

Consolidated Financial Report for the Three-month Period Ended December 31, 2020 (IFRS)

February 12, 2021

Company name: LIFULL Co., Ltd. Listed exchange: Tokyo Stock Exchange
 Stock code: 2120 URL: <https://lifull.com/en/ir/>
 Representative: INOUE, Takashi (Position) President and CEO
 Contact: FUKUZAWA, Hidekazu (Position) Managing Officer, General Manager of Group Company Business Development Department (TEL) +81-3-6774-1603
 Scheduled quarterly securities report submission date: February 12, 2021
 Scheduled date of start of dividend payments: -
 Preparation of supporting documentation for earnings: Yes
 Earnings presentations: None

(Millions of yen; amounts have been rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three-month Period Ended December 31, 2020 (October 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Three-month ended December 31, 2020	8,271	(10.1)	794	(23.9)	742	(22.5)	400	(24.1)	400	(24.1)	1,104	(26.5)
Three-month ended December 31, 2019	9,202	9.7	1,044	(35.9)	958	(37.0)	526	(47.5)	527	(47.4)	1,502	185.6

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three months ended December 31, 2020	3.04	3.04
Three months ended December 31, 2019	3.93	3.93

Note 1: As provisional accounting methods for corporate mergers were determined during the third quarter of the previous fiscal year, the same provisional accounting methods have been applied for values in the first quarter of the fiscal year ended on September 30, 2020.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to the owners of the parent	Equity attributable to the owners of the parent ratio
	million yen	million yen	million yen	%
As of December 31, 2020	53,461	34,064	33,903	63.4
As of December 31, 2019	55,319	33,647	33,495	60.5

2. Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	yen	yen	yen	yen	yen
Fiscal 2020	-	0.00	-	5.29	5.29
Fiscal 2021	-	-	-	-	-
Fiscal 2021 (Forecast)	-	-	-	-	-

Note 1: There have been no changes in dividend forecast.

Note 2: Dividends for FY 2021/9 are expected to be calculated based on a payout ratio of 25%.

3. Forecasts on the Consolidated Results for Fiscal 2021 (October 1, 2020 to September 30, 2021)

(Percentages indicate year-over-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share
	million yen	(%)	million yen	(%)	million yen	(%)	yen
Fiscal 2021	38,476	8.7	3,434	37.5	2,033	73.7	15.43

Note 1: There have been no changes in dividend forecast.

* Notes

(1) There have been no changes in material subsidiaries during the term.

(2) Changes in accounting policies and changes or restatement of accounting estimates

[1] Changes in accounting policies required by IFRS : No

[2] Changes in accounting policies other than [1] : No

[3] Changes in accounting estimates : No

(3) Number of shares issued (common stock)

[1] Number of shares issued at the end of the period (including treasury stock)

[2] Treasury shares at the end of the period

[3] Average shares during the period

As of December 31, 2020	134,239,870	As of September 30, 2020	134,239,870
As of December 31, 2020	2,458,256	As of September 30, 2020	2,458,256
As of December 31, 2020	134,781,614	As of December 31, 2019	134,165,384

* This consolidated financial report is not subject to quarterly review procedures.

* Regarding appropriate use of result forecasts and other notes

- In addition, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL's IR website for more details. (<https://lifull.com/en/ir/>)

(Appendix)

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1. Condensed Consolidated Financial Statements and Significant Notes

(1) Condensed Consolidated Statements of Financial Position

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	15,962,746	13,912,845
Accounts receivable-trade and other current receivables	4,723,158	4,526,513
Other short-term financial assets	624,112	672,614
Other current assets	1,773,193	2,234,100
Total current assets	23,083,211	21,346,074
Non-current assets		
Property, plant and equipment	1,756,982	1,661,836
Right-of-use assets	4,476,985	4,251,262
Goodwill	19,913,128	20,788,685
Intangible assets	2,250,189	2,237,992
Investments accounted for using the equity method	447,167	409,616
Other long-term financial assets	2,071,117	1,743,672
Deferred tax assets	1,307,541	995,047
Other non-current assets	13,275	27,027
Total non-current assets	32,236,387	32,115,139
Total assets	55,319,599	53,461,214

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and other current payables	2,664,624	2,407,411
Short-term loans	8,631,569	8,547,645
Lease liabilities	832,799	803,257
Accrued corporate income taxes	1,249,737	47,426
Provisions	42,333	12,917
Other current liabilities	2,594,973	2,076,274
Total current liabilities	16,016,038	13,894,931
Non-current liabilities		
Short-term loans	767,298	834,000
Lease obligations	3,720,010	3,527,598
Provisions	510,657	510,743
Deferred tax liabilities	302,094	290,659
Other non-current liabilities	356,171	339,193
Total non-current liabilities	5,656,232	5,502,194
Total liabilities	21,672,270	19,397,126
Equity		
Attributable to the owners of the parent		
Capital stock	9,716,363	9,716,363
Capital surplus	9,922,957	9,922,957
Retained earnings	16,842,500	16,545,513
Treasury shares	(1,009,262)	(1,009,262)
Other components of equity	(1,976,672)	(1,272,463)
Attributable to the owners of the parent	33,495,885	33,903,108
Attributable to non-controlling interests	151,443	160,979
Total equity	33,647,328	34,064,087
Total liabilities and equity	55,319,599	53,461,214

(2) Condensed Consolidated Statements of Profit or Loss and Condensed Consolidated Statements of Comprehensive Income

Condensed Consolidated Statements of Profit or Loss
For the Three-month Period Ended December 31, 2020

(Thousands of yen)

	Three-month period ended December 31, 2019	Three-month period ended December 31, 2020
Revenue	9,202,007	8,271,675
Cost of revenue	1,116,891	945,730
Gross profit	8,085,115	7,325,944
Selling, general and administrative expenses	7,031,341	6,448,604
Other revenue	29,456	20,125
Other expenses	38,825	103,175
Operating income	1,044,405	794,289
Financial revenue	1,457	4,319
Financial expenses	25,202	27,948
Share of profit (loss) of investments accounted for using the equity method	(62,305)	(28,072)
Profit before taxes	958,354	742,588
Income tax expenses	431,365	342,449
Profit for the period	526,989	400,139
Profit (loss) for the period attributable to:		
Owners of the parent	527,405	400,138
Non-controlling interests	(415)	0
Total	526,989	400,139
	(yen)	(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	3.93	3.04
Diluted profit for the period per share	3.93	3.04

Condensed Consolidated Statements of Comprehensive Income
For the Three-month Period Ended December 31, 2020

(Thousands of yen)

	Three-month period ended December 31, 2019	Three-month period ended December 31, 2020
Profit for the period	526,989	400,139
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity instruments measured at FVTOCI	(8,689)	193
Total of items that will not be reclassified to profit or loss	(8,689)	193
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	972,996	713,375
Share of other comprehensive income of investments accounted for using the equity method	11,118	(9,478)
Total of items that may be reclassified subsequently to profit or loss	984,114	703,897
Other comprehensive income, net of tax	975,424	704,091
Total comprehensive income for the period	1,502,414	1,104,230
Comprehensive income for the period attributable to:		
Owners of the parent	1,502,750	1,104,347
Non-controlling interests	(335)	(116)
Total	1,502,414	1,104,230

(3) Condensed Consolidated Statements of Changes in Equity

For the three-month period ended December 31, 2019 (October 1, 2019 to December 31, 2019)

(Thousands of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance as of October 1, 2019	9,716,363	9,922,432	16,086,854	(9,114)	(3,165,034)	32,551,501	75,982	32,627,484
Profit for the period	-	-	527,405	-	-	527,405	(415)	526,989
Other comprehensive income	-	-	-	-	975,345	975,345	79	975,424
Total comprehensive income for the period	-	-	527,405	-	975,345	1,502,750	(335)	1,502,414
Transfer to retained earnings	-	-	(15,798)	-	15,798	-	-	-
Dividends of surplus	-	-	(590,327)	-	-	(590,327)	(1,209)	(591,537)
Purchase of treasury shares	-	-	-	(43)	-	(43)	-	(43)
Increase due to business combinations	-	-	-	-	-	-	1,000	1,000
Total transactions with owners	-	-	(606,126)	(43)	15,798	(590,371)	(209)	(590,580)
Balance as of December 31, 2019	9,716,363	9,922,432	16,008,133	(9,157)	(2,173,890)	33,463,880	75,437	33,539,318

For the three-month period ended December 31, 2020 (October 1, 2020 to December 31, 2020)

(Thousands of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Balance as of October 1, 2020	9,716,363	9,922,957	16,842,500	(1,009,262)	(1,976,672)	33,495,885	151,443	33,647,328
Profit for the period	-	-	400,138	-	-	400,138	0	400,139
Other comprehensive income	-	-	-	-	704,208	704,208	(117)	704,091
Total comprehensive income for the period	-	-	400,138	-	704,208	1,104,347	(116)	1,104,230
Transfer to retained earnings	-	-	(697,124)	-	-	(697,124)	(3,375)	(700,499)
Increase from corporate mergers	-	-	-	-	-	-	13,028	13,028
Total transactions with owners	-	-	(697,124)	-	-	(697,124)	9,653	(687,471)
Balance as of December 31, 2020	9,716,363	9,922,957	16,545,513	(1,009,262)	(1,272,463)	33,903,108	160,979	34,064,087

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Three-month period ended December 31, 2019	Three-month period ended December 31, 2020
Net cash from operating activities		
Profit for the period before tax	958,354	742,588
Depreciation and amortization	495,394	510,497
Financial revenue	(1,457)	(4,319)
Financial expenses	25,202	27,948
Decrease (increase) in accounts receivable-trade and other current receivables	548,406	204,012
Increase (decrease) in accounts payable-trade and other current payables	(846,596)	(293,522)
Other	228,782	(1,041,803)
Subtotal	1,408,088	145,402
Interest and dividends received	1,457	3,531
Interest paid	(24,994)	(28,285)
Income taxes paid	(707,452)	(1,208,301)
Net cash from operating activities	677,098	(1,087,653)
Net cash used in investing activities		
Proceeds from sale of financial instrument assets	11,655	-
Purchase of property, plant and equipment	(77,423)	(18,292)
Proceeds from sale of property, plant and equipment	1,000	1,572
Purchase of intangible assets	(96,343)	(85,231)
Payments for transfer of business	-	(385,010)
Payments of loans receivable	(485,300)	(161,000)
Collection of loans receivable	95,654	464,976
Others	638	(2,987)
Net cash from investing activities	(550,117)	(185,973)
Net cash provided by (used in) financing activities		
Repayment of short-term loans	(3,200,000)	(549)
Proceeds from long-term loans payable	2,000,000	234,000
Repayment of long-term loans	(83,335)	(250,673)
Dividends paid	(587,710)	(689,425)
Repayment of lease obligations	(223,042)	(232,710)
Dividends paid to non-controlling interests	(1,209)	(3,375)
Proceeds from share issuance to non-controlling interests	1,000	11,700
Purchase of treasury shares	(43)	-
Net cash from financing activities	(2,094,341)	(931,033)
Effect of exchange rate changes on cash and cash equivalents	147,766	154,759
Net increase (decrease) in cash and cash equivalents	(1,819,593)	(2,049,901)
Cash and cash equivalents at beginning of period	9,239,027	15,962,746
Cash and cash equivalents at end of period	7,419,433	13,912,845

(5) Notes on the Consolidated Financial Statements**1. Note Regarding Going Concern Assumption**

Not applicable.

2. Note Regarding Going Concern Assumption

Not applicable.