

# LY Corporation Earnings

## FY2025 Q2

November 4, 2025

Security Code: 4689

**LINEヤフー**

## FY2025 Q2 Earnings Highlights

1

### **Consolidated results expand steadily. Adjusted EBITDA posting double digit growth**

- FY2025 Q2 Result : Consolidated revenue JPY505.7 B (YoY+9.4%; highest Q2 result)  
Consolidated adjusted EBITDA JPY125.4 B (YoY+11.3%; highest Q2 result)

**Raised full-year dividend forecast to JPY 7.3 from JPY 7.0**

2

### **Driving mid-to long-term growth through business portfolio realignment and AI adoption**

- Expand growth areas anchored in LINE Official Accounts and Mini Apps to drive sustained growth
- Sequentially implementing services toward AI agentization, and advancing cost efficiencies through AI
- LINE revamp in phases. Testing of new Home tab scheduled to begin within the year

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Key Strategies

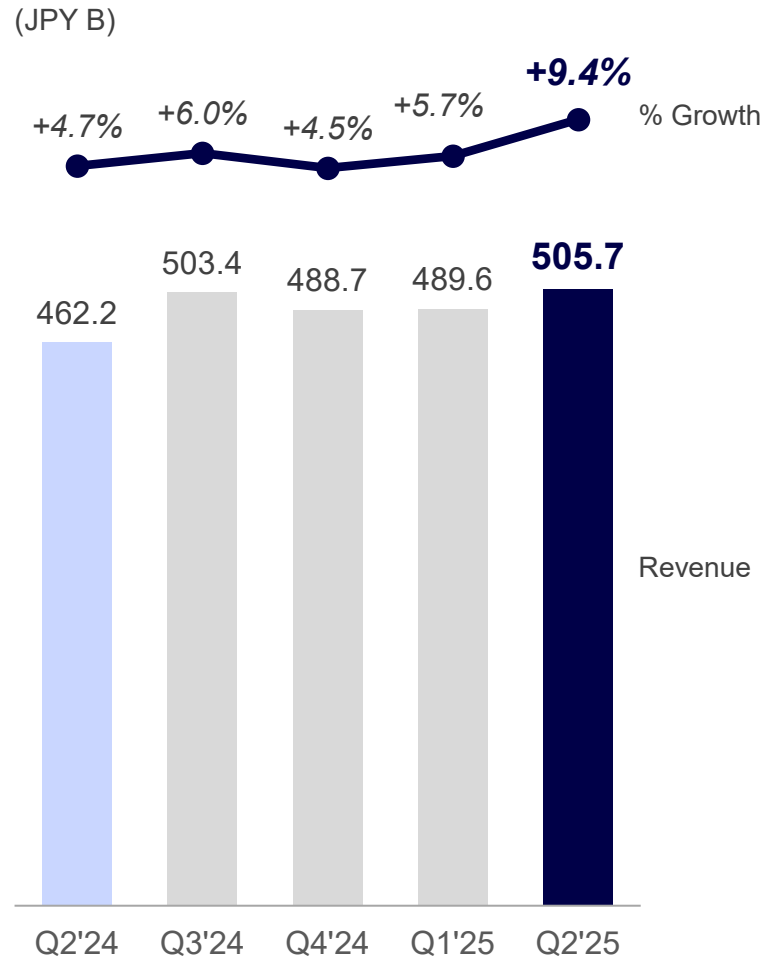
**Consolidated revenue slightly behind guidance due to search advertising impact.**

**Adjusted EBITDA and EPS on track**

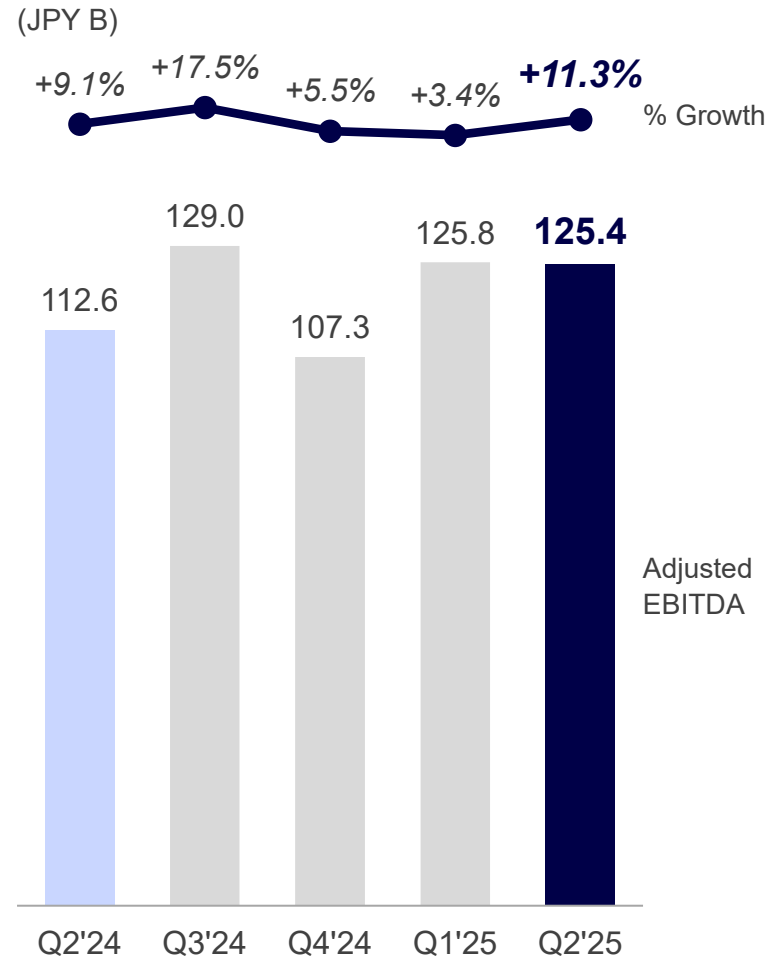
Segment	Item	FY2025 Q2	% YoY Change	Progress Against Guidance
Consolidated	Revenue	JPY505.7 B	+9.4 %	47.4 %
	Adjusted EBITDA	JPY125.4 B	+11.3 %	49.3 to 50.3 %
	Adjusted EPS	JPY9.23	+41.1 %	56.8 to 59.0 %
Media	Revenue	JPY179.8 B	-0.3 %	-
	Adjusted EBITDA	JPY68.0 B	-4.2 %	46.9 %
Commerce	Revenue	JPY216.6 B	+7.2 %	-
	Adjusted EBITDA	JPY33.3 B	-4.6 %	45.8 %
Strategic	Revenue	JPY109.7 B	+35.0 %	-
	Adjusted EBITDA	JPY22.9 B	+52.1 %	70.8 %
Other/Adjustments	Adjusted EBITDA	JPY1.1 B	-	

**EBITDA increased by YoY +11.3% on PayPay (consolidated) growth and LY (standalone) cost reductions**

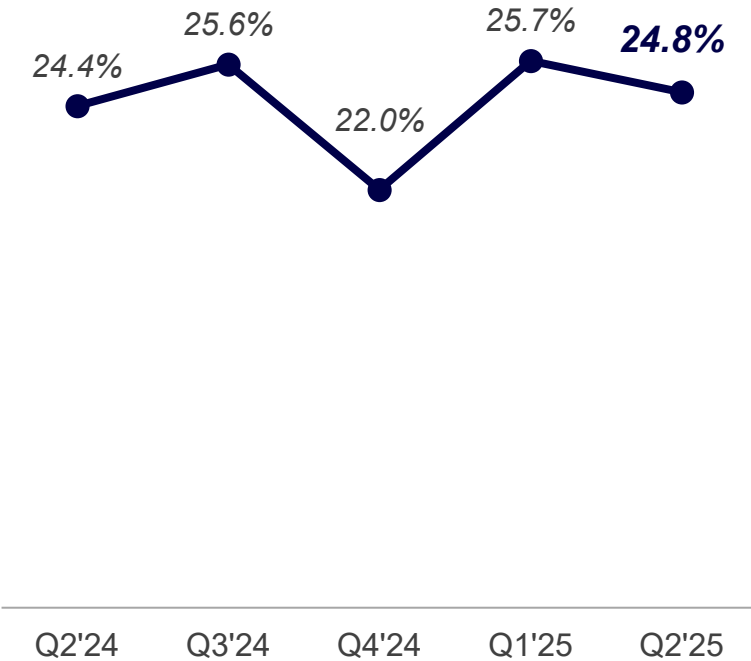
Revenue/ %YoY Growth



Adjusted EBITDA/ %YoY Growth

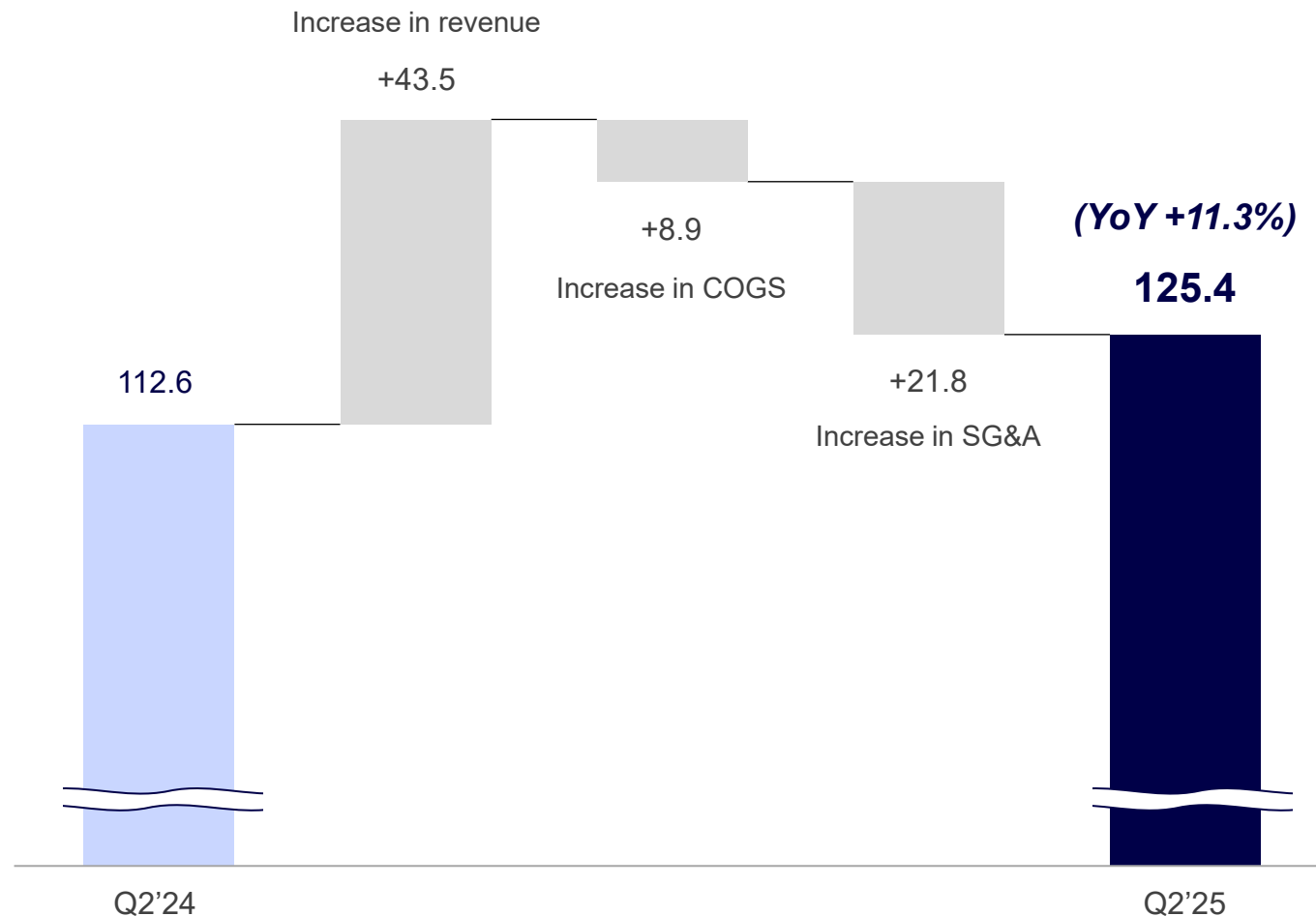


Adjusted EBITDA Margin



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

(JPY B)

**Revenue: +JPY43.5 billion**

- Media: -JPY0.4 B
  - Search advertising: -JPY6.5 B
  - Account advertising: +JPY4.8 B
  - Display advertising: +JPY2.3 B
- Commerce: +JPY14.6 B
  - ZOZO, ASKUL: +JPY7.7 B
  - LY Corporation: +JPY6.8 B
- Strategic: +JPY28.4 B
  - PayPay Consolidated: +JPY20.2 B
  - LINE Bank Taiwan: +JPY4.7 B

**COGS: +JPY8.9 billion**

- Media: -JPY0.0 B
- Commerce: +JPY5.2 B
  - ZOZO, ASKUL: +JPY3.1 B
  - BEENOS: +JPY1.9 B
- Strategic: +JPY4.0 B
  - LINE Bank Taiwan: +JPY2.5 B
  - PayPay Consolidated: +JPY1.0 B

**SG&A: +JPY21.8 billion**

- PayPay Consolidated: +JPY9.8 B
- LY Corporation, Commerce Business: +JPY5.5 B
- ZOZO, ASKUL: +JPY4.8 B

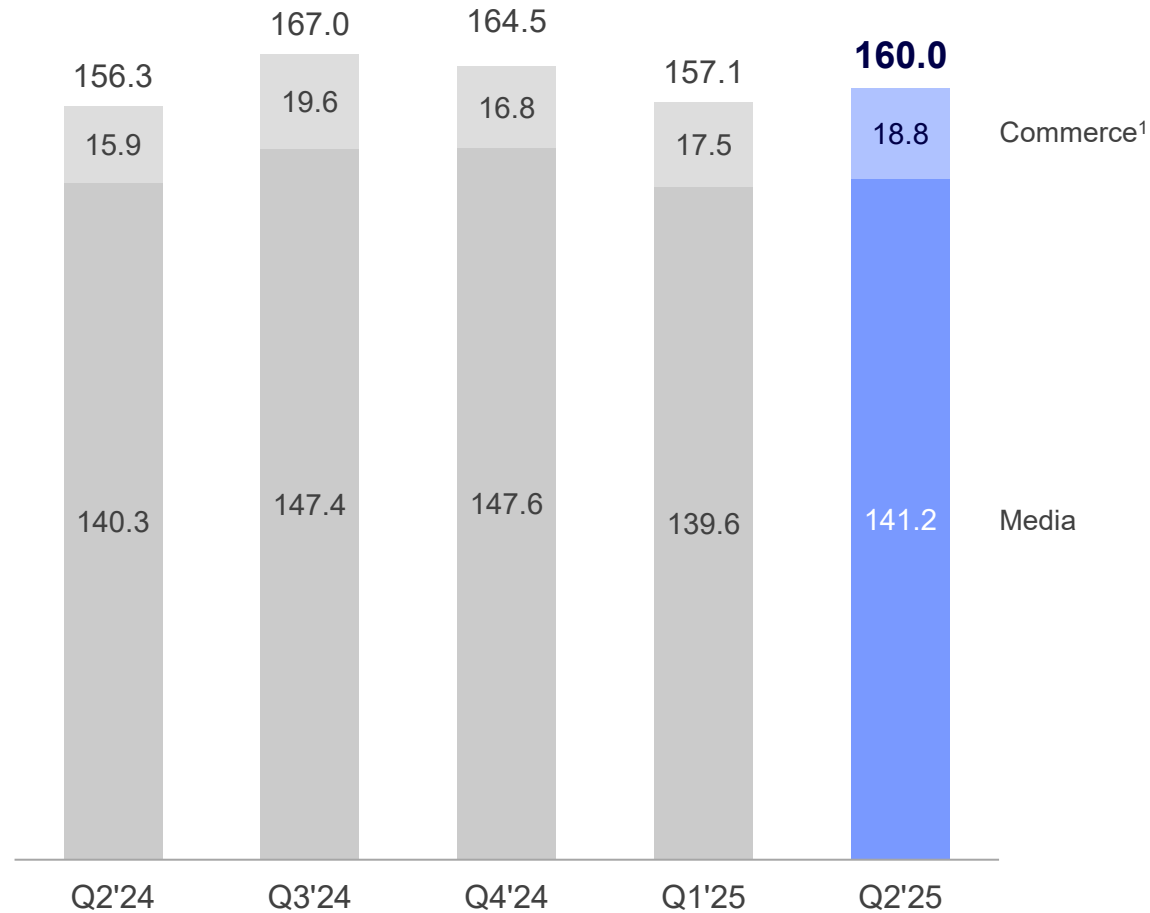
1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss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

## Consolidated – Total Advertising Revenue

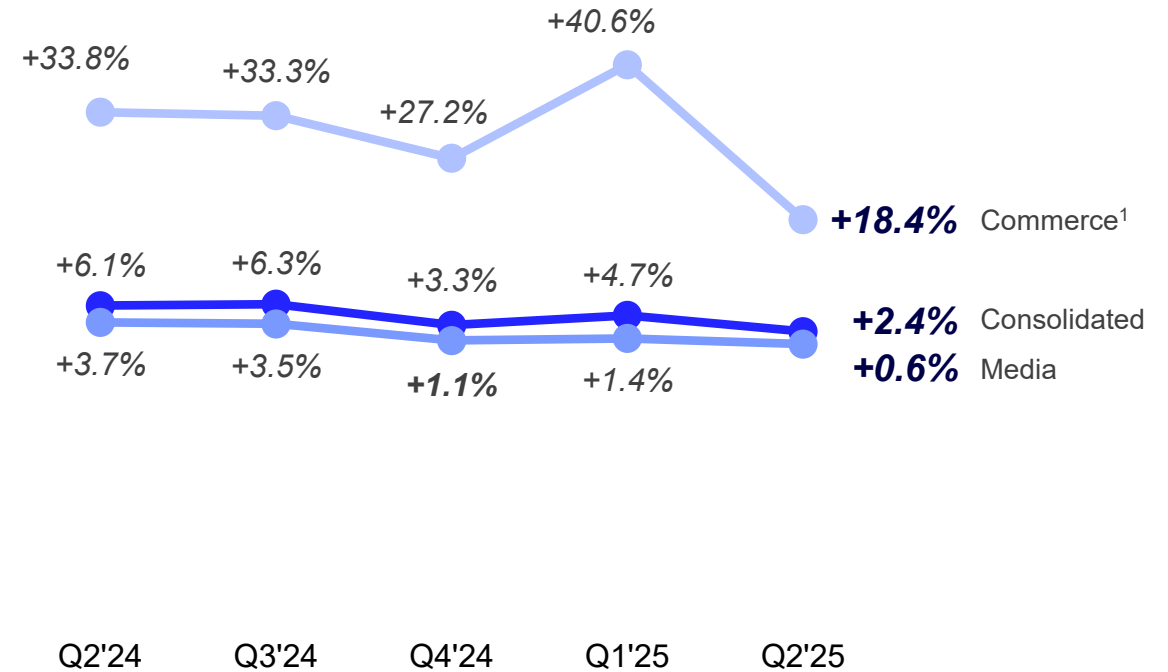
## Commerce advertising grew backed by solid growth in GMV

Consolidated – Total Advertising Revenue<sup>1</sup>

(JPY B)



Consolidated – Total Advertising Revenue % YoY Growth



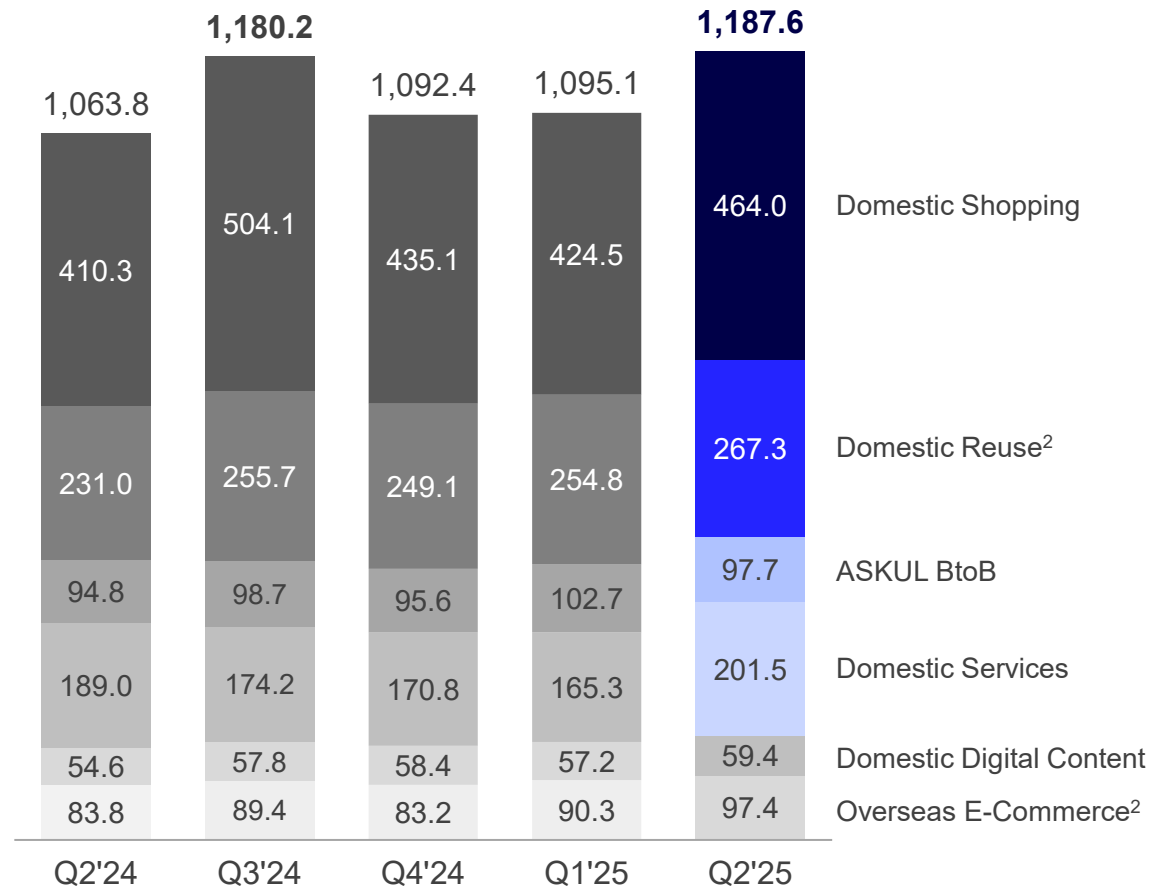
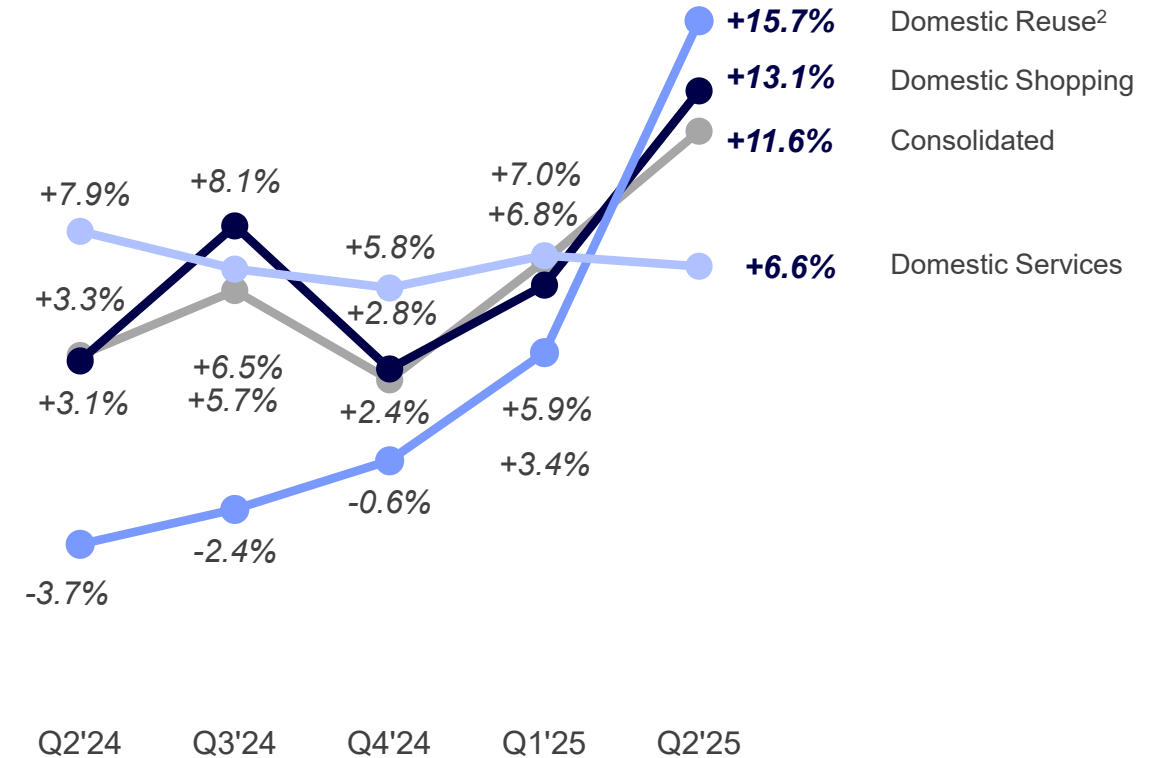
1. Revenue for commerce ads are recorded in the Commerce Business segment.



## Growth led by Yahoo! Shopping. Full consolidation of BEENOS also contributed

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. 28 of the Appendix for a definition of transaction value.

2. From FY2025 Q1, Domestic Reuse includes "BEENOS" and Overseas E-Commerce includes "Lyst."

Raised dividend forecast, reflecting share repurchase and cancellation

Share Repurchase and Cancellation of Treasury Shares

Total Number of Shares Repurchased	63,400,000 shares
Total Repurchase Amount	Approx. JPY32.2 billion
Method	Market purchase through the Tokyo Stock Exchange based on a discretionary trading contract
Period of Repurchase	From July 1, 2025 to August 20, 2025
Total Number of Shares Canceled	All shares repurchased under this program
Date of Cancellation	September 3, 2025

Revision of Dividend Forecast

The dividend forecast has been revised upward due to a decrease in the number of shares eligible for dividends following the share repurchase and cancellation.

	Annual Dividend Per Share
Previous Forecast (Announced May 16, 2025)	JPY7.0
	▼
Current Forecast Revision	JPY7.3
Previous Fiscal Year (FY2024)	JPY7.0

Talk, Shopping, Wallet tab releases progressing in stages.

Test release of Home tab to begin within the year

## Home Tab

- A “gateway” that aggregates various services and information
- Deliver information tailored to each user

### 1 Activity

Deliver LINE friends' statuses, weather updates, and related service information.

### 2 Content feed

Provide diverse information tailored to users' interests, from trending news to personal hobbies.



## Chat Tab

- Improve UI/UX for more intuitive use.
- Phased rollout to begin in September.

### 1 Introducing new “Friend” tab

Consolidate “Friend”-related functions into one tab for easier use.

### 2 Enhancing navigation

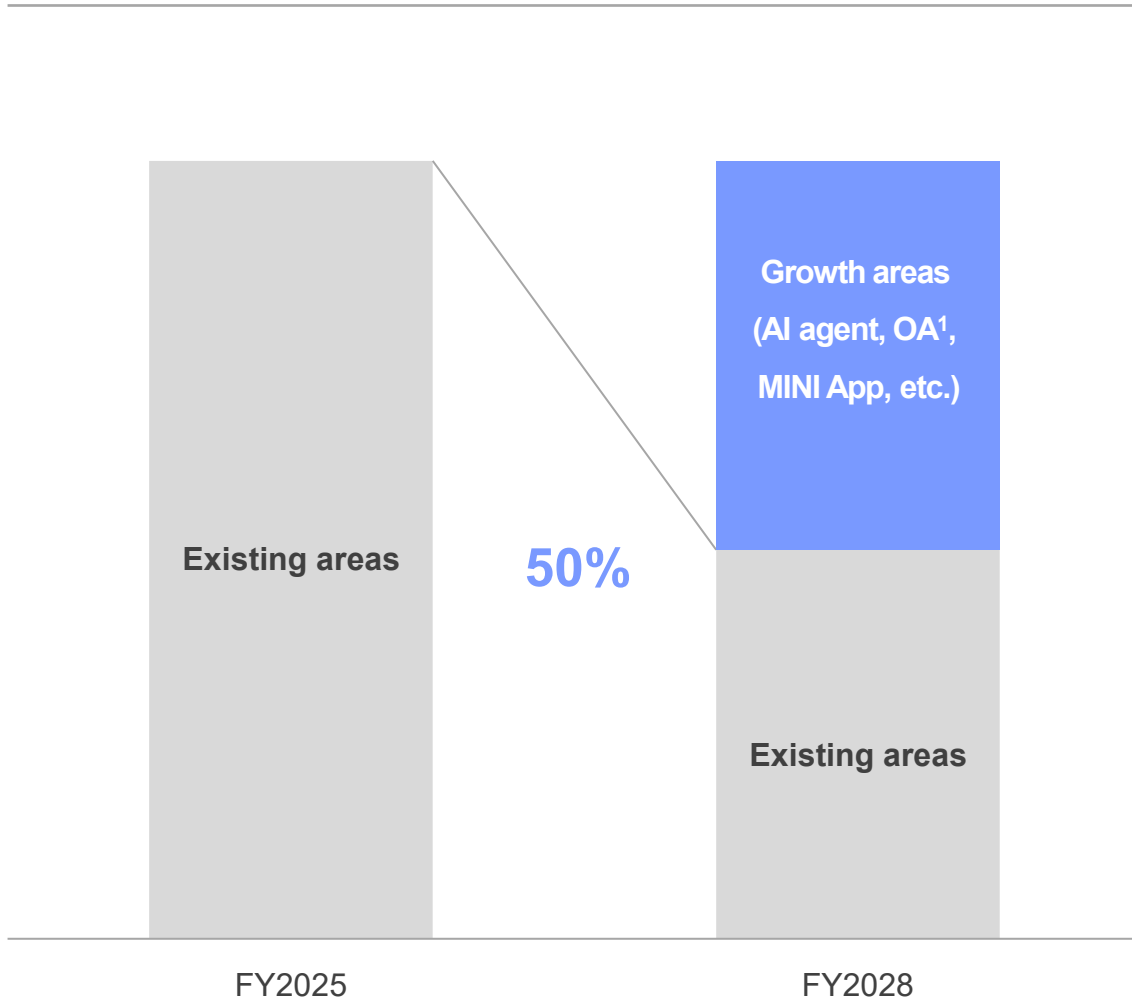
Frequently used features accessible via the “+” button.



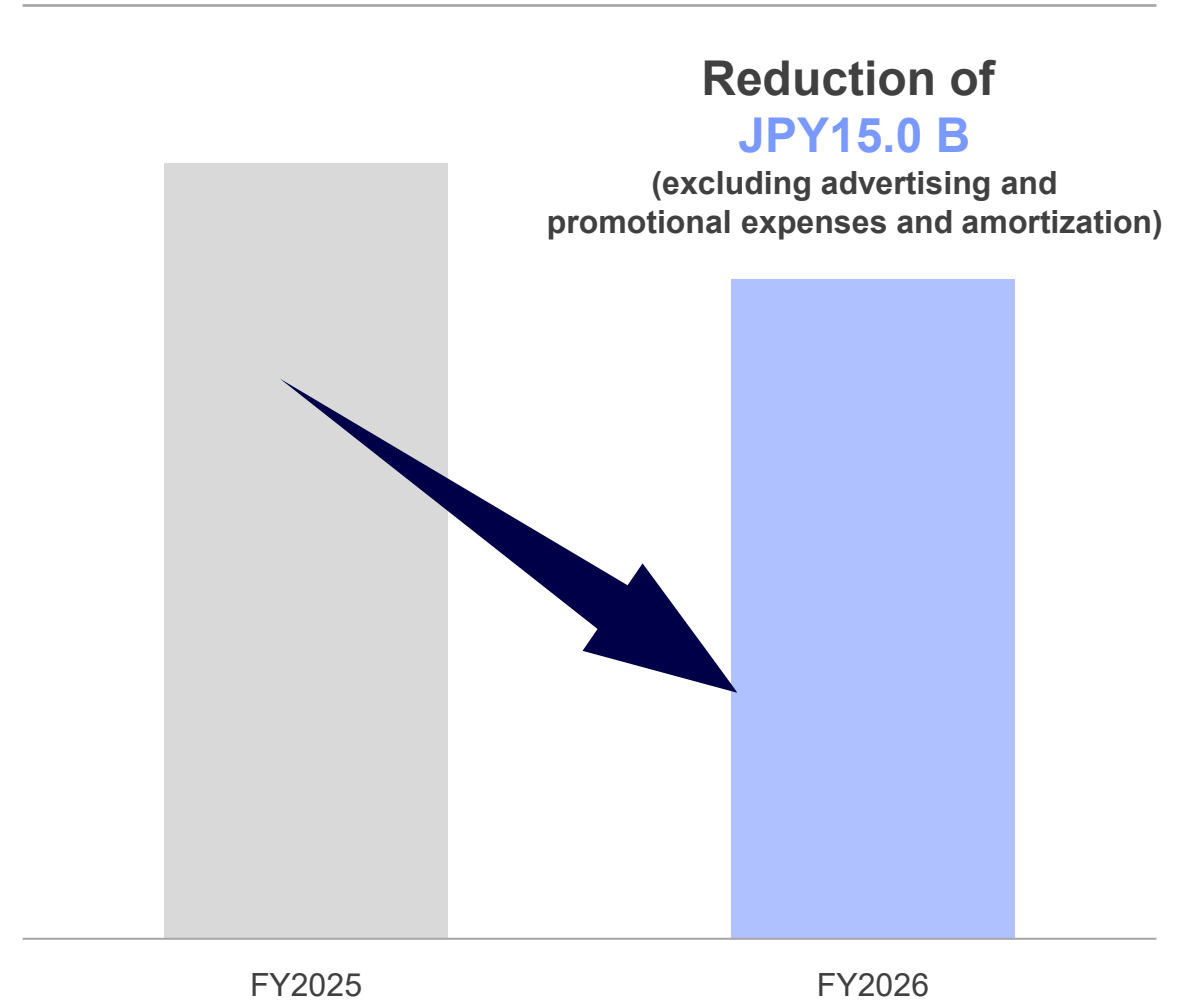
## Optimization of Management Resources

**Driving operational efficiency through AI. Allocating resources to growth areas and pushing fixed-cost reductions**

Reallocation of Human Resources to Growth Areas



Reduction of Fixed Costs (LY Corporation Only)



1. OA: Official Account (LINE Official Account)

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**Financial Results – Consolidated**

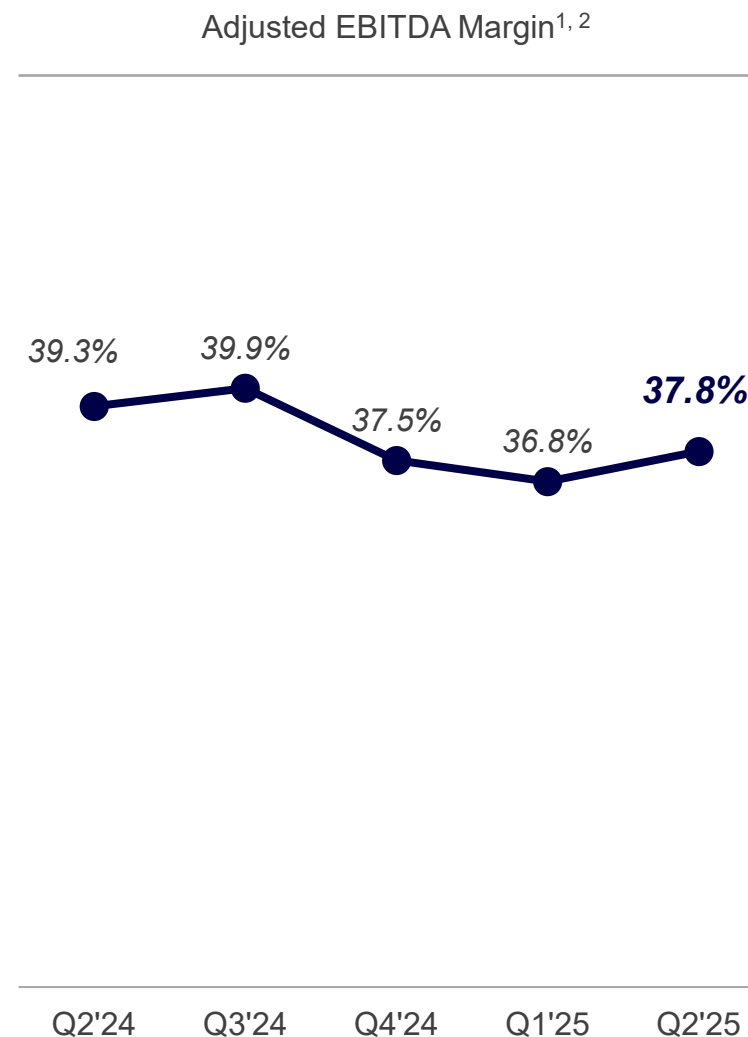
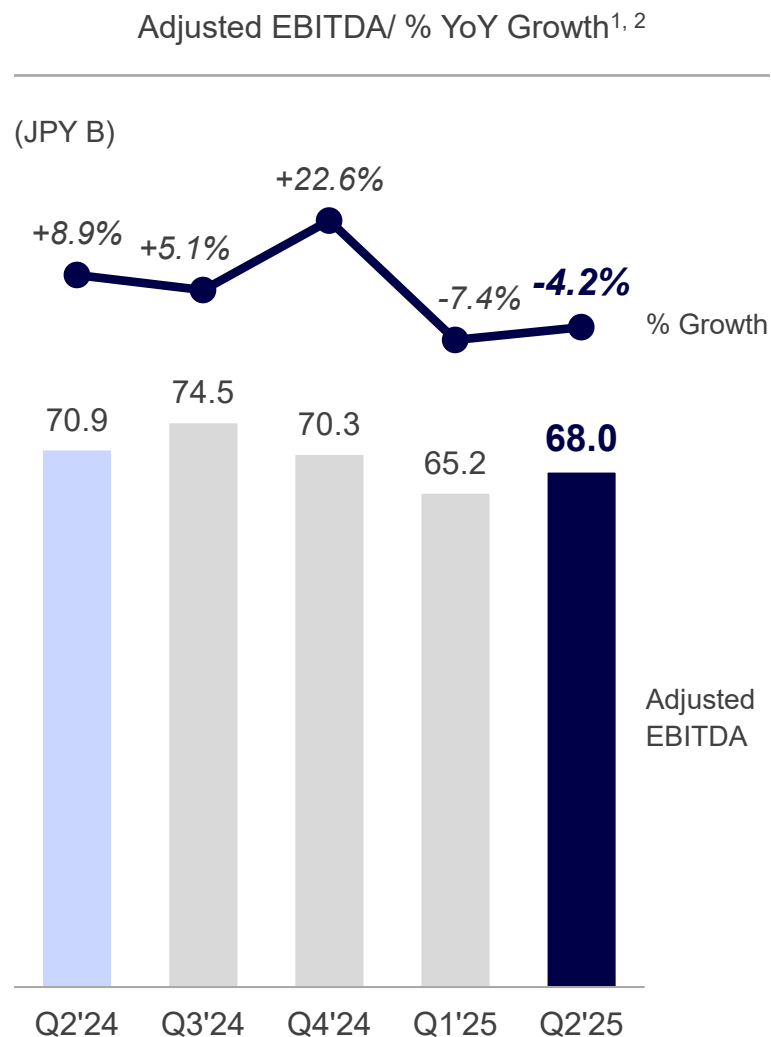
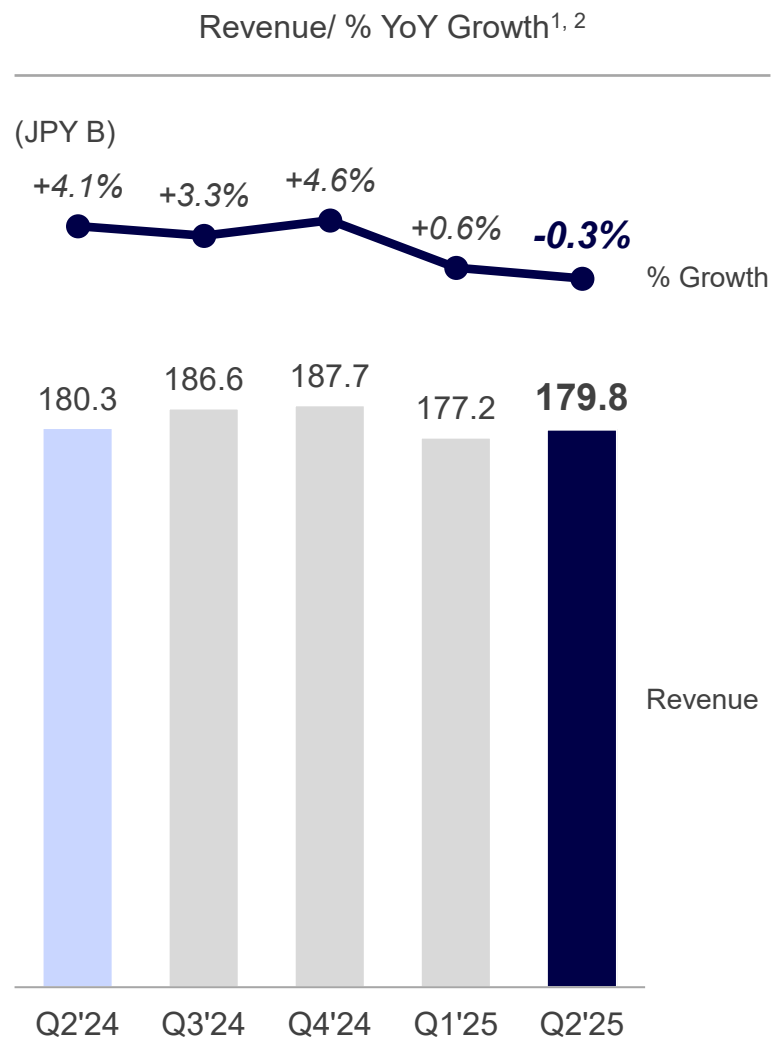
2

**Financial Results – by Segment**

3

**Key Strategies**

## Adjusted EBITDA growth rate and margin improved QoQ, driven by cost reductions

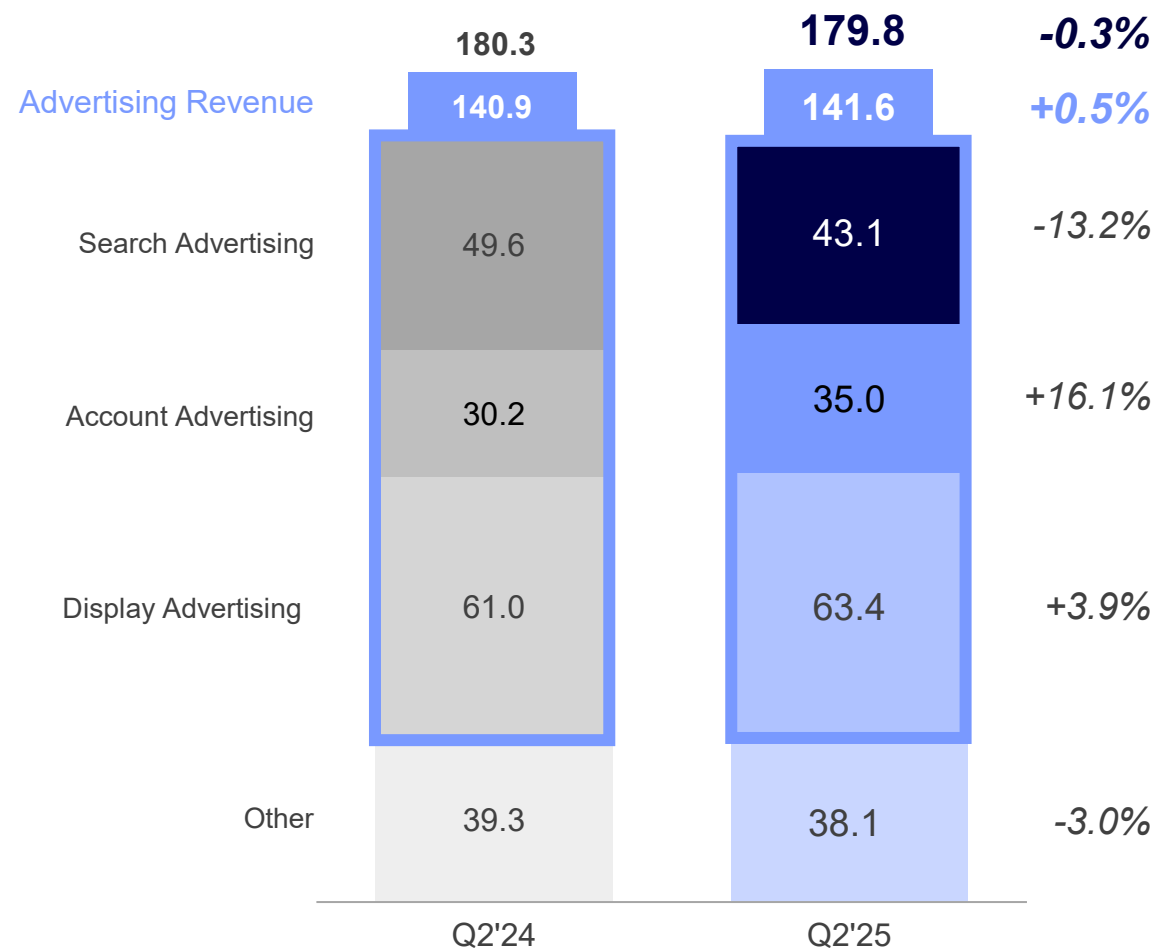


1. In FY2024 Q3, Ikyu.com for Restaurants and PayPay Gourmet services were transferred from Media Business to Commerce Business. As a result, figures for FY2023, FY2024 Q1, and FY2024 Q2 have been retroactively revised.

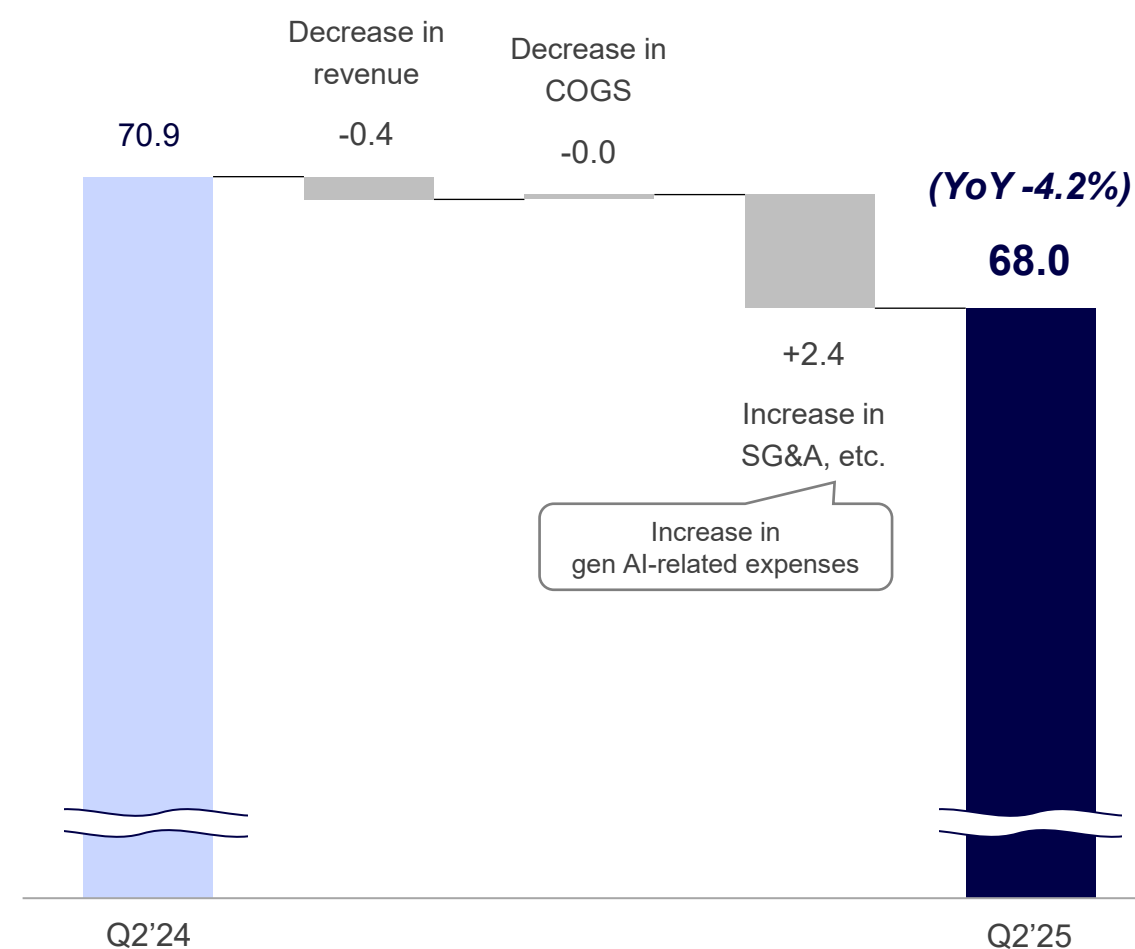
2. In FY2025 Q1, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised. As a result, figures for FY2024 have been retroactively adjusted.

## Revenue

(JPY B)

Adjusted EBITDA<sup>1</sup>

(JPY B)

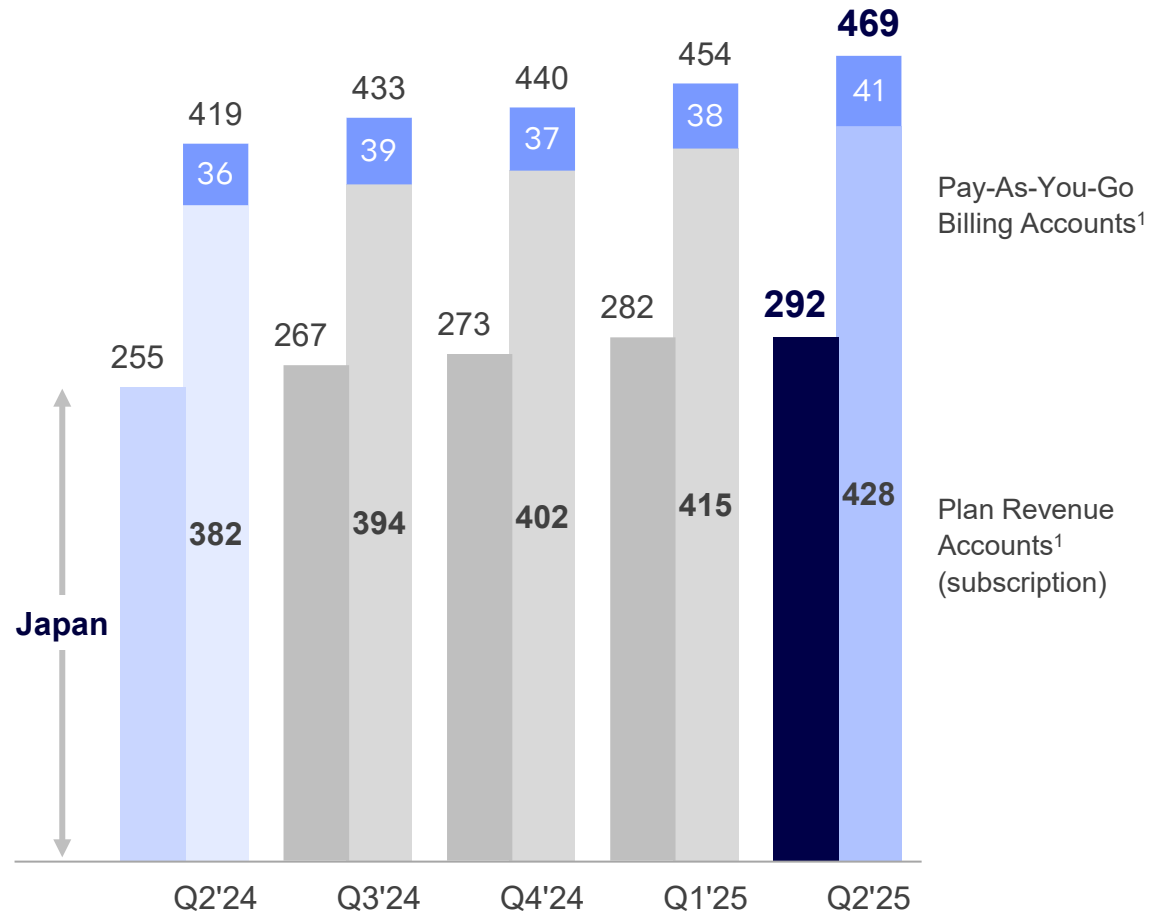


1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss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

## Paid accounts and revenue continues to expand

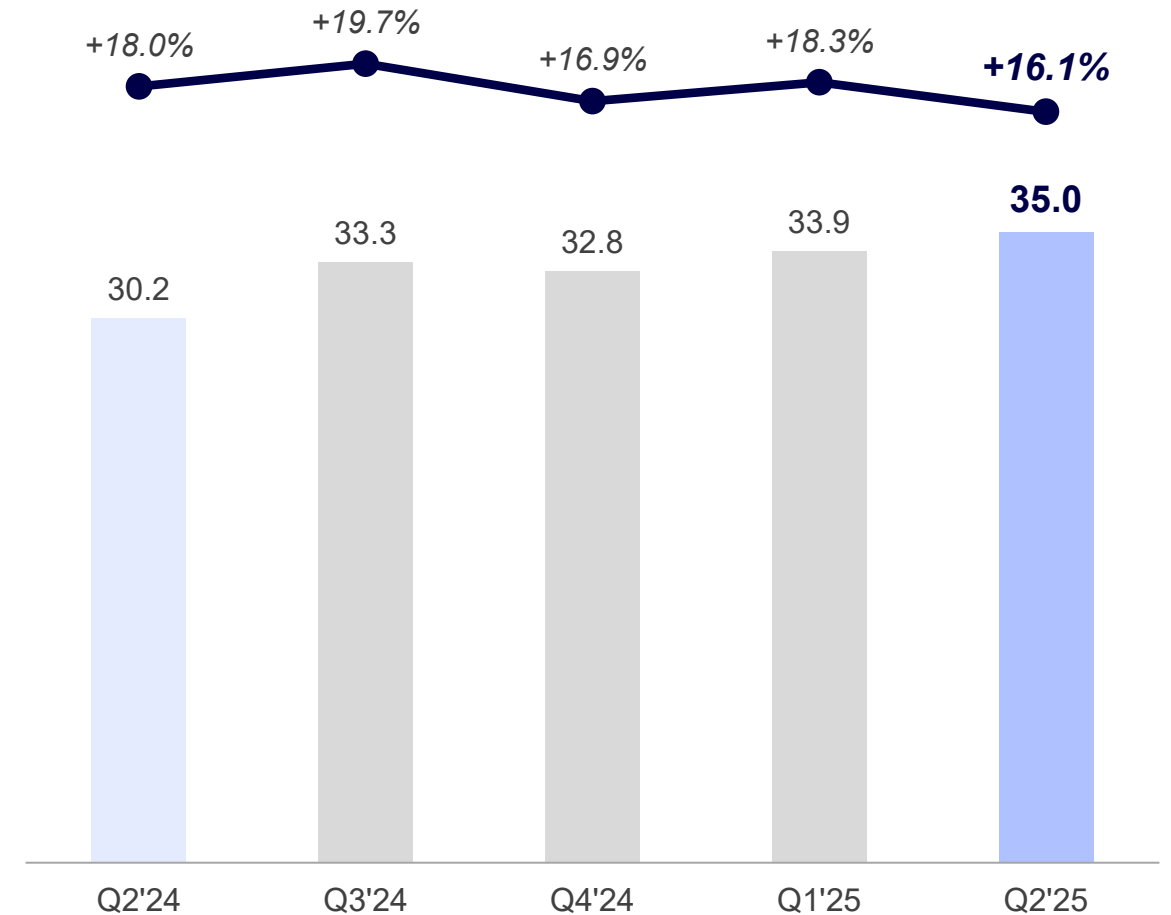
No. of Paid LINE Official Accounts (Global/Japan)<sup>1</sup>

(Thousands)



Revenue

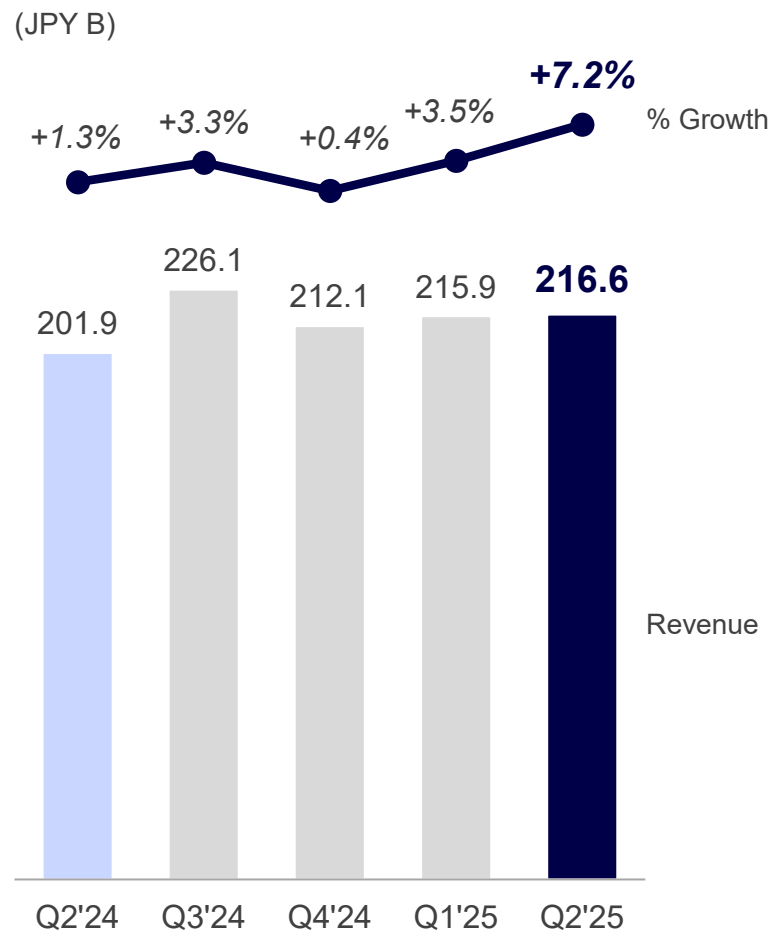
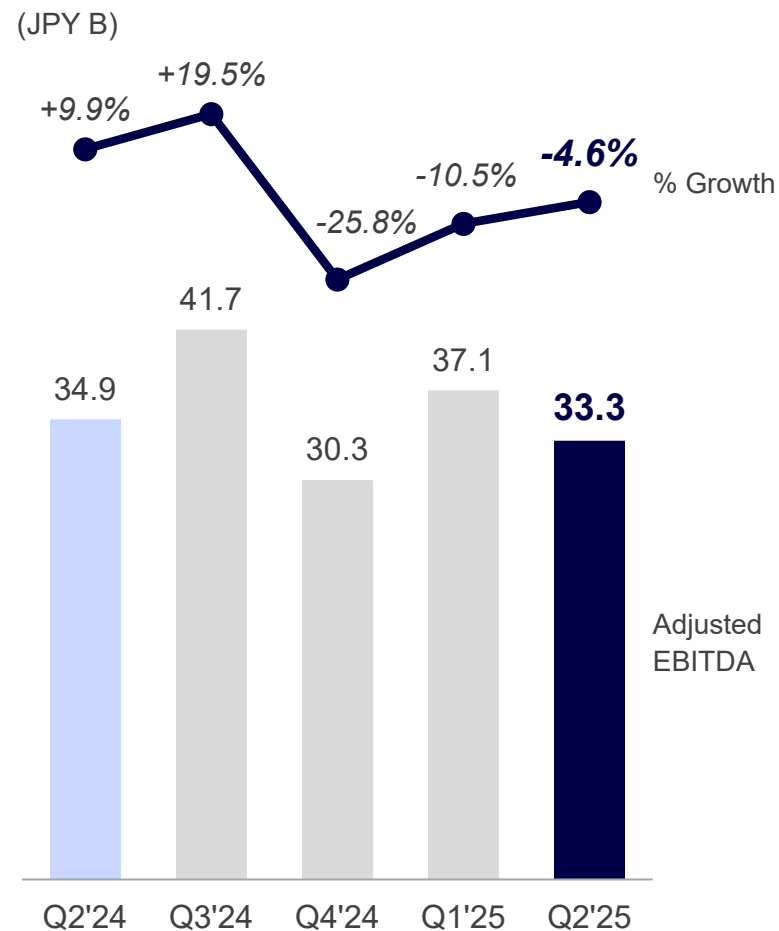
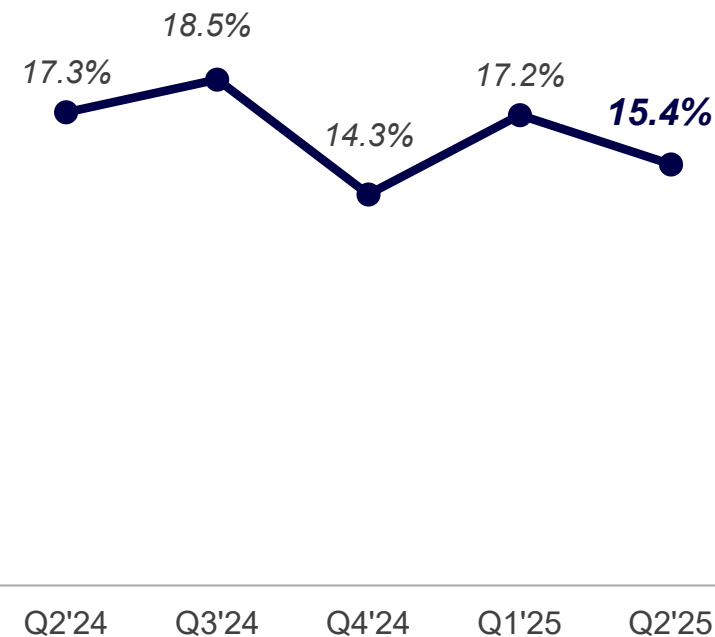
(JPY B)



1. Figures provided are the number of paid accounts as of the end of each quarter. 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.



## High single digit revenue growth. EBITDA growth rate improved QoQ

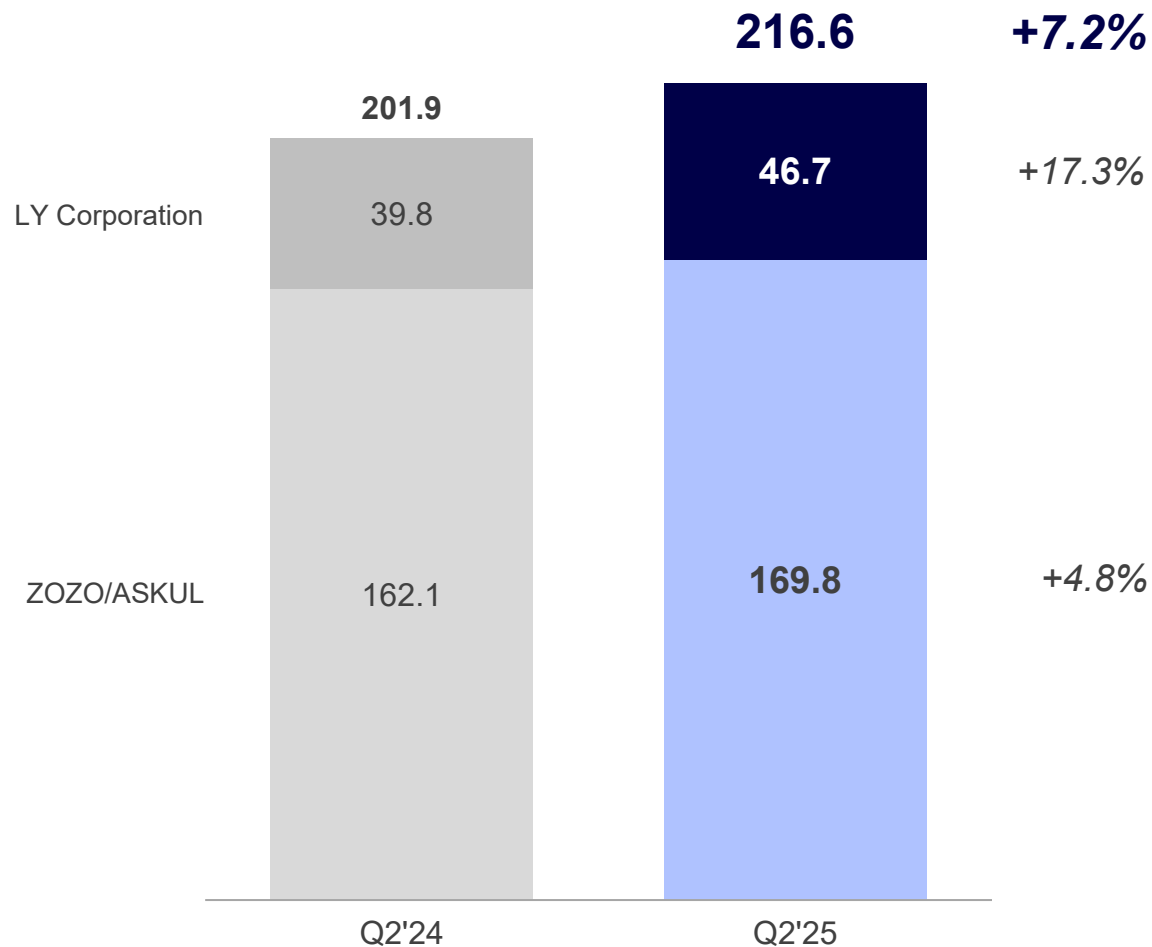
Revenue/ %YoY Growth<sup>1, 2</sup>Adjusted EBITDA/ %YoY Growth<sup>1, 2</sup>Adjusted EBITDA Margin<sup>1, 2</sup>

1. 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 adjusted.

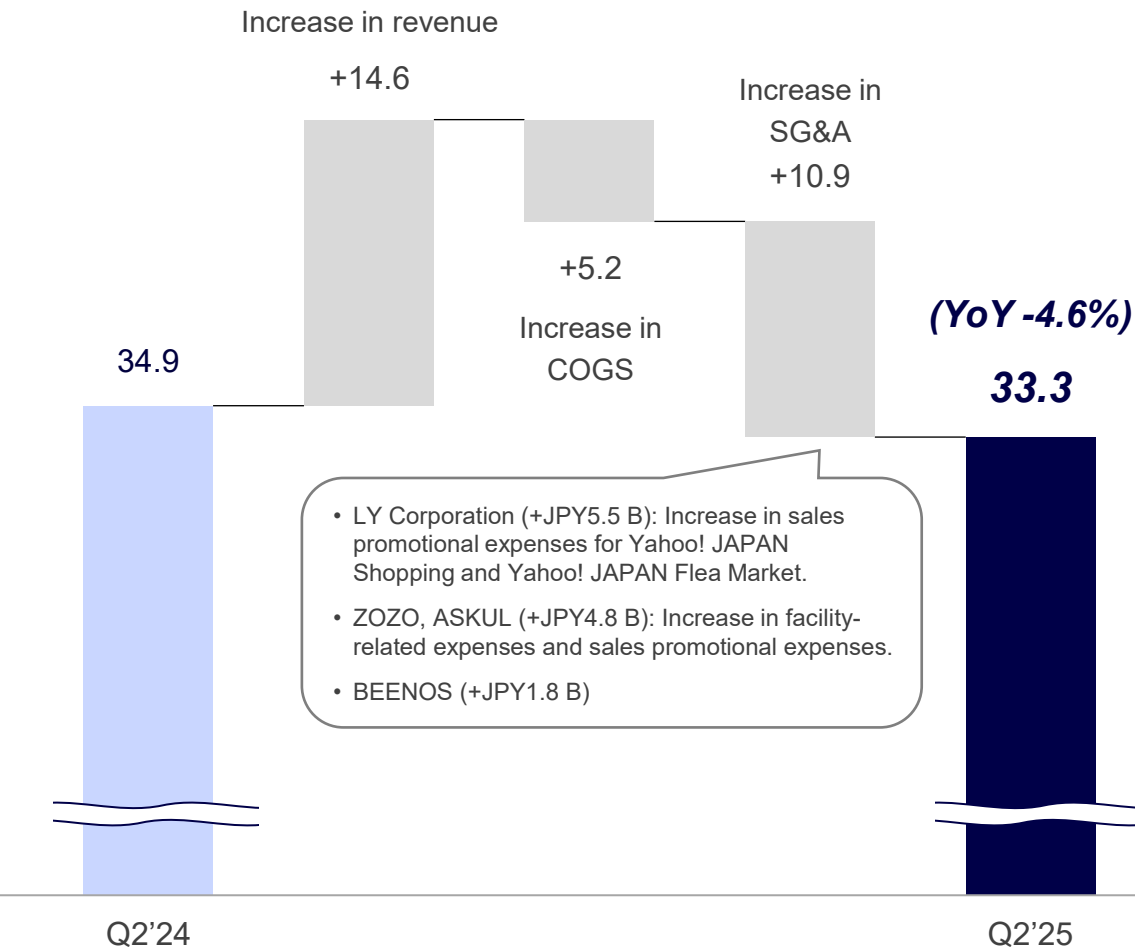
2. In FY2025 Q1, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised. As a result, figures for FY2024 have been retroactively adjusted.

## Revenue

(JPY B)

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

(JPY B)

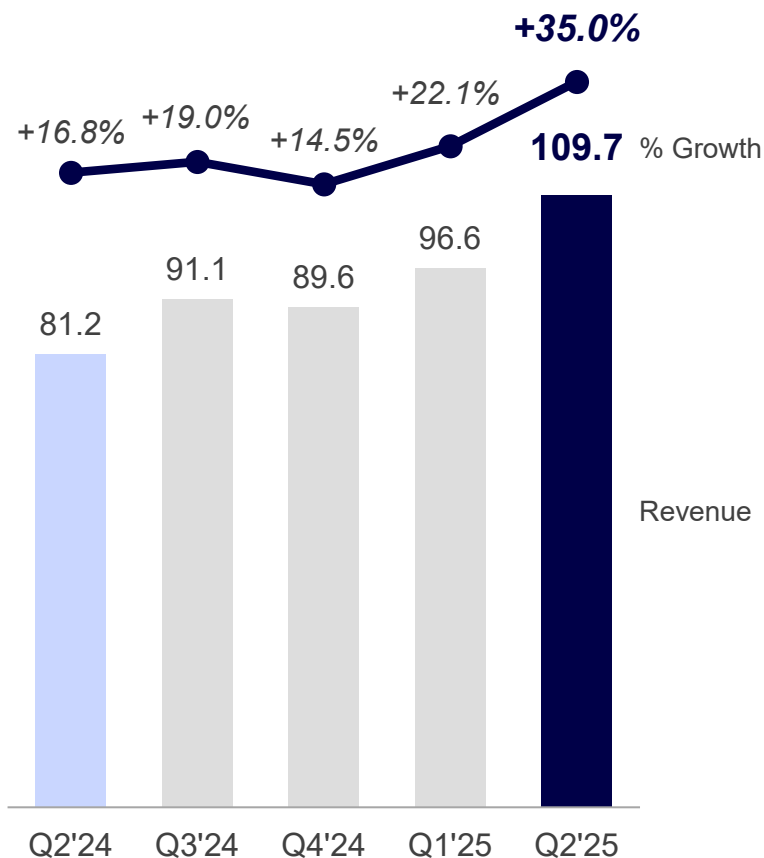


1. Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc. EBITDA adjustment items: Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses (loss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

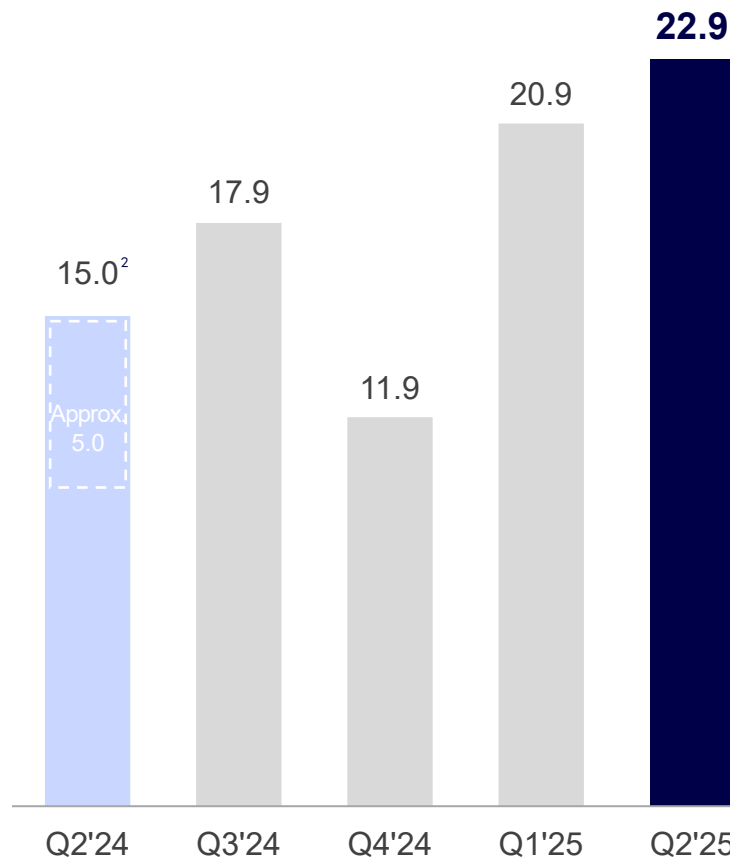
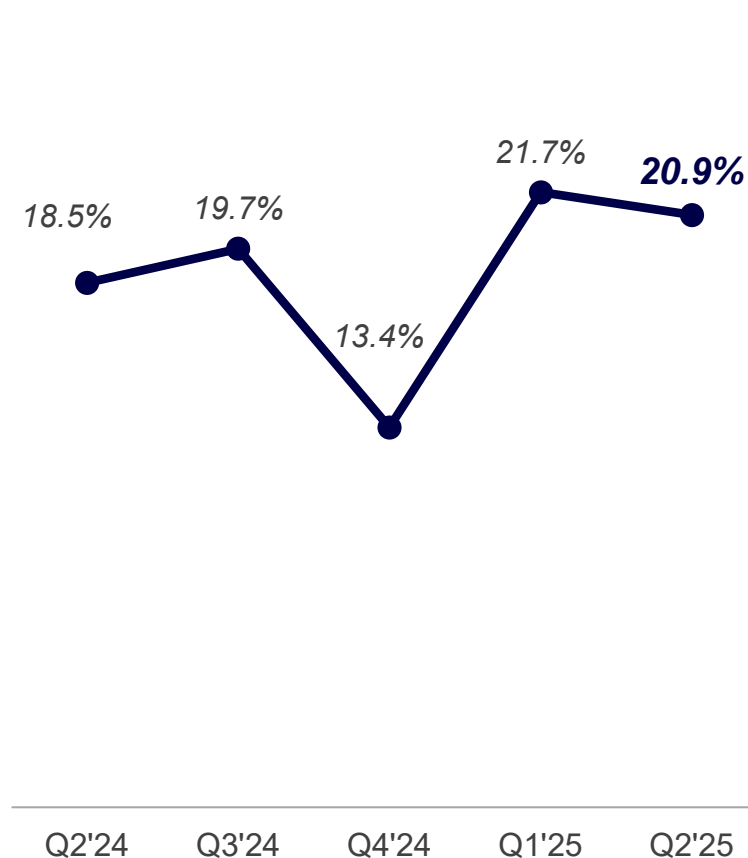
## Revenue up YoY+35%. Margin remains above 20%

Revenue/ %YoY Growth<sup>1</sup>

(JPY B)

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

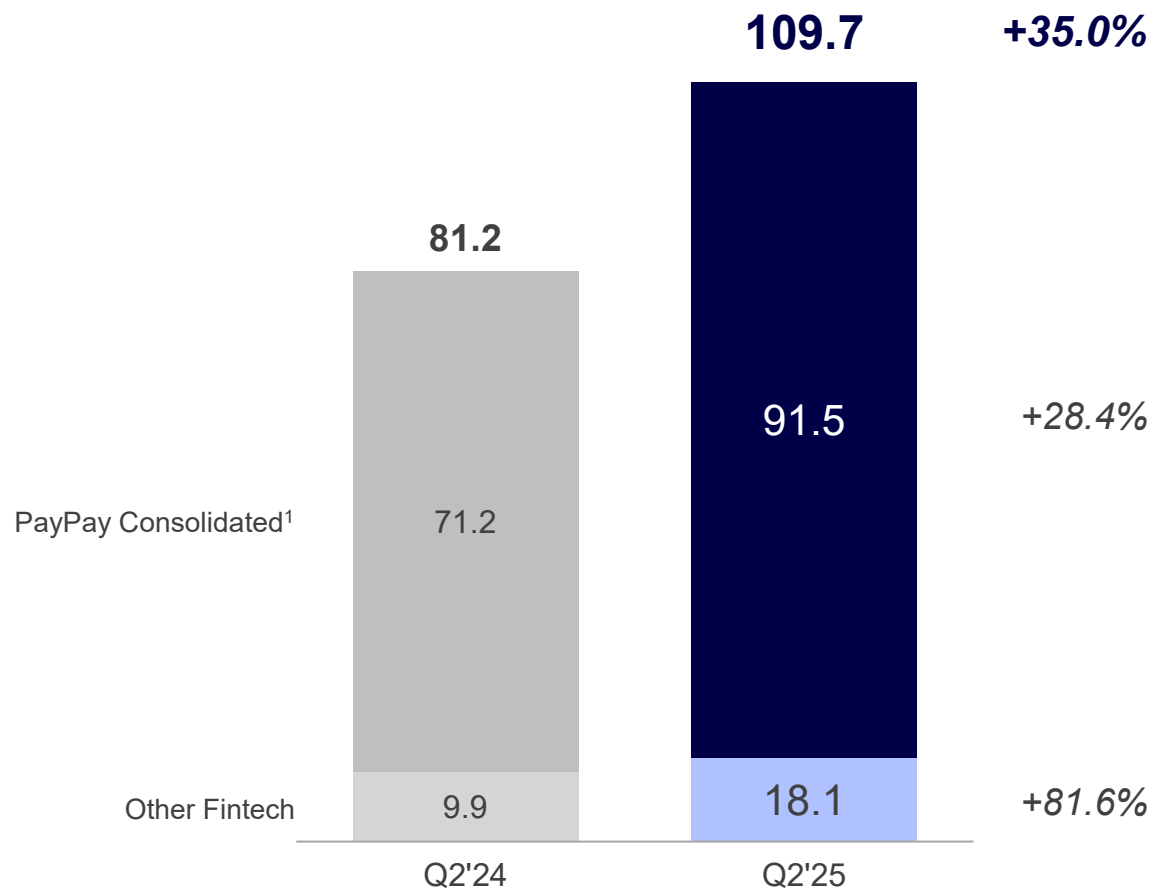
(JPY B)

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

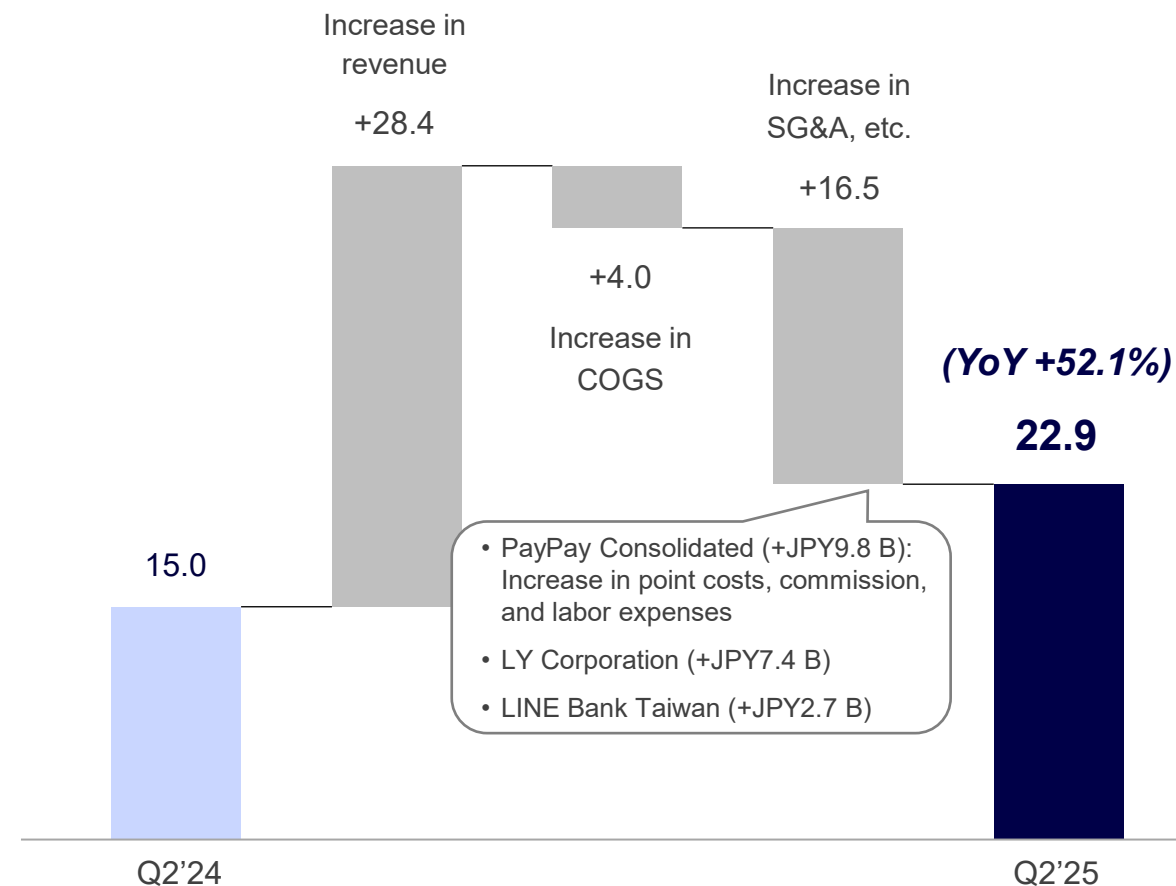
1. In FY2025 Q1, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised. As a result, figures for FY2024 have been retroactively adjusted.
2. Security countermeasures and other expenses, which were recorded 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.

## Revenue

(JPY B)

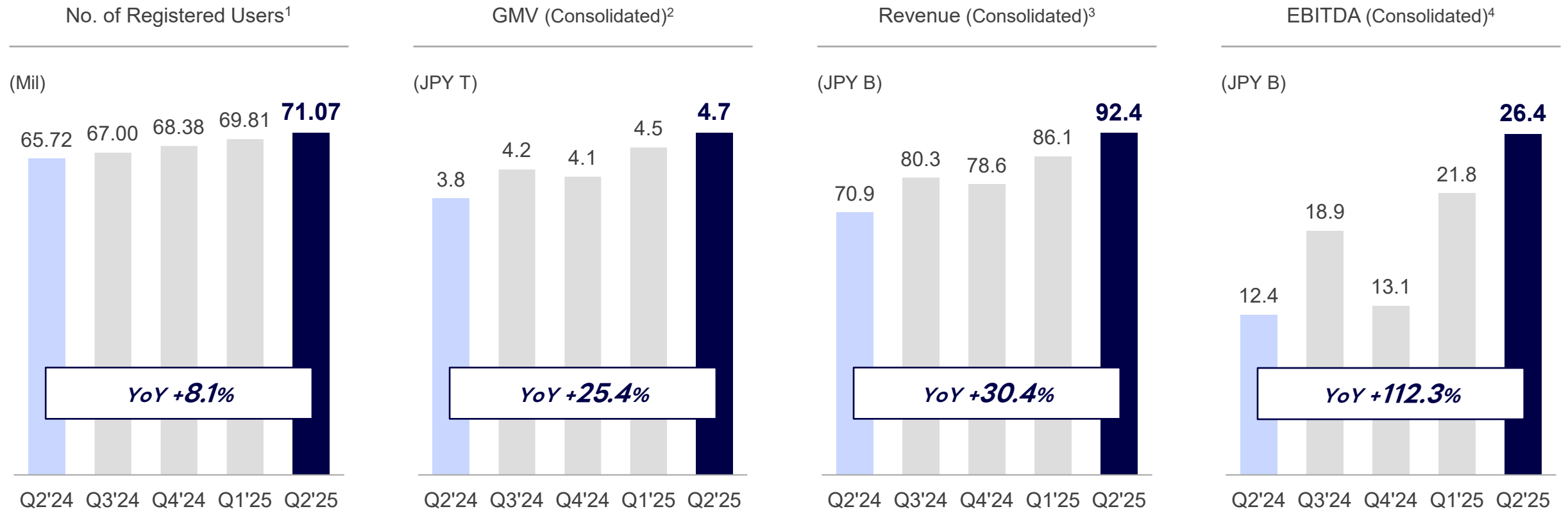
Factors of Change in Adjusted EBITDA<sup>2</sup>

(JPY B)



- Figure for FY2024 Q2 is the total of PayPay Corporation, PayPayCard Corporation, and PayPay Bank Corporation. For FY2025 Q2, PayPay Securities Corporation and Credit Engine, Inc. are also included. Figures are shown after the elimination of internal transactions between the companies and have been independently calculated following relevant IFRS adjustments.
- Adjusted EBITDA: Operating income + depreciation & amortization ± EBITDA adjustment items. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc. 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. 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.

## Solid business growth driving expansion across GMV, revenue and profit



1. Number of users who have registered to a PayPay account as of the end of each quarter.

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 FY2025 Q1. In accordance with this change, the figures from FY2022 onward have been retrospectively adjusted. Figures are rounded down to the nearest billion yen and then rounded off to the nearest JPY100 billion.

3. The financial statements of PayPay Bank Corporation and PayPay Securities Corporation have been consolidated with PayPay Corporation from the beginning of FY2022, and those 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.

4. The financial statements of PayPay Bank Corporation and PayPay Securities Corporation have been consolidated with PayPay Corporation from the beginning of FY2022, and those of PayPay Card Corporation have been consolidated with PayPay Corporation from the beginning of FY2021, by applying the pooling-of-interests method. EBITDA is calculated by adding depreciation and amortization and non-recurring expenses, such as impairment losses, and loss on retirement of fixed assets, etc. to operating income, IFRS. Non-audited.

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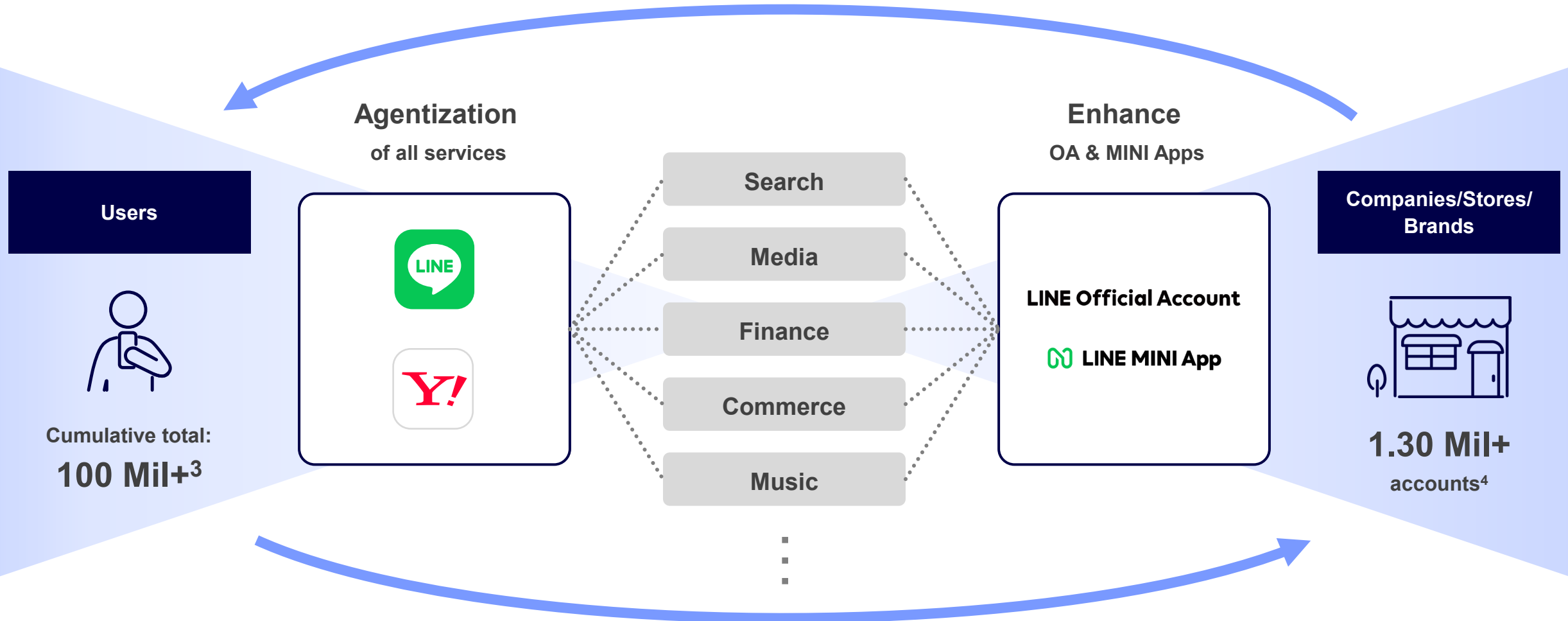
**Financial Results – by Segment**

3

**Key Strategies**

## Growth Strategy

Drive growth by AI-agentizing all services and enhancing OA<sup>1</sup> and MINI apps<sup>2</sup>



1. OA: Official Account (LINE Official Account)

2. LINE MINI App

3. Calculated based on the number of LINE service users (as of the end of September 2025) and the number of browsers used to access Yahoo! JAPAN services (September 2025).

4. Number of active accounts in LINE Official Account in Japan.

## Progress of AI Agentization

Aim to enable daily AI agent use by 100mil users

No. of AI service users

Key Generative AI-Based Services

As of Oct. 2025 **8.60 Mil** DAU<sup>1</sup>Target: **100 Mil** DAUAI Answers on  
Yahoo! JAPAN SearchDisplays generative AI  
answers in search results

## LINE AI Talk Suggestions

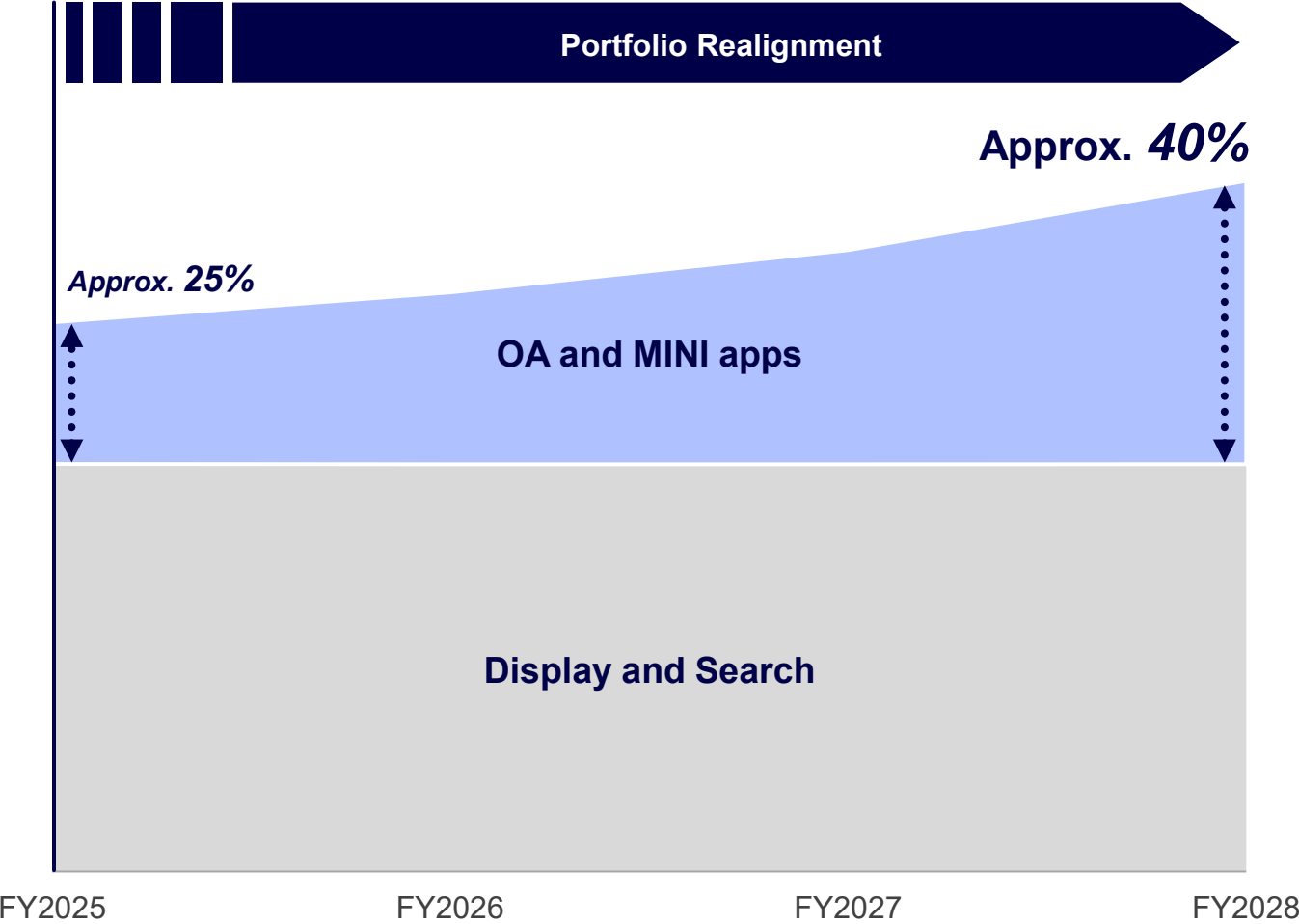
AI-driven suggestions for  
message replies

1. Total of the average daily unique browsers (DUB) for AI Answers on Yahoo! JAPAN Search and the average DAU for LINE AI Talk Suggestions. Source: Research by LY Corporation.



Prioritize OA and MINI apps growth, targeting a 40~45% adjusted EBITDA margin

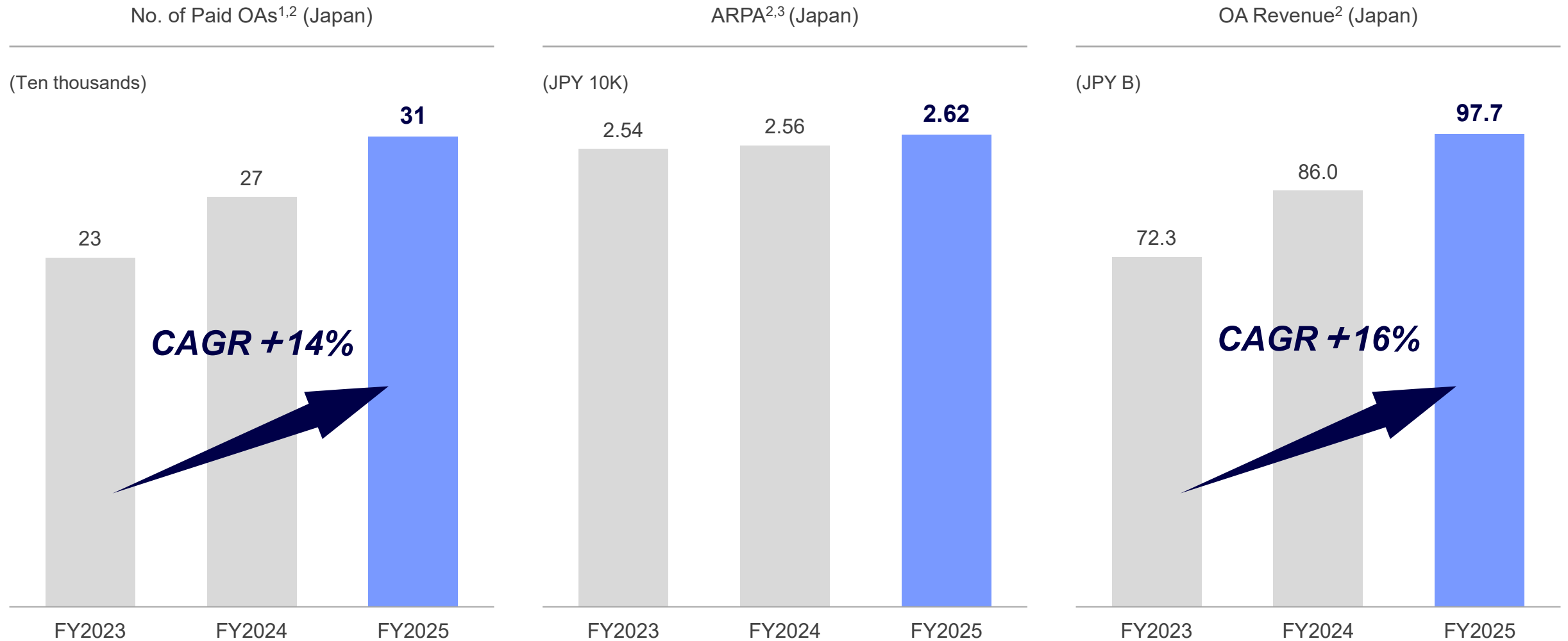
Image of Revenue<sup>1</sup> Growth in the Advertising Business



	Gross Profit Margin	Growth Rate
OA & MINI Apps	High	High
Display	High	Low
Search	Low	Low

1. Global revenue including revenue from overseas operation.

## OA Performance and Outlook

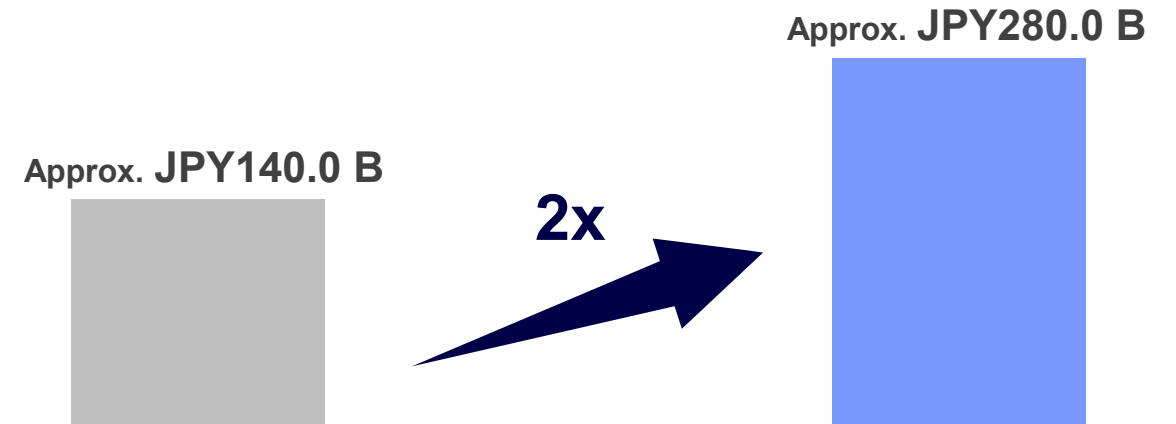
**No. of paid OA<sup>1</sup> rose, revenue<sup>2</sup> expanding steadily**

1. Figures provided are the number of paid accounts as of the end of each fiscal year.

2. FY25 outlook based on estimates as of October 31, 2025

3. ARPA: Average Revenue Per Account. Calculated based on the number of paid accounts as of the end of each fiscal year.

## Revenue and KPI

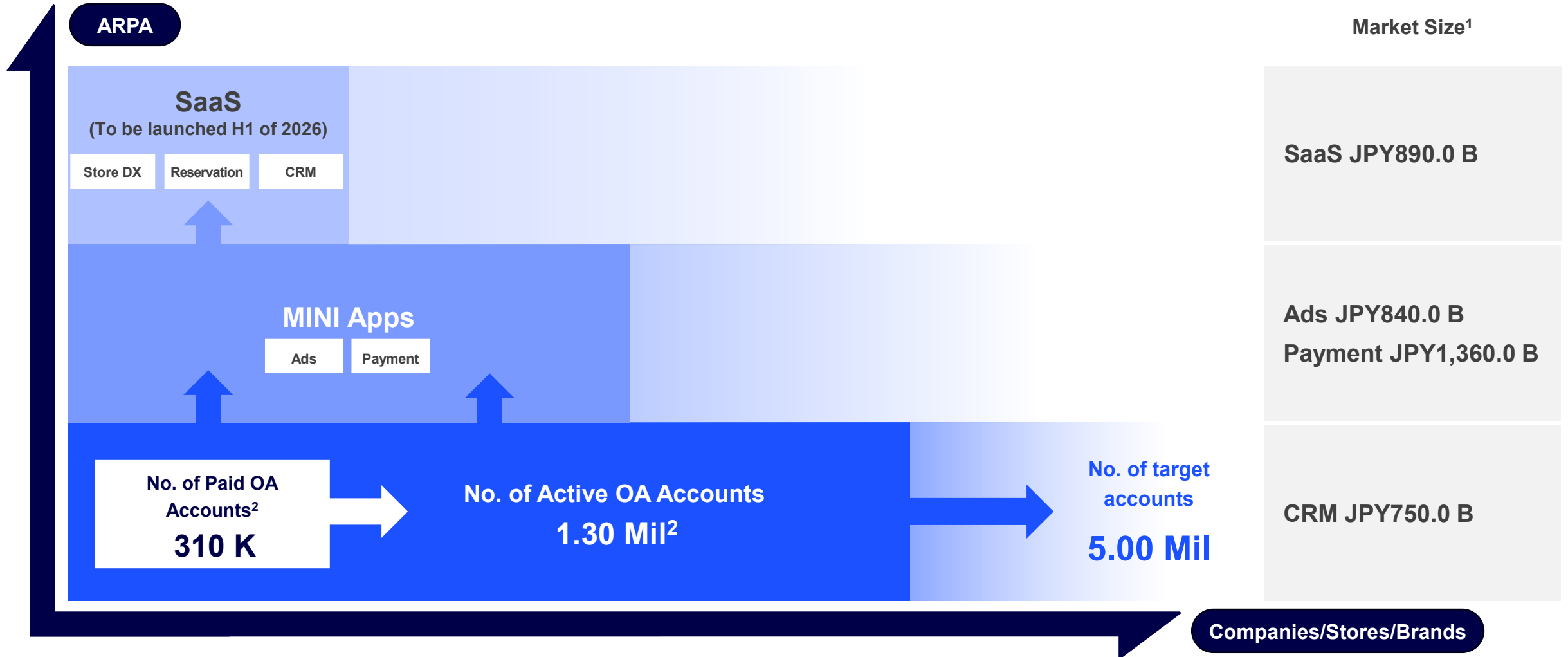
Targeting 2x revenue<sup>1</sup> by FY28 relative to FY25

KPI <sup>2</sup>	MINI Apps	No. of MINI Apps	35,000	→	310,000
		MINI App MAU	25,000,000	→	75,000,000
	OA	No. of paid OAs	310,000	→	430,000
		ARPA	JPY26,000	→	JPY30,000
	SaaS				

1. Global revenue including revenue from overseas operation.

2. Figures for Japan only. FY25 outlook based on estimates as of October 31, 2025

## Further expand OA customer base and increase ARPA through MINI apps and SaaS



1. Domestic market size estimated based on external data and research by LY Corporation

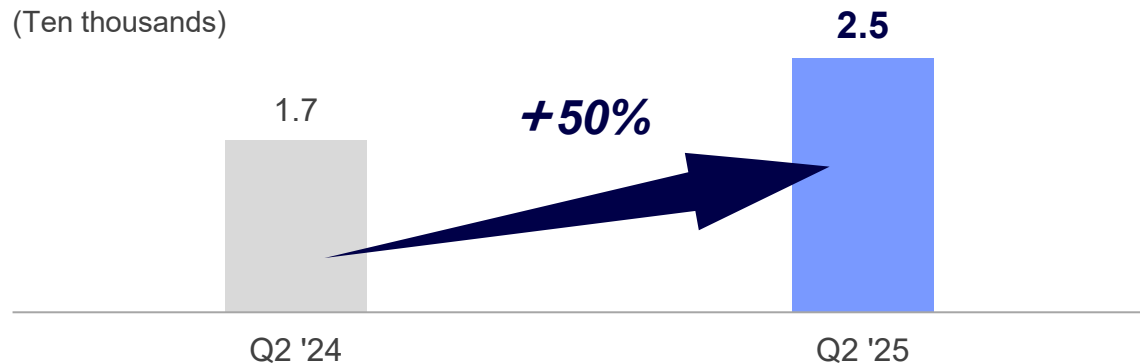
2. Estimated as of end-FY25 Q4

## Key Initiatives for MINI Apps

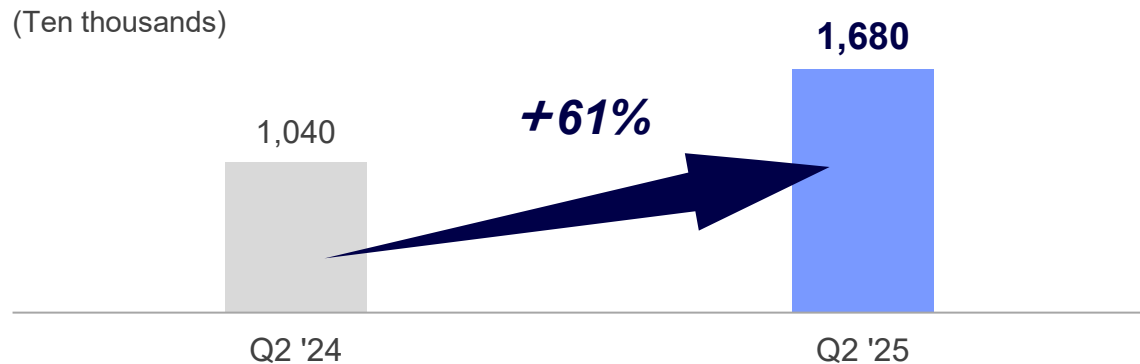
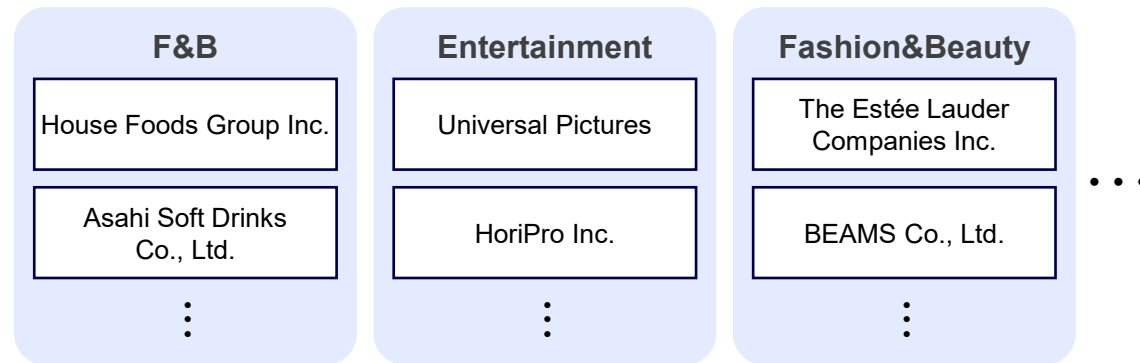
Focus on strengthening sales capabilities and improving UX to drive sustained growth in No. of MINI apps and MAU

Number of MINI Apps (Japan)

(Ten thousands)

MINI App MAU<sup>1</sup> (Japan)

(Ten thousands)

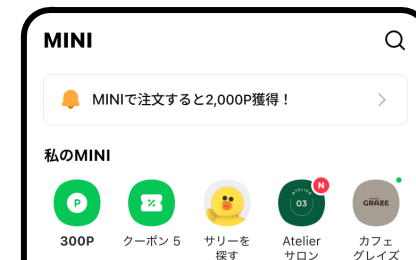
Scale Swiftly Through Adoptions<sup>2</sup> by Leading Companies

## Improve User Entry Points to MINI Apps

**LINE Touch<sup>3</sup>**  
Enhance in-store access to MINI Apps



**Wallet tab<sup>3</sup>**  
Revamp to MINI App-focused tab



1. Monthly Active Users
2. Released as of the end of September 2025
3. LINE Touch is scheduled to launch within 2025. Revamped Wallet tab is planned for phased release during FY2025.

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## 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.

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# **LY Corporation**

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