

# **Earnings Presentation IFRS**

**Second Quarter of the Fiscal Year Ending September 30, 2019  
(October 2018 to March 2019)**

## **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. FY 2019/9 Q2 : Revenue: JPY 19.5 billion, **+10.9%** YoY  
EBITDA: JPY 2.2 billion, **-24.7%** YoY
2. Proactive investments for future growth
  - Investment to strengthen LIFULL HOME'S media presence
  - Acquisition of Mitula
  - Anticipatory investment in Rural Revitalization Business
  - Goodwill impairment loss due to delay in entry into the Finance Business
3. Acceleration in Overseas Business
  - Revenue generated by Trovit during Q2 was **+20.2%** YoY (local currency basis)
  - Consolidation of **Mitula from January, 2019**

# Highlights

## Revenue

**+10.9%**

JPY 19.5 bil.  
(FY 2018 Q2 : JPY 17.6 bil.)

## EBITDA

**-24.7%**

JPY 2.2 bil.  
(FY 2018 Q2 : JPY 3.0 bil.)

## EBITDA Margin

**-5.5p**

11.7%  
(FY 2018 Q2 : 17.2%)

## Net Profit

**-39.9%**

JPY 0.9 bil.  
(FY2018 Q2 : JPY 1.5 bil.)

## HOME'S Services Business

### Revenue

**+3.1%**

JPY 15.2 bil.  
(FY 2018 Q2 : JPY 14.8 bil.)

### Client Network

**27,409**

(FY2018 Q2 : 27,084)

### ARPA

**92,816 JPY**

(FY 2018 Q2 : JPY 90,808)

## Overseas Business

### Revenue

**+81.5%**

JPY 3.3 bil.  
(FY 2018 Q2 : JPY 1.8 bil.)



# **Growth Strategy**

## **(Overview)**

FY2020/9

Revenue

JPY **50+** billion

EBITDA Margin approx. **20%**



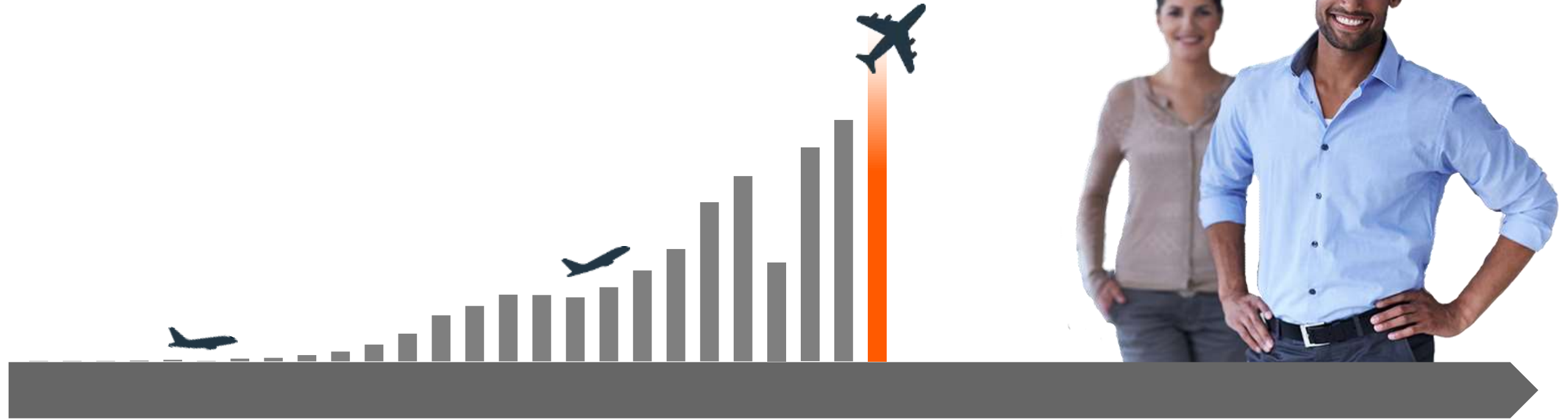


A technician with grey hair, wearing safety glasses and a dark jacket, is working on a large, complex aircraft engine. The engine is mounted on a stand, and the technician is using a tool to adjust a component. The background shows a large industrial facility with high ceilings and structural beams.

**FY2019/9 is  
an investment phase  
to achieve the targets of the  
“Mid-term Plan 2020”**

# To Achieve “Mid-term Plan 2020”

Investing in FY2019/9 to achieve the targets of the “Mid-term Plan 2020”



## 01 Growth of HOME'S Services Business

- ARPA\*1 x Client network\*2
  - ↳ Improve ARPA through growth
  - ↳ Strengthen media presence


## 02 Growth of Overseas Business

- Strengthen Trovit business
- Make Mitula a subsidiary
- Integrated management of Trovit & Mitula to improve competitiveness

\*1 ARPA: Average Revenue Per Agent

\*2 Client network: Number of affiliated real estate businesses





# **Consolidated Financial Results for FY2019/9 Q2**



# Condensed statements of income and loss IFRS

Sales Revenue grew by +10.9% over FY2018 Q2. EBITDA was down -24.7% due to proactive growth investments

Unit: JPY mil	FY2018 Q2(Oct.-Mar.)	FY2019 Q2(Oct.-Mar.)	Change	Change %	
<b>Revenue</b>	<b>17,669</b>	<b>19,599</b>	<b>+1,929</b>	<b>+10.9%</b>	*1
<b>Cost of revenue</b>	<b>1,875</b>	<b>2,306</b>	<b>+430</b>	<b>+23.0%</b>	*2
<b>SG&amp;A (excl. depreciation and amortization)</b>	<b>12,850</b>	<b>15,101</b>	<b>+2,250</b>	<b>+17.5%</b>	
Personnel expenses	3,746	4,056	+310	+8.3%	
Advertising expenses	6,084	7,229	+1,145	+18.8%	*3
Operating expenses	503	394	-109	-21.7%	*4
Other	2,516	3,420	+903	+35.9%	*5
<b>Other income and expenses</b>	<b>89</b>	<b>92</b>	<b>+2</b>	<b>+3.0%</b>	*6
<b>EBITDA</b>	<b>3,033</b>	<b>2,284</b>	<b>-749</b>	<b>-24.7%</b>	
<b>EBITDA margin</b>	<b>17.2%</b>	<b>11.7%</b>	<b>-5.5pt</b>	<b>-</b>	
<b>Net profit*</b>	<b>1,572</b>	<b>945</b>	<b>-626</b>	<b>-39.9%</b>	
<b>Depreciation and amortization</b>	<b>540</b>	<b>590</b>	<b>+50</b>	<b>+9.3%</b>	

\*Net profit attributable to owners of the parent

\*1 Increase in HOME'S Services and Overseas Businesses.

\*2 Increase due to the outsourcing of some internal design projects.

\*3 Increase in TV commercial branding costs to raise awareness during the peak season while making progress in optimizing the cost to attract paid customers.

\*4 Decrease in YoY basis due to the delay of promotion expenses until after April

\*5 Temporary increase mainly due to the acquisition of Mitula

\*6 Proceeds generated by sale of shares in insurance business and advertising agency LHL. On the other hand, incurred impairment loss due to the delay in financial business license acquisition by LSF (consolidated subsidiary).

# Progress of business forecast for the FY2019/9 IFRS

## Condensed Statements of Income and Loss

Unit: JPY mil	FY2019/9 Oct.-Sep. [Full-year forecast]	FY2019/9 Oct.-Sep. [Actual]	Progress %
<b>Revenue</b>	<b>42,306</b>	<b>19,599</b>	<b>46.3%</b>
<b>Cost of revenue</b>	<b>5,228</b>	<b>2,306</b>	<b>44.1%</b>
<b>SG&amp;A (excl. depreciation)</b>	<b>31,493</b>	<b>15,101</b>	<b>48.0%</b>
Personnel expenses	9,348	4,056	43.4%
Advertising expenses	13,139	7,229	55.0%
Operating expenses	1,355	394	29.1%
Other	7,649	3,420	44.7%
<b>Other revenues and expenses</b>	<b>391</b>	<b>92</b>	<b>23.5%</b>
<b>EBITDA</b>	<b>5,975</b>	<b>2,284</b>	<b>38.2%</b>
<b>EBITDA margin</b>	<b>14.1%</b>	<b>11.7%</b>	<b>-</b>
<b>Net profit*</b>	<b>2,962</b>	<b>945</b>	<b>31.9%</b>

\*Net profit attributable to owners of the parent

## Revenue by Service

Unit: JPY mil	FY2019/9 Oct.-Sep. [Full-year forecast]	FY2019/9 Oct.-Sep. [Actual]	Change %
<b>Revenue</b>	<b>42,306</b>	<b>19,599</b>	<b>46.3%</b>
HOME'S Services	31,939	15,264	47.8%
Overseas	7,996	3,301	41.3%
Others	2,370	1,033	43.6%

# Sales by segment, segment income and loss IFRS

In addition to growth in Trovit, the addition of Mitula resulted in large revenue gains while temporary growth investment costs such as marketing and temporary M&A costs brought segment losses

Unit: JPY mil	FY2018/9 Q2 Oct.-Mar.	FY2019/9 Q2 Oct.-Mar.	Change	Change %	Main items
<b>Revenue</b>	<b>17,669</b>	<b>19,599</b>	<b>+1,929</b>	<b>+10.9%</b>	
HOME'S Services	14,805	15,264	+459	+3.1%	Decreases seen from the withdrawal from non-profitable Reform & Remodel business were more than offset by increases in the number of inquiries following initiatives such as improved SEO. Improved income growth over Q1
Overseas	1,819	3,301	+1,482	+81.5%	Although JPY was approximately 4% higher than expected, growth was achieved thanks to growth in Trovit and the acquisition of Mitula
Others	1,045	1,033	-12	-1.2%	Reductions in revenue from the transfer of Insurance Agency Business (LHL)

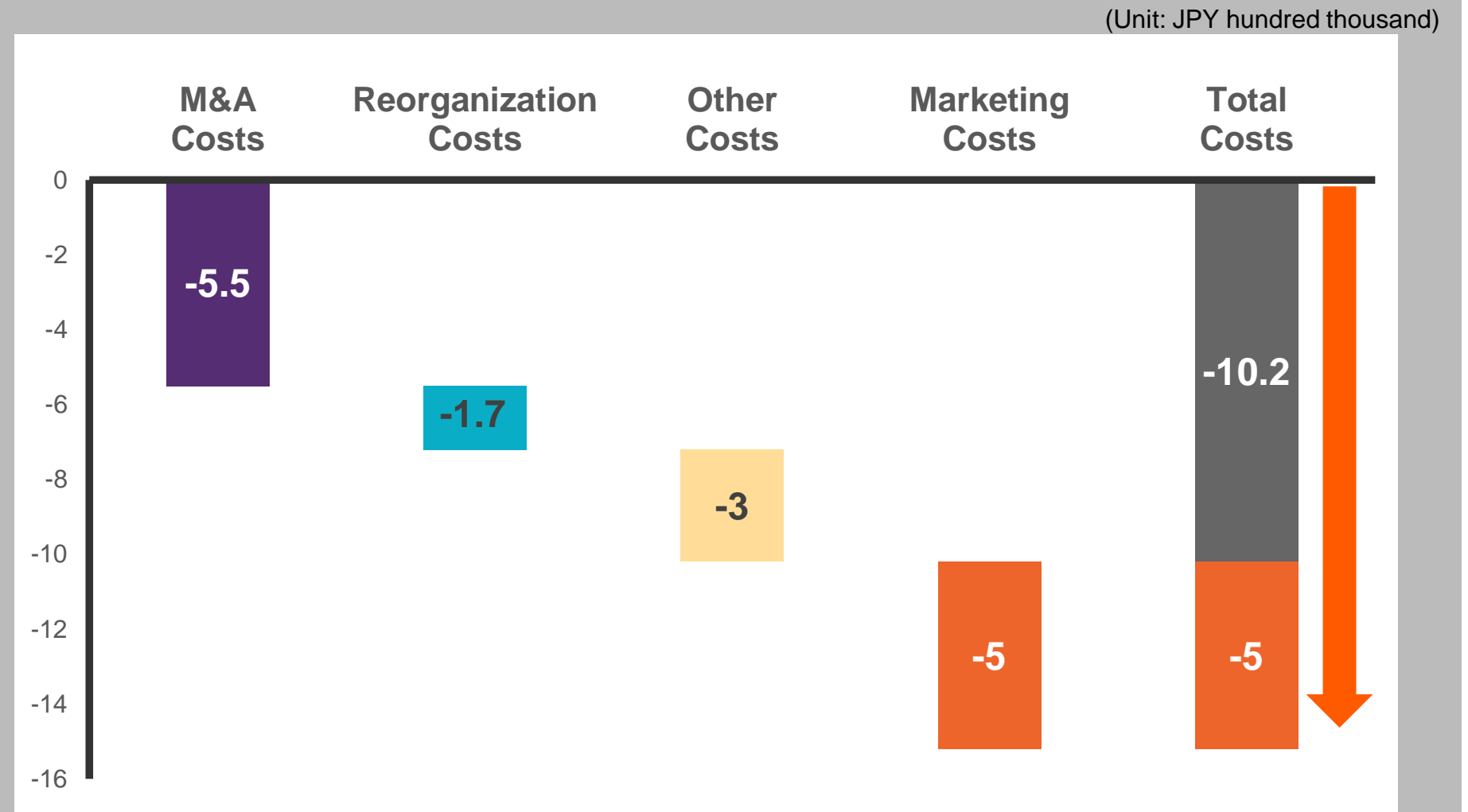
  

Unit: JPY mil	FY2018/9 Q2 Oct.-Mar.	FY2019/9 Q2 Oct.-Mar.	Change	Change %	Main items
<b>Segment income and loss</b>	<b>2,403</b>	<b>1,600</b>	<b>-802</b>	<b>-33.4%</b>	
HOME'S Services	2,223	1,512	-710	-32.0%	Decreases in revenue due to increased branding costs, such as TV commercials to improve brand recognition during peak season
Overseas	208	214	+6	+3.0%	Slight increase due to temporary costs associated with the acquisition of Mitula (550 mil. yen increase in revenue without regard to temporary costs)
Others	-72	-136	-63		- Increased spending in Rural Revitalization Business
Inter-segment transactions	44	10	-34	-77.3%	

# Temporary impact of growth investments – YoY Analysis–

Proactively investing in growth to increase business scope

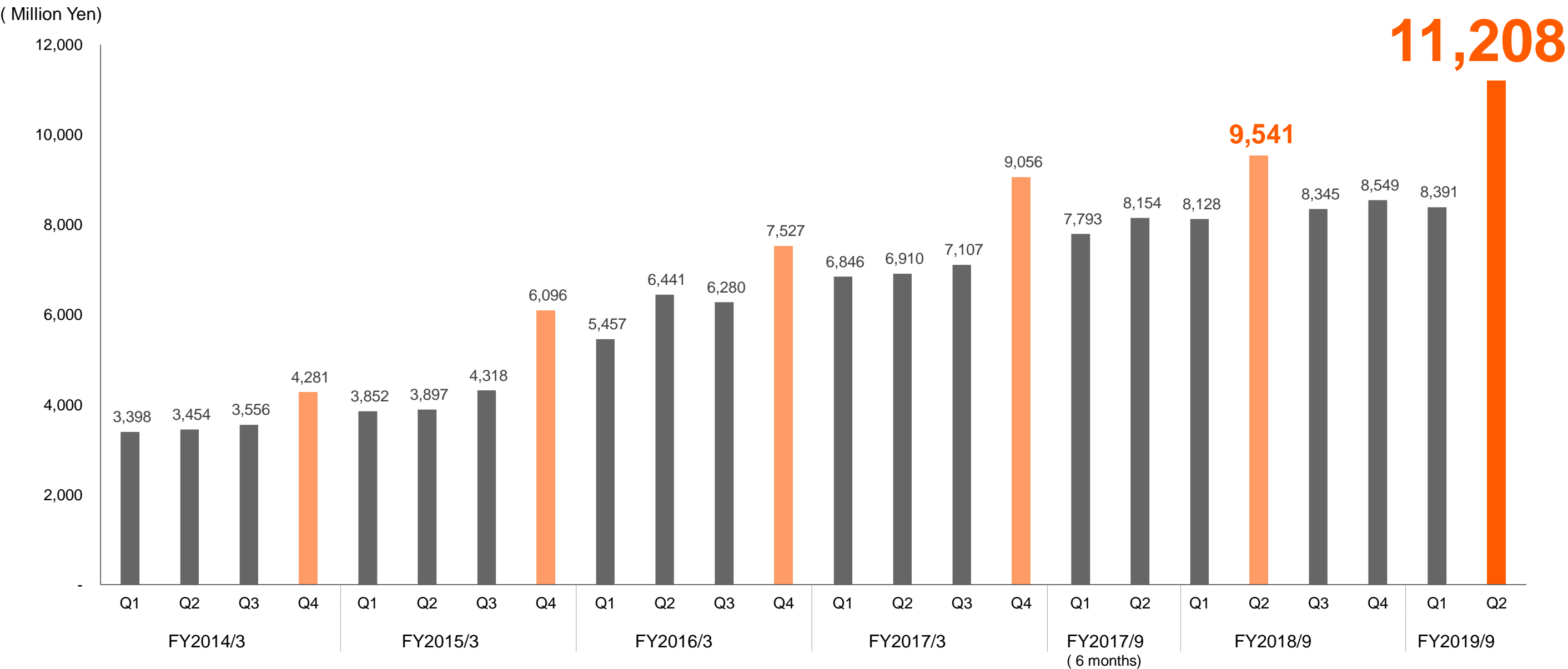
Growth Invest. of approx.  
**JPY 1 - 1.5 Billion**





# Quarterly performance history – Consolidated revenue–

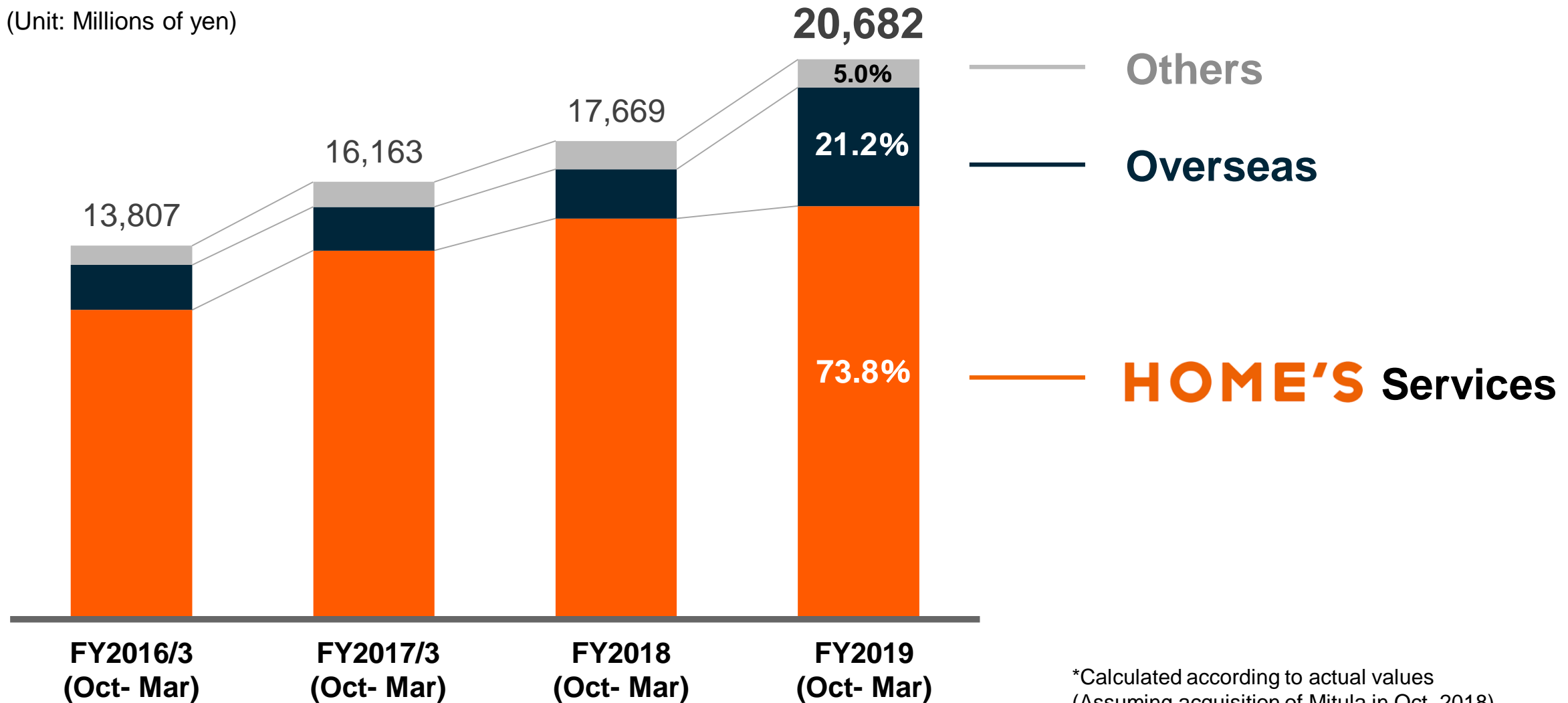
Large gains in revenue during Q2 (Jan. – Mar.) up **+17.5%** YoY



# Business growth and breakdown – Consolidated revenue –

In addition to steady growth in HOME'S Services, increased speed in the growth of Overseas Businesses

(Unit: Millions of yen)



\*Calculated according to actual values  
(Assuming acquisition of Mitula in Oct. 2018)

# Condensed statements of financial position and goodwill IFRS

JPY 3.2 bil. in short-term loans used for the acquisition of Mitula

Unit: JPY mil	As of Dec 31, 2018	As of Mar 31, 2019	Change	Change %	Main items	
Current assets	12,900	16,250	+3,350	+26.0%	Increase in cash and deposits	+1,757 Refer to Consolidated Statement of Cash Flows
					Increase in accounts receivable - trade	+1,347
					Increase in short-term loans receivable	+218 Increase due to IT-system annual payment
Non-current assets	16,281	27,500	+11,218	+68.9%	Increase in goodwill	+10,343 Mainly due to Mitula acquisition
					Decrease in software	-101
					Increase in intangible fixed assets	+258 Mainly due to Mitula acquisition
					Decrease in shares of associates	-92 Decrease due to losses incurred by equity-method companies
					Increase in long-term loans receivable	+400 Increase due to the investment by the Rural Revitalization
					Increase in lease and guarantee deposit	+103 Increase due to the advance payment of Mitula shares
<b>Assets</b>	<b>29,181</b>	<b>43,750</b>	<b>+14,568</b>	<b>+49.9%</b>		
Current liabilities	6,181	9,946	+3,764	+60.9%	Increase in accounts payable-trade	+275
					Increase in short-term debts	+3,300 Increase due to the new borrowing for Mitula acquisition
					Increase in accounts payable - other	+1,025 Increase due to advertising expense payment and Mitula
					Decrease in accrued corporate income taxes	-486
					Decrease in accrued consumption taxes	-204
					Decrease in allowance for bonuses	-190 Decrease due to bonus payment in December
Non-current liabilities	1,004	1,122	+118	+11.8%		
<b>Liabilities</b>	<b>7,185</b>	<b>11,069</b>	<b>+3,883</b>	<b>+54.0%</b>		
<b>Total Equity</b>	<b>21,996</b>	<b>32,681</b>	<b>+10,685</b>	<b>+48.6%</b>	Increase in capital stock	+5,716 Increase following the issuance of new shares to acquire Mitula
					Increase in capital surplus	+5,690 Increase following the issuance of new shares to acquire Mitula
					Decrease in foreign currency translation adjustment	-915 Decrease due to fluctuations in foreign currency exchange rates
<b>Equity per share attributable to owners of the parent (JPY)</b>	<b>184.32</b>	<b>242.98</b>	<b>+58.66</b>			

\* Outstanding goodwill balance : Littel JPY 86 mil., Trovit JPY 8,596 mil., Mitula JPY 11,124 mil., LIFULL Marketing Partners JPY 251 mil., LIFULL Tech Vietnam JPY 91 mil., and Trovit, Mitula, and LIFULL Marketing Partners depreciable assets (PPA) JPY 510 mil.

# Condensed statements of cash flow IFRS

Cash and cash equivalents increased by JPY 1.7 bil. to 9.3 bil. from FY2018 Q2

Unit: JPY mil	FY2018/9 Q2	FY2019/9 Q2	Change	Main items		
	Oct.-Mar.	Oct.-Mar.		Items	FY2018/9 Q2	FY2019/9 Q2
<b>Operating cash flow</b>	1,470	239	-1,231	Profit for the period before tax	+2,426	+1,512
				Depreciation and amortization	+552	+604
				Impairment loss	-	+298
				Increase/decrease in accounts receivable - trade and other current receivables	-913	-880
				Increase/decrease in accounts payable - trade and other current payables	+25	+904
				Other	-348	-892
				Tax payments	-273	-1,317
<b>Investing cash flow</b>	-921	-852	+68	Purchase of available-for-sale financial assets	-404	-40
				Purchase of property, plant and equipment	-85	-107
				Outlays for the acquisition of intangible fixed assets	-175	-174
				Outlays for acquisition of shares of associates	-317	-70
				Outlays for acquisition of shares of subsidiaries	-	-516
				Proceeds from sale of shares of subsidiaries	-	+473
				Proceeds from sale of shares of associates	+135	-
				Payents for loans receivalbe	-30	-586
<b>Financing cash flow</b>	-580	2,539	+3,120	Collection of loans receivable	-	+253
				Proceeds from loans payable	-	+3,500
				Repayments of loans payable	-499	-200
				Dividends paid	-97	-714
<b>Change in cash and cash equivalents</b>	-63	1,757	+1,820			
<b>Balance of cash and cash equivalents</b>	5,446	9,328	+3,882			

# HOME'S Services

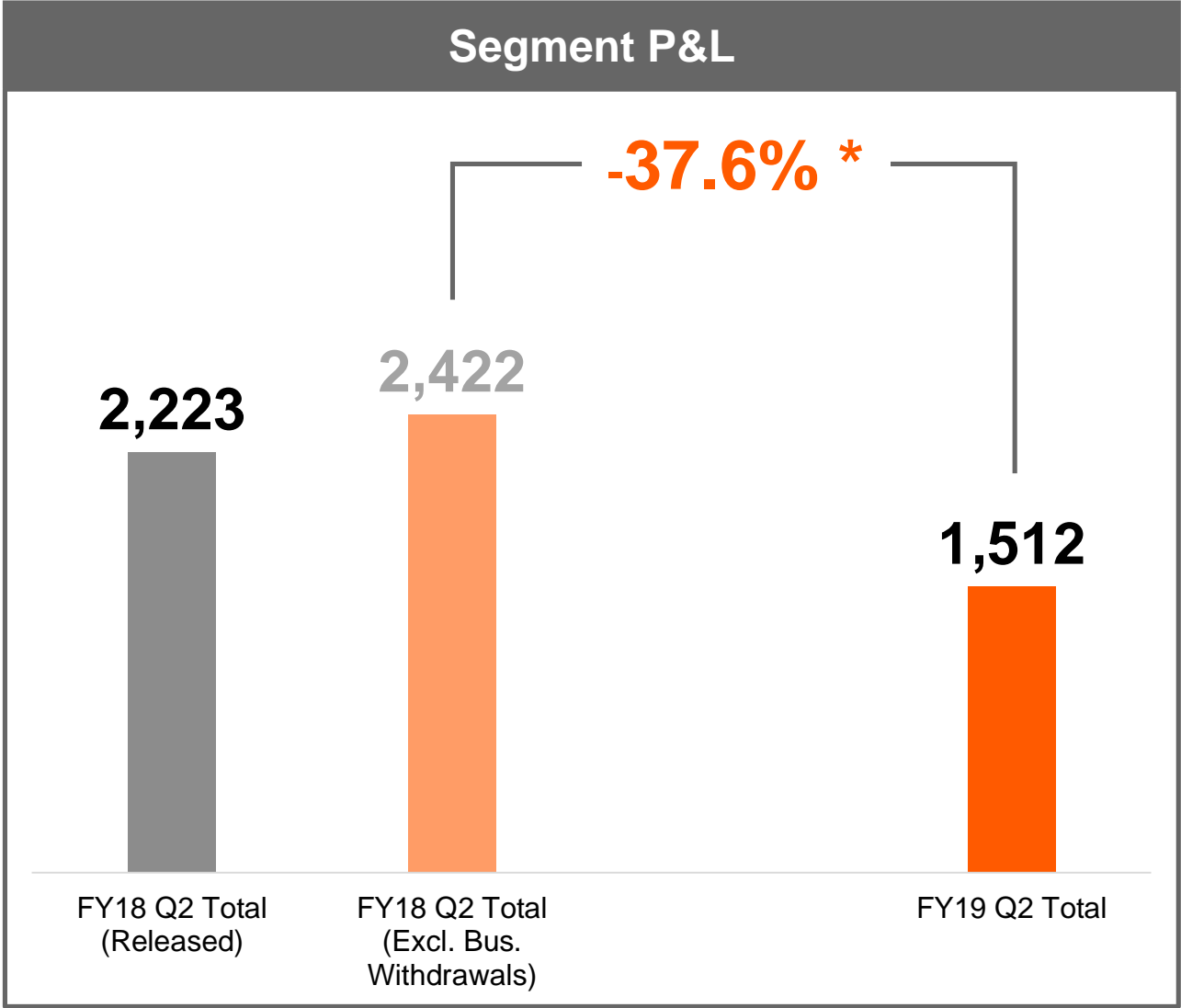
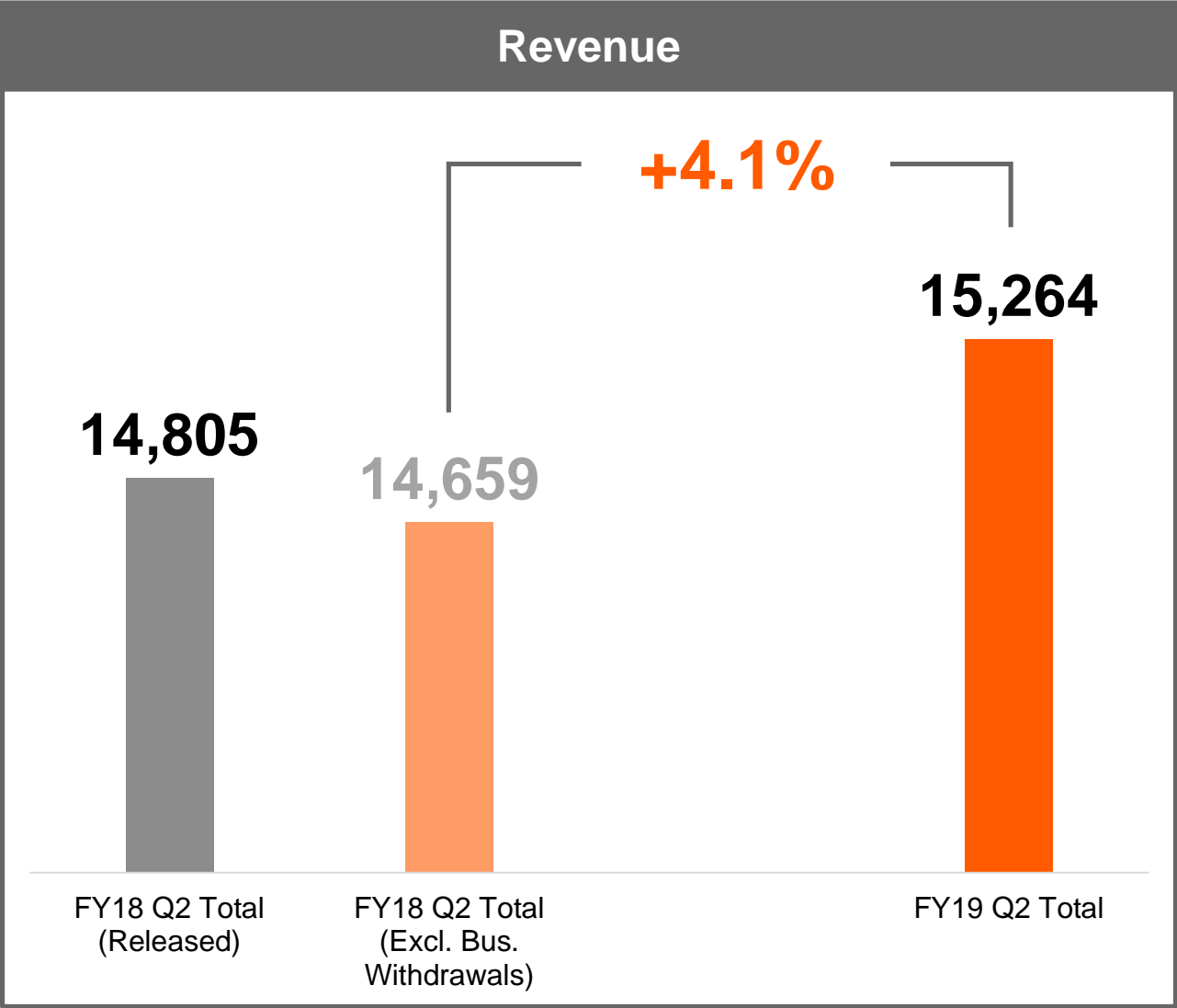




# Comparison with same period in previous year –Effects of operation withdrawals –

Sales revenue up +4.1% excluding effects from withdrawal of the Reform Business

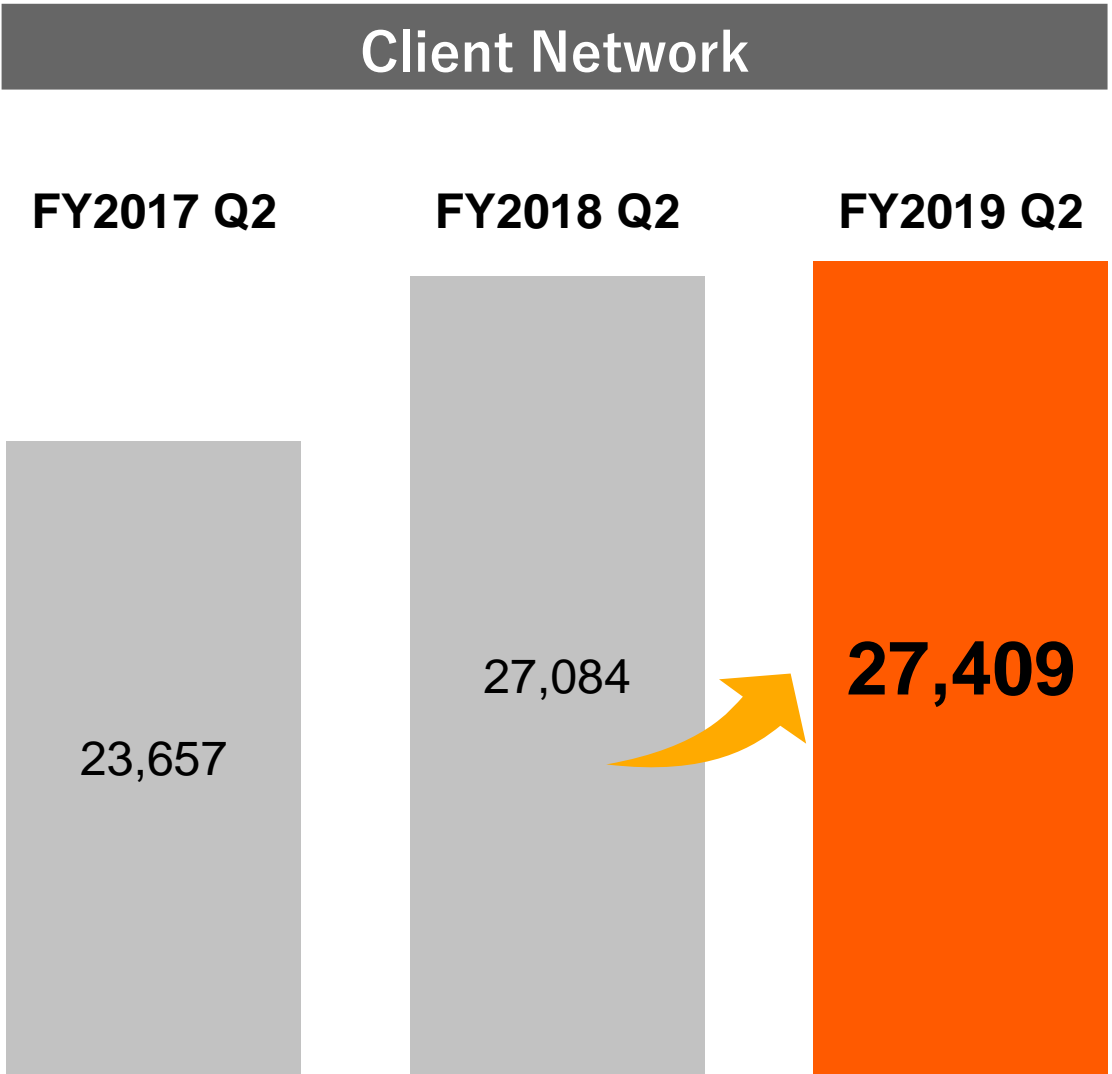
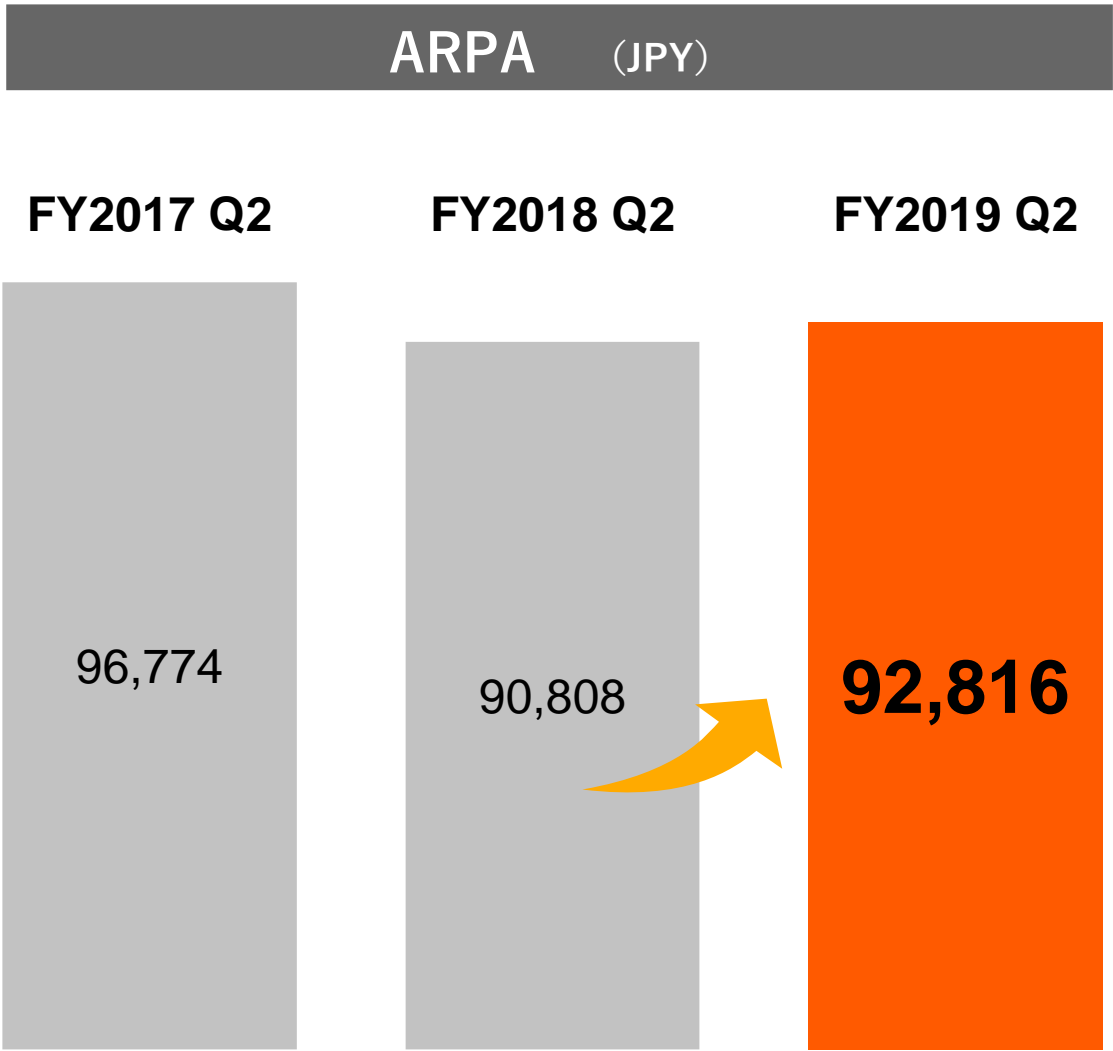
Unit: JPY mil.



\* Effects of increased branding costs, such as TV commercials during peak season to increase brand awareness.

# KPIs - Client network - ARPA -

ARPA improved by 2.2% YoY

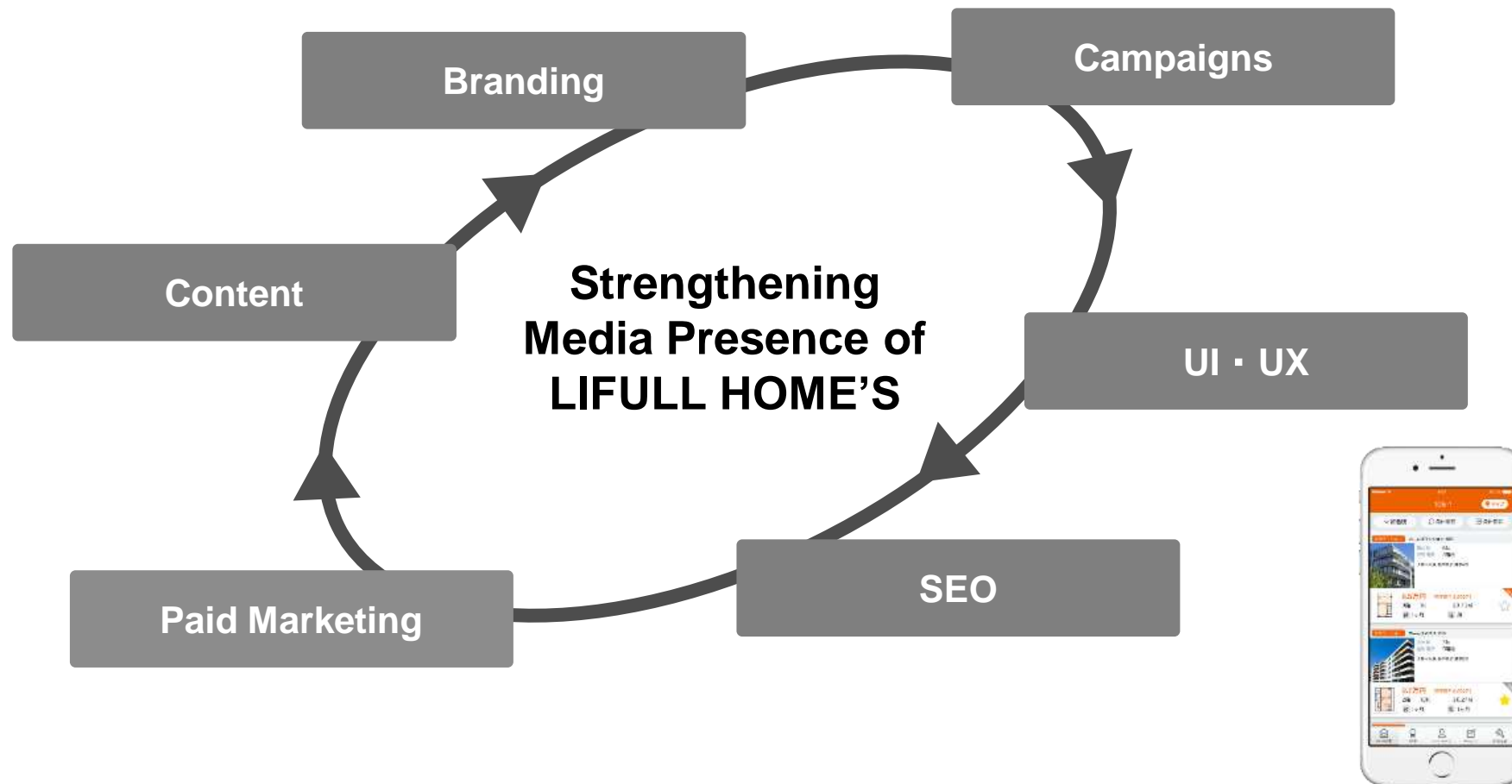


\*ARPA figures are the average of each six-month period.  
\*Above figures are preliminary ones and will be revised once finalized.

# Measures to improve ARPA –Strengthening media presence –

Continue investments in strengthening media presence

Strive to become market leader by maximizing provided value



# Investment in strengthening media presence – Branding promotion –

Heaviest investments in branding promotion yet to make LIFULL HOME'S more attractive and increase the number of users



**Most TV commercial slots ever**

**TV Show from October**

**Title : Stories - A home to explore your life -**

**Chanel : Nippon Television Network \*Kanto region only**

**Schedule : Every Saturday 22:54 - 23:00**





# New marketing products – New product –

Began a new series of banner placements

Smartphone Site



Custom Houses Homepage





# (Ref) ARPA improvement measures

– Strengthening media presence–

< Traffic >

Since May 2017

Since May 2018

May June July Aug Sep Oct Nov Dec Jan Feb Mar





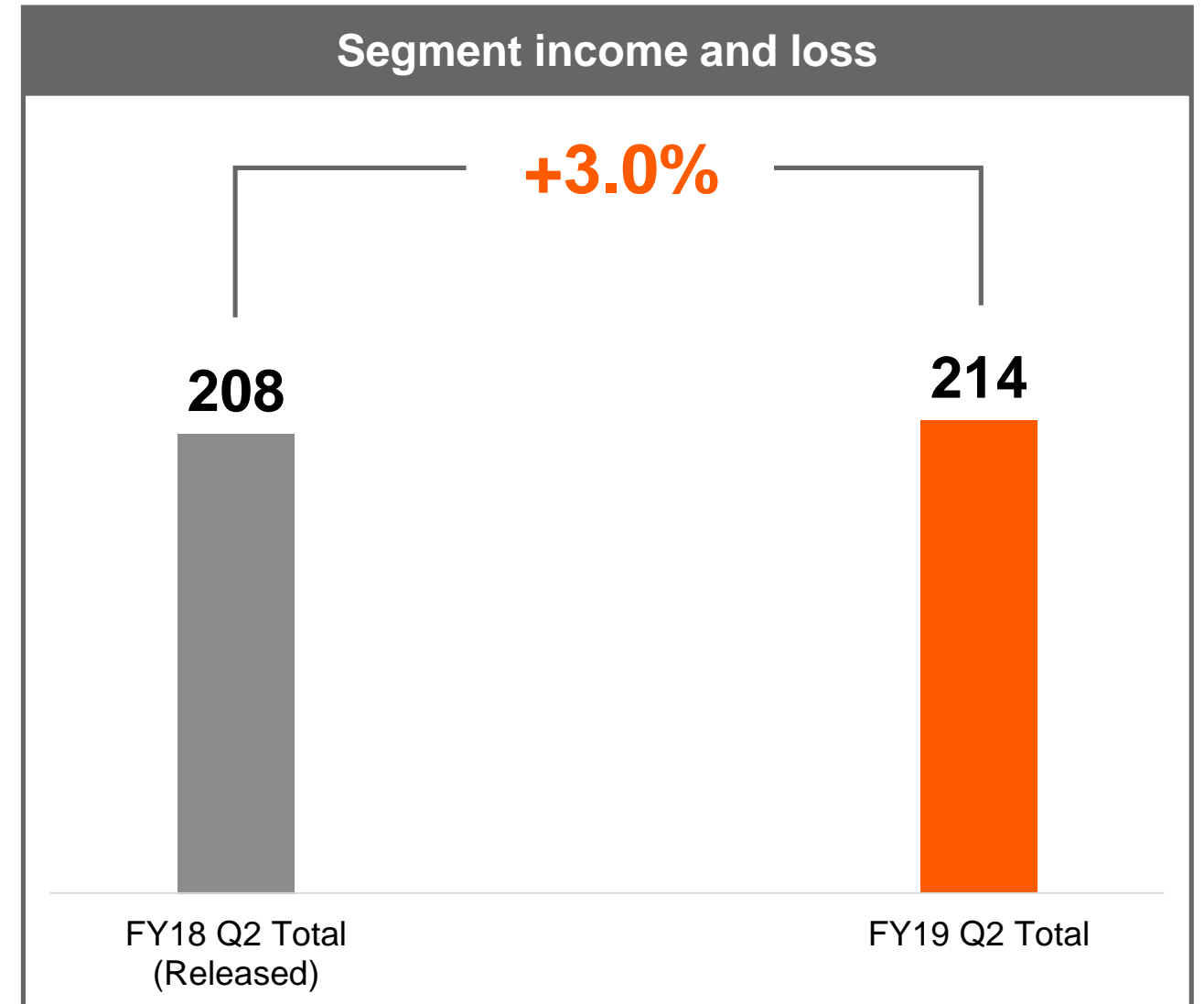
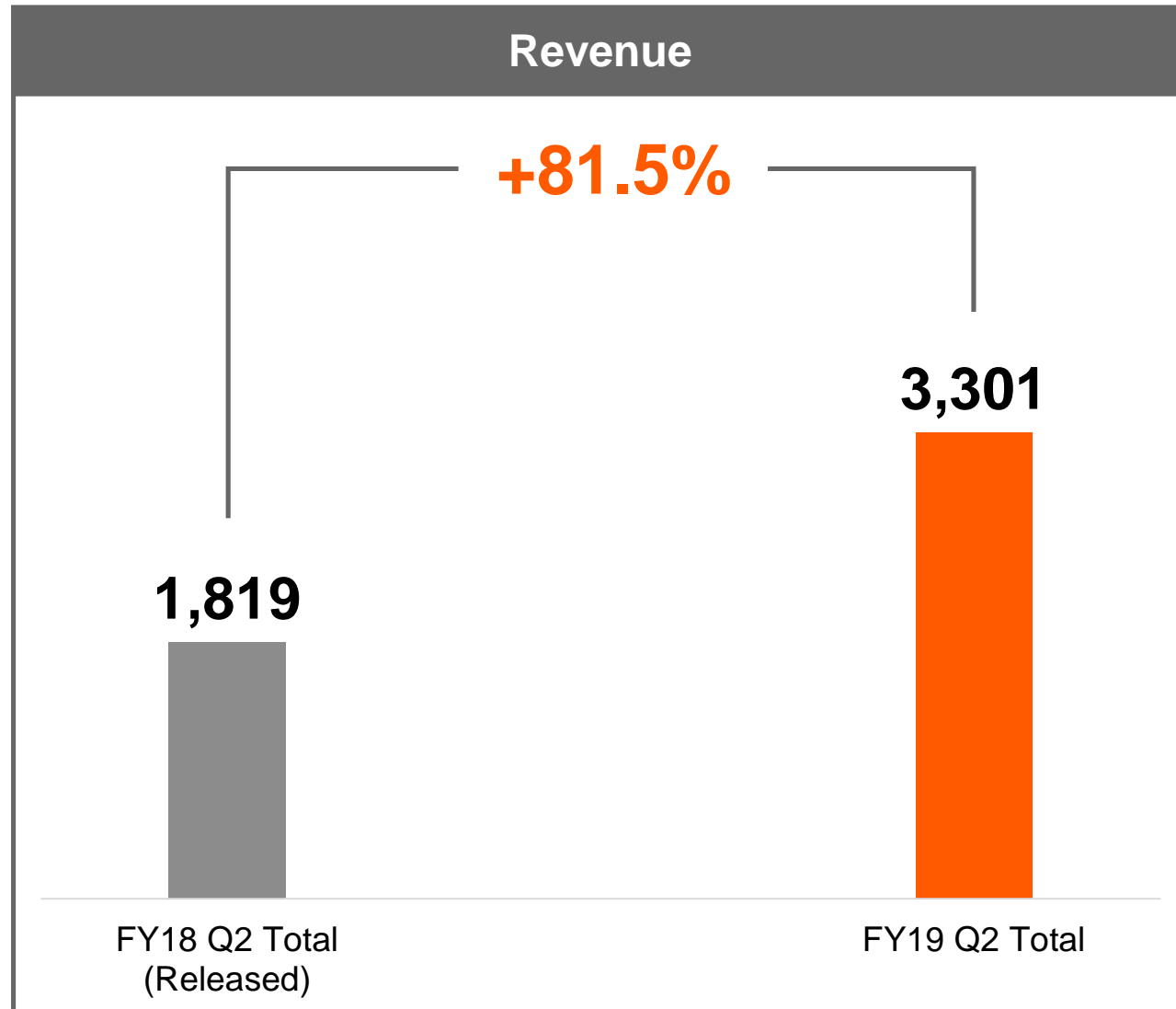


# Overseas Businesses



# Overseas businesses - Q2 performance -

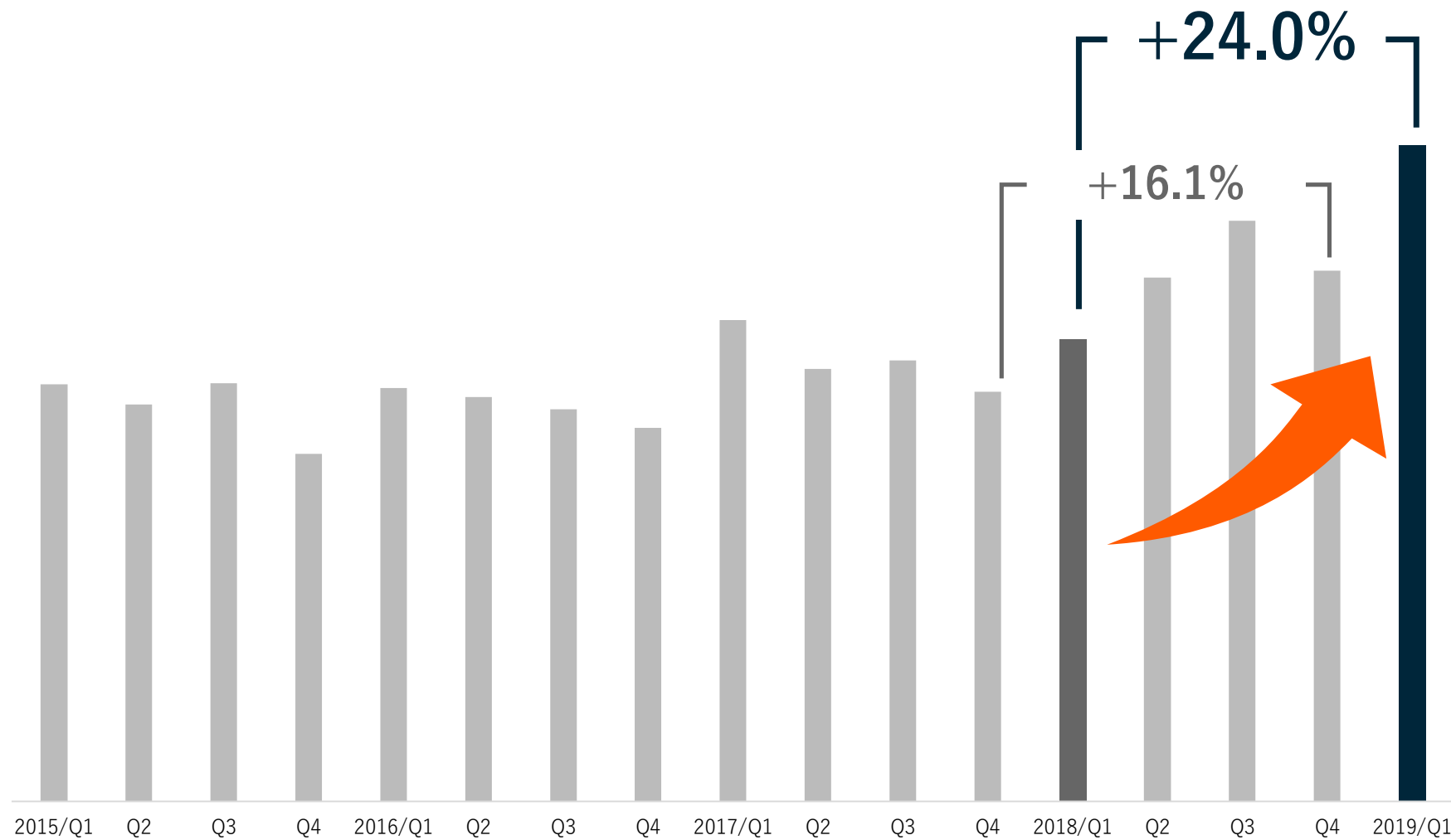
Unit: JPY mil.



\* Since Mitula was acquired in Jan., only 3 months are shown  
JPY 4,384 mil. since Oct., 2018

# Trovit – Quarterly result trend –

Rapid growth from Jan - Mar, 2019 : +24.0%\* YoY



## Rapid Growth

\* Trovit results based in Euro

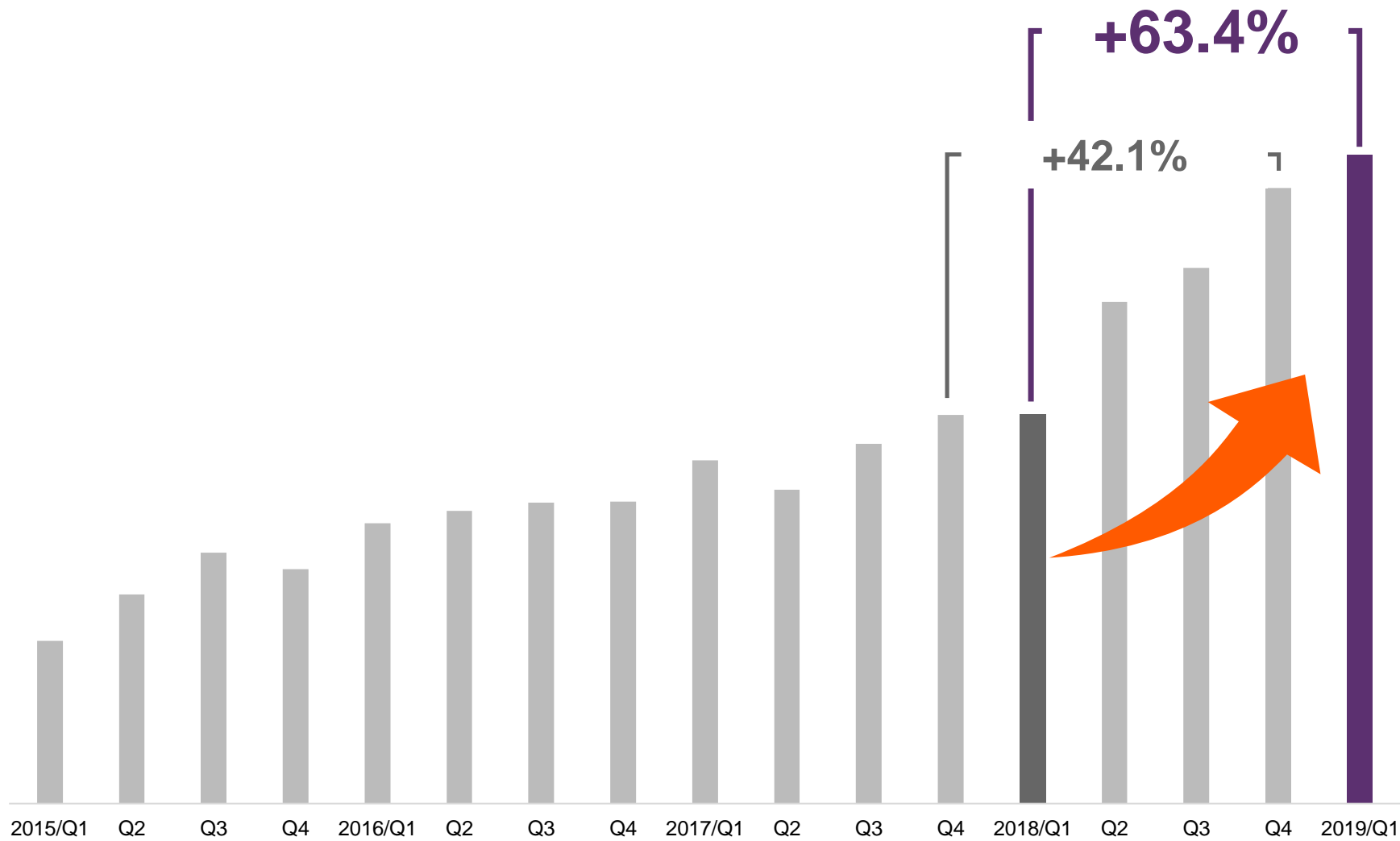


## **Inclusion of Mitula since January, 2019**



# Mitula – Quarterly result trend –

Rapid growth from Jan - Mar, 2019 : +63.4%\* YoY



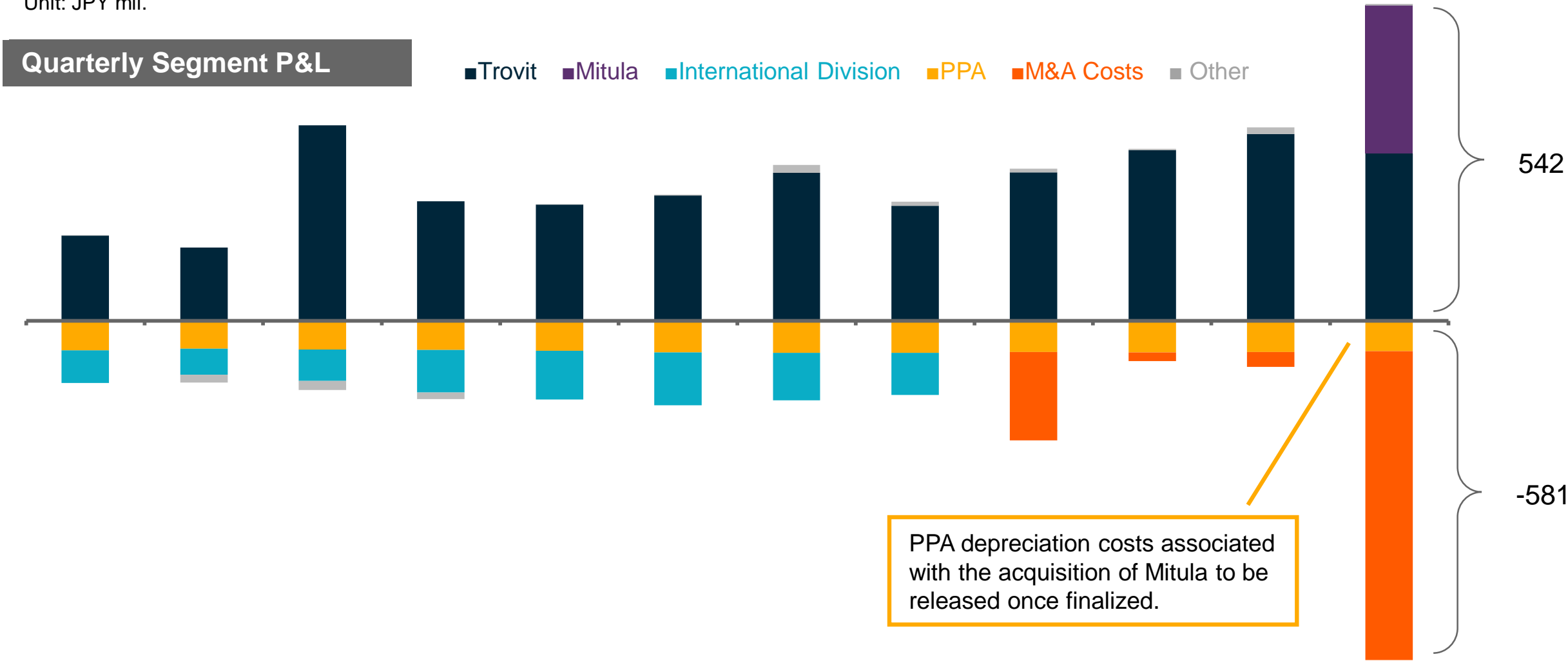
# Rapid Growth

\* Based in AUD until FY2018  
\* EUR 1 calculated at AUD 1.56 for FY2019

# Overseas businesses – Segment P&L (Quarterly Trend) –

Large increase in profitability without regard to temporary M&A costs

Unit: JPY mil.



# Growth of overseas businesses - Accelerate growth through M&A -

In addition to achieving organic growth of Trovit, accelerate overseas growth through Mitula acquisition.

Integrated management to strengthen earning capacity



**trovit** × **MitulaGroup**<sup>o</sup>



## Area Strategy

Different prioritization based on the market of each country



## Competitive Strategy

Understand each country's competitive landscape



## Service Strategy

Develop new services to expand the service scope



## Sales Strategy

Take the three strategies on the left into consideration

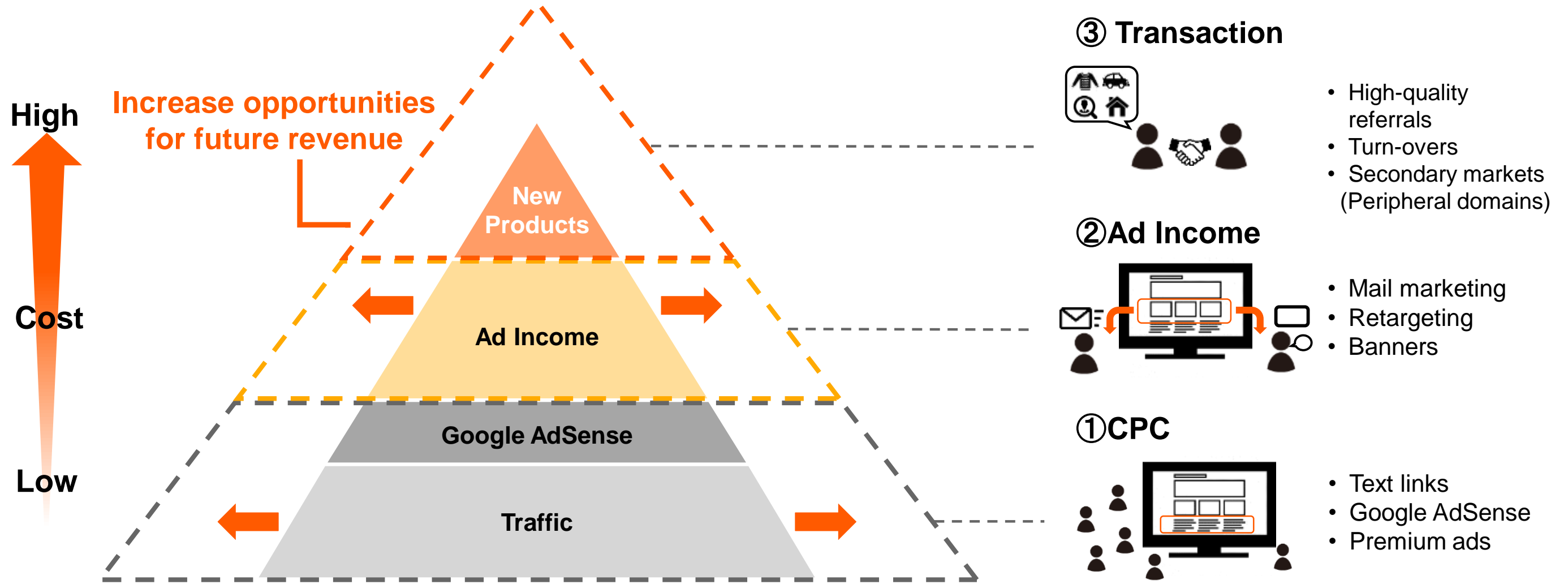


## Organization Strategy

Optimize the organization for strategy execution

# Overseas business growth - Growth strategy -

Increase the potential value for traffic and enable multilateral opportunities for future revenue.

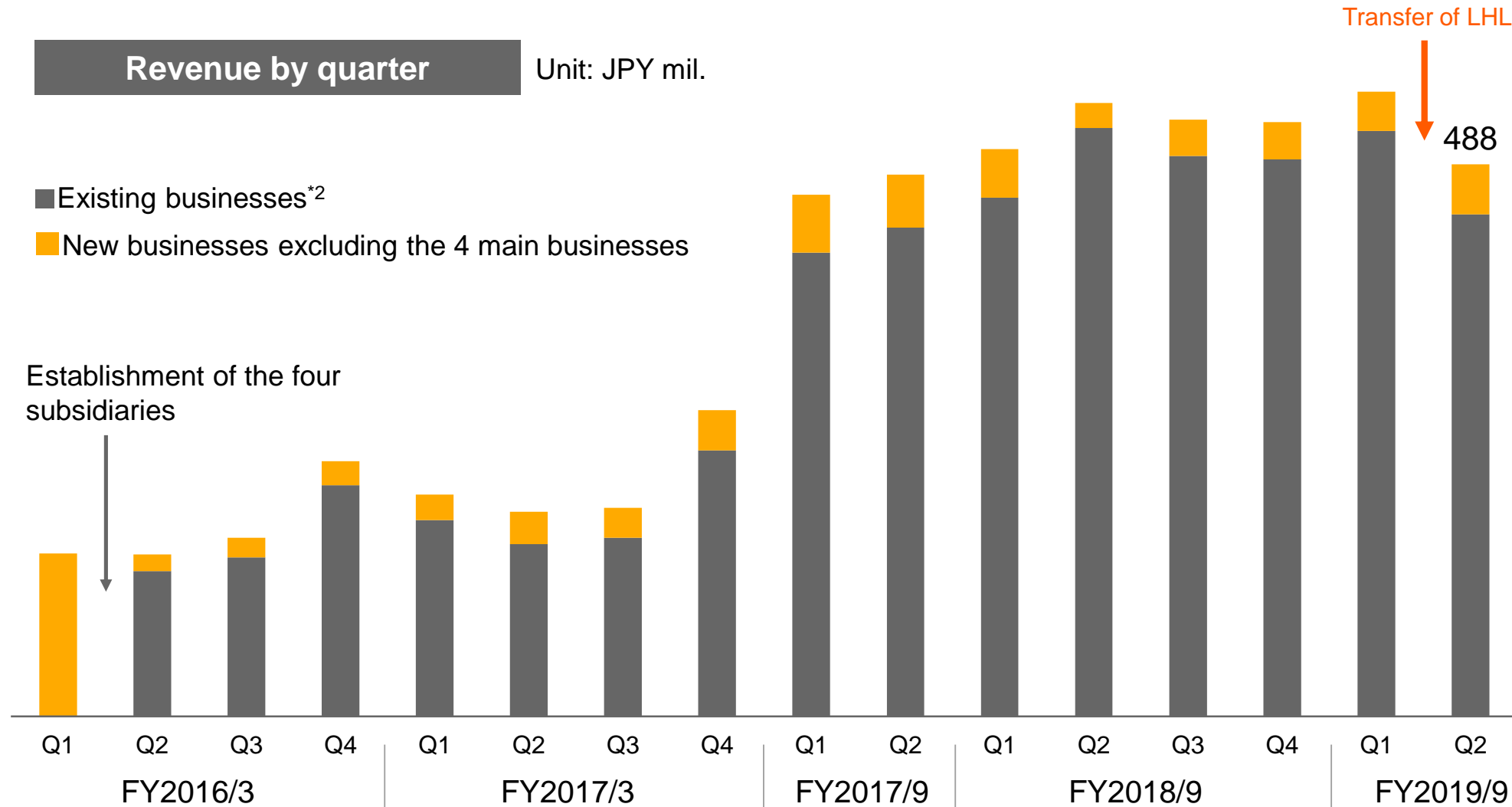




# Other Businesses

# Other businesses – Segment sales revenue (quarterly) –

Continuously steady business growth excluding effects of transfer of LHL\*<sup>1</sup>

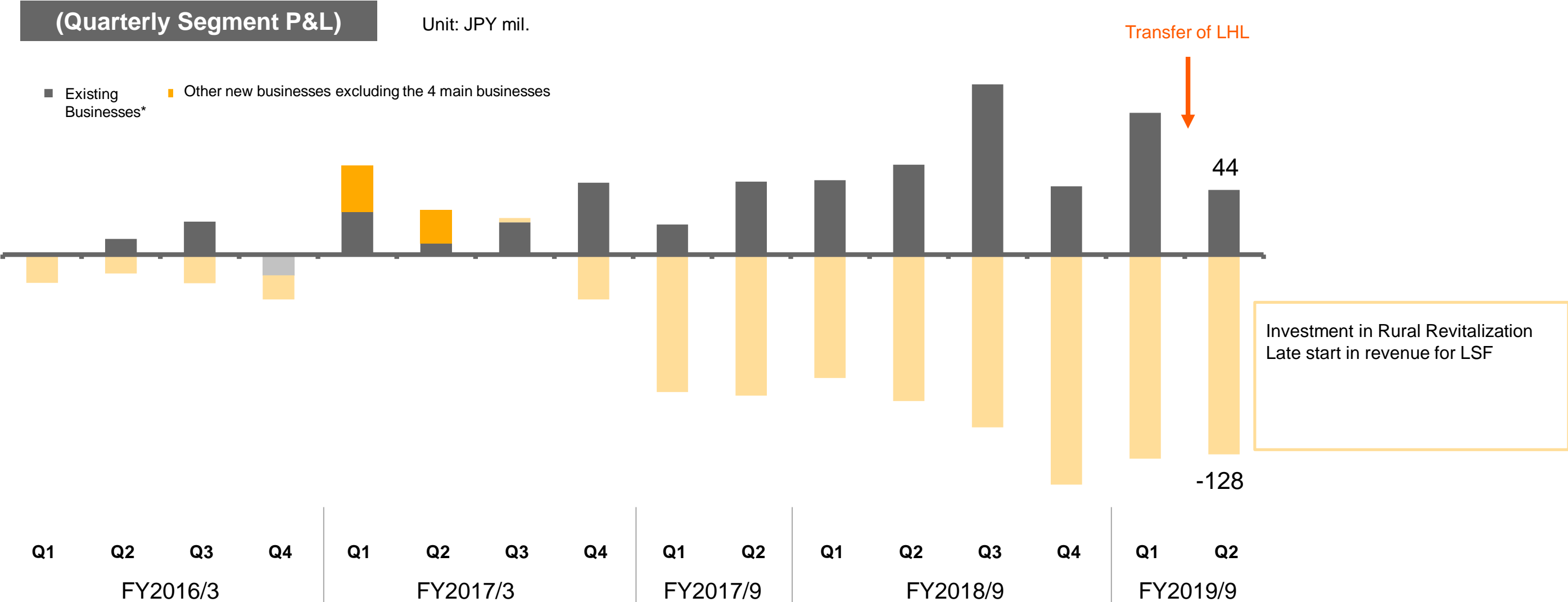


## Steady Growth

# Other businesses – Segment P&L (quarterly) –

Other established businesses are continuing smoothly without regard to the transfer of LHL.

Additional investments are also being made into Rural Revitalization



\* Existing Businesses: FinTech, MOVE, senior, and SPACE

# Other businesses – Rural revitalization –

Proactive investment in Rural Revitalization to promote the compilation of vacant houses for repurposing into a database

## 01 Compilation of database for vacant properties

Akiya Bank



Provide a platform for vacant properties to local governments for free.  
Make it possible to search through the vacant properties managed by all local governments.

## 02 Recruitment / Training

Training program

- Seminars for vacant property support staff
- Practical training

### Program Content

- Advisor for vacant property owners
- Inspection and evaluation of vacant properties
- Registration on Akiya Bank
- Coordination of viewings
- Introduction to professional agents
- Management of vacant properties

## 03 Repurposing vacant properties

Use as offices or vacation rentals

Examples



### Funds and Financing



Provide financial support through LIFULL Social Funding.



## Other businesses – New services –

Continuing investment to train the next generation of business leaders and create new businesses

### 01 Training the Next Generation of Business Leaders

Through internal programs such as "Switch" and the "Business Leader Seminar", employees have the opportunity to start their own businesses.

There is also an entire department dedicated to assisting new businesses with strategy and techniques.

### 02 Finding New Business Opportunities

The internal investment committee also actively invests in various projects.

LIFULL strives to become a group that provides new solutions in various fields - even if they are unrelated to real estate.

#### New Business



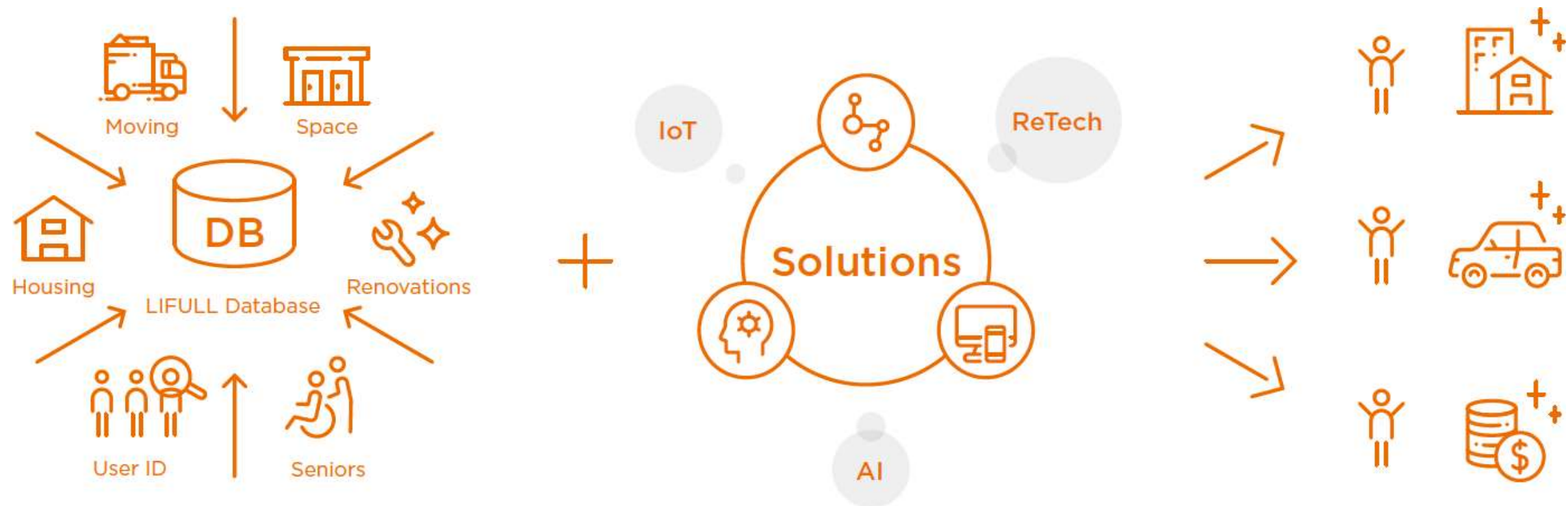
New service to experience freshly blended smoothies in the office made from imperfect vegetables.



# LIFULL Worldview – LIFULL Group –

Create a society where everyone can attain "comfort" and "happiness" through continuous social innovations

Become the best life-event database and solution company in the world.



Build the biggest life-event database in the world to offer the best solutions for each and every customer.



Make every LIFE FULL.

# Appendices



# Corporate Info (as of March 31, 2019)

<b>Company</b>	LIFULL Co., Ltd.
<b>Stock code</b>	2120 (TSE 1st Section)
<b>Representative</b>	Takashi Inoue, President and CEO
<b>History</b>	Mar. 12, 1997 Established Oct. 2006 Listed in TSE, Mother's Section Mar. 2010 Listed on TSE 1st Section
<b>Capital</b>	JPY 9,716 million
<b>Stock issues</b>	134,239,870 shares (incl. 73,886 shares of treasury stock)
<b>Consol. number of employees</b>	1,441 people (incl. 210 temporary and 300 overseas)
<b>Major shareholder</b>	LIFULL directors, Rakuten, Inc. (17.7%)
<b>Main subsidiaries ( ) stake</b>	Trovit Search, S.L. (100%) Mitula Group Limited (100%) LIFULL Marketing Partners (100%)



\* 15,450,770 shares issued on 8 Jan.

\* Capital increased to JPY 9,716 million due to the shares issued on 8 Jan.



President and CEO Takashi Inoue



HO (Chiyoda-ku, Tokyo, Japan)

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

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

- “LIFULL HOME'S” is the No.1\* real estate and housing information site in Japan by listing numbers. \*SANKEI Advertising Inc. (2019.1.7)
- LIFULL has an internal team specialized in improving information accuracy and quality to be the best not only in terms of quantity but also in terms of quality.
- Continued to step up the efforts to meet smart device-related needs, catering for a variety of needs.



- Various search options available including searching by cities, train station, commute time, etc.
- Conditional search options available including “no deposit” and “pet friendly.”
- Users can choose multiple properties and compare properties for rent and sale at the same time.
- Various functions including “Moving To-do List” and “notifications for new listings” available.



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

Internet Users



View,  
Search  
→



←  
Information  
Listing

Realtors



# LIFULL Group Services

## LIFULL Kaigo (nursing care)



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

## LIFULL Hikkoshi (moving)



Website to make an inquiry  
and reservation with movers  
Operated by **LIFULL MOVE**

## LIFULL Trunk Room (storage)



A website to search rental storage rooms/units  
Operated by **LIFULL SPACE**

## LIFULL Interior



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

## Other LIFULL Services



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

## Overseas subsidiaries

Trovit Search, S.L. (Spain)  
LIFULL Tech Vietnam (Vietnam)  
Mitula Group Limited (Australia)

## Others

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

# LIFULL Group Companies

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

<b>PT. LIFULL MEDIA INDONESIA</b> <sup>*1</sup>	<ul style="list-style-type: none"> <li>• Planning and operation of “LIFULL Rumah” a real estate and housing information website in Indonesia</li> <li>• Home hunting proxy service in Jakarta for Japanese business people planning to relocate to the city</li> </ul>
<b>Trovit Search, S.L.</b>	<ul style="list-style-type: none"> <li>• Operating aggregation sites for real estate, job listings, and used vehicles</li> </ul>
<b>LIFULL Marketing Partners</b>	<ul style="list-style-type: none"> <li>• Internet and marketing businesses for realtors and property-related businesses</li> </ul>
<b>LIFULL senior</b>	<ul style="list-style-type: none"> <li>• Operating “LIFULL Kaigo (nursing care)”, among the largest websites in Japan to find nursing care homes or elderly housing</li> <li>• Operating “Mina no Ihinseiri”, a website to search for companies specialized in cleaning up the belongings of the deceased</li> </ul>
<b>LIFULL MOVE</b>	<ul style="list-style-type: none"> <li>• Operating “LIFULL Hikkoshi (moving)”, a one-stop website to search and make inquiries with multiple movers and then make on-line reservation</li> </ul>
<b>LIFULL SPACE</b>	<ul style="list-style-type: none"> <li>• Operating “LIFULL Trunk Room (storage)”, a website offering among the most voluminous rental storage room/unit information in Japan</li> <li>• Operating “LIFULL Rental Space”, a website to search for rental spaces and meeting rooms</li> </ul>
<b>LIFULL bizas</b>	<ul style="list-style-type: none"> <li>• Administration and other back office operation outsourcing</li> <li>• Call center operation outsourcing</li> </ul>
<b>LIFULL Social Funding</b>	<ul style="list-style-type: none"> <li>• Operating “Japan Giving” and “Shooting Star” crowdfunding platforms</li> <li>• Operating of Rural Revitalization Fund</li> </ul>
<b>LIFULL Tech Vietnam Co., Ltd.</b>	<ul style="list-style-type: none"> <li>• Offshore development, Lab development, software development, application development and creative development</li> </ul>
<b>LIFULL Interior</b>	<ul style="list-style-type: none"> <li>• Operating an interior and furniture EC site, “LIFULL Interior”</li> </ul>
<b>RAKUTEN LIFULL STAY</b> <sup>*1 *2</sup>	<ul style="list-style-type: none"> <li>• Operating a vacation rental and accommodation platform</li> </ul>
<b>Mitula Group Limited</b>	<ul style="list-style-type: none"> <li>• Operating aggregation sites for real estate, job listings, used vehicles, and fashion</li> <li>• Operating real estate portals</li> </ul>

<sup>\*1</sup> Equity method

<sup>\*2</sup> Joint venture with Rakuten, Inc. Established “RAKUTEN LIFULL STAY PTE. LTD.” as 100% subsidiary in March 2017.

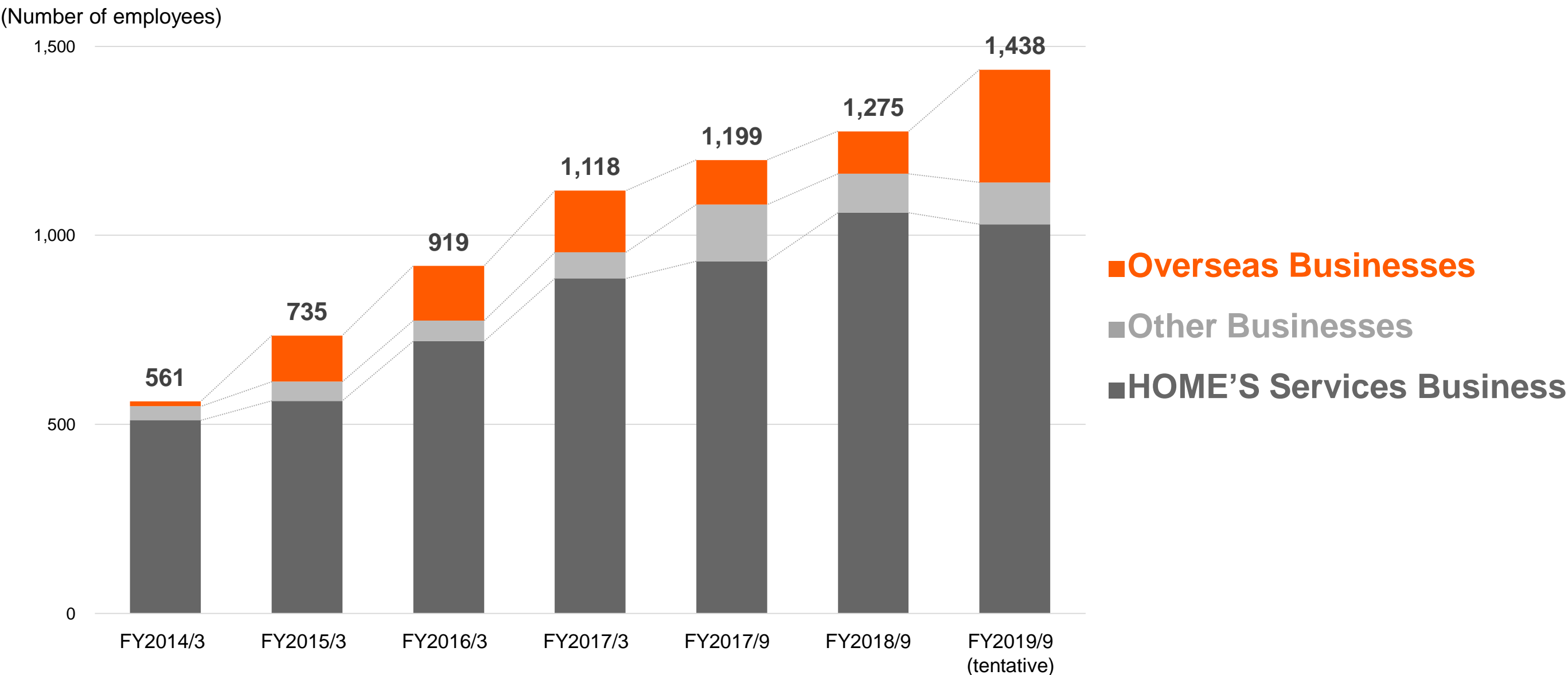


# Segments and Major Services

Segments	Main services
<b>HOME'S Services Business</b>	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd.
<b>Overseas Businesses</b>	Trovit (Trovit Search, S.L.) Mitula (Mitula Group Limited) LIFULL Tech Vietnam Co., Ltd.
<b>Other Businesses</b>	LIFULL <i>Kaigo</i> (nursing care) (LIFULL senior Co., Ltd.) LIFULL <i>Hikkoshi</i> (moving) (LIFULL MOVE Co., Ltd.) LIFULL Trunk Room (LIFULL SPACE Co., Ltd.) LIFULL Interior (LIFULL Interior Co., Ltd.) LIFULL Social Funding Co. Ltd. Other LIFULL subsidiaries and new services

# Number of employees – Across All Businesses –

Number of overseas employees has increased due to the expansion of Overseas Businesses



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

# Consolidated statements of profit and loss (quarterly)

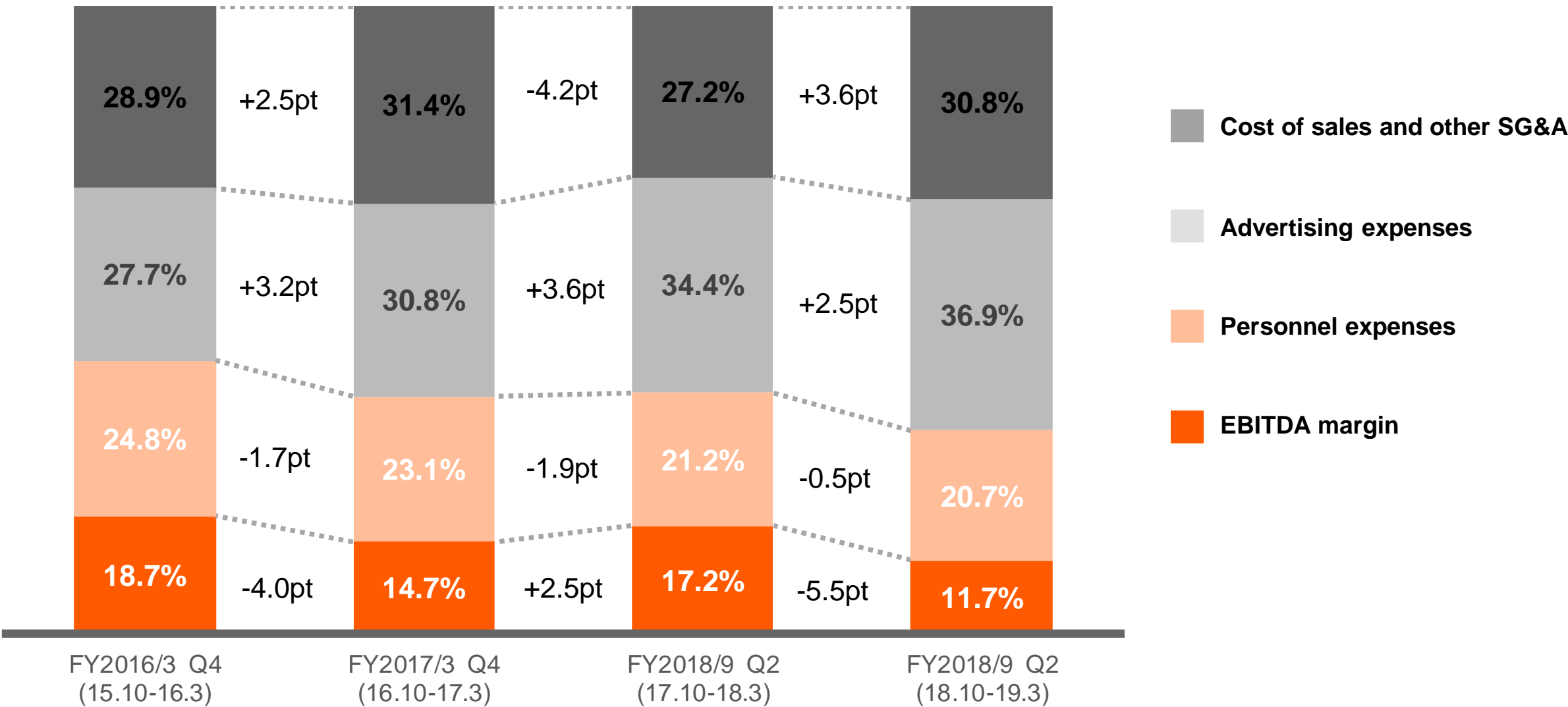
Unit : JPY mil	FY2017/03				FY2017/09		FY2018/09				FY2019/09	
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q	3Q	4Q	1Q	2Q
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391	11,208
HOME'S Services Business	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062	6,833	6,963	6,860	8,404
Overseas Businesses	823	750	750	867	859	858	883	935	983	1,058	986	2,315
Other Businesses	406	377	400	525	461	479	502	542	528	527	544	488
Cost of revenue	670	737	774	897	915	946	928	946	996	1,006	1,048	1,258
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
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
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
Operating expenses	246	236	282	244	240	215	236	267	209	229	190	204
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
Other revenues and expenses	-6	-42	-30	-39	-72	-30	71	18	6	-44	425	-332
EBITDA	1,392	1,549	879	1,491	458	1,077	1,408	1,624	1,406	942	1,889	394
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259	331
Operating profit	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629	63
Net income *	734	942	331	756	22	467	591	980	702	585	1,003	-58
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%

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

\*Disclosure segments modified since FY2017/09. Sales of prior periods has been described in conjunction with the segment change.

# Expense-to-revenue ratio    IFRS

Increase in Cost of Sales and Other SG&A due to M&A costs  
Higher percentage of advertising costs due to highest expenditure in marketing ever



# External market data

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
(1) Number of Apartments for sales	<b>Capital Region</b>	40,449	35,772	37,132	2,817	3,366	6,480	1,934	2,490	3,617	2,342	2,462	2,659	2,986	1,502	3,372	2,845	3,461	7,462	1,900	2,313	3,337
	YoY	-9.9%	-11.6%	3.4%	-3.0%	24.6%	-7.5%	39.7%	7.8%	6.1%	-14.6%	-5.4%	16.4%	-12.8%	-28.5%	13.2%	1.0%	2.8%	15.2%	-1.8%	-7.1%	-7.7%
	<b>Kinki</b>	18,930	18,676	20,958	1,465	1,582	2,259	1,091	1,818	1,745	1,742	1,480	1,211	1,514	1,378	1,859	1,775	2,585	2,760	1,044	1,281	1,449
	YoY	0.6%	-1.3%	7.1%	16.0%	-19.9%	14.4%	-21.8%	30.4%	10.8%	25.2%	-14.8%	-8.3%	-17.4%	13.4%	-22.3%	21.2%	63.4%	22.2%	-4.3%	-29.5%	-17.0%
(2) Trend of Price for Apartments	<b>Capital Region</b>	5,518	5,490	5,871	5,586	5,551	6,019	5,293	6,128	6,220	5,548	6,030	6,244	6,191	5,360	5,136	5,934	6,017	5,896	5,653	6,292	6,552
	YoY	9.1%	-0.5%	-0.6%	3.3%	7.6%	18.5%	-23.4%	5.8%	11.3%	-6.3%	0.8%	10.7%	-5.7%	-7.5%	-11.8%	6.2%	8.4%	-2.0%	6.8%	2.7%	44.3%
	<b>Kinki</b>	3,788	3,919	3,844	3,863	3,609	3,913	4,017	3,655	3,695	3,825	3,868	3,578	4,568	3,585	4,043	3,657	3,485	4,167	3,756	3,884	4,404
	YoY	3.9%	3.5%	0.2%	-3.2%	-5.1%	-9.4%	20.2%	-2.5%	-7.3%	-0.2%	8.3%	-5.2%	7.1%	1.0%	-3.4%	-5.3%	-3.4%	6.5%	-6.5%	6.3%	19.2%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
(3) New build properties	<b>House for Rent</b>	378,718	418,543	396,404	38,017	37,508	33,438	28,251	29,420	29,750	35,447	31,083	34,884	35,847	35,457	35,350	35,225	34,902	30,788	24,776	27,921	28,413
	YoY	4.6%	10.5%	-5.5%	-4.8%	-2.9%	-3.0%	-10.8%	-4.6%	-12.3%	-2.1%	-5.6%	-3.0%	-1.4%	1.4%	-5.8%	-7.3%	-6.9%	-7.9%	-12.3%	-5.1%	-4.5%
	<b>Apartment</b>	115,652	114,570	110,510	7,489	9,052	7,422	6,525	8,267	7,865	12,350	11,861	8,253	8,699	9,146	8,934	8,604	10,460	9,546	9,368	9,132	13,330
	YoY	4.7%	-0.9%	-3.8%	-16.9%	9.5%	-11.0%	-50.2%	9.3%	-8.0%	2.1%	20.7%	-36.2%	-4.0%	0.4%	3.5%	14.9%	15.6%	28.6%	43.6%	10.5%	69.5%
	<b>House</b>	123,624	133,739	142,393	11,861	12,580	11,992	10,743	10,560	10,957	12,324	11,944	11,903	12,004	11,953	11,882	12,556	12,561	13,006	11,190	11,844	11,738
	YoY	-1.4%	8.2%	3.0%	5.0%	7.7%	6.6%	-1.1%	-1.3%	-0.8%	7.1%	5.8%	0.7%	2.5%	4.0%	4.7%	5.9%	-0.2%	8.5%	4.2%	12.2%	7.1%
	<b>Owned house</b>	283,366	292,287	283,235	24,807	24,904	23,288	20,257	20,013	20,576	23,289	23,321	25,148	25,447	24,420	24,873	25,949	25,527	24,415	20,925	21,992	22,404
	YoY	-0.7%	3.1%	-0.4%	-4.8%	-4.2%	-2.5%	0.1%	-6.1%	-4.2%	-1.9%	-2.2%	-3.4%	0.3%	0.2%	0.0%	4.6%	2.5%	4.8%	3.3%	9.9%	8.9%

		2015 (Jan-Dec)	2016 (Jan-Dec)	2017 (Jan-Dec)	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
(4) Internal migrants	<b>Total</b>	5,384,553	5,251,717	5,359,174	388,250	341,825	341,345	328,372	360,501	913,555	761,821	420,739	343,513	393,037	391,505	331,718	414,928	351,216	348,269	336,203	369,900	910,007
	YoY	3.4%	-2.5%	0.8%	5.6%	0.8%	2.1%	2.2%	1.4%	-4.7%	1.6%	3.8%	-2.7%	4.7%	2.1%	-3.8%	6.9%	2.7%	2.0%	2.4%	2.6%	-0.4%
	<b>Only Japanese</b>	5,041,483	4,880,967	4,889,713	350,369	307,861	308,919	296,517	327,575	860,107	712,159	384,355	311,005	355,425	352,992	295,016	368,708	313,252	312,602	302,485	334,916	849,869
	YoY	2.7%	-3.2%	-0.1%	4.6%	0.9%	0.5%	0.6%	-0.2%	-5.0%	1.4%	3.6%	-3.2%	3.5%	0.8%	-4.9%	5.2%	1.8%	1.2%	2.0%	2.2%	-1.2%
(5) Japan Population	Unit : Thousand	Oct. 1, 2014	Oct. 1, 2015	Oct. 1, 2016	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
	<b>Total</b>	127,237	127,095	126,933	126,706	126,714	126,995	126,592	126,609	126,493	126,502	126,466	126,509	126,529	126,496	126,417	126,443	126,453	126,420	126,320	126,330	126,220

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

# (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**

**123,782** (105,015 Corporates)

(Based on 2017 values from the Ministry of Land, Infrastructure, Transport and Tourism "Number of Licensed Real Estate Agencies 2017")

## 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**

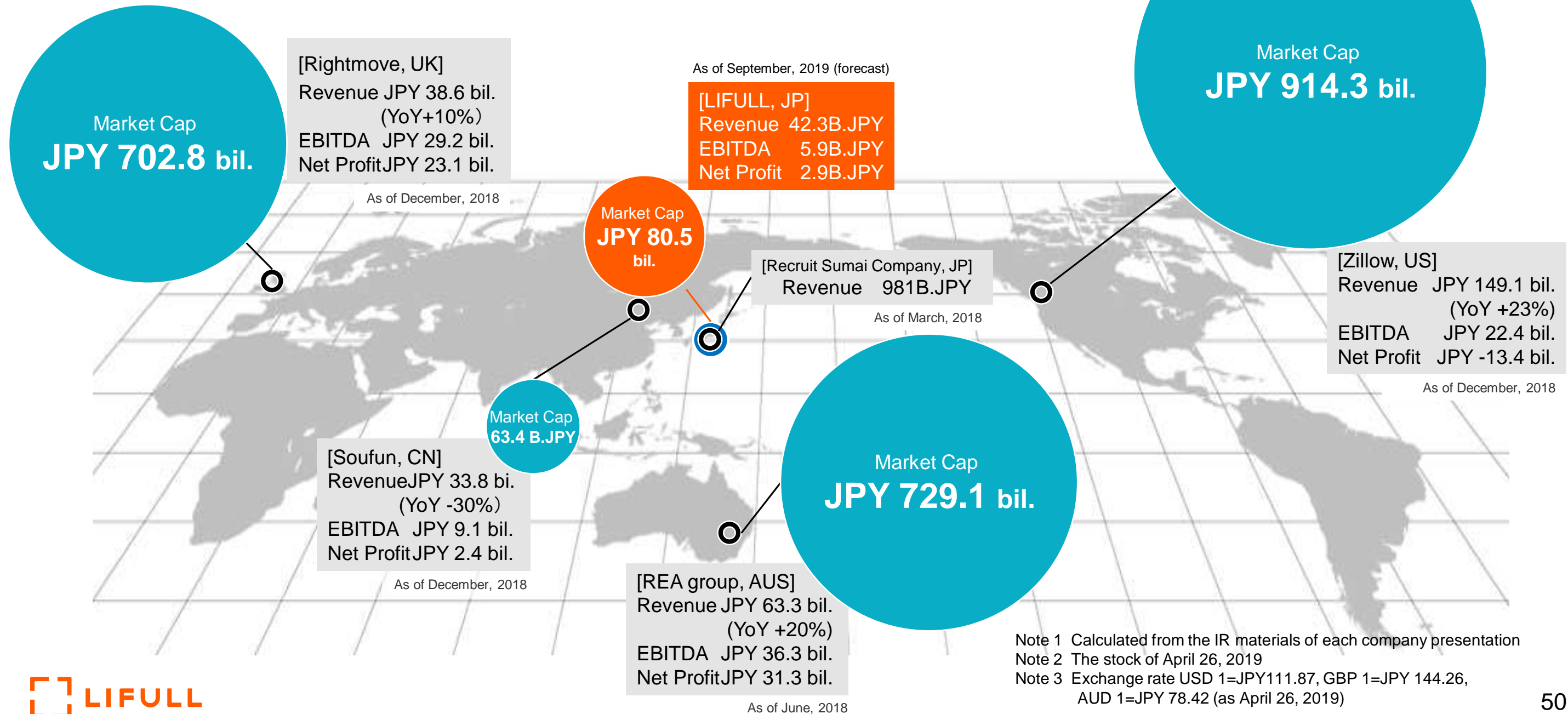
Approx. **900+** billion yen

(Based on LIFULL Internal Data)



# (Ref.) Overseas competitors

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



# IR Office Information



**IR Website** English <https://LIFULL.com/en/ir/>

**Japanese** <https://LIFULL.com/ir/>



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**FAX** 03-6774-1737

## Annual Report 2017



**Japanese**

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

**English**

[https://lifull.com/wp-content/uploads/2017/10/LIFULL\\_AnnualReport2017\\_en.pdf](https://lifull.com/wp-content/uploads/2017/10/LIFULL_AnnualReport2017_en.pdf)

## Other Information



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