Securities Code: 4689
February 20, 2020

To our shareholders

Kentaro Kawabe
President and Representative Director
Z Holdings Corporation
1-3 Kioicho, Chiyoda-ku, Tokyo, Japan

Notice of an Extraordinary General Meeting of the Shareholders

Dear shareholders:
You are cordially invited to attend our Extraordinary General Meeting of the Shareholders of Z Holdings Corporation (the "Company"), as detailed below.
Please exercise your voting rights by using one of the following methods.

Voting Options

If you are attending the meeting:
Please submit the enclosed voting card to the reception desk at the venue on the day of the meeting.

If you are unable to attend the meeting:
(1) If you are exercising your voting rights by mail (in writing):
Please indicate your approval or disapproval of the proposals on the enclosed voting card and return the completed card so that it will reach us no later than the deadline indicated below.
Deadline: **6:00 p.m., Monday, March 16, 2020.**

OR

(2) If you are exercising your voting rights via the Internet:
Please access our voting site (https://evote.tr.mufg.jp/ (Japanese only)) via your smartphone or personal computer, and indicate your approval or disapproval of the proposals, as prompted on the screen by the deadline indicated below.
Deadline: **6:00 p.m., Monday, March 16, 2020.**

Details of Meeting

1. Date: 10:00 a.m., Tuesday, March 17, 2020
(The reception desk will open at 9:00 a.m.)

2. Venue: **Hall B7, Tokyo International Forum**
5-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Subject Matters of Meeting:
Matters to be resolved:
Proposal 1: Approval of Share Exchange Agreement
Proposal 2: Partial Amendments to the Articles of Incorporation

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Notes:
- If there is a need to modify the reference material for the General Meeting of the Shareholders, then the modified version will be posted on the Company's website on the Internet (https://www.z-holdings.co.jp/en/ir/).
- If you are attending the meeting, please bring this notice with you to conserve natural resources.
- Please note that our dress code for the meeting is dress-down casual attire. You are encouraged to wear casual clothes to the meeting.
- There will be a livestream of the General Meeting of the Shareholders in Japanese.
- Please note that the venue (hall) is different from the one for the Ordinary General Meeting of the Shareholders.
- There are no gifts or drinks offered for the shareholders at the venue of this meeting.
- We ask for your cooperation in going through a baggage security check at the entrance.
- Unlike the Ordinary General Meeting of the Shareholders, we will not have a consultation desk for customers to inquire about our services.

[Translation]

Reference Materials for General Meeting of Shareholders

Proposals and references

Proposal No. 1: Approval of Share Exchange Agreement

With regard to the business integration between Z Holdings Corporation ("ZHD") and LINE Corporation ("LINE"; together with ZHD, the "Companies") based on a spirit of equal partnership (the "Business Integration"), ZHD, as of December 23, 2019, entered into a business integration agreement with SoftBank Corp. ("SoftBank"), NAVER Corporation ("NAVER"), and LINE that stipulates the transactions for accomplishing the Business Integration (the "Definitive Integration Agreement"), and entered into a capital alliance agreement between the Companies that stipulates ZHD's governance, management and other matters after the Business Integration (the "Capital Alliance Agreement").

Following this, on January 31, 2020 and pursuant to the Definitive Integration Agreement, ZHD executed with LINE Split Preparation Company, which is a wholly owned subsidiary of LINE established by LINE (the "LINE Successor"; the LINE Successor will succeed LINE's entire business (excluding ZHD shares, contractual statuses under agreements entered into by LINE in connection with the Business Integration, and other rights and obligations set forth in the absorption-type demerger agreement) through the Corporate Demerger (as defined in "(4) Method of the Business Integration" below; the same applies hereinafter) to be conducted with LINE), a share exchange agreement related to a share exchange using ZHD shares as consideration and in which ZHD will become the wholly owning parent company of the LINE Successor and the LINE Successor will become the wholly owned subsidiary of ZHD (that share exchange, the "Share Exchange"; that share exchange agreement, the "Share Exchange Agreement").

This proposal is submitted to request approval of the Share Exchange Agreement. The reasons for the Share Exchange, the details of the Share Exchange Agreement, and other matters are as follows.

1. Reasons for the Share Exchange

(1) Background

Social and industrial circumstances that surround the Companies change drastically on a daily basis and on a global scale. In particular, in the online market, foreign companies, particularly those in the United States and China, overwhelmingly dominate the industry. The reality is that when comparing the sizes of companies in this industry, there is a great disparity when American and Chinese companies are compared with companies in Japan and other Asian countries excluding China.

In addition, Japan is in the midst of addressing calls for productivity increases in the face of a decreasing labor population and the need for swifter responses to natural disasters and other emergencies. There is great potential for the utilization of artificial intelligence ("AI") and other technology in these areas.

Taking these circumstances into account, the Z Holdings Group (a corporate group comprised of ZHD, its 79 subsidiaries and 26 affiliated companies (as of September 30, 2019); the "ZHD Group"), which has rolled out a variety of services in Japan, has a solid user base (67.43 million average monthly users and 140 million monthly active users for all apps), and possesses substantial assets (total consolidated assets of 2,795,895 million yen), and the LINE group (a corporate group comprised of LINE, its 64 subsidiaries and 68 affiliated companies; the "LINE Group"), which boasts a customer base of 82 million monthly active users in Japan and 104 million monthly active users outside of Japan, as well as a rich product lineup of services, will provide more convenient user experiences to Japanese users and update Japanese society and industry, by consolidating their operating resources through the Business Integration, strengthening their respective business areas, and making business investments for growth in new business fields. The Companies aim to become a leading company that leads the world from Japan and Asia by deploying this innovative model throughout Asia and the world.

In light of these circumstances, ZHD and LINE, together with their respective parent companies SoftBank and NAVER, started from mid-June 2019 to engage in discussions to consider possibilities, including forming a business alliance. Thereafter, from early August of the same year, the four companies began in earnest to engage in broad-ranging discussions and meetings to understand all of their available options, focusing on the feasibility of the Business Integration and the methods for its achievement, while fully bearing in mind potential restrictions, etc., under applicable foreign and domestic laws and regulations. In the course of these discussions, from mid- to late August of the same year, initial analyses were undertaken, focusing on the feasibility of a series of transactions, including making a tender offer for the shares of LINE jointly by

SoftBank and NAVER, carrying out the Corporate Demerger, and completing the Share Exchange, as a way of effecting the Business Integration. Further, in early September 2019, the parties came to an understanding with regard to the significance of these transactions and decided to carry out further inquiries, including relevant due diligence. Based on these activities, and while continuing to meet to discuss the objectives of the Business Integration, including potential synergies, etc., SoftBank, NAVER and ZHD were engaged in conducting due diligence on LINE, and NAVER and LINE were engaged in conducting due diligence on ZHD, between late September and early November 2019. Once this process was satisfactorily concluded, the four companies reached a mutual understanding on the fundamental outline of the Business Integration, and, on November 18, 2019, a memorandum of understanding on the Business Integration (the "Integration MOU") was entered into between the four companies, and a memorandum of understanding on capital alliance (the "Capital Alliance MOU") was entered into between the Companies, as described in the "Announcement Regarding Capital Alliance MOU on Business Integration" issued by ZHD and LINE on the same day (the "MOU Press Release"). Furthermore, on the same date, SoftBank and NAVER delivered to LINE a letter of intent concerning the Joint Tender Offer (as defined in "(4) Method of Business Integration" below; the same applies hereinafter) relating to a series of transactions for the Business Integration (the "Transactions").

After the execution of the Integration MOU and the Capital Alliance MOU, SoftBank, ZHD, NAVER, and LINE contemplated detailed terms and conditions for the Transactions, the steps and methods required for them, the governance of the integrated company, and other matters for the purpose of preparing to enter into definitive agreements. The four companies reached final agreement in relation to conducting the Business Integration by the methods described in "(4) Method of Business Integration" below, and ZHD and LINE reached final agreement in relation to the governance of the integrated company. Thus, the Definitive Integration Agreement and Capital Alliance Agreement were executed on December 23, 2019.

Following this, on January 31, 2020 and pursuant to the Definitive Integration Agreement, ZHD executed with the LINE Successor the Share Exchange Agreement related to a share exchange using ZHD shares as consideration and in which ZHD will become the wholly owning parent company of the LINE Successor and the LINE Successor will become the wholly owned subsidiary of ZHD.

(2) Basic Principles of the Business Integration

Under the planned Business Integration, the ZHD Group and the LINE Group will, as the "Integrated Company Group" (meaning ZHD as the integrated company after the Business Integration, and, as subsidiaries and affiliates of that integrated company, the LINE Group, and the ZHD Group companies excluding ZHD; the same applies hereinafter), consolidate their respective operating resources, and, after the Business Integration, the Integrated Company Group will pursue synergies in existing business areas, as well as make business investments targeting growth in new business areas, such as AI, commerce, Fintech, advertising and O2O. With such advances, the Integrated Company Group hopes to take a significant leap forward and become a corporate group capable of facing and prevailing against fierce competition in Japan and the global market, and it is with this mindset that the Companies are undertaking the Business Integration in the spirit of equal partnership.

(3) Vision and Management Philosophy of the Integrated Company

By means of the Business Integration, the Integrated Company Group will consolidate its operating resources, combine the vision and management philosophy expressed by the ZHD Group's slogan "Make our users' lives convenient to a surprising (!) extent" and the LINE Group's corporate mission statement "WOW," and, through the use of AI and Internet technologies, create and provide a richer and more convenient life for the users of the Integrated Company Group.

By first bringing progress to Japanese society and industry by providing the best domestic user experience for its customers, then expanding to Asia and subsequently the rest of the world, the Integrated Company Group aims to become "The AI tech company that leads the world from Japan and Asia."

(4) Method of the Business Integration

As set out in the Definitive Integration Agreement, ZHD and LINE, together as four parties with SoftBank and NAVER, are in agreement with respect to the method in which the Business Integration will be carried out, as summarized below.

(i) SoftBank and NAVER, or a wholly owned subsidiary of NAVER incorporated in Japan (collectively with NAVER, the "NAVER Party"), will conduct a joint tender offer in Japan and the United States with the intent of taking LINE private (the "Joint Tender Offer").

(ii) In the event that the Joint Tender Offer is conducted but is not successful in terms of acquiring all of the subject shares, then, in order to have SoftBank and the NAVER Party become the sole shareholders of LINE and take LINE private, SoftBank and the NAVER Party intend to effect a minority squeeze-out through a share consolidation or other method (the "LINE Squeeze-Out"), paying LINE's shareholders an amount equivalent to the offer price under the Joint Tender Offer as consideration.

(iii) LINE will conduct a tender offer to acquire all of the shares in ZHD held by SoftBank's consolidated subsidiary, Shiodome Z Holdings Co., Ltd. ("Shiodome Z Holdings"; that shares, the "Subscribed Shares"; that tender offer, the "ZHD Share Tender Offer") (see Notes 1 and 2).

(iv) Prior to settlement of, and in order to secure funds for, the ZHD Share Tender Offer, LINE will issue bonds to SoftBank as the subscriber in a subscription amount equivalent to the ZHD Share Tender Offer purchase price (the "Bond Issuance").

(v) After settlement of the ZHD Share Tender Offer, an absorption-type merger will be conducted in which LINE will be the company surviving the absorption-type merger and Shiodome Z Holdings will be the company disappearing in the absorption-type merger (the "Merger"), whereby LINE will issue 180,882,293 new common shares (see Note 3) as Merger consideration, based on the total number of shares issued (excluding treasury shares) by each of LINE and ZHD as of September 30, 2019 and allot and deliver all of those newly issued shares to SoftBank, which is the parent company of Shiodome Z Holdings.

(vi) No later than the day before the settlement start date of the ZHD Share Tender Offer, SoftBank and the NAVER Party will carry out a partial transfer to the NAVER Party of LINE common stock owned by SoftBank that will result in a 50:50 voting rights ratio between SoftBank and the NAVER Party (the "JV Formation"). As a result of the Merger and the JV Formation, LINE will become a consolidated subsidiary of SoftBank.

(vii) An absorption-type demerger will become effective when the Merger takes effect, with the result being that the LINE Successor will succeed to LINE's entire business (excluding ZHD shares, contractual statuses under agreements entered into by LINE in connection with the Business Integration and other rights and obligations set forth in the corporate demerger agreement; that absorption-type demerger, the "Corporate Demerger").

(viii) The Share Exchange will be carried out after the Corporate Demerger has taken effect.

(Note 1) As described in the "Announcement of Transfer of Shares of ZHD through Secondary Distribution to Shiodome Z Holdings Co., Ltd" released by SoftBank on November 18, 2019, SoftBank, as part of the Business Integration, transferred to its consolidated subsidiary Shiodome Z Holdings all of the ZHD shares Softbank owned, effective as of December 18, 2019.

(Note 2) The ZHD Share Tender Offer is scheduled to be launched nine months from December 23, 2019 for the purpose of transferring to LINE the Subscribed Shares held by Shiodome Z Holdings, and will be carried out as agreed between SoftBank and NAVER. If there are changes in circumstances at the time the ZHD Share Tender Offer starts, the method or terms with respect to the transfer to LINE of the Subscribed Shares from Shiodome Z Holdings may be changed, within the scope permitted by laws or regulations. Also, the ZHD Share Tender Offer will completely exclude shareholders in the United States and will not solicit those U.S. shareholders or extend to their interests, whether direct or indirect.

(Note 3) However, according to "Notice Concerning Entry into a Definitive Agreement Relating to the Business Integration of Z Holdings Corporation (Securities Code: 4689) and LINE Corporation (Securities Code: 3938)" released by Softbank and NAVER on December 23, 2019, SoftBank and NAVER may appropriately adjust the structure pursuant to a separate agreement if, as a result of the LINE Squeeze-Out process or based on other reasonable grounds, it is determined that such an adjustment is necessary.

The Business Integration is conditioned on the obtainment of all clearances, permits, licenses, approvals, and the like required under all applicable laws and regulations of the relevant countries, including applicable competition laws and foreign exchange laws, and the satisfaction of other conditions stipulated in the Definitive Integration Agreement. In addition, as provided for in the Share Exchange Agreement, the Share Exchange will become effective on the conditions precedent that (a) the Corporate Demerger becomes effective pursuant to the corporate demerger agreement entered into between LINE and the LINE Successor on January 31, 2020 (the "Corporate Demerger Agreement") and (b) the number of all issued and outstanding shares of the LINE Successor is 240,960,343 shares on the day preceding the effective date of the Share Exchange, all of which are held by LINE.

(5) Governance and operation, etc. of ZHD after the Share Exchange

As set out in the Capital Alliance Agreement, ZHD and LINE agree to the governance and operations, etc., of ZHD following the Share Exchange (referred to as the "Integrated Company" in this "(5)") substantially as summarized below.

(i) Independence

The "JV Company" (which refers to LINE after the NAVER Party and SoftBank hold all of the voting rights at an equal percentage) and the Integrated Company confirm that the JV Company (a) will maintain and respect the independence and status of the Integrated Company as a listed company as long as the Integrated Company's listing is maintained and (b) recognizes the importance of serving the common interest of shareholders of the Integrated Company, including its minority shareholders other than the JV Company.

(ii) Organizational structure

The number of directors of the Integrated Company will be 10. The Integrated Company's organizational structure and details of that structure, other than those provided for in the Capital Alliance Agreement, will be determined by the Integrated Company with the goal of improving its corporate value, and this approach will be respected by the JV Company.

(iii) Directors

Immediately following the effective date of the Share Exchange, two co-CEOs will be appointed, with Takeshi Idezawa as Representative Director and Co-CEO, and Kentaro Kawabe as President and Representative Director and Co-CEO in the Integrated Company. Immediately following the effective date of the Share Exchange, the other directors will be Takao Ozawa, Taku Oketani, Shin Jungho, and Jun Masuda with four independent outside directors serving as audit and supervisory committee members (two of whom will be Tadashi Kunihiro and Rehito Hatoyama, and the remaining two are to be determined by ZHD after taking the deliberations by and findings of the Nomination Committee of ZHD fully into account).

Thereafter, the directors of the Integrated Company will consist of six people nominated by the JV Company ("Internal Directors") and four independent outside directors serving as audit and supervisory committee members. However, when exercising the above right to nominate Internal Directors, the JV Company will discuss in advance with ZHD and the Nomination and Remuneration Committee (as defined below), and when exercising voting rights in relation to proposals to appoint independent outside directors serving as audit and supervisory committee members, the reports of the Nomination and Remuneration Committee must be respected.

In the event that an Internal Director of the Integrated Company appointed by the JV Company is required to leave his or her post due to expiration of his or her term, resignation or some other reason, the JV Company may, in accordance with the above, appoint a new Internal Director of the Integrated Company to replace the departing Internal Director. In the event that the JV Company appoints any new Internal Director of the Integrated Company in accordance with the above, the Integrated Company will use its best efforts to a reasonable extent to assist with the appointment of the new Internal Director of the Integrated Company, as promptly as reasonably possible from a business perspective.

The JV Company and the Integrated Company will discuss and consult as necessary with respect to the number of directors and the proportion of independent outside directors on the Integrated Company's board, taking into consideration circumstances of any relevant discussion concerning the governance of listed companies ongoing at such time.

(iv) Nomination and Remuneration Committee

The Integrated Company will establish a "Nomination and Remuneration Committee" as an advisory committee reporting to the board of directors for the purpose of (i) the election and dismissal of directors, the president, the CEO, the representative director and the chairperson, and succession planning for the president and CEO and (ii) enhancing independence, objectivity, and accountability related to the determination of remuneration and bonuses for directors and executives.

The Nomination and Remuneration Committee will consist of four independent outside directors serving as audit and supervisory committee members and two Internal Directors, and the chairperson will be an independent outside director. Regarding the appointment and dismissal of Nomination and Remuneration Committee members, members must be appointed with the approval of at least two-thirds of the directors in accordance with internal regulations, and, when the board of directors considers a resolution involving appointment or dismissal, the Integrated Company must notify the

JV Company of the details in advance. Immediately following the effective date of the Share Exchange, the two Internal Director members of the Nomination and Remuneration Committee will be Takeshi Idezawa and Kentaro Kawabe.

Resolutions of the Nomination and Remuneration Committee must be passed by a majority of all committee members.

(v) Product Committee

The Integrated Company will, on the effective date of the Share Exchange, resolve at its board of directors meeting to establish a "Product Committee" as a subordinate committee reporting to the board of directors and establish internal regulations relating to the establishment and operation, etc. of the Product Committee as set forth below. Subsequently, the Product Committee will make decisions on products provided by the Integrated Company Group, to the extent that those decisions do not conflict with applicable laws and regulations and with internal regulations of the Integrated Company.

The Integrated Company will select the same number of people from each of Yahoo Japan Corporation and LINE to serve as members of the Product Committee for a term of three years. The appointment and dismissal of Product Committee members will be determined by resolution of the board of directors in accordance with internal regulations. Immediately following the effective date of the Share Exchange, the Product Committee will consist of Shin Jungho, Takeshi Idezawa, Jun Masuda, Hwang In Joon, Park Euivin, Kentaro Kawabe, Takao Ozawa, Gen Miyazawa, Ryosuke Sakaue, and Chiaki Fujimon.

The Integrated Company will appoint a Chief Product Officer (the "CPO") from among the members of the Product Committee as the person in charge of the Product Committee for a term of three years. Decisions regarding the appointment and dismissal of the CPO will require the approval of at least two-thirds of the directors in accordance with internal regulations, and when the board of directors considers a resolution involving appointment or dismissal, the Integrated Company must notify the JV Company of the details in advance. The CPO immediately following the effective date of the Share Exchange will be Shin Jungho.

Decisions of the Product Committee will be made by a resolution of the majority of members of the Product Committee. However, if a resolution of the Product Committee is deadlocked, the final decision on that resolution will be made by the CPO after considering the content of the deliberations.

The Product Committee will be responsible for the growth (including not only key performance indicators (KPIs), but also revenue and income) of all products of the Integrated Company Group and will make important decisions throughout the Integrated Company Group regarding product planning and development, commencement and cessation, funding and sales budgets, expense budgets and personnel allocation, etc. in accordance with the business plan and other policies established by the board of directors. In addition, for the avoidance of doubt: the same will apply even after the integration of products, except where otherwise specified in the Capital Alliance Agreement. The Product Committee will delegate to relevant departments day-to-day decision-making regarding improvements and other matters related to product operations if approved by the Product Committee as reasonable in view of operational efficiency.

The Product Committee will hold discussions to decide on a policy regarding consolidating or differentiating overlapping products of the ZHD Group and the LINE Group (payment services, newsfeeds, etc.) to maximize synergy from the business integration of ZHD and LINE. However, the policy for each product that becomes subject to consolidation will be decided so that such consolidations shall be completed within three years after the effective date of the Share Exchange. If a resolution of the Product Committee regarding this policy becomes deadlocked, the Product Committee will continue discussions until a decision can be reached by a majority of all members, and the CPO does not have the authority to make the final decision in this case.

The specific role of the Product Committee with regard to the products of publicly traded subsidiaries and affiliates of the Integrated Company ("Publicly Traded Subsidiaries and Affiliates") are to be contemplated separately, taking into account the autonomy of Publicly Traded Subsidiaries and Affiliates.

Within three years after the effective date of the Share Exchange, the JV Company and the Integrated Company will assess the structure and management of the Product Committee in light of the progress of the ZHD and LINE Business Integration and will discuss and deliberate how to reasonably and effectively structure and manage the Product Committee.

(vi) Mid- to long-term business investments

When it is commercially reasonable in terms of the corporate value of the Integrated Company, the Integrated Company's board of directors will, in accordance with applicable laws and regulations, make decisions regarding investments in products, primarily AI, for the purpose of increasing the Integrated Company Group's competitiveness so that it makes mid- to long-term investments in products, especially AI, in an amount of approximately 100 billion yen on a cash basis each year.

In the Integrated Company, the specific plans regarding mid- to long-term investments will be decided by the resolution of the board of directors. Once investment plans are finalized, amendments to the plans will, in accordance with internal regulations, require at least two-thirds of the directors to pass an amendment resolution. The Integrated Company must notify the JV Company before requesting the board of directors to consider any changes to the Integrated Company's investment plans.

Once the board of directors decide on making mid- to long-term investments and specific investment plans for them, the CPO will be responsible for working with relevant departments to execute those investment plans. The CPO will be required to periodically provide a report on the progress and the detailed results of investments to the board of directors.

(vii) Dividends

The Integrated Company will maximize the common interest of its shareholders while maintaining or increasing the corporate value of the Integrated Company in the mid- to long-term. To this end, if its financial health can be maintained and the obligations under the Capital Alliance Agreement are met, then the Integrated Company will use the previous fiscal year's dividend amounts as a baseline to a certain extent while also taking into consideration the financial results for the relevant fiscal year to use its best efforts to provide shareholder returns, including dividends. The Integrated Company will consult with the JV Company before determining the amount of dividends for the fiscal year in which the effective date of the Share Exchange falls.

(viii) Incentive policy

During the period between the execution date of the Capital Alliance Agreement and the effective date of the Share Exchange, the Integrated Company will, taking into consideration the current incentive policy offered to the directors, officers and, employees of LINE, continue to discuss and consider in good faith with LINE the introduction of a replacement incentive policy to be offered to directors, officers, and employees of the LINE Group within the Integrated Company Group and will use its best efforts to introduce that replacement incentive policy promptly on or after the effective date of the Share Exchange. ZHD (following completion of the Transactions, the Integrated Company) will (i) in considering the introduction of such policy, sufficiently reflect the objectives of LINE's Three-Year Incentive Policy (i.e., the stock remuneration policy applicable for the three-year period starting from the fiscal year ending December 2019, which was based on the policy approved at a meeting of LINE's board of directors held on February 26, 2019) to provide the eligible directors, officers, and employees of the LINE Group with extensive opportunities to receive economic value generated through the improvement of corporate value and shareholder value in an equitable manner based on their performance and (ii) promptly on or after the effective date of the Share Exchange, introduce as a substitute for LINE's Three-Year Incentive Policy an incentive policy for the Integrated Company Group that is equivalent in scale (that will be a stock option program that is approximately 10.8% of the total issued shares of LINE as of the execution date of the Capital Alliance Agreement or another program equivalent in scale).

(ix) Actions requiring prior approval

The Integrated Company must obtain written agreement from the JV Company before taking part in any of the following actions:

1. changes to the articles of incorporation (unless the change is non-material in nature);

2. actions by the Integrated Company resulting in issuing new shares, share acquisition rights, or bonds with share acquisition rights (including disposition of treasury shares or treasury share acquisition rights) or otherwise granting or issuing the right to convert into or obtain those shares if the JV Company will, as a result thereof, have no more than 50% of the voting rights of the Integrated Company on a fully diluted basis; or

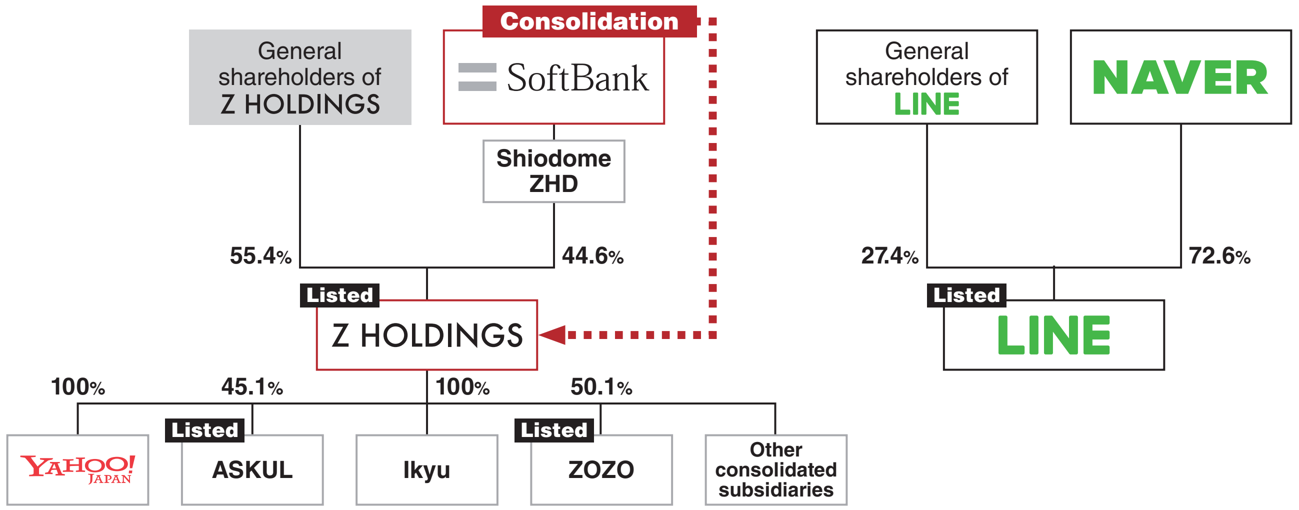
3. assigning, transferring, succeeding to, granting a security interest in, or otherwise disposing of ("Transfers, Etc.") stocks, assets, or businesses of the Integrated Company or its consolidated subsidiaries to a third party, other than an Integrated Company Group company, where the value equals one-fifth or more of the book-value total assets of the Integrated Company on a consolidated basis (this excludes Transfers, Etc. of stocks of publicly traded companies owned by the Integrated Company or its consolidated subsidiaries).

(x) Handling of ZHD shares held by the JV Company

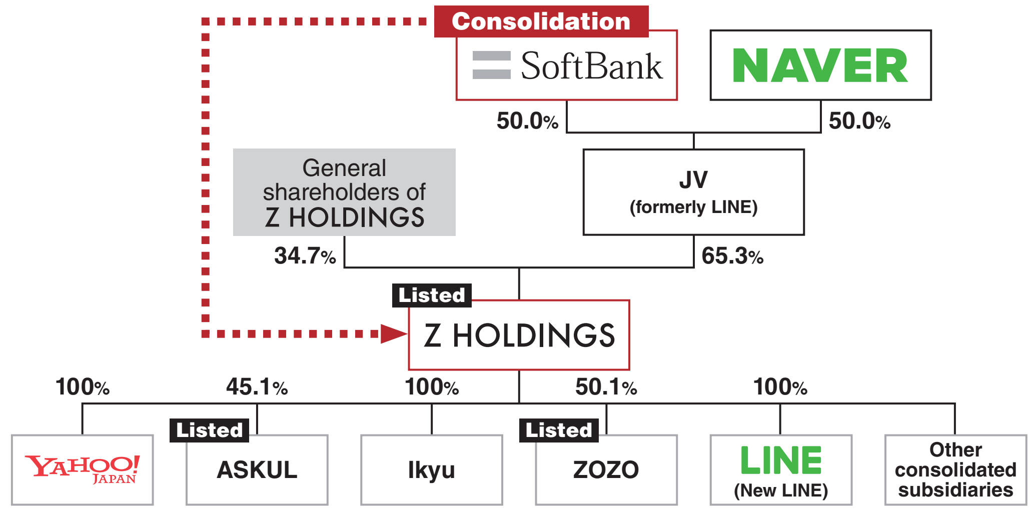
If the JV Company intends to acquire or sell shares of the Integrated Company, and if doing so result in any of the Integrated Company becoming delisted, the JV Company's voting rights falling to 50% or less on a fully diluted basis, or a substantial impact on the management of the Integrated Company, then the JV Company and the Integrated Company must first consult with each other to faithfully discuss the handling of such shares.

Reference **Overview of Group Structure Before and After Integration**

Currently status

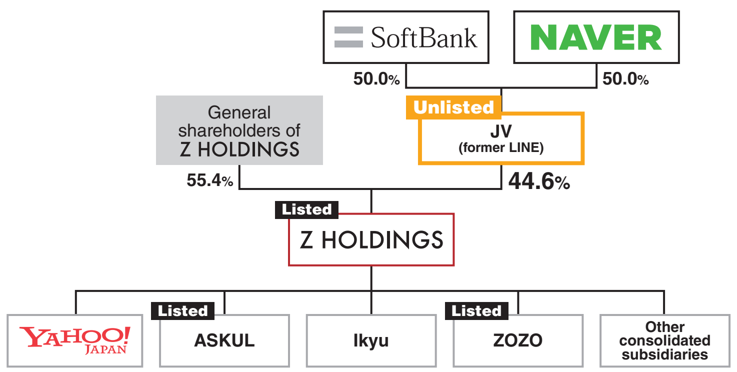


After integration

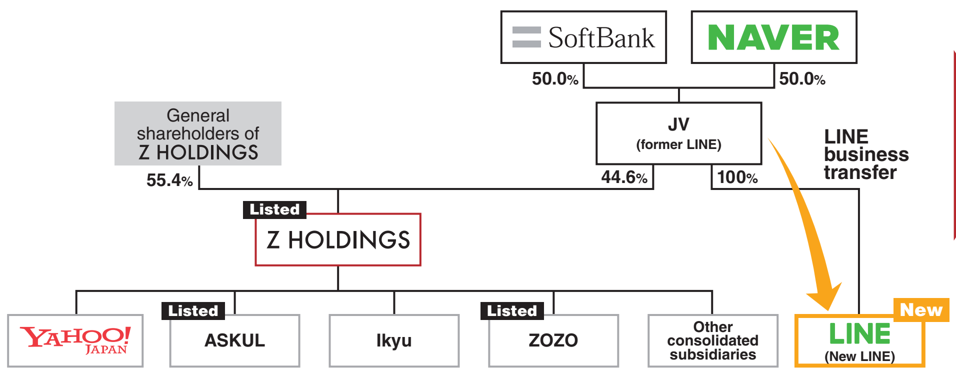


LINE delisting & JV formation

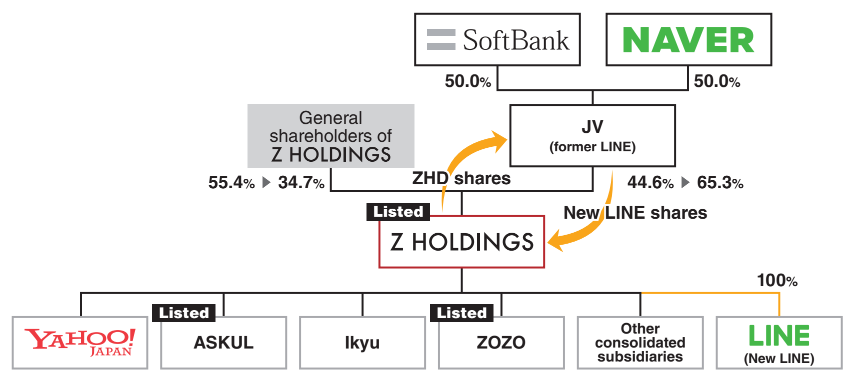
(Joint TOB by SBKK and NAVER / Transfer of ZHD shares from Shiodome ZHD to LINE, etc.)



LINE business transferred from the JV (former LINE) to New LINE



Proposal No.1 **Share exchange (New LINE to become a wholly owned subsidiary of ZHD)**



*Subsidiaries and group companies have been listed selectively and abbreviated.
Please see the "Announcement Regarding Definitive Agreement on Business Integration" (pages 39 through 42)jointly released on December 23, 2019 by ZHD and LINE Corporation for details regarding scheme diagrams.

2. Outline of the Share Exchange Agreement

Share Exchange Agreement

Z Holdings Corporation ("**ZHD**") and LINE Split Preparation Corporation ("**LSP**") hereby enter into the following share exchange agreement (this "**Agreement**") dated January 31, 2020 (the "**Agreement Execution Date**").

Article 1 Share Exchange

ZHD and LSP shall perform a share exchange (the "**Share Exchange**") in which ZHD is the 100% parent company resulting from the Share Exchange and LSP is the wholly-owned subsidiary resulting from the Share Exchange in accordance with this Agreement, and ZHD shall acquire all outstanding shares of LSP through the Share Exchange.

Article 2 Trade Name and Address of Party Companies

The trade names and addresses of ZHD and LSP are as follows.

ZHD Trade name: Z Holdings Corporation
Address: 1-3 Kioicho, Chiyoda-ku, Tokyo

LSP Trade name: LINE Split Preparation Corporation (provided, however, that a change in trade name is planned on the effective date of the Absorption-Type Company Split (as defined in Article 5))
Address: 4-1-6 Shinjuku, Shinjuku-ku, Tokyo

Article 3 Quantity of Issued Shares upon the Share Exchange and Matters Concerning Allotment of those Shares

1. Upon the Share Exchange, ZHD shall deliver to the shareholders of LSP as of immediately prior to ZHD's acquisition of all outstanding shares of LSP through the Share Exchange (the "**Shareholders Subject to Allotment**") the number of common shares of ZHD obtained by multiplying the total number of shares of LSP held by those shareholders by 11.75, in lieu of the common shares of LSP held by those shareholders.
2. Upon the Share Exchange, ZHD shall allot the Shareholders Subject to Allotment with common shares of ZHD at a ratio of 11.75 common shares of ZHD per common share of LSP held by those shareholders.
3. If there are any fractions of less than one in the number of common shares to be allotted to the Shareholders Subject to Allotment in accordance with the provisions of the two previous paragraphs, ZHD shall handle such fractions in accordance with the provisions of Article 234 of the Companies Act and other applicable laws and regulations.

Article 4 Amount of ZHD's Capital and Reserves

The amounts of capital and reserves of ZHD that are to increase as a result of the Share Exchange shall be decided by ZHD in an appropriate manner in accordance with the provisions of Article 39 of the Regulation on Corporate Accounting.

Article 5 Effective Date of the Share Exchange

1. The date on which the Share Exchange will take effect (the "**Effective Date**") shall be October1, 2020; provided, however, that the Effective Date may be changed after discussion and agreement between ZHD and LSP if necessary for proceeding with the procedures for the Share Exchange or for other reasons.
2. Notwithstanding the provisions of the preceding paragraph, the Share Exchange shall be effective conditional on the events listed in the following subparagraphs.
   (1) an absorption-type company split (the "Absorption-Type Company Split") has taken effect in which LINE Corporation ("LINE") is the splitting company and LSP is the successor company based on an absorption-type split agreement executed between London and LSP dated as of the Agreement Execution Date (provided, however, that in principle, rights and obligations pertaining to all of LINE's business must be succeeded to under such agreement and its content must be approved by ZHD in advance).
   (2) On the previous day of the Effective Date, the number of total outstanding shares of LSP is 240,960,343, all of which are held by LINE.

Article 6 Approval by Shareholder meeting

ZHD and LSP shall each obtain approval for this Agreement and approval concerning the matters necessary for the Share Exchange from a general meeting of shareholders (including cases where shareholder meeting resolutions are deemed to have been pursuant to Paragraph 1 of Article 319 of the Companies Act) by the previous day of the Effective Date.

Article 7 Amendment of Provisions and Termination of this Agreement

ZHD and LSP may modify the terms of the Share Exchange or other details of this Agreement based on agreement among ZHD, LSP, LINE, SoftBank Corp., and NAVER Corporation.

Article 8 Effect of this Agreement

This Agreement shall lose its effect in the case of any of the following items.

(1) ZHD or LSP were unable to obtain approval from their respective shareholders' meeting as set out in Article 6.

(2) It was not possible to obtain the approvals, etc. from related agencies, etc. set out by domestic and foreign laws and regulations that are required to be obtained prior to the previous day of the Effective Date in order to conduct the Share Exchange (including cases where notifications that are required under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) or other applicable foreign competition laws are not accepted by the previous day of the Effective Date or the statutory period of measures pertaining to the notifications has not ended by the Effective Date)

(3) This Agreement is terminated pursuant to Article 7

Article 9 Governing Law and Jurisdiction

1. This Agreement shall be governed by and construed in accordance with the laws of Japan.
2. The Tokyo District Court shall be the agreed court with exclusive jurisdiction in the first instance if a dispute arises concerning performance and interpretation of this Agreement.

Article 10 Consultation Matters

In addition to matters set out in this Agreement, ZHD and LSP shall determine matters necessary for the Share Exchange after discussion and agreement in accordance with the intent of this Agreement.

IN WITNESS WHEREOF, this Agreement has been prepared in duplicate, and after affixing their signatures and seals to both, the parties shall each retain one counterparty hereof.

January 31, 2020

ZHD: Kentaro Kawabe, President and Representative Director

Z Holdings Corporation

1-3 Kioicho, Chiyoda-ku, Tokyo

LSP: Takeshi Idezawa, Representative Director

LINE Split Preparation Corporation

4-1-6 Shinjuku, Shinjuku-ku, Tokyo

3. Matters regarding the appropriateness of the provisions related to matters set out in Article 768, Paragraph 1, Items 2 and 3 of the Companies Act

(1) Matters regarding the total number of shares as consideration for the exchange and appropriateness of the allotment

(i) Total number of shares as consideration for the exchange and details of the allotment

Details of allocation under the Share Exchange:

11.75 shares of ZHD common stock will be allocated for each share in the LINE Successor.

(Note 1) The allocation ratio is calculated on the assumption that the number of issued and outstanding shares of the LINE Successor (excluding treasury shares), immediately prior to the Share Exchange, will be equal to the number of issued and outstanding LINE shares (excluding treasury shares) as of September 30, 2019 (240,960,343 shares).

(Note 2) If the allocation ratio set forth above is followed, the number of ZHD shares that will be delivered via this Share Transfer is expected to be 2,831,284,030 shares. For LINE, which is the wholly owning parent company of the LINE Successor, this would result in the allocation of 11.75 ZHD shares being delivered for each share in the LINE Successor.

(ii) Basis of Allotment in the Share Exchange

A) Basis of and reason for allotment

In order to ensure the fairness of the terms of the Transactions and the propriety of the procedures used, ZHD has retained Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley") and LINE has retained J.P. Morgan Securities

Japan Co., Ltd. ("J.P. Morgan") as financial advisors and third-party valuation institutions, and ZHD has retained as its legal advisors the law firms Mori Hamada & Matsumoto and Latham & Watkins, and LINE has retained as its legal advisors the law firms Anderson Mori & Tomotsune and Shearman & Sterling, to obtain third-party advice and recommendations to thoroughly carry out due diligence for the Transactions with respect to the financial conditions of each of the Companies, performance trends, share price trends, etc., and there have been extensive discussions about the share exchange ratio upon execution of the Integration MOU and the Capital Alliance MOU taking all of these points into consideration.

ZHD, in this process, obtained a Fairness Opinion (as discussed below) from Mitsubishi UFJ Morgan Stanley on November 15, 2019 regarding the valuation methodology with respect to the Share Exchange and the applicable share exchange ratio, confirming that the share exchange ratio is fair to the common shareholders of ZHD, excluding LINE, from a financial perspective. Based on the Fairness Opinion, the advice of Mori Hamada & Matsumoto and Latham & Watkins, the result of due diligence performed by ZHD with respect to LINE, and the opinion of the special committee consisting of Shingo Yoshii, Hiromi Onitsuka-Baur, and Yoshio Usumi, who are three individuals determined to have the relevant expertise and qualifications as outside directors of ZHD and recognized as independent officers by the Tokyo Stock Exchange and who possess no interests in SoftBank, NAVER, ZHD, or LINE (the "ZHD Special Committee"), it was determined that based on comprehensive discussion and analysis, the Share Exchange based on the above share exchange ratio was fair upon execution of the Integration MOU and the Capital Alliance MOU.

LINE, in this process, obtained a valuation report (as discussed below) from J.P. Morgan on November 15, 2019, regarding the share exchange ratio of the Share Exchange. Based on the valuation report, the advice of Anderson Mori & Tomotsune and Shearman & Sterling, the result of due diligence performed by LINE with respect to ZHD, it was determined upon executing the Integration MOU and the Capital Alliance MOU that based on comprehensive discussion and analysis, the Share Exchange based on the above share exchange ratio was fair.

In addition, ZHD and LINE reached the conclusion that, since the effective date of the Integration MOU and the Capital Alliance MOU, there had been no material change in the share value of ZHD or LINE, which was the basis for calculating the aforementioned share exchange ratio, and so, even upon execution of the Definitive Integration Agreement and the Capital Alliance Agreement, the Share Exchange based on the above share exchange ratio would be fair and reasonable, and the Companies decided at their respective board of directors meetings held on December 23, 2019 to enter into the Definitive Integration Agreement and the Capital Alliance Agreement. Following this, on January 31, 2020 and pursuant to the Definitive Integration Agreement, ZHD executed with the LINE Successor the Share Exchange Agreement stipulating the above share exchange ratio in relation to a share exchange using ZHD shares as consideration and in which ZHD will become the wholly owning parent company of the LINE Successor and the LINE Successor will become the wholly owned subsidiary of ZHD.

ZHD and the LINE Successor may change the share exchange ratio for the Share Exchange until the effective date of the Share Exchange Agreement based on agreement between ZHD, the LINE Successor, LINE, SoftBank, and NAVER.

B) Matters regarding the valuation

(a) Names of the third-party valuation institutions and their relationships with the Companies

Mitsubishi UFJ Morgan Stanley, which is the financial advisor as well as the third-party valuation institution for ZHD, is not a party related to SoftBank, NAVER, ZHD, or LINE and does not have any material interest to be noted in connection with the Business Integration, including the Share Exchange.

J.P. Morgan, which is the financial advisor as well as the third-party valuation institution for LINE, is not a party related to SoftBank, NAVER, ZHD, or LINE and does not have any material interest to be noted in connection with the Business Integration, including the Share Exchange.

(b) Outline of the valuation

(*Mitsubishi UFJ Morgan Stanley*)

Mitsubishi UFJ Morgan Stanley has applied the following analytical methods and comprehensively analyzed the results in order to analyze the share exchange ratio: market share price analysis, because the shares in each of the Companies are publicly traded on a financial instruments exchange and their respective market share prices are available; comparable company analysis, because there are comparable publicly traded companies for the Companies; and discounted cash flow analysis ("DCF Analysis") to incorporate the status of future business activities in its evaluation.

Mitsubishi UFJ Morgan Stanley used November 13, 2019 as the base date of calculation ("MUMSS Base Date") for the market share price analysis, considering that an article speculating about the Business Integration was published after the Tokyo Stock Exchange market hours on November 13, 2019. Mitsubishi UFJ Morgan Stanley analyzed the calculation range of the share exchange ratio based on the market share price ratio, which is a comparison of the highest and the lowest closing prices of ZHD shares and the highest and the lowest closing prices of LINE shares on the Tokyo Stock Exchange on the MUMSS Base Date and for periods of one, three, and six months immediately preceding the MUMSS Base Date.

In carrying out a comparable company analysis, Mitsubishi UFJ Morgan Stanley has conducted a "Sum-of-the-Parts" analysis ("SoTP Analysis") by categorizing ZHD's businesses as media, commerce, payment, and major publicly traded subsidiaries and LINE's businesses as advertising/communications, payment, and other businesses. Mitsubishi UFJ Morgan Stanley has identified the following publicly traded companies as comparable companies from among companies that are involved in each business: Kakaku.com, Inc.; CyberAgent, Inc.; Dentsu Co., Ltd.; Hakuhodo DY Holdings; ZOZO, Inc.; Rakuten Co., Ltd.; GMO Internet, Inc.; DeNA Co., Ltd.; PayPal Holdings, Inc.; and Square Inc. Mitsubishi UFJ Morgan Stanley has conducted the analysis by using the multiple of EBITDA to enterprise value ("EV/EBITDA Multiple") and the multiple of net income to equity value ("PER Multiple"). However, for businesses where the EBITDA or net income were projected to be negative for the reference fiscal years, such as the payment business of ZHD and the payment and other business of LINE, Mitsubishi UFJ Morgan Stanley has made a value assessment by using DCF Analysis in order to appropriately take into account the business investments made during the planning period as well as the projected earnings after returning to profitability.

An SoTP Analysis was used in relation to DCF Analysis, and a value assessment was made with respect to the financial forecast for each business. The valuation was based on the profit and investment plans from the financial forecast for each of the Companies that were provided by the Companies' respective management teams on a stand-alone basis (without taking into account the impact of the Business Integration), which Mitsubishi UFJ Morgan Stanley used for the purpose of valuation with the approval of ZHD, as well as the results of due diligence and considerations based on publicly available information. For the purpose of DCF Analysis, Mitsubishi UFJ Morgan Stanley has applied a discount rate of between 4.5% to 8.5% to the anticipated free cashflow of each business for calculating the current value, and for calculating the terminal value of each business, Mitsubishi UFJ Morgan Stanley has applied an EV/EBITDA multiple of 6.0 to 17.0 or a multiple of sales to enterprise value of 3.0 to 5.0.

In addition, ZHD's financial forecasts, which were used as the basis for the calculation, do not include any fiscal years with an expected substantial earnings increase or decrease. However, LINE's financial forecasts, which Mitsubishi UFJ Morgan Stanley has used as the basis for the calculation, include an operating deficit for the fiscal years ending December 2019 through December 2020, due to investments and high marketing costs associated with strategic businesses, and a substantial increase in profits after the fiscal year ending December 2021 as a result of the improvement in profitability due to, among other factors, the decrease in marketing cost and positive impact from business investments.

Method used	Share exchange ratio calculation range
Market share price analysis	7.52–17.57
Comparable company analysis	9.36–16.04
DCF Analysis	9.39–14.37

Mitsubishi UFJ Morgan Stanley provided an overview of this analysis to ZHD's board of directors on November 15, 2019. In addition, as described above, at the request of ZHD's board of directors, Mitsubishi UFJ Morgan Stanley provided ZHD's board of directors with an opinion ("Fairness Opinion") stating that, from a financial standpoint, the share exchange ratio agreed upon as of November 15, 2019 will be appropriate for the shareholders of common stock in ZHD, excluding LINE, when applied on the date of the Share Exchange.

The opinion of Mitsubishi UFJ Morgan Stanley set out in the Fairness Opinion is based on certain important conditions and restrictions in the Fairness Opinion, as well as other conditions described below. Mitsubishi UFJ Morgan Stanley has not advised ZHD or ZHD's board of directors that any particular share exchange ratio is the only appropriate ratio.

In preparing the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities assumed and relied upon the accuracy and completeness of the information that was publicly available or supplied from ZHD and LINE, and it has not conducted any independent verification with respect to the accuracy and completeness of such information.

In addition, in preparing the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities considered the strategic, financial, and operational merits of the Transactions. However, with respect to the financial projections that incorporate information regarding such strategic, financial, and operational merits, Mitsubishi UFJ Morgan Stanley Securities has assumed that those projections have been reasonably prepared based on and reflecting the best currently available estimates and the good-faith judgment of each of ZHD's management and LINE's management with respect to the future financial performance of its company.

Furthermore, Mitsubishi UFJ Morgan Stanley Securities expresses its opinion based on the assumption that the Transactions will be consummated in accordance with the terms set forth in the Capital Alliance MOU and the Integration MOU without any waiver, amendment, or delay of any terms or conditions. Mitsubishi UFJ Morgan Stanley Securities has assumed that it is possible to obtain all the approvals, consents, etc. necessary for the Transactions from supervisory government agencies, etc., and that no delays, limitations, conditions or restrictions will be imposed on such approvals, consents, etc. that would have a material adverse effect on the benefits expected from the Transactions.

Mitsubishi UFJ Morgan Stanley Securities is not an advisor on law, accounting, tax, PPA, industrial regulations, or corporate pension planning. Mitsubishi UFJ Morgan Stanley Securities is a financial advisor and a third-party valuation institution and has relied, without making any independent verification, upon the representations of ZHD and LINE and their respective advisors on law, accounting, tax, PPA, industrial regulations, and corporate pension planning with respect to issues regarding law, accounting, tax, industrial regulations, corporate pension planning, and PPA.

Mitsubishi UFJ Morgan Stanley Securities does not state any opinion with respect to whether the amount or nature of the consideration paid to the directors, officers, or employees of the LINE Successor (regardless of the title and rank thereof) is appropriate in connection with the consideration received by LINE as the holder of the common shares in the LINE Successor at the time the Share Exchange is carried out for the Transactions.

Mitsubishi UFJ Morgan Stanley Securities has not made any independent valuation or appraisal of the assets or liabilities of ZHD or LINE or received any such valuations or appraisals whatsoever.

The opinion of Mitsubishi UFJ Morgan Stanley Securities is based on the current financial, economic, market, and other conditions as of the date of the Fairness Opinion and the information possessed by Mitsubishi UFJ Morgan Stanley Securities as of November 15, 2019. Events occurring after the date of the Fairness Opinion may affect the opinions in the Fairness Opinion and the assumptions used in preparing the Fairness Opinion; however, Mitsubishi UFJ Morgan Stanley Securities will bear no obligation to update, revise, or reaffirm any of its opinions in the Fairness Opinion.

Mitsubishi UFJ Morgan Stanley Securities is providing services as the financial advisor and a third-party valuation institution to ZHD's board of directors in connection with the Transactions and expects to receive a fee for the services provided. Furthermore, a substantial portion of the fee is contingent upon the closing of the Transactions.

During the two-year period immediately preceding the date of the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities has provided services to ZHD, SoftBank, LINE, and their respective affiliates, and Mitsubishi UFJ Morgan Stanley Securities has received fees as consideration for those services.

In addition, Mitsubishi UFJ Morgan Stanley Securities and the affiliates of Mitsubishi UFJ Morgan Stanley Securities may also provide such services to ZHD, SoftBank, LINE, and their respective affiliates in the future and may receive fees as consideration for those future services.

Mitsubishi UFJ Morgan Stanley is engaged in banking (including lending to ZHD, SoftBank, LINE, and NAVER (including affiliates)) and global financial services, such as securities, trust, investment management, and other financial services (collectively referred to as "Financial Services"). Securities operations include investment banking, finance, and financial advisory services, as well as securities subscriptions, trading, brokerage, foreign exchange, commodity, and derivative transactions. In the course of regular securities subscriptions, trading, brokerage, and finance operations, Mitsubishi UFJ Morgan Stanley may acquire or sell corporate bonds, stocks, or loans related to the transactions, currency, or products of ZHD, LINE, SoftBank, NAVER (including affiliates), and other companies involved in the Transactions. Alternatively, it may hold its position to buy or sell related derivative products, or provide Mitsubishi UFJ Morgan Stanley's Financial Services to ZHD, LINE, SoftBank, NAVER (including affiliates), and other companies involved in the Transactions. Mitsubishi UFJ Morgan Stanley may engage in purchasing, selling, or other trading activities for its own account or its customers' accounts. Mitsubishi UFJ Morgan Stanley and its directors and officers may invest their own funds in corporate bonds or stocks of, or loans involving, ZHD, LINE, SoftBank, NAVER (including affiliates), and other companies involved in the Transactions, as well as currencies, products, or related derivative products related to the Transactions. Alternatively, in some cases, it may manage a fund that invests in such assets that are owned by itself. In addition, Mitsubishi UFJ Morgan Stanley may conduct regular brokerage services for ZHD, LINE, SoftBank, NAVER (including affiliates), and other companies involved in the Transactions.

(J.P. Morgan)

J.P. Morgan performed a market share price analysis on the common stock of LINE and ZHD and used the discounted cash flow ("DCF") method based on the standalone (not including the impact of the Transactions) business plan and financial projections prepared and furnished to J.P. Morgan by the management of LINE and ZHD in order to present a valuation report ("JPM Valuation Report") to LINE containing ranges of share exchange ratios for the Transactions based on the calculated equity value of LINE and ZHD.

The JPM Valuation Report does not constitute a recommendation to any LINE shareholder in relation to how that shareholder should vote with respect to the Share Exchange or other matters in executing that shareholder's voting rights. J.P. Morgan has not presented to LINE's board of directors an opinion to the effect that the agreed share exchange ratio is fair from a financial perspective.

Based on the JPM Valuation Report, the calculated ranges of share exchange ratios below based on each method show the range of the number of shares of ZHD common stock to be allotted for each share of common stock of the LINE Successor, assuming that the number of all issued and outstanding shares in the LINE Successor (excluding treasury shares) immediately preceding the completion of the Share Exchange is equal to the number of all issued and outstanding shares in LINE (excluding treasury shares) as of September 30, 2019. The JPM Valuation Report was provided solely for the benefit of the board of directors of LINE in connection with the evaluation of the Share Exchange and for information purposes in performing such evaluation.

Considering that an article speculating about the Business Integration was made after the Tokyo Stock Exchange market hours on November 13, 2019, in performing the market share price analysis, J.P. Morgan used November 13, 2019 as the base date ("JPM Base Date"), and reviewed the per share closing price trading data of LINE and ZHD on the JPM Base Date and the average daily closing share prices of LINE and ZHD on the Tokyo Stock Exchange for the one-month, three-month, and six-month periods concluding on the JPM Base Date.

The DCF method was based on the business plan and financial projections of LINE and ZHD, earnings projections and investment plans as set forth in the business plans of LINE and ZHD, the results of due diligence on and interviews with LINE and ZHD, and other publicly available information and factors approved by LINE to be used by J.P. Morgan. A range of discount rates has been applied to the free cash flows projected to be produced by LINE and ZHD to calculate the valuation of their respective shares. The business plan of ZHD, which has been provided to J.P. Morgan by LINE for the purposes of conducting the DCF method, does not include fiscal years with an expected substantial earnings increase or decrease. On the other hand, the business plan of LINE, which has been provided to J.P. Morgan by LINE for the purposes of conducting the DCF method, anticipates an operating deficit for the fiscal years ending December 2019 through December 2020, due to investments and high marketing costs associated with the strategic businesses, and a substantial increase in LINE's profits after the fiscal year ending December 2021 as a result of the improvement in profitability due to, among other factors, the decrease in marketing costs and positive impact from business investments.

	Valuation method	Calculated range of share exchange ratio
1	Market Share Price Analysis	11.44–12.65
2	DCF Analysis	7.05–14.21

In conducting the analyses with respect to the share exchange ratio, J.P. Morgan has relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by LINE and ZHD or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan has not independently verified (or assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. J.P. Morgan has not conducted or been provided with any valuation or appraisal of any assets or liabilities or evaluated the solvency of LINE or ZHD under any laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses and projections provided by LINE and ZHD to J.P. Morgan or derived therefrom, J.P. Morgan has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of LINE and ZHD to which such analyses or projections relate. J.P. Morgan expressed no view related to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan has also assumed that the Share Exchange contemplated by the Integration MOU will be consummated as described in the Integration MOU, and that the final executed version of the Integration MOU will not differ in any material respects from the draft thereof furnished to J.P. Morgan. J.P. Morgan is not a legal, regulatory, tax, or accounting expert and has relied on assessments made by advisors to LINE with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory, or other consents and approvals necessary for the consummation of the Share Exchange would be obtained without any adverse effect on LINE or ZHD or on the contemplated benefits of the Share Exchange.

The JPM Valuation Report with respect to the Share Exchange provided by J.P. Morgan was necessarily based on economic, market, and other conditions and the information made available to J.P. Morgan as of the date of the JPM Valuation Report. It should be understood that subsequent developments may affect the JPM Valuation Report and that J.P. Morgan will not bear any obligation to update, revise, or reaffirm such analyses.

The JPM Valuation Report was limited to the valuation of share exchange ratios for the Share Exchange, and J.P. Morgan expressed no opinion regarding the fairness of the share exchange ratio to the holders of any class of securities, creditors, or other constituencies of LINE or ZHD or regarding the underlying decision by LINE to engage in the Share Exchange. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Share Exchange or any class of such persons relative to the share exchange ratio in the Transactions or with respect to the fairness of any such compensation. J.P. Morgan expressed no opinion as to the price at which common stock in LINE or ZHD may be traded at any future time.

The business plans and financial projections for LINE and ZHD furnished to J.P. Morgan by LINE and ZHD (the "Projections") were prepared by the management of LINE and ZHD, respectively. Neither LINE nor ZHD has publicly disclosed the Projections provided to J.P. Morgan in connection with J.P. Morgan's analysis of the share exchange ratio, and the Projections were not prepared with a view toward public disclosure. The Projections were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. Accordingly, actual results could vary significantly from those set forth in the Projections.

The foregoing summary of the result of the calculation of share exchange ratios and the valuation methods thereof does not purport to be a complete description of data referenced or presented by J.P. Morgan. The preparation of a JPM Valuation Report is a complex process, and the foregoing summary of the result of the calculation of share exchange ratios and the valuation methods thereof does not necessarily present all aspects of the analysis conducted in an accurate manner. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of the analyses as a whole, could create an incomplete view of the processes underlying the analyses. In providing the JPM Valuation Report, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form a view as to whether or how any individual analysis or factor, considered in isolation, supported or failed to support the JPM Valuation Report. None of the selected companies reviewed as described in the above analysis as a comparable company is identical to LINE or ZHD or any of their respective operating units or subsidiaries. However, the companies selected were chosen because they are publicly traded companies with businesses that, for the purpose of J.P. Morgan's analysis, may be considered similar to those of LINE and ZHD, as the case may be. The analyses necessarily involve complex considerations and judgments concerning differences in financial and business characteristics of the companies involved and other factors that could affect the companies compared to LINE and ZHD.

J.P. Morgan has acted as financial advisor to LINE with respect to the proposed Share Exchange and will receive a fee from LINE for its services, a substantial portion of which will become payable only if the proposed Share Exchange is consummated. In addition, LINE has agreed to indemnify J.P. Morgan against certain liabilities arising out of its engagement. During the two years preceding the date of the JPM Valuation Report, J.P. Morgan and its affiliates have had commercial or investment banking relationships with LINE and SoftBank, for which J.P. Morgan and its affiliates have received customary compensation. Such services by J.P. Morgan and/or its affiliates during such period have included J.P. Morgan and/or its affiliates' acting as a joint active bookrunner for LINE's dual tranche Zero Coupon Convertible Bonds offering in September 2018, as a lead arranger and lender for SoftBank's Loan Agreement in August 2018, and as a joint global coordinator for SoftBank's Global Initial Public Offering in December 2018. In addition, J.P. Morgan and its affiliates own, for their own accounts, less than 1% of equity securities in LINE, ZHD, NAVER, and SoftBank. In the ordinary course of business for J.P. Morgan and its affiliates, those companies may actively trade debt and equity securities in LINE, ZHD, NAVER, or SoftBank for their own accounts or for the accounts of customers and, accordingly, J.P. Morgan and its affiliates may at any time hold long or short positions in such securities.

C) Measures taken by ZHD to avoid conflicts of interest

ZHD judges that the Tokyo Stock Exchange's securities listing regulations governing transactions with controlling shareholders apply to ZHD with respect to the Transactions. On this basis, ZHD has taken the following measures to ensure the appropriateness of the transaction terms and the fairness of the procedures of the Business Integration.

(a) Establishment of a special committee

In order to prevent the Business Integration from taking place under conditions adverse to the interests of ZHD's minority shareholders, ZHD established the ZHD Special Committee on October 7, 2019, consisting of Shingo Yoshii, Hiromi Onitsuka-Baur, and Yoshio Usumi, who are three individuals determined to have the relevant expertise and qualifications as outside directors of ZHD, reported as independent officers to the Tokyo Stock Exchange, and who possess no interests in SoftBank, NAVER, ZHD, or LINE. In considering the Business Integration, ZHD consulted the ZHD Special Committee whether the decisions related to this Transactions are adverse to the interests of ZHD's minority shareholders (i.e., shareholders of ZHD other than SoftBank Group Corp., SoftBank, and each of those companies' subsidiaries), in light of (i) the validity of the purpose of the Transactions, (ii) the appropriateness of the procedures for the Transactions, and (iii) the fairness of the conditions of the Transactions. The ZHD Special Committee was also given the authority to collect all necessary information to consider these issues, to directly appoint financial and legal advisors and to consent to financial and legal advisors appointed by ZHD, the authority to review the measures that should be established to ensure the fairness of the Business Integration and provide comments and recommendations as necessary, and the authority to participate in negotiations among the commercial parties as necessary.

In addition to holding a total of 10 meetings between October 7, 2019 and November 18, 2019, which is the date on which the Integration MOU and the Capital Alliance MOU were executed, the ZHD Special Committee also collected information outside of these meetings by e-mail, etc. and consulted with advisors from time to time as necessary to diligently carry out their above-referenced advisory duties. More specifically, Takai & Partners was appointed to the ZHD Special Committee as a legal advisor that is independent of SoftBank, NAVER, ZHD, and LINE, and Takao Nakata, a CPA, was appointed to the ZHD Special Committee as a financial advisor who is independent of SoftBank, NAVER, ZHD, and LINE. Furthermore, explanations were received in a timely manner from ZHD on the purpose of the Business Integration, anticipated synergies, the scheme for the Transactions, the Integrated Company's operating structure, the formulation process and details of ZHD's business plans, and details of LINE's business plans and analysis that formed the basis for the share exchange ratio calculation for this Share Exchange, as well as the history of negotiation and decision process related to the terms and conditions of the Business Integration, including the share exchange ratio, and a Q&A process was conducted. Also, in the process of checking the validity of these analyses, timely explanations were received from ZHD's legal advisor Mori Hamada & Matsumoto on the Integrated Company's operating structure and status of negotiations for the Business Integration, etc. and from ZHD's financial advisor and third-party valuation institution Mitsubishi UFJ Morgan Stanley on the scheme for the Transactions, the calculation of the ratio, the status of negotiations for the Business Integration, and the methods and results of the valuation of the share exchange ratio, and a Q&A process was conducted. In addition, based on the advice of the ZHD Special Committee's financial advisor Takao Nakata, who is a CPA, and legal advisor Takai & Partners, the ZHD Special Committee is providing directions and recommendations to ZHD with respect to various negotiation policies including the share exchange ratio relating to the Share Exchange, etc., and is involved in the negotiation process with respect to the share exchange ratio issue and other conditions of the Business Integration.

Based on this process and review and consideration of the explanations, valuation results, and other materials that were provided for review, the ZHD Special Committee submitted an opinion on November 18, 2019 (the "November 18 ZHD Special Committee Opinion") to ZHD's board of directors as set forth below.

a. Legitimacy of the purpose of the Transactions

The ZHD Special Committee received from ZHD explanations regarding the purpose of the Transactions and the anticipated synergies, etc., engaged in Q&A regarding the feasibility of achieving such synergies, and reviewed evidence in support, and after evaluating the purpose of the Transactions and synergies and studying their feasibility, reached the conclusion that taken as a whole, the Transactions are reasonable. In addition, with respect to the operating structure and autonomy of ZHD, the ZHD Special

Committee was able to be involved in the negotiations for the Capital Alliance MOU by proactively providing its views in the discussions, etc., and determined that the terms of the Capital Alliance MOU would not have a materially adverse impact on the autonomy of ZHD and that any impact in that regard seemed proportional to promoting the purpose of the Transactions.

Based on the foregoing, the rationale for the purpose of the Transactions has been confirmed as being reasonable, and the Transactions appropriate in light of achieving this purpose. The ZHD Special Committee concluded that the Transactions are for a legitimate purpose and that they should contribute to increasing the corporate value of ZHD.

b. Appropriateness of the procedures for the Transactions

The ZHD Special Committee confirmed that officers and directors that were seen as potentially being motivated to prioritize the interests of SoftBank, NAVER, or LINE are not involved in ZHD's internal decision makings related to the Transactions and in the negotiations with SoftBank, NAVER, LINE, etc., and the ZHD Special Committee was able to observe the methods that were used to carry out negotiations and had an opportunity to receive reports and provide its opinions during the process. This allowed the ZHD Special Committee to ensure that it had a meaningful role in the negotiations regarding the terms of the Transactions and confirmed that the negotiations were taking place on an arm's length basis among independent actors. In setting the principles of negotiating with SoftBank, NAVER, and LINE, ZHD consulted with outside legal advisors and financial advisors and obtained objective information and advice, which allowed ZHD to establish measures to ensure that no arbitrary decisions would be made. The ZHD Special Committee confirmed that the procedures for the Transactions were appropriate and satisfactorily took into consideration the interests of the minority shareholders.

c. Validity of the terms of the Transactions

The ZHD Special Committee reviewed ZHD's management of the preparation of its business plan, which is the foundation for the share exchange ratio calculation, as well as its content, received information from ZHD regarding its review and assessment regarding the business plan prepared by LINE, and was given an opportunity to engage in a Q&A process with ZHD. The ZHD Special Committee thereby concluded that taken as a whole, there was nothing particularly noteworthy that would give rise to any concern with respect to the reasonableness of the terms of the Transactions. In addition, ZHD's financial advisor and third-party valuation institution Mitsubishi UFJ Morgan Stanley explained to the ZHD Special Committee its methodology for calculation of the share exchange ratio and the results thereof. The ZHD Special Committee reviewed the methodology and results of Mitsubishi UFJ Morgan Stanley's valuation with the advice of Takao Nakata, who is a financial advisor independently appointed by the ZHD Special Committee, and concluded that no particular points stood out as concerns. Furthermore, with respect to negotiations among the parties concerning the share exchange ratio, the ZHD Special Committee confirmed the negotiating methods, received reports and gave opinions in a timely manner, and ensured that it played a meaningful role in the negotiation process. Based on such considerations, after careful deliberation, the ZHD Special Committee concluded that the terms of the Transactions (i.e., the share exchange ratio agreed to under the Integration MOU) are fair.

d. Whether the Transactions are unfair to minority shareholders

The ZHD Special Committee confirmed that, as set forth in items a. through c. of the foregoing, the Transactions are for a legitimate business purpose and can be seen as likely to increase the corporate value of ZHD, the processes in place for the Transactions are appropriate, and the terms of the Transactions are fair. Therefore, it concluded that the Transactions are not unfair to minority shareholders.

After the Integration MOU and the Capital Alliance MOU were executed on November 18, 2019, the ZHD Special Committee held three meetings from that date to December 23, 2019 (for a total of 13 meetings) and also collected information outside of these meetings by e-mail and other means, held consultations from time to time, and conducted careful studies with respect to the above terms. The ZHD Special Committee received explanations from ZHD, ZHD's legal advisor Mori Hamada & Matsumoto, and ZHD's financial advisor and third-party valuation institution Mitsubishi UFJ Morgan Stanley, with respect to the status of negotiations on the Definitive Integration Agreement, the Capital Alliance Agreement, and other matters relating to the negotiations of the Transactions, had Q&A sessions, and examined the reasonableness of such matters. Further, based on advice from its financial advisor Takao Nakata, who is a CPA, and its legal advisor Takai & Partners, the ZHD Special Committee provided ZHD with instructions and advice regarding various negotiation strategies and was otherwise involved in the negotiation process with respect to the terms of the Transactions. Given this background and based on those explanations and other materials it examined, the ZHD Special Committee submitted an opinion on December 23, 2019 (the "December 23 ZHD Special Committee Opinion") to ZHD's board of directors as discussed below.

a. Legitimacy of the purpose of the Transactions

The ZHD Special Committee, based on interviews with ZHD, a review of the draft Definitive Integration Agreement, and other means, confirmed that during the period between issuance of the November 18 ZHD Special Committee Opinion and the submission of the December 23 ZHD Special Committee Opinion, there were no substantive changes to the purpose of the Transactions, the scheme of the Transactions, or the operating structure and autonomy of ZHD, etc. Furthermore, they received an explanation confirming that as part of the scheme of the Transactions, carrying out the ZHD Share Tender Offer will be the method by which Shiodome Z Holdings will transfer all ZHD shares held by it to LINE through organizational restructuring or other methods, as well as the Bond Issuance and the Merger. Since these have no impact on the conclusions previously drawn by the ZHD Special Committee, the ZHD Special Committee concluded, in support of its November 18 ZHD Special Committee Opinion, that the Transactions are appropriate for achieving their purpose and that they should contribute to increasing the corporate value of ZHD.

b. Appropriateness of the procedures for the Transactions

The ZHD Special Committee, based on interviews with ZHD confirmed that during the period between issuance of the November 18 ZHD Special Committee Opinion and the submission of the December 23 ZHD Special Committee Opinion, there were no changes with respect to the internal decision-making of ZHD, the negotiation processes, or the use of its outside advisors, etc. The ZHD Special Committee concluded, based on a review of the internal decision-making of ZHD and the negotiation processes during this period, that the appropriateness of the procedures for the Transactions was maintained and satisfactorily took into consideration the interests of the shareholders, including minority shareholders.

c. Validity of the terms of the Transactions

The ZHD Special Committee, during the period between issuance of the November 18 ZHD Special Committee Opinion and the submission of the December 23 ZHD Special Committee Opinion, held interviews with ZHD and Mitsubishi UFJ Morgan Stanley regarding whether there had been any material changes to Mitsubishi UFJ Morgan Stanley's methodology and results on which the share valuation and the share exchange ratio are based. Mitsubishi UFJ Morgan Stanley provided an explanation, that considering the due diligence conducted by Mitsubishi UFJ Morgan Stanley for confirmation purpose and the terms contained in the Definitive Integration Agreement, there was no material change regarding the indicative share price analysis used by Mitsubishi UFJ Morgan Stanley to produce the share valuation on November 15, 2019. The ZHD Special Committee, based on advice received from its financial advisor Takao Nakata, who is a CPA, concluded that maintaining the share exchange ratio agreed upon in the Integration MOU was reasonable. Furthermore, because the period between the submission of the December 23 ZHD Special Committee Opinion and the completion of the Transactions is expected to be long, the ZHD Special Committee considered what would happen if a material change to the financial circumstances, etc. occurred during this period. The ZHD Special Committee determined that under the Definitive Integration Agreement, even if there is a material diminution of the ZHD or LINE share price which are the basis of the valuation of the share exchange ratio, due considerations are paid to protect the interests of minority shareholders. Including these points, Mori Hamada & Matsumoto provided explanations on key points with respect to the terms and negotiation regarding the Definitive Integration Agreement and the Capital Alliance Agreement at appropriate times, and the ZHD Special Committee provided its views as necessary. Further, based on the advice from its legal advisor Takai & Partners, the ZHD Special Committee concluded that the terms of the Definitive Integration Agreement and the Capital Alliance Agreement are reasonable. Based on the foregoing, the ZHD Special Committee concluded, maintaining its November 18 ZHD Special Committee Opinion, that the terms of the Definitive Integration Agreement and the Capital Alliance Agreement are reasonable, etc. and that the terms of the Transactions are fair.

d. Whether the Transactions are unfair to minority shareholders

The ZHD Special Committee confirmed that as set forth in items a. through c. of the foregoing, the Transactions are for a legitimate business purpose and can be seen as likely to increase the corporate value of ZHD, the internal decision-making of ZHD and the negotiation processes in place for the Transactions are appropriate, and the terms of the Transactions are fair. Therefore, it concluded that there is nothing that is unfair to minority shareholders concerning the Transactions.*

Further, with respect to the resolution of ZHD's board of directors as of December 23, 2019 that ZHD's position is to support the ZHD Share Tender Offer while, as to whether the ZHD shareholders should participate in the ZHD Share Tender Offer, ZHD maintains a position of neutrality and will defer to the judgement of the shareholders, the ZHD Special Committee concluded that, for the reasons set out below, there is nothing that can be said to be unfair to minority shareholders concerning the Transactions.*

The ZHD Share Tender Offer is a part of the Transactions, and is required to effect the Transactions. As set out in item a. above, given that the appropriateness of the purpose of the Transactions has been recognized, it is logical that ZHD's position is to support the ZHD Share Tender Offer. Furthermore, the offer price under the ZHD Share Tender Offer is expected to be 348 yen (however, if the 5% discounted amount of the lower of (a) the closing price of ZHD's shares on the Tokyo Stock Exchange one business day before the start date of the ZHD Share Tender Offer or (b) the simple average of the closing prices of ZHD's shares during the one-month period prior to the start date of the ZHD Share Tender Offer, (disregarding any fractional amounts less than 1 yen)is lower than 348 yen, then that amount will apply). Neither ZHD nor the ZHD Special Committee has conducted a detailed analysis regarding the offer price under the ZHD Share Tender Offer. However, the ZHD Share Tender Offer is a discounted tender offer intended to transfer to LINE the shares held in ZHD by Shiodome Z Holdings and is not intended as a tender offer to the general shareholders of ZHD, and the purpose of the ZHD Share Tender Offer is not to de-list ZHD. For those reasons, there is nothing that is unfair to minority shareholders concerning the ZHD Tender Offer.* Taking these factors into consideration, the ZHD Special Committee concluded that there is nothing that is unfair to minority shareholders* concerning the position of ZHD as of December 23, 2019 to support the ZHD Share Tender Offer if it is launched, to maintain a position of neutrality as to whether all of the ZHD shareholders should participate in the ZHD Share Tender Offer, and to defer to the judgement of the shareholders.

* The ZHD Special Committee has confirmed that "there is nothing that can be said to be unfair to minority shareholders" has the same meaning as "there is nothing that is unfair to minority shareholders."

(b) Approval by all directors excluding interested directors

Given that ZHD directors Masayoshi Son, Ken Miyauchi, Kazuhiko Fujihara, and Taku Oketani are also executive officers and employees of SoftBank (in addition, Fujihara is also the representative director of Shiodome Z Holdings), with a view toward eliminating any arbitrariness in the decision-making process of ZHD's board of directors with respect to the consideration of the Business Integration and the passage of related resolutions, those individuals are not participating in board of directors meetings to deliberate and resolve issues on the Business Integration and also are not representing ZHD in discussions or negotiations with SoftBank. Similarly, ZHD's representative director Kentaro Kawabe is also a board director of SoftBank, did not participate in the deliberations or voting on resolutions by SoftBank's board of directors with respect to the Business Integration, and is also not representing SoftBank in discussions or negotiations with ZHD. In addition, at meetings of ZHD's board of directors held on November 18, 2019 and December 23, 2019, all five board members (including directors who are the audit and supervisory committee members) excluding Son, Miyauchi, Fujihara, and Oketani, who are not participating in the deliberations or voting on resolutions on the Business Integration for the above reasons, were in attendance and unanimously passed a resolution approving the execution of the Integration MOU, the Capital Alliance MOU, the Definitive Integration Agreement, and the Capital Alliance Agreement.

D) Measures taken by LINE to avoid conflicts of interest

LINE has determined that there is a structural conflict of interest between NAVER and LINE's minority shareholders in carrying out the Business Integration, and therefore, to ensure the appropriateness of the transaction terms and the fairness of the procedures of the Business Integration, LINE obtained the approval of all directors, excluding interested directors, and the opinion of all corporate auditors to the effect that they had no objection before executing the Definitive Integration Agreement and the Capital Alliance Agreement. Specifically, Hae Jin Lee is a director of LINE and is also the Global Investment Officer of NAVER, and in order to eliminate any arbitrariness in the decision-making process of LINE's board of directors concerning the evaluation and approval of the Business Integration, he did not participate in any deliberations or resolutions by LINE's board of directors with respect to the Business Integration or attend any discussions or negotiations with NAVER as a representative of LINE.

In addition, all seven directors of LINE excluding Hae Jin Lee, who for the reasons stated above is not participating in the deliberations or resolutions of the Business Integration, attended the board of directors meeting on December 23, 2019 and unanimously passed a resolution approving the execution of the Definitive Integration Agreement and the Capital Alliance Agreement. Furthermore, two of LINE's three corporate auditors, excluding outside auditor Yoichi Namekata, who was absent for business reasons (all of them outside auditors), attended the above-referenced board of directors meeting and expressed their opinions that they have no objection to LINE entering into the Definitive Integration Agreement or the Capital Alliance Agreement. Namekata, who was absent from the above referenced board of directors meeting also received an explanation on the Business Integration prior to the above referenced board of directors meeting and confirmed that, as auditor, he had no objection to LINE entering into the Definitive Integration Agreement or the Capital Alliance Agreement.

(2) Matters regarding the appropriateness of the amounts of stated capital and reserves of ZHD that are to increase upon the Share Exchange

The amounts of stated capital and reserves of ZHD that are to increase as a result of the Share Exchange shall be decided by ZHD in an appropriate manner in accordance with the provisions of Article 39 of the Rules of Corporate Accounting. ZHD considers such handling reasonable in light of the laws and regulations and ZHD's capital policy.

4. Matters regarding the wholly owned subsidiary in the Share Exchange

(1) Details of the LINE Successor's balance sheet as of its date of incorporation

There are no finalized fiscal years for the LINE Successor. The LINE Successor's balance sheet as of its date of incorporation (December 13, 2019) is as follows.

Account title	Amount (thousands of yen)	Account title	Amount (thousands of yen)
(Assets)		(Liabilities)	
Current assets	3,000	Current liabilities	-
Cash and deposits	3,000	Long-term liabilities	-
Fixed assets	-	Total liabilities	
		(Net assets)	
		Stated capital	1,500
		Capital surplus	1,500
		Capital reserves	1,500
		Retained earnings	-
		Total net assets	3,000
Total assets	3,000	Total liabilities and net assets	3,000

(2) Details of disposal of important assets, assumption of significant liabilities, or any other events materially affecting the status of company assets that have occurred after the LINE Successor's date of incorporation

(i) Execution of the Corporate Demerger Agreement

The LINE Successor entered into the Corporate Demerger Agreement with LINE on January 31, 2020. In accordance with the provisions of the Corporate Demerger Agreement, LINE intends to conduct the Corporate Demerger effective as of September 30, 2020 through which the LINE Successor will succeed to LINE's entire business (excluding ZHD shares, contractual statuses under agreements entered into by LINE in connection with the Business Integration, and other rights and obligations set forth in the corporate demerger agreement). The amounts of assets and liabilities that the LINE Successor succeeded to or assumed from LINE through that absorption-type demerger were 436,767 million yen and 253,934 million yen, respectively (each value is an estimated value). The liabilities will be assumed by the method of complete assumption of liabilities.

(ii) Execution of the Share Exchange Agreement

The LINE Successor entered into the Share Exchange Agreement with ZHD on January 31, 2020 for the purpose of conducting the share exchange effective as of October 1, 2020 using ZHD shares as consideration and in which ZHD will become the wholly owning parent company of the LINE Successor, and the LINE Successor will become the wholly owned subsidiary of ZHD.

5. Details of disposal of important assets, assumption of significant liabilities, or any other event materially affecting the status of company assets that has occurred in ZHD after the last day of its latest fiscal year

(i) Absorption-type demerger relating to the Yahoo businesses

As described in the "Establishment of Split Preparation Companies, Execution of an Agreement Regarding Absorption-type Company Split, and Amendment to the Articles of Incorporation (Change in Trade Name) pursuant to Transition to a Holding Company Structure through a Company Split" released on April 25, 2019, ZHD (formerly Yahoo Japan Corporation; the same applies hereinafter in this "5") decided on a transition to a holding company structure, effective as of October 1, 2019. On May 10, 2019, ZHD established current Yahoo Japan Corporation (formerly Kioicho Bunkatstujunbi Kabushiki Kaisha; "New Yahoo" in this "(i)") as a wholly owned subsidiary of ZHD, and on May 15, 2019, ZHD entered into an absorption-type demerger agreement with New

Yahoo stipulating that New Yahoo succeeds to or assumes the assets, liabilities, and other rights and obligations held by ZHD relating to the Yahoo businesses. That absorption-type demerger was approved by a majority vote at the general meeting of shareholders of ZHD held on June 18, 2019 and became effective on October 1, 2019. The amounts of assets and liabilities that New Yahoo succeeded to or assumed from ZHD through that absorption-type demerger were 701,780 million yen and 200,973 million yen, respectively (each value is an estimated value), and the liabilities were assumed by New Yahoo from ZHD by the method of joint assumption of liabilities.

(ii) Absorption-type demerger relating to the management business for finance-related group companies

As described in the "Establishment of Split Preparation Companies, Execution of an Agreement Regarding Absorption-type Company Split, and Amendment to the Articles of Incorporation (Change in Trade Name) pursuant to Transition to a Holding Company Structure through a Company Split" released on April 25, 2019, ZHD decided to establish an intermediate holding company that manages financial businesses, effective as of October 1, 2019. On May 10, 2019, ZHD established Z Financial Corporation (formerly Kioicho Kin'yu Bunkatstujunbi Kabushiki Kaisha; "ZF") as a wholly owned subsidiary of ZHD, and on May 15, 2019, ZHD entered into an absorption-type demerger agreement with ZF stipulating that ZF succeeds to or assumes the assets, liabilities, and other rights and obligations held by ZHD relating to the management business for finance-related group companies. This absorption-type demerger became effective on October 1, 2019. The amounts of assets and liabilities that ZF succeeded to or assumed from ZHD through this absorption-type demerger were 32,309 million yen (an estimated value) and 0 yen, respectively, and the liabilities were assumed by ZF from ZHD by the method of joint assumption of liabilities.

(iii) Issuance of new shares as restricted stock compensation

As described in the "Notification regarding the Issuance of New Shares as Restricted Stock Compensation" released on April 25, 2019, ZHD issued 1,541,000 new shares (total paid-in amount: 448,431,000 yen) as restricted stock compensation to its officers and employees on July 17, 2019.

(iv) Third-party allotment and tender offer for own shares

As described in the "Announcement of Issuance of New Shares Through a Third-Party Allotment, Acquisition of the Shares of the Company by Tender Offer and Changes of Our Parent Company and Largest Shareholder" released on May 8, 2019, ZHD (i) implemented a third-party allotment through which 1,511,478,050 new shares (total paid-in amount: 456,466,371,100 yen) were allocated to SoftBank on June 27, 2019 and (ii) resolved to acquire its own shares and conduct the following tender offer for its own shares as the specific method of that acquisition and implemented such tender offer pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, as applied following the deemed replacement of terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of ZHD's Articles of Incorporation. ZHD canceled 1,842,273,100 shares on September 4, 2019 by resolution of its board of directors.

i. Type of shares, etc.:	Common stock
ii. Number of shares to be purchased:	1,834,377,600 shares
iii. Tender offer period:	From May 9, 2019 to June 5, 2019
iv. Funds required for tender offer:	526,609,871,200 yen
v. Settlement start date:	June 27, 2019

(v) Dividends from surplus

As described in the "Notice of Payment of Dividends" released on May 16, 2019, ZHD paid dividends of 45,042,000,000 yen in total, 8.86 yen per share, with the record date being March 31, 2019 and the effective date being June 4, 2019.

(vi) Absorption-type demerger relating to the money businesses

As described in the "Notification of Business Succession to PayPay Corporation Through Company Split (Simplified Absorption-Type Company Split)" released on June 28, 2019, ZHD entered into an absorption-type demerger agreement with PayPay Corporation ("PayPay") effective September 30, 2019, in which ZHD is the demerger company and PayPay is the succeeding company in the absorption-type demerger and stipulating that, , PayPay succeeds to or assumes the rights and obligations held by ZHD relating to the businesses provided by ZHD under the names of "Yahoo! Money Light" and "Yahoo! Money Plus" and a business provided to users under the name "Yokin Barai," which is an account transfer-related business with financial institutions in which users hold accounts. This absorption-type demerger became effective on September 30, 2019. The amounts of assets and liabilities that PayPay succeeded to or assumed from ZHD through this absorption-type demerger were 9,778 million yen and 9,168 million yen, respectively (each value is an estimated value), and the liabilities were assumed by PayPay from ZHD by the method of joint assumption of liabilities.

(vii) Commencement of a tender offer for shares of ZOZO, Inc. and execution of a capital and business alliance agreement

As described in the "Announcement of Planned Commencement of Tender Offer by the Company for Shares of, and Execution of a Capital and Business Alliance Agreement with, ZOZO, Inc. (Securities Code: 3092)" released on September 12, 2019, ZHD resolved at its board of directors meeting to acquire common stock of ZOZO, Inc. through a tender offer subject to satisfaction of certain conditions precedent (the upper limit on the shares to be purchased is 50.10%; the "ZOZO Tender Offer") and to enter into a capital and business alliance agreement with ZOZO, Inc. In addition, as described in the "Announcement of Commencement of Tender Offer by the Company for Shares of ZOZO, Inc. (Securities Code: 3092)" released on September 27, 2019, ZHD commenced the ZOZO Tender Offer on September 30 and ended and completed it on November 13, 2019. As a result of the ZOZO Tender Offer, ZHD purchased 152,952,900 shares of ZOZO, Inc. and made ZOZO, Inc. a consolidated subsidiary of ZHD (purchase price: 400,736,598,000 yen). ZHD borrowed the entire amount of this purchase price.

(viii) Business integration, etc. with LINE

As described in "1. Reasons for the Share Exchange" above, on November 18, 2019, ZHD entered into the Integration MOU between SoftBank, NAVER, ZHD, and LINE and the Capital Alliance MOU between ZHD and LINE with regard to the business integration between ZHD and LINE, on the condition that all clearances, permits, licenses, approvals, and the like required under all applicable laws and regulations, including applicable competition laws and foreign exchange laws, were obtained. In relation to that business integration, as described in the "Notice of the Secondary Offering of Our Shares and Changes in the Parent Company and the Largest and Principal Shareholder" released on November 18, 2019, SoftBank placed all of the common stock SoftBank held in ZHD (2,125,366,950 shares) at 348 yen per share (739,627,698,600 yen in total), and transferred the stocks to SoftBank's wholly owned subsidiary Shiodome Z Holdings by means of an off-market bilateral transaction through secondary offering (the execution date of the agreement was November 18, 2019 and the delivery date was December 18, 2019). As a result, Shiodome Z Holdings became the parent company and the largest and principal shareholder of ZHD.

In addition, as described in "1. Reasons for the Share Exchange" above, ZHD entered into the Definitive Integration Agreement between the four companies and the Capital Alliance Agreement between ZHD and LINE on December 23, 2019.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

As described in Proposal No. 1, ZHD intends to conduct a business integration with LINE. In relation to this, we request approval to amend the number of directors (Article 19 of the current Articles of Incorporation) and the provisions on representative directors (Article 23 of the current Articles of Incorporation), in light of the number of directors and the composition of the representative directors after the Share Exchange.

The amendment to the Articles of Incorporation will become effective on the effective date of the Share Exchange on the condition that Proposal No. 1 is approved as proposed and that the Share Exchange becomes effective.

2. Details of Amendments

Details of the amendments are as follows.

(Underlined portions are to be amended)

Current Articles of Incorporation	Proposed amendments
Chapter 4 Directors and Board of Directors	Chapter 4 Directors and Board of Directors
Article 19 Number of directors	Article 19 Number of directors
1. The number of directors of the Company shall be not more than nine (9).	1. The number of directors of the Company shall be not more than ten (10).
2. Among the directors mentioned in the preceding paragraph, the number of directors appointed as directors serving on the audit and supervisory committee shall be not more than three (3).	2. Among the directors mentioned in the preceding paragraph, the number of directors appointed as directors serving on the audit and supervisory committee shall be not more than four (4).
Article 23 Representative directors	Article 23 Representative directors
1. The president shall represent the Company and preside over the Company's business operations.	1. The president shall represent the Company and preside over the Company's business operations.
2. In addition to the president, the Board of Directors may also appoint by resolution any of the directors with title elected under the previous article as representative directors.	2. In addition to the president, the Board of Directors may also appoint by resolution any of the directors as representative directors.

Forward-Looking Statements

This notice contains forward-looking statements with respect to ZHD's and LINE's current plans, estimates, strategies and beliefs, including, without limitation, the statements made concerning the Transactions. Forward-looking statements include, but are not limited to, those statements using words such as "anticipate," "believe," "continues," "expect," "estimate," "intend," "project," "aim," "plan," "likely to," "target," "contemplate," "predict," "potential" and similar expressions and future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may," or similar expressions generally intended to identify forward-looking statements. These forward-looking statements are based on information currently available to ZHD and LINE, speak only as of the date hereof and are based on their respective current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond their control. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ significantly from those expressed in any forward-looking statements in this notice. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented and neither ZHD nor LINE intends to update any of these forward-looking statements. Risks and uncertainties that might affect ZHD, LINE or the Transactions include, but are not limited to, those relating to:

- *whether the Transactions will be completed;*
- *the timing of the Transactions;*
- *obtaining the requisite consents to the Transactions, including, without limitation, the risk that a regulatory approval that may be required for the Transactions is delayed, is not obtained, or is obtained subject to conditions that are not anticipated;*
- *whether the conditions for the Transactions will be satisfied or waived;*
- *the possibility that, prior to the completion of the Transactions, ZHD's and LINE's businesses and their relationships with employees, collaborators, vendors and other business partners may experience significant disruption due to transaction-related uncertainty;*
- *shareholder litigation in connection with the Transactions potentially resulting in significant costs of defense, indemnification and liability; and*
- *the risks and uncertainties pertaining to ZHD and LINE's businesses, including in LINE's case those detailed under "Risk Factors" and elsewhere in LINE's public periodic filings with the SEC, as well as those detailed in the tender offer materials that may be filed by SoftBank and NAVER, the Solicitation / Recommendation Statement that may be filed by LINE, and the Transaction Statement that may be filed, all in connection with the Transactions.*