LIFULL Co., Ltd.

Quarterly Results IFRS

FY2020/9 Quarter 3
(October 2019 – June 2020)

Disclaimer

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

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   (Response to COVID-19)
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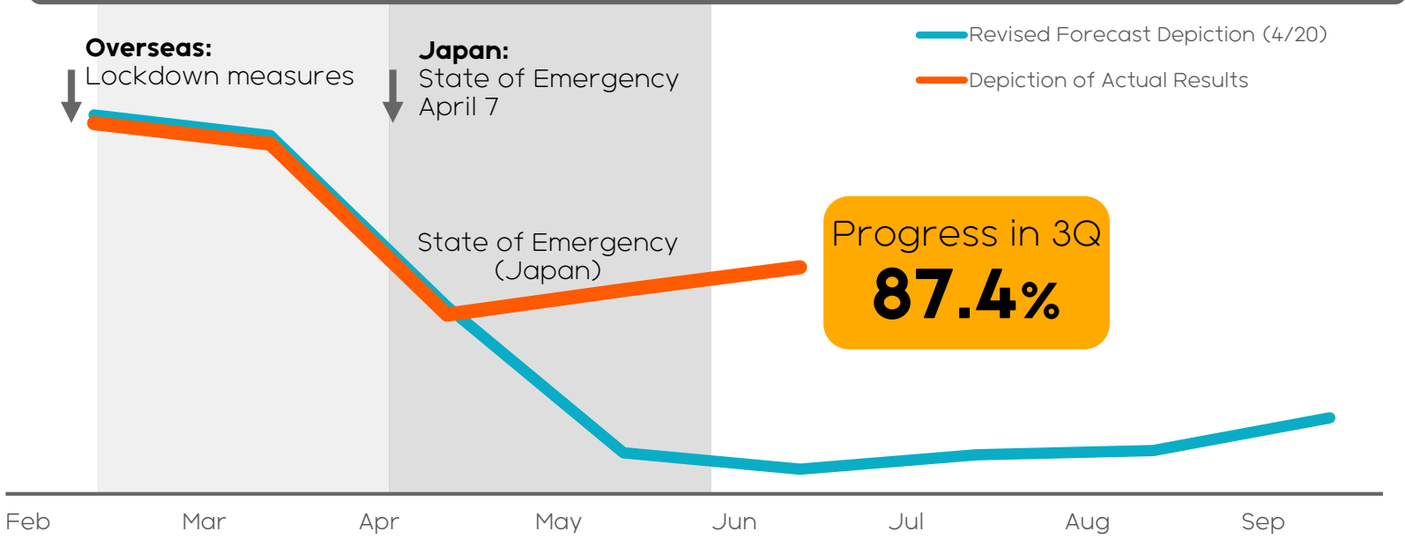
LIFULL

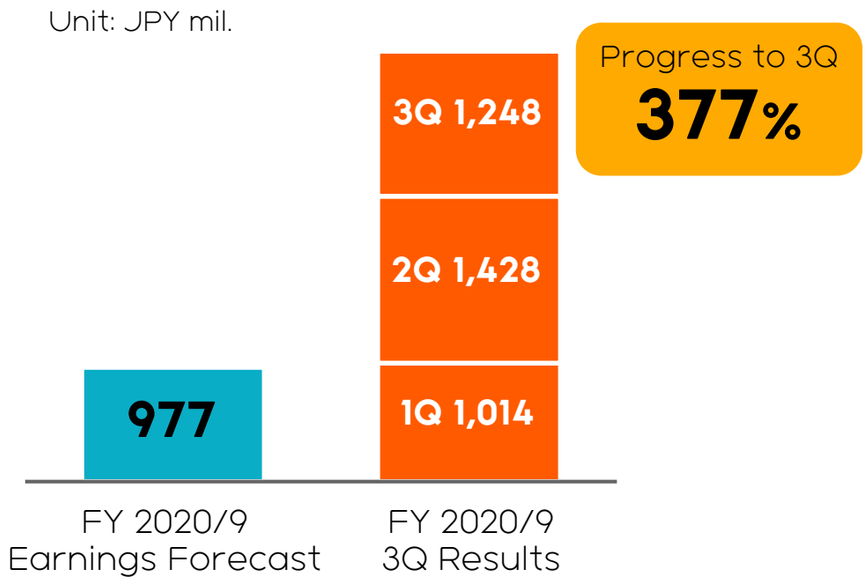
Progress Toward the Earnings Forecast

Steady increases in revenue and profit. Working toward reaching targets while paying attention to domestic and overseas markets and current business results.

Sales Revenue



Operating Earnings



Result Forecast (Revised on April 20, 2020)

Result forecast revised according to a worst-case scenario in which lockdown measures and limited business activities continue until the end of September.
(Conditions identical to April 20)

COVID-19 Effects During and After the Third Quarter

Japan: State of Emergency lifted on May 27. Infections increasing from mid-July.

Overseas: Lockdowns easing from May. Travel restrictions lifted on June 15 in the EU.
Some regions experiencing increased infections and restriction measures.

Current results have exceeded revenue and profit forecasts, but the COVID-19 pandemic continues to render the current situation unpredictable.

We will continue to monitor results and make adjustments as necessary throughout August.

FY 2020/9

Third Quarter Financial Results

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Condensed Statements of Income and Loss IFRS

Revenue: -8.4% YoY EBITDA: +21.7% YoY Net Profit: +14.1% YoY

Unit: JPY mil.	FY2019 Q3(Oct.-Jun.)	FY2020 Q3(Oct.-Jun.)	Change	Change %	
Revenue	**29,352**	**26,892**	**-2,460**	**-8.4%**	*1
Cost of revenue	**3,342**	**3,143**	**-198**	**-5.9%**	*2
SG&A (excl. depreciation and amortization)	**21,855**	**18,580**	**-3,274**	**-15.0%**	
Personnel expenses	6,273	6,175	-98	-1.6%	*3
Advertising expenses	10,020	8,327	-1,693	-16.9%	*4
Operating expenses	634	358	-276	-43.6%	*5
Other	4,925	3,720	-1,205	-24.5%	*6
Other income and expenses	**101**	**12**	**-89**	**-88.1%**	*7
EBITDA	**4,256**	**5,180**	**+923**	**+21.7%**	*8
EBITDA margin	**14.5%**	**19.3%**	**+4.8pt**	**-**	
Net profit*	**2,036**	**2,323**	**+287**	**+14.1%**	
Depreciation and amortization	**873**	**1,493**	**+620**	**+71.1%**	*9

* Net profit attributable to owners of the parent

*1 Refer to segment revenue
*2 Due to decreased revenue in LMP from effects of COVID-19
*3 Average headcount increased by 120 in overseas subsidiaries due to consolidation of Mitula and RESEM (9-month average), but decrease due to adjustment of bonus
*4 Advertising investment budget adjusted in regard to the revised earnings forecast
*5 Primarily due to decreases in promotion costs resulting from the revised earnings forecast
*6 Mainly due to one-off costs for the acquisition of Mitula in the previous FY and reclassification of Leases in the adoption of IFRS 16 in the current FY
*7 Due to revenue from sale of shares during the transfer of the advertising business (LHL)
*8 Without regard to the transition to IFRS 16, EBITDA would be JPY 4,457 mil.
*9 Increases mainly from acquisition of Mitula and the adoption of IFRS 16

Revenue and Income and Loss by Segment IFRS

Revenue was down due to the effects of COVID-19, but still making progress above the revised forecast
Increased profit in HOME'S Services segment through effective cost control

Unit: JPY mil.	FY2019 Q3 Oct.-Jun.	FY2020 Q3 Oct.-Jun.	Change	Change %	Main items
Revenue	**29,352**	**26,892**	**-2,460**	**-8.4%**	
HOME'S Services	22,325	20,483	-1,842	-8.3%	YoY decreases in revenue due to effects of COVID-19 with some recovery after lifting the state of emergency in Japan
Overseas	5,514	4,999	-515	-9.3%	Progress made toward budget after revisions resulting from effects of COVID-19 (See page 10)
Others	1,512	1,409	-102	-6.8%	Revenue decrease due to transfer of insurance and advertising business (LHL) in Dec. 2018

Unit: JPY mil.	FY2019 Q3 Oct.-Jun.	FY2020 Q3 Oct.-Jun.	Change	Change %	Main items
Segment income and loss	**3,282**	**3,674**	**+392**	**+12.0%**	
HOME'S Services	2,779	3,572	+792	+28.5%	Increases in profit due to cost control from revisions to investment plans
Overseas	699	386	-313	-44.8%	Reduced profit from decreases in revenue despite cost reductions
Others	-218	-277	-59	-	Transfer of the insurance and advertising business (LHL) in Dec. 2018
Inter-segment transactions	20	-6	-27	-	

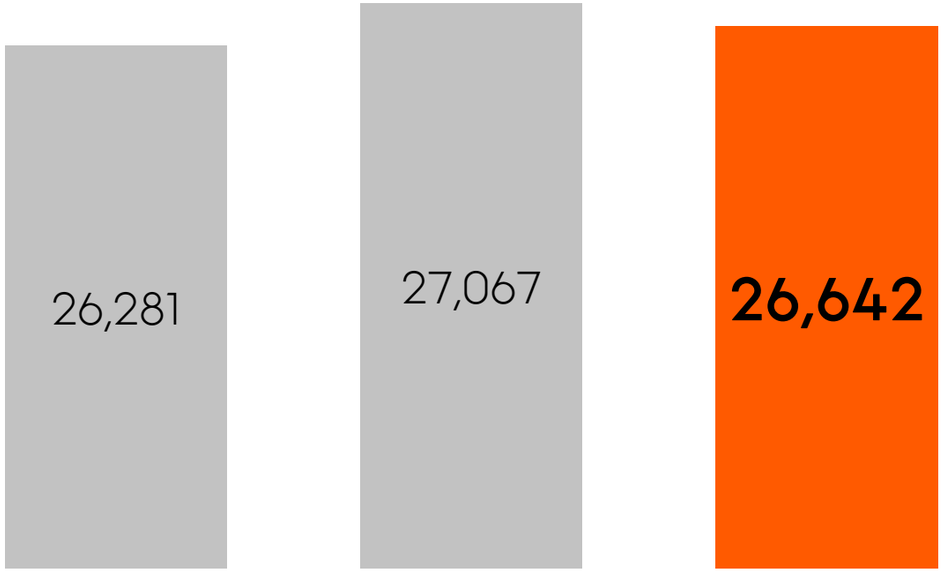
Primary businesses in each segment are listed on Page 28
The % Change values for negative results in the current previous periods have been left blank

Key Performance Indicators Client Network and ARPA

Increases seen in total client numbers from January despite the decrease in the 9-month average (see page 12). Effects of the COVID-19 pandemic and reduced fees for clients temporarily suspending service during the state of emergency in Japan have had a negative impact on ARPA.

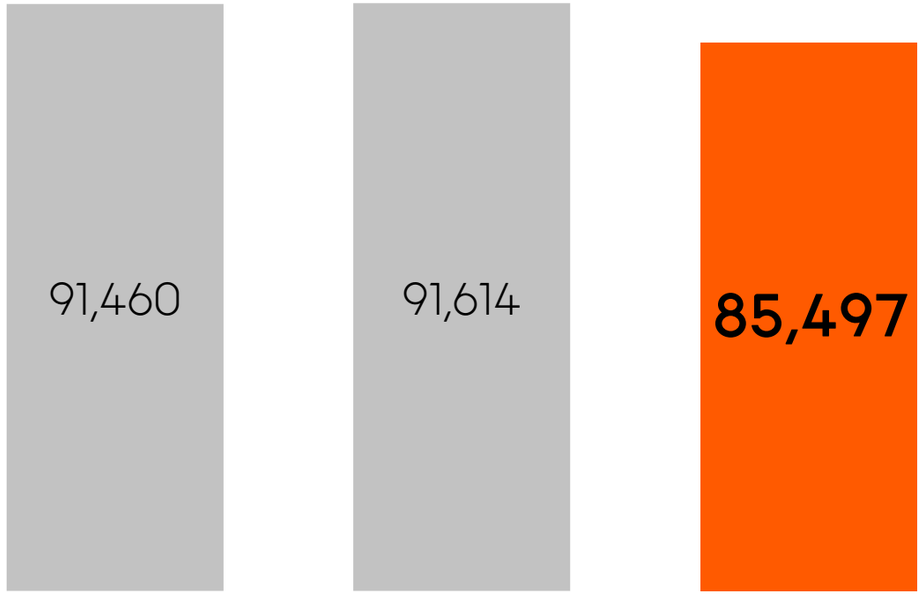
9-Month Average

Client Network



9-Month Average

ARPA (JPY)



Calculations until FY 2019/09 only included the number of clients with charges in the current month. However, due to the partial change of the pricing structure implemented in the first quarter of the current fiscal year, we have changed this number to reflect all clients and have adjusted the values for the previous years.

Condensed Statement of Financial Position and Goodwill IFRS

Under IFRS 16, Operating Leases have been reclassified as Right-of-Use Assets
Borrowing increased by 5 billion yen to solidify the financial base against an unforeseeable future

Unit: JPY mil.	As of Sep 30, 2019	As of Jun 30, 2020	Change	Change %	Main items		
Current assets	16,154	**22,065**	+5,910	+36.6%	Cash	+5,994	Refer to "Condensed Statement of Cash Flows"
					Accounts Receivable	-949	
					Works-In-Progress	+172	Primarily Regional Revitalization activities (LSF)
					Suspense Accounts	+498	For the repurchase of treasury shares
					Income Taxes Receivable	+145	Primarily tax adjustments for overseas subsidiaries
Non-current assets	27,517	**32,550**	+5,032	+18.3%	Buildings	+311	Primarily Regional Revitalization activities (LSF)
					Building Installations	-134	
					Right-of-Use Assets	+4,700	Transition to IFRS 16
					Goodwill	+460	Fluctuations in foreign currency exchange rates
					Other Intangible Fixed Assets	-141	
					Investment Securities	-98	
					Shares of Associated Companies	-135	
					Long-Term Loans Receivable	+304	Primarily Regional Revitalization activities (LSF)
Assets	**43,672**	**54,616**	**+10,943**	**+25.1%**			
Current liabilities	9,485	**14,047**	+4,561	+48.1%	Accounts Payable - Trade	-213	
					Short-Term Loans Payable	+5,000	Transfer from long-term loans payable and new borrowings
					Lease Obligations	+830	Transition to IFRS 16
					Accounts Payable - Other	-1,002	Primarily from reductions in advertising spending
					Income Taxes Payable	+88	
					Consumption Taxes Payable	+243	Reduction of interim payment
					Provisions for Bonuses	-292	Revisions to bonus payments
Non-current liabilities	1,559	**5,925**	+4,366	+280.0%	Long-Term Loans Payable	+584	Primarily due to new borrowings
					Long-Term Lease Obligations	+3,863	Transition to IFRS 16
Liabilities	**11,045**	**19,972**	**+8,927**	**+80.8%**			
Total Equity	**32,627**	**34,643**	**+2,015**	**+6.2%**	Capital Surplus	+1,917	
					Treasury Shares	-522	
					Foreign Currency Translation Adjustm.	+542	Fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	**242.62**	**259.90**	**+17.28**				

Remaining goodwill (in JPY): Littel 86 mil., Trovit 8,356 mil., Mitula 10,404 mil., RESEM 1,129 mil., LIFULL Marketing Partners 251 mil., LIFULL Tech Vietnam 89 mil.
Trovit, Mitula and LIFULL Marketing Partners PPA 1,113 mil.

Condensed Statement of Cash Flow IFRS

7.2 billion yen in loans to solidify the financial base against an unforeseeable future
Free cash flow increased by 2.63 billion yen resulting in cash and cash equivalents at 15.2 billion

Unit: JPY mil.	FY2019 Q3 Oct.-Jun.	FY2020 Q3 Oct.-Jun.	Change	Main items: Items	FY2019 Q3	FY2020 Q3
Operating cash flow	1,299	3,170	+1,870	Profit for the period before tax	+3,150	+3,445
				Depreciation and amortization	+891	+1,507
				Impairment loss	+298	-
				Increase/decrease in accounts receivable-trade and other current receivables	-201	+1,180
				Increase/decrease in accounts payable-trade and other current payables	-315	-1,331
				Other	-429	-358
				Tax payments	-2,104	-1,289
Investing cash flow	-2,332	-538	+1,794	Purchase of financial instrument assets	-	+505
				Purchase of financial instrument assets	-93	-68
				Purchase of property, plant and equipment	-141	-480
				Purchase of intangible assets	-254	-234
				Purchase of shares of related companies	-70	-
				Purchase of shares of subsidiaries	-1,645	-
				Proceeds from sale of shares of subsidiaries	+473	-
				Payment of loans receivable	-773	-727
				Proceeds from collection of loans receivable	+258	+468
				Other	-86	-1
Financing cash flow	2,638	3,332	+694	Proceeds from loans	+3,600	+9,398
				Repayments of loans	-200	-3,813
				Dividends paid	-714	-590
				Repayment of lease obligations	-3	-670
				Proceeds from share issuance to non-controlling interests	-	+31
				Repurchase of treasury shares	-0	-522
				Deposit for the repurchase of treasury shares	-	-497
Change in cash and cash equivalents	1,341	5,994	-			
Balance of cash and cash equivalents	8,912	15,233	+6,320			

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Completion of the Repurchase of Treasury Shares

The share buyback decided at the Board of Directors meeting on May 14 was completed on August 4.
(Per Agreement)

Reasons

Enhance shareholder returns

Improve capital efficiency

Support a flexible capital strategy

(Ref.) Treasury Shares
(As of Mar. 31, 2020)

Outstanding Shares	134,239,870
Treasury Shares	74,587

Details of Repurchase

(Ref.) May 14 Release	As of August 4 (Per Agreement)
Total Shares **3,000,000** Shares (Max.)	**Acquired Shares** **2,383,500** Shares 1.78% of Shares Outstanding
Aggregate Purchase Price JPY **1 bil.** (Max.)	**Purchase Price** JPY **999,994,400**

Method of Purchase Market purchase based on discretional trading contract

Progress Toward FY2020/9 Forecast IFRS

Condensed Statements of Income and Loss

Unit: JPY mil.	FY2020 Oct.-Sep. [Full-Year Forecast]	FY2020 Q3 Oct.-Jun. [Actual]	Progress
Revenue	**30,760**	**26,892**	**87.4%**
Cost of revenue	**3,639**	**3,143**	**86.4%**
SG&A (excl. depreciatio	**24,062**	**18,580**	**77.2%**
Personnel expenses	8,405	6,175	73.5%
Advertising expenses	9,742	8,327	85.5%
Operating expenses	667	358	53.7%
Other	5,246	3,720	70.9%
Other revenues and expenses	**-90**	**12**	**-**
EBITDA	**2,968**	**5,180**	**174.5%**
EBITDA margin	**9.6%**	**19.3%**	**-**
Net profit*	**269**	**2,323**	**863.6%**

Revenue by Service

Unit: JPY mil.	FY2020 Oct.-Sep. [Full-year forecast]	FY2020 Q3 Oct.-Jun. [Actual]	Progress
Revenue	**30,760**	**26,892**	**87.4%**
HOME'S Services	22,969	20,483	89.2%
Overseas	5,826	4,999	85.8%
Others	1,964	1,409	71.7%

1 Progress toward the revised forecast announced on April 20, 2020
2 1 EUR calculated at JPY 120 (adjusted from JPY 118)

*Net Profit: Profit attributable to owners of the parent

Actions in the Third Quarter

(Response to COVID-19)

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Growth in the LIFULL HOME'S Client Network

Support offered for real estate companies voluntarily suspending business activities during the state of emergency. Maintaining steady growth in the client network through stronger sales measures.

Support for Real Estate Companies During the State of Emergency

Reduced fees for real estate companies temporarily closing or suspending their businesses during the state of emergency

Period

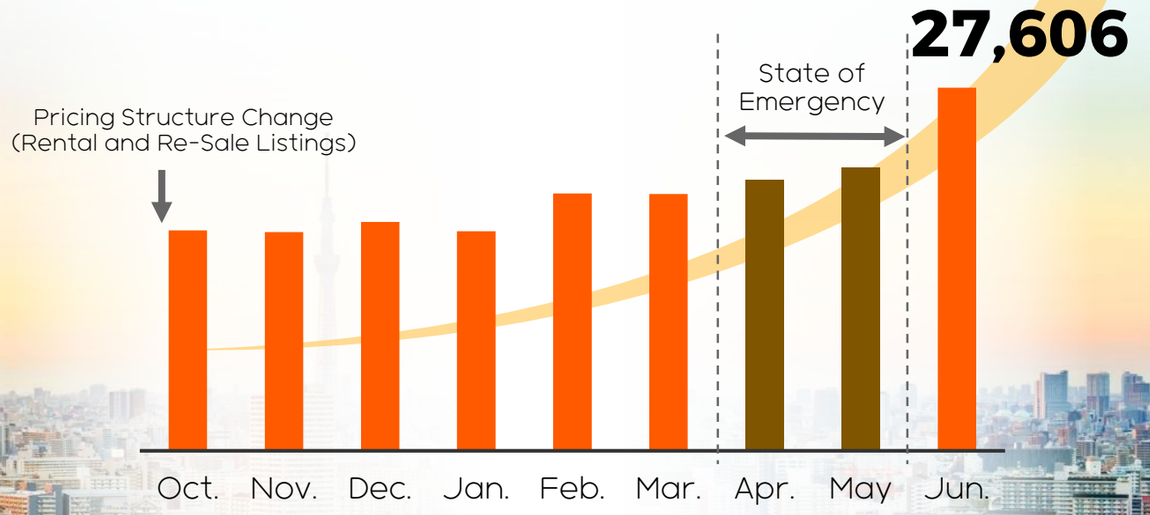
During the state of emergency by region (April 7 or April 17 – May 31)

Applicable Services

- Property listings
- Inquiries
- Monthly optional services

Less than 2% of clients requested to suspend service and nearly all restarted in June

Client Network Growth



Increased sales initiatives resulting in **continuous growth** from October 2019

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User Support During Stay-At-Home Orders LIFULL HOME'S *Sumai No Madoguchi*

Although offices closed during the state of emergency, support via various communication channels (video calls, telephone, e-mail) increased for a growing number of consultations.

Support During the State of Emergency

- Temporary closure of all offices during April and May
- Increased staff to take on more online consultations

Tel. | E-mail | LINE

Video Calls

Video calls have become more common through the COVID-19 pandemic

Offices partially reopening from June

More online and offline consultations

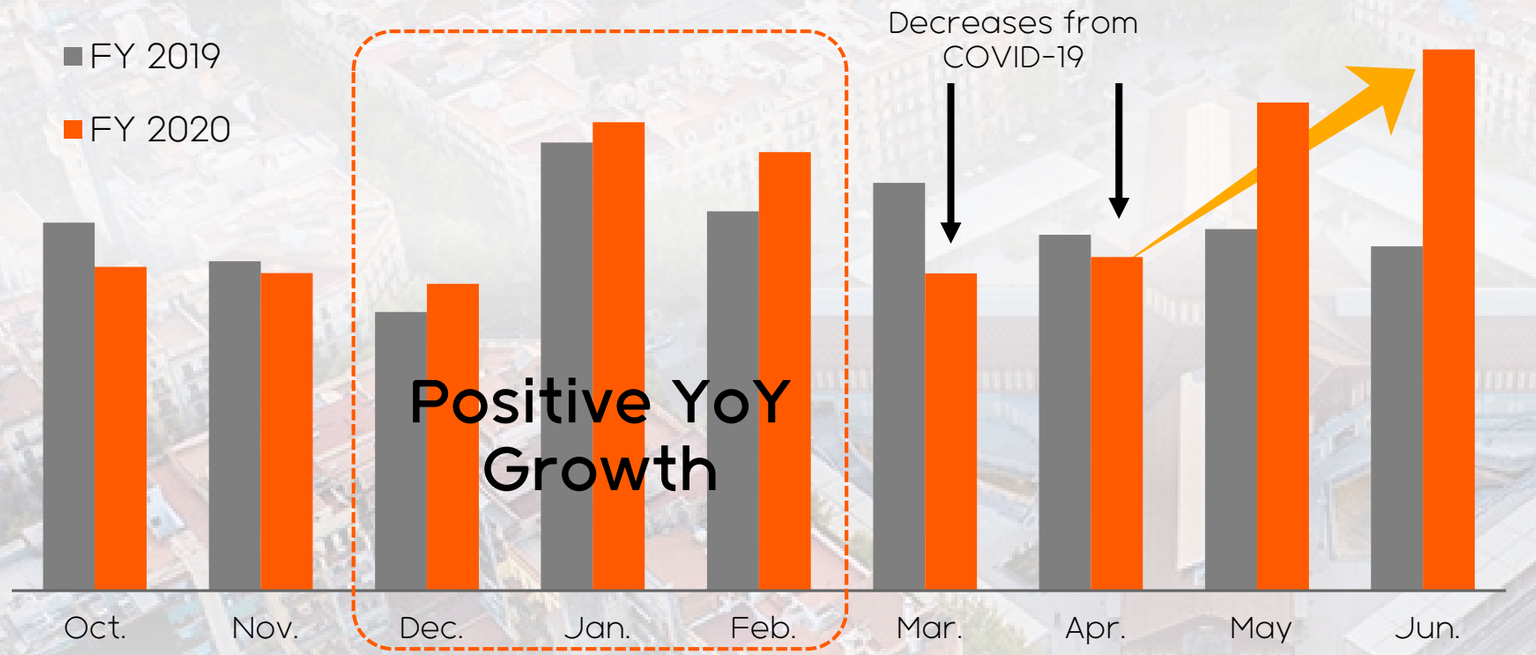
Sumai No Madoguchi | Search

https://www.homes.co.jp/counter/

Sumai No Madoguchi (Housing Counter)
A multichannel consultation service to assist users who are not sure how to begin their house-hunting process.

Traffic Trends in the Overseas Segment

Decreases in traffic seen while lockdown measures were in place in key regions with strong recovery from May.
Steady growth from organic search engine traffic.



Steady growth from
improved SEO
results across brands
(Disregarding temporary effects of COVID-19)

trovit Mitula nestoria nuroa

Innovating the Search for a New Home

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Questionnaire on Home-Seeker Behavior during COVID-19 (#2)

Conducted a second questionnaire in June on the current mindset of users planning to move house.
Discovered an increase in the number of users planning a move and anticipation of online support.

Q: Are you currently planning to move house / build a house?

Q: What was initiated your decision to move? (Multiple answers)

1 **Unhappy with current home** (Too small, old, etc.) **27.1%**

2 Child-related (Birth, school, etc.) **22.8%**

3 Relationship (Marriage, moving in with partner) **18.2%**

Primarily personal changes

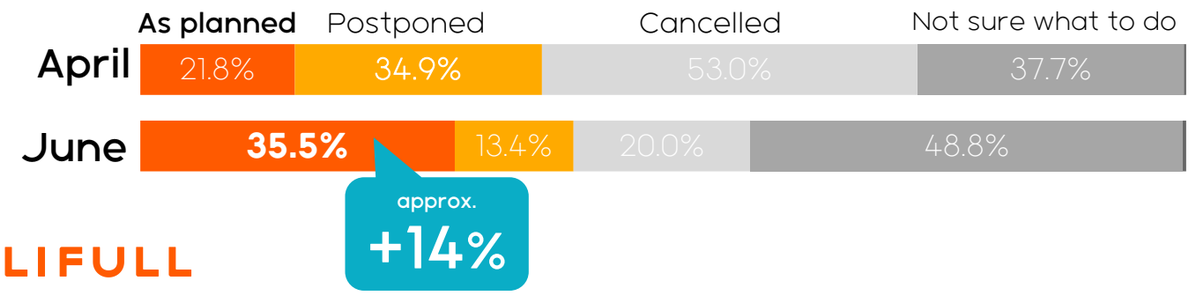
Due to COVID-19

16 Lifestyle changes **3.7%**

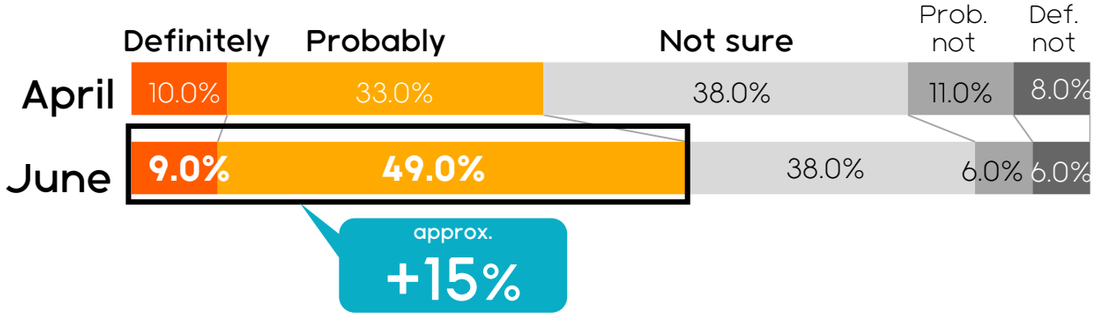
17 Change of Plans **3.5%**

18 Change in Financial Situation **3.1%**

Q: What are your current plans?



Q: If realtors would offer the option for online consultations, viewings and paperwork, would you have continued looking for a new place to live? (Of users who postponed their moving plans)



Detailed Results https://lifull.com/news/17945/ (in Japanese)

Personal changes continue to be driving factors in the decision to move house.

Users continue to request online moving support (consultations, viewings and paperwork.)

Overview (Online Questionnaire)
Timeframe: June 12 – 17, 2020
Area: Japan (nationwide)
Participants: Men and women between 17 – 49 years old
Responses: 40,000

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Online Support for Home-Seekers LIFULL HOME'S LIVE

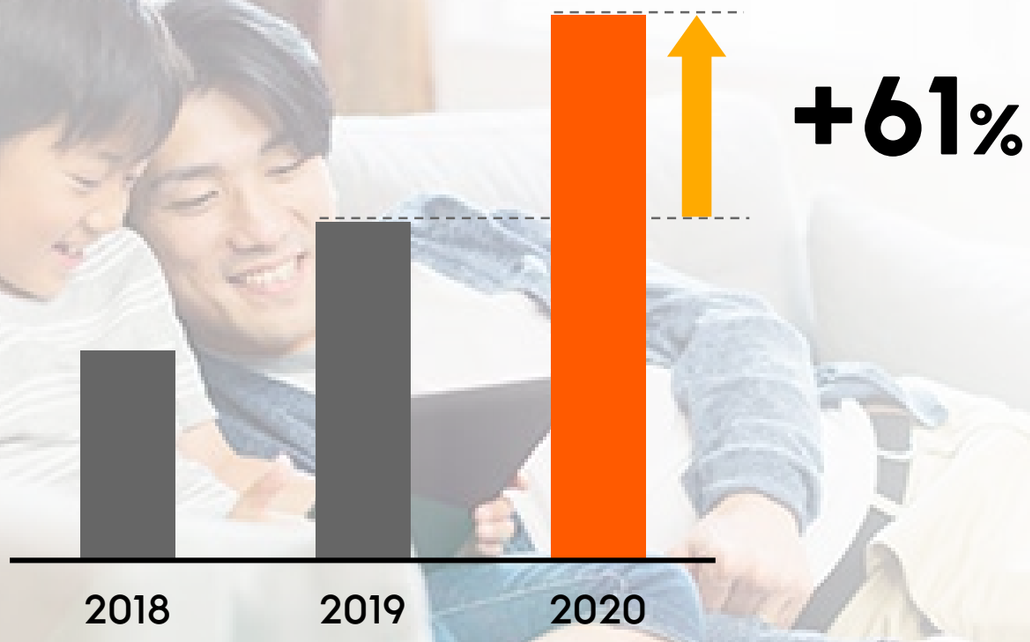
Extension of free service period[1,2] of LIFULL HOME'S LIVE. Broader use due to reduced face-to-face transactions during the COVID-19 pandemic.

Online Support Provided

(Consultations, Viewings and Disclosures)

via **LIFULL HOME'S LIVE**

(Jan. – Jun. Total)



LIFULL HOME'S LIVE

free of charge for members

Until September, 2020[1,2]

via online video chat

Consultations | Viewings | Disclosures[3]

1 Eligibility: LIFULL HOME'S Members who submit new applications for the online consultation, viewing, and disclosure service during the below period
2 Period: Scheduled for mid-March 2020 to the end of September
3 Disclosures: Japanese law requires a verbal and written disclosure statement compiled and performed by a license realtor about properties before they can be bought, sold or rented

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

Expanding the Real Estate Investment Market

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Kenbiya Acquired in July to Boost the Real Estate Investment Area

Two real estate investment sites started in the 2000s, but developed with complementary strengths.

健美家. KENBIYA

https://www.kenbiya.com/

Large-Scale Japanese Real Estate Investment Listing Sites

×

LIFULL HOME'S | 不動産投資 Investment Properties

https://toushi.homes.co.jp/

Active Community of Real Estate Investors

Support for New Real Estate Investors

Site Characteristics

	Kenbiya	LIFULL HOME'S
	Over 40,000 Listings	Over 50,000 Listings
Clients	Focused on investment property agents	Diverse network of agents
User Base	Experienced real estate investors	Beginner investors via SEO

Kenbiya Company Overview

Name :	**Kenbiya Co., Ltd.**
Head Office :	Minato-ku, Tokyo
Founded :	April 2004
Capital :	JPY 10 million
Primary Business :	Operation of the real estate investment and property listing website Kenbiya

Directors (No Changes)

Representative Director and President

Keiichi Kurauchi

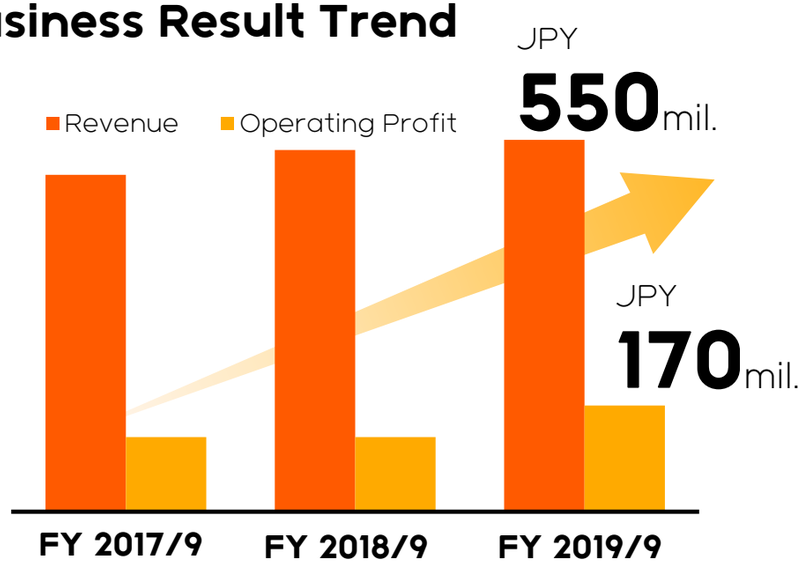
1998	**Recruit Holdings** Housing segment (Rental, Resale, Condominium)
2006	Renovation and sales of investment properties for a real estate company
2008	**Kenbiya Co., Ltd.**
2011	Assumed director position
2012	Assumed position as president

Representative Director and Chairperson

Tomoaki Hagiwara

1998	**Oracle Japan** Accounting software development
1999	**DeNA** Original member of auction system development group
2003	Attended a real estate investment seminar and began investing
2004	**Founded Kenbiya** (incorporated in 2005)
2012	Assumed position as chairman

Business Result Trend



High profitability due to efficient management

Maintaining revenue and profitability

Acquisition Method

Complete acquisition by share transfer

Acquisition Remuneration

JPY 1.33 billion

Strategy for the Real Estate Investment Sector

Becoming the leader in investment property listings while combining the client and users networks of both sites to boost overall value.

健美家. KENBIYA

Over **80,000**
Combined Listings

User Network
Real Estate Client Network
Seminars and Marketing

LIFULL HOME'S | 不動産投資 Investment Properties

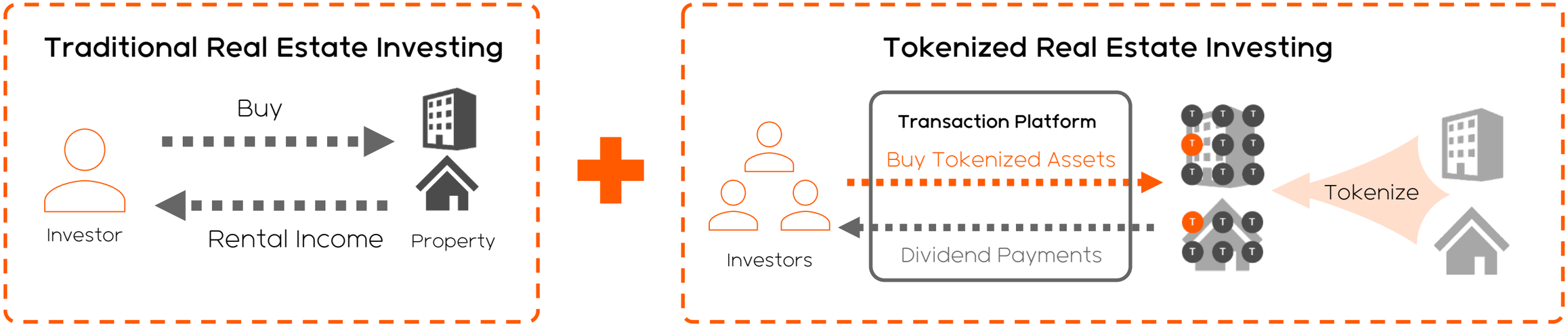
Becoming the leading website for real estate investment in Japan

Complete and transparent information to give investors peace of mind

Explore new technologies and services using the extensive data, client and user networks

Expanding the Real Estate Investment Market

Invested in InvestaX, specializing in issuing security tokens for real estate assets and facilitating transactions. Making progress toward a global real estate investment platform using blockchain technology.



Increase liquidity and boost the market through the tokenization of real estate assets

LIFULL Group

LIFULL Social Funding

STO Test
As an effort to alleviate the social issue of vacant houses in Japan, LIFULL has run tests using STOs and blockchain technology raise the funds required for renovation while automating the transaction and improving transparency.

External Investments

NEW !

Bit of Property

Operator of a blockchain investment service for Estonian real estate. Investments initiated in April 2018 to gain insight into tokenized real estate platforms.

InvestaX

Providing end-to-end solutions to issue tokens and facilitate transactions and custody of real estate and private equity. Investments initiated in July 2020.

STO (Security Token Offering)
Management of tokenized digital securities, known as security tokens, on the blockchain.

LIFULL Group

Make every LIFE FULL

Appendices

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Corporate Information (as of June 30, 2020)

Company	LIFULL Co., Ltd.
Stock code	2120 (TSE 1st Section)
Representative	Takashi Inoue, President and CEO
History	Mar. 12, 1997 Established Oct. 2006 Listed in TSE, Mother's Section Mar. 2010 Listed on TSE 1st Section
Capital	JPY 9,716 mil.
Stock issues	134,239,870 shares (incl. 1,312,669 shares of treasury stock)
Consol. number of employees	1,456 (incl. 199 temporary and 353 overseas)
Major shareholder	LIFULL Directors, Rakuten, Inc. (17.7%)
Main subsidiaries (stake)	LIFULL CONNECT, S.L.U. (100%) LIFULL Marketing Partners (100%)

President and CEO **Takashi Inoue**

Head Office
Chiyoda-ku, Tokyo, Japan

LIFULL HOME'S Real Estate and Housing Information Site

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

- One of the largest real estate listing sites in Japan
- Apart from property listings, LIFULL HOME'S also features an in-house Quality Screening Team to ensure the reliability of listing information.
- Constantly evolving, the site has been optimized for smart devices to provide the best possible search experience for users.

- Search by city, train line, station or time to destination
- Filters including "No Deposit," "Pets Allowed"
- Select and compare multiple properties
- To-do lists, new property notifications and other extensive support services

LIFULL HOME' S
iOS・Android Apps

Primary Group Companies

(Listed according to date of founding / acquisition)

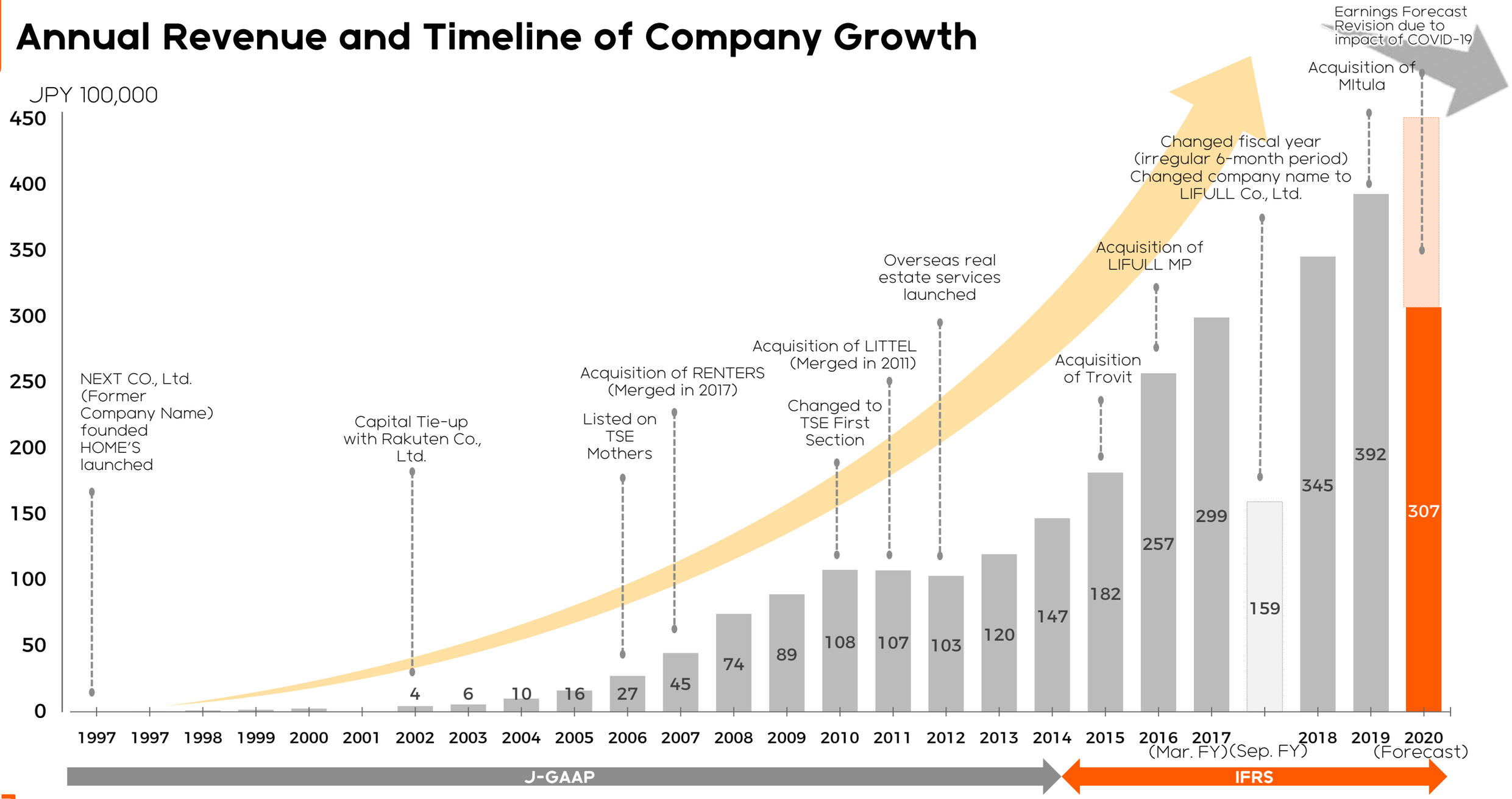
PT. LIFULL MEDIA INDONESIA[1]	• Planning and operation of the real estate and housing information website, LIFULL Rumah • Planning and operation of the service for Japanese resident officers assigned to Jakarta, LIFULL Concierge
LIFULL Marketing Partners Co., Ltd.	• Internet marketing for real estate and related business operators
LIFULL senior Co., Ltd.	• Operation of one of the largest search engines for nursing homes and senior housing in Japan, LIFULL Nursing Care • Operation of the search site "Minna no ihinseri" for companies which organize the possessions of the deceased
LIFULL MOVE Co., Ltd.	• Operation of the moving company price estimate and reservation website, LIFULL Hikkoshi
LIFULL SPACE Co., Ltd.	• Operation of one of the largest search engines for storage space in Japan, LIFULL Trunk Room • Operation of a search site for rental meeting rooms and other spaces, LIFULL Rental Space
LIFULL bizas Co., Ltd.	• Contractor for clerical work and other back-office operations • Contractor for call center operations
LIFULL Social Funding Co., Ltd.	• Operation of the crowdfunding platforms, LIFULL Social Funding • Operation of the LIFULL Regional Revitalization Fund
LIFULL Tech Vietnam Co., Ltd.	• Offshore, lab-type, software and application development as well as creative production
Rakuten LIFULL STAY, Inc.[1,2]	• Operation of vacation rental platforms
LIFULL CONNECT, S.L.U.	• Operation of aggregation sites for real estate, job listings, used vehicles and fashion aggregation sites as well as portals
LIFULL ArchiTech Co., Ltd.	• Research and development on construction and living environments; management of patents
Kenbiya Co., Ltd.	• Operation of the real estate investment site Kenbiya

1 Affiliated company accounted for by the equity-method
2 Joint venture with Rakuten Inc. RAKUTEN LIFULL STAY PTE. LTD. founded in March 2017 as a wholly owned subsidiary

Segments and Primary Services

Segments	Main services
HOME'S Services Business	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd. Kenbiya (Kenbiya Co., Ltd.)
Overseas Businesses	Trovit (LIFULL CONNECT) Mitula (LIFULL CONNECT) Nestoria (LIFULL CONNECT) RESEM (LIFULL CONNECT) Dot Property (LIFULL CONNECT) LIFULL Tech Vietnam Co., Ltd. (App Development) Other subsidiary services of LIFULL CONNECT
Other Businesses	LIFULL *Kaigo* (nursing care) (LIFULL senior Co., Ltd.) LIFULL *Hikkoshi* (moving) (LIFULL MOVE Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) Regional Revitalization Business LIFULL Social Funding Co., Ltd. LIFULL ArchiTech Co., Ltd. Other LIFULL subsidiaries and new services

Annual Revenue and Timeline of Company Growth



LIFULL

Revised Earnings Forecast for FY 2020/09 IFRS

Revised Earnings Forecast disclosed on April 20, 2020
(https://lifull.com/wp-content/uploads/2020/04/release_20200420_en_revision.pdf)

Condensed Statemants of Income and Loss

Unit: Millions of yen	FY2020 Oct.-Sep. [Original Full-Year Forecast]	FY2020 Oct.-Sep. [Revised Full-Year Forecast]	Change	Change %
Revenue	**45,193**	**30,760**	**-14,432**	**-31.9%**
Cost of revenue	**5,171**	**3,639**	**-1,531**	**-29.6%**
SG&A (excl. depreciation)	**31,863**	**24,062**	**-7,800**	**-24.5%**
Personnel expenses	10,557	**8,405**	-2,151	-20.4%
Advertising expenses	13,591	**9,742**	-3,849	-28.3%
Operating expenses	1,018	**667**	-351	-34.5%
Other	6,695	**5,246**	-1,449	-21.6%
Other revenues and expenses	**-37**	**-90**	**-52**	**-**
EBITDA	**8,121**	**2,968**	**-5,152**	**-63.5%**
EBITDA margin	**+18.0%**	**+9.6%**	**-8.3pt**	**-**
Net profit*	**4,153**	**269**	**-3,884**	**-93.5%**

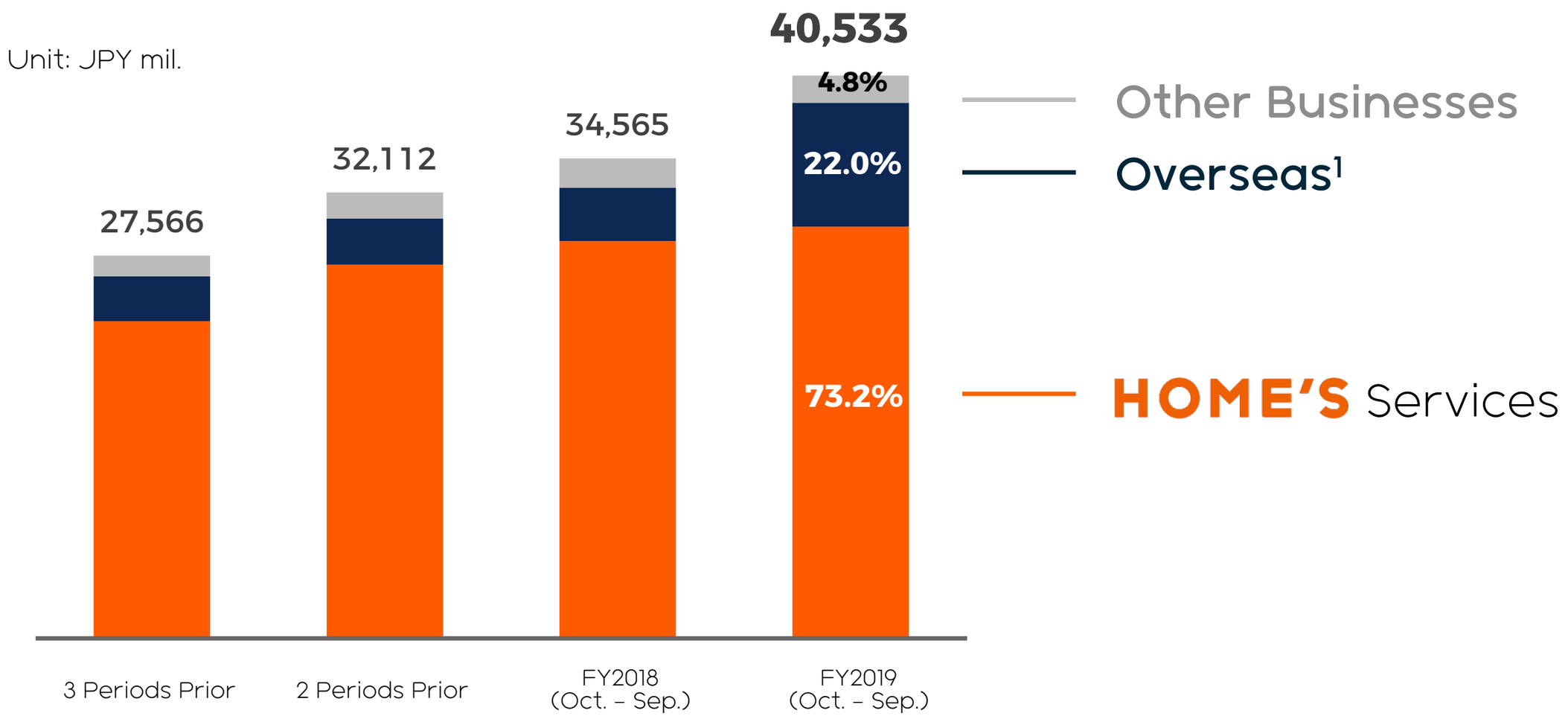
Revenue by Segment

Unit: Millions of yen	FY2020 Oct.-Sep. [Actual]	FY2020 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	**45,193**	**30,760**	**-14,432**	**-31.9%**
HOME'S Services	33,202	**22,969**	-10,233	-30.8%
Overseas	9,069	**5,826**	-3,243	-35.8%
Others	2,920	**1,964**	-956	-32.7%

1 1 EUR has been calculated at ¥120 (adjusted from ¥118)
2 Net Profit: Profit attributable to owners of the parent

Growth of Consolidated Earnings and Breakdown Consolidated Revenue

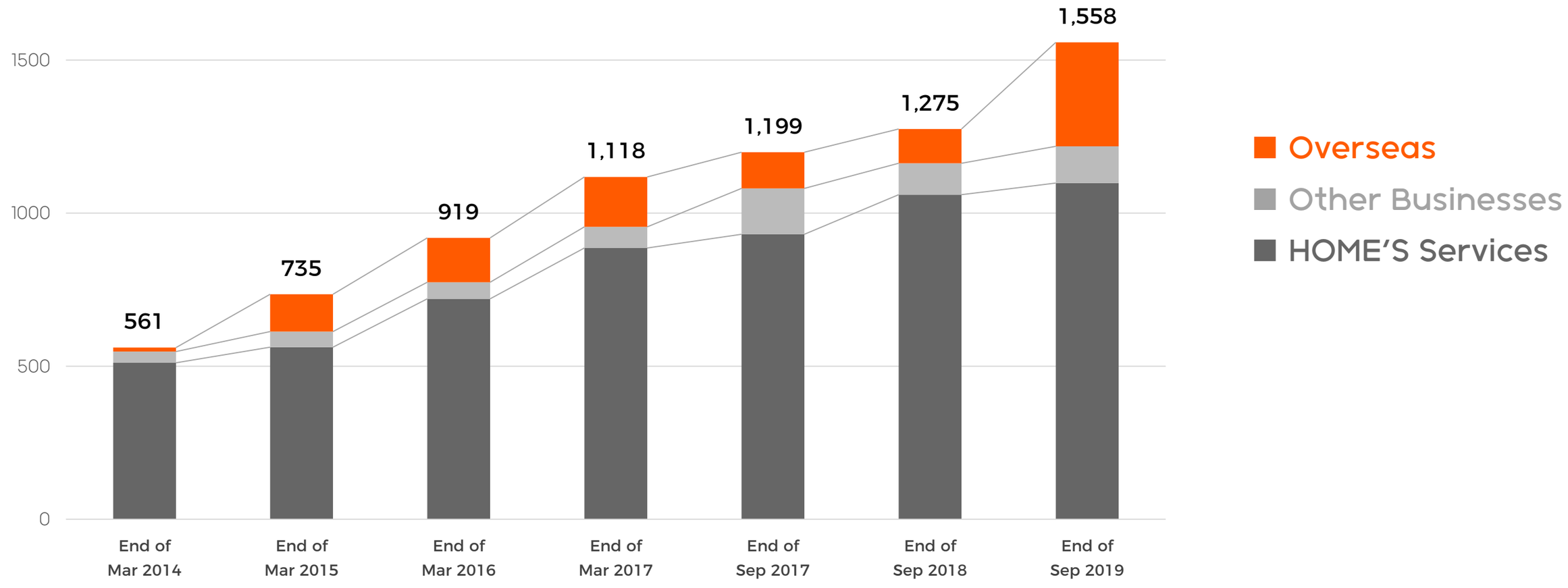
Acceleration of growth in the Overseas Business segment in addition to steady progress in HOME'S Services



1 Calculated according to actual values (Assuming Mitula had been acquired as of October 2018)

Number of Employees Group

Increase in employees due to overseas expansion



1) Not including employees in companies outside the LIFULL Group
2) Temporary staff numbers are based on annual averages

LIFULL

Consolidated Statements of Profit and Loss Quarterly

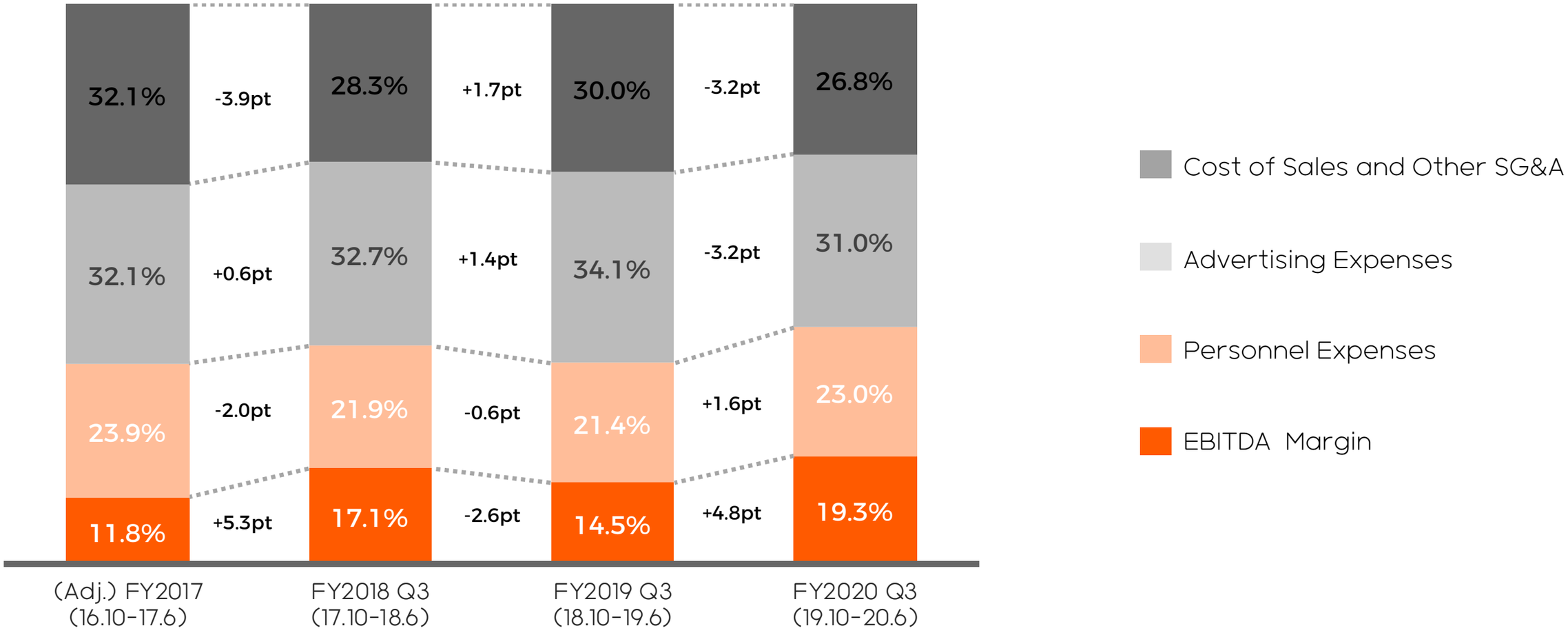
Consolidated statements of Profit and Loss (quarterly)

Unit : JPY mil	FY2017/3				FY2017/9		FY2018/9				FY2019/9				FY2020/9		
	Q1	Q2	Q3	Q4	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944	9,202	9,983	7,706
HOME'S Services Business	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062	6,833	6,963	6,860	8,404	7,060	7,330	6,763	7,543	6,176
Overseas Businesses	823	750	750	867	859	858	883	935	983	1,058	986	2,315	2,213	2,165	2,006	1,892	1,101
Other Businesses	406	377	400	525	461	479	502	542	528	527	544	488	479	448	432	547	429
Cost of revenue	670	737	774	897	915	946	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116	1,157	869
SG&A	4,776	4,581	5,422	6,627	6,346	6,100	5,862	6,987	5,948	6,555	5,879	9,222	6,754	7,682	6,540	6,874	5,165
Personnel expenses	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783	1,963	2,082	1,969	2,087	2,217	2,428	2,535	1,590	2,048
Advertising expenses	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657	2,431	2,869	2,347	4,882	2,790	3,252	2,559	3,882	1,884
Operating expenses	246	236	282	244	240	215	236	267	209	229	190	204	240	290	170	123	64
Other SG&A	1,066	1,082	1,183	1,624	1,393	1,373	1,236	1,279	1,344	1,374	1,372	2,047	1,505	1,710	1,274	1,278	1,167
Other revenues and expenses	▲ 6	▲ 42	▲ 30	▲ 39	▲ 72	▲ 30	71	18	6	▲ 44	425	▲ 332	9	59	▲ 9	▲ 41	62
EBITDA	1,392	1,549	879	1,491	458	1,077	1,408	1,624	1,406	942	1,889	394	1,972	1,103	1,535	1,909	1,735
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259	304	308	303	490	515	486
Operating profit	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629	90	1,664	800	1,044	1,393	1,248
Net income *	734	942	331	756	22	467	591	980	702	585	1,003	▲ 41	1,073	370	527	949	846
EBITDA margin	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%	17.3%	17.0%	16.9%	11.0%	22.5%	3.5%	20.2%	11.1%	16.7%	19.1%	22.5%

1) Net income = Net income attributable to owners of the parent
2) Disclosure segments modified since FY2017/09. Sales of prior periods has been described in conjunction with the segment change.
3) As the provisional accounting procedures for corporate mergers have been defined in the first and third three-month periods of the current consolidated fiscal year, these measures have been applied for values for the fiscal year ended in September 2019. In conjunction with these measures, year-on-year change ratios have been calculated with adjusted values.

Expense-to-Revenue Ratio IFRS

Improvement in EBITDA margin due to cost control efforts



(Ref.) Pricing Structure Revisions Rental & Sale Properties Starting Oct. 2019

New Pricing Structure

	Basic Membership Fee (Mon.)	Inquiries	Pay by Inquiry
Rental	JPY 15,000	Inquiries (e-mail / tel.)	Monthly Rent of Property × 9.5%
		Company Inquiries	Number of Inquiries × JPY 5,000
Sale	JPY 15,000	Inquiries (e-mail / tel.)	Sale Price of Property × 0.05%
		Company Inquiries	Number of Inquiries × JPY 10,000

Original Pricing Structure

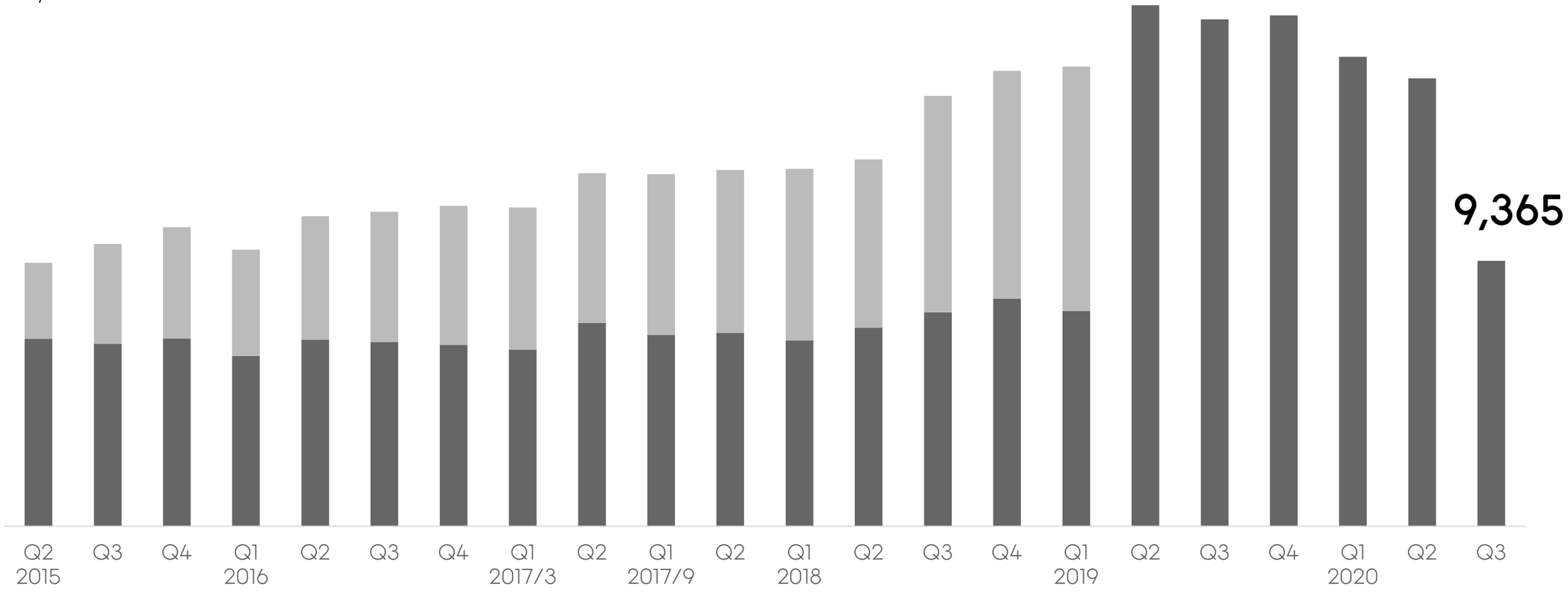
	Basic Membership Fee (Mon.)	Inquiries	Pay by Inquiry
Rental	JPY 10,000	1 to 15	Monthly Rent of Property × 5.5%
		Over 16	Monthly Rent of Property × 4.0%
Sale	JPY 10,000	1 to 5	Sale Price of Property × 0.05%
		Over 6	Sale Price of Property × 0.03%

Quarterly Results LIFULL CONNECT

Currently lower revenue due to the effects of the COVID-19 pandemic

Results from LIFULL CONNECT* in EUR (■ Pre-consolidation results of Mitula Group)

Unit: 1,000 EUR

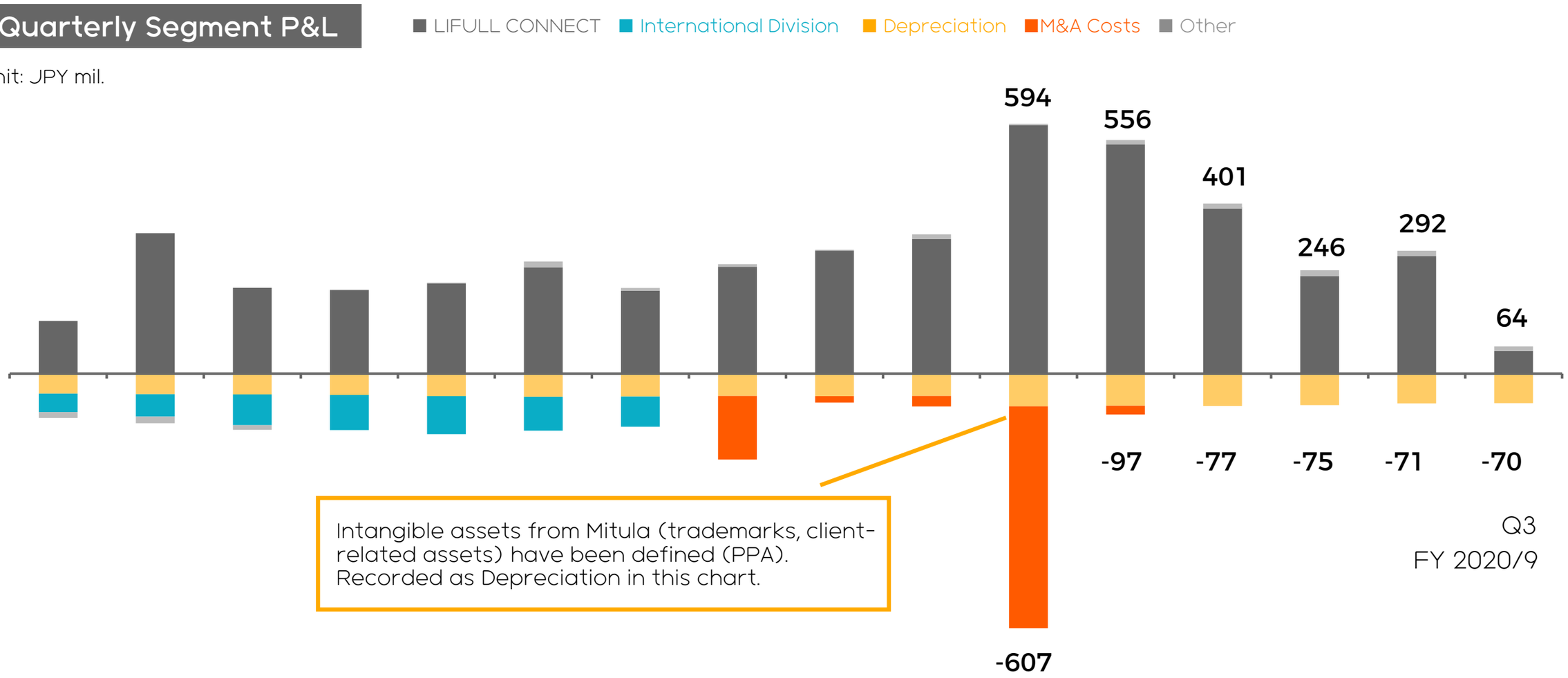


*Total Results from Trovit, Mitula and RESEM

Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Lower revenue due to effects of the COVID-19 pandemic leading to reduced profit levels

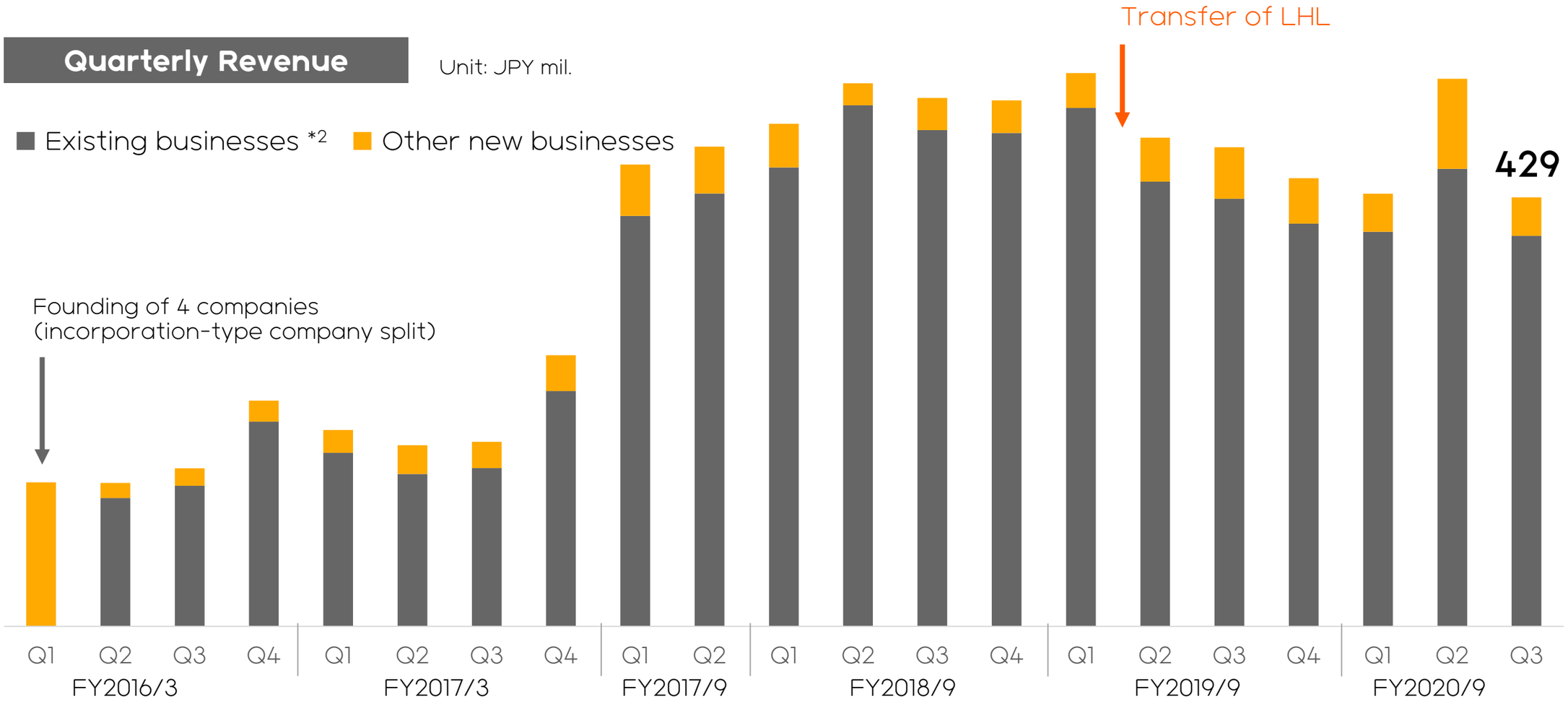
Quarterly Segment P&L



Intangible assets from Mitula (trademarks, client-related assets) have been defined (PPA). Recorded as Depreciation in this chart.

Other Businesses - Segment Sales Revenue (Quarterly) -

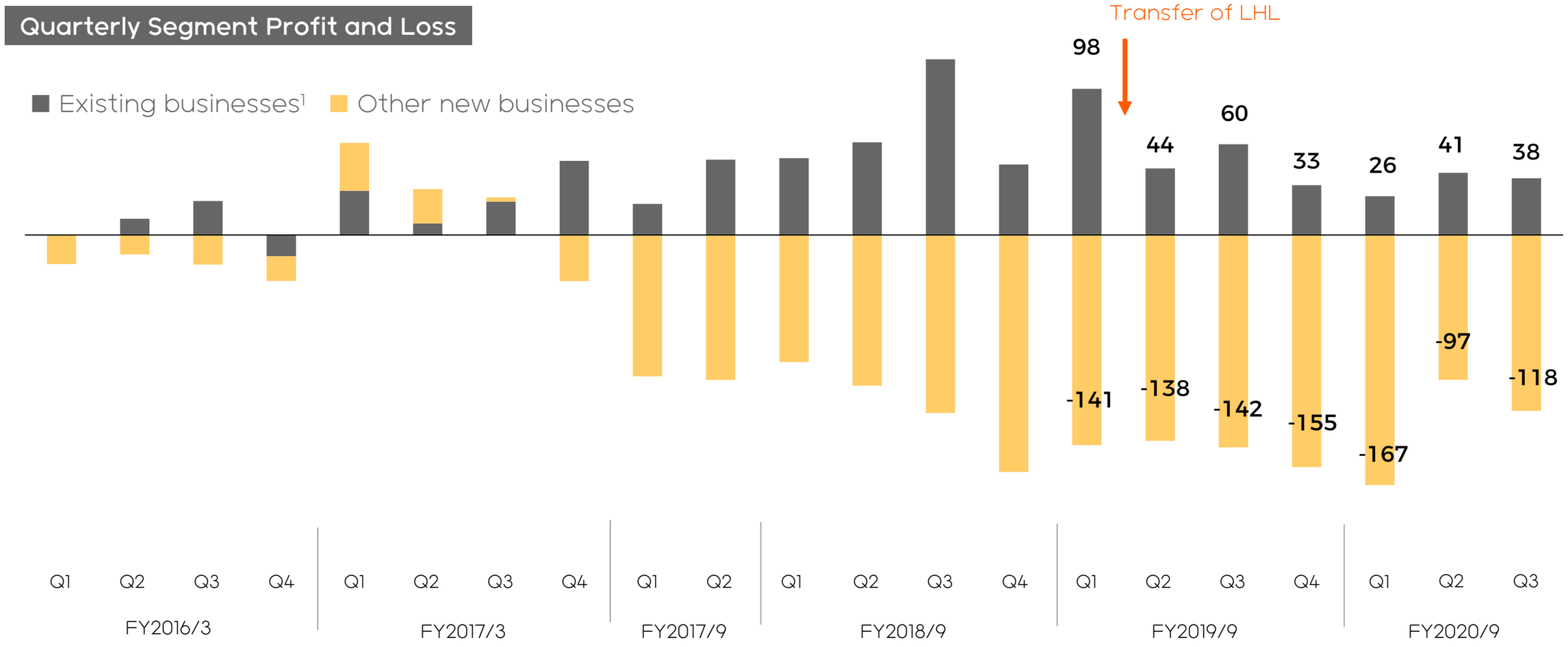
Without regard to the effects of the transfer of LHL[1], continuing to maintain scale of operations



1) Founded as a subsidiary of FinTech and transferred to Nippon Life Insurance Company in December 2018.
2) Currently comprised of 4 companies: FinTech, MOVE, senior and SPACE

Other Businesses Segment Profit and Loss (Quarterly)

Unit: JPY mil.



1 Comprised of FinTech (sold in 2018), MOVE, senior and SPACE

Progress in Regional Revitalization New Partnership with Local Governments

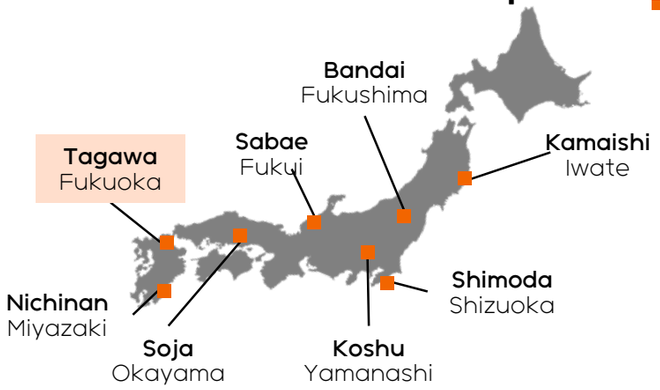
Entered into a revitalization partnership with Tagawa, Fukuoka, in July and added another LivingAnywhere Commons location

福岡県
田川市

Tagawa
Fukuoka

Revitalization partnership to repurpose vacant homes

Local Partnerships



8 Cities across Japan

Focus of the Partnership

- Research and advertising of local vacant homes
- Repurposing of vacant homes
- Entrepreneurial assistance in Tagawa
- Professional training

LivingAnywhere Commons

Coming together to create new value for Tagawa

June 19, 2020

Before entering to the partnership Tagawa, an elementary school with over 140 years of history was transformed into an art and start-up incubator, "IINE Palette," and registered as the newest LivingAnywhere Commons location.

LIFULL ArchiTech Instant Shelter

Sales of Instant Shelters to local governments and businesses started on July 15

What is an Instant Shelter?

Created by filling a three-dimensional form with a solid light foam substance, Instant Shelters provide insulated and sound-proof structures that can be constructed in just a few hours.

Maintain Social Distance

Protect Privacy

→ Improved Conditions During Emergency Evacuations

Uses

Emergency Easy transportation to areas affected by natural disasters and used as an evacuation shelter

Leisure Outdoor facilities for local governments and camp grounds

LIFULL ArchiTech | Search

https://lifull.com/news/17883/
(In Japanese)

Since deliveries are arranged through a third-party, products may not arrive for several days.
Please contact LIFULL ArchiTech for more information

(Ref.) External Market Data Monthly

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (Jan-Dec)	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
(1) Number of Apartments for sales	Capital Region	35,898	37,132	31,238	2,342	2,462	2,659	2,986	1,502	3,372	2,845	3,461	7,462	1,900	2,313	3,337	1,421	2,206	2,259	1,932	1,819	2,359	2,007	3,293	6,392	1,245	1,488	2,142	686	393	1,543
	YoY	0.4%	3.4%	-15.9%	-14.6%	-5.4%	16.4%	-12.8%	-28.5%	13.2%	1.0%	2.8%	15.2%	-1.8%	-7.1%	-7.7%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%	-29.5%	-4.9%	-14.3%	-34.5%	-35.7%	-35.8%	-51.7%	-82.2%	-31.7%
	Kinki	19,560	20,958	18,042	1,742	1,480	1,211	1,514	1,378	1,859	1,775	2,585	2,760	1,044	1,281	1,449	852	1,388	1,500	1,788	1,341	1,406	1,271	1,492	3,230	621	1,035	1,528	494	214	1,407
	YoY	4.7%	7.1%	-13.9%	25.2%	-14.8%	-8.3%	-17.4%	13.4%	-22.3%	21.2%	63.4%	22.2%	-4.3%	-29.5%	-17.0%	-51.1%	-6.2%	23.9%	18.1%	-2.7%	-24.4%	-28.4%	-42.3%	17.0%	-40.5%	-19.2%	5.5%	-42.0%	-84.6%	-6.2%
(2) Trend of Price for Apartments	Capital Region	5,908	5,871	5,980	5,548	6,030	6,244	6,191	5,360	5,136	2,845	3,461	7,462	1,900	2,313	3,337	1,421	2,206	2,259	1,932	1,819	2,359	2,007	3,293	6,392	1,245	1,488	2,142	686	393	1,543
	YoY	7.6%	-0.6%	1.9%	-6.3%	0.8%	10.7%	-5.7%	-7.5%	-11.8%	1.0%	2.8%	15.2%	-1.8%	-7.1%	-7.7%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%	-29.5%	-4.9%	-14.3%	-34.5%	-35.7%	-35.8%	-51.7%	-82.2%	-31.7%
	Kinki	3,836	3,844	3,866	3,825	3,868	3,578	4,568	3,585	4,043	1,775	2,585	2,760	1,044	1,281	1,449	852	1,388	1,500	1,788	1,341	1,406	1,271	1,492	3,230	621	1,035	1,528	494	214	1,407
	YoY	-2.1%	0.2%	0.6%	-0.2%	8.3%	-5.2%	7.1%	1.0%	-3.4%	21.2%	63.4%	22.2%	-4.3%	-29.5%	-17.0%	-51.1%	-6.2%	23.9%	18.1%	-2.7%	-24.4%	-28.4%	-42.3%	17.0%	-40.5%	-19.2%	5.5%	-42.0%	-84.6%	-6.2%

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (Jan-Dec)	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
(3) New build properties	House for Rent	419,397	396,404	342,289	35,447	31,083	34,884	35,847	35,457	35,350	35,225	34,902	30,788	24,776	27,921	28,413	29,511	26,164	30,645	30,383	29,255	29,414	29,417	28,779	27,611	24,147	22,638	26,545	24,976	24,040	26,666
	YoY	0.2%	-5.5%	-13.7%	-2.1%	-5.6%	-3.0%	-1.4%	1.4%	-5.8%	-7.3%	-6.9%	-7.9%	-12.3%	-5.1%	-4.5%	-16.7%	-15.8%	-12.2%	-15.2%	-17.5%	-16.8%	-16.5%	-17.5%	-10.3%	-2.5%	-18.9%	-6.6%	-15.4%	-8.1%	-13.0%
	Apartment	114,830	110,510	117,803	12,350	11,861	8,253	8,699	9,146	8,934	8,604	10,460	9,546	9,368	9,132	13,330	10,480	9,165	8,597	8,600	10,159	12,022	9,998	7,995	8,957	6,782	9,353	9,500	10,723	9,137	8,422
	YoY	0.2%	-3.8%	6.6%	2.1%	20.7%	-36.2%	-4.0%	0.4%	3.5%	14.9%	15.6%	28.6%	43.6%	10.5%	69.5%	-15.1%	-22.7%	4.2%	-1.1%	11.1%	34.6%	16.2%	-23.6%	-6.2%	-27.5%	2.4%	-28.7%	2.3%	-0.3%	-2.0%
	House	138,189	142,393	147,522	12,324	11,944	11,903	12,004	11,953	11,882	12,556	12,561	13,006	11,190	11,844	11,738	12,698	11,899	13,096	13,074	12,236	11,889	12,726	12,705	12,427	10,881	10,907	11,616	11,665	10,381	11,658
	YoY	3.3%	3.0%	3.6%	7.1%	5.8%	0.7%	2.5%	4.0%	4.7%	5.9%	-0.2%	8.5%	4.2%	12.2%	7.1%	3.0%	-0.4%	10.0%	8.9%	2.4%	0.1%	1.4%	1.1%	-4.5%	-2.8%	-7.9%	-1.0%	-8.1%	-1.5%	-11.0%
	Owned house	284,283	283,235	288,738	23,289	23,321	25,148	25,447	24,420	24,873	25,949	25,527	24,415	20,925	21,992	22,404	25,436	24,826	28,394	26,282	24,027	24,008	24,495	23,655	22,294	18,037	19,557	22,327	21,015	19,696	23,650
	YoY	-2.7%	-0.4%	1.9%	-1.9%	-2.2%	-3.4%	0.3%	0.2%	0.0%	4.6%	2.5%	4.8%	3.3%	9.9%	8.9%	9.2%	6.5%	12.9%	3.3%	-1.6%	-3.5%	-5.6%	-7.3%	-8.7%	-13.8%	-11.1%	-0.3%	-17.4%	-20.7%	-16.7%

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (Jan-Dec)	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
(4) Internal migrants	Total	5,318,617	5,359,174	5,403,465	761,821	420,739	343,513	393,037	391,505	331,718	414,928	351,216	348,269	336,203	369,900	910,007	767,021	418,489	351,394	418,590	378,793	372,471	392,668	336,866	351,063	332,383	362,076	965,051	764,186	300,861	352,719
	YoY	1.3%	0.8%	0.8%	1.6%	3.8%	-2.7%	4.7%	2.1%	-3.8%	6.9%	2.7%	2.0%	2.4%	2.6%	-0.4%	0.7%	-0.5%	2.3%	6.5%	-3.2%	12.3%	-5.4%	-4.1%	0.8%	-1.1%	-2.1%	6.0%	-0.4%	-28.1%	0.4%
	Only Japanese	4,893,581	4,889,713	4,889,191	712,159	384,355	311,005	355,425	352,992	295,016	368,708	313,252	312,602	302,485	334,916	849,869	705,182	377,454	314,638	376,197	341,164	330,044	346,967	298,343	311,932	298,530	326,715	898,498	703,617	279,480	328,543
	YoY	0.3%	-0.1%	0.0%	1.4%	3.6%	-3.2%	3.5%	0.8%	-4.9%	5.2%	1.8%	1.2%	2.0%	2.2%	-1.2%	-1.1%	-1.8%	1.2%	5.8%	-3.4%	11.9%	-5.9%	-4.8%	-0.2%	-1.3%	-2.4%	5.7%	-0.2%	-26.0%	4.4%
(5) Japan Population	Unit : Thousand	Oct. 1, 2016	Oct. 1, 2017	Oct. 1, 2018	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
	Total	126,933	126,706	126,443	126,502	126,466	126,509	126,529	126,496	126,417	126,443	126,453	126,435	126,317	126,310	126,248	126,254	126,181	126,252	126,265	126,219	126,131	126,167	126,161	126,144	125,988	126,010	125,950	125,960	125,900	125,930

[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

(Ref.) Domestic Market Environment

01
Number of Real Estate Companies

328,553

(Based on 2017 values from the Japanese Ministry of Finance "Corporate Statistics Monthly Report")
*April 1, 2017 - March 31, 2018

02
Number of Licensed Real Estate Agencies

124,451 (108,800 Corporates)

(Based on 2018 values from the Ministry of Land, Infrastructure, Transport and Tourism "Number of Licensed Real Estate Agencies 2018")

03
Number of Offices

352,733

(Based on Ministry of Internal Affairs and Communications "Financial Census" 2015 Values)

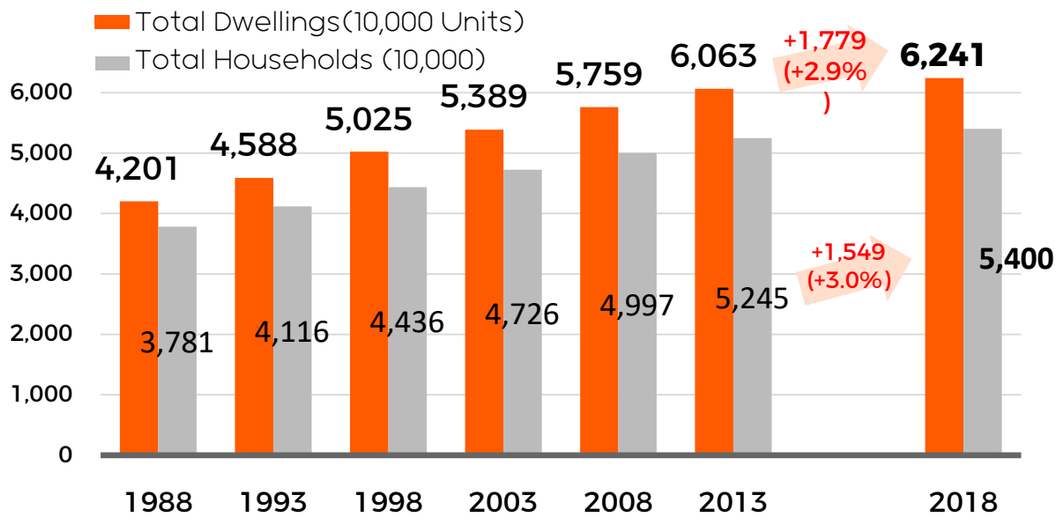
04
Size of Real Estate Listing Market

Approx. **900+ billion yen**

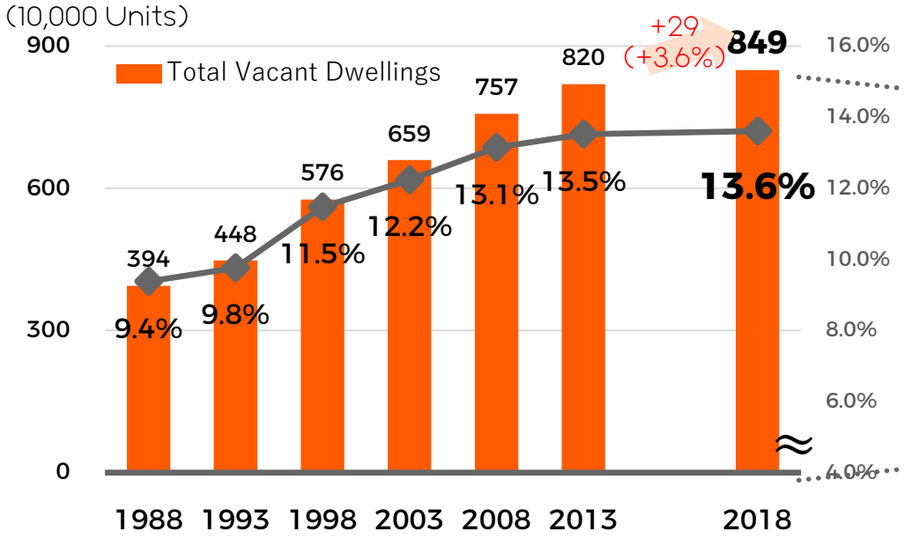
(Based on LIFULL Internal Data)

(Ref.) Base Results of the 2018 Housing and Land Survey (Statistics Bureau of Japan)

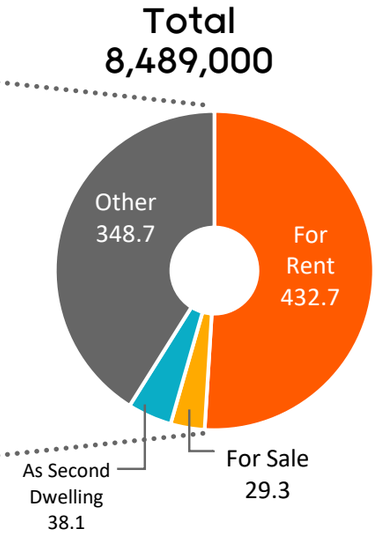
Trend of Total Dwellings and Total Households



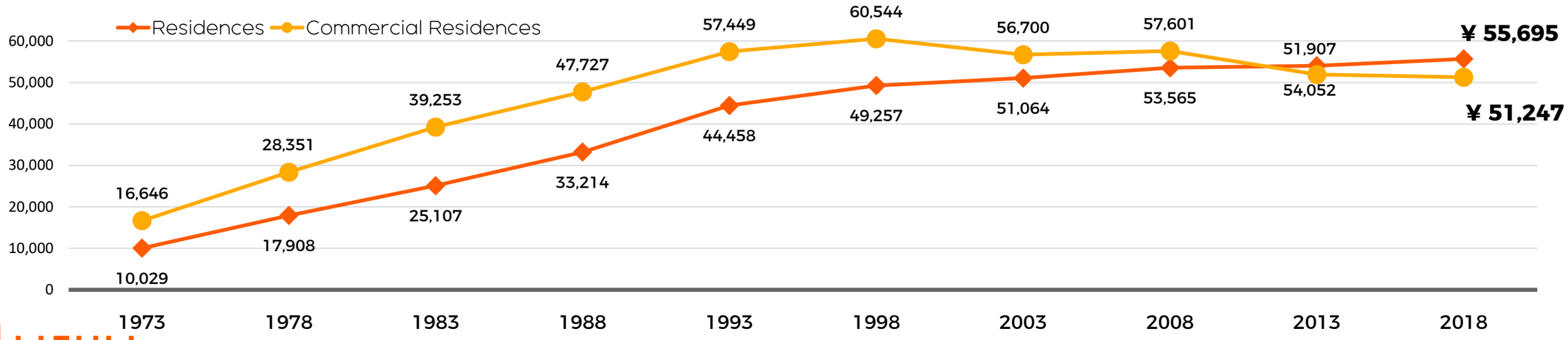
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent



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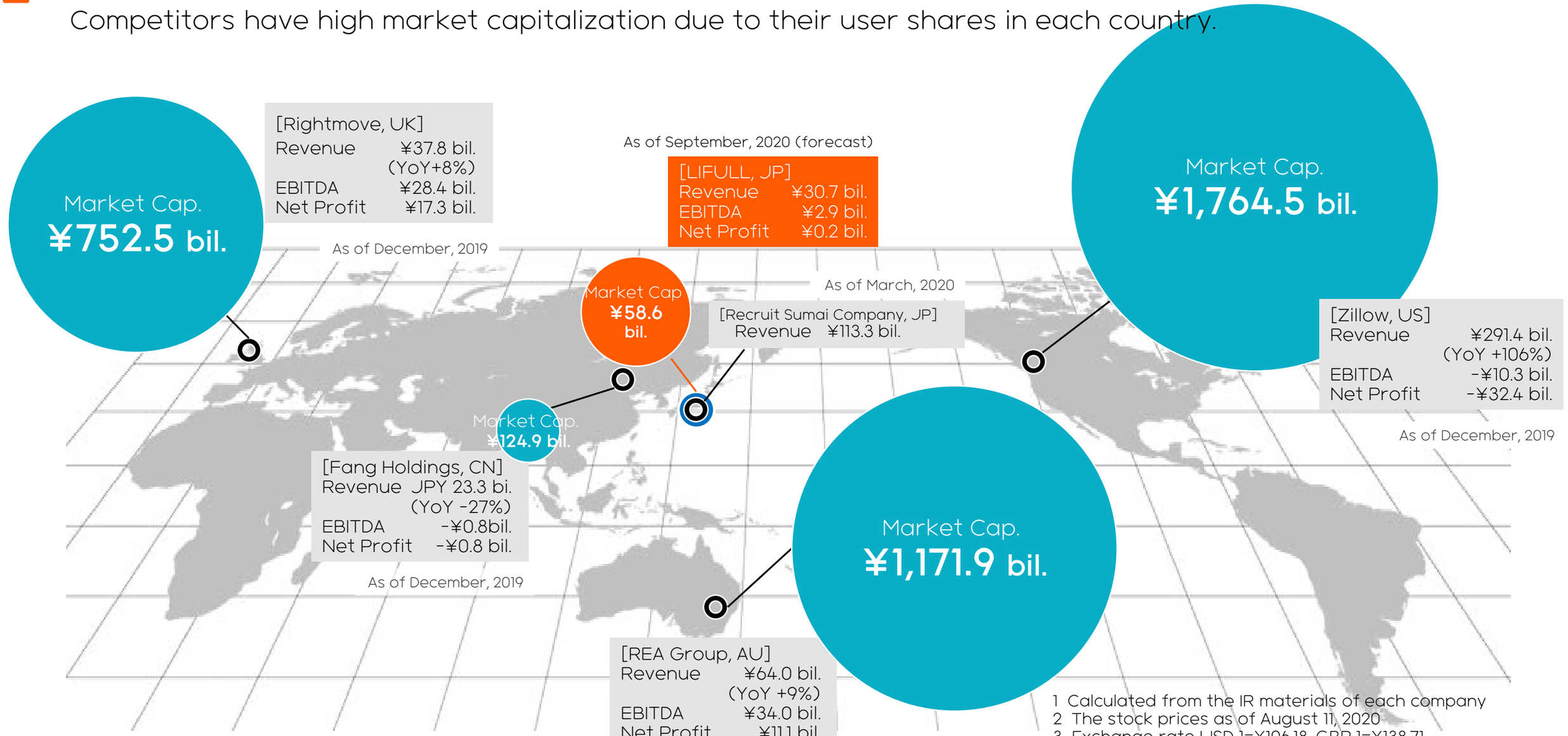
(Ref.) Overseas competitors

Competitors have high market capitalization due to their user shares in each country.



1 Calculated from the IR materials of each company
2 The stock prices as of August 11, 2020
3 Exchange rate USD 1=¥106.18, GBP 1=¥138.71, AUD 1=¥75.90 (as August 11, 2020)

IR Team Contact Information

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