

Results for the Nine Months Ended December 31, 2025 (FY2025-3Q) [IFRSs]

February 4, 2026

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Scheduled Dividend Payment Date: —

Financial Results Supplementary Briefing Materials to Be Created: Yes

Financial Results Investors Meeting to Be Held: Yes (for Financial Analysts)

1. Consolidated Results for the Nine Months Ended December 31, 2025

(April 1, 2025 - December 31, 2025)

(Amounts less than one million yen are omitted)

(1) Consolidated Business Performance (April 1, 2025 - December 31, 2025) (Percentages represent year-on-year changes)

	Revenue		Operating income		Profit before tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine-month period ended Dec. 31, 2025	1,495,357	4.7	284,198	11.6	265,091	18.3	261,528	57.9	183,304	43.6	294,177	85.2
Nine-month period ended Dec. 31, 2024	1,428,759	6.1	254,765	46.2	224,033	31.6	165,581	21.3	127,677	4.3	158,858	2.6

	Adjusted EBITDA		Adjusted net income		Adjusted EPS		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	%	Yen	Yen
Nine-month period ended Dec. 31, 2025	377,316	3.8	156,917	8.6	22.58	15.2	26.38	26.26
Nine-month period ended Dec. 31, 2024	363,488	16.1	144,453	5.0	19.61	6.9	17.33	17.25

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of Dec. 31, 2025	11,089,007	3,597,966	2,966,185	26.7
As of March 31, 2025	9,158,346	3,418,915	2,998,170	32.7

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	7.00	7.00
Fiscal year ending March 31, 2026	—	0.00	—		
Fiscal year ending March 31, 2026 (Estimates)				7.30	7.30

(Note) Revision in dividends previously announced: None

3. Consolidated Performance Estimates for FY2025 (April 1, 2025–March 31, 2026)

	Revenue		Adjusted EBITDA		Adjusted EPS
	Millions of yen	% Change YoY	Millions of yen	% Change YoY	Yen
Fiscal year ending March 31, 2026	2,000,000	4.3	500,000–510,000	6.2–8.3	25.9–26.9

(Note) Revision in performance estimates previously announced: Yes

For details, please refer to 3. Outlook for Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026) in (1) Qualitative Information Regarding the Consolidated Business Performance on page 6 of the Results for the Nine Months (Attachments).

* Notes

- (1) Significant changes in scope of consolidation during the period: Yes
Newly consolidated: 5 (BEENOS Inc., LINE Bank Taiwan Limited, LINE MAN CORPORATION PTE. LTD., DECACORN CO., LTD., LINE MAN (THAILAND) COMPANY LIMITED)
Excluded from consolidation: 1 (Z Financial Corporation)
- (2) Changes in the accounting principles and accounting estimates
- 1) Changes due to IFRSs: None
 - 2) Changes other than 1): None
 - 3) Changes in accounting estimates: None
- (3) Number of stocks issued (common stock)
- 1) Number of stocks issued (including treasury stocks)

As of December 31, 2025	6,882,998,181 shares
As of March 31, 2025	7,154,182,647 shares
 - 2) Number of shares of treasury stocks

As of December 31, 2025	29,005,522 shares
As of March 31, 2025	28,775,073 shares
 - 3) Average number of common stocks outstanding (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	6,948,312,693 shares
Nine months ended December 31, 2024	7,368,155,805 shares

Note: The number of shares of treasury stocks includes the shares of LY Corporation (the "Company") held by the Stock Delivery Trust (J-ESOP), the Board Incentive Plan Trust, and the Stock Delivery ESOP Trust (as of March 31, 2025: 28,167,999 shares; as of December 31, 2025: 23,565,831 shares).
- (4) Formula for each management index
- Adjusted EBITDA: Operating income + depreciation & amortization (*1) ± EBITDA adjustment items (*2)
 - Adjusted net income: Net income attributable to owners of the parent ± EPS adjustment items (*3) ± tax equivalent on some EPS adjustment items
 - Adjusted EPS: Adjusted net income/average number of common stocks outstanding (cumulative from the beginning of the fiscal year)

(*1) Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc.

(*2) EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss on retirement of fixed assets, impairment losses, stock compensation expenses, gain on remeasurement relating to business combinations, other transactions with undetermined cash outflows (one-time provisions, etc.), etc.). Also, gains/losses on sales of shares held by certain funds.

(*3) EPS adjustment items: ± EBITDA adjustment items + amortization of identifiable intangible assets arising from business combinations ± non-recurring gains/losses in non-operating income/expenses

(Note) Starting from the fiscal year ended March 31, 2025, "amortization of identifiable intangible assets arising from business combinations" and "non-recurring gains/losses in non-operating income/expenses" are added to the formula for adjusted net income. Tax equivalent is also adjusted considering such adjustment items.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (optional)

* Explanation of the proper use of performance estimates, and other special notes

- The performance estimates, etc., and other forward-looking statements contained in this document are based on the information currently available to the Company and premised on assumptions that have been deemed reasonable by the management. For a variety of reasons, actual performances, etc., could differ significantly.
- Supplementary materials to the earnings results are published on the Company's website (<https://www.lycorp.co.jp/en/ir.html>) on Wednesday, February 4, 2026.

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1 Qualitative Information Regarding the Consolidated Operating Results

(1) Qualitative Information Regarding the Consolidated Business Performance

1. Business Results Summary (April 1, 2025–December 31, 2025)

■ Highlights

Revenue came to 1,495.3 billion yen (up 4.7% year on year), and adjusted EBITDA came to 377.3 billion yen (up 3.8% year on year). Both set new records for the highest performance to date in the cumulative consolidated third quarter.

	Nine Months Ended Dec. 31, 2024 (billion yen)	Nine Months Ended Dec. 31, 2025 (billion yen)	Year-on-Year Change (billion yen)	Year-on-Year Change (%)
Revenue	1,428.7	1,495.3	66.5	4.7
Adjusted EBITDA	363.4	377.3	13.8	3.8

The revenue for the cumulative consolidated third quarter of the fiscal year ending March 31, 2026 amounted to 1,495.3 billion yen (up 4.7% year on year), representing the highest cumulative consolidated third quarter revenue to date. This was due to an increase in revenue mainly from PayPay's consolidated revenue in the Strategic Business and account advertising in the Media Business, as well as the consolidation of BEENOS Inc. and LINE MAN CORPORATION PTE. LTD. in the Commerce Business, despite the impact of the system outage at ASKUL Corporation that occurred in October 2025.

Adjusted EBITDA for the cumulative consolidated third quarter of the fiscal year ending March 31, 2026 amounted to 377.3 billion yen (up 3.8% year on year), representing the highest cumulative consolidated third quarter earnings to date. This was due to the increased revenues mentioned above, despite an increase in selling, general and administrative expenses mainly due to higher sales promotion costs, commission expenses, and personnel expenses.

In addition, operating income for the cumulative consolidated third quarter of the fiscal year ending March 31, 2026 amounted to 284.1 billion yen (up 11.6% year on year). This was mainly due to the recognition of a gain on remeasurement relating to business combinations accompanied by the consolidation of LINE MAN CORPORATION PTE. LTD. in the second quarter of the fiscal year ending March 31, 2026.

2. Segment Business Results Summary (April 1, 2025–December 31, 2025)

Revenue and Adjusted EBITDA by Segment

	Nine Months Ended Dec. 31, 2024 (billion yen)	Nine Months Ended Dec. 31, 2025 (billion yen)	Year-on-Year Change (billion yen)	Year-on-Year Change (%)
Media Business				
Revenue	544.1	544.8	0.6	0.1
Adjusted EBITDA	216.5	206.5	(9.9)	(4.6)
Commerce Business				
Revenue	636.3	627.2	(9.0)	(1.4)
Adjusted EBITDA	118.5	101.0	(17.4)	(14.7)
Strategic Business				
Revenue	251.5	324.7	73.2	29.1
Adjusted EBITDA	38.7	70.1	31.3	80.9
Other				
Revenue	6.1	7.3	1.2	19.9
Adjusted EBITDA	0.3	4.9	4.5	—
Adjustments				
Revenue	(9.4)	(8.8)	—	—
Adjusted EBITDA (loss)	(10.7)	(5.4)	—	—
Total				
Revenue	1,428.7	1,495.3	66.5	4.7
Adjusted EBITDA	363.4	377.3	13.8	3.8

Notes:

1. In the first quarter of the fiscal year ending March 31, 2026, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised. As a result, the financial results for the fiscal year ended March 31, 2025, have been retroactively adjusted.
2. In the third quarter of the fiscal year ending March 31, 2026, services have been transferred between segments following an internal reorganization. As a result, the financial results for the fiscal year ended March 31, 2025 have been retroactively adjusted.
3. Figures in Adjustments represent inter-segment transactions and general corporate expenses not belonging to any reporting segment.

1) Media Business in the Cumulative Consolidated Third Quarter

The revenue of the Media Business for the cumulative consolidated third quarter amounted to 544.8 billion yen (up 0.1% year on year). Adjusted EBITDA amounted to 206.5 billion yen (down 4.6% year on year) due to increases in sales promotion expenses, generative AI-related expenses, and others.

- Account advertising: Revenue increased 15.8% year on year, maintaining a high growth, due to an increase in the number of paid accounts and expansion of pay-as-you-go billing in LINE Official Account.
- Display advertising: Revenue increased year on year from both programmatic advertising and reservation advertising.
- Search advertising: Revenue decreased year on year from both LY Corporation's websites and partners' websites.

2) Commerce Business in the Cumulative Consolidated Third Quarter

The revenue of the Commerce Business amounted to 627.2 billion yen (down 1.4% year on year) affected by the system outage at ASKUL Corporation in October 2025 despite the increased revenue from the consolidation of BEENOS Inc. and LINE MAN CORPORATION PTE. LTD., as well as increased revenue from the ZOZO Group and the shopping business.

Adjusted EBITDA decreased 14.7% year on year, to 101.0 billion yen, due to factors including the revenue decline described above, an increase in expenses such as sales promotion costs and advertising and promotional expenses, and the absence of gains recorded in the first quarter of the fiscal year ended March 31, 2025 following the loss of control of ValueCommerce Co. Ltd.

E-commerce transaction value (*1) amounted to 3,492.3 billion yen (up 6.8% year on year) due to growth in domestic merchandise transaction value mainly from the shopping business, increase in the number of consolidated subsidiaries in the reuse business and overseas e-commerce business, growth in the transaction value of domestic services, and others. Domestic merchandise transaction value accounted for 2,471.6 billion yen (up 5.6% year on year) of the total e-commerce transaction value.

(*1) E-commerce transaction value is the total transaction value of shopping business, reuse business, and services e-commerce in "LY Corporation," and ZOZO and ASKUL in "ZOZO, ASKUL" under Commerce Business, and paid digital content, etc. included in Other of Media Business listed in "Major services/products of each segment" on page 5.

3) Strategic Business in the Cumulative Consolidated Third Quarter

PayPay consolidated GMV (*2) for the cumulative consolidated third quarter amounted to 14.3 trillion yen (up 23.7% year on year) while maintaining steady growth. Furthermore, the loan balance of PayPay Bank Corporation came to 1,109.6 billion yen (up 28.1% year on year).

The revenue for the cumulative consolidated third quarter amounted to 324.7 billion yen, representing a 29.1% increase year on year, as a result of growth in PayPay consolidated and the consolidation of LINE Bank Taiwan Limited in June 2025. In addition, adjusted EBITDA amounted to 70.1 billion yen (up 80.9% year on year), due to the absence of expenses related to the termination of the LINE Pay service in Japan recorded in the same period of the previous fiscal year, despite increases in sales promotion costs and commission expenses.

(*2) Payments via "PayPay Balance," "PayPay Debit," "PayPay Balance Card," "PayPay Credit," "PayPay Card (physical card)," "VISA Debit Card," "Alipay," "LINE Pay," etc. are included. The use of the "Send/Receive" function of "PayPay Balance" between users and ATM withdrawals using the cash card function of the "VISA Debit Card" are not included. The figures represent the sum of GMVs of PayPay Corporation, PayPay Card Corporation, and PayPay Bank Corporation, with internal transactions eliminated. PayPay Bank Corporation became a subsidiary of PayPay Corporation in the first quarter of the fiscal year ending March 31, 2026. In accordance with this change, the figures for the same period of the previous fiscal year have been retroactively adjusted. Figures are rounded down to the nearest billion yen and then rounded off to the nearest 100 billion yen.

Major services/products of each segment

Media Business	Search advertising	Yahoo! JAPAN Ads "Search Ads"		
	Account advertising	LINE Official Account, LINE Promotion Sticker, LINE de Obo (Participate with LINE), LINE Flyer, etc.		
	Display advertising	Programmatic advertising	Yahoo! JAPAN Ads "Display Ads (Auction)," LINE VOOM, LINE NEWS, Chat List, Talk Head View Custom, etc.	
		Reservation advertising	Yahoo! JAPAN Ads "Display Ads (Guaranteed)," Talk Head View, etc.	
		Other LINE advertising	LINE Part Time Jobs, etc.	
Other	LINE Stickers, LINE GAME, LINE Fortune, LINE MUSIC, LINE Manga, LINE Search, LYP Premium, ebookjapan, real estate-related services, Yahoo! JAPAN Mail, etc.			
Commerce Business	LY Corporation	Shopping business	Yahoo! JAPAN Shopping, LINE Brand Catalog, LINE FRIENDS, LINE GIFT, LINE SHOPPING (*3), Yahoo! JAPAN Quick Mart (*4), overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, MyShop, etc.)	
		Reuse business	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, BEENOS (*5)	
		Services e-commerce	Yahoo! JAPAN Travel, lkyu.com, LINE TRAVEL (Taiwan), LINE MAN (*6), etc.	
		Other	Other	
	ZOZO, ASKUL	ZOZO	ZOTOTOWN, ZOZUSED, Lyst (*7), etc.	
		ASKUL	ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc.	
Strategic Business	Fintech	PayPay (Consolidated) (*8)	PayPay, PayPay Card, Credit Engine, PayPay Bank, PayPay Securities	
		Other fintech	PayPay Asset Management (*9), PayPay Insurance, LINE Pay (*10), LINE Bank Taiwan (*11), LINE Score, LINE Pocket Money, LINE BITMAX, LINE FX, DOSI (*12), etc.	

(*3) LINE SHOPPING in Japan is scheduled to terminate its service in June 2026.

(*4) Yahoo! JAPAN Quick Mart terminated its service on August 31, 2025.

(*5) In May 2025, BEENOS Inc. became a consolidated subsidiary of the Company.

(*6) In September 2025, LINE MAN CORPORATION PTE. LTD. became a consolidated subsidiary of the Company.

(*7) In April 2025, ZOZO, Inc. made LYST LTD, the operator of "Lyst," a wholly-owned subsidiary.

(*8) PayPay Corporation made PayPay Securities Corporation and PayPay Bank Corporation consolidated subsidiaries in April 2025.

(*9) PayPay Asset Management terminated its business at the end of September 2025.

(*10) LINE Pay terminated its service in Japan on April 30, 2025.

(*11) In June 2025, LINE Bank Taiwan Limited became a consolidated subsidiary of the Company.

(*12) DOSI terminated its service on December 30, 2025.

3. Outlook for Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

For the fiscal year ending March 31, 2026, the Group aims to increase revenue and income by continuing to reinforce products in key growth domains through disciplined investments. However, due to the impact of the system outage at ASKUL Corporation that occurred in October 2025, full-year consolidated revenue is now expected to fall below the consolidated performance estimate announced on May 7, 2025. Accordingly, the estimate is revised as shown below.

With regard to adjusted EBITDA and adjusted EPS, there is no change from the previously disclosed figures, as businesses other than ASKUL Corporation are performing steadily above the initial estimates, and company-wide cost control measures are expected to reduce expenses and offset the decline in revenue.

	Revenue	Adjusted EBITDA	Adjusted EPS
	Millions of yen	Millions of yen	Yen
Previously announced estimates (A)	2,100,000	500,000 to 510,000	25.9 to 26.9
Revised estimates (B)	2,000,000	500,000 to 510,000	25.9 to 26.9
Change (B-A)	-100,000	0	0
Change (%)	-4.8	0.0	0.0
(Reference) Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2025)	1,917,478	470,831	24.91

(2) Qualitative Information Regarding the Consolidated Financial Position

Assets, Liabilities, and Equity

1. Assets

Total assets at the end of this consolidated third quarter amounted to 11,089,007 million yen, having increased 1,930,660 million yen, or 21.1%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in assets were as follows:

- The principal reasons for the change in cash and cash equivalents are as stated in "Cash Flows" below.
- Loans in the credit card business increased compared with the end of the consolidated fiscal year ended March 31, 2025, primarily due to an increase in the transaction volume of the credit card business.
- Investment securities in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, due to the purchase of investment securities as part of the fund management activities of PayPay Bank Corporation, and consolidation of LINE Bank Taiwan Limited.
- Loans in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited.
- Other financial assets increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of the PayPay Securities Group (PayPay Securities Corporation and its subsidiaries).
- Goodwill and intangible assets increased compared with the end of the consolidated fiscal year ended March 31, 2025 mainly due to the consolidation of LINE MAN CORPORATION PTE. LTD. and BEENOS Inc.
- Investments accounted for using the equity method decreased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the change in status of LINE Bank Taiwan Limited and LINE MAN CORPORATION PTE. LTD. from equity method affiliates to consolidated subsidiaries of the Company.
- Deferred tax assets increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly as a result of a reassessment of the recoverability of said assets associated with PayPay Corporation.

2. Liabilities

Total liabilities at the end of this consolidated third quarter amounted to 7,491,040 million yen, having increased 1,751,609 million yen, or 30.5%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in liabilities were as follows:

- Trade and other payables increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of the PayPay Securities Group (PayPay Securities Corporation and its subsidiaries) and the BEENOS Group (BEENOS Inc. and its subsidiaries), as well as an increase in accounts payable owed to PayPay Corporation's merchants.
- Customer deposits in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited and an increase in deposits from customers.
- Interest-bearing liabilities increased compared with the end of the consolidated fiscal year ended March 31, 2025 mainly due to an increase in borrowings.

3. Equity

Total equity at the end of this consolidated third quarter amounted to 3,597,966 million yen, having increased 179,051 million yen, or 5.2%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in equity were as follows:

- Capital surplus decreased compared with the end of the consolidated fiscal year ended March 31, 2025 due to the cancellation of treasury stocks.
- Retained earnings increased compared with the end of the consolidated fiscal year ended March 31, 2025, due to the increase resulting from the recognition of the net income attributable to owners of the parent, despite a decrease due to payment of dividends.
- Non-controlling interests increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited and LINE MAN CORPORATION PTE. LTD., as well

as PayPay Corporation's paid-in capital increase.

Cash Flows

At the end of this consolidated third quarter, cash and cash equivalents amounted to 1,168,780 million yen, up 124,835 million yen from the end of the consolidated fiscal year ended March 31, 2025, out of which deposits with the central bank for the banking business amounted to 376,602 million yen.

The following is a description of the movements in the main components of cash flow and the factors contributing to the changes for the period under review:

Cash flows from operating activities amounted to a total cash inflow of 623,341 million yen, primarily owing to an increase in customer deposits in the banking business, an increase in trade and other payables, and the recognition of profit before tax for the period under review, despite an increase in loans for the credit card business, an increase in loans in the banking business, and the payment of income taxes.

Cash flows from investing activities amounted to a total cash outflow of 616,016 million yen, primarily due to purchase of investment securities in the banking business, and purchase of other investments.

Cash flows from financing activities amounted to a total cash inflow of 100,574 million yen, primarily due to proceeds from long-term borrowings, net increase in short-term borrowings, and proceeds from issuance of corporate bonds, despite outflows mainly due to the purchase of treasury stock, repayments of long-term borrowings, and redemption of corporate bonds.

2 Interim Condensed Consolidated Financial Statements and Significant Notes

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Assets				
Cash and cash equivalents	1,043,944	1,168,780	124,835	12.0
Call loans in banking business	63,000	120,401	57,401	91.1
Trade and other receivables	673,275	625,467	(47,808)	(7.1)
Inventories	32,436	35,574	3,138	9.7
Loans in credit card business	983,790	1,206,149	222,359	22.6
Investment securities in banking business	908,887	1,396,380	487,492	53.6
Loans in banking business	926,334	1,466,729	540,395	58.3
Other financial assets	398,510	703,682	305,171	76.6
Property and equipment	262,172	255,414	(6,757)	(2.6)
Right-of-use assets	178,673	184,460	5,787	3.2
Goodwill	2,073,470	2,188,784	115,313	5.6
Intangible assets	1,233,421	1,322,898	89,477	7.3
Investments accounted for using the equity method	265,599	209,480	(56,118)	(21.1)
Deferred tax assets	44,238	113,391	69,152	156.3
Other assets	70,592	91,410	20,818	29.5
Total assets	9,158,346	11,089,007	1,930,660	21.1

(Millions of yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Liabilities and equity				
Liabilities				
Trade and other payables	1,712,145	2,272,203	560,058	32.7
Customer deposits in banking business	1,830,293	2,700,027	869,733	47.5
Interest-bearing liabilities	1,694,398	1,962,110	267,711	15.8
Other financial liabilities	26,610	83,377	56,766	213.3
Income taxes payable	50,060	35,138	(14,921)	(29.8)
Provisions	29,544	34,043	4,499	15.2
Deferred tax liabilities	188,084	190,627	2,543	1.4
Other liabilities	208,293	213,512	5,218	2.5
Total liabilities	5,739,431	7,491,040	1,751,609	30.5
Equity				
Equity attributable to owners of the parent				
Common stock	250,128	251,766	1,637	0.7
Capital surplus	1,880,031	1,677,245	(202,786)	(10.8)
Retained earnings	838,017	978,950	140,933	16.8
Treasury stock	(11,704)	(14,969)	(3,264)	—
Accumulated other comprehensive income	41,696	73,192	31,495	75.5
Total equity attributable to owners of the parent	2,998,170	2,966,185	(31,984)	(1.1)
Non-controlling interests	420,745	631,781	211,036	50.2
Total equity	3,418,915	3,597,966	179,051	5.2
Total liabilities and equity	9,158,346	11,089,007	1,930,660	21.1

(2) Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Nine Months ended Dec. 31, 2024	Nine Months ended Dec. 31, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Revenue	1,428,759	1,495,357	66,597	4.7
Cost of sales	395,252	381,742	(13,510)	(3.4)
Selling, general and administrative expenses	778,741	885,600	106,858	13.7
Gain on remeasurement relating to business combinations	—	61,445	61,445	—
System failure response costs	—	5,262	5,262	—
Operating income	254,765	284,198	29,432	11.6
Other non-operating income	8,925	4,701	(4,223)	(47.3)
Other non-operating expenses	33,034	21,008	(12,025)	(36.4)
Equity in profit (loss) of associates and joint ventures	(6,724)	(6,367)	357	—
Impairment loss on investments in associates and joint ventures	—	7,168	7,168	—
Gain (loss) on sale of investments in associates and joint ventures	100	10,735	10,634	—
Profit before tax	224,033	265,091	41,058	18.3
Income tax expense	58,451	3,562	(54,889)	(93.9)
Profit for the period	165,581	261,528	95,947	57.9
Attributable to:				
Owners of the parent	127,677	183,304	55,627	43.6
Non-controlling interests	37,903	78,223	40,319	106.4
Profit for the period	165,581	261,528	95,947	57.9
Earnings per share attributable to owners of the parent				
Basic (yen)	17.33	26.38	9.05	52.2
Diluted (yen)	17.25	26.26	9.01	52.2

(3) Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine Months ended Dec. 31, 2024	Nine Months ended Dec. 31, 2025
Profit for the period	165,581	261,528
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	20	(1,437)
Equity financial assets measured at FVTOCI	(2,005)	443
Share of other comprehensive income of associates	(114)	132
Subtotal	(2,098)	(862)
Items that may be reclassified subsequently to profit or loss		
Debt financial assets measured at FVTOCI	(2,148)	(1,609)
Exchange differences on translating foreign operations	(2,475)	35,120
Subtotal	(4,624)	33,511
Other comprehensive income, net of tax	(6,723)	32,648
Total comprehensive income	158,858	294,177
Total comprehensive income attributable to:		
Owners of the parent	122,534	211,944
Non-controlling interests	36,323	82,233
Total comprehensive income	158,858	294,177

(4) Interim Condensed Consolidated Statement of Changes in Equity

Nine Months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
Balance at April 1, 2024	248,144	2,060,766	723,884	(70,037)	74,329	3,037,088	409,897	3,446,985
Profit for the period			127,677			127,677	37,903	165,581
Other comprehensive income, net of tax					(5,142)	(5,142)	(1,580)	(6,723)
Total comprehensive income for the period	—	—	127,677	—	(5,142)	122,534	36,323	158,858
Transactions with owners and other transactions								
Issue of common stock	1,338	1,734				3,073		3,073
Payment of dividends			(41,705)			(41,705)	(18,212)	(59,918)
Transfer of accumulated other comprehensive income to retained earnings			(317)		317	—		—
Purchase of treasury stock				(150,000)		(150,000)		(150,000)
Cancellation of treasury stock		(206,018)		206,018		—		—
Changes attributable to obtaining or losing control of subsidiaries		14,929				14,929	(21,751)	(6,822)
Changes in ownership interests in subsidiaries without losing control		5,517				5,517	6,381	11,899
Share-based payment transactions		4,644				4,644		4,644
Other		(2,467)	(216)	1,285		(1,398)	347	(1,050)
Total	1,338	(181,659)	(42,238)	57,304	317	(164,937)	(33,235)	(198,172)
Balance at Dec. 31, 2024	249,483	1,879,107	809,323	(12,733)	69,503	2,994,685	412,986	3,407,671

Nine Months ended December 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
Balance at April 1, 2025	250,128	1,880,031	838,017	(11,704)	41,696	2,998,170	420,745	3,418,915
Profit for the period			183,304			183,304	78,223	261,528
Other comprehensive income, net of tax					28,639	28,639	4,009	32,648
Total comprehensive income for the period	—	—	183,304	—	28,639	211,944	82,233	294,177
Transactions with owners and other transactions								
Issue of common stock	1,637	2,063				3,701		3,701
Payment of dividends		(10,260)	(39,617)			(49,877)	(17,858)	(67,735)
Transfer of accumulated other comprehensive income to retained earnings			(2,855)		2,855	—		—
Purchase of treasury stock				(148,595)		(148,595)		(148,595)
Cancellation of treasury stock		(143,040)		143,040		—		—
Changes attributable to obtaining or losing control of subsidiaries		(44,286)				(44,286)	76,494	32,207
Changes in ownership interests in subsidiaries without losing control		(6,594)				(6,594)	70,004	63,409
Share-based payment transactions		1,683				1,683		1,683
Other		(2,351)	101	2,289		39	163	202
Total	1,637	(202,786)	(42,371)	(3,264)	2,855	(243,929)	128,803	(115,125)
Balance at Dec. 31, 2025	251,766	1,677,245	978,950	(14,969)	73,192	2,966,185	631,781	3,597,966

(5) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine Months ended Dec. 31, 2024	Nine Months ended Dec. 31, 2025
	Amount	Amount
Cash flows from operating activities:		
Profit before tax	224,033	265,091
Depreciation and amortization	119,209	129,967
Increase (decrease) in allowance for doubtful accounts	10,809	(1,318)
Gain on remeasurement relating to business combinations	—	(61,445)
System failure response costs	—	5,262
Equity in (profit) loss of associates and joint ventures	6,724	6,367
Impairment loss on investments in associates and joint ventures	—	7,168
(Gain) loss on sale of investments in associates and joint ventures	(100)	(10,735)
(Increase) decrease in call loans in banking business	38,082	(41,321)
(Increase) decrease in trade and other receivables	(92,669)	89,638
Increase (decrease) in trade and other payables	312,506	376,487
(Increase) decrease in loans for credit card business	(188,278)	(223,053)
(Increase) decrease in loans in banking business	(134,837)	(212,522)
Increase (decrease) in customer deposits in banking business	217,366	486,936
(Increase) decrease in investment securities in securities business	—	(79,354)
Other	64,021	(5,473)
Subtotal	576,867	731,693
Interest and dividends received	6,546	4,229
Interest paid	(10,310)	(14,345)
Income taxes—paid	(66,758)	(100,933)
Income taxes—refunded	44,463	2,697
Net cash inflow (outflow) from operating activities	550,808	623,341
Cash flows from investing activities:		
Purchase of investment securities in banking business	(298,402)	(571,552)
Proceeds from sales/redemption of investment securities in banking business	107,244	145,247
Purchase of other investments	(67,983)	(87,163)
Proceeds from sales/redemption of investments	22,724	44,600
Proceeds from withdrawal of time deposits	17,633	30,418
Other	(180,542)	(177,566)
Net cash inflow (outflow) from investing activities	(399,325)	(616,016)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(121,309)	139,684
Proceeds from long-term borrowings	121,037	161,738
Repayments of long-term borrowings	(64,734)	(73,668)
Capital contribution from non-controlling interests	20,453	86,961
Purchase of treasury stock of subsidiaries	(6,115)	(14,797)
Purchase of treasury stock	(150,100)	(148,670)
Proceeds from issuance of corporate bonds	50,000	100,000
Redemption of corporate bonds	(75,000)	(70,000)
Proceeds from issuance of commercial papers	670,000	553,500
Redemption of commercial papers	(631,000)	(546,500)
Dividends paid	(41,722)	(49,858)
Dividends paid to non-controlling interests	(17,239)	(17,869)
Repayment of lease liabilities	(31,056)	(31,025)
Proceeds from sale and leaseback transactions	884	13,043
Other	(2,645)	(1,962)
Net cash inflow (outflow) from financing activities	(278,547)	100,574
Effects of exchange rate changes on cash and cash equivalents	1,826	16,936
Net increase (decrease) in cash and cash equivalents arising from transfer to assets classified as held for sale	33,011	—
Net increase (decrease) in cash and cash equivalents	(92,227)	124,835
Cash and cash equivalents at the beginning of the period	1,420,430	1,043,944
Cash and cash equivalents at the end of the period	1,328,203	1,168,780

(6) Notes to Interim Condensed Consolidated Financial Statements

1. Reporting Entity

LY Corporation (the "Company") was incorporated and is domiciled in Japan. A Holdings Corporation is the parent company of the Company and its subsidiaries (collectively, the "Group"). The ultimate parent company of the Group is SoftBank Group Corp. The registered address of the Company's head office is 1-3 Kioicho, Chiyoda-ku, Tokyo, Japan. The nature of the Group's principal businesses is described in "7. Segment Information."

2. Basis of Preparation

Compliance with International Financial Reporting Standards

The Group's interim condensed consolidated financial statements have been prepared in accordance with Article 5, Paragraph (2) of the standards for preparing quarterly financial statements established by Tokyo Stock Exchange, Inc. Based on Article 5, Paragraph (5) of said standards, certain items that are required to be disclosed according to IAS 34 of the International Financial Reporting Standards ("IFRS") have been omitted from the financial statements.

3. Going Concern Assumption

Not applicable.

4. Material Accounting Policy Information

The Group's material accounting policy information in preparing the interim condensed consolidated financial statements is the same as those applied to consolidated financial statements for the previous consolidated fiscal year.

5. Use of Estimates and Judgments

In preparing the interim condensed consolidated financial statements under IFRS, the management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from those projected estimates.

The estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in future periods.

The judgments, estimates and assumptions that have significant impact on the amounts in the interim condensed consolidated financial statements of the Group are consistent with those described in the consolidated financial statements for the previous consolidated fiscal year.

6. Business Combinations

Previous cumulative consolidated third quarter of the fiscal year ended March 31, 2025 (April 1, 2024 – December 31, 2024):

There were no significant business combinations to be disclosed during the previous cumulative consolidated third quarter of the fiscal year ended March 31, 2025.

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025 – December 31, 2025):

(1) BEENOS Inc.

1) Outline of business combination

With the aim of enhancing corporate value through the creation of business synergies centered around the cross-border e-commerce business, the Company conducted a tender offer for the common shares and share options of BEENOS Inc., as resolved at the Board of Directors meeting held on March 21, 2025. This tender offer was concluded on May 7, 2025, and upon completion of settlement on May 14, 2025, the Company acquired 10,918,182 common shares and share options (target number of shares: 417,540 shares) of BEENOS Inc. for a total cash consideration of 44,674 million yen. Consequently, the Company's voting rights in BEENOS Inc. have amounted to 84.08% (calculated based on the number of voting rights pertaining to issued common shares), making it a consolidated subsidiary.

2) Outline of acquired company

Name	BEENOS Inc.
Business description	Various e-commerce businesses domestically and internationally

3) Date of acquisition

May 14, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	44,674
Fair value of assets acquired and liabilities assumed	
Assets	42,376
Cash and cash equivalents	16,908
Trade and other receivables	2,378
Other financial assets	7,648
Intangible assets (*2)	11,188
Others	4,252
Liabilities	(18,968)
Trade and other payables	(9,119)
Interest-bearing liabilities	(4,264)
Deferred tax liabilities	(3,631)
Others	(1,953)
Net assets	23,408
Non-controlling interests (*3)	(3,786)
Goodwill (*4)	25,052
Total	44,674

(*1) The consideration paid is based on the fair value as of the date of acquisition, and is allocated to the amounts of assets acquired and liabilities assumed.

(*2) Intangible assets

Includes identifiable intangible assets of 10,829 million yen. The breakdown is trademarks classified as indefinite-lived intangibles. In addition, the amount of intangible assets recognized from the business combination is measured based on assumptions such as estimated future cash flow, discount rate, future revenue generated from the target trademarks, royalty rate, etc.

(*3) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*4) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Profit and loss information after the acquisition date related to the business combination

The revenue and net income of the acquired company after the date of such acquisition of control recognized in the Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated third quarter are 11,027 million yen and 797 million yen, respectively.

6) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 1,498,436 million yen and 261,682 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026.

(2) LINE Bank Taiwan Limited

1) Outline of business combination

The Company has decided on April 10, 2025, to increase the capital of LINE Bank Taiwan Limited (hereinafter "LBT"), an equity method affiliate of the Company, through its consolidated subsidiary, LINE Financial Taiwan Limited (hereinafter "LFT"), by 2.745 billion Taiwan dollars. The capital increase was completed on June 17, 2025.

Upon completion of the capital increase, LFT holds 51.15%, or the majority of voting rights in LBT and, accordingly, the Company gained control over LBT. As a result, LBT newly became the Company's consolidated subsidiary.

2) Outline of acquired company

Name	LINE Bank Taiwan Limited
Business description	Internet-only bank

3) Date of acquisition

June 17, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	13,477
Fair value at the date of acquisition of shares of the acquired company held immediately before the date of acquisition	36,751
Fair value of assets acquired and liabilities assumed	
Assets	460,081
Call loans in banking business	15,869
Investment securities in banking business	76,251
Loans in banking business	322,585
Intangible assets	9,316
Others	36,058
Liabilities	(381,430)
Trade and other payables	(2,514)
Customer deposits in banking business	(375,141)
Others	(3,774)
Net assets	78,651
Non-controlling interests (*2)	(38,406)
Goodwill (*3)	9,983
Total	50,229

(*1) The consideration paid is based on the fair value as of the date of acquisition, and is allocated to the amounts of assets acquired and liabilities assumed.

(*2) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*3) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Gain on remeasurement relating to business combinations

Please refer to "11. Gain on Remeasurement Relating to Business Combinations."

6) Profit and loss information after the acquisition date related to the business combination

The revenue and net loss of the acquired company after the date of such acquisition of control recognized in the Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated third quarter are 10,127 million yen and 405 million yen, respectively.

7) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 1,498,660 million yen and 260,795 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026. The gain on remeasurement relating to business combinations have been reflected in the pro forma information.

(3) LYST LTD

1) Outline of business combination

On April 9, 2025, the Board of Directors of the Company's subsidiary, ZOZO, Inc., resolved in a written resolution to establish a wholly-owned subsidiary of ZOZO, Inc. and to acquire all shares of LYST LTD, thereby making it a subsidiary. Subsequently, a share transfer agreement was concluded on April 9, 2025.

LYST LTD operates one of the world's largest fashion shopping platforms, handling over 27,000 brands and more than 97 million SKUs globally.

To date, ZOZO, Inc. has focused on market expansion through collaborations with companies in various countries, primarily by licensing its proprietary technology. To accelerate growth in the global market, the acquisition of LYST LTD has been decided as a new strategic initiative.

2) Outline of acquired company

Name	LYST LTD
Business description	Online fashion platform business

3) Date of acquisition

April 18, 2025

4) Percentage of voting rights acquired

100%

5) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)

Fair value of consideration paid	
Cash	22,094
Fair value of assets acquired and liabilities assumed	
Assets	7,213
Cash and cash equivalents	475
Trade and other receivables	2,567
Intangible assets (*1)	3,025
Others	1,145
Liabilities	(5,854)
Trade and other payables	(681)
Interest-bearing liabilities	(3,626)
Others	(1,546)
Net assets	1,358
Non-controlling interests	—
Goodwill (*2)	20,736
Total	22,094

(*1) Intangible assets

Includes identifiable intangible assets of 2,174 million yen, primarily consisting of customer relationships. In addition, the amount of intangible assets recognized from the business combination is measured based on assumptions such as estimated future cash flow and discount rates.

(*2) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

6) Profit and loss information after the acquisition date related to the business combination

The revenue and net loss of the acquired company after the date of such acquisition of control recognized in the

Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated third quarter are 4,512 million yen and 1,227 million yen, respectively.

7) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 1,495,916 million yen and 261,382 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending on March 31, 2026. The increase in amortization expenses of intangible assets newly recognized on the actual date of acquiring control and others have been reflected in the pro forma information.

(4) LINE MAN CORPORATION PTE. LTD.

1) Outline of business combination

To further strengthen collaboration with LINE MAN CORPORATION PTE. LTD. (hereinafter "LMWN"), an equity method affiliate of the Company that operates businesses such as on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, the Company, at a Board of Directors meeting held on September 11, 2025, resolved to: (i) acquire a portion of the shares of LMWN held by Apfarm Investment Pte Ltd and Gamnat Pte. Ltd. through LINE SOUTHEAST ASIA CORP. PTE. LTD. (hereinafter "LSEA"), a consolidated subsidiary of the Company; (ii) agree to an amendment to the existing shareholders' agreement with respect to LMWN shares, including changes to each shareholder's rights as stipulated in the agreement; and (iii) have LSEA receive a comprehensive proxy from MIRAI FUND LIMITED LIABILITY PARTNERSHIP (hereinafter "MIRAI Fund") for the future exercise of voting rights associated with LMWN shares held by MIRAI Fund, whereby LSEA would be authorized to exercise said voting rights. The share acquisition and the amendment to the shareholders' agreement were completed on September 30, 2025.

As of the above completion date, the Company obtained control over LMWN, and LMWN has been newly included as a consolidated subsidiary of the Company.

2) Outline of acquired company

Name	LINE MAN CORPORATION PTE. LTD.
Business description	Operation of on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, and management of group companies

3) Date of acquisition

September 30, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)

Fair value of consideration paid	
Cash	15,327
Fair value at the date of acquisition of shares of the acquired company held immediately before the date of acquisition	63,239
Fair value of assets acquired and liabilities assumed	
Assets	95,976
Cash and cash equivalents	12,541
Trade and other receivables	4,847
Right-of-use assets	2,001
Intangible assets (*2)	71,891
Others	4,695
Liabilities	(34,836)
Trade and other payables	(8,206)
Interest-bearing liabilities	(8,731)
Deferred tax liabilities	(13,736)
Others	(4,162)
Net assets	61,140
Non-controlling interests (*3)	(30,254)
Goodwill (*4)	47,679
Total	78,566

(*1) Revision to the provisional figures

The consideration paid is based on the fair value as of the date of acquisition, and is allocated to the amounts of assets acquired and liabilities assumed. The allocation of the consideration paid was completed in this consolidated third quarter.

(*2) Intangible assets

Includes identifiable intangible assets of 67,622 million yen, the breakdown of which is as follows. The estimated useful lives of the customer base range from 13 to 19 years. Trademarks are classified as indefinite-lived intangibles. In addition, the amount of intangible assets recognized from the business combination is measured based on assumptions such as estimated future cash flow, discount rate, future revenue generated from the target trademarks, royalty rate, etc.

	(Millions of yen)
Trademarks	41,644
Customer base	22,984
Other	2,993
Total	67,622

(*3) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*4) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Gain on remeasurement relating to business combinations

Please refer to "11. Gain on Remeasurement Relating to Business Combinations."

6) Profit and loss information after the acquisition date related to the business combination

The revenue and net loss of the acquired company after the date of such acquisition of control recognized in the Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated third quarter are 21,078 million yen and 1,654 million yen, respectively.

7) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 1,534,237 million yen and 259,708 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026. The gain on remeasurement relating to business combinations, the increase in amortization expenses of intangible assets newly recognized on the actual date of acquiring control, and others have been reflected in the pro forma information.

7. Segment Information

The Group's reporting segments are business segments for which it is possible to obtain financial information separate from the overall compositional structure of the Group. The Board of Directors of the Company regularly examines this information in order to decide on allocation of business resources and to evaluate business performance.

The Group's reporting segments comprise three business segments, the Media Business, the Commerce Business, and the Strategic Business.

The Media Business mainly plans and operates each service for the purpose of planning, sales, and placement of advertising products, provides information listing services, and provides other corporate services.

The Commerce Business mainly sells products, plans and provides services via the internet to small and medium-sized business enterprises and to individuals.

The Strategic Business mainly offers payment and finance-related services.

The Other segment contains business segments not covered in the reporting segments, including services related to cloud, etc.

The accounting policies adopted for each reporting segment are the same as the Group's accounting policies as those referred to in "4. Material Accounting Policy Information." Segment income is adjusted with the operating income in the interim condensed consolidated statement of profit or loss. The adjustment figures for segment income are general corporate expenses not belonging to each reporting segment. General corporate expenses principally comprise general and administrative expenses not belonging to any reporting segment. Inter-segment revenue is based on actual market prices.

From the first quarter of the fiscal year ending March 31, 2026, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised.

Furthermore, from the third quarter of the fiscal year ending March 31, 2026, services have been transferred between segments following an internal reorganization.

Accordingly, the segment information for the previous cumulative consolidated third quarter has been revised and restated.

The Group's segment information is as follows:

Previous cumulative consolidated third quarter of the fiscal year ended March 31, 2025 (April 1, 2024–December 31, 2024):

(Millions of yen)

	Reporting segment				Other	Adjustment figures	Consolidated figures
	Media Business	Commerce Business	Strategic Business	Total			
Revenue							
Sales to customers	538,844	634,703	250,489	1,424,037	4,722	—	1,428,759
Intersegment sales	5,345	1,643	1,038	8,027	1,413	(9,440)	—
Total	<u>544,190</u>	<u>636,346</u>	<u>251,527</u>	<u>1,432,064</u>	<u>6,136</u>	<u>(9,440)</u>	<u>1,428,759</u>
Segment income/(loss)	<u>165,617</u>	<u>91,335</u>	<u>28,779</u>	<u>285,731</u>	<u>(964)</u>	<u>(30,001)</u>	<u>254,765</u>
Other non-operating income							8,925
Other non-operating expenses							33,034
Equity in profit (loss) of associates and joint ventures							(6,724)
Impairment loss on investments in associates and joint ventures							—
Gain (loss) on sale of investments in associates and joint ventures							100
Profit before tax							<u>224,033</u>

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025):

(Millions of yen)

	Reporting segment				Other	Adjustment figures	Consolidated figures
	Media Business	Commerce Business	Strategic Business	Total			
Revenue							
Sales to customers	540,278	625,284	322,439	1,488,002	7,355	—	1,495,357
Intersegment sales	4,550	1,982	2,319	8,851	2	(8,853)	—
Total	<u>544,828</u>	<u>627,266</u>	<u>324,758</u>	<u>1,496,853</u>	<u>7,358</u>	<u>(8,853)</u>	<u>1,495,357</u>
Segment income (*1)(*2)(*3)	<u>153,504</u>	<u>84,006</u>	<u>57,821</u>	<u>295,333</u>	<u>4,423</u>	<u>(15,558)</u>	<u>284,198</u>
Other non-operating income							4,701
Other non-operating expenses							21,008
Equity in profit (loss) of associates and joint ventures							(6,367)
Impairment loss on investments in associates and joint ventures							7,168
Gain (loss) on sale of investments in associates and joint ventures							10,735
Profit before tax							<u>265,091</u>

(*1) Segment income of the Commerce Business includes a gain on remeasurement relating to business combinations of 44,377 million yen. (Please refer to 11. Gain on Remeasurement Relating to Business Combinations).

(*2) Segment income of the Strategic Business includes a gain on remeasurement relating to business combinations of 17,068 million yen. (Please refer to 11. Gain on Remeasurement Relating to Business Combinations).

(*3) Segment income of the Commerce Business includes system failure response costs of 5,262 million yen. (Please refer to 12. System failure response costs).

8. Interest-Bearing Liabilities

The components of interest-bearing liabilities are as follows:

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Borrowings	945,708	1,177,347
Corporate bonds	444,374	474,266
Lease liabilities	194,941	194,350
Other	109,374	116,145
Total	1,694,398	1,962,110

9. Purchase Commitments

Commitments to purchase major property and equipment and intangible assets under new contracts concluded in this consolidated third quarter amounted to 8,163 million yen (10,112 million yen in the previous consolidated third quarter).

The commitments are mainly attributable to executory contracts of purchase of assets to be used in data centers.

10. Dividends

The total amount of dividends was as follows:

Nine Months ended December 31, 2024 (April 1, 2024–December 31, 2024)

Resolution	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 15, 2024	41,888	5.56	March 31, 2024	June 4, 2024

Nine Months ended December 31, 2025 (April 1, 2025–December 31, 2025)

Resolution	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 16, 2025	50,075	7.00	March 31, 2025	June 5, 2025

11. Gain on Remeasurement Relating to Business Combinations

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025 - December 31, 2025):

Due to the consolidation of LINE Bank Taiwan Limited on June 17, 2025, through LINE Financial Taiwan Limited, a consolidated subsidiary of the Company, the previously held equity interest of the company was remeasured based on the acquisition-date fair value. As a result, a gain on remeasurement relating to business combinations of 14,501 million yen was recognized.

Due to the consolidation of LINE MAN Group (LINE MAN CORPORATION PTE. LTD. and its subsidiaries) on September 30, 2025, mainly through LINE SOUTHEAST ASIA CORP. PTE. LTD., a consolidated subsidiary of the Company, the previously held equity interest of the company was remeasured based on the acquisition-date fair value. As a result, a gain on remeasurement relating to business combinations of 44,377 million yen was recognized. For details, please refer to "6. Business Combinations."

12. System Failure Response Costs

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025): Expenses of 5,262 million yen incurred in response to the system outage caused by the ransomware attack that occurred at ASKUL Corporation, a consolidated subsidiary of the Company, have been recorded as "System failure response costs." The main components include costs to maintain the logistics infrastructure and other facilities in preparation for service restoration, system investigation and restoration expenses, and valuation losses on products with expired shipping deadlines.

13. Other Non-operating Income

The components of non-operating income are as follows:

(Millions of yen)

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Gain on change in equity interest	3,270	—
Other	5,655	4,701
Total	8,925	4,701

14. Other Non-operating Expenses

The components of non-operating expenses are as follows:

(Millions of yen)

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Interest expenses	5,819	8,736
Gains and losses on valuation of options	13,766	605
Other financial costs	5,128	4,262
Other	8,320	7,404
Total	33,034	21,008

15. Impairment Loss on Investments in Associates and Joint Ventures

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025): An impairment loss on investments in associates and joint ventures of 7,168 million yen was recognized because the carrying amount of the investments accounted for using the equity method related to Demae-can Co., Ltd. was reduced to its recoverable amount. The Company determined that there were indications of impairment of investments accounted for under the equity method related to Demae-can Co., Ltd., and performed an impairment test. As a result, the carrying amount of the investments accounted for using the equity method with regard to Demae-can Co., Ltd., was reduced to the recoverable amount. The recoverable amount is measured by value in use, which is calculated by applying a pre-tax discount rate of 13.8% to estimated future cash flow.

16. Gain on Sale of Investments in Associates and Joint Ventures

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025): A gain on the sale of 12,497 million yen was recognized mainly due to the transfer of shares in Remember & Company Co., Ltd, an equity method affiliate of the Company.

17. Income Tax Expense

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025):
A review of the recoverability of deferred tax assets at PayPay Corporation, a consolidated subsidiary of the Company, was conducted for this cumulative consolidated third quarter. This resulted in a reduction of income taxes in the amount of 57,535 million yen.

18. Earnings Per Share

Basic quarterly earnings per share attributable to owners of the parent and diluted quarterly earnings per share are calculated on the following basis:

	Nine Months ended December 31, 2024	Nine Months ended December 31, 2025
Basic quarterly earnings per share (yen)	17.33	26.38
Profit for the quarter attributable to owners of the parent (million yen)	127,677	183,304
Profit for the quarter not attributable to owners of the parent (million yen)	—	—
Profit for the quarter used in the calculation of basic earnings per share (million yen)	127,677	183,304
Weighted-average number of common stock (1,000 shares)	7,368,155	6,948,312
Diluted quarterly earnings per share (yen)	17.25	26.26
Adjustments on profit for the quarter (million yen)	—	—
Increase in the number of common stock (1,000 shares)	32,390	32,465

(Note) In calculating the basic quarterly earnings per share and the diluted quarterly earnings per share, shares of the Company held by the Stock Delivery Trust (J-ESOP), the Board Incentive Plan Trust, and the Stock Delivery ESOP Trust are processed as treasury stocks. Thus, said number of shares are deducted from the number of shares at the end of the period and the weighted average number of shares.

19. Related Party Transactions

The Group's ultimate parent company is SoftBank Group Corp.

Transactions between the Group and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed herein.

Related party transactions and outstanding balances

Previous cumulative consolidated third quarter of the fiscal year ended March 31, 2025 (April 1, 2024–December 31, 2024):

There are no significant related party transactions or unsettled balances of receivables and payables.

This cumulative consolidated third quarter of the fiscal year ending March 31, 2026 (April 1, 2025–December 31, 2025):

There are no significant related party transactions or unsettled balances of receivables and payables.

20. Contingencies

The committed lines of cash advances mainly consist of the shopping limits and cashing limits that are granted to customers in the Group's credit card business. The total amount and remaining balances are as follows:

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Total amount of committed lines of cash advances	11,242,876	12,405,646
Outstanding balance	1,271,748	1,533,808
Remaining balance	9,971,127	10,871,837

The remaining balance of the shopping limit and cashing limit do not indicate that the total amount of the balance will be used in the future because a) customers may use the credit card within the limit at any time and do not always use the full amount of the limit and b) the Group may change the limit arbitrarily. The remaining balance of the credit lines becomes due within a year as it is payable on demand.

Unless otherwise specified, English-language documents are prepared solely for the convenience of non-Japanese speakers. If there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.