



LIFULL Co., Ltd.

Earnings Presentation IFRS

Fiscal Year Ended September 30, 2017 (April to September 2017)

Disclaimer

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

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Key Points

1. FY2017/9 **revenue was 15.9bn, record high for 6 consecutive periods**
 2. EBITDA declined as a result of strategic investment in advertising expenses
-
3. Number of clients grew **15% YoY**. APRA increased 4.4% YoY by expanding sales capabilities
 4. Launched “Real Estate price Visualization” and “LIFULL HOME’S House Appraisal” to **improve transparency of the real estate market**.
 5. **Launched new service corresponding to the online explanation important matters**. A progress toward realization of online real estate transactions
 6. In addition to crowd funding, launched **Akiya Bank and Rakuten LIFULL STAY** to resolve the issue of vacant homes

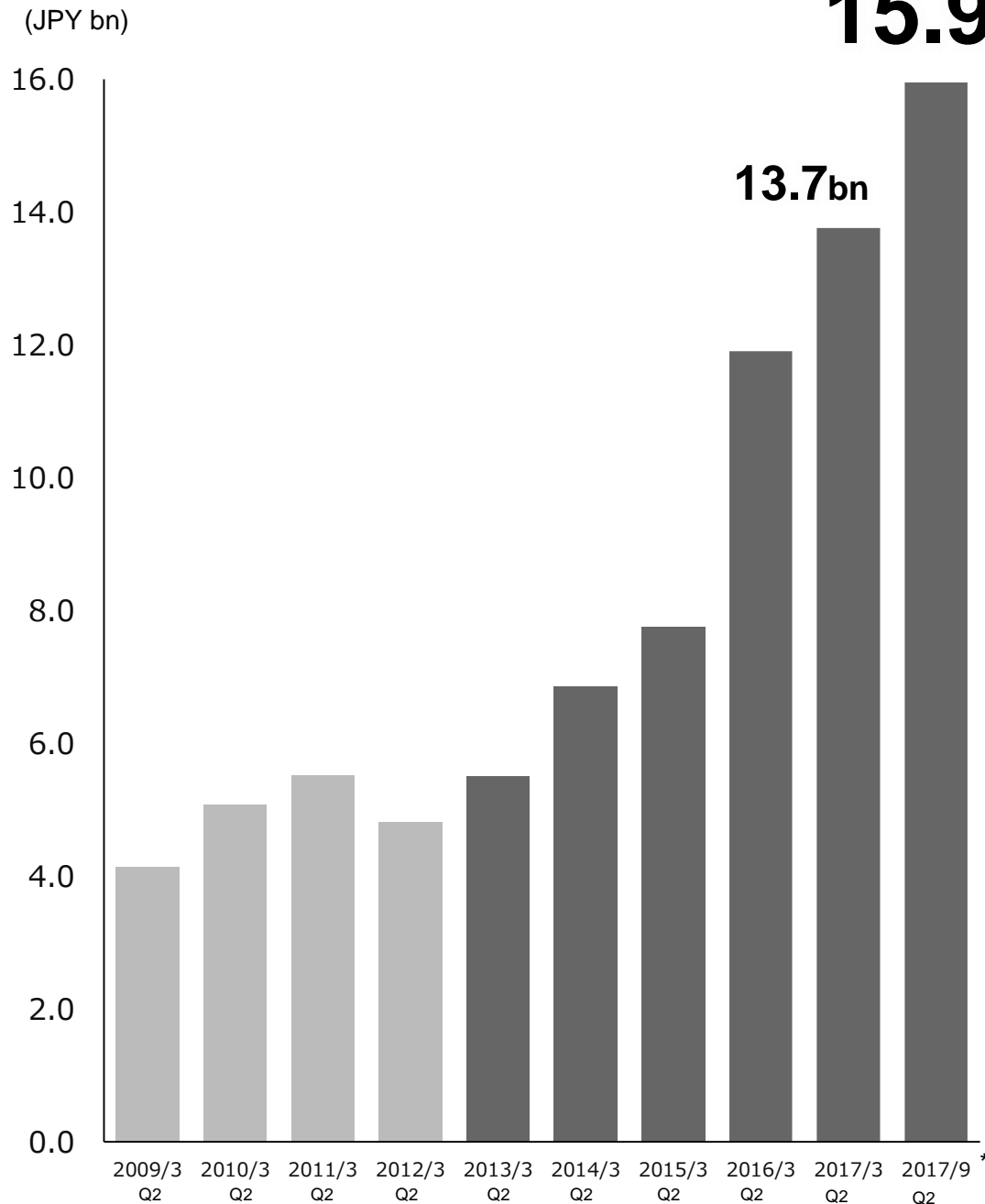
Consolidated Results for FY2017/9

Revenue

15.9bn

13.7bn

**Record high for
6 consecutive
periods**



*Segments have changed from the fiscal year ending September 30, 2017.

Condensed Statements of Income and Loss IFRS

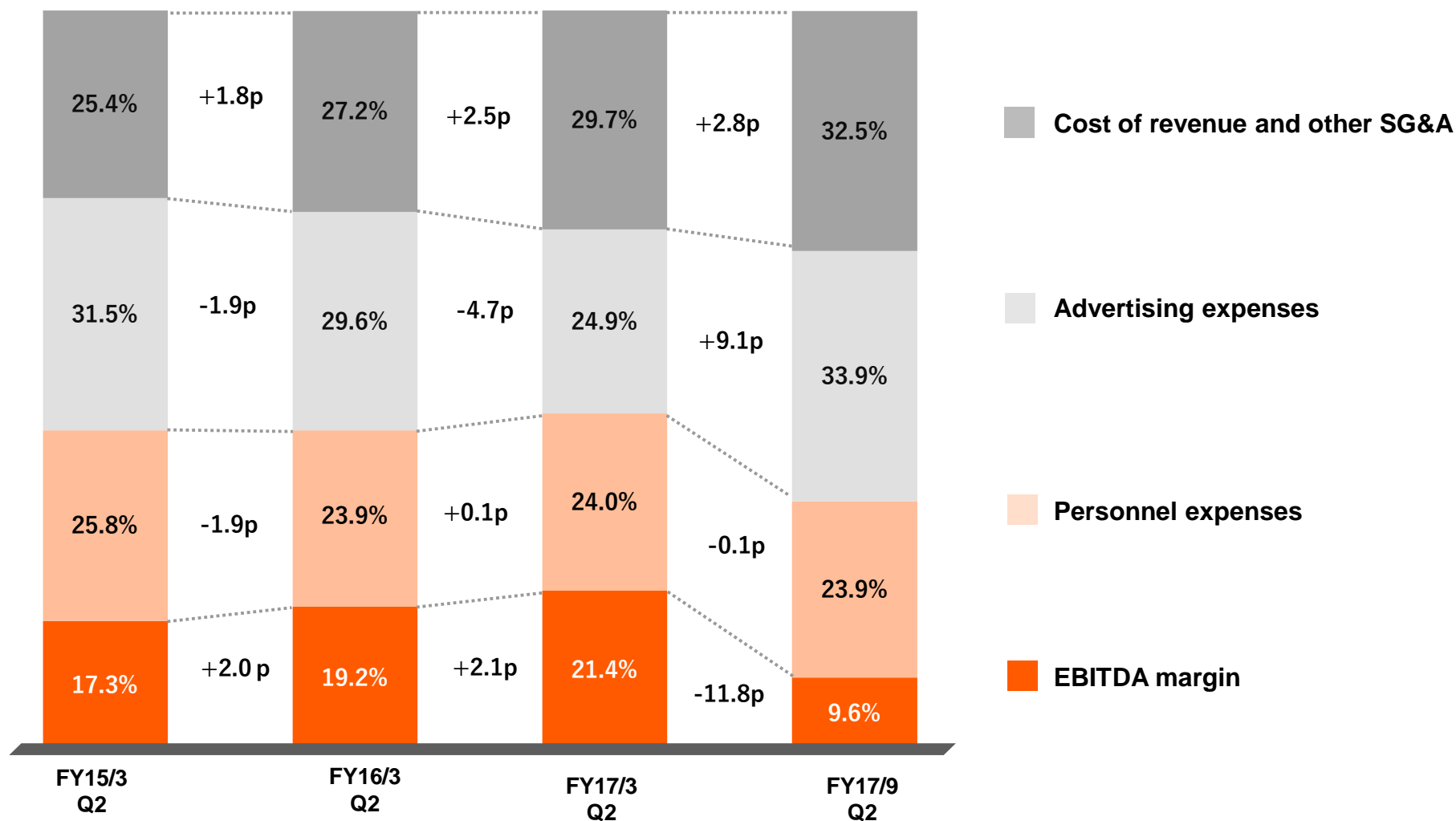
While revenue rose in all segments including the core HOME'S Services Business segment, EBITDA was down 47.8% YoY as a result of strategic investment in advertising expenses and other costs accompanying changes in the company name and brand.

Unit: JPY mil	FY17/3 Q2 (Apr.-Sep.)	FY17/9 (Apr.-Sep.)	Change	Change %	Main items
Revenue	13,757	15,948	+2,191	+15.9%	Revenue rose in all segments, driven primarily by the HOME'S Services Business segment.
Cost of sales	1,408	1,862	+453	+32.2%	Increased due to LIFULL MP business growth.
SG&A (excl. depreciation)	9,358	12,446	+3,088	+33.0%	
Personnel expenses	3,305	3,810	+505	+15.3%	Effect of increase in employees (Average number of employees groupwide increased by 129 persons YoY.) Addition to consolidation of LIFULL Social Funding in January 2017 and LIFULL Tech Vietnam in February led to increase of 59 persons.
Advertising expenses	3,420	5,414	+1,993	+58.3%	Effect of large-scale advertising campaign accompanying changes in the company name and brand on April 1, 2017
Operating expenses	483	455	-27	-5.7%	
Other	2,149	2,766	+617	+28.7%	In addition to the impact of two months' rent for the former head office, outsourcing costs, system usage fees, and compensation increased.
Other revenues and expenses	-48	-102	-54	-	
EBITDA	2,941	1,536	-1,405	-47.8%	
EBITDA margin	21.4%	9.6%	-11.7p	-	
Net profit*	1,676	489	-1,187	-70.8%	
Depreciation and amortization	438	519	+81	+18.5%	

*Net profit attributable to owners of the parent

Expense-to-Revenue Ratio IFRS

The EBITDA margin worsened as the result of strategic investments in advertising expenses accompanying changes in the company name and brand.



Sales by Segment IFRS

Steady growth in all segments.

Unit: JPY mil	FY17/3 Q2 (Apr.-Sep.)	FY17/9 (Apr.-Sep.)	Change	Change %	Main items
Revenue	13,757	15,948	+2,191	+15.9%	
HOME'S Services Business	11,398	13,288	+1,889	+16.6%	Increased steadily due to increase in the media value and expansion of clients network.
Overseas Business	1,574	1,718	+144	+9.1%	Increased mainly due to enhance in SEO, sales capabilities, and fluctuations in foreign currency exchange rates.
Others Business	783	941	+157	+20.1%	Increased mainly due to strong performance by LIFULL Kaigo, and the addition of LIFULL Tech Vietnam and LIFULL Social Funding.

*Performance in past fiscal years has been revised to reflect changes in segments effective from the fiscal year ending September 2017.

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

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

Segment Income and Loss IFRS

Income in HOME'S Services Business declined as a result of strategic investment in advertising expenses accompanying changes in the company name and brand. Income in Overseas Business declined 50.6% YoY due to reversal of the provision for bonuses for Trovit in the previous period.

Unit: JPY mil	FY17/3 Q2 (Apr.-Sep.)	FY17/9 (Apr.-Sep.)	Change	Change %	Main items
Segment income and loss	2,551	1,119	-1,432	-56.1%	
HOME'S Services Business	2,139	1,067	-1,071	-50.1%	While revenue rose steadily, income declined as a result of increase in advertising expenses accompanying changes in the company name and brand.
Overseas Business	266	131	-134	-50.6%	While revenue and Income of Trovit rose due to increase in revenue and the changes in foreign currency exchange rate, income in Overseas Business declined due to reversal of the provision for bonuses for Trovit in previous period.
Others Business	86	-120	-207		Effect of increase in advertising expenses - accompanying changes in the company name and brand.
Inter-segment transactions	59	41	-18	-31.0%	

*Performance in past fiscal years has been revised to reflect changes in segments effective from the fiscal year ending September 2017.

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

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

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

Steady growth in revenue driven by the core HOME'S Services Business. EBITDA was down 30.4% YoY as a result of strategic investment in advertising expenses and other costs accompanying changes in the company name and brand.

Unit: JPY mil	FY17/3 Q2 (Jul.-Sep.)	FY17/9 Q2 (Jul.-Sep.)	Change	Change %
Revenue	6,910	8,154	+1,244	+18.0%
HOME'S Services	5,782	6,816	+1,033	+17.9%
Overseas	750	858	+108	+14.4%
Others	377	479	+102	+27.0%
Cost of sales	737	946	+208	+28.3%
SG&A (excl. depreciation)	4,581	6,100	+1,518	+33.2%
Personnel expenses	1,531	1,816	+285	+18.6%
Advertising expenses	1,730	2,695	+964	+55.7%
Operating expenses	236	215	-20	-8.8%
Other	1,082	1,373	+290	+26.8%
Other revenues and expenses	-42	-30	+11	-
EBITDA	1,549	1,077	-471	-30.4%
EBITDA ratio	22.4%	13.2%	-9.2p	-
Net profit*	942	467	-475	-50.5%
Depreciation and amortization	217	266	+49	+22.7%

Unit JPY mil	FY17/3 Q2 (Jul.-Sep.)	FY17/9 Q2 (Jul.-Sep.)	Change	Change %
Segment income and loss	1,374	841	-532	-38.8%
HOME'S Services	1,088	802	-285	-26.2%
Overseas	226	66	-159	-70.5%
Others	24	-46	-71	-
Inter-segment transaction	34	18	-16	-46.1%

*Net profit attributable to owners of the parent

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

Condensed Statements of Financial Position and Goodwill IFRS

Decrease in liabilities by payment of advertising expenses, transfer-related cost, and tax.

Unit: JPY mil	As of Mar 31, 2017	As of Sep 30, 2017	Change	Change %	Main items	
Assets	27,110	26,363	-746	-2.8%	Decrease in cash and deposits	-537
					Decrease in accounts receivable – trade	-413
					Decrease in advance payments	-211
					Decrease in deposits paid	-466
					Increase in tangible asset	+130
					Increase in goodwill	+996
					Decrease in software	-202
					Increase in investments accounted for using the equity method	+229
Current assets	12,059	10,193	-1,866	-15.5%	Mainly due to lower transfer costs	
Non-current assets	15,050	16,170	+1,119	+7.4%	Mainly due to fluctuations in foreign currency exchange rates	
					Mainly Rakuten LIFULL STAYY	
Liabilities	8,294	7,069	-1,224	-14.8%	Decrease in accounts payable-trade	-27
					Decrease in accounts payable-other	-477
					Increase in deposits received	+146
					Decrease in allowance for bonuses	-127
					Decrease in accrued corporate income taxes	-383
					Decrease in asset retirement obligations	-200
					Decrease in long-term loans payable	-484
					Increase in deferred tax liability	+111
Current liabilities	7,088	6,115	-973	-13.7%	Decreased mainly due to payment of transfer-related costs	
Non-current liabilities	1,205	954	-250	-20.8%	Decreased due to payment of income taxes payable	
					Decrease due to repayment of loans	
Total Equity	18,815	19,293	+477	+2.5%	Decrease in retained earnings	-182
					Increase in foreign currency translation adjustment	+1,125
					Decrease in non-controlling interest	-278
Due to change in foreign currency exchange rate						
Equity per share attributable to owners of the parent (yen)	155.59	161.96	+6.37			

*Outstanding goodwill balance: Littel JPY 86 million, Trovit JPY 9,168 million, LIFULL MP JPY 251 million, LIFULL Social Funding JPY 255 million, LIFULL Tech Vietnam 94 million, and Trovit and LIFULL MP depreciable assets (PPA) JPY 901 million.

Condensed Statements of Cash Flows IFRS

Cash and cash equivalents decreased by JPY 500 million to JPY 5.5 billion.

Unit: JPY mil	FY17/3 Q2 (Apr.-Sep.)	FY17/9 (Apr.-Sep.)	Change	Main items		
				Items	FY17/3 Q2 (Apr.-Sep.)	FY17/9 (Apr.-Sep.)
Operating cash flow	1,848	1,909	+61	Income before income taxes	2,523	957
				Depreciation and amortization	439	528
				Increase/decrease in accounts receivable – trade and other short-term claims	311	525
				Increase/decrease in accounts payable – trade and other short-term claims	-220	-259
				Tax	-1,034	-622
Investing cash flow	-953	-999	-45	Purchase of available-for-sale financial asset	-199	-45
				Outlays for the acquisition of tangible fixed assets	-38	-926
				Proceeds from refunds of leasehold deposits and guarantee deposits	-137	-145
				Payment of leasehold deposits and guarantee deposits	-	-239
				Acquisition of shares of associates	2	439
Financing cash flow	-1,052	-1,601	-549	Outlays on repayment of long-term debt	-499	-499
				Outlays for the acquisition of equity in subsidiaries from non-controlling interests	-	-391
				Dividend payments	-535	-671
Change in cash and cash equivalents	-311	-537				
Balance of cash and cash equivalents	6,313	5,509	-803			

FY2017/9 Forecast and Progress IFRS

Statements of Income and Loss

Unit: JPY mil	[Full-year forecast] FY17/9	[Actual] FY17/9	Progress %
Revenue	15,973	15,948	99.8%
Cost of sales	1,620	1,862	114.9%
SG&A (excl. depreciation)	13,678	12,446	91.0%
Personnel expenses	4,306	3,810	88.5%
Advertising expenses	5,563	5,414	97.3%
Operating expenses	612	455	74.3%
Other	3,195	2,766	86.6%
Other revenues and expenses	-13	-102	-
EBITDA	662	1,536	232.0%
EBITDA margin	4.1%	9.6%	-
Net profit*	138	489	354.3%

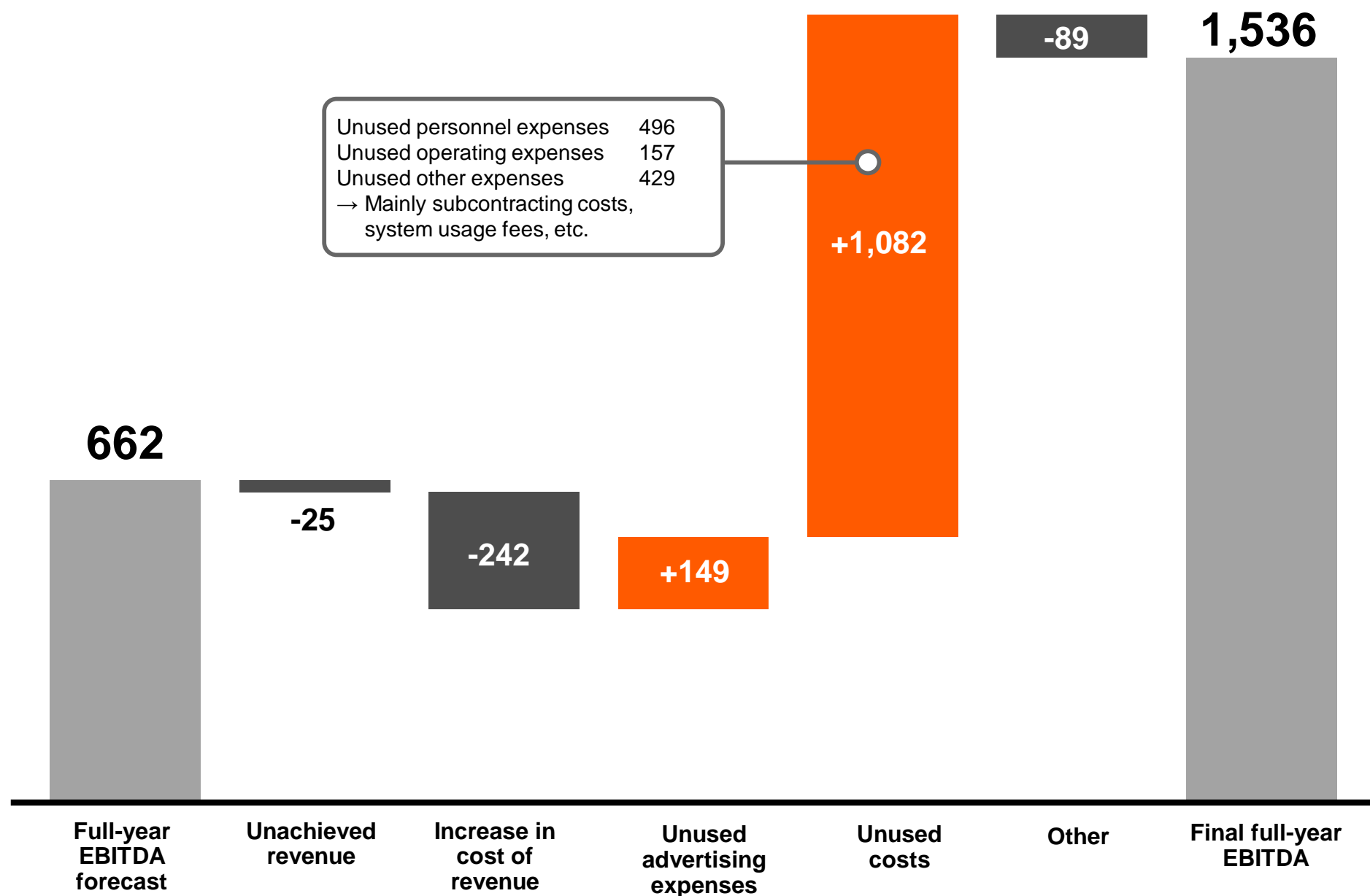
*Net profit attributable to owners of the parent.

Sales by Segment

Unit: JPY mil	[Full-year forecast] FY17/9	[Actual] FY17/9	Progress %
Revenue	15,973	15,948	99.8%
HOME'S Services	13,143	13,288	101.1%
Overseas	1,785	1,718	96.2%
Others	1,045	941	90.0%

FY2017/9 Differences Between Planned and Actual EBITDA (IFRS)

(JPY mil)



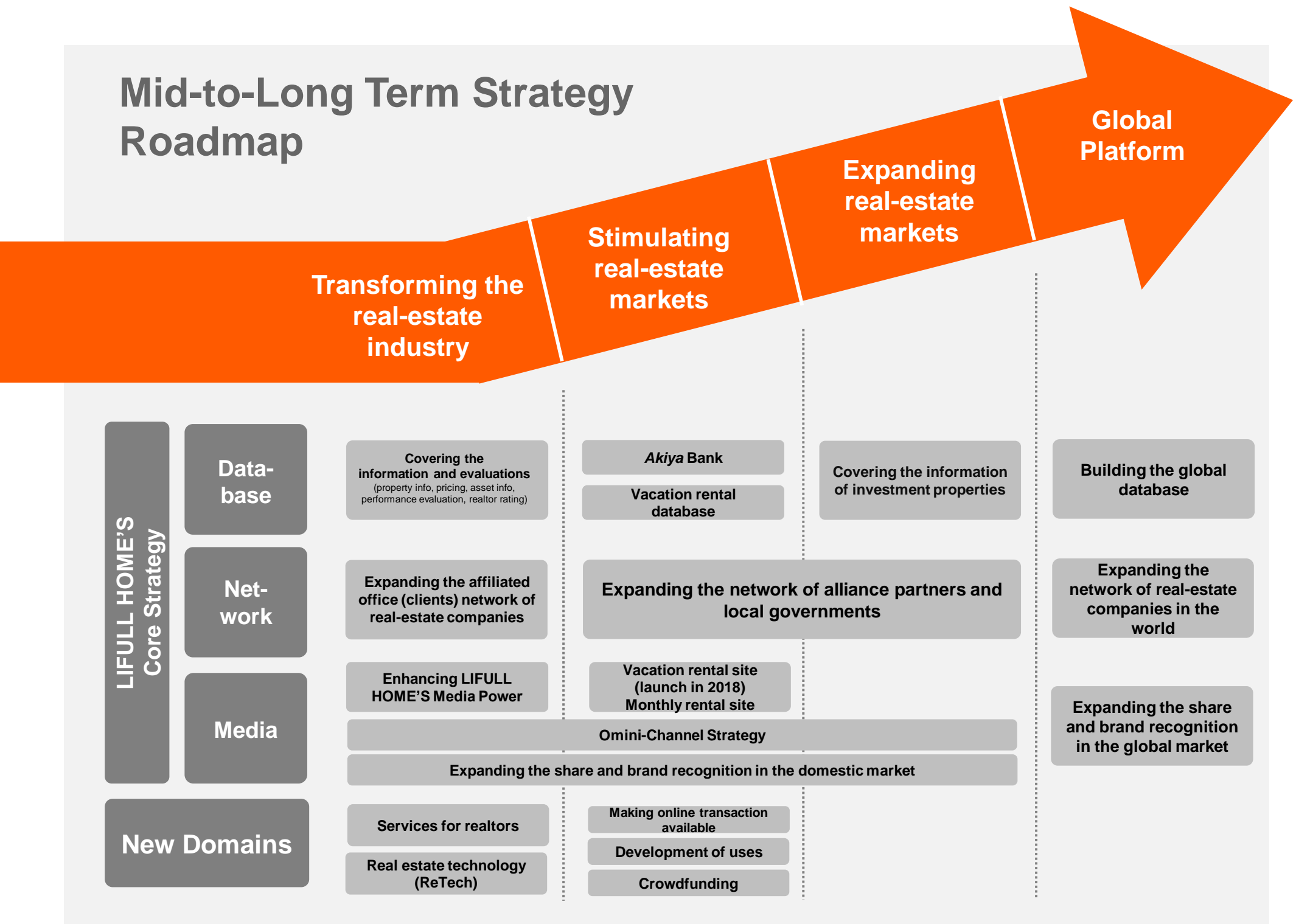
Business Strategies



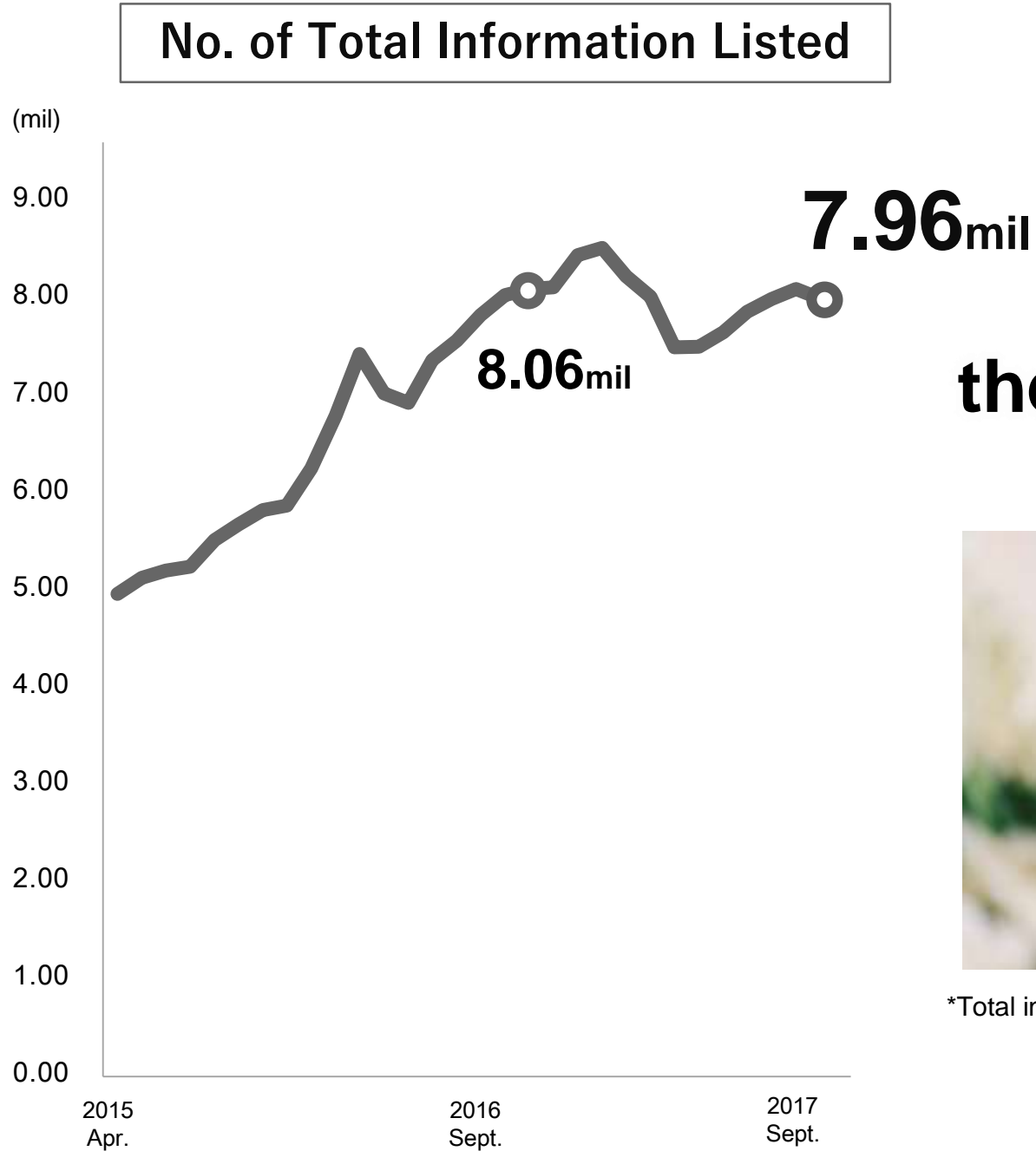
Our goal since the launch of LIFULL HOME'S

**“We want to address the asymmetry of information
between real-estate companies and consumers.”**

Mid-to-Long Term Strategy Roadmap



Expanding the Number of Total Information Listed



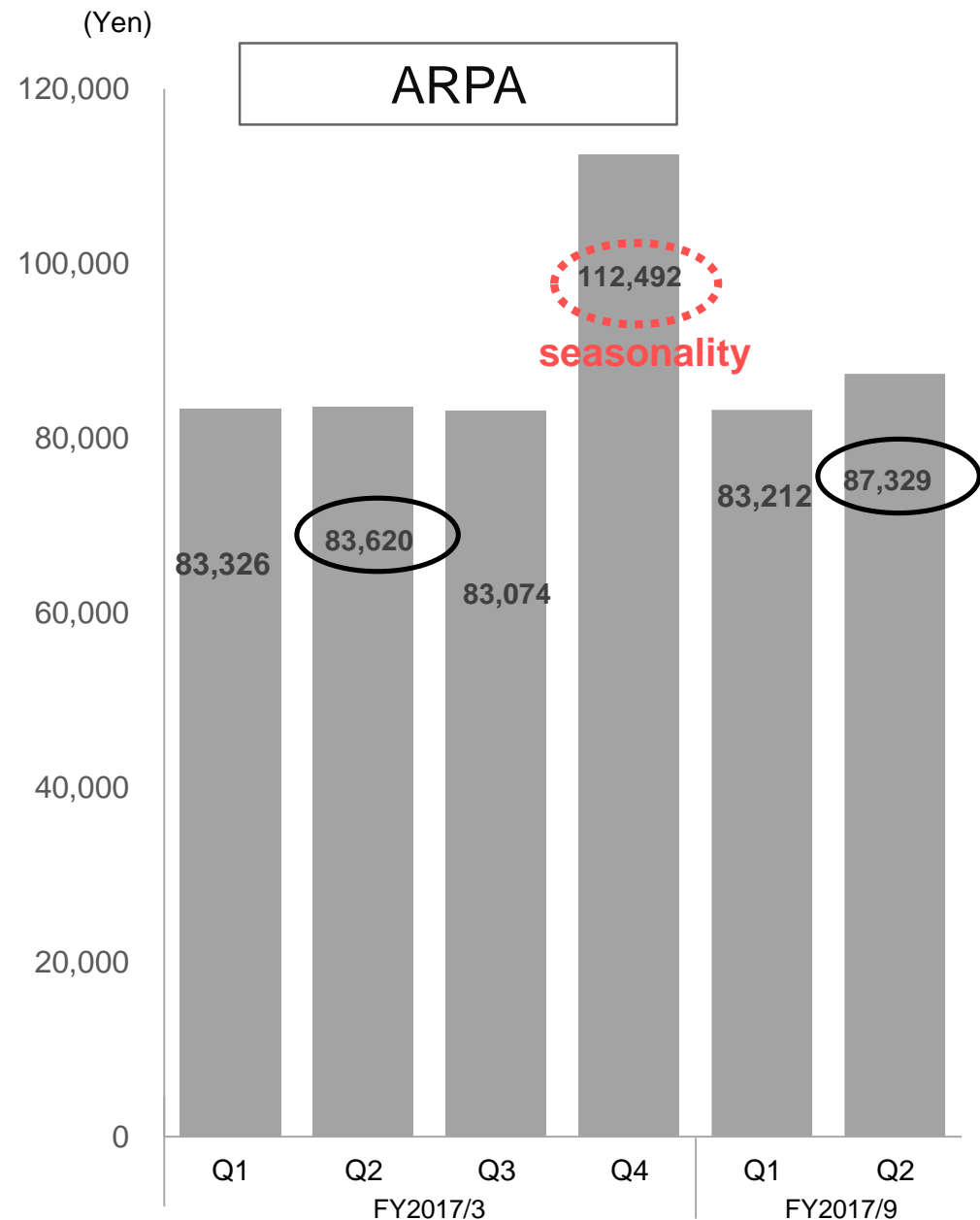
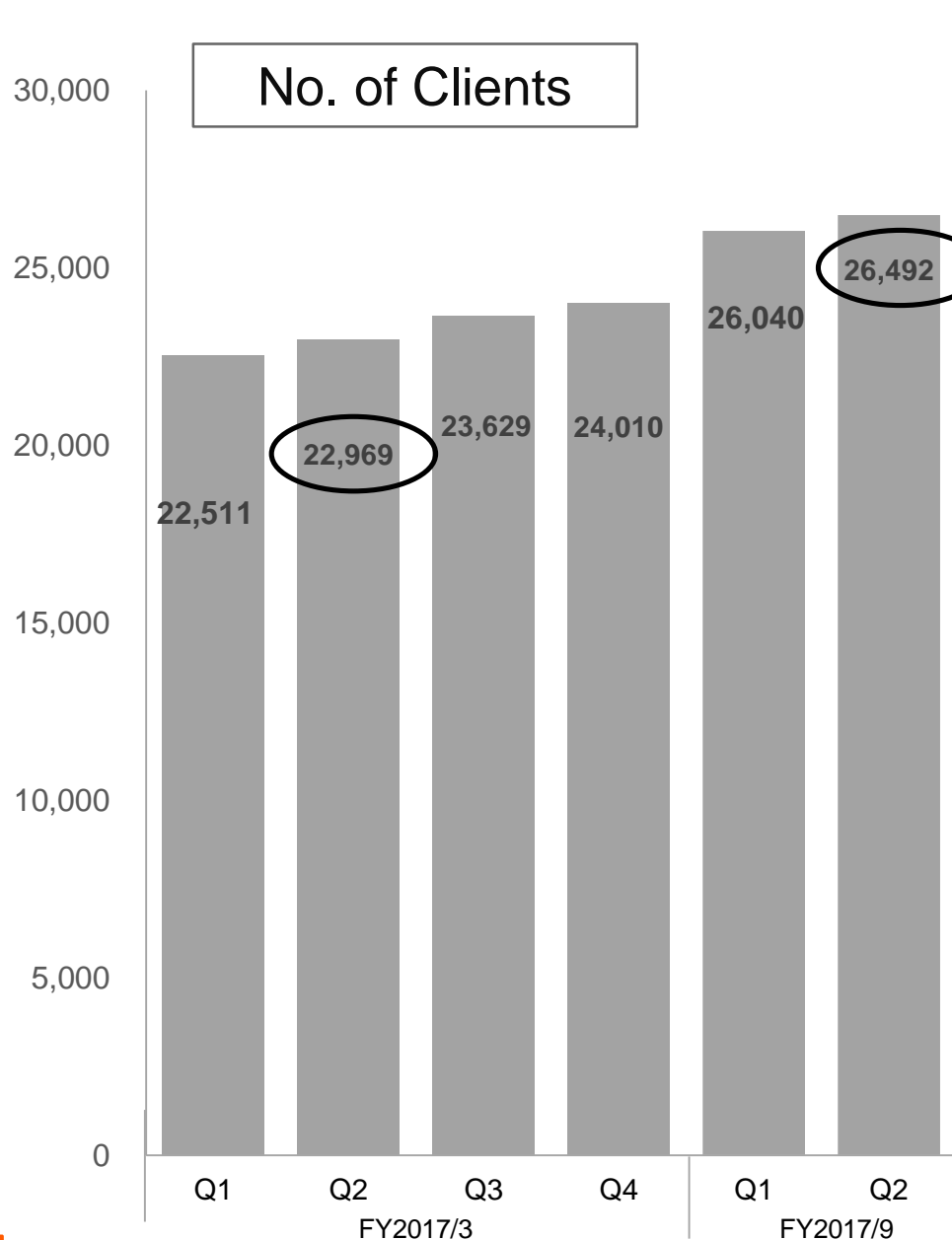
**Maintain
the volume of listed
information**



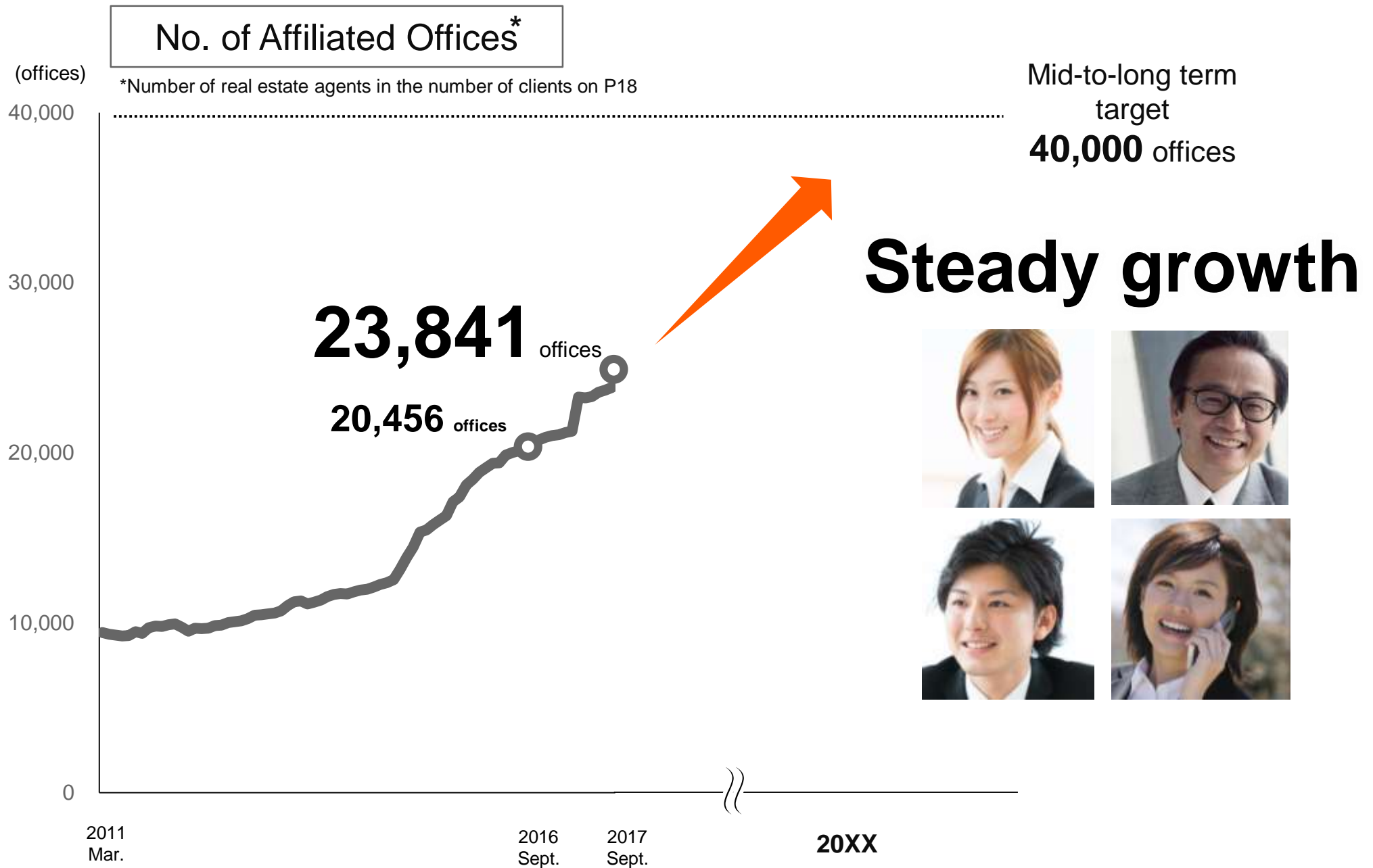
*Total information: properties for rental, real estate sales, investment, and new houses and condos. Custom-build home and renovation are number of construction company.

Expanding the Client Network

Number of clients grew steadily. ARPA increased YoY due to expanding the clients network in local regions and small-to-mid sized real estate companies.



(Ref.) Expanding the Client Network



(Ref.) Expanding the Client Network

Key to expand
HOME'S Services Business



**Expand the business by
increasing the no. of clients and ARPA**

Definition

Number of clients: The total paid clients of LIFULLHOME'S,
and LIFULL Marketing Partners

ARPA: Average Revenue Per Agent
HOME'S Services Business revenue ÷ number of clients
(excluding LIFULL Remodel)

Visualizing the Price Information - “Real Estate Price Visualization”

Launched new service displaying property reference prices, the shift of market prices, and the market demands of condominiums calculated by big data and AI. Enhance the real estate market by visualizing all the information needed for selling real estate.



見える！不動産価値

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



Visualizing Building Performance Evaluation – “LIFULL HOME’S House Appraisal”

Displaying the house appraisal documents on LIFULL HOME’S website to make the real estate market more transparent. Enhancing the market by resolving uncertainties confronting buyers of existing homes.

Release of info on property value inspections



Displaying price appraisals and detailed information



Displaying building inspection results for use with defect insurance

Administrative Support for Realtors

Analyzing the Daily Operation of Realtors and Support it with IT Solutions

If the realtors' daily operations would be more efficient with IT solutions, the operations would be even more rational and profitable, and the customer service quality would be increased.

Tasks can be reduced by utilize IT

Review and prepare contracts
Prepare important Matters
Order new keys
Prepare insurance applications
Hand over keys
Search available properties
Take pictures of rooms
Resize the pictures
Create room layouts
Create posters
Post ad on web portals
Make notes on CRM system
Prepare invoices
Prepare applications
Conduct examinations of loans

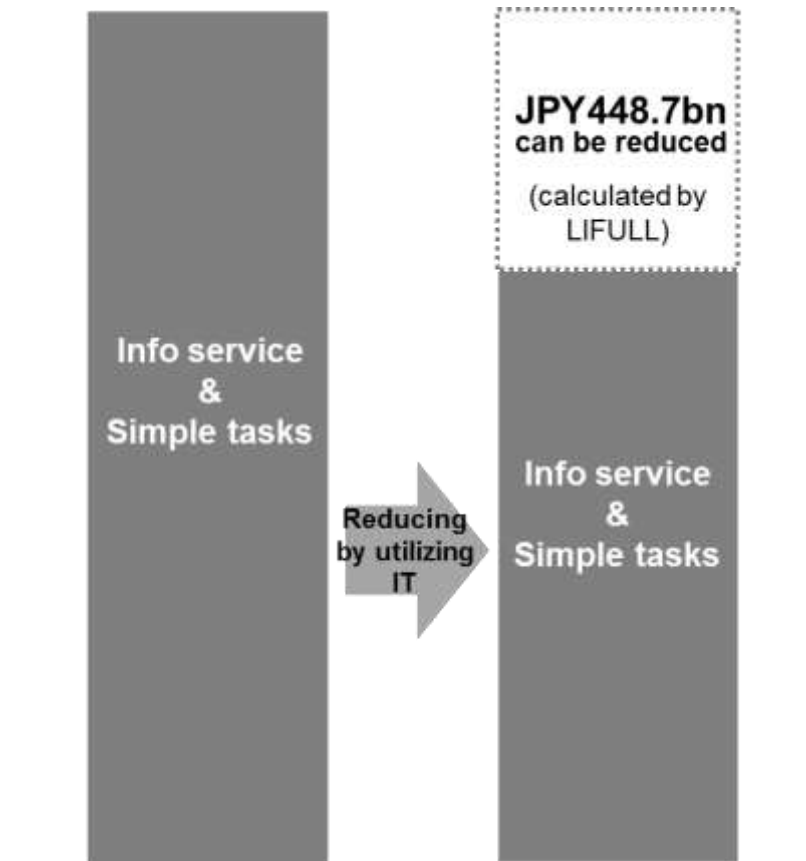
More important tasks

Call to owners and customers
Answer emails
Meeting with customers
Showing properties
Consultation to home hunters

Info service
&
Simple tasks

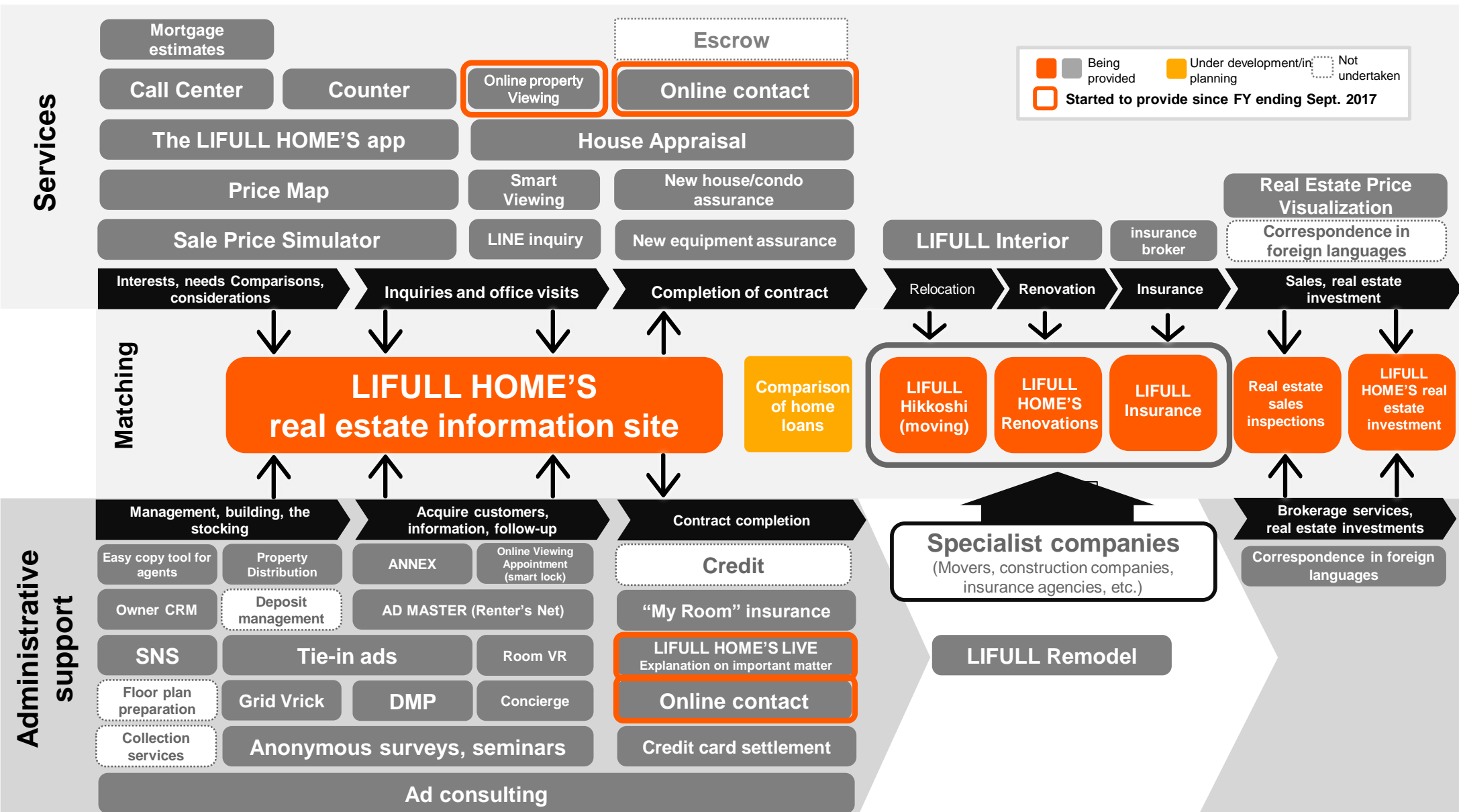
Consultation

If 30% of approx. 1,500.0bn yen of personnel cost would be rationalized by IT, approx. 450.0bn yen could be reduced.



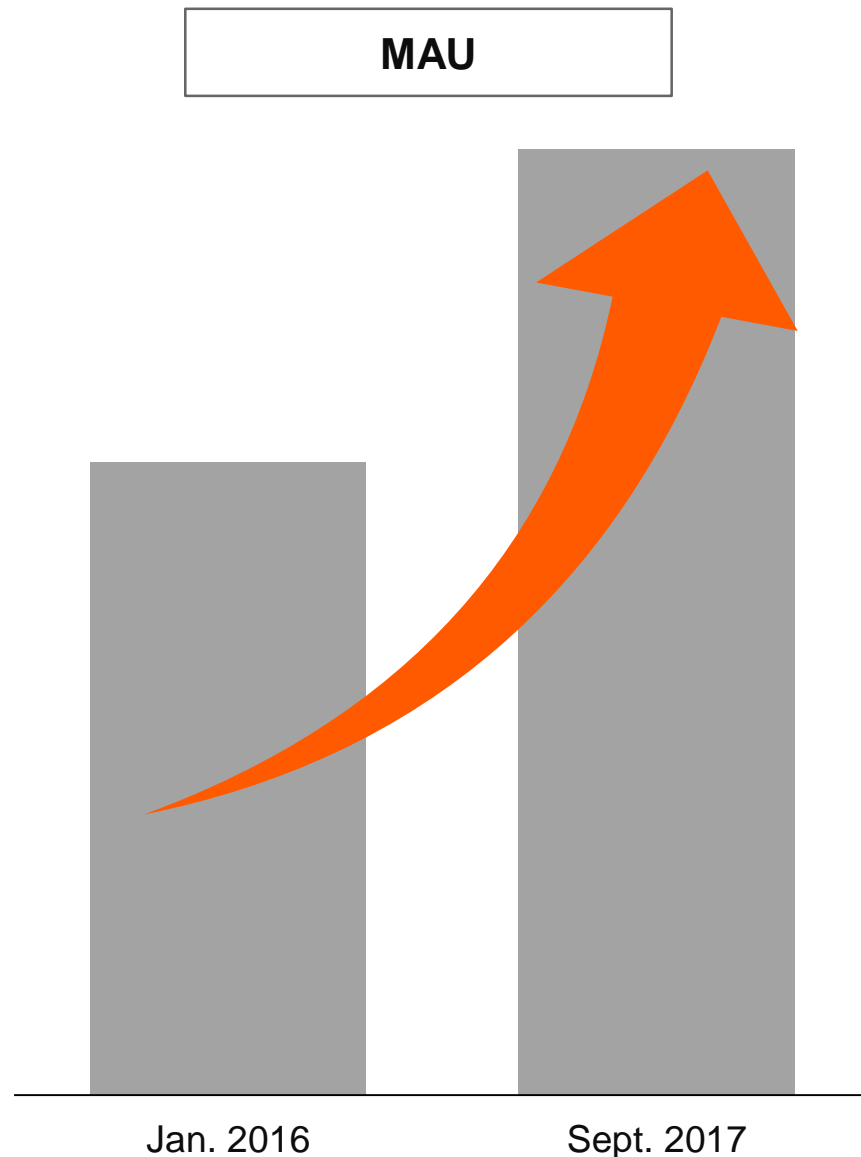
LIFULL Service List

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



Administrative Support for Realtors – “LIFULL HOME’S B2B”

Expand the number of users and properties, and add new functions in order to maximize the network effects. Become an indispensable infrastructure to real estate operations.



Property distribution DB	Property viewing appointment	Property details	Site for agents
Owner's report	Feature articles	Rakuduke Copy	Hot map
Property checking system (plan)	Application download (plan)	Support property info registration function (plan)	



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

Before

Home Finding Steps	Utilizing IT
Property viewing	<input type="radio"/>
Explanation on important Matters	<input checked="" type="radio"/>
Sign a contract	<input type="radio"/> (at realtor's office or mail)
Get the key	<input type="radio"/> (at realtor's office or mail)

Important matters related to real estate transaction have to be explained face-to-face with a written format



A barrier to promote on-line real estate transactions

After



The social experiment ended on Jan. 2017.
Actual operation on providing explanation on important matters for real estate rental business will start on Oct. 2017



A big progress toward making online real estate transaction available
Expect the market growth by improving the home-hunter's convenience

*As for real estate purchase and sales, the social experiment will resume.

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

Added new functions to “LIFULL HOME’S LIVE,” a service used for a social experiment conducted by the Construction and Transport Ministry. All the steps related to real estate transaction including home searching, property viewing, having explanation of important matters to making contract are becoming to be able to be completed online.

LIFULL HOME’S LIVE

By using this service, the users are able to complete home searching, property viewing, asking questions, having explanation of important matters home, and making contract online.



Home searching



Property page



Inquiry form



Online viewing, inquiries, and having explanation of important matters

Online Contract Platform (Launched on Oct. 2017)

Developed a business alliance with Bengo4.com to launch an online contract platform dedicated to real estate companies.



Home searching, property viewing, having explanation of important matters to making contract

Contract

Initiatives to stimulate the market for existing homes

Resolving the issue of vacant homes through promoting use of vacant homes, fundraising, vacation rental to stimulate the tour industry.

Details
p. 29

Akiya Bank

Developing a comprehensive database of information on vacant homes nationwide



Details
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Rakuten LIFULL STAY

Supporting new ways to put real estate to use

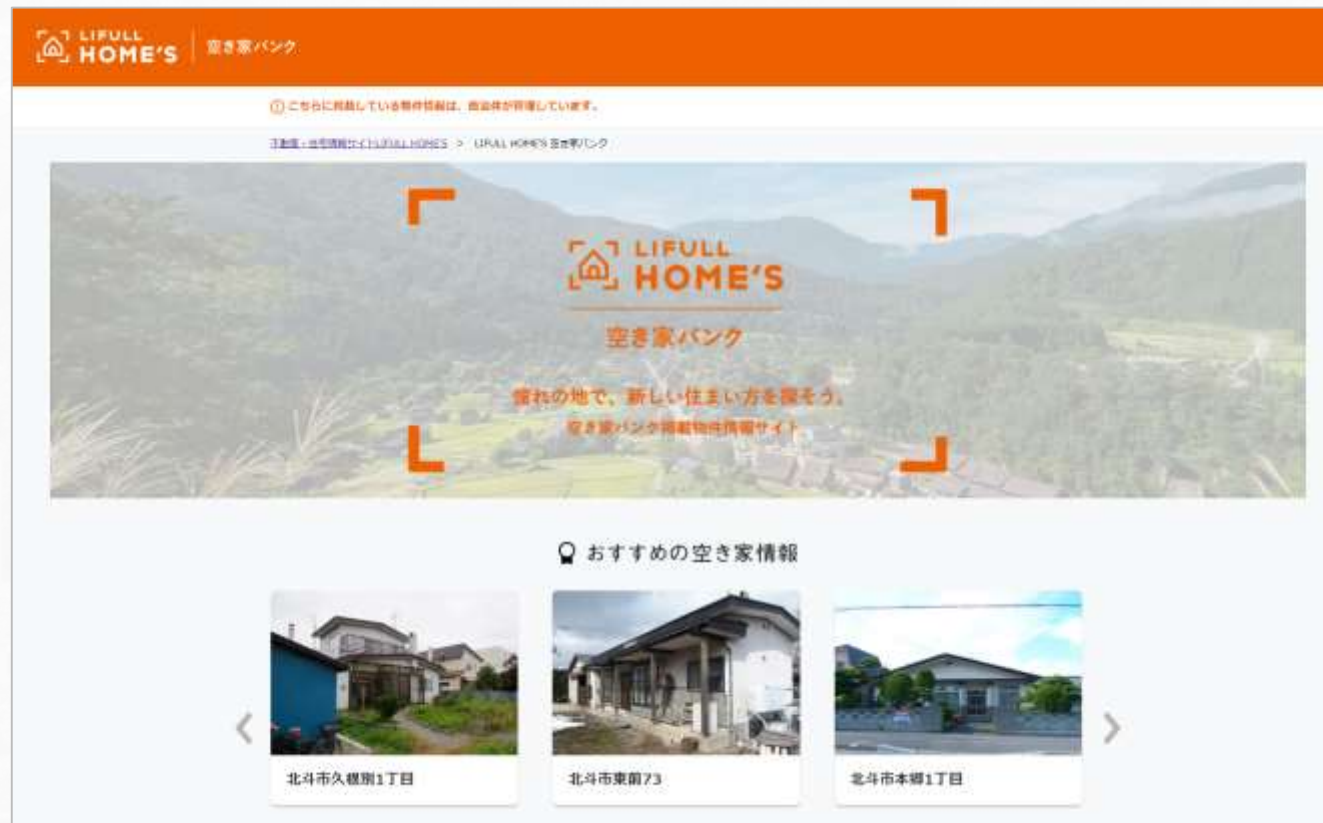
Details
p. 30

Crowdfunding

Responding to funding needs of those seeking to put vacant lots and vacant homes to use

LIFULL HOME'S *Akiya Bank*

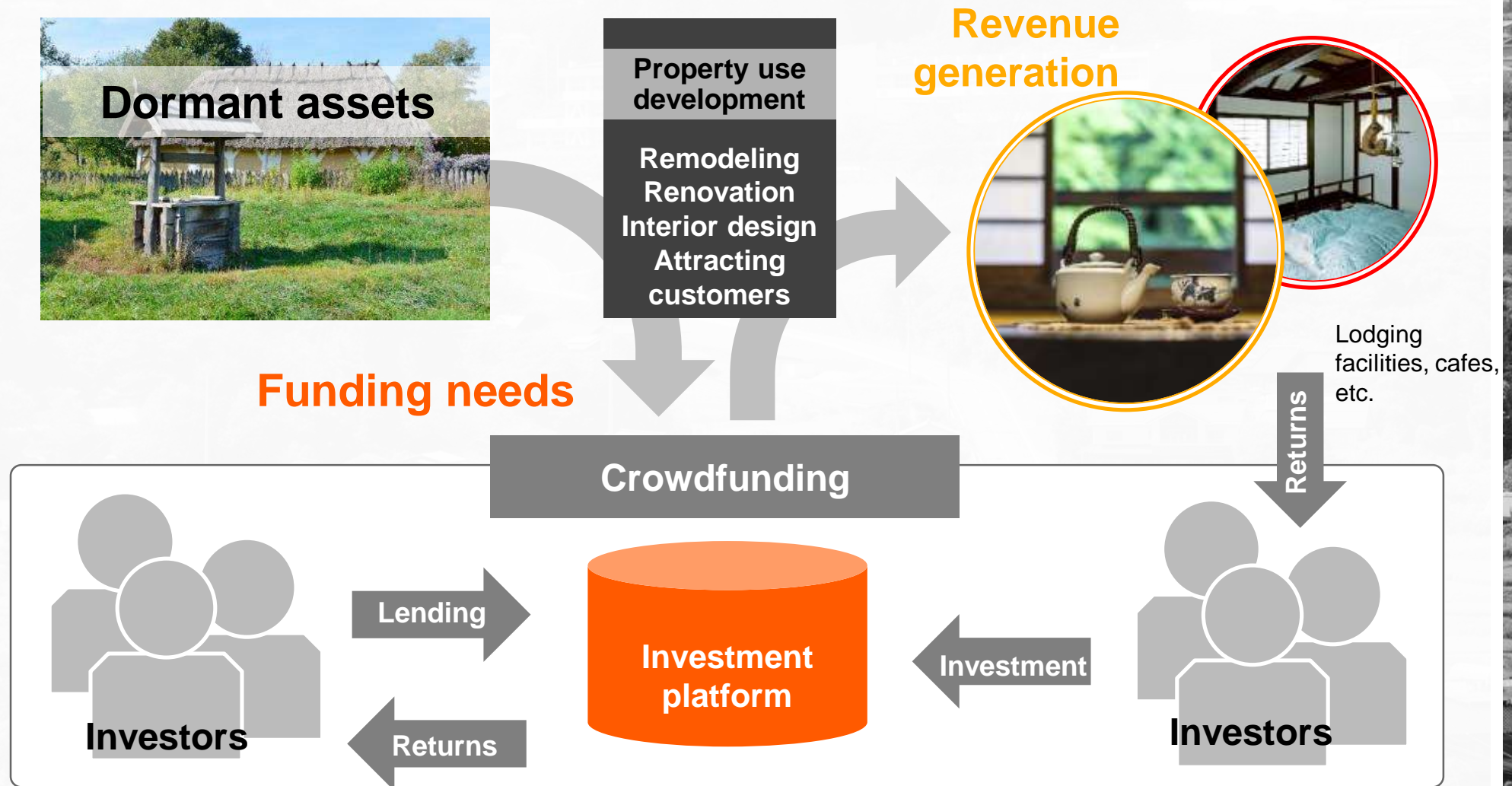
A model program for building and operating a nationwide *Akiya* (vacant properties and homes) *Bank* as proposed by the Ministry of Land, Infrastructure, Transport and Tourism. Acceptance of participation by local governments began July 19, 2017, with the (beta) website released in September 28.



**Applying our expertise to develop a platform for a nationwide
Akiya (vacant home) *Bank***

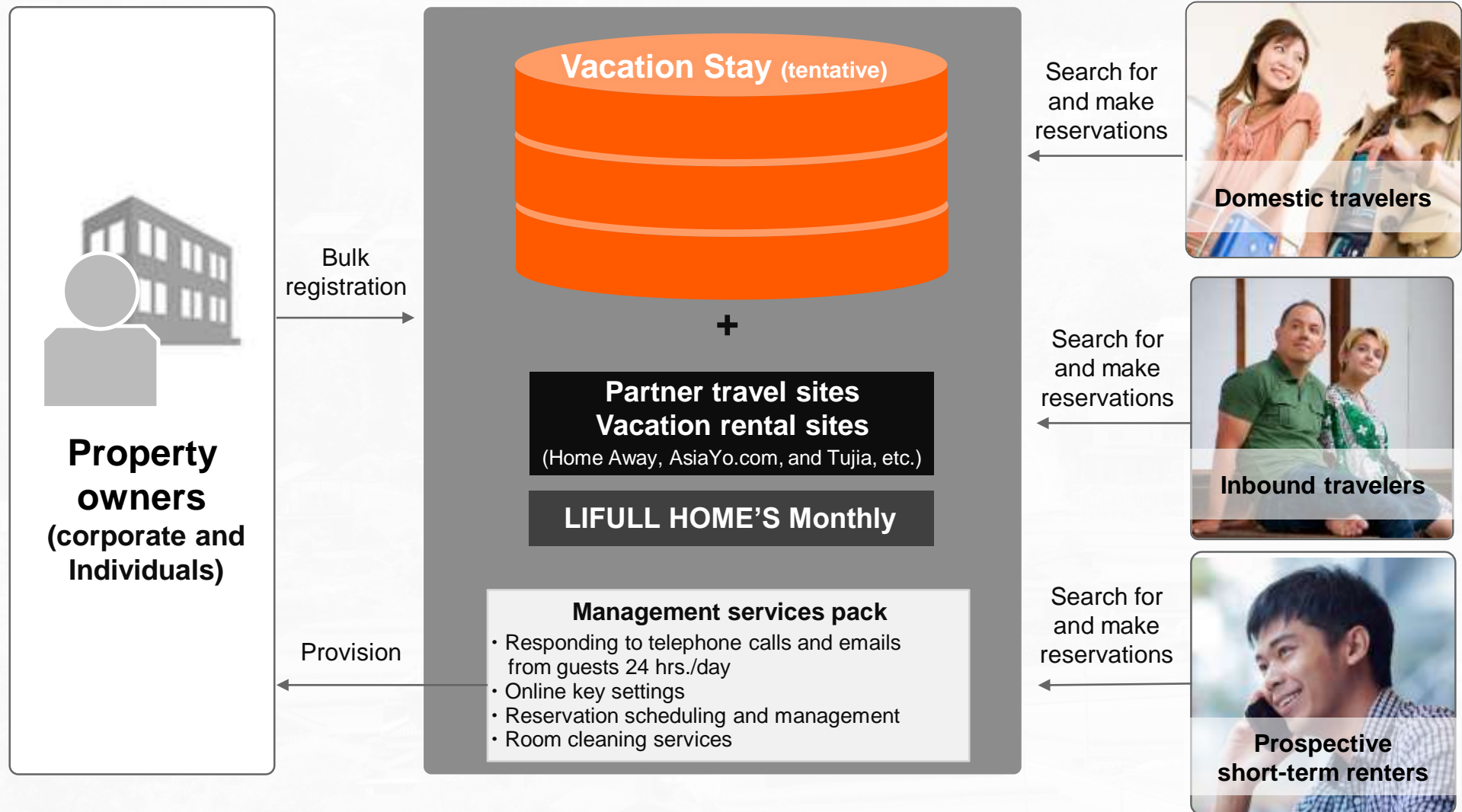
Investment-type Crowdfunding

Accelerating the crowdfunding business with the January 2017 purchase of stock in JG MARKETING (currently LIFULL Social Funding).



Rakuten LIFULL STAY

The enforcement date of the new law have announced as June 15, 2018.
The Vacation Stay service is in preparation.



Overseas Business

Trovit and LIFULL

Accelerating the LIFULL Group's Global Expansion



✕ 4 countries

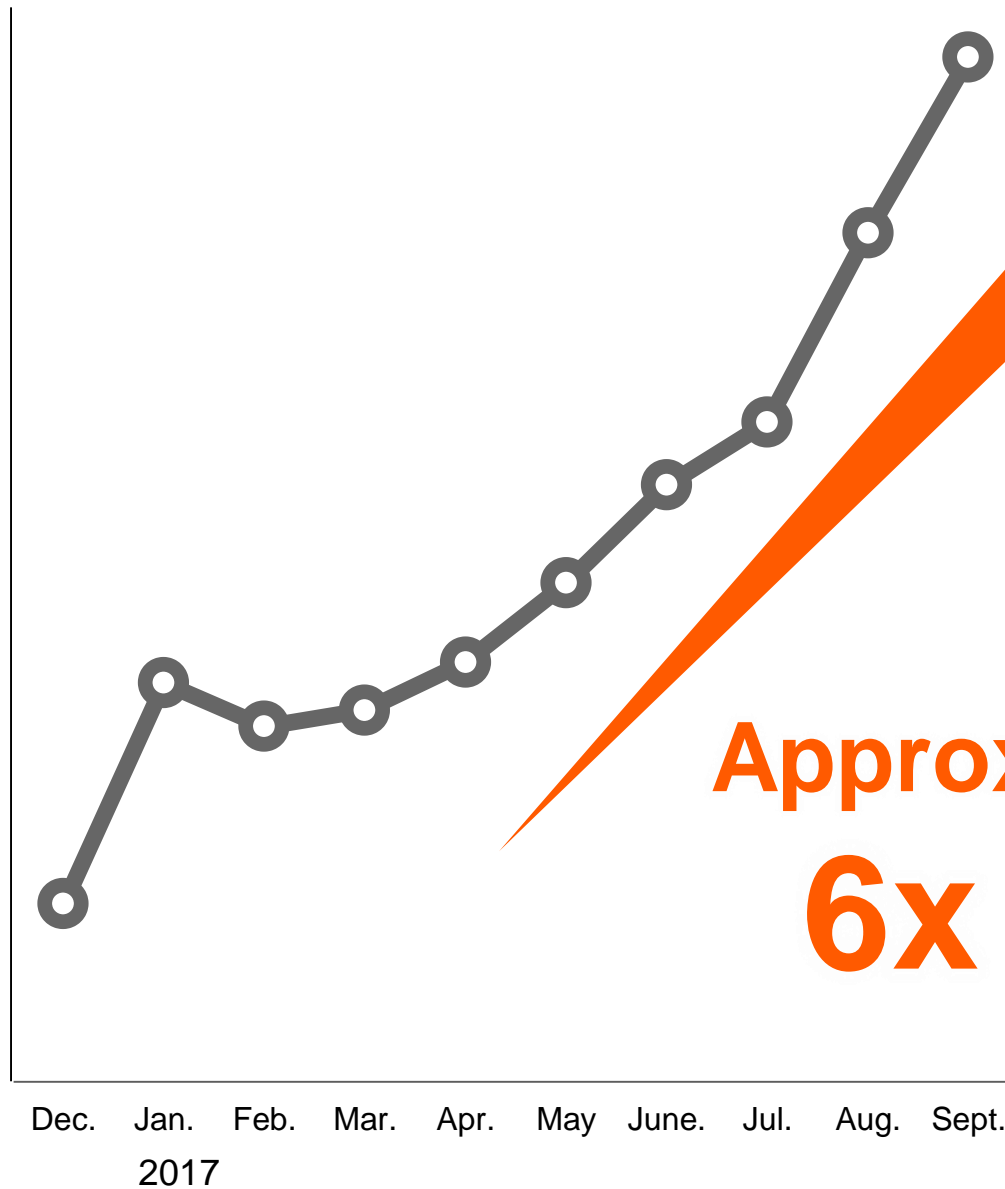


✕ 57 countries



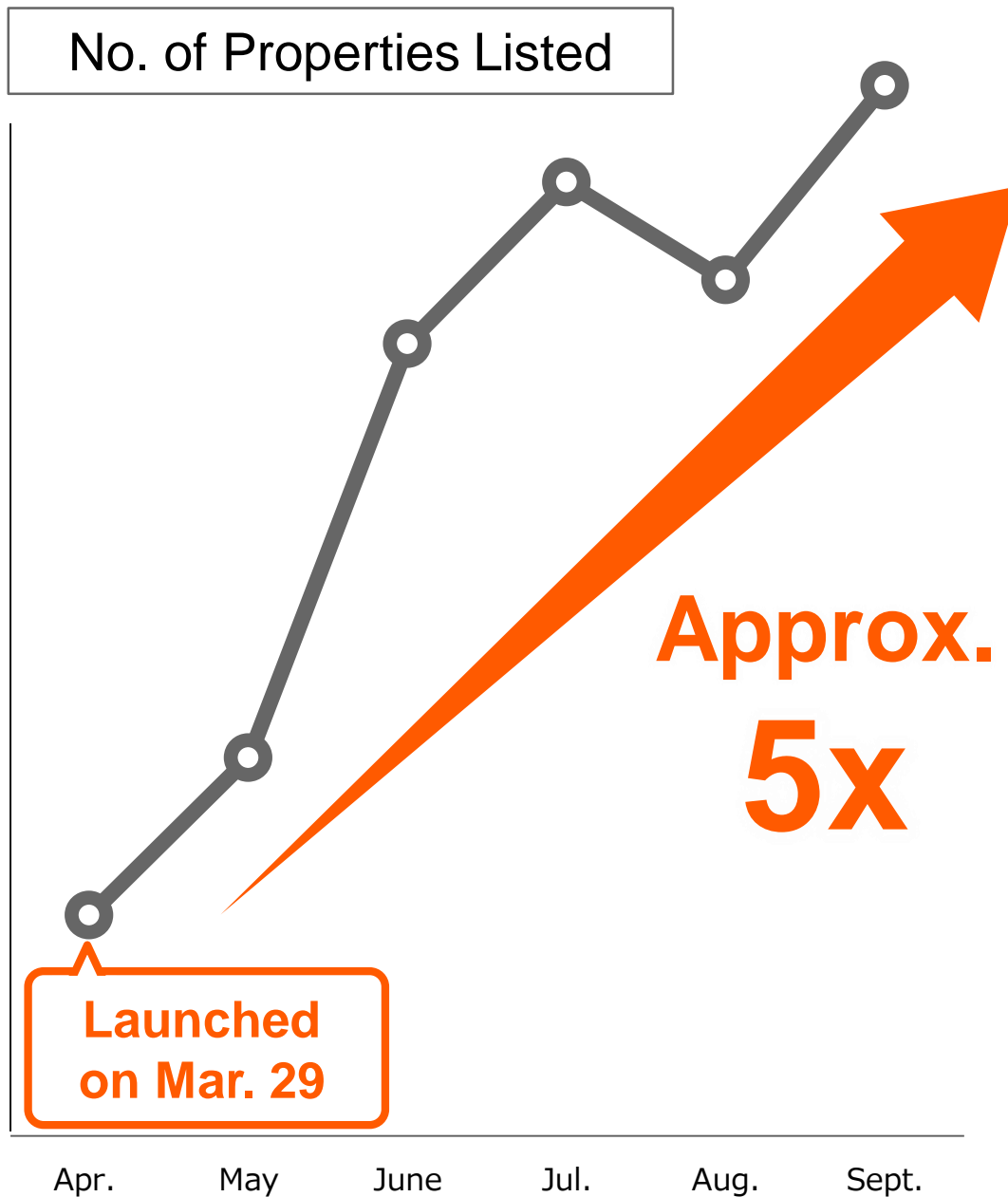
**We operate in
57 different countries**

No. of Inquiries



Increase steadily
Started monetize
in October 2017



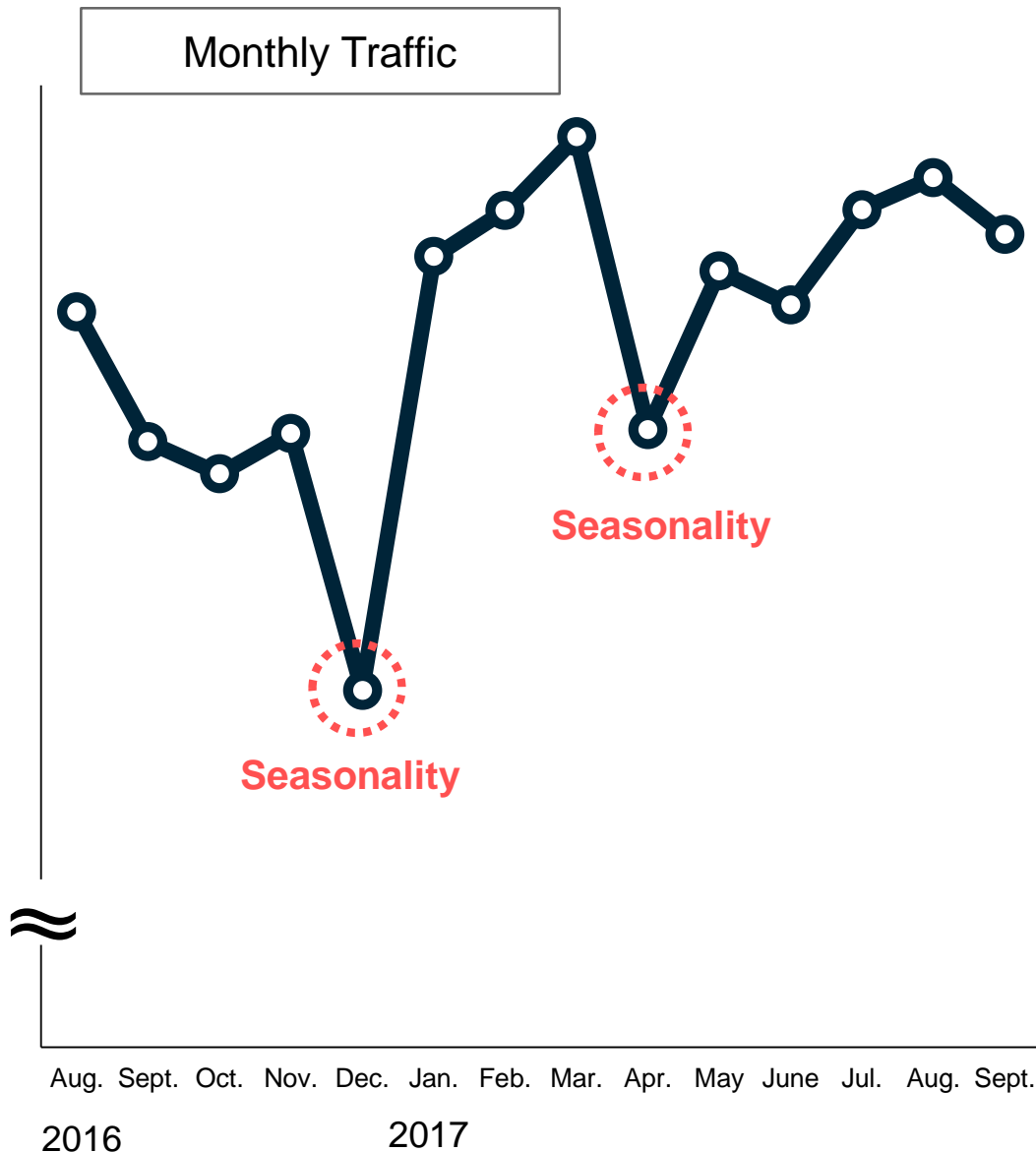


Encouraging start



Trovit is Enhancing its Ability to Pull in Users

The traffic is recovering and the growth phase again as a result of the SEO recovering plan went successful.



Steady recovery of traffic



New Businesses



Objectives of New Businesses

Realizing the corporate vision by generating new businesses to train managers and expand business domains.



LIFULL
Make every LIFE FULL.

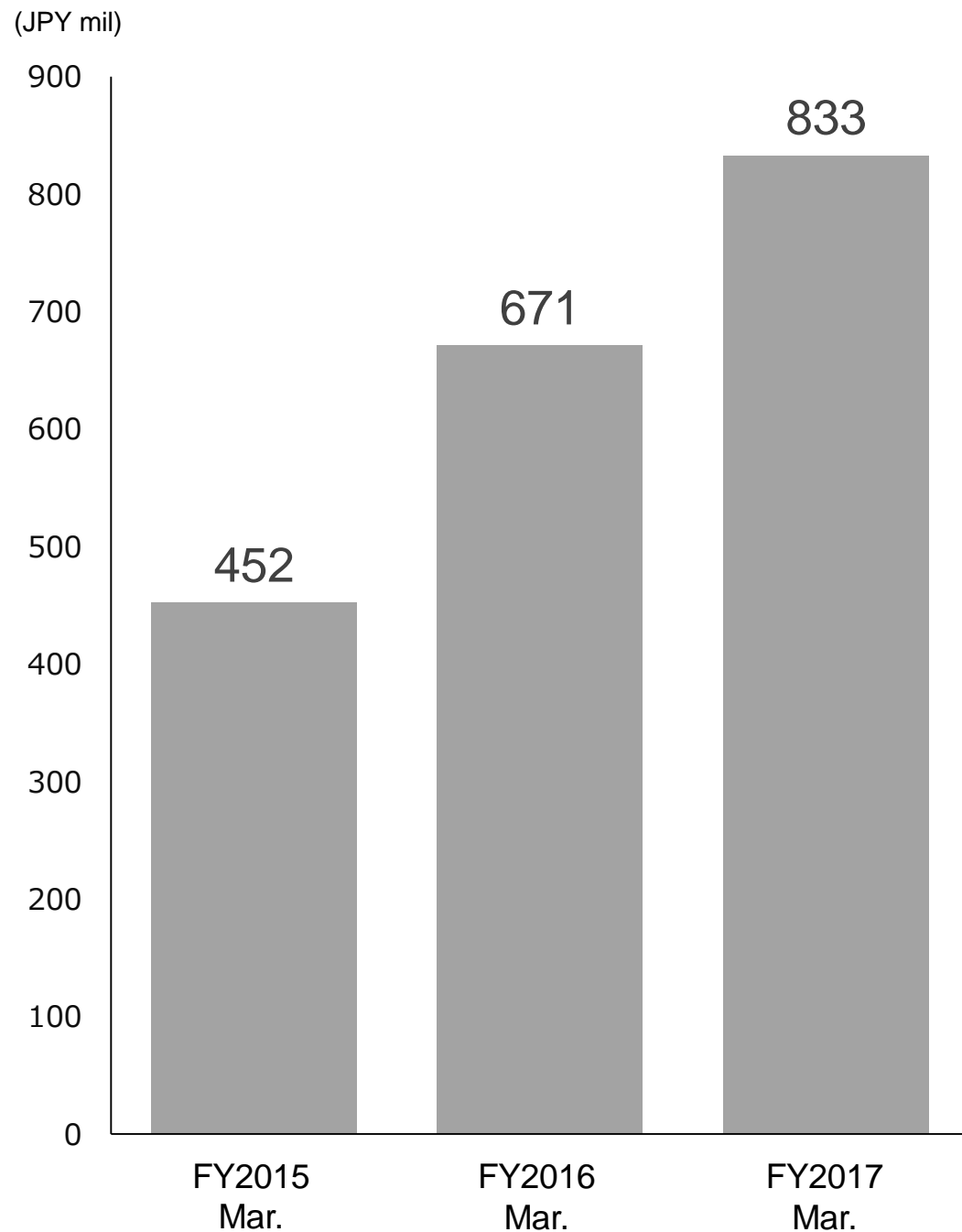


1 Realizing a vision

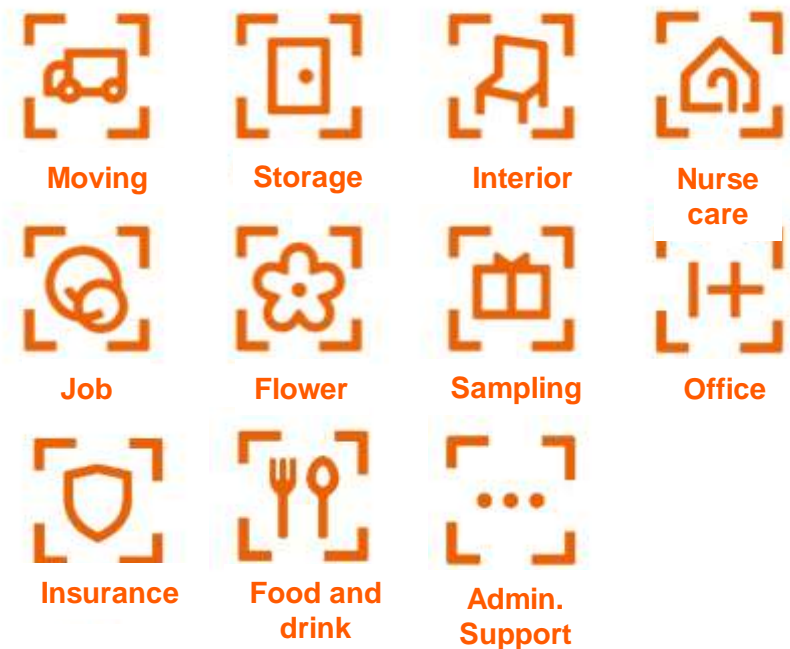
2 Training managers

3 Expanding business domains

New Businesses—Revenue of Other Business Segment



2x in 3 years



New Businesses—Three New Services

During this period, we launched services in three new businesses created through Switch, a new business proposal program.



Service launched July 21, 2017

Regular monthly delivery of seasonal flowers



<http://flower.lifull.jp/>



Service launched September 28, 2017

Visiting dentist and information search service



<https://ouchide.lifull.net/>



(Operated by LIFULL senior Co., Ltd.)

Service launched September 5, 2017

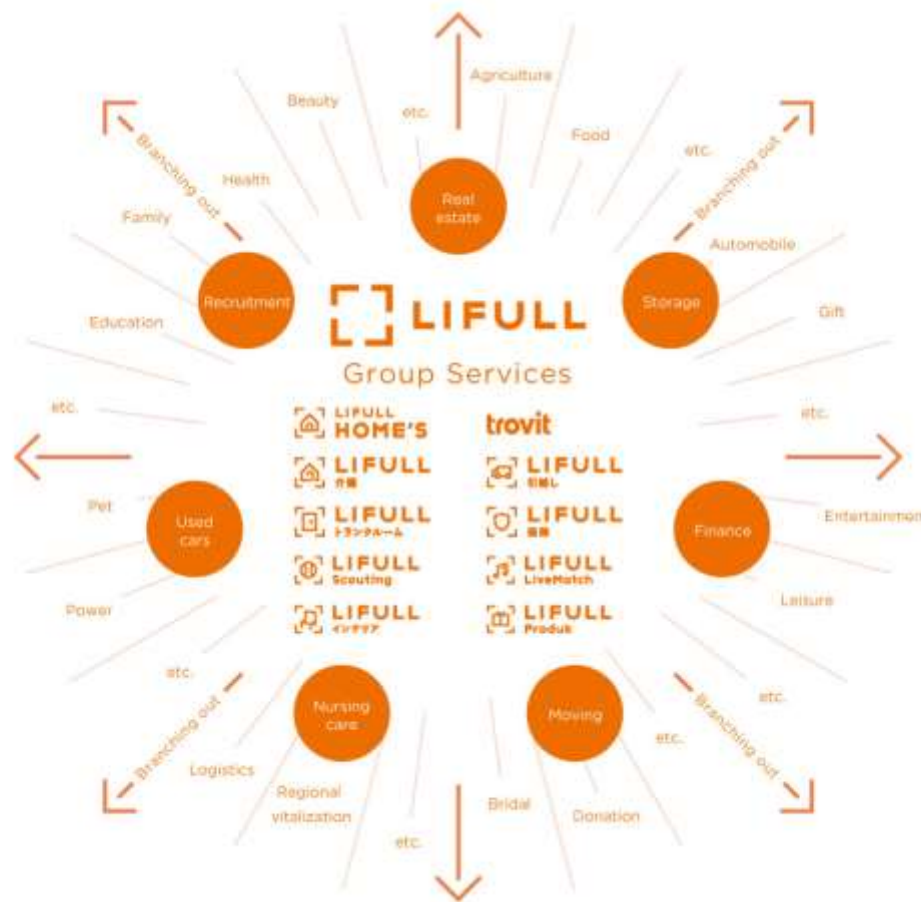
Search service for finding companies specializing in cleaning up the belongings of the deceased



<https://m-ihinseiri.jp>

**Making steady progress toward creating
100 managers in 100 companies**

LIFULL Master Brand Strategy - Objectives



Objectives of Master Brand Strategy

- Integrating the brands of all services offered by the LIFULL Group under a master brand strategy to build a brand users will trust to deliver fulfilling lives and peace of mind
- Increase the efficiency of advertising expenses and recognitions of the services in the LIFULL Group

LIFULL Master Brand Strategy—New Promotions

The creative concept remains an expression of the LIFULL brand, conveyed through multimedia promoting Group services to further increase corporate name recognition.



TV commercial

Broadcasting of the LIFULL brand “Life” TV commercial began September 18.

Featuring Kiko Mizuhara, a popular figure known across a wide range of viewers, this commercial was designed to convey LIFULL’s support for people who work hard.

OOH

Aiming to connect LIFULL’s brand image with its services through linkage with the LIFULL HOME’S design.



WEB/SNS

We’ve released web videos to promote examples of LIFULL’s various services with close ties to people’s lives. We also continue to communicate information via social media.



Forecast for FY2018/9

FY2018/9 Forecast IFRS

Statements of Profit and Loss

Unit: JPY mil	2016/10- 2017/9- [Actual]	FY2018/9 [Full-year forecast]	Change	Change %
Revenue	32,111	41,000	+8,888	+27.7%
cost of sales	3,534	4,848	+1,314	+37.2%
SG&A (excl. depreciation)	24,497	30,106	+5,608	+22.9%
Personnel expenses	7,544	9,253	+1,709	+22.7%
Advertising expenses	10,394	12,962	+2,567	+24.7%
Operating expenses	983	1,361	+377	+38.4%
Other	5,574	6,528	+953	+17.1%
Other revenues and expenses	-172	-28	+143	-
EBITDA	3,906	6,016	+2,109	+54.0%
EBITDA margin	12.2%	14.7%	+2.5p	-
Net profit*	1,577	3,478	+1,900	+120.5%

*Net profit attributable to owners of the parent.

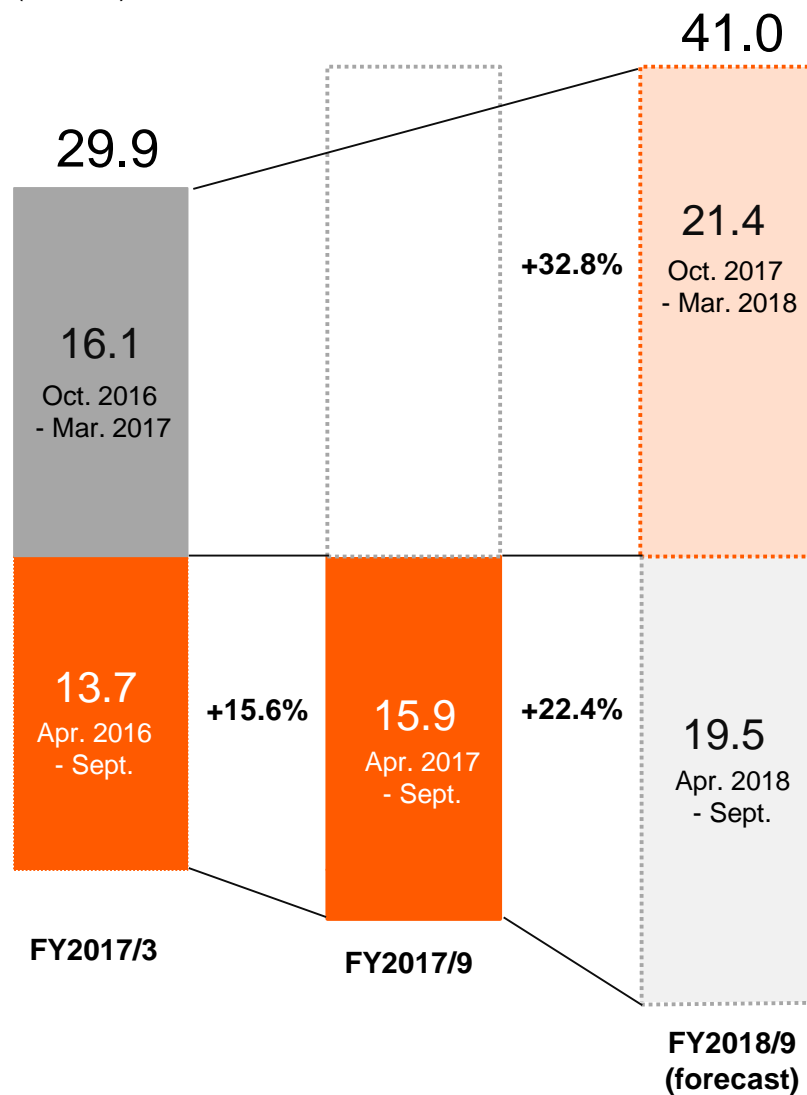
Sales by Segment

Unit: JPY mil	2016/10- 2017/9- [Actual]	FY2018/9 [Full-year forecast]	Change	Change %
Revenue	32,111	41,000	+8,889	+27.7%
HOME'S Services	26,906	33,441	+6,535	+24.3%
Overseas	3,337	4,834	+1,496	+44.8%
Others	1,867	2,723	+856	+45.9%

FY2018/9 Forecast IFRS

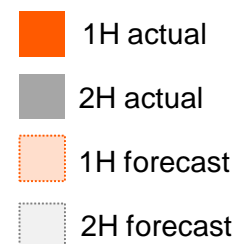
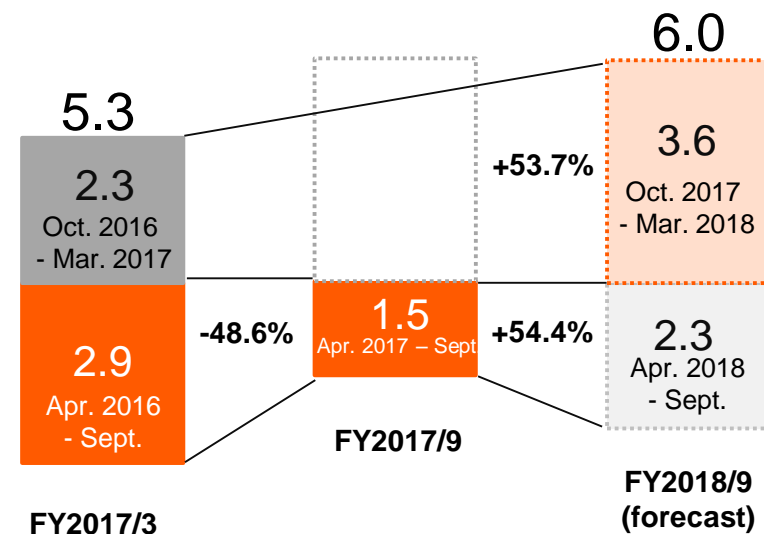
Revenue

(JPY bn)



EBITDA

(JPY bn)

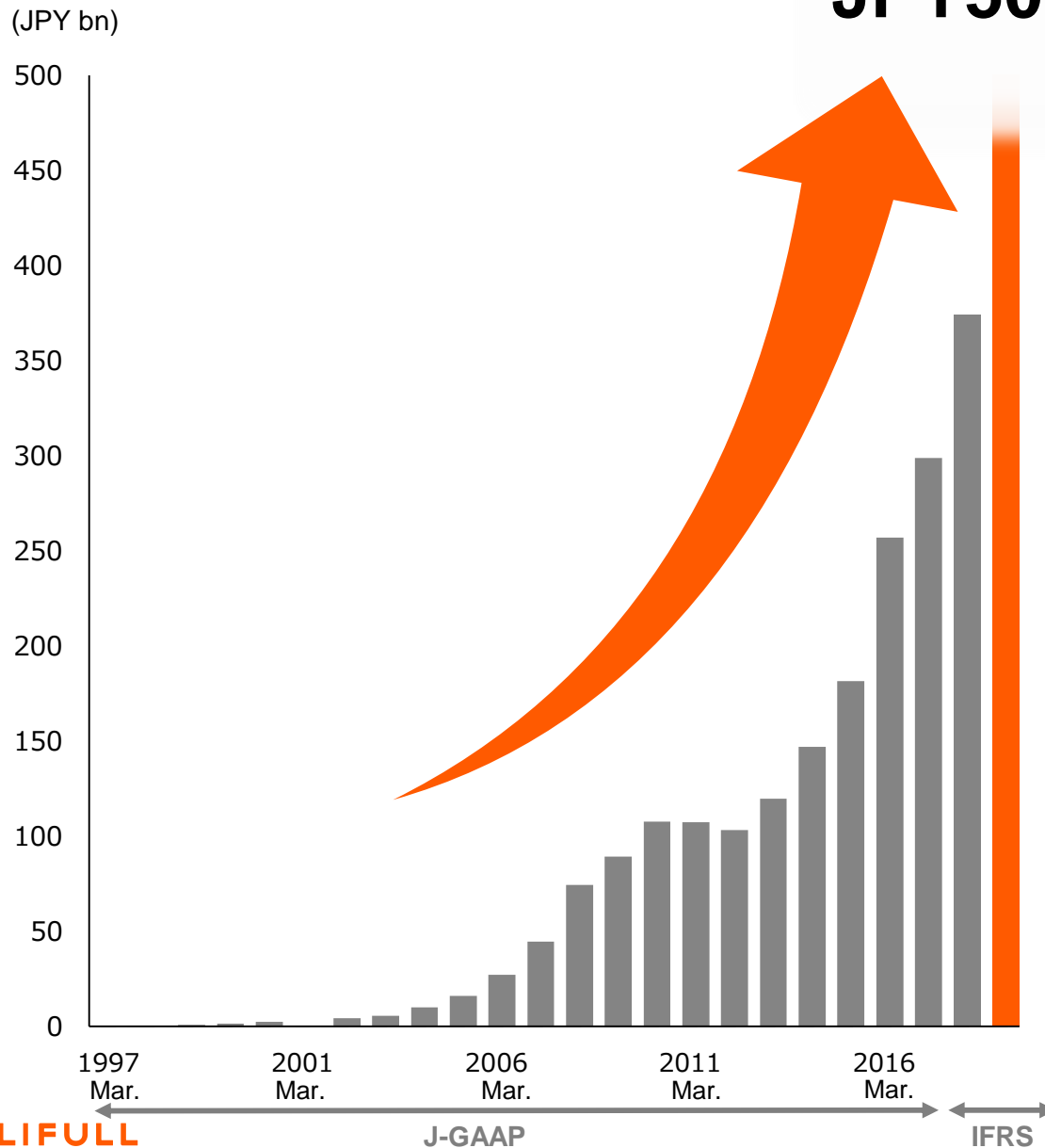


Mid-Term Business Plan

Revenue

JPY50.0bn

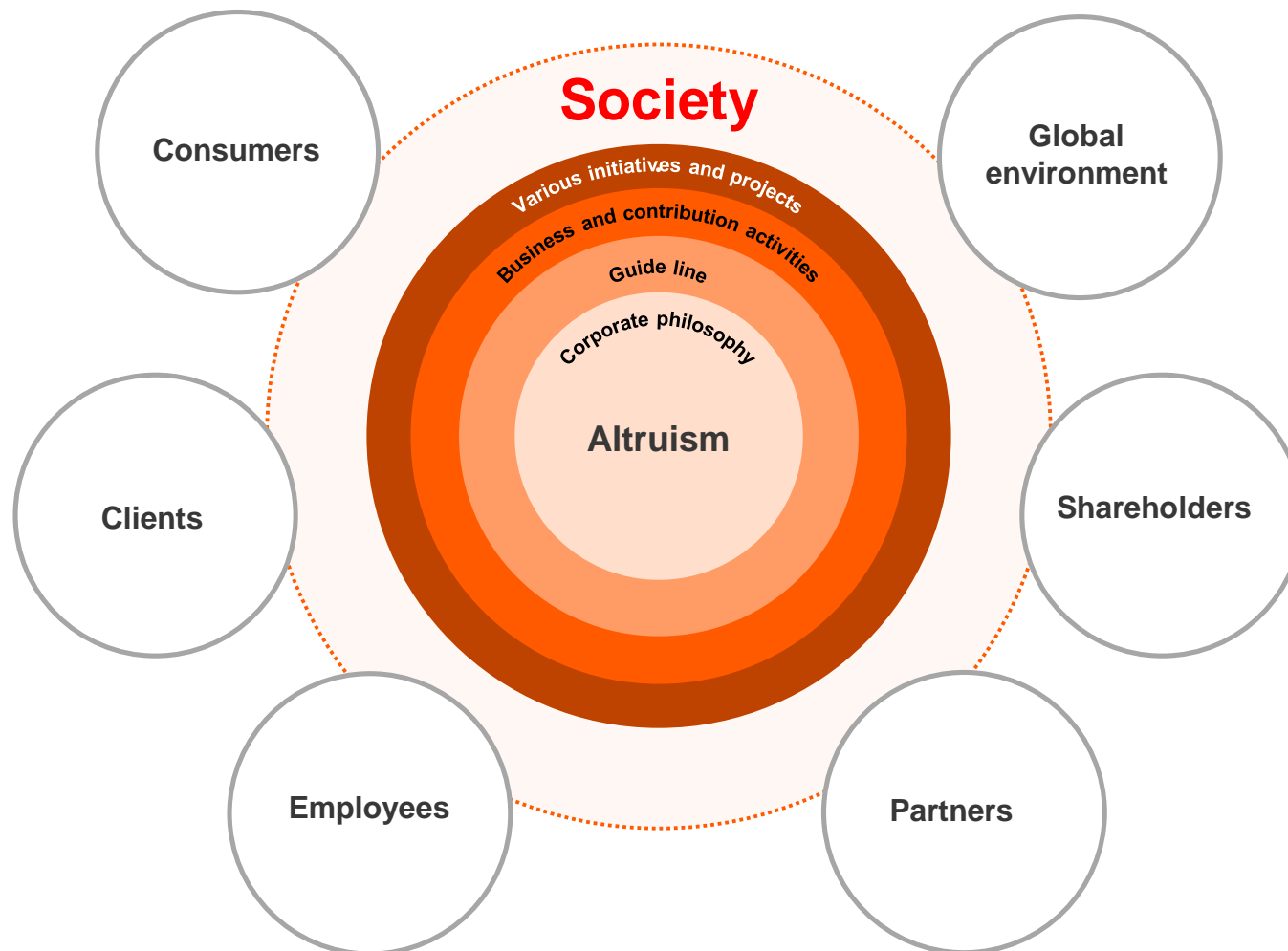
**Toward
50.0 bn yen level
revenue and
EBITDA margin
around 20%
by Mar. 2020**



Promoting ESG Management

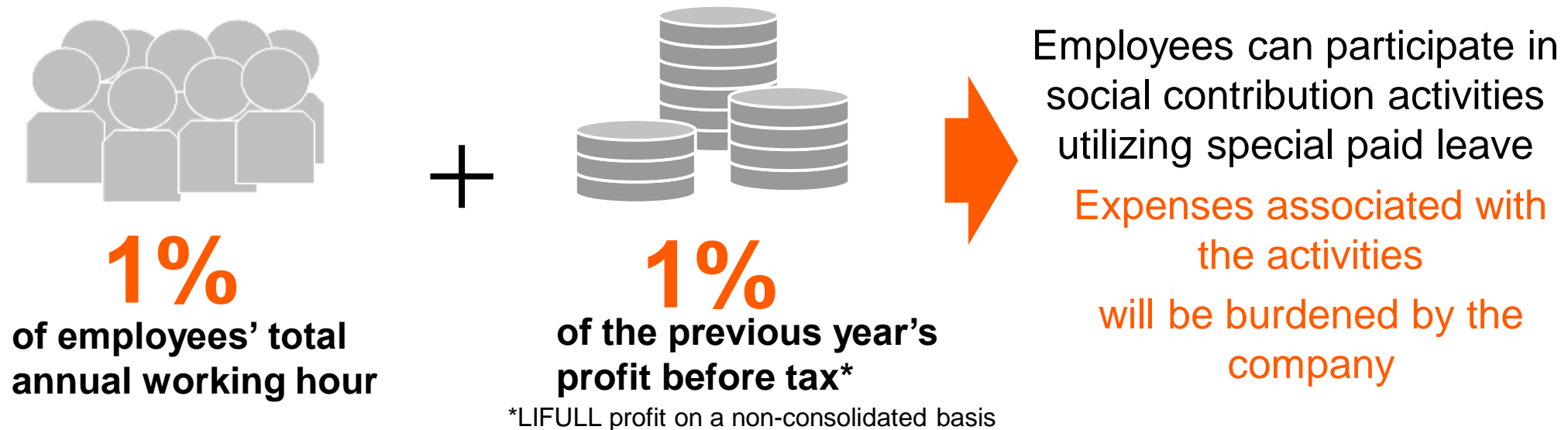
Based on the spirit of *Will-Centric Public Interest Capitalism*, we care every stakeholder

Will-Centric Public Interest Capitalism



Support Program for Social Contribution – “One P’s”

What is One P’s?



Activities of FY2017/9

This year, we worked as volunteers in the disaster areas of Kumamoto earthquake and the Northern Kyusyu rainstorm, Gobi Desert for an afforestation program, and beach cleanup events. In addition, we made donations to several different support groups.

LIFULL Group Vision Achievement Score (LVAS)

- Personnel assessment system for the directors and representative directors of LIFULL Group
- The remunerations will be determined based on more than 30 items including gross profit, EBITDA, employee satisfaction, and dividends
- Designed the system for the future directors and representative directors of 100 LIFULL Group companies to be able to manage the organization based on Will-Centric Public Interest Capitalism



Issued “Annual Report 2017”

Issued the first annual report of LIFULL

- We defined the strength of LIFULL as an intellectual capital composed of “brands”, “human resources”, and “technology”
- The background and concept of change in company and brand in April 2017, and new business policy
- Mid-term Business Plan

Download URL:

<https://lifull.com/news/10305/>





Make every LIFE FULL.

Appendix.



Make every LIFE FULL

**NEXT Co., Ltd. will change its name to
“LIFULL Co., Ltd.” on April 1, 2017**

“LIFULL” combines the words “LIFE” and “FULL” and expresses our determination to provide services that lead to more fulfilling lives and lifestyles.

Corporate Info (as of September 30, 2017)

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 3,999 million
Stock issues	118,789,100 shares (incl. 73,736 shares of treasury stock)
Consolidated number of employee	1,207 people (incl. 206 temporary and 133 overseas)
Major	LIFULL directors, Rakuten, Inc. (20%)
Main subsidiaries () stake	Trovit Search, S.L. (100%) Lifull Marketing Partners (100%)



External Market Data

Number of Apartments for sales

Source : Real Estate Economic Institute Co., Ltd.

	2015 (Jan-Dec)	2016 (Jan-Dec)	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Capital Region	40,449	35,772	1,978	3,002	3,050	3,317	1,966	3,424	2,903	2,701	7,007	1,384	2,310	3,408	2,741	2,603	2,284	3,426	2,101	2,978
YoY	-9.9%	-11.6%	-13.5%	-14.1%	-12.9%	-30.7%	-24.7%	40.9%	-0.6%	-19.6%	13.2%	-7.4%	3.3%	26.6%	38.6%	-13.3%	-25.1%	3.3%	6.9%	-13.0%
Kinki	18,930	18,676	1,320	1,422	1,517	1,414	1,238	1,870	1,263	1,975	1,975	1,396	1,394	1,575	1,391	1,738	1,321	1,832	1,215	2,392
YoY	0.6%	-1.3%	11.0%	-25.9%	-13.6%	12.4%	27.8%	4.0%	3.3%	16.5%	4.8%	55.3%	-15.0%	-26.5%	5.4%	22.2%	-12.9%	29.6%	-1.9%	27.9%

Trend of Price for Apartments

Source : Real Estate Economic Institute Co., Ltd.

Unit : M.JPY	2015 (Jan-Dec)	2016 (Jan-Dec)	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Capital Region	5,518	5,490	5,750	5,692	5,672	5,656	5,662	5,578	5,406	5,161	5,078	6,911	5,793	5,588	5,918	5,981	5,642	6,562	5,794	5,823
YoY	9.1%	-0.5%	8.4%	18.3%	-2.5%	-5.0%	-3.6%	3.4%	0.8%	-18.4%	-6.9%	24.1%	0.3%	-0.9%	2.9%	5.1%	-0.5%	16.0%	2.3%	4.4%
Kinki	3,788	3,919	3,811	3,327	4,034	3,841	3,913	4,159	3,989	3,803	4,321	3,341	3,747	3,987	3,833	3,570	3,776	4,264	3,549	4,186
YoY	3.9%	3.5%	7.0%	-16.1%	10.1%	7.4%	7.5%	12.2%	15.3%	-14.6%	-4.5%	-12.0%	0.8%	-1.5%	0.6%	7.3%	-6.4%	11.0%	-9.3%	0.6%

New build properties

Source : Ministry of Land, Infrastructure, Transport and Tourism

	2015 (Jan-Dec)	2016 (Jan-Dec)	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
House for Rent	378,718	418,543	35,504	32,427	36,910	37,745	36,784	38,400	39,950	38,617	34,475	31,684	30,842	33,937	36,194	32,956	35,967	36,365	34,968	37,521
YoY	4.6%	10.5%	16.0%	15.0%	3.7%	11.1%	9.9%	12.6%	22.0%	15.3%	2.2%	12.0%	6.8%	11.0%	1.9%	1.6%	-2.6%	-3.7%	-4.9%	-2.3%
Apartment house	115,652	114,570	11,936	11,236	10,185	7,863	6,815	9,502	9,476	8,263	8,337	13,098	7,262	8,549	12,097	9,823	12,942	9,059	9,109	8,628
YoY	4.7%	-0.9%	7.8%	-0.8%	-28.1%	5.9%	-33.1%	23.0%	9.0%	-6.9%	10.7%	56.2%	-35.7%	-24.3%	1.3%	-12.6%	27.1%	15.2%	33.7%	-9.2%
House	123,624	133,739	10,933	10,796	11,279	11,863	11,401	11,600	11,294	11,683	11,251	10,863	10,696	11,041	11,504	11,287	11,817	11,708	11,493	11,347
YoY	-1.4%	8.2%	10.5%	18.0%	1.1%	12.1%	5.9%	12.1%	12.6%	1.8%	0.6%	4.9%	0.9%	3.4%	5.2%	4.5%	4.8%	-1.3%	0.8%	-2.2%
Owned house	283,366	292,287	23,567	23,501	26,944	26,910	26,341	25,573	26,046	25,993	23,890	20,228	21,322	21,468	23,751	23,846	26,037	25,370	24,379	24,883
YoY	-0.7%	3.1%	1.2%	4.3%	1.1%	6.0%	4.3%	1.4%	4.9%	2.7%	6.5%	-0.2%	1.6%	-3.6%	0.8%	1.5%	-3.4%	-5.7%	-7.4%	-2.7%

Internal migrants

Source : Ministry of Internal Affairs and Communications

	2015 (Jan-Dec)	2016 (Jan-Dec)	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Total	5,384,553	5,251,717	731,587	390,754	350,188	359,735	396,626	345,064	367,684	339,023	334,441	321,162	374,679	958,776	749,778	405,155	353,114	375,493	383,375	344,877
YoY	3.4%	-2.5%	-4.3%	8.5%	-5.6%	-6.5%	5.1%	-12.6%	-9.5%	0.5%	-4.8%	1.6%	-5.1%	1.4%	2.5%	3.7%	0.8%	4.4%	-3.3%	-0.1%
Only Japanese	5,041,483	4,880,967	689,155	360,675	322,696	331,762	366,123	314,849	335,112	310,720	307,527	294,816	328,147	905,589	702,058	370,835	321,153	343,419	350,068	310,347
YoY	2.7%	-3.2%	-4.9%	7.9%	-6.1%	-7.2%	4.0%	-14.1%	-10.5%	-0.4%	-5.5%	0.8%	-6.1%	0.5%	1.9%	2.8%	-0.5%	3.5%	-4.4%	-1.4%

Japan Population

Source : Ministry of Internal Affairs and Communications

Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Total	127,273	127,095	126,991	126,940	126,985	126,995	126,976	126,903	126,933	126,937	126,918	126,822	126,790	126,755	126,761	126,730	126,740	126,750	126,770	126,670

Consolidated Statements of Profit and Loss (quarterly)

Unit : JPY mil	FY2016/03				FY2017/03				FY2017/09	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	5,457	6,441	6,280	7,527	6,846	6,910	7,107	9,056	7,793	8,154
HOME'S Services Business	4,280	5,210	5,167	6,263	5,616	5,782	5,955	7,663	6,472	6,816
Overseas Business	904	940	796	865	823	750	750	867	859	858
Others Business	273	290	317	397	406	377	400	524	461	479
Cost of sales	141	737	597	651	670	737	774	897	915	946
SG&A	4,036	4,640	4,343	5,605	4,776	4,581	5,422	6,627	6,346	6,100
Personal expenses	1,366	1,479	1,535	1,888	1,773	1,531	1,811	1,923	1,993	1,816
Advertising expenses	1,524	2,002	1,527	2,291	1,689	1,730	2,145	2,834	2,719	2,695
Operating expenses	208	245	305	257	246	236	282	244	240	215
Other SG&A	937	912	975	1,168	1,066	1,082	1,183	1,624	1,393	1,373
Other revenues and expenses	-13	-41	-33	-33	-6	-42	-30	-39	-72	-30
EBITDA	1,267	1,022	1,306	1,237	1,392	1,549	879	1,491	458	1,077
Depreciation/amortization cost	214	214	230	205	221	217	338	468	253	266
Operating profit	1,052	808	1,076	1,031	1,171	1,331	540	1,022	205	811
Net income *	682	552	693	742	734	942	331	756	22	467
EBITDA margin	23.2%	15.9%	20.8%	16.4%	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%

*Net profit attributable to owners of the parent

*Performance in past fiscal years has been revised to reflect changes in segments effective from the fiscal year ending September 2017.



Change in Accounting Period

Details

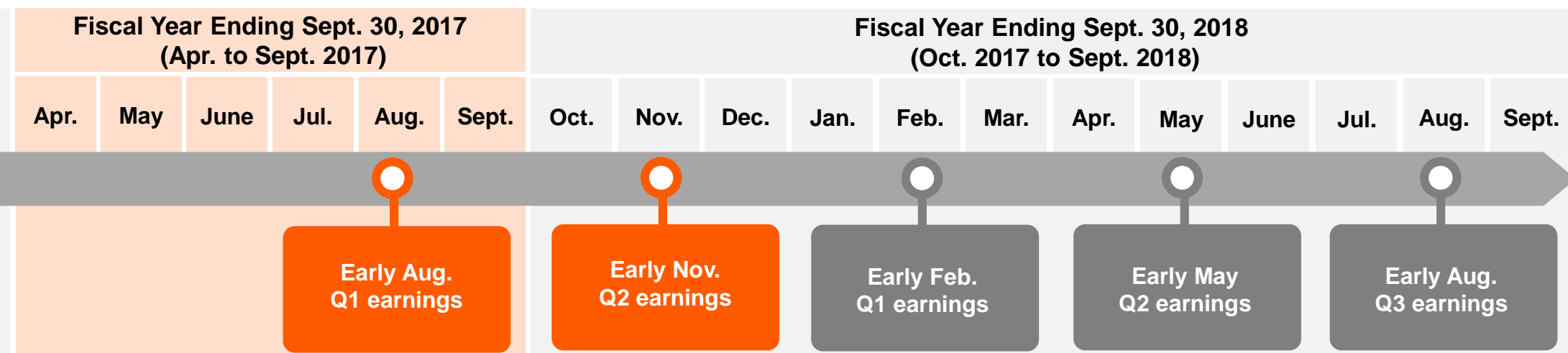
- Change in accounting period from the current March 31 to **September 30 fiscal year.**
- This fiscal year will be April 1, 2017 to September 30, 2017 (six months).
- The next fiscal year will be October 1, 2017 to September 30, 2018.

Reason for change

Due to the nature of its business, the Company's peak business period is from January to March of every year. The change follows from the decision to **avoid closing the accounting period (fiscal year end) immediately after the peak business period to improve efficiency of growing revenue without cost containment pressures.**



<Schedule>



The irregular 6-months period

The following retroactive figures will be disclosed as reference information for year-on-year comparisons.

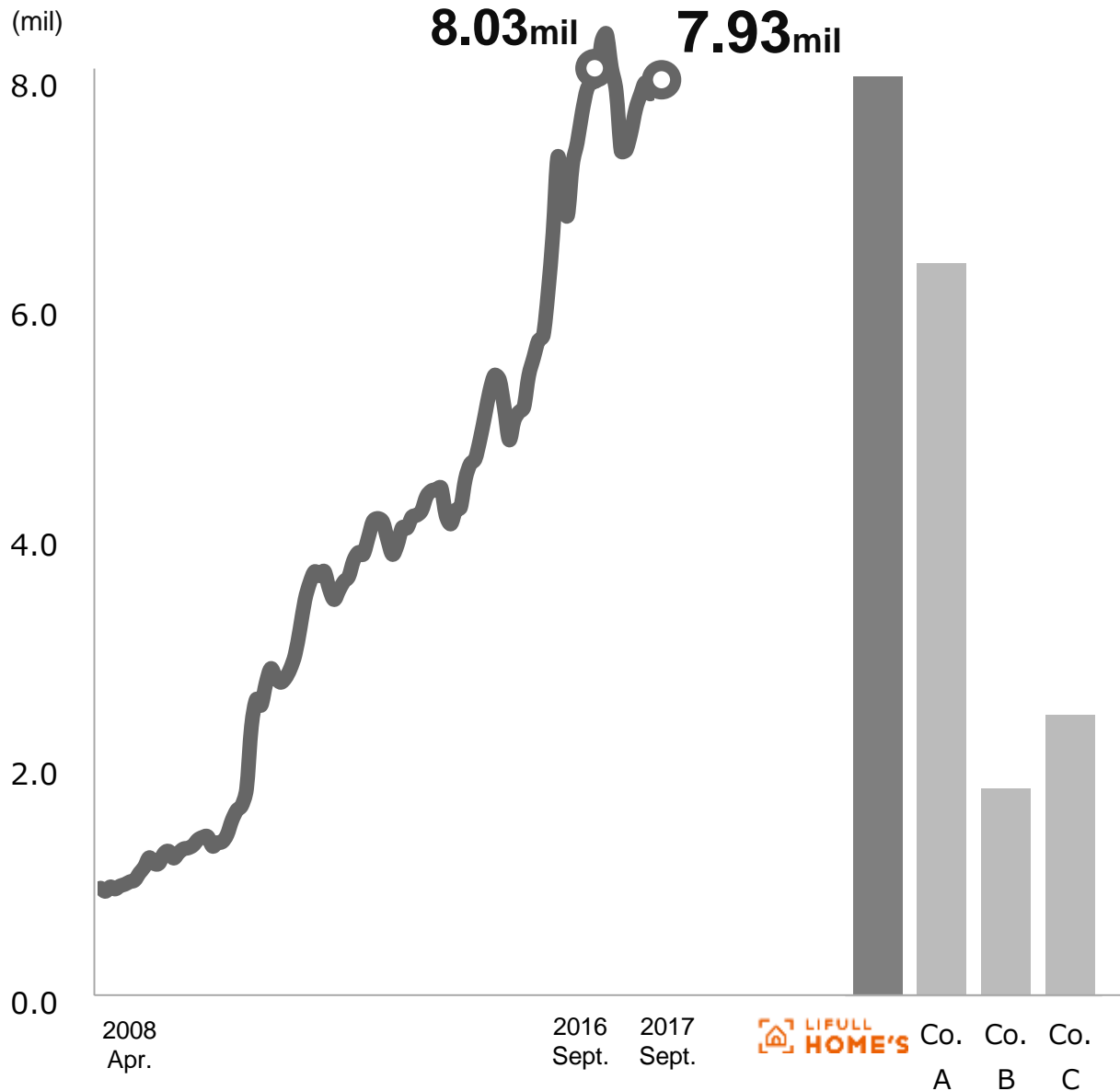
Condensed statements of profit and loss and sales by segment:

- For the fiscal year ended Sept. 2016 (six months) (please refer to page 13)
- For the fiscal year ending Sept. 2017 (12 months)*

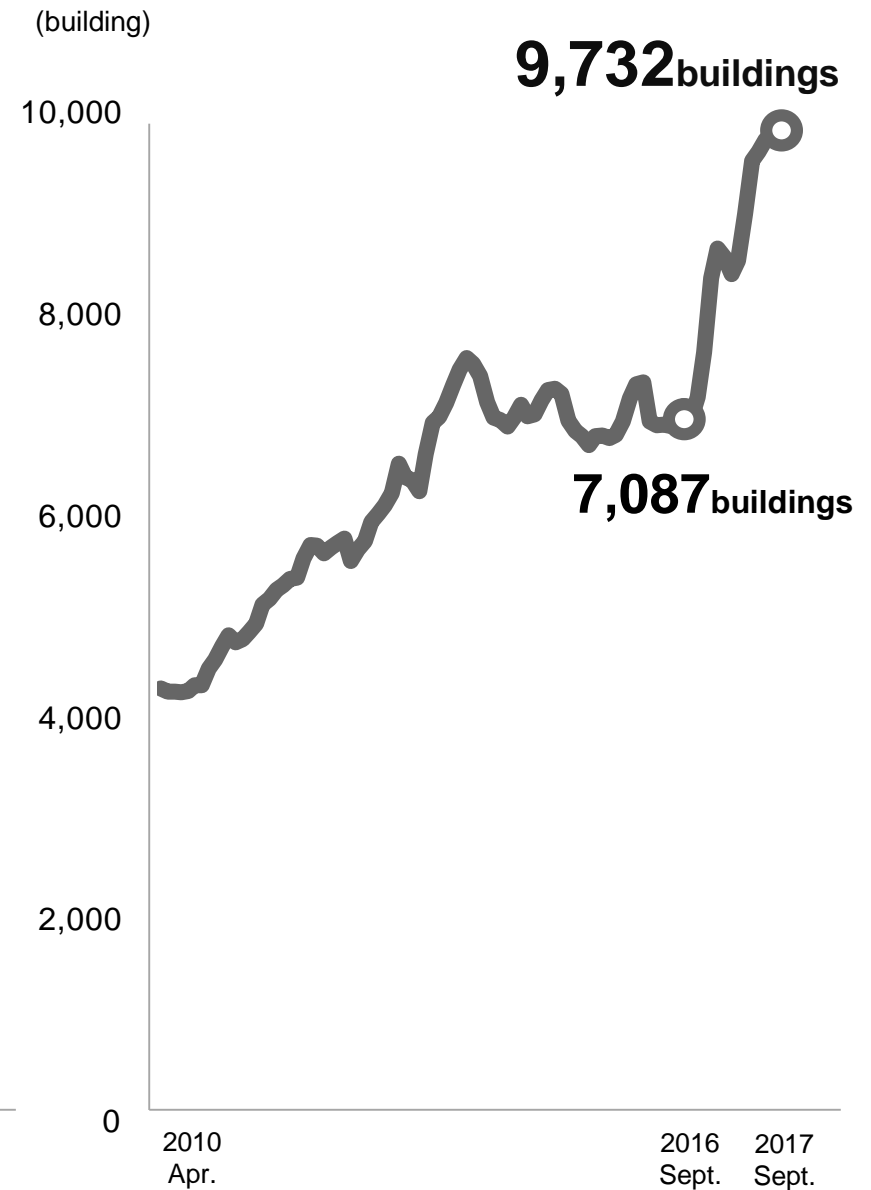
*This is scheduled to be disclosed with earnings results for the fiscal year ending Sept. 30, 2017.

(ref.) Number of Properties Listed

Rentals and Real Estate Sales



New Houses and Condos



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

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

“LIFULL HOME’S” is the No.1 real estate and housing information listing site in Japan.

*Sankei Medix (2017.1.26)

Besides the quantity of information, LIFULL HOME’S established screening team to improve information accuracy.

Continued to step up the efforts to meet smart device-related needs, catering for a variety of needs.

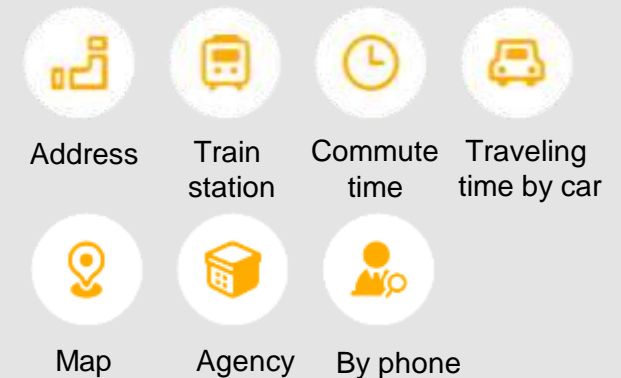


- Available various searching options including searching by cities, train station, commute time, etc.
- Conditional search options are available including “no deposit” and “pet friendly.”
- Users are able to chose multiple properties and compare among rental properties and purchasing properties at the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



The iOS and Android applications
by LIFULL HOME'S

Various searching options



LIFULL Kaigo (nurse care)



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

LIFULL Hoken Sodan (insurance consultation)



Insurance agency search and
appointment website
Operated by LIFULL FinTech

LIFULL Interior



Furniture / interior EC website
“LIFULL Interior”

LIFULL Hikkoshi (moving)



Operated by LIFULL MOVE

LIFULL Storage



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

Other LIFULL Services



“LIFULL Flower”, regular monthly
delivery of seasonal flowers

“Ouch de shika”, visiting dentist and
information search service

“Mina no ihinseiri”, search service for
finding companies specializing in
cleaning up the belongings of the deceased
Operated by LIFULL senior

Overseas subsidiaries

Trovit Search, S.L. (Spain)

Vietnam Creative Consulting Co., Ltd (Vietnam)

Others

LIFULL Marketing Partners (Consulting)

LIFULL bizas (Back office)

LIFULL Remodel (Reconstruction work)

JG Marketing (Crowdfunding)

New Segments and Major Services

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

*Segments have changed from the fiscal year ending September 30, 2017.

*See page 63 and 64 for details of specific services.



LIFULL Group Companies (1)

(in chronological order by effective date of establishment)

PT. LIFULL MEDIS INDONESIA

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

Trovit Search, S.L.

- One of the world's largest aggregation websites

LIFULL Marketing Partners

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

LIFULL senior

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

LIFULL Move

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

LIFULL SPACE

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

LIFULL FinTech

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



LIFULL Group Companies (1)

(in chronological order by effective date of establishment)

LIFULL bizas

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

LIFULL Remodel

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

LIFULL Social Funding (formerly JG MARKETING)

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

LIFUL Tech Vietnam (formerly Vietnam Creating Consulting)

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

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

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

IR Information

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<http://www.LIFULL.com/en/> (English)

Guide to IR News

We provide timely disclosure data in good time!
Please send a blank e-mail to the following e-mail address.

Blank e-mail: touroku@LIFULL.com



Official account on Twitter



https://twitter.com/LIFULL_Corp



Official Facebook page



<https://www.facebook.com/LIFULL.corp/>

