



August 3, 2022

To whom it may concern

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

**Offering of Shares Issued by Third-Party Allotment in Connection with the
Introduction of a Stock Delivery Trust (J-ESOP)**

Z Holdings Corporation (hereinafter the “Company”) hereby announces that it has today resolved to offer new shares by way of third-party allotment (hereinafter the “Third-Party Allotment”) in connection with the introduction of a stock delivery trust (J-ESOP) (hereinafter the “Plan”) in LINE Corporation (hereinafter “LINE”), a subsidiary of the Company, announced today. The resolution is 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.

1. Outline of the offering

(1) Payment date	Thursday, August 18, 2022
(2) Type and number of shares to be issued	26,358,100 shares of the Company’s common shares
(3) Issuance price	JPY484.1 per share
(4) Total value of shares to be issued	JPY12,759,956,210
(5) Scheduled allottee	Custody Bank of Japan, Ltd. (Trust E Account)
(6) Others	Conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purposes and reasons of the offering

As of today, the Company resolved to introduce this Plan. (For details on the outline of the Plan, please refer to “Introduction of a Stock Delivery Trust (J-ESOP),” announced today.)

The issuance of new shares will be made through a Third-Party Allotment to Trust E Account to be established in Custody Bank of Japan, Ltd. (the re-trustee to be re-trusted by Mizuho Trust & Banking Co., Ltd., the trustee of the Plan) which will hold and offer the Company’s shares.

The number of shares to be newly issued through the Third-Party Allotment will be equivalent to the number of shares expected to be delivered to the employees, etc., of LINE (includes the employees, etc. of LINE and affiliated companies of LINE; hereinafter the same) during the trust period based on the Share Benefit Regulations, and will amount to 0.35% (rounded to the second decimal place) of the total number of shares issued as of March 31, 2022 (7,596,161,561 shares) and 0.35% of the total number of voting rights as of March 31, 2022 (74,926,181 voting rights).

[Overview of the Trust]

(i)	Name	Stock delivery trust (J-ESOP)
(ii)	Settlor	LINE Corporation
(iii)	Trustee	Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
(iv)	Beneficiaries	Persons who meet the beneficiary requirements as stipulated in the Share Benefit Regulations, out of the employees, etc., of LINE
(v)	Trust administrator	Selected from the employees, etc., of LINE
(vi)	Type of trust	Money trust other than a specified cash trust (Third party benefit trust)
(vii)	Trust agreement date	August 12, 2022 (Scheduled)
(viii)	Date on which cash will be entrusted	August 12, 2022 (Scheduled)
(ix)	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.)

3. Basis of calculation and specific details of the issuance price

The issuance price will be JPY484.1, which is the closing price of the Company's common shares in Tokyo Stock Exchange, Inc. for the business day immediately prior to the date of the resolution on the Third-Party Allotment by the Board of Directors.

The closing price on the day immediately prior to the date of resolution of the Board of Directors was adopted because it represents the Company's appropriate corporate value in the stock market, and is believed to be reasonable.

The issuance price of JPY484.1 is the average closing price of JPY438 (rounded down to the nearest yen) for the most recent one month prior to the business day immediately preceding the date of the resolution of the Board of Directors multiplied by 110.53%. The amount is also the average closing price of the Company's common stock over the three-

month period ending on the business day immediately preceding the date of the resolution of the Board of Directors of JPY425 (rounded down to the nearest yen) multiplied by 113.91%; or the average closing price of JPY478 (rounded down to the nearest yen) over the past six months multiplied by 101.28%. Taking the above into consideration, the Company has determined that the issuance price of the Third-Party Allotment is not particularly favorable and is reasonable.

The Company's Audit and Supervisory Committee has issued an opinion that the issuance price is not particularly favorable.

4. Procedures in accordance with the Corporate Code of Conduct

The Company is not required to execute procedures to obtain an independent third-party opinion and confirm the intent of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange because (i) the dilution resulting from the Third-Party Allotment is below 25%, and (ii) does not involve any changes in controlling shareholders.

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.