

# LY Corporation Business Results

## FY2024 Q1

## Appendix

August 2, 2024

Security Code: 4689

**LINEヤフー**

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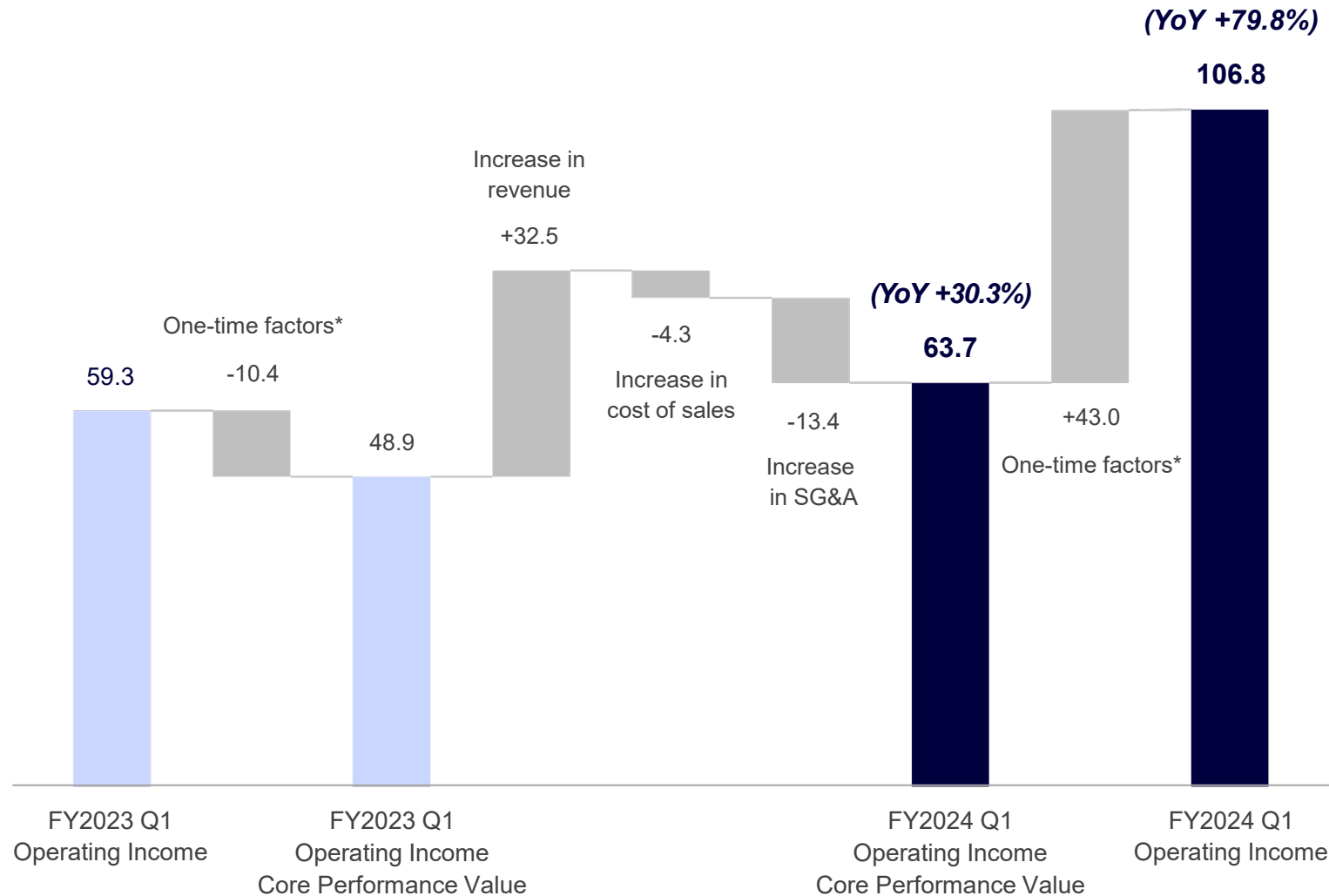
**1** **Entire Group – Consolidated Business Results**

2 Business Results – By Segment

3 Non-Financial Information

## Factors of Change in Operating Income

(JPY B)



(JPY B)

	FY2023 Q1	FY2024 Q1	YoY
Revenue	430.5	463.0	+32.5
Cost of sales	127.6	132.0	+4.3
SG&A	253.9	267.3	+13.4
<b>Operating income</b>	<b>59.3</b>	<b>106.8</b>	<b>+47.4</b>
One-time factors*	10.4	43.0	+32.5
<b>Operating income (Core performance value)</b>	<b>48.9</b>	<b>63.7</b>	<b>+14.8</b>

\* One-time factors

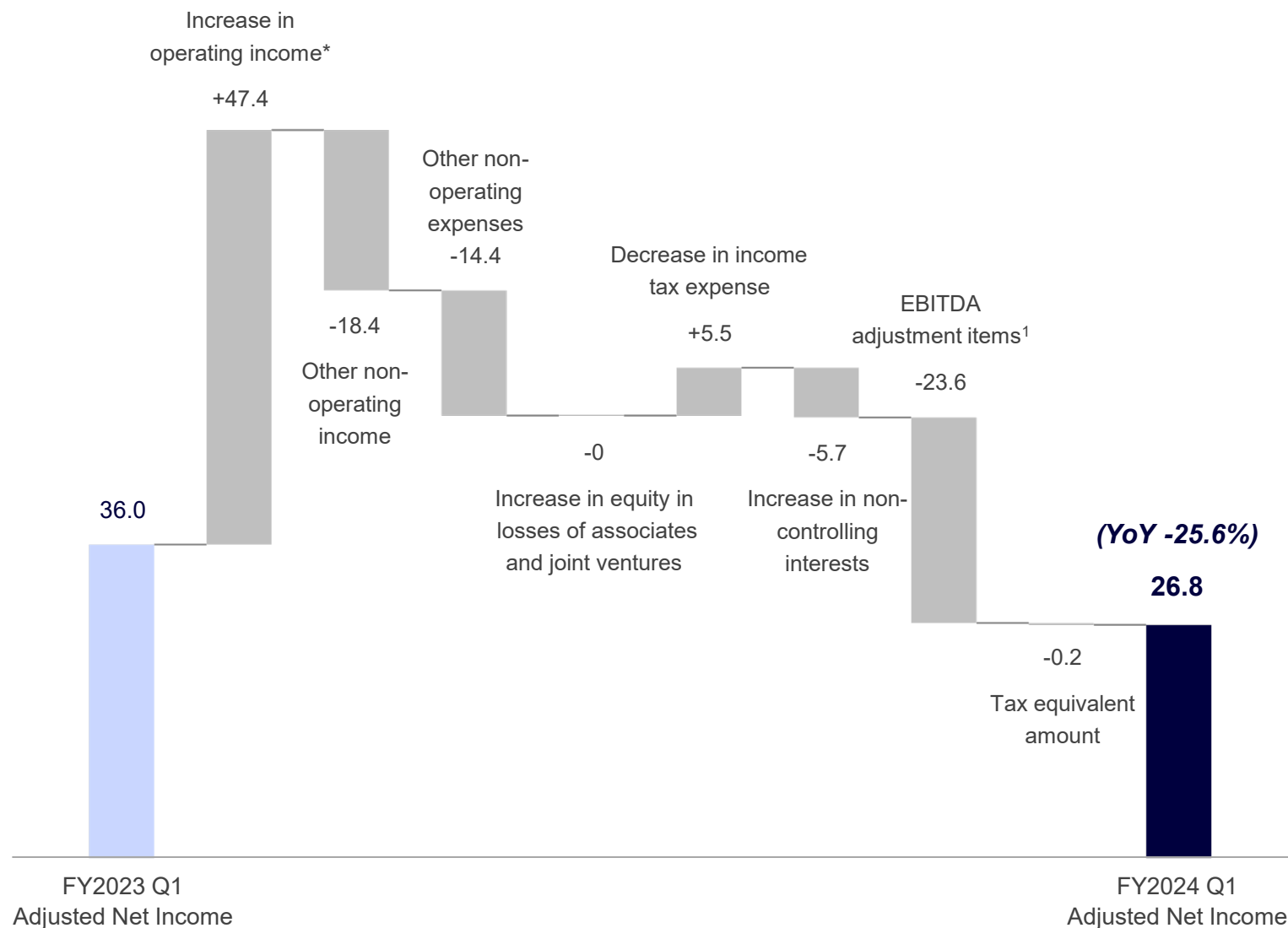
- FY2023 Q1 (LINE AI Company business, Gain on transfer from business divestiture: JPY10.4 B)
- FY2024 Q1 (IPX Corporation, Gain on loss of control of subsidiary: JPY22.7 B; LINE NEXT Corporation, Gain on loss of control of subsidiary: JPY13.3 B; ValueCommerce Co., Ltd., Gain on loss of control of subsidiary: JPY6.9 B)

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. 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. Definitions changed from FY2022 Q3. Added certain rents to depreciation and amortization, and gains/losses on sales of shares held by certain funds to EBITDA adjustment items.

2. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents

## Factors of Change in Adjusted Net Income

(JPY B)



(JPY B)

	FY2023 Q1	FY2024 Q1	YoY
<b>Operating income*</b>	<b>59.3</b>	<b>106.8</b>	<b>+47.4</b>
Other non-operating income	23.8	5.3	-18.4
Other non-operating expenses	6.1	20.5	+14.4
Equity in losses of associates and joint ventures	-3.9	-3.9	-0
Income tax expense	32.6	27.1	-5.5
Non-controlling interests	3.1	8.9	+5.7
<b>Net income attributable to owners of the parent</b>	<b>37.3</b>	<b>51.5</b>	<b>+14.2</b>
EBITDA adjustment items <sup>1</sup>	-1.7	-25.4	-23.6
Tax equivalent amount	0.5	0.7	+0.2
<b>Adjusted net income</b>	<b>36.0</b>	<b>26.8</b>	<b>-9.2</b>

\* Includes the following one-time factors

- FY2023 Q1 (LINE AI Company business, Gain on transfer from business divestiture: JPY10.4 B)
- FY2024 Q1 (IPX Corporation, Gain on loss of control of subsidiary: JPY22.7 B; LINE NEXT Corporation, Gain on loss of control of subsidiary: JPY13.3 B; ValueCommerce Co., Ltd., Gain on loss of control of subsidiary: JPY6.9 B)

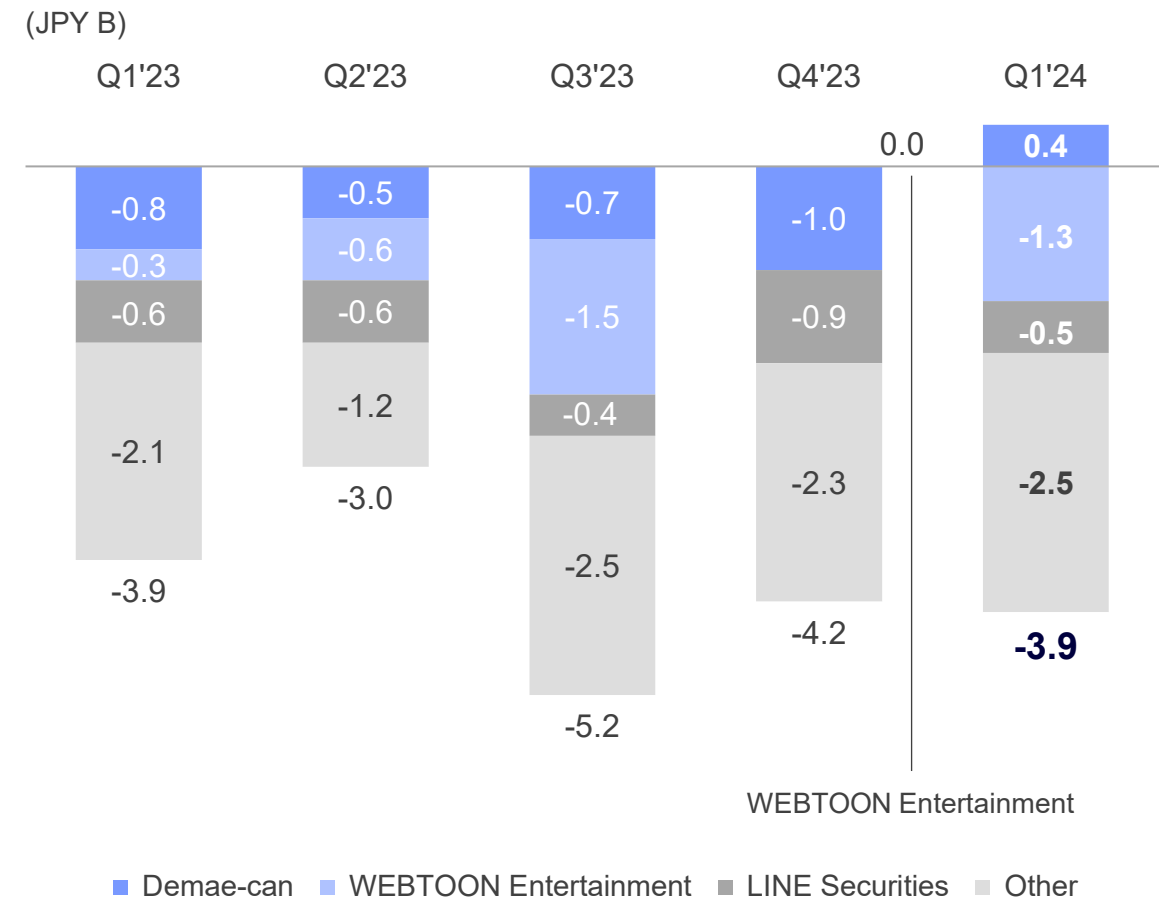
1. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss on retirement of fixed assets, impairment losses, stock compensation expenses, gain on remeasurement relating to business combinations, other transactions with undetermined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

- Aim to turn equity in losses of associates and joint ventures profitable in around FY2025.

Major Equity-Method Affiliates	Based in	Equity Ratio <sup>1</sup>	Business
<b>Content</b>			
<b>WEBTOON Entertainment</b>	U.S.	25.2%	• Operation of e-manga services
<b>Commerce</b>			
<b>Demae-can</b>	Japan	38.3%	• Operation of website specializing in home delivery
<b>LINE MAN</b>	Thailand	42.7%	• Provision of home delivery/mail/taxi dispatch services, etc.
<b>Payment/Finance</b>			
<b>Kashikorn LINE Company</b>	Thailand	49.9%	• Pure internet bank
<b>LINE Bank Taiwan</b>	Taiwan	49.9%	• Pure internet bank
<b>PT. Bank KEB Hana Indonesia</b>	Indonesia	20.0%	• Pure internet bank

1. As of June 30, 2024

Equity in Losses of Associates and Joint Ventures



## Impact from Consolidation of Subsidiaries (PPA)

## ZOZO

Item	Amount (JPY B)	Annual Amortization Amount (JPY B)	Amortization Period (Straight Line)
<b>PPA</b>	<b>502.1</b>	<b>13.2</b>	<b>-</b>

Customer base (Shops/users)	322.0	-	18-25 years
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Trademarks <sup>1</sup>	178.7	-	No amortization
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Other <sup>2</sup>	1.4	-	4 years
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## PayPay

Item	Amount (JPY B)	Annual Amortization Amount (JPY B)	Amortization Period (Straight Line)
<b>PPA</b>	<b>51.3</b>	<b>5.1</b>	<b>-</b>

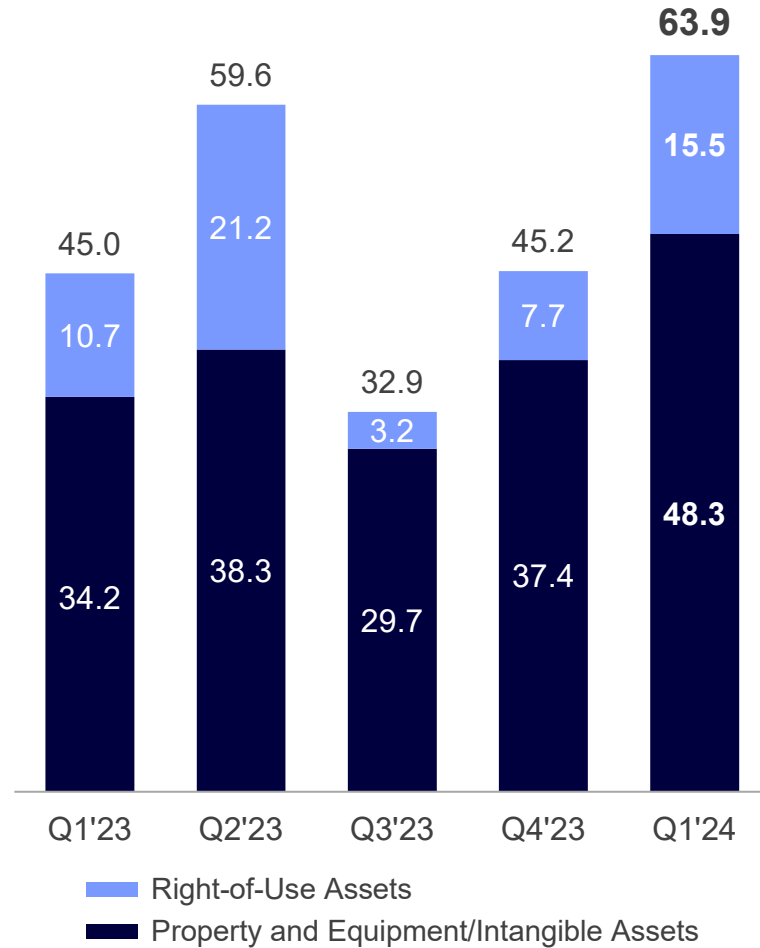
Customer relationship (Merchants, etc.)	51.3	5.1	10 years
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1. Indefinite-lived intangibles  
2. Amortization completed in FY2023 Q3.



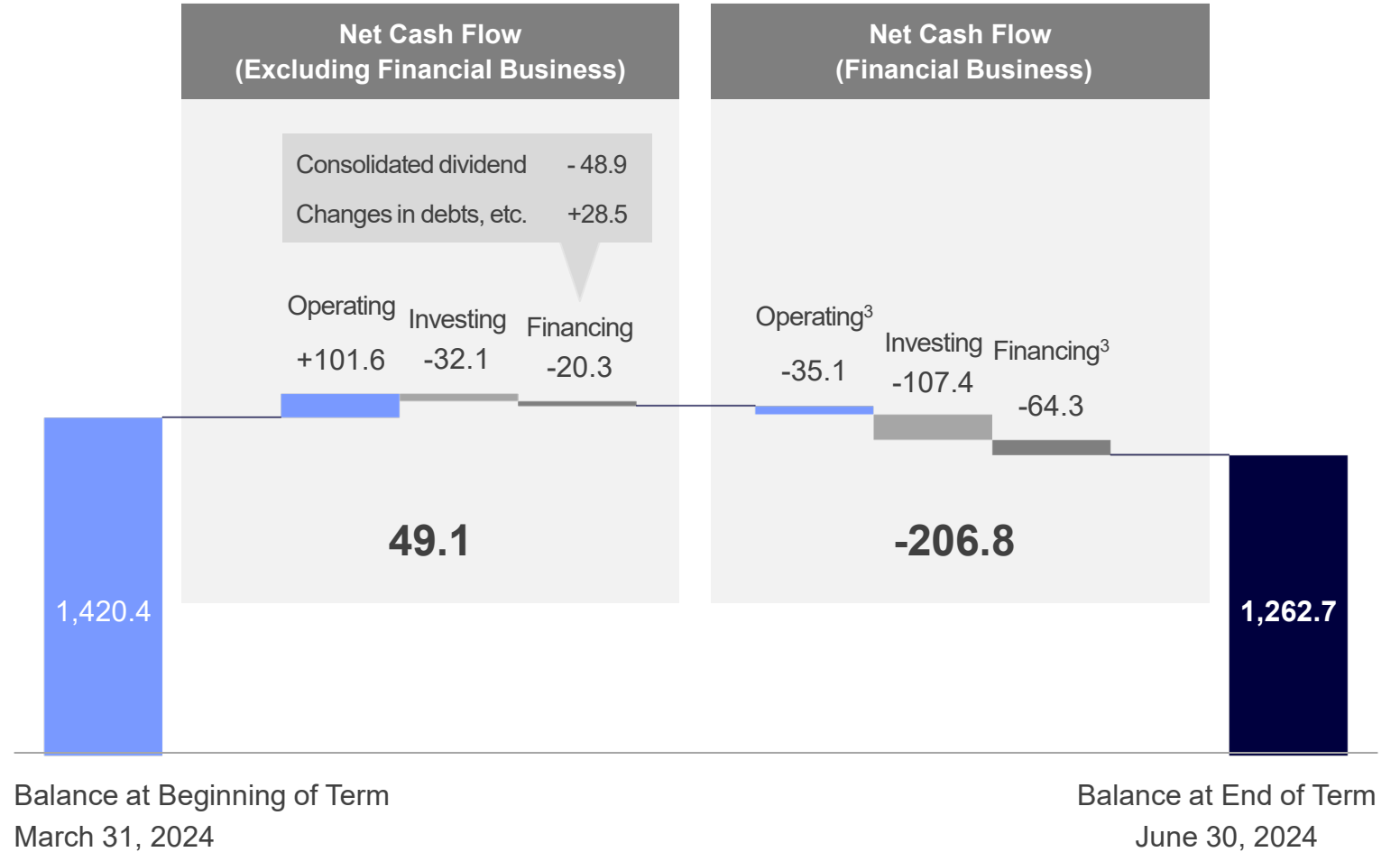
CAPEX<sup>1</sup>

(JPY B)



Net Cash Flow (Excluding Financial Business<sup>2</sup>/Financial Business)<sup>1</sup>

(JPY B)



1. The figures are rounded down to the nearest million yen and then rounded off to the nearest 100 million yen.

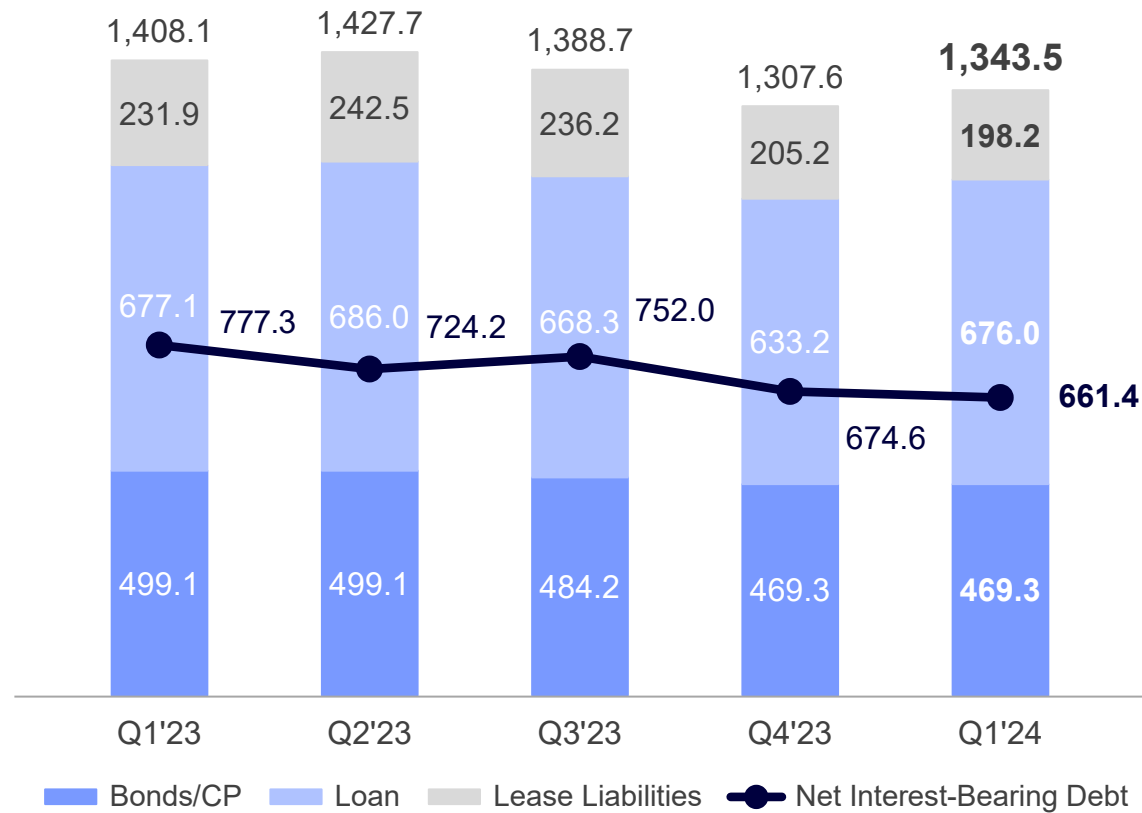
2. Financial business includes PayPay Corporation, PayPay Card Corporation, and financial subsidiaries of Z Financial Corporation (e.g., PayPay Bank Corporation) as well as the financial subsidiaries of LINE Financial Plus Corporation.

3. Includes adjustment of the securitization of the credit card receivables (transferred from financing cash flow to operating cash flow), and adjustment of transactions within the Group.

Interest-Bearing Debt & Net Interest-Bearing Debt<sup>1</sup>

(Excluding financial business<sup>2</sup>)

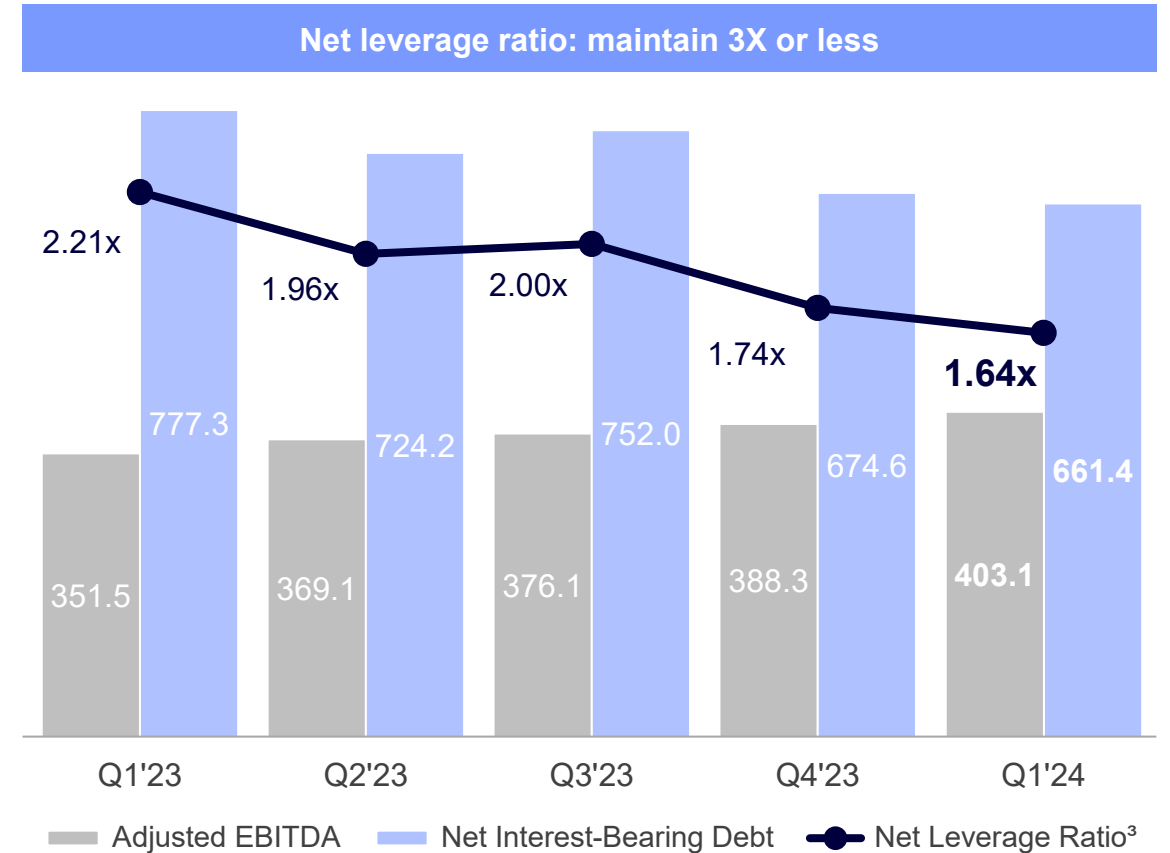
(JPY B)



Net Leverage Ratio<sup>3</sup>

(Excluding financial business<sup>2</sup>)

(JPY B)



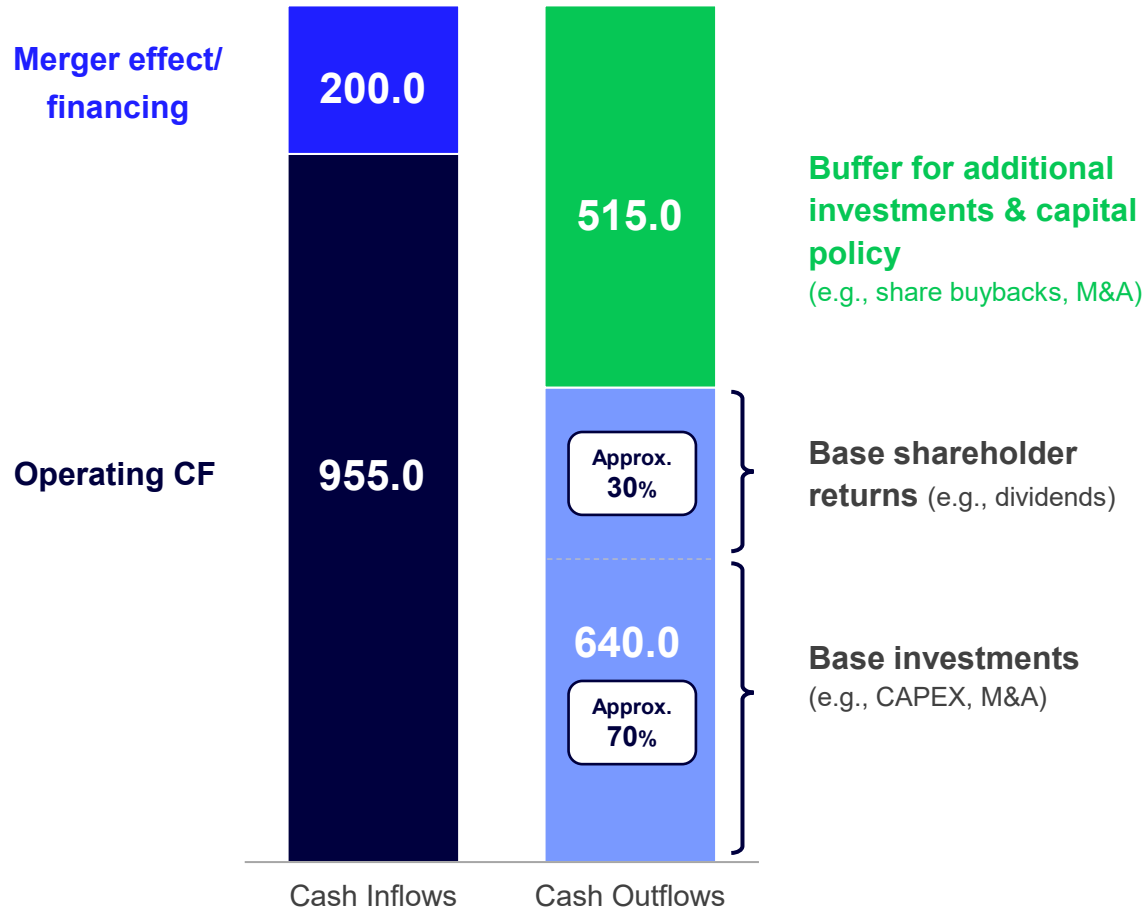
1. Net interest-bearing debt = Interest bearing debt – Cash and cash equivalents. The figures are rounded down to the nearest million yen and then rounded off to the nearest 100 million yen.  
 2. Financial business includes PayPay Corporation, PayPay Card Corporation, and financial subsidiaries of Z Financial Corporation (e.g., PayPay Bank Corporation) as well as the financial subsidiaries of LINE Financial Plus Corporation.  
 3. Net leverage ratio = Net interest-bearing debt/Adjusted EBITDA (figures for the last 12 months used for calculating adjusted EBITDA). The figures are rounded down to the nearest million yen and then rounded off to the nearest 100 million yen.

- In FY2025, will aim to exceed JPY20 for adjusted EPS.

Capital Allocation Policy<sup>1</sup> (Cumulative Approximate Value for FY2023-2025)

Cost of Equity/Adjusted EPS

(JPY B)



Cost of Equity  
(for the past year)

Approx. 4.5–7.5%

Adjusted EPS

Aim for more than  
JPY20 in FY2025

1. Excluding financial business.

## Major One-Time Gains/Losses (FY2023 Q1 – FY2024 Q1) No. 1

Period	One-time Gains/Losses	Outline	Amount (JPY B)	Item	Impact on P/L		
					Operating Income	Adjusted EBITDA	Adjusted EPS
FY2024 Q1	Gain on loss of control of subsidiary (IPX)	Gain recognized due to the deconsolidation of IPX Corporation, an operator of the LINE Friends business, as a result of a change in the shareholders' agreement	22.7	Commerce segment "Other income and expenses"	Yes	-	-
	Gain on loss of control of subsidiary/Gain on sales (ValueCommerce)	Gain recognized due to tendering to ValueCommerce Co., Ltd.'s tender offer of its own shares, resulting in the company becoming an equity method affiliate	Operating income: 6.9 Adjusted EBITDA: 4.2	Commerce segment "Other income and expenses"	Yes	Yes	Yes
	Gain on loss of control of subsidiary (LINE NEXT)	Gain recognized due to the capital increase in LINE NEXT Corporation, resulting in the company becoming an equity method affiliate	13.3	Strategic segment "Other income and expenses"	Yes	-	-
	Loss on valuation of options	Loss recognized as a result of fair value measurement of written put options that have been granted to certain equity holders of equity method affiliates	13.7	Other non-operating expenses	-	-	Yes
FY2023 Q4	Compensation received for damage (ASKUL)	Compensation received for damage which was recognized as a result of the finalization of the judgement in a lawsuit claiming compensation for damages related to a fire at a distribution center, ASKUL Logi PARK Tokyo Metropolitan	9.4	Commerce segment "Other income and expenses"	Yes	Yes	Yes
	Impairment loss	Impairment loss related to an internalization project of a search engine	12.2	Strategic segment "Other SGA expenses"	Yes	-	-
	Impairment loss on investments in associates and joint ventures (Demae-can)	Impairment loss related to Demae-can Co., Ltd.	22.3	Other non-operating expenses	-	-	Yes

Note: Names of the items under the "Item" column coincide with the Financial Data Sheet.

## Major One-Time Gains/Losses (FY2023 Q1 – FY2024 Q1) No. 2

Period	One-time Gains/Losses	Outline	Amount (JPY B)	Item	Impact on P/L		
					Operating Income	Adjusted EBITDA	Adjusted EPS
FY2023 Q3	Gain on loss of control of subsidiary (yutori)	Gain recognized due to the listing of yutori, Inc., resulting in the company being removed from LY Corporation's subsidiary	1.0	Commerce segment "Other income and expenses"	Yes	-	-
FY2023 Q2	Gain on loss of control of subsidiary (JDW)	Gain recognized from the transfer of the shares of JDW Co., Ltd., which operates the LINE taxi business in Taiwan	4.0	Commerce segment "Other income and expenses"	Yes	-	-
FY2023 Q1	Gain on transfer from business divestiture (LINE AI Company business)	Gain recognized as a result of the transfer of LINE's AI Company business to LINE WORKS Corp.	10.4	Strategic segment "Other income and expenses"	Yes	-	-
	Gain on change in equity interest (Mainly, WEBTOON)	Gain recognized due to the change in equity ratio in WEBTOON Entertainment Inc.	19.1	Other non-operating income	-	-	Yes

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**2** **Business Results – By Segment**

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# I. Media Business

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## Business Results (P/L): Media Business

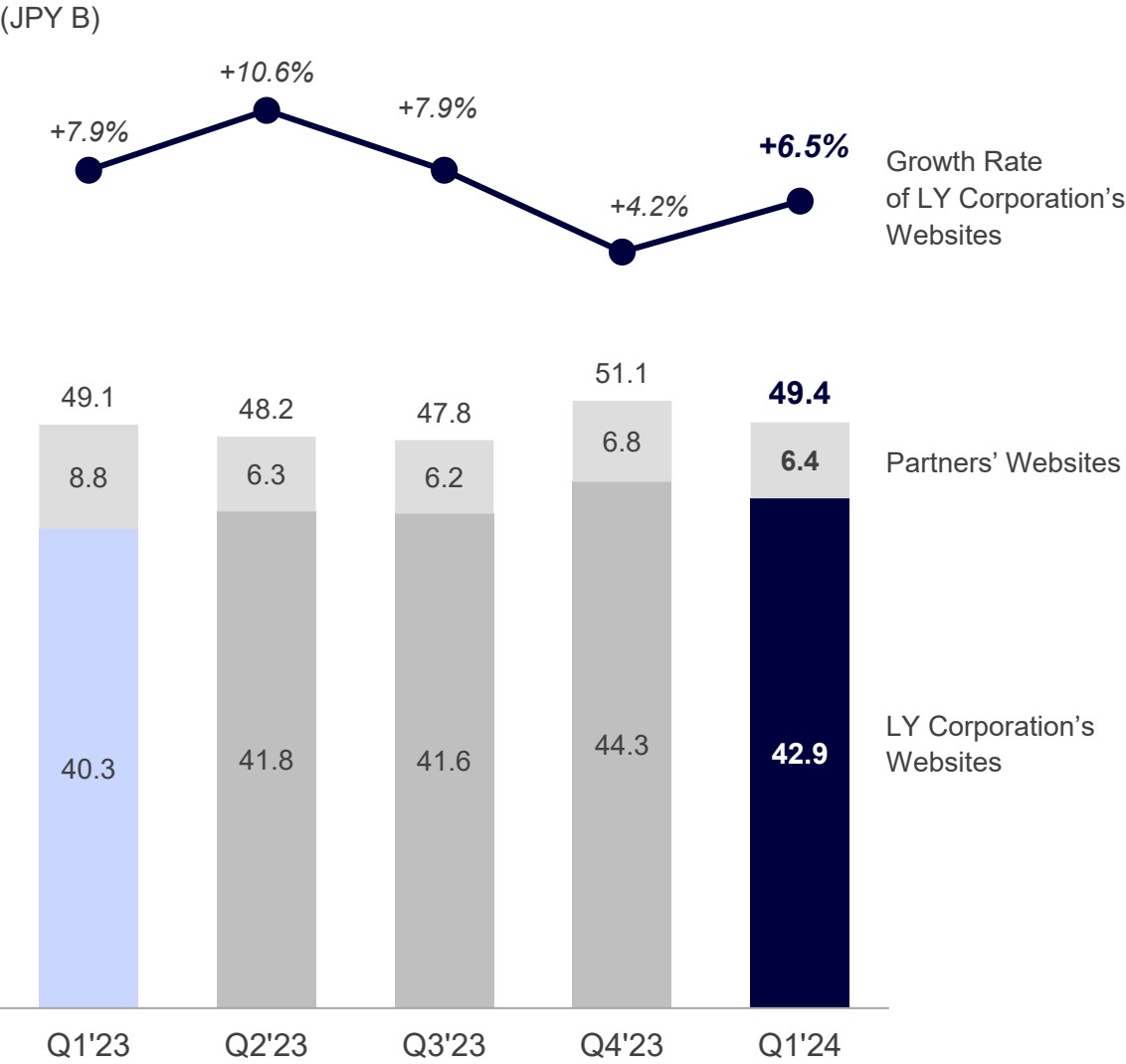
(JPY Million)	FY2023 Q1 <sup>1, 2, 3</sup>	FY2024 Q1 <sup>1, 2, 3</sup>	YoY
<b>Revenue</b>	<b>170,096</b>	<b>177,661</b>	<b>+4.4%</b>
<b>Advertising Revenue</b>	<b>132,287</b>	<b>138,237</b>	<b>+4.5%</b>
<b>Search advertising</b>	<b>49,642</b>	<b>49,985</b>	<b>+0.7%</b>
<b>Account advertising</b>	<b>23,631</b>	<b>28,681</b>	<b>+21.4%</b>
<b>Display advertising<sup>4</sup></b>	<b>59,013</b>	<b>59,570</b>	<b>+0.9%</b>
<b>Other (Vertical/entertainment/digital content/communication, etc.)</b>	<b>37,808</b>	<b>39,465</b>	<b>+4.4%</b>
<b>Cost of sales</b>	<b>32,509</b>	<b>32,632</b>	<b>+0.4%</b>
<b>Selling, general and administrative expenses</b>	<b>93,534</b>	<b>92,363</b>	<b>-1.3%</b>
Sales promotion cost + Advertising and promotional expenses	8,684	8,940	+2.9%
Other selling, general and administrative expenses	84,850	83,423	-1.7%
<b>Other revenue and expenses</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>Adjusted EBITDA (Margin)<sup>5</sup></b>	<b>60,962 (35.8%)</b>	<b>69,601 (39.2%)</b>	<b>+14.2%</b>

- From FY2023 Q1, Yahoo Japan Corporation's data solution service and dely Inc.'s service were transferred from Other to Media Business. In addition, part of the expenses related to LINE Corporation and its subsidiaries, which were previously allocated to Other and Adjustments, have been allocated to Media Business. The segment information for FY2022 has been revised as a result.
- In FY2023 Q3, membership service business was transferred from Commerce Business to Media Business. In addition, email service was transferred from Other to Media Business. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- In FY2023 Q3, personnel expenses of the back office and technology divisions as well as expenses related to data centers and internal infrastructure that were classified under Adjustments, were allocated to each segment. In addition, some accounting items to which figures are recorded were changed due to the merger. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- Excludes Shopping-related advertising revenue and advertising revenue of ZOZO, Inc. (These advertising revenues are recorded under the Commerce Business segment.)
- Includes revenue of other Media Business other than advertising business.

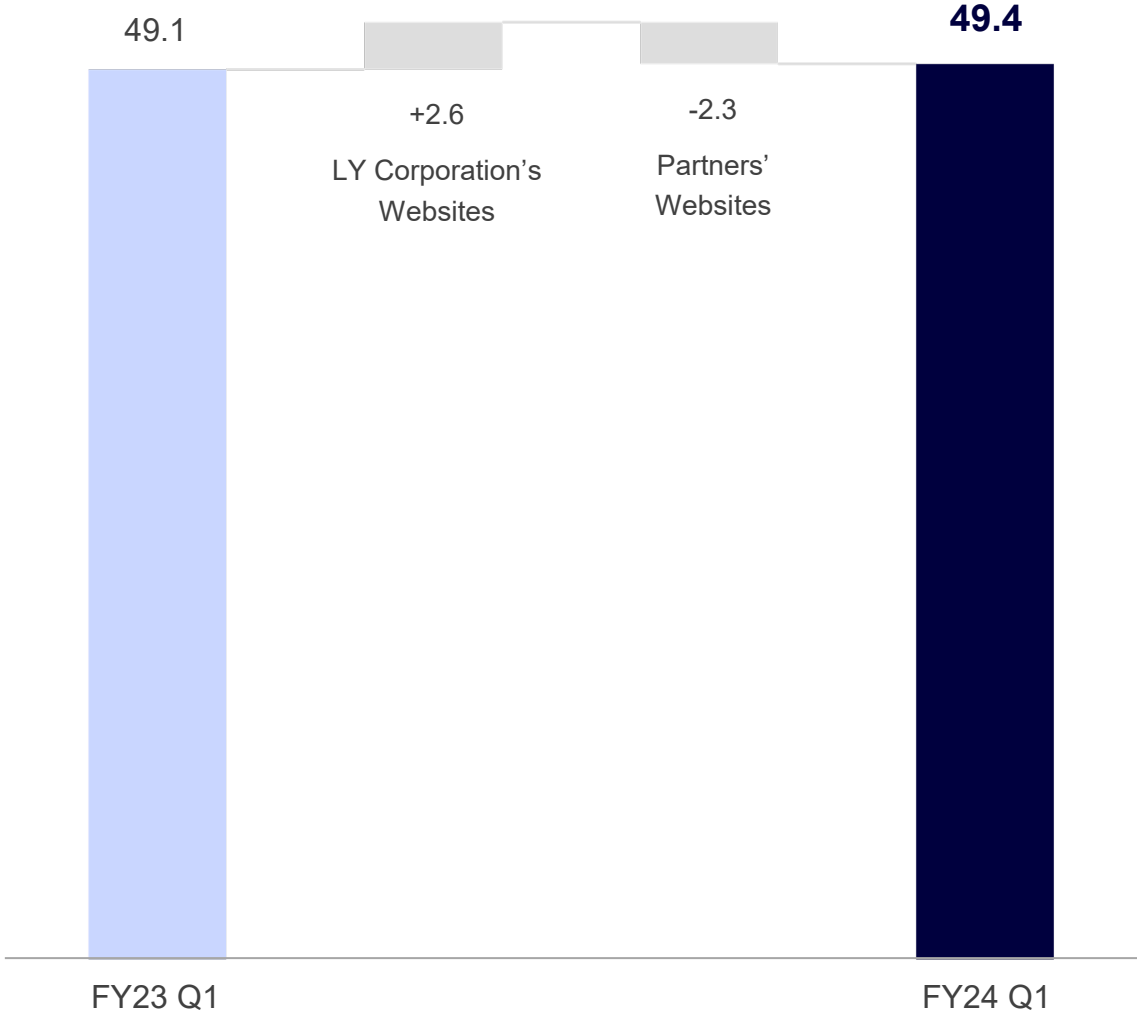


Search Advertising

Search Advertising Revenue/YoY Growth Rate



Factors Behind Change in Search Advertising Revenue



## Major Services and Products of Media Business Segment

Item	Breakdown
<b>Search advertising</b>	Yahoo! JAPAN Ads “Search advertising”
<b>Account advertising</b>	LINE Official Account, LINE Promotion Sticker, LINE de Obo (Participate with LINE), LINE Flyer, etc.
<b>Display advertising</b>	—
<b>Programmatic advertising</b>	Yahoo! JAPAN Ads “Display advertising” (Programmatic-based), LINE VOOM, LINE NEWS, Chat List, Talk Head View, Talk Head View Custom, etc.
<b>Reservation advertising</b>	Yahoo! JAPAN Ads “Display advertising” (Reservation-based), etc.
<b>Other LINE advertising</b>	LINE Part Time Jobs, etc.
<b>Other</b>	LINE Stickers, LINE GAME, LINE Fortune, LINE MUSIC, LINE Manga, LINE Search, LYP Premium, ebookjapan, real estate-related services, Yahoo! JAPAN Mail, etc.

## Major Advertising Products (LINE Ads)

Item	Fee Calculation	Placement Pages/Product Outline	Type of Advertiser
<b>Account ads</b>	—		
<b>LINE Official Account</b>	Fixed monthly cost Pay-as-you-go	Messages delivered to users who have friended the account	Major corporations/SMBs/Local governments
<b>LINE Promotion Sticker</b>	Fixed fee Pay-as-you-go	Free stickers designed for businesses for user communications	Major corporations/SMBs/Local governments
<b>LINE de Obo (Participate with LINE)</b>	Basic cost Optional cost	In-store sales promotion solution utilizing LINE	Major corporations/SMBs
<b>Display ads</b>	—		
<b>LINE VOOM</b>	Pay per click Pay per view	LINE VOOM tab	Major corporations/SMBs
<b>LINE NEWS</b>	Pay per click Pay per view	NEWS tab	Major corporations/SMBs
<b>Chat List</b>	Pay per click Pay per view	Top of chat list page	Major corporations/SMBs
<b>Talk Head View (Reservation-based)</b>	Pay per guaranteed period	Video ads distributed at the top of chat list page	Major corporations/Local governments
<b>Talk Head View Custom (Programmatic-based)</b>	Pay per view	Video ads distributed at the top of chat list page	Major corporations/Local governments

## Major Advertising Products (Yahoo! JAPAN Ads)

Item	Fee Calculation	Placement Pages	Type of Advertiser
<b>Search advertising</b>	Pay per click/pay per action	Search results pages	Major corporations/SMBs
<b>Display advertising</b>	—		
<b>Programmatic</b>	—		
<b>Yahoo! JAPAN Ads “Display advertising” (Programmatic-based)</b>	Pay per click Pay per view	Top page Interior pages of service websites Partner websites	Major corporations/SMBs
<b>Shopping-related advertising (Programmatic-based)</b>	Pay per conversion	Yahoo! JAPAN Shopping	Tenants of Yahoo! JAPAN Shopping
<b>Reservation</b>	—		
<b>Yahoo! JAPAN Ads “Display advertising” (Reservation-based)</b>	Pay per viewable impression Pay per guaranteed period, etc.	Top page Interior pages of service websites	Major corporations/Local governments
<b>Shopping-related advertising (Reservation-based)</b>	Pay per guaranteed period, etc.	Yahoo! JAPAN Shopping	Tenants of Yahoo! JAPAN Shopping

## **II. Commerce Business**

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## Business Results (P/L): Commerce Business

(JPY Million)	FY2023 Q1 <sup>1, 2, 3</sup>	FY2024 Q1 <sup>1, 2, 3</sup>	YoY
<b>Revenue</b>	<b>196,072</b>	<b>207,359</b>	<b>+5.8%</b>
<b>LY Corporation</b>	<b>34,371</b>	<b>37,879</b>	<b>+10.2%</b>
Shopping business	17,438	19,415	+11.3%
Reuse business	10,621	10,873	+2.4%
Services e-commerce	6,066	7,252	+19.5%
Other	244	337	+38.2%
<b>ZOZO, ASKUL<sup>4,5</sup></b>	<b>161,701</b>	<b>169,480</b>	<b>+4.8%</b>
<b>Cost of sales</b>	<b>91,467</b>	<b>95,609</b>	<b>+4.5%</b>
<b>Selling, general and administrative expenses</b>	<b>86,822</b>	<b>91,833</b>	<b>+5.8%</b>
Sales promotion cost + Advertising and promotional expenses	11,370	15,945	+40.2%
Other selling, general and administrative expenses	75,452	75,888	+0.6%
<b>Other revenue and expenses</b>	<b>-</b>	<b>29,718</b>	<b>N/A</b>
<b>Adjusted EBITDA (Margin)</b>	<b>35,786 (18.3%)</b>	<b>41,399 (20.0%)</b>	<b>+15.7%</b>

- From FY2023 Q1, part of the expenses related to LINE Corporation and its subsidiaries, which were previously allocated to Other and Adjustments, have been allocated to Commerce Business. The segment information for FY2022 has been revised as a result.
- In FY2023 Q3, membership service business was transferred from Commerce Business to Media Business. In addition, email service was transferred from Other to Media Business. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- In FY2023 Q3, personnel expenses of the back office and technology divisions as well as expenses related to data centers and internal infrastructure that were classified under Adjustments, were allocated to each segment. In addition, some accounting items to which figures are recorded were changed due to the merger. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
- From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.
- ValueCommerce Co., Ltd. ("ValueCommerce") implemented and completed a tender offer of its own shares (March 12 to April 9, 2024), to which Z Intermediate Holdings Corporation, LY Corporation's subsidiary, tendered its ValueCommerce's shares. As a result, ValueCommerce became an equity method affiliate as of May 2, 2024. Thus, the services of ValueCommerce are not included from this date.

## Major Services and Products of Commerce Business Segment

Item	Breakdown
<b>LY Corporation</b>	—
<b>Shopping business</b>	Yahoo! JAPAN Shopping, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore <sup>1</sup> , Yahoo! JAPAN Mart by ASKUL, LIVEBUY <sup>2</sup> , overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, etc.)
<b>Reuse business</b>	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market
<b>Services e-commerce</b>	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.
<b>Other</b>	Other
<b>ZOZO/ASKUL</b>	—
<b>ZOZO</b>	ZOZOTOWN, ZOZOUSED, etc.
<b>ASKUL<sup>3</sup></b>	ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc.
<b>Other<sup>4</sup></b>	ValueCommerce Affiliate, Value Point Club, STORE's R <sup>∞</sup> , StoreMatch, B-Space, etc.

1. MySmartStore service has ended on July 31, 2024.

2. LIVEBUY service has ended on July 31, 2024.

3. From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.

4. ValueCommerce Co., Ltd. ("ValueCommerce") implemented and completed a tender offer of its own shares (March 12 to April 9, 2024), to which Z Intermediate Holdings Corporation, LY Corporation's subsidiary, tendered its ValueCommerce's shares. As a result, ValueCommerce became an equity method affiliate as of May 2, 2024. Thus, the services of ValueCommerce are not included from this date.

## KPI - Definition of E-Commerce Transaction Value

Item	Major Services/Products
<b>E-commerce transaction value</b>	—
<b>Domestic merchandise</b>	—
<b>Shopping business</b>	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore <sup>2</sup> , Yahoo! JAPAN Mart by ASKUL, LIVEBUY <sup>3</sup>
<b>Reuse business</b>	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, ZOZOUSED
<b>ASKUL online BtoB business<sup>1</sup></b>	ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.
<b>Domestic services</b>	Ikyu.com, Yahoo! JAPAN Travel, Demae-can, LINE PLACE
<b>Domestic digital content</b>	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, other paid digital content
<b>Overseas e-commerce</b>	LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, ZOZOFIT <sup>5</sup> , LINE FRIENDS, LINE TRAVEL, LINE MAN, LINE Stickers <sup>4</sup> , LINE GAME <sup>4</sup> , DOSI <sup>6</sup>

1. From FY2023 Q1, the definition has been changed to include APMRO and FEED DENTAL.

2. MySmartStore service has ended on July 31, 2024.

3. LIVEBUY service has ended on July 31, 2024.

4. Revenue from this service is recorded in the Media Business segment.

5. From FY2023 Q1, includes the transaction value of ZOZOFIT.

6. Global NFT platform. Revenue from this service is recorded in the Strategic Business segment.



### **III. Strategic Business**

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## Business Results (P/L): Strategic Business

(JPY Million)

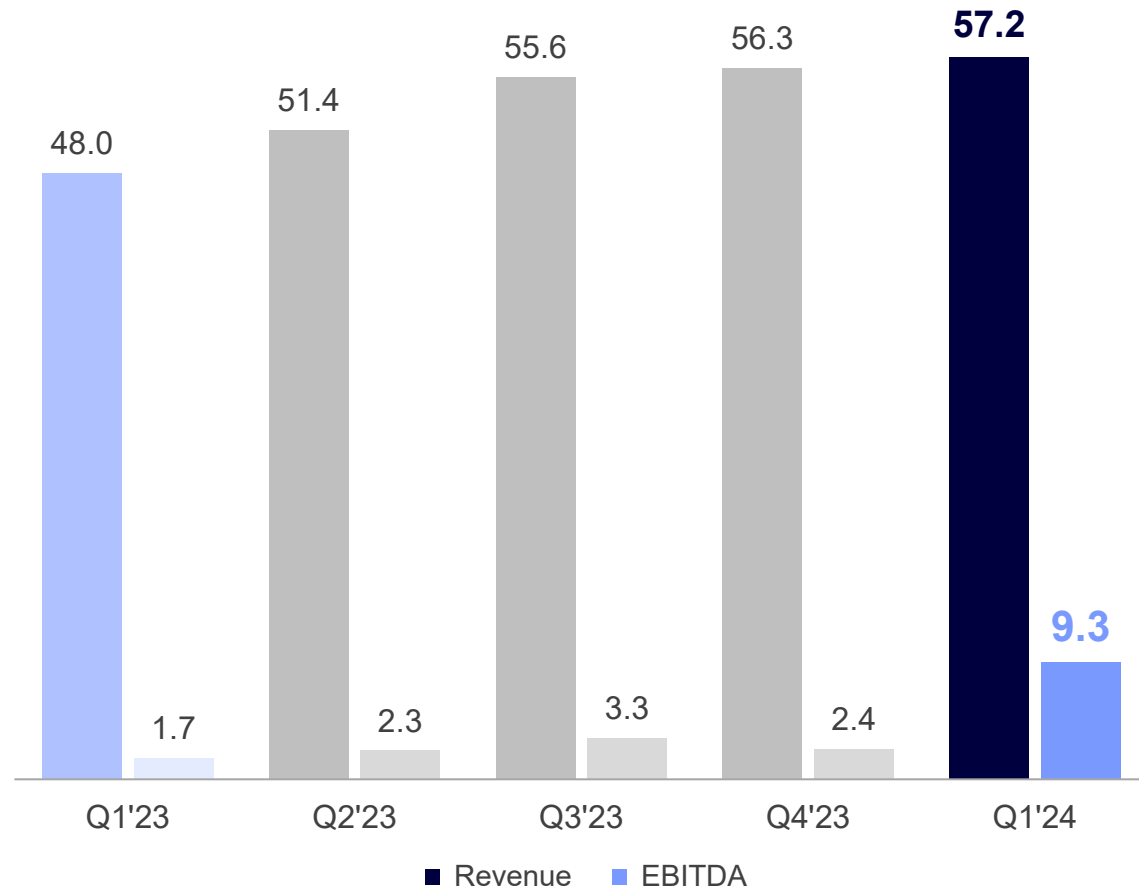
	FY2023 Q1 <sup>1, 2</sup>	FY2024 Q1 <sup>1, 2</sup>	YoY
<b>Revenue</b>	<b>65,463</b>	<b>79,139</b>	<b>+20.9%</b>
<b>Fintech</b>	<b>65,363</b>	<b>79,089</b>	<b>+21.0%</b>
PayPay (Consolidated) <sup>3</sup>	47,906	56,925	+18.8%
PayPay Bank <sup>4</sup>	10,362	11,793	+13.8%
Other fintech (LINE Fintech, etc.)	7,095	10,370	+46.2%
<b>Other Strategic Business</b>	<b>100</b>	<b>50</b>	<b>-49.9%</b>
<b>Cost of sales</b>	<b>4,712</b>	<b>4,758</b>	<b>+1.0%</b>
<b>Selling, general and administrative expenses</b>	<b>68,697</b>	<b>78,727</b>	<b>+14.6%</b>
Sales promotion cost + Advertising and promotional expenses	12,001	15,105	+25.9%
Other selling, general and administrative expenses	56,696	63,622	+12.2%
<b>Other revenue and expenses</b>	<b>10,458</b>	<b>13,336</b>	<b>+27.5%</b>
<b>Adjusted EBITDA (Margin)</b>	<b>405 (0.6%)</b>	<b>6,026 (7.6%)</b>	<b>+1,384.7%</b>

1. From FY2023 Q1, part of the expenses related to LINE Corporation and its subsidiaries, which were previously allocated under Other and Adjustments, have been allocated to Strategic Business. The segment information for FY2022 has been revised as a result.
2. In FY2023 Q3, personnel expenses of the back office and technology divisions as well as expenses related to data centers and internal infrastructure that were classified under Adjustments, were allocated to each segment. In addition, some accounting items to which figures are recorded were changed due to the merger. As a result, figures for FY2022, FY2023 Q1, and FY2023 Q2 have been retroactively revised.
3. Includes PayPay Corporation and PayPay Card Corporation. Figures are shown after the elimination of internal transactions between the two companies and have been independently calculated following relevant IFRS adjustments.
4. Independently calculated following relevant IFRS adjustments from non-consolidated figures under JGAAP.

## PayPay Corporation – Consolidated Business Results

Consolidated Revenue<sup>1</sup>/EBITDA<sup>2</sup> (IFRSs)

(JPY B)



Consolidated Statement of Financial Position (IFRSs)

(JPY B)

	FY2023 Q4	FY2024 Q1	Difference
<b>Assets</b>	<b>1,900.2</b>	<b>1,711.5</b>	<b>-188.6</b>
Cash and deposits	580.7	3,22.4	-258.3
Other assets	1,319.4	1,389.1	+69.6
<b>Liabilities</b>	<b>1,846.5</b>	<b>1,653.1</b>	<b>-193.4</b>
Interest-bearing liabilities	676.1 <sup>3</sup>	539.4	-136.6
Other liabilities	1,170.4	1,113.6	-56.7
<b>Net Assets</b>	<b>53.6</b>	<b>58.4</b>	<b>+4.7</b>

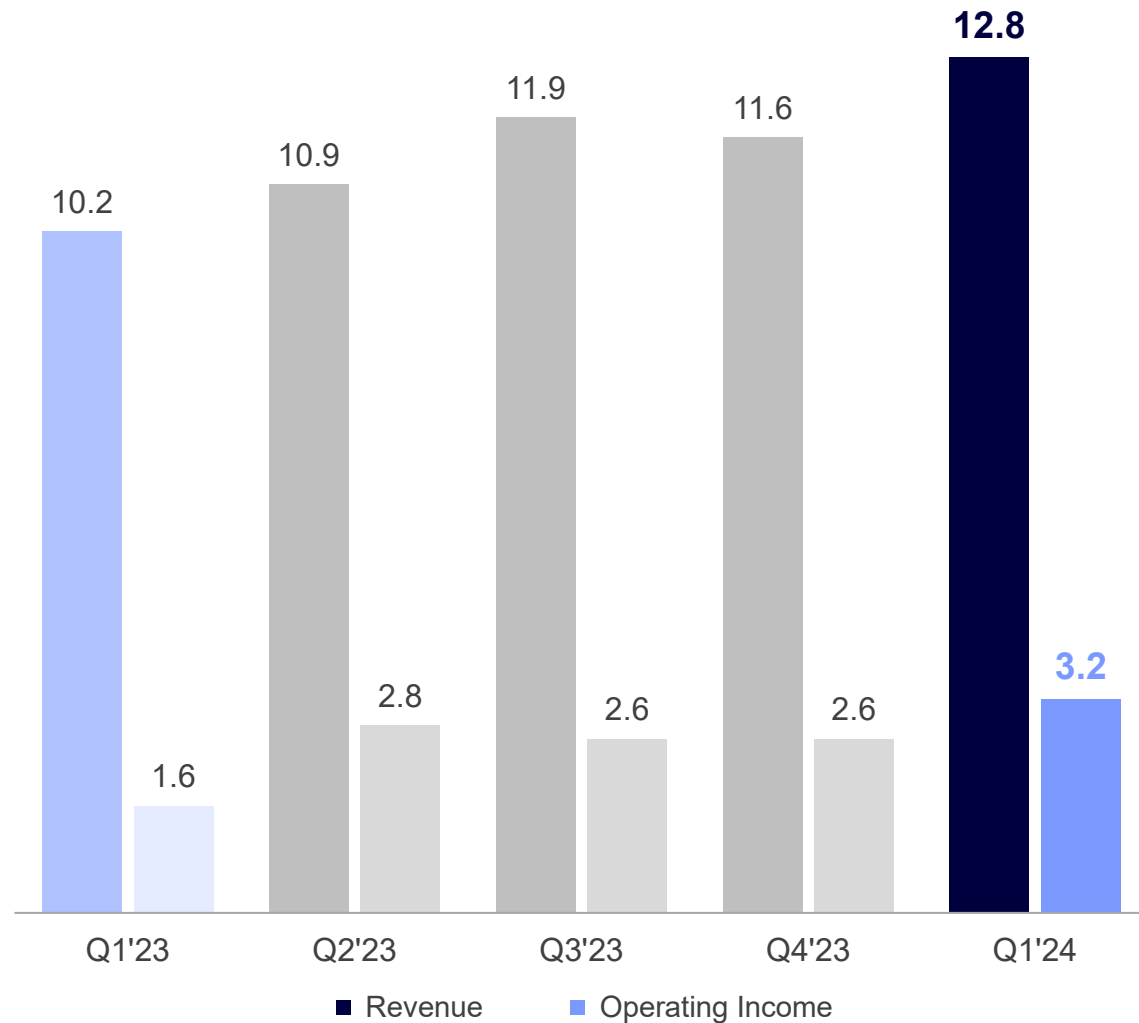
1. The financial statements of PayPay Card Corporation have been consolidated with PayPay Corporation from the beginning of FY2021 by applying the pooling-of-interests method. IFRS. Non-audited

2. Consolidated the financial statements of PayPay Card Corporation from the beginning of FY2021 year by applying the pooling-of-interests method. EBITDA is calculated by adding depreciation and loss on disposal of non-current assets to operating income, IFRS. Non-audited

3. The figure has been corrected due to an error in tabulation.

Revenue/Operating Income (Non-Consolidated IFRS)<sup>1</sup>

(JPY B)

Statement of Financial Position (JGAAP)<sup>1</sup>

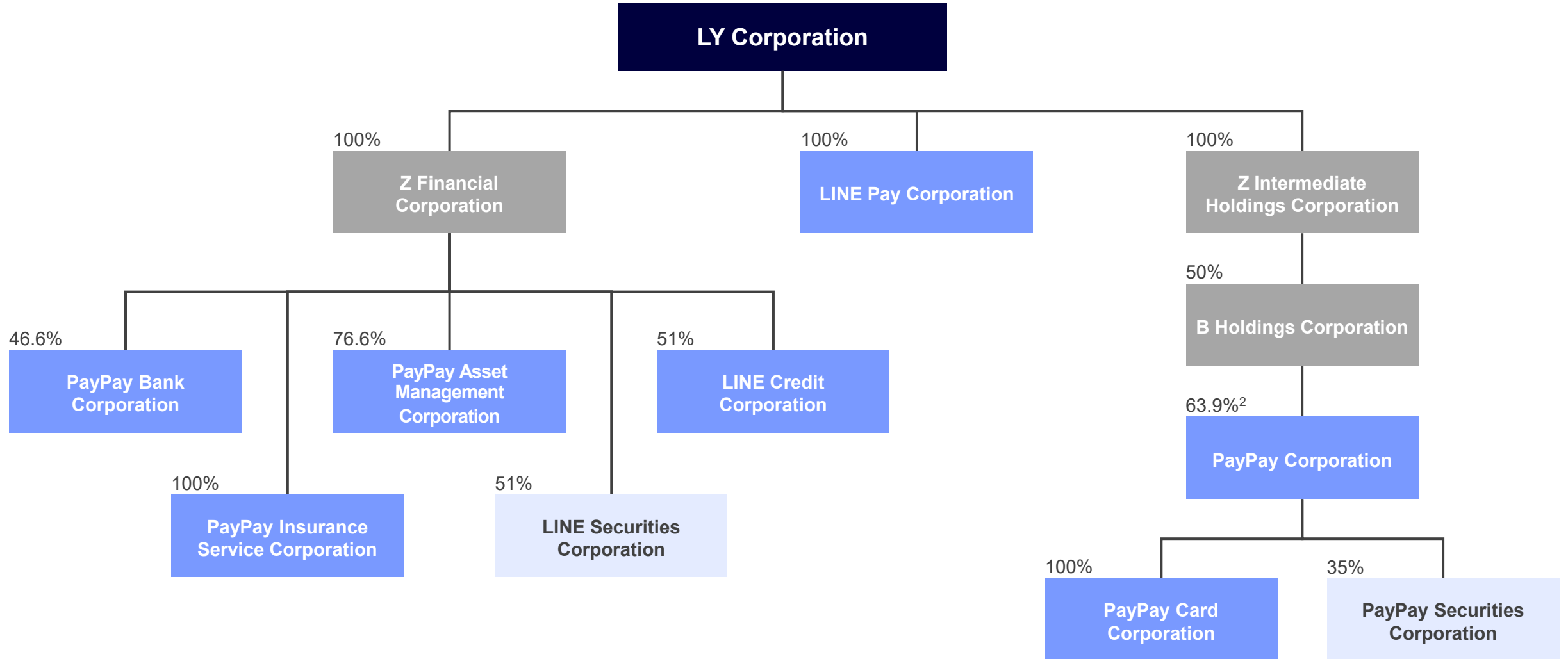
(JPY B)

	FY2023 Q4	FY2024 Q1	Difference
<b>Assets</b>	<b>2,052.5</b>	<b>2,103.3</b>	<b>+50.7</b>
Cash and cash equivalents	248.2	308.5	+60.2
Trade and other receivables	25.8	27.1	+1.2
Investment securities in banking business	812.7	847.0	+34.3
Property and equipment	2.6	2.6	+0.0
Intangible assets	10.4	10.8	+0.3
<b>Liabilities</b>	<b>1,916.6</b>	<b>1,969.6</b>	<b>+52.9</b>
Trade and other payables	25.8	18.8	-7.0
Customer deposits in banking business	1,780.0	1,840.7	+60.6
Interest-bearing liabilities	101.9	101.9	-
<b>Equity</b>	<b>135.8</b>	<b>133.6</b>	<b>-2.1</b>

1. Figures are shown before the elimination of internal transactions within the LY Corporation Group. Revenue and operating income are independently calculated following relevant IFRS adjustments from non-consolidated figures under JGAAP.

# Capital Structure of Domestic Financial Businesses<sup>1</sup>

■ Consolidated Subsidiary   
 ■ Equity-Method Affiliate   
 ■ Intermediate Holding Company



1. Percentage of voting rights.

2. Total of B Holdings Corporation's shareholding ratio (57.9%) and LY Corporation's shareholding ratio (5.9%).










Item	Breakdown
<b>Fintech</b>	—
<b>PayPay (Consolidated)</b>	PayPay, PayPay Card
<b>PayPay Bank</b>	—
<b>Other fintech</b>	PayPay Asset Management, PayPay Insurance, LINE Pay <sup>1</sup> , LINE Score, LINE Pocket Money, LINE BITMAX, LINE FX, DOSI, etc.
<b>Other</b>	Other

1. LINE Pay service in Japan is scheduled to be terminated on April 30, 2025.

## **IV. International Business**

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- Overwhelming reach and market share in Asian countries and regions, mainly Taiwan, Thailand, and Indonesia.
- Generating revenue mainly from advertising, stickers, and game businesses based on messaging.

<p>Taiwan</p> 	<p>22 mil MAU<sup>1</sup> (Population: 23.41 mil<sup>2</sup>)</p>	  <p><b>LINE TODAY</b></p> <p><b>No.1 Market share<sup>5</sup></b></p>
<p>Thailand</p> 	<p>54 mil MAU<sup>1</sup> (Population: 66.09 mil<sup>3</sup>)</p>	  <p><b>LINE TODAY</b></p> <p><b>No.1 Market share<sup>5</sup></b></p>
<p>Indonesia</p> 	<p>6 mil MAU<sup>1</sup> (Population: 281.60 mil<sup>4</sup>)</p>	  <p><b>LINE SPLITBILL</b></p>



1. As of June 30, 2024.  
 2. Population as of March 31, 2024. Figures are quoted from data published by the Ministry of Interior.  
 3. Population for 2022. Figures are quoted from data published by the Ministry of Interior.  
 4. Population as of June 30, 2024. Figures are quoted from data published by the Ministry of Interior.  
 5. Data for Taiwan and Thailand are based on 2022 market research data for each country and region.  
 6. Figures for local financial results are converted to Japanese yen using the average exchange rate from the beginning of the fiscal year.



## Table of Contents

**1** Entire Group – Consolidated Business Results

**2** Business Results – By Segment

**3** Non-Financial Information

- Approved at the 29th ordinary general meeting of the shareholders, independent outside directors now comprise 66.6% of the Board.
- The parent company is A Holdings Corporation, a joint venture of SoftBank Corp. and NAVER Corporation.

Board of Directors



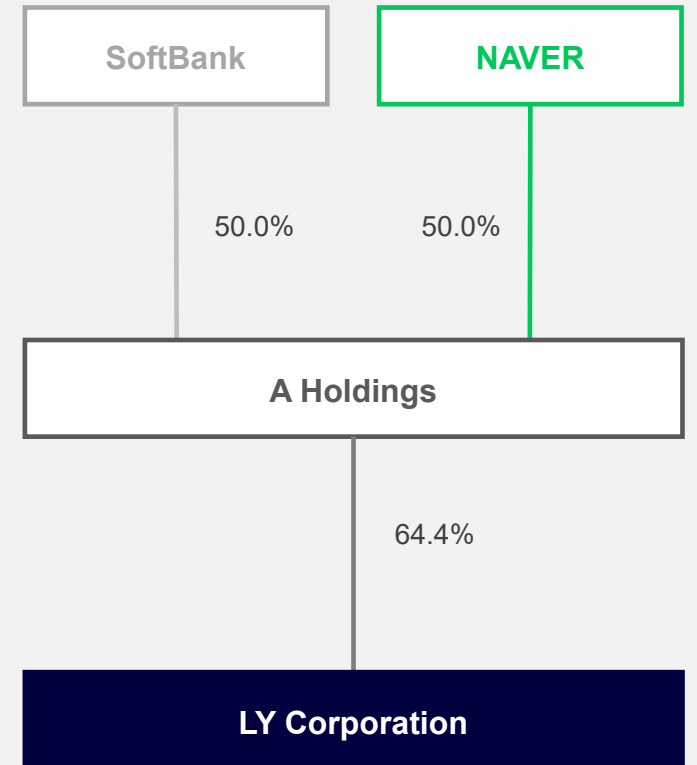
**Kentaro Kawabe**  
Chairperson and Representative Director



**Takeshi Idezawa**  
President and Representative Director, CEO

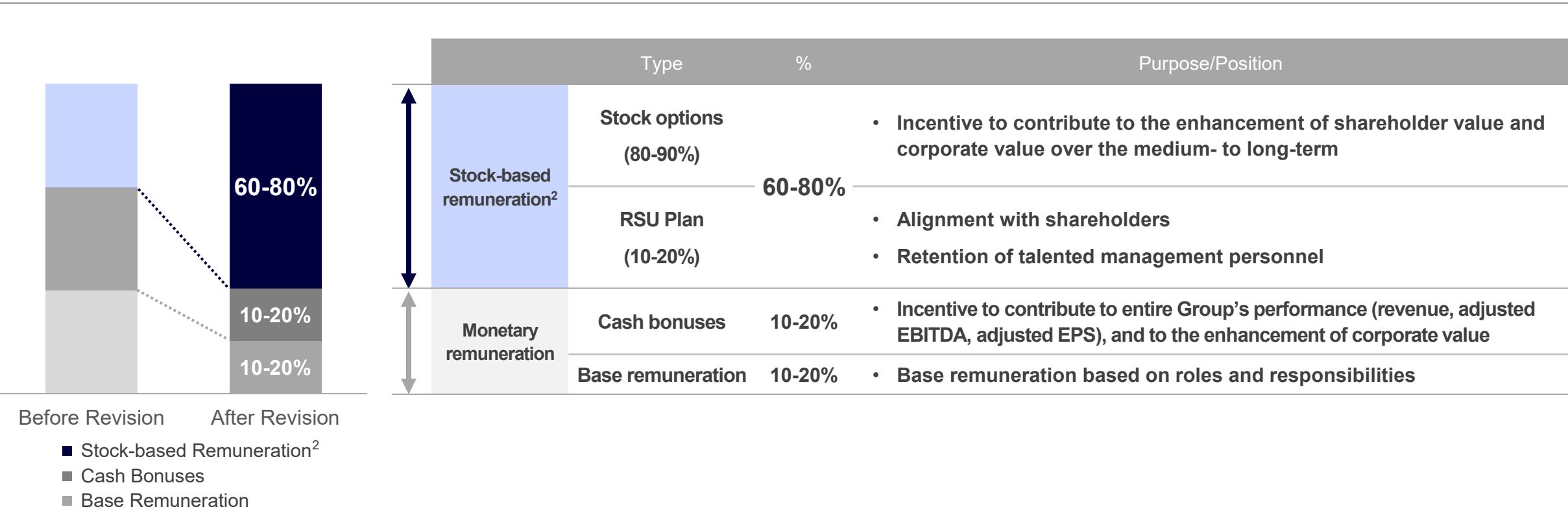
Outside Director (Independent Director) Full-time Audit and Supervisory Committee Member	Yoshio Usumi
Outside Director (Independent Director) Audit and Supervisory Committee Member	Maiko Hasumi
Outside Director (Independent Director) Audit and Supervisory Committee Member	Tadashi Kunihiro
Outside Director (Independent Director) Audit and Supervisory Committee Member	Yuko Takahashi

Capital Structure



- The new executive remuneration plan from FY2022 onwards puts more emphasis on stock-based remuneration as a medium- to long-term incentive.
- Fostering a sense of shared interest (Same Boat) with shareholders, aiming to enhance corporate value through sustainable growth.

Revision of Directors' Remuneration Plan<sup>1</sup>



1. Excludes directors serving on the Audit and Supervisory Committee.  
 2. Stock-based remuneration is not paid for FY2023 and FY2024.

## Disclaimer

Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of LY Corporation (Company) and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Such factors include, but are not limited to, the items mentioned in “Risk Factors” in “Consolidated Financial Statements and Independent Auditor's Report” (Japanese only). Unauthorized use of the information or the data in this document is not permitted.

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.

**LY**

**Create an amazing life platform that brings WOW! to our users.**