
Z Holdings and LINE to Combine with Equal Spirit

November 18, 2019

Z HOLDINGS

**Provide the Best
User Experience in Japan**

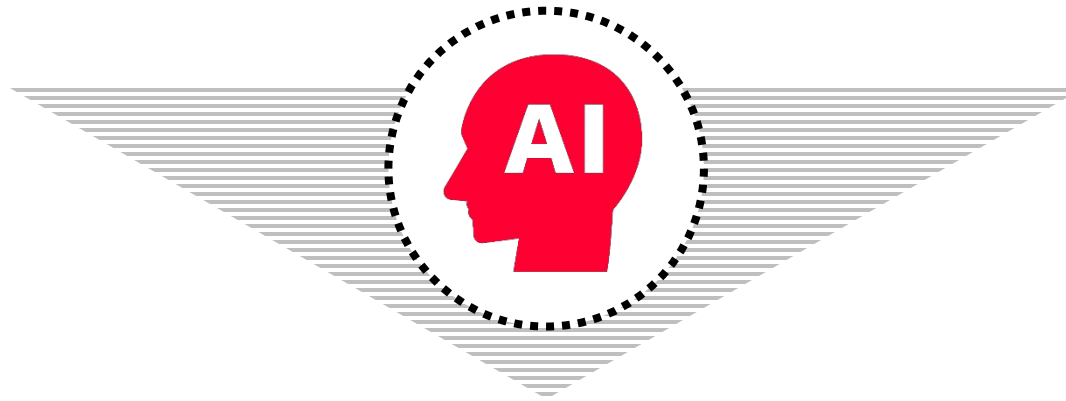
**World-leading AI Tech Company
Based in Japan and Asia**

Maximize user actions with the power of AI

No.1
of Users



Matching needs through AI



No.1
of Corporate Clients



Conversion No.1

Payment

E-Commerce

O2O

Advertising

Best Combination with Complementary Product and Service Portfolios

Wide Reach **YAHOO! JAPAN**

Deep Engagement **LINE**

User Base

Largest Media Service

MAU 67.4 mil people*

*Source: Nielsen "TOPS OF 2018: DIGITAL IN JAPAN",
Top 10 internet services in Japan 2018

Largest Communication Service

MAU 82.0 mil people*

*Source: 2019/12 3Q Earnings Report

Service Base

Media Advertising



E-Commerce



SNS Messenger

LINE

Fintech



* Services listed above show our major services (not covering all the services)

4 Major Pillars for Synergy Strategies



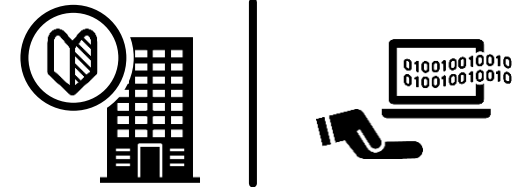
Marketing Business



Expansion in User Base



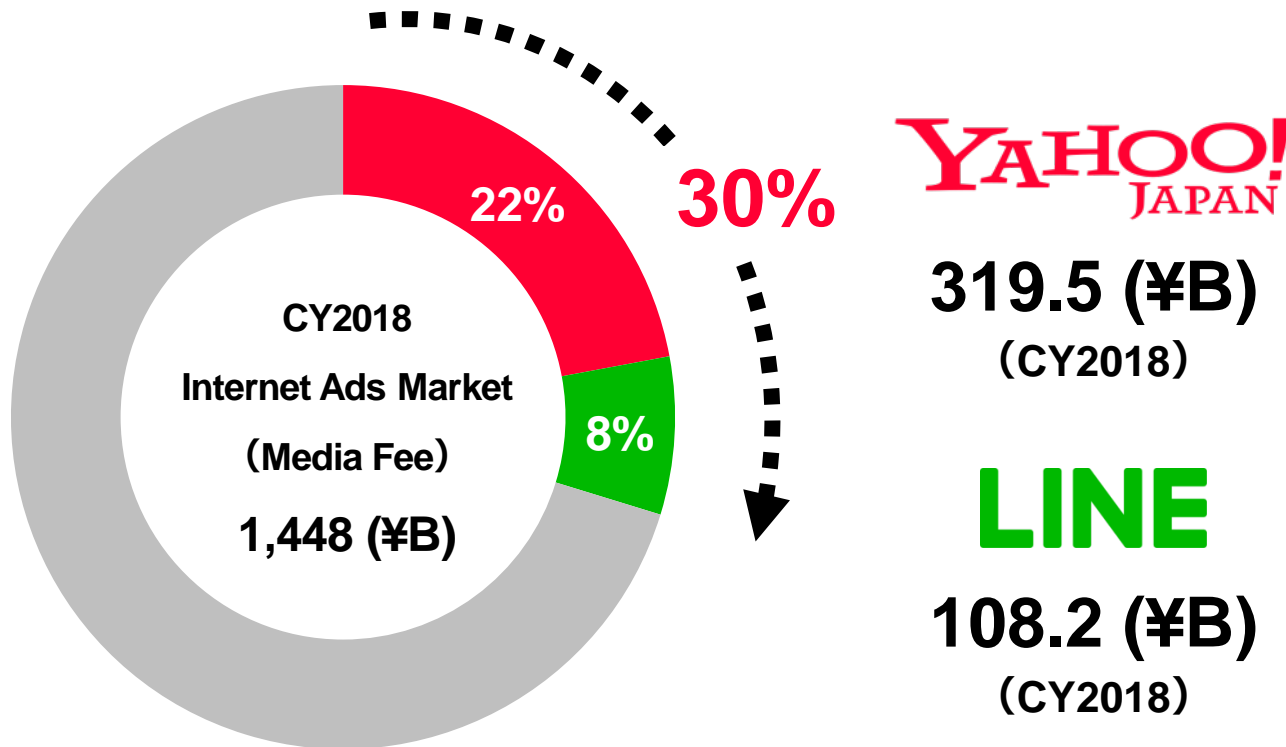
Fintech Business



**New Business /
System Development**

Scale Expansion and New Business Opportunities

Further strengthen market position in domestic Internet Ads Market



Source : Dentsu “Advertising Expenditures in Japan (2018)”

Accelerate initiatives in Integrated Marketing Solution

YAHOO! JAPAN Sales Promotion

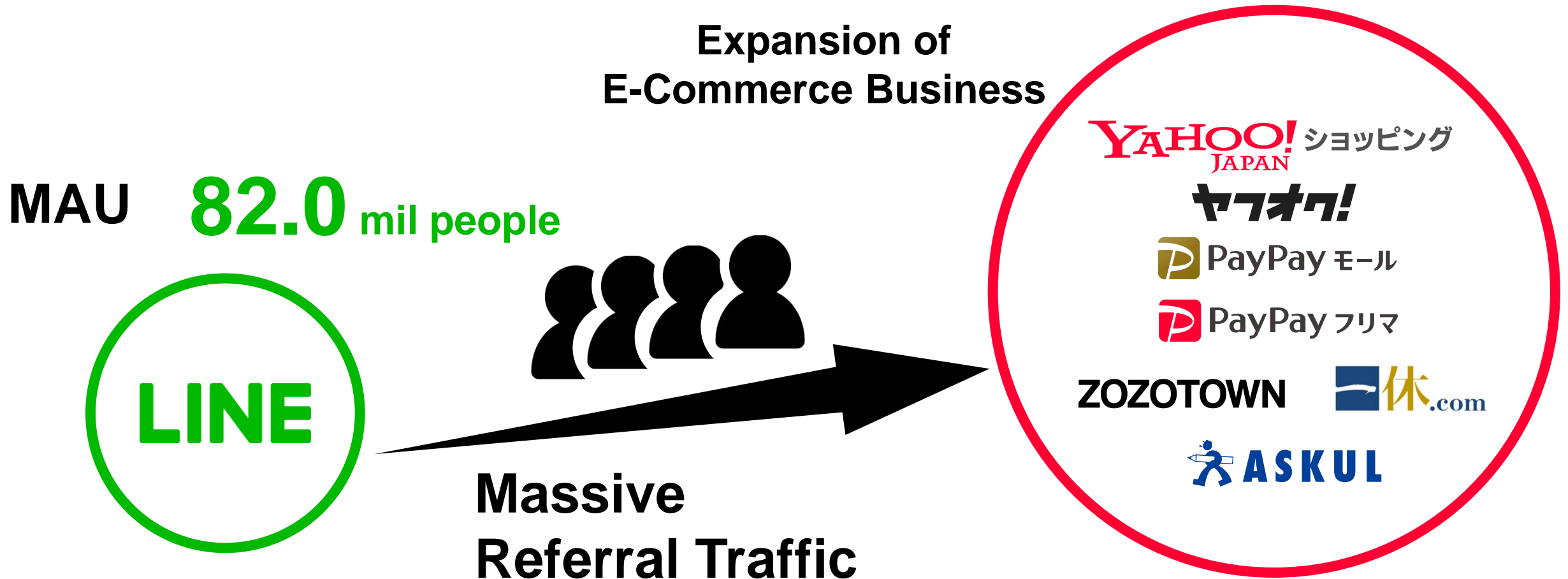
- One-stop brand new service combining from advertisement to sales promotion, bringing consumers from online into the real-world to make purchases in physical stores

LINE Official Account

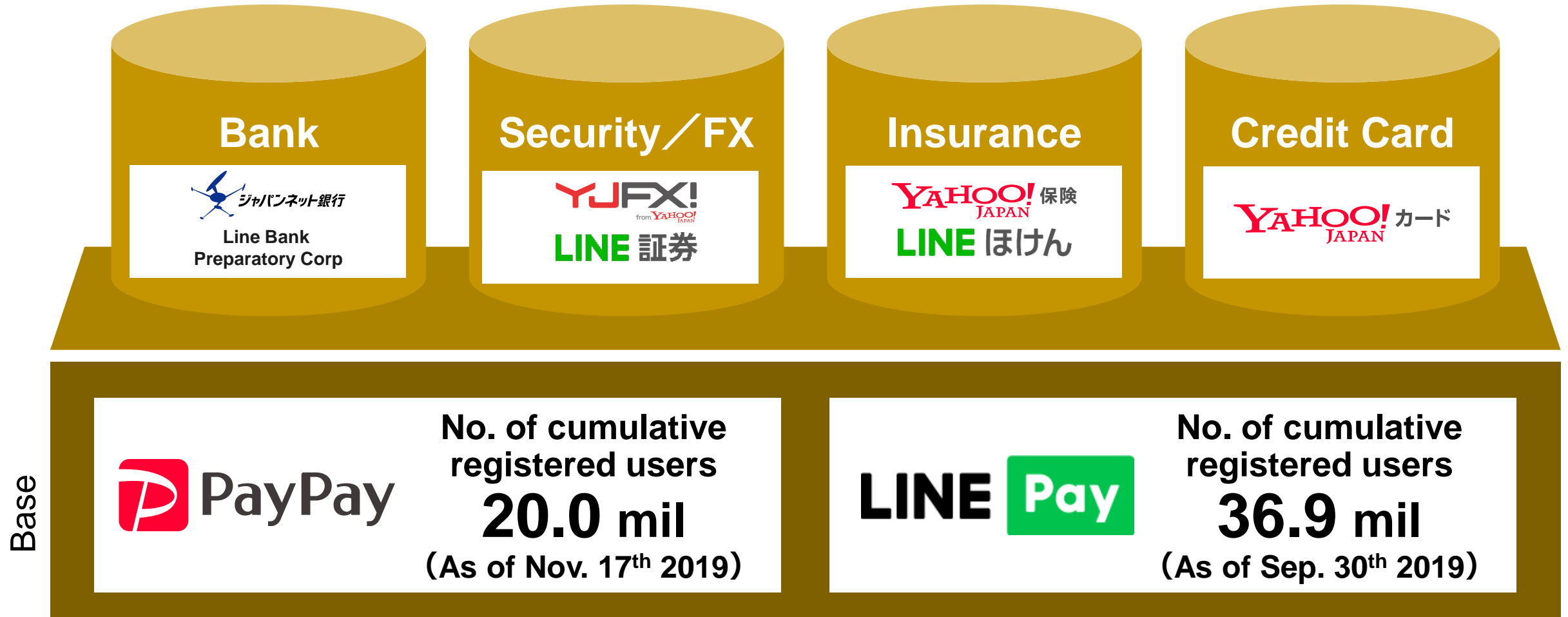
- Convey various types of targeted information to multiple users that is not possible through email or social media promotions

Expansion in User Base

Giant leap in transaction value by integration of LINE users and ZHD's E-Commerce services



Maximize the Base and Develop Pillars for Fintech Business



Accelerate and strengthen AI development fundamental base of all service line-up

YAHOO! JAPAN メール

YAHOO! JAPAN 防災速報

YAHOO! JAPAN 地図

LINE MUSIC LINE LIVE LINE GAME LINEマンガ

YAHOO! JAPAN 路線情報

YAHOO! JAPAN ファイナンス

YAHOO! JAPAN 知恵袋

SHOPPING GO LINE GIFT LINEデリマ LINEポケオ

e book
japan

TRILL

Sportsnavi

GYAO!

LINE トラベル jp

LINE Score

LINE Clova

NAVER まとめ

AI Base



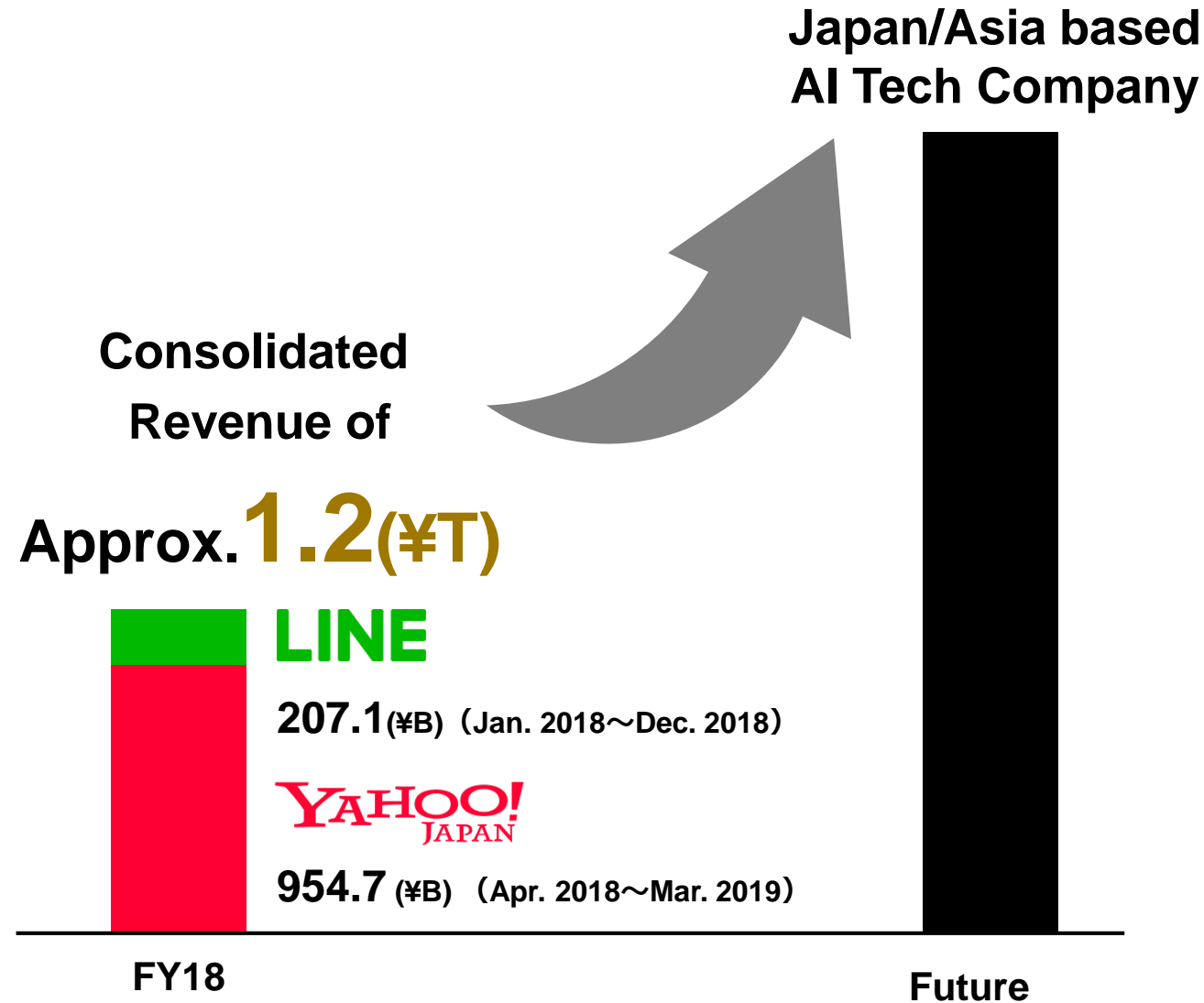
Resources (Engineers)



Know-How (Experience)

* Services listed above show our major services (not covering all the services)

Accelerating the Mid-Long Term Growth



Creating the Future by
enhancing group synergies

No.1 AI Tech Company in
Japan and Asia



Valuing Corporate Governance with Equal Spirit in Conformity with the Principles of the CG Code

Internal Directors

Independent Outside Directors

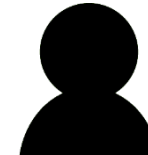
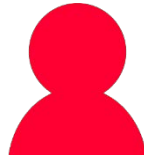
Z Holdings



Z Holdings Corp.
President and CEO
Kentaro Kawabe



Z Holdings Corp.
Director
Takao Ozawa



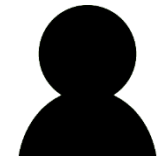
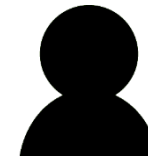
LINE



LINE Corp.
President and CEO
Takeshi Idezawa



LINE Corp.
Director and CWO
Jungho Shin



Leadership at New Z Holdings



**President, Representative Director
and Co-CEO**

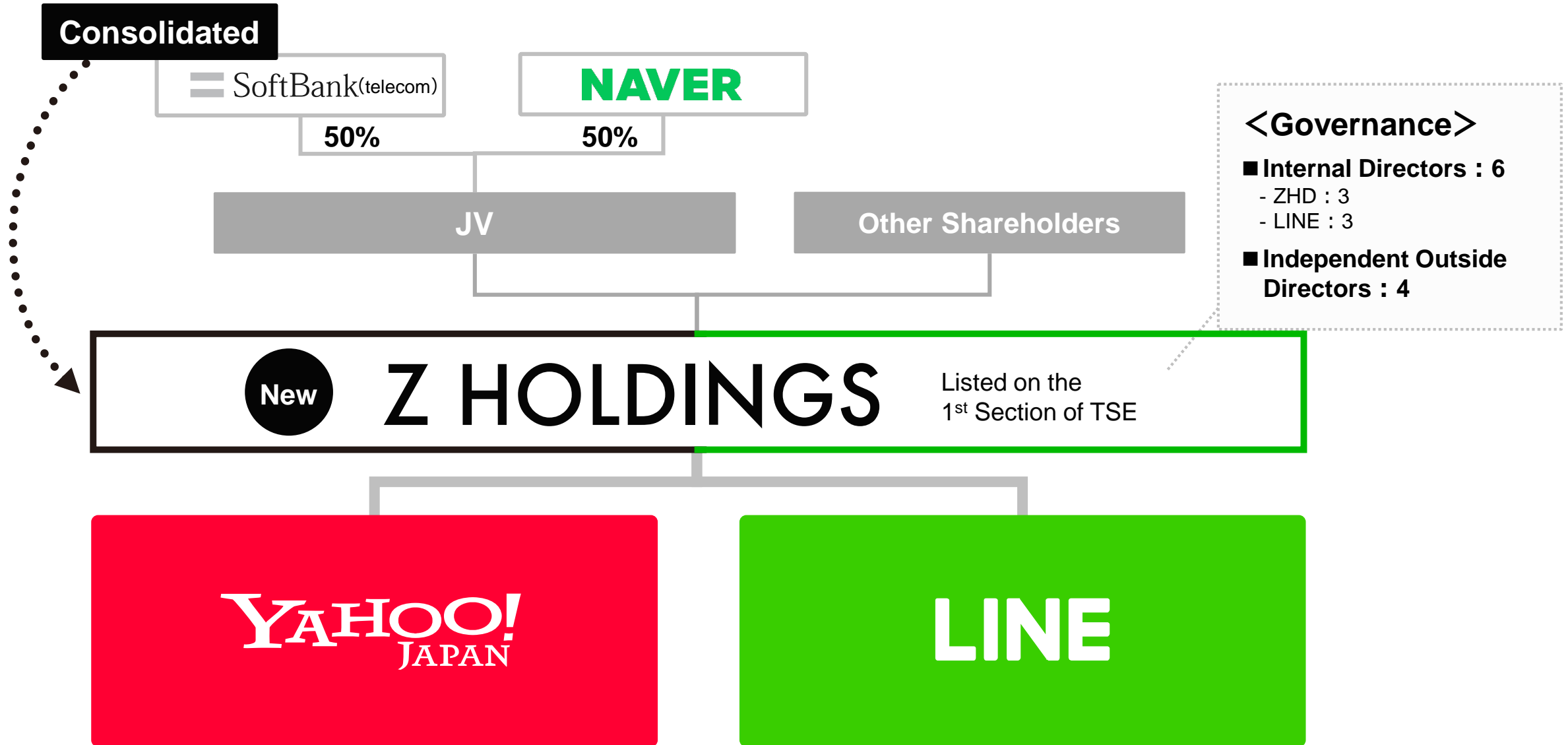
Kentaro Kawabe



**Representative Director
and Co-CEO**

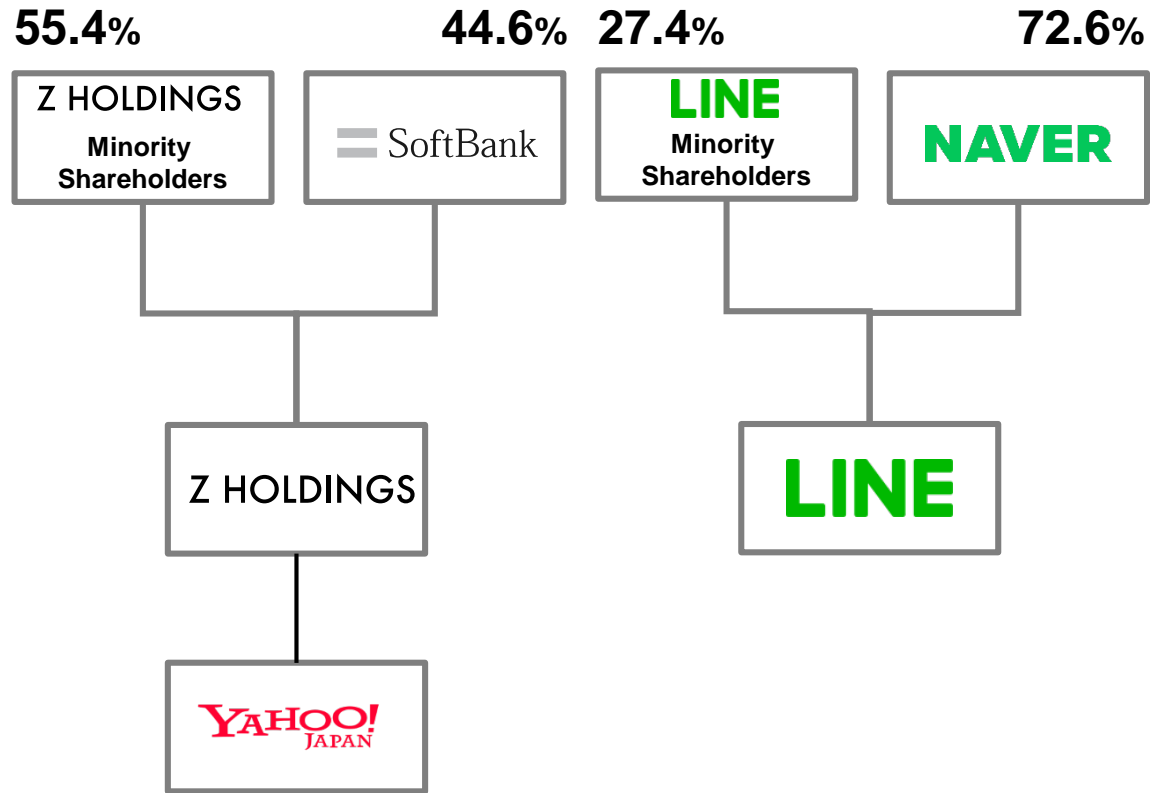
Takeshi Idezawa

Post-Merger Corporate Structure (Planned)



Transaction Structure Summary

Current Structure

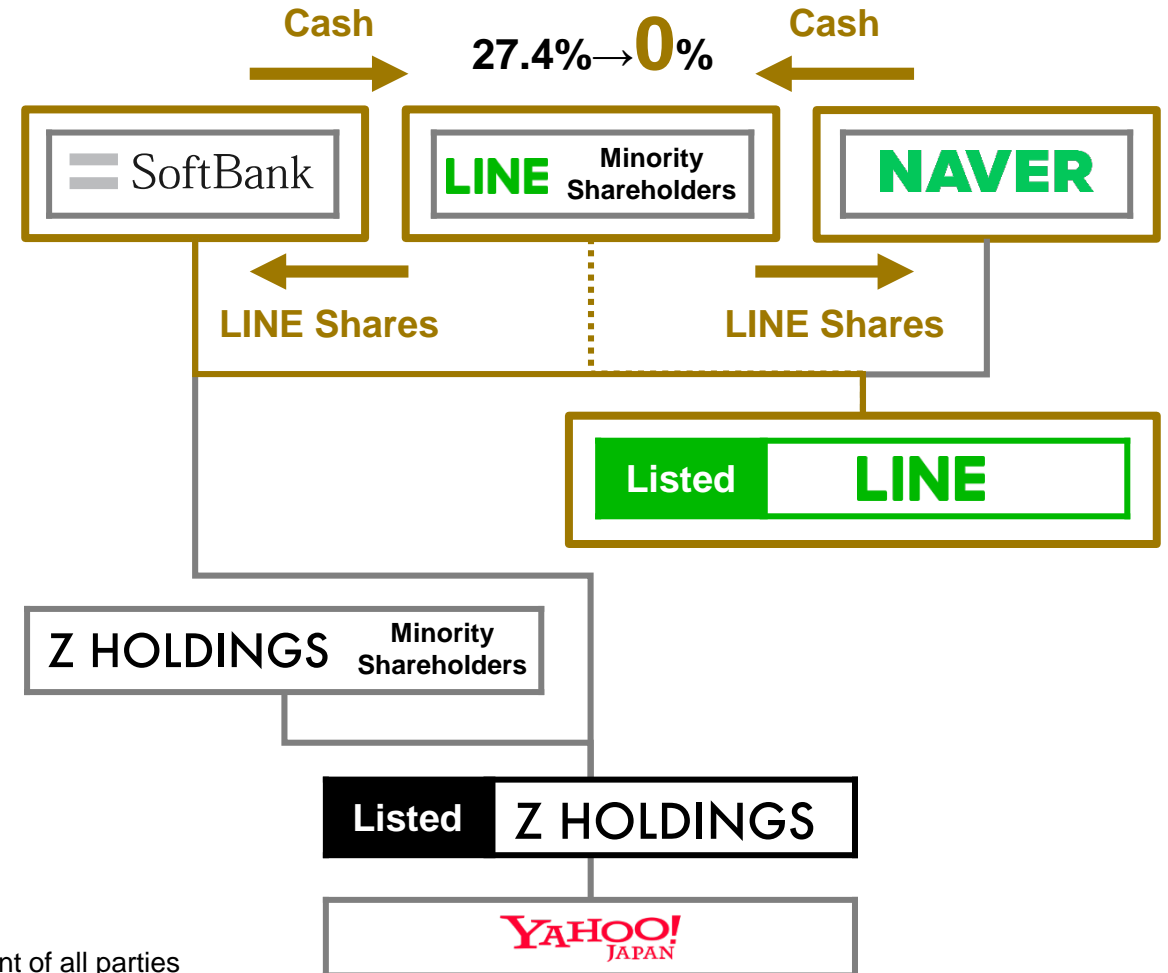


*The structure is partially omitted or simplified

*The procedure may be changed within the scope of the purpose of this merger and with the agreement of all parties concerned

Step1

LINE to be unlisted through TOB



Step 2

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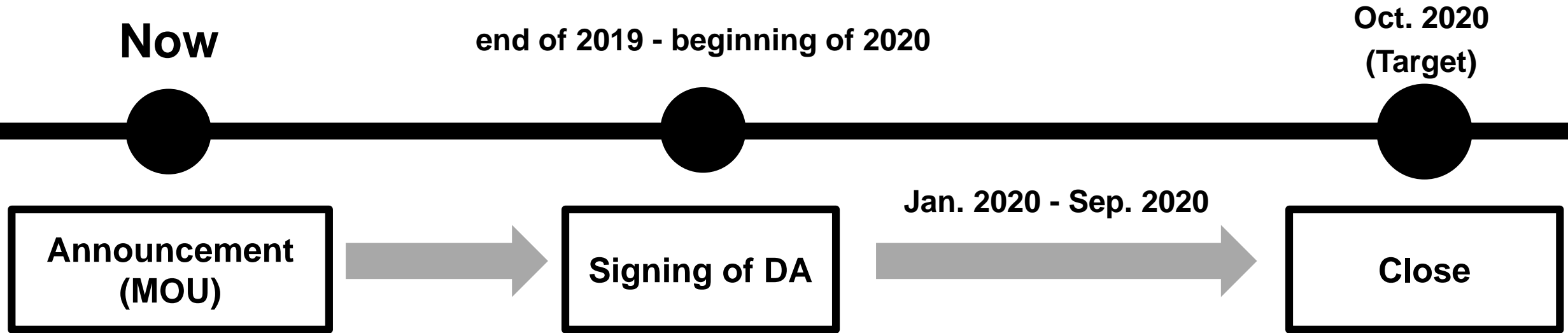
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The diagram illustrates the ownership structure of Z Holdings and its subsidiaries:

- Top Level:** SoftBank (50%) and NAVER (50%) are consolidated owners.
- Second Level:** The ownership is split into **Private** (SoftBank's share) and **JV (old LINE)** (Naver's share).
- Third Level:**
 - Z HOLDINGS** (Listed) is owned by **Private** and **ZHD Shares** (Minority Shareholders).
 - JV (old LINE)** is labeled **(LINE Business)** and leads to the **LINE** subsidiary.
- Bottom Level:**
 - Z HOLDINGS** owns **YAHOO! JAPAN** and **LINE**.

- **Exchange Ratio (Z Holdings) 1 : 11.75 (LINE)**
- **Based on the ratio, number of outstanding shares will increase from 4.8 billion shares to 7.7 billion shares**
 - **All incremental shares are issued to JV**
 - **No. of treasury shares to be allocated is undecided**

Timeline (Planned)



Various applications/examination/procedures

- Anti-Trust Law (Japan/Korea/Taiwan/U.S. etc.)
- Corporate Reorganization; TOB

Z HOLDINGS