



October 29, 2024

To whom it may concern,

LY Corporation
Takeshi Idezawa
President and Representative Director, CEO
(Stock Code: 4689 TSE Prime)

**Decision of Policy to Transfer the Customer Service Functions
to LY Communications Corporation, a Wholly Owned Subsidiary, through a Company
Split**

LY Corporation (hereinafter the “Company”) hereby announces that at the meeting of the Board of Directors held on October 29, 2024, the Company resolved on a policy to implement a company split, with the Company as the splitting company and LY Communications Corporation (hereafter “LY Communications”) as the successor company, to transfer the functions related to customer service and operations for the services that the Company provides (hereinafter “CS”) to LY Communications, a wholly owned subsidiary of the Company, in order to strengthen customer support for the Company’s services (hereinafter this “Policy”).

Our CS department has been working on improvement of the productivity of CS management and operations, as well as the products themselves mainly with regard to system planning for Yahoo! JAPAN services, media services and commerce services, in order to enhance user satisfaction. Meanwhile, LY Communications (formerly LINE Fukuoka Corporation) has been in charge of CS operations for LINE app and related services separately from the Company since before, and each of the organizations specialized in customer relations with a deep understanding of products and users is carrying out its operations. In March 2021, the Company merged with the former LINE Corporation (now Z Intermediate Global Corporation), and in October 2023, carried out an internal reorganization centering on the Company, the former LINE Corporation, and the former Yahoo Japan Corporation. As we accelerate the integration and collaboration of LINE and Yahoo! JAPAN services, we aim to contribute to the provision of a higher quality user experience also from the perspective of customer service by unifying the CS departments through this company split. Furthermore, by centralizing the management of organizations and regional bases, we will aim to effectively promote the active use of generative AI technology and improve operational efficiency.

We plan to proceed with the coordination and consideration of this Policy with the aim of implementing the company split by April 1, 2025, however, the details have not yet been determined; we will make an announcement as soon as they are finalized.

The resolution of this Policy will have no direct impact on the consolidated business performance of the Company.

Disclaimer

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

Exhibit: Overview of the companies involved

	Splitting company		Successor company	
(1) Trade name	LY Corporation		LY Communications Corporation	
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo		8-1 Hakataekichuogai, Hakata-ku, Fukuoka	
(3) Names and titles of representatives	Kentarō Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO		Yusuke Suzuki Representative Director, President, and CEO	
(4) Main business	Internet advertising business, e-commerce business, members services business, and other businesses; and managing of group companies and other operations		Operation, customer care, creation, and planning for LY Corporation services	
(5) Paid-in capital	JPY 248,773 million (as of September 30, 2024)		JPY 490 million (As of September 30, 2024)	
(6) Founded	January 31, 1996		November 18, 2013	
(7) Number of shares issued	7,149,601,322 shares (as of September 30, 2024)		88,000 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% 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 5,505 million
	Total assets	JPY 9,043,969 million	Total assets	JPY 7,684 million
	Equity attributable to owners of the parent per share	JPY 404.89	Net assets per share	JPY 62,553
	Revenue	JPY 1,814,663 million	Revenue	JPY 13,197 million
	Operating income	JPY 208,191 million	Operating income	JPY 197 million

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	Income before tax	JPY 181,621 million	Ordinary income	JPY 239 million
	Net income attributable to owners of the parent	JPY 113,199 million	Net income	JPY 121 million
	Basic earnings per share	JPY 15.10	Net income per share	JPY 1,380

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