

Earnings Presentation IFRS

**First Quarter of the Fiscal Year Ending September 30, 2019
(October to December 2018)**

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.

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Key Points

1. FY2019/9 Q1 Revenue: JPY 8.3 billion, **+3.2%** YoY
EBITDA: JPY 1.8 billion, **+34.1%** YoY
2. Media enhancement initiatives underway to improve ARPA
3. Trovit continuously on the growth track: Revenue Oct-Dec (local currency basis) **+16.1%** YoY
4. Completed procedures to make Mitula Group Limited (“Mitula”) a subsidiary
5. Revised full year forecast following the acquisition of Mitula
(Synergy effects with Trovit not reflected)

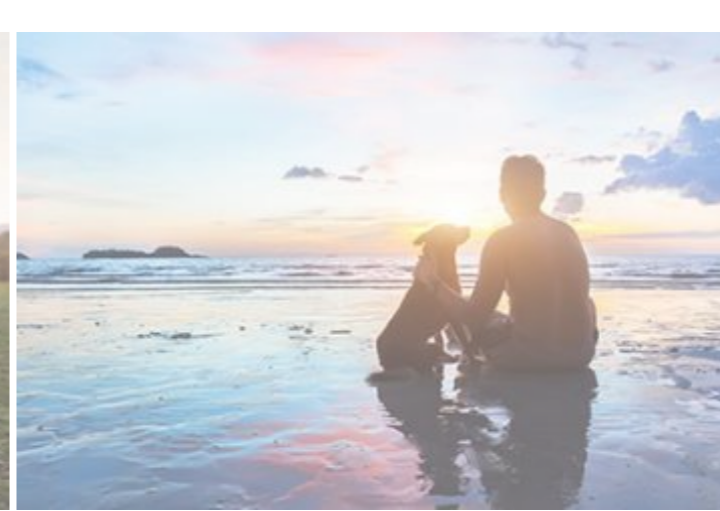
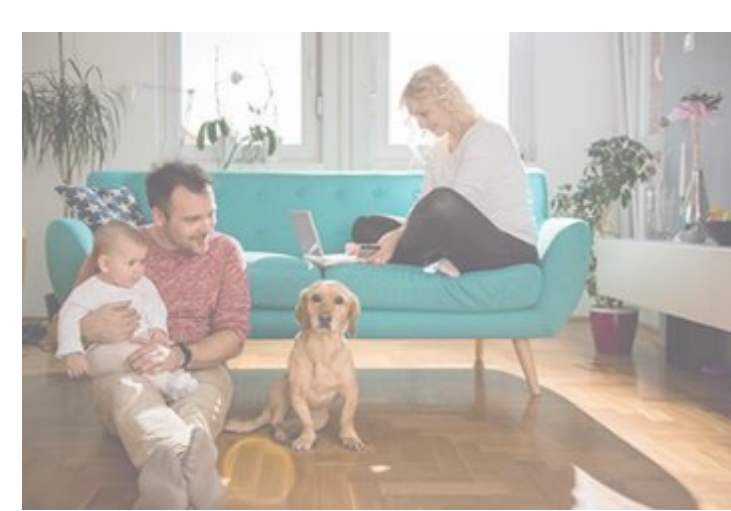


LIFULL Group Growth Strategy



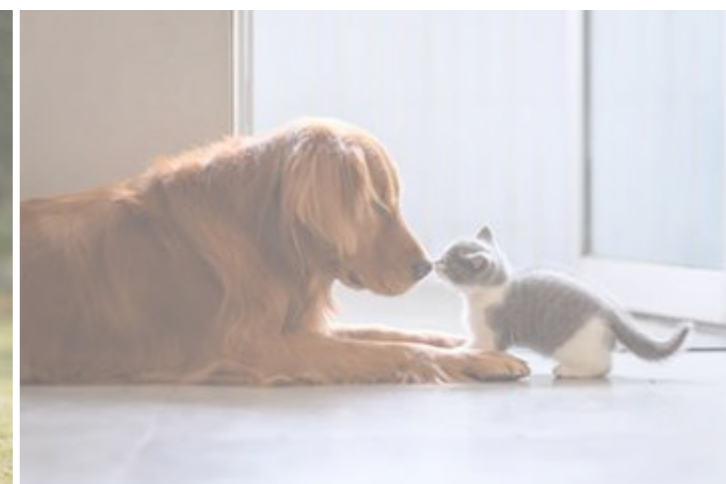
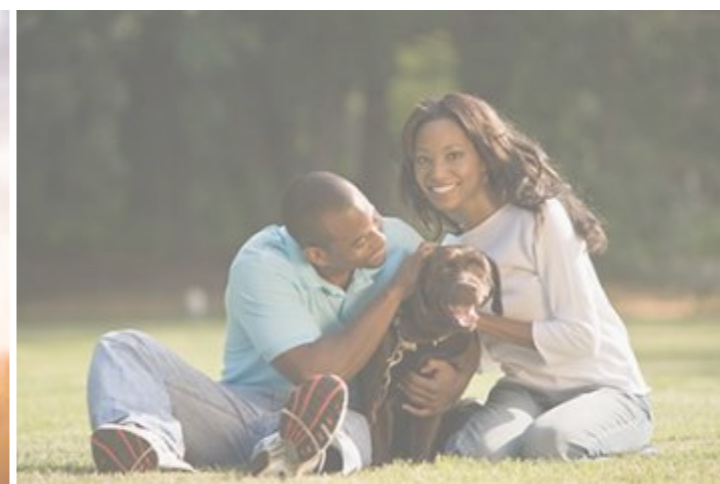
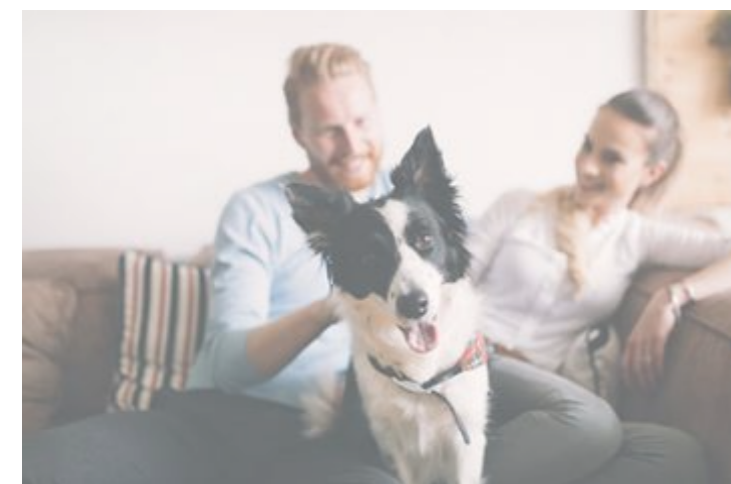
(No change from the previous disclosure)



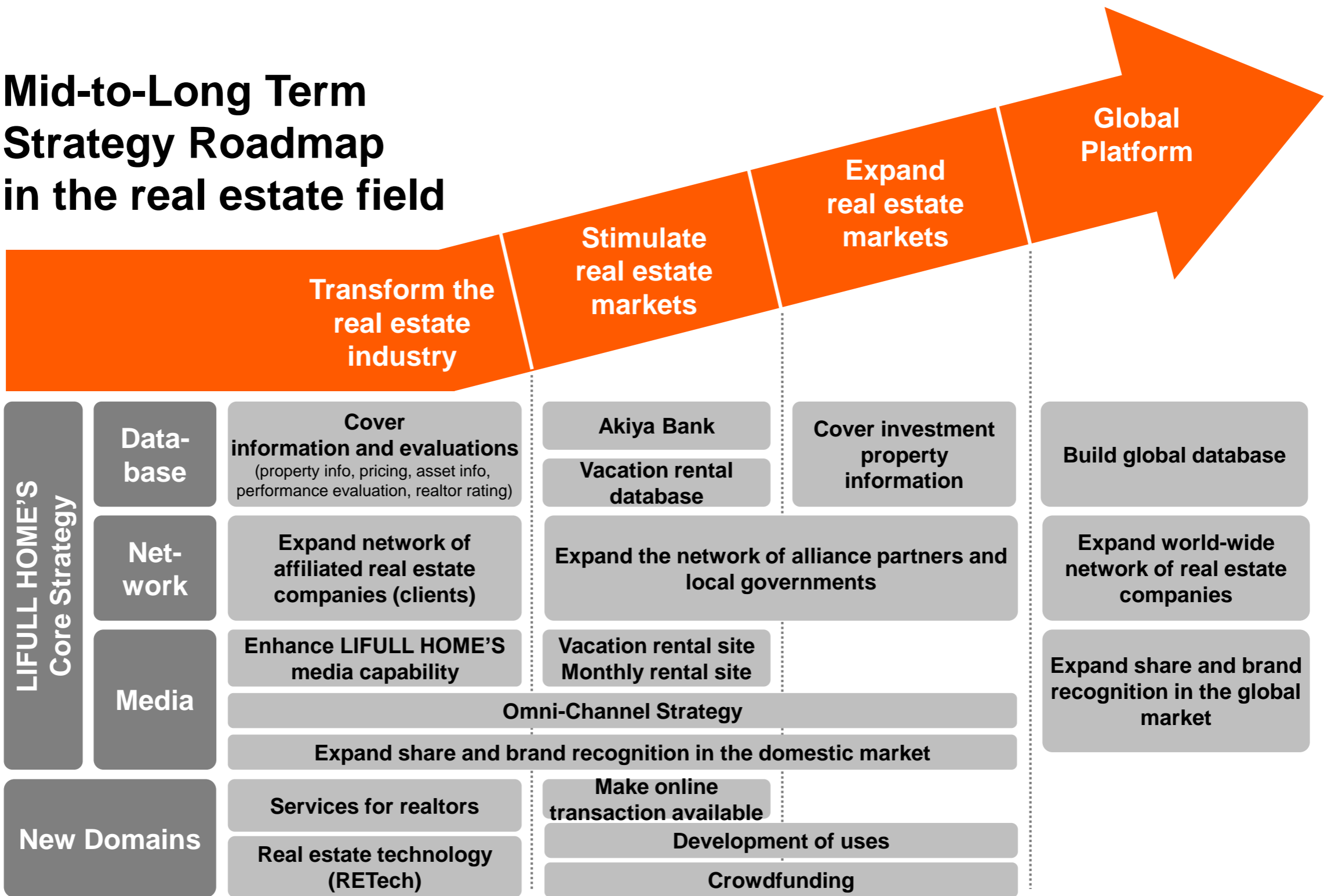


Company Slogan

“Becoming the best life-event database and solution company in the world.”



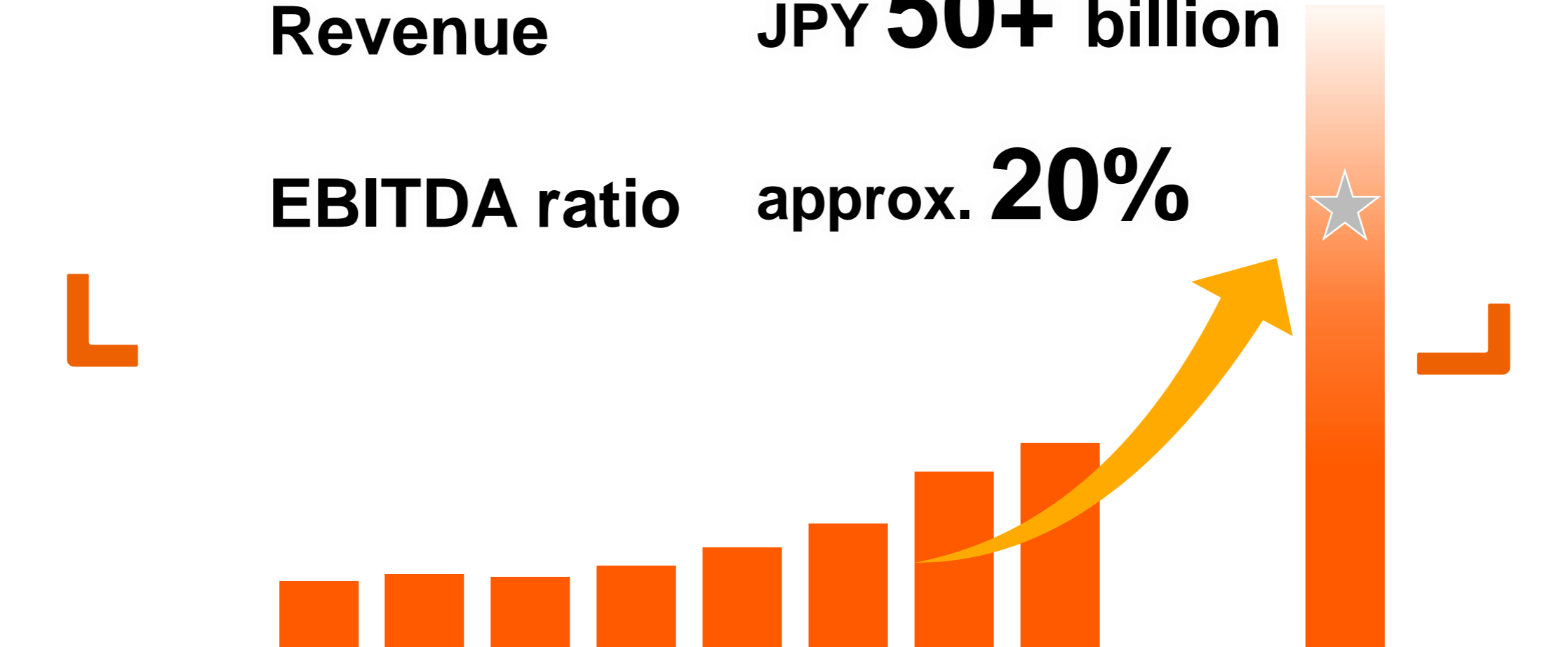
Mid-to-Long Term Strategy Roadmap in the real estate field



FY2020/9

Revenue JPY **50+** billion

EBITDA ratio approx. **20%**

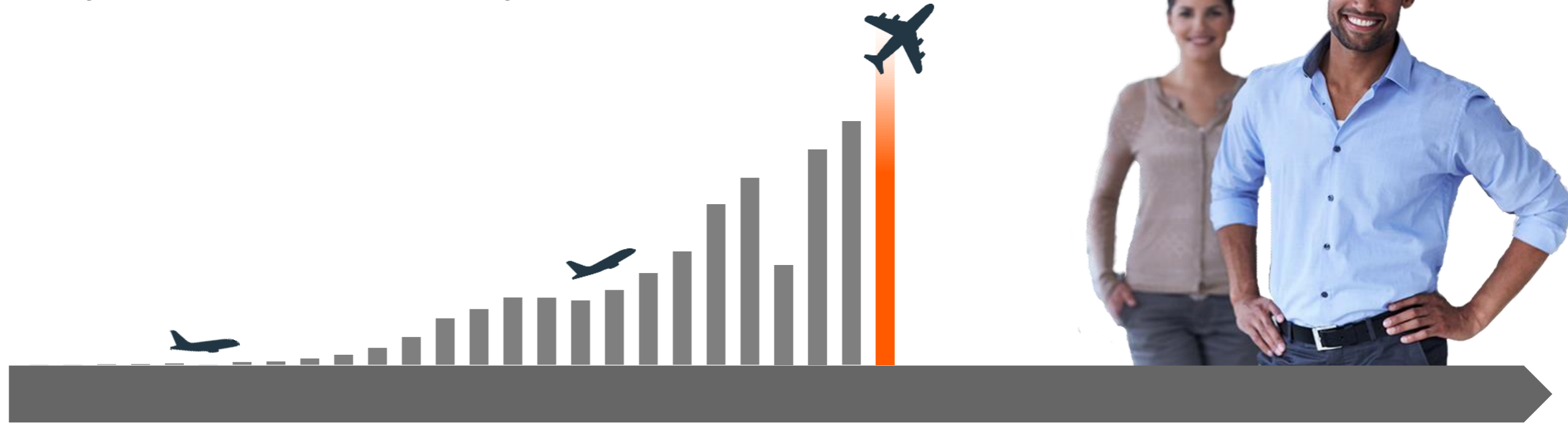


A technician with short grey hair, wearing safety glasses and a dark jacket, is kneeling in a large industrial facility, working on a large aircraft engine. The technician is using a tool on the engine's casing. The background shows the interior of a factory with high ceilings and structural beams.

**FY2019/9 is
an investment phase
to achieve the targets of the
“Mid-term Plan 2020”**

To achieve “Mid-term Plan 2020”

Investing in FY2019/9 to achieve the targets of the “Mid-term Plan 2020”



01 Growth of HOME'S Services Business

- **ARPA*1 x Number of customers*2**
 - ↳ Improve ARPA through growth
 - ↳ Enhance media capability

02 Growth of Overseas Business

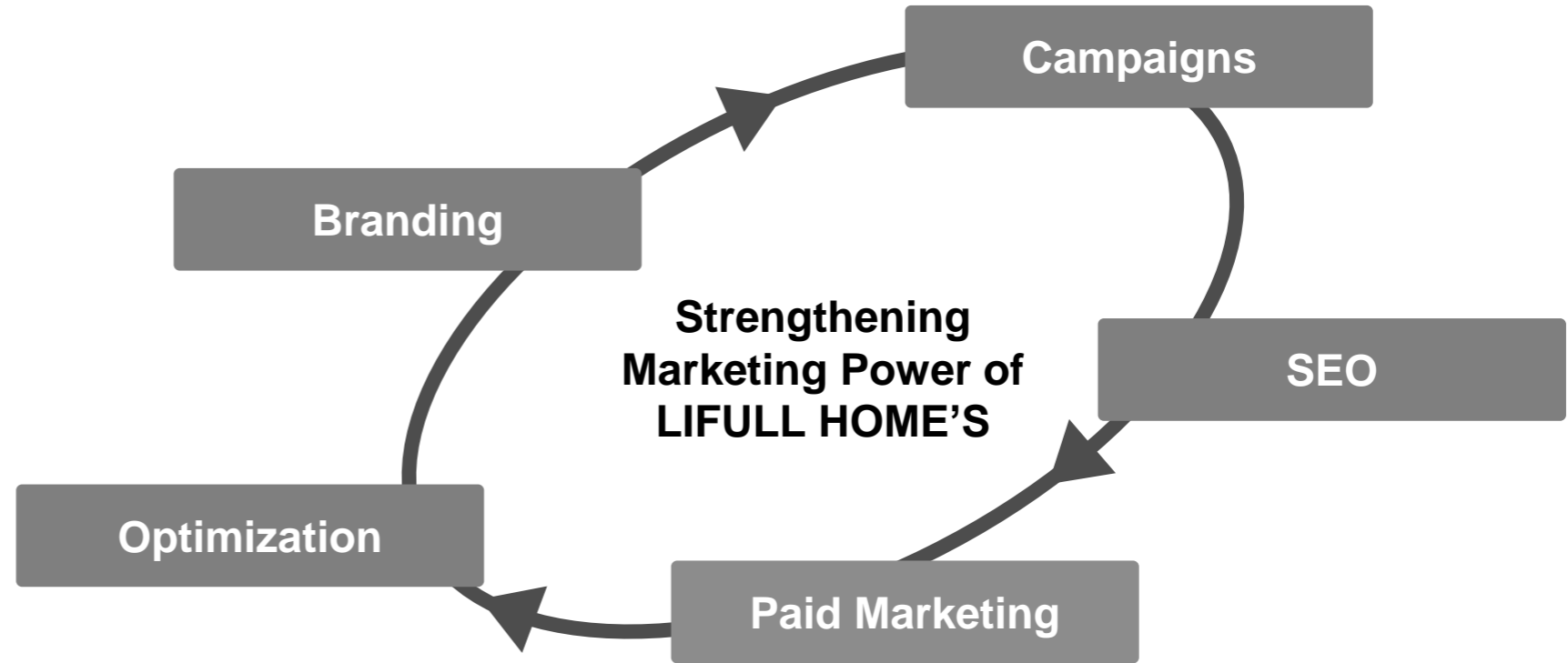
- Strengthen Trovit business
- Make Mitula a subsidiary
- Integrated management of Trovit & Mitula to improve competitiveness

*1 ARPA: Average Revenue Per Agent

*2 Number of customers: number of affiliated real estate businesses

Multi-dimensional initiative to strengthen media capability

Aim to be the absolute number one in the market by strengthening media capability and maximizing the value proposition



Growth of overseas business

- Accelerate growth through M&A -

In addition to achieving organic growth of Trovit, accelerate overseas growth through Mitula acquisition.

Integrated management to strengthen earning capacity



trovit × **MitulaGroup**



Area Strategy

Different prioritization based on the market of each country



Competitive Strategy

Understand each country's competitive landscape



Service Strategy

Develop new services to expand the service scope



Sales Strategy

Take the three strategies on the left into consideration



Organization Strategy

Optimize the organization for strategy execution



Consolidated Financial Results for FY2019/9 Q1



Condensed statements of income and loss

IFRS

Revenue was up 3.2% YoY, EBITDA was up 34.1%, quarterly net profit was up 69.6%

Unit: JPY mil	FY2018 Q1(Oct.-Dec.)	FY2019 Q1(Oct.-Dec.)	Change	Change %	
Revenue	8,128	8,391	+262	+3.2%	*1
Cost of sales	928	1,048	+119	+12.8%	*2
SG&A (excl. depreciation and amortization)	5,862	5,879	+16	+0.3%	
Personnel expenses	1,962	1,969	+6	+0.3%	
Advertising expenses	2,426	2,347	-79	-3.3%	*3
Operating expenses	236	190	-46	-19.7%	*4
Other	1,236	1,372	+135	+11.0%	*5
Other income and expenses	71	425	+353	+495.6%	*6
EBITDA	1,408	1,889	+480	+34.1%	
EBITDA margin	17.3%	22.5%	+5.2pt	-	
Net profit*	591	1,003	+411	+69.6%	
Depreciation and amortization	274	259	-14	-5.3%	

*1 Revenue increased across all segments.

*2 Increased mainly due to LIFULL Marketing Partners business growth.

*3 Increased traffic and reduced marketing costs through SEO optimization.

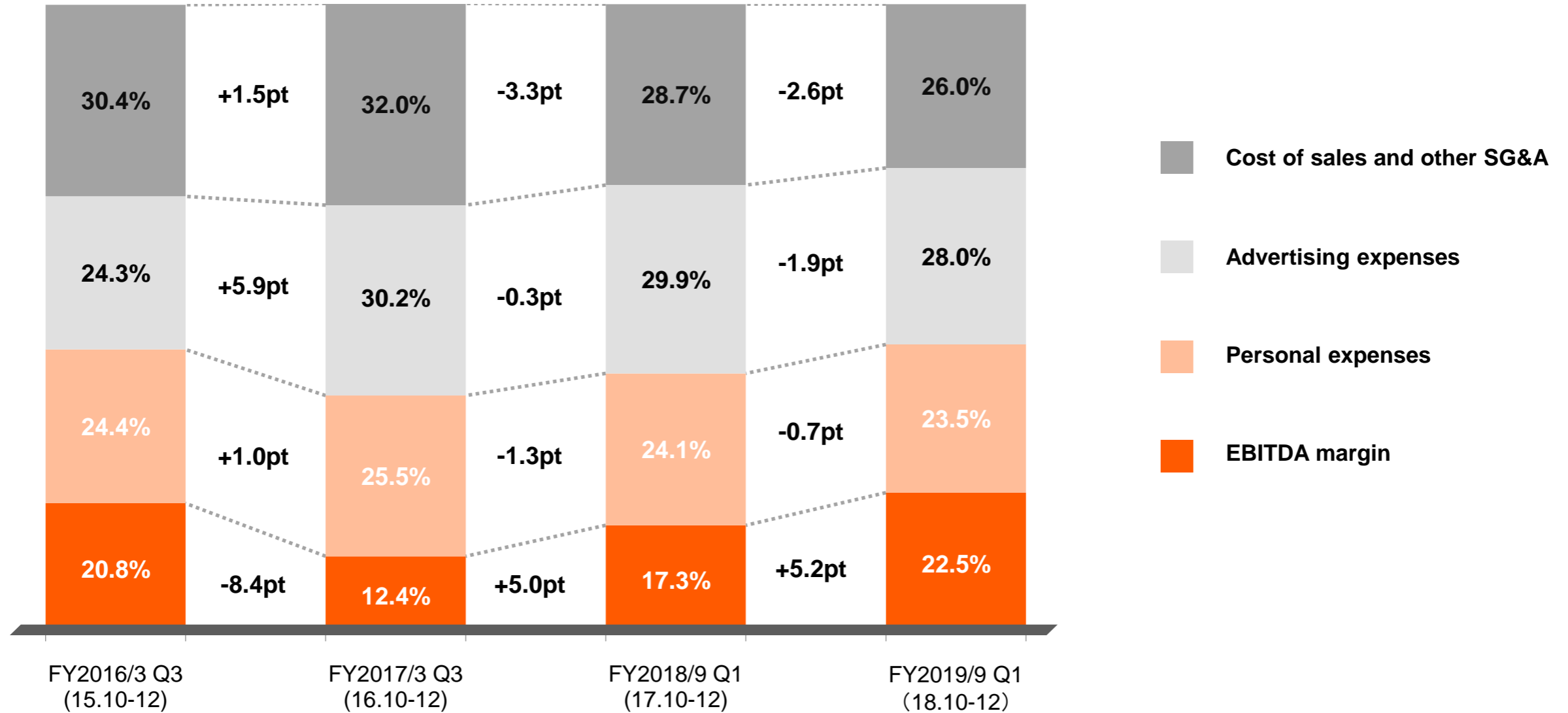
*4 Reduced by changing use of promotion expenses after January for this FY.

*5 Increases in costs for system fees due to increased traffic, temporary donations for the establishment of the LIFULL Foundation, improvement of office hardware and network.

*6 Sale of shares in insurance business and advertising agency LHL.

Expense-to-revenue ratio IFRS

EBITDA margin improved significantly thanks to a lower ratio of advertising expenses following the ad-optimization and profit generated by business transfer.



Sales by segment, segment income and loss IFRS

Revenue growth achieved in all segments

Income generated by the HOME'S Services Business increased YoY due to a decrease in temporary expenses and an effort to reduce costs

Significant increase in Overseas Business following the Trovit revenue growth and higher profitability

Unit: JPY mil	FY2018/9 Q1 Oct.-Dec.	FY2019/9 Q1 Oct.-Dec.	Change	Change %	Main items
Revenue	8,128	8,391	+ 262	+3.2%	
HOME'S Services	6,742	6,860	+ 117	+1.7%	Decreases seen from the withdraw from non-profitable Reform & Remodel businesses were more than offset by increases in the number of inquiries following initiatives, such as improved SEO.
Overseas	883	986	+ 102	+11.6%	Although JPY was approximately three yen higher than expected, double-digit growth was achieved thanks to growth in Trovit
Others	502	544	+ 42	+8.4%	Major contributions made by LIFULL senior and LIFULL SPACE

Unit: JPY mil	FY2018/9 Q1 Oct.-Dec.	FY2019/9 Q1 Oct.-Dec.	Change	Change %	Main items
Segment income and loss	1,062	1,204	141.0	+13.3%	
HOME'S Services	943	992	49.0	+5.2%	In addition to the increase in revenue by segment, there were also increases due to restraints on sales and administration costs, such as paid search marketing.
Overseas	130	253	122.0	+93.4%	Significant increase due both to revenue increases and profitability improvement in Trovit.
Others	-33	-42	-9.0	-	
Inter-segment transactions	22	1	-20.0	-93.0%	

Progress of business forecast for the FY2019/9

IFRS

Condensed Statements of Income and Loss

Unit: JPY mil	FY2019/9 Oct.-Sep. [Full-year forecast]	FY2019/9 Oct.-Sep. [Actual]	Progress %
Revenue	39,022	8,391	21.5%
Cost of sales	5,176	1,048	20.2%
SG&A (excl. depreciation)	28,447	5,879	20.7%
Personnel expenses	8,598	1,969	22.9%
Advertising expenses	11,897	2,347	19.7%
Operating expenses	1,271	190	14.9%
Other	6,679	1,372	20.5%
Other revenues and expenses	391	425	108.7%
EBITDA	5,791	1,889	32.6%
EBTDA margin	14.8%	22.5%	-
Net profit*	3,132	1,003	32.0%

Revenue by Service

Unit: JPY mil	FY2019/9 Oct.-Sep. [Full-year forecast]	FY2019/9 Oct.-Sep. [Actual]	Change %
Revenue	39,022	8,391	21.5%
HOME'S Services	31,939	6,860	21.5%
Overseas	4,713	986	20.9%
Others	2,370	544	23.0%

*Net profit attributable to owners of the parent

Condensed statements of financial position and goodwill IFRS

Short-term borrowing increased by JPY 3.2 billion for acquisition of Mitula shares

Unit: JPY mil	As of Sep 30, 2018	As of Dec 31, 2018	Change	Change%	Main items
Current assets	12,900	12,705	-195	-1.5%	Decrease in cash and deposits -117 Decrease in accounts receivable - trade -336
Non-current assets	16,281	17,831	+1,549	+9.5%	Increase in short-term loans receivable +153 Increase due to an accrual payment for the system Decrease in tangible fixed assets -63 Decrease in goodwill -356 Decrease mainly due to fluctuations in foreign-currency Decrease in software -102 Decrease in intangible fixed assets -69 Decrease due to depreciation of PPA Decrease in shares of associates -94 Decrease mainly due to the loss generated by an equity Increase in other non-current assets +2,352 Increase due to the advance payment of Mitula shares
Assets	29,181	30,536	+1,354	+4.6%	
Current liabilities	6,181	7,732	+1,551	+25.1%	Decrease in accounts payable-trade -42 Increase in short-term debts +3,300 Increase due to the new borrowing for Mitula acquisition Decrease in accounts payable - other -392 Decrease due to completion of payment for TV commercial Decrease in accrued corporate income taxes -985 Decrease in accrued consumption taxes -105 Increase in deposits received +170 Increase in social insurance premium for bonuses Decrease in allowance for bonuses -413 Decrease due to bonus payment in December
Non-current liabilities	1,004	998	-5	-0.6%	
Liabilities	7,185	8,731	+1,545	+21.5%	
Total Equity	21,996	21,805	-191	-0.9%	Increase in retained earnings +288 Decrease in foreign currency translation adjustment -474 Decrease due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	184.32	182.76	-1.56		

* Outstanding goodwill balance : Littel JPY 86 million, Trovit JPY 8,764 million, LIFULL Marketing Partners JPY 251 million, LIFULL Social Funding JPY 255 million, LIFULL Tech Vietnam JPY 91 million, and Trovit and LIFULL Marketing Partners depreciable assets (PPA) JPY 576 million.

Condensed statements of cash flow IFRS

Cash and cash-equivalent was JPY 7.4 billion decreased by JPY 100 million QoQ

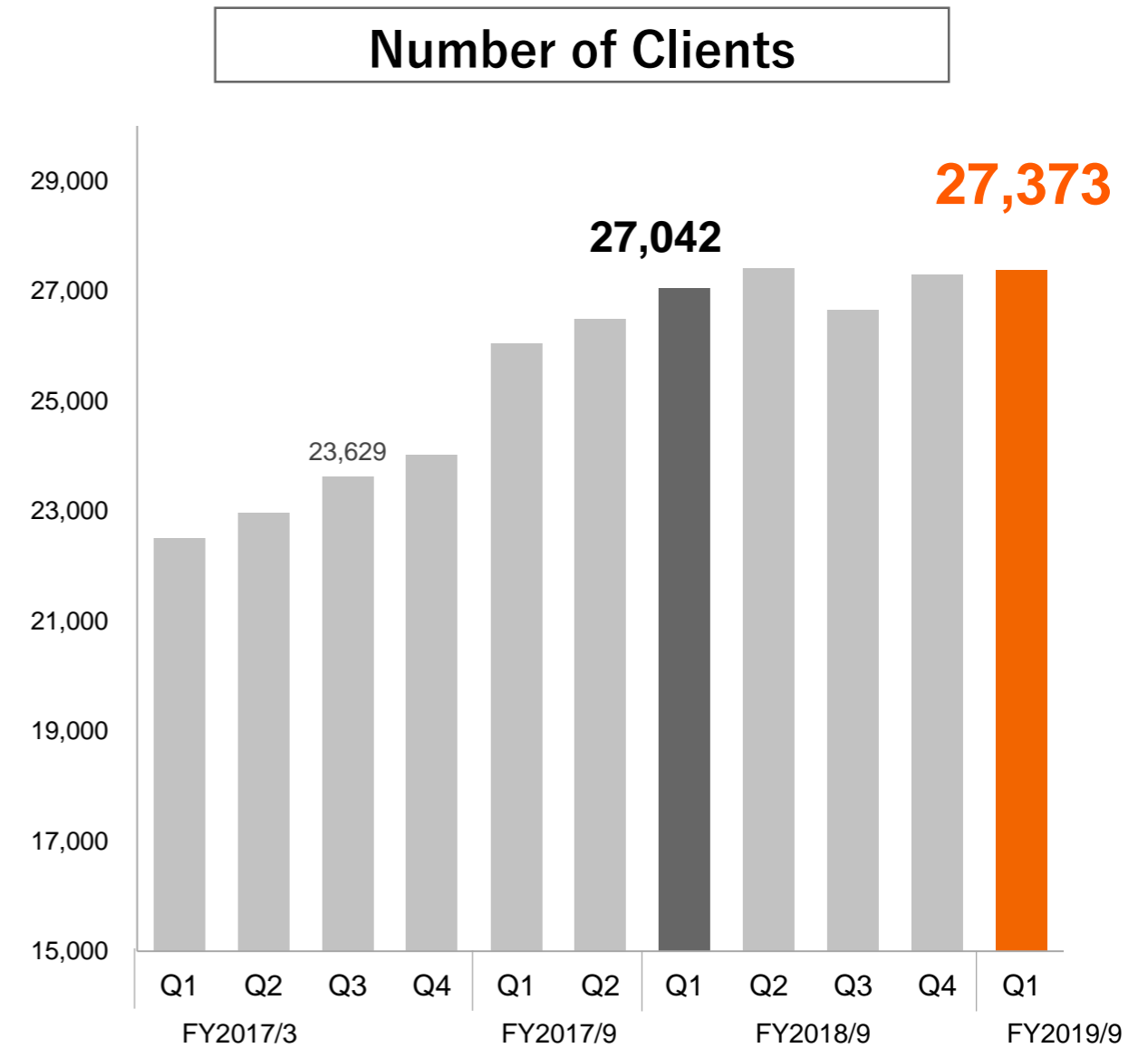
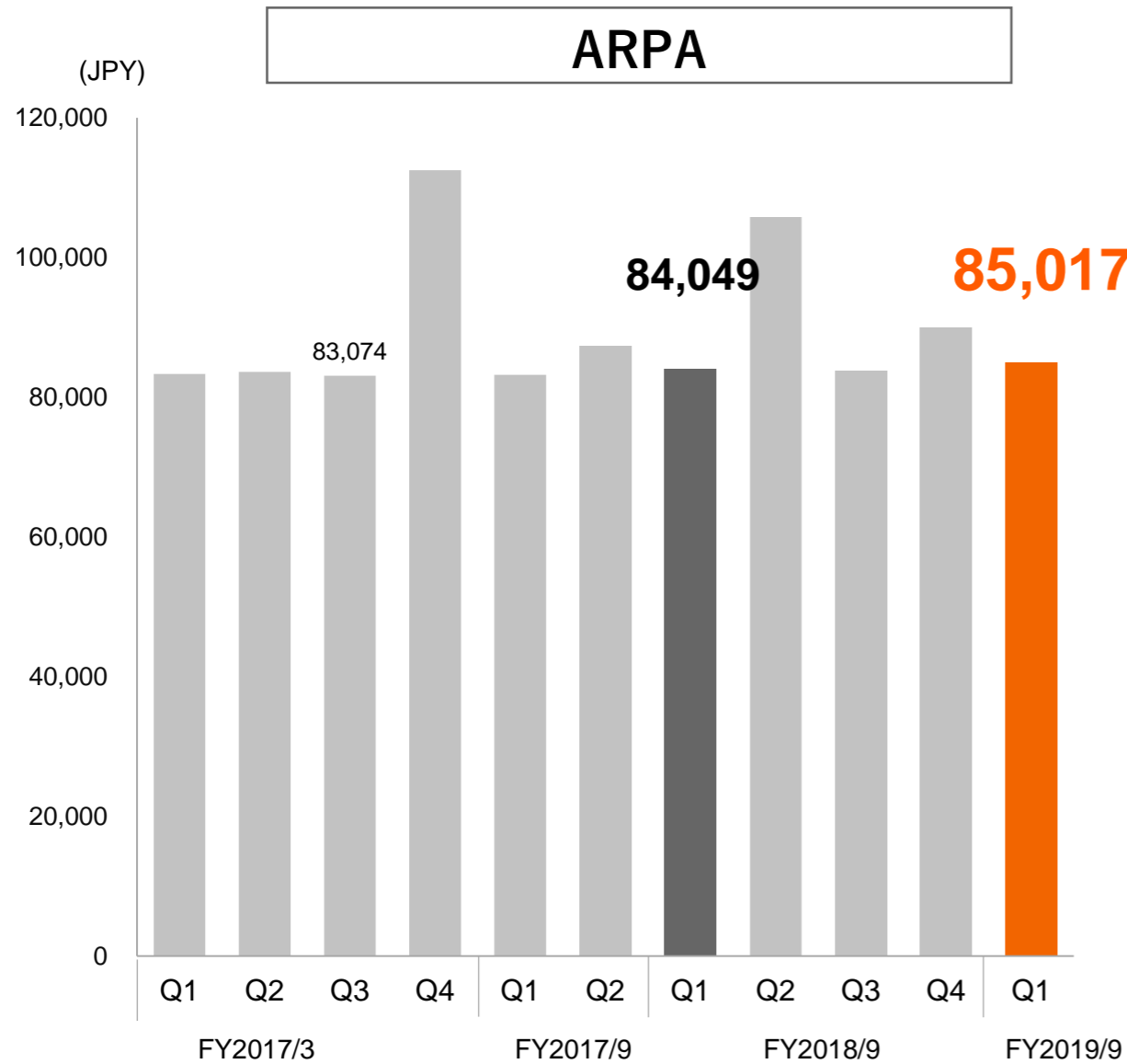
Unit: JPY mil	FY2018/9 Q1	FY2019/9 Q1	Change	Main items		
	Oct.-Dec.	Oct.-Dec.		Items	FY2018/9 Q1	FY2019/9 Q1
Operating cash flow	236	-679	-915	Profit for the period before tax	+1,080	+1,520
				Depreciation and amortization	+280	+266
				Increase/decrease in accounts receivable - trade and other current receivables	+147	+202
				Increase/decrease in accounts payable - trade and other current payables	-509	-366
				Tax payments	-273	-1,469
Investing cash flow	-425	-1,933	-1,507	Purchase of available-for-sale financial assets	-399	-
				Purchase of property, plant and equipment	-56	-22
				Outlays for the acquisition of intangible fixed assets	-74	-74
				Outlays for acquisition of shares of associates	-	+473
				Proceeds from repayment of lease and guarantee deposit	+135	-
				Outlays for acquisition of shares of subsidiaries	-	-73
				Proceeds from sale of shares of associates	-	+115
				Cash use for international remittance relating to acquisition of subsidiaries	-	-2,352
Financing cash flow	-69	2,584	+2,654	Repayment of long-term loans	-	+3,300
				Dividends paid	-97	-711
Change in cash and cash equivalents	-234	-117	-			
Balance of cash and cash equivalents	5,275	7,453	+2,178			



Business Update

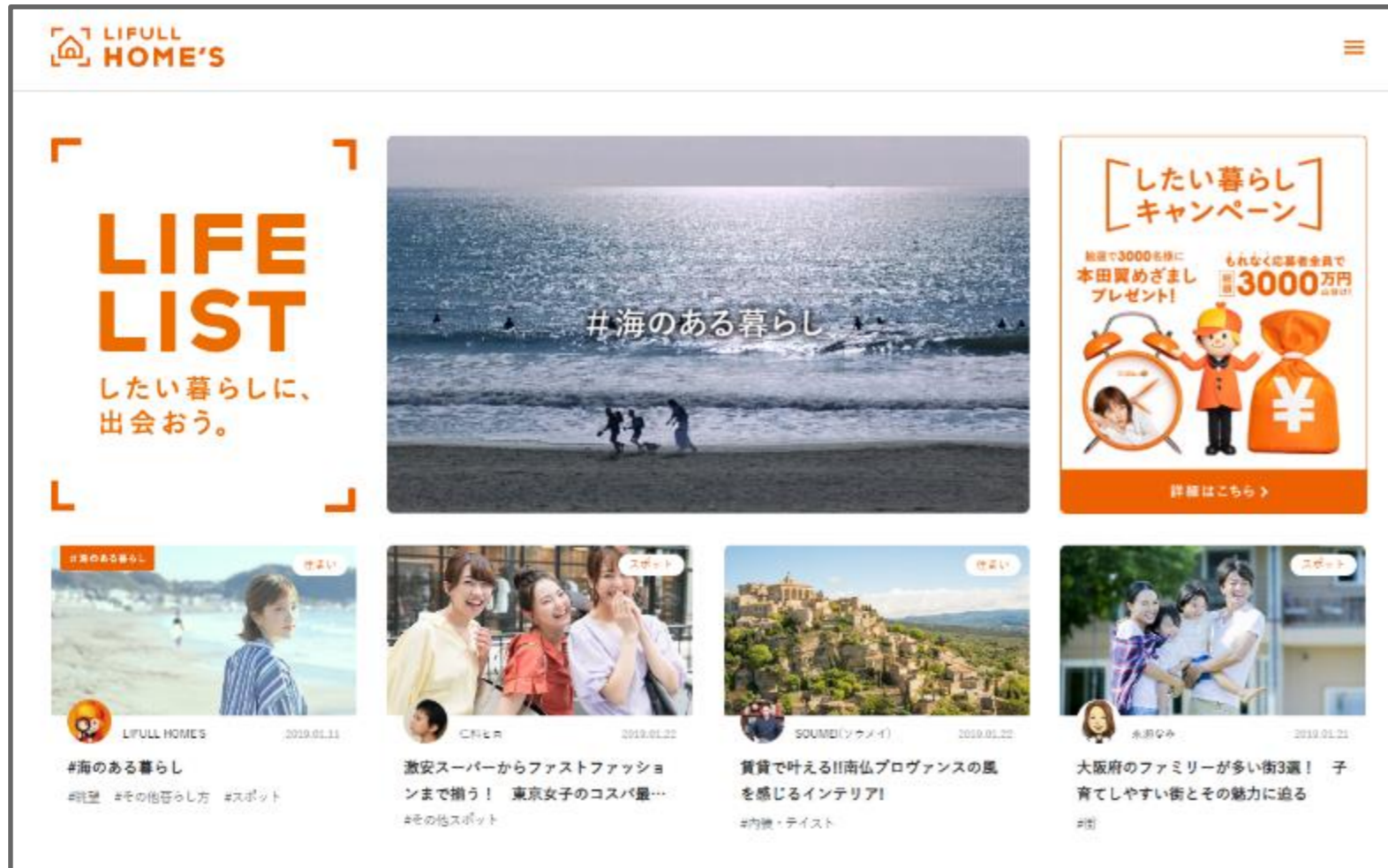
KPIs - Client network - ARPA -

ARPA improved by 1.2% YoY



New proposal for house hunting - LIFE LIST -

LIFE LIST Released: Service which allows users to find a house based on their own ideal lifestyle

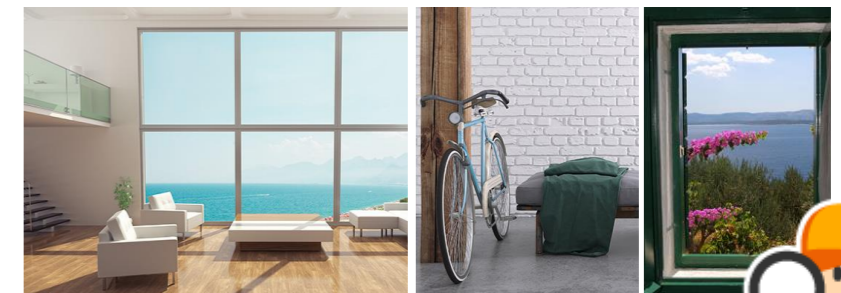


01 Introduce various lifestyles

- # living near the beach
- # amazing scenery
- # cyclers
- # etc.



02 Suggest properties which fit the user's lifestyle



LIFE LIST

検索

<https://www.homes.co.jp/life/>

Enhance media capability - Promotion -

Execute a marketing mix, such as TV commercials and campaigns, linked to new content to further increase traffic to LIFULL HOME'S

LIFE LIST



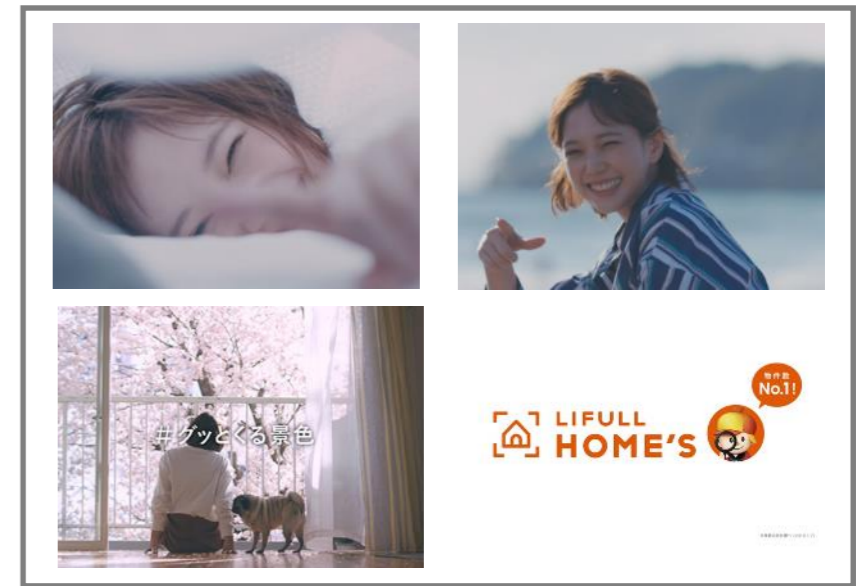
See P20 for the details.

Campaigns



<https://www.homes.co.jp/chintai/cp/201901-01/>

TV Commercials



<https://www.youtube.com/user/HomesDiary>

Enhance media capability - Promotion -

Launched a short TV program from Oct. 6, 2018 to increase awareness of LIFULL HOME'S brand



Title : Stories - A home to explore your life -

Chanel : Nippon Television Network *Kanto region only

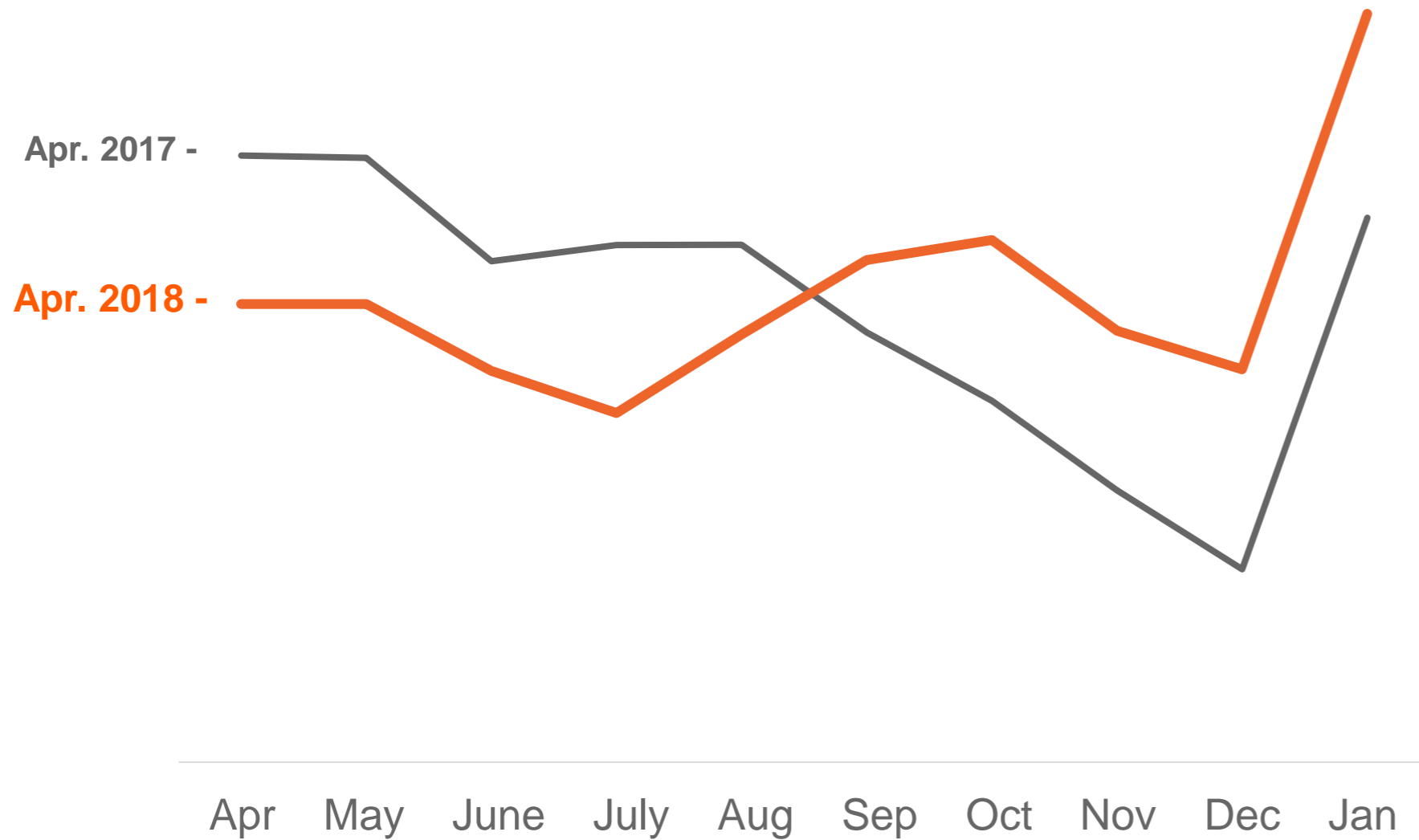
Schedule : Every Saturday 22:54 - 23:00

あなたのライフを探す家

検索

<http://www.ntv.co.jp/stories/index.html>

(Ref.) LIFULL HOME'S ability to attract traffic

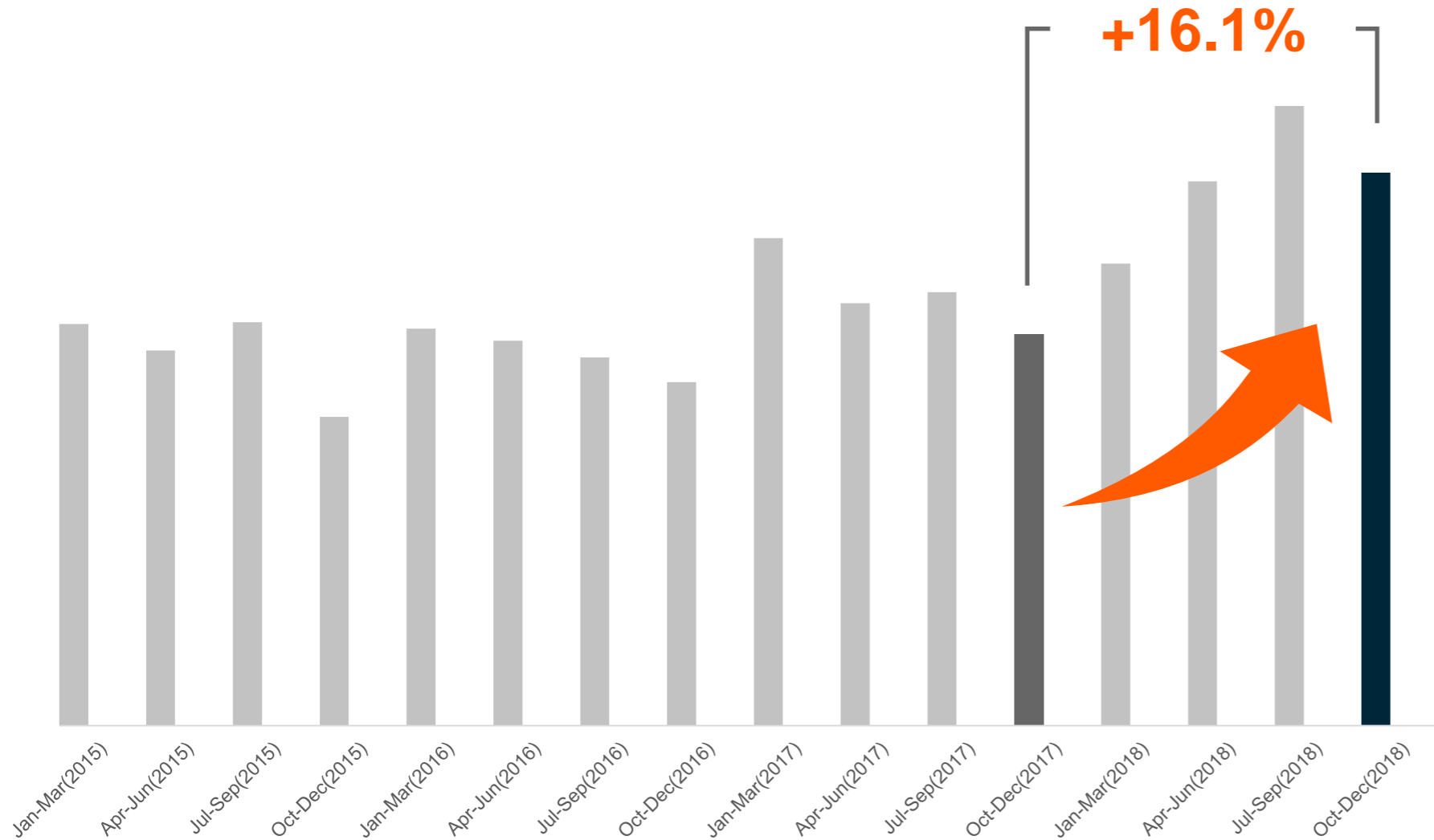


**Steady
progress**



Overseas business growth - Growth of Trovit -

Continued to grow in Q1 (Oct–Dec): +16.1%* YoY



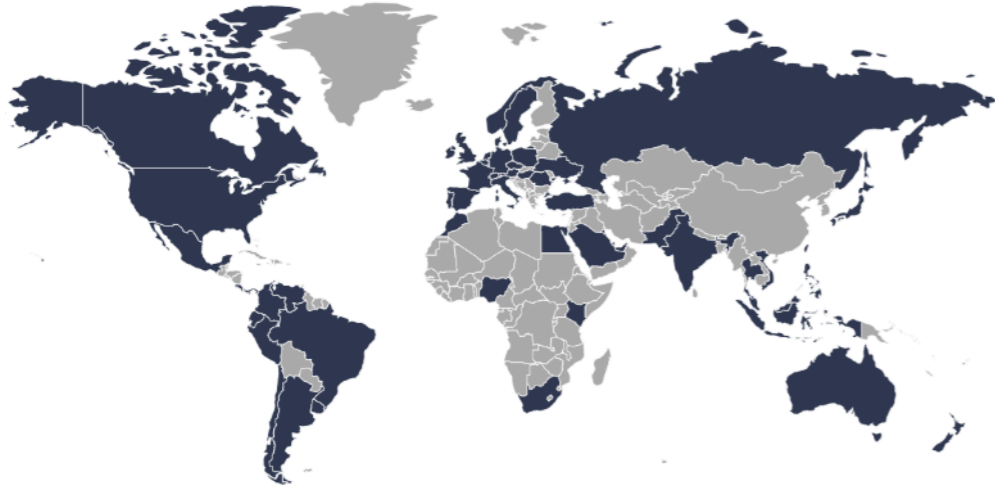
Continuous growth

* Trovit results based in Euro

Overseas business growth

- Mitula compared with Trovit -

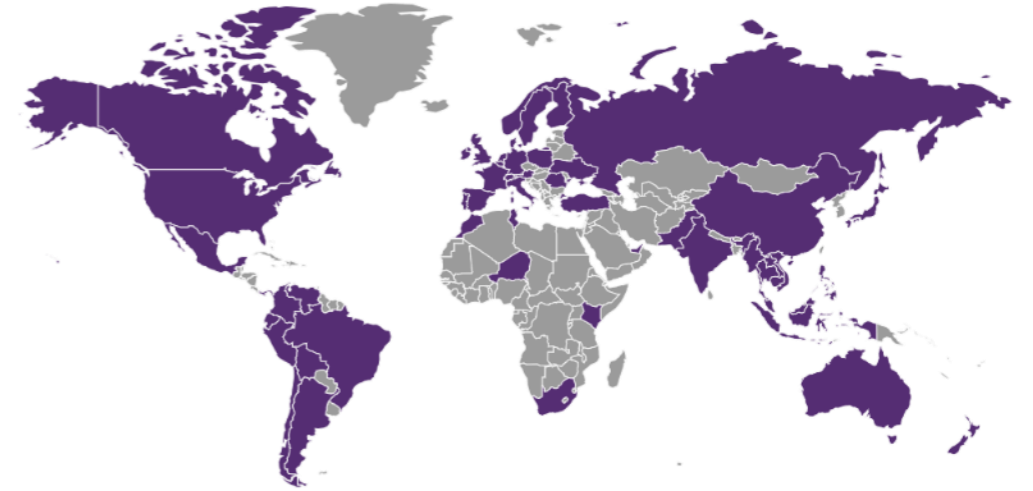
trovit



【Markets】

73% overlap
(46 out of 63 markets)

Mitula



【Services】

100% overlap



Aggregation website for:
Real estate, pre-owned cars and jobs



Aggregation website for:
Real estate, pre-owned cars and jobs
Portal website for real estate
Aggregation website for fashion



**Jan 8, 2019:
Mitula joined LIFULL Group**

Overseas business growth - Acquisition of Mitula Group Limited -

Mitula joined LIFULL Group on Jan 8, 2019



Company name:
Mitula Group Limited

Business

Operation of aggregation websites
(Real estate, pre-owned cars,
fashion and jobs)

Operation of portal website
(Real estate)

Business Performance (2018)

Sales JPY 3.8 billion
EBITDA JPY 600 million
(JPY 1.0 billion excluding the
expenses related to the acquisition)



Acquisition value: JPY 14.3 billion
(Cash : JPY 2.35 billion)
(Shares : JPY 11.43 billion)

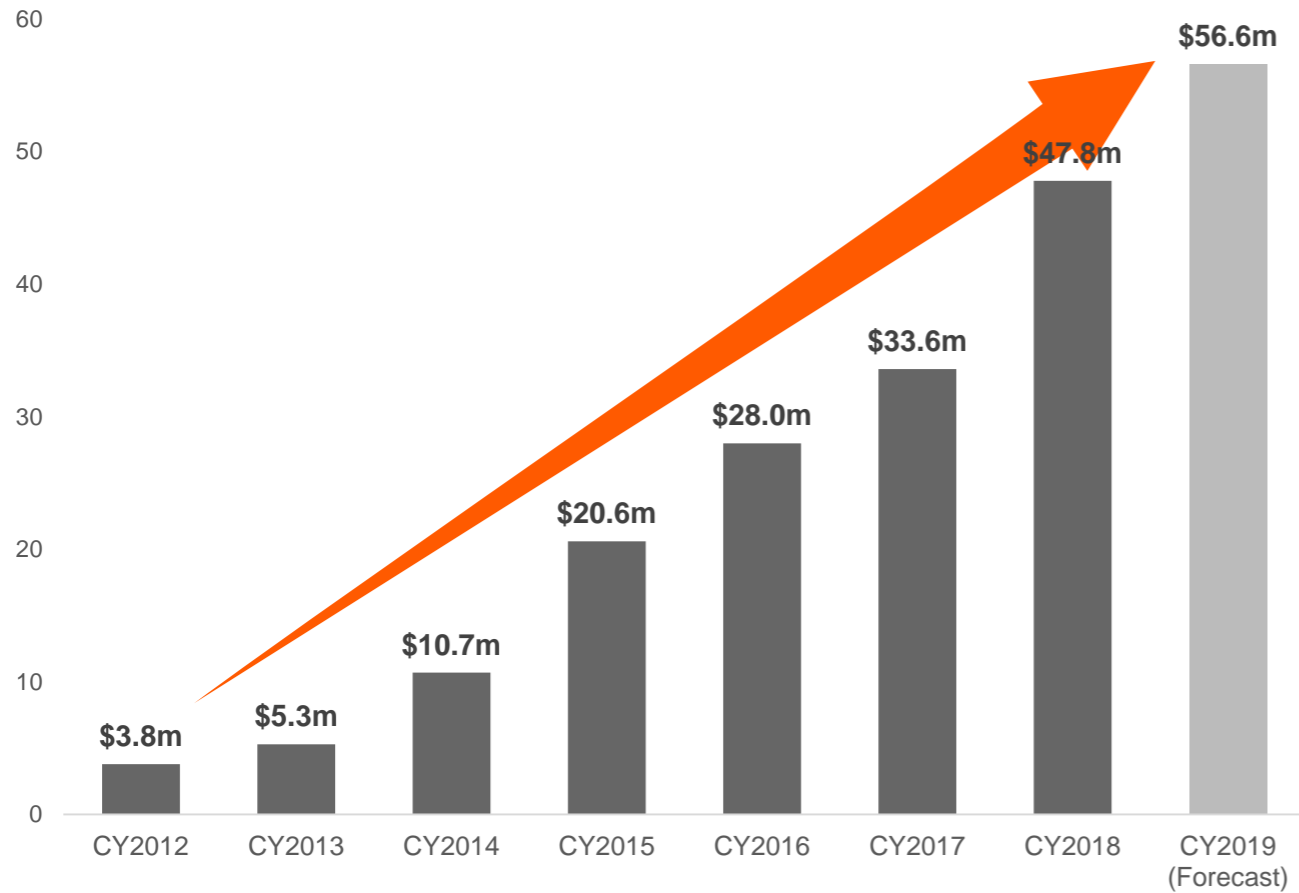
* Currency exchange assumption: AUD 1 = JPY 80

*Shares: Market price on Jan. 8 (JPY 740) x New Shares (15,450,770)
= JPY 11,433million

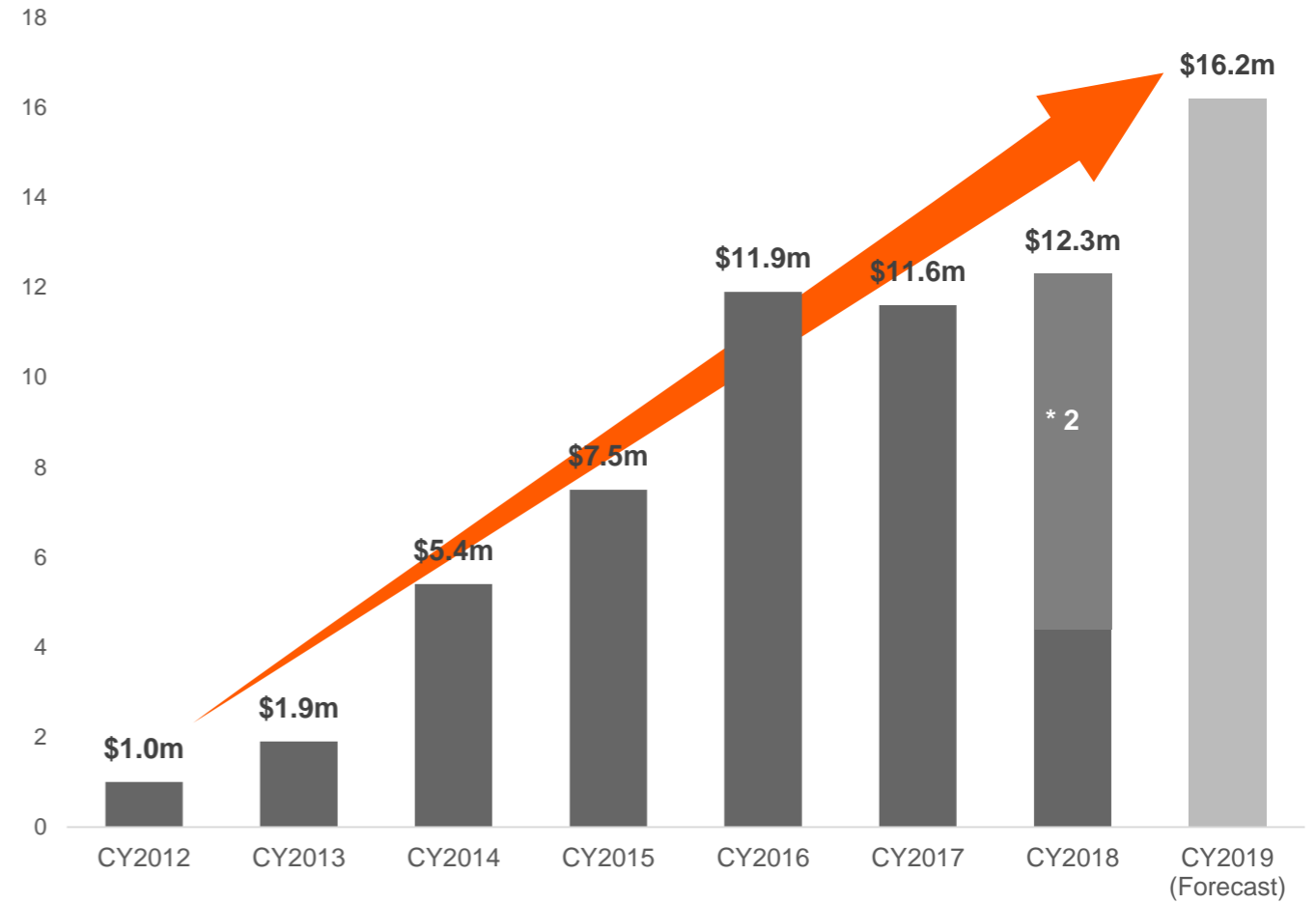
(Ref.) Mitula business performance

Continuous growth in both sales and profit

Revenue (AUD)



EBITDA (AUD)



*1 Based on calendar year which is different from LIFULL fiscal year

*2 Excluding temporary costs related to the M&A

Overseas business growth - Business consolidation of Trovit and Mitula -

Plans to establish and co-manage LIFULL CONNECT

Utilize a multi-brand approach to increase market share without combining websites

Streamline Management through Organization Leverage



Enhance competitiveness in the global market

Increase Shares with Multi-Brand Approach



Mitula CEO
Gonzalo del Pozo

Trovit CEO
Mauricio Silber

Overseas business growth - Benefits of management consolidation -

Continuous growth by leveraging the strength of Trovit and Mitula



01 Ability to Attract Traffic

- Market share improvement across markets by managing multiple websites together
- Multi-faceted understanding of each market by operating multiple websites
- Will be able to minimize unnecessary investments and run a more optimized, high-traffic website



02 Technological Capability

- Share advanced technological capability of Trovit which has been working on automating its platform
- Will be able to improve business operation efficiency by leveraging technologies such as ad-performance forecast and real-time KPI tracking



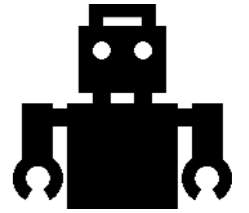
03 Marketing Ability

- Will be able to develop strategies leveraging multiple brands
- Create multi-phase earning opportunities by combining different services provided by each brand



04 Great Corporate Management

- Top management of Mitula has executed multiple M&As on a global scale
- Performed successfully in PMIs with each M&A and has a wide range of expertise

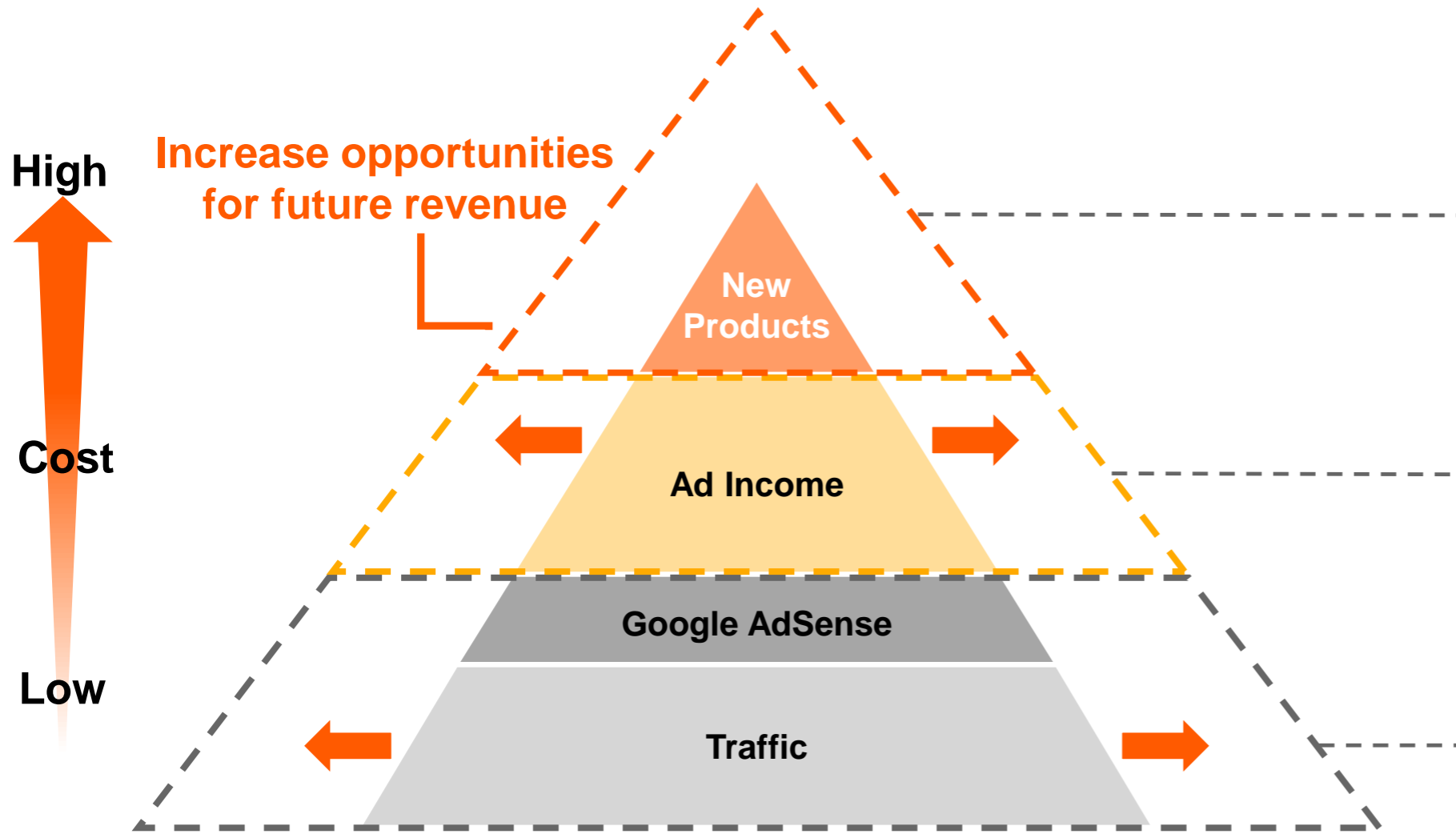


05 Streamlining

- Reduce overlapping investments by Trovit and Mitula and begin investments in creating new value.
- Will be able to reduce listing costs for Mitula as well as other shared costs

Overseas business growth - Growth strategy -

Increase the potential value for traffic and enable multilateral opportunities for future revenue.



③ Transaction



- High-quality referrals
- Turn-overs
- Secondary markets (Peripheral domains)

② Ad Income



- Mail marketing
- Retargeting
- Banners

① CPC



- Text links
- Google AdSense
- Premium ads



Revision of the Full-year Forecast

Revision of FY2019/9 forecast IFRS

Started to consolidate Mitula from Jan 2019

Expected synergy from the joint management of Trovit and Mitula is not reflected in this revision

Condensed Statements of Income and Loss

Unit: JPY mil	FY2019/9 Oct.-Sep. [Previous]	FY2019/9 Oct.-Sep. [Revised]	Change	Change %
Revenue	39,022	42,306	+3,283	+8.4%
Cost of sales	5,176	5,228	+52	+1.0%
SG&A (excl. depreciation)	28,447	31,493	+3,046	+10.7%
Personnel expenses	8,598	9,348	+749	+8.7%
Advertising expenses	11,897	13,139	+1,242	+10.4%
Operating expenses	1,271	1,355	+84	+6.6%
Other	6,679	7,649	+970	+14.5%
Other revenues and expenses	391	391	0	-
EBITDA	5,791	5,975	+184	+3.2%
EBTDA margin	+14.8%	+14.1%	-0.7pt	-
Net profit*	3,132	2,962	-170	-5.4%

Revenue by Service

Unit: JPY mil	FY2019/9 Oct.-Sep. [Previous]	FY2019/9 Oct.-Sep. [Revised]	Change	Change %
Revenue	39,022	42,306	+3,283	+8.4%
HOME'S Services	31,939	31,939	-	-
Overseas	4,713	7,996	+3,283	+69.7%
Others	2,370	2,370	-	-

* Currency exchange assumption: EUR 1 = JPY 127

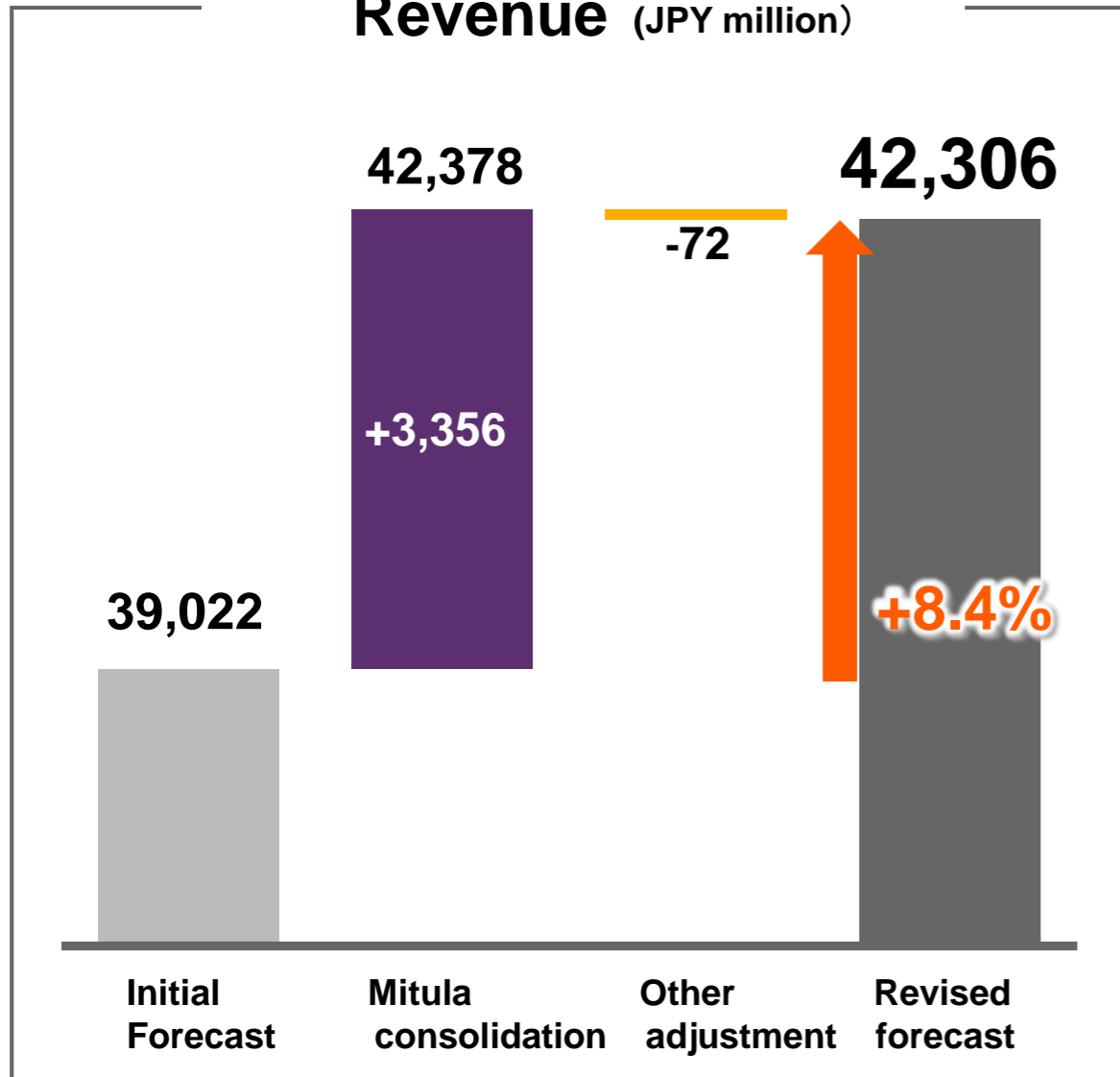
* Full-year/quarterly net profit: Net profit attributable to the owners of the parent

Details of the revision of the forecast

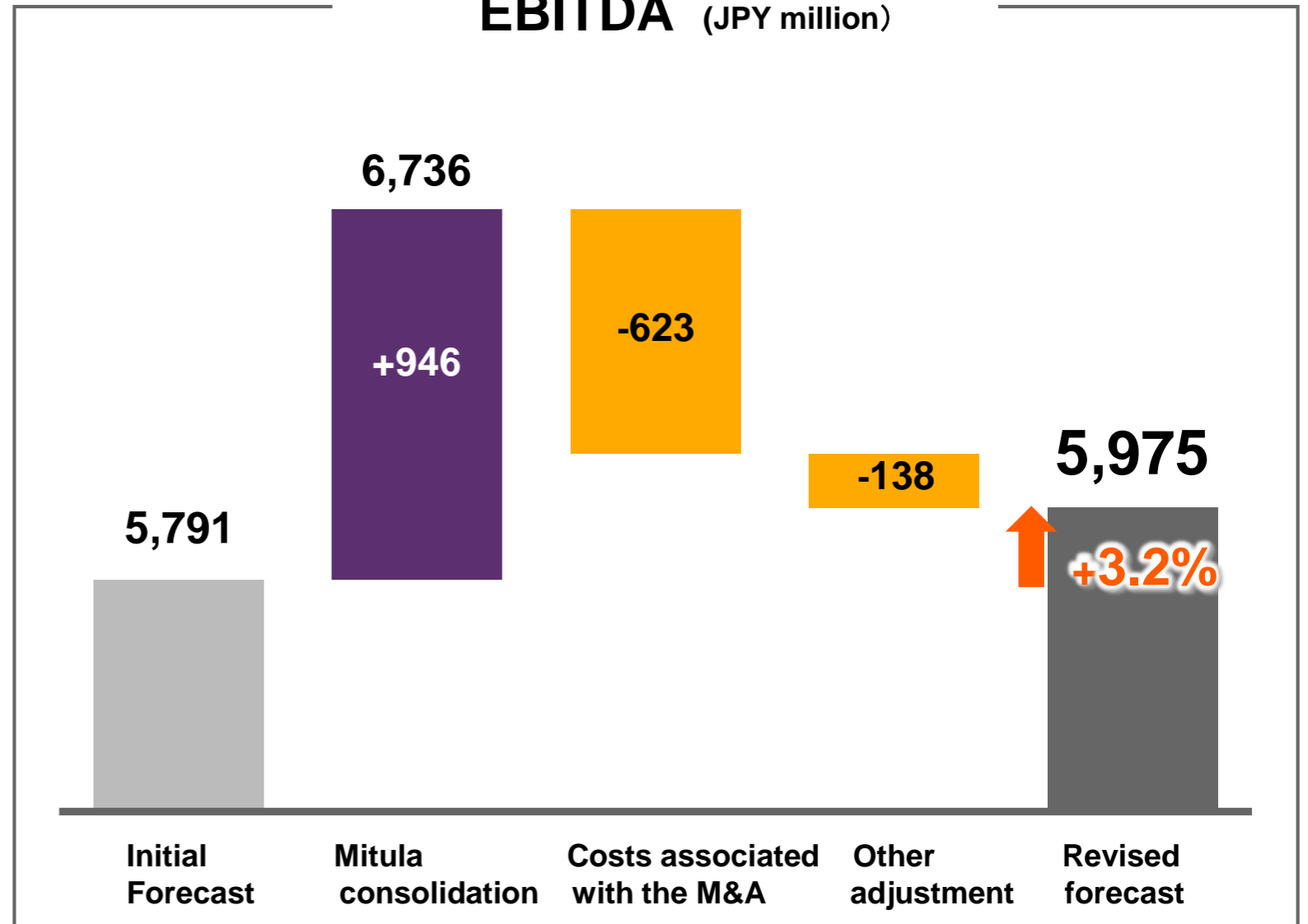
Mitula contributions including (temporary) costs associated with the acquisition are reflected in the forecast

Revised currency assumption for the full-year: EUR 1=JPY 129 -> EUR 1=JPY 127

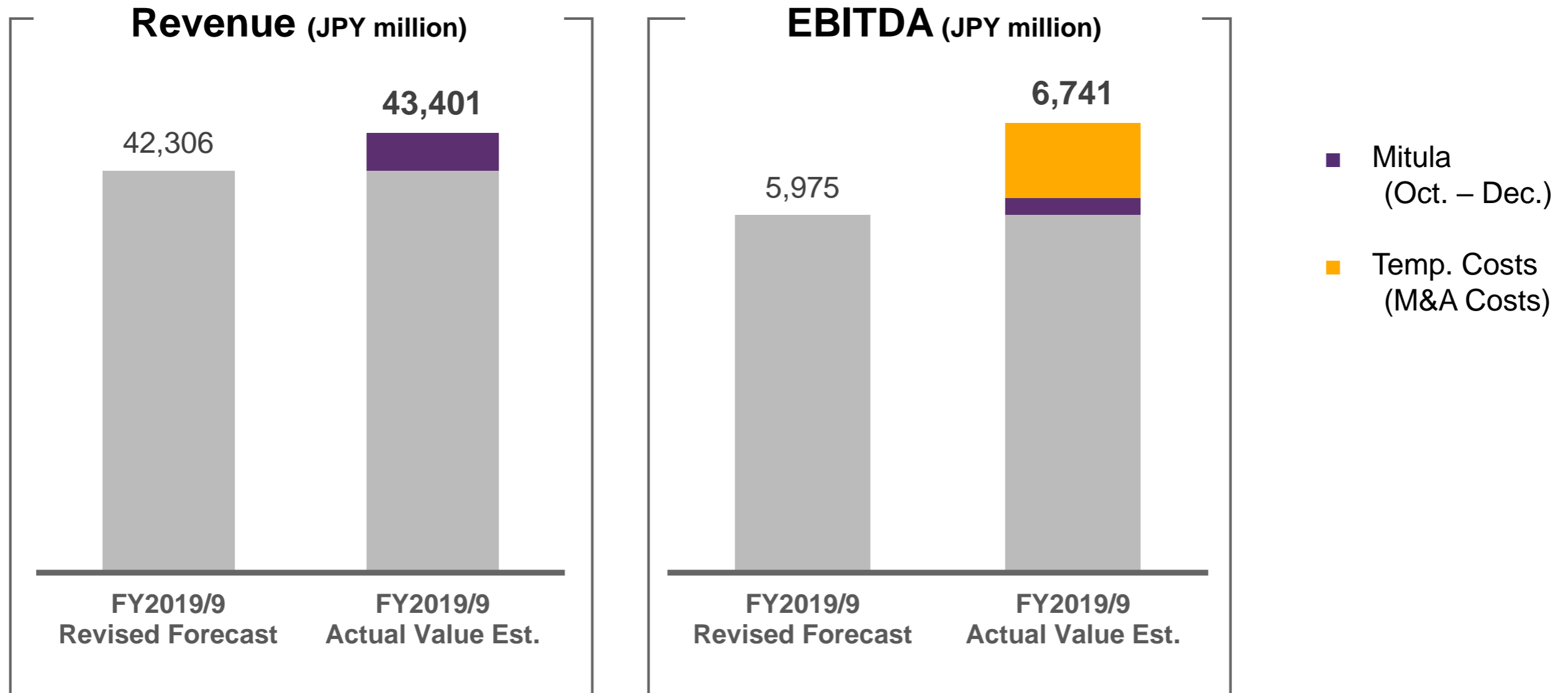
Revenue (JPY million)



EBITDA (JPY million)



(ref.) Forecast for FY2019/9 – If temporary factors etc. are eliminated -



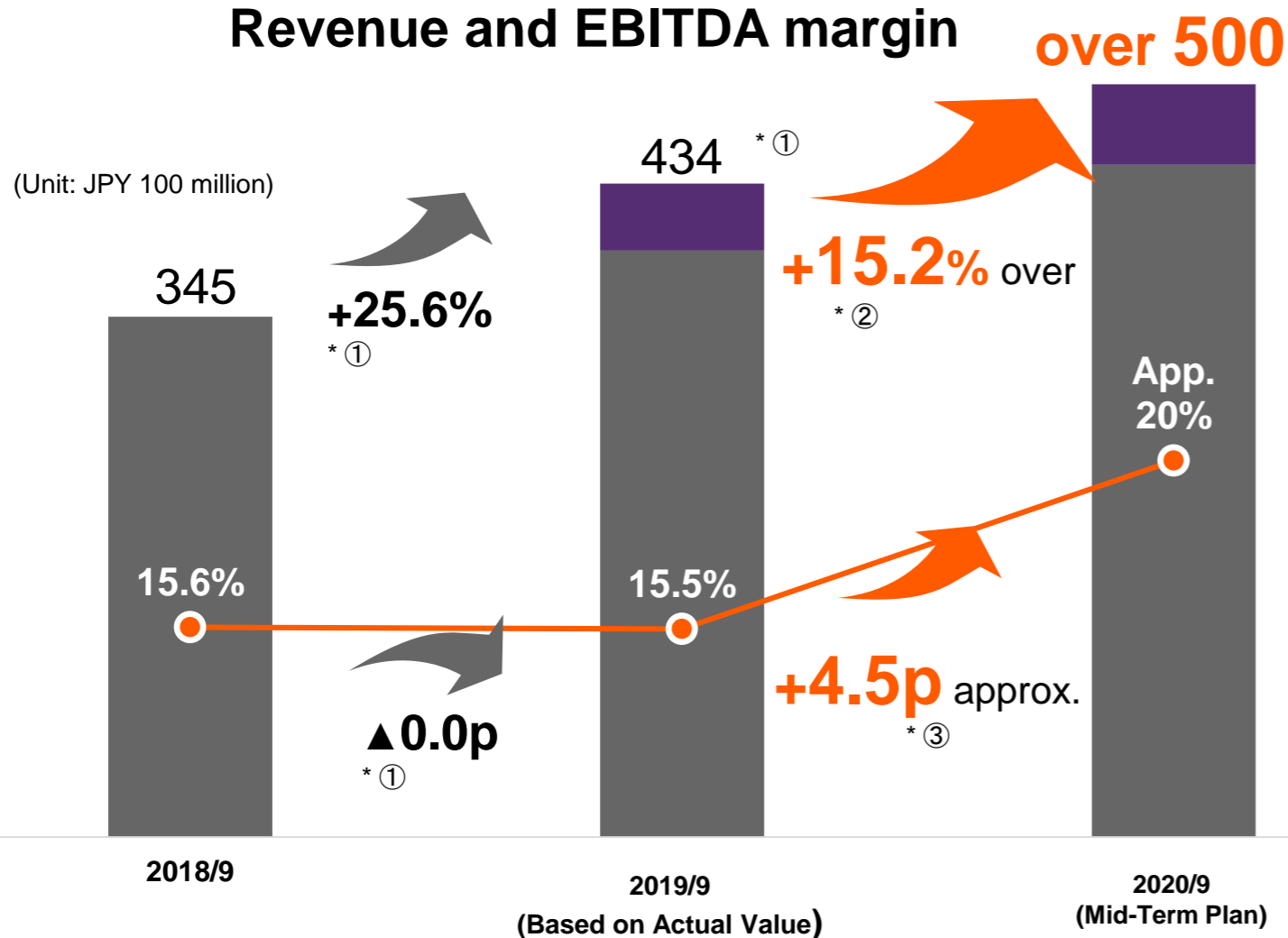
* Assuming that Mitula would be consolidated from Oct., revenue and EBITDA were calculated by adding the revised forecast for Mitula from Oct. to Dec. (AUD 1 = JPY 80)

* Temporary costs (M&A costs) not reflected in EBITDA calculation.

* Above is the forecast as of now. Actual results can differ due to various factors.

Roadmap to achieve targets of the Mid-term Plan 2020

Achieve targets of the Mid-term Plan by increasing revenue with the consolidation of the management of Mitula and Trovit.



Revenue of **15.2%+** in FY2020/9

Aim for EBITDA growth of **approx. 4.5p**

* ① Calculated by adding Mitula actual result during Oct-Dec 2018 to the FY2019/9 forecast (1AUD=JPY80)
 * ② Calculated by inverting from a total revenue of JPY 50 billion in FY2020/9
 * ③ Calculated by inverting from an EBITDA ratio of 20% in FY2020/9

Pushing Forward



 **LIFULL**

あらゆる **LIFE** を、**FULL** に。

Appendix

Corporate Info (as of January 8, 2019)

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 9,716 million
Stock issues	134,239,870 shares (incl. 73,780 shares of treasury stock)
Consol. number of employees	1,271 people (incl. 205 temporary and 114 overseas)
Major shareholder	LIFULL directors, Rakuten, Inc. (17.7%)
Main subsidiaries () stake	Trovit Search, S.L. (100%) Mitula Group Limited (100%) LIFULL Marketing Partners (100%)



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

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

- “LIFULL HOME'S” is the No.1* real estate and housing information listing site in Japan. *Sankei Medix (2018.1.30)
- LIFULL has an internal team specialized in improving information accuracy and quality to be the best not only in terms of quantity but also in terms of quality.
- Continued to step up the efforts to meet smart device-related needs, catering for a variety of needs.



- Various search options available including searching by cities, train station, commute time, etc.
- Conditional search options available including “no deposit” and “pet friendly.”
- Users can choose multiple properties and compare properties for rent and sale at the same time.
- Various functions including “Moving To-do List” and “notifications for new listings” available.



#1 in Real Estate Listings
LIFULL HOME'S
iOS and Android apps

Internet User



View,
Search
→



←
Information
Listing

Realtor



LIFULL Group Services

LIFULL Kaigo (nursing care)



Website to search nursing care homes or elderly housing
Operated by **LIFULL senior**

LIFULL Hikkoshi (moving)



Website to make an inquiry and reservation with movers
Operated by **LIFULL MOVE**

LIFULL Storage



A website to search rental storage rooms/units
Operated by **LIFULL SPACE**

LIFULL Interior



Furniture / interior EC website
“LIFULL Interior”
Operated by **LIFULL Interior**

Other LIFULL Services



- “LIFULL Flower”:
regular monthly delivery of seasonal flowers
- “Mina no ihinseiri”:
search service for finding companies specializing in cleaning up the belongings of the deceased **Operated by LIFULL senior**

Overseas subsidiaries

Trovit Search, S.L. (Spain)
LIFULL Tech Vietnam (Vietnam)
Mitula Group Limited (Australia)

Others

LIFULL Marketing Partners (Consulting)
LIFULL bizas (Back office)
LIFULL Social Funding (Crowd-funding)

LIFULL Group Companies

(in chronological order by effective date of establishment or addition to the scope of consolidation)

PT. LIFULL MEDIA INDONESIA *1

- Planning and operation of “LIFULL Rumah” a real estate and housing information website in Indonesia
- Home hunting proxy service in Jakarta for Japanese business people planning to relocate to the city
- Product samples and information websites

Trovit Search, S.L.

- One of the world’s largest aggregation websites

LIFULL Marketing Partners

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

LIFULL senior

- Operating “LIFULL Kaigo (nursing care)”, among the largest websites in Japan to find nursing care homes or elderly housing
- Operating “Mina no Ihinseiri”, a website to search for companies specialized in cleaning up the belongings of the deceased

LIFULL MOVE

- Operating “LIFULL Hikkoshi (moving)”, a one-stop website to search and make inquiries with multiple movers and then make on-line reservation

LIFULL SPACE

- Operate “LIFULL Trunk Room (luggage storage)”, a website offering among the most voluminous rental storage room/unit information in Japan
- Operating “LIFULL Rental Space”, a website to search for rental spaces and meeting rooms

LIFULL bizas

- Administration and other back office operation outsourcing
- Call center operation outsourcing

LIFULL Social Funding *2

- Operate “Japan Giving” and “Shooting Star” crowdfunding platforms

LIFULL Tech Vietnam Co., Ltd. *3

- Offshore development, Lab development, software development, application development and creative development

LIFULL Interior

- Operate an interior and furniture EC site, “LIFULL Interior”

RAKUTEN LIFULL STAY *1 *4

- Operate a vacation rental and accommodation platform

*1 Equity method affiliate *2 Formerly JG MARKETING *3 Formerly Vietnam Creative Consulting Co., Ltd.

*4 Joint venture with Rakuten, Inc. Established “RAKUTEN LIFULL STAY PTE. LTD.” as 100% subsidiary in March 2017.



Other Data

Segments and Major Services

Segments	Main services
HOME'S Services Business	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd.
Overseas Business	Trovit (Trovit Search, S.L.) Mitula (Mitula Group Limited) LIFULL Tech Vietnam Co., Ltd.
Others Business	LIFULL <i>Kaigo</i> (nursing care) (LIFULL senior Co., Ltd.) LIFULL <i>Hikkoshi</i> (moving) (LIFULL MOVE Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) LIFULL Interior (LIFULL Interior Co., Ltd.) LIFULL Social Funding Co. Ltd. Other LIFULL subsidiaries and new services

KPI - Number of Total Information Listed -



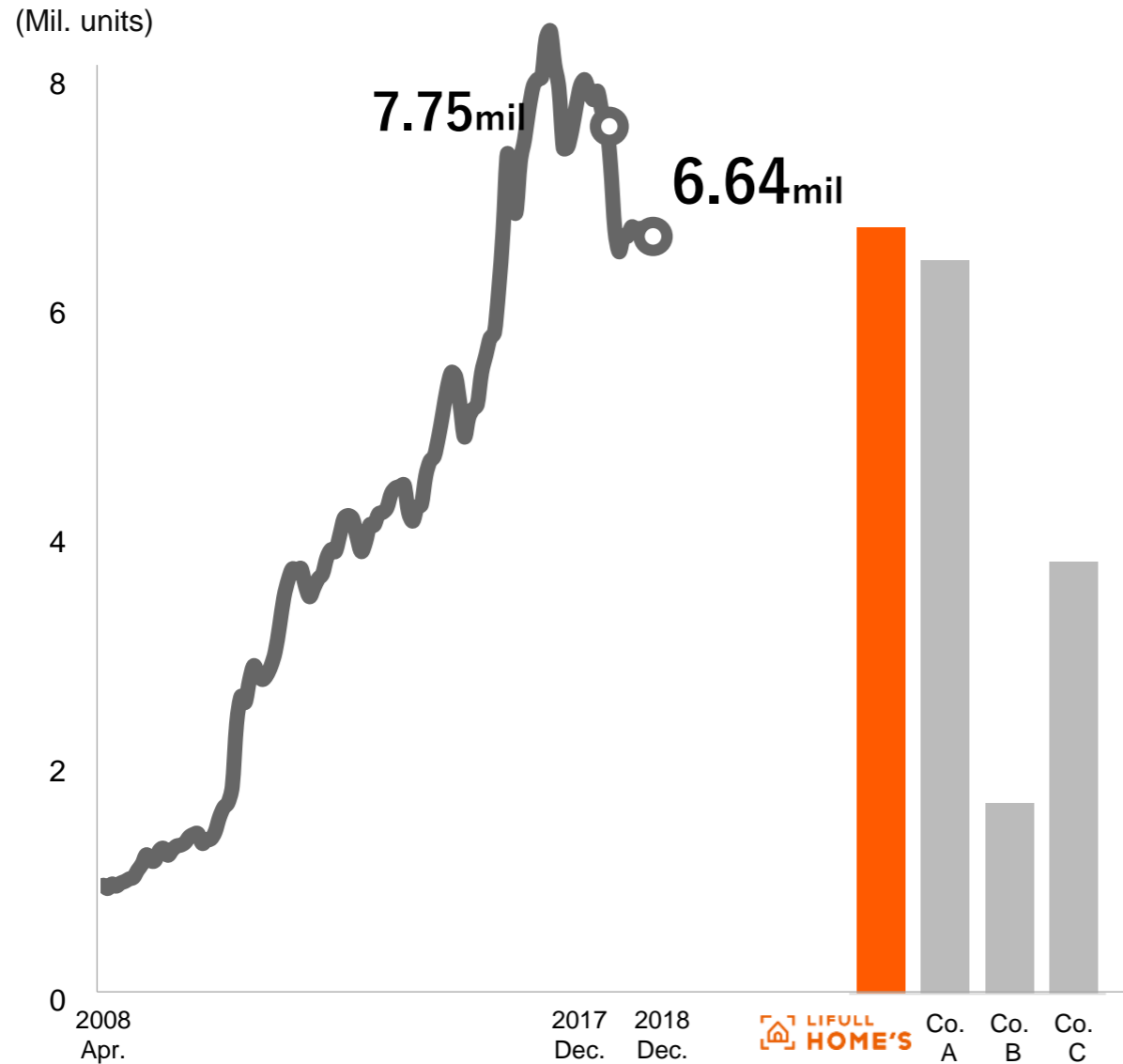
Maintained an unprecedented amount of data while improving reliability



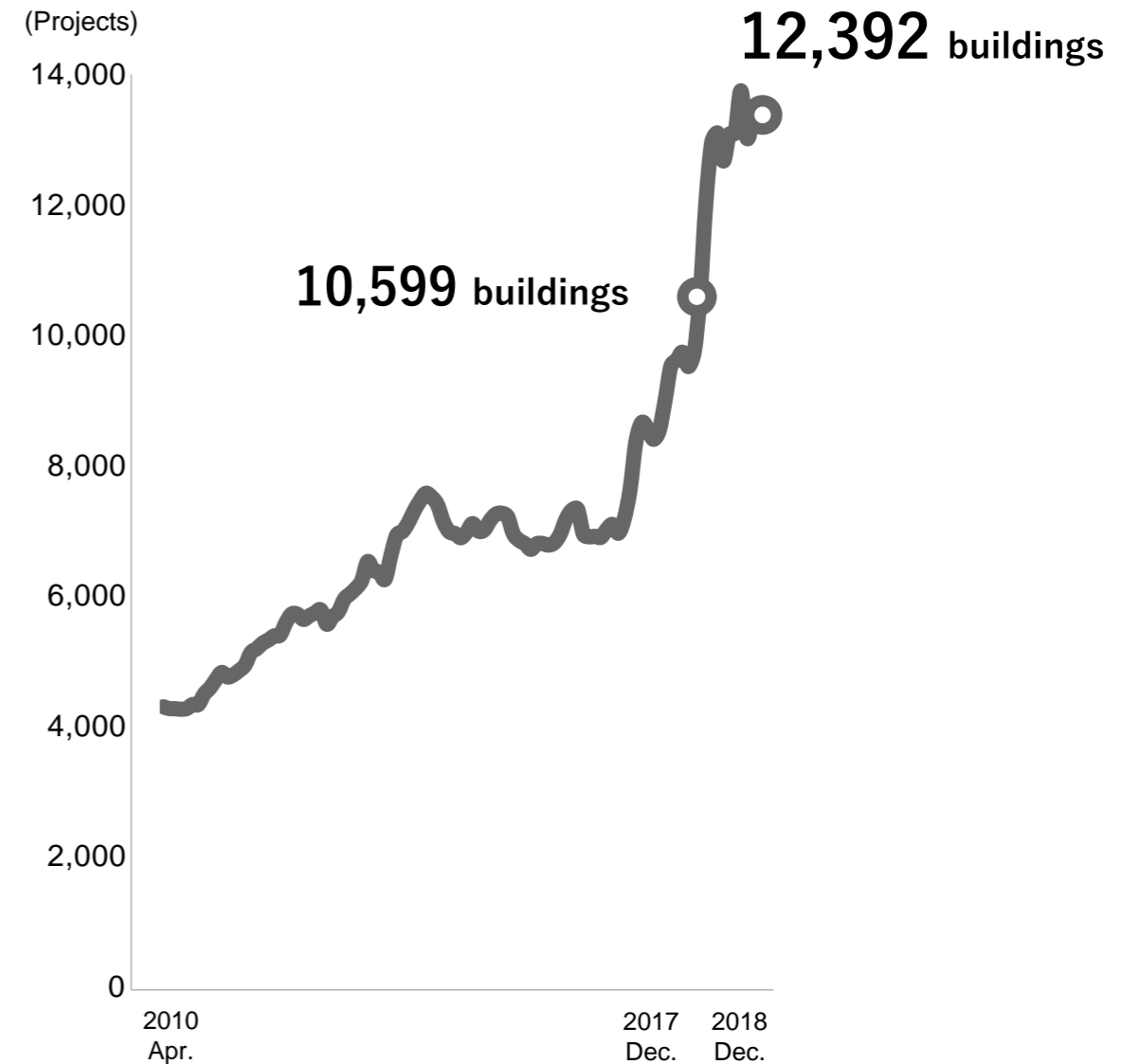
*Total information: Total of properties for rent, sale, investment, and condominiums and numbers of constr. companies for custom houses.
*Renovation business withdrawn in April 2018

Number of properties listed – Units for rent and sale & new houses and condos

Units for Rent and Sale



New Houses and Condos



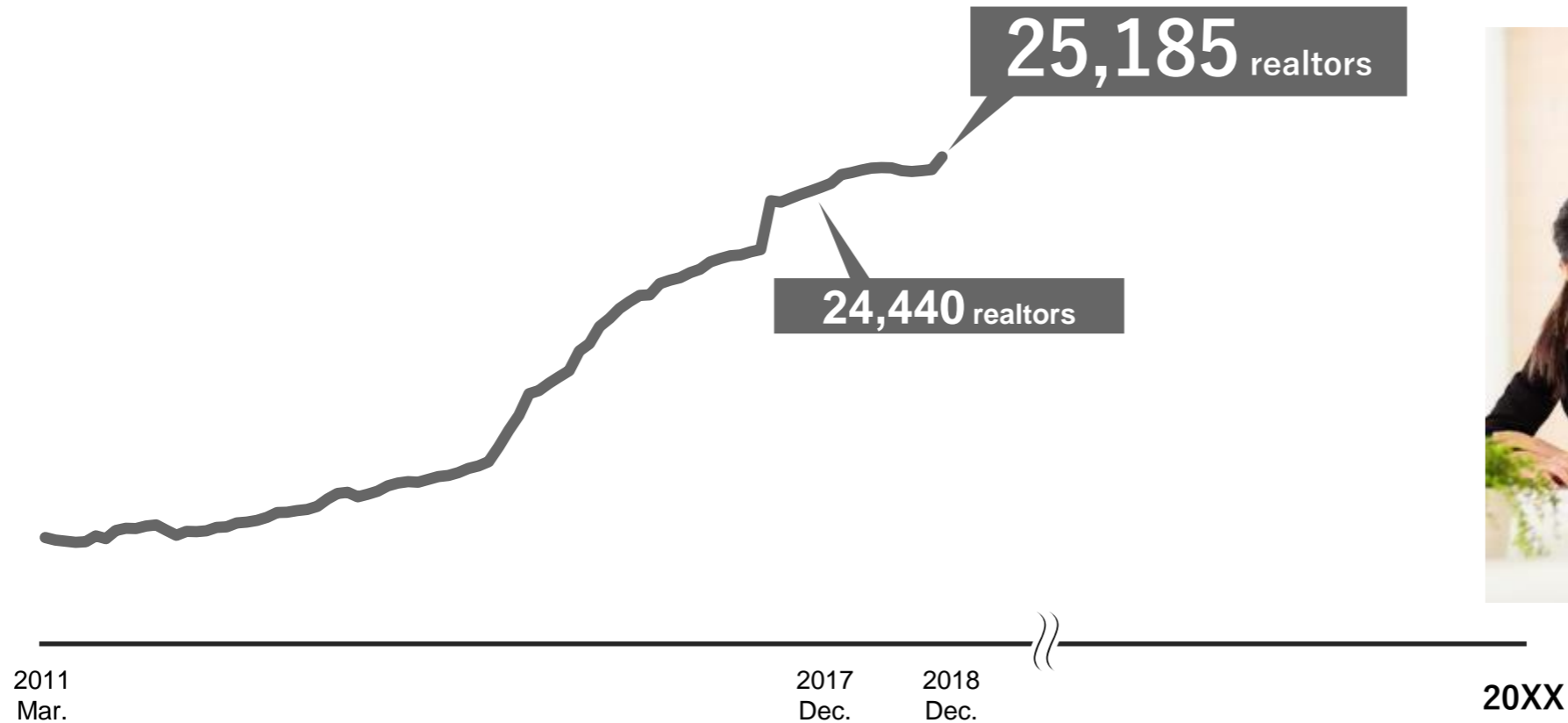
Number of affiliated realtors

Affiliated realtor* network has been expanding steadily

*Number of real estate brokerages included in number of clients (realtors) on P19

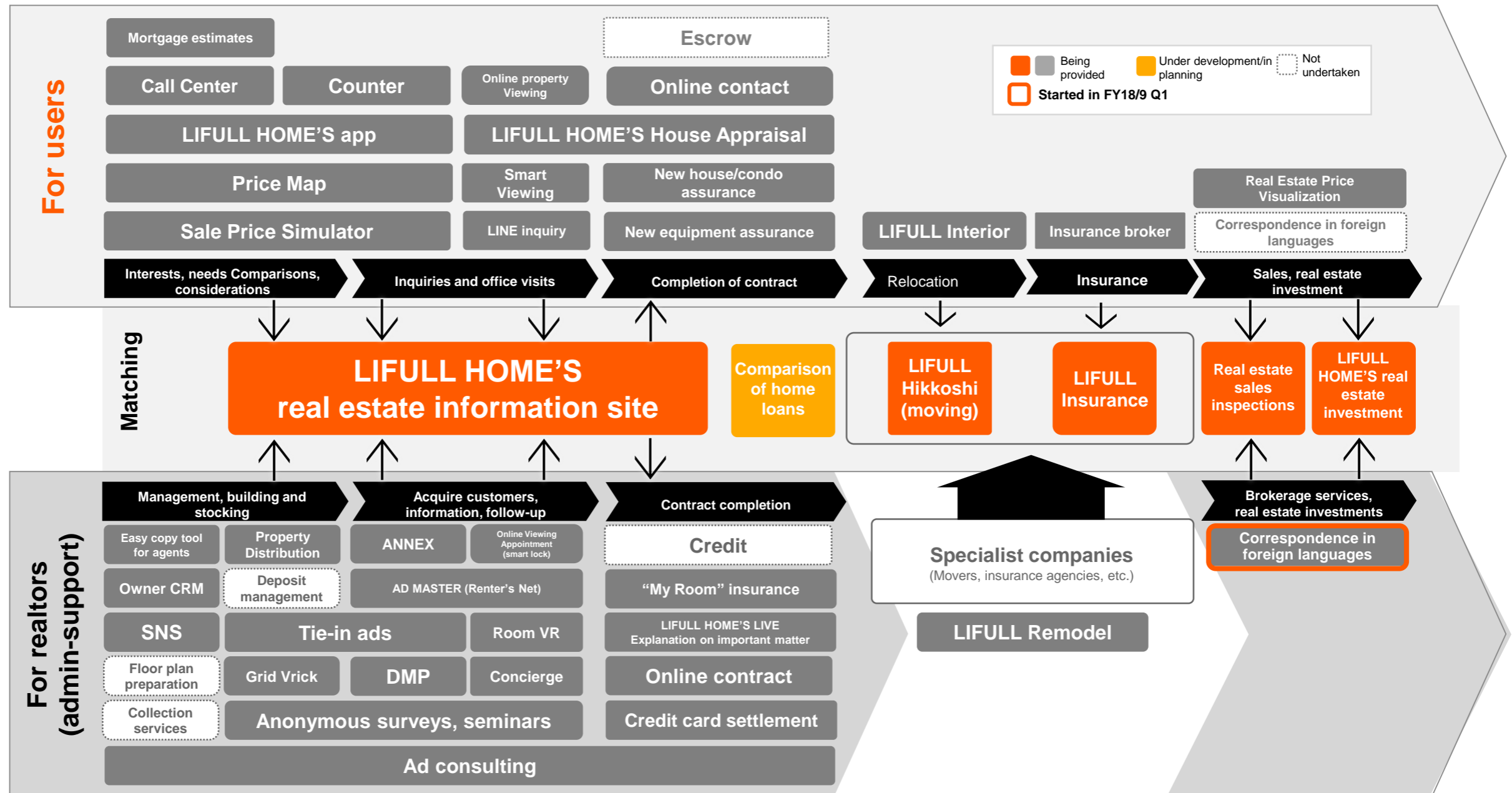
Mid to Long-Term Target
○ 40,000 realtors

Steady Growth



LIFULL service list

LIFULL provides a wide range of user-friendly and realtor-friendly services



Definition of number of clients and ARPA

Definition	<p>Number of clients: Number of total paying clients of LIFULL HOME'S and LIFULL Marketing Partners (including the clients who use DMP and CRM)</p> <p>ARPA: Average Revenue Per Agent, revenue per clients HOME'S Services Business revenue / number of clients</p> <p>*Excluding LIFULL Remodel</p>
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Aim to expand business by increasing the number of clients and ARPA

All-around services to increase ARPA

Aim to increase ARPA through provision of media and services for realtors



To increase ARPA

Enhance media capability

Increase services

Strengthen admin. support services

Product development

Consolidated statements of profit and loss (quarterly)

Unit : JPY mil	FY2017/03				FY2017/09		FY2018/09				FY2019/09
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q	3Q	4Q	1Q
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391
HOME'S Services Business	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062	6,833	6,963	6,860
Overseas Business	823	750	750	867	859	858	883	935	983	1,058	986
Others Business	406	377	400	525	461	479	502	542	528	527	544
Cost of sales	670	737	774	897	915	946	928	946	996	1,006	1,048
SG&A	4,776	4,581	5,422	6,627	6,346	6,100	5,862	6,987	5,948	6,555	5,879
Personal expenses	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783	1,963	2,082	1,969
Advertising expenses	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657	2,431	2,869	2,347
Operating expenses	246	236	282	244	240	215	236	267	209	229	190
Other SG&A	1,066	1,082	1,183	1,624	1,393	1,373	1,236	1,279	1,344	1,374	1,372
Other revenues and expenses	▲ 6	▲ 42	▲ 30	▲ 39	▲ 72	▲ 30	71	18	6	▲ 44	425
EBITDA	1,392	1,549	879	1,491	458	1,077	1,408	1,624	1,406	942	1,889
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259
Operating profit	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629
Net income *	734	942	331	756	22	467	591	980	702	585	1,003
EBITDA margin	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%	17.3%	17.0%	16.9%	11.0%	22.5%

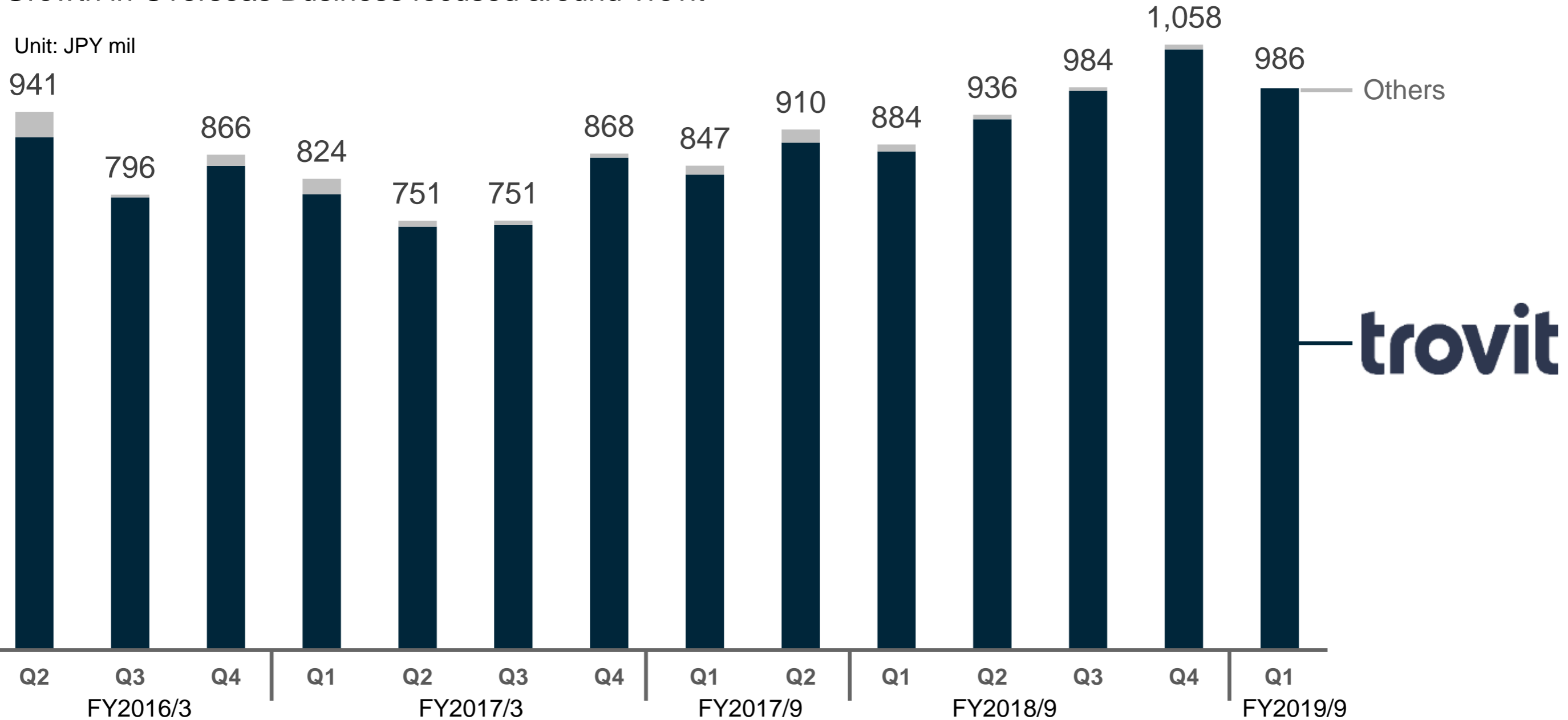
*Net income = Net income attributable to owners of the parent

*Disclosure segments modified since FY2017/09. Sales of prior periods has been described in conjunction with the segment change.

Overseas business results - Revenue (by quarter)

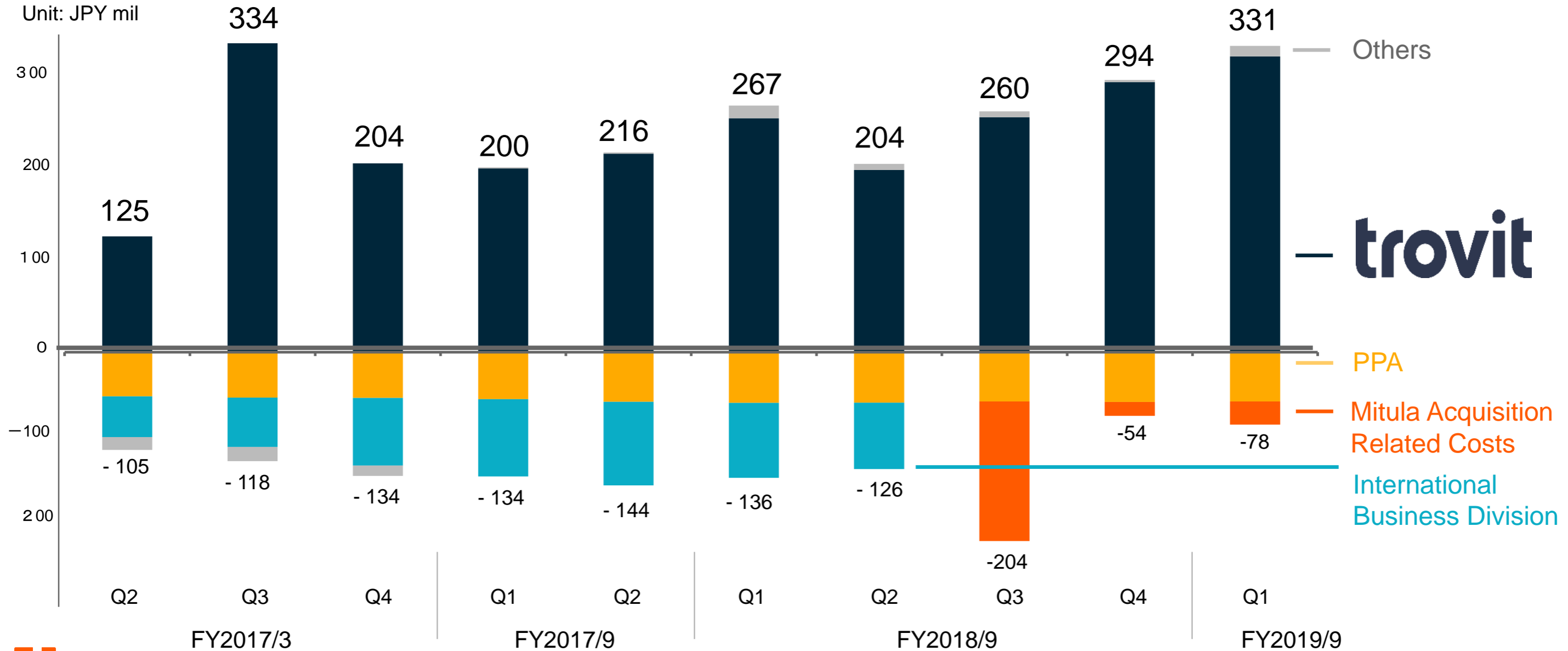
Growth in Overseas Business focused around Trovit

Unit: JPY mil



Overseas business results - Operating Profit (by quarter)

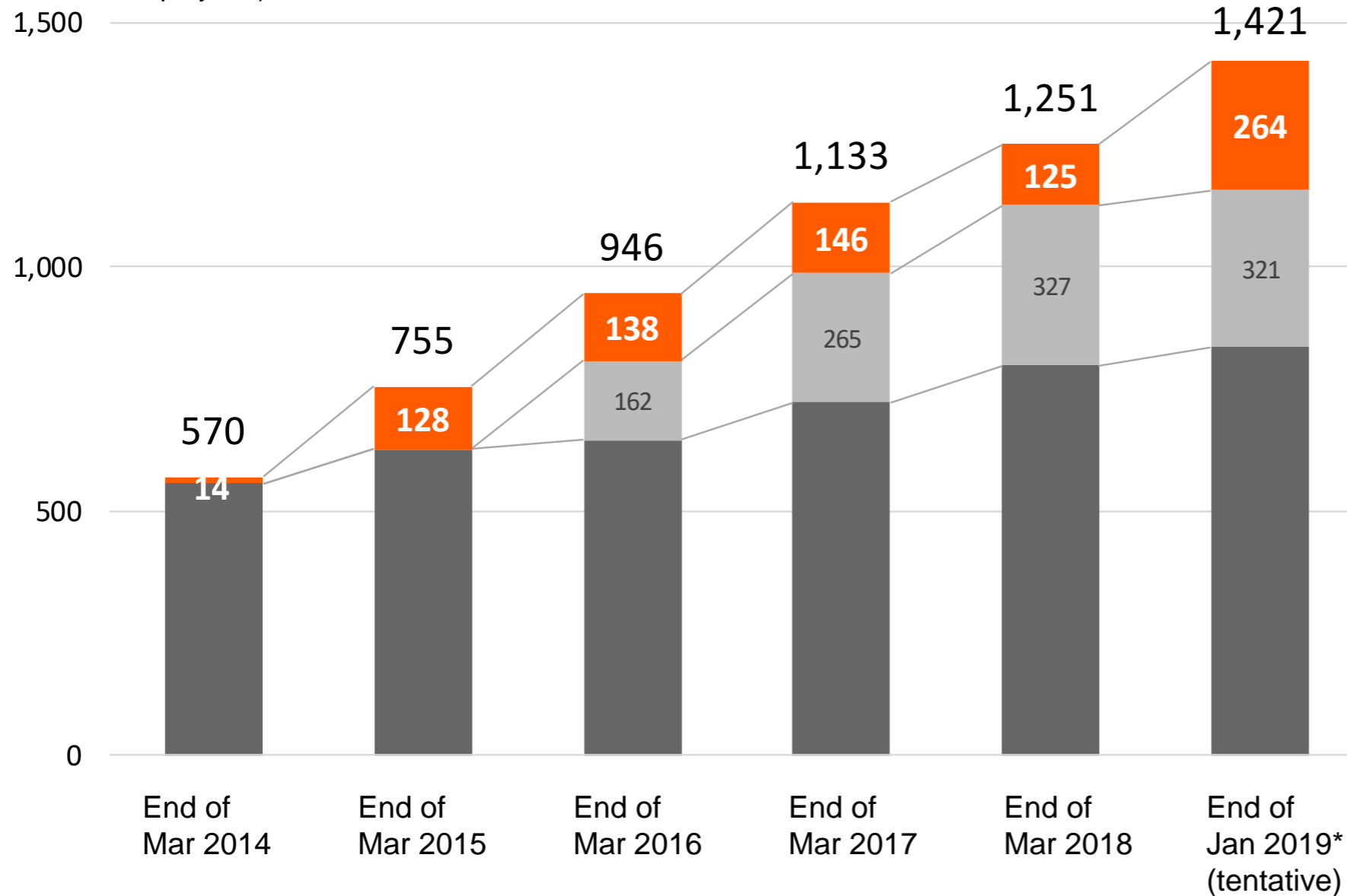
Growth in Overseas Business focused around Trovit



(Ref.) Overseas business growth - Number of employees -

Number of employees in overseas subsidiaries has been increasing as a result of the expansion of the Overseas Business

(Number of employees)



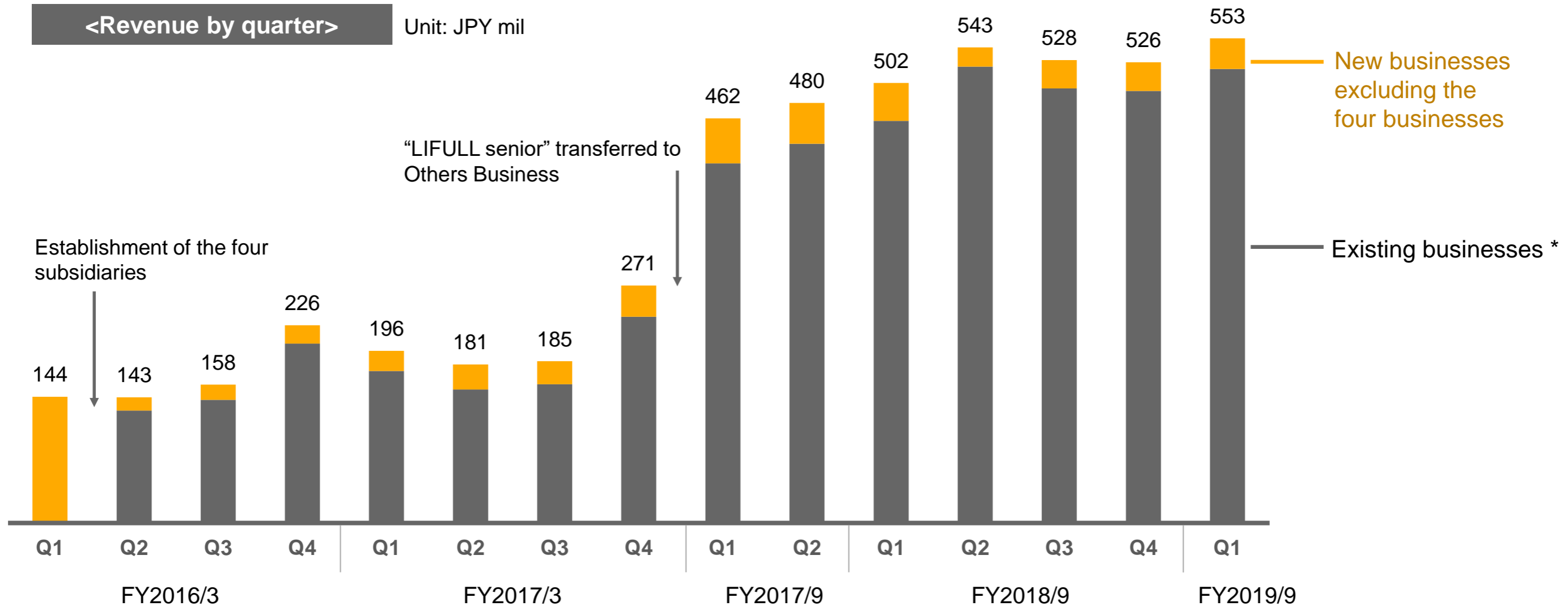
**Overseas employee ratio
over the past five years**

2.5% → 18.6%

- Overseas subsidiaries
- Other subsidiaries
- LIFULL (non-consolidated)

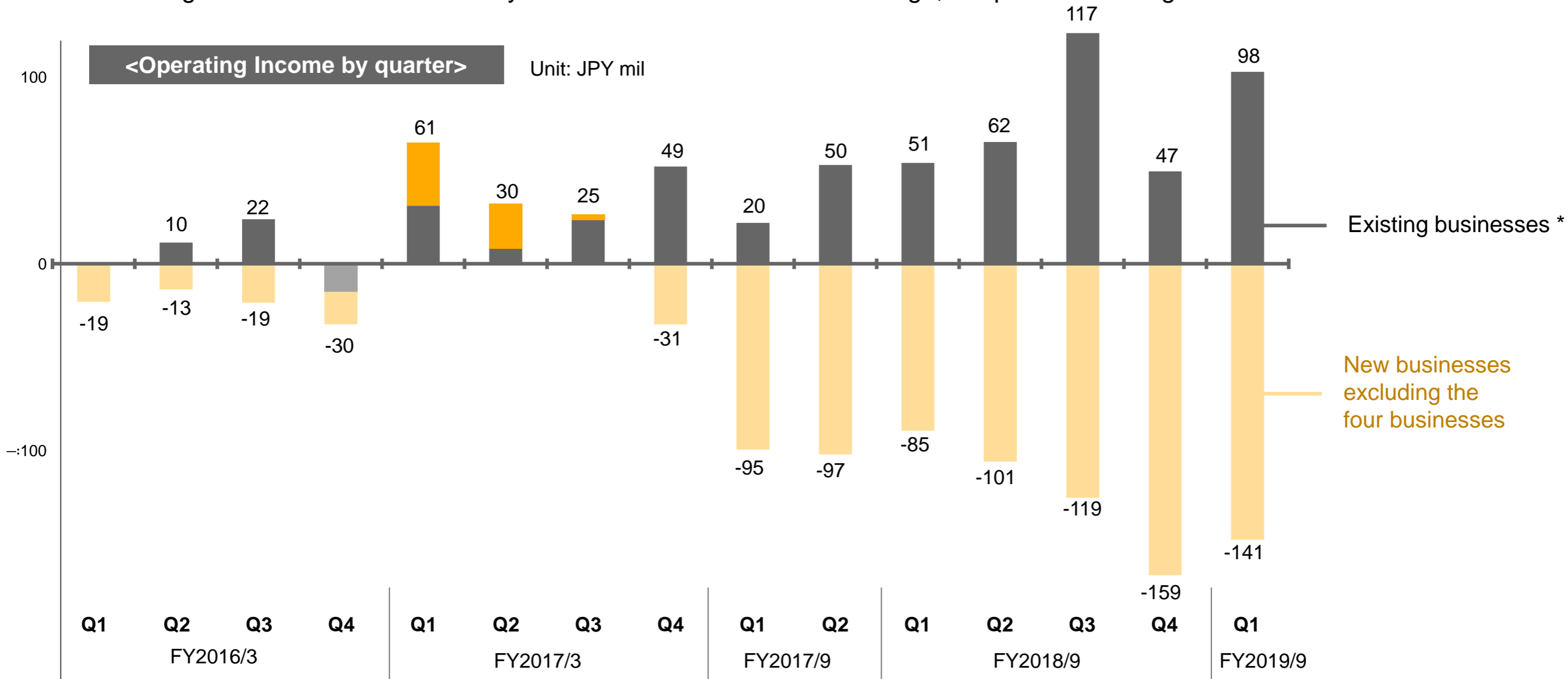
Others business results - Revenue

Growth in the Business focused around the four subsidiaries



Others business results - Operating income (quarterly)

Existing business increased steadily. Other business is investment stage, but plan to further grow further



External market data

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
(1) Number of Apartments for sales	Capital Region	40,449	35,772	35,898	1,384	2,310	3,408	2,741	2,603	2,284	3,426	2,101	2,978	2,817	3,366	6,480	1,934	2,490	3,617	2,342	2,462	2,659	2,986	1,502	3,372	2,845	3,461	7,462
	YoY	-9.9%	-11.6%	0.4%	-7.4%	3.3%	26.6%	38.6%	-13.3%	-25.1%	3.3%	6.9%	-13.0%	-3.0%	24.6%	-7.5%	39.7%	7.8%	6.1%	-14.6%	-5.4%	16.4%	-12.8%	-28.5%	13.2%	1.0%	2.8%	15.2%
	Kinki	18,930	18,676	19,560	1,396	1,394	1,575	1,391	1,738	1,321	1,832	1,215	2,392	1,465	1,582	2,259	1,091	1,818	1,745	1,742	1,480	1,211	1,514	1,378	1,859	1,775	2,585	2,760
	YoY	0.6%	-1.3%	4.7%	55.3%	-15.0%	-26.5%	5.4%	22.2%	-12.9%	29.6%	-1.9%	27.9%	16.0%	-19.9%	14.4%	-21.8%	30.4%	10.8%	25.2%	-14.8%	-8.3%	-17.4%	13.4%	-22.3%	21.2%	63.4%	22.2%
(2) Trend of Price for Apartments	Capital Region	5,518	5,490	5,908	6,911	5,793	5,588	5,918	5,981	5,642	6,562	5,794	5,823	5,586	5,551	6,019	5,293	6,128	6,220	5,548	6,030	6,244	6,191	5,360	5,136	5,934	6,017	5,896
	YoY	9.1%	-0.5%	7.6%	24.1%	0.3%	-0.9%	2.9%	5.1%	-0.5%	16.0%	2.3%	4.4%	3.3%	7.6%	18.5%	-23.4%	5.8%	11.3%	-6.3%	0.8%	10.7%	-5.7%	-7.5%	-11.8%	6.2%	8.4%	-2.0%
	Kinki	3,788	3,919	3,836	3,341	3,747	3,987	3,833	3,570	3,776	4,264	3,549	4,186	3,863	3,609	3,913	4,017	3,655	3,695	3,825	3,868	3,578	4,568	3,585	4,043	3,657	3,485	4,167
	YoY	3.9%	3.5%	-2.1%	-12.0%	0.8%	-1.5%	0.6%	7.3%	-6.4%	11.0%	-9.3%	0.6%	-3.2%	-5.1%	-9.4%	20.2%	-2.5%	-7.3%	-0.2%	8.3%	-5.2%	7.1%	1.0%	-3.4%	-5.3%	-3.4%	6.5%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
(3) New build properties	House for Rent	378,718	418,543	419,397	31,684	30,842	33,937	36,194	32,956	35,967	36,365	34,968	37,521	38,017	37,508	33,438	28,251	29,420	29,750	35,447	31,083	34,884	35,847	35,457	35,350	35,225	34,902	30,788
	YoY	4.6%	10.5%	0.2%	12.0%	6.8%	11.0%	1.9%	1.6%	-2.6%	-3.7%	-4.9%	-2.3%	-4.8%	-2.9%	-3.0%	-10.8%	-4.6%	-12.3%	-2.1%	-5.6%	-3.0%	-1.4%	1.4%	-5.8%	-7.3%	-6.9%	-7.9%
	Apartment	115,652	114,570	114,830	13,098	7,262	8,549	12,097	9,823	12,942	9,059	9,109	8,628	7,489	9,052	7,422	6,525	8,267	7,865	12,350	11,861	8,253	8,699	9,146	8,934	8,604	10,460	9,546
	YoY	4.7%	-0.9%	0.2%	56.2%	-35.7%	-24.3%	1.3%	-12.6%	27.1%	15.2%	33.7%	-9.2%	-16.9%	9.5%	-11.0%	-50.2%	9.3%	-8.0%	2.1%	20.7%	-36.2%	-4.0%	0.4%	3.5%	14.9%	15.6%	28.6%
	House	123,624	133,739	138,189	10,863	10,696	11,041	11,504	11,287	11,817	11,708	11,493	11,347	11,861	12,580	11,992	10,743	10,560	10,957	12,324	11,944	11,903	12,004	11,953	11,882	12,556	12,561	13,006
	YoY	-1.4%	8.2%	3.3%	4.9%	0.9%	3.4%	5.2%	4.5%	4.8%	-1.3%	0.8%	-2.2%	5.0%	7.7%	6.6%	-1.1%	-1.3%	-0.8%	7.1%	5.8%	0.7%	2.5%	4.0%	4.7%	5.9%	-0.2%	8.5%
Owned house	283,366	292,287	284,283	20,228	21,322	21,468	23,751	23,846	26,037	25,370	24,379	24,883	24,807	24,904	23,288	20,257	20,013	20,576	23,289	23,321	25,148	25,447	24,420	24,873	25,949	25,527	24,415	
YoY	-0.7%	3.1%	-2.7%	-0.2%	1.6%	-3.6%	0.8%	1.5%	-3.4%	-5.7%	-7.4%	-2.7%	-4.8%	-4.2%	-2.5%	0.1%	-6.1%	-4.2%	-1.9%	-2.2%	-3.4%	0.3%	0.2%	0.0%	4.6%	2.5%	4.8%	

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
(4) Internal migrants	Total	5,384,553	5,251,717	5,318,617	321,162	355,467	958,776	749,778	405,155	353,114	375,493	383,375	344,877	388,250	341,825	341,345	328,372	360,501	913,555	761,821	420,739	343,513	393,037	391,505	331,718	414,928	351,216	348,269
	YoY	3.4%	-2.5%	1.3%	1.6%	-5.1%	1.4%	2.5%	3.7%	0.8%	4.4%	-3.3%	-0.1%	5.6%	0.8%	2.1%	2.2%	1.4%	-4.7%	1.6%	3.8%	-2.7%	4.7%	2.1%	-3.8%	6.9%	2.7%	2.0%
	Only Japanese	5,041,483	4,880,967	4,893,581	294,816	328,147	905,589	702,058	370,835	321,153	343,419	350,068	310,347	350,369	307,861	308,919	296,517	327,575	860,107	712,159	384,355	311,005	355,425	352,992	295,016	368,708	313,252	312,602
	YoY	2.7%	-3.2%	0.3%	0.8%	-6.1%	0.5%	1.9%	2.8%	-0.5%	3.5%	-4.4%	-1.4%	4.6%	0.9%	0.5%	0.6%	-0.2%	-5.0%	1.4%	3.6%	-3.2%	3.5%	0.8%	-4.9%	5.2%	1.8%	1.2%
(5) Japan Population	Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
	Total	127,237	127,095	126,933	126,822	126,790	126,755	126,761	126,724	126,766	126,786	126,755	126,678	126,706	126,714	126,995	126,592	126,609	126,493	126,502	126,466	126,509	126,529	126,496	126,420	126,440	126,450	126,420

[Source] (1)(2)Real Estate Economic Institute Co., Ltd. (3)Source : Ministry of Land, Infrastructure, Transport and Tourism (4)(5)Source : Ministry of Internal Affairs and Communications

(Ref.) Overseas competitors

Competitors have high market capitalization due to their user shares in each country.

*Zoopla acquired Silver Lake Partners (US) in July 2018 for £ 2.2bn

[Zoopla, UK]	
Revenue	34.9B.JPY
EBITDA	13.7B.JPY
Net profit	5.3B.JPY

As of December, 2017

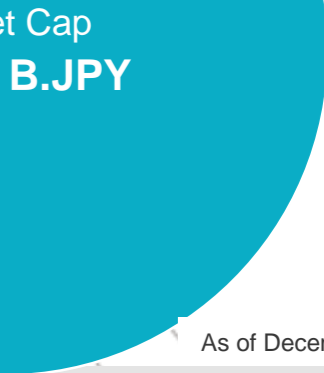


[Rightmove, UK]	
Revenue	34.7B.JPY
EBITDA	25.7B.JPY
Net profit	20.5B.JPY

As of December, 2017

[LIFULL, JP]	
Revenue	42.3B.JPY
EBITDA	5.9B.JPY
Net profit	2.9B.JPY

As of September, 2019 (forecast)



As of December, 2017

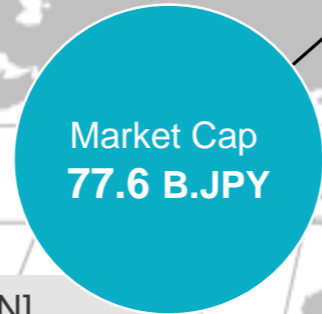
[Zillow, US]	
Revenue	117.2B.JPY
EBITDA	13.4B.JPY
Net profit	-10.2B.JPY

[Mitula, SP]	
Revenue	2.6B.JPY
EBITDA	0.9B.JPY
Net profit	0.4B.JPY

As of December, 2017

[Trovit, SP]	
Revenue	3.6B.JPY
EBITDA	0.9B.JPY

As of December, 2017

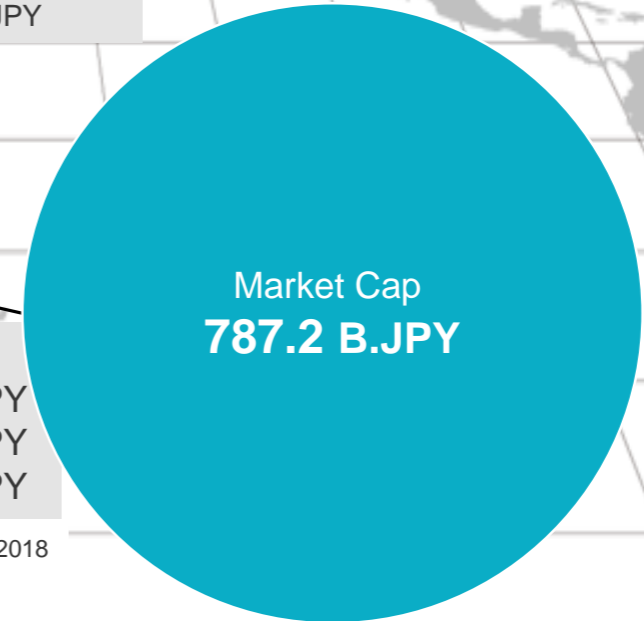


[Soufun, CN]	
Revenue	48.3B.JPY
EBITDA	7.6B.JPY
Net profit	2.4B.JPY

As of December, 2017

[Recruit Sumai Company, JP]	
Revenue	981B.JPY

ended March, 2018



[REA Group, AUS]	
Revenue	63.9B.JPY
EBITDA	36.7B.JPY
Net profit	27.5B.JPY

As of June, 2018

Note 1 Calculated from the IR materials of each company presentation

Note 2 The stock of February 1, 2019

Note 3 Exchange rate USD 1=JPY108.91, GBP 1=JPY 142.74, AUD 1=JPY 79.19 (as February 1, 2019)

IR Office Information



IR Website

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

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



E-mail ir@LIFULL.com

TEL 03-6774-1603 (Monday to Friday 10:00AM-6:00PM)

FAX 03-6774-1737

Annual Report 2017



Japanese

<https://lifull.com/news/10305/>

English

https://lifull.com/wp-content/uploads/2017/10/LIFULL_AnnualReport2017_en.pdf

Other Information



Twitter



https://twitter.com/LIFULL_Corp



Facebook Page



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

