



February 2, 2023

To whom it may concern

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

Notice Regarding Determination of Gain on Remeasurement Relating to Business Combinations and Recording of Impairment Loss

Z Holdings Corporation (hereinafter the "Company") has recorded a gain on remeasurement relating to business combinations and impairment loss on investments in associates and joint ventures in its consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023. Details are as follows.

1. Recording of gain on remeasurement relating to business combinations

As announced in "(Update) Recording of Gain on Remeasurement Relating to Business Combinations Due to the Consolidation of PayPay Corporation" dated November 2, 2022, PayPay Corporation has become a consolidated subsidiary (third-generation subsidiary) of the Company as of October 1, 2022. As a result of this consolidation, following a detailed examination, a gain on remeasurement relating to business combinations of JPY147,321 million has been recorded in the consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023.

2. Recording of impairment loss on investments in associates and joint ventures

The Company conducted an impairment test of its investment accounted for under the equity method related to Demae-can Co., Ltd. As a result, the Company reduced the carrying amount of the investments to its recoverable amount and recorded JPY31,303 million as an impairment loss on investments in associates and joint ventures in the consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023.

3. Impact on business results

The gain on remeasurement relating to business combinations and impairment loss on investments in associates and joint ventures noted above have no impact on the adjusted EBITDA, and do not affect the consolidated performance estimates for the fiscal year ending March 31, 2023 stated in the "Results for the Nine Months Ended December 31, 2022 (FY2022-3Q) [IFRSs]" released today. As stated above, the relevant gain/loss have been recorded in the consolidated financial statement of the third quarter of the fiscal year ending March 31, 2023. Please refer to the statement for operating income, income before income taxes, net income, and net income attributable to owners of the parent, for the cumulative consolidated third quarter of the fiscal year ending March 31, 2023.

The Company will promptly announce any new matters to be disclosed if they become known.

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.