This press release may not be published, distributed or diffused in the United States of America.
This press release is not an extension into the United States of the tender offer mentioned herein.
Please see the important notice at the end of this press release.

[Translation]

May 7, 2025

To whom it may concern,

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

[Summary] Notice Regarding Share Repurchase, Tender Offer of Own Shares, and Cancellation of Treasury Shares

LY Corporation (the "**Company**") resolved at the board of directors meeting held on May 7, 2025 (i) to conduct a share repurchase by the specific method of a tender offer for own shares as stated below (the "**Tender Offer**"), pursuant to the provisions of Article 156, paragraph 1 of the Companies Act of Japan (Act No. 86 of 2005, as amended; the "**Companies Act**") as applied following the deemed replacement of terms under the provisions of Article 165, paragraph 3 of the Companies Act and the provisions of the articles of incorporation of the Company and (ii) to cancel a part of the treasury shares held by the Company pursuant to the provisions of Article 178 of the Companies Act.

1. Purpose of the Purchase, Etc.

The Company aims to achieve a medium- to long-term and sustainable increase in corporate value and believes that, in order to do so, it is important to actively engage in upfront investments in services, capital expenditures, and capital and business alliances in anticipation for future growth. In November 2023 the Company clarified its capital allocation policy and announced that the Company will aim to quickly restore adjusted earnings per share ("**EPS**") through improvement of the numerator and denominator of EPS. Subsequently, the Company amended its capital allocation policy in May 2024. Specifically, the Company publicly announced that, in contemplating the improvement of the numerator and denominator of EPS, its policy will be to allocate approximately 448.0 billion yen to base investment, approximately 192.0 billion yen to base shareholder returns, and 515.0 billion yen respectively to buffer for additional investments and capital policy out of the 1.1550 trillion yen, which is the approximate value of the total cash inflow from fiscal year 2023 to fiscal year 2025, and that the Company will aim to reach an adjusted EPS of over 20 yen in the fiscal year ending March 2026 through organic business growth and without taking into consideration the effects of share repurchases and cancellations of treasury shares. Subsequently, the Company announced an update to the estimate of its capital allocation policy in February 2025. Specifically, the Company publicly announced that its policy will be to allocate approximately 364.0 billion yen to base investment, approximately 196.0 billion yen to base shareholder returns, and 580.0 billion yen respectively to buffer for additional investments and capital policy out of the 1.1400 trillion yen, which is the approximate value of the estimated total cash inflow from fiscal year 2023 to fiscal year 2025, and that the Company will continue to examine share repurchases and M&As by using the remaining buffer quota for additional investments and capital

policy as funds. As of February 2025, 204.0 billion yen of the buffer for additional investments and capital policy has been or is planned to be used, and the remaining quota is 376.0 billion yen. Furthermore, taking into account the status of the implementation of capital allocation including the conduct of the Tender Offer, on May 7, 2025, the Company announced that it adopted a new goal to work on improving capital efficiency and quickly and steadily increase a positive spread, which is the difference between adjusted ROE and cost of equity capital, and provided an update to the estimate of its capital allocation policy. Specifically, the Company publicly announced that, in contemplating the increase of adjusted ROE through the improvement of adjusted EPS, its policy will be to allocate approximately 357.5 billion yen to base investment, approximately 192.5 billion yen to base shareholder returns, and 580.0 billion yen respectively to buffer for additional investments and capital policy out of the 1.1300 trillion yen, which is the approximate value of the estimated total cash inflow from fiscal year 2023 to fiscal year 2025, and that the adjusted EPS target after taking into consideration the effects of the acquisition of own shares for the fiscal year ending March 2026 will be from 25.9 yen to 26.9 yen. 376.1 billion yen of the remaining buffer quota for additional investments and capital policy (including cash outflow of approximately 150.0 billion yen through the Tender Offer) is or is planned to be used and the remaining quota is 203.9 billion yen. The Company's policy is to continue to allocate the remaining quota to share repurchases and M&As.

In addition, as publicly announced in "Revision of the Forecast on Dividend Payment" dated February 6, 2025, the forecast on dividend payment for the fiscal year ended March 2025 was revised from the 5.56 yen per share that was publicly announced in "Results for the Fiscal Year Ended March 31, 2024 [IFRSs] " dated May 8, 2024 to 7.00 yen per share, and, as a part of providing returns to shareholders, the Company's policy is to continue to provide stable dividends . Moreover, in order to enhance shareholder returns, the Company publicly announced in February 2025 that it will aim to achieve a cumulative total payout ratio of 70% or more in the five years from fiscal year 2025 to fiscal year 2029, and subsequently, publicly announced in May 2025 that in respect of the fiscal-year end dividend for the fiscal year ended March 2025, the estimate for the total amount of dividends will be 50.0 billion yen and the estimate for dividend payment will be 7.00 yen per share and that the total amount of dividends for the fiscal-year end dividend for fiscal year ending March 2026 will also continue to be the same amount, with the planned total amount of dividends at 50.0 billion yen and the planned dividend payment at 7.00 yen per share. The fiscal-year end dividend for the fiscal year ending March 2026 is calculated based on the total amount of dividends and the number of shares (7,153,575,573 shares) obtained by subtracting the number of treasury shares as of March 31, 2025 (607,074 shares) from the number of issued shares as of the same date (7,154,182,647 shares) and, in accordance with the results of the acquisition of own shares made through the Tender Offer, the amount of the dividend per share is estimated to increase.

The Company resolved at the board of directors meeting held on May 7, 2025 pursuant to the provisions of Article 156, paragraph 1 of the Companies Act as applied following the deemed replacement of terms pursuant to the provisions of Article 165, paragraph 3 of the Companies Act and the provisions of the articles of incorporation of the Company through a resolution passed by a unanimous vote of six directors who do not have any special interests with A Holdings Corporation to conduct a share repurchase by the specific method of the Tender Offer, to set the price of purchase, etc. of the Tender Offer (the "**Tender Offer Price**") at 533 yen, which is the closing price of the common stock of the Company rounded down to the nearest whole number on the TSE Prime Market on May 2, 2025, which is the last business day prior to the date of public announcement of the Tender Offer, to set the number of shares to be purchased in the Tender Offer at 281,425,892 shares (ownership ratio: 3.93%), which is the number of shares equivalent to the number obtained by dividing 150.0 billion yen by the Tender Offer Price (533 yen) and rounded up to the nearest whole number, and, if the Tender Offer is completed and the Company acquires the Company's common shares in a number of shares that is more than 4,800,000 shares in accordance with the Tender Offer, to cancel the number of shares of the treasury shares obtained by subtracting 4,800,000 shares from the total number of own shares acquired by the Tender Offer with July 1, 2025 being the scheduled cancellation date. The number of shares to be canceled was determined considering future capital policies and flexibility of management strategies.

In addition, based on the aforementioned circumstances, the Company has entered into a tender agreement with A Holdings Corporation on May 7, 2025 to the effect that A Holdings Corporation will tender 175,750,470 shares of the Company's common shares owned by A Holdings Corporation (ownership ratio: 2.46%) with 533 yen as the Tender Offer Price in response to the Tender Offer.

2. Summary of the Tender Offer

(1) Time Table

(A) Date of Board of Directors Resolution	Wednesday, May 7, 2025
(B) Date of Public Notice of Commencement of the Tender Offer	Thursday, May 8, 2025
(C) Date of Submission of Tender Offer Registration Statement	Thursday, May 8, 2025
(D) Period of Tender Offer	From Thursday, May 8, 2025 to Wednesday, June 4, 2025 (20 business days)

(2) Purchase Price

533 yen per share of common stock

(3) Number of Share Certificates, Etc. to be Purchased

Type of Share Certificates, Etc.	Number of Shares to be Purchased	Expected Number of Excess Shares	Total
Common shares	281,425,892 shares	- shares	281,425,892 shares

Note 1: If the total number of tendered share certificates, etc. does not exceed the number of shares to be purchased (281,425,892 shares), the Company will purchase all tendered share certificates, etc. If the total number of tendered share certificates, etc. exceeds the number of shares to be purchased (281,425,892 shares), the Company will not purchase all or some of the excess portion and will acquire share certificates, etc. and effect other settlement procedures for their purchase, etc. using the pro rata method specified in Article 27-13, paragraph 5 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) and applied mutatis mutandis to Article 27-22-2, paragraph 2 of the Financial Instruments and Exchange Act of Japan and with Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers of Japan (Ministry of Finance Ordinance No. 95 of 1994, as amended).

Note 2: Shares less than one unit are also subject to the Tender Offer. In the case where a shareholder exercises the right to demand purchase of shares less than one unit pursuant to the Companies Act, the Company will purchase its own shares during the period of purchase, etc. of the Tender Offer in accordance with the procedures specified by laws and regulations.

3. Other Matters

The Tender Offer 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, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facilities in the United States. No application for the Tender Offer may be accepted through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

The tender offer registration statement and related tender documents regarding the Tender Offer are not and may not be sent or distributed in, to, or from the United States by mail or any other method. Any application for the Tender Offer that is in violation of any of the abovementioned restrictions, either directly or indirectly, will not be accepted.

To residents of the United States, and, within the United States, no solicitation of application for securities or any other assets is being made, and, even if an application is sent to the Company by a resident of the United States or from within the United States, the Company cannot accept them. Furthermore, it is not a purpose of this press release to request any expression of intent to apply for the Tender Offer.

The tendering shareholder, etc. (or, in the case of a shareholder that is a foreign resident, etc., the shareholder's standing proxy) may be requested to make the following representations and warranties to the tender offer agent when tendering shares in the Tender Offer. The tendering shareholder, etc. is not located in the United States either at the time of tendering shares or sending the tender offer application form; the tendering shareholder, etc. has not received or sent any information (including copies thereof) regarding the Tender Offer, either directly or indirectly, in, to, or from the United States; the tendering shareholder, etc. has not used, either directly or indirectly, the United States Postal Service or any methods or means of interstate commerce or international commerce (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), or any securities exchange facilities in the United States, with respect to the purchase or the signing and delivery of the tender offer application form; and the tendering shareholder, etc. does not act as any other party's agent or trustee or delegate without discretion (except in the case where such other person is giving all instructions regarding the purchase, etc. from outside the United States).

End

This press release may not be published, distributed, diffused or otherwise sent into the United States of America (including its territories and possessions, every State in the United States and the District of Columbia). This press release does not constitute an extension into the United States of the tender offer mentioned in this press release.