



March 14, 2022

To whom it may concern

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

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

As announced in the “Notice of Change in Subsidiary (Sub-subsidiary)” as of September 30, 2021 and “(Update) Notice of Change in Subsidiary (Sub-subsidiary)” as of November 16, 2021, Z Holdings Corporation (hereinafter “Company”) hereby announces that eBOOK Initiative Japan Co., Ltd. (President and Representative Director: Masamine Takahashi; hereinafter “eBOOK”) is no longer a subsidiary (sub-subsidiary) of the Company as of today and that there is a change in the subsidiary (sub-subsidiary) of the Company. This is a result of the series of transactions implemented on the condition that eBOOK goes private, among which eBOOK, with the approval of the court, has today sold to LINE Digital Frontier Corporation (Representative Director: Kim Jun-koo; hereinafter “LDF”) the shares corresponding to the total number (rounded down to the nearest share) of fractions resulting from the share consolidation of the common shares of eBOOK (hereinafter “Fractional Share Treatment”)*.

Please note that the Company regards the impact of the change in this subsidiary (sub-subsidiary) on the Company’s FY2021 consolidated business results to be minor. Should any matters arise that require disclosure in the future, the Company will promptly disclose such matters.

*For details, please refer to eBOOK’s announcement made on December 14, 2021, titled: “Notice of Extraordinary General Meeting of Shareholders Concerning Consolidation of Shares, Abolition of the Provision on Share Units, and Partial Amendments to the Articles of Incorporation.”

1. Date of change
March 14, 2022

2. Status of shareholding before and after the Fractional Share Treatment

(1) No. of shares held before the Fractional Share Treatment	3 shares (No. of voting rights: 3) (Holding ratio of voting rights: 60.00%)
(2) No. of shares held after the Fractional Share Treatment	3 shares (No. of voting rights: 3) (Holding ratio of voting rights: 42.86%)

*1 As announced in "Notice of Change in Subsidiary (Sub-subsidiary)" on September 30, 2021, when the Fractional Share Treatment is consummated, a triangular share exchange (hereinafter "Triangular Share Exchange") is scheduled to be implemented as a result of which LDF will become the wholly-owning parent company of eBOOK, and eBOOK will become the wholly-owning subsidiary company. The consideration for the Triangular Share Exchange will be the shares of WEBTOON Entertainment Inc. As a result of the Triangular Share Exchange, the Company's voting right ratio of eBOOK is scheduled to be 0%.

*2 Holding ratio of voting rights is calculated by rounding off fractions to the second decimal place.

Disclaimer

This is an English translation of the Company's press 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.