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Representative: ITO Yuji
Representative Director, President, Managing Officer
(Stock Code: 2120 TSE Prime)
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Notice of the Introduction of a Restricted Stock Plan

LIFULL Co., Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held today has resolved to undergo revisions to the remuneration of Directors and introduce a Restricted Stock Plan (RSP) and will submit this proposal to the 30th General Meeting of Shareholders to be held on December 23, 2024.

Notes

1. Objectives of the RSP

In order to grant remuneration under this RSP, we seek approval from shareholders at the next General Meeting of Shareholders, as it involves providing eligible Directors with either (i) common stock of the Company or (ii) monetary claims to acquire common stock of the Company as remuneration. We also note that at the Extraordinary General Meeting of Shareholders held on July 15, 2000, total annual remuneration for Directors of the Company was approved to be within ¥240 million. At this General Meeting of Shareholders, we plan to request approval from the shareholders to introduce this RSP and establish a framework for remuneration for eligible directors within the same limits. Moreover, monetary remuneration is currently calculated according to the LIFULL Group Vision Achievement Score (LVAS) and will be converted to a combination of monetary remuneration and stock, with no change to the calculation method itself.

2. Overview of the RSP

Under this system, remuneration provided to eligible Directors will be either (i) common stock of the Company or (ii) monetary claims as contributions in kind to acquire common stock of the Company. Eligible directors will receive issuance or disposal of common stock based on a resolution by the Board of Directors. The total amount of common stock or monetary claims provided to eligible Directors under this system will be up to ¥100 million per year. The total number of new common shares that the Company may issue or dispose of annually shall be limited to 650,000 shares. However, if a stock split (including the gratis allotment of common stock of the Company) or reverse stock split is conducted with an effective date on or after the resolution date of the respective General Meeting of Shareholders, the total number may be reasonably adjusted according to the split or amalgamation ratio, as necessary, effective from that date.

When granting common stock of the Company as remuneration to eligible Directors under the RSP instead of monetary remuneration, the common stock used as remuneration will be newly issued or disposed of, and there will be no requirement for cash payments in exchange for the issued stock.

However, the amount of remuneration granted to eligible Directors will be calculated based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to each Board of Directors' resolution concerning the issuance or disposal of the common stock (or the latest closing price immediately preceding that day if no transactions were made on that day), as the amount per share of the issued or disposed common stock.

On the other hand, if monetary claims are granted to eligible directors as remuneration in kind for acquiring common stock of the company based on this proposal, it is intended that all of the monetary claims awarded under this system be paid as contributions in kind, and the common stock of the Company be issued or disposed of. In such cases, 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.

The specific timing and allocation of payments to each eligible Director will be determined by the Board of Directors.

Additionally, when issuing or disposing of the common stock of the Company under this system, the issuance shall be conditional upon the conclusion of a restricted stock allocation contract between the Company and the eligible Directors. This contract will include provisions such as: (1) prohibiting any transfer to third parties, creation of security interests or any other disposition of this stock for a certain period (hereinafter referred to as the "transfer restriction period") and (2) allowing the Company to acquire this stock without compensation under certain circumstances. During the transfer restriction period, the stock will be managed in a special account opened by the eligible Directors with Nomura Securities Co., Ltd., to ensure that transfers, creation of security interests or other dispositions cannot occur.