

Z Holdings Corporation Business Results FY2022 Full Year & Q4 Appendix

April 28, 2023

Z HOLDINGS

FY2022 Q4 Consolidated Business Results



(JPY B)		FY2022 Q4	YoY Difference	YoY	Major Factors of Change ¹ (JPY B)	
Revenue		433.7	+26.4	+6.5 %	<ul style="list-style-type: none"> • PayPay (Consolidated)² +30.0 • LINE +6.8 	<ul style="list-style-type: none"> • eBOOK Initiative Japan -7.9
Cost of sales		133.0	+2.4	+1.9 %	<ul style="list-style-type: none"> • LINE +3.5 • ASKUL Group +3.2 	<ul style="list-style-type: none"> • eBOOK Initiative Japan -4.6
SG&A		276.4	+6.1	+2.3 %	<ul style="list-style-type: none"> • PayPay (Consolidated)² +45.8 • ZOZO +2.9 	<ul style="list-style-type: none"> • Yahoo Japan -32.4 • LINE -3.2
(Major items)	Personnel expense	73.9	+1.8	+2.6 %	<ul style="list-style-type: none"> • Yahoo Japan -3.8 • LINE -3.2 	
	Depreciation and amortization	40.0	+6.0	+17.7 %	<ul style="list-style-type: none"> • Yahoo Japan +2.8 	
	Business commissions	35.5	+4.3	+14.1 %		
	Sales promotion cost	28.1	-23.7	-45.7 %	<ul style="list-style-type: none"> • Yahoo Japan -28.9 	
Other income & expenses		-	-6.6	N/A		
Operating income		24.2	+11.2	+86.9 %		

1. Figures in “Major Factors of Change” are figures after consolidation adjustments.

2. Compared PayPay Card’s non-consolidated figure for FY2021 Q4 with PayPay (Consolidated) figure for FY2022 Q4 which includes PayPay Corporation and PayPay Card Corporation after eliminating the internal transactions between the two companies.

FY2022 Q4 Factors of Change in Net Income Attributable to Owners of the Parent

Whole Group

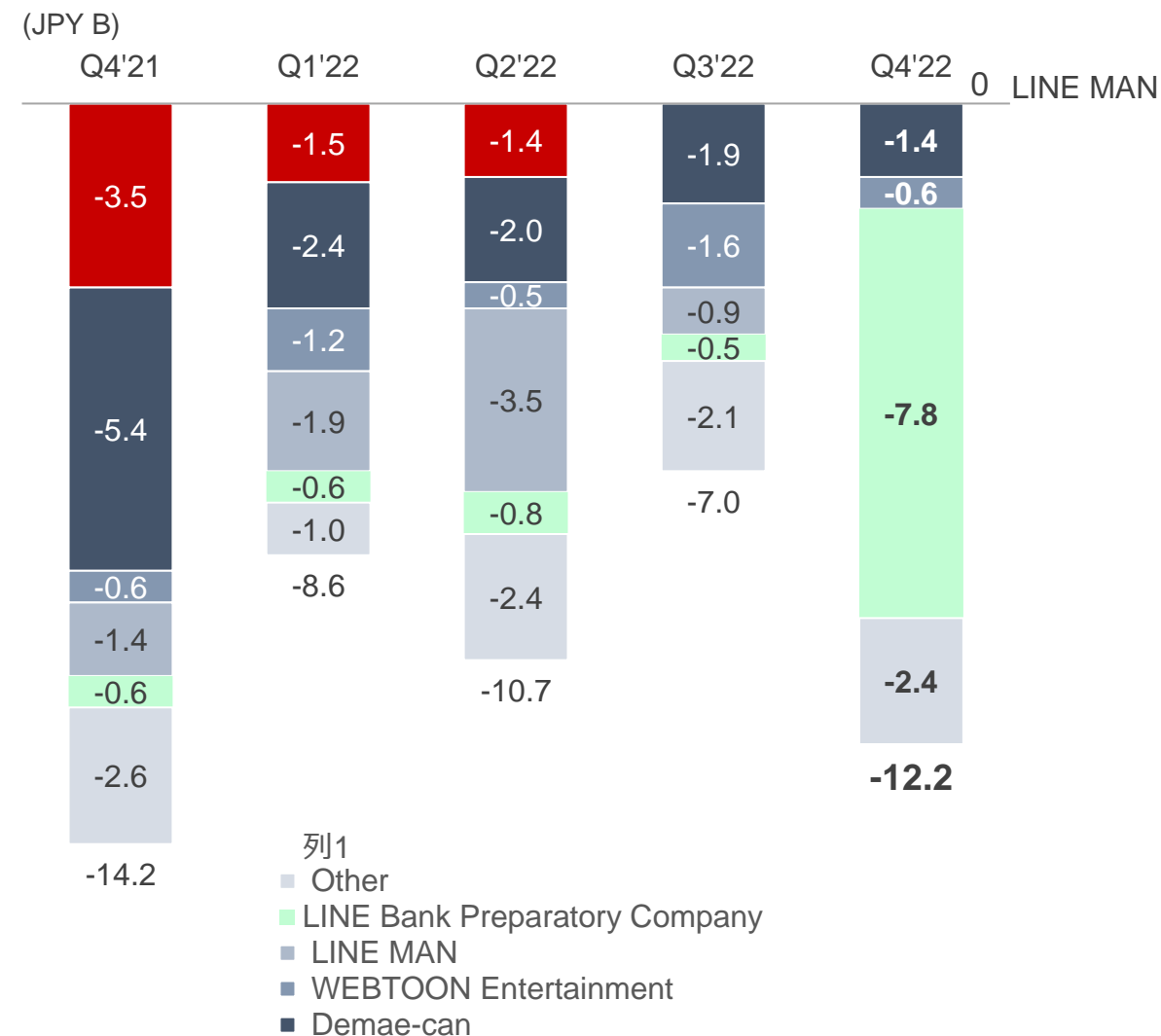
(JPY B)

	FY2022 Q4	YoY Difference	YoY	Major Factors of Change (JPY B)
Operating income	24.2	+11.2	+86.9 %	
Other non-operating income	7.4	-18.6	-71.6 %	<ul style="list-style-type: none"> Absence of impact of sales of SRE Holdings shares -5.4
Other non-operating expenses	13.5	+11.0	+436.9 %	
Equity in losses of associates and joint ventures	-12.2	+2.0	-14.3 %	<ul style="list-style-type: none"> PayPay +3.5 LINE Consolidated +1.3 (LINE Bank Preparatory Company-7.1, LINE MAN +1.5, Demae-can +3.9)
Profit before tax	5.9	-16.4	-73.4 %	
Income tax expense	8.9	-1.9	-18.0 %	
Profit for the period	-3.0	-14.4	-127.0 %	
Non-controlling interests	-1.7	-2.6	-304.0 %	<ul style="list-style-type: none"> Impact of PayPay Consolidation
Net income attributable to owners of the parent	-1.2	-11.7	-112.2 %	

Major Equity-Method Affiliates	Based in	Equity Ratio ¹	Business
Content			
WEBTOON Entertainment	<i>U.S.</i>	32.3%	• Operation of e-manga services
Commerce			
Demae-can	<i>Japan</i>	38.4%	• Operation of website specializing in home delivery
LINE MAN	<i>Thailand</i>	43.3%	• Provision of home delivery/mail/taxi dispatch services, etc.
Payment/Finance			
Kashikorn LINE Company	<i>Thailand</i>	49.9%	• Pure Internet bank
LINE Bank Taiwan	<i>Taiwan</i>	49.9%	• Pure Internet bank
PT. Bank KEB Hana Indonesia	<i>Indonesia</i>	20.0%	• Pure Internet bank

1. As of March 31, 2023

Equity in Losses of Associates and Joint Ventures



- Many of the equity-method affiliates are moving into a **monetizing phase from FY2023**.
- Aim to turn LINE’s international/financial businesses **profitable in around FY2023-FY2025**.



(Taiwan)



(Thailand)



(Indonesia)

Market Share	<ul style="list-style-type: none"> • No. of app downloads¹: No. 1 	<ul style="list-style-type: none"> • Vertical scrolling manga (world ranking)²: No. 1 	-	-	-	-
KPI	<ul style="list-style-type: none"> • FY22 transaction value: JPY220.1 B (YoY +35%) 	<ul style="list-style-type: none"> • No. of monthly users²: 89 million • Cumulative downloads²: Over 200 million 	<ul style="list-style-type: none"> • FY2022 transaction value: YoY +30% 	<ul style="list-style-type: none"> • No. of users³: 1.48 million 	<ul style="list-style-type: none"> • No. of users³: 5.44 million • Loan balance³: Approx. JPY69.3 B 	<ul style="list-style-type: none"> • No. of users³: 550,000

1. Survey by data.ai. Cumulative no. of app downloads in “Food & Drink” and “Food Delivery/Takeaway” categories for September 2021 - August 2022 (Total of iOS and Google Play).

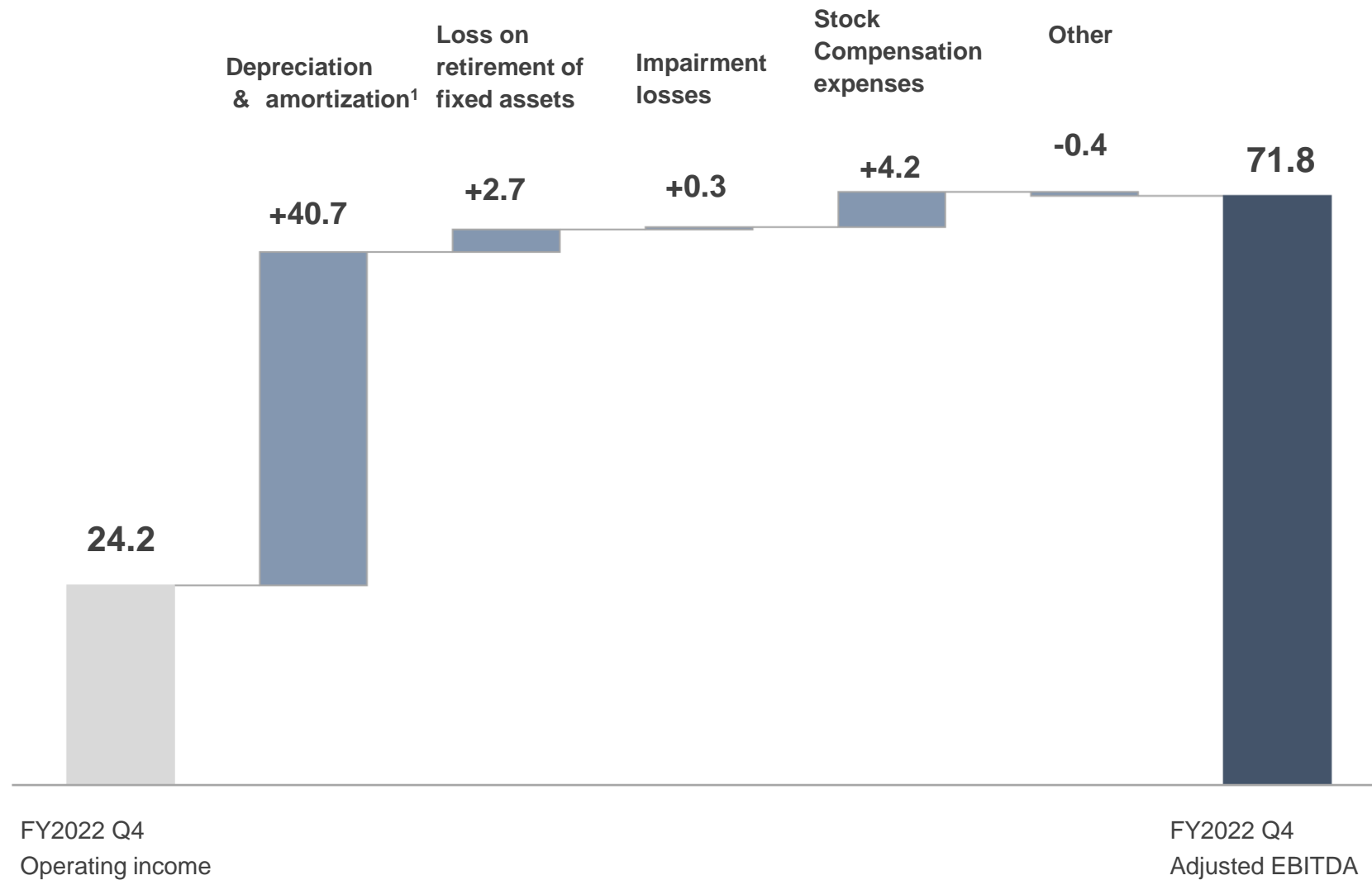
2. Figures for WEBTOON Worldwide Service (An alliance of platforms centered on e-comics, with services offered worldwide in 10 languages). Major platforms include: LINE Manga, WEBTOON, NAVER WEBTOON, LINE WEBTOON.

3. As of March 31, 2023

Adjusted EBITDA² – Breakdown of Adjustment Items

Whole Group

(JPY B)



Adjusted EBITDA²

Op. income + depreciation & amortization¹ ± EBITDA adjustment items

EBITDA adjustment items

Gains/losses on non-recurring and non-cash transactions within operating revenue and expenses

- Losses on retirement of fixed assets
- Impairment losses
- Stock compensation expenses
- Gains/losses on step acquisition
- Other transactions with undetermined cash outflows (one-time provisions, etc.)

etc.

Gains/losses on sales of shares held by certain funds

1. Depreciation & amortization: Depreciation, depreciation of right-of-use assets, certain rents

2. Changed the definitions from FY2022 Q3. Added certain rents to depreciation and amortization, and gains/losses on sales of shares held by certain funds to EBITDA adjustment items.

Impact from Consolidation of Subsidiaries (PPA)

Whole Group

LINE

Item	Amount (JPY B)	Annual Amortization Amount (JPY B)	Amortization Period (Straight Line)
PPA¹	394.4	13.7	-
Technology	2.2	-	8 years
Customer base	17.6	-	12 years
Customer relationship (Advertisers)	214.4	-	18 years
Trademarks ²	160.1	-	No amortization

ZOZO

Item	Amount (JPY B)	Annual Amortization Amount (JPY B)	Amortization Period (Straight Line)
PPA¹	502.1	13.2	-
Customer base (Shops/users)	322.0	-	18-25 years
Trademarks ²	178.7	-	No amortization
Others	1.4	-	4 years

PayPay

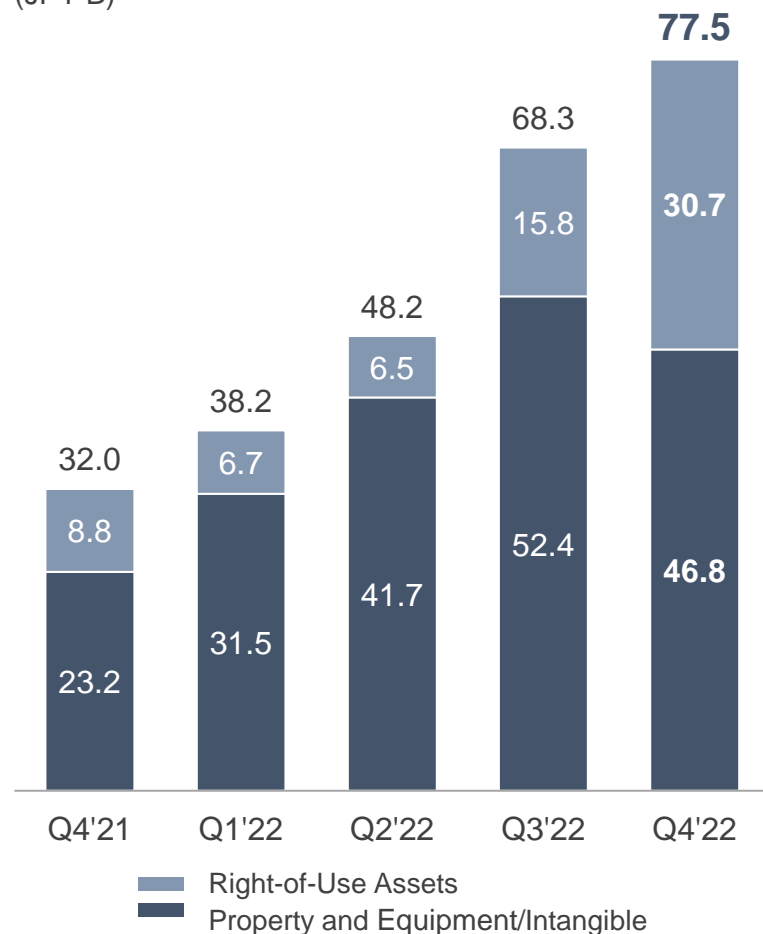
Item	Amount (JPY B)	Annual Amortization Amount (JPY B)	Amortization Period (Straight Line)
PPA¹	51.3	5.1	-
Customer-relationship (Merchants)	51.3	5.1	10 years

(JPY B)

	FY2022 Q3	FY2022 Q4	Difference
Assets	8,573.8	8,588.7	+14.9
Cash and cash equivalents	1,860.2	1,651.8	-208.4
Trade and other receivables	653.3	623.3	-30.0
Loans in credit card business	569.5	593.0	+23.4
Investment securities in banking business	363.8	414.7	+50.8
Property and equipment	199.4	213.8	+14.4
Intangible assets	1,274.0	1,267.7	-6.2
Liabilities	5,256.9	5,270.8	+13.9
Trade and other payables	1,349.6	1,351.7	+2.1
Customer deposit in banking business	1,473.5	1,495.6	+22.0
Interest-bearing liabilities	1,835.8	1,913.7	+77.9
Equity	3,316.9	3,317.9	+0.9

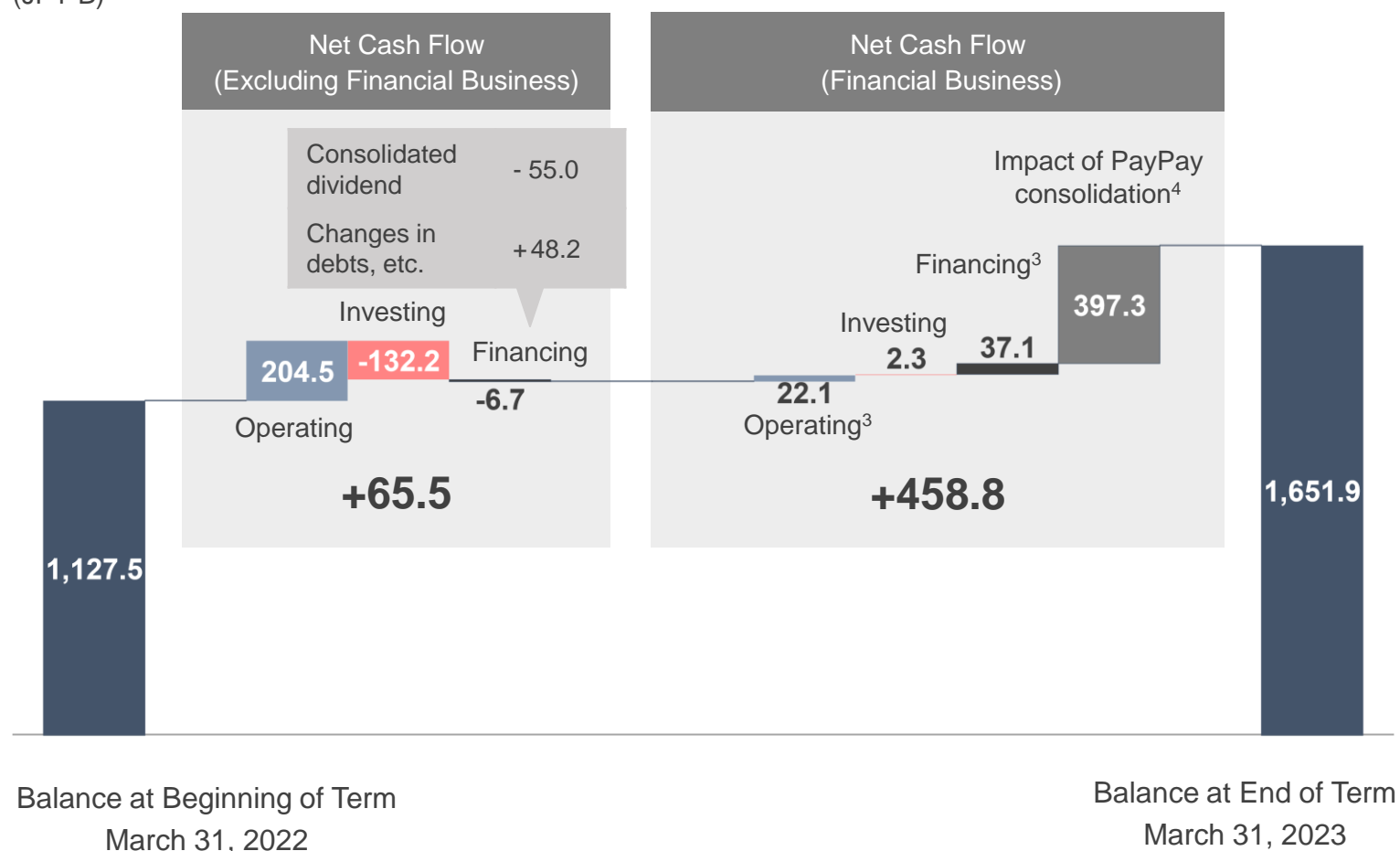
CAPEX¹

(JPY B)



Net Cash Flow (Excludes Financial Business²/Financial Business)¹

(JPY B)



1. The figures are rounded down to the nearest million yen and then rounded to the nearest 100 million yen.

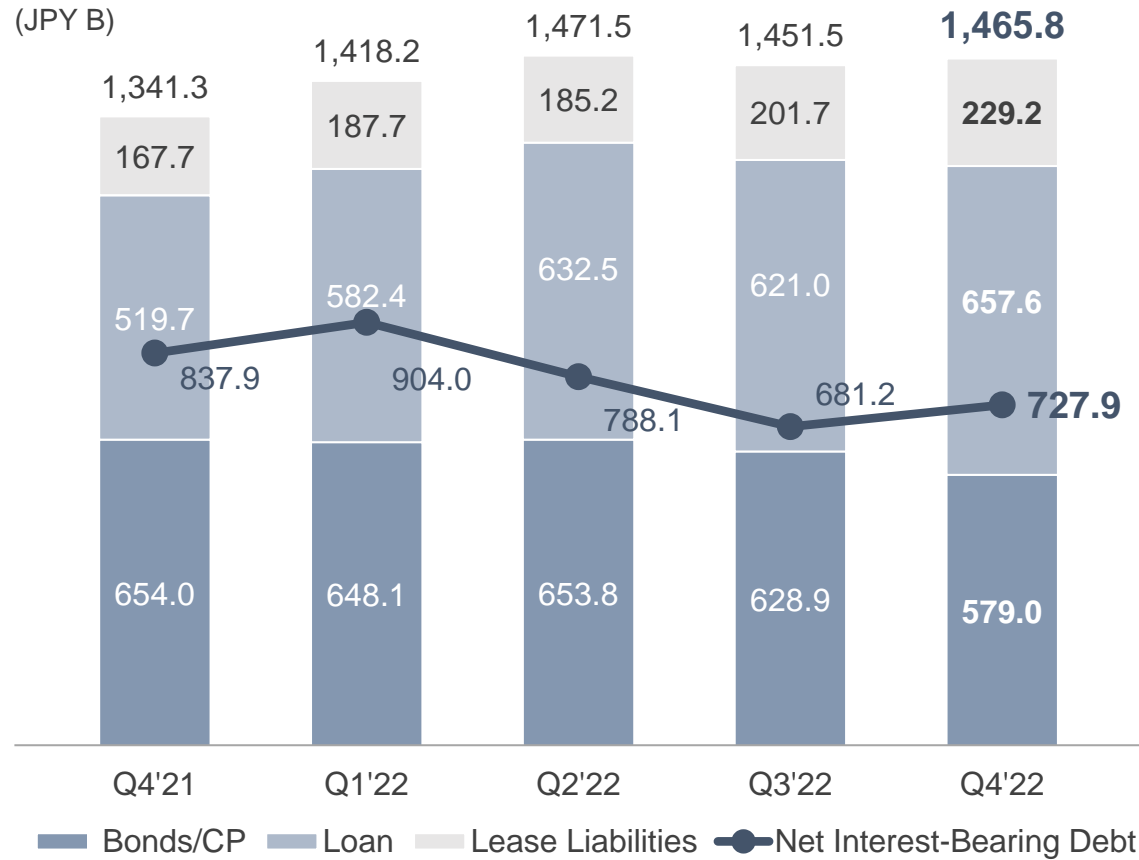
2. Financial business includes PayPay Corporation, PayPay Card Corporation, PayPay Bank Corporation and the financial subsidiaries of LINE Corporation.

3. Adjusted securitization of credit card receivables (transferred from financing cash flow to operating cash flow), includes adjustment of transactions within the Group.

4. PayPay Corporation's standalone cash and equivalents incorporated in the consolidated financial statement as of September 30, 2022.

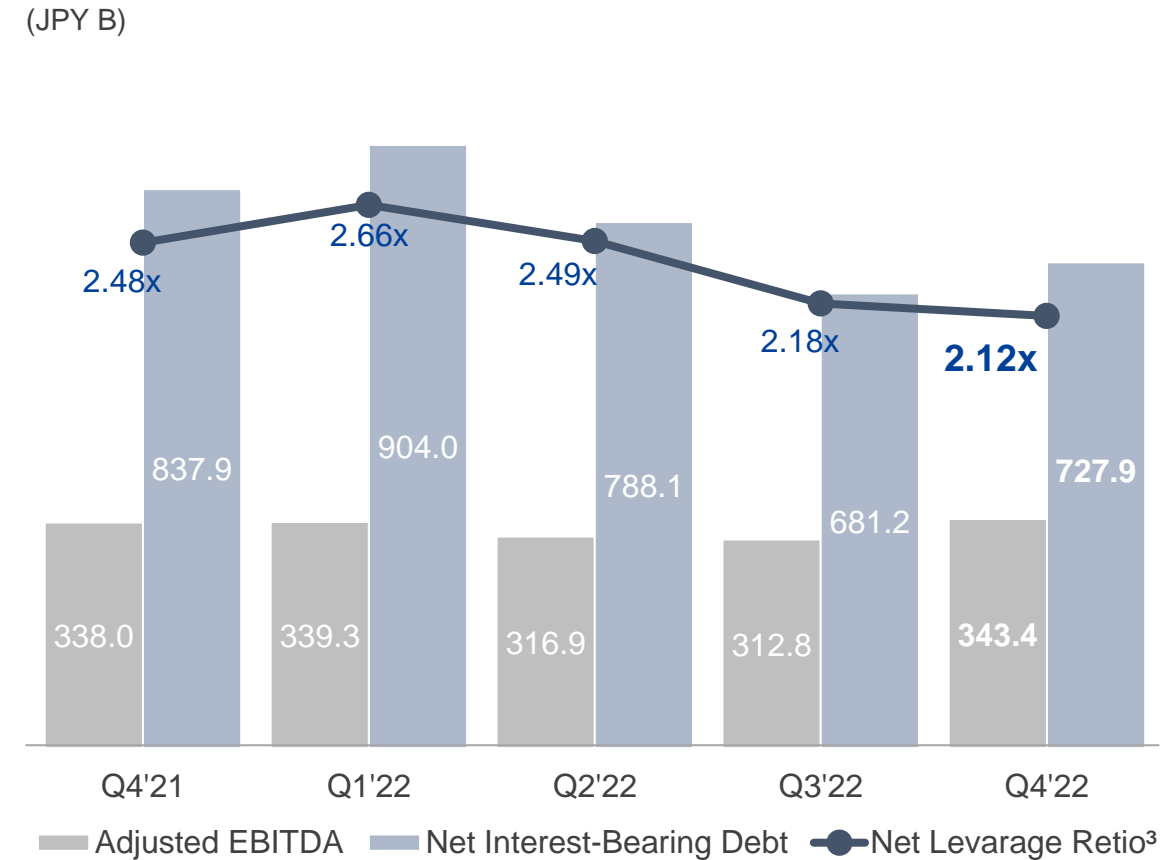
Interest-Bearing Debt & Net Interest-Bearing Debt¹

(Excludes financial business²)



Net Leverage Ratio³

(Excludes financial business²)



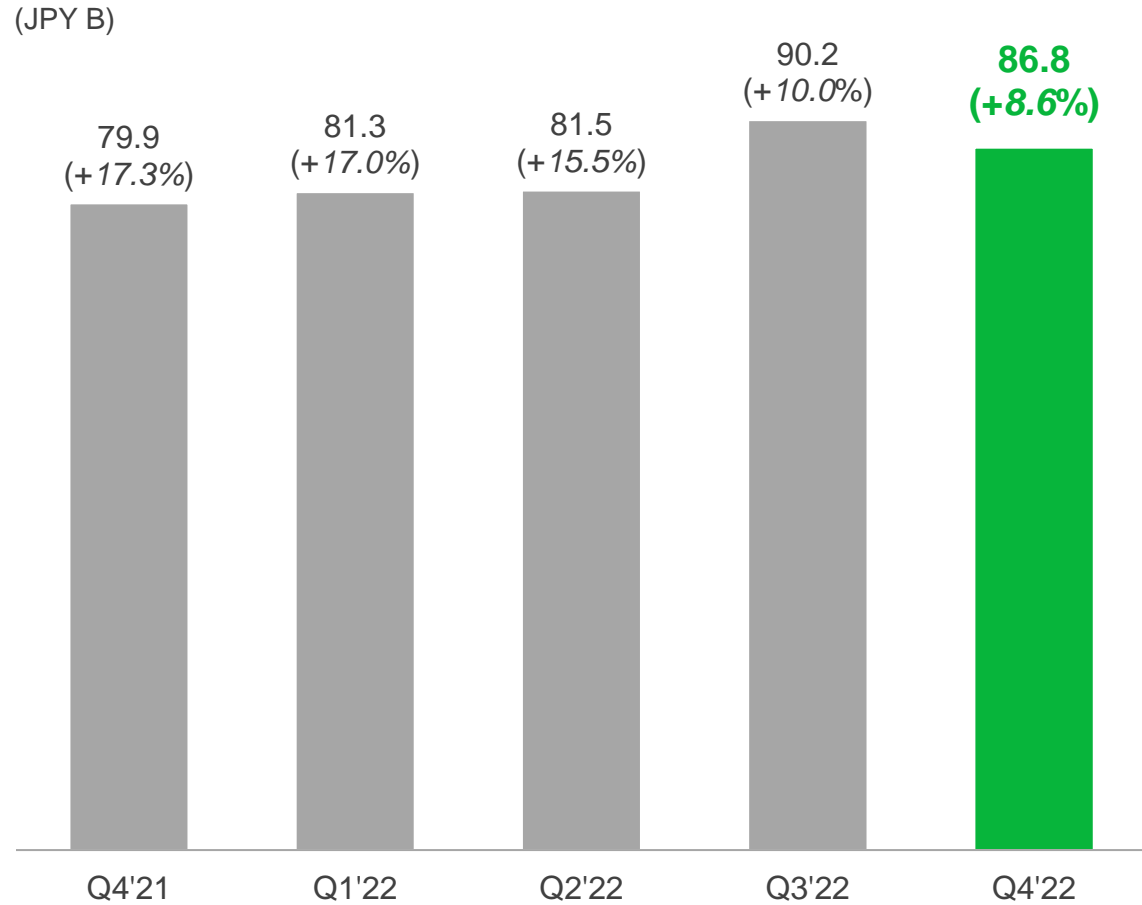
1. Net interest-bearing debt = Interest bearing debt – Cash and cash equivalents. The figures are rounded down to the nearest million yen and then rounded to the nearest 100 million yen.

2. Financial business includes PayPay Corporation, PayPay Card Corporation, PayPay Bank Corporation and the financial subsidiaries of LINE Corporation.

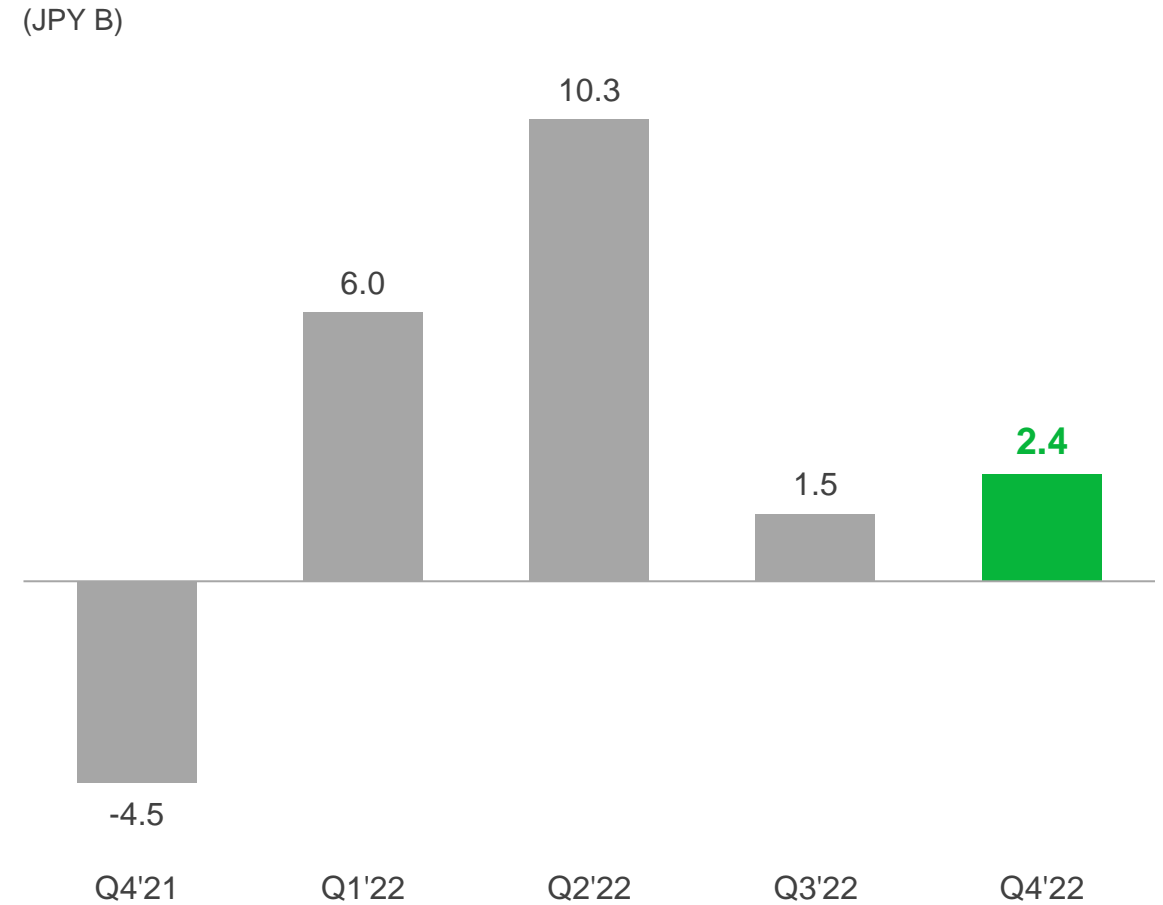
3. Net leverage ratio = Net interest-bearing debt / Adjusted EBITDA (Figures for the last 12 months used for calculating adjusted EBITDA). The figures are rounded down to the nearest million yen and then rounded to the nearest 100 million yen.

- YoY increase in revenue and income due to steady growth in account ads and restraining of marketing expense.

Revenue (YoY)



Operating Income



1. Results are coincided with the accounting period of Z Holdings Corporation (fiscal year ending in March). Figures are before consolidation adjustments by Z Holdings and do not include amortization of PPA (identifiable intangible assets), etc. associated with the business integration. Accounting definitions have been changed since March 2021; past figures have not been retroactively adjusted.

2. From FY2022 Q1, figures have been changed to eliminate transactions (outsourcing cost) with Z Entertainment Corporation. Past figures have not been retroactively adjusted.

- Will change sub-segments form FY2023, to accommodate merger and growth phase of each business.

Until FY2022 Q4

Media Business	LINE Ads	• Display ads, Other LINE Ads	• Account ads
	Yahoo! JAPAN Ads	• Search ads • Display ads (Reservation)	• Display ads (Programmatic)
	Other	• LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc.	

Commerce Business	Merchandise	• Shopping business • ASKUL's BtoB business	• Reuse business
	Services EC	-	
	Other	-	

Strategic Business	Fintech	• PayPay • PayPay Bank	• PayPay Card • Other finance
	Other	-	

From FY2023 Q1

Media Business	Search ads	-	
	Account ads	-	
	Display ads	• Display ads (Programmatic) • Display ads (Reservation)	
	Other	• LINE Stickers , LINE GAME, LINE MUSIC, ebookjapan, Yahoo! JAPAN Loco, etc.	

Commerce Business	LY Corporation	• Shopping business • Services EC business	• Reuse business • Other
	ZOZO/ ASKUL	• ZOZO • ValueCommerce	• ASKUL • Other

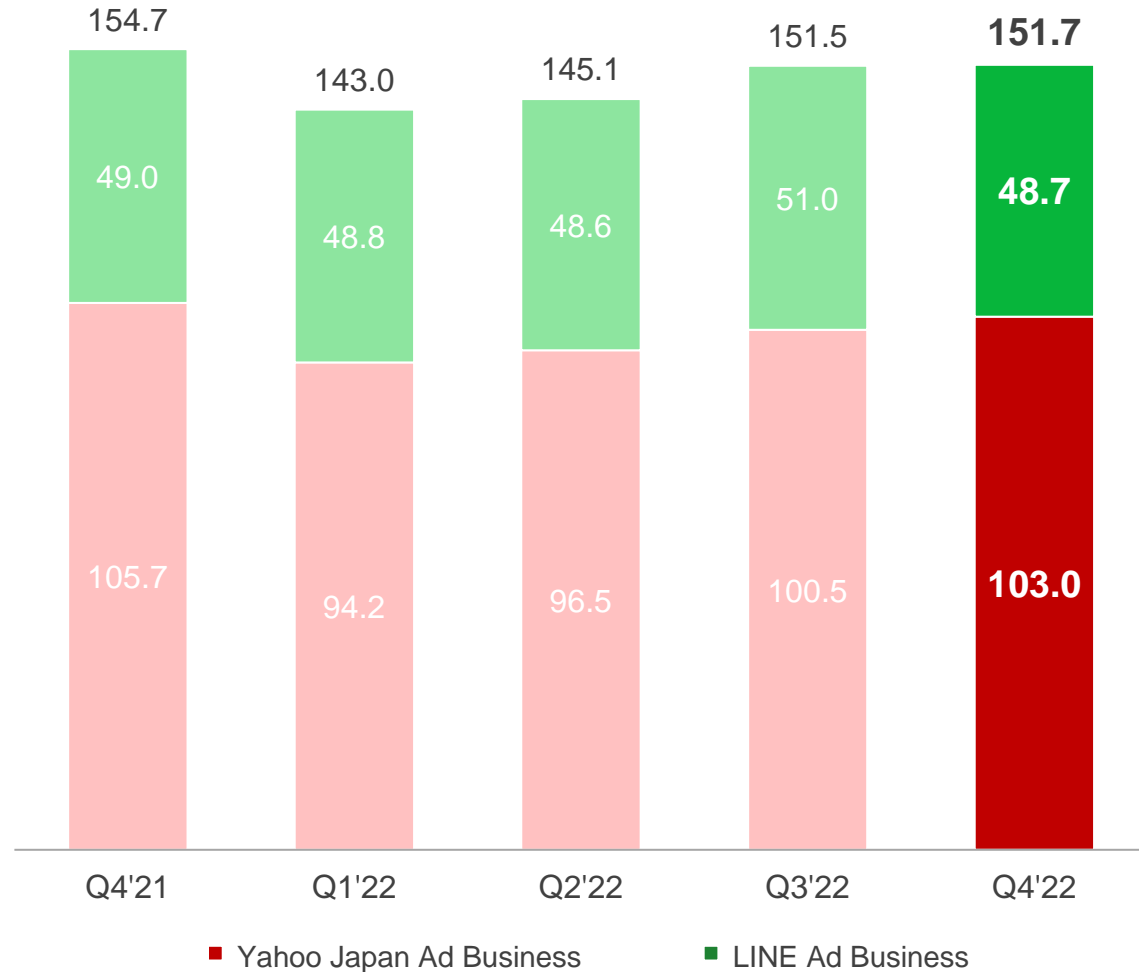
Strategic Business	Fintech	• PayPay (Consolidated) ¹ • Other finance	• PayPay Bank
	Other	-	

1. PayPay Corporation and PayPay Card Corporation.

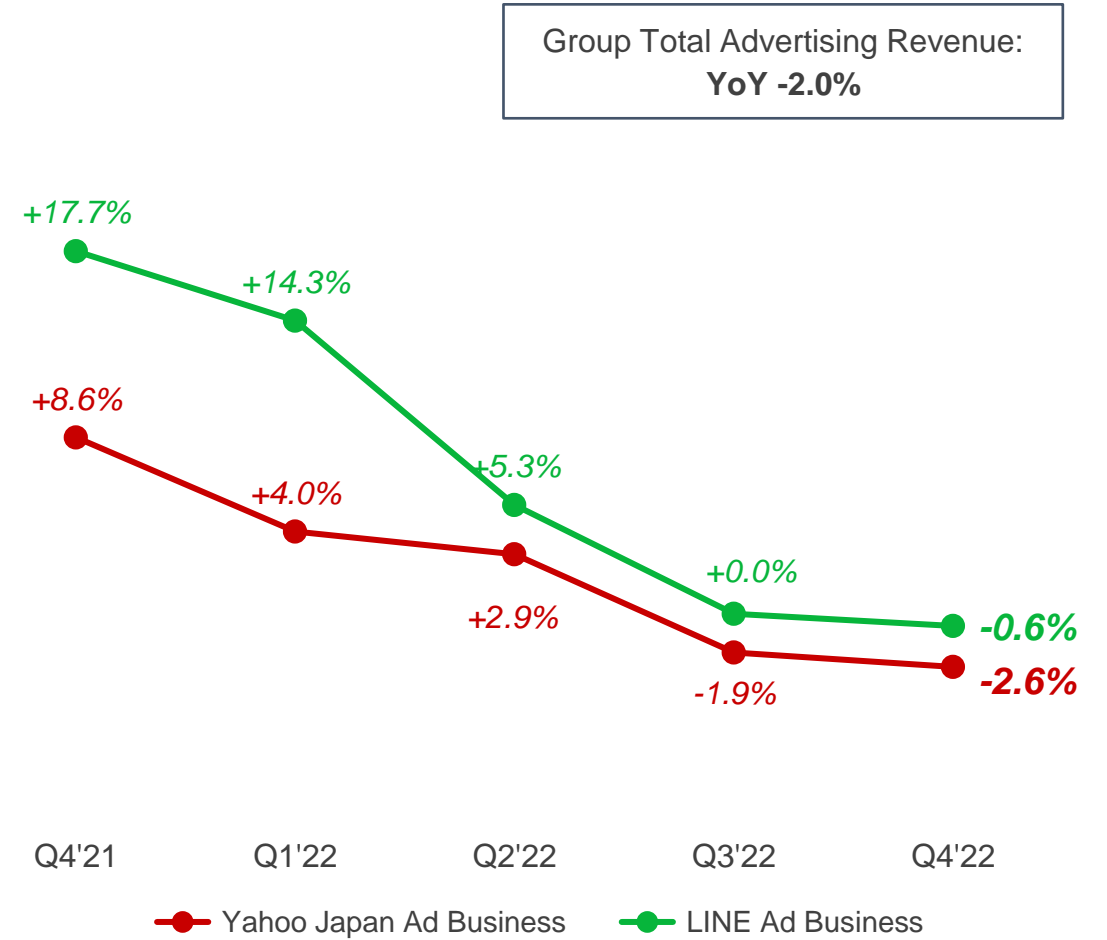
Media Business

Group Total Advertising Revenue¹

(JPY B)



Group Total Advertising Revenue – YoY Growth Rate¹



1. From FY2022 Q1, LINE Corporation's services that had been recorded in Adjustments have been transferred to each business segment. Revenue of LINE Ad Business has been retroactively revised from FY2021 Q1.

(JPY Million)	FY2021 Q4 ¹	FY2022 Q4 ¹	YoY
Revenue	169,495	168,252	-0.7%
LINE Advertising revenue	49,000	48,713	-0.6%
Display advertising	28,614	25,647	-10.4%
Account advertising	18,812	22,429	+19.2%
Other LINE advertising	1,574	636	-59.6%
Yahoo Japan Advertising revenue	90,087	90,777	+0.8%
Search advertising	49,383	52,755	+6.8%
Display advertising (Programmatic) ²	34,033	32,823	-3.6%
Display advertising (Reservation) ²	6,670	5,198	-22.1%
Other revenue (Vertical/entertainment/digital content/communication, etc.)	30,407	28,761	-5.4%
Cost of sales	37,026	35,730	-3.5%
Selling, general and administrative expenses	75,421	72,398	-4.0%
Sales promotion cost + Advertising and promotional expenses	14,540	7,615	-47.6%
Other selling, general and administrative expenses	60,881	64,783	+6.4%
Other revenue and expenses	6,667	-	N/A
Adjusted EBITDA (Margin)³	63,831 (37.7%)	66,946 (39.8%)	+4.9%
LINE Adjusted EBITDA (Margin)³	22,754 (33.7%)	21,939 (30.4%)	-3.6%
Yahoo Japan Adjusted EBITDA (Margin)³	41,077 (40.3%)	45,007 (46.9%)	+9.6%

1. From FY2022 Q1, Yahoo Japan Corporation's financial service which had formerly been recorded in Strategic Business has been transferred to Media Business. LINE Corporation's services that had been recorded in Adjustments have been transferred to each business segment. Figures have been retroactively revised from FY2021 Q1.

2. Excludes Shopping-related advertising revenue and advertising revenue of ZOZO, Inc. (Recorded in Commerce Business segment).

3. Includes revenue of other Media Business other than advertising business.

Item	Breakdown
LINE Ads	
Display ads	LINE VOOM, LINE NEWS, Chat List, Talk Head View, Talk Head View Custom, etc.
Account ads	LINE Official Account, LINE Promotion Sticker, LINE de Obo, LINE Flyer, etc.
Other ads	LINE Part Time Jobs, etc.
Yahoo! JAPAN Ads	
Search advertising	Yahoo! JAPAN Ads “Search advertising”
Display advertising	
Programmatic advertising	Yahoo! JAPAN Ads “Display advertising” (Programmatic-based), etc.
Reservation advertising	Yahoo! JAPAN Ads “Display advertising” (Reservation-based), etc.
Others	
LINE	LINE Stickers, LINE GAME, LINE Fortune, LINE MUSIC, LINE Manga, etc.
Yahoo Japan	ebookjapan, Real estate-related services, Yahoo! JAPAN Loco, etc.

Item	Fee Calculation	Placement Pages/Product Outline	Type of Advertiser
Display ads			
LINE VOOM	Cost per-click Cost per-view	LINE VOOM tab	Major corporations/SMBs
LINE NEWS	Cost per-click Cost per-view	NEWS tab	Major corporations/SMBs
Chat List	Cost per-click Cost per-view	Top of chat list page	Major corporations/SMBs
Talk Head View (Reservation-based)	Cost-per-guaranteed period	Video ads distributed at the top of chat list page	Major corporations/Local governments
Talk Head View Custom (Programmatic-based)	Cost per-view	Video ads distributed at the top of chat list page	Major corporations/Local governments
Account ads			
LINE Official Account	Fixed monthly cost Pay-as-you-go	Messages delivered to users who have friended the account	Major corporations/SMBs/Local governments
LINE Promotion Sticker	Fixed fee Pay-as-you-go	Free stickers designed for businesses for user communications	Major corporations/SMBs/Local governments
LINE de Obo	Basic cost Optional cost	In-store sales promotion solution utilizing LINE	Major corporations/SMBs

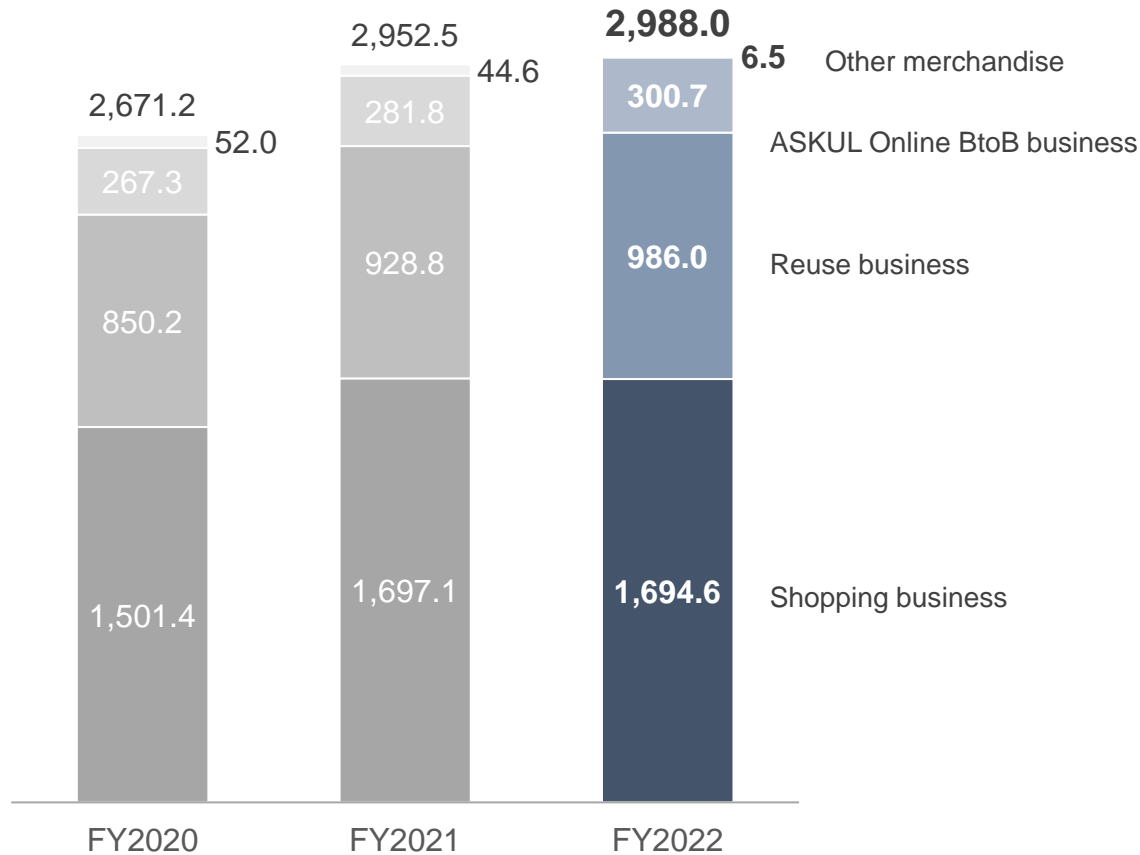
Item	Fee Calculation	Placement Pages	Type of Advertiser
Search advertising	Cost per-click	Search results pages	Major corporations/SMBs
Display advertising			
Programmatic			
Yahoo! JAPAN Ads “Display advertising” (Programmatic-based)	Cost per-click Cost per-view	Top page Interior pages of service sites Partner sites	Major corporations/SMBs
Shopping-related advertising (Programmatic-based)	Cost per-conversion	Yahoo! JAPAN Shopping	Tenants of Yahoo! JAPAN Shopping
Reservation			
Yahoo! JAPAN Ads “Display advertising” (Reservation-based)	Cost per-viewable impression Cost per-guaranteed period, etc.	Top page Interior pages of service sites	Major corporations/Local governments
Shopping-related advertising (Reservation-based)	Cost per-guaranteed period, etc.	Yahoo! JAPAN Shopping	Tenants of Yahoo! JAPAN Shopping

Commerce Business

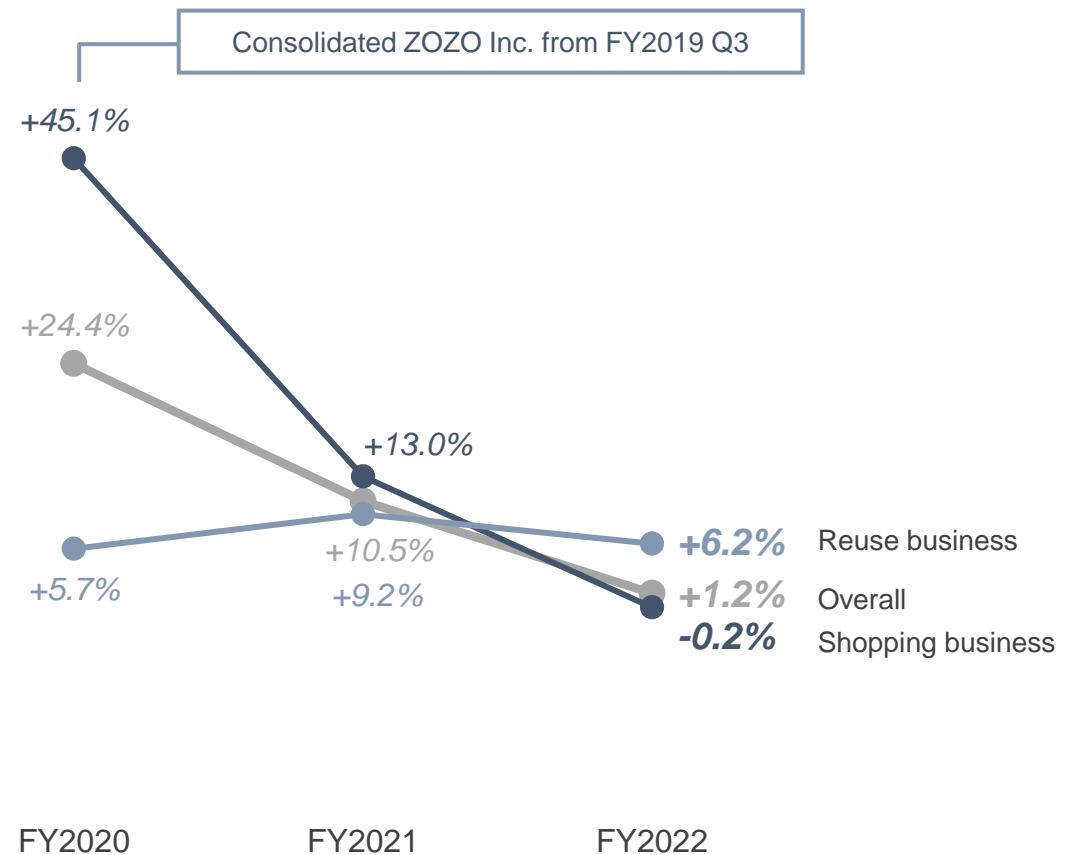
- Shopping business maintained the previous year’s level while improving profitability.
- Reuse business, Z Holdings’ unique business, expanding steadily.

Domestic Merchandise Transaction Value¹

(JPY B)






Domestic Merchandise Transaction Value¹ – YoY Growth Rate



1. Please refer to P.24 of the Appendix for definition of transaction value.

(JPY Million)	FY2021 Q4 ¹	FY2022 Q4 ¹	YoY
Revenue	208,611	202,253	-3.0%
Merchandise EC	165,594	161,752	-2.3%
Shopping business	80,445	71,580	-11.0%
Reuse business	13,714	14,485	+5.6%
ASKUL online BtoB business	71,434	75,685	+6.0%
Services EC	4,565	5,783	+26.7%
Other	38,452	34,717	-9.7%
Cost of sales	91,496	93,915	+2.6%
Selling, general and administrative expenses	110,425	85,692	-22.4%
Sales promotion cost + Advertising and promotional expenses	40,971	12,704	-69.0%
Other selling, general and administrative expenses	69,453	72,988	+5.1%
Other revenue and expenses	-	-	N/A
Adjusted EBITDA (Margin)	20,621 (9.9%)	37,964 (18.8%)	+84.1%

1. From FY2022 Q1, LINE Corporation's services that had been recorded in Adjustments have been transferred to each business segment. Figures have been retroactively revised from FY2021 Q1.

	Existing E-commerce			Quick Commerce	Social Commerce	
	 (Renewed in October 2022)	ZOZOTOWN	LOHACO		LINE GIFT	
Form/Type	Mall-type (Approx. 600 mil. items)	Direct sales (Approx. 900,000 items)	Direct sales (No. of items undisclosed)	Immediate delivery service (Approx. 3,300 items)	Mall-type (Approx. 200,000 items)	E-commerce store creation (No. of merchants undisclosed)
Feature/Differentiators	<ul style="list-style-type: none"> Organized simple design UI/UX that enables easy search of products by category High appeal on blue-ribbon stores and strengthened delivery 	<ul style="list-style-type: none"> Category killer Excellent UI 	<ul style="list-style-type: none"> Original products 	<ul style="list-style-type: none"> Utilizes Group assets 	<ul style="list-style-type: none"> Service based on LINE 	<ul style="list-style-type: none"> Service based on LINE NAVER's expertise from South Korean market
Focus Areas/Notes	<ul style="list-style-type: none"> Improve UI Enhance delivery quality Improve marketing efficiency 	<ul style="list-style-type: none"> Strengthen focus areas Strengthen cross-Group collaboration 	<ul style="list-style-type: none"> Strengthen cross-Group collaboration 	<ul style="list-style-type: none"> Optimize cost and improve service quality Develop quick commerce market 	<ul style="list-style-type: none"> Expand product lineup Expand users Create new gift-giving culture and new markets 	<ul style="list-style-type: none"> Expand merchants Improve visibility in owned EC market in Japan
Take Rate	<ul style="list-style-type: none"> Commission for sales promotion (3% of transaction value) Sales promotion activities within the shopping platform (e.g., ad placements) Fee for participating in user campaigns 	Approx. 30% (Consignment)	Undisclosed	Undisclosed	Undisclosed	Sales commission: 2.5% ¹ Payment fee: 3.5%
Market Size	JPY13.3 T ² (BtoC e-commerce market, merchandise)	JPY7.6 T ³ (Apparel retail market, 2021)	JPY13.3 T ² (BtoC e-commerce market, merchandise)	JPY2.6 T ⁴ (Food delivery market, FY2022 forecast)	JPY10.5 T ⁵ (Gift market, 2022 forecast)	JPY4 T ⁶ (Owned EC market)

1. Stores that opened before September 30, 2023, were exempt from the sales commission for the period up to March 31, 2024.

2. Source: Ministry of Economy, Trade and Industry: "FY2021 E-Commerce Market Survey - Scale of the Domestic B-to-C EC Market"

3-5. Source: Yano Research Institute Ltd.: 3. Apparel Market in Japan 2022 (released on November 4, 2022); 4. Food Delivery Service Market in Japan 2021 (released on September 15, 2021). Calculated by totaling the eight major business categories of 1) Home meal delivery services, 2) Deli & food delivery services, 3) Pizza delivery services, 4) Sushi delivery services, 5) Meals from restaurant/fast food chains, 6) Milk delivery services, 7) Co-op delivery services, and 8) Online supermarkets; 5. Gift Market in Japan 2022 (released on January 20, 2023).

6. Source: Research by Z Holdings Corporation: Owned e-commerce market size in Japan in 2020

Item	Breakdown
Merchandise EC	-
Shopping business	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE FRIENDS, LINE GIFT, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY, Overseas EC ¹
Reuse business	YAHUOKU!, PayPay Flea Market, ZOZOUSED
ASKUL non-consolidated online BtoB business	ASKUL, SOLOEL ARENA, etc.
Services EC	Yahoo! JAPAN Travel, Ikyu Travel, LINE TRAVEL (Taiwan), etc.
Others	Premium membership, ASKUL non-online BtoB business, ValueCommerce, etc.

1. Please refer to page 24 of the Appendix for definition of overseas EC.

Item	Major Services/products
EC transaction value	-
Domestic merchandise	-
Shopping business	Yahoo! JAPAN Shopping, ZOZOTOWN, LOHACO, Charm, LINE SHOPPING, LINE GIFT, LINE FRIENDS, MySmartStore, Yahoo! JAPAN Mart by ASKUL, LIVEBUY
Reuse business	YAHUOKU!, PayPay Flea Market, ZOZOUSED
ASKUL non-consolidated online BtoB business	ASKUL, SOLOEL ARENA, etc.
Domestic services	Ikyu.com, Yahoo! JAPAN Travel, Yahoo! JAPAN Loco ¹ , Demae-can, LINE PLACE
Domestic digital content	ebookjapan, LINE Manga, LINE MUSIC, LINE Stickers, LINE GAME, LINE Fortune, LINE NFT ² , other paid digital content
Overseas EC	LINE SHOPPING (Taiwan, Thailand), GIFTSHOP, EZ STORE, QUICK EC, MyShop, LINE FRIENDS, LINE TRAVEL (Taiwan), LINE MAN, LINE Stickers ¹ , LINE GAME ¹ , DOSI ³

1. Revenue from this service is recorded in the Media Business segment.

2. Revenue from this service is recorded in the Strategic Business segment.

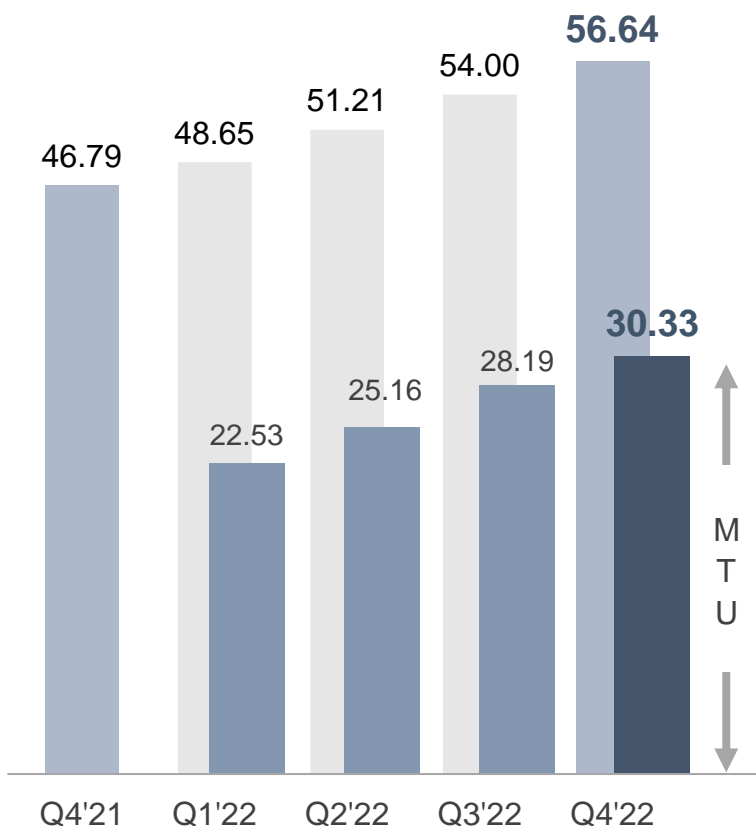
3. Global NFT platform. Revenue from this service is recorded in the Strategic Business segment.

Strategic Business



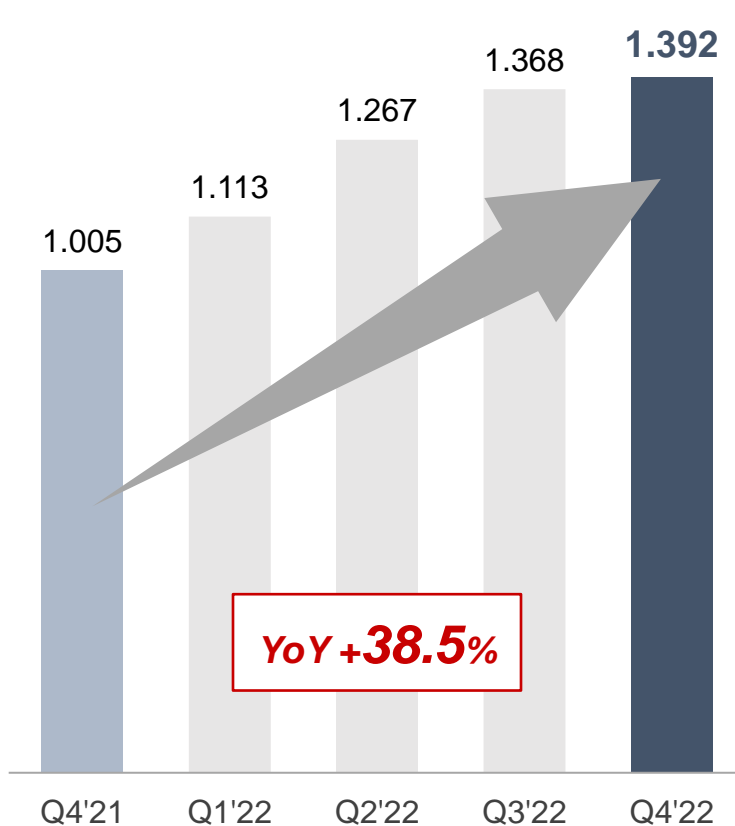
Registered Users¹·MTU² (Standalone)

(Million)



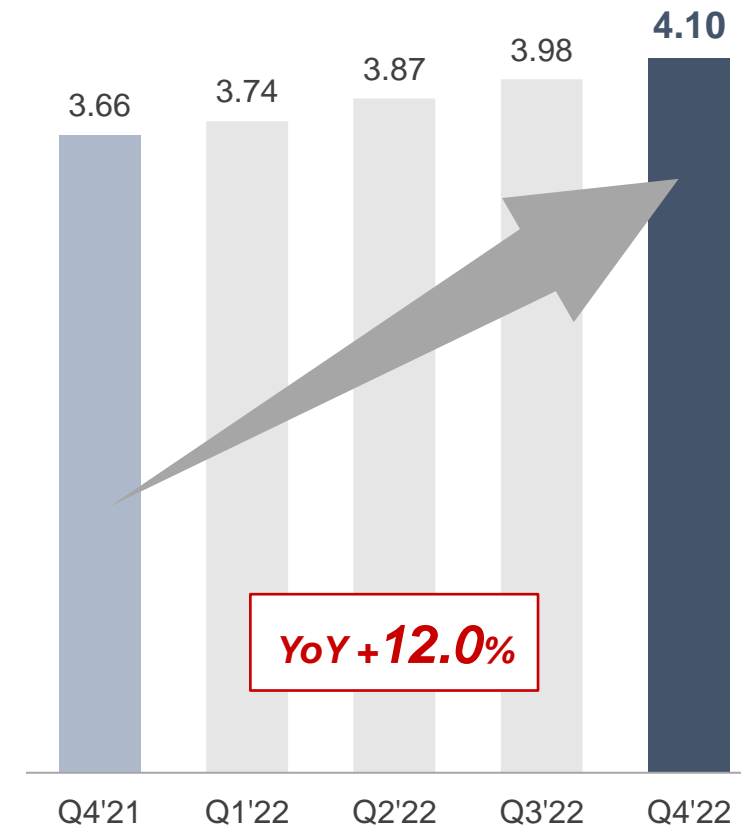
No. of PayPay Payments³ (Standalone)

(B)



Registered Locations⁴ (Standalone)

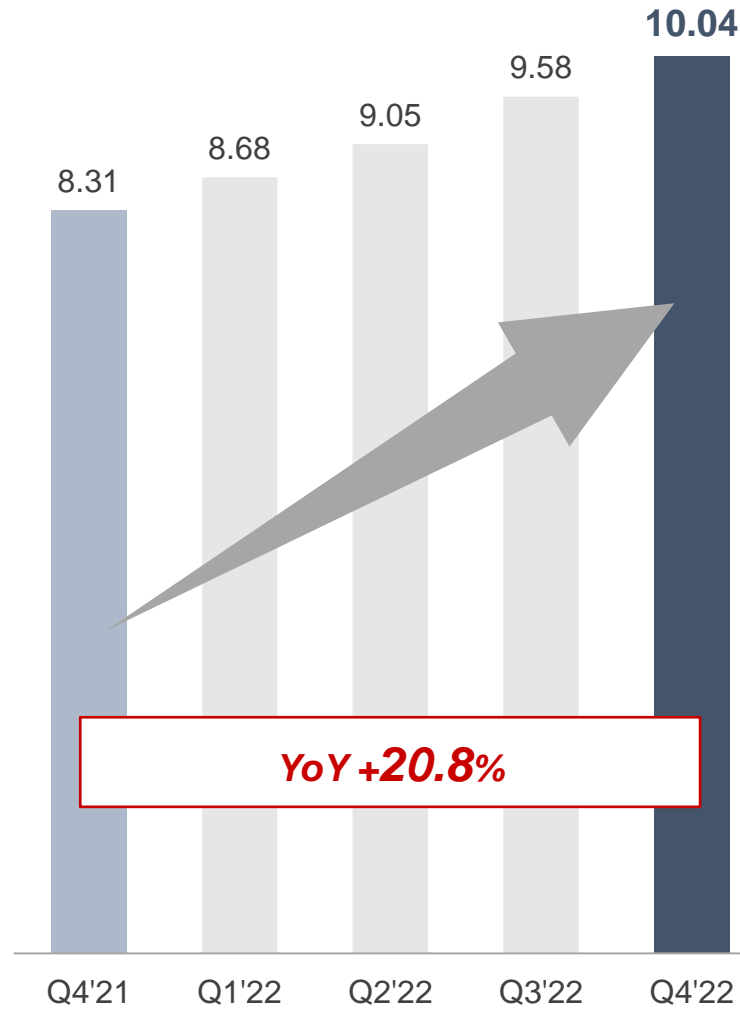
(Million)



1. No. of users registered to PayPay account as of last month of every quarter.
2. MTU (Monthly Transaction Users): Number of unique users who made a transaction once or more per month. The use of the "Send/Receive" function of "PayPay Balance" between users is not included. Payments via Alipay and LINE Pay, etc. are included. As of the end of each quarter.
3. The use of the "Send/Receive" function of "PayPay Balance" between users is not included. From FY2021Q4 onward, payments via Alipay and LINE Pay, etc. are included. Payments through the deferred payment "PayPay Atobarai" launched in February 2022 are included.
4. Total number of locations registered with "PayPay." As of March 2023.

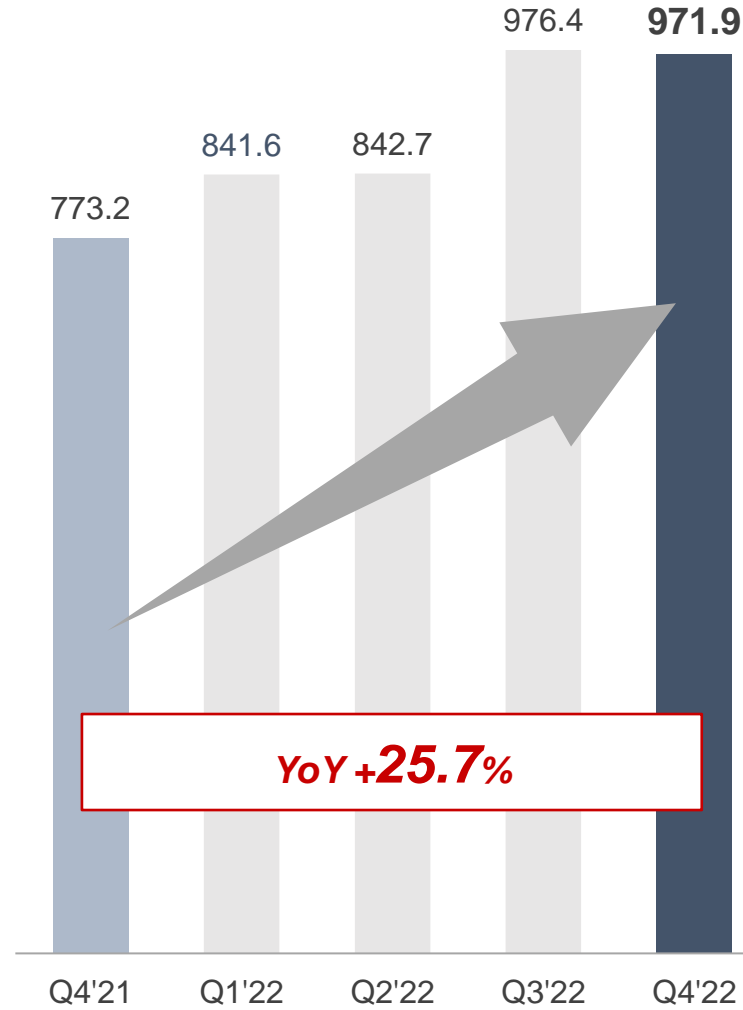
Active Cardholders

(Million)



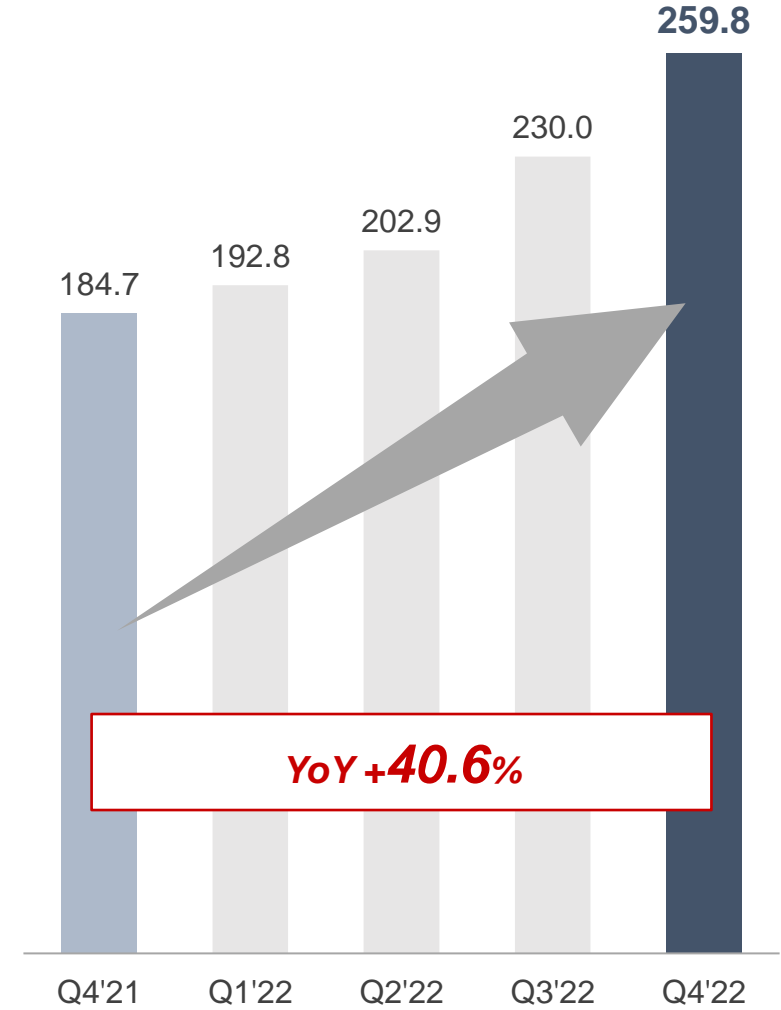
Transaction Volume¹

(JPY B)



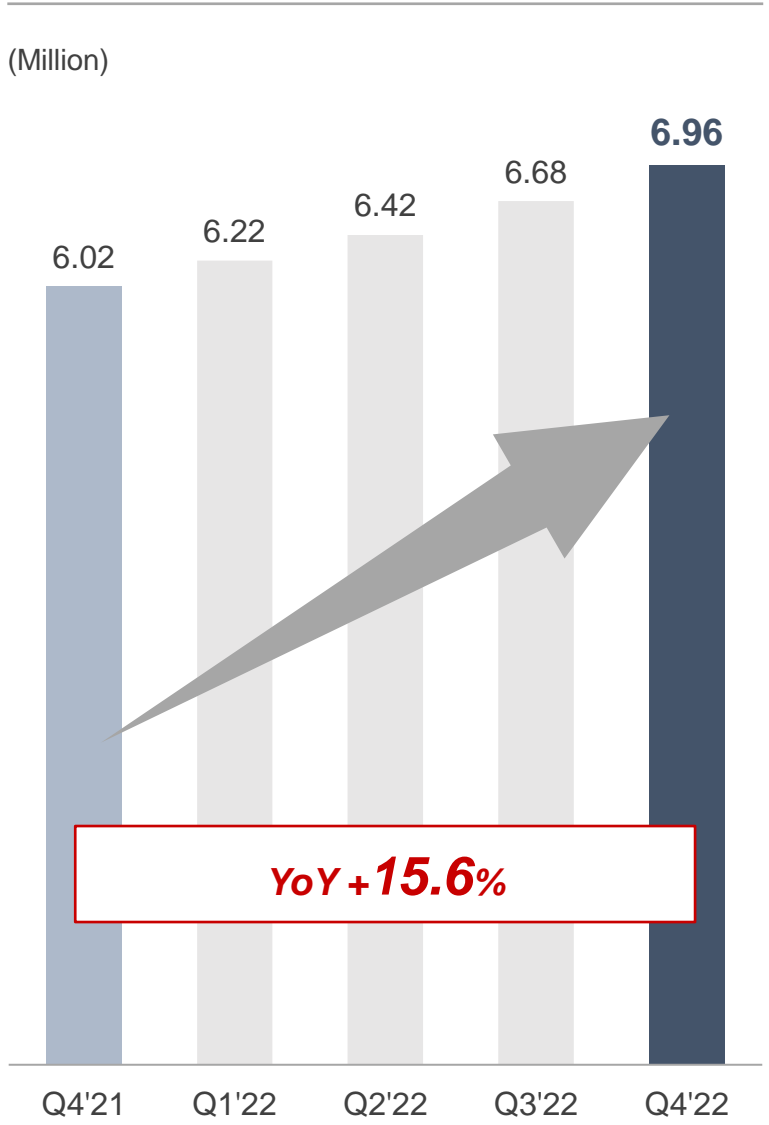
Revolving Balance

(JPY B)

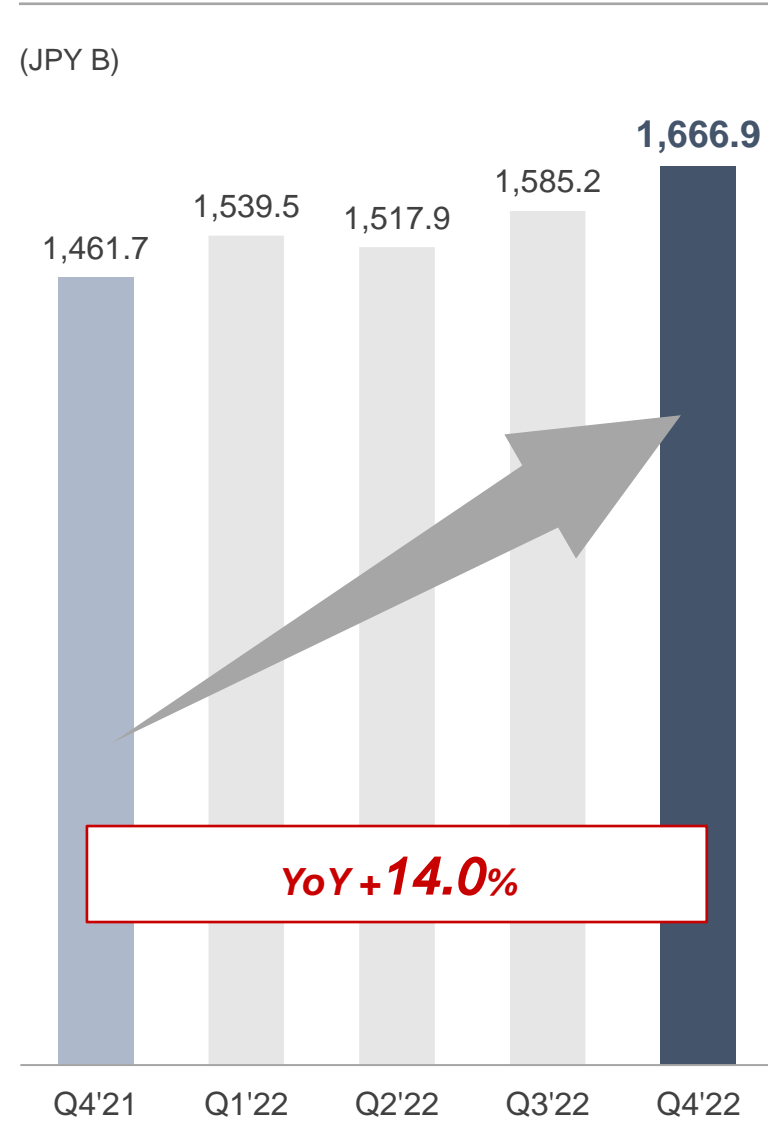


1. Includes PayPay Atobarai (deferred payment) launched in February 2022.

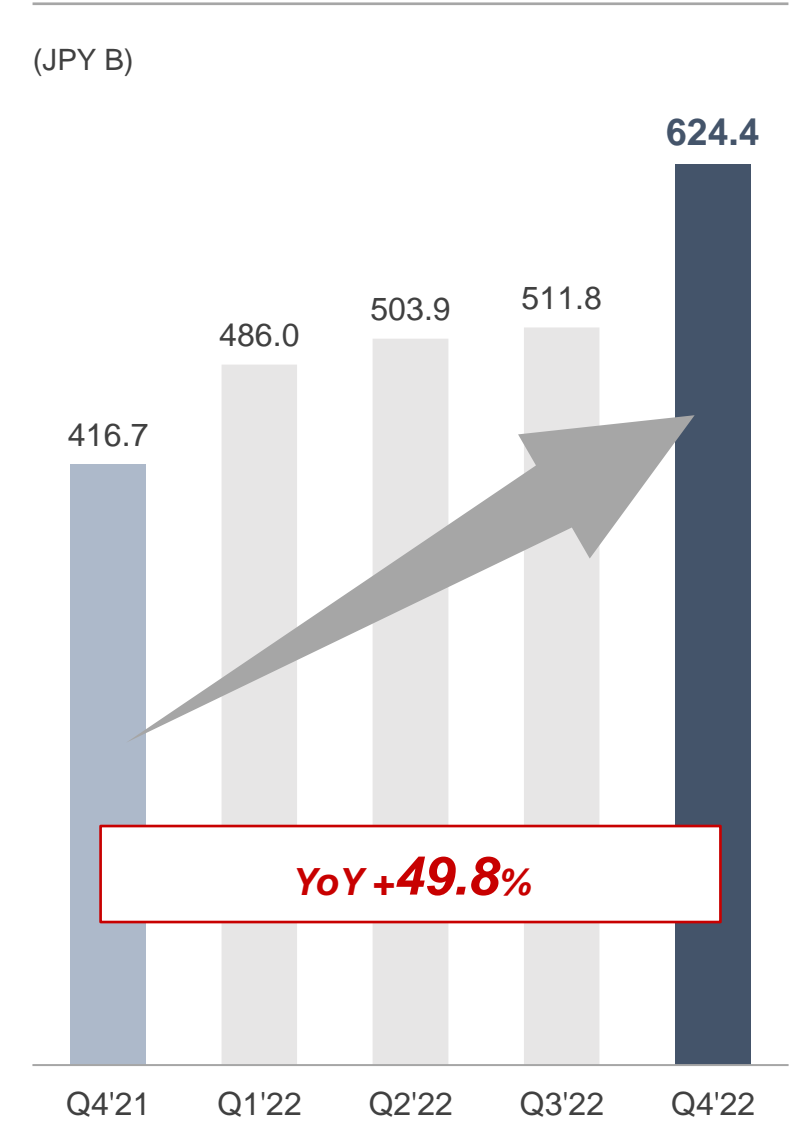
No. of Accounts



Deposit Balance



Loan Balance



• Consolidated PayPay Corporation in October 2022.

		May 2018 (At founding)	As of end of May 2019	As of end of Mar 2020	As of end of Mar 2022	As of end of Sep 2022
Common Stock	Yahoo Japan	50%	25%	25%	25%	-
	Z Holdings	-	-	-	-	25%
	SoftBank	50%	25%	25%	25%	25%
	SoftBank Group ²	-	50%	50%	50%	50%
	Paytm ³	-	-	-	-	-
	Total	100%	100%	100%	100%	100%
Preferred Stock ¹	Yahoo Japan	-	-	50%	41.5%	50%
	SoftBank	-	-	50%	41.5%	50%
	SoftBank Group ²	-	-	-	17.0%	-
	Total	-	-	100%	100%	100%

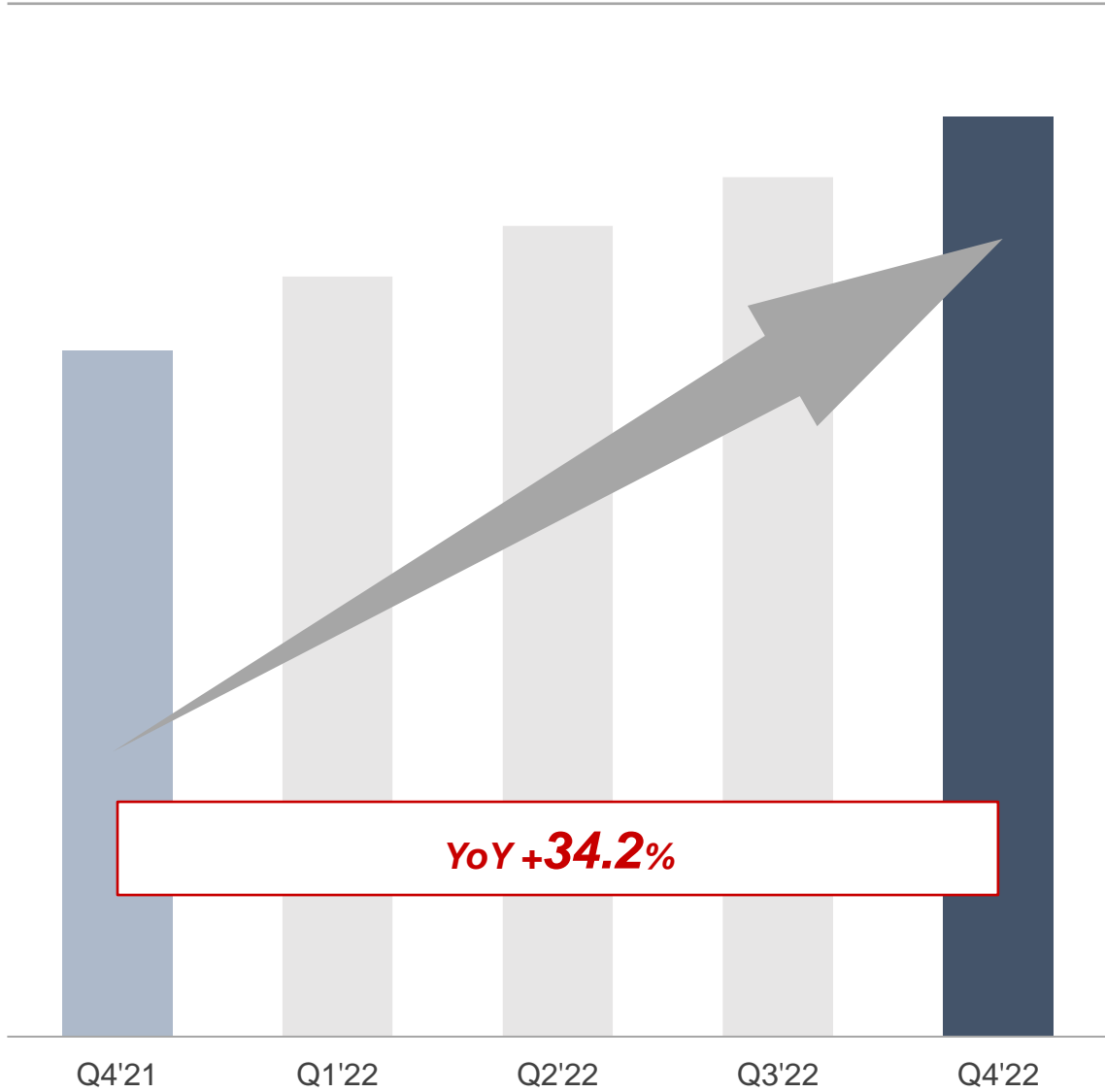
Capital Structure after Completion of Transactions ^{4,5} (October 2022 -)	
B Holdings⁶	54.8%
SoftBank Vision Fund ²	28.5%
Z Holdings	5.6%
SoftBank	5.6%
Paytm	5.5%
Total	100%

Z HOLDINGS Shareholding ratio | **33.0%**

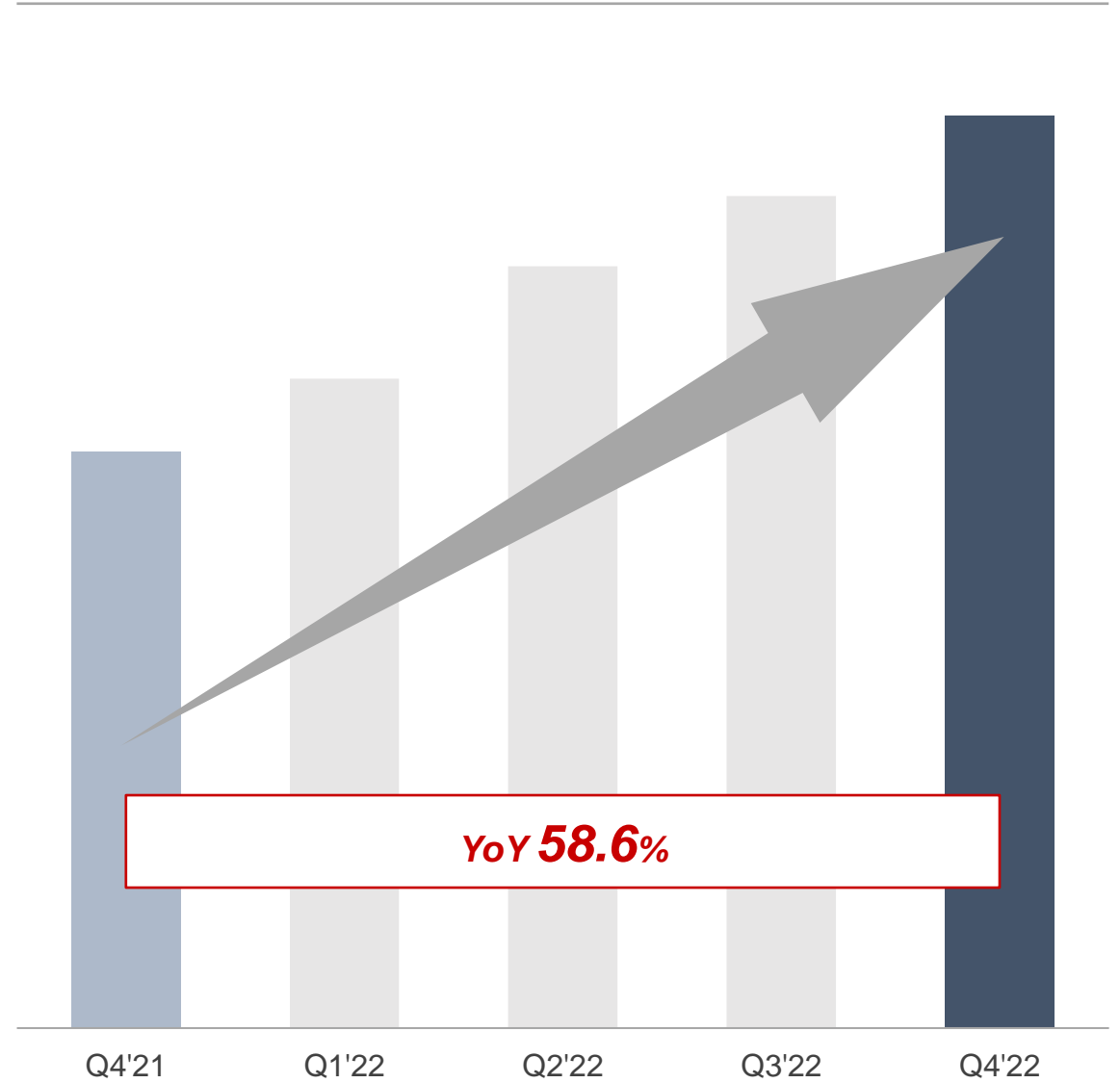
(Incl. 27.4% held through B Holdings)

1. From April 2022 onwards, may be converted to common stocks (conversion rate = 1:1). All preferred stocks were converted to common stocks on October 1, 2022, with the consolidation of PayPay Corporation.
2. Transferred to SoftBank Vision Fund 2 under SoftBank Group in December 2021.
3. On September 30, 2020, issued stock options to Paytm. The options can be exercised from the same date.
4. Figure after Paytm's stock options are exercised.
5. ZHD's announcements: https://www.z-holdings.co.jp/en/ir/news/auto_20220727505491/pdfFile.pdf, https://www.z-holdings.co.jp/en/ir/news/auto_20221002539426/pdfFile.pdf
6. Established in September 2022. An intermediate holding company of Z Holdings Corporation and SoftBank Corp. with investment also from SoftBank Corp.

LINE BK (Taiwan) – No. of Users



LINE Bank (Indonesia) – No. of Users



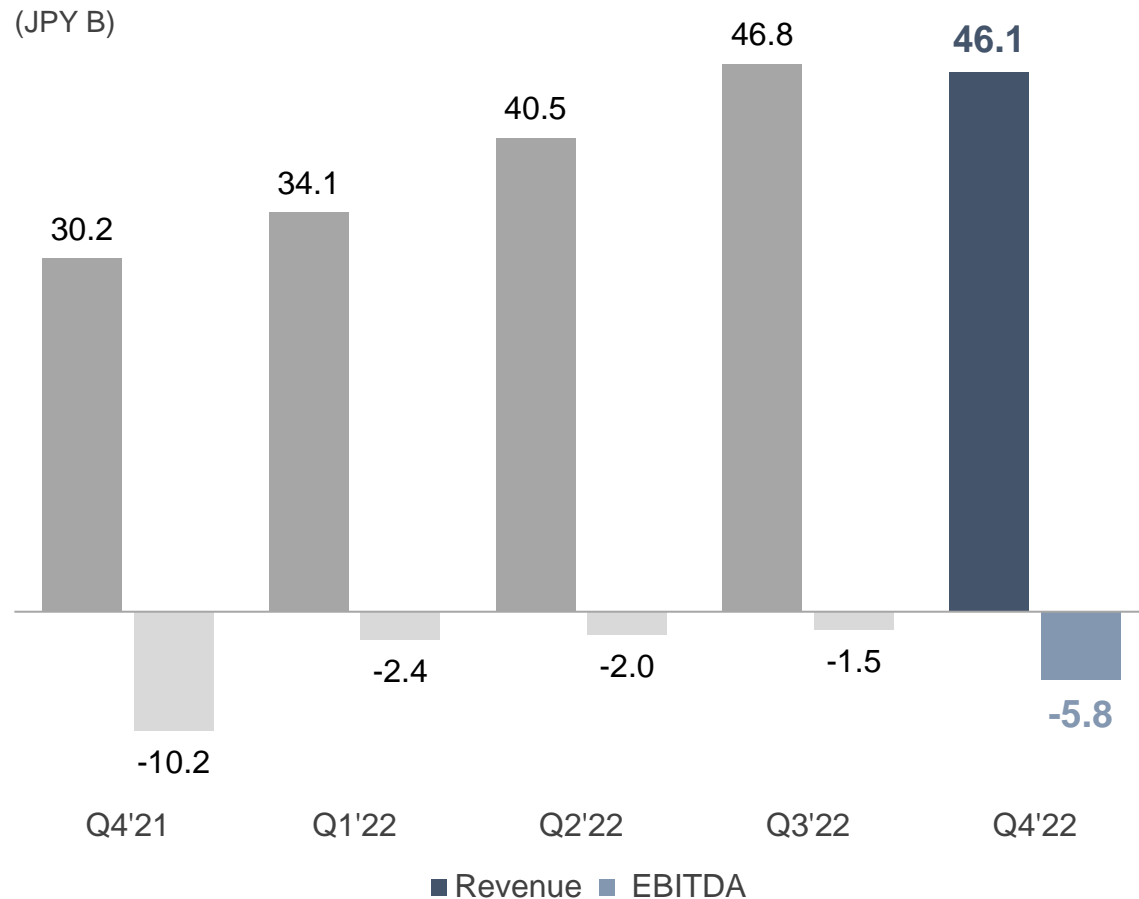
(JPY Million)	FY2021 Q4 ¹	FY2022 Q4 ¹	YoY
Revenue	27,730	63,492	+129.0%
Fintech	27,126	61,351	+126.2%
PayPay (Consolidated) ^{2, 3}	-	43,065	N/A
PayPay Card ³	13,464	-	N/A
PayPay Bank ³	7,596	9,757	+28.5%
Other fintech (LINE Fintech, etc.)	6,065	8,527	+40.6%
Other Strategic Business (AI, LINE Search, LINE Healthcare, etc.)	604	2,141	+254.4%
Cost of sales	3,570	5,265	+47.5%
Selling, general and administrative expenses	38,744	85,514	+120.7%
Sales promotion cost + Advertising and promotional expenses	6,926	13,693	+97.7%
Other selling, general and administrative expenses	31,817	71,821	+125.7%
Other revenue and expenses	-	-	N/A
Adjusted EBITDA (Margin)	-9,771 (-35.2%)	-22,209 (-35.0%)	N/A

1. From FY2022 Q1, Yahoo Japan Corporation's financial service which had formerly been recorded in Strategic Business has been transferred to Media Business. LINE Corporation's services that had been recorded in Adjustments have been transferred to each business segment. Figures have been retroactively revised from FY2021 Q1.

2. Includes PayPay Corporation and PayPay Card Corporation. Figures after elimination of internal transactions between the two companies. Unaudited.

3. Independently calculated by making relevant IFRS adjustments from non-consolidated figures under JGAAP.

Consolidated Revenue¹/EBITDA² (IFRSs)



Consolidated Statement of Financial Position (IFRSs)³

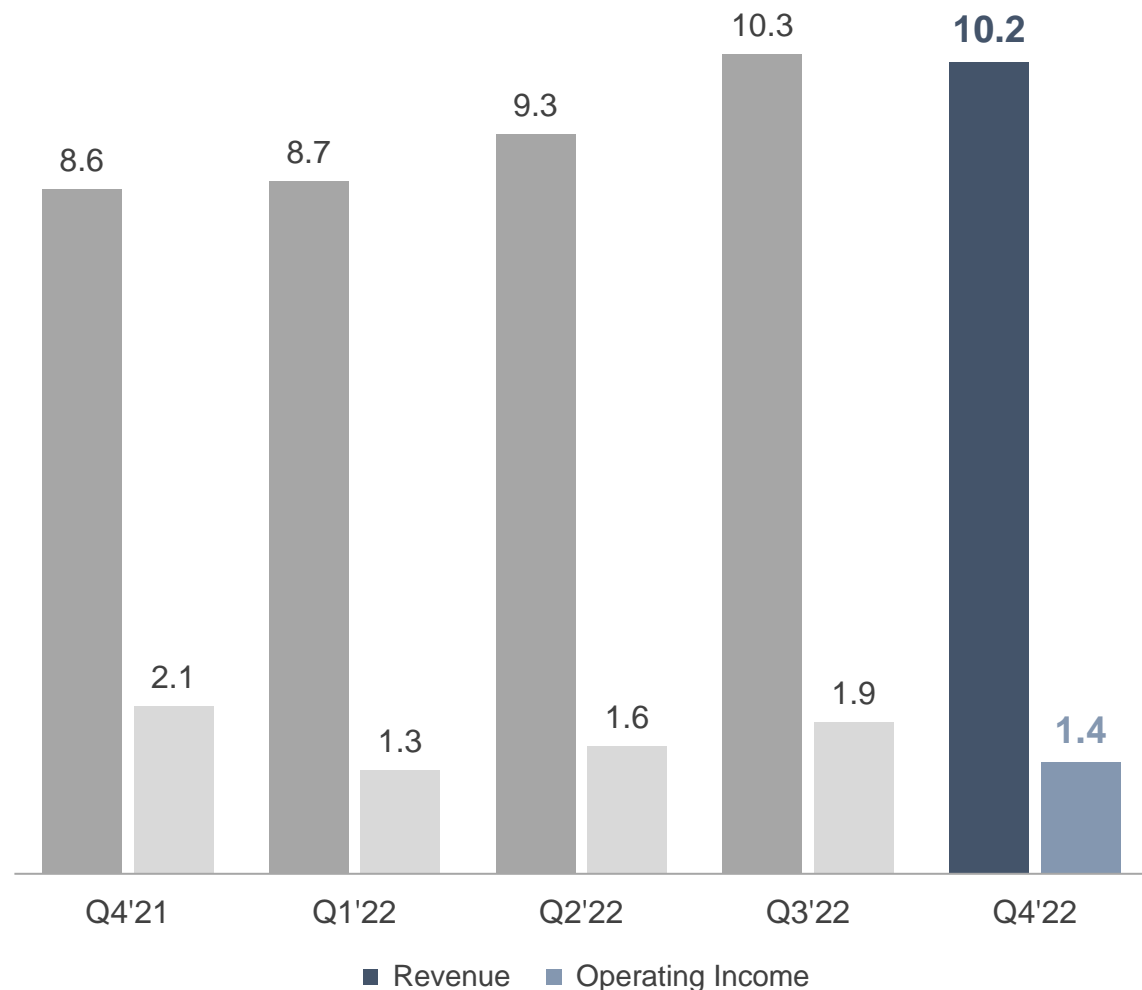
(JPY B)

	FY2022 Q3	FY2022 Q4	差額
Assets	1,742.1	1,701.8	-40.3
Cash and deposits	673.9	641.2	-32.7
Other Assets	1,068.1	1,060.5	-7.5
Liabilities	1,676.0	1,643.9	-32.0
Interest-bearing liabilities	609.1	648.4	+39.3
Other Liabilities	1,066.9	995.5	-71.3
Net Assets	66.0	57.8	-8.2

1. PayPay Corporation's consolidated revenue. In FY2021 Q4 PayPay Corporation changed its accounting treatment on cash rebates, etc. Cash rebates, etc. that exceed revenue are deducted from revenue instead of recording it as an expense. Figures for FY2021 Q1-Q4 are calculated by assuming that this change in accounting treatment was applied in FY2021 Q1. Consolidated figures of PayPay Corporation from FY2021. FY2022 revenue is unaudited.
2. PayPay Corporation's consolidated EBITDA. Calculated by adding depreciation and amortization to operating income. Consolidated figures of PayPay Corporation from FY2021. Unaudited.
3. Unaudited.

Revenue/Operating Income (Non-Consolidated IFRS)¹

(JPY B)



Statement of Financial Position (JGAAP)¹

(JPY B)

	FY2022 Q3	FY2022 Q4	Difference
Assets	1,736.9	1,844.3	+107.4
Cash and cash equivalents	446.0	369.8	-76.2
Trade and other receivables	24.1	27.0	+2.8
Loans in credit card business	-	-	-
Investment securities in banking business	531.5	582.7	+51.1
Property and equipment	1.6	1.7	+0.1
Intangible assets	9.8	9.9	+0
Liabilities	1,608.0	1,712.7	+104.7
Trade and other payables	16.7	16.6	-0
Customer deposit in banking business	1,585.2	1,666.9	+81.6
Interest-bearing liabilities	-	21.8	+21.8
Equity	128.8	131.6	+2.7

1. Figures before elimination of internal transactions within the Z Holdings Group. Revenue and operating income are independently calculated by making relevant IFRS adjustments from non-consolidated figures under JGAAP.










Item	Breakdown
Fintech	-
PayPay (Consolidated)¹	-
PayPay Bank	-
Other fintech	PayPay Asset Management, PayPay Insurance, Magne-Max ² , LINE Pay, LINE Securities, LINE Score, LINE Pocket Money, LINE BITMAX, LINE NFT, etc.
Others	AI, LINE Search, etc.

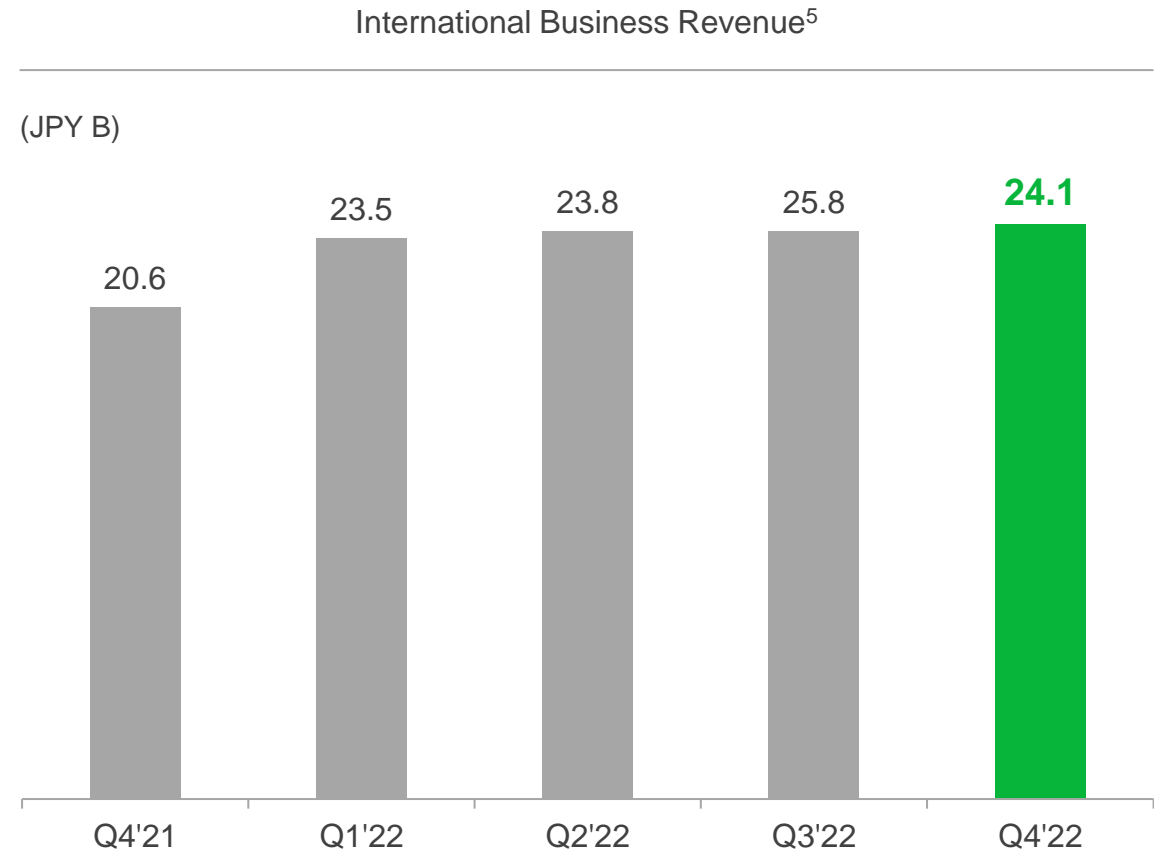
1. PayPay, PayPay Card

2. Sold all shares of Magne-Max Capital Management, Ltd. in FY2022 Q4.

International Business

- Overwhelming reach and market share in Asian countries and regions, mainly Taiwan, Thailand, and Indonesia.
- Generating revenue mainly from advertising, stickers, and game businesses based on messaging.

<p>Taiwan</p> 	<p>22 mil MAU¹ (Population: 23.26 mil²)</p>	  <p>LINE TODAY</p> <p>No.1 Market share⁴</p>
<p>Thailand</p> 	<p>54 mil MAU¹ (Population: 66.09 mil²)</p>	  <p>LINE BK</p> <p>LINE TODAY</p> <p>No.1 Market share⁴</p>
<p>Indonesia</p> 	<p>7 mil MAU¹ (Population: 272.24 mil³)</p>	  <p>LINE Bank by Hana Bank</p> <p>LINE SPLITBILL</p>



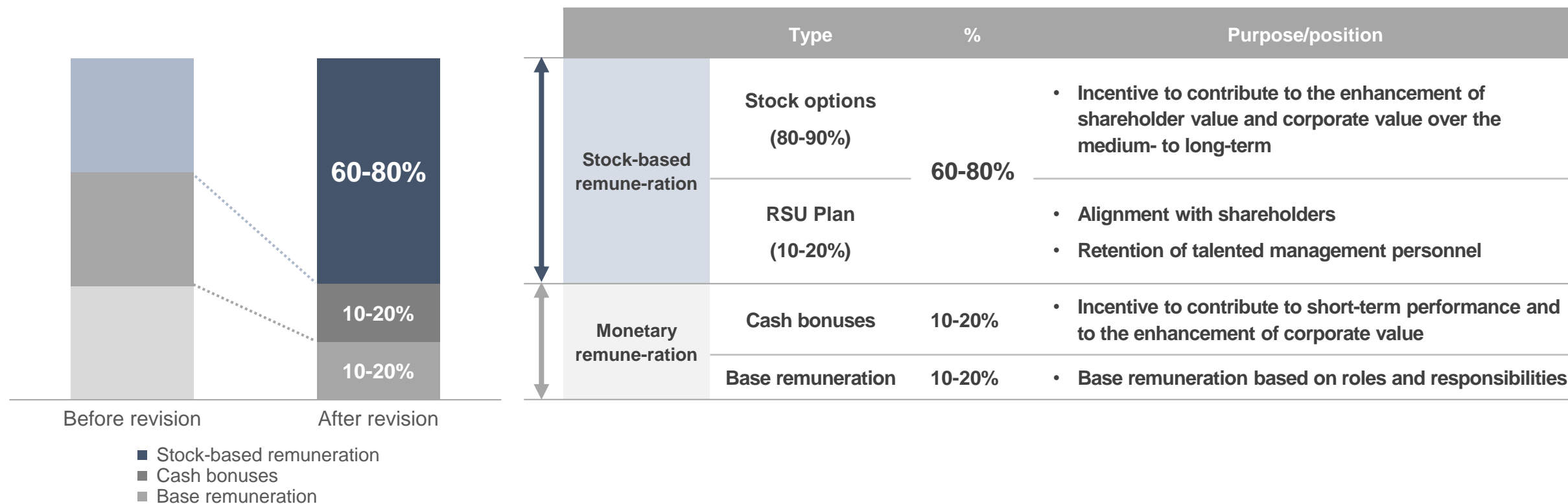
1. As of March 31, 2023.
2. Population for 2022. Figures are quoted from data published by the respective Ministries of Interior.
3. Population for 2021. Figures are quoted from data published by the Central Bureau of Statistics.
4. Data for Taiwan and Thailand are based on 2022 market research data for each country and region.
5. Figures for local financial results are converted to Japanese yen using the average exchange rate from the beginning of the fiscal year.

Non-Financial Information



- The new executive remuneration plan from FY2022 onwards **puts more emphasis on stock-based remuneration as a medium- to long-term incentive.**
- **Fostering a sense of shared interest (Same Boat) with shareholders, aim to enhance corporate value through sustainable growth.**

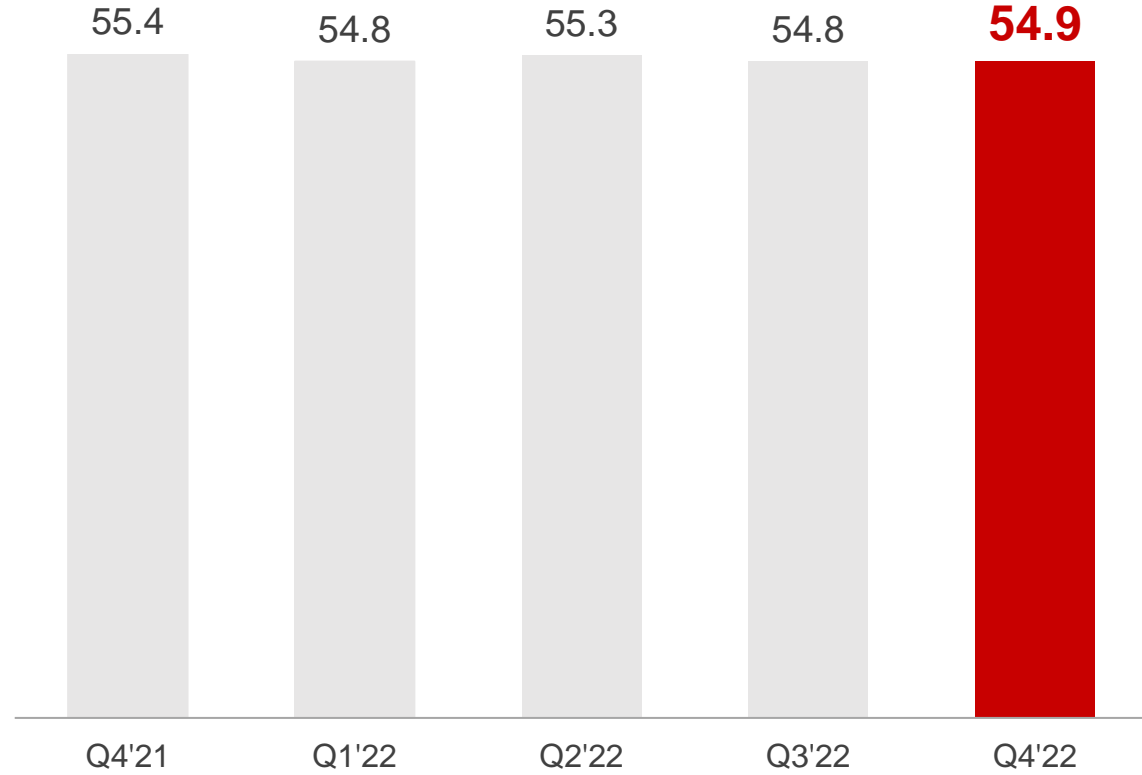
Revision of directors' remuneration plan¹



1. Excludes directors serving on the Audit and Supervisory Committee.

Yahoo Japan - Number of Monthly Logged-in User IDs

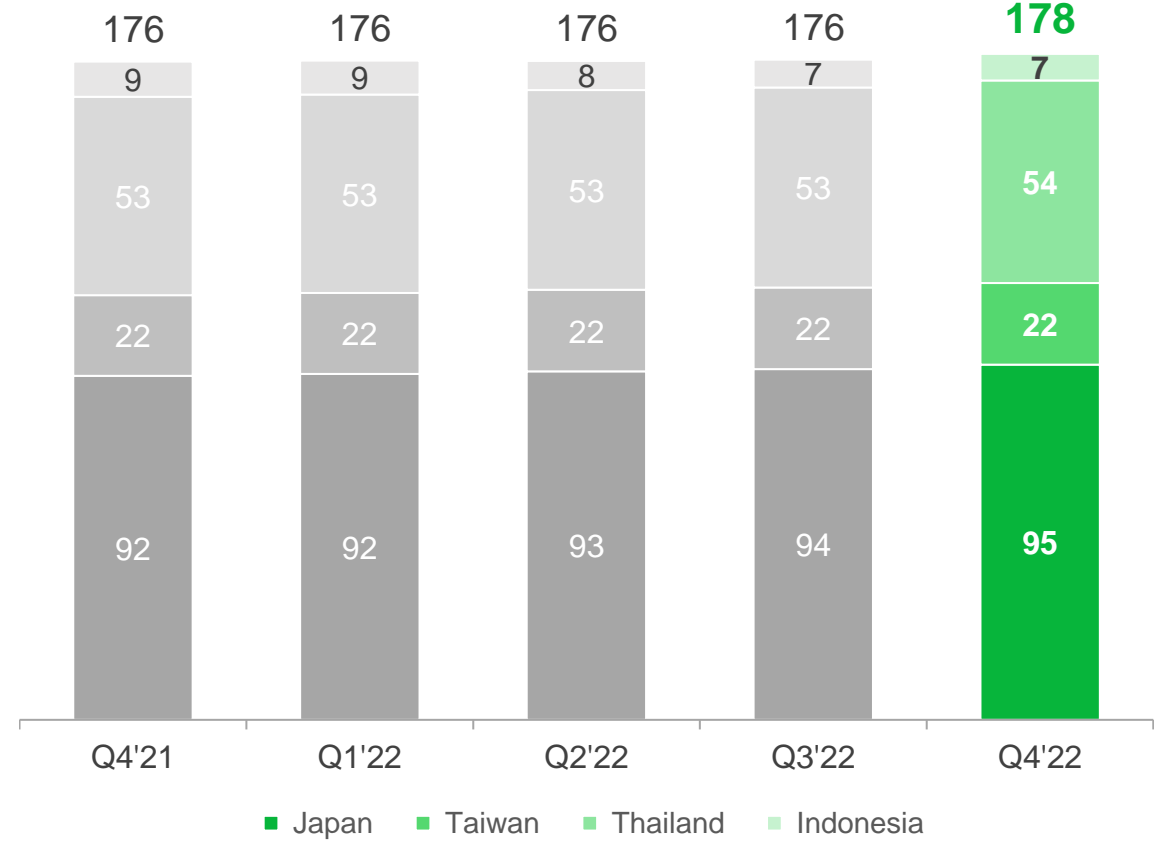
(Million)



LINE - Monthly Active Users

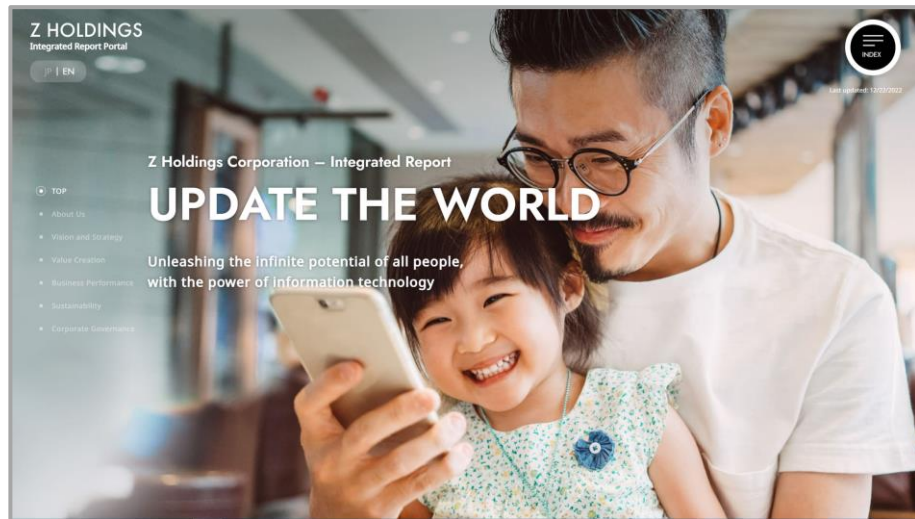
(Million)

March 2023 Global MAU¹ : 198



1. Total number of users worldwide, including the four major countries and regions.

- Financial/non-financial information useful for investment decisions are kept up to date



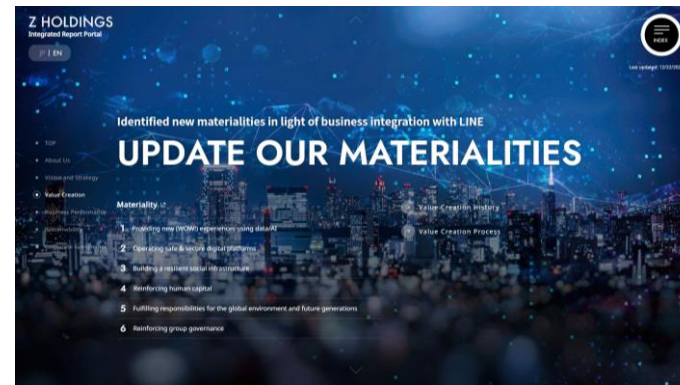
Vision and Strategy



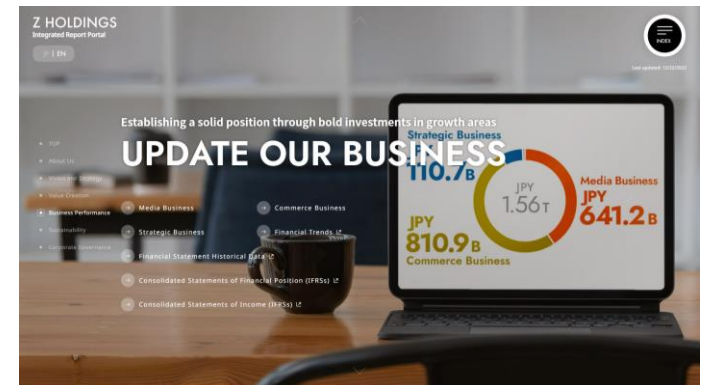
Sustainability



Value Creation



Business Performance



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, ZHD) 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 “Consolidated Financial Statements and Independent Auditor's Report” (Japanese only). Unauthorized use of the information or the data in this document is not permitted.

Unless otherwise specified, English-language documents are prepared solely for the convenience of non-Japanese speakers.

If there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.

Z HOLDINGS

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