

Listed Company: LIFULL Co., Ltd.
Representative: ITO Yuji
Representative Director, President, Managing Officer
(Stock Code: 2120 TSE Prime)
Inquiries: FUKUZAWA Hidekazu, Managing Officer
Head of Group Company Business Development Dept.
(TEL +81-3-6774-1603)
(URL <https://lifull.com/en/ir/>)

(Correction) Notice of an Impairment Loss and a Difference Between the Consolidated Results Forecast and Actual Results for the Fiscal Year

LIFULL Co., Ltd. hereby announces corrections to the “Notice of an Impairment Loss and a Difference Between the Consolidated Results Forecast and Actual Results for the Fiscal Year,” announced on November 13, 2024, as follows.

In addition to this release, we have also corrected the Consolidated Financial Report (IFRS) and Earnings Presentation for the Fiscal Year Ended September 30, 2024.

Notes

1. Reason for the Corrections

We announced the “Consolidated Earnings Report for the Fiscal Year Ended September 30 2024 [IFRS]” and the “Notice of an Impairment Loss and a Difference Between the Consolidated Results Forecast and Actual Results for the Fiscal Year” on November 13, 2024. However, after receiving comments from the accounting auditor regarding the valuation of goodwill and working capital and extensive discussions, we have made the decision to correct these documents. Therefore, we are revising the amount of the impairment loss. However, these corrections do not affect our future plans.

Additionally, there are no changes in the dividend per share between the “Notice Regarding Dividend Forecast” announced on November 13, 2024 and the “Notice Regarding Dividends of Surplus” announced today.

2. Content of the Corrections

Corrections have been underlined.

(1) Recognition of an Impairment Loss

Original:

[...] During FY 2024/9, we implemented changes to the management structure and have seen partial improvement in the business. With this downward trend in revenue, however, we have reevaluated the recoverable amount from these businesses and have recognized an impairment loss of ¥3,854 mil. which has been recorded under other costs.

Correction:

[...] During FY 2024/9, we implemented changes to the management structure and have seen partial improvement in the business. With this downward trend in revenue, however, we have reevaluated the recoverable amount from these businesses and have recognized an impairment loss of ¥7,056 mil. which has been recorded under other costs.

(2) Consolidated Forecast and Actual Results for FY 2024/9 (IFRS)

Original: Consolidated Results (Oct. 1, 2023 to Sep. 30, 2024)

(Unit: JPY Mil.)

	Revenue	Operating Profit	Profit for the Period Attributable to Owners of the Parent	Basic Earnings per Share
Forecast (A)	35,500	1,900	300	2.34
Actual Results (B)	34,466	(3,241)	(5,261)	(41.11)
Change (B-A)	(1,034)	(5,141)	(5,561)	(43.45)
Change (%)	(2.9)	-	-	-
Ref) Prev. Results (FY 2023/9)	36,405	1,842	939	7.31

Corrected: Consolidated Results (Oct. 1, 2023 to Sep. 30, 2024)

(Unit: JPY Mil.)

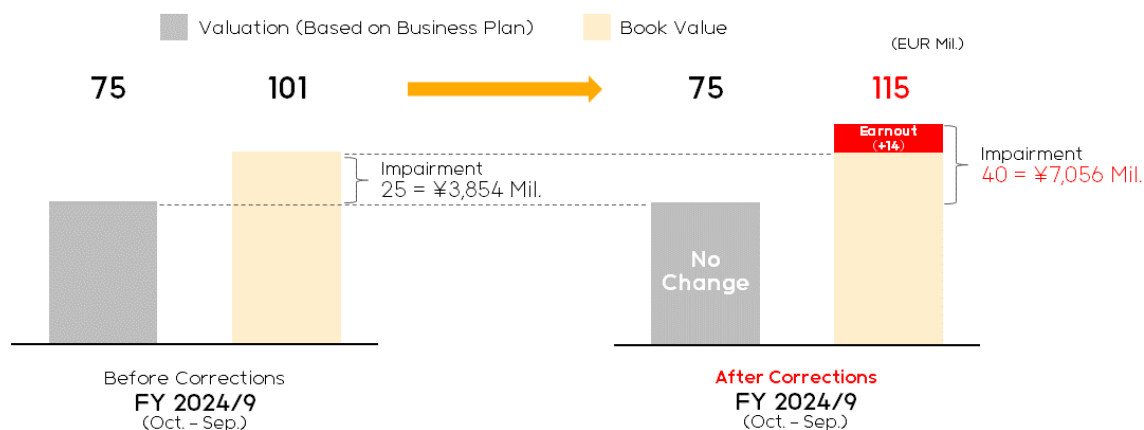
	Revenue	Operating Profit	Profit for the Period Attributable to Owners of the Parent	Basic Earnings per Share
Forecast (A)	35,500	1,900	300	2.34
Actual Results (B)	34,466	(6,443)	(8,463)	(66.12)
Change (B-A)	(1,034)	(8,343)	(8,763)	(68.46)
Change (%)	(2.9)	-	-	-
Ref) Prev. Results (FY 2023/9)	36,405	1,842	939	7.31

[Ref.] Corrections to the FY 2024/9 Earnings Presentation

Corrections to Impairment Corrections to the Book Value

Corrected on November 28, 2024

- Impairment increased from ¥3.8 to ¥7.0 bil. due to corrections to the working capital and book value of LIFULL CONNECT.
- The earnout for the acquisition of FazWaz has been excluded from fixed liabilities.
- There is no change to the valuation of goodwill (based on business plans.)
- As a result of the above, additional impairment was recognized due to the increase in the book value.



Corrections to Impairment Impact Apart from Consolidated Operating Profit

Corrected on
November 28, 2024

- Net assets decreased due to impairment of goodwill (see image below.)
- However, as there is no cash outflow involved, this change does not affect dividends for FY 2024/9.
- There are also no changes to the agreements for the transfer of LIFULL CONNECT.

