



November 16, 2021

To whom it may concern

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

(Update) Notice of Change in Subsidiary (Sub-subsidiary)

Z Holdings Corporation (hereinafter “Company”), as announced in the “Notice of Change in Subsidiary (Sub-subsidiary)” as of September 30, 2021 (hereinafter “Announcement as of September 30, 2021”), entered into a transaction agreement with LINE Digital Frontier Corporation (Representative Director: Kim Jun-koo; hereinafter “LDF”) and NAVER Corporation (President & CEO: Han Seong-sook; hereinafter “NAVER”; and the agreement, “Transaction Agreement”) as of September 30, 2021, regarding the terms and conditions related to the series of transactions to be implemented on the condition that eBOOK Initiative Japan Co., Ltd. (President and Representative Director: Masamine Takahashi; hereinafter “eBOOK”), a subsidiary (sub-subsidiary) of the Company goes private.

According to the announcement, “Notice of Result of Tender Offer for Shares, Etc. of eBOOK Initiative Japan Co., Ltd. by LINE Digital Frontier Corporation, and Change in Major Shareholders and Other Affiliated Companies” (Japanese only) as of November 16, 2021, by eBOOK, the tender offer (a tender offer under the Financial Instruments and Exchange Act, hereinafter “Tender Offer”) for all of the common shares of eBOOK (hereinafter “eBOOK Shares”)*1 and all of the stock acquisition rights of eBOOK, implemented from October 1, 2021 by LDF, was terminated on November 15, 2021, and the Tender Offer was consummated.

*1 Includes eBOOK shares to be delivered upon exercise of stock acquisition rights issued by eBOOK (hereinafter “eBOOK Stock Acquisition Rights”), and excludes eBOOK shares held by the Company’s subsidiary, Yahoo Japan Corporation (hereinafter “Yahoo Japan”) and treasury stocks held by eBOOK. The same applies hereinafter.

As announced in the Announcement as of September 30, 2021, if the Tender Offer is consummated but all of the eBOOK Shares and all of the eBOOK Stock Acquisition Rights are not acquired, based on the Transaction Agreement, the Company, LDF, and NAVER will implement a share consolidation of eBOOK shares (hereinafter “Share Consolidation”) for the purpose of making LDF and Yahoo Japan the only shareholders of eBOOK. Thereafter, eBOOK is scheduled to sell, subject to the approval of the court, the shares corresponding

to the total number (rounded down to the nearest share) of fractions resulting from the Share Consolidation to LDF at the price obtained by multiplying the number of eBOOK Shares before the Share Consolidation corresponding to such fractions by the Tender Offer price (hereinafter "Fractional Share Treatment").

The Company has announced the change in subsidiary (sub-subsidiary) in the Announcement as of September 30, 2021. As a result of the Tender Offer, eBOOK will not be a subsidiary (sub-subsidiary) of the Company as of the completion date of the Fractional Share Treatment (scheduled to be around March - April, 2022)*², and a change in subsidiary (sub-subsidiary) of the Company is expected.

*² The Company has announced in the Announcement as of September 30, 2021, that the completion date of the Fractional Share Treatment is scheduled to be around January 2022. However, the completion date of the Fractional Share Treatment is currently scheduled to be around March to April 2022.

1. Date of change

The completion date of the Fractional Share Treatment (scheduled to be around March - April, 2022).

Disclaimer

This is an English translation of the 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.