

LIFULL Co., Ltd.

Earnings Presentation IFRS

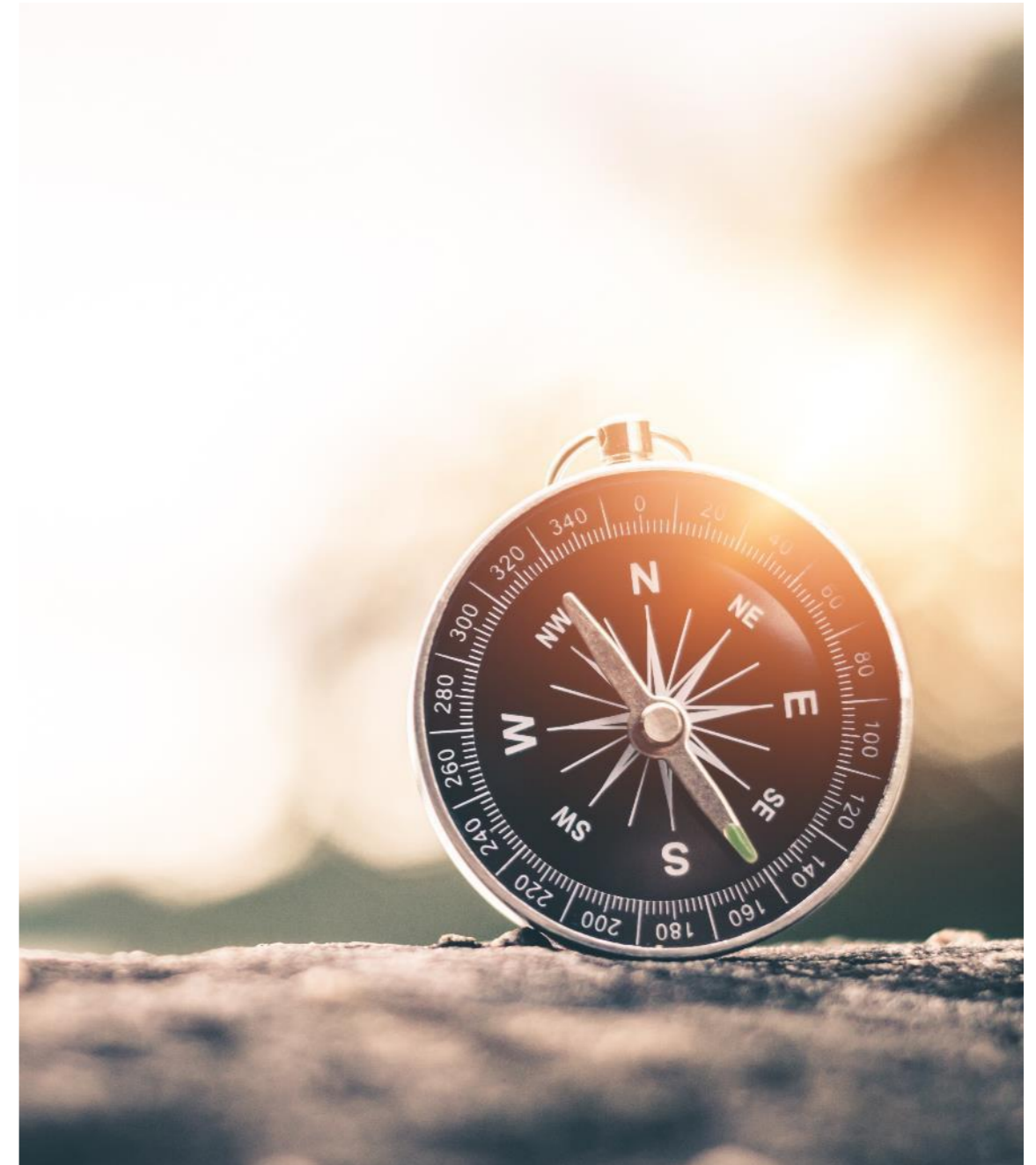
Fiscal Year Ended September 30, 2019 (October 2018 to September 2019)

Disclaimer

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

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Key Points

1. FY 2019/9 :
 - Revenue ¥39.2 billion (**+13.7%** YoY)
(Record High for 8 Periods Running)
 - EBITDA ¥5.3 billion (**-0.4%** YoY)
2. Actions Taken for Business Growth
 - LIFULL HOME'S **Price Revision** for rental and sale listings **began in October 2019**
 - Founding of **LIFULL CONNECT** in November 2019 to integrate management of Trovit and Mitula
 - Investments in the Regional Revitalization Fund
3. Plans to further improve profit margin (EBITDA Margin) by **4.4p** in FY2020/9

Highlights

Revenue

+13.7%

¥39.2 billion
(FY2018/9: ¥34.5 billion)

EBITDA

-0.4%

¥5.3 billion
(FY2018/9 ¥5.3 billion)

EDITDA Margin

-1.9pt

13.6%
(FY2018/9:15.6%)

Net Profit

-17.5%

¥2.3 billion
(FY2018/9: ¥2.8 billion)

HOME'S Services

Revenue

+3.7%

¥29.6 billion
(FY2018/9: ¥28.6 billion)

Client Network

26,252

(FY2018/9: 25,954)

ARPA

¥94,130

(FY2018/9: ¥91,810)

Overseas Businesses

Revenue

+98.9%

¥7.6 billion
(FY2018/9: ¥3.8 billion)

Segment Revenue

+94.1%

¥0.9 billion
(FY2018/9: ¥0.4 billion)



Consolidated Financial Results for FY2019/9

Condensed Statements of Income and Loss IFRS

Revenue was up +13.7% while EBITDA decreased by 0.4% from temporary M&A expenses etc.

Unit: Millions of yen	FY2018/9	FY2019/9	Change	Change %	
Revenue	34,564	39,297	+4,732	+13.7%	*1
Cost of revenue	3,879	4,559	+680	+17.5%	*2
SG&A (excl. depreciation and amortization)	25,354	29,537	+4,183	+16.5%	
Personnel expenses	7,791	8,702	+910	+11.7%	*3
Advertising expenses	11,384	13,273	+1,889	+16.6%	*4
Operating expenses	943	925	-17	-1.9%	
Other	5,235	6,636	+1,400	+26.8%	*5
Other income and expenses	51	161	+109	+212.7%	*6
EBITDA	5,382	5,360	-21	-0.4%	
EBITDA margin	15.6%	13.6%	-1.9pt	-	
Net profit*	2,859	2,359	-500	-17.5%	*7
Depreciation and amortization	1,067	1,249	+182	+17.1%	*8

*Net profit attributable to owners of the parent

*1 Increases mainly from Overseas Businesses

*2 Increases mainly from outsourcing transaction between Group companies

*3 Increased expenses mainly from acquisition of Mitula

*4 Increases from branding costs to increase recognition and online marketing costs from the consolidation of Mitula

*5 Increases mainly from temporary expenses associated with the acquisition of Mitula

*6 Profit was generated from the sale of LHL, the insurance and advertising agency, an impairment loss was recorded due to the reorganization of the LSF business

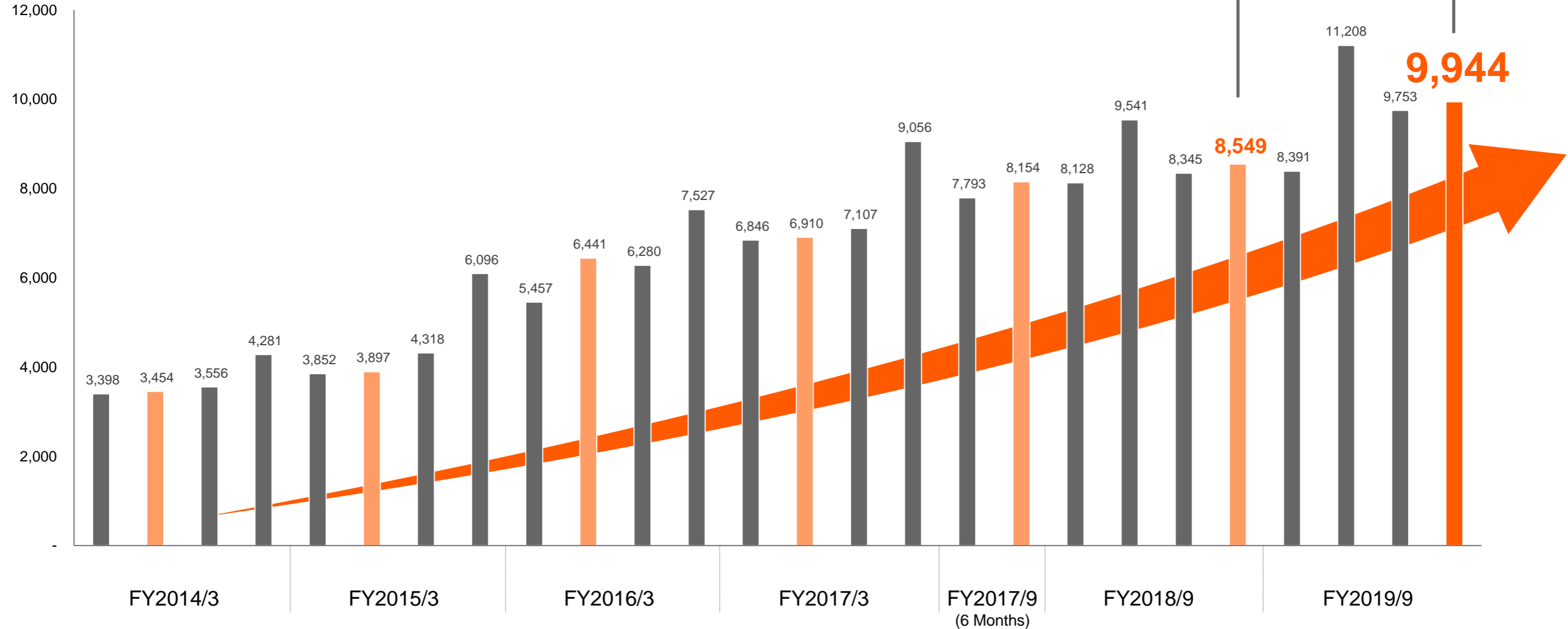
*7 Increased loss from active investment in Rakuten LIFULL STAY and reorganization of the business plan of KAMARQ, in which the Group invests

*8 Increased expenses mainly from acquisition of Mitula

Quarterly Performance History - Consolidated Revenue -

Large gains in revenue during Q4 (Jul. - Sep.) up **16.3%** YoY.

(Unit: Millions of yen)



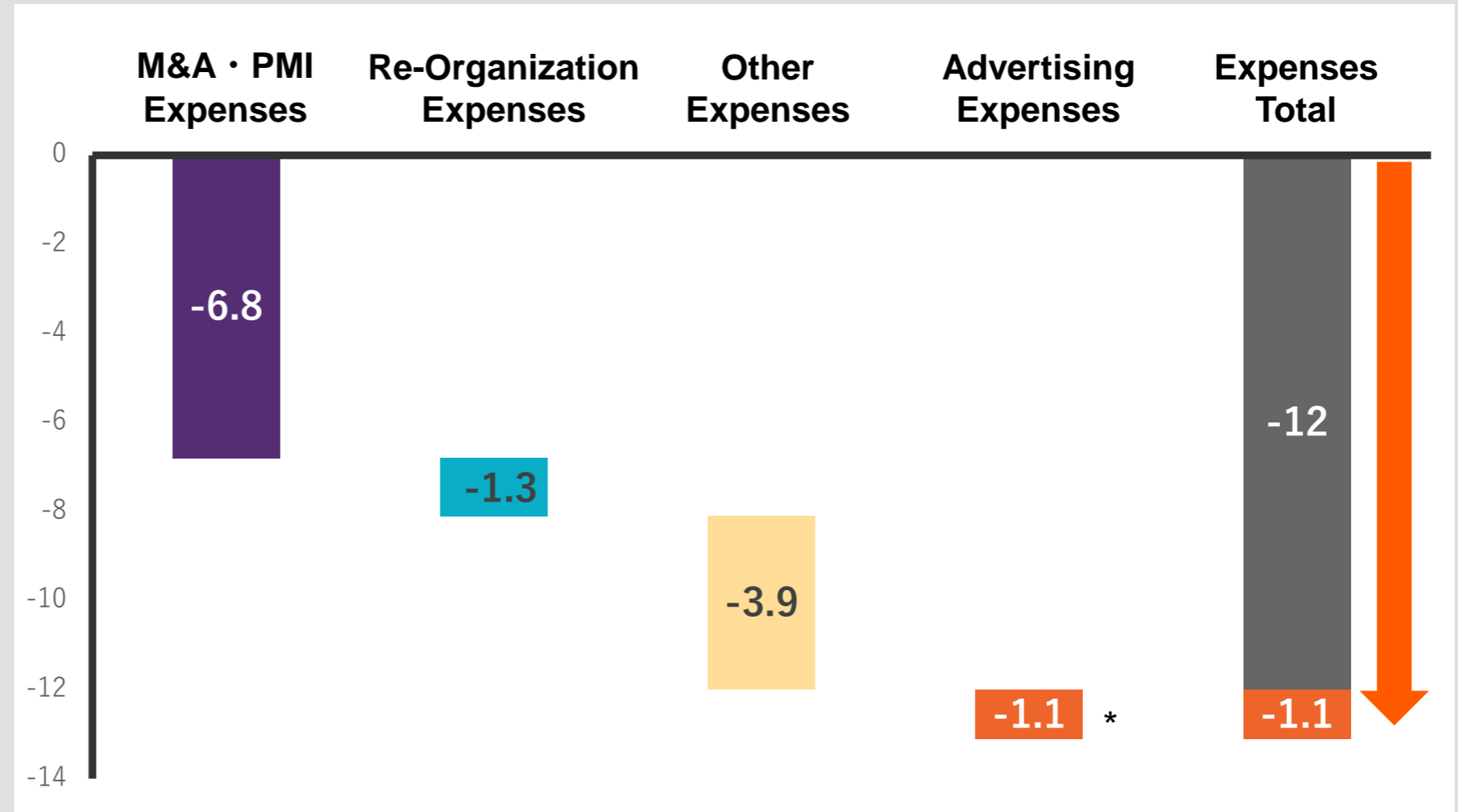
Temporary Effects from Growth Investments - YoY Analysis -

We are proactively investing in business growth for the future

Approximately ¥0.4 billion have been recorded as impairment and loss on disposal of fixes assets as a result of changes in business plans

(Unit: 100 million yen)

Approx.
¥1.2 - 1.3
billion
in temporary expenses



* Progress has been made with investments compared with the previous FY, but there was a ¥0.11 billion increase due to cost control

Revenue by Segment, Segment Income and Loss IFRS

Despite the overseas merger-related expenses, increased revenue in Trovit and the consolidation of Mitula have produced large gains
As planned, the HOME'S Services segment has seen decreased revenue due to investments in advertising

Unit: Millions of yen	FY2018/9 Oct.-Sep.	FY2019/9 Oct.-Sep.	Change	Change %	Main items
Revenue	34,564	39,297	+4,732	+13.7%	
HOME'S Services	28,602	29,656	+1,054	+3.7%	The increased volume of revenue generated by the higher number of inquiries following the SEO initiatives was greater than the negative impact caused by the withdrawal from the non-profitable Reform & Remodel business. Smooth progress toward the next fiscal year including the pricing revision.
Overseas	3,861	7,680	+3,818	+98.9%	Although JPY was approximately 6% higher than the same period in the previous year, positive growth achieved thanks to growth in Trovit and the acquisition of Mitula
Others	2,101	1,960	-141	-6.7%	Result of the transfer of the insurance agency business (LHL)

Unit: JPY mil	FY2018/9 Oct.-Sep.	FY2019/9 Oct.-Sep.	Change	Change %	Main items
Segment income and loss	4,263	3,949	-314	-7.4%	
HOME'S Services	3,864	3,311	-553	-14.3%	Increases in cost of sales and advertising expenses from proactive promotion
Overseas	490	951	+461	+94.1%	Increase in profit even after including M&A-related expenses and other on-off expenses (approximately 5.7 million yen)
Others	-186	-340	-154		- Increase in expenses related to Rural Revitalization Business
Inter-segment transactions	95	27	-67	-70.7%	

* See [page 50](#) for details of specific businesses in each segment

* Change % columns have been left blank for the items posted negative in either the previous or current FY.

Condensed Statements of Financial Position and Goodwill IFRS

¥3.2 billion in short-term debts and ¥10.4 billion in goodwill were used for the acquisition of Mitula

Unit: Millions of yen	As of Sep 30, 2018	As of Sep 30, 2019	Change	Change %	Main items	
Current assets	12,900	16,154	+3,254	+25.2%	Increase from cash and deposits Increase from accounts receivable-trade	+1,667 Refer to "Consolidated Statement of Cash Flows" +944
Non-current assets	16,281	27,329	+11,047	+67.9%	Increase from product inventory Increase from work-in-process Increase from goodwill Increase from software Decrease from shares of affiliates	+273 Increased mainly from investments in the Regional Revitalization Fund +192 Increased mainly from investments in the Regional Revitalization Fund +10,438 Increased mainly from acquisitions of Mitula and RESEM -228 -113 Decrease mainly from losses incurred by equity-method
Assets	29,181	43,483	+14,302	+49.0%	Increase from long-term loans Increase from deferred taxes	+409 Increased mainly from investments in the Regional Revitalization Fund +398
Current liabilities	6,181	9,485	+3,304	+53.5%	Increase in accounts payable-trade Increase in short-term debts Increase in accounts payable-other Decrease in accrued corporate income taxes Decrease in accrued consumption taxes	+368 +3,300 Increase due to the new borrowing for Mitula acquisition +469 Increase due to advertising expense payment and Mitula -669 -304
Non-current liabilities	1,004	1,414	+410	+40.9%		
Liabilities	7,185	10,900	+3,714	+51.7%		
Total Equity	21,996	32,583	+10,587	+48.1%	Increase from capital stock Increase from capital surplus Increase from retained earnings Decrease in foreign currency translation adjustment	+5,716 Increase following the issuance of new shares to acquire Mitula +5,665 Increase following the issuance of new shares to acquire Mitula +1,644 -2,385 Decrease due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	184.32	242.30	+57.98			

* Outstanding goodwill balance : Littel ¥86 mil., Trovit ¥8,114 mil., Mitula ¥10,499 mil., RESEM ¥1,172 mil., LIFULL Marketing Partners ¥251 mil., LIFULL Tech Vietnam ¥89 mil., Trovit, LIFULL Marketing Partners depreciable assets (PPA) ¥382 mil.

Condensed Statements of Cash Flow

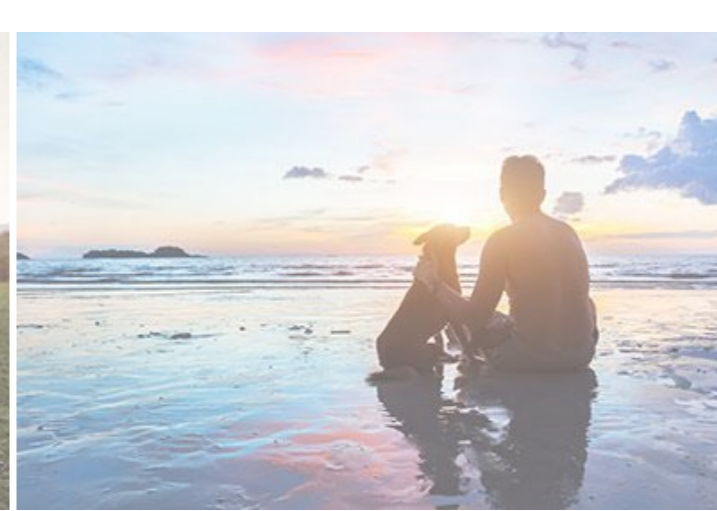
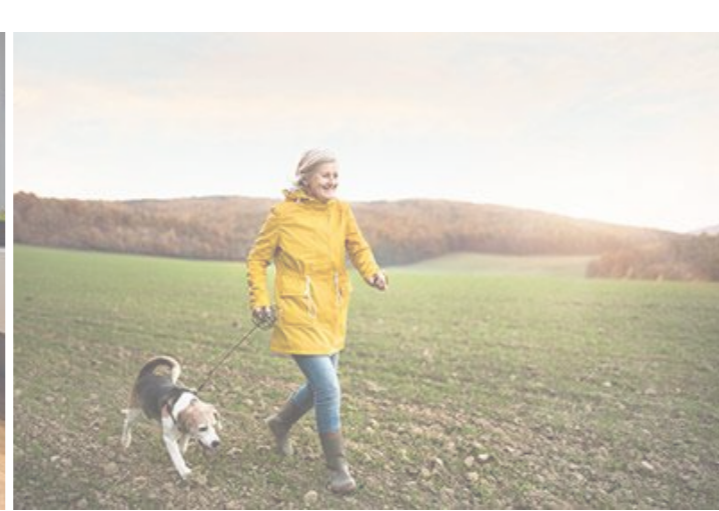
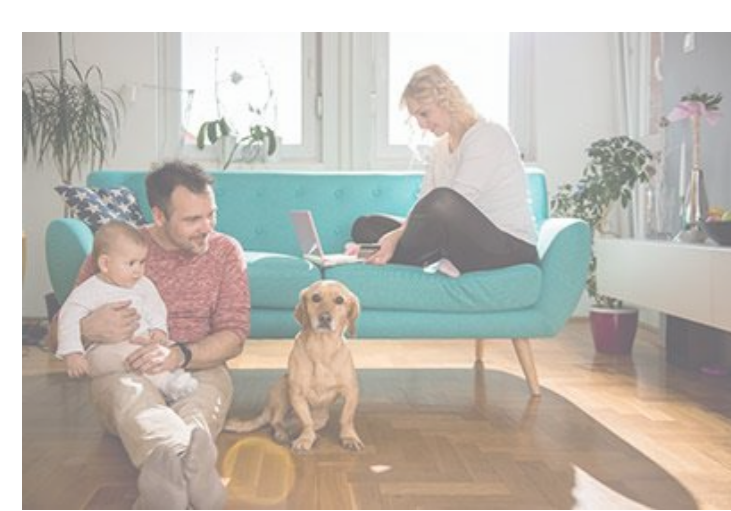
IFRS

Cash and cash equivalents increased by ¥1.6 billion to ¥9.2 billion YoY

Unit: Millions of yen	FY2018/9	FY2019/9	Change	Main items		
	Oct.-Sep.	Oct.-Sep.		Items	FY2018/9	FY2019/9
Operating cash flow	4,671	2,166	-2,505	Profit for the period before tax	+4,156	+3,552
				Depreciation and amortization	+1,091	+1,274
				Impairment loss	-	+343
				Increase/decrease in accounts receivable-trade and other current receivables	-346	-376
				Increase/decrease in accounts payable - trade and other current payables	-157	+444
				Other	+392	-688
				Tax payments	-441	-2,393
Investing cash flow	-1,533	-2,836	-1,303	Purchase of available-for-sale financial assets	-75	-95
				Purchase of property, plant and equipment	-209	-174
				Purchase of intangible assets	-405	-379
				Purchase of shares in affiliates	-717	-421
				Outlays for acquisition of shares of subsidiaries	-	-1,645
				Proceeds from sale of shares of subsidiaries	-	+473
				Proceeds from sales of shares of affiliates	+135	-
				Payments of loans receivable	-260	-1,273
Collection of loans receivable	+30	+767				
Financing cash flow	-1,072	2,782	+3,855	Proceeds from loans payable	-	+3,858
				Repayments of loans payable	-1,000	-300
				Dividends paid	-98	-714
Change in cash and cash equivalents	2,061	1,667	-			
Balance of cash and cash equivalents	7,571	9,239	+1,667			

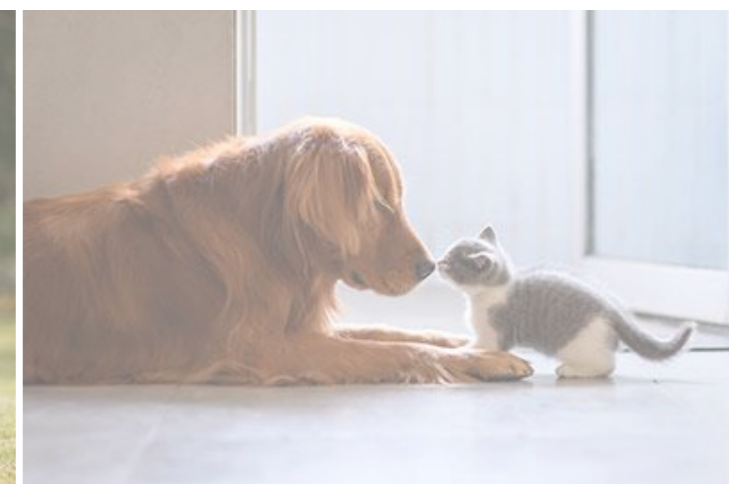
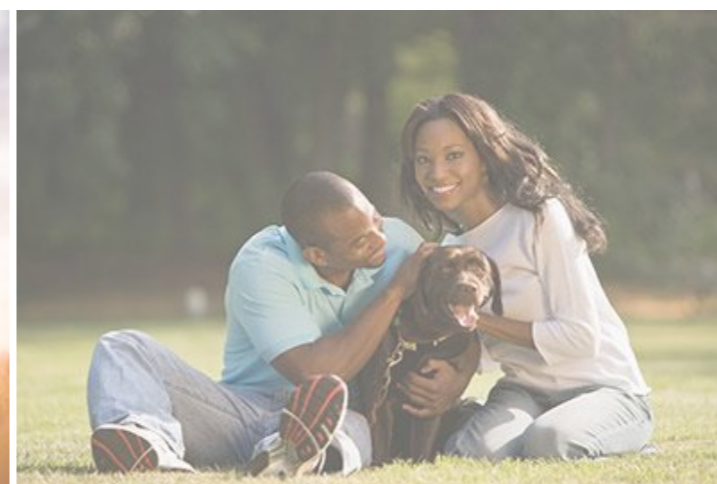
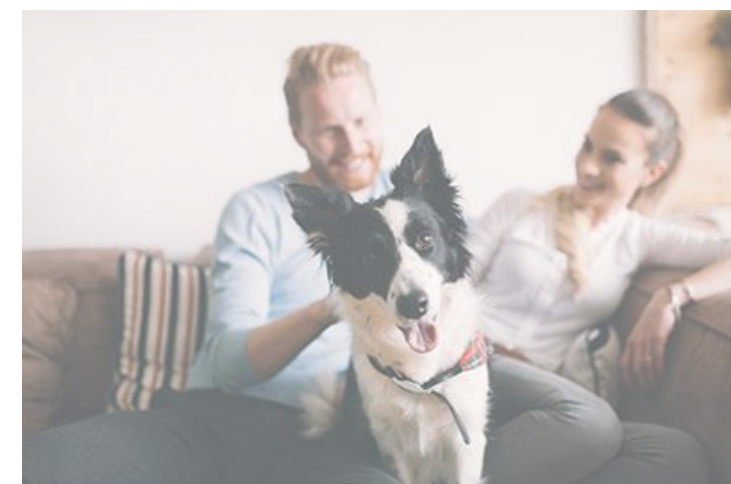


LIFULL Group Growth Strategy (Overview)



Slogan

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



Medium-Term Business Plan 2020

Progress toward strengthening the business scale and organizational targets set in the Medium-Term Business Plan

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

Medium-Term Business Plan 2020

Business Expansion

- 01** Expansion of HOME'S Services
- 02** Expansion of Overseas Business

Strengthening Group Administration

- 01** Form a Specialized Management Team
- 02** Set the Foundations for 100 Subsidiaries



Progress on Medium-Term Business Plan - Business Expansion-

Smooth progress in increasing scale of operations

Expansion of HOME'S Services

- Search by **lifestyle**
- **Visibility** of property evaluations
- Improved **accuracy** of listings
- Improvement of app features
- Online rental contracts
- Established '*Sumai no Madoguchi*'
- Established call center
- Created the **Price Map** using real estate **big data**
- **AI** recommendation feature
- Experimental **transfer of property ownership via blockchain**

Growth in Overseas Businesses

- Market leader in real estate aggregation
- Increased number of countries
- Acquisition of **Mitula** Group Limited
- Acquisition of **RESEM**



Progress on Medium-Term Business Plan - Strengthening Group Administration-

Taking a wide variety of measures to strengthen the administrative foundations of the company

Form a Specialized Management Team

- Boost administration of Group subsidiaries
- Further develop **internal auditing**
- Engage more **outside directors**
- Promote **RPA***

*Robotic Process Automation

Set the Foundations for 100 Subsidiaries

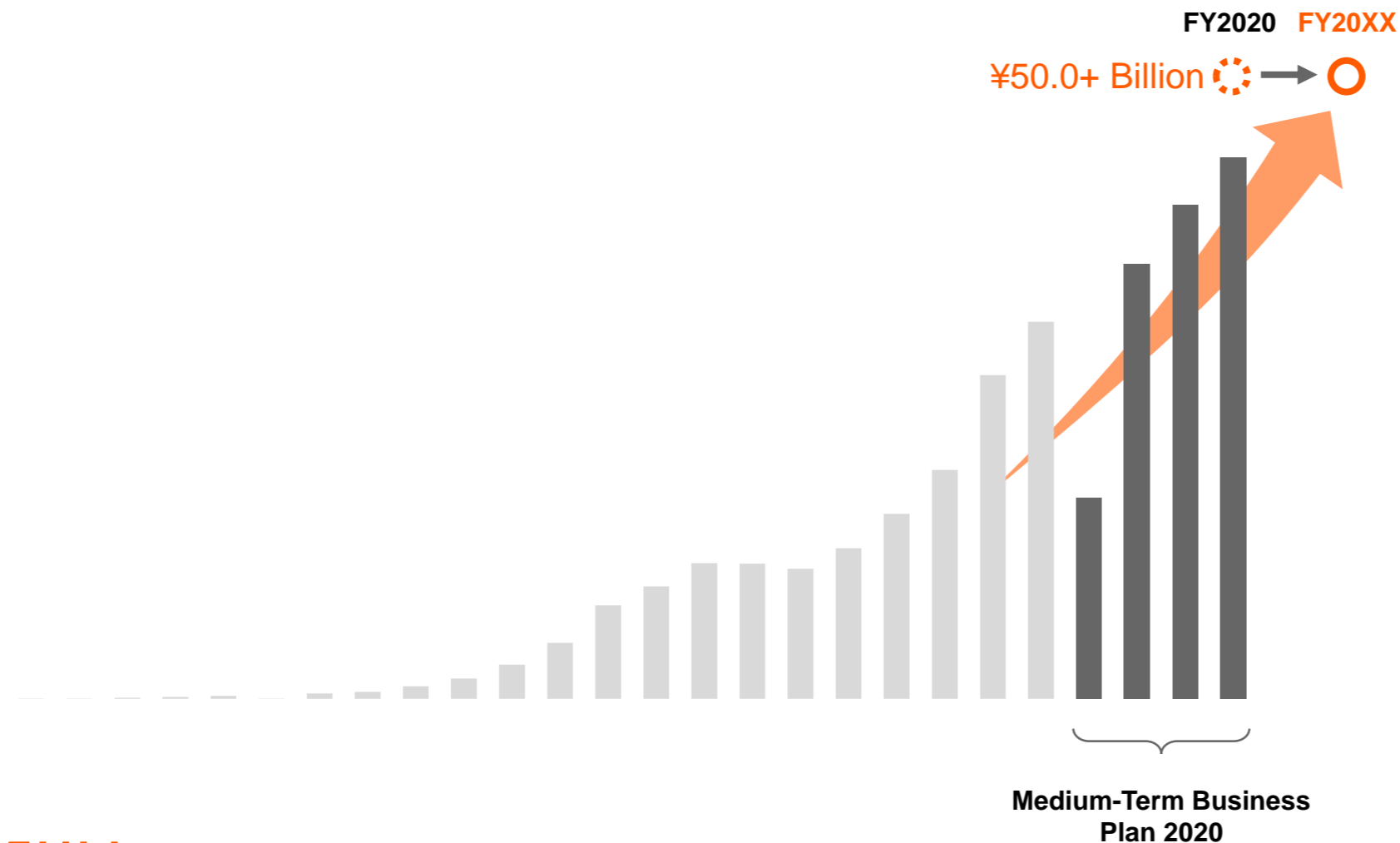
- Visualization of **Productivity**
- Created **CxO** Position
- Boost functionality of subsidiaries
- Established **AI** Strategy Dept.
- Participated in “Seven & i Data Labo”
- Increase overseas development locations
- Established **CVC**
- OPEN SWITCH (business proposal program)
- Support for new businesses



Medium-Term Business Plan 2020

Despite changes in plans, the scale of operations has been steadily increasing

Achievement of the quantitative targets (Revenue) has been pushed back



Primary Changes to Medium-Term Business Plan

- **Withdrawals**
 - LIFULL HOME'S Reform
 - LIFULL Remodel
 - LIFULL AU Real Estate (Australia)
 - LIFULL Immofinder (Germany)
 - LIFULL HOME'S International Investments
 - Interior Online Store
- **Sale of Shares**
 - Insurance Media (LHL)
- **Plan Revisions**
 - Omnichannel Strategy
 - Advertising Agency
- **Changes in External Environment**
 - Alterations to SEO Criteria

Increase Profitability During FY2020/9

Business Forecast for FY2020/9

¥45.1 billion in revenue (+15.0%) and EBITDA of ¥8.1 billion (+51.5%)

Condensed Statements of Income and Loss				
	FY2019/9 Oct.-Sep. [Actual]	FY2020/9 Oct.-Sep. [Full-year forecast]	Change	Change %
Unit: Millions of yen				
Revenue	39,297	45,193	+5,896	+15.0%
Cost of revenue	4,559	5,171	+612	+13.4%
SG&A (excl. depreciation)	29,537	31,863	+2,326	+7.9%
Personnel expenses	8,702	10,557	+1,855	+21.3%
Advertising expenses	13,273	13,591	+318	+2.4%
Operating expenses	925	1,018	+93	+10.1%
Other	6,636	6,695	+59	+0.9%
Other revenues and expenses	161	(37)	-198	-123.0%
EBITDA	5,360	8,121	+2,761	+51.5%
EBITDA margin	+13.6%	+18.0%	+4.4pt	-
Net profit*	2,359	4,153	+1,794	+76.0%

Revenue by Service				
	FY2019/9 Oct.-Sep. [Actual]	FY2020/9 Oct.-Sep. [Full-year forecast]	Change	Change %
Unit: Millions of yen				
Revenue	39,297	45,193	+5,896	+15.0%
HOME'S Services	29,656	33,202	+3,546	+12.0%
Overseas	7,680	9,069	+1,389	+18.1%
Others	1,960	2,920	+960	+49.0%

* €1 has been calculated at ¥118

* Net profit attributable to owners of the parent

* Change % columns have been left blank for the items posted negative in either the previous or current FY

HOME'S **Services**

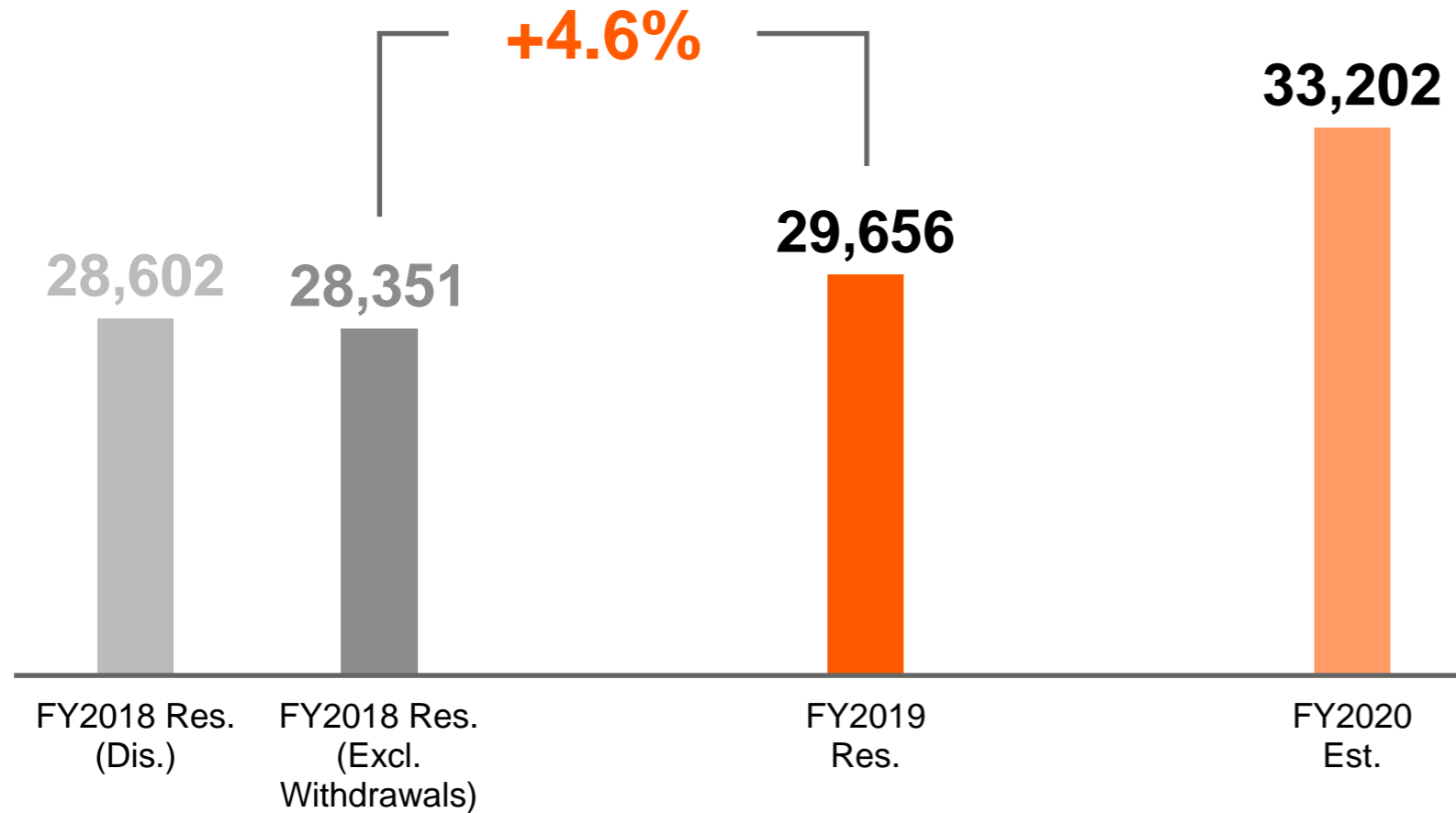


Comparison with Same Period in Previous Year - Effects of Business Withdrawals -

Sales revenue up +4.6% excluding effects from withdrawal of the Reform Business

Revenue - HOME'S Service

(Unit: Millions of yen)



Withdrawal from Reform Business

- LIFULL HOME'S Reform
 - LIFULL Remodel
- Discontinued in Sept. 2018

Ref.: Earnings Presentation Q2 FY2018/09 P14
https://lifull.com/wp-content/uploads/2018/05/LIFULL_EarningsPresentation_FY2018-9-2Q.pdf

Restructuring of the Business Strategy and the Organization

Streamlining to enhance competitive advantage

01 HOME'S Services Business	02 Overseas Business
<p>Improve competitiveness in main businesses by withdrawing from unprofitable businesses</p> <ul style="list-style-type: none"> • LIFULL HOME'S Renovation → Slated for termination at end of Sep 2018 • LIFULL Remodel → Slated for termination in 2018 	<p>Focus resources on Trovit and Mitula</p> <ul style="list-style-type: none"> • Making Mitula Group Limited a subsidiary <p>Focus resources in Japan on domestic businesses</p> <ul style="list-style-type: none"> • LIFULLAU Real Estate (Australia) → Termination • LIFULL Immofinder (Germany) → Termination

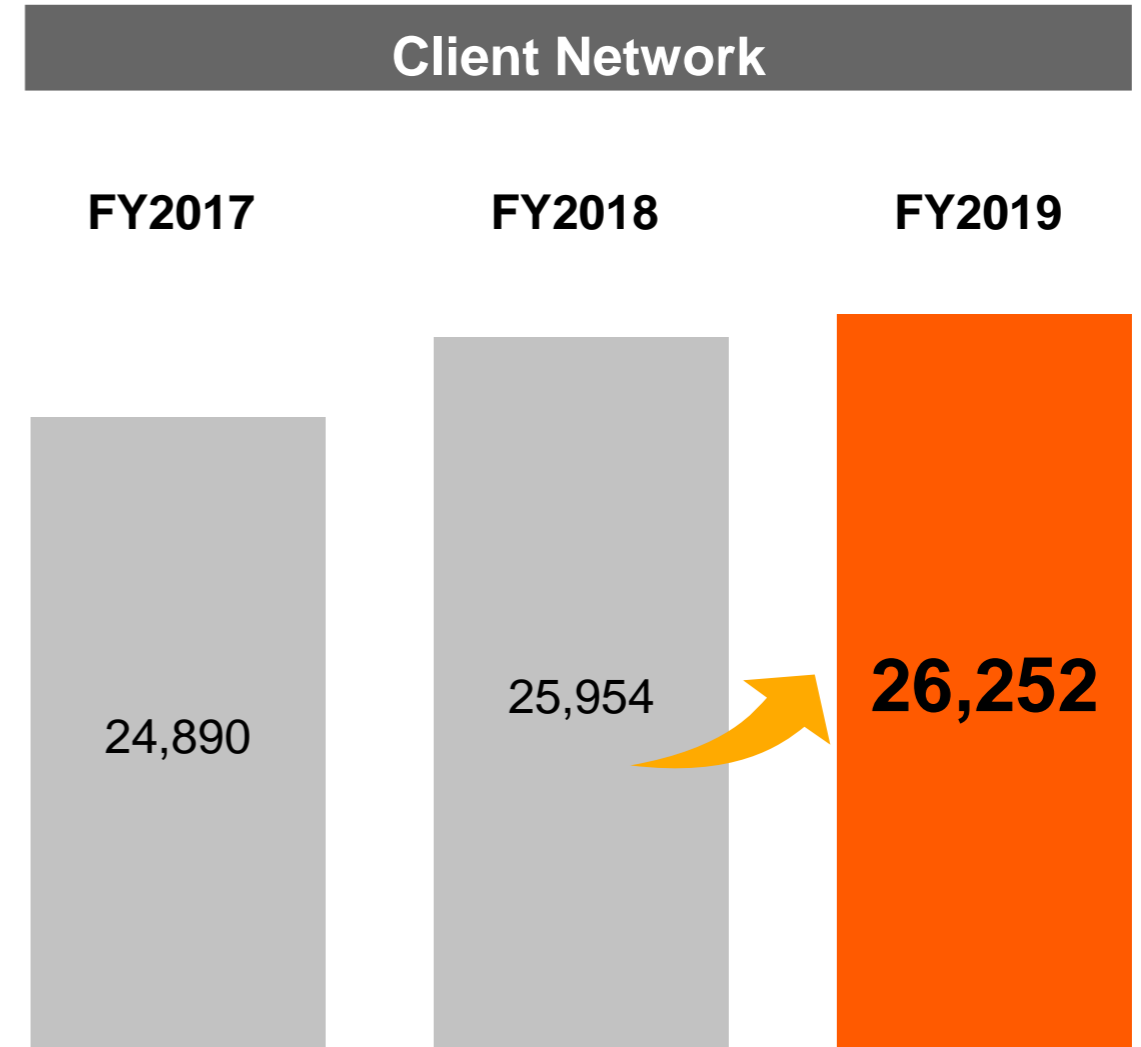
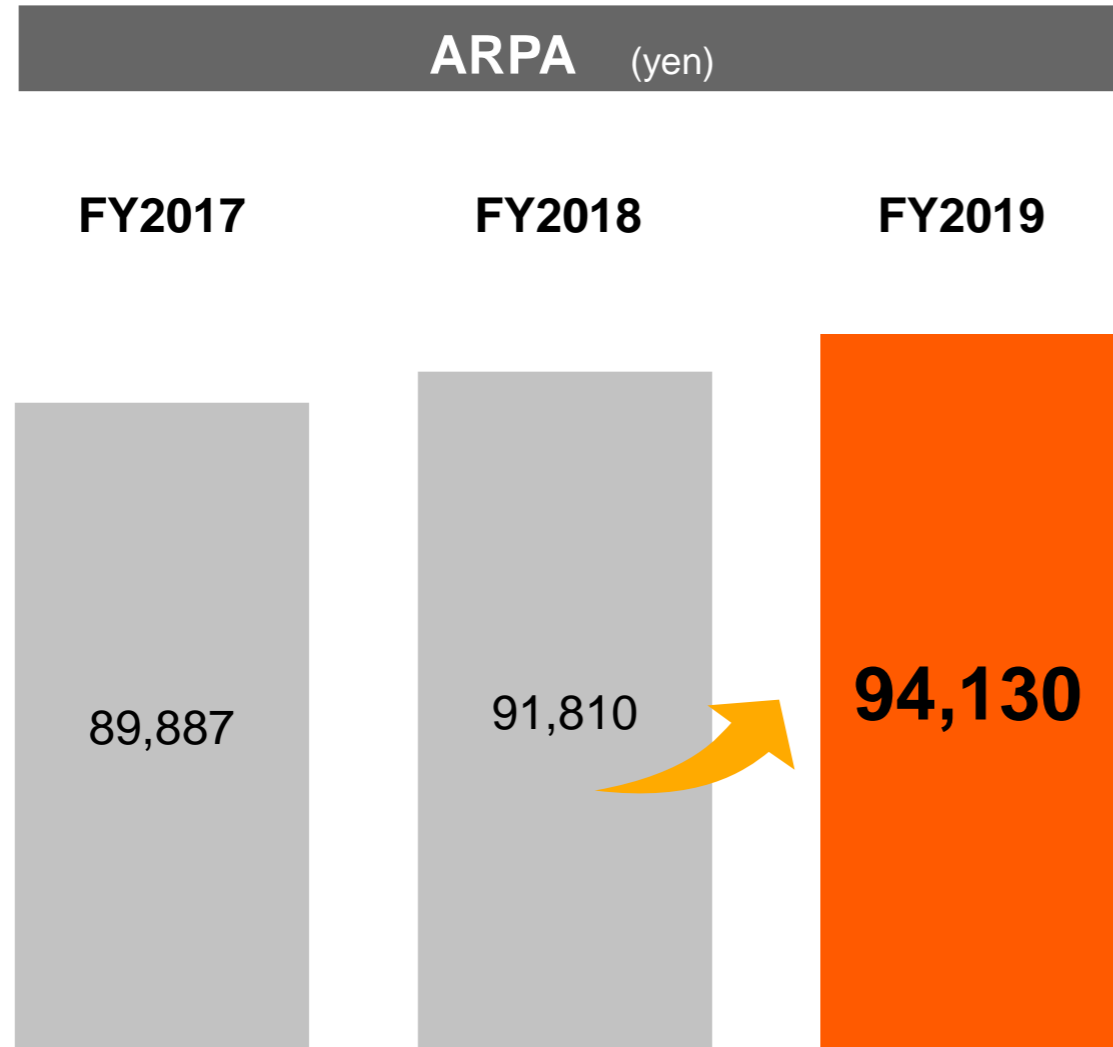
Focus resources to increase competitiveness

LIFULL

* See March 18, 2018 press release "Notice of organizational changes and personnel transfers" https://lifull.com/wp-content/uploads/2018/03/notice_20180318.pdf
 ** See May 9, 2018 press release "Announcement of the Agreement for Commencement of Friendly Acquisition of 100% Ownership of Mitula Group Limited" https://lifull.com/wp-content/uploads/2018/05/announcement_20180509.pdf

Key Performance Indicators - Client Network and ARPA -

Growth in both the numbers of clients and ARPA



*12-month average

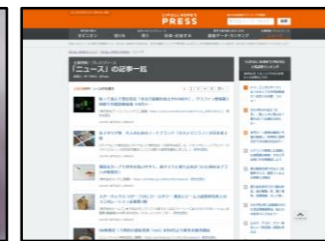
*Above figures are preliminary and will be revised once finalized.

*ARPA will be recalculated if client numbers are adjusted.

Measures to improve ARPA - Strengthening media presence -

Continue investments in strengthening media presence

Strive to become market leader by maximizing provided value



LIFULL HOME'S Investments in Media Presence



Content



Campaigns



Branding



UI & UX



SEO



Paid Online Marketing

Effects from the Price Structure Revision - Rental and Sale Listings -

Beginning in October, the price structure was revised to increase media presence and service quality

By offering optional services free of charge, users will have access to richer information to help them find the right place to live

Low Cancellation Rate

Comparison to Regular Membership Cancellation Rate (For Members with Rental and Sale Listings)

Regular Membership Cancellation Rate Approx. **+1.4p**

Note: Comparison between cancellation rates during the period from Oct. 2018 - Aug. 2019 with Sep. 2019

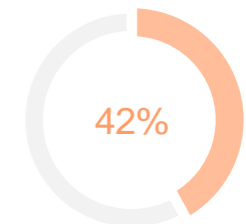
Note: Cancellation are presented as an estimate and not a definitive number.

Improved Listings with Optional Services

Usage Rate for Optional Services in Listings (For Inquiry-based Members)



Ref. : Prev. Data



Note: Staff comments and panorama photos

Increase of approx. **20%**

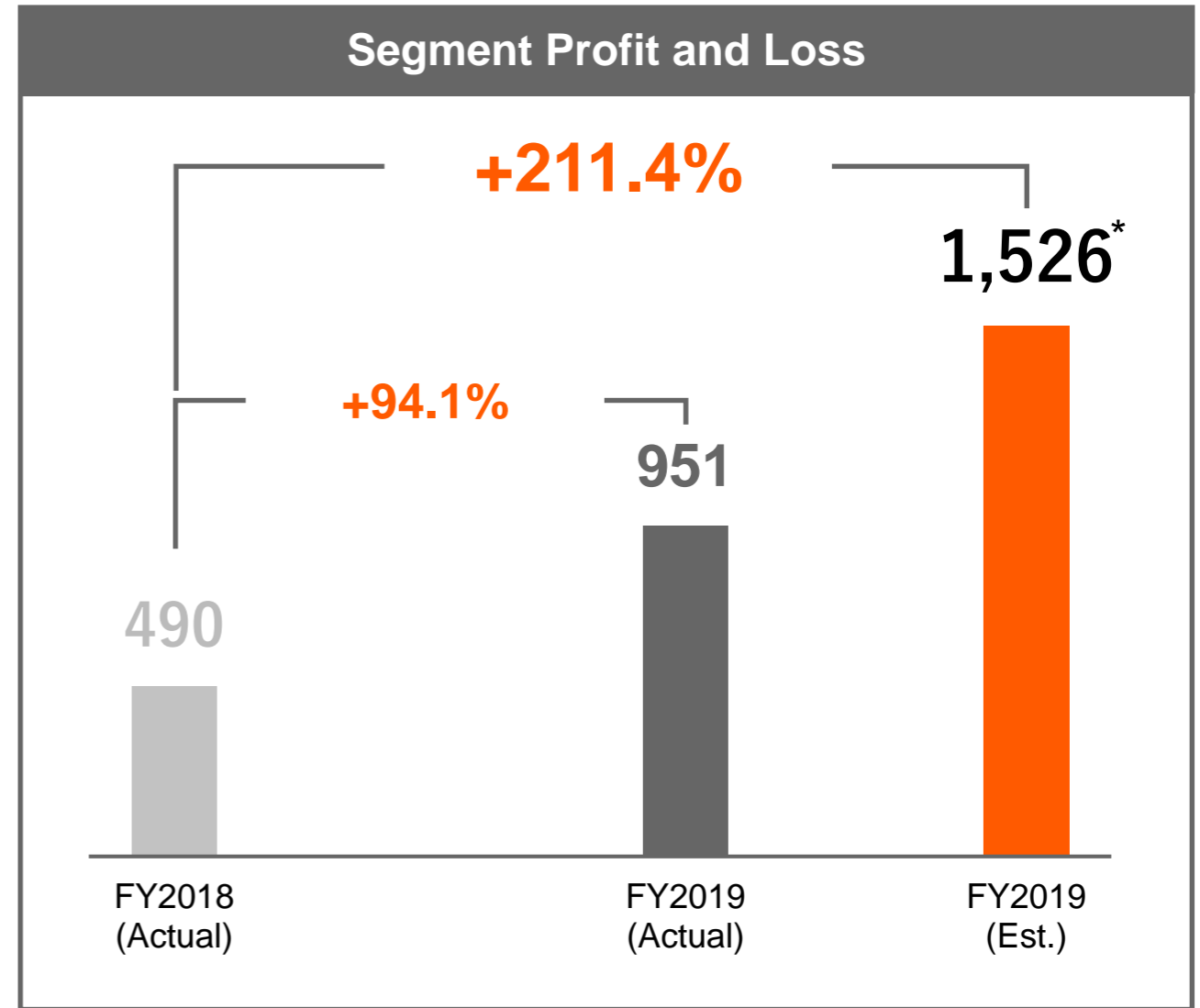
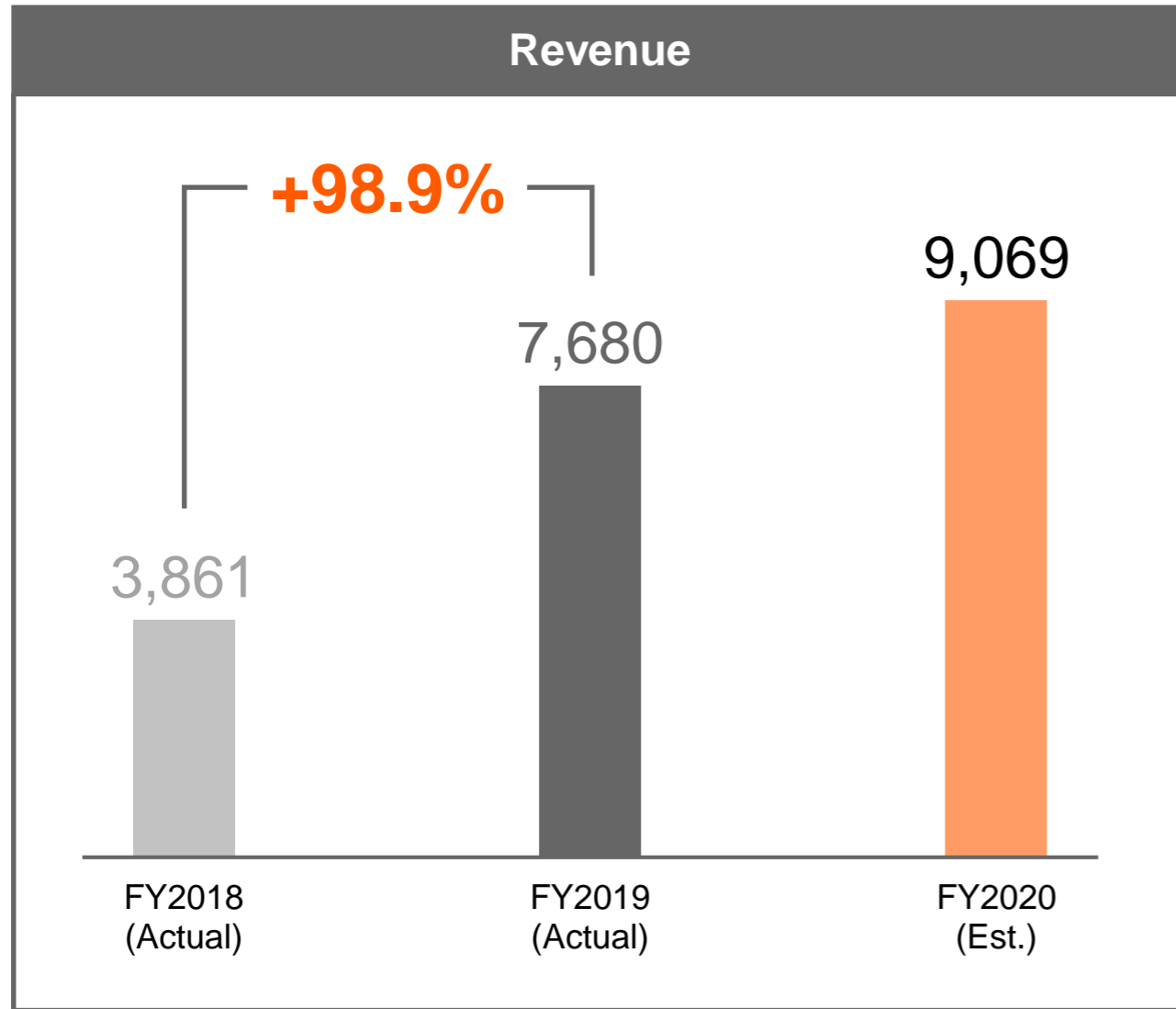


Overseas Businesses

Overseas Businesses - Results -

Segment revenue and profits have grown considerably since the acquisition of Mitula

Unit: Millions of yen



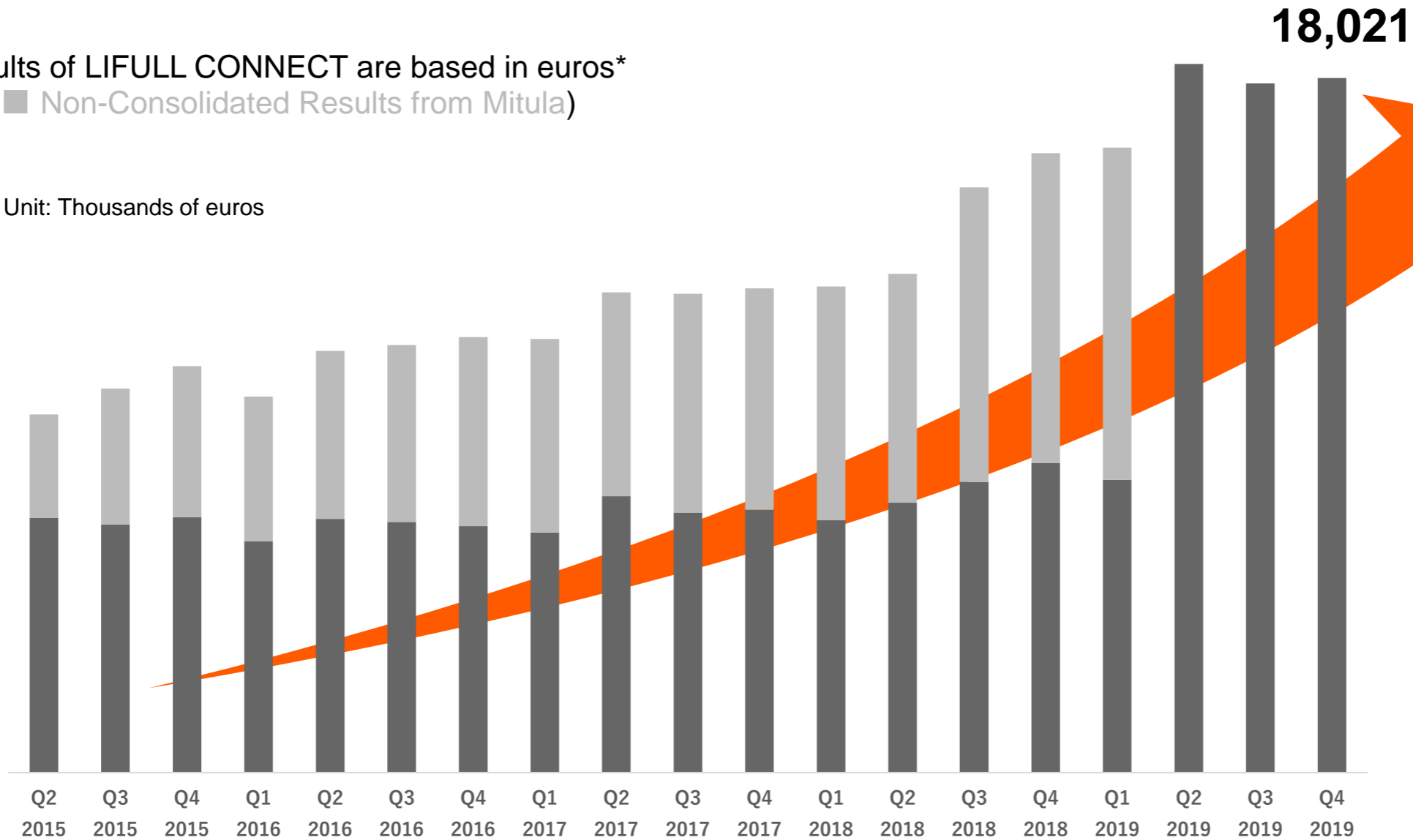
* Without regard to acquisition costs

LIFULL CONNECT - Quarterly Performance Trend -

Revenue is growing steadily as the second pillar of the LIFULL Group

Results of LIFULL CONNECT are based in euros*
 (■ Non-Consolidated Results from Mitula)

Unit: Thousands of euros

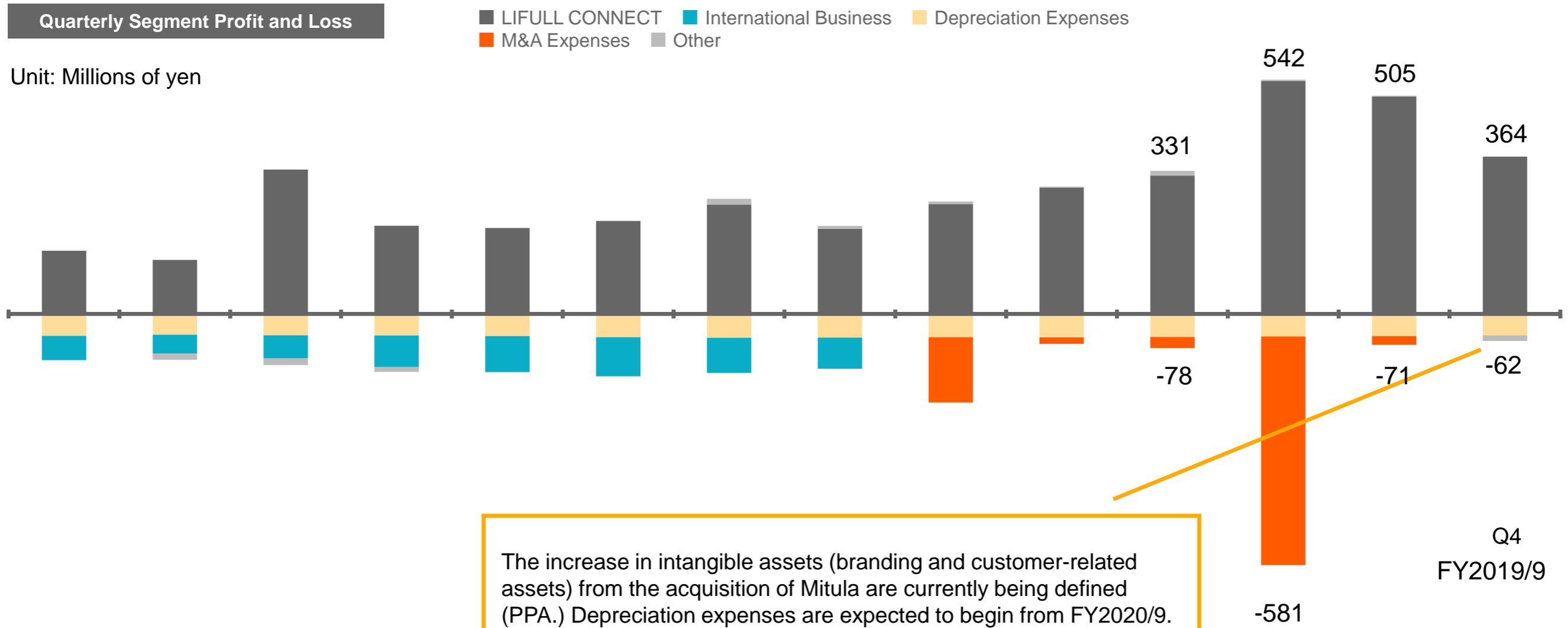


Steady growth

Overseas Businesses Results - Segment Profit and Loss (Quarterly Trend) -

Increases in profitability although the expenses from the acquisition of Mitula were recorded in this period

Depreciation expenses are expected to begin from FY2020/9





LIFULL CONNECT

Founding Planned for November 2019

CEO Mauricio Silber

COO Simon Bray



Growth Strategy - Profitability by Region-

Strategy to take the characteristics of individual regions into account to accelerate profitability

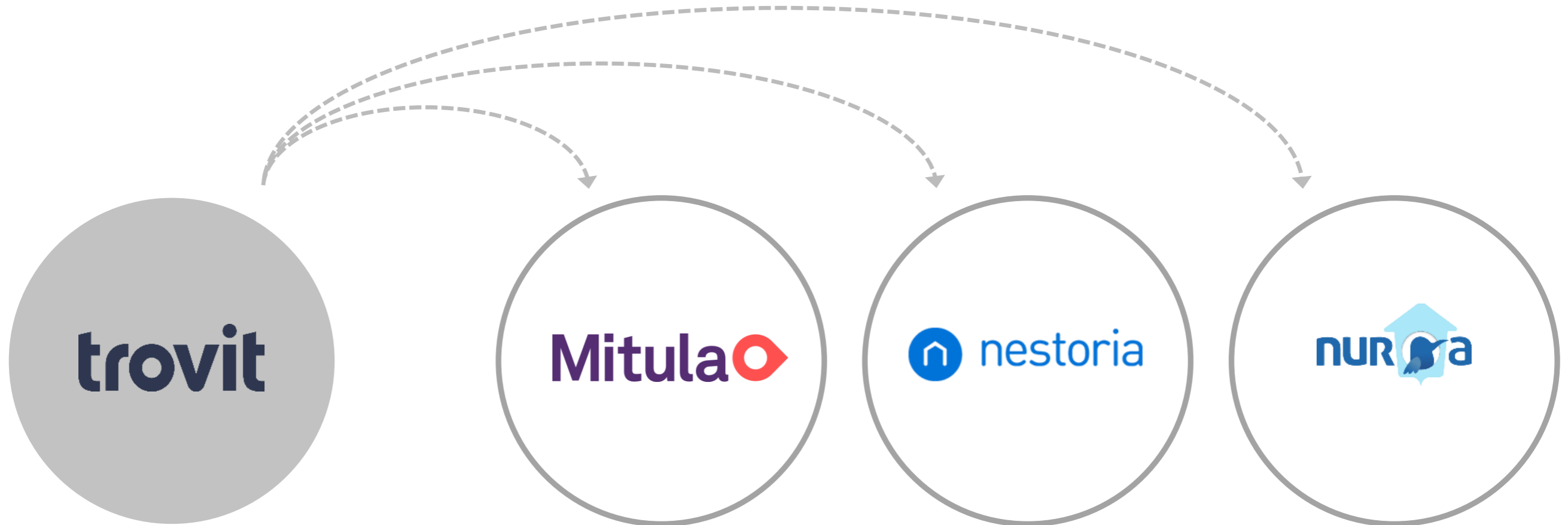
Focus growth on mature and developing markets

Focus on Mature and Developing Markets

01 Mature Markets	02 Developing Markets	03 Potential Markets
<ul style="list-style-type: none">• Strong real estate portals or classified sites exist• Active investments in marketing• Comprising over half of Overseas Businesses revenue	<ul style="list-style-type: none">• Strong real estate portals or classified sites do not exist• Future growth in the online advertising	<ul style="list-style-type: none">• Undeveloped online advertising market• Strong potential for long-term growth

Growth Strategy - Mature Markets -

Utilize the technological knowhow of Trovit to make advanced sites and increase profit on sales



Grasp current status of various markets to accelerate management decision-making processes and ensure that clients receive the right suggestions for their advertising

Growth Strategy - Developing Markets -

Focus on introducing portals into new markets to directly support users in their housing searches



Operating portals in 9 Southeast Asian countries
Brought into the Mitula Group in September 2016



Operating portals in 11 Central and South American countries
Brought into the LIFULL Group in May 2019



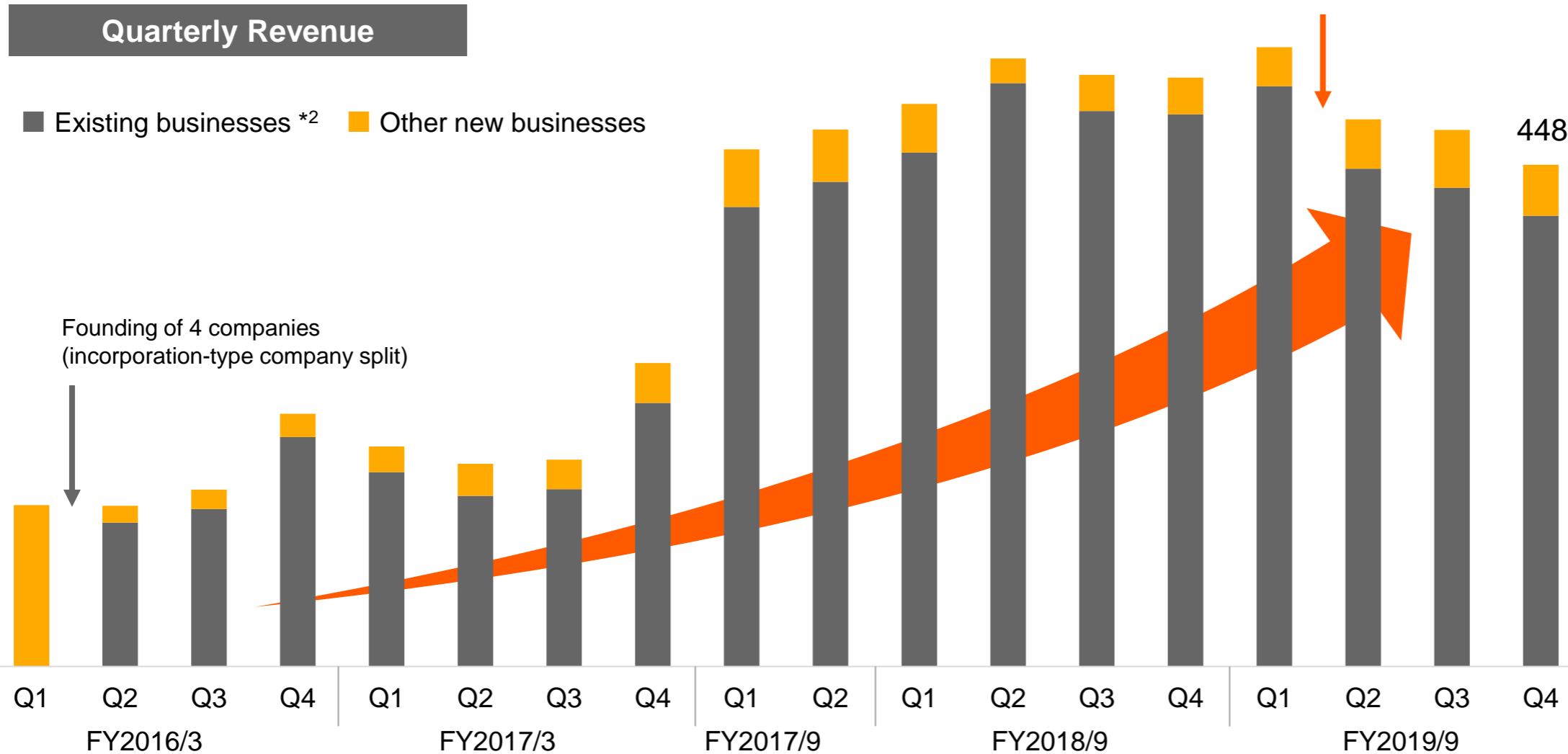
Other Businesses



Other Businesses - Segment Sales Revenue (Quarterly) -

Without regard to the effects of the transfer of LHL*¹, business scale has been maintained.

Unit: Millions of yen



Maintaining Scale of Operations

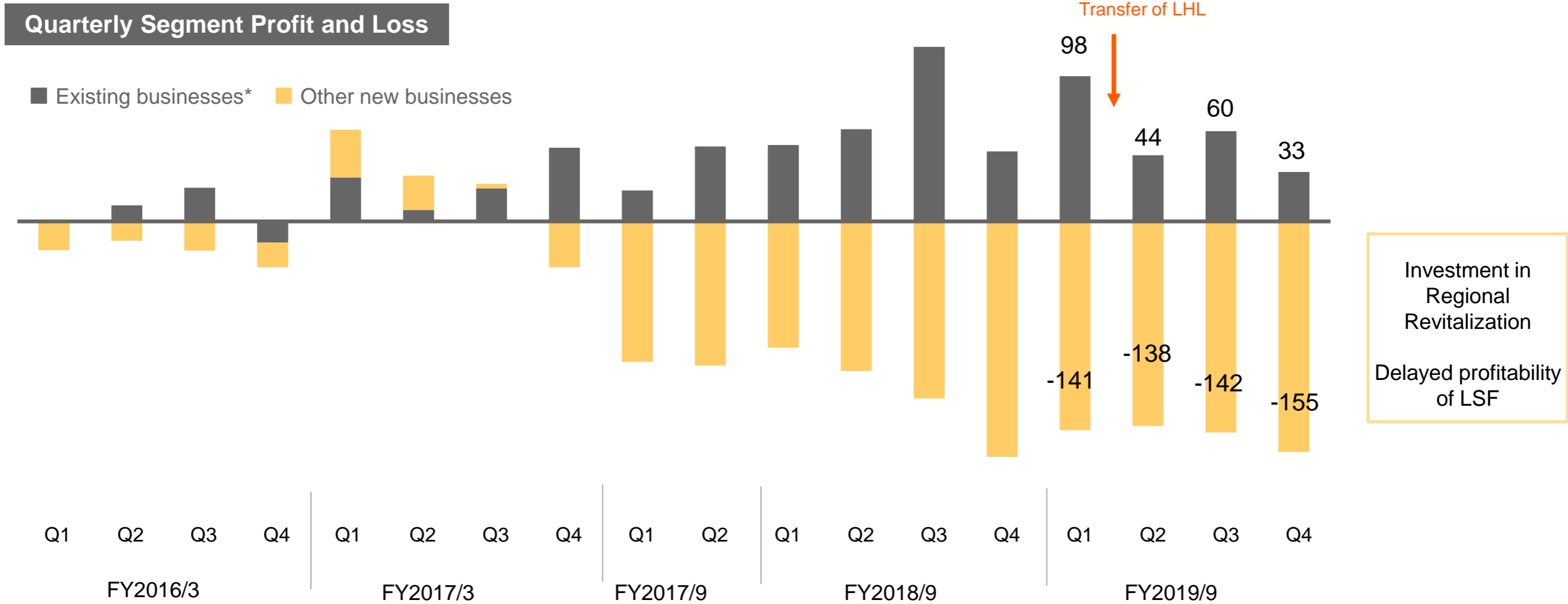
*¹ Founded as a subsidiary of FinTech and transferred to Nippon Life Insurance Company in December 2018.

*² Currently comprised of 4 companies: FinTech, MOVE, senior, and SPACE

Other Businesses - Segment Profit and Loss (Quarterly) -

Smooth progress in existing businesses excluding the transfer of LHL
 Increased investment in Regional Revitalization

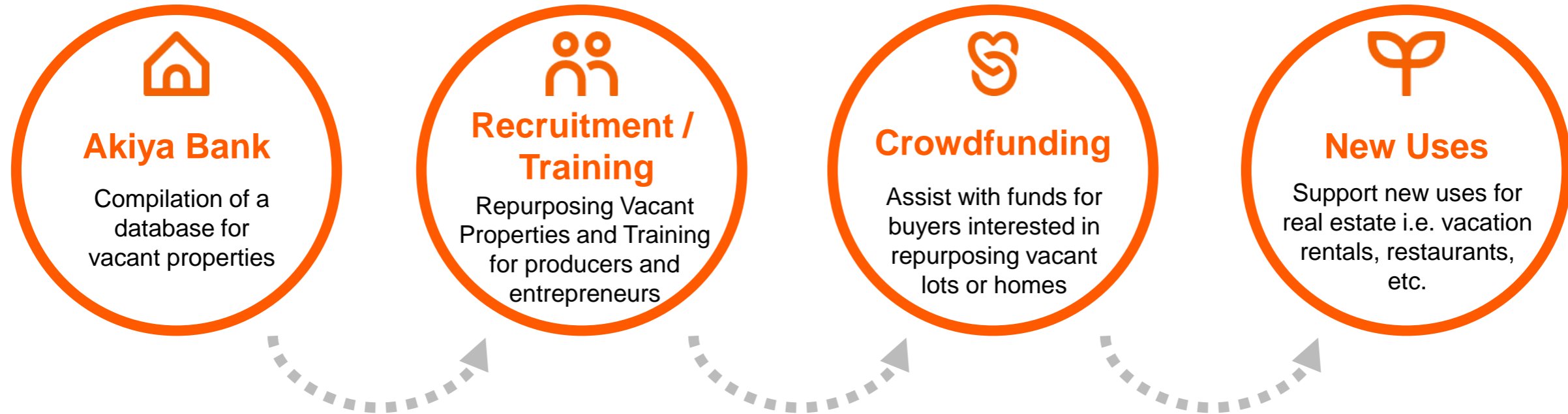
Unit: Millions of yen



Investment in Regional Revitalization
 Delayed profitability of LSF

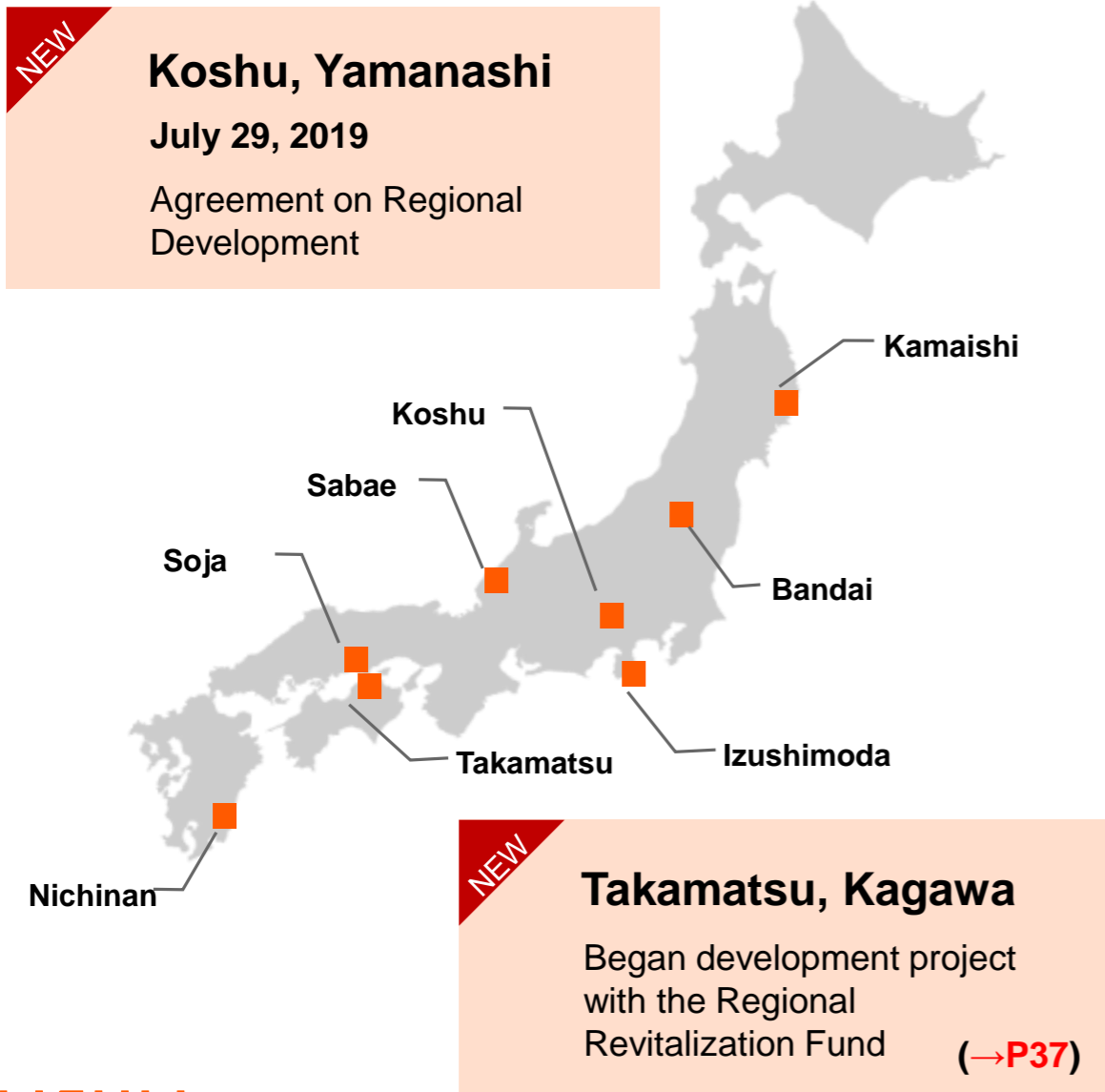
Other Businesses - Regional Revitalization -

Provide various solutions including collecting information to repurposing vacant homes
Working to alleviate the social issue of vacant houses



Other Businesses - Regional Revitalization -

Development of new partnerships and agreements with local governments and repurposing of vacant homes nationwide



Local Cooperations

Kamaishi, Iwate

Operation of a sharehouse and vacation rental in a vacant house

Sabae, Fukui

Opened satellite office in a vacant home

Soja, Okayama

Opened satellite office in a vacant home

Nichinan, Miyazaki

Held a career training event

Izushimoda, Shizuoka

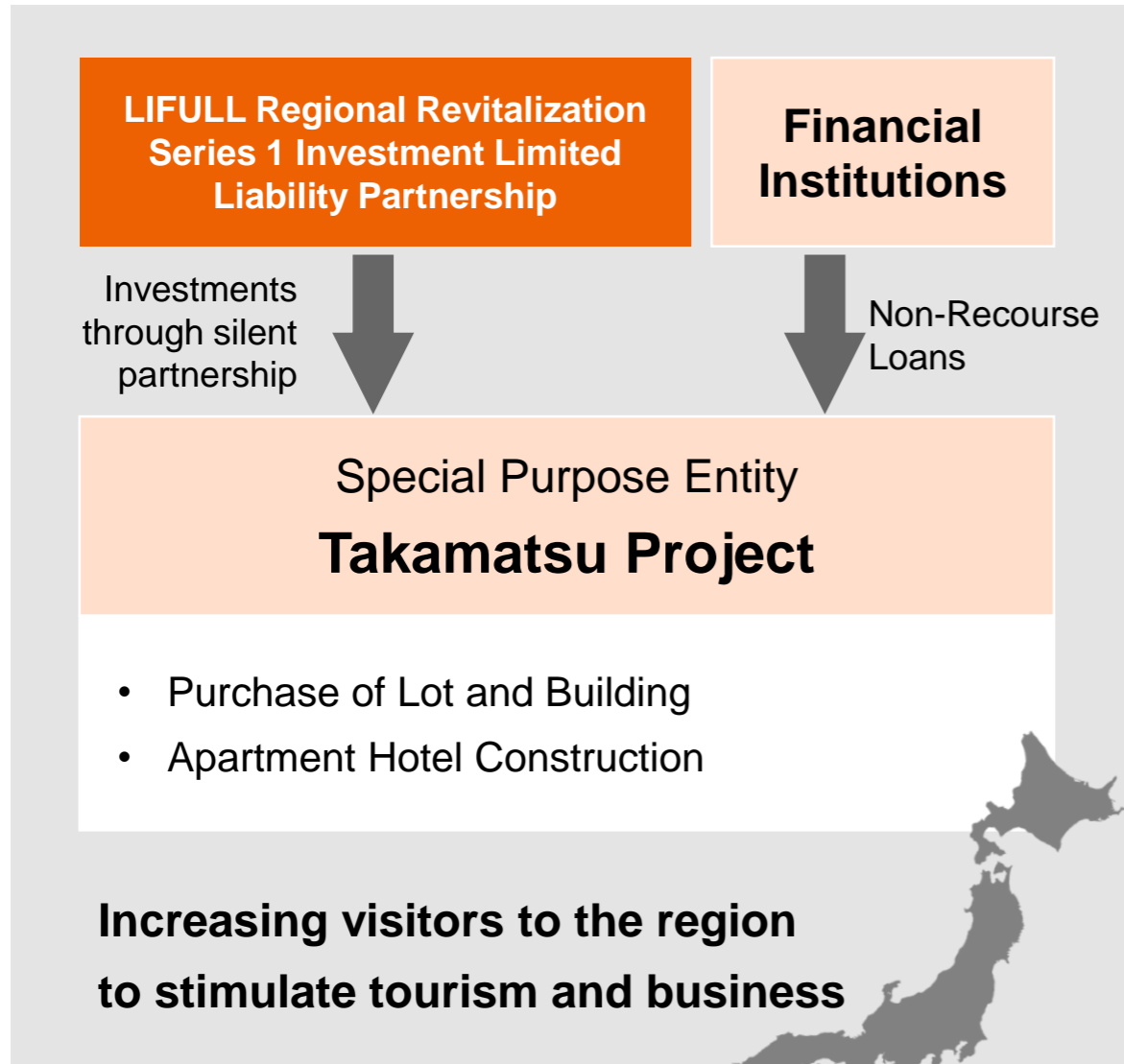
Aizubandai, Fukushima

Created and operating the Living Anywhere Commons workspaces and accommodations within leisure facilities

Other Businesses

- Regional Revitalization Fund -

Began apartment hotel project in Takamatsu with investments from the LIFULL Regional Revitalization Fund



Takamatsu, Kagawa
10F Reinforced Concrete Structure with 41 Units

Opening in Sep. 2020



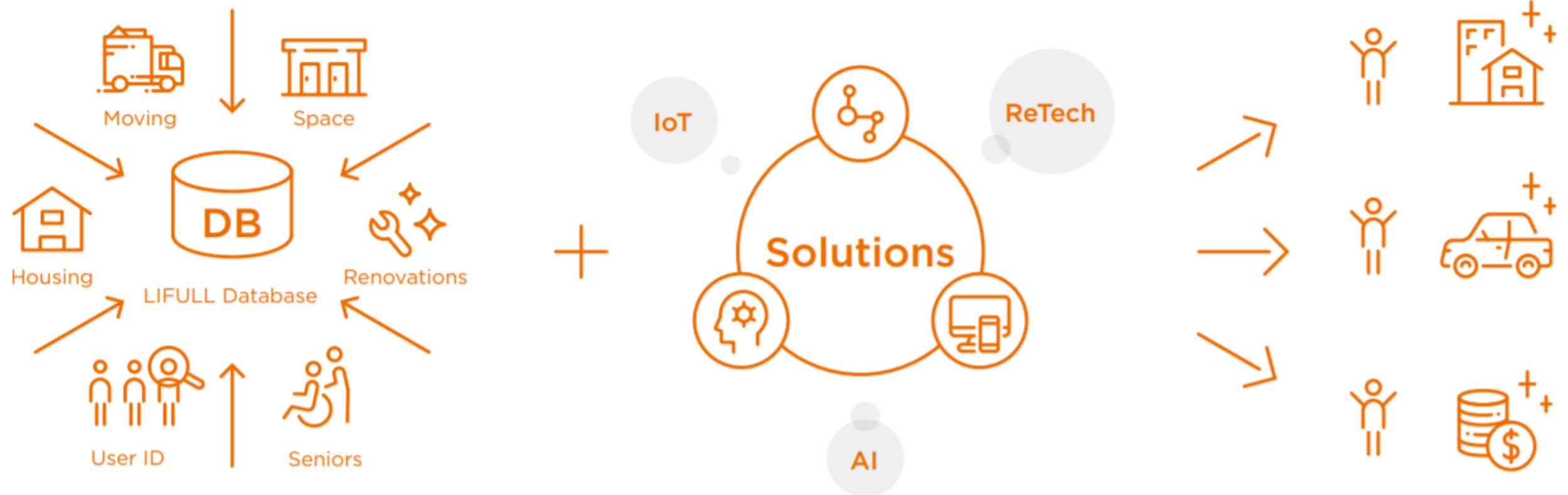
Fully furnished **accommodations at a reasonable price**

Available for short and long-term stays

Our Worldview - LIFULL Group -

Create a society where everyone can attain “comfort” and “happiness” through continuous social innovations

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



Build the biggest life-event database in the world to offer the best solutions for each and every customer.

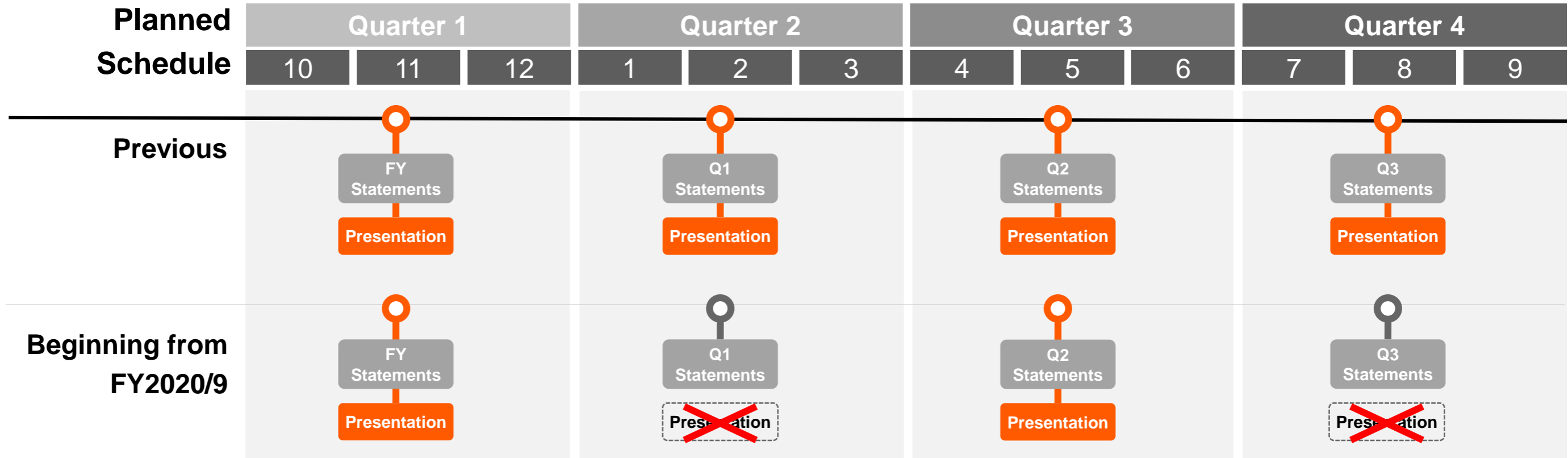


Change in IR Procedures

(Beginning in FY2020/9)

Change in IR Procedures

Beginning from FY2020/9, we will be holding **Earnings Presentations twice a year** instead of every quarter.



Earnings Presentations are only planned for Quarters 2 and 4 and will no longer be held for Quarters 1 and 3.



 **LIFULL**



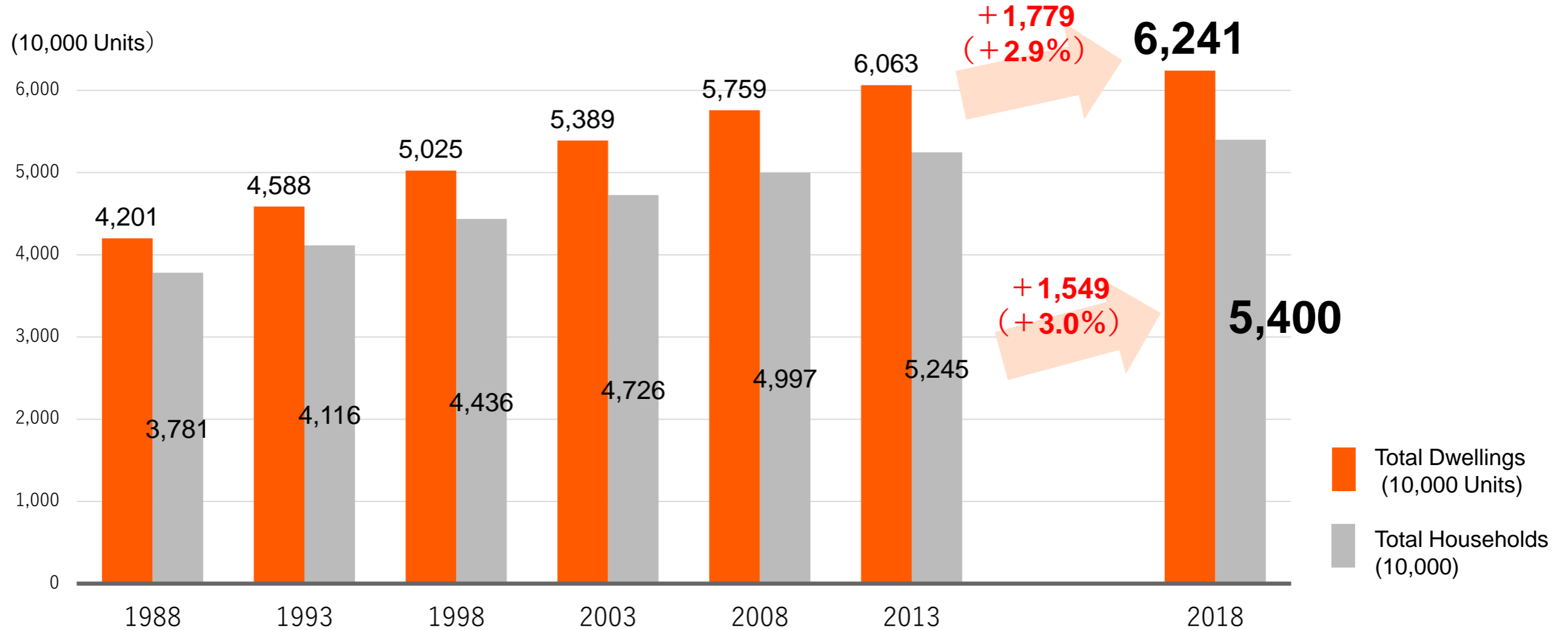
Base Results of the 2018 Housing and Land Survey

(Statistics Bureau of Japan)

Base Results of the 2018 Housing and Land Survey

The number of total households and dwellings has reached a new high, but its growth is beginning to dwindle

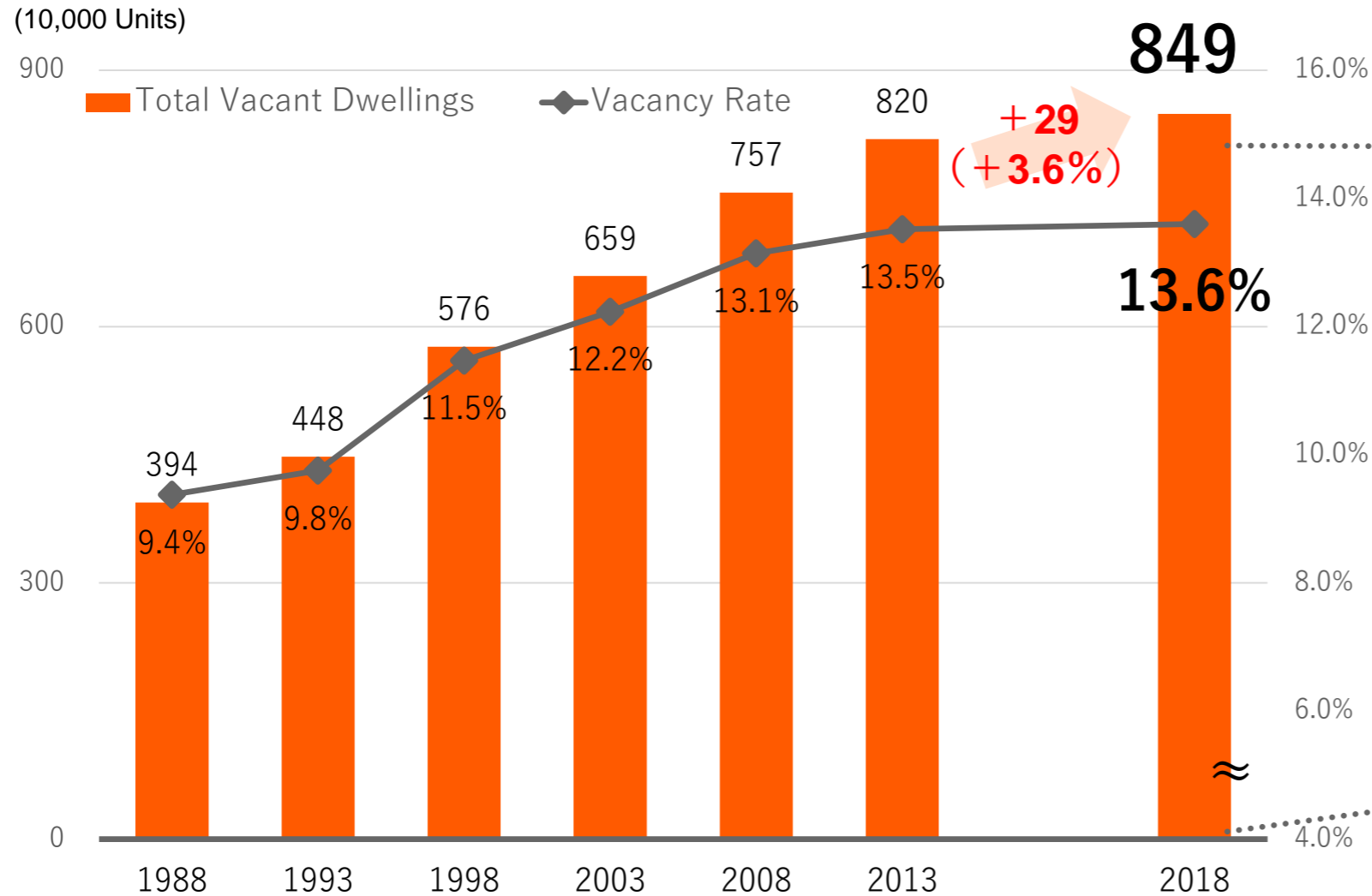
Trend of Total Dwellings and Total Households



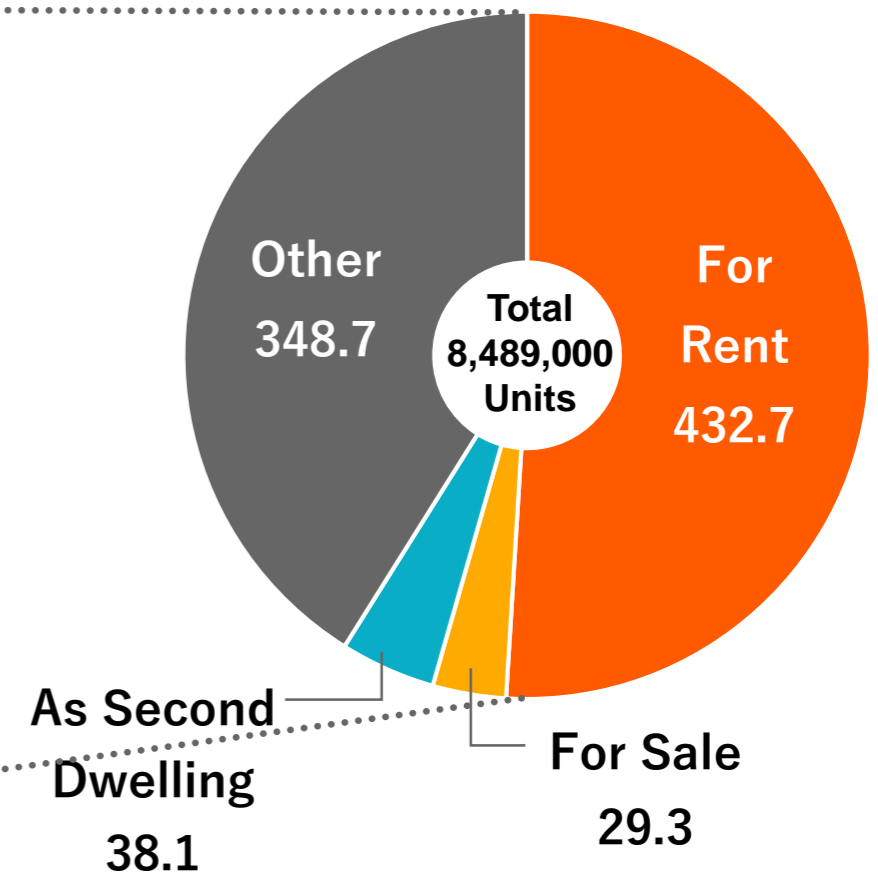
Base Results of the 2018 Housing and Land Survey

The number of total households and dwellings has reached a new high, but its growth is beginning to dwindle

Trend of Number of Vacant Homes and Vacancy Rates



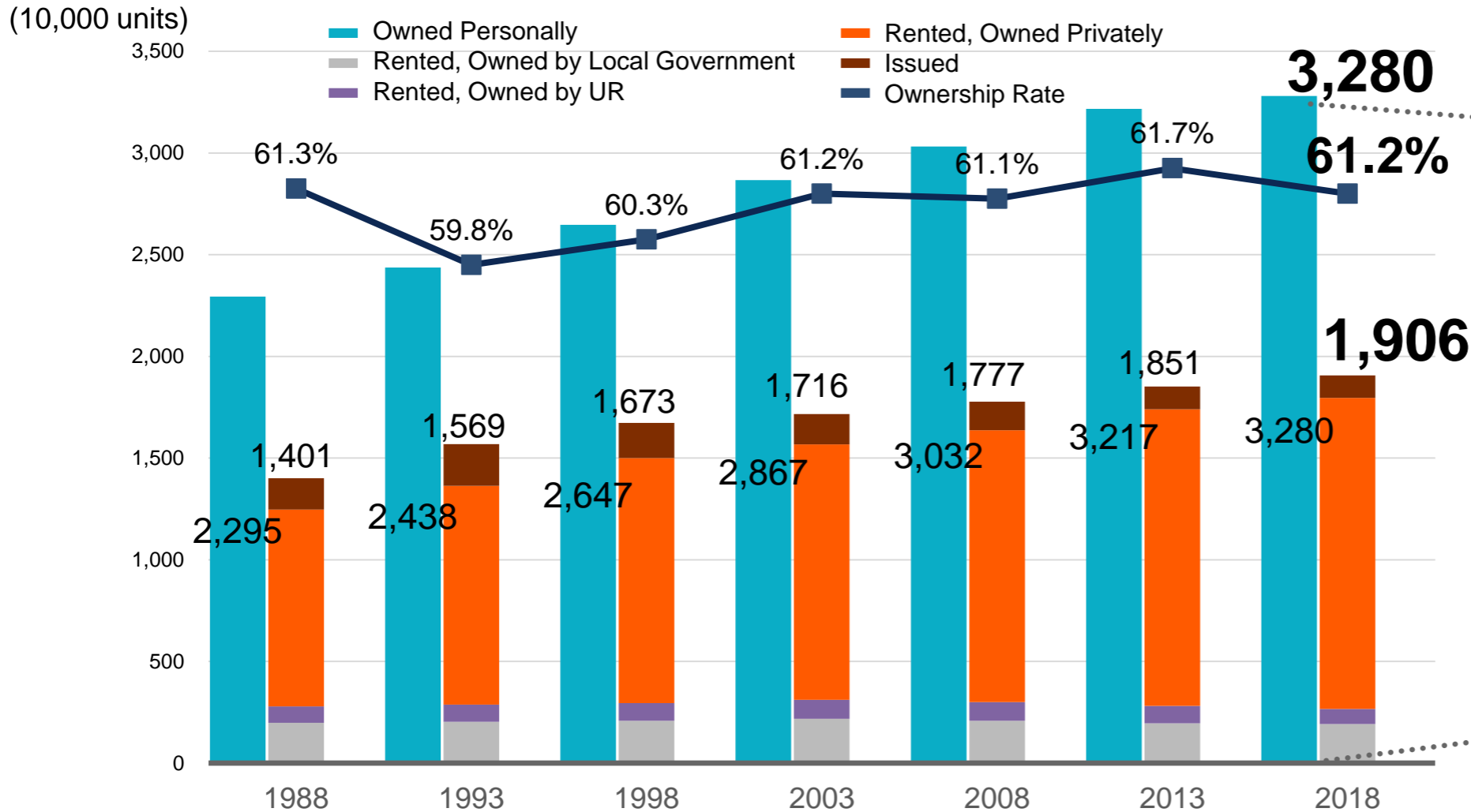
Breakdown of Vacant Homes



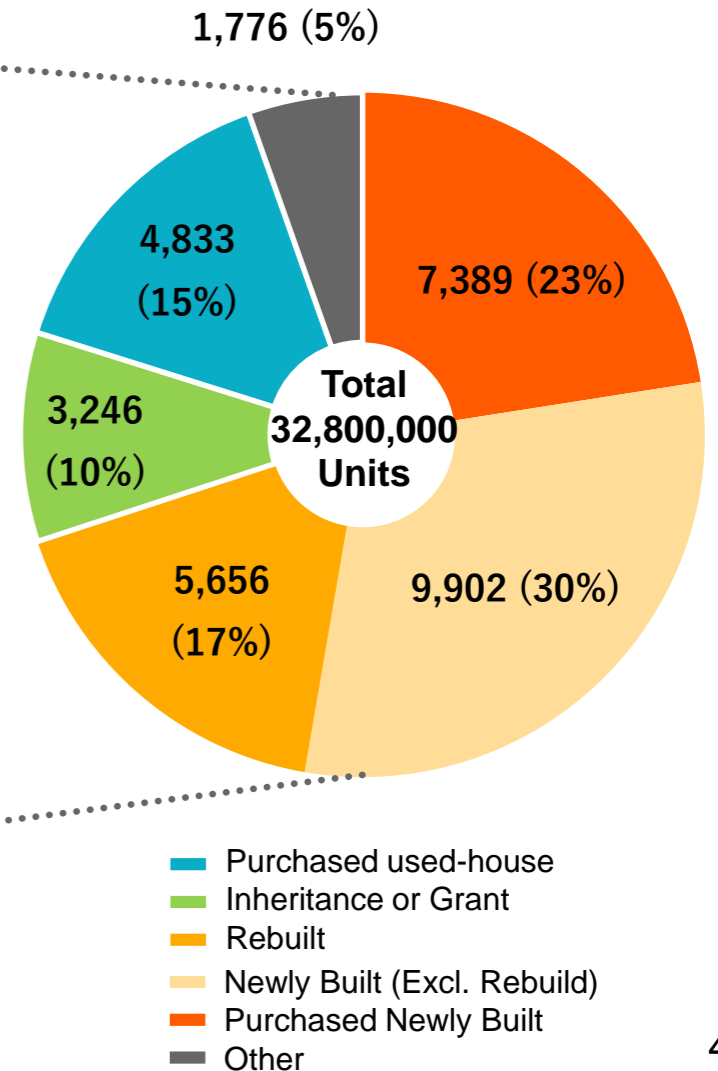
Base Results of the 2018 Housing and Land Survey

Around 60% of dwellings are for personal use while the proportion of private rental properties had reached 28.5% of total dwellings

Trend of Private Use / Rental Properties and Ownership Rates



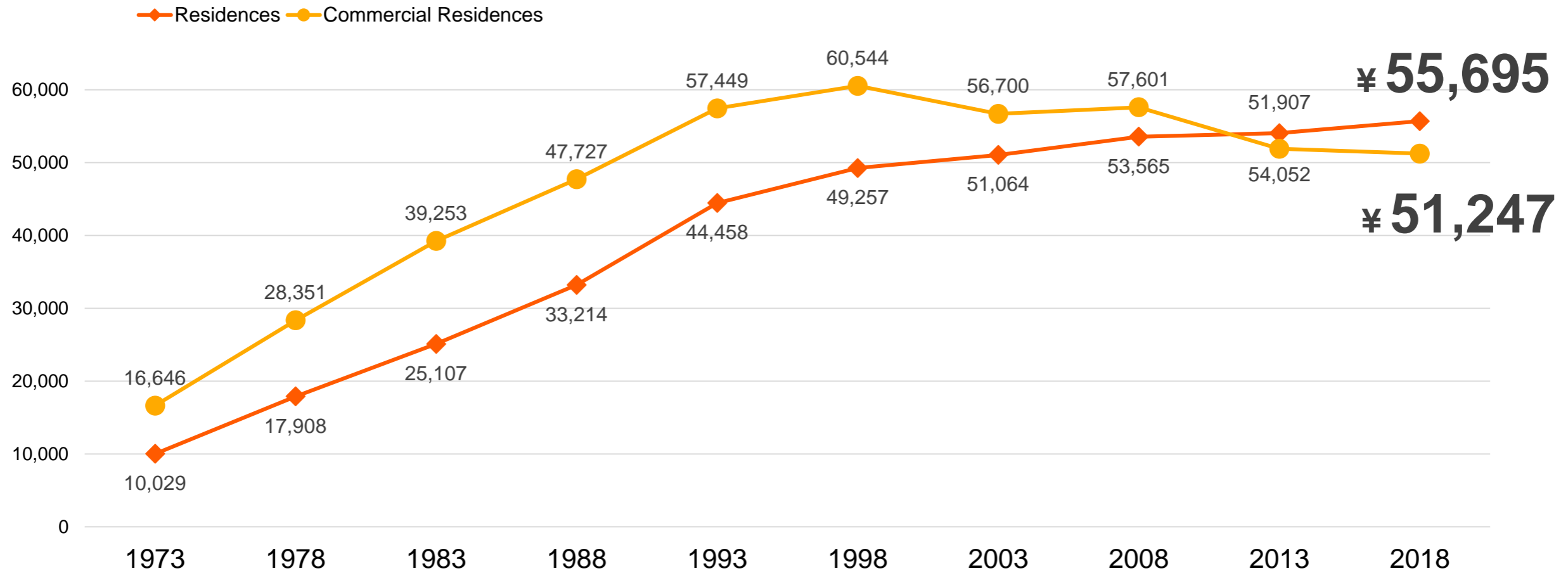
Breakdown of Ownership



Base Results of the 2018 Housing and Land Survey

Rent for residential properties has continued to increase at a steady rate

National Trend in Monthly Rent



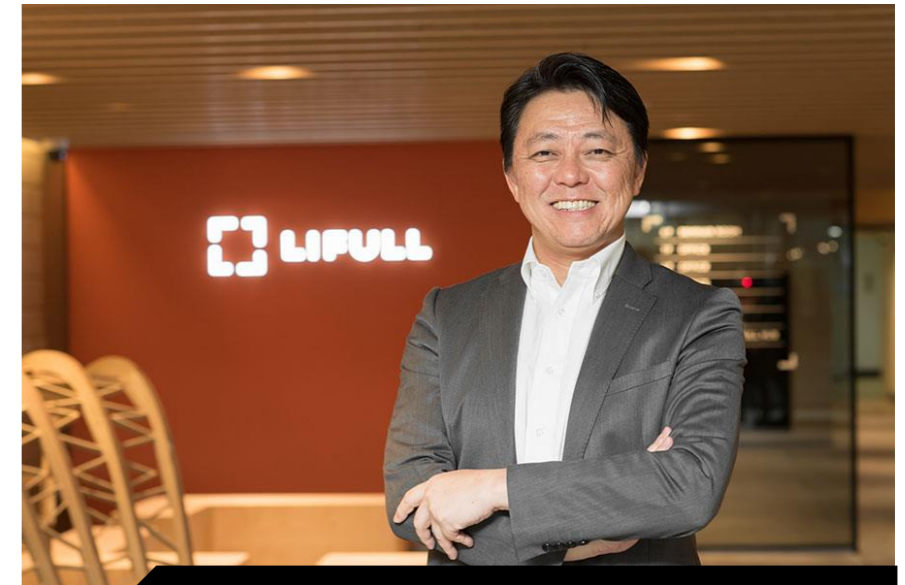
Appendices

Corporate info (as of September 30, 2019)

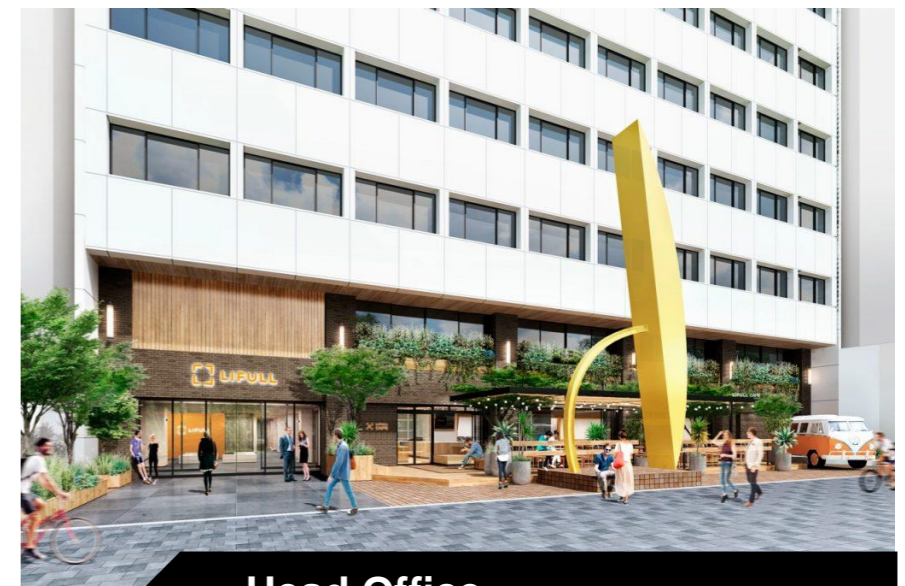
Company	LIFULL Co., Ltd.
Stock code	2120 (TSE 1st Section)
Representative	Takashi Inoue, President and CEO
History	Mar. 12, 1997 Established Oct. 2006 Listed in TSE, Mother's Section Mar. 2010 Listed on TSE 1st Section
Capital	¥9,716 million*
Stock issues	134,239,870 shares (incl. 74,441 shares of treasury stock)
Consol. number of employees	1,543 (incl. 251 temporary and 378 overseas)
Major shareholder	LIFULL Directors, Rakuten, Inc. (17.7%)
Main subsidiaries (stake)	Trovit Search, S.L.U. (100%) Mitula Group Limited (100%) LIFULL Marketing Partners (100%)



*15,450,770 shares issued on Jan. 8.
Capital increased to JPY 9,716 million due to the shares issued.



President and CEO Takashi Inoue



**Head Office
Chiyoda-ku, Tokyo, Japan**

Group Companies

(Listed according to date of founding / acquisition)

PT. LIFULL MEDIA INDONESIA*1

- Planning and operation of the real estate and housing information website, LIFULL Rumah
- Planning and operation of the service for Japanese resident officers assigned to Jakarta, LIFULL Concierge

Trovit Search, S.L.U.

- Operation of one of largest aggregation websites in the world

LIFULL Marketing Partners Co., Ltd.

- Internet marketing for real estate and related business operators

LIFULL senior Co., Ltd.

- Operation of one of the largest search engines for nursing homes and senior housing in Japan, LIFULL Nursing Care
- Operation of the search site "Minna no ihinsei" for companies which organize the possessions of the deceased

LIFULL MOVE Co., Ltd.

- Operation of the moving company price estimate and reservation website, LIFULL Hikkoshi

LIFULL SPACE Co., Ltd.

- Operation of one of the largest search engines for storage space in Japan, LIFULL Trunk Room
- Operation of a search site for rental meeting rooms and other spaces, LIFULL Rental Space

LIFULL bizas Co., Ltd.

- Contractor for clerical work and other back-office operations
- Contractor for call center operations

LIFULL Social Funding Co., Ltd.

- Operation of the crowdfunding platforms, LIFULL Social Funding
- Operation of the LIFULL Regional Revitalization Fund

LIFULL Tech Vietnam Co., Ltd.

- Offshore, lab-type, software, and application development as well as creative production

Rakuten LIFULL STAY, Inc.*1,2

- Operation of vacation rental platforms

Mitula Group Limited

- Operation of aggregation sites for real estate, job listings, used vehicles, and fashion
- Operation of real estate portals

RESEM Corporation Limited

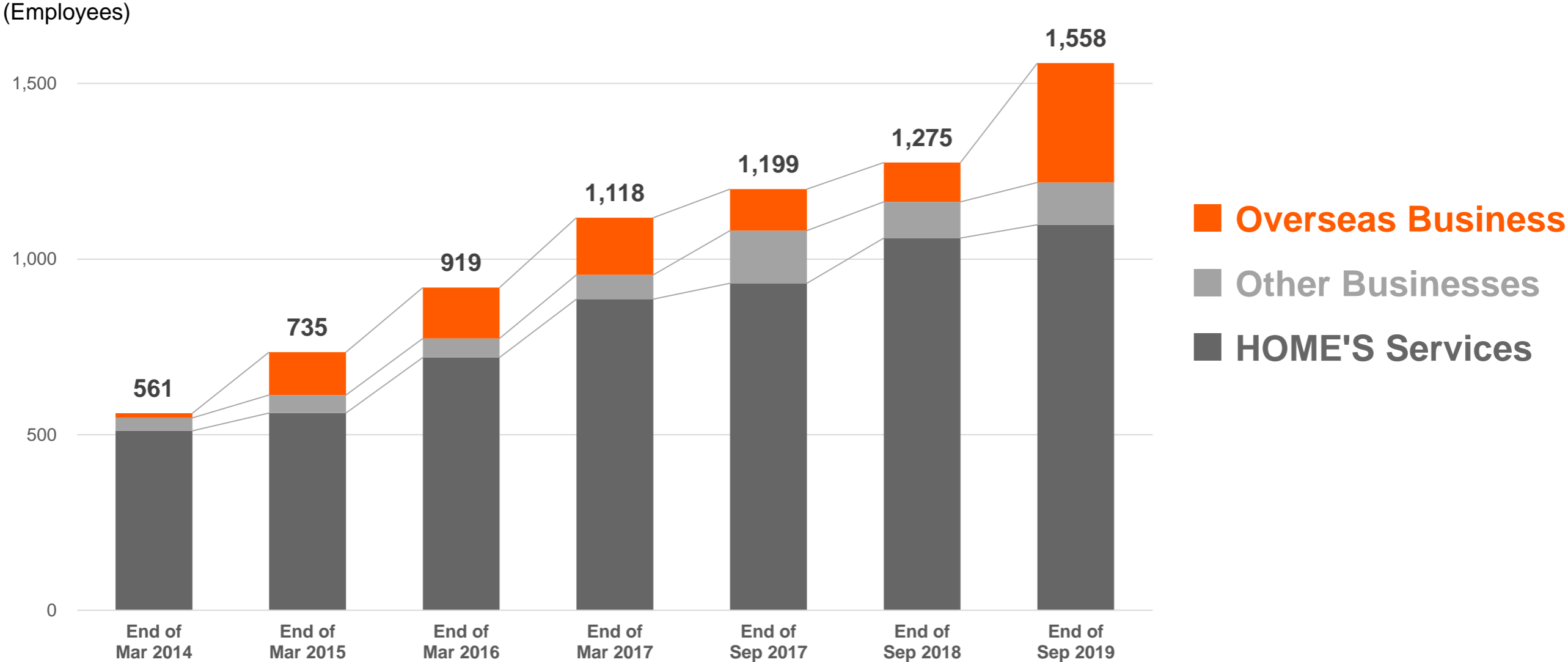
- Operation of real estate portals

Segments and Primary Services

Segments	Main services
HOME'S Services Business	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd.
Overseas Businesses	Trovit (Trovit Search, S.L.U.) Mitula (Mitula Group Limited) LIFULL Tech Vietnam Co., Ltd. RESEM Corporation Limited
Other Businesses	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

Number of Employees – Across All Businesses –

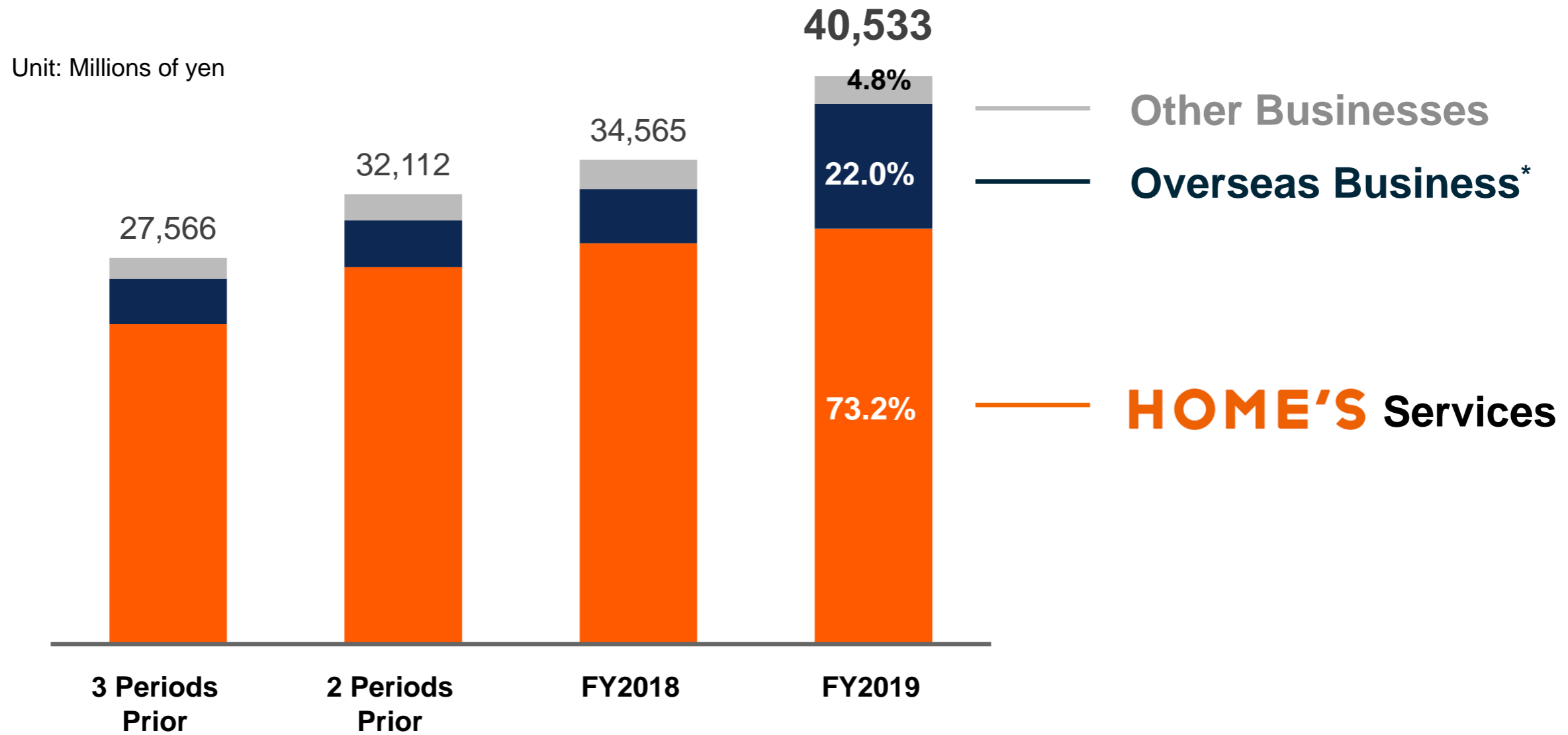
Increase in employees as the Overseas Business strengthens



*1 Not including employees in companies outside the LIFULL Group
 *2 Temporary staff numbers are based on annual averages

Business Growth and Breakdown – Consolidated Revenue –

Acceleration of growth in the Overseas Business segment in addition to steady progress in HOME'S Services



* Calculated according to actual values (Assuming Mitula had been acquired as of October 2018)

Quarterly Result Trend

Consolidated Statement of Profit or Loss (Simplified)

Unit : JPY mil	FY2017/03				FY2017/09		FY2018/09				FY2019/09			
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944
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	8,404	7,060	7,330
Overseas Businesses	823	750	750	867	859	858	883	935	983	1,058	986	2,315	2,213	2,165
Other Businesses	406	377	400	525	461	479	502	542	528	527	544	488	479	448
Cost of revenue	670	737	774	897	915	946	928	946	996	1,006	1,048	1,258	1,035	1,217
SG&A	4,776	4,581	5,422	6,627	6,346	6,100	5,862	6,987	5,948	6,555	5,879	9,222	6,754	7,682
Personnel expenses	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783	1,963	2,082	1,969	2,087	2,217	2,428
Advertising expenses	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657	2,431	2,869	2,347	4,882	2,790	3,252
Operating expenses	246	236	282	244	240	215	236	267	209	229	190	204	240	290
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	2,047	1,505	1,710
Other revenues and expenses	-6	-42	-30	-39	-72	-30	71	18	6	-44	425	-332	9	59
EBITDA	1,392	1,549	879	1,491	458	1,077	1,408	1,624	1,406	942	1,889	394	1,972	1,103
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259	331	333	325
Operating profit	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629	63	1,639	778
Net income *	734	942	331	756	22	467	591	980	702	585	1,003	-58	1,073	341
EBITDA margin	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%	17.3%	17.0%	16.9%	11.0%	22.5%	3.5%	20.2%	11.1%

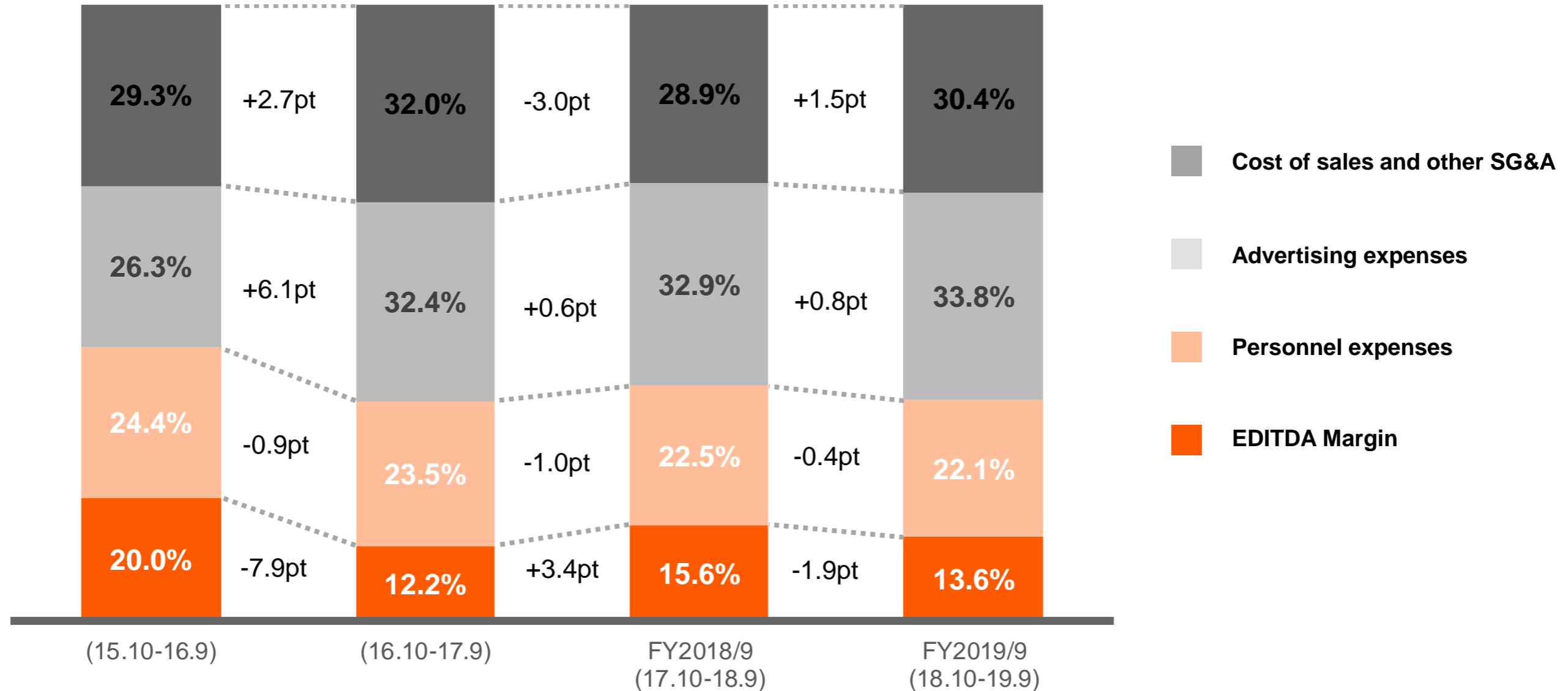
*Net income = Net income attributable to owners of the parent

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

Expense-to-Revenue Ratio IFRS

Increase in Cost of Sales and Other SG&A due to M&A costs

Higher percentage of advertising costs due to highest expenditure in marketing ever



(Ref.) Pricing Structure Revisions – Rental & Sales –

New Price Structure

	Basic Membership Fee (Monthly)	Inquiries	Pay by Inquiry
Rental	¥15,000	Inquiries (e-mail / tel.)	Monthly Rent of Property × 9.5%
		Company Inquiries	Number of Inquiries × ¥5,000
Sale	¥15,000	Inquiries (e-mail / tel.)	Sale Price of Property × 0.05%
		Company Inquiries	Number of Inquiries × ¥10,000

Original Price Structure

	Monthly Fee	Inquiries	Pay by Inquiry
Rental	¥10,000	1 to 15	Monthly Rent of Property × 5.5%
		16+	Monthly Rent of Property × 4.0%
Sale	¥10,000	1 to 5	Sale Price of Property × 0.05%
		6+	Monthly Rent of Property × 0.03%

External Market Data (Monthly)

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
(1) Number of Apartments for sales	Capital Region	40,449	35,772	37,132	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	1,900	2,313	3,337	1,421	2,206	2,259	1,932	1,819	2,359
	YoY	-9.9%	-11.6%	3.4%	-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%	-1.8%	-7.1%	-7.7%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%
	Kinki	18,930	18,676	20,958	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	1,044	1,281	1,449	852	1,388	1,500	1,788	1,341	1,406
	YoY	0.6%	-1.3%	7.1%	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%	-4.3%	-29.5%	-17.0%	-51.1%	-6.2%	23.9%	18.1%	-2.7%	-24.4%
(2) Trend of Price for Apartments	Capital Region	5,518	5,490	5,871	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	5,653	6,292	6,552	5,895	6,093	5,964	5,676	6,405	5,991
	YoY	9.1%	-0.5%	-0.6%	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%	6.8%	2.7%	44.3%	6.3%	1.0%	-4.5%	-8.3%	19.5%	16.6%
	Kinki	3,788	3,919	3,844	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	3,756	3,884	4,404	3,358	4,152	3,364	4,713	3,054	3,448
	YoY	3.9%	3.5%	0.2%	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%	-6.5%	6.3%	19.2%	-12.2%	7.3%	-6.0%	3.2%	-14.8%	-14.7%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
(3) New build properties	House for Rent	378,718	418,543	396,404	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	24,776	27,921	28,413	29,511	26,164	30,645	30,383	29,255	29,414
	YoY	4.6%	10.5%	-5.5%	-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%	-12.3%	-5.1%	-4.5%	-16.7%	-15.8%	-12.2%	-15.2%	-17.5%	-16.8%
	Apartment	115,652	114,570	110,510	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	9,368	9,132	13,330	10,480	9,165	8,597	8,600	10,159	12,022
	YoY	4.7%	-0.9%	-3.8%	-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%	43.6%	10.5%	69.5%	-15.1%	-22.7%	4.2%	-1.1%	11.1%	34.6%
	House	123,624	133,739	142,393	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	11,190	11,844	11,738	12,698	11,899	13,096	13,074	12,236	11,889
	YoY	-1.4%	8.2%	3.0%	-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%	4.2%	12.2%	7.1%	3.0%	-0.4%	10.0%	8.9%	2.4%	0.1%
	Owned house	283,366	292,287	283,235	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	20,925	21,992	22,404	25,436	24,826	28,394	26,282	24,027	24,008
	YoY	-0.7%	3.1%	-0.4%	-2.7%	-4.8%	-4.2%	-2.5%	0.1%	-6.1%	-4.2%	-1.9%	-2.2%	-3.4%	0.3%	0.2%	Δ0.0%	4.6%	2.5%	4.8%	3.3%	9.9%	8.9%	9.2%	6.5%	12.9%	3.3%	-1.6%	-3.5%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
(4) Internal migrants	Total	5,384,553	5,251,717	5,359,174	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	336,203	369,900	910,007	767,021	418,489	351,394	418,590	378,793	372,471
	YoY	3.4%	-2.5%	0.8%	-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%	2.4%	2.6%	-0.4%	0.7%	-0.5%	2.3%	6.5%	-3.2%	12.3%
	Only Japanese	5,041,483	4,880,967	4,889,713	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	302,485	334,916	849,869	705,182	377,454	314,638	376,197	341,164	330,044
	YoY	2.7%	-3.2%	-0.1%	-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%	2.0%	2.2%	-1.2%	-1.1%	-1.8%	1.2%	5.8%	-3.4%	11.9%
(5) Japan Population	Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016	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	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
	Total	127,237	127,095	126,933	126,678	126,706	126,714	126,995	126,592	126,609	126,493	126,502	126,466	126,509	126,529	126,496	126,417	126,443	126,453	126,435	126,317	126,310	126,248	126,254	126,181	126,230	126,220	126,230	126,150

[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.) Domestic Market Environment



01

Number of Real Estate Companies

328,553

(Based on 2017 values from the Japanese Ministry of Finance "Corporate Statistics Monthly Report")

*April 1, 2017 - March 31, 2018

02

Number of Licensed Real Estate Agencies

123,782 (105,015 Corporates)

(Based on 2017 values from the Ministry of Land, Infrastructure, Transport and Tourism "Number of Licensed Real Estate Agencies 2017")

03

Number of Offices

352,733

(Based on Ministry of Internal Affairs and Communications "Financial Census" 2015 Values)

04

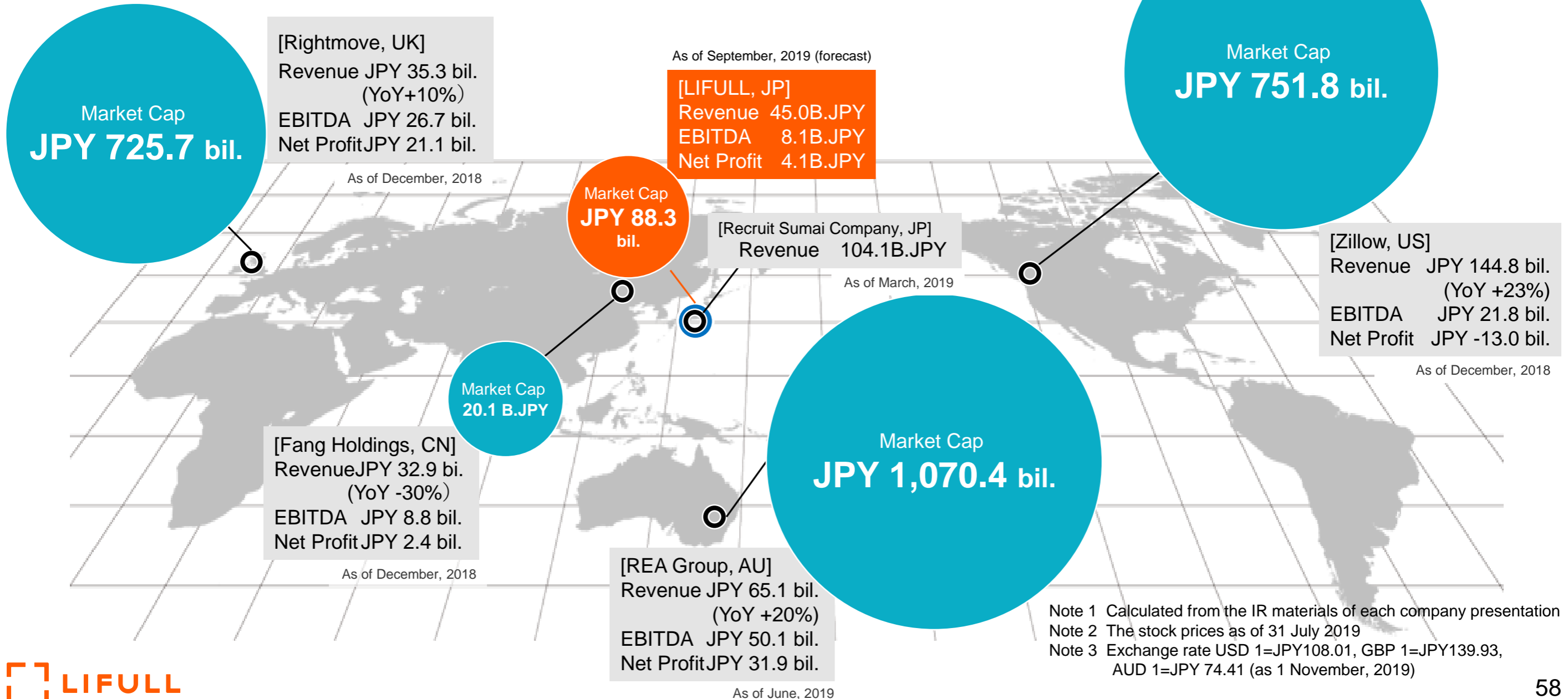
Size of Real Estate Listing Market

Approx. **900+** billion yen

(Based on LIFULL Internal Data)

(Ref.) Overseas competitors

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



IR Office Information



IR Site

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

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



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ir@LIFULL.com

TEL +81-3-6774-1603
(Weekdays 10:00 - 18:00 JST)

Annual Report 2018



Japanese

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

English

<https://lifull.com/en/ir/ir-data/fy2018/>

Other Information about LIFULL



Twitter



https://twitter.com/LIFULL_Corp



Facebook Page



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

