

LIFULL Co., Ltd.

Full-Year Results

IFRS

FY 2023/9 Q4
(October 2022 – September 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.

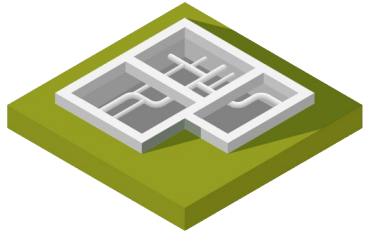
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Agenda

Full-Year Results FY 2023/9



Increased Revenue & Profits YoY
Steadily Improving Profitability

- Review and results from FY 2023/9
- Shareholder returns

Growth Strategy and Forecast for FY 2024/9



**Selective Focus for
Growth in Core Businesses**

- Growth strategies for HOME'S Services & Overseas
- Change in Reporting Segments
- Forecast for FY 2024/9

Progress toward the Mid-Term Management Plan & New Management Structure



**Working to Achieve our
Mid-Term Targets**

- Review of the Mid-Term Management Plan
- New area of business
- Changes to management



FY 2023/9 Earnings

Review of FY 2023/9 Earnings

Consolidated

Improving profitability through selective focus on core businesses
(Operating Profit +17.2% YoY)
Behind original forecast due to Overseas performance

HOME'S Services

Continued investment into service development
Increased revenue in re-sale properties, appraisals and face-to-face consultations
Returned to profitability mainly through optimized ad spend

Overseas

Reduced profit due to under-performance of aggregation sites
New acquisitions out-performing original forecasts



Tech-enabled real estate
company in Thailand



Leading real estate
portal in Mexico

Other

Reduction of losses due to sale of hotel development projects by
the Regional Revitalization Fund
Investments to strengthen branding of LIFULL senior

Condensed Statements of Income and Loss IFRS

Increased revenue due to contributions from Overseas acquisitions and Regional Revitalization Fund. 15% increase in revenue YoY after removing effects of sales of businesses in the previous FY. Additionally, considerable increase in profit due to optimization of advertising spend.

Unit: JPY mil.	FY2022 (Oct.-Sep.)	FY2023 (Oct.-Sep.)	Change	Change %	
Revenue	35,730	36,405	+674	+1.9%	*1
Cost of revenue	4,055	3,856	-199	-4.9%	*2
SG&A	31,372	30,091	-1,280	-4.1%	
Personnel expenses	9,684	9,662	-21	-0.2%	
Advertising expenses	12,824	11,495	-1,329	-10.4%	*3
Operating expenses	537	653	+116	+21.6%	
Depreciation and amortization	1,903	1,964	+61	+3.2%	
Other	6,422	6,314	-107	-1.7%	
Other income and expenses	1,369	-497	-1,867	-	*4
Operating income	1,672	1,959	+287	+17.2%	
Operating income margin	4.7%	5.4%	+0.7pt	-	
Net profit*	1,180	1,031	-149	-12.6%	

* Net profit attributable to owners of the parent

*1 After removing effects of sales of subsidiaries in previous FY, +15.0% growth YoY. Refer to segment revenue P7

*2 Reduction from sale of LIFULL Marketing Partners (LMP) in previous FY and one-off costs for sale of Regional Revitalization hotel developments

*3 Decrease from sales of businesses in prev. FY, but increase of 139 over prev. FY due to new acquisitions

*4 Decrease primarily from strategic reductions in promotion for LIFULL HOME'S

*5 Business sales: (FY 2022/9) LMP & Fashiola (FY 2023/9) Rakuten LIFULL STAY. Addition of conditional consideration (earn-out) for FazWaz due to changes to mid-term business plan.

Revenue / Income and Loss by Segment IFRS

Increased revenue in HOME'S Services after removing effects of the sale of LMP in the previous FY (+2.7% YoY) with increased profit by returning ad spend to the same level as 2 years prior. Overseas acquisitions have been over-performing, but low performance in aggregation caused segment profit to fall below the previous year.

Unit: JPY mil.	FY2022 (Oct.-Sep.)	FY2023 (Oct.-Sep.)	Change	Change %	Main items
Revenue	35,730	36,405	+674	+1.9%	
HOME'S Services	26,067	23,158	-2,909	-11.2%	Decrease in revenue primarily due to the sale of LMP (+2.7 YoY if impact of sale of LMP is removed from the previous FY results)
Overseas	6,938	8,320	+1,382	+19.9%	Growth through 2 new acquisitions covering for decline in revenue from aggregation sites and Fashiola sold in the previous FY. (+30.3% after removing effects of sale of Fashiola.) Additionally, revenue recognition policy underwent conservative revisions in the 4Q. (Approx. JPY 0.4 bil.)
Other	2,725	4,926	+2,201	+80.8%	Increased revenue from sale of Regional Revitalization Fund investments

Unit: JPY mil.	FY2022 (Oct.-Sep.)	FY2023 (Oct.-Sep.)	Change	Change %	Main items
Segment income and loss	302	2,457	+2,154	+712.0%	
HOME'S Services	349	2,644	+2,295	+657.0%	Increased profit primarily due to the optimization of advertising spending
Overseas	567	3	-563	-99.4%	Decline in profit primarily due to lower revenue in aggregation services and increased personnel. Returned to profitability in Q2 and continued in Q3 & Q4. Conservative revisions to revenue recognition policy of FazWaz in Q4 (JPY -0.18 bil.)
Other	-661	-204	+456	-	YoY improvement of loss due to sale of development projects by the Regional Revitalization fund despite increased branding costs for LIFULL senior.
Inter-segment transactions	47	13	-	-70.7%	

Primary businesses in each segment are listed on Page 44

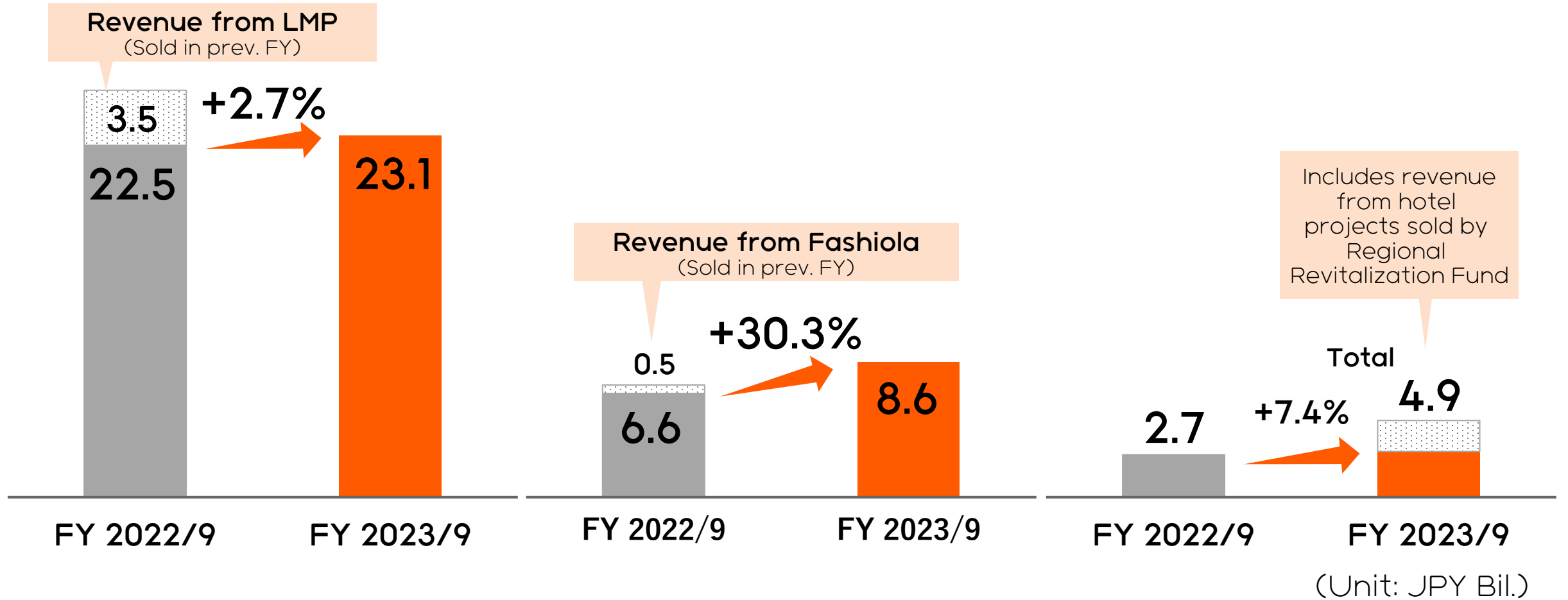
The % Change values for negative results in the current previous periods have been left blank

(Ref.) Revenue by Segment

HOME'S Services

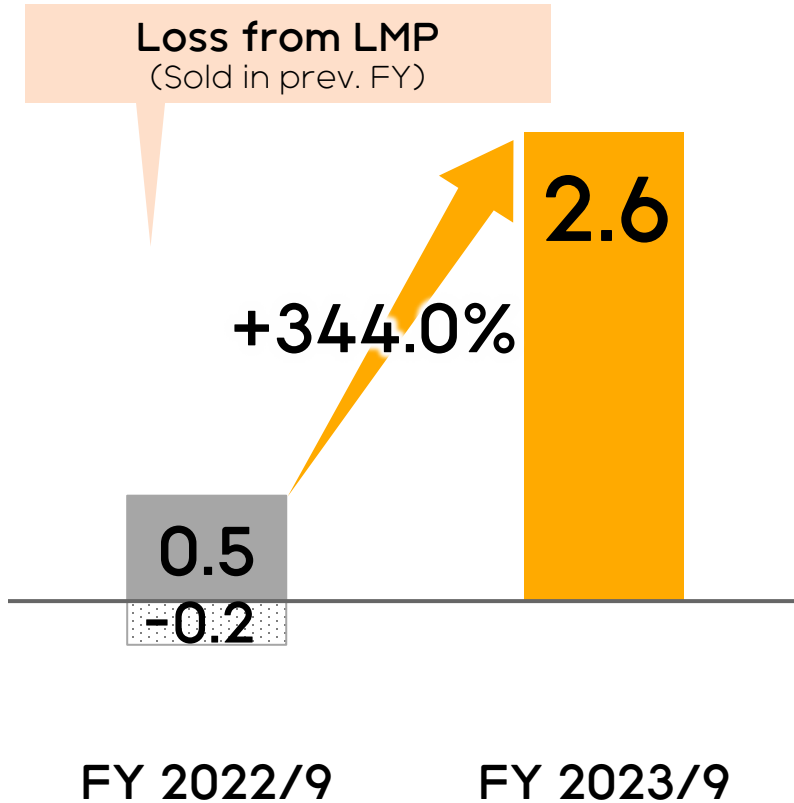
Overseas

Other Businesses

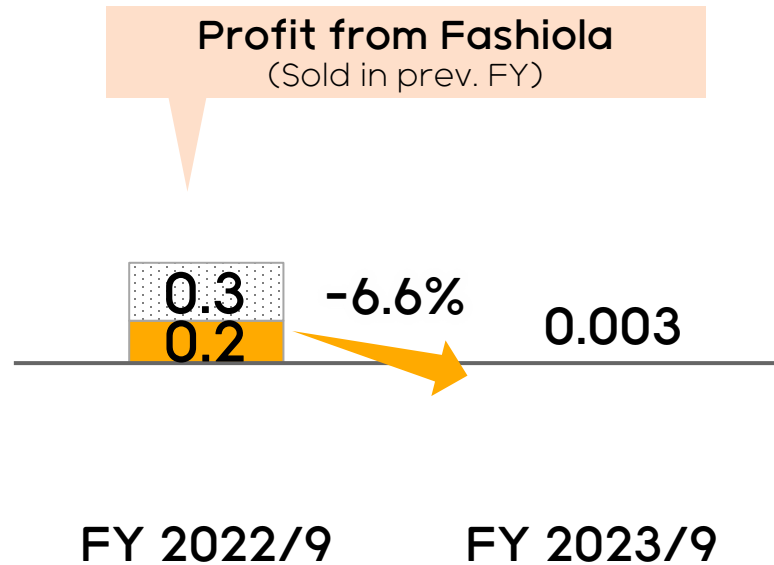


(Ref.) Profit by Segment

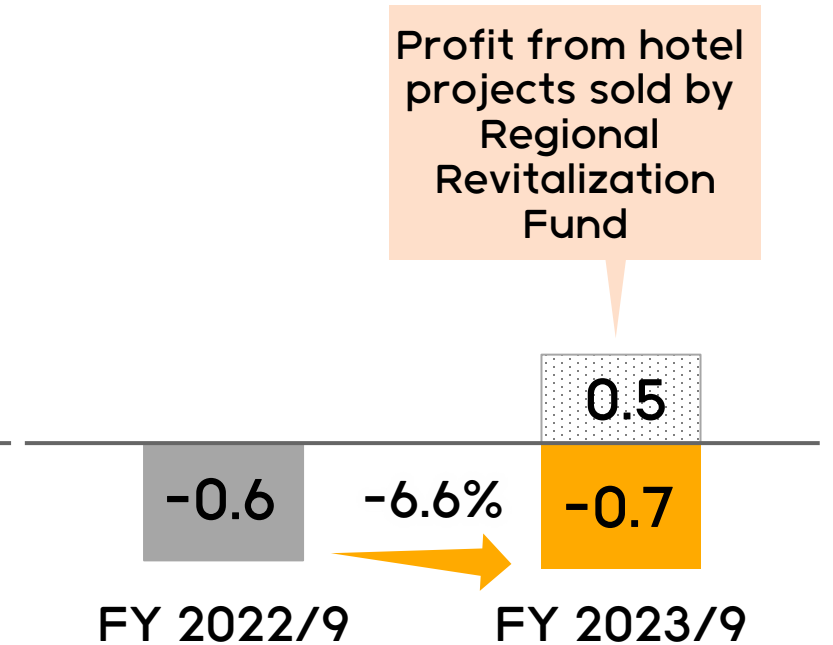
HOME'S Services



Overseas



Other Businesses

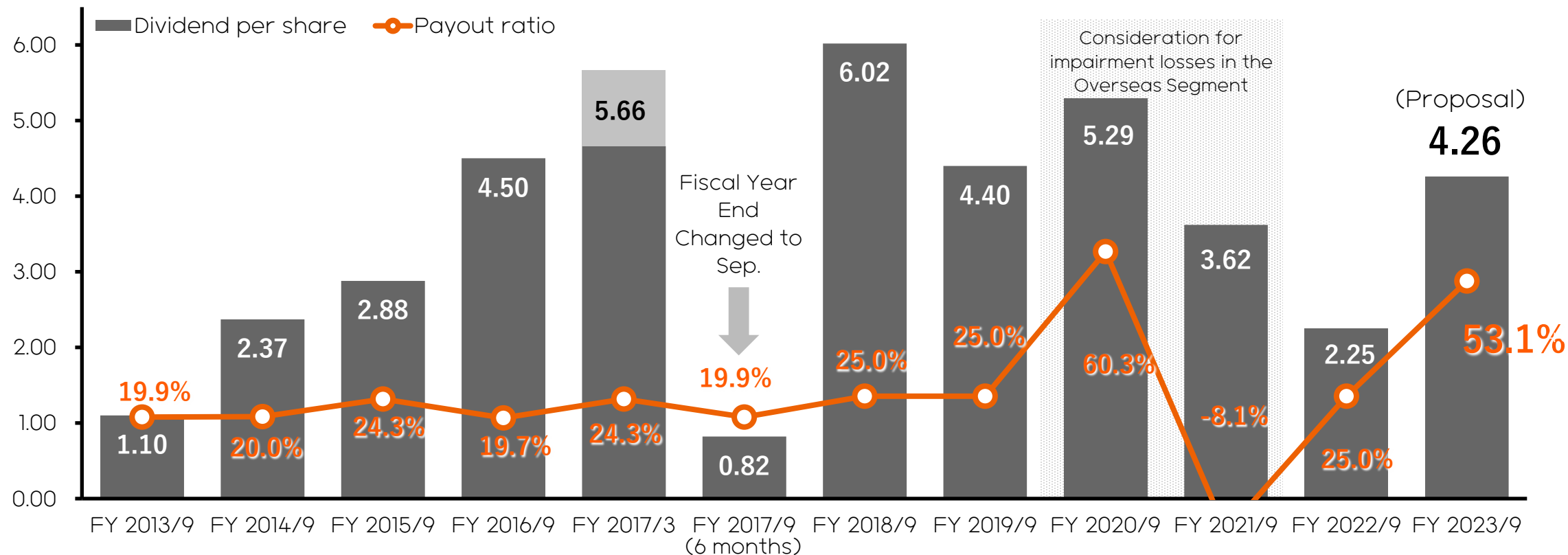


(Unit: JPY Bil.)

Shareholder Returns

Continuation of our basic policy. Dividends for FY 2023/9 are to be 4.26 per share after adding the reduction in taxes due to the reversal of operating losses carried forward for overseas subsidiaries and the additional recording of the earn-out for FazWaz, acquired during FY 2023/9.

(Submitted to the General Shareholders' Meeting to be held on December 21, 2023)



- > The Company implemented a stock splits effective on January 1, 2014 and June 1, 2015.
- > Dividends for the FY 2015/3 were calculated at 25% without regard for the impact of the acquisition of Trovit.
- > To commemorate the twentieth year since the founding of the Company, 1.00 yen was added to the dividends.
- > Dividends for the FY 2019/9 have been calculated based on the number of issued shares as of the end of the period.
- > Dividends for FY 2020/9 and FY 2021/9 have been calculated at 25% without regard for the impact from the impairment loss for overseas subsidiaries.

Condensed Statement of Financial Position and Goodwill IFRS

Goodwill increased by ¥5.5 bil. due to Overseas acquisitions. Decrease in current assets due to sale of hotel projects by the Regional Revitalization Fund with a decrease in current liabilities due to repayment of loans.

Unit: JPY mil.	As of Sep 30, 2022	As of Sep 30, 2023	Change	Change %	Main items		
Current assets	25,011	23,064	-1,947	-7.8%	Cash	-10	Refer to "Condensed Statement of Cash Flows"
					Accounts receivable-trade	+173	Primarily due to sale of LMP and acquisition of FazWaz
					Products	-2,015	Primarily Regional Revitalization efforts
					Taxes receivable	-241	
Non-current assets	23,715	28,038	+4,322	+18.2%	Buildings, Tools, Furniture and Fixtures	-145	
					Right-of-Use Assets	-556	Primarily depreciation and amortization
					Goodwill	+5,566	Primarily from Overseas acquisitions and currency fluctuations
					Software	-267	Primarily depreciation and amortization
					Shares of affiliates	-576	Primarily for sale of shares of Rakuten LIFULL Stay
					Investment securities	-283	
					Long-term loans receivable	+805	Primarily Regional Revitalization efforts
Assets	48,727	51,102	+2,375	+4.9%			
Current liabilities	13,389	12,127	-1,262	-9.4%	Accounts payable - trade	+242	
					Short-term loans	-2,563	Primarily for repayment of Regional Revitalization Fund loans
					Long-term loans payable within 1 year	-199	
					Taxes payable	+680	
					Advances received	+322	Primarily in Overseas
					Provisions for bonuses	+105	
Non-current liabilities	4,214	6,322	+2,108	+50.0%	Long-term loans payable	-165	
					Long-term lease obligations	-571	Primarily payments of lease obligations
					Long-term accounts payable - other	+2,881	Primarily for Overseas acquisitions
Liabilities	17,603	18,449	+845	+4.8%			
Total Equity	31,123	32,652	+1,529	+4.9%	Capital surplus	+736	
					Treasury shares	-1,000	Due to repurchase of treasury shares
					Foreign currency translation adjustm.	+1,992	Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	235.18	254.34	+19.17				

Primary Remaining Goodwill (in JPY): LIFULL CONNECT 16,671 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 116 mil. (¥86 mil. Impairment loss for Littel) Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,284 mil.

Condensed Statement of Cash Flow IFRS

Operating CF increased ¥6.2 bil. primarily due to increased profit. Investing CF decreased by ¥1.7 due to financing business and Overseas acquisitions. Financing CF decreased ¥5.0 bil. due repayment of loans. As a result, cash and cash equivalents amounted to ¥16.5 bil.

Unit: JPY mil.	FY2022	FY2023	Change	Main items		
	(Oct.-Sep.)	(Oct.-Sep.)		Items	FY2022	FY2023
Operating cash flow	2,697	6,233	+3,536	Profit for the period before tax	+1,386	+1,634
				Depreciation and amortization	+1,920	+1,980
				Impairment	-	+128
				Decr. (incr.) in accounts receivable-trade & other current receivables	-1,738	+675
				Incr. (decr.) in accounts payable-trade & other current payables	+2,174	-1,772
				Tax payments	+205	-132
				Other	-1,168	+3,655 *
				Investing cash flow	388	-1,743
Investing cash flow	388	-1,743	-2,132	Purchase of intangible assets	-586	-388
				Payments for business transfer	-453	-
				Purchases of shares of subsidiaries	-295	-1,264
				Proceeds from the sale of shares of subsidiaries	+2,440	-
				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
Financing cash flow	-54	-5,079	-5,025	Proceeds from loans payable	+1,822	+400
				Repayment of loans payable	-654	-3,392
				Dividends paid	-477	-296
				Repayment of lease obligations	-739	-742
				Purchase of treasury shares	+0	-1,000
Change in cash and cash equivalents	3,375	-10	-			
Balance of cash and cash equivalents	16,521	16,510	-10			





*Other:
Primarily from inventory assets



Initiatives by Segment **Overseas**

Review of FY 2023/9

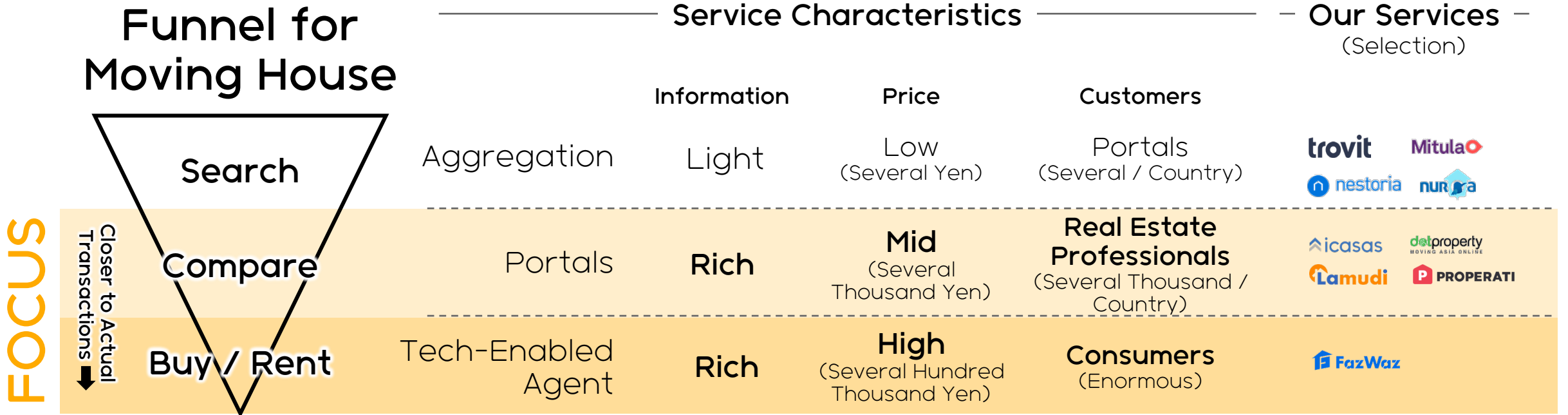
Continuing the transformation of the business according to the Moving to Direct Strategy (See next page), revenue has grown by 17% YoY. Although Premium Advertising did not meet targets, recovery of Third-Party Advertising Products and new acquisitions made considerable contributions to overall revenue growth

		Results		Details
		Vs. Budget	Revenue YoY	
Aggregation	Premium Advertisements	 Below Target	-19%	Ended the year short of targets due to situations in real estate markets worldwide Currently developing new products expected to deliver growth in FY 2024/9 and beyond
	Third-Party Advertising Prod. (Google AdSense etc.)	 Below Target	+31%	Recovery actions produced positive results throughout the year, but fell short of budget targets
DIRECT	Portals	 Out-Performed	+116%	Ended the year above budget due to the acquisition of Lamudi Smooth integration of Lamudi, not included in the budget at the beginning of the year, and improvement of sales teams for growth in ARPA during FY 2024/9
	Transaction	 Out-Performed	- ¹	Continued progress on the integration of FazWaz Despite conservative revisions to the revenue recognition policy, ended the year well above original forecasts

Symbol Key: ○ Met Target, △ Below Target

¹ Minimal revenue in years before FY 2023/9.

Growth Strategy Moving to Direct



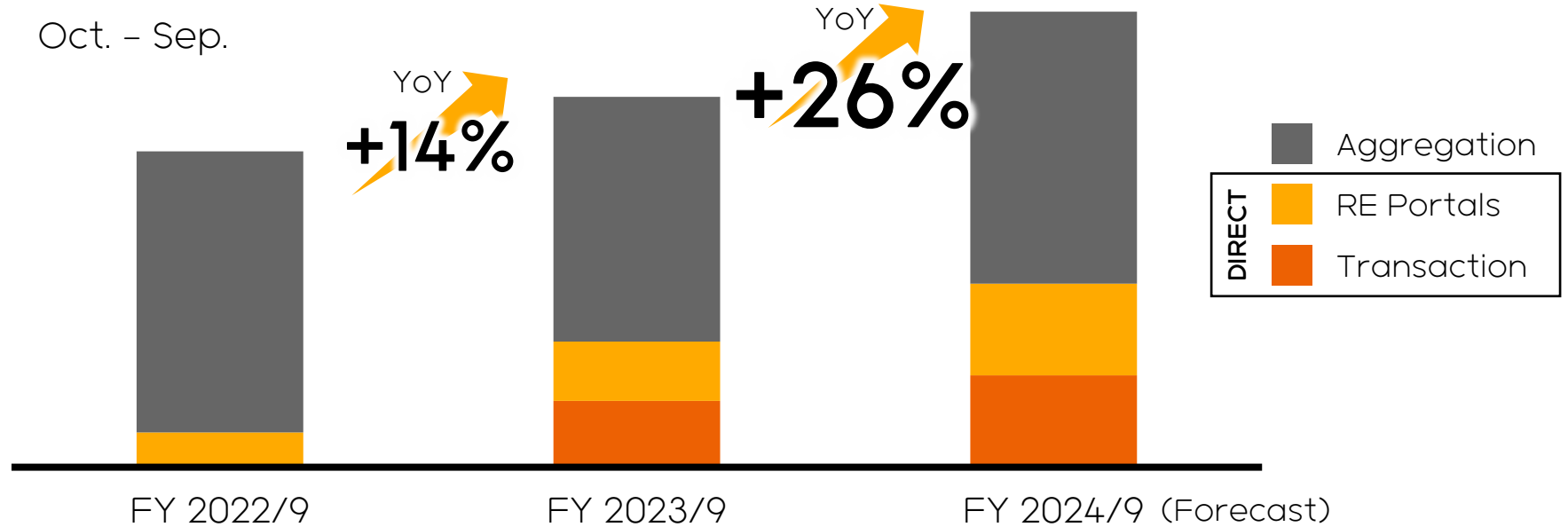
POINT

Shifting to services closer to the market (direct) for greater growth potential

Progress in Moving to Direct

Transforming the Profitability of our Business Portfolio

Revenue
Oct. - Sep.



Growing our Client Base

Total real estate-related clients of LIFULL CONNECT¹

¹ Total real estate clients from aggregation and portals

3,500+

5,900+

10,700+

Moving Steadily to Direct

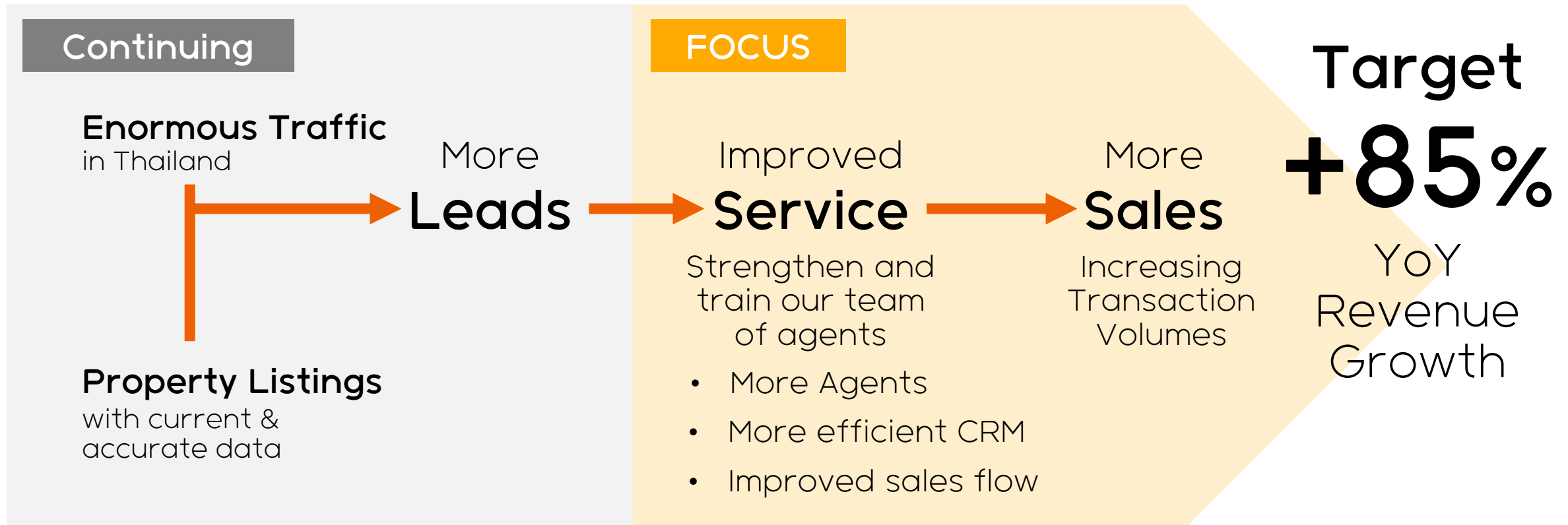


FY 2024/9 Growth Strategy Transaction

We are combining the enormous traffic volumes of Dot Property (operated by LIFULL CONNECT) with the properties of FazWaz in order to increase the total number of leads. Moving forward, we plan to increase FazWaz agents and improve efficiency to further boost the number of transactions handled within the Group.



Enhancing our real estate transaction service in Thailand with technology to increase leads and closed deals



FY 2024/9 Growth Strategy Real Estate Portals

We expanded our sales team during FY 2023/9 and will continue to focus on increasing our overall client network while also driving growth in ARPA through increased engagement with our products.

Up to FY 2023/9



(Acquired in Mar. 2023)



Expanded sales teams in Latin America

FOCUS

On-Boarding New Clients

in strategic regions

Target

New Clients
Approx. +20% YoY

Boost ARPA

Target

- Increase client engagement with products
- Improve churn rates

Example

Sales of Listing + CRM Bundles

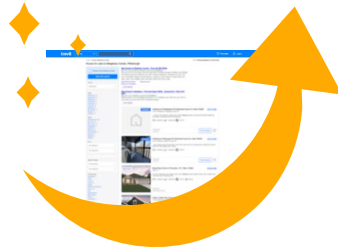
Target
+37%
YoY
Revenue
Growth

FY 2024/9 Growth Strategy Aggregation Sites

We are also taking actions to further improve conversion rates and click prices and, ultimately, reach the targets of the Mid-Term Management Plan (FY 2025/9)

Grow
Conversion
Rate
×
Click Price

More User-Oriented Sites



More engaging content
Improved user interface

More Clicks

More Services for Clients

Existing



Developing more diversified products to cater to different advertising needs

More Valuable Clicks

Adjustments to Management to Reach Goals
Details on P 39

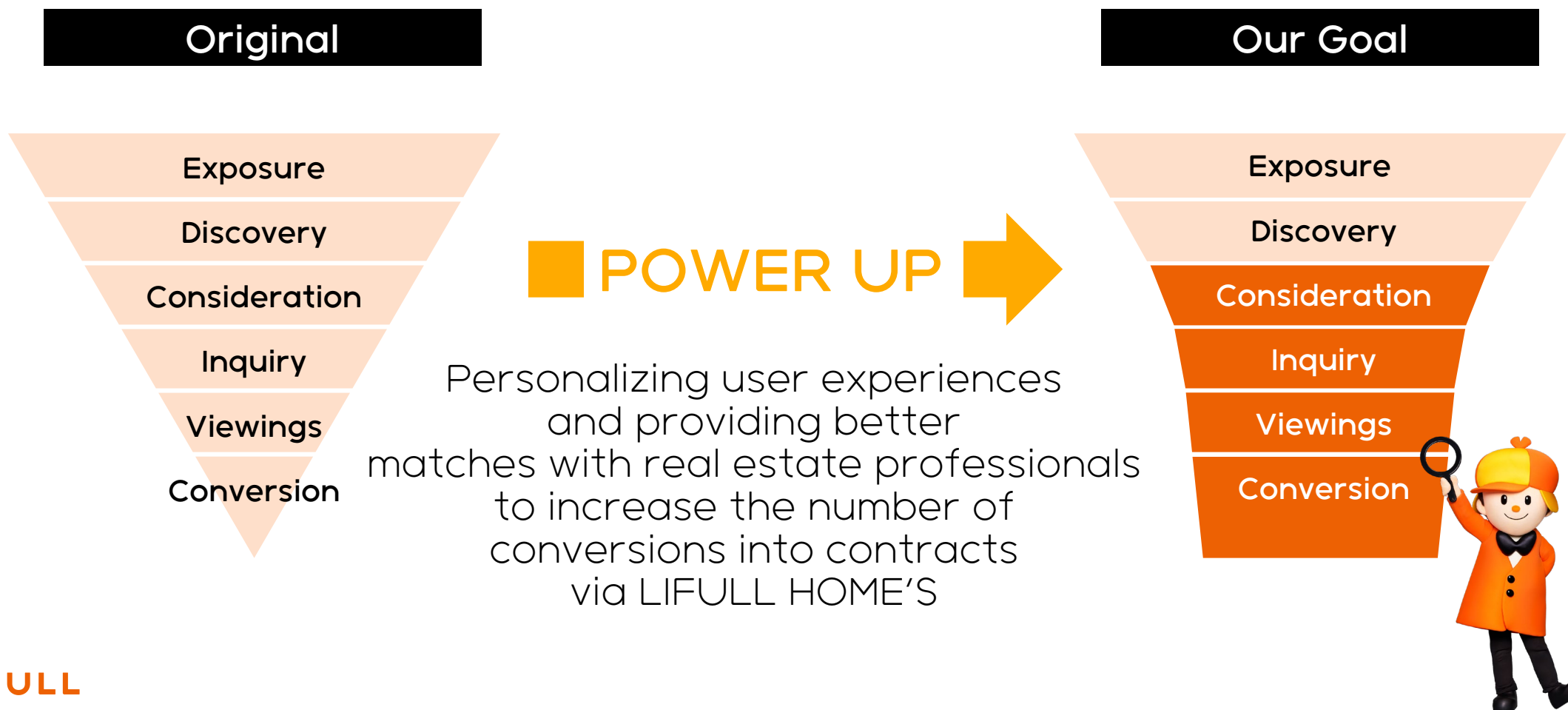
Growing our Developer & Sales Teams



Initiatives by Segment
HOME'S Services

(Ref.) LIFULL HOME'S Worldview

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



Review of FY 2023/9 (1)

We have continued to increase the value we provide. Although the numbers of people moving house in Japan have not increased over the last year, we were able to maintain inquiries while optimizing advertising spend.

LIFULL HOME'S Initiatives

- 1 Developing new features to improve the likelihood of transactions for the inquiries we provide to clients

Sample Features

AI Homes-kun



Nice-to-Have Searches (Patented)

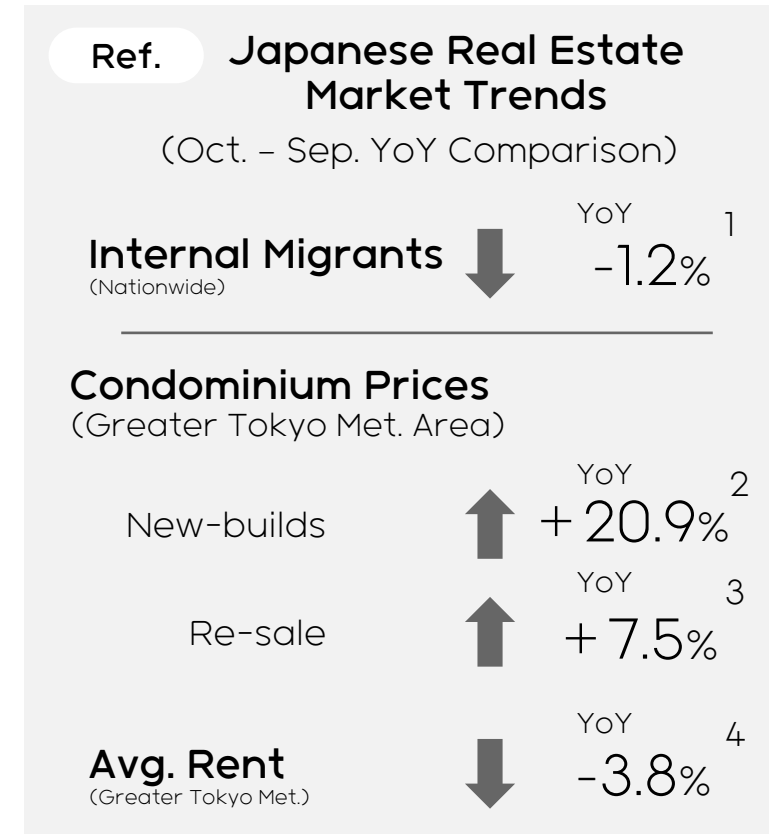
MUST BETTER

- 2 Improved performance of advertising

Strategically reduced branding costs (-57.7% YoY)
Balancing advertising and maintaining traffic

Results

Numbers of Inquiries Maintained



1 Statistics Bureau, Ministry of Internal Affairs and Communications "report on the internal migration in Japan derived from the basic resident registers"

2 Real Estate Economic Institute Co.,Ltd. "Trends in New Condominiums for Sale in the Tokyo Metropolitan Area"

3 Real Estate Information Network for East Japan "Monthly Market Watch"

4 Tokyo Kantei Co. "Monthly Rent Trends of Condominiums for Sale"

Review of FY 2023/9 (2)

Due to the actions we took in the previous fiscal year, we have experienced solid growth in revenue with considerable increase in profitability.

FY 2023/9 (Oct. – Sep.)

Revenue

Segment Profit

Solid Growth
& Improved
Profitability

Result

23.1 Bil.

2.6 Bil.

YoY

+2.7%

+657.0%

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

Driving Growth in Revenue and Profitability

to Prepare for the Final Year of the Mid-Term Management Plan
(2020 - 2025)

Continuing to
Invest in Development



Boosting Sales

Securing Development Resources

Strengthening sales teams

→ Details on Page 24

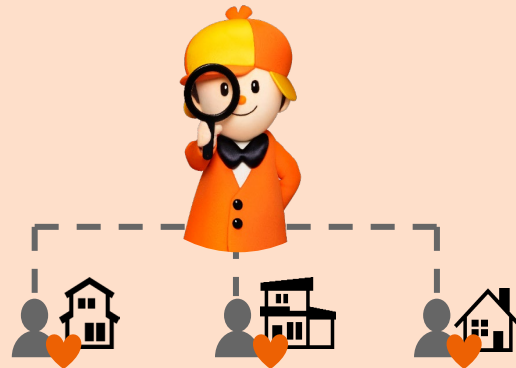
→Details on Page 25

LIFULL HOME'S Growth Strategy Continuing to Invest in Development

We are continuing to secure development resources to produce features to improve the likelihood that users will complete transactions with clients. At the same time, we are taking initiatives to add implement generative AI technology as quickly as possible to increase the value we provide.

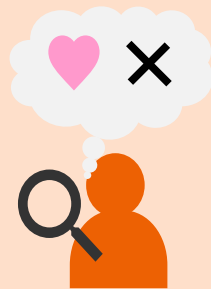
Continued Investments in Resources

Better Search Experience for Users



Better personalized recommendations for users

Support for Clients



Moving new features which provide more efficiency for clients working with users to more markets

Generative AI

Specialized in-house Generative AI Team to quickly start new initiatives

Releases in FY 2023/9

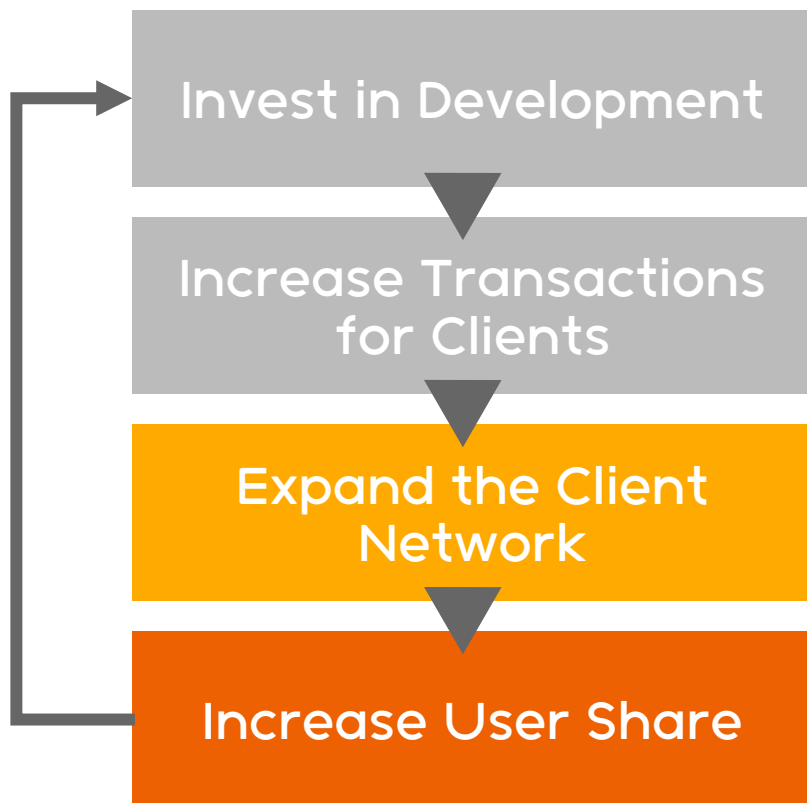
- AI Homes-kun (Chatbot)
- "How to Help" Support Chatbot for Clients by FRIENDLY DOOR

Increasing value provided though services using generative AI in FY 2024/9

LIFULL HOME'S Improved Sales Initiatives

Our current clients are already experiencing the benefits of the investments we have made into development, and we will be expanding our sales team to take these benefits to even more real estate professionals.

Positive Cycle of Site Improvement



RESULT

FY 2023/9

Large-scale RE Companies
with Multiple Locations

Some companies reporting increases of

Over 10% YoY

NEXT STEP

During FY 2024/9

Further Expanding our Client Network

Point

Increasing the size of our sales team



- More unique listings
- Better coverage of available properties



- Increased Profitability



Segment Change & FY 2024/9 Forecast

Strategic Changes to Reporting Segments (From FY 2024/9)

We are transferring our offshore development centers that work directly with LIFULL HOME'S into the HOME'S Services segment.

Overview



Reasons

LIFULL Group Offshore Development

- LIFULL Tech Vietnam
(Founded 2017 in Ho Chi Minh City, Vietnam)
- LIFULL Tech Malaysia
(Founded 2023 in Kuala Lumpur, Malaysia)

Taking on external and LIFULL HOME'S development projects

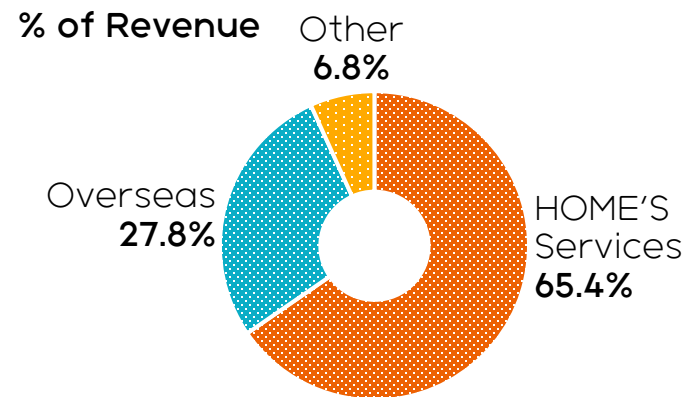


Working primarily on LIFULL HOME'S developments during the period spanning the Mid-Term Management Plan in order to accelerate business growth

Segments changed to reflect the actual situation

FY 2024/9 Results Forecast

Revenue ¥ 37.0 Bil.	Operating Profit ¥ 3.0 Bil.	Profit for the Period ¥ 1.3 Bil.
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Condensed Statements of Income and Loss

Unit: Millions of yen	FY2022 Oct.-Sep. [Actual]	FY2024 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	36,405	37,000	+594	+1.6%
Cost of revenue	3,856	2,245	-1,610	-41.8%
SG&A (excl. depreciation)	30,091	32,586	+2,495	+8.3%
Personnel expenses	9,662	11,293	+1,630	+16.9%
Advertising expenses	11,495	11,507	+12	+0.1%
Operating expenses	653	1,103	+449	+68.8%
Other	8,279	8,336	+57	+0.7%
Other revenues and expenses	-497	832	+1,330	-
Operating income	1,959	3,000	+1,040	+53.1%
Operating income margin	5.4%	8.1%	+2.7pt	-
Net profit*	1,031	1,350	+318	+30.9%

Revenue by Segment

Unit: Millions of yen	FY2022 Oct.-Sep. [Actual]	FY2024 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	36,405	37,000	+594	+1.6%
HOME'S Service	23,158	24,200	+1,041	+4.5%
Overseas	8,320	10,300	+1,979	+23.8%
Others	4,926	2,500	-2,426	-49.3%

1 Other Revenue: Expected revenue from the sale of LIFULL SPACE (resolution in Oct. 2023) included. Expected profit: ¥0.85 bil. (Final amount to be determined at time of transfer at the end of Feb. 2024.)

2 Other Businesses segment was primarily affected to sale of investment projects by the Regional Revitalization Fund during the previous FY.

Additional Information

Exchange Rate: €1 = ¥149 (Forecast)

* Net Profit = Profit attributable to owners of the parent



Mid-Term Management Plan

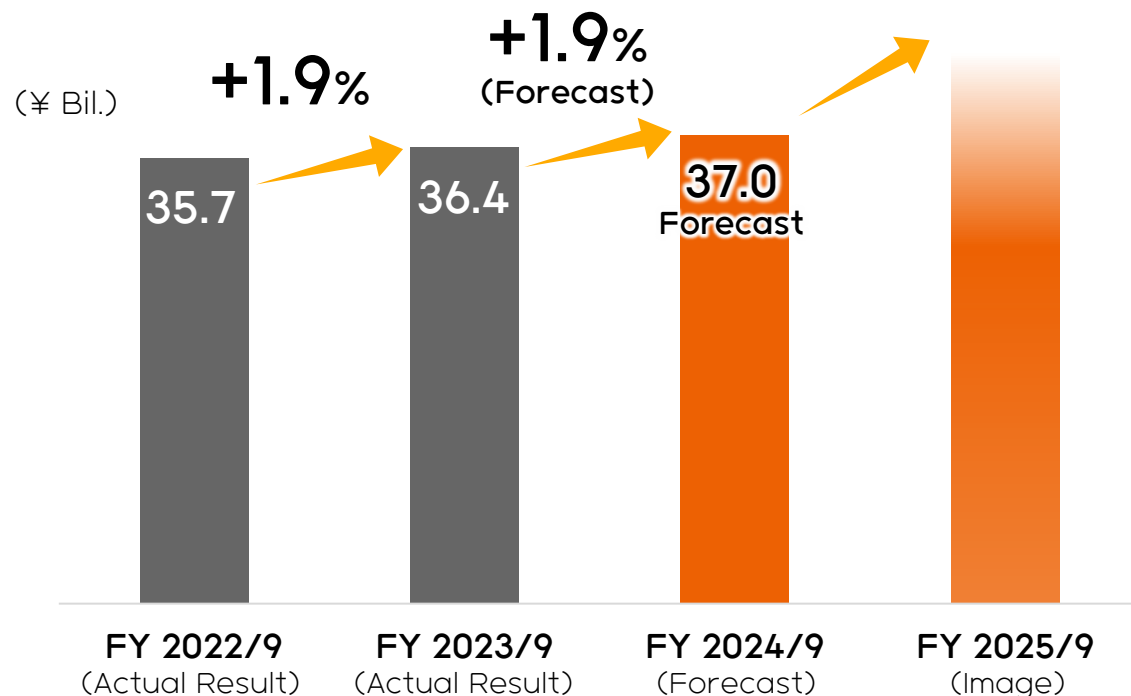
(Until FY 2025/9)

Mid-Term Management Plan for FY 2025/9 Review

No changes to the Mid-Term Management Plan. We will continue to focus on our core businesses to ensure that we reach the revenue and profit targets we have set

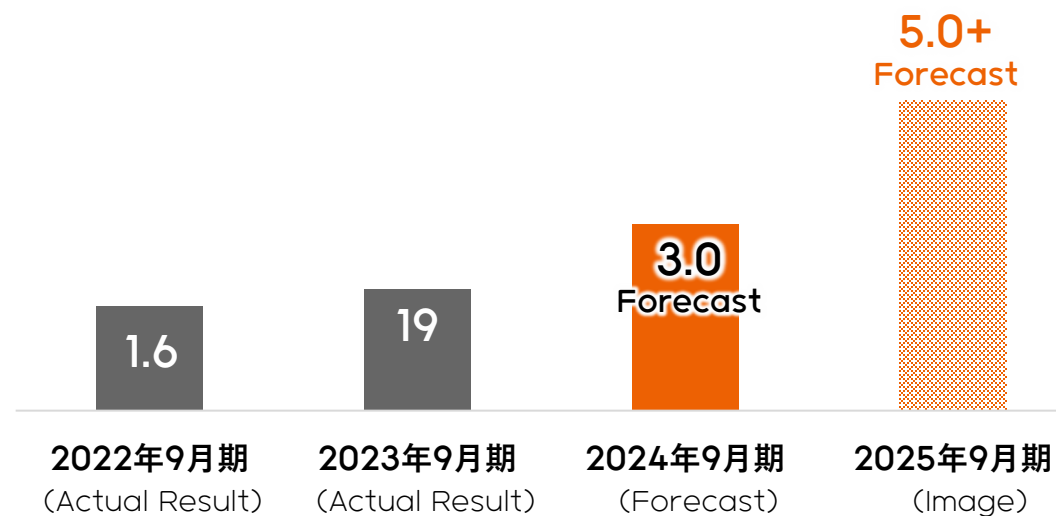
Representation of Revenue Growth

Improve Growth Rate by approx.
2 points every year



Operating Profit

Drive growth for our
most profit ever
(¥5.0 bil)
by the end of FY 2025/9





New Initiatives in the Field of Real Estate Investment

Building a Real Estate Investment Platform

We are taking advantage of the wealth of data and technology within the LIFULL Group to build a platform where anyone can easily invest in real estate.

Initiatives of the LIFULL Group

Real Estate Investment
(Matching Services)



Small-Lot Real Estate Investment
(Joint Enterprise Act)
(RE Crowdfunding)



Finance
(Loans, Regional Revitalization Fund)



Reference

Small-Lot Real Estate Investment Using Security Tokens

Business Alliances etc.

Development for Business Expansion in Real Estate Investment

We are establishing a new subsidiary to work towards providing a global secondary market for digitalized real estate investment products. Mr. Shimizu will use his wealth of financial knowledge and insight and serve as representative director and president.

Overview

LIFULL Financial

- Location:** 1-4-4 Kojimachi, Chiyoda-ku, Tokyo
- Leadership:** SHIMIZU Tetsuro
(Representative Director and President)
- Shareholders:** LIFULL Co., Ltd. (100%)
- Capital:** ¥70 mil.
- Business:**
- Real Estate NFT
 - Management of the Group Financing Businesses

To Be Established on Nov. 14, 2023

Representative Director and President ¹ SHIMIZU Tetsuro

(Planned)



Background

- | | |
|------|---|
| 1990 | Joined the Long-Term Credit Bank of Japan, Ltd. (Cur. SBI Shinsei Bank, Ltd.) |
| 2001 | Joined IY Bank (Cur. Seven Bank, Ltd.) |
| 2006 | Joined Rakuten Inc. (Cur. Rakuten Group Inc.) |
| 2009 | Transferred to bitWallet Inc. (currently Rakuten Edy Inc.) |
| 2012 | Joined Shinsei Bank, Limited, General Manager of Retail Business Division |
| 2021 | Joined Shinsei Financial Co., Ltd., Representative Director, President, CEO |
| 2022 | Joined Monex Group, Inc., Senior Executive Director of Strategic Planning Office of (current) |
| 2022 | Outside Director of the Company (current position) |

¹ Current Position as of November 13, 2023

(Ref.) Potential of Real Estate x NFT

There are a number of new real estate products emerging using NFTs. By combining NFTs with small-lot real estate investment (STO or crowdfunding, etc.) we can create services for more varied situations.

Potential of NFT ¹

Characteristics

- Each token is completely unique
- Data is difficult to falsify
- Able to add different information or functions



There is the possibility to develop new products by combining NFTs with specific rights or memberships

¹ NFT: Non-Fungible Token
Digitalized tokens encoded with a unique digital identifier.

Market Status

The small-lot real estate investment market is expanding.
Since 2022, several companies have launched real estate NFTs.

Sample RE x NFT Products

- Resort memberships
- Share houses
- Lodging rights
- Property ownership etc.

LIFULL Group Real Estate Investment Platform Concept Update

The LIFULL Group is strengthening inter-business collaborations in order to create a network of funding services for real estate investment or re-purposing properties. In the future, we hope to combine these pieces into a global investment platform.

Initiatives of the LIFULL Group

Sharing client networks, human resources, funding and other resources for cross-selling

Real Estate Investment
(Matching Services)



Small-Lot Real Estate Investment
(Joint Enterprise Act)
(RE Crowdfunding)



Finance
(Loans, Regional Revitalization Fund)



NEW!!!

Real Estate × NFT



Small-Lot Real Estate Investment Using Security Tokens

Business Alliances etc.

Experience



Organizational Changes

Addition of Representative Director LIFULL Co., Ltd.

(Planned for December 21, 2023)

Strengthening Group management and governance with two leaders, the founder and next generation leader. President Inoue will guide the entire group while gradually delegating leadership to Mr. Ito



INOUE Takashi

Representative Director,
President, Managing Officer



**Representative Director,
Chairperson**

Pres. Inoue has been on the front lines of management since founding the company in 1995. He also currently holds 33% of shares (As of Sep. 30, 2023)



ITO Yuji

Director,
Managing Officer



**Representative Director,
President, Managing Officer**

After joining the company directly out of university, Mr. Ito has contributed to driving growth in LIFULL HOME'S and start-ups

Refer to our [Investor Information Site](#) for more details on Mr. Ito's profile.

**Setting the foundations to become a
company that stays the test of time**

(LIFULL Co., Ltd.) Nominations of a Director and a Full-Time Auditor

The election of Directors and auditors will be proposed at the Ordinary General Meeting of Shareholders on December 21, 2023.

Director (Candidate)

SHISHIDO Kiyoshi



Full-Time Outside Auditor (Curr.)

Held positions as an executive and representative director at Mitsubishi Corporation and affiliated companies.

Mr. Shishido has been serving as full-time outside auditor for LIFULL since 2016.

Skills Management Experience
Global
Technology
Legal Affairs / Risk Management
M&A

Corporate Auditor (Candidate)

OHSUMI Shoko



Head of Internal Control & Internal Audit Office (Curr.)

Joined LIFULL in 2008. Experience as head of financial departments and internal auditing

*Legally registered as ARAI Shoko

Skills Legal Affairs / Risk Management,
Accounting, Finance,
M&A

Profiles of each of the candidates will be released in the English translation of the Notice of the 29th Ordinary General Meeting of Shareholders

New Management Structure for the LIFULL Group

Strengthening Group Governance & Business Leadership

LIFULL Group



Changes to be made in Dec. 2023



Representative Director
and Chairperson

INOUE Takashi

Domestic Businesses¹



Representative
Director,
President, Managing
Officer
ITO Yuji

¹ Excluding Finance

Overseas



Director
**SHISHIDO
Kiyoshi**

Overseas Business Returning to Profitability

Mr. Shishido Kiyoshi

(Current Position)
Full-Time Outside Auditor

(Details on P38)



Finance

Director
**SHIMIZU
Tetsuro**

Overseeing Group Finance Businesses

Mr. Shimizu Tetsuro

(Current Position)
Outside Director

(Details on P32)



Technology

Director,
Managing Officer
YAMADA Takashi

Appendices

Corporate Information (as of September 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. 6,245,073 shares of treasury stock)

Consol. number of employees 1,688 (incl. 186 temporary and 761 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.59%)

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 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
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 of LIFULL Marketing Partners Co., Ltd. were transferred on September 30, 2022, removed from consolidation

2 All shares of Rakuten LIFULL STAY Ltd. were transferred and removed from consolidation on October 31, 2022

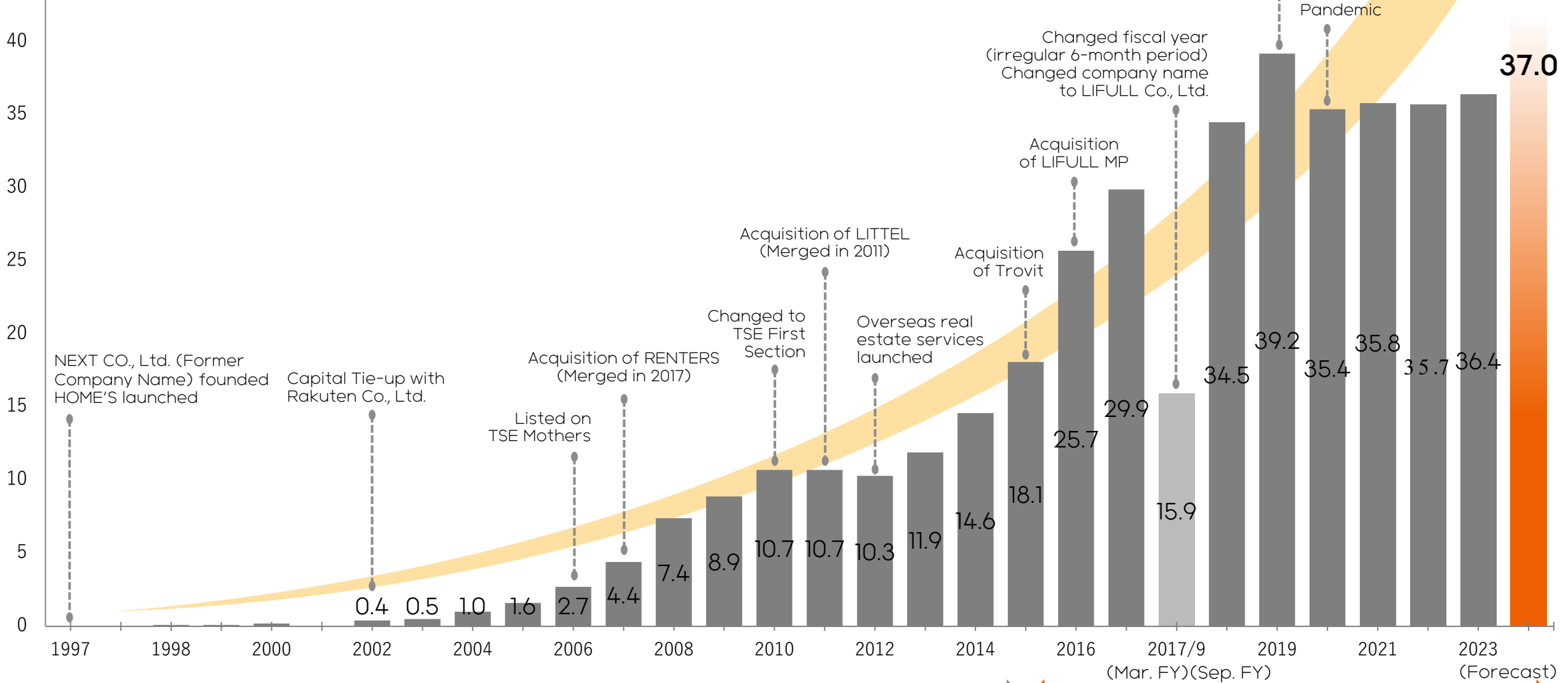
3 All shares of LIFULL SPACE Co., Ltd. are planned to be sold during FY 2024/9 and removed from consolidation

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>Tech-Empowered Real Estate Agents: 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

(Unit: JPY Billion)



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	Q4
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	8,410
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	5,683
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	2,083
Other Businesses	432	547	429	479	484	554	547	558	583	682	721	737	622	2,704	956	643
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	444
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	7,270	7,428
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	2,449
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	2,667
Operating expenses	170	123	64	106	96	87	100	116	121	120	144	150	135	146	173	199
Depreciation/amortization cost	490	515	486	525	524	487	474	474	459	468	482	493	488	487	493	496
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	1,616
Other revenues and expenses	-9	-41	62	-1,817	-83	-85	-28	-9,752	36	50	274	1,008	539	1	32	-1,071
Operating income	1,044	1,393	1,248	-1,201	775	1,011	688	-9,120	588	-66	105	1,044	822	924	744	-533
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%	-6.3%
Net profit*	527	949	846	-1,161	387	639	449	-7,378	365	-179	161	833	564	588	350	-472

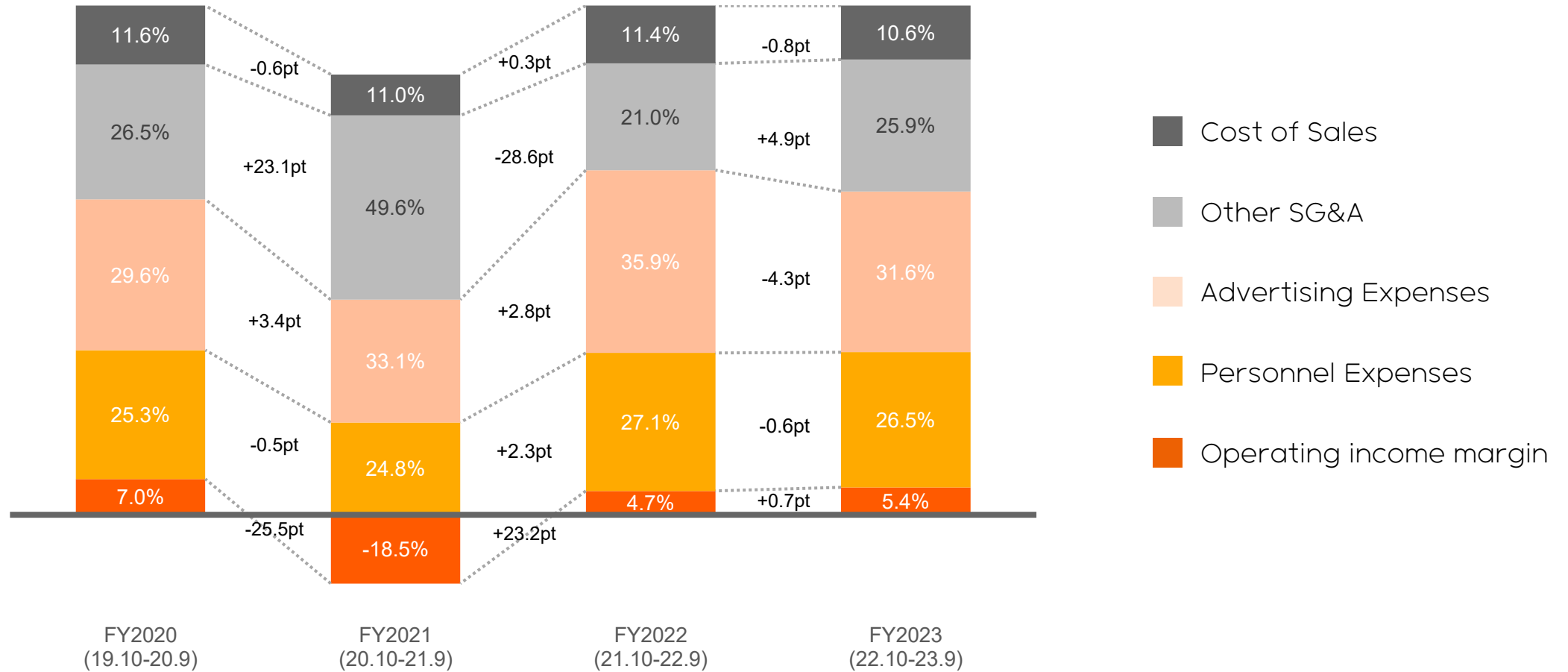
1) Net income = Net income attributable to owners of the parent

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

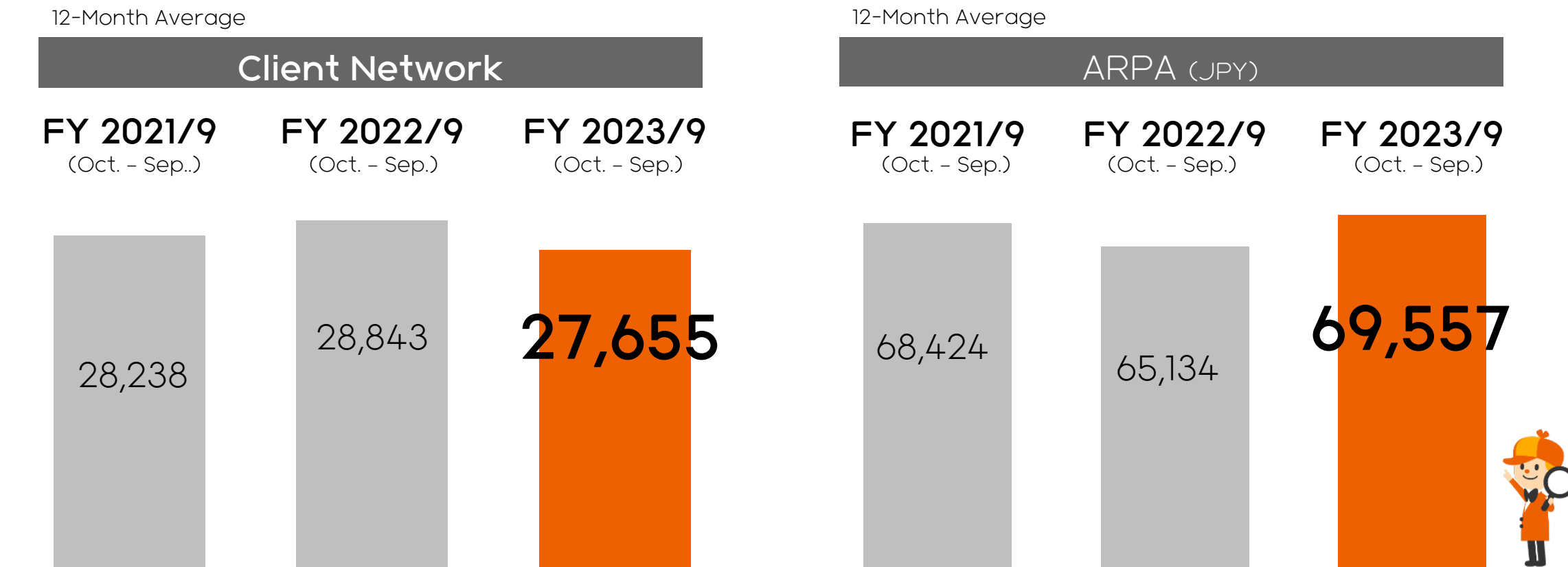
Reduction in advertising spending due to reductions in branding for LIFULL HOME'S

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.



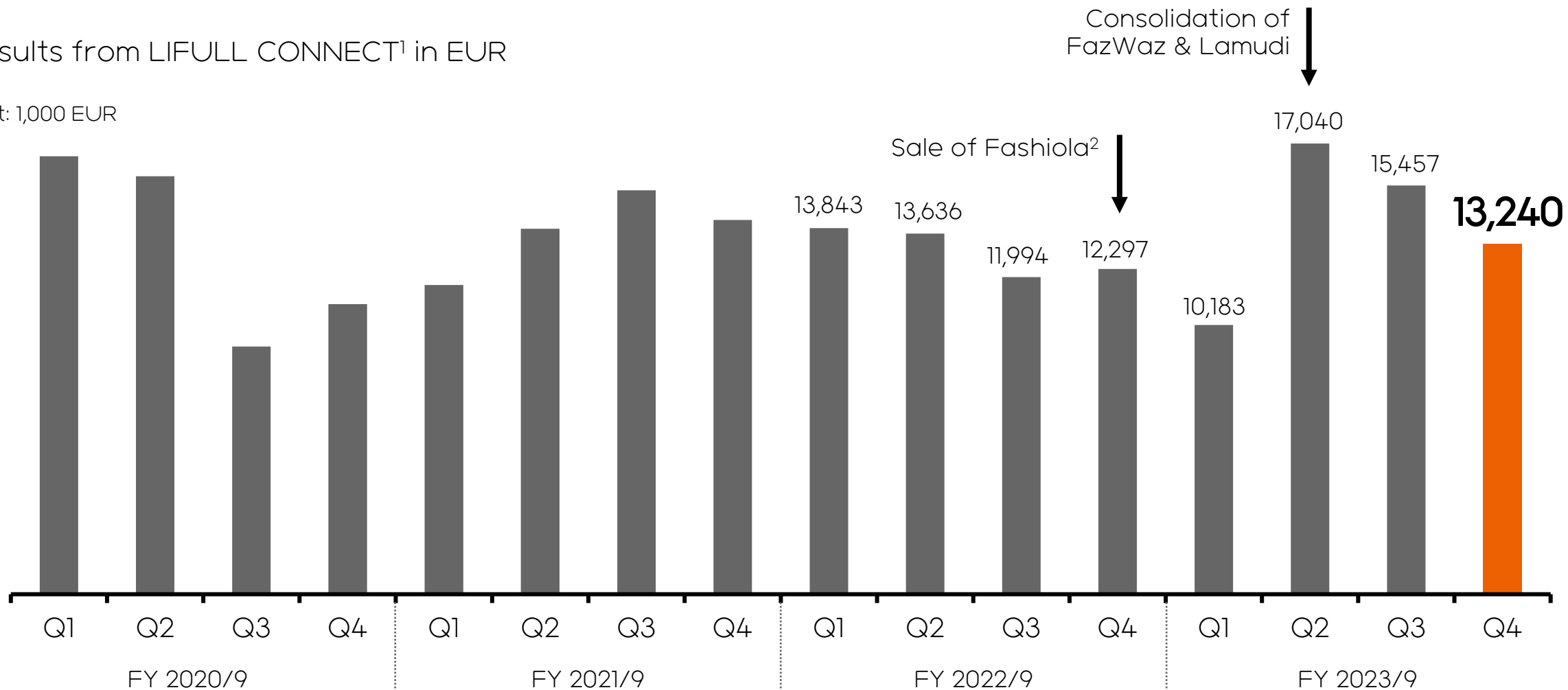
Figures for the current and previous fiscal years have been adjusted to reflect the sale of LIFULL Marketing Partners and the absorption of LIFULL MOVE into LIFULL HOME'S.

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 CONNECT¹ in EUR

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](#)

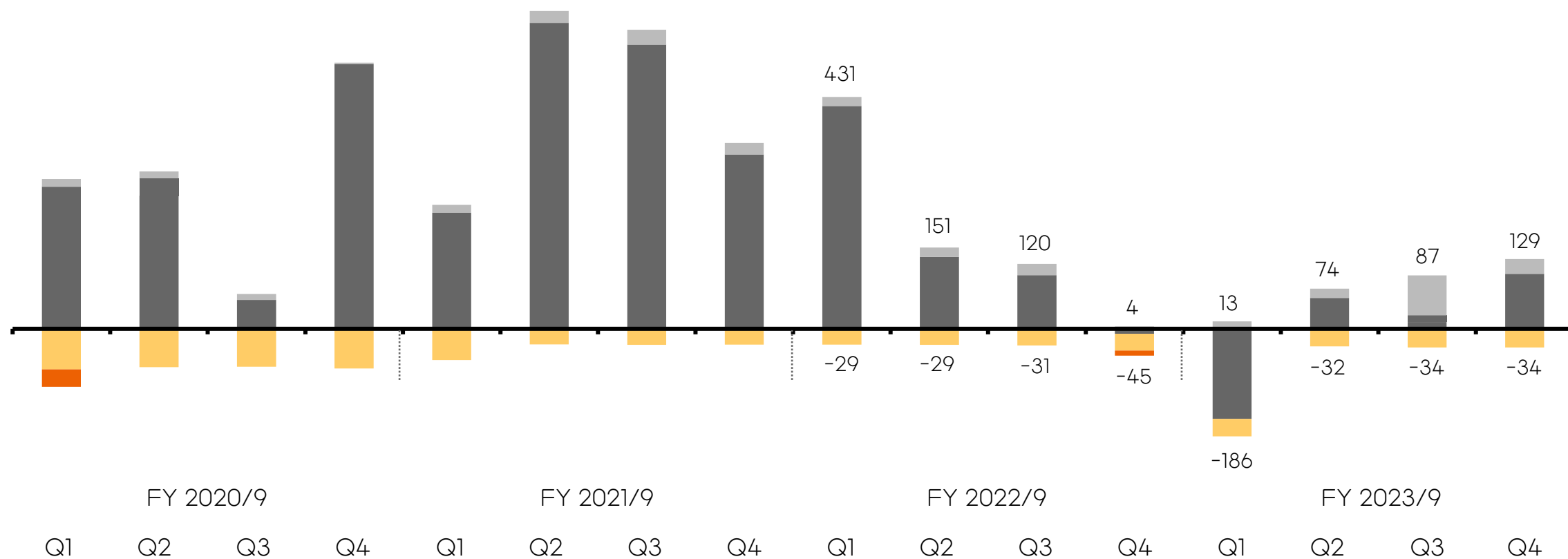
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

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

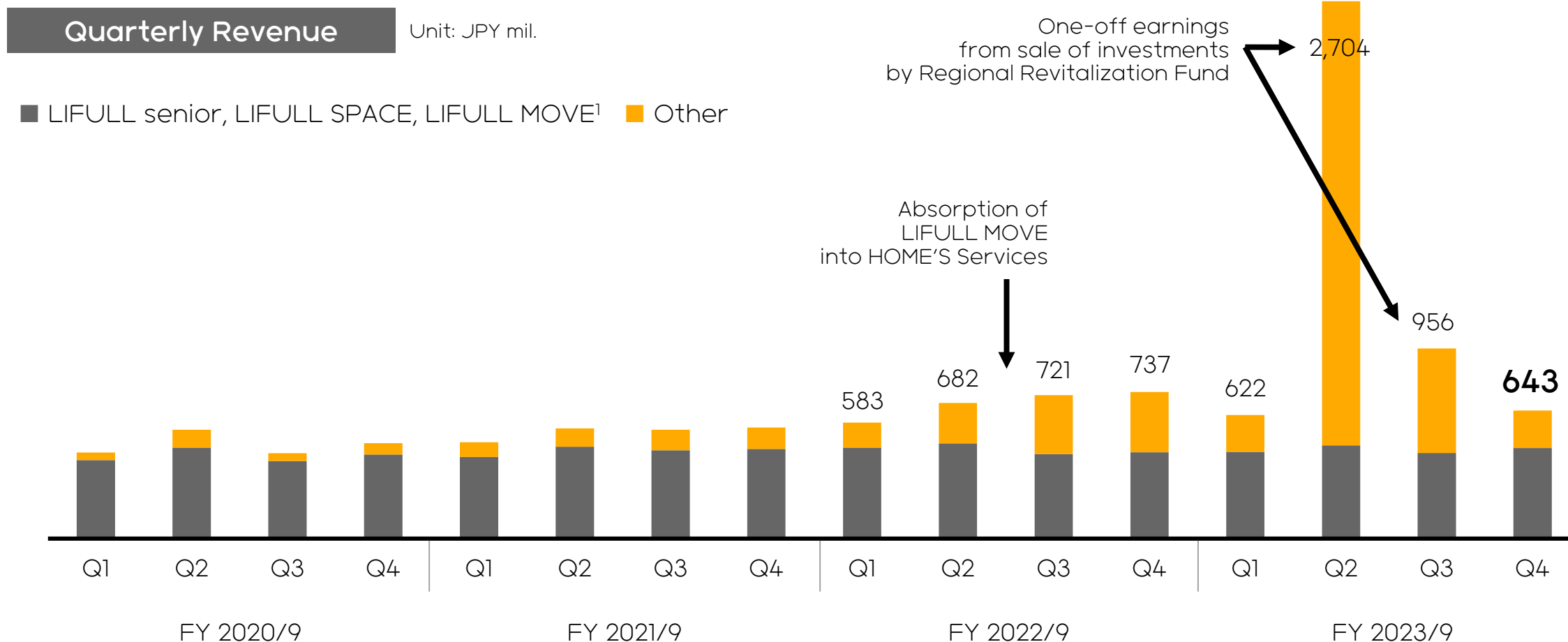
■ LIFULL CONNECT ■ Depreciation ■ M&A Costs ■ Other

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.

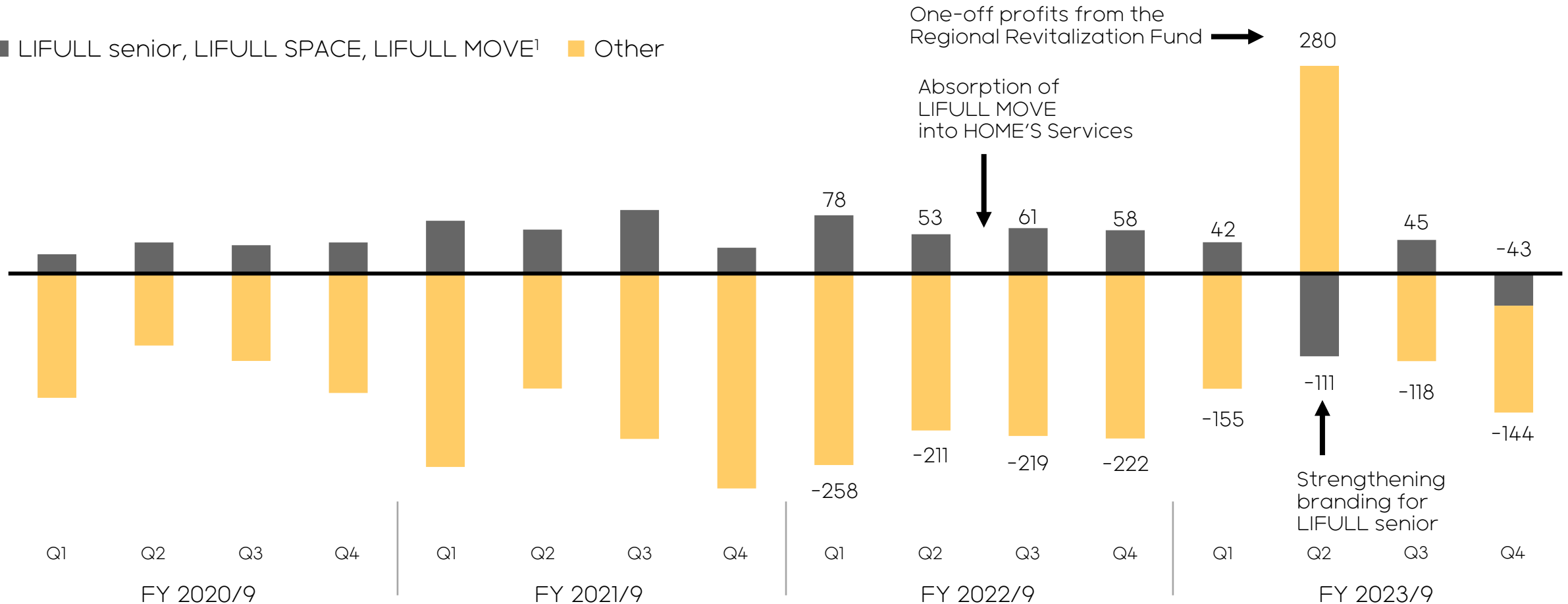


Other Businesses Segment Profit and Loss (Quarterly)

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 MOVE¹ ■ Other



(Ref.) External Market Data Monthly

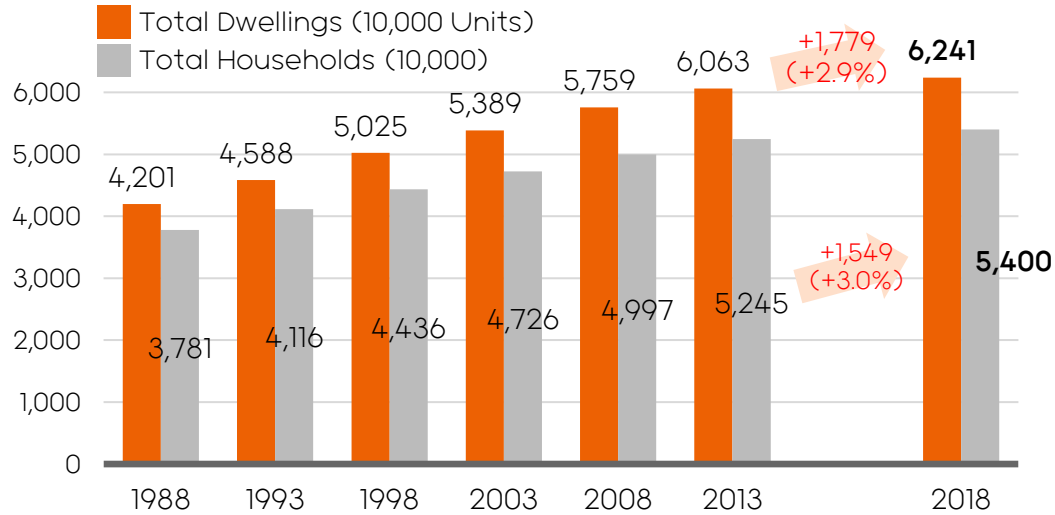
		Annual			2022												2023								
		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
(1) Number of Apartments for Sale	Capital Region	27,228	33,636	29,569	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	2,591	1,469	2,120
	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%	14.2%	26.4%	4.1%
	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	837	878	1,393
	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%	-39.1%	4.9%	4.6%
(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	9,940	7,195	6,727
	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%	55.8%	17.9%	1.1%
	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	5,188	4,345	4,527
	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%	4.1%	1.2%	-3.6%

		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	Jul-23	Aug-23	Sep-23
(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	30,170	29,364	29,735
	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%	1.6%	-6.2%	-2.9%
	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	5,797	7,894	8,148
	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%	-28.0%	-26.4%	-2.8%
	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	11,066	11,589	11,014
	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%	-11.2%	-6.1%	-10.4%
	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	20,689	20,984	19,527
	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%	-7.8%	-5.9%	-12.3%

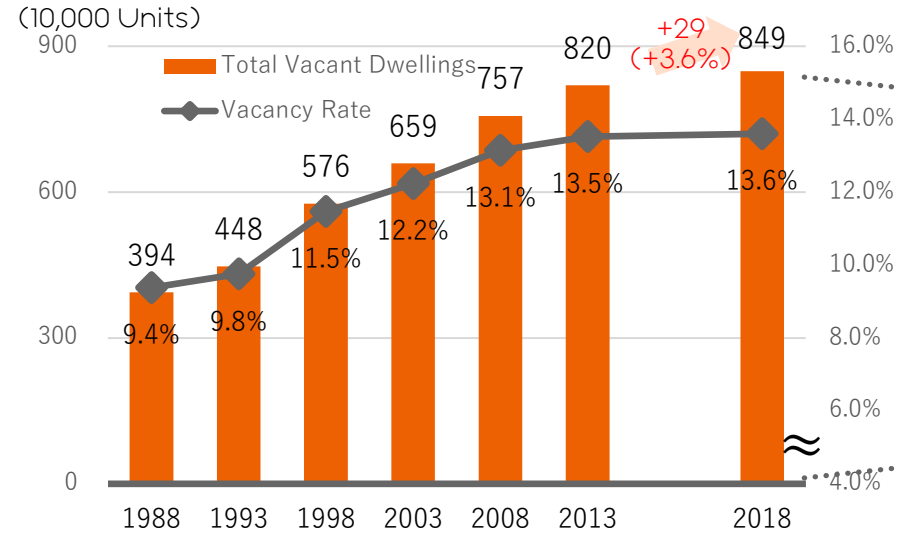
		2020 (Jan-Dec)	2021 (Jan-Dec)	2022 (Jan-Dec)	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
(4) Internal Migrants	Total	5,255,721	5,247,744	5,310,972	326,360	345,584	947,081	678,630	423,842	384,633	377,542	401,973	358,962	369,589	348,586	348,190	324,958	364,174	939,978	675,093	409,235	366,759	374,208	379,493	344,275
	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%	-0.9%	-5.6%	-4.1%
	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	332,030	336,601	300,354
	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%	0.6%	-5.9%	-5.6%
(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	Jul-23	Aug-23	Sep-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	124,567	124,554	124,500	124,520	124,560	124,540	124,450

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

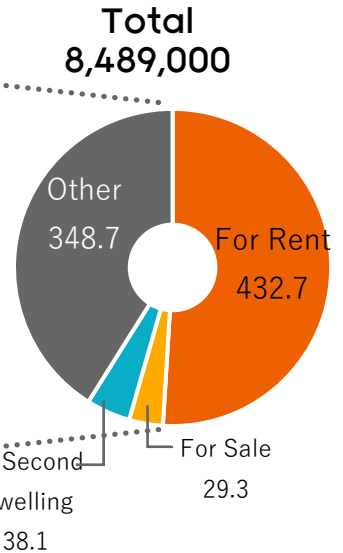
Trend of Total Dwellings and Total Households



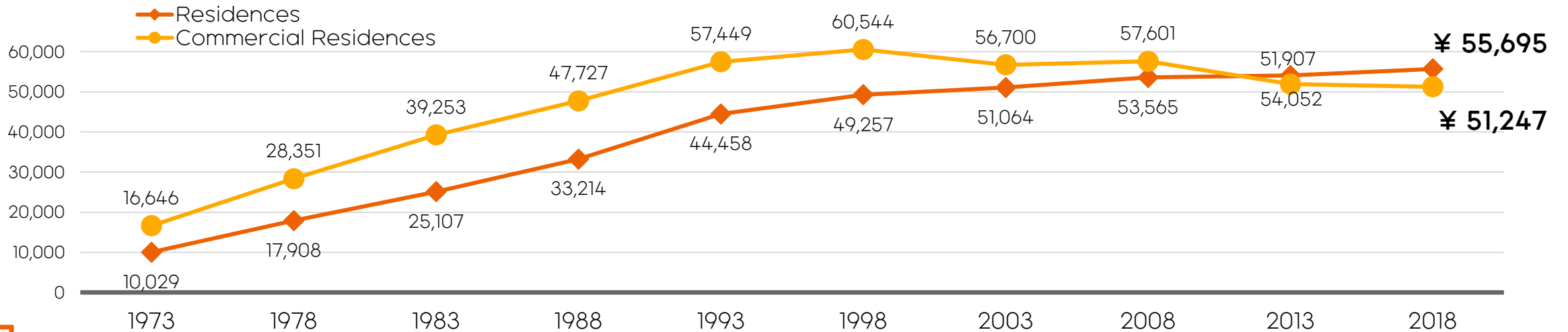
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent





Sustainability Initiatives

LIFULL Group Sustainability Initiatives



Review of FY 2023/9

- ✓ Human rights due diligence performed for all Group subsidiaries
 - ✓ Established whistle blower channel for Business Partners
 - ✓ Introduced 4-day workweek & shortened hour scheme for employees in Japan
 - ✓ Completed partner survey for clients of LIFULL
 - ✓ Improved FTSE score (1.3 pt to 2.7 pt) by improving ESG related disclosures
-

Initiatives Planned for FY 2024/9

Group-wide **Sustainability Committee** established to review and report on sustainability issues

Disclosure of human capital strategy to realize our Corporate Philosophy and reach the targets of the Mid-Term Management Plan

Enriching non-financial disclosures on ESG etc.

IR Team Contact Information



IR Site

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LIFULL Sustainability Data (IR Site)



LIFULL Sustainability

Search

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

Other Information about LIFULL

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