

June 12, 2023

Z Holdings Corporation

Business Restructuring for LINE Securities

LINE Financial Corporation (Head office: Shinagawa-ku, Tokyo; Representative Director President, CEO: Tetsuhiko Saito), a consolidated subsidiary of Z Holdings Corporation (hereinafter the "Company"), and Nomura Holdings, Inc. (Head office: Chuo-ku, Tokyo; President and Group CEO: Kentaro Okuda) have today reached an agreement on restructuring the financial services business of their joint venture, LINE Securities Corporation (hereinafter "LINE Securities;" Head office: Shinagawa-ku, Tokyo; President and Co-CEO: Miyuki Masaki and Yoshikazu Yonenaga). Please see the appendix for details.

LINE Securities is an equity method affiliate of the Company from April 2023. The Company regards the impact of this matter on the Company's consolidated business results for the fiscal year ending March 31, 2024 to be minor. Also, since it does not fall under the timely disclosure standards of the Tokyo Stock Exchange, this notice is being voluntarily disclosed as PR information.

LINE and Nomura to Restructure LINE Securities Business

TOKYO – June 12, 2023 – LINE Financial Corporation (“LINE Financial”) and Nomura Holdings, Inc. (“Nomura”) today announced that they have reached an agreement to restructure the financial services business of their joint venture, LINE Securities Corporation (“LINE Securities”).

As a result of the business restructure, LINE Securities will focus on foreign exchange margin trading services while management of clients’ brokerage accounts will be transferred to Nomura Securities Co. Ltd. (“Nomura Securities”). Client assets have been segregated and protected in trust accounts in accordance with laws and regulations and will not be affected in any way.

The restructuring is slated for completion in 2024. Any other matters requiring disclosure will be promptly announced once finalized.

1. Background to the business restructure

LINE Securities launched the Ichikabu service in August 2019, taking advantage of the vast user base and usability-focused UI/UX of LINE, and Nomura’s expertise in the financial services business. Ichikabu was primarily designed to meet the potential asset building needs of LINE users by enabling trading of Japanese stocks from one share. The company has released a diverse range of securities and related products and services through the LINE app, such as LINE FX (foreign exchange margin trading), LINE CFD (contracts for difference), and Tsumitate NISA. The services have enjoyed the patronage of many clients, reaching over 1.5 million accounts as of September 30, 2022. In addition, LINE Securities recorded over 570,000 accounts as of December 31, 2022, ranking first* in the industry for new FX accounts .

*LINE survey comparing net number of FX accounts newly opened between Jan–Dec 2022 from five companies. Five companies were GMO Click Securities, Gaika ex byGMO, Hirose Tusyo, Gaitame.com, Traders Securities

In light of changes in the business environment and the profit outlook for LINE Securities’ services, LINE Financial and Nomura agreed to the business restructure after considering the optimal allocation of resources. The two companies determined this was the best course of action to ensure LINE Securities’ continued growth and for their clients and all other stakeholders.

Moreover, LINE Group is seeking to further boost its earnings power and product creation as it merges with Yahoo Japan Corporation and Z Holdings Corporation among others, and makes other internal restructures. As part of its ongoing efforts to bolster its digital services through internal app development and enhanced online offerings, Nomura is looking to further invest operating capital into its own digital strategy to generate growth.

2. Details of the business restructuring

LINE Securities' securities business will be transferred to Nomura Securities through a demerger (absorption-type company split) (*1). Once completed, Nomura Securities will provide the securities services while LINE Securities will continue to offer LINE FX.

The restructuring will mainly result in the following changes to LINE Securities' services.

Service	Changes due to the restructuring
LINE FX	LINE Securities will continue providing this service.
Securities services (Ichikabu/investment trusts/ stock exchange trading/margin trading/ Tsumitate NISA)	Buying activities will be gradually halted for securities services. While clients will be able to sell (terminate) assets through LINE Securities over a specified period of time, any assets left in accounts at LINE Securities after this period will be transferred to Nomura Securities in 2024 (planned).
LINE iDeCo	Applications for opening new accounts will be immediately discontinued. Nomura Securities will take over management of existing iDeCo accounts.
LINE CFD	From August 2023, new contracts will be gradually suspended and payments completed by the end of December 2023. Accounts will then be closed by the end of March 2024 (planned).

Please refer to LINE Securities' special [website](#) for more details on upcoming service closures and transfers to Nomura Securities, as well as LINE Securities' ongoing provision of LINE FX.

(*1) Demergers are conducted in accordance with the Companies Act to separate the rights and obligations of a company's business and allow another company to succeed them. An absorption-type company split is one type of demerger in which an existing company succeeds business rights and obligations.

3. Future plans

The parties will hold discussions in preparation for the 2024 completion of the business restructure and beginning of a new LINE Securities. The parties will promptly disclose any relevant matters related to the business restructure.