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 (Stock Code: 2120 TSE Prime)
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(Update) Notice Regarding the Transfer of a Specified Subsidiary

In the “Notice Regarding the Signing of a Memorandum of Understanding Transfer of an Overseas Subsidiary (Partial Transfer of Shares)” released on November 13, 2024, we announced that we had resolved to proceed with discussions regarding the transfer of our specified overseas subsidiary, LIFULL CONNECT S.L.U. (LIFULL CONNECT), to the founders of FazWaz Pte. Ltd. (FazWaz) and entered into a Memorandum of Understanding on the same day.

As a result of these discussions, the Board of Directors resolved to approve a share transfer agreement at a meeting held on January 17, 2025. In this transaction, we will contribute all shares of our wholly owned subsidiary, LIFULL CONNECT, as an in-kind investment to CONNECT NEXT PTE. LTD. (CONNECT NEXT). Consequently, we will acquire 55% of CONNECT NEXT in non-voting preferred shares, leading to LIFULL CONNECT’s exclusion from our consolidated financial statements.

Notes

1. Reason for the Transfer and 2. Overview of the Subsidiary to be Transferred

There have been no changes to the original release.

3. Overview of the Counterparty to the Transfer (Update)

The legal entity to be the counterparty to the transfer, CONNECT NEXT, has been established, and we have updated the details accordingly as follows:

(1) Company Name	CONNECT NEXT PTE. LTD.
(2) Location	Singapore
(3) Title and Name of Representative	CEO, Michael Stuart Bernard Kenner
(4) Description of Business	Holdings company
(5) Share Capital	Undisclosed, as the company is private
(6) Date of Establishment	December 17, 2024
(7) Major Shareholders and Shareholding Ratio	FWG HOLDINGS PTE. LTD. (100%)
(8) Relationship between the Company and said Company	No capital, personnel or business relationships with the Company. Co-founder (Michael Stuart Bernard Kenner) of FAZWAZ PTE., LTD, which was acquired in February 2023, serves as a director of the said entity. Mr. Kenner also serves as a director of LIFULL CONNECT.

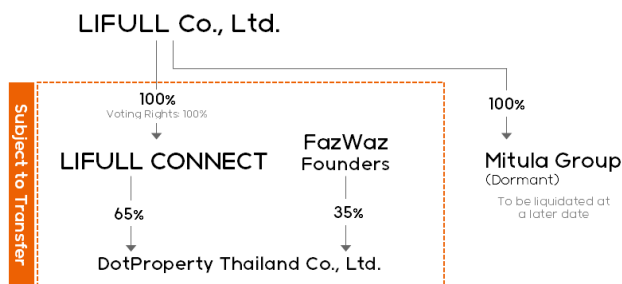
Content of the Transfer

(1) Shares of LIFULL CONNECT Before Transfer	3,001 Regular Shares (Voting Rights: 100%)
(2) Shares of LIFULL CONNECT After Transfer	0 Shares
(3) Number of Shares of CONNECT NEXT Before Transfer	0 Shares (Voting Rights: 0%)
(4) Number of Shares of CONNECT NEXT After Transfer	1,386,000 Series A Shares (Holding Ratio: 55%, Voting Rights: 0%)
(5) Transfer Price etc.	<p>There is no cash consideration for the share transfer of LIFULL CONNECT.</p> <p>As consideration for the in-kind contribution of all shares of LIFULL CONNECT owned by LIFULL to CONNECT NEXT, the company will acquire non-voting preferred shares of CONNECT NEXT (with no restrictions other than the absence of voting rights).</p> <p>(1) Voting Rights: None (2) Dividends: Equal to Regular Shares (3) Liquidation Preference: In the event of liquidation, dissolution or termination, transfer of more than half of shares of CONENCT NEXT, or a merger resulting in a change of majority shareholders, Series A shareholders shall receive distributions in preference to holders of other classes of shares and common shares. (4) Automatic Conversion: Automatic conversion into regular shares upon a new public offering, mutual agreement among shareholders or if LIFULL's shareholding ratio in CONNECT NEXT falls below 20%.</p>

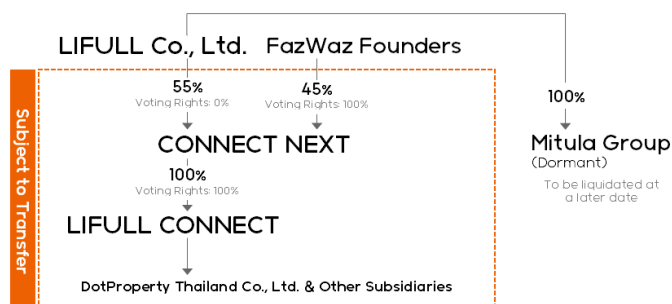
Additional Details

The structure after the transfer will be as depicted below. Mitula Group, owned by LIFULL, is a dormant company and all operations have already been transferred to LIFULL CONNECT. Therefore, it is not subject to this transaction and is scheduled for separate liquidation in the future.

Before Transfer



After Transfer (Planned)





4. Timetable (Changes Have been Underlined)

(1) Board of Directors Meeting	November 13, 2024
(2) Execution of the Memorandum of Understanding	November 13, 2024
(3) Execution of Agreement	<u>January 20, 2025 (Planned)</u>
(4) Transfer of Shares	<u>January 20, 2025 (Planned)</u>

5. Future Outlook

As announced in the previous release, the impact of the execution of this transfer has not been included in the Consolidated Earnings Forecast for the fiscal year ending September 30, 2025.

After this transfer has been completed, LIFULL CONNECT will be excluded from our scope of consolidation. As a result, contributions from LIFULL CONNECT to consolidated revenue and profit will decline as well as other incurred costs and effects due to loss of control. We are currently conducting a detailed examination of the total impact on our consolidated financial results and verifying with auditors. We plan to revise our full-year results forecast after we have determined the total impact of this transfer.

We will inform the market promptly as soon as the details of the agreement have been finalized.