

Business Integration between Z Holdings Corporation and LINE Corporation

Z Holdings Corporation

President and Representative Director, CEO

Kentaro Kawabe

LINE Corporation

Representative Director, President and CEO

Takeshi Idezawa

<Before>

Z HOLDINGS

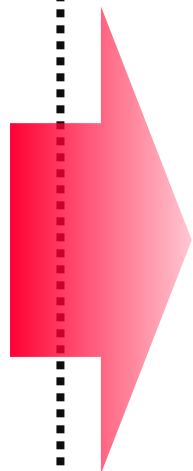


<Before>



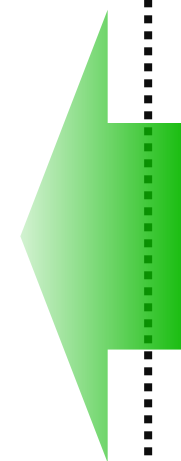
<Before>

Z HOLDINGS



<After>

New Z HOLDINGS Listed on TSE First Section



<Before>



Business Integration on an Equal Footing

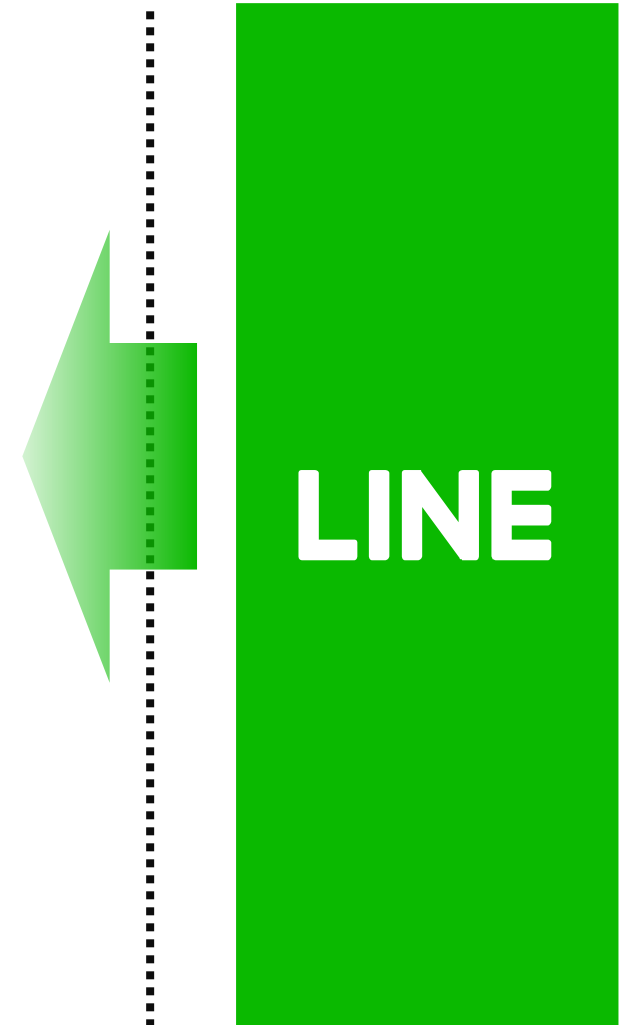
<Before>



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<Before>



Improving Ourselves Through Friendly Rivalry



YAHOO!
JAPAN

**Make our users'
lives convenient
to a surprising
(!) extent**



LINE



WOW

Life on LINE



2019.11.18

To be the greatest
One Team

YAHOO!
JAPAN

LINE

A night view of Earth from space, showing city lights and a network overlay of white lines and dots. The text is centered in white, bold, sans-serif font.

**Aim to become the
AI TECH COMPANY
that leads the world from Japan/Asia**

Why?

**Strong sense of urgency
and great ambition**



Global Tech Giants

China

North
America

Significant Gap in Scale

| | ZHD+LINE | U.S. Co. A | U.S. Co. B | U.S. Co. C | Chinese Co. A | Chinese Co. B |
|--|----------|------------|------------|------------|---------------|---------------|
| Market capitalization (billions of yen) | 3,000 | 98,000 | 61,000 | 98,000 | 51,000 | 44,000 |
| Operating income (billions of yen) | 160 | 2,900 | 2,700 | 1,400 | 900 | 1,600 |
| R&D expenses (billions of yen) | 20 | 2,400 | 1,100 | 3,200 | 600 | 400 |
| Employees (thousands of people) | 19 | 99 | 36 | 647 | 102 | 54 |

※Based on FY18 earnings materials of each company. Market cap as of 11/4/2019 (US time) (FX rate: US\$1=JPY110)

Technology can solve still more challenges in the Japanese society



Workforce



Productivity



**Natural
disasters**

and the list goes on...

Great Ambition



An orange silhouette of the Japanese archipelago, including Hokkaido, Honshu, Shikoku, and Kyushu, is positioned in the background. The text is centered over the main island of Honshu.

**Solve social issues and
provide the best user experience
to people in Japan**

A stylized map of Asia is shown in light gray. Overlaid on the map are two concentric circles: an inner circle in a light orange color and an outer circle in a slightly darker shade of orange. The island of Japan is highlighted in a bright orange color. The text is centered over the map.

**Also provide the best user
experience in Asia
from Japan**

A world map with a light gray background. Three concentric circles are centered on Japan, with the innermost being a darker orange and the outermost being a lighter orange. Japan is highlighted in a bright orange color. The text is centered over the map.

**Become the
AI TECH COMPANY
that leads the world from
Japan / Asia**

Synergies through the Business Integration



Synergies: User Base

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LINE

Monthly users

67.43 mil.

Monthly users

82 mil.

Business Clients (companies)

Over 3 mil.

Business Clients (companies)

Apx. 3.5 mil.

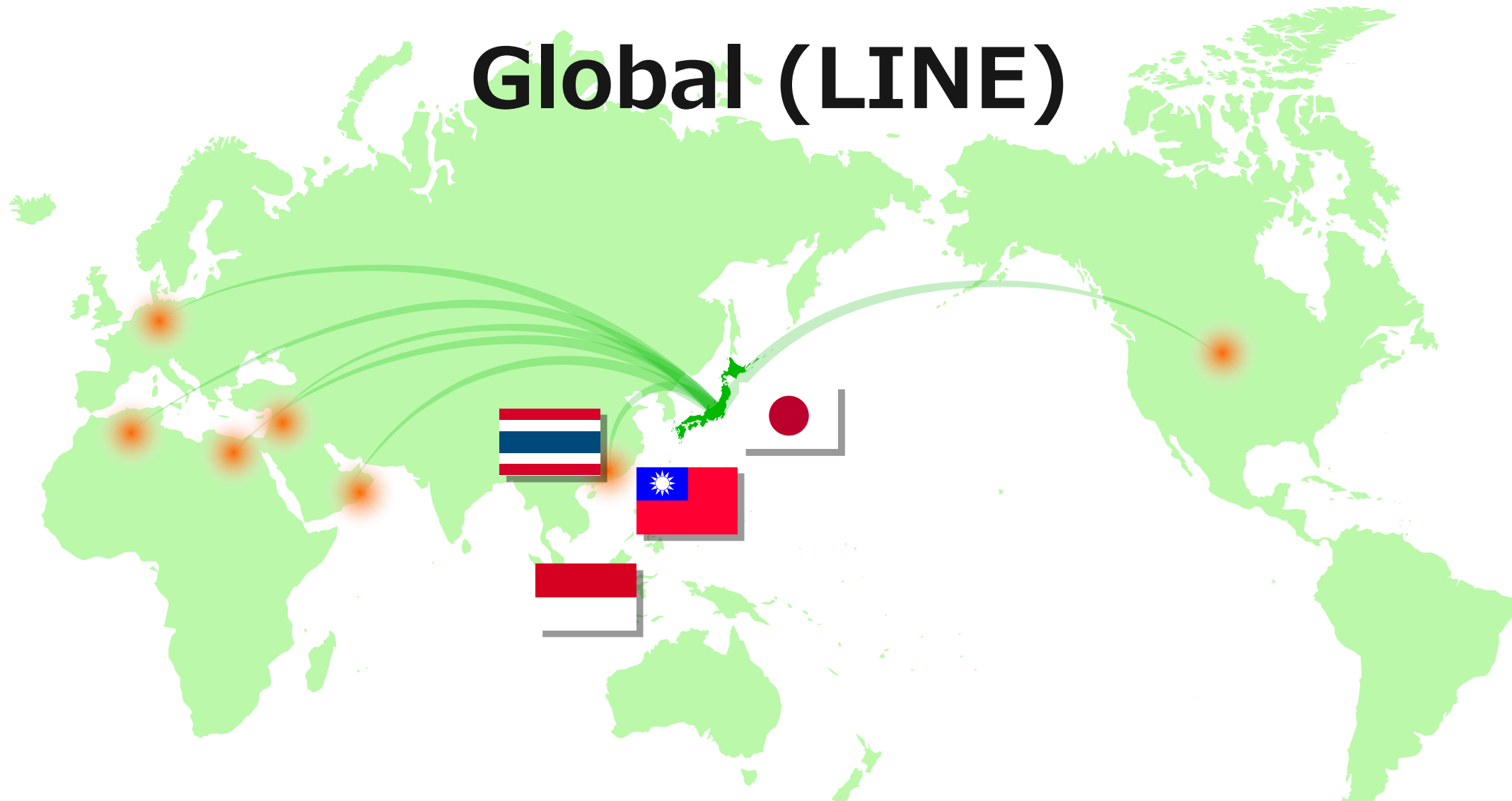
※1 : Nielsen 「TOPS OF 2018: DIGITAL IN JAPAN Top 10 Total numbers of digital users in Japan」

※2 : As of the end of September 2019

※3 : Sum of numbers of business clients of major services including: Yahoo! JAPAN advertisement clients, Yahoo! Shopping online stores, PayPay participant stores and ASKUL monthly active business users

※4 : Sum of LINE official accounts and LINE@ accounts

Global (LINE)



185 million

Monthly users

Over 230

countries and regions

50 million

users registered on
LINE Pay Global

Bank business

Preparing in 4 key
countries

Synergies: Services

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JAPAN

YAHOO! JAPAN ニュース Sportsnavi YAHOO! JAPAN 防災速報 YAHOO! JAPAN セールスプロモーション
YAHOO! JAPAN プロモーション広告 YAHOO! JAPAN 検索 YAHOO! JAPAN 地図 kurashiru

GYAO! ebook japan YAHOO! JAPAN ゲーム
YAHOO! JAPAN 占い YAHOO! JAPAN きせかえ

YAHOO! JAPAN ショッピング ヤマダ PayPay フリマ PayPay モール
LOHACO ZOZO

PayPay YJFX! from YAHOO! JAPAN ファイナンス
Yjam YAHOO! JAPAN カード ジャパンネット銀行

音声アシスト DATA SOLUTION

Media / advertisement

Contents

Commerce / O2O

Fintech / finance

AI

LINE

LINE NEWS NAVER まとめ livedoor NEWS
LINE Ads Platform LINE Account Connect LINE Sales Promotion

LINE GAME LINEマンガ LINE LIVE
LINE MUSIC LINE占い LINE ノベル

LINE ショッピング LINE デリマ LINE トラベル.jp
SHOPPING GO LINE ポケオ LINE GIFT

LINE Pay LINE Score LINE 証券
X BITMAX LINE Pocket Money LINE ほけん

LINE Clova LINE BRAIN

Synergies: Group

SoftBank

NAVER

SoftBank 5G

LINE MOBILE Y!mobile

“Beyond Carrier Strategy”

MONET

MONET TECHNOLOGIES INC.

YAHOO!
JAPAN

LINE

NAVER Search

SNOW

ZEPETO

Clova

NAVER
CLOUD PLATFORM

LINE WORKS

VLIVE

WEB
TOON

ソフトバンク
スマホユーザーなら
いつでもポイント

10倍

DiDi

SB Cloud

Synergies: Human Resources

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LINE



Apx. 20,000 people



Synergies: Annual Investment

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JAPAN

LINE

Apx. 100 bil. yen



Strategic Investment Areas

Media/contents

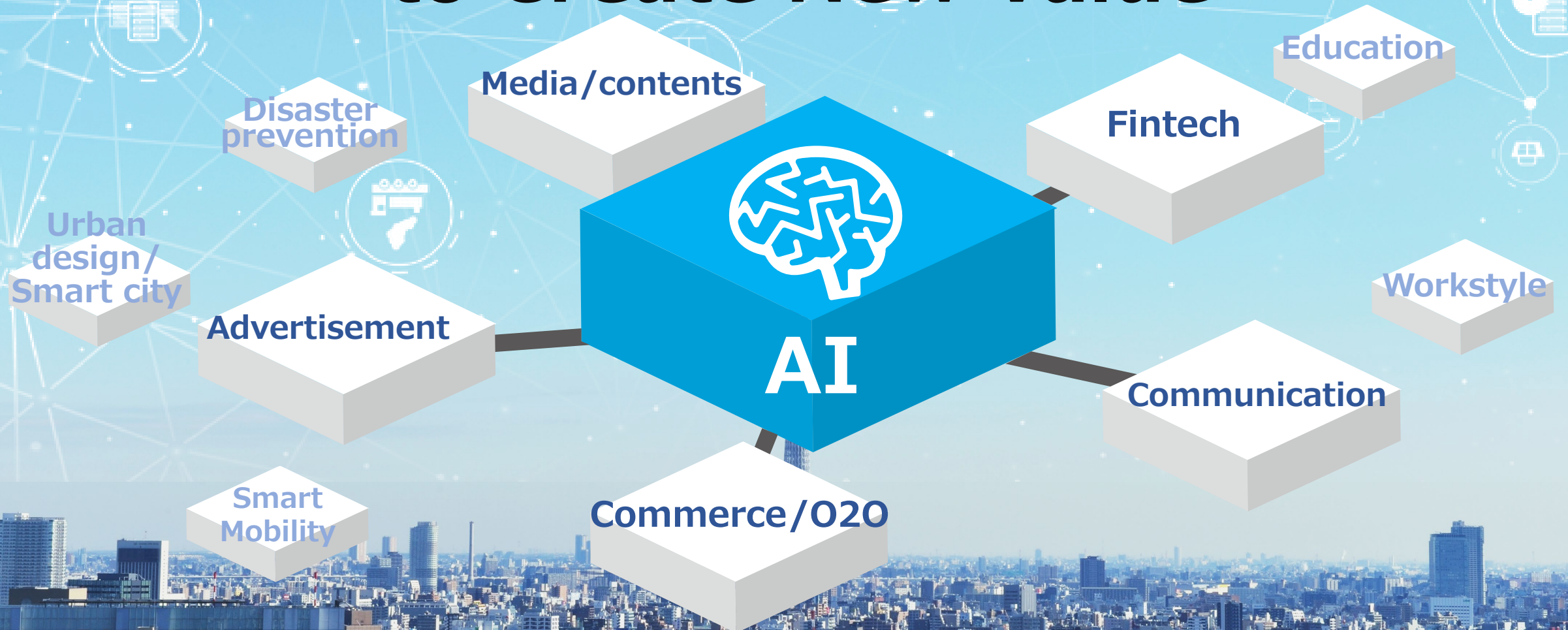
Fintech

Advertisement

Communication

Commerce/O2O

Aggressive Medium- to Long-Term Investments in AI to Create New Value



Privacy Protection and Cybersecurity of the Companies

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JAPAN

LINE

- **Data created by users belongs to users**
- **Data maintained based on Japanese laws and regulations**
- **Data protected using sophisticated cybersecurity technologies**

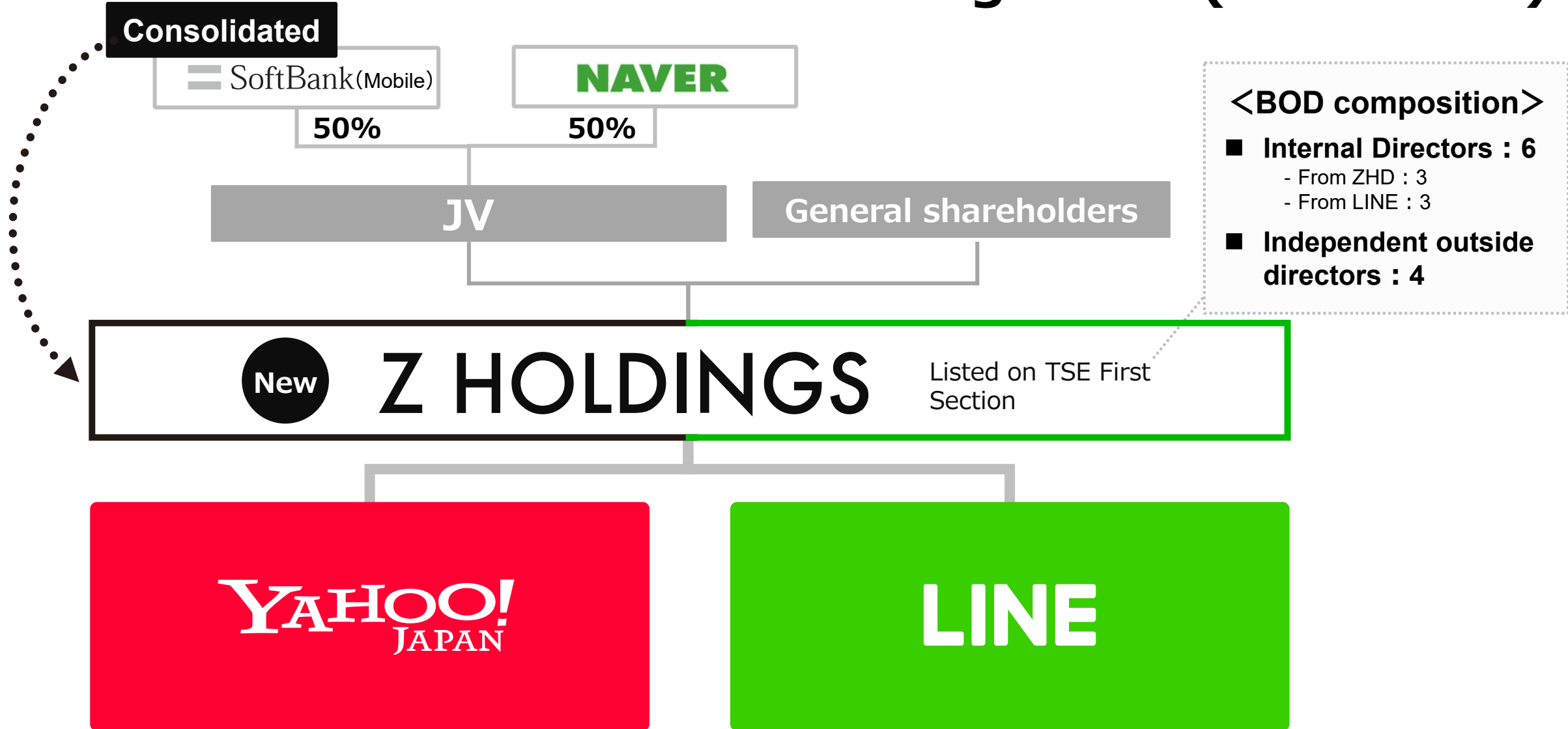
**Become the
AI TECH COMPANY
that leads the world from Japan/Asia**

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LINE

Management Structure

Structure After the Business Integration (scheduled)



Management Structure of New Z Holdings After the Business Integration (scheduled)



President and Representative Director, Co-CEO

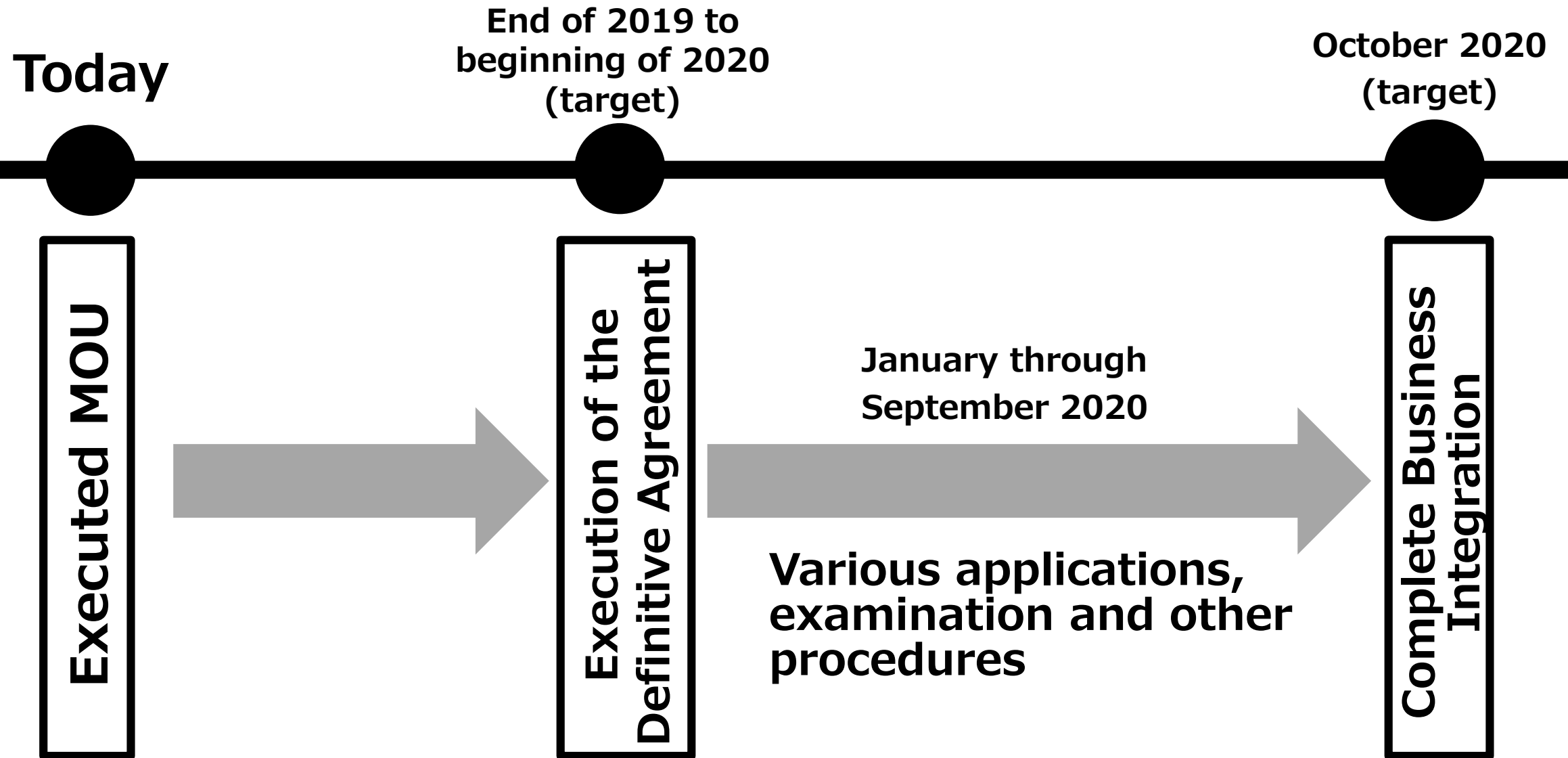
Kentaro Kawabe



Representative Director and Co-CEO

Takeshi Idezawa

Timeline for the Business Integration (scheduled)



To be the greatest

One Team

that fills the world with surprises and excitement



WO.1V



**Become the
AI TECH COMPANY
that leads the world from Japan/Asia**

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LINE

Forward-Looking Statements

This document contains forward-looking statements with respect to Z Holdings's and LINE's current plans, estimates, strategies and beliefs, including, without limitation, the statements made concerning the Proposed Offer and the Proposed Transaction. Forward-looking statements include, but are not limited to, those statements using words such as "anticipate," "believe," "continues," "expect," "estimate," "intend," "project," "aim," "plan," "likely to," "target," "contemplate," "predict," "potential" and similar expressions and future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may," or similar expressions generally intended to identify forward-looking statements. These forward-looking statements are based on information currently available to Z Holdings and LINE, speak only as of the date hereof and are based on their respective current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond their control. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in this document. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented and neither Z Holdings nor LINE intends to update any of these forward-looking statements. Risks and uncertainties that might affect Z Holdings, LINE, the Proposed Offer or the Proposed Transaction include, but are not limited to, those relating to:

- whether Z Holdings, LINE, SoftBank and Naver will be able to agree on the terms of the Proposed Transaction;
- whether the terms of the Proposed Transaction that are ultimately agreed among Z Holdings, LINE, SoftBank and Naver will be consistent with the terms described in this document;
- whether the Proposed Offer will be commenced or will close;
- the timing of the Proposed Offer;
- obtaining the requisite consents to the Proposed Offer and the Proposed Transaction, including, without limitation, the risk that a regulatory approval that may be required for the Proposed Transaction is delayed, is not obtained, or is obtained subject to conditions that are not anticipated;
- whether the conditions for the Proposed Offer and the Proposed Transaction will be satisfied or waived;
- the possibility that, prior to the completion of the Proposed Transaction, Z Holdings and LINE's businesses and their relationships with employees, collaborators, vendors and other business partners may experience significant disruption due to transaction-related uncertainty;
- shareholder litigation in connection with the Proposed Offer or the Proposed Transaction potentially resulting in significant costs of defense, indemnification and liability; and
- the risks and uncertainties pertaining to Z Holdings and LINE's businesses, including in LINE's case those detailed under "Risk Factors" and elsewhere in LINE's public periodic filings with the SEC, as well as those detailed in the tender offer materials that may be filed by SoftBank and Naver, the Solicitation / Recommendation Statement that may be filed by LINE, and the Transaction Statement that may be filed, all in connection with the Proposed Offer or the Proposed Transaction if they are commenced.

Additional Information for US Investors

In the United States, LINE will file a Solicitation/Recommendation Statement with the U.S. Securities and Exchange Commission (the “SEC”) on Schedule 14D-9 following commencement of a tender offer for securities of LINE within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934. Holders of the securities of LINE that are subject to any such tender offer are advised to read it when it becomes available as it will contain important information. Copies of the Schedule 14D-9 and other related documents filed by LINE will be available free of charge on the SEC’s website at <http://www.sec.gov>. Any documents filed by the bidders in any such tender offer, including a Tender Offer Statement on Schedule TO, will also be available free of charge on the SEC’s website.

The respective financial advisors of SoftBank, NAVER or LINE as well as the tender offer agent(s) (including their affiliates) may, in the ordinary course of their business, engage in the purchase of the common shares of LINE, or act in preparation for such purchase, for their own account or for their customers’ account before or during the purchase period for the Joint Tender Offer (the “Tender Offer Period”) in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934 and to the extent permitted under Japanese financial instruments and exchange regulations and other applicable laws and ordinances. If any information concerning such purchase is disclosed in Japan, the relevant financial advisor or tender offer agent who conducted such purchase will disclose such information on its English website (or by any other means of public disclosure).