

## Major Shareholder of PayPay Card and PayPay Bank Prepares for Initial Public Offering—JCR Will Focus on Changes in Capital Relationships

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the commencement of preparations for an initial public offering by PayPay Corporation (security code: -), a major shareholder of PayPay Card Corporation (security code: -) and PayPay Bank Corporation (securities code: -).

- (1) LY Corporation (long-term issuer rating: AA-/Stable, LY) announced on May 7 that PayPay Corporation (PayPay), a subsidiary of LY and a major shareholder of PayPay Card Corporation (PPCD) and PayPay Bank Corporation (PPBK), has commenced preparations for an initial public offering (IPO). Details regarding the IPO's timing, market where it will be listed, and others remain undecided. LY has stated its commitment to PayPay's business and expansion of its corporate value even after the IPO.
- (2) The long-term issuer ratings for PPCD and PPBK are rated as "AA-," which is at the same level as LY, taking into account LY's level of involvement in them and managerial importance of PPCD and PPBK in the LY Group. If the IPO of PayPay results in changes to the capital relationships between PPCD and LY and PPBK and LY or to the positions of the two companies in the LY and PayPay Groups, JCR considers that there is a possibility of revising their ratings. JCR will monitor the developments on PayPay's initial public offering.

Hidekazu Sakai, Naoki Shimura for PayPay Card Corporation

Tsuyoshi Ohishi, Naoki Shimura for PayPay Bank Corporation

### <Reference>

Issuer: PayPay Card Corporation

Long-term Issuer Rating: AA-      Outlook: Stable

Issuer: PayPay Bank Corporation

Long-term Issuer Rating: AA-      Outlook: Stable

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