



July 1, 2026

To whom it may concern,

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

Absorption-Type Merger of LINE Healthcare Corporation, a Wholly Owned Subsidiary (Simplified Merger and Short-Form Merger)

LY Corporation (hereinafter the “Company”) hereby announces that at the meeting of the Board of Directors held on June 29, 2026, the Company resolved to carry out an absorption-type merger (hereinafter the “Absorption-Type Merger”) of its wholly owned subsidiary, LINE Healthcare Corporation (hereinafter “LINE Healthcare”), effective September 1, 2026. Details are as follows.

The Company has omitted certain disclosure items and details because the Absorption-Type Merger is a simplified absorption-type merger of a wholly owned subsidiary.

1. Purpose of the Absorption-Type Merger

To enhance group synergies, the LY Corporation Group (hereinafter the “Group”) has reorganized its businesses by consolidating overlapping areas and strategically allocating management resources in its core operations. As part of these efforts, the Group terminated the provision of the “LINE Doctor” service—a telemedicine service in Japan—on June 10, 2025, in response to changes in the business environment and other factors. In line with this termination, the Company has decided to proceed with the Absorption-Type Merger of LINE Healthcare, a wholly owned subsidiary that had been in charge of this business, to streamline the Group management structure.

2. Outline of the Absorption-Type Merger

(1) Schedule of the Absorption-Type Merger

Date of the resolution of the Board of Directors:	June 29, 2026
Date of signing of the merger agreement:	July 1, 2026 (planned)
Effective date of the merger:	September 1, 2026 (planned)

Although LINE Healthcare, the disappearing company in the Absorption-Type Merger, has negative net assets, the Company, the surviving company, is a company to which consolidated dividend regulations apply. Accordingly, as the Absorption-Type Merger falls under the category of a simplified merger (as prescribed in Article 796, paragraph 2 of the Companies Act) in relation to the Company, and a short-form merger (as prescribed in Article 784, paragraph 1 of the same act) in relation to LINE Healthcare, the merger agreement will be approved without convening a General Meeting of Shareholders of either company.

(2) Method of the Absorption-Type Merger

The merger will be implemented by way of an absorption-type merger in which the Company is the surviving company and LINE Healthcare is the disappearing company, as a result of which LINE

Healthcare will dissolve.

(3) Details of allotments related to the Absorption-Type Merger

As LINE Healthcare is a wholly owned subsidiary of the Company, no shares or money will be allotted as a result of the Absorption-Type Merger.

(4) Treatment of share options and bonds with share options in connection with the Absorption-Type Merger

LINE Healthcare has not issued share options or bonds with share options.

3. Overview of the companies involved in the Absorption-Type Merger (As of March 31, 2026)

	Surviving company	Disappearing company to be absorbed
(1) Trade name	LY Corporation	LINE Healthcare Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Names and titles of representatives	Takeshi Idezawa President and Representative Director, CEO (Chief Executive Officer)	Jun Masuda Representative Director
(4) Main business	Internet advertising business, e-commerce business, members services business, and other businesses; and managing of group companies and other operations	Medical and healthcare-related business utilizing the internet, and others
(5) Paid-in capital	JPY252,134 million	JPY100 million
(6) Founded	January 31, 1996	January 4, 2019
(7) Number of shares issued	6,884,244,856 shares	97,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratios	A Holdings Corporation 62.4% The Master Trust Bank of Japan, Ltd. (trust account) 6.5% Custody Bank of Japan, Ltd. (trust account) 2.1% THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT 1.3% STATE STREET BANK AND TRUST COMPANY 505001 1.1%	LY Corporation 100%

(10) Financial position and results of operations for the most recent fiscal year	Fiscal year ended March 31, 2026 (Consolidated: IFRS)		Fiscal year ended March 31, 2026 (Non-consolidated: Japanese GAAP)	
	Total equity	JPY3,713,509 million	Net assets	-JPY1,130 million
	Total assets	JPY11,205,191 million	Total assets	JPY357 million
	Equity attributable to owners of the parent per share	JPY437.23	Net assets per share	-JPY11,646
	Revenue	JPY2,036,366 million	Net sales	JPY0.2 million
	Operating income	JPY341,322 million	Operating profit/loss	-JPY38 million
	Income before tax	JPY294,231 million	Ordinary profit/loss	-JPY37 million
	Net income attributable to owners of the parent	JPY193,692 million	Profit/loss	-JPY38 million
	Basic earnings per share	JPY27.97	Profit/loss per share	-JPY389

(Note) The surviving company (LY Corporation) is a company to which consolidated dividend regulations apply.

4. Status after the Absorption-Type Merger

There will be no changes in the trade name, location, name and title of representatives, main business, paid-in capital, or fiscal year end of the Company as a result of the Absorption-Type Merger.

5. Future prospects

The Company expects a reduction in its tax burden for the current fiscal year as a result of the Absorption-Type Merger, but the impact on the Company's consolidated financial results is immaterial.

(Reference) Consolidated business performance forecast for current fiscal year (as announced on May 8, 2026) and consolidated business performance for previous fiscal year

	Revenue	Adjusted EBITDA
Consolidated business performance forecast for current fiscal year (FY ending March 31, 2027)	JPY2,240,000 million	JPY585,000 million
Consolidated business performance forecast for previous fiscal year (FY ended March 31, 2026)	JPY2,036,366 million	JPY496,681million

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.