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Consolidated Financial Report for the Six-month Period Ended March 31, 2018 (IFRS)

May 14, 2018

Company name: LIFULL Co., Ltd.	Listed exchange: Tokyo Stock Exchange
Stock code: 2120	URL: https://lifull.com/en/
Representative: (Position) President and CEO	(Name) Takashi Inoue
Contact: (Position) Managing Officer, General Manager of Group Company Business Development Department	(Name) Kazuhiko Abe (TEL) +81-3-6774-1603
Scheduled quarterly securities report submission date: May 14, 2018	
Scheduled date of start of dividend payments: -	
Preparation of supporting documentation for earnings: Yes	
Earnings presentations: Yes (For institutional investors and analysts)	

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

1. Consolidated Financial Results for the Six-month Period Ended March 31, 2018 (October 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (Percentages indicate year-on-year change)

	Revenue		Operating income		Profit before income taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
	%		%		%		%		%		%	
Six-month ended March 31, 2018	¥17,669	-	¥2,492	-	¥2,426	-	¥1,541	-	¥1,572	-	¥1,321	-
Six-month ended September 30, 2017	¥15,948	-	¥1,016	-	¥957	-	¥483	-	¥489	-	¥1,609	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Six-month ended March 31, 2018	13.24	13.24
Six-month ended September 30, 2017	4.12	4.12

(Reference) EBITDA (Operating income before depreciation and amortization)

Six months ended March 31, 2018: ¥3,033 million Six months ended September 30, 2017: ¥1,536 million (+97.4%)

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio (%)
As of March 31, 2018	¥27,457	¥20,532	¥20,472	74.6
As of September 30, 2017	¥26,363	¥19,293	¥19,227	72.9

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended September 30, 2017	-	0.00	-	0.82	0.82
Fiscal year ending September 30, 2018	-	0.00	-	-	-
Fiscal year ending September 30, 2018 (forecast)	-	-	-	-	-

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

Note 2: Dividend forecast for the fiscal year ending September 30, 2018 will be calculated based on a payout ratio of 20%.

3. Forecasts on the Consolidated Results for the Fiscal Year Ending September 2018 (October 1, 2017 to September 30, 2018)

(Percentages indicate year-on-year change)

	Revenue		Operating income		Profit attributable to owners of the parent		Basic earnings per share	
	%		%		%		yen	
Fiscal year ending September 30, 2018	¥41,000	-	¥5,000	-	¥3,478	-	29.30	

Note 1: Revision to the most recently announced consolidated forecasts: No

Note 2: LIFULL has changed its fiscal-year end from March 31 to September 30, starting from the fiscal year ended September 30, 2017. As a result of this change, the previous consolidated accounting period is a six-month transition period from April 1, 2017 until September 30, 2017. For this reason, year on year changes have not been given for the fiscal year ending September 30, 2018.

*** Notes**

- (1) There have been no changes in material subsidiaries during the term.
- (2) Changes in accounting policies, changes in accounting estimates, restatement
- [1] There have been no changes in accounting policies required by IFRS.
 - [2] There have been no changes in accounting policies not falling within the scope of [1] above.
 - [3] There have been no changes in accounting estimates.

(3) Number of shares issued (common stock)

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

As of March 31, 2018	118,789,100 shares
As of September 30, 2017	118,789,100 shares

[2] Treasury shares at the end of the period

As of March 31, 2018	73,736 shares
As of September 30, 2017	73,736 shares

[3] Average shares during term

Six months ended March 31, 2018	118,715,364 shares
Six months ended September 30, 2017	118,715,365 shares

LIFULL has changed its fiscal-year end from March 31 to September 30, starting from the fiscal year ended September 30, 2017. As a result of this change, LIFULL has prepared the consolidated financial statements for the fiscal year ended September 30, 2017 instead of the condensed consolidated financial statements for the six-month period ended September 30, 2017. Therefore, average number of shares during this term refers to the number of shares from the previous fiscal year.

*** This consolidated financial report is not subject to quarterly review procedures by a certified public accountant or audit company.**

*** Regarding appropriate use of results forecasts and other notes**

- The Company plans to hold an earnings briefing for institutional investors and analysts. Scenes from the briefing and presentation content (audio recordings) will be made available on the Company's website as soon as possible thereafter.
- May 15, 2018 (Tuesday): Earnings presentation for institutional investors and analysts.
- In addition, the Company holds briefings as appropriate for individual investors. Please refer to the LIFULL's IR website for more details.

(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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	5,509,642	5,446,501
Accounts receivable-trade and other current receivables	4,229,575	5,131,961
Other current financial assets	-	32,661
Other current assets	454,287	542,286
Total current assets	10,193,505	11,153,410
Non-current assets		
Property, plant and equipment	1,926,679	1,867,183
Goodwill	9,857,104	9,690,927
Intangible assets	2,423,479	2,206,362
Investments accounted for using the equity method	278,483	489,217
Other long-term financial assets	1,170,265	1,606,539
Deferred tax assets	509,888	435,099
Other non-current assets	4,129	8,654
Total non-current assets	16,170,029	16,303,985
Total assets	26,363,535	27,457,395

(Thousands of yen)

	As of September 30, 2017	As of March 31, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable-trade and other current payables	2,936,348	2,983,658
Short-term loans	970,947	476,727
Lease obligations	3,400	3,781
Accrued corporate income taxes	277,637	783,310
Other short-term financial liabilities	28,465	22,871
Other current liabilities	1,898,684	1,707,971
Total current liabilities	6,115,483	5,978,320
Non-current liabilities		
Lease obligations	84,805	82,814
Provisions	518,680	518,866
Deferred tax liabilities	317,240	313,006
Other non-current liabilities	33,675	31,725
Total non-current liabilities	954,401	946,412
Total liabilities	7,069,884	6,924,733
Equity		
Attributable to owners of the parent		
Capital stock	3,999,578	3,999,578
Capital surplus	4,336,231	4,326,818
Retained earnings	11,632,596	13,107,328
Treasury shares	(8,694)	(8,694)
Other components of equity	(732,517)	(952,278)
Attributable to owners of the parent	19,227,194	20,472,752
Attributable to non-controlling interests	66,456	59,910
Total equity	19,293,650	20,532,662
Total liabilities and equity	26,363,535	27,457,395

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

Condensed Consolidated Statements of Profit or Loss
For the six-month period

(Thousands of yen)

	Six-month period ended September 30, 2017	Six-month period ended March 31, 2018
Revenue	15,948,686	17,669,772
Cost of revenue	1,862,470	1,875,824
Gross profit	14,086,215	15,793,947
Selling, general and administrative expenses	12,966,824	13,390,854
Other income	96,276	200,335
Other expenses	199,089	110,655
Operating income	1,016,579	2,492,773
Financial revenue	71	87
Financial expenses	20,243	10,575
Share of profit (loss) of investments accounted for using the equity method	(39,193)	(56,223)
Profit before taxes	957,214	2,426,062
Income tax expenses	473,716	884,844
Profit for the period	483,497	1,541,217
Profit for the period attributable to:		
Owners of the parent	489,042	1,572,078
Non-controlling interests	(5,544)	(30,861)
Total	483,497	1,541,217
		(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	4.12	13.24
Diluted profit for the period per share	4.12	13.24

For the three-month period ended

	Three-month period ended September 30, 2017	Three-month period ended March 31, 2018
Revenue	8,154,782	9,541,120
Cost of revenue	946,608	946,889
Gross profit	7,208,174	8,594,231
Selling, general and administrative expenses	6,366,791	7,253,883
Other income	60,162	76,069
Other expenses	90,323	57,772
Operating income	811,222	1,358,644
Financial revenue	-	86
Financial expenses	17,943	4,901
Share of profit (loss) of investments accounted for using the equity method	(44,439)	(8,600)
Profit before taxes	748,839	1,345,228
Income tax expenses	287,871	386,767
Profit for the period	460,968	958,461
Profit for the period attributable to:		
Owners of the parent	467,011	980,351
Non-controlling interests	(6,043)	(21,889)
Total	460,968	958,461
		(yen)
Profit for the period per share attributable to owners of the parent		
Basic profit for the period per share	3.93	8.26
Diluted profit for the period per share	3.93	8.26

Condensed Consolidated Statements of Comprehensive Income
For the six-month period ended

(Thousands of yen)

	Six-month period ended September 30, 2017	Six-month period ended March 31, 2018
Profit for the period	483,497	1,541,217
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax:		
Available-for-sale financial assets	1,108	(4,196)
Exchange differences on translation of foreign operations	1,127,554	(209,411)
Cash flow hedge	(74)	(158)
Share of other comprehensive income of investments accounted for using the equity method	(2,303)	(6,074)
Other comprehensive income, after tax	1,126,285	(219,841)
Total comprehensive income for the period	1,609,783	1,321,376
Comprehensive income for the period attributable to:		
Owners of the parent	1,615,453	1,352,317
Non-controlling interests	(5,669)	(30,941)
Total	1,609,783	1,321,376

Condensed Consolidated Statements of Comprehensive Income
For the three-month period

(Thousands of yen)

	Three-month period ended September 30, 2017	Three-month period ended March 31, 2018
Profit for the period	460,968	958,461
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax:		
Available-for-sale financial assets	1,237	(6,126)
Exchange differences on translation of foreign operations	416,835	(389,322)
Cash flow hedge	(1,478)	(1,233)
Share of other comprehensive income of investments accounted for using the equity method	(2,303)	(8,912)
Other comprehensive income, after tax	414,290	(405,595)
Total comprehensive income for the period	875,258	552,866
Comprehensive income for the period attributable to:		
Owners of the parent	880,166	574,835
Non-controlling interests	(4,907)	(21,969)
Total	875,258	552,866

(3) Condensed Consolidated Statements of Changes in Equity

For the six-month period ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(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 April 1, 2017	3,999,578	4,523,690	11,815,482	(8,644)	(1,858,928)	18,471,178	344,789	18,815,968
Profit for the period	-	-	489,042	-	-	489,042	(5,544)	483,497
Other comprehensive income	-	-	-	-	1,126,410	1,126,410	(124)	1,126,285
Total comprehensive income for the period	-	-	489,042	-	1,126,410	1,615,453	(5,669)	1,609,783
Dividends of surplus	-	-	(671,929)	-	-	(671,929)	(37,506)	(709,435)
Purchase of treasury shares	-	-	-	(49)	-	(49)	-	(49)
Capital transaction with owners of non-controlling interests	-	(187,459)	-	-	-	(187,459)	(235,346)	(422,805)
Increase due to business combinations	-	-	-	-	-	-	189	189
Total transactions with owners	-	(187,459)	(671,929)	(49)	-	(859,438)	(272,663)	(1,132,101)
Balance as of September 30, 2017	3,999,578	4,336,231	11,632,596	(8,694)	(732,517)	19,227,194	66,456	19,293,650

For the six-month period ended March 31, 2018 (October 1, 2017 to March 31, 2018)

(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, 2017	3,999,578	4,336,231	11,632,596	(8,694)	(732,517)	19,227,194	66,456	19,293,650
Profit for the period	-	-	1,572,078	-	-	1,572,078	(30,861)	1,541,217
Other comprehensive income	-	-	-	-	(219,760)	(219,760)	(80)	(219,841)
Total comprehensive income for the period	-	-	1,572,078	-	(219,760)	1,352,317	(30,941)	1,321,376
Dividends of surplus	-	-	(97,346)	-	-	(97,346)	(1,577)	(98,924)
Capital transaction with owners of non-controlling interests	-	(9,412)	-	-	-	(9,412)	(2,027)	(11,440)
Increase due to business combinations	-	-	-	-	-	-	28,000	28,000
Total transactions with owners	-	(9,412)	(97,346)	-	-	(106,759)	24,395	(82,364)
Balance as of March 31, 2018	3,999,578	4,326,818	13,107,328	(8,694)	(952,278)	20,472,752	59,910	20,532,662

(4) Condensed Consolidated Statements of Cash Flows

(Thousands of yen)

	Six-month period ended September 30, 2017	Six-month period ended March 31, 2018
Cash flow from operating activities		
Profit for the period before tax	957,214	2,426,062
Depreciation and amortization	528,852	552,833
Financial revenue	(71)	(87)
Financial expenses	20,243	10,575
Decrease (increase) in accounts receivable-trade and other current receivables	525,137	(913,064)
Increase (decrease) in accounts payable-trade and other current payables	259,390	25,462
Others	249,420	(348,640)
Subtotal	2,540,187	1,753,140
Interest and dividends received	1,969	87
Interest paid	(9,843)	(9,447)
Income taxes paid	(622,319)	(273,395)
Net cash from operating activities	1,909,994	1,470,384
Cash flow from investing activities		
Purchase of available-for-sale financial assets	(45,968)	(404,866)
Proceeds from sale of available-for-sale financial assets	4,213	-
Purchase of property, plant and equipment	(926,272)	(85,861)
Proceeds from sale of property, plant and equipment	1,318	-
Purchase of intangible assets	(145,305)	(175,872)
Proceeds from sale of intangible assets	7,303	-
Acquisition of subsidiaries	(88,655)	-
Payments for loans receivable	-	(30,000)
Proceeds from refund of leasehold deposits and guarantee deposits	439,915	-
Acquisition of shares of associates	(239,124)	(317,918)
Proceeds from sales of shares of associates	-	135,000
Others	(6,992)	(42,212)
Net cash from investing activities	(999,566)	(921,731)
Cash flow from financing activities		
Repayment of long-term loans	(499,995)	(499,995)
Dividends paid	(671,929)	(97,342)
Repayment of lease obligations	(1,447)	(1,609)
Dividends paid to non-controlling interests	(37,506)	(1,577)
Purchase of shares in subsidiaries	(391,391)	(11,438)
Proceeds from share issuance to non-controlling interest	714	28,000
Proceeds from issuance of bonds	-	3,000
Purchase of treasury shares	(49)	-
Net cash from financing activities	(1,601,605)	(580,963)
Effect of exchange rate changes on cash and cash equivalents	153,875	(30,830)
Net increase (decrease) in cash and cash equivalents	(537,302)	(63,140)
Cash and cash equivalents at beginning of period	6,046,944	5,509,642
Cash and cash equivalents at end of period	5,509,642	5,446,501

(5) Notes to the Condensed Consolidated Financial Statements

(Note Regarding Going Concern Assumption)

Not applicable.

(Note Regarding Events Subsequent to the End of Quarter)

The Company, on May 9, 2018, announced that it entered into a contract (Scheme Implementation Deed) to acquire all outstanding shares of Mitula Group Limited (“Mitula”), a company organized under the Corporations Act of Australia (the “Australian Corporations Act”) and listed on the Australian Securities Exchange, and to make Mitula a wholly-owned subsidiary of the Company (the “Acquisition”) by means of a scheme of arrangement under the Australian Corporations Act in exchange for the common shares of the Company and cash. This event was disclosed on the same day as the “Announcement of the Agreement for Commencement of Friendly Acquisition of 100% Ownership of Mitula Group Limited and the Decision to Hold a Special Meeting of Shareholder”.

Summary of the Acquired Company

(1) Name:	Mitula Group Limited
(2) Address:	Level 6, 330 Collins Street Melbourne VIC 3000, Australia
(3) Business:	Operation of classifieds aggregator and portal sites related to Real estate, job listings, cars, and fashion.
(4) Capital:	33,826 thousand AUD
(5) Shares Outstanding:	215,406,884 shares
(6) Total Equity:	55,684 thousand AUD (FY December 2017)
(7) Total Assets:	62,008 thousand AUD (FY December 2017)
(8) Revenue:	33,595 thousand AUD (FY December 2017)

Reasons for Acquisition

The Company states as the pillars of its medium to long-term strategy, “transformation and revitalization of the Japanese real estate market” and the “creation of a global platform.” In the domestic Japanese market, the Company is aggressively investing in “LIFULL HOME’S”, one of the largest real estate information websites in Japan, as well as in information visualization that utilizes advanced technology such as AI and Big Data and in new fields of service such as vacation rental (peer-to-peer property rental).

In the global market, the Company acquired in November 2014, Trovit Search S.L. (“Trovit”), a Spanish company that operates one of the world’s largest classifieds aggregator for real estate, cars and jobs. Trovit is currently providing services in 57 countries.

On the other hand, Mitula, based primarily in Spain, operates a leading global classifieds aggregator site across real estate, jobs, cars and fashion spanning 54 different countries in Europe, North & South America, and Asia. Its area of strength is in web marketing and it operates 7 brands and 225 websites with over 800 million unique visitors per year.

The Company believes combining the resources of Trovit and Mitula, such as technology and know-how, will lead to a dramatic growth in the enterprise value of both companies.

Expected Closing of Acquisition:

August to September 2018 (plan)

Method of Acquisition

Share Purchase

Summary of Acquisition

1. Method of the Acquisition

The Acquisition will be a transaction for the purpose of acquiring all of the Mitula Shares and in which Mitula will become a wholly-owned subsidiary of the Company by means of a scheme of arrangement under the Australian Corporations Act. A scheme of arrangement, which will be used in the Acquisition, is a procedure for uniformly changing the capital structure of a company through the approval of a shareholders meeting and court approval rather than by individual agreement with shareholders and other relevant parties, and in the case of the Acquisition, it will be possible to

acquire 100% of the Mitula Shares by obtaining the approval of a Mitula shareholders meeting and the approval of an Australian court. The approval of this scheme will require, (1) Majority approval of Mitula Group Ltd. shareholders present and voting at the Meeting of Company shareholders, and (2) 75% Approval of shares voting for the resolution on the scheme of arrangement at the Meeting of Company shareholders.

The consideration for the Acquisition will be the Company common shares (the “Stock Consideration”) and cash (the “Cash Consideration”). Generally, any Mitula shareholder listed in the final shareholder register (the “Final Mitula Shareholder(s)”) on the record date when the Mitula shareholders entitled to receive the consideration for the scheme of arrangement will be determined (the “Final Mitula Shareholder Record Date”) will receive the Cash Consideration for the Mitula Shares owned by the shareholder (but only 20,000 shares if the shareholder owns over 20,000 Mitula Shares, in that case such shareholder will receive the Stock Consideration for the balance). The Final Mitula Shareholders who perform the prescribed procedure within the prescribed period (the “Stock Consideration Election Procedure”) may elect to receive the Stock Consideration for all of their own Mitula Shares. In the event that the Scheme of Arrangement is implemented, AUD 0.80 per Mitula Share will be paid to Mitula Shareholders as Cash Consideration.

In the event that the Scheme of Arrangement is implemented, (A) the number of the Company common shares that is equal to the number of Mitula Shares that each Final Mitula Shareholder owns on the Final Mitula Shareholder Record Date multiplied by the Allotment Ratio will be provided to each Final Mitula Shareholder who performed the Stock Consideration Election Procedure within the prescribed period, and (B) the number of the Company common shares that is equal to the number of Mitula Shares that each Mitula Shareholder owns on the Final Mitula Shareholder Record Date subtracted by 20,000 shares and then multiplied by the Allotment Ratio will be provided to each Final Mitula Shareholder who did not perform the Stock Consideration Election Procedure and owns over 20,000 Mitula Shares on the Final Mitula Shareholder Record Date (the Final Mitula Shareholders who will receive the Company common shares under (A) or (B) shall be collectively referred to as the “Stock-receiving Mitula Shareholders”).

To provide the Stock Consideration, the Company will issue the Company common shares up to the number of shares (18,514,334 shares after rounding off any fractional share) that is equal to 219,530,625 shares, which is the total number of outstanding shares of Mitula stock (includes the 1,173,741 shares relating to deferred shares and 2,800,000 shares relating to share options that are expected to be issued by the second hearing in an Australian court, and 150,000 shares that are expected to be issued to the directors of Mitula subject to resolution of the annual general meeting of Mitula shareholders to be held on May 24, 2018) multiplied by 112% of the initial Allotment Ratio (0.0753) subject to (i) the special meeting of the Company shareholders passing a resolution approving a proposal for the determination of the subscription requirements regarding the shares for subscription under Article 199 of the Companies Act and the delegation of the determination of the subscription requirements regarding the shares for subscription under Article 200 of the Companies Act, (ii) the Acquisition receiving the approval of a Mitula shareholders meeting and the approval of an Australian court. The number of shares to be issued is the sum of the number of the Company common shares that each Stock-receiving Mitula Shareholder will receive in accordance with the above, and the number of Mitula Shares that is equal to the number of such issued shares divided by the Allotment Ratio will be an in-kind contribution.

2. Allotment Ratio

The Allotment Ratio will initially be 0.0753 (the “Initial Allotment Ratio”) which is calculated as:

(i) AUD 0.85 divided by (ii) AUD 11.29;

(i) AUD 0.85, which was agreed upon as the base price of the Stock Consideration (the “Stock Consideration Base Price”)

(ii) (AUD) 11.29, which is (JPY) 925 (determined with referral to the volume weighted average price (“VWAP”) of the Company shares for each of the 5 trading days up to and including May 8, 2018), converted to Australian dollars based on the Japan/Australia exchange price specified by the Reserve Bank of Australia on May 8, 2018 (the “Initial Company Share Valuation”).

However, the Allotment Ratio may be adjusted within a certain range based on a comparison between the VWAP of the Company shares on each of the 10 trading days up to and including the Final Mitula Shareholder Record Date that is a weighted average of the amount converted to Australian dollars based on the Japan/Australia exchange price specified by the Reserve Bank of Australia on each of such trading days (the “Company Share Valuation for Allotment Ratio

Adjustment”) and the Initial Company Share Valuation (the “Variable Allotment Ratio Method”). If the Company Share Valuation for Allotment Ratio Adjustment is less than the Initial Company Share Valuation of AUD 11.29, the Allotment Ratio will be adjusted up to the number calculated using the formula below but only up to 0.084336, which is 112% of the Initial Allotment Ratio. In such a case, the number of shares to be issued by the Company will increase.

AUD 0.85 / Company Share Valuation for Allotment Ratio Adjustment

Note: Round to the nearest 6th decimal place.

If this number is higher than 0.084336, which is 112% of the Initial Allotment Ratio, the number will be 0.084336.

On the other hand, if the Company Share Valuation for Allotment Ratio Adjustment is higher than AUD 12.1932, which is 108% of the Initial Company Share Valuation, the Allotment Ratio will be adjusted down to the number calculated using the formula below. In such a case, the number of shares to be issued by the Company will decrease.

AUD 0.918 (*) / Company Share Valuation for Allotment Ratio Adjustment

* 108% of the Stock Consideration Base Price (AUD 0.85)

(Note) Rounded to the nearest 6th decimal place

Acquisition Price

The final acquisition price is not finalized at this time, because the following conditions a. b. and c. is not finalized. Based on the following assumptions in line with current Company share price, the acquisition price will be calculated as 15,290 million JPY.

- a. (possible) Adjustment of Allotment Ratio: NO adjustment (Note 1)
- b. (fluidity of) The number of Mitula shares tendered for Cash Consideration: 0 (Note 2)
- c. The Company share price on Closing Date: 925 JPY (Note 3)

(Notes)

1. As described above in “(2)Allotment Ratio”, the Allotment Ratio is subject to adjustment within a prescribed range. For the purpose of acquisition price estimate, the assumption is that the Initial Allotment Ratio will be applied with NO adjustment of Allotment Ratio prior to closing.
2. For the purpose of acquisition price estimate, the assumption is that NO shares are tendered for Cash Consideration. The acquisition price will decrease if the number of Mitula shares tendered for Cash Consideration increases.
3. For the purpose of acquisition price estimate, the price of Company shares on Closing Date is the same as the price used to calculate the Initial Allotment Ratio. If the Company share price on Closing Date rises (declines), the acquisition price will increase (decrease).

The level of goodwill and basis for the booking amount, or the booking amount of assets and liabilities on the closing date of the acquisition has not been finalized.