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Consolidated Financial Report for the Three-month Period Ended June 30, 2017 (IFRS)

August 9, 2017

Company name: LIFULL Co., Ltd.	Listed exchange:	Tokyo Stock Exchange
Stock code: 2120	URL:	http://lifull.com/en/
Representative: (Position) President and CEO	(Name) Takashi Inoue	
Contact: (Position) Managing Officer, Head of Group Company Business Development Department	(Name) Kazuhiko Abe	(TEL) +81-3-6774-1603
Scheduled quarterly securities report submission date:	August 9, 2017	
Scheduled date of start of dividend payments:	-	
Preparation of supporting documentation for earnings:	Yes	
Earnings presentations:	Yes (For institutional investors and analysts)	

(Millions of yen; amounts are rounded down to the nearest million yen)

Consolidated Financial Results for the Three-month Period Ended June 30, 2017 (April 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results

(Percentages indicate year-on-year change)

	Revenue		Operating income		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
		%		%		%		%		%		%
Three-month ended June 30, 2017	¥7,793	13.8	¥205	(82.5)	¥208	(82.7)	¥22	(97.0)	¥22	(97.0)	¥734	-
Three-month ended June 30, 2016	¥6,846	25.5	¥1,171	11.3	¥1,205	14.8	¥743	6.9	¥734	7.6	(¥400)	-

	Basic earnings per share (yen)	Diluted net income per share (yen)
Three-month ended June 30, 2017	0.19	0.19
Three-month ended June 30, 2016	6.18	6.18

(Reference) EBITDA (Operating income before depreciation and amortization)

Three months ended June 30, 2017: ¥458 million

Three months ended June 30, 2016: ¥1,392 million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)
As of June 30, 2017	¥25,469	¥18,451	¥18,346	72.0
As of March 31, 2017	¥27,110	¥18,815	¥18,471	68.1

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2017	-	0.00	-	5.66	5.66
Fiscal year ending September 30, 2017	-				
Fiscal year ending September 30, 2017 (forecast)		-	-	-	-

Note 1: There have been no changes in dividend forecast.

2: Dividend forecast for the fiscal year ending September 30, 2017 will be calculated based on a payout ratio of 20%.

3. Forecasts on the Consolidated Results for the Fiscal Year Ending September 2017 (April 1, 2017 to September 30, 2017)

(Percentages indicate year-on-year change)

	Revenue		Operating income		Profit attributable to owners of the parent	
		%		%		%
Fiscal year ending September 30, 2017	¥15,973	-	¥185	-	¥138	-

*Note: Revision to the most recently announced consolidated forecasts: No

(Reference) EBITDA

Fiscal year ending September 30, 2017 (forecast): ¥662 million

LIFULL Co., Ltd. approved the proposed Partial Amendment to the Articles of Incorporation at the 22nd General Meeting of Shareholders held on June 28, 2017. Consequently, from fiscal year 2017 LIFULL has changed its fiscal-year end from March 31 to September 30. Furthermore, LIFULL's consolidated subsidiaries have made similar changes. As a result, year-on-year changes are not given for the fiscal period ending September 30, 2017 because this is a six-month transition period that started on April 1, 2017.

*** Notes**

- (1) There have been no changes in material subsidiaries during the term.
- (2) Changes in accounting policies, changes in accounting estimates, restatement
- [1] There have been no changes in accounting policies required by IFRS.
 - [2] There have been no changes in accounting policies not falling within the scope of [1] above.
 - [3] There have been no changes in accounting estimates.
- (3) Number of shares issued (common stock)
- [1] Number of shares issued at the end of the period (including treasury stock)

As of June 30, 2017	118,789,100 shares
As of March 31, 2017	118,789,100 shares
 - [2] Treasury shares at the end of the period

As of June 30, 2017	73,736 shares
As of March 31, 2017	73,669 shares
 - [3] Average shares during term

Three months ended June 30, 2017	118,715,367 shares
Three months ended June 30, 2016	118,715,464 shares

*** This consolidated financial report is not subject to quarterly review procedures.**

*** Regarding appropriate use of results forecasts and other notes**

- The Company plans to hold an earnings briefing for institutional investors and analysts. Scenes from the briefing and presentation content (audio recordings) will be made available on the Company's website as soon as possible thereafter.
- August 14, 2017 (Monday): Earnings presentation for institutional investors and analysts.
- In addition, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL's IR website for more details.

(Appendix)

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1. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	6,046,944	5,013,280
Accounts receivable-trade and other current receivables	4,712,713	3,916,698
Other short-term financial assets	492,332	51,854
Other current assets	807,887	484,106
Total current assets	12,059,879	9,465,939
Non-current assets		
Property, plant and equipment	1,796,399	1,887,159
Goodwill	8,860,811	9,520,322
Intangible assets	2,621,540	2,514,899
Investments accounted for using the equity method	48,726	293,322
Other long-term financial assets	1,123,090	1,157,411
Deferred tax assets	594,633	625,912
Other non-current assets	5,083	4,614
Total non-current assets	15,050,284	16,003,642
Total assets	27,110,164	25,469,582

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,441,348	2,283,679
Short-term loans	969,465	968,952
Accrued corporate income taxes	661,398	78,381
Provisions	249,617	-
Other current liabilities	1,766,991	2,339,695
Total current liabilities	7,088,821	5,670,709
Non-current liabilities		
Long-term loans	484,757	484,501
Provisions	469,968	518,587
Other long-term financial liabilities	45,080	44,067
Deferred tax liabilities	205,566	299,804
Total non-current liabilities	1,205,374	1,346,960
Total liabilities	8,294,195	7,017,670
Equity		
Attributable to the owners of the parent		
Capital stock	3,999,578	3,999,578
Capital surplus	4,523,690	4,336,096
Retained earnings	11,815,482	11,165,584
Treasury shares	(8,644)	(8,694)
Other components of equity	(1,858,928)	(1,145,672)
Attributable to the owners of the parent	18,471,178	18,346,892
Attributable to non-controlling interests	344,789	105,019
Total equity	18,815,968	18,451,912
Total liabilities and equity	27,110,164	25,469,582

(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 June 30, 2017

(Thousands of yen)

	Three-month period ended June 30, 2016	Three-month period ended June 30, 2017
Revenue	6,846,773	7,793,903
Cost of revenue	670,839	915,861
Gross profit	6,175,933	6,878,041
Selling, general and administrative expenses	4,998,125	6,600,032
Other income	6,509	36,113
Other expense	13,087	108,765
Operating income	1,171,229	205,357
Financial revenue	30,990	736
Financial expenses	39	2,965
Share of profit (loss) of investments accounted for using the equity method	3,538	5,246
Profit before taxes	1,205,719	208,375
Income tax expenses	462,637	185,845
Profit for the period	743,082	22,529
Profit for the period attributable to:		
Owners of the parent	734,049	22,030
Non-controlling interests	9,032	498
Total	743,082	22,529
		(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	6.18	0.19
Diluted profit for the period per share	6.18	0.19

Condensed Consolidated Statements of Comprehensive Income
For the three-month period ended June 30, 2017

(Thousands of yen)

	Three-month period ended June 30, 2016	Three-month period ended June 30, 2017
Profit for the period	743,082	22,529
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax:		
Available-for-sale financial assets	(6,445)	(129)
Exchange differences on translation of foreign operations	(1,139,160)	710,719
Cash flow hedge	1,784	1,404
Other comprehensive income, after tax	(1,143,822)	711,995
Total comprehensive income for the period	(400,739)	734,524
Comprehensive income for the period attributable to:		
Owners of the parent	(407,064)	735,287
Non-controlling interests	6,325	(762)
Total	(400,739)	734,524

(3) Condensed Consolidated Statements of Changes in Equity

For the three-month period ended June 30, 2016 (April 1, 2016 to June 30, 2016)

(Thousands of yen)

	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 April 1, 2016	3,999,578	4,530,520	9,584,163	(8,619)	(1,183,496)	16,922,145	219,980	17,142,126
Profit for the period	-	-	734,049	-	-	734,049	9,032	743,082
Other comprehensive income	-	-	-	-	(1,141,114)	(1,141,114)	(2,707)	(1,143,822)
Total comprehensive income for the period	-	-	734,049	-	(1,141,114)	(407,064)	6,325	(400,739)
Dividends of surplus	-	-	(534,219)	-	-	(534,219)	(16,640)	(550,859)
Total transactions with owners	-	-	(534,219)	-	-	(534,219)	(16,640)	(550,859)
Balance as of June 30, 2016	3,999,578	4,530,520	9,783,993	(8,619)	(2,324,611)	15,980,861	209,666	16,190,527

For the three-month period ended June 30, 2017 (April 1, 2017 to June 30, 2017)

(Thousands of yen)

	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 April 1, 2017	3,999,578	4,523,690	11,815,482	(8,644)	(1,858,928)	18,471,178	344,789	18,815,968
Profit for the period	-	-	22,030	-	-	22,030	498	22,529
Other comprehensive income	-	-	-	-	713,256	713,256	(1,261)	711,995
Total comprehensive income for the period	-	-	22,030	-	713,256	735,287	(762)	734,524
Dividends of surplus	-	-	(671,929)	-	-	(671,929)	(37,506)	(709,435)
Increase (decrease) through treasury shares transactions	-	-	-	(49)	-	(49)	-	(49)
Capital transaction with owners of non-controlling interests	-	(187,594)	-	-	-	(187,594)	(201,690)	(389,285)
Increase due to business combinations	-	-	-	-	-	-	189	189
Total transactions with owners	-	(187,594)	(671,929)	(49)	-	(859,573)	(239,007)	(1,098,581)
Balance as of June 30, 2017	3,999,578	4,336,096	11,165,584	(8,694)	(1,145,672)	18,346,892	105,019	18,451,912

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Three-month period ended June 30, 2016	Three-month period ended June 30, 2017
Cash flow from operating activities		
Profit for the period before tax	1,205,719	208,375
Depreciation and amortization	221,997	256,901
Financial revenue	(30,990)	(736)
Financial expenses	39	2,965
Decrease (increase) in accounts receivable-trade and other current receivables	506,305	828,048
Increase (decrease) in accounts payable-trade and other current payables	(256,105)	(401,568)
Others	409,324	555,870
Subtotal	2,056,289	1,449,855
Interest and dividends received	1,024	690
Interest paid	(64)	(113)
Income taxes paid	(942,719)	(618,051)
Net cash from operating activities	1,114,529	832,381
Cash flow from investing activities		
Purchase of available-for-sale financial assets	(199,999)	(30,000)
Purchase of property, plant and equipment	(31,417)	(891,752)
Proceeds from sale of property, plant and equipment	867	241
Purchase of intangible assets	(66,208)	(59,038)
Proceeds from sale intangible assets	-	7,303
Proceeds from refunds of leasehold deposits and guarantee deposits	-	439,908
Acquisition of subsidiaries	-	(88,655)
Acquisition of shares of associates	-	(239,124)
Others	(5,359)	(7,363)
Net cash from investing activities	(302,117)	(868,480)
Cash flow from financing activities		
Dividends paid	(535,419)	(671,929)
Purchase of shares in subsidiaries	-	(390,000)
Dividends paid to non-controlling interests	(16,640)	(37,506)
Proceeds from share issuance to non-controlling interest	-	714
Purchase of treasury shares	-	(49)
Net cash from financing activities	(552,059)	(1,098,770)
Effect of exchange rate changes on cash and cash equivalents	(142,310)	101,205
Net increase (decrease) in cash and cash equivalents	118,041	(1,033,664)
Cash and cash equivalents at beginning of period	6,625,268	6,046,944
Cash and cash equivalents at end of period	6,743,309	5,013,280

(5) Notes to the Condensed Consolidated Financial Statements

(Note Regarding Going Concern Assumption)

Not applicable.