

February 12, 2021

Listed company: LIFULL Co., Ltd.
Representative: INOUE Takashi, President and CEO
(Stock code: 2120 TSE First Section)
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Notice Regarding Transfer and Integration of the Subsidiary of a Subsidiary (Simplified Merger)

LIFULL Co., Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held today resolved to acquire LIFULL FaM Co., Ltd., a subsidiary of its subsidiary LIFULL Marketing Partners Co., Ltd., through dividends in kind. The Company has also decided to integrate LIFULL FaM into LIFULL after acquiring the company on April 1, 2021.

Furthermore, as the Company will be acquiring 100% of LIFULL FaM from its subsidiary, LIFULL Marketing Partners, the merger will be conducted in a simplified manner with a portion of the standard items omitted in this release.

Notes

1. Purpose of Acquisition

Utilizing its network and knowhow gained through the operation its primary business, the real estate and housing information website “LIFULL HOME’S,” the Company has been making efforts to assist with the issues arising from the influx of vacant houses in rural Japan through its Regional Revitalization Business. These efforts with local governments to create new opportunities in rural areas have included the creation of the LIFULL HOME’S Akiya Bank, a platform for vacant houses managed by local governments (a model business with the Ministry of Land, Infrastructure Transport and Tourism), ideas for repurposing such as vacation rentals and personnel training. Also, the Company launched “LivingAnywhere Commons,” community facilities combining share offices with living spaces, which has expanded to 12 cities with 16 locations and used by over 1,500 people with over 4,000 stays a year as destinations for “workcations.”

Since its founding in 2014, LIFULL FaM has been providing career support services to working parents looking to balance their careers with raising children. As a part of the collaboration between the Company and the City of Sabae (Fukui Prefecture), the Company has established a satellite office in Sabae as well as collaborations with the Cities of Unnan (Shimane Prefecture), Miyazaki (Miyazaki Prefecture) to create jobs and stimulate the local economies.

Therefore, in order to concentrate management resources and increase efficiency, the Company will integrate LIFULL FaM into its Regional Revitalization Business. The Company believes that this merger will allow it to accelerate its initiatives in rural areas of Japan.

2. Distribution of Retained Earnings for LIFULL Marketing Partners Co., Ltd.

LIFULL Marketing Partners Co., Ltd. will pay dividends of surplus (dividends in kind) using other retained earnings as a source of funds.

(1) Type of Dividend Property and Total Book Value

The types of dividend assets to the Company are non-monetary assets (common stock listed below).

Company	Number of Shares	Shareholding Ratio	Book Value
LIFULL FaM Co., Ltd.	890	100%	0 yen

(2) Allocation of Dividend Assets to the Company

As of the effective date of the dividend in kind, all dividend assets will be allocated to the Company, which holds all issued shares of all LIFULL Marketing Partners Co., Ltd.

(3) Effective Date of the Dividend of the Surplus

April 1, 2021

3. Company Conducting Payment in Kind

Name	LIFULL Marketing Partners Co., Ltd.
Address	1-4-4 Kojimachi, Chiyoda-ku, Tokyo
Representative	TAKAHASHI Naoyuki, President and CEO
Business Content	Internet Marketing Internet Service Provider
Capital	32.50 million yen
Foundation	October 1, 2005
Net Assets	1,122,874 thousand yen (As of September 2020)
Total Assets	287,865 thousand yen (As of September 2020)
Major Shareholders and Shareholding Ratio	LIFULL Co., Ltd. 100%

4. Summary of the Merger of LIFULL FaM Co., Ltd.

(1) Merger Schedule

Board of Directors' Meeting	February 12, 2021
Merger Agreement Execution	February 12, 2021
Merger Date (Effective Date)	April 1, 2021 (Tent.)

*This merger shall be conducted as a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger stipulated in Article 784, Paragraph 1 of the same Act for LIFULL FaM and do not require approval of shareholders' meetings.

(2) Method of Merger

LIFULL FaM will be dissolved in an absorption-type merger by the Company.

(3) Allocation Details

Since this is a merger of wholly owned subsidiaries, no shares or other money will be allocated at the time of the merger.

(4) Stock Acquisition Rights and Bonds with Stock Acquisition Rights

Not applicable

5. Company to be Merged (As of September 30, 2020)

	Remaining Company	Company to be Dissolved
Name	LIFULL Co., Ltd.	LIFULL FaM Co., Ltd.
Address	1-4-4 Kojimachi, Chiyoda-ku, Tokyo	1-4-4 Kojimachi, Chiyoda-ku, Tokyo
Representative	INOUE Takashi, President and CEO	AKIBA Mai, President
Business Content	Real Estate Information Services - Operation of the Real Estate and Housing Platform "LIFULL HOME'S" Other Businesses	Apps for Raising Children Consignment of marketing research planning, implementation, analysis and other projects Other Businesses
Capital	9,716 million yen	39.50 million yen
Foundation	March 12, 1997	October 1, 2014
Issued Shares	134,239,870	890
Fiscal Year	September 30	September 30
Major Shareholders and Shareholding Ratio	INOUE Takashi (21.20%) Rakuten Inc. (18.06%) Custody Bank of Japan, Ltd. (Trust Account) (13.93%) The Master Trust Bank of Japan, Ltd. (Trust Account) (5.66%) CBS/DCV CLIENTS (3.97%) *Shareholding ratios have been calculated without regard to treasury stock.	LIFULL Marketing Partners Co., Ltd. (100%)
Financial Status and Results of the Most Recent Fiscal Year (September 2020)	IFRS (Consolidated)	Japanese GAAP (Individual)
	Total Assets: 55,319 million yen	Total Assets: 12,612 thousand yen
	Total Capital: 33,647 million yen	Net Assets: 5,154 thousand yen
	Equity Attributable to Owners of the Parent Per Share: 254.18 yen	Net Assets Per Share: 5,792.10 yen
	Revenue: 35,402 million yen	Revenue: 61,269 thousand yen
	Operating Income: 2,497 million yen	Operating Income: 6,094 thousand yen
	Ordinary Income: 2,148 million yen	Ordinary Income: 6,298 thousand yen
	Profit Attributable to Owners of the Parent: 1,170 million yen	Net Profit for the Period Attributable to Owners of the Parent: 5,165 thousand yen
	Basic Earnings Per Share: 8.77 yen	Net Earnings Per Share: 5,803.60 yen

6. Situation After the Merger

The merger will not change the name, location, title / name of the representative, business content, capital stock, and fiscal year end of the Company.

7. Future Outlook

The effects of this merger are expected to be negligible.