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Consolidated Financial Report for the Nine-month Period Ended June 30, 2021 (IFRS)

August 10, 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: August 10, 2021	
Scheduled date of start of dividend payments: -	
Preparation of supporting documentation for earnings: Yes	
Earnings presentations: None	

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

1. Consolidated Financial Results for the Nine-month Period Ended June 30, 2021 (October 1, 2020 to June 30, 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	%
Nine-months ended June 30, 2021	26,925	0.1	2,476	(32.8)	2,294	(33.4)	1,479	(36.4)	1,477	(36.4)	3,193	3.1
Nine-months ended June 30, 2020	26,892	(8.4)	3,686	9.0	3,445	9.4	2,326	16.2	2,323	14.1	3,099	425.2

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-months Ended June 30, 2021	11.21	11.20
Nine-months ended June 30, 2020	17.34	17.34

Note: Diluted quarterly earnings per share for the third quarter of the previous consolidated fiscal year have been calculated at the same value as the basic quarterly earnings per share, as there are no residual shares outstanding.

(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 June 30, 2021	53,977	36,156	36,042	66.8
As of September 30, 2020	55,560	33,639	33,487	60.3

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

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 FY 2021/9 (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	38.2	2,033	74.9	15.43

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

Note 2: As provisional accounting methods for corporate mergers were determined during the third quarter of the current fiscal year, the same provisional accounting methods have been applied to values for the fiscal year ended September 30, 2020. Rates of change compared to the previous fiscal year have also been calculated based on the adjusted values.

* 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 June 30, 2021	134,239,870	As of September 30, 2020	134,239,870
As of June 30, 2021	2,458,256	As of September 30, 2020	2,458,256
As of June 30, 2021	131,781,614	As of June 30, 2020	134,052,823

[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

- Details of the Company's Earnings Reports and Presentations are available on the LIFULL IR website (<https://lifull.com/en/ir/>)
- The Company holds briefings as appropriate for individual investors. Please refer to the LIFULL IR website for contact information.

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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 June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	15,962,746	13,254,374
Accounts receivable-trade and other current receivables	4,723,158	4,965,346
Other short-term financial assets	624,112	537,705
Other current assets	1,773,193	2,452,782
Total current assets	23,083,211	21,210,209
Non-current assets		
Property, plant and equipment	1,756,982	1,488,838
Right-of-use assets	4,476,985	3,624,174
Goodwill	19,421,525	20,966,262
Intangible assets	2,982,628	3,062,564
Investments accounted for using the equity method	447,167	340,900
Other long-term financial assets	2,071,117	2,085,178
Deferred tax assets	1,307,541	1,150,606
Other non-current assets	13,275	49,195
Total non-current assets	32,477,223	32,767,721
Total assets	55,560,435	53,977,930

	As of September 30, 2020	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	2,664,624	3,186,671
Short-term loans	8,631,569	6,896,635
Lease liabilities	832,799	750,884
Accrued corporate income taxes	1,249,737	237,648
Provisions	42,333	—
Other current liabilities	2,594,973	1,580,288
Total current liabilities	16,016,038	12,652,128
Non-current liabilities		
Short-term loans	767,298	838,720
Lease obligations	3,720,010	2,950,164
Provisions	510,657	510,914
Other Long-term financial liabilities	—	24,605
Deferred tax liabilities	551,123	500,710
Other non-current liabilities	356,171	343,774
Total non-current liabilities	5,905,261	5,168,889
Total liabilities	21,921,299	17,821,018
Equity		
Attributable to the owners of the parent		
Capital stock	9,716,363	9,716,363
Capital surplus	9,922,957	9,983,820
Retained earnings	16,834,306	17,614,356
Treasury shares	(1,009,262)	(1,009,262)
Other components of equity	(1,976,672)	(262,463)
Attributable to the owners of the parent	33,487,692	36,042,813
Attributable to non-controlling interests	151,443	114,098
Total equity	33,639,135	36,156,912
Total liabilities and equity	55,560,435	53,977,930

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

Condensed Consolidated Statements of Profit or Loss
For the Nine-month Period Ended June 30, 2021

(Thousands of yen)

	Nine-month Period ended June 30, 2020	Nine-month Period ended June 30, 2021
Revenue	26,892,309	26,925,657
Cost of revenue	3,143,453	2,892,790
Gross profit	23,748,856	24,032,867
Selling, general and administrative expenses	20,074,208	21,358,342
Other revenue	116,748	71,652
Other expenses	104,627	269,692
Operating income	3,686,769	2,476,484
Financial revenue	1,604	23,397
Financial expenses	75,689	82,687
Share of profit (loss) of investments accounted for using the equity method	(167,413)	(123,006)
Profit before taxes	3,445,271	2,294,186
Income tax expenses	1,118,724	814,770
Profit for the period	2,326,547	1,479,416
Profit (loss) for the period attributable to:		
Owners of the parent	2,323,861	1,477,174
Non-controlling interests	2,685	2,242
Total	2,326,547	1,479,416
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	17.34	11.21
Diluted profit for the period per share	17.34	11.20

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended June 30, 2021

(Thousands of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Revenue	7,706,988	9,072,764
Cost of revenue	869,359	890,466
Gross profit	6,837,629	8,182,297
Selling, general and administrative expenses	5,651,993	7,464,424
Other revenue	96,684	31,685
Other expenses	33,796	60,675
Operating income	1,248,523	688,883
Financial revenue	0	13,983
Financial expenses	28,851	26,076
Share of profit (loss) of investments accounted for using the equity method	(54,105)	(43,534)
Profit before taxes	1,165,566	633,255
Income tax expenses	317,172	186,280
Profit for the period	848,394	446,974
Profit (loss) for the period attributable to:		
Owners of the parent	846,993	449,790
Non-controlling interests	1,400	(2,815)
Total	848,394	446,974
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	6.33	3.41
Diluted profit for the period per share	6.33	3.41

Condensed Consolidated Statements of Comprehensive Income
For the Nine-month Period Ended June 30, 2021

(Thousands of yen)

	Nine-month Period ended June 30, 2020	Nine-month Period ended June 30, 2021
Profit for the period	2,326,547	1,479,416
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	230,260	56,488
Total of items that will not be reclassified to profit or loss	230,260	56,488
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	546,329	1,637,621
Share of other comprehensive income of investments accounted for using the equity method	(3,944)	20,422
Total of items that may be reclassified subsequently to profit or loss	542,384	1,658,043
Other comprehensive income, net of tax	772,645	1,714,532
Total comprehensive income for the period	3,099,192	3,193,949
Comprehensive income for the period attributable to:		
Owners of the parent	3,096,464	3,191,383
Non-controlling interests	2,727	2,565
Total	3,099,192	3,193,949

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended June 30, 2021

(Thousands of yen)

	Three-month period ended June 30, 2020	Three-month period ended June 30, 2021
Profit for the period	848,394	446,974
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(1,137)	3,583
Total of items that will not be reclassified to profit or loss	(1,137)	3,583
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	517,147	353,152
Share of other comprehensive income of investments accounted for using the equity method	(14,570)	15,638
Total of items that may be reclassified subsequently to profit or loss	502,577	368,791
Other comprehensive income, net of tax	501,439	372,374
Total comprehensive income for the period	1,349,833	819,349
Comprehensive income for the period attributable to:		
Owners of the parent	1,348,297	822,188
Non-controlling interests	1,536	(2,838)
Total	1,349,833	819,349

(3) Condensed Consolidated Statements of Changes in Equity

For the Nine-month Period Ended June 30, 2020 (October 1, 2019 to June 30, 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	-	-	2,323,861	-	-	2,323,861	2,685	2,326,547
Other comprehensive income	-	-	-	-	772,603	772,603	42	772,645
Total comprehensive income for the period	-	-	2,323,861	-	772,603	3,096,464	2,727	3,099,192
Transfer to retained earnings	-	-	184,243	-	(184,243)	-	-	-
Dividends of surplus	-	-	(590,327)	-	-	(590,327)	(1,209)	(591,537)
Purchase of treasury shares	-	-	-	(522,363)	-	(522,363)	-	(522,363)
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	(406,084)	(522,363)	(184,243)	(1,099,381)	15,808	(1,083,573)
Balance as of June 30, 2020	9,716,363	9,935,742	18,004,631	(531,478)	(2,576,674)	34,548,584	94,518	34,643,103

For the Nine-month Period Ended June 30, 2021 (October 1, 2020 to June 30, 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	16,834,306	(1,009,262)	(1,976,672)	33,487,692	151,443	33,639,135
Profit for the period	-	-	1,477,174	-	-	1,477,174	2,242	1,479,416
Other comprehensive income	-	-	-	-	1,714,208	1,714,208	323	1,714,532
Total comprehensive income for the period	-	-	1,477,174	-	1,714,208	3,191,383	2,565	3,193,949
Dividends of surplus	-	-	(697,124)	-	-	(697,124)	(20,175)	(717,299)
Increase due to business combinations	-	-	-	-	-	-	8,094	8,094
Share-based payment transactions	-	37,771	-	-	-	37,771	-	37,771
Equity transactions with non-controlling interest shareholders	-	23,091	-	-	-	23,091	(27,829)	(4,737)
Total transactions with owners	-	60,862	(697,124)	-	-	(636,261)	(39,910)	(676,172)
Balance as of June 30, 2021	9,716,363	9,983,820	17,614,356	(1,009,262)	(262,463)	36,042,813	114,098	36,156,912

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Nine-month Period ended June 30, 2020	Nine-month Period ended June 30, 2021
Net cash from operating activities		
Profit for the period before tax	3,445,271	2,294,186
Depreciation and amortization	1,507,032	1,500,086
Financial revenue	(1,604)	(23,397)
Financial expenses	75,689	82,687
Decrease (increase) in accounts receivable-trade and other current receivables	1,180,799	(101,624)
Increase (decrease) in accounts payable-trade and other current payables	(1,331,056)	319,372
Other	(358,799)	(1,471,104)
Subtotal	4,517,331	2,600,207
Interest and dividends received	16,778	1,008
Interest paid	(73,919)	(85,163)
Income taxes paid	(1,289,965)	(1,983,019)
Net cash from operating activities	3,170,225	533,033
Net cash used in investing activities		
Purchase of financial instrument assets	(68,802)	(100,000)
Proceeds from sale of financial instrument assets	505,127	-
Purchase of property, plant and equipment	(480,780)	(73,295)
Proceeds from sale of property, plant and equipment	1,113	1,572
Purchase of intangible assets	(234,562)	(239,059)
Payments for transfer of business	-	(402,536)
Payments for acquisition of subsidiaries	-	(3,216)
Proceeds from acquisition of subsidiaries	-	4,458
Payments of loans receivable	(727,500)	(718,000)
Collection of loans receivable	468,715	736,659
Others	(1,495)	276,639
Net cash from investing activities	(538,184)	(516,779)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	7,230,000	-
Repayment of short-term loans	(3,230,000)	(1,151,549)
Proceeds from long-term loans payable	2,168,300	234,000
Repayment of long-term loans	(583,345)	(750,843)
Dividends paid	(590,226)	(697,193)
Repayment of lease obligations	(670,855)	(635,166)
Dividends paid to non-controlling interests	(1,881)	(20,175)
Purchase of shares in subsidiaries	-	(17,539)
Proceeds from share issuance to non-controlling interests	31,000	11,700
Purchase of treasury shares	(522,363)	-
Expenditure for deposit of treasury shares	(497,693)	-
Net cash from financing activities	3,332,934	(3,026,767)
Effect of exchange rate changes on cash and cash equivalents	29,742	302,140
Net increase (decrease) in cash and cash equivalents	5,994,717	(2,708,372)
Cash and cash equivalents at beginning of period	9,239,027	15,962,746
Cash and cash equivalents at end of period	15,233,745	13,254,374

(5) Notes on the Consolidated Financial Statements

1. Note Regarding Going Concern Assumptions

Not applicable.

2. Subsequent Events

Not applicable.