

## Consolidated Financial Report for the Fiscal Year Ended September 30, 2021 (IFRS)

November 11, 2021

**Company name:** LIFULL Co., Ltd. **Listed exchange:** Tokyo Stock Exchange  
**Stock code:** 2120 **URL:** https://ir.lifull.com/en/  
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**Ordinary General Shareholders Meeting (scheduled):** December 23, 2020  
**Commencement of dividend payments (scheduled):** -  
**Filing annual securities report (scheduled):** December 24, 2020  
**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 Fiscal 2021 (October 1, 2020 to September 30, 2021)

#### (1) Consolidated Operating Results

(Percentages indicate YoY 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	%
Fiscal 2021	35,857	1.3	(6,644)	-	(6,857)	-	(5,895)	-	(5,901)	-	(4,490)	-
Fiscal 2020	35,402	(9.9)	2,485	(40.6)	2,136	(41.1)	1,167	(50.5)	1,162	(51.7)	2,530	-

	Basic earnings per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	yen	yen	%	%	%
Fiscal 2021	(44.78)	(44.78)	(19.1)	(13.5)	(18.7)
Fiscal 2020	8.71	8.71	3.5	4.3	7.0

(Reference) Equity in income from investments in affiliates FY 2021/9: -128 million yen FY 2020/9: -249 million yen  
 (Note 1) As provisional accounting methods for corporate mergers have been determined during FY 2021/9, the same provisional accounting methods have been applied for values in FY 2020/9.  
 (Note 2) Diluted quarterly earnings per share for FY 2020/9 and FY 2021/9 are equal to basic quarterly earnings per share due to the absence of potential shares.

#### (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	Equity attributable to owners of the parent per share
	million yen	million yen	million yen	%	yen
As of September 30, 2021	45,887	28,538	28,413	61.9	215.61
As of September 30, 2020	55,560	33,639	33,487	60.3	254.12

(Note) As provisional accounting methods for corporate mergers have been determined during FY 2021/9, the same provisional accounting methods have been applied for values in FY 2020/9.

#### (3) Consolidated Cash Flows

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)
	million yen	million yen	million yen	%
Fiscal 2021	1,287	(1,068)	(3,291)	13,145
Fiscal 2020	4,884	(1,730)	3,391	15,962

### 2. Dividends

	Annual dividend					Total Dividends	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal 2020	-	0.00	-	5.29	5.29	697	60.8	2.1
Fiscal 2021	-	0.00	-	-	-	-	-	-
Fiscal 2022 (Forecast)	-	-	-	-	-	-	-	-

Note 1: Cash dividends per share have been calculated at a payout ratio of 25% and rounded up at the third decimal point.  
 Note 2: Dividends per share are calculated according to the total number of issued shares at the end of the financial period.  
 Note 3: Dividends for FY 2021/9 will be decided at the Board of Directors Meeting to be held on Nov. 17, 2021.  
 Note 4: Dividends for FY 2022/9 are expected to be calculated based on a payout ratio of 25%.

### 3. Forecasts on the Consolidated Results for Fiscal 2022 (October 1, 2021 to September 30, 2022)

(Percentages indicate YoY change for the entire year)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal Year 2022	39,000	8.8	1,700	-	700	-	5.31

**\* 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

(Note) For details, refer to “Condensed Consolidated Financial Statements and Significant Notes (5) Notes on the Consolidated Financial Statements” on Page 14.

(3) Number of shares issued (common stock)

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

[2] Treasury shares at the end of the period

[3] Average shares during the period

As of September 30, 2021	134,239,870	As of September 30, 2020	134,239,870
As of September 30, 2021	2,458,256	As of September 30, 2020	2,458,256
Fiscal 2021	131,781,614	Fiscal 2020	133,534,160

**This consolidated financial report is not subject to audit.**

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

- Result forecasts and other statements about the future found in this document are based on information available to the Company and assumptions deemed reasonable at the current time. Actual results and outcomes may vary significantly due to various factors. For more information on the terms related to the assumptions used for result forecasts and notes on the use of result forecasts and other information, please refer to page 8 “(4) Outlook” of the supplemental documentation.
- The Company has scheduled an online earnings presentation for institutional investors and analysts at the following date. Materials, recordings and records of the question and answer session will be made available on the Company’s website in a timely fashion.
- November 12, 2021 (Thursday): 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 (<https://ir.LIFULL.com/en/>) for more details.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Fiscal Year Ended September 30, 2021

During the current fiscal year, the economy of Japan was dramatically affected by subsequent waves of COVID-19 infections. As a result of the pandemic, the Japanese government announced a number of measures against the spread of the virus including states of emergency and stay-home orders in local areas urging people to limit time outside their homes. The number of new infections reached a peak of 25,000 during August, but this number began to significantly decrease in September. Currently, the expectations for the recovery of economic activities are high, but the situation still remains unstable.

Looking at the real estate and construction industry where the majority of our clients are active, the number of new-build properties increased slightly to 843,799 (+1.5% YoY) despite increased costs for lumber. At the same time, the spread of COVID-19 has led to increased focus on living environments due to stay-home orders and more people working from home. The Japanese government is also providing long-term support for home buyers through its "Green Home Point System" and extending tax-free periods for home loans. As a result, new-build condominiums listed for sale in the Greater Tokyo Area increased to 32,990 (+28.8%), and 39,864 (+14.6%) re-sale condominiums were sold - a return to pre-COVID levels of 2019. However, the demand has caused inventory to dwindle. ("Building Start Statistics Survey Report" Ministry of Land, Infrastructure, Transport and Tourism, "Monthly Market Watch" Real Estate Information Network for East Japan.)

In regard to the Japanese advertising industry (Jan. - Dec. 2020,) the real estate and housing segment for newspapers, magazines, radio and television media advertising shrank 13.0%. However, our primary segment of online advertising continued to grow for the seventh year straight to ¥2.2 trillion. It is predicted that the online shift of mass media will continue to accelerate in the future ("2020 Advertising Expenditures in Japan" Dentsu.)

Outside of Japan, the spread of COVID-19 continues to have serious effects on economies all over the world. In light of the current situation, we have recommended that all employees work from home and hold meetings online to stop the spread of COVID-19 and protect our employees and other stakeholders. We have not experienced any major issues from these measures.

During the previous fiscal year in Japan, we postponed our investment plans due to the pandemic and focused our efforts on sustainable business practices. During the current fiscal year, though, stay-home restrictions have been easing as the situation begins to recover. Therefore, we have restarted and strengthened growth investments while monitoring the situation for efficient spending.

On the other hand, other countries have each taken their own steps against the pandemic. Therefore, we have placed our priority on maintaining the status quo and have been making balanced investments toward strengthening our competitive advantages.

Regarding the amount of goodwill for LIFULL CONNECT, due to the high level of uncertainty for the mid-term business plan directly after acquisition, we based our assessment of the recoverable value of the business on the widely utilized valuation methods fair value less costs to sell (FVLCTS) and value in use (VIU). Comparing the two values, we took the higher and compared it with the book value to make impairment assessments. However, with the passage of time since the acquisition of the subsidiaries included in LIFULL CONNECT, we determined that the prospects of the mid-term strategy have improved. Therefore, we calculate the valuation of LIFULL CONNECT solely based on its ability to generate future cash flows (VIU) and have, thus, posted an impairment loss of goodwill amounting to ¥9.7 billion.

As a result, the LIFULL Group's consolidated financial results for the fiscal year ended September 30, 2021 were as follows: Revenue amounted to ¥35,857,177 thousand (+1.3% YoY); net loss before taxes to ¥6,857,347 thousand (profit before taxes amounted to ¥2,136,175 thousand in the previous fiscal year); net loss for the period to ¥5,895,682 thousand (net profit for the period amounted to ¥1,167,357 thousand in the previous fiscal year) and net loss attributable to owners of the parent to ¥5,901,120 thousand (profit attributable to owners of the parent amounted to ¥1,162,588 thousand in the previous fiscal year).

Revenue and profit / loss by segment was as follows:

(Thousands of yen; percentages indicate year-over-year change)

Segment	Revenue		Segment profit and loss	
	Amount	Change %	Amount	Change %
(1) HOME'S Services	26,715,113	(1.7)	2,364,272	(39.3)
(2) Overseas	7,263,807	10.5	1,577,535	+95.3
(3) Other Businesses	2,191,881	13.7	(679,033)	Note 2

Note 1: Intersegment transactions have not been eliminated.

Note 2: Segment loss in the previous term was ¥396,933 thousand.

(1) HOME'S Services Business

In the HOME'S Services segment, the Group's core business, the Group provides services for both users and realtors in order to create a world where LIFULL HOME'S is an indispensable service.

During the current fiscal year, we made progress towards encompassing all properties in Japan, strengthening brand awareness and boosting our media presence. In addition to releasing new features such as "nice-to-have" search conditions to help users find the right place to live, we also made it easier for users to send inquiries via SNS platforms. Our investments in promotion have also improved brand recognition, and LIFULL HOME'S *Sumai No Madoguchi*, our impartial support service to help users find the right place to live, expanded into new regions. In addition to these initiatives, the demand for more comfortable living environments due to the extension of stay-home orders and the spread of remote work, users to and inquiries via LIFULL HOME'S have increased.

However, we also experienced a number of challenges including increased demand placing stress on the new-build market causing inventory to sharply decline in addition to a drop in listings due to changes in our pricing scheme implemented in October 2019. The Tokyo Olympic Games also resulted in a temporary decline in the number of real estate-related searches. As a result, segment revenue for the second half of the year (April to September) increased 1.9% YoY. Although this trend is continuing, we are still on the road to recovery to pre-COVID levels.

As a result, the HOME'S Services segment ended the year with sales revenue totaling ¥26,715,113 thousand (-1.7% YoY) and segment profit totaling ¥2,364,272 thousand (-39.3% YoY.)

(2) Overseas

The Overseas segment primarily consists of the aggregation websites for real estate, used cars and job listings: Trovit and Mitula.

During the current fiscal year, we have been strengthening the global competitiveness of our online services in over 60 different countries. Our user shares in various regions continue to increase along with the value of our advertising services, and we have been making progress toward the quality of each of our services.

However, the effects of the pandemic as well as travel and lockdown restrictions remain in place in many countries and regions. Even in our focus sector, real estate, many clients continue to restrict their advertising volumes. Therefore, we are maintaining a balance between investments toward our competitive advantage and the sustainability of our businesses with a significant improvement to profitability.

As a result, sales revenue for the Overseas segment amounted to ¥7,263,807 thousand (+10.5% YoY) and segment profit to ¥1,577,535 thousand (+95.3% YoY) for the current fiscal year.

(3) Other Businesses

The Other Businesses segment comprises LIFULL *Kaigo* (nursing care), a search website for nursing facilities for the elderly; LIFULL *Trunkroom*, a search website for rental storage facilities; LIFULL *Hikkoshi* (moving house), a website devoted to providing estimates and online reservations for moving companies; and Regional Revitalization as well as the Regional Revitalization Fund.

During the current fiscal year, we increased investments in Regional Revitalization activities and revised our business plans for renovating and reselling previously abandoned properties while creating new organizational divisions to implement these changes.

As a result, the sales revenue for the Other Businesses segment amounted to ¥2,191,881 thousand (+13.7% YoY) and segment loss to ¥679,033 thousand (a ¥282,100 thousand loss compared to the total loss of ¥396,933 thousand in the previous fiscal year.)

For further details on financial results, including the following items, please refer to LIFULL'S IR website, specifically the "Earnings Presentation for the Fiscal Year Ended September 30, 2021", announced on November 11, 2021.

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

<Primary items in the earnings presentation materials>

Condensed statements of profit and loss:	Condensed statements of profit and loss (IFRS)
Sales revenue by segment:	Sales revenue by segment (IFRS)
Progress toward financial result forecasts:	Condensed statements of profit and loss and sales by segment
Business strategies:	Main activities by segment
Quarterly data:	Condensed statements of profit and loss and segment income and loss
Collection of external statistical data:	Number of condominiums for sale, condominium sales prices, number of new housing starts, number of people moving between prefectures and population

## **(2) Overview of Financial Position for the Fiscal 2020 Analysis of financial position**

### **(Current assets)**

Current assets stood at ¥21,544,954 thousand as of September 30, 2021, a decrease of ¥1,538,257 thousand from the previous fiscal year-end. The primary components were a decrease of ¥2,817,438 thousand in cash and cash equivalents, an increase of ¥277,462 thousand in accounts receivable-trade and other current receivables, a decrease of ¥34,746 thousand in other short-term financial assets and an increase of ¥1,036,464 thousand in other short-term financial assets.

### **(Non-current assets)**

Non-current assets stood at ¥24,342,642 thousand as of September 30, 2021, a decrease of ¥8,134,581 thousand from the previous fiscal year-end. The primary components were a decrease of ¥315,867 thousand in property, plant and equipment; a decrease of ¥1,047,262 thousand in right-of-use assets; a decrease of ¥8,394,913 thousand in goodwill; an increase of ¥101,282 thousand in intangible assets; a decrease of ¥108,005 thousand in investments accounted for using the equity method; an increase of ¥30,256 thousand in other long-term financial assets; an increase of ¥1,541,688 thousand in deferred tax assets; and an increase of ¥58,240 thousand in other current assets, etc.

As a result, total assets were ¥45,887,597 thousand as of September 30, 2021, a decrease of ¥9,672,838 thousand from the previous fiscal year-end.

### **(Current liabilities)**

Current liabilities stood at ¥12,130,294 thousand as of September 30, 2021 a decrease of ¥3,876,744 thousand from the previous fiscal year-end. The primary components were an increase of ¥513,709 thousand in accounts payable and other current payables, a decrease of ¥2,002,939 thousand in short-term loans, a decrease in lease liabilities of ¥94,630 thousand, a decrease of ¥953,693 thousand in accrued corporate income taxes, a decrease of ¥42,333 thousand in provisions, and a decrease of ¥1,296,855 thousand in other current liabilities.

### **(Non-current liabilities)**

Non-current liabilities stood at ¥5,209,913 thousand as of September 30, 2021, a decrease of ¥695,347 thousand from the previous fiscal year-end. The primary components were an increase in short-term loans amounting to ¥231,682 thousand, a decrease in lease liabilities amounting to ¥957,309 thousand, a decrease in deferred tax liabilities amounting to ¥67,796 thousand and an increase in other non-current liabilities amounting to ¥11,844 thousand.

As a result, total liabilities were ¥17,349,308 thousand, a decrease of ¥4,572,091 thousand from the end of the previous fiscal year.

### **(Equity)**

Total equity stood at ¥28,538,388 thousand, a decrease of ¥5,100,746 thousand from the previous fiscal year-end. The primary components were a decrease of ¥5,901,120 thousand in retained earnings due to the recording of profit attributable to owners of the parent, a decrease of ¥697,124 thousand in retained earnings from payment of dividends, an increase of ¥1,404,585 thousand in other comprehensive income components of equity and a decrease of ¥26,701 thousand in non-controlling interests.

## **(3) Overview of Cash Flows for Fiscal 2021**

In the fiscal year ended September 30, 2021, cash and cash-equivalents (hereinafter, "cash") amounted to ¥13,145,308 thousand (-¥2,817,438 thousand YoY).

### **(Cash flows from operating activities)**

Net cash inflow from operating activities amounted to ¥1,287,655 thousand, a decrease of ¥3,596,495 thousand compared to the net cash inflow of ¥4,884,150 thousand during the previous consolidated fiscal period (hereinafter "previous year"). The primary components were profit before taxes amounting to ¥6,857,347 thousand (-¥8,993,523 thousand YoY), depreciation and amortization amounting to ¥1,978,489 thousand (-¥58,434 thousand YoY), impairment losses amounting to ¥9,749,169 thousand (+¥8,129,966 thousand YoY), accounts receivable-trade and other current receivables amounting to ¥2,645,989 thousand (+¥1,660,632 thousand YoY), accounts payable and other current payables amounting to -¥2,627,576 thousand (-¥1,466,528 thousand YoY), other items amounting to -¥1,653,645 thousand (-¥2,159,278 YoY) and income taxes amounting to ¥1,921,086 thousand (+¥670,375 thousand YoY).

### **(Cash flows from investing activities)**

Net cash outflow from investing activities amounted to ¥1,068,049 thousand, an increase of ¥662,427 thousand compared to the net cash outflow of ¥1,730,477 thousand in the previous year. The primary components were

proceeds from the sale of financial instrument assets amounted to ¥505,127 thousand in the previous fiscal year. In the current fiscal year, payments for business transfers amounted to ¥417,543 thousand, property, plant and equipment amounted to ¥99,330 thousand (-¥398,121 thousand YoY), expenses for the purchase of intangible assets amounted to ¥678,518 thousand (+¥118,982 thousand YoY), expenses for the purchase of subsidiaries amounted to ¥3,216 thousand (-¥589,828 thousand YoY), proceeds from refund of lease deposits and guarantees amounted to ¥179,469 thousand (+¥155,334 thousand YOY), expenses for payments of loans receivable amounted to ¥813,500 thousand (-¥272,000 thousand YoY), collection of loans receivable amounted to ¥762,165 thousand (+¥201,646 thousand YoY) and others amounted to ¥106,377 thousand (+109,658 thousand YoY).

#### (Cash flows from financing activities)

Net cash inflow from financing activities amounted to ¥3,291,648 thousand, a decrease of ¥6,683,634 thousand compared to the net cash outflow of ¥3,391,985 thousand in the previous year. The primary components were ¥10,710,128 thousand in proceeds from short-term loans receivable and ¥1,000,549 thousand repurchased treasury shares. In the current fiscal year, ¥10,710,128 thousand for repayment of short-term loans (-¥5,329,450 thousand YoY), ¥409,500 thousand in proceeds from long-term loans receivable (-¥1,983,200 thousand YoY), ¥1,055,088 thousand for repayment of long-term loans (-¥221,738 thousand YoY), ¥697,234 thousand for dividend payments (+¥106,940 YoY), ¥1,000,148 thousand for repurchased treasury shares (+¥999,728 thousand YoY) and ¥828,830 thousand for repayment of lease liabilities (-¥76,987 thousand YoY).

#### (4) Outlook

Outlook for Consolidated Earnings in Fiscal 2022

(Millions of yen)

	Fiscal year ended September 30, 2021	Forecast for the year ending September 30, 2022	Change	Rate of change (%)
Revenue	35,857	39,000	+3,142	+8.8
HOME'S Services Business	26,693	27,832	+1,139	+4.3
Overseas Business	7,019	8,192	+1,173	+16.7
Other Businesses	2,144	2,974	+829	+38.7
Operating profit (loss)	(6,644)	1,700	+8,344	-
Profit attributable to owners of the parent for the year	(5,901)	700	+6,601	-

Note: Intersegment transactions have been eliminated.

For further details on forecasts of financial results including forecast of main SG&A expense items, please refer to the LIFULL IR website for the "Earnings Presentation for the Fiscal Year Ended September 30, 2021" announced on November 11, 2021.

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

The above forecasts of financial results are based on information currently available to the Company and assumptions about uncertainties that could impact financial results in the future. Actual results could differ from the above forecasts due to a variety of factors.

## 2. Basic Approach to the Selection of an Accounting Standard

In order to improve the international comparability and convenience of financial information in the capital markets, the LIFULL Group has applied International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ended March 31, 2016.

### 3. Condensed Consolidated Financial Statements and Significant Notes

#### (1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	15,962,746	13,145,308
Accounts receivable-trade and other current receivables	4,723,158	5,000,620
Other short-term financial assets	624,112	589,366
Other current assets	1,773,193	2,809,658
<b>Total current assets</b>	<b>23,083,211</b>	<b>21,544,954</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,756,982	1,441,114
Right-of-use assets	4,476,985	3,429,723
Goodwill	19,421,525	11,026,612
Intangible assets	2,982,628	3,083,910
Investments accounted for using the equity method	447,167	339,161
Other long-term financial assets	2,071,117	2,101,373
Deferred tax assets	1,307,541	2,849,230
Other non-current assets	13,275	71,516
<b>Total non-current assets</b>	<b>32,477,223</b>	<b>24,342,642</b>
<b>Total assets</b>	<b>55,560,435</b>	<b>45,887,597</b>



	As of September 30, 2020	As of September 30, 2021
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and other current payables	2,664,624	3,178,334
Short-term loans	8,631,569	6,628,630
Lease liabilities	832,799	738,168
Accrued corporate income taxes	1,249,737	296,043
Provisions	42,333	-
Other current liabilities	2,594,973	1,298,117
<b>Total current liabilities</b>	<b>16,016,038</b>	<b>12,139,294</b>
<b>Non-current liabilities</b>		
Short-term loans	767,298	998,980
Lease obligations	3,720,010	2,762,701
Provisions	510,657	511,000
Other Long-term financial liabilities	-	109,579
Deferred tax liabilities	551,123	483,326
Other non-current liabilities	356,171	344,326
<b>Total non-current liabilities</b>	<b>5,905,261</b>	<b>5,209,913</b>
<b>Total liabilities</b>	<b>21,921,299</b>	<b>17,349,208</b>
<b>Equity</b>		
<b>Attributable to the owners of the parent</b>		
Capital stock	9,716,363	9,716,363
Capital surplus	9,922,957	9,982,062
Retained earnings	16,834,306	10,296,601
Treasury shares	(1,009,262)	(1,009,262)
Other components of equity	(1,976,672)	(572,117)
<b>Attributable to the owners of the parent</b>	<b>33,487,692</b>	<b>28,413,647</b>
Attributable to non-controlling interests	151,443	124,741
<b>Total equity</b>	<b>33,639,135</b>	<b>28,538,388</b>
<b>Total liabilities and equity</b>	<b>55,560,435</b>	<b>45,887,597</b>

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

Condensed Consolidated Statements of Profit or Loss

(Thousands of yen)

	Fiscal 2020 (October 1, 2019, to September 30, 2020)	Fiscal 2021 (October 1, 2020, to September 30, 2021)
<b>Revenue</b>	35,402,758	35,857,177
Cost of revenue	4,096,838	3,951,438
<b>Gross profit</b>	31,305,920	31,905,738
Selling, general and administrative expenses	27,015,195	28,599,138
Other revenue	113,534	90,114
Other expenses	1,919,054	10,040,819
<b>Operating profit (loss)</b>	2,485,203	(6,644,103)
Financial revenue	3,769	23,776
Financial expenses	102,805	108,071
Share of profit (loss) of investments accounted for using the equity method	(249,990)	(128,949)
<b>Profit (loss) before taxes</b>	2,136,175	(6,857,347)
Income tax expenses	968,818	(961,665)
<b>Profit (loss) for the period</b>	1,167,357	(5,895,682)
Profit (loss) for the period attributable to:		
Owners of the parent	1,162,588	(5,901,120)
Non-controlling interests	4,769	5,437
Total	1,167,357	(5,895,682)
		(yen)
<b>Profit (loss) for the period per share attributable to owners of the parent</b>		
Basic profit for the period per share	8.71	(44.78)
Diluted profit for the period per share	8.71	(44.78)

Condensed Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal 2020 (October 1, 2019, to September 30, 2020)	Fiscal 2021 (October 1, 2020, to September 30, 2021)
<b>Profit (loss) for the period</b>	1,167,357	(5,895,682)
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	223,870	27,755
<b>Total of items that will not be reclassified to profit or loss</b>	223,870	27,755
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,156,045	1,343,067
Share of other comprehensive income of investments accounted for using the equity method	(16,429)	34,085
<b>Total of items that may be reclassified subsequently to profit or loss</b>	1,139,616	1,377,153
<b>Other comprehensive income, net of tax</b>	1,363,486	1,404,909
<b>Total comprehensive income (loss) for the period</b>	2,530,844	(4,490,773)
<b>Comprehensive income (loss) for the period attributable to:</b>		
Owners of the parent	2,526,141	(4,496,534)
Non-controlling interests	4,702	5,761
Total	2,530,844	(4,490,773)

### (3) Condensed Consolidated Statements of Changes in Equity

For Fiscal 2020 (October 1, 2019, to September 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 (loss) for the period	-	-	1,162,588	-	-	1,162,588	4,769	1,167,367
Other comprehensive income	-	-	-	-	1,363,553	1,363,553	(66)	1,363,486
Total comprehensive income for the period	-	-	1,162,588	-	1,363,553	2,526,141	4,702	2,530,844
Dividends of surplus	-	-	(590,327)	-	-	(590,327)	(1,209)	(591,537)
Transfer to retained earnings	-	-	175,191	-	(175,191)	-	-	-
Purchase of treasury shares	-	-	-	(1,000,148)	-	(1,000,148)	-	(1,000,148)
Capital transaction with owners of non-controlling interests	-	525	-	-	-	525	38,774	39,300
Increase from corporate mergers	-	-	-	-	-	-	33,864	33,864
Changes from exclusion from consolidation	-	-	-	-	-	-	(672)	(672)
Total transactions with owners	-	525	(415,136)	(1,000,148)	(175,191)	(1,589,951)	70,757	(1,519,193)
Balance as of September 30, 2020	9,716,363	9,922,957	16,384,306	(1,009,262)	(1,976,672)	33,487,692	151,443	33,639,135

For Fiscal 2021 (October 1, 2020, to September 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 (loss) for the period	-	-	(5,901,120)	-	-	(5,901,120)	5,437	(5,895,682)
Other comprehensive income	-	-	-	-	1,404,585	1,404,585	323	1,404,909
Total comprehensive income (loss) for the period	-	-	(5,901,120)	-	1,404,585	(4,496,534)	5,761	(4,490,773)
Transfer to retained earnings	-	-	(697,124)	-	-	(697,124)	(20,175)	(717,299)
Share-based payment transactions	-	36,143	-	-	-	36,143	-	36,143
Increase from corporate mergers	-	22,961	-	-	-	22,961	(21,129)	1,831
Capital transaction with owners of non-controlling interests	-	-	-	-	-	-	8,842	8,842
Increase from affiliates exempt from the equity method	-	-	60,539	-	-	60,539	-	60,539
Other	-	-	-	-	(31)	(31)	-	(31)
Total transactions with owners	-	59,105	(636,584)	-	(31)	(577,510)	(32,462)	(609,973)
Balance as of September 30, 2021	9,716,363	9,982,062	10,296,601	(1,009,262)	(572,117)	28,413,647	124,741	28,538,388

#### (4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal 2020 (October 1, 2019, to September 30, 2020)	Fiscal 2021 (October 1, 2020, to September 30, 2021)
<b>Net cash from operating activities</b>		
Profit for the period before tax	2,136,175	(6,857,347)
Depreciation and amortization	2,036,924	1,978,489
Impairment loss	1,619,202	9,749,169
Financial revenue	(3,7699)	(23,776)
Financial expenses	102,805	108,071
Decrease (increase) in accounts receivable-trade and other current receivables	985,356	2,645,989
Increase (decrease) in accounts payable-trade and other current payables	(1,161,048)	(2,627,576)
Other	505,632	(1,653,645)
Subtotal	6,221,280	3,319,374
Interest and dividends received	19,868	1,400
Interest paid	(106,288)	(112,032)
Income taxes paid	(1,250,710)	(1,921,086)
Net cash from operating activities	4,884,150	1,287,655
<b>Net cash used in investing activities</b>		
Proceeds from sale of financial instrument assets	505,127	-
Purchase of financial instrument assets	(93,989)	(100,100)
Purchase of property, plant and equipment	(497,451)	(99,330)
Proceeds from sale of property, plant and equipment	1,263	1,572
Purchase of intangible assets	(559,535)	(678,518)
Payments for business transfer	-	(417,543)
Purchase of subsidiaries	(593,045)	(3,216)
Proceeds from acquisition of subsidiaries	35,461	4,458
Payments of lease deposits and guarantees	(16,966)	(9,882)
Proceeds from refund of lease deposits and guarantees	24,134	179,469
Purchase of shares of affiliates	(7,212)	-
Payments of loans receivable	(1,085,500)	(813,500)
Collection of loans receivable	560,518	762,165
Others	(3,281)	106,377
Net cash from investing activities	(1,730,477)	(1,068,049)
<b>Net cash provided by (used in) financing activities</b>		
Proceeds from short-term loans payable	10,710,128	-
Repayment of short-term loans	(6,430,000)	(1,100,549)
Proceeds from long-term loans payable	2,392,700	409,500
Repayment of long-term loans	(833,350)	(1,055,088)
Dividends paid	(590,294)	(697,234)
Repayment of lease obligations	(905,817)	(828,830)
Dividends paid to non-controlling interests	(1,881)	(20,175)
Purchase of shares in subsidiaries from non-controlling interests	-	(19,970)
Proceeds from share issuance to non-controlling interests	40,300	20,700
Purchase of treasury shares	(1,000,148)	-
Others	10,350	-
Net cash from financing activities	3,391,985	(3,291,648)

Effect of exchange rate changes on cash and cash equivalents	178,060	254,604
Net increase (decrease) in cash and cash equivalents	6,723,719	(2,817,438)
Cash and cash equivalents at beginning of period	9,239,027	15,962,746
Cash and cash equivalents at end of period	15,962,746	13,145,308

## (5) Notes on the Consolidated Financial Statements

### (Note Regarding Going Concern Assumption)

Not applicable.

### (Changes to Accounting Policies)

Not applicable.

### (Changes to accounting quotations)

Not applicable.

### (Business mergers and acquisitions)

(Definition of Provisional Measures Relating to the Treatment of Corporate Mergers)

Concerning the corporate merger of Kenbiya Co., Ltd. as of July 31, 2020, although provisional accounting measures were used during the previous consolidated fiscal year, these measures have been defined in the current consolidated fiscal year. With the definition of the provisional accounting measures, information for comparison included in the consolidated financial statements of the current consolidated fiscal year have been altered to reflect the important changes in the distribution of acquisition costs.

As a result of the definition of the accounting measures, the goodwill amount calculated at ¥763,077 thousand has been reduced by ¥491,602 thousand to ¥271,474 thousand. The reduction of goodwill is a result of the increase of ¥744,853 thousand in intangible assets and the increase of ¥253,250 thousand in deferred tax liabilities.

The following table has been adjusted to the amounts after definition.

Recognized amount of acquired assets and liabilities succeeded on the day of the business combination

(Thousands of yen)

Consideration for acquisition	
Common shares and cash of the Company	1,335,000
Assets acquired and liabilities assumed	
Cash and cash equivalents	741,954
Accounts receivable-trade and other current receivables	26,619
Property, plant and equipment	2,148
Intangible assets	752,018
Other assets	217,332
Other liabilities	(676,549)
Total	1,063,525
Goodwill <sup>1,2</sup>	271,474

Note 1: Goodwill mainly includes existing businesses that are expected to be generated from the acquisition, synergies, and excess earnings strength, each of which does not meet the requirements for recognition.

Note 2: For goodwill, no deductible expenses for tax purposes are included.

In addition, as a result of the definition of provisional accounting measures, goodwill amounting to ¥316,579 thousand as of the ending of the previous consolidated fiscal year has decreased while intangible assets amounting to ¥732,438 thousand and deferred tax liabilities amounting to ¥249,029 thousand have increased.

**(Segment Information)**

**(1) (Overview of Reported Segments)**

The reported segments of the Group have separate financial information available from the Group's constituent units and are subject to regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Company and its subsidiaries divide their business segments into two reporting segments, HOME'S Services and Overseas. The segments have been primarily divided based on the service content provided and the constituent units of performance management.

The types of services that belong to each reporting segment are as follows:

Segment	Service Type
HOME'S Services	Operation of the real estate and housing portal, LIFULL HOME'S, online marketing service for real estate professionals and real estate investment portal, Kenbiya
Overseas	Operation of aggregation sites for real estate, used cars and job listings, Trovit and Mitula



## (2) Revenue, profit or loss and other items by reportable segment

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The amounts of inter-reportable segment revenue are based on market prices.

Revenue, profit or loss and other items by reportable segment are as follows:

For Fiscal 2020 (October 1, 2019 to September 30, 2020)

(Thousands of yen)

	Reportable segment		Other <sup>2</sup>	Total
	HOME'S Services	Overseas		
Revenue				
Customers	27,136,272	6,377,627	1,888,857	35,402,758
Intersegment	42,883	197,264	38,668	278,815
Total	27,179,155	6,574,892	1,927,526	35,681,574
Segment profit (loss) <sup>1</sup>	3,898,049	807,703	(396,933)	4,308,819
Other income (expense)				
Operating income				
Financial revenue and expenses (net)				
Share of profit (loss) of investments accounted for using the equity method				
Profit before taxes				
Other items				
Depreciation and amortization	1,445,603	515,381	58,091	2,019,076
		Reconciliation <sup>3</sup>	Consolidated	
Revenue				
Customers	-	35,402,758		
Intersegment	(278,815)	-		
Total	(278,815)	35,402,758		
Segment profit (loss) <sup>1</sup>	(18,095)	4,290,724		
Other income (expense)		(1,805,520)		
Operating income		2,485,203		
Financial revenue and expenses (net)		(99,036)		
Share of profit (loss) of investments accounted for using the equity method		(249,990)		
Profit before taxes		2,136,175		
Other items				
Depreciation and amortization	-	2,019,076		

### Notes:

1. Segment profit (loss) is revenue less cost of revenue and selling, general and administrative expenses.
2. The Other Businesses segment comprises businesses that are not included in the reportable segments. These include LIFULL *Kaigo* (nursing care), a search website for care homes for the elderly and nursing care facilities; LIFULL *Trunkroom*, a search website for rental storage space; and other new business ventures.
3. Adjustments to segment profit include elimination of intersegment transactions.

For Fiscal 2021 (October 1, 2020, to September 30, 2021)

(Thousands of yen)

	Reportable segment		Other <sup>2</sup>	Total
	HOME'S Services	Overseas		
Revenue				
Customers	26,693,086	7,019,119	2,144,971	35,857,177
Intersegment	22,027	244,688	46,910	313,626
Total	26,715,113	7,263,807	2,191,881	36,170,803
Segment profit (loss) <sup>1</sup>	2,364,272	1,577,535	(679,033)	3,262,774
Other income (expense)				
Operating income				
Financial revenue and expenses (net)				
Share of profit (loss) of investments accounted for using the equity method				
Profit before taxes				
Other items				
Depreciation and amortization	1,363,215	545,490	53,028	1,961,733
	Reconciliation <sup>3</sup>	Consolidated		
Revenue				
Customers	-	35,857,177		
Intersegment	(313,626)	-		
Total	(313,626)	35,857,177		
Segment profit (loss) <sup>1</sup>	43,825	3,306,600		
Other income (expense)		(9,950,704)		
Operating income		(6,644,103)		
Financial revenue and expenses (net)		(84,295)		
Share of profit (loss) of investments accounted for using the equity method		(128,949)		
Profit before taxes		(6,857,347)		
Other items				
Depreciation and amortization	-	1,961,733		

Notes:

1. Segment profit (loss) is revenue less cost of revenue and selling, general and administrative expenses.
2. The Other Businesses segment comprises businesses that are not included in the reportable segments. These include LIFULL *Kaigo* (nursing care), a search website for care homes for the elderly and nursing care facilities; LIFULL *Trunkroom*, a search website for rental storage space; and other new business ventures.
3. Adjustments to segment profit include elimination of intersegment transactions.

### (Per-share information)

The basis for calculating profit for the period per share attributable to owners of the parent is as follows:

	Fiscal 2020 (October 1, 2019, to September 30, 2020)	Fiscal 2021 (October 1, 2020, to September 30, 2021)
Profit (loss) attributable to owners of the parent (Thousands of yen)	1,162,588	(5,901,120)
Average number of basic common shares during the period	133,534,160	131,781,614
Profit for the period per share attributable to owners of the parent (yen)		
Basic profit (loss) for the period per share	8.71	(44.78)
Diluted net income per share (loss)	8.71	(44.78)

Notes: Disclosure of diluted profit (loss) for the period per share is omitted as there were no dilutive shares.

### (Important subsequent events)

Not applicable