

October 24, 2022

Listed Company: LIFULL Co., Ltd.
Representative: INOUE Takashi, President and CEO
(Stock Code: 2120 TSE Prime)
Inquiries: FUKUZAWA Hidekazu, Managing Officer
Head of Group Company Business
Development Dept.
(TEL +81-3-6774-1603)
(URL <https://ir.lifull.com/en/>)

Notice Concerning the Reorganization of Investment Real Estate Portal to the Subsidiary Kenbiya Co., Ltd. (Simplified Absorption-Type Split)

LIFULL Co., Ltd. (the “Company”) hereby announces that a meeting of the Board of Directors has made the decision to enter into an agreement to transfer the operation of a portion of the LIFULL HOME’S website to the Company’s subsidiary, Kenbiya Co., Ltd., (“Company Split.”)

As the Company Split is a simplified absorption-type split between the Company and its wholly-owned subsidiary, the disclosure matters and other information have been partially abridged.

Notes

1. Purpose of the Company Split

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 which assists users looking for both residential and investment-related properties.

In July 2020, we acquired Kenbiya Co., Ltd., the operator of one of the largest websites for investment properties and real estate information in Japan (Kenbiya), and made it a wholly-owned subsidiary. By combining our resources, we are fortifying our business position in the investment real estate investment market.

In this Company Split, we are transferring our real estate investment portal business to Kenbiya in order to increase efficiency of management resources as well as further accelerate business growth not only in this area, but also for the Group overall.

2. Summary of the Company Split

(1) Schedule

Date of Resolution by Board of Directors	October 24, 2022
Effective Date of Company Split	April 1, 2023 (Planned)

*The Company Split qualifies for the simplified absorption-type split under Article 784, Paragraph (2) of the Companies Act. Accordingly, the Company will not hold a general meeting of shareholders in regard to the split.

(2) Method

Transfer from the Company to the receiving company, Kenbiya Co., Ltd.

(3) Details of Allotment

Since the successor company, Kenbiya Co., Ltd., is a wholly-owned subsidiary of the Company, there will be no share splits or other monetary payments.

(4) Treatment of Share Options and Convertible Bonds

No applicable items

(5) Capital Increase/Reduction

No increase/reduction in capital due to the Company Split

(6) Rights and Obligations to be Transferred

With this Company Split, Kenbiya Co., Ltd. will receive the assets, liabilities, contracts and other rights and obligations related to the transferred business within the scope of the Company Split Agreement with the Company.

(7) Expected Fulfillment of Obligations

We have determined that there will be no issues with the obligations of Kenbiya Co. Ltd. and the Company after the Effective Date.

3. Overview of the Parties to the Company Split (As of September 30, 2021)

	Split Company	Successor Company
(1) Name	LIFULL Co., Ltd.	Kenbiya Co., Ltd.
(2) Address	1-4-4 Kojimachi, Chiyoda-ku, Tokyo, Japan	1-4-4 Kojimachi, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	President and CEO INOUE Takashi	President and Representative Director KURAUCHI Keiichi
(4) Description of Business	Real estate information, overseas, other businesses	Operating of real estate investment website
(5) Capital	9,716 mil. yen	10 mil. yen
(6) Date of Foundation	March 12, 1997	April 15, 2004
(7) Number of Outstanding Shares	134,239,870	200
(8) Major Shareholders & Shareholding Ratio	INOUE Takashi 21.20% Rakuten Group Ltd. 18.05%	LIFULL Co., Ltd. 100%
(9) Financial Conditions & Operating Results for the Latest Fiscal Year		
Year-End Date	September 30, 2021 (Cons.)	September 30, 2021 (Non.-Con.)
Equity	24,910 mil. yen	664 mil. yen
Total Assets	34,122 mil. yen	1,029 mil. yen
Equity Per Share	188.75 yen	-
Revenue	23,106 mil. yen	497 mil. yen
Operating Income	-6,644 mil. yen	123 mil. yen
Normal Income	1,508 mil. yen	171 mil. yen
Net Profit	-9,790 mil. yen	112 mil. yen
Basic Earnings Per Share	-74.30 yen	-

4. Overview of the Business to be Split

(1) Business Operations

LIFULL HOME'S Real Estate Investment Portal Business

(2) Operating Results, Assets and Liabilities

Revenue (FY 2021/9)	: 198 mil. yen
Total Assets ¹	: 38 mil. yen
Total Liabilities ¹	: 9 mil. yen

¹ Total assets and liabilities to be transferred have been estimated for September 30, 2022. However, the actual amount to be transferred will vary from the above, as it will be recalculated for the Effective Date and added or subtracted.

(Note) With the transfer of assets, Kenbiya Co., Ltd. will make a cash payment to the Company in the amount equivalent to the total transferred assets in the form of software as of the Effective Date. (Therefore, there will be no increase or decrease in assets as a result of this Company Split.)

5. Status After Company Split

There will be no change to the name of the Company, location, representative director, business content or fiscal year-end due to this Company Split.

6. Outlook

As this Company Split is an absorption-type split between the Company and its wholly-owned subsidiary, the impact on consolidated performance will be minor.