

March 10, 2023

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Notice Concerning Acquisition of Shares of Medios de Clasificados, S. de R.L. de CV (Lamudi Mexico) as a Subsidiary

LIFULL CONNECT S.L.U. (a wholly-owned subsidiary of the Company headquartered in Spain, “LIFULL CONNECT”) and its wholly-owned subsidiary RESEM Classified Spain S.L. (headquartered in Madrid, Spain, “RESEM”) hereby announce the decision to enter into a transaction agreement to acquire all shares of Medios de Clasificados, S. de R.L. de CV (headquartered in Mexico City, Mexico, “Medios de Clasificados”), a subsidiary of Lamudi Holdings Limited (headquartered in Dubai, “Lamudi Holdings”), to make it a subsidiary of RESEM for the purposes of expanding the Company’s real estate businesses in Mexico and Latin America.

Although this release is not a required disclosure, the Company has decided to voluntarily disclose this information, as it may be useful for investors.

Notes

1. Purpose and Content of the Acquisition

Since our founding, we have followed our Corporate Philosophy “Create a society where everyone can attain comfort and happiness through continuous social innovations” providing people with lifestyle information focused mainly around the real estate sector. The focal point of our current Mid-Term Management Plan ending in FY 2025/9 is the expansion of our core real estate-related businesses in Japan and abroad.

LIFULL CONNECT offers primarily real estate-related services in over sixty countries under a variety of brands and attracts the largest real estate audience in the world. These services include a mixture of portal and aggregation sites as well as other services tailored to the needs of each region.

Developing real estate portals in Latin America and Southeast Asia where more people are moving online is one of the growth strategies of LIFULL CONNECT. In Latin America, LIFULL CONNECT’s subsidiary, RESEM, operates multiple real estate portal brands including iCasas.

Medios de Clasificados, on the other hand, operates one of the largest real estate portals in Mexico, Lamudi (Mexico) (<https://www.lamudi.com.mx/>). Over the years, Lamudi (Mexico) has attracted a considerable amount of property listings through their expansive network of real estate professionals throughout the country.

Therefore, we believe that by combining the strong client network, property listings and brand recognition of Lamudi (Mexico) with RESEM and other assets of LIFULL CONNECT, we will be able to accelerate overall growth in Mexico. In addition, by implementing our own technology into the service, we will be able to increase the profitability of Lamudi’s (Mexico) services and, thereby, further strengthen the services we offer throughout Latin America.

2. Overview of RESEM Classified SPAIN S.L., Subsidiary Making the Acquisition

(1) Name	RESEM CLASSIFIED SPAIN S.L.	
(2) Location	Madrid, Spain	
(3) Title and Name of Representative	Mauricio Silber (CEO)	
(4) Description of Business	- Operation of real estate portals	
(5) Share Capital	EUR 3,000	
(6) Date of Establishment	December 2015	
(7) Net Assets	EUR -3.3 million	
(8) Total Assets	EUR 9.5 million	
(9) Major Shareholders & Ownership Ratios	LIFULL CONNECT S.L.U. (100%)	
(10) Relationship Between the Company and Said Company	Capital Relationship	None to report
	Personnel Relationship	None to report
	Business Relationship	None to report
	Related Party Relationship	Consolidated subsidiary of the Company.

3. Overview of Medios de Clasificados, S. de R.L de CV, Company to be Acquired

(1) Name	MEDIOS DE CLASIFICADOS, S. DE R.L. DE CV	
(2) Location	Mexico City, Mexico	
(3) Title and Name of Representative	Kian Moini	
(4) Description of Business	- Operation of real estate portals	
(5) Share Capital	MXN 91,894,897	
(6) Date of Establishment	July 24, 2013	
(7) Major Shareholders & Ownership Ratios	Lamudi Holdings Limited, 99.9%	
(8) Relationship Between the Company and Said Company	Capital Relationship	None to report
	Personnel Relationship	None to report
	Business Relationship	None to report
	Related Party Relationship	None to report

(9) Consolidated operating results and consolidated financial positions of said company for the last three years			
As of Fiscal Year Ended	FY 2020/12	FY 2021/12	FY 2022/12
Consolidated net assets	-12,213	-21,485	-28,033
Consolidated total assets	1,321	2,573	1,059
Consolidated net assets per share (EUR)	-0.13	-0.23	-0.31
Consolidated net sales	2,176	3,859	5,281
Consolidated operating profit	-1,826	-8,815	-4,474
Consolidated ordinary profit	-2,988	-8,540	-5,211
Profit attributable to owners of parent	-2,988	-8,540	-5,211
Consolidated earnings per share (EUR)	-0.03	-0.09	-0.06
Dividend per share (EUR)	-	-	-

(Thousands of EUR unless otherwise stated)

(Management accounts have been used for FY 2022/12. Actual results may vary based on auditing results.)

4. Overview of Lamudi Holdings Limited, Counterparty to the Acquisition

(1) Name	LAMUDI HOLDINGS LIMITED	
(2) Location	Dubai, UAE	
(3) Title and Name of Representative	Imran Ali Khan (Director) Atif Rana (Director)	
(4) Description of Business	- Operation of classified sites	
(5) Capital	USD 50,000	
(6) Date of Establishment	April 21, 2019	
(7) Net Assets	Information not available	
(8) Total Assets	Information not available	
(9) Major Shareholders & Shareholding Ratio	EMPG Classifieds (Asia) Holdings Limited	
(10) Relationship Between the Company and Said Company	Capital Relationship	None to report
	Personnel Relationship	None to report
	Business Relationship	None to report
	Related Party Relationship	None to report

5. (Ref.) Overview of Subsidiary LIFULL CONNECT S.L.U.

(1) Name	LIFULL CONNECT S.L.U.	
(2) Location	Barcelona Spain	
(3) Title and Name of Representative	Mauricio Silber (CEO)	
(4) Description of Business	<ul style="list-style-type: none"> - Operation of aggregation sites for real estate, job listings and used vehicles - Operation of real estate portals 	
(5) Share Capital	EUR 3,001	
(6) Date of Establishment	November 2019	
(7) Net Assets	EUR 136 million	
(8) Total Assets	EUR 154 million	
(9) Major Shareholders & Ownership Ratios	LIFULL Co., Ltd. (100%)	
(10) Relationship Between the Company and Said Company	Capital Relationship	None to report
	Personnel Relationship	None to report
	Business Relationship	None to report
	Related Party Relationship	Consolidated subsidiary of the Company.

6. Number of Shares Acquired, Acquisition Costs and Shareholding Before and After Acquisition

(1) Shares Held Before Transfer	Number of Shares: 0 Shareholding Ratio: 0%
(2) Shares to be Acquired	Number of Shares: 91,894,897 Shareholding Ratio: 100%
(3) Acquisition Price	Total amount undisclosed due to stipulations in the non-disclosure agreement between parties
(4) Shares Held After Transfer	Number of Shares: 91,894,897 Ratio of Shares Held with Voting Rights: 100%

7. Timetable

Board of Directors Meeting (LIFULL CONNECT)	March 2, 2023
Execution of the share transfer agreement	March 10, 2023 (Japan Time) / March 9, 2023 (Mexico Time)
Transfer of Shares	March 10, 2023 (Japan Time) / March 9, 2023 (Mexico Time)

8. Future Outlook

We expect the effects of this share transfer to be negligible. We will disclose further details as soon as possible should it become apparent that there will be any major effects on the business results of the Company as a result of this acquisition.