

July 12, 2023

To whom it may concern

Z Holdings Corporation  
Takeshi Idezawa  
President and Representative Director, CEO  
Stock Code: 4689

**Decisions on Intra-Group Reorganization (Change of Second-Tier Subsidiaries Through Dividend Distributions in Kind by First-Tier Subsidiaries and Absorption-Type Mergers and Absorption-Type Company Splits with Wholly Owned Subsidiaries) and Change of Trade Name of a Subsidiary**

As notified in “Decision on Merger Policy Among Z Holdings Corporation and Its Wholly Owned Subsidiaries, Mainly LINE Corporation and Yahoo Japan Corporation” dated February 2, 2023 and “Determination of Details of Reorganization Based on the Policy of Merger with Wholly Owned Subsidiaries, Change in Trade Name, and Partial Amendments to the Articles of Incorporation (Trade Name/Business Purpose)” dated April 28, 2023, Z Holdings Corporation (the “**Company**” or “**ZHD**”) has announced its policy to implement an intra-group reorganization (the “**Reorganization**”) involving mainly the Company and two of its core wholly owned subsidiaries, namely LINE Corporation (“**LINE**”) and Yahoo Japan Corporation (“**Yahoo**”), scheduled to be completed on October 1, 2023 (effective date), in which the Company will be the surviving company. The Company hereby announce as follows that, based on the policy, the Company’s board of directors decided today to implement the Absorption-Type Mergers (as defined below; the same applies below) and the Absorption-Type Company Splits (as defined below; the same applies below) as part of the Reorganization, and Z Intermediate Holdings Corporation (“**Z Intermediate**”), which is a wholly owned subsidiary of the Company, decided today to make the Dividend Distributions in Kind (as defined below; the same applies below) as part of the Reorganization. Through the Dividend Distributions in Kind, the Company will acquire from Z Intermediate all of the shares in Yahoo and LINE, which are wholly owned subsidiaries of Z Intermediate, and this will result in a change of second-tier subsidiaries. In addition, the Company hereby announce as follows that LINE’s board of directors decided today to change its trade name to “Z Intermediate Global Corporation” (“**Z Intermediate Global**”) as of October 1, 2023.

Because all of the Absorption-Type Mergers and the Absorption-Type Company Splits are procedures implemented between the Company and its wholly owned subsidiaries, matters to be disclosed and the details thereof are partly omitted.

In addition, Yahoo will be extinguished as a result of the Absorption-Type Mergers and will not constitute a specified subsidiary of the Company thereafter.

1. Purpose of the Reorganization

In October 2019, the Company group transitioned to a holding company structure to enable flexible and expeditious decision-making, optimum distribution of business resources, and speedier implementation of business strategies in the rapidly evolving Internet industry.

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

The Company's board of directors adopted resolutions regarding its policy to implement the Reorganization on February 2 and April 28, 2023, 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 sustainable profit growth from FY 2023 onward and the creation of the future.

Based on the policy, the Company's board of directors decided today to implement the Absorption-Type Mergers and the Absorption-Type Company Splits, and Z Intermediate decided today to make the Dividend Distributions in Kind as detailed below.

## 2. Outline of the Reorganization

Z Intermediate, which is a wholly owned subsidiary of the Company, will distribute all of its shares in Yahoo and LINE, which are wholly owned subsidiaries of Z Intermediate, to the Company as dividends of surplus (the "**Dividend Distributions in Kind**"), and the Company will thereby acquire those shares. The Dividend Distributions in Kind will become effective on the condition that a reduction in the amount of the capital reserves of Z Intermediate (and the transfer of the entire amount of such reduction in the capital reserves to the account of other capital surplus) becomes effective.

In addition, absorption-type mergers will be implemented in which the Company is the surviving company and each of Yahoo, Z Entertainment Corporation ("**ZE**"), and Z Data Corporation ("**ZD**"), which are wholly owned subsidiaries of the Company, is the disappearing company (individually, an "**Absorption-Type Merger**"; and collectively, the "**Absorption-Type Mergers**"), and Yahoo, ZE, and ZD will thereby be merged with the Company and dissolve. Concurrently with the Absorption-Type Mergers, an absorption-type company split will be implemented in which LINE is the split company and the Company is the successor company ("**Absorption-Type Company Split (1)**"), and the Company will succeed to, or assume, all of the assets, and other rights and obligations of LINE except for certain shares in overseas companies held and managed by LINE and those stipulated in the absorption-type company split agreement regarding Absorption-Type Company Split (1). Upon Absorption-Type Company Split (1) becoming effective, LINE (which will change its trade name to "Z Intermediate Global Corporation" as of October 1, 2023; please see "6. Change of Trade Name of Subsidiary" below for details) is scheduled to become an intermediate holding company that holds and manages those shares in overseas subsidiaries, etc. Please note that the Absorption-Type Mergers will become effective on the condition that distributions in kind of all of the shares in Yahoo by Z Intermediate as part of the Dividend Distributions in Kind become effective, and Absorption-Type Company Split (1) will become effective on the condition that distributions in kind of all of the shares in LINE by Z Intermediate as part of the Dividend Distributions in Kind become effective.

In addition, an absorption-type company split will be implemented in which the Company is the split company and Z Financial Corporation ("**ZF**"), which is a wholly owned subsidiary of the Company and an intermediate holding company for the domestic financial business areas of the Company group, is the successor company ("**Absorption-Type Company Split (2)**"; together with Absorption-Type Company Split (1), the "**Absorption-Type Company Splits**"), as a result of which ZF will succeed to, or assume, the assets, and other rights and obligations

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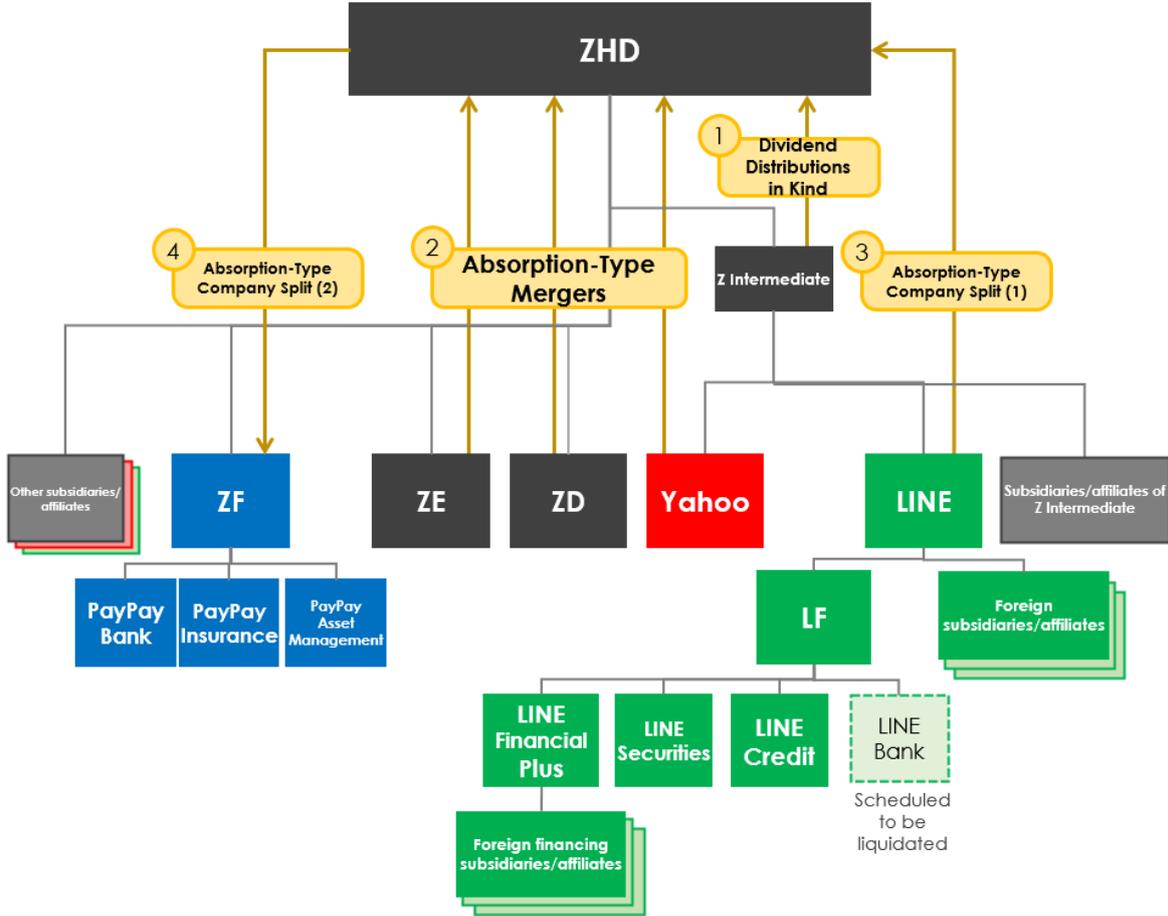
to be succeeded to, or assumed, by the Company in accordance with an absorption-type company split to be separately implemented before Absorption-Type Company Split (2), in which LINE Financial Corporation (“LF”) is the split company and LINE is the successor company, and Absorption-Type Company Split (1), to the extent stipulated in the absorption-type company split agreement regarding Absorption-Type Company Split (2). Although two of the Company’s subsidiaries, namely ZF and LF, have been operating as the intermediate holding companies for the domestic financial business areas of the Company group, the functions of the intermediate holding companies for the domestic financial business areas will, as a result of Absorption-Type Company Split (2), be concentrated in a single company, namely ZF. Absorption-Type Company Split (2) will become effective on the condition that Absorption-Type Company Split (1) becomes effective.

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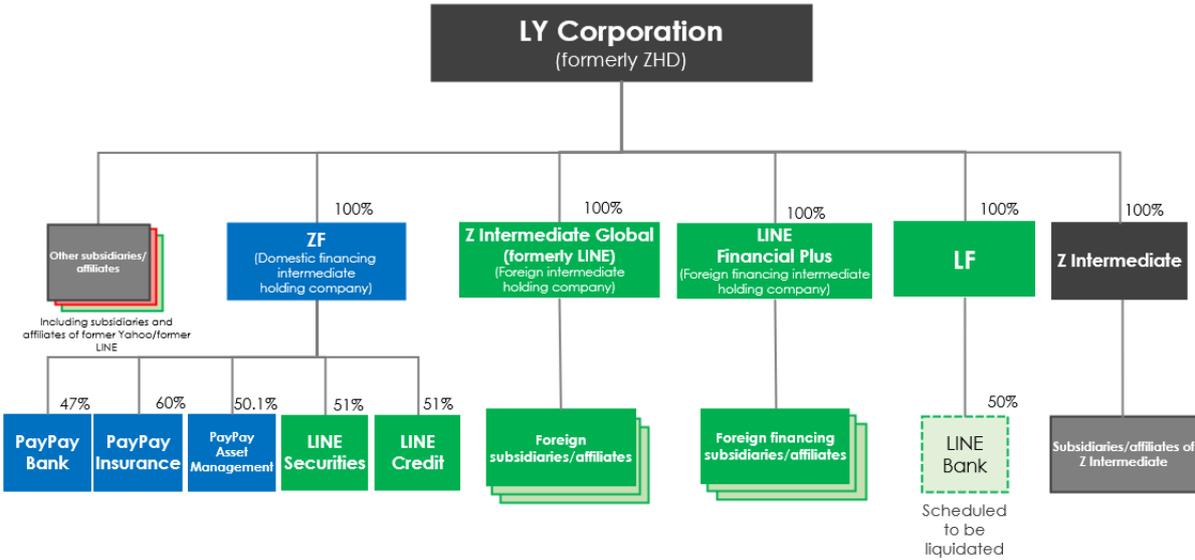
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Scheme of the Reorganization



Company group’s structure after the Reorganization



(Note) As approved by the shareholders at the ordinary general meeting of shareholders

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held on June 16, 2023, the Company will make amendments to its Articles of Incorporation as of October 1, 2023, which is the scheduled date of completion (effective date) of the Reorganization, and the Company will change its trade name to “LY Corporation.” In addition, as stated in “6. Change of Trade Name of Subsidiary” below, LINE will change its trade name to “Z Intermediate Global Corporation” as of the same day. Please note that trade names of other companies are partly abbreviated based on their trade names as of today. Also, some companies are not indicated in the diagrams under “Scheme of the Reorganization” and “Company group’s structure after the Reorganization.”

### 3. Dividend Distributions in Kind

#### (1) Type of dividend property and total book value

The type of dividend property to be delivered to the Company is property other than cash (common shares listed below).

Name	Number of shares	Shareholding percentage	Book value
Yahoo Japan Corporation	7,970,000 shares	100%	JPY 284,832 million
LINE Corporation	240,960,343 shares	100%	JPY 1,838,754 million

#### (2) Matters regarding allotment of dividend property to shareholders

All of the dividend property will be allotted to the Company, which holds all of the issued shares in Z Intermediate as of the effective date of the Dividend Distributions in Kind.

#### (3) Effective date of the Dividend Distributions in Kind

October 1, 2023

#### (4) Outline of the company that makes the Dividend Distributions in Kind

(As of March 31, 2023)

(1) Name	Z Intermediate Holdings Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Ryosuke Sakaue Representative Director
(4) Main business	Managing of group companies and businesses incidental thereto
(5) Stated capital	JPY 1 million
(6) Date of establishment	March 29, 2019
(7) Net assets	JPY 1,169,188 million
(8) Total assets	JPY 1,179,403 million

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(9) Major shareholders and shareholding percentages	Z Holdings Corporation 100.0%	
(10) Relationship between the Company and Z Intermediate	Capital relationship	The Company holds 100.0% of the issued shares in Z Intermediate.
	Personnel relationship	One of Z Intermediate's directors concurrently serves as an officer/employee of the Company.
	Business relationship	The Company and Z Intermediate have a business relationship, including the execution of service agreements and making of monetary deposits.
	Status as related party	Z Intermediate is a consolidated subsidiary of the Company and therefore is a related party of the Company.

(5) Outline of second-tier subsidiaries subject to the change

(As of March 31, 2023)

(1) Name	Yahoo Japan Corporation	
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo	
(3) Name and title of representative	Takao Ozawa President and Representative Director	
(4) Main business	E-commerce business, members services business, online advertising business, and other businesses	
(5) Stated capital	JPY 300 million	
(6) Date of establishment	May 10, 2019	
(7) Major shareholders and shareholding percentages	Z Intermediate Holdings Corporation 100.0%	
(8) Relationship between the Company and Yahoo	Capital relationship	The Company indirectly holds 100.0% of the issued shares in Yahoo.
	Personnel relationship	Seven of Yahoo's directors concurrently serve as officers/employees of the Company. In addition, a considerable number of officers and employees of the Company concurrently serve as executive officers/employees of

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		Yahoo or are seconded to Yahoo.
	Business relationship	The Company and Yahoo have a business relationship, including the execution of agreements regarding company management and making of loans.
	Status as related party	Yahoo is a consolidated subsidiary of the Company and therefore is a related party of the Company.

(9) Performance and financial position in the last three fiscal years (JPY in millions, unless otherwise specified)(Non-consolidated)

Fiscal year	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Net assets	586,382	581,392	480,733
Total assets	1,064,180	1,236,027	1,041,280
Net assets per share	JPY 73,573.69	JPY 72,947.62	JPY 60,317.86
Revenue	450,584	517,671	505,557
Operating income	107,246	80,177	78,228
Ordinary income	114,068	89,469	77,967
Net income	86,546	71,917	94,053
Net income per share	JPY 10,859.04	JPY 9,023.49	JPY 11,800.99
Dividends per share	JPY 10,163	JPY 8,156	JPY 25,095

\*“Dividends per share” stated above does not include amounts delivered as dividends in kind (i.e., dividends in kind whose dividend property is shares in subsidiaries, etc.).

(As of March 31, 2023)

(1) Name	LINE Corporation
(2) Location	1-6-1 Yotsuya, Shinjuku-ku, Tokyo
(3) Name and title of representative	Takeshi Idezawa President and Representative Director
(4) Main business	Advertising services based on the mobile messaging application “LINE”; core businesses, including the sale of LINE stickers and game services; and the development of strategic businesses, including Fintech, AI, and commerce services
(5) Stated capital	JPY 34,201 million
(6) Date of establishment	December 13, 2019
(7) Major shareholders and shareholding	Z Intermediate Holdings Corporation 100.0%

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percentages			
(8) Relationship between the Company and LINE	Capital relationship	The Company indirectly holds 100.0% of the issued shares in LINE.	
	Personnel relationship	Seven of LINE's directors concurrently serve as officers/employees of the Company. In addition, a considerable number of officers and employees of the Company concurrently serve as executive officers/employees of LINE or are seconded to LINE.	
	Business relationship	The Company and LINE have a business relationship, including the execution of agreements regarding company management and making of loans.	
	Status as related party	LINE is a consolidated subsidiary of the Company and therefore is a related party of the Company.	
(9) Performance and financial position in the last three fiscal years (JPY in millions, unless otherwise specified)(Non-consolidated)			
Fiscal year	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Net assets	159,602	162,212	172,628
Total assets	415,853	482,124	503,792
Net assets per share	JPY 662.36	JPY 673.19	JPY 716.42
Revenue	20,610	247,506	250,551
Operating income	2,257	16,925	7,022
Ordinary income	1,932	17,643	8,402
Net income	852	2,695	13,603
Net income per share	JPY 3.54	JPY 11.18	JPY 56.45
Dividends per share	-	JPY 4	-

(6) Schedule of the Dividend Distributions in Kind

Date of resolution at board of directors (Company):  
July 12, 2023

Date of decision by a director (Z Intermediate):  
July 12, 2023

Date of resolution at general meeting of shareholders (Z Intermediate):

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July 12, 2023

Effective date of the Dividend Distributions in Kind:  
October 1, 2023

#### 4. Summary of the Absorption-Type Mergers

##### (1) Schedule of the Absorption-Type Mergers

Date of resolution at board of directors (each company):  
July 12, 2023

Execution date of merger agreements (each company):  
August 15, 2023

Effective date of mergers:  
October 1, 2023

For the Company, each of the Absorption-Type Mergers is a short-form merger in accordance with Article 796, Paragraph 2 of the Companies Act, and for each of Yahoo, ZE, and ZD, the relevant Absorption-Type Merger is a simplified merger in accordance with Article 784, Paragraph 1 of the Companies Act. Therefore, each company will implement the relevant Absorption-Type Merger without obtaining approval by resolution at the respective company's general meeting of shareholders.

The Absorption-Type Mergers will become effective on the condition that distributions in kind of all of the shares in Yahoo by Z Intermediate as part of the Dividend Distributions in Kind become effective.

##### (2) Method of the Absorption-Type Mergers

The Absorption-Type Mergers will be implemented by way of absorption-type mergers in which the Company is the surviving company and each of Yahoo, ZE, and ZD is the disappearing company, as a result of which Yahoo, ZE, and ZD will dissolve.

##### (3) Details of allotment relating to the Absorption-Type Mergers

Because each of Yahoo, ZE, and ZD is a wholly owned subsidiary of the Company, no allotment of shares or other consideration, such as money, will be made upon the Absorption-Type Mergers.

##### (4) Treatment of share options and bonds with share options in connection with the Absorption-Type Mergers

None of Yahoo, ZE, and ZD has issued share options or bonds with share options.

##### (5) Outline of parties to the Absorption-Type Mergers (as of March 31, 2023)

#### Surviving company in the Absorption-Type Mergers

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(1)	Name	Z Holdings Corporation	
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo, Japan	
(3)	Names and titles of representatives (As of April 1, 2023)	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO Junho Shin Representative Director and GCPO	
(4)	Main business	Managing of group companies and businesses incidental thereto	
(5)	Stated capital	JPY 247,094 million	
(6)	Date of establishment	January 31, 1996	
(7)	No. of shares issued	7,633,501,686 shares	
(8)	Fiscal year end	March 31	
(9)	Major shareholders and shareholding percentages	A Holdings Corporation 63.6% The Master Trust Bank of Japan, Ltd. (trust account) 5.9% Custody Bank of Japan, Ltd. (trust account) 2.2% Z Holdings Corporation 1.3%	
(10)	Performance and financial position in the immediately preceding fiscal year (JPY in millions, unless otherwise specified)		
	Fiscal year	Fiscal year ended March 31, 2023 (Consolidated)	
	Total equity	3,317,900	
	Total assets	8,588,722	
	Equity attributable to owners of the parent per share	JPY 389.43	
	Revenue	1,672,377	
	Operating income	314,533	
	Net income attributable to owners of the parent	178,868	
	Basic earnings per share	JPY 23.87	

#### Disappearing companies in the Absorption-Type Mergers

(1)	Name	Yahoo Japan Corporation	Z Entertainment Corporation	Z Data Corporation
(2)	Location	1-3 Kioicho,	1-3 Kioicho,	1-3 Kioicho,

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	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo	Chiyoda-ku, Tokyo
(3) Name and title of representative	Takao Ozawa President and Representative Director	Jun Masuda President and Representative Director, CPO	Kiyoshi Sasaki President and Representative Director
(4) Main business	E-commerce business, members services business, online advertising business, and other businesses	Advertising business, subscription business, members services business, etc.	Promotion of data use/application at each Z Holdings Group company
(5) Stated capital	JPY 300 million	JPY 100 million	JPY 100 million
(6) Date of establishment	May 10, 2019	March 15, 2019	April 24, 2019
(7) No. of shares issued	7,970,000 shares	505 shares	16,010 shares
(8) Fiscal year end	March 31	March 31	March 31
(9) Major shareholders and shareholding percentages	Z Intermediate Holdings Corporation 100%	Z Holdings Corporation 100%	Z Holdings Corporation 100%
(10) Performance and financial position in the immediately preceding fiscal year (JPY in millions, unless otherwise specified)			
Fiscal year	Fiscal year ended March 31, 2023 (Non-consolidated)	Fiscal year ended March 31, 2023 (Non-consolidated)	Fiscal year ended March 31, 2023 (Non-consolidated)
Net assets	480,733	3,555	1,251
Total assets	1,041,280	7,196	1,482
Net assets per share	JPY 60,317.86	JPY 7,040,623.54	JPY 78,179.05
Revenue	505,557	14,808	-
Operating income	78,228	3,140	(346)
Ordinary income	77,967	3,140	(346)
Net income	94,053	2,174	(348)
Net income per share	JPY 11,800.99	JPY 4,306,221.47	JPY (21,783.67)

\*Parentheses indicate negative figures.

## (6) Status after the Absorption-Type Mergers

### Surviving company in the Absorption-Type Mergers

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(1) Name	LY Corporation (Note)
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Names and titles of representatives	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO Junho Shin Representative Director and GCPO
(4) Main business	Development of online advertising business, e-commerce business, members services business, and other businesses, and managing of group companies and other operations
(5) Stated capital	JPY 247,094 million
(6) Fiscal year end	March 31

(Note): As approved by the shareholders at the ordinary general meeting of shareholders held on June 16, 2023, the Company will make amendments to its Articles of Incorporation and change its trade name to “LY Corporation” as of October 1, 2023, which is the scheduled date of completion (effective date) of the Reorganization.

## 5. Summary of the Absorption-Type Company Splits

### (1) Schedule of the Absorption-Type Company Splits

Date of resolution at board of directors (each company):  
July 12, 2023

Execution date of absorption-type company split agreements regarding the Absorption-Type Company Splits (each company):  
August 15, 2023

Effective date of the Absorption-Type Company Splits:  
October 1, 2023

For the Company, Absorption-Type Company Split (1) is a short-form split in accordance with Article 796, Paragraph 2 of the Companies Act, and for LINE, Absorption-Type Company Split (1) is a simplified split in accordance with Article 784, Paragraph 1 of the Companies Act. Therefore, each company will implement Absorption-Type Company Split (1) without obtaining approval by resolution at the respective company’s general meeting of shareholders.

Absorption-Type Company Split (1) will become effective on the condition that distributions in kind of all of the shares in LINE by Z Intermediate as part of the Dividend Distributions in Kind become effective.

For the Company, Absorption-Type Company Split (2) is a short-form split in accordance with Article 784, Paragraph 2 of the Companies Act, and for ZF, Absorption-Type Company Split (2) is a simplified split in accordance with Article

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796, Paragraph 1 of the Companies Act. Therefore, each company will implement Absorption-Type Company Split (2) without obtaining approval by resolution at the respective company's general meeting of shareholders.

Absorption-Type Company Split (2) will become effective on the condition that Absorption-Type Company Split (1) becomes effective.

(2) Method of the Absorption-Type Company Splits

- Absorption-Type Company Split (1)

Absorption-Type Company Split (1) will be implemented by way of absorption-type company split in which LINE is the split company and the Company is the successor company.

- Absorption-Type Company Split (2)

Absorption-Type Company Split (2) will be implemented by way of absorption-type company split in which the Company is the split company and ZF is the successor company.

(3) Details of allotment relating to the Absorption-Type Company Splits

Because each of LINE and ZF is a wholly owned subsidiary of the Company, no allotment of shares or other consideration, such as money, will be made upon the Absorption-Type Company Splits.

(4) Treatment of share options and bonds with share options in connection with the Absorption-Type Company Splits

- Absorption-Type Company Split (1)

LINE has not issued share options or bonds with share options.

- Absorption-Type Company Split (2)

Although the Company has issued share options and bonds with share options, those share options and the share options attached to those bonds with share options will not be extinguished in Absorption-Type Company Split (2), and ZF will not assume the obligations pertaining to the bonds in relation to those bonds with share options.

(5) Increases or decreases in capital in connection with the Absorption-Type Company Splits

There will be no change in capital in connection with the Absorption-Type Company Splits.

(6) Rights and obligations succeeded to, or assumed, by the successor company

- Absorption-Type Company Split (1)

The Company will succeed to, or assume from LINE, all of the assets, and other

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rights and obligations of LINE except for certain shares in overseas companies held and managed by LINE and those stipulated in the absorption-type company split agreement regarding Absorption-Type Company Split (1).

- Absorption-Type Company Split (2)

ZF will succeed to, or assume from the Company, the assets, and other rights and obligations to be succeeded to, or assumed, by the Company in accordance with an absorption-type company split in which LF is the split company and LINE is the successor company, and Absorption-Type Company Split (1), to the extent stipulated in the absorption-type company split agreement regarding Absorption-Type Company Split (2).

(7) Expected performance of obligations

- Absorption-Type Company Split (1)

The Company has determined that there is no problem in the expected performance of the obligations to be borne by the Company on and after the effective date of Absorption-Type Company Split (1).

- Absorption-Type Company Split (2)

The Company has determined that there is no problem in the expected performance of the obligations to be borne by ZF on and after the effective date of Absorption-Type Company Split (2).

(8) Outline of parties to the Absorption-Type Company Splits (as of March 31, 2023)

Successor company in Absorption-Type Company Split (1) and split company in Absorption-Type Company Split (2)

(1)	Name	Z Holdings Corporation
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Names and titles of representatives (As of April 1, 2023)	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO Junho Shin Representative Director and GCPO
(4)	Main business	Managing of group companies and businesses incidental thereto
(5)	Stated capital	JPY 247,094 million
(6)	Date of establishment	January 31, 1996
(7)	No. of shares issued	7,633,501,686 shares
(8)	Fiscal year end	March 31
(9)	Major shareholders and	A Holdings Corporation 63.6%

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shareholding percentages	The Master Trust Bank of Japan, Ltd. (trust account)	5.9%
	Custody Bank of Japan, Ltd. (trust account)	2.2%
	Z Holdings Corporation	1.3%
(10) Performance and financial position in the immediately preceding fiscal year (JPY in millions, unless otherwise specified)		
Fiscal year	Fiscal year ended March 31, 2023 (Consolidated)	
Total equity	3,317,900	
Total assets	8,588,722	
Equity attributable to owners of the parent per share	JPY 389.43	
Revenue	1,672,377	
Operating income	314,533	
Net income attributable to owners of the parent	178,868	
Basic earnings per share	JPY 23.87	

Split company in Absorption-Type Company Split (1)

(1)	Name	LINE Corporation
(2)	Location	1-6-1 Yotsuya, Shinjuku-ku, Tokyo
(3)	Name and title of representative	Takeshi Idezawa President and Representative Director
(4)	Main business	Advertising services based on the mobile messaging application “LINE”; core businesses, including the sale of LINE stickers and game services; and the development of strategic businesses, including Fintech, AI, and commerce services
(5)	Stated capital	JPY 34,201 million
(6)	Date of establishment	December 13, 2019
(7)	No. of shares issued	240,960,343 shares
(8)	Fiscal year end	March 31
(9)	Major shareholders and shareholding percentages	Z Intermediate Holdings Corporation 100%

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(10)	Performance and financial position in the immediately preceding fiscal year (JPY in millions, unless otherwise specified)	
Fiscal year	Fiscal year ended March 31, 2023 (Non-consolidated)	
Net assets	172,628	
Total assets	503,792	
Net assets per share	JPY 716.42	
Revenue	250,551	
Operating income	7,022	
Ordinary income	8,402	
Net income	13,603	
Net income per share	JPY 56.45	

Successor company in Absorption-Type Company Split (2)

(1)	Name	Z Financial Corporation
(2)	Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Hiroyuki Torigoe Representative Director
(4)	Main business	Managing of group companies and businesses incidental thereto
(5)	Stated capital	JPY 36,216 million
(6)	Date of establishment	May 10, 2019
(7)	No. of shares issued	1,448,672 shares
(8)	Fiscal year end	March 31
(9)	Major shareholders and shareholding percentages	Z Holdings Corporation 100%
(10)	Performance and financial position in the immediately preceding fiscal year (JPY in millions, unless otherwise specified)	
Fiscal year	Fiscal year ended March 31, 2023 (Non-consolidated)	
Net assets	99,571	
Total assets	99,725	

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Net assets per share	JPY 68,733.12
Revenue	744
Operating income	(258)
Ordinary income	(258)
Net income	(960)
Net income per share	JPY (2,053.01)

\*Parentheses indicate negative figures.

(9) Outline of the businesses to be split off or succeeded to

(A) Details of the businesses of the division to be split off or succeeded to

- Details of the businesses to be succeeded to through Absorption-Type Company Split (1)

All businesses of LINE (advertising services based on the mobile messaging application “LINE”; core businesses, including the sale of LINE stickers and game services; and the development of strategic businesses, including Fintech, AI, and commerce services)

- Details of the businesses to be split off through Absorption-Type Company Split (2)

Part of the management service for group companies in the domestic financial business areas

(B) Operating results of the businesses to be split off or succeeded to

- Operating results of the businesses to be succeeded to through Absorption-Type Company Split (1)

Revenue (FY ended March 31, 2023): JPY 250,551 million

- Operating results of the businesses to be split off through Absorption-Type Company Split (2)

Revenue (FY ended March 31, 2023): JPY 558 million

(C) Assets and liabilities to be split off, succeeded to, or assumed, and their book value

- Assets and liabilities to be succeeded to, or assumed, through Absorption-Type Company Split (1) and their book value

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	JPY 117,451	Current assets	JPY 200,326

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	million		million
Noncurrent assets	JPY 305,374 million	Noncurrent assets	JPY 129,536 million
Total	JPY 422,825 million	Total	JPY 329,862 million

(Note) Each of the amounts of assets and liabilities to be succeeded to, or assumed, above is an estimated amount as of June 30, 2023 and the book value before making any change to amounts on the consolidated financial statements including goodwill to be recorded in the non-consolidated financial statements of the Company through Absorption-Type Company Split (1). Therefore, actual amounts to be succeeded to, or assumed, may differ from the above amounts.

- Assets and liabilities to be split off through Absorption-Type Company Split (2) and their book value

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	JPY – million	Current assets	JPY – million
Noncurrent assets	JPY 17,718 Million	Noncurrent assets	JPY – million
Total	JPY 17,718 million	Total	JPY – million

(Note) Each of the amounts of assets and liabilities to be split off , above is an estimated amount as of June 30, 2023. Therefore, actual amounts to be split off may differ from the above amounts.

#### (10) Status after the Absorption-Type Company Splits

##### Status of the Company (successor company in Absorption-Type Company Split (1) and split company in Absorption-Type Company Split (2))

(1) Name	LY Corporation (Note)
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Names and titles of representatives	Kentaro Kawabe Chairperson and Representative Director Takeshi Idezawa President and Representative Director, CEO Junho Shin

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	Representative Director and GCPO
(4) Main business	Development of online advertising business, e-commerce business, members services business, and other businesses, and managing of group companies and other operations
(5) Stated capital	JPY 247,094 million
(6) Fiscal year end	March 31

(Note): As approved by the shareholders at the ordinary general meeting of shareholders held on June 16, 2023, the Company will make amendments to its Articles of Incorporation and change its trade name to “LY Corporation” as of October 1, 2023, which is the scheduled date of completion (effective date) of the Reorganization.

Status of ZF (successor company in Absorption-Type Company Split (2))

(1) Name	Z Financial Corporation
(2) Location	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Hiroyuki Torigoe Representative Director
(4) Main business	Managing of group companies and businesses incidental thereto
(5) Stated capital	JPY 36,216 million
(6) Fiscal year end	March 31

6. Change of Trade Name of Subsidiary

(1) Outline of subsidiary

(As of March 31, 2023)

(1) Name	LINE Corporation
(2) Location	1-6-1 Yotsuya, Shinjuku-ku, Tokyo
(3) Name and title of representative	Takeshi Idezawa President and Representative Director
(4) Main business	Advertising services based on the mobile messaging application “LINE”; core businesses, including the sale of LINE stickers and game services; and the development of strategic businesses, including Fintech, AI, and commerce services
(5) Stated capital	JPY 34,201 million

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(2) Reason for change of trade name

It is planned that LINE will, through the Reorganization, become an intermediate holding company that holds and manages shares in overseas subsidiaries, etc. Therefore, in light of the details of its businesses and its position, LINE will change its trade name as of October 1, 2023, which is the scheduled date of completion (effective date) of the Reorganization.

(3) Trade name after the change of trade name

Z Intermediate Global Corporation

(4) Date of change of trade name

October 1, 2023

7. Future Prospects

The cost reduction, etc. through the Reorganization is incorporated into the consolidated business performance forecast for the fiscal year ended March 31, 2024 announced in “Consolidated Financial Results (IFRS) for Fiscal Year Ended March 31, 2023” dated April 28, 2023. Therefore, there is no change in the forecast. The Company will promptly make an announcement if any additional details require disclosure with respect to this matter.

(Reference) Consolidated business performance forecast for current fiscal year (as announced on April 28, 2023) and consolidated business performance for previous fiscal year

	Revenue	Adjusted EBITDA
Consolidated business performance forecast for current fiscal year (FY ended March 31, 2024)	JPY 1,900,000 million	JPY 356,000 million to JPY 366,000 million
Consolidated business performance for previous fiscal year (FY ended March 31, 2023)	JPY 1,672,377 million	JPY 332,610 million

End

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