

# LY Corporation Earnings

## FY2024 Full Year & Q4

May 7, 2025

Security Code: 4689

**LINEヤフー**

## FY2024 Full Year & Q4 Earnings Highlights

1

### **Recorded a double-digit growth in adjusted EBITDA (FY2024).**

- FY2024 Full Year Result: Consolidated revenue JPY1.91 T (YoY+5.7%)  
Consolidated adjusted EBITDA JPY 470.8 B (YoY+13.5%)

2

### **Three focus areas for FY2025:**

1. Transform LINE Official Account and LINE MINI App into a business platform.
2. Transform PayPay from a payment app into a digital financial platform. IPO preparation underway<sup>1</sup> to unlock enterprise value.
3. Deploy AI agents in consumer-facing services in full-scale.

3

### **Expect a high-single digit growth in revenue and profit for FY2025 (including investments).**

- FY2025 Full Year Guidance: Consolidated revenue JPY2.10 T (YoY approx. +9%)  
Consolidated adjusted EBITDA JPY500.0 to 510.0 B (YoY+6.2 to 8.3%)  
Adjusted EPS (redefined) JPY25.9 to 26.9 (YoY +4.0 to 7.9%<sup>2</sup>)

4

### **Announced share repurchase of JPY150.0 B. Continue to improve capital efficiency.**

1. This document is intended to disclose LY Corporation's financial results for the fiscal year 2024, and does not constitute a solicitation of an offer to sell or purchase any securities in Japan or any other jurisdictions. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any offers, solicitations of offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act of 1933, as amended ("Securities Act"). The information on this slide is being presented in accordance with Rule 135 under the Securities Act.

2. Forecast considers in JPY150 B share buyback announced May 7, 2025

## Table of Contents

- 1 Financial Results - Consolidated**
- 2 Financial Results – by Segment**
- 3 FY2025 Guidance**
- 4 FY2025 Initiatives**

## Table of Contents

- 1 Financial Results - Consolidated**
- 2 Financial Results – by Segment
- 3 FY2025 Guidance
- 4 FY2025 Initiatives

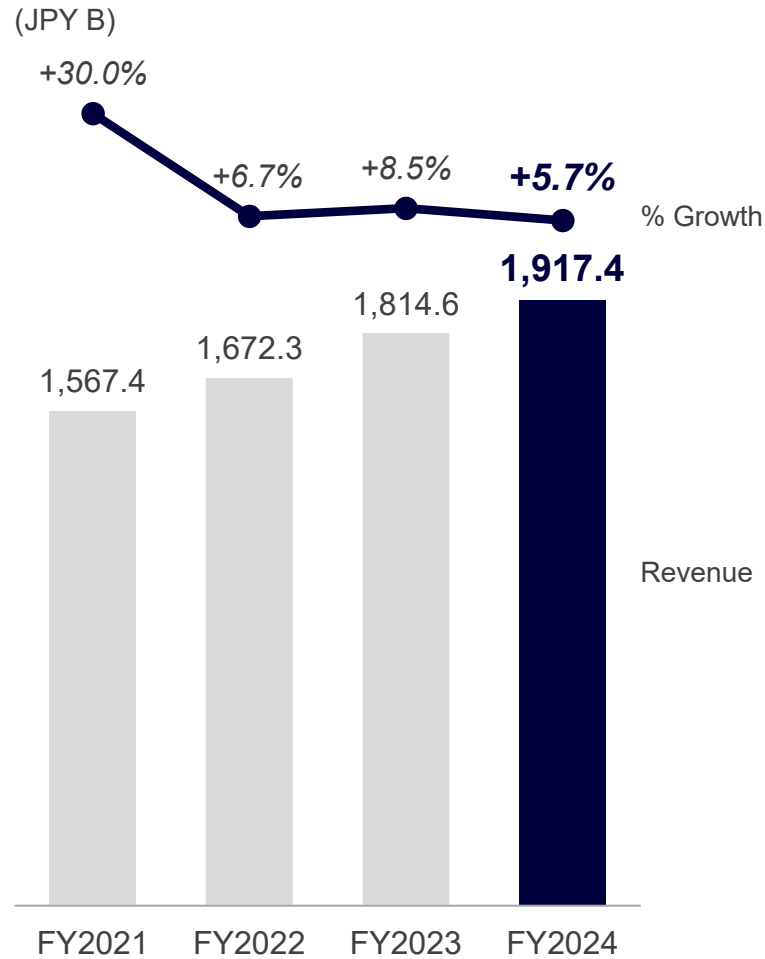
Revenue and profit growth in all three segments. Adjusted EBITDA +13.5% YoY on a consolidated basis

Segment	Item	FY2023	FY2024	% YoY Change
Consolidated	Revenue	JPY1,814.6 B	JPY1,917.4 B	+5.7 %
	Adjusted EBITDA	JPY414.9 B	JPY470.8 B	+13.5 %
	Adjusted EPS <sup>1</sup>	JPY22.3	JPY24.9	+11.7 %
	(old definition) Adjusted EPS	JPY18.9	JPY19.6	+3.8 %
Media	Revenue	JPY702.1 B	JPY731.6 B	+4.2 %
	Adjusted EBITDA	JPY254.5 B	JPY283.9 B	+11.6 %
Commerce	Revenue	JPY827.0 B	JPY848.3 B	+2.6 %
	Adjusted EBITDA	JPY143.2 B	JPY148.4 B	+3.6 %
Strategic	Revenue	JPY289.9 B	JPY341.2 B	+17.7 %
	Adjusted EBITDA	JPY11.5 B	JPY51.5 B	+347.3 %
Other/Adjustments	Adjusted EBITDA	JPY5.5 B	-JPY13.0 B	-

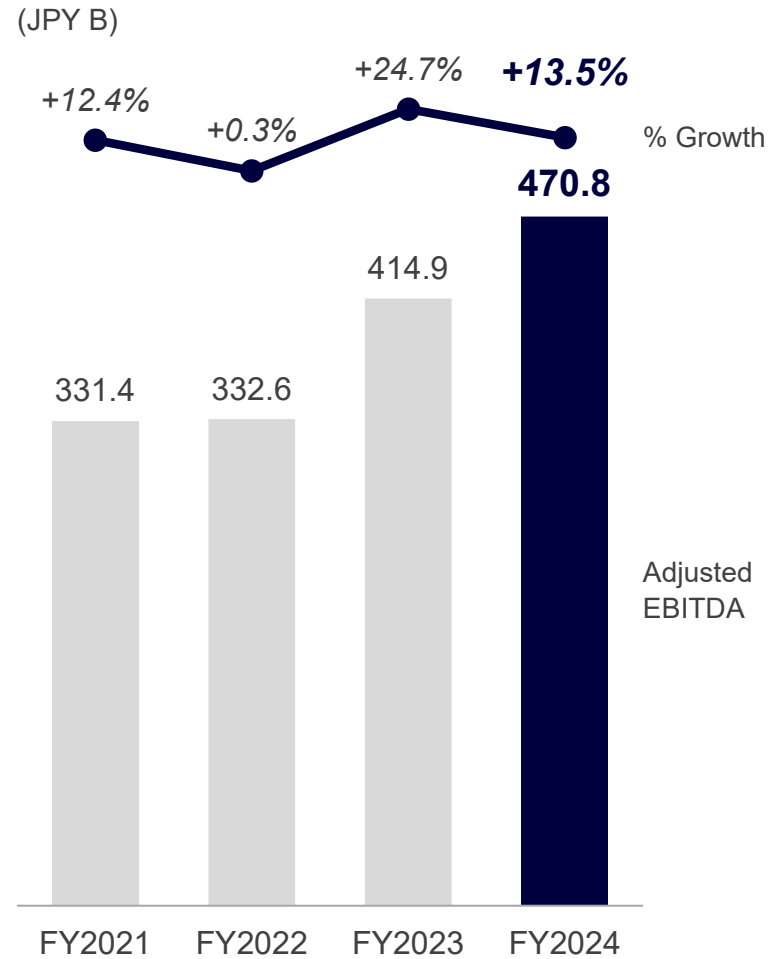
1. Adjusted EPS: Adjusted net income/average number of common stocks outstanding. Adjusted net income: Net income attributable to owners of the parent ± EPS adjustment items ± tax equivalent on some EPS adjustment items. EPS adjustment items: ± EBITDA adjustment items + amortization of identifiable intangible assets arising from business combinations ± non-recurring gains/losses in non-operating income/expenses.

## Substantial improvement in profitability post merger, leading to strong profit growth

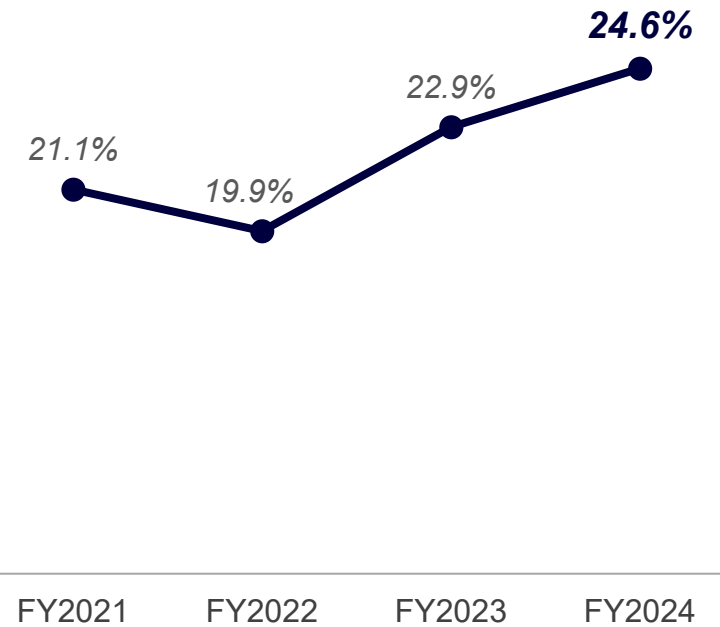
Revenue/ %YoY Growth



Adjusted EBITDA/ %YoY Growth



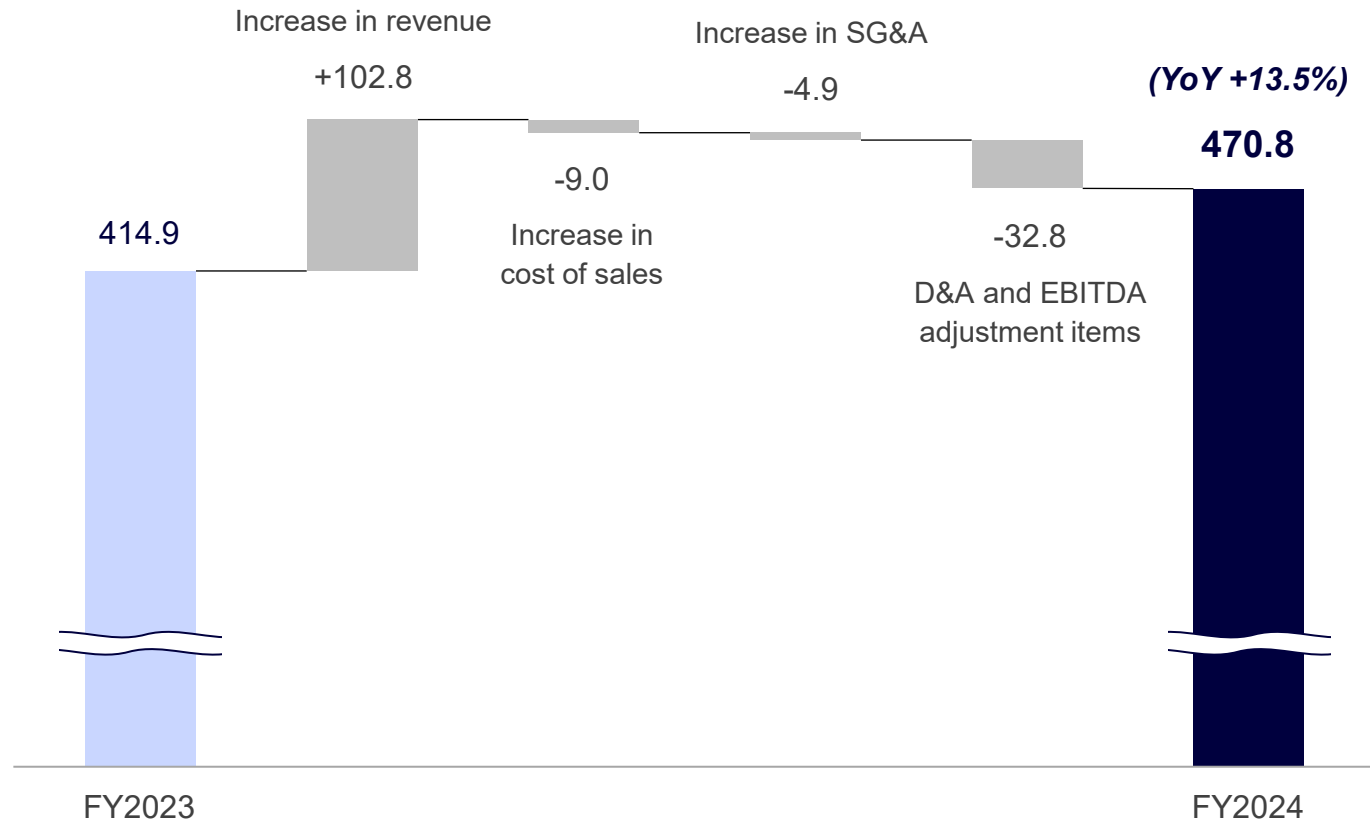
Adjusted EBITDA Margin



## Increase in product revenue driving profit growth. Cost optimization stabilized

Change in Adjusted EBITDA<sup>1</sup>

(JPY B)



### Revenue: +JPY102.8 billion

- Media (+JPY29.4 B): Growth in account advertising.
- Commerce (+JPY21.2 B): Growth in ZOZO, ASKUL, Yahoo! JAPAN Shopping, travel, and reuse businesses.
- Strategic (+JPY51.2 B): Growth in PayPay Consolidated,<sup>2</sup> LINE Pay Taiwan, and PayPay Bank.

### Cost of sales: +JPY9.0 billion

- Media (+JPY5.6 B): Increase in ebookjapan, search, LINE STICKERS, and dely.
- Commerce (-JPY0 B): Askul increase offset by decrease in deconsolidation of ValueCommerce and IPX.
- Strategic (+JPY3.4 B): Increase in PayPay Bank.

### SG&A: +JPY4.9 billion

- Sales promotion costs/advertising & promotional expenses (+JPY17.1 B): Sales promotion costs increase mainly by Yahoo! JAPAN Shopping and PayPay Consolidated<sup>2</sup>.
- Other SG&A (-JPY12.1 B): Decrease in impairment losses, depreciation, and business commissions, offsetting increase in commission expenses and license fees.

### D&A and EBITDA adjustment items: +JPY32.8 billion

- Decreased mainly in impairment losses, depreciation, and amortization.

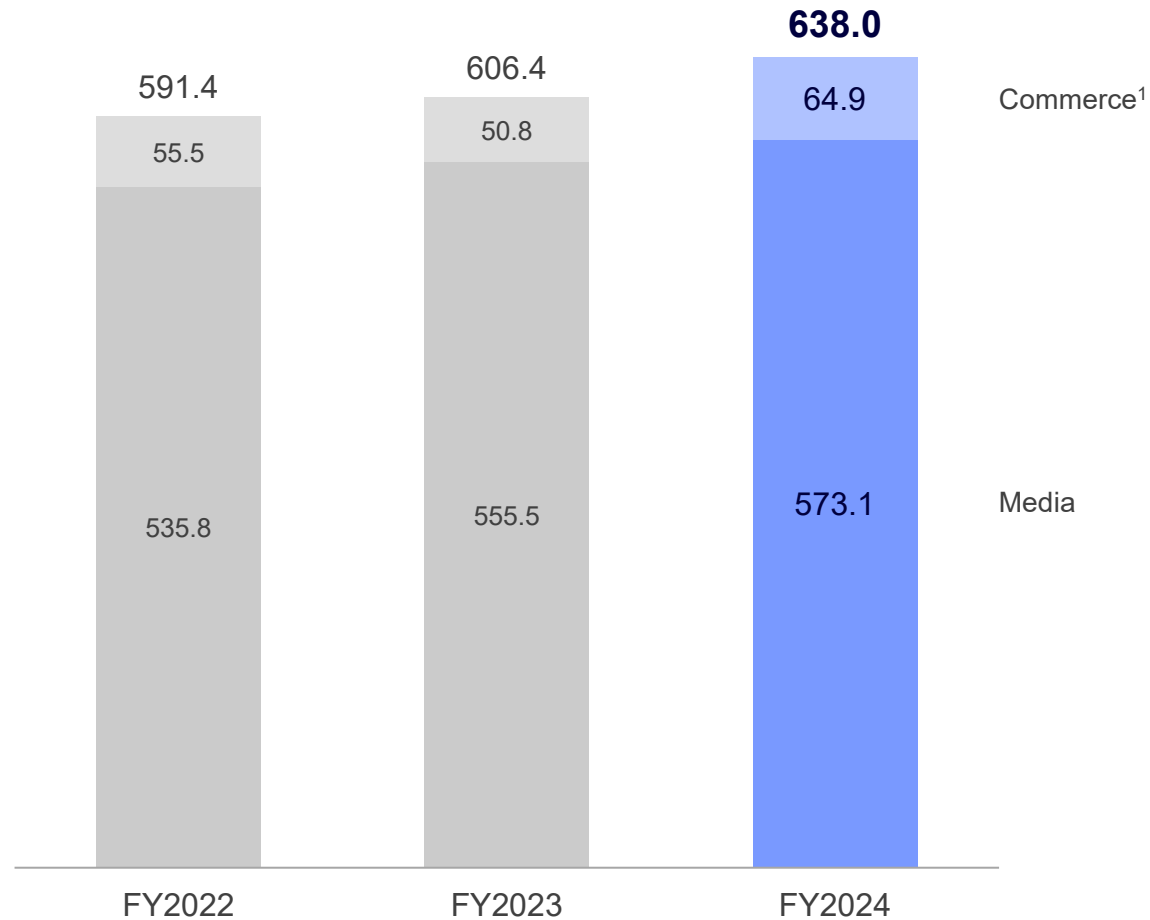
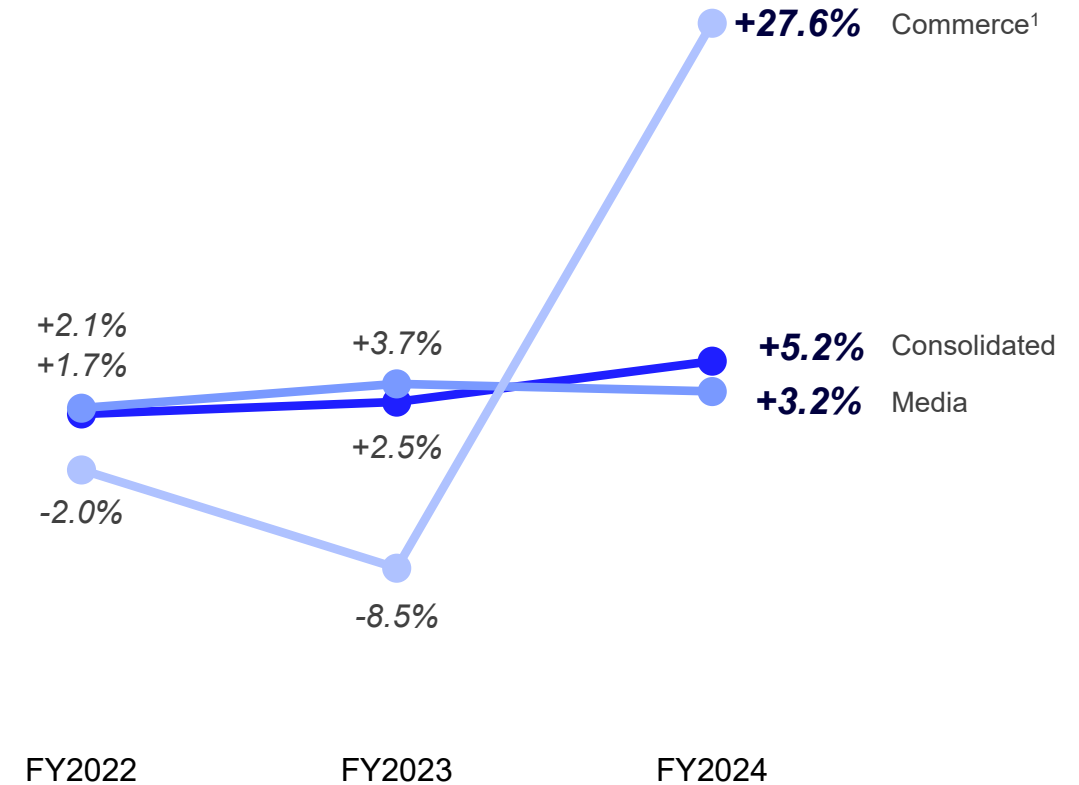
1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss on retirement of fixed assets, impairment losses, stock compensation expenses, gains 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.

2. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

## Consolidated – Total Advertising Revenue

**Media ads recorded stable growth. Shopping ads recovered substantially**Consolidated – Total Advertising Revenue<sup>1</sup>

(JPY B)

Consolidated – Total Advertising Revenue % YoY Growth<sup>1</sup>

1. Revenue for commerce ads are recorded in the Commerce Business segment.

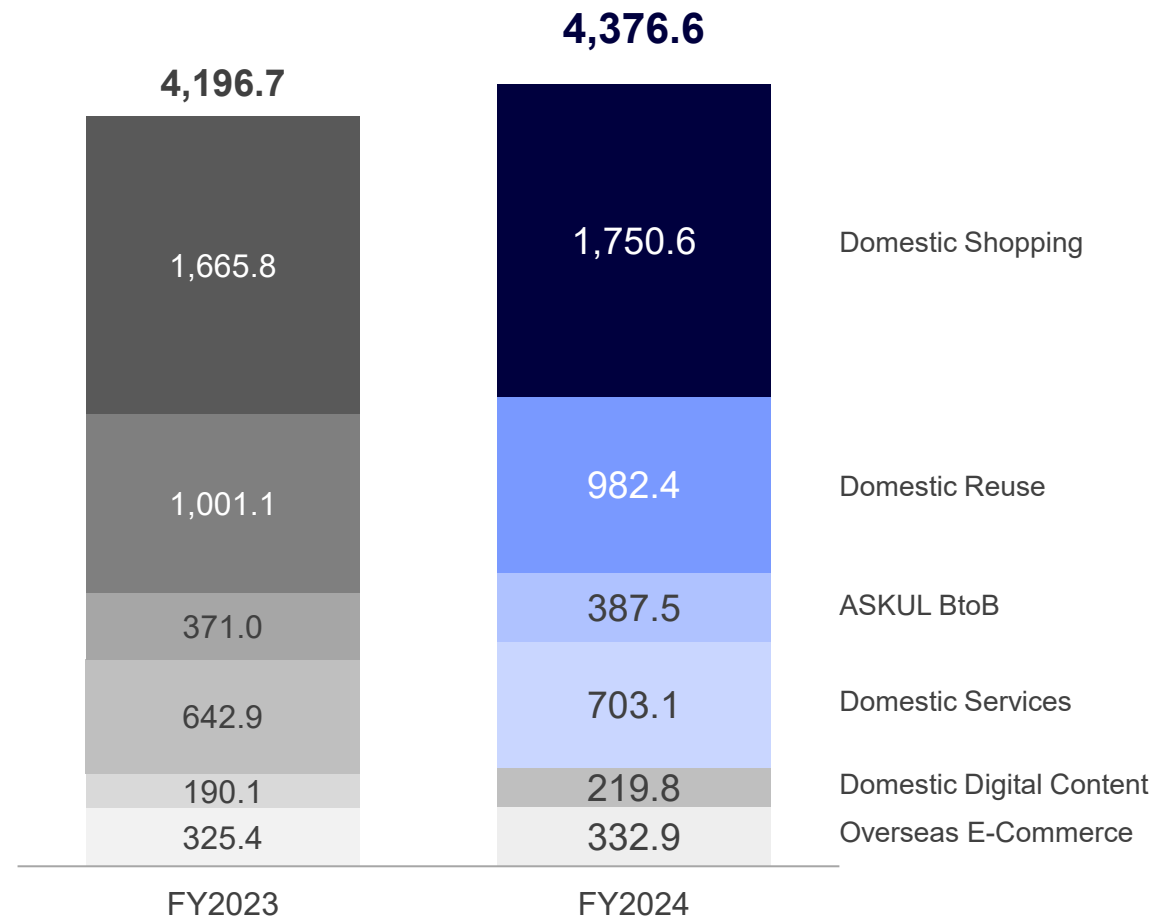
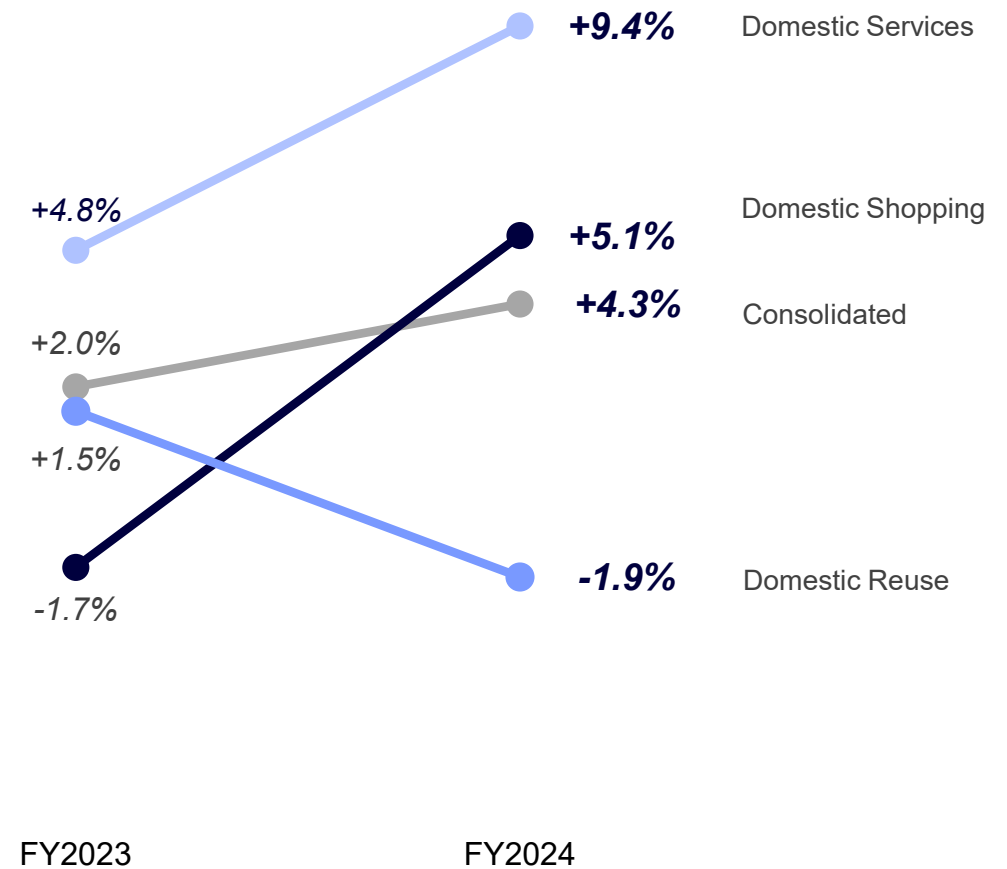


## Consolidated – E-Commerce Transaction Value

## Yahoo! JAPAN Shopping and travel as growth drivers

Consolidated – E-Commerce Transaction Value<sup>1</sup>

(JPY B)

Consolidated – E-Commerce Transaction Value % YoY Growth<sup>1</sup>

1. Please refer to P.27 of the Appendix for a definition of transaction value.

**Share repurchase of up to JPY150.0 B announced. Continued efforts for improving capital efficiency****Purpose/Policy**

- Increase adjusted EPS and improve adjusted ROE by reducing number of outstanding shares and shareholders' equity.
- Dividend per share for FY2025 (JPY7) is expected to increase in proportion to number of shares repurchased.

## Outline

**Total Amount of Acquisition****JPY150.0 billion****Method****Tender offer****Tender Offer Price****JPY533 per share****No. of Shares Scheduled to Be Purchased****281,425,892 shares (upper limit)****Period of Tender Offer****From May 8, 2025 to June 4, 2025****Other**

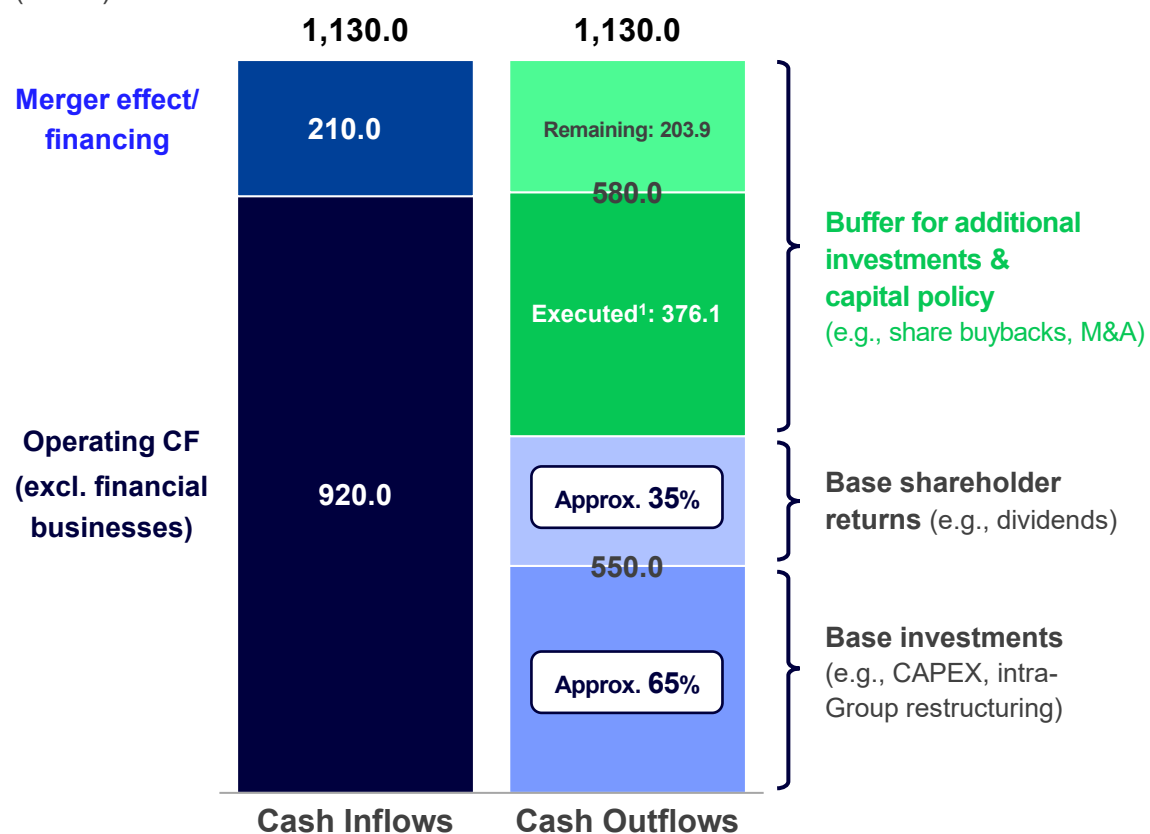
- Entered into tender agreement with A Holdings (175,750,470 shares)
- Plan to cancel majority of repurchased shares

## Improve capital efficiency and quickly and steadily increase a positive equity spread

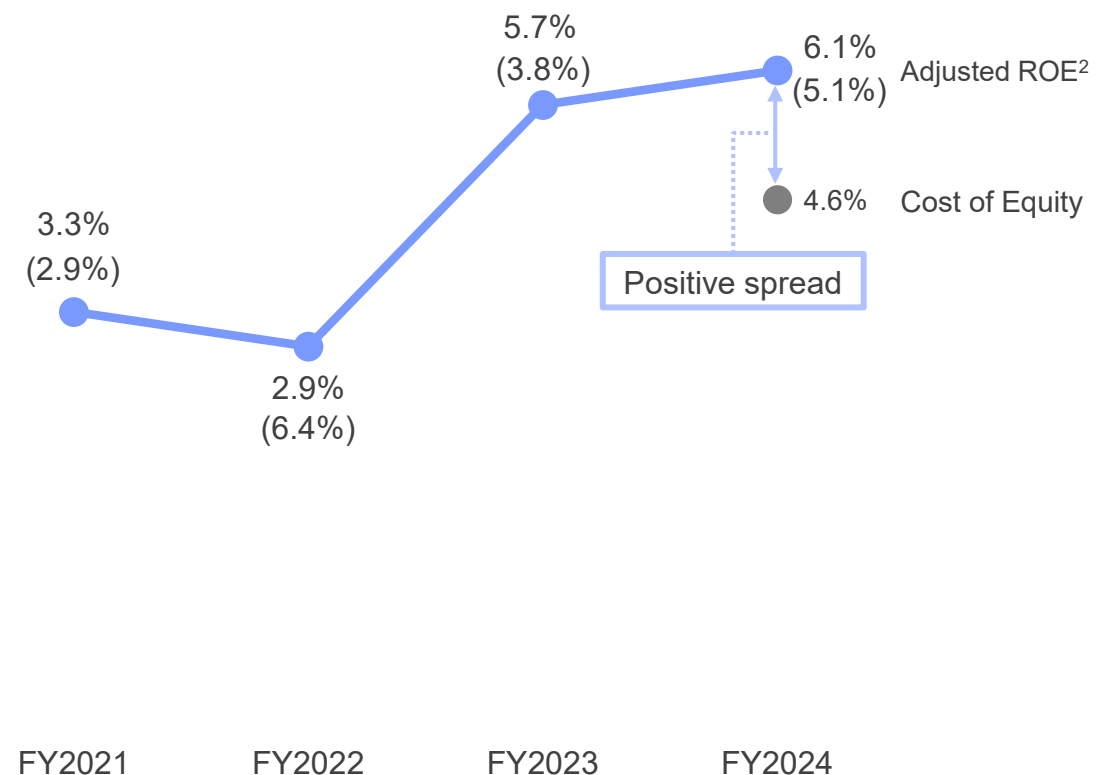
### Capital Allocation Policy

(Cumulative Approximate Value for FY2023-2025/ Excluding Financial Business)

(JPY B)



### Adjusted ROE<sup>2</sup>



1. Share buyback JPY150.0 B (August 5 – September 5, 2024), additional share buyback JPY150.0 B (May 8 – June 4, 2025) ; acquisition of BEENOS shares JPY54.0 B (planned); acquisition of LYST LTD shares JPY22.1 B.

2. Figures in parenthesis represent basic ROE.

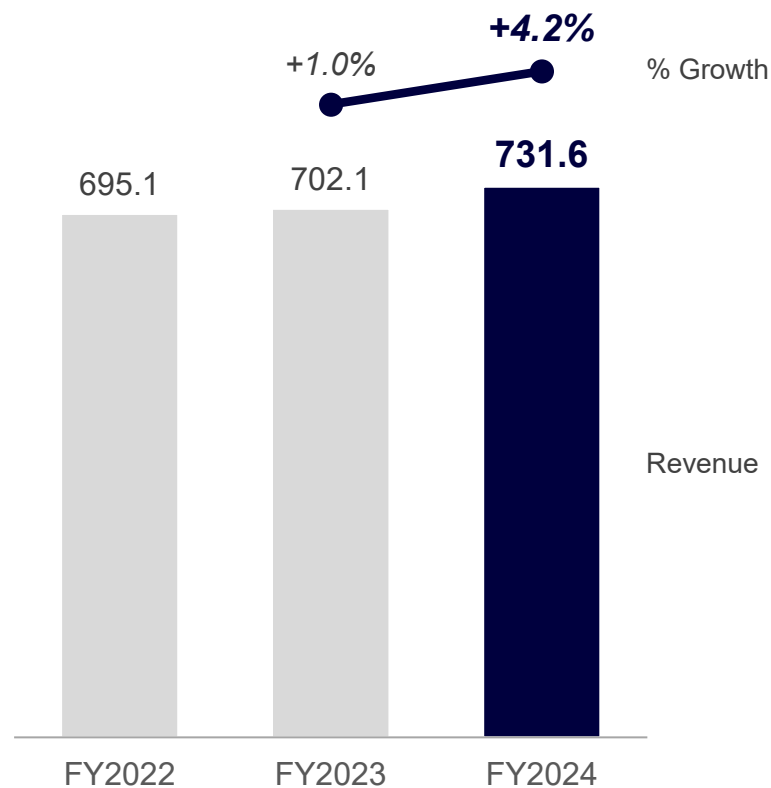
## Table of Contents

- 1 Financial Results - Consolidated
- 2 Financial Results – by Segment**
- 3 FY2025 Guidance
- 4 FY2025 Initiatives

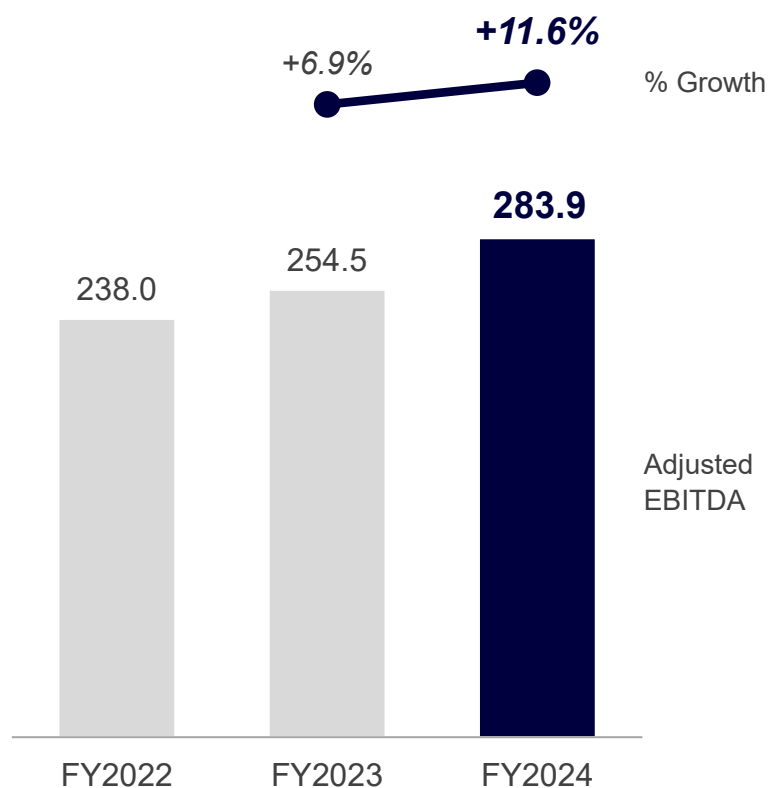
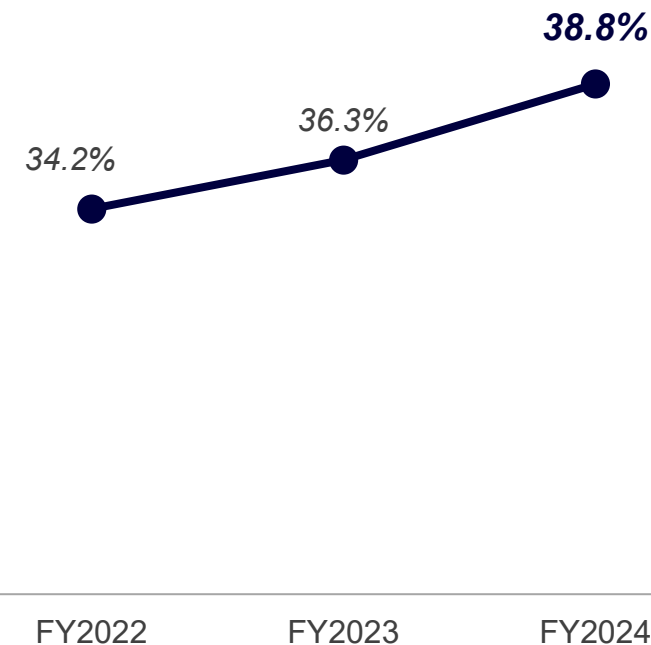
## Highly profitable account ads led to growth in both adjusted EBITDA and margin

Revenue/ % YoY Growth<sup>1, 2, 3</sup>

(JPY B)

Adjusted EBITDA/ % YoY Growth<sup>1, 2, 3</sup>

(JPY B)

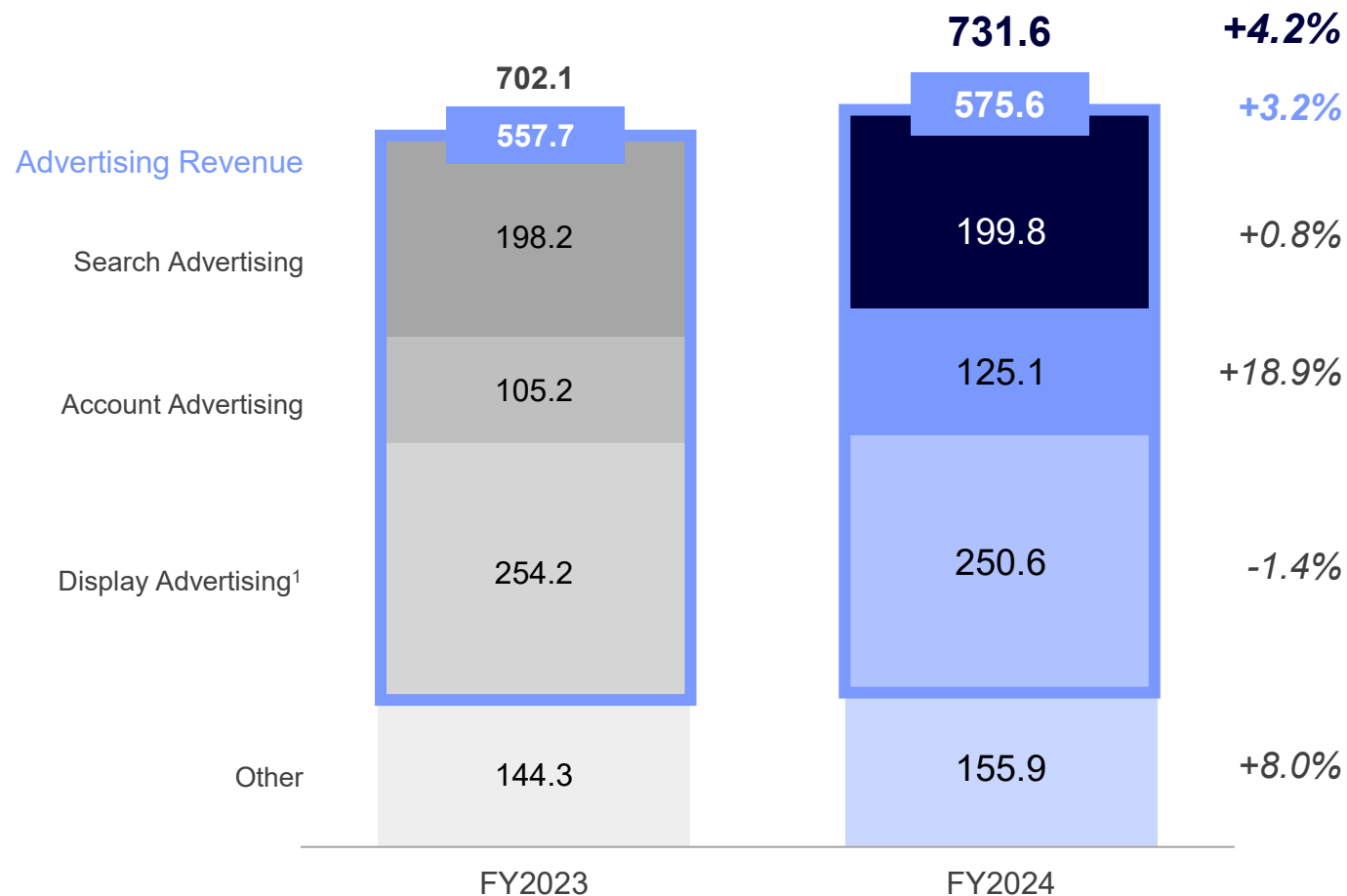
Adjusted EBITDA Margin<sup>1, 2, 3</sup>

1. 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.
2. In FY2023 Q3, personnel expenses of 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. In FY2024 Q3, Ikyu.com for Restaurants and PayPay Gourmet services were transferred from Media Business to Commerce Business. As a result, figures for FY2023, FY2024 Q1, and FY2024 Q2 have been retroactively revised.

## Strong performance in account ads (YoY+18.9%) and digital contents

Revenue

(JPY B)



**Consolidated total advertising revenue:**  
**+JPY17.8 billion**

**Search advertising: +JPY1.5 billion**

- Own website increased +2.4% YoY, while partners' websites decreased -10.6% YoY.

**Account advertising: +JPY19.9 billion**

- Increase in number of paid accounts and pay-as-you-go billing.

**Display advertising: -JPY3.5 billion**

- Number of impressions increased in both LINE Ads and Yahoo! JAPAN Ads, yet demands decreased in certain industries resulting in revenue decrease.

**Other: +JPY11.5 billion**

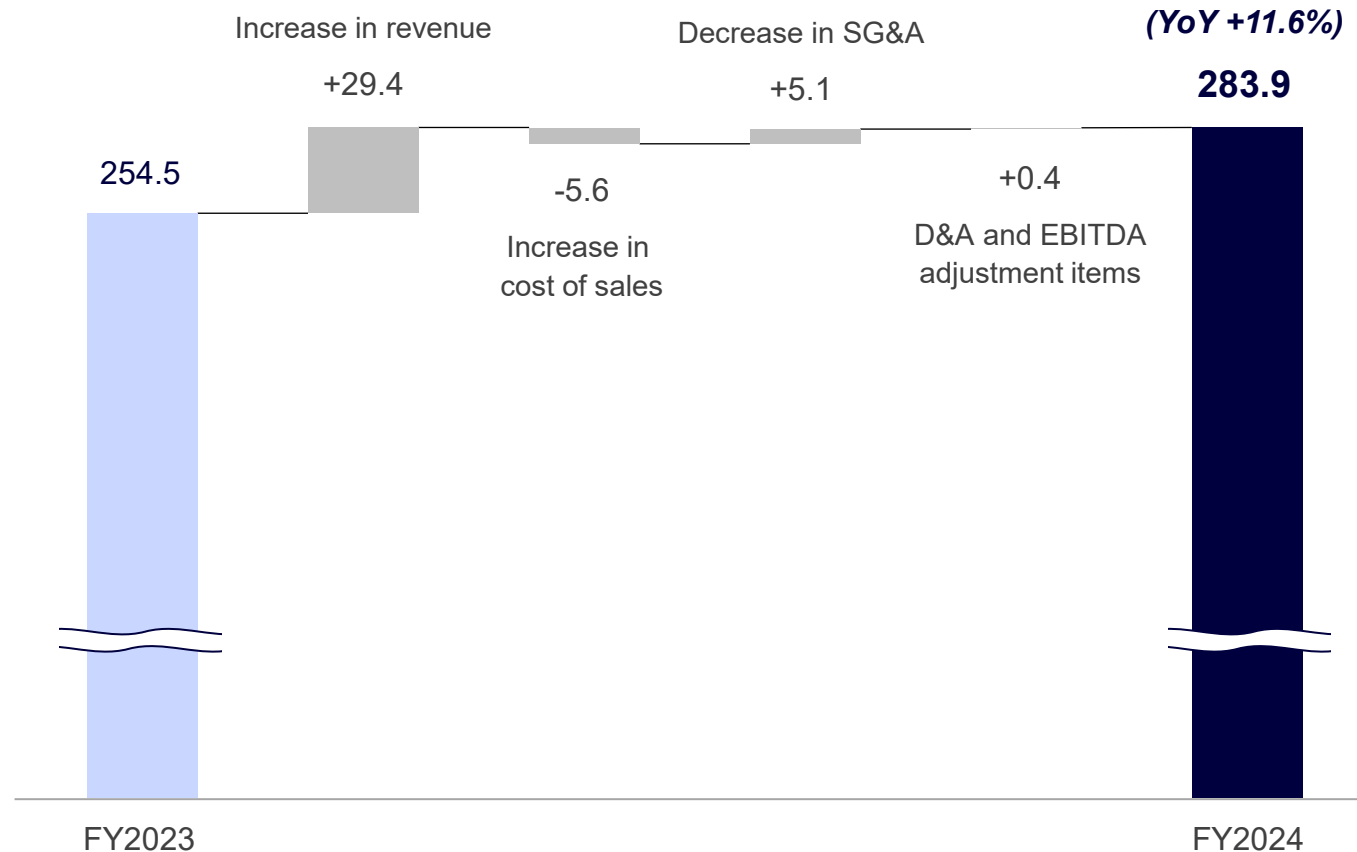
- Steady increase in paid LYP Premium members and absence of one-time factor in FY2023 Q4 (deduction of sales promotional expense from revenue).
- LINE STICKERS also grew favorably.

1. Display advertising revenue includes revenue from other LINE ads.

## Growth in account ads and controlled SG&A resulting in profit growth

Change in Adjusted EBITDA<sup>1</sup>

(JPY B)



### Cost of sales: +JPY5.6 billion

- Increased mainly in ebookjapan, search, dely, and LINE STICKERS.

### SG&A: -JPY5.1 billion

- Sales promotion costs/advertising & promotional expenses (-JPY0.3 B)
- Other SG&A (-JPY4.8 B)

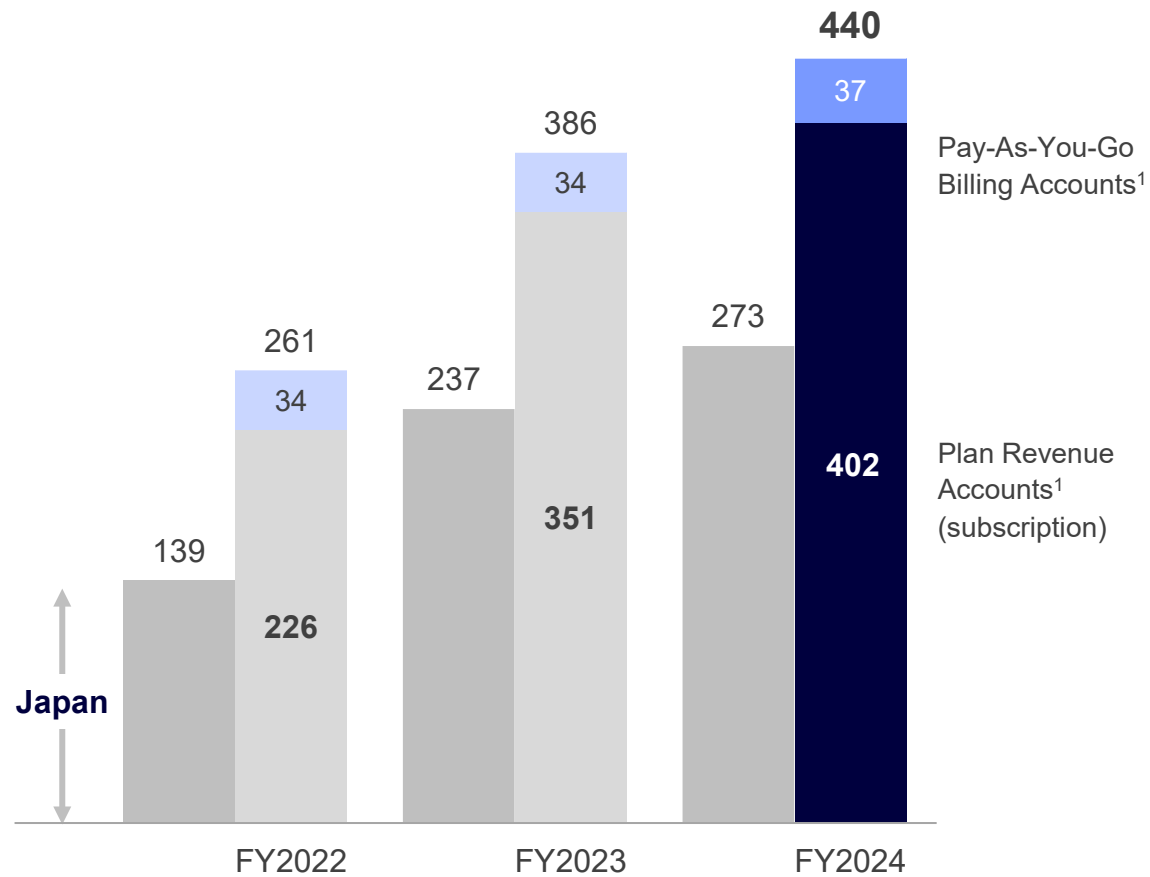
### D&A and EBITDA adjustment items: -JPY0.4 billion

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents. 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, gains 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.

## Strong revenue growth owing to increase in both pay-as-you-go billing and no. of paid accounts

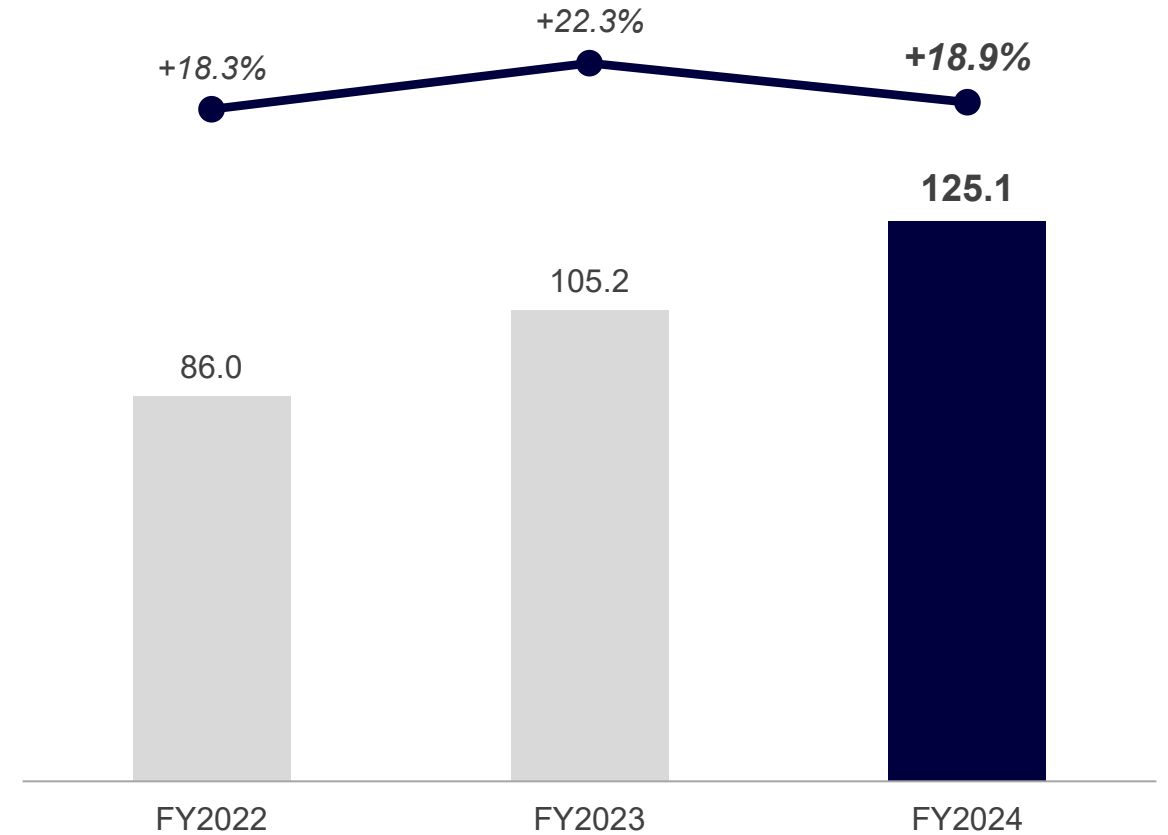
No. of Paid LINE Official Accounts (Global/Japan)<sup>1</sup>

(Thousands)



Revenue

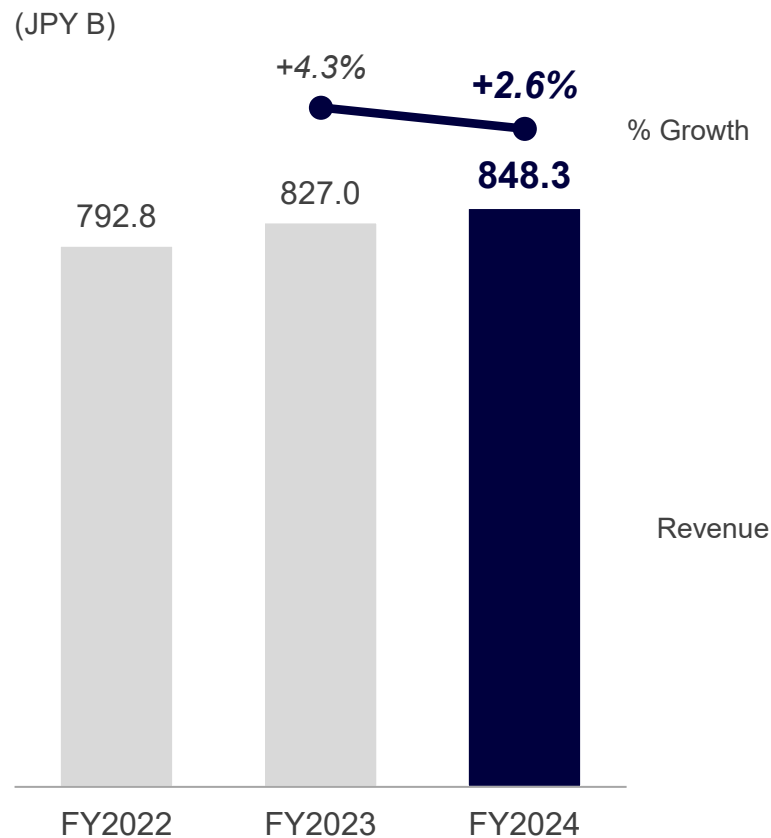
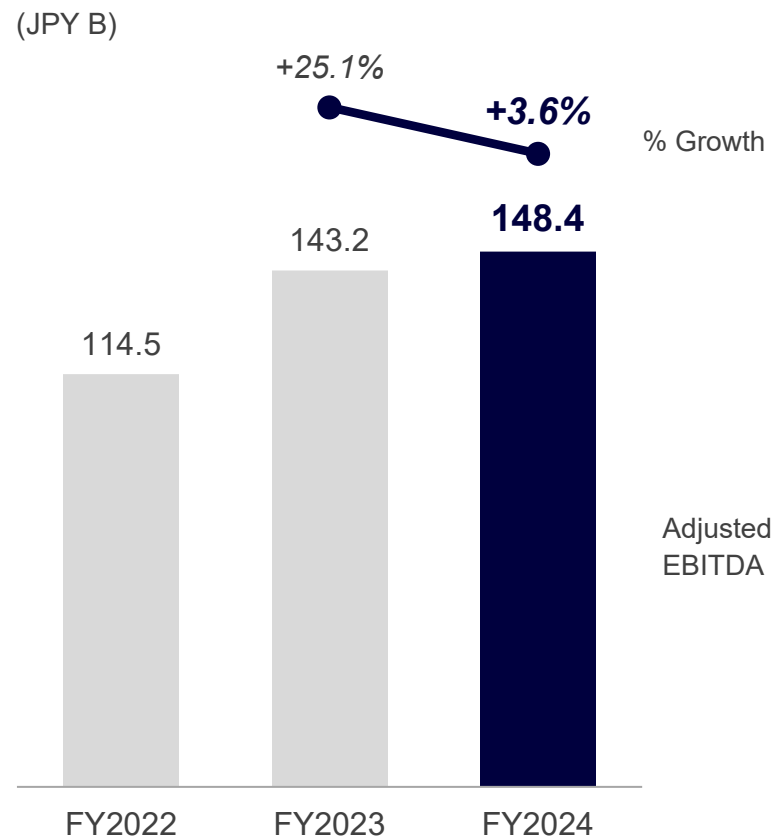
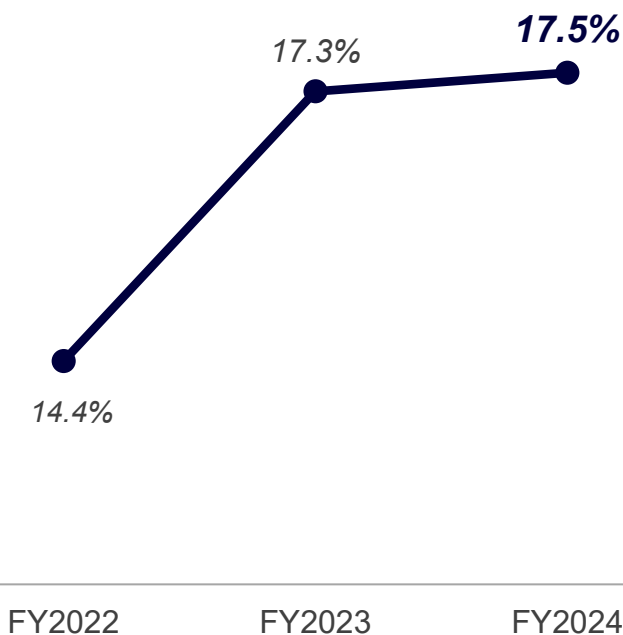
(JPY B)



1. Figures provided are the number of paid accounts as of the end of each fiscal year. Revenue for pay-as-you-go billing accounts comes from pay-as-you-go billing, while plan revenue accounts generate revenue exclusively from monthly fixed fees. 15



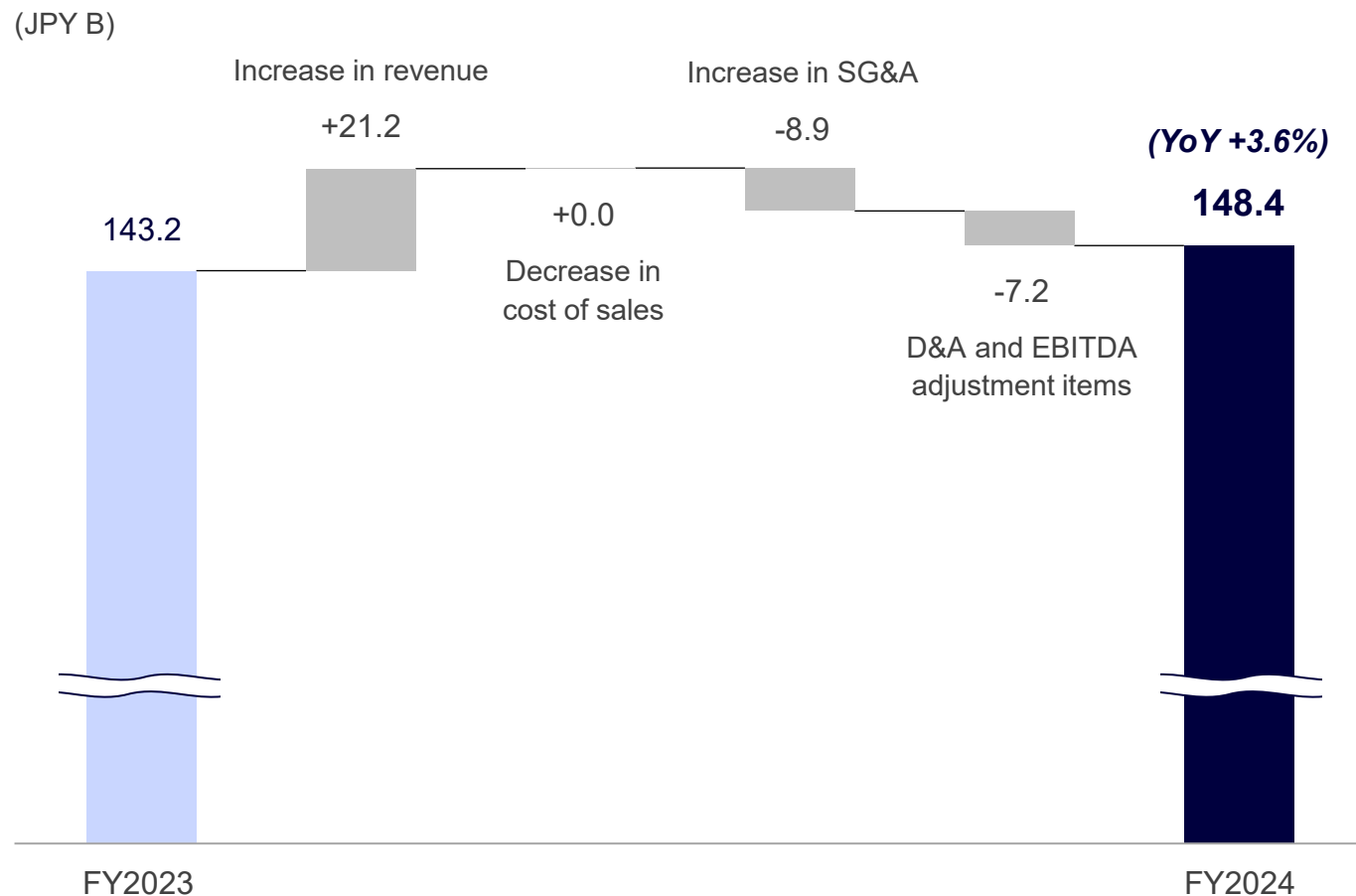
## Adjusted EBITDA margin improved through strategic focus on key subsidiaries

Revenue/ %YoY Growth<sup>1, 2, 3</sup>Adjusted EBITDA/ %YoY Growth<sup>1, 2, 3</sup>Adjusted EBITDA Margin<sup>1, 2, 3</sup>

1. 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.
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. In FY2024 Q3, Ikyu.com for Restaurants and PayPay Gourmet services were transferred from Media Business to Commerce Business. As a result, figures for FY2023, FY2024 Q1, and FY2024 Q2 have been retroactively revised.

## Profit increased due to product growth, despite absence of one-time gain (JPY9.4 B) recorded last fiscal year

Factors of Change in Adjusted EBITDA<sup>1</sup>



### Revenue: +JPY21.2 billion

- Increase in ZOZO, ASKUL, Yahoo! JAPAN Shopping, travel, and reuse businesses.

### Cost of sales: -JPY0 billion

- Improvement in costs due to deconsolidation of ValueCommerce and IPX, offsetting exchange rate impacts of Askul

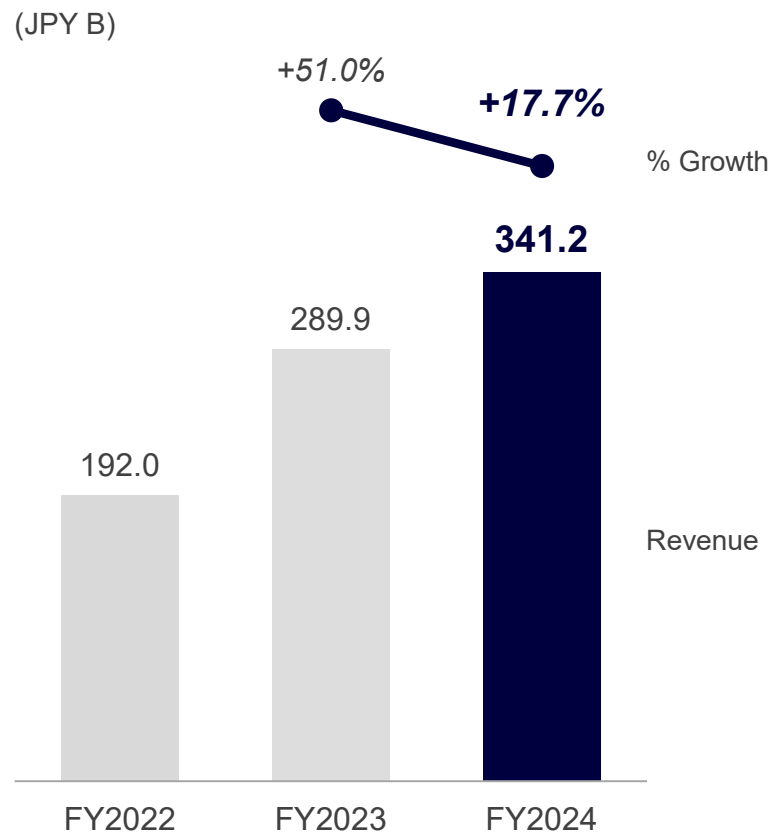
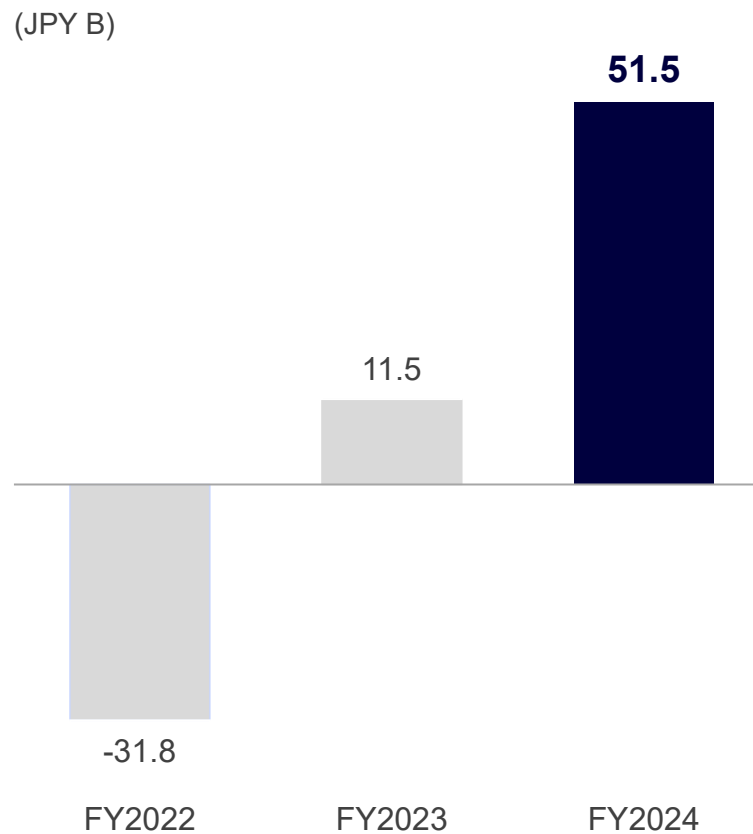
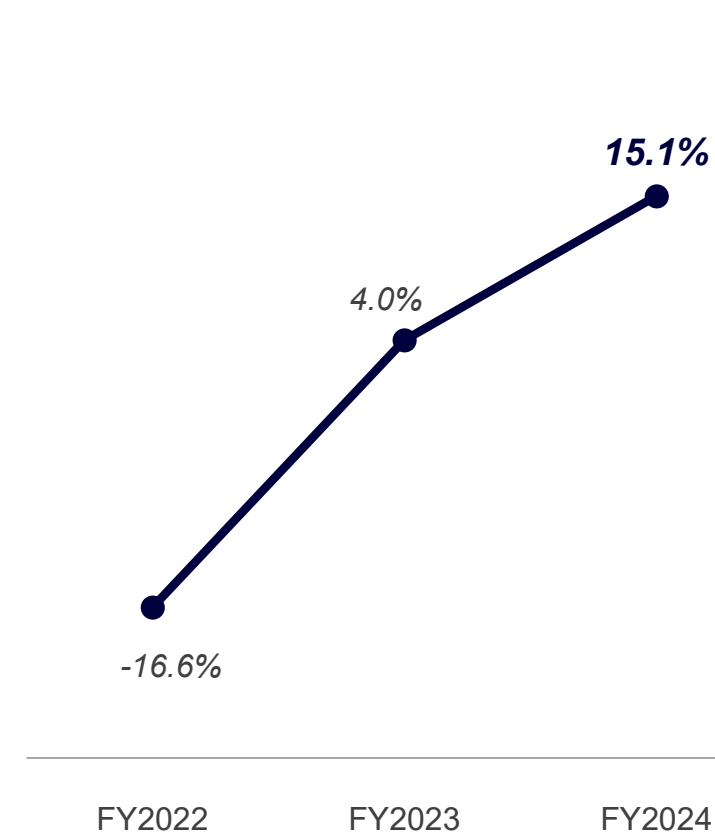
### SG&A: +JPY8.9 billion

- Sales promotion costs/advertising & promotional expenses (+JPY12.0 B): Increased mainly in sales promotional expense for Yahoo! JAPAN Shopping, LINE GIFT, and travel businesses.
- Other SG&A (-JPY3.1 B): Improved mainly due to deconsolidation of ValueCommerce and IPX.

### D&A and EBITDA adjustment items: +JPY7.2 billion

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents. 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, gains 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.

Revenue exceeded JPY300.0 billion due to PayPay consolidated <sup>1</sup> growth. Margin surged to 15.1%

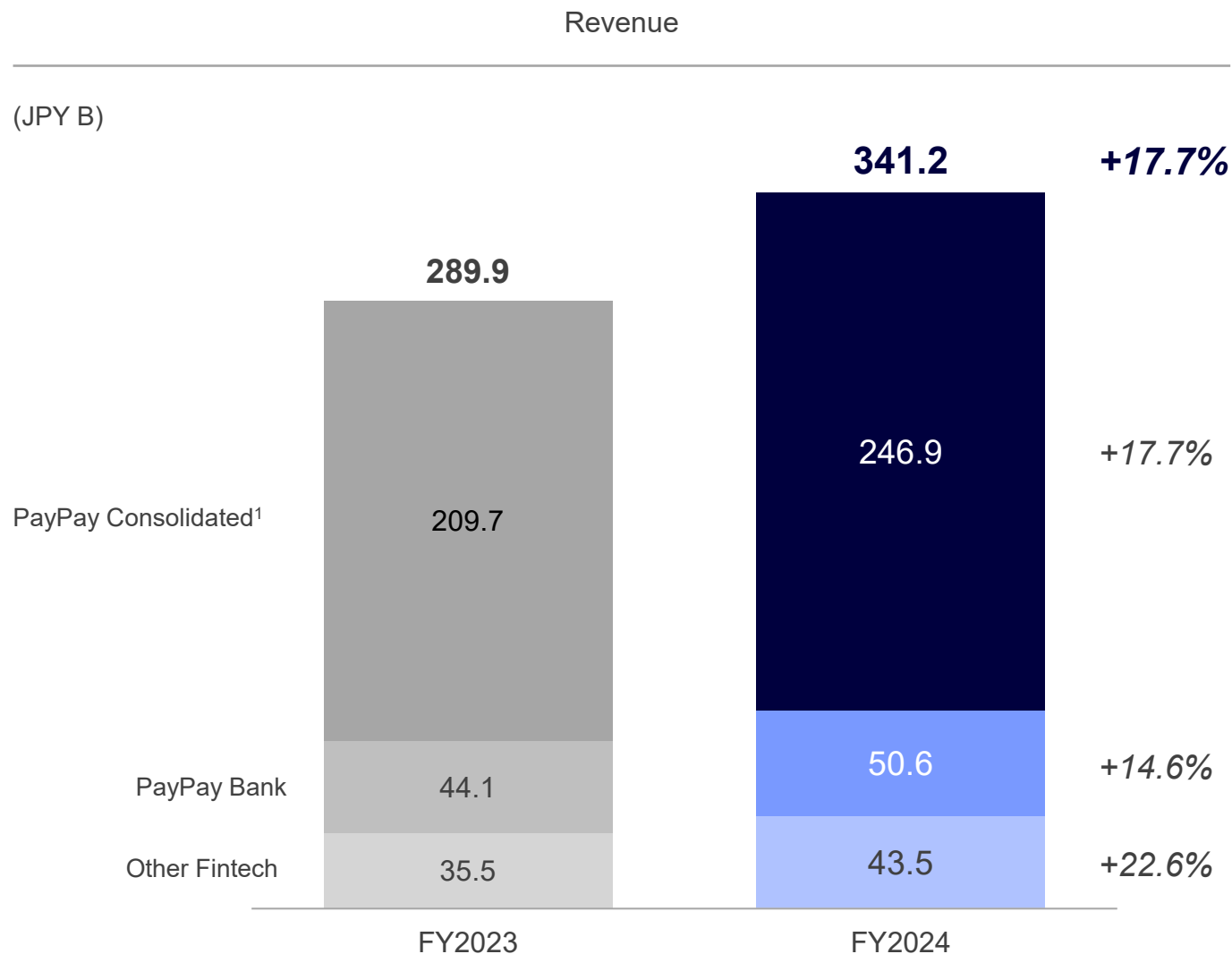
Revenue/ %YoY Growth<sup>2</sup>Adjusted EBITDA<sup>2,3</sup>Adjusted EBITDA Margin<sup>2,3</sup>

1. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

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. Security countermeasures and other expenses, which were recorded in Strategic segment in FY2024 Q1, has been changed to Adjustments (Company-wide expenses) in FY2024 Q2. Consequently, said security countermeasure expenses, etc. recorded in FY2024 Q1 has been reallocated to Adjustments in FY2024 Q2 and the adjusted EBITDA of the Strategic Business for FY2024 Q2 increased by approximately JPY5.0 billion.

## Strong growth across all products

**PayPay Consolidated<sup>1</sup>: +JPY37.1 billion**

- Revenue from payment fees increased along with growth of consolidated GMV as a result of marketing campaigns and other factors, while interest revenue also grew accompanying the increase in revolving payment balances.

**PayPay Bank: +JPY6.4 billion**

- Loan balance increased due to steady growth of mortgages.

**Other Fintech: +JPY8.0 billion**

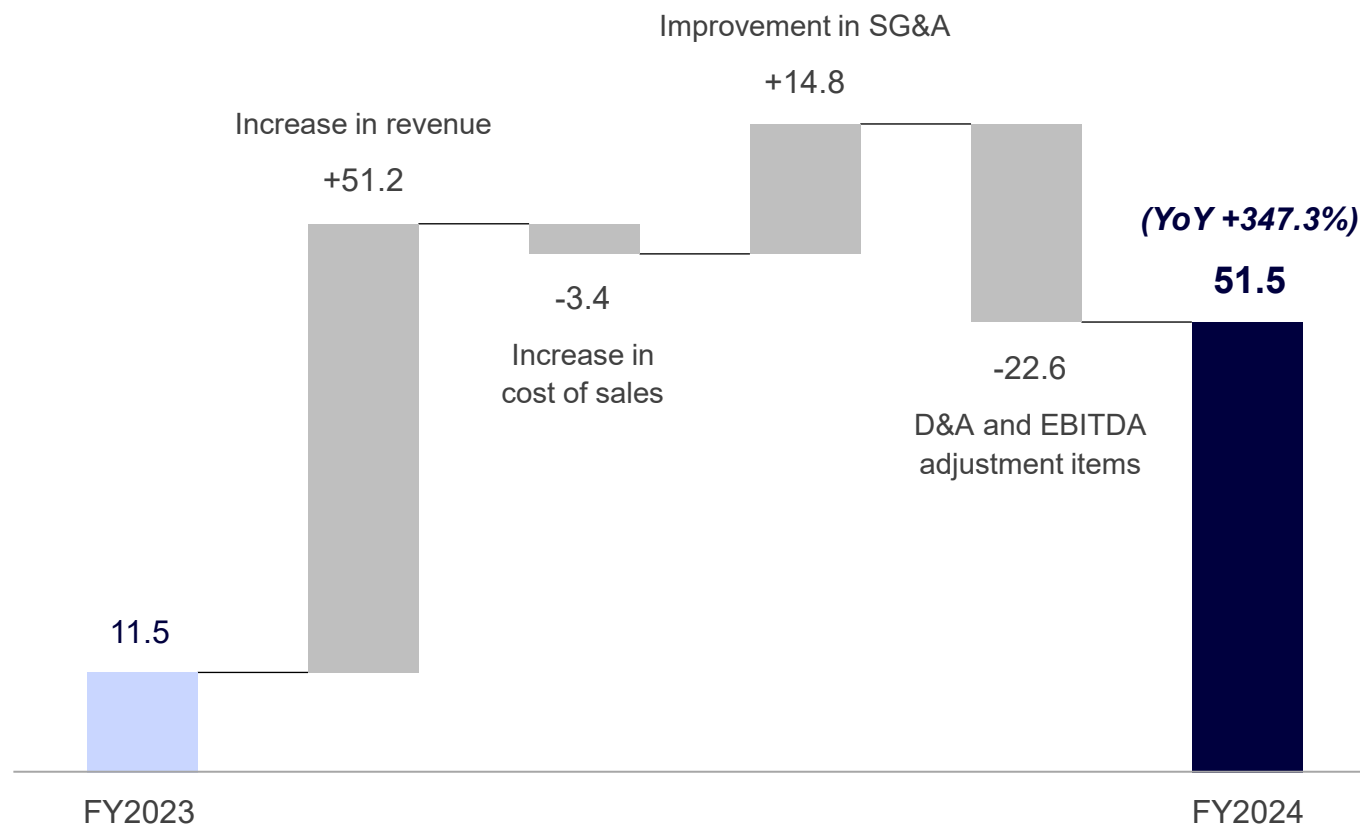
- Growth in LINE Pay Taiwan.
- Increase in LINE Credit's loan balances.

1. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

## Profits increased 4.5x, driven by business growth and cost optimization efforts

Change in Adjusted EBITDA<sup>1</sup>

(JPY B)



### Cost of sales: +JPY3.4 billion

- Increased mainly in PayPay Bank due to higher procurement costs resulting from interest rate hikes.

### SG&A: -JPY14.8 billion

- Sales promotion costs/advertising & promotional expenses (+JPY4.7 B): Increased mainly in point provision expense accompanying the increase in PayPay<sup>2</sup> GMV.
- Other SG&A (-JPY19.6 B): Decreased mainly in impairment losses, depreciation, and business commissions.

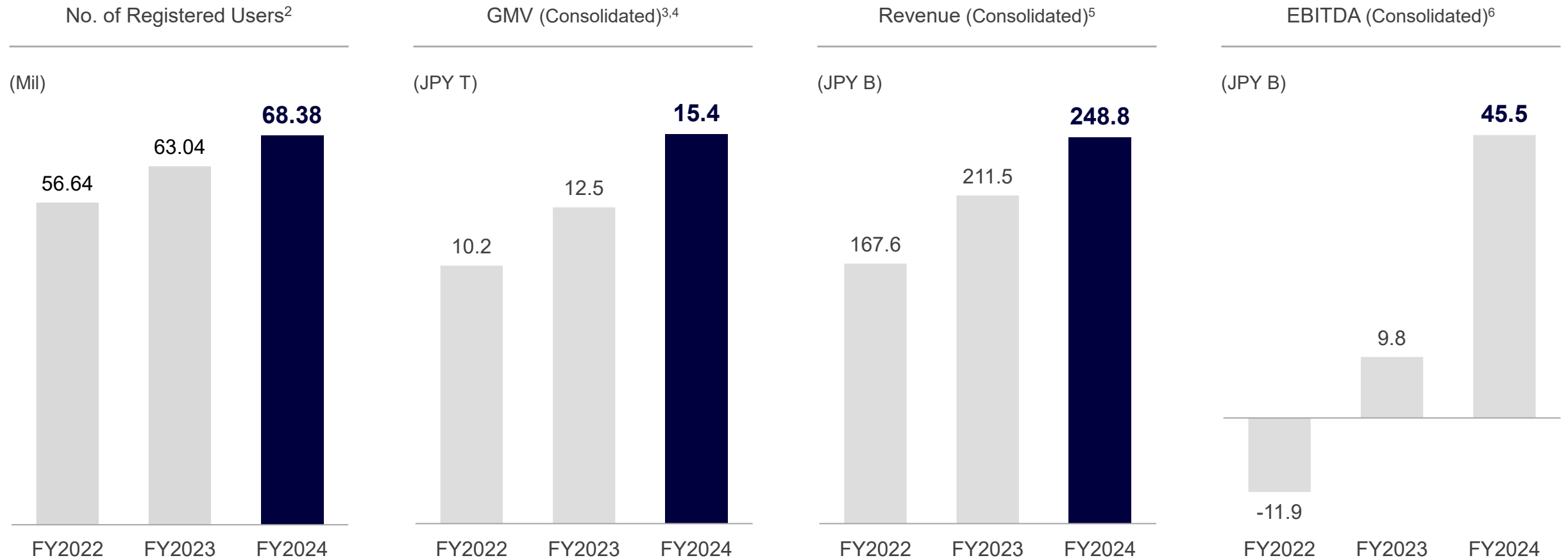
### D&A and EBITDA adjustment items: +JPY22.6 billion

- Decreased mainly in impairment losses related to internalization project of a search engine.

1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents. 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, gains 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.

2. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine Group.

## Margin grew to 18.3%, driven by GMV growth and improved profitability



1. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

2. Number of users who have registered to a PayPay account as of the end of fiscal year.

3. The use of the "Send/Receive" function of "PayPay Balance" between users is not included. Payments via Alipay and LINE Pay, etc. and payments through "PayPay Credit (formerly Atobarai)" are included. The figures represent the sum of GMVs of PayPay Corporation and PayPay Card Corporation, with internal transactions between the two companies eliminated.

4. Figures are rounded down to the nearest billion yen and then rounded off to the nearest JPY100 billion.

5. IFRS. Non-audited.

6. EBITDA is calculated by adding depreciation and amortization and loss on retirement of fixed assets to operating income, IFRS. Non-audited.

## Table of Contents

- 1 Financial Results - Consolidated
- 2 Financial Results – by Segment
- 3 FY2025 Guidance**
- 4 FY2025 Initiatives

## PayPay's IPO

- 1 Preparation for IPO underway**
- 2 Exploring U.S. market as a potential listing destination**
- 3 LY Corporation remains committed to PayPay's business and enterprise value growth**



## FY2025 Consolidated Full Year Guidance

Expecting high-single digit growth in both revenue and profit on a consolidated basis

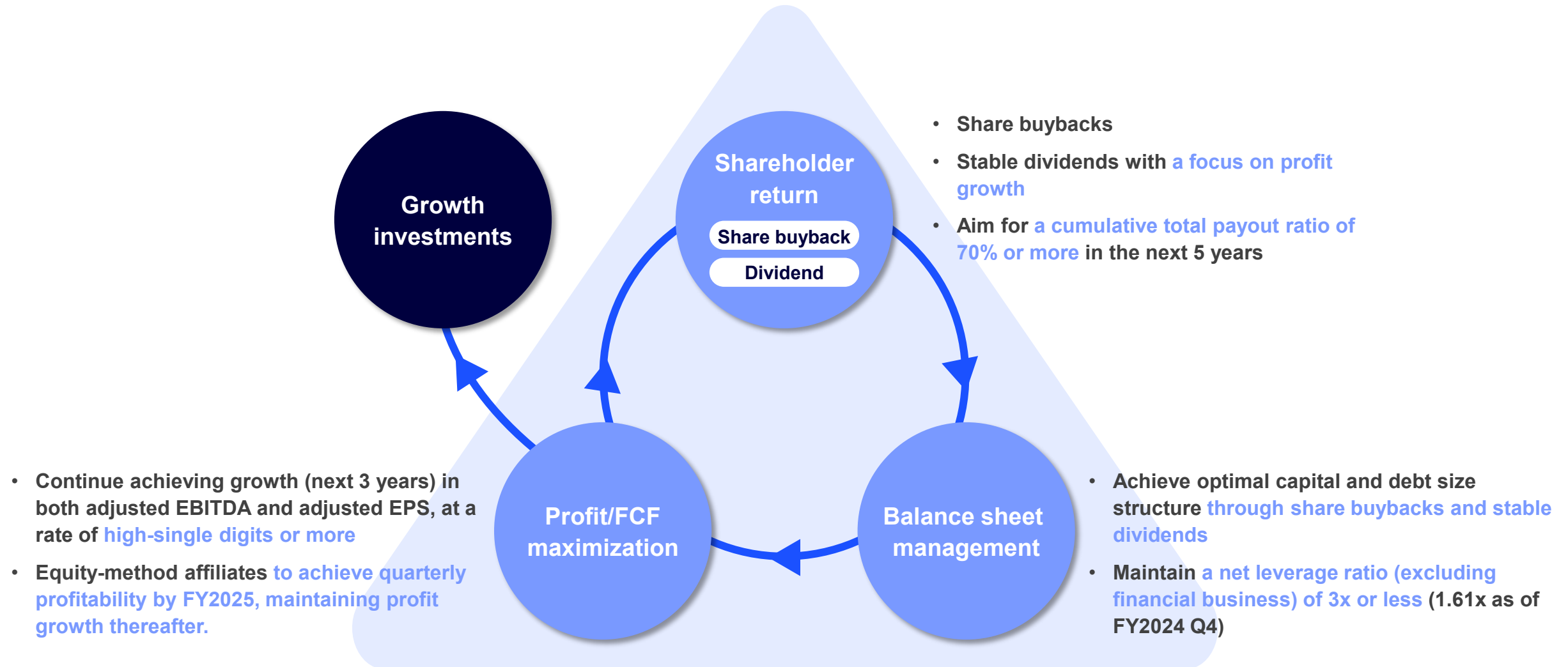
Segment	Item	FY2024	FY2025	YoY
Consolidated	Revenue	JPY1.91 T	Approx. JPY2.10 T	Approx. +9%
	Adjusted EBITDA	JPY470.8 B	JPY500.0 to 510.0 B	+6.2 to 8.3%
	Adjusted EPS <sup>1</sup>	JPY24.9	JPY25.9 to 26.9 <sup>2</sup>	+4.0 to 7.9% <sup>2</sup>
	(Before redefinition) Adjusted EPS	JPY19.6	JPY22.1 to 23.1 <sup>2</sup>	+12.4 to 17.5% <sup>2</sup>
Media	Revenue	JPY731.6 B	-	+Low single digit %
	Adjusted EBITDA	JPY283.9 B	JPY284.0 B	+0.0 %
Commerce	Revenue	JPY848.3 B	-	+High single digit %
	Adjusted EBITDA	JPY148.4 B	JPY154.0 B	+3.7 %
Strategic/Other/Adjustments	Revenue	JPY337.4 B	-	+Lower 20% range
	Adjusted EBITDA	JPY38.4 B	JPY67.0 B	+74.5 %

1. Adjusted EPS: Adjusted net income/average number of common stocks outstanding. Adjusted net income: Net income attributable to owners of the parent ± EPS adjustment items ± tax equivalent on some EPS adjustment items. EPS adjustment items: ± EBITDA adjustment items + amortization of identifiable intangible assets arising from business combinations ± non-recurring gains/losses in non-operating income/expenses.

2. Forecast considers in JPY150 B share buyback announced May 7, 2025

## Guideline for Improving Capital Efficiency

### Maximize FCF and implement shareholder returns while balancing growth investments



## Table of Contents

- 1** Financial Results - Consolidated
- 2** Financial Results – by Segment
- 3** FY2025 Guidance
- 4** FY2025 Initiatives

## Recap of FY2024

**Achieved FY2024 set goals, resulting in adjusted EBITDA surpassing initial guidance by JPY30.0 to 40.0 billion**

FY2024 Policies/Goals	Results
Performance/ shareholder returns	<ul style="list-style-type: none"><li>• Achieved profit growth exceeding guidance, driven by product growth and improvement in profitability.</li><li>• Reinforced shareholder returns (share repurchase, dividends increase).</li></ul>
Product enhancement	<ul style="list-style-type: none"><li>• Carried out M&amp;A to facilitate business growth (acquisition of BEENOS).</li><li>• Adjusted timing of LINE app renewal to accommodate introduction of AI agents.</li></ul>
Security reinforcement	<ul style="list-style-type: none"><li>• On track with scheduled reinforcement measures (separation of systems including authentication systems).</li></ul>
Controlled cost allocation	<ul style="list-style-type: none"><li>• Boost margins through maintaining lean and efficient structure</li></ul>

## Strategic Outlook/Business Positioning

Drive further growth of existing businesses alongside integration of AI Agents as part of a new initiative

	FY2025	FY2026	FY2027 onwards
LINE Official Account LINE MINI App	<ul style="list-style-type: none"><li>Enhance features (optional billing)</li><li>Target high growth in account ads (10-20% revenue growth)</li></ul>		Aim to start monetizing LINE MINI App from FY2026 onwards (this will also contribute to account ads)
PayPay	<ul style="list-style-type: none"><li>Consolidate PayPay Bank and PayPay Securities under PayPay Corporation</li><li>Accelerate growth of financial businesses through stronger collaborations</li></ul>		Transition to a digital financial platform
AI	<ul style="list-style-type: none"><li>Introduce AI leveraged products</li><li>Pre-monetization phase</li></ul>		Monetization aimed from FY2026 onwards

Continue achieving high-single digit growth in both adjusted EBITDA and adjusted EPS in the next 3 years

---

## **FY2025 Initiatives**

---

**1**

**LINE Official Account/LINE MINI App**

**2**

**Digital Financial Platform Centered Around PayPay**

**3**

**Implementation of AI Agents**

---

## **FY2025 Initiatives**

---

**1**

**LINE Official Account/LINE MINI App**

**2**

**Digital Financial Platform Centered Around PayPay**

**3**

**Implementation of AI Agents**

## 1. LINE Official Account/LINE MINI App – Potential Market

### Vast potential market for LINE Official Account and LINE MINI App

Potential Market

Sales Promotion Market<sup>1</sup>

Digital Transformation Market<sup>1</sup>

JPY15.0 T

**LINE Official Account**

FY2024 Revenue JPY**0.1** T

JPY7.7 T

High revenue growth anticipated from FY2025 onwards for  
LINE Official Account (YoY+10-20%)

Monetization of LINE MINI App to begin from FY2026 onwards  
Target revenue of JPY100.0 B by FY2028



## 1. LINE Official Account/LINE MINI App – Business Platform

Provide a cross-functional business platform through development of Japan's largest business ID

### LY Corporation

LINE Ads

Yahoo! JAPAN Ads

Yahoo! JAPAN Shopping

LINE GIFT

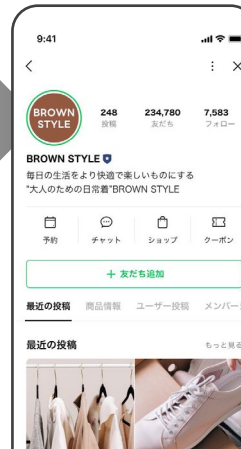
Yahoo! JAPAN Maps

⋮

### LINE Official Account

Japan's largest business ID

(Scheduled to launch in FY2025)



Store information

Coupons

Product information

Timeline posts

User posts

### LINE MINI App

Membership card

Mobile order

Reservations

Waiting list

Sales promotional campaign

Subscription

### Advantages for stores, companies, and brands

Enables cross-platform ad distribution and promotional activities across multiple services

### Anticipated effects on LY Corporation's performance

Increase in advertising/sales promotional revenues, combined use of multiple services

1. LINE Official Account/LINE MINI App – Infrastructure Enhancement Initiatives

Promote further strengthening of service base in FY2025

Sales Effort for Digital Transformation Solutions

Strengthen sales of MINI App focused on dining and beauty services (reservations, membership cards, and mobile orders etc.)

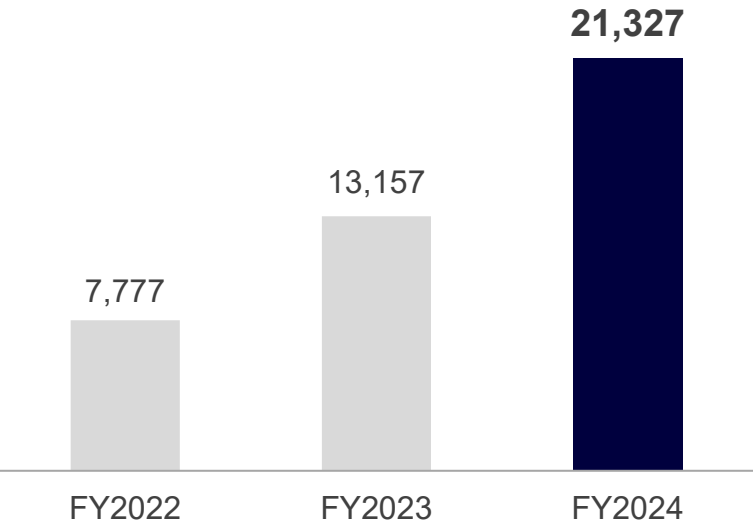
Measures to Increase User Usage

Reinforce user traffic from LINE and Yahoo! JAPAN through recommended app displays and improved search function, etc.

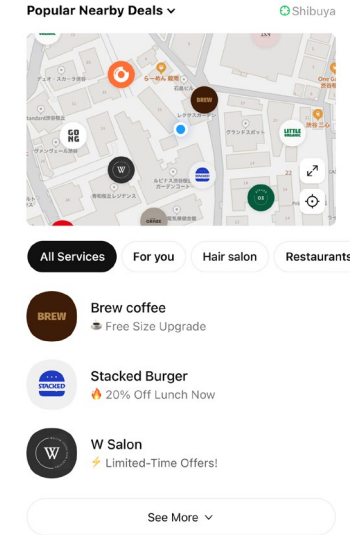
Measures to Uplift ARPA

- Plan to offer in-app purchase functionality for payments within LINE MINI Apps and ad placements on mini apps

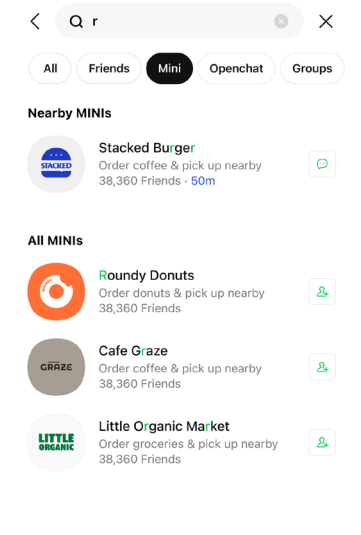
No. of LINE MINI App Services



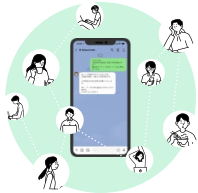
Display of Related-Mini Apps<sup>1</sup>



Mini-App Search<sup>1</sup>



- Further enhance chat functionality within users on LINE Official Account



**Chat Pro Option<sup>2</sup>**  
Available from March 2025  
**Feature enhancement for JPY3,000/month**

1. For illustrative purpose only. Screen is under development and may differ from the final specifications.  
2. An optional plan offering enhanced convenience for the use of LINE Chat with features such as expanded data storage, chat management, and increased operational efficiency.

---

## FY2025 Initiatives

---

1

LINE Official Account/LINE MINI App

2

**Digital Financial Platform Centered Around PayPay**

3

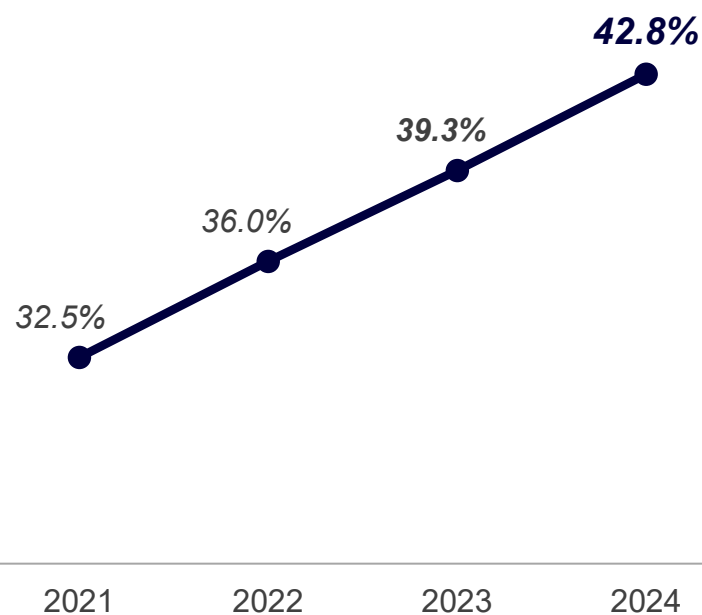
Implementation of AI Agents

## 2. Digital Financial Platform Centered Around PayPay – Cashless Payment Market

Continued market expansion is expected, with PayPay's share continuing to grow

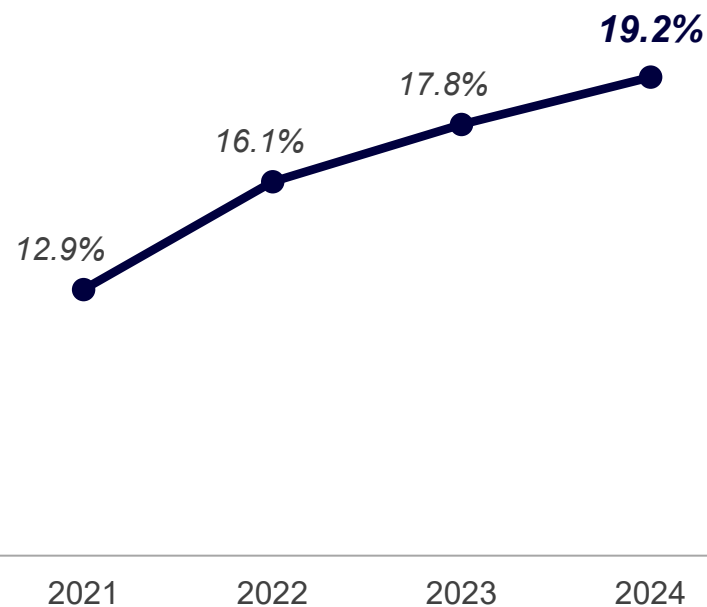
Japan's Cashless Payment Ratio<sup>1</sup>

Potential for growth relative to other regions



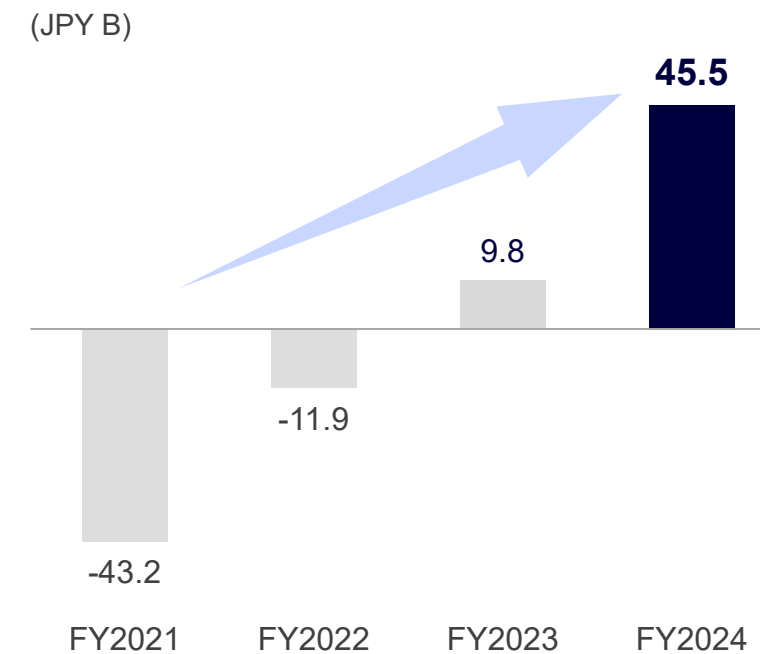
PayPay's Market Share Relative to No. of Cashless Payments Made in Japan<sup>2</sup>

No. 1 market share in code payments; no. of payments increasing steadily



PayPay Consolidated<sup>3</sup> EBITDA<sup>4</sup>

PayPay's profit increasing significantly in tandem with business expansion



1. Japan' Ministry of Economy, Trade and Industry "2024 Ratio of Cashless Payment"

2. Source for number of credit card payments: "Trends in Use of Credit Card Payment (Monthly Survey)" by Japan Consumer Credit Association; source for number of debit card and electronic money payments: "Payment and Settlement Statistics (January 2025)" by the Bank of Japan; source for number of code payments: STATS CODE PAYMENT (March 14, 2025) by Payments Japan Association. Totaled the three types of payment methods. Survey by PayPay.

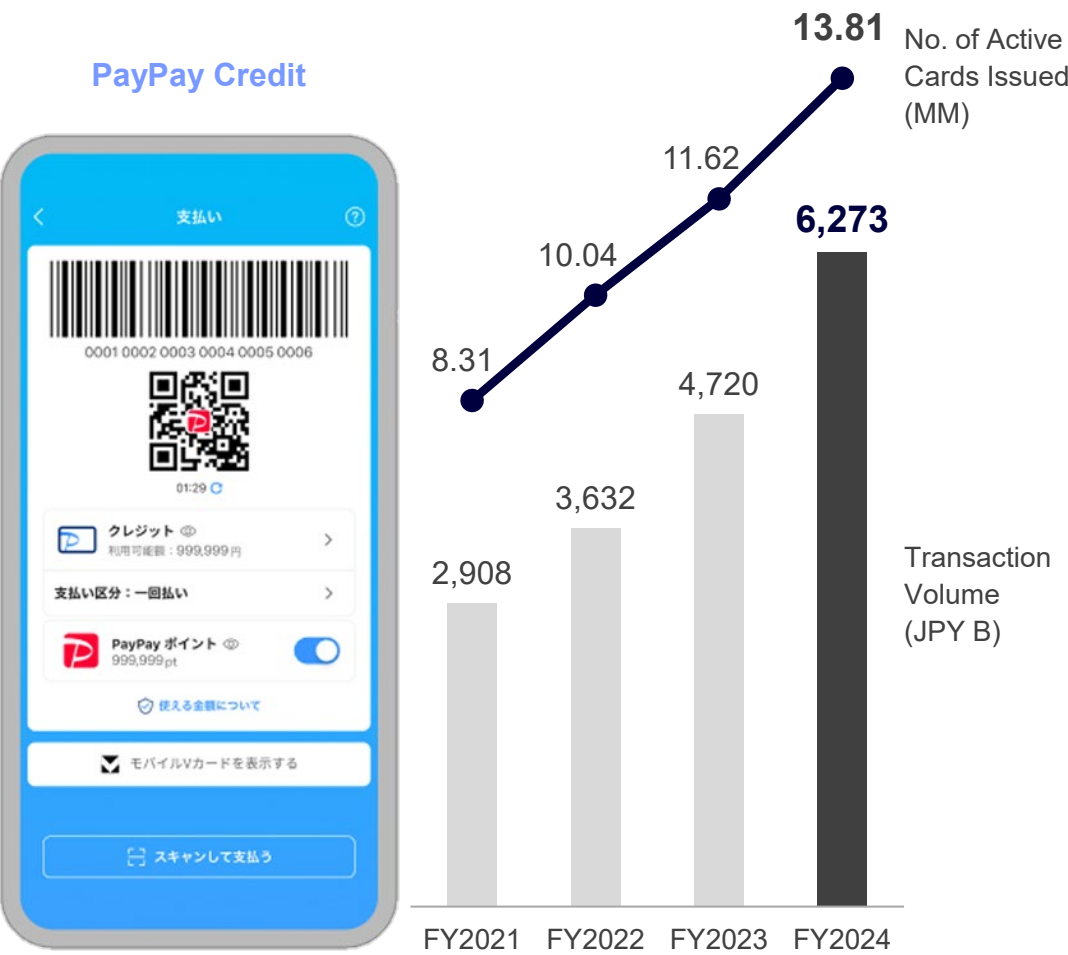
3. Consolidated figure for PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

4. EBITDA is calculated by adding depreciation and amortization and loss on retirement of fixed assets to operating income, IFRS. Non-audited.

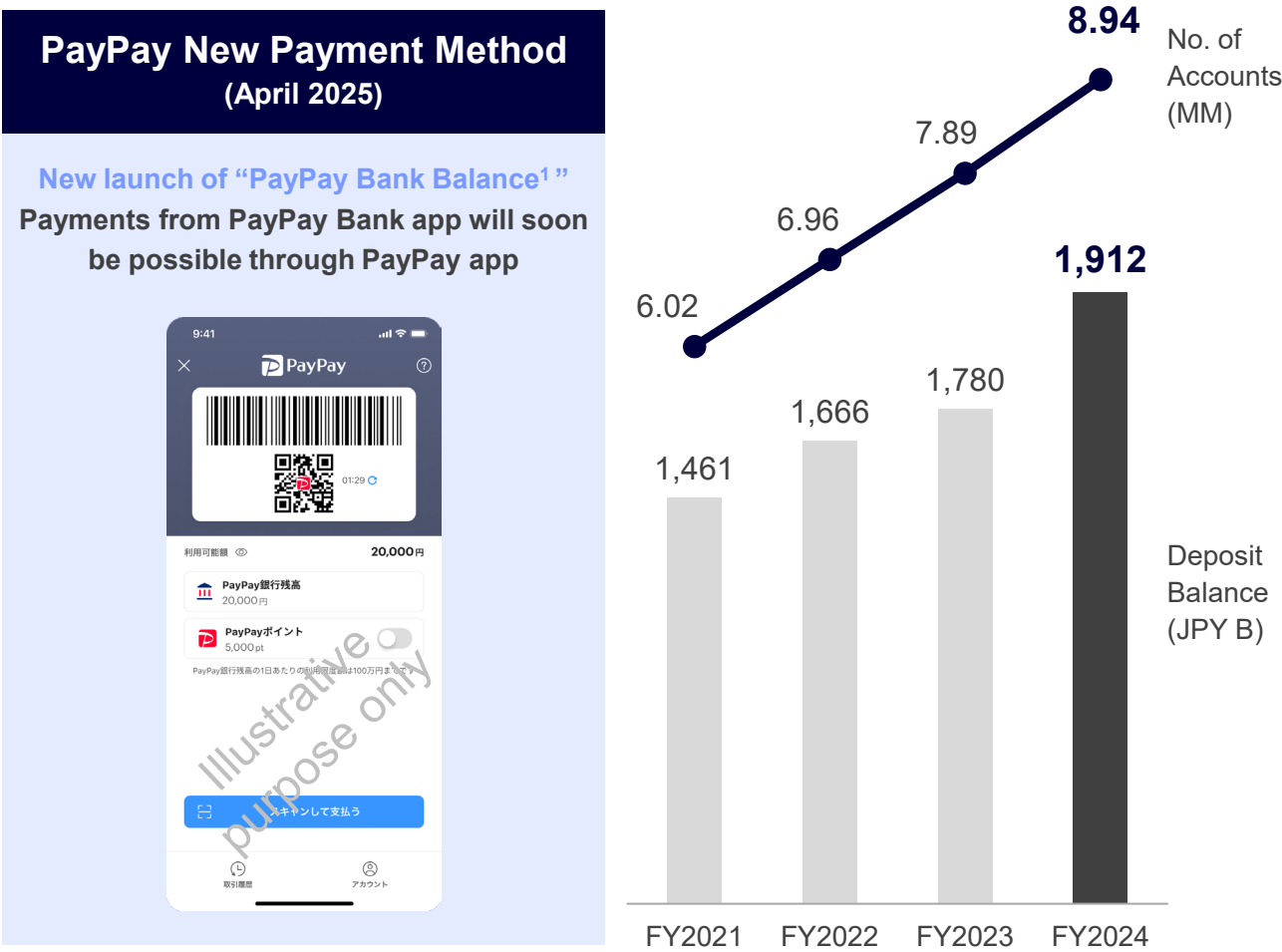
2. Digital Financial Platform Centered Around PayPay – Service Growth

Leverage PayPay’s platform to further accelerate growth of each services

PayPay Card – Transaction Volume/No. of Active Cards Issued



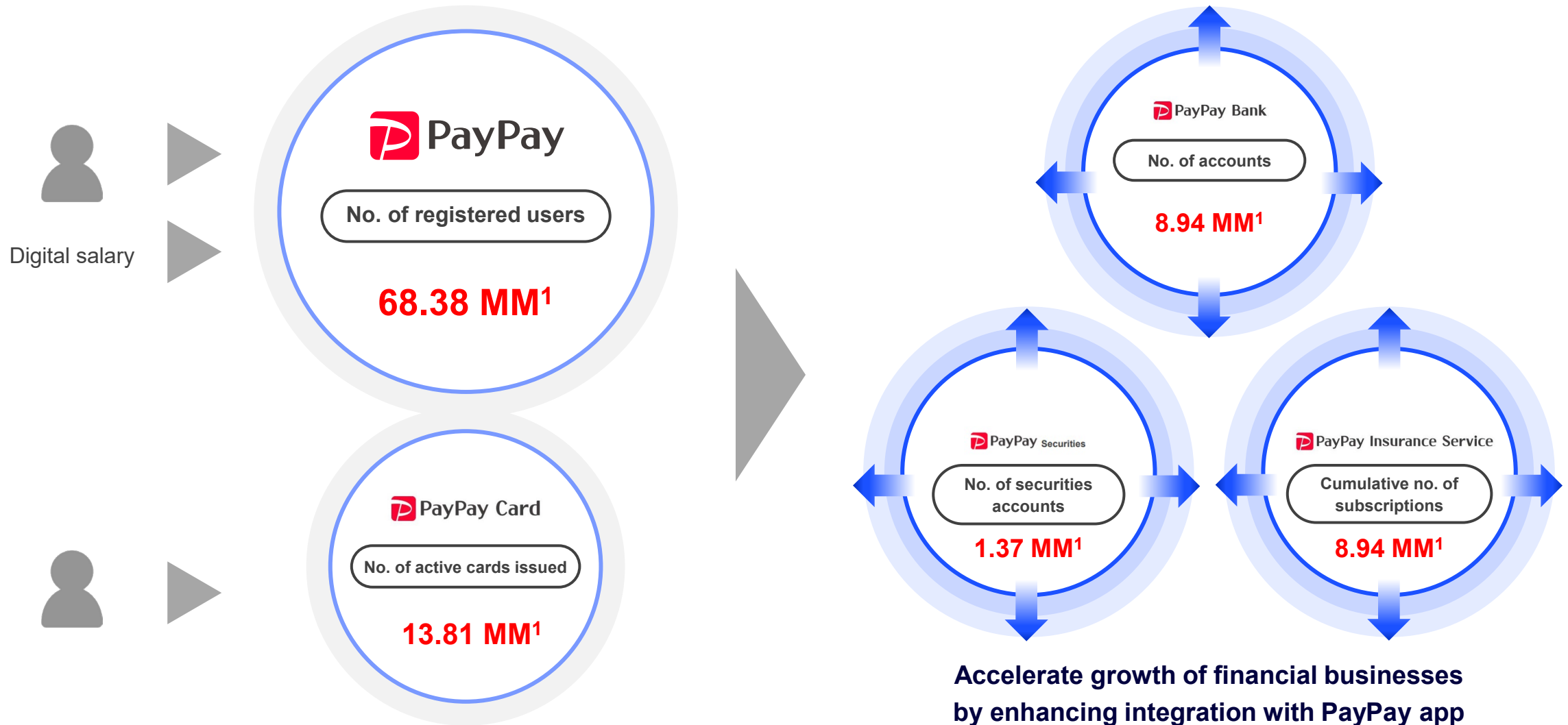
PayPay Bank – Deposit Balance/No. of Bank Accounts



1. For illustrative purpose only. Screen is under development and may differ from the final specifications.

## 2. Digital Financial Platform Centered Around PayPay – PayPay Ecosystem

PayPay to evolve from a payment app to a digital financial platform



---

## **FY2025 Initiatives**

---

**1**

**LINE Official Account/LINE MINI App**

**2**

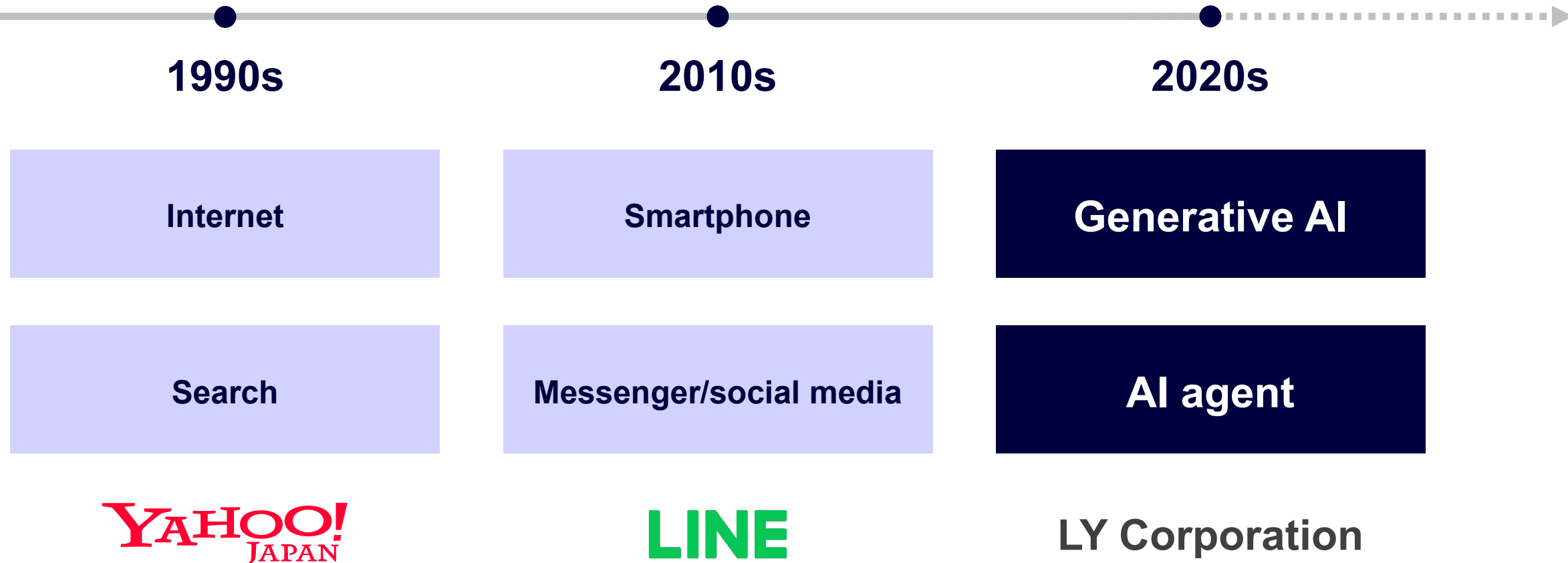
**Digital Financial Platform Centered Around PayPay**

**3**

**Implementation of AI Agents**

### 3. Promotion of AI Agent Implementation – Evolution of IT

Entering an era where each individual is paired with their own personalized AI agent





### 3. Promotion of AI Agent Implementation – FY2025 Initiatives

#### Full-scale deployment of AI agents in consumer-facing services

**From FY2025  
AI agentization**

**Introduction of gen  
AI into services**

**Boosting operational  
efficiency using AI**

#### Implementation in services: 44 cases<sup>1</sup>



**LINE AI  
Chat-style gen AI service**

Generated texts  
per second

**3.6 texts<sup>2</sup>**



**Yahoo! JAPAN Shopping  
Gen AI-proposed bargain  
days (β ver.)**

Single-day transaction value

**Max. 111%**

#### Operational efficiency increased in 35+ projects<sup>3</sup>

**Customer Support E-mail support**

Generated E-mails  
approx. **90% automated<sup>4</sup>**

**Ad Sales operations**

Reduced time for data gathering  
necessary for client inquiries  
reduced by approx. **70%<sup>5</sup>**

1. Cumulative total including discontinued features from July 2023 to May 7, 2025.

2. Number of text responses generated by LINE AI per second from April 10 to 20, 2025.

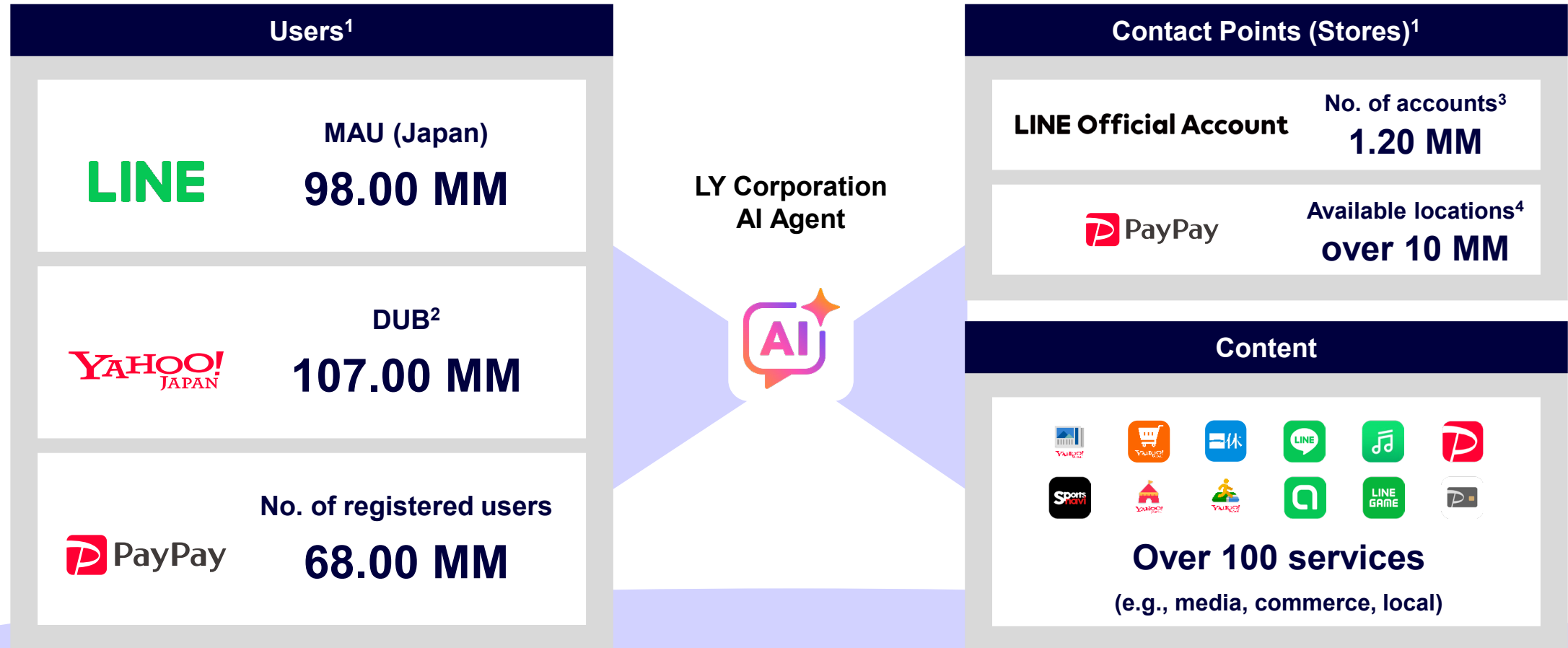
3. Cumulative total of business efficiency projects, including ongoing projects, from June 2023 to May 7, 2025.

4. As of March 2025. Calculated based on email responses that do not handle personal information among our nine services.

5. From January to March 2025. Work time per person reduced from 30 minutes per task to 9 minutes per task by introduction of interactive RAG tool

### 3. Promotion of AI Agent Implementation – Competitiveness As an AI Agent

Unrivaed leader in users, physical contact points, and content



1. As of March 31, 2025

2. Browsers used to access Yahoo! JAPAN services. For smartphones, duplicate counted if accessed through both browser and app

3. Number of accounts in Japan utilizing the feature at least once a month.

4. Number of online and offline stores and spots where PayPay or PayPay Card can be used.

### 3. Promotion of AI Agent Implementation – Value Proposition

AI agents that facilitate all areas of day-to-day life



**Personalization**

Conduct comprehensive analysis and offer suggestions based on underlying needs.

**End-to-end  
coverage  
of daily life**

Accompanying users in various scenes from morning to night

**Complete up to  
point of  
conversion**

Carry out tasks like reservations, purchases, and payments on behalf of the user

### 3. Promotion of AI Agent Implementation – AI agentization of All Services

Aim to be No. 1 in AI-based era by leveraging AI across not only home service but also to a wide array of services

#### Home Services<sup>1</sup>

#### Service Agents<sup>1</sup>

LINE

YAHOO!  
JAPAN

Local

Shopping

Messenger



1. Interface for each service agent is currently under development and may differ from the final specifications.

## 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.

## Cautionary Statement Regarding the Tender Offer

The tender offer mentioned in this presentation material is not directly or indirectly conducted within the United States or aimed at the United States, does not use the United States Postal Service or any methods or means of interstate commerce or international commerce (including but not limited to telephone, telex, facsimile, e-mail and Internet communication), and is not conducted through securities exchange facilities within the United States.

Under the tender offer, shares may not be tendered using the above methods and means, through the above facilities, or from within the United States. Any purported acceptance of the tender offer resulting directly or indirectly from a violation of these restrictions will not be accepted. No securities or other consideration is being solicited in the United States and if sent in response by a resident of the United States of America will not be accepted. No indications of interest in the tender offer are sought by this presentation material.

Furthermore, the tender offer notice and other related purchase documents concerning the tender offer may not be sent or distributed to the United States, nor sent or distributed using postal or other methods within, to, or from the United States. Any tenders under the tender offer which violate the above restrictions directly or indirectly shall not be accepted.

# **LY Corporation**

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