

November 21, 2024

Press release

LY Corporation

## **Notice of Listing Approval of dely inc., a Consolidated Subsidiary**

LY Corporation (hereinafter the “Company”) hereby announces that Tokyo Stock Exchange, Inc. has today approved the listing of the common shares of dely inc., a consolidated subsidiary of the Company (hereinafter “Dely,” and its common shares, “Dely Shares”), on the Tokyo Stock Exchange Growth Market.

The listing date on the Tokyo Stock Exchange Growth Market is scheduled for Thursday, December 19, 2024. From this date onward, Dely Shares will be available for purchase and sale on said exchange.

### 1. Listing of Dely

#### (1) Positioning of Dely in the LY Corporation Group (hereinafter the “Group”)

The Group has been developing a diverse range of businesses, including the Media Business, Commerce Business, and Strategic Business, under its mission to “Create an amazing life platform that brings WOW! to our users.” While it continues to deliver inspiring services to users, the Group aims to contribute to the realization of a more enriching and convenient lifestyle through the power of the internet.

Dely caters to the needs of general consumers through its food and recipe-related businesses such as “kurashiru” and “kurashiru Rewards,” and mainly operates businesses that contribute to a richer and more convenient lifestyle for users. Since joining the Group in 2018, it has increased the Group’s corporate value by providing a diverse user experience and enabling the utilization of a wider range of resources in the Group’s Media and Commerce businesses, all while respecting each other’s brand value, operational structure, business foundation, and so forth.

#### (2) Purpose of listing

Since its foundation in 2014, Dely has been operating mainly in food-related businesses for over ten years. From being an operator of services such as recipe video websites, it has recently also been offering various content as a retail digital platform that efficiently connects users with companies in the food, beverage, and retail sectors. Growth has been especially prominent in the purchase (sales promotion) domain, which offers reward marketing (a performance-based marketing technique that rewards users based on their behavior) to users, and Dely has been providing services that comprehensively address issues faced by retail companies in Japan, including customer acquisition.

On the other hand, to further expand Dely’s business in the future, it is important for Dely to establish an autonomous governance system, improve its recognition and social credibility, and create a diverse funding environment. The Company believes that Dely will be able to achieve these quickly

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through the stock listing.

Going forward, Dely will expand its business and enhance corporate value by implementing its growth strategy from the perspective of having more management autonomy.

### (3) Policy of holding Dely Shares

To realize its mission, the LY Corporation Group, with multiple listed subsidiaries and affiliates, values the independence of its Group companies and aims to continuously evolve and grow together through synergy creation while ensuring their independence.

Further growth and increased corporate value for Dely will lead to enhanced user experience for the Group, and Dely can also expect to grow further by leveraging the synergy it has with the Group. Therefore, the policy is to maintain Dely's position as a consolidated subsidiary after it is listed.

After the listing, the Company envisions a mutually beneficial relationship with Dely as independent companies. However, if the relationship between the two companies changes in the future and maintaining Dely's position as a consolidated subsidiary does not necessarily contribute to improving the corporate value of both companies, deliberations will be made including the pros and cons of maintaining said position.

The Company respects the independence of Dely and supports its management to be more autonomous. It also hopes that Dely will achieve greater corporate value through this listing.

## 2. Overview of Dely

(1) Trade name	dely inc.
(2) Location	msb Tamachi Tamachi Station Tower N 23F, 3-1-1 Shibaura, Minato-ku, Tokyo
(3) Representative	Yusuke Horie, Representative Director
(4) Main business	Services
(5) Common stock	100 million (as of March 31, 2024)
(6) Business start date	April 2014

## 3. Number of shares owned by LY Corporation Group and shareholding ratio

	No. of shares held	Shareholding ratio
Before listing	20,691,000 shares	50.08%
After listing	23,248,800 shares	56.27%

- The shareholding ratio is the percentage of the number of shares held to the total number of issued shares.
- The number of shares held by the Group is the sum of the shares held by the Company and YJ2 Investment Partnership, an investment partnership managed by Z Venture Capital Corporation, a wholly owned subsidiary of the Company.
- The number of shares held and the shareholding ratio after listing are calculated assuming that the Company acquires the shares requested as the designated purchaser of Dely Shares.

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#### 4. Approach to listing of subsidiaries, etc.

The Top Management Committee discusses capital policies for listed Group companies based on the strategic position of each company within the Group and taking into consideration the significance of being listed, i.e., that it would lead to greater business growth and enhanced value of each company, and would consequently better contribute to the Group's overall value, if the companies operated under constant scrutiny of the stock market, while maintaining good relationships with their customers, business partners, employees, and other stakeholders, and pursue their autonomous business management that respects the interest of their minority shareholders. The discussions are reported to the Board of Directors, which determines the ownership policy of each listed Group Company based on these discussions.

The Company recognizes that it is important for its listed subsidiaries and affiliates to enhance their corporate value over the medium to long term and thereby maximize the joint interests of all shareholders, including minority shareholders and the Company. In this light, the Company exercises its voting rights for proposals of its listing subsidiaries and affiliates.

In addition, for the purpose of managing the companies to which the Company invests, the Company has set forth the Regulations for the Management of Affiliated Companies, based on which it asks its subsidiaries and affiliates to seek its prior approval or inform it with respect to important decision-makings, etc. However, the Company refrains from imposing prior approval requirements on its listed subsidiaries and affiliates that would affect their independence, and gives consideration not to unduly constrain decision-making of each company.

Furthermore, the Company's outside directors regularly meet with the outside directors, etc. of individual listed subsidiaries to confirm that the Company is not unfairly restraining the decision-making of each company.

#### 5. Future outlook

In the Company's consolidated financial statements, Dely will continue to be a consolidated subsidiary of the Company. The Company will promptly announce any specific impact on its consolidated financial statements as soon as it becomes clear.

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Notes: This disclosure statement is a press release to publicly announce the approval of the initial listing of dely inc. on the Tokyo Stock Exchange. It was not created for the purpose of soliciting investments or similar acts in Japan or elsewhere. Please refer to the “Prospectus for Sale of Shares” (and corrections) created by dely inc. and make your own judgement when making an investment decision regarding the sale of dely inc.’s shares as resolved at dely inc.’s board of directors meeting held on November 21, 2024. The “Prospectus for Sale of Shares” (and corrections) can be obtained from the underwriting securities companies.

The plans, estimates, forecasts, predictions, and other future information contained in this press release are merely the judgements or opinions of the Company made at the time of writing. The actual financial position, business performance, and other results of the Company may differ significantly from the content of this press release or inferences that can be made from this press release due to changes in economic and market conditions, competition with other companies, fluctuations in foreign exchange rates, and other factors.

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