

LIFULL Co., Ltd.

Second Quarter Results

IFRS

FY 2023/9 Q2
(October 2022 – March 2023)

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

Results:
Progressing **in-line with forecasts**

Results

LIFULL HOME'S

Continuing to make progress according to plan

LIFULL CONNECT

Completion of two acquisitions

Regional Revitalization Fund

Sale of two investment projects

Topics

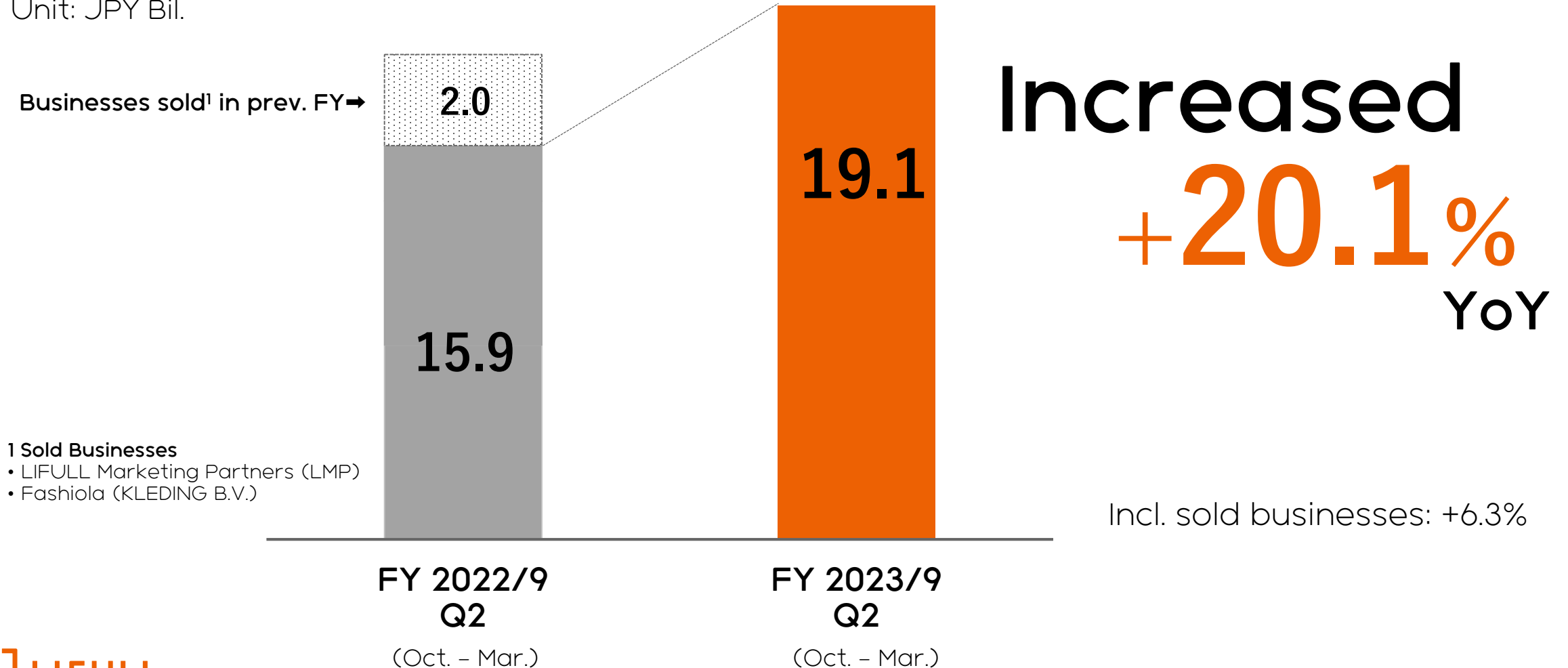
Sustainability Initiatives

Management policy and disclosure of advancement of our sustainability goals

Q2: Revenue (Excluding Sale of Businesses in Previous FY)

After removing effects of sale of businesses in previous fiscal year, revenue grew considerably by +20.1% due, in part, to overseas acquisitions.

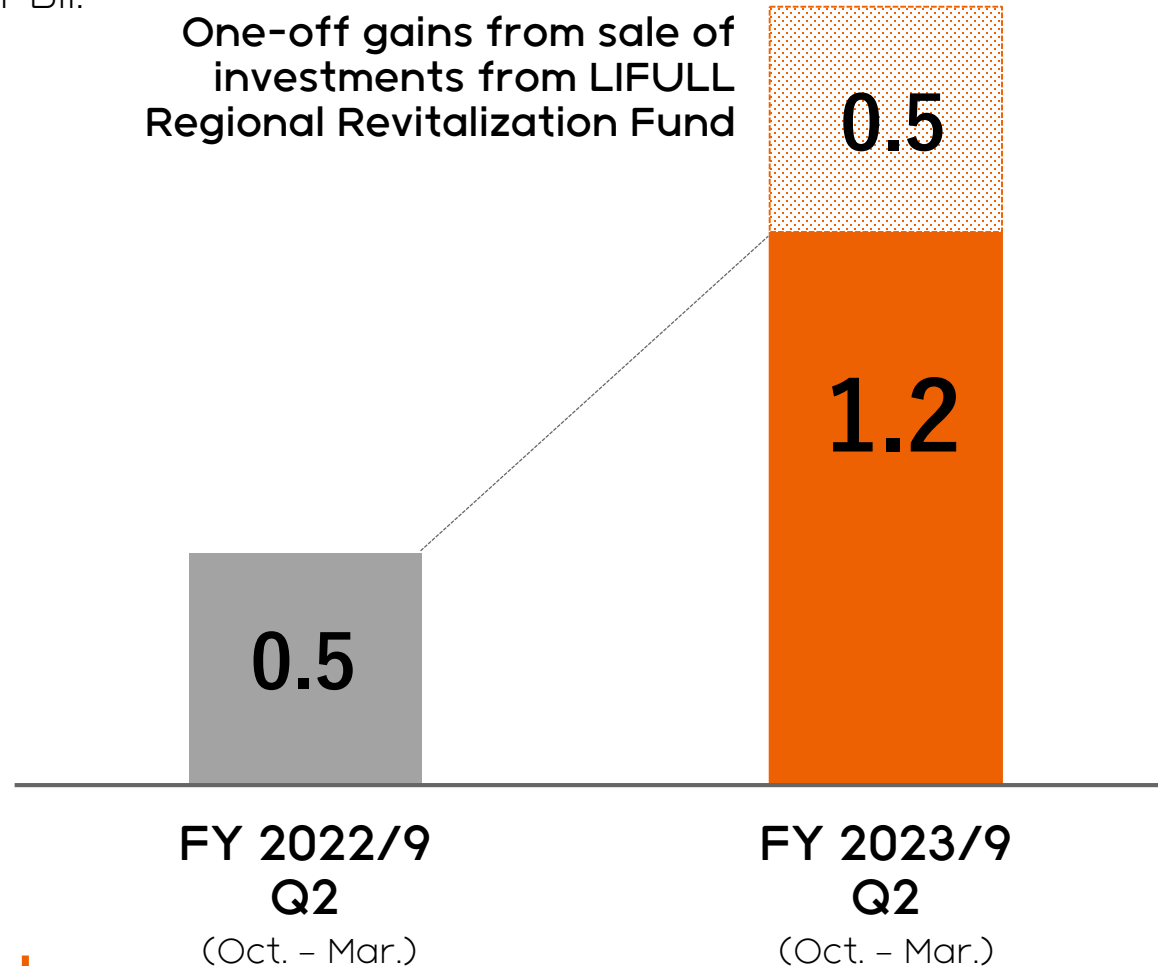
Unit: JPY Bil.



Q2: Operating Profit (Excluding LIFULL Regional Revitalization Fund)

Profit increased +139% even after removing one-off gains from the sale of investments through the Regional Revitalization Fund.

Unit: JPY Bil.



Increased
+139.5%
YoY

Incl. Regional Revitalization Fund: +236.6%



Segment Results

HOME'S Services

Results for HOME'S Services Segment

Continuing to make progress according to schedule due to gradual recovery of inquiries and conversion rate.

Progress in-line with Forecast

FY 2023/9 Q2 (Oct. – Mar.)

Revenue

Segment Profit

Results

¥ **11.9** Bil. ¥ **1.3** Bil.

YoY

+4.5% **+286.4%**

POINT

(Cumm. Total from Oct. – Mar.)

Increased Inquiries

+3.2% YoY

Improved Conversion Rate

+4.1% YoY

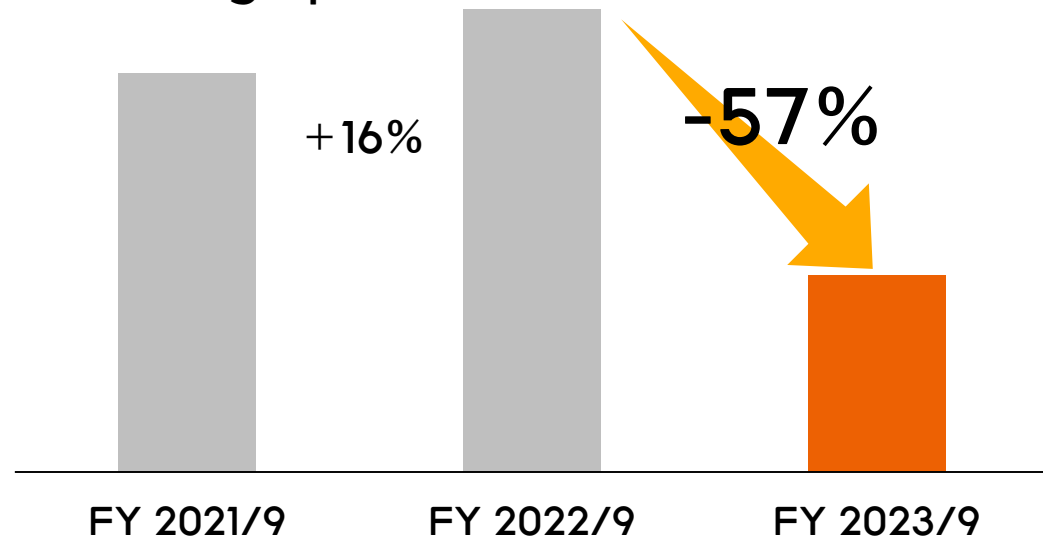
More Details on Pages 8 – 12

YoY comparison does not include results from LMP which was sold during FY 2022/9.

Promotion of LIFULL HOME'S

Despite large cuts to spending on branding, we have maintained the effectiveness of our advertising by balancing our marketing mix across different media.

Branding Spend (Jan. - Mar.)



Result

By-Name Searches:

Same as FY 2022/9

Improved Performance

By-name searches: Google search queries using terms such as "LIFULL HOME'S," "HOME'S" or other Japanese equivalents.

ACTIONS

NEW COMMERCIAL

「ホームズも見ないのもったいない」

3 Types

Title: "You're missing out if you don't check HOME'S, too!"



YouTube
TikTok

Broadcast:
From Jan. 7, 2023

Views 13 Mil. +

Views 10,000+

(As of May 8, 2023)

ONLINE VIDEOS



YouTube Videos

「お寿司で例えてみました」

Title: If you compare looking for a home to sushi...

Views 13 Mil. +

Official Twitter

Likes: 17,000+

Video Views: 4 Mil.+





We are driving the value (transactions) we provide to clients to become a more efficient platform for finding a new home



Transformation into a SUPER HYPER ASSISTANT



**SUPER HYPER
ASSISTANT**

Through the following actions, we are transforming LIFULL HOME'S into a service that provides even more transactions to our clients.



**SUPER
HYPER
ASSISTANT**

Richer Listings

Search Assistance

Personal Support

Transaction Support

NEW!!





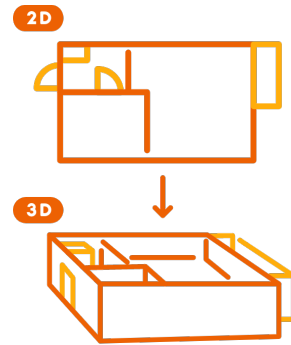
More Properties

Total Listings
(Oct. - Mar.)

+15.5%
YoY

Richer Content

Improved Links
to 3D Floorplans



More detailed property
information with
panorama photos and
other optional services



More Reliability

Working with management
companies to automatically
remove properties that are
no longer vacant

Collaborations with 5
more companies

Total: **17**

We are boosting the quantity and quality of content
available further drive inquiries and our conversion rate



Satisfaction &
Trustworthiness

Search Assistance

Continued development & improvement of site features and UI



Personal Support

More effective Face-to-Face Consultations

Sumai No Madoguchi

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



More connections with LIFULL HOME'S

Transaction Support



Providing tools to help real estate professionals better understand their customers

Example



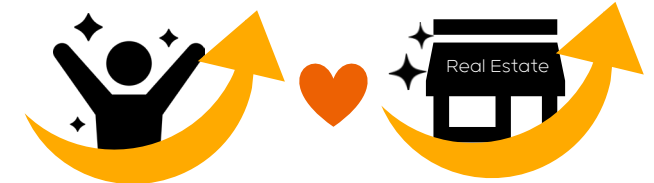
Sumind-Shindan

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

Tool to help users find a reliable real estate professional based on their personality

(in Japanese)

Pushing for more user and client satisfaction and become a site that people are excited to use



SUPER HYPER ASSISTANT Initiatives in the Second Half of the Year



In April 2023, we released the **LINE version of AI Homes-kun Beta** using ChatGPT technology. With this tool, users can receive simple consultations for finding a new via the chat app, LINE, 24 hours a day.

PERSONAL SUPPORT



Release : April 28, 2023

First Use¹ of ChatGPT by a Real Estate Portal in Japan

AI Homes-kun^{BETA} LINE Ver.

- Use LINE to get more information about finding a new home
- Connections with LIFULL HOME'S *Sumai No Madoguchi*



Utilizing LIFULL's **strengths in development** and **moving quickly to adapt the newest technology** to provide everyone find their perfect home!

<https://lifull.com/news/27120/> (in Japanese)

¹ According to in-house research (As of April 27, 2023)

Progress in the Real Estate Investment Market

We are making progress toward becoming the No.1 site for investment properties by integrating Kenbiya and LIFULL HOME'S Investment. With the completion of the integration of our databases, we are moving on to the next phase of boosting sales.

Becoming the No.1 Site for Investment Properties



– Jul. 2020: Acquisition of Kenbiya

– Oct. 2022: Decision to transfer LIFULL HOME'S Real Estate Investment to Kenbiya
(Application Date: April 1, 2023)

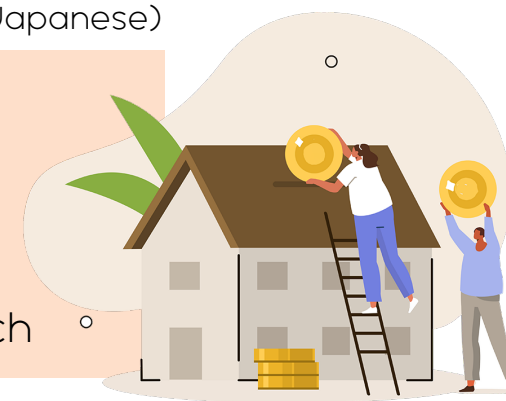
– Apr. 2023: Completion of Database Integration

Benefits • Over **42,000** properties available • **Clients can list on both sites**

Press Release: <https://lifull.com/news/26966/> (in Japanese)

Sales Phase (Targets and Results)

- More efficient development of site features
- Enrich content and attract **more registered users**
- **Increase total properties** on both sites by broadening sales approach





Segment Results Overseas

Results for Overseas Segment

2 New Subsidiaries Consolidated from Q2

FY 2023/9 Q2 (Oct. – Mar.)

Revenue

Segment Profit

Results
¥ **3.9** Bil.¹

¥ **-0.1** Bil.

(FY 2022/9: 0.33 Bil.)¹

YoY
+19.3%

—

¹ YoY comparison does not include results from Fashiola (KLEDING B.V.) which was sold during FY 2022/9.

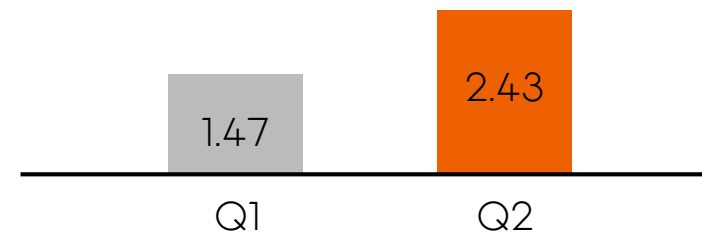
POINT

Profitable from Q2

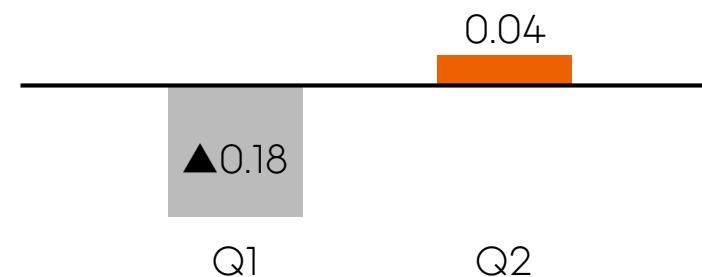
Quarterly Results

Unit: JPY Bil.

Segment Revenue



Segment Profit

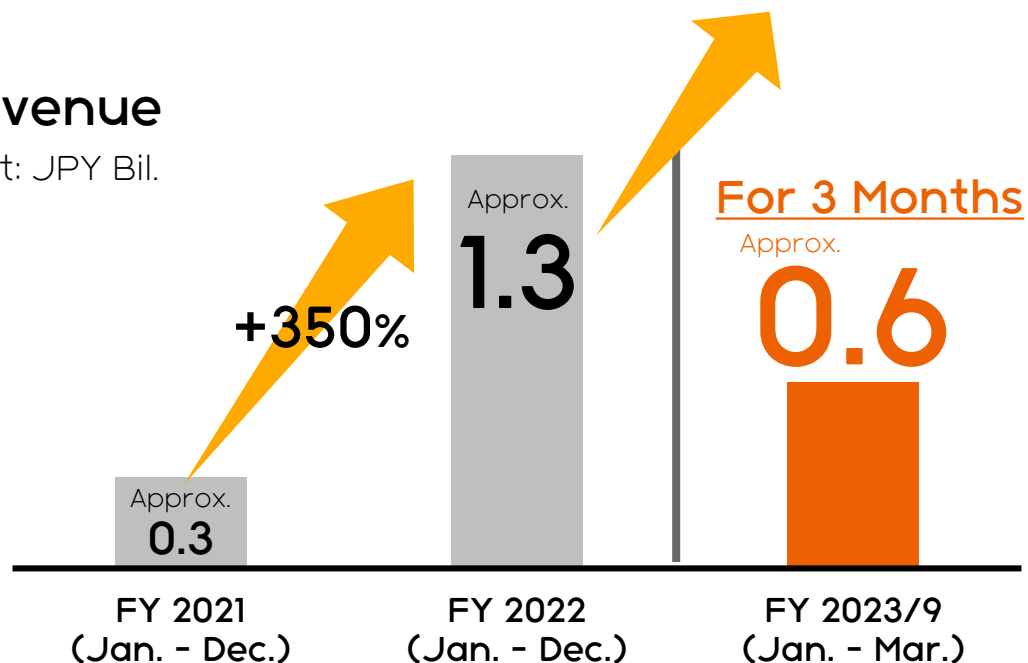


Progress of FazWaz

Results from Thai real estate brokerage, FazWaz, have been consolidated as of Jan. 2023. The business itself has also been exceeding our original expectations and growing at a rapid pace.

Revenue

Unit: JPY Bil.



1

Synergies with LIFULL CONNECT Network
(Increased traffic from Dot Property, more efficient systems, etc.)

2

Investments into business growth
(Technology & Systems, Agents, etc.)

Ref.

Consolidated from Jan. 2023



Overview

Est.: 2015
 Loc.: Bangkok, TH
 Employees: 191
 Business: RE Brokerage
<https://www.fazwaz.com/>

Results (FY 2022/12)

(Based on pre-audited management accounts)

Revenue
 Approx.
¥1.3 bil.

EBITDA
 Approx.
¥0.3 bil.

Goals of M&A

- Acceleration of monetization in Thailand with appropriate business model for the market
- Acquisition of lead generation know-how

See page 43 for more details on the acquisition.

Advancing our Portals in Latin America

We acquired the Mexican real estate portal, Lamudi. Consolidated from March 2023

MEDIOS DE CLASIFICADOS, S. DE R.L. DE CV

Overview

Founded	2013
Location	Mexico City, Mexico
Employees	100
Business	Operation of Lamudi (Mexico) (Real estate portal)

Results

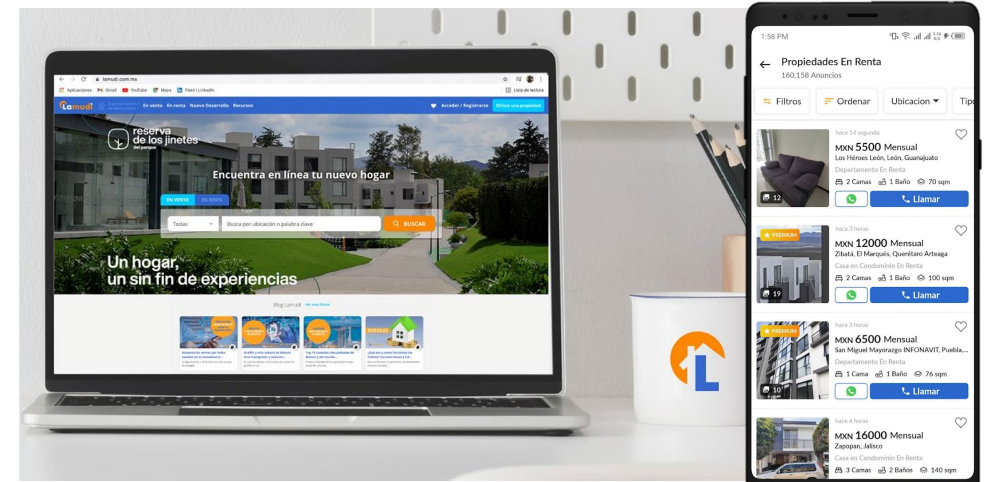
Revenue (FY 2022/12)
Approx. **¥0.77 Bil.**

**Consolidated
from March**



Real Estate Client Network

6,000+

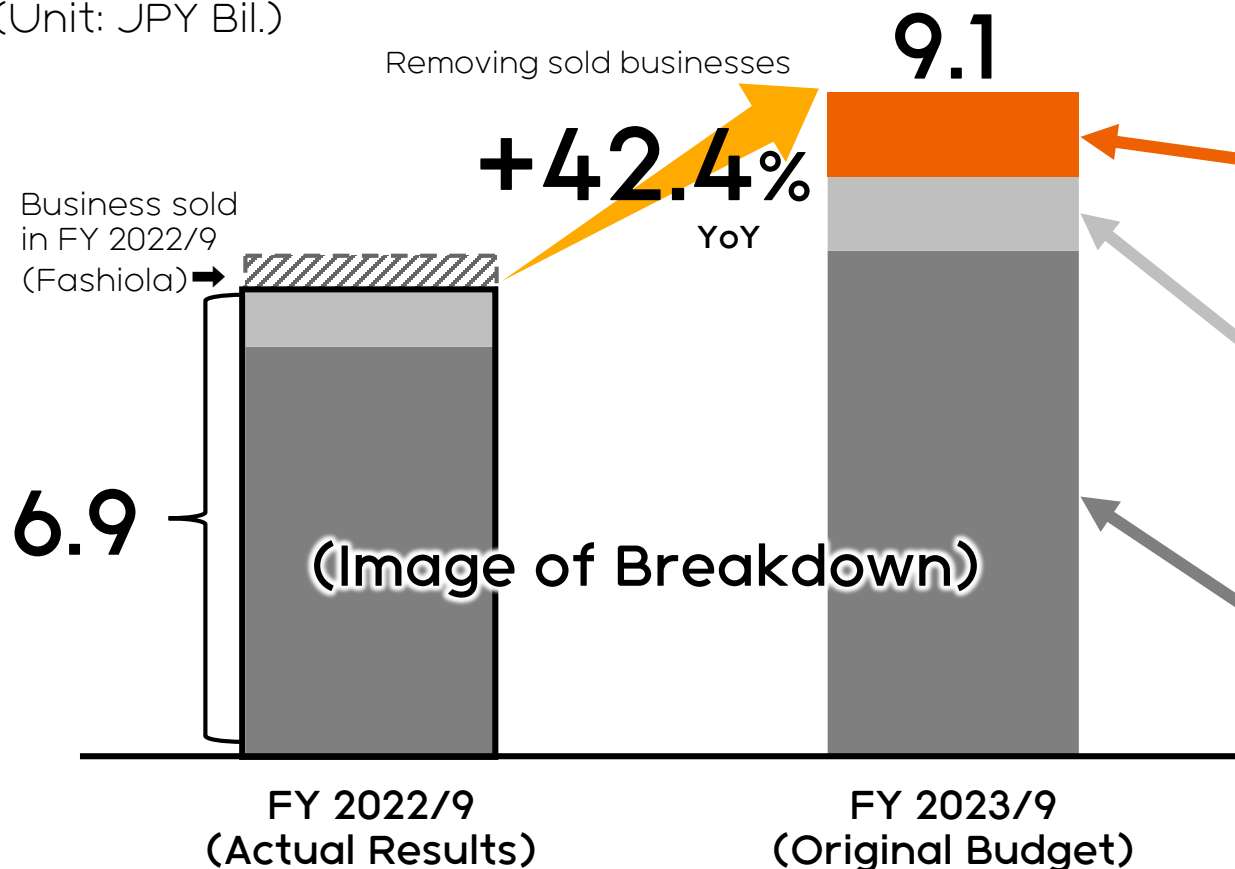


Original Forecast for FY 2023/9

In our forecast, we were aiming to increase revenue through the addition of a transactional model and improving CPC unit prices. (Original plans included acquisition of FazWaz as of the beginning of the FY.)

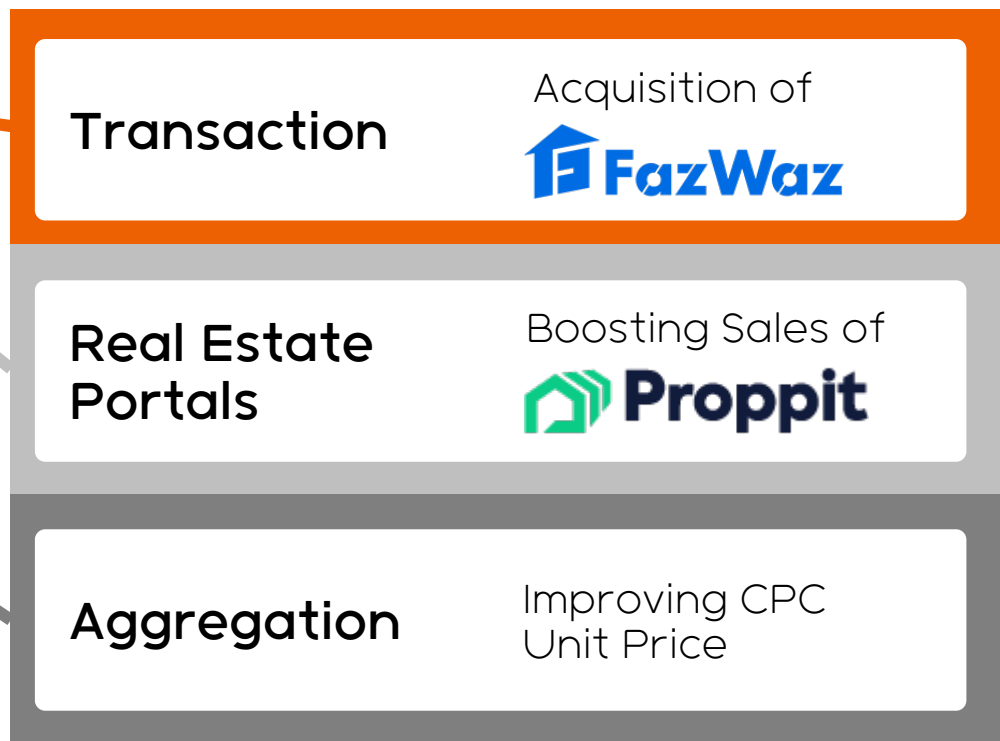
Revenue Breakdown

(Unit: JPY Bil.)



Growth Strategy

As of Oct. 2022



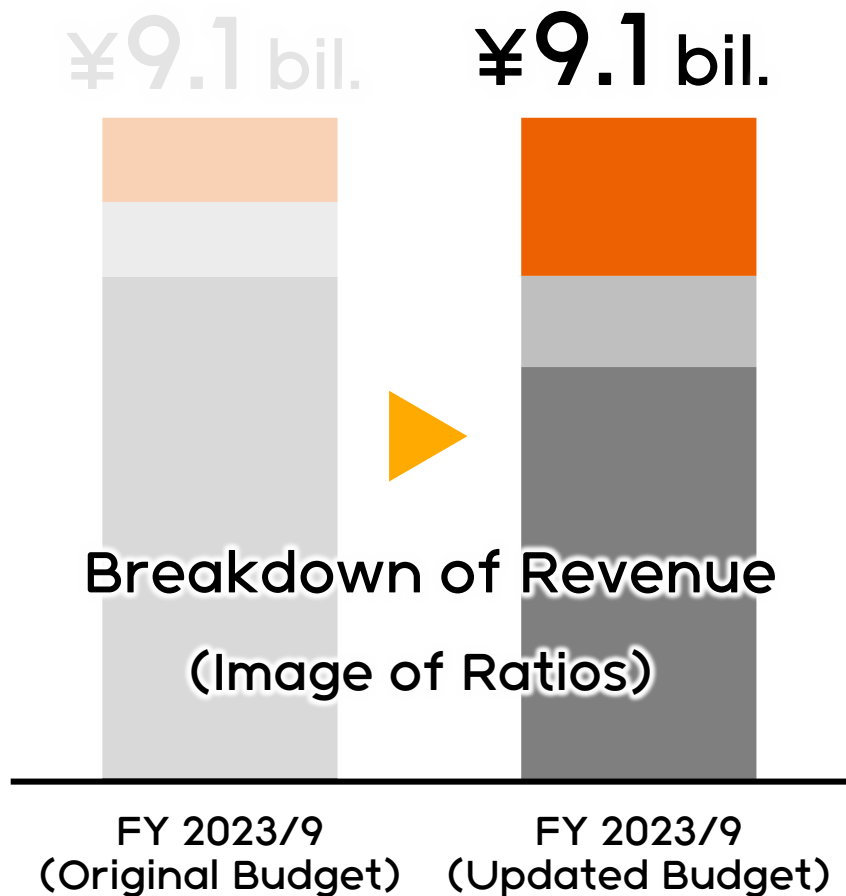
Progress of LIFULL CONNECT

Despite delays due to external circumstances in Premium Advertisements on aggregation sites, positive performance in real estate portals and transaction services.

	Status vs. Budget	Details
Aggregation	Premium Advertisements	Although average CPC unit price continues on a gradual upward trend, macroeconomic circumstances impacted the allocation of investments. Actions are currently being taken to improve aggregation sites.
	Third-Party Advertising Products (Google AdSense, etc.)	Actions continuing to produce results
Portals	Proppit (Listing Subscription Service for Real Estate Professionals)	Continuing to improve efficiency of sales teams and optimize benefits for clients of different sizes to improve ARPA. New addition of Lamudi in Mexico. (Details on Page 17)
Agency	FazWaz (Real Estate Brokerage, Lead Generation)	Exceeding original forecast due to higher transaction volumes (Details on next page)

Effects on FY 2023/9 Results Forecast

We have altered the breakdown of the original budget, but have not changed the final outlook for the year. We will continue to work toward our total goal for the year focusing on each of our target areas.



	Status
Transaction Performance of	Over-Performing
Real Estate Portals Acquisition of	Newly Added
Aggregation Reduction of Client Budgets	Under-Performing

No Changes to Full-Year Targets



Segment Results Other Businesses

Results for Other Businesses Segment

LIFULL Revitalization Fund completed sale of 2 investments

FY 2023/9 Q2 (Oct. – Mar.)

Revenue

Segment Profit

Results
¥ **3.3** Bil.

¥ **0.5** Bil.

YoY
+162.6%

(FY 2022/9: -¥0.3 Bil.)

—

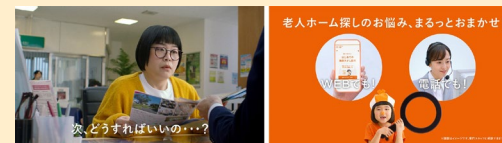
POINT

 **LIFULL 地域創生ファンド**
Regional Revitalization Fund



Sold all hotel
development
projects

 **LIFULL senior**



Started broadcast
of LIFULL Kaigo
commercial from
Jan. 4, 2023

LIFULL Regional Revitalization Fund completed sale of 2 investment projects

Sold during 2Q (originally expected in H2)
Completed sale of all projects planned for the year.

Sale of 2 Hotels Completed in February

Considerable Contribution to OP: **Approx. ¥0.5 Bil.**

FAV HOTEL TAKAMATSU (Takamatsu, Japan)



Apartment-Style Hotel (41 Rooms)
Opened: November 2020
<https://fav-hotels.com/hotels/takamatsu/>



FAV HOTEL ISE (Ise, Japan)



Apartment-Style Hotel (36 Rooms)
Opened: December 2021
<https://fav-hotels.com/hotels/ise/>



About the

LIFULL Regional Revitalization Fund

Overview

LIFULL Regional Revitalization Investment Portfolio (1)

Founded:	Nov. 21, 2018
Fund Size:	¥3.0 - 5.0 Bil.
Target Return:	IRR 7.0%
Operator:	LIFULL Investment

Through our investments, we aim to support projects to revitalize rural areas of Japan by **repurposing un-used real estate as accommodation facilities, tourism, hospitality and agricultural purposes.**

<https://lifull-investment.co.jp/fund/> (In Japanese)

Delivery of Instant Houses to Areas Affected by the Earthquake in Turkey & Syria

Delivered and assembled Instant Houses as temporary accommodations in areas affected by the earthquakes in Turkey and Syria in a collaboration with NPO Peace Winds Japan.



Completed
Apr. 17,
2023

Instant House

どこでも、すぐに、住みたくなる心地よさ。



- Construction: Polyurethane foam is sprayed onto the inside of tent-like structures
- Short construction times of about 3 - 4 hours per unit
- Outstanding insulation and durability as well as earthquake and wind resistance

How are they being used?

- Work/lodging spaces
- First aid rooms in emergency evacuation areas
- Community rest areas

<https://instantproducts.lifull.net/house/>

(In Japanese)

Products Provided

Instant House (L)



x 1

Instant House (Barrel)



x 2

Area



Antakya,
Turkey

Made with MapChart



Sustainability Initiatives

Sustainability Management

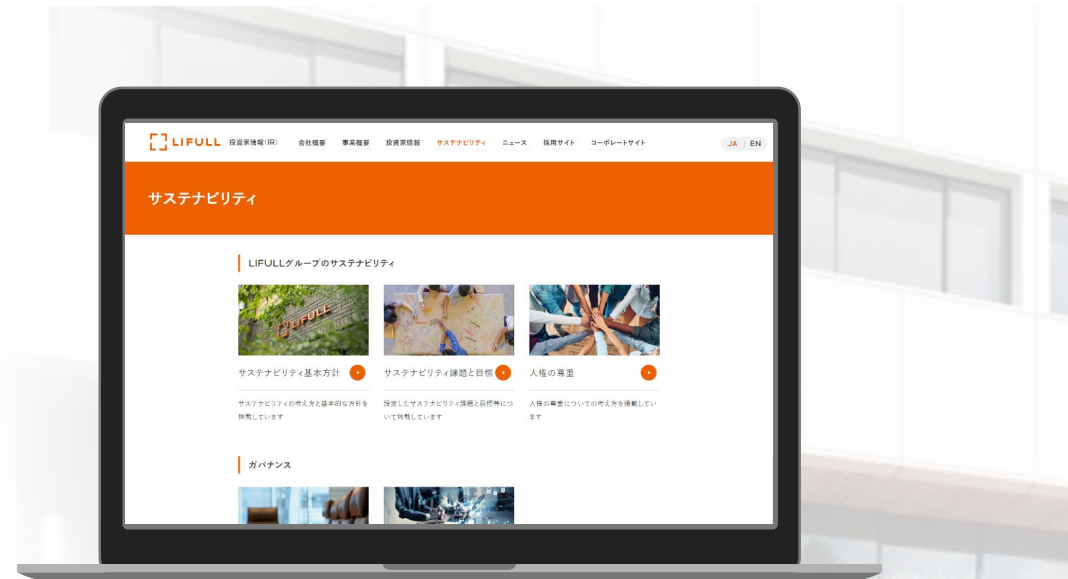
We have taken several initiatives in-line with the Sustainability Issues (materiality) and our Sustainability Policy.

Actions During FY 2023/9 Q2

Completed Human Rights Due Diligence for all LIFULL Group Companies

Established Whistle Blower Channel for Business Partners
(March 2023)

Introduce 4-Day Workweek & Shortened Hour Scheme for Employees in Japan
(Started from April 2023)



Refer to our **Investor Information Site** for more information on our Sustainability Policy, Issues and Goals

LIFULL Sustainability

Search

<https://ir.lifull.com/en/sustainability/>

Sustainability Management Actions through LIFULL HOME'S

We are taking steps to ensure that everyone can find a place to live that makes them happy. Through our LIFULL HOME'S FRIENDLY DOOR initiative, we are increasing visibility of real estate professionals who actively assist individuals with diverse backgrounds.

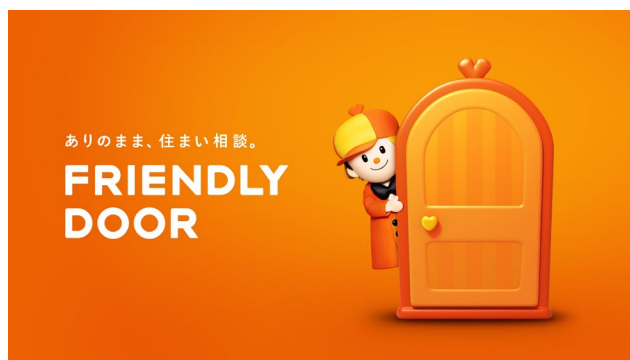
Focal Point: Residential Life: Creating communities where people can live in comfort and safety

Sustainability Issue Eliminate underprivileged individuals in the housing market

SERVICE

LIFULL HOME'S FRIENDLY DOOR

Groups We Help (Ex.)



<https://actionforall.homes.co.jp/friendlydoor>

Service to connect people of various background who have difficulty finding a home with real estate professionals

Participating Clients

4,500 offices

Target: 6,000 offices by 2025

International Residents



LGBTQ



Elderly



Single Parents



Progress

75%

Other Actions

DE&I Awareness Promotion Seminars

Mar. 2023: Offered seminars for real estate professionals
DE&I = Diversity, Equity and Inclusion



FY 2023/9



Second Quarter Financial Results



(October 1, 2022 – March 31, 2023)



Condensed Statements of Income and Loss IFRS

Removing effects of sale of LIFULL Marketing Partners and Fashiola in the previous FY, revenue increased 20.1% YoY. Operating profit improved significantly due to one-off property sales from the Regional Revitalization Fund and reductions to HOME'S advertising spend.

Unit: JPY mil.	FY2022 Q2 (Oct.-Mar.)	FY2023 Q2 (Oct.-Mar.)	Change	Change %	
Revenue	18,040	19,168	+1,128	+6.3%	*1
Cost of revenue	2,013	2,569	+555	+27.6%	*2
SG&A	15,591	15,381	-209	-1.3%	
Personnel expenses	4,688	4,709	+20	+0.4%	
Advertising expenses	6,648	6,220	-428	-6.4%	*3
Operating expenses	242	281	+39	+16.1%	
Depreciation and amortization	928	962	+34	+3.8%	
Other	3,083	3,206	+123	+4.0%	
Other income and expenses	87	541	+454	+521.7%	*4
Operating income	522	1,759	+1,236	+236.6%	
Operating income margin	2.9%	9.2%	+6.3pt	-	
Net profit*	185	1,162	+976	+525.5%	

* Net profit attributable to owners of the parent

*1 After removing effects of sales of subsidiaries in previous FY, +20.1%. Refer to segment revenue (Page 30)

*2 Reduction from sale of LIFULL Marketing Partners, but temporary increase from sale of Regional Revitalization investments

*3 Primarily due to decreased promotion spend in LIFULL HOME'S

*4 Primarily due to sale of shares in Rakuten LIFULL STAY

Revenue / Income and Loss by Segment IFRS

Revenue for the HOME'S Services segment increased 4.5% YoY excluding revenue from LMP sold in the previous FY with an increase in segment profit due to reduced advertising spend. Overseas revenue increased due to new acquisitions with improvements to profit as well.

Unit: JPY mil.	FY2022 Q2 (Oct.-Mar.)	FY2023 Q2 (Oct.-Mar.)	Change	Change %	Main items
Revenue	18,040	19,168	+1,128	+6.3%	
HOME'S Services	13,224	11,931	-1,292	-9.8%	Sale of LIFULL Marketing Partners (Like-for-like comparison: +4.5% YoY)
Overseas	3,550	3,911	+361	+10.2%	Despite decreased revenue from aggregation sites and due to sale of Fashiola, new consolidation of FazWaz
Other	1,266	3,326	+2,059	+162.6%	Increased revenue from sale of Regional Revitalization Fund investments

Unit: JPY mil.	FY2022 Q2 (Oct.-Mar.)	FY2023 Q2 (Oct.-Mar.)	Change	Change %	Main items
Segment income and loss	435	1,218	+782	+179.6%	
HOME'S Services	227	1,301	+1,074	+473.4%	Due to increased revenue and lower spending on TV commercials and branding
Overseas	523	-144	-667	-	Despite decline in revenue from aggregation sites and increased costs from active investments in portals and one-off restructuring costs, turned ¥42 mil. profit in Q2 (Jan. - Mar.) due to consolidation of FazWaz.
Other	-339	55	+394	-	Increased costs due to branding initiatives in LIFULL senior, but increase from revenue from sale of Regional Revitalization Fund investments
Inter-segment transactions	24	5	-19	-77.3%	

Primary businesses in each segment are listed on Page 38

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

Condensed Statement of Financial Position and Goodwill IFRS

Unit: JPY mil.	As of Sep 30, 2022	As of Mar 31, 2023	Change	Change %	Main items		
Current assets	25,011	22,369	-2,641	-10.6%	Cash	-2,729	Refer to "Condensed Statement of Cash Flows"
					Accounts Receivable - Trade	+1,184	Primarily consolidation of FazWaz
					Products	-1,605	Primarily sale of Regional Revitalization investments
					Prepaid Expenses	+342	Primarily promotional & system usage fees
					Income Taxes Receivable	+237	
Non-current assets	23,695	27,267	+3,571	+15.1%	Right-of-Use Assets	-202	Primarily depreciation and amortization
					Goodwill	+4,067	Primarily M&A in Overseas segment
					Shares of Affiliates	-491	Primarily sale of shares of Rakuten LIFULL STAY
					Long-Term Loans Receivable	+529	Primarily Regional Revitalization projects
Assets	48,706	49,637	+930	+1.9%			
Current liabilities	13,389	12,428	-961	-7.2%	Accounts Payable - Trade	+321	Primarily M&A in Overseas segment
					Short-Term Loans Payable	-2,563	Primarily Regional Revitalization Fund and LIFULL
					Accounts Payable	+486	Primarily M&A in Overseas segment
					Taxes Payable	+424	
					Deposits Received	+202	Primarily M&A in Overseas segment
Non-current liabilities	4,186	5,938	+1,752	+41.9%	Long-Term Loans Payable	-226	
					Long-term accounts payable - other	+2,067	Primarily M&A in Overseas segment
Liabilities	17,575	18,366	+790	+4.5%			
Total Equity	31,130	31,270	+139	+0.4%	Capital Surplus	+821	
					Purchase of Treasury Shares	-1,000	Due to share buyback
					Foreign Currency Translation Adjustm.	+250	Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	235.23	236.44	+1.21				

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 15,172 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 109 mil. Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,237 mil.

Condensed Statement of Cash Flow IFRS

Investing cash flow decreased ¥0.9 bil. due to overseas M&A. Cash and cash equivalents decreased by ¥2.7 bil. due to repayment of loans ending at ¥13.7 bil.

Unit: JPY mil.	FY2022 Q2	FY2023 Q2	Change	Main items		
	(Oct.-Mar.)	(Oct.-Mar.)		Items	FY2022 Q2	FY2023 Q2
Operating cash flow	1,042	2,655	+1,612	Profit for the period before tax	+428	+1,612
				Decr. (incr.) in accounts receivable-trade and other current receivables	-46	-758
				Incr. (decr.) in accounts payable-trade and other current payables	+310	-7
				Other	-863	+1,291 *
				Income taxes paid or refunded (paid)	+299	-417
Investing cash flow	-964	-990	-25	Purchase of intangible assets	-276	-321
				Payments for transfer of business	-350	-
				Purchase of subsidiaries	-	-1,096
				Purchase of shares of affiliates	-800	-
				Proceeds from the sale of affiliates	-	+858
				Payments of loans receivable	-445	-1,302
				Proceeds from collection of loans receivable	+956	+918
Financing cash flow	-277	-4,497	-4,220	Proceeds from short-term loans	-	+100
				Proceeds from long-term loans	+1,012	-
				Repayment of loans	-432	-2,877
				Dividends paid	-476	-296
				Repayment of lease obligations	-374	-372
				Purchase of treasury shares	-0	-1,000
Change in cash and cash equivalents	2	-2,729	-			
Balance of cash and cash equivalents	13,147	13,791	+643			

*Other (Sales):
Primarily from inventory assets

FY 2023/9 Forecast and Progress IFRS

Progressing in-line with initial forecasts

Condensed Statements of Income and Loss

Unit: JPY mil.	FY2023 Oct.-Sep. [Full-Year Forecast]	FY2023 Q2 Oct.-Mar. [Actual]	Progress
Revenue	37,000	19,168	51.8%
Cost of revenue	3,650	2,569	70.4%
SG&A	30,507	15,381	50.4%
Personnel expenses	9,815	4,709	48.0%
Advertising expenses	12,150	6,220	51.2%
Operating expenses	565	281	49.7%
Other	7,975	4,169	52.3%
Other revenues and expenses	457	541	118.4%
Operating income	3,300	1,759	53.3%
Operating income margin	8.9%	9.2%	+0.3pt
Net profit*	2,500	1,162	46.5%

Revenue by Service

Unit: JPY mil.	FY2023 Oct.-Sep. [Full-year forecast]	FY2023 Q2 Oct.-Mar. [Actual]	Progress
Revenue	37,000	19,168	51.8%
HOME'S Services	23,200	11,931	51.4%
Overseas	9,100	3,911	43.0%
Others	4,700	3,326	70.8%

Estimated Exchange Rate for Forecast: EUR 1 = JPY 134,
Actual Rate: EUR 1 = JPY 143

* Net Profit: Profit attributable to owners of the parent

Appendices

Corporate Information (as of March 31, 2023)

Company LIFULL Co., Ltd.

Stock code 2120 (TSE Prime)

Representative INOUE Takashi, 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. 6,244,996 shares of treasury stock)

Consol. number of employees 1,766 (incl. 293 temporary and 783 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.6%)

Main subsidiaries (stake) LIFULL CONNECT, S.L.U. (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.



- 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

LIFULL HOME'S
iOS · Android Apps

Primary Group Companies

(Listed according to date of founding / acquisition)

LIFULL Marketing Partners Co., Ltd. ¹	<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 ihinseri” 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. 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
LIFULL Tech Malaysia SDN. BHD.	<ul style="list-style-type: none">• Offshore, lab-type, software and application development as well as creative production

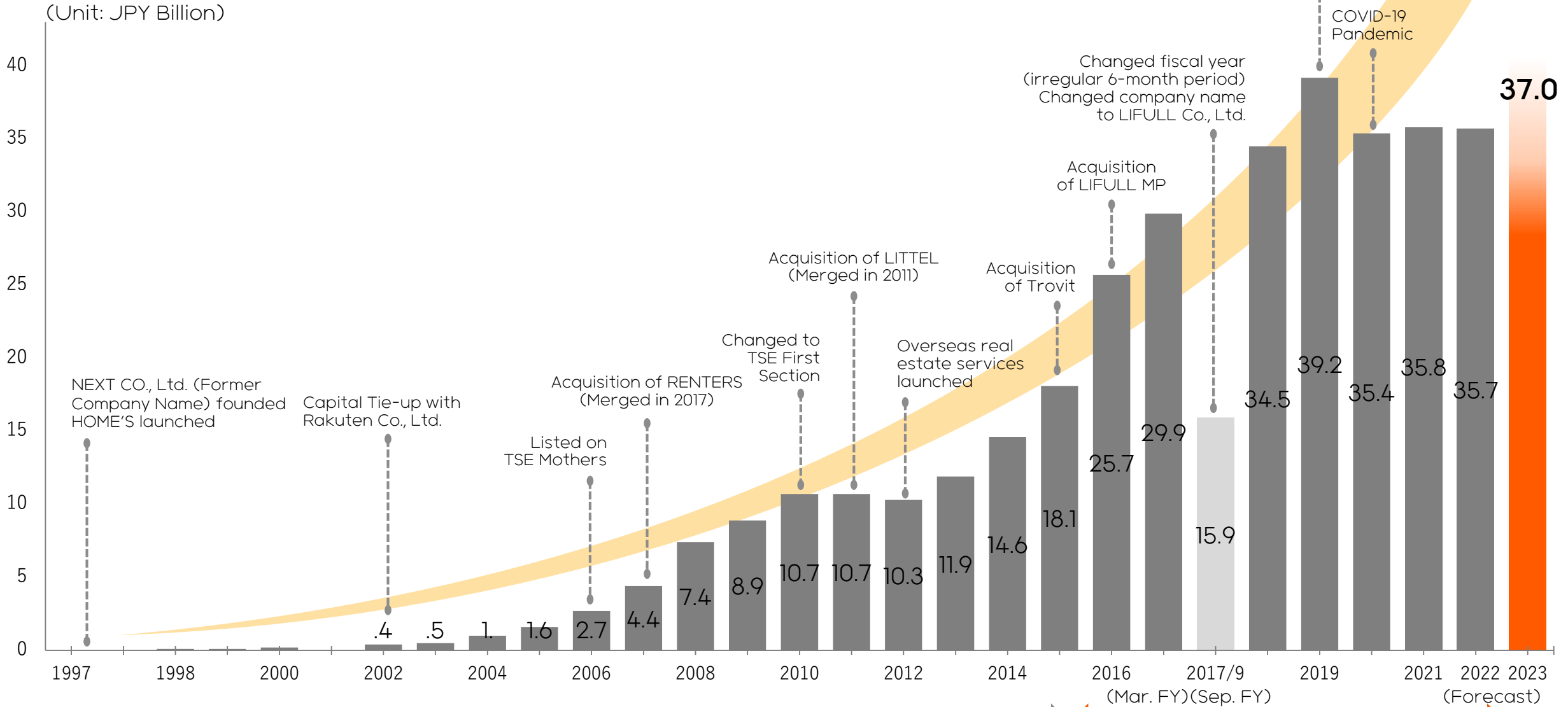
¹ All shares transferred on September 30, 2022, removed from consolidation

² All shares transferred and removed from consolidation on October 31, 2022

Segments and Primary Services

Segments	Main services
HOME'S Services	<p>LIFULL HOME'S</p> <p>AD Master (former Renter's Net)</p> <p>NabiSTAR</p> <p>Advertising & Consulting Agency (LIFULL Marketing Partners Co., Ltd.)¹</p> <p>Kenbiya (Kenbiya Co., Ltd.)</p>
Overseas	<p>LIFULL CONNECT S.L.U.</p> <p>Aggregation Services: Trovit, Mitula, Nestoria, Nuroa</p> <p>Real Estate Portals: Dot Property, Properati, Lamudi, iCasas</p> <p>Brokerage: FazWaz, Dot Property</p> <p>Support Services: Proppit, Thribee, Wasi</p> <p>Offshore Development (LIFULL Tech Vietnam, LIFULL Tech Malaysia)</p> <p>Other subsidiary services of LIFULL CONNECT</p>
Other Businesses	<p>LIFULL <i>Kaigo</i> (Nursing Care) (LIFULL senior Co., Ltd.)</p> <p>LIFULL Trunk Room (LIFULL SPACE Co., Ltd.)</p> <p>Regional Revitalization Business</p> <p>Financing Business (LIFULL Investment Co., Ltd.)</p> <p>Regional Revitalization Fund (LIFULL Investment Co., Ltd.)</p> <p>Other LIFULL subsidiaries and new services</p>

Annual Revenue and Timeline of Company Growth



Consolidated Statements of Profit and Loss Quarterly

Unit : JPY mil	FY2020				FY2021				FY2022				FY2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	9,202	9,983	7,706	8,510	8,271	9,581	9,072	8,931	8,510	9,530	8,645	9,044	7,583	11,585
HOME'S Services	6,763	7,543	6,176	6,652	6,346	7,260	6,550	6,535	6,139	7,085	6,263	6,579	5,482	6,448
Overseas	2,006	1,892	1,101	1,378	1,440	1,766	1,974	1,837	1,787	1,762	1,660	1,727	1,478	2,432
Other Businesses	432	547	429	479	484	554	547	558	583	682	721	737	622	2,704
Cost of revenue	1,116	1,157	869	953	945	1,056	890	1,058	947	1,066	957	1,084	328	2,240
SG&A	7,031	7,390	5,651	6,940	6,467	7,426	7,464	7,240	7,010	8,580	7,853	7,917	6,965	8,415
Personnel expenses	2,535	1,590	2,048	2,785	2,345	2,001	2,315	2,242	2,203	2,485	2,436	2,558	2,334	2,374
Advertising expenses	2,559	3,882	1,884	2,160	2,155	3,585	3,170	2,940	2,731	3,916	3,160	3,015	2,482	3,737
Operating expenses	170	123	64	106	96	87	100	116	121	120	144	150	135	146
Depreciation/amortization cost	490	515	486	525	524	487	474	474	459	468	478	487	481	480
Other SG&A	1,274	1,278	1,167	1,363	1,345	1,263	1,403	1,466	1,494	1,589	1,634	1,704	1,531	1,675
Other revenues and expenses	-9	-41	62	-1,817	-83	-85	-28	-9,752	36	50	274	1,008	539	1
Operating income	1,044	1,393	1,248	-1,201	775	1,011	688	-9,120	588	-66	108	1,050	828	930
Operating income margin	11.3%	14.0%	16.2%	-14.1%	9.4%	10.6%	7.6%	-102.1%	6.9%	-0.7%	1.3%	11.6%	10.9%	8.0%
Net profit*	527	949	846	-1,161	387	639	449	-7,378	365	-179	163	837	568	593

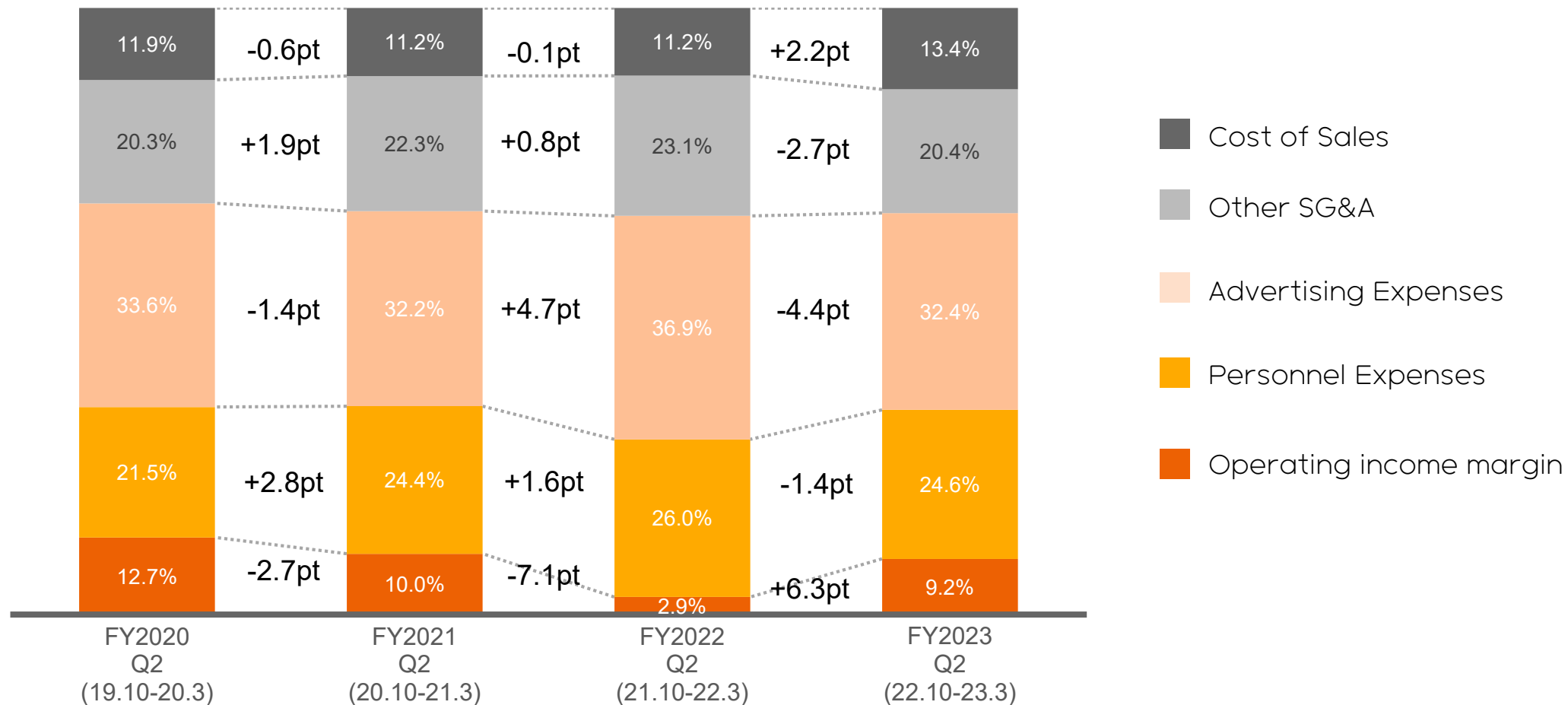
1) Net income = Net income attributable to owners of the parent

2) As the provisional accounting measures for corporate mergers have been defined for FY 2020/9 and FY 2021/9, these provisional accounting measures have been applied to all related values.

Expense-to-Revenue Ratio IFRS

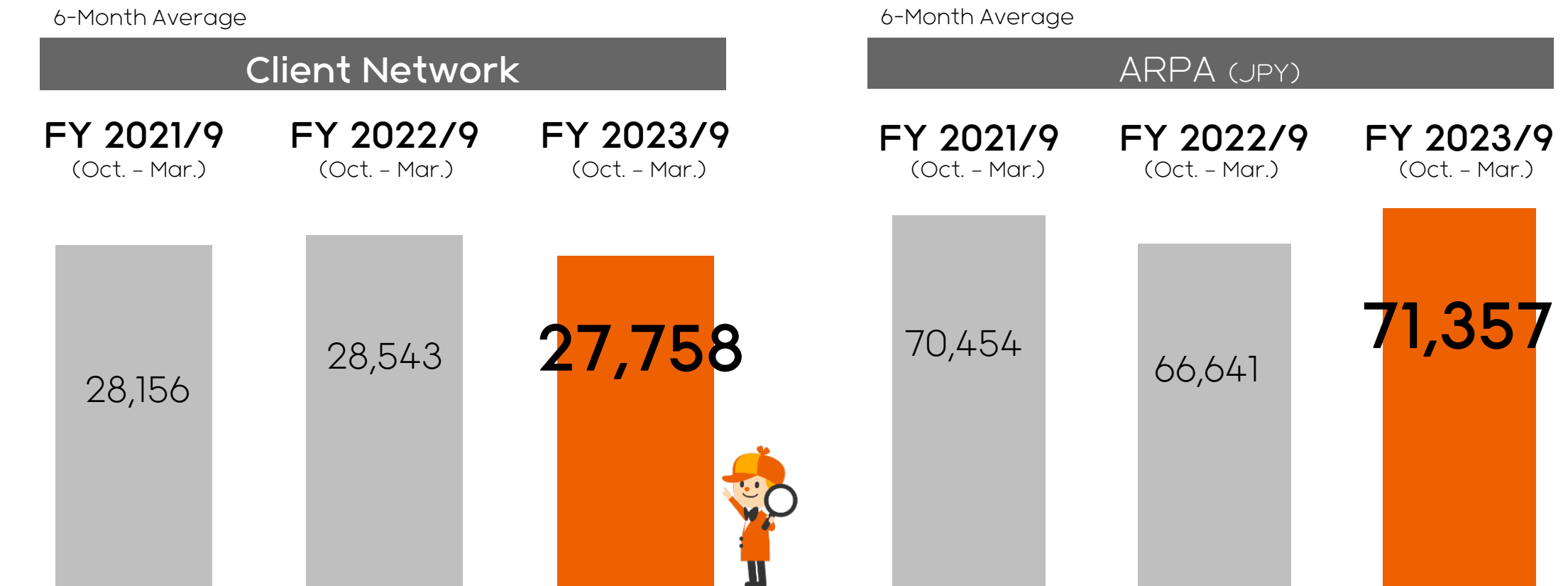
Reduction in advertising spending due to reductions in branding for LIFULL HOME'S

Temporary increase in cost of sales due to sale of investments from the Regional Revitalization Fund



LIFULL HOME'S Key Performance Indicators Client Network and ARPA

Although the total number of clients declined due to the removal of professional networks which included small-scale, non-active clients. Increased ARPA due to improved revenue.



Figures for the current and previous fiscal years have been adjusted to reflect the sale of LIFULL Marketing Partners and the absorption of LIFULL MOVE into LIFULL HOME'S.

(Ref.) Agreement to Acquire FazWaz (Thai Real Estate Brokerage)

With similar operations as Dot Property, we have entered into an agreement to acquire FazWaz, a growing real estate brokerage in the region. With access to its network of users, clients and management, we will continue to grow in Southeast Asia.

Company Overview



FazWaz Group

Est.: Apr. 24, 2015
HQ: Bangkok, Thailand
Employees: 191

Results of FY 2021/12

Revenue: Approx. JPY 300 mil.
EBITDA : Approx. JPY 10 mil.

Management (Founders)

Founded and run by a motivated team with deep experience in the **real estate and finance sectors**



Brennan Campbell



Michael Kenner



Paul Trayman

Business

Primary: Real Estate Brokerage

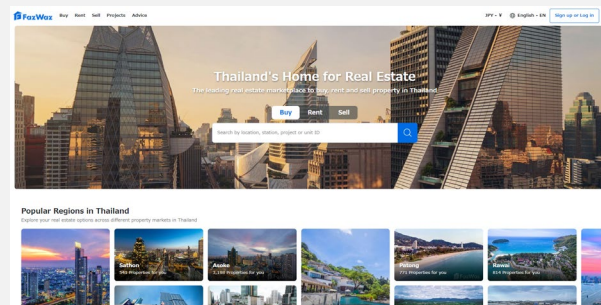
Property

Offering both properties for sale and rent around Thailand with a **focus on sale properties in internationally popular areas.**

Clients

Catering to both local and international buyers with a historical **focus on the international community.**

Official Website



<https://www.fazwaz.com/>

Listings **40,000+**

Features

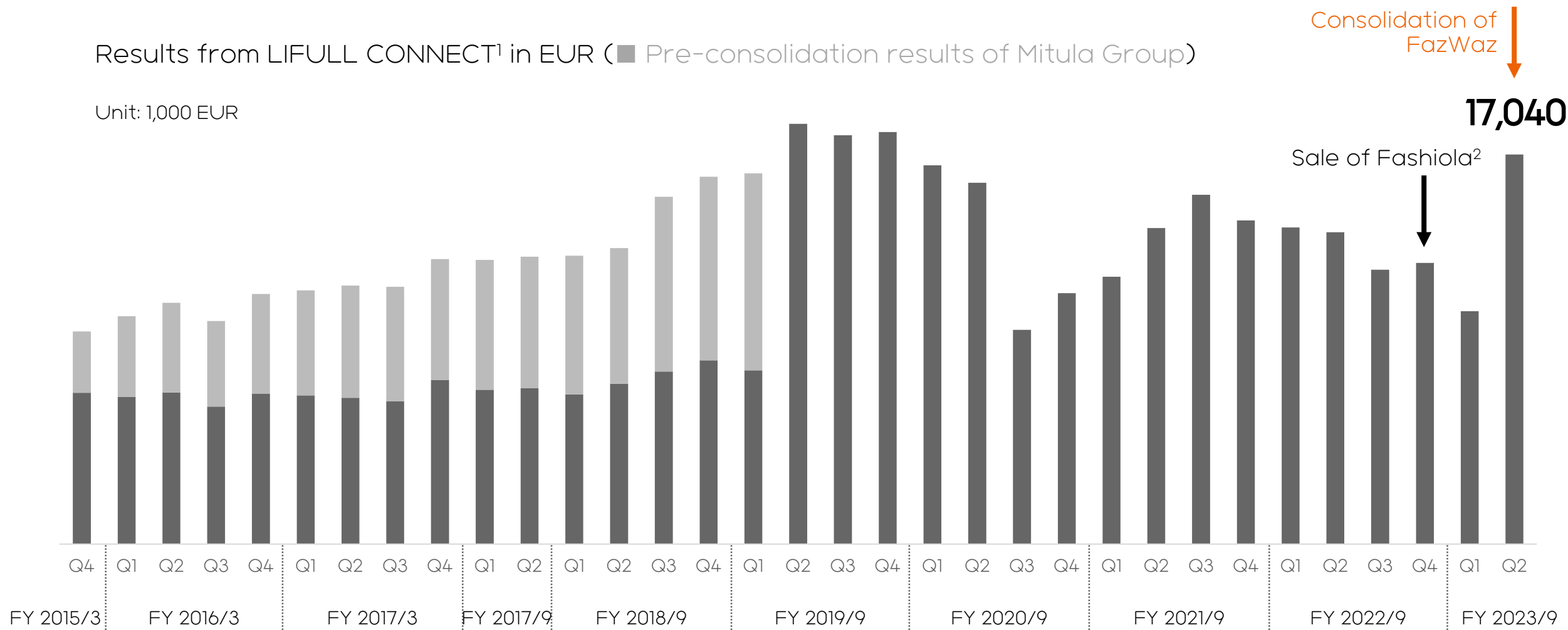
Tools for automatic price estimate, online negotiations and contracts

Quarterly Results LIFULL CONNECT

Despite sale of Fashiola in the previous FY, revenue increased due to the acquisition and consolidation of FazWaz in January 2023.

Results from LIFULL CONNECT¹ in EUR (■ Pre-consolidation results of Mitula Group)

Unit: 1,000 EUR



※1 Total for LIFULL CONNECT

※2 [Sale of Fashiola \(fashion aggregation service operated by Kleding B.V.\) to Waterland Private Equity GmbH in July 2022](#)

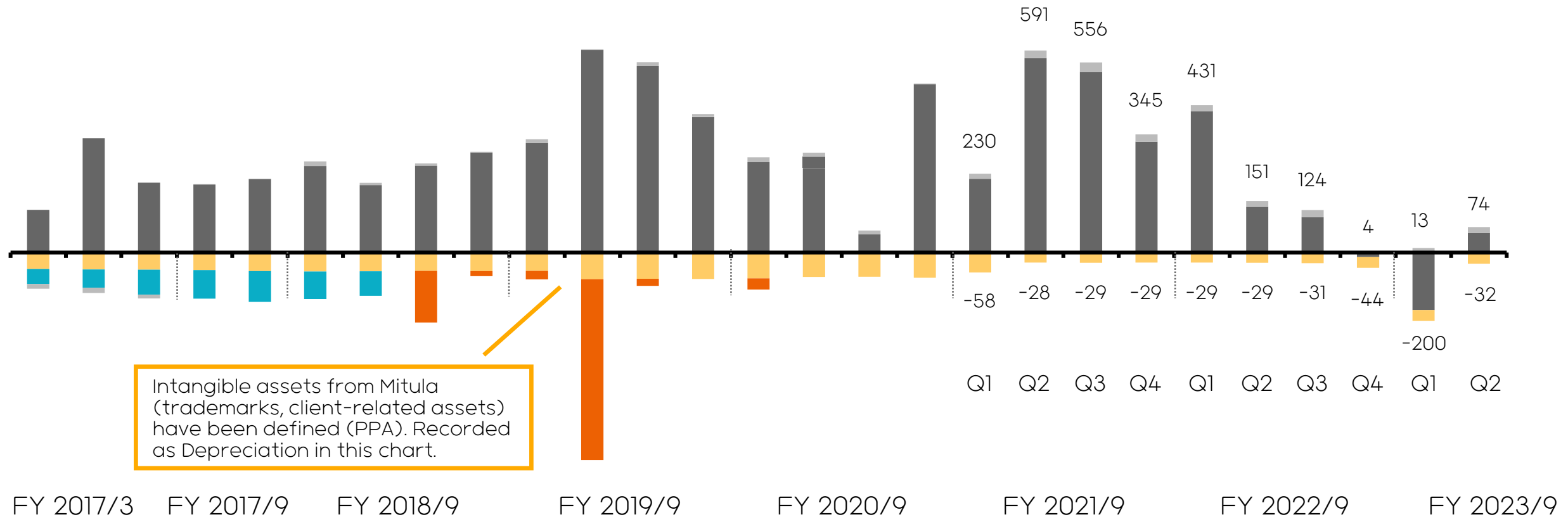
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Despite a decline in premium advertisement revenue in aggregation sites, third-party advertising revenue has recovered and the acquisition of FazWaz have led to increased profit.

Quarterly Segment P&L

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

Unit: JPY mil.



Intangible assets from Mitula (trademarks, client-related assets) have been defined (PPA). Recorded as Depreciation in this chart.

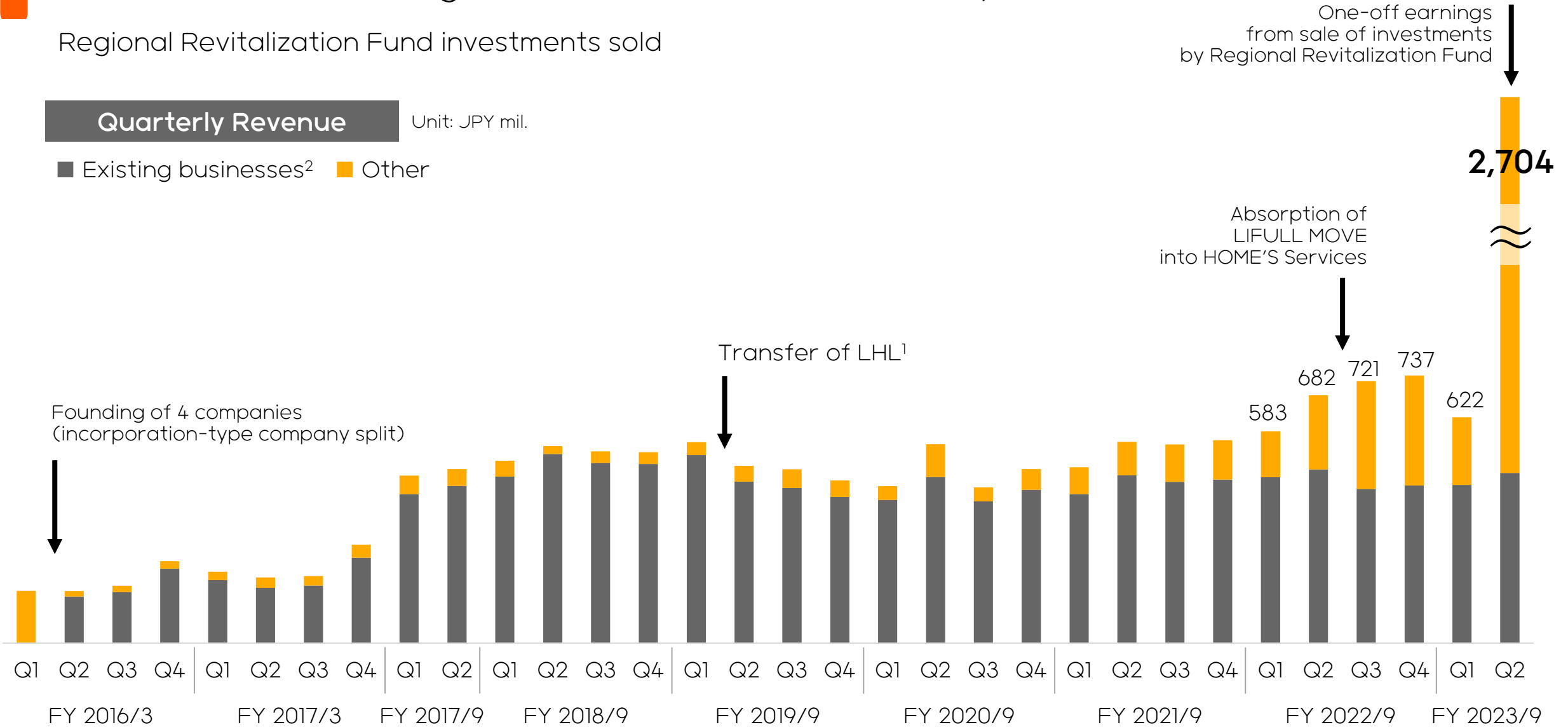
Other Businesses Segment Sales Revenue (Quarterly)

Regional Revitalization Fund investments sold

Quarterly Revenue

Unit: JPY mil.

■ Existing businesses² ■ Other



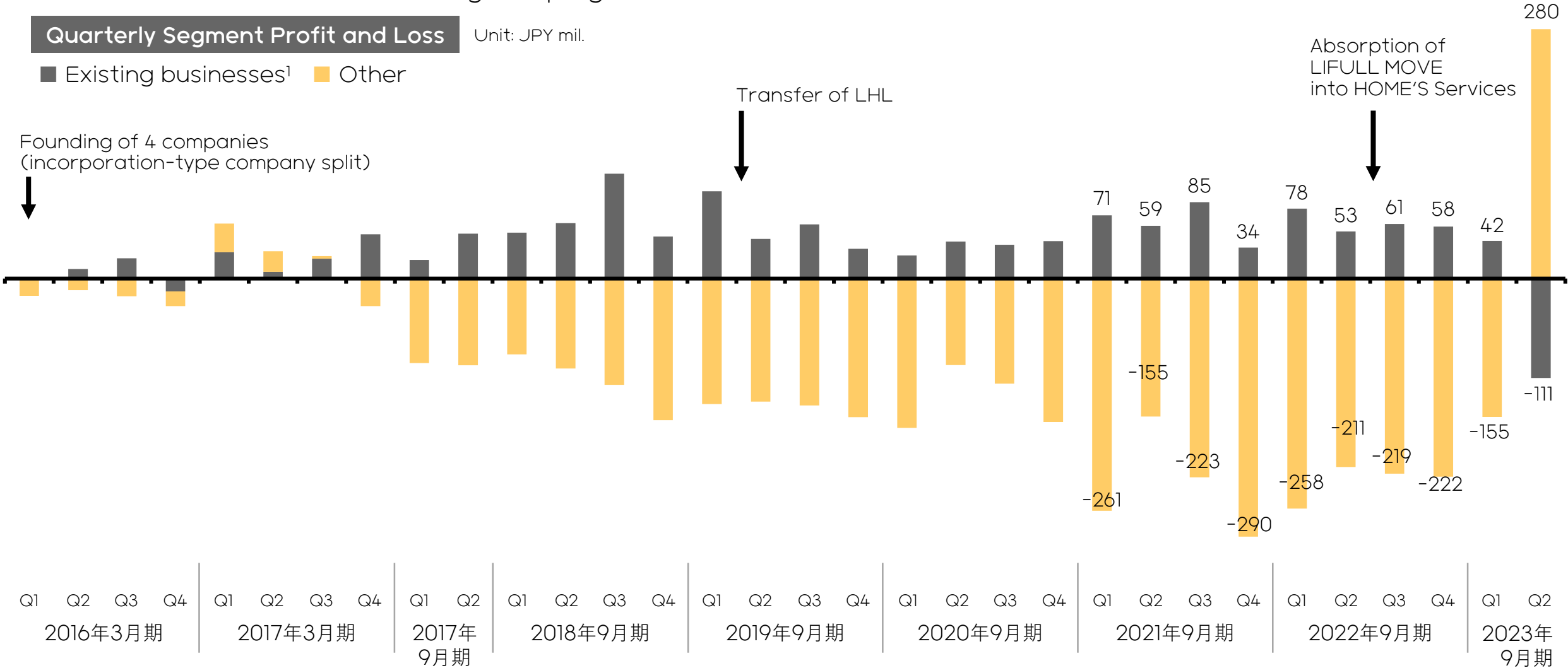
Other Businesses Segment Profit and Loss (Quarterly)

In addition to the sale of investments made by the Regional Revitalization Fund, LIFULL senior has started a television advertising campaign to increase brand awareness.

Quarterly Segment Profit and Loss

Unit: JPY mil.

Existing businesses¹ Other



¹ Comprised of senior, SPACE, FinTech (sold in 2018) and MOVE (absorbed into HOME'S Segment in 2022/3)

(Ref.) External Market Data Monthly

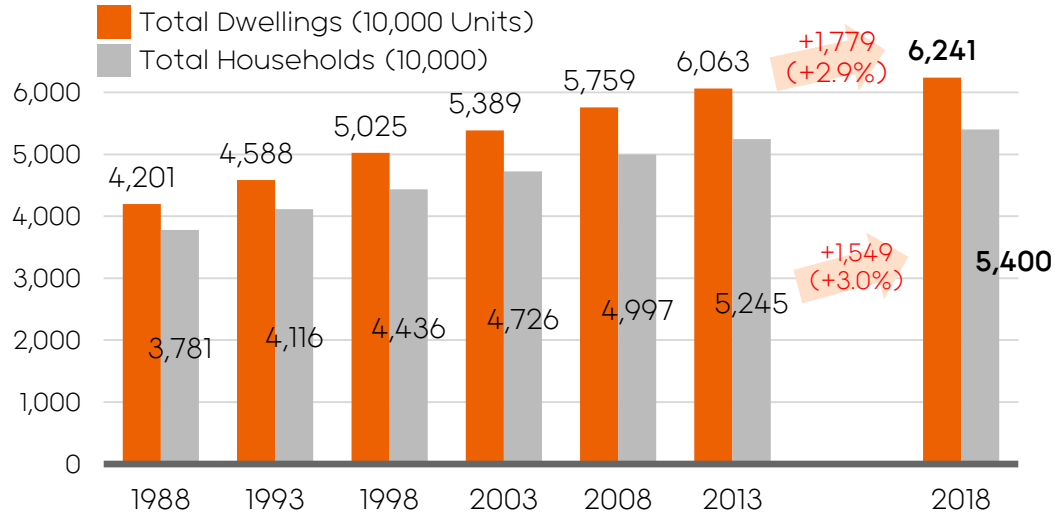
		Annual			2021			2022												2023		
		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
(1) Number of Apartments for Sale	Capital Region	27,228	33,636	29,569	2,055	5,452	6,649	1,128	2,287	2,492	2,426	2,466	1,913	2,268	1,162	2,036	2,768	2,866	5,757	710	1,821	2,439
	YoY	-12.8%	23.5%	-12.1%	-38.8%	95.4%	-9.7%	-14.9%	2.0%	-19.7%	16.1%	-4.3%	-1.3%	16.2%	-40.1%	-11.9%	34.7%	-47.4%	-13.4%	-37.1%	-20.4%	-2.1%
	Kinki	15,195	18,951	18,952	1,457	2,099	2,812	792	1,378	1,267	1,148	1,379	1,261	1,374	1,059	1,332	2,120	1,796	2,952	574	833	1,424
	YoY	-15.8%	24.7%	124.7%	3.0%	30.4%	-9.4%	14.0%	-19.8%	-30.2%	5.0%	4.4%	-27.2%	-29.5%	0.9%	10.1%	45.5%	-14.4%	5.0%	-27.5%	-39.6%	12.4%
(2) Apartment Price Trend	Capital Region	6,083	6,260	6,261	6,750	6,123	5,384	6,157	7,418	6,518	6,291	6,088	6,447	6,379	6,102	6,653	6,787	6,035	5,556	6,510	6,778	14,360
	YoY	1.7%	2.9%	102.9%	10.1%	3.4%	-4.2%	5.7%	16.3%	3.0%	-19.0%	3.0%	3.8%	-1.8%	-18.1%	1.0%	0.5%	-1.4%	3.2%	5.7%	-8.6%	120.3%
	Kinki	4,181	4,562	4,563	4,222	6,041	4,274	3,992	4,433	5,067	3,983	4,853	4,422	4,984	4,295	4,698	5,374	5,220	4,006	4,747	5,055	4,704
	YoY	8.1%	9.1%	109.1%	-13.9%	35.8%	9.2%	-13.8%	12.1%	19.9%	-25.6%	26.8%	-3.3%	11.7%	-2.7%	-1.2%	27.3%	-13.6%	-6.3%	18.9%	14.0%	-7.2%

		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
(3) New Build Starts (Units)	House for Rent	306,753	321,376	345,080	29,822	26,819	25,222	23,083	23,583	32,305	29,526	25,963	30,294	29,686	31,303	30,623	31,996	29,873	26,845	24,041	24,692	32,585
	YoY	-10.4%	4.8%	7.4%	14.5%	1.4%	3.3%	16.6%	4.6%	18.6%	2.4%	3.5%	1.7%	1.6%	8.9%	8.4%	7.3%	11.4%	6.4%	4.2%	4.7%	0.9%
	Apartment	107,884	101,292	108,198	8,436	8,239	7,091	7,071	9,727	10,618	12,685	7,569	7,855	8,053	10,727	8,386	9,298	8,092	8,117	11,990	9,750	11,378
	YoY	-8.4%	-6.1%	6.8%	-14.9%	2.4%	15.3%	-19.4%	43.5%	2.2%	17.7%	-19.9%	11.8%	-11.7%	34.6%	15.7%	10.2%	-1.8%	14.5%	69.6%	0.2%	7.2%
	House	130,753	141,094	145,992	12,284	12,509	12,723	11,003	11,590	12,439	12,456	11,907	12,689	12,462	12,341	12,296	12,462	12,370	11,977	10,576	11,202	11,583
	YoY	-11.4%	7.9%	3.5%	15.4%	10.0%	12.4%	7.7%	10.7%	9.9%	7.4%	0.9%	0.3%	1.8%	4.7%	6.9%	1.4%	-1.1%	-5.9%	-3.9%	-3.3%	-6.9%
Owned house	261,088	285,575	253,287	26,840	25,329	22,731	18,130	19,258	20,246	21,040	21,314	23,196	22,430	22,302	22,258	21,834	21,511	19,768	16,627	18,368	17,484	
YoY	-9.6%	9.4%	-11.3%	16.6%	5.5%	-0.4%	-5.6%	-5.6%	-9.4%	-8.0%	-6.9%	-11.3%	-14.0%	-11.1%	-13.3%	-18.7%	-15.1%	-13.0%	-8.3%	-4.6%	-13.6%	

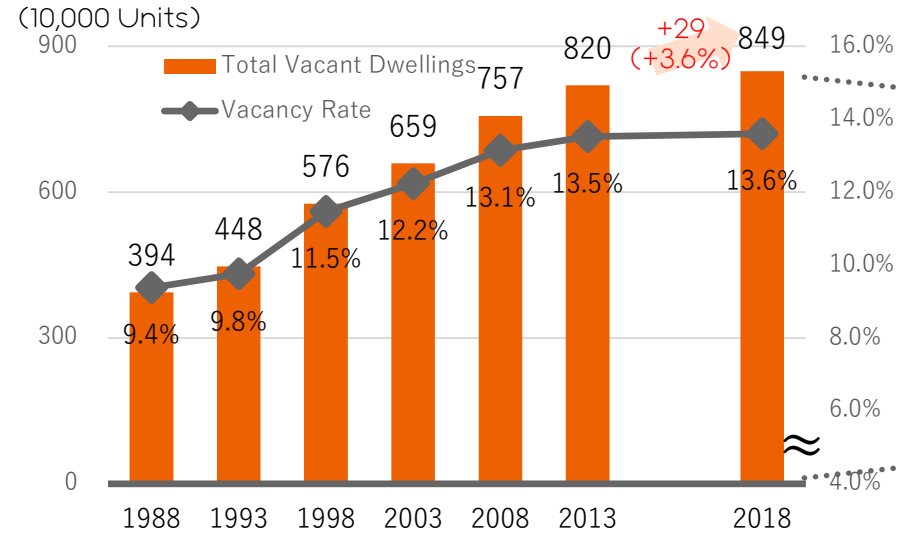
		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
(4) Internal Migrants	Total	5,255,721	5,247,744	5,310,972	356,889	359,777	344,389	326,360	345,584	947,081	678,630	423,842	384,633	377,542	401,973	358,962	369,589	348,586	348,190	324,958	364,174	939,978
	YoY	-2.7%	-0.2%	1.2%	-3.6%	5.1%	-3.8%	1.8%	-8.1%	-3.0%	-4.4%	18.5%	5.1%	3.9%	8.5%	3.5%	3.6%	-3.1%	1.1%	-0.4%	5.4%	-0.7%
	Only Japanese	4,840,852	4,818,721	4,775,207	326,739	328,179	315,626	298,411	317,470	892,728	630,331	365,625	324,725	330,113	357,644	318,047	326,640	305,512	307,961	286,639	324,933	867,927
	YoY	-1.0%	-0.5%	-0.9%	-4.2%	4.9%	-2.1%	5.8%	-4.5%	-2.5%	-4.9%	11.3%	-3.0%	-1.4%	4.9%	0.5%	0.0%	-6.9%	-2.4%	-3.9%	2.4%	-2.8%
(5) Japan Population	Unit : Thousand	Oct. 1, 2020	Oct. 1, 2021	Oct. 1, 2022	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
	Total	126,146	125,502	-	125,502	125,443	125,380	125,309	125,194	125,103	125,071	125,072	125,104	125,125	125,082	124,971	124,947	124,913	124,840	124,770	124,630	124,490

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

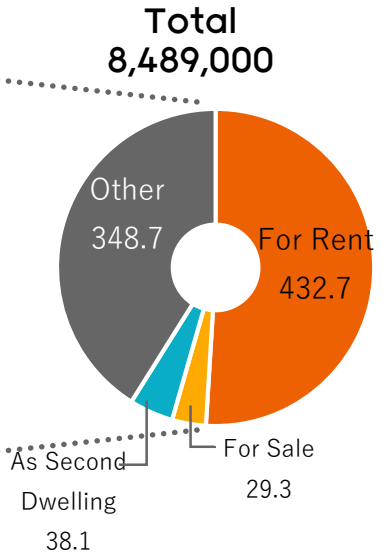
Trend of Total Dwellings and Total Households



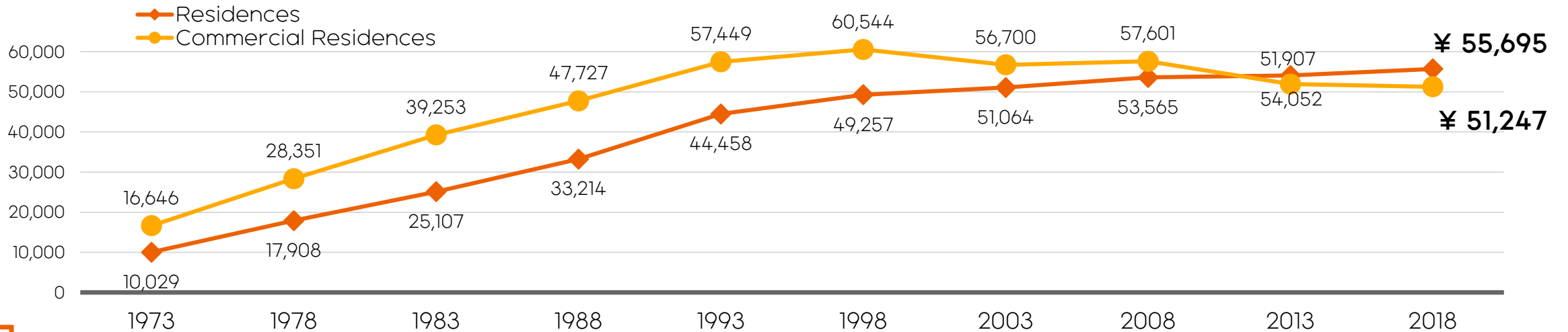
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent



IR Team Contact Information



IR Site

Japanese <https://ir.LIFULL.com/>

English <https://ir.LIFULL.com/en/>



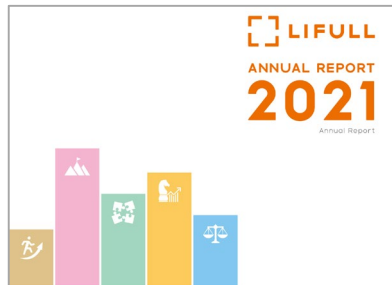
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Annual Report 2021



Japanese <https://ir.lifull.com/ir/ir-data/report/>

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

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