

Quarterly Results (IFRS)

FY2020/09 Quarter 1

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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**Our mission is helping people find the most
important information for their lives**

Main Initiatives this Year

LIFULL HOME'S



Strengthening Media Presence



Expanding Omnichannel Approach

LIFULL CONNECT

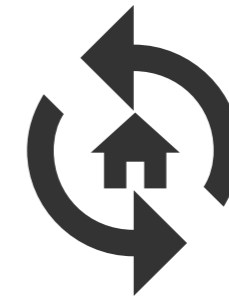


Merging Management Resources




Emergence as a Real Estate Platform

Progressive Investments



Regional Revitalization Projects



FY 2020/09

First Quarter Financial Results

Condensed Statements of Income and Loss (IFRS)

Revenue: +9.7% YoY

EBITDA: -18.7% YoY

Quarterly Profit: -49.7% YoY

Unit: JPY mil.	FY2019 Q1(Oct.-Dec.)	FY2020 Q1(Oct.-Dec.)	Change	Change %	
Revenue	8,391	9,202	+810	+9.7%	*1
Cost of revenue	1,048	1,116	+68	+6.5%	
SG&A (excl. depreciation and amortization)	5,879	6,540	+661	+11.2%	
Personnel expenses	1,969	2,535	+566	+28.8%	*2
Advertising expenses	2,347	2,559	+212	+9.1%	*3
Operating expenses	190	170	-20	-10.6%	
Other	1,372	1,274	-98	-7.1%	*4
Other income and expenses	425	-9	-434	-102.2%	*5
EBITDA	1,889	1,535	-353	-18.7%	*6
EBITDA margin	22.5%	16.7%	-5.8pt	-	
Net profit*	1,003	504	-498	-49.7%	
Depreciation and amortization	259	521	+261	+100.6%	*7

* Net profit attributable to owners of the parent

*1 Refer to segment revenue

*2 Increases mainly from LIFULL bonuses and acquisition of Mitula

*3 Increases primarily from the acquisition of Mitula

*4 Mainly due to reclassification of Leases in the adoption of IFRS 16

*5 Due to temporary profit generated from the sale of the insurance advertising business (LHL) in the previous fiscal year

*6 Without regard to the transition to IFRS 16, EBITDA would be JPY 1,295 mil.

*7 Increased expenses mainly from acquisition of Mitula and the adoption of IFRS 16

Revenue and Income and Loss by Segment (IFRS)

Revenue increase in Overseas Segment resulting from the acquisition of Mitula

Despite reduced profit from increased growth investment and depreciation of intangible assets, mostly on target

Unit: JPY mil.	FY2019 Q1 Oct.-Dec.	FY2020 Q1 Oct.-Dec.	Change	Change %	Main items
Revenue	8,391	9,202	+810	+9.7%	
HOME'S Services	6,860	6,763	-97	-1.4%	Reduced revenue primarily due to the impact from lower revenue in support services for realtors including LIFULL Marketing Partners. Implemented pricing structure revisions and making progress on strengthening media presence.
Overseas	986	2,006	+1,019	+103.4%	Increases from the acquisition of Mitula
Others	544	432	-111	-20.5%	Result of the transfer of the insurance advertising business (LHL) in Dec. 2018

Unit: JPY mil.	FY2019 Q1 Oct.-Dec.	FY2020 Q1 Oct.-Dec.	Change	Change %	Main items
Segment income and loss	1,204	1,023	-180	-15.0%	
HOME'S Services	992	1,018	+25	+2.6%	
Overseas	253	140	-112	-44.5%	Increased depreciation (incl. PPA) due to growth investments and acquisition of Mitula
Others	-42	-141	-98	-	Increased expenses from regional revitalization business in addition to effects from the sale of the insurance and advertising business (LHL) in Dec. 2018
Inter-segment transactions	1	6	+4	+315.5%	

Major businesses in each segment are listed on [Page 37](#)

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

Progress Toward FY2020/9 Goals (IFRS)

Condensed Statements of Income and Loss

Unit: JPY mil.	FY2020 Oct.-Sep. [Full-year forecast]	FY2020 Q1 Oct.-Dec. [Actual]	Progress
Revenue	45,193	9,202	20.4%
Cost of revenue	5,171	1,116	21.6%
SG&A (excl. depreciation)	31,863	6,540	20.5%
Personnel expenses	10,557	2,535	24.0%
Advertising expenses	13,591	2,559	18.8%
Operating expenses	1,018	170	16.7%
Other	6,695	1,274	19.0%
Other revenues and expenses	-37	-9	24.3%
EBITDA	8,121	1,535	18.9%
EBITDA margin	18.0%	16.7%	-
Net profit*	4,153	504	12.1%

Revenue by Service

Unit: JPY mil.	FY2020 Oct.-Sep. [Full-year forecast]	FY2020 Q1 Oct.-Dec. [Actual]	Progress
Revenue	45,193	9,202	20.4%
HOME'S Services	33,202	6,763	20.4%
Overseas	9,069	2,006	22.1%
Others	2,920	432	14.8%

1 EUR calculated at 118 yen

Net Profit: Profit attributable to owners of the parent

Percentages are not displayed for negative values

Condensed Statement of Financial Position and Goodwill (IFRS)

Under IFRS 16, Operating Leases have been reclassified as Right-of-Use Assets resulting in +4.5 billion yen in total assets

Unit: JPY mil.	As of Sep 30, 2019	As of Dec 31, 2019	Change	Change %	Main items		
Current assets	16,154	14,037	-2,116	-13.1%	Cash Equivalents	-1,819	Refer to "Condensed Statement of Cash Flows"
					Accounts Receivable	-456	
					Right-of-Use Assets	+5,892	Due to transition to IFRS 16
					Goodwill	+768	Mainly increases from foreign currency translation of overseas subsidiaries.
					Long-Term Loans Receivable	+315	Primarily from Regional Revitalization activities (LSF)
Non-current assets	27,493	34,187	+6,694	+24.3%			
Assets	43,648	48,225	+4,577	+10.5%			
Current liabilities	9,485	7,392	-2,093	-22.1%	Short-Term Loans	-2,199	Refinancing of short-term debt to long-term debt
					Lease Account Payable	+956	Due to transition to IFRS 16
					Accounts Payable	-798	
					Income Taxes Payable	-299	
					Consumption Taxes Payable	+238	
					Provision for Bonuses	-235	Reduction from December bonus payment
					Long-Term Loans	+916	Due to refinancing of short-term loans
Non-current liabilities	1,533	7,315	+5,781	+377.2%	Long-Term Lease Account Payable	+4,903	Due to transition to IFRS 16
Liabilities	11,018	14,707	+3,688	+33.5%			
Total Equity	32,629	33,518	+889	+2.7%	Capital surplus	-101	
					Foreign currency translation adjustment	+984	Due to fluctuations in foreign currency exchange rates
Equity per share attributable to owners of the parent (JPY)	242.64	249.27	+6.63				

Remaining goodwill: Littel JPY 86 mil., Trovit JPY 8,456 mil., Mitula JPY 10,593 mil., RESEM JPY 1,216 mil., LIFULL Marketing Partners JPY 251 mil., LIFULL Tech Vietnam JPY 91 mil. Trovit, Mitula and LIFULL Marketing Partners PPA JPY 1,180 mil.

Condensed Statement of Cash Flow (IFRS)

Partial payment and refinancing of short-term loans for the acquisition of Mitula

Unit: JPY mil.	FY2019 Q1	FY2020 Q1	Change	Main items		
	Oct.-Dec.	Oct.-Dec.		Items	FY2019 Q1	FY2020 Q1
Operating cash flow	-679	677	+1,356	Profit for the period before tax	+1,520	+928
				Depreciation and amortization	+266	+525
				Increase/decrease in accounts receivable-trade and other current receivables	+202	+548
				Increase/decrease in accounts payable-trade and other current payables	-366	-846
				Other	-842	+228
				Tax payments	-1,469	-707
Investing cash flow	-1,933	-550	+1,383	Purchase of property, plant and equipment	-22	-77
				Purchase of intangible assets	-74	-96
				Proceeds from sale of shares of subsidiaries	+473	-
				Payment of loans receivable	-73	-485
				Proceeds from collection of loans receivable	+115	+95
				Expenditures for international remittance relating to acquisition of subsidiaries	-2,352	-
Financing cash flow	2,584	-2,094	-4,679	Proceeds from loans	+3,300	+2,000
				Repayments of loans payable	-	-3,283
				Dividends paid	-711	-587
				Repayment of lease obligations	-0	-223
Change in cash and cash equivalents	-117	-1,819	-			
Balance of cash and cash equivalents	7,453	7,419	-34			

HOME'S
Services





LIFULL
HOME'S

The service we want to provide

Comprehensive
Real Estate
Database

Customizable
Features
for Everyone

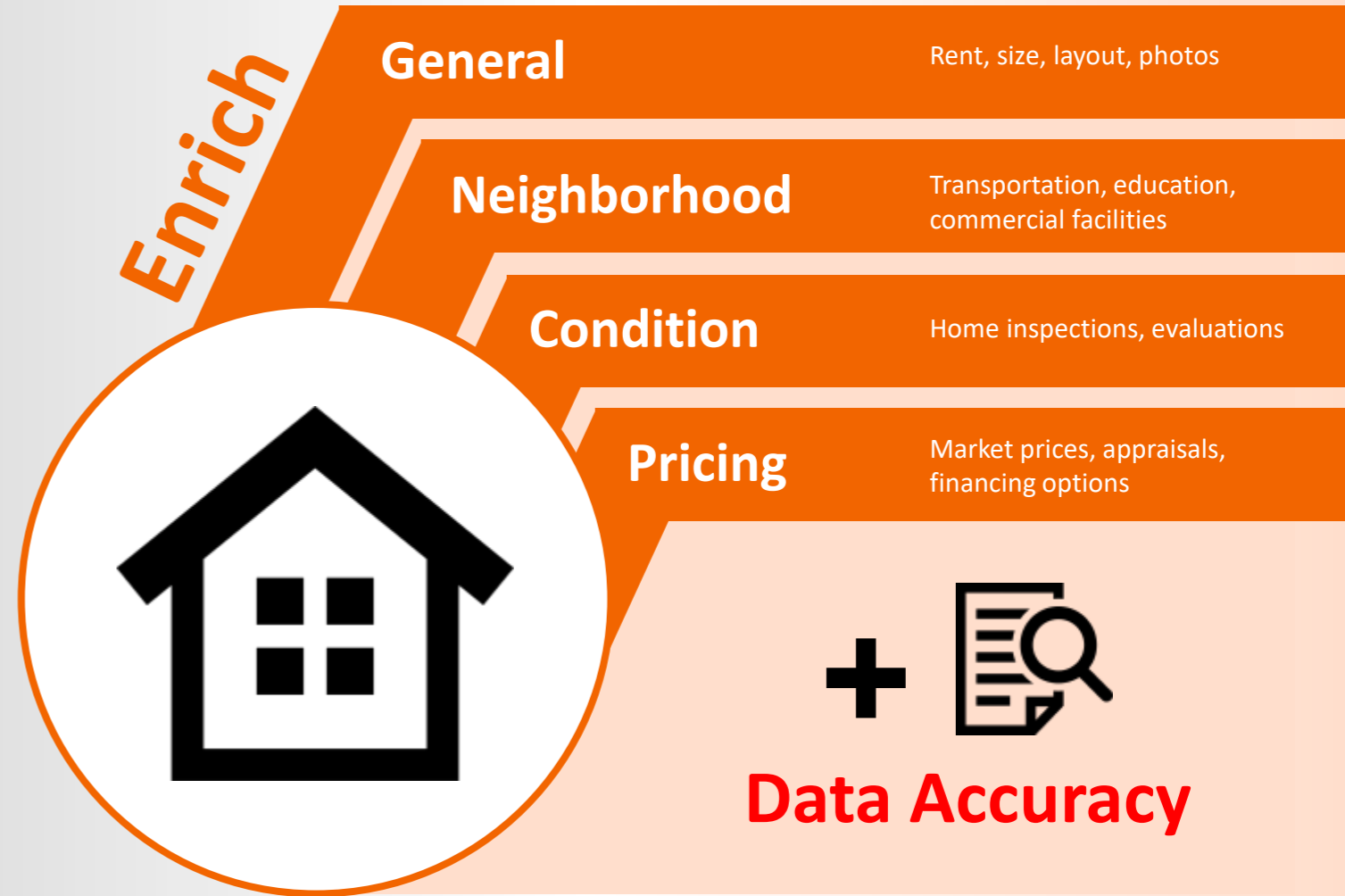
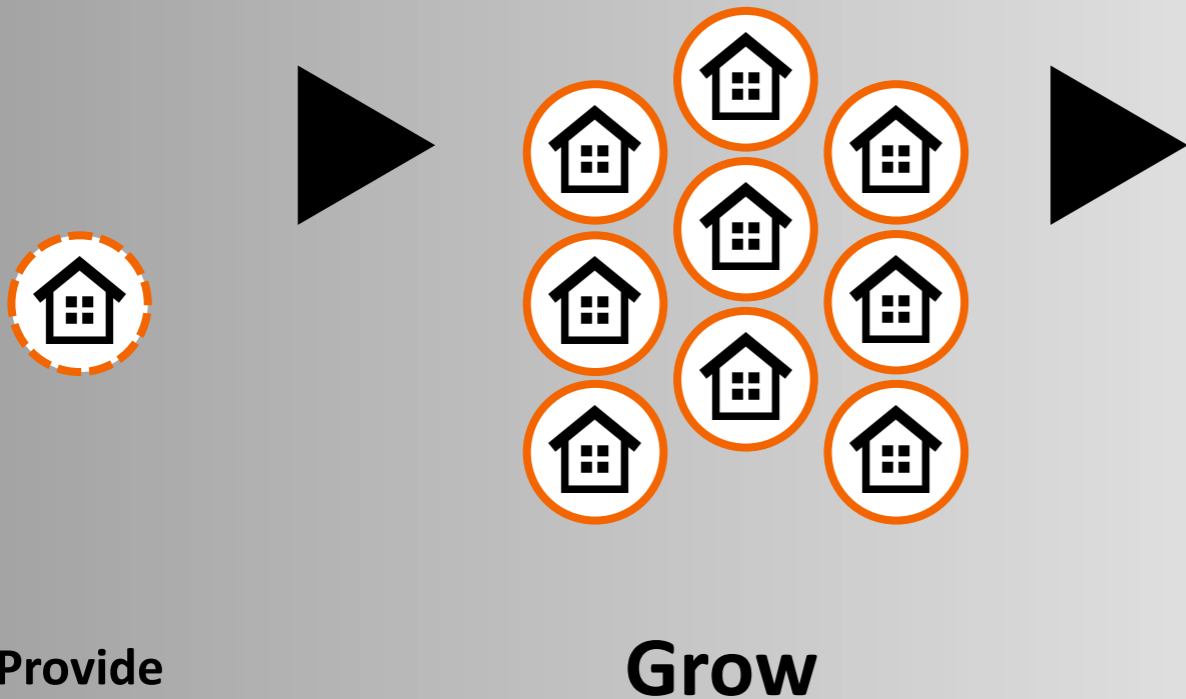
Ensure
Current, Reliable
Information

Find the right home for every lifestyle.

An **extensive database** is just the beginning.

We are **changing the search experience** by providing home-seekers with **more comprehensive** and **accurate information**.

Moving Real Estate Online



Creating a Comprehensive Database — More Detailed Property Information —

New Pricing Structure

From October 2019

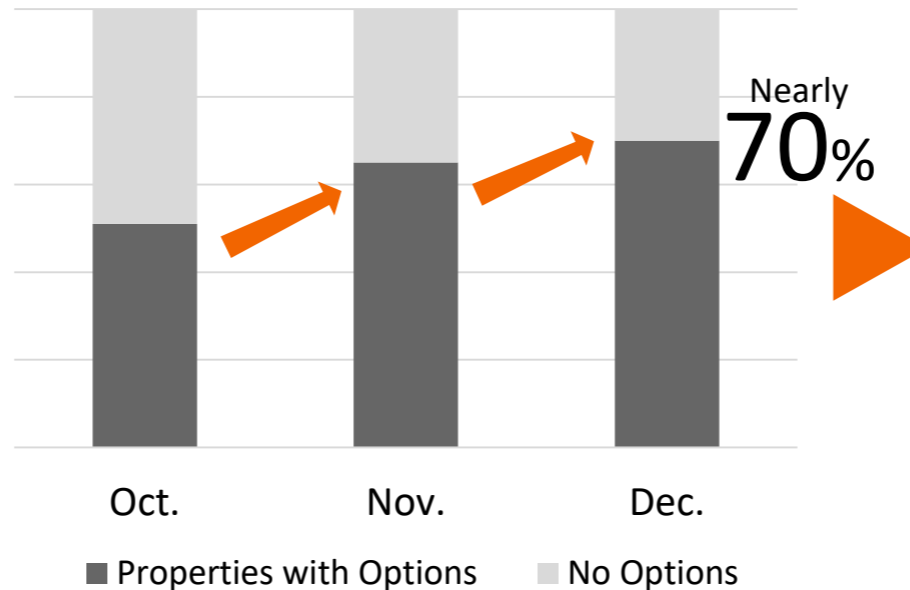
Removed fees for major optional services and adjusted monthly membership and inquiry fees for realtors to encourage realtors to provide more property details.

Removed fees for optional rich contents



Major Optional Services:
Interior Panorama Photos, Sales Staff Comments, Detailed Realtor Profiles

More and more detailed property listings



Rates for listings with additional details from optional services advertised by realtors on an inquiry-based model

Building a platform to find a home by imaging your lifestyle



Current status of clients is provided on [Page 44](#)

Customizable Features for Everyone — Personalized Property Pages —

Property information pages tailored to each individual user for resale condominiums and houses

First
in the
Industry

Personalized Home Mortgage Simulation for Resale Condominiums and Houses



Available on the LIFULL HOME'S smartphone site
since November 2019

(New build and PC versions coming soon)

HOW IT WORKS

1

Answer background questions
(age, income, occupation)

2

See personalized financing information
about each property for easier
comparisons

Examples

- Minimum Down Payment
- Monthly Mortgage Payments

Customizable Features for Everyone — Search by Lifestyle for a New Home —

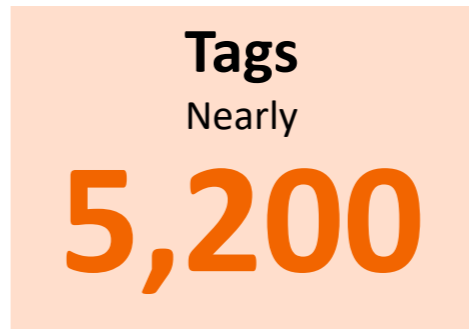
Combine standard search filters with a lifestyle tags to find the ideal place to live – a new innovation on house hunting

The screenshot shows the LIFULL HOME'S app interface. At the top, there are navigation options like '最近見た物件' (Recently viewed properties), 'お気に入り' (Favorites), '保存した条件' (Saved conditions), and 'ログイン' (Login). Below this is a banner with a character and the text 'したい暮らしから、部屋を探そう。' (Find a house from the lifestyle you want). A search bar contains the example tag '# 例) 服に囲まれたい'. Below the search bar are several filter buttons: '#DIYしたい', '#家賃カード決済可', and '#24時間のみ出'. A section titled 'したい暮らしに出会えるタグから探す' (Search for the lifestyle you want from tags you can meet) features three lifestyle tags: '#服に囲まれたい', '#快適なネット生活を送りたい', and '#和室に浴槽がほしい'. An orange arrow points from this section to a second screenshot of the app showing search results for the tag '#服に囲まれたい', with various property listings and their details.

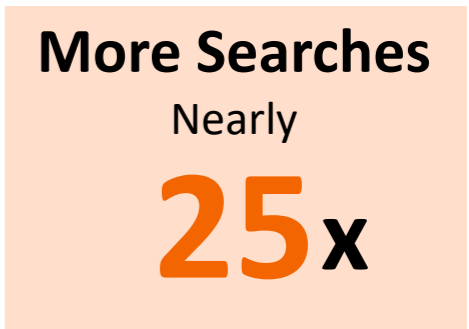
First
in the
Industry



Expanding Lifestyle Tag Search



(As of Dec. 2019)



(During the 4-month period from launch in Sep. 2019)

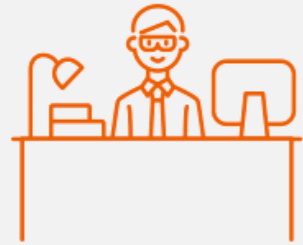
Tag Search
Search entire categories of properties with # (hashtags) followed by lifestyle keywords

Ex: Search #服に囲まれたい (#SurroundedByClothes) to show properties with walk-in closets

Further increases in traffic from promotion beginning Jan. 2020
(Commercials, Streaming Video)

Customizable Features for Everyone — Sumai No Madoguchi Home-Seeker Support Counter —

Offering valuable assistance in-store and over the phone for home-seekers who want advice before visiting realtors



Contact



In-Store



Phone

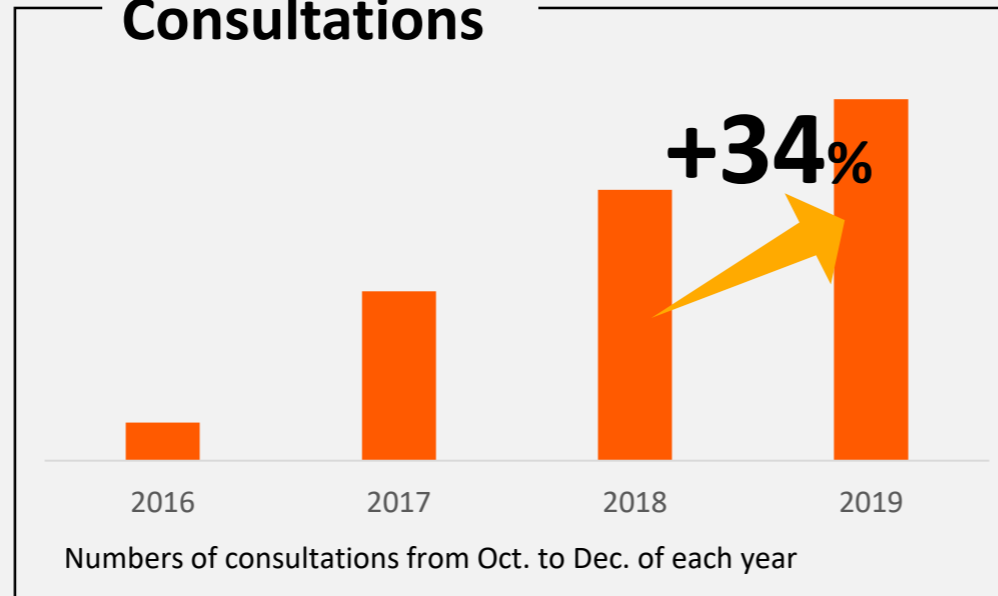


E-Mail



LINE

Consultations



Sumai No Madoguchi
Satisfaction Score **99.5%**

According to the LIFULL HOME'S Sumai No Madoguchi In-House Questionnaire (Results: Jan. – Dec. 2019)

Sumai No Madoguchi

2 New Locations

36 Stores Nationwide

Fukuoka
(Reservation Req.)

Ebina
(Reservations Req.)



Sumai No Madoguchi

Search

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

Customizable Features for Everyone —LIFULL HOME'S Official LINE Account—

Providing personalized assistance and information to users through a popular communication app



1



LIFULL HOME'S
LINE ID



LINE Consultations
Chat with specialists from *Sumai No Madoguchi* for personalized house hunting advice



Property Recommendations
After contacting a real estate agent, receive similar listings sent directly to you



Viewing Reminders
Set reminders for up-coming property viewings

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

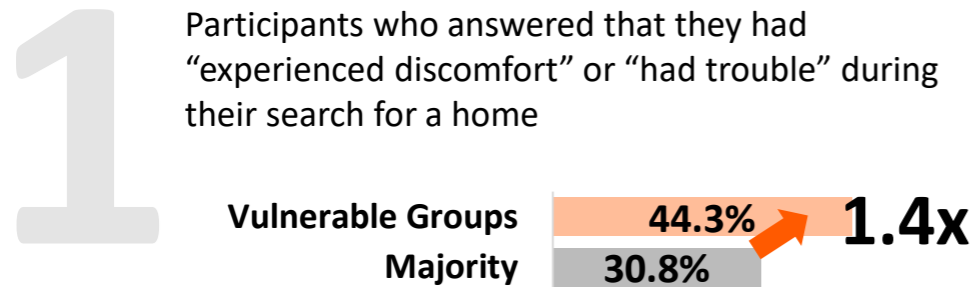


1) LINE: Mobile messenger app operated by LINE Corp. with 82 million active users in Japan as of Dec. 2019. (Source: LINE Corporation 4Q 2019 Consolidated Financial Results)

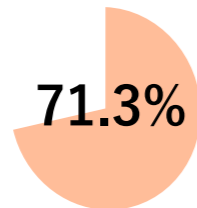
Customizable Features for Everyone — FRIENDLY DOOR —

Expanding search services for home-seekers with diverse backgrounds (nationality, age, sexual orientation, etc.) to connect with real estate agencies able to cater to their unique situations

Results of the LIFULL HOME'S Home-Seeker Questionnaire



2 Over 70% of those labeled as “vulnerable groups” answered “having an understanding real estate agent is important.”



[Period of Questionnaire] Nov. 8 – 24, 2019

[Vulnerable Groups]

LGBT: Participants identifying as lesbian, gay, bisexual or transgendered

Seniors: Participants over 65 and living alone

Financial Difficulties: Participants with an annual income under 2 mil. yen and living alone or those receiving welfare benefits

Foreigners: Participants without Japanese citizenship living less than 5 years in Japan

Partner Real Estate Agencies (Offices)

Over **1,000**

As of Dec. 2019

Online News Articles



Source: [Excite News](#)



Source: [HUFFPOST](#)

Friendly Real Estate Agency Search

Foreigner-Friendly

LGBTQ-Friendly

Welfare Recipient-Friendly

Senior-Friendly

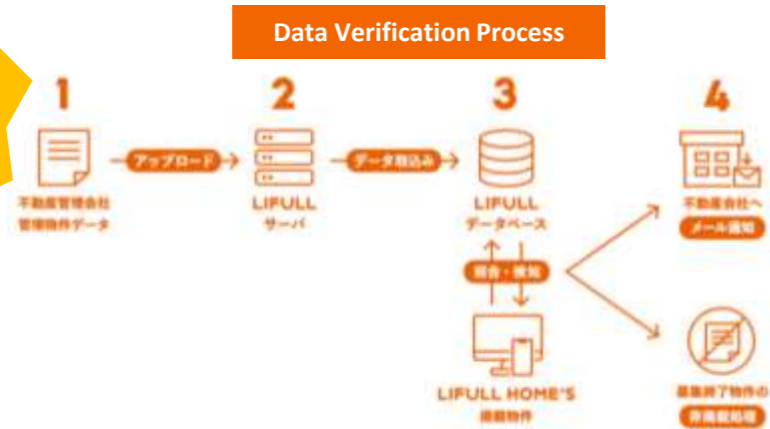
<https://actionforall.homes.co.jp/friendlydoor>

Ensure Current, Reliable Information —Steps to Further Improve Information Accuracy—

Taking measures toward providing users with the most accurate property information available

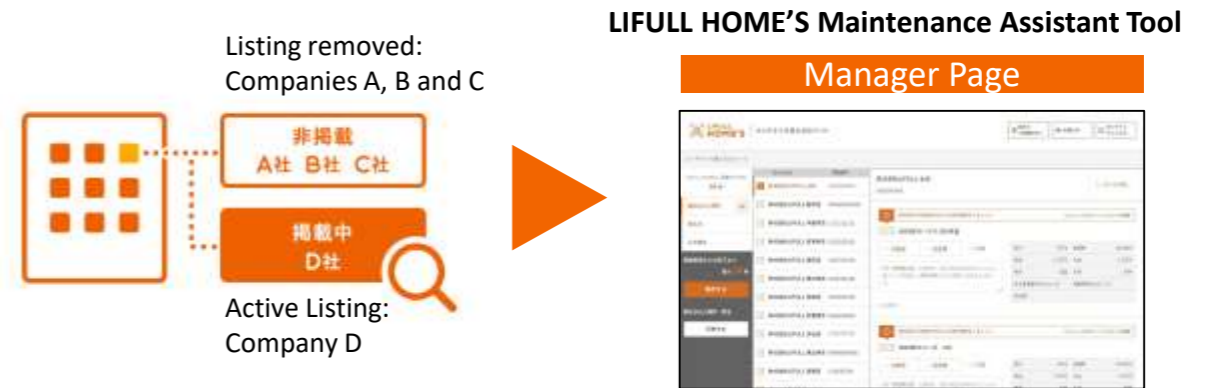
Automatic Removal of Non-Vacant Properties

First
in the
Industry



LIFULL HOME'S automatically checks if listings are actually vacant with data from a management company. If found, non-vacant properties are automatically removed.

LIFULL HOME'S Listing Maintenance Assistant Tool (Provided as a Service to Member Realtors)



Properties listed on LIFULL HOME'S that may have been rented out are compiled into a list and displayed on advertisers' manager pages for convenient maintenance.

Other Initiatives for Information Accuracy

Defined Rules for Listings

Terms of Use and listing rules for realtor members to ensure accurate information

“Report Listing” Function

Contact point to report inaccurate information and non-vacant properties

Active Surveying of Listing Information

Accuracy checks for listings and removal of offending realtors

Outstanding Members

Recognition of members who meet certain criteria for high-quality listings

Initiatives with Professional Organizations

Working with the Real Estate Fair Trade Council to ensure fair real estate advertisements

Collaborative Efforts with Related Industries

Working with Rakuten Co., Ltd. to prevent inaccurate and unfair listings



Overseas

LIFULL CONNECT

Bringing together the **management resources** of two aggregators **under one roof**



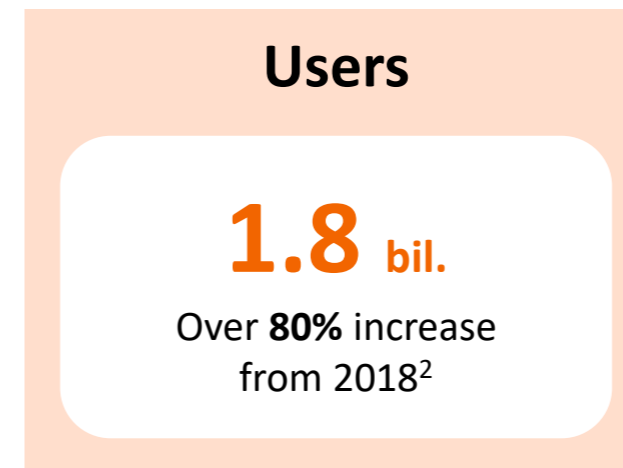
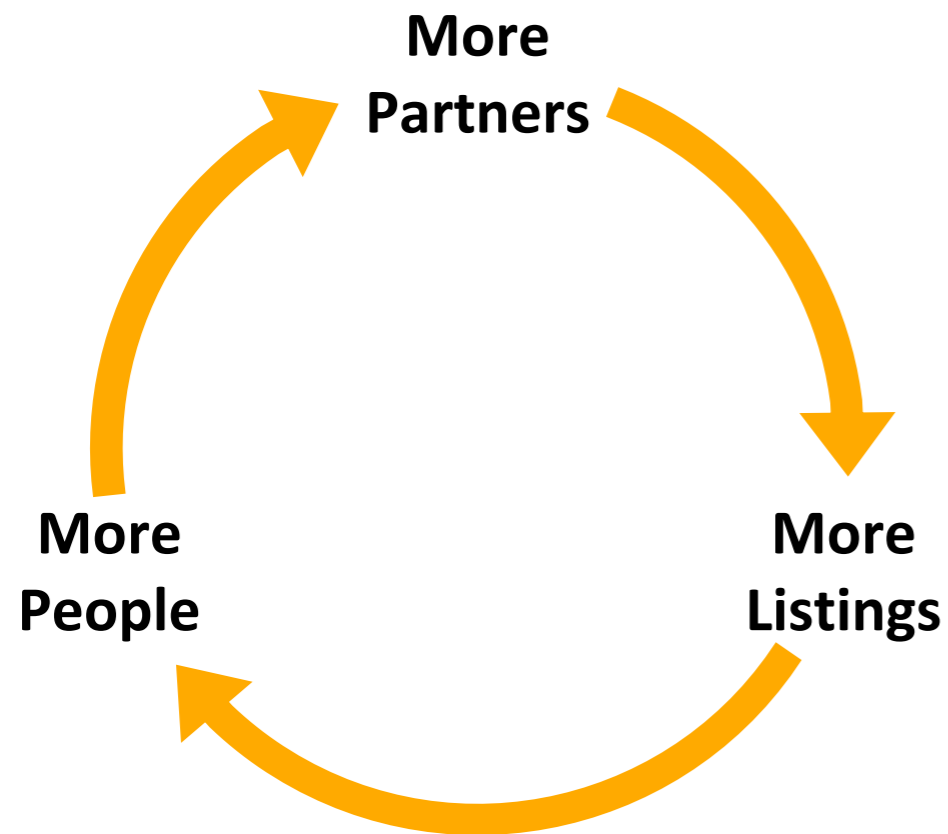
Founded November 2019

Services offered in 60 different countries with
the largest real estate audience worldwide



Expansion of partner network, users and listings as a result of integration

Progress Towards Integration of Trovit and Mitula



1) Total of all LIFULL CONNECT brands as of Dec. 2019

2) Total of Trovit Dec. 2018

- 1 Integrate technology and knowhow to **optimize CPC model** in established markets
- 2 Maximize the **potential** of direct model portals in developing markets
- 3 Create a leading **Global Real Estate Platform**

CPC Model

2015

trovit

2019

MitulaGroup

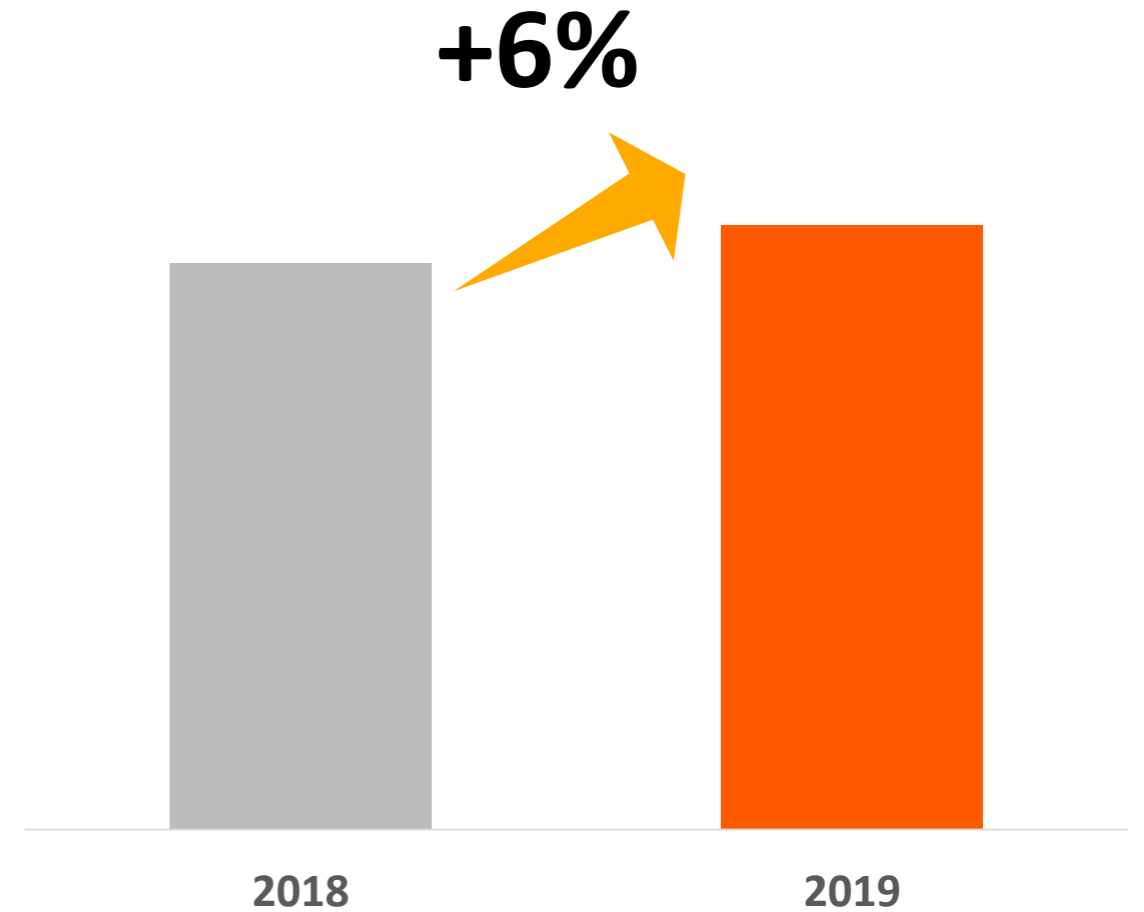
2020

Direct Model

Global Real Estate
Platform

LIFULL CONNECT — Integrating Leaders in Aggregation —

Organic traffic growth due to the combination of technology and knowhow from Trovit and Mitula

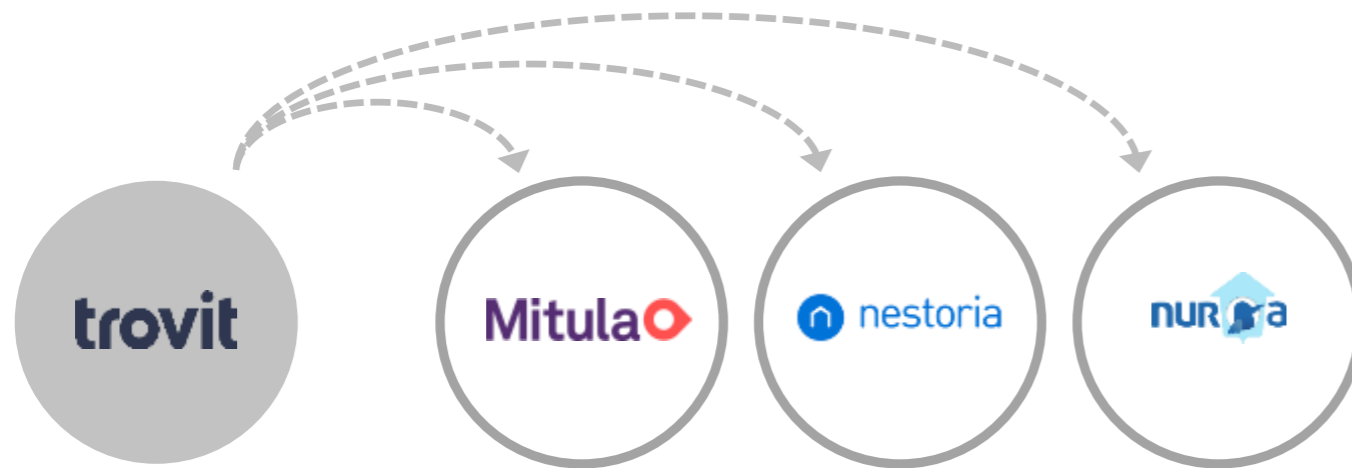


Total of organic traffic on all websites operated by LIFULL CONNECT for December

Synergy of LIFULL CONNECT

Trovit B2B system successfully implemented into all Mitula sites to provide an even higher service quality

Successful cross-brand system implementation



BENEFITS

- 1 Visualization of traffic and campaigns across all platforms in real time
- 2 Shift from manual to automatic bidding for Mitula CPC clients
- 3 Improved marketing efficiency for clients by allowing for campaign changes according to the current situation

Promoting Partner Network Growth

Strengthening teams in Central and South America to accelerate expansion

Nearly **Doubling** Sales Staff in Key Regions to establish new connections with local partners and increase listings



Created with mapchart.net

Brand Recognition and Building Connections across Southeast Asia



4th Dot Property Southeast Asia Awards 2019

Leveraging a wide network and portal user data, the best projects and real estate companies of the year are selected and recognized.

200 Guests

45+ Awards Presented



Other Businesses



Other Businesses — Overview of Primary Services —

Providing meaningful services for every lifestyle



Regional Revitalization

Promoting lifestyles to help eliminate the vacant property issue in rural Japan



LIFULL Kaigo (Nursing Care)

The largest search site for assisted living and care facilities in Japan

Operator: LIFULL senior Co., Ltd.



LIFULL FaM

Offices for working mothers where they can bring their children

Operator: LIFULL FaM Co., Ltd.



LIFULL Trunk Room

Largest search site for storage facilities

Operator: LIFULL SPACE Co., Ltd.



LIFULL Flower

Flower arrangement subscription service



LIFULL Social Funding

Financing for the Regional Revitalization Fund to support repurposing vacant properties

Operator: LIFULL Social Funding Co., Ltd.



LIFULL Hikkoshi (Moving)

Comparison site for over 100 moving companies in Japan

Operator: LIFULL MOVE Co., Ltd.



LIFULL ArchiTech

Creating new life environments through construction technology research

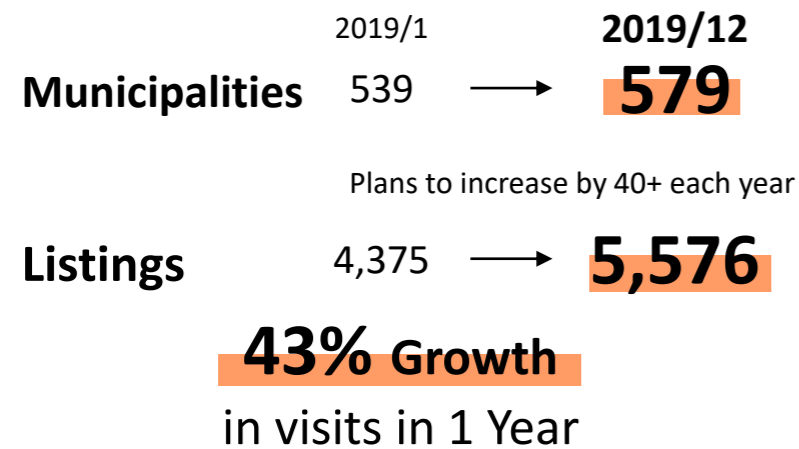
Regional Revitalization — Cooperations with Local Communities —

More partnerships with municipalities and listings of vacant rural homes

LIFULL HOME'S Akiya* Bank
(Listing service for vacant rural homes)



More listings
nationwide



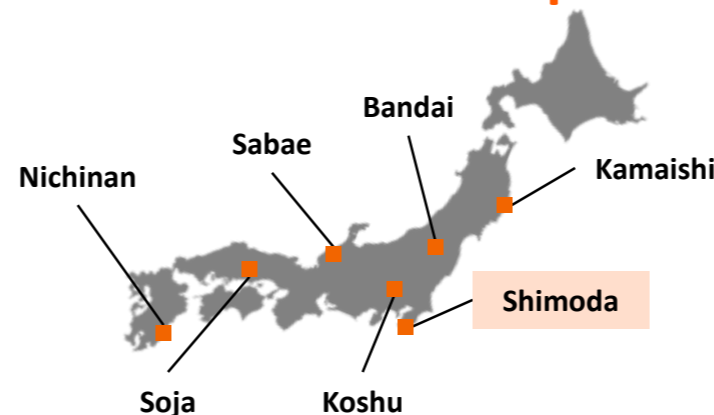
*Akiya: "vacant homes."

Due to the declining population and urban flight of the younger generation in Japan, the number of homes registered as "Akiya" is increasing dramatically in rural areas. The growing number of Akiya has become a social issue and is being addressed by the local and national governments as well as the private sector.



Partner Communities

7 cities across Japan



Vacant Home Revitalization Agreement with Shimoda, Shizuoka

静岡県

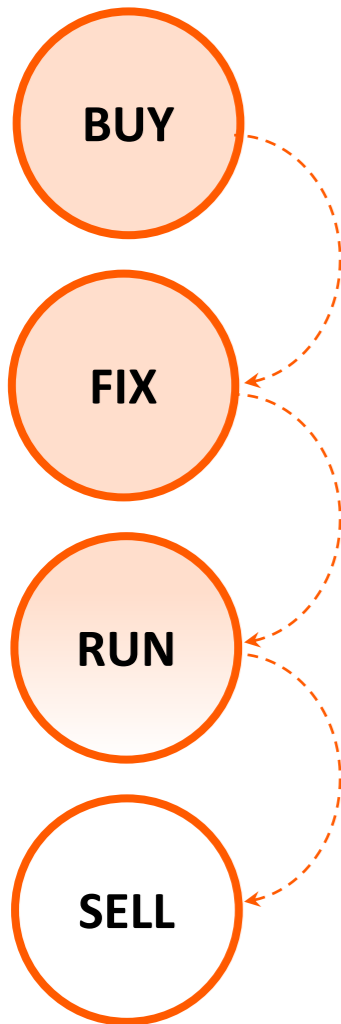
下田市

Main Plans of the Agreement

- Promote listings of vacant homes and commercial facilities
- Business plans to repurpose vacant homes
- Plan and hold events to promote remote working and workations for companies in urban areas
- Offer recruitment opportunities to local companies and groups to match people with cities and projects

Regional Revitalization — Repurposing Vacant Homes —

Collaborations between LIFULL Group companies to repurposing vacant homes as vacation rentals and add additional value



Before			
After			
	Opened in December 2019		Opened in January 2020
	JapanCraftHouse (Dormitory WASHI) Sabae, Fukui	Wave House 99 Kujukuri, Chiba	LIFULL STAY Beppu Noda Beppu, Oita

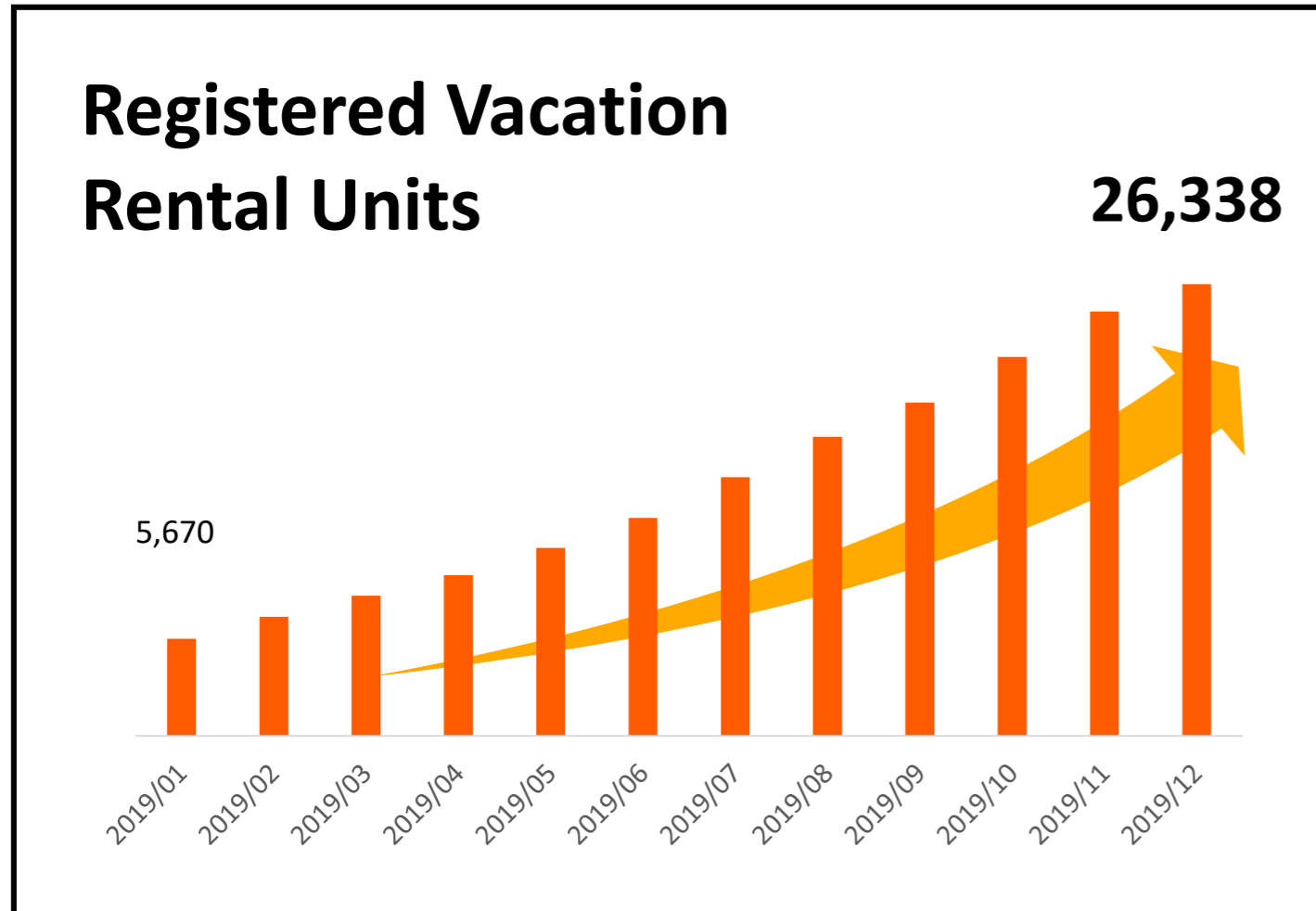
Listed on Vacation Stay

Vacation Rental Reservation Site
Operated by Rakuten and LIFULL

<https://vacation-stay.jp/>

(Ref.) Rakuten LIFULL STAY

Vacation rental listings on Vacation Stay steadily increasing. As of January 2020, listings also appear on Rakuten Travel – one of the most-viewed travel reservation sites in Japan.



Vacation **STAY**



Search and book on Rakuten Travel

Rakuten Travel

LIFULL ArchiTech Founded

Researching and producing innovative living environments through a unique combination of Architecture + Technology



Venture Utilizing Research from the Nagoya Institute of Technology

Instant House Structures built in hours



Instant Houses are constructed by applying a light, airy substance to the inside of an inflatable external shape. These houses can be made into many different shapes and are constructed in a short amount of time.

Benefits: Insulation, low cost, convenience, construction speed, functionality and usability.

Possible Applications

Reform and Renovation

Temporary Emergency Housing

Limited Overnight Facilities

Doai, Gunma

Beginning experimental use as a part of recreational facilities near an un-staffed train station.

Appendices

Corporate info (as of December 30, 2019)

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	¥9,716 mil.*
Stock issues	134,239,870 shares (incl. 74,505 shares of treasury stock)
Consol. number of employees	1,511 (incl. 246 temporary and 386 overseas)
Major shareholder	LIFULL Directors, Rakuten, Inc. (17.7%)
Main subsidiaries (stake)	LIFULL CONNECT, S.L.U. (100%) LIFULL Marketing Partners (100%)



President and CEO Takashi Inoue



Head Office
Chiyoda-ku, Tokyo, Japan

LIFULL HOME'S Real Estate and Housing Information Site

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

- Real estate listing website with the most listings in Japan. (According to a report by Sankei Advertising on January 7, 2019)
- 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



Group Companies

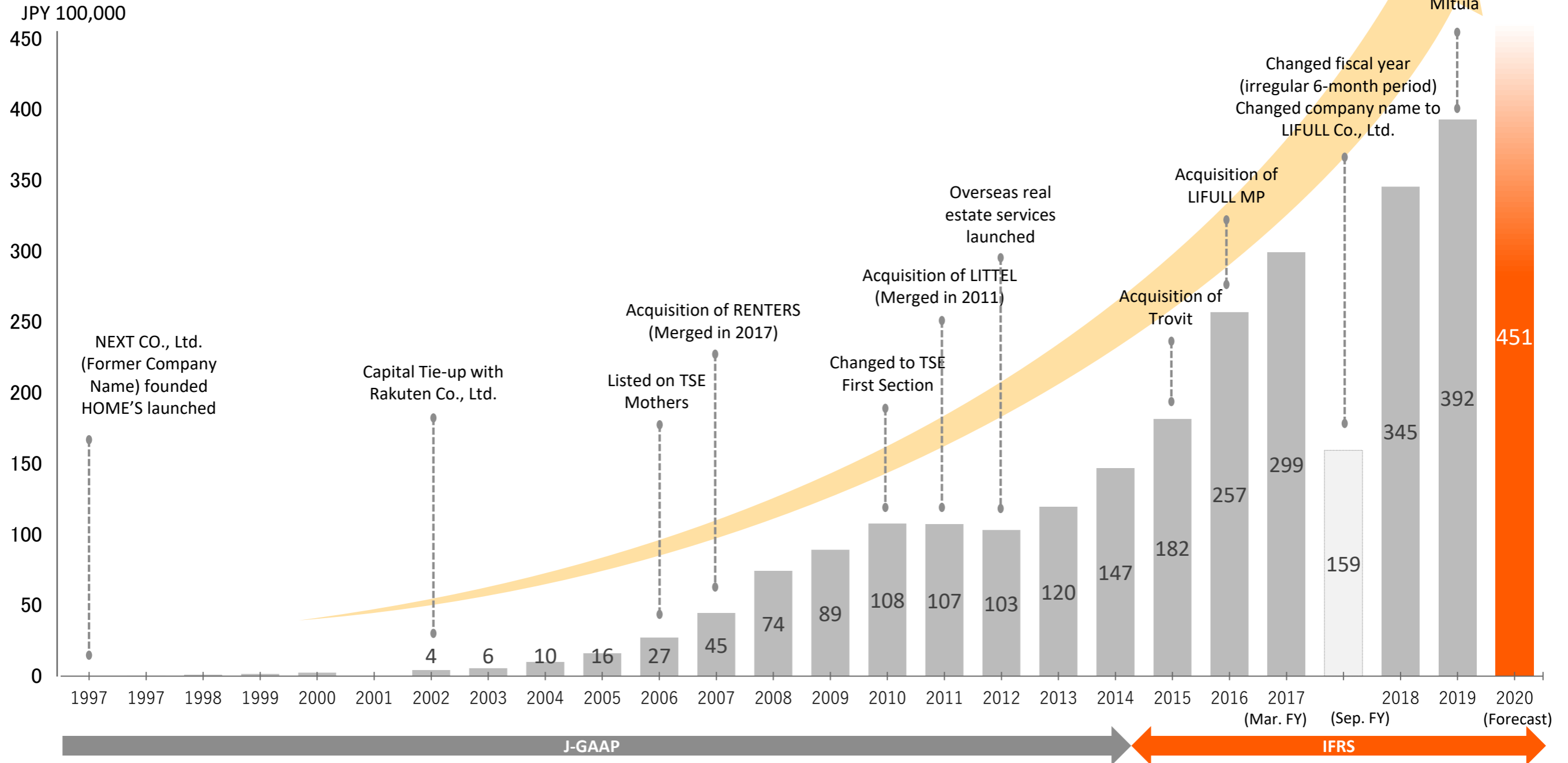
(Listed according to date of founding / acquisition)

PT. LIFULL MEDIA INDONESIA*1	<ul style="list-style-type: none">• Planning and operation of the real estate and housing information website, LIFULL Rumah• Planning and operation of the service for Japanese resident officers assigned to Jakarta, LIFULL Concierge
LIFULL Marketing Partners Co., Ltd.	<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 Social Funding Co., Ltd.	<ul style="list-style-type: none">• Operation of the crowdfunding platforms, LIFULL Social Funding• 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

Segments and Primary Services

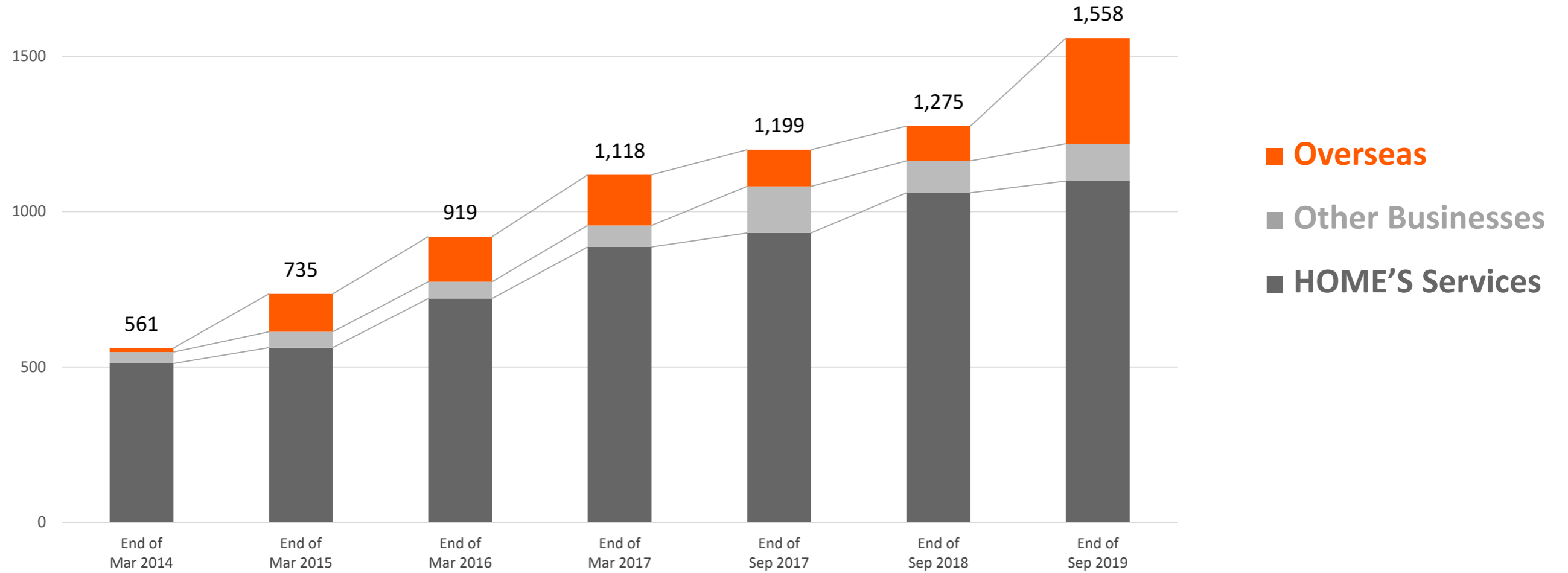
Segments	Main services
HOME'S Services Business	LIFULL HOME'S AD Master (former Renter's Net) NabiSTAR LIFULL Marketing Partners Co., Ltd.
Overseas Businesses	Trovit (LIFULL CONNECT) Mitula (LIFULL CONNECT) Nestoria (LIFULL CONNECT) RESEM (LIFULL CONNECT) Dot Property (LIFULL CONNECT) LIFULL Tech Vietnam Co., Ltd. Other subsidiary services of LIFULL CONNECT
Other Businesses	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 Social Funding Co., Ltd. LIFULL ArchiTech Co., Ltd. Other LIFULL subsidiaries and new services

Annual Revenue and Timeline of Company Growth



Number of Employees – Group –

Increase in employees due to overseas expansion

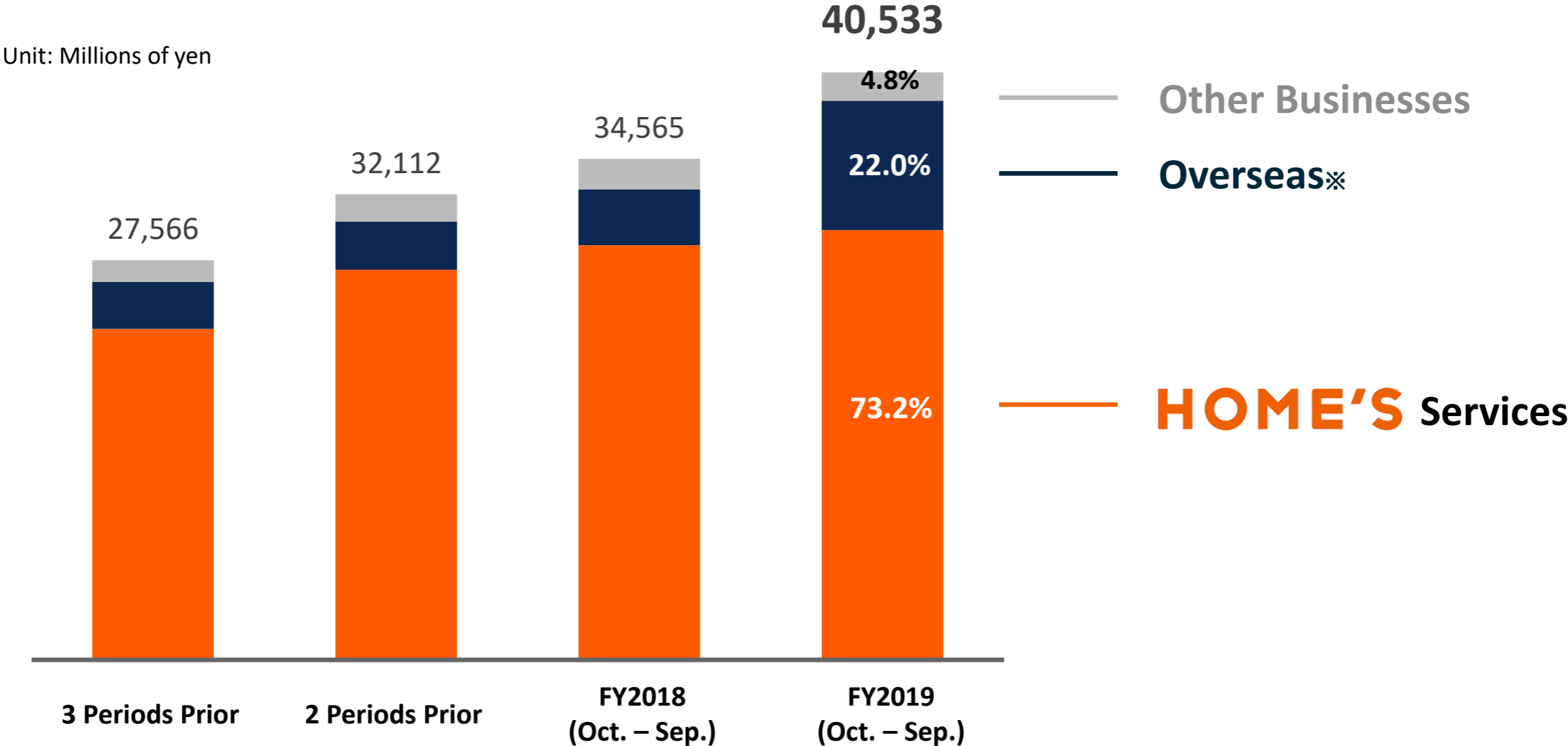


1) Not including employees in companies outside the LIFULL Group
2) Temporary staff numbers are based on annual averages

Growth of Consolidated Earnings and Breakdown

— Consolidated Revenue —

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



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

Consolidated statements of profit and loss (quarterly)

Unit : JPY mil	FY2017/3				FY2017/9		FY2018/9				FY2019/9				FY2020/9
	Q1	Q2	Q3	Q4	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	6,846	6,910	7,107	9,056	7,793	8,154	8,128	9,541	8,345	8,549	8,391	11,208	9,753	9,944	9,202
HOME'S Services Business	5,616	5,782	5,955	7,662	6,472	6,816	6,742	8,062	6,833	6,963	6,860	8,404	7,060	7,330	6,763
Overseas Businesses	823	750	750	867	859	858	883	935	983	1,058	986	2,315	2,213	2,165	2,006
Other Businesses	406	377	400	525	461	479	502	542	528	527	544	488	479	448	432
Cost of revenue	670	737	774	897	915	946	928	946	996	1,006	1,048	1,258	1,035	1,217	1,116
SG&A	4,776	4,581	5,422	6,627	6,346	6,100	5,862	6,987	5,948	6,555	5,879	9,222	6,754	7,682	6,540
Personnel expenses	1,773	1,531	1,811	1,923	1,993	1,816	1,962	1,783	1,963	2,082	1,969	2,087	2,217	2,428	2,535
Advertising expenses	1,689	1,730	2,145	2,834	2,719	2,695	2,426	3,657	2,431	2,869	2,347	4,882	2,790	3,252	2,559
Operating expenses	246	236	282	244	240	215	236	267	209	229	190	204	240	290	170
Other SG&A	1,066	1,082	1,183	1,624	1,393	1,373	1,236	1,279	1,344	1,374	1,372	2,047	1,505	1,710	1,274
Other revenues and expenses	-6	-42	-30	-39	-72	-30	71	18	6	-44	425	-332	9	59	-9
EBITDA	1,392	1,549	879	1,491	458	1,077	1,408	1,624	1,406	942	1,889	394	1,972	1,103	1,535
Depreciation/amortization cost	221	217	338	468	253	266	274	266	263	263	259	304	307	300	521
Operating profit	1,171	1,331	540	1,022	205	811	1,134	1,358	1,142	679	1,629	90	1,664	803	1,014
Net income *	734	942	331	756	22	467	591	980	702	585	1,003	-41	1,074	372	504
EBITDA margin	20.3%	22.4%	12.4%	16.5%	5.9%	13.2%	17.3%	17.0%	16.9%	11.0%	22.5%	3.5%	20.2%	11.1%	16.7%

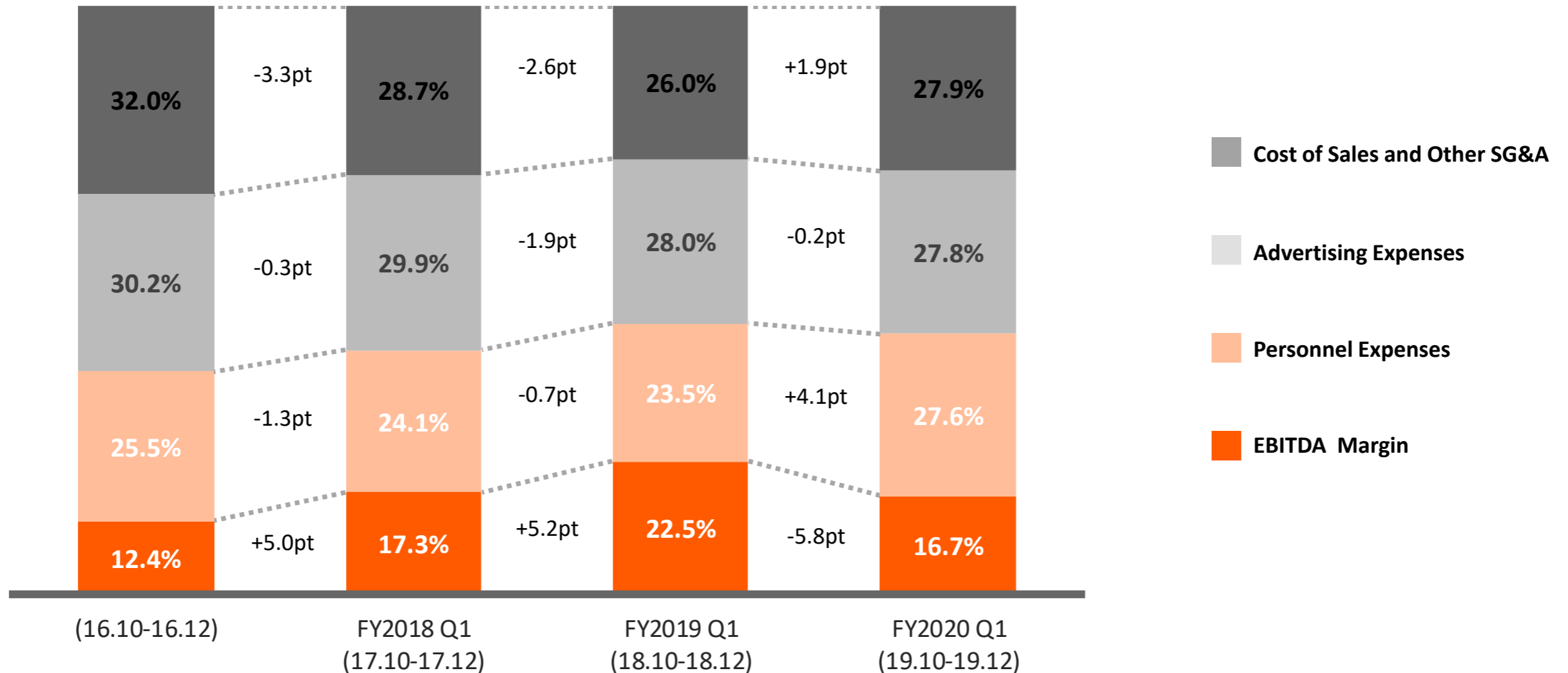
1) Net income = Net income attributable to owners of the parent

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

3) As the provisional accounting procedures for corporate mergers have been defined in the first three-month period of the current consolidated fiscal year, these measures have been applied for values for the financial year ended in September 2019. In conjunction with these measures, year-on-year change ratios have been calculated with adjusted values.

Expense-to-Revenue Ratio IFRS

Increases in personnel costs due to LIFULL bonus and employee increases in Mitula



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

New Pricing Structure

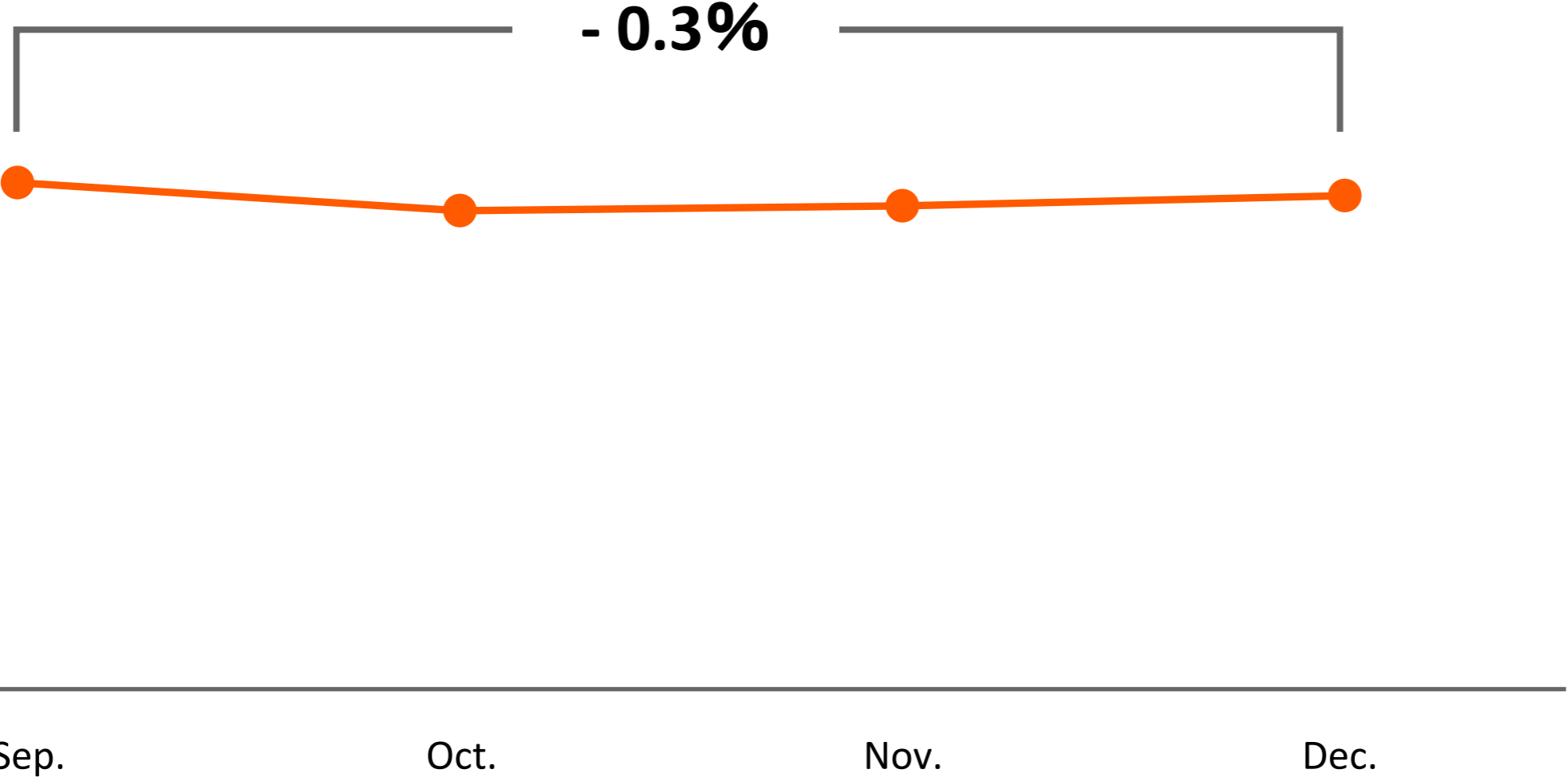
	Basic Membership Fee (Mon.)	Inquiries	Pay by Inquiry
Rental	¥15,000	Inquiries (e-mail / tel.)	Monthly Rent of Property × 9.5%
		Company Inquiries	Number of Inquiries × ¥5,000
Sale	¥15,000	Inquiries (e-mail / tel.)	Sale Price of Property × 0.05%
		Company Inquiries	Number of Inquiries × ¥10,000

Original Pricing Structure

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

(Ref.) Effects from Pricing Structure Revisions —Trend of Clients with Rental and Sale Properties—

Client numbers have remained relatively stable since implementation of the pricing structure revisions

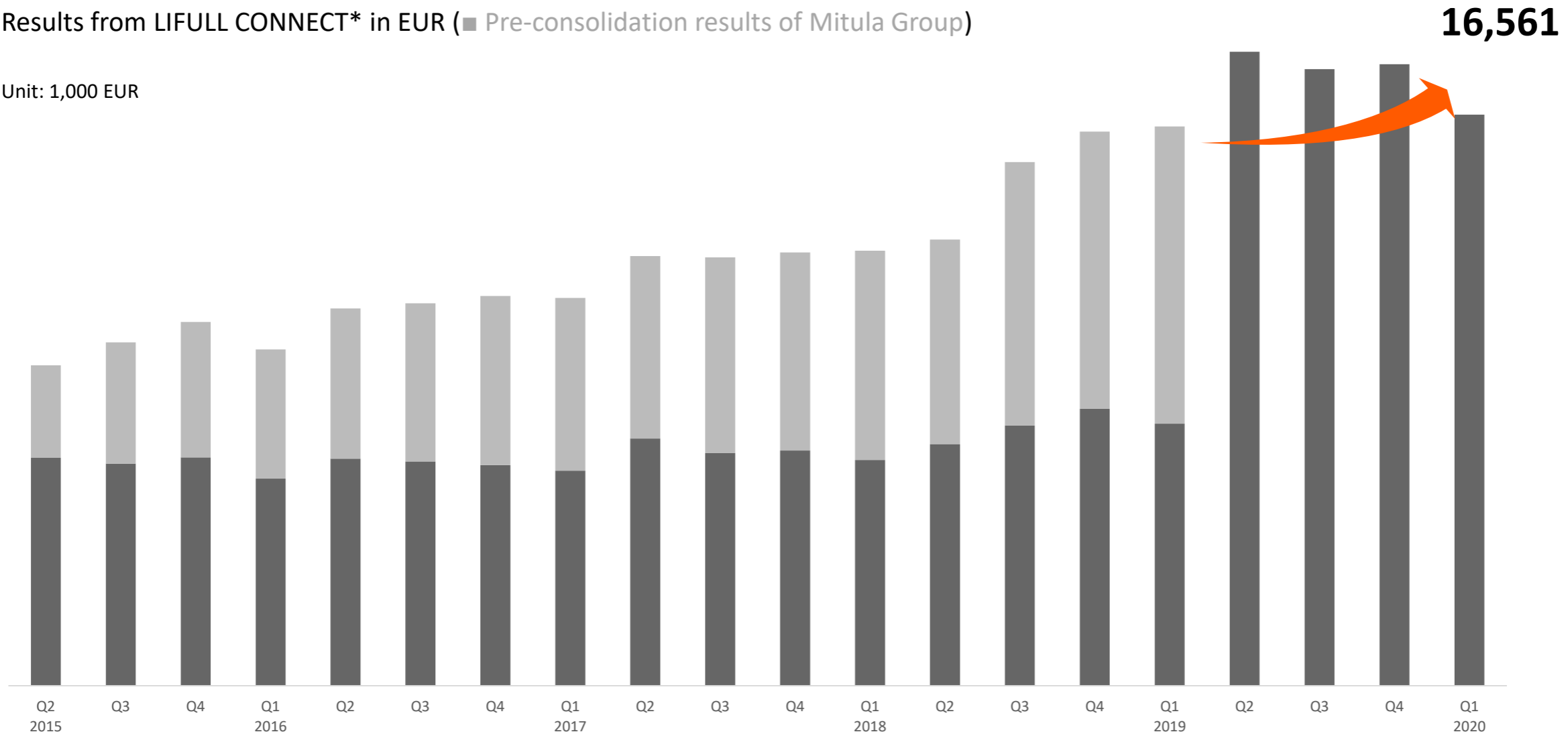


Quarterly Results – LIFULL CONNECT –

Steady growth despite effects from business acquisition and seasonality

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

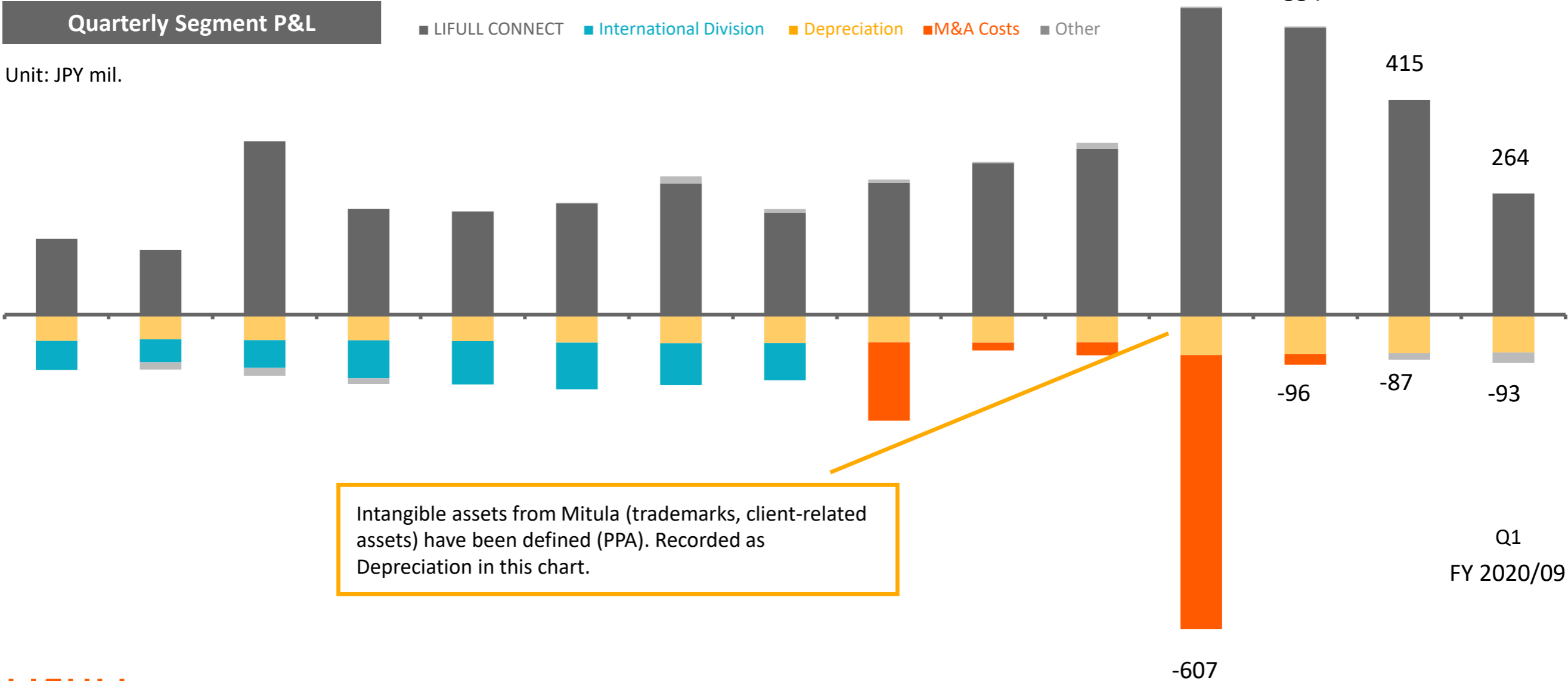
Unit: 1,000 EUR



Overseas Segment Results –Segment Profit and Loss (Quarterly Trend)–

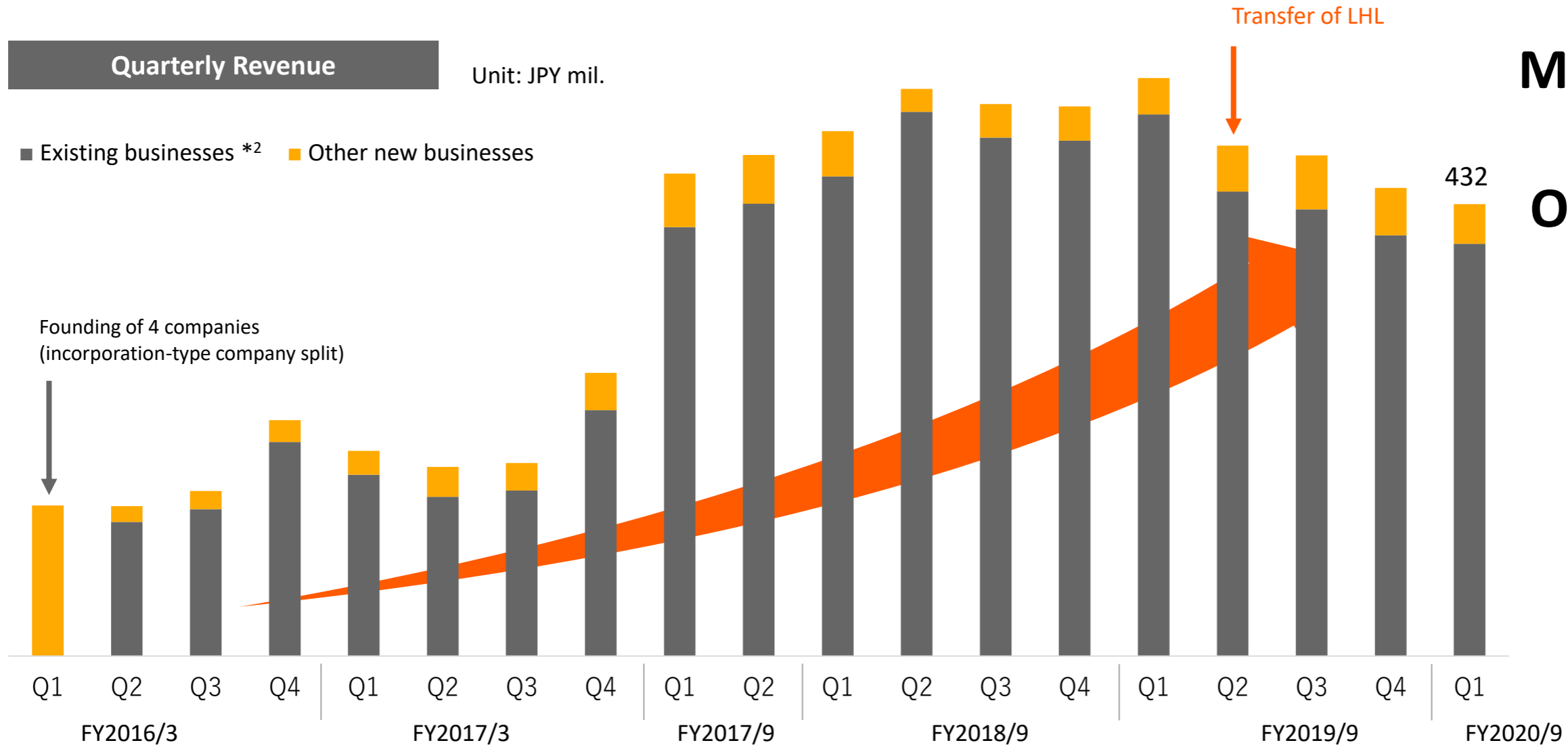
Some services under improvement measures

Intangible assets for Mitula have been defined and Depreciation costs determined



Other Businesses – Segment Sales Revenue (Quarterly) –

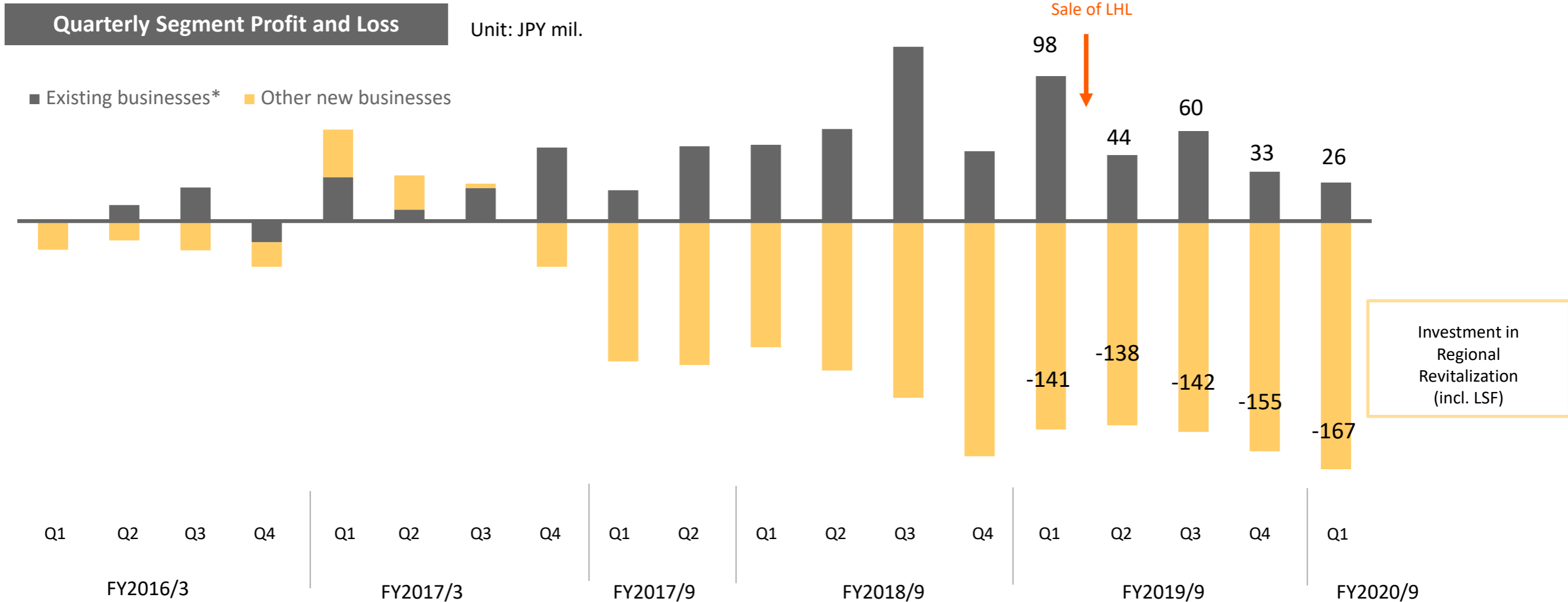
Without regard to the effects of the transfer of LHL¹, continuing to maintain scale of operations



Maintaining Scale of Operations

Other Businesses – Segment Profit and Loss (Quarterly) –

Increases investments for the Regional Revitalization Business and smooth progress without regard to the sale of LHL



(Ref.) External Market Data – Monthly –

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (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	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
(1) Number of Apartments for sales	Capital Region	35,898	37,132	31,238	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	1,421	2,206	2,259	1,932	1,819	2,359	2,007	3,293	6,392
	YoY	0.4%	3.4%	-15.9%	-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%	-39.3%	-10.4%	-15.0%	-35.3%	21.1%	-30.0%	-29.5%	-4.9%	-14.3%
	Kinki	19,560	20,958	18,042	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	852	1,388	1,500	1,788	1,341	1,406	1,271	1,492	3,230
	YoY	4.7%	7.1%	-13.9%	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%	-51.1%	-6.2%	23.9%	18.1%	-2.7%	-24.4%	-28.4%	-42.3%	17.0%
(2) Trend of Price for Apartments	Capital Region	5,908	5,871	5,980	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	5,895	6,093	5,964	5,676	6,405	5,991	5,992	5,469	5,876
	YoY	7.6%	-0.6%	1.9%	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%	6.3%	1.0%	-4.5%	-8.3%	19.5%	16.6%	1.0%	-9.1%	-0.3%
	Kinki	3,836	3,844	3,866	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	3,358	4,152	3,364	4,713	3,054	3,448	3,476	3,532	4,253
	YoY	-2.1%	0.2%	0.6%	-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%	-12.2%	7.3%	-6.0%	3.2%	-14.8%	-14.7%	-4.9%	1.3%	2.1%

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (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	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
(3) New build properties	House for Rent	419,397	396,404	342,289	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	29,511	26,164	30,645	30,383	29,255	29,414	29,417	28,779	27,611
	YoY	0.2%	-5.5%	-13.7%	-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%	-16.7%	-15.8%	-12.2%	-15.2%	-17.5%	-16.8%	-16.5%	-17.5%	-10.3%
	Apartment	114,830	110,510	117,803	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	10,480	9,165	8,597	8,600	10,159	12,022	9,998	7,995	8,957
	YoY	0.2%	-3.8%	6.6%	-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%	-15.1%	-22.7%	4.2%	-1.1%	11.1%	34.6%	16.2%	-23.6%	-6.2%
	House	138,189	142,393	147,522	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	12,698	11,899	13,096	13,074	12,236	11,889	12,726	12,705	12,427
	YoY	3.3%	3.0%	3.6%	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%	3.0%	-0.4%	10.0%	8.9%	2.4%	0.1%	1.4%	1.1%	-4.5%
Owned house	284,283	283,235	288,738	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	25,436	24,826	28,394	26,282	24,027	24,008	24,495	23,655	22,294	
YoY	-2.7%	-0.4%	1.9%	-4.8%	-4.2%	-2.5%	0.1%	-6.1%	-4.2%	-1.9%	-2.2%	-3.4%	0.3%	0.2%	Δ0.0%	4.6%	2.5%	4.8%	3.3%	9.9%	8.9%	9.2%	6.5%	12.9%	3.3%	-1.6%	-3.5%	-5.6%	-7.3%	-8.7%	

		2017 (Jan-Dec)	2018 (Jan-Dec)	2019 (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	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
(4) Internal migrants	Total	5,318,617	5,359,174	5,403,465	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	767,021	418,489	351,394	418,590	378,793	372,471	392,668	336,866	351,063
	YoY	1.3%	0.8%	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%	0.7%	-0.5%	2.3%	6.5%	-3.2%	12.3%	-5.4%	-4.1%	0.8%
	Only Japanese	4,893,581	4,889,713	4,889,191	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	705,182	377,454	314,638	376,197	341,164	330,044	346,967	298,343	311,932
YoY	0.3%	-0.1%	0.0%	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%	-1.1%	-1.8%	1.2%	5.8%	-3.4%	11.9%	-5.9%	-4.8%	-0.2%	
(5) Japan Population	Unit : Thousand	Oct. 1, 2016	Oct. 1, 2017	Oct. 1, 2018	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	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
	Total	126,933	126,706	126,443	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	126,435	126,317	126,310	126,248	126,254	126,181	126,252	126,265	126,219	126,150	126,140	126,180	126,150

[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

124,451 (108,800 Corporates)

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

03

Number of Offices

352,733

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

04

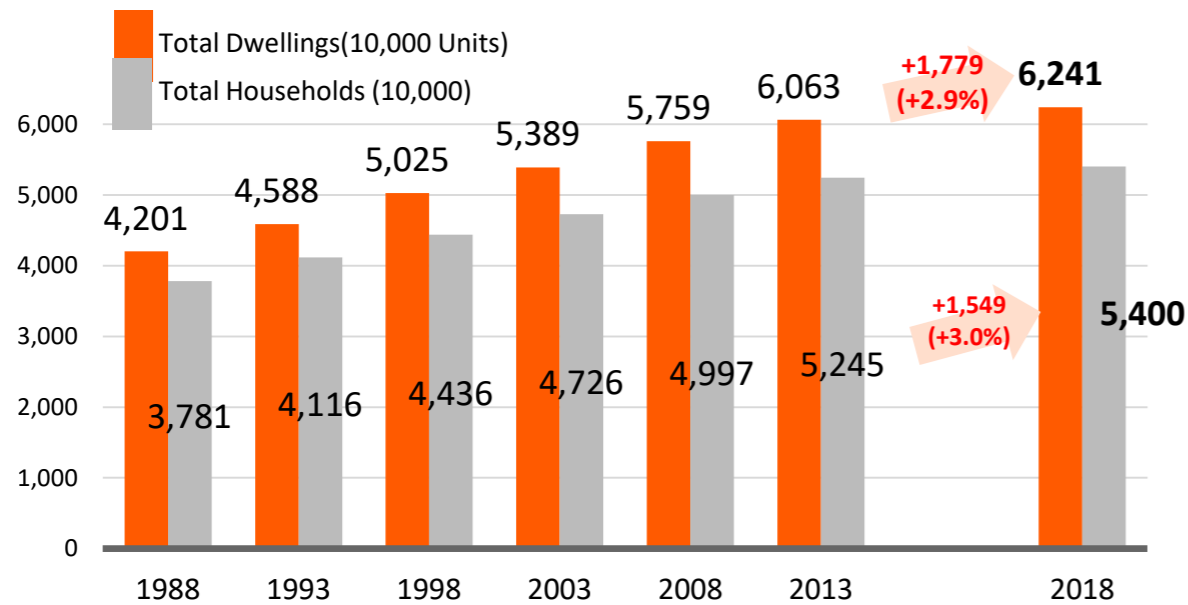
Size of Real Estate Listing Market

Approx. **900+** billion yen

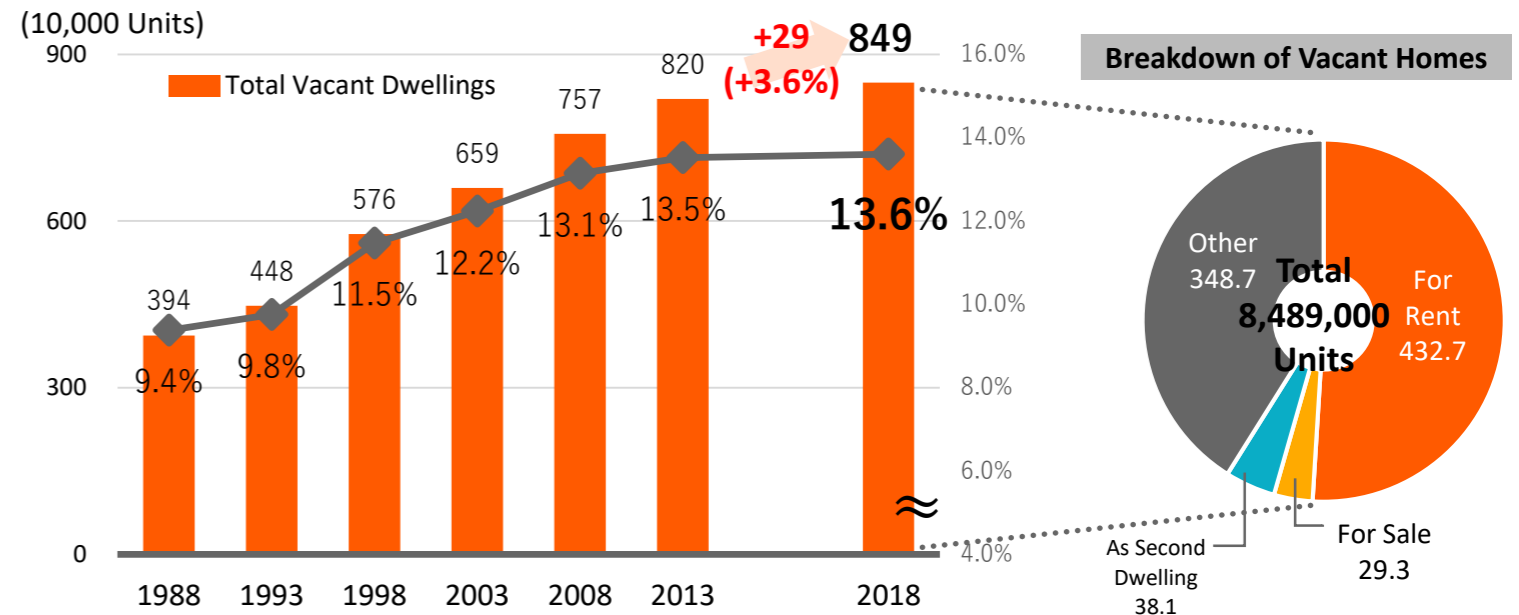
(Based on LIFULL Internal Data)

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

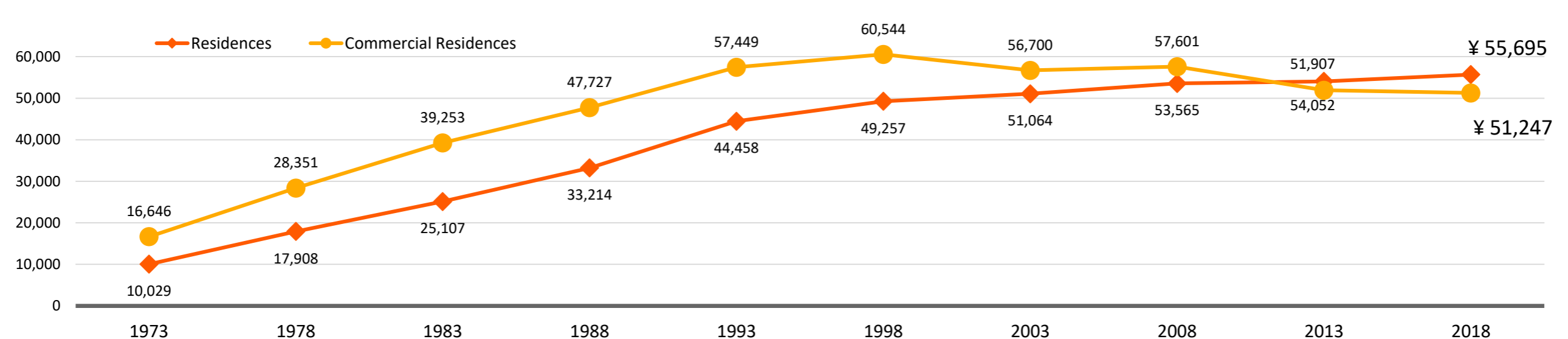
Trend of Total Dwellings and Total Households



Trend of Number of Vacant Homes and Vacancy Rates

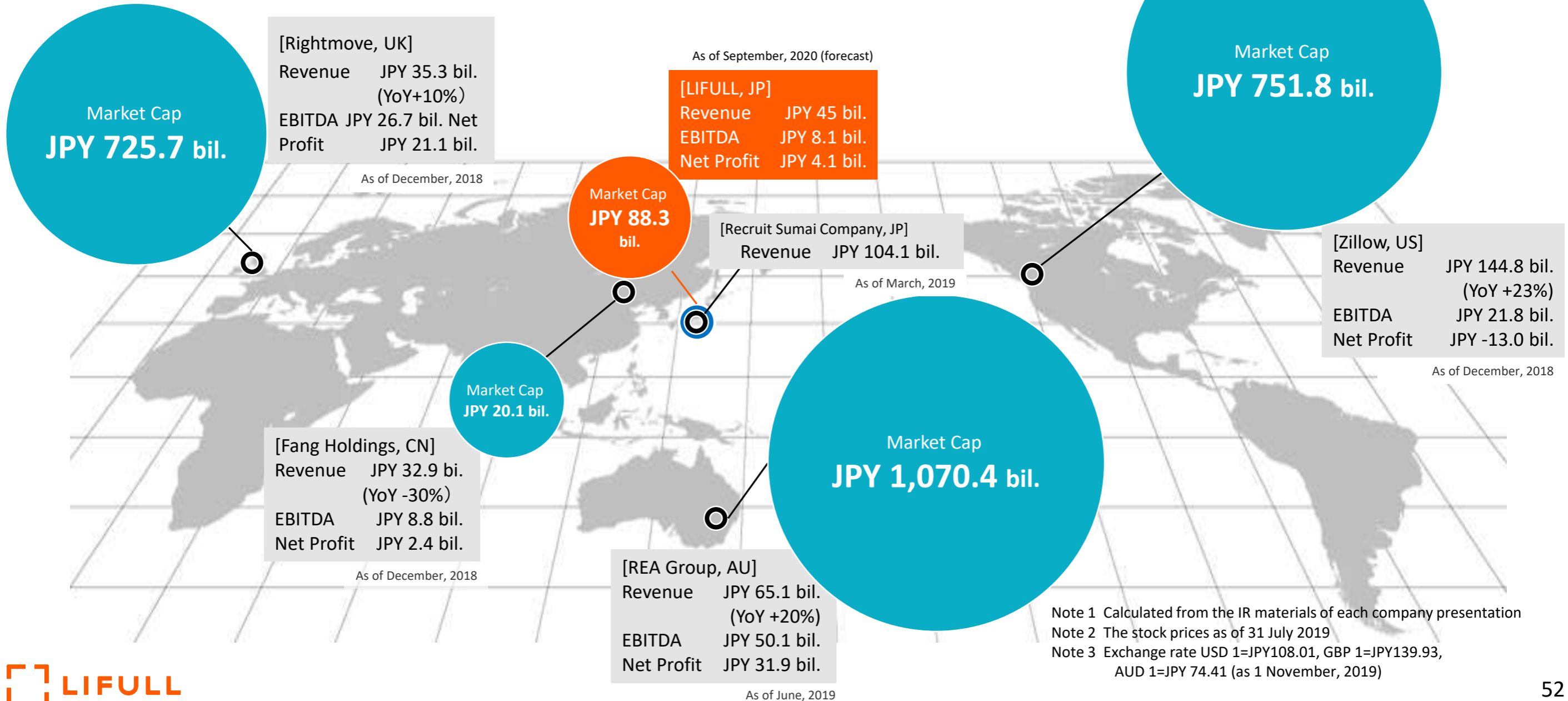


National Trend in Monthly Rent



(Ref.) Overseas competitors

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



IR Office Information



IR Site

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

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



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(Weekdays 10:00 - 18:00 JST)

Annual Report 2018



Japanese

<https://lifull.com/ir/ir-data/fy2018/>

English

<https://lifull.com/en/ir/ir-data/fy2018/>

Other Information about LIFULL



Twitter



https://twitter.com/LIFULL_Corp



Facebook Page



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

