

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 Fiscal Year Ended September 30, 2024 (IFRS)

November 13, 2024

Company name:	LIFULL Co., Ltd.	Listed exchange:	Tokyo Stock Exchange
Stock code:	2120	URL:	https://lifull.com/en/ir/
Representative:	ITO Yuji	(Position) Representative Director, President, Managing Officer	
Contact:	FUKUZAWA Hidekazu	(Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603	
Ordinary General Shareholders Meeting (scheduled):	December 23, 2024		
Commencement of dividend payments (scheduled):	December 24, 2024		
Filing annual securities report (scheduled):	December 24, 2024		
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 the Fiscal Year Ended September 30, 2024

(October 1, 2023 to September 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	%
FY 2024/9	34,466	(5.3)	(6,443)	-	(7,076)	-	(8,462)	-	(8,463)	-	(7,709)	-
FY 2023/9	36,405	1.9	1,842	10.2	1,518	9.5	963	(18.7)	939	(20.5)	2,776	(7.7)

	Basic earnings per share (yen)	Diluted earnings per share (yen)	Return on equity	Return on assets	Operating income ratio
FY 2024/9	(66.12)	(66.12)	(29.9)	(15.3)	(18.7)
FY 2023/9	7.31	7.30	3.0	3.0	5.1

(Ref) Profit and loss for equity method affiliates: FY 2024/9: -¥193 mil. FY 2023/9: -¥197 mil.

(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, 2024	41,191	24,202	24,105	58.5	188.33
As of September 30, 2023	51,166	32,554	32,456	63.4	253.58

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents
FY 2024/9	1,671	(718)	(2,977)	14,633
FY 2023/9	6,233	(1,743)	(5,079)	16,510

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			
FY 2023/9	-	0.00	-	4.26	4.26	545	58.1	1.7
FY 2024/9 (Forecast)	-	0.00	-	0.73	0.73	93	-	0.4
FY 2025/9 (Forecast)	-	-	-	-	-	-	-	-

Note 1: The dividend forecast for FY 2024/9 has been calculated based on a payout ratio of 25% with consideration of the impact of extraordinary factors it has been founded to the nearest third decimal place. For details refer to the "Notice of Dividend Forecast" released today.

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 2025/9 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, 2024 to September 30, 2025)

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
FY 2025/9	38,000	10.3	3,500	-	1,900	-	14.84

*** 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)	As of September 30, 2024	134,239,870	As of September 30, 2023	134,239,870
[2] Treasury shares at the end of the period	As of September 30, 2024	6,245,229	As of September 30, 2023	6,245,073
[3] Average shares during the period	As of September 30, 2024	127,994,686	As of September 30, 2023	128,460,800

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

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

The forward-looking statements, including performance outlooks, contained in this document are based on information currently available to the Company as well as reasonable assumptions. Actual performance may significantly differ due to various factors. For the underlying conditions of the performance forecasts and precautions regarding the use of performance forecasts, please refer to page 5 of this report under "Outlook."

- The Company holds online earnings briefings for institutional investors, and we release the content of these presentations in the form of presentations, videos and question and answer sessions on our Investor Relations website.
- November 14 (Thu.) Earnings Presentation for Institutional Investors and Analysts
- LIFULL Investor Relations Website: [https:// LIFULL.com/en/ir](https://LIFULL.com/en/ir)

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://lifull.com/en/ir/>)

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year Ended September 30, 2024

In the previous consolidated fiscal year, provisional accounting treatment was conducted for the acquisitions of FazWaz Thailand Co. Ltd. in January 2023 and Medios de Clasificados, S. de R.L. de C.V. in March 2023. However, as the accounting treatment has been finalized in the current year, for comparison and analysis with the previous consolidated fiscal year, we are using the figures after reviewing the initial allocation amount of acquisition costs based on the finalized provisional accounting treatment.

The LIFULL Group operates under our Corporate Philosophy of “creating a society where everyone can attain Comfort and Happiness through continuous social innovations. We strive to enhance our corporate value and contribute to the sustainable development of society through healthy business activities which take all stakeholders into consideration. During the fiscal year ended September 30, 2024, the business environment in Japan has on a gradual recovery trend, driven by improvements in employment and income. However, the recovery of personal consumption remains limited due to rising prices caused by ongoing energy price hikes and the continued depreciation of the yen.

In our core industry, construction and real estate, the number of new housing starts has continued to decline, and the prices of new properties are rising due to increases in material and labor costs. The nationwide number of individuals moving house during the period (October 2013 to September 2014) decreased by 0.2% compared to the previous period (according to the Statistics Bureau of the Ministry of Internal Affairs and Communications’ “Report on Internal Migration in Japan Derived from the Basic Resident Register”). Overseas, the outlook remains uncertain due to factors such as the impact of global financial tightening and a downturn in overseas economic conditions.

In this environment, we are focusing on increasing the profitability of our core segments, HOME’S Services and Overseas, to reach the targets set in our Mid-term Management Plan (2021-2025). We have continued to make active investments for long-term business growth while concentrating our management resources on our core businesses. In February 2024, we executed the transfer of shares of LIFULL SPACE Co., Ltd., which operated “LIFULL Trunkroom.”

As a result, the sales revenue for the current period amounted to ¥34,466 million (-5.3% YoY). However, excluding the temporary sales revenue of ¥2,517 million from the sale of assets by the Regional Revitalization Fund recorded in the previous fiscal year and revenue from the third and fourth quarters of the previous year for LIFULL SPACE, revenue increased by +2.1% YoY.

On the other hand, in the Overseas segment, we transitioned to a new management structure in December 2023 to improve revenue and profitability and executed a recovery plan. However, although some indicators showed improvement, organic traffic in our aggregation sites continued to decline, causing a deviation in revenue from the restructuring plan. As a result, we recognized an impairment loss of ¥7,056 million. Additionally, due to temporary expenses related to transition to new management, as well as active recruitment efforts in the domestic HOME’S Services business aimed at medium-to-long-term growth, operating loss amounted to ¥6,443 million (compared to a profit of ¥1,842 million in the previous fiscal year), loss before tax amounted to ¥7,076 million (compared to a profit of ¥1,518 million in the previous fiscal year), loss for the period amounted to ¥8,462 million (compared to a profit of ¥963 million in the previous fiscal year) and loss attributable to owners of the parent amounted to ¥8,463 million (compared to a profit of ¥939 million in the previous fiscal year). We announced on November 13, 2024, that we have entered into a memorandum of understanding to hold specific discussions about transferring a portion of shares of LIFULL CONNECT to the Founders of FazWaz Pte. Ltd. For details, please refer to the “Notice Regarding the Signing of a Memorandum of Understanding Transfer of an Overseas Subsidiary (Partial Transfer of Shares).” If this transfer is executed, LIFULL CONNECT is expected to be excluded from the consolidation during the fiscal year ending in September 2025.

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	24,034	+3.4	2,673	(3.8)
(2) Overseas	8,154	(1.2)	(1,464)	Note 2
(3) Other Businesses	2,288	(53.6)	(421)	Note 3

Note 1: Intersegment transactions have not been eliminated.

Note 2: Segment loss in the previous fiscal year was ¥246 million.

Note 3: Segment loss in the previous fiscal year was ¥204 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 this fiscal year, we have continued with our strategy from the previous fiscal year, focusing on providing more value to our users and clients while enhancing our competitiveness. We tailoring our search features to each individual and working towards providing lead with a high possibility of conversion to our clients by developing new features utilizing AI technology and making improvements aimed at enhancing user interface and experience, as well as expanding our overall client network. Although people moving in Japan has remained almost flat, traffic has been steadily increasing thanks to our developing, resulting in sales revenue of ¥24,034 million (+3.4% YoY). Due to proactive recruitment activities aimed at growth in the mid- to long-term, segment profit amounted to ¥2,673 million (-3.8% YoY.)

(2) Overseas

This segment is primarily comprised of the real estate portals and aggregation websites offered through LIFULL CONNECT as well as tech-enabled real estate agent services offered FazWaz (consolidated from Jan. 2023.)

Currently we are following our growth strategy "Moving to Direct" (a strategy to enhance the value of service offerings to users and clients while through real estate portals and a tech-enabled brokerage.) Although our Direct services, centered around tech-enabled agency FazWaz, are making good progress, rapid changes in the external environment have led to a continued decline in revenue from aggregation sites. In order to increase revenue and restore profitability, we are transitioned to a new management structure in December 2023 and implemented a recovery plan.

As a result of these developments, revenue for the current period amounted to ¥8,154 million (-1.2% YoY). The main factor for the increase in revenue is due to the consolidation of two acquisitions, FazWaz Thailand Co. Ltd. in January 2023 and Medios de Clasificados, S. De R.L. de CV in March 2023. In addition to a decrease in aggregation revenue, temporary costs also arose from the resignation of the former CEO and transition to a new management structure, resulting in a segment loss of ¥1,464 million (compared to a segment loss of ¥246 million in the previous fiscal year, a decline of ¥1,218 million).

Although there have been improvements in some indicators in the businesses of the Overseas segment due to the recovery plan, revenue from aggregation sites declined below our forecasts, leading to an impairment loss of ¥7,056 million. In light of these circumstances, we are moving forward with a strategic transformation of the Overseas segment to reverse the current trend. We announced on November 13, 2024, that we have entered into a memorandum of understanding to hold specific discussions about transferring a portion of shares of LIFULL CONNECT to the Foudners of FazWaz Pte. Ltd. For details, please refer to the "Notice Regarding the Signing of a Memorandum of Understanding Transfer of an Overseas Subsidiary (Partial Transfer of Shares)." If this transfer is executed, LIFULL CONNECT is expected to be excluded from the consolidation during the fiscal year ending in September 2025.

(3) Other Businesses

Other Businesses is primarily comprised of LIFULL *Kaigo* (nursing care), a search website for nursing facilities for the elderly and the Regional Revitalization Business and other services.

Revenue for the current fiscal year amounted to ¥2,288 million (-53.6% YoY) with a segment loss of ¥421 million (a decrease of ¥216 million compared to the segment loss of ¥204 million in the previous fiscal year.)

In the previous fiscal year, there were temporary gains in revenue due to the sale of hotel projects from the Regional Revitalization Fund as well as due to the transfer of LIFULL SPACE in February 2024, which operated a portal website for storage space. Excluding the temporary sales from the Regional Revitalization Fund and the sales of LIFULL SPACE in the third and fourth quarters of the previous fiscal year, revenue was at about the same levels at the previous fiscal year.

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, 2024," announced on November 13, 2024.

URL: <https://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 Year Ended September 30, 2024

(Current assets)

Current assets stood at ¥21,589 million, a decrease of ¥1,474 million compared to the end of the previous consolidated fiscal year. The main factors are a decrease in cash and cash equivalents of ¥1,876 million, a decrease in accounts receivable and other short-term receivables of ¥330 million, an increase in other short-term financial assets of ¥652 million and an increase in other current assets of ¥80 million.

(Non-current assets)

Non-current assets stood at ¥19,602 million, a decrease of ¥8,500 million compared to the end of the previous fiscal year. The main factors are a decrease in tangible fixed assets of ¥95 million, a decrease in right-of-use assets of ¥446 million, a decrease in goodwill of ¥6,395 million, a decrease in intangible assets of ¥828 million, a decrease in equity-accounted investments of ¥330 million, an increase in other long-term financial assets of ¥180 million, a decrease in deferred tax assets of ¥617 million and an increase in other non-current assets of ¥32 million.

As a result, total assets were ¥41,191 million at the end of the fiscal year, a decrease of ¥9,975 million from the end of the previous fiscal year.

(Current liabilities)

Current liabilities stood at ¥10,295 million, a decrease of ¥1,831 million compared to the end of the previous fiscal year. The main factors are a decrease in accounts payable and other short-term debts of ¥285 million, a decrease in short-term loans of ¥1,757 million, an increase in lease liabilities of ¥27 million, a decrease in accrued corporate income taxes of ¥110 million and an increase in other current liabilities of ¥294 million.

(Non-current liabilities)

Non-current liabilities stood at ¥6,693 million, an increase of ¥208 million compared to the end of the previous fiscal year. The main factors are a decrease in long-term loans of ¥43 million, a decrease in lease liabilities of ¥477 million, an increase in other long-term financial liabilities of ¥749 million, a decrease in deferred tax liabilities of ¥61 million and an increase in other non-current liabilities of ¥21 million.

As a result, total liabilities were ¥16,989 million at the end of the fiscal year, a decrease of ¥1,623 million from the end of the previous fiscal year.

(Equity)

Equity stood at ¥24,202 million, a decrease of ¥8,352 million compared to the end of the previous fiscal year. The main factors include a decrease in retained earnings of ¥8,463 million due to the loss attributable to owners of the parent, a decrease in retained earnings of ¥545 million due to dividend payments, an increase in other components of capital ¥753 million due to other comprehensive income, a decrease in capital surplus of ¥45 million due to share-based payment transactions and a decrease in capital surplus of ¥51 million due to equity transactions with non-controlling shareholders, among others.

(3) Overview of Cash Flows for the Fiscal year Ended September 30, 2024

In the fiscal year ended September 30, 2024, cash and cash-equivalents (hereinafter, "cash") decreased by ¥1,876 million amounting to ¥14,633 million at the end of the fiscal year.

(Cash flows from operating activities)

Net cash inflow from operating activities amounted to ¥1,671 million, a decrease of ¥4,561 million compared to the net cash inflow of ¥6,233 million in the previous fiscal year. The main factors for this are a loss before taxes of ¥7,076 million, a decrease of ¥8,594 million compared to profit before taxes of ¥1,518 million in the previous fiscal year; a YoY decrease of ¥122 million in depreciation and amortization expenses, amounting to ¥1,974 million; an impairment loss of ¥7,081 million, a YoY increase of ¥6,952 million; a YoY decrease of ¥297 million in the change in accounts receivable and other short-term receivables, amounting to ¥378 million; a YoY increase of ¥1,126 million in the change in accounts payable and other short-term liabilities, amounting to -¥646 million; a YoY decrease of ¥2,101 million in the change in inventory, amounting to -¥106 million; a YoY increase of ¥10 million in the fair value fluctuation related to contingent considerations, amounting to ¥785 million; other factors amounting to -¥53 million, a YoY decrease of ¥939 million; and a YoY increase of ¥689 million in the amount of corporate income tax paid, amounting to ¥821 million.

(Cash flows from investing activities)

Net cash outflow from investing activities amounted to ¥718 million, an increase of ¥1,024 million compared to the decrease of ¥1,743 million in the previous fiscal year. The main factors are as follows. In the previous fiscal year, expenditures for the acquisition of subsidiaries amounted to ¥1,264 million, and proceeds from the sale of shares in affiliated companies amounted to ¥858 million. In the current fiscal year, expenditures for the purchase

of financial assets amounted to ¥248 million, proceeds from the sale of shares of subsidiaries amounted to ¥939 million and expenditures for the acquisition of shares of affiliates amounted to ¥124 million. Additionally, expenditures for the acquisition of tangible fixed assets increased ¥118 million YoY, amounting to ¥250 million; while expenditures for the acquisition of intangible assets decreased ¥239 million YoY, amounting to ¥148 million. Furthermore, expenditures for loans increased ¥223 million YoY, amounting to ¥2,666 million; while proceeds from loan collections increased ¥414 million YoY, amounting to ¥1,966 million. Other factors resulted in a decrease of ¥286 million YoY, amounting to -¥230 million.

(Cash flows from financing activities)

Net cash outflow from financing activities amounted to ¥2,977 million, an increase of ¥2,102 million compared to the outflow of ¥5,079 million in the previous fiscal year. The main factors are as follows. During the current fiscal year, proceeds from long-term loans amounted to ¥100 million; expenditures for the acquisition of shares of subsidiaries from non-controlling interests amounted to ¥65 million; expenditures for the repayment of short-term loans increased ¥229 million YoY, amounting to ¥2,029 million; expenditures for the repayment of long-term loans decreased ¥1,375 million YoY, amounting to ¥217 million; payments of dividends decreased ¥248 million YoY, amounting to ¥545 million; payments of dividends to non-controlling interests decreased ¥55 million YoY, amounting to ¥1 million; proceeds from payments from non-controlling interests increased by ¥97 million, amounting to ¥100 million; and expenditures for acquisition of treasury shares decreased ¥999 million, amounting to ¥0 million as well as other factors.

(4) Outlook

Outlook for Consolidated Earnings for the Fiscal Year Ending September 30, 2025

(Millions of yen)

	Fiscal year ended September 30, 2024	Forecast for the year ending September 30, 2025	Change	Rate of change (%)
Revenue	34,466	38,000	+3,533	+10.3
HOME'S Services	24,024	25,100	+1,075	+4.5
Overseas	8,154	9,500	+1,345	+16.5
Other businesses	2,288	3,400	+1,111	+48.6
Operating profit (loss)	(6,443)	3,500	+9,943	-
Profit attributable to owners of the parent for the year	(8,463)	1,900	+10,363	-

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, 2024" announced on November 13, 2024.

URL : <https://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 Accounting Standards

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, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	16,510	14,633
Accounts receivable-trade and other current receivables	4,630	4,299
Other short-term financial assets	1,183	1,836
Other current assets	739	820
Total current assets	23,064	21,589
Non-current assets		
Property, plant and equipment	1,045	950
Right-of-use assets	2,100	1,654
Goodwill	16,349	<u>9,954</u>
Intangible assets	3,285	2,456
Investments accounted for using the equity method	536	205
Other long-term financial assets	2,040	2,220
Deferred tax assets	2,735	2,118
Other non-current assets	9	42
Total non-current assets	28,102	<u>19,602</u>
Total assets	51,166	<u>41,191</u>

	As of September 30, 2023	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	3,259	2,973
Loans	5,329	3,572
Lease liabilities	698	725
Accrued corporate income taxes	598	488
Other current liabilities	2,241	2,535
Total current liabilities	12,127	10,295
Non-current liabilities		
Loans	297	253
Lease obligations	1,464	987
Provisions	511	532
Other long-term financial liabilities	3,585	4,334
Deferred tax liabilities	571	509
Other non-current liabilities	54	76
Total non-current liabilities	6,485	6,693
Total liabilities	18,612	16,989
Equity		
Attributable to the owners of the parent		
Capital stock	9,716	9,716
Capital surplus	10,035	9,938
Retained earnings	11,662	<u>2,639</u>
Treasury shares	(2,009)	(2,009)
Other components of equity	3,051	<u>3,819</u>
Attributable to the owners of the parent	32,456	<u>24,105</u>
Attributable to non-controlling interests	97	97
Total equity	32,554	<u>24,202</u>
Total liabilities and equity	51,166	<u>41,191</u>

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

Condensed Consolidated Statements of Profit or Loss

(Millions of yen)

	Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)
Revenue	36,405	34,466
Cost of revenue	3,856	2,252
Gross profit	32,548	32,214
Selling, general and administrative expenses	30,208	31,394
Other revenue	793	1,014
Other expenses	1,291	<u>8,278</u>
Operating income (loss)	1,842	<u>(6,443)</u>
Financial revenue	61	143
Financial expenses	189	321
Share of profit (loss) of investments accounted for using the equity method	(197)	(193)
Impairment loss on investments accounted for using the equity method	-	261
Profit before taxes (loss)	1,518	<u>(7,076)</u>
Income tax expenses	554	1,386
Profit for the period (loss)	963	<u>(8,462)</u>
Profit (loss) for the period attributable to:		
Owners of the parent	939	<u>(8,463)</u>
Non-controlling interests	24	0
Total	963	<u>(8,462)</u>
(yen)		
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share (loss)	7.31	<u>(66.12)</u>
Diluted profit for the period per share (loss)	7.30	<u>(66.12)</u>

Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)
Profit for the period (loss)	963	<u>(8,462)</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(174)	(73)
Total of items that will not be reclassified to profit or loss	<u>(174)</u>	<u>(73)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	2,171	<u>826</u>
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	<u>1,987</u>	<u>826</u>
Other comprehensive income, net of tax	<u>1,813</u>	<u>753</u>
Total comprehensive income for the period	<u>2,776</u>	<u>(7,709)</u>
Comprehensive income for the period attributable to:		
Owners of the parent	2,752	<u>(7,710)</u>
Non-controlling interests	24	0
Total	<u>2,776</u>	<u>(7,709)</u>

(3) Condensed Consolidated Statements of Changes in Equity

For the Fiscal Year Ended September 30, 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 for the period	-	-	939	-	-	939	24	963
Other comprehensive income	-	-	-	-	1,813	1,813	-	1,813
Total comprehensive income for the period	-	-	939	-	1,813	2,752	24	2,776
Dividends of surplus	-	-	(296)	-	-	(296)	(60)	(357)
Share-based payment transactions	-	2	-	-	6	9	-	9
Transfers to retained earnings	-	-	1	-	(1)	-	-	-
Purchase of treasury shares	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Equity transactions with noncontrolling 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	11,662	(2,009)	3,051	32,456	97	32,554

For the Fiscal year Ended September 30, 2024 (October 1, 2023 to September 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 (loss)	-	-	<u>(8,463)</u>	-	-	<u>(8,463)</u>	0	<u>(8,462)</u>
Other comprehensive income	-	-	-	-	753	753	-	753
Total comprehensive income for the period	-	-	<u>(8,463)</u>	-	753	<u>(7,710)</u>	0	<u>(7,709)</u>
Dividends of surplus	-	-	(545)	-	-	(545)	(1)	(547)
Share-based payment transactions	-	(45)	-	-	0	(44)	-	(44)
Transfer to retained earnings	-	-	(13)	-	13	-	-	-
Purchase of treasury shares	-	-	-	(0)	-	(0)	-	(0)
Equity transactions with noncontrolling interest shareholders	-	(51)	-	-	-	(51)	0	(51)
Total transactions with owners	-	(96)	(559)	(0)	14	(641)	(1)	(642)
Balance as of September 30, 2024	9,716	9,938	<u>2,639</u>	(2,009)	<u>3,819</u>	<u>24,105</u>	97	<u>24,202</u>

(4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)
Net cash from operating activities		
Profit (loss) for the period before tax	1,518	<u>(7,076)</u>
Depreciation and amortization	2,096	1,974
Impairment loss	128	<u>7,081</u>
Financial revenue	(61)	(143)
Financial expenses	189	321
Decrease (increase) in accounts receivable-trade and other current receivables	675	378
Increase (decrease) in accounts payable-trade and other current payables	(1,772)	(646)
Decrease (increase) in inventory assets	1,994	(106)
Changes in fair value of contingent considerations	774	785
Other	886	(53)
Subtotal	<u>6,429</u>	<u>2,514</u>
Interest and dividends received	5	42
Interest paid	(69)	(63)
Income taxes paid or refunded (paid)	(132)	(821)
Net cash from operating activities	<u>6,233</u>	<u>1,671</u>
Net cash used in investing activities		
Purchase of capital financial assets	-	(248)
Proceeds from the sale of financial assets	3	23
Purchase of property, plant and equipment	(131)	(250)
Proceeds from sale of property, plant and equipment	2	8
Purchase of intangible assets	(388)	(148)
Purchase of subsidiaries	(1,264)	-
Proceeds from sale of shares of subsidiaries	-	939
Payments of lease deposits and guarantees	(48)	(43)
Proceeds from refund of lease deposits and guarantees	60	54
Purchase of shares of affiliates	-	(124)
Proceeds from sale of affiliates	858	-
Payments of loans receivable	(2,442)	(2,666)
Collection of loans receivable	1,552	1,966
Other	56	(230)
Net cash from investing activities	<u>(1,743)</u>	<u>(718)</u>
Net cash provided by (used in) financing activities		
Proceeds from short-term loans	400	400
Repayment of short-term loans	(1,800)	(2,029)
Proceeds from long-term loans	-	100
Repayment of long-term loans	(1,592)	(217)
Dividends paid	(296)	(545)
Repayment of lease obligations	(742)	(719)
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>(5,079)</u>	<u>(2,977)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>578</u>	<u>147</u>
Net increase (decrease) in cash and cash equivalents	<u>(10)</u>	<u>(1,876)</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>16,510</u>	<u>14,633</u>

(5) Notes on the Consolidated Financial Statements

(Notes on On-Going Concern Assumption)

No applicable items.

(Segment Information)

(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.

Note that Group subsidiaries, LIFULL Tech Vietnam Co., Ltd. and LIFULL Tech Malaysia SDN. BHD., were previously primarily engaged in accepting development projects for LIFULL HOME'S and external sources. However, we have revised our strategy to focus mainly on contracts related to LIFULL HOME'S, aiming to accelerate business growth as a whole. In line with this change, starting from this consolidated fiscal year, the reporting segment for both LIFULL Tech Vietnam Co., Ltd. and LIFULL Tech Malaysia SDN. BHD. has been changed from Overseas to HOME'S Services. Additionally, the segment information for the previous consolidated fiscal year have been adjusted and disclosed based on the new divisions in reporting segments.

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 as well as a tech-enabled 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 Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

(Millions of yen)				
	Reportable Segments		Other Businesses ²	Total
	HOME'S Services	Overseas		
Revenue				
Customers	23,226	8,252	4,926	36,405
Intersegment	6	-	-	6
Total	23,232	8,252	4,926	36,412
Segment Profit (Loss) ¹	2,778	(246)	(204)	2,326
Other Income (Expenses)				
Operating Income				
Financial Revenue and Expenses (Net)				
Impairment loss on investments accounted for using the equity method				
Profit Before Taxes				
Other Items				
Depreciation & Amortization	1,095	895	90	2,081

(Millions of yen)		
	Reconciliation ³	Consolidated
Revenue		
Customers	-	36,405
Intersegment	(6)	-
Total	(6)	36,405
Segment Profit (Loss) ¹	13	2,340
Other Income (Expenses)		(497)
Operating Income		1,842
Financial Revenue and Expenses (Net)		(127)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(197)
Impairment loss on investments accounted for using the equity method		-
Profit Before Taxes		1,518
Other Items		
Depreciation & Amortization	-	2,081

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

Note 2: The Other Businesses segment comprises businesses that are not included in the reportable segments, such as LIFULL Kaigo, a website for nursing care facilities; and LIFULL Trunkroom, a website for rental storage space.

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

For the Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)

(Millions of yen)

	Reportable Segments		Other Businesses ²	Total
	HOME'S Services	Overseas		
Revenue				
Customers	24,024	8,154	2,288	34,466
Intersegment	9	-	-	9
Total	24,034	8,154	2,288	34,476
Segment Profit (Loss) ¹	2,673	(1,464)	(421)	787
Other Income (Expenses)				
Operating Income (Loss)				
Financial Revenue and Expenses (Net)				
Share of Profit (Losses) of Investments Accounted for using the Equity Method				
Impairment loss on investments accounted for using the equity method				
Profit Before Taxes (Loss)				
Other Items				
Depreciation & Amortization	1,060	849	47	1,957

(Millions of yen)

	Reconciliation ³	Consolidated
Revenue		
Customers	-	34,466
Intersegment	(9)	-
Total	(9)	34,466
Segment Profit (Loss) ¹	33	820
Other Income (Expenses)		<u>(7,263)</u>
Operating Income (Loss)		<u>(6,443)</u>
Financial Revenue and Expenses (Net)		(178)
Share of Profit (Losses) of Investments Accounted for using the Equity Method		(193)
Impairment loss on investments accounted for using the equity method		261
Profit Before Taxes		<u>(7,076)</u>
Other Items		
Depreciation & Amortization	-	1,957

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

Note 2: The Other Businesses segment comprises businesses that are not included in the reportable segments, such as LIFULL Kaigo, a website for nursing care facilities; and LIFULL Trunkroom, a website for rental storage space.

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

(Per Share Information)

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

	Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)
Profit (loss) for the period attributable to owners of the parent (JPY mil.)	939	<u>(8,463)</u>
Basic average number of common shares outstanding for the period (shares)	128,460,800	127,994,686
Impact of potentially dilutive common shares	261,314	-
Average number of common shares outstanding during the period after dilution	128,722,114	127,994,686
Profit (loss) attributable to owners of the parent per share (yen)		
Basic profit (loss) per share	7.31	<u>(66.12)</u>
Diluted profit (loss) per share	7.30	<u>(66.12)</u>

Note 1: The stock acquisition rights issued by our company do not have a dilutive effect, so they are not included in the calculation of earnings per share after dilution.

Note 2: In the current consolidated fiscal year, there are 502,885 potentially dilutive shares, but they are excluded from the calculation of diluted loss per share because they have an anti-dilutive effect.

(Important Susequent Events)

No applicable items.