

December 7, 2018

Listed company: LIFULL Co., Ltd.
Representative: Takashi Inoue, President and CEO
(Stock code: 2120 TSE First Section)
Inquiries: Kazuhiko Abe, Managing Officer,
Head of Group Company Business Development Department
(TEL +81-3-6774-1603)

**Announcement concerning the Procedure for Friendly Acquisition of 100%
Ownership of Mitula Group Limited and
Withdrawal of Part of Proposals for Annual Meeting of Shareholders**

With regard to the transaction to acquire all outstanding shares of Mitula Group Limited (“Mitula”), a company organized under the Corporations Act of Australia (the “Australian Corporations Act”) and listed on the Australian Securities Exchange, and to make Mitula a wholly-owned subsidiary of the Company (the “Acquisition”) by means of a scheme of arrangement under the Australian Corporations Act in exchange for the common shares of the Company and cash as published in the [“Announcement of the Agreement for Commencement of Friendly Acquisition of 100% Ownership of Mitula Group Limited and the Decision to Hold a Special Meeting of Shareholders”](#) dated May 9, 2018 (the “May 9 Publication”), today, as announced in the [“Announcement concerning Amendment to Deed for implementation of Friendly Acquisition of 100% Ownership of Mitula Group Limited and Submission of Proposal for Annual Meeting of Shareholders”](#) dated November 19, 2018 (the “November 19 Publication”), the Company's Stock Consideration Value (the weighted average price of the Company common shares' volume weighted average price on the Tokyo Stock Exchange on each of the trading days for the 10 consecutive trading days up to and including today that is converted into Australian dollars *multiplied by* 0.084336 (the maximum allotment ratio for the Company shares to be delivered as consideration of the Acquisition)) defined in the November 19 Publication has been determined AUD 0.80 or more. Accordingly, the Company hereby announces that, today, amongst the proposals for the 24th annual meeting of shareholders scheduled on December 10, 2018, the Proposal 3 “Amendments of terms for the issue of common shares” which is necessary for the implementation of the agreed terms of SID Amending Deed dated on November 19, 2018 has been withdrawn as announced in the November 19 Publication.

Due to the withdrawal of such proposal, the details regarding the terms of issue of the shares for subscription will be in accordance with the Material Terms of Issue included at the end of this announcement (which are the same terms as the Material Terms of Issue included at the end of the May 9 Publication).

Material Terms of Issue

1. Type of shares for subscription	Company common shares
2. Maximum number of shares for subscription	18,514,334 shares (the number of shares for subscription will be the number that is set by the Company's Board of Directors as the sum of the Company common shares that will be received by each Mitula shareholder who will be receiving the Company common shares (the "Allottee Target Company Shareholder") pursuant to a scheme of arrangement (the "Scheme of Arrangement") for the Transaction (defined below))
3. Minimum amount to be paid-in per share	JPY 1 (the Company's Board of Directors will set the amount to be paid-in per share to be the "value of the in-kind contribution" <i>divided by</i> the "number of shares for subscription" (rounded down to the nearest whole number))
4. Total amount to be paid-in	The "amount to be paid-in per share" <i>multiplied by</i> the "number of shares for subscription"
5. Method for contributing non-monetary property	The subject of the contribution will be Mitula common shares (the "Target Company Shares"), a non-monetary property.
6. Description of the in-kind contribution	The number of the Target Company Shares that is equal to the "number of shares for subscription" <i>divided by</i> the Allotment Ratio (defined below) (the "In-kind Contribution Target Company Shares").
7. Allotment ratio	The Allotment Ratio will be 0.0753 (rounded to the nearest 4th decimal place) (the "Initial Allotment Ratio"), which is equal to AUD 0.85 (the "Target Company Share Valuation") <i>divided by</i> AUD 11.29 (the "Initial Company Share Valuation"), provided that (i) if the weighted average price of each of the volume weighted average price (the VWAP will be calculated on price of shares published by the Tokyo Stock Exchange on each respective trading day, except on trades where Mitula and the Company can reasonably agree that the published price does not reflect the fair market price of the shares, in which case the TSE price of that particular day will be disregarded in the calculations. In addition, if the Company shares are received by Mitula shareholders after the so-called right vesting date of the Company shares, VWAP of each transaction day preceding the ex-dividend date will be downward adjusted to reflect the expected dividend amount at that point of time) of the Company common shares on the Tokyo Stock Exchange for each of the 10 trading days up to and including the Final Mitula Shareholder Record Date when the Mitula shareholders entitled to receive the consideration for the Scheme of Arrangement will be determined that is converted into Australian dollars based on the Japan/Australia exchange price specified by the Reserve Bank of Australia on each of such trading days (the "Company Share Valuation for Allotment Ratio Adjustment") is less than the Initial Company Share Valuation of AUD 11.29, the Allotment Ratio will be adjusted up from the Initial Allotment Ratio to the number (rounded to the nearest 6th decimal place) that is equal to the Target Company Share Valuation of AUD 0.85 <i>divided by</i> the Company Share Valuation for Allotment Ratio Adjustment (but if this number is higher than 0.084336, which is 112% of the Initial Allotment Ratio, 0.084336), and (ii) if the Company Share Valuation for Allotment Ratio Adjustment is higher than AUD 12.1932, which is 108% of the Initial Company Share Valuation, the Allotment Ratio will be adjusted down from the Initial Allotment Ratio to the number (rounded to the nearest 6th decimal place) that is equal to AUD 0.918, which is 108% of the Target Company Share Valuation, <i>divided by</i> the Company Share Valuation for Allotment Ratio Adjustment. For each share of the In-kind Contribution Target Company Shares, the Company common shares will be allotted based on the Allotment Ratio.
8. Value of the in-kind contribution	The closing price (AUD) of the Target Company Shares on the Australian Securities Exchange on the final trading day (the "Value Determination Date") (if there is no closing price on said day, the immediately preceding closing price) <i>multiplied by</i> the number of the In-kind Contribution Target Company Shares, converted into Japanese Yen based on the Japan/Australia exchange price specified by the Reserve Bank of Australia on the Value Determination Date.
9. Amount of increase in stated capital and capital surplus	The amount of increase in the stated capital will be 50% of the maximum amount of increase in stated capital, etc. that is calculated according to Article 14(1) of the Corporate Accounting Rules, and any amount less than JPY 1 that result from the calculation will be rounded up. The amount of increase in the capital surplus will be the amount equal to such maximum amount of increase in stated capital, etc. <i>subtracted by</i> the amount of increase in the stated capital.

10. Subscription method	Upon the satisfaction of certain conditions, the Company will acquire all of the Target Company Shares through the scheme of arrangement procedure under the Corporations Act of Australia, the law under which Mitula was incorporated (the "Transaction"). Under the Scheme of Arrangement, the Company will issue the Company common shares as consideration for acquiring the In-kind Contribution Target Company Shares owned by the Allottee Target Company Shareholders.
11. Date or period when the in-kind contribution will be provided	The date decided by the Company's Board of Directors as the implementation date of the Scheme of Arrangement
12. Other matters	Each of the items above will be subject to the Scheme of Arrangement being approved by a meeting of Mitula shareholders and an Australian court, etc.
13. Delegation of determination	All matters required for the subscription requirements regarding the shares for subscription (other than the matters set forth above) will be determined by a resolution of the Company's Board of Directors.