



January 28, 2025

To whom it may concern,

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

Absorption-Type Split with LINE Pay Corporation, a Wholly Owned Subsidiary (Simplified Split and Short-Form Split)

LY Corporation (hereinafter the “Company”) hereby announces that at the meeting of the Board of Directors held today, the Company resolved that it shall succeed to the Japanese Public Key Infrastructure (JPKI) service operated by LINE Pay Corporation (hereinafter “LINE Pay”), a wholly owned subsidiary of the Company, via a company split (hereinafter the “Absorption-Type Split”) which will be effective on April 1, 2025. Details are as follows.

The Company has omitted certain disclosure items and details because the Absorption-Type Split is a simplified absorption-type split of a wholly owned subsidiary.

1. Purpose of the Absorption-Type Split

The Company had announced that the Company shall succeed to the Japanese Public Key Infrastructure (JPKI) service operated by LINE Pay in “Termination of LINE Pay Service in Japan,” dated June 13, 2024. The purpose of this Absorption-Type Split is for the Company to smoothly succeed to the JPKI service through the company split, maintaining stable service provision. The Company will continue to leverage its management resources to provide even better services in the future.

2. Outline of the Absorption-Type Split

(1) Schedule of the Absorption-Type Split

Date of the resolution of the Board of Directors (each company):	January 28, 2025
Date of signing of the Absorption-Type Split agreement (each company):	Mid-February, 2025 (planned)
Effective date of the Absorption-Type Split:	April 1, 2025 (planned)

As the Absorption-Type Split falls under the category of a simplified split (as prescribed in Article 796, Paragraph 2 of the Companies Act) in relation to the Company, and a short-form split (as prescribed in Article 784, Paragraph 1 of the same act) in relation to LINE Pay, the Absorption-Type Split agreement shall be implemented without convening a General Meeting of Shareholders of either company for approval.

(2) Method of the Absorption-Type Split

The Absorption-Type Split will be implemented by way of an absorption-type split in which the Company is the succeeding company and LINE Pay is the splitting company.

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(3) Details of allotments related to the Absorption-Type Split

No shares or money will be allotted as a result of the Absorption-Type Split.

(4) Treatment of share options and bonds with share options in connection with the Absorption-Type Split

LINE Pay has not issued share options or bonds with share options.

(5) Change in capital due to the Absorption-Type Split

There will be no change in the Company's share capital as a result of the Absorption-Type Split.

(6) Rights and obligations to be assumed by the succeeding company

The Company will succeed to the assets, contracts, and the other rights and obligations held by LINE Pay related to the Japanese Public Key Infrastructure (JPKI) service as of the effective date to the extent provided in the Absorption-Type Split agreement to be executed between the Company and LINE Pay.

(7) Prospects of fulfillment of obligations

There is no impact on the Company's ability to fulfill its obligations.

3. Overview of the companies involved in the Absorption-Type Split

	Succeeding company	Splitting company
(1) Trade name	LY Corporation	.LINE Pay Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo	1-1-1 Nishi Shinagawa, Shinagawa-ku, Tokyo
(3) Names and titles of representatives	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO (Chief Executive Officer)	Takashi Maeda Representative Director and President, CEO
(4) Main business	Internet advertising business, e-commerce business, members services business, and other businesses; and managing of group companies and other operations	Issuance, sales, and management of prepaid payment instruments, provision of electronic payment systems, and funds transfer business Operation of services related to LINE Points and more
(5) Paid-in capital	JPY 248,773 million (as of September 30, 2024)	JPY 100 million (as of September 30, 2024)
(6) Founded	January 31, 1996	May 9, 2014
(7) Number of shares issued	7,149,601,322 shares (as of September 30, 2024)	4,457,000 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%	LY Corporation 100% (As of September 30, 2024)

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	STATE STREET BANK AND TRUST COMPANY 505001 1.2% (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 2,618 million
	Total assets	JPY 9,043,969 million	Total assets	JPY 35,824 million
	Equity attributable to owners of the parent per share	JPY 404.89	Net assets per share	JPY 587.59
	Revenue	JPY 1,814,663 million	Net sales	JPY 6,707 million
	Operating income	JPY 208,191 million	Operating income/loss	JPY -1,104 million
	Income before tax	JPY 181,621 million	Ordinary income/loss	JPY -92 million
	Net income attributable to owners of the parent	JPY 113,199 million	Net income/loss	JPY -213 million
	Basic earnings per share	JPY 15.10	Net income/loss per share	JPY -48.53

4. Overview of business to be succeeded

(1) Description of the business to be succeeded

Provision of a public identify verification service using the LINE app and Japan's "My Number Card"

(2) Operating results of the business to be succeeded

Net sales: JPY 26 million (Fiscal year ended March 31, 2024)

(3) Items and amounts of assets and liabilities to be succeeded

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	JPY 0 million	Current liabilities	JPY 0 million
Non-current assets	JPY 0 million	Non-current liabilities	JPY 0 million
Total	JPY 0 million	Total	JPY 0 million

The Company plans to succeed to the systems (including source code and data) and others related to the succeeding business; however, the book value in the splitting company is JPY 0. Please also note that the amounts mentioned above are preliminary estimates based on the balance sheet as of December 31, 2024. As these figures are subject to change until the effective date of the Absorption-Type Split, they may differ from the actual amounts to be succeeded.

5. Status after the Absorption-Type Split

There will be no changes in the trade name, location, name and title of representatives, main business, paid-in capital, or fiscal year end of the Company as a result of the Absorption-Type Split.

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6. Future prospects

Since this is an absorption-type split of a wholly owned subsidiary of the Company, the effect of the Absorption-Type Split on the Company's consolidated financial statements of operations is immaterial.

(Reference) Consolidated business performance forecast for current fiscal year (as announced on November 5, 2024) and consolidated business performance for previous fiscal year

	Revenue	Adjusted EBITDA	Adjusted EPS
Consolidated business performance forecast for current fiscal year (FY ending March 31, 2025)	JPY 1,935,000 million	JPY 450,000 million to JPY 460,000 million	JPY 18.5 to JPY 19.4
Consolidated business performance for previous fiscal year (FY ended March 31, 2024)	JPY 1,814,663 million	JPY 414,917 million	JPY 18.93

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