

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

Consolidated Financial Report for the Three-month Period Ended December 31, 2023 (IFRS)

February 14, 2024

Company name: LIFULL Co., Ltd. Stock code: 2120 Representative: ITO, Yuji Contact: FUKUZAWA, Hidekazu	Listed exchange: Tokyo Stock Exchange URL: https://ir.lifull.com/en/ (Position) President, Managing Director (Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603
Scheduled quarterly securities report submission date: February 14, 2024 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, 2023 (October 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results

(Percentages indicate year-over-year change)

	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-months ended December 31, 2023	8,190	8.0	(52)	-	(131)	-	(397)	-	(397)	-	(571)	-
Three-months ended December 31, 2022	7,583	(10.9)	822	39.7	737	28.5	567	58.3	564	54.5	180	(59.1)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three months ended December 31, 2023	(3.11)	(3.11)
Three months ended December 31, 2022	4.35	4.34

(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
	million yen	million yen	million yen	%
As of December 31, 2023	48,291	31,432	31,335	64.9
As of September 30, 2023	51,153	32,560	32,462	63.5

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal 2022	-	0.00	-	4.26	4.26
Fiscal 2023	-	-	-	-	-
Fiscal 2023(Forecast)	-	-	-	-	-

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

3. Forecasts on the Consolidated Results for FY 2024/9 (October 1, 2023 to September 30, 2024)

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal 2024	37,000	1.6	3,000	62.1	1,350	42.9	10.06

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)

As of December 31, 2023	134,239,870	As of September 30, 2022	134,239,870
As of December 31, 2023	6,245,149	As of September 30, 2022	6,245,073
As of December 31, 2023	127,994,751	As of December 31, 2022	129,843,479

[2] Treasury shares at the end of the period

[3] Average shares during the period

*** 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 Investor Relations website for more details. (<https://ir.lifull.com/en/ir/>)

(Appendix)

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1. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	16,510	13,850
Accounts receivable-trade and other current receivables	4,630	4,221
Other short-term financial assets	1,183	1,344
Other current assets	739	1,013
Total current assets	23,064	20,430
Non-current assets		
Property, plant and equipment	1,045	992
Right-of-use assets	2,100	1,907
Goodwill	16,401	16,266
Intangible assets	3,220	2,976
Investments accounted for using the equity method	536	624
Other long-term financial assets	2,040	2,403
Deferred tax assets	2,735	2,661
Other non-current assets	9	27
Total non-current assets	28,089	27,860
Total assets	51,153	48,291

	As of September 30, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,259	2,964
Short-term loans	5,329	4,729
Lease liabilities	698	683
Accrued corporate income taxes	598	202
Other current liabilities	2,241	1,994
Total current liabilities	12,127	10,573
Non-current liabilities		
Long-term loans	297	299
Lease obligations	1,464	1,302
Provisions	511	511
Other long-term financial liabilities	3,585	3,489
Deferred tax liabilities	551	593
Other non-current liabilities	54	87
Total non-current liabilities	6,465	6,284
Total liabilities	18,592	16,858
Equity		
Attributable to the owners of the parent		
Capital stock	9,716	9,716
Capital surplus	10,035	10,026
Retained earnings	11,668	10,724
Treasury shares	(2,009)	(2,009)
Other components of equity	3,051	2,877
Attributable to the owners of the parent	32,462	31,335
Attributable to non-controlling interests	97	96
Total equity	32,560	31,432
Total liabilities and equity	51,153	48,291

(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, 2023

	(Millions of yen)	
	Three-month period ended December 31, 2022	Three-month period ended December 31, 2023
Revenue	7,583	8,190
Cost of revenue	328	527
Gross profit	7,254	7,662
Selling, general and administrative expenses	6,972	7,668
Other revenue	683	110
Other expenses	144	156
Operating income	822	(52)
Financial revenue	4	29
Financial expenses	19	72
Share of profit (loss) of investments accounted for using the equity method	(70)	(35)
Profit before taxes	737	(131)
Income tax expenses	169	265
Profit for the period	567	(397)
Profit (loss) for the period attributable to:		
Owners of the parent	564	(397)
Non-controlling interests	3	0
Total	567	(397)
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	4.35	(3.11)
Diluted profit for the period per share	4.34	(3.11)

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended December 31, 2023

(Millions of yen)

	Three-month period ended December 31, 2022	Three-month period ended December 31, 2023
Profit for the period	567	(397)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(4)	(4)
Total of items that will not be reclassified to profit or loss	(4)	(4)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(198)	(169)
Share of other comprehensive income of investments accounted for using the equity method	(184)	-
Total of items that may be reclassified subsequently to profit or loss	(383)	(169)
Other comprehensive income, net of tax	(387)	(174)
Total comprehensive income for the period	180	(571)
Comprehensive income for the period attributable to:		
Owners of the parent	176	(572)
Non-controlling interests	3	0
Total	180	(571)

(3) Condensed Consolidated Statements of Changes in Equity

For the three-month period ended December 31, 2022 (October 1, 2022 to December 31, 2022)

	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, 2022	9,716	10,033	11,018	(1,009)	1,233	30,991	131	31,123
Profit for the period	-	-	564	-	-	564	3	567
Other comprehensive income	-	-	-	-	(387)	(387)	-	(387)
Total comprehensive income for the period	-	-	564	-	(387)	176	3	180
Dividends of surplus	-	-	(296)	-	-	(296)	(6)	(303)
Share-based payment transactions	-	23	-	-	5	28	-	28
Transfer to retained earnings	-	-	(9)	-	9	-	-	-
Purchase of treasury shares	-	-	-	(999)	-	(999)	-	(999)
Total transactions with owners	-	23	(305)	(999)	14	(1,267)	(6)	(1,274)
Balance as of December 31, 2022	9,716	10,056	11,276	(2,009)	860	29,900	128	30,029

For the three-month period ended December 31, 2023 (October 1, 2023 to December 31, 2023)

	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, 2023	9,716	10,035	11,668	(2,009)	3,051	32,462	97	32,560
Profit for the period	-	-	(397)	-	-	(397)	0	(397)
Other comprehensive income	-	-	-	-	(174)	(174)	-	(174)
Total comprehensive income for the period	-	-	(397)	-	(174)	(572)	0	(571)
Dividends of surplus	-	-	(545)	-	-	(545)	(1)	(547)
Share-based payment transactions	-	(9)	-	-	0	(9)	-	(9)
Purchase of treasury shares	-	-	-	(0)	-	(0)	-	(0)
Total transactions with owners	-	(9)	(545)	(0)	0	(554)	(1)	(556)
Balance as of December 31, 2023	9,716	10,026	10,724	(2,009)	2,877	31,335	96	31,432

(4) Condensed Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three-month period ended December 31, 2022	Three-month period ended December 31, 2023
Net cash from operating activities		
Profit (loss) for the period before tax	737	(131)
Depreciation and amortization	491	498
Financial revenue	(4)	(29)
Financial expenses	19	72
Decrease (increase) in accounts receivable-trade and other current receivables	306	279
Increase (decrease) in accounts payable-trade and other current payables	(651)	(356)
Other	(726)	(459)
Subtotal	172	(124)
Interest and dividends received	4	5
Interest paid	(52)	(16)
Income taxes paid	(417)	(512)
Net cash from operating activities	(293)	(649)
Net cash used in investing activities		
Purchase of financial instrument assets	-	(98)
Purchase of property, plant and equipment	(19)	(9)
Proceeds from the sale of property, plant and equipment	-	31
Purchase of intangible assets	(104)	(24)
Purchase of shares of affiliates	-	(124)
Proceeds from sale of shares of affiliates	858	-
Payments of loans receivable	(306)	(1,027)
Proceeds from collection of loans receivable	117	549
Others	(4)	34
Net cash from investing activities	540	(668)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	100	300
Repayment of short-term loans	(500)	(914)
Proceeds from long-term loans payable	-	100
Repayment of long-term loans	(177)	(99)
Dividends paid	(290)	(535)
Repayment of lease obligations	(186)	(176)
Dividends paid to non-controlling interests	(6)	(1)
Purchase of treasury shares	(999)	(0)
Others	5	0
Net cash from financing activities	(2,056)	(1,328)
Effect of exchange rate changes on cash and cash equivalents	(144)	(13)
Net increase (decrease) in cash and cash equivalents	(1,954)	(2,659)
Cash and cash equivalents at beginning of period	16,521	16,510
Cash and cash equivalents at end of period	14,566	13,850

(5) Notes on the Consolidated Financial Statements

1. Note Regarding Going Concern Assumption

Not applicable.

2. Subsequent Events

Not applicable.