



# FY 2022/9 Shareholder Newsletter

LIFULL Co., Ltd. (Tokyo Stock Exchange Prime Market Code: 2120)

## Notices for General Shareholder Meetings and Shareholder Newsletters Available Online

Beginning in 2021, we now provide notifications for general shareholder meetings and shareholder newsletters in a digital format through our investor information site for environmental reasons.

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### Shareholder Questionnaire

We are currently conducting a survey of shareholders to improve our IR initiatives and would appreciate your support.

(In Japanese)

[Questionnaire](#)

<https://f.msgs.jp/webapp/wish/org/showEnquete.do?enqueteid=20&clientid=13425&databaseid=jwt>

(Deadline Jun 30, 2023)

# Shareholder Newsletter (FY 2022/9)

(October 1, 2021 – September 30, 2022)

## Message from the CEO

### Adjusting Our Focus to Make Our Core Services More Profitable

#### Dear Fellow Shareholders,

During FY 2022/9, we began to see a gradual recovery from the pandemic and the restart of economic activities, but the progression of the weak yen and inflation of material and energy costs has resulted in prices for various goods and services to continue on an upward trend. This unexpected turn has led to a slowdown in economic recovery and prevented a full revival of the real estate sector.

In light of our recent performance, we have made the decision to focus our efforts on our core businesses. As part of this decision, we sold our domestic subsidiary LIFULL Marketing Partners and overseas subsidiary FASHIOLA and ended the year with ¥35.7 billion (-0.4% YoY) in revenue. Operating profit, on the other hand, was ¥1.6 billion with ¥1.1 billion in profit attributable to owners of the parent.

For our Japanese flagship service, LIFULL HOME'S, we have been concentrating our efforts and making proactive investments on the concept of becoming a Super Hyper Assistant for users and real estate professionals to make each step of the home search process more efficient. In the fourth quarter, we began to see some of the effects of the changes we have been making, including an increase in inquiries from highly-motivated users, and will continue to make proactive growth investments to improve profitability of our services.

Overseas, we experienced a decline in revenue from third-party advertising products, such as AdSense, in our aggregation sites. At the same time, the click price for our own premium advertising products reached its highest levels ever, and we will continue to push for recovery in these areas. Also, we acquired Properati and Wasi in order to further grow our real estate portals in Latin America. By combining these services with the enormous network of LIFULL CONNECT, we are providing more value to our client base and increasing overall revenue.

Although we are starting to see some positive results of our investments in our core businesses, revenue has been slightly behind our original expectations, and we decided to sell a portion of our businesses in order to ensure our selective focus. As a result, we have also revised the targets of our Mid-Term Management Plan for FY 2025/9. During FY 2023/9, we project 3.6% growth in revenue and an average two points of annual growth each following year with over ¥5 billion in operating profit by the end of September 2025 - the highest profit level ever for the LIFULL Group. To further motivate our employees towards these goals and ensure that they maintain the same perspective as our shareholders, we have introduced buy-in stock options for executives and employees of LIFULL Co., Ltd. In addition, we have also implemented a share buyback for the benefit of our shareholders and to return the share price to an appropriate level.

Since our founding, we have been guided by our credo of "Altruism" and have been working to find solutions to social issues through our business ventures to ensure that everyone can achieve a LIFE FULL of comfort and happiness. In 2022, we also established our sustainability targets for the sustainable growth of all of our businesses and will continue to further enhance and deepen the details we disclose.

Our society is changing rapidly, but we will not change our ideal of working to give everyone around the world a LIFE FULL of happiness. We will continue our path of selective focus to ensure that we reach the targets we have set in our Mid-Term Management Plan for FY 2025/9. Through these initiatives, we want to continue to strive for sustainable growth as well as the positive development of total shareholder return.

Thank you for your appreciation of our efforts, and we look forward to your continued support.



井上高志

INOUE Takashi  
Nov. 2022

## New Actions This Year

### Starting a transaction-based model through *Rakuten Fudosan*



Our major shareholder, Rakuten Group Inc., operates a real estate portal called **Rakuten Fudosan** (<https://realestate.rakuten.co.jp/>), and all of the listings on this site come from **LIFULL HOME'S** (<https://www.homes.co.jp/>)

In the past, Rakuten Fudosan offered a number of different campaigns in the past with Rakuten Points awarded to users who contacted real estate companies. With our renewal beginning in June 2022, though, we expanded the types of applicable properties from rental, new-build condominiums and houses to also include resale condominiums, houses and even undeveloped lots while also increasing the maximum number of points to 1 million.

## Rakuten 不動産 × LIFULL



<https://realestate.rakuten.co.jp/contents/lp/seiyakupoint/>  
(In Japanese)



### Types of Properties



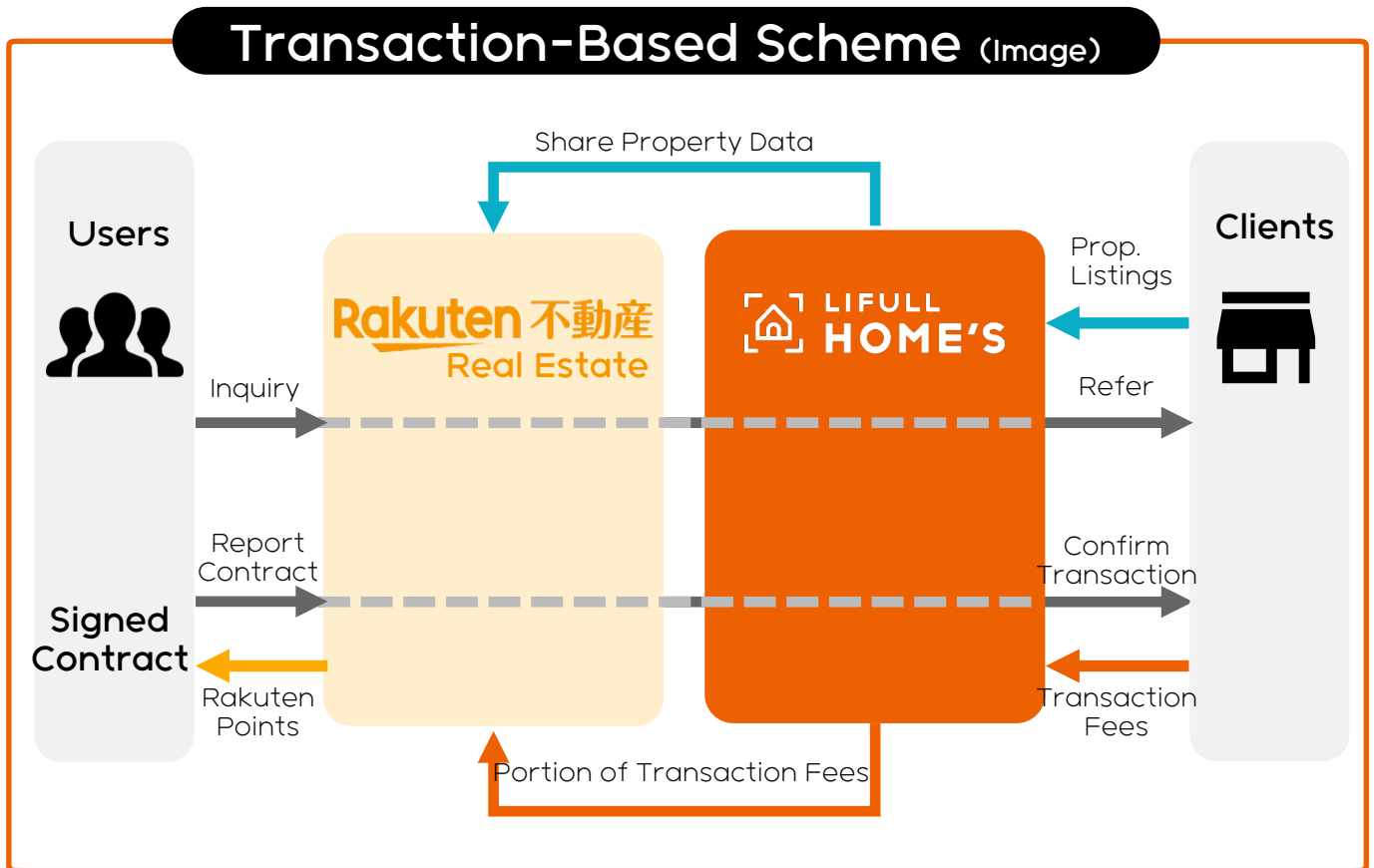
With Rakuten Fudosan, we are rewarding users with Rakuten Points based on the lease or sales contract for perhaps one of the largest purchases of their lives. They can then use those points to purchase furniture or other items they will need for their new homes.

Through this collaboration, we are providing real estate professionals with the option to select a transaction based fee plan, instead of our existing listing or inquiry-based plans, and expect this to lead to higher satisfaction with our pricing models.\*

We believe that by increasing the value of the leads that we provide will promote revenue growth for us in the future while also giving us access to transaction information - which had been elusive in the past. We will also utilize this detailed information to further improve our services and develop new opportunities in the future.

\* Real estate professionals will need to register for a Rakuten Fudosan transaction-based plan.

## New Actions This Year – 2 –



### The LIFULL HOME'S Vision

Currently we are expanding the information available on LIFULL HOME'S and developing a number of new features while also enhancing the personal services of our consultation service, *Sumai No Madoguchi*. With these changes, we are not only helping users to find the right home more easily, we are also transforming ourselves into a comprehensive support service to help users settle into their new lives.

Of course, the quantity and quality of the information we provide are important, but we also want to help organize the wants and needs of home-seekers to better support them in finding the right home. These action, however, are not just for the benefit of our users. We believe that they will also contribute to the efficiency of our client real estate professionals.

By helping more people find the right place to live, we are working to make LIFULL HOME'S an indispensable service for moving and continue to increase the scope of our businesses.

## Results of the Shareholder Questionnaire (FY 2021/9)

The following are a selection of the responses from our questionnaire from the previous year (FY 2021/9.)

We greatly appreciate your cooperation and will use the responses to improve our Investor Relations support and services.

### Responses From Our Shareholders

**Q. Please make it possible to pose questions at online shareholder meetings.**

**A.** In order to prevent the spread of COVID-19, we decided to hold hybrid general shareholder meetings in 2020 and 2021. In 2022, however, the meeting is scheduled to be held exclusively online (with the option of exercising voting rights during the meeting.)  
 For shareholders attending the online this year, it will be possible to submit text-based questions. (Please review the Manual for the 28th Annual Meeting of Shareholders and Strategy Briefing Presentation available on our Investor Information website.)  
 We will review the results of the online meeting and the opinions of our shareholders to ensure that future meetings are held in optimal fashion.

**Q. The share price is low right now. Consider ways to improve the share price.**

**A.** Although our share price is subject to the condition of the market, we will continue to make every effort to ensure that we provide appropriate information in a timely manner.  
 Additionally, we implemented a share buy-back in November of 2022 after make a comprehensive analysis of our business environment, performance and financial situation. Moving forward, we will continue to maintain a flexible position to consider and take measures to ensure a fair share price according to market and performance trends.

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**Questionnaire**

(in Japanese)

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(Deadline: We request that you reply by June 30, 2023)

### IR Team Contact Information



IR Site Japanese <https://ir.LIFULL.com/>

English <https://ir.LIFULL.com/en/>



E-mail [ir@LIFULL.com](mailto:ir@LIFULL.com)


TEL 03-6774-1603  
(Weekdays 10:00~18:00 JST)

# Shareholder Meeting Documents Are Moving Online

We will provide electronic versions of shareholder meeting documents according in compliance with legal revisions


As of March 2023, we will make materials for shareholder meetings that were originally only in paper form available online. Shareholders will be able to check materials via the website provided in the written notice.

### Past



Ballot


+



Meeting Documents


Paper

### Now




Ballot

+



Notice

Paper



Meeting Documents

Online

## For Shareholders Without Internet Access

Please apply to receive materials in paper form after **September 1, 2022**

### Q. How do I request paper-based documents?

Shareholders without access to the internet can apply to receive materials in paper form.

Even if you do not apply, we will still mail out a notification with the URL and other details.

### Q. What is the deadline to apply for paper-based documents?

We must receive your request by the deadline for the general shareholders' meeting.

Processing requests can take up to two weeks.

### Q. How do I apply?

Please contact the securities firm where you hold an account. If you are making a request through the shareholder registry, you will need to contact each individual company of which you hold shares.

### Questions or Other Inquiries

Sumitomo Mitsui Trust Bank



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<https://www.smtb.jp/english/sale/asset/about-us>

