

Consolidated Financial Report for the Fiscal Year Ended September 30, 2023 (IFRS)

November 13, 2023

Company name: LIFULL Co., Ltd. **Listed exchange:** Tokyo Stock Exchange
Stock code: 2120 **URL:** <https://ir.lifull.com/en/>
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Ordinary General Shareholders Meeting (scheduled): December 21, 2023
Commencement of dividend payments (scheduled): December 22, 2023
Filing annual securities report (scheduled): December 22, 2023
Preparation of supporting documentation for earnings: Yes **Earnings presentations:** Yes (For institutional investors and analysts)

(Millions of yen; amounts have been rounded down to the nearest million yen)

1. Consolidated Financial Results for Fiscal 2023 (October 1, 2022 to September 30, 2023)

(1) Consolidated Operating Results

(Percentages indicate YoY change)

	Revenue		Operating profit		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal 2023	36,405	1.9	1,959	17.2	1,634	17.9	1,055	(10.9)	1,031	(12.6)	2,874	(4.5)
Fiscal 2022	35,730	(0.4)	1,672	-	1,386	-	1,185	-	1,180	-	3,008	-

	Basic earnings per share	Diluted net profit per share	Return on equity	Return on assets	Operating profit margin
Fiscal 2023	yen 8.03	yen 8.01	% 3.2	% 3.3	% 5.4
Fiscal 2022	yen 8.96	yen 8.94	% 4.0	% 2.9	% 4.7

(Reference) Equity in Income from Investments in Affiliates FY 2023/9: -197 million yen FY 2022/9: -202 million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to the owners of the parent	Equity attributable to the owners of the parent ratio	Equity attributable to owners of the parent per share
As of September 30, 2023	million yen 51,102	million yen 32,652	million yen 32,554	% 63.7	yen 254.34
As of September 30, 2022	million yen 48,727	million yen 31,123	million yen 30,991	% 63.6	yen 235.18

(3) Consolidated Cash Flows

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)
Fiscal 2023	million yen 6,233	million yen (1,743)	million yen (5,079)	% 16,510
Fiscal 2022	million yen 2,697	million yen 388	million yen (54)	% 16,521

2. Dividends

	Annual dividend					Total Dividends	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal 2022	yen -	yen 0.00	yen -	yen 2.25	yen 2.25	million yen 296	% 25.1	% 1.0
Fiscal 2023	yen -	yen 0.00	yen -	yen 4.26	yen 4.26	million yen 545	% 53.1	% 1.7
Fiscal 2024 (Forecast)	yen -	yen -	yen -	yen -	yen -		% -	% -

Note 1: Cash dividends per share are calculated at a payout ratio of 25% and rounded up at the third decimal point without regard to outstanding circumstances.

Note 2: Dividends per share are calculated according to the total number of issued shares at the end of the period while the payout ratio is calculated based on the average number of shares during the period.

Note 3: Dividends for FY 2024/9 are expected to be calculated based on a payout ratio of 25% and the number of shares at the end of the period.

3. Forecasts on the Consolidated Results for Fiscal 2024 (October 1, 2023 to September 30, 2024)

(Percentages indicate YoY change for the entire year)

	Revenue		Operating profit		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	Yen
Fiscal Year 2024	37,000	1.6	3,000	53.1	1,350	(30.9)	10.06

* Notes

(1) There have been no changes in material subsidiaries during the term
(Change in specified subsidiaries which accompanies a change in the range of consolidation)

(2) Changes in accounting policies and changes or restatement of accounting estimates

[1] Changes in accounting policies required by IFRS : No

[2] Changes in accounting policies other than [1] : No

[3] Changes in accounting estimates : No

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

(3) Number of shares issued (common stock)

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

[2] Treasury shares at the end of the period

[3] Average shares during the period

As of September 30, 2023	134,239,870	As of September 30, 2022	134,239,870
As of September 30, 2023	6,245,073	As of September 30, 2022	2,458,270
Fiscal 2023	128,460,800	Fiscal 2022	131,781,600

(Ref.) Overview of Non-Consolidated Results

Non-Consolidated Results for Fiscal 2023 (October 1, 2022 – September 30, 2023)

(1) Non-Consolidated Results

(Percentages indicate YoY change)

	Revenue		Operating profit		Ordinary profit		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal 2023	22,904	0.8	1,930	-	2,628	-	1,526	-
Fiscal 2022	22,731	(1.6)	(599)	-	(130)	-	(378)	-

	Basic earnings per share	Diluted net profit per share
	yen	yen
Fiscal 2023	11.88	11.86
Fiscal 2022	(2.87)	-

(2) Non-Consolidated Financial Position

	Total assets	Total equity	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	Yen
Fiscal 2023	33,326	24,348	73.1	189.47
Fiscal 2022	34,644	24,131	69.7	182.46

(Reference) Capital Adequacy FY 2023/9: 24,251 million yen FY 2022/9: 24,044 million yen

Reason for the Difference Between the Results of the Current and Previous Fiscal Years

During the fiscal year ended September 30, 2023, we focused our efforts on growing and improving the competitiveness of our flagship service, LIFULL HOME'S and made active growth investments in improving our services and brand recognition. During the current fiscal year, the business has been making strong progress with advertising spend strategically decreased to levels of two years prior. Therefore, profitability has improved significantly over the previous fiscal year.

This consolidated financial report is not subject to audit.

Regarding appropriate use of result forecasts and other notes

- Result forecasts and other statements about the future found in this document are based on information available to the Company and assumptions deemed reasonable at the current time. Actual results and outcomes may vary significantly due to various factors. For more information on the terms related to the assumptions used for result forecasts and notes on the use of result forecasts and other information, please refer to page 7 "(4) Outlook" of the supplemental documentation.
- The Company has scheduled an online earnings presentation for institutional investors and analysts at the following date. Materials, recordings and records of the question and answer session will be made available on the Company's website in a timely fashion.
- November 14, 2023 (Tuesday): Online earnings presentation for institutional investors and analysts
- LIFULL IR website: <https://ir.LIFULL.com/en/>

(Appendix)

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year Ended September 30, 2023

During the fiscal year ended September 30, 2023 (October 1, 2022 - September 30, 2023), the economy of Japan began to experience a recovery through a balance between measures against COVID-19 and increased economic activity. However, increased inflation around the world and the weak yen have resulted in higher energy and material costs, which has driven up the cost of living. For these reasons, the future continues to remain partially uncertain.

For the construction and real estate industries, which is the primary industry of our clients, new housing starts have declined about to about 97% of the previous year. At the same time, the market has remained robust with growing volumes of resale property transactions and increasing property prices.

Overseas, countries around the world are being affected by global inflation, monetary tightening and other issues affecting multiple countries which, in turn, have caused stagnation in the real estate and advertising markets.

In this environment, we have also been making proactive investments in the HOME'S Services segment, which includes our flagship real estate information service in Japan, and the Overseas segment for growth in the mid to long term.

In the domestic HOME'S Services segment, we have taken initiatives to strengthen and improve our products and increase our client network to provide more value to users and real estate professionals and increase the competitiveness of our services.

In the Overseas segment, we acquired the tech-enabled real estate company, FazWaz Thailand Co. Ltd. ("FazWaz") in Thailand as well as the operator of Lamudi, one of the largest real estate portals in Mexico, Medios de Clasificados, S. de R. L. de CV ("Lamudi Mexico") thereby increasing our market share in our target markets. FazWaz is over-performing on the original business plans we had set. Therefore, after revising the mid-term business plan, we have added an additional amount to the earn-out.

Additionally, the Regional Revitalization Fund sold two hotel development projects and land for hotel development for one-off gains during the year.

As a result, we ended the period with sales revenue of ¥36,405 million (+1.9% YoY), operating profit of ¥1,959 million (+17.2% YoY), profit for period before taxes of ¥1,634 million (+17.9% YoY), profit for the period of ¥1,055 million (-10.9% YoY) and profit for the period attributable to owners of the parent of ¥1,031 million (-12.6% YoY). The revenue and profit for each segment are as follows.

Revenue and profit / loss by segment was as follows:

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

Segment	Revenue		Segment profit and loss	
	Amount	Change %	Amount	Change %
(1) HOME'S Services	23,165	(11.2)	2,644	+657.0
(2) Overseas	8,668	+20.4	3	Note 2
(3) Other Businesses	4,926	+79.4	(204)	Note 3

Note 1: Intersegment transactions have not been eliminated.

Note 2: Segment profit in the previous fiscal year was ¥567 million.

Note 3: Segment loss in the previous fiscal year was ¥661 million.

(1) HOME'S Services Business

This segment comprises the real estate and property information site, LIFULL HOME'S, and the investment property site, Kenbiya.

During the current fiscal year, we took steps to further improve the value we provide to our clients and users while also increasing our own competitiveness. We continued to make investments into developing our services and improve the value that we provide to both users and clients while also increasing our own competitiveness. In order to transform LIFULL HOME'S into a site where users can find exact home for their preferred lifestyle, we developed new features using AI technology and improved the quality of the user experience while also strengthening and increasing our client network. We also returned branding spending back to levels of three years ago. As a result of these initiatives, we increased the profitability of LIFULL HOME'S while maintaining the total numbers of inquiries through the website.

Due to the above, segment revenue amounted to ¥23,165 million (-11.2% YoY). However, removing the results of LIFULL Marketing Partners (LMP), a subsidiary sold in the previous fiscal year, segment revenue would have grown 2.7% YoY. Segment profit amounted to ¥2,644 million (+657.0% YoY) primarily due to reduced advertising spending.

(2) Overseas

This segment is primarily comprised of the real estate websites as well as tech-enabled real estate agent services offered through LIFULL CONNECT.

During the current fiscal year in the Overseas segment, we have followed our growth strategy "Moving to Direct" (making investments to increase the value we provide to both users and clients through our services) and acquired two new companies in our key regions of Southeast Asia and Latin America.

In Southeast Asia, we acquired Fazwaz which offers tech-enabled real estate agent services. In Latin America, we acquired Lamudi Mexico which operates a leading real estate portal in Mexico. In particular, after acquiring FazWaz, we have increased the number of transactions that the tech-enabled real estate company completes and considerably grown the business scope of the Overseas segment.

At the same time, conflicts around the world as well as global monetary tightening etc. have caused stagnation in some of our main countries causing some of our clients to go bankrupt or lower their advertising spending. These issues caused revenue from premium advertisements on our aggregation websites to decline significantly.

As a result, sales revenue for the Overseas segment amounted to ¥8,668 million (+20.4% YoY) and segment profit of ¥3 million for the current fiscal year (a decline of ¥563 million over the segment profit of ¥567 million in the previous fiscal year.)

(3) Other Businesses

The Other Businesses segment is primarily comprised of LIFULL Kaigo (nursing care), a search website for nursing facilities for the elderly; LIFULL Trunkroom, a search website for rental storage facilities; the Regional Revitalization Business; the Regional Revitalization Fund and other services.

Although LIFULL senior, operator of LIFULL Kaigo, increased advertising spending for branding initiatives, the Real Estate Revitalization Fund, which invests in real estate repurposing projects that bring business into rural areas of Japan sold two hotel development projects during the second quarter and land for hotel development during the third quarter.

As a result, the sales revenue for the Other Businesses segment amounted to ¥4,926 million (+79.4% YoY) and segment loss amounted to ¥204 million (an improvement of ¥456 million over the loss of ¥661 million in the previous fiscal year.)

Additionally, we have resolved to transfer all shares of LIFULL SPACE, which operates the rental storage facilities LIFULL Trunkroom, in order to focus our resources on growing our other businesses.

For further details on financial results, including the following items, please refer to the LIFULL Group Investor Information Site, specifically the "Earnings Presentation for the Fiscal Year Ended September 30, 2023," announced on November 13, 2023.

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

<Primary items in the earnings presentation materials>

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

(2) Overview of Financial Position for the Fiscal 2023 Analysis of financial position

(Current assets)

Current assets stood at ¥23,064 million as of September 30, 2023, a decrease of ¥1,947 million from the previous fiscal year-end. The primary reasons were a decrease of ¥10 million in cash and cash equivalents, an increase of ¥169 million in accounts receivable and other current receivables, an increase of ¥115 million in other short-term financial assets and a decrease of ¥2,220 million in other current assets.

(Non-current assets)

Non-current assets stood at ¥28,038 million as of September 30, 2023, an increase of ¥4,322 million from the previous fiscal year-end. The primary reasons were a decrease of ¥145 million in property, plant and equipment, a decrease of ¥556 million in right-of-use assets, an increase of ¥5,566 million in goodwill, a decrease of ¥457 million in intangible assets, a decrease of ¥576 million in investments accounted for using the equity method, an increase of ¥511 million in other long-term financial assets, an increase of ¥19 million in deferred tax assets and a decrease of ¥39 million in other non-current assets.

As a result, total assets were ¥51,102 million as of September 30, 2023, an increase of ¥2,375 million from the previous fiscal year-end.

(Current liabilities)

Current liabilities stood at ¥12,127 million as of September 30, 2023, a decrease of ¥1,262 million from the previous fiscal year-end. The primary reasons were an increase of ¥222 million in accounts payable and other current payables, a decrease of ¥2,763 million in short-term loans, an increase of ¥4 million in lease liabilities, an increase of ¥347 million in accrued corporate income taxes and an increase of ¥925 million in other current liabilities.

(Non-current liabilities)

Non-current liabilities stood at ¥6,322 as of September 30, 2023, an increase of ¥2,108 million from the previous fiscal year-end. The primary reasons were a decrease of ¥165 million in long-term loans, a decrease of ¥571 million in lease obligations, an increase of ¥3,077 million in other long-term financial liabilities, a decrease of ¥70 million in deferred tax liabilities and a decrease of ¥161 million in other non-current liabilities.

As a result, total liabilities were ¥18,449 million, an increase of ¥845 million from the end of the previous fiscal year.

(Equity)

Total equity stood at ¥32,652 million, an increase of ¥1,529 million from the previous fiscal year-end. The primary reasons were an increase of ¥1,031 million in retained earnings from profit for the period attributable to owners of the parent, a decrease of ¥296 million in retained earnings from payment of dividends, an increase of ¥1,818 million in other components of equity from to other comprehensive income, acquisition of treasury shares amounted to ¥1,000 million and a decrease of ¥33 million in equity attributable to non-controlling interests.

(3) Overview of Cash Flows for Fiscal 2023

In the fiscal year ended September 30, 2023, cash and cash-equivalents (hereinafter, "cash") amounted to ¥16,510 million (-¥10 million YoY).

(Cash flows from operating activities)

Net cash inflow from operating activities amounted to ¥6,233 million, an increase of ¥3,536 million compared to the net cash inflow of ¥2,697 million during the previous consolidated fiscal year. The primary reasons were an impairment loss of ¥128 million, profit before taxes amounting to ¥1,634 million (+¥247 million YoY). During depreciation and amortization amounting to ¥1,980 million (+¥59 million YoY), accounts receivable and other current receivable amounting to ¥675 million (+¥2,413 million YoY), accounts payable and other current payables amounting to -¥1,772 million (-¥3,947 million YoY), other items amounting to ¥3,655 million (+¥4,823 million YoY) and corporate income taxes paid amounting to ¥132 million with a refund of ¥205 million from the last fiscal year (-¥338 million YoY).

(Cash flows from investing activities)

Net cash outflow from investing activities amounted to ¥1,743 million, an increase of ¥388 million compared to the net cash inflow of ¥2,132 million in the previous year.

In the previous fiscal year, payments for business transfers amounted to ¥453 million, proceeds from the sale of shares of subsidiaries amounted to ¥2,440 million and purchase of shares of affiliates amounted to ¥800 million. During the current fiscal year, there were proceeds from the sale of shares of affiliates amounting to ¥858 million, payments for the purchase of fixed assets amounting to ¥131 million (+¥39 million YoY), payments for the purchase of intangible assets amounting to ¥388 million (-¥198 million QoQ), payments for the purchase of subsidiaries amounting to ¥1,264 million (+¥969 million), payment of loans collectable amounting to ¥2,442 million

(+¥1,457 million YoY), collection of loans collectable amounting to ¥1,552 million (+¥410 million YoY) and other items amounting to ¥56 million (+¥50 YoY.)

(Cash flows from financing activities)

Net cash outflow from financing activities amounted to ¥5,079 million, a decrease of ¥5,025 million compared to the net cash outflow of ¥54 million in the previous year. The primary reasons were as follows. During the previous fiscal year, there was an increase in long-term loans amounting to ¥1,319 million. During the current fiscal year, there were proceeds from short-term loans amounting to ¥400 million (-¥103 million YoY), repayment of short-term loans receivable amounting to ¥1,800 million (+¥1,549 YoY), repayment of long-term loans amounting to ¥1,592 million (+¥1,187 million), payment of dividends amounting to ¥296 million (-¥180 million YoY), payment of dividends to non-controlling interests amounting to ¥57 million (+¥52 million YoY) and payment for repurchase of treasury shares amounting to ¥1,000 million (+¥1,000 million YoY).

(4) Outlook

Outlook for Consolidated Earnings in Fiscal 2024

(Millions of yen)

	Fiscal year ended September 30, 2023	Forecast for the year ending September 30, 2024	Change	Rate of change (%)
Revenue	36,405	37,000	+594	+1.6
HOME' S Services	23,158	24,200	+1,041	+4.5
Overseas	8,320	10,300	+1,979	+23.8
Other businesses	4,926	2,500	(2,426)	(49.3)
Operating profit (loss)	1,959	3,000	+1,040	+53.1
Profit attributable to owners of the parent for the year	1,031	1,350	+318	+30.9

Note: Intersegment transactions have been eliminated.

For further details on forecasts of financial results including forecast of main SG&A expense items, please refer to the LIFULL IR website for the "Earnings Presentation for the Fiscal Year Ended September 30, 2023" announced on November 13, 2023.

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

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

2. Basic Approach to the Selection of an Accounting Standard

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

3. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	16,521	16,510
Accounts receivable-trade and other current receivables	4,461	4,630
Other short-term financial assets	1,068	1,183
Other current assets	2,960	739
Total current assets	25,011	23,064
Non-current assets		
Property, plant and equipment	1,191	1,045
Right-of-use assets	2,656	2,100
Goodwill	11,499	17,066
Intangible assets	2,961	2,504
Investments accounted for using the equity method	1,112	536
Other long-term financial assets	1,528	2,040
Deferred tax assets	2,716	2,735
Other non-current assets	49	9
Total non-current assets	23,715	28,038
Total assets	48,727	51,102

	As of September 30, 2022	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,036	3,259
Short-term loans	8,092	5,329
Lease liabilities	693	698
Accrued corporate income taxes	250	598
Other current liabilities	1,316	2,241
Total current liabilities	13,389	12,127
Non-current liabilities		
Long-term loans	462	297
Lease obligations	2,036	1,464
Provisions	511	511
Other long-term financial liabilities	200	3,278
Deferred tax liabilities	479	408
Other non-current liabilities	523	361
Total non-current liabilities	4,214	6,322
Total liabilities	17,603	18,449
Equity		
Attributable to the owners of the parent		
Capital stock	9,716	9,716
Capital surplus	10,033	10,035
Retained earnings	11,018	11,754
Treasury shares	(1,009)	(2,009)
Other components of equity	1,233	3,057
Attributable to the owners of the parent	30,991	32,554
Attributable to non-controlling interests	131	97
Total equity	31,123	32,652
Total liabilities and equity	48,727	51,102

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

Condensed Consolidated Statements of Profit or Loss

(Millions of yen)

	Fiscal 2022 (October 1, 2021, to September 30, 2022)	Fiscal 2023 (October 1, 2022, to September 30, 2023)
Revenue	35,730	36,405
Cost of revenue	4,055	3,856
Gross profit	31,674	32,548
Selling, general and administrative expenses	31,372	30,091
Other revenue	1,492	793
Other expenses	122	1,291
Operating profit (loss)	1,672	1,959
Financial revenue	5	61
Financial expenses	89	189
Share of profit (loss) of investments accounted for using the equity method	(202)	(197)
Profit (loss) before taxes	1,386	1,634
Income tax expenses	201	579
Profit (loss) for the period	1,185	1,055
Profit (loss) for the period attributable to:		
Owners of the parent	1,180	1,031
Non-controlling interests	4	24
Total	1,185	1,055
		(yen)
Profit (loss) for the period per share attributable to owners of the parent		
Basic profit for the period per share	8.96	8.03
Diluted profit for the period per share	8.94	8.01

Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal 2022 (October 1, 2021, to September 30, 2022)	Fiscal 2023 (October 1, 2022, to September 30, 2023)
Profit (loss) for the period	1,185	1,055
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	38	(174)
Total of items that will not be reclassified to profit or loss	38	(174)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,610	2,177
Share of other comprehensive income of investments accounted for using the equity method	174	(184)
Total of items that may be reclassified subsequently to profit or loss	1,785	1,992
Other comprehensive income, net of tax	1,823	1,818
Total comprehensive income (loss) for the period	3,008	2,874
Comprehensive income (loss) for the period attributable to:		
Owners of the parent	3,003	2,850
Non-controlling interests	4	24
Total	3,008	2,874

(3) Condensed Consolidated Statements of Changes in Equity

For Fiscal 2022 (October 1, 2021, to September 30, 2022)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance as of October 1, 2021	9,716	9,982	10,296	(1,009)	(572)	28,413	124	28,538
Profit (loss) for the period	-	-	1,180	-	-	1,180	4	1,185
Other comprehensive income	-	-	-	-	1,823	1,823	-	1,823
Total comprehensive income for the period	-	-	1,180	-	1,823	3,003	4	3,008
Dividends of surplus	-	-	(477)	-	-	(477)	(5)	(482)
Stock-based compensation transactions	-	51	-	-	-	51	-	51
Transfer to retained earnings	-	-	20	-	(20)	-	-	-
Purchase of treasury shares	-	-	-	(0)	-	(0)	-	(0)
Changes from exclusion from consolidation	-	-	(1)	-	1	-	7	7
Total transactions with owners	-	51	(458)	(0)	(18)	(425)	1	(423)
Balance as of September 30, 2022	9,716	10,033	11,018	(1,009)	1,233	30,991	131	31,123

For Fiscal 2023 (October 1, 2022, to September 30, 2023)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance as of October 1, 2022	9,716	10,033	11,018	(1,009)	1,233	30,991	131	31,123
Profit (loss) for the period	-	-	1,031	-	-	1,031	24	1,055
Other comprehensive income	-	-	-	-	1,818	1,818	-	1,818
Total comprehensive income (loss) for the period	-	-	1,031	-	1,818	2,850	24	2,874
Dividends of surplus	-	-	(296)	-	-	(296)	(60)	(357)
Stock-based compensation transactions	-	2	-	-	6	9	-	9
Transfer to retained earnings	-	-	1	-	(1)	-	-	-
Purchase of treasury shares	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Equity transactions with non-controlling interest shareholders	-	-	-	-	-	-	3	3
Total transactions with owners	-	2	(294)	(1,000)	5	(1,287)	(57)	(1,345)
Balance as of September 30, 2023	9,716	10,035	11,754	(2,009)	3,057	32,554	97	32,652

(4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal 2022 (October 1, 2020, to September 30, 2021)	Fiscal 2023 (October 1, 2021, to September 30, 2023)
Net cash from operating activities		
Profit for the period before tax	1,386	1,634
Depreciation and amortization	1,920	1,980
Impairment loss	-	128
Financial revenue	(5)	(61)
Financial expenses	89	189
Decrease (increase) in accounts receivable-trade and other current receivables	(1,738)	675
Increase (decrease) in accounts payable-trade and other current payables	2,174	(1,772)
Other	(1,168)	3,655
Subtotal	<u>2,658</u>	<u>6,429</u>
Interest and dividends received	4	5
Interest paid	(172)	(69)
Income taxes paid	205	(132)
Net cash from operating activities	<u>2,697</u>	<u>6,233</u>
Net cash used in investing activities		
Proceeds from sale of financial instrument assets	20	3
Purchase of property, plant and equipment	(92)	(131)
Proceeds from sale of property, plant and equipment	7	2
Purchase of intangible assets	(586)	(388)
Payments for business transfer	(453)	-
Purchase of subsidiaries	(295)	(1,264)
Proceeds from the sale of shares of subsidiaries	2,440	-
Payments of lease deposits and guarantees	(18)	(48)
Proceeds from refund of lease deposits and guarantees	6	60
Purchase of shares of affiliates	(800)	-
Proceeds from the sale of shares of affiliates	-	858
Payments of loans receivable	(985)	(2,442)
Collection of loans receivable	1,141	1,552
Other	5	56
Net cash from investing activities	<u>388</u>	<u>(1,743)</u>
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	503	400
Repayment of short-term loans	(250)	(1,800)
Proceeds from long-term loans payable	1,319	-
Repayment of long-term loans	(404)	(1,592)
Dividends paid	(477)	(296)
Repayment of lease obligations	(739)	(742)
Dividends paid to non-controlling interests	(5)	(57)
Proceeds from share issuance to non-controlling interests	-	3
Purchase of treasury shares	(0)	(1,000)
Other	-	6
Net cash from financing activities	<u>(54)</u>	<u>(5,079)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>343</u>	<u>578</u>
Net increase (decrease) in cash and cash equivalents	<u>3,375</u>	<u>(10)</u>
Cash and cash equivalents at beginning of period	<u>13,145</u>	<u>16,521</u>
Cash and cash equivalents at end of period	<u>16,521</u>	<u>16,510</u>

(5) Notes on the Consolidated Financial Statements

(Note Regarding Going Concern Assumption)

Not applicable.

(Segment Information)

(1) (Overview of Reported Segments)

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

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

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

Segment	Service Type
HOME'S Services	Operation of the real estate and housing portal "LIFULL HOME'S" , and investment real estate site "Kenbiya"
Overseas	Operation of real estate sites and tech-enabled real estate agent business outside of Japan

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

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

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

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

For Fiscal 2022 (October 1, 2021, to September 30, 2022)

(Millions of yen)

	Reportable segment		Other ²	Total
	HOME'S Services	Overseas		
Revenue				
Customers	26,067	6,938	2,725	35,730
Intersegment	15	263	20	299
Total	26,083	7,201	2,745	36,030
Segment profit (loss) ¹	349	567	(661)	255
Other income (expense)				
Operating profit				
Financial revenue and expenses (net)				
Share of profit (loss) of investments accounted for using the equity method				
Profit before taxes				
Other items				
Depreciation and amortization	1,203	615	85	1,903
	Reconciliation ³ Consolidated			
Revenue				
Customers	-	35,730		
Intersegment	(299)	-		
Total	(299)	35,730		
Segment profit (loss) ¹	47	302		
Other income (expense)		1,369		
Operating profit		1,672		
Financial revenue and expenses (net)		(83)		
Share of profit (loss) of investments accounted for using the equity method		(202)		
Profit before taxes		1,386		
Other items				
Depreciation and amortization	-	1,903		

Notes:

1. Segment profit (loss) is revenue less cost of revenue and selling, general and administrative expenses.

2. The Other Businesses segment comprises businesses that are not included in the reportable segments. These include LIFULL *Kaigo* (nursing care), a search website for care homes for the elderly and nursing care facilities; LIFULL Trunkroom, a search website for rental storage space; and other new business ventures.

3. Adjustments to segment profit include elimination of intersegment transactions.

For Fiscal 2023 (October 1, 2022, to September 30, 2023)

(Millions of yen)

	Reportable segment		Other ²	Total
	HOME'S Services	Overseas		
Revenue				
Customers	23,158	8,320	4,926	36,405
Intersegment	6	347	-	354
Total	23,165	8,668	4,926	36,759
Segment profit (loss) ¹	2,644	3	(204)	2,443
Other income (expense)				
Operating profit				
Financial revenue and expenses (net)				
Share of profit (loss) of investments accounted for using the equity method				
Profit before taxes				
Other items				
Depreciation and amortization	1,095	778	90	1,964
	Reconciliation ³	Consolidated		
Revenue				
Customers	-	36,405		
Intersegment	(354)	-		
Total	(354)	36,405		
Segment profit (loss) ¹	13	2,457		
Other income (expense)		(497)		
Operating profit		1,959		
Financial revenue and expenses (net)		(127)		
Share of profit (loss) of investments accounted for using the equity method		(197)		
Profit before taxes		1,634		
Other items				
Depreciation and amortization	-	1,964		

Notes:

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

(Per-share information)

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

	Fiscal 2022 (October 1, 2021, to September 30, 2022)	Fiscal 2023 (October 1, 2022, to September 30, 2023)
Profit (loss) attributable to owners of the parent (Millions of yen)	1,180	1,031
Average number of basic common shares during the period	131,781,600	128,460,800
Impact of potentially dilutive common stock	269,712	261,314
Diluted average number of common shares during the period	132,051,312	128,722,114
Profit for the period per share attributable to owners of the parent (yen)		
Basic profit (loss) for the period per share	8.96	8.03
Diluted net income per share (loss)	8.94	8.01

Notes: Diluted earnings (loss) per share for the previous consolidated fiscal year is the same amount as basic earnings (loss) per share, as there are no potential shares for dilution.

(Important subsequent events)

None to Report