

Listed Company: LIFULL Co., Ltd.
 Representative: ITO Yuji
 Representative Director, President, Managing Officer
 (Stock Code: 2120 TSE Prime)
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Notice Regarding Acquisition of Fixed Assets (Trust Beneficial Rights)

LIFULL Co., Ltd. hereby announces that our Board of Directors has resolved to acquire the following assets.

Notes

1. Reason for the Acquisition

In congruence with our Corporate Message of “Make Every LIFE FULL,” the LIFULL Group provides a multitude of online services – such as LIFULL HOME’S, one of the largest real estate platforms in Japan, and Kenbiya, one of the largest investment real estate websites in Japan – to make people’s lives more fulfilling.

One of our goals is to enhance the domestic Japanese real estate market, our primary business sector, while also addressing the current social issue of the increasing number of abandoned houses as well as other factors affecting the appeal of rural communities in Japan. For this purpose, we entered into a joint venture, Rakuten LIFULL STAY, Inc. (now Rakuten STAY, Inc., “Rakuten STAY”), with Rakuten Group, Inc. (“Rakuten Group”) between 2017 and 2022 operating a booking site for vacation rentals. At the end of October 2022, we transferred our shares of this entity to the Rakuten Group. Recently, our subsidiary, LIFULL Investment Co., Ltd. has launched a real estate crowdfunding service (<https://recrowdfunding.lifull.jp/> [in Japanese]) that allows for small-scale investments aimed at expanding the real estate investment market.

In a new approach to repurposing real estate, LIFULL Financial, a subsidiary of LIFULL Co., Ltd., is developing innovative services that combine real estate and finance. This includes services such as LIFULL STAY (<https://stay.lifull.jp/> [in Japanese]), memberships to use lodging facilities created from repurposed properties.

The fixed assets (trust beneficiary rights) involved in this transaction are villa-type accommodations managed by Rakuten STAY. These properties are located in areas highly popular with tourists and surrounded by lush nature. After the acquisition, Rakuten STAY will continue to manage the properties, which are expected to generate stable operational revenue.

Additionally, we believe that both companies stand to benefit from this transaction: Rakuten Group will leverage deep marketing insight gained from its accommodation businesses. Rakuten STAY will contribute expertise gained from managing similar facilities. LIFULL Financial will provide insight into the micro-investment industry. Both the Rakuten Group and our company will utilize their extensive user networks and share knowledge on internet service operations. By undergoing this transaction, both companies seek to contribute to the repurposing of abandoned houses in Japan, the development of new financial real estate services and the exploration of new markets.

2. Fixed Assets to be Acquired (Trust Beneficial Rights)

Name of Asset(s) (Location)	Acquisition Price (JPY)	Current Usage	Rental Income
- Rakuten STAY Villa Sengokuhara Kita-kan (Ashigarashimogun-Hakone-Cho, Kanagawa)	¥5,583 mil. (excl. Tax)	Lodging Facilities (Land and Building)	Fixed rental income (planned)
- Rakuten STAY Villa Sengokuhara Minami-kan (Ashigarashimogun-Hakone-Cho, Kanagawa)			
- Rakuten STAY Villa Kamogawa (Kamogawa-shi, Chiba)			
- Rakuten STAY Villa Nikko (Nikko-shi, Tochigi)			

Details of Properties to be Acquired: Rakuten STAY Official Website (<https://stay.rakuten.co.jp/>) [in Japanese]

3. Overview of the Counterparty

(1) Name	Rakuten Group Inc.	
(2) Location	1-14-1 Tamagawa, Setagaya-ku, Tokyo, 158-0094	
(3) Title and Name of Representative	Chairman and CEO, MIKITANI Hiroshi	
(4) Description of Business	<ul style="list-style-type: none"> - Internet Services (Rakuten Ichiba, Travel, Overseas, etc.) - FinTech (Bank, Securities, Electronic Payments etc.) - Others (Telecommunications, Professional Sports, etc.) 	
(5) Share Capital	¥446,768 million (As of Dec. 31, 2023)	
(6) Date of Establishment	Feb. 7, 1997	
(7) Net Assets	¥1,327,428 million	
(8) Total Assets	¥4,207,994 million	
(9) Major Shareholders & Ownership Ratios	Crimson Group, LLC.	14.24%
	MIKITANI Hiroshi	11.09%
(10) Relationship Between the Company and Said Company	Capital Relationship	Rakuten Group Inc. holds 18.1% of the voting rights of the Company. The Company is an equity-method affiliate of Rakuten Group Inc.
	Personnel Relationship	One of the Directors of the Company is a Full-Time Director and Managing Officer of Rakuten Group Inc.
	Business Relationship	There are transactions between the Company and Rakuten Group Inc. in relationship to the Company's service LIFULL HOME'S.
	Related Party Relationship	The Company is an equity-method affiliate of Rakuten Group Inc.

4. Schedule

Board of Directors Meeting (LIFULL Co., Ltd.)	November 28, 2024
Execution of the transfer agreement	December 10, 2024
Transfer of Property (Planned)	December 10, 2024

5. Outlook

The impact of this transaction on the consolidated financial results for the fiscal year ending September 30, 2025, includes expenditures related to the acquisition of trust beneficiary rights and anticipated income from operations. In the current term, we plan to record sales revenue of approximately ¥250 million, operating profit of about ¥100 million and profit before tax of ¥70 million.

Gains from this transaction are not included in the consolidated forecast for the fiscal year ending September 30, 2025, announced on November 13, 2024. We will promptly inform the market if any significant items which require disclosure arise.