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To whom it may concern

Z Holdings Corporation
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Stock Code: 4689

Finalization in the Amount of Capital Reserves That Will Increase upon the Share Exchange and Transfer of the Reduced Amount to Other Capital Surplus

As announced in “Reduction in the Amount of Capital Reserves That Will Increase upon the Share Exchange and Transfer of the Reduced Amount to Other Capital Surplus” dated January 20, 2021, Z Holdings Corporation (the “Company”) has conducted a share transfer (“Share Transfer”) in which the Company is the wholly-owning parent company, and the wholly-owned subsidiary of A Holdings Corporation (former trade name: LINE Corporation), LINE Corporation (former trade name: LINE Demerger Preparatory Company), is the wholly-owned subsidiary. The effective date of the Share Transfer is today. Together with the Share Transfer, the Company has reduced the entire amount of capital reserves that has increased upon the Share Exchange and transferred it to other capital surplus. Please note that the changes do not impact the business results of the Company. Details are as follows.

Amount of capital reserves reduced: 1,836,087,693,455 yen, which is the amount of increase in capital reserves upon the Share Exchange

(Note 1) The amount of increase in capital reserves was determined to be 1,836,087,693,455 yen as a result of calculation pursuant to Article 39 of the Regulation on Corporate Accounting of Japan based on the market value of the shares of the Company delivered as consideration for the Share Exchange (2,831,284,030 shares)

(Note 2) The amount of capital reserves was reduced, at the same time as the Share Exchange, by decreasing capital reserves by an amount equal to the amount increased upon the Share Exchange. The amount of capital reserves of the Company after reduction of the capital reserves, therefore, is the same as the amount of capital reserves immediately before the Share Exchange, which is 232,801,879,977 yen.

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.