



May 15, 2026

To whom it may concern,

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

Notice Concerning a Partial Revision to the Stock-Based Remuneration Plan for Directors

At the 27th Ordinary General Meeting of the Shareholders held on June 17, 2022, a resolution was passed to introduce a trust-based restricted stock unit (RSU) plan (the “Plan”) for LY Corporation's directors, excluding directors who serve on the Audit and Supervisory Committee and outside directors (the “Executive Directors”).

LY Corporation (the “Company”) hereby announces that its Board of Directors resolved, at a meeting held on May 15, 2026, to implement a partial revision to the Plan. Accordingly, a proposal concerning the revision will be submitted to the 31st Ordinary General Meeting of the Shareholders scheduled for June 19, 2026, as set forth below.

1. Reason for the Partial Revision

In light of the review of the executive structure announced in the “Notice of Change in Representative Director and Candidates for Directors and Substitute Director Serving on the Audit and Supervisory Committee” dated April 6, 2026, the purpose of the Plan—to motivate the Executive Directors to contribute to the enhancement of the Company's shareholder value and corporate value over the medium- to long-term, to retain talented management personnel, and to further increase the sense of shared interest with the shareholders by encouraging Executive Directors to own the Company's shares—is considered to apply not only to Executive Directors, who are currently eligible under the Plan, but equally to directors, excluding directors serving on the Audit and Supervisory Committee. Accordingly, the Company has decided to change the eligible persons of the Plan to directors (excluding directors serving on the Audit and Supervisory Committee).

2. Overview of the Plan After the Partial Revision

The Plan is a stock-based remuneration plan under which the common stock of the Company (the “Company's Shares”) is acquired through a trust using the remuneration amount contributed by the Company as the source of funds. The Company's Shares, as well as an amount of money equivalent to the cash proceeds from the conversion of the Company's Shares (the “Company's Shares, Etc.”) are delivered and/or provided (“Delivery, Etc.”) to eligible persons under the Plan through the trust. The main terms of the Plan are as follows.

This partial revision changes only the eligible persons under the Plan. No other terms or conditions of the Plan will change from those approved by the shareholders at the 27th Ordinary General Meeting of the Shareholders held on June 17, 2022.

Eligibility	Directors of the Company (excluding directors serving on the Audit and Supervisory Committee; hereinafter the “Eligible Directors”)	
Eligible period	<ul style="list-style-type: none"> • Three consecutive fiscal years 	
Maximum amount of money to be contributed by the Company to the trust	<ul style="list-style-type: none"> • Contributions of up to JPY500 million will be made in the first fiscal year of each eligible period. • A trust with a trust period of approximately three years is established each fiscal year. • In principle, the number of trusts to be established for the Company's Eligible Directors per fiscal year will be one, and if a trust is established in each fiscal year, three trusts will coexist during the eligible period. 	
Calculation method and maximum amount, etc., of the number and amount of Company's Shares, Etc., to be Delivered, Etc., to the Eligible Directors	<ul style="list-style-type: none"> • 1.1 million shares per eligible period • For both Executive Directors and non-Executive Directors (including outside directors), base points are granted in the first fiscal year of the eligible period. These points are calculated by dividing the base stock-based remuneration pre-determined in accordance with roles, responsibilities, etc., by the Company's stock price. • The base points granted will be transferred to the share delivery points by one-third each year over the eligible period, and the number of Company's Shares, Etc., to be Delivered, Etc., and the amount in each fiscal year will be determined according to the number of such share delivery points. 	
Time and method of Delivery, Etc. of Company's Shares, Etc. to Eligible Directors	Time	<ul style="list-style-type: none"> • Delivery, Etc. after the end of each fiscal year during the eligible period to Eligible Directors who have fulfilled the beneficiary requirements (delivered annually) • Company's Shares delivered to the Eligible Director under this Plan must be held for a period of three years from the date of delivery of such shares.
	Method	Around July immediately following the end of each fiscal year during the eligible period, the Company's Shares equivalent to 50% of the share delivery points (rounded up to the nearest unit) will be delivered from the trust, and the Company's Shares equivalent to the remaining share delivery points will be converted into cash in the trust and the amount equivalent to the amount of conversion will be paid out.
Clawback system, etc.	In the event of serious misconduct or violation by an Eligible Director, malus and clawback systems will be put in place to demand the Eligible Director to forfeit the beneficial interest in the Company's Shares to be delivered under the Plan (malus) or demand the return of money equivalent to the Company's Shares, Etc., that have been delivered (clawback).	

3. Other Reference Information

In order to ensure independence, transparency, and objectivity in the decision-making process of remuneration, the Company has voluntarily established the Nominating and Remuneration Committee consisting of five directors, including four independent outside directors, chaired by an independent outside director serving as a full-time Audit and Supervisory Committee member. The partial revision of this Plan has been deliberated by the Nominating and Remuneration Committee prior to the resolution by the Board of Directors.

Disclaimer

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