

# **Earnings Presentation IFRS**

**Second Quarter of the Fiscal Year Ending September 30, 2018  
(October 2017 to March 2018)**

## **Disclaimer**

The opinions and projections, etc. contained herein represent the judgment of LIFULL Co., Ltd. at the time this document was prepared. We provide no guarantees regarding the accuracy of the information. Please keep in mind that actual performance and results may vary significantly due to fluctuations in various factors.

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# Key Points

1. FY2018/9 Q2: Revenue was up **+9.3%** YoY to 17.6 billion yen  
EBITDA was up **+28.0%** YoY to 3 billion yen
2. Impacts of acquiring Mitula Group Limited will be disclosed in a timely fashion once finalized
3. Key Indicators: Number of clients grew (up +14.3% YoY)  
Strategy to increase ARPA still in progress (down 8.1% YoY)
4. Making Mitula Group Limited a subsidiary gave us the overwhelming lead in real estate aggregation



# **Consolidated Results for FY2018/9 Q2**

# Condensed Statements of Income and Loss IFRS

Revenue was up 9.3% YoY, EBITDA was up 28.0%, quarterly net profit was grew sharply by 44.4%.

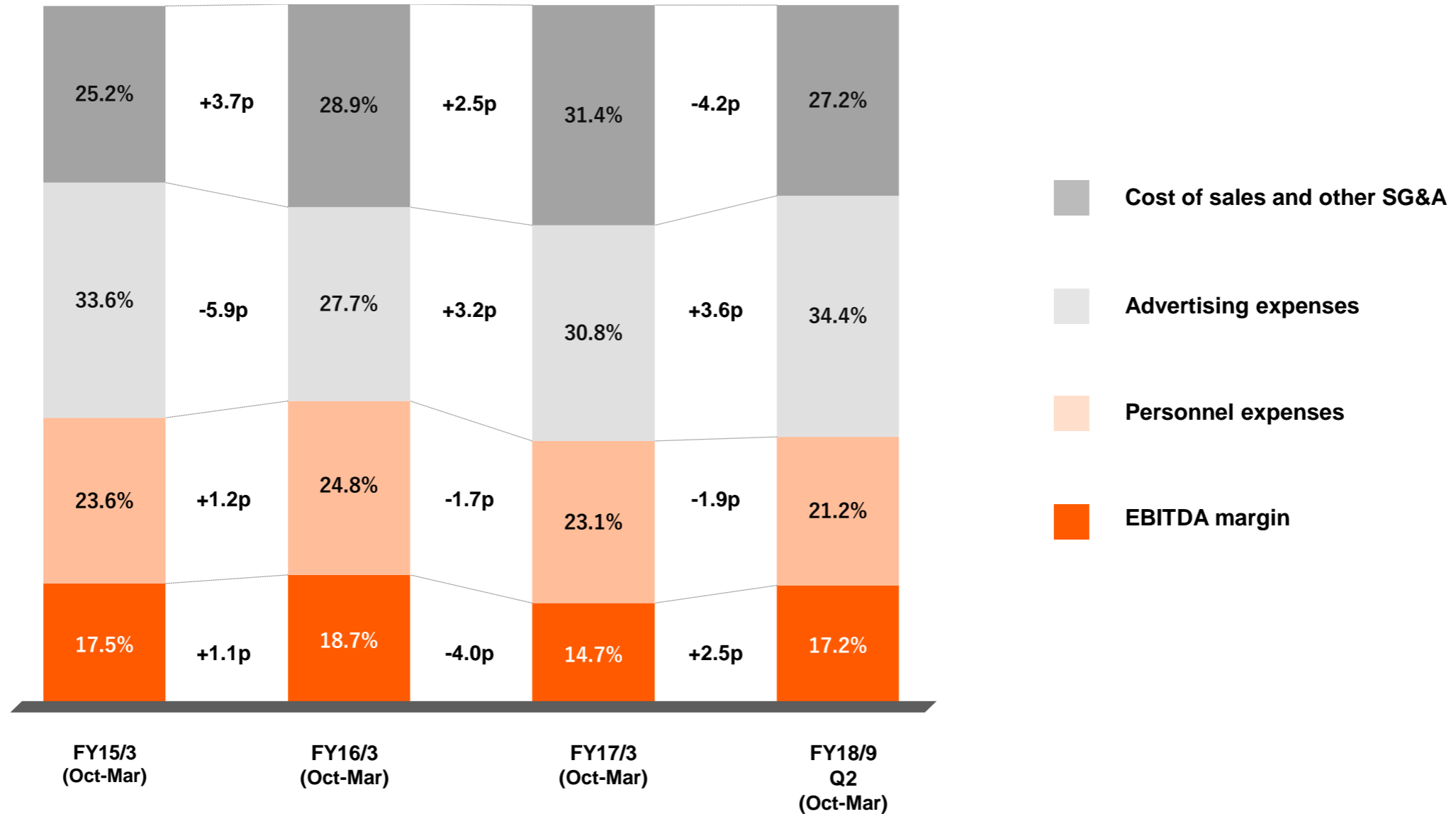
Unit: JPY mil	FY17/3 Oct.-Mar.	FY18/9 Q2 Oct.-Mar.	Change	Change %	Main items
Revenue	16,163	<b>17,669</b>	+1,506	+9.3%	Revenue increased across all segments.
Cost of sales	1,672	<b>1,875</b>	+203	+12.2%	Increased mainly due to LIFULL MP business growth.
SG&A (excl. depreciation and amortization)	12,050	<b>12,850</b>	+799	+6.6%	
Personnel expenses	3,734	<b>3,746</b>	+11	+0.3%	
Advertising expenses	4,980	<b>6,084</b>	+1,103	+22.2%	Advertising expenses increased due to enhanced SEO and enhanced alliances.
Operating expenses	527	<b>503</b>	-23	-4.5%	Decreased due to reduced use of sales agents.
Other	2,808	<b>2,516</b>	-292	-10.4%	Costs related to head office relocation temporarily increased in the previous period.
Other income and expenses	-69	<b>89</b>	+159	-	
EBITDA	2,370	<b>3,033</b>	+663	+28.0%	
EBITDA margin	14.7%	<b>17.2%</b>	+2.5p	-	
Net profit*	1,088	<b>1,572</b>	+483	+44.4%	
Depreciation and amortization	807	<b>540</b>	-266	-33.0%	Increased due to reductions in the useful service life of certain fixed assets following a decision on the date of the head office relocation in the previous period.

\*Net profit attributable to owners of the parent

\*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.

# Expense-to-Revenue Ratio IFRS

Despite an increase in the ratio of advertising expenses, the EBITDA margin improved thanks to lower ratios of cost of sales and other SG&A and personnel expenses



# Sales by Segment IFRS

Continued increase in revenue in all segments

Unit: JPY mil	FY17/3 Oct.-Mar.	FY18/9 Q2 Oct.-Mar.	Change	Change %	Main items
Revenue	16,163	<b>17,669</b>	+1,506	+9.3%	
HOME'S Services Business	13,618	<b>14,805</b>	+1,186	+8.7%	While the number of clients grew steadily, ARPA declined. In process of increasing ARPA, but has not yet reached expectations. LMP consulting sales fell compared to the previous period, due to worsening external environmental conditions.
Overseas Business	1,618	<b>1,819</b>	+200	+12.4%	Increased due to the effects of fluctuations in EUR/JPY exchange rates and the addition of LIFULL Tech Vietnam to the scope of consolidation.
Others Business	926	<b>1,045</b>	+119	+12.9%	Sales were strong mainly for LIFULL senior and LIFULL Space.

\*See page 37 for the definition of ARPA.

\*Performance in FY17/3 Q3 reflects changes in segments effective from the fiscal year ending September 2017.

\*As a result of the change in segments, sales of LIFULL senior (which operates LIFULL Kaigo), formerly recorded under the HOME'S Services Business, are now recorded under Others Business.

\*See page 42 for details of specific businesses in each segment.

# Segment Income and Loss IFRS

Overseas Business sharp increase in revenue, mostly due to decrease in Trovit's personnel expenses

Unit: JPY mil	FY17/3 Oct.-Mar.	FY18/9 Q2 Oct.-Mar.	Change	Change %	Main items
Segment income and loss	1,632	<b>2,403</b>	+770	+47.2%	
HOME'S Services Business	1,455	<b>2,223</b>	+768	+52.8%	Revenue increased due to temporary costs associated with head office relocation in the previous period and efforts to minimize SG&A expenses this period.
Overseas Business	80	<b>208</b>	+127	+159.5%	Increased due to improvements in personnel expenses at Trovit and fluctuations in foreign-currency exchange rates.
Others Business	44	<b>-72</b>	-116	-	Costs Increased due mainly to rising personnel expenses and indirect costs, both associated with business development.
Inter-segment transactions	53	<b>44</b>	-9	-17.0%	

\*Performance in FY17/3 Q3 reflects changes in segments effective from the fiscal year ending September 2017.

\*As a result of the change in segments, sales of LIFULL senior (which operates LIFULL *Kaigo*), formerly recorded under the HOME'S Services Business, are now recorded under Others Business.

\*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.



# (ref.) Condensed Statements of Profit and Loss (quarterly) IFRS

Strategy to increase ARPA to accelerate business growth in the HOME'S Services Business is still in progress, but profitability has improved considerably

Unit: JPY mil	FY17/3 Q4 Jan.-Mar.	FY18/9 Q2 Jan.-Mar.	Change	Change %
Revenue	9,056	<b>9,541</b>	+485	+5.4%
HOME'S Services	7,662	<b>8,062</b>	+399	+5.2%
Overseas	867	<b>935</b>	+67	+7.8%
Others	525	<b>542</b>	+17	+3.4%
Cost of sales	897	<b>946</b>	+49	+5.5%
SG&A (excl. depreciation)	6,627	<b>6,987</b>	+359	+5.4%
Personnel expenses	1,923	<b>1,783</b>	-139	-7.3%
Advertising expenses	2,834	<b>3,657</b>	+822	+29.0%
Operating expenses	244	<b>267</b>	+22	+9.2%
Other	1,624	<b>1,279</b>	-345	-21.3%
Other revenues and expenses	-39	<b>18</b>	+57	-
EBITDA	1,491	<b>1,624</b>	+133	+9.0%
EBITDA ratio	16.5%	<b>17.0%</b>	+0.6p	-
Net profit*	756	<b>980</b>	+223	+29.5%
Depreciation and amortization	468	<b>266</b>	-202	-43.2%

Unit JPY mil	FY17/3 Q4 Jan.-Mar.	FY18 Q2 Jan.-Mar.	Change	Change %
Segment income and loss	1,062	<b>1,340</b>	+278	+26.2%
HOME'S Services	945	<b>1,279</b>	+334	+35.4%
Overseas	70	<b>77</b>	+6	+9.7%
Others	18	<b>-38</b>	-57	-
Inter-segment transaction	27	<b>22</b>	-5	-18.8%

\*Net profit attributable to owners of the parent

\*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.

# Condensed Statements of Financial Position and Goodwill IFRS

Current assets increased along with sales growth

Unit: JPY mil	As of Dec 31, 2017	As of Mar 31, 2018	Change	Change	Main items
<b>Assets</b>	26,363	<b>27,457</b>	+1,093	+4.1%	Decrease in cash and deposits -63 Increase in accounts receivable - trade +694 Increase in short-term loans receivable +30 Increase in prepaid expenses +89 Increase in accounts receivable - other +212 Decrease in goodwill -166 Decrease in software -83 Increase in investment securities +397 Increase in shares of associates +210
Current assets	10,193	<b>11,153</b>	+959	+9.4%	Increase in balance of claims due to sales growth Due to LIFULL SF money-lending operations Increase due to payment of annual amount paid for computer systems Due to increase in number of account transfers
Non-current assets	16,170	<b>16,303</b>	+133	+0.8%	Decrease mainly due to fluctuations in foreign-currency exchange rates Mainly due to investments in KAMARQ Mainly due to investments in LIFULL STAY
<b>Liabilities</b>	7,069	<b>6,924</b>	-145	-2.1%	Decrease in accounts payable - trade +17 Short-term debts -494 Increase in accounts payable - other +30 Decrease in expenses payable -107 Decrease in deposits received -101 Decrease in allowance for bonuses -119 Increase in accrued corporate income taxes +505 Increase in accrued consumption taxes +115
Current liabilities	6,115	<b>5,978</b>	-137	-2.2%	Decrease due to repayment Increase in social insurance premiums payable by employer Increase in social insurance premiums payable by employees
Non-current liabilities	954	<b>946</b>	-7	-0.8%	
<b>Total Equity</b>	19,293	<b>20,532</b>	+1,239	+6.4%	Increase in retained earnings +1,474 Increase in foreign currency translation adjustment -215 Decrease due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	161.96	<b>172.45</b>	+10.49		

\*Outstanding goodwill balance: Littel JPY 86 million, Trovit JPY 9,007 million, LIFULL MP JPY 251 million, LIFULL Social Funding JPY 255 million, LIFULL Tech Vietnam JPY 89 million, and Trovit and LIFULL MP depreciable assets (PPA) JPY 768 million.

# Condensed Statements of Cash Flows IFRS

Slight decrease in cash and cash equivalents to JPY 5.4B (decrease by apprx JPY 600M)

Unit: JPY mil	FY17/3 Oct.-Mar.	FY18/9 Q2 Oct.-Mar.	Change	Main items		
				Items	FY17/3 Oct.-Mar.	FY18/9 Q2 Oct.-Mar.
Operating cash flow	1,315	1,470	+154	Income before income taxes	+1,563	+2,426
				Depreciation and amortization	+807	+552
				Impairment loss	+14	-
				Increase/decrease in accounts receivable - trade and other short-term claims	-1,137	-913
				Increase/decrease in accounts payable - trade and other short-term debts	+784	+25
				Tax payments	-730	-273
				Other	+11	-348
Investing cash flow	-1,181	-921	+259	Purchase of available-for-sale financial assets	-30	-404
				Outlays for the acquisition of tangible fixed assets	-627	-85
				Outlays for the acquisition of intangible fixed assets	-339	-175
				Outlays for acquisition of shares of associates	-	-317
				Outlays for acquisition of shares of subsidiaries	-151	-
				Proceeds from sale of shares of associates	-	+135
Financing cash flow	-465	-580	-115	Outlays for repayment of long-term debts	-501	-499
				Proceeds from payment from noncontrolling interests	-	-11
				Dividend payments	-	-97
Change in cash and cash equivalents	-266	-63				
Balance of cash and cash equivalents	6,046	5,446	-600			



# **Progress of Business Forecast**

# FY2018/9 Forecast and Progress IFRS

## Statements of Income and Loss

Unit: JPY mil	FY18/9 Oct.-Sep. [Full-year forecast]	FY18/9 Q2 Oct.-Mar. [Actual]	Progress
Revenue	41,000	<b>17,669</b>	43.1%
cost of sales	4,848	<b>1,875</b>	38.7%
SG&A (excl. depreciation)	30,106	<b>12,850</b>	42.7%
Personnel expenses	9,253	<b>3,746</b>	40.5%
Advertising expenses	12,962	<b>6,084</b>	46.9%
Operating expenses	1,361	<b>503</b>	37.0%
Other	6,528	<b>2,516</b>	38.5%
Other revenues and expenses	-28	<b>89</b>	-
EBITDA	6,016	<b>3,033</b>	50.4%
EBITDA margin	14.7%	<b>17.2%</b>	-
Net profit*	3,478	<b>1,572</b>	45.2%

\*Net profit attributable to owners of the parent

\*Change percentage columns are left blank for the items posted negative figure in either previous or current fiscal year.

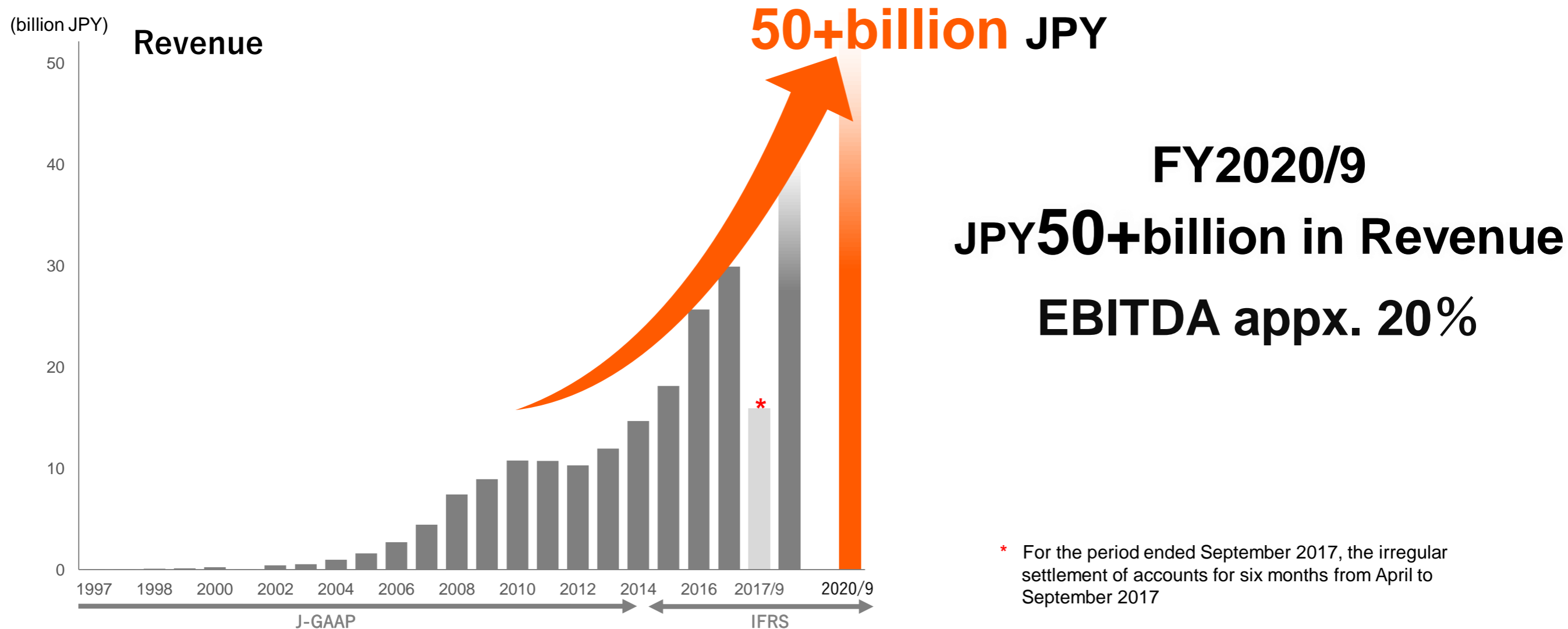
## Sales by Segment

Unit: JPY mil	FY18/9 Oct.-Sep. [Full-year forecast]	FY18/9 Q2 Oct.-Mar. [Actual]	Progress
Revenue	41,000	<b>17,669</b>	43.1%
HOME'S Services	33,441	<b>14,805</b>	44.3%
Overseas	4,834	<b>1,819</b>	37.6%
Others	2,723	<b>1,045</b>	38.4%

Note: Forecast not inclusive of impacts of Mitula acquisition.  
Pertinent information will be disclosed in a timely manner.

# Mid-Term Business Plan

Mid-Term Business Plan's Target set to September 2020, in accordance with the FY change



# Restructuring of the Business Strategy and the Organization

Streamlining to enhance competitive advantage

## 01

### HOME'S Services Business

Improve competitiveness in main businesses by withdrawing from unprofitable businesses

- LIFULL HOME'S Renovation  
→ Slated for termination at end of Sep 2018
- LIFULL Remodel  
→ Slated for termination in 2018

## 02

### Overseas Business

Focus resources on Trovit and Mitula

- Making Mitula Group Limited a subsidiary

Focus resources in Japan on domestic businesses

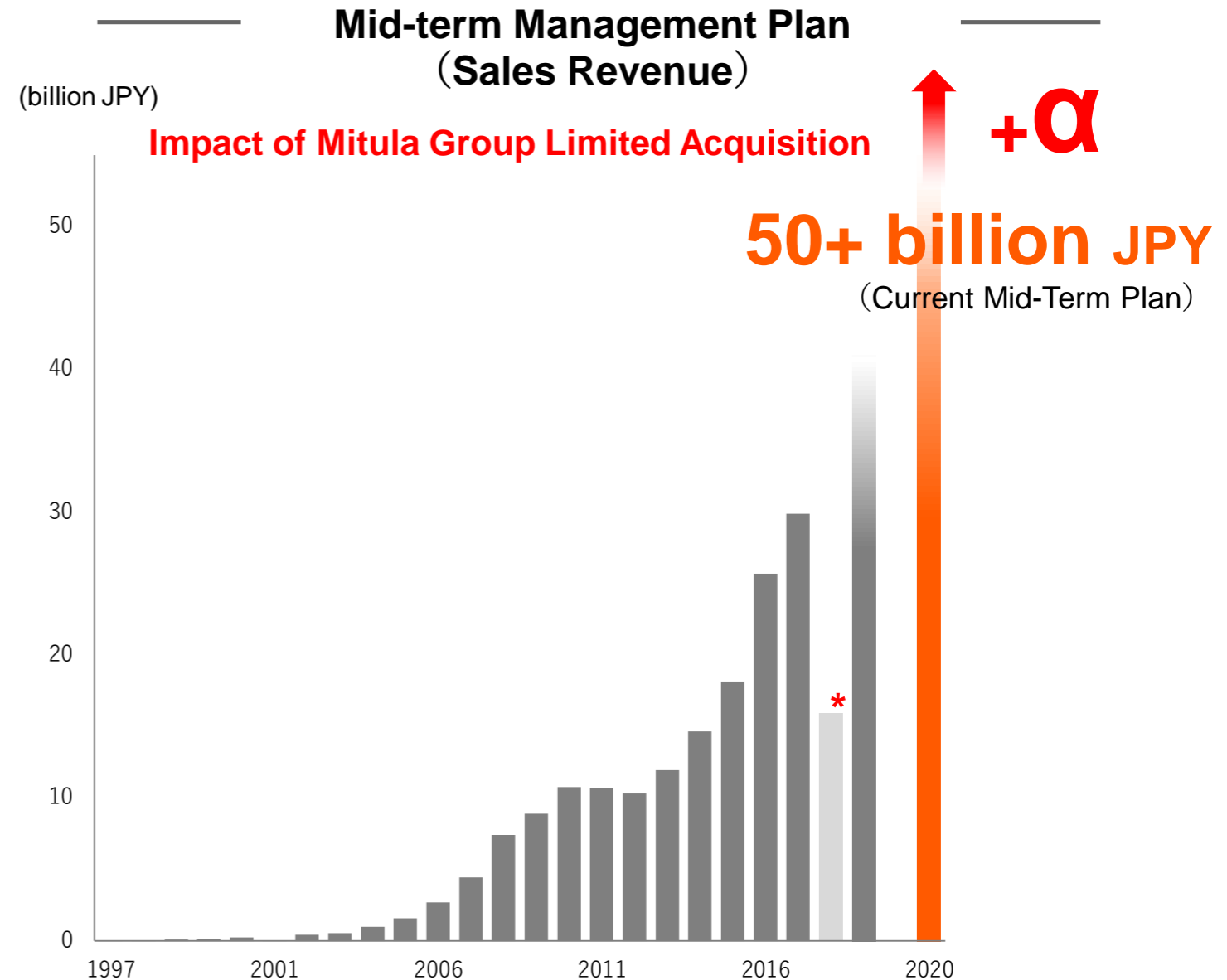
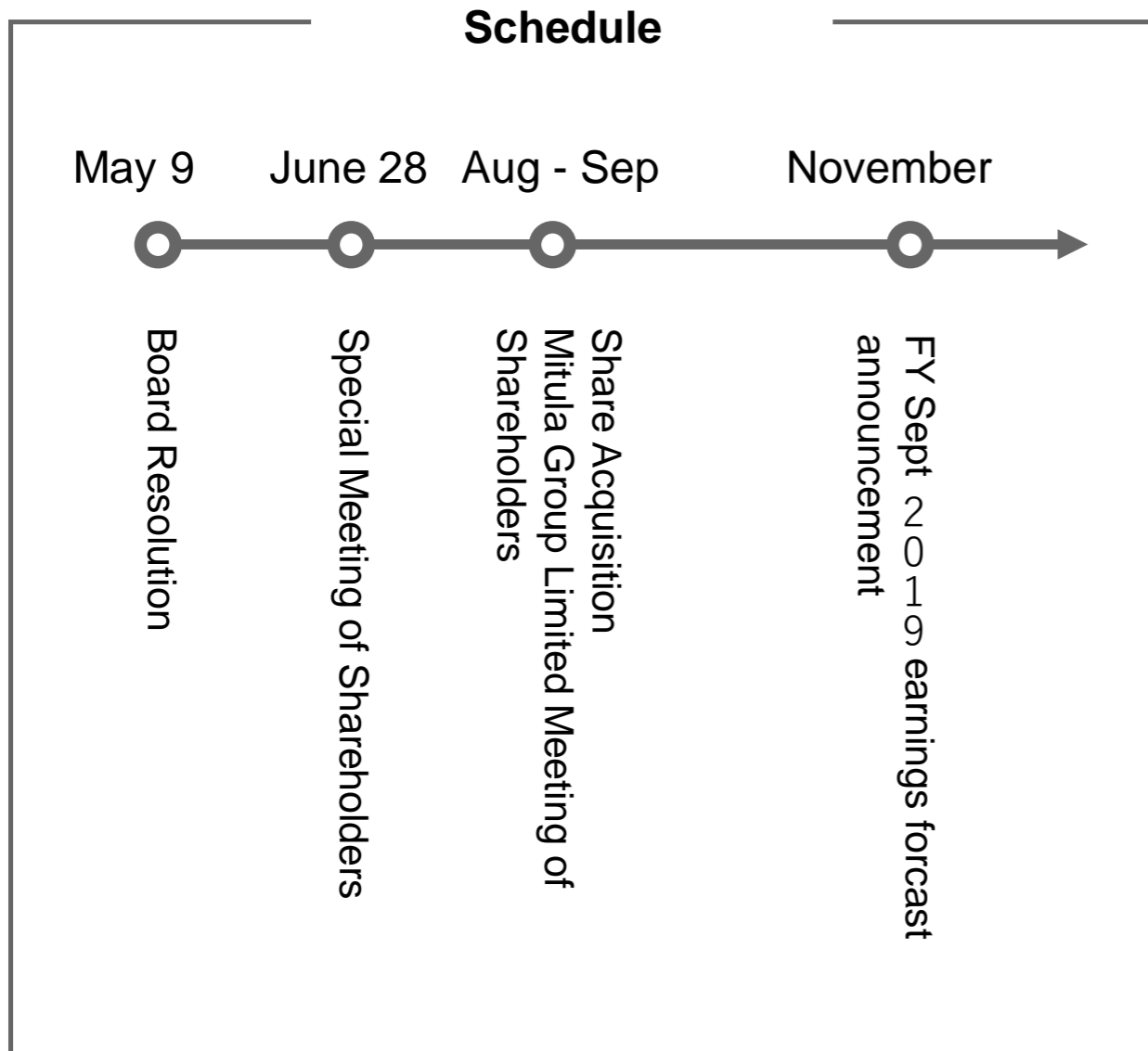
- LIFULL AU Real Estate (Australia)  
→ Termination
- LIFULL Immofinder (Germany)  
→ Termination

Focus resources to increase competitiveness



# Mitula Group Limited Acquisition: Impact on Current Fiscal Year and Mid-Term Management Plan

The impact on business performance is under review. To be disclosed as soon as figures finalized.

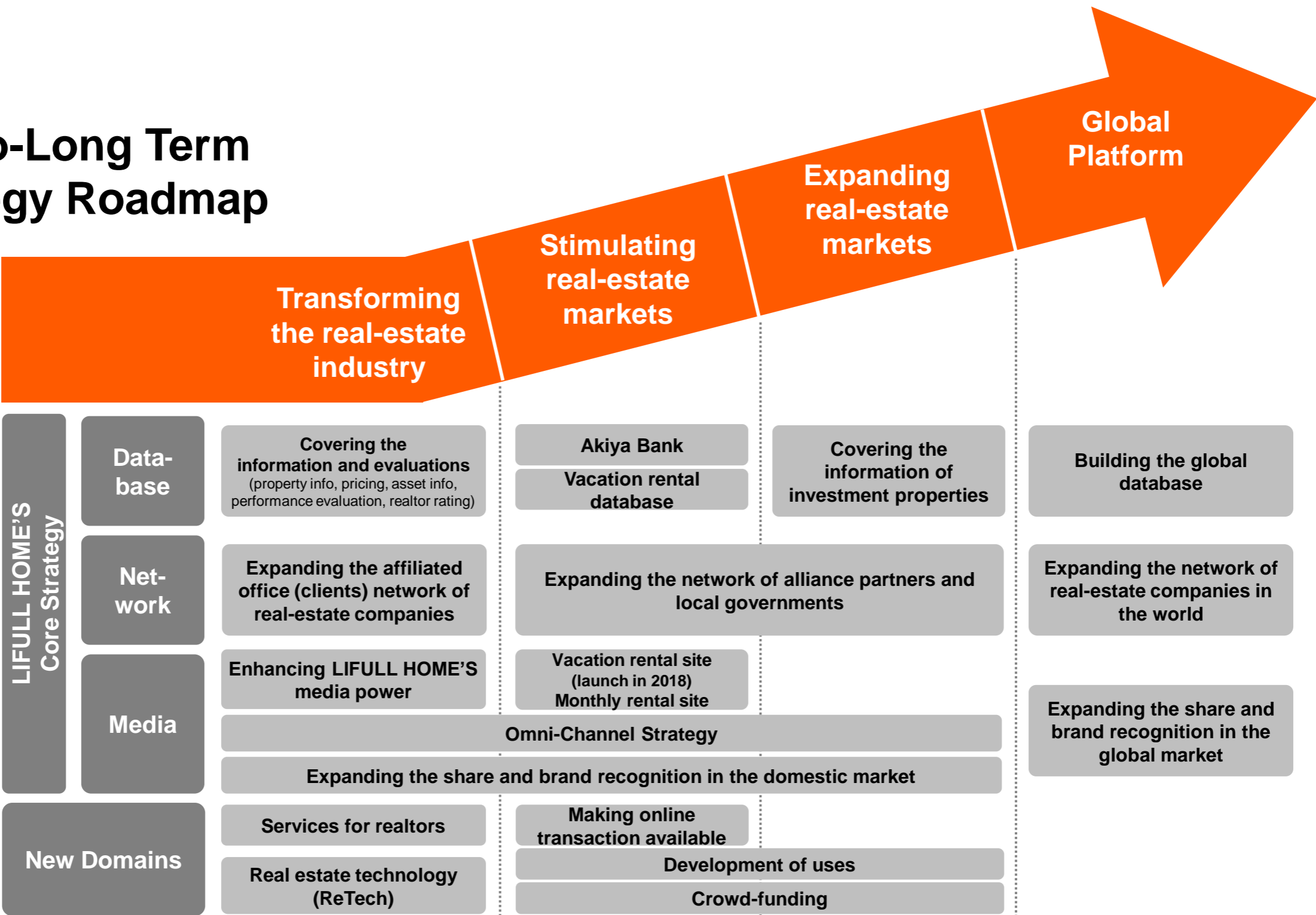






# Business Standings

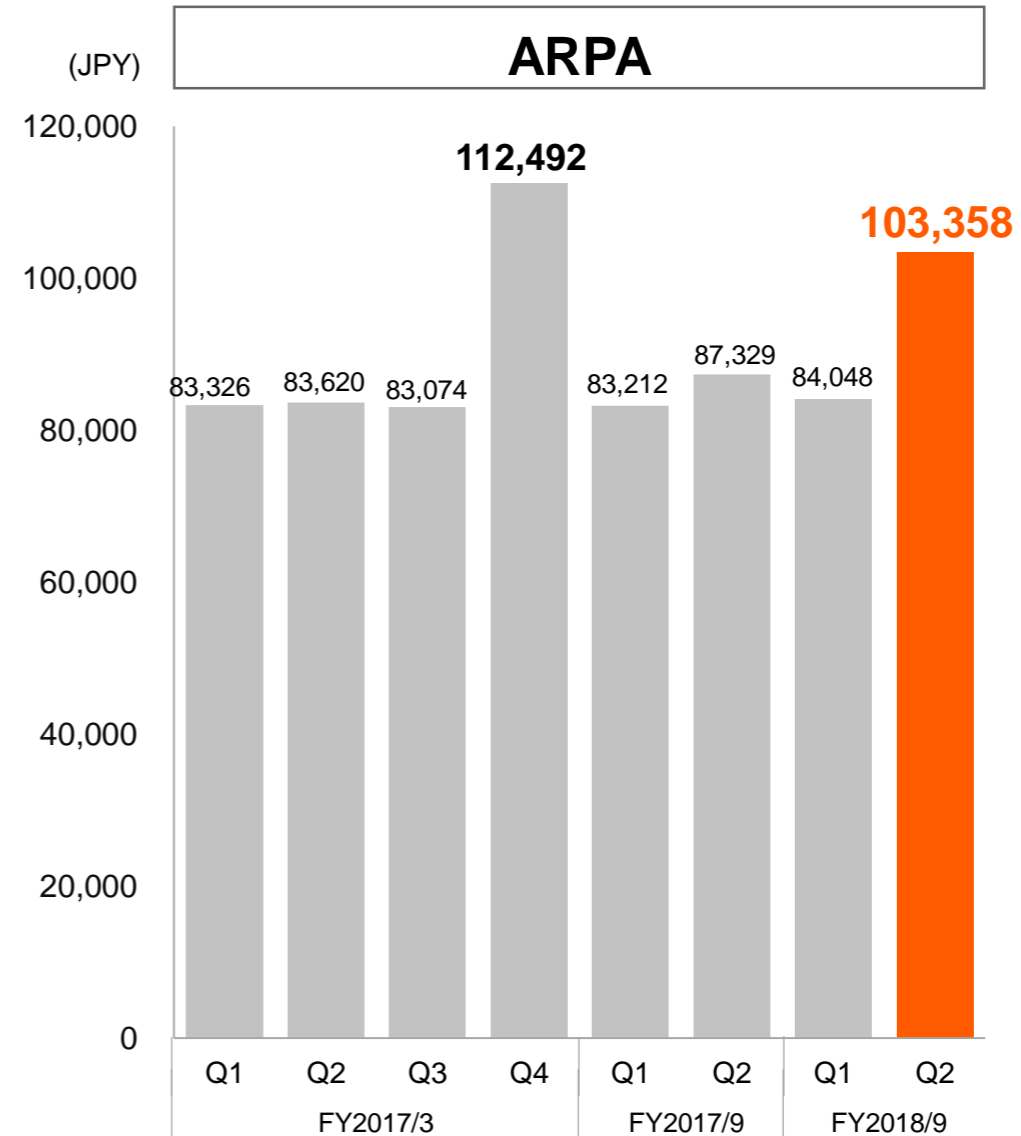
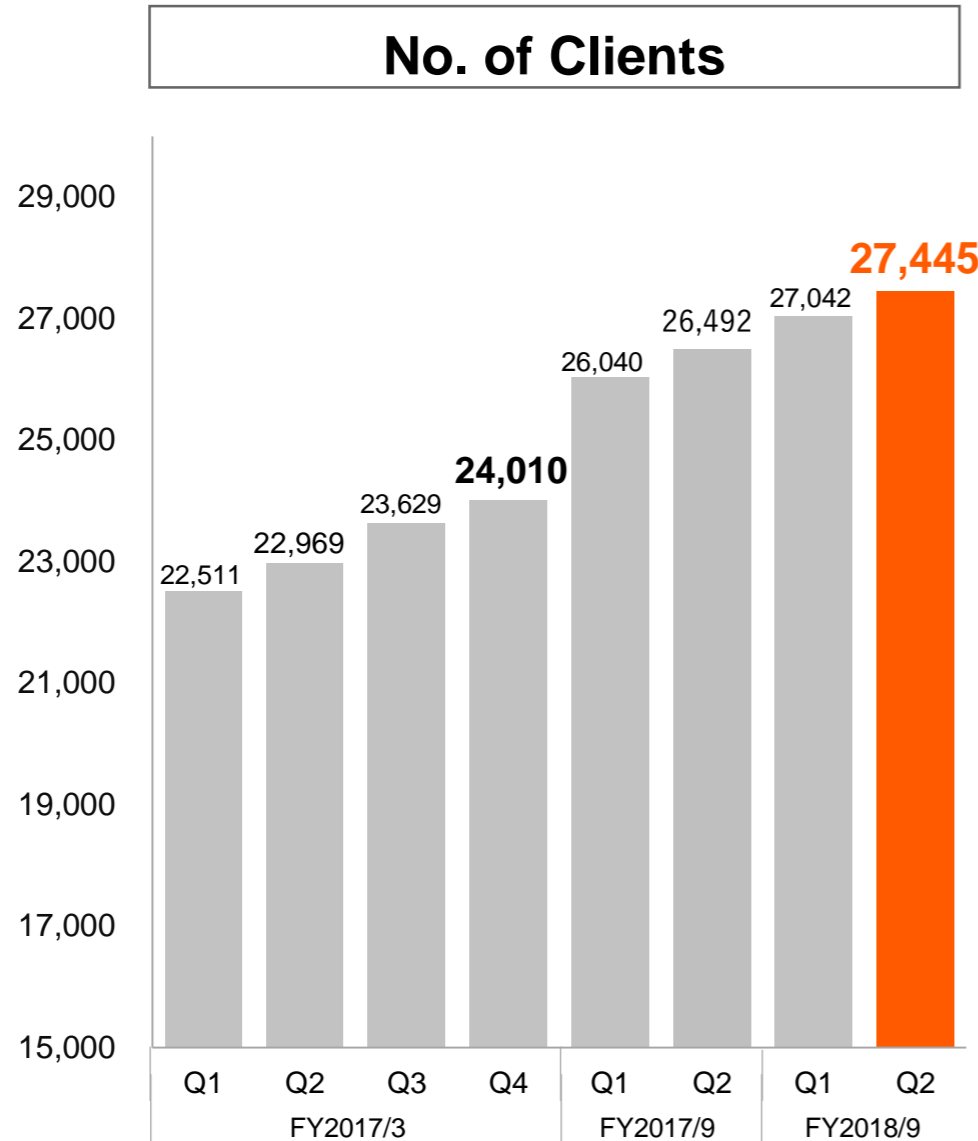
# Mid-to-Long Term Strategy Roadmap



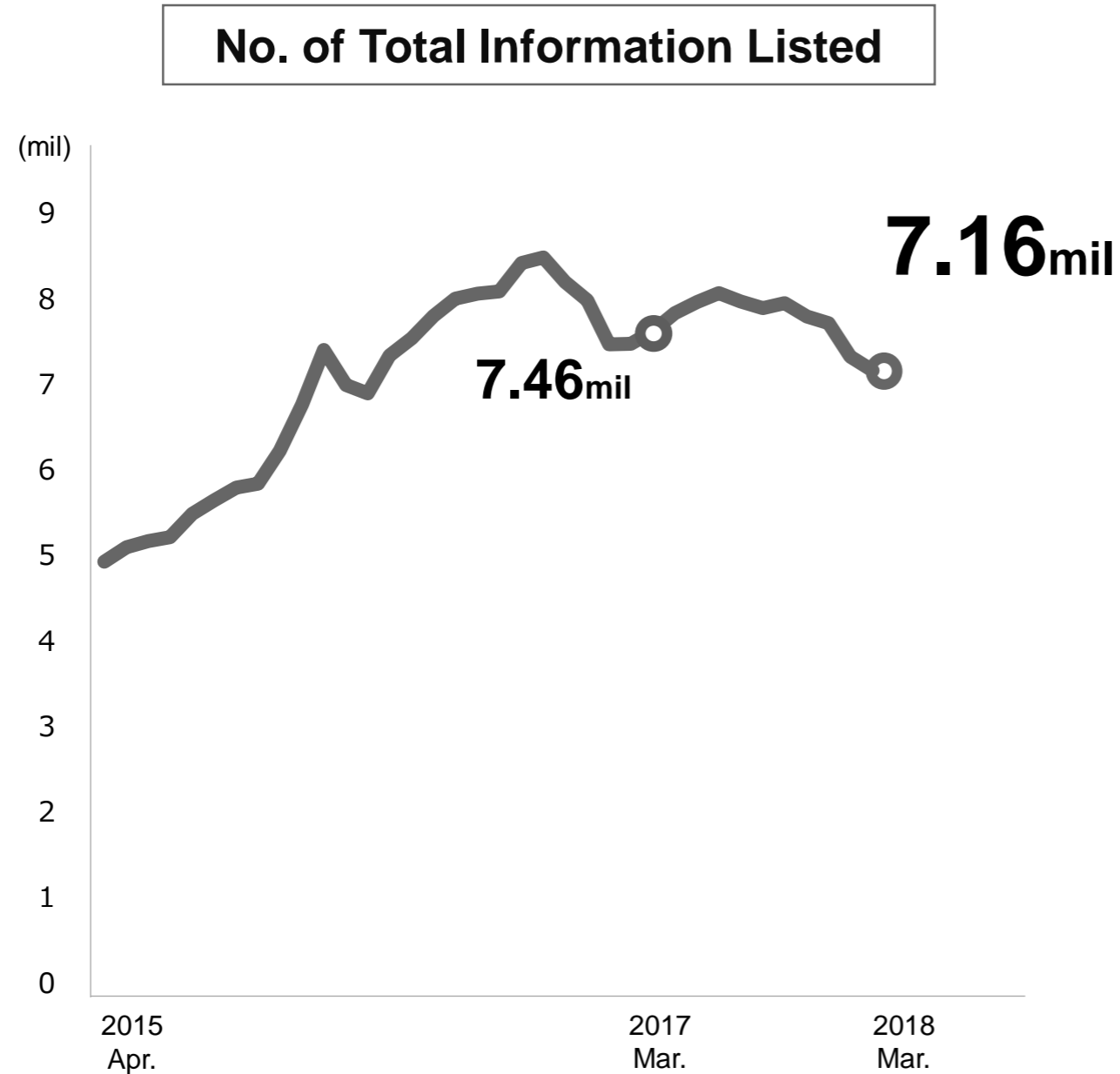
# Expanding the Client Network

Number of clients grew steadily.

ARPA decreased YoY due to expanding the client network in local regions and small-to-mid sized real estate companies.



# Expanding the Number of Total Information Listed

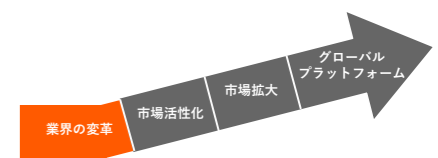


**Maintain  
the High Volume of  
Listed Information**

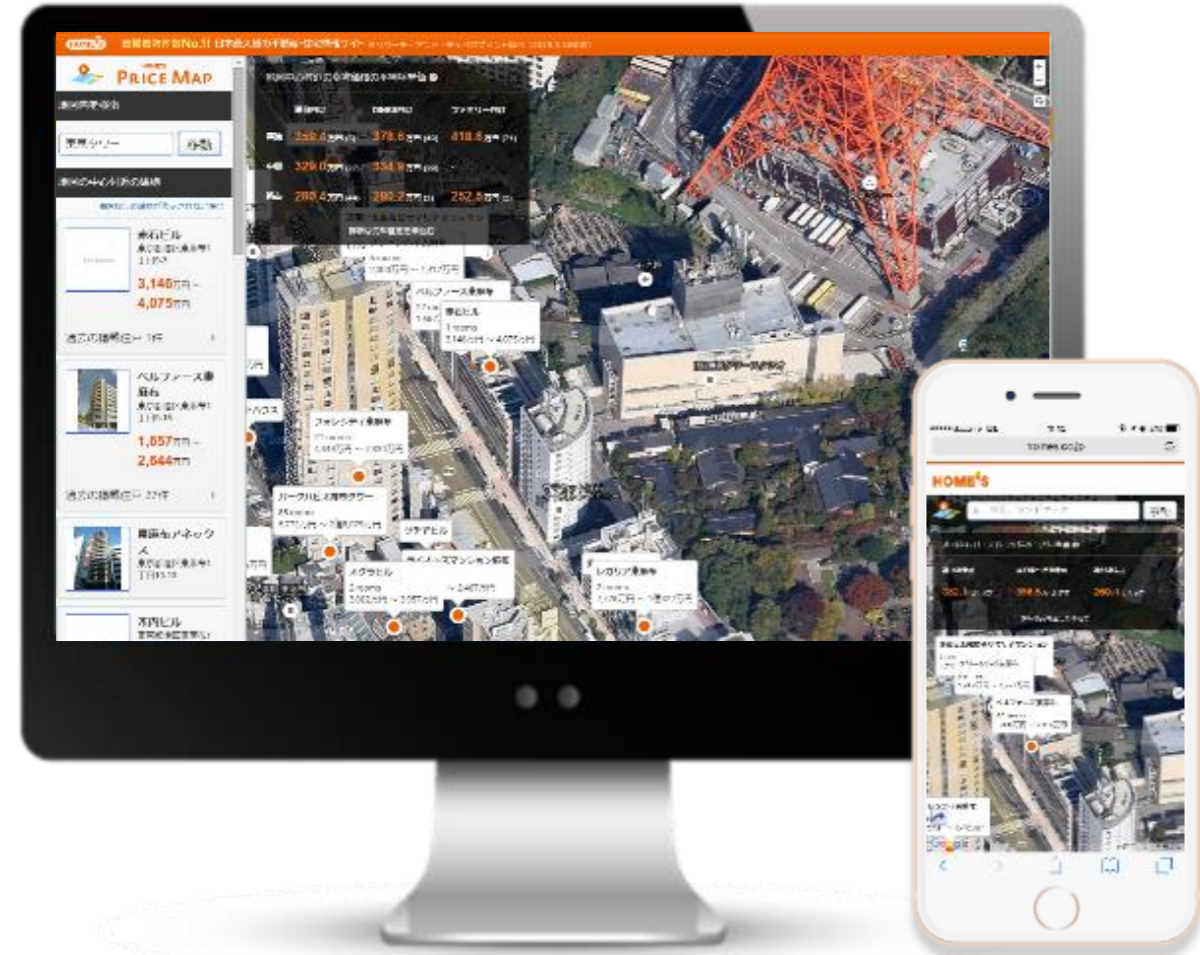


\*Total information: properties for rental, real estate sales, investment, and new houses and condos. Custom-build home and renovation are number of construction company.

# Visualizing the Price Information - "PRICE MAP"



Soon to Expand service to all of Japan



## Soon to be Available in May Nationwide

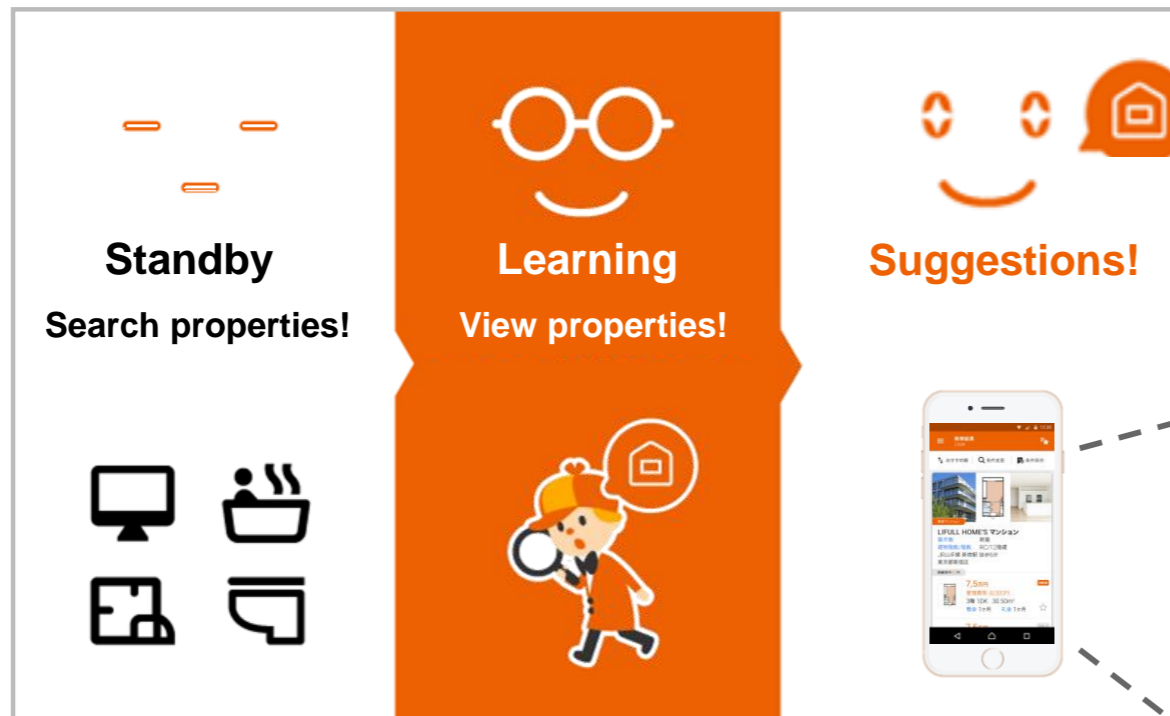
PRICE MAP

[www.homes.co.jp/price-map](http://www.homes.co.jp/price-map)

# Enhancing Media Power - LIFULL HOME'S Android App

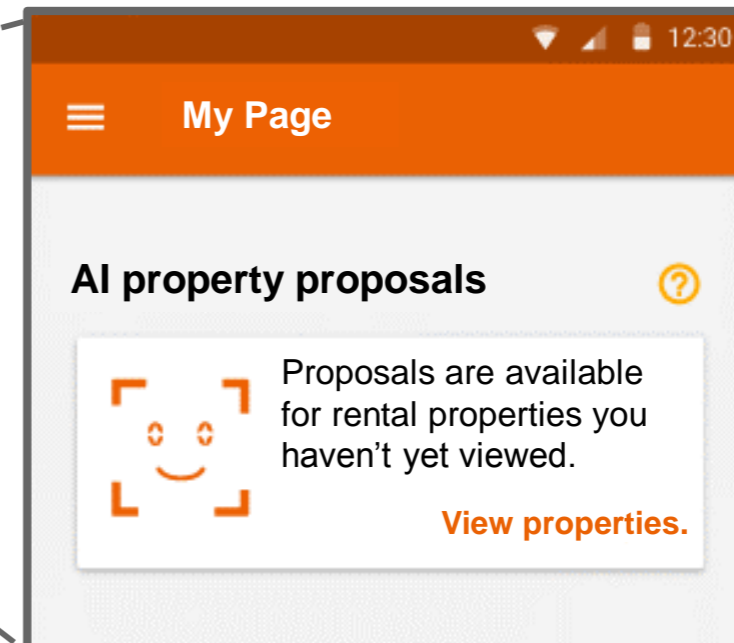


Draws on state-of-the-art technology to provide information perfectly tailored to each user



## Rental property proposal functions offered by AI

The app learns as you view properties and suggests properties that match your preferences.



LIFULL HOME'S Android app

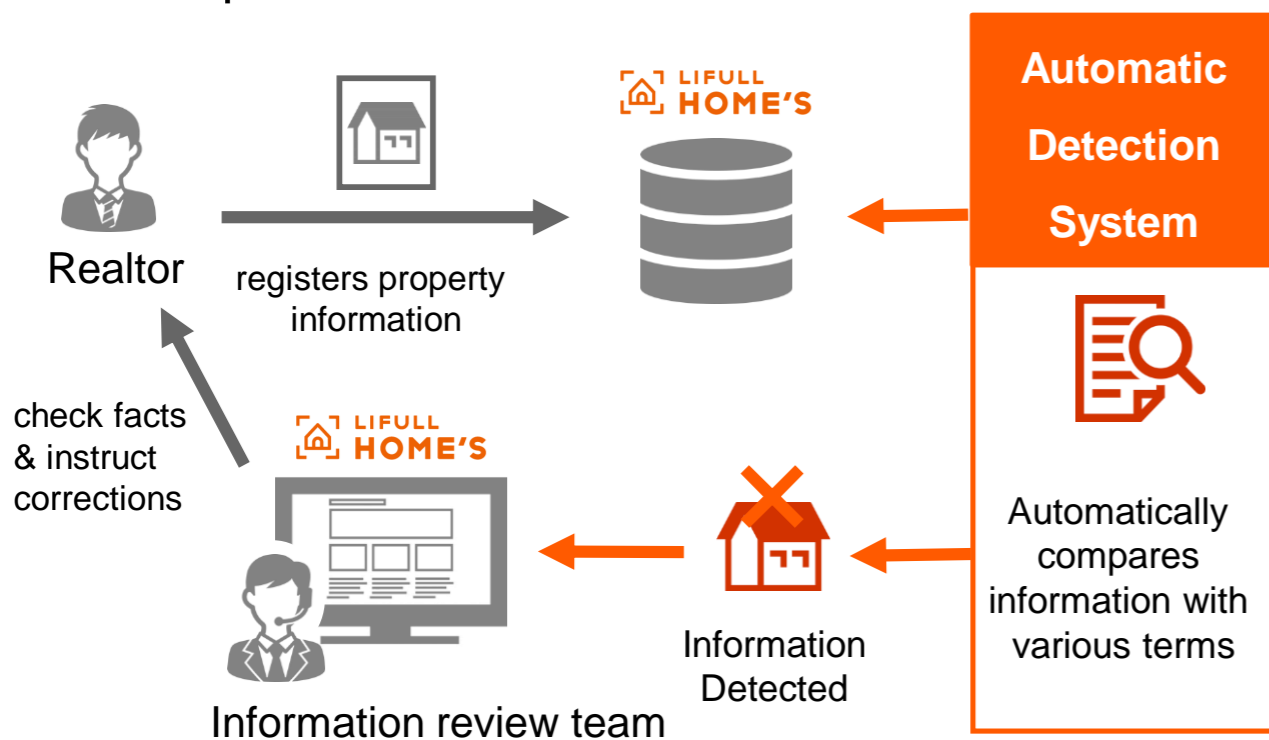
<https://play.google.com/store/apps/details?id=jp.co.homes.android3>

# Enhancing Media Power - Improving Information Accuracy



Makes information more accurate by automatically detecting information on properties in violation of terms.

## Overview of System for Automatically Detecting Properties in Violation of Terms



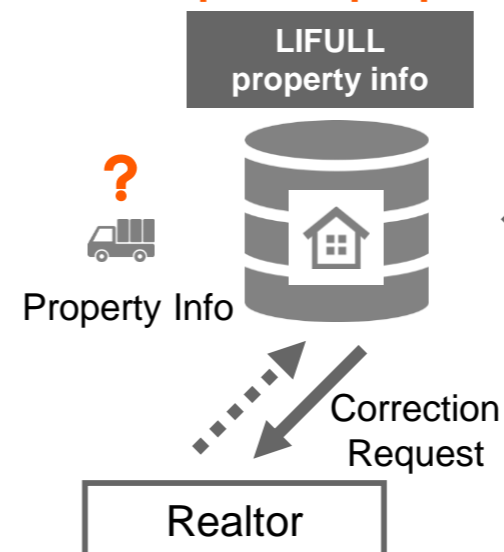
System updates now make detection even more efficient



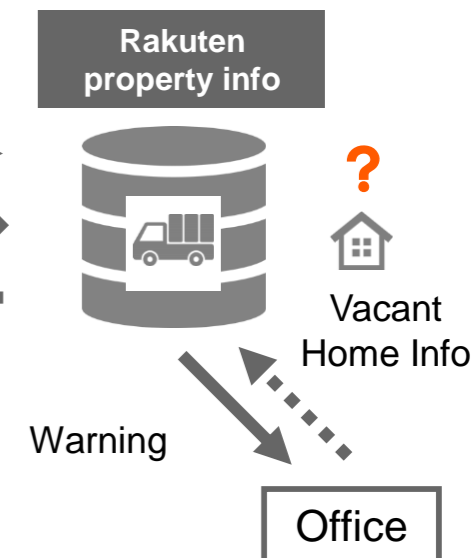
## Other Initiatives

### Coordination of information with Rakuten

#### Elimination of bait-and-switch and non-updated properties



#### Preventing fraudulent orders



### Information Hotline

LIFULL HOME'S accepts anonymous reports at all times on any information that is factually incorrect or on contracts already completed. After checking the facts, realtors will be requested to correct the information.

# Enhancing Media Power - Promotions

Since April, we've continued to promote "LIFULL HOME'S LIVE" and To use a diverse media mix to strengthen the brand



## TV Commercial

LIFULL HOME'S TV commercial "Searching for a home from far away" began broadcasting on January 4.

An earthbound HOME'S-kun helps Yui Okada search for a home from outer space, stressing the benefits of LIFULL HOME'S LIVE in the clearest possible way.

## HOME'S-kun Cafe



A pop-up shop opened in Omotesando for a limited time January 30 – February 12.



Opened a pop-up shop near Omotesando Stn for 2 weeks, creating opportunities for direct interactions with users through various activities, including offering them a menu of beverages from a popular cafe and selling HOME'S-kun merchandise.

## Transportation Ads

Both hanging ads and postings around doors on public transport. Ads through Tokyo Metro's Concourse Vision.



## WEB/SNS



Ads online and on various social-media platforms. Streaming videos in coordination with transport ads based on the theme "viewing properties", in addition to TV commercials.



# Making Real Estate Transactions Available Online – “LIFULL HOME’S LIVE”



TV commercials and other efforts have increased the use of LIFULL HOME’S LIVE to appx 2,000 cases/month

## LIFULL HOME’S LIVE

This service lets users view properties, ask questions, and listen to “explanation of important details” – something previously possible only by visiting properties or realtor offices – online.



As of Oct 2017, the “explanation of important details” for rental properties can be legally done online via video call, etc.

<https://www.homes.co.jp/online/>

## Comments from our Clients

- ◆ Company A: We currently operate dozens of offices in Tokyo. To improve efficiency, we’ve established a facility to manage operations other than sales. Being able to provide explanations of important matters online lets registered real estate brokers at the facility focus on their regular responsibilities. That, in turn, improves business efficiency: for example, by allowing the sales staff to meet more customers and show more properties.
- ◆ Company B: Before, when a customer traveled a long way to the office, we would have to ask other customers to wait so that we could provide explanations of important matters on the same day – to ensure that customer would not have to come all the way to our office again. By shifting to online explanations of important matters, we can now serve more customers.
- ◆ Company C: Introduction of online explanations of important matters has made it possible to provide these explanations on weekdays, easing congestion on the weekends, when large numbers of customers arrive at the office. This also helps eliminate the need to make customers wait when they come to the office looking for properties.

## High Praise for Improving Efficiency

# Revitalizing the Second-Hand Market



Work to solve the social problem of “empty homes” by providing various solutions such as by developing a comprehensive database of vacant homes, and by developing new ways to utilize them

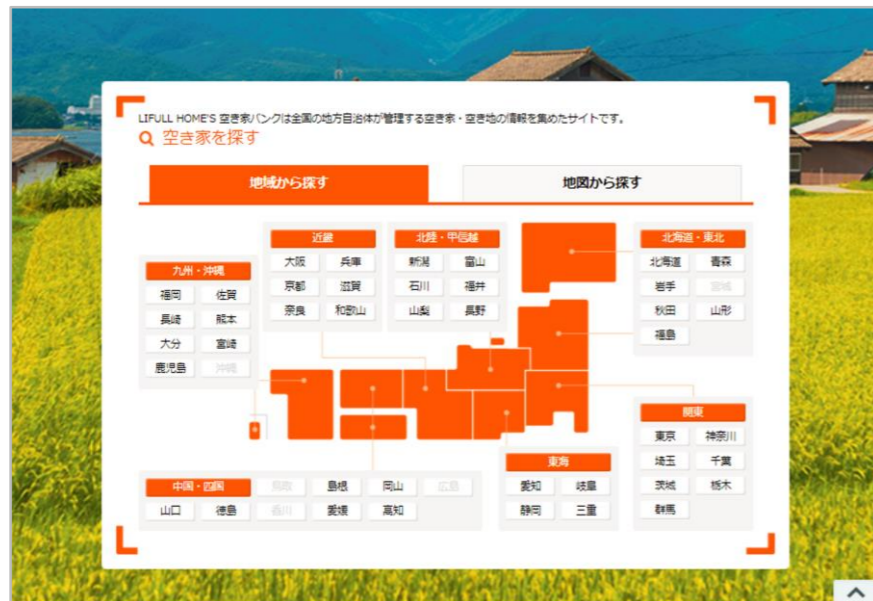


# LIFULL HOME'S *Akiya Bank* Official Release

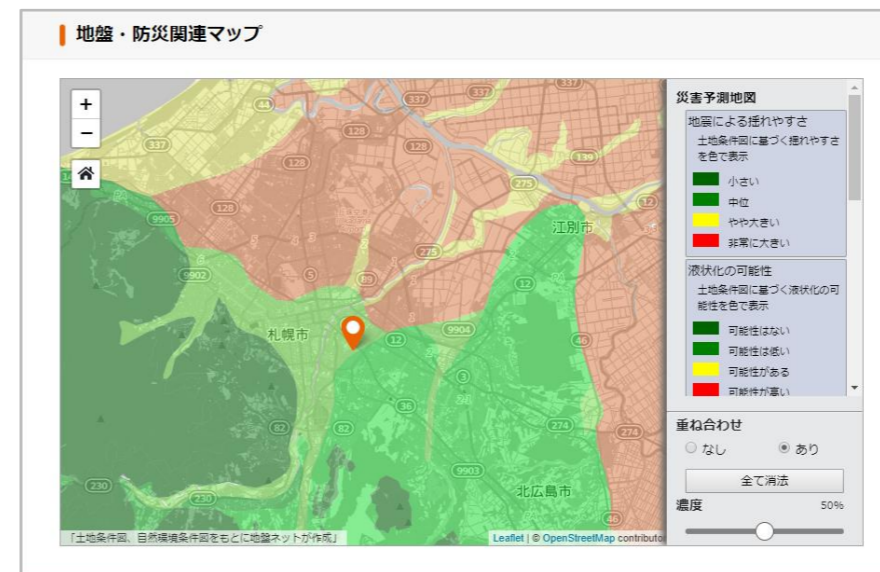


Currently, 480 local governments (out of appx 900 total) have registered for the service (as of May 10, 2018)

## LIFULL HOME'S *Akiya Bank*



Now with map-based search, hazard maps, etc.



<https://www.homes.co.jp/akiyabank/>

# RAKUTEN LIFULL STAY - “Vacation STAY”



Registration of properties to Vacation STAY - the vacation rental and accommodation reservations site - has begun



Global accommodation and vacation rental reservation sites

Vacation STAY

検索

<https://vacation-stay.jp/>

Fee structure (service charge)

Plan to collect 3% from the host and 12% from the guest

Formal decision to be made before launching in June



# Overseas Business

# Trovit X Mitula

Accelerate the development of a global platform with Trovit and Mitula at its center



**Site Visitors**  
(Monthly UV)  
**over 170M**

**Global Footprint**  
**57 -> 63** countries

**Listings**  
**over 400M**

 LIFULL

**Make every LIFE FULL.**

# Appendix



## Corporate Info (as of March 31, 2018)

<b>Company</b>	LIFULL Co., Ltd.
<b>Stock code</b>	2120 (TSE 1st Section)
<b>Representative</b>	Takashi Inoue, President and CEO
<b>History</b>	Mar. 12, 1997 Established Oct. 2006 Listed in TSE, Mother's Section Mar. 2010 Listed on TSE 1st Section
<b>Capital</b>	JPY 3,999 million
<b>Stock issues</b>	118,789,100 shares (incl. 73,736 shares of treasury stock)
<b>Consolidated number of employee</b>	1,251 people (incl. 220 temporary and 125 overseas)
<b>Major shareholder</b>	LIFULL directors, Rakuten, Inc. (20%)
<b>Main subsidiaries ( ) stake</b>	Trovit Search, S.L. (100%) LIFULL Marketing Partners (100%)



## LIFULL HOME'S, a real estate and housing information listing site

<https://www.homes.co.jp/>

- “LIFULL HOME’S” is the No.1\* real estate and housing information listing site in Japan. \*Sankei Medix (2018.1.30)
- Besides the quantity of information, LIFULL HOME’S established screening team to improve information accuracy.
- Continued to step up the efforts to meet smart device-related needs, catering for a variety of needs.



- Various search options available including searching by cities, train station, commute time, etc.
- Conditional search options available including “no deposit” and “pet friendly.”
- Users can choose multiple properties and compare among rental properties and purchasing properties at the same time.
- Various functions including “Moving To-do List” and “new arrival properties notification” available.



#1 in Real Estate Listings  
LIFULL HOME'S  
iOS and Android apps

### Various Search Options



Address



Train



Commute time



Travel time by car



Map



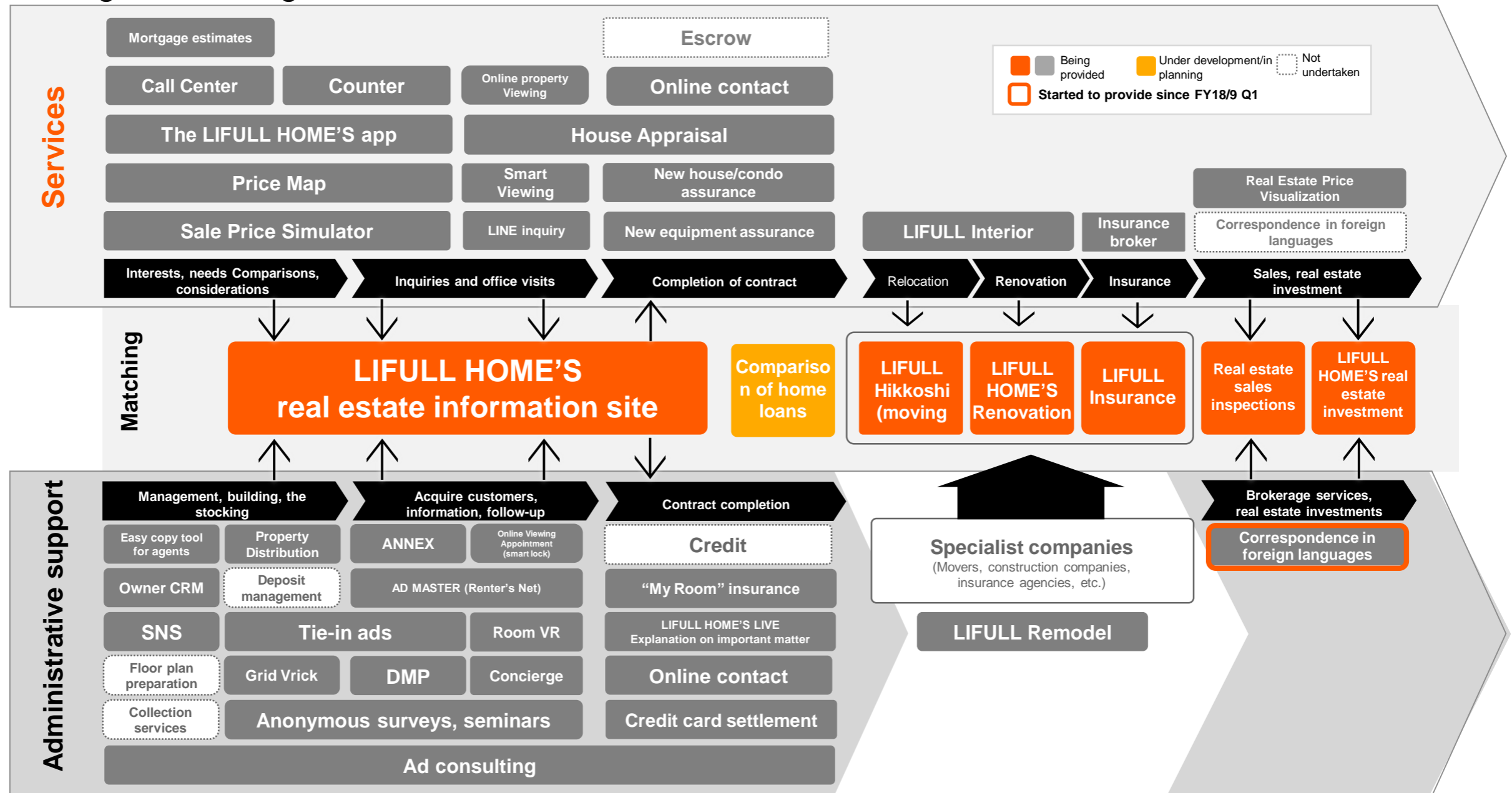
Agency



By phone

# LIFULL Service List

Now providing a wide range of services for both users and realtors



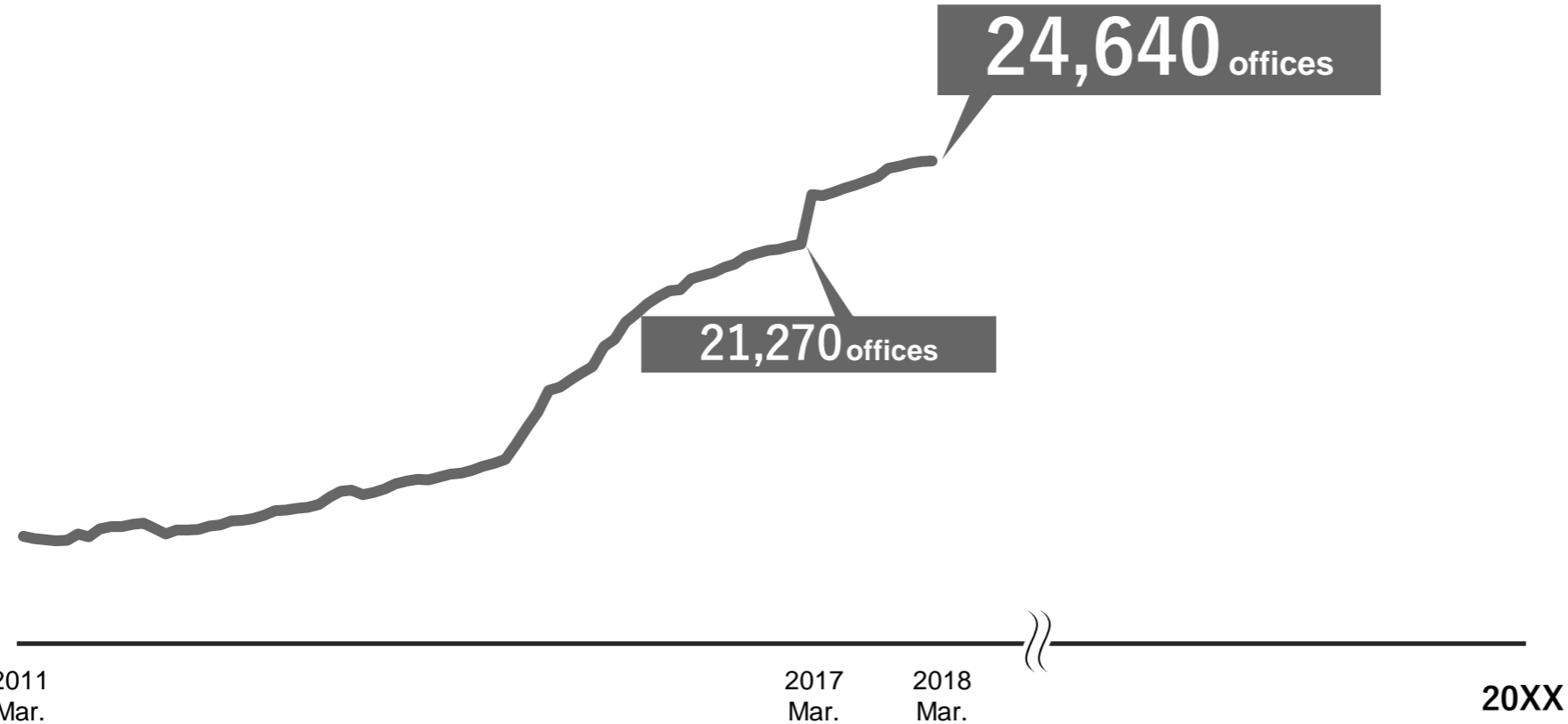
# Expanding the Client Network

## No. of Affiliated Offices\*

\*Number of real estate agents in the number of clients(offices) on P18

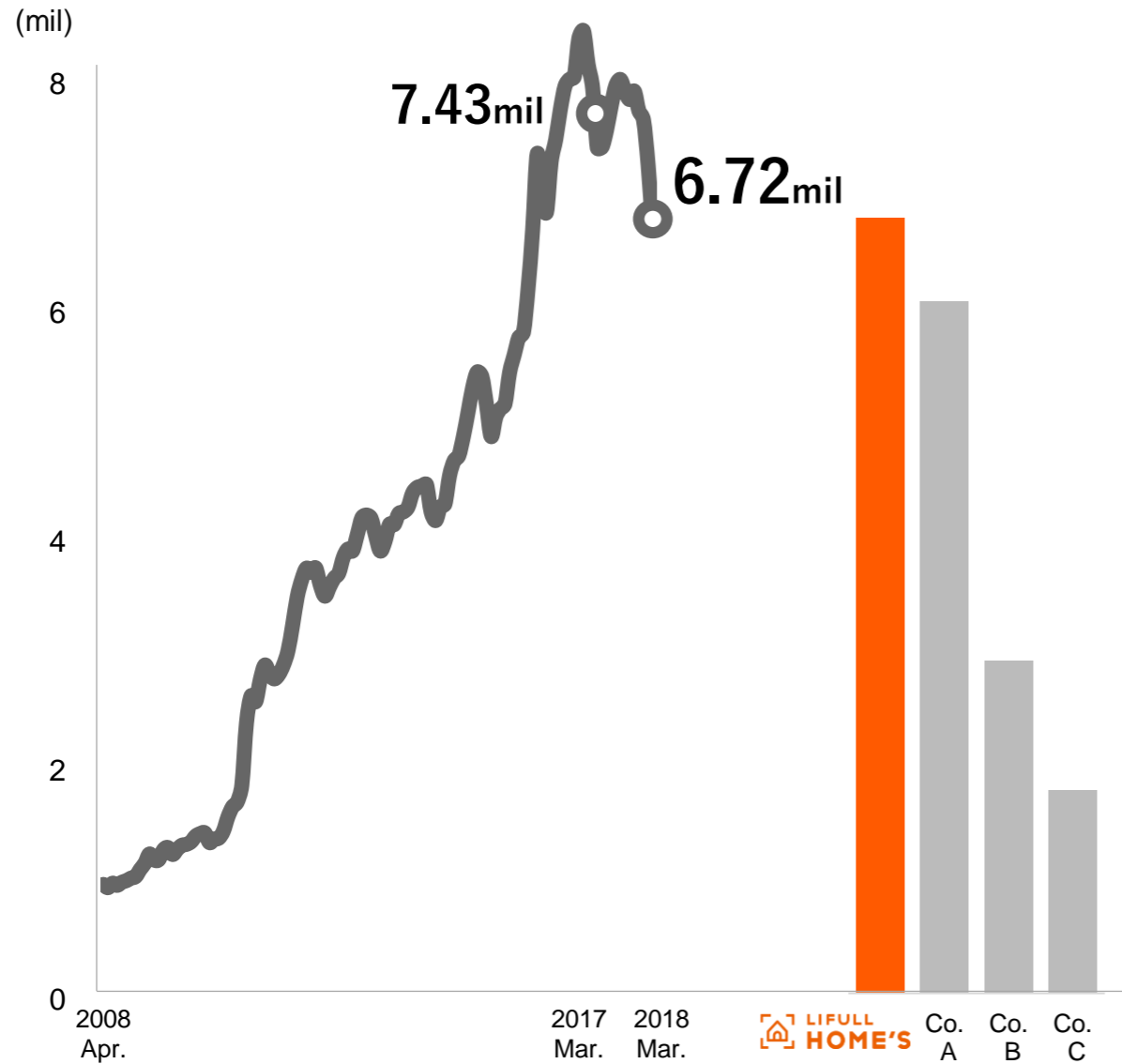
Mid to Long-Term Target  
**40,000** offices

## Steady Growth

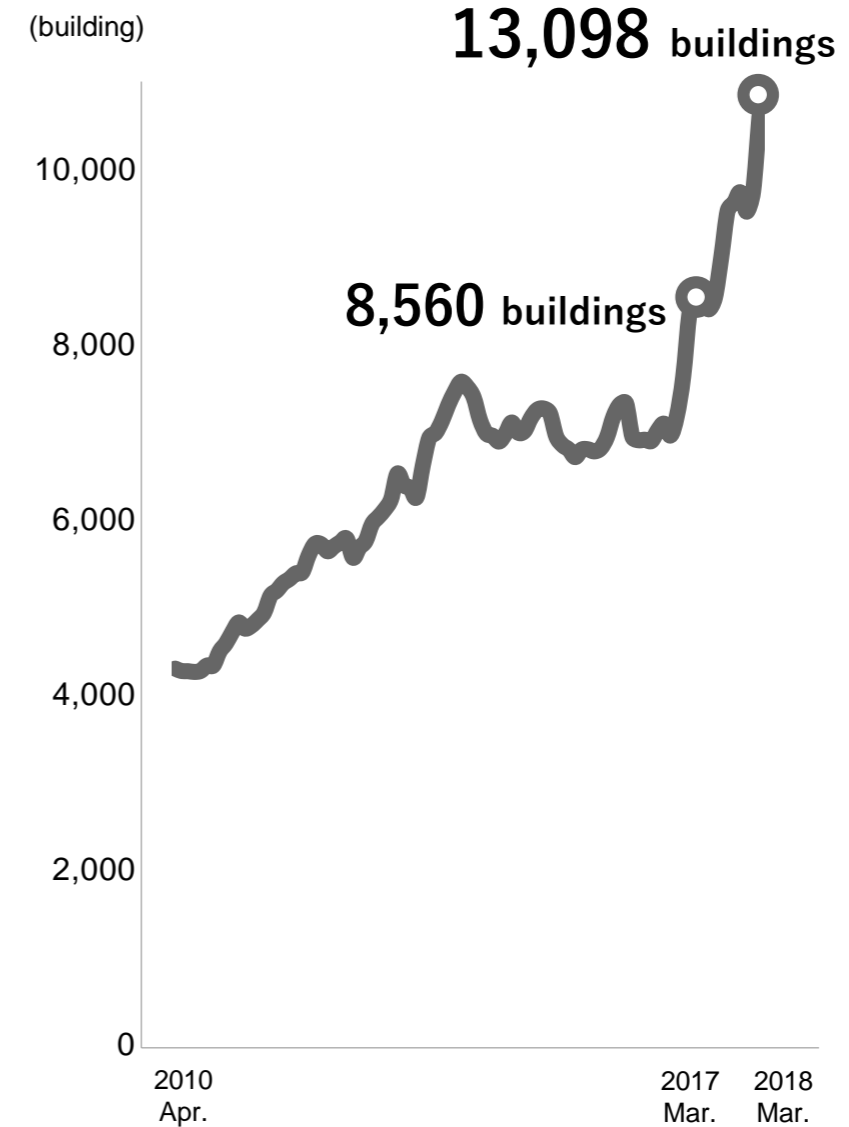


# (ref.) Number of Properties Listed

Rentals and Real Estate Sales



New Houses and Condos



## (ref.) Definition of No. of Clients and ARPA

<b>Definition</b>	<p>Number of clients: The total paid clients of LIFULL HOME'S and LIFULL Marketing Partners (including the clients who use DMP and CRM)</p> <p>ARPA: Average Revenue Per Agent HOME'S Services Business revenue / number of clients</p> <p>*Excluding LIFULL Remodel</p>
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**Expand the business by  
increasing the no. of clients and ARPA**

# New Business – New Service

Rental meeting room and rental space information site “LIFULL Rental Space” launched.



Rental Meeting Room and  
Rental Space Information Site

Service started Jan 2018

<https://www.homes.co.jp/rentalspace>



# LIFULL Group Services

## LIFULL Kaigo (nursing care)



Website used to find nursing care homes or elderly housing  
Operated by **LIFULL senior**

## LIFULL Hoken Sodan (insurance consultation)



Insurance agency search and appointment website  
Operated by **LIFULL FinTech**

## LIFULL Interior



Furniture / interior EC website  
“LIFULL Interior”  
Operated by **LIFULL Interior**

## LIFULL Hikkoshi (moving)



Operated by **LIFULL MOVE**

## LIFULL Storage



A website offering among the most voluminous rental storage room/unit information  
Operated by **LIFULL SPACE**

## other LIFULL Services



- “LIFULL Flower”: regular monthly delivery of seasonal flowers
  - “Ouchi de shika”: visiting dentist and information search service
  - “Mina no ihinseiri”: search service for finding companies specializing in cleaning up the belongings of the deceased
- Operated by **LIFULL senior**

### Overseas subsidiaries

Trovit Search, S.L. (Spain)  
LIFULL Tech Vietnam (Vietnam)

### Others

LIFULL Marketing Partners (Consulting)  
LIFULL bizas (Back office)  
LIFULL Social Funding (Crowd-funding)



# LIFULL Group Companies (1)

(in chronological order by effective date of establishment or addition to the scope of consolidation)

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## **PT. LIFULL MEDIA INDONESIA**

(equity method affiliate)

- Planning and operation of “LIFULL Rumah” a real estate and housing information website in Indonesia
- Home hunting proxy service in Jakarta for Japanese business people planning to relocate to the city
- Product samples and information websites

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## **Trovit Search, S.L.**

- One of the world’s largest aggregation websites

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## **LIFULL Marketing Partners**

- Internet and marketing businesses for realtors and property-related businesses
- Internet connection service (ISP) business

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## **LIFULL senior**

- LIFULL *Kaigo* (nursing care), among the largest websites in Japan used to find nursing care homes or elderly housing

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## **LIFULL MOVE**

- LIFULL *Hikkoshi* (moving), a website offering quotes from various moving companies on request and for making on-line reservations

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## **LIFULL SPACE**

- LIFULL Trunk Room (luggage storage), a website offering among the most voluminous rental storage room/unit information in Japan

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## **LIFULL FinTech**

- LIFULL Insurance Consultation, a website used to make insurance consultation appointments
- LIFULL Insurance, a website used to compare insurance products
- Life and non-life insurance agency business

# LIFULL Group Companies (2)

(in chronological order by effective date of establishment or addition to the scope of consolidation)

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## LIFULL bizas

- Administration and other back office operation outsourcee
- Call center operation outsourcee

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## LIFULL Remodel

- Online home building mediation service
- Reconstruction work mediation service
- Contract work for interior decoration

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## LIFULL Social Funding

(formerly JG MARKETING)

- Operating the “Japan Giving” and “Shooting Star” crowd-funding platforms

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## LIFULL Tech Vietnam

(formerly Vietnam Creative Consulting)

- Offshore development, Lab development, software development, application development, and creative development

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## LIFULL Interior

(a joint venture with FLYMEe Inc.,  
established in Nov. 6, 2017)

- Operate an interior and furniture EC site, “LIFULL Interior”

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## RAKUTEN LIFULL STAY

(equity method affiliate)  
(a joint venture with Rakuten, Inc.)  
Established “RAKUTEN LIFULL STAY PTE.  
LTD.” as 100% subsidiary in March 2017

- Operate a vacation rental and accommodation platform

## Segments and Major Services

Segments	Main services
<b>HOME'S Services Business</b>	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd. LIFULL Remodel Co., Ltd.
<b>Overseas Business</b>	Trovit (Trovit Search, S.L.) LIFULL Australia LIFULL Immofinder
<b>Others Business</b>	LIFULL <i>Kaigo</i> (nursing care) (LIFULL senior Co., Ltd.) LIFULL <i>Hikkoshi</i> (moving) (LIFULL MOVE Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) LIFULL <i>Hoken Sodan</i> (insurance consulting) (LIFULL FinTech Co., Ltd.) LIFULL Interior (LIFULL Interior Co., Ltd.) LIFULL Social Funding Co. Ltd. LIFULL Tech Vietnam Co.,Ltd. Other LIFULL subsidiaries

# Consolidated Statements of Profit and Loss (quarterly)

Unit : JPY mil	FY2016/03				FY2017/03				FY2017/09		FY2018/09	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q
Revenue	5,457	6,441	6,280	7,527	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541
HOME'S Services Business	4,280	5,210	5,167	6,263	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062
Overseas Business	904	940	796	865	823	750	750	867	859	858	883	935
Others Business	273	290	317	397	406	377	400	525	461	479	502	542
Cost of sales	141	737	597	651	670	737	774	897	915	946	928	946
SG&A	4,036	4,640	4,343	5,605	4,776	4,581	5,422	6,627	6,346	6,100	5,862	6,987
Personal expenses	1,366	1,479	1,535	1,888	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783
Advertising expenses	1,524	2,002	1,527	2,291	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657
Operating expenses	208	245	305	257	246	236	282	244	240	215	236	267
Other SG&A	937	912	975	1,168	1,066	1,082	1,183	1,624	1,393	1,373	1,236	1,279
Other revenues and expenses	-13	-41	-33	-33	-6	-42	-30	-39	-72	-30	71	18
EBITDA	1,267	1,022	1,306	1,237	1,392	1,549	879	1,491	458	1,077	1,408	1,624
Depreciation/amortization cost	214	214	230	205	221	217	338	468	253	266	274	266
Operating profit	1,052	808	1,076	1,031	1,171	1,331	540	1,022	205	811	1,134	1,358
Net income *	682	552	693	742	734	942	331	756	22	467	591	980
EBITDA margin	23.2%	15.9%	20.8%	16.4%	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%	17.3%	17.0%

\*Net income = Net income attributable to owners of the parent

\*We made modification to disclosure segments since FY2017/09. Sales of prior periods has been described in conjunction with the change of segment.

# External Market Data

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
(1) Number of Apartments for sales	<b>Capital Region</b>	40,449	35,772	35,898	2,903	2,701	7,007	1,384	2,310	3,408	2,741	2,603	2,284	3,426	2,101	2,978	2,817	3,366	6,480	1,934	2,490	3,617
	YoY	-9.9%	-11.6%	0.4%	-0.6%	-19.6%	13.2%	-7.4%	3.3%	26.6%	38.6%	-13.3%	-25.1%	3.3%	6.9%	-13.0%	-3.0%	24.6%	-7.5%	39.7%	7.8%	6.1%
	<b>Kinki</b>	18,930	18,676	19,560	1,263	1,975	1,975	1,396	1,394	1,575	1,391	1,738	1,321	1,832	1,215	2,392	1,465	1,582	2,259	1,091	1,818	1,745
	YoY	0.6%	-1.3%	4.7%	3.3%	16.5%	4.8%	55.3%	-15.0%	-26.5%	5.4%	22.2%	-12.9%	29.6%	-1.9%	27.9%	16.0%	-19.9%	14.4%	-21.8%	30.4%	10.8%
(2) Trend of Price for Apartments	<b>Capital Region</b>	5,518	5,490	5,908	5,406	5,161	5,078	6,911	5,793	5,588	5,918	5,981	5,642	6,562	5,794	5,823	5,586	5,551	6,019	5,293	6,128	6,220
	YoY	9.1%	-0.5%	7.6%	0.8%	-18.4%	-6.9%	24.1%	0.3%	-0.9%	2.9%	5.1%	-0.5%	16.0%	2.3%	4.4%	3.3%	7.6%	18.5%	-23.4%	5.8%	11.3%
	<b>Kinki</b>	3,788	3,919	3,836	3,989	3,803	4,321	3,341	3,747	3,987	3,833	3,570	3,776	4,264	3,549	4,186	3,863	3,609	3,913	4,017	3,655	3,695
	YoY	3.9%	3.5%	-2.1%	15.3%	-14.6%	-4.5%	-12.0%	0.8%	-1.5%	0.6%	7.3%	-6.4%	11.0%	-9.3%	0.6%	-3.2%	-5.1%	-9.4%	20.2%	-2.5%	-7.3%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
(3) New build properties	<b>House for Rent</b>	378,718	418,543	419,397	39,950	38,617	34,475	31,684	30,842	33,937	36,194	32,956	35,967	36,365	34,968	37,521	38,017	37,508	33,438	28,251	29,420	29,750
	YoY	4.6%	10.5%	0.2%	22.0%	15.3%	2.2%	12.0%	6.8%	11.0%	1.9%	1.6%	-2.6%	-3.7%	-4.9%	-2.3%	-4.8%	-2.9%	-3.0%	-10.8%	-4.6%	-12.3%
	<b>Apartment</b>	115,652	114,570	114,830	9,476	8,263	8,337	13,098	7,262	8,549	12,097	9,823	12,942	9,059	9,109	8,628	7,489	9,052	7,422	6,525	8,267	7,865
	YoY	4.7%	-0.9%	0.2%	9.0%	-6.9%	10.7%	56.2%	-35.7%	-24.3%	1.3%	-12.6%	27.1%	15.2%	33.7%	-9.2%	-16.9%	9.5%	-11.0%	-50.2%	9.3%	-8.0%
	<b>House</b>	123,624	133,739	138,189	11,294	11,683	11,251	10,863	10,696	11,041	11,504	11,287	11,817	11,708	11,493	11,347	11,861	12,580	11,992	10,743	10,560	10,957
	YoY	-1.4%	8.2%	3.3%	12.6%	1.8%	0.6%	4.9%	0.9%	3.4%	5.2%	4.5%	4.8%	-1.3%	0.8%	-2.2%	5.0%	7.7%	6.6%	-1.1%	-1.3%	-0.8%
	<b>Owned house</b>	283,366	292,287	284,283	26,046	25,993	23,890	20,228	21,322	21,468	23,751	23,846	26,037	25,370	24,379	24,883	24,807	24,904	23,288	20,257	20,013	20,576
	YoY	-0.7%	3.1%	-2.7%	4.9%	2.7%	6.5%	-0.2%	1.6%	-3.6%	0.8%	1.5%	-3.4%	-5.7%	-7.4%	-2.7%	-4.8%	-4.2%	-2.5%	0.1%	-6.1%	-4.2%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
(4) Internal migrants	<b>Total</b>	5,384,553	5,251,717	5,318,617	367,684	339,023	334,441	321,162	355,467	958,776	749,778	405,155	353,114	375,493	383,375	344,877	388,250	341,825	341,345	328,372	360,501	913,555
	YoY	3.4%	-2.5%	1.3%	-9.5%	0.5%	-4.8%	1.6%	-5.1%	1.4%	2.5%	3.7%	0.8%	4.4%	-3.3%	-0.1%	5.6%	0.8%	2.1%	2.2%	1.4%	-4.7%
	<b>Only Japanese</b>	5,041,483	4,880,967	4,893,581	335,112	310,720	307,527	294,816	328,147	905,589	702,058	370,835	321,153	343,419	350,068	310,347	350,369	307,861	308,919	296,517	327,575	860,107
	YoY	2.7%	-3.2%	0.3%	-10.5%	-0.4%	-5.5%	0.8%	-6.1%	0.5%	1.9%	2.8%	-0.5%	3.5%	-4.4%	-1.4%	4.6%	0.9%	0.5%	0.6%	-0.2%	-5.0%
(5) Japan Population	Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
	<b>Total</b>	127,237	127,095	126,933	126,933	126,937	126,918	126,822	126,790	126,755	126,761	126,724	126,766	126,786	126,755	126,678	126,720	126,706	126,720	126,590	126,560	126,520

[Source] (1)(2)Real Estate Economic Institute Co., Ltd. (3)Source : Ministry of Land, Infrastructure, Transport and Tourism (4)(5)Source : Ministry of Internal Affairs and Communications

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