

LIFULL Co., Ltd.

# Third Quarter Results

IFRS

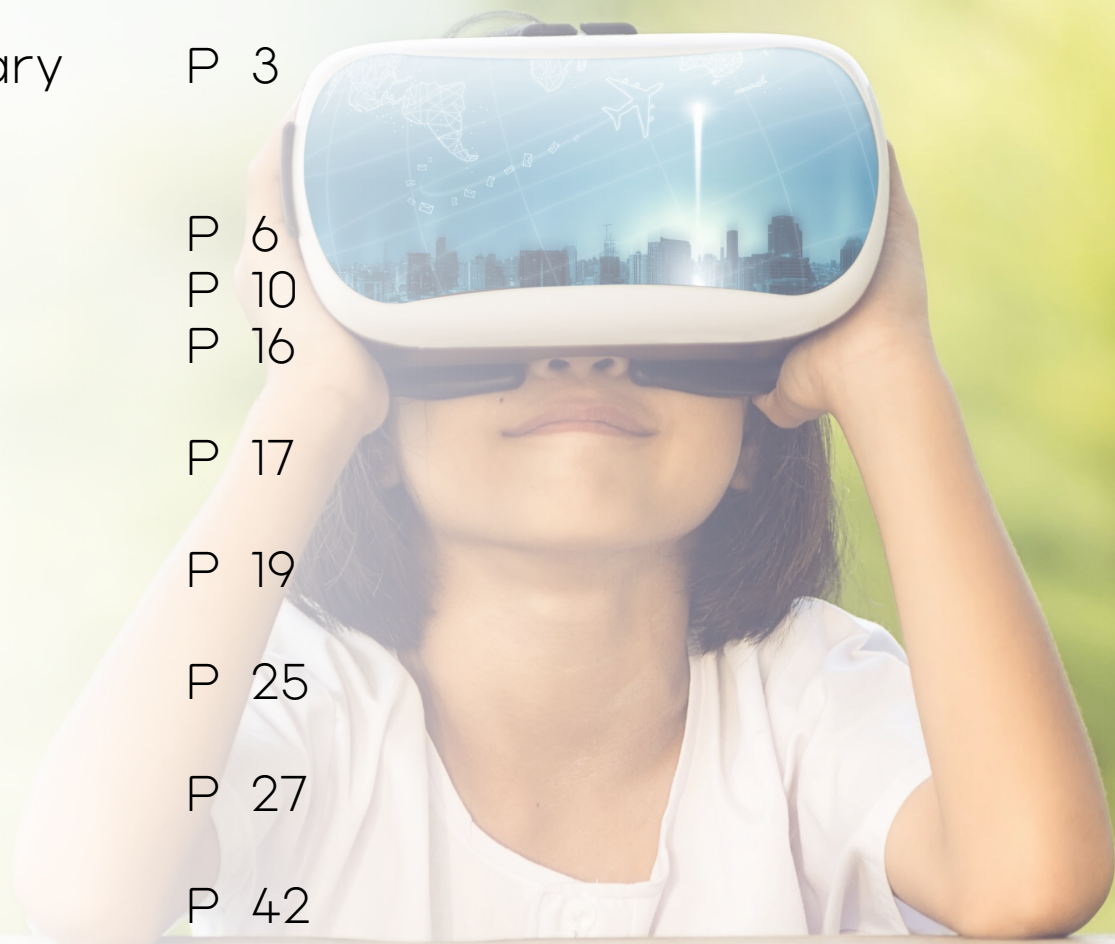
FY 2023/9 Q3  
(October 2022 – June 2023)

**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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# FY 2023/9 Third Quarter Earnings Main Points

Revenue and profit growth (YoY)

Progress mostly in-line with full-year forecast

Prioritization of investments for growth in the next FY

# Third Quarter Consolidated Results Revenue

Increased revenue in the third quarter in-line with forecast

Growth in Japan and overseas businesses driving consolidated revenue gains

## Consolidated Revenue

(Oct. - Jun.)

Result

YoY

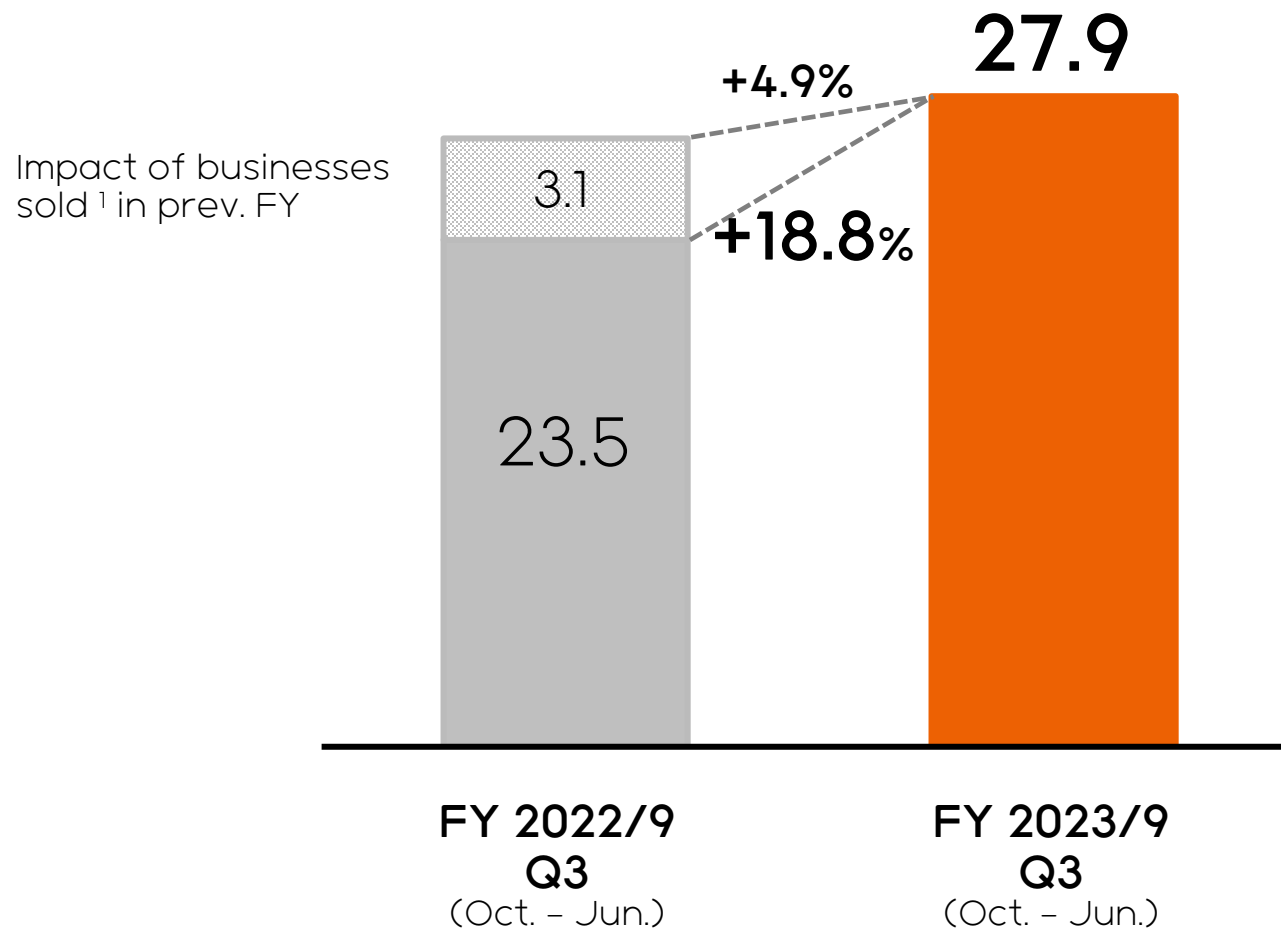
¥**27.9** Bil. **+18.8%**

(Excl. rev. from businesses sold<sup>1</sup> in prev. FY)

### 1 Sold Businesses

LIFULL Marketing Partners (LMP)  
Fashiola (KLEDING B.V.)

(Unit: JPY Bil.)



# Third Quarter Consolidated Results Operating Profit

3Q progress in-line with forecast. 3x growth in operating profit even after removing the effects of the sale of properties by the Regional Revitalization Fund.

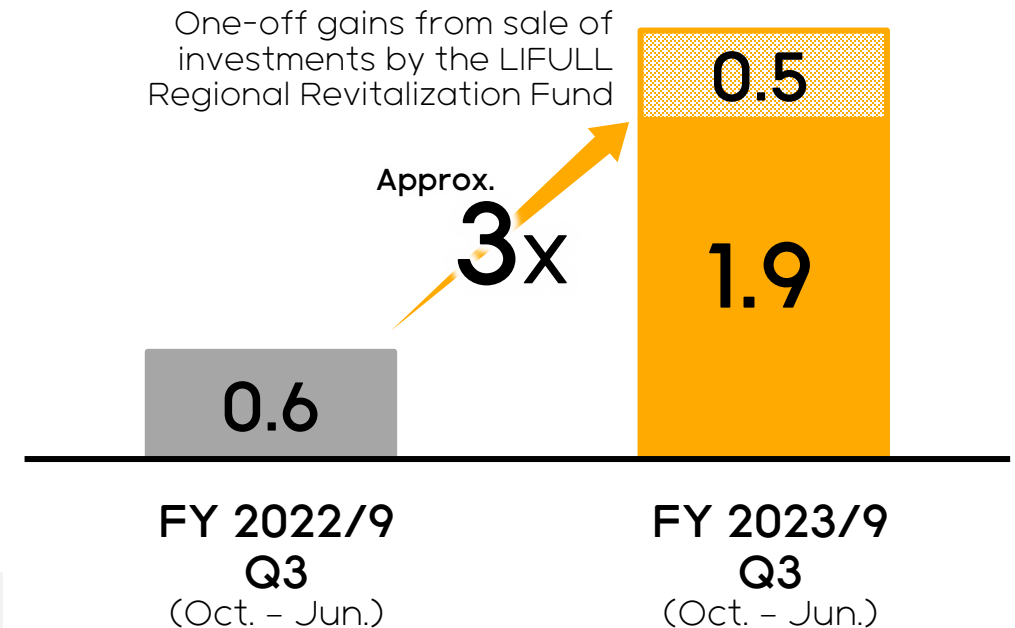
## Consolidated Operating Profit (Oct. - Jun.)

Result	YoY
¥2.4 Bil.	+296.9%

### Factors for OP Growth

- Improved profitability in the HOME'S Services segment
- One-off gains from the Regional Revitalization Fund

(Unit: JPY Bil.)



⇒ More details about HOME'S Services

P 6-9

⇒ More details about the Reg. Revitalization Fund

P 16



FY 2023/9 Third Quarter  
**Segment Results**

# Segment Results HOME'S Services

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results

¥17.4 Bil.

¥2.0 Bil.

YoY

+3.6%

+599.0%

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

## REFERENCE



### Site Indicators

(Oct. – Jun.)

Property Listings



Inquiries



Market recovery slower than expected

### POINT 1

Revenue & Profit Growth

Progress in-line with forecast



### POINT 2

More initiatives to make LIFULL HOME'S a

**SUPER HYPER ASSISTANT**

LIFULL HOME'S Worldview

P 7

3Q Super Hyper Assistant Initiatives

P 8

### POINT 3

Ad spend in-line with budget & optimization of our promotions

Promotion costs and initiatives in HOME'S Services

P 9



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





# 3Q Super Hyper Assistant Initiatives



**SUPER HYPER ASSISTANT**

Taking actions to improve the quality of user inquiries and transform LIFULL HOME'S into a Super Hyper Assistant

## Areas of Focus

Richer Listings

Search Assistance

Personal Support

Transaction Support

## Actions in the 3Q

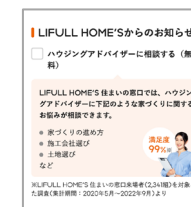
PICK UP 1

Improved access to details useful for finding a new home



PICK UP 2

Improved contact forms to provide users with more support



Results

Even Better User Experience

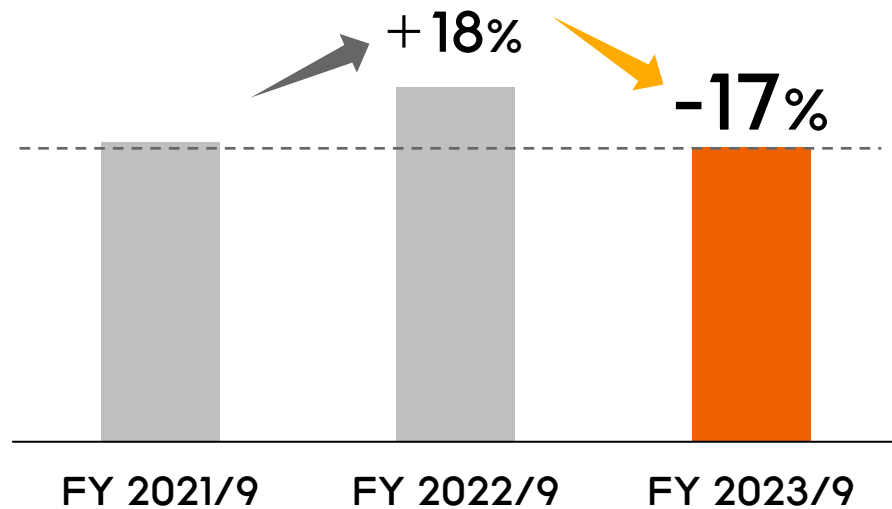
**SUPER HYPER ASSISTANT**

# Optimization of Promotion of HOME'S Services

Advertising spending has remained in-line with our budgets, and we have continued to optimize our initiatives during the third quarter.

## Advertising Spend (Oct. - Jun.)

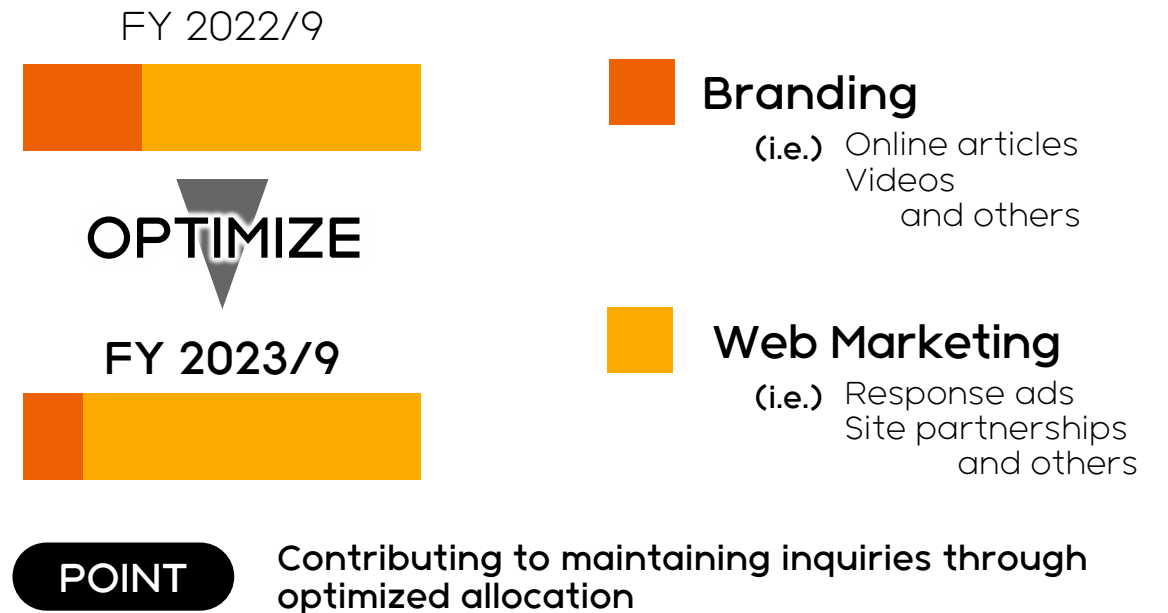
Returned to  
FY 2021/9 levels as planned



## Optimizing Allocation

Adjusting allocation in accordance with ROI

### Allocation of Ad Spend (Image)



# Segment Results Overseas

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results  
YoY

¥6.2 Bil.   -¥0.09 Bil.

+32.1%

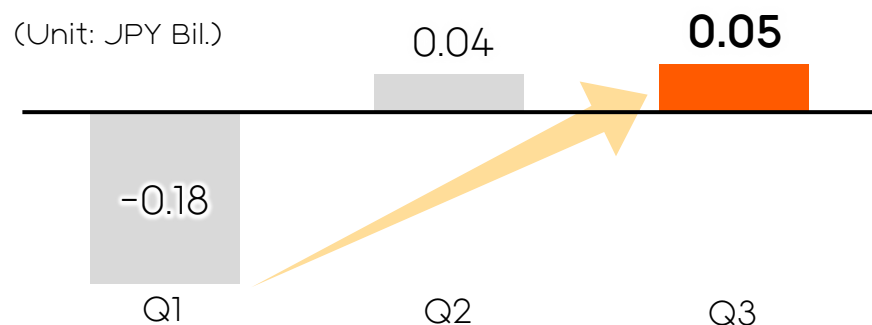
\* FY 2022/9 Segment Profit: ¥0.6 Bil.

YoY comparison does not include results from Fashiola sold during FY 2022/9.

## REFERENCE

### Segment Profit Trend (Quarterly)

(Unit: JPY Bil.)



### POINT 1

#### Progress slightly behind full-year budget

Portals and transaction over-performing

P 11

### POINT 2

trovit   Mitula   nestoria   NURSA

#### Reason for delay: Decline in revenue for Premium Advertising in aggregation sites

Market conditions for Premium Ads

P 12

Initiatives for boosting Premium Ad revenue

P 13

### POINT 3

FazWaz   Lamudi

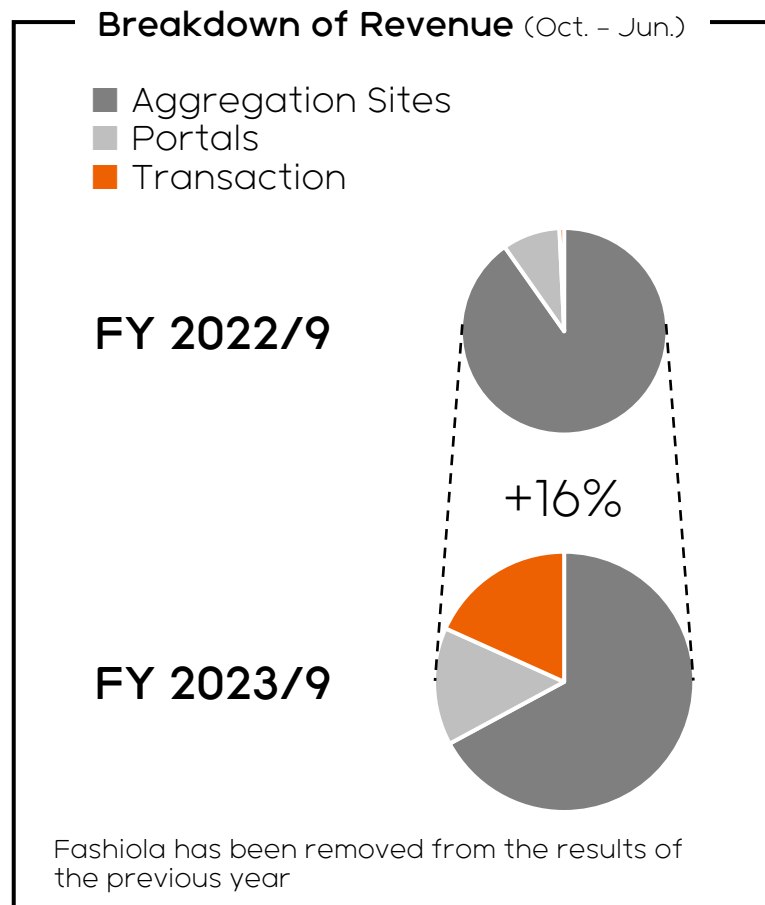
#### Smooth Progress on Integration of 2 Newly Consolidated Subsidiaries

Integration of FazWaz and Lamudi

P 14

# Progress of LIFULL CONNECT Services

The sluggish real estate markets in Europe and North America continue to have a negative impact on aggregation site revenue. However, with acquisitions in the first half of the year, the transactional business continues to over-perform our original expectations.



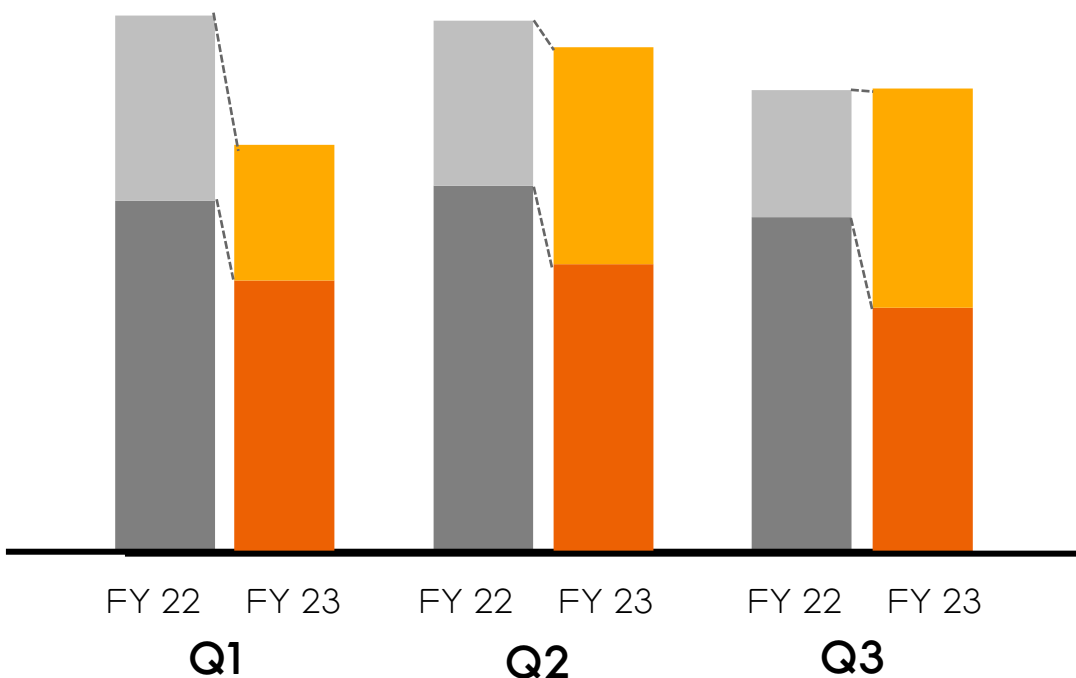
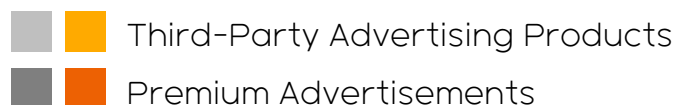
	Status vs. Budget	Details	
Aggregation	Premium Advertisements	Partially Behind	<b>More on P 12</b>
	Third-Party Advertising Prod. (Google AdSense etc.)	On-Schedule	
Portals	Online Listing Subscriptions	Out-Performing	<b>More on P 14</b>
Transaction	FazWaz	Out-Performing	<b>More on P 14</b>

# Market Conditions for Premium Advertisements

Revenue from third-party advertising products continues on an upward trend. However, we are taking proactive measures to revive Premium Ads for after market conditions begin to stabilize. (See next page for details)

## Breakdown of Revenue & Trends

### Aggregation Sites



### Ref. Third-Party Advertising Products

**Efforts continuing to pay back** with YoY recovery in revenue despite overall negative market conditions

### Premium Advertisements

#### Continued Negative Effects from RE Markets

Increases in interest rates and inflation in many countries are negatively affecting real estate markets

➔ **Clients changing strategy:**  
(ie. limited budget for marketing, downsizing, filing for bankruptcy etc.)

Solution

## Actions for Recovery

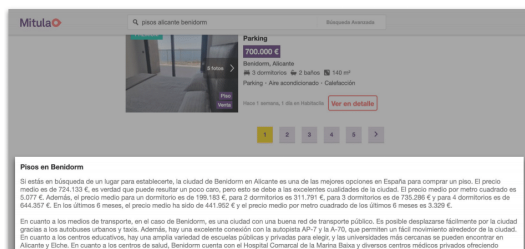
Details on Next Page



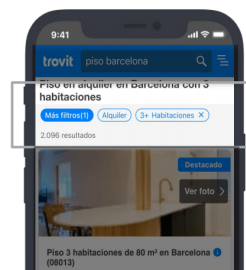
# Examples of Actions to Boost Premium Advertising

We continue to improve and adjust our sites to provide more value to our clients and stimulate sustainable revenue growth.

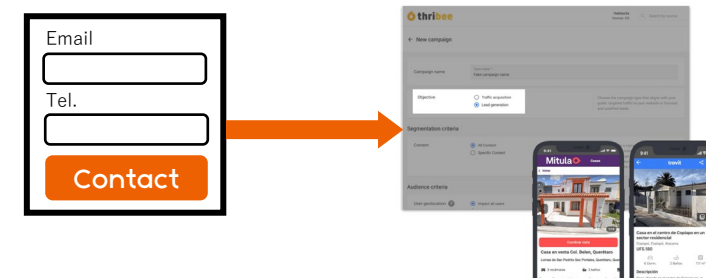
## RICHER LISTINGS



## IMPROVED USABILITY



## NEW VALUE



## Generative AI to Boost Quality

We are taking advantage of generative AI tools to deepen our understanding of listings and further develop the quality of the information available on our websites

## More Powerful Search

We are utilizing generative AI and enriched listings to allow us to make further improvements to our search experience (i.e. deeper search filters)

## Delivering Leads

Aggregation clients now have the ability to capture leads/inquiries directly from any of our websites and build more diversified marketing strategies across our audience

Note: The above features have each been implemented on sites in limited regions and will be expanded into more countries and brands as we gain more insight.

# Integration of FazWaz and Lamudi (1) Resource Synergies

Post-merger integration of FazWaz (acquired Jan. 2023) and Lamudi (acquired Mar. 2023) is moving forward according to schedule.



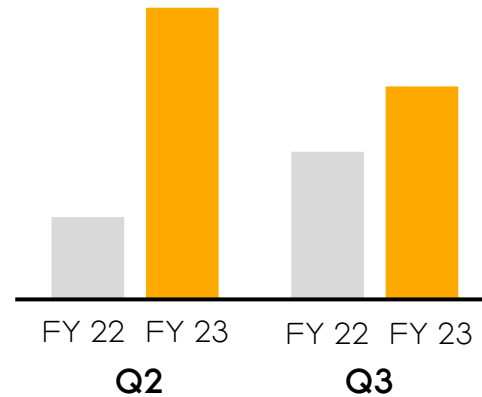
Tech-Enabled Real Estate Solution in Thailand

## Smooth Integration Process

### ACTIONS

- Expanding our sales reach
- Better insights from data integration
- Improving support tools for sales staff

Revenue Trend  
Continued YoY Growth



### POINT Exploring a New Market with High Potential

Currently testing this business model in the UAE

NEW UAE <https://www.fazwaz.ae/>



Leading Real Estate Portal in Mexico

## Client Network

EXISTING

Integration of clients into LIFULL CONNECT systems complete with higher client engagement than originally predicted.

Significantly improved value provided to clients by allowing real estate professionals to list across multiple sites

NEW

Strengthening leadership of consolidated sales teams to accelerate expansion of local clients

## Integration of FazWaz and Lamudi (2) Cost Synergies

Releasing more synergies between LIFULL CONNECT and Lamudi and FazWaz for further gains in profitability



**OPTIMIZATION**

**SYSTEM**

Integrated accounting, HR systems, etc. **for more efficient and automated back office work**

**ADVERTISING**

Maximizing the potential of the LIFULL CONNECT audience to **optimize advertising spend**

**OFFICES**

Integrating team leads to create more efficient working environments while **minimalizing fixed costs**



# Segment Results Other Businesses

FY 2023/9 Third Quarter (Oct. – Jun.)

Revenue

Segment Profit

Results

YoY

¥4.2 Bil.      -¥0.01 Bil.

+115.4%      -

Segment loss in the prev. FY was ¥0.4 bil.

## REFERENCE



 **Instant House**

どこでも、すぐに、住みたくなる心地よさ。

Featured on National Television

“Ryu’sTalking Live” Tokyo TV  
(June 15, 2023)

[Press Release](#) (in Japanese)



### POINT 1

Revenue slightly above budget  
Closing the gap on profit

- Completed the sale of two hotel development project during Q2

#### IMPACT

Revenue      Approx. ¥0.5 bil.

Exact amount undisclosed

Ref.) FY 2023/9 Q2 Earnings Presentation P 23

- Completed the sale of construction land during planned for FY 2024/9 during Q3

#### IMPACT

Revenue      Approx. ¥0.3 bil.

Very limited Impact on profit

### POINT 2

YoY increase in advertising spend due to branding for LIFULL senior (Q2)



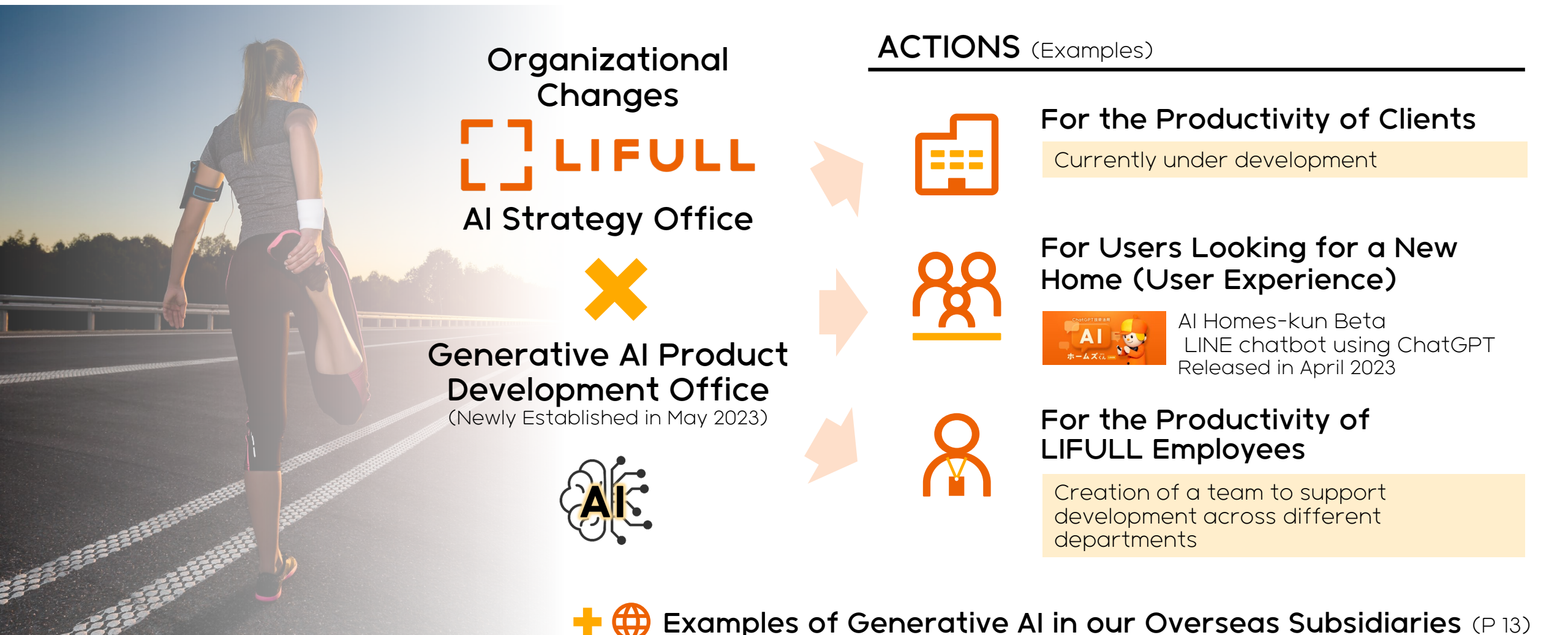
FY 2023/9 Q3

# Other Topics



# Utilizing Chat GPT and Other Generative AI Tools

Implementing the latest technology at an early stage to both improve the services we provide to our users as well as the efficiency of our clients and employees.





FY 2023/9



# Third Quarter Financial Results



(October 1, 2022 – June 30, 2023)



# Condensed Statements of Income and Loss IFRS

Removing the effects of the sale of subsidiaries (LIFULL Marketing Partners and Fashiola) in the previous FY, revenue increased 18.8%. Operating profit increased due to advances in HOME'S Services and one-off property sales from the Regional Revitalization Fund.

Unit: JPY mil.	FY2022 Q3 (Oct.-Jun.)	FY2023 Q3 (Oct.-Jun.)	Change	Change %	
<b>Revenue</b>	<b>26,686</b>	<b>27,994</b>	<b>+1,308</b>	<b>+4.9%</b>	*1
<b>Cost of revenue</b>	<b>2,971</b>	<b>3,412</b>	<b>+441</b>	<b>+14.9%</b>	*2
<b>SG&amp;A</b>	<b>23,448</b>	<b>22,663</b>	<b>-784</b>	<b>-3.3%</b>	
Personnel expenses	7,125	7,213	+87	+1.2%	
Advertising expenses	9,808	8,828	-980	-10.0%	*3
Operating expenses	386	454	+67	+17.5%	
Depreciation and amortization	1,410	1,468	+58	+4.1%	
Other	4,717	4,698	-18	-0.4%	
<b>Other income and expenses</b>	<b>361</b>	<b>573</b>	<b>+212</b>	<b>+58.7%</b>	*4
<b>Operating income</b>	<b>628</b>	<b>2,492</b>	<b>+1,864</b>	<b>+296.9%</b>	
<b>Operating income margin</b>	<b>2.4%</b>	<b>8.9%</b>	<b>+6.5pt</b>	<b>-</b>	
<b>Net profit*</b>	<b>346</b>	<b>1,503</b>	<b>+1,156</b>	<b>+333.5%</b>	

\* Net profit attributable to owners of the parent

\*1 After removing effects of sales of subsidiaries in previous FY, +18.8%. Refer to segment revenue (Page 21)

\*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(P9)

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

# Revenue / Income and Loss by Segment IFRS

Revenue for HOME'S Services increased 3.6% YoY excluding revenue from LMP sold in the previous FY with increased profit from returning ad spend to FY 2021/9 levels. Overseas revenue increased due to acquisitions in 2Q and continues to remain profitable in 3Q.

Unit: JPY mil.	FY2022 Q3 (Oct.-Jun.)	FY2023 Q3 (Oct.-Jun.)	Change	Change %	Main items
<b>Revenue</b>	<b>26,686</b>	<b>27,994</b>	<b>+1,308</b>	<b>+4.9%</b>	
HOME'S Services	19,488	17,474	-2,013	-10.3%	Sale of LIFULL Marketing Partners (Like-for-like comparison: +3.6% YoY)
Overseas	5,210	6,237	+1,027	+19.7%	Despite decreased revenue from aggregation sites and due to sale of Fashiola, revenue growth from new consolidation of two acquisitions
Other	1,987	4,282	+2,294	+115.4%	Increased revenue from sale of Regional Revitalization Fund investments

Unit: JPY mil.	FY2022 Q3 (Oct.-Jun.)	FY2023 Q3 (Oct.-Jun.)	Change	Change %	Main items
<b>Segment income and loss</b>	<b>266</b>	<b>1,918</b>	<b>+1,652</b>	<b>+620.1%</b>	
HOME'S Services	114	2,019	+1,904	+1,663.9%	Increased due to optimization of advertising spend, etc.
Overseas	612	-91	-704	-	Decrease from decline in revenue on aggregation sites and increased headcount etc. However, new acquisitions are out-performing original expectations continuing to be profitable from 2Q (¥52 mil.)
Other	-497	-18	+479	-	Increased costs due to branding initiatives in 2Q for LIFULL senior, but also increase from the sale of Regional Revitalization Fund investments
Inter-segment transactions	36	9	-27	-75.1%	

Primary businesses in each segment are listed on Page 31

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 Jun 30, 2023	Change	Change %	Main items	
<b>Current assets</b>	<b>25,011</b>	<b>22,775</b>	<b>-2,235</b>	<b>-8.9%</b>	Cash	-337 Refer to "Condensed Statement of Cash Flows"
					Accounts Receivable - Trade	+349 Primarily consolidation of FazWaz
					Products	-1,994 Primarily sale of Regional Revitalization investments
					Prepaid Expenses	+153 Primarily promotional & system usage fees
					Income Taxes Receivable	-287
<b>Non-current assets</b>	<b>23,715</b>	<b>28,090</b>	<b>+4,374</b>	<b>+18.4%</b>	Right-of-Use Assets	-375 Primarily depreciation and amortization
					Goodwill	+5,277 Primarily M&A and currency differences in Overseas segment
					Shares of Affiliates	-540 Primarily sale of shares of Rakuten LIFULL STAY
					Long-Term Loans Receivable	+582 Primarily Regional Revitalization projects
					Deferred Tax Assets	-175
<b>Assets</b>	<b>48,727</b>	<b>50,865</b>	<b>+2,138</b>	<b>+4.4%</b>		
<b>Current liabilities</b>	<b>13,389</b>	<b>11,806</b>	<b>-1,583</b>	<b>-11.8%</b>	Accounts Payable - Trade	+264
					Short-Term Loans Payable	-2,763 Primarily Regional Revitalization Fund and LIFULL
					Taxes Payable	+565 Primarily M&A in Overseas segment
					Provisions for Bonuses	+167
<b>Non-current liabilities</b>	<b>4,214</b>	<b>5,881</b>	<b>+1,667</b>	<b>+39.6%</b>	Long-Term Lease Liabilities	-405 Primarily for payments of leases
					Long-Term Accounts Payable	+2,158 Primarily M&A in Overseas segment
<b>Liabilities</b>	<b>17,603</b>	<b>17,687</b>	<b>+83</b>	<b>+0.5%</b>		
<b>Total Equity</b>	<b>31,123</b>	<b>33,178</b>	<b>+2,054</b>	<b>+6.6%</b>	Capital Surplus	+1,163
					Purchase of Treasury Shares	-1,000 Due to share buyback
					Foreign Currency Translation Adjustm.	+1,825 Due to fluctuations in foreign currency exchange rates
<b>Equity per share attributable to owners of the parent (JPY)</b>	<b>235.18</b>	<b>250.99</b>	<b>+15.82</b>			

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 16,281 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 118 mil. Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,337 mil.

# Condensed Statement of Cash Flow IFRS

The operating cash flow increased by ¥5.2 bil. primarily due to increased profit. However, the investing cash flow decreased by ¥1.0 bil. due to overseas acquisitions. Also, the financing cash flow decreased by ¥4.9 bil. due to repayment of loans. As a result cash and cash equivalents decreased by ¥0.3 bil. amounting to ¥16.1 bil.

Unit: JPY mil.	FY2022 Q3	FY2023 Q3	Change	Main items		
	(Oct.-Jun.)	(Oct.-Jun.)		Items	FY2022 Q3	FY2023 Q3
Operating cash flow	1,833	5,216	+3,383	Profit for the period before tax	+481	+2,209
				Depreciation and amortization	+1,422	+1,479
				Decr. (incr.) in accounts receivable-trade and other current receivables	+531	+709
				Incr. (decr.) in accounts payable-trade and other current payables	-519	-1,334
				Other	-276	+2,239 *
				Income taxes paid or refunded (paid)	+228	-156
Investing cash flow	-1,581	-1,072	+508	Purchase of intangible assets	-430	-325
				Payments for transfer of business	-357	-
				Purchase of subsidiaries	-312	-1,096
				Purchase of shares of affiliates	-800	-
				Proceeds from the sale of affiliates	-	+858
				Payments of loans receivable	-726	-1,592
				Proceeds from collection of loans receivable	+1,105	+1,157
Financing cash flow	-265	-4,996	-4,731	Proceeds from long-term loans	+1,319	-
				Repayment of loans	-544	-3,192
				Dividends paid	-477	-296
				Payment of lease liabilities	-560	-559
				Purchase of treasury shares	-0	-1,000
Change in cash and cash equivalents	575	-337	-			
Balance of cash and cash equivalents	13,721	16,184	+2,463			

\*Other:  
Primarily from inventory assets



# FY 2023/9 Forecast and Progress IFRS

Progress mostly in-line with forecast with slight delays in the Overseas segment

## Condensed Statements of Income and Loss

Unit: JPY mil.	FY2023 Oct.-Sep. [Full-Year Forecast]	FY2023 Q3 Oct.-Jun. [Actual]	Progress
<b>Revenue</b>	<b>37,000</b>	<b>27,994</b>	<b>75.7%</b>
<b>Cost of revenue</b>	<b>3,650</b>	<b>3,412</b>	<b>93.5%</b>
<b>SG&amp;A</b>	<b>30,507</b>	<b>22,663</b>	<b>74.3%</b>
Personnel expenses	9,815	7,213	73.5%
Advertising expenses	12,150	8,828	72.7%
Operating expenses	565	454	80.4%
Other	7,975	6,167	77.3%
<b>Other revenues and expenses</b>	<b>457</b>	<b>573</b>	<b>125.4%</b>
<b>Operating income</b>	<b>3,300</b>	<b>2,492</b>	<b>75.5%</b>
Operating income margin	8.9%	8.9%	+0.0pt
<b>Net profit*</b>	<b>2,500</b>	<b>1,503</b>	<b>60.1%</b>

## Revenue by Service

Unit: JPY mil.	FY2023 Oct.-Sep. [Full-year forecast]	FY2023 Q3 Oct.-Jun. [Actual]	Progress
<b>Revenue</b>	<b>37,000</b>	<b>27,994</b>	<b>75.7%</b>
HOME'S Services	23,200	17,474	75.3%
Overseas	9,100	6,237	68.5%
Others	4,700	4,282	91.1%

Estimated Exchange Rate for Forecast: EUR 1 = JPY 134,  
Actual Rate: EUR 1 = JPY 146

\* Net Profit: Profit attributable to owners of the parent



# 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 Q3

### Completed Partner Survey for Clients of LIFULL

Conducted to determine potential human rights risks in our businesses

### Improving ESG Disclosure

Increased FTSE Rating

2022 Score: 1.3 Pt

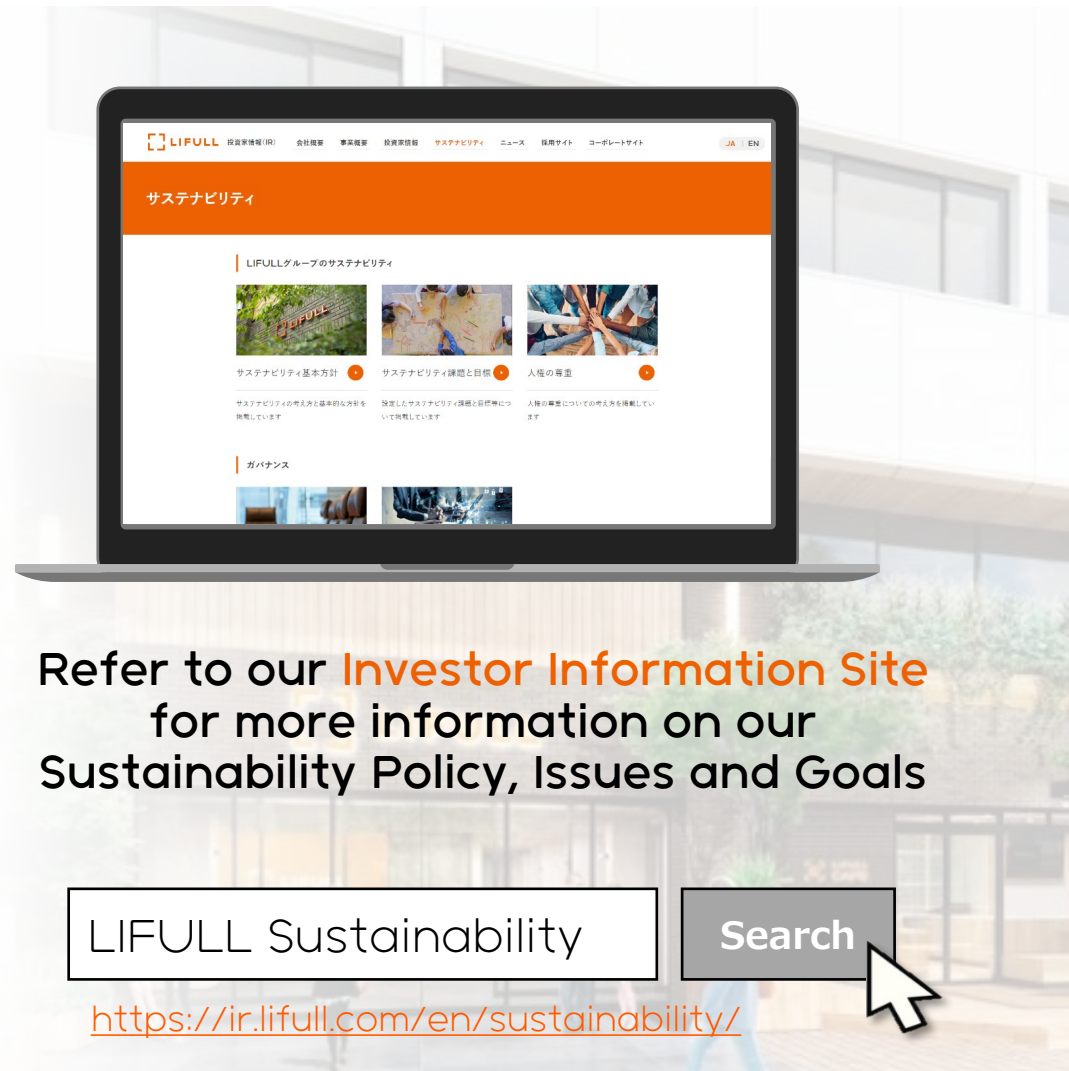


2023 Score: 2.7Pt



#### FTSE ESG Rating:

The FTSE Russel ESG rating model evaluates companies' approaches to potential ESG risks based on the characteristics of their businesses and also plays apart in ESG index management.



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/>

# Appendices

# Corporate Information (as of June 30, 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. 6,245,057 shares of treasury stock)

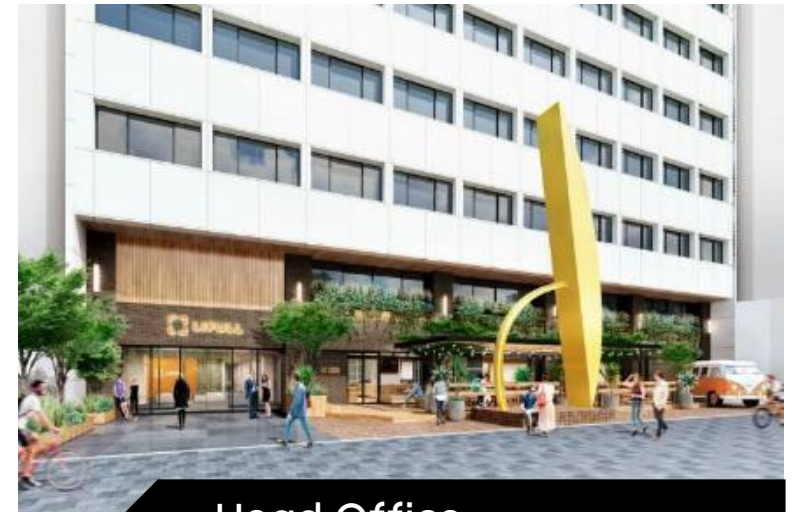
**Consol. number of employees** 1,802 (incl. 534 temporary and 845 overseas)

**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.



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. <sup>1</sup>	<ul style="list-style-type: none"><li>• Internet marketing for real estate and related business operators</li></ul>
LIFULL senior Co., Ltd.	<ul style="list-style-type: none"><li>• Operation of one of the largest search engines for nursing homes and senior housing in Japan, LIFULL Nursing Care</li><li>• Operation of the search site “Minna no ihinseri” for companies which organize the possessions of the deceased</li></ul>
LIFULL SPACE Co., Ltd.	<ul style="list-style-type: none"><li>• Operation of one of the largest search engines for storage space in Japan, LIFULL Trunk Room</li><li>• Operation of a search site for rental meeting rooms and other spaces, LIFULL Rental Space</li></ul>
LIFULL bizas Co., Ltd.	<ul style="list-style-type: none"><li>• Contractor for clerical work and other back-office operations</li><li>• Contractor for call center operations</li></ul>
LIFULL Investment Co., Ltd.	<ul style="list-style-type: none"><li>• Operation of the crowdfunding platforms, LIFULL Investment</li><li>• Operation of the LIFULL Regional Revitalization Fund</li></ul>
LIFULL Tech Vietnam Co., Ltd.	<ul style="list-style-type: none"><li>• Offshore, lab-type, software and application development as well as creative production</li></ul>
Rakuten LIFULL STAY, Inc. <sup>2</sup>	<ul style="list-style-type: none"><li>• Operation of vacation rental platforms</li></ul>
LIFULL CONNECT, S.L.U.	<ul style="list-style-type: none"><li>• Operation of aggregation sites for real estate, job listings, used vehicles and fashion aggregation sites as well as portals</li></ul>
LIFULL ArchiTech Co., Ltd.	<ul style="list-style-type: none"><li>• Research and development on construction and living environments; management of patents</li></ul>
Kenbiya Co., Ltd.	<ul style="list-style-type: none"><li>• Operation of the real estate investment site Kenbiya</li></ul>
LIFULL Leadership Co., Ltd.	<ul style="list-style-type: none"><li>• Employee training consultant: Designing and providing training courses for leadership development and management skills</li></ul>
LIFULL Tech Malaysia SDN. BHD.	<ul style="list-style-type: none"><li>• Offshore, lab-type, software and application development as well as creative production</li></ul>

<sup>1</sup> All shares transferred on September 30, 2022, removed from consolidation

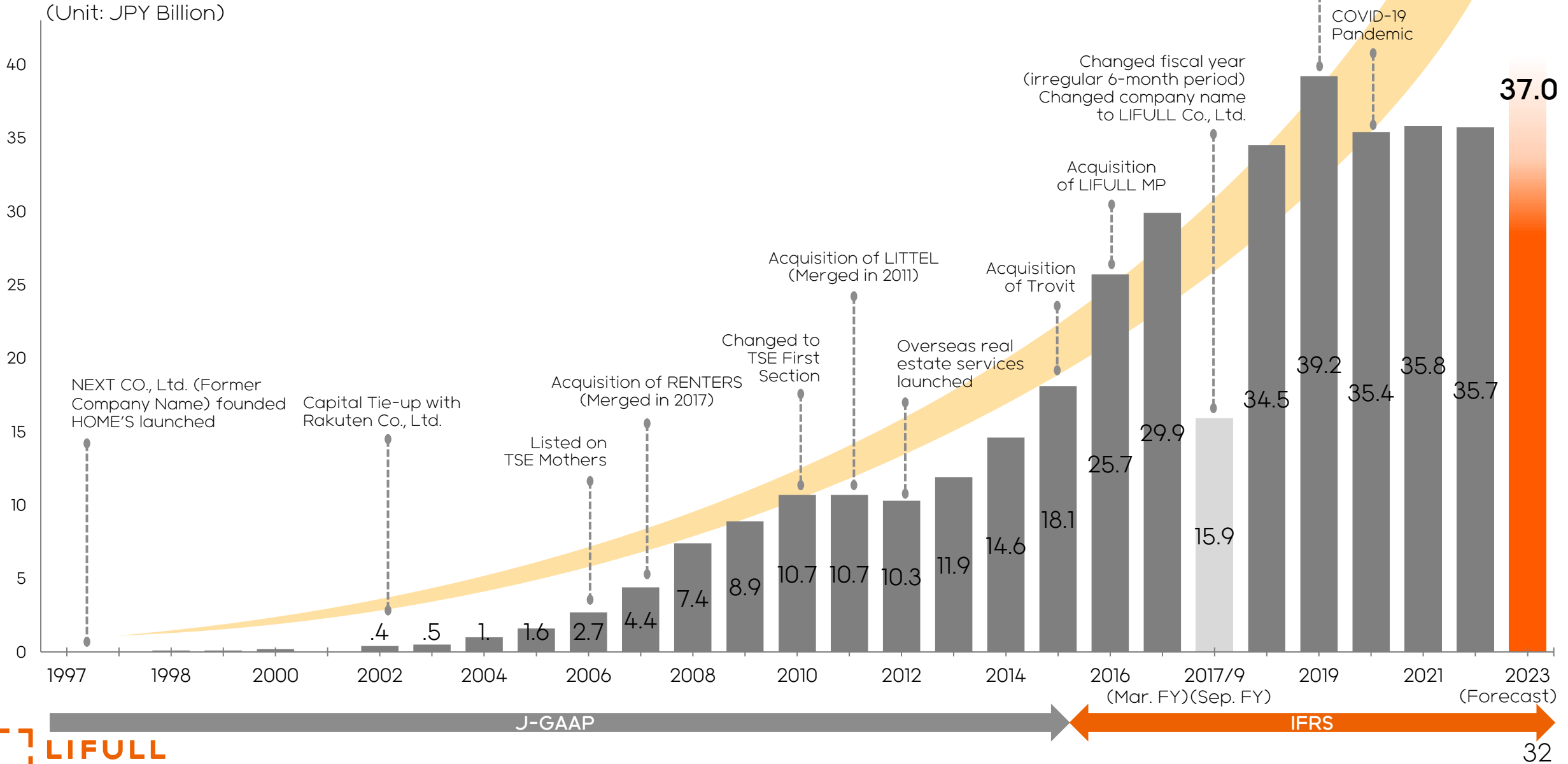
<sup>2</sup> All shares transferred and removed from consolidation on October 31, 2022

# Segments and Primary Services

Segments	Main services
<b>HOME'S Services</b>	<p>LIFULL HOME'S</p> <p>AD Master (former Renter's Net)</p> <p>NabiSTAR</p> <p>Advertising &amp; Consulting Agency (LIFULL Marketing Partners Co., Ltd.)<sup>1</sup></p> <p>Kenbiya (Kenbiya Co., Ltd.)</p>
<b>Overseas</b>	<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>Transactional Services: 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>
<b>Other Businesses</b>	<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	Q3
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	8,825
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	5,543
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	2,326
Other Businesses	432	547	429	479	484	554	547	558	583	682	721	737	622	2,704	956
Cost of revenue	1,116	1,157	869	953	945	1,056	890	1,058	947	1,066	957	1,084	328	2,240	843
SG&A	7,031	7,390	5,651	6,940	6,467	7,426	7,464	7,240	7,010	8,580	7,857	7,923	6,972	8,421	7,297
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	2,503
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	2,608
Operating expenses	170	123	64	106	96	87	100	116	121	120	144	150	135	146	173
Depreciation/amortization cost	490	515	486	525	524	487	474	474	459	468	482	493	488	487	493
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	1,491
Other revenues and expenses	-9	-41	62	-1,817	-83	-85	-28	-9,752	36	50	274	1,008	539	1	32
Operating income	1,044	1,393	1,248	-1,201	775	1,011	688	-9,120	588	-66	105	1,044	822	924	744
Operating income margin	11.3%	14.0%	16.2%	-14.1%	9.4%	10.6%	7.6%	-102.1%	6.9%	-0.7%	1.2%	11.5%	10.8%	8.0%	8.4%
Net profit*	527	949	846	-1,161	387	639	449	-7,378	365	-179	161	833	564	588	350

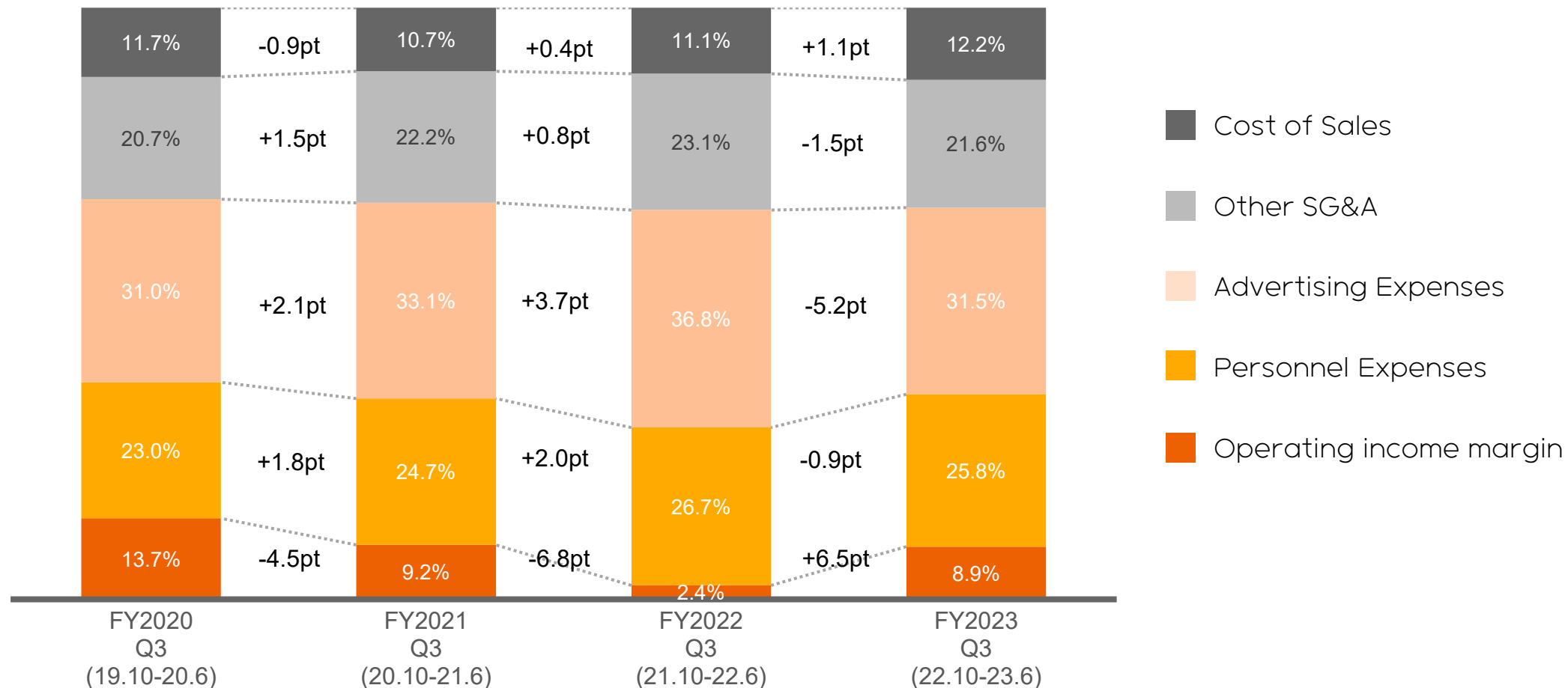
1) Net income = Net income attributable to owners of the parent

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

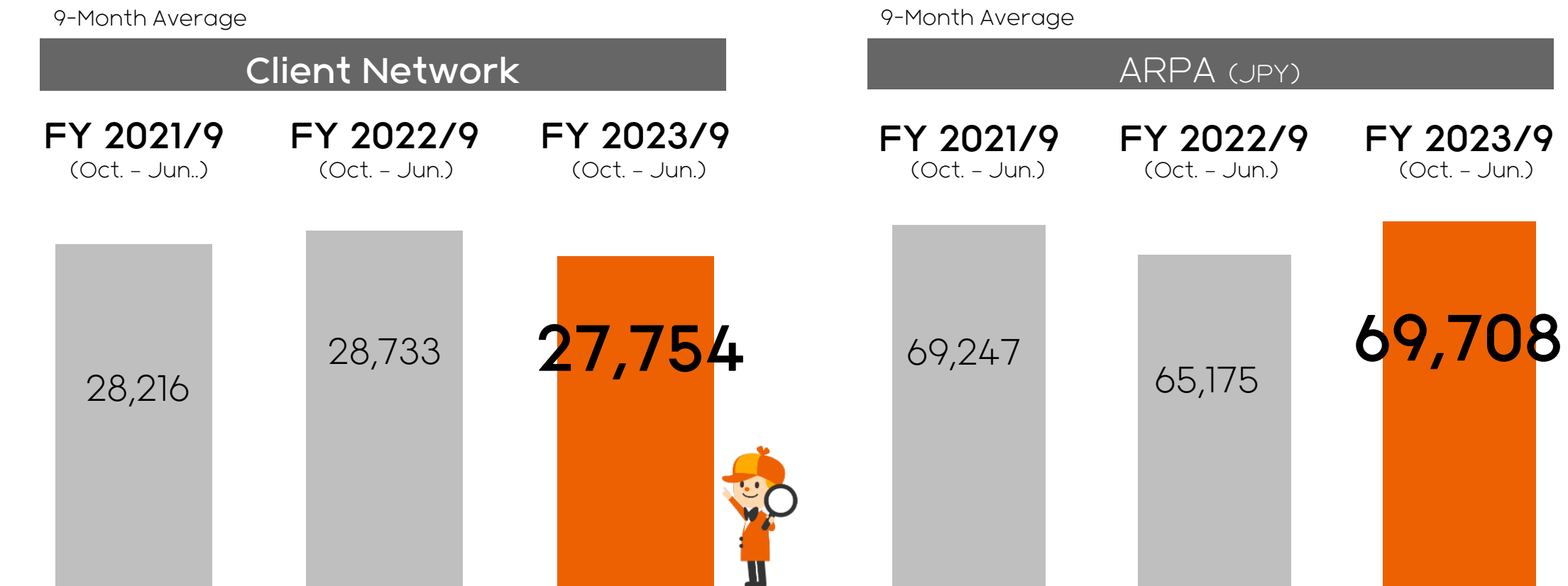
Reduction in advertising spending due to reductions in branding for LIFULL HOME'S

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 and lower client numbers.



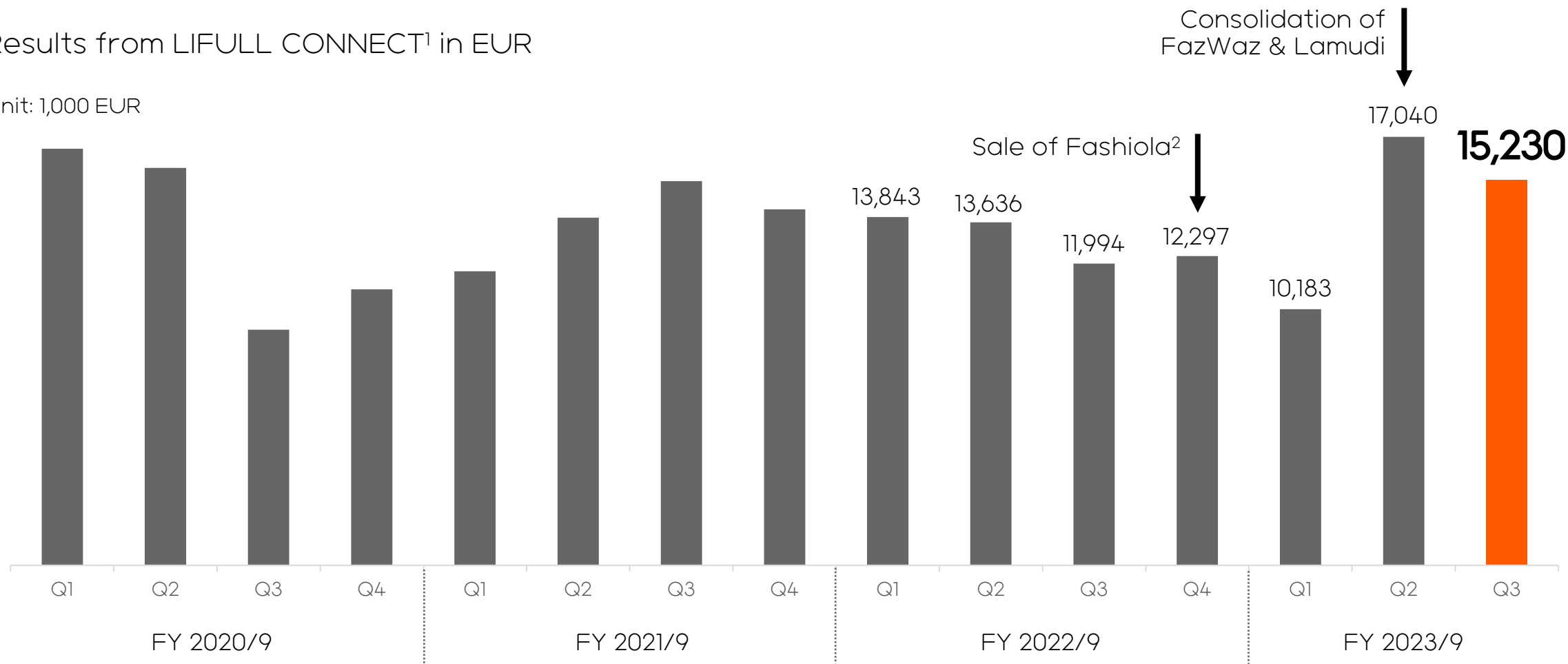
Figures for the current and previous fiscal years have been adjusted to reflect the sale of LIFULL Marketing Partners and the absorption of LIFULL MOVE into LIFULL HOME'S.

# Quarterly Results LIFULL CONNECT

Revenue increased due to the acquisition and consolidation of FazWaz in January 2023 and Lamudi in March 2023.

Results from LIFULL CONNECT<sup>1</sup> in EUR

Unit: 1,000 EUR



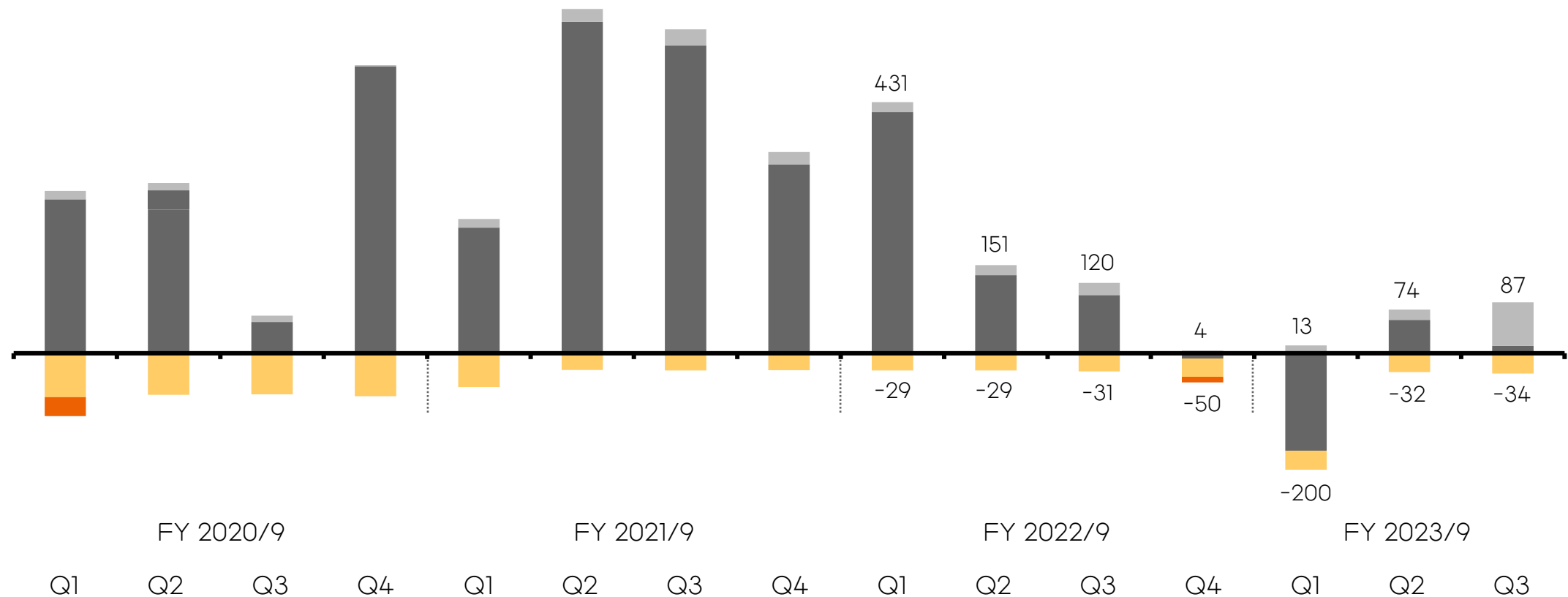
# Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Profit contributions from FazWaz consolidated during the second quarter. Premium ad revenue continues a low levels due to the effects of increased costs of living and interest rates on real estate markets around the world.

## Quarterly Segment P&L

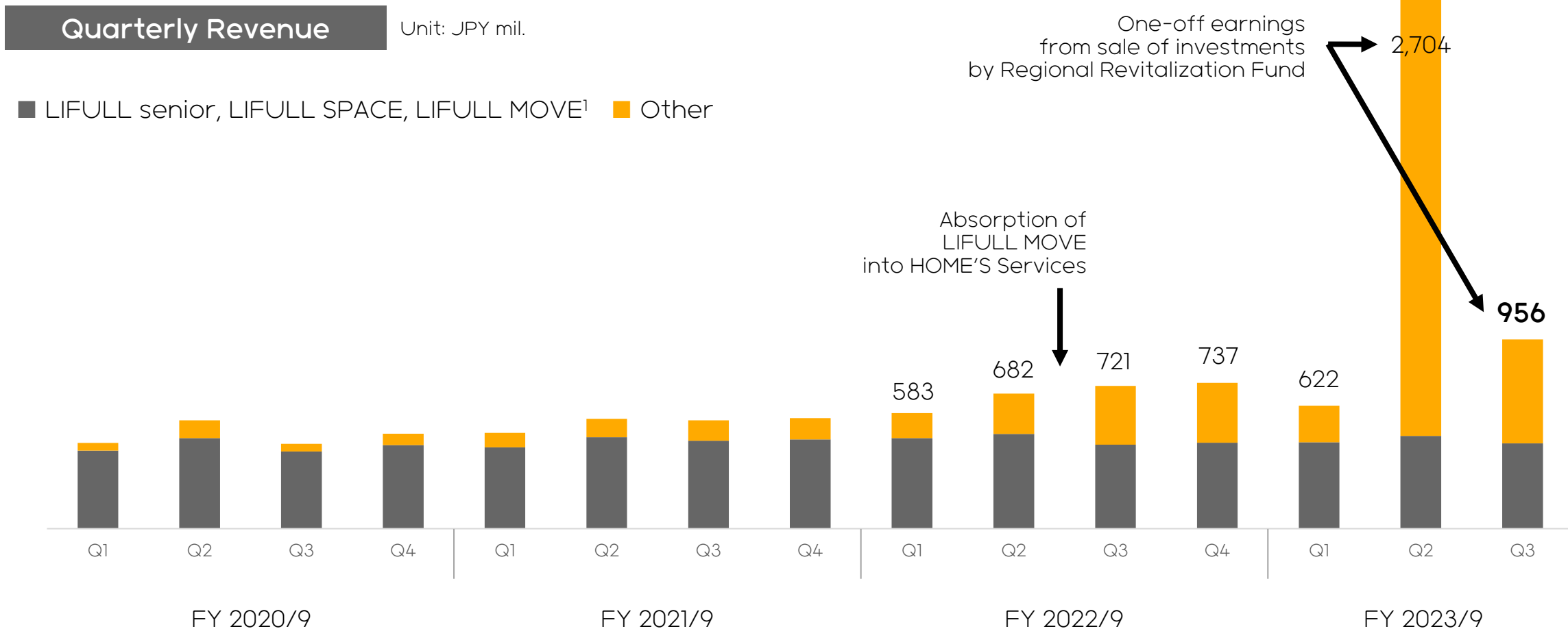
■ LIFULL CONNECT ■ Depreciation ■ M&A Costs ■ Other

Unit: JPY mil.



# Other Businesses Segment Sales Revenue (Quarterly)

Increased revenue in the second and third quarters of FY 2023/9 due to one-off sales of property by the Regional Revitalization Fund.



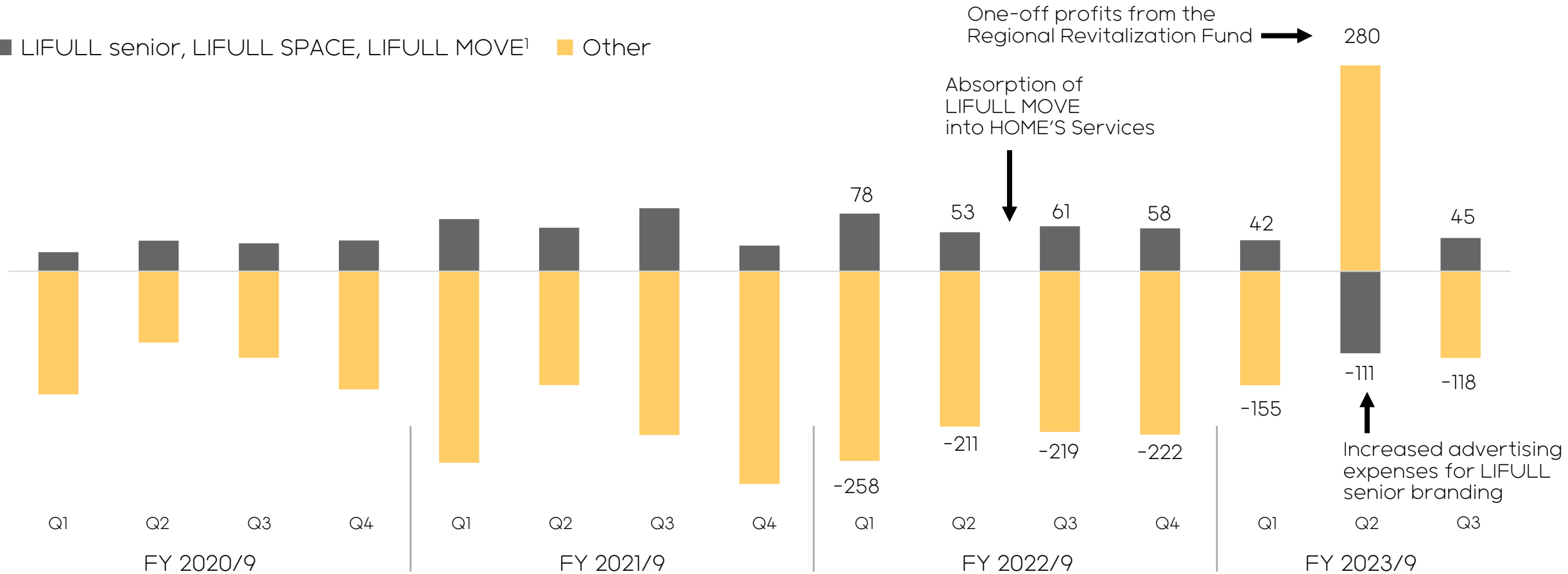
# Other Businesses Segment Profit and Loss (Quarterly)

In line with our position of selective focus, continuing to limit large investments  
 One-off profit increase from the Regional Revitalization Fund in the second quarter

## Quarterly Segment Profit and Loss

Unit: JPY mil.

■ LIFULL senior, LIFULL SPACE, LIFULL MOVE<sup>1</sup> ■ Other



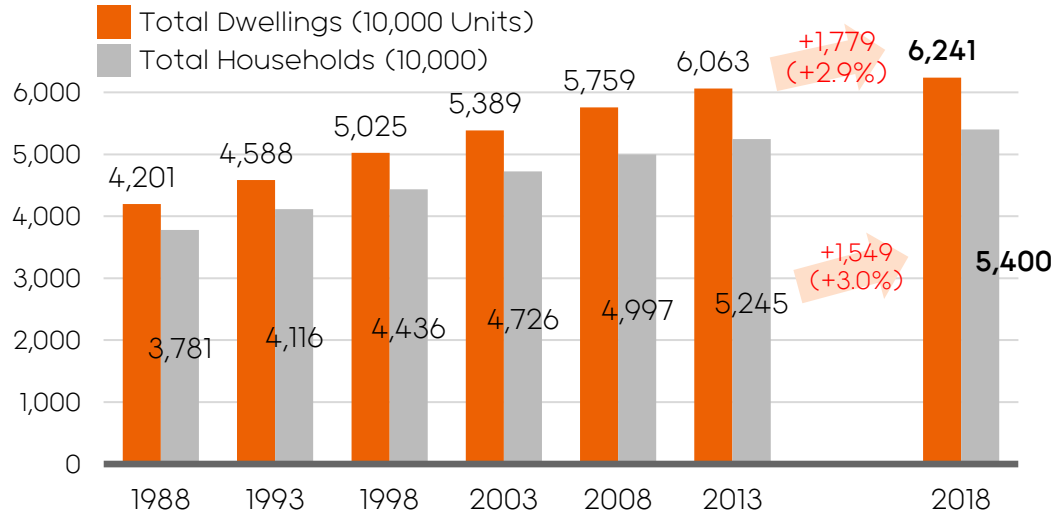


# (Ref.) External Market Data Monthly

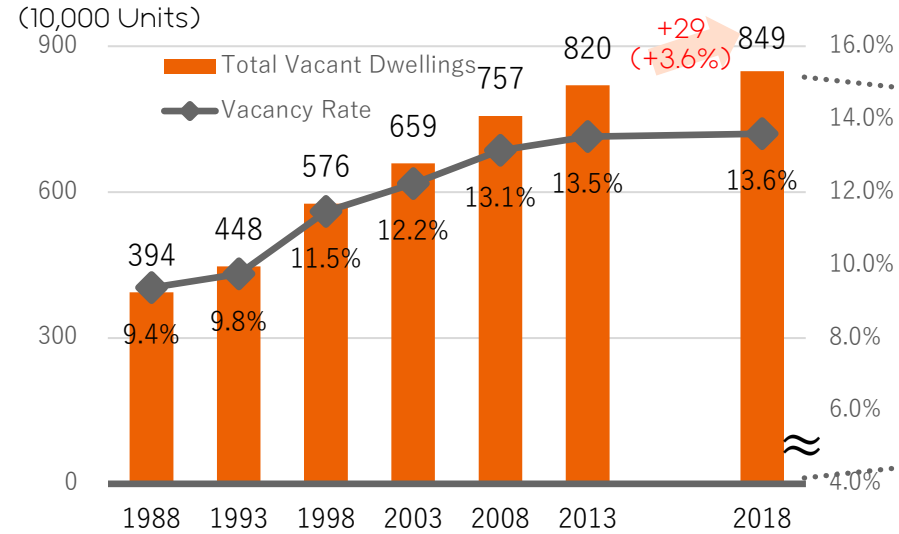
		Annual			2022												2023					
		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
(1) Number of Apartments for Sale	Capital Region	27,228	33,636	29,569	1,128	2,287	2,492	2,426	2,466	1,913	2,268	1,162	2,036	2,768	2,866	5,757	710	1,821	2,439	1,690	1,936	1,906
	YoY	-12.8%	23.5%	-12.1%	-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%	-30.3%	-21.5%	-0.4%
	Kinki	15,195	18,951	18,952	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	836	1,024	1,384
	YoY	-15.8%	24.7%	124.7%	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%	-27.2%	-25.7%	9.8%
(2) Apartment Price Trend	Capital Region	6,083	6,260	6,261	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	7,747	8,068	6,550
	YoY	1.7%	2.9%	102.9%	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%	23.1%	32.5%	1.6%
	Kinki	4,181	4,562	4,563	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	5,193	5,005	4,260
	YoY	8.1%	9.1%	109.1%	-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%	30.4%	3.1%	-3.7%
(3) New Build Starts (Units)	House for Rent	306,753	321,376	345,080	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	28,685	28,695	30,112
	YoY	-10.4%	4.8%	7.4%	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%	-2.8%	10.5%	-0.6%
	Apartment	107,884	101,292	108,198	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	7,233	9,700	8,422
	YoY	-8.4%	-6.1%	6.8%	-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%	-43.0%	28.2%	7.2%
	House	130,753	141,094	145,992	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	12,362	11,615	11,606
	YoY	-11.4%	7.9%	3.5%	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%	-0.8%	-2.5%	-8.5%
	Owned house	261,088	285,575	253,287	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	18,597	18,853	20,325
	YoY	-9.6%	9.4%	-11.3%	-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%	-11.6%	-11.5%	-12.4%
(4) Internal Migrants	Total	5,255,721	5,247,744	5,310,972	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	675,093	409,235	366,759
	YoY	-2.7%	-0.2%	1.2%	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%	-0.5%	-3.4%	-4.6%
	Only Japanese	4,840,852	4,818,721	4,775,207	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	619,057	362,950	323,018
	YoY	-1.0%	-0.5%	-0.9%	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%	-1.8%	-0.7%	-0.5%
(5) Japan Population	Unit : Thousand	Oct. 1, 2020	Oct. 1, 2021	Oct. 1, 2022	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	Apr-23	May-23	Jun-23
	Total	126,146	125,502	-	125,309	125,194	125,103	125,071	125,072	125,104	125,125	125,082	124,971	124,947	124,913	124,861	124,752	124,631	124,490	124,470	124,500	124,520

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

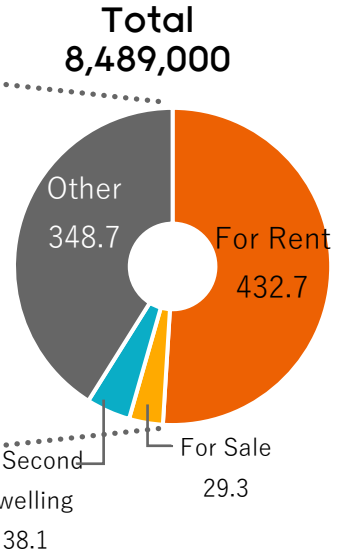
### Trend of Total Dwellings and Total Households



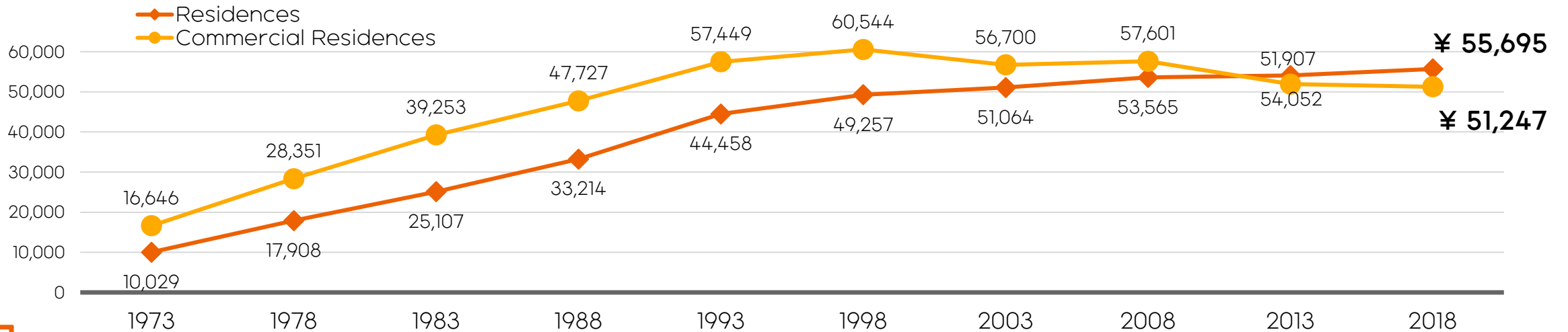
### Trend of Number of Vacant Homes and Vacancy Rates



### 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/>



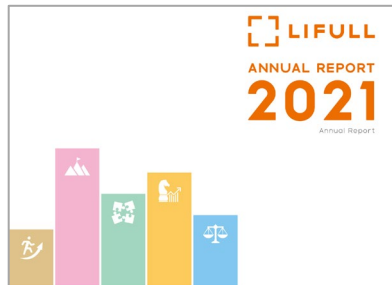
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## Annual Report 2021



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

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

## Other Information about LIFULL



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