

October 24, 2022

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Notice Regarding Change in Equity Method Affiliate (Transfer of Shares) and Recording Gain on Sale of Shares

LIFULL Co., Ltd. (“the Company”) hereby announces that a meeting of its Board of Directors held today has resolved to transfer all shares of its equity method affiliate Rakuten LIFULL STAY Pte. Ltd.

With this transfer of shares, Rakuten LIFULL STAY Pte. Ltd. will be removed as an equity method affiliate of the Company.

Notes

1. Reasons for the Transfer of Shares

Under our corporate message of “Make Every LIFE, FULL,” the LIFULL Group provides a multitude of services in Japan and around the world focused around its domestic Japanese real estate and housing information platform, [LIFULL HOME’S](#).

In 2017, the Company and Rakuten Group Inc. jointly founded Rakuten LIFULL STAY Pte., Ltd. to utilize the growing vacation rental market to promote the repurposing of abandoned houses in rural Japan and launched the vacation rental reservation website, Vacation Stay.

Since then, Vacation Stay has continued to grow and currently has over 100,000 registered spaces. The market for vacation rentals continues to reach new heights, but the number of opportunities for us to realize our goal of repurposing abandoned homes remains well below our original expectations. In addition, due to our current business environment, we have decided to concentrate our investments on our primary businesses and have been restructuring and stepping back from our non-core areas. Therefore, we have made the decision to transfer all of our shares of Rakuten LIFULL STAY Pte., Ltd.

2. Name of the Equity Method Affiliate to be Transferred

Rakuten LIFULL STAY Pte., Ltd.

3. Name of the Counterpart in the Share Transfer

Rakuten Asia Pte., Ltd.

4. Numbers of Shares to be Transferred and the Percentage of Shareholding Before and After the Transfer

(1) Shares owned before transfer	3,824,833	(Ownership of Voting Rights: 49%)
(2) Number of shares to be transferred	3,824,833	
(3) Shares owned after transfer	0	(Ownership of Voting Rights: 0%)

(Note) The transfer price has not been disclosed due to non-disclosure obligations agreed to by both parties.

5. Scheduled Date for the Share Transfer

October 31, 2022 (Planned)

6. Outlook

We currently expect a gain from this share transfer during the fiscal year ending September 30, 2023, and are calculating the exact amount.

Any gains resulting from this transfer of shares of the equity method affiliate will be reflected in the Earnings Forecast for the fiscal year ending September 30, 2023, to be released along with the Earnings Report for the fiscal year ended September 30, 2022, on November 9, 2022.