December 23, 2019

SoftBank Group Corp.

Entry into a Definitive Agreement by Subsidiaries (SoftBank Corp., Securities Code: 9434 and Z Holdings Corporation, Securities Code: 4689) Regarding the Business Integration of Z Holdings Corporation and LINE Corporation (Securities Code: 3938), and the Planned Commencement of a Joint Tender Offer for the Shares of LINE Corporation by a Subsidiary (SoftBank Corp.) and NAVER Corporation

SoftBank Group Corp. ("SBG") announced today that its consolidated subsidiary SoftBank Corp. (Securities Code: 9434, Tokyo Stock Exchange First Section; "SoftBank"), NAVER Corporation ("NAVER"; SoftBank and NAVER are collectively referred to as the "Proposing Parties"), Z Holdings Corporation (Securities Code: 4689, Tokyo Stock Exchange First Section; a consolidated subsidiary of SBG and SoftBank; "ZHD"), and LINE Corporation (Securities Code: 3938, Tokyo Stock Exchange First Section; a consolidated subsidiary of NAVER; "LINE") have, since November 18, 2019, been working on discussions and evaluation of business integration between ZHD group consisting of ZHD and its subsidiaries and LINE Group consisting of LINE and its subsidiaries (the "Business Integration") based on the Memorandum of Understanding regarding the Business Integration on an equal basis that was entered into between the four companies on November 18, 2019, and in accordance with the resolutions of the Board of Directors of each of NAVER, ZHD and LINE at a meeting held today, and in accordance with the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the four companies have entered into a business integration agreement today, which is the final and legally-binding agreement regarding the Business Integration (the "Definitive Integration Agreement"), and in accordance with the resolutions of the Board of Directors of NAVER at a meeting held today, and in accordance with the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the Proposing Parties have entered into a legally-binding transaction agreement today regarding the Definitive Integration Agreement and joint venture agreement. For details of the Business Integration, please refer to Attachment A.

As one step in the series of transactions to realize the Business Integration, by resolution of the Board of Directors of NAVER at a meeting held today, and by the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the Proposing Parties have decided to jointly conduct a tender offer in Japan and the United States. Please refer to Attachment B for details.

ZHD, the publicly listed integrated company following the Business Integration, is expected to be a consolidated subsidiary of SBG and SoftBank. The Business Integration is conditioned on the receipt of required competition law and foreign exchange law approvals and other clearances and permits required by applicable law and regulation.

Outline of SoftBank Corp.

Address	1-9-1 Higashi-shimbashi, Minato-ku, Tokyo
Name and title of representatives	Ken Miyauchi, Representative Director, President & CEO
Nature of business	Provision of mobile communications services, sale of mobile devices, provision of fixed-line telecommunications and ISP services
Share capital	204,309 million yen (as of September 30, 2019)

Outline of Z Holdings Corporation

Address	Kioi Tower, 1-3 Kioicho, Chiyoda-ku, Tokyo
Name and title of representatives	Kentaro Kawabe, President and CEO
Nature of business	Managing of group companies and businesses incidental thereto
Share capital	237,404 million yen (as of September 30, 2019)

(Attachment A)

December 23, 2019
SoftBank Corp.
NAVER Corporation

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)

SoftBank Corp. (hereinafter "SoftBank"), NAVER Corporation (hereinafter "NAVER", and SoftBank and NAVER are collectively referred to as the "Proposing Parties"), Z Holdings Corporation (Securities Code: 4689, listed on the first section of the Tokyo Stock Exchange, Inc. (hereinafter, the "TSE")), a consolidated subsidiary of SoftBank (hereinafter "ZHD"), and LINE Corporation (Securities Code: 3938, listed on the first section of the TSE), a consolidated subsidiary of NAVER (hereinafter "LINE"), have, since November 18, 2019, been discussing and evaluating a business integration between ZHD and its subsidiaries (hereinafter, the "ZHD Group") and LINE and its subsidiaries (hereinafter, the "LINE Group") (hereinafter, the "Business Integration") based on the Memorandum of Understanding regarding the Business Integration on an equal basis that was entered into between the four companies on November 18, 2019 (hereinafter, the "Integration MOU"), and in accordance with the resolutions of the Board of Directors of each of NAVER, ZHD and LINE at a meeting held today, and in accordance with the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the four companies have today entered into a business integration agreement, which is the definitive and legally-binding agreement regarding the Business Integration (hereinafter, the "Definitive Integration Agreement"), and in accordance with the resolutions of the Board of Directors of NAVER at a meeting held today, and in accordance with the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the Proposing Parties have entered into a legally-binding transaction agreement today regarding the Definitive Integration Agreement and joint venture agreement (hereinafter, the "Joint Venture Agreement").

In addition, as announced by the Proposing Parties in the "Notice Concerning the Planned Commencement of the Joint Tender Offer for Shares of LINE Corporation (Securities Code: 3938)" dated today (hereinafter, the "Press Release for the Tender Offer"), as one step in the series of transactions to realize the Business Integration, by resolution of the Board of Directors of NAVER at a meeting held today, and by the decision of Ken Miyauchi, Representative Director, President & CEO, who has been authorized in accordance with the resolution of the Board of Directors of SoftBank at a meeting held today, the Proposing Parties have decided to jointly conduct a tender offer in Japan and the United States (hereinafter, the "Joint Tender Offer").

According to the announcement from LINE today, "Announcement of Opinion Regarding the Planned Commencement of the Joint Tender Offer for the Shares of LINE Corporation by SoftBank Corp. and NAVER Corporation, the Controlling Shareholder of LINE Corporation," it has been resolved by the Board of Directors of LINE at a meeting held today that in the event that the Joint Tender Offer commences, LINE will express its opinion in support of the Joint Tender Offer and, at the same time, recommend that holders of LINE common shares and American Depositary Receipts tender into the Joint Tender Offer for common shares of LINE ("LINE Shares"), and leave to the discretion of the owners of share options and convertible bonds the decision of whether or not to tender into the Joint Tender Offer.

ZHD, the publicly listed integrated company following the Business Integration (hereinafter, the "Combined

Company"), is expected to be a consolidated subsidiary of SoftBank. The Business Integration is conditioned on the receipt of required competition law and foreign exchange law approvals and other clearances and permits required by applicable law and regulation.

1. Purpose and Significance of the Business Integration

(1) Background

Social and industrial conditions surrounding us are changing drastically and daily on a global basis. Particularly in the Internet market, overseas companies, especially those based in the United States and China, are overwhelmingly dominant, and even when comparing the size of operations, there is currently a big difference between such overseas companies and those in Japan and other Asian countries, other than China.

Furthermore, in Japan, which is working to increase the declining productivity that comes along with a shrinking workforce and to respond rapidly to natural disasters, the use of AI (Note 1) and technology in these fields has great potential.

(Note 1) "AI" stands for "Artificial Intelligence."

In these circumstances, under SoftBank's "Beyond Carrier" strategy, through collaboration between SoftBank group companies and leading companies that they invest in, SoftBank goes beyond being a telecommunications carrier and aims to develop new businesses that use the world's most advanced technologies, including AI and IoT (Note 2). At the same time, NAVER aims to transform and innovate the world's most advanced technologies in order to provide services going beyond being the biggest search portal engine in the Republic of Korea. The Business Integration aims to bring together the business resources of the ZHD Group, which provides various services in Japan and has a firm user base (averaging 67.43 million monthly users and 140 million MAU in total for apps) and abundant assets (total consolidated assets: 2,795,895 million yen), and the LINE Group, which has a rich range of services and a user base with 82 million monthly active users in Japan and 104 million monthly active users overseas, to provide a convenient experience to users in Japan and bring Japanese society and industry up-to-date through strengthening existing business areas and investing in expansion into new business areas. Through further expanding this innovative model globally, SoftBank aims to be a leading company that is a driving force across Japan, Asia, and worldwide. The Business Integration envisions business cooperation between SoftBank, NAVER, ZHD, and LINE in a variety of areas and industries, including among others, AI, internet searches, telecommunications, advertisement, payment settlement, communication, etc., and is positioned to be instrumental in increasing the corporate value of SoftBank and NAVER: in the case of SoftBank, by generating further growth at ZHD, a crucial component to SoftBank's "Beyond Carrier" strategy, and creating new business opportunities in the 5G era; and in the case of NAVER, by supporting its efforts to establish itself as a leading AI technology-based IT company and accelerating the growth of its Fintech (Note 3) services using the most advanced technologies.

(Note 2) IoT stands for "Internet of Things," and it refers to the communication between objects via the Internet.

(Note 3) Fintech is a word made up of "finance" and "technology," and it refers to activities to attempt to resolve inefficiencies in existing financial services and to innovate financial services through the utilization of smart devices including smartphones and tablets and technologies that utilize big data.

(2) Basic Principles of the Business Integration

The Business Integration will be conducted on an equal basis by ZHD and LINE with the aim of forming a business group that can overcome fierce domestic and global competition through the ZHD Group and the LINE Group bringing together their business resources and through the Combined Company group, following the Business Integration, pursuing synergies in their respective business areas as well as implementing business investment targeting growth in the areas of AI, commerce, Fintech, advertising, and O2O (Note 4) and other new business areas.

(Note 4) O2O stands for "Online to Offline," and it refers to measures for online (internet)-based information to influence offline (real world) purchasing activities.

(3) Vision and Management Philosophy for the Combined Company

Through the Business Integration, the ZHD Group and the LINE Group will combine their business resources, and by crossing the ZHD Group slogan of "Make our users' lives convenient to a surprising (!) extent" and the "wow" value standard of the LINE Group, will create and offer a more abundant and convenient lifestyle for users by providing AI and Internet technology.

First, by bringing Japanese society and industry up-to-date by providing the best user experience in Japan, and expanding from there to Asia and then beyond globally, the aim is to become the "AI tech leader of the world from Japan/Asia".

2. Summary of the Business Integration

(1) Method of Business Integration

In the Definitive Integration Agreement, SoftBank, NAVER, ZHD, and LINE agreed broadly on the following method of Business Integration. Please also refer to "Attachment 1 Schematic Diagram of the Business Integration" for the method of Business Integration.

① SoftBank and NAVER or its wholly owned subsidiary (a Japanese entity) (NAVER and such wholly owned subsidiary, the "NAVER Offerors") will implement the Joint Tender Offer for the purpose of taking LINE private.

② In the event that, following the completion of the Joint Tender Offer, a portion of the Target Shares (defined in the Press Release for the Tender Offer) have not been tendered and acquired, SoftBank and the NAVER Offerors will implement squeeze-out procedures (with the intended result that post-squeeze out, SoftBank and the NAVER Offerors shall be the only shareholders of LINE) using a reverse share split or other methods permitted by law to take LINE private (hereinafter, the "Squeeze-out", and together with the Joint Tender Offer, hereinafter, the "Transaction to Take LINE Private"), and deliver consideration for the Squeeze-out in the same amount as the tender offer price to LINE shareholders in the Joint Tender Offer.

③ LINE will make a tender offer for ZHD shares (hereinafter, the "Tender Offer for ZHD Shares") (Note 1) for the purpose of acquiring all of ZHD shares (hereinafter, the "Shares to be Tendered") held by Shiodome Z Holdings Corporation (hereinafter "Shiodome Z Holdings"), which is a consolidated subsidiary of SoftBank (Note 2).

④ Prior to the settlement of the Tender Offer for ZHD Shares, LINE will issue a corporate bond with SoftBank as the underwriter for the underwriting amount equivalent to the aggregate amount of the purchase price for the Tender Offer for ZHD Shares in order to secure the purchase funds for Tender Offer for ZHD Shares (hereinafter, the "Bond Issuance").

⑤ After completion of the settlement for the Tender Offer for ZHD shares, an absorption-type merger (hereinafter, the "Merger") will be conducted between Shiodome Z Holdings as the company ceasing to exist in the Merger and LINE as the surviving company. Assuming the total number of issued and outstanding LINE Shares and shares of ZHD are those of September 30, 2019 (excluding treasury shares), 180,882,293 new LINE Shares will be issued in consideration of the Merger (Note 3), all of which will be allocated to SoftBank, which is the parent of Shiodome Z Holdings.

⑥ By the day before the date of commencement of settlement for the Tender Offer for ZHD shares, SoftBank and the NAVER Offerors will undertake a shareholding adjustment transaction in order to make the ratio of voting rights in LINE held by SoftBank and the NAVER Offerors 50:50 immediately after the Merger becomes effective, which transaction shall take the form of a transfer of a portion of LINE Shares held by SoftBank from SoftBank to the NAVER Offerors (hereinafter, the "JV Conversion Transaction"). Through the Merger and the JV Conversion Transaction, LINE will become a consolidated subsidiary of SoftBank.

⑦ At the same time as the Merger becomes effective, LINE will contribute all of its business (except for its shares in ZHD and the status, rights, and obligations in connection with the contracts entered into by LINE with respect to the Business Integration and any other rights and obligations specified in the absorption-type demerger agreement) to a newly formed wholly owned subsidiary (hereinafter, the "LINE Successor") in an absorption-type demerger (hereinafter, the "Corporate Demerger").

⑧ After the Corporate Demerger becomes effective, a share exchange will be conducted with ZHD shares as consideration whereby ZHD becomes the wholly owning parent company and the LINE Successor becomes the

wholly owned subsidiary company (hereinafter, the "Share Exchange").

The Business Integration is subject to receipt of required competition law and foreign exchange law and other clearances and permits required by applicable law and regulation in each country as well as the satisfaction of the other preconditions specified in the Definitive Integration Agreement.

(Note 1) As disclosed in the announcement dated November 18, 2019, by SoftBank titled "Announcement of Transfer of Shares of Z Holdings Corporation through Secondary Distribution to Shiodome Z Holdings Co., Ltd.", in connection with the Business Integration, SoftBank transferred its shares in ZHD to its wholly owned consolidated subsidiary Shiodome Z Holdings, with an execution date of December 18, 2019.

(Note 2)Because the Tender Offer for ZHD Shares is scheduled to be conducted approximately nine months after today and will be conducted in accordance with an agreement between SoftBank and NAVER to transfer the Shares to be Tendered from Shiodome Z Holdings to LINE, the method and terms of the transfer of the Shares to be Tendered from Shiodome Z Holdings to LINE may change to the extent permitted by applicable law and regulation. In addition, the Tender Offer for ZHD Shares will not be conducted, directly or indirectly, in the United States, and will not be extended to, or for the benefit of, shareholders in the United States, who are definitively excluded from the Tender Offer for ZHD Shares.

(Note 3) However, based on the result of the Squeeze-out or if there is any other reason that requires reasonable adjustment, SoftBank and NAVER intend to make appropriate adjustments according to such result or reason through a separate agreement.

(2) Business Integration Schedule

Signing of the Integration MOU	November 18, 2019
Signing of the Definitive Integration Agreement (Signed Today)	December 23, 2019
Signing of the Absorption-Type Demerger Agreement for the Corporate Demerger (Planned)	January 2020
Signing of the Share Exchange Agreement for the Share Exchange (Planned)	January 2020
Shareholder Meeting for the Approval of the Share Exchange Agreement for the Share Exchange (Planned) (Notes 1)	March 2020
Commencement of the Joint Tender Offer (Planned)	May–June 2020
Commencement of the Tender Offer for ZHD Shares (Planned)	September 2020
Shareholder Meeting for the Approval of the Absorption-Type Merger Agreement for the Merger (Planned) (Notes 1 and 2)	September 2020
Shareholder Meeting for the Approval of the Absorption-Type Demerger Agreement for the Corporate Demerger (Planned) (Notes 1 and 2)	September 2020
Effective Date of the Merger (Planned)	October 2020
Effective Date of the Corporate Demerger (Planned)	October 2020
Effective Date of the Share Exchange (Planned)	October 2020

(Note 1) The "Shareholder Meeting for the Approval of the Share Exchange Agreement for the Share Exchange (Planned)" means a shareholder meeting to be held by ZHD, the "Shareholder Meeting for the Approval of the Absorption-Type Merger Agreement for the Merger (Planned)" means shareholder meetings to be held by LINE and Shiodome Z Holdings, and the "Shareholder Meeting for the Approval of the Absorption-Type Demerger Agreement for the Corporate Demerger (Planned)" mean a shareholder meeting to be held by LINE.

(Note 2) A shareholder meeting held by LINE for approving the absorption-type merger agreement for the Merger and a shareholder meeting held by LINE for approving the absorption-type demerger agreement for the Corporate Demerger will each be held after the completion of the Squeeze-out when SoftBank and the NAVER Offerors are

the only shareholders of LINE.

(3) Making LINE a subsidiary of SoftBank

SoftBank plans to acquire LINE Shares by conducting the Transaction to Take LINE Private, including the Joint Tender Offer and the Merger as a part of a series of the transactions to realize the Business Integration, and LINE will become a subsidiary of SoftBank upon completion of the Transaction to Take LINE Private and effectiveness of the Merger and through the organization and operational structure of LINE based on the Joint Venture Agreement. In parallel with the Tender Offer for ZHD Shares and the Merger, SoftBank and the NAVER Offerors will undertake the JV Conversion Transaction in order to make the ratio of voting rights in LINE held by SoftBank and the NAVER Offerors 50:50 immediately after the Merger becomes effective. Please refer to "(2) Details of the Joint Venture Agreement" in "4. Outline of the Business Alliance with Capital Alliance by ZHD and LINE" for details of the contents of the Joint Venture Agreement.

① Reasons for acquisition of shares

The Transaction to Take LINE Private, including the Joint Tender Offer, the Merger and the JV Conversion Transaction, will be conducted as a series of steps in the transactions to realize the Business Integration. Please refer to "1. Purpose and Significance of the Business Integration" for the purpose of the Business Integration.

② Method of acquisition of shares

SoftBank and the NAVER Offerors will conduct the Transaction to Take LINE Private, including the Joint Tender Offer to acquire LINE Shares for the purpose of taking LINE private. The number of shares to be purchased in the Joint Tender Offer is 83,606,486 shares, and SoftBank is expected to purchase the number of shares corresponding to 50% of the number of shares for each type of shares, etc. tendered in the Joint Tender Offer and the NAVER Offerors are expected to purchase the number of shares corresponding to the remaining 50%. If not all of the Target Shares are acquired in the Joint Tender Offer, SoftBank and the NAVER Offerors are expected to acquire LINE Shares in the Squeeze-Out. Please refer to the Press Release for the Tender Offer for details of the Joint Tender Offer and the Squeeze-out.

After completion of the settlement for the Tender Offer for ZHD Shares, assuming the total number of issued and outstanding LINE Shares and shares of ZHD are those of September 30, 2019 (excluding treasury shares), 180,882,293 new LINE Shares will be issued in consideration of the Merger (Note), all of which will be allocated to SoftBank, which is the parent of Shiodome Z Holdings.

(Note) However, based on the result of the Squeeze-out or if there is any other reason that requires reasonable adjustment, SoftBank and NAVER intend to make appropriate adjustments according to such result or reason through a separate agreement.

In the JV Conversion Transaction, SoftBank and the NAVER Offerors will transfer the LINE shares from SoftBank to NAVER so that LINE voting rights held by SoftBank and the NAVER Offerors will be 50:50 immediately after the Merger becomes effective.

③ Outline of subsidiary subject to change

Please refer to "(1) Parties involved in making LINE a subsidiary of SoftBank" in "5. Outline of the Parties" below for an overview of the subsidiaries subject to change.

④ Outline of the counterparty to share acquisition

Please refer to the Press Release for the Tender Offer for details of the Transaction to Take LINE Private, including the Joint Tender Offer.

For an overview of LINE, which will be the surviving company of the Merger, please refer to "(1) Parties involved in making LINE a subsidiary of SoftBank" in "5. Outline of the Parties" below.

⑤ Number of shares to be acquired, acquisition price, and the status of shareholding before and after acquisition

① Number of shares held before change	Zero.
② Number of shares to be acquired	Number corresponding to 50% of the total number of issued and outstanding LINE Shares (excluding treasury shares) immediately after the completion of the Tender Offer for ZHD Shares (Note)
③ Acquisition price	Please refer to the Press Release for the Tender Offer for terms and conditions of the Transaction to Take LINE Private, including the acquisition price for the Joint Tender Offer. Please refer to "(4) The Merger" in "2. Overview of the Business Integration" for details on the Merger.
④ Number of shares held after acquisition	Number corresponding to 50% of the total number of issued and outstanding LINE Shares (excluding treasury shares) immediately after the completion of the Tender Offer for ZHD Shares (Holding ratio 50.0%) (Note)

(Note) The specific number of shares to be acquired may vary depending on the results of the Joint Tender Offer and the Squeeze-out and will be announced as soon as they are finalized.

⑥ Change schedule

We are aiming to commence the Transaction to Take LINE Private, including the Joint Tender Offer, from May to June 2020. The detailed schedule for the Joint Tender Offer will be announced as soon as it is finalized. Please refer to the Press Release for the Tender Offer for details of the Transaction to Take LINE Private, including the Joint Tender Offer.

The effective date of the Merger will be the same day as the settlement start date of the Tender Offer for ZHD Shares. The detailed schedule for the Tender Offer for ZHD Shares will be announced as soon as it is finalized. For other details of the Tender Offer for ZHD Shares, please refer to "*Hikoukaikago no tousha ni yoru Z Hourudingusu Kabushiki Gaisha (Shouken Koudo: 4689) kabushiki ni taisuru koukai kaitsuke no kaishi yotei ni kansuru oshirase*" (非公開化後の当社によるZホールディングス株式会社（証券コード：4689）株式に対する公開買付けの開始予定に関するお知らせ) announced by LINE today.

The JV Conversion Transaction is expected to be concluded by one day prior to the settlement start date of the Tender Offer for ZHD Shares.

(4) The Merger

① Purpose of the Merger

As one step in a series of transactions to realize the Business Integration, LINE Shares will be allocated and issued to SoftBank as consideration for the Merger in order to make LINE a consolidated subsidiary of SoftBank and a joint venture company in which SoftBank and the NAVER Offerors will hold 50:50 voting rights.

② Overview of the Merger

a) Schedule of the Merger

Please refer to "(2) Business Integration Schedule" in "2. Summary of the Business Integration" above for the Merger

schedule.

b) Method of the Merger

It will be an absorption-type merger with Shiodome Z Holdings as the company that will cease to exist and LINE as the surviving company in the Merger.

c) Details of allotment pertaining to the Merger

Upon the Merger, LINE will issue 180,882,293 new common shares (Note) in consideration of the Merger, all of which will be allocated and issued to SoftBank.

(Note) However, based on the result of the Squeeze-out or if there is any other reason that requires reasonable adjustment, SoftBank and NAVER intend to make appropriate adjustments according to such result or reason through a separate agreement.

d) Treatment of share options and convertible bonds in connection with the Merger

Not applicable.

③ Outline of the parties to the Merger and the surviving company after the Merger

Please refer to "(2) Parties to the Merger" in "5. Outline of the Parties."

(5) The Corporate Demerger

① Method of the Corporate Demerger

Absorption-type demerger with the demerger of LINE into the LINE Successor.

② Allocation related to the Corporate Demerger

LINE will not be given shares or other properties for the Corporate Demerger.

③ Treatment of share options and convertible bonds in connection with the Corporate Demerger

The LINE Successor does not plan to issue any share options or convertible bonds prior to the time when the Corporate Demerger becomes effective.

④ Capital that will increase/decrease in connection with the Corporate Demerger

The capital of LINE will not increase or decrease in connection with the Corporate Demerger.

⑤ Rights and obligations succeeded to by the LINE Successor

All rights and obligations of LINE in connection with its business (except for its shares in ZHD and the status, rights, and obligations in connection with the contracts entered into by LINE with respect to the Business Integration and any other rights and obligations specified in the absorption-type demerger agreement) will be succeeded to by the LINE Successor.

The succession of obligations shall be based on the method of assumption of obligations without any liabilities remaining with LINE.

⑥ Expectation of fulfilling financial obligations

The obligations of the LINE Successor before and after the Corporate Demerger are expected to be able to be fulfilled.

(6) The Share Exchange

① Purpose of the Share Exchange

The Share Exchange will be conducted as one step in the series of the transactions to realize the Business Integration. Please refer to "1. Purpose and Significance of the Business Integration" for the purpose of the Business Integration.

② Overview of the Share Exchange

a) Schedule of the Share Exchange

Please refer to "(2) Business Integration Schedule" in "2. Summary of the Business Integration" above for the schedule of the Share Exchange.

b) Method of the Share Exchange

The Share Exchange will result in ZHD becoming the wholly owning parent company and the LINE Successor becoming the wholly owned subsidiary company.

c) Allotment for the Share Exchange

(i) The Exchange Ratio (allotted ratio of ZHD Shares to be exchanged for one share of the LINE Successor)

	ZHD (Share Exchange wholly owning parent company)	LINE Successor (Share Exchange wholly owned subsidiary company)
Exchange Ratio	1	11.75

(Note 1) The allotted ratio is calculated on the assumption that the total number of issued and outstanding shares (excluding treasury shares) of the LINE Successor immediately before the Share Exchange becomes effective will be the same as the total number of issued and outstanding LINE Shares (excluding treasury shares) as of September 30, 2019, which is 240,960,343 shares.

(Note 2) Based on the Exchange Ratio, the number of ZHD shares to be delivered through the Share Exchange will be 2,831,284,030 shares. (The number of ZHD treasury shares to be included in the quantity of ZHD shares to be delivered through the Share Exchange is yet to be finalized.) In addition, 11.75 shares of ZHD for each share of the LINE Successor will be allocated and delivered to LINE, the wholly owned parent company of the LINE Successor.

d) The Treatment of share options and convertible bonds in connection with the Share Exchange

The LINE Successor does not plan to issue any share options or convertible bonds prior to the time when the Share Exchange becomes effective.

For the basis of the share exchange ratio for the Share Exchange, please refer to "Attachment 2 'Announcement Regarding Definitive Agreement on Business Integration' Announced Today by ZHD and LINE". In addition, the basis of the exchange ratio for the Share Exchange has not been materially changed from the basis described in the press release of November 18, 2019 titled "Entry into a Memorandum of Understanding Regarding the Business Integration" that was announced by ZHD and LINE.

③ Outline of the parties in the Share Exchange and the wholly owning parent company after the Share Exchange

Please refer to "(3) Parties to the Share Exchange" in "5. Outline of the Parties."

3. Outline of the Joint Tender Offer

Please refer to the Press Release for the Tender Offer for details of the Joint Tender Offer.

4. Outline of the business alliance with capital alliance by ZHD and LINE

(1) Details of the business alliance with capital alliance by ZHD and LINE

The Business Integration will be conducted as a business alliance with capital alliance on an equal basis by ZHD and LINE with the aim of forming a business group that can overcome fierce domestic and global competition through the ZHD Group and the LINE Group bringing together their business resources, and through the Combined Company group following the Business Integration pursuing synergies in their respective business areas as well as implementing business

investment targeting growth in the areas of AI, commerce, Fintech, advertising, and O2O and other new business areas. For details of the business alliance involving the capital alliance between ZHD and LINE, including the details of the capital alliance agreement signed by ZHD and LINE today (hereinafter, the "Capital Alliance Agreement"), please refer to "Attachment 2 'Announcement Regarding Definitive Agreement on Business Integration' Announced Today by ZHD and LINE".

(2) Details of the Joint Venture Agreement

SoftBank and NAVER have entered into the Joint Venture Agreement today with respect to the Business Integration, and have broadly agreed on the organization and operation of LINE (hereinafter, the "JV"), which will be a joint venture company, whose only shareholders will be SoftBank and the NAVER Offerors, for the purpose of holding ZHD shares as outlined below.

① Organizational design

The JV shall be a company with a board of directors.

② Directors

There will be five (5) directors for the JV, of which three (3) will be appointed by SoftBank and the remaining two (2) will be appointed by NAVER. There shall be two (2) representative directors for the JV, of which SoftBank and NAVER will each appoint one (1). Immediately after the Business Integration, the board of directors of the JV will be composed of Ken Miyauchi and Kazuhiko Fujihara, each appointed by SoftBank, Hae Jin Lee and In Joon Hwang, each appointed by NAVER, and one more person to be separately appointed by SoftBank. Of these directors, Ken Miyauchi will assume the position of Representative Director and President of the JV and Hae Jin Lee will assume the position of Representative Director and Chairperson of the Board of the JV.

③ Statutory auditor

The JV will have 2 statutory auditors, with SoftBank and NAVER each appointing one.

④ Agreement on consolidation of the JV

NAVER agrees that SoftBank will consolidate the JV, subject to SoftBank's voting rights in the JV being 50% or more (on a fully diluted basis).

⑤ Agreement regarding the exercise of the right held by the JV to appoint ZHD directors based on the Capital Alliance Agreement

SoftBank and NAVER will each appoint 3 of the 6 ZHD internal directors that the JV has the right to appoint under the Capital Alliance Agreement.

⑥ Agreement regarding matters requiring consent of the JV as stipulated in the Capital Alliance Agreement

In the event that ZHD intends to act on any of the following matters, the JV shall require prior written consent from SoftBank and NAVER before granting consent under the Capital Alliance Agreement.

- Changes to the articles of incorporation of ZHD (excluding minor changes);
- Any action of ZHD involving an issuance of new shares, share options, or convertible bonds (including disposal of treasury shares or treasury share options) or granting or issuance of rights to convert to or acquire ZHD shares which renders the voting rights of the JV in ZHD to be 50% or less on a fully diluted basis; and
- Transfers, assignments, successions, provisions of collateral or any other disposals (hereinafter, the "Transfer, Etc.") of shares or other assets or businesses owned by ZHD or its consolidated subsidiaries that account for more than one-fifth of ZHD's consolidated book value assets (excluding transfer of shares of listed companies held by ZHD or its consolidated subsidiaries) to a third party outside the ZHD Group.

⑦ Handling of the JV shares

Except as otherwise provided for in the Joint Venture Agreement, neither SoftBank nor NAVER may undertake any Transfer, Etc. of the JV shares it holds without prior written consent of the other party.

5. Outline of the Parties

(1) Parties involved in making LINE a subsidiary of SoftBank

① Outline of subsidiary subject to change

①	Name	LINE Corporation	
②	Address	4-1-6 Shinjuku, Shinjuku-ku, Tokyo	
③	Name and title of representative	Mr. Takeshi Idezawa, Representative Director and President	
④	Nature of business	Advertising service based on the mobile messenger application “LINE,” core businesses including the sales of stamp and game service, and strategic businesses including Fintech, AI, and commerce service.	
⑤	Share capital	JPY 96,535 million (as of September 30, 2019)	
⑥	Founded	September 4, 2000	
⑦	Equity attributable to the shareholders of the Company	JPY 164,844 million (as of September 30, 2019)	
⑧	Total assets	JPY 530,442 million (as of September 30, 2019)	
⑨	Major shareholders and shareholding ratios (as of June 30, 2019)	NAVER	72.64%
		MOXLEY & CO LLC	3.64%
		JAPAN TRUSTEE SERVICES BANK, LTD.	2.11%
⑩	Relationship with SoftBank		
	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	There are business relationships with respect to use of communication services, etc.	
	Situations applicable to affiliated parties	It is not an affiliated party.	

⑪ Results of operation and financial position for the in the most recent three-year period (consolidated)			
Fiscal year end	Year ended on December 31, 2016	Year ended on December 31, 2017	Year ended on December 31, 2018
Revenues	JPY 140,704 m	JPY 167,147 m	JPY 207,182 m
Operating income	JPY 19,897 m	JPY 25,078 m	JPY 16,110 m
Profit (loss) before tax from continuing operations	JPY 17,990 m	JPY 18,145 m	JPY 3,354 m
Profit (loss) attributable to the shareholders of the LINE	JPY 6,763 m	JPY 8,078 m	JPY (3,718 m)
Earnings per share: basic profit (loss) for the period attributable to the shareholders of LINE	JPY 34.84	JPY 36.56	JPY (15.62)

(2) Parties to the Merger

① Company ceasing to exist in the Merger

①	Name	Shiodome Z Holdings Co., Ltd.
②	Address	1-9-1, Higashi-Shinbashi, Minato-ku, Tokyo
③	Name and title of representative	Kazuhiko Fujihara, Representative Director
④	Nature of business	Business preparation company
⑤	Share capital	JPY 10 million (As of March 31, 2019)
⑥	Founded	June 1, 2016
⑦	Net assets	JPY 20 million (As of March 31, 2019)
⑧	Total assets	JPY 20 million (As of March 31, 2019)
⑨	Major shareholders and shareholding ratios (as of September 30, 2019)	SoftBank Corp. 100%
⑩	Relationships with the Other Parties	
	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Situations applicable to affiliated parties	It is not an affiliated party.

② Surviving company in the Merger

For an overview of LINE, which will be the surviving company in the Merger, please refer to "① Outline of subsidiary subject to change" in "(1) Parties involved in making LINE a subsidiary of SoftBank" under "5. Outline of the Parties."

③ Status of the surviving company after the Merger

①	Name	LINE Corporation
②	Address	4-1-6 Shinjuku, Shinjuku-ku, Tokyo
③	Name and title of representative	Mr. Takeshi Idezawa, Representative Director and President
④	Nature of business	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stamp and game service, and strategic businesses including Fintech, AI, and commerce service.
⑤	Share capital	JPY 96,535 million (as of September 30, 2019)
⑥	Fiscal year end	December 31

(Note) The status prior to the Corporate Demerger becoming effective is shown. LINE plans to transfer all of its business to the LINE Successor through the Corporate Demerger, and after the Corporate Demerger becomes effective, LINE (the JV) will hold ZHD (the Combined Company) shares in order to run the business that controls and manages ZHD business activities and to run associated operations. In addition, the name of LINE (the JV) will be changed after the Corporate Demerger becomes effective, but the name after the change has not yet been decided. For an overview of the Corporate Demerger, please refer to "(5) The Corporate Demerger" in "2. Summary of the Business Integration" above. For the organization and operation of LINE (the JV) after the Business Integration, please refer to "(2) Details of the Joint Venture Agreement" in "4. Outline of the Business Alliance with Capital Alliance by ZHD and LINE."

(3) Parties to the Share Exchange

① Wholly owning parent company in the Share Exchange and the wholly owned subsidiary in the Share Exchange

	Wholly owning parent company in Share Exchange	Wholly owned subsidiary company in Share Exchange

①	Name	Z Holdings Corporation	Preparatory corporation for demerger of LINE
②	Address	Tokyo Garden Terrace Kioi-cho Kioi Tower, 1-3, Kioicho, Chiyoda-ku, Tokyo	4-1-6 Shinjuku Shinjuku-ku, Tokyo
③	Name and title of representative	Kentaro Kawabe, Representative Director, President and CEO	Takeshi Idezawa, Representative Director
④	Nature of business	Management of group companies and related operations	Company for preparation of operations
⑤	Share capital	JPY 237,404 million (as of September 30, 2019)	1.50 million yen (as of the founding date of December 13, 2019)
⑥	Founded	January 31, 1996	December 13, 2019
⑦	Number of outstanding shares	4,822,417,565	300
⑧	Fiscal year end	March 31	March 31
⑨	Number of employees	12,874 (As of March 31, 2019)	Not applicable (as of the founding date of December 13, 2019)
⑩	Major business relationships	General customers, corporations	Not applicable
⑪	Main banking relationships	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. The Japan Net Bank, Limited. Crédit Agricole Corporate and Investment Bank Sumitomo Mitsui Trust Bank, Limited	Not applicable
⑫	Major shareholders and shareholding ratios (Note 1) (as of September 30, 2019)	SoftBank Corp. 44.6% STATE STREET BANK AND TRUST COMPANY 505325 3.0% SSBTC CLIENT OMNIBUS ACCOUNT 1.9% JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account) 1.8% The Master Trust Bank of Japan, Ltd. (Trust account) 1.8% GOLDMAN, SACHS & CO. REG 1.7% J.P. MORGAN BANK LUXEMBOURG S. A. 1300000 1.5% JP MORGAN CHASE BANK 385632 1.2% BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR 1.1%	LINE Corporation 100%

	SUBPORTFOLIO)	
	JAPAN TRUSTEE SERVICES BANK, LTD. (Trust account 9)	1.0%

⑬	Relationships with the Other Parties	
	Capital relationship	LINE will hold 100% of the shares in the LINE Successor immediately prior to the effective date of the Corporate Demerger, but on the day after the effective date of the Corporate Demerger, along with the Share Exchange, ZHD will hold 100% of the shares in the LINE Successor.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Situations applicable to affiliated parties	Not applicable.

⑭ Results of operation and financial position in the most recent three-year period

Fiscal year end	ZHD (Consolidated)			LINE Successor (Consolidated) (Note 2)		
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Total capital	JPY 998,709 m	JPY 1,121,887 m	JPY 910,523 m	JPY 161,023 m	JPY 189,977 m	JPY 208,514 m
Total assets	JPY 1,534,212 m	JPY 2,516,633 m	JPY 2,429,601 m	JPY 256,089 m	JPY 303,439 m	JPY 486,587 m
Equity attributable to owners of parent per share	JPY 163.51	JPY 177.97	JPY 160.96	JPY 738. 53	JPY 779.30	JPY 833.87
Revenues	JPY 853,730 m	JPY 897,185 m	JPY 954,714 m	JPY 140,704 m	JPY 167,147 m	JPY 207,182 m
Operating income	JPY 192,049 m	JPY 185,810 m	JPY 140,528 m	JPY 19,897 m	JPY 25,078 m	JPY 16,110 m
Net profit before income taxes	JPY 193,475 m	JPY 193,177 m	JPY 123,370 m	JPY 17,990 m	JPY 18,145 m	JPY 3,354 m
Income attributable to owners of the parent company	JPY 136,589 m	JPY 131,153 m	JPY 78,677 m	JPY 6,763 m	JPY 8,078 m	JPY (3,718 m)
Earnings per share: basic profit (loss) for the period	JPY 23.99	JPY 23.04	JPY 14.74	JPY 34.84	JPY 36.56	JPY (15.62)
Dividends per share	JPY 8.86	JPY 8.86	JPY 8.86	-	-	-

(Note 1) ZHD is also holding 60,021,000 treasury shares in addition to the above.

(Note 2) For the operating performance and financial conditions of the LINE Successor, those of LINE are shown.

② Outline of the wholly owning parent company in share exchange after the Share Exchange

①	Name	Z Holdings Corporation

②	Address	Tokyo Garden Terrace Kioi-cho Kioi Tower, 1-3, Kioicho, Chiyoda-ku, Tokyo
③	Name and title of representative	Takeshi Idezawa, Representative Director and Co-CEO Kentaro Kawabe, Representative Director, President and Co-CEO
④	Nature of business	Management of group companies and related operations
⑤	Share capital	Not yet finalized.
⑥	Fiscal year end	March 31
⑦	Net assets	Not yet finalized.
⑧	Total assets	Not yet finalized.

6. Advisors

SoftBank retained Mizuho Securities Co., Ltd. and Nomura Securities Co., Ltd. to act as its financial advisor, and NAVER retained Deutsche Bank to act as its financial advisor. SoftBank's legal advisors are Nagashima Ohno & Tsunematsu and Simpson Thacher & Bartlett LLP, and NAVER's legal advisors are Nishimura & Asahi, Kim & Chang and Cleary Gottlieb Steen & Hamilton LLP.

7. Other Matters

Any impact on the results of our business and operations due to the Joint Tender Offer and the Business Integration will be disclosed if and when they become known.

End

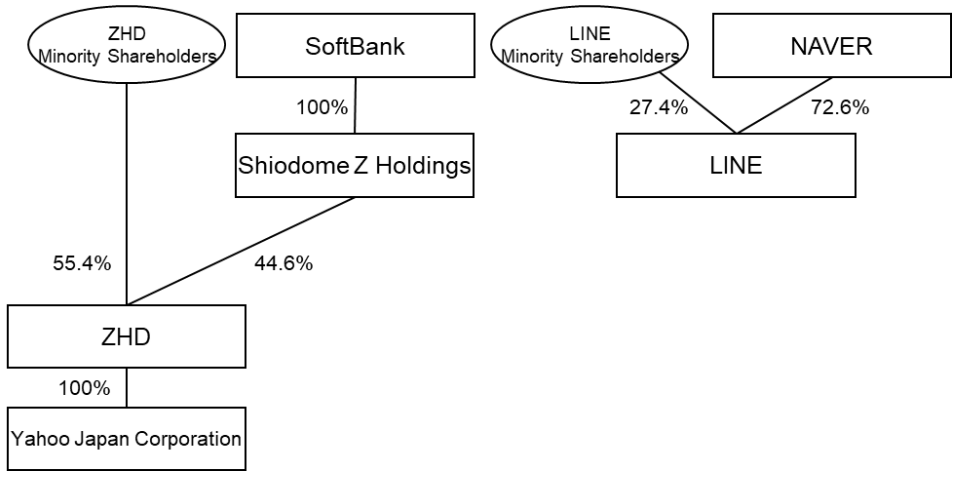
This press release contains “forward-looking statements” as defined in Article 27A of the U.S. Securities Act of 1933, as amended, and Article 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Actual results might be materially different from the express or implied predictions, including the “forward-looking statements” contained herein due to known or unknown risks, uncertainties, or any other factors. Neither SoftBank, the NAVER Offerors (together with SoftBank, hereinafter, the “Tender Offerors”), LINE (hereinafter, the “Target Company”), nor their respective affiliates assure that such express or implied predictions, including the “forward-looking statements” contained herein, will be achieved. The “forward-looking statements” contained in this press release have been prepared based on the information possessed by the Tender Offerors and the Target Company as of the date hereof, and unless otherwise required under applicable laws and regulations, neither the Tender Offerors, the Target Company, nor any of their affiliates assume any obligation to update or revise such statements to reflect any future events or circumstances.

The respective financial advisors of the Tender Offerors or the Target Company as well as the tender offer agent(s) (including their affiliates) may, in the ordinary course of their business, engage in the purchase of the common shares or other securities of the Target Company, or act in preparation for such purchase, for their own account or for their customers’ account before or during the purchase period for the Joint Tender Offer in accordance with the requirements of Rule 14e-5(b) under the Exchange Act and to the extent permitted under Japanese financial instruments and exchange regulations and other applicable laws and ordinances. If any information concerning such purchase is disclosed in Japan, the relevant financial adviser or tender offer agent who conducted such purchase will disclose such information on its English website (or by any other means of public disclosure).

The Joint Tender Offer described in this press release has not yet commenced. This press release is provided for informational purposes only and does not constitute an offer to purchase or the solicitation of an offer to sell any common stock (including any American Depositary Share representing any common stock) or other securities of LINE. If and at the time a tender offer is commenced, the Tender Offerors (and/or its affiliates, if applicable) intend to file with the U.S. SEC a Tender Offer Statement on Schedule TO containing an offer to purchase, a form of letter of transmittal and other documents relating to the tender offer, and the Target Company will file with the U.S. SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. The Tender Offerors intend to mail these documents to the Target Company shareholders. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THOSE DOCUMENTS CAREFULLY BEFORE MAKING A DECISION CONCERNING THE TENDER OFFER AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TENDER OFFER. Those documents and other documents filed by the Tender Offerors and the Target Company may be obtained without charge after they have been filed at the U.S. SEC’s website at www.sec.gov. The offer to purchase and related materials may also be obtained (when available) for free by contacting the information agent for the tender offer.

<Attachment 1 Schematic Diagram of the Business Integration>

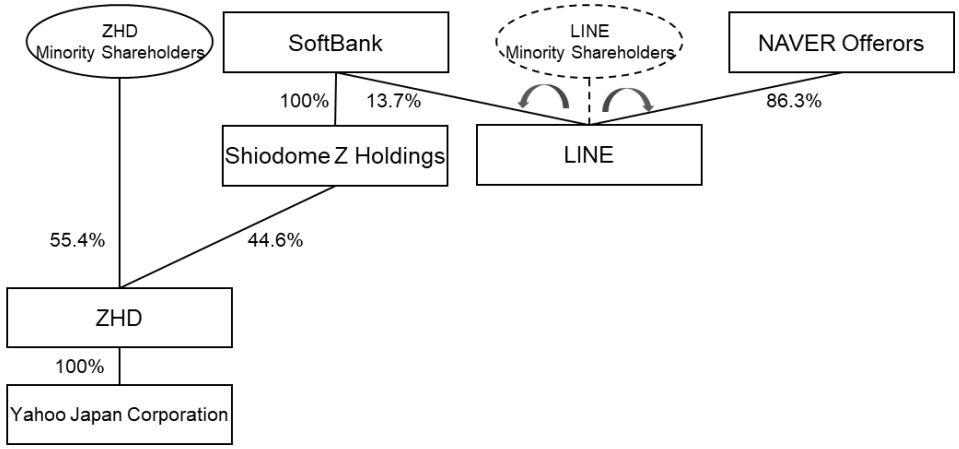
Current status
(As of today)



① The Joint Tender Offer (Joint tender offer for LINE shares, etc.)

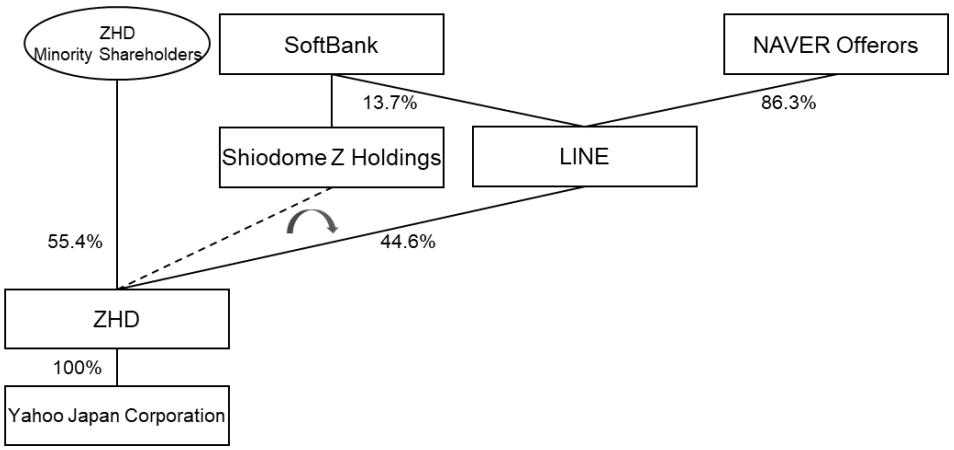
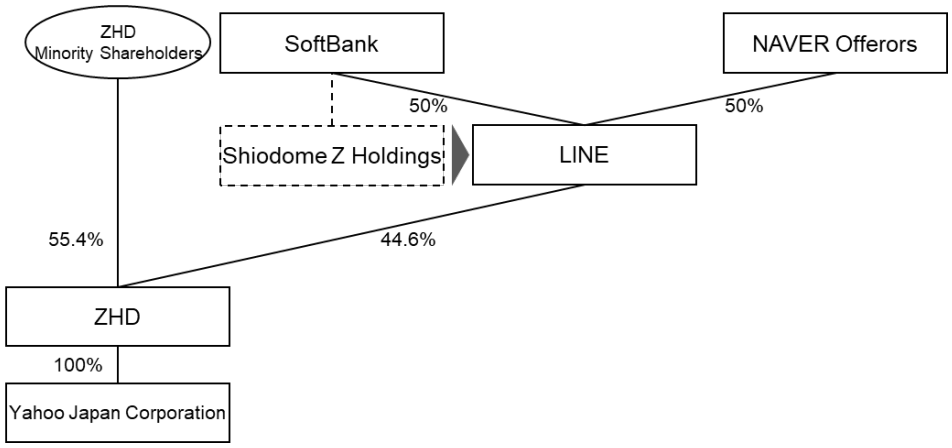
And

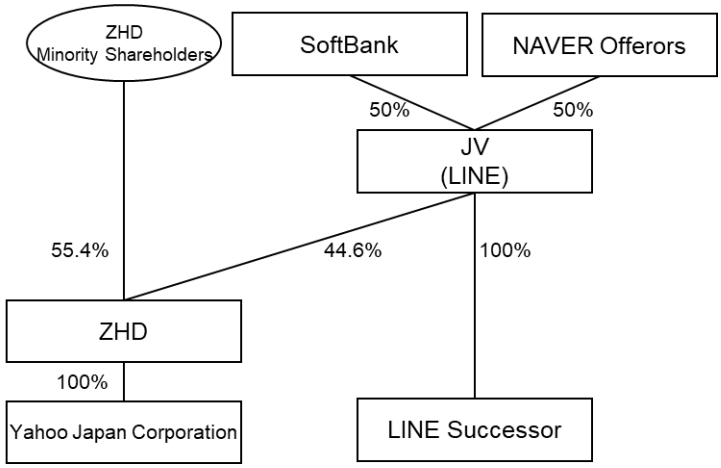
② The Squeeze-out

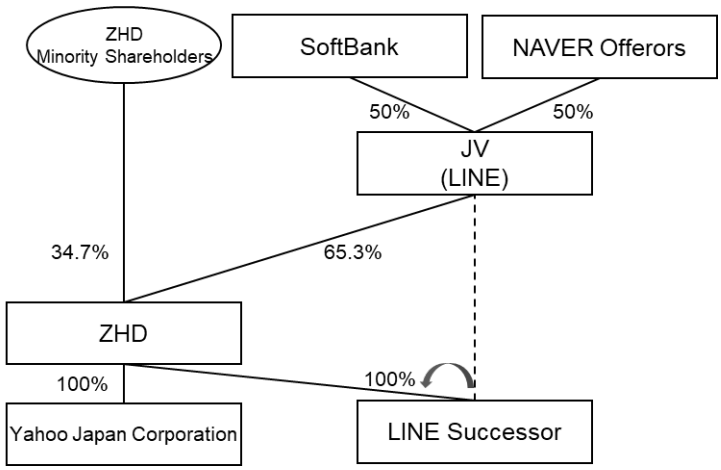


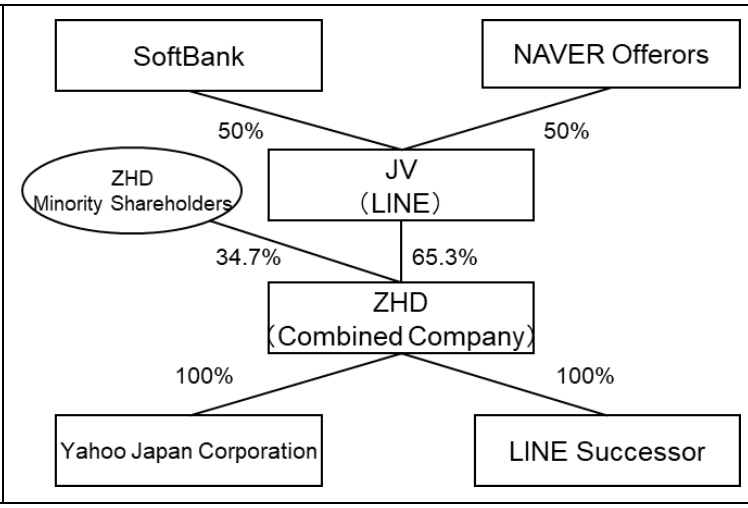
① SoftBank and the NAVER Offerors will jointly conduct the Joint Tender Offer for the purpose of taking LINE private. The commencement of the Joint Tender Offer is targeted to occur during the period from May to June 2020, and the Tender Offer Period is intended to be at least 30 business days, but it is difficult to accurately predict the amount of time required for procedures, etc. with the competition authorities in Japan and abroad, and therefore the detailed schedule of the Joint Tender Offer will be announced as soon as it is finalized. The aggregate amount of the purchase price is expected to be approximately 372.0 billion yen, with SoftBank and the NAVER Offerors each purchasing 50%.

② In the event that the Joint Tender Offer is completed and all of the Target Shares have not been acquired in the Joint Tender Offer, the Squeeze-out using a reverse share split or other methods will be deployed to take LINE private and to make SoftBank and the NAVER Offerors the only shareholders of LINE, and will provide LINE shareholders with the same amount as the Tender Offer Price in the Joint Tender Offer.

③ The Tender Offer for ZHD Shares And ④ The Bond Issuance (Issuance of corporate bond by LINE)	
	③ LINE will conduct the Tender Offer for ZHD Shares for the purpose of acquiring all ZHD shares held by Shiodome Z Holdings. The commencement of the Tender Offer for ZHD Shares is targeted to occur in early September 2020, but it is difficult to accurately predict the amount of time required for procedures, etc. with the competition authorities in Japan and abroad, and therefore, the detailed schedule of the Tender Offer for ZHD Shares will be announced as soon as it is finalized. In addition, the aggregate amount of the purchase price will be the number of shares to be purchased (2,125,366,950 shares) multiplied by the tender offer price pertaining to the Tender Offer for ZHD Shares (348 yen (or, if the lesser of (i) the closing price of ZHD shares on the First Section of the Tokyo Stock Exchange on the business day before the date of commencement of the Tender Offer for ZHD Shares and (ii) the simple average closing price over the past one month to the same date, discounted by 5% (rounded down to the nearest yen), is below 348 yen, then such amount); however, the specific amount is still to be finalized. ④ Prior to the settlement of the Tender Offer for ZHD Shares, LINE will issue bonds with SoftBank as the underwriter in order to secure the purchase funds for the Tender Offer for ZHD Shares. SoftBank and NAVER have agreed that the amount to be paid for the Bond Issuance will be equivalent to the aggregate amount of the purchase price in the Tender Offer for ZHD Shares.
⑤ The Merger (Merger of Shiodome Z Holdings and LINE) And ⑥ The JV Conversion Transaction (Transaction to adjust the voting rights ratio in LINE held by SoftBank and the NAVER Offerors to 50:50)	
	⑤ After completion of the settlement of the Tender Offer for ZHD Shares, the Merger will be conducted with Shiodome Z Holdings as the company ceasing to exist in the Merger and LINE as the surviving company. Assuming the total number of issued and outstanding LINE Shares and shares of ZHD is that of September 30 2019 (excluding treasury shares), 180,882,293 new LINE Shares will be issued in consideration of the Merger, all of which will be allocated to SoftBank, which is the parent of Shiodome Z Holdings. The Merger is scheduled to be effective in October 2020.

	⑥ By the day before the settlement start date of the Tender Offer for ZHD Shares, SoftBank and the NAVER Offerors will undertake a shareholding adjustment transaction in order to make the ratio of voting rights in LINE held by SoftBank and the NAVER Offerors 50:50 immediately after the Merger becomes effective, which transaction shall take the form of a transfer by SoftBank of a portion of the LINE Shares held by SoftBank to the NAVER Offerors immediately after the Merger becomes effective. Through the Tender Offer for ZHD Shares and the JV Conversion Transaction, LINE will become a consolidated subsidiary of SoftBank.
⑦ The Corporate Demerger (Demerger by LINE of all of its business to the LINE Successor)	
	⑦ At the same time as the Merger becomes effective, LINE will contribute all of its business (except for its shares in ZHD and the status, rights, and obligations in connection with the contracts entered into by LINE with respect to the Business Integration and any other rights and obligations specified in the absorption-type demerger agreement) to the LINE Successor to be newly established by LINE in the Merger. The Corporate Demerger is scheduled to be effective in October 2020.

⑧ The Share Exchange (Share exchange between ZHD and LINE)	
	⑧ After the Corporate Demerger becomes effective, a share exchange will be conducted with ZHD shares as consideration whereby ZHD becomes the wholly owning parent company and the LINE Successor becomes the wholly owned subsidiary company. The exchange ratio for the Share Exchange (allotted ratio of ZHD Shares to be exchanged for one share of the LINE Successor) is 11.75, and the Share Exchange is scheduled to be effective in October 2020.

After the Business Integration	

<Attachment 2>

[*Reference translation – in case of any discrepancy, the original Japanese version shall prevail*.]

December 23, 2019

Press Release

Company Name: Z Holdings Corporation
Representative: Kentaro Kawabe,
President and Representative Director
(Code number: 4689 First Section, Tokyo Stock Exchange)
Inquiries: Ryosuke Sakaue,
Managing Executive Officer and Chief Financial Officer
TEL: 03-6779-4900

Company Name: LINE Corporation
Representative: Takeshi Idezawa,
President and Representative Director
(Code number: 3938 First Section, Tokyo Stock Exchange)
Inquiries: Investor Relations
TEL: 03-4316-2050

Announcement Regarding Definitive Agreement on Business Integration

Z Holdings Corporation ("ZHD") (President and Representative Director: Kentaro Kawabe) and LINE Corporation ("LINE") (President and Representative Director: Takeshi Idezawa) (LINE and ZHD, each a "Company" and collectively the "Companies") hereby announce that at each of their respective board of directors' meetings held today, it was resolved that the relevant Company enter into, based upon a spirit of equality, a definitive agreement concerning the business integration of the Companies (such integration the "Business Integration", and such agreement the "Definitive Integration Agreement"), which sets forth the transactions through which the four relevant parties, consisting of the Companies and their respective parent companies, SoftBank Corp. ("SoftBank") (CEO and Representative Director: Ken Miyauchi), and NAVER Corporation ("NAVER") (President and CEO, Han Seong Sook), will effect the Business Integration. Each of the boards of NAVER, ZHD and LINE, as well as of CEO and Representative Director Miyauchi acting in his delegated capacity for the board of directors on behalf of SoftBank, also resolved today that the relevant Company will enter into an agreement between the Companies concerning the governance and management, and other matters of ZHD, which will be the integrated company once the Business Integration takes effect (ZHD in such capacity, the "Integrated Company," and such agreement, the "Capital Alliance Agreement"). Each of the Definitive Integration Agreement and the Capital

Alliance Agreement is a definitive agreement based on the memorandum of understanding concerning the Business Integration that was entered into among SoftBank, NAVER, ZHD and LINE on November 18, 2019 (the "Integration MOU"), the terms of which have been finalized based on extensive meetings and discussions among these parties since their entry into the Integration MOU, and the memorandum of understanding concerning the formation of a capital alliance between the Companies (the "Capital Alliance MOU") on the same date.

The Business Integration is expected to be implemented by carrying out the following transactions (such transactions collectively the "Transaction") in accordance with section 3(1) "Exhibit: Transaction Scheme Diagram".

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

(ii) In the event that the Joint Tender Offer is unsuccessful in acquiring all of the Subject Shares (as defined in the MOU Press Release (as defined below)) of LINE, in order to take LINE private, SoftBank and the NAVER Party intend to effect a minority squeeze-out through a reverse share demerger (the "LINE Squeeze-Out"), paying LINE's other shareholders consideration of the same amount as the offer price for the Subject Shares under the Joint Tender Offer.

(iii) LINE will launch a tender offer for the purpose of acquiring all of the shares of ZHD ("Subscribed Shares") owned by Shiodome Z Holdings Co., Ltd. ("Shiodome Z Holdings") (please refer to section 3(1) (Note 1) below), a consolidated subsidiary of SoftBank (the "ZHD Share Tender Offer") (please refer to section 3(2) (Note 2) below).

(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 equal to the ZHD Share Tender Offer purchase price (the "Bond Issuance").

(v) After settlement of the ZHD Share Tender Offer, an absorption-type demerger will be carried out to make LINE the successor absorption-type demerger company and Shiodome Z Holdings the absorbed demerger company (the "Merger"). Based on the number of issued and outstanding shares of LINE and ZHD as of September 30, 2019, LINE intends to issue, as consideration for the Merger, 180,882,293 new common shares (please refer to section 3.1 (Note 3) below) and allocate and deliver all of them to SoftBank as the parent company of Shiodome Z Holdings.

(vi) To take effect by the day before the settlement start date of the ZHD Share Tender Offer, SoftBank and the NAVER Party will carry out a partial transfer of LINE shares owned by SoftBank to the NAVER Party that will result in a 50:50 voting rights ratio between SoftBank and the NAVER Party (the "JV Formation"). As a result of the JV Formation, LINE will become a consolidated subsidiary of

SoftBank.

(vii) At the same time as when the Merger takes effect, LINE's wholly-owned subsidiary, LINE Demerger Preparatory Company (the "LINE Successor") and, by way of an absorption-type demerger (the "Corporate Demerger"), transfer to the LINE Successor its entire business (excluding, however, the rights and obligations of LINE under the contracts entered into by LINE in connection with the ZHD Shares, the Business Integration and the Corporate Demerger).

(viii) After the Corporate Demerger has taken effect, a share exchange (the "Share Exchange") will be carried out, as a result of which ZHD will become the 100% parent company of the LINE Successor and the LINE Successor will become the wholly-owned subsidiary of ZHD.

(Note) The ZHD Share Tender Offer will completely exclude shareholders in the United States and will not solicit such U.S. shareholders or extend to their interests, whether direct or indirect.

Please refer to section 3(1) below for more detailed information concerning the specific steps and transactions required to effect the Transaction, to section 3(3) below for more detailed information concerning the Merger, section 3(4) below for more detailed information on the Corporate Demerger, and to section 3(5) for more detailed information concerning the Share Exchange. In addition, regarding other aspects of the Transaction, including the Joint Tender Offer (including explanation of LINE's position on the Joint Tender Offer) and the ZHD Share Tender Offer (including explanation of ZHD's position on the ZHD Tender Offer), etc., please refer to the press releases below:

- "Notice Concerning Entry Into the Final Agreement on the Business Integration of Z Holdings Corporation (Securities Code: 4689) and LINE Corporation (Securities Code: 3938)" issued today by SoftBank and NAVER (the "SoftBank/NAVER Definitive Integration Agreement Press Release").

- "Notice Concerning the Planned Commencement of the Joint Tender Offer for Shares of LINE Corporation (Securities Code: 3938)" issued today by SoftBank and NAVER.

- "Announcement of Opinion Regarding the Planned Commencement of the Joint Tender Offer for the Shares of LINE Corporation by SoftBank Corp. and NAVER Corporation, the Controlling Shareholder of LINE Corporation" issued by LINE today (the "LINE Position Press Release").

- "Notice Concerning the Planned Commencement of the ZHD Share Tender Offer following the Taking Private of LINE Corporation for the Shares of Z Holdings Corporation (Securities Code: 4689) by LINE Corporation" issued in Japanese by LINE today.

- "Notice Concerning the Position of Z Holdings Corporation on the Planned

Commencement of the ZHD Share Tender Offer for ZHD Shares by LINE Corporation (Securities Code: 3938)" issued in Japanese by ZHD today.

In addition, as the Corporate Demerger will be an absorption-type demerger in which LINE is being treated as the company being split, with the LINE Successor, the wholly-owned subsidiary of LINE, being treated as the successor company, certain of the terms and conditions with respect to the Corporate Demerger are not being disclosed at this time.

1. Purpose of the Business Integration

(1) Background

The social and industrial circumstances that surround us are experiencing drastic changes on a daily basis and on a global scale. In particular, in the Internet 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, other than China.

In addition, Japan is in the midst of having to address demand for productivity increases in the face of a decreasing labor population and the need for a more rapid response to emergencies such as natural disasters. There are potentially great possibilities for utilizing artificial intelligence ("AI") and other technology in these areas.

Taking these circumstances into account, ZHD's group of companies (ZHD, its 79 subsidiaries and 26 affiliated companies (as of September 30, 2019), hereafter the "ZHD Group"), with 67.43 million average monthly users and 140 million total active monthly users for all ZHD Group apps, as well as substantial assets (total consolidated assets of 2,795,895 million yen) and LINE's group of companies (LINE, its 64 subsidiaries and 68 affiliated companies, hereafter the "LINE Group") which boasts a customer base of 82 million active monthly users in Japan and 104 million active monthly users outside of Japan, as well as a rich product lineup of services, have rolled out a variety of services in Japan to their loyal user bases. They will, by consolidating their operating resources through the Business Integration, strengthening their respective business areas, and making business investments for growth in other new market sectors, provide more convenient user experiences to Japanese users and bring progress to Japanese society and industry. They will then deploy this innovative model throughout Asia and the world, with the aim of becoming a leading company that leads the world from Japan and Asia.

With the above context as relevant background, ZHD and LINE, together with their respective parent companies SoftBank and NAVER, started to engage in discussions to consider potential business possibilities, including forming a capital alliance, in mid-June 2019. Thereafter in 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, initial analyses were undertaken jointly by SoftBank and NAVER, focusing on the feasibility of, as a way of effecting the Business Integration, a series of transactions including making a tender offer for the shares of LINE, carrying out the Corporate Demerger, and completing the Share Exchange. Further, in early September 2019, the parties came to an understanding with regard to the significance of this transaction and decided to carry out further inquiries, including relevant due diligence.

Based on such activities, between late September and early November 2019, while continuing to have meetings 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. Once this process was satisfactorily concluded, the four companies, having reached a mutual understanding on the fundamental outline of the Business Integration, entered into the Integration MOU and the Capital Alliance MOU, 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 an LOI concerning the Joint Tender Offer relating to the Transaction.

After execution of the Integration MOU and the Capital Alliance MOU, SoftBank, ZHD, NAVER and LINE have been carrying out their review with respect to detailed terms and conditions of the Transaction, the steps and methods required for it, the governance of the Integrated Company, and other matters for the purpose of preparing to enter into the definitive agreements. As set out in the methods described in section 3(1) below, the four companies reached final agreement regarding the Business Integration, and as between ZHD and LINE, regarding the governance of the Integrated Company, and on that basis were able to enter into the Definitive Integration Agreement and Capital Alliance Agreement today.

(2) Outline of the Business Integration Plan

Under the planned Business Integration, the LINE Group and the ZHD Group will, as the "Integrated Company Group" (i.e., ZHD as the Integrated Company, the LINE Group and the ZHD Group companies excluding ZHD), consolidate their respective operating resources and, after the Business Integration, the companies of 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, and others. With such advances, the Integrated Company Group hopes to take a great leap forward and become a corporate group capable of facing and prevailing against the 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 their operating resources, and combine the vision and management philosophy expressed by the ZHD Group's slogan "Make our users' lives convenient to a surprising (!) extent" and the corporate mission statement of the LINE Group "WOW," and through the use of AI and Internet technologies, create and provide a richer and more convenient life for the customers of the Integrated Company Group.

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

2. Basic Strategy and Integration Benefits of the Integrated Company Group

(1) Basic Strategy of the Integrated Company Group

The Integrated Company Group will bring together the strengths of the ZHD Group and the LINE Group, and by consolidating their operating resources will continue to produce services reflecting the vision and management philosophy expressed by the slogans "!" and "WOW" of the respective Companies. Competition continues to intensify among global Internet companies, especially those in the United States and China that possess high name recognition, financial strength and technology, and startup companies are continuously and aggressively challenging themselves to create new ways of providing value. In taking on such competition, the Integrated Company Group will exhaustively focus on the concerns and needs of its customers to provide user services that they can enjoy safely and securely.

As part of this strategy, the Companies will mutually supplement their most important core services, which are those that bring the Companies into direct contact with their users, such as media, SNS, messaging and payments, and through providing these services the Companies aim to very quickly establish the Integrated Company Group as the Japanese domestic market leader for the most important core services.

In addition, by being able to cross-access the customer base of the ZHD Group (primarily that of ZHD and its wholly-owned subsidiary, Yahoo Japan Corporation ("YJ") (67.43 million average monthly users and 140 million accumulated active monthly users for all ZHD Group apps), and LINE's customer base (82 million active monthly users in Japan, 104 million active monthly users outside of Japan), the Integrated Company Group will be able to seamlessly interconnect the existing services of the Companies, and plans to maximize the combined user base through mutual referral of existing customers of the Companies.

Furthermore, by developing new services that take advantage of the technical capabilities and know-how of both Companies to fully maximize and expand their strong existing services, the Integrated Company hopes to make the lives of the Integrated Company Group's customers even more

convenient.

Through these means the Integrated Company will aim to become, within a short period of time, “The AI tech company that leads the world from Japan and Asia.”

(2) Integration Synergies

Based on the above basic strategy, the Business Integration will generate integration synergies primarily focused around the areas discussed below, and the Integrated Company will aim to become the AI tech company that leads the world from Japan and Asia.

This Business Integration is the first instance of its kind in which a leading communication service and a leading media service will be integrated, and the Companies expect that the media value of the Integrated Company Group’s business will significantly improve. In addition, the Companies anticipate that the result will have positive ripple effects on the following synergies.

(i) Marketing business synergies

By utilizing the “multi-big data” of both the ZHD Group and the LINE Group, the Companies believe that all companies engaged in marketing activities in Japan will be able to conduct their marketing activities more productively, making it possible to improve sales as a result of increased ad unit prices and cross-selling of the Integrated Company Group’s advertising products. In addition, by exploiting the Integrated Company Group’s complementary product lineups together with development of the O2O/OMO field as a new area for advertising, the Companies expect expanded integrated marketing solutions that will have a synergistic effect for the Integrated Company Group and its users.

(ii) Synergies in attracting customers

By connecting LINE’s communication platform, which has a domestic user base of 82 million people, with the e-commerce service sites of the ZHD Group (Yahoo Shopping, PayPay Mall, PayPay Flea Market, YAHUOKU!, ZOZOTOWN, Yahoo Travel, Ikyu.com, etc.), the expectation is that there will be increased customer traffic for all of the services of the ZHD Group as part of the Integrated Company Group, first and foremost for its e-commerce services. LINE has a broad user demographic including people who rarely or never use e-commerce services, and the expectation is that synergies in this area can be developed at an early stage by applying the know-how for accelerating customer referrals that were obtained through past collaboration between SoftBank and Ikyu.com. In addition, it is anticipated that the number of users and their retention rates will increase for the Integrated Company Group because it will be able to reach LINE users through their official LINE accounts, which provide direct access to those users.

(iii) Synergies with Fintech business

By collaborating in the payments and financial businesses that each of ZHD and LINE are already actively promoting, and making further improvements in terms of increasing the user base and increasing and sharing the number of retail outlets compatible with the payment and financial services, greater convenience for both users and retail outlets can be expected. In addition, the Companies believe it will be possible for the Integrated Company Group to strengthen their existing Fintech businesses by utilizing the existing strong customer base of their payments businesses, as well as from taking advantage of cost reductions from operational efficiencies resulting from shared business activities.

(iv) Synergies in new business / system development

By increasing the engineering resources and sharing the Companies' know-how regarding system development, the Companies expect it will be possible for the Integrated Company Group to create more attractive services for its customers. Although acceleration of development in various fields is expected, the Companies have been focusing their resources on the development of AI infrastructure in particular, and the Integrated Company Group intends to further strengthen and accelerate AI infrastructure development that will support all of the Integrated Company Group's services. In addition to the above, the Companies plan to continue to study opportunities for additional areas of collaboration between the Companies' existing resources to create more business synergies for the Integrated Company Group, including further discussions on how to make more productive use of their complementary services, high-quality customer bases and excellent relationships with business partners.

It should be noted that formulation of the business plan, etc., of the Integrated Company is expected to be taken into further consideration after the Business Integration has been completed.

3. Summary of Business Integration

(1) Method of Business Integration

As set out in the Definitive Integration Agreement, the four parties consisting of ZHD and LINE, together with SoftBank and NAVER, are in agreement with respect to the manner in which the Business Integration will be carried out, which is as follows. Please refer to "Exhibit: Transaction Scheme Diagram" regarding the Business Integration method.

(i) SoftBank and the NAVER Party will conduct the Joint Tender Offer with the intent to take LINE private.

(ii) In the event that the Joint Tender Offer is conducted but is not successful in acquiring all of the Subject Shares, 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 the LINE Squeeze-Out, paying LINE's shareholders consideration in the same amount for their Subject Shares as the offer price under the Joint Tender Offer.

(iii) LINE will conduct the ZHD Share Tender Offer to acquire all of the Subscribed Shares held by Shiodome Z Holdings (Notes 1 and 2).

(iv) Prior to settlement of, and in order to secure funds for, the ZHD Share Tender Offer, LINE will carry out the Bond Issuance.

(v) After settlement of the ZHD Share Tender Offer, the Merger to make Shiodome Z Holdings the absorbed demerger company and LINE the successor absorption-type demerger company will take place, whereby LINE will issue 180,882,293 new common shares (Note 3) as Merger consideration, based on the total issued shares (excluding treasury shares) of LINE and ZHD, respectively, as of September 30, 2019, and allot and deliver all of those newly issued shares to SoftBank, the parent company of Shiodome Z Holdings.

(vi) The JV Formation will be carried out by the day before the settlement start date of the ZHD Share Tender Offer, and, immediately as of the effectiveness of the Merger, will result in a 50:50 voting rights ratio for the NAVER Party and SoftBank, and in LINE becoming a consolidated subsidiary of SoftBank.

(vii) The Corporate Demerger will become effective at the same time as the Merger, with the result being that the LINE Successor will assume all rights and obligations held by LINE in relation to its business (excluding the contractual status under the agreements executed by LINE in relation to the Business Integration and the ZHD Shares, and the rights and obligations set out in agreements relating to the absorption-type demerger).

(viii) The Share Exchange, by which ZHD will become the wholly-owning parent company, of the LINE Successor and the LINE Successor will become the wholly-owned subsidiary company of ZHD, will be carried out after the Corporate Demerger has taken effect.

The Business Integration is conditioned on all permits, licenses, and approvals, etc. required under all applicable laws and regulations of the relevant countries, including applicable competition laws and foreign exchange laws, being obtained, and the conditions precedent stipulated in the Definitive Integration Agreement being satisfied.

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

(Note 2) The ZHD Share Tender Offer is expected to be launched nine months from now, for the purpose of transferring the Subscribed Shares held by Shiodome Z Holdings to LINE, and will be carried out as agreed between NAVER and SoftBank. If there are changes in

circumstances at the time the ZHD Share Tender Offer starts, the method or terms with respect to the transfer of the Subscribed Shares from Shiodome Z Holdings to LINE may be changed, within the scope permitted by law or regulation. Also, the ZHD Share Tender Offer will completely exclude shareholders in the United States and will not solicit such U.S. shareholders or extend to their interests, whether direct or indirect.

(Note 3) However, according to the SoftBank/NAVER Definitive Integration Agreement Press Release, SoftBank and NAVER may adjust the structure pursuant to a separate agreement if, as a result of the LINE Squeeze-Out process or on other reasonable grounds, it is determined that such an adjustment is appropriate.

(2) Business Integration – Schedule

Date of executing the Integration MOU	November 18, 2019
Date of executing the Capital Alliance MOU	November 18, 2019
Definitive Integration Agreement (executed today)	December 23, 2019
Capital Alliance Agreement (executed today)	December 23, 2019
Execution of agreement for the absorption-type demerger for the Corporate Demerger (target)	January 2020
Execution of agreement for the Share Exchange (target)	January 2020
General meeting of shareholders for approval of the Share Exchange agreement (target) (Note 1)	March 2020
Commencement of the Joint Tender Offer (target)	May ~ June 2020
Commencement of the ZHD Share Tender Offer (target)	September 2020
General meeting of shareholders for approval of the absorption-type demerger agreement for the Merger (target) (Notes 1 and 2)	September 2020
General meeting of shareholders for approval of the Corporate Demerger agreement (target) (Notes 1 and 2)	September 2020
Effective date of Merger (target)	October 2020
Effective date for Corporate Demerger (target)	October 2020
Effective date for Share Exchange (target)	October 2020

(Note 1) The “general meeting of shareholders for approval of the Share Exchange agreement” (target) is a general meeting of the shareholders of ZHD, and the “general meeting of shareholders for approval of the absorption-type demerger agreement” (target) are of each of the shareholders

of ZHD and LINE, and the "general meeting of shareholders for approval of the Corporate Demerger agreement" (target) is a general meeting of the shareholders of LINE.

(Note 2) LINE's general meeting of shareholders for approval of the absorption-type demerger agreement (target) and general meeting of shareholders for approval of the Corporate Demerger agreement are each planned to be held after the LINE Squeeze-Out is completed and SoftBank and NAVER have become the only remaining shareholders of LINE.

(3) Merger

(i) Method of Merger

An absorption-type demerger in which Shiodome Z Holdings will be the absorbed demerger company and LINE will be the successor absorption-type demerger company.

(ii) Details of the allotment in the Merger

As consideration for the Merger, LINE will issue 180,882,293 new common shares (Note below) and allocate and deliver all of them to SoftBank as the parent company of Shiodome Z Holdings.

(Note) However, SoftBank and NAVER may adjust the structure pursuant to a separate agreement if, as a result of the LINE Squeeze-Out process or on other reasonable grounds, it is determined that such an adjustment is appropriate.

(iii) Treatment of share acquisition rights and bonds with share acquisition rights in connection with the Merger

ZHD has not issued share acquisition rights or bonds with share acquisition rights.

(4) Corporate Demerger

(i) Method of Corporate Demerger

An absorption-type demerger in which LINE is treated as the company being split, with the LINE Successor being treated as the successor company, shall be implemented.

(ii) Details of the allotment in the Corporate Demerger

There will be no delivery of shares or other assets to LINE in connection with the Corporate Demerger.

(iii) Treatment of share acquisition rights and bonds with share acquisition rights in connection with the Corporate Demerger

While LINE has issued share acquisition rights and bonds with share acquisition rights, there will be no change to how they are treated in relation to the Corporate Demerger.

(iv) Increases or decreases in capital in connection with the Corporate Demerger

There will be no change in capital in connection with the Corporate Demerger.

(v) Rights and obligations to be assumed by the LINE Successor

The LINE Successor will assume all rights and obligations held by LINE in relation to its business (excluding the ZHD shares, the contractual status under the agreements executed by LINE in relation to the Business Integration, and the rights and obligations set out in the absorption-type demerger agreement).

Note that the LINE Successor will assume such obligations without recourse to LINE.

(vi) Expected performance of obligations

The parties have determined that the obligations of LINE Successor prior to and following the Corporate Demerger are expected to be fulfilled.

(5) Share Exchange

(i) Share exchange method

A Share Exchange by which ZHD will become the wholly-owning parent company, and the LINE Successor becoming the wholly-owned subsidiary company, will be implemented.

(ii) Details of allocation under the Share Exchange

A) Exchange ratio (allocation ratio of ZHD shares to be exchanged per share of the LINE Successor)

	ZHD (Wholly-owning Parent Company in Share Exchange)	LINE Successor (Wholly-owned Subsidiary in Share Exchange)
Exchange ratio	1	11.75

(Note 1) The allocation ratio is calculated on the assumption that the number of outstanding shares of the LINE Successor (excluding treasury shares), which will be issued 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 the Share Transfer is expected to be 2,831,284,030 shares. For LINE, which is the 100% parent company of the LINE Successor, this would result in the allocation of 11.75 ZHD shares being delivered for each share of the LINE Successor.

(Note 3) There have been no substantive changes to the calculation basis for the share exchange ratio of the Share Exchange or other related terms that are set out in the MOU Press Release.

(iii) Treatment of share acquisition rights and bonds with share acquisition rights in association with the Share Exchange

The LINE Successor does not plan to issue share acquisition rights or bonds with share acquisition rights before the Share Exchange takes effect.

(6) Prospects and Reasons for Delisting

The ZHD shares to be allocated to LINE via the Share Exchange are listed on the First Section of the Tokyo Stock Exchange, and can be traded in the market even after the Share Exchange.

However, the LINE shares, depending on the results of the Joint Tender Offer, may be delisted pursuant to the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange, as SoftBank and NAVER have placed no upper limit on the LINE Shares to be purchased pursuant to the Joint Tender Offer. Even if such delisting standards do not apply at the time of the completion of the Joint Tender Offer, SoftBank and NAVER expect that in the event that the LINE Squeeze-Out is conducted, that such delisting standards will apply, and that the LINE shares will be delisted pursuant to the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange.

(7) Measures to Ensure Fairness

(i) Measures taken by ZHD to ensure fairness

As set out in section 6(1) below, ZHD has determined that the Transaction constitutes a transaction with controlling shareholders as set forth in the Tokyo Stock Exchange's securities listing regulations. On that basis, ZHD took the following measures to ensure the appropriateness of the transaction terms and the fairness of the procedures of the Business Integration.

A) Valuation by external third-party valuation institution

ZHD retained Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley") as its financial advisor and third-party valuation institution independent from SoftBank, NAVER, ZHD and LINE and obtained a valuation report regarding the share exchange ratio for the Share Exchange on November 15, 2019. Please refer to section 3(4)(iv)B)(a) of the MOU Press Release

for a summary of the valuation report. In addition, ZHD obtained a fairness opinion on November 15, 2019 from Mitsubishi UFJ Morgan Stanley as its financial advisor and third-party valuation institution to the effect that the share exchange ratio applicable to the Share Exchange was fair, from a financial point of view, to the common shareholders of ZHD excluding LINE at the time of the Share Exchange. Further, as set out in section (8)(i) below, the special committee established by ZHD retained Takao Nakata, a certified public accountant ("CPA"), as its financial advisor independent from SoftBank, NAVER, ZHD and LINE, and obtained his advice from a financial perspective.

B) Advice from independent law firms

ZHD retained Mori Hamada & Matsumoto and Latham & Watkins as its external legal advisors, and obtained legal advice regarding various procedures for the Business Integration and the related decision-making methods and processes of ZHD. In addition, as set out in section (7)(i) below, the special committee established by ZHD retained Takai & Partners as its legal advisor independent from SoftBank, NAVER, ZHD and LINE, and obtained their advice from a legal perspective.

(ii) Measures taken by LINE to ensure fairness

As set out in 1(1) of the MOU Press Release, ZHD and LINE extensively discussed and considered a number of options as to the viability of the Business Integration and the means to carry it out with their respective parent companies, SoftBank and NAVER, taking into account matters such as restrictions under applicable laws and regulations of Japan and other jurisdictions. As a result, the four parties formed a basic shared understanding, focusing on the methods set out in (1) of this section, including with respect to taking LINE private, and executed the Integration MOU and the Capital Alliance MOU on November 18, 2019. In the course of such discussions and reviewing relevant information, LINE determined that there was a structural conflict of interest between NAVER and LINE's minority shareholders in carrying out the Business Integration, and therefore LINE took the following measures to ensure the appropriateness of the transaction terms and the fairness of the procedures of the Business Integration.

A) Valuation by external third-party valuation institution

LINE retained JPMorgan Securities Japan Co., Ltd. ("J.P. Morgan") as its financial advisor and third-party valuation institution independent from SoftBank, NAVER, ZHD and LINE to ensure the fairness and appropriateness of the Business Integration, and obtained a valuation report from J.P. Morgan concerning the share exchange ratio applicable to the Share Exchange. Please refer to section 3(4)(iv) B)(b) of the MOU Press Release for a summary of the valuation report from J.P. Morgan. While LINE did not obtain a fairness opinion from J.P. Morgan regarding the appropriateness or fairness of the share exchange ratio applicable to the Share Exchange from a financial perspective, LINE did obtain from J.P. Morgan a fairness opinion stating that the Tender Offer Price in the Tender Offer is fair, from

a financial perspective, to the common shareholders of LINE subject to certain conditions. Please refer to the LINE Position Press Release for details.

B) Advice from outside counsel

LINE retained Anderson Mori & Tomotsune in July 2019 and Shearman & Sterling in August 2019 as legal advisors independent of SoftBank, NAVER, ZHD and LINE, and obtained legal advice from these law firms on various procedures with respect to the Business Integration and LINE's decision-making methods and processes.

Given that the four parties, consisting of ZHD and LINE, together with SoftBank and NAVER, agreed in the Integration MOU that the Business Integration would involve transactions including the Joint Tender Offer and the LINE Squeeze-out, LINE determined that if the Joint Tender Offer and the LINE Squeeze-out are carried out, the Joint Tender Offer and the LINE Squeeze-out will in the future constitute a transaction with controlling shareholders prescribed in the securities listing regulations of the Tokyo Stock Exchange, and therefore took measures to ensure the appropriateness of the transaction terms and the fairness of the Business Integration procedures. Please refer to the LINE Position Press Release for details on the measures taken by LINE.

(8) Measures Taken to Avoid Conflict of Interest

(i) Measures taken to avoid conflict of interest for ZHD

As set out in section 6(1) below, ZHD has determined that the Transaction constitutes a transaction with controlling shareholders, as set forth in the Tokyo Stock Exchange's securities listing regulations. On that basis, ZHD took 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 taking place under conditions adverse to the interests of the ZHD minority shareholders, on October 7, 2019, ZHD established a special committee (the "ZHD Special Committee"), consisting of Shingo Yoshii, Hiromi Onitsuka and Yoshio Usumi, three individuals serving as outside directors of ZHD who have no interests in SoftBank, NAVER, ZHD or LINE, who are considered to have expertise and qualifications to consider the Business Integration, and about whose status as independent directors of ZHD notice has been sent to the Tokyo Stock Exchange. The ZHD Special Committee was given authority with respect to the Business Integration to consider (i) the validity of the purpose of the Transaction, (ii) the appropriateness of the Transaction procedures and (iii) the appropriateness of the Transaction conditions, and whether, based on these considerations, the decision to carry out the Transaction was adverse to the interests of ZHD's minority shareholders (i.e., shareholders of ZHD other than SoftBank Group Corp., SoftBank and their subsidiaries), and

granted it the authority to collect all necessary information to consider and come to a decision about these issues, to directly appoint financial and legal advisors and approve financial and legal advisors appointed by ZHD, and to review the degree to which measures should be established to ensure the fairness of the Business Integration and provide comments and recommendations as necessary, and participate in negotiations among the relevant parties as necessary.

In addition to holding 10 meetings between October 7, 2019 and November 18, 2019, when 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 as a legal advisor to the ZHD Special Committee that is independent of SoftBank, NAVER, ZHD and LINE, and Takao Nakata, a CPA, was appointed as a financial advisor to the ZHD Special Committee who is independent of SoftBank, NAVER, ZHD and LINE.) Furthermore, explanations were received in a timely manner on the purpose of the Business Integration, anticipated synergies, the scheme for the Transaction, the Integrated Company's governance, 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, as well as the history of negotiation and decision processes related to the terms and conditions of the Business Integration, including the share exchange ratio, and a Q&A process was conducted. Also, timely explanations were received from Mori Hamada & Matsumoto, ZHD's legal advisor, on the Integrated Company's governance and status of negotiations for the Business Integration, etc., and also from Mitsubishi UFJ Morgan Stanley, ZHD's financial advisor and third-party valuation institution for the scheme for the Transaction, as to the calculation of the ratio, on 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 is being conducted in the ongoing process of checking the validity of these analyses. In addition, based on the advice of the ZHD Special Committee's financial advisor Mr. Takao Nakata, a CPA, and its legal advisor Takai & Partners, the ZHD Special Committee is providing directions and recommendations to ZHD with respect to various negotiation policies with respect to the share exchange ratio relating to the Share Exchange, etc., and they are 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 the ZHD board of directors as discussed below.

(a) Appropriateness of the purpose of the Transaction

The ZHD Special Committee received from ZHD explanations regarding the purpose of the Transaction and the anticipated synergies, etc., engaged in Q&As regarding the feasibility of achieving such synergies and reviewed evidence in support, and after evaluating the purpose of the Transaction

and synergies and studying their feasibility, reached the conclusion that taken as a whole, the Transaction is appropriate. In addition, even 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 preparations for 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 any impact in that regard seemed proportional to promoting the purpose of the Transaction. Based on the foregoing, the rationale for the purpose of the Transaction has been confirmed as being reasonable, and the Transaction appropriate in light of achieving this purpose. The ZHD Special Committee concluded that the Transaction is for a legitimate purpose and that it should contribute to increasing the business value of ZHD.

(b) Appropriateness of the procedures for the Transaction

The ZHD Special Committee recommended that in passing resolutions relating to the Transaction and in negotiations with SoftBank, NAVER and LINE, etc., officers and directors that were seen as potentially being motivated to prioritize the interests of SoftBank, NAVER or LINE should not be involved, 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 their opinions during the process. This allowed the ZHD Special Committee to ensure that they had a meaningful role in confirming that the negotiations regarding the Transaction were being appropriately conducted, and to ensure that the negotiations were taking place on an arms' length basis among independent actors. ZHD, SoftBank, NAVER and LINE, in setting the methods of such negotiations, consulted with outside legal advisors and financial advisors and obtained objective information and advice, which allowed them to establish measures to ensure that there would be no arbitrary decisions being made. The ZHD Special Committee confirmed that the procedures for the Transaction were appropriate and satisfactorily took into consideration the interests of the minority shareholders.

(c) Fairness of the Transaction Terms

The ZHD Special Committee reviewed ZHD's management of the preparation of its business plan, which is the foundation for the Share Exchange valuations, 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 Transaction. In addition, Mitsubishi UFJ Morgan Stanley, ZHD's financial advisor and third party valuation institution, 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, the financial advisor independently appointed by the ZHD Special Committee, and concluded that no particular points that

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 as necessary, and ensured that they played a meaningful role in the negotiation process. Based on such considerations, after careful deliberation, they concluded that the relevant Transaction terms (i.e. the Share Exchange pursuant to the Integration MOU) are fair.

(d) Whether the Transaction is unfair to minority shareholders

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

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 Transaction, had question-and-answer sessions, and examined the reasonableness of such matters. Further, based on advice from its financial advisor, Takao Nakata, a CPA, and its legal advisor, Takai & Partners, the ZHD Special Committee provided instructions and advice to ZHD as to various negotiation strategies and was otherwise involved in the negotiation process with respect to the terms of the Transaction. 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 the ZHD board of directors as discussed below.

(a) Appropriateness of the purpose of the Transaction

The ZHD Special Committee, based on hearings with ZHD, 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 Transaction, the Transaction scheme, or the operating structure and autonomy of ZHD, etc. Furthermore, they received an explanation confirming that as part of the Transaction scheme, carrying out the ZHD Share Tender Offer will be the method by which the Transfer (as defined in the MOU Press Release) will occur, as well as the Bond Issuance and the Merger, which 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 Transaction is appropriate to carry out the purpose and that it should contribute to increasing the business value of ZHD.

(b) Appropriateness of the procedures for the Transaction

The ZHD Special Committee, based on hearings with ZHD and review of the draft Definitive Integration Agreement, etc. 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 activities of its outside advisors, etc. The ZHD Special Committee concluded, based on review of the internal decision-making of ZHD and the negotiation processes during this period, the appropriateness of the procedures for the Transaction was maintained and satisfactorily took into consideration the interests of the shareholders, including minority shareholders.

(c) Fairness of the Transaction Terms

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 hearings with, and received confirmation from, ZHD and Mitsubishi UFJ Morgan Stanley regarding whether or not there had been any material changes to the methodology and results on which the share valuation and the share exchange ratio are based. Mitsubishi UFJ Morgan Stanley provided an explanation, including on this point, that considering the due diligence conducted by Mitsubishi UFJ Morgan Stanley 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, a CPA, concluded that maintaining the share exchange ratio agreed in the Integration MOU was reasonable.

Furthermore, because it is expected there will be a long period between the submission of the December 23 ZHD Special Committee Opinion and the completion of the Transaction, the ZHD Special Committee conducted an inquiry into 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 that is based on the valuation using the share exchange ratio, appropriate mechanisms to protect the interests of minority shareholders were in place. Including on these points, Mori Hamada 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 their views as necessary. Further, based on 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, in support of its November 18 ZHD Special Committee Opinion, that the terms of the Definitive Integration Agreement and the Capital Alliance Agreement are reasonable, etc., and the relevant Transaction terms are fair.

(d) Whether the Transaction is unfair to minority shareholders

The ZHD Special Committee confirmed that as set forth in items (a) through (c) of the foregoing, the Transaction is for an 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 Transaction are appropriate, and the terms of the Transaction are fair. Therefore it concluded that there is nothing that is unfair to minority shareholders concerning the Transaction.*

Further, the ZHD Special Committee, with respect to the ZHD board's resolution that ZHD's position is to support the ZHD Share Tender Offer while, as to whether all of 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, concluded that, for the reasons set out below, there is nothing that can be said to be unfair to minority shareholders concerning the Transaction.*

The ZHD Share Tender Offer is a part of the Transaction, and is required to effect the Transaction. As set out in item (a) above, given that the appropriateness of the purpose of the Transaction 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 (provided if lower, (a) the amount that is 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, whichever is lower, discounted by 5% (disregarding any fractional amounts less than 1 yen), will apply). Neither ZHD nor the ZHD Special Committee have 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 the Subject Shares of Shiodome Z Holdings to LINE, and is not intended as a tender offer to shareholders of ZHD generally, nor is the purpose of the ZHD Share Tender Offer 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, and to maintain a position of neutrality as to whether all of the ZHD shareholders should participate in the ZHD Share Tender Offer.

* The ZHD Special Committee has confirmed that the wording "there is nothing that is unfair to minority shareholders" and "there is nothing that can be said to be unfair to minority shareholders" have

the same meaning.

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 potential appearance of self-interested dealing from the ZHD board's decision-making process with respect to the consideration of the Business Integration and the passage of related resolutions, those individuals are not participating in board meetings to deliberate on the ZHD Business Integration and also are not representing ZHD in discussions or negotiations with SoftBank. Similarly, ZHD's representative director Kentaro Kawabe is also a director of SoftBank, and did not participate in the deliberations or voting on resolutions by SoftBank's board with respect to the Business Integration, and is also not representing SoftBank in discussions or negotiations with ZHD. In addition, at the ZHD board meetings held on November 18, 2019 and today, all five board members (including auditors and directors) 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, Capital Alliance MOU, Definitive Integration Agreement and Capital Alliance Agreement.

(ii) Measures taken to avoid conflict of interest for LINE

As set out in section 6(2) above, 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 approval of all directors, other than interested directors, and the opinion of all corporate auditors 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 potential appearance of self-interested dealing in the LINE board's decision-making process concerning the evaluation and approval of the Business Integration, he did not participate in any evaluation or voting by the LINE board of directors with respect to the Business Integration, nor did he 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 evaluation or approval on the Business Integration, attended today's board meeting and unanimously passed a resolution approving the execution of the Definitive Integration Agreement and the Capital Alliance Agreement. Furthermore, two of the three of LINE's corporate

auditors, excluding outside auditor Yoichi Namekata, who was absent for business reasons (all of them outside auditors) attended the above-referenced board meeting and, including the absent Namekata, received an explanation regarding the Business Integration prior to the above-referenced board meeting and indicated they have no objection to LINE entering into the Definitive Integration Agreement or the Capital Alliance Agreement.

As described in paragraph (6)(ii) above, LINE has determined that the Joint Tender Offer and the LINE Squeeze-out constitute transactions with controlling shareholders, as set forth in the Tokyo Stock Exchanges' securities listing regulations, and took measures to ensure the appropriateness of the transaction terms and the fairness of the Business Integration procedures. Please refer to the LINE Position Press Release for details of the measures.

4. Outline of the Parties

(i) Merger

		Successor Absorption-type Demerger Company	Absorbed Demerger Company
(1)	Company name	LINE Corporation	Shiodome Z Holdings Co., Ltd.
(2)	Address	1-6 Shinjuku 4-chome, Shinjuku-ku, Tokyo	9-1 Higashishinbashi 1-chome, Minato-ku, Tokyo
(3)	Title and name of representative	President and Representative Director Takeshi Idezawa	Representative Director Kazuhiko Fujihara
(4)	Lines of business	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stamp and game service, and strategic businesses including Fintech, AI and commerce service.	Business preparation company
(5)	Capital	96,535 million yen	100 million yen
(6)	Founded	September 4, 2000	June 1, 2016
(7)	Number of outstanding shares	240,961,642 shares	200 shares
(8)	Fiscal year closed	December 31	March 31
(9)	Number of employees	(Non-consolidated) 1,903 (as of December 31, 2018)	5
(10)	Main customers	General customers, corporate	Not applicable

	body, etc.		
(11) Main relationship banks	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.		Not applicable
(12) Main shareholders and percentage of shareholdings	NAVER Corporation	72.64 %	SoftBank Corp. 100% (as of Sept. 30, 2019)
	Moxley & Co LLC	3.64%	
	Japan Trustee Services Bank, Ltd. (Trust Account)	2.11%	
	Jungho Shin	1.97%	
	Hae Jin Lee	1.90%	
	BNY GCM Client Account JPRD AC ISG (FE-AC)	0.96%	
	MLI For Client General Omni Non Collateral Non Treaty-PB	0.89%	
	Goldman Sachs International	0.84%	
	BNYM SA/NV for BNYM for BYNM GCM Client Accts M ILM FE	0.79%	
	The Master Trust Bank Of Japan, Ltd. (Trust Account) (as of June 30, 2019)	0.70%	
(13) Relationships of the Parties			
Capital relationship	Not applicable		
Personal relationship	Not applicable		
Commercial relationship	Not applicable		
Whether considered a	Not applicable		

	related party	

(14) Earnings and financial position over the past 3 years

Fiscal year	LINE (consolidated)			Shiodome Z Holdings		
	FY12/ 2016	FY12/ 2017	FY12/ 2018	FY3/ 2017	FY3/ 2018	FY3/ 2019
Total capital	¥161,023 million	¥189,977 million	¥208,514 million	¥37 million	¥52 million	¥20 million
Total assets	¥256,089 million	¥303,439 million	¥486,587 million	¥89 million	¥69 million	¥20 million
Equity attributable to parent company owners per share	¥738.53	¥779.30	¥833.87	¥183,415	¥259,357	¥99,070
Sales revenue	¥140,704 million	¥167,147 million	¥207,182 million	¥121 million	¥156 million	¥0 million
Operating profit	¥19,897 million	¥25,078 million	¥16,110 million	¥43 million	¥18 million	¥△27 million
Profit before taxes	¥17,990 million	¥18,145 million	¥3,354 million	¥43 million	¥18 million	¥△27 million
Net profit attributable to parent company owners	¥6,763 million	¥8,078 million	¥△3,718 million	¥6,763 million	¥8,078 million	¥△22 million
Basic net profit per share	¥34.84	¥36.56	¥△15.62	¥133,415	¥75,981	¥△110,326
Dividend per share	-	-	-	-	-	¥50,000

(ii) Corporate Demerger

	The Company to be Split (as of September 30th, 2019)	LINE Successor (as of December 13, 2019 establishment date)
(1) Company name	LINE Corporation	LINE Demerger Preparatory Company
(2) Address	1-6 Shinjuku 4-chome, Shinjuku-ku, Tokyo	1-6 Shinjuku 4-chome, Shinjuku-ku, Tokyo
(3) Title and name of representative	President and Representative Director Takeshi Idezawa	Representative Director Takeshi Idezawa

(4)	Lines of business	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stamp and game service, and strategic businesses including Fintech, AI and commerce service.	Business preparation company
(5)	Capital	96,535 million yen	1.5 million yen
(6)	Founded	September 4, 2000	December 13, 2019
(7)	Number of outstanding shares	240,961,642 shares	300 shares
(8)	Fiscal year closed	December 31	March 31
(9)	Number of employees	(Non-consolidated) 1,903 (as of December 31, 2018)	Not applicable
(10)	Main customers	General customers, corporate body, etc.	Not applicable
(11)	Main relationship banks	Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	Not applicable
(12)	Main shareholders and percentage of shareholdings (as of June 30, 2019)	NAVER Corporation LINE Corporation (tentative)	LINE Corporation 100%
		Moxley & Co LLC 3.64%	
		Japan Trustee Services Bank, Ltd. (Trust Account) 2.11%	
		Jungho Shin 1.97%	
		Hae Jin Lee 1.90%	
		BNY GCM Client Account JPRD AC ISG (FE-AC) 0.96%	
		MLI For Client General Omni Non Collateral Non Treaty-PB 0.89%	
		Goldman Sachs International 0.84%	

	BNYM SA/NV for BNYM for BYNM GCM Client Accts M ILM FE 0.79%	
	The Master Trust Bank Of Japan, Ltd. (Trust Account) 0.70%	

(13) Relationship of the Parties

Capital relationship	On the date immediately following the date that the Corporate Demerger comes into effect, LINE will hold 100% of the shares of LINE Successor, and also on the date immediately following the date that the Corporate Demerger comes into effect, together with the Share Exchange, ZHD will hold 100% of the shares of LINE Successor.
Personal relationship	Not applicable
Commercial relationship	Not applicable
Whether considered a related party	Not applicable

(14) Earnings and financial position over the past 3 years

Fiscal year closed	LINE (demerger company (to be consolidated))		
	FY2016	FY2017	FY2018
Total capital	¥161,023 million	¥189,977 million	¥208,514 million
Total assets	¥256,089 million	¥303,439 million	¥486,587 million
Equity attributable to the Company per share	¥738.53	¥779.30	¥833.87
Sales revenue	¥140,704 million	¥167,147 million	¥207,182 million
Sales profit	¥19,897 million	¥25,078 million	¥16,110 million
Pretax profit concerning going business	¥17,990 million	¥18,145 million	¥3,354 million
Net profit attributable to the Company's shareholders (△ means a loss)	¥6,763 million	¥8,078 million	¥△3,718 million
Basic net profit per share (△ means a loss)	¥34.84	¥36.56	¥△15.62

(iii) Share Exchange

		Parent of Wholly-owned Subsidiary by Share Exchange	Wholly-owned Subsidiary by Share Exchange (as of December 13, 2019 establishment date)
(1)	Company name	Z Holdings Corporation	LINE Demerger Preparatory Company
(2)	Address	1-3 Kioicho, Chiyoda-ku, Tokyo Tokyo Garden Terrace Kioicho	1-6 Shinjuku 4-chome, Shinjuku-ku, Tokyo
(3)	Title and name of representative	President and Chief Executive Officer Kentaro Kawabe	Representative Director Takeshi Idezawa
(4)	Lines of business	Management of Group companies and associated tasks	Business preparation company
(5)	Capital	237,404 million yen（as of September 30th）	1.5 million yen
(6)	Founded	January 31, 1996	December 13, 2019
(7)	Number of outstanding shares	4,822,417,565 shares	300 shares
(8)	Fiscal year closed	March 31	March 31
(9)	Number of employees	12,874 persons（as of March 31st 2019）	Not applicable
(10)	Main customers	General customers, corporate body, etc.	Not applicable
(11)	Main relationship banks	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Japan Net Bank Ltd. Crédit Agricole Corporate and Investment Bank Sumitomo Mitsui Trust Bank, Ltd.	Not applicable
(12)	Main shareholders and percentage of shareholdings (Note 1) (as of Sept. 30, 2019)	SoftBank Corp. 44.6% State Street Bank and Trust Company 505325 3.0% SSBTC Client Omnibus 1.9%	LINE Corporation 100%

	Account	
	Japan Trustee Services Bank, Ltd. (trust account) 1.8%	
	The Master Trust Bank of Japan, Ltd. (trust account) 1.8%	
	Goldman, Sachs & Co Reg 1.7%	
	JP Morgan Bank Luxembourg S.A. 1300000 1.5%	
	JP Morgan Chase Bank 385632 1.2%	
	BBH For Fidelity Low-Priced Stock Fund (Principal All Sector Subportfolio) 1.1%	
	Japan Trustee Services Bank, Ltd. (9 trust accounts) 1.0%	

(13) Relationships of the Parties

Capital relationship	On the date immediately following the date that the Corporate Demerger comes into effect, LINE will hold 100% of the shares of LINE Successor, and also on the date that the Corporate Demerger comes into effect, together with the Share Exchange, ZHD will hold 100% of the shares of LINE Successor.
Personal relationship	Nothing to report
Commercial relationship	Nothing to report
Whether considered a related party	Not applicable

(14) Earnings and financial position over the past 3 years

Fiscal year	ZHD (consolidated)			LINE Successor (consolidated) (Note 2)		
	FY3/ 2017	FY3/ 2018	FY3/ 2019	FY12/ 2016	FY12/ 2017	FY12/ 2018

Total capital	¥998,709 million	¥1,121,887 million	¥910,523 million	¥161,023 million	¥189,977 million	¥208,514 million
Total assets	¥1,534,212 million	¥2,516,633 million	¥2,429,601 million	¥256,089 million	¥303,439 million	¥486,587 million
Equity attributable to parent company owners per share	¥163.51	¥177.97	¥160.96	¥738.53	¥779.30	¥833.87
Sales revenue	¥853,730 million	¥897,185 million	¥954,714 million	¥140,704 million	¥167,147 million	¥207,182 million
Operating profit	¥192,049 million	¥185,810 million	¥140,528 million	¥19,897 million	¥25,078 million	¥16,110 million
Profit before taxes	¥193,475 million	¥193,177 million	¥123,370 million	¥17,990 million	¥18,145 million	¥3,354 million
Net profit attributable to parent company owners	¥136,589 million	¥131,153 million	¥78,677 million	¥6,763 million	¥8,078 million	¥△3,718 million
Basic net profit per share	¥23.99	¥23.04	¥14.74	¥34.84	¥36.56	¥△15.62
Dividend per share	¥8.86	¥8.86	¥8.86	-	-	-

(Note 1) In addition to the above, ZHD holds 60,021,000 treasury shares.

(Note 2) For LINE Successor, LINE's operating results and financial condition are shown.

5. Integrated Company

(1) Summary (tentative)

(1)	Name	Z Holdings Corporation
(2)	Address	Kioi Tower, Tokyo Garden Terrace Kioicho 1-3 Kioicho, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Representative Director and Co-CEO, Takeshi Idezawa President, Representative Director and Co-CEO, Kentaro Kawabe
(4)	Business	Management of group companies and associated tasks
(5)	Capital	(To be decided)
(6)	Fiscal year	(March 31)

(7) Net assets	(To be decided)
(8) Total assets	(To be decided)

(2) Governance, Operation, Etc.

As set out in the Capital Alliance Agreement, ZHD and LINE agree to the governance and operations, etc., of the Integrated Company 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 will respect the independence and status of the Integrated Company as long as the Integrated Company's listing is maintained by the JV Company, and confirm that it is important to make best efforts to represent the common interest of shareholders of the Integrated Company including its minority shareholders excluding the JV Company.

(ii) Organizational structure

The number of directors of the Integrated Company shall be 10. Regarding the organizational structure and details of the Integrated Company, except as provided in the Capital Alliance Agreement, they 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. Immediately following the effective date of the Share Exchange, the other directors shall consist of Takao Ozawa, Taku Oketani, Jun Masuda and Shin Jungho, and four independent outside directors and audit and supervisory committee members (two of whom will be Tadashi Kunihiro and Rehito Hatoyama, with the remaining two 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 shall consist of six people nominated by the JV Company (hereinafter "internal directors") and four independent outside directors and members of the audit committee. However, when exercising the above right to nominate internal directors, the JV Company will discuss in advance with ZHD and the Nomination and Compensation Committee (as defined below), and when exercising voting rights in relation to proposals to appoint independent outside directors that are audit committee members, the reports of the Nomination and Compensation Committee shall be respected.

In the event that an internal director of the Integrated Company appointed by the JV Company is required to leave his post due to expiration of his term, resignation or some other reason, the JV Company will, accordance with the above, appoint new internal directors of the Integrated Company to replace the departing internal directors. 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 make its commercial best efforts 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 shall discuss and consult as necessary with respect to the number of directors and the ratio of independent outside to internal directors on the Integrated Company's board, which shall take into consideration circumstances of any relevant discussion concerning the governance of listed companies ongoing at such time.

(iv) Nomination and Compensation Committee

The Integrated Company shall establish a "Nomination and Compensation Committee" as an advisory committee reporting to the board of directors for the purpose of (i) the appointment and dismissal of directors, the president, CEO, representative director and chairman, and succession planning for the president and CEO, and (ii) to enhance the independence, objectivity and accountability of the determination of compensation and bonuses for directors and executives.

The Nomination and Compensation Committee shall consist of four independent outside directors and members of the audit committee and two internal directors, and the chairperson shall be an independent outside director. Regarding the appointment and dismissal of Nomination and Compensation Committee members, members shall be appointed by the approval of more than 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 shall 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 Compensation Committee shall be Takeshi Idezawa and Kentaro Kawabe.

Resolutions of the Nomination and Compensation Committee shall be passed by a majority of committee members.

(v) Product Committee

The Integrated Company, on the effective date of the Share Exchange, resolve at that board of directors' meeting to establish a "Product Committee" as a subordinate committee reporting to the board of directors, as well as internal regulations relating to the establishment and operation, etc. of the Product Committee as set forth below, and at the same time, the Product Committee will make decisions on products provided by the Integrated Company Group, to the extent in compliance with applicable

laws and regulations as well as internal regulations of the Integrated Company.

The Integrated Company will select the same number of people from each of YJ and LINE to serve as members of the Product Committee for a term of three years. The election 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 (hereinafter "CPO") from among the members of the Product Committee as the person in charge of the Product Committee for a term of three years. Regarding the appointment and dismissal of the CPO, these decisions shall require the approval of more than two-thirds of the directors in accordance with internal regulations, and when the board of directors consider a resolution involving appointment or dismissal the Integrated Company shall notify the JV Company of the details in advance. The CPO immediately following the effective date of the Share Exchange shall be Shin Jungho.

Decisions of the Product Committee will be made by a resolution of the majority of members of the Product Committee. However, where resolutions of the Product Committee are deadlocked, the final decision 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 sales and profits.) of all products of the Integrated Company Group, and make important decisions throughout the Integrated Company Group regarding product planning and development, commencement and cessation, funding, 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, to avoid doubt, the same shall apply even after the integration of products, except where otherwise specified in the Capital Alliance Agreement. The Product Committee shall delegate to relevant departments the day-to-day decision-making on improvements and other matters related to product operations where approved by the Product Committee as being reasonable in view of operational efficiency.

The Product Committee shall agree on a policy regarding consolidating or differentiating overlapping products of ZHD Group and LINE Group (payment service, newsfeed, etc.) to maximize synergy from business integration of ZHD and LINE. For any products that will be consolidated, the process is required to be completed within three years of the effective date of the Share Exchange. If there are differences of opinion and the Product Committee cannot agree on a policy, the Product Committee will continue discussions until an agreement can be reached by a majority of all members. The CPO does not have the authority to make the final decision in this case.

There will be a separate discussion with respect to 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"). Autonomy of the Publicly-Traded Subsidiaries and Affiliates will be required to be considered in this discussion.

The JV Company and the Integrated Company should assess the progress of the ZHD and LINE Business Integration and determine, within three years of the effective date of the Share Exchange, how the Product Committee should be structured and managed so that it is most effective.

(vi) Mid- to long-term business investments

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

The board of directors of the Integrated Company will develop specific plans regarding mid- to long-term investments. Once investment plans are finalized, amendments to the plans will require two-thirds of the directors with internal regulations to pass an amendment resolution. The Integrated Company will notify the JV Company before requesting the board to consider any changes to its 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. Provided the obligations under the Capital Alliance Agreement are met, using 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, the Integrated Company is required to make best efforts to provide shareholder returns, including dividends, as long as it can maintain its financial health. 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, taking into consideration the current incentive policy offered to the directors, officers and employees of LINE, the Integrated Company will continue to discuss and consider in good faith with LINE the introduction of, as a substitute for such policy, an incentive policy offered to directors, officers and employees of the LINE Group within the Integrated Company Group, and also make its utmost efforts to introduce a replacement incentive policy promptly on or after the effective date of the Share Exchange. ZHD (including as the Integrated Company following completion of the Transaction) will (i) in considering the introduction of such policy, sufficiently reflect the objectives of LINE's three-year incentive policy (i.e., the stock compensation 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, as a substitute for LINE's three-year incentive policy, the Integrated Company will introduce an incentive policy for the Integrated Company Group that is equivalent in scale (which shall 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.

3. Assigning, transferring, succeeding to, granting a security interest in, or otherwise disposing ("Transfers, etc.") of stocks, assets, or business of the Integrated Company or its subsidiaries to a third party, other than an Integrated Company Group company, where the value exceeds one-fifth 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 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 may 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 operation of the Integrated Company, the JV Company and the Integrated Company must first consult with each other to discuss the appropriate handling of such shares.

6. Concerning Terms Relating to Transactions with a Controlling Shareholder

(1) Applicability of Transaction with Controlling Shareholder, etc., and Conformity with Guidelines on Protecting Minority Shareholders

Shiodome Z Holdings corresponds to ZHD's parent company, and the ZHD Share Tender Offer is a tender offer intended for the purpose of LINE acquiring the Subject Shares of ZHD owned by Shiodome Z Holdings, which makes this, for ZHD, a transaction with a controlling shareholder, etc., as prescribed in the Tokyo Stock Exchange's securities listing regulations. Furthermore, SoftBank also corresponds to ZHD's parent company, and it is expected that following the ZHD Share Tender Offer, the Merger and the JV Formation, LINE will also become a parent company of ZHD. The Transaction in principle is mutually agreed among ZHD and SoftBank and LINE, and once ZHD and the LINE Successor (as then the wholly-owned subsidiary of LINE) carry out the Share Exchange and it becomes effective, LINE will become a parent company of ZHD. ZHD has also concluded on such basis that this transaction is a transaction with a controlling shareholder, etc., as prescribed in the Tokyo Stock Exchange's securities listing regulations. To ensure that it is carrying out its business in a fair and appropriate manner, ZHD has established "Rules on the Appropriateness of Transactions and Operations between the Company and its Parent Company, Subsidiaries, and Affiliates" that expressly prohibit transactions with the parent company, etc. that appear to be clearly more favorable or unfavorable compared to similar transactions, transactions with third parties, or are transactions to transfer profits or losses/risks from the parent company to the subsidiary.

With respect to the entering into of the Integration MOU, the Capital Alliance MOU, the Definitive Integration Agreement and the Capital Alliance Agreement, ZHD believes that it has made its decision in compliance with fair and appropriate procedures, after it took measures to ensure, as set out in sections 3(8)(i) and 3(8)(i) above, the protection of minority shareholders, and in accordance with the applicable rules. In addition, as set out in section 3(7)(i)A) above, the ZHD Special Committee submitted to the ZHD board of directors opinions dated November 18, 2019 and December 23, 2019, respectively, to the effect that the Transaction is not adverse to the interests of minority shareholders.

In addition, NAVER is the parent company of LINE, and (of the Transaction) the Joint Tender Offer together with the LINE Squeeze-Out constitute transactions with a controlling shareholder, under the securities listing regulations of the Tokyo Stock Exchange, for LINE. Please refer to the LINE Position Press Release regarding (i) guidelines concerning the minority shareholder protection policy

when LINE carries out transactions with a controlling shareholder and (ii) compliance with such policy in relation to the Joint Tender Offer and the LINE Squeeze-Out.

(2) Provisions Relating to Measures to Ensure Public Integrity and Avoidance of Conflict of Interest

Please refer to sections 3(7) and 3(8) above.

Additional Information for US Investors regarding the Joint Tender Offer

In the United States, LINE will file a Solicitation/Recommendation Statement with the U.S. Securities and Exchange Commission (the "SEC") on Schedule 14D-9 following commencement of a tender offer for securities of LINE within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934. Holders of the securities of LINE that are subject to any such tender offer are advised to read it when it becomes available as it will contain important information. Copies of the Schedule 14D-9 and other related documents filed by LINE will be available free of charge on the SEC's website at http://www.sec.gov. Any documents filed by the bidders in any such tender offer, including a Tender Offer Statement on Schedule TO, will also be available free of charge on the SEC's website.

The respective financial advisors of SoftBank, NAVER, LINE or the LINE Special Committee as well as the tender offer agent(s) (including their affiliates) may, in the ordinary course of their business, engage in the purchase of the common shares of LINE, or act in preparation for such purchase, for their own account or for their customers' account before or during the purchase period for the Joint Tender Offer (the "Tender Offer Period") in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934 and to the extent permitted under Japanese financial instruments and exchange regulations and other applicable laws and ordinances. If any information concerning such purchase is disclosed in Japan, the relevant financial advisor or tender offer agent who conducted such purchase will disclose such information on its English website (or by any other means of public disclosure).

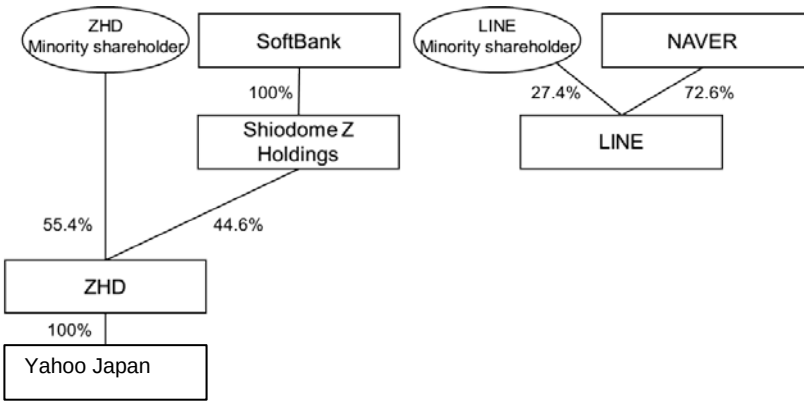
Forward-Looking Statements

This press release 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 Proposed Offer and the Proposed Transaction. 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 press release. 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, the Joint Tender Offer or the Business Integration include, but are not limited to, those relating to:

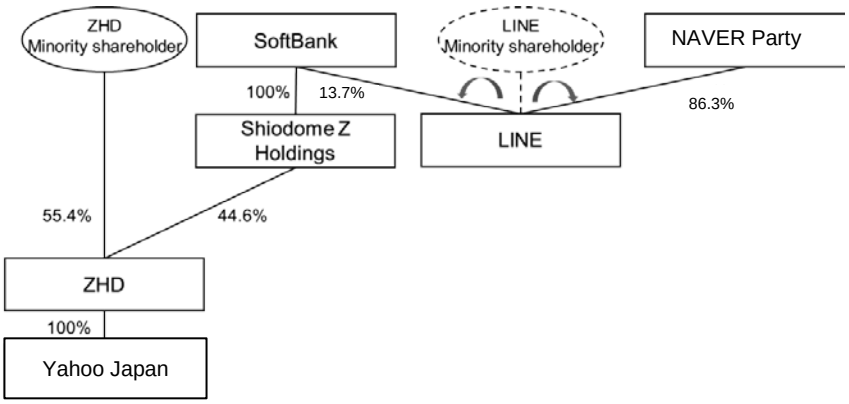
1. *whether the Joint Tender Offer will be commenced or will close;*
2. *the timing of the Joint Tender Offer;*
3. *obtaining the requisite consents to the Joint Tender Offer and the Business Integration, including, without limitation, the risk that a regulatory approval that may be required for the Business Integration is delayed, is not obtained, or is obtained subject to conditions that are not anticipated;*
4. *whether the conditions for the Joint Tender Offer and the Business Integration will be satisfied or waived;*

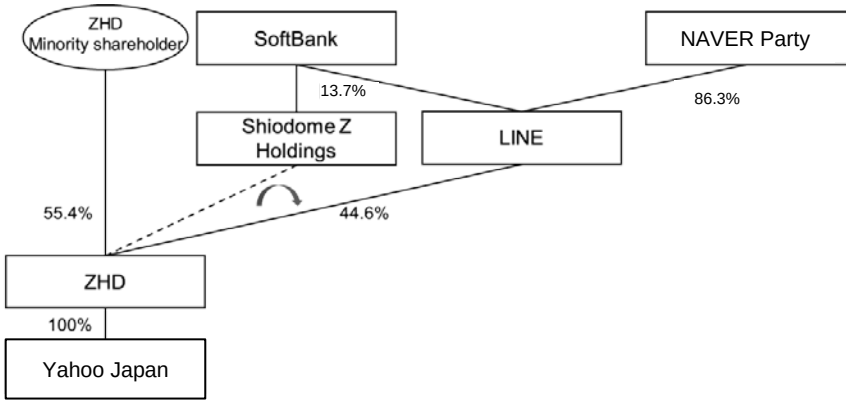
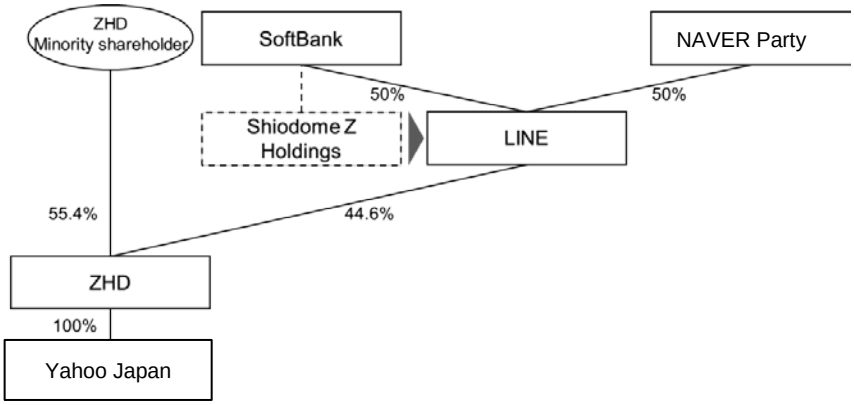
5. *the possibility that, prior to the completion of the Business Integration, ZHD's and LINE's businesses and their relationships with employees, collaborators, vendors and other business partners may experience significant disruption due to transaction-related uncertainty;*
6. *shareholder litigation in connection with the Joint Tender Offer or the Business Integration potentially resulting in significant costs of defense, indemnification and liability; and*
7. *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 Joint Tender Offer or the Business Integration if they are commenced.*

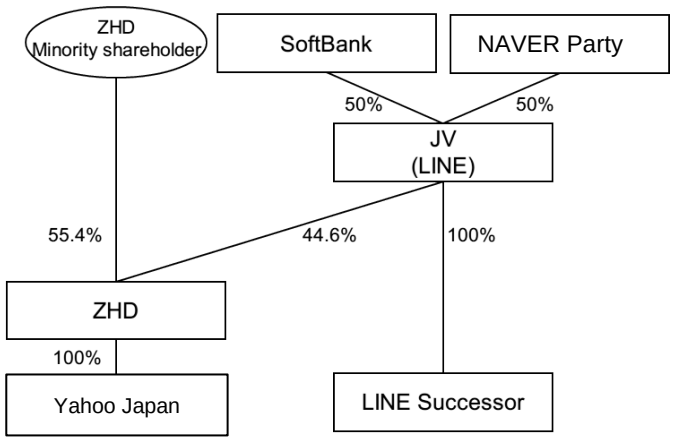
＜Exhibit: Transaction Scheme Diagram>

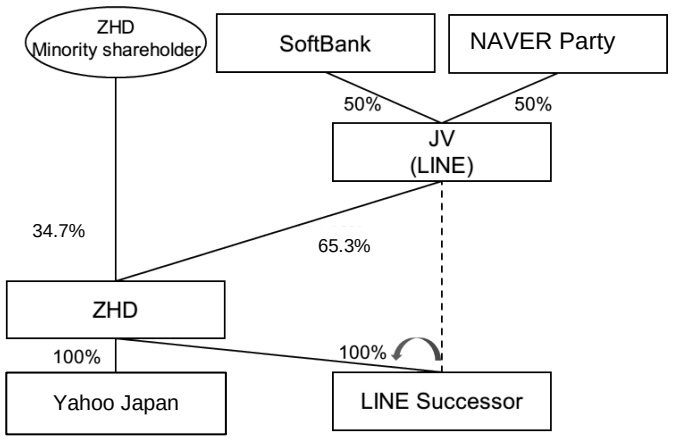
<table>
<tr><td>Current status
(As of today)</td><td>
</td></tr>
<tr><td>① Joint Tender Offer
(Joint tender offer for LINE shares, etc.)

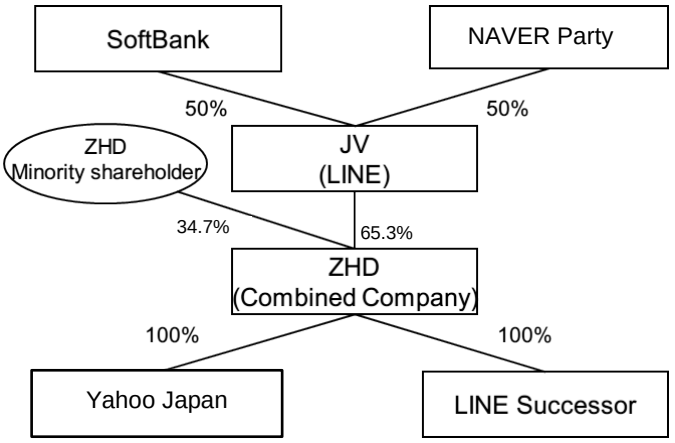
And

② LINE Squeeze-out Procedure</td><td>
</td></tr>
<tr><td></td><td>① SoftBank and the NAVER Party will conduct the Joint Tender Offer for the purpose of taking LINE private. SoftBank and the Naver Party are aiming to commence the Joint Tender Offer sometime between May to June 2020, and they plan to make the Tender Offer Period at least 30 business days. The aggregate amount of the purchase price is expected to be approximately 372 billion yen, and SoftBank and NAVER will purchase 50% each.
② In the event that the Joint Tender Offer is completed and all of the Subject Shares have not been acquired in the Joint Tender Offer, the LINE Squeeze-out will be carried out to take LINE private and to make SoftBank and the NAVER the only shareholders of LINE, and will provide other LINE shareholders with the same amount as the Tender Offer price in the Joint Tender Offer.</td></tr>
</table>

③ ZHD Share Tender Offer And ④ Bond Issuance (Issuance of corporate bond by LINE)	
	③ The ZHD Share Tender Offer will be conducted for the purpose of acquiring all ZHD shares held by Shiodome Z Holdings. The plan is to commence the Tender Offer for ZHD shares in early September 2020, but it is difficult to accurately predict the amount of time required for procedures with competition authorities in Japan and abroad, and therefore, the detailed schedule of the ZHD Share Tender Offer will be announced as soon as they are finalized. In addition, the aggregate amount of the purchase price will be the number of shares to be purchased (2,125,366,950 shares) multiplied by the tender offer price (348 yen (or the lower of (a) the closing price of the Subject Shares on the First Section of the Tokyo Stock Exchange on the business day before the date of commencement of the ZHD Share Tender Offer or (b) the simple average closing price over the past one month to the same date, discounted by 5% (rounded down to the nearest yen), whichever is less); however, the specific amount is still to be finalized. ④ Prior to the settlement of the ZHD Share Tender Offer, LINE will carry out the Bond Issuance in order to secure the purchase funds for the ZHD Share Tender Offer. SoftBank and NAVER have agreed that the amount to be paid for the Bond Issuance will be equivalent to the aggregate amount of the purchase price in the ZHD Share Tender Offer.
⑤ Merger (Merger of Shiodome Z Holdings and LINE) And ⑥ JV Formation Transaction (To adjust the voting rights ratio in LINE held by SoftBank and the NAVER Party to 50:50)	
	⑤ After settlement of the ZHD Share Tender Offer, an absorption-type demerger will be carried out to make LINE the successor absorption-type demerger company and Shiodome Z Holdings the absorbed demerger company. As consideration in exchange for acquiring all of the issued and outstanding shares of Shiodome Z Holdings, LINE intends to issue 180,882, 293 new common shares, based on the number of issued and outstanding shares of LINE and ZHD as of September 30, 2019 (excluding treasury shares) and allocate and deliver them all to SoftBank as the parent company of Shiodome Z Holdings, to effect the Merger. The Merger is scheduled to be effective in October 2020.

	⑥ By the day before the settlement start date of the ZHD Share Tender Offer, SoftBank and the NAVER Party will undertake a shareholding adjustment transaction from SoftBank to the NAVER Party in order to make the ratio of voting rights in LINE held by SoftBank and the NAVER Party 50:50. As a result of the JV Formation, LINE will become a consolidated subsidiary of SoftBank.
⑦ Corporate Demerger (Demerger by LINE of all of its business to the LINE Successor)	
	⑦ At the same time as the Merger becomes effective, LINE will contribute all of its business (except for the status, rights, and obligations in connection with the contracts entered into by LINE with respect to the shares in ZHD and the Business Integration and any other rights and obligations specified in the Corporate Demerger) to the LINE Successor. The Corporate Demerger is scheduled to be effective in October 2020.

⑧ Share Exchange (Share exchange between ZHD and LINE)	
	⑧ After the Corporate Demerger becomes effective, a share exchange will be conducted with ZHD shares as consideration whereby ZHD becomes the wholly owning parent company and the LINE Successor becomes the wholly owned subsidiary company. The exchange ratio for the Share Exchange (allotted ratio of ZHD shares to be exchanged for one share of the LINE Successor) is 11.75, and the Share Exchange is scheduled to be effective in October 2020.

After the Business Integration	

(Attachment B)

December 23, 2019
SoftBank Corp.
NAVER Corporation

Notice Concerning the Planned Commencement of the Joint Tender Offer for Shares of LINE Corporation (Securities Code: 3938)

SoftBank Corp. (hereinafter, "SoftBank"), NAVER Corporation (hereinafter, "NAVER", and SoftBank and NAVER are collectively referred to as the "Tender Offerors" (Note)), Z Holdings Corporation (Securities Code: 4689, listed on the First Section of Tokyo Stock Exchange, Inc. (hereinafter, "TSE")), a consolidated subsidiary of SoftBank (hereinafter "ZHD"), and LINE Corporation (Securities Code: 3938, listed on the First Section of TSE), a consolidated subsidiary of NAVER (hereinafter, the "Target Company"), as announced as of today in the Tender Offerors' press release entitled "Notice Concerning the Entry into the Definitive Agreement regarding the Business Integration of Z Holdings Corporation (Securities Code: 4689) and LINE Corporation (Securities Code: 3938)" (hereinafter, the "Press Release Concerning the Definitive Business Integration Agreement"), have entered into a business integration agreement, a definitive agreement regarding the business integration of ZHD and its subsidiaries and the Target Company and its subsidiaries (hereinafter, the "Business Integration") (hereinafter, the "Definitive Business Integration Agreement"), in accordance with the resolutions of the respective boards of directors of NAVER, ZHD and the Target Company held today and as for SoftBank, with the decision of Ken Miyauchi, Representative Director, President & CEO of SoftBank, who was authorized by the resolution of the board of directors of SoftBank held today.

(Note) NAVER may implement the Tender Offer (defined below) through the existing or a new subsidiary in which NAVER directly holds all of its outstanding shares or equity (except the treasury shares) (such subsidiary and NAVER are collectively referred to as the "NAVER Offerors"). The party implementing the Tender Offers in Japan and in the U.S. (defined below) on NAVER's side will be announced in a press release concerning the commencement of the Tender Offer.

In addition, as part of the transactions to realize the Business Integration, the Tender Offerors have decided, for NAVER, at the board of directors held today, and for SoftBank, by the decision of Ken Miyauchi, Representative Director, President & CEO of SoftBank, who was authorized by the resolution of the board of directors of SoftBank held today that the Tender Offerors will jointly implement tender offers in Japan and the United States as detailed below.

① A tender offer to be implemented in Japan pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended from time to time, hereinafter, the "Act") for the purpose of acquiring all of the outstanding shares of common stock (hereinafter, the "Target Company Common Shares"), the Share Options and the Convertible Bonds (the Share Options, the Convertible Bonds and the names of each share option and each convertible bond are defined in "(3) Price of Purchase" in "2. Overview of Purchase"; hereinafter, the Target Company Common Shares, the Share Options and the Convertible Bonds are referred to as the "Target Company Shares" (Note)) (other than those owned by NAVER or owned by the Target Company as the treasury shares) (hereinafter, the "Tender Offer").

② A tender offer to be implemented in the United States pursuant to the U.S. Securities Exchange Act of 1934 (as amended from time to time, the same applies hereinafter) for the purpose of acquiring shares including American depositary receipts each of which represents one share of the

Target Company Common Shares (hereinafter, the "American Depositary Receipts"; and the American Depositary Receipts and the Target Company Shares are collectively referred to as the "Target Shares") (hereinafter, the "U.S. Tender Offer"; and the Tender Offer and the U.S. Tender Offer are collectively referred to as the "Tender Offers in Japan and the U.S.").

(Note) As of today, the Tender Offerors have continuously confirmed whether or not the American Depository Receipts can be practically included in the target of the Tender Offer, and if so, the specific range and procedures for the Tender Offerors to accept the tender from holders of the American Depository Receipts. Please be informed of the specific treatment by the commencement of the Tender Offer.

The commencement of the Tender Offer is conditioned on the satisfaction of the Conditions Precedent (as defined below in "1. Purpose of Purchase, (3) Important Agreements Concerning the Tender Offer") under the Definitive Business Integration Agreement, and the commencement of the U.S. Tender Offer is conditioned on the commencement of the Tender Offer. The Tender Offer is expected to be implemented promptly upon the satisfaction of the Conditions Precedent, including the completion of the procedures required in connection with the domestic and foreign competition authorities. As of today, the Tender Offerors are aiming to commence the Tender Offer in May to June, 2020. However, it is difficult to accurately predict the period required for the procedures in connection with the domestic and foreign competition authorities. Therefore, the details of the schedule of the Tender Offer will be announced as soon as they are fixed.

The purchase price for the Tender Offer is expected to be approximately JPY 372 billion, and SoftBank and NAVER will respectively implement 50% of the purchase.

1. Purpose of Purchase

(1) Overview of the Tender Offer

As of today, Softbank is a subsidiary of SoftBank Group Corp. ("SBG") which holds 66.49% of the voting rights of SoftBank through SoftBank Group Japan Corporation, its wholly owned subsidiary, and its shares are listed on the First Section of TSE. As of today, SoftBank does not hold any of the Target Shares and does not plan to acquire any of the Target Shares until the commencement of the Tender Offer. On the other hand, NAVER holds 174,992,000 shares of the Target Company Common Shares (the Ownership Ratio (Note 1): 66.37%), 3,658 units of the share options related to the convertible bonds due 2023 (the total number of the Target Company Common Shares to be issued upon exercise of such share options: 4,898,888 shares; the Ownership Ratio: 1.86%), and 3,658 units of the share options related to the convertible bonds due 2025 (the total number of the Target Company Common Shares to be issued upon exercise of such share options: 4,865,655 shares; the Ownership Ratio: 1.85%) (the Target Company Common Shares and the Convertible Bonds owned by NAVER are collectively referred to as "NAVER-Owned Target Company Shares.").

(Note 1) "Ownership Ratio" is the percentage (rounded to two decimal places; the same applies hereinafter in the calculation of the ownership ratio) against the total number (263,668,029 shares; hereinafter, the "Total Number of Voting Shares of the Target Company"), calculated by adding (i) the number of the outstanding shares of the Target Company (240,961,642 shares) as of September 30, 2019 as described in the quarterly securities report for the third quarter of the 20th fiscal year filed by the Target Company on November 8, 2019 (hereinafter, the "Target Company's Quarterly Securities Report for the Third Quarter of the 20th Fiscal Year"), (ii) the number of the Target Company Common Shares to be issued upon exercise of all of the fourth series of share options (510 units), the fifth series of share options (119 units), the sixth series of share options (8 units), the seventh series of share options (1,191

units), the eighth series of share options (6 units), the tenth series of share options (103 units), the eleventh series of share options (138 units), the thirteenth series of share options (116 units), the fourteenth series of share options (118 units), the sixteenth series of share options (91 units), the seventeenth series of share options (980 units), the eighteenth series of share options (447 units), the nineteenth series of share options (6 units) and the twentieth series of share options (12,621 units) that are exercisable as of today (3,178,600 shares) and (iii) the total (263,669,328 shares) of the number of the Target Company Common Shares to be issued upon exercise of the share options attached to the convertible bonds due 2023 (3,658 units) and the share options attached to the convertible bonds due 2025 (3,658 units) held by the holders of the Convertible Bonds other than NAVER (9,764,543 shares) and the number of the Target Company Common Shares to be issued upon exercise of the share options attached to the convertible bonds due 2023 (3,658 units) and the share options attached to the convertible bonds due 2025 (3,658 units) held by NAVER (9,764,543 shares), and subtracting (iv) the number of the treasury shares held by the Target Company as of September 30, 2019 as described in the Target Company's Quarterly Securities Report for the Third Quarter of the 20th Fiscal Year (1,299 shares). The Total Number of Voting Shares of the Target Company may change at the time of the commencement of the Tender Offer. Note that since the exercise period of either of Twenty-second Series Share Options, the Twenty-third Series Share Options, Twenty-fourth Series Share Options or the Twenty-fifth Series Share Options issued by the Target Company starts from July 29, 2022, it is not assumed that share options other than the share options prescribed above as the share options exercisable as of today become exercisable by the commencement of the Tender Offer (and during the period for purchase in the Tender Offer (hereinafter, the "Tender Offer Period").

The Tender Offerors, ZHD and the Target Company have entered into the Definitive Business Integration Agreement as of today and have decided that the Tender Offerors will jointly implement the Tender Offers in Japan and the U.S. for all of the Target Shares (excluding the Target Company Shares held by NAVER and the treasury shares held by the Target Company; the same applies hereinafter), as part of a series of transactions to realize the Business Integration, subject to the Conditions Precedent being satisfied. Also, following the Tender Offers in Japan and the U.S., a series of procedures in order to take the Target Company private (such procedures and the Tender Offers in Japan and the U.S. are collectively referred to as the "Delisting Procedures") is scheduled to be implemented. As for the details of the Definitive Business Integration Agreement, please refer to "(3) Important Agreements Concerning the Tender Offer".

Since the Tender Offerors do not set the upper or lower limit of shares to be purchased in the Tender Offer, the Tender Offerors will purchase all of the Share Certificates, etc. tendered to the Tender Offer (hereinafter, the "Tendered Share Certificates, etc.") (Note 2). For each type of the Tendered Share Certificates, etc., SoftBank will purchase the number equivalent to 50% of the Tendered Share Certificates, etc., and NAVER Offerors will purchase the number equivalent to the remaining 50% of the Tendered Share Certificates, etc., respectively (if there is a fraction in the number of any type of the Tendered Share Certificates, etc. that each of the Tender Offerors will purchase, the number of such type of the Tendered Share Certificates, etc. that SoftBank will purchase will be rounded up, and the number of such type of the Tendered Share Certificates, etc. that NAVER Offerors will purchase will be rounded down).

(Note 2) Since the American Depositary Receipts are traded only in the U.S. securities market and it is not confirmed whether or not a tender offer in Japan can practically accept the tender of

American Depositary Receipts, the Tender Offerors have continuously confirmed whether or not the American Depository Receipts can be included in the types of the Share Certificates, etc. to be purchased in the Tender Offer. Therefore, in the process of the Tender Offer, only the tender of the Target Company Shares may be accepted, and the tender of the American Depositary Receipts may not be accepted. However, the Tender Offerors will implement the U.S. Tender Offer the target of which includes the American Depositary Receipts in parallel with the Tender Offer, so even if holders of the American Depository Receipts are unable to tender to the Tender Offer, the plan is that they can tender to the U.S. Tender Offer. In addition, since each of the American Depositary Receipts can be converted to one share of the Target Company Common Shares, the holders of the American Depositary Receipts who desire to tender to the Tender Offer instead of the U.S. Tender Offer can tender to the Tender Offer after converting the American Depositary Receipts to the Target Company Common Shares. Although the procedures and fees for the conversion are disclosed on Form F-1, etc., filed with the U.S. Securities and Exchange Commission (hereinafter, the "SEC") by the Target Company and the website (www.sec.gov), etc. of the SEC, please confirm these matters with the depository financial institutions. As of today, the Tender Offerors have continuously confirmed whether or not the American Depository Receipts can be practically included in the target of the Tender Offer, and if so, the specific range and procedures for the Tender Offerors to accept the tender by holders of the American Depository Receipts. Please be informed of the specific treatment by the commencement of the Tender Offer.

In the event of implementing the Tender Offer, the Tender Offerors will implement the U.S. Tender Offer the target of which includes the American Depositary Receipts. The U.S. Tender Offer is expected to be implemented on terms and conditions that are substantially the same as the terms and conditions of the Tender Offer to the extent possible in light of the U.S. Securities Exchange Act and the tender offer practices in the United States. As of today, the terms and conditions that can specifically be set for the U.S. Tender Offer are to be confirmed. The purchase price of each American Depositary Receipt for the U.S. Tender Offer is expected to be set as the same (JPY 5,380) as the price of the Target Company Common Share for the Tender Offer (hereinafter, the "Tender Offer Price"), but since the settlement of the U.S. Tender Offer will be made in USD, such settlement will be made in USD by applying the exchange rate determination method that will be set at the commencement of the U.S. Tender Offer. The details of the terms and conditions of the U.S. Tender Offer will be disclosed at the time of implementing the Tender Offer.

According to "Announcement of Opinion Regarding the Planned Commencement of the Joint Tender Offer for the Shares of LINE Corporation by SoftBank Corp. and NAVER Corporation, the Controlling Shareholder of LINE Corporation" announced by the Target Company today (hereinafter, the "Target Company Press Release"), the Target Company, at its board of directors meeting held today, adopted a resolution to express its opinion supporting the Tender Offers in Japan and the U.S. including the Tender Offer in the event of the commencement of the Tender Offers in Japan and the U.S. including the Tender Offer, as the current opinion of the Target Company, and to recommend that the shareholders of the Target Company and the holders of the American Depositary Receipts tender the Target Company Common Shares for the Tender Offers in Japan and the U.S. including the Tender Offer, based on the grounds and reasons described in "③Process and Reasons for the Decision that led to the Target Company's Approval of the Tender Offer" in "(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer".

On the other hand, as for whether to tender the Share Options and the Convertible Bonds for the Tender Offers in Japan and the U.S. including the Tender Offer, as the Target Company has not examined the appropriateness of the purchase price for Share Options and Convertible Bonds, and as the Share Options were issued to directors and employees of the Target Company and its subsidiaries and the purchase price is JPY 1 per Share Option, the board of directors has resolved to leave it to the discretion of each holder of Share Options and Convertible Bonds as to whether to tender their Share Options and Convertible Bonds. The implementation of the Tender Offers in Japan and the U.S. including the Tender Offer is conditioned on the satisfaction of the Conditions Precedent. Since it is difficult to accurately predict the period necessary for the procedures, etc. required in connection with the domestic and foreign competition authorities, the Target Company, at the said board of directors meeting, as described in "③Process and Reasons for the Decision that led to the Target Company's Approval of the Tender Offer" in "(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer", also adopted a resolution to request the special committee established by the Target Company, at the time of the commencement of the Tender Offers in Japan and the U.S. including the Tender Offer, to consider whether there is any change in the opinion that the special committee provided to the board of directors of the Target Company as of today and to report whether or not such opinion remains unchanged (if there is a change in such opinion, to report the revised opinion) to the board of directors of the Target Company, and, based on such opinion, to express its opinion regarding the Tender Offers in Japan and the U.S. including the Tender Offer at the time of the commencement of the Tender Offers in Japan and the U.S. including the Tender Offer.

In the event that the Tender Offerors fail to acquire all of the Target Shares through the Tender Offer, the Tender Offerors intend to implement the series of procedures described in "(5) Post-Tender Offer Reorganizations (Two-Step Acquisition Items)" below.

The Tender Offer is expected to be implemented as part of the Business Integration, and the Tender Offerors, ZHD and the Target Company plan to implement the series of transactions described in "(i) Method of the Business Integration" in "① The Definitive Business Integration Agreement and the Transaction Agreement" in "(3) Important Agreements Concerning the Tender Offer" below following the Tender Offer. For the details of the Business Integration, please refer to the Press Release Concerning the Definitive Business Integration Agreement.

(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer

① Background, purpose and decision-making process of the decision to implement the Tender Offer

(i) Background and Reasons for the Tender Offer

SoftBank is a corporate group composed of SoftBank Group (SBG, its 1,302 subsidiaries and 423 affiliates (the number of the companies as of the end of March 2019), the same applies hereafter), and the main businesses are "Consumer" (provision of mobile communications and broadband services and ancillary businesses for individual customers), "Corporate" (provision of telecommunications services and solutions for corporate customers), "Distribution" (provision of direct sales and wholesale of IT products, mobile accessories, etc.), and Yahoo business (provision of e-commerce and advertising-related services, etc.) and other businesses (businesses not included in the aforementioned segments, such as provision of services of settlement agency and smartphone specialized securities). Under the management philosophy of "Happiness for people through the information revolution", SoftBank Group maximizes corporate value, aims to become a corporate group that provides the most needed

technologies and services to people around the world, and engages in a variety of businesses in the information and technology field. Among others, having the advanced sales and marketing know-how cultivated in the telecommunications field, by fully leveraging our knowledge in cutting edge technology among the world that we are able to obtain as SoftBank Group as a whole, our strategy is to expand our customer base and establish a new revenue base while providing benefits not only to existing customers but also to society as a whole.

NAVER is a company that provides "NAVER" (www.naver.com) services, which is well known for its most widely used web search engines and internet portal services in South Korea and as of the end of September 2019 composed of 119 group companies. NAVER, as an "aggregate of global challenges" that constantly provides innovative services to the global marketplace, provides not only a variety of innovative content, but also advanced technology platforms such as SNOW (video messaging app), NAVER WEBTOON (digital manga platform), and BAND (group social media platform). By focusing on new technology research and development, NAVER is positioning its strategy to lead new technology trends such as AI (Note 1), robotics, and Mobility (Note 2).

(Note 1) AI is an abbreviation for Artificial Intelligence.

(Note 2) Mobility refers to automated driving related technologies.

On the other hand, the Target Company is based on the mobile messenger platform "LINE," and also provides content services such as games and music distribution services, as well as general services including advertising, mobile remittances, and payment services. The Target Company Group makes "CLOSING THE DISTANCE" as their corporate mission, and are aiming to realize the world in which people and people, people and information, services and contents are seamlessly connected, and aim to realize the world in which all of the life completes with "LINE" as the entry point, and express the value standard for realizing this mission in the word "WOW." "WOW" refers to the "first experience that impresses users" and refers to the "surprise that people cannot help but sharing with their friends", and the Target Company Group has positioned the pursuit of "WOW" as a strategy in order to continue to grow over the medium to long term and create social value.

The Tender Offerors and the Target Company believe that the social or industrial situations surrounding us are facing major changes globally on a daily basis. In particular, overseas companies, mainly in the U.S. and China, dominate the internet market, and comparing the size of companies, there is a significant gap from countries in Asia (excluding China) and Japan.

Furthermore, in Japan, there is a need to improve productivity in line with the shrinking labor force and to respond swiftly to natural disasters, and we believe that the use of AI and technology in these fields has great potential.

Under these circumstances, through further expanding the telecommunications business, growth of Yahoo (ZHD) and expanding into new fields, under "Beyond Carrier" strategy which aims to achieve sustainable growth, SoftBank goes beyond its role as a telecommunications carrier and through collaboration with each group company and prominent companies in which it has invested, aims to develop new businesses that leverage cutting-edge technology such as AI and IoT (Note 3). In addition, NAVER aims to transform and innovate its state-of-the-art technological platforms in order to provide services that transcend the boundaries of South Korea's largest search portal engine. This Business Integration aims that ZHD Group (corporate group consisted of ZHD, its 79 subsidiaries and 26 affiliates (as of the end of September, 2019), same applies hereafter) with a firm user base in Japan (average number of users 67.43 million per month, 140 million MAU of total of all the applications)

and rich assets (total of 2,795,895 million JPY in consolidated assets), and the Target Company Group (corporate group consisted of the Target Company, its 64 subsidiaries and 68 affiliates, same applies hereafter) with a customer base of 82 million active users per month in Japan and 104 million active users per month in abroad, and with rich lineup, integrate management resources, and by strengthening each business domain and investing in growth of new business domains, provide convenient experiences to Japanese user and update Japan's society and industries, and by expanding this innovative model to Asia and further to the world, become the leading company to lead the world from Japan and Asia. Regarding this Business Integration, the Tender Offerors, ZHD and the Target Company are expecting to collaborate in a variety of fields, including AI, search, communications, advertising, payments, and communications. SoftBank, through further growth of ZHD which plays a key role in its "Beyond Carrier" strategy, and through creating new business opportunities in the 5G era, and NAVER, through accelerating the growth of Fintech services (Note 4) utilizing cutting-edge technologies and through establishing its position as the leading IT company based on AI technologies, consider the Business Integration as a significant transaction that contributes to increasing the corporate value of both SoftBank and NAVER.

(Note 3) IoT is an abbreviation for Internet of Things, in which goods communicate via internet.

(Note 4) Fintech is a term made from combining Finance and Technology. It refers to activities aimed at resolving inefficiencies in existing financial services and providing innovations in financial services by utilizing smart devices such as smartphones and tablets, as well as big data utilization technologies.

The Business Integration, by ZHD Group and the Target Company Group concentrating each business resources, by Integrated Company Group (refers to the integrated company ZHD after the Business Integration, ZHD Group and the Target Company Group which will be its subsidiaries and affiliates other than ZHD, same hereafter), pursuing synergy in their respective business domains, and investing in business with the aim of growing in AI, commerce, Fintech, advertising, O2O (Note 5), and other new business domains, and aims to leap into a corporate group that is capable of winning fierce competition in Japan and globally, ZHD and the Target Company integrate business in a spirit of equality.

(Note 5) O2O (O-to-O) is an abbreviation of Online to Offline, and refers to the program where online (internet) information affects offline (real-world) purchasing activities.

Through this Business Integration, the Integrated Company Group brings together the management resources of ZHD Group and the Target Company Group, by combining ZHD Group slogan of "Make our users' lives convenient to a surprising (!) extent" and the Target Company Group's value standard of "WOW", create and provide more rich and convenient lifestyles to users through AI and internet-based technologies.

The Integrated Company Group will first update Japanese society and industry by providing the best user experience in Japan and then expanding to Asia and then to the rest of the world, aims to become the "AI Tech company leading the world from Japan and Asia."

(ii) Background to the conclusion of the MOU on the Business Integration

Under the background as described above, SoftBank, ZHD, NAVER and the Target Company, began discussions on various possibilities, including business alliances, in mid-June 2019. After that, since around early August of the same year, the four companies have discussed and examined a wide range of options for the Business Integration feasibility and methods, bearing in mind limitation, etc. under applicable domestic and foreign laws and regulations. Through these discussions, from mid-August

until late-August, as the method for the Business Integration, the four companies decided to conduct a series of initial discussions on the feasibility of series of transactions, including a tender offer to the Target Company jointly conducted by Tender Offerors, an absorption-type company split in which the Target Company will cause its wholly owned subsidiary newly established by the Target Company (hereinafter, the "Target Succeeding Company") to succeed all of the Target Company's business, share exchange in which ZHD becomes the share exchange wholly-owning parent company, the Target Succeeding Company becomes the share exchange wholly-owned subsidiary, and the consideration is ZHD shares (hereinafter, the "Share Exchange"), etc. In early September 2019, each parties shared the understanding on the significance of the transaction, and decided to conduct further deliberations including the implementation of due diligence. As a result, from late September to early November 2019, discussions on the objectives of the Business Integration including synergies continued and due diligence on the Target Company by the Tender Offerors and ZHD and due diligence on ZHD by NAVER and the Target Company were conducted. As a result of this process, a basic common understanding was reached among the four companies that the method described in "(i) Method of the Business Integration" in "① The Definitive Business Integration Agreement and the Transaction Agreement" in "(3) Important Agreements Concerning the Tender Offer" herein including the privatization of the Target Company by the Tender Offerors was to be mainly considered. Accordingly, as notified by "Notice Concerning the Entry into a Memorandum of Understanding Regarding the Business Integration of Z Holdings Corporation (Securities Code: 4689) and LINE Corporation (Securities: Code 3938) and the Submission of a Letter of Intent in Relation to a Joint Tender Offer for the Shares of LINE Corporation" announced on November 18, 2019 by the Tender Offerors, as of the same date, a non-binding memorandum understanding regarding a series of transactions relating to the Business Integration (hereinafter, the "MOU") was reached to be executed. On the same day, the Tender Offerors submitted to the Target Company a statement of intent regarding the suggestion of the Tender Offer for trades aimed at the transaction to realize the Business Integration. In the statement of intent, the Tender Offerors proposed to the Target Company the Tender Offer Price to be JPY 5,200 per each of the Target Company Common Shares, taking into account the Business Integration synergies and the premiums associated with the transfer of control.

(iii) Background to the Conclusion of the Definitive Business Integration Agreement and the Implementation of the Tender Offer

Since the MOU was executed, SoftBank, ZHD, NAVER, and the Target Company have continued to examine deliberately the details of terms and conditions and the method of transactions in a series of the transactions in relation to the Business Integration. As a result of the examinations, the four companies reached a definitive agreement to implement the Business Integration using the method described in "(i) Method of the Business Integration" in "① The Definitive Business Integration Agreement and the Transaction Agreement" in "(3) Important Agreements Concerning the Tender Offer" herein including the privatization of the Target Company by the Tender Offerors. Accordingly, as announced as of today in the Press Release Concerning the Definitive Business Integration Agreement, the four companies have entered into the Definitive Business Integration Agreement. Furthermore, concurrently with the aforementioned examinations, the Tender Offerors have engaged in discussions and negotiations with the Target Company on the Tender Offer Price since early December 2019. Specifically, although the Tender Offerors proposed to the Target Company the Tender Offer Price to be JPY 5,200 on December 10, 2019 and JPY 5,320 on December 18, 2019, the Target Company requested the Tender Offerors to reconsider the proposal as such proposed Tender Offer Prices are not sufficient as an appropriate price. Through the aforementioned negotiations, Tender

Offerors proposed to the Target Company the Tender Offer Price to be JPY 5,380 on December 20, 2019. After that, the Tender Offerors and the Target Company agreed to make the Tender Offer with the Tender Offer Price at JPY5,380 per share on December 23, 2019 and the Tender Offerors decided, for NAVER, at the board of directors held today, and for SoftBank, by the decision of Ken Miyauchi, Representative Director, President & CEO of SoftBank, who was authorized by the resolution of the board of directors of SoftBank held today, to implement the Tender Offer.

② Management policy after the Tender Offer

This Tender Offer is conducted as part of the Business Integration and after the implementation of the Tender Offer, the Tender Offerors, ZHD and the Target Company are assumed to conduct a series of transactions as described in "(i) Method of the Business Integration" in "① The Definitive Business Integration Agreement and the Transaction Agreement" in "(3) Important Agreements Concerning the Tender Offer" below. Please refer to the Press Release concerning the Definitive Business Agreement Integration for basic policies and other details after the Business Integration.

③ Process and Reasons for the Decision that led to the Target Company's Approval of the Tender Offer

According to the Target Company Press Release, the process and reasons for the decision that led the Target Company to approve the Tender Offer were as follows.

As described above in "(ii) Background to the conclusion of the MOU on the Business Integration" in "① Background and Reasons for the Tender Offer", SoftBank, ZHD, NAVER, and the Target Company, began discussions on various possibilities, including business alliances, in mid-June 2019. After that, since around early August of the same year, the four companies have discussed and examined a wide range of options for the Business Integration feasibility and methods, bearing in mind limitations, etc. under applicable domestic and overseas laws and regulations.

As a result, a basic common understanding was reached among the four companies that the method described below in "(i) Method of the Business Integration", in "① The Definitive Business Integration Agreement and the Transaction Agreement" in "(3) Important Agreements Concerning the Tender Offer" including the privatization of the Target Company by the Tender Offerors was to be mainly considered, and the MOU was executed as of November 18, 2019. On the same day, the Tender Offerors submitted to the Target Company a letter of intent regarding the proposal of the Tender Offer for trades aimed at the transaction to realize the Business Integration, proposing a Tender Offer Price of JPY 5,200 per Target Company Common Share.

In the course of such discussions and reviewing, the Target Company determined that there was a structural conflict of interest between the controlling shareholder of the Target Company, NAVER, and the Target Company's minority shareholders in carrying out the Business Integration and similarly there were issues with unsymmetrical information, and therefore the Target Company began to implement a framework for conducting examination and negotiation, etc. of the Business Integration independently from NAVER from the standpoint of improving the Target Company's enterprise value and securing the interests of the Target Company's general shareholders, to ensure the appropriateness of the transaction terms and the fairness of the procedures of the Business Integration.

Specifically, as discussed below in "(d) Establishment of the Special Committee in the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase", the Target Company established a special committee on October 15, 2019, which consists of three persons, Rehito Hatoyama (Chairperson), Tadashi Kunihiro and Koji Kotaka who have no interests with the Tender Offerors, ZHD, and the Target Company, are the outside directors of the Target Company notified to TSE as

independent officers, and are judged to have the experience and eligibility necessary to consider the Business Integration (hereinafter, the "Special Committee"). In considering the Business Integration, the Target Company consulted with the Special Committee with respect to (i) whether the Business Integration facilitates the improvement of the corporate value and its purpose is reasonable, (ii) whether the fairness of procedures for the Business Integration is ensured, (iii) whether the validity of the terms and conditions of the Business Integration is ensured, and (iv) whether it is considered based on the above (i) to (iii) that the Business Integration is disadvantageous to the minority shareholders of the Target Company.

After the proposal of the Tender Offers in Japan and the U.S. including the Tender Offer from the Tender Offerors, given that the Business Integration will fall within transactions with controlling shareholder provided in the Securities Listing Regulations of TSE in the future, if the Delisting Procedures including the Tender Offer is implemented, the Target Company continues to consult with the Special Committee, and made the following resolutions at the meeting of the board of directors held on November 18, 2019; the terms of reference for the Special Committee are changed to (i) whether the Business Integration facilitates the improvement of the enterprise value and its purpose is reasonable, (ii) whether the fairness of procedures for the Business Integration is ensured, (iii) whether the appropriateness of the terms and conditions of the Delisting Procedures, including the Tender Offer Price of the Tender Offer, is ensured, (iv) whether it is considered based on the above (i) to (iii) that the Business Integration is disadvantageous to the minority shareholders of the Target Company, and (v) whether it is considered that it is reasonable to announce the opinion supporting the Tender Offers in Japan and the U.S. including the Tender Offer by the board of directors of the Target Company and recommend to tender the Tender Offers in Japan and the U.S. including the Tender Offer to the Target Company's shareholders (hereinafter, (i) through (v) are collectively referred to as the "Terms of Reference"); the board of directors will accurately understand and comprehend the judgement of the Special Committee, and make the decision with respect to the Business Integration including the Tender Offer with the highest regard for the contents of the decision of the Special Committee; and the board of directors will not agree to the Business Integration including the Tender Offer if the Special Committee determines that the execution or the terms and conditions of the Delisting Procedures including the Tender Offer are not appropriate.

Furthermore, as discussed below in "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" and "(f) Acquisition of advice from an independent law firm for the Special Committee" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase", the Special Committee appointed Merrill Lynch Japan Securities Co., Ltd. ("BoA") as a financial advisor and Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*) as legal advisors, respectively independent from the Tender Offerors, ZHD, and the Target Company.

As explained below "(b) Acquisition of share valuation report and a fairness opinion from an independent third party valuation institution by the Target Company" and "(c) Acquisition of advice from an independent law firm by the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "'(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase", JP Morgan Securities Japan Co., Ltd. (hereinafter, "J.P. Morgan Securities") as a financial advisor and third-party valuation organization and Anderson Mori & Tomotsune and Shearman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*) as legal advisors, respectively independent from the Tender Offerors, ZHD, and the Target Company.

The Target Company received an initial proposal from the Tender Offerors on November 18, 2019, involving a Tender Offer Price of JPY 5,200, and subsequently continued to discuss and negotiate the terms of the Delisting Procedures including the Tender Offer Price with the Tender Offerors. Specifically, the Target Company received a proposal of a Tender Offer Price of JPY 5,200 on December 10, 2019, proposal of a Tender Offer Price of JPY 5,320 on December 18, however, the Target Company determined those proposed Tender Offer Price is not sufficient and the Target Company requested the Tender Offerors to reconsider the proposal. Through the aforementioned negotiations, the Target Company ultimately received a final proposal of a Tender Offer Price of JPY 5,380 from the Tender Offerors on December 20, 2019.

In the aforementioned examination and negotiation process, with respect to material aspects, based on certain conditions, the Target Company made timely reports to the Special Committee, decided negotiation policies based on directions and requests from the Special Committee, and as necessary the Special Committee sat in on negotiations between the Target Company and the Tender Offerors. Specifically, with respect to the negotiation policy regarding the Delisting Procedures first of all, the Target Company gave advance explanations to the Special Committee, and as the Special Committee requested the Target Company to increase the Tender Offer Price based on the stand-alone share price of the Target Company and the premiums in similar case studies, the Target Company decided its negotiation policy based on such request. The Special Committee also sat in on negotiations regarding the Delisting Procedures between the Target Company and the Tender Offerors on three occasions, and the Special Committee voiced its opinion so that the Special Committee's request would be clearly communicated to the parties.

On December 23, 2019, the Target Company received a report from the Special Committee to the effect ①the Business Integration, including the Tender Offer, can be seen as contributing to an increase in enterprise value and being for a reasonable purpose; ② the procedures for carrying out the Business Integration, including the Tender Offer, can be seen as having ensured fairness; ③ the terms of the Delisting Procedures, including the Tender Offer (excluding the prices for the Share Options and Convertible Bonds in the Tender Offer) can be seen as having ensured appropriateness; ④ taken in light of ① through ③ together, the resolutions of the Target Company's board of directors, including the announcement of the opinion approving the Tender Offers in Japan and the U.S. including the Tender Offer and the Business Integration including the Delisting Procedures using a share consolidation or other methods after the Tender Offer can be considered as not adverse to the interests of the Target Company's minority shareholders; and ⑤it can be considered reasonable for the Target Company's board of directors to express its opinion in support of the Tender Offer s in Japan and the U.S. including the Tender Offer, and recommend that the Target Company's shareholders and American Depositary Receipt holders tender their shares in response to the Tender Offer s in Japan and the U.S. including the Tender Offer (hereinafter the "Report") , based on certain assumptions (please see "(d) Establishment of the Special Committee in the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "(4) Basis for valuation of the Price of Purchase" in "Outline of Purchase" for an outline of the Report). Please note that, together with the Report, the Special Committee submitted to the Target Company a share valuation report regarding the results of calculations of the value of Target Company Common Shares submitted to the Special Committee by Merrill Lynch Japan Securities as of December 23, 2019 (hereinafter, the "BoA Valuation Report") and a written opinion (fairness opinion) to the effect that the purchase price for Target Company Common Shares etc. (defined in "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" in "(4) Basis for valuation of the Price of Purchase" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "2. Outline of Purchase", hereinafter the same) in the Tender Offer was fair to the holders

of Target Company Common Shares etc. (except for the Tender Offerors and their affiliated companies) from a financial perspective under certain conditions (the "BoA Fairness Opinion") (please see "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" in "(4) Basis for valuation of the Price of Purchase" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "2. Outline of Purchase" below for the outline of the BoA Valuation Report and the BoA Fairness Opinion).

With the background explained above, based on the legal advice received from Anderson, Mori & Tomotsune and Shearman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*), advice from J.P. Morgan Securities from a financial perspective, the content of the share valuation report regarding the calculation of the value of the Target Company Common Shares received from J.P. Morgan Securities as of December 23, 2019 (the "JPM Valuation Report"), a fairness opinion received from J.P. Morgan Securities to the effect that, under certain conditions precedent, the purchase price of the Target Company Common Shares in the Tender Offer was fair from a financial perspective for the common shareholders of the Target Company, excluding the Tender Offerors and their related parties (the "JPM Fairness Opinion"), and the BoA Valuation Report and the BoA Fairness Opinion, the Target Company conducted careful discussion and examination at the meeting of the board of directors of the Target Company held on December 23, 2019 of whether the Delisting Procedures, including the Tender Offer, serve to improve the enterprise value of the Target Company and whether the transaction terms of the Delisting Procedures, including the Tender Offer, were appropriate, while giving full respect to the details of the Special Committee's judgment stated in the Report.
Consequently, as stated above in "(i) Background and Reason for the Tender Offer" in "①Background, Purpose and decision-making process of the decision to implement the Tender Offer", the Target Company also came to the conclusion that by carrying out the Business Integration including the Tender Offer, the ZHD Group and the Target Company Group will integrate the management resources, and by strengthening business areas and investing to growth areas, respectively, the Target Company determined that it will serve to improve the enterprise value.

The Target Company also determined from the following points, etc. that the Tender Offer Price of JPY 5,380 per share was an appropriate price that ensured the benefit that should be received by the Target Company's general shareholders and that the Target Company's general shareholders are being provided with a reasonable opportunity to sell the Target Company Common Shares with an appropriate premium.

(i) The price is one that was agreed as a result of thorough, repeated negotiations with the Tender Offerors with the substantial involvement of the Special Committee, and subject to sufficient measures to ensure the fairness of the transaction terms pertaining to the Delisting Procedures, including the Tender Offer, stated in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in in "(4) Basis for valuation of the Price of Purchase" in "2. Outline of Purchase".
(ii) The price is greater than the valuation range of the valuation results based on the market share price analysis and within the valuation range of the valuation results based on the discounted cash flow method (hereinafter, the "DCF Method") of J.P. Morgan Securities' valuation of the Target Company Common Shares, as stated below in "(b) Acquisition of share valuation report and a fairness opinion from an independent third party valuation institution by the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "'(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase", fairness opinions have also been issued to the effect that the purchase price for the Target Company Common Shares in the Tender Offer is fair for the Target Company's common shareholders other than the Tender Offerors and their related parties, under certain conditions precedent, as stated below in "(b) Acquisition of share valuation report and a fairness

opinion: from an independent third party valuation institution by the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "'(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase".

(iii) The price is greater than the valuation range of the valuation results based on the market share price analysis and within the valuation range of the discount cash flow analysis (hereinafter, the "DCF Analysis") of the valuation results of the Target Company Common Shares by BoA pursuant to the BoA Valuation Report described below in "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "(4) Basis for valuation of the Price of Purchase" in "2. Outline of Purchase".

(iv) The price has a premium of 17.34% (rounded to three decimal places; same hereinafter when calculating the premium rate) compared to the closing price of the Target Company Common Shares of JPY 4,585 on the First Section of TSE on November 13, 2019, which is regarded as not being influenced by speculative reports about the Business Integration by parts of the media, a premium of 31.69% over the simple average closing price of JPY 4,085 (rounded to four decimal places; same hereinafter when calculating the simple average closing price) for the one month prior to November 13, 2019, a 36.75% premium over the simple average closing price of JPY 3,934 for the three months prior to November 13, 2019, and a 50.68% over the simple average closing price of JPY 3,570 for the six months prior to November 13, 2019, which are regarded as reasonable levels of premiums in case studies of other tender offers carried out for the purpose of delisting a subsidiary by a parent company.

(v) As explained in "(d) Establishment of the Special Committee in the Target Company" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "'(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase" the Report obtained from the Special Committee also found that the price ensured appropriateness.

Therefore, the Target Company has determined that the Delisting Procedures serve to improve the enterprise value of the Target Company and that the transaction terms of the Delisting Procedures including the Tender Offer are appropriate. The meeting of the Target Company's board of directors held on December 23, 2019 passed a resolution that it would announce an opinion to the effect that the board of directors approves of the Tender Offers in Japan and the U.S. including the Tender Offer and to recommend that the Target Company's shareholders and holders of the American Depositary Receipt tender their shares for the Tender Offers in Japan and the U.S. including the Tender Offer.

Additionally, as the Target Company has not examined the appropriateness of the purchase price for Share Options and Convertible Bonds, and as the Share Options were issued to directors and employees of the Target Company and its Subsidiaries and the purchase price is JPY1 per unit of Share Options, the board of directors has resolved to leave it to the discretion of each holder of Share Options and Convertible Bonds as to whether to tender their Share Options and Convertible Bonds.

Please note that with respect to commencement of the Tender Offer, in the Definitive Business Integration Agreement, commencement is conditioned upon satisfaction of the Conditions Precedent, and the U.S. Tender Offer will only commence if the Tender Offer commences. The Tender Offer is planned to be implemented promptly once the Conditions Precedent, including completion of procedures, etc. with domestic and foreign competition authorities, are satisfied, and as of today the Tender Offerors aim to commence the Tender Offer in May to June, 2020, but it is difficult to accurately estimate the time required for procedures, etc. with Japanese and foreign competition authorities.

Therefore, the aforementioned meeting of the Target Company's board of directors also passed a resolution that when the Tender Offers in Japan and the U.S. including the Tender Offer commences they will ask the Special Committee established by the Target Company to tell the board of directors whether there is any change in the Special Committee's opinion the Report as of such date, and if there is no change, at the time that the Tender Offers in Japan and the U.S. including the Tender Offer

commences, the Target Company will make an announcement to such effect, and if there is a change the Special Committee will be requested to state its changed opinion, and the Target Company will announce a new opinion regarding the Tender Offers in Japan and the U.S. including the Tender Offer based on such opinion of the Special Committee.
Please see "(g) Approval of all the directors of the Target Company without interests and the opinion of all the statutory auditors of the Target Company without interest that they have no objection" in "(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" in "②Process of Valuation" in "'(4) Basis for Valuation of the Price of Purchase" in "2. Outline of Purchase" for details of the decision-making process of the board of directors.

(3) Important Agreements Concerning the Tender Offer

① The Definitive Business Integration Agreement and the Transaction Agreement

To implement the Tender Offer, the Tender Offerors, ZHD and the Target Company executed the Definitive Business Integration Agreement as of today, and the Tender Offerors executed a transaction agreement (hereinafter, the "Transaction Agreement") as of today in connection with the Definitive Business Integration Agreement. The Tender Offerors, ZHD and the Target Company have agreed in the Definitive Business Integrated Agreement and the Transaction Agreement as follows:

(i) Method of the Business Integration

As described in "(1) Overview of the Tender Offer" above, we have agreed as follows: (i) subject to the satisfaction of the Conditions Precedent (as defined below), the Tender Offerors will jointly implement the Tender Offers in Japan and the U.S.; (ii) in the event that, following the completion of the Tender Offers in Japan and the U.S., a portion of the Target Company Shares have not been tendered and acquired through such Tender Offers in Japan and the U.S., we will implement squeeze-out procedures (with the intended result that post-squeeze out, the Tender Offerors shall be the only shareholders of the Target Company) using a share consolidation or other methods to take the Target Company private (hereinafter, the "Target Company Squeeze-out"); (iii) we will implement a tender offer in which the Target Company after the Target Company Squee-out is a tender offeror and 2,125,366,950 ZHD shares held by Shiodome Z Holdings Co., Ltd. (hereinafter "ShiodomeZHD") will be the target shares (hereinafter, the "ZHD Tender Offer") (Note 1), and SoftBank will transfer all ZHD shares holding through ShiodomeZHD to the Target Company (hereinafter, the "ZHD Shares Transfer Procedures"); (iv) SoftBank will transfer a part of its Target Company Common Shares to NAVER Offerors and we will make the ratio of voting rights in the Target Company held by NAVER Offerors and SoftBank (immediately after the ZHD Shares Transfer Procedures) 50:50 (hereinafter, the "Shareholding Adjustment Procedure"); and (v) the Target Company will transfer all of its business under the control of ZHD, and ZHD will be a holding company, shares in which continue to be listed on TSE, with having control over all of the current business of ZHD and the Target Company (hereinafter, the "Target Company Business Transfer Procedure").

Also, we have agreed as follows: in connection with the ZHD Shares Transfer Procedures, the Target Company shall issue the bonds of the Target Company at the cash amount equivalent to the purchase price for the Tender Offer to SoftBank, and SoftBank shall subscribe such bonds; the Target Company shall conduct an absorption-type merger in which the Target Company is the surviving company and the ShiodomeZHD is the absorbed company (hereinafter the "Merger"), and based on the total number of outstanding shares of the Target Company and ZHD (excluding treasury shares) as of September 30, 2019, the Target Company shall issue 180,882,293 shares of the Target Company Common Shares (Note 2), allocate and deliver such shares to SoftBank, the parent company of ShiodomeZHD, as consideration for the Merger; in connection with the Target Company Business Transfer Procedure, the Target Company shall implement an absorption-type corporate demerger in which all of the Target

Company's business will be succeeded to the Target Succeeding Company; and, subject to the satisfaction of certain conditions precedent, we will implement the Share Exchange with ZHD shares as consideration whereby ZHD becomes the wholly owning parent company and the Target Succeeding Company becomes the wholly owned subsidiary company (based on the assumption that the number of issued and outstanding shares of the Target Succeeding Company becomes the same as the total number of issued and outstanding shares of the Target Company (excluding treasury shares) as of September 30, 2019, 11.75 ZHD shares for each share of the Target Succeeding Company will be allocated and delivered to the Target Company). In addition, the Tender Offerors have agreed under the Transaction Agreement that, as part of the Shareholding Adjustment Procedure, SoftBank will sell the necessary number of the Target Company Common Shares to NAVER Offerors and NAVER Offerors will purchase such shares from SoftBank (hereinafter, the "Share Transfer"), in accordance with the provisions of a share transfer agreement to be separately executed, by the date immediately before the commencement of settlement of the Tender Offer, so that the ratio of voting rights in the Target Company held by NAVER Offerors and SoftBank is 50:50 as a result of the Merger.

(Note 1) ZHD Tender Offer will not be conducted for or for the interest of, directly or indirectly, the shareholders in the U.S. who are clearly excluded from the procedures of ZHD Tender Offer.

(Note 2) If the result of the Target Company Squeeze-out or other factors make it reasonably necessary to adjust the number of shares, it will be appropriately adjusted in accordance with thefactors based upon an agreement between the Tender Offerors.

(ii) The Conditions Precedent for the Commencement of the Tender Offer

Under the Definitive Business Integration Agreement, the commencement of the Tender Offers in Japan and the U.S. including the Tender Offer is conditional upon satisfaction of all of the following conditions: (1) a resolution is adopted at the Target Company's board of directors' meeting, by a unanimous resolution of directors without conflicts of interest, expressing their opinion that they support the Tender Offers in Japan and the U.S. and recommend the shareholders of the Target Company and holders of American Depository Receipt to tender for the Tender Offers in Japan and the U.S. (provided, however, they leave holders of the Share Options and Convertible Bonds to decide whether to tender their Share Options and Convertible Bonds for the Tender Offers in Japan and the U.S. including the Tender Offer), and such opinion has not been changed or withdrawn; (2) the special committee of the Target Company established in connection with the Tender Offer advises the Target Company's board of directors that it would be appropriate to express the supporting opinion described in (1) above, and such advice has not been changed or withdrawn; (3) the special committee of ZHD established in connection with the Business Integration advises ZHD's board of directors that the Business Integration would not be disadvantageous to minority shareholders of ZHD, and such advice has not been changed or withdrawn; (4) the representations and warranties of each party under the Definitive Business Integration Agreement are true and correct in all material respects; (5) all obligations under the Definitive Business Integration Agreement which each party to the Definitive Business Integration Agreement must comply with or perform before the commencement date of the Tender Offer have been complied with or performed in all material respects; (6) ZHD's shareholders' meeting approves the necessary items with regard to the execution of the share exchange agreement concerning the Share Exchange and the Business Integration (except for the election of directors of ZHD under the provisions of the Capital Alliance Agreement (it means the capital alliance agreement executed between ZHD and the Target Company as of today, providing the governance and operation of ZHD after the Business Integration, the same applies hereinafter, please see "Regarding the execution of the definitive agreement with respect to business integration" released as of today by ZHD and the Target Company for the details of the Capital and Alliance Agreement)), and such approval is maintained in full force and effect; (7) in the event that the ZHD's general shareholders' meeting is

held before the commencement date of the Tender Offer, such meeting approves the election of directors of ZHD under the provisions of the Capital Alliance Agreement; (8) the implementation of a series of transactions relating to the Business Integration does not, and is not reasonably expected to, constitute a violation of laws and regulations; (9) among the procedures under the competition laws and the investment control regulations of each jurisdiction which are necessary for the implementation of the Business Integration (including obtaining the permits and licenses and expiration of necessary waiting period and/or review period, hereinafter, the "Clearance Procedures"), the Clearance Procedures which are necessary for the implementation of the Delisting Procedures have been completed; (10) there are no decisions issued by governmental organizations seeking to impose restrictions upon or prohibit a series of transactions relating to the Business Integration; (11) no circumstances have arisen or turned out that would make the implementation of a series of transactions relating to the Business Integration or the achievement of the purpose of the Business Integration impossible or extremely difficult due to material adverse effect, or conditions or events which may have material adverse effect, on the business, financial condition, managing condition or cash flows, or forecast thereof, of the group of each party to the Definitive Business Integration Agreement taken as a whole; (12) there is no Material Fact Pertaining to Business or Other Matters (has the meaning set forth in Article 166, Paragraph 2 of the Act) of the Target Company which is not Publicized (has the meaning set forth in Article 166, Paragraph 4 of the Act) by the Target Company, and the Target Company has delivered the documents evidencing the same to the Tender Offerors; and (13) either of the Definitive Business Integration Agreement, the Transaction Agreement, the JV Agreement (defined in "② The JV Agreement" below) or the Capital Alliance Agreement is validly existing (the conditions (1) to (13) are collectively referred to as the "Conditions Precedent").

(iii) Cooperation on the Business Integration

The Tender Offerors, ZHD and the Target Company have agreed to: (i) make an effort to complete all Clearance Procedures as quickly as practically possible to the extent reasonably possible and necessary; (ii) in the event that, in connection with the implementation of a series of transactions relating to the Business Integration, it is required to obtain necessary permits and license under laws and regulations in addition to the Clearance Procedures, make an effort, and mutually cooperate, to obtain such permits and licenses as quickly as practically possible to the extent reasonably possible and necessary; and (iii) mutually cooperate to facilitate a series of transactions related to Business Integration.

② The JV Agreement

As of today, in relation to the Business Integration, the Tender Offerors executed the joint venture agreement providing the organization and operation of the Target Company which will be owned by only SoftBank and NAVER after the completion of the Business Integration and will be a joint venture with the purpose of owning the ZHD Shares (hereinafter, the "JV Agreement"). Please refer to the Press Release concerning the Definitive Business Integration Agreement for the details of the JV Agreement.

(4) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and to avoid Conflicts of Interest

Considering that the Target Company is a consolidated subsidiary of NAVER as of today, and the possibility of structural conflicts of interest in Target Company's consideration of the Delisting Procedures including the Tender Offer, the Tender Offerors and the Target Company respectively have taken by today or are planning to take by the commencement of the Tender Offer the following measures in order to ensure the fairness of the Tender Offer.

① the Tender Offerors' acquisition of a share valuation report from an independent third-party evaluator
② the Target Company's acquisition of a share valuation report and a fairness opinion from an independent third party evaluation organization
③ the Target Company's receipt of advice from an independent law firm
④ the Target Company's establishment of the special committee
⑤ the special committee's acquisition of a share valuation report and a fairness opinion from an independent third party evaluation organization
⑥ the special committee's receipt of advice from an independent law firm
⑦ approval of all of the Target Company's directors without interest and the opinion of all the Target Company's statutory auditors to the effect that they have no objection
⑧ measures to secure purchase opportunities from other offerors

For details regarding the above, please refer to "① Basis of Valuation" and "② Process of Valuation" in "(4) Basis for Valuation of the Price of Purchase" in "2. Overview of Purchase".

(5) Post-Tender Offer Reorganizations (Two-Step Acquisition Items)

① Target Company Common Shares

As stated in "(1) Overview of the Tender Offer", if the Tender Offerors fail to acquire all of the Target Shares during the Tender Offers in Japan and the U.S. including the Tender Offer, once the Tender Offer is complete, the Tender Offerors plan to implement procedures set forth as below so that the Tender Offerors shall be the only shareholders of the Target Company.

In particular, the Tender Offerors plan to request the Target Company to hold an extraordinary shareholders' meeting (hereinafter, the "Extraordinary Shareholders' Meeting") to implement a share consolidation of the Target Company Common Shares (hereinafter, the "Share Consolidation") and to partially amend its articles of incorporation to the effect that it deletes the provisions regarding share unit number subject to the Share Consolidation. Note that the Tender Offerors plan to support each of the measures described above at the Extraordinary Shareholders' Meeting. If the measure for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the Target Company shareholders hall each, as of the date on which the Share Consolidation is to take effect, retain a number of the Target Company Common Shares corresponding the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares that are less than 1 full share, the Target Company Common Shares, number of which is equal to sum total of such fractional shares (if the total of fractional shares is less than 1 full share, the fractional shares shall be discarded), shall be sold to the Tender Offerors in accordance with the terms of Article 235 of the Companies Act (Law No. 86 of 2005 as amended; the same applies hereafter) and other relevant laws and regulations, and the owners of such fractional shares shall be provided with money in exchange. With respect to the sale price of the total number of fractional Target Company Common Shares, the plan is to request that the Target Company petition a court for permission for voluntary sale, after ensuring that as a result of such sale of fractional shares, the monetary sum provided to the Target Company shareholders who did not apply to the Tender Offer (excluding the Tender Offerors and the Target Company) will be the same as the value obtained when the number of the Target Company Common Shares owned by such shareholders is multiplied by the Tender Offer Price. Furthermore, although the ratio of consolidation of the Target Company Common Shares is still undetermined as of today, the plan is to ensure that the decided-upon ratio will result in fractional shares owned by the Target Company shareholders who did not tender for the Tender Offer totaling less than 1 full share so

that the Tender Offerors will retain all Target Company Common Shares (excluding treasury shares owned by the Target Company).

In the interest of protecting the rights of minority shareholders in connection with the procedures above, if the Share Consolidation is made, and this results in fractional shares that are less than 1 full share, the Companies Act allows the shareholders in the Target Company to demand that the Target Company purchase any fractional shares less than 1 full share in their possession at a fair price, as well as to petition a court for a decision regarding the price of the Target Company Common Shares, all in accordance with the provisions of Articles 182-4 and 182-5 and all other relevant laws and regulations. As mentioned above, in the Share Consolidation, the number of shares to be held by the shareholders in the Target Company who have not tendered for the Tender Offer (excluding the Tender Offerors and the Target Company) is expected to be less than 1 full share. Therefore, the shareholders in the Target Company who do not support the Share Consolidation will be able to demand that the Target Company purchase any fractional shares less than 1 full share in their possession at a fair price, as well as to petition a court for a decision regarding the price of the Target Company Common Shares, all in accordance with the provisions of Articles 182-4 and 182-5 and all other relevant laws and regulations. Of course, the price in response to such petition shall ultimately be determined by courts.

With respect to the procedures above, implementation methods and timeline may be subject to change based on the status of amendments to, implementation of, and interpretation by relevant authorities of the relevant laws and regulations, and the Ownership Ratio of Share Certificates, etc. of the Tender Offerors after the Tender Offer and owing statue regarding the Target Company Common Shares by the Target Company shareholders other than the Tender Offerors. However, even in such cases, the Tender Offerors intend to take any measures to eventually pay cash to each of the Target Company shareholders who do not tender their shares for the Tender Offer (excluding the Tender Offerors and the Target Company) and cause the amount of cash to be paid to each of such shareholders to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Common Shares held by such shareholder. Specific procedures and the schedule thereof in the above cases will be announced by the Target Company once they are determined through mutual discussions between the Tender Offerors and the Target Company.

Note that, the Tender Offer is not in any way intended to solicit the Target Company shareholders to approve the proposals at the Extraordinary Shareholders' Meeting. All shareholders need to take sole responsibility for seeking advice from their tax accountants with regard to the tax consequences of tendering their shares for the Tender Offer or participating in the procedures outlined above.

In addition, as described in "(3) Important Agreements Concerning the Tender Offer", after the Share Consolidation, the Tender Offerors will make the ratio of voting rights in the Target Company held by SoftBank and NAVER Offerors 50:50 through the Share Transfer and the Merger. The price in the Share Transfer may differ from the Tender Offer Price. However, in order to exclude the impact on the stock price of speculative media reports on November 13, 2019 by certain news agencies regarding the Business Integration, we will determine such price based on the objective value of the Target Company Common Shares referencing to the average of the market price of the Target Company Common Shares during a certain period prior to November 13, 2019, which is considered not to be affected by such speculative media reports, and we will not take into account any premium equivalent.

② Share Options

If the Tender Offer is complete but the Tender Offerors fail to acquire all of the Share Options during the Tender Offer, the Tender Offerors will promptly request the Target Company to implement the

procedures reasonably necessary for the implementation of the Delisting Procedures, such as acquiring the Share Options and encouraging holders of the Share Options to abandon the Share Options.

③ Convertible Bonds

With respect to the Convertible Bonds, the effective conversion price of the convertible bonds due 2023 as of today is JPY7,467 per share and the effective conversion price of the convertible bonds due 2025 as of today is JPY7,518 per share, both of which are higher than the Tender Offer Price of JPY 5,380. Therefore, it is not expected that the Convertible Bonds will be converted into the Target Company Common Shares during the Tender Offer Period. The Convertible Bonds have a provision to the effect that the effective conversion price will be adjusted in the event of the acquisition of the Target Company Common Shares through the Tender Offer in conjunction with delisting the Target Company Common Shares. The Tender Offer is conducted in conjunction with delisting, and the effective conversion price will be adjusted as a result of the settlement of the Tender Offer. In the Definitive Business Integration Agreement, NAVER has agreed not to convert the Convertible Bonds held by NAVER into the Target Company Common Shares.

In addition, the Convertible Bonds have an early redemption provision (Note) stipulating to the effect that holders of the Convertible Bonds may exercise the conversion right in the event that the Target Company's shareholders' meeting approves the share consolidation in conjunction with delisting the Target Company Common Shares, and that the Target Company Common Shares are acquired through the Tender Offer in conjunction with delisting (which is also provided as a cause for adjustment of the effective conversion price as above) (on the condition that the Target Company's shareholders' meeting above is not resolved within 60 days of the acquisition of the Target Company Common Shares through the Tender Offer). The Convertible Bonds, which are not acquired through the Tender Offer and are not converted into the Target Company Common Shares, will be redeemed after the Tender Offer at a face value or higher in accordance with such early redemption provision. For details of the Convertible Bonds, please refer to "Notice of the Issuance of Zero Coupon Convertible Bonds Due 2023 and Zero Coupon Convertible Bonds Due 2025" and "Announcement of Determination of Terms of Issue, etc. of Zero Coupon Convertible Bonds Due 2023 and Zero Coupon Convertible Bonds Due 2025", which was published on September 4, 2018 by the Target Company.

(Note) In particular, in the event that the Target Company's shareholders' meeting approves the share consolidation in conjunction with delisting the Target Company Common Shares (hereinafter, the "Squeeze-out Event"), the Target Company shall, upon the provision of notice to holders of the Convertible Bonds as soon as practicably possible (but within 14 days from the day of the occurrence of the Squeeze-out Event), redeem all of the outstanding Bonds (mean the part of the Convertible Bonds corresponding to only bonds; hereinafter the same applies) (partial redemption shall not be permitted), on the date specified for redemption in such notice (the redemption date shall be any day before the effective date of the relevant Squeeze-out Event falling between 14th to 30th Tokyo business day after the day of the relevant notice; provided, however, that in the case where the relevant effective date is a day before the 14th Tokyo business day from the date of the relevant notice, then the redemption date shall be moved up to a day before the relevant effective date), at the redemption price per one Bond certificate calculated by (a) the amount obtained by deducting the face value of each Bond from the offer price of each Convertible Bond, multiplying (b) the number obtained by dividing the number of days from the redemption date above (including the same day) to the maturity date (excluding the same date) by the number of days from the payment date (including the same date) to the

maturity date (excluding the same date), and then, plus the face value of each Bond. In addition, in the event that the Squeeze-out Event does not occur within 60 days after the acquisition date of the Target Company Common Shares by a tender offer, the Target Company shall, upon the provision of notice to holders of the Convertible Bonds as soon as practically possible (but within 14 days from the last day of the 60-day period) redeem all of the outstanding Bonds (partial redemption shall not be permitted), on the date specified for redemption in such notice (the redemption date shall be any day falling between 14th to 30th Tokyo business day after the day of the relevant notice), at the redemption price per one Bond certificate calculated by (a) the amount obtained by deducting the face value of each Bond from the offer price of each Convertible Bond, multiplying (b) the number obtained by dividing the number of days from the redemption date above (including the same day) to the maturity date (excluding the same date) by the number of days from the payment date (including the same date) to the maturity date (excluding the same date), and then, plus the face value of each Bond (together with provision regarding the early redemption pursuant to the Squeeze-out Event above, hereinafter, the "Early Redemption Provisions").

(6) Possibility of Delisting and Reasons Thereof

As of today, the Target Company Common Shares are listed on the First Section of TSE, but, as the Tender Offerors has not set a upper limit of shares to be purchased with respect to the Tender Offer, based on the results of the Tender Offer, it is possible that the Target Company Common Shares may become delisted following the designated procedures of the Tender Offer in accordance with the delisting standards established by TSE. Furthermore, even in the event the delisting standards do not apply as of the completion of the Tender Offer, the Tender Offerors will implement certain procedures so that they shall be the only shareholders of the Target Company as described in "(5) Post-Tender Offer Reorganizations (Two-Step Acquisition Items)" above after the completion of the Tender Offer. In such cases, the delisting standard will then apply, and the Target Company Common Share will become delisted following the designated procedures. Note that, after being delisted, it will be impossible to trade the Target Company Common Shares on the First Section of TSE.

Also, as of today, the American Depositary Receipts are listed on the New York Stock Exchange, but, after the U.S. Tender Offer is complete, we will implement the delisting procedures of the American Depositary Receipts with the approval of the relevant authorities as necessary based on procedures and methods permissible under the relevant laws and regulations. Note that, after being delisted, it will be impossible to trade the American Depository Receipts on the New York Stock Exchange.

2. Outline of Purchase

(1) Corporate Profile of the Target Company

①	Name	LINE Corporation
②	Address	JR Shinjuku Miraina Tower, 23rd Floor, 4-1-6 Shinjuku Shinjuku-ku, Tokyo, 160-0022, Japan
③	Name and title of representative	Mr. Takeshi Idezawa Representative Director and President
④	Scope of business	Advertising service based on the mobile messenger application "LINE," core businesses including the sales of stamp and game service, and strategic businesses including Fintech, AI and commerce service.

⑤	Share capital	JPY96,535 million (as of September 30, 2019)
⑥	Year of incorporation	September 4, 2000
⑦	Equity attributable to the shareholders of the Target Company	JPY164,844 million (as of September 30, 2019)
⑧	Total assets	JPY530,442 million (as of September 30, 2019)
⑨	Principal shareholders and shareholdings (as of June 30, 2019)	NAVER 72.64% MOXLEY & CO LLC 3.64% JAPAN TRUSTEE SERVICES BANK, LTD. 2.11%
⑩	Relationships with the other parties at this time	
	Shareholding relationships	Not applicable with respect to SoftBank. NAVER is the parent company of the Target Company and holds the Target Company Common Shares of 174,992,000 (which represents 72.64% of all the outstanding shares of the Target Company Shares, 240,883,642 shares, as of June 30, 2019) and a portion of the Convertible Bonds.
	Human relationships	Not applicable with respect to SoftBank. Mr. Hae Jin Lee, an executive officer of NAVER, also serves as the chairman of the board of directors of the Target Company.
	Business relationships	There are existing business relationships between SoftBank and the Target Company with respect to communication services, etc. There are existing business relationships between NAVER and the Target Company with respect to advertising services, etc.
	Current Status of Related Parties	SoftBank is not a related party to the Target Company. NAVER is the parent company of the Target Company.
⑪	Results of Operation and Financial Position for the Last Three Years (on a consolidated basis)	

For the year	2016 ending December 31	2017 ending December 31	2018 ending December 31
Revenues	JPY140,704 million	JPY167,147 million	JPY207,182 million
Profit from operating activities	JPY19,897 million	JPY25,078 million	JPY16,110 million
Profit (loss) before tax from continuing operations	JPY17,990 million	JPY18,145 million	JPY3,354 million
Profit (loss) attributable to the shareholders of the Target	JPY6,763 million	JPY8,078 million	(JPY3,718 million)

Earnings per share: basic profit (loss) for the period attributable to the shareholders of the Target	JPY34.84	JPY36.56	(JPY15.62)

(2) Schedule

The Tender Offer is expected to be implemented under the provisions of the Definitive Business Integration Agreement upon the satisfaction of the Conditions Precedent. The Tender Offer is expected to be implemented promptly upon the satisfaction of the Conditions Precedent. As of today, the Tender Offerors are aiming at commencing the Tender Offer in May to June, 2020. However, it is difficult to accurately predict the period required for the procedures in connection with the domestic and foreign competition authorities. Therefore, the details of the schedule of the Tender Offer will be announced as soon as they are fixed.

(3) Price of Purchase

① Common stock JPY 5,380 per share (Note 1)

(Note 1) As described in "1. Overview of the Tender Offer" in "(1) Purpose of Purchase", since the American Depositary Receipts are traded only in the U.S. securities market and it is not confirmed whether or not a tender offer in Japan can practically accept the tender of American Depositary Receipts, the Tender Offerors have continuously confirmed whether or not the American Depository Receipt can be included in the types of the Share Certificates, etc. to be purchased in the Tender Offer. However, since each of the American Depositary Receipts can be converted to one share of the Target Company Common Shares, the holders of the American Depositary Receipts who desire to tender to the Tender Offer instead of the U.S. Tender Offer can tender to the Tender Offer after converting the American Depositary Receipts to the Target Company Common Shares. The conversion procedures and costs are disclosed on Form F-1 submitted by the Target Company to the SEC, the SEC's website (www.sec.gov), etc. and should be checked by the holders of the American Depositary Receipt in the U.S. The U.S. Tender Offer to be conducted in parallel with the Tender Offer is scheduled to include also the American Depositary Receipt in the target of the U.S. Tender Offer. The price of purchase per each American Depositary Receipt in this tender offer will be set at the same price as the Tender Offer Price (JPY 5,380). Since the settlement of the U.S. Tender Offer will be made in the United States dollar, the settlement will be made in the United States dollar to be calculated by the method to determine the exchange rate which will be set in advance at the commencement of the U.S. Tender Offer. The procedures for the U.S. Tender Offer and other terms of the settlement will be disclosed on the SEC's website (www.sec.gov), etc. as soon as they are set. As of today, the Tender Offerors have continuously confirmed whether or not the American Depository Receipt can be practically included in the target of the Tender Offer, and if so, the specific range and procedures for the Tender Offerors to accept the tender by holders of the American Depository Receipt. Please be informed of the specific treatment by the commencement of the Tender Offer.

② Share Options

(i) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on December 11, 2013 (hereinafter, the "Fourth Series Share Options")

(ii) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on December 11, 2013 (hereinafter, the "Fifth Series Share Options")

(iii) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on December 11, 2013(hereinafter, the "Sixth Series Share Options")

(iv) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on February 5, 2014(hereinafter, the "Seventh Series Share Options")

(v) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on February 5, 2014 (hereinafter, the "Eighth Series Share Options")

(vi) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on August 1, 2014 (hereinafter, the "Tenth Series Share Options")

(vii) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on August 1, 2014 (hereinafter, the "Eleventh Series Share Options")

(viii) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on September 30, 2014(hereinafter, the "Thirteenth Series Share Options")

(IX) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on September 30, 2014(hereinafter, the "Fourteenth Series Share Options")

(X) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on January 30, 2015(hereinafter, the "Sixteenth Series Share Options")

(XI) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on January 30, 2015(hereinafter, the "Seventeenth Series Share Options")

(XII) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on January 30, 2015(hereinafter, the "Eighteenth Series Share Options")

(XIII) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on January 30, 2015(hereinafter, the "Nineteenth Series Share Options")

(XIV)JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on June 26, 2017(hereinafter, the "Twentieth Series Share Options")

(XV) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on July 9, 2019 (hereinafter, the "Twenty-second Series Share Options")

(XVI)JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on July 9, 2019 (hereinafter, the "Twenty-third Series Share Options")

(XVII) JPY1 per unit of share options issued by resolution of the board of directors of the Target Company on July 9, 2019 (hereinafter, the "Twenty-fourth Series Share Options", and the share options in (i) above to (XVII) are collectively referred to as "the Share Options ". (Note 2)

(Note 2) In addition to the above, the Target Company made the resolution to issue “the Twenty-fifth Share Options of Line Corporation” (hereinafter, the "Twenty-fifth Series Share Options") at the meeting of the board of directors held on July 9, 2019. However, the Twenty-fifth Series Share Options are scheduled to be issued on April 3, 2020 and have not been issued as of today, so such Share Options are not included in the scope of the Share Certificate, etc. to be purchased on the Tender Offer. If the Twenty-fifth Series Share Options were issued as of the date of commencement of the Tender Offer, such Share Options will be included in the scope of purchase. In such cases, the price of purchase will be JPY1 per unit of share options, as is the case with the Share Options.

③ Convertible Bonds

(i) JPY 7,203,820 per a face value of JPY10,000,000 of Euroyen convertible bonds due 2023 issued by the resolution of the board of directors of the Target Company on September 4,

2018 (hereinafter, the “Convertible Bonds due 2023”)

(ii) JPY 7,155,400 per a face value of JPY10,000,000 of Euroyen convertible bonds due 2025 issued by the resolution of the board of directors of the Target Company on September 4, 2018 (hereinafter, the "Convertible Bonds due 2025” and together with the Convertible Bonds due 2023 stated in (i) above, the “Convertible Bonds”)

(4) Basis for Valuation of the Price of Purchase

① Basis of Valuation

(i) Common stock

(Basis of valuation by NAVER)

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, NAVER requested Deutsche Bank, its financial advisor, as a third-party valuation institution independent from the Tender Offerors, ZHD or the Target Company, to evaluate the share value of the Target Company. Deutsche Bank is not a related party to the Tender Offerors, ZHD or the Target Company, nor does it have any material interests in relation to the Tender Offer (except for the receipt of fees in connection with its engagement in a series of transactions relating to the Business Integration).

Deutsche Bank has evaluated the value of the Target Company Common Shares by using the Average Market Price Method due to the fact that the Target Company Common Shares are listed on TSE, and a discounted cash flow analysis (hereinafter, a “DCF Analysis”) in order to reflect financial forecasts and other information and data related to the Target Company provided by the management of NAVER in the evaluation. NAVER received a report on the valuation of the Target Company Common Shares from Deutsche Bank (hereinafter, the “DB Valuation Report”) on December 22, 2019.

NAVER has not requested or received any opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Deutsche Bank. The analyses prepared by Deutsche Bank and furnished to NAVER are not an opinion to NAVER or holders of the Target Company Common Shares as to the fairness of the Business Integration or the Tender Offer Price, do not constitute a recommendation to the Tender Offerors, ZHD, the Target Company, or holders of the Target Company Common Shares as to the Business Integration, or as to whether holders of the Target Company Common Shares should tender the Target Company Common Shares in the Tender Offer or as to how to vote or act with respect to any other matter, and should not be relied on as the basis for any investment decision.

The results of valuation made by Deutsche Bank with respect to the value of each common share of the Target Company is as follows:

Average Market Price Method	JPY 3,570 to JPY 4,585
DCF Analysis	JPY 3,819 to JPY 5,497

Under the Average Market Price Method, Deutsche Bank reviewed the historical trading prices of the Target Company Common Shares on TSE and chose November 13, 2019 as the “record date” in order to avoid any impact on the share value due to speculative press reports regarding the Business Integration that was reported after such date. Based on the closing price of the Target Company Common Shares of JPY 4,585 on TSE as of the record date, the simple average closing price over the month-long period ending November 13, 2019 of JPY 4,085, the simple average closing price over the 3-month-long period ending November 13, 2019 of JPY 3,934, and the simple average closing price over the 6-month-long period ending November 13, 2019 of JPY 3,570 (rounded off to the nearest JPY

1; hereinafter the same applies to calculation of the simple average closing price), Deutsche Bank derived a range of implied value per the Target Company Common Share of JPY 3,570 to JPY 4,585.

Under the DCF Analysis, Deutsche Bank performed a DCF Analysis of the Target Company using various factors including the Target Company's business plans and financial forecasts for the fiscal years ending December 31, 2019 to December 31, 2024 approved for Deutsche Bank's use by the management of NAVER, earnings projections and investment plans as prescribed in the Target Company's business plans, and other publicly available information. Deutsche Bank evaluated equity value and enterprise value of the Target Company by discounting the Target Company's projected free cash flow for the period on and after the fourth quarter of the fiscal year ending December 31, 2019 to present value using a specific discount rate, and based on such calculations, derived a range of implied value per the Target Company Common Share of JPY 3,819 to JPY 5,497. The business plans and financial forecasts of the Target Company that were provided to Deutsche Bank by NAVER for purposes of the DCF Analysis assumed that operating losses will be recorded during the fiscal years ending December 31, 2019 and December 31, 2020 due to the investments and high marketing costs associated with the strategic businesses, and that a significant increase in profits will be recorded for the period after the fiscal year ending December 31, 2021 due to the decrease in marketing costs and positive impacts of the business investments. Deutsche Bank did not take into account the synergies or tax impacts anticipated by the management of NAVER to result from a series of transactions relating to the Business Integration, and assumed that there are no off-balance sheet liabilities.

NAVER resolved at the meeting of its board of directors held on December 23, 2019 that the Tender Offer Price will be JPY 5,380 per share, based on a comprehensive review of various factors, including the results of due diligence in respect of the Target Company that took place from late October 2019 to early November 2019, precedent examples of premiums paid in tender offers by parties other than the Issuer where the parent company took or intended to take its listed subsidiary private upon completion of such tender offer, the likelihood of approval of the Tender Offer by the Target Company's board of directors, the market trends of the price of the Target Company Common Shares and the prospects of subscription for the Tender Offer, in addition to the valuation analysis contained in the DB Valuation Report received from Deutsche Bank, as well as taking into account results of the discussions and negotiations with the Target Company.

(Note) The following is a supplemental explanation of the assumptions made, matters considered and limitations in connection with Deutsche Bank's financial analyses of the share value of the Target Company, based on various conditions in effect as of, and information that Deutsche Bank received by, December 22, 2019.

In preparing the DB Valuation Report, Deutsche Bank reviewed certain publicly available financial and other information concerning the Target Company, certain internal analyses, financial forecasts and other information relating to the Target Company prepared by the management of the Target Company, and certain internal analyses, financial forecasts and other information relating to the Target Company prepared by the management of NAVER. Deutsche Bank did not assume any responsibility for independently verifying, nor did it independently verify, any of the information of the Target Company, including any financial information or financial forecasts that were analyzed (regardless of whether such information were publicly available, or provided by NAVER or the Target Company). Accordingly, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such

information. Deutsche Bank has not verified any assets or liabilities of the Tender Offerors, ZHD or the Target Company, nor has it independently appraised or valued any assets or liabilities of the Tender Offerors, ZHD or the Target Company. In relying on the financial forecasts that were provided by NAVER or the Target Company, including analyses and forecasts concerning the financial impacts that the Tender Offer may have on the Target Company, Deutsche Bank assumed that such information was reasonably prepared and reflected the best currently available estimates and judgment of NAVER or the Target Company, as applicable. In preparing the DB Valuation Report, Deutsche Bank did not express any view as to such analyses or forecasts or the reasonableness of the assumptions on which they were based. The DB Valuation Report is based on financial, market and other conditions in effect as of December 22, 2019, as well as information that Deutsche Bank received by such date. Events that occur after the date of the DB Valuation Report may affect the valuation results contained in the DB Valuation Report, however Deutsche Bank does not have any obligation to revise, modify or reaffirm the contents of the DB Valuation Report.

In respect of the DB Valuation Report, Deutsche Bank has assumed that the Tender Offerors and the Target Company will each take appropriate actions to comply with the restrictions and agreed terms necessary for the consummation of the Tender Offer, and that all conditions and obligations to which the Tender Offerors and the Target Company are subject in respect of the Tender Offer will be completed or satisfied without being waived. Deutsche Bank has further assumed that all material consents and approvals by government, regulatory authority or other parties (hereinafter, the "Authorities") necessary for the commencement of the Tender Offer will be obtained, and that neither the obtaining of such consents, approvals or orders by the Authorities nor any revisions, modifications or waiver of any contracts to which the Tender Offerors or the Target Company is a party will have any adverse effect on the Tender Offerors or the Target Company, nor will they impose any restrictions, regulations or conditions that may reduce the profits resulting from the Tender Offer for the Tender Offerors or the Target Company, nor will the profits expected to be earned from the Tender Offer be revised, modified or relinquished.

Deutsche Bank does not provide legal, tax or regulatory advice. With respect to such matters, NAVER relies on the advice of specialists who are experts in such fields.

The DB Valuation Report was provided solely for the information of the board of directors of NAVER and to assist the board of directors of NAVER in connection with its consideration of the Tender Offer Price. Deutsche Bank has not recommended any specific purchase price to NAVER or its board of directors, shareholders, creditors or other relevant parties, and does not recommend or guarantee that any specific purchase price is the only appropriate purchase price. The DB Valuation Report does not constitute a recommendation as to whether or not NAVER should commence the Tender Offer, whether any holder of the Target Company Common Shares should tender shares into the Tender Offer, or as to how any holder of the Target Company Common Shares or any other securities should vote or act with respect to any matter. By submitting the DB Valuation Report to the board of directors of NAVER, Deutsche Bank did not guarantee the business plans or financial forecasts as provided by the Target Company or NAVER, nor did it guarantee that the earnings projections and investment plans as contained therein will be realized or implemented.

Deutsche Bank did not have the authority to solicit, and did not solicit, investments in securities or other financial products issued by the Target Company. Deutsche Bank will not provide any opinion in respect of the values of the Target Company's shares after the announcement or consummation of the Tender Offer.

Deutsche Bank has acted as NAVER's financial advisor in connection with the Tender Offer and will be paid a fee for its services. NAVER has also agreed to reimburse Deutsche Bank for its expenses, and to indemnify Deutsche Bank against certain liabilities, in connection with its engagement. Deutsche Bank is an affiliate of Deutsche Bank AG (hereinafter, together with its affiliates, the "DB Group"). One or more of the members of the DB Group may provide, or may be providing, investment banking, commercial banking (including credit financing) or other financial services to the Tender Offerors, ZHD, the Target Company or their affiliates, and may receive, or may be receiving, fees with respect to such services. In the ordinary course of its business, a member of the DB Group may exercise its voting rights in respect to the Target Company's shares, or actively trade the Target Company's shares, bonds or other marketable securities (or related transactions) for Deutsche Bank's own account or for the accounts of its customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

Subject to its internal rules and procedures, such as policies concerning conflicts of interest, DB Group may provide investment banking, commercial banking or financial advisory services to clients that may have, currently or in the future, a conflict of interest with NAVER or the Target Company, and may receive fees for such services. In such case, DB Group will not owe any duty to disclose any confidential information to NAVER, the Target Company or their affiliates.

(Basis of valuation by SoftBank)

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, SoftBank requested Nomura Securities Co., Ltd. (hereinafter, "Nomura Securities"), its financial advisor, as a third-party valuation institution independent from the Tender Offerors, ZHD, or the Target Company, to evaluate the share value of the Target Company. Nomura Securities is not a related party to the Tender Offerors, ZHD, or the Target Company, nor does it have any material interests in relation to the Business Integration including the Tender Offer.

Upon conducting a valuation of the Target Company Common Shares among several share price valuation methods, Nomura Securities considered that it was appropriate to evaluate the Target Company Common Shares from multiple angles. Therefore, Nomura Securities has evaluated the value of the Target Company Common Shares on the assumption that the Target Company is a going concern by using the Average Market Price Method due to the fact that the Target Company Common Shares are listed on the First Section of TSE and DCF Analysis in order to reflect future business activities in the valuation. SoftBank received a report on the valuation of the Target Company Common Shares (hereinafter, the "Nomura Valuation Report") from Nomura Securities dated December 23, 2019. Note that SoftBank has not received a fairness opinion regarding the fairness of the Tender Offer Price.

The results of valuation made by Nomura Securities with respect to the value of each common share of the Target Company is as follows.

Average Market Price Method JPY 3,570 to JPY 4,585

DCF Analysis JPY 3,412 to JPY 5,142

For the Average Market Price Method, setting a record date of November 13, 2019, before speculative press reports were released (after the close of regular trading hours on November 13, 2019), in order to exclude the effect of speculative press reports on the share price, the closing price on the record date for the Target Company Common Shares on the First Section of TSE was JPY 4,585, the simple average closing price over the 5 business days ending November 13, 2019 was JPY 4,427 (rounded off to the nearest JPY 1; hereinafter the same applies to calculation of the simple average closing price), the simple average closing price over the month-long period ending November 13, 2019 was JPY 4,085, the simple average closing price over the 3-month-long period ending November 13, 2019 was JPY 3,934, the simple average closing price over the 6-month-long period ending November 13, 2019 was JPY 3,570. Based on those values, Nomura Securities evaluated the range of the share value per each common share of the Target Company as being between JPY 3,570 and JPY 4,585.

For the DCF Analysis, calculations were based on the revenues and investment plans described in business plans over 6 fiscal years from the fiscal year ending December 2019 to the fiscal year ending December 2024 and publicly available information, from which the Target Company's enterprise value and equity value were derived by discounting the free cash flow expected to be generated by the Target Company in the future from the third quarter of the fiscal year ending December 2019 by a certain rate in order to determine the present value, which resulted in a per-common share price range of JPY 3,412 to JPY 5,142. The business plan based on which the DCF Analysis was conducted contemplates a significant fluctuation in operating profit and loss. Specifically, it anticipates an operating loss due to the post of large marketing expenses and investments to strategic businesses in the fiscal years ending December 2019 and 2020 and a significant fluctuation in revenue due to the reduction of marketing expenses and the improvement of profit and loss according to the emergence of the effect through business investments after the fiscal year ending December 2021. The expected synergies to be realized through the implementation of the Business Integration including the Tender Offer are not taken into account because it is difficult to specifically estimate them at the current point.

(Note) In evaluating the share value of the Target Company, Nomura Securities assumed that publicly available information and all information provided to Nomura Securities is correct and complete, and Nomura Securities has not independently investigated the correctness and completeness of such information. Nomura Securities has not conducted an independent evaluation, appraisal, or assessment of any assets or liabilities held by the Target Company or any affiliated companies (including derivative financial instruments, un-booked assets and liabilities, and other contingent liabilities), including individualized analyses and evaluations of each asset and liability, nor has it requested a third party organization to conduct any appraisal or assessment. With respect to the financial projections made by the Target Company (including profit plans and other information), Nomura Securities has assumed that such projections were developed by the management of the Target Company based on the best and most good faith projections and judgements available at the present time, and were thus considered and developed in a rational fashion. The valuation made by Nomura Securities reflects the information and financial conditions obtained by Nomura Securities up to December 20, 2019. Note that the valuation made by Nomura Securities were made for the sole purpose of being referenced by SoftBank's board of directors when considering the share price of the Target Company Common Shares.

SoftBank decided to set the Tender Offer Price at JPY 5,380 per share as of today generally taking

into account the result of initial due diligence conducted during the period from late September to early November, 2019, precedent examples of premium paid upon determining price of purchase in the past tender offers to Share Certificate, etc. in the issuers other than ones which are similar to the Tender Offer, market trend of share price of the Target Company Common Shares, the likelihood for the board of directors of the Target Company to support the Tender Offer and the prospect of the tender to the Tender Offer in addition to the valuation result of the Nomura Valuation Report acquired from Nomura Securities as of December 23, 2019, as well as taking into account the result of the discussion and negotiation with NAVER and the Target Company.

(ii) Share Options

In light of the fact that the Share Options were issued as incentive plans for directors and employees of the Target Company and the fact that the Tender Offerors would be unable to exercise such Share Options even after the Tender Offerors acquired such Share Options, the Tender Offerors have set the price of purchase of the Share Options as JPY1 per unit of share options. In determining the price of Purchase of the Share Options, the Tender Offerors have not obtained a valuation report or a fairness opinion from a third party valuation organization.

(iii) Convertible Bonds

The Tender Offerors have decided to acquire the Convertible Bonds due 2023 at a price of JPY6,962,800, which is calculated by multiplying 1,339 common shares (the quotient of the face value of JPY10,000,000 divided by the effective conversion price of JPY7,467, a fractional share shall be omitted) with the Tender Offer Price of JPY 5,380. This price of JPY 7,203,820 represents a discount of 27.96% on the face value of such Convertible Bonds.

The Tender Offerors have decided to acquire the Convertible Bonds due 2025 with a face value of JPY10,000,000 at a price of JPY6,916,000, which is calculated by multiplying 1,330 common shares (the quotient of the face value of JPY10,000,000 divided by the effective conversion price of JPY7,518, a fractional share shall be omitted) with the Tender Offer Price of JPY5,380. This price of JPY 7,155,400 represents a discount of 28.45%on the face value of such Convertible Bonds.

As stated in "(5) Post-Tender Offer Reorganizations (Two-Step Acquisition Items)" in “1. Purpose of Purchase” abovementioned, the Convertible Bonds provide to the effect that, in the event that a tender offer is made to the Target Company Common Shares for delisting, the conversion price will be adjusted due to the settlement of the tender offer. In addition, the Convertible Bonds have the Early Redemption Provision, and the Convertible Bonds that are not acquired by the Tender Offer and are not converted into the Target Company Common Shares are scheduled to be redeemed after the Tender Offer at a par value or more in accordance with the Early Redemption Provision.

② Process of Valuation

(i) Process that led up to Determination of the Tender Offer Price

SoftBank, ZHD, NAVER and the Target Company, began discussions on various possibilities, including business alliances, in mid-June 2019. After that, since around early August of the same year, the four companies have discussed and examined a wide range of options for the Business Integration feasibility and methods, bearing in mind limitation, etc. under applicable domestic and foreign laws and regulations. Through these discussions, from mid-August until late-August, as the method for the Business Integration, the four companies decided to conduct a series of initial discussions on the feasibility of series of transactions, including a tender offer to the Target Company jointly conducted by Tender Offerors, an absorption-type company split in which the Target Company will cause the Target Succeeding Company to succeed all of the Target Company’s business, the Share Exchange in

which ZHD becomes the share exchange wholly-owning parent company, the Target Succeeding Company becomes the share exchange wholly-owned subsidiary, and the consideration is ZHD shares, etc. In early September 2019, each parties shared the understanding on the significance of the transaction, and decided to conduct further deliberations including the implementation of due diligence. As a result, from late September to early November 2019, discussions on the objectives of the Business Integration including synergies continued and due diligence on the Target Company by the Tender Offerors and ZHD and due diligence on ZHD by SoftBank and the Target Company were conducted. As a result of this process, a basic common understanding was reached among the four companies that the method described in "(i) Method of the Business Integration" in "① The Definitive Business Integration Agreement and the Transaction Agreement" in (3) Important Agreements Concerning the Tender Offer" herein including the privatization of the Target Company by the Tender Offerors was to be mainly considered. Accordingly, as of November 18, 2019, MOU was reached to be executed. On the same day, the Tender Offerors submitted to the Target Company a statement of intent regarding the suggestion of the Tender Offer for trades aimed at the transaction to realize the Business Integration. In the statement of intent, the Tender Offerors proposed to the Target Company the Tender Offer Price to be 5,200 per each of the Target Company Common Shares, taking into account the Business Integration synergies and the premiums associated with the transfer of control.

Since the MOU was executed, SoftBank, ZHD, NAVER, and the Target Company have continued to examine deliberately the details of terms and conditions and the method of transactions in a series of the transactions in relation to the Business Integration. Furthermore, concurrently with the aforementioned examinations, the Tender Offerors have engaged in discussions and negotiations with the Target Company on the Tender Offer Price since early December 2019. Specifically, although the Tender Offerors proposed to the Target Company the Tender Offer Price to be JPY 5,200 on December 10, 2019 and JPY 5,320 on December 18, 2019, the Target Company determined those proposed Tender Offer Price is not sufficient and requested the Tender Offerors to reconsider the proposal. Through the aforementioned negotiations, Tender Offerors proposed to the Target Company the Tender Offer Price to be JPY 5,380 on December 20, 2019. After that, the Tender Offerors and the Target Company agreed to make the Tender Offer with the Tender Offer Price at JPY 5,380 per share on December 23, 2019 and the Tender Offerors decided, for NAVER, at the board of directors held today, and for SoftBank, by the decision of Ken Miyauchi, Representative Director, President & CEO of SoftBank, who was authorized by the resolution of the board of directors of SoftBank held today, to implement the Tender Offer.

In addition, the Tender Offerors decided the Tender Offer Price based on each of the process described as follows.

(Background for NAVER to determine its Tender Offer Price)

(a) Name of the third party requested to provide opinion on valuation

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, NAVER requested Deutsche Bank, its financial advisor, as a third-party valuation institution independent from the Tender Offerors, ZHD or the Target Company, to evaluate the share value of the Target Company. Deutsche Bank is not a related party to, the Tender Offerors, ZHD or the Target Company, nor does it have any material interests in relation to the Tender Offer (except for the receipt of fees in connection with its engagement in relation to a series of transactions relating to a series of transactions relating to the Business Integration).

(b) Summary of the opinion

Deutsche Bank has evaluated the value of the Target Company Common Shares by using the Average

Market Price Method due to the fact that the Target Company Common Shares are listed on TSE, and a DCF Analysis in order to reflect financial forecasts and other information and data related to the Target Company provided by the management of NAVER in the evaluation.

The results of valuation made by Deutsche Bank with respect to the value of each common share of the Target Company is as follows:

Average Market Price Method	JPY 3,570 to JPY 4,585
DCF Analysis	JPY 3,819 to JPY 5,497

(c) Background for determining the Tender Offer Price taking into account such opinion

NAVER resolved at the meeting of its board of directors held on December 23, 2019 that the Tender Offer Price will be JPY 5,380 per share, based on a comprehensive review of various factors, including the results of due diligence in respect of the Target Company that took place from late October 2019 to early November 2019, precedent examples of premiums paid in tender offers by parties other than the Issuer where the parent company took or intended to take its listed subsidiary private upon completion of such tender offer, the likelihood of approval of the Tender Offer by the Target Company's board of directors, the market trends of the price of the Target Company Common Shares, the prospects of subscription for the Tender Offer, in addition to the valuation analysis contained in the DB Valuation Report received from Deutsche Bank (please refer to "①Basis of Valuation" above for details), as well as taking into account results of the discussions and negotiations with the Target Company.

(Process that led up to Determination of a Tender Offer price by SoftBank)

(a) Name of the third party from whom SoftBank received an opinion upon the valuation

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, SoftBank requested Nomura Securities, its financial advisor, as a third-party valuation institution independent from the Tender Offerors, ZHD, or the Target Company, to evaluate the share value of the Target Company. SoftBank received Nomura Valuation Report from Nomura Securities on December 23, 2019. Note that SoftBank has not received from Nomura Securities a fairness opinion regarding the fairness of the Tender Offer Price.

(b) Summary of the opinion

According to Nomura Valuation Report, the methods adopted and the range of the values per share of the Target Company Common Shares, which were evaluated by such methods, are as follows:

Average Market Price Method	JPY 3,570 to JPY 4,585
DCF Analysis	JPY 3,412 to JPY 5,142

(c) Background to the decision on a tender offer price in consideration of the opinion

As described in "① Basis of Valuation" above, SoftBank decided to set the Tender Offer Price at JPY 5,380 per share as of today based on the result of the discussion and negotiation with NAVER and the Target Company, generally taking into account the result of initial due diligence conducted during the period from late September to early November, 2019, the actual examples of premium granted upon determining price of purchase in the past tender offers to Share Certificate, etc. in the issuers other than ones which are similar to the Tender Offer, circumstances of market share price of the Target Company Common Shares, whether or not for the board of directors of the Target Company to support the Tender Offer and the forecast of the tender to the Tender Offer in addition to the valuation result of the Nomura Valuation Report acquired from Nomura Securities as of December 23, 2019.

(ii) Measures to Ensure the Fairness of the Tender Offer, such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

Taking into the account the Target Company are the consolidated subsidiary of NAVER as of today, and the structural conflicts of interest may be issued in the consideration of the Delisting Procedures of the Target Company, the Tender Offerors and the Target Company have implemented the following measures from the perspective of ensuring the fairness of the Tender Offer.

(a) Acquisition of a share valuation report from an independent third party valuation organization by Tender Offerors

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, NAVER requested Deutsche Bank, its financial advisor, as a third party valuation institution independent from Tender Offerors, ZHD and the Target Company, to evaluate the share value of the Target Company. Deutsche Bank is not a related party to the Tender Offerors, ZHD or the Target Company, nor does it have any material interest in the Delisting Procedures, including the Tender Offer. Please refer to "① Basis of Valuation" above for an outline of the share valuation report relating to the valuation results of the share value of the Target Company acquired by NAVER from Deutsche Bank dated December 22, 2019.

In determining the Tender Offer Price in order to ensure the fairness of the Tender Offer Price, SoftBank requested Nomura Securities, its financial advisor, as a third party valuation institution independent from the Tender Offerors, ZHD or the Target Company, to evaluate the share value of the Target Company. Nomura Securities is not a related party to the Tender Offerors, ZHD or the Target Company, nor does it have any material interest in the Business Integration, including the Tender Offer. Please refer to "① Basis of Valuation" above for the summary of the share valuation report relating to Nomura Valuation Report acquired by SoftBank from Nomura Securities on December 23, 2019.

(b) Acquisition of share valuation report and a fairness opinion from an independent third party valuation institution by the Target Company

According to the Target Company Press Release, in examining the Tender Offer Price presented by the Tender Offerors and forming the opinion with respect to the Tender Offer, in order to ensure the fairness of the opinion, in July 2019, the Target Company retained J.P. Morgan Securities, a third party valuation institution independent from the Tender Offerors, ZHD or the Target Company, as its financial advisor and requested J.P. Morgan Securities to provide the valuation of the Target Company Common Shares and also requested J.P. Morgan Securities to provide a fairness opinion to the effect that the agreed price for share of the Target Company Common Shares in the Tender Offers in Japan and the U.S. (i.e., JPY 5,380 per share of the Target Company Common Shares, the same applies to this paragraph).

According to the Target Company Press Release, J.P. Morgan Securities performed a market share price analysis on the Target Company Common Shares considering the Target Company Common Shares are listed on the First Section of TSE, as well as a DCF Analysis based on the standalone business plan (not including the impact of the Business Integration) and financial projections prepared and furnished to J.P. Morgan Securities by the management of the Target Company in order to reflect the situation of the future business of the Target Company in the valuation and presented to the Target Company the JPM Valuation Report concerning the share value of the Target Company Common Shares (hereinafter, the “Share Value”) dated December 23, 2019.

Furthermore, according to the Target Company Press Release, J.P. Morgan Securities presented the JPM Fairness Opinion dated December 23, 2019 to the board of directors of the Target Company, to the effect that the agreed price for share of the Target Company Common Shares in the Tender Offers in Japan and the U.S. is fair to the holders of the Target Company Common Shares (except for the Tender Offerors and their affiliates) under a certain set of assumptions from a financial perspective. According to the Target Company Press Release, the JPM Valuation Report and JPM Fairness Opinion were provided solely for the benefit of the board of directors of the Target Company in connection with the evaluation of the Tender Offer and for information purposes in performing such evaluation. According to the Target Company Press Release, it should be noted that J.P. Morgan Securities is not a related party of the Tender Offerors, ZHD or the Target Company and has no material interest in the proposed Business Integration including the Delisting Procedure.

According to the Target Company Press Release, based on the JPM Valuation Report, the calculated ranges of the Share Value per share of the Target Company Common Shares based on each method are as indicated below.

According to the Target Company Press Release, in light of speculative press reports about the Business Integration having been published after TSE market hours on November 13, 2019, in performing the market share price analysis, J.P. Morgan Securities used November 13, 2019 as the record date (hereinafter, the "JPM Record Date"), and reviewed the per share closing price trading data of the Target Company on the JPM Record Date and the average daily closing share prices of the Target Company on TSE for the one-month, three-month and six-month periods concluding on the JPM Record Date.

According to the Target Company Press Release, the DCF Analysis was based on the business plan and financial projections of the Target Company for the fiscal year ending December 2019 through the fiscal year ending December 2029, earnings projections and investment plans as set forth in the business plans of the Target Company, the results of due diligence on and interviews with the Target Company, and other publicly available information and factors approved by the Target Company to be used by J.P. Morgan Securities. According to the Target Company Press Release, in calculating the Share Value, a range of discount rates of either 6.0%~7.0% or 10.5%~12.5% depending on the business segment of the Target Company is applied to the free cash flows projected to be produced by each business segment of the Target Company for the periods after fiscal year ending December 2021, while a range of perpetual growth rates of 1.0%~2.0% is used to calculate the perpetual growth value. According to the Target Company Press Release, the business plan of the Target Company, which was used by J.P. Morgan Securities for the purposes of the DCF Analysis with the approval of the Target Company, expects operating deficit for the fiscal years ending December 2019 and December 2020, due to the investments and high marketing costs associated with the strategic businesses, and expects a substantial increase in its profits after the fiscal year ending December 2021 as a result of the improvement of the profitability due to, among others, the decrease in marketing cost and positive impact from the business investments. According to the Target Company Press Release, as the Target Company Common Shares are listed on the New York Stock Exchange in addition to TSE, after carefully considering, among others, the risk under the U.S. securities regulations, it is decided that the business plan of the Target Company, which the DCF Analysis by J.P. Morgan Securities is based upon, is not disclosed on the Target Company Press Release.

Valuation method	Range of the Share Value per share of the Target Company Common Shares

Market Share Price Analysis	JPY 3,570 to JPY 4,585
DCF Method	JPY 4,371 to JPY 6,414

(Note) According to the Target Company Press Release, in preparing the opinions contained in the JPM Fairness Opinion and in conducting the share valuation of the Target Company Common Shares on which such opinions were based, including JPM Valuation Report (the same shall apply hereinafter), J.P. Morgan Securities 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 Securities by the Target Company or otherwise reviewed by or for J.P. Morgan Securities, and J.P. Morgan Securities has not independently verified (nor has it assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. According to the Target Company Press Release, J.P. Morgan Securities has not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor has it evaluated the creditworthiness of the Target Company under any laws relating to bankruptcy, insolvency or similar matters. According to the Target Company Press Release, in relying on financial analyses and projections provided by the Target Company to J.P. Morgan Securities or derived therefrom, J.P. Morgan Securities 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 the Target Company to which such analyses or projections relate. According to the Target Company Press Release, J.P. Morgan Securities expresses no view as to such analyses or forecasts or the assumptions on which they were based. According to the Target Company Press Release, J.P. Morgan Securities has also assumed that the Tender Offer and any other transactions contemplated by the Definitive Business Integration Agreement (hereinafter, collectively referred to as "Tender Offer, etc") will be consummated as described in the Definitive Business Integration Agreement, that the Tender Offer and the U.S. Tender Offer shall be commenced on the substantively same terms and conditions in all material aspects and that the final execution version of the Definitive Business Integration Agreement will not differ in any material respects from the draft thereof furnished to J.P. Morgan Securities. According to the Target Company Press Release, J.P. Morgan Securities is not a legal, regulatory, tax or accounting expert and relied on the assessments made by advisors to the Target Company with respect to such issues. According to the Target Company Press Release, J.P. Morgan Securities has further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Tender Offer, etc would be obtained without any adverse effect on the Target Company or on the contemplated benefits of the Tender Offer, etc.

According to the Target Company Press Release, the JPM Fairness Opinion and the results of the share valuation of the Target Company Common Shares on which the JPM Fairness Opinion was based was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan Securities as of the date of the JPM Valuation Report. According to the Target Company Press Release, it should be understood that subsequent developments may affect the JPM Fairness Opinion and that J.P. Morgan Securities does not have any obligation to update, revise, or reaffirm such valuation results or opinion.

According to the Target Company Press Release, the JPM Fairness Opinion was limited to expressing the opinion to the effect that the agreed price for share of the Target Company Common Shares in the Tender Offers in Japan and the U.S. is fair to the holders of the Target Company Common Shares (except for the Tender Offerors and their affiliates) under a certain set of assumptions from a financial perspective, and J.P. Morgan Securities expressed no opinion as to the fairness of the Tender Offer Price in the Tender Offer to the holders of any class of securities, creditors or other constituencies of the Target Company, or as to the underlying decision by the Target Company to engage in the Tender Offer, etc. According to the Target Company Press Release, furthermore, neither the JPM Fairness Opinion nor the results of the share valuation of the Target Company Common Shares on which the JPM Fairness Opinion was based are intended to recommend a certain tender offer price to the Target Company, its board of directors, Tender Offerors or their board of directors, nor are they intended to advise that a certain tender offer price is the only appropriate tender offer price. According to the Target Company Press Release, J.P. Morgan Securities expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Tender Offer, etc, or any class of such persons relative to the Tender Offer Price in the Tender Offer, etc or with respect to the fairness of any such compensation. According to the Target Company Press Release, J.P. Morgan Securities expressed no opinion as to the price at which the Target Company Common Shares may trade at any future time. According to the Target Company Press Release, the JPM Fairness Opinion was limited to the amount payable in JPY and was not made to the USD amount to be paid to the holders of the Target Company Common Shares by applying the applicable exchange.

According to the Target Company Press Release, the business plans and financial projections for the Target Company furnished to J.P. Morgan Securities by the Target Company (hereinafter, the "Projections") were prepared by the management of the Target Company. According to the Target Company Press Release, the Target Company has not publicly disclosed the Projections provided to J.P. Morgan Securities in connection with J.P. Morgan Securities' preparation of JPM Fairness Opinion and the share valuation of the Target Company Common Shares on which the JPM Fairness Opinion was based, and the Projections were not prepared with a view toward public disclosure. According to the Target Company Press Release, the Projections are inherently uncertain and were based on numerous variables and assumptions that may be beyond the control of management, including, without limitation, factors related to general economic and competitive conditions and prevailing interest rates. According to the Target Company Press Release, accordingly, actual results could vary significantly from those set forth in the Projections.

According to the Target Company Press Release, the foregoing summary of the JPM Fairness Opinion and the results of share valuation of the Target Company Common Shares on which the JPM Fairness Opinion was based does not purport to be a complete description of data referenced or presented by the Target Company Common Shares. The preparation of the JPM Fairness Opinion and JPM Valuation Report is a complex process and the foregoing summary of the result of the share valuation of the Target Company Common Shares and the valuation methods thereof does not necessarily present all aspects of the analysis conducted in an accurate manner. According to the Target Company Press Release, J.P. Morgan Securities believes that the results of its

analyses must be considered as a whole and that selecting portions of such analyses, without considering all of such analyses as a whole, could create an incomplete view of J.P. Morgan Securities' analyses and the processes underlying such analyses. According to the Target Company Press Release, in providing the JPM Valuation Report, J.P. Morgan Securities considered each analysis and factor in a comprehensive and holistic manner, 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. According to the Target Company Press Release, none of the selected companies reviewed as described in the above analysis as a comparable company is identical to any operating units or subsidiaries of the Target Company. According to the Target Company Press Release, however, the companies selected were chosen because they are publicly traded companies with businesses that, for purposes of J.P. Morgan Securities' analysis, may be considered similar to those of the Target Company, as the case may be. According to the Target Company Press Release, 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 the Target Company.

According to the Target Company Press Release, J.P. Morgan Securities has acted as financial advisor and third party valuation agent to the Target Company with respect to the proposed Business Integration including the Delisting Procedure and will receive a fee from the Target Company for its services, a substantial portion of which will become payable only if the proposed Business Integration including the Delisting Procedure is consummated. According to the Target Company Press Release, in addition, the Target Company has agreed to indemnify J.P. Morgan Securities against certain liabilities arising out of its engagement. During the two years preceding the date of the JPM Fairness Opinion, J.P. Morgan Securities and its affiliates have had commercial or investment banking relationships with the Target Company and SoftBank, for which J.P. Morgan Securities and its affiliates have received customary compensation. According to the Target Company Press Release, such services by J.P. Morgan Securities and/or its affiliates during such period have included J.P. Morgan Securities and/or its affiliates' acting as a Joint Active Bookrunner for the Target Company's dual tranche Euro Yen 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. According to the Target Company Press Release, in addition, J.P. Morgan Securities and its affiliates own less than 1% of the outstanding common shares of the Target Company, ZHD, and the Tender Offerors in its own accounts. According to the Target Company Press Release, in the ordinary course of businesses of J.P. Morgan Securities and its affiliates, they may actively trade the debt and equity securities of the Target Company, ZHD, NAVER or SoftBank for their own account or for the accounts of customers and, accordingly, J.P. Morgan Securities and its affiliates may at any time hold long or short positions in such securities.

(c) Acquisition of advice from an independent law firm by the Target Company

According to the Target Company Press Release, prior to the proposal of the Tender Offer by the Tender Offerors, the Target Company selected Anderson Mori & Tomotsune in July 2019, and

Sherman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*) in August 2019 as a legal advisor, which was independent from the Tender Offerors, ZHD and the Target Company. The Target Company has received legal advice from those firms with respect to the procedures of the Business Integration and the decision-making process of the board of directors of Target Company and the method thereof.

Given that the Target Company received the proposal of the Tender Offer from the Tender Offerors, in ensuring the fairness of the Tender Offer, the Target Company has received legal advice from Anderson Mori & Tomotsune, and Sharman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*) with respect to the procedures of the Business Integration and the Target Company's board of directors' decision-making process and methods.

Anderson Mori & Tomotsune and Sharman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*) are not related parties to the Tender Offerors, ZHD and the Target Company, nor do they have any material interests to be described in respect of the Delisting Procedures, including the Tender Offer.

(d) Establishment of the Special Committee in the Target Company

(i) Background of establishment

According to the Target Company Press Release, in order to ensure the validity of the terms and conditions of a transaction and the fairness of procedures from the standpoint to improve the enterprise value of the Target Company and the benefit of its general shareholders in the Business Integration, the Target Company established an special committee (hereinafter, the "Special Committee") on October 15, 2019, which consists of three persons, Rehito Hatoyama (Chairperson), Tadashi Kunihiro and Koji Kotaka who have no interests with the Tender Offerors, ZHD and the Target Company, are the outside directors of the Target Company notified to Tokyo Stock Exchange as an independent officer, and are judged to have the experience and eligibility necessary to consider the Business Integration. In considering the Business Integration, the Target Company consulted with the Special Committee with respect to (i) whether the Business Integration facilitates the improvement of the enterprise value and its purposed is reasonable, (ii) whether the fairness of procedures for the Business Integration is ensured, (iii) whether the validity of the terms and conditions of the Business Integration is ensured, and (iv) whether it is considered based on the above (i) to (iii) that the Business Integration is disadvantageous to the minority shareholders of the Target Company.

After the proposal of the Tender Offer from the Tender Offerors, given that the Business Integration will fall within transactions with controlling shareholder provided in the Securities Listing Regulations of Tokyo Stock Exchange in the future if the Delisting Procedures including the Tender Offer is implemented, the Target Company continues to consult with the Special Committee, and made the following resolutions at the meeting of the board of directors held on November 18, 2019; the matters to consult with the Special Committee are changed to (i)whether the Business Integration facilitates the improvement of the enterprise value and its purposed is reasonable, (ii)whether the fairness of procedures for the Business Integration is ensured, (iii)whether the validity of the terms and conditions of the Delisting Procedures, including the Tender Offer Price of the Tender Offer, is ensured, (iv) whether it is considered based on the above (i) to (iii) that the Business Integration is disadvantageous to the minority shareholders of the Target Company, and (v) whether it is considered that it is reasonable to announce the opinion supporting the Tender Offers in Japan and the U.S. including the Tender Offer by the board of directors of the Target Company and recommend to tender the Tender Offers in Japan and the U.S. including the Tender Offer to the Target Company's shareholders; the board of directors will accurately

understand and comprehend the judgement of the Special Committee, and make the decision with respect to the Business Integration including the Tender Offer with the highest regard for the contents of the decision of the Special Committee; and the board of directors will not agree to the Tender Offer if the Special Committee determines that the execution or the terms and conditions of the Tender Offer are not valid.

In addition, the fixed compensation for the consideration for the service will be paid to each member of the Special Committee, regardless of its report.

(ii) Process of Review

According to the Target Company Press Release, the Special Committee held 18 meetings (28 hours in total) between October 15, 2019 and December 23, 2019. According to the Target Company Press Release, in between these meetings, the Special Committee also shared reports/information, deliberated and made decisions, among other actions, via email. According to the Target Company Press Release, it was through these means that the special committee carefully discussed and considered the Terms of Reference.

According to the Target Company Press Release, specifically, the Special Committee confirmed the independence and rich experiences of and appointed Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*) as the legal advisors to the Special Committee. According to the Target Company Press Release, after interviewing multiple candidates and confirming a submitted disclosure letter describing the fact that they provided their services to other parties involved in the Business Integration in transactions other than the Business Integration, the Special Committee compared each candidate, and consequently, taking into consideration the nature of the services provided by BoA to other parties involved in the Business Integration in transactions other than the Business Integration, the fact that BoA has had a lot of experiences and their reputation, etc., determined that the fact that BoA provided aforementioned services to other parties will not prevent BoA from giving their independent advices to the Special Committee, and appointed BoA as the financial advisor and third party valuation firm for the Special Committee.

According to the Target Company Press Release, moreover, the Special Committee confirmed the independence and wealth of experience of Anderson Mori & Tomotsune and Shearman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*), the legal advisors to the Target Company, based on what was reported by such advisors, as well as the independence and wealth of experience of J.P. Morgan Securities, the financial advisor and third party valuation firm for the Target Company, based on what was reported by such advisor.

According to the Target Company Press Release, in addition, regarding the Target Company's internal review structure on the Delisting Procedures, the Special Committee requested explanations from the Target Company's management and Anderson Mori & Tomotsune, the legal advisor to the Target Company, with respect to the number of directors that have conflicts of interest. According to the Target Company Press Release, the Special Committee reviewed Anderson Mori & Tomotsune's response based on the advice from Nakamura, Tsunoda & Matsumoto, the legal advisor to the Target Company, and considered carefully whether the Target Company's internal review structure has any problems from a fairness point of view.

According to the Target Company Press Release, given that, the Special Committee received explanations from the Target Company's management on the preparation process / objectives, contents and important assumed conditions of the Target Company's stand-alone business plan (excluding the effects of the Business Integration) (hereinafter, the "Business Plan"), together with the integration synergies of the Business Integration, and had a question and answer session.

According to the Target Company Press Release, the Special Committee received advice from BoA, Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*), as well as explanations with respect to the Business Integration from the Tender Offerors. According to the Target Company Press Release, in response, the members of the Special Committee asked various questions on the operation / governance policy of the Target Company after the Business Integration and the integrated company (meaning ZHD, hereinafter, "Integrated Company", which will be the integrated company after the Business Integration), the evaluation of the Business Plan, the integration synergies of the Business Integration, the synergies anticipated between the NAVER group and the SoftBank group, the tender offer price of the Tender Offer proposed by the Tender Offerors, and the planned procedures of the Tender Offer and the Delisting Procedures after the implementation of the Tender Offer. According to the Target Company Press Release, the Special Committee received answers to these questions. According to the Target Company Press Release, moreover, the Special Committee received advice from BoA, as well as explanations from ZHD, which is the other party to the Business Integration. According to the Target Company Press Release, in response, the Special Committee asked various questions with respect to the Business Integration, including the operation / governance policy of the Target Company after the Business Integration and the Integrated Company, the evaluation of the Business Plan and the integration synergies of the Business Integration. According to the Target Company Press Release, the Special Committee received answers to these questions from ZHD.

According to the Target Company Press Release, thereafter, as described below in "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" the Special Committee obtained the BoA Valuation Report regarding the Target Company Common Shares from BoA on December 23, 2019 prepared under certain prescribed conditions, and received explanations from BoA on the method for calculating the value of the Target Company Common Shares, the reasons for choosing such method, the results of calculations based on a DCF Analysis and the premium levels etc. in similar recent transactions in the Japan and the U.S. markets, as well as the details and assumptions related to such matters, deliberated those matters, and conducted a question and answer session. According to the Target Company Press Release, moreover, as described below in "(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee" on December 23, 2019, the Special Committee received the BoA Fairness Opinion from BoA prepared under certain prescribed conditions, to the effect that the Tender Offer Price of the Target Company Common Shares etc. is fair to holders of the Target Company Common Shares etc. (except for the Tender Offerors and their affiliated companies) from a financial perspective, received explanations regarding its contents and assumed conditions, deliberated those matters and conducted a question and answer session.

According to the Target Company Press Release, the Special Committee received a statement of intent that included the initial price proposal from the Tender Offerors on November 18, 2019, and the Special Committee received an explanation directly from the Tender Offerors of the rationale for the tender offer price. According to the Target Company Press Release, the Special Committee deliberated and considered the financial advice received from BoA and requested the Tender Offerors to increase the tender offer price, considering the Target Company's stand-alone stock value and the premiums in similar cases. According to the Target Company Press Release, moreover, in order to clearly convey this request to the relevant parties, the Special Committee, of its own accord, requested its attendance at negotiations with the Tender Offerors on three occasions, and, having received the opportunity to express its opinion, the Special Committee did so.

According to the Target Company Press Release, the Special Committee received an explanation of a summary of the Integration Agreement and Capital Alliance Agreement, to which the Target Company was to become a party, from the Target Company's management and Anderson Mori & Tomotsune, the Target Company's legal advisor, and a question and answer session was conducted.

According to the Target Company Press Release, the Special Committee received advice from its legal advisors Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*) regarding the Target Company and ZHD's press release titled "Announcement Regarding Capital Alliance MOU on Business Integration," dated November 18, 2019, SoftBank and NAVER's press release titled "Notice Concerning the Entry into a Memorandum of Understanding Regarding the Business Integration of Z Holdings Corporation (Securities Code: 4689) and LINE Corporation (Securities Code: 3938), and the Submission of a Letter of Intent in Relation to a Joint Tender Offer for the Shares of LINE Corporation" dated November 18, 2019, and the Target Company's draft press release at the time of the 17th meeting of the Special Committee titled "Announcement of Opinion Regarding the Planned Commencement of the Joint Tender Offer for the Shares of LINE Corporation by SoftBank Co., Ltd. and NAVER Corporation, the Controlling Shareholder of LINE Corporation" dated December 23, 2019 (collectively referred to as the "Disclosure Documents"), requested and received explanations from Anderson Mori & Tomotsune, the legal advisor to the Target Company and its management, regarding the contents of the information scheduled to be disclosed by the Disclosure Documents, and conducted a question and answer session.

According to the Target Company Press Release, following the procedures noted above, the Special Committee received advice from Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*), the legal advisors to the Special Committee e, and deliberated the draft of the Report multiple times.

(iii) Contents of Judgment;

According to the Target Company Press Release, under the background circumstances discussed above, and as a result of the Special Committee carefully discussing and considering the Terms of Reference based on (i) legal advice from Nakamura, Tsunoda & Matsumoto, the Special Committee's legal advisor on Japanese law, and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*), the Special Committee's US legal advisor on U.S. law, and (ii) financial advice received from the special committee's exclusive financial advisor and third-party valuation firm, BoA, as well as on the BoA Valuation Report and BoA Fairness Opinion dated December 23, 2019, obtained from BoA, the Special Committee unanimously agreed and submitted the Report dated December 23, 2019 to the Target Company's board of directors, the details of which are outlined below.

(i) Report

(a) The Business Integration, including the Tender Offer, can be seen as contributing to an increase in corporate value and being for a reasonable purpose;

(b) The procedures for carrying out the Business Integration, including the Tender Offer, can be seen as having ensured fairness;

(c) The terms of the Delisting Procedures, including the Tender Offer (excluding the prices for the Share Options and Convertible Bonds in the Tender Offer) can be seen as having ensured appropriateness;

(d) Taken in light of (a) through (c) together, the announcement of an opinion in support of the Tender Offers in Japan and the U.S. including the Tender Offer and the resolution of the Target

Company's board of directors with regard to the Business Integration (including the the Delisting Procedures using a share consolidation or other methods after the Tender Offer) can be considered as not adverse to the interests of the minority shareholders;

(e) It can be considered reasonable for the Target Company's board of directors to express its opinion in support of the Tender Offers in Japan and the U.S., and recommend that the Target Company's shareholders and the holders of the American Depositary Shares tender their shares in response to the Tender Offers in Japan and the U.S.

Please note that preparation of the Report regarding the U.S. Tender Offer and statement of the determinations and opinions stated in the Report (irrespective of whether they relate to the fairness of procedures or the price in the Tender Offer and the Delisting Procedures, or relating to any other matter) are based on the following assumptions reported by the Target Company and its advisors.

i Documents submitted to the U.S. Securities and Exchange Commission in connection with the Tender Offer and the Delisting Procedures involving the Tender Offer will comply with applicable U.S. securities regulations (including, without limitation, disclosure of the proposed price and other related terms (including the timing of purchase and other procedural requirements of tender offers applicable pursuant to U.S. securities regulations) to the holders of the certificates subject to the U.S. Tender Offer including the American Depositary Shares).

ii The price paid to holders of the certificates subject to the U.S. Tender Offer including the American Depositary Shares in the Delisting Procedures involving the Tender Offer will be a USD denominated price calculated by converting the Tender Offer Price to USD based on the market rate on the date of receipt by the tender agent of the certificates subject to the U.S. Tender Offer including the American Depositary Shares or the fair rate determined by a reasonable calculation method and process, minus the ordinary reasonable expenses and other fair expenses incurred in connection with the conversion from JPY to USD and termination of the deposit of American Depositary Shares.

Additionally, since the Target Company is listed on both the Japanese and U.S. stock exchanges, the Special Committee makes it clear that the terms used in the Report are used in the way in which they are used in the laws of Japan (including, but not limited to the Companies Act) that are directly applicable to the Target Company as a company in which shares are listed on the Japanese stock exchange. Specifically, the term, "independence" (including the term used with regard to financial advisor and legal advisor of the Target Company), which the Special Committee uses, and the term used in the Special Committee's discussion of a "MoM" and indirect "market check" are used in the way in which they are used in the laws of Japan and "Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests" announced as of June 28, 2019 by the Ministry of Economy, Trade and Industry. Although it is possible that the terms similar to the aforementioned terms exist in the U.S. or each states of the U.S., the aforementioned terms and the usage of these terms with regard to the examination of the Special Committee are different from the terms and the usage of these terms used in the U.S. or each states of the U.S., and thus, in any disclosures, without supplementary explanations, these cannot be used in a confusing way with regard to the opinions of the Special Committee.

(ii) Review

(a) The Business Integration including the Tender Offer can be recognized to contribute to the advancement of the Target Company's corporate value and be for a reasonable purpose due to

the following.

(i) It was decided that the Target Company's understanding regarding the purpose and significance of the Business Integration stated in "② Purpose and Background of the Tender Offer" in "(2) Basis and Reasons for Opinion" in "3. Details, Basis, and Reasons for Opinion Regarding the Tender Offer" is consistent with the objective reality, and even from the understanding of the members of the Special Committee, the Target Company's outside directors, regarding the Target Company's circumstances such as actively operating businesses in Asia, it is reasonable for the Target Company Group to seek to carry out the Business Integration upon a spirit of equality with the ZHD Group and play a proactive role in the operation of the Integrated Company after the Business Integration.

(ii) Even though the Business Integration may be for a reasonable purpose as discussed above, in order to determine whether the Business Integration will in fact contribute to an increase in corporate value, the Special Committee considered it important to review the basic strategy and integration synergies of the Integrated Company and thus interviewed the Target Company's management, as well as ZHD, and the Tender Offerors. As a result of the interviews, the Special Committee concluded that overall, there are no particularly unreasonable issues with respect to the basic strategy of the Integrated Company, and that integration synergies can be expected from the Business Integration.

- Through discussions with the Target Company's management, the Special Committee understands that the basic strategy of the Integrated Company includes: (i) quickly establishing itself as the domestic market leader with respect to its core services, (ii) cross-accessing the ZHD Group's customer base and the Target Company Group's customer base, and maximizing the user bases by mutually referring one's existing customers to the other; and (iii) becoming an "AI tech company that leads the world from Japan and Asia" within a short period of time by developing new services that take advantage of the technical capabilities and know-how of both companies. Especially, regarding (iii), the Special Committee understands that the Integrated Company plans to make investment decisions in order to carry out mid-to-long-term investments in the field of AI-centric products, in an amount of approximately 100 billion JPY on a cash basis each year.
- The Special Committee, through discussions with the Target Company's management, understands that the Target Company's management considers that there are synergies in marketing, attracting customers, Fintech and new businesses / system developments resulting from the Business Integration.
- From the perspective of the Special Committee, Mr. Jungho Shin, the representative director and CWO who created the business model of the LINE message App and founded the Target Company, has greatly contributed to the improvement of the Target Company's corporate value to date. Therefore, from the perspective of the Special Committee, he should receive due recognition in the Business Integration for his achievements thus far and should assume an important position in the Integrated Company and occupy a core position in its operations when considering its basic strategy and integration synergies.
- From the perspective of the Special Committee, an appropriate structure is required in order to achieve the synergistic effects of the Business Integration. Based on the question and answer session with the Target Company's management, the Special Committee understands that the corporate structure ensures that the Target Company and ZHD will manage the Integrated Company on equal terms, through corporate governance measures including the Co-CEO system, the number of directors and the members of the product committee that decide on the products provided by the Integrated Company group. The Special Committee also understands that Mr. Jungho Shin, who is the Target Company's CWO, will serve as the Chief Product Officer, who will be in charge of the product committee at the Integrated Company after the Business Integration. As a result, the Special Committee understands that he will assume an important position in the Integrated Company and occupy a core position in its operations.

・ The Special Committee asked ZHD the same questions, as the Special Committee considers it necessary that the views of the Target Company's management and the views of ZHD on the other side of the Business Integration are consistent regarding the basic strategy, integration synergies and the corporate structure that enables the realization of the integration synergies. Because ZHD's responses were consistent with the Target Company's management's responses, the Special Committee concludes that the Target Company's management and ZHD do not have differing opinions regarding the Business Integration.

・ The Special Committee requested explanations from all parties (the Target Company's management, ZHD, and the Tender Offerors) on whether there will be dis-synergies from the Business Integration and the details of the dis-synergies, if any. All parties responded that it is their understanding that there will not be any material dis-synergy. The Special Committee carefully considered this understanding of the parties and concluded that this understanding is not particularly unreasonable, in light of the objective circumstances of the Target Company.

(iii) After reviewing comprehensively the facts that it received explanations from the Target Company that compared with other possibilities (including growth through the execution of a business on a stand-alone basis and without conducting an integration with another company), the Business Integration brings great integration synergies to the Target Company and contributes to an increase of the Target Company's enterprise value, and from NAVER that transactions like selling the Target Company Common Shares without relying on the Business Integration are not anticipated, and received a response from both the Target Company and NAVER that they recognize that there are no realistic alternatives to the Business Integration, as well as factors such as the business environment faced by the Target Company, the risks associated with the execution of business on a stand-alone basis and the possibilities of integrating with a third party other than ZHD, the Special Committee concluded that in order to improve the Target Company's corporate value, the Business Integration would be more effective than executing business on a stand-alone basis and there are no alternatives to the Business Integration that are more realistic than the Business Integration.

(b) The Business Integration including the Tender Offer can be recognized as having ensured fairness in the procedures related to the Business Integration, and fair procedures were implemented in order to ensure the interests of ordinary shareholders, from the perspective of ensuring (1) a situation that one could view as being the same as if it were a transaction between independent parties, and (2) an opportunity for ordinary shareholders to make an appropriate judgment based on adequate information, due to the following points.

(i) The Special Committee acknowledges that with respect to the Business Integration, an independent Special Committee was established at the Target Company and functioned effectively.

(ii) The Special Committee acknowledges that it obtained independent advice from Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*), as well as BoA. The Special Committee also acknowledges that it obtained independent advice from outside experts Anderson Mori & Tomotsune and Shearman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*), as well as J.P. Morgan Securities.

(iii) The Special Committee acknowledges that it obtained a share valuation report from BoA, a financial advisor and an independent third party valuation firm that has a lot of experiences, as a basis for its determination regarding the Tender Offer and the Delisting Procedures. The Special Committee also acknowledges that it obtained a share valuation report from J.P. Morgan Securities, an independent third party valuation firm that has a lot of experiences, as the basis for its determination regarding the Delisting Procedures.

(iv) The Special Committee obtained the BoA Fairness Opinion from BoA. The Target

Company also obtained the JPM Fairness Opinion from J.P. Morgan Securities.

(v) The Special Committee received an explanation from the Target Company's management that, with respect to the internal examination framework for the Business Integration, Hae-Jin Lee, who also serves as NAVER's Global Investment Officer, was excluded from the Target Company's board discussion and decision-making regarding the Business Integration from the perspective of eliminating arbitrariness from the Target Company's decision-making process in deliberating on and deciding upon the Business Integration. Additionally, the Special Committee questioned the Target Company's management regarding the internal examination framework in the Business Integration and received answers that no employee concurrently serving at NAVER was involved in the Business Integration on the Target Company's side. Based on these explanations and answers, the Special Committee judged that an examination framework independent from NAVER had been put in place. Moreover, with respect to the fact that the Target Company's Representative Director and CWO, Jungho Shin, who also holds a position as Representative of Search and Clova Company, a company within NAVER, was involved in the decisions and deliberations regarding the Business Integration at the Target Company, the special committee determined that his involvement was not a problem for the fairness of the process based on, in addition to the explanation provided by Anderson Mori & Tomotsune, the following factors: (i) Six years had passed since he was transferred to the Target Company from NAVER; (ii) he did not, and was not in a position to, become involved in the deliberation or decision-making regarding the Business Integration by NAVER; (iii) the Target Company had received a written confirmation letter from him to the effect that, among other things, his involvement in the Business Integration was conducted solely for the benefit of the Target Company, and he would not in any way negotiate, consult with, deliberate or make contact regarding the Business Integration with the Target Company, ZHD, SoftBank or other related persons from the position of NAVER or a related person of NAVER; and (iv) his involvement was necessary and indispensable to the deliberation of the Business Integration by the Target Company.

(vi) The Special Committee considered it possible to conduct a proactive market check in order to explore the possibility of strategic alternatives to improve enterprise value of the Target Company other than through the Business Integration. For this reason, the Special Committee asked NAVER to explain and deliberate on whether it would be possible for them to consider transactions whereby NAVER sells the shares of the Target Company that it owns, in lieu of the Business Integration. However, NAVER provided a clear answer to the effect that they do not anticipate that kind of transaction. Accordingly, the Special Committee determined that there would be limited meaning to conducting a proactive market check, whereby one explores and considers whether there are alternative potential buyers in the market, because there is no realistic alternative to the Business Integration. However, while it would be worthwhile to a certain extent to conduct an indirect market check even in this case by conducting the M&A transaction after having created an environment where it is possible to make a competing proposal by a potential buyer after the announcement of the transaction even though NAVER holds 72.64% of the Target Company Common Shares and is not considering selling them, and thus, if a third party implements a tender offer with the tender offer price higher than the Tender Offer Price and consequently the number of the shares which NAVER purchases in the Tender Offer is limited to a small number, NAVER can implement the Delisting Procedures after the Tender Offer, the Special Committee determined that in the Business Integration, since a relatively long term is kept after the announcement of the Tender Offer, even if other competitive tender offer is implemented, NAVER can commence the Delisting Procedures, the possibility of impacting the Delisting Procedures is limited and there is an indirect opportunity for alternative bidders to make a

competing acquisition proposal.

(vii) The Special Committee received the explanation that there is not a condition precedent that requires a majority of the minority tender their shares in order to consummate the tender offer ("MoM") based on the understanding that in light of the fact that NAVER owns 72.64% of the Target Company Common Shares, an MoM may enable a comparatively small number of shares to be used to interfere with the Tender Offer and it may be possible that the establishment of such a condition may not be in the interest of ordinary shareholders who wish to tender in the Tender Offer. The Special Committee found this point to be reasonable. Accordingly, the Special Committee determined that the absence of such condition is not unreasonable.

(viii) The Special Committee acknowledges that there are plans to ensure an opportunity for ordinary shareholders to make an appropriate decision based on sufficient information about the Business Integration.

(ix) The Special Committee concluded that coercive elements have been eliminated for reasons such as the Delisting Procedures after the implementation of the Tender Offer not including a transaction structure that cannot secure the right of shareholders to demand purchase of their shares or demand a decision on the price of their shares for dissenting shareholders and there being a plan to disclose a planned share consolidation based on the Tender Offer Price promptly after the Tender Offer.

(c) Based on the following, it is acknowledged that the appropriateness of the transaction terms (excluding the prices for the Share Options and Convertible Bonds in the Tender Offer) of the Delisting Procedures, including the Tender Offer, has been ensured.

(i) With respect to the method of acquisition, the Delisting Procedures are conducted for the purpose of taking the Target Company private by making the Target Company's shareholders consist solely of NAVER and SoftBank. The Special Committee carefully discussed whether or not the method of conducting a share consolidation as the second step, following a first step of the Tender Offer, is an appropriate method to achieve that purpose. The Special Committee also carefully discussed the reasonableness of the type of purchase consideration used in the Tender Offer. One might have considered using shares of NAVER, SoftBank or the Integrated Company (ZHD) in lieu of cash consideration. However, the businesses of NAVER, SoftBank and ZHD are quite a bit different from the business of the Target Company. In addition, it may be thought that the use of cash consideration enables shareholders of the Target Company to avoid the risk of a decrease in the share price compared with what could occur were the consideration to be in the form of shares instead of cash. After comprehensively considering the afore-mentioned discussion, the Special Committee concluded that the type of purchase consideration used in the Tender Offer to be appropriate.

(ii) The Tender Offer Price can be recognized as appropriate based on the following factors: ① Regarding the Business Plan that forms the basis of the valuation by the DCF Analysis in the BoA Valuation Report, the Special Committee received explanations from the Target Company's management about the preparation process, objectives, and important assumptions, etc., asked questions to the Target Company's management about the key factors of business growth potential related to each key point, core business synergies and other key points, etc., received their responses, and carefully discussed the reasonableness of the Business Plan based on these explanations and responses from the Target Company's management. ② the BoA Valuation Report does not contain points that can be recognized as unreasonable regarding the content of the valuation or the method of valuation, and the Tender Offer Price is above the top end of the range of market price analysis in BoA Valuation Report and within the range of the DCF Analysis; ③ the premium provided in the Tender Offer Price is considered a significant premium in comparison with the

levels of the premiums provided in similar transactions; ④ the Special Committee obtained the BoA Fairness Opinion from BoA, ⑤ the Tender Offer Price was agreed as a result of sincere negotiation between the Target Company and the Tender Offerors with the substantive involvement of the Special Committee, which of its own accord, requested its attendance at negotiations, attended negotiations on three occasions, and expressed its opinion.

Although the Share Options and the Convertible Bonds are subject to the Tender Offer, the purchase price for Share Options is JPY 1 per Share Option and the purchase price of the Convertible Bonds is below the face value thereof. Additionally, as of the announcement of the Tender Offer, the Target Company plans to express their opinion to the effect that the Target Company leaves it to the discretion of each holder of Share Options and Convertible Bonds as to whether to tender their Share Options and Convertible Bonds. Thus, the Special Committee withholds its opinion on the appropriateness of the purchase price of the Share Options and the Convertible Bonds.

(d) As discussed above, we recognize that the Business Integration contributes to the advancement of the Target Company's corporate value and that its purpose is reasonable, fairness has been ensured in the procedures related to the Business Integration, and appropriateness of the terms (excluding the prices for the Share Options and Convertible Bonds in the Tender Offer) of the Delisting Procedures, including the Tender Offer, has been ensured. Accordingly, we think that the announcement of an opinion in support of the Tender Offers in Japan and the U.S. including the Tender Offer and the resolution of the Target Company's board of directors with regard to the Business Integration that involves the Delisting Procedures using a share consolidation or other methods after the Tender Offer, are not against the interests of the Target Company's minority shareholders.

(e) Accordingly, we believe it to be appropriate for the Target Company's board of directors to express its opinion in support of the Tender Offers in Japan and the U.S. including the Tender Offer, and recommend that the Target Company's shareholders and American Depositary Share holders tender their shares in response to the Tender Offers in Japan and the U.S. including the Tender Offer.

(e) Acquisition of a share valuation report and a fairness opinion from an independent third party valuation organization by the Special Committee

According to the Target Company Press Release, in order to obtain expert advice and support regarding the matters such as the valuation of corporate value and price negotiations, the Special Committee retained BoA, a financial advisor and third-party valuation institution independent of the Tender Offerors and the Target Company, to calculate the share value of the Target Company Common Shares (including the American Depositary Shares, hereinafter, the "Target Company Common Shares etc.") and submit an opinion (fairness opinion) as to whether or not the purchase price for the Target Company Common Shares etc. is fair to the holders of the Target Company Common Shares etc. (except for the Tender Offerors and their affiliated companies) from a financial perspective, and obtained the BoA Valuation Report and the BoA Fairness Opinion dated December 23, 2019 to the effect that the purchase price for the Target Company Common Shares etc. is fair to holders of the Target Company Common Shares etc. from a financial perspective, based on the assumptions set forth below and certain other conditions.

According to the Target Company Press Release, BoA examined the business reports prepared by the Target Company and various methods for evaluating the Target Company shares and

determined that two evaluation methods below are appropriate.

A. Market share price analysis based on the fact that the Target Company Common Shares are traded on the First Section of the TSE
B. Based on an assumption that the Target Company is a going concern, a DCF Analysis in order to reflect in the valuation the status of the future business activities of the Target Company, based on the assumptions set forth below and certain other conditions.

According to the Target Company Press Release, please note that BoA is not a Tender Offeror or the Target Company's related party, and has no material conflict of interest that should be stated in relation to the Delisting Procedures including the Tender Offer.

According to the Target Company Press Release, the range of the share value per share of the Target Company Common Shares calculated based on such methods are as follows.

Method	Range of Share Value of the Target Company Common Shares per share
Market Share Price Analysis	JPY 3,570 ~ JPY 4,585
DCF Analysis	JPY 4,701 ~ JPY 6,293

According to the Target Company Press Release, in the market share price analysis used by BoA, due to the publication of speculative press reports concerning the Business Integration after the closing of the trading session of the TSE on November 13, 2019, calculations were carried out based on the closing price of JPY 4,585 for the Target Company Common Shares on the First Section of the TSE as of November 13, 2019, as the valuation record date, and the simple averages of the closing prices for one month, three months and six months prior thereto (respectively JPY 4,085, JPY 3,934, and JPY 3,570) were used to calculate the range of share values of the Target Company Common Shares of JPY 3,570 to JPY 4,585.

According to the Target Company Press Release, in the DCF Analysis, analysis was carried out based on the Target Company's business plans and financial projections, the earnings and investment plans in the Target Company's business plans, and other factors, such as information that has been disclosed publicly, that the Target Company submitted to BoA (as discussed below, however, BoA has not independently verified the accuracy and completeness of such materials, and does not bear any responsibility or obligation to conduct independent verification). According to the Target Company Press Release, the enterprise value and share value were analyzed by discounting the free cash flows expected to be generated by each business of the Target Company by a certain discount rate back to the current value, and a share value range of JPY 4,701 to JPY 6,293 per share was calculated. According to the Target Company Press Release, the Target Company's business plans which constituted the assumptions of BoA's calculation using the DCF Analysis in accordance with the instruction of the Target Company contemplate an operating loss due to the post of large marketing expenses and investments to strategic businesses in the fiscal years ending December 2019 and 2020 and a significant fluctuation in revenue due to the reduction of marketing expenses and the improvement of profit and loss according to the emergence of the effect through business investments after the fiscal year ending December 2021. According to the Target Company Press Release, these business plans and free cash flows reflected in the DCF Analysis do not include synergies from the Business Integration. Additionally, the discount rate (weighted average capital cost) was analyzed based on CAPM (capital asset pricing model) generally used in share valuation practice, and a discount rate range of 5.75% to 6.75% or 9.50% to 10.50% was applied. According to the Target Company Press Release, calculation of the going concern value used a perpetual growth rate analysis, and adopted a perpetual growth rate of 1.25% to 1.75% at the direction of the Target Company.

(Note) According to the Target Company Press Release, the BoA Valuation Report and BoA

Fairness Opinion were submitted in connection with the Special Committee of the Target Company's board of directors examining the purchase price for the Target Company Common Shares etc. in the Tender Offer from a financial perspective in such role, and was submitted to the Special Committee of the Target Company's board of directors for their convenience for the purpose of such examination. According to the Target Company Press Release, the BoA Fairness Opinion does not express any opinion or view whatsoever with respect to the other aspects of the Business Integration and does not express any opinion or view whatsoever with respect to consideration received by the holders of any type of security, creditors, or other interested parties of any of the parties in connection with the Business Integration. According to the Target Company Press Release, BoA does not express any opinion or view whatsoever with respect to the terms or other aspects of the Business Integration, including the form or structure, etc. of the Business Integration (excluding the purchase price for the Target Company Common Shares etc. in the Tender Offer to the extent expressly stated in the BoA Fairness Opinion), and does not express any opinion or view whatsoever with respect to other strategies that could be adopted by the Target Company or implemented by the Target Company, the relative merits of the Business Integration, or regarding the business decision-making in relation to carrying out or implementing the Business Integration. According to the Target Company Press Release, BoA does not express any opinion or recommendation whatsoever with respect to whether the Target Company's shareholders should tender their shares for the Tender Offer or how the Target Company's shareholders should exercise their voting rights or act in relation to the Business Integration or matters in connection therewith. According to the Target Company Press Release, BoA does not express any opinion or view whatsoever with respect to the fairness (irrespective of whether financial or otherwise) of the amount, nature, or other aspect of remuneration to the officers, directors, or employees of the parties to the Business Integration relative to the purchase price for the Target Company Common Shares etc. According to the Target Company Press Release, BoA does not express any opinion or view whatsoever with respect to the impact of the exchange rate in connection with the Tender Offer, and BoA Fairness Opinion is solely based on the purchase price for the Target Company Common Shares etc. in the Tender Offer expressed in JPY as mentioned above. According to the Target Company Press Release, BoA does not express any opinion whatsoever in relation to whether Target Company Common Shares etc. should be traded at any time, including after the Delisting Procedures are publicly disclosed or commenced. According to the Target Company Press Release, as stated, BoA has not been retained to solicit, and is not soliciting, any third party to express interest or make a proposal with respect to the purchase of all or part of the Target Company or for any alternative transaction.

BoA, in relation to the BoA Valuation Report and BoA Fairness Opinion, performed work including the following.

A. Considering the Target Company's public information with respect to business and finance in certain scope.
B. Considering the Target Company's internal finance and operation information (including the Company's financial projection (the "Target Company Projection") which were prepared by the management) provided by the Company's management to BoA and discussed between the Company's management and BoA.
C. Discussing with the Target Company's management regarding the Target Company's current and past business, operation, financial status and prospect

D. Considering the trend of the Target Company Common Shares' market share value on TSE and performing comparative analysis with the trend of the market share value of other companies, which BoA determined the relevance with the Company's market share value.
E. Performing comparative analysis between the information relating to Target Company's financial and share exchange and the applicable information of other companies that BoA determined relevant.

According to the Target Company Press Release, when preparing the BoA Valuation Report and the BoA Fairness Report and carrying out the valuation analysis on which they are based, BoA did not independently verify the financial or other information and data publicly disclosed, submitted to BoA, or separately examined or discussed by BoA, assumed that such information and data was accurate and complete, and relied on the accuracy and completeness thereof. According to the Target Company Press Release, furthermore, BoA is not aware of any facts or circumstances that would cause such information or data to be inaccurate or could give rise to any misunderstanding in any material respect, and has relied on the representations of the Target Company's management. According to the Target Company Press Release, the financial projections relating to the Target Company prepared by the Target Company's management reflect the best projections and honest judgment of the Target Company's management relating to the Target Company's future performance obtainable at this time, BoA has received representations from the Target Company to the effect that they have been reasonably prepared, and BoA has used these as assumptions at the direction of the Special Committee of the Target Company's board of directors. According to the Target Company Press Release, out of necessity, the BoA Valuation Report uses the current financial, economic, foreign exchange, market and other conditions and circumstances as assumptions (except for where otherwise stated in such analysis) as of the date of the BoA Valuation Report and the BoA Fairness Opinion, and is based on the information able to be obtained by BoA as of such date. According to the Target Company Press Release, circumstances arising after the date of the BoA Valuation Report and the BoA Fairness Opinion may affect the content of the BoA Valuation Report and the BoA Fairness Opinion, but BoA bears no obligation to update, revise, or reconfirm the BoA Valuation Report and the BoA Fairness Opinion. According to the Target Company Press Release, the BoA Valuation Report and the BoA Fairness Opinion do not infer or imply any opinion whatsoever with respect to any matter not expressly stated in the BoA Valuation Report and the BoA Fairness Opinion or anything after the submission date of the BoA Valuation Report and the BoA Fairness Opinion.

According to the Target Company Press Release, as explained above, the BoA analysis provided above is an outline of the main financial analysis in connection with the BoA Valuation Report and the BoA Fairness Opinion at the direction of the Special Committee of the Target Company's board of directors, and does not encompass the entire analysis carried out by BoA in connection with the BoA Valuation Report and the BoA Fairness Opinion. According to the Target Company Press Release, the preparation of the BoA Valuation Report and the BoA Fairness Opinion and the analysis forming the basis thereof, was a complex analysis process involving various judgments regarding the appropriateness and relevance of each financial analysis methodology and the application of each method to the specific circumstances, and therefore it is not necessarily

appropriate to state just part of the analysis results or a summary. According to the Target Company Press Release, the analysis by BoA needs to be considered as a whole. According to the Target Company Press Release, furthermore, extracting just one part of the analysis or factor, or only looking at the information in the tables, etc., without taking into consideration all of the analysis and factors considered or all of the explanations regarding analysis, may give rise to an misunderstanding or incomplete understanding of the process forming the basis for BoA' analysis and opinion. According to the Target Company Press Release, the fact that a certain analysis is referred to in the above outline does not mean that such analysis was given more weight than other analyses mentioned in such outline.

According to the Target Company Press Release, when conducting its analysis, BoA took into account the performance of the industry, general business and economic circumstances, and other matters, but most of these are beyond the control of the Tender Offerors and the Target Company. According to the Target Company Press Release, the projections regarding the Target Company's future performance on which BoA's analysis was based do not necessarily indicate the actual value or future results, and the actual value and future results may be significantly better or worse than such projections. According to the Target Company Press Release, BoA's analysis was performed as part of the analysis for the BoA Valuation Report and the BoA Fairness Opinion and was provided to the Special Committee of the Target Company's board of directors in connection with the submission of the BoA Valuation Report and the BoA Fairness Opinion. According to the Target Company Press Release, BoA's analysis was not carried out with the intention of constituting an appraisal, and does not indicate the price in the event that the business is actually sold or the price that any security whatsoever is traded at or may be traded at in future. According to the Target Company Press Release, therefore, the projections used in the above analysis and the valuation range elucidated in such analysis are by their nature materially uncertain, and should not be construed as indicating BoA's opinion regarding the actual value of the Target Company.

According to the Target Company Press Release, purchase price for the Target Company Common Shares etc. was determined through negotiations between Tender Offerors and (based on the Special Committee's opinion, intent, and requests, etc. with respect to material respects) the Target Company, not a financial advisor. According to the Target Company Press Release, the decision to disclose the opinion approving the Tender Offer was made solely by the Target Company's board of directors in accordance with the recommendation of the Special Committee. As mentioned above, the BoA Valuation Report and the BoA Fairness Opinion were merely one of many factors considered by the Special Committee of the Target Company's board of directors when examining the Business Integration, and must not be construed to be the deciding factor in the opinion of the Special Committee of the Target Company's board of directors regarding the Business Integration or the purchase price for the Target Company Common Shares etc. in the Tender Offer.

According to the Target Company Press Release, BoA has not conducted an independent appraisal or valuation of the Target Company's assets or liabilities (irrespective of whether they are contingent liabilities or not), and has not provided such an appraisal or valuation. According to the Target Company Press Release, BoA has not carried out an on-site inspection of the Target Company's assets or property either. According to the Target Company Press Release, BoA has not evaluated the Target Company's ability to

pay its debts or fair value under any applicable law relating to bankruptcy, inability to pay debts, or other matters similar thereto. According to the Target Company Press Release, in accordance with the directions of the Special Committee of the Target Company's board of directors, BoA has assumed that the Tender Offer will be completed with the currently contemplated terms without the waiver, amendment, or revision of material terms or agreed matters, and that there will be no delay, restriction, or condition imposed (including order to cease and desist or to take amendment measure) that may have an adverse effect on Tender Offerors or the Target Company, or the planned interests of the Business Integration in the process of obtaining government, regulatory authority, or other authorization, permit, approval, exemption, or release necessary for the Delisting Procedures.

According to the Target Company Press Release, BoA serves as the financial advisor of the Special Committee of the Target Company's board of directors in relation to the overall Business Integration, including the Business Integration, and receives a fee for such services. The payment of the part of the amount is conditioned on the submission of the fairness opinion and most of the amount is conditioned on the completion of the Tender Offer and the Target Company Squeeze-out (after the completion of the Tender Offer, in case the Target Squeeze-out is not completed by the end of December 2020, such fee will be paid on January 1, 2021). According to the Target Company Press Release, the Target Company has also agreed to indemnify BoA for all costs borne thereby in relation to its involvement and certain liabilities incurred thereby due it its involvement.

According to the Target Company Press Release, BoA and its affiliated companies are full-service securities firms and commercial banks, and provide a wide range of investment banking services, corporate and private banking services, asset and investment management, financing, and financial advisory services, and other commercial services and products to companies, government agencies, and individuals, and are engaged in securities, financial product and derivatives trading, foreign exchange, and other brokerage services, as well as investing on their own account. According to the Target Company Press Release, in the course of their ordinary business, BoA and its affiliated companies invest in securities, such as shares and bonds, and other financial products (including derivatives and bank loans or other debt) of Tender Offerors, the Target Company, ZHD, and their respective affiliated companies, on their own account or the account of customers, operate funds in which Tender Offerors, the Target Company, and their respective affiliated companies invest, acquire or hold long or short positions in Tender Offerors, the Target Company, and their respective affiliated companies, and provide funds, sell or purchase, or otherwise carry out transactions with respect to such positions.

According to the Target Company Press Release, BoA and its affiliated companies have provided and currently provide investment banking services, commercial banking services, and other financial services to the Tender Offerors, the Target Company, ZHD, and its affiliated companies, and may also do so in the future. According to the Target Company Press Release, BoA and its affiliated companies receive fees for the provision of such services, and may receive fees in the future as well. According to the Target Company Press Release, these include, but not limited to, (i) serving as the dealer manager and consent solicitation agent with respect to the SBG consent solicitation and exchange offer for foreign currency denominated senior notes issued in 2015, conducted

in March 2018, (ii) serving a joint global coordinator for the issuance of $3.3 billion of USD denominated senior notes conducted by SBG in April 2018, and (iii) serving as an international active joint bookrunner for the listing and share price setting for the initial public offering for SoftBank.

According to the Target Company Press Release, BoA expresses no opinion or view with respect to any law, regulation, accounting, tax, or similar matter in relation to the Target Company or the Delisting Procedures, and has relied on the assessment of these matters by the Target Company, at the direction of the Special Committee of the Target Company's board of directors. According to the Target Company Press Release, BoA is of the understanding that the Target Company has received advice from qualified experts with respect to such matters that the Target Company deems necessary.

(f) Acquisition of advice from an independent law firm for the Special Committee

According to the Target Company Press Release, as stated in "(d) Establishment of a special committee in the Target Company", the Special Committee has retained Nakamura, Tsunoda & Matsumoto and White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*), as a legal adviser independent from the Tender Offerors, ZHD and the Target Company in order to obtain the professional advice with respect to the fairness of procedures and has received the legal advice including the procedures of the Delisting Procedures and the review method and processes in the Special Committee in relation to the Delisting Procedures.

Nakamura, Tsunoda & Matsumoto or White & Case Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*)/White & Case (*Gaikokuho-Kyodo-Jigyo*) is not related party to Tender Offerors, ZHD and the Target Company and nor do they have no material interests to be described with respect to the Delisting Procedures including the Tender Offer.

(g) Approval of all the directors of the Target Company without interests and the opinion of all the statutory auditors of the Target Company without interests that they have no objection

As stated above in "1. Purpose of Purchase"; "(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer"; "③ Process and Reasons for the Decision that led to the Target Company's Approval of the Tender Offer",the Target Company's Board of Directors carefully discussed and examined whether the Delisting Procedures, including the Tender Offer, serve to improve the Target Company's corporate value and whether the transaction terms relating to the Delisting Procedures, including the Tender Offer, are appropriate, based on legal advice from received from Anderson Mori & Tomotsune and Shearman & Sterling Registered Foreign Lawyers' Office (*Gaikokuho-Jimu-Bengoshi-Jimusho*), advice from a financial perspective received from J.P. Morgan, the JPM Valuation Report and JPM Fairness Opinion as of the same date received from J.P. Morgan, and the BoA Valuation Report and BoA Fairness Opinion submitted via the Special Committee, while giving full respect to the judgment of the Special Committee stated in the Report.

Consequently, as stated above in "1. Purpose of Purchase"; "(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer"; "③ Process and Reasons for the Decision that led to the Target Company's Approval of the Tender Offer" the Target Company's board of directors determined that the Delisting Procedures serve to improve the corporate value of the Target Company and the transaction terms of the Delisting Procedures including the Tender Offer were appropriate. At the meeting of the board of directors held today, the board members who participated in deliberations and resolutions unanimously passed a resolution as of today, as the Target Company's opinion, to announce approval of Tender Offers in Japan and in the U.S. including the Tender Offer if the Tender Offers in Japan and in the U.S. including the Tender Offer commences, to recommend that the Target Company's shareholders and holders of

the American Depositary Shares tender their shares for the Tender Offers in Japan and the U.S. including the Tender Offer, and that holders of the Share Options and the Convertible Bonds determine at their own discretion whether to tender.

Of the Target Company's three statutory auditors (all outside statutory auditors), except for an outside statutory auditor who could not attend due to work (Yoichi Namekata), two of them participated in deliberations at this meeting of the board of directors, and voiced their opinion that they had no objection to the above resolution. Moreover, it is confirmed that Yoichi Namekata, who could not attend the meeting of the board of directors, prior to the meeting, voiced his opinion that he had no objection to the above resolution, after being given the explanations about the Tender Offer.

Of the Target Company's directors, because Mr. Hae Jin Lee also serves as NAVER's Global Investment Officer, so from the standpoint of eliminating arbitrariness in the decision-making process when examining and making decisions on the Business Integration, he did not participate in the deliberations and resolution of the Target Company's board of directors regarding the Business Integration and did not participate in discussions or negotiations with NAVER for the Target Company. Additionally, after proposal of the Tender Offer, from the standpoint of eliminating arbitrariness in the decision-making process when examining the Tender Offer, he did not participate in deliberation and resolutions of the Target Company's board of directors regarding the Business Integration involving the Tender Offer, including the above meeting of the board of directors held today and did not participate in discussions or negotiations with NAVER for the Target Company.

(h) Measures to ensure purchase opportunities from other tender offeror

The Target Company has not entered into any agreements with the Tender Offerors that would restrict Target Company's contact with competitive potential bidders, such as agreements that include safeguarding provisions that would prohibit the Target Company from having contact with the competitive potential bidder.

In addition, the Tender Offerors are scheduled to set a Tender Offer Period of 30 business days or more, which is longer than the Japanese statutory minimum of 20 business days. By setting a comparatively long-term tender offer period, the Tender Offerors intend to ensure the appropriate opportunity for the Target Company's shareholders to decide on whether to tender the Tender Offer.

③ Relationships with valuation organization

Deutsche Bank, financial advisor of NAVER (valuation institution), is not a related party to the Tender Offerors, ZHD or the Target Company, nor does it have any material interests in relation to the Tender Offer. Nomura Securities, financial advisor of SoftBank (valuation institution), is not a related party to the Tender Offerors, ZHD and the Target Company nor does it have any material interest to be described in relation to the Tender Offer.

(5) Number of Share Certificates, etc. to be purchased

Number of shares to be purchased	Lower limit of shares to be purchased	Upper limit of shares to be purchased
83,606,486 shares	— Shares	— Shares

(Note 1) The Tender Offerors do not set the upper or lower limit of shares to be purchased and the Tender Offerors will purchase all the Tendered Share Certificates, etc.

(Note 2) The upper limit of shares to be purchased has not set in the Tender Offer, so the number of shares to be purchased is 83,606,486 shares, the upper limit of the Target Company Common Shares that the Tender Offerors may acquire through the Tender Offer. Such

upper limit is calculated as follows: (i) 240,961,642 shares, all the outstanding shares of the Target Company as of September 30, 2019, as stated in the Target Company's Quarterly Securities Report for the Third Quarter of the 20th Fiscal Year , which includes 8,780,253 shares of the original shares of the American Depositary Receipts (the number of shares that would have been converted into the Target Company Common Shares from the American Depositary Receipts); plus (ii) 268,364,328 shares, the total number of the Target Company Common Shares to be issued upon exercise of all the Share Options (7,873,600 shares) and the Target Company Common Shares to be issued upon exercise of all share options with the Convertible Bonds (19,529,086 shares), less (iii) 9,764,543 shares, the total number of the Target Company Common Shares owned by NAVER (174,992,000 shares) and the Target Company Common Shares to be issued upon exercise of share options with the Convertible Bonds held by NAVER, and the number of treasury shares owned by the Target Company as of September 30, 2019 as stated in the Target Company's Quarterly Securities Report for the Third Quarter of the 20th Fiscal Year (1,299 shares).

(Note 3) Shares less than one unit are also eligible for the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase the shares in the Target Company during the Tender Offer Period in accordance with the procedures under the laws and regulations.

(Note 4) There is not plan to acquire the treasury stock held by the Target Company through the Tender Offer.

(Note 5) The Tender Offerors has the plan in that SoftBank will purchase the number of the Target Company Shares equal to 50% of each type of the Tendered Share Certificates, etc. and NAVER will purchase the number of the Target Company Shares equal to 50% of the remaining thereof, provided, however, that if there is a fraction in the number of any type of the Tendered Share Certificates, etc. that each of the Tender Offerors will purchase, the number of such type of the Tendered Share Certificates, etc. that SoftBank will purchase will be rounded up, and the number of such type of the Tendered Share Certificates, etc. that NAVER Offerors will purchase will be rounded down.

(6) Changes in Ownership Ratio of Share Certificates, etc. as a Result of Purchases

Number of voting rights represented by Share Certificates, etc. held by the Tender Offerors before the Tender Offer	1,847,565	(Ownership ratio of Share Certificates, etc. before the Tender Offer 70. 07 %)
Number of voting rights represented by Share Certificates, etc. held by special related parties before the Tender Offer	0	(Ownership ratio of Share Certificates, etc. before the Tender Offer 0.00%)
Number of voting rights represented by Share Certificates, etc. held by the Tender Offerors after the Tender Offer	2,636,680	(Ownership ratio of Share Certificates, etc. after the Tender Offer 100.00%)
Number of voting rights represented by Share Certificates,	0	(Ownership ratio of Share Certificates, etc. after the Tender Offer

etc. held by special related parties after the Tender Offer		0.00%)
Number of voting rights of all shareholders of the Target Company	2,408,550	

(Note 1) "Number of voting rights represented by Share Certificates, etc. held by special related parties before the Tender Offer" and "Ownership ratio of Share Certificates, etc. before the Tender Offer" are scheduled to be disclosed by the commencement of the Tender Offer upon the investigation of the Share Certificates, etc. held by each special related party, excluding the Target Company Shares owned by the Tender Offerors who fall under special related parties each other and the treasury stock held by the Target Company (the same shall apply hereinafter in Note 2). The Share Certificates, etc. held by each special related party are also eligible to the Tender Offer, so "Number of voting rights represented by Share Certificates, etc. held by special related parties after the Tender Offer" is set at 0.

(Note 2) "Number of voting rights of all shareholders of the Target Company" represents the number of voting rights of all shareholders as stated in the stock ledger as of September 30, 2019 stated in the Target Company's Quarterly Securities Report for the third Quarter of the 20th Fiscal Year. However, since all shares less than one unit, the Share Options and the Convertible Bonds are eligible to the Tender Offer, the denominator for the calculation of the "Ownership ratio of Share Certificates, etc. before the Tender Offer" and "Ownership ratio of Share Certificates, etc. after the Tender Offer" was the number of voting rights (2,636,680 shares) pertaining to Total Number of Voting Shares of the Target Company (263,668,029 shares).

(Note 3) "Ownership ratio of Share Certificates, etc. before the Tender Offer" and "Ownership ratio of Share Certificates, etc. after the Tender Offer" have been rounded off to the second decimal place.

(7) Purchase price JPY 372,010,600,290

(Note 1) The purchase price is the amount calculated as follows: (i)the amount obtained multiplying 69,164,943 shares, the number of the Target Company Common Shares of the remainder after the number of shares to be purchased (83,606,486 shares) has been subtracted by (a) the number of the Target Company Common Shares to be issued upon exercise of the 22nd Series Share Options, the 23th Series Share Options and the 24th Series Share Options which are unable to be exercise because the exercise periods of those share options do not come during the Tender Offer Period (4,695,000 shares), and (b) the number of the Target Company Common Shares to be issued upon exercise share options with the Convertible Bonds, excluding the Target Company Common Shares to be issued upon exercise share options with the Convertible Bonds held by NAVER excluding the number of shares to be purchased (9,764,543 shares) (Note2), by the Tender Offer Price (JPY 5,380); plus (ii) the total amount obtained multiplying the number of the unit of the 22nd Series Share Options (30,240 units), the 23th Series Share Options (240 units) and the 24th Series Share Options (16,470 units) by the purchase price per unit of each share option (JPY1), respectively.

(Note 2) Since it is not assumed that the Convertible Bonds will be offered in the Tender Offer because the Tender Offer Price is substantially below the face value thereof (27.96% discount for the Convertible Bonds due 2023 and 28.45% discount for the Convertible Bonds due 2025), so the Convertible Bonds are scheduled to be redeemed at the amount

more than the face value under the Early Redemption Provision after the Tender Offer, the total number of the Target Company Common Shares to be issued upon exercise share options with the Convertible Bonds is not considered in the calculation of the purchase price above.

(8) Other Terms and Conditions and Methods of Purchases

① Other Terms and Conditions and Methods of Purchases

We will announce the settlement method, the date of the notice with the commencement of the Tender Offer, and other terms and conditions and methods of purchases as soon as they are set. Nomura Securities Co., Ltd. will be retained as a tender offer agent.

② Others

The Tender Offerors are scheduled to conduct the U.S. Tender Offer in parallel with the Tender Offer. The terms and conditions of the tender offer to be conducted in the United States and other terms and conditions are scheduled to be disclosed on the SEC's website (www.sec.gov), etc. as soon as they are set.

3. Managing Policy following the Tender Offer and the Outlook Going Forward

Please refer to "(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer" in "1. Purpose of Purchase" above for details of the managing policy following the Tender Offer.

4. Other Information

(1) Existence and details of agreements executed between the Tender Offerors and the Target Company or its officers

① Existence and details of agreements executed between the Tender Offerors and the Target Company or its officers

The Tender Offerors, ZHD and the Target Company have entered into the Definitive Business Integration Agreement as of today. Please refer to “(3) Important Agreements Concerning the Tender Offer” in "1. Purpose of Purchase" above for the summary thereof.

According to the Target Company Press Release, at the meeting of the board of directors held today, the board of directors of the Target Company resolved to express the opinion that the board of directors agreed to the Tender Offers in Japan and the U.S. including the Tender Offer and recommend that all of its shareholder tender the Target Company Common Shares to the Tender Offers in Japan and the U.S. including the Tender Offer. On the other hand, as for, the board of directors resolved to leave the decision of whether to tender the Share Options and the Convertible Bonds to the Tender Offers in Japan and the U.S. including the Tender Offer to each holder of the Share Options and the Convertible Bonds. For the details of the process to make the decision in the Target Company, please refer to "(g) Approval of all the directors of the Target Company without interests and the opinion of all the statutory auditors of the Target Company without interests that they have no objection" in "(ii) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest" in "② Process of Valuation" in "(4) Basis for Valuation of the Price of Purchase " in "2. Outline of the Purchase".

② Background, purpose and decision-making process to the decision to conduct the Tender Offer and the management policy after the Tender Offer

Please refer to “(2) Background, Purpose and Decision-making Process of the Decision to Implement the Tender Offer, and the Management Policy after the Tender Offer” in "1. Purpose of Purchase" above for the background, purpose, and decision-making process to the decision to conduct the Tender Offer and the management policy after the Tender Offer.

③ Measures to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest

Please refer to "(ii) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest " in "② Process of Valuation" in "(4) Basis for Valuation of the Price of Purchase" in "2. Outline of the Purchase".

(2) Other information judged necessary by an investor to determine whether or not to offer purchases.

The Tender Offer will be conducted as a part of transactions to realize the Business Integration. The Tender Offerors issue the Press Release concerning the Definitive Business Agreement and ZHD and the Target Company issue a press release entitled “Concerning the execution of the definitive agreement with respect to business integration”, respectively as of today. Please refer each press release for the details of the Business Integration.

This press release contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities and Exchange Act of 1934. Known or unknown risks, uncertainties and other factors could cause actual results to differ substantially from the projections and other matters expressly or impliedly set forth herein as "forward-looking statements". Neither the Tender Offerors nor any of their affiliated companies guarantee that such expressed or implied projections set forth herein as “forward-looking statements” will eventually prove to be correct. The “forward-looking statements” contained in this press release have been prepared based on information held by the Tender Offerors and the Target Company as of the date of this press release and, unless otherwise required under applicable laws and regulations, neither the Tender Offerors nor any of their affiliated companies assume any obligation to update or revise this press release to reflect any future events or circumstances.

Each financial adviser of the Tender Offerors, the Target Company and its Special Committee, and their tender offer agent (including these affiliates) may, within their ordinary course of business and to the extent permitted under Japanese financial instruments laws and other applicable laws and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities and Exchange Act of 1934, prior to the commencement of the Tender Offer or during the Tender Offer Period, purchase or conduct any action to purchase the shares of the Target Company for their own account or for their customers’ accounts. If any formation concerning such purchase is disclosed in Japan, disclosure will also be made on the English website (or other disclosure method) of the financial advisors or the tender offer agent who made such purchase.

The Tender Offer as stated in this press release has not yet commenced. This press release is disclosed for the purposes only to provide information and does not constitute an offer or solicitation for purchase of any securities. At the commencement of this Tender Offer, the Tender Offerors (and/or their affiliates if applicable) will file a tender offer statement with SEC in accordance with Schedule TO, including tender to purchase, format of deed of transfer and other documents relating to the Tender Offer, and the Target Company will file a Statement of Opinion under the Schedule 14D9 regarding the Tender Offer with the SEC. The Tender Offerors will mail these documents to the shareholders of the Target Company. These documents contain important information regarding the Tender Offer, and investors and shareholders are advised to read these application documents carefully when obtaining these documents. These and other documents filed by the Tender Offerors and the Target Company may be available for free on the SEC's website at www.sec.gov. Tender to purchase and related materials may also be available for free by contacting the information agent for the Tender Offer when available.