This filing was originally prepared and published by the company in Japanese as it contained timely disclosure information to be submitted to the Tokyo Stock Exchange. The English translation is for your reference only. To the extent that there is any discrepancy between this English translation and the original Japanese filing, the Japanese filing will prevail.

January 31, 2025

Company name: ValueCommerce Co., Ltd.
Representative: Jin Kagawa, Representative Director President and CEO
(Securities code: 2491)
Person in charge of Contact: Masatomo Endo
Director and CFO
(Tel. +81-3-5210-6688)

Notice Regarding Termination of Transaction Agreement with LY Corporation With Respect to "StoreMatch" and "STORE's R∞", and Conclusion of Basic Agreement With Respect to the Provision of Transition Support Services in Connection with the Foregoing

The transaction agreement between ValueCommerce Co., Ltd. (the "Company") and the Company's major business partner LY Corporation ("LY") with respect to the pay-per-click advertisement of services for online mall stores named "StoreMatch" and the CRM tool "STORE's R∞" (collectively, "Both Services") will terminate on July 31, 2025. In connection with the foregoing, for the purpose of smooth termination of Both Services and smooth handover for the services replacing Both Services to be developed by LY ("New Services"), the Company resolved at the board of directors meeting today on the conclusion of the basic agreement with LY regarding the provision of consulting services and other services for the transition to the New Services. Therefore, the Company hereby announces as outlined below.

1. Circumstances Leading to the Termination of the Transactions

The Company is mainly engaged in three businesses: the "Marketing Solutions Business", the "EC Solutions Business", and the "Travel Tech Business". The Company has provided Both Services, which fall under the EC Solutions Business, to the stores of the online mall "Yahoo! Shopping" operated by LY, since 2006 and 2016, respectively. Both Services, which are provided as sales promotion solutions such as to enhance customer attraction to store websites by displaying advertisements on dedicated frames, and encouraging product purchases by displaying coupons according to customer attributes, to customers (consumers) who visit above online mall, are considered to have contributed to the developments of the Company and LY.

Due to LY's decision to in-house develop New Services in order to centralize its platform pursuant to the change in its business strategy, LY made a request to discuss the gradual termination of the agreements related to Both Services after the end of March 2025. Considering the significant economic impact, etc. on the Company due to the termination of these agreements, the Company requested that LY continue the transactions related to Both Services as much as possible. After several rounds of discussions with LY, it was agreed that (i) the termination date for the agreements related to Both Services would be set as July 31, 2025, and (ii) in order to support a smooth transition to the New Services for the stores using Both Services, LY will entrust the Company with consulting services and other services including providing the setup data for Both Services and offering personnel support, and in return, the Company will receive 1 billion yen from LY as compensation for these services.
With respect to the above agreement, it was resolved at the board of directors meeting today to conclude the basic agreement (the "Basic Agreement") between LY and the Company. As the Company's director Mr. Hajime Hatanaka is seconded from LY, and although Mr. Taku Hasegawa, Mr. Koichiro Tanabe, Mr.

Yoshimasa Kasuya, and Mr. Masahiro Awa do not concurrently serve as officers or employees of LY at present, as the period after their resignation from LY is less than one year, from the perspective of avoidance of doubt of conflict of interests, the aforementioned directors have not participated in any deliberations or resolutions with respect to this matter at the Company's board of directors meetings (including deliberations and resolutions at the board of directors meeting today).

The specific details on the consulting services and other services for the transition to the New Services will be separately discussed between LY and the Company in the future.

2. Overview of the Business Partner

(1)	Name	LY Corporation	
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo	
(3)	Name and title of representative	Takeshi Idesawa, President and Representative Director, CEO	
(4)	Description of business	Online advertising business, e-commerce business, membership service business, and business management operations for its group companies	
(5)	Capital	248,773 million yen (as of September 30, 2024)	
(6)	Date of incorporation	January 31, 1996	
(7)	Total consolidated capital	3,327,206 million yen (as of September 30, 2024)	
(8)	Total consolidated assets	8,884,696 million yen (as of September 30, 2024)	
(9)	Major shareholders and shareholding ratios (as of September 30, 2024)	A Holdings Corporation 62.5% The Master Trust Bank of Japan, Ltd. (Trust Account) 6.1% STATE STREET BANK AND TRUST COMPANY 505325 (Standing Proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd. 3.3% Custody Bank of Japan, Ltd. (Trust Account) 2.3%	
(10)	Relationship between the listed company and the above company	Capital relationship	ZHD Intermediate Holdings Corporation, which is a wholly-owned subsidiary of the above company, owns 6,098,400 shares (ownership ratio: 28.15%) of the Company.
		Personnel relationship	One director is seconded from the above company. Also, in addition to acceptance of 10 secondees as employees from the above company, 34 employees of the Company are seconded to the above company. (as of December 31, 2024)
		Business relationship	There are transactions related to marketing solutions business and EC solutions business between the Company and the above company.
		Status as related party	The above company is an associated company of the Company.

3. Details of the Transaction

The net sales to LY for the fiscal year ended December 2024 from the transactions regarding Both Services to be terminated between LY and the Company was 2,484 million yen. However, the net sales for the fiscal year ended December 2024 regarding Both Services at the Company including the sales for online mall stores was 16,452 million yen (54.1% of the consolidated sales).

Consolidated fiscal year: From January 1, 2024, to December 31, 2024 (Unit: million yen)

Service	Content of Transaction	Net Sales to or Amount of Goods Purchased from LY	Net Sales to the Stores	Total Net Sales of the Service	Proportion of Service Net Sales to Consolidated Net Sales
Pay-per-click advertisement "StoreMatch" (Note)	Revenue from services provided	-	13,968	13,968	45.9%
	Cost of services provided	11,134			
CRM tool "STORE's R∞"	Revenue from services provided	2,484	-	2,484	8.2%
Total				16,452	54.1%

(Note) Excluding "Display Advertisement".

4. Outlook Going Forward

Transactions through Both Services with LY are scheduled to terminate on July 31, 2025, and the decline in revenue from Both Services for the fiscal year ended December 2025 is estimated to be approximately 7.3 billion yen, based on the performance from August to December of the fiscal year ending December 2024. Further, during the period of parallel operation of Both Services and LY's New Services before the termination of the transaction agreements related to Both Services on July 31, 2025, some customers may transition to LY's New Services, resulting in a decline of net sales through Both Services. However, under the Basic Agreement, it has been agreed between the Company and LY that any reduction in the Company's revenue through Both Services due to the transition will be settled between the two companies. The specific details will be discussed between the two companies in the future.

Regarding transactions with LY through the performance-based advertising "Affiliate Marketing" in the Company's "Marketing Solutions Business", it has been confirmed with LY that this is independent of the Both Services and is not affected by this matter. Additionally, the Company will leverage the online marketing expertise and technology it has accumulated to strengthen its presence in the social commerce and retail media sectors, as well as expand its travel tech business, in order to recover the Company's performance.

In addition, the Company is scheduled to receive 1 billion yen from LY as compensation for consulting services and other services to support the smooth transition to the New Services.

5. Matters Regarding the Transactions among the Related Parties

LY falls under an associated company of the Company that indirectly owns 28.15% (Note) of the Company's shares. Therefore, although the conclusion of the Basic Agreement does not fall under significant transactions, etc. with the controlling shareholder, as it falls under the transactions among related parties, pursuant to the policies disclosed in the Company's Corporate Governance Report (Rule 1-7: Transactions among the Related Parties), after deliberations and examinations of the reasonableness of the transactions at the special committee, with the members being four independent outside directors of the Company who do not have interests with LY (Ms. Aya Watanabe, Mr. Toshio Takahashi, Mr. Makoto Suzuki, and Ms. Haruka Ikeda), the conclusion of the Basic Agreement was resolved at the board of directors meeting today. The special committee received advice from experts independent from the Company and LY (City-Yuwa Partners and Plutus Consulting, Co., Ltd.), in the above deliberations and examinations, and the Company also received advice from experts independent from the Company and LY (Nishimura & Asahi and Daiwa Institute of Research) with respect to this matter.

Additionally, as mentioned above, the Company's director Mr. Hajime Hatanaka is seconded from LY, and although Mr. Taku Hasegawa, Mr. Koichiro Tanabe, Mr. Yoshimasa Kasuya, and Mr. Masahiro Awa do not

concurrently serve as officers or employees of LY at present, as the period after their resignation from LY is less than one year, from the perspective of avoidance of doubt of conflict of interests, aforementioned directors have not participated in any deliberations or resolutions with respect to this matter at the Company's board of directors meetings (including deliberations and resolutions at the board of directors meeting today).

(Note) As of December 31, 2024. Excluding treasury shares owned by the Company.

End

(Reference) Consolidated Earnings Forecast for the Fiscal Year Under Review (for Announcement on January 31, 2025) and the Consolidated Results for the Previous Fiscal Year

(Unit: million yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to owners of parent
Consolidated earnings forecast for the fiscal year under review (Fiscal year ending December 2025)	23,900	2,500	2,500	2,100
Consolidated results for the previous fiscal year (Fiscal year ended December 2024)	30,410	4,160	4,121	2,855

(Note 1) The consolidated earnings forecast for the fiscal year under review of the "Consolidated net sales" includes the 1 billion yen that is expected to be received from LY as compensation for consulting services and other services related to the transition to the New Services. However, as the specific details will be discussed between the two companies in the future, the actual accounting treatment may differ.
(Note 2) It is expected that a period of parallel operation of Both Services and LY's New Services will occur before the termination of the transaction agreements related to Both Services on July 31, 2025. However, in the consolidated earnings forecast for the fiscal year under review of "Consolidated net sales," it is assumed that stores will continue using Both Services during the parallel operation period and estimate the revenue through Both Services accordingly. Additionally, under the Basic Agreement, it has been agreed between the Company and LY that any reduction in the Company's revenue through Both Services, due to some stores transitioning to LY's New Services during the parallel operation period, will be settled between the two companies. As the details will be further discussed between the two companies, such settlement is not taken into account in the consolidated earnings forecast for the fiscal year under review.