

The English translation of this financial report was prepared for reference purposes only. The financial information contained in this report is delivered from our unaudited financial statements.

Consolidated Financial Report for the Nine-month Period Ended June 30, 2024 (IFRS)

August 7, 2024

Company name: LIFULL Co., Ltd. Stock code: 2120 Representative: ITO Yuji Contact: FUKUZAWA Hidekazu	Listed exchange: Tokyo Stock Exchange URL: https://ir.lifull.com/en/ (Position) Representative Director, President, Managing Officer (Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603
Scheduled quarterly securities report submission date: August 7, 2024 Scheduled date of start of dividend payments: - Preparation of supporting documentation for earnings: Yes Earnings presentations: No	

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

1. Consolidated Financial Results for the Nine-month Period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-over-year change)

	Revenue		Operating income		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	%
Nine months ended June 30, 2024	25,839	(7.7)	1,417	(41.4)	924	(57.2)	(57)	-	(56)	-	1,486	(54.4)
Nine months ended June 30, 2023	27,994	4.9	2,416	284.8	2,161	348.8	1,471	328.1	1,443	316.2	3,262	51.4

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine months ended June 30, 2024	(0.44)	(0.44)
Nine months ended June 30, 2023	11.22	11.19

(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
As of June 30, 2024	million yen 51,041	million yen 33,435	million yen 33,340	% 65.3
As of September 30, 2023	51,166	32,554	32,456	63.4

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY 2023/9	yen -	yen 0.00	yen -	yen 4.26	yen 4.26
FY 2024/9	-	0.00	-	-	-
FY 2024/9 (Forecast)	-	-	-	-	-

Note 1: There have been no changes to the dividend forecast.

Note 2: Dividends for FY 2024/9 are expected to be calculated based on a payout ratio of 25%.

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

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal 2023	35,500	(2.5)	1,900	3.1	300	(68.1)	2.34

Note 1: There have been no changes to the most recently announced forecast.

*** Notes**

(1) There have been no changes in material subsidiaries during the term.

(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

(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 June 30, 2024	134,239,870	As of September 30, 2023	134,239,870
As of June 30, 2024	6,245,175	As of September 30, 2023	6,245,073
As of June 30, 2024	127,994,718	As of June 30, 2023	128,617,838

*** This consolidated financial report is not subject to quarterly CPA or External Auditor reviews.**

*** Regarding appropriate use of result forecasts and other notes**

- In addition to the materials provided, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL IR website for more details. (<https://ir.lifull.com/en/>)

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1. Overview of Operating Results

Refer to the Third Quarter Earnings Report for FY 2024/9 (<https://ir.lifull.com/en/>)

2. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	16,510	15,372
Accounts receivable-trade and other current receivables	4,630	4,402
Other short-term financial assets	1,183	1,667
Other current assets	739	1,041
Total current assets	23,064	22,483
Non-current assets		
Property, plant and equipment	1,045	934
Right-of-use assets	2,100	1,854
Goodwill	16,349	17,779
Intangible assets	3,285	2,784
Investments accounted for using the equity method	536	295
Other long-term financial assets	2,040	2,435
Deferred tax assets	2,735	2,423
Other non-current assets	9	51
Total non-current assets	28,102	28,558
Total assets	51,166	51,041

	As of September 30, 2023	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,259	2,537
Loans	5,329	4,623
Lease liabilities	698	740
Accrued corporate income taxes	598	399
Other current liabilities	2,241	2,899
Total current liabilities	12,127	11,200
Non-current liabilities		
Loans	297	253
Lease obligations	1,464	1,181
Provisions	511	511
Other long-term financial liabilities	3,585	3,777
Deferred tax liabilities	571	595
Other non-current liabilities	54	85
Total non-current liabilities	6,485	6,404
Total liabilities	18,612	17,605
Equity		
Attributable to the owners of the parent		
Capital stock	9,716	9,716
Capital surplus	10,035	9,976
Retained earnings	11,662	11,060
Treasury shares	(2,009)	(2,009)
Other components of equity	3,051	4,596
Attributable to the owners of the parent	32,456	33,340
Attributable to non-controlling interests	97	94
Total equity	32,554	33,435
Total liabilities and equity	51,166	51,041

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

Condensed Consolidated Statements of Profit or Loss
For the Nine-month Period Ended June 30

(Millions of yen)

	Nine-month Period Ended June 30, 2023 (October 1, 2022 to June 30, 2023)	Nine-month Period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)
Revenue	27,994	25,839
Cost of revenue	3,412	1,647
Gross profit	24,582	24,192
Selling, general and administrative expenses	22,739	23,624
Other revenue	803	1,076
Other expenses	229	227
Operating income	2,416	1,417
Financial revenue	35	106
Financial expenses	130	233
Share of profit (loss) of investments accounted for using the equity method	(160)	(365)
Profit before taxes	2,161	924
Income tax expenses	689	982
Profit for the period	1,471	(57)
Profit (loss) for the period attributable to:		
Owners of the parent	1,443	(56)
Non-controlling interests	28	(1)
Total	1,471	(57)
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	11.22	(0.44)
Diluted profit for the period per share	11.19	(0.44)

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended June 30

(Millions of yen)

	Three-month period Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three-month period Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Revenue	8,825	8,479
Cost of revenue	843	575
Gross profit	7,982	7,903
Selling, general and administrative expenses	7,309	7,453
Other revenue	101	28
Other expenses	68	32
Operating income	705	445
Financial revenue	30	37
Financial expenses	91	82
Share of profit (loss) of investments accounted for using the equity method	(48)	(289)
Profit before taxes	596	110
Income tax expenses	289	283
Profit for the period	307	(173)
Profit (loss) for the period attributable to:		
Owners of the parent	319	(175)
Non-controlling interests	(11)	1
Total	307	(173)
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	2.49	(1.37)
Diluted profit for the period per share	2.49	(1.37)

Condensed Consolidated Statements of Comprehensive Income
For the Nine-month Period Ended June 30

(Millions of yen)

	Nine-month period Ended June 30, 2023 (October 1, 2022 to June 30, 2023)	Nine-month period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)
Profit for the period	1,471	(57)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(30)	(54)
Total of items that will not be reclassified to profit or loss	(30)	(54)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	2,005	1,599
Share of other comprehensive income of investments accounted for using the equity method	(184)	—
Total of items that may be reclassified subsequently to profit or loss	1,820	1,599
Other comprehensive income, net of tax	1,790	1,544
Total comprehensive income for the period	3,262	1,486
Comprehensive income for the period attributable to:		
Owners of the parent	3,233	1,488
Non-controlling interests	28	(1)
Total	3,262	1,486

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended June 30

(Millions of yen)

	Three-month period Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three-month period Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Profit for the period	307	(173)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(14)	(54)
Total of items that will not be reclassified to profit or loss	(14)	(54)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	1,570	1,041
Total of items that may be reclassified subsequently to profit or loss	1,570	1,041
Other comprehensive income, net of tax	1,555	987
Total comprehensive income for the period	1,863	813
Comprehensive income for the period attributable to:		
Owners of the parent	1,875	812
Non-controlling interests	(11)	1
Total	1,863	813

(3) Condensed Consolidated Statements of Changes in Equity

For the Nine-month Period Ended June 30, 2023 (October 1, 2022 to June 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 for the period	—	—	1,443	—	—	1,443	28	1,471
Other comprehensive income	—	—	—	—	1,790	1,790	—	1,790
Total comprehensive income for the period	—	—	1,443	—	1,790	3,233	28	3,262
Dividends of surplus	—	—	(296)	—	—	(296)	(60)	(356)
Share-based payment transactions	—	74	—	—	6	80	—	80
Transfers to retained earnings	—	—	(45)	—	45	—	—	—
Purchase of treasury shares	—	—	—	(1,000)	—	(1,000)	—	(1,000)
Changes from exclusion of companies accounted for by the equity method	—	—	1	—	—	1	—	1
Equity transactions with noncontrolling interest shareholders	—	—	—	—	—	—	3	3
Total transactions with owners	—	74	(340)	(1,000)	51	(1,214)	(57)	(1,271)
Balance as of June 30, 2023	9,716	10,107	12,121	(2,009)	3,074	33,011	102	33,113

For the Nine-month Period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(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, 2023	9,716	10,035	11,662	(2,009)	3,051	32,456	97	32,554
Profit for the period	—	—	(56)	—	—	(56)	(1)	(57)
Other comprehensive income	—	—	—	—	1,544	1,544	—	1,544
Total comprehensive income for the period	—	—	(56)	—	1,544	1,488	(1)	1,486
Dividends of surplus	—	—	(545)	—	—	(545)	(1)	(547)
Share-based payment transactions	—	(7)	—	—	0	(7)	—	(7)
Transfer to retained earnings	—	—	(0)	—	0	—	—	—
Purchase of treasury shares	—	—	—	(0)	—	(0)	—	(0)
Equity transactions with non-controlling interest shareholders	—	(51)	—	—	—	(51)	0	(51)
Total transactions with owners	—	(59)	(545)	(0)	0	(604)	(1)	(605)
Balance as of June 30, 2024	9,716	9,976	11,060	(2,009)	4,596	33,340	94	33,435

(4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine-month Period Ended June 30, 2023 (October 1, 2022 to June 30, 2023)	Nine-month Period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)
Net cash from operating activities		
Profit for the period before tax	2,161	924
Depreciation and amortization	1,555	1,515
Financial revenue	(35)	(106)
Financial expenses	130	233
Decrease (increase) in accounts receivable-trade and other current receivables	709	508
Increase (decrease) in accounts payable-trade and other current payables	(1,334)	(1,087)
Other	2,212	(425)
Subtotal	<u>5,399</u>	<u>1,563</u>
Interest and dividends received	27	26
Interest paid	(53)	(38)
Income taxes paid or refunded (paid)	(156)	(769)
Net cash from operating activities	<u>5,216</u>	<u>781</u>
Net cash used in investing activities		
Purchase of capital financial assets	—	(98)
Purchase of property, plant and equipment	(135)	(142)
Proceeds from sale of property, plant and equipment	2	8
Purchase of intangible assets	(325)	(92)
Purchase of subsidiaries	(1,096)	—
Proceeds from sale of shares of subsidiaries	—	939
Purchase of shares of affiliates	—	(124)
Proceeds from sale of affiliates	858	—
Payments of loans receivable	(1,592)	(2,017)
Collection of loans receivable	1,157	1,236
Other	58	(241)
Net cash from investing activities	<u>(1,072)</u>	<u>(531)</u>
Net cash provided by (used in) financing activities		
Proceeds from short-term loans	100	350
Repayment of short-term loans	(1,700)	(929)
Proceeds from long-term loans	—	100
Repayment of long-term loans	(1,492)	(217)
Dividends paid	(296)	(545)
Repayment of lease obligations	(559)	(560)
Dividends paid to non-controlling interests	(57)	(1)
Payments for interests in subsidiaries of non-controlling interests	—	(65)
Proceeds from payments from non-controlling interests	3	100
Purchase of treasury shares	(1,000)	(0)
Other	6	0
Net cash from financing activities	<u>(4,996)</u>	<u>(1,768)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>514</u>	<u>380</u>
Net increase (decrease) in cash and cash equivalents	<u>(337)</u>	<u>(1,138)</u>
Cash and cash equivalents at beginning of period	<u>16,521</u>	<u>16,510</u>
Cash and cash equivalents at end of period	<u>16,184</u>	<u>15,372</u>

(5) Notes on the Consolidated Financial Statements

1. **Note Regarding Going Concern Assumptions**
Not applicable.
2. **Subsequent Events**
Not applicable
3. **Notes Regarding Segments**

(1) Overview of Reportable Segments

The Group's reportable segments are components of the Group for which discrete financial information is available. The Board of Directors reviews these segments on a regular basis to determine the allocation of corporate resources and assess business performance.

The business segments of the Company and its subsidiaries have been classified as two reportable segments: the HOME'S Services segment and the Overseas segment. These classifications are primarily based on the content of the services provided and the components of the business earnings management.

Although, our consolidated subsidiaries, LIFULL Tech Vietnam Co., Ltd and LIFULL Tech Malaysia SDN. BHD., were previously focused on undertaking development projects for LIFULL HOME'S and external clients, we have decided to shift their focus primarily towards LIFULL HOME'S to further accelerate growth in our Japanese businesses.

As a result of this change, starting from the fiscal year ending September 30, 2024, we have altered the reporting segment of LIFULL Tech Vietnam Co., Ltd and LIFULL Tech Malaysia SDN.BHD. from Overseas to HOME'S Services. We have also updated segment information for both the nine and three-month reporting periods to reflect these changes.

The service categories of each reportable segment are as follows:

Reportable Segments	Service Category
HOME'S Services	Operation of the comprehensive real estate and housing portal LIFULL HOME'S, provision of internet marketing services for real estate professionals and operation of the real estate investment website Kenbiya.
Overseas	Operation of aggregation websites in multiple countries for real estate/housing, used cars and job listings as well as a tech enable real estate agency etc.

(2) Revenue, Profit or Loss and Other Items by Reportable Segment

Accounting policies for reportable segments are the same as for the Group.

The amounts of intersegment revenue are based on market prices.

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

For the Nine-month Period Ended June 30, 2023 (October 1, 2022 to June 30, 2023)

	Reportable Segments		Other Businesses ²	Total
	HOME'S SERVICES	Overseas		
(Millions of yen)				
Revenue				
Customers	17,523	6,188	4,282	27,994
Intersegment	5	—	—	5
Total	17,528	6,188	4,282	28,000
Segment Profit (Loss) ¹	2,125	(273)	(18)	1,834
Other Income (Expenses)				
Operating Income				
Financial Revenue and Expenses (Net)				
Share of Profit (Losses) of Investments Accounted for using the Equity Method				
Profit Before Taxes				
Other Items				
Depreciation & Amortization	823	647	72	1,544

(Millions of yen)

	Reconciliation ³	Consolidated
(Millions of yen)		
Revenue		
Customers	—	27,994
Intersegment	(5)	—
Total	(5)	27,994
Segment Profit (Loss) ¹	9	1,843
Other Income (Expenses)		573
Operating Income		2,416
Financial Revenue and Expenses (Net)		(94)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(160)
Profit Before Taxes		2,161
Other Items		
Depreciation & Amortization	—	1,544

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.
3. Adjustments to segment profit (loss) include elimination of intersegment transactions.

For the Three-month Period Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable Segments		Other Businesses ²	Total
	HOME'S SERVICES	Overseas		
Revenue				
Customers	5,563	2,305	956	8,825
Intersegment	1	—	—	1
Total	5,564	2,305	956	8,827
Segment Profit (Loss) ¹	792	(49)	(73)	669
Other Income (Expenses)				
Operating Income				
Financial Revenue and Expenses (Net)				
Share of Profit (Losses) of Investments Accounted for using the Equity Method				
Profit Before Taxes				
Other Items				
Depreciation & Amortization	274	241	16	532

(Millions of yen)

	Reconciliation ³	Consolidated
Revenue		
Customers	—	8,825
Intersegment	(1)	—
Total	(1)	8,825
Segment Profit (Loss) ¹	3	672
Other Income (Expenses)		32
Operating Income		705
Financial Revenue and Expenses (Net)		(60)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(48)
Profit Before Taxes		596
Other Items		
Depreciation & Amortization	—	532

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.
3. Adjustments to segment profit (loss) include elimination of intersegment transactions.

For the Nine-month Period Ended June 30, 2024 (October 1, 2023 to June 30, 2024)

(Millions of yen)

	Reportable Segments		Other Businesses ²	Total
	HOME'S SERVICES	Overseas		
Revenue				
Customers	17,963	6,184	1,691	25,839
Intersegment	6	—	—	6
Total	17,970	6,184	1,691	25,846
Segment Profit (Loss) ¹	1,941	(1,032)	(352)	556
Other Income (Expenses)				
Operating Income				
Financial Revenue and Expenses (Net)				
Share of Profit (Losses) of Investments Accounted for using the Equity Method				
Profit Before Taxes				
Other Items				
Depreciation & Amortization	811	655	35	1,503

(Millions of yen)

	Reconciliation ³	Consolidated
Revenue		
Customers	—	25,839
Intersegment	(6)	—
Total	(6)	25,839
Segment Profit (Loss) ¹	11	567
Other Income (Expenses)		849
Operating Income		1,417
Financial Revenue and Expenses (Net)		(127)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(365)
Profit Before Taxes		924
Other Items		
Depreciation & Amortization	—	1,503

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.
3. Adjustments to segment profit (loss) include elimination of intersegment transactions.

For the Three-month Period Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable Segments		Other Businesses ²	Total
	HOME'S SERVICES	Overseas		
Revenue				
Customers	5,860	2,104	513	8,479
Intersegment	3	—	—	3
Total	5,863	2,104	513	8,482
Segment Profit (Loss) ¹	846	(300)	(99)	446
Other Income (Expenses)				
Operating Income				
Financial Revenue and Expenses (Net)				
Share of Profit (Losses) of Investments Accounted for using the Equity Method				
Profit Before Taxes				
Other Items				
Depreciation & Amortization	269	219	12	500

(Millions of yen)

	Reconciliation ³	Consolidated
Revenue		
Customers	—	8,479
Intersegment	(3)	—
Total	(3)	8,479
Segment Profit (Loss) ¹	3	450
Other Income (Expenses)		(4)
Operating Income		445
Financial Revenue and Expenses (Net)		(45)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(289)
Profit Before Taxes		110
Other Items		
Depreciation & Amortization	—	500

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.

3. Adjustments to segment profit (loss) include elimination of intersegment transactions.