



August 3, 2022

To whom it may concern

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

**Issuance of New Shares by Third-Party Allotment in Connection with the Introduction
of a Stock-Based Remuneration Plan and a Stock Delivery Plan
for Officers and Employees**

Z Holdings Corporation (hereinafter the “Company”) hereby announces that it has today resolved to issue new shares by way of third-party allotment (hereinafter the “Issuance of New Shares”) 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 Issuance of New Shares

(1) Payment date	Thursday, August 18, 2022
(2) Type and number of shares to be issued	7,531,200 shares of the Company’s common shares
(3) Issuance price	JPY484.1 per share
(4) Total value of shares to be issued	JPY3,645,853,920
(5) Amount of capital to be increased	JPY1,822,926,960 (JPY242.05 per share)
(6) Amount of capital reserve to be increased	JPY1,822,926,960 (JPY242.05 per share)
(7) Allotment method (Scheduled allottees)	By third-party allotment: (i) The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust Account 76765) (ii) The Master Trust Bank of Japan, Ltd. (Stock Delivery ESOP Trust Account 76766) (iii) The Master Trust Bank of Japan, Ltd. (Stock Delivery ESOP Trust Account 76782) (iv) Custody Bank of Japan, Ltd. (Trust E Account)

(8) Others	The Issuance of New Shares is conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.
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2. Purposes and reasons of the issuance

As announced in "Introduction of Stock-Based Remuneration Plan (RSU Plan) for Directors" on May 17, 2022, and "Introduction of a Stock-Based Remuneration Plan and a Stock Delivery (RSU Plan) Towards Officers and Employees," and "Introduction of a Stock Delivery Trust (J-ESOP)," dated today, the Company has resolved to introduce a new stock delivery plan using trusts (hereinafter the "Plan") as a new incentive plan targeted towards the directors, corporate officers and employees of the Company and its major subsidiaries: Yahoo Japan Corporation and LINE Corporation (including its subsidiaries).

Upon the introduction of the Plan, the Issuance of New Shares will be made through a third-party allotment to The Master Trust Bank of Japan, Ltd. (the co-trustee of the trust agreement for the Plan to be executed with Mitsubishi UFJ Trust and Banking Corporation) and Custody Bank of Japan, Ltd. (the re-trustee to be re-trusted by Mizuho Trust & Banking Co., Ltd.).

3. Overview of the allotment agreement

(1) Overview of the scheduled allottees

- (i) Scheduled allottee
The Master Trust Bank of Japan, Ltd.
(Board Incentive Plan Trust Account 76765)
- (ii) Scheduled allottee
The Master Trust Bank of Japan, Ltd.
(Stock Delivery ESOP Trust Account 76766)
- (iii) Scheduled allottee
The Master Trust Bank of Japan, Ltd.
(Stock Delivery ESOP Trust Account 76782)
- (iv) Scheduled allottee
Custody Bank of Japan, Ltd. (Trust E Account)

(2) Main content of the trust under this Plan

(i) Scheduled allottee

Purpose of trust	Provision of incentives to directors
Settlor	The Company
Trustee	Mitsubishi UFJ Trust and Banking Corporation

	(Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Out of i) the Company's directors not serving on the Audit and Supervisory Committee (excluding outside directors) and the Company's directors serving on the Audit and Supervisory Committee and ii) directors (excluding outside directors) of Yahoo Japan Corporation and LINE Corporation, major subsidiaries of the Company; those who meet the beneficiary requirements
Trust agreement date	August 12, 2022 (Scheduled)
Commencement of the Plan	August 12, 2022 (Scheduled)
Exercise of voting rights	Not to be exercised
Total value of shares to be acquired	JPY585,954,640

(ii)(iii) Scheduled allottees

	(ii) Scheduled allottee	(iii) Scheduled allottee
Purpose of trust	Provision of incentives to employees	
Settlor	The Company	
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
Beneficiaries	Corporate officers and employees of the Company who meet the beneficiary requirements	Corporate officers and employees of Yahoo Japan Corporation who meet the beneficiary requirements
Trust agreement date	August 12, 2022 (Scheduled)	
Commencement of the Plan	August 12, 2022 (Scheduled)	
Exercise of voting rights	Not to be exercised	
Total value of shares to be acquired	JPY169,967,510	JPY449,970,950

(iv) Scheduled allottee

Purpose of trust	Provision of incentives to officers and employees
Settlor	LINE Corporation
Trustee	Mizuho Trust & Banking Co., Ltd. (Re-trustee: Custody Bank of Japan, Ltd.)
Beneficiaries	Persons who meet the beneficiary requirements as stipulated in the Share Benefit Regulations, out of the executive officers and employees of LINE Corporation and officers and employees of the subsidiaries of LINE Corporation
Trust agreement date	August 12, 2022 (Scheduled)
Commencement of the Plan	August 12, 2022 (Scheduled)
Exercise of voting rights	Not to be exercised
Total value of shares to be acquired	JPY2,439,960,820

4. 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 Issuance of New Shares by the Board of Directors.

The closing price on the day immediately prior to the date of the 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 Issuance of New Shares is not particularly favorable and is reasonable.

The Company's Audit and Supervisory Committee has issued an opinion that the

issuance price is not a particularly favorable paid-in amount.

5. Procedures in accordance with the Corporate Code of Conduct

The dilution resulting from the Issuance of New Shares is below 25% and does not involve any changes in controlling shareholders. Consequently, 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.

6. Items regarding transactions, etc., with controlling shareholders

(1) Applicability of transactions, etc. with controlling shareholders and compliance with guidelines concerning minority shareholders protection policy

The trusts are the parties to the Issuance of New Shares under this Plan, and the transactions do not constitute transactions, etc. with controlling shareholders.

However, two candidates of the trust beneficiaries, Kentaro Kawabe, President and Representative Director, Co-CEO of the Company, concurrently serves as the board director of SoftBank Group Corp. and SoftBank Corp, and In Joon Hwang, Senior Managing Corporate Officer, CGIO (Chief Global Investment Officer) of the Company, concurrently serves as the director of A Holdings Corporation, the parent companies of the Company. In other words, in reality, the issuing company will be delivering stocks as remunerations to the directors who concurrently serve as directors of the aforementioned parent companies.

As stated in the Corporate Governance Report dated June 24, 2022, the Company stipulates the following “Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder,” and the Issuance of New Shares is decided in accordance with the said policy.

“The parent company of Z Holdings Corporation is SoftBank Group Corp., SoftBank Group Japan Corporation, SoftBank Corp., and A Holdings Corporation. Z Holdings Corporation has enacted “Regulations for Appropriate Business Transactions and Practices by Z Holdings Corporation, its Parent Company, Subsidiaries, and Affiliates.” In accordance with these regulations, Z Holdings Corporation strives to maintain its commitment to fair and proper transactions by expressly forbidding clearly advantageous or disadvantageous transactions with its parent company, etc. which are judged by comparing transactions with a third party or with other similar transactions, and performing of transactions for the purpose of shifting profits, losses, or risks. In addition, the Company mandates that certain transactions and actions with the parent company be discussed by the Governance Committee.”

(2) Measures to ensure fairness and to prevent conflict of interest

The Issuance of New Shares is conducted in accordance with the provisions and procedures stipulated by laws, regulations and other rules. In addition, considering that the amount to be paid in for this Issuance of New Shares is the closing price on the day prior to the resolution date of the Board of Directors, the amount to be paid in is not particularly favorable to the allottees, and does not deviate from the general content and conditions of an issuance of new shares, and is appropriate.

(3) Overview of the opinions acquired from parties that have no conflict of interest with the controlling shareholders that the decision related to this transaction, etc., is not disadvantageous to minority shareholders

The content of the Issuance of New Shares and its appropriateness have been discussed and resolved in the Company's Board of Directors meeting held today. Regarding the Issuance of New Shares, Corporate Officer, Kenichi Imamura, under the instruction of President and Representative Director, Co-CEO, Kentaro Kawabe, consulted the Governance Committee which does not have conflicts of interest with controlling shareholders (comprised of independent and outside directors: Tadashi Kunihiro, Yoshio Usumi, Maiko Hasumi, and Rehito Hatoyama) regarding the opinion to be expressed that the transaction is not disadvantageous to the minority shareholders. The Governance Committee, on deliberating the matter consulted, received explanations from the Corporate Officer, Kenichi Imamura that "measures to ensure fairness and to prevent conflict of interest" have been taken, that the purpose of the transaction is to provide incentives to eligible persons to sustainably increase the corporate value of the Company, and that its content is appropriate. The Governance Committee examined the purpose of the Issuance of New Shares, the process leading to the decision on the issuance and allottees, and the fairness of the terms and conditions of the Issuance of the New Shares from the perspective of whether they are appropriate as stocks using trusts. As a result, the Governance Committee has determined that the decision related to the Issuance of New Shares is not disadvantageous to minority shareholders. The Governance Committee based their decision on the following: the Issuance of New Shares has gone through the process of being reviewed by the Company's Nominating and Remuneration Committee; the Company's Nominating and Remuneration Committee has determined that the Issuance of New Shares is appropriate because it has the function as an incentive to improve the medium- to long-term corporate value of the Company, the amount to be paid in for the shares is the closing price on the day immediately preceding the resolution date of the Board of Directors, thus is not particularly favorable to the allottees, and as stated in the securities registration statement submitted by the Company today regarding the Issuance of New Shares, the Issuance of New Shares does not deviate from the general content and conditions of issuing new shares; the Governance Committee, all of whom are also

members of the Nominating and Remuneration Committee, has made the same determination; and the decision on the Issuance of New Shares will be made after taking “measures to ensure fairness and to prevent conflict of interest.” Accordingly, the Company has received a written statement from the Governance Committee dated August 2, 2022, which expressed the abovementioned opinions.

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.