



Shareholder Newsletter

LIFULL Co., Ltd. (Tokyo Stock Exchange 1st Section Code: 2120)

Online Shareholder Newsletter

Although we previously provided the Shareholder Newsletter as an insert in the Notice for the General Shareholder's Meeting, we now provide the newsletter in digital form for environmental reasons.

Shareholder Questionnaire

We are currently conducting a survey of shareholders to improve our IR initiatives and would appreciate your support.

(In Japanese)

[Shareholder Questionnaire](https://f.msgs.jp/webapp/wish/org/showEnquete.do?enqueteid=20&clientid=13425&databaseid=jwt)

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(Deadline: June 30, 2022)

Shareholder Newsletter (FY 2021/9)

(October 1, 2020 - September 30, 2021)

CEO Message

Sustainable Growth through Solutions to Social Issues and Expanding our Current Businesses



Dear Fellow Shareholders,

The financial results for the LIFULL Group were sales revenue of ¥3.58 bil., operating profit amounted to -¥6.6 bil. and net profit attributable to owners of the parent amounted to -¥5.9 bil. This was the first time we have been in the red since we were listed on the Tokyo Stock Exchange - a very unfortunate result. The primary reason for this loss was a ¥9.7 bil. impairment loss in our overseas subsidiary, LIFULL CONNECT. I would like to apologize for the fact that we we have posted impairment losses in two consecutive fiscal years and a loss in the previous year due the difficulties of the COVID-19 pandemic.

At the same time, sales revenue in LIFULL CONNECT exceeded our initial forecasts, and key performance indicators for the business have been progressing steadily. By establishing LIFULL CONNECT in 2019, we have been consolidating our teams and improving overall management efficiency while creating an effective structure turning stable operating profit despite the pandemic. We will now begin acceleration of our portals in Latin America and Southeast Asia to promote new growth in the business.

The targets for our Mid-Term Management Strategy for 2025 consist of a balance between our slogan of acting as a Social Enterprise to solve social issues through our businesses and sustainably expanding the scope of the Group. We are transforming our flagship service, LIFULL HOME'S, to better assist users in finding their next home and leave them with a deeper sense of satisfaction. By combining the copious data that we have collected and cutting-edge AI technology, we are developing a system where users can find the right home tailored to their individual needs while also providing support to real estate brokerages to improve the efficiency of their businesses.

Currently, there is considerable potential in the market for small-lot real estate investments, and we have been working toward the construction of a global real estate investment platform where investors would be able to buy and sell real estate with just their smartphone like other financial products.

In order to accelerate the development of these new services and ventures, we will be making active investments in FY 2022/9. In addition to expanding our workforce to strengthen our human capital, we have also been making progress in providing working conditions which promote well-being for our employees to maximize their performance.

Based on our corporate credo of "Altruism" and our corporate message "Make every LIFE FULL," our aim is to find solutions to social issues through our businesses and provide everyone in the world with the opportunity to live their best life full of comfort and happiness.

Therefore, we greatly appreciate your understanding of and support for our mission.

井上高志

November 2021

New Initiatives in the Past Fiscal Year

Free Consultation Service for Finding or Building Your Next Home

LIFULL HOME'S Sumai No Madoguchi



As part of our omnichannel strategy for LIFULL HOME'S to offer broader assistance in finding a new home, we launched our consultation service, *Sumai No Madoguchi*, in 2015 and opened the first office in 2016.

During FY 2021/9, we opened two new locations each in Osaka and Nagoya to expand our presence in Kansai bringing our total offices to 31 across Japan (as of November 2021.)

LIFULL HOME'S Sumai No Madoguchi

Free Consultations with our Advisors to Find or Build Your Next Home



Offline

Online



Face-to-Face



Telephone



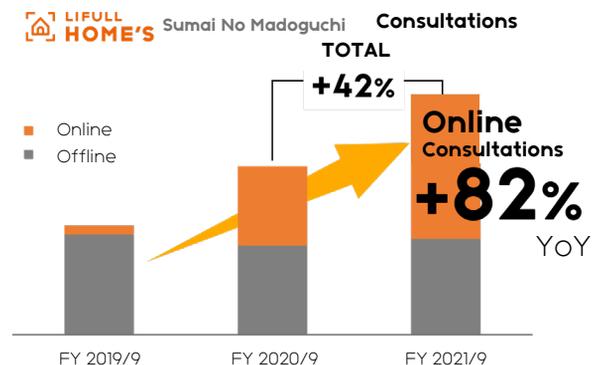
Video Chat

- Housing Advisors offering a neutral perspective
- Unlimited free consultations for home-seekers

At LIFULL HOME'S *Sumai No Madoguchi*, our knowledgeable Housing Advisors offer free consultations on finding or building your next home. Our Advisors speak with home-seekers to understand their needs and budgets and then answer their questions and recommend the right kinds of homes, real estate companies and contractors from a neutral standpoint.

In order to provide for the safety of home-seekers and our employees, we temporarily suspended face-to-face consultations during the states of emergency for the COVID-19 pandemic. At the same time, though, we increased the number of Advisors available for video consultations. As a result, the number of total consultations has grown 42.7% (YoY) with 82.1% more online consultations YoY.

However, face-to-face consultations have resumed since the end of the state of emergency announced on September 29, 2021.



New Initiatives in the Past Fiscal Year -2-



Consultations on a wide range of potential homes

We place special importance on taking care of home-seekers who come to us. As a result, 99.5% of the 928 groups of home-seekers who visited *Sumai No Madoguchi* between May 2020 and April 2021 reported they were satisfied with the service.

Not to mention, our real estate business partners have also realized the higher quality of our introductions compared to the LIFULL HOME'S website and pay a higher premium for each in-coming inquiry.

**User
Satisfaction**
99.5%

The Future of *Sumai No Madoguchi*

In the future, we will continue to expand our network of offices while monitoring the progression of the business. By pairing information from individual consultations and the big data collected by LIFULL HOME'S with AI technology, we believe we can match home-seekers with potential homes more accurately and improve the overall efficiency of real estate companies.

In addition to online searches, offering home-seekers the opportunity to speak directly with Housing Advisors about different housing options, we are providing a wider range of support and continuing to make LIFULL HOME'S an indispensable service when moving.

More Information about LIFULL HOME'S *Sumai No Madoguchi*

(In Japanese)

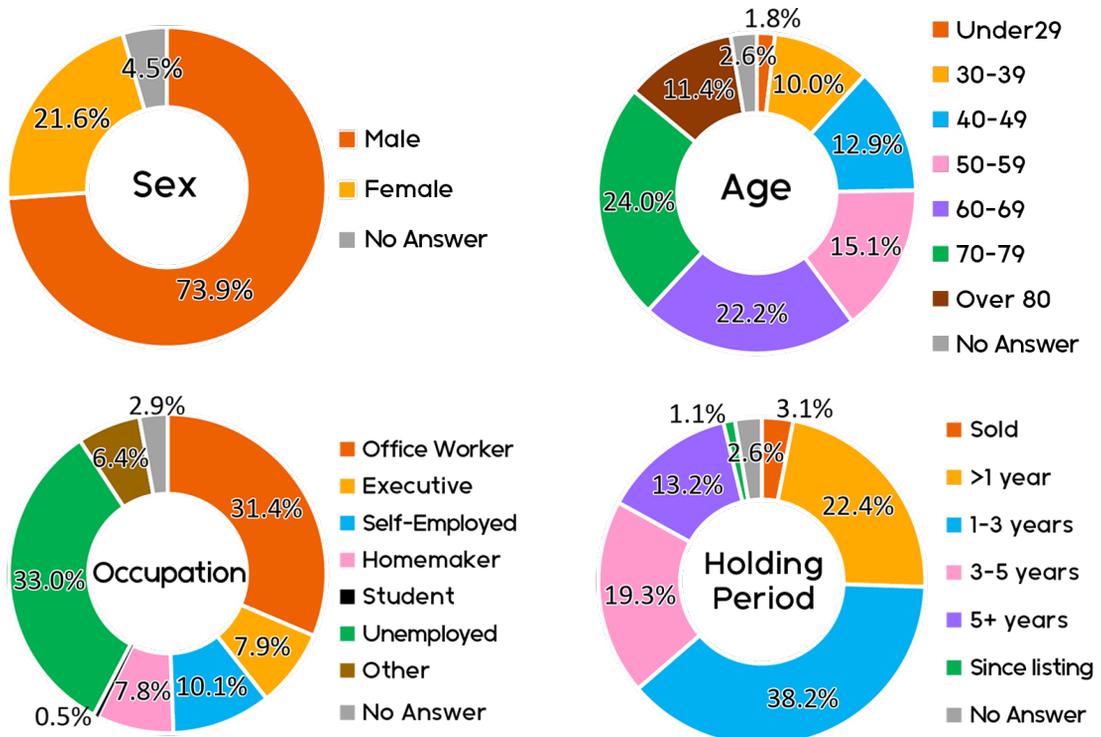
 LIFULL HOME'S 住まいの窓口

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

Results of the Shareholder Questionnaire (FY 2020/9)

The following are the results of the questionnaire provided with the Notice of the 25th Ordinary General Meeting of Shareholders. We would like to extend our gratitude to all of our shareholders who took the time to answer the questionnaire. We will use the opinions we received to plan our future IR activities.

Results of the Questionnaire



Opinions from Shareholders

Q. Please hold investor events outside of Tokyo.

A. Before the pandemic, we organized events for individual investors throughout Japan. However, as a company, we restricted business travel throughout the states of emergency and held seminars for individual investors online during the current fiscal year. Moving forward, we will continue to monitor the situation and continue to consider new ways of strengthening our communication with individual investors.

Q. The field of elderly care and related industries have the potential for future growth, so LIFULL should focus on growth in these areas.

A. Our subsidiary, LIFULL senior, currently operates the largest matching website for elderly care facilities in Japan (LIFULL *Kaigo*). LIFULL senior is also continuing to grow through its other services such as comparison sites for companies which organize the belongings of the deceased.

In addition, in September 2021, we launched a new service, LIFULL *Jinsei Sekkei* (Life Planning,) to help individuals find financial planners to organize their finances for after retirement.

In our Mid-Term Management Strategy for 2025, we have set services for senior citizens as one of our focal points and will continue to grow and make progress with these services.

Results of the Shareholder Questionnaire (FY 2020/9)

Q. LIFULL stock has been depicted in different media as having a high potential, but the performance has been weak. I would like you to better support the stock price.

A. We believe that stock prices are determined by the market. However, as the growth rates of our businesses recover, we will continue to make timely disclosures to enhance the attractiveness of our stock for long-term investors.

Q. I realize that LIFULL and many other companies have been affected by COVID-19 and more people are interested in moving to more rural areas. I believe that one LIFULL's strengths is its Rural Revitalization business and see good potential.

A. As remote work becomes more commonplace, we can see the effects of more people interested in moving to rural areas or looking for a new living environment on the traffic of LIFULL HOME'S. LIFULL Regional Revitalization will continue to collaborate with local governments to find ways to repurpose vacant properties and provide matching services for people interested in living and working in more rural areas.

Q. I would like to see more detailed disclosure on CSR activities.

A. As these issues are gaining importance in peoples' investment decisions, we have updated our Investor Information site to provide more detailed disclosures on our CSR and ESG initiatives in the future.

Investor Information Site: <https://ir.lifull.com/en/>

Moving forward, we will be preparing more content regarding both financial and non-financial ESG and CSR-related information.

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(Deadline: June 30, 2022)

IR Team Contact Information



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