

Change in Subsidiaries (Sub-Subsidiaries)

SoftBank Group Corp. ("SBG") announced the following change in its specified subsidiaries.

1. Reason for the change

As announced in "Entry into a Definitive Agreement by Subsidiaries (SoftBank Corp. and Z Holdings Corporation) Regarding the Business Integration of Z Holdings Corporation and LINE Corporation, and the Planned Commencement of a Joint Tender Offer for the Shares of LINE Corporation by a Subsidiary (SoftBank Corp.) and NAVER Corporation" dated December 23, 2019, an absorption-type merger (the "Absorption-type Merger") between LINE Corporation ("LINE"), as the surviving corporation, and Shiodome Z Holdings GK, a wholly owned subsidiary of SoftBank Corp. (Securities Code: 9434, Tokyo Stock Exchange First Section; a subsidiary of SBG, "SoftBank"), as the absorbed corporation, was implemented as of February 26, 2021, as part of the business integration between Z Holdings Corporation (Securities Code: 4689, Tokyo Stock Exchange First Section; a subsidiary of SBG, "ZHD") and LINE (the "Business Integration"). Through a series of transactions including the Absorption-type Merger, LINE Demerger Preparatory Company, a subsidiary of LINE, has become a subsidiary (sub-subsidiary) of SBG as of February 26, 2021.^{*1}

LINE has transferred its entire business to LINE Demerger Preparatory Company as of February 28, 2021 and changed its trade name to A Holdings Corporation ("AHD"). As of the same date, LINE Demerger Preparatory Company changed its trade name to LINE Corporation.

^{*1} LINE transferred its entire business (excluding the ZHD shares, the contractual status pursuant to the agreements executed by LINE in relation to the Business Integration, and the rights and obligations set out in the absorption-type demerger agreement) to its wholly owned subsidiary, LINE Demerger Preparatory Company, in an absorption-type demerger (the "Corporate Demerger") as of February 28, 2021. For accounting purposes, the acquisition date is February 28, 2021, the date when the Corporate Demerger became effective, as the Absorption-type Merger and the Corporate Demerger are deemed to be a series of transactions regarding the Business Integration.

2. Outline of the subsidiary (sub-subsidiary)

(1) Name	LINE Corporation
(2) Address	1-6-1 Yotsuya Shinjuku-ku, Tokyo
(3) Name and title of representative	Takeshi Idezawa, Representative Director and President

(4) Nature of business	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stickers and game services, and strategic businesses including Fintech, AI, and commerce services		
(5) Share capital	JPY 34,201 million (as of March 31, 2021)		
(6) Founded	December 13, 2019		
(7) Major shareholders and shareholding ratios	Z Holdings Corporation		100.00%
(8) Relationships with SBG	Capital relationship	SBG, through SoftBank, owns 50.00% of the shares in AHD, the parent company of LINE and ZHD.	
	Personnel relationship	Not applicable	
	Business relationship	SBG's subsidiary SoftBank has business relationships with LINE with respect to advertising services, etc.	
(9) Results of operations and financial position over the past 3 years (Consolidated, IFRS)*2			
Fiscal year	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Total capital	JPY 189,977 million	JPY 208,514 million	JPY 174,663 million
Total assets	JPY 303,439 million	JPY 486,587 million	JPY 541,352 million
Equity attributable to owners of parent per share	JPY 779.30	JPY 833.87	JPY 659.96
Revenues	JPY 167,147 million	JPY 207,182 million	JPY 227,485 million
Operating income (loss)	JPY 25,078 million	JPY 16,110 million	JPY (38,997) million
Income (loss) attributable to owners of the parent company	JPY 8,078 million	JPY (3,718) million	JPY (46,888) million
Earnings per share: basic profit (loss) for the period	JPY 36.56	JPY (15.62)	JPY (196.07)
Dividends per share	-	-	-

*2 Results of operations and financial position for AHD (former LINE) are shown.

3. Date of change

February 26, 2021