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Plan to Meet Listing Criteria for the Tokyo Stock Exchange Prime Markets

We hereby announce that, as of September 30, 2024, we did not meet the listing maintenance criteria of the Tokyo Stock Exchange Prime Market. Therefore, we have prepared the following Plan to Meet Listing Criteria for the Tokyo Stock Exchange Prime Market.

Notes

1. Compliance with the listing maintenance criteria and plan timeline

As of September 30, 2024, LIFULL does not meet the following criteria for listing on the Tokyo Stock Exchange Prime Market listing maintenance standard for fully diluted market capitalization.

In our Earnings Presentation disclosed on November 13, 2024, we announced that we had entered into a basic agreement for the transfer of an overseas subsidiary. Additionally, as of the current date, we are compliant with all listing standards and will continue to work to ensure that we meet the market capitalization standard by the end of FY 2025/9.

	Shareholders	Tradable Shares	Fully Diluted Market Capitalization	Tradable Share Ratio	Avg. Daily Trading Value	Amount of Net Assets
Current Status of LIFULL (As of the Base Date)	15,326	655,863 Units	¥9.72 Bil.	48.80 %	¥0.15 Bil.	¥24.2 Bil.
Listing Criteria	800+	20,000+ Units	¥10+ Bil.	35+%	¥20+ Mil.	Positive Figure
Status	Satisfied	Satisfied	Unsatisfied	Satisfied	Satisfied	Satisfied
Timeline	-	-	By Sep. 30, 2025	-	-	-

The above values for LIFULL have been calculated based on the shareholding data of the TSE on the base date.

2. Basic policy, challenges and specific measures for compliance with the listing maintenance criteria

Regarding the non-compliance with the listing maintenance requirements for fully diluted market capitalization, while the number of tradable shares and the float ratio have been consistently compliant with the standards, we will continue to invest in growth in our core businesses and proceed with the strategic transformation of our Overseas businesses, as part of our short-term initiatives aimed at improving profitability and achieving our Mid-Term Management Plan by the end of FY 2025/9. In addition to these short-term measures, we will also work to clarify our long-term strategy and increase our share valuation by disclosing more details on this strategy, sustainability initiatives and capital cost-conscious management.

For details on the basic policy, challenges and specific content of our efforts to comply with the listing maintenance requirements, please refer to the attached "Plan to Meet Listing Criteria for the Tokyo Stock Exchange Prime Market."

LIFULL Co., Ltd.

(TSE Prime 2120)

Plan to Meet Listing Criteria for the Tokyo Stock Exchange Prime Market

December 20, 2024

Disclaimer

The opinions and projections, etc. contained herein represent the judgment of LIFULL Co., Ltd. at the time this document was prepared. Please be aware that actual results may vary considerably due to various reasons.

Table of Contents



Maintaining Compliance with Listing Criteria	P 2
Current Status	
- Business Result Trends	P 3
- Share Price Trends	P 4
Core Principles for Meeting Criteria	P 5
Concrete Initiatives	P 6
Mid-Term Management Plan	P 11
IR Team Contact Information	P 13

Maintaining Compliance with Listing Criteria

We currently do not meet the Prime Market requirement for **market capitalization** (as of September 30, 2024.)

Continued Listing Criteria (As of September 30, 2024)

	Continued Listing Criteria (Prime Market)	Current Status of LIFULL (As of the Base Date)	Status
Shareholders	800+	15,326	Satisfied
Tradable Shares	20,000+ Units	655,863 Units	Satisfied
Market Capitalization	¥10.0 Bil. +	¥9.72 Bil.	Unsatisfied
Tradable Share Ratio	35%+	48.8%	Satisfied
Trading Value (Avg.)	¥20 Mil. + / Day	0.15 Bil. / Day	Satisfied
Amount of Net Assets	Positive Figure	¥24.2 Bil.	Satisfied

The above values for LIFULL have been calculated based on the shareholding data of the TSE on the base date.

Current Status: Business Result Trends (FY 2020/9 - FY 2024/9)

- Consolidated revenue has remained relatively flat since FY 2020/9
- While our domestic Japanese businesses have shown

Consolidated Business Results

	FY 2020/9	FY 2021/9	FY 2022/9	FY 2023/9	FY 2024/9
Revenue (JPY Mil.)	35,402	35,857	35,730	36,405	34,466
Operating Profit (JPY Mil.)	2,485	(6,644)	1,672	1,842	(6,443)
Net Profit (JPY Mil.)	1,162	(5,901)	1,180	939	(8,463)
Operating Profit Margin (%)	7.0	(18.5)	4.7	5.1	(18.7)
EPS (Yen)	8.71	(44.78)	8.96	7.31	(66.12)
ROE (Yen)	3.5	(19.1)	4.0	3.0	(29.9)
Year-End Share Price (Yen)	443	370	161	234	142
PER (Multiple)	50.86	(8.26)	17.98	32.01	(2.14)
PBR (Multiple)	1.74	1.72	0.68	0.92	0.75
Impairment Losses in Overseas Segment (JPY Mil.)	1,619	9,749	-	-	7,056

Net Profit: Net profit attributable to Owners of the Parent

EPS: Net Profit per Share

Price-to-Earnings Ratio (PER): Year-End Share Price / Net Profit per Share

Price-to-Book Ratio (PBR): Year-End Share Price / Book Value per Share



Results by Segment (Overseas)

(JPY Mil.)

	FY 2020/9	FY 2021/9	FY 2022/9	FY 2023/9	FY 2024/9
Revenue	6,574	7,263	7,201	8,252	8,154
Profit / Loss	807	1,577	567	(246)	(1,464)
Details		Acquisition(s) • Hipflat	Acquisition(s) • Wasil • Properati Transfer(s) • Fashiola	Acquisition(s) • Fazwaz • Lamudi Mexico	

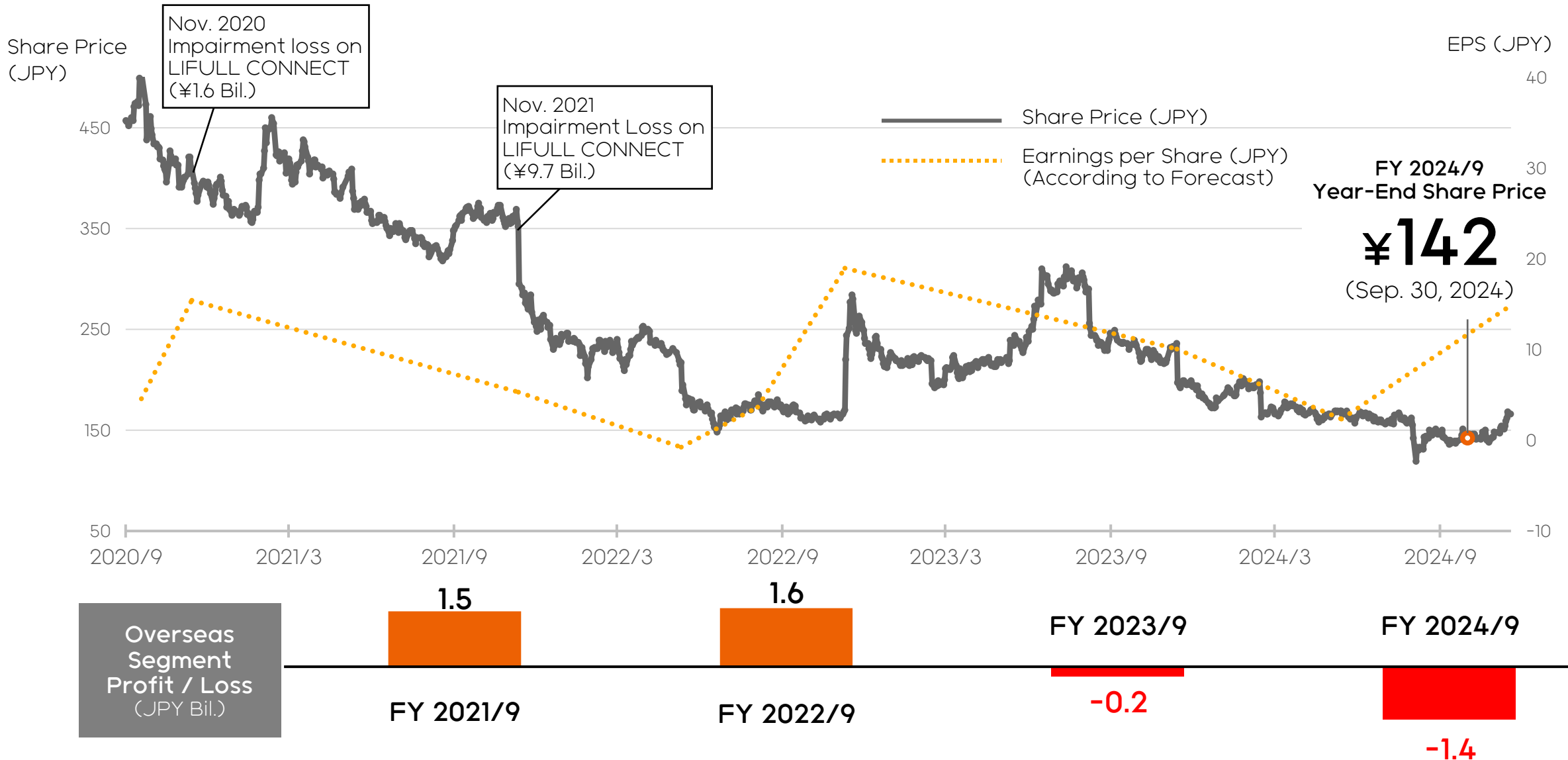
Results by Segment (HOME'S Services, Other Businesses)

(JPY Mil.)

	FY 2020/9	FY 2021/9	FY 2022/9	FY 2023/9	FY 2024/9
Revenue	29,106	28,906	28,829	28,159	26,322
Profit / Loss	3,501	1,685	(312)	2,573	2,251
Details			Transfer(s) • LIFULL Marketing Partners	Transfer(s) • Rakuten LIFULL STAY	Transfer(s) • LIFULL SPACE

1. Intersegment transactions have not been eliminated.
2. Effective from FY 2024/9, a portion of our overseas operations (LIFULL Tech Vietnam & Malaysia) have been transferred to the HOME'S Services Segment. We have revised our segment reporting, and financial statements from FY 2023/9 onward are presented based on the new segment classifications.

Current Status: Share Price Trends (FY 2020/9 - 2024/9)



1. Intersegment transactions have not been eliminated.
 2. Effective from FY 2024/9, a portion of our overseas operations (LIFULL Tech Vietnam & Malaysia) have been transferred to the HOME'S Services Segment. We have revised our segment reporting, and financial statements from FY 2023/9 onward are presented based on the new segment classifications.

Core Principles for Meeting Criteria

Fully Diluted Market Capitalization

=

Free Float Ratio

×

Market Capitalization
(= Shares Outstanding × Share Price)

Since our outstanding shares and their ratio have already consistently exceeded the required levels, we are focusing on enhancing our core businesses to improve profitability. Through this, we aim to increase our share price and consequently our market capitalization by the end of FY 2025/9.

Core Principle	Increased share price driven by a focus on core businesses and enhanced profitability.
Timeline	End of FY 2025/9 (September 30, 2025)
Initiatives	<p>Improving Profitability</p> <ul style="list-style-type: none">• Focusing on proactive growth investments in our core businesses to increase revenue.• Withdrawing from profitable businesses (strategic transformation of Overseas businesses) <p>Increasing Shareholder Value</p> <ul style="list-style-type: none">• Continuing the dividend policy based on a payout ratio of 25% (increasing dividends based on increased net income.)• Enhancing our Investor Relations initiatives and investor communications.

Concrete Initiatives (Initiatives for FY 2025/9) [More Details on Following Pages](#)



Domestic: HOME'S Services (Core Business), Other Businesses

- Continuing with investments in development and increased sales initiatives for sustainable revenue growth
 - Work to further improve profitability by reducing and stepping back from unprofitable businesses
-



Overseas: LIFULL CONNECT

- Implement strategic transformations of our Overseas businesses (Refer to pages 28 – 33 of the FY 2024/9 Earnings Presentation for more details.)
 - Currently negotiating a transfer of shares of LIFULL CONNECT which will result in the removal from consolidation
 - Also negotiating the expiration of earnings-based payments for the acquisition of a subsidiary
-

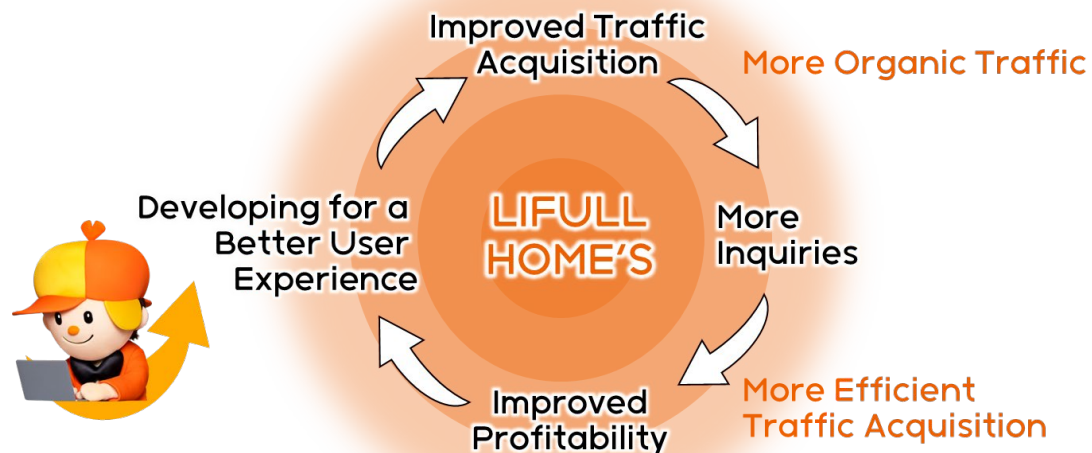


Shareholder Benefits and Investor Relations Initiatives

- Continue the current dividend payout ratio of 25%
- Continue to disclose more details on corporate sustainability
- Increase opportunities for communication with investor relations while also enhancing disclosure information

LIFULL HOME'S FY 2025/9 Growth Strategy

We have been successful in improving our media capacity through our initiatives starting in FY 2021/9 resulting in stable revenue growth. We are now focusing on expanding the scale of these initiatives.

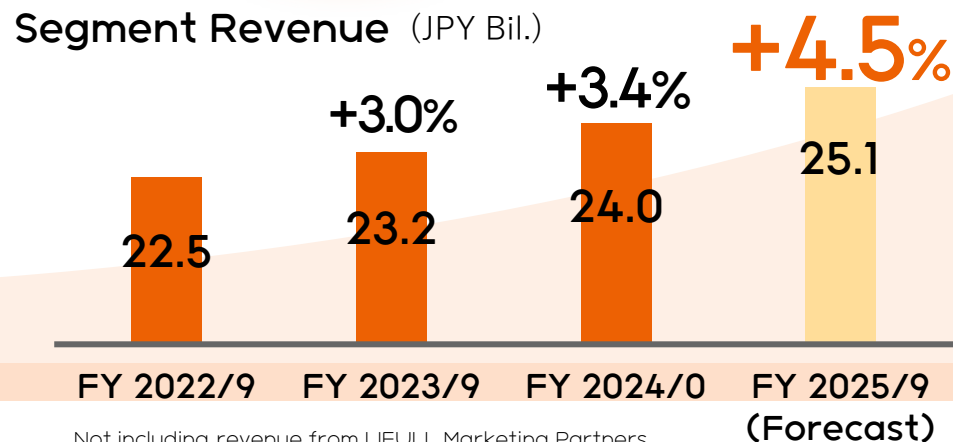


Focus ① Continued Investments in Development

- Personalization of services
- More collaboration with *Sumai No Madoguchi*¹
- Digital transformation support for real estate professionals

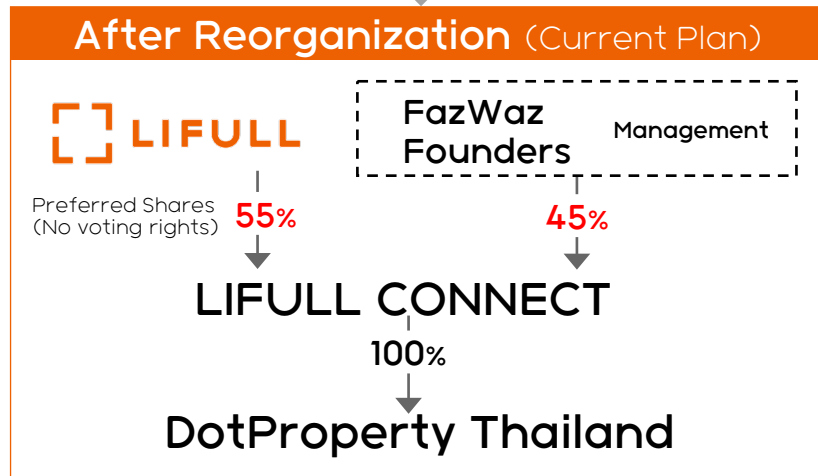
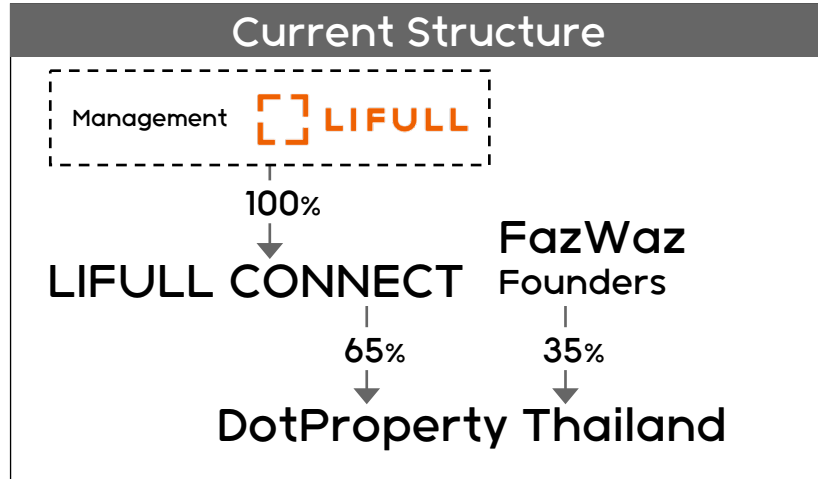
Focus ② Continued Boosted Sales Initiatives

- Expanding our network of real estate professionals
- Driving growth in Average Revenue Per Agent by providing more value for clients



Initiatives Overseas (Strategic Transformation)

LIFULL CONNECT is planned to be removed from consolidation in the LIFULL Group.



Overview of the Planned Changes

- Shares of LIFULL CONNECT are planned to be transferred to the Founders of FazWaz
- LIFULL will change its remaining 55% to preferred shares with no voting rights and transfer management rights to the company
- The requirement to pay the earnout for the acquisition of FazWaz will expire (under negotiation)



The above reorganization will decrease the following risks:

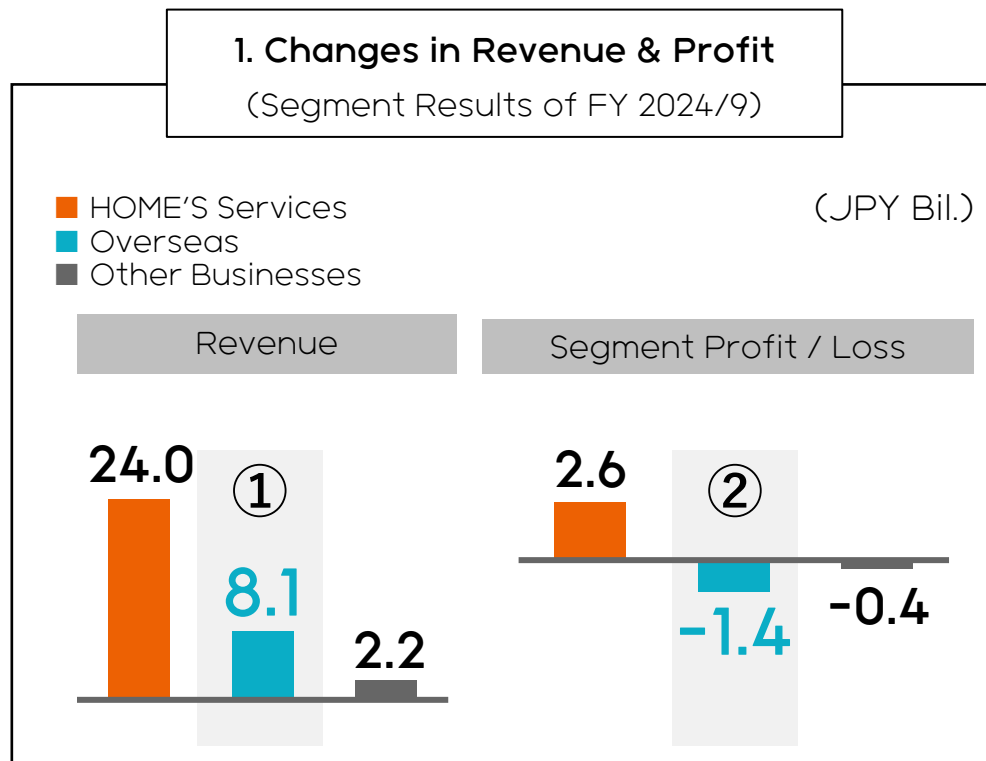
1. Risk of goodwill impairment
2. Risk of consolidated operating loss

* With this transfer, we will become a financial investor in LIFULL CONNECT resulting in valuation differences on the balance sheet.

(Ref) Image of Effects of Reorganization of Overseas on Profit and Loss

Assuming that LIFULL CONNECT had been removed from consolidation as of Oct. 1, 2023 (Beginning of the prev. FY)

1. Change in Revenue & Profit: ① Rev.: -¥8.1 bil. ② Segment Profit / Loss: +¥1.4 bil.
2. Removal of Impairment Loss: ③ Impairment Loss +¥7.0 bil. ④ Earnout: +¥0.87 bil.



2. One-Time Impairment Loss
(Results of FY 2024/9)

③ Impairment: -¥7.0 bil.
Recognition of loss due to adjustment of the recoverable amount.

④ Earnout: -¥0.87 bil.
Change in costs associated with the required earnings-based payment for the acquisition of FazWaz.

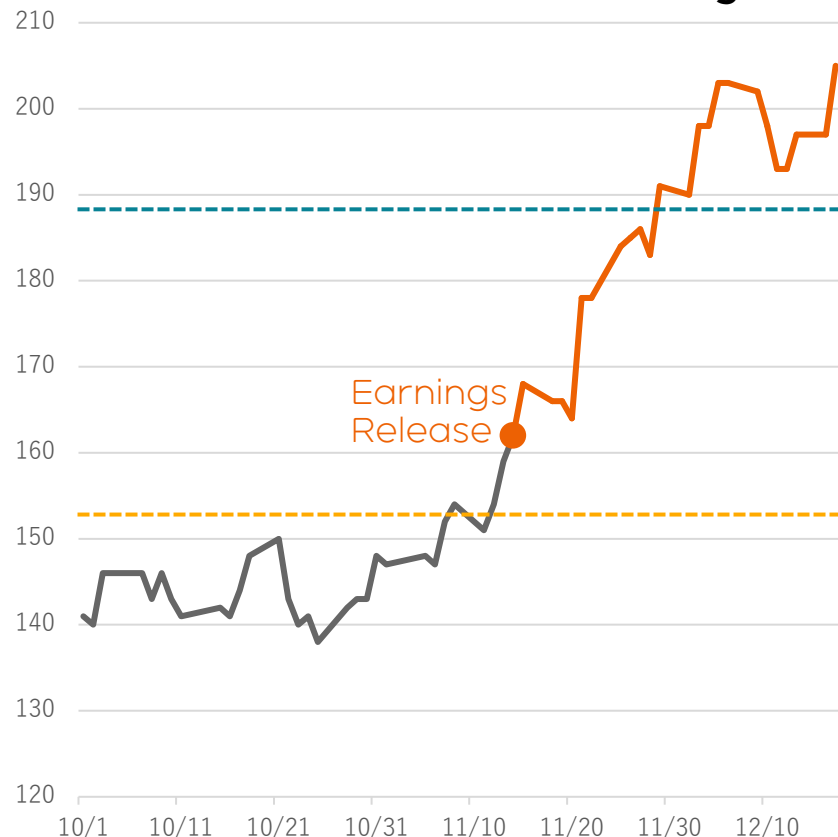
Estimation of Consolidated Profit & Loss
(FY 2024/9)

(JPY Bil.)	Actual	Est.
Revenue	34.4	26.3 (-8.1)
OP	-3.2	6.0 (+9.2)

Current Situation after Disclosure of FY 2024/9 FULL Year Earnings & Overseas Strategic Transformation

Since the announcement on November 13, 2024, regarding the concentration of management resources on our core domestic businesses, our share price has been rising. As of today, we are compliant the Tokyo Stock Exchange Prime Market listing maintenance criteria.

Share Price Trend After Announcing the Memorandum of Understanding (Yen)



Share Price (Yen)

3-Month Avg. until Sep. 30, 2024 (FY End)

¥148.2

Avg. Nov. 14 – Dec. 17, 2024

¥187.0

[Ref.] Average fully diluted market capitalization since Nov. 14, 2024:

Fully Diluted Market Capitalization (Ref.)

¥12.26 Bil.

Compliant with TSE Prime Market Criteria: **¥10.0 Bil.**

Calculated based on tradable shares as of Sep. 30, 2024

----- Share price ¥153; fully diluted market capitalization of over ¥10 bil.

Calculated with earnings per share attributable to owners of the parent for FY 2024/9

----- Share price ¥189; PBR over 1.0

Current Mid-Term Management Plan (Ending FY 2025/9)

No change as we strive to reach **operating profit targets¹** with revenue growth in our core businesses

¹ Criteria for Release of Stock Options for Employees and Executives

Operating Profit Targets

Consolidated: ¥5.0+ Billion

POINT Assuming Strategic Transformation of Overseas Businesses Continues According to Plan (See Page 33 for Details)

- Removal of LIFULL CONNECT from Consolidation
- Expiration of FazWaz Earnout Payment

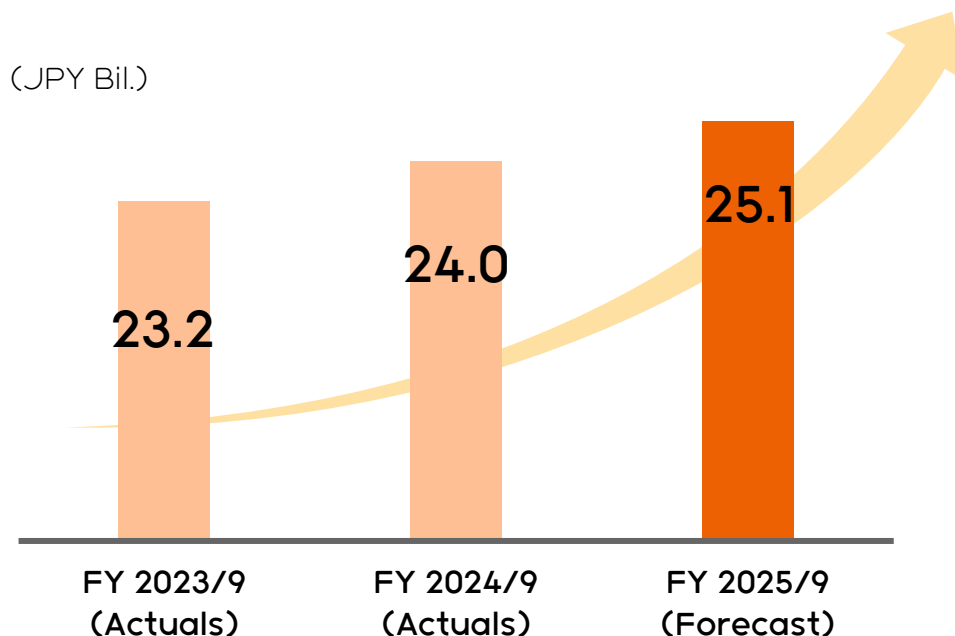
REF. Profit and Loss by Segment (JPY Bil.)



Non-Consolidated: ¥3.0+ Bil.

POINT Revenue Growth in HOME'S Services

(JPY Bil.)



Investor Relations Initiatives

Enhanced Disclosures (Cont.)

Enhancement of Disclosure Items

- Continued disclosure of details in English (Earnings Reports, Presentations, Convocation Notices and other releases)
- Continued access to earnings briefings with online videos
- Expanding the scope of sustainability reporting for more non-financial information

Enrichment of Disclosed Information

Enrichment of Disclosures on Management Targets etc.

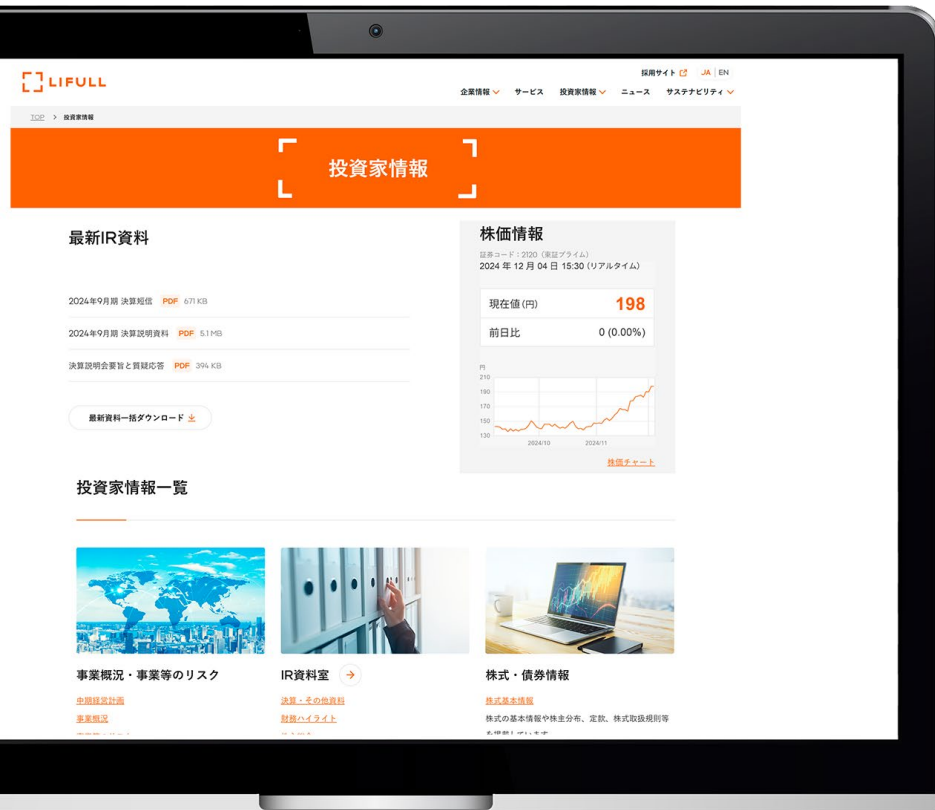
- Aim to enhance disclosure of measures to achieve management that is mindful of the cost of capital
- Aim to enhance disclosure of the next medium-term business plan and long-term growth strategy.

Communication with Shareholders and Investors

Increasing and Enhancing Communication Opportunities

- Continuously create opportunities for dialogue with shareholders and investors in earnings and strategy briefings and other presentations and events.
- Continue to hold earnings briefings for institutional investors and the media after the for the half-year and full-year reports
- Increase one-on-one investor relations meetings with institutional investors to better answer questions regarding the business and strategy

IR Team Contact Information



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LIFULL Sustainability Data

Official YouTube Channel



<https://lifull.com/en/sustainability/>

Find details on our Sustainability Policy and Materiality

<https://www.youtube.com/@LIFULL>

View our earnings presentations and other corporate communications