

May 14, 2020

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Notice Regarding the Implementation of a Global Long-Term Incentive Scheme for Overseas Subsidiaries

As decided in the Board Meeting on May 14, 2020, LIFULL Co., Ltd. (hereinafter, “the Company”) will revise the incentive program for the wholly owned overseas subsidiary LIFULL CONNECT, S.L. (hereinafter, “CONNECT”) founded in November 2019. A Global Long-Term Incentive Scheme (hereinafter, "Incentive") will be established to reward management and officers who make contributions in the mid to long-term.

Details

1. Goals of Implementation

The goals of this Incentive are to retain highly-skill individuals by stimulating the motivation of the management and officers of LIFULL CONNECT to further increase the mid- to long-term business results and value of the Company as whole. In addition, shares of the Company will be offered as compensation to the CONNECT management team in order to share the benefits and risks of shareholders that are linked to share prices and increase their willingness to work toward higher share prices.

2. Overview

The Incentive is a scheme in which remuneration is provided in the form of stock of the Company and cash in accordance with predetermined positions and responsibilities.

Beginning from this year, CONNECT shall award points to the management annually for 5 years based on the position and duties of each individual, and these points will accumulate over this term. After the term has expired, CONNECT will pay the management an incentive equal to the total of acquired points where one point is equal to the value of one share of Company stock at its current price. The management plans to invest the incentive in kind in the Company, and the Company plans to allocate shares by issuing or disposing of common shares.

For officers, the term shall be 4 years from this year. After the term has expired, CONNECT shall pay officers a remuneration in respect to their positions and duties.

This remuneration shall not be paid to members of the management or officers who resign before the expiration of the above terms.