

January 31, 2020

To whom it may concern

Z Holdings Corporation
Kentaro Kawabe
President and CEO
Stock Code: 4689

Notification of Partial Amendment to the Articles of Incorporation

Z Holdings Corporation (“ZHD”) hereby announces that its board of directors resolved, at the meeting held on January 31, 2020, to submit a proposal on the “Partial Amendment to the Articles of Incorporation” to the extraordinary general meeting of shareholders scheduled to be held on March 17, 2020 (the “Extraordinary General Meeting of Shareholders”). Details are as follows.

1. Reasons for amendment

With regard to the business integration between ZHD and LINE Corporation (“LINE”) based on a spirit of equal partnership (the “Business Integration”), ZHD, as of December 23, 2019, entered into a business integration agreement with SoftBank Corp., NAVER Corporation and LINE that stipulates the transactions for accomplishing the Business Integration (the “Business Integration Agreement”) and a capital alliance agreement with LINE that stipulates ZHD’s governance, management and other matters after the Business Integration.

The purpose of the amendment to the Articles of Incorporation is to amend the number of directors (Article 19 of the current Articles of Incorporation) and the provisions on representative directors (Article 23 of the current Articles of Incorporation), in light of the number of directors and the composition of the representative directors after the Business Integration.

In connection with the Business Integration Agreement, LINE and LINE Split Preparation Company, as of January 31, 2020, entered into an absorption-type demerger agreement that stipulates LINE Split Preparation Company, the succeeding company, to succeed LINE’s entire business (excluding shares of ZHD and contractual statuses under agreements entered into by LINE in connection with the Business Integration, and other rights and obligations provided in the absorption-type demerger agreement) from LINE, the splitting company, scheduled to be effective as of September 30, 2020. Also, ZHD and LINE Split Preparation Company, as of January 31, 2020, entered into a share exchange agreement that stipulates ZHD to become the wholly owning parent company of LINE Split Preparation Company and LINE Split Preparation Company to become the wholly owned subsidiary of ZHD, and ZHD plans to submit a proposal for approval of such share exchange agreement to the Extraordinary General Meeting of Shareholders. The amendment to the Articles of Incorporation will become effective on the effective date of this share exchange (the “Share Exchange”) on the condition that the Share Exchange becomes effective.

2. Schedule

Date of the Extraordinary General Meeting of the Shareholders for the amendment:

Tuesday, March 17, 2020

Effective date of the amendment:

Thursday, October 1, 2020 (scheduled)

As mentioned above, the amendment to the Articles of Incorporation will become effective on the effective date of the Share Exchange on the condition that the Share Exchange becomes effective. The effective date of the Share Exchange is scheduled to be on Thursday, October 1, 2020.

3. Details of the amendment

Details of the amendment are as follows:

(Underlined portions are to be amended)

Current Articles of Incorporation	Proposed amendments
<p>Chapter 4 Directors and Board of Directors</p> <p>Article 19 Number of directors</p> <p>1. The number of directors of the Company shall be not more than <u>nine (9)</u>.</p> <p>2. Among the directors mentioned in the preceding paragraph, the number of directors appointed as directors serving on the audit and supervisory committee shall be not more than <u>three (3)</u>.</p> <p>Article 23 Representative directors</p> <p>1. The president shall represent the Company and preside over the Company's business operations.</p> <p>2. In addition to the president, the Board of Directors may also appoint by resolution any of the directors <u>with title elected under the previous article</u> as representative directors.</p>	<p>Chapter 4 Directors and Board of Directors</p> <p>Article 19 Number of directors</p> <p>1. The number of directors of the Company shall be not more than <u>ten (10)</u>.</p> <p>2. Among the directors mentioned in the preceding paragraph, the number of directors appointed as directors serving on the audit and supervisory committee shall be not more than <u>four (4)</u>.</p> <p>Article 23 Representative directors</p> <p>1. The president shall represent the Company and preside over the Company's business operations.</p> <p>2. In addition to the president, the Board of Directors may also appoint by resolution any of the directors as representative directors.</p>

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.