



June 28, 2024

To whom it may concern,

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

Progress Status of the Plan to Meet the Continued Listing Requirements

Having previously submitted its plan to meet the continued listing requirements of the Tokyo Stock Exchange's Prime Market on December 3, 2021, LY Corporation (hereinafter, the "Company") updated its plan as announced in "Notice of Update (Change) to Plan to Meet the Continued Listing Requirements" on January 16, 2024. The status of the plan as of March 2024 is as explained below.

Please note that no changes have been made to the policies and target period (by the end of the fiscal period ending March 31, 2025) stated in the above announcement made on January 16, 2024.

1. Status of the Company's compliance with the continued listing requirements and target period

The status of the Company's compliance with the continued listing requirements for the Prime Market as of March 31, 2024, including recent changes thereto, is as detailed below.

		No. of Shareholders	No. of Tradeable Shares (Units)	Tradeable Share Market Cap	Tradeable Share Ratio	Daily Average Trading Value
Company's status and changes thereto	As of June 30, 2021	—	—	—	33.9%	—
	As of March 31, 2023	—	—	—	33.8%	—
	As of March 31, 2024	—	—	—	34.0%	—
Continued listing requirements		800	20,000	JPY10.0B	35%	JPY 20 Mil
Compliance status as of March 31, 2024		Compliant	Compliant	Compliant	Noncompliant	Compliant
Target period noted in original plan		—	—	—	By end of fiscal period ending March 31, 2025	—

Note: The Company's compliance status as indicated above has been calculated based on information concerning the distribution of the Company's share certificates, etc. available to Tokyo Stock Exchange, Inc. as of the base date. The daily average trading value has been determined by dividing the total trading value during the trading sessions of the Tokyo Stock Exchange from January through December 2023 by the total number of days (excluding holidays) during the same period.

2. Status and evaluation of measures that have been taken to meet the continued listing requirements

In an announcement issued on December 3, 2021 and entitled “Application to Select Prime Market in the New Market Segments and Submission of Plan to Meet the Continued Listing Requirements,” the Company announced that it would aim to meet the continued listing requirements of the Prime Market by raising its tradeable share ratio through the following measures: the Company would acquire a portion of the Company’s common stock owned by its parent company, A Holdings Corporation (hereinafter, “A Holdings”), through a tender offer (hereinafter the “Tender Offer”) and would then dispose of the shares of common stock acquired through the Tender Offer upon the exercise of moving strike warrants (hereinafter “Stock Acquisition Rights”) issued by the Company. In addition to this disposal, a portion of the Company’s treasury stock would be cancelled, subject to the completion of the Tender Offer (hereinafter, the “Cancellation of Treasury Stock”).

In accordance with the plan outlined above, the Company conducted the Tender Offer from December 10, 2021 and acquired 103,000,000 shares of the Company’s common stock from A Holdings. On January 14, 2022, the Company issued 103,000 Stock Acquisition Rights to BofA Securities Japan Co., Ltd. (hereinafter “BofA Securities”) for the same number of the Company’s common stock as acquired through the Tender Offer. On February 14, 2022, 60,172,034 shares of the Company’s common stock were cancelled as a result of the Cancellation of Treasury Stock. Thereafter, worsening conditions in the advertising market combined with slower progress on PMI than stakeholders had anticipated following the business integration of Z Holdings Corporation and LINE Corporation in March 2021 as well as other factors resulted in a situation in which the share price of the Company’s stock remained below the exercise price of the Stock Acquisition Rights in spite of certain positive effects of the business integration. Consequently, BofA Securities did not exercise the Stock Acquisition Rights prior to the final day of the exercise period: January 16, 2024. Thus, the Company acquired the Stock Acquisition Rights in accordance with the issuance guidelines thereof as detailed in the announcement issued on January 16, 2024, and entitled “Notice Concerning the Acquisition of Z Holdings Corporation 2021 First Stock Acquisition Rights.” While the Company continues to hold discussions with its major shareholders and other parties concerning initiatives to comply with the continued listing requirements, no specific details and timing to implement such initiatives have been determined as of the date of this announcement.

3. Future issues and measures to be taken with respect to the unfulfilled continued listing requirement

As the Company considers continued listing on the Prime Market, which imposes higher standards in terms of governance, to be essential for the Company to continue growing and enhancing its corporate value over the mid-to-long-term, the Company is committed to ongoing efforts to meeting the continued listing requirements. Toward this end, the Company will continue to consider various specific measures and timeframes while maintaining an ongoing dialog with major shareholders and other parties during the target period, which is until March 31, 2025. The Company will also continue to promptly disclose any important decisions concerning matters that call for disclosure.

Disclaimer

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