



January 17, 2025

To whom it may concern,

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

Recommendation for an Administrative Monetary Penalty Payment Order Against a Former Employee of a Subsidiary by the Securities and Exchange Surveillance Commission

The Securities and Exchange Surveillance Commission (SESC) of Japan announced today that it has made a recommendation to the Prime Minister and the Commissioner of the Financial Services Agency of Japan to issue an administrative monetary penalty payment order to a former employee of an overseas subsidiary^{*1} of LINE Corporation^{*2} (hereinafter “Former Employee”), on the grounds that the purchase of the shares of Demae-can Co., Ltd. by the Former Employee who learned of the details before the release of the “Announcement Regarding Additional Acquisition of Shares of, and Execution of Capital Alliance and Partnership Agreement with, Demae-can Co., Ltd.” by LINE Corporation on March 26, 2020, is deemed a violation of the Financial Instruments and Exchange Act (insider trading regulations).

We deeply regret that such an incident has occurred and sincerely apologize for any inconvenience and concern it has caused to our shareholders, investors, and all other stakeholders. We solemnly take the SESC's recommendation against the Former Employee, and will strive to prevent a recurrence of similar misconduct by further strengthening our compliance system and reinforcing employee education and guidance.

^{*1} The subsidiary is currently a subsidiary of LY Corporation (the “Company”).

^{*2} LINE Corporation conducted a business integration with the Company in March 2021 and is currently A Holdings Corporation.

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.