



December 17, 2024

To whom it may concern,

LY Corporation  
Takeshi Idezawa  
President and Representative Director, CEO  
Stock Code: 4689

### **Notice Regarding Decision on Basic Policy for Absorption-type Merger of Z Financial Corporation, a Wholly Owned Subsidiary**

LY Corporation (hereinafter the “Company”) hereby announces that at the meeting of the Board of Directors held today, the Company resolved on a basic policy (hereinafter the “Basic Policy”) to carry out an absorption-type merger (hereinafter the “Merger”) in which the Company is the company surviving the absorption-type merger and Z Financial Corporation (hereinafter “ZF”), a wholly owned subsidiary of the Company, is the disappearing company absorbed in the absorption-type merger, and has decided to begin considering the details and initiating the necessary procedures for the Merger. Details are as follows.

Details of the Merger (details of the absorption-type merger, schedule, etc.) are yet to be determined, and will be announced as soon as they are determined. In addition, the resolution of this Basic Policy has no direct impact on the consolidated business results of the Company.

#### **1. Purpose of the Merger**

ZF is the Company’s consolidated subsidiary and an intermediate holding company for the domestic financial business areas of the LY Corporation Group (the “Group”). The Company has decided the Basic Policy for this Merger with the aim of optimizing the resources of the Group.

#### **2. Overview of the companies involved in the Merger**

	Surviving company	Disappearing company to be absorbed
(1) Trade name	LY Corporation	Z Financial Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Names and titles of representatives	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO (Chief Executive Officer)	Shingo Ogasawara Representative Director, President Corporate Officer, CEO
(4) Main business	Internet advertising business, e-commerce business, members services business, and other businesses; and managing of group companies and other operations	Managing of group companies and businesses incidental thereto
(5) Paid-in capital	JPY 248,773 million (as of September 30, 2024)	JPY 39,779 million (as of September 30, 2024)

#### **Disclaimer**

This is an English translation of the release. This translation is prepared and provided for the reader’s convenience. All readers are recommended to refer to the original version of the release in Japanese for complete information.

	Surviving company		Disappearing company to be absorbed	
(6) Founded	January 31, 1996		May 10, 2019	
(7) Number of shares issued	7,149,601,322 shares (as of September 30, 2024)		1,591,172 shares (as of September 30, 2024)	
(8) Fiscal year end	March 31		March 31	
(9) Major shareholders and shareholding ratios	A Holdings Corporation 62.5% The Master Trust Bank of Japan, Ltd. (trust account) 6.1% STATE STREET BANK AND TRUST COMPANY 505325 3.3% Custody Bank of Japan, Ltd. (trust account) 2.3% STATE STREET BANK AND TRUST COMPANY 505001 1.2% (As of September 30, 2024)		LY Corporation 100% (As of September 30, 2024)	
(10) Financial position and results of operations for the most recent fiscal year	Fiscal year ended March 31, 2024 (Consolidated: IFRS)		Fiscal year ended March 31, 2024 (Non-consolidated: Japanese GAAP)	
	Total equity	JPY 3,446,985 million	Net assets	JPY 124,567 million
	Total assets	JPY 9,043,969 million	Total assets	JPY 124,753 million
	Equity attributable to owners of the parent per share	JPY 404.89	Net assets per share	JPY 85,076.75
	Revenue	JPY 1,814,663 million	Operating revenue	JPY 1,471 million
	Operating income	JPY 208,191 million	Operating income	JPY 642 million
	Income before tax	JPY 181,621 million	Ordinary income	JPY 685 million
	Net income attributable to owners of the parent	JPY 113,199 million	Net loss	JPY46 million
	Basic earnings per share	JPY 15.10	Net loss per share	JPY 32.25

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