

November 9, 2022

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Notice of a Difference Between the Consolidated Result Forecast and Actual Results for the Fiscal Year

LIFULL Co., Ltd. hereby announces the following differences between the result forecast announced on August 4, 2022, for the fiscal year ended September 30, 2022, and actual results released today. In addition, we will also inform you about the difference in non-consolidated results for the previous fiscal year.

Notes

1. Consolidated Forecast and Actual Results for FY 2022/9 (IFRS)

Consolidated Results (Oct. 1, 2020 to Sep. 30, 2021)

(Unit: JPY Mil.)

	Revenue	Operating Profit	Net Profit	Profit for the Period Attributable to Owners of the Parent	Basic Earnings per Share
Forecast (A)	36,000	1,200	480	480	3.64
Actual Results (B)	35,730	1,681	1,192	1,187	9.01
Change (B-A)	-270	+481	+712	+707	5.37
Change (%)	-0.8	+40.1	+148.3	+147.3	+147.5
Ref) Prev. Results (FY 2020/9)	35,857	-6,644	-5,895	-5,901	-44.78

Reasons for the Difference

During FY 2022/9, we focused our attention on progressive growth investments in our domestic and overseas real estate services to increase the scope of our business. Examples of these efforts include implementing AI and other modern technology to create new value, increasing our total client network and boosting marketing initiatives for improved brand recognition. We have also been concentrating our management resources on growth in our core businesses and have withdrawn from and restructured some of our non-core businesses in related fields.

We have also been concentrating our management resources on growth in our core businesses and have withdrawn from and restructured some of our non-core businesses in related fields. On July 25, 2022, we transferred all shares of Kleding, a non-core business which operated the fashion aggregation site Fashiola, and revised our earnings forecast on August 4, 2022, to reflect the effects of this share transfer.

Although revenue was roughly in-line with our forecast, operating profit and net profit for the period were above our forecast due to cost reductions and proceeds from the sale of shares of our internet marketing subsidiary announced on August 22, 2022.

2. Non-Consolidated Results for FY 2022/9 and FY 2022/9 (Japanese GAAP)

Individual Results (Oct. 1, 2020 to Sep. 30, 2021)

(Unit: JPY Mil.)

	Revenue	Operating Profit	Ordinary Profit	Profit for the Period
Prev. FY Results (A)	23,106	1,487	1,508	-9,790
Cur. FY Results (B)	22,731	-599	-130	-378
Change (B-A)	-374	-2,087	-1,638	+9,412
Change (%)	-1.6	-	-	-

Reasons for the Difference

In the current fiscal year, we focused our attention on our domestic flagship service, LIFULL HOME'S, to further improve its competitiveness through proactive growth investments in media capacity, sophistication of services and branding recognition. Although some of these investments are already showing a positive impact, the number of people moving in Japan remains below pre-COVID levels and our reduction of partner websites has resulted revenue similar to the previous fiscal year. Due to our growth investments, operating profit and ordinary profit are also below results from the previous fiscal year.

On the other hand, net profit for the period has improved significantly due to the loss on valuation of shares of affiliates we posted in the previous fiscal year.