

Z HOLDINGS

**Z Holdings Corporation
FY2019-2Q
Business Results**

November 1, 2019

1 Z Holdings Corporation

2 FY2019-2Q Financial Results

3 Business Topics

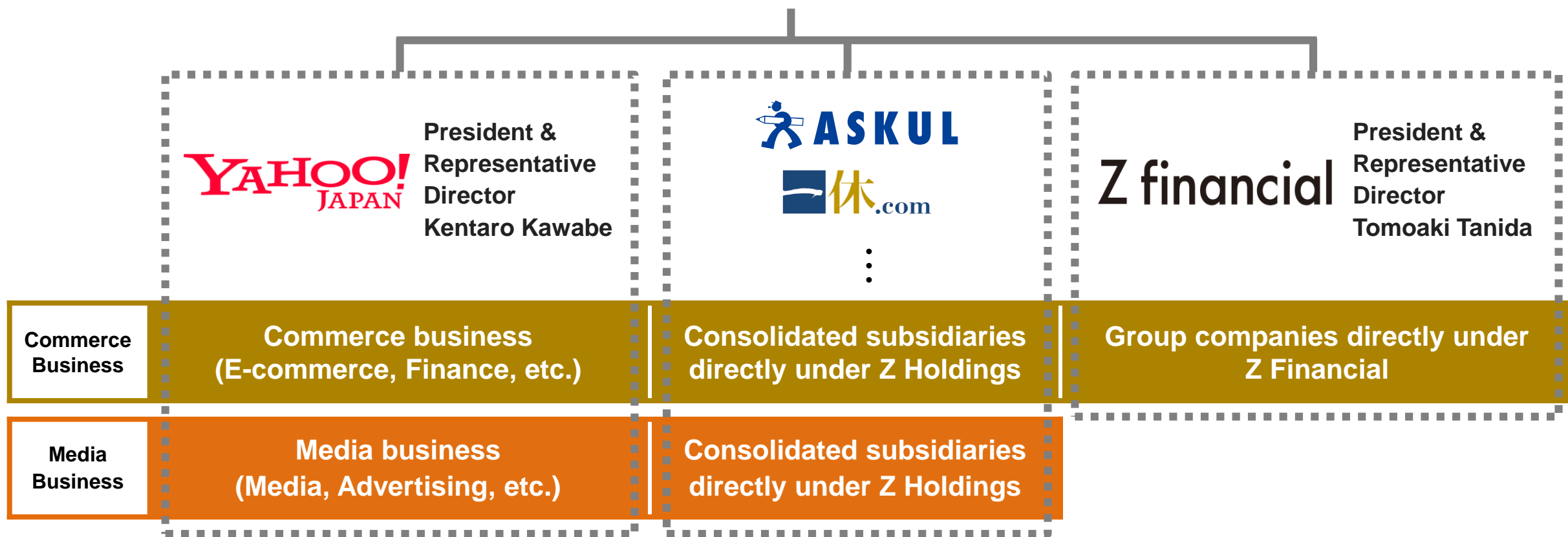
4 Appendix

Z Holdings Corporation

From Y to Z — Structure that creates a greater future

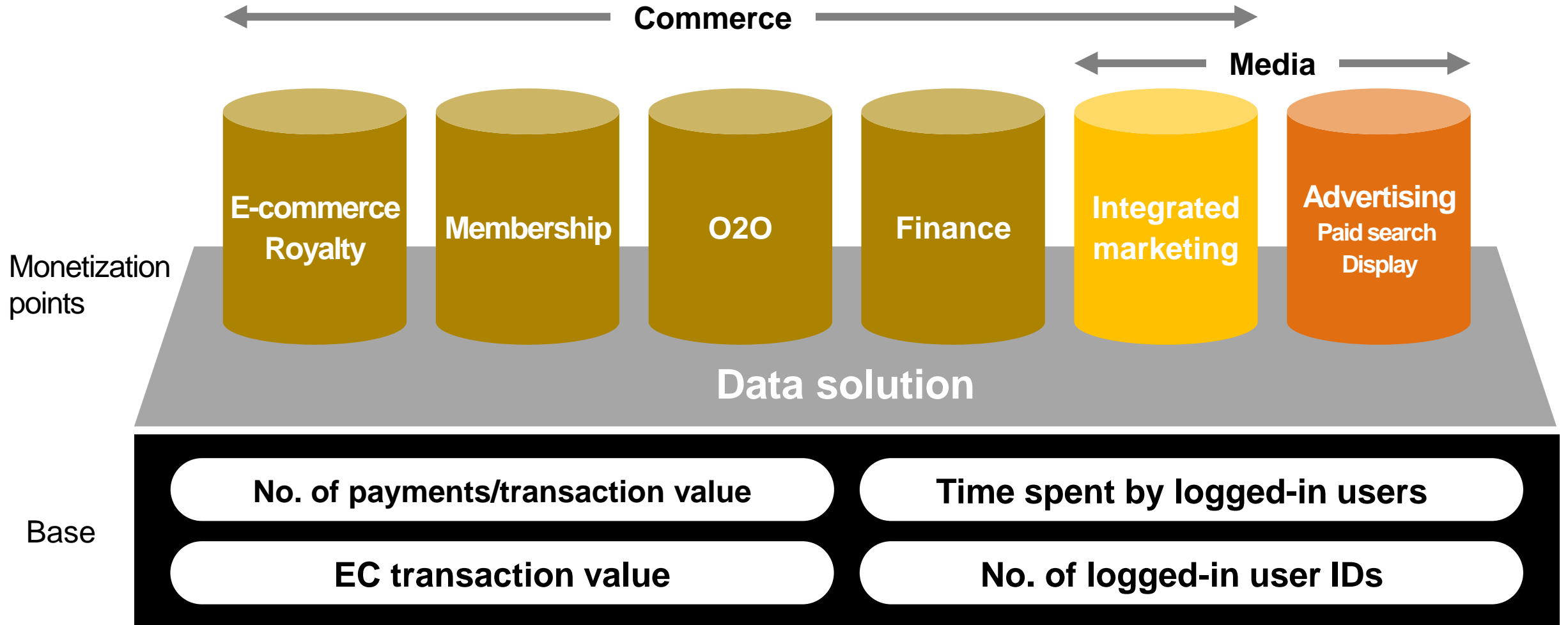
Z HOLDINGS

President & Representative Director
Kentaro Kawabe



Note: There are no changes in disclosed segments.

Business model with variety and scalability



From predicting to creating the future

Expand business domains from online to offline; increase revenue in four fields

E-commerce

Fintech

Integrated
marketing
solution

Data solution

- Enhance group synergies, to provide exceptionally convenient user experience
- Flexible and expeditious decision-making; optimum distribution of business resources
- Speedier implementation of business strategies

Japanese platform operator that understands local users the best

FY2019-2Q Financial Results

FY2019-2Q Consolidated Income Statement

| Item | FY2018-2Q | FY2019-2Q | YoY |
|---|-------------------|--------------------------------|----------------|
| Revenue | 233.1 (¥B) | 245.5 (¥B) | +5.3 % |
| Operating income | 35.5 (¥B) | 39.4 (¥B) | +11.2 % |
| EBITDA ^{*1} | 48.2 (¥B) | 57.8 (¥B) | +20.1 % |
| Equity in earnings of associates and joint venture | -1.1 (¥B) | ^{*2} -5.0 (¥B) | n.a. |
| Net income | 22.7 (¥B) | 24.7 (¥B) | +8.6 % |
| Net income attributable to owners of the parent | 22.4 (¥B) | 23.7 (¥B) | +5.9 % |
| Diluted EPS | ¥ 4.09 | ¥ 5.00 | +22.1 % |

*1 Change in EBITDA is mainly due to application of IFRS 16, Leases

*2 Mainly due to PayPay Corporation

FY2019-2Q Factors of Change in Consolidated Operating Income

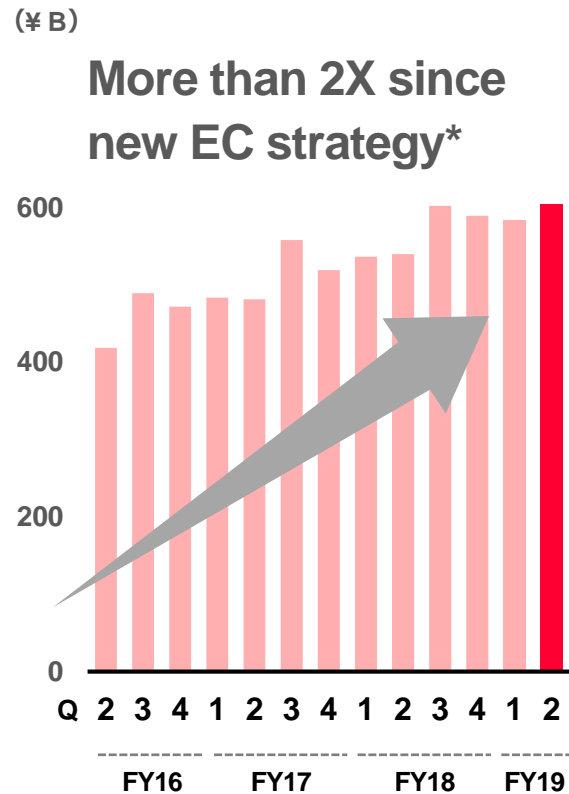
Despite an increase in fixed costs, etc.; succeeded in increasing operating income by scrutinizing expenses and measures to be implemented

| | | Amount (¥B) | Major factors of change (¥B) |
|-------------------------|---|--------------|---|
| FY2018-2Q Result | | 35.5 | |
| YoY difference | Revenue | +12.3 | ASKUL +7 (Partly due to last-minute demand before consumption tax hike) Advertising revenue +2.7 |
| | Cost of sales | -4.1 | |
| | SG&A (major items only.) | -4.1 | |
| | Depreciation and amortization | -5.8 | <ul style="list-style-type: none"> • Increase in depreciation expense of right-of-use assets due to application of IFRS 16 (rental expense decreased instead) • Increase in software, servers, etc. |
| | Sales promotion cost | -1.7 | Increase in point reward cost in Commerce Business |
| | Commissions expenses | -1.0 | Increase in commissions in line with business expansion |
| | Advertising and promotional expenses | -0.8 | Increase in media-related promotional expenses |
| | Personnel expenses | -0.8 | Increased due to hiring of new recruits in FY19-1Q (Yahoo Japan Corporation alone: approx. 450 new recruits) |
| FY2019-2Q Result | | 39.4 | |

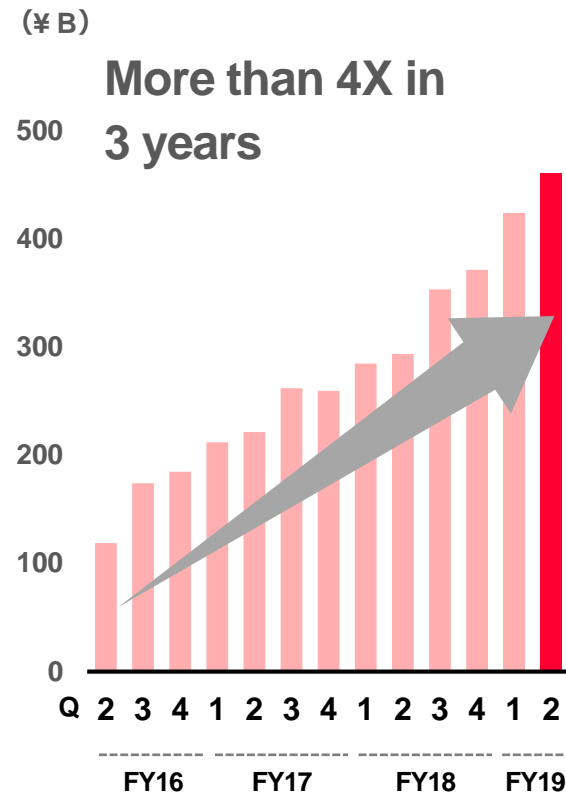
Note: YoY increase in expense is noted in negative figure.

Each business base expanding steadily

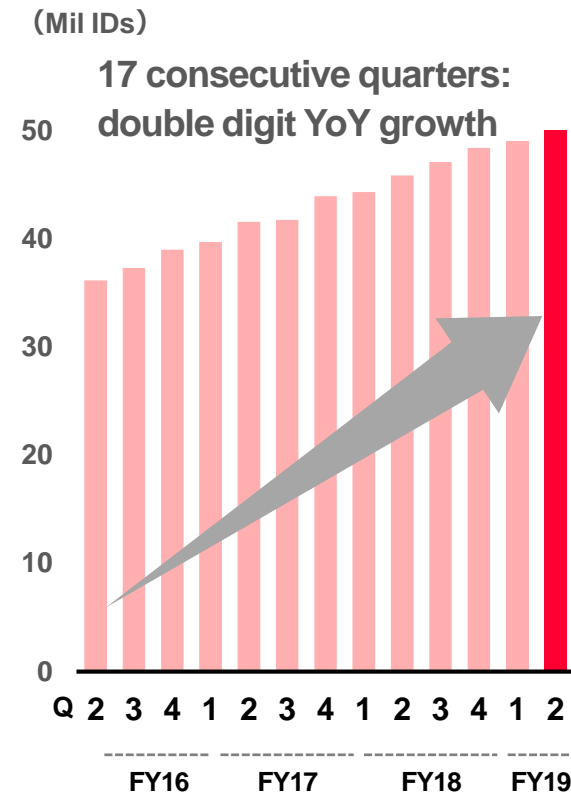
EC transaction value



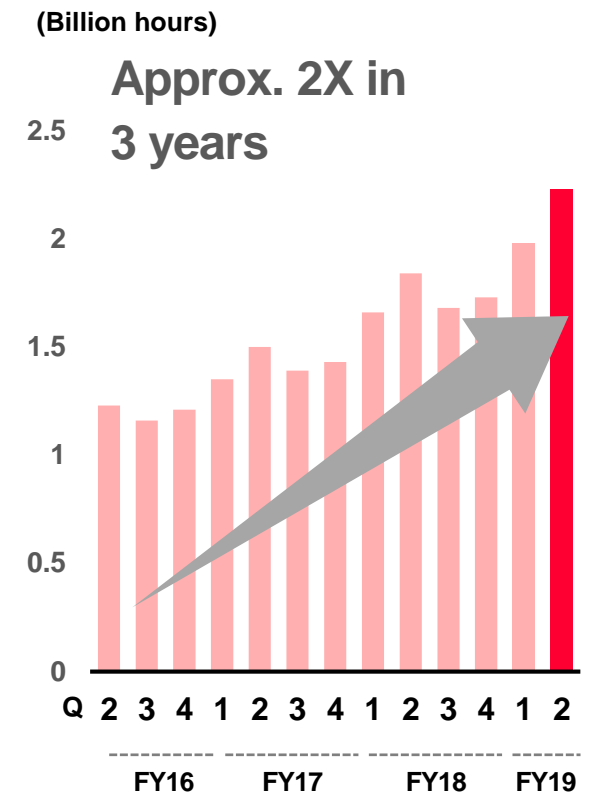
Credit card transaction value



No. of monthly logged-in user IDs



Time spent by logged-in users*



*Began in October 2013

* Via smartphones

FY2019 Full Year Guidance (Consolidated Basis)

Excluding ZOZO, aim to achieve lower end of operating income guidance

| Item | FY2019 (estimate) | YoY | Progress |
|--|---------------------------|-------------------|-------------------|
| Revenue | Over ¥1 T | + 5 to 7 % | 48 % |
| Operating income | ¥ 140.6 to 150.0 B | ±0 to +7 % | 50 to 54 % |
| Net income attributable to owners of the parent | ¥ 79.0 to 85.0 B | ±0 to +8 % | 60 to 65 % |
| Diluted EPS | ¥ 14.8 to 15.9 | ±0 to +8 % | 65 to 70 % |
| Dividend per share | ¥ 8.86 | Same | n.a. |

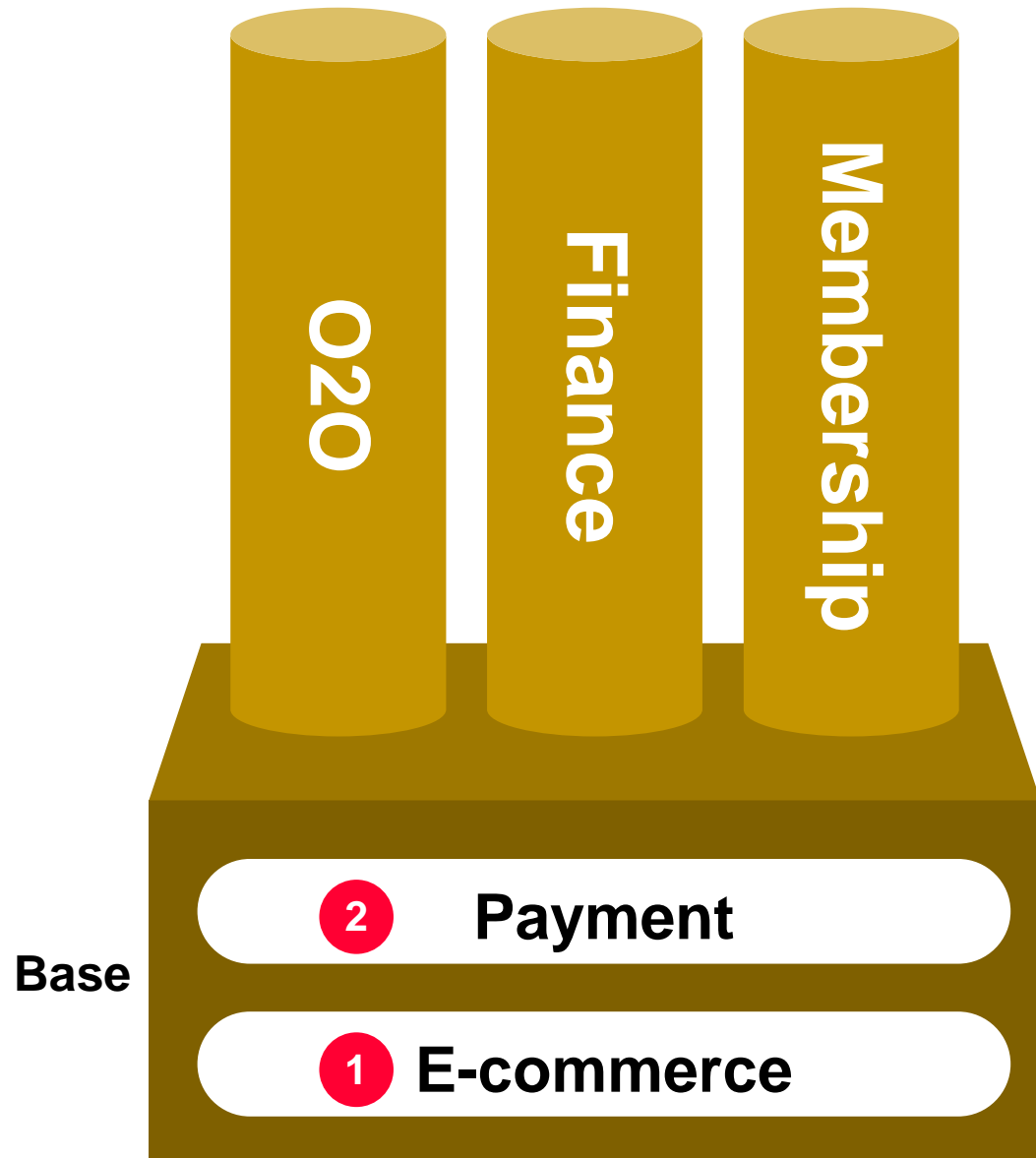
Business Topics

Commerce Business

YAHOO!
JAPAN

 **ASKUL**

 **休.com**



Commerce Business base growing steadily

| Item | Details |
|------------------------|---|
| 2 Payment | Credit card transaction value exceeded ¥460 B, +57% YoY |
| 1 E-commerce | Shopping transaction value maintained high YoY growth of +22% |

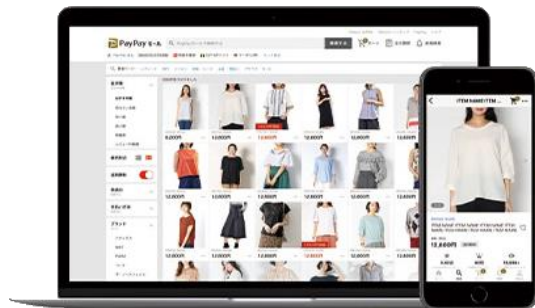
FY2019-2Q Commerce Business – KPI

| Item | Actual result | YoY | Major measures / Major factors of change |
|---|-------------------|-----------------|--|
| EC transaction value | 604.7 (¥B) | + 12.0 % | |
| EC transaction value (Sale of goods) | 482.4 (¥B) | + 8.8 % | |
| Shopping transaction value | 211.6 (¥B) | + 22.0 % | Yahoo! Shopping grew approx. +25% (partly due to last-minute demand before consumption tax hike) |
| YAHUOKU! transaction value | 192.2 (¥B) | -0.9 % | Affected by curtailment in sales promotional cost to prepare for 2H |
| EC transaction value (Non-sale of goods) (O2O, digital contents, etc.) | 122.3 (¥B) | + 26.5 % | <ul style="list-style-type: none"> • Travel business: Approx. + 30% growth Increase in transaction value of Ikyu, and measures towards members in Yahoo! Travel had positive impact • Dining reservation business: Approx. +25% growth Increase in transaction value of Ikyu |
| Credit card transaction value | 460.6 (¥B) | + 56.9 % | <ul style="list-style-type: none"> • Partly due to last-minute demand before consumption tax hike • Increase in use of PayPay contributed to growth |

Commerce Business

YAHOO!
JAPAN

New service – PayPay Mall



Released in October 2019

Premium online shopping mall

Listing fee
3%



Note: PayPay Mall is a business of Yahoo Japan Corporation. "PayPay" is a registered trademark of Yahoo Japan Corporation.

Advantages

| | | | |
|---------|--------------------------|--|---------------------------------------|
| Tenants | Branding in premium mall | Linked with brick-and-mortar inventory | Linked with Yahoo! Shopping |
| | Simple search/comparison | Value-for-money deals using PayPay | Exchange/return allowed up to 14 days |

+ Limited period campaign | "10 B Yen Giveaway Campaign in PayPay Mall"
9% PayPay Bonus Lite (Nov. 1, 2019 – Jan. 31, 2020)

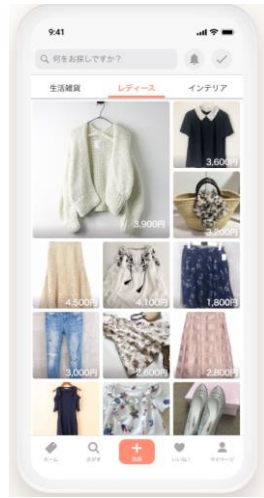
Strict selection of stores

Approx. **600**
(Expanding)



Includes scheduled tenants (random order)

New service – PayPay Flea Market



Released in October 2019

Flea market app that allows simple and value-for-money deals using PayPay

Sales commission
10%

 **PayPay Flea Market**

Note: PayPay Flea Market is a business of Yahoo Japan Corporation.
“PayPay” is a registered trademark of Yahoo Japan Corporation.

Advantages

| | | | |
|---------|--|---|-------------------------|
| Sellers | Simple choice between 2 delivery companies | Simple price negotiations | Safe anonymous delivery |
| | + Limited period campaign | Shipping entirely paid by PayPay Flea Market (Oct. 7 – Nov. 30, 2019) | |
| Buyers | Payment with PayPay | YAHUOKU items (fixed price) also available | Generous support |
| | + Limited period campaign | Max. 20% equivalent PayPay Bonus, etc. (Nov. 1 – Dec. 25, 2019) | |

Rocket start



Free app ranking

No.1 in shopping category

(iOS App Store / as of Oct. 25)

Commerce Business



Undertaking measures jointly to increase corporate value

Reinforce corporate governance

- Decided on policies to operate a provisional nomination/remuneration committee
- Appointment of independent outside director candidates who have the ability to make appropriate managerial judgements to increase ASKUL's corporate value
- Utmost cooperation given to restructure ASKUL's governance

Strengthen synergies



Open store

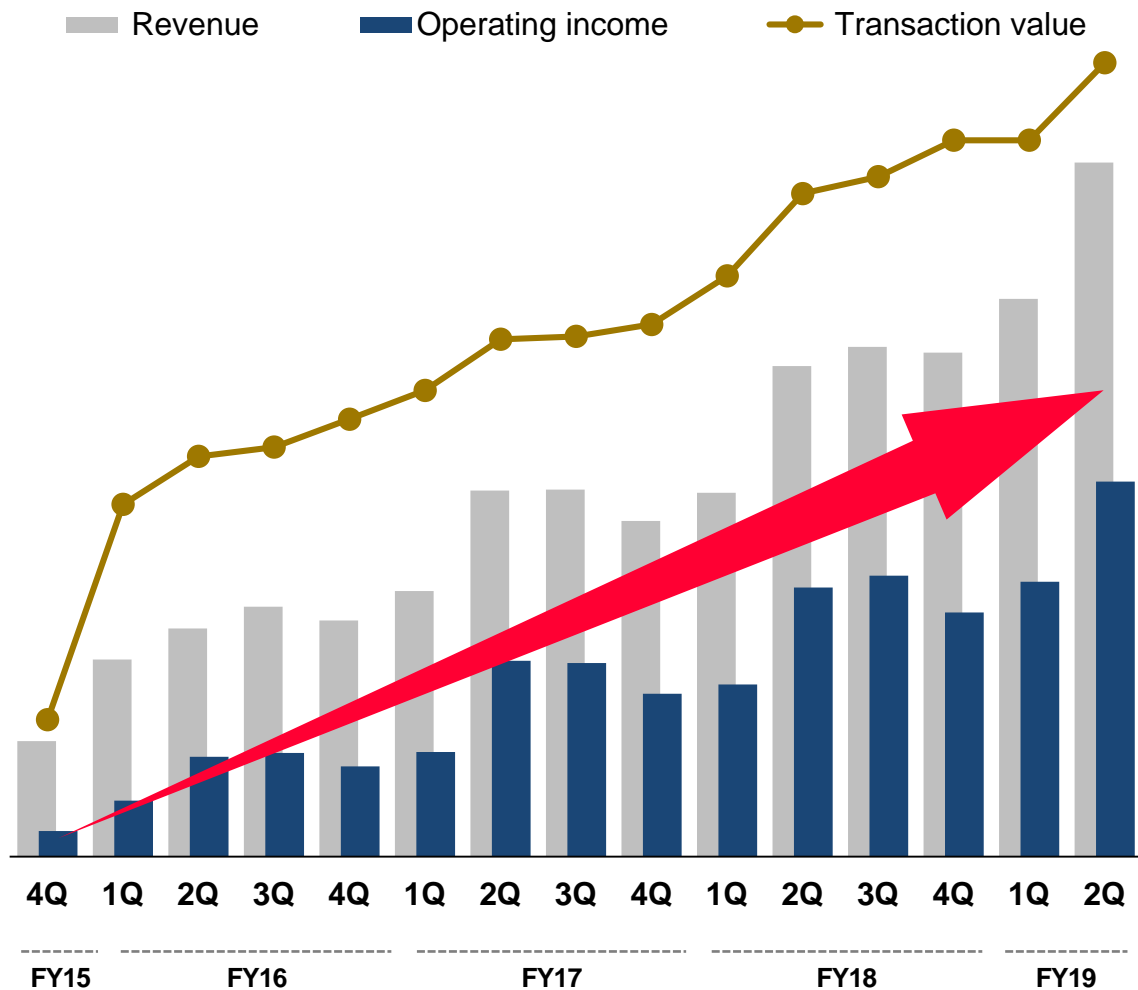
LOHACO

- New customer acquisition
- Raise awareness and conduct sales promotions of LOHACO's original products
- Increase sales through promotions

Commerce Business



Business expanding steadily after acquisition



Transaction value

Approx. **+20%** YoY growth
 Grew approx. **6X** after acquisition

Operating income

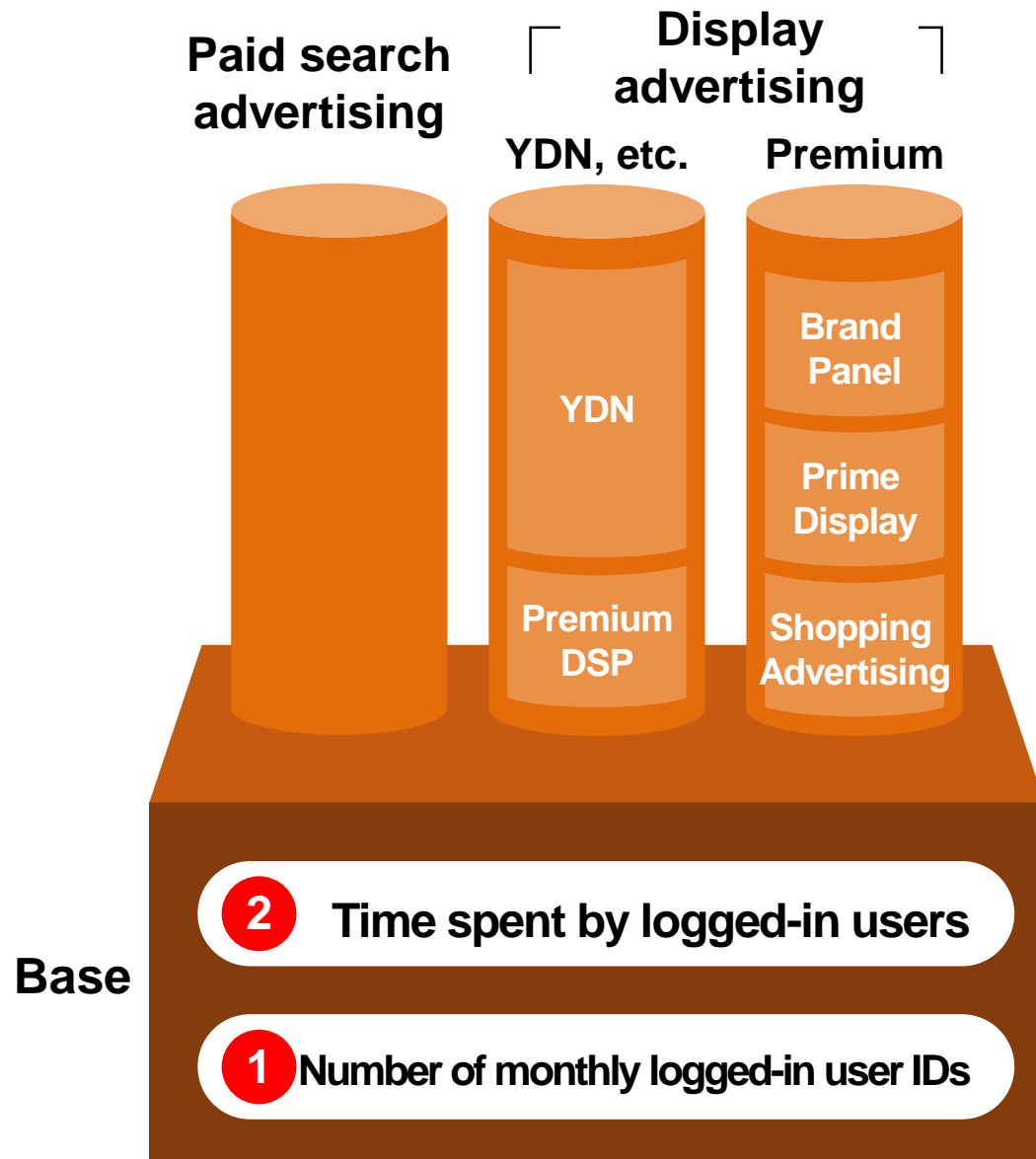
Approx. **+40%** YoY growth
 Grew approx. **15X** after acquisition

- ▶ Slowdown in growth expected in 3Q resulting from disruption/damages in transportation and lodging facilities due to Typhoon Hagibis

Media Business

YAHOO!
JAPAN

FY2019-2Q Media Business – Uses



Media's user base steadily growing mainly in smartphones

| Item | Details |
|--|--|
| <p>2</p> <p>Time spent by logged-in users via smartphones</p> | <p>+22% YoY growth</p> |
| <p>1</p> <p>Number of monthly logged-in user IDs</p> | <p>+10% YoY growth</p> <p>17 consecutive quarters of double digit growth</p> |

FY2019-2Q Total Advertising Revenue - Results

| Item | Actual result (¥B) | YoY (YoY difference ¥B) | Major measures / Major factors of change |
|---|--------------------|--------------------------------|--|
| Total advertising revenue | 82.1 | +3.5% (+2.7) | Improved compared to 1Q's YoY result of +2.4% |
| Paid search advertising | 41.1 | -0.4% (-0.1) | <ul style="list-style-type: none"> • Positive effects from change in UI, increase in no. of ads displayed, etc. • Sluggish revenue growth via smartphones (disappearance of impact from last fiscal year's measures) • Affected by continued decrease in PC use |
| Display advertising | 40.9 | +7.8% (+2.9) | |
| YDN, etc. | 25.6 | -2.5% (-0.6) | <ul style="list-style-type: none"> • Revenue decrease due to measures against ad frauds (approx. JPY -1 B) • Revenue decrease due to effects of anti-tracking (approx. JPY - 0.6 B) |
| Premium advertising (incl. shopping ads) | 15.3 | +30.8% (+3.6) | <ul style="list-style-type: none"> • Large-scale order due to strengthened sales activities • Growth in shopping ads |

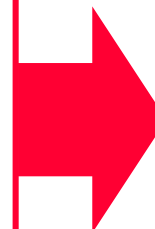
Integrated Marketing Solution

Offline commerce ads

Planned:
PayPay coupon & sampling
solution with major drug
stores and convenience
stores



Focus:
Expand product sales



Online commerce ads

Test marketing
underway



Focus:
Increase transaction value

YAHOO! JAPAN Sales Promotion

Released in 3Q **PayPay Consumer Gift**

Purchase, etc., promoted through campaign notices in
Yahoo! JAPAN. (No specification of retail chains; PayPay
Bonus given as incentive)

 See next page for use case

To be released
in 4Q (plan) **PayPay Retail Gift**

Purchase, etc., promoted through campaign notices in
Yahoo! JAPAN. (Purchase must be made in specified retail
chains, PayPay Bonus Lite* given as incentive)

(*Given when customers purchase products using PayPay)

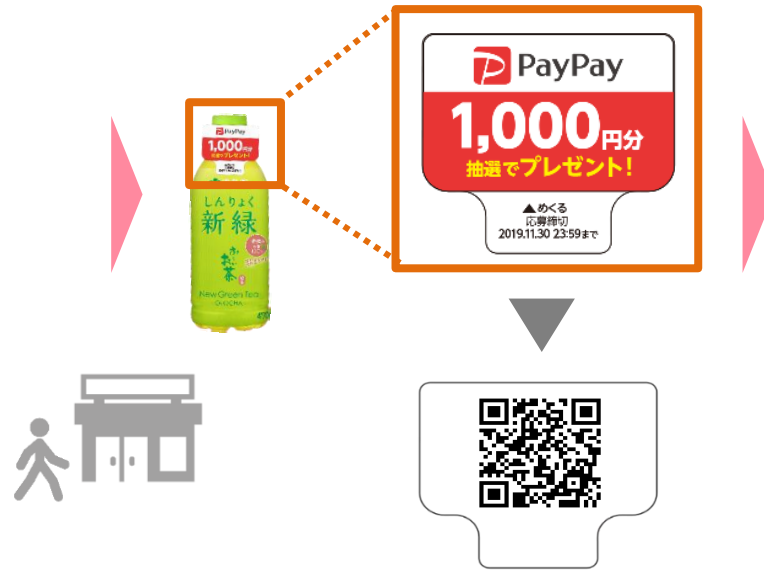
Use Case of PayPay Consumer Gift : ITO EN, LTD.

Come in contact with ads displayed in Yahoo! JAPAN



Notify campaign

Scan campaign code with smartphone



Purchase product

Enter email address in campaign website



Enter a lottery

Check lottery on the spot
Bonus granted for wins



Illustrative purpose only

Grant PayPay Bonus

←... Advertisers: Increase brand awareness, increase sales, visualize ad effects ...→

←..... Yahoo Japan: Monetize through ad revenue, etc.→

Strengthening Synergies with SoftBank

1

Shuichi Kukita (Executive Vice President of SoftBank Corp.) appointed as Director, Senior Managing Corporate Officer of Yahoo Japan Corporation

2

Newly established a joint team in SoftBank Corp. in order to strengthen sales in Media Business



Yahoo Service Promotion Development Department

Media

Increase number of sessions

Paid Search Advertising

- **Increase queries**
- **Improve RPS**

Display Advertising

Strengthen sales

Video Service

DAU growth

Strengthen synergies with SoftBank

Strategic Measures

**Finance
Business**



Strategic Measures

Finance Business

Business alliance with group companies of SBI Holdings, Inc.

October 2019, agreed on business alliance to utilize the strengths and know-how of each company

Securities
business

YAHOO! JAPAN ファイナンス Yahoo! Finance **SBI証券** SBI SECURITIES

Provide seamless securities trading experience

- Opening of accounts and linkage of trading functions in Yahoo! Finance
- Provision of function that utilizes portfolio of Yahoo! Finance

FX
business

YJFX! from YAHOO! JAPAN **SBI** Liquidity Market

Provide best-priced deals

- SBI Liquidity Market Co., Ltd. will be one of the players to cover YJFX's deals
- Optimize flow management considering the liquidity of both companies and leveraging the know-how on data analysis

Banking
business

 **ジャパンネット銀行** The Japan Net Bank  **住信SBIネット銀行** SBI Sumishin Net Bank

Provide new loan options

- Begin selling SBI Sumishin Net Bank's housing loan "Flat 35" in The Japan Net Bank

Mr. Masato Takamura
Representative Director,
Senior Executive Vice President
SBI Holdings, Inc.

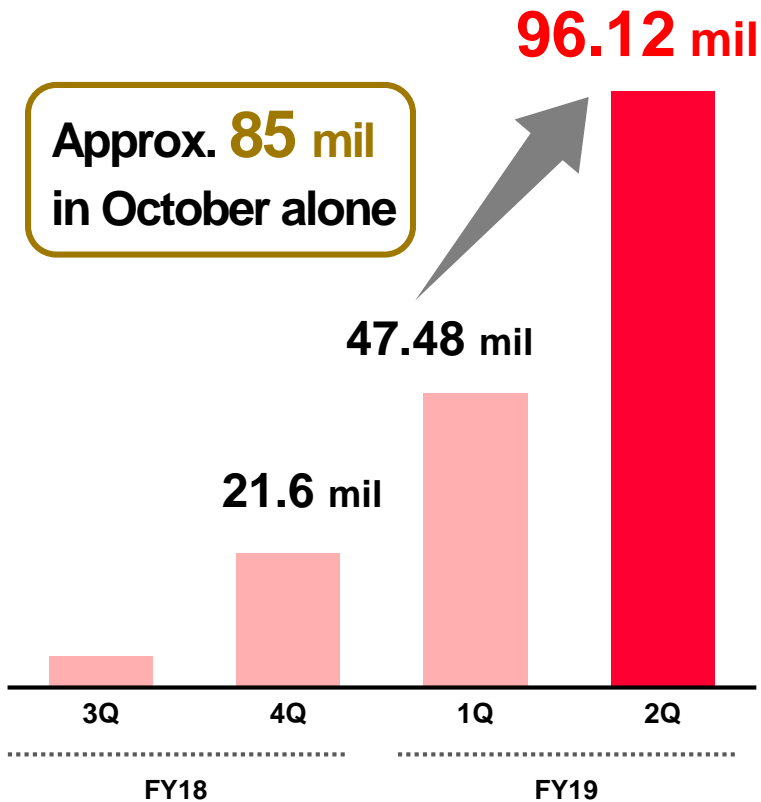


Strategic Measures

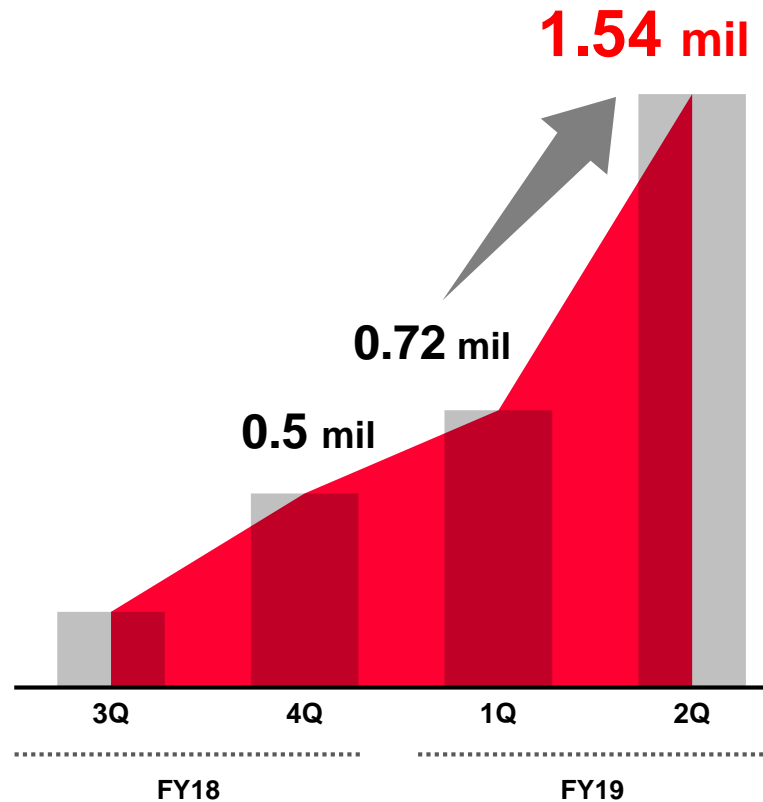


1 year since service launch, business expanding steadily

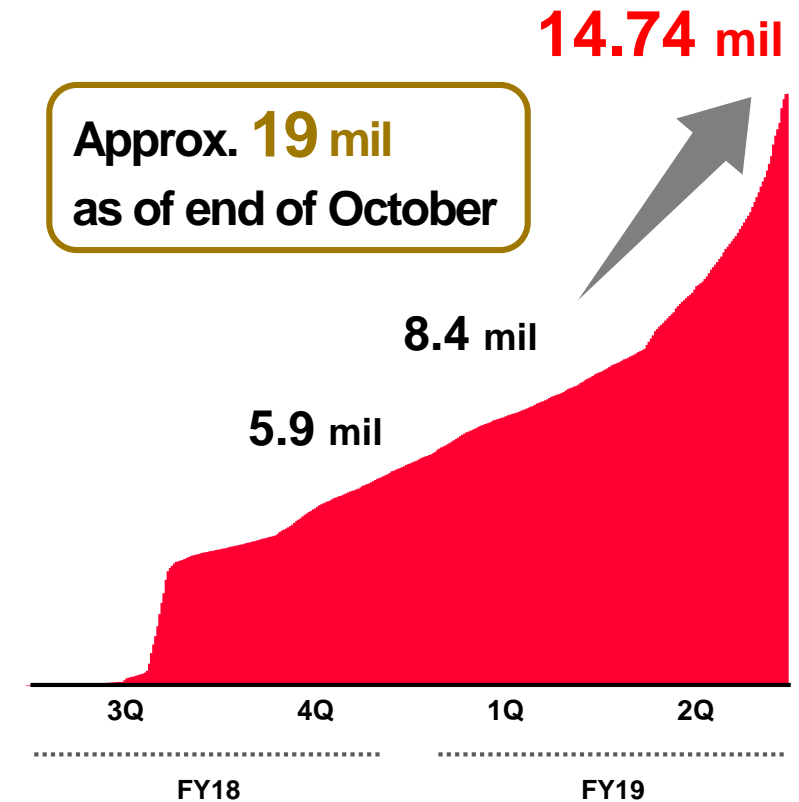
No. of PayPay transactions (quarter)



No. of merchants (quarter-end)

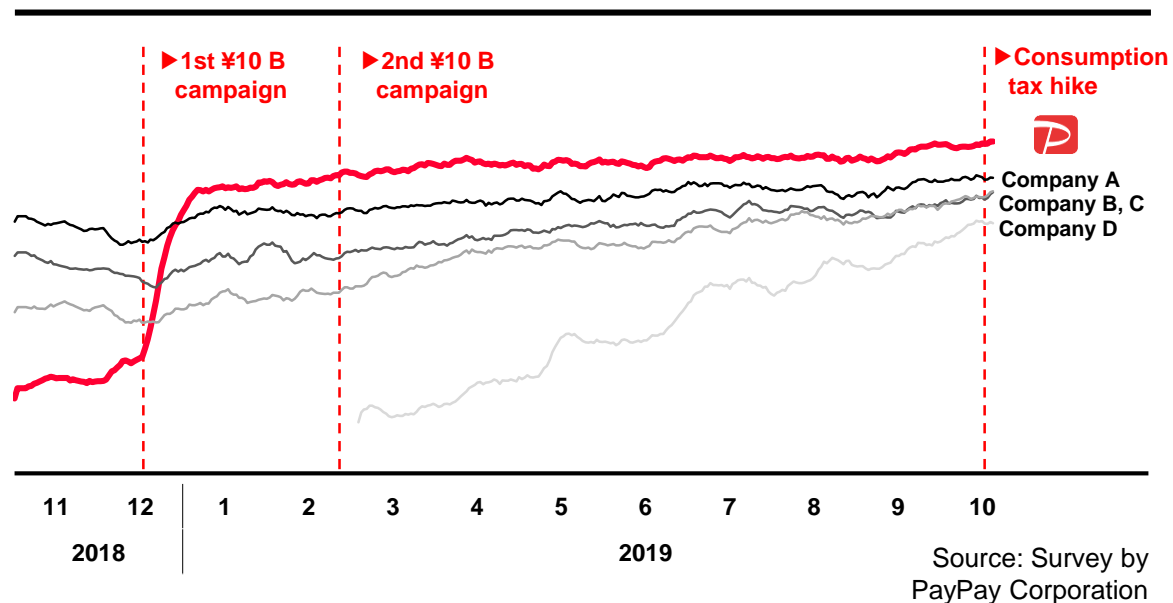


No. of registered users (quarter-end)



Use intent skyrocketing due to “Point Reward Project for Consumers” + “Machikado PayPay”

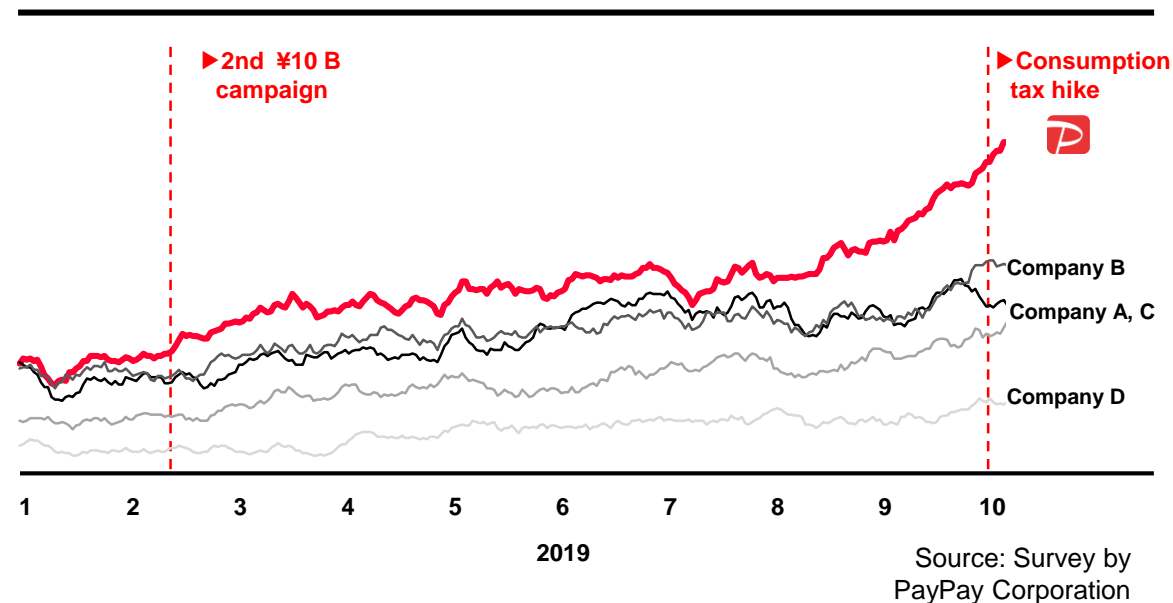
Name awareness



No.1

since start of campaign

Use intent



Largely grew

in FY2019-2Q

Continued to conduct measures that provide both safety and convenience

Cash top-up possible from all Seven Bank ATMs across Japan (July 11)

Cash top-up possible in 25,000+ Seven Bank ATMs across Japan.

Installed an originally designed Seven Bank ATM in Fukuoka YAHUOKU! Dome.



Released “PayPay for Business” app (July 26)

App ver. for merchants to manage payment info and sales.

Management of refunds and sales confirmation made more simple and convenient using smartphones.



Topping up PayPay through “Bundled Bill with SoftBank/Y!mobile” (July 31)

Amount topped-up to PayPay can be paid together with smartphone usage fee for SoftBank/Y!mobile.



Introduced system to compensate for damage due to unauthorized use (August 28)

Introduced compensation system to eliminate anxiety towards unauthorized use – one of the reasons for not using smartphone payment service.

Stipulated full compensation of damage due to unauthorized use.



Launched “PayPay Bill Payment” (September 2)

Added app function that can read barcodes on utility bills. 0.5% of bill paid granted as PayPay bonus.



Launched cashable “PayPay Money” (September 30)

Completed registration as Funds Transfer Service Provider.

Users who have completed ID verification can cash out from PayPay sent to registered bank accounts. Transfer between ID verified users also possible.



Continued to conduct measures to increase PayPay transactions and awareness

Measures in 2Q

Wakuwaku PayPay (Every day, every month)

Shopping campaign held in merchants, categories, and regions designated every month.



Various measures in Seven Eleven stores (July 11 – 31/Aug. 12- Sep. 15)

Several campaigns held in Seven Elevens across Japan (e.g. Max. 20% of payment provided as PayPay Bonus.)



For the first time, held a joint-campaign among three QR code payment companies.

First “Machikado PayPay” campaign (Oct. 1 – Nov. 30)

Total of 10% granted for shopping in merchants participating in Point Reward Project for Consumers using Cashless Payment. (5% from Project and 5% from PayPay (incl. PayPay’s normal 1.5%))



Point Reward Project for Consumers using Cashless Payment (Oct. 1, 2019 – June 30, 2020)

2 or 5% granted as PayPay Bonus to PayPay users during the campaign period.

- Registered merchants operated by SMEs: 5%
- Registered franchise shops operated by SMEs: 2%



Measures in 3Q

Buy one, get one HEATTECH free (Oct. 4 – 22)

One HEATTECH inner wear given free for every purchase of HEATTECH inner wear using PayPay in UNIQLO stores.



“PayPay Kansha (Thanksgiving) Day” commemorating one year anniversary (Oct. 5)

Max. 20% PayPay Bonus granted with an upper limit of JPY 1,000.

1/50 chance of full cashback in PayPay Bonus. (max. JPY 100,000 worth)



Strategic Measures



(Tender offer in process)

Aim to acquire 50.1% stake to make ZOZO a consolidated subsidiary

Highlights of business alliance

- Referral of users from Yahoo! JAPAN to ZOZOTOWN
- Introduction of PayPay payment in ZOZOTOWN
- ZOZOTOWN preparing to open store in PayPay Mall in 2019

YAHOO!
JAPAN

P PayPay

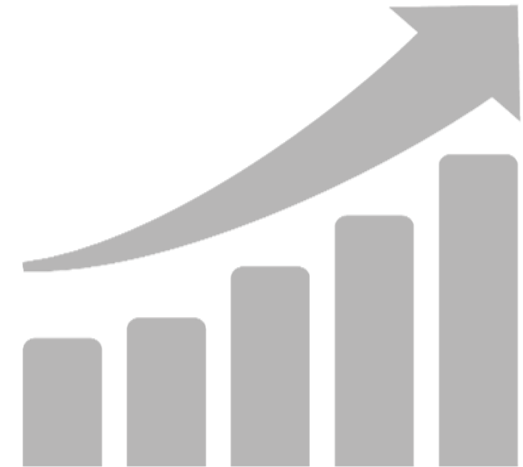
P PayPay Mall



ZOZOTOWN



Will largely contribute to increase in income of Commerce Business and EC transaction value



Z HOLDINGS

**Unleashing the infinite potential of all people,
with the power of information technology**

Appendix

FY2019-1H Consolidated Income Statement

| Item | FY2018-2Q (cumulative) | FY2019-2Q (cumulative) | YoY |
|---|---------------------------|---------------------------------|-----------------|
| Revenue | 465.0 (¥B) | 484.1 (¥B) | +4.1 % |
| Operating income | 83.1 (¥B) | 75.6 (¥B) | -9.0 % |
| EBITDA ^{*1} | 108.2 (¥B) | 111.9 (¥B) | +3.4 % |
| Other non-operating income and expenses | 1.2 (¥B) | ^{*2} 10.8 (¥B) | +775.8 % |
| Equity in earnings of associates and joint venture | -0.9 (¥B) | ^{*3} -10.9 (¥B) | n.a. |
| Net income | 55.4 (¥B) | 52.5 (¥B) | -5.1 % |
| Net income attributable to owners of the parent | 55.1 (¥B) | 51.1 (¥B) | -7.2 % |
| Diluted EPS | ¥9.86 | ¥10.41 | +5.6 % |

*1 Change in EBITDA is mainly due to application of IFRS 16, Leases

*2 Includes gain on change in equity interest in PayPay Corporation (¥10.8 B)

*3 Mainly due to PayPay Corporation

FY2019-2Q Statement of Financial Position

Consolidated (IFRS)

| (¥ B) | FY2018 4Q | FY2019 2Q | Difference |
|--|----------------|----------------|--------------|
| Assets | 2,429.6 | 2,795.8 | 366.2 |
| Cash and cash equivalents | 546.7 | 743.3 | 196.5 |
| Trade and other receivables | 328.2 | 324.8 | -3.4 |
| Loans for credit card business | 253.3 | 296.5 | 43.1 |
| Investment securities for banking business | 419.5 | 405.7 | -13.8 |
| Property and equipment | 133.8 | 124.8 | -8.9 |
| Intangible assets | 165.2 | 179.6 | 14.3 |
| Liabilities | 1,519.0 | 1,955.6 | 436.5 |
| Trade and other payables | 394.5 | 399.3 | 4.8 |
| Deposit for banking business | 768.6 | 820.0 | 51.4 |
| Interest-bearing liabilities | 215.2 | 610.2 | 395.0 |
| Equity | 910.5 | 840.2 | -70.2 |

The Japan Net Bank, Limited (JGAAP)

| (¥ B) | FY2018 4Q | FY2019 2Q | Difference |
|--|--------------|--------------|-------------|
| Assets | 878.7 | 927.4 | 48.7 |
| Cash and cash equivalents | 249.5 | 278.1 | 28.5 |
| Trade and other receivables | 22.6 | 18.9 | -3.6 |
| Loans for credit card business | — | — | — |
| Investment securities for banking business | 419.5 | 405.7 | -13.8 |
| Property and equipment | 0.5 | 0.6 | 0 |
| Intangible assets | 6.1 | 6.1 | 0 |
| Liabilities | 823.4 | 871.2 | 47.8 |
| Trade and other payables | 15.3 | 16.2 | 0.9 |
| Deposit for banking business | 803.8 | 849.9 | 46.0 |
| Interest-bearing liabilities | — | — | — |
| Equity | 55.2 | 56.2 | 0.9 |

Note: Figures before internal transactions within the Group are eliminated.

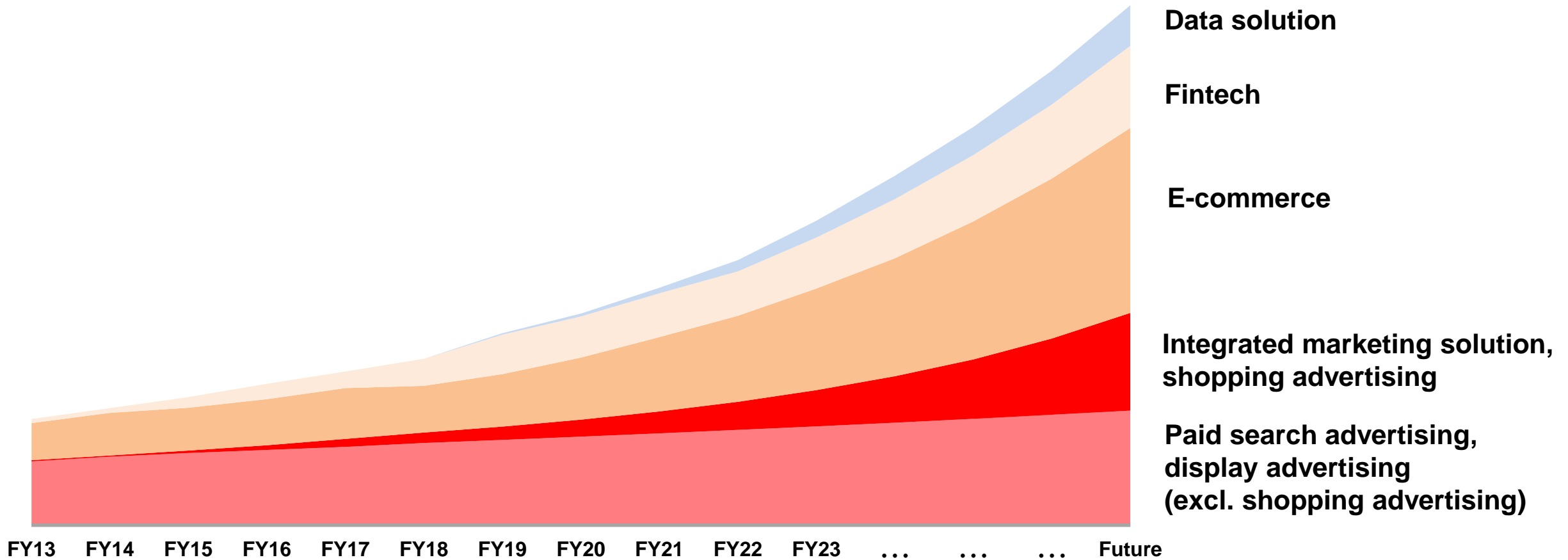
YJ Card Corporation (JGAAP)

| (¥ B) | FY2018 4Q | FY2019 2Q | Difference |
|--|--------------|--------------|--------------|
| Assets | 353.0 | 489.2 | 136.1 |
| Cash and cash equivalents | 30.0 | 102.0 | 72.0 |
| Trade and other receivables | 12.6 | 21.6 | 9.0 |
| Loans for credit card business | 252.5 | 295.0 | 42.4 |
| Investment securities for banking business | — | — | — |
| Property and equipment | 5.7 | 5.1 | -0.5 |
| Intangible assets | 20.4 | 27.5 | 7.1 |
| Liabilities | 326.0 | 460.7 | 134.6 |
| Trade and other payables | 166.6 | 212.4 | 45.8 |
| Deposit for banking business | — | — | — |
| Interest-bearing liabilities | 144.8 | 235.0 | 90.2 |
| Equity | 26.9 | 28.4 | 1.5 |

Note: Figures before internal transactions within the Group are eliminated.

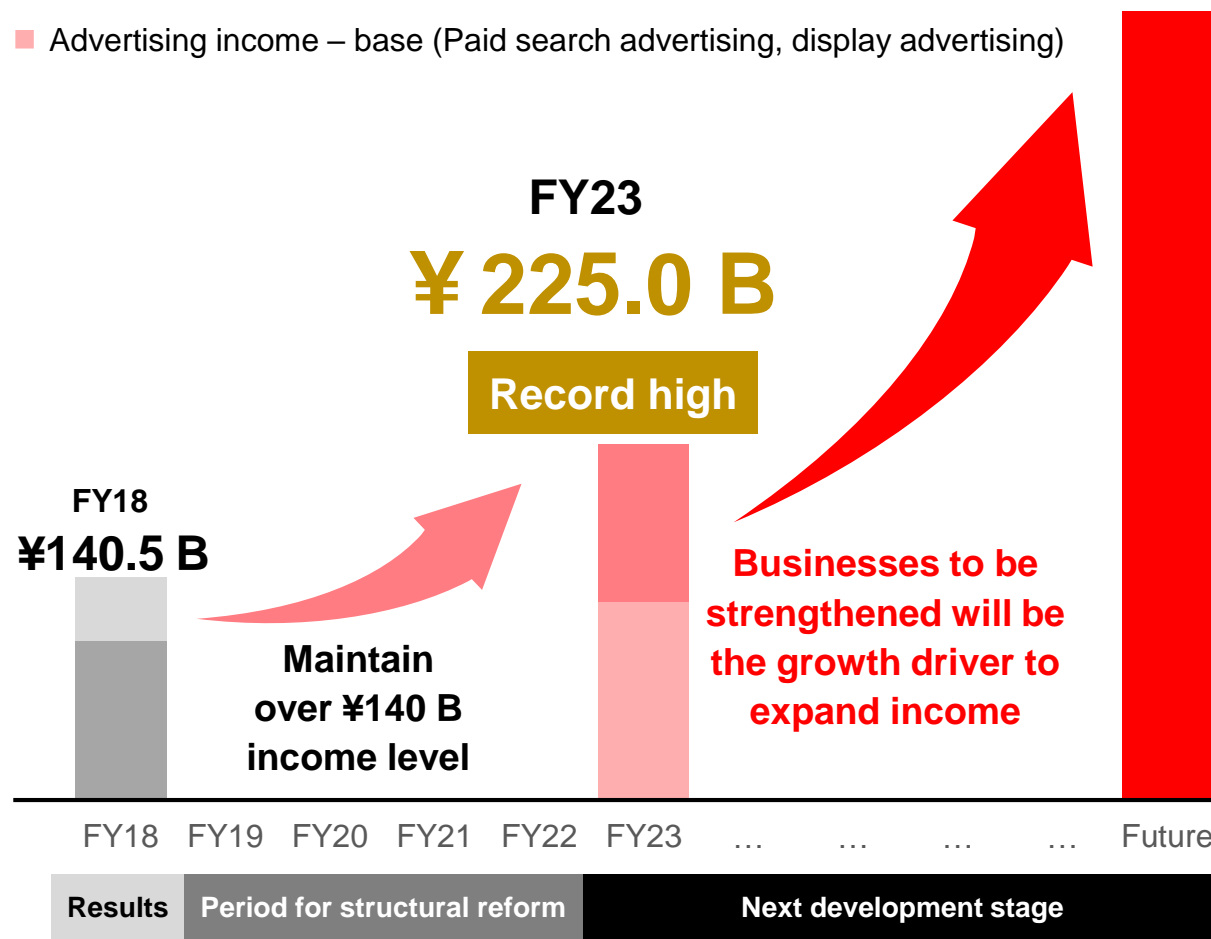
Image of Our Long-Term Revenue Composition

We will continue to grow while drastically changing our revenue composition to meet the changes in the business environment



Operating Income – Long-Term Outlook

- Businesses to be strengthened (Shopping advertising, Integrated marketing solution, Financial & Payment, Membership, YAHUOKU!)
- Advertising income – base (Paid search advertising, display advertising)



Note: Other business and adjustments are prorated to businesses to be strengthened and advertising income – base, according to their composition ratio.

FY19 – FY22

By investing in measures to expand users and EC transaction value, and startup of new businesses, etc., achieve:

▶ **Double-digit revenue growth**

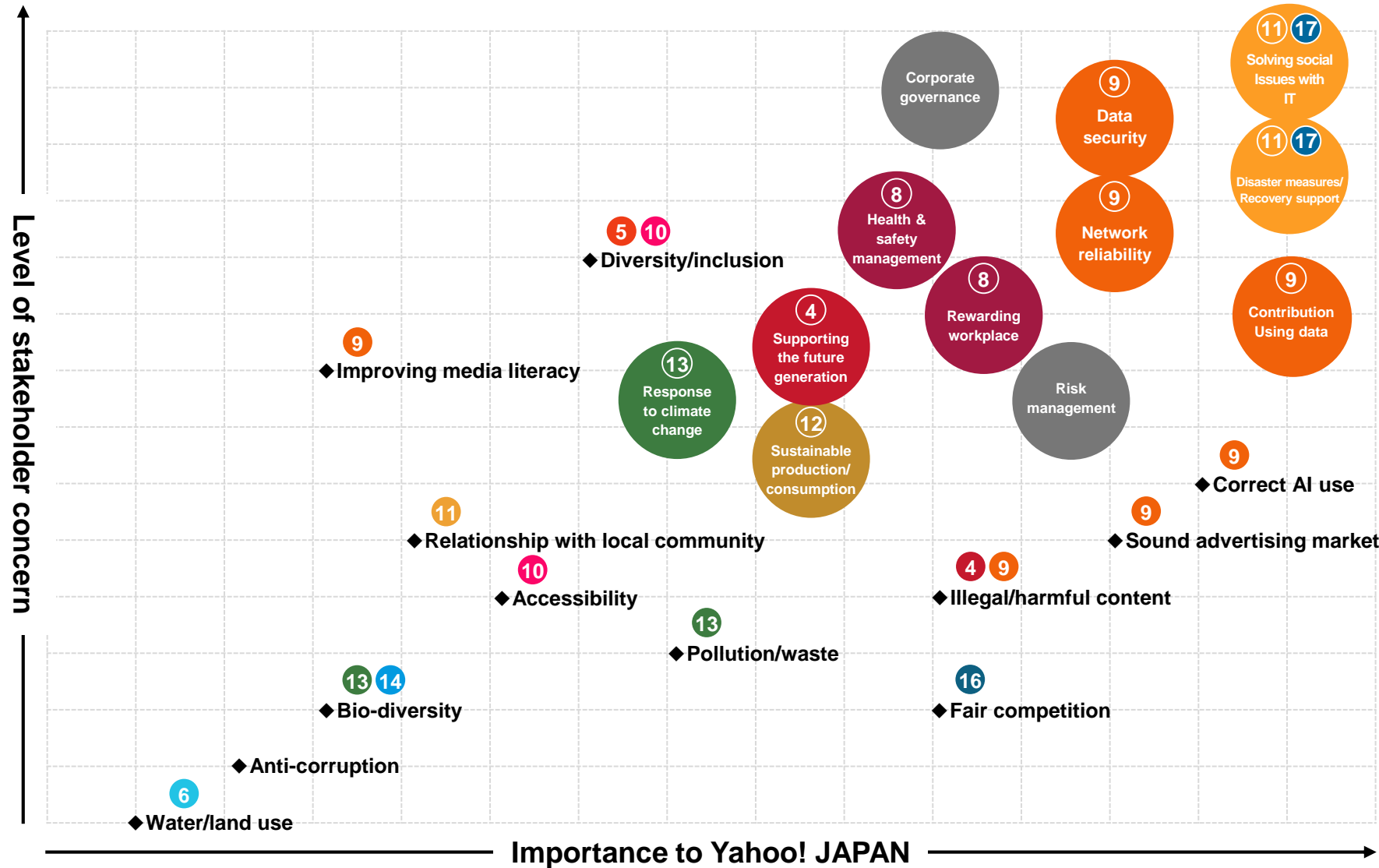


FY23 – Future

By monetizing users' activated economic actions:

▶ **Bring income to an expansionary phase**

Materiality Matrix for Yahoo Japan Corporation




The numbers and colors in the matrix coincide with the SDG icons.

- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 10 Reduced Inequalities
- 11 Sustainable Cities and Communities
- 12 Responsible Production and Consumption
- 13 Climate Action
- 14 Life Below Water
- 16 Peace, Justice and Strong Institutions
- 17 Partnerships for the Goals


* Big circles are especially important to the stakeholders and Yahoo Japan Corporation, and need to be dealt with focus.

Z Holdings – Service Map


Media




TOP page




Weather/Disaster




News




Finance




Knowledge search




Sportsnavi
(Sports news site)



GYAO!
(Video streaming)




Retty (Restaurant information)




kurashiru (Recipe video service)


Local Information



Transit information




Map




Car navigation


Search



Search




Real-time search




Vocal assistant


Commerce




Shopping



Auction




ASKUL
(B to B EC)




LOHACO
(B to C EC)


Digital Contents



Fortune telling




Game




ebookjapan
(Digital books)


O2O




Real estate




Travel booking



Restaurant reservation




Ikyu.com
(Hotel)




Ikyu.com
(Restaurant)


Finance/Payment/Fintech




Credit card




Online wallet




PayPay
(Smartphone payment)



TaoTao
(Cryptocurrency trading)



YJFX
(FX)



Japan Net Bank
(Internet banking)

Blockchain

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Customer Base

No. of monthly logged-in user IDs: 50.49mil

Yahoo! Premium member IDs: 22.35mil

Note: As of end of Sept. 2019

For corporations




Marketing Solutions


Sponsored search

Yahoo! Display Ad Network

Premium




Research



Crowdsourcing


Big Data/AI




DATA SOLUTION

Scoring service

PIM



e-Mail



Calendar

CSR






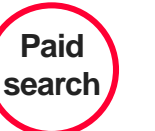















Kids



Internet fund raising

Business Portfolio

The size of the circles illustrates revenue size. Red circles: businesses of Yahoo Japan Corporation; blue circles: businesses of consolidated subsidiaries; dotted circles: businesses to be launched from 3Q onwards

| Disclosed segments Breakdown | Commerce business | | | | Media business | | |
|---|--|--|---|---|--|--|--|
| | EC | | Finance | Others | Media | | |
| | Sales of goods | Service | | | | | |
| Advertising |  Yahoo! Shopping  PayPay Mall | | | |  Display  Paid search  Integrated marketing | | |
| Business services (For corporations) |  YAHUOKU!  ASKUL |  Ikyu |  YJ Card  Japan Net Bank |  Value Commerce | | | |
| Personal services (For individuals) |  YAHUOKU!  LOHACO  PayPay Flea Market |  ebook Japan |  YJ Card  YJFX  Japan Net Bank |  Premium members | | | |

Note: Please refer to KPI trend for revenue by segments and revenue breakdown of segments.

The contracts of business services are concluded with corporations; the contracts of personal services are concluded with individual users.

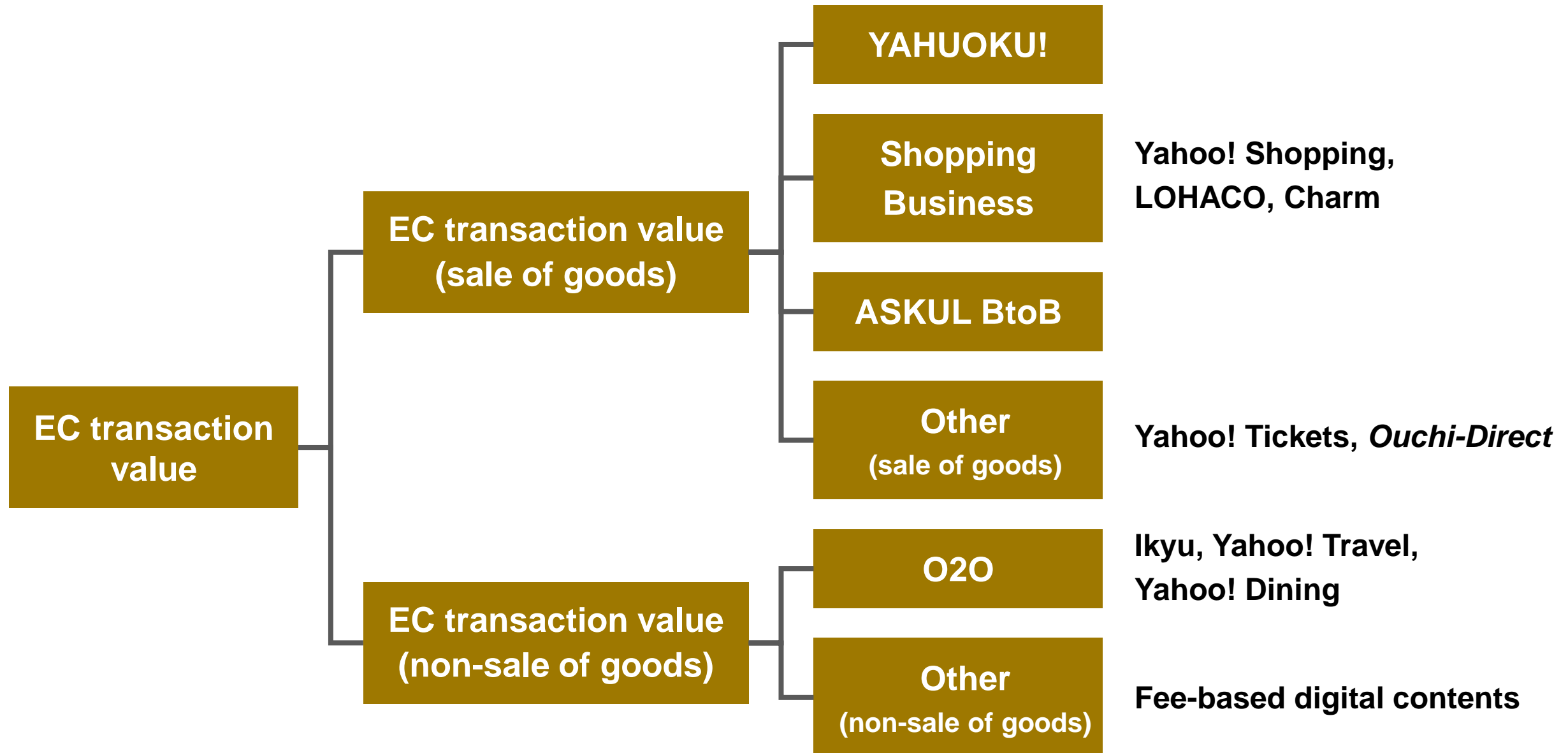
Business Segment Breakdown

| | | |
|--------------------------|---|---|
| Commerce Business | Advertising | Display advertising (“Premium Advertising”) |
| | Business Services (For corporations) | ASKUL, Affiliate-related services, Reservation-related services, Corporate system-use fees of YAHUOKU!, Payment-related services, Banking-related services, Credit card-related services and others, Real estate-related services |
| | Personal Services (For individuals) | LOHACO, Yahoo! Premium, Personal system-use fees of YAHUOKU!, Credit card-related services, Pet supplies-related services, Telecommunications carrier-related services, Banking-related services, E-book-related services, FX-related service and others, Payment-related services |
| | Others | Banking-related services |
| Media Business | Advertising | Paid search advertising “Sponsored Search”, Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”) |
| | Business Services (For corporations) | Media-related services, CRM-related services and others |
| | Personal Services (For individuals) | Video-related services and others |
| Others | Advertising | |
| | Business Services (For corporations) | Utilities payment-related service and others |
| | Personal Services (For individuals) | Yahoo! Mail, Yahoo! Address Book, Utilities payment-related service and others |

Note: The contracts of business services are concluded with corporations; the contracts of personal services are concluded with individual users.

The same product may be classified in different segments depending on the contractor.

Definition of EC Transaction Value



Advertising Products

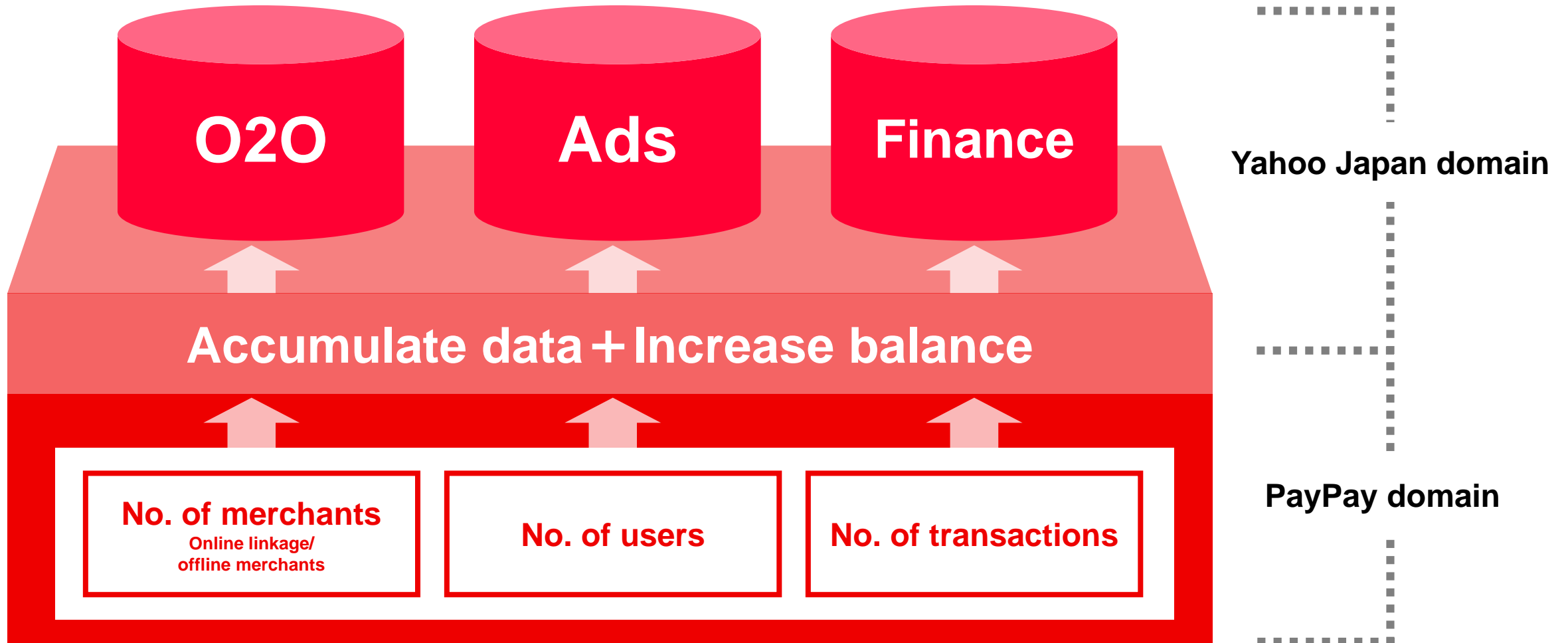
| Advertising Products | | Main Format | Fee Calculation | Placement Pages | Main Advertiser Base | |
|--------------------------------|----------------------------|---|--------------------|---|--|---------------------------|
| Paid search advertising | Sponsored Search® | | Text | Search results pages | Major corporations Small and medium-sized companies | |
| Display advertising | YDN and others | Yahoo! Display Ad Network (YDN) *1 | Text Banner | Per-click rate (Performance-based) *2 | | |
| | | | Video | | Per-view rate (Performance-based) *2 | |
| | | Yahoo! Premium DSP | Banner | Per-impression page view rate (Performance-based) *2 | | |
| | Premium Advertising | Brand Panel Prime Display Others | | Rich ads (including video) Banner | Per-impression page view rate (Guarantee-based) *3 | Major corporations |
| | | Banner ads Text ads Others | | Text Banner | Per-guaranteed period rate, etc. (Guarantee-based) *3 | |
| | | PR Option | | | Conversion-based | Yahoo! Shopping |

*1 Includes In-feed advertising on timeline view pages.

*2 Advertising that is programmatically or manually managed on a real-time basis to optimize advertising effects

*3 Advertising for which specific placement is reserved in advance

Maximize the base and develop various earning pillars



Disclaimer

Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of Z Holdings Corporation (Company, Z Holdings) and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Such factors include, but are not limited to, the items mentioned in “Risk Factors” in “Results for the Fiscal Year Ended March 31, 2019.” Unauthorized use of the information or the data in this document is not permitted.

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