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Notice of Company Split (Incorporation Type) of a Consolidated Subsidiary and Transfer of New Company Shares

LIFULL Co., Ltd. (the “Company”) hereby announces its decision to transfer part of the advertising business of LIFULL FinTech Co., Ltd. (“LIFULL FinTech”), a consolidated subsidiary of the Company, to a company that was newly established through an incorporation-type company split (the “Company Split”), and to begin the procedures upon reaching an agreement with Nippon Life Insurance Company (“Nippon Life”) following the transfer of all of the shares of the said new company to Nippon Life.

Because the Company Split is an independent incorporation-type split of the Company’s subsidiary, part of the disclosure information is omitted in this announcement.

1. Purpose of the Company Split and share transfer

The Company and its group companies (the “Group”) operate a business that provides not only information on changing residence, but also a range of information services catering to the lives of all kinds of people with a focus on the operation of LIFULL HOME’S, a website listing the largest number of properties* in the real estate industry and housing information it provides.

The advertising business on the website, LIFULL Insurance - Insurance Consultation - (formerly MONEymo) (the “Business”), one of Japan’s largest websites for insurance provider searches and reservations, which had been operated as part of the Group’s businesses, was transferred to LIFULL FinTech in July 2015 through a company split with the aim of further business development.

The Company considers that the Business will be able to provide its customers with higher value-added services and expects further business growth by transferring it to Nippon Life, which has extensive experience and expertise in the insurance business. The Company also expects that the transfer will enable the Group to concentrate its management resources and maximize shareholder value, so it decided to implement the transfer.

*Based on the survey conducted by Sankei Medix (announced on January 30, 2018)

2. Outline of the Company Split and share transfer

(1) Schedule for the Company Split and share transfer

Date of signing the share transfer agreement	October 1, 2018 (scheduled)
Date of resolution of the General Meeting of Shareholders on the approval of the plan for the incorporation-type company split	October 15, 2018 (scheduled)
Effective date of the incorporation-type company split	November 1, 2018 (scheduled)
Date of the share transfer	December 2018 - January 2019 (scheduled)

(2) Method of the Company Split

The Company Split will be an incorporation-type company split, in which LIFULL FinTech will be the split company and the Business will be transferred to the newly established company.

(3) Details of allotment related to the Company Split

The new company will allot all of the common shares issued through the Company Split to the split company, LIFULL FinTech. LIFULL FinTech will transfer all of the said shares to Nippon Life as of the date of the share transfer.

(4) Treatment of bonds with share acquisition rights associated with the Company Split

Not applicable.

(5) Changes in capital as a result of the Company Split

The capital of LIFULL FinTech, the split company, will not change as a result of the Company Split.

(6) Rights and obligations transferred to the newly established company

The new company will succeed to the assets, liabilities, contracts, and rights and obligations attached to such assets, liabilities, and contracts involving the Business.

(7) Outlook for performance of obligations

The Company judged that the obligations to be borne by the newly established company and LIFULL FinTech, the split company, in this absorption-type company split would be performed without difficulty.

3. Overview of the companies in the Company Split

	Split Company (As of September 26, 2018)	Newly established Company (Plan as of November 1, 2018)
(1) Company name	LIFULL FinTech Co., Ltd.	TBA
(2) Location	1-4-4 Kojimachi, Chiyoda-ku, Tokyo	1-6-2 Kojimachi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Ryoji Tomatsu, Representative	Ryoji Tomatsu, Representative
(4) Business description	Advertising - Operation of “LIFULL Insurance Consultation” - Operation of “LIFULL <i>Juutaku Roon</i> (housing loan)” and insurance agency - Operation of “LIFULL Insurance Comparison” - Other businesses - Provision of credit card payment scheme - Operation of year-end tax adjustment app “MoneyPal”	Advertising - Operation of “LIFULL Insurance Consultation” - Insurance agency - Operation of “LIFULL Insurance Comparison” - Other businesses - Operation of year-end tax adjustment app “MoneyPal”
(5) Capital	33,599,000 yen	TBA
(6) Date of establishment	July 1, 2015	November 1, 2018 (scheduled)
(7) Number of shares outstanding	1,336	TBA
(8) Fiscal year-end	September 30	TBA
(9) Number of employees	18 (as of July 2, 2018)	TBA
(10) Major shareholders and respective shareholding ratios	LIFULL Co., Ltd. (97.3%)	LIFULL FinTech Co., Ltd.

Note: Details of the new company that will succeed to the Business will be determined by the date of signing the share transfer agreement.

4. Status after the Company Split

	Split Company
(1) Company name	LIFULL FinTech Co., Ltd.
(2) Location	1-4-4 Kojimachi, Chiyoda-ku, Tokyo
(3) Title and name of representative	Ryoji Tomatsu, Representative
(4) Business description	Advertising - Operation of “LIFULL Juutaku Roon (housing loan)” insurance agency - Business related to LIFULL HOME’S other businesses - Provision of credit card payment scheme
(5) Capital	33,599,000 yen
(6) Fiscal year-end	September 30

Note: The name, location, title and name of the representative, capital, and fiscal year-end of the Company will not change after the Company Split.

5. Profile of share acquiring company (as of September 26, 2018)

(1) Company name	Nippon Life Insurance Company
(2) Location	3-5-12, Imabashi, Chuo-ku, Osaka
(3) Title and name of representative	Hiroshi Shimizu, President
(4) Business description	Life insurance business
(5) Fund (consolidated)	1,350 billion yen (total capital redemption reserves) (as of March 31, 2018)
(6) Date of establishment	July 4, 1889
(7) Net assets	6,922.3 billion yen (as of March 31, 2018)
(8) Total assets	74,392.5 billion yen (as of March 31, 2018)
(9) Fiscal year-end	March 31
(10) Number of employees	71,871 (as of March 31, 2018)
(11) Major shareholders and respective shareholding ratios	(Nippon Life is a mutual insurance company and does not have shareholders)
(12) Relationship with the newly established company	There is no relationship corresponding to a capital or personal relationship. The Group and the relevant company have a business relationship.

6. Impact on financial results

The Company plans for the share transfer to be conducted during the fiscal year ending in September 30, 2019. Therefore, there is not impact on the results for the fiscal year ending September 30, 2018. The Company plans to disclose the financial forecasts for the fiscal year ending September 30, 2019, which will include the gain on sale of the shares of the relevant company, at the time of announcing the financial results for the fiscal year ending September 30, 2018. The Company will promptly disclose any information that should be disclosed, if any arises, in the future.