

LIFULL Co., Ltd.

Earnings Presentation

Fiscal Year ended March 31, 2017

(April 2016 to March 2017)

■ **Disclaimer**

The opinions and projections, etc. contained herein represent the judgment of LIFULL Co., Ltd. at the time this document was prepared. We provide no guarantees regarding the accuracy of the information. Please keep in mind that actual performance and results may vary significantly due to fluctuations in various factors.



Make every LIFE FULL.

April 1, 2017

Begin



Make every LIFE FULL

**NEXT Co., Ltd. will change its name to
“LIFULL Co., Ltd.” on April 1, 2017**

“LIFULL” is an amalgamation of the words “LIFE” and “FULL”. It captures our determination to provide everyone with services for more fulfilling lives and lifestyles.



Fully renovated a 50-year-old building

A model case to effectively utilize
an existing building

Address: Kojimachi 1-4-4, Chiyoda-ku, Tokyo
Map: <http://LIFULL.com/en/company/>

ENGAWA Project

Concept of the renovation is “ENGAWA (veranda)” which loosely connects inside and outside the company.

The office will play a role as a “new arena for communication” which brings fresh encounters and allow people to think out of the box

1F LIFULL Table & LIFULL Fab (open in this summer)

LIFULL Table is a deli restaurant which is open to the public.

LIFULL Fab is a studio where in-house and external creators can get together.



2F LIFULL HUB

Shared office available for business persons.

Positive impact on LIFULL businesses may also be achieved.



3F - 8F OFFICE

Functional working space where people can be more creative.

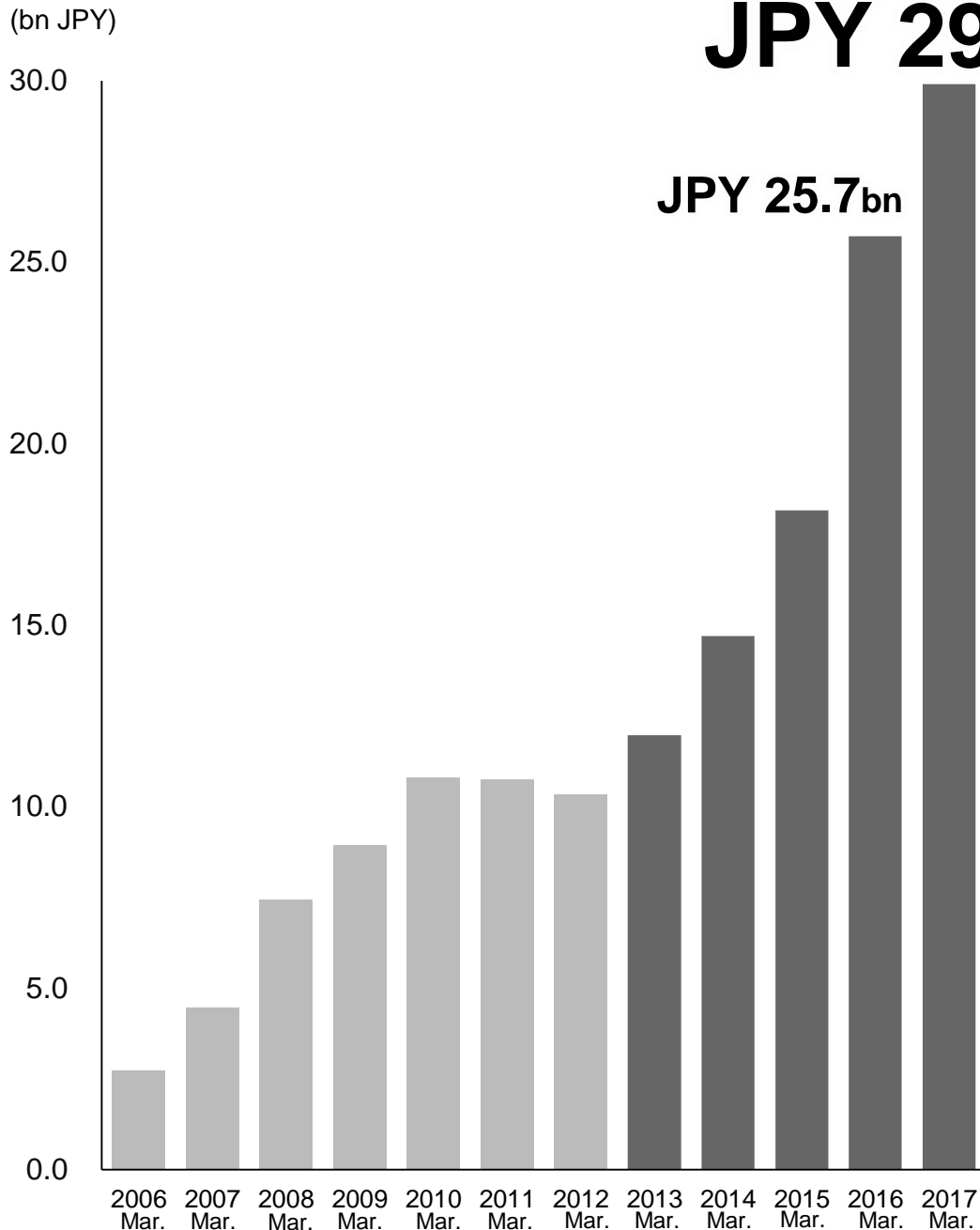




Consolidated Results for FY2016



Revenue



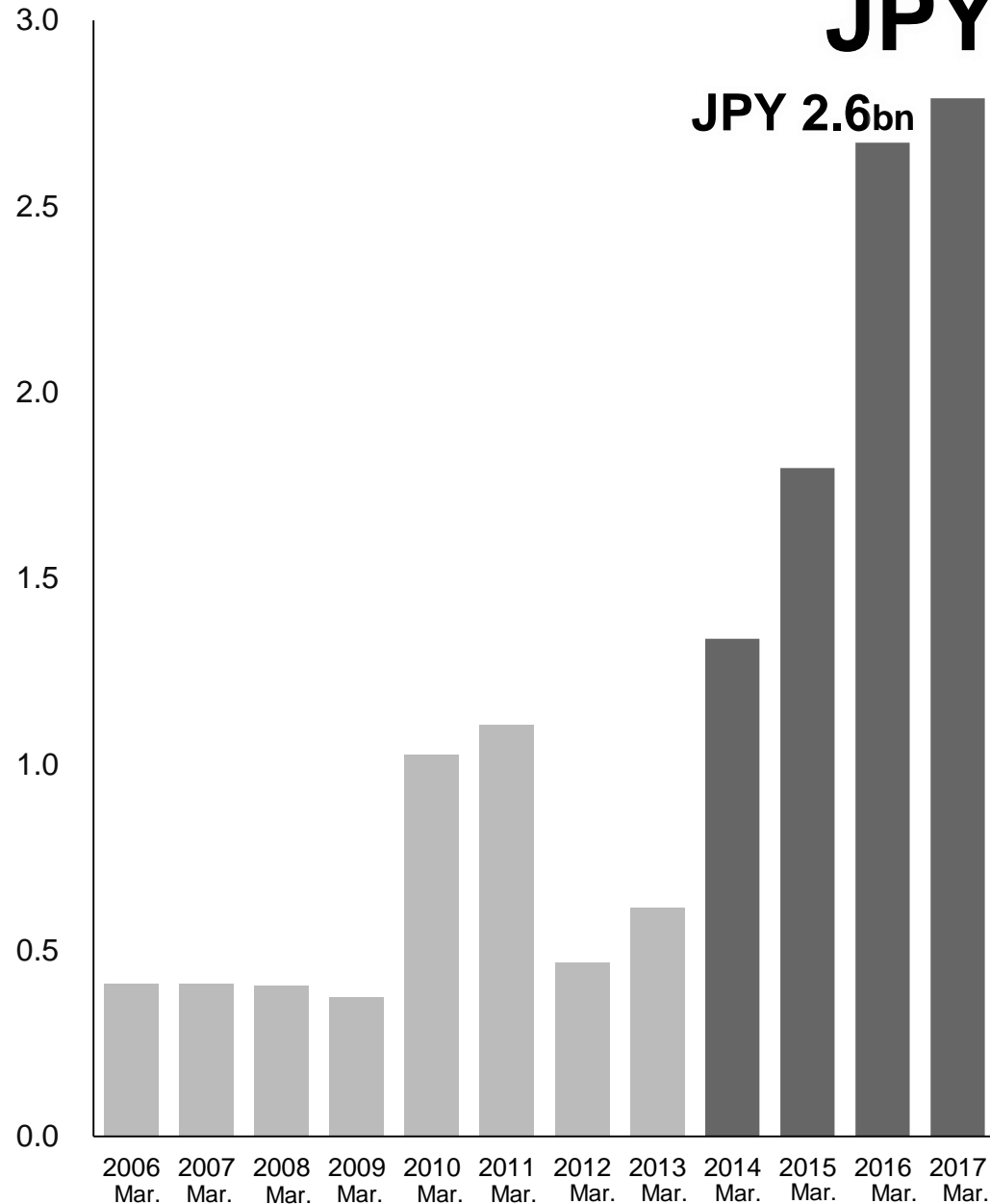
JPY 29.9bn

JPY 25.7bn

**Record high for
5 consecutive
periods**

Net Profit

(bn JPY)



JPY 2.7bn

JPY 2.6bn

**Record high for
4 consecutive
periods**

Condensed Statements of Profit and Loss IFRS

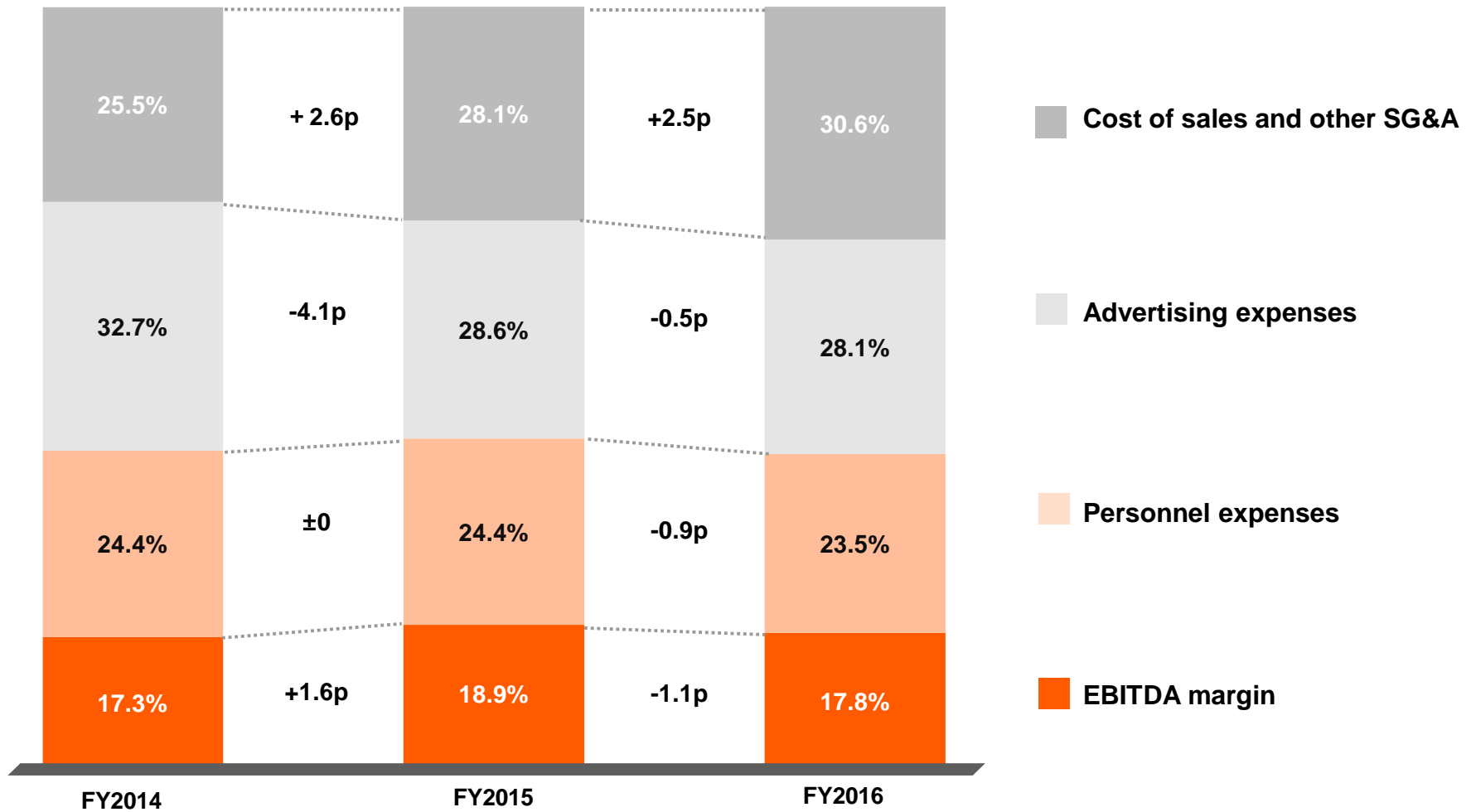
Significant growth in revenue by 16.4%, EBITDA by 9.3% and net profit by 3.6% YoY.

Unit: JPY mil	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)	Change	Change %	Main items
Revenue	25,707	29,920	+4,212	+16.4%	Revenue increase in Domestic business made a positive contribution.
Cost of sales	2,127	3,080	+953	+44.8%	Increase in cost of sales as revenue generated by Lifull MP increased, which was in line with the company's expectation. (Domestic Services for Realtors: +46% YoY)
SG&A (excl. depreciation)	18,625	21,408	+2,783	+14.9%	
Personnel expenses	6,269	7,039	+770	+12.3%	Increase in the number of employees (average number of the group total employees increased by 200 YoY).
Advertising expenses	7,345	8,400	+1,055	+14.4%	Increased due to the branding and marketing initiatives including new TV commercial.
Operating expenses	1,016	1,010	-5	-0.6%	
Other	3,993	4,957	+963	+24.1%	Mainly due to increase in the investment on service development, external system usage fee, and the HQ relocation fee.
Other revenues and expenses	-95	-118	-22	-24.0%	
EBITDA	4,859	5,312	+453	+9.3%	
EBITDA margin	18.9%	17.8%	-1.1p	-	
Net profit*	2,670	2,765	+95	+3.6%	
Depreciation	864	1,245	+381	+44.1%	Increased since part of the fixed asset's useful lives were shortened due to the HQ relocation.

*Net profit attributable to owners of the parent

Expense-to-Sales Ratio IFRS

Cost of sales and other SG&A-to-sales ratio increased due to revenue generated by Lifull MP increased, which was in line with our expectation.



Sales by Segment IFRS

The domestic businesses made a steady growth.

The overseas business decreased mainly due to foreign currency exchange rate.

Unit: JPY mil	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)	Change	Change %	Main items
Revenue	25,707	29,920	+4,212	+16.4%	
Domestic Real Estate Information Services	18,417	21,343	+2,925	+15.9%	
Rentals & Real Estate Sales	12,066	14,037	+1,970	+16.3%	The number of affiliated stores increased by 3,048 YoY (+15.7%) to 22,425 as of Mar. 2016 contributed by the enhancement of sales capabilities.
New Houses & Condominiums*	4,788	5,026	+238	+5.0%	Although the number of condos sold in the metropolitan area between Apr 2016 and Mar 2017 decreased by 4.4% YoY, the average number of properties listed on HOME'S website increased by 15.2%.
Custom-built Homes & Renovations	889	1,329	+439	+49.3%	
Others	672	950	+277	+41.3%	Increased mainly due to LIFULL Kaigo (nursing care) performed well.
Domestic Services for Realtors*	3,122	4,559	+1,437	+46.0%	Significant sales increase in Lifull MP (consolidated in Jun. 2015). Existing service (DMP and CRM) also maintained its double-digit growth.
Overseas	3,507	3,193	-314	-9.0%	Decreased mainly due to the changes in foreign currency exchange rate.
Others	660	824	+163	+24.8%	LIFULL Hoken Soudan (insurance consultation), LIFULL Interior (interior EC website) and LIFULL Trunk Room (self-storage) have been growing steadily.

*In Consolidated Financial Report, revenue generated by newly-built condos is recorded as Lifull MP (Domestic Services for Realtors) revenue with some exception in accordance with the exclusive agency contract concluded between LIFULL and Lifull MP.

Segment Income and Loss IFRS

Revenue increase in Domestic Real Estate Information Services made appositive contribution.

Unit: JPY mil	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)	Change	Change %	Main items
Segment income and loss	4,090	4,176	+94	+2.3%	
Domestic Real Estate Information Services	3,540	3,842	+301	+8.5%	Although marketing cost and other costs increased, achieved double-digit growth in accordance with the steady revenue growth.
Domestic Services for Realtors	-7	-126	-109	-	Increase in personnel cost and depreciation related to new services, which used to be recognized as software till the completion of the service development.
Overseas	550	346	-203	-37.0%	Reversal of the provision for Trovit bonus payment. Decrease in Trovit revenue due to foreign exchange (euro/yen) impact, increase in personnel expenses as well as advertising expenses. Additional cost was spent to strengthen the organization structure to launch HOME'S type portal websites in increasing number of overseas markets.
Others	-80	-22	+58	-	
Inter-segment transactions	87	135	+48	+55.0%	

*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.

(ref.) Condensed Statements of Profit and Loss (quarterly) IFRS

Steady growth in revenue and EBITDA due to the contribution of Domestic Real Estate Information Services. Increase in depreciation due to the relocation.

Unit: JPY mil	FY2015 Q4 (Jan.-Mar.)	FY2016 Q4 (Jan.-Mar.)	Change	Change %
Revenue	7,527	9,056	+1,528	+20.3%
Domestic Real Estate Information Services	5,498	6,611	+1,113	+20.2%
Rentals & Real Estate Sales	3,727	4,554	+827	+22.2%
New Houses & Condominiums	1,262	1,395	+132	+10.5%
Custom-built Homes & Renovations	318	388	+69	+21.9%
Others	189	272	+83	+44.0%
Domestic Services for Realtors	940	1,307	+366	+39.0%
Overseas	865	867	+1	+0.2%
Others	222	269	+46	+20.9%
Cost of sales	651	897	+246	+37.8%
SG&A (excl. depreciation)	5,605	6,627	+1,022	+18.2%
Personnel expenses	1,888	1,923	+34	+1.8%
Advertising expenses	2,291	2,834	+543	+23.7%
Operating expenses	257	244	-12	-4.9%
Other	1,168	1,624	+456	+39.1%
Other revenues and expenses	-33	-39	-5	-
EBITDA	1,237	1,491	+254	+20.5%
EBITDA ratio	16.4%	16.5%	0.0p	-
Net profit*	742	756	+14	+2.0%
Depreciation	205	468	+262	+127.7%

Unit JPY mil	FY2015 Q4 (Jan.-Mar.)	FY2016 Q4 (Jan.-Mar.)	Change	Change %
Segment income and loss	1,064	1,062	-2	-0.3%
Domestic Real Estate Information Services	1,065	974	-91	-8.6%
Domestic Services for Realtors	-59	-8	+50	-
Overseas	68	70	+1	+2.3%
Others	-40	-6	+34	-
Inter-segment transactions	30	32	+2	+6.7%

*Net profit attributable to owners of the parent

*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.

Condensed Statements of Financial Position and Goodwill IFRS

Unit: JPY mil	As of Mar 31, 2016	As of Mar 31, 2017	Change	Main items		
Assets	25,265	27,110	+1,844	Decrease in cash and deposits	-578	
				Increase in accounts receivable-trade	+686	
				Increase in advance payments	+210	
				Increase in prepaid expenses	+179	Mainly due to increase in payment for external services
Current assets	10,970	12,059	+1,088	Increase in tangible asset	+1,171	Mainly due to relocation
				Decrease in goodwill	-289	Mainly due to change in foreign currency exchange rate
				Decrease in other intangible fixed assets	-256	Mainly due to depreciation of customer-related asset
				Increase in investment securities	+154	Mainly due to the investment in Jimoty
Non-current assets	14,294	15,050	+755	Increase in lease and guarantee deposits	+165	Due to the relocation
Liabilities	8,123	8,294	+170	Increase in accounts payable-trade	+118	
				Increase in accrued expense	+1,056	Mainly due to increase in accrued payable - investment relating to the relocation
				Decrease in income tax payable	-410	Due to tax payment
Current liabilities	5,991	7,088	+1,097	Increase in asset retirement obligation	+509	Mainly due to the relocation
				Decrease in long-term borrowings	-983	Due to repayment
Non-current liabilities	2,132	1,205	-926	Decrease in long-term accounts payable	-137	Due to reversal of the provision for Trovit bonuses
Total Equity	17,142	18,815	+1,673	Increase in retained earnings	+2,231	
				Decrease in FX translation adjustment	-686	Due to change in foreign currency exchange rate
Equity per share attributable to owners of the parent (yen)	142.54	155.59	+13.05			

*Outstanding goodwill balance: Little JPY 86 million, Trovit JPY 8,233 million, Lifull MP JPY 251 million, JG Marketing JPY 255 million, and Trovit and Lifull MP depreciable assets (PPA) JPY 947 million.

Condensed Statements of Cash Flow IFRS

Unit: JPY mil	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)	Change	Main items		
				Items	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)
Operating cash flow	3,175	3,163	-11	Income before income taxes	4,018	4,087
				Depreciation and amortization	866	1,247
				Increase/decrease in accounts receivable –trade and other short-term claims	-466	-826
				Increase/decrease in accounts payable –trade and other short-term claims	-480	563
				Tax	-1,117	-1765
Investing cash flow	93	-2,134	-2,228	Outlays for making time deposits	-27	-
				Proceeds from refunds of time deposits	1,001	-
				Sales of available-for-sale financial asset	132	13
				Purchase of available-for-sale financial asset	-106	-229
				Outlays for the acquisition of tangible fixed assets	-86	-665
				Outlays for the acquisition of intangible assets	-661	-476
				Outlays for the purchase of subsidiary's shares	-132	-151
				Payments for lease and guarantee deposits	-49	-640
Financing cash flow	-868	-1,517	-649	Outlays for short-term borrowing repayment	-7,000	-
				Repayment of long-term loan	3,000	-
				Repayment of long-term borrowings	-499	-1,001
				Proceeds from issuing shares	3,982	-
				Dividend payments	-350	-535
Change in cash and cash equivalents	2,357	-578	-2,935			
Balance of cash and cash equivalents	6,625	6,046	-578			

FY2016 Forecast and Progress

Statements of Profit and Loss

Unit: JPY mil	FY2015 [Full-year forecast]	FY2016 [Actual]	Progress %
Revenue	31,653	29,920	94.5%
Cost of sales	3,514	3,080	87.6%
SG&A (excl. depreciation)	22,119	21,408	96.8%
Personnel expenses	7,476	7,039	94.2%
Advertising expenses	8,335	8,400	100.8%
Operating expenses	1,246	1,010	81.1%
Other	5,060	4,957	98.0%
Other revenues and expenses	-215	-118	55.1%
EBITDA	5,803	5,312	91.5%
EBITDA margin	18.3%	17.8%	96.8%
Net profit*	3,144	2,765	88.0%

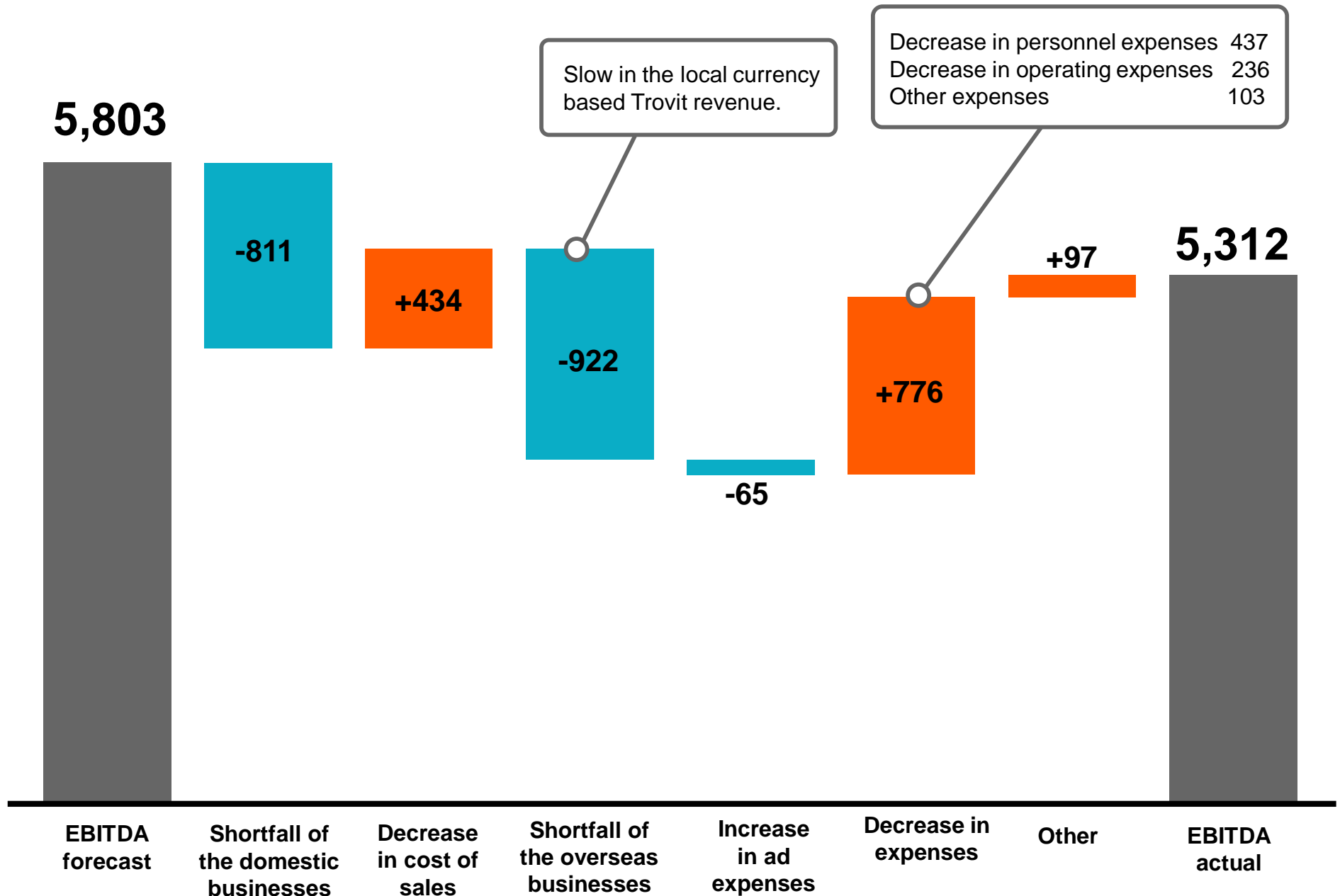
*Net profit attributable to owners of the parent.

Sales by Segment

Unit: JPY mil	FY2015 [Full-year forecast]	FY2016 [Actual]	Progress %
Revenue	31,653	29,920	94.5%
Domestic Real Estate Information Services	21,548	21,343	99.0%
Rentals & Real Estate Sales	14,316	14,037	98.0%
New Houses & Condominiums	4,870	5,026	103.2%
Custom-built Homes & Renovation	1,506	1,329	88.2%
Others	855	950	111.2%
Domestic Services for Realtors	4,946	4,559	92.2%
Overseas	4,115	3,193	77.6%
Others	1,043	824	79.0%

FY2016 EBITDA Forecast vs Actual

(mil JPY)





Business Strategies



Topics of FY2016

Steady business scale expansion by taking various initiatives

Enhance Media Power

- Started to show the reference price of Price Map
- Opened HOME'S Counter Shinjyuku shop
- Hold HOME'S Hospitality Award 2016
- Launched LIFULL Stay website
- Launched HOME'S DIY Mag
- Released real estate investment seminar searching site
- Raked as the first "Gomez Smartphone Site Ranking Real Estate Information"
- Formed partnership with Sumaiz Ehime
- Launched HOME'S LINE Inquiry
- Launched Wrong Image Detection System by AI
- Launched sale price simulator
- Selected as Google Play Best App
- Expand the coverage of Price Map to Fukuoka and Aichi

Enhance Brand Power

- Showroom 3D experience VR Goggles present campaign
- Opened HOME'S Beach House
- Launched Member's Web
- Started to connect HOME'S PRO and Mitsui Fudosan Residential Lease database
- Started new TV commercials
- Started to provide the prices listed on Price Map to Money Forward
- Added App Invite function to Android app
- Started to show HOME'S Certification Icon
- Expand the coverage of Price Map to Kansai
- Formed partnership with MFS MOGE SCORE for API
- Renewed Smartphone browser version of property detail page
- Renewed Android app version of property detail page

Corporate

- Started One P's
- Started support activities after Kumamoto earthquake
- Formed partnership with Rakuten and the real estate management association to against bait advertising issue
- Selected as TSE "Healthy and Productivity" stock for 2 consecutive years
- Invested in Jimoty
- Hold NEXT 100 PROJECT
- Established LIFULL Remodel
- Became a support company of AIX in The University of Electro-Communications
- Invested Hotaru
- Ranked as the fourth "Great Place to Work"
- Selected as Best Motivation Company Award
- Made JG Marketing as fully owned subsidiary
- Made Vietnam Creating Consulting as fully owned subsidiary

Domestic Business

Domestic Real Estate Information Service and
Domestic Services for Realtors



Becoming the absolute No.1

Keep strengthening two “powers”



**Strengthen
media
power**

```
graph LR; A((Strengthen media power)) --- B[Information Coverage]; A --- C[Information Visualization]; A --- D[Improvement of Reliability];
```

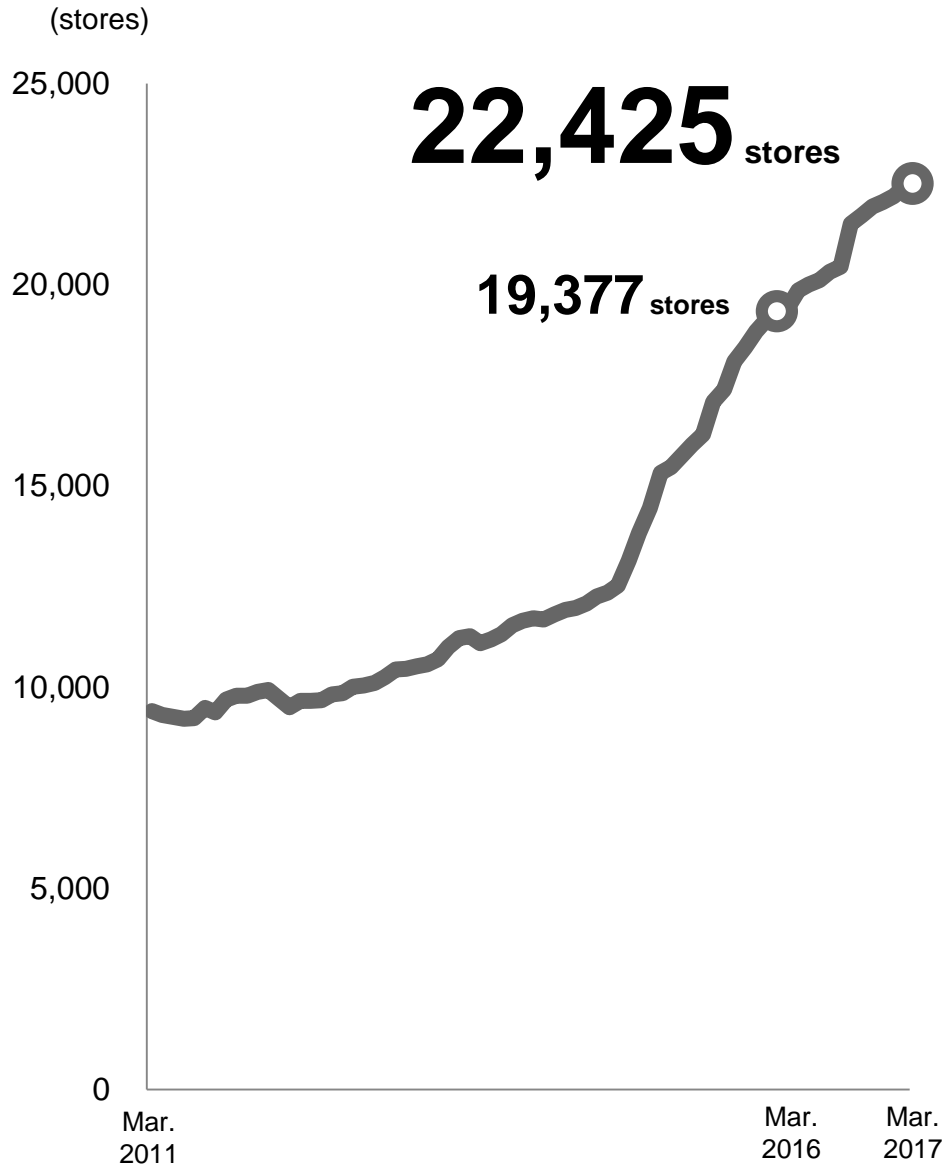
Information Coverage

Information Visualization

Improvement of Reliability

Information Coverage – Network of Affiliated Stores

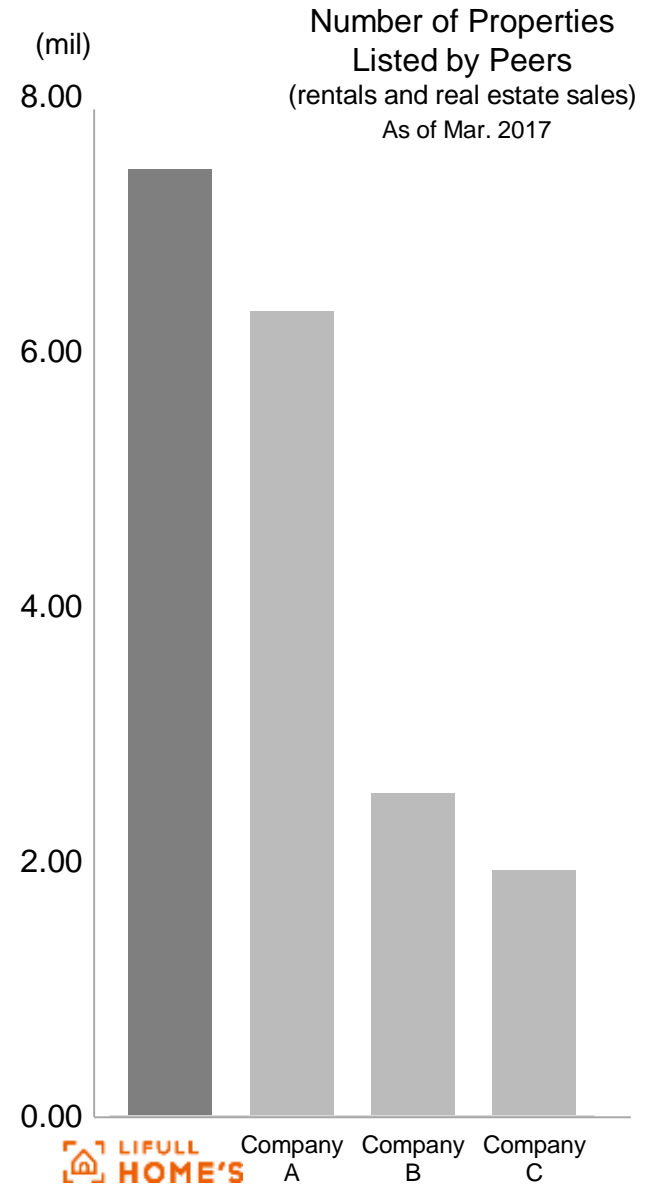
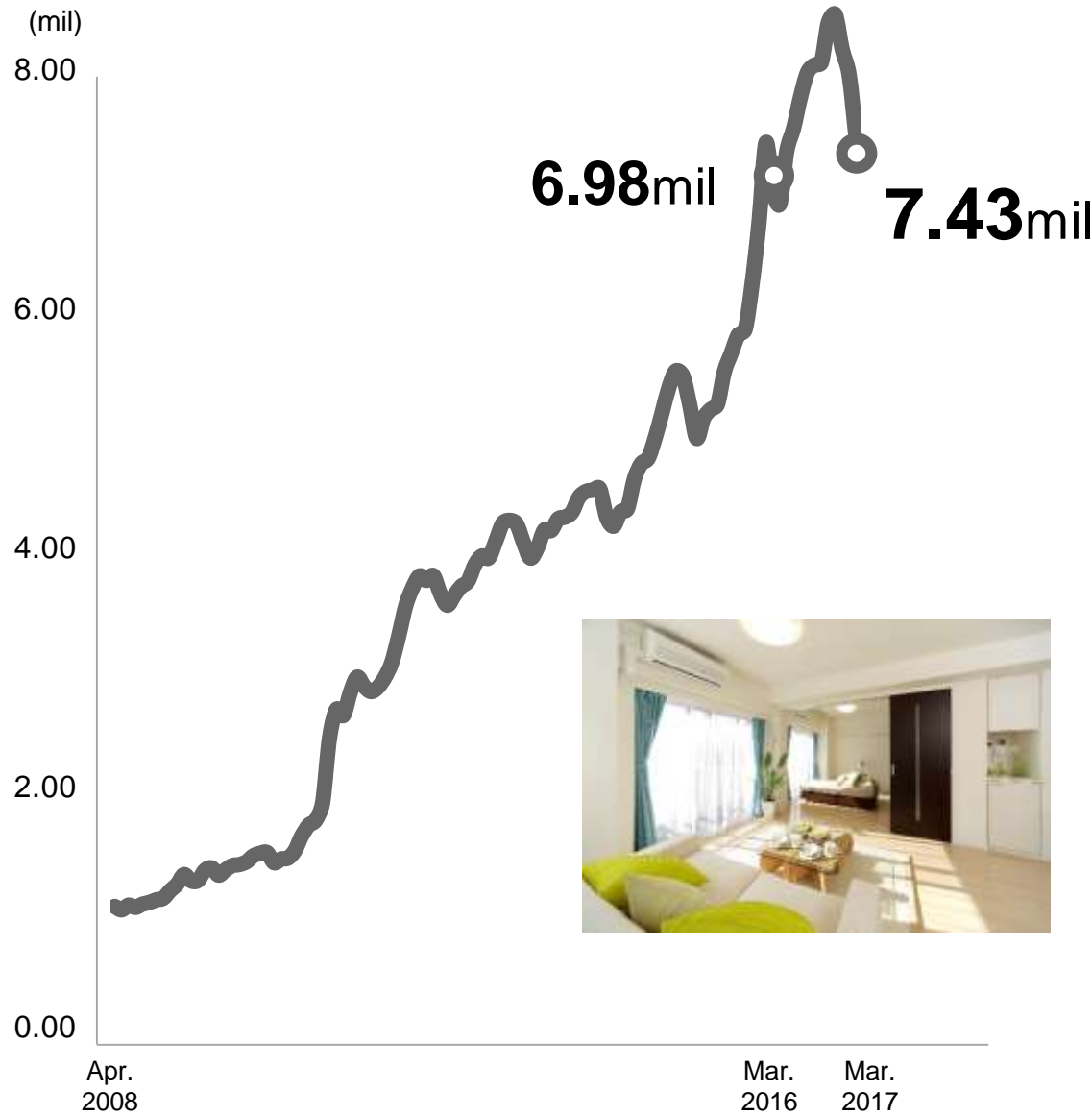
Steady progress toward the target of 40,000 stores.



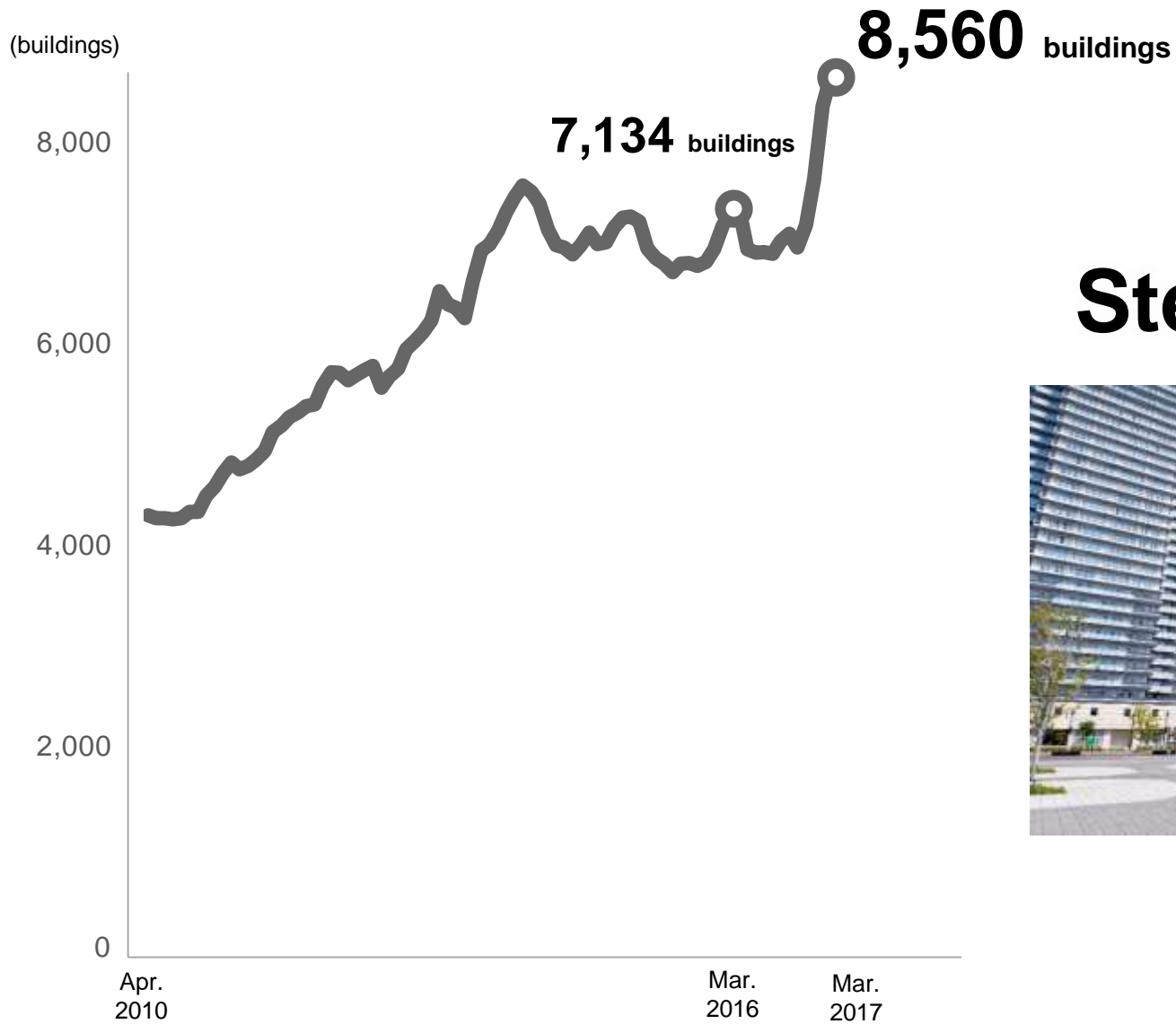
Record high



Information Coverage – Number of Properties Listed (rentals and real estate sales)



Information Coverage – Number of Properties Listed (new houses and condos)

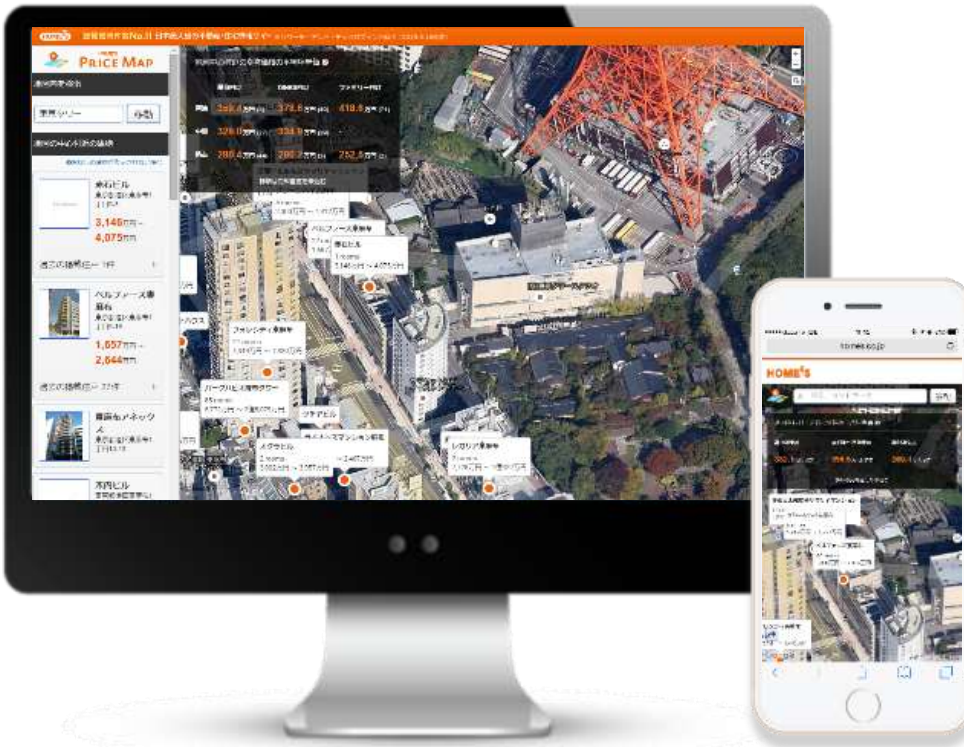


Steady growth



Price Information Visualization – Price Map

In addition to the metropolitan and Kinki areas, the rents and reference prices in Aichi and Fukuoka areas are started to be available.



The coverage area is expanding

Coverage Area
(as of April 2017)

🔍 Metropolitan 🔍 Aichi

🔍 Kinki
(Kyoto, Osaka, and Kobe) 🔍 Fukuoka

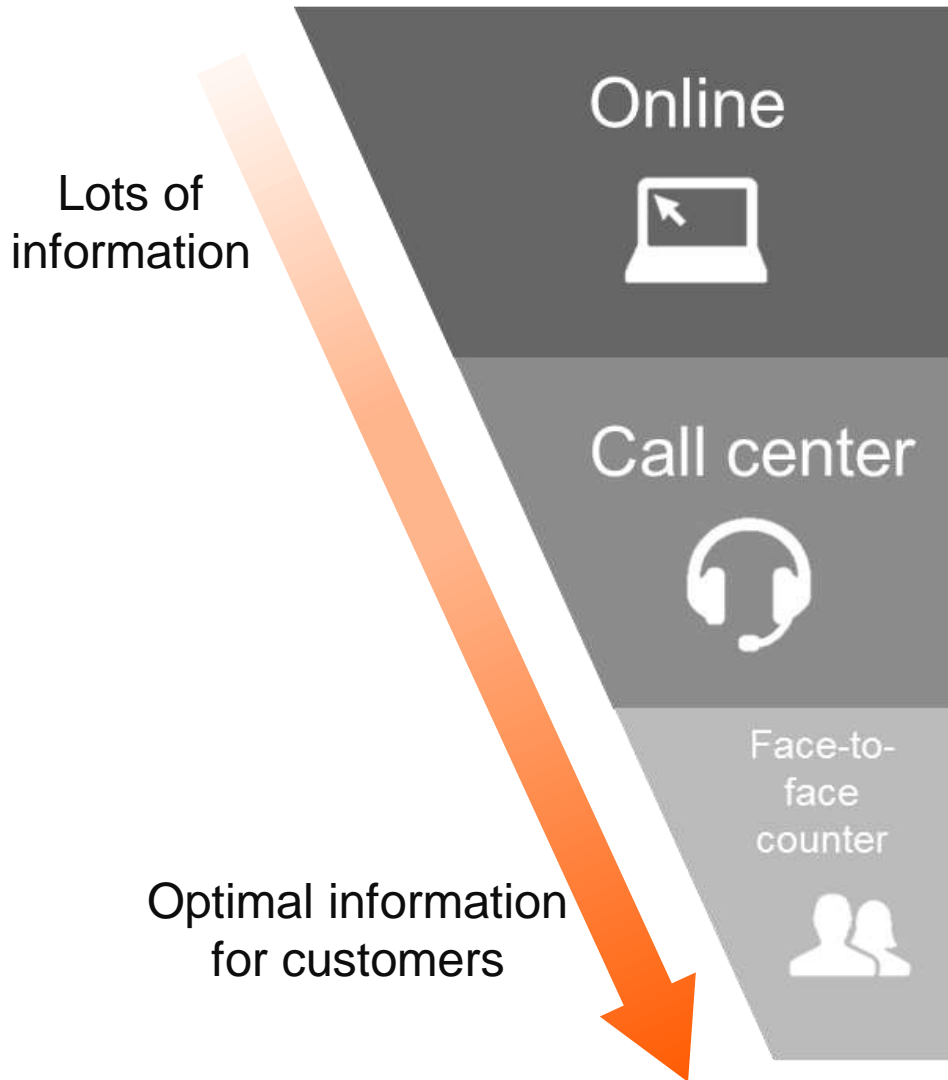
*Tokyo, Kanagawa, Saitama, and Chiba

PRICE MAP

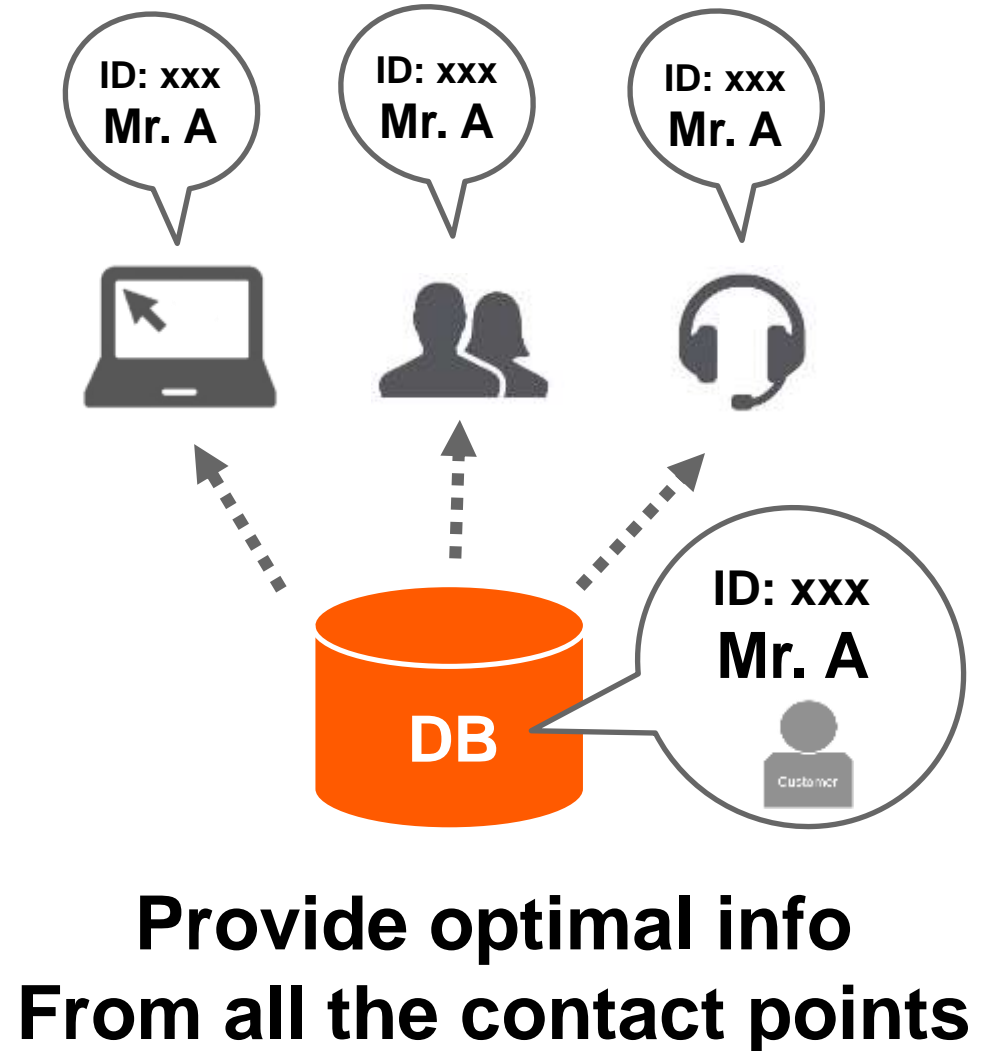
www.homes.co.jp/price-map



Provide optimal information by multiple channels



Utilize customers' DB (under development)





**Shin-Koshigaya
Satellite Shop***

Opened on May 3, 2017

**Opened
7 stores**

Yokohama Station Shop

Opened on May 3, 2017



LIFULL HOME'S Sumainomadoguchi

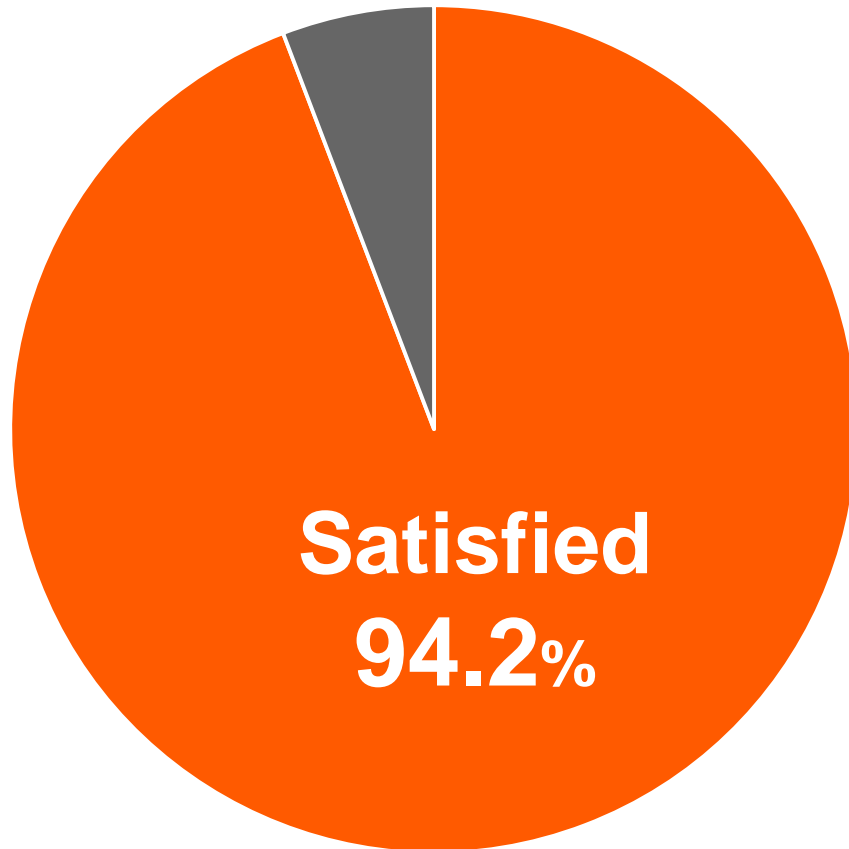


<https://sumainomadoguchi.homes.jp/>

*By appointment only

*Map image: CraftMAP (<http://www.craftmap.box-i.net/>)

LIFULL HOME'S Counter
Customer Survey



**More than 90% of
customers answered
“satisfied”**



Promotion

The diagram consists of a large grey rounded rectangle on the left containing two white rectangular boxes. The top box contains the word 'Promotion' and the bottom box contains the phrase 'Services for Realtors'. A horizontal line extends from the right side of the grey rectangle to a large grey circle on the right. Inside the circle, the text 'Strengthen brand power' is written in white.

Services for Realtors

**Strengthen
brand
power**

Change in Brand



Former	New	URL (no change)
HOME'S	LIFULL HOME'S	http://www.homes.co.jp/
HOME'S Kaigo	LIFULL Kaigo	http://kaigo.homes.co.jp/
HOME'S Trunk Room	LIFULL Trunk Room	https://www.homes.co.jp/trunkroom/
HOME'S Hikkoshi	LIFULL Hikkoshi	https://www.homes.co.jp/hikkoshi/
HOME'S Style Market	LIFULL Interior	http://www.homes.co.jp/stylemarket/shop/

Aim of change

- Merge the brands to “LIFULL” to enhance the brand value
 - > Aim to create 100 companies with LIFULL brand (master brand strategy)
- Use the same URLs to maintain the advantage of SEO

Services for Realtors – Daily Operation of Realtors

Enhance the service quality of realtors by utilizing IT.

Tasks can be reduced by utilize IT

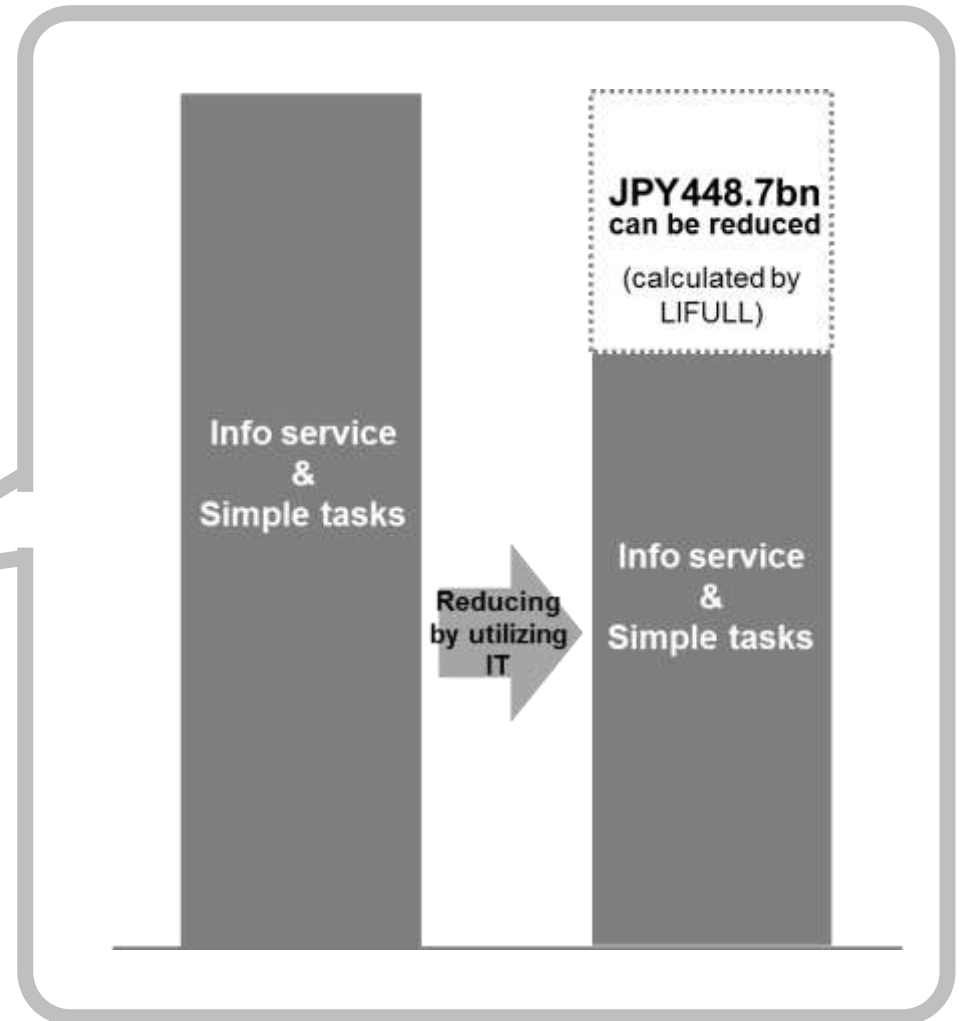
- Review and prepare contracts
- Prepare important Matters
- Order new keys
- Prepare insurance applications
- Hand over keys
- Search available properties
- Take pictures of rooms
- Resize the pictures
- Create room layouts
- Create posters
- Post ad on web portals
- Make notes on CRM system
- Prepare invoices
- Prepare applications
- Conduct examinations of loans

More important tasks

- Call to owners and customers
- Answer emails
- Meeting with customers
- Showing properties
- Consultation to home hunters

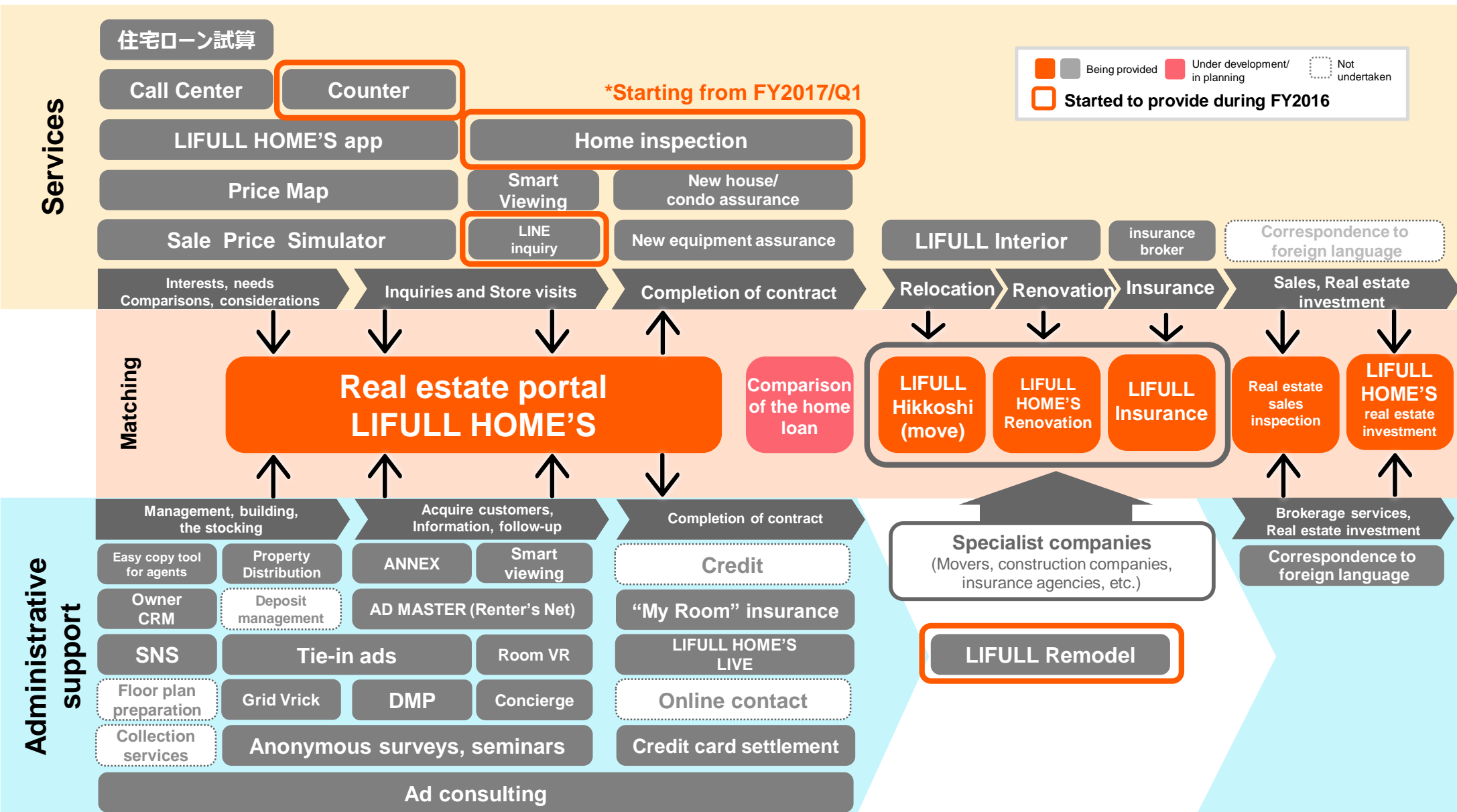
Info service
&
Simple tasks

Consultation



Services for Realtors – Service List

Providing services both for users and realtors.



2017

Three changes in the real estate industry



Change in the Real Estate Industry in 2017 (1)

Explanation on important Matters Utilizing IT

Before

Home Finding Steps	Utilizing IT
Property viewing	<input type="radio"/>
Explanation on important Matters	<input checked="" type="checkbox"/>
Sign a contract	<input type="radio"/> (at realtor's office or mail)
Get the key	<input type="radio"/> (at realtor's office or mail)

Important matters related to real estate transaction have to be explained face-to-face with a written format



A barrier to promote on-line real estate transactions

After



The social experiment ended on Jan. 2017. **Actual operation on providing explanation on important matters for real estate rental business will start on Oct. 2017**



Expect the market growth by improving the home-hunter's convenience

*As for real estate purchase and sales, the social experiment will resume.

2017 Change in the Real Estate Industry (1)

Our Initiative: LIFULL HOME'S LIVE



Used by
more than half of
the participants of
the experiment

Functions of LIFULL HOME'S LIVE

- Compatible with a broad **range of devices**, including PCs, smartphones, and tablets
- Prevents loss of records through **automatic recording**
- Items displayed on screen
- Allows **multiple people** to log in simultaneously
- **Reminder emails** sent in accordance with schedule configured in advance

*Source: Construction and Transport Ministry "The First Meeting to Study a Social Experiment to Consider Explanation on Important Contractual Matters Utilizing IT," <http://www.mlit.go.jp/common/001124190.pdf>.

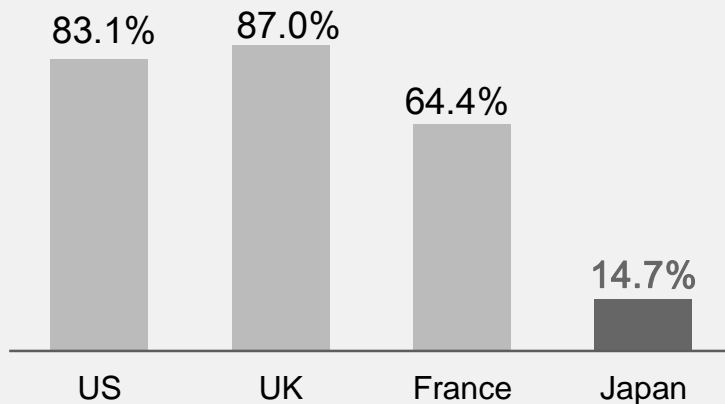
2017 Change in the Real Estate Industry (2)

Inspection Related Items Will Become Mandatory for Realtors

(from Apr. 2018)

Before

<Existing Home Ratio>



Existing home transaction market in Japan is 1/6 of that in the Western markets. Behind this, there are consumers' anxiety over purchasing existing homes including the condition of properties and the asset values.



Enhance reliability of transaction is required

Source: MLIT (Oct, 2016)

After

<Mandatories>

1. Mediation contract
Realtors have to disclose whether they can introduce an inspection vendor or not and they need to introduce a vendor to their customer if requested.
2. When providing explanation on important matters
Inspection result has to be explained to the purchaser
3. When sales contract is signed off
Written format containing the status of the building confirmed by both the seller and the purchaser has to be issued.

Inspection related items will become mandatory for realtors as of April 2018.



A first step toward making more reliable transaction for both sellers and buyers come true

Change in the Real Estate Industry in 2017 (2)

Our Initiative: LIFULL Stay

Visualize inspection result and appraised value of a real estate and provide them as a single package to eliminate anxiety over purchasing an existing house.

(1) Real estate quality inspection

Provide property inspection, equipment guarantee and termite inspection at the lowest price range in the industry

(2) Real estate appraisal

- Promote appropriate appraisal based on the appraisal manual issued by Real Estate Distribution Promotion Center
- A guarantee company will conduct collateral evaluation including the real estate's appraisal based on the appraisal
- Provide mortgage loan based on the collateral value calculated above.



(3) Visualize real estate value

Disclose inspection results and appraised value of real estates on LIFULL HOME'S website.



2017 Change in the Real Estate Industry (3)

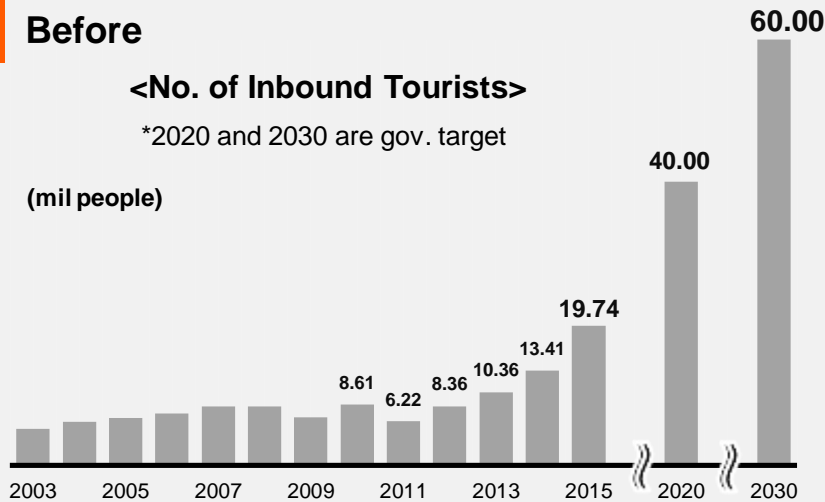
Home-sharing Law

Before

<No. of Inbound Tourists>

*2020 and 2030 are gov. target

(mil people)



Although home-sharing is a good solution to the issues including the lack of accommodations relating to an increasing number of inbound tourists in Japan, the service is only permitted in the strategic special zones due to a mighty legal backlash from the hospitality industry.

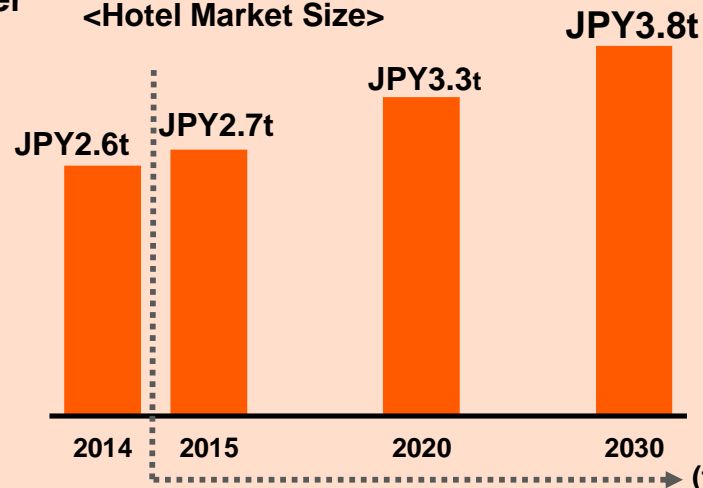


Early development of legislation is expected due to illegal services are emerging

Source: Created by the Company based on JTA "White Paper on Tourism 2015".

After

<Hotel Market Size>



"Home sharing business bill" passed the Diet March 2017



Expect the market growth toward Tokyo Olympics

Source: Created by the Company based on Japan Productivity Center "White Paper on Leisure".

Change in the Real Estate Industry in 2017(3)

Our Initiative: LIFULL Stay



**In preparation to launch
a full-scale home sharing business in 2017**

Overseas Business

Trovit, LIFULL



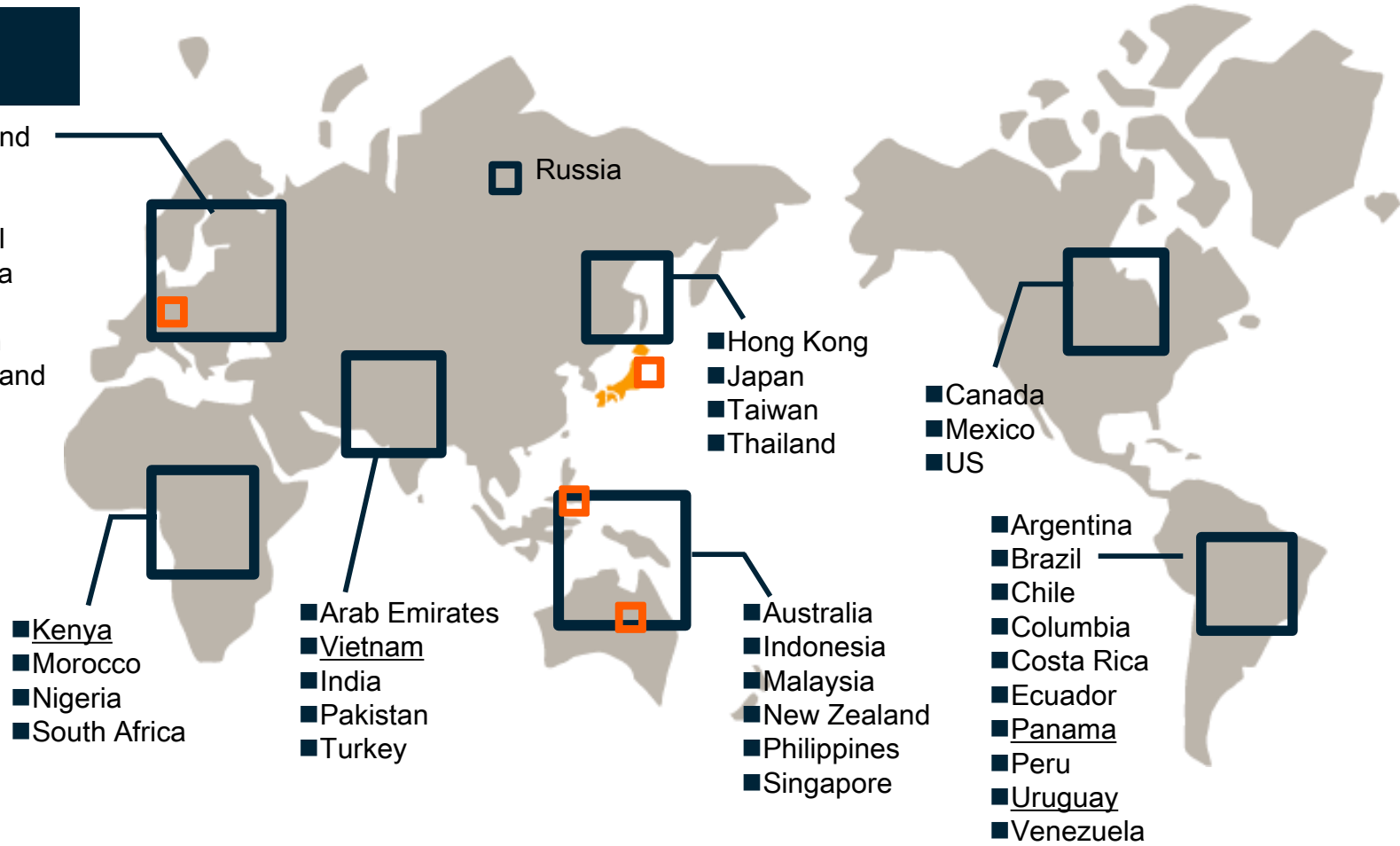
Countries of Operation

Trovit model 53 countries

- Austria
- Belgium
- Czech Republic
- Denmark
- France
- Germany
- Hungary
- Ireland
- Italy
- Luxembourg
- Nederland
- Norway
- Poland
- Portugal
- Romania
- Spain
- Sweden
- Switzerland
- UK
- Ukraine

LIFULL HOME'S model

- Japan
- Indonesia
- Australia
- Germany



* Countries with underline are opened during FY2016

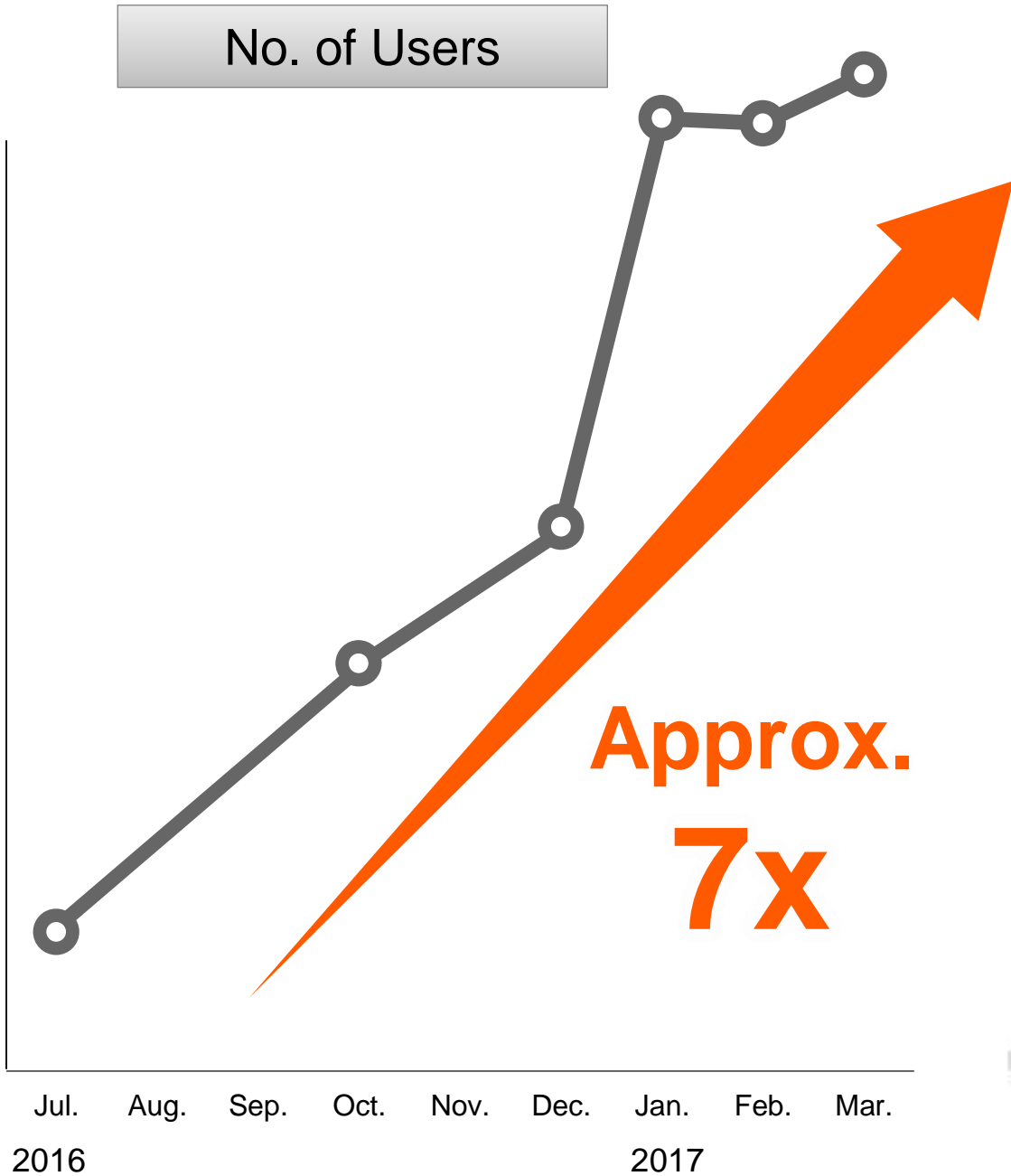
Operates in 53 different countries



Start to provide a LIFULL HOME'S type service in Germany

Real estate market in Germany

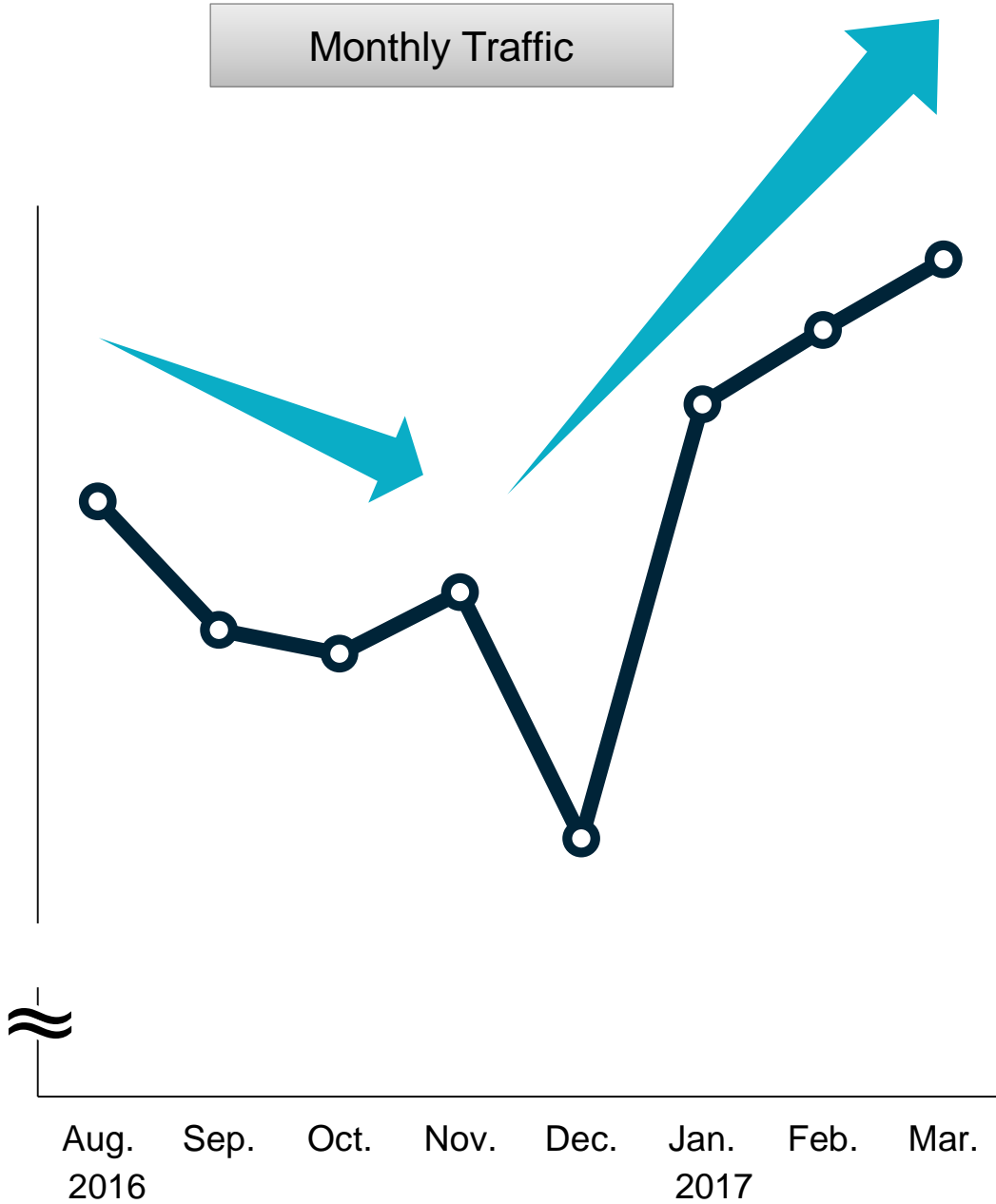
- Active thanks to low-rate mortgage
- real estates cost less than other major cities in the world
- In addition to consumer's purchase, increasing number of institutional investors are purchasing more real estates



Increase steadily
Plan to start monetizing
during FY2017



Monthly Traffic



Sign of recovery



Initiatives in 2017

1. **Strengthen SEO and roll out in each market**
2. **Strengthen sales capabilities**
3. **Strengthen mobile service capabilities**

Steady progress



Forecast for FY2017



Change in Segment

<Current segment>



<New segment>



*LIFULL Kaigo was previously comprised in "HOME'S Services business" but currently comprised in "Other business."

Aim of change

Improve efficiency by consolidating the sales teams and sales costs which were split into two businesses in the past.

Change in Segment

<Current segment>

Segments	Main services
Domestic Real Estate Information Services	Rentals & Real Estate Sales New Houses & Condominiums Custom-built Homes & Renovations LIFULL Kaigo LIFULL HOME'S Counter
Domestic Services for Realtors	DMP and CRM AD Master Lifull Marketing Partners
Overseas	Trovit LIFULL Rumah LIFULL Australia LIFULL Imofinder
Others	LIFULL HOME'S Hikkoshi LIFULL HOME'S Trunk Room LIFULL Insurance LIFULL Interior Other LIFULL subsidiaries



<New segment>

Segments	Main services
HOME'S Services Business	Rentals & Real Estate Sales New Houses & Condominiums Custom-built Homes & Renovations LIFULL Kaigo LIFULL HOME'S Counter DMP and CRM AD Master Lifull Marketing Partners
Overseas Business	Trovit LIFULL Rumah LIFULL Australia LIFULL Imofinder
Other Business	LIFULL Kaigo LIFULL Hikkoshi LIFULL Trunk Room LIFULL Insurance LIFULL Interix Other LIFULL subsidiaries

FY2017 Forecast IFRS

Statements of Profit and Loss

Unit: JPY mil	FY2016 [Actual]	FY2017 [Full-year forecast]	Change	Progress %
Revenue	29,920	37,420	+7,500	+25.1%
cost of sales	3,080	4,171	+1,090	+35.4%
SG&A (excl. depreciation)	21,408	28,068	+6,659	+31.1%
Personnel expenses	7,039	9,009	+1,969	+28.0%
Advertising expenses	8,400	11,352	+2,951	+35.1%
Operating expenses	1,010	1,208	+197	+19.5%
Other	4,957	6,490	+1,532	+30.9%
Other revenues and expenses	▲118	-8	+109	-
EBITDA	5,312	5,180	-131	-2.5%
EBITDA margin	17.8%	13.8%	-3.9p	-
Net profit*	2,765	2,934	+169	+6.1%

*Net profit attributable to owners of the parent.

Sales by Segment

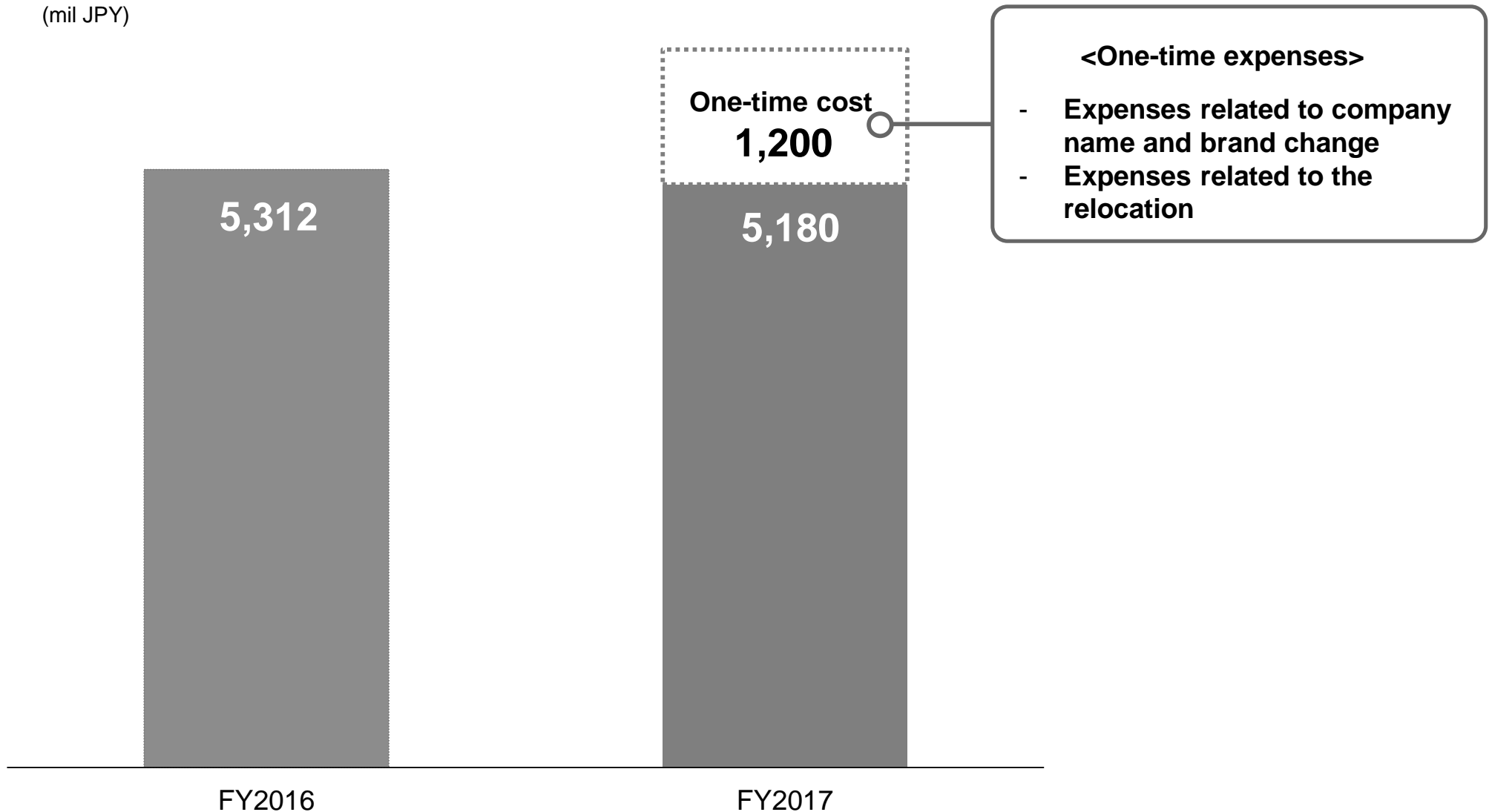
Unit: JPY mil	FY2016 [Actual]	FY2017 [Full-year forecast]	Change	Progress %
Revenue	29,920	37,420	+7,500	+25.1%
HOME'S Services	25,017	31,008	+5,991	+23.9%
Overseas	3,193	3,959	+766	+24.0%
Others	1,709	2,452	+742	+43.4%

LIFULL is considering changing its fiscal year-end from the end of March to the end of September. The decision will be announced promptly once the Company's policy is determined.

FY2017 Forecast IFRS

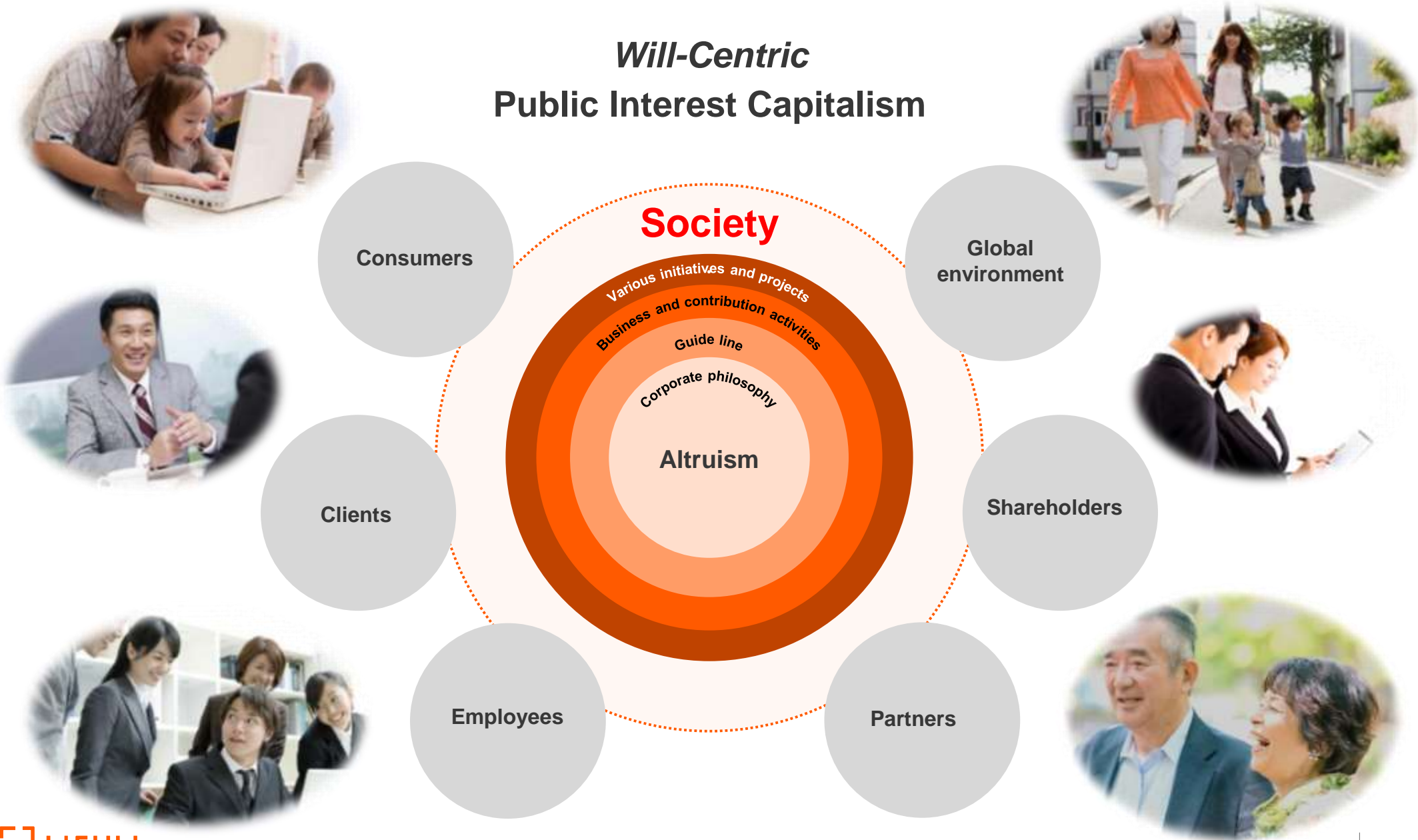
EBITDA is expected to be decreased 2.5% YoY due to the one-time expenses, and +20.1% YoY by excluding those special factors.

(mil JPY)



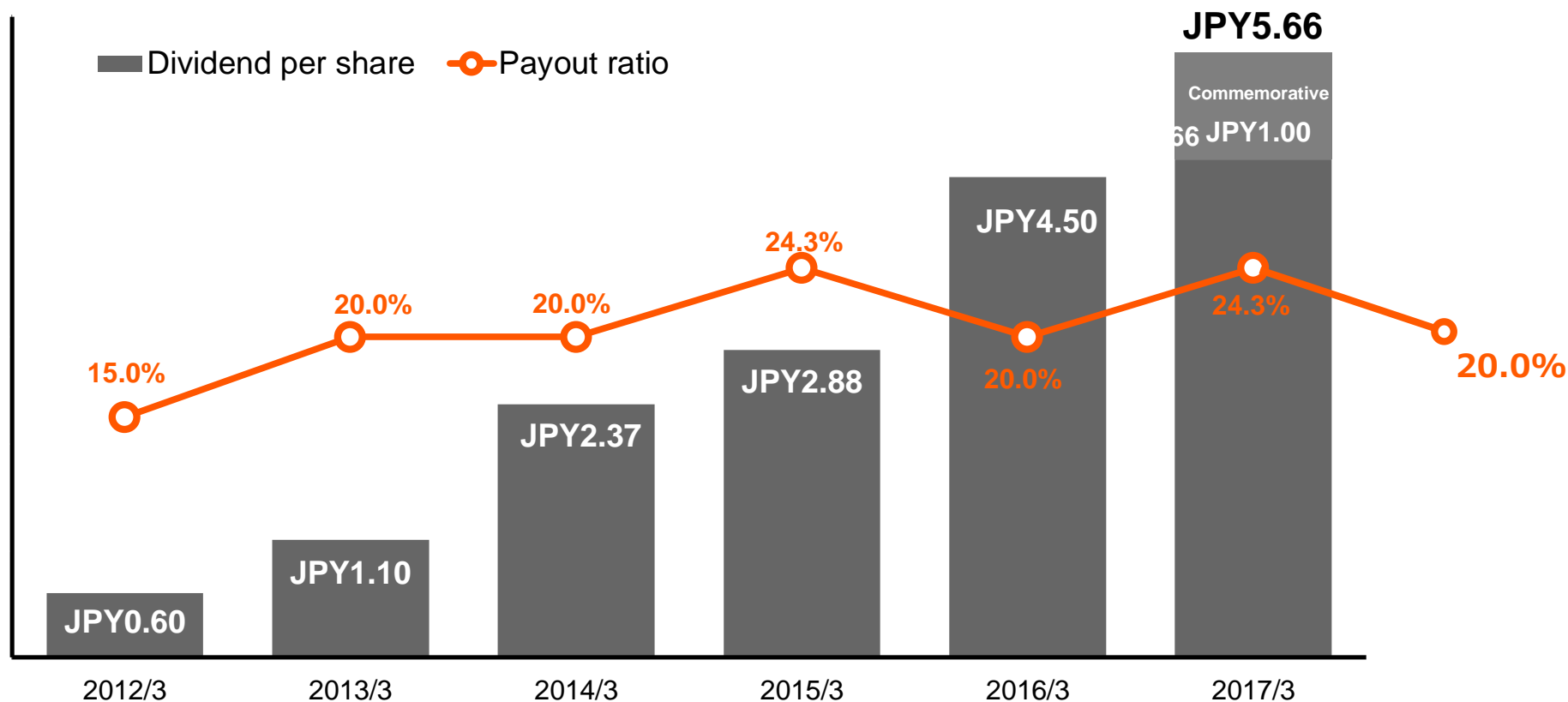
Profit Sharing

Based on the spirit of *Will-Centric Public Interest Capitalism*, we care every stakeholder



Profit Sharing

Continue to return to shareholders based on the basic policy of 20 % payout ratio.



*The Company conducted a three-to-one share split for its common stock in January 1, 2014.

*The Company conducted a two-to-one share split for its common stock in June 1, 2015.

*In connection with this share split, the dividend figures calculated for past years account for the impact of the split.

- > Since FY2013, dividend per share is calculated based on 20% of payout ratio and rounded down to the third decimal place.
- > Dividends are changing with the net income attributable to owners of the parent, but the payout ratio is remained 20%.
- > Due to the transition period to IFRS, the dividend payout ratio for the FY03/2015 was computed on the basis of net profit that excluded the “effects of NEXT’s acquisition of Trovit.” Thus, the resultant payout ratio was 24.3%.
- > For FY2015, the Company expects to pay dividends by making calculations on the basis of net income attributable to owner of the parent under IFRS standards.
- > The Company intends to raise the dividend payout ratio in the future in consideration of total capital, investment forecasts, and growth rates, among other factors.

The Company Where People Most Want to Work



Link & Motivation
**Best Motivation
Company Award**

1st

Selected as
“health and
productivity” stock

2
consecutive
years

“Great Place to Work
For women”
ranking

3rd

“Great Place to Work”
ranking
7 consecutive

4th

[] LIFULL

Make every LIFE FULL.



Appendix.



Corporate Info

Company	LIFULL Co., Ltd.
Stock code	2120 (TSE 1st Section)
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
Capital	JPY 3,999 million
Stock issues	118,789,100 shares (incl. 73,669 shares of treasury stock)
Consolidated number of employee	1,140 people (incl. 236 temporary and 153 overseas)
Major	LIFULL directors, Rakuten, Inc. (20%)
Main subsidiaries () stake	Renters Co. (100%) Trovit Search, S.L. (100%) Lifull Marketing Partners (60%)



External Market Data

Number of Apartments for sales

Source : Real Estate Economic Institute Co., Ltd.

	2015 (Jan-Dec)	2016 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Capital Region	40,449	35,772	1,679	2,598	4,457	2,286	3,495	3,503	4,785	2,610	2,430	2,921	3,496	6,189	1,494	2,237	2,693	1,978	3,002	3,050	3,317	1,966	3,424	2,903	2,701	7,007	1,384	2,310	3,408
YoY	-9.9%	-11.6%	-8.1%	-2.0%	-4.0%	-7.6%	-18.7%	0.0%	13.3%	23.7%	-27.2%	-6.5%	4.8%	-34.1%	-11.0%	-13.9%	-39.6%	-13.5%	-14.1%	-12.9%	-30.7%	-24.7%	40.9%	-0.6%	-19.6%	13.2%	-7.4%	3.3%	26.6%
Kinki	18,930	18,676	1,314	1,905	2,019	1,189	1,920	1,755	1,258	969	1,798	1,223	1,696	1,884	899	1,640	2,143	1,320	1,422	1,517	1,414	1,238	1,870	1,263	1,975	1,975	1,396	1,394	1,575
YoY	0.6%	-1.3%	84.8%	15.2%	9.3%	-2.7%	20.9%	3.8%	37.6%	-20.4%	-1.7%	-14.3%	-14.1%	15.0%	-31.6%	-13.9%	6.1%	11.0%	-25.9%	-13.6%	12.4%	27.8%	4.0%	3.3%	16.5%	4.8%	55.3%	-15.0%	-26.5%

Trend of Price for Apartments

Source : Real Estate Economic Institute Co., Ltd.

Unit : M,JPY	2015 (Jan-Dec)	2016 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Capital Region	5,518	5,490	4,455	5,696	5,186	5,305	4,812	5,815	5,953	5,872	5,393	5,364	6,328	5,457	5,570	5,773	5,638	5,750	5,692	5,672	5,656	5,662	5,578	5,406	5,161	5,078	6,911	5,793	5,588
YoY	9.1%	-0.5%	-3.9%	12.5%	-0.6%	9.5%	-6.7%	20.4%	7.6%	3.3%	13.2%	17.6%	21.1%	8.7%	25.0%	1.4%	8.7%	8.4%	18.3%	-2.5%	-5.0%	-3.6%	3.4%	0.8%	-18.4%	-6.9%	24.1%	0.3%	-0.9%
Kinki	3,788	3,919	3,155	3,427	3,842	3,562	3,964	3,664	3,578	3,641	3,708	3,459	4,454	4,525	3,798	3,717	4,046	3,811	3,327	4,034	3,841	3,913	4,159	3,989	3,803	4,321	3,341	3,747	3,987
YoY	3.9%	3.5%	-9.2%	1.4%	5.5%	3.8%	12.7%	-2.7%	-1.1%	-4.4%	-4.4%	-3.6%	22.1%	16.9%	20.4%	8.5%	5.3%	7.0%	-16.1%	10.1%	7.4%	7.5%	12.2%	15.3%	-14.6%	-4.5%	-12.0%	0.8%	-1.5%

New build properties

Source : Ministry of Land, Infrastructure, Transport and Tourism

	2015 (Jan-Dec)	2016 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
House for Rent	378,718	418,543	26,856	25,672	30,243	30,603	28,208	35,600	33,977	33,470	34,092	32,757	33,505	33,735	28,288	28,871	30,572	35,504	32,427	36,910	37,745	36,784	38,400	39,950	38,617	34,475	31,684	30,842	33,937
YoY	4.6%	10.5%	-10.3%	-7.5%	4.6%	-1.8%	2.8%	14.6%	18.7%	17.7%	13.3%	-2.6%	2.6%	3.9%	5.3%	12.5%	1.1%	16.0%	15.0%	3.7%	11.1%	9.9%	12.6%	22.0%	15.3%	2.2%	12.0%	6.8%	11.0%
Apartment house	115,652	114,570	10,377	10,693	7,575	11,071	11,322	14,173	7,424	10,189	7,724	8,690	8,880	7,534	8,383	11,752	11,290	11,936	11,236	10,185	7,863	6,815	9,502	9,476	8,263	8,337	13,098	7,262	8,549
YoY	4.7%	-0.9%	-13.1%	23.3%	-8.6%	24.4%	54.9%	82.8%	-17.6%	0.0%	-22.4%	-17.2%	-4.1%	-13.5%	-19.2%	9.9%	49.0%	7.8%	-0.8%	-28.1%	5.9%	-33.1%	23.0%	9.0%	-6.9%	10.7%	56.2%	-35.7%	-24.3%
House	123,624	133,739	9,511	9,630	9,887	9,893	9,148	11,160	10,587	10,768	10,351	10,030	11,471	11,188	10,359	10,602	10,678	10,933	10,796	11,279	11,863	11,401	11,600	11,294	11,683	11,251	10,863	10,696	11,041
YoY	-1.4%	8.2%	-9.7%	-0.2%	-1.6%	7.9%	-8.8%	-2.9%	-2.7%	4.6%	1.0%	-1.1%	8.2%	3.9%	8.9%	10.1%	8.0%	10.5%	18.0%	1.1%	12.1%	5.9%	12.1%	12.6%	1.8%	0.6%	4.9%	0.9%	3.4%
Owned house	283,366	292,287	20,282	20,813	21,352	23,294	22,542	26,643	25,396	25,245	25,219	24,830	25,310	22,440	20,264	20,984	22,274	23,567	23,501	26,944	26,910	26,341	25,573	26,046	25,993	23,890	20,228	21,322	21,468
YoY	-0.7%	3.1%	-18.7%	-9.1%	-1.4%	-2.1%	1.1%	7.2%	8.0%	4.1%	2.4%	2.4%	3.5%	-5.4%	-0.1%	0.8%	4.3%	1.2%	4.3%	1.1%	6.0%	4.3%	1.4%	4.9%	2.7%	6.5%	-0.2%	1.6%	-3.6%

Internal migrants

Source : Ministry of Internal Affairs and Communications

	2015 (Jan-Dec)	2016 (Jan-Dec)	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Total	5,384,553	5,251,717	319,754	350,058	967,388	764,296	360,121	370,989	384,787	377,467	394,589	406,352	337,321	351,431	316,102	374,679	945,834	731,587	390,754	350,188	359,735	396,626	345,064	367,684	339,023	334,441	321,162	374,679	958,776
YoY	3.4%	-2.5%	-0.1%	0.6%	4.0%	-2.7%	-1.3%	8.0%	0.9%	7.2%	9.4%	6.8%	10.7%	4.3%	-1.1%	7.0%	-2.2%	-4.3%	8.5%	-5.6%	-6.5%	5.1%	-12.6%	-9.5%	0.5%	-4.8%	1.6%	-5.1%	1.4%
Only Japanese	5,041,483	4,880,967	297,425	327,550	925,922	724,639	334,371	343,704	357,336	351,896	366,577	374,565	312,026	325,472	292,353	349,324	900,671	689,155	360,675	322,696	331,762	366,123	314,849	335,112	310,720	307,527	294,816	328,147	905,589
YoY	2.7%	-3.2%	-0.9%	-0.2%	3.5%	-3.3%	-1.9%	7.1%	0.2%	6.6%	9.2%	6.2%	10.0%	3.3%	-1.7%	6.6%	-2.7%	-4.9%	7.9%	-6.1%	-7.2%	4.0%	-14.1%	-10.5%	-0.4%	-5.5%	0.8%	-6.1%	0.5%

Japan Population

Source : Ministry of Internal Affairs and Communications

Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Total	127,273	127,095	127,016	126,991	126,896	126,939	126,904	126,929	126,958	126,942	126,875	127,094	127,095	127,088	127,043	127,029	126,963	126,991	126,940	126,985	126,995	126,976	126,903	126,933	126,937	126,920	126,860	126,830	126,760

HOME'S, a real estate and housing information listing site

<http://www.homes.co.jp/>

“HOME‘S” is the **No.1** real estate and housing information listing site in Japan.

Besides the quantity of information, HOME'S established screening team to improve information accuracy.

Continued to step up the efforts to meet smart device-related needs, catering for a variety of needs.



The iOS and Android applications by the HOME'S website



You can see a 360-degree view of properties with images that make the scene more alive.

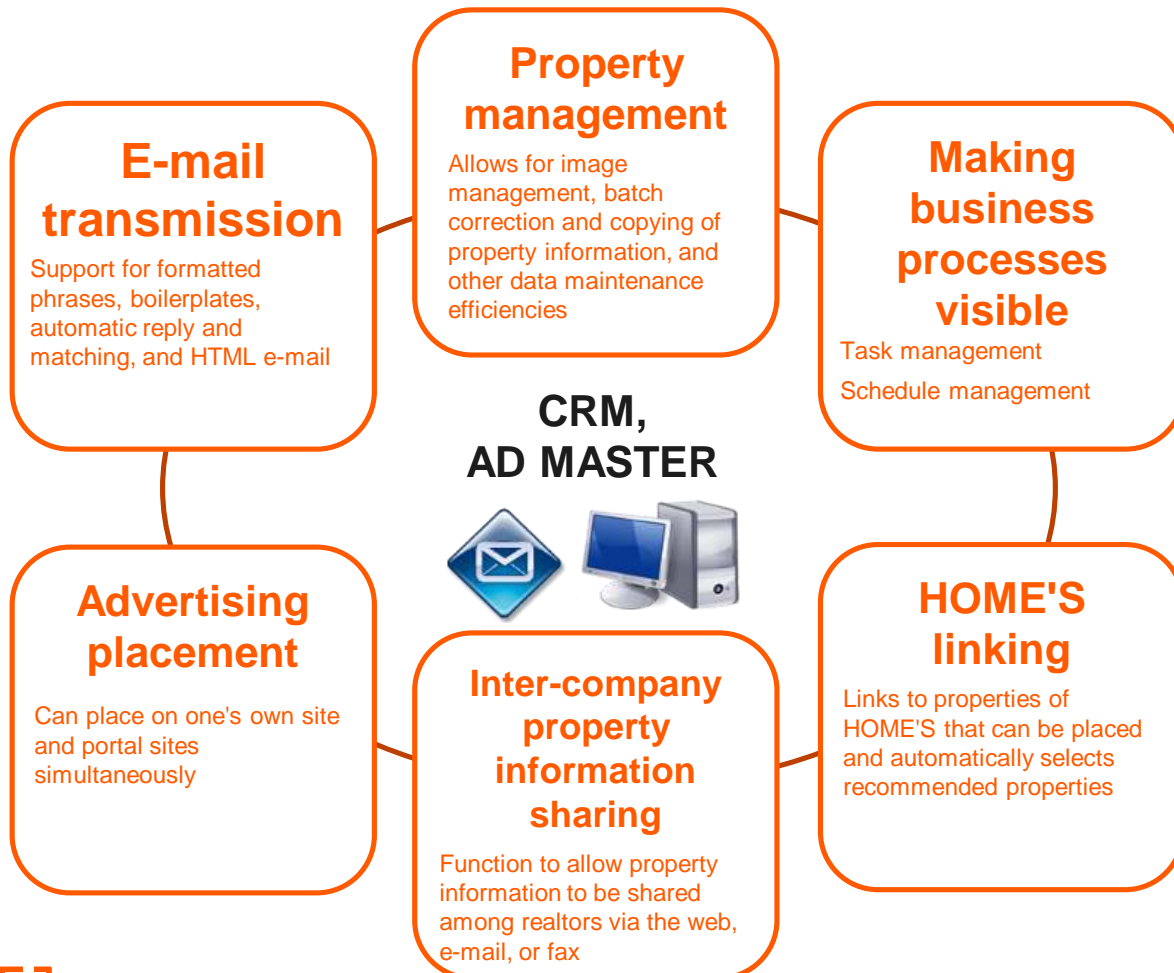
↓ Samples of 360-degree panoramic images

<https://theta360.com/s/46j>

<http://goo.gl/E3KGRl>

CRM services for realtors

A business support service provided by NEXT subsidiary Renters for rental property realtors. The service provides CRM, batch conversion of property information, and functions for management companies, systematizes complex property management processes and prevents customer support from being the domain of only a few individuals, **effectively streamlining realtors' business.**



Website creation service "Annex"

Annex is a "next-generation homepage service" that allows even users without specialized expertise to easily build **websites for realtors**. Users utilize high-quality templates to simply and affordably build websites **for PCs and smartphones**.

The service involves a one-time registration fee of 50,000 yen and a monthly fee starting at 10,000 yen.



- No technical expertise needed
- In-expensive
- Smart-phone supported

Other Businesses

Insurance agency search and appointment website
“LIFULL Hoken Soudan (insurance consultation)”



Furniture / interior EC website
“LIFULL Interior”



LIFULL Hikkoshi (move)



LIFULL Trunk Room (self-storage)



Other “LIFULL” services



Renter's

- Planning and sales of "AD MASTER", CRM service for realtors
- Consultation service

PT. Lifull Media Indonesia

- Planning and operation of "Lifull Rumah", a website providing real estate and housing information in Indonesia
- Providing "home hunting proxy service" in Jakarta to Japanese business people who will be relocating to the city
- Product samples and information websites

Trovit Search, S.L.

- Operation of one of the largest aggregation websites in the world

Lifull Scouting

- Operation of "Lifull Scouting", a sports matching service
- Consultation service for sports-related organization

Lifull LiveMatch

- Operation of "Lifull LiveMatch", a website to search for an accompany to enjoy music live, festival or concert together

Lifull Marketing Partners

- Internet and marketing businesses for realtors and property-related businesses
- Internet connection service (ISP) business

Lifull Senior

- Operation of “HOME’S Kaigo (nursing care)”, one of the largest websites in Japan to search for nursing care homes or elderly housing
-

Lifull Move

- Operation of “HOME’S Hikkoshi (move)”, a website where quotes from various moving companies available with one request and where on-line reservation is also available
-

Lifull Space

- Operation of “HOME’S Trunk room (luggage storage)”, a website with one of the largest number of rental storage room/unit information in Japan
-

Lifull FinTech

- Operation of “Lifull FinTech”, a financial info website
 - Operation of “Lifull Insurance Consultation”, a website to make an insurance consultation appointment
 - Operation of “Lifull Insurance”, a website to compare insurance products
 - Life and non-life insurance agency business
-

Lifull Bizas

- Admin and other back office operation outsourcee
- Call center operation outsourcee

Lifull Remodel

- Online home building mediation service
 - Reconstruction work mediation service
 - Contract work for interior decoration
-

JG MARKETING

- Operating crowd-funding platform “Japan Giving” and “Shooting Star”

IR Information

Contact us

LIFULL Co., Ltd IR Support Desk

TEL +81-3-6774-1603
(Monday to Friday 10:00AM-6:00PM)

FAX +81-3-6774-1737

E-mail ir@LIFULL.com

Website <http://www.LIFULL.com/> (Japanese)
<http://www.LIFULL.com/en/> (English)

Guide to IR News

We provide timely disclosure data in good time!

Please send a blank e-mail to the following e-mail address.

Blank e-mail: touroku@LIFULL.com



Official account on Twitter



https://twitter.com/LIFULL_Corp



Official Facebook page



<https://www.facebook.com/LIFULL.corp/>

