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 (Stock Code: 2120 TSE Prime)
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Notification of Issuance of New Shares for a Restricted Stock Plan

We hereby announce that the Board of Directors has resolved to issue new shares (“Share Issuance”) at a meeting held on January 23, 2025 (“Allocation Resolution Date”) as outlined below.

Notes

1. Overview of the Share Issuance

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| (1) Allotment Date | February 20, 2025 |
| (2) Type and Number of Shares to be Allocated | Regular Shares: 140,834 |
| (3) Share Price and Total Amount of Issuance | ¥195 /Share This Issuance is to be provided free of charge as compensation for Directors (in accordance with Article 202-2 of the Companies Act). The fair evaluation price is set as the closing price (¥195) of common shares of the Company on the Tokyo Stock Exchange Prime Market on the business day preceding the Board Resolution Date, January 22, 2025. The total issuance amount is set at ¥27,462,630, calculated by multiplying this issue price by the number of shares to be issued. |
| (4) Recipients of the Share Allocation and Shares to be Allocated | 4 Directors of the Company (Excluding Outside Directors) 140,834 Shares |

2. Purpose and Reasons for the Issuance

At a meeting held on November 13, 2024, the Board of Directors resolved to introduce a new compensation system aimed at improvement of our Corporate Value and further advancing value-sharing with our shareholders by providing incentives to our directors (excluding outside directors, “Eligible Directors”). This Restricted Stock Plan (RSP) targets Eligible Directors. Additionally, at the 30th Annual General Meeting of Shareholders held on December 23, 2024, it was approved that the compensation to be paid under the RSP to the Eligible Directors will be (i) common stock of the Company or (ii) monetary claims as contributions in kind to acquire common stock of the Company. The total amount of such compensation in the form of ordinary stock or monetary claims will be up to ¥100 mil. per year. The total number of new common shares that the Company may issue or dispose of annually shall also be limited to 650,000 shares. Furthermore, the transfer restriction period for the restricted stocks will be 50 years from the Allotment Date, based on the Restricted Stock Allocation Agreement (Allocation Agreement) concluded between the Company and the Eligible Directors.

Also note that under the previous exclusive director compensation system, monetary compensation was calculated based on the LIFULL Group Vision Achievement Score (LVAS). However, moving forward, this calculation will now involve both monetary and stock compensation with no changes to the calculation method itself.

The outline of the RSP is as follows:

Overview of the RSP

Under this RSP, the Company can either issue or dispose of its ordinary shares as compensation to Eligible Directors without requiring a cash payment or in-kind contributions from the directors or provide monetary compensation claims as compensation, which Eligible Directors then offer entirely as in-kind contributions to receive the issuance or disposal of ordinary shares of the Company (“in-kind contribution grant”). A Restricted Stock Allocation Agreement is, then, concluded between the Company and Eligible Directors. The content of this agreement includes the following: (i) Eligible Directors are prohibited from transferring, setting collateral rights or otherwise disposing of ordinary shares of the Company allotted to them under this agreement for a specified period, and (ii) the Company will acquire these ordinary shares without compensation if certain conditions arise.

When the allocation is made via an in-kind contribution grant, Eligible Directors will pay the entire monetary claims provided by the Company under this plan as in-kind contributions and receive the issuance or disposal of the ordinary shares of the Company. The payment amount per share will be determined by the Board of Directors based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day preceding the resolution date of the Board of Directors (or the closing price of the most recent transaction if no transactions were completed on that day), ensuring that the amount is not particularly advantageous to the Directors receiving the stock.

After consulting with the Nomination and Compensation Committee, considering the purpose of the RSP, the Company’s business condition, the range of responsibilities of each Eligible Director and various circumstances, it was resolved to grant a total of 143,785 shares (“Allotment Shares”) to four Eligible Directors as compensation for their execution of duties to further enhance their motivation.

The overview of the Allocation Agreements to be concluded between the Company and the Eligible Directors for this Issuance is as described in section 3 below.

3. Overview of the Allotment Agreements

(1) Transfer Restriction Period

February 20, 2025 – February 20, 2075

(2) Conditions for Lifting Transfer Restrictions

Provided that the Eligible Director continuously holds the position of Director of the Company during the Transfer Restriction Period, the transfer restrictions on all allocated shares will be lifted at the expiration of the period.

(3) Treatment in the Event of Resignation of the Subject Director Due to Term Expiration or Other Legitimate Reasons During the Transfer Restriction Period

(i) Timing for Lifting Transfer Restrictions

If an Eligible Director resigns from the position of Director of the Company upon the expiration of their term or due to other legitimate reasons (including resignation or retirement due to death), the transfer restrictions will be lifted immediately upon their resignation.

(ii) Number of Shares Eligible for Lifting Transfer Restrictions

The number of shares eligible for lifting transfer restrictions is determined by multiplying the number of allocated shares held at the time of resignation, as specified in (i), by the ratio of the number of months from the month including the date of allocation resolution to the month including the date of the Director’s resignation, divided by 12 (if this ratio exceeds one, it is deemed as one). Any fractional shares resulting from this calculation are rounded down

(4) Company Gratuitous Acquisition

At the time of the expiration of the Transfer Restriction Period or at the time when the transfer restrictions are lifted as specified in (3) above, the Company shall automatically acquire, free of charge, any allocated shares for which the transfer restrictions have not been lifted.

(5) Treatment in the Event of Organizational Restructuring, etc.

If during the Transfer Restriction Period matters related to organizational restructuring, such as a merger agreement where the company becomes the dissolved entity, a share exchange agreement where the Company becomes a wholly-owned subsidiary, or a stock transfer plan, are approved by the a General Meeting of Shareholders of the Company (or by the Board of Directors



if an approval from a General Meeting of Shareholders is not required), the Board of Directors may resolve to lift the transfer restrictions on the number of allocated shares. The number of shares is calculated by multiplying the number of shares by the ratio of the number of months from the month including the date of Allocation Resolution to the month including the date of such approval divided by 12 (and if this ratio exceeds one, it is deemed as one). Any fractional shares resulting from this calculation are rounded down. Furthermore, at the point in time immediately after the transfer restrictions are lifted, the Company shall automatically acquire all allocated shares for which the transfer restrictions have not been lifted, free of charge.

(6) Management of Shares

The allocated shares shall not be transferred, pledged, or otherwise disposed of during the Transfer Restriction Period. During this period, the shares will be managed in a dedicated account opened by the respective directors at Nomura Securities Co., Ltd. To ensure the effectiveness of the transfer restrictions on allocated shares, the Company shall enter into an agreement with Nomura Securities Co., Ltd. concerning the management of the accounts holding shares owned by each Eligible Director. Furthermore, the Directors agree to the management contents of these accounts.