

Results for the Six Months Ended September 30, 2025 (FY2025-2Q) [IFRSs]

November 4, 2025

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Financial Results Supplementary Briefing Materials to Be Created: Yes

Financial Results Investors Meeting to Be Held: Yes (for Financial Analysts)

1. Consolidated Results for the Six Months Ended September 30, 2025 (April 1, 2025–September 30, 2025)

(Amounts less than one million yen are omitted)

(1) Consolidated Business Performance (April 1, 2025–September 30, 2025) (Percentages represent year-on-year changes)

	Revenue		Operating income		Profit before tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six-month period ended Sep. 30, 2025	995,367	7.6	214,526	24.2	190,703	31.8	203,039	88.1	138,313	58.5	216,416	148.5
Six-month period ended Sep. 30, 2024	925,293	6.1	172,659	48.7	144,735	17.3	107,968	6.6	87,254	(6.9)	87,095	(30.8)

	Adjusted EBITDA		Adjusted net income		Adjusted EPS		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	%	Yen	Yen
Six-month period ended Sep. 30, 2025	251,275	7.2	106,912	17.0	15.28	25.4	19.77	19.66
Six-month period ended Sep. 30, 2024	234,424	15.3	91,340	(2.1)	12.19	(2.1)	11.64	11.60

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of Sep. 30, 2025	10,473,968	3,513,847	2,911,255	27.8
As of March 31, 2025	9,158,346	3,418,915	2,998,170	32.7

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	Year end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	7.00	7.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (Estimates)			—	7.30	7.30

(Notes)

1. Revision in dividends previously announced: Yes

2. Please refer to "Revision of the Forecast on Dividend Payment" announced today (November 4, 2025) for details on the revision in dividends forecast.

3. Consolidated Performance Estimates for FY2025 (April 1, 2025–March 31, 2026)

	Revenue		Adjusted EBITDA		Adjusted EPS
	Millions of yen	% Change YoY	Millions of yen	% Change YoY	Yen
Fiscal year ending March 31, 2026	2,100,000	9.5	500,000–510,000	6.2–8.3	25.9–26.9

(Note) Revision in performance estimates previously announced: None

For details, please refer to 3. Outlook for Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026) in (1) Qualitative Information Regarding the Consolidated Business Performance on page 6 of the Results for the Six Months (Attachments).

* Notes

- (1) Significant changes in scope of consolidation during the period: Yes
Newly consolidated: 5 (BEENOS Inc., LINE Bank Taiwan Limited, LINE MAN CORPORATION PTE. LTD., DECACORN CO., LTD., LINE MAN (THAILAND) COMPANY LIMITED)
Excluded from consolidation: 1 (Z Financial Corporation)
- (2) Changes in the accounting principles and accounting estimates
1) Changes due to IFRSs: None
2) Changes other than 1): None
3) Changes in accounting estimates: None
- (3) Number of stocks issued (common stock)
1) Number of stocks issued (including treasury stocks)
As of September 30, 2025 6,882,185,081 shares
As of March 31, 2025 7,154,182,647 shares
2) Number of shares of treasury stocks
As of September 30, 2025 32,034,662 shares
As of March 31, 2025 28,775,073 shares
3) Average number of common stocks outstanding (cumulative from the beginning of the fiscal year)
Six months ended September 30, 2025 6,997,210,695 shares
Six months ended September 30, 2024 7,493,489,719 shares
Note: The number of shares of treasury stocks includes the shares of LY Corporation (the "Company") held by the Stock Delivery Trust (J-ESOP), the Board Incentive Plan Trust, and the Stock Delivery ESOP Trust (as of March 31, 2025: 28,167,999 shares; as of September 30, 2025: 26,594,981 shares).
- (4) Formula for each management index
• Adjusted EBITDA: Operating income + depreciation & amortization (*1) $\pm$ EBITDA adjustment items (*2)
• Adjusted net income: Net income attributable to owners of the parent $\pm$ EPS adjustment items (*3) $\pm$ tax equivalent on some EPS adjustment items
• Adjusted EPS: Adjusted net income/average number of common stocks outstanding (cumulative from the beginning of the fiscal year)

(*1) Depreciation & amortization: Depreciation, depreciation of right-of-use assets, etc.

(*2) 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, gain 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.

(*3) EPS adjustment items: $\pm$ EBITDA adjustment items + amortization of identifiable intangible assets arising from business combinations $\pm$ non-recurring gains/losses in non-operating income/expenses

(Note) Starting from the fiscal year ended March 31, 2025, "amortization of identifiable intangible assets arising from business combinations" and "non-recurring gains/losses in non-operating income/expenses" are added to the formula for adjusted net income. Tax equivalent is also adjusted considering such adjustment items.

* The Japanese-language originals of the Results for the Six Months are exempt from review by certified public accountants or an audit firm.

* Explanation of the proper use of performance estimates, and other special notes

- The performance estimates, etc., and other forward-looking statements contained in this document are based on the information currently available to the Company and premised on assumptions that have been deemed reasonable by the management. For a variety of reasons, actual performances, etc., could differ significantly.
- Supplementary materials to the earnings results are published on the Company's website (<https://www.lycorp.co.jp/en/ir.html>) on Tuesday, November 4, 2025.

○Table of contents of attachments

1 Qualitative Information Regarding the Consolidated Operating Results.....	2
(1) Qualitative Information Regarding the Consolidated Business Performance.....	2
(2) Qualitative Information Regarding the Consolidated Financial Position.....	7
2 Interim Condensed Consolidated Financial Statements and Significant Notes.....	9
(1) Interim Condensed Consolidated Statement of Financial Position.....	9
(2) Interim Condensed Consolidated Statement of Profit or Loss.....	11
(3) Interim Condensed Consolidated Statement of Comprehensive Income.....	12
(4) Interim Condensed Consolidated Statement of Changes in Equity.....	13
(5) Interim Condensed Consolidated Statement of Cash Flows.....	15
(6) Notes to Interim Condensed Consolidated Financial Statements.....	16

1 Qualitative Information Regarding the Consolidated Operating Results

(1) Qualitative Information Regarding the Consolidated Business Performance

1. Business Results Summary (April 1, 2025–September 30, 2025)

■ Highlights

Revenue came to 995.3 billion yen (up 7.6% year on year), and adjusted EBITDA came to 251.2 billion yen (up 7.2% year on year). Both set new records for the highest performance to date in the cumulative consolidated second quarter.

	Six Months Ended September 30, 2024 (billion yen)	Six Months Ended September 30, 2025 (billion yen)	Year-on-Year Change (billion yen)	Year-on-Year Change (%)
Revenue	925.2	995.3	70.0	7.6
Adjusted EBITDA	234.4	251.2	16.8	7.2

The revenue for the cumulative consolidated second quarter of the fiscal year ending March 31, 2026, amounted to 995.3 billion yen (up 7.6% year on year), representing the highest cumulative consolidated second quarter revenue to date. This was due to an increased revenue in the Strategic Business accompanied by the growth in PayPay consolidated, increased revenue in the Commerce Business as a result of the favorable performance of the ASKUL Group and ZOZO Group, among others, and the impact of the consolidation of BEENOS Inc., as well as increased revenue in the Media Business driven by the growth of account advertising, and others.

Adjusted EBITDA for the cumulative consolidated second quarter of the fiscal year ending March 31, 2026 amounted to 251.2 billion yen (up 7.2% year on year), representing the highest cumulative consolidated second quarter earnings to date. This was due to the increased revenues mentioned above, despite an increase in sales promotion expenses, the absence of increased income as a result of a gain on loss of control of subsidiary (cash transaction) recorded in the same period of the previous fiscal year, and others.

In addition, operating income for the cumulative consolidated second quarter of the fiscal year ending March 31, 2026 amounted to 214.5 billion yen (up 24.2% year on year). This was mainly due to the recognition of a gain on remeasurement relating to business combinations accompanied by the consolidation of LINE MAN CORPORATION PTE. LTD. in the second quarter of the fiscal year ending March 31, 2026.

2. Segment Business Results Summary (April 1, 2025–September 30, 2025)

Revenue and Adjusted EBITDA by Segment

	Six Months Ended September 30, 2024 (billion yen)	Six Months Ended September 30, 2025 (billion yen)	Year-on-Year Change (billion yen)	Year-on-Year Change (%)
Media Business				
Revenue	356.5	357.1	0.5	0.2
Adjusted EBITDA	141.4	133.2	(8.2)	(5.8)
Commerce Business				
Revenue	410.7	432.6	21.9	5.3
Adjusted EBITDA	76.5	70.5	(5.9)	(7.8)
Strategic Business				
Revenue	160.4	206.3	45.8	28.6
Adjusted EBITDA	20.8	43.8	23.0	110.7
Other				
Revenue	3.7	4.7	0.9	25.8
Adjusted EBITDA (loss)	(0.5)	2.6	3.1	—
Adjustments				
Revenue	(6.1)	(5.4)	—	—
Adjusted EBITDA (loss)	(3.8)	0.9	—	—
Total				
Revenue	925.2	995.3	70.0	7.6
Adjusted EBITDA	234.4	251.2	16.8	7.2

Notes:

1. From the third quarter of the fiscal year ended March 31, 2025, Ikyu.com for Restaurants and PayPay Gourmet services were transferred from Media Business to Commerce Business. Accordingly, the financial results for the fiscal year ended March 31, 2025 has been retroactively adjusted.
2. In the first quarter of the fiscal year ending March 31, 2026, the standards for allocating personnel expenses of technology divisions and expenses related to data centers and internal infrastructure were revised. As a result, the financial results for the fiscal year ended March 31, 2025, have been retroactively adjusted.
3. Figures in Adjustments represent inter-segment transactions and general corporate expenses not belonging to any reporting segment.

1) Media Business in the Cumulative Consolidated Second Quarter

The revenue of the Media Business for the cumulative consolidated second quarter amounted to 357.1 billion yen (up 0.2% year on year). Furthermore, adjusted EBITDA amounted to 133.2 billion yen (down 5.8% year on year) due to increases in generative AI-related expenses and others.

- Account advertising: Revenue increased 17.2% year on year, maintaining a high growth, due to an increase in the number of paid accounts and expansion of pay-as-you-go billing in LINE Official Account.
- Display advertising: Revenue increased year on year as a result of an increase in revenue from LINE Ads and reservation advertising.
- Search advertising: Revenue decreased year on year from both LY Corporation's websites and partners' websites.

2) Commerce Business in the Cumulative Consolidated Second Quarter

The revenue of the Commerce Business increased year on year, due to business expansion in subsidiaries including the ASKUL Group and ZOZO Group and services e-commerce, as well as the consolidation of BEENOS Inc. in May 2025. As a result, the revenue of the Commerce Business for the cumulative consolidated second quarter amounted to 432.6 billion yen (up 5.3% year on year).

Adjusted EBITDA decreased 7.8% year on year, to 70.5 billion yen, due to an increase in expenses such as sales promotion costs and advertising and promotional expenses as well as the absence of increased income as a result of a gain on loss of control of ValueCommerce Co. Ltd. recorded in the same period of the previous fiscal year, among others.

E-commerce transaction value (*1) amounted to 2,282.7 billion yen (up 9.3% year on year) due to growth in domestic merchandise transaction value mainly from the shopping business, increase in the number of consolidated subsidiaries in the reuse business and overseas e-commerce business, growth in the transaction value of domestic services, and others. Domestic merchandise transaction value accounted for 1,611.2 billion yen (up 8.7% year on year) of the total e-commerce transaction value.

(*1) E-commerce transaction value is the total transaction value of shopping business, reuse business, and services e-commerce in "LY Corporation," and ZOZO and ASKUL in "ZOZO, ASKUL" under Commerce Business, and paid digital content, etc. included in Other of Media Business listed in "Major services/products of each segment" on page 5.

3) Strategic Business in the Cumulative Consolidated Second Quarter

PayPay consolidated GMV (*2) for the cumulative consolidated second quarter amounted to 9.2 trillion yen (up 24.7% year on year) while maintaining steady growth. Furthermore, the loan balance of PayPay Bank Corporation came to 1,030.5 billion yen (up 25.8% year on year).

The revenue for the cumulative consolidated second quarter amounted to 206.3 billion yen, representing a 28.6% increase year on year, as a result of growth in PayPay consolidated and the consolidation of LINE Bank Taiwan Limited in June 2025. In addition, adjusted EBITDA amounted to 43.8 billion yen (up 110.7% year on year), due to the absence of expenses related to the termination of the LINE Pay service in Japan recorded in the same period of the previous fiscal year, despite increases in sales promotion costs and commission expenses.

(*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 the first quarter of the fiscal year ending March 31, 2026. In accordance with this change, the figures for the same period of the previous fiscal year have been retroactively adjusted. Figures are rounded down to the nearest billion yen and then rounded off to the nearest 100 billion yen.

Major services/products of each segment

Media Business	Search advertising	Yahoo! JAPAN Ads "Search Ads"	
	Account advertising	LINE Official Account, LINE Promotion Sticker, LINE de Obo (Participate with LINE), LINE Flyer, etc.	
	Display advertising	Programmatic advertising	Yahoo! JAPAN Ads "Display Ads (Auction)," LINE VOOM, LINE NEWS, Chat List, Talk Head View Custom, etc.
		Reservation advertising	Yahoo! JAPAN Ads "Display Ads (Guaranteed)," Talk Head View, etc.
		Other LINE advertising	LINE Part Time Jobs, etc.
	Other	LINE Stickers, LINE GAME, LINE Fortune, LINE MUSIC, LINE Manga, LINE Search, LYP Premium, ebookjapan, real estate-related services, Yahoo! JAPAN Mail, etc.	
Commerce Business	LY Corporation	Shopping business	Yahoo! JAPAN Shopping, LINE Brand Catalog, LINE FRIENDS, LINE GIFT, LINE SHOPPING, Yahoo! JAPAN Quick Mart (*3), overseas e-commerce (LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, MyShop, etc.)
		Reuse business	Yahoo! JAPAN Auction, Yahoo! JAPAN Flea Market, BEENOS (*4)
		Services e-commerce	Yahoo! JAPAN Travel, lkyu.com, LINE TRAVEL (Taiwan), LINE MAN (*5), etc.
		Other	Other
	ZOZO, ASKUL	ZOZO	ZOZOTOWN, ZOZOUSED, Lyst (*6), etc.
		ASKUL	ASKUL BtoB business (ASKUL, SOLOEL ARENA, APMRO, FEED DENTAL, etc.), LOHACO, Charm, etc.
Strategic Business	Fintech	PayPay (Consolidated) (*7)	PayPay, PayPay Card, Credit Engine, PayPay Bank, PayPay Securities
		Other fintech	PayPay Asset Management (*8), PayPay Insurance, LINE Pay (*9), LINE Bank Taiwan (*10), LINE Score, LINE Pocket Money, LINE BITMAX, LINE FX, DOSI (*11), etc.

(*3) Yahoo! JAPAN Quick Mart terminated its service on August 31, 2025.

(*4) In May 2025, BEENOS Inc. became a consolidated subsidiary of the Company.

(*5) In September 2025, LINE MAN CORPORATION PTE. LTD. became a consolidated subsidiary of the Company.

(*6) In April 2025, ZOZO, Inc. made LYST LTD, the operator of "Lyst," a wholly-owned subsidiary.

(*7) PayPay Corporation made PayPay Securities Corporation and PayPay Bank Corporation consolidated subsidiaries in April 2025.

(*8) PayPay Asset Management terminated its business at the end of September 2025.

(*9) LINE Pay terminated its service in Japan on April 30, 2025.

(*10) In June 2025, LINE Bank Taiwan Limited became a consolidated subsidiary of the Company.

(*11) DOSI is scheduled to terminate its service on December 30, 2025.

3. Outlook for Fiscal Year Ending March 31, 2026 (April 1, 2025–March 31, 2026)

For the fiscal year ending March 31, 2026, the Group will aim to increase revenue and income by continuing to reinforce products in key growth domains through disciplined investments. The Group expects a revenue of 2,100.0 billion yen (up 9.5% year on year), an adjusted EBITDA of 500.0 – 510.0 billion yen (up 6.2 – 8.3% year on year), and an adjusted EPS of 25.9 – 26.9 yen (up 4.0 – 7.9% year on year).

(2) Qualitative Information Regarding the Consolidated Financial Position

Assets, Liabilities, and Equity

1. Assets

Total assets at the end of this consolidated second quarter amounted to 10,473,968 million yen, having increased 1,315,621 million yen, or 14.4%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in assets were as follows:

- The principal reasons for the change in cash and cash equivalents are as stated in "Cash Flows" below.
- Loans in the credit card business increased compared with the end of the consolidated fiscal year ended March 31, 2025, primarily due to an increase in the transaction volume of the credit card business.
- Investment securities in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, due to the purchase of investment securities as part of the fund management activities of PayPay Bank Corporation, and consolidation of LINE Bank Taiwan Limited.
- Loans in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited.
- Other financial assets increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of the PayPay Securities Group (PayPay Securities Corporation and its subsidiaries).
- Goodwill increased compared with the end of the consolidated fiscal year ended March 31, 2025 due to the consolidation of LINE MAN CORPORATION PTE. LTD. and BEENOS Inc.
- Investments accounted for using the equity method decreased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the change in status of LINE Bank Taiwan Limited and LINE MAN CORPORATION PTE. LTD. from equity method affiliates to consolidated subsidiaries of the Company.
- Deferred tax assets increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly as a result of a reassessment of the recoverability of said assets associated with PayPay Corporation.

2. Liabilities

Total liabilities at the end of this consolidated second quarter amounted to 6,960,120 million yen, having increased 1,220,689 million yen, or 21.3%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in liabilities were as follows:

- Trade and other payables increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of the PayPay Securities Group (PayPay Securities Corporation and its subsidiaries) and BEENOS Group (BEENOS Inc. and its subsidiaries).
- Customer deposits in the banking business increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited.
- Interest-bearing liabilities increased compared with the end of the consolidated fiscal year ended March 31, 2025 mainly due to an increase in borrowings.

3. Equity

Total equity at the end of this consolidated second quarter amounted to 3,513,847 million yen, having increased 94,932 million yen, or 2.8%, since the end of the consolidated fiscal year ended March 31, 2025.

The major components of the change in equity were as follows:

- Capital surplus decreased compared with the end of the consolidated fiscal year ended March 31, 2025 due to the cancellation of treasury stocks.
- Retained earnings increased compared with the end of the consolidated fiscal year ended March 31, 2025, due to the increase resulting from the recognition of the net income attributable to owners of the parent, despite a decrease due to payment of dividends.
- Non-controlling interests increased compared with the end of the consolidated fiscal year ended March 31, 2025, mainly due to the consolidation of LINE Bank Taiwan Limited and PayPay Corporation's paid-in capital increase.

Cash Flows

At the end of this consolidated second quarter, cash and cash equivalents amounted to 1,041,056 million yen, down 2,888 million yen from the end of the consolidated fiscal year ended March 31, 2025, out of which deposits with the central bank for the banking business amounted to 281,740 million yen.

The following is a description of the movements in the main components of cash flow and the factors contributing to the changes for the period under review:

Cash flows from operating activities amounted to a total cash inflow of 231,111 million yen, primarily owing to an increase in customer deposits in the banking business, the recognition of profit before tax for the period under review, and an increase in trade and other payables, despite an increase in loans in the banking business and an increase in loans for the credit card business.

Cash flows from investing activities amounted to a total cash outflow of 358,571 million yen, primarily due to purchase of investment securities in the banking business, purchase of other investments, and payments for acquisition of control over subsidiaries, despite proceeds from the sales/redemption of investment securities in the banking business.

Cash flows from financing activities amounted to a total cash inflow of 116,208 million yen, primarily due to proceeds from long-term borrowings, net increase in short-term borrowings, and proceeds from issuance of corporate bonds, despite mainly the purchase of treasury stock, redemption of corporate bonds, and repayments of long-term borrowings.

2 Interim Condensed Consolidated Financial Statements and Significant Notes

(1) Interim Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Assets				
Cash and cash equivalents	1,043,944	1,041,056	(2,888)	(0.3)
Call loans in banking business	63,000	117,105	54,105	85.9
Trade and other receivables	673,275	712,221	38,945	5.8
Inventories	32,436	35,713	3,277	10.1
Loans in credit card business	983,790	1,054,861	71,071	7.2
Investment securities in banking business	908,887	1,160,135	251,247	27.6
Loans in banking business	926,334	1,364,225	437,890	47.3
Other financial assets	398,510	670,329	271,819	68.2
Property and equipment	262,172	259,507	(2,665)	(1.0)
Right-of-use assets	178,673	183,135	4,462	2.5
Goodwill	2,073,470	2,215,653	142,182	6.9
Intangible assets	1,233,421	1,257,889	24,467	2.0
Investments accounted for using the equity method	265,599	204,720	(60,879)	(22.9)
Deferred tax assets	44,238	108,118	63,879	144.4
Other assets	70,592	89,296	18,704	26.5
Total assets	9,158,346	10,473,968	1,315,621	14.4

(Millions of yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Liabilities and equity				
Liabilities				
Trade and other payables	1,712,145	1,961,917	249,772	14.6
Customer deposits in banking business	1,830,293	2,481,196	650,903	35.6
Interest-bearing liabilities	1,694,398	1,958,799	264,400	15.6
Other financial liabilities	26,610	92,559	65,949	247.8
Income taxes payable	50,060	37,841	(12,218)	(24.4)
Provisions	29,544	33,393	3,849	13.0
Deferred tax liabilities	188,084	194,240	6,155	3.3
Other liabilities	208,293	200,171	(8,122)	(3.9)
Total liabilities	5,739,431	6,960,120	1,220,689	21.3
Equity				
Equity attributable to owners of the parent				
Common stock	250,128	251,525	1,397	0.6
Capital surplus	1,880,031	1,685,962	(194,069)	(10.3)
Retained earnings	838,017	934,722	96,704	11.5
Treasury stock	(11,704)	(16,435)	(4,731)	—
Accumulated other comprehensive income	41,696	55,480	13,783	33.1
Total equity attributable to owners of the parent	2,998,170	2,911,255	(86,915)	(2.9)
Non-controlling interests	420,745	602,592	181,847	43.2
Total equity	3,418,915	3,513,847	94,932	2.8
Total liabilities and equity	9,158,346	10,473,968	1,315,621	14.4

(2) Interim Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025	Increase/decrease	
	Amount	Amount	Amount	Change (%)
Revenue	925,293	995,367	70,073	7.6
Cost of sales	260,085	271,368	11,282	4.3
Selling, general and administrative expenses	492,548	570,917	78,368	15.9
Gain on remeasurement relating to business combinations	—	61,445	61,445	—
Operating income	172,659	214,526	41,867	24.2
Other non-operating income	6,466	3,628	(2,837)	(43.9)
Other non-operating expenses	29,121	15,424	(13,697)	(47.0)
Equity in profit (loss) of associates and joint ventures	(5,268)	(4,859)	409	—
Impairment loss on investments in associates and joint ventures	—	7,168	7,168	—
Profit before tax	144,735	190,703	45,967	31.8
Income tax expense	36,767	(12,336)	(49,103)	—
Profit for the period	107,968	203,039	95,070	88.1
Attributable to:				
Owners of the parent	87,254	138,313	51,059	58.5
Non-controlling interests	20,714	64,725	44,011	212.5
Profit for the period	107,968	203,039	95,070	88.1
Earnings per share attributable to owners of the parent				
Basic (yen)	11.64	19.77	8.13	69.8
Diluted (yen)	11.60	19.66	8.06	69.5

(3) Interim Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
Profit for the period	107,968	203,039
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	7	(1,669)
Equity financial assets measured at FVTOCI	(2,040)	4,384
Share of other comprehensive income of associates	56	76
Subtotal	(1,976)	2,790
Items that may be reclassified subsequently to profit or loss		
Debt financial assets measured at FVTOCI	(953)	(28)
Exchange differences on translating foreign operations	(17,943)	10,614
Subtotal	(18,896)	10,586
Other comprehensive income, net of tax	(20,873)	13,377
Total comprehensive income	87,095	216,416
Total comprehensive income attributable to:		
Owners of the parent	68,173	149,784
Non-controlling interests	18,921	66,631
Total comprehensive income	87,095	216,416

(4) Interim Condensed Consolidated Statement of Changes in Equity

Six months ended September 30, 2024

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
Balance at April 1, 2024	248,144	2,060,766	723,884	(70,037)	74,329	3,037,088	409,897	3,446,985
Profit for the period			87,254			87,254	20,714	107,968
Other comprehensive income, net of tax					(19,080)	(19,080)	(1,792)	(20,873)
Total comprehensive income for the period	—	—	87,254	—	(19,080)	68,173	18,921	87,095
Transactions with owners and other transactions								
Issue of common stock	628	814				1,442		1,442
Payment of dividends			(41,705)			(41,705)	(9,609)	(51,314)
Transfer of accumulated other comprehensive income to retained earnings			(173)		173	—		—
Purchase of treasury stock				(150,000)		(150,000)		(150,000)
Cancellation of treasury stock		(206,018)		206,018		—		—
Changes attributable to obtaining or losing control of subsidiaries		14,929				14,929	(21,751)	(6,822)
Changes in ownership interests in subsidiaries without losing control		(950)				(950)	(3,018)	(3,969)
Share-based payment transactions		3,919				3,919		3,919
Other		(1,080)		392		(688)	557	(130)
Total	628	(188,386)	(41,878)	56,410	173	(173,052)	(33,822)	(206,874)
Balance at Sep. 30, 2024	248,773	1,872,380	769,259	(13,626)	55,422	2,932,209	394,996	3,327,206

Six months ended September 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
Balance at April 1, 2025	250,128	1,880,031	838,017	(11,704)	41,696	2,998,170	420,745	3,418,915
Profit for the period			138,313			138,313	64,725	203,039
Other comprehensive income, net of tax					11,471	11,471	1,905	13,377
Total comprehensive income for the period	—	—	138,313	—	11,471	149,784	66,631	216,416
Transactions with owners and other transactions								
Issue of common stock	1,397	1,753				3,150		3,150
Payment of dividends		(10,260)	(39,617)			(49,877)	(9,774)	(59,652)
Transfer of accumulated other comprehensive income to retained earnings			(2,312)		2,312	—		—
Purchase of treasury stock				(148,595)		(148,595)		(148,595)
Cancellation of treasury stock		(143,040)		143,040		—		—
Changes attributable to obtaining or losing control of subsidiaries		(44,286)				(44,286)	53,786	9,499
Changes in ownership interests in subsidiaries without losing control		1,808				1,808	69,817	71,625
Share-based payment transactions		1,589				1,589		1,589
Other		(1,632)	320	823		(488)	1,386	898
Total	1,397	(194,069)	(41,608)	(4,731)	2,312	(236,699)	115,216	(121,483)
Balance at Sep. 30, 2025	251,525	1,685,962	934,722	(16,435)	55,480	2,911,255	602,592	3,513,847

(5) Interim Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended Sep. 30, 2024	Six months ended Sep. 30, 2025
	Amount	Amount
Cash flows from operating activities:		
Profit before tax	144,735	190,703
Depreciation and amortization	79,366	84,789
Increase (decrease) in allowance for doubtful accounts	7,848	(4,611)
Gain on remeasurement relating to business combinations	—	(61,445)
Equity in (profit) loss of associates and joint ventures	5,268	4,859
Impairment loss on investments in associates and joint ventures	—	7,168
(Increase) decrease in call loans in banking business	40,078	(38,406)
(Increase) decrease in trade and other receivables	37,010	1,708
Increase (decrease) in trade and other payables	(57,928)	76,147
(Increase) decrease in loans for credit card business	(26,303)	(71,762)
(Increase) decrease in loans in banking business	(88,579)	(116,547)
Increase (decrease) in customer deposits in banking business	76,344	276,627
(Increase) decrease in investment securities in securities business	—	(57,209)
Other	46,728	3,647
Subtotal	264,568	295,669
Interest and dividends received	5,336	3,171
Interest paid	(6,777)	(9,779)
Income taxes—paid	(40,836)	(59,882)
Income taxes—refunded	44,603	1,933
Net cash inflow (outflow) from operating activities	266,894	231,111
Cash flows from investing activities:		
Purchase of investment securities in banking business	(195,488)	(266,428)
Proceeds from sales/redemption of investment securities in banking business	75,563	91,658
Purchase of other investments	(48,822)	(74,955)
Proceeds from sales and redemption of investments	14,223	20,111
Payments for acquisition of control over subsidiaries	—	(55,105)
Proceeds from withdrawal of time deposits	9,971	24,179
Other	(114,374)	(98,032)
Net cash inflow (outflow) from investing activities	(258,926)	(358,571)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(146,132)	126,289
Proceeds from long-term borrowings	121,037	147,788
Repayments of long-term borrowings	(54,763)	(63,119)
Capital contribution from non-controlling interests	6	86,860
Purchase of treasury shares of subsidiaries	(4,398)	(14,797)
Purchase of treasury stock	(150,100)	(148,670)
Proceeds from issuance of corporate bonds	50,000	100,000
Redemption of corporate bonds	(50,000)	(70,000)
Proceeds from issuance of commercial papers	313,000	418,500
Redemption of commercial papers	(262,000)	(397,500)
Dividends paid	(41,717)	(49,853)
Repayment of lease liabilities	(21,027)	(20,963)
Proceeds from sale and leaseback transactions	570	13,043
Other	(9,410)	(11,368)
Net cash inflow (outflow) from financing activities	(254,934)	116,208
Effects of exchange rate changes on cash and cash equivalents	(4,777)	8,363
Net increase (decrease) in cash and cash equivalents arising from transfer to assets classified as held for sale	33,011	—
Net increase (decrease) in cash and cash equivalents	(218,733)	(2,888)
Cash and cash equivalents at the beginning of the period	1,420,430	1,043,944
Cash and cash equivalents at the end of the period	1,201,696	1,041,056

(6) Notes to Interim Condensed Consolidated Financial Statements

1. Going Concern Assumption

Not applicable.

2. Use of Estimates and Judgments

In preparing the interim condensed consolidated financial statements under IFRS, the management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from those projected estimates.

The estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in future periods.

The judgments, estimates and assumptions that have significant impact on the amounts in the interim condensed consolidated financial statements of the Group are consistent with those described in the consolidated financial statements for the previous consolidated fiscal year.

3. Business Combinations

Previous cumulative consolidated second quarter of the fiscal year ended March 31, 2025 (April 1, 2024 – September 30, 2024):

There were no significant business combinations to be disclosed during the previous cumulative consolidated second quarter of the fiscal year ended March 31, 2025.

This cumulative consolidated second quarter of the fiscal year ending March 31, 2026 (April 1, 2025 – September 30, 2025):

(1) BEENOS Inc.

1) Outline of business combination

With the aim of enhancing corporate value through the creation of business synergies centered around the cross-border e-commerce business, the Company conducted a tender offer for the common shares and share options of BEENOS Inc., as resolved at the Board of Directors meeting held on March 21, 2025. This tender offer was concluded on May 7, 2025, resulting in the acquisition of 10,918,182 common shares and share options (target number of shares: 417,540) of BEENOS Inc. for a total cash consideration of 44,674 million yen. Consequently, the Company's voting rights in BEENOS Inc. have amounted to 84.08% (calculated based on the number of voting rights pertaining to issued common shares), making it a consolidated subsidiary.

2) Outline of acquired company

Name	BEENOS Inc.
Business description	Various e-commerce businesses domestically and internationally

3) Date of acquisition

May 7, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	44,674
Fair value of assets acquired and liabilities assumed	
Assets	42,376
Cash and cash equivalents	16,908
Trade and other receivables	2,378
Other financial assets	7,648
Intangible assets (*2)	11,188
Others	4,252
Liabilities	(18,968)
Trade and other payables	(9,119)
Interest-bearing liabilities	(4,264)
Deferred tax liabilities	(3,631)
Others	(1,953)
Net assets	23,408
Non-controlling interests (*3)	(3,786)
Goodwill (*4)	25,052
Total	44,674

(*1) The consideration paid is based on the fair value as of the date of acquisition, and is allocated to the amounts of assets acquired and liabilities assumed.

(*2) Intangible assets

Includes identifiable intangible assets of 10,829 million yen. The breakdown is trademarks classified as indefinite-lived intangibles. In addition, the amount of intangible assets recognized from the business combination is measured based on assumptions such as estimated future cash flow, discount rate, future revenue generated from the target trademarks, royalty rate, etc.

(*3) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*4) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Profit and loss information after the acquisition date related to the business combination

The revenue and net income of the acquired company after the date of such acquisition of control recognized in the Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated second quarter are 5,999 million yen and 109 million yen, respectively.

6) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 998,445 million yen and 203,192 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026.

(2) LINE Bank Taiwan Limited

1) Outline of business combination

The Company has decided on April 10, 2025, to increase the capital of LINE Bank Taiwan Limited (hereinafter "LBT"), an equity method affiliate of the Company, through its consolidated subsidiary, LINE Financial Taiwan Limited (hereinafter "LFT"), by 2.745 billion Taiwan dollars. The capital increase was completed on June 17, 2025.

Upon completion of the capital increase, LFT holds 51.15%, or the majority of voting rights in LBT and, accordingly, the Company gained control over LBT. As a result, LBT newly became the Company's consolidated subsidiary.

2) Outline of acquired company

Name	LINE Bank Taiwan Limited
Business description	Internet-only bank

3) Date of acquisition

June 17, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	13,477
Fair value at the date of acquisition of shares of the acquired company held immediately before the date of acquisition	36,751
Fair value of assets acquired and liabilities assumed	
Assets	460,081
Call loans in banking business	15,869
Investment securities in banking business	76,251
Loans in banking business	322,585
Intangible assets	9,316
Others	36,058
Liabilities	(381,430)
Trade and other payables	(2,514)
Customer deposits in banking business	(375,141)
Others	(3,774)
Net assets	78,651
Non-controlling interests (*2)	(38,406)
Goodwill (*3)	9,983
Total	50,229

(*1) The consideration paid is based on the fair value as of the date of acquisition, and is allocated to the amounts of assets acquired and liabilities assumed.

(*2) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*3) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Gain on remeasurement relating to business combinations

Please refer to "4. Gain on Remeasurement Relating to Business Combinations."

6) Profit and loss information after the acquisition date related to the business combination

The revenue and net loss of the acquired company after the date of such acquisition of control recognized in the Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated second quarter are 4,706 million yen and 334 million yen, respectively.

7) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 998,669 million yen and 202,306 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026. The gain on remeasurement relating to business combinations have been reflected in the pro forma information.

(3) LYST LTD

1) Outline of business combination

On April 9, 2025, the Board of Directors of the Company's subsidiary, ZOZO, Inc., resolved in a written resolution to establish a wholly-owned subsidiary of ZOZO, Inc. and to acquire all shares of LYST LTD, thereby making it a subsidiary. Subsequently, a share transfer agreement was concluded on April 9, 2025.

LYST LTD operates one of the world's largest fashion shopping platforms, handling over 27,000 brands and more than 97 million SKUs globally.

To date, ZOZO, Inc. has focused on market expansion through collaborations with companies in various countries, primarily by licensing its proprietary technology. To accelerate growth in the global market, the acquisition of LYST LTD has been decided as a new strategic initiative.

2) Outline of acquired company

Name	LYST LTD
Business description	Online fashion platform business

3) Date of acquisition

April 18, 2025

4) Percentage of voting rights acquired

100%

5) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	22,094
Fair value of assets acquired and liabilities assumed	
Assets	7,213
Cash and cash equivalents	475
Trade and other receivables	2,567
Intangible assets (*1)	3,025
Others	1,145
Liabilities	(5,854)
Trade and other payables	(681)
Interest-bearing liabilities	(3,626)
Others	(1,546)
Net assets	1,358
Non-controlling interests	-
Goodwill (*2)	20,736
Total	22,094

(*1) Intangible assets

Includes identifiable intangible assets of 2,174 million yen, primarily consisting of customer relationships. In addition, the amount of intangible assets recognized from the business combination is measured based on assumptions such as estimated future cash flow and discount rates.

(*2) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

6) Profit and loss information after the acquisition date related to the business combination

The revenue and net loss of the acquired company after the date of such acquisition of control recognized in the

Interim Condensed Consolidated Statement of Profit or Loss for this cumulative consolidated second quarter are 2,640 million yen and 954 million yen, respectively.

7) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 995,925 million yen and 202,892 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending on March 31, 2026. The increase in amortization expenses of intangible assets newly recognized on the actual date of acquiring control and others have been reflected in the pro forma information.

(4) LINE MAN CORPORATION PTE. LTD.

1) Outline of business combination

To further strengthen collaboration with LINE MAN CORPORATION PTE. LTD. (hereinafter "LMWN"), an equity method affiliate of the Company that operates businesses such as on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, the Company, at a Board of Directors meeting held on September 11, 2025, resolved to: (i) acquire a portion of the shares of LMWN held by Apfarm Investment Pte Ltd and Gamnat Pte. Ltd. through LINE SOUTHEAST ASIA CORP. PTE. LTD. (hereinafter "LSEA"), a consolidated subsidiary of the Company; (ii) agree to an amendment to the existing shareholders' agreement with respect to LMWN shares, including changes to each shareholder's rights as stipulated in the agreement; and (iii) have LSEA receive a comprehensive proxy from MIRAI FUND LIMITED LIABILITY PARTNERSHIP (hereinafter "MIRAI Fund") for the future exercise of voting rights associated with LMWN shares held by MIRAI Fund, whereby LSEA would be authorized to exercise said voting rights. The share acquisition and the amendment to the shareholders' agreement were completed on September 30, 2025.

As of the above completion date, the Company obtained control over LMWN, and LMWN has been newly included as a consolidated subsidiary of the Company.

2) Outline of acquired company

Name	LINE MAN CORPORATION PTE. LTD.
Business description	Operation of on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, and management of group companies

3) Date of acquisition

September 30, 2025

4) Fair value of consideration paid, assets acquired and liabilities assumed; non-controlling interests and goodwill; as of the date of acquisition

(Millions of yen)	
Fair value of consideration paid	
Cash	15,327
Fair value at the date of acquisition of shares of the acquired company held immediately before the date of acquisition	63,239
Fair value of assets acquired and liabilities assumed	
Assets	28,353
Cash and cash equivalents	12,541
Trade and other receivables	4,847
Right-of-use assets	2,001
Intangible assets	4,268
Others	4,695
Liabilities	(21,311)
Trade and other payables	(8,206)
Interest-bearing liabilities	(8,731)
Others	(4,373)
Net assets	7,042
Non-controlling interests (*2)	(7,423)
Goodwill (*3)	78,947
Total	78,566

(*1) As the recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not complete as of the end of this consolidated second quarter, the above amounts are provisional based on the best estimate at present. Accordingly, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill may change in a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date are obtained and evaluated.

(*2) Non-controlling interests

Non-controlling interests were measured at the proportionate interests in the identifiable net assets of the acquiree.

(*3) Goodwill

Goodwill reflects the future excess earning power expected to be derived from future business development and synergies between the Group and the acquired company.

5) Gain on remeasurement relating to business combinations

Please refer to "4. Gain on Remeasurement Relating to Business Combinations."

6) Pro forma information (unaudited)

Pro forma revenue and pro forma net income for the Group would have been 1,034,247 million yen and 202,076 million yen, respectively, assuming that the abovementioned business combination was completed as of the beginning of this consolidated fiscal year ending March 31, 2026. The gain on remeasurement relating to business combinations and others have been reflected in the pro forma information.

4. Gain on Remeasurement Relating to Business Combinations

This cumulative consolidated second quarter of the fiscal year ending March 31, 2026 (April 1, 2025–September 30, 2025):

Due to the consolidation of LINE Bank Taiwan Limited on June 17, 2025, through LINE Financial Taiwan Limited, a consolidated subsidiary of the Company, the previously held equity interest of the company was remeasured based on the acquisition-date fair value. As a result, a gain on remeasurement relating to business combinations of 14,501 million yen were recognized.

Due to the consolidation of LINE MAN Group (LINE MAN CORPORATION PTE. LTD. and its subsidiaries) on September 30, 2025, mainly through LINE SOUTHEAST ASIA CORP. PTE. LTD., a consolidated subsidiary of the Company, the previously held equity interest of the company was remeasured based on the acquisition-date fair value. As a result, a gain on remeasurement relating to business combinations of 44,377 million yen were recognized. For details, please refer to "3. Business Combinations."

5. Impairment Loss on Investments in Associates and Joint Ventures

This cumulative consolidated second quarter of the fiscal year ending March 31, 2026 (April 1, 2025 – September 30, 2025):

An impairment loss on investments in associates and joint ventures of 7,168 million yen was recognized because the carrying amount of the investments accounted for using the equity method related to Demae-can Co., Ltd. was reduced to its recoverable amount. The Company determined that there were indications of impairment of investments accounted for under the equity method related to Demae-can Co., Ltd., and performed an impairment test. As a result, the carrying amount of the investments accounted for using the equity method with regard to Demae-can Co., Ltd., was reduced to the recoverable amount. The recoverable amount is measured by value in use, which is calculated by applying a pre-tax discount rate of 13.8% to estimated future cash flow.

6. Income Tax Expense

This cumulative consolidated second quarter of the fiscal year ending March 31, 2026 (April 1, 2025–September 30, 2025):

A review of the recoverability of deferred tax assets at PayPay Corporation, a consolidated subsidiary of the Company, is being conducted for this cumulative consolidated second quarter. This resulted in a reduction of income taxes in the amount of 57,535 million yen.

7. Significant Subsequent Events

(1) Transfer of shares in Remember & Company Co., Ltd

The Company transferred all of its shares in Remember & Company Co., Ltd, an equity method affiliate of the Company, on October 22, 2025.

A gain on the sale, estimated at approximately 12,500 million yen, is scheduled to be recognized in the third quarter of the fiscal year ending March 31, 2026.

(2) Unauthorized access at consolidated subsidiary

On October 19, 2025, the Company confirmed that its consolidated subsidiary, ASKUL Corporation, had experienced a system disruption caused by a ransomware infection. In collaboration with external experts and relevant authorities, efforts are currently underway to investigate the situation, including the scope of the impact, such as any external leakage of personal information or customer data, and to restore system functionality.

The impact of this incident on the LY Corporation Group's future performance is currently under review. If the impact is deemed material, appropriate disclosure will be promptly made.

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