



November 2, 2022

To whom it may concern

Z Holdings Corporation
Kentaro Kawabe
President and Representative Director, Co-CEO
Stock Code: 4689

(Update) Recording of Gain on Remeasurement Relating to Business Combinations Due to the Consolidation of PayPay Corporation

As announced in "Notice Concerning Conversion of PayPay Corporation into a Consolidated Subsidiary (Third-Generation Subsidiary) through Share Delivery," dated July 27, 2022, and "(Update) Results Related to the Conversion of PayPay Corporation into a Consolidated Subsidiary (Third-Generation Subsidiary) through Share Delivery" dated October 3, 2022, PayPay Corporation (hereinafter "PayPay") has become a consolidated subsidiary (third-generation subsidiary) of Z Holdings Corporation (hereinafter the "Company") as of October 1, 2022. As a result of this consolidation, the Company plans to record a gain on remeasurement relating to business combinations in the consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023. Details are as follows.

1. Recording of gain on remeasurement relating to business combinations

As of October 1, 2022, the Company consolidated PayPay, formerly an equity-method affiliate. As a result, the Company plans to record a gain on remeasurement relating to business combinations of JPY148,000 million (tentative) in the consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023.

2. Impact on business results

The gain on remeasurement relating to business combinations will affect the operating income but not the adjusted EBITDA since the gain is an EBITDA adjustment item. The Company will promptly announce any new matters to be disclosed if they become known.

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.

(Reference) Consolidated performance estimates (announced on April 28, 2022) and consolidated performance of previous fiscal year

(JPY million)	Revenue	Adjusted EBITDA
Consolidated performance estimates for this fiscal year (Fiscal year ending March 31, 2023)	1,724,000	331,500 - 340,000
Consolidated performance of previous fiscal year (Fiscal year ended March 31, 2022)	1,567,421	331,486

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