

June 20, 2017

Listed company: LIFULL Co., Ltd.  
Representative: Takashi Inoue, President and CEO  
(Stock code: 2120 TSE First Section)  
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## **Notice of Absorption-type Merger (Short-form Merger)** **of a Consolidated Subsidiary**

LIFULL Co., Ltd. (“LIFULL”) hereby announce that the board of directors decided to absorb its wholly owned subsidiary, Renters co. (“Renters”) and executed an agreement for the merger. The details are described as below.

This merger is a short-form merger of a wholly owned subsidiary, so the disclosure of certain matters and conditions is omitted.

### **1. Purpose of the merger**

LIFULL will absorb Renters to accelerate its strength in conducting business by integrating the “LIFULL HOME’S” site for information on real estate and houses provided by LIFULL and the service for real estate companies provided by Renters toward more efficient management through the concentration of management resources.

### **2. Summary of the merger**

#### (1) Schedule for the merger

Date of resolution by the board of directors: June 20, 2017

Date of execution of the agreement for merger: June 21, 2017

Date of merger (effective date): October 1, 2017 (scheduled)

(Note) The merger constitutes a short-form merger for LIFULL under Paragraph 2, Article 796 of the Companies Act and a short-form merger for Renters under Paragraph 1, Article 784 of the Companies Act.

Accordingly, neither LIFULL nor Renters will hold a general meeting of shareholders for the approval of the merger agreement.

#### (2) Method of merger

Absorption-type merger with LIFULL as the surviving company and Renters as the disappearing company.

Renters will be dissolved.

#### (3) Allotment upon merger

LIFULL holds all the issued shares of Renters. Accordingly, upon the merger, no shares or other money, etc. will be issued or allotted.

#### (4) Treatment of share options and bonds with share options of the disappearing company

Not applicable.

### 3. Overview of the companies involved in the merger

	Surviving company upon absorption-type merger	Disappearing company upon absorption-type merger
(1) Name	LIFULL Co., Ltd.	Renters co.
(2) Address	1-4-4 Kojimachi, Chiyoda-ku, Tokyo	1-4-4 Kojimachi, Chiyoda-ku, Tokyo
(3) Title and name of representative	President and CEO, Takashi Inoue	President and CEO, Tetsuya Kato
(4) Business description	Operation of “LIFULL HOME’S” real estate and housing information site	Operation of services for real estate companies
(5) Paid-in capital	3,999,578,000 yen	70,000,000 yen
(6) Founded	March 12, 1997	August 1, 2000
(7) Number of issued shares	118,789,100 shares	1,640 shares
(8) Settlement term	March	March
(9) Major shareholders and shareholding ratios	Takashi Inoue: 27.73% Rakuten, Inc.: 20.03% Japan Trustee Services Bank, Ltd. (trust account): 7.34% THE BANK OF NEW YORK 133524: 3.39% BBH FOR MATTHEWS JAPAN FUND: 3.01%	LIFULL: 100%
(10) Financial position and business results for the last fiscal year		
Fiscal term	Fiscal year ending March 2017	Fiscal year ending March 2017
Net assets	19,162 million yen	729 million yen
Total assets	25,555 million yen	822 million yen
Net assets per share	161.41 yen	444,952.92 yen
Sales	20,816 million yen	811 million yen
Operating income	3,095 million yen	100 million yen
Ordinary income	3,616 million yen	93 million yen
Current net income	2,556 million yen	67 million yen
Current net income per share	21.53 yen	40,988.60 yen

### 4. State of LIFULL after the merger

There will be no change in the trade name, business description, address of the head office, representative, paid-in capital or settlement term upon the merger.

### 5. Future outlook

The merger will have an insignificant impact on the financial results because a wholly owned consolidated subsidiary of LIFULL is being merged.

(Reference) Consolidated earnings forecasts for the fiscal period ending September 2017 and results for the previous fiscal period (IFRS) (Unit: million yen)

	Revenue	Operating income	Net income attributable to owners of parent
Fiscal year ending September 30, 2017 (Note) (April to September 2017)	15,973	185	138
Fiscal year ending March 30, 2017 (April 2016 to March 2017)	29,920	4,066	2,765

(Note) A proposal to change of the fiscal year from March 31 of each year to September 30 of the same year will be submitted to the 22nd annual general meeting of shareholders to be held on June 28, 2017.