

Time & Date: Nov. 25 (Tue.), 2025 10:00 – 11:00 (JST)  
Attendees: *Representative Director, President, Managing Officer*  
**ITO Yuji**  
*Managing Officer*  
**FUKUZAWA Hidekazu** (Head of Corporate Management Department)

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**Speaker: ITO Yuji**

The fiscal year ended September 30, 2025, not only marked the 30th anniversary of our founding, but was also a record year in terms of profit. Specifically, non-consolidated LIFULL Co., Ltd. achieved its highest ever operating profit. With the restructuring and exit from our Overseas segment now complete, we are better able to focus on the domestic Japanese market, which also allowed the HOME'S Services segment to achieve a record high in segment profit. This growth was driven by an expansion in both the number of clients and ARPA (Average Revenue Per Agent), and moving forward we plan to further enhance productivity by providing innovative AI technology to our clients (real estate professionals), users and internal teams. Effective this fiscal year, we have increased the dividend payout ratio by 5 percentage points to 30%. Including a special ¥1.00 commemorative dividend for our 30th anniversary of our founding bringing the total per share to ¥10.41, a new company record.

**Main Points**

1. FY 2025/9: Record-high net profit
  - Record-high operating profit for non-consolidated LIFULL Co., Ltd.
  - Completed transformation of Overseas businesses, focusing on domestic growth in Japan
2. Full-year growth in HOME'S Services with record-high segment profit
  - Sustained expansion of Client Network and ARPA
  - Providing innovative AI-powered technology for users, real estate professionals and our employees
3. Record-high dividends (¥10.41 / share)
  - Raised dividend payout ratio by 5 pp to 30%
  - Offering a commemorative dividend for the 30th anniversary of our founding

**FY 2025/9 Earnings Digest**

**[Consolidated Results]**

Revenue increased to ¥28.1 bil. (+6.9% YoY), driven by strong performance in the HOME'S Services segment. Operating profit reached ¥3.8 bil. Excluding the ¥910 million one-time gain from the sale of shares of LIFULL SPACE Co., Ltd. recorded in FY 2024/9, this represents a significant increase of 80.3%. The drivers for this profit growth, detailed on page 6 of the presentation, were primarily the revenue increase from HOME'S Services and improved efficiency in sales and advertising expenses. Finally, profit for the period reached a record high of ¥5.3 bil. due to the temporary accounting treatment of the restructuring of the Overseas segment. As a result of this treatment, we have classified the overseas businesses as discontinued operations from the results of the previous year and now only report the results of HOME'S Services and Other Businesses.

Looking at the results by segment, the HOME'S Services segment a significant revenue increase amounting to ¥25.5 bil. (+6.3% YoY) and a substantial profit increase to ¥4.3 bil. (+61.7% YoY), thanks to the effectiveness of our growth measures throughout the year. Other Businesses reported ¥2.5 bil. in revenue (+13.5% YoY), and the segment loss shrank to ¥361 mil. (compared to a ¥421 mil. loss in the previous year).

As for our other financial reports, our balance sheet shows the accounting treatment for the restructuring of the overseas businesses. This has resulted in a significant reduction in goodwill impairment risk and long-term

financial liabilities. Additionally, our operating cash flow significantly increased to ¥4.8 bil. due to improved profitability. The changes in our investing and financing cash flows also include the impact of the overseas restructuring. Please refer to page 11 of the presentation materials for details.

## **FY 2025/9 Overview of HOME'S Services**

### **[Key Points of the HOME'S Services Segment]**

1. Record-High Segment Profit (¥4.3 bil., +61.7% YoY)
2. 8 Consecutive Quarters of Solid Revenue Growth
3. Results of AI Integration & Advancement

In the HOME'S Services segment, the cycle of site improvement and enhanced sales initiatives has been driving robust revenue growth, resulting in record-high segment profit. The operating profit margin significantly improved to 16.9% due to the optimization of sales and advertising expenses, as well as operational efficiency driven by AI. Although we experienced slow growth for a couple of years, stepping away from our overseas businesses and concentrating more heavily on our core domestic operations has enabled strong revenue growth for eight consecutive quarters. Consequentially, both our client network and ARPA have continued to expand.

We acquired Kenbiya (<https://www.kenbiya.com>), which operates an investment real estate platform within the HOME'S Services segment, in July 2020. We integrated the property databases of Kenbiya and LIFULL HOME'S Investment Real Estate (<https://toushi.homes.co.jp/>) in 2023 and have increased our value proposition to our clients. By boosting our sales initiatives, the number of listings has doubled, and revenue is growing strongly (+16.6% YoY.)

Additionally, we are also promoting the use of AI technology in our businesses. A few examples of how we offer users a more convenient, efficient and novel home-searching experience are AI Homes-kun Beta LINE Version (<https://www.homes.co.jp/ai-homeskun/>) and an image-based search feature for custom-built homes. For real estate professionals, we also offer several services and features to increase their operational efficiency. Services like *Rakuraku Deko-Room* (<https://biz.homes.jp/lists/lifull-service/lifull-service-00035>), an AI-powered home staging tool, have been well-received, and we plan to continue expanding our offering to further increase value for our clients. Finally, we are also promoting the use of AI technology internally and have conducted a survey showing that over 90% of our employees are already using AI in their jobs (<https://lifull.com/news/42912/>). Moving forward, we plan to continue to make further progress in AI for all of our stakeholders.

As a result of our efforts, we have received high external ratings, particularly for property data freshness, an area to which we are deeply committed and where we have been named number one for two consecutive years (<https://lifull.com/news/43470/>). Although the volume of properties and real estate information we provide is an important aspect, we also place particular emphasis on information quality to ensure properties listed on LIFULL HOME'S are currently available and accurate. We aim to utilize these points to differentiate ourselves from competitors and become the site users prefer.

## **Shareholder Returns**

Effective from FY 2025/9, we have increased the dividend payout ratio by 5 percentage points to 30%. Including a special ¥1.00 commemorative dividend for our 30th anniversary, the annual dividend is projected to be ¥10.41, a new record.

## **Mid-Term Management Plan (FY 2026/9 – FY 2028/9)**

While our mid to long-term plans have previously been set for five-year periods, the rapid pace of change, particularly with AI technology, has led us to set our current plan for three years, extending through FY 2028/9.

Going back to our roots, when we were founded in 1995, finding a new home presented significant challenges: people had to visit multiple real estate professionals, collect print media like magazines and make major decisions based on limited information. Driven by the desire to eliminate this inconvenience and create a system where all housing information is publicly available, we launched the groundbreaking service HOME'S (now LIFULL HOME'S) in 1997. Through this service, people were able to use the internet to search for property 24

hours a day from anywhere. Over the next 30 years, we have continuously aimed to make finding a home more convenient. To do this, we have kept ahead of the curve and utilized new technologies as they emerged to provide various Japan-first and industry-first solutions that have benefited our users.

Today, a massive transformation is beginning with AI. We believe that LIFULL, which has consistently been at the forefront of technological evolution, is uniquely positioned to continue driving innovation as a united group even in the AI era. We are very excited that AI will allow us to come even closer to the vision we have pursued since our founding: Helping every individual find their ideal home. We hope you will continue to look forward to our progress.

### **[Topic and Key Strategies of our Mid-Term Management Plan]**

#### **Leveraging AI & Group Synergy to Become the AI Leader in the Housing Sector**

1. Growth in our Core Businesses
2. + Maximizing Group Synergy
3. + Step-Change Growth via AI Optimization

First and foremost, we will focus on our flagship service, LIFULL HOME'S, and make firm investments to further accelerate and solidify its growth. Next, we will leverage the knowledge and experience we have gained over many years through HOME'S and apply it to our other businesses, primarily LIFULL senior and Kenbiya, to cultivate our next growth drivers. Furthermore, by utilizing AI, we aim to further enrich our existing services, improve our current operational efficiency and generate even more innovative services.

As a group, we hold a vast amount of data related to the housing sector, centered on homes for personal use, investment properties, idle assets and care facilities for senior citizens. By further accumulating this data, utilizing group synergy and applying AI technology, we believe we can build a housing domain database and network unmatched by our competitors.

### **[Consolidated Financial Targets (For FY 2028/9)]**

- Revenue: ¥35.0 – 40.0 bil.
  - Operating Profit: ¥5.5 – 6.0 (Highest Ever)
- (Operating Profit Margin: 15+%)

As outlined on page 40, we project that revenue will reach between ¥35.0 bil. to ¥40.0 bil. We aim to achieve this primarily by ensuring strong growth in HOME'S and then taking advantage of group synergy to further drive growth in Other Businesses. While not included in the official forecast, we anticipate substantial additional growth driven by the utilization of AI.

Our reasoning for the projected growth in operating profit also follows similar logic, as depicted on page 41. In FY 2025/9, operating profit amounted to ¥3.8 bil. However, over the next three years, we aim to securely generate an additional ¥1.5 bil. to ¥1.6 bil. through HOME'S Services, layering an additional ¥200 mil. to ¥600 mil. from synergy effects, setting a target of ¥6.0 bil. Here, too, we will pursue acceleration from AI as an additional factor not included in our calculations.

### **[Commitment to our Mid-Term Management Plan]**

To demonstrate our commitment toward achieving the Mid-Term Management Plan, we have decided to issue stock options to our executives and employees ([https://lifull.com/doc/2025/11/251112\\_release\\_SO\\_EN.pdf](https://lifull.com/doc/2025/11/251112_release_SO_EN.pdf)). For employees, the vesting is tiered: 50% upon achieving operating profit of ¥5.5 bil. or more in FY 2028/9, and 100% upon achieving ¥6.0 bil. or more. For executives, the exercise condition is set solely at achieving ¥6.0 bil. or more.

### **[Shareholder Returns]**

Based on our Corporate Credo of “Altruism,” we adhere to the principle of Will-Centric Public Interest Capitalism, and we aim to realize our vision together with all our stakeholders. In addition to increasing the

dividend payout ratio to 30% in FY 2025/9, our recent initiatives are outlined on page 43. We recently disclosed our compliance with the listing criteria for the Tokyo Stock Exchange Prime Market ([https://lifull.com/doc/2025/11/EN\\_251120\\_release\\_prime.pdf](https://lifull.com/doc/2025/11/EN_251120_release_prime.pdf)), and we will continue to consider ways to strengthen shareholder returns going forward.

## **[Full-Year Earnings Forecast for FY 2026/9]**

### **Setting the Foundations for our Future in FY 2026/9**

1. Talent Acquisition
2. Optimized Advertising
3. AI & Generative AI

To achieve record-high profit in the final year of our Mid-Term Management Plan, we view the initial year, FY 2026/9, as a year of aggressive investment for a strong start. Our investment priorities are detailed on page 46. Specifically, we will focus on talent acquisition to reinforce our front-line sales staff and development personnel, including those focused on AI. Our second priority is optimal advertising and promotion. We will make firm marketing investments for customer acquisition and branding investments to increase awareness and drive usage. Our goal is to ensure this three-year effort leads directly to increased awareness, higher usage rates, more inquiries, and ultimately, higher revenue. Third, given the continuous emergence of news regarding AI and Generative AI, we will actively catch up, invest, and develop services that delight our users and business clients.

For Fiscal Year 2026/9, we plan to secure an operating profit margin above 10% as our control line while making investments toward achieving the Mid-Term Management Plan, which we intend to fully recoup over the three-year period.

To add to our AI utilization efforts, we launched the AI Transformation Committee directly under the CEO this October. This committee includes our CxOs, subsidiary executives and members from various job functions, ensuring group-wide promotion of AI utilization.

As outlined on page 49, our targets for Fiscal Year 2026/9 are ¥29.7 bil. in revenue and ¥3.0 bil. in operating profit.

This is the first Mid-Term Management Plan since I became CEO two years ago, and we are highly motivated. The entire Group is united and committed to achieving the Mid-Term Management Plan, and we look forward to your support over the next several years.

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## **Question & Answer Session**

*The following questions and answers have been edited. Please see the Japanese version of the video on our investor relations website for the full presentation.*

**Q1: I understand that the fiscal year ending September 2026 is expected to see a temporary decrease in profit. Should we assume that the phase of profit growth towards the final year begins from the fiscal year ending September 2027?**

**A1 (FUKUZAWA):** We believe the investments made will allow us to secure returns and achieve our operating profit target of ¥6.0 bil. in the final year of the Mid-Term Plan, the fiscal year ending September 2028. During the previous Mid-Term Plan period, we proceeded with a strategy of ‘selective focus,’ which involved discontinuing the overseas businesses and reducing losses in other segments. We are now executing the current Mid-Term Plan by concentrating our management resources on expanding our core domestic businesses. Our strategy is to increase the customer count and ARPA for HOME’S, create capacity for future investment, further accelerate revenue growth and realize profits in the fiscal years ending September 2027 and 2028.

**Q2: The HOME'S Services segment performed strongly last period. How do you plan to grow it in the current period and beyond?**

**A2 (ITO):** Fundamentally, the business is currently performing well, and we intend to maintain this strong, continuous growth. Our client network and ARPA—are turning strongly, meaning there is still significant room for growth in both business partners and usage fees. Given the current market conditions, we are seeing a significant increase in matching activities and inquiries in the homes for sale markets. Therefore, we plan to focus on this area, developing new products to steadily increase both our client network and ARPA. With the emergence of AI opportunities, we plan to promote the AI transformation of the HOME'S Services segment to enhance productivity.

**Q3: Adopting a payout ratio causes the dividend amount to fluctuate with profit, which can be negative for the stock price. Furthermore, not issuing a dividend forecast this time increases uncertainty. Why have you chosen to take these actions?**

**A3 (FUKUZAWA):** Regarding dividends, please refer to page 43 of the presentation materials. Our corporate philosophy dictates that we must first generate solid revenue and profit by having customers use our services. We then adopt a policy of distributing these earned profits back to our stakeholders (shareholders, employees, the government and our own future in retained earnings) – the Four-Way Distribution principle.

While we could disclose a dividend forecast based on this 30% ratio, the final dividend is determined by 30% of the final profit. Under TSE disclosure regulations, this would require us to issue dividend forecast revisions every time profit for the period fluctuates. These revisions could lead to a negative impact, so we have chosen to disclose the payout ratio of 30% as a guideline.

**Q4: Page 17 mentions the strong performance of the homes for sale markets. While the split is non-disclosed, can you give us an idea of the composition ratio and growth rate for the rental and sales markets? Brokerage companies in Japan are seeing significant profit growth due to the strong market for used condominium sales.**

**A4 (ITO):** Although we do not disclose the exact figures, market conditions are positive for resale properties, especially in metropolitan areas, and we hear that major companies are achieving record profits. Based on indicators from our own sites, we also feel that there is a lot of activity in the resale market right now and believe there is still significant potential for further growth.

We also offer a site that allows users to request appraisals from multiple real estate agencies. This service has also been extremely active recently, and we believe this service still has considerable room for growth.

**Q5: There is information about Kenbiya on Page 19, but can you disclose the contributions to profit from Kenbiya? Do you aim to reach similar profit levels as your competitor, Rakumachi?**

**A5 (ITO):** Regarding Kenbiya's profit contribution, while this remains non-disclosed, we consider this business to still be in an investment phase. However, as mentioned, the number of listings is growing significantly. Due to market conditions, we are also seeing high user access and receiving numerous requests from real estate operators who want to list properties on Kenbiya. We believe that by continuing to invest over the next one or two years, there is a strong possibility of substantial growth over the next two or three years. As you said, Rakumachi is a benchmark for us, and we intend to work toward a similar level.

**Q6: The increase in ARPA is strong. Could you please explain the factors behind this growth, and comment on its sustainability?**

**A6 (ITO):** There are two main factors behind this growth. The first factor is the strong volume of inquiries. We utilize an inquiry-based pricing model. As mentioned, successful product development leads to high user traffic

and inquiries directly translate into revenue. The second factor is that we have seen an increase in various inquiries beyond just traditional advertising inquiries. For instance, we receive requests for consultation from clients who want to focus on recruiting talent or developing AI tools. We have increased opportunities to address these needs individually. By utilizing our know-how to create new products and proposals, we are receiving unprecedented budget allocations, which is causing ARPA to rise, primarily driven by large clients. The combination of strong site development and customer acquisition, alongside our ability to respond to customer needs beyond traditional advertising, is driving the increase in ARPA.

**Q7: Management decisions regarding fixed asset purchases, such as multi-billion yen investments in tangible and capital assets, appear somewhat lax. Could the President comment on the discipline and criteria for future investments?**

**A7 (ITO):** I believe your question stems from viewing the breakdown of our Investing Cash Flow. We conducted the purchase of Rakuten Stay Villas and a number of properties. As detailed in our release, this is part of the regional revitalization business utilizing abandoned properties. We consider the revitalization of abandoned properties—through accommodations, vacation rentals (minpaku), or standard rentals, leading to multi-local living or new uses—to be one of our future business initiatives. We purchased the Rakuten Stay properties specifically to acquire the know-how in this domain. However, we are not planning to continue purchasing these assets going forward. The main objective of this purchase was to acquire the necessary know-how, and once that objective is achieved, we plan to consider the disposition and organization of these assets.

**A7 (FUKUZAWA):** In FY 2025/9, the purchase of the Rakuten Stay properties was a major investment, recorded on the balance sheet as investment real estate at ¥5.5 bil. This is an initiative within our subsidiary, LIFULL Financial, which is planning to launch a lodging operation business. Since this is a new venture, we are advancing the project by actively absorbing Rakuten's know-how to increase the likelihood of success. We are purchasing assets and regularly communicating with them to acquire this expertise. Although the investment is shown in real estate on the balance sheet, the primary objective is not long-term holding but rather the temporary acquisition of know-how. Therefore, we plan to execute an orderly exit when the time is right, as we fundamentally intend to invest in our core media business.

**Q8: How do you analyze the current share price trend?**

**A8 (FUKUZAWA):** We recognize that the recent decline in the stock price has caused considerable concern. For the previous period, we successfully cleared the ¥10 bil. listed circulating market capitalization standard for maintaining our listing. Although we forecast a decrease in profit this period, we intend to deliver a solid operating profit of ¥3.0 bil. We have built a structure capable of generating ¥3.0 bil. in operating profit, up from ¥2.0 bil. two periods ago. We ask for your understanding and stress that we are maintaining this capability while making investments to grow future revenue.

From this perspective, the current decrease in the forecast may have been perceived as a significant negative impact. Going forward, through briefings like this and meetings with institutional investors, we hope to foster understanding of our recovered earning power and the expected profit growth under the Mid-Term Management Plan, aiming to achieve better stock price formation.

**Q9: I would like to know your capital allocation plan for the profits earned during the Mid-Term Plan period and your existing retained earnings. Specifically, what is your policy for distributing the surplus funds—after deducting the necessary investment and working capital to achieve ¥6.0 bil.—using the Four-Way Distributions you mentioned?**

**A9 (FUKUZAWA):** First, regarding the method of shareholder returns, we intend to manage the company based on the principle of the Four-Way Distribution principle. As you understand, our business model is centered on the media business, so it does not require a significant amount of capital. On the other hand, just as in the past, we

anticipate future opportunities to grow our business through M&A. The assumption of achieving the ¥6.0 bil. operating profit target in the Mid-Term Management Plan does not currently include M&A. However, M&A opportunities will arise, and should we find a suitable partner or investment, engaging in M&A is an option we will consider.

Based on our Four-Way Distribution principle, the dividend payout ratio could ideally be 50%, but we are currently maintaining slightly higher retained earnings for growth investments.

**Q10: We understand that companies lacking cash stability determine dividends using a payout ratio based on short-term profit. However, we believe your balance sheet is not under significant constraint. Instead of increasing the dividend amount, couldn't you adopt a more stable dividend policy, such as Dividend on Equity (DOE)?**

**A10 (FUKUZAWA):** Our management philosophy has historically been based on the Four-Way Distribution principle. We currently believe that a management style focused on returning profit using the payout ratio as a guideline is the most desirable. However, I recognize that the questions raised today represent valuable feedback from our investors and shareholders. We intend to discuss this internally, listening to these opinions, and deliberating on the most appropriate methods of shareholder return. While our current stance remains based on the payout ratio, this does not mean other options are entirely off the table, and we plan to explore these internally going forward.