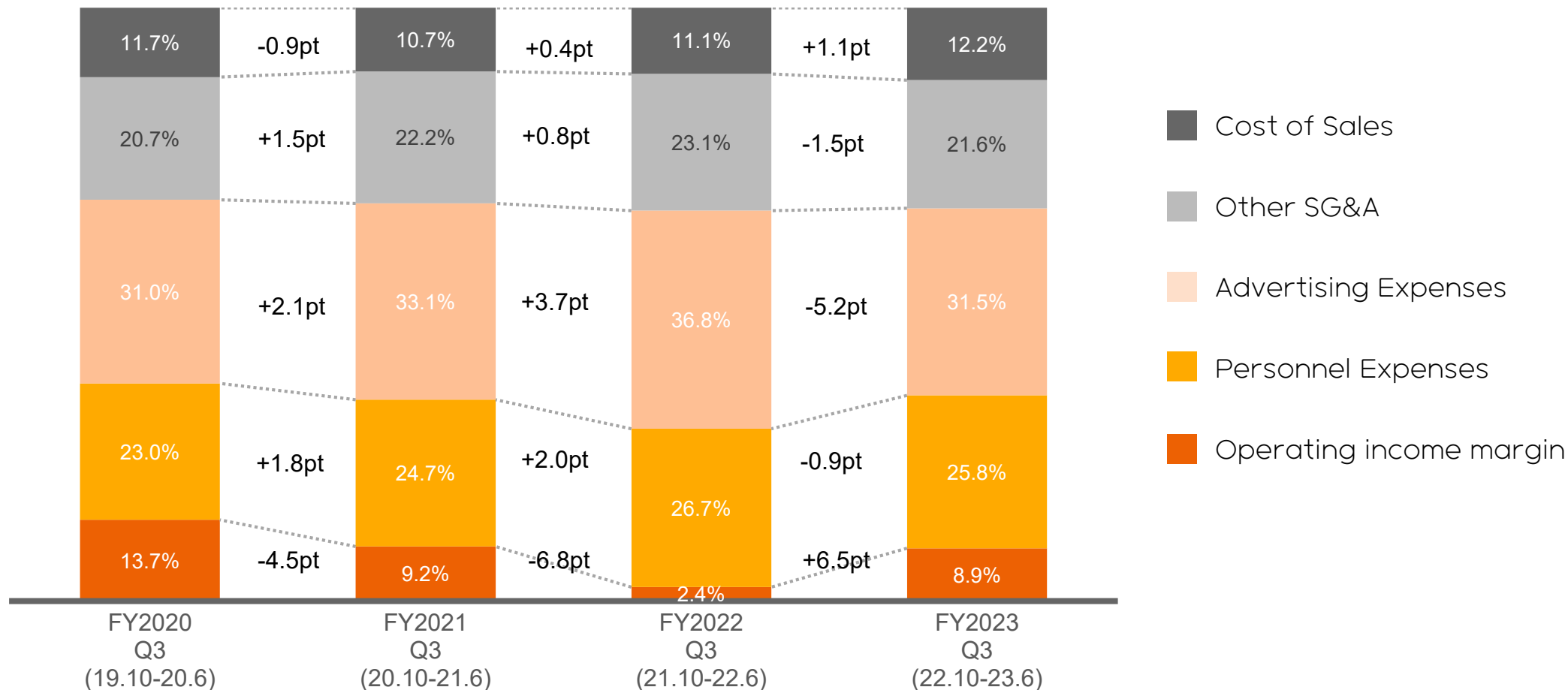
1) Net income = Net income attributable to owners of the parent

2) As the provisional accounting measures for corporate mergers have been defined for FY 2020/9 and FY 2021/9, these provisional accounting measures have been applied to all related values.

Expense-to-Revenue Ratio IFRS

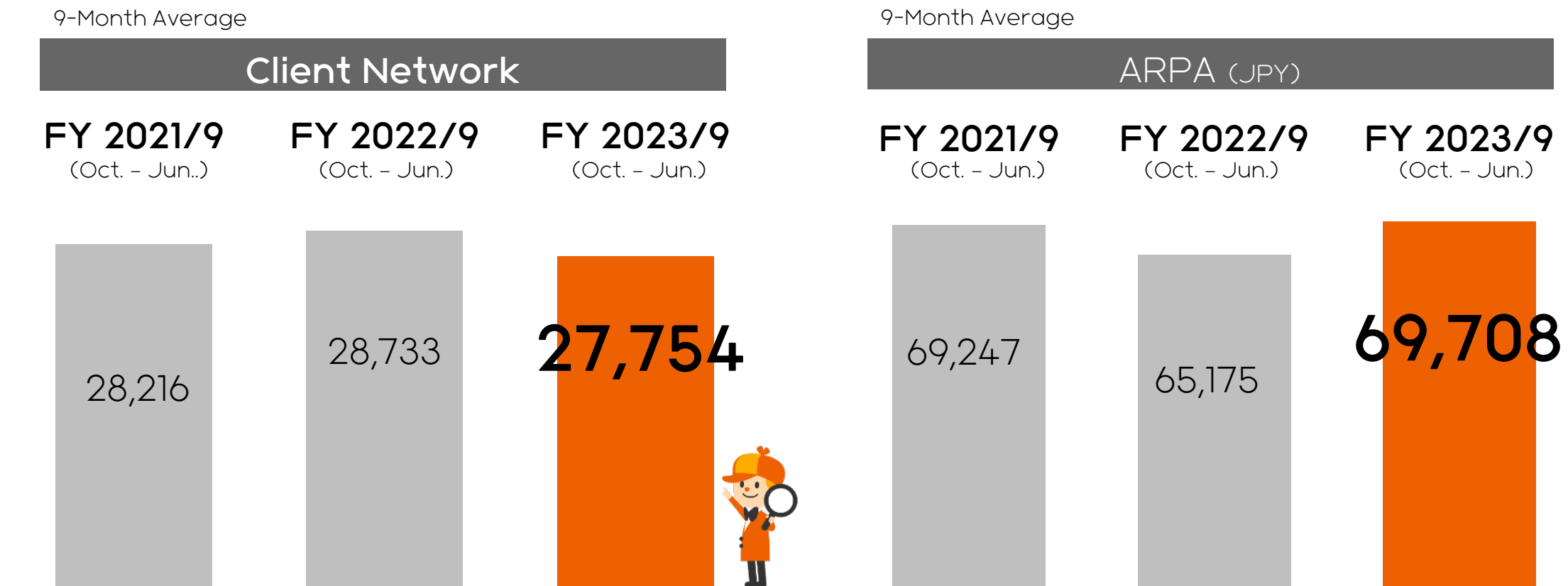
Reduction in advertising spending due to reductions in branding for LIFULL HOME'S

Temporary increase in cost of sales due to sale of investments from the Regional Revitalization Fund



LIFULL HOME'S Key Performance Indicators Client Network and ARPA

Although the total number of clients declined due to the removal of professional networks which included small-scale, non-active clients. Increased ARPA due to improved revenue and lower client numbers.



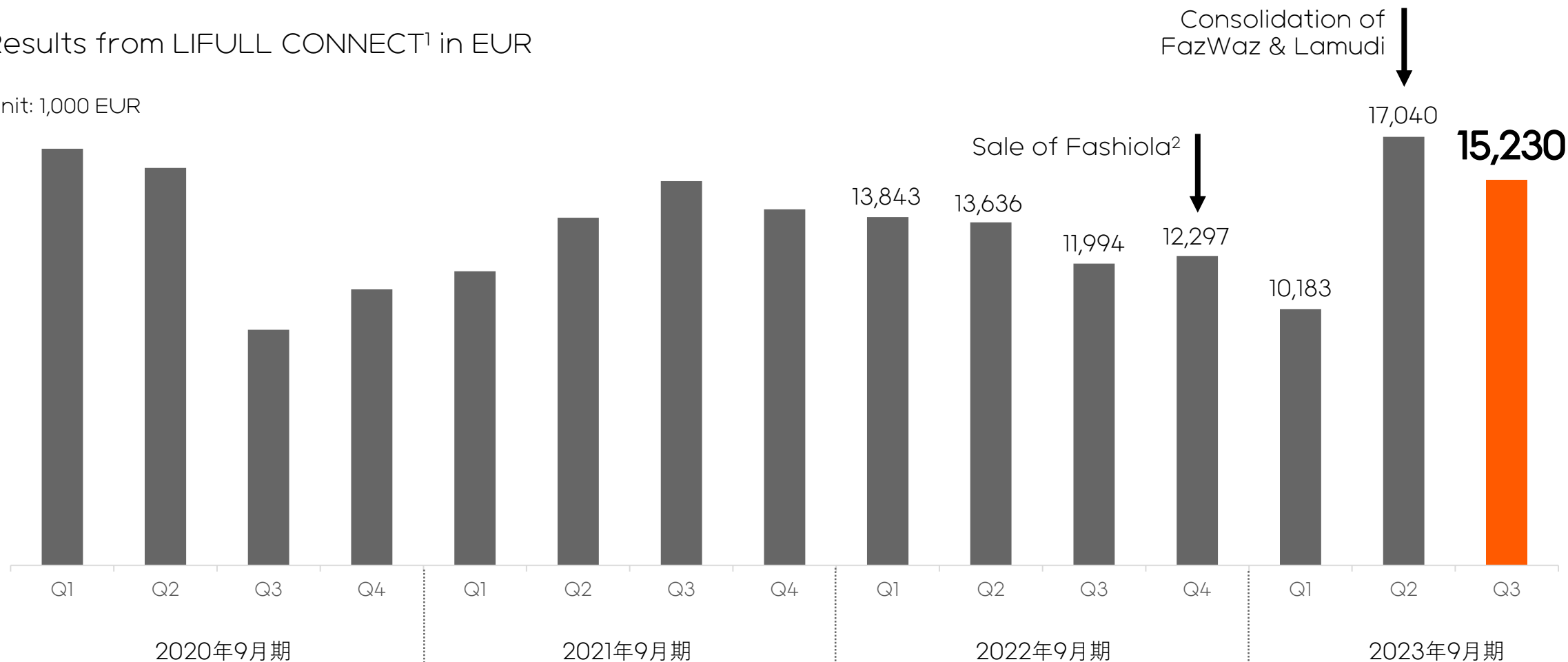
Figures for the current and previous fiscal years have been adjusted to reflect the sale of LIFULL Marketing Partners and the absorption of LIFULL MOVE into LIFULL HOME'S.

Quarterly Results LIFULL CONNECT

Revenue increased due to the acquisition and consolidation of FazWaz in January 2023 and Lamudi in March 2023.

Results from LIFULL CONNECT¹ in EUR

Unit: 1,000 EUR



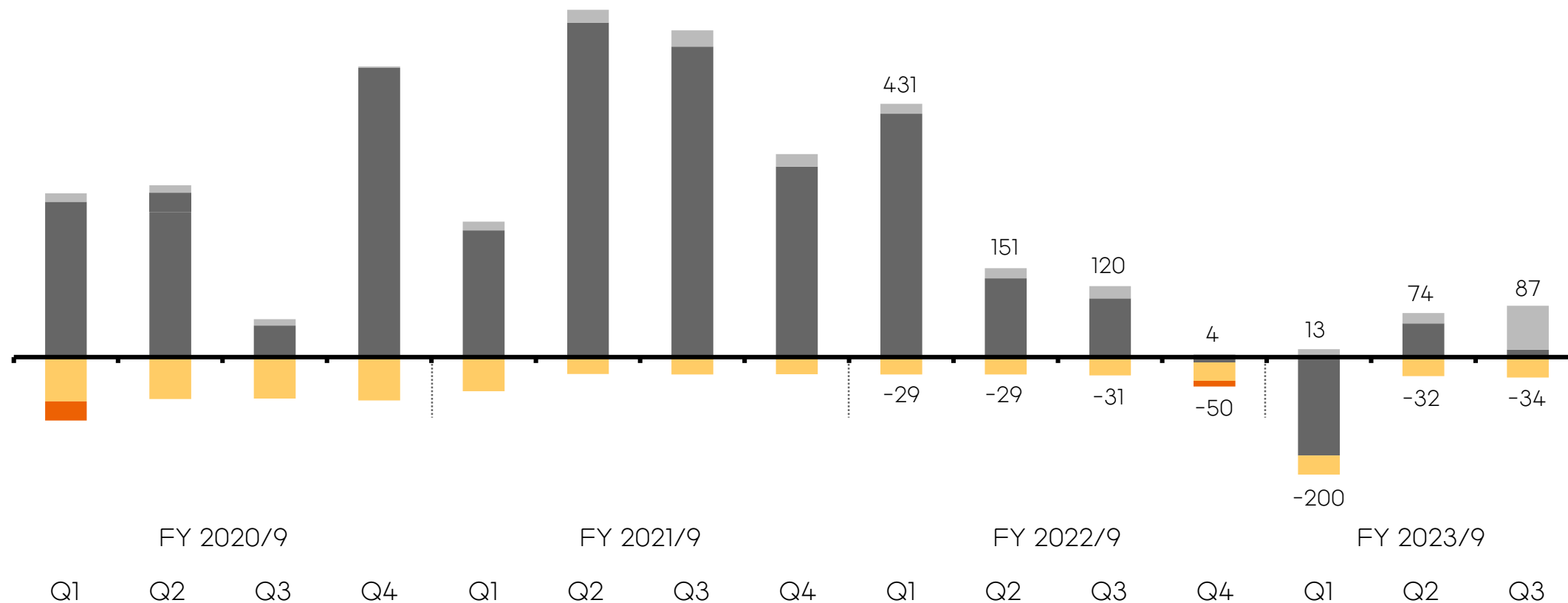
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Profit contributions from FazWaz consolidated during the second quarter. Premium ad revenue continues a low levels due to the effects of increased costs of living and interest rates on real estate markets around the world.

Quarterly Segment P&L

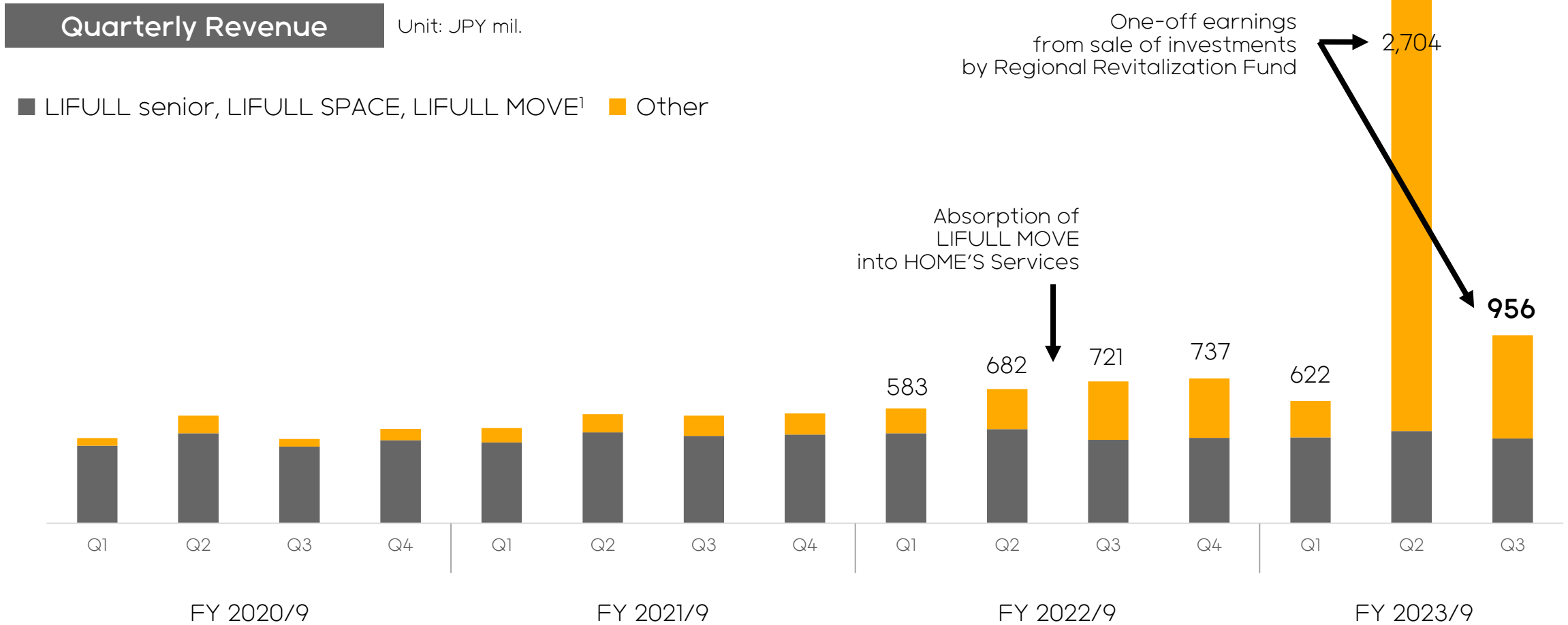
■ LIFULL CONNECT ■ Depreciation ■ M&A Costs ■ Other

Unit: JPY mil.



Other Businesses Segment Sales Revenue (Quarterly)

Increased revenue in the second and third quarters of FY 2023/9 due to one-off sales of property by the Regional Revitalization Fund.



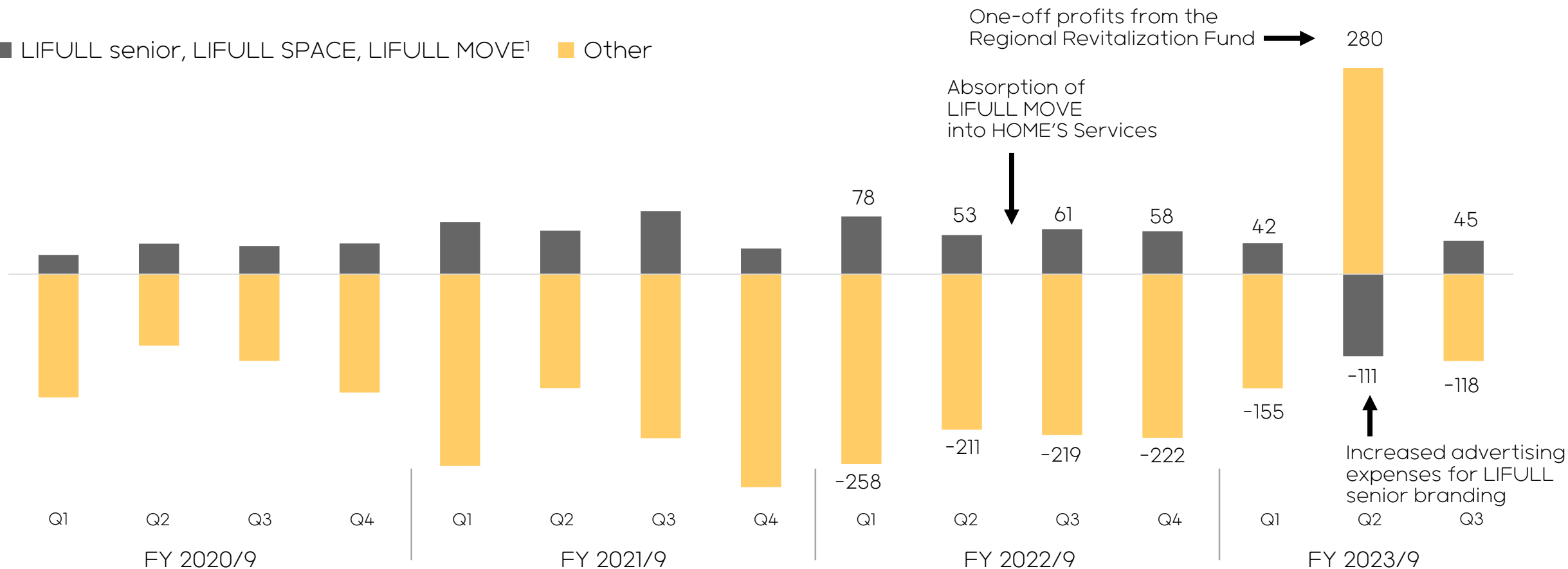
Other Businesses Segment Profit and Loss (Quarterly)

In line with our position of selective focus, continuing to limit large investments
 One-off profit increase from the Regional Revitalization Fund in the second quarter

Quarterly Segment Profit and Loss

Unit: JPY mil.

■ LIFULL senior, LIFULL SPACE, LIFULL MOVE¹ ■ Other

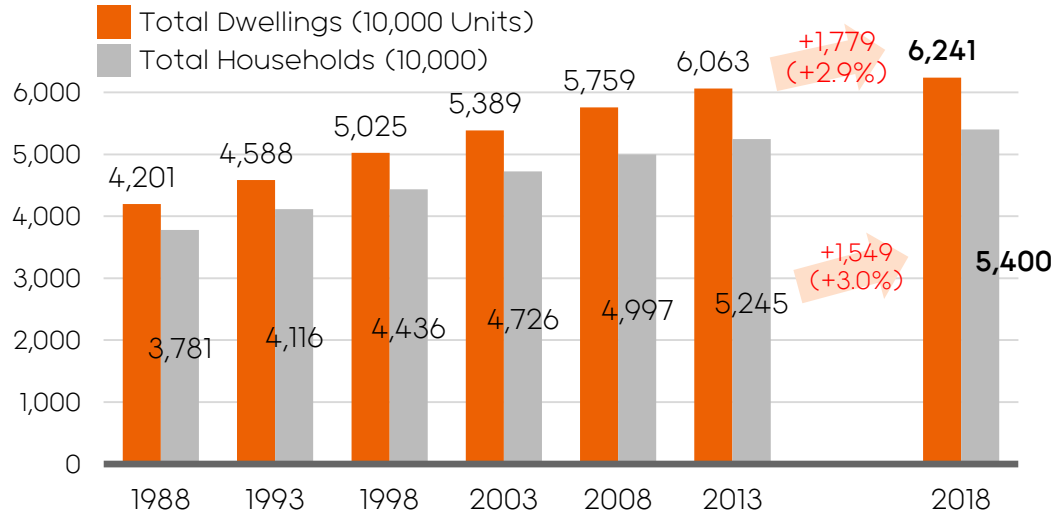


(Ref.) External Market Data Monthly

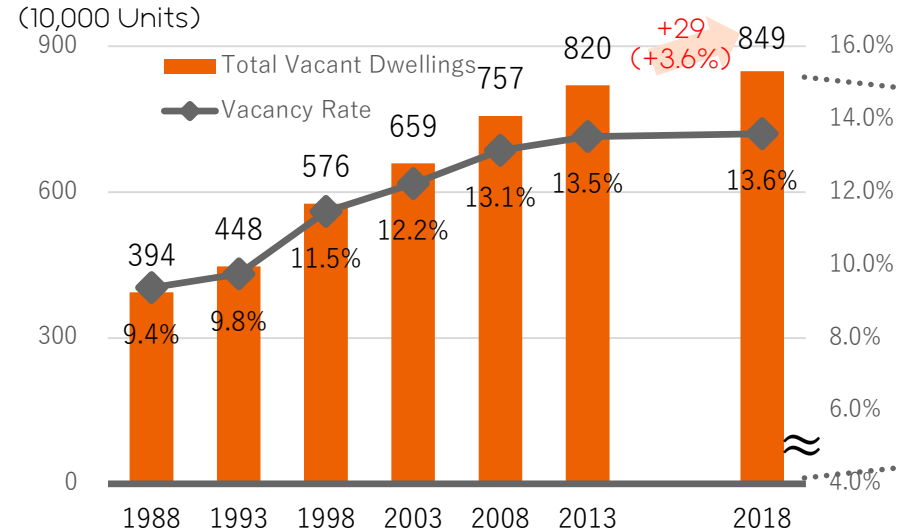
| | | Annual | | | 2022 | | | | | | | | | | | | 2023 | | | | | |
|-----------------------------------|-----------------|-------------------|-------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | 2020 (Jan-Dec) | 2021 (Jan-Dec) | 2022 (Jan-Dec) | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
| (1) Number of Apartments for Sale | Capital Region | 27,228 | 33,636 | 29,569 | 1,128 | 2,287 | 2,492 | 2,426 | 2,466 | 1,913 | 2,268 | 1,162 | 2,036 | 2,768 | 2,866 | 5,757 | 710 | 1,821 | 2,439 | 1,690 | 1,936 | 1,906 |
| | YoY | -12.8% | 23.5% | -12.1% | -14.9% | 2.0% | -19.7% | 16.1% | -4.3% | -1.3% | 16.2% | -40.1% | -11.9% | 34.7% | -47.4% | -13.4% | -37.1% | -20.4% | -2.1% | -30.3% | -21.5% | -0.4% |
| | Kinki | 15,195 | 18,951 | 18,952 | 792 | 1,378 | 1,267 | 1,148 | 1,379 | 1,261 | 1,374 | 1,059 | 1,332 | 2,120 | 1,796 | 2,952 | 574 | 833 | 1,424 | 836 | 1,024 | 1,384 |
| | YoY | -15.8% | 24.7% | 124.7% | 14.0% | -19.8% | -30.2% | 5.0% | 4.4% | -27.2% | -29.5% | 0.9% | 10.1% | 45.5% | -14.4% | 5.0% | -27.5% | -39.6% | 12.4% | -27.2% | -25.7% | 9.8% |
| (2) Apartment Price Trend | Capital Region | 6,083 | 6,260 | 6,261 | 6,157 | 7,418 | 6,518 | 6,291 | 6,088 | 6,447 | 6,379 | 6,102 | 6,653 | 6,787 | 6,035 | 5,556 | 6,510 | 6,778 | 14,360 | 7,747 | 8,068 | 6,550 |
| | YoY | 1.7% | 2.9% | 102.9% | 5.7% | 16.3% | 3.0% | -19.0% | 3.0% | 3.8% | -1.8% | -18.1% | 1.0% | 0.5% | -1.4% | 3.2% | 5.7% | -8.6% | 120.3% | 23.1% | 32.5% | 1.6% |
| | Kinki | 4,181 | 4,562 | 4,563 | 3,992 | 4,433 | 5,067 | 3,983 | 4,853 | 4,422 | 4,984 | 4,295 | 4,698 | 5,374 | 5,220 | 4,006 | 4,747 | 5,055 | 4,704 | 5,193 | 5,005 | 4,260 |
| | YoY | 8.1% | 9.1% | 109.1% | -13.8% | 12.1% | 19.9% | -25.6% | 26.8% | -3.3% | 11.7% | -2.7% | -1.2% | 27.3% | -13.6% | -6.3% | 18.9% | 14.0% | -7.2% | 30.4% | 3.1% | -3.7% |
| (3) New Build Starts (Units) | House for Rent | 306,753 | 321,376 | 345,080 | 23,083 | 23,583 | 32,305 | 29,526 | 25,963 | 30,294 | 29,686 | 31,303 | 30,623 | 31,996 | 29,873 | 26,845 | 24,041 | 24,692 | 32,585 | 28,685 | 28,695 | 30,112 |
| | YoY | -10.4% | 4.8% | 7.4% | 16.6% | 4.6% | 18.6% | 2.4% | 3.5% | 1.7% | 1.6% | 8.9% | 8.4% | 7.3% | 11.4% | 6.4% | 4.2% | 4.7% | 0.9% | -2.8% | 10.5% | -0.6% |
| | Apartment | 107,884 | 101,292 | 108,198 | 7,071 | 9,727 | 10,618 | 12,685 | 7,569 | 7,855 | 8,053 | 10,727 | 8,386 | 9,298 | 8,092 | 8,117 | 11,990 | 9,750 | 11,378 | 7,233 | 9,700 | 8,422 |
| | YoY | -8.4% | -6.1% | 6.8% | -19.4% | 43.5% | 2.2% | 17.7% | -19.9% | 11.8% | -11.7% | 34.6% | 15.7% | 10.2% | -1.8% | 14.5% | 69.6% | 0.2% | 7.2% | -43.0% | 28.2% | 7.2% |
| | House | 130,753 | 141,094 | 145,992 | 11,003 | 11,590 | 12,439 | 12,456 | 11,907 | 12,689 | 12,462 | 12,341 | 12,296 | 12,462 | 12,370 | 11,977 | 10,576 | 11,202 | 11,583 | 12,362 | 11,615 | 11,606 |
| | YoY | -11.4% | 7.9% | 3.5% | 7.7% | 10.7% | 9.9% | 7.4% | 0.9% | 0.3% | 1.8% | 4.7% | 6.9% | 1.4% | -1.1% | -5.9% | -3.9% | -3.3% | -6.9% | -0.8% | -2.5% | -8.5% |
| | Owned house | 261,088 | 285,575 | 253,287 | 18,130 | 19,258 | 20,246 | 21,040 | 21,314 | 23,196 | 22,430 | 22,302 | 22,258 | 21,834 | 21,511 | 19,768 | 16,627 | 18,368 | 17,484 | 18,597 | 18,853 | 20,325 |
| | YoY | -9.6% | 9.4% | -11.3% | -5.6% | -5.6% | -9.4% | -8.0% | -6.9% | -11.3% | -14.0% | -11.1% | -13.3% | -18.7% | -15.1% | -13.0% | -8.3% | -4.6% | -13.6% | -11.6% | -11.5% | -12.4% |
| (4) Internal Migrants | Total | 5,255,721 | 5,247,744 | 5,310,972 | 326,360 | 345,584 | 947,081 | 678,630 | 423,842 | 384,633 | 377,542 | 401,973 | 358,962 | 369,589 | 348,586 | 348,190 | 324,958 | 364,174 | 939,978 | 675,093 | 409,235 | 366,759 |
| | YoY | -2.7% | -0.2% | 1.2% | 1.8% | -8.1% | -3.0% | -4.4% | 18.5% | 5.1% | 3.9% | 8.5% | 3.5% | 3.6% | -3.1% | 1.1% | -0.4% | 5.4% | -0.7% | -0.5% | -3.4% | -4.6% |
| | Only Japanese | 4,840,852 | 4,818,721 | 4,775,207 | 298,411 | 317,470 | 892,728 | 630,331 | 365,625 | 324,725 | 330,113 | 357,644 | 318,047 | 326,640 | 305,512 | 307,961 | 286,639 | 324,933 | 867,927 | 619,057 | 362,950 | 323,018 |
| | YoY | -1.0% | -0.5% | -0.9% | 5.8% | -4.5% | -2.5% | -4.9% | 11.3% | -3.0% | -1.4% | 4.9% | 0.5% | 0.0% | -6.9% | -2.4% | -3.9% | 2.4% | -2.8% | -1.8% | -0.7% | -0.5% |
| (5) Japan Population | Unit : Thousand | Oct. 1, 2020 | Oct. 1, 2021 | Oct. 1, 2022 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
| | Total | 126,146 | 125,502 | - | 125,309 | 125,194 | 125,103 | 125,071 | 125,072 | 125,104 | 125,125 | 125,082 | 124,971 | 124,947 | 124,913 | 124,861 | 124,752 | 124,631 | 124,490 | 124,470 | 124,500 | 124,520 |

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

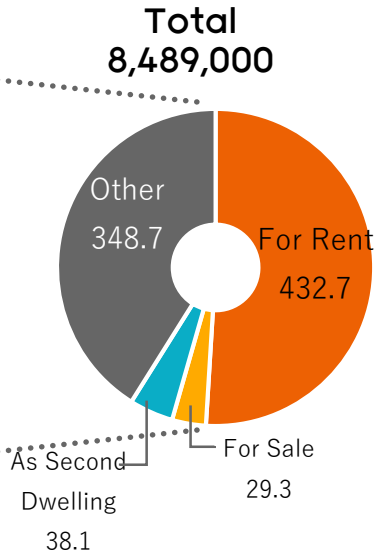
Trend of Total Dwellings and Total Households



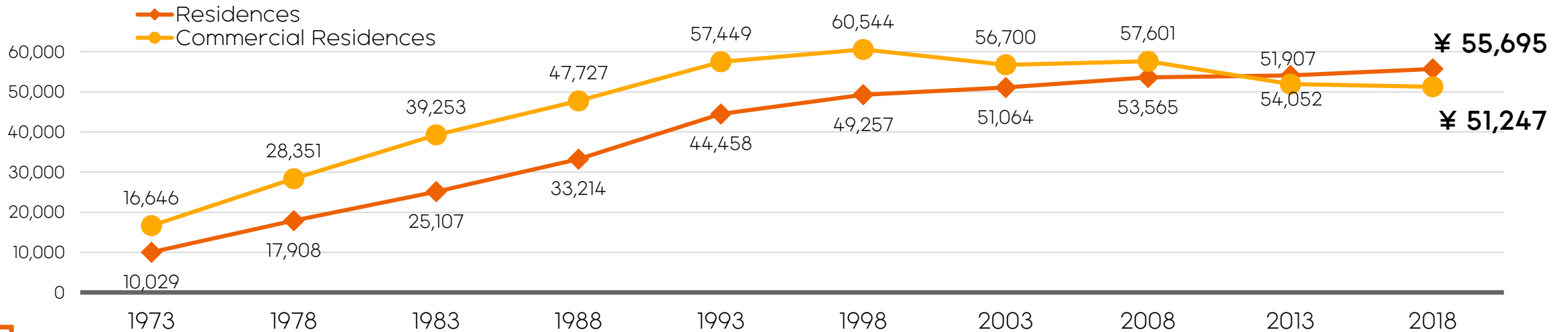
Trend of Number of Vacant Homes and Vacancy Rates



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/>



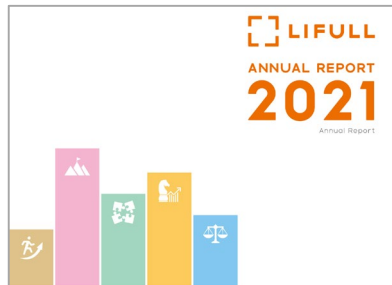
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Annual Report 2021



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

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