



August 3, 2022

To whom it may concern

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

Introduction of a Stock Delivery Trust (J-ESOP)

Z Holdings Corporation (hereinafter the “Company”) hereby announces that it has today resolved to introduce a stock delivery trust (J-ESOP) in LINE Corporation (hereinafter “LINE”), a consolidated subsidiary of the Company (hereinafter the “Plan,” and the trust set based on a trust agreement concluded with Mizuho Trust & Banking Co., Ltd. in relation to this Plan, the “Trust”), pursuant to Article 370 of the Companies Act of Japan and Article 25 of the Company’s Articles of Incorporation (a written resolution in lieu of a resolution passed at a board of directors meeting). Details are as follows.

The Company has also resolved to allocate 26,358,100 shares (JPY12,759,956,210) of the Company’s new shares to Custody Bank of Japan, Ltd. (Trust E Account) in relation to the introduction of this Plan. For more details, please refer to “Offering of Shares Issued by Third-Party Allotment in Connection with the Introduction of a Stock Delivery Trust (J-ESOP),” announced today.

1. Background of introduction

As announced by the Company and LINE Corporation (currently A Holdings Corporation, hereinafter “LINE”) in “Announcement Regarding Definitive Agreement on Business Integration” dated December 23, 2019, and as announced by the Company in “Opinion Statement on the Tender Offer of the Company’s Shares by LINE Corporation” (Japanese only) dated January 20, 2021, the Company issues stock options which will cover the shares of common stock of the Company as part of the incentive policy towards the officers and employees of LINE and its affiliated companies.

The Company had announced in “Notice on the Issuance of Stock Options” dated October 25, 2021 that, out of LINE’s three-year remuneration plan (a stock-based remuneration plan covering a three-year period starting from the fiscal year ended December 31, 2019, based on the policy resolved at LINE’s Board of Directors meeting held on February 26, 2019), the timing and method of the grant of the incentive plan mainly for the employees among the officers and employees of LINE and its affiliated company for the final fiscal year, had been undecided considering the scale of the three-year remuneration plan and the economic

conditions, etc.

In order to introduce stock options or a plan of equivalent size, the Company and LINE have discussed alternative incentive plans while considering the size of the plan. After comprehensively taking into account the factors such as the results and effect of the plan in LINE, it was decided that this Plan will be introduced as an incentive plan towards LINE's employees, etc. (includes the employees of LINE and its affiliated companies; hereinafter the same.)

The introduction of this Plan is expected to increase the interest of employees, etc. in improving the Company's stock price and the Group's performance, motivate them to work harder than before, contribute to retaining excellent human resources within the Group, and contribute to the Group's sustainable growth.

2. Overview of the Plan

Based on the Share Benefit Regulations predetermined by LINE, the Company's shares and cash equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, Etc.") are paid to the employees, etc., of LINE who meet certain requirements, in this Plan.

LINE will grant points to LINE's employees, etc., based on their individual contributions, etc., and when they acquire the right to receive benefits under certain conditions stipulated in the Share Benefit Regulations, the Company's Shares, Etc., equivalent to the points granted will be delivered. Shares to be delivered to LINE's employees, etc., shall be acquired by means of money set up in advance, including future portions, and shall be segregated and managed as trust assets.

3. Overview of the Trust

(1) Name	Stock delivery trust (J-ESOP)
(2) Settlor	LINE Corporation
(3) Trustee	Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiaries	Persons who meet the beneficiary requirements as stipulated in the Share Benefit Regulations, out of the employees, etc., of LINE
(5) Trust administrator	Selected from the employees, etc., of LINE
(6) Type of trust	Money trust other than a specified cash trust (Third party benefit trust)
(7) Trust agreement date	August 12, 2022 (Scheduled)

- (8) Date on which cash will be entrusted August 12, 2022 (Scheduled)
- (9) Trust period From August 12, 2022 (Scheduled) until when the trust expires
(No definite expiry date will be set. The trust will continue as long as the Plan continues.)

4. Details of the Company's shares to be acquired in the Trust

- (1) Type of shares to be acquired Company's common shares
- (2) Amount to be entrusted for share acquisition JPY12,759,956,210
- (3) Maximum number of shares to be acquired 26,358,100 shares
- (4) Method of share acquisition Third-party allotment
- (5) Date of share acquisition August 18, 2022 (Scheduled)

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.