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February 16, 2024

Financial Release

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 President and CEO
 Ticker Symbol 2491
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Matters Concerning Controlling Shareholder, Etc.

ValueCommerce Co., Ltd. (“the Company”) hereby announces matters concerning its controlling shareholder, etc. Details are as follows.

1. Trade names, etc. of parent companies, controlling shareholder (other than parent companies), and other subsidiaries and affiliates

As of December 31, 2023

Name	Relationship	Percentage of voting rights (%)			Financial instruments exchanges, etc. where issued stocks, etc. are listed
		Direct ownership	Aggregate	Total	
SoftBank Group Corp.	Parent company	–	51.94	51.94	Tokyo Stock Exchange (Prime Market)
SoftBank Group Japan Corporation	As above	–	51.94	51.94	–
SoftBank Corp.	As above	–	51.94	51.94	Tokyo Stock Exchange (Prime Market)
A Holdings Corporation	As above	–	51.94	51.94	–
LY Corporation	As above	–	51.94	51.94	Tokyo Stock Exchange (Prime Market)
Z Intermediate Holdings Corporation	As above	51.94	–	51.94	–

Note On October 1, 2023, the Company’s parent company Z Holdings Corporation served as the surviving company upon having completed intra-group reorganization involving mainly itself and its wholly-owned subsidiaries Yahoo Japan Corporation and LINE Corporation. The trade name of Z Holdings Corporation was accordingly changed to LY Corporation. Yahoo Japan Corporation, which had been a sister company, ceased to exist upon transfer of its business operations due to this transaction.

2. Name of the parent company deemed to have the greatest impact on the listed company and the reason

Name: LY Corporation

Reason: There is a certain business relationship between LY Corporation and the Company.

3. Role of the listed company within the corporate groups of the parent companies, etc. and other relationships between the listed company and the parent companies, etc.

(1) Relationships with the parent companies, etc.

LY Corporation is a parent company with 51.94% indirect ownership of the Company's voting rights. The Company is in the commerce business sector within the Group and assumes a role of facilitating expansion of Yahoo! Shopping online shopping mall operated by LY Corporation. In the Marketing Solutions Business of the Company, Yahoo! Shopping serves as a major advertiser of the Company. Moreover, in the EC Solutions Business, the Company provides various solutions for Yahoo! Shopping stores.

There are certain transactions between the Company and LY Corporation, but the terms and conditions of those transactions are determined fairly, in the same manner as for other business partners. The policy for future business with LY Corporation is to increase the profits of both parties.

(2) Ensuring independence from the parent companies, etc.

As of December 31, 2023, four of the six Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company have been brought in from LY Corporation. Whereas such Directors furnish the Company with advice and suggestions for achieving efficient business operations, we deem that the Company maintains a certain level of independence from the parent companies given that the Company maintains autonomy to make its own management decisions because it operates without any business constraints imposed on it by the parent companies.

(Officers holding concurrent positions)

As of December 31, 2023

Position	Name	Position at LY Corporation	Reason for appointment
Director	Hajime Hatanaka	Executive Officer and Vice President of Commerce Company, Shopping Services Supervision Unit, LY Corporation	To enhance management structure
As above	Taku Hasegawa	—	As above
As above	Koichiro Tanabe	—	As above
As above	Yoshimasa Kasuya	—	As above

(Personnel seconded from LY Corporation)

As of December 31, 2023

Department	Persons	Company seconded from	Reason for secondment
Assistant to COO	2	LY Corporation	To strengthen collaboration with business of the Company
Business Promotion Office	1	As above	As above
Product Marketing Office	1	As above	As above
Planning Division	3	As above	As above
Corporate Division	2	As above	As above
Risk Management Office	1	As above	As above
Internal Audit Office	1	As above	As above
Product Marketing Office	1	SoftBank Corp.	As above

Note: As of December 31, 2023, the number of employees of the Company was 279.
35 employees of the Company have been seconded to LY Corporation.

4. Matters Concerning Transactions with Controlling Shareholder, etc.

(1) Parent company

(Transactions with controlling shareholder)

(January 1, 2023 to December 31, 2023)

Category	Name of company, etc.	Location	Capital (Millions of yen)	Business description	Percentage of voting rights owned (%)	Relationship with related parties	Transactions	Transaction amounts (Millions of yen)	Item	Balance at fiscal-year end (Millions of yen)
Parent company	LY Corporation Note 2	Tokyo Chiyoda-ku	247,892	Online advertising business, etc.	(Ownership) 51.94 indirect	Provision and purchase of services	Service sales related to provision of services Note 3,6	1,726	Accounts receivable - trade	518
									Accounts receivable - other Note 4	538
							Service costs related to provision of services Note 5,6	3,221	Accounts payable - trade	1,118

Terms and conditions of transactions and policy for determining terms and conditions of transactions

- Notes
- The terms and conditions for the provision and purchase of services are determined in the same manner as the terms and conditions for general transactions, or through negotiations, taking into consideration market prices and other factors.
 - On October 1, 2023, the Company's parent company Z Holdings Corporation served as the surviving company upon having completed intra-group reorganization involving mainly itself and its wholly-owned subsidiaries Yahoo Japan Corporation and LINE Corporation. The trade name of Z Holdings Corporation was accordingly changed to LY Corporation. Yahoo Japan Corporation, which had been a sister company, ceased to exist upon transfer of its business operations due to this transaction.
 - The transaction amount is presented as the total amount of transactions. The amount included in sales in the Consolidated Statement of Income and Comprehensive Income for the fiscal year ended December 31, 2023 was ¥993 million.

4. Performance fees are paid by the Company to media operators with respect to the provision of “Affiliate Marketing” pay-per-performance advertising.
5. The transaction amount is presented as the total amount of transactions. The amount included in cost of sales in the Consolidated Statement of Income and Comprehensive Income for the fiscal year ended December 31, 2023 was ¥2,868 million.
6. In regard to transaction amounts, there were no transaction amounts with Z Holdings Corporation prior to the organizational restructuring and the transactions amounts with LY Corporation subsequent to the organizational restructuring are shown.
7. Immaterial transactions have been omitted.

(2) Companies with the same parent company

(Transactions with controlling shareholder)

(January 1, 2023 to December 31, 2023)

Category	Name of company, etc.	Location	Capital (Millions of yen)	Business description	Percentage of voting rights owned (%)	Relationship with related parties	Transactions	Transaction amounts (Millions of yen)	Item	Balance at fiscal-year end (Millions of yen)
Company with the same parent company	Yahoo Japan Corporation Note 5	Tokyo Chiyoda-ku	300	Online advertising business, etc.	-	Provision and purchase of services	Service sales related to provision of services Note 2	5,274	Accounts receivable - trade	435
									Accounts receivable - other Note 3	575
							Service costs related to provision of services Note 4	8,155	Accounts payable - trade	952
Company with the same parent company	SB Payment Service Corp.	Tokyo Minato-ku	6,075	Payment services, etc.	-	Outsourcing of payment services	Collection of payment Note 6	-	Accounts receivable - trade	397
							Commission payment for outsourcing service etc.	135	Accounts payable - other	12

Terms and conditions of transactions and policy for determining terms and conditions of transactions

- Notes
1. The terms and conditions for the provision and purchase of services, and commission for outsourcing of payment agency services, etc., are determined in the same manner as the terms and conditions for general transactions, or through negotiations, taking into consideration market prices, consignment details, and other factors.
 2. The transaction amount is presented as the total amount of transactions. The amount included in sales in the Consolidated Statement of Income and Comprehensive Income for the fiscal year ended December 31, 2023 was ¥2,746 million.
 3. Performance fees are paid by the Company to media operators with respect to the provision of “Affiliate Marketing” pay-per-performance advertising.

4. The transaction amount is presented as the total amount of transactions. The amount included in cost of sales in the Consolidated Statement of Income and Comprehensive Income for the fiscal year ended December 31, 2023 was ¥7,661 million.
5. Yahoo Japan Corporation is no longer classified as a related party given that it ceased to exist upon implementation of the intra-group reorganization on October 1, 2023. Therefore, the transaction amount for the period during which it was a related party is shown. Moreover, amounts for percentage of voting rights owned and balance at fiscal-year end as of the point in time when Yahoo Japan Corporation ceased to be a related party are shown.
6. Transactions related to accounts receivable-trade are mainly for advertisers of “StoreMatch” and not for SB Payment Service Corp., so transaction amounts are not shown.
7. Immaterial transactions have been omitted.

5. Implementation of measures to protect minority shareholders in transactions, etc. with controlling shareholder

The terms and conditions of transactions with controlling shareholder are determined in a reasonable manner through prescribed procedures, taking into consideration contractual terms and conditions and market prices, in the same manner as for transactions with other companies.