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Consolidated Financial Report for the Six-month Period Ended March 31, 2022 (IFRS)

May 11, 2022

Company name: LIFULL Co., Ltd.	Listed exchange: Tokyo Stock Exchange
Stock code: 2120	URL: https://ir.lifull.com/en/
Representative: INOUE Takashi	(Position) President and CEO
Contact: FUKUZAWA Hidekazu	(Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603
Scheduled quarterly securities report submission date: May 11, 2022	
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, 2022 (October 1, 2021 to March 31, 2022)

(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, 2022	18,040	1.1	522	(70.8)	428	(74.2)	169	(83.6)	185	(81.9)	1,071	(54.9)
Six-months ended March 31, 2021	17,852	(6.9)	1,787	(26.7)	1,660	(27.1)	1,032	(30.2)	1,027	(30.4)	2,374	35.7

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Six-months Ended March 31, 2022	1.41	1.41
Six-months Ended March 31, 2021	7.80	7.80

Note 1: As provisional accounting methods for corporate mergers were determined during the third quarter of the fiscal year ended on September 30, 2021 the same provisional accounting methods have been applied for values in the second quarter of the fiscal year ended on September 30, 2021.

(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, 2022	47,385	29,152	29,049	61.3
As of September 30, 2021	45,887	28,538	28,413	61.9

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
FY 2021/9	-	0.00	-	3.62	3.62
FY 2022/9	-	0.00	-	-	-
FY 2022/9 (Forecast)	-	-	-	-	-

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

Note 2: 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)

	Revenue		Operating income		Net profit		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal 2022	36,000	0.4	400	-	(100)	-	(100)	-	(0.76)

Note 1: There have been changes to the most recently announced 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)

[2] Treasury shares at the end of the period

[3] Average shares during the period

As of March 31, 2022	134,239,870	As of September 30, 2021	134,239,870
As of March 31, 2022	2,458,270	As of September 30, 2021	2,458,256
As of March 31, 2022	131,781,600	As of March 31, 2021	131,781,614

* 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 (video recordings) will be made available on the Company's website as soon as possible thereafter. (<https://ir.lifull.com/en/>)
- May 12, 2022 (Thursday) : Online-offline hybrid 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.

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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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	13,145,308	13,147,842
Accounts receivable-trade and other current receivables	5,000,620	5,377,185
Other short-term financial assets	589,366	390,144
Other current assets	2,809,658	3,378,211
Total current assets	<u>21,544,954</u>	<u>22,293,383</u>
Non-current assets		
Property, plant and equipment	1,441,114	1,327,484
Right-of-use assets	3,429,723	3,037,528
Goodwill	11,026,612	11,962,909
Intangible assets	3,083,910	3,044,382
Investments accounted for using the equity method	339,161	1,091,461
Other long-term financial assets	2,101,373	1,795,817
Deferred tax assets	2,849,230	2,763,100
Other non-current assets	71,516	69,670
Total non-current assets	<u>24,342,642</u>	<u>25,092,355</u>
Total assets	<u>45,887,597</u>	<u>47,385,739</u>

	As of September 30, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,178,334	3,811,983
Short-term loans	6,628,630	6,677,099
Lease liabilities	738,168	721,631
Accrued corporate income taxes	296,043	343,801
Provisions	1,298,117	1,257,468
Other current liabilities	12,139,294	12,811,984
Total current liabilities		
Non-current liabilities	998,980	1,530,561
Short-term loans	2,762,701	2,385,213
Lease obligations	511,000	511,171
Provisions	109,579	161,952
Deferred tax liabilities	483,326	467,047
Other non-current liabilities	344,326	365,060
Total non-current liabilities	5,209,913	5,421,006
Total liabilities	17,349,208	18,232,991
Equity		
Attributable to the owners of the parent		
Capital stock	9,716,363	9,716,363
Capital surplus	9,982,062	10,006,892
Retained earnings	10,296,601	10,005,364
Treasury shares	(1,009,262)	(1,009,267)
Other components of equity	(572,117)	330,248
Attributable to the owners of the parent	28,413,647	29,049,601
Attributable to non-controlling interests	124,741	103,146
Total equity	28,538,388	29,152,748
Total liabilities and equity	45,887,597	47,385,739

(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, 2022

(Thousands of yen)

	Six-month period Ended March 31, 2021	Six-month period Ended March 31, 2022
Revenue	17,852,892	18,040,829
Cost of revenue	2,002,323	2,013,998
Gross profit	15,850,569	16,026,831
Selling, general and administrative expenses	13,893,918	15,591,040
Other revenue	39,966	122,051
Other expenses	209,016	34,988
Operating income	1,787,600	522,854
Financial revenue	9,414	21,525
Financial expenses	56,610	44,528
Share of profit (loss) of investments accounted for using the equity method	(79,472)	(71,565)
Profit before taxes	1,660,931	428,285
Income tax expenses	628,489	258,736
Profit for the period	1,032,441	169,549
Profit (loss) for the period attributable to:		
Owners of the parent	1,027,384	185,812
Non-controlling interests	5,057	(16,263)
Total	1,032,441	169,549
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	7.80	1.41
Diluted profit for the period per share	7.80	1.41

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended March 31, 2022

(Thousands of yen)

	Three-month period Ended March 31, 2021	Three-month period Ended March 31, 2022
Revenue	9,581,217	9,530,104
Cost of revenue	1,056,592	1,066,491
Gross profit	8,524,624	8,463,612
Selling, general and administrative expenses	7,426,692	8,580,552
Other revenue	19,841	69,657
Other expenses	105,840	18,755
Operating income	1,011,932	(66,038)
Financial revenue	5,094	971
Financial expenses	28,662	23,148
Share of profit (loss) of investments accounted for using the equity method	(51,400)	(57,005)
Profit before taxes	936,964	(145,220)
Income tax expenses	292,371	43,791
Profit for the period	644,592	(189,012)
Profit (loss) for the period attributable to:		
Owners of the parent	639,535	(179,397)
Non-controlling interests	5,057	(9,615)
Total	644,592	(189,012)
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	4.85	(1.36)
Diluted profit for the period per share	4.85	(1.36)

Condensed Consolidated Statements of Comprehensive Income
For the Six-month Period Ended March 31, 2022

(Thousands of yen)

	Six-month period Ended March 31, 2021	Six-month period Ended March 31, 2022
Profit for the period	1,032,441	169,549
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	52,905	(6,784)
Total of items that will not be reclassified to profit or loss	52,905	(6,784)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,284,468	885,285
Share of other comprehensive income of investments accounted for using the equity method	4,784	23,865
Total of items that may be reclassified subsequently to profit or loss	1,289,252	909,151
Other comprehensive income, net of tax	1,342,157	902,366
Total comprehensive income for the period	2,374,599	1,071,915
Comprehensive income for the period attributable to:		
Owners of the parent	2,369,194	1,088,179
Non-controlling interests	5,404	(16,263)
Total	2,374,599	1,071,915

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended March 31, 2022

(Thousands of yen)

	Three-month period Ended March 31, 2021	Three-month period Ended March 31, 2022
Profit for the period	644,592	(189,012)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	52,711	39
Total of items that will not be reclassified to profit or loss	52,711	39
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	571,092	816,050
Share of other comprehensive income of investments accounted for using the equity method	14,262	4,600
Total of items that may be reclassified subsequently to profit or loss	585,355	820,650
Other comprehensive income, net of tax	638,066	820,690
Total comprehensive income for the period	1,282,659	631,678
Comprehensive income for the period attributable to:		
Owners of the parent	1,277,137	641,293
Non-controlling interests	5,521	(9,615)
Total	1,282,659	631,678

(3) Condensed Consolidated Statements of Changes in Equity

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	16,834,306	(1,009,262)	(1,976,672)	33,487,692	151,443	33,639,135
Profit for the period	-	-	1,027,384	-	-	1,027,384	5,057	1,032,441
Other comprehensive income	-	-	-	-	1,341,810	1,341,810	347	1,342,157
Total comprehensive income for the period	-	-	1,027,384	-	1,341,810	2,369,194	5,404	2,374,599
Dividends of surplus	-	-	(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	17,164,566	(1,009,262)	(634,861)	35,176,966	117,097	35,294,063

For the Six-month period Ended March 31, 2022 (October 1, 2021 to March 31, 2022)

(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, 2021	9,716,363	9,982,062	10,296,601	(1,009,262)	(572,117)	28,413,647	124,741	28,538,388
Profit for the period	-	-	185,812	-	-	185,812	(16,263)	169,549
Other comprehensive income	-	-	-	-	902,366	902,366	-	902,366
Total comprehensive income for the period	-	-	185,812	-	902,366	1,088,179	(16,263)	1,071,915
Dividends of surplus	-	-	(477,049)	-	-	(477,049)	(5,331)	(482,381)
Share-based payment transactions	-	24,829	-	-	-	24,829	-	24,829
Purchase of treasury shares	-	-	-	(4)	-	(4)	-	(4)
Total transactions with owners	-	24,829	(477,049)	(4)	-	(452,224)	(5,331)	(457,556)
Balance as of March 31, 2022	9,716,363	10,006,892	10,005,364	(1,009,267)	330,248	29,049,601	103,146	29,152,748

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Six-month period Ended March 31, 2021	Six-month period Ended March 31, 2022
Net cash from operating activities		
Profit for the period before tax	1,660,931	428,285
Depreciation and amortization	1,021,114	936,351
Financial revenue	(9,414)	(21,525)
Financial expenses	56,610	44,528
Decrease (increase) in accounts receivable-trade and other current receivables	(666,701)	(46,958)
Increase (decrease) in accounts payable-trade and other current payables	507,214	310,944
Other	(1,519,681)	(863,511)
Subtotal	1,050,075	788,114
Interest and dividends received	329	1,595
Interest paid	(58,192)	(46,311)
Income taxes paid or refunded (paid)	(990,176)	299,318
Net cash from operating activities	2,036	1,042,716
Net cash used in investing activities		
Proceeds from sale of financial instrument assets	(100,000)	-
Purchase of financial instrument assets	-	20,000
Purchase of property, plant and equipment	(55,291)	(60,047)
Proceeds from sale of property, plant and equipment	1,572	288
Purchase of intangible assets	(156,032)	(276,683)
Payments for transfer of business	(411,028)	(350,946)
Purchase of shares of affiliates	-	(800,000)
Payments of loans receivable	(618,000)	(445,746)
Collection of loans receivable	626,976	956,776
Others	135,676	(8,313)
Net cash from investing activities	(576,128)	(964,672)
Net cash provided by (used in) financing activities		
Repayment of short-term loans	(51,549)	(250,000)
Proceeds from long-term loans payable	234,000	1,012,246
Repayment of long-term loans	(500,678)	(182,194)
Dividends paid	(697,050)	(476,903)
Repayment of lease obligations	(438,697)	(374,874)
Dividends paid to non-controlling interests	(20,175)	(5,331)
Purchase of shares in subsidiaries	(15,400)	-
Proceeds from share issuance to non-controlling interests	11,700	-
Purchase of treasury shares	-	(4)
Net cash from financing activities	(1,477,851)	(277,061)
Effect of exchange rate changes on cash and cash equivalents	223,647	201,551
Net increase (decrease) in cash and cash equivalents	(1,828,295)	2,533
Cash and cash equivalents at beginning of period	15,962,746	13,145,308
Cash and cash equivalents at end of period	14,134,451	13,147,842

(5) Notes on the Consolidated Financial Statements**1. Note Regarding Going Concern Assumptions**

Not applicable.

2. Subsequent Events

Not applicable.