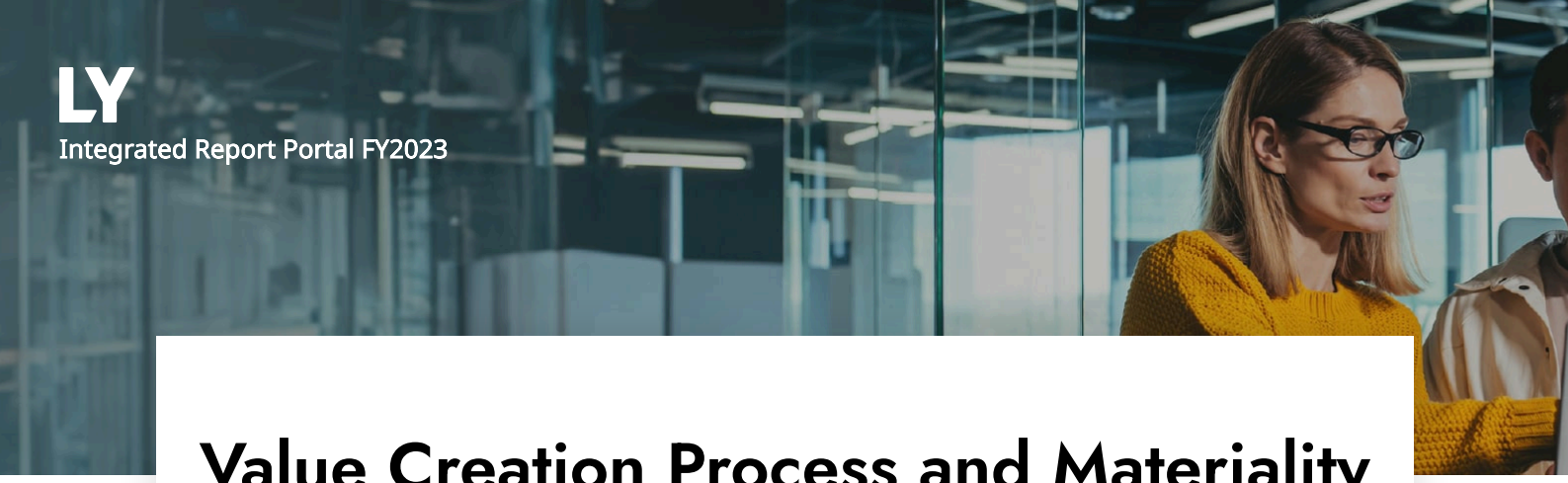
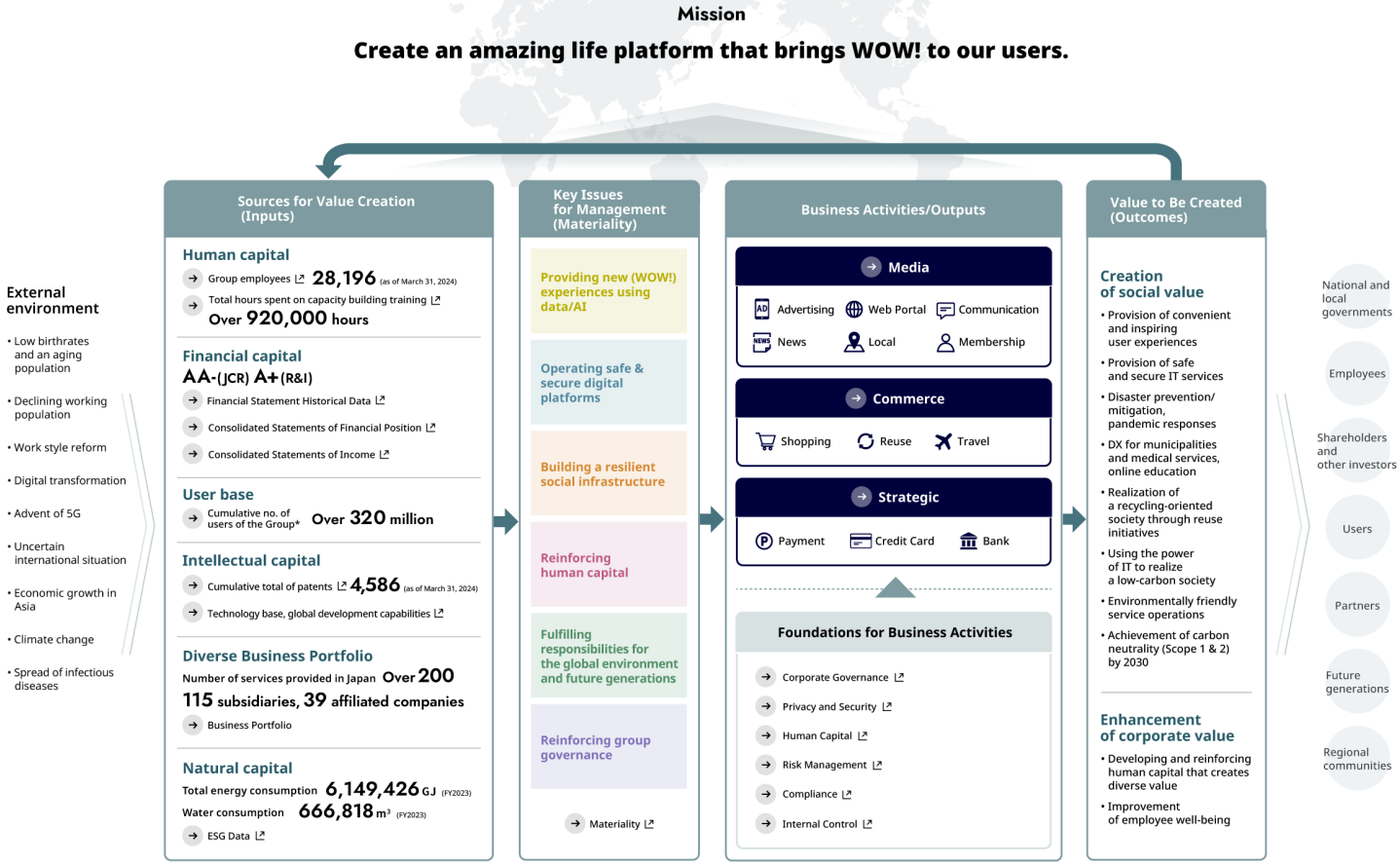


Value Creation Process and Materiality

Last updated: 10/1/2024



* Total number of registered users of LY Corporation's main consolidated services, including Yahoo! JAPAN annual login IDs, LINE monthly users, and PayPay registered users.

Realizing the Group’s Mission by Creating Solutions That Balance Profit Generation with Solving Social Issues

We strive to monitor conditions in our business environment accurately, analyze the risks and opportunities that these present, and then identify the key issues that we need to address to realize sustainable growth. These key issues are considered as we leverage the Group’s strengths—including our diverse business portfolio and one of the largest user bases in Japan—to create new data solutions that not only generate further profits, but also contribute to solving social issues. We think that this will enable us to realize the Group’s mission: "Create an amazing life platform that brings WOW! to our users."

Materiality and Mission

The LY Corporation Group established "Six materialities" in order to realize its mission: "Create an amazing life platform that brings WOW! to our users."
By addressing these issues, the Group will build a future with its stakeholders in which everyone can use the power of the Internet with peace of mind.

Category	Identified materiality	Description	Relation to evaluation map
Business foundation	**Providing new (WOW!) experiences using data/AI**	The LY Corporation Group's mission is to solve problems of people and the society using information technology, under its principle of "users first." The LY Corporation Group aspires to grow as an AI tech company leading the world from Japan and Asia, and to continue providing convenient and inspiring user experiences through the use of data/AI.	• Promote correct use of AI • Promote and diffuse digital financial services/fintech • Improve services through the use of data
	Operating safe & secure digital platforms	Ensuring safety and security in the use of information is the first and foremost responsibility that must be fulfilled by platform operators. Based on this understanding, the LY Corporation Group provides safe and secure IT services from a medium to long term perspective, by ensuring convenient services that anyone can access any time, while providing and reinforcing confidentiality of communications and information security.	• Secure safe telecommunications and protect privacy • Contribute to the healthy and safe development of the Internet society • Measures against illegal and harmful information • Ensure security as a social infrastructure • Secure/improve accessibility • Fair competitive environment • Ensure freedom of expression
	Building a resilient social infrastructure	The LY Corporation Group strives to build a digitally driven and resilient social infrastructure by contributing to disaster prevention and mitigation, response to the pandemic, municipal DX, medical DX, online education and the realization of a resource-circulating society through reuse. The LY Corporation Group will continue businesses and support activities to ensure that the benefits of digital technology are available to all, with a determination of leaving no one behind.	• Support the promotion of disaster prevention, mitigation, and pandemic response • Support a digitally driven society, through municipal DX, medical DX, etc. • Contribute to community development • Support the development/improvement of the educational environment • Contribute to a recycling-oriented society through reuse business, etc.
	Reinforcing human capital	Developing and strengthening talent that drives product-driven innovation is the source of LY Corporation's competitiveness. Aiming to maximize the performance of human capital and organizations, the Company is committed to supporting employee growth, creating a conducive work environment, and fostering a culture through its values.	• Retain/reinforce human capital • Diversity and inclusion • Health and productivity management • Respect for human rights
	Fulfilling responsibilities for the global environment and future generations	Reducing environmental impact and considering the ecosystem are important responsibilities that the LY Corporation Group must fulfill for future generations. Together with its supply chain, the Group aims to realize a decarbonized society through initiatives such as promoting the use of renewable energy for electricity. Furthermore, as the Group views addressing climate change and natural capital as business opportunities to strengthen collaborations with a wide range of societal stakeholders, it will continue to take on these challenges by leveraging the power of IT.	• Mitigate and adapt to climate change • Promote supply chain management (Scope 3 management, etc.) • Conservation of water resources • Preserve biodiversity
Sustainability	**Reinforcing group governance**	Group governance is one of the most important management issues for LY Corporation Group, which has evolved into one of the largest IT service providers in Japan, offering services to the world. The LY Corporation Group will reinforce vertical governance providing optimal decision making for the Group, and horizontal governance promoting the generation of synergies between Group companies, to build and reinforce a governance structure that is among the highest standards in the world.	• Respect for human rights • Promote supply chain management • Rigorous risk management • Compliance and anti-corruption measures • Upgrade and ensure the effectiveness of corporate governance • Secure financial base

- → Key issues (materiality) that we need to address to realize sustainable growth
- → Sustainability Initiatives and Management Structure
- → Message from the Corporate Officer in Charge of Sustainability

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