

Consolidated Financial Report for the Fiscal Year Ended September 30, 2025 (IFRS)

November 12, 2025

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	
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Ordinary General Shareholders Meeting (scheduled):	December 23, 2025		
Commencement of dividend payments (scheduled):	December 24, 2025		
Filing annual securities report (scheduled):	December 22, 2025		
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, 2025

(October 1, 2024 to September 30, 2025)

(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 2025/9	28,127	6.9	3,815	26.1	3,805	49.3	5,310	-	5,317	-	2,031	-
FY 2024/9	26,312	-	3,027	-	2,549	-	(8,462)	-	(8,463)	-	(7,709)	-

	Basic earnings per share (yen)		Diluted earnings per share (yen)		Return on equity		Return on assets		Operating income ratio	
	yen	%	yen	%	%	%	%	%	%	%
FY 2025/9	41.51		41.49		21.2		9.3		13.6	
FY 2024/9	(66.12)		(66.12)		(29.9)		5.5		11.5	

(Ref) Profit and loss for equity method affiliates: FY 2025/9: ¥67 mil. FY 2024/9: -¥193 mil.

Effective as of FY 2025/9 Q2, the Overseas business has been reclassified as discontinued operations. Consequently, profit and loss are shown separately from continuing operations in the consolidated statements of profit and loss. Therefore, revenue, operating profit and profit before income taxes reported for FY 2025/9 reflect amounts for continuing operations only. As the comparable figures for FY 2024/9 have also been reclassified, the YoY change rate is not presented.

(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
	million yen	million yen	million yen	%	yen
As of September 30, 2025	40,915	26,223	26,022	63.6	203.08
As of September 30, 2024	41,191	24,202	24,105	58.5	188.33

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents
	million yen	million yen	million yen	million yen
FY 2025/9	4,808	(11,852)	3,890	10,702
FY 2024/9	1,671	(718)	(2,977)	14,633

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			
	yen	yen	yen	yen	yen	million yen	%	%
FY 2024/9	-	0.00	-	0.73	0.73	93	-	0.3
FY 2025/9	-	0.00	-	10.41	10.41	1,333	25.1	5.2
FY 2026/9 (Forecast)	-	-	-	-	-	-	-	-

- Dividends per share are to be calculated based on a payout ratio of 30%, adjusted for non-recurring, extraordinary factors, and are rounded to two decimal places (with the third decimal place rounded up).
- Calculation of dividends per share uses the number of shares outstanding at the end of the period, while the dividend payout ratio is based on the weighted average number of shares for the period.
- The year-end dividend for FY 2026/9 is scheduled to be calculated based on a payout ratio of 30% and the number of shares outstanding at the end of the FY.

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
	million yen	(%)	million yen	(%)	million yen	(%)	yen
FY 2026/9	29,700	5.6	3,000	(21.4)	1,900	(64.3)	14.1

*** Notes**

(1) There have been changes in material subsidiaries during the term.
1 subsidiary removed from consolidation (LIFULL CONNECT, S.L.)

(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 : Yes

(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, 2025	134,380,704	As of September 30, 2024	134,239,870
[2] Treasury shares at the end of the period	As of September 30, 2025	6,245,406	As of September 30, 2024	6,245,229
[3] Average shares during the period	As of September 30, 2025	128,080,610	As of September 30, 2024	127,994,686

*** 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 25 (Tue.): Earnings Presentation for Institutional Investors and Analysts
- 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, 2025

Our Corporate philosophy is to “Create a society where everyone can attain Comfort and Happiness through continuous social innovations.” Therefore, we strive to enhance our overall corporate value and contribute to the sustainable development of society through sound business activities considerate of all stakeholders.

Over the past fiscal year, our business environment has developed in the following ways. The Japanese economy has continued on its gradual path to recovery, supported by solid corporate profits and emerging signs of improvement in employment and individual income. However, the rebound in personal consumption remains limited due to inflationary pressures arising from soaring energy prices and the ongoing depreciation of the yen.

In the construction and real estate industries, our primary business domains, the number of new housing starts has been in decline, and the prices of new properties are increasing due to soaring costs for materials, labor and energy. This led to the average selling price of new condominiums in the Tokyo Metropolitan Area exceeding ¥100 million for two consecutive months in July and August 2025 (Source: Real Estate Economic Institute). Although the re-sale housing market is robust, driven by government support for the re-sale home and remodeling markets, the persistently high housing prices – coupled with rising prices for second-hand properties and rents in the Tokyo Metropolitan Area – are suppressing demand for moves. As a result, the number of people who moved nationwide during the fiscal year (Oct. 2024 – Sep. 2025) decreased by 0.2% compared to the previous period (Source: Ministry of Internal Affairs and Communications Statistics Bureau “Report on Internal Migration in Japan by Basic Residents Register”). Internationally, uncertain conditions persist due to geopolitical instability, the effects of worldwide monetary tightening and fluctuating exchange rates.

Amidst these conditions, we executed structural reforms focusing on our core domestic operations in Japan to enhance profitability. In November 2024, we decided to restructure our Overseas business, which had been suffering from deteriorating profitability. Following the contribution-in-kind of all shares of LIFULL CONNECT, S.L. to CONNECT NEXT, PTE. LTD. in January 2025, the Overseas business has been reclassified as discontinued operations. Therefore, income or loss from discontinued operations is shown separately from continuing operations on our consolidated statements of income for both the fiscal year under review and the previous fiscal year.

In our flagship HOME’S Services business, we have continued to see strong performance in many of our key indicators, such as traffic and inquiries. This growth has been driven by the sustained impact of site development efforts since 2021 and enhanced sales initiatives begun in the previous fiscal year. As a result, consolidated revenue for the current fiscal year amounted to ¥28,127 million (up 6.9% YoY).

The fiscal year under review marked the final year of our Mid-Term Management Plan. Over the last twelve months, we optimized advertising and promotion costs—particularly branding expenses—while also making proactive growth investments aimed at achieving the non-consolidated operating profit target. Additionally, we have seen greater operational efficiency through the use of AI and generative AI technology. These improvements have led to an operating profit of ¥3,815 million (up 26.1% YoY) and an increase in profit before income taxes to ¥3,805 million (up 49.3% YoY). Excluding the one-off gain realized from the sale of the subsidiary, LIFULL SPACE Co., Ltd., in the previous period, operating profit would have increased by 80.3% YoY.

Additionally, the impact of accounting treatment for the strategic transformation of the Overseas business resulted in profit for the period of ¥5,310 million (versus a loss for the period of ¥8,462 million in the previous fiscal year) and profit attributable to owners of the parent of ¥5,317 million (versus a loss attributable to owners of the parent of ¥8,463 million in the previous fiscal year).

The following table presents the revenue and segment profit (loss) by segment for the fiscal year under review. As a result of classifying the Overseas business as discontinued operations, we now report a single segment: HOME’S Services.

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	25,538	+6.3	4,322	+61.7
(2) Other Businesses	2,596	+13.5	(361)	Note 2

Note 1: Intersegment transactions have not been eliminated.

Note 2: Segment loss in the previous fiscal year was ¥421 million.

(1) HOME'S Services Business

This segment consists of the real estate and housing information site LIFULL HOME'S, the real estate investment and income property information site Kenbiya and other related businesses.

Within LIFULL HOME'S, our ongoing focus has been to boost value for both clients and users while reinforcing our competitive edge. We have pursued this by developing new features utilizing AI technology, revamping the user experience (UX) and user interface (UI) to improve user satisfaction while also increasing our client network. These efforts have allowed us to offer more personalized home searches and drive high-quality leads to our real estate clients. Although the number of people moving in Japan has remained largely flat over the last year, our successful initiatives have paved the way for smooth growth in our key indicators, including traffic and inquiries. Segment revenue, consequently, reached ¥25,538 million (up 6.3% YoY). Segment profit also reached a record high of ¥4,322 million (up 61.7% YoY), mainly driven by the reduction of advertising and promotion costs as well as operational efficiencies gained from leveraging AI and generative AI.)

(2) Other Businesses

This segment is composed of the nursing home and care facility search site, LIFULL *Kaigo*, Regional Revitalization projects and other related activities.

During the fiscal year under review, we obtained trust beneficiary rights for four Rakuten STAY properties to gain expertise in the management of vacation rental accommodations. Revenue and profit generated through these properties have been included in our earnings since December 2024. Combined with improved profitability at LIFULL senior Co., Ltd. and revised efforts in the Regional Revitalization projects, segment revenue amounted to ¥2,596 million (up 13.5% YoY). Segment loss was ¥361 million, an improvement of ¥59 million from the loss of ¥421 million recorded in 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, 2025," announced on November 12, 2025.

URL: <https://lifull.com/en/ir/>

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, 2025

(Current assets)

Current assets decreased by ¥3,066 million compared to the end of the prior consolidated fiscal year to ¥18,522 million. The main factors contributing to this change were a decrease in cash and cash equivalents of ¥3,931 million, a decrease in trade and other short-term receivables of ¥139 million, an increase in other short-term financial assets of ¥30 million, an increase in other current assets of ¥81 million and an increase in assets held for sale of ¥891 million.

(Non-current assets)

Non-current assets increased by ¥2,790 million compared to the end of the prior fiscal year to ¥22,392 million. This was primarily due to an increase in property, plant and equipment of ¥2,233 million, a decrease in right-of-use assets of ¥864 million, a decrease in goodwill of ¥9,568 million, a decrease in intangible assets of ¥1,788 million, a decrease in investments accounted for using the equity method of ¥7 million, an increase in investment property of ¥5,504 million, an increase in other long-term financial assets of ¥6,159 million, an increase in deferred tax assets of ¥1,116 million and an increase in other non-current assets of ¥6 million.

As a result of the above, total assets at the end of the current period decreased by ¥275 million compared to the end of the prior period to ¥40,915 million.

(Current liabilities)

Current liabilities decreased by ¥4,562 million compared to the end of the prior fiscal year to ¥5,732 million. The main factors contributing to this change were a decrease in trade and other short-term payables of ¥926 million, a decrease in loans of ¥2,728 million, a decrease in lease liabilities of ¥100 million, a decrease in current tax liabilities of ¥261 million, an increase in other short-term financial liabilities of ¥100 million, a decrease in other current liabilities of ¥666 million and an increase in liabilities directly associated with assets held for sale of ¥20 million.

(Non-current liabilities)

Non-current liabilities increased by ¥2,265 million compared to the end of the prior fiscal year to ¥8,958 million. This was primarily due to an increase in loans of ¥7,199 million, a decrease in lease liabilities of ¥782 million, an increase in provisions of ¥527 million, a decrease in other long-term financial liabilities of ¥4,168 million, a decrease in deferred tax liabilities of ¥485 million and a decrease in other non-current liabilities of ¥25 million.

As a result of the above, total liabilities at the end of the current fiscal year decreased by ¥2,297 million compared to the end of the prior fiscal year to ¥14,691 million.

(Equity)

Equity at the end of the current fiscal year increased by ¥2,021 million compared to the end of the prior fiscal year to ¥26,223 million. The main factors contributing to this change were an increase in retained earnings of ¥5,317 million due to profit for the period attributable to owners of the parent, a decrease in retained earnings of ¥93 million due to distribution of surplus (dividends), a decrease in other components of equity of ¥3,279 million due to other comprehensive income, an increase in share capital of ¥10 million due to share-based payment transactions, a decrease in capital surplus of ¥37 million due to share-based payment transactions, and an increase in non-controlling interests of ¥104 million, among others.

(3) Overview of Cash Flows for the Fiscal year Ended September 30, 2025

In the fiscal year ended September 30, 2025, cash and cash-equivalents (hereinafter, "net cash") decreased by ¥3,931 million amounting to ¥10,702 million at the end of the fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥4,808 million, an increase of ¥3,137 million compared to ¥1,671 million provided in the prior fiscal year. The main factors were: the fair value change in contingent consideration of ¥785 million recorded in the prior fiscal year; a gain on loss of control of ¥1,224 million and loss on debt forgiveness of ¥349 million recorded in the current fiscal year; a ¥1,255 million increase in profit before tax for the period to ¥3,805 million; a ¥10,084 million increase in profit before tax from discontinued operations to ¥457 million; a ¥580 million decrease in depreciation and amortization expenses to ¥1,393 million; a ¥6,880 million decrease in impairment losses to ¥200 million; a ¥305 million decrease in the change in trade and other short-term receivables to a net increase of ¥73 million; an ¥81 million increase in the change in trade and other short-term payables to a net decrease of ¥270 million; a ¥21 million increase in the change in inventories to a net decrease of ¥85 million; a ¥1,052 million increase in other items to ¥704 million; and a ¥153 million decrease in income tax paid to ¥667 million, among others.

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,852 million, an increase in cash of ¥11,133 million compared to ¥718 million used in the prior fiscal year. The main factors were: the income from sale of shares of subsidiaries of ¥939 million recorded in the prior fiscal year; the cash outflow due to loss of control over subsidiaries of ¥2,722 million and the income from sale of shares of affiliated companies of ¥33 million recorded in the current fiscal year; a ¥194 million decrease in payments for acquisition of equity financial assets to ¥53 million; a ¥7,912 million increase in payments for acquisition of property, plant and equipment and investment property to ¥8,162 million; a ¥525 million increase in payments for security deposits and guarantees to ¥569 million; a ¥252 million increase in payments for loans made to ¥2,919 million; and a ¥770 million increase in proceeds from collection of loans to ¥2,737 million, among others.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥3,890 million, an increase of ¥6,867 million compared to ¥2,977 million used in the prior fiscal year. The main factors were: the payments for acquisition of non-controlling interest in a subsidiary of ¥65 million recorded in the prior fiscal year; a ¥1,445 million increase in repayments of short-term borrowings to ¥3,475 million; a ¥7,655 million increase in proceeds from long-term borrowings to ¥7,755 million; a ¥451 million decrease in payments of dividends to ¥93 million; and a ¥72 million decrease in repayments of lease liabilities to ¥647 million, among others.

(4) Outlook

Outlook for Consolidated Earnings for the Fiscal Year Ending September 30, 2026

(Millions of yen)

	Results of FY 2025/9	Forecast for FY 2026/9	Change	Rate of change (%)
Revenue	28,127	29,700	+1,573	+5.6
HOME'S Services	25,530	26,450	+920	+3.6
Other businesses	2,596	3,250	+654	+25.2
Operating profit (loss)	3,815	3,000	(815)	(21.4)
Profit attributable to owners of the parent for the year	5,317	1,900	(3,417)	(64.3)

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 FY 2025/9" announced on November 12, 2025.

URL: <https://lifull.com/en/ir/>

The above forecasts for 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

To improve the international comparability and convenience of financial information in the capital markets, we have 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, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	14,633	10,702
Accounts receivable-trade and other current receivables	4,299	4,160
Other short-term financial assets	1,836	1,866
Other current assets	820	902
Subtotal	21,589	17,631
Assets held for sale	—	891
Total current assets	21,589	18,522
Non-current assets		
Property, plant and equipment	950	3,184
Right-of-use assets	1,654	789
Goodwill	9,954	385
Intangible assets	2,456	668
Investments accounted for using the equity method	205	197
Investment properties	—	5,504
Other long-term financial assets	2,220	8,379
Deferred tax assets	2,118	3,234
Other non-current assets	42	48
Total non-current assets	19,602	22,392
Total assets	41,191	40,915

(Millions of yen)

	As of September 30, 2024	As of September 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	2,973	2,047
Loans	3,572	843
Lease liabilities	725	624
Accrued corporate income taxes	488	227
Other current financial liabilities	—	100
Other current liabilities	2,535	1,869
Subtotal	10,295	5,712
Liabilities directly associated with assets held for sale	—	20
Total current liabilities	10,295	5,732
Non-current liabilities		
Loans	253	7,453
Lease liabilities	987	204
Provisions	532	1,059
Other long-term financial liabilities	4,334	166
Deferred tax liabilities	509	23
Other non-current liabilities	76	50
Total non-current liabilities	6,693	8,958
Total liabilities	16,989	14,691
Equity		
Capital stock	9,716	9,726
Capital surplus	9,938	9,900
Retained earnings	2,639	7,863
Treasury shares	(2,009)	(2,009)
Other components of equity	3,819	540
Attributable to the owners of the parent	24,105	26,022
Attributable to non-controlling interests	97	201
Total equity	24,202	26,223
Total liabilities and equity	41,191	40,915

Condensed Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)	Fiscal Year Ended September 30, 2025 (October 1, 2024 to September 30, 2025)
Profit (loss) for the period	(8,462)	5,310
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(73)	(260)
Total of items that will not be reclassified to profit or loss	(73)	(260)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	826	(3,019)
Total of items that may be reclassified subsequently to profit or loss	826	(3,019)
Other comprehensive income, net of tax	753	(3,279)
Total comprehensive income for the period	(7,709)	2,031
Comprehensive income for the period attributable to:		
Owners of the parent	(7,710)	2,037
Non-controlling interests	0	(6)
Total	(7,709)	2,031

(3) Condensed Consolidated Statements of Changes in Equity

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	-	-	(8,463)	-	-	(8,463)	0	(8,462)
Other comprehensive income	-	-	-	-	753	753	-	753
Total comprehensive income for the period	-	-	(8,463)	-	753	(7,710)	0	(7,709)
Dividends of surplus	-	-	(545)	-	-	(545)	(1)	(547)
Share-based payment transactions	-	(45)	-	-	0	(44)	-	(44)
Transfers 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	2,639	(2,009)	3,819	24,105	97	24,202

For the Fiscal year Ended September 30, 2025 (October 1, 2024 to September 30, 2025)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other component s of equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance as of October 1, 2024	9,716	9,938	2,639	(2,009)	3,819	24,105	97	24,202
Profit for the period (loss)	—	—	5,317	—	—	5,317	(6)	5,310
Other comprehensive income	—	—	—	—	(3,279)	(3,279)	—	(3,279)
Total comprehensive income for the period	—	—	5,317	—	(3,279)	2,037	(6)	2,031
Dividends of surplus	—	—	(93)	—	—	(93)	—	(93)
Share-based payment transactions	10	(37)	—	—	0	(26)	—	(26)
Purchase of treasury shares	—	—	—	(0)	—	(0)	—	(0)
Equity transactions with noncontrolling interest shareholders	—	—	—	—	—	—	111	111
Total transactions with owners	10	(37)	(93)	(0)	0	(120)	111	(9)
Balance as of September 30, 2025	9,726	9,900	7,863	(2,009)	540	26,022	201	26,223

(4) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)	Fiscal Year Ended September 30, 2025 (October 1, 2024 to September 30, 2025)
Net cash from operating activities		
Profit (loss) for the period before tax	2,549	3,805
Profit (loss) before tax from discontinued operations	(9,626)	457
Depreciation and amortization	1,974	1,393
Impairment loss	7,081	200
Financial revenue	(143)	(121)
Financial expenses	321	157
Decrease (increase) in accounts receivable-trade and other current receivables	378	73
Increase (decrease) in accounts payable-trade and other current payables	(351)	(270)
Decrease (increase) in inventory assets	(106)	(85)
Gain (loss) on loss of control of a subsidiary	-	(1,224)
Loss on debt forgiveness	-	349
Changes in fair value of contingent considerations	785	-
Other	(348)	704
Subtotal	2,514	5,440
Interest and dividends received	42	97
Interest paid	(63)	(61)
Income taxes paid or refunded (paid)	(821)	(667)
Net cash from operating activities	1,671	4,808
Net cash used in investing activities		
Purchase of capital financial assets	(248)	(53)
Proceeds from the sale of financial assets	23	20
Purchase of (investment) property, plant and equipment	(250)	(8,162)
Proceeds from sale of property, plant and equipment	8	-
Purchase of intangible assets	(148)	(158)
Decrease due to loss of control over subsidiaries	-	(2,722)
Proceeds from sale of shares of subsidiaries	939	-
Payments of lease deposits and guarantees	(43)	(569)
Proceeds from refund of lease deposits and guarantees	54	2
Purchase of shares of affiliates	(124)	(60)
Proceeds from sale of affiliates	-	33
Payments of loans receivable	(2,666)	(2,919)
Collection of loans receivable	1,966	2,737
Other	(230)	-
Net cash from investing activities	(718)	(11,852)

Net cash provided by (used in) financing activities

Proceeds from short-term loans	400	430
Repayment of short-term loans	(2,029)	(3,475)
Proceeds from long-term loans	100	7,755
Repayment of long-term loans	(217)	(230)
Dividends paid	(545)	(93)
Repayment of lease liabilities	(719)	(647)
Payments for interests in subsidiaries of non-controlling interests	(65)	-
Proceeds from payments from non-controlling interests	100	150
Other	(1)	0
Net cash from financing activities	(2,977)	3,890
Effect of exchange rate changes on cash and cash equivalents	147	112
Net increase (decrease) in cash and cash equivalents	(1,876)	(3,040)
Cash and cash equivalents at beginning of period	16,510	14,633
Increase (decrease) in cash and cash equivalents included in assets held for sale	-	(890)
Cash and cash equivalents at end of period	14,633	10,702

(5) Notes on the Consolidated Financial Statements

(Notes on On-Going Concern Assumption)

No applicable items.

(Change in Accounting Estimates)

We have revised the estimate for Asset Retirement Obligations (AROs) related to real estate lease commitments in the current consolidated fiscal year. This change was necessitated by new information on expected restoration costs upon vacating properties. The total ARO balance increased by ¥547 million (added to the prior balance), primarily due to the impact of rising construction costs and inflation.

(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.

Although the business segments of the Company and its subsidiaries were previously classified as two reportable segments HOME'S Services and Overseas, the Overseas segment primarily made up of LIFULL CONNECT and Mitula has been reclassified as discontinued operations. As a result, results from the Overseas segment have been removed from the consolidated results leaving one reportable segment: HOME'S Services.

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 investment real estate website Kenbiya.

(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 twelve-month period ended September 30, 2024 (October 1, 2023 to September 30, 2024)

(Millions of yen)

	Reportable Segments	Other	Total	Reconciliation ³	Consolidated
	HOME'S Services	Businesses ²			
Revenue					
Customers	24,024	2,288	26,312	-	26,312
Intersegment	9	-	9	(9)	-
Total	24,034	2,288	26,322	(9)	26,312
Segment Profit (Loss) ¹	2,673	(421)	2,251	15	2,266
Other Income (Expenses)					760
Operating Profit					3,027
Financial Revenue and Expenses (Net)					(22)
Share of Profit (Losses) of Investments Accounted for using the Equity Method					(193)
Impairment Loss on Investment Accounted for Using the Equity Method					261
Profit Before Taxes					2,549
Other Items					
Depreciation & Amortization	1,060	47	1,107	-	1,107

- Segment profit (loss) is revenue less cost of revenue and selling, general and administrative expenses
- 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 searching for rental storage spaces.
- Adjustments to segment profit (loss) include elimination of intersegment transactions.

For the twelve-month period ended September 30, 2025 (October 1, 2024 to September 30, 2025)

(Millions of yen)

	Reportable Segments HOME'S Services	Other Businesses ²	Total	Reconciliation ³	Consolidated
Revenue					
Customers	25,530	2,596	28,127	-	28,127
Intersegment	7	-	7	(7)	-
Total	25,538	2,596	28,135	(7)	28,127
Segment Profit (Loss) ¹	4,322	(361)	3,960	13	3,974
Other Income (Expenses)					(158)
Operating Profit					3,815
Financial Revenue and Expenses (Net)					24
Share of Profit (Losses) of Investments Accounted for using the Equity Method					(67)
Profit (Loss) on Sale of Investment Accounted for Using the Equity Method					33
Impairment Loss on Investment Accounted for Using the Equity Method					-
Profit Before Taxes					3,805
Other Items					
Depreciation & Amortization	1,026	139	1,165	-	1,165

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, such as LIFULL Kaigo, a website for nursing care facilities.

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, 2024 (October 1, 2023 to September 30, 2024)	Fiscal Year Ended September 30, 2025 (October 1, 2024 to September 30, 2025)
Profit (loss) for the period attributable to owners of the parent (JPY mil.)	(8,463)	5,317
From continuing operations	1,515	2,489
From discontinued operations	(9,978)	2,827
Basic average number of common shares outstanding for the period (shares)	127,994,686	128,080,610
Impact of potentially dilutive common shares	-	85,370
Average number of common shares outstanding during the period after dilution	127,994,686	128,165,980
Profit (loss) attributable to owners of the parent per share (yen)		
Basic profit (loss) per share	(66.12)	41.51
From continuing operations	11.84	19.44
From discontinued operations	(77.96)	22.07
Diluted profit (loss) per share	(66.12)	41.49
From continuing operations	11.84	19.43
From discontinued operations	(77.96)	22.06

- Although 502,885 shares of potential dilutive securities existed in the previous consolidated fiscal year, they were omitted from the diluted net loss per share calculation because they were anti-dilutive.

(Important Subsequent Events)

The Board of Directors has resolved to issue Stock Options to our Directors and employees and determined the terms of the offering at a meeting held on November 12, 2025. We will now solicit subscribers for these Stock Options. Further details are provided in the "Notice Regarding the Issuance of a Compensatory Stock Option" (Subscription Rights to New Shares) released on November 12, 2025.