



February 2, 2023

To whom it may concern

Z Holdings Corporation
Kentaro Kawabe
President and Representative Director, Co-CEO
Stock Code: 4689

Decision on Merger Policy Among Z Holdings Corporation and Its Wholly Owned Subsidiaries, Mainly LINE Corporation and Yahoo Japan Corporation

In the Board of Directors meeting held on February 2, 2023, Z Holdings Corporation (hereinafter the "Company" or "ZHD") has resolved on a merger policy (hereinafter the "Merger Policy") of companies mainly around the Company and its wholly owned subsidiaries: LINE Corporation (hereinafter "LINE") and Yahoo Japan Corporation (hereinafter "Yahoo Japan"). Details are as follows.

The ZHD Group transitioned to a holding company structure in October 2019 to enable flexible and expeditious decision-making, optimum distribution of business resources, and speedier implementation of business strategies in the rapidly evolving Internet industry. The decision was also based on the understanding that the finance business requires enhanced governance and operational/financial policies different from those for Internet services.

Subsequently, following the business integration with LINE in March 2021, the Company has selectively focused on key businesses of LINE and Yahoo Japan, and has prioritized the maximization of synergies from the business integration.

The Company has decided on a basic policy of implementing a merger by around the end of FY2023, mainly around the three companies (the Company and its core wholly owned subsidiaries: LINE and Yahoo Japan; please refer to the Appendix for details) in order to build an organizational structure that puts more emphasis on products, to accelerate the expansion of synergies from the business integration, and to obtain funds for investment that will support a sustainable profit growth from FY2023 onward and the creation of the future. Please note that the Merger Policy is such that the companies subject to merger will be the Company and its wholly owned subsidiaries.

This will enable the ZHD Group to add value to all of its services by strengthening coordination between each service and promoting the restructuring of services through faster product-related decision-making.

Based on the above, the Board of Directors of the Company has today resolved the Merger Policy.

Details of the Merger Policy (merging parties, method, schedule, etc.) are yet to be determined. A project

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team will be set up in the ZHD Group to deliberate on this merger, and details will be announced as soon as they are determined.

Please note that the resolution of this Merger Policy has no direct impact on the consolidated business results of the Company.

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(Appendix)

Outline of the Company, LINE, and Yahoo Japan

(As of September 30, 2022)

(1)	Name	Z Holdings Corporation	LINE Corporation	Yahoo Japan Corporation
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo	1-6-1 Yotsuya, Shinjuku-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Name and title of representative	President and Representative Director, Co-CEO Kentaro Kawabe Representative Director, Co-CEO Takeshi Idezawa	President and Representative Director Takeshi Idezawa	President and Representative Director Takao Ozawa
(4)	Main business	Managing of group companies and businesses incidental thereto	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stamp and game services, and strategic businesses including Fintech, AI and commerce services	E-commerce business Members services business Internet advertising business Other businesses
(5)	Paid-in capital	JPY247,025 million	JPY34,201 million	JPY300 million
(6)	Establishment	January 31, 1996	December 13, 2019	May 10, 2019
(7)	No. of shares issued	7,633,266,686 shares	240,960,343 shares	7,970,000 shares
(8)	Fiscal year end	March 31	March 31	March 31
(9)	Major shareholders and shareholding ratio	A Holdings Corporation 63.6% The Master Trust Bank of Japan, Ltd. (Trust account) 6.1% Custody Bank of Japan (Trust account) 1.7% Z Holdings Corporation 1.3%	Z Intermediate Holdings Corporation 100%	Z Intermediate Holdings Corporation 100%
(10)	Performance and financial position in the immediately preceding fiscal year (JPY million, unless otherwise specified)			
Fiscal year	Fiscal year ended March 2022 (Consolidated)	Fiscal year ended March 2022 (Non-consolidated)	Fiscal year ended March 2022 (Non-consolidated)	Fiscal year ended March 2022 (Non-consolidated)
Total equity	2,982,197	162,212	581,392	
Total assets	7,110,386	482,124	1,236,027	
Equity attributable to owners of the parent	JPY358.25	JPY673.19	JPY72,947.62	

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per share			
Revenue	1,567,421	247,506	517,671
Operating income	189,503	16,925	80,177
Ordinary income	—	17,643	89,469
Net income attributable to owners of the parent	77,316	2,695	71,917
Basic earnings per share	JPY10.20	JPY11.18	JPY9,023.49

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