

LIFULL Co., Ltd.

Full-Year Results IFRS

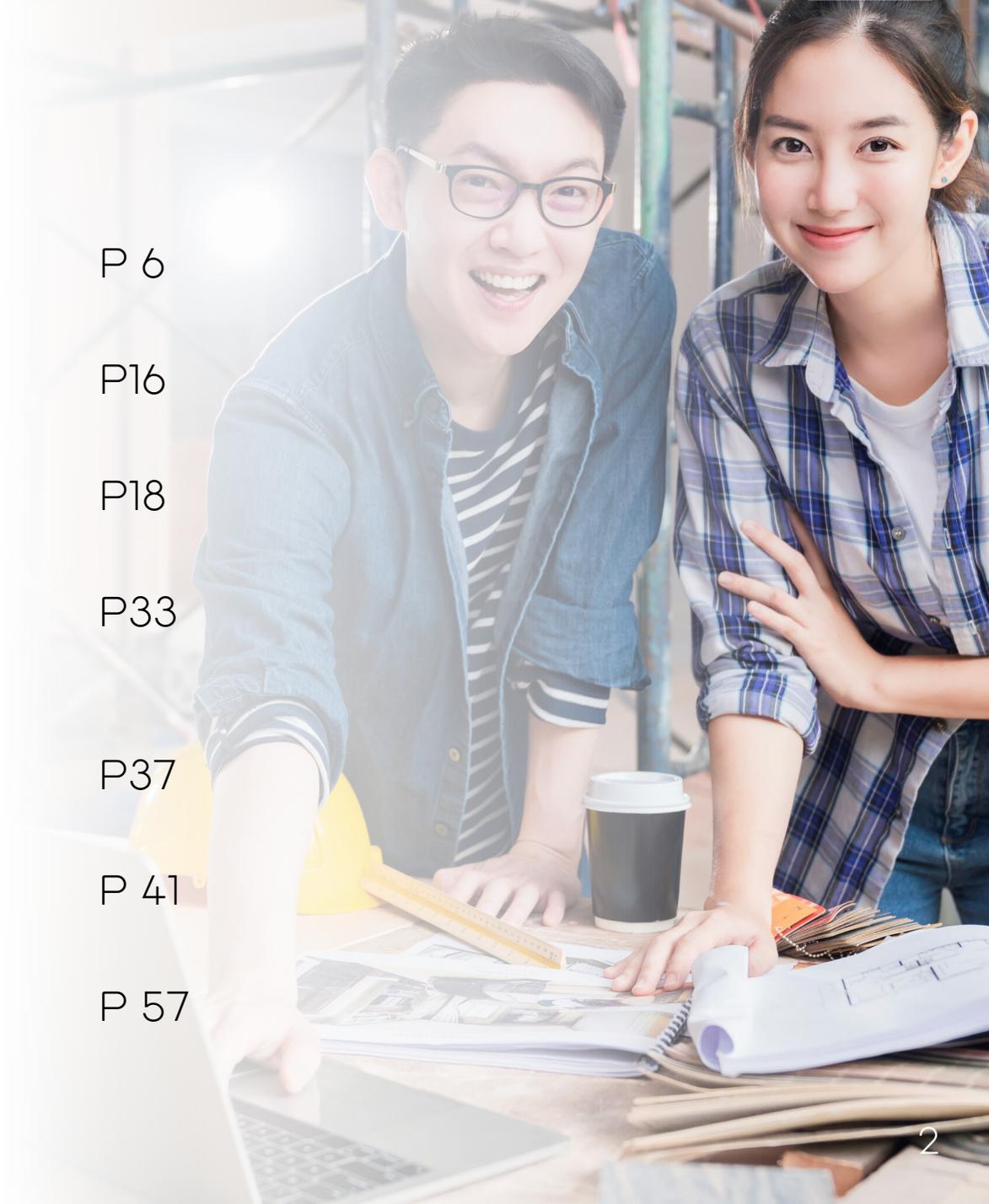
FY2021/9 Q4
(October 2020 – September 2021)

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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FOCAL POINTS

HOME'S
SERVICES

OVERSEAS

OTHER
BUSINESSES

OMNI-CHANNEL
住まいの窓口

X

DX

(DIGITAL TRANSFORMATION)

Moving
to
Direct

**REGIONAL
REVITALIZATION
& SENIOR
CITIZENS**

Growth through solutions to social issues through our existing businesses

Reflection on FY 2021/9

Key indicators for each segment progressing smoothly while we work towards our next challenges.

HOME'S Services



Recovery and Growth

Organic Traffic	YoY (Oct. - Sep.) +21%
Inquiries	YoY (Oct. - Sep.) +8%
Total Listings	Sep. (YoY) +6%

Next Goal

Transform the service for sustainable future growth

Overseas



Maintaining Profitability
Through Flexible Management

Segment Profit	YoY (Oct. - Sep.) +95%
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Proppit Released

Management Tool for Real Estate Professionals

90% of clients in target regions migrated

Next Goal

Accelerate growth of marketplaces in Latin America and Southeast Asia

New Ventures

LivingAnywhere Commons

As of 2020/9

As of 2021/9

10 ▶ **25** Locations in Japan

LIFULL Investment

Real estate crowdfunding website for joint ventures launched



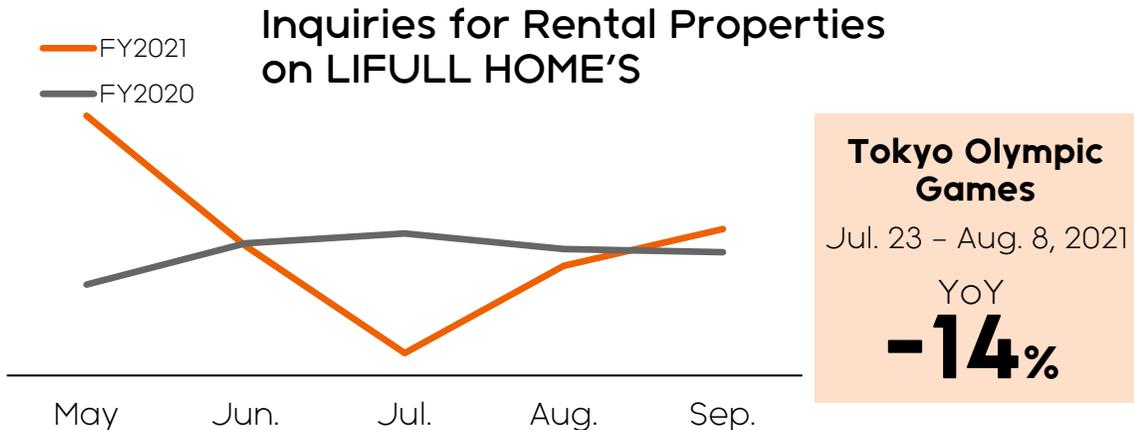
Next Goal

Construction of a Global Real Estate Investment Platform

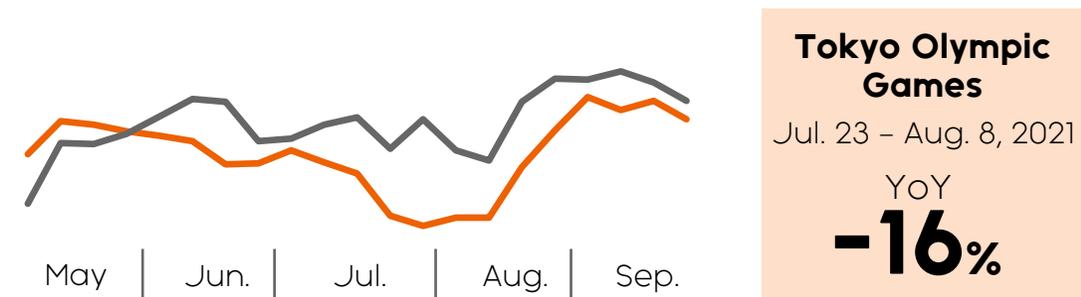
(Ref.) Japanese Real Estate Market

Conditions in the Japanese real estate market are improving overall despite the states of emergency. However, rental property searches decreased during the Tokyo Olympic Games, and the number of available new-build detached houses also continues to decline due to high demand.

Rental

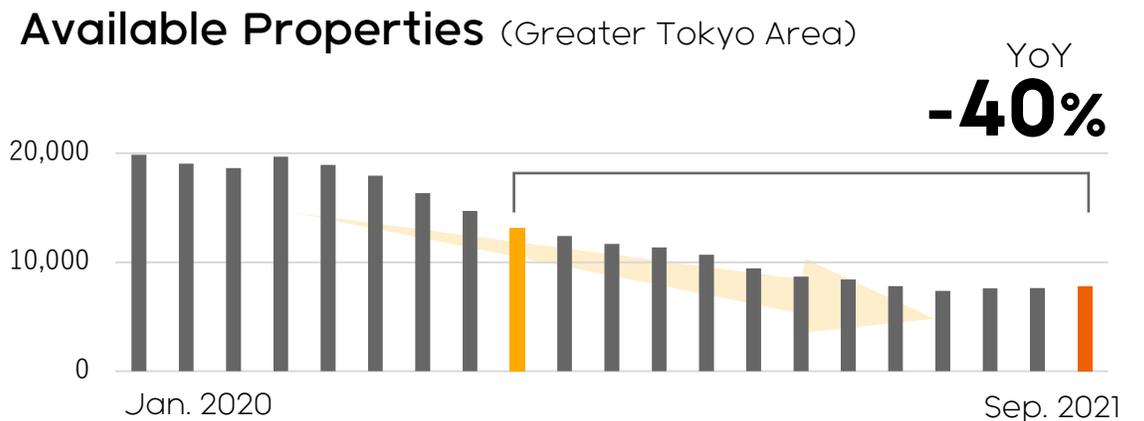
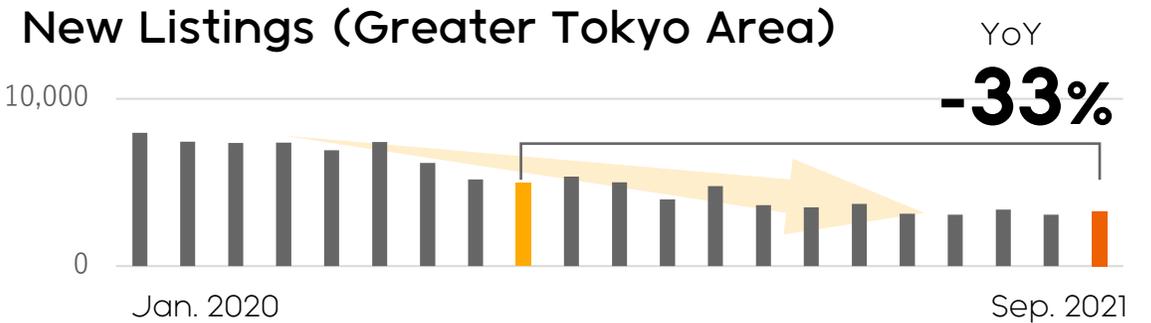


Google Trend (Weekly Average)
(Keyword: "Rental" (in Japanese))



Source: Google Trends (<https://trends.google.co.jp/>)

New-Build Detached Houses



Source: Real Estate Information Network for East Japan



FY 2021/9

Full-Year Financial Results

(October 1, 2020 – September 30, 2021)



Condensed Statements of Income and Loss IFRS

Revenue gains in LIFULL CONNECT pushing revenue growth to +1.3% YoY.

Operating income was -¥6.6 billion due to a ¥9.7 billion impairment loss in LIFULL CONNECT.

Unit: JPY mil.	FY2020 (Oct.-Sep.)	FY2021 (Oct.-Sep.)	Change	Change %	
Revenue	35,402	35,857	+454	+1.3%	*1
Cost of revenue	4,096	3,951	-145	-3.5%	*2
SG&A	27,015	28,599	+1,583	+5.9%	
Personnel expenses	8,960	8,905	-55	-0.6%	
Advertising expenses	10,487	11,851	+1,364	+13.0%	*3
Operating expenses	464	400	-63	-13.7%	*4
Depreciation and amortization	2,019	1,961	-57	-2.8%	
Other	5,083	5,479	+396	+7.8%	*5
Other income and expenses	-1,805	-9,950	-8,145	-	*6
Operating income	2,485	-6,644	-9,129	-	
Operating income margin	7.0%	-18.5%	-25.5pt	-	
Net profit*	1,162	-5,901	-7,063	-	*7

* Net profit attributable to owners of the parent

*1 Refer to segment revenue (Page 11)

*2 Decrease in commissions for marketing products due to COVID-19

*3 Primarily from active promotion initiatives in Japan

*4 Transportation costs down due to implementation of online tools

*5 Investments in system development for the transformation of LIFULL HOME'S

*6 Impairment loss from valuation method of LIFULL CONNECT

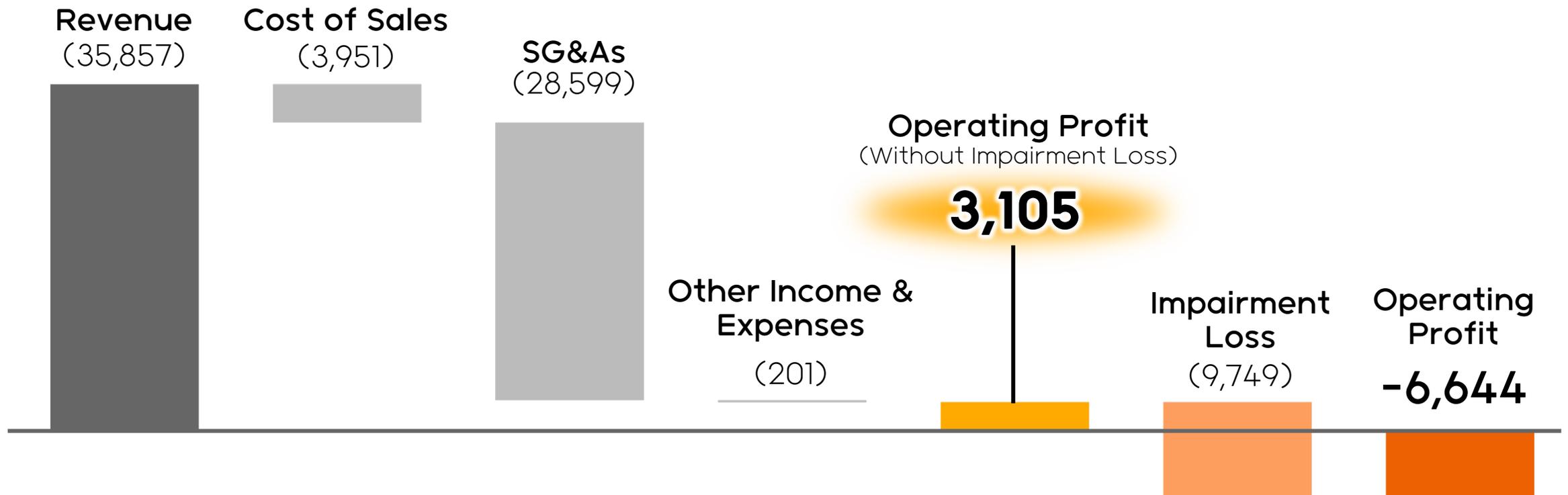
*7 Tax effects from capital reduction due to restructuring of overseas subsidiaries

Consolidated Results Impairment Loss

Without regard to the impairment loss in LIFULL CONNECT, operating profit would have amounted to ¥3.1 billion

Breakdown of FY 2021/9 Financial Results

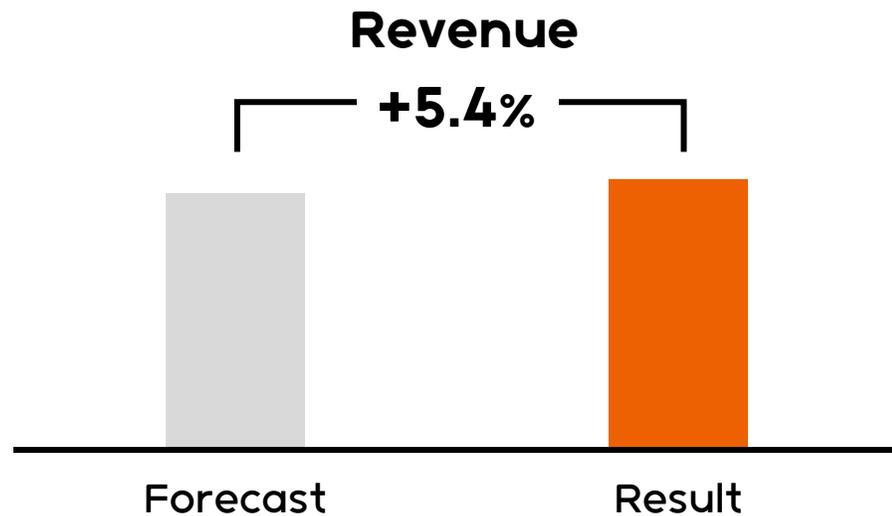
(Unit: JPY Mil.)



LIFULL CONNECT: Continuing to Grow

Point 1

Exceeded Forecast



Point 2

Integrating for more efficiency

Integration

Reduction of duplicated costs

Sharing technological knowhow

Collaboration between engineers

**STRONGER
TOGETHER**

**Effective Cost
Management**



Operating Profit

+54% YoY

LIFULL CONNECT Impairment Loss Valuation Method

As we are convinced that the mid-term plan of LIFULL CONNECT has become more feasible, we will base our valuations on value in use from future cash flows.

Background

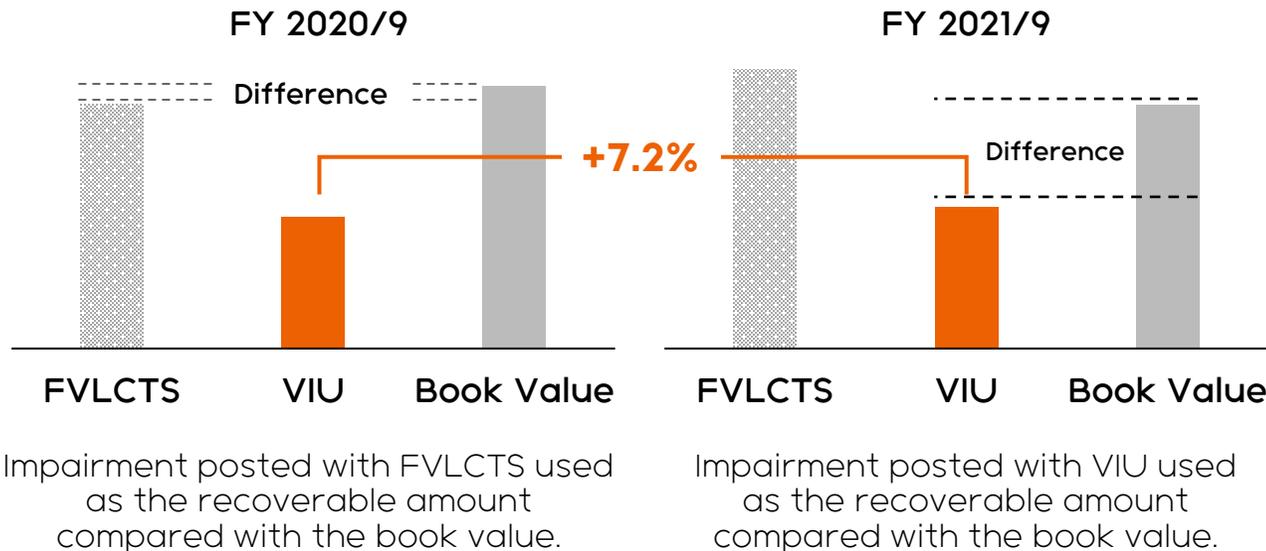
Trovit Acquisition Valuation based on future cash flows (DCF)

Mitula Acquisition Valuation based on **the higher of DCF or Multiple approaches** due to uncertainty of the mid-term management plan

Moving Forward

We are convinced of the feasibility of the mid-term plan and will make valuations based on **value in use (VIU) from future cash flows.**

Valuation of Goodwill for LIFULL CONNECT



Valuation Methods

DCF (VIU)

Valuation of actual business based on future profit

Multiples Approach (FVLCTS)

Valuation based on market price. Generally used for sales of businesses.

Revenue / Income and Loss by Segment IFRS

HOME'S Services recovering, but not at pre-COVID levels due to states of emergency and other market-related factors. Considerable gains Overseas due to cost controls and transfer of development personnel expenses.

Unit: JPY mil.	FY2020 (Oct.-Sep.)	FY2021 (Oct.-Sep.)	Change	Change %	Main items
Revenue	35,402	35,857	+454	+1.3%	
HOME'S Services	27,136	26,693	-443	-1.6%	Although Kenbiya was consolidated, pandemic still affecting results. Decrease primarily due to less listings after changes to the pricing scheme and a lack of new-build properties available on the market.
Overseas	6,377	7,019	+641	+10.1%	JPY-EUR exchange rate down 6.2% (JPY 128.46)
Other	1,888	2,144	+256	+13.6%	Primarily increases from senior/MOVE/SPACE/Investment

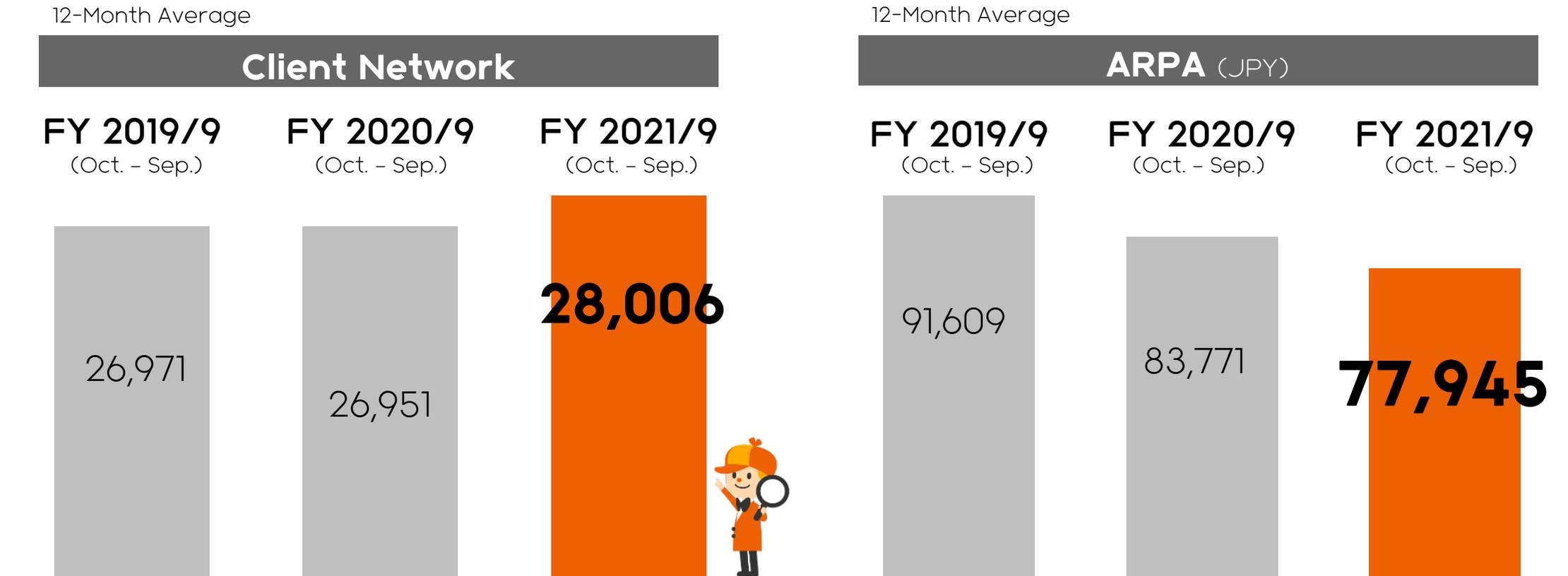
Unit: JPY mil.	FY2020 (Oct.-Sep.)	FY2021 (Oct.-Sep.)	Change	Change %	Main items
Segment income and loss	4,290	3,306	-984	-22.9%	
HOME'S Services	3,898	2,364	-1,533	-39.3%	Primarily due to increased promotional activities to increase brand awareness
Overseas	807	1,577	+769	+95.3%	Primarily due to increase in revenue, reductions to advertising spending and a cheaper JPY.
Other	-396	-679	-282	-	Despite increased profit from LIFULL senior and other subsidiaries, costs for Regional Revitalization and other new ventures increased.
Inter-segment transactions	-18	43	+61	-	

Primary businesses in each segment are listed on [page 45](#)

The % Change values for negative results in the current previous periods have been left blank

Key Performance Indicators Client Network and ARPA

Our client network continues to progress smoothly from onboarding initiatives, but the increase in clients and decrease in revenue have had a negative impact on ARPA.



Calculations until FY 2019/9 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 FY 2020/9, this number has been altered to reflect all clients and have adjusted the values for the previous years. The Client Network and ARPA do not reflect the effects of the acquisition of Kenbiya Co., Ltd.

Condensed Statement of Financial Position and Goodwill IFRS

¥9.7 billion impairment loss in LIFULL CONNECT.

The ratio of equity attributable to owners of the parent is 61.9%.

Unit: JPY mil.	As of Sep 30, 2020	As of Sep 30, 2021	Change	Change %	Main items		
Current assets	23,083	21,544	-1,538	-6.7%	Cash	-2,817	Refer to "Condensed Statement of Cash Flows"
					Accounts Receivable	+282	
					Products	+796	Primarily Regional Revitalization efforts
					Works-In-Progress	-244	Primarily Regional Revitalization efforts
					Income Taxes Receivable	+476	
Non-current assets	32,477	24,342	-8,134	-25.0%	Installations	-157	
					Tools, Furniture and Fixtures	-173	
					Right-of-Use Assets	-1,047	Termination of office lease for overseas subsidiaries
					Goodwill	-8,394	Impairment loss in overseas subsidiaries
					Software	+267	
					Deferred Tax Assets (Fixed)	+1,541	Restructuring of overseas subsidiaries
Assets	55,560	45,887	-9,672	-17.4%			
Current liabilities	16,016	12,139	-3,876	-24.2%	Accounts payable - trade	+645	
					Short-Term Loans Payable	-2,002	Repayment of COVID-related loans
					Lease Obligations	-94	
					Accounts Payable - Other	-131	
					Accrued Expenses	-134	
					Accrued Income Taxes	-953	
					Accrued Consumption Taxes	-369	
					Provisions for Bonuses	-802	Payment and funds for bonuses
Non-current liabilities	5,905	5,209	-695	-11.8%	Long-Term Loans Payable	+231	Primarily Regional Revitalization efforts
					Long-Term Lease Obligations	-957	Termination of office lease for overseas subsidiaries
Liabilities	21,921	17,349	-4,572	-20.9%			
Total Equity	33,639	28,538	-5,100	-15.2%	Capital Surplus	-6,537	
					Foreign Currency Translation Adjustm.	+1,376	Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	254.12	215.61	-38.50				

As provisional accounting methods for corporate mergers were determined during the current fiscal year, the same provisional accounting methods have been applied to values for the fiscal year ended September 30, 2020.

Primary Remaining Goodwill (in JPY): Littel 86 mil., LIFULL CONNECT 10,291 mil., LIFULL Marketing Partners 251 mil., Kenbiya 271 mil., LIFULL Tech Vietnam 94 mil. Trovit, Mitula, LIFULL Marketing Partners and Kenbiya PPA 1,574 mil.

Condensed Statement of Cash Flow IFRS

Cash and cash equivalents decreased by ¥2.8 billion to ¥13.1 billion due to payment of taxes and repayment of loans.

Unit: JPY mil.	FY2020 (Oct.-Sep.)	FY2021 (Oct.-Sep.)	Change	Main items		
				Items	FY2020	FY2021
Operating cash flow	4,884	1,287	-3,596	Profit for the period before tax	+2,136	-6,857
				Depreciation and amortization	+2,036	+1,978
				Impairment loss	+1,619	+9,749
				Financial revenue	-3	-23
				Decr. (incr.) in accounts receivable-trade and other current receivables	+985	+2,645
				Incr. (decr.) in accounts payable-trade and other current payables	-1,161	-2,627
				Other	+505	-1,653
				Tax payments	-1,250	-1,921
Investing cash flow	-1,730	-1,068	+662	Proceeds from sale of financial instrument assets	+505	-
				Purchase of financial assets	-1,056	-777
				Purchase of property, plant and equipment	-	-417
				Purchase of intangible assets	+24	+179
				Business acquisition expenditures	-593	-3
				Payments of loans receivable	-1,085	-813
				Proceeds from collection of loans receivable	+560	+762
Other	-3	+106				
Financing cash flow	3,391	-3,291	-6,683	Proceeds from loans payable	+13,102	+409
				Repayment of loans payable	-7,263	-2,155
				Dividends paid	-590	-697
				Repayment of lease obligations	-905	-828
				Purchase of treasury shares	-1,000	-
Change in cash and cash equivalents	6,723	-2,817	-			
Balance of cash and cash equivalents	15,962	13,145	-2,817			

* Primarily bonus provisions and inventory assets

Dividends for FY 2021/9

The Dividend Policy for FY 2021/9 will be decided at the Board of Directors Meeting to be held on November 17, 2021

Basic Approach to Dividends

Basic Policy

Flexible allocation according to results each year in consideration of mid- to long-term business plans

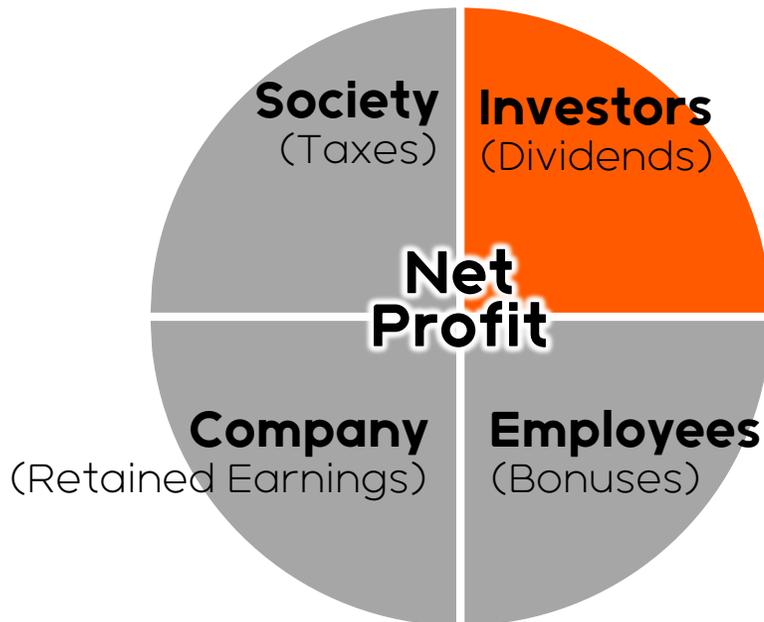
Alterations to Dividend Policy from Sep. 18, 2020

(https://lifull-ir-uploaded-files.s3.amazonaws.com/wp-content/uploads/2020/09/En_release_200918.pdf)

In the case that profit attributable to owners of the parent fluctuates greatly in a fiscal year due to extraordinary factors, we made it possible to take those effects into consideration when determining dividends.

Deliberating

How the dividend policy will be handled will be decided at the Board of Directors Meeting to be held on Nov. 17, 2021





FY 2022/9

Result Forecast



Result Forecast for FY 2022/9 IFRS

Condensed Statements of Income and Loss

Unit: Millions of yen	FY2021 Oct.-Sep. [Actual]	FY2021 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	35,857	39,000	+3,142	+8.8%
Cost of revenue	3,951	4,512	+560	+14.2%
SG&A (excl. depreciation)	28,599	32,797	+4,198	+14.7%
Personnel expenses	8,905	9,844	+939	+10.6%
Advertising expenses	11,851	13,863	+2,011	+17.0%
Operating expenses	400	702	+301	+75.2%
Other	7,441	8,387	+945	+12.7%
Other revenues and expenses	-9,950	9	+9,960	-
Operating income	-6,644	1,700	+8,344	-
Operating income margin	-18.5%	4.4%	+22.9pt	-
Net profit*	-5,901	700	+6,601	-

Revenue by Segment

Unit: Millions of yen	FY2021 Oct.-Sep. [Actual]	FY2021 Oct.-Sep. [Full-year forecast]	Change	Change %
Revenue	35,857	39,000	+3,142	+8.8%
HOME'S Service	26,693	27,832	+1,139	+4.3%
Overseas	7,019	8,192	+1,173	+16.7%
Others	2,144	2,974	+829	+38.7%

Cautionary Statement

Potential impact from revisions to the Personal Information Protection Law coming into effect on April 1, 2022, have not been included in this forecast at this time.

We will continue to monitor trends and make disclosures in a timely manner if there is significant impact on our businesses.

Exchange rate Estimation: EUR 1 = JPY 128

* Net Profit: Profit attributable to owners of the parent



FY 2022/9

Business Strategy



FY 2022/9

PERIOD OF INVESTMENT



Areas of Investment During FY 2022/9

Making growth investments focused around LIFULL HOME'S

GROWTH INVESTMENTS

PEOPLE

Hiring

Personnel (YoY)

Approx. **+13%**^{1,2}

Focusing hiring on **engineers** to help develop the services for our transformation

SERVICE

Service Development

System-Related Costs (YoY)

Approx. **+17%**¹

Increases primarily in **system fees** and **outsourcing costs**

PROMOTION

Brand Awareness

Advertising Spending (YoY)

Approx. **+14%**¹

Proactive promotion of new services and features **to raise brand recognition**

(Ref.) Human Capital Initiatives to Support Growth

While expanding our teams, we will continue to provide the necessary support and working environment for all of our employees.



Providing for well-being to inspire passionate employees and

ensure maximum performance

Initiatives for Well-being

Learn	Seminars on health and well-being topics
Check	Physical examinations, engagement and well-being surveys
Support	Measures against diseases, vaccinations

Career Support Programs

Options	Career choice program, internal part-time support program
Support	Qualification support, return-to-work help
Opportunities	Business idea competition (SWITCH)

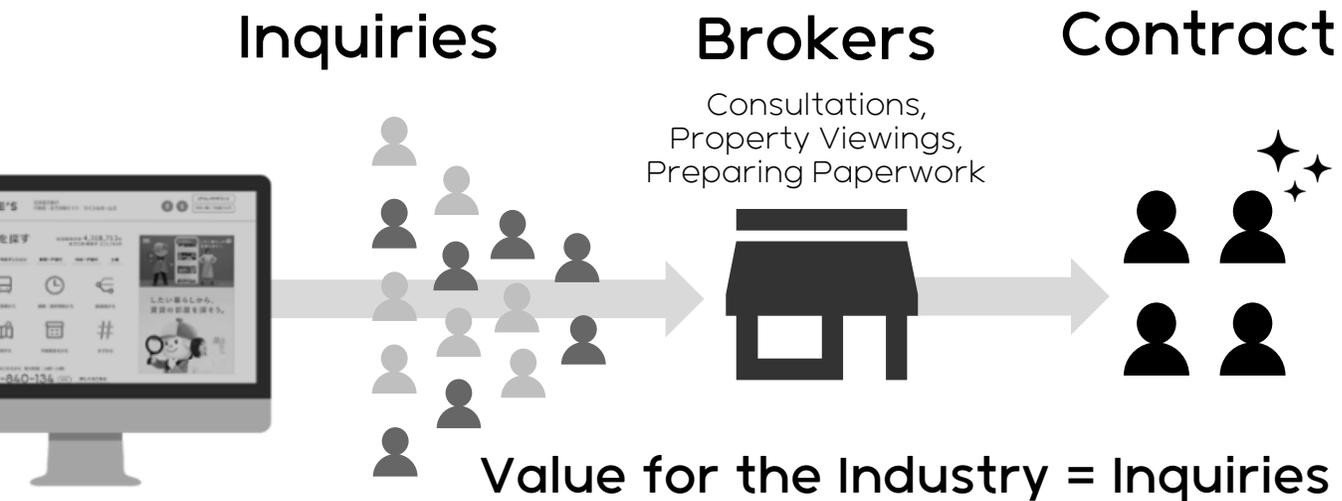
Stimulating Internal Communication

Environment	Free address, hybrid remote/office style
Budgets	Team events for out-of-work comm.
Events	Company meetings, events and interdepartmental forums

Vision of LIFULL HOME'S

Until now

We have increasing the number of inquiries
to help real estate brokers increase the number of contracts they close



Issue

As the number of inquiries increases,
brokers have more work to do.

Our Vision



Transformation

Innovating the **values**
of the real estate industry

Transforming our Service

Transforming the moving experience from the bottom up with more information available online.
Increasing our profitability by better satisfying the needs of our users and clients.

Our Vision for the Future

Transforming Our Service



Enhanced User Experience

Useful Tools

Rich Information

Find the right home more easily for a smoother moving experience



Improved Efficiency For Brokers

Professional Support

High-Quality Inquiries

Less work for brokers with more efficiency.

Increase Profitability



Personalized Support for Everyone

We are refining the basic portal features and implementing more technology to help people reduce the number of times they need to search before finding a new home.

Now

Diverse Filters



- Via Address, Area
- Maps
- Train Lines
- Commute Time
- Real Estate Agent

New Search Experiences + Technology



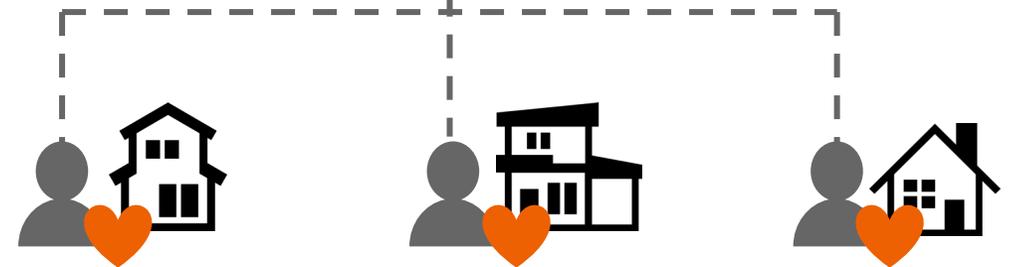
- Lifestyle Tag Search
- Nice-to-Have Conditions and "Current Home" Searches



Receive New Property Notifications via LINE

Automatic notifications when properties that match your preferences become available

Future Vision



Recommend properties based on user preferences and search patterns

Finding the right home made easier

More Efficiency with Reliable Support Omnichannel

Currently, *Sumai No Madoguchi* helps users find the right real estate agent to help them, but in the future we will combine this support with previous data and cutting-edge technology to ensure the best match

Current Support Services

Multi-Channel Support

OFFLINE



Office



Phone



E-Mail



Video Chat



LINE

ONLINE



Advisors speak directly with individuals to help sort their needs and connect them with real estate agents

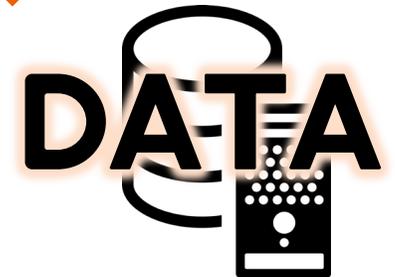
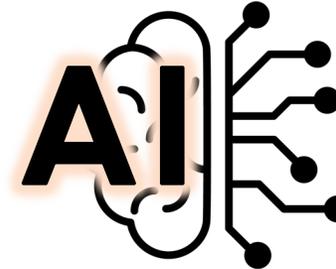


High satisfaction from both users and clients alike translated into a higher value for clients

Future Vision



- Lifestyle
- Preferences
- Consultation History



Establish an AI-based channel or recommendation features to further assist users

Revolutionizing the Real Estate Industry More Detailed Property Info.

After enriching property details by removing costs for optional services in Oct. 2019, we are working on implementing innovative technologies to improve client efficiency and the user experience.

More Detailed Listings

Photos, Panoramas and Staff Comments



+30pt¹ since removing fees

1) Percentage of properties with panorama photos or staff comments at the end of Sep. 2021 compared to Oct. 2019



3D Tours from 2D Floorplans

Beta Release 2021/3

Official Release on Oct. 26, 2021



POINT 1

**360°
Views**

POINT 2

**Actual
Photos**

POINT 3

**View
Early**

POINT 4

**200 Mil.
Rental Listings
Available**

Get a better grasp on properties earlier for a smoother move

Press Release (in Japanese):
<https://lifull.com/news/22190/>

Ensuring the Accuracy of Listing Information

We continue to make the accuracy of listings a priority as we strive to create a responsible service, and have increased efficiency by working and sharing data with our partners.



**Reliable, Up-to-Date
Property Information**



Trust & Satisfaction

Initiatives to Ensure Information Accuracy

Defined Rules for Listings

Whistleblower Functions

Listing Checks

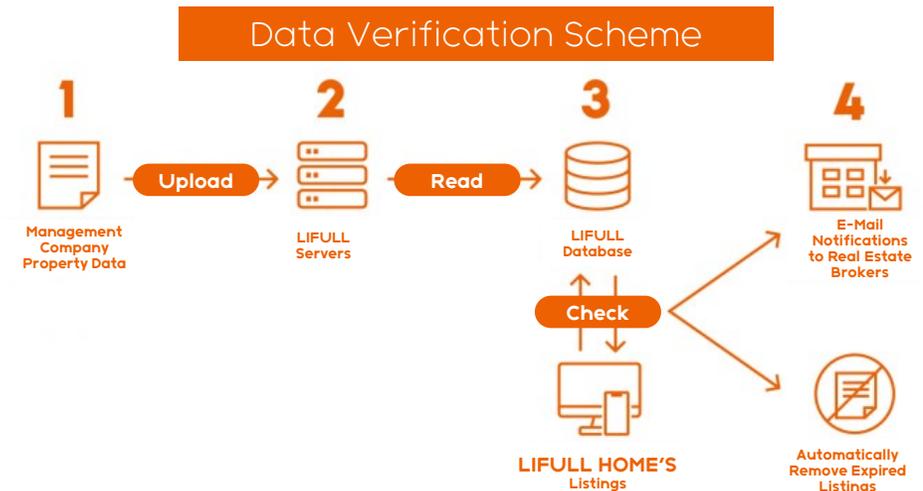
Data Partnership with Rakuten

Outstanding Agent Certification

Industry Cooperations

Collaborations with Related
Industries

Case: Data Sharing Scheme with Daitokentaku Partners



We have partnered with Daitokentaku Partners, the largest rental property management company in Japan, to automatically remove expired listings.

Faster Verification

Press Release (in Japanese)
<https://lifull.com/news/21326/>

SUPER HYPER ASSISTANT

for finding
the right home

By using

LIFULL HOME'S

users can...



Use simple search features

View dynamic images

Receive reliable support

Provide users
with a **smooth**
moving experience

**Efficiency &
Satisfaction**

Enhancing Promotion to Build Brand Awareness

Continuing to promote our service to build awareness of our transformation

Results of FY 2021/9

Broadest Area **Longest Broadcast Period** **More Diverse Channels**

TV COMMERCIALS



YouTube VIDEOS



Check out our past promotion

Official LIFULL HOME'S YouTube Channel

<https://www.youtube.com/c/homes/>

Search



FY 2022/9

Promotion Initiatives to Raise Awareness of our Transformation



VIDEOS



ONLINE



COMMERCIALS



LIFULL CONNECT

Vision

Combining advantages to create a multi-brand
Marketplace with more Value for Users and Clients

Aggregation Sites

Aggregation Sites

- Providing a wide variety of information to enormous audiences

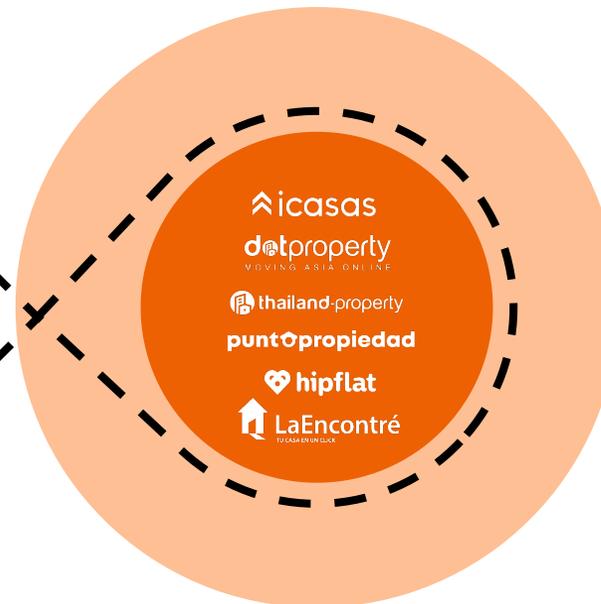


DIRECT

Real Estate Portals

Real Estate Portals

- Provide more personalized support
- Detailed information for users
- Client network



LIFULL CONNECT Growth Strategy "Moving to Direct"

By combining the enormous traffic from our entire network with the benefits of Proppit, we will provide more value to our clients in target regions and accelerate with additional services

Effective Use of Group Traffic

Management Tool for
Real Estate Professionals



Refer to next page for
service details

90%+

of clients in
target regions
migrated



More
Traffic



More
Inquiries



More
Value

Higher
Satisfaction

More Clients
More Listings



Accelerate Growth with Additional Services



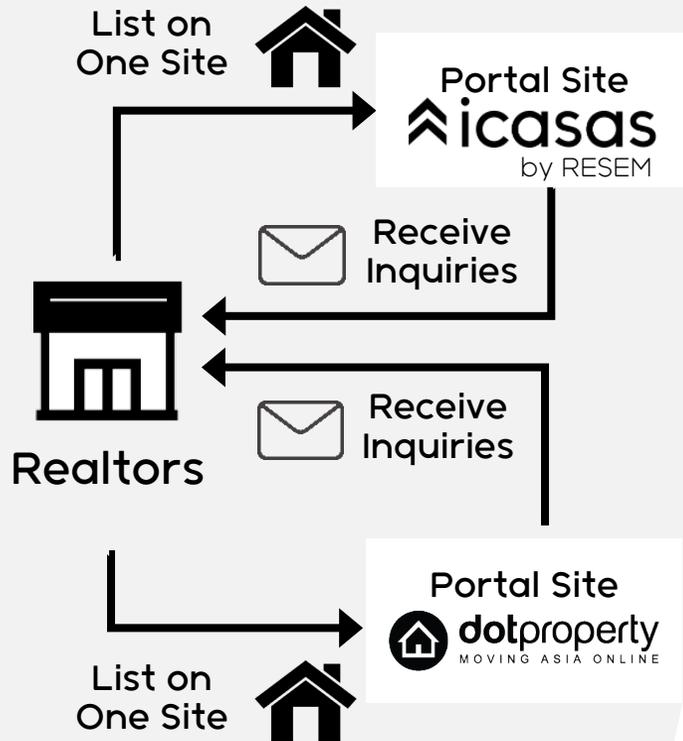
- Services for Real Estate Professionals
- Services for Portal Network Expansion

More Value Higher Profitability

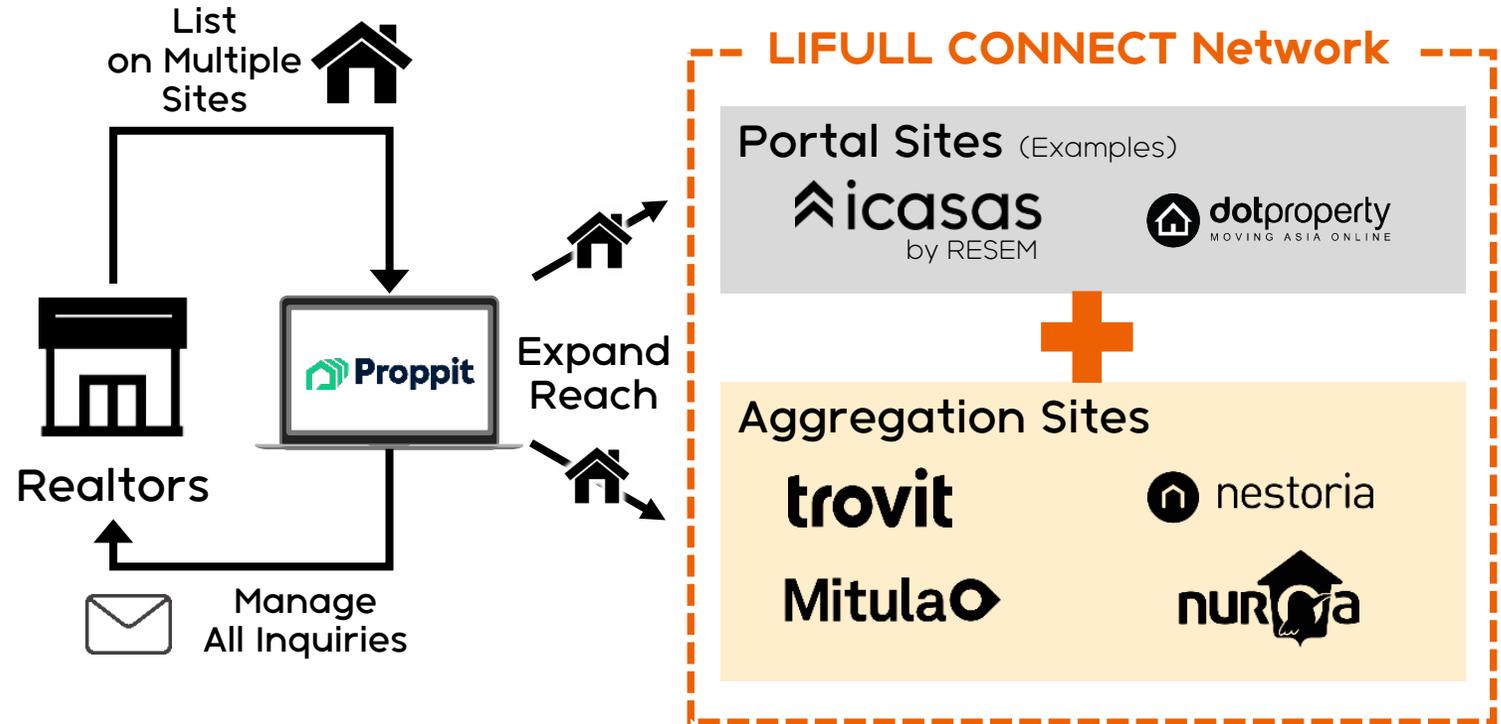
(Ref.) About "Proppit"

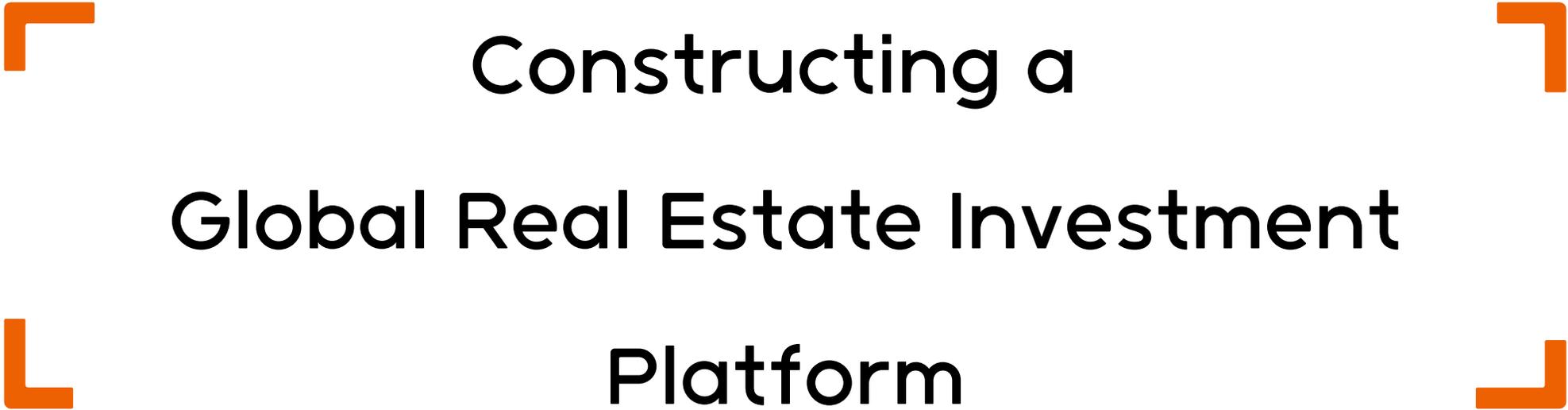
Using Proppit, a management tool for realtors in our key regions of Latin America and Southeast Asia, realtors are able to list across LIFULL CONNECT's exclusive and highly-qualified audience and manage inquiries in one place.

Traditional Listings



Listing via Proppit



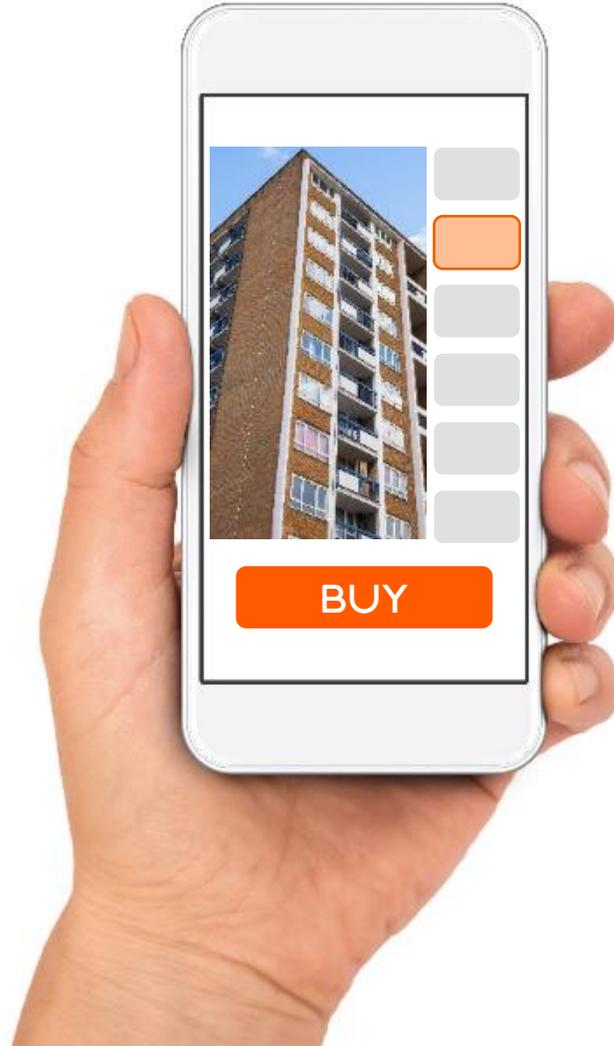


Constructing a Global Real Estate Investment Platform

Global Real Estate Investment Platform Vision

Making progress toward an investment platform where people can buy and sell real estate with just a smartphone

INTERNATIONAL REAL ESTATE



Real Estate Investment Platform

New Investment Options

Simple Access to Investing

Diverse Choices

Buy and Sell Freely

Ensure Transparency

Potential for a Global Real Estate Investment Platform

Currently options for small real estate investments are limited, but there is considerable room for growth.

Real Estate Assets

Global
Real Estate Assets

¹

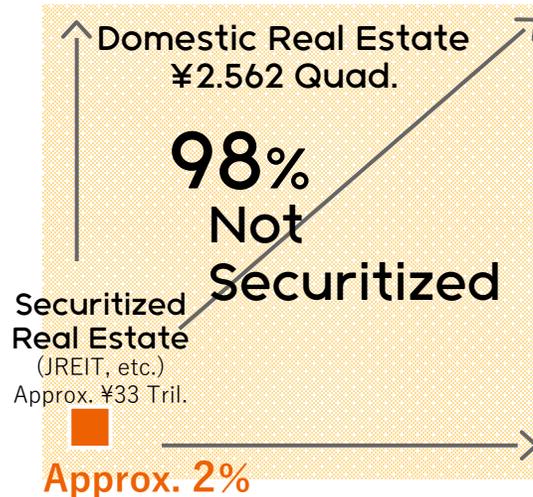
¥37
Quad.

Bonds
¥14 Quad.

Securities
¥12 Quad.

Japan

²



Securitized Real Estate

2018 Market Size

¥340 Bil.

³

(Excl. Financing)

CAGR Based on
2019 – 2030 Market Size (External Estimate)

58 - 59%



2026 Market Size Prediction

¥13.2 Tril.

(LIFULL Estimation)

Sources:

1 Value of global real estate rises 5% to \$326.5 trillion (Savills)

[https://www.savills.com/insight-and-opinion/savills-news/319145/value-of-global-real-estate-rises-5--to-\\$326.5-trillion](https://www.savills.com/insight-and-opinion/savills-news/319145/value-of-global-real-estate-rises-5--to-$326.5-trillion)

2 The Current Status of the Real Estate Market (MLIT)

<https://www.mlit.go.jp/common/001242304.pdf>

3 The Global Alternative Finance Market Benchmarking Report (Cambridge Centre for Alternative Finance)

<https://www.jbs.cam.ac.uk/wp-content/uploads/2020/08/2020-04-22-ccaf-global-alternative-finance-market-benchmarking-report.pdf>

4 Security Token, reinforcing real estate investment (Deloitte)

<https://www2.deloitte.com/content/dam/Deloitte/jp/Documents/about-deloitte/news-releases/jp-nr-nr20191212-report-en.pdf>

Global Real Estate Investment Platform Overview

To reach our goal, we will need 1. access to a pool of investors, 2. products and partners and 3. a matching platform for transactions (licenses, systems)

Investors

Users from Existing Services



Real Estate Investment Platform

Listings, Inquiries



Launched in Feb. 2021
Real Estate Crowdfunding Marketing

Matching with Investment Products



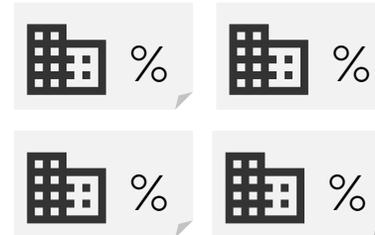
Type 2 Financial Instruments Business License
Type 2 and 4 Real Estate Specified Joint Enterprise Licenses

FUTURE Aim to handle financial products

Secondary Market & More Diverse Investment Opportunities

Creating Investment Products

Digitalization of Investment Products



Blockchain Tech. etc.

Real Estate Investment Products



Partners



Offering a platform to create and manage digital securities via blockchain

Investing



Brokerage for companies offering digital securities for real estate and private equity



Mid to Long-Term Goals

Focusing on our existing group services to
Increase Profitability



Our Original Framework for an Ideal Society

LIFULL Agenda

Ex. 1

Creating Strong Connections for Thriving Communities



LIFULL Regional Revitalization
 LOCAL MATCH
 LivingAnywhere Commons

Ex. 2

Providing the Right Living Conditions for All Walks of Life



LIFULL *Jinsei Sekkei*
 LIFULL HUB
 LIFULL FaM

Actions

NPO
 Well-being for Planet Earth

LIFULL HOME'S Soken

SOCIAL ENTERPRISE

Creating a consistent balance between solving social issues and expanding the scope of our businesses.

Mid-Term Growth Outlook

We are focusing on increasing consolidated revenue during our FY 2025 Mid-Term Plan and striving for a mid-term CAGR of approx. 15% and operating income margin of 20% while making active growth investments.

Mid-Term Management Plan (FY 2021/9 – FY 2025/9)

Focus on Revenue Growth

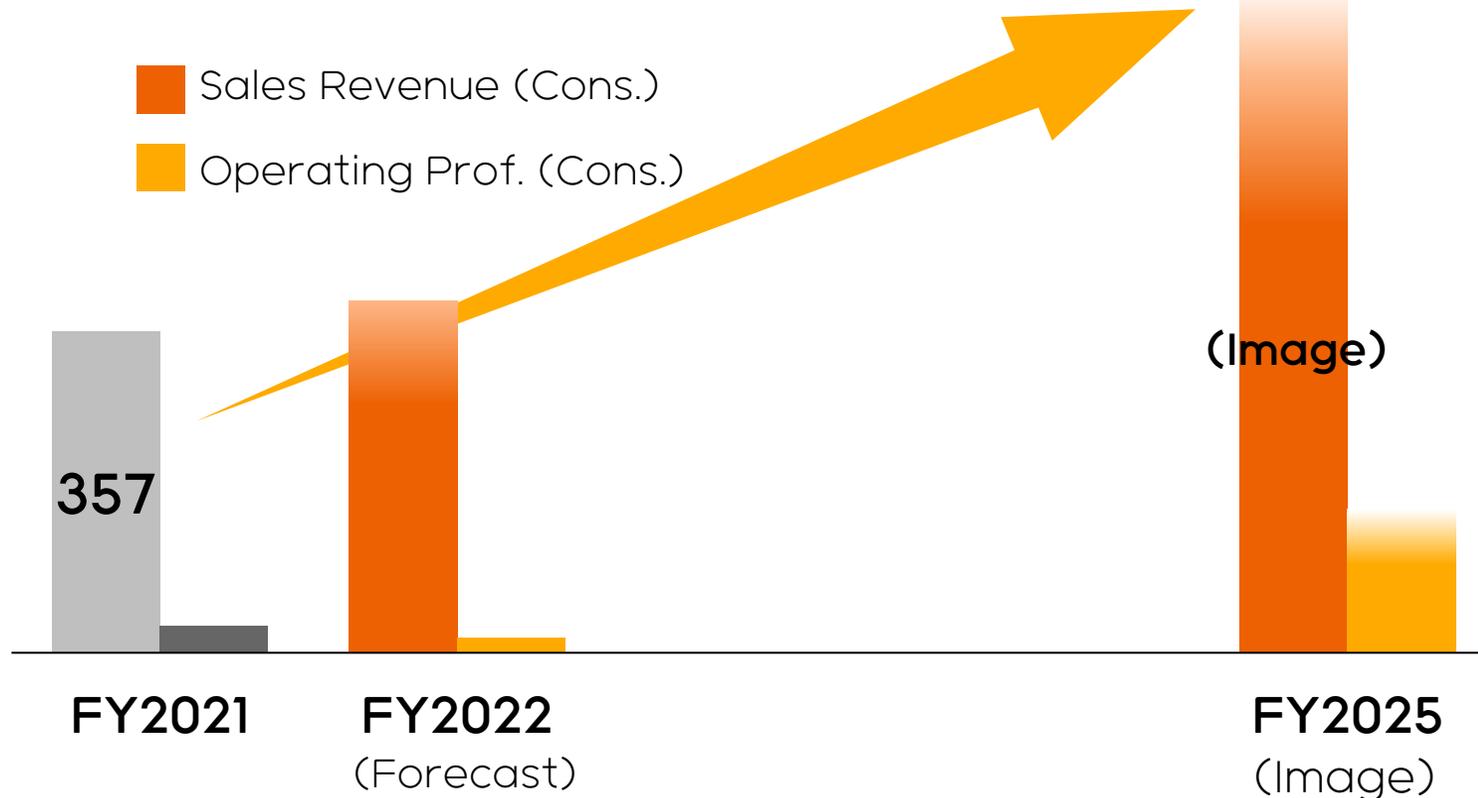
CAGR

Approx.

15%

Operating Income Margin

20%





 LIFULL

あらゆる LIFE を、FULL に。

Appendices

Corporate Information (as of September 30, 2021)

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. 2,458,256 shares of treasury stock)

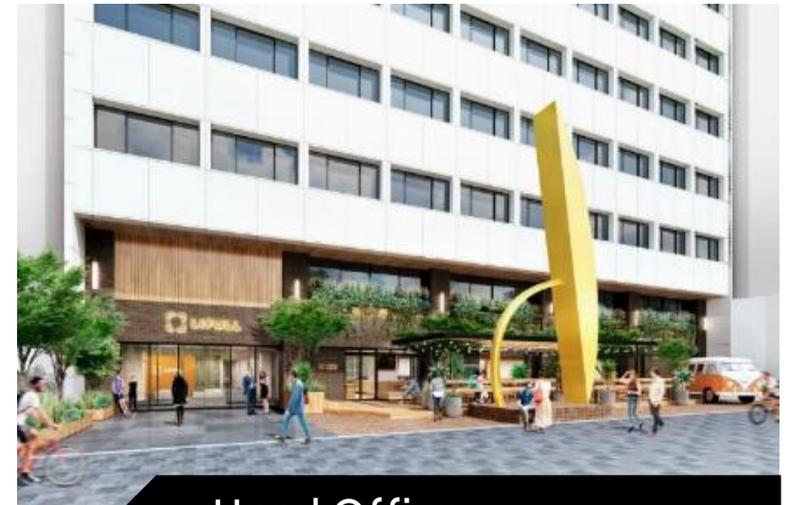
Consol. number of employees 1,483 (incl. 183 temporary and 354 overseas)

Major shareholder LIFULL Directors, Rakuten Group, Inc. (18.1%)

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)

LIFULL Marketing Partners Co., Ltd.	<ul style="list-style-type: none">• Internet marketing for real estate and related business operators
LIFULL senior Co., Ltd.	<ul style="list-style-type: none">• 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 ihinsei" for companies which organize the possessions of the deceased
LIFULL MOVE Co., Ltd.	<ul style="list-style-type: none">• Operation of the moving company price estimate and reservation website, LIFULL Hikkoshi
LIFULL SPACE Co., Ltd.	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Contractor for clerical work and other back-office operations• Contractor for call center operations
LIFULL Investment Co., Ltd.	<ul style="list-style-type: none">• Operation of the crowdfunding platforms, LIFULL Investment• Operation of the LIFULL Regional Revitalization Fund
LIFULL Tech Vietnam Co., Ltd.	<ul style="list-style-type: none">• Offshore, lab-type, software and application development as well as creative production
Rakuten LIFULL STAY, Inc. ^{1,2}	<ul style="list-style-type: none">• Operation of vacation rental platforms
LIFULL CONNECT, S.L.U.	<ul style="list-style-type: none">• Operation of aggregation sites for real estate, job listings, used vehicles and fashion aggregation sites as well as portals
LIFULL ArchiTech Co., Ltd.	<ul style="list-style-type: none">• Research and development on construction and living environments; management of patents
Kenbiya Co., Ltd.	<ul style="list-style-type: none">• Operation of the real estate investment site Kenbiya
LIFULL Leadership Co., Ltd.	<ul style="list-style-type: none">• Employee training consultant: Designing and providing training courses for leadership development and management skills

Segments and Primary Services

Segments	Main services
HOME'S Services	<p>LIFULL HOME'S</p> <p>AD Master (former Renter's Net)</p> <p>NabiSTAR</p> <p>Advertising & Consulting Agency (LIFULL Marketing Partners Co., Ltd.)</p> <p>Kenbiya (Kenbiya Co., Ltd.)</p>
Overseas	<p>Trovit (LIFULL CONNECT)</p> <p>Mitula (LIFULL CONNECT)</p> <p>Nestoria (LIFULL CONNECT)</p> <p>RESEM (LIFULL CONNECT)</p> <p>Dot Property (LIFULL CONNECT)</p> <p>App Development (LIFULL Tech Vietnam)</p> <p>Other subsidiary services of LIFULL CONNECT</p>
Other Businesses	<p>LIFULL <i>Kaigo</i> (Nursing Care) (LIFULL senior Co., Ltd.)</p> <p>LIFULL <i>Hikkoshi</i> (Moving) (LIFULL MOVE Co., Ltd.)</p> <p>LIFULL Trunk Room (LIFULL SPACE Co., Ltd.)</p> <p>Regional Revitalization Business</p> <p>Financing Business (LIFULL Investment Co., Ltd.)</p> <p>Regional Revitalization Fund (LIFULL Investment Co., Ltd.)</p> <p>Other LIFULL subsidiaries and new services</p>

Solving Financial Problems After Retirement LIFULL Jinsei Sekkei

We launched a new service in September 2021 which connects people with independent financial planners to resolve financial issues after retirement.

Problem

Do you worry about your finances after retirement?

Yes
88.7%



61.2% I am not currently taking any concrete actions

People are worried about their finances, but aren't doing anything about it

Online survey of 1,377 individuals aged 40 - 65 conducted by LIFULL in March 2021



Sep. 21, 2021

Beta Release



Live your own way

Benefits of Paid Professional Consultations

Free Consultations

Generally working for commissions from financial institutions. **Only offer specific products.**



Paid Consultations

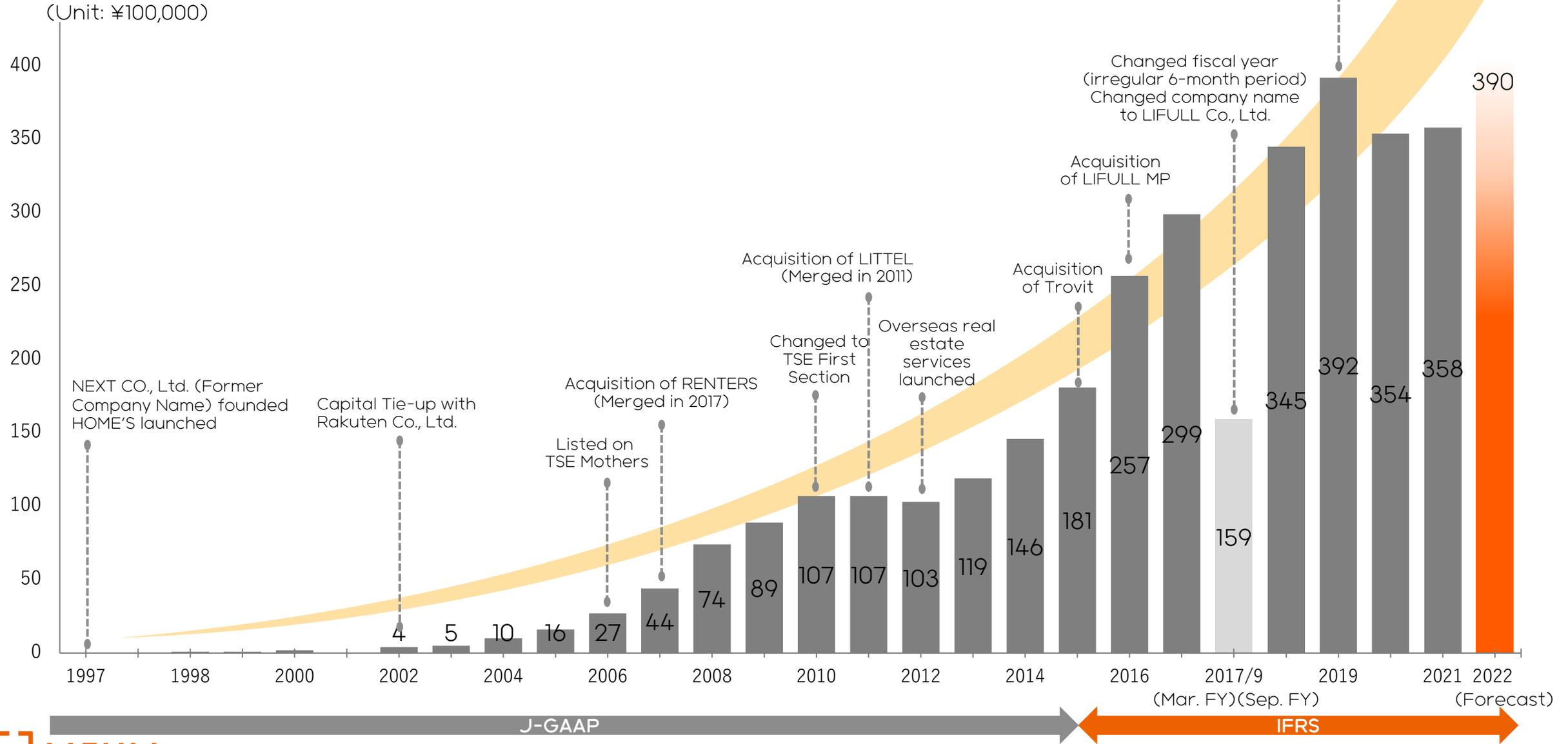
Advisors take a neutral position without bias and make **suggestions tailored to their clients.**

LIFULL *Jinsei Sekkei*

Search

<https://lifeplan.lifull.jp/>

Annual Revenue and Timeline of Company Growth



Consolidated Statements of Profit and Loss Quarterly

Unit : JPY mil	FY2017/9		FY2018				FY2019				FY2020				FY2021			
	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	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	8,510	8,271	9,581	9,072	8,931
HOME'S Services	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	6,652	6,346	7,260	6,550	6,535
Overseas	859	858	883	935	983	1,058	986	2,315	2,213	2,165	2,006	1,892	1,101	1,378	1,440	1,766	1,974	1,837
Other Businesses	461	479	502	542	528	527	544	488	479	448	432	547	429	479	484	554	547	558
Cost of revenue	915	946	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116	1,157	869	953	945	1,056	890	1,058
SG&A	6,600	6,366	6,136	7,253	6,212	6,818	6,139	9,526	7,062	7,985	7,031	7,390	5,651	6,940	6,467	7,426	7,464	7,240
Personnel expenses	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	2,785	2,345	2,001	2,315	2,242
Advertising expenses	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	2,160	2,155	3,585	3,170	2,940
Operating expenses	240	215	236	267	209	229	190	204	240	290	170	123	64	106	96	87	100	116
Depreciation/amortization cost	253	266	274	266	263	263	259	304	308	303	490	515	486	525	524	487	474	474
Other SG&A	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	1,363	1,345	1,263	1,403	1,466
Other revenues and expenses	-72	-30	71	18	6	-44	425	-332	9	59	-9	-41	62	-1,817	-83	-85	-28	-9,752
Operating income	205	811	1,134	1,358	1,142	679	1,629	90	1,664	800	1,044	1,393	1,248	-1,201	775	1,011	688	-9,120
Operating income margin	2.6%	9.9%	14.0%	14.2%	13.7%	7.9%	19.4%	0.8%	17.1%	8.1%	11.3%	14.0%	16.2%	-14.1%	9.4%	10.6%	7.6%	-102.1%
Net profit*	22	467	591	980	702	585	1,003	-41	1,073	370	527	949	846	-1,161	387	639	449	-7,303

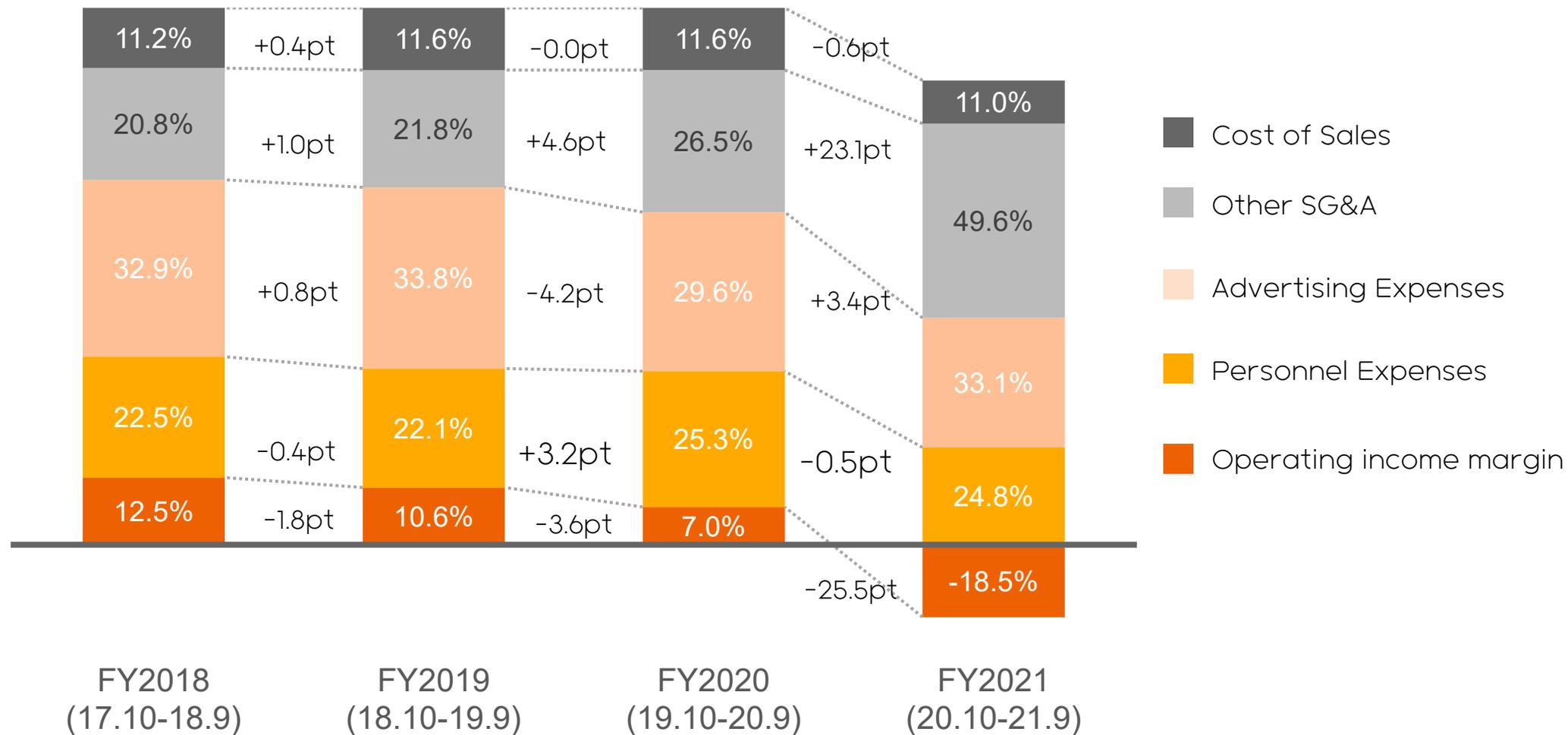
1) Net income = Net income attributable to owners of the parent

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 measures for corporate mergers have been defined for FY 2020/9, these provisional accounting measures have been applied to all related values.

Expense-to-Revenue Ratio IFRS

Making investments to improve competitive edge with increases in other SG&As and advertising.
Other SG&As increased due to impairment loss in LIFULL CONNECT

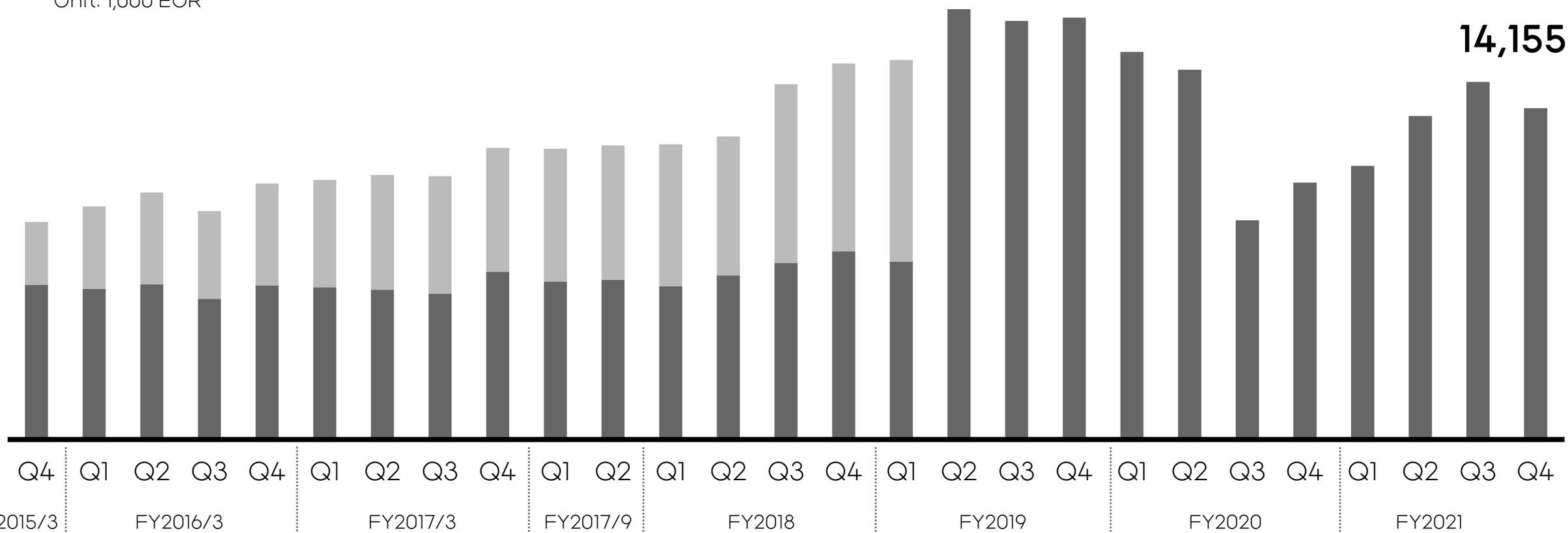


Quarterly Results LIFULL CONNECT

Currently seeing recovery from decrease in revenue due to the COVID-19 pandemic.

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

Unit: 1,000 EUR



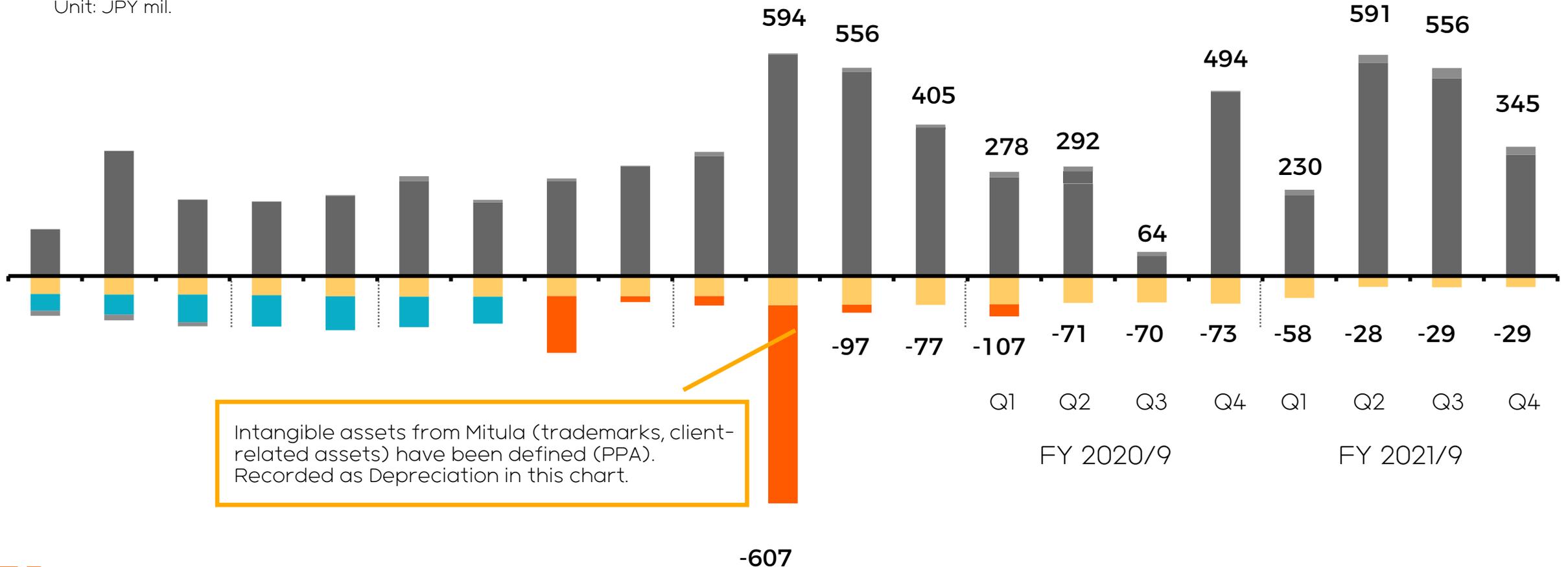
Overseas Segment Results Segment Profit and Loss (Quarterly Trend)

Despite the ever-changing situation due to the on-going pandemic, we continuing to secure profits while making investments to make ourselves even more competitive

Quarterly Segment P&L

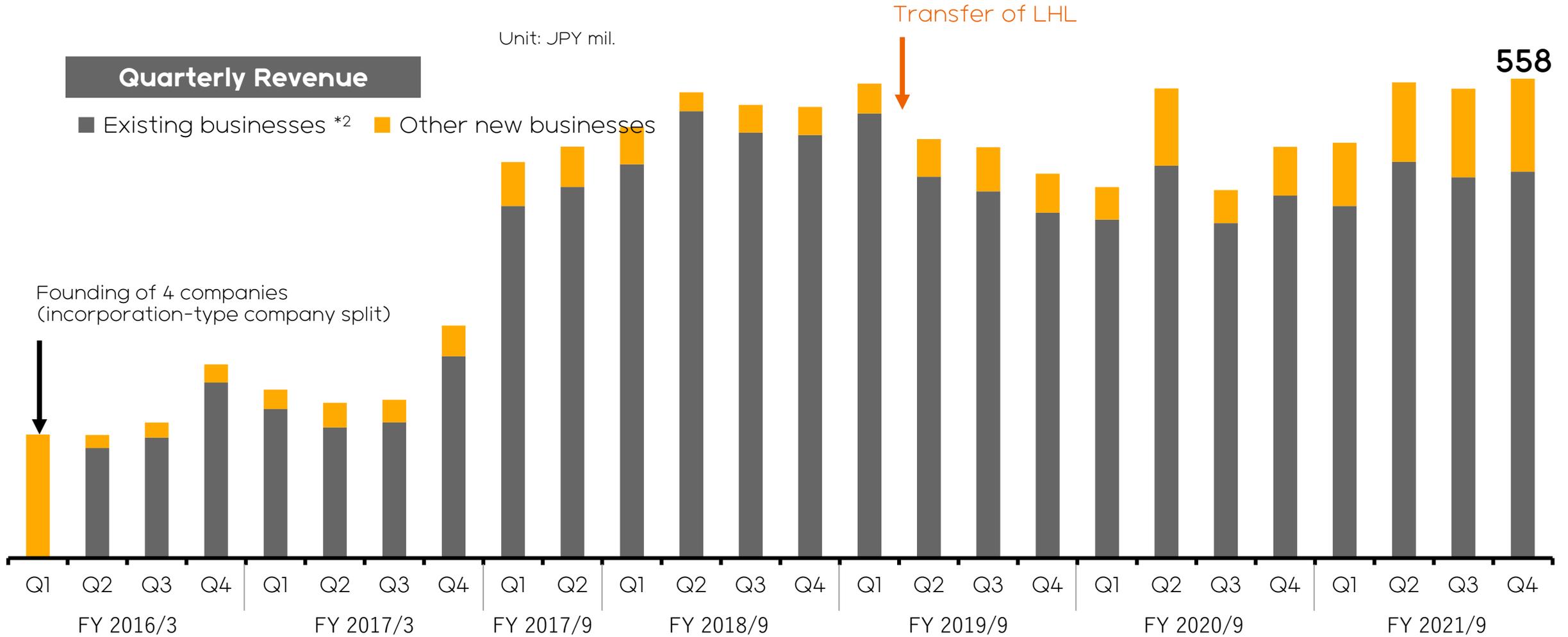
■ LIFULL CONNECT ■ International Division ■ Depreciation ■ M&A Costs ■ Other

Unit: JPY mil.



Other Businesses Segment Sales Revenue (Quarterly)

Existing businesses driving revenue growth

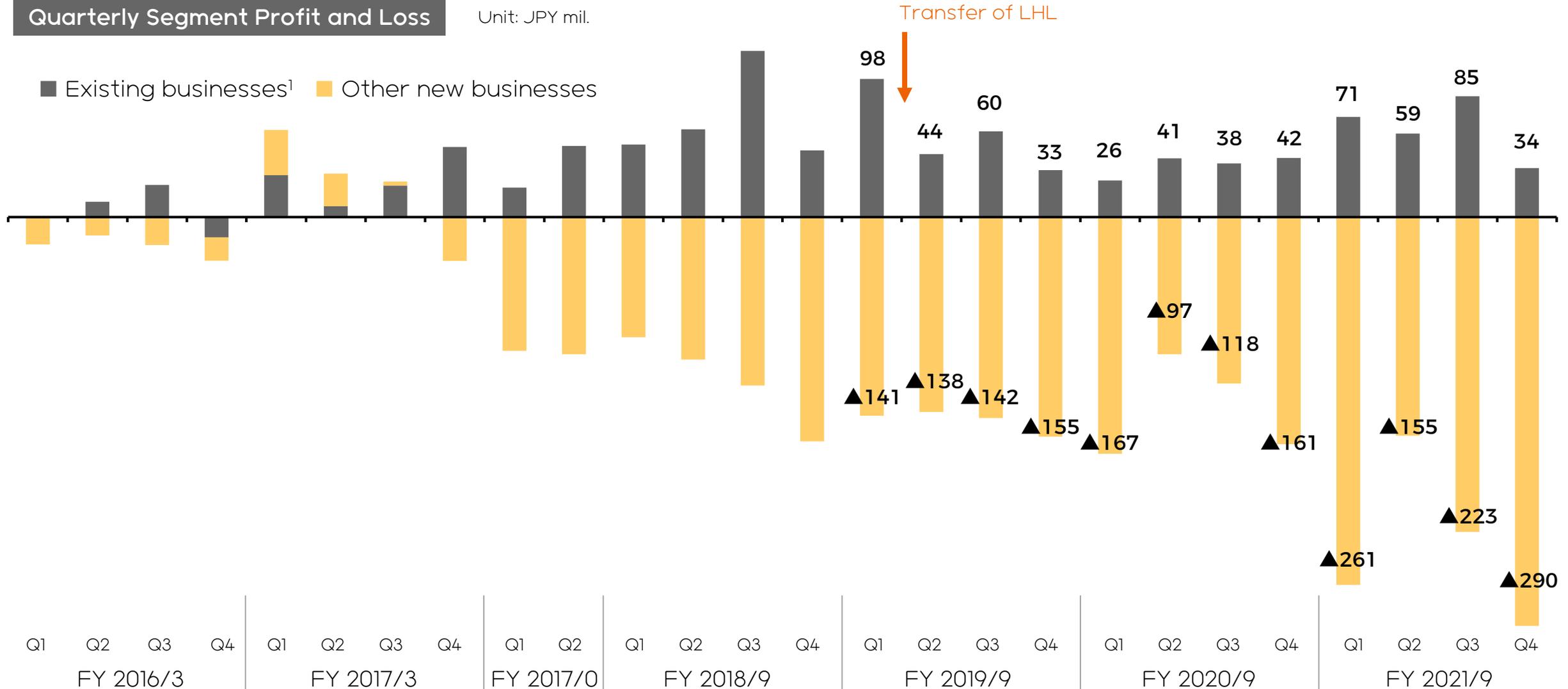


Other Businesses Segment Profit and Loss (Quarterly)

Quarterly Segment Profit and Loss

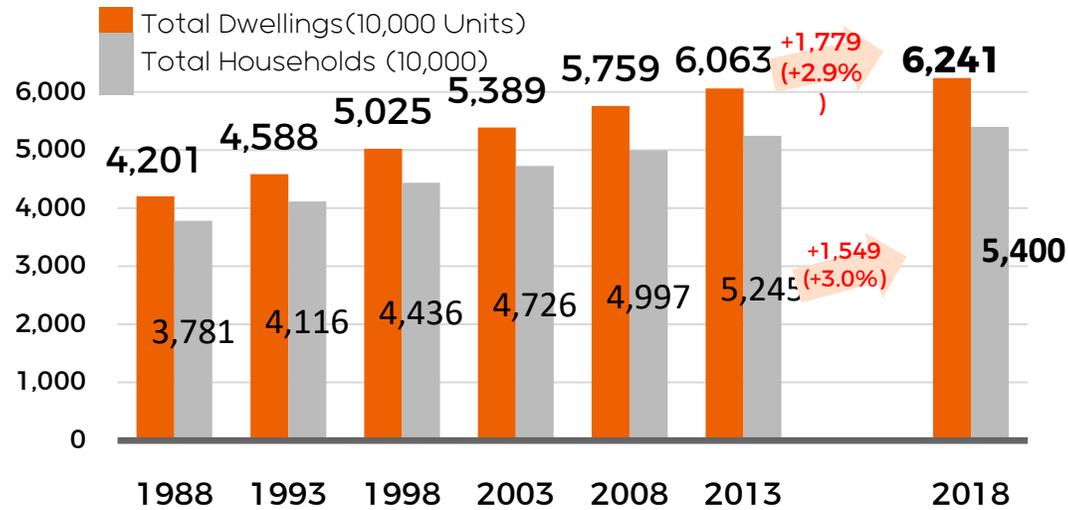
Unit: JPY mil.

Existing businesses¹ Other new businesses

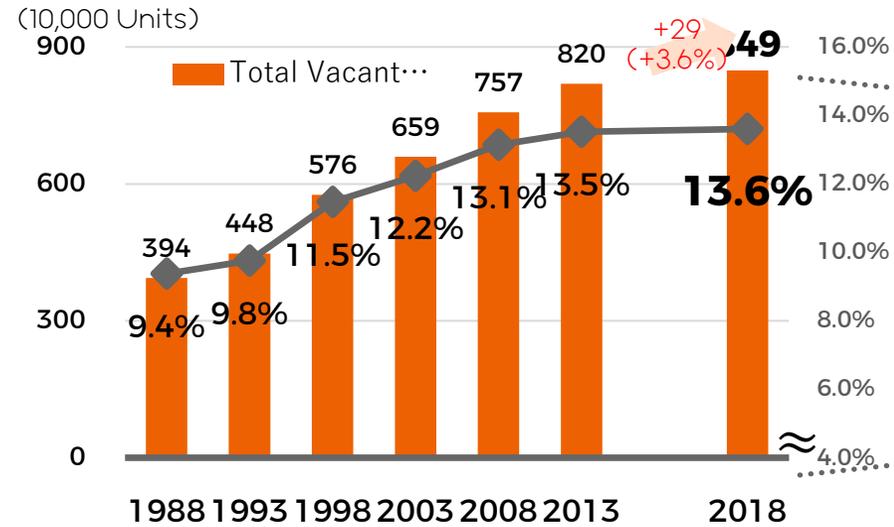


(Ref.) Base Results of the 2018 Housing and Land Survey (Statistics Bureau of Japan)

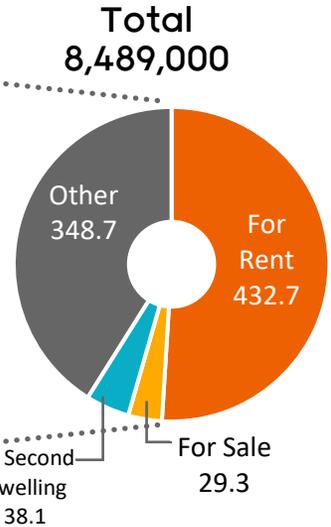
Trend of Total Dwellings and Total Households



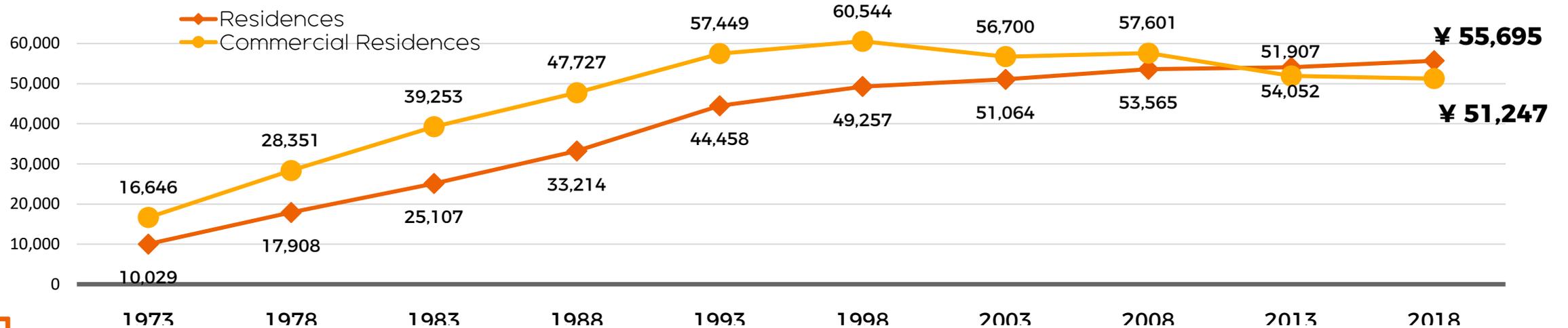
Trend of Number of Vacant Homes and Vacancy Rates



Breakdown of Vacant Homes



National Trend in Monthly Rent



(Ref.) External Market Data Monthly

Annual 2019 2020 2021

		2018	2019	2020	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	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																														
(1) Number of Apartments for Sale	Capital Region	37,132	31,238	27,228	1,421	2,206	2,259	1,932	1,819	2,359	2,007	3,293	6,392	1,237	1,488	2,142	686	393	1,543	2,083	1,669	2,477	3,358	2,790	7,362	1,325	2,243	3,103	2,089	2,578	1,939	1,952	1,940	△2,311
	YoY	3.4%	-15.9%	-12.8%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%	-29.5%	-4.9%	-14.3%	-34.9%	-35.7%	-35.8%	-51.7%	-82.2%	-31.7%	7.8%	-8.2%	5.0%	67.3%	-15.3%	15.2%	7.1%	50.7%	44.9%	204.5%	556.0%	25.7%	-6.3%	16.2%	6.7%
	Kinki	20,958	18,042	15,195	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	921	1,617	1,228	1,415	1,610	3,105	695	1,718	1,815	1,093	1,321	1,731	1,950	1,050	△1,210
	YoY	7.1%	-13.9%	-15.8%	-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%	-48.5%	20.6%	-12.7%	11.3%	7.9%	-3.9%	11.9%	66.0%	18.8%	121.3%	517.3%	23.0%	111.7%	-35.1%	1.5%
(2) Apartment Price Trend	Capital Region	5,871	6,083	6,083	5,895	6,093	5,964	5,676	6,405	5,991	5,992	5,469	5,876	8,386	6,536	6,156	6,216	6,485	6,389	6,124	6,011	5,812	6,130	5,922	5,620	5,824	6,380	6,330	7,764	5,908	6,211	6,498	7,452	6,584
	YoY	-0.6%	1.7%	1.7%	6.3%	1.0%	-4.5%	-8.3%	19.5%	16.6%	1.0%	-9.1%	-0.3%	48.3%	3.9%	-6.0%	5.4%	6.4%	7.1%	7.9%	-6.2%	-3.0%	2.3%	8.3%	-4.4%	-30.6%	-2.4%	2.8%	24.9%	-8.9%	-2.8%	6.1%	24.0%	13.3%
	Kinki	3,844	4,181	4,181	3,358	4,152	3,364	4,713	3,054	3,448	3,476	3,532	4,253	4,296	3,370	4,905	3,434	4,286	3,608	4,971	3,492	4,693	4,901	4,449	3,913	4,629	3,954	4,226	5,356	3,828	4,572	4,463	4,413	4,757
	YoY	0.2%	8.1%	8.1%	-12.2%	7.3%	-6.0%	3.2%	-14.8%	-14.7%	-4.9%	1.3%	2.1%	14.4%	-13.2%	11.4%	2.3%	3.2%	7.3%	4.3%	14.3%	36.1%	41.0%	26.0%	-8.0%	7.8%	17.3%	-13.8%	56.0%	-10.7%	26.7%	-9.2%	26.4%	1.4%

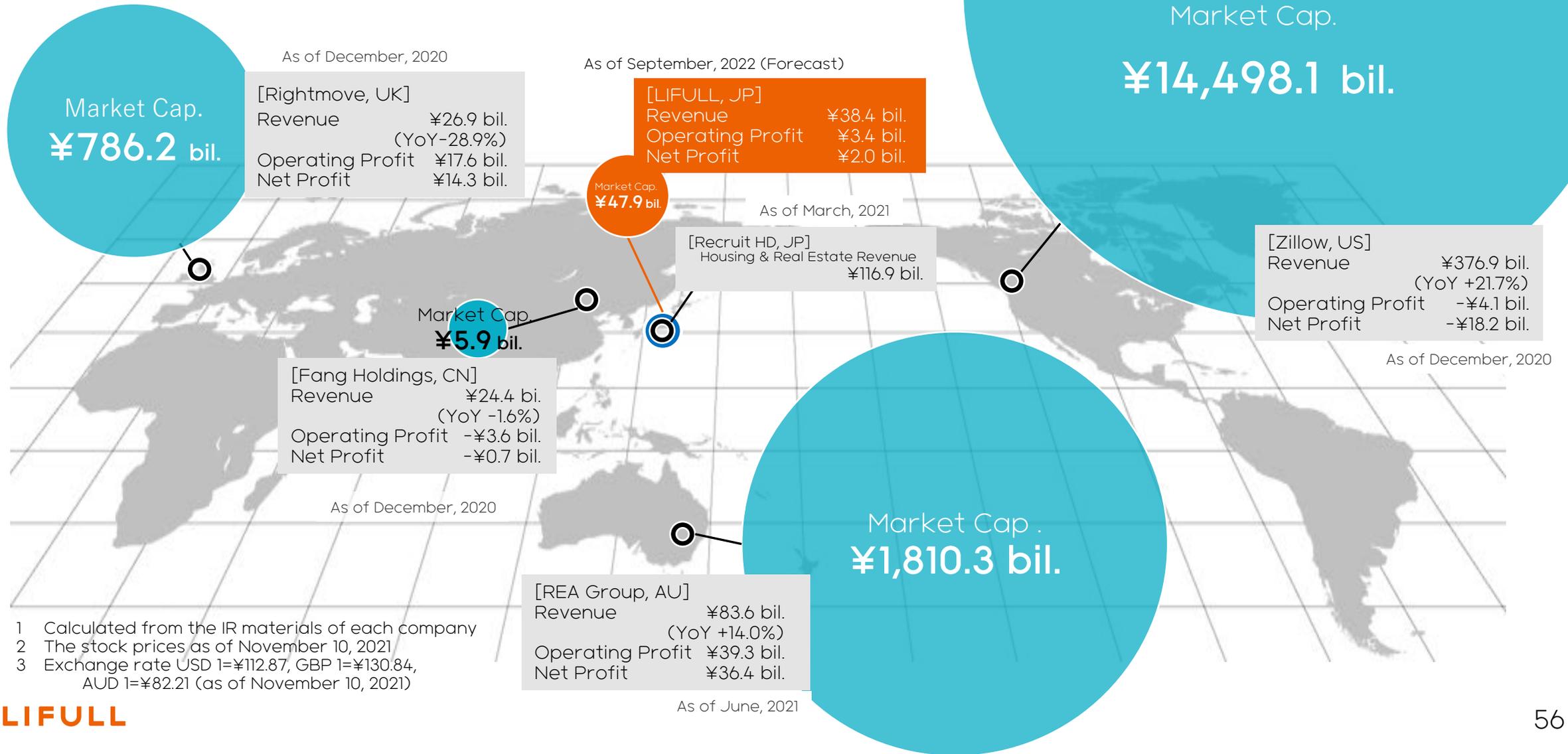
		2018	2019	2020	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																														
(3) New Build Starts (Units)	House for Rent	396,404	306,753	306,753	29,511	26,164	30,645	30,383	29,255	29,414	29,417	28,779	27,611	24,147	22,638	26,545	25,379	24,041	26,666	27,696	27,671	25,053	26,043	26,451	24,423	19,794	22,556	27,245	28,825	25,074	29,802	29,230	28,733	28,254
	YoY	-5.5%	-10.4%	-10.4%	-16.7%	-15.8%	-12.2%	-15.2%	-17.5%	-16.8%	-16.5%	-17.5%	-10.3%	-2.5%	-18.9%	-6.6%	-14.0%	-8.1%	-13.0%	-8.8%	-5.4%	-14.8%	-11.5%	-8.1%	-11.5%	-18.0%	-0.4%	2.6%	13.6%	4.3%	11.8%	5.5%	3.8%	12.8%
	Apartment	110,510	107,884	107,884	10,480	9,165	8,597	8,600	10,159	12,022	9,998	7,995	8,957	6,789	9,353	9,500	10,723	9,292	8,422	8,352	9,377	11,970	9,908	8,049	6,149	8,775	6,779	10,392	10,776	9,444	7,024	9,117	7,968	7,251
	YoY	-3.8%	-8.4%	-8.4%	-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%	1.4%	-2.0%	-2.9%	-7.7%	-0.4%	-0.9%	0.7%	-31.3%	29.3%	-27.5%	9.4%	0.5%	1.6%	-16.6%	9.2%	-15.0%	-39.4%
	House	142,393	130,753	130,753	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	10,820	9,455	10,036	10,647	11,372	11,315	10,213	10,470	11,319	11,595	11,797	12,654	12,242	11,783	11,505
	YoY	3.0%	-11.4%	-11.4%	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%	-12.8%	-11.0%	-17.2%	-22.7%	-15.6%	-16.3%	-10.5%	-8.9%	-6.1%	-4.0%	-2.6%	-0.6%	13.6%	8.5%	13.1%	24.6%	14.6%
	Owned house	283,235	261,088	261,088	25,436	24,826	28,394	26,282	24,027	24,008	24,495	23,655	22,294	18,037	19,557	22,327	21,018	19,697	23,650	22,708	21,915	22,337	23,013	24,010	22,819	19,200	20,390	22,340	22,877	22,887	26,151	26,071	25,100	25,659
	YoY	-0.4%	-9.6%	-9.6%	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%	-13.6%	-8.8%	-7.0%	-6.1%	1.5%	2.4%	6.4%	4.3%	0.1%	8.8%	16.2%	10.6%	14.8%	14.5%	14.9%

		2018	2019	2020	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	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
		(Jan-Dec)	(Jan-Dec)	(Jan-Dec)																														
(4) Internal Migrants	Total	5,359,174	5,403,465	5,255,721	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	379,492	369,596	358,658	370,201	342,467	358,031	320,671	376,039	975,925	709,863	357,793	365,883	363,284	370,565	346,666
	YoY	0.8%	0.8%	-2.7%	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%	-9.3%	-2.4%	-3.7%	-5.7%	1.7%	2.0%	-3.5%	3.9%	1.1%	-7.1%	18.9%	3.7%	-4.3%	0.3%	-3.3%
	Only Japanese	4,889,713	4,889,191	4,840,852	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	353,481	344,022	331,449	341,034	312,989	322,494	281,919	332,330	915,925	662,701	328,587	334,602	334,781	340,850	316,482
	YoY	-0.1%	0.0%	-1.0%	-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%	-6.0%	0.8%	0.4%	-1.7%	4.9%	3.4%	-5.6%	1.7%	1.9%	-5.8%	17.6%	1.8%	-5.3%	-0.9%	-4.5%
(5) Japan Population	Unit : Thousand	Oct. 1, 2018	Oct. 1, 2019	Oct. 1, 2020	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	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
	Total	126,443	126,167	125,708	126,254	126,181	126,252	126,265	126,219	126,131	126,167	126,161	126,144	125,988	126,004	125,962	125,930	125,895	125,858	125,836	125,809	125,754	125,708	125,669	125,651	125,630	125,552	125,480	125,417	125,339	125,470	125,360	125,300	125,210

[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.) 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 November 10, 2021
 3 Exchange rate USD 1=¥112.87, GBP 1=¥130.84, AUD 1=¥82.21 (as of November 10, 2021)

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