

LIFULL Co., Ltd.

Third Quarter Results

IFRS

FY2022/9 Q3
(October 2021 – June 2022)

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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Main Points for FY 2022/9 Third Quarter

FY 2022/9 Third Quarter Earnings

Revenue

¥26.6 Billion YoY -0.9%

Decreased revenue due to **reduced inquiries on LIFULL HOME'S** from the removal of some site partnerships and **low performance of third-party advertising Overseas**

Operating Profit

¥0.63 Billion YoY -74.5%

Lower profit levels from **proactive growth investments in HOME'S Services** and **decreased revenue Overseas**

TOPICS

Transformation of LIFULL HOME'S



Continuing the transformation of **LIFULL HOME'S** into a super hero helping everyone find the right place to live

(Details from Page 10)

Revisions to the Full-Year Forecast

FASHIOLA.

Revisions made to the earnings forecast from the **sale of overseas aggregation service, Fashiola**

(Details from Page 18)

Our Strategy Moving Forward



Selective Focus for achieving the goals of our mid-term strategy

(Details on Page 25)



FY 2022/9



Third Quarter Financial Results



(October 1, 2021 – June 30, 2022)



Condensed Statements of Income and Loss IFRS

Decrease in consolidated revenue due to drop in revenue for in HOME'S Services. (See next page for details.)
Decrease in operating profit primarily from lower revenue and proactive investments in HOME'S Services.

Unit: JPY mil.	FY2021 Q3 (Oct.-Jun.)	FY2022 Q3 (Oct.-Jun.)	Change	Change %	
Revenue	26,925	26,686	-239	-0.9%	*1
Cost of revenue	2,892	2,971	+78	+2.7%	
SG&A	21,358	23,444	+2,086	+9.8%	
Personnel expenses	6,662	7,125	+462	+6.9%	*2
Advertising expenses	8,911	9,808	+897	+10.1%	*3
Operating expenses	284	386	+102	+36.2%	*4
Depreciation and amortization	1,487	1,406	-81	-5.5%	
Other	4,012	4,717	+704	+17.6%	*5
Other income and expenses	-198	361	+559	-	*6
Operating income	2,476	631	-1,844	-74.5%	
Operating income margin	9.2%	2.4%	-6.8pt	-	
Net profit*	1,477	349	-1,127	-76.3%	

* Net profit attributable to owners of the parent

*1 Refer to segment revenue (Page 5)

*2 Increased headcount to by98 from acquisitions of Properati and Wasi

*3 Primarily for active investments in domestic and overseas businesses

*4 Increases for face-to-face sales initiatives as domestic market reopens and travel expenses for overseas acquisitions

*5 Primarily due to increases in outsourcing and system-usage expenses.

*6 Primarily due to fluctuations in foreign currency exchange rates

Revenue / Income and Loss by Segment IFRS

Lower revenue in HOME'S Services primarily from revision of alliances with partner sites. Lower profit due to proactive growth investments. Reduced revenue from performance of third-party AdSense advertising resulting in lower revenue and profit Overseas.

Unit: JPY mil.	FY2021 Q3 (Oct.-Jun.)	FY2022 Q3 (Oct.-Jun.)	Change	Change %	Main items
Revenue	26,925	26,686	-239	-0.9%	
HOME'S Services	20,157	19,488	-669	-3.3%	Decrease in inquiries due to removal of partner sites. Decrease in client advertising budgets from lower demand for new-build properties due to rising real estate prices.
Overseas	5,181	5,210	+28	+0.6%	As revenue for premium ads on aggregation services and for portals increases, decreased AdSense revenue caused sales to remain flat YoY.
Other	1,586	1,987	+401	+25.3%	Primarily increases in from LIFULL senior and other subsidiaries as well as and Regional Revitalization.

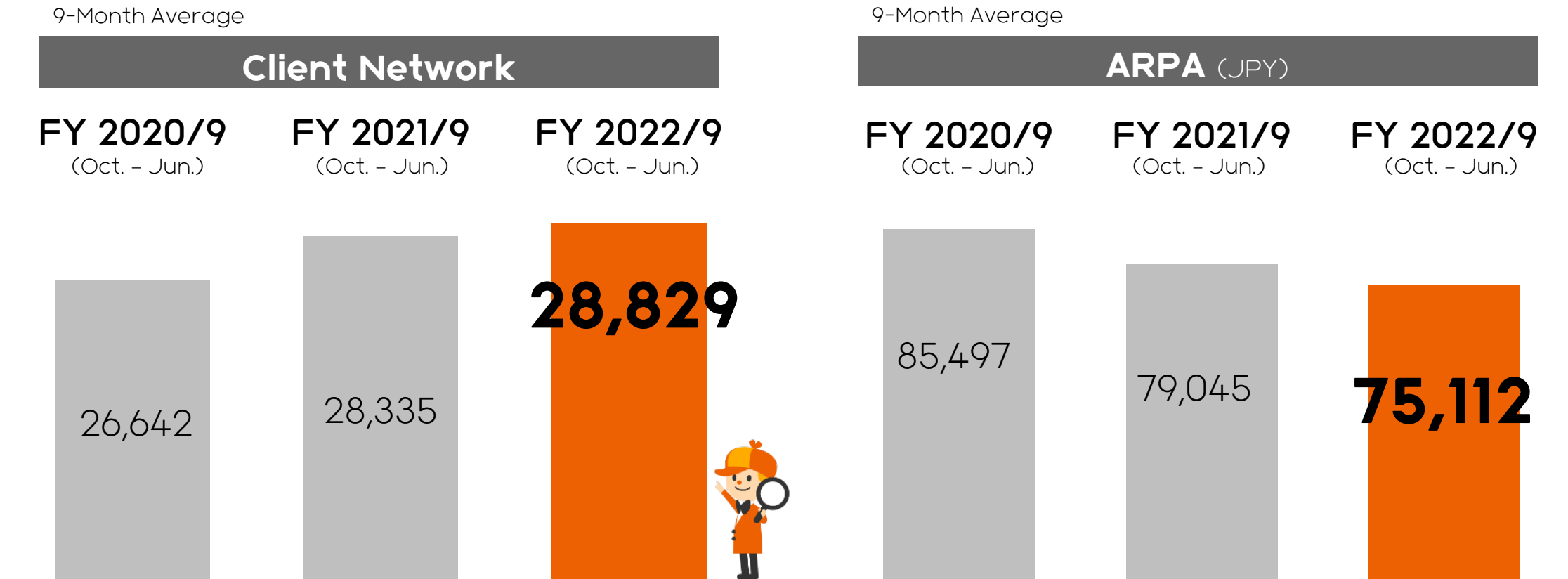
Unit: JPY mil.	FY2021 Q3 (Oct.-Jun.)	FY2022 Q3 (Oct.-Jun.)	Change	Change %	Main items
Segment income and loss	2,674	270	-2,404	-89.9%	
HOME'S Services	1,804	114	-1,690	-93.7%	Due to decreased revenue and proactive growth investments, for example in promotion during the peak moving season in Japan.
Overseas	1,261	616	-644	-51.1%	Due to acquisitions and low performance of third-party advertising (AdSense.)
Other	-423	-497	-73	-	
Inter-segment transactions	32	36	-	+10.8%	

Primary businesses in each segment are listed on Page 32

The % Change values for negative results in the current previous periods have been left blank

Key Performance Indicators Client Network and ARPA

Our client network continues to progress smoothly in the custom-built, re-sale and investment markets, but the increase in clients and decrease in revenue for HOME'S Services have had a negative impact on ARPA.



As of this report, we have begun including effects of the acquisition of Kenbiya Co., Ltd. which occurred in August 2020 and have updated figures for previous years to reflect the change.

Condensed Statement of Financial Position and Goodwill IFRS

Investment in Hash Dash Holdings in February 2022. (See page 33 for more details.)

Goodwill for LIFULL CONNECT increased ¥1.7 bil. due to the weaker yen and acquisition of Properati and Wasi.

Unit: JPY mil.	As of Sep 30, 2021	As of Jun 30, 2022	Change	Change %	Main items	
Current assets	21,544	22,277	+732	+3.4%	Cash	+575 Refer to "Condensed Statement of Cash Flows"
					Inventory Assets	+628 Primarily Regional Revitalization efforts
					Prepaid Expenses	+122 Annual system usage fees
					Income Taxes Receivable	-544
Non-current assets	24,342	25,834	+1,491	+6.1%	Buildings, Tools, Furniture and Fixtures	-162 Primarily depreciation and amortization
					Right-of-Use Assets	-573 Primarily depreciation and amortization
					Goodwill	+1,762 Primarily from the acquisition of Properati and currency fluctuations
					Stocks - Associated Parts	+786 Primarily for the acquisition of shares of Hash Dash
					Long-Term Loans Receivable	-296 Primarily for regional revitalization efforts
Assets	45,887	48,112	+2,224	+4.8%		
Current liabilities	12,139	12,437	+297	+2.5%	Accounts Payable - Trade	-223
					Accounts Payable - Other	+232
					Provisions for Bonuses	+156
Non-current liabilities	5,209	5,427	+217	+4.2%	Long-Term Loans Payable	+696 Primarily for the acquisition of shares of Hash Dash
					Long-Term Lease Obligations	-545
Liabilities	17,349	17,864	+515	+3.0%		
Total Equity	28,538	30,247	+1,708	+6.0%	Capital Surplus	-127
					Foreign Currency Translation Adjustm.	+1,802 Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	215.61	228.69	+13.07			

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 12,036 mil., LIFULL Marketing Partners 251 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 112 mil. Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,479 mil.

Condensed Statement of Cash Flow IFRS

¥1.3 bil. increase in operating cash from tax credits received in the current FY for the restructuring of Mitula Group in the previous year. ¥1.0 bil. Increase in investing CF for investment in Hash Dash and Overseas M&A.

Unit: JPY mil.	FY2021 Q3	FY2022 Q3	Change	Main items		
	(Oct.-Jun.)	(Oct.-Jun.)		Items	FY2021 Q3	FY2022 Q3
Operating cash flow	533	1,833	+1,300	Profit for the period before tax	+2,294	+485
				Depreciation and amortization	+1,500	+1,418
				Decr. (incr.) in accounts receivable-trade and other current receivables	-101	+531
				Incr. (decr.) in accounts payable-trade and other current payables	+319	-519
				Other	-1,471	-276 *
				Tax payments	-1,983	+228
Investing cash flow	-516	-1,581	-1,064	Payments for the acquisition of equity instrument assets	-100	-
				Purchase of intangible assets	-239	-430
				Business acquisition expenditures	-402	-357
				Payments for the acquisition of shares of subsidiaries	-3	-312
				Payments for the acquisition of affiliates	-	-800
				Payment of loans receivable	-718	-726
				Proceeds from collection of loans receivable	+736	+1,105
				Other (Investment)	+276	-8
Financing cash flow	-3,026	-265	+2,761	Proceeds from long-term loans payable	+234	+1,319
				Repayment of loans payable	-1,902	-544
				Dividends paid	-697	-477
				Repayment of lease obligations	-635	-560
Change in cash and cash equivalents	-2,708	575	-			
Balance of cash and cash equivalents	13,254	13,721	+466			

* FY 2021/9: Primarily Provisions for Bonuses, Inventory Assets
FY 2022/9: Primarily Inventory Assets



Progress in the Third Quarter



LIFULL HOME'S

SUPER HYPER ASSISTANT



SUPER HYPER ASSISTANT

A Super Hero

With the power to
find the right home
for anyone's lifestyle

Transforming ourselves into a leader
for the next generation of websites

POWER UP

To become a
SUPER HYPER ASSISTANT
for home-seekers and real estate professionals

Q3 Initiatives



POWER UP
Listing Data



POWER UP
User Friendliness



POWER UP
Site Partnerships

POWER UP Listing Data

Improving Our Listings in Quantity and Quality

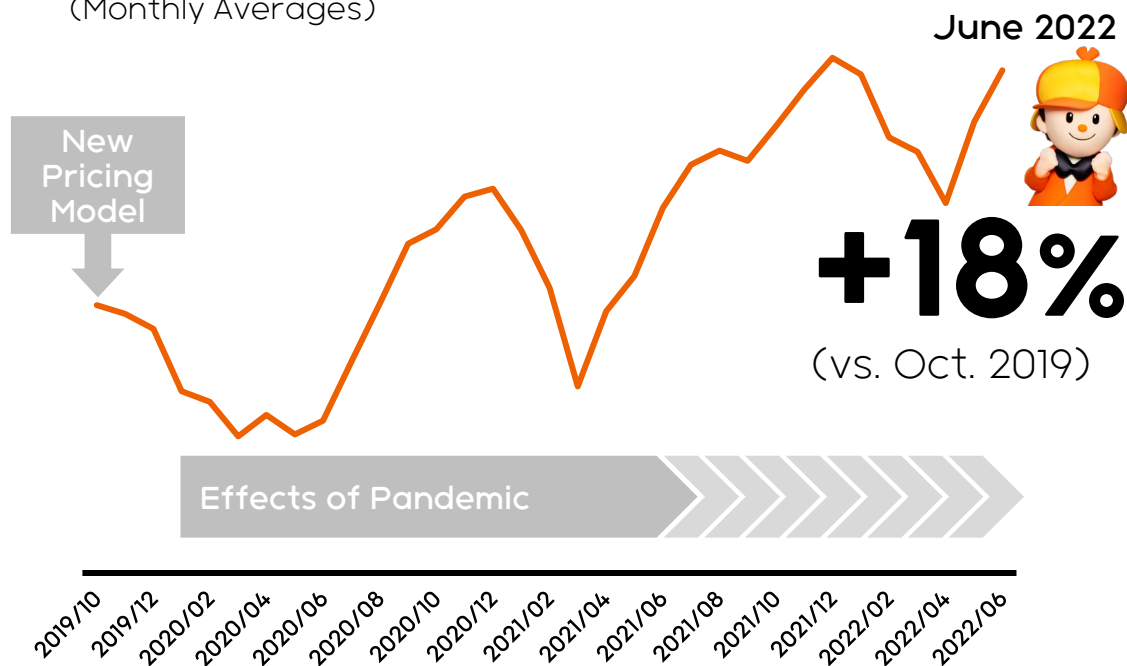
In addition to taking action to increase listed properties after the changes to the pricing model in Oct. 2019, we have also been improving information quality to further improve user satisfaction.

Quantity

Adding More Listings

Property Listings

Since the Changes in the Pricing Model in Oct. 2019
(Monthly Averages)



Quality

Ensuring Better Quality

Oct. 2019 Automatic Listing Removal Feature

Checks and removes properties that have already been rented out or sold
<https://lifull.com/news/15671/> (in Japanese)

Aug. 2021 Data Partnership with Daito Kentaku Partners

Sharing data with the largest real estate management company in Japan to further improve performance
<https://lifull.com/news/21326/> (in Japanese)

NEW

July 2022 Partnerships with Itandi & Misawa Home



Further enhancing our systems with more data
<https://lifull.com/news/24029/> (in Japanese)

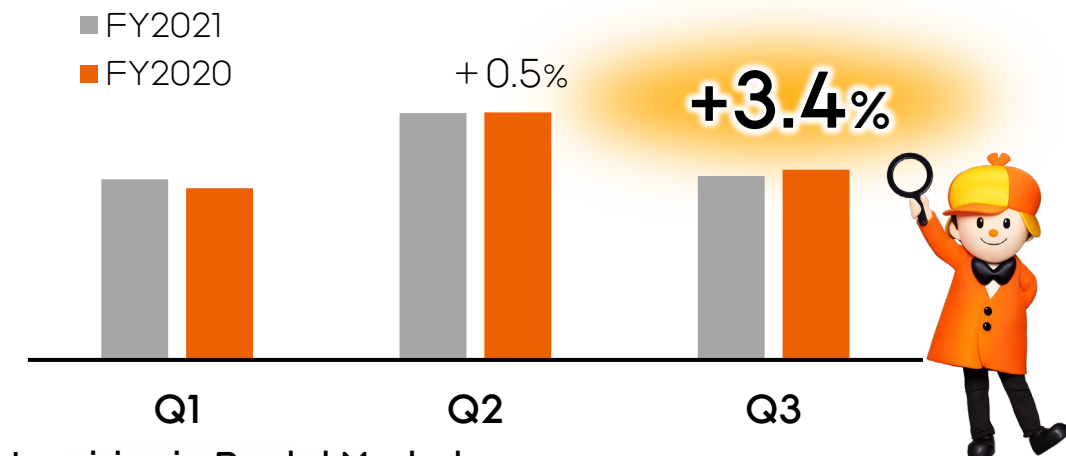
POWER UP User Friendliness Growth in Inquiries

We have been improving the user interface and experience as part of making LIUFLL HOME'S a Super Hyper Assistant. As a result, we have seen growth in inquiries and the overall conversion rate.

Inquiries via LIFULL HOME'S

Inquiries via Browser

(For Rental, Resale, New-Build House / Condominium and Custom-Built House Markets)



Inquiries in Rental Market

+9.0%

Apr. – Jun. YoY

Where adjustments were made earliest



Improved Conversion Rate



Lots of Adjustments
to make searching for a new home even easier

Examples of Improvements

- Changes to layout of property detail pages and inquiry forms
- Altered display of newly listed properties
- Expansion of nice-to-have searches

and many more

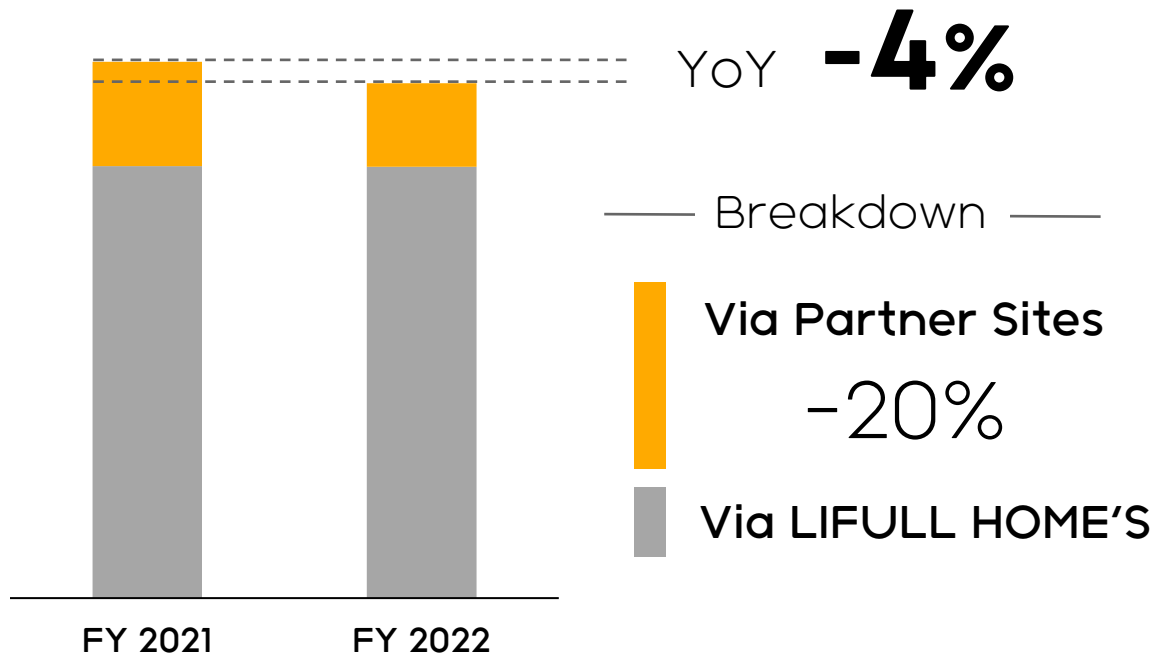
POWER UP Site Partnerships

Revisions to Partner Site Alliances

We have revised some of our alliances with partner sites to improve the satisfaction of our client real estate professionals. As a result, we have seen a decrease in overall inquiries.

Total Inquiries (Oct. - Jun.)

(Rental, Resale, New-Build Homes/Condominiums, Custom-Built Houses)



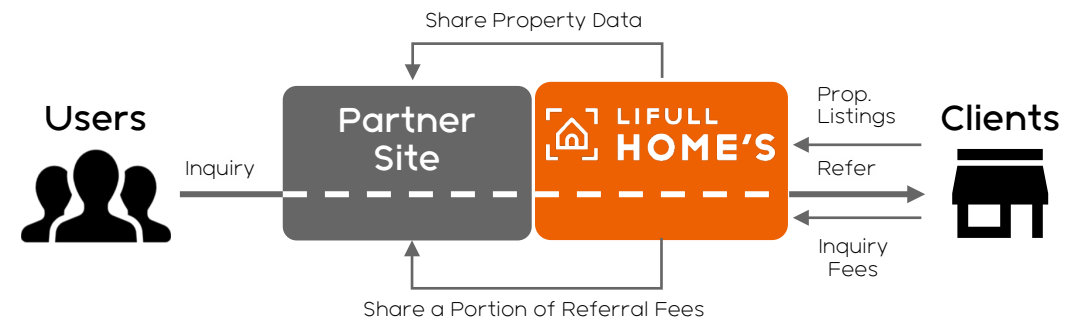
Reason for Decrease

Withdrawal from a Portion of Alliances with Partner Sites

Dates

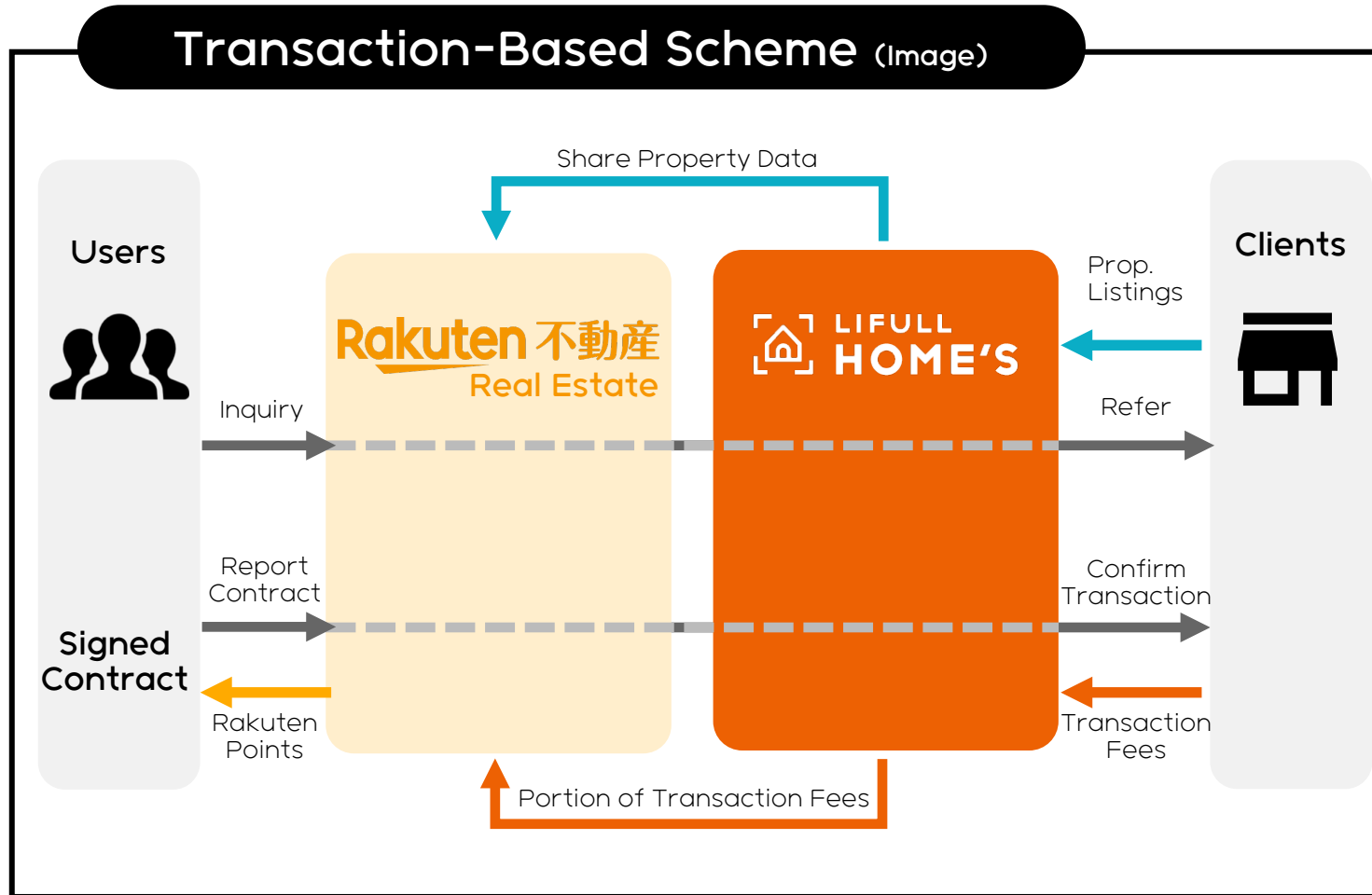
June, October 2021

Ref. Partner Site Alliances



POWER UP Site Partnerships Transaction-Based Plan with Rakuten Real Estate

Beginning in September 2022, we will offer a transaction-based plan through Rakuten Real Estate offering Rakuten Points and more valuable inquiries to improve user and client satisfaction.



WIN

Benefits for Everyone



Home-seekers (Users)

Lower moving costs after receiving **Rakuten Points** from transaction



Real Estate Professionals (Clients)

Higher satisfaction and lower costs, since only charged after a transaction is completed



Potential for **more valuable inquiries** and access to **transaction data**

A dramatic background image showing two hands clashing in the center, surrounded by bright fire, sparks, and lightning bolts against a dark, stormy sky. The hands are positioned horizontally, with the left hand on the left and the right hand on the right, meeting in the middle.

We will be a Super Hero

improving satisfaction for
home-seekers and real estate professionals!

SUPER HYPER ASSISTANT



Revisions to the Full-Year Forecast

Revisions to FY 2022/9 Full-Year Forecast IFRS

We have sold the overseas fashion aggregation service, Fashiola, in order to focus management resources on growth in our core real estate businesses. (See Page 21 for more details.)

Condensed Statements of Income and Loss

Unit: Millions of yen	FY2022 Oct.-Sep. [Original Full-Year Forecast]	FY2022 Oct.-Sep. [Revised Full-Year Forecast]	Change	Change %
Revenue	36,000	36,000	-	-
Cost of revenue	4,569	4,569	-	-
SG&A (excl. depreciation)	31,280	31,315	+35	+0.1%
Personnel expenses	9,775	9,775	-	-
Advertising expenses	12,794	12,794	-	-
Operating expenses	588	588	-	-
Other	8,123	8,157	+34	-
Other revenues and expenses	250	1,084	+834	+333.6%
Operating income	400	1,200	+800	+200.0%
Operating income margin	1.1%	3.3%	+2.3pt	-
Net profit*	-100	480	+580	-

Revenue by Segment

Unit: Millions of yen	FY2022 Oct.-Sep. [Actual]	FY2022 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	36,000	36,000	-	-
HOME'S Service	25,938	25,938	-	-
Overseas	7,192	7,192	-	-
Others	2,869	2,869	-	-

Exchange Rate Estimation: EUR 1 = JPY 130

* Net Profit: Profit attributable to owners of the parent



LIFULL CONNECT

Sale of Non-Core Business and Current Progress

Restructuring to Promote Core Businesses LIFULL CONNECT

We have sold the non-core fashion aggregation service, Fashiola, to focus management resources on growth in our core real estate category. Proceeds from the sale will be used for acceleration of real estate-related services.

LIFULL CONNECT
Aggregation Services

Sold



**Accelerating
Growth**

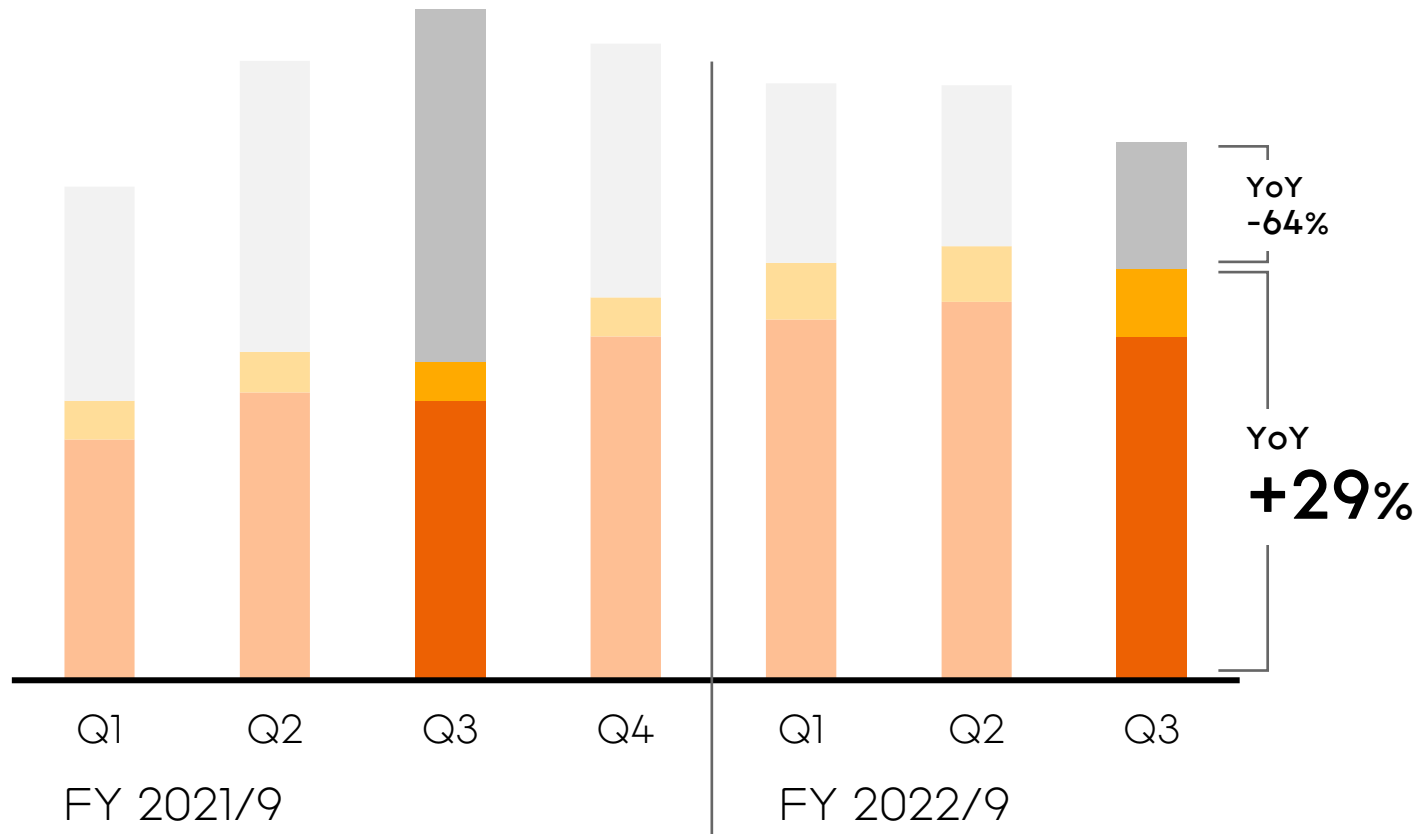
in the Overseas
Real Estate Category

LIFULL CONNECT Revenue Trend

Although external factors have caused a drop in overall revenue generated by AdSense, we have been focusing our efforts on increasing sales of our own products and have seen 29% growth in revenue YoY.

Breakdown of Sales Revenue

(Excluding Fashiola)



Third-Party Advertising Revenue

AdSense Revenue (Aggregation Sites)

Third-party advertising provided through Google and displayed on LIFULL CONNECT aggregation Sites. Revenue is generated when users click the banner ads.

Decrease due to external reasons

Revenue from LIFULL CONNECT Products

Premium Ad & Other Revenue (Aggregation Sites)

Ads coming directly from LIFULL CONNECT clients (portals) featuring enriched content or displayed at the top of results pages on aggregation sites.

Direct Services Revenue (Real Estate Portals)

Listing or usage fees for real estate portals or CRM services (Wasi) etc. operated by LIFULL CONNECT.

Continuing to Increase with Market Recovery and Sales Initiatives

Growth Strategy for Overseas Portals

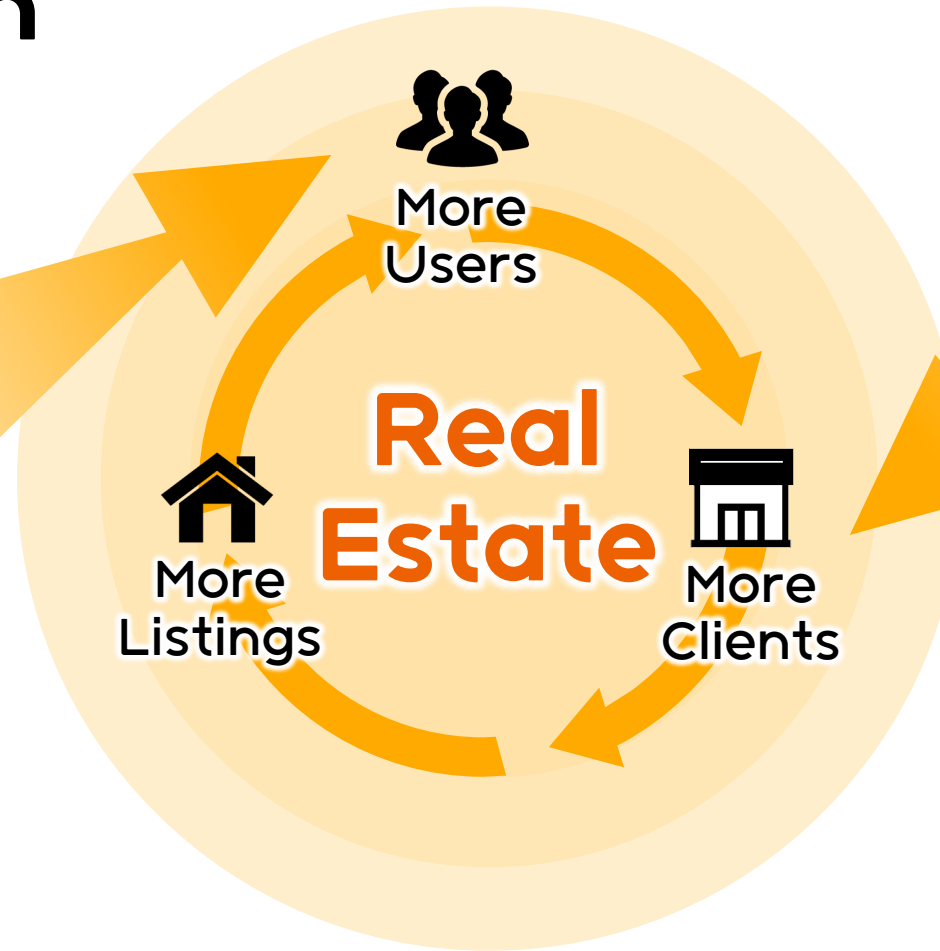
We are leveraging the advantages of both aggregation sites and local real estate portals to provide more value to users and clients for overall growth.

Aggregation Sites

Real Estate Portals

Local Sales Teams
Client Network

Traffic
Technology



Growth in our Direct Services

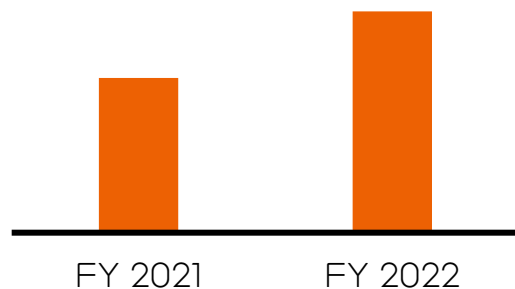
We have been making proactive investments to grow our real estate portals in Latin America and Southeast Asia and have already been seeing increases in real estate clients and revenue YoY.

On-going investments in business growth

Client Growth

Real Estate Professionals
(As of June 30)

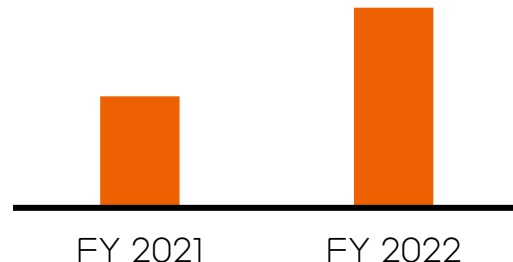
+43%



Revenue Growth

Sales Revenue in
Direct Services
(Total Oct. - Jun.)

+79%



Ref.

Impact on Profit

Approx. **¥0.17 bil.**

Larger Loss

From proactive investments
toward business growth

Actions

Development of Proppit
Acquisition of Properati
Acquisition of Wasi
Increased Sales Initiatives

Etc.

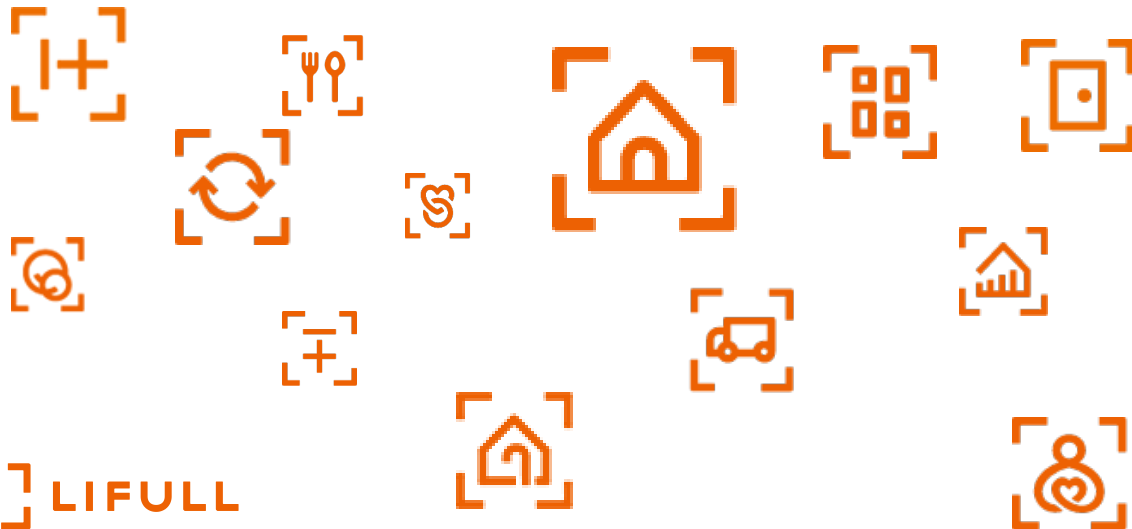


Our Strategy Moving Forward

Achieving the Goals of Our Mid-Term Strategy



Through our varied endeavors, we are working to find solutions to social issues to **Make All LIFE FULL**



Selective Focus

To achieve our the goals set in our Mid-Term Strategy

By focusing our resources on our core businesses, we seek to increase revenue and profitability.

We will, then, utilize these earnings to **further boost growth in our core services**



 **LIFULL**

Make Every LIFE FULL

Appendices

Corporate Information (as of June 30, 2022)

Company LIFULL Co., Ltd.

Stock code 2120 (TSE Prime)

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
Apr. 2022	Transition to TSE Prime

Capital JPY 9,716 mil.

Stock issues 134,239,870 shares (incl. 2,458,270 shares of treasury stock)

Consol. number of employees 1,606 (incl. 190 temporary and 453 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.1%)

Main subsidiaries (stake) LIFULL CONNECT, S.L.U. (100%)
LIFULL Marketing Partners (100%)



President and CEO **Takashi Inoue**



Head Office
Chiyoda-ku, Tokyo, Japan

LIFULL HOME'S Real Estate and Housing Information Site

<https://www.homes.co.jp/>

- One of the largest real estate listing sites in Japan.
- Apart from property listings, LIFULL HOME'S also features an in-house Quality Screening Team to ensure the reliability of listing information.
- Constantly evolving, the site has been optimized for smart devices to provide the best possible search experience for users.



LIFULL HOME'S
iOS · Android Apps

- Search by city, train line, station or time to destination
- Filters including "No Deposit," "Pets Allowed"
- Select and compare multiple properties
- To-do lists, new property notifications and other extensive support services



Primary Group Companies

(Listed according to date of founding / acquisition)

LIFULL Marketing Partners Co., Ltd.	<ul style="list-style-type: none">• Internet marketing for real estate and related business operators
LIFULL senior Co., Ltd.	<ul style="list-style-type: none">• 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 SPACE Co., Ltd.	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Contractor for clerical work and other back-office operations• Contractor for call center operations
LIFULL Investment Co., Ltd.	<ul style="list-style-type: none">• Operation of the crowdfunding platforms, LIFULL Investment• Operation of the LIFULL Regional Revitalization Fund
LIFULL Tech Vietnam Co., Ltd.	<ul style="list-style-type: none">• Offshore, lab-type, software and application development as well as creative production
Rakuten LIFULL STAY, Inc. ^{1,2}	<ul style="list-style-type: none">• Operation of vacation rental platforms
LIFULL CONNECT, S.L.U.	<ul style="list-style-type: none">• Operation of aggregation sites for real estate, job listings, used vehicles and fashion aggregation sites as well as portals
LIFULL ArchiTech Co., Ltd.	<ul style="list-style-type: none">• Research and development on construction and living environments; management of patents
Kenbiya Co., Ltd.	<ul style="list-style-type: none">• Operation of the real estate investment site Kenbiya
LIFULL Leadership Co., Ltd.	<ul style="list-style-type: none">• Employee training consultant: Designing and providing training courses for leadership development and management skills

Segments and Primary Services

Segments	Main services
<p>HOME'S Services</p>	<p>LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR Advertising & Consulting Agency (LIFULL Marketing Partners Co., Ltd.) Kenbiya (Kenbiya Co., Ltd.)</p>
<p>Overseas</p>	<p>Trovit (LIFULL CONNECT) Mitula (LIFULL CONNECT) Nestoria (LIFULL CONNECT) RESEM (LIFULL CONNECT) Dot Property (LIFULL CONNECT) App Development (LIFULL Tech Vietnam) Other subsidiary services of LIFULL CONNECT</p>
<p>Other Businesses</p>	<p>LIFULL <i>Kaigo</i> (Nursing Care) (LIFULL senior Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) Regional Revitalization Business Financing Business (LIFULL Investment Co., Ltd.) Regional Revitalization Fund (LIFULL Investment Co., Ltd.) Other LIFULL subsidiaries and new services</p>

Real Estate Investment Platform Hash Dash Announces First Fund

We initiated investments in Hash Dash Holdings in February 2022 to accelerate the realization of a small-lot real estate investment platform. Hash Dash released details on their first investment property in July 2022.

Feb. 2022

Entered Business Alliance with Hash Dash Holdings to create a blockchain real estate investment platform



Characteristics of Digital Real Estate Securities



Start investing in small amounts



Earn rental income



Shares can be resold

Press Release : [Notification of Capital and Business Alliance for Blockchain STOs with Hash Dash Holdings Co., Ltd.](#)



Jul. 2022



First Property Announced

Retirement Facility in Shizuoka

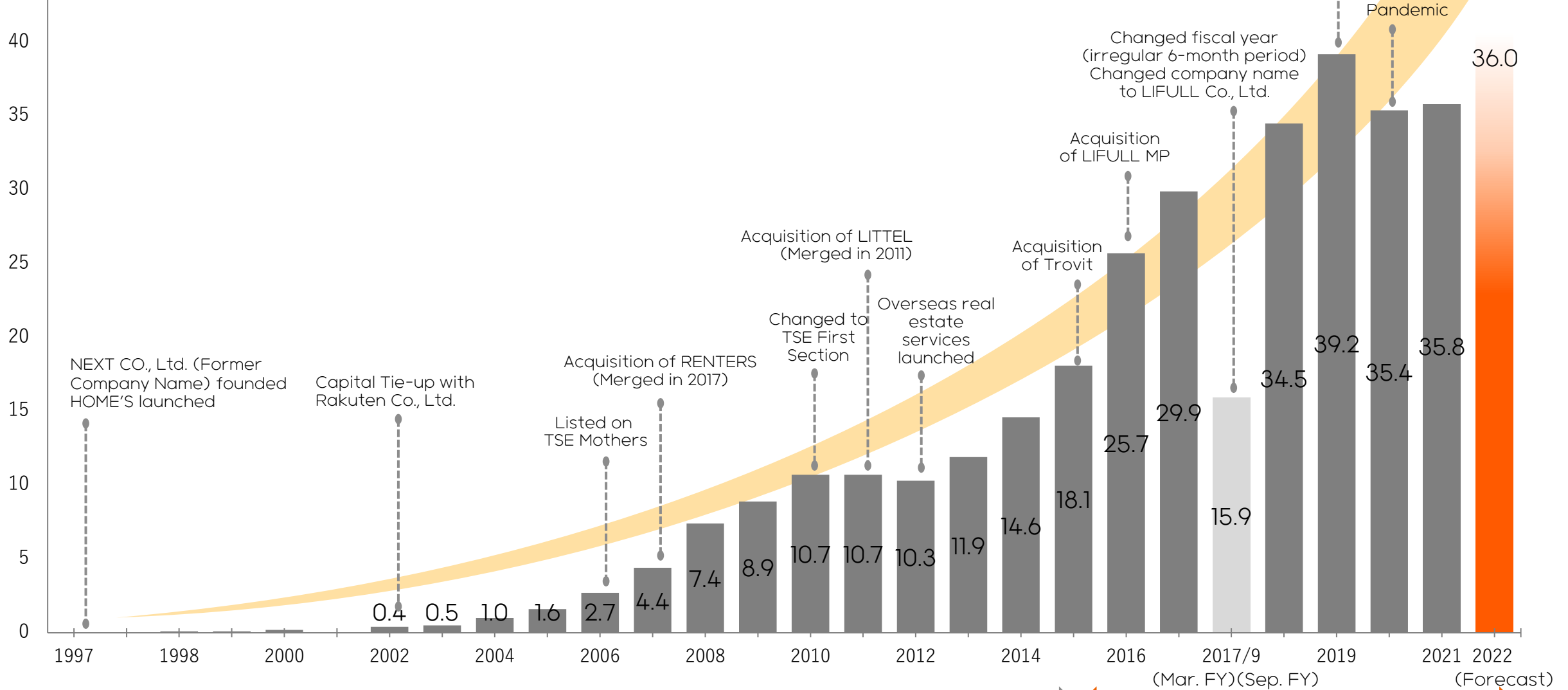
Refer to the official site for more details on the property and the investment process.

<https://hashst.hashdash.co.jp/>

(in Japanese)

Annual Revenue and Timeline of Company Growth

(Unit: JPY Billion)



FY 2022/9 Forecast and Progress IFRS

Progress toward the forecast revised on August 4, 2022 (Details on Page 19)

Condensed Statements of Income and Loss

	FY2022 Oct.-Sep. [Full-Year Forecast]	FY2022 Q3 Oct.-Jun. [Actual]	Progress
Unit: JPY mil.			
Revenue	36,000	26,686	74.1%
Cost of revenue	4,569	2,971	65.0%
SG&A	31,315	23,444	74.9%
Personnel expenses	9,775	7,125	72.9%
Advertising expenses	12,794	9,808	76.7%
Operating expenses	588	386	65.6%
Other	8,157	6,123	75.1%
Other revenues and expenses	1,084	361	33.3%
Operating income	1,200	631	52.6%
Operating income margin	3.3%	2.4%	-
Net profit*	480	349	-

Revenue by Service

	FY2022 Oct.-Sep. [Full-year forecast]	FY2022 Q3 Oct.-Jun. [Actual]	Progress
Unit: JPY mil.			
Revenue	36,000	26,686	74.1%
HOME'S Services	25,938	19,488	75.1%
Overseas	7,192	5,210	72.4%
Others	2,869	1,987	69.3%

Exchange Rate Estimation: EUR 1 = JPY 130 (Beginning of the FY: EUR 1 = JPY 128)

* Net Profit: Profit attributable to owners of the parent

Consolidated Statements of Profit and Loss Quarterly

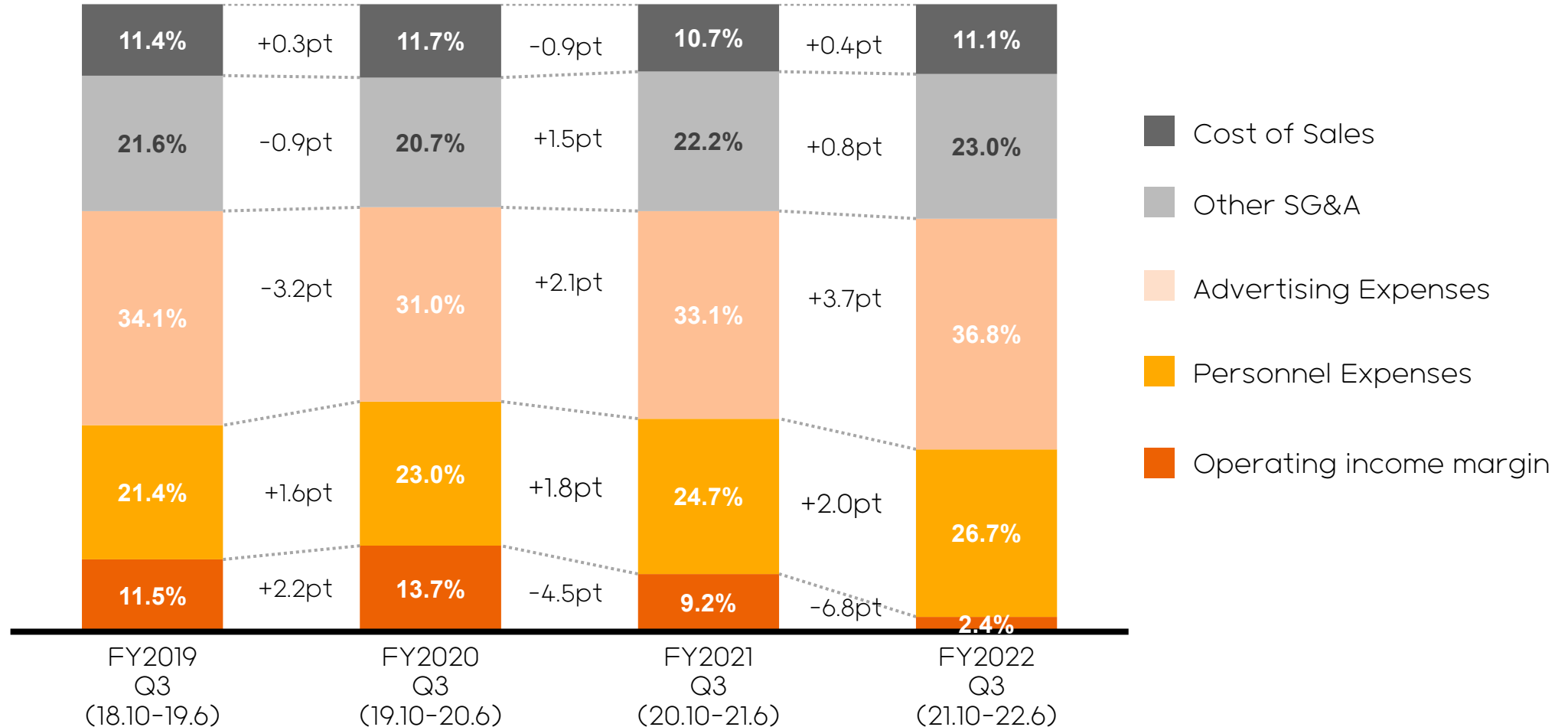
Unit : JPY mil	FY2018				FY2019				FY2020				FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944	9,202	9,983	7,706	8,510	8,271	9,581	9,072	8,931	8,510	9,530	8,645
HOME'S Services	6,742	8,062	6,833	6,963	6,860	8,404	7,060	7,330	6,763	7,543	6,176	6,652	6,346	7,260	6,550	6,535	6,139	7,085	6,263
Overseas	883	935	983	1,058	986	2,315	2,213	2,165	2,006	1,892	1,101	1,378	1,440	1,766	1,974	1,837	1,787	1,762	1,660
Other Businesses	502	542	528	527	544	488	479	448	432	547	429	479	484	554	547	558	583	682	721
Cost of revenue	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116	1,157	869	953	945	1,056	890	1,058	947	1,066	957
SG&A	6,136	7,253	6,212	6,818	6,139	9,526	7,062	7,985	7,031	7,390	5,651	6,940	6,467	7,426	7,464	7,240	7,010	8,580	7,853
Personnel expenses	1,962	1,783	1,963	2,082	1,969	2,087	2,217	2,428	2,535	1,590	2,048	2,785	2,345	2,001	2,315	2,242	2,203	2,485	2,436
Advertising expenses	2,426	3,657	2,431	2,869	2,347	4,882	2,790	3,252	2,559	3,882	1,884	2,160	2,155	3,585	3,170	2,940	2,731	3,916	3,160
Operating expenses	236	267	209	229	190	204	240	290	170	123	64	106	96	87	100	116	121	120	144
Depreciation/amortization cost	274	266	263	263	259	304	308	303	490	515	486	525	524	487	474	474	459	468	478
Other SG&A	1,236	1,279	1,344	1,374	1,372	2,047	1,505	1,710	1,274	1,278	1,167	1,363	1,345	1,263	1,403	1,466	1,494	1,589	1,634
Other revenues and expenses	71	18	6	-44	425	-332	9	59	-9	-41	62	-1,817	-83	-85	-28	-9,752	36	50	274
Operating income	1,134	1,358	1,142	679	1,629	90	1,664	800	1,044	1,393	1,248	-1,201	775	1,011	688	-9,120	588	-66	108
Operating income margin	14.0%	14.2%	13.7%	7.9%	19.4%	0.8%	17.1%	8.1%	11.3%	14.0%	16.2%	-14.1%	9.4%	10.6%	7.6%	-102.1%	6.9%	-0.7%	1.3%
Net profit*	591	980	702	585	1,003	-41	1,073	370	527	949	846	-1,161	387	639	449	-7,378	365	-179	163

1) Net income = Net income attributable to owners of the parent

2) As the provisional accounting measures for corporate mergers have been defined for FY 2020/9, these provisional accounting measures have been applied to all related values.

Expense-to-Revenue Ratio IFRS

Increase in advertising expenses primarily from proactive investments in LIFULL HOME'S. Personnel expenses increased primarily due to acquisition of Properati and Wasi.

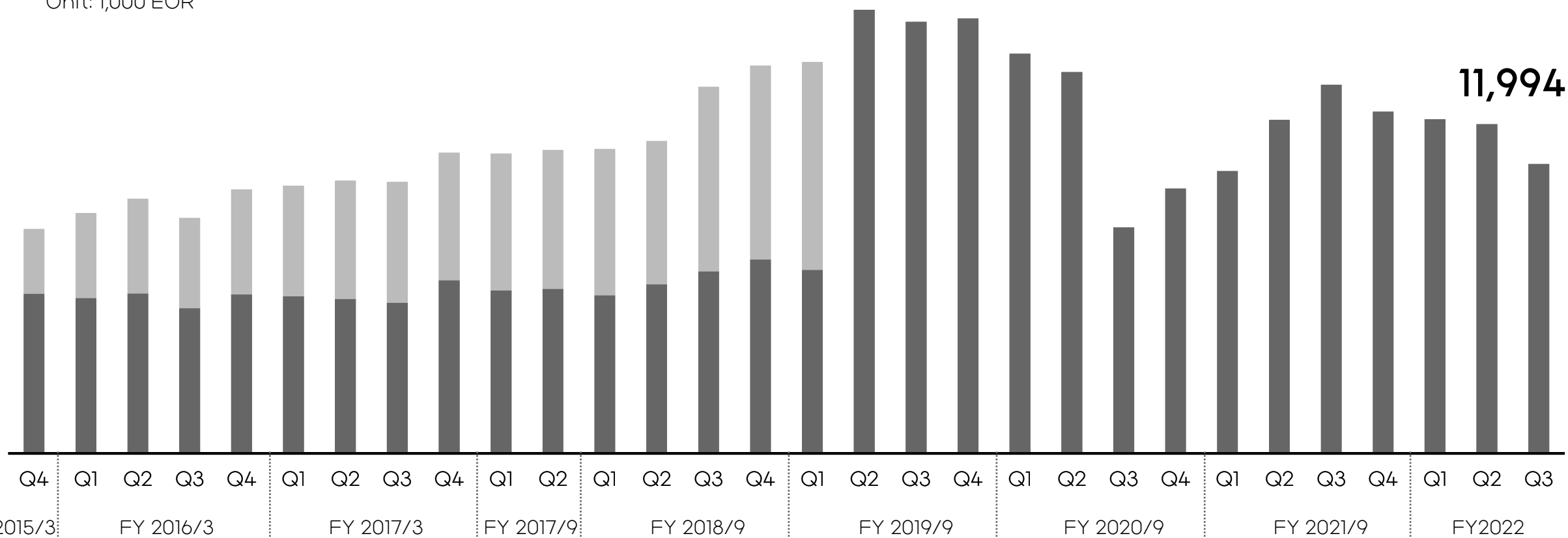


Quarterly Results LIFULL CONNECT

Despite growth in LIFULL CONNECT products, revenue has declined due to low performance in third-party AdSense advertising.

Results from LIFULL CONNECT* in EUR (■ Pre-consolidation results of Mitula Group)

Unit: 1,000 EUR



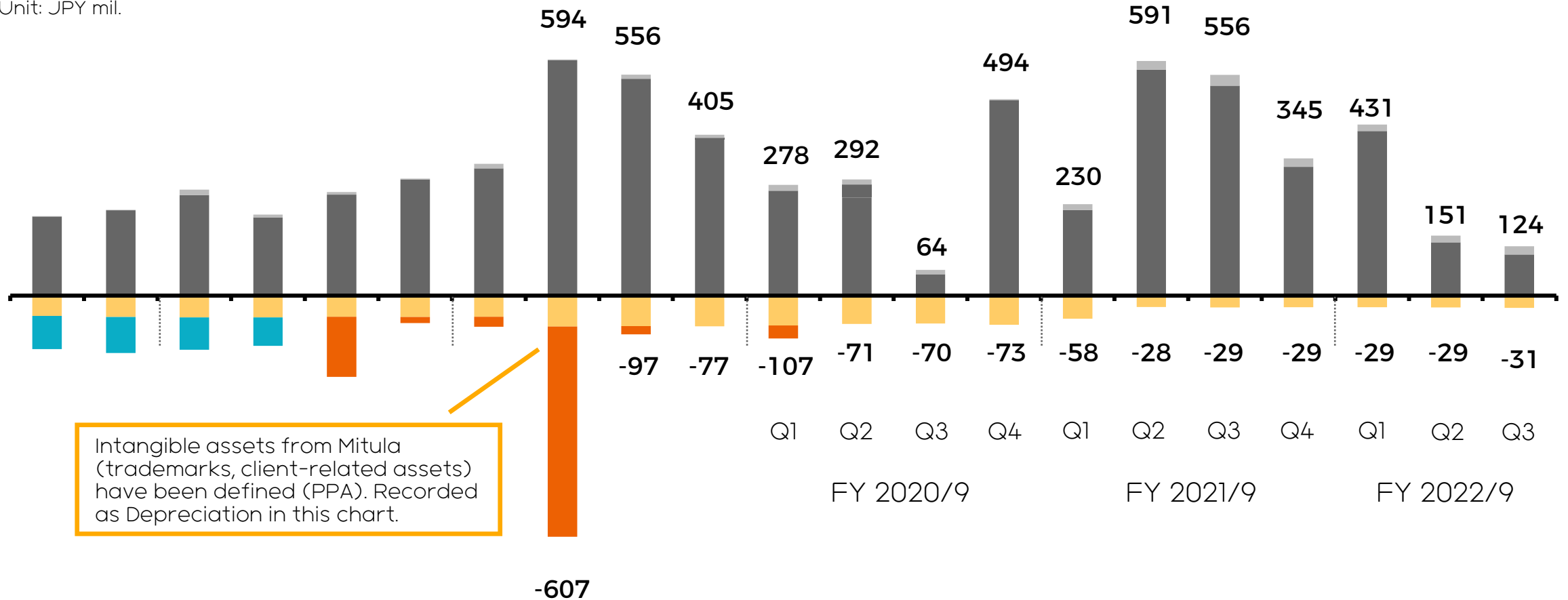
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Although revenue from real estate portals and premium advertisements on aggregation services continues to grow, lower profit from decrease in third-party AdSense revenue on aggregation sites.

Quarterly Segment P&L

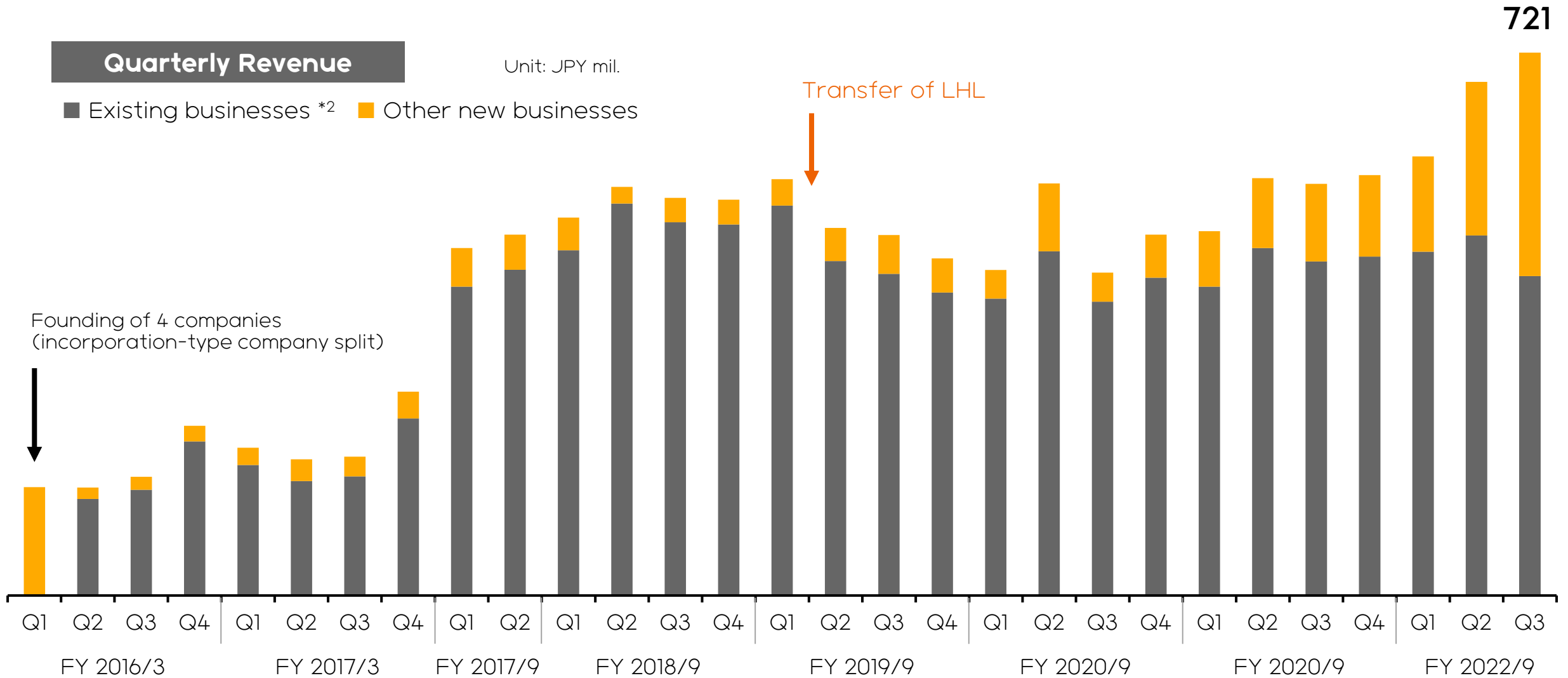
■ LIFULL CONNECT ■ International Division ■ Depreciation ■ M&A Costs ■ Other

Unit: JPY mil.



Other Businesses Segment Sales Revenue (Quarterly)

Existing businesses driving revenue growth.



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

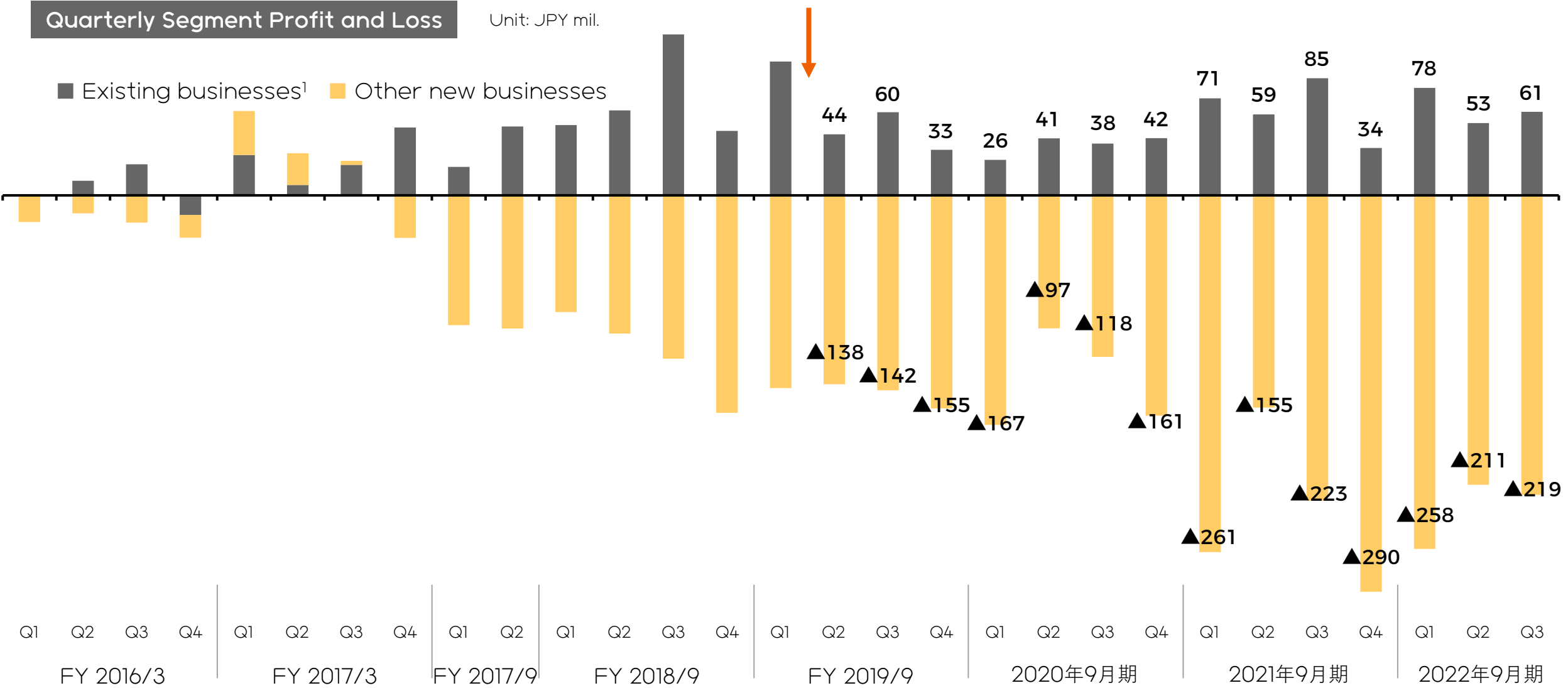
Other Businesses Segment Profit and Loss (Quarterly)

Quarterly Segment Profit and Loss

Unit: JPY mil.

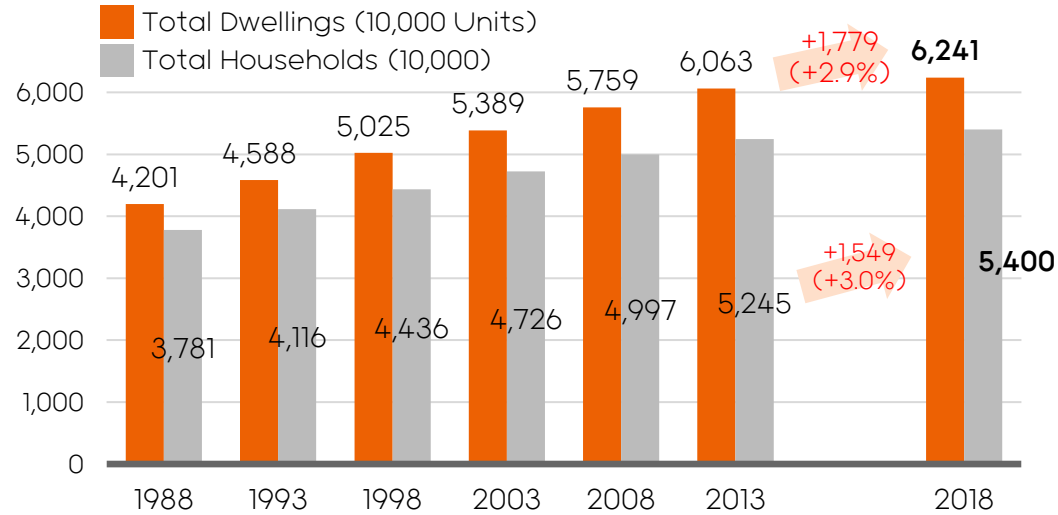
Existing businesses¹ Other new businesses

Transfer of LHL

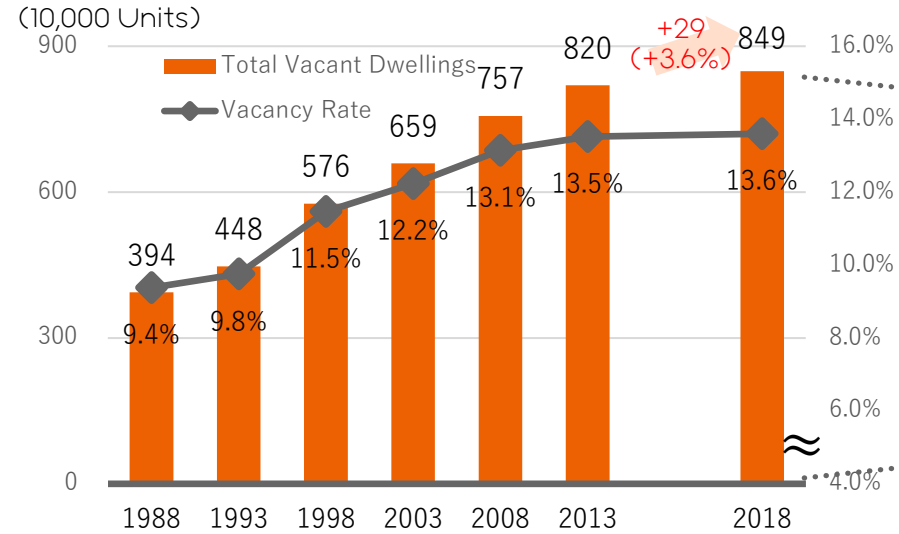


(Ref.) Base Results of the 2018 Housing and Land Survey (Statistics Bureau of Japan)

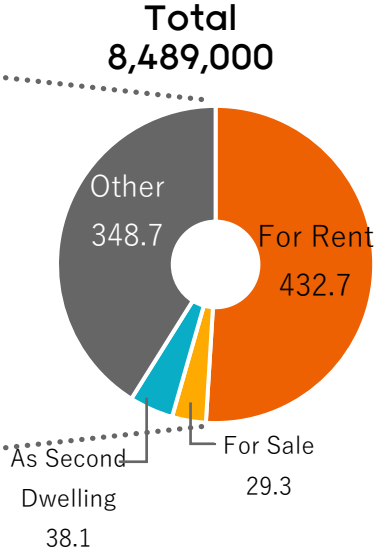
Trend of Total Dwellings and Total Households



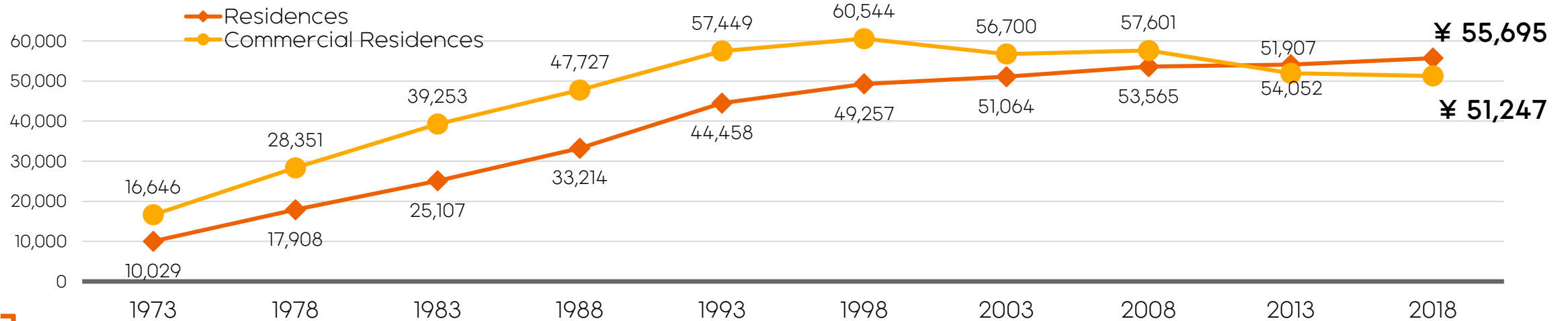
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent



(Ref.) External Market Data Monthly

Annual			2020												2021												2022					
		2019 (Jan-Dec)	2020 (Jan-Dec)	2021 (Jan-Dec)	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
(1) Number of Apartments for Sale	Capital Region	31,238	27,228	33,636	686	393	1,543	2,083	1,669	2,477	3,358	2,790	7,362	1,325	2,243	3,103	2,089	2,578	1,939	1,952	1,940	△2,311	2,055	5,452	6,649	1,128	2,287	2,492	2,426	2,466	1,917	
	YoY	-15.9%	-12.8%	23.5%	-51.7%	-82.2%	-31.7%	7.8%	-8.2%	5.0%	67.3%	-15.3%	15.2%	7.1%	50.7%	44.9%	204.5%	556.0%	25.7%	-6.3%	16.2%	6.7%	-38.8%	95.4%	-9.7%	-14.9%	2.0%	-19.7%	16.1%	-4.3%	-1.1%	
	Kinki	18,042	15,195	18,951	494	214	1,407	921	1,617	1,228	1,415	1,610	3,105	695	1,718	1,815	1,093	1,321	1,731	1,950	1,050	△1,210	1,457	2,099	2,812	792	1,378	1,267	1,148	1,379	1,261	
(2) Apartment Price Trend	Capital Region	6,083	6,083	6,260	6,216	6,485	6,389	6,124	6,011	5,812	6,130	5,922	5,620	5,824	6,380	6,330	7,764	5,908	6,211	6,498	7,452	6,584	6,750	6,123	5,384	6,157	7,418	6,518	6,291	6,088	6,450	
	YoY	1.7%	1.7%	2.9%	5.4%	6.4%	7.1%	7.9%	-6.2%	-3.0%	2.3%	8.3%	-4.4%	-30.6%	-2.4%	2.8%	24.9%	-8.9%	-2.8%	6.1%	24.0%	13.3%	10.1%	3.4%	-4.2%	5.7%	16.3%	3.0%	-19.0%	3.0%	3.8%	
	Kinki	4,181	4,181	4,562	3,434	4,286	3,608	4,971	3,492	4,693	4,901	4,449	3,913	4,629	3,954	4,226	5,356	3,828	4,572	4,463	4,413	4,757	4,222	6,041	4,274	3,992	4,433	5,067	3,983	4,853	4,422	
(3) New Build Starts (Units)	House for Rent	306,753	306,753	321,376	25,379	24,041	26,666	27,696	27,671	25,053	26,043	26,451	24,423	19,794	22,556	27,245	28,825	25,074	29,802	29,230	28,733	28,254	29,822	26,819	25,222	23,083	23,583	32,305	29,444	25,942	30,285	
	YoY	-10.4%	-10.4%	4.8%	-14.0%	-8.1%	-13.0%	-8.8%	-5.4%	-14.8%	-11.5%	-8.1%	-11.5%	-18.0%	-0.4%	2.6%	13.6%	4.3%	11.8%	5.5%	3.8%	12.8%	14.5%	1.4%	3.3%	16.6%	4.6%	18.6%	2.1%	3.5%	1.6%	
	Apartment	107,884	107,884	101,292	10,723	9,292	8,422	8,352	9,377	11,970	9,908	8,049	6,149	8,775	6,779	10,392	10,776	9,444	7,024	9,117	7,968	7,251	8,436	8,239	7,091	7,071	9,727	10,618	12,685	7,569	7,855	
(4) Internal Migrants	House	130,753	130,753	141,094	11,665	10,381	11,658	10,820	9,455	10,036	10,647	11,372	11,315	10,213	10,470	11,319	11,595	11,797	12,654	12,242	11,783	11,505	12,284	12,509	12,723	11,003	11,590	12,439	12,448	11,905	12,689	
	YoY	-11.4%	-11.4%	7.9%	-8.1%	-12.8%	-11.0%	-17.2%	-22.7%	-15.6%	-16.3%	-10.5%	-8.9%	-6.1%	-4.0%	-2.6%	-0.6%	13.6%	8.5%	13.1%	24.6%	14.6%	15.4%	10.0%	12.4%	7.7%	10.7%	9.9%	7.4%	0.9%	0.3%	
	Owned house	261,088	261,088	285,575	21,018	19,697	23,650	22,708	21,915	22,337	23,013	24,010	22,819	19,200	20,390	22,340	22,877	22,887	26,151	26,071	25,100	25,659	26,840	25,329	22,731	18,130	19,258	20,246	21,014	21,307	23,184	
(5) Japan Population	Total	5,403,465	5,255,721	5,247,744	764,186	300,861	352,719	379,492	369,596	358,658	370,201	342,467	358,031	320,671	376,039	975,925	709,863	357,793	365,883	363,284	370,565	346,666	356,889	359,777	344,389	326,360	345,584	947,081	678,630	423,842	384,633	
	YoY	0.8%	-2.7%	-0.2%	-0.4%	-28.1%	0.4%	-9.3%	-2.4%	-3.7%	-5.7%	1.7%	2.0%	-3.5%	3.9%	1.1%	-7.1%	18.9%	3.7%	-4.3%	0.3%	-3.3%	-3.6%	5.1%	-3.8%	1.8%	-8.1%	-3.0%	-4.4%	18.5%	5.1%	
	Only Japanese	4,889,191	4,840,852	4,818,721	703,617	279,480	328,543	353,481	344,022	331,449	341,034	312,989	322,494	281,919	332,330	915,925	662,701	328,587	334,602	334,781	340,850	316,482	326,739	328,179	315,626	298,411	317,470	892,728	630,331	365,625	324,725	
(5) Japan Population	Unit: Thousand	Oct. 1, 2019	Oct. 1, 2020	Oct. 1, 2021	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
	Total	126,167	125,708	125,120	125,930	125,895	125,858	125,836	125,809	125,754	125,708	125,669	125,651	125,630	125,552	125,480	125,417	125,339	125,285	125,682	125,633	125,559	125,502	125,443	125,380	125,309	125,340	125,260	125,190	125,050	124,930	

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