



Shareholder Letter

Report on the FY 2025/9 Second Quarter Earnings

Dear Fellow Shareholders,

I would like to extend my sincere gratitude for your steadfast support and encouragement of our mission.

Since assuming the role of president of LIFULL a year and a half ago, we have made considerable strides in bolstering Group profitability by refocusing our efforts on our domestic operations. Last November, we began a strategic restructuring of our overseas businesses, which had been facing declining profitability. In January this year, we completed the transfer of shares, effectively removing this segment from our consolidated operations.

The results for the second quarter of FY 2025/9 were encouraging, with increased revenues and profits primarily driven by our core business, LIFULL HOME'S. Consequently, we've revised our full-year forecast to account for the changes in our Overseas segment, projecting record-high net profits. In recent years, the reduced profitability of our Overseas ventures and sluggish growth in HOME'S Services have adversely affected our share price, leading to considerable concern from our shareholders. However, thanks to our effective growth strategies, we are witnessing positive momentum. I deeply appreciate the unwavering support from all our shareholders during this period.

Our strategic repositioning and exit from our Overseas operations have substantially diminished risks associated with our balance sheet. The conversion of goodwill from overseas subsidiaries into investment securities has reduced the risk of impairment, while the elimination of related long-term financial liabilities has helped prevent significant future cash outflows. With this shift, we can now concentrate our management resources exclusively on expanding our growing domestic businesses.

Following this strategic transformation, we expect more stable growth in our core operations in Japan. Hence, we have decided to increase the dividend payout ratio by 5 percentage points to 30% at the fiscal year-end. Additionally, on July 1st this year, we will celebrate our 30th anniversary, commemorating when our founder, INOUE Takashi, launched the precursor to LIFULL HOME'S. Over the past three decades, we have led innovation in the real estate industry, pioneering online real estate listings, smartphone apps, online property viewings and now AI technologies, while staying true to our Corporate Philosophy of Altruism. As a recognition of the long-term support from our shareholders and partners who have nurtured our growth, we will not



only raise the dividend payout but also offer a commemorative dividend of ¥1 per share for our 30th anniversary.

Finally, as we navigate these rapidly changing times, the advent of generative AI is already reshaping businesses and lives extensively. We are leveraging our history of technological innovation in the real estate sector to swiftly incorporate generative AI into our services, enhance our operational efficiencies and aid real estate professionals in their digital transformation journeys, thereby reaffirming our leadership in technology creation and deployment in the industry.

With a strong commitment to improving corporate value over the medium to long term, and confident in our ability to embrace future changes through technology, I have personally commenced acquiring approximately ¥300 million worth of LIFULL stock. As a company, we remain dedicated to making life even more fulfilling for everyone and look forward to your continued support and anticipation of our sustained growth.

Thank you once again for your trust and partnership.

May 2025

LIFULL Co., Ltd.

伊東祐司

ITO Yuji

Representative Director,
President,
Managing Officer