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Consolidated Financial Report for the Six-month Period Ended March 31, 2021 (IFRS)

May 13, 2021

Company name: LIFULL Co., Ltd.	Listed exchange: Tokyo Stock Exchange
Stock code: 2120	URL: https://lifull.com/en/ir/
Representative: INOUE Takashi	(Position) President and CEO
Contact: FUKUZAWA Hidekazu	(Position) Managing Officer, General Manager of Group Company Business Development Department
Scheduled quarterly securities report submission date: May 13, 2021	
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 have been rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six-month Period Ended March 31, 2021 (October 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Six-months ended March 31, 2021	17,852	(6.9)	1,824	(25.2)	1,698	(25.5)	1,057	(28.5)	1,051	(28.8)	2,399	37.1
Six-months ended March 31, 2020	19,185	(2.1)	2,438	41.8	2,279	48.2	1,478	58.1	1,476	53.5	1,749	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Six-months ended March 31, 2021	7.98	7.98
Six-months ended March 31, 2020	11.01	11.01

Note 1: As provisional accounting methods for corporate mergers were determined during the third quarter of the previous fiscal year, the same provisional accounting methods have been applied for values in the second quarter of the fiscal year ended on September 30, 2020.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to the owners of the parent	Equity attributable to the owners of the parent ratio
	million yen	million yen	million yen	%
As of March 31, 2021	55,043	35,326	35,209	64.0
As of September 30, 2020	55,319	33,647	33,495	60.5

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
FY 2020/9	-	0.00	-	5.29	5.29
FY 2021/9	-	0.00	-	-	-
FY 2021/9 (Forecast)	-	-	-	-	-

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

Note 2: Dividends for FY 2021/9 are expected to be calculated based on a payout ratio of 25%.

3. Forecasts on the Consolidated Results for Fiscal 2021 (October 1, 2020 to September 30, 2021)

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal 2021	38,476	8.7	3,434	37.5	2,033	73.7	15.43

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

* Notes

(1) There have been no changes in material subsidiaries during the term.

(2) Changes in accounting policies and changes or restatement of accounting estimates

[1] Changes in accounting policies required by IFRS : No

[2] Changes in accounting policies other than [1] : No

[3] Changes in accounting estimates : No

(3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the period (including treasury stock)

As of March 31, 2021	134,239,870	As of September 30, 2020	134,239,870
As of March 31, 2021	2,458,256	As of September 30, 2020	2,458,256
As of March 31, 2021	131,781,614	As of March 31, 2020	134,165,340

[2] Treasury shares at the end of the period

[3] Average shares during the period

* This consolidated financial report is not subject to quarterly CPA or External Auditor reviews.

* Regarding appropriate use of result forecasts and other notes

- The Company plans to hold an online 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.
- May 14, 2021 (Friday) : Online earnings presentation for institutional investors and analysts.
- In addition, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL IR website for more details. (<https://lifull.com/en/ir/>)

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(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 September 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	15,962,746	14,134,451
Accounts receivable-trade and other current receivables	4,723,158	5,506,346
Other short-term financial assets	624,112	544,873
Other current assets	1,773,193	1,991,086
Total current assets	23,083,211	22,176,757
Non-current assets		
Property, plant and equipment	1,756,982	1,590,795
Right-of-use assets	4,476,985	4,046,423
Goodwill	19,913,128	21,182,702
Intangible assets	2,250,189	2,378,561
Investments accounted for using the equity method	447,167	372,478
Other long-term financial assets	2,071,117	2,210,768
Deferred tax assets	1,307,541	1,034,601
Other non-current assets	13,275	50,507
Total non-current assets	32,236,387	32,866,839
Total assets	55,319,599	55,043,597

	As of September 30, 2020	As of March 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	2,664,624	3,297,098
Short-term loans	8,631,569	8,246,640
Lease liabilities	832,799	800,656
Accrued corporate income taxes	1,249,737	426,745
Provisions	42,333	-
Other current liabilities	2,594,973	1,630,869
Total current liabilities	16,016,038	14,402,010
Non-current liabilities		
Short-term loans	767,298	834,000
Lease obligations	3,720,010	3,334,590
Provisions	510,657	510,828
Deferred tax liabilities	302,094	298,288
Other non-current liabilities	356,171	337,042
Total non-current liabilities	5,656,232	5,314,750
Total liabilities	21,672,270	19,716,760
Equity		
Attributable to the owners of the parent		
Capital stock	9,716,363	9,716,363
Capital surplus	9,922,957	9,940,160
Retained earnings	16,842,500	17,197,339
Treasury shares	(1,009,262)	(1,009,262)
Other components of equity	(1,976,672)	(634,861)
Attributable to the owners of the parent	33,495,885	35,209,739
Attributable to non-controlling interests	151,443	117,097
Total equity	33,647,328	35,326,837
Total liabilities and equity	55,319,599	55,043,597

(2) Condensed Consolidated Profit and Loss Statement and Condensed Consolidated Statements of Comprehensive Income

Condensed Consolidated Statements of Profit or Loss
For the Six-month Period Ended March 31, 2021

(Thousands of yen)

	Six-month period ended March 31, 2020	Six-month period ended March 31, 2021
Revenue	19,185,320	17,852,892
Cost of revenue	2,274,094	2,002,323
Gross profit	16,911,226	15,850,569
Selling, general and administrative expenses	14,422,215	13,856,675
Other revenue	72,224	39,966
Other expenses	122,990	209,016
Operating income	2,438,245	1,824,843
Financial revenue	2,128	9,414
Financial expenses	47,361	56,610
Share of profit (loss) of investments accounted for using the equity method	(113,308)	(79,472)
Profit before taxes	2,279,704	1,698,174
Income tax expenses	801,551	641,152
Profit for the period	1,478,152	1,057,022
Profit (loss) for the period attributable to:		
Owners of the parent	1,476,867	1,051,964
Non-controlling interests	1,285	5,057
Total	1,478,152	1,057,022
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	11.01	7.98
Diluted profit for the period per share	11.01	7.98

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended March 31, 2021

(Thousands of yen)

	Three-month period ended March 31, 2020	Three-month period ended March 31, 2021
Revenue	9,983,313	9,581,217
Cost of revenue	1,157,202	1,056,592
Gross profit	8,826,111	8,524,624
Selling, general and administrative expenses	7,390,874	7,408,071
Other revenue	42,767	19,841
Other expenses	84,164	105,840
Operating income	1,393,839	1,030,553
Financial revenue	671	5,094
Financial expenses	22,159	28,662
Share of profit (loss) of investments accounted for using the equity method	(51,002)	(51,400)
Profit before taxes	1,321,349	955,585
Income tax expenses	370,186	298,702
Profit for the period	951,163	656,882
Profit (loss) for the period attributable to:		
Owners of the parent	949,461	651,825
Non-controlling interests	1,701	5,057
Total	951,163	656,882
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	7.08	4.95
Diluted profit for the period per share	7.08	4.95

Condensed Consolidated Statements of Comprehensive Income
For the Six-month Period Ended March 31, 2021

(Thousands of yen)

	Six-month period ended March 31, 2020	Six-month period ended March 31, 2021
Profit for the period	1,478,152	1,057,022
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	231,398	52,905
Total of items that will not be reclassified to profit or loss	231,398	52,905
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	29,181	1,284,468
Share of other comprehensive income of investments accounted for using the equity method	10,625	4,784
Total of items that may be reclassified subsequently to profit or loss	39,807	1,289,252
Other comprehensive income, net of tax	271,205	1,342,157
Total comprehensive income for the period	1,749,358	2,399,179
Comprehensive income for the period attributable to:		
Owners of the parent	1,748,167	2,393,775
Non-controlling interests	1,191	5,404
Total	1,749,358	2,399,179

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended March 31, 2021

(Thousands of yen)

	Three-month period ended March 31, 2020	Three-month period ended March 31, 2021
Profit for the period	951,163	656,882
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	240,088	52,711
Total of items that will not be reclassified to profit or loss	240,088	52,711
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(943,815)	571,092
Share of other comprehensive income of investments accounted for using the equity method	(492)	14,262
Total of items that may be reclassified subsequently to profit or loss	(944,307)	585,355
Other comprehensive income, net of tax	(704,219)	638,066
Total comprehensive income for the period	246,943	1,294,949
Comprehensive income for the period attributable to:		
Owners of the parent	245,416	1,289,427
Non-controlling interests	1,526	5,521
Total	246,943	1,294,949

(3) Condensed Consolidated Statements of Changes in Equity

For the Six-month period ended March 31, 2020 (October 1, 2019 to March 31, 2020)

(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 October 1, 2019	9,716,363	9,922,432	16,086,854	(9,114)	(3,165,034)	32,551,501	75,982	32,627,484
Profit for the period	-	-	1,476,867	-	-	1,476,867	1,285	1,478,152
Other comprehensive income	-	-	-	-	271,300	271,300	(94)	271,205
Total comprehensive income for the period	-	-	1,476,867	-	271,300	1,748,167	1,191	1,749,358
Transfer to retained earnings	-	-	184,241	-	(184,241)	-	-	-
Dividends of surplus	-	-	(590,327)	-	-	(590,327)	(1,209)	(591,537)
Purchase of treasury shares	-	-	-	(88)	-	(88)	-	(88)
Increase due to business combinations	-	-	-	-	-	-	1,000	1,000
Equity transactions with non-controlling interest shareholders	-	13,309	-	-	-	13,309	16,690	30,000
Increase (decrease) attributable to consolidation	-	-	-	-	-	-	(672)	(672)
Total transactions with owners	-	13,309	(406,085)	(88)	(184,241)	(577,106)	15,808	(561,297)
Balance as of March 31, 2020	9,716,363	9,935,742	17,157,636	(9,202)	(3,077,976)	33,722,562	92,982	33,815,545

For the Six-month period ended March 31, 2021 (October 1, 2020 to March 31, 2021)

(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 October 1, 2020	9,716,363	9,922,957	16,842,500	(1,009,262)	(1,976,672)	33,495,885	151,443	33,647,328
Profit for the period	-	-	1,051,964	-	-	1,051,964	5,057	1,057,022
Other comprehensive income	-	-	-	-	1,341,810	1,341,810	347	1,342,157
Total comprehensive income for the period	-	-	1,051,964	-	1,341,810	2,393,775	5,404	2,399,179
Transfer to retained earnings	-	-	(697,124)	-	-	(697,124)	(20,175)	(717,299)
Equity transactions with non-controlling interest shareholders	-	17,203	-	-	-	17,203	(19,575)	(2,371)
Total transactions with owners	-	17,203	(697,124)	-	-	(679,921)	(39,750)	(719,671)
Balance as of March 31, 2021	9,716,363	9,940,160	17,197,339	(1,009,262)	(634,861)	35,209,739	117,097	35,326,837

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Six-month period ended March 31, 2020	Six-month period ended March 31, 2021
Net cash from operating activities		
Profit for the period before tax	2,279,704	1,698,174
Depreciation and amortization	1,015,748	983,872
Financial revenue	(2,128)	(9,414)
Financial expenses	47,361	56,610
Decrease (increase) in accounts receivable-trade and other current receivables	(69,533)	(666,701)
Increase (decrease) in accounts payable-trade and other current payables	(333,928)	507,214
Other	(538,564)	(1,519,681)
Subtotal	2,398,659	1,050,075
Interest and dividends received	4,488	329
Interest paid	(48,502)	(58,192)
Income taxes paid	(683,013)	(990,176)
Net cash from operating activities	1,671,631	2,036
Net cash used in investing activities		
Proceeds from sale of financial instrument assets	505,124	-
Purchase of financial instrument assets	(7,212)	(100,000)
Purchase of property, plant and equipment	(427,045)	(55,291)
Proceeds from sale of property, plant and equipment	1,113	1,572
Purchase of intangible assets	(163,802)	(156,032)
Payments for transfer of business	-	(411,028)
Payments of loans receivable	(697,500)	(618,000)
Collection of loans receivable	350,017	626,976
Others	(1,887)	135,676
Net cash from investing activities	(441,192)	(576,128)
Net cash provided by (used in) financing activities		
Repayment of short-term loans	(3,200,000)	(51,549)
Proceeds from long-term loans payable	2,000,000	234,000
Repayment of long-term loans	(333,340)	(500,678)
Dividends paid	(590,063)	(697,050)
Repayment of lease obligations	(444,810)	(438,697)
Dividends paid to non-controlling interests	(1,881)	(20,175)
Purchase of shares in subsidiaries	-	(15,400)
Proceeds from share issuance to non-controlling interests	31,000	11,700
Purchase of treasury shares	(88)	-
Net cash from financing activities	(2,539,183)	(1,477,851)
Effect of exchange rate changes on cash and cash equivalents	54,677	223,647
Net increase (decrease) in cash and cash equivalents	(1,254,067)	(1,828,295)
Cash and cash equivalents at beginning of period	9,239,027	15,962,746
Cash and cash equivalents at end of period	7,984,960	14,134,451

(5) Notes on the Consolidated Financial Statements

1. Note Regarding Going Concern Assumptions

Not applicable.

2. Subsequent Events

Not applicable.