

Notice of Changes in Subsidiaries (Sub-Subsidiaries)

SoftBank Corp. (hereinafter, “SoftBank”) hereby announces that LINE Corporation (hereinafter, “LINE”) (Note 1), LINE Pay Corporation, LINE Financial Corporation and LINE Financial Asia Corporation Limited have become subsidiaries (sub-subsidiaries) of SoftBank as of today.

(Note 1) LINE will change its company name to A Holdings Corporation as of February 28, 2021.

1. Reason and method for the change

As announced by SoftBank and NAVER Corporation (hereinafter, “NAVER”) in the “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)” dated December 23, 2019, LINE, as the surviving corporation, implemented as of today an absorption-type merger (hereinafter, the “Absorption-type Merger”) with Shiodome Z Holdings GK, a wholly owned subsidiary of SoftBank, as the absorbed corporation, as part of the business integration between Z Holdings Corporation, a subsidiary of SoftBank (hereinafter, “ZHD”) and LINE (hereinafter, the “Business Integration”) pursuant to a business integration agreement that SoftBank, NAVER, ZHD and LINE entered into as of December 23, 2019.

Through a series of transactions including the Absorption-type Merger, LINE as well as LINE Pay Corporation, LINE Financial Corporation and LINE Financial Asia Corporation Limited, all of which are wholly owned subsidiaries of LINE, have become subsidiaries (sub-subsidiaries) of SoftBank as of today (Notes 2 and 3).

(Note 2) Descriptions regarding LINE’s subsidiaries other than LINE Pay Corporation, LINE Financial Corporation and LINE Financial Asia Corporation Limited are omitted in this notice as the changes in them fall under the minor change criteria under the timely disclosure rules.

(Note 3) LINE will transfer its entire business (excluding the ZHD shares, the contractual status pursuant to the agreements executed by LINE in relation to the Business Integration, and the rights and obligations set out in the absorption-type demerger agreement) to its wholly owned subsidiary, LINE Demerger Preparatory Company, in an absorption-type demerger (hereinafter, the “Corporate Demerger”) as of February 28, 2021. For accounting purposes, the acquisition date will be February 28, 2021, the date when the Corporate Demerger will become effective, as the Absorption-type Merger and the Corporate Demerger are deemed to be a series of transactions regarding the Business Integration.

2. Outline of the subsidiaries (sub-subsidiaries)

(i) LINE Corporation

(1) Name	LINE Corporation
(2) Address	4-1-6 Shinjuku Shinjuku-ku, Tokyo
(3) Name and title of representative	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 stickers and game services, and strategic businesses including Fintech, AI, and commerce services
(5) Share Capital	JPY 101,788 million (as of December 31, 2020)
(6) Founded	September 4, 2000

(7)	Major shareholders and shareholding ratios	SoftBank Corp. NAVER Corporation NAVER J.Hub Corporation	50.00% 42.25% 7.75%	
(8)	Relationships with SoftBank	Capital relationship	SoftBank owns 50.00% of the shares in LINE.	
		Personnel relationship	Not applicable	
		Business relationship	There are business relationships with respect to advertising services, etc.	
(9)	Results of operation and financial position over the past 3 years (Consolidated, IFRS)			
	Fiscal year	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
	Total capital	JPY 189,977 million	JPY 208,514 million	JPY 174,663 million
	Total assets	JPY 303,439 million	JPY 486,587 million	JPY 541,352 million
	Equity attributable to owners of parent per share	JPY 779.30	JPY 833.87	JPY 659.96
	Revenues	JPY 167,147 million	JPY 207,182 million	JPY 227,485 million
	Operating income or loss	JPY 25,078 million	JPY 16,110 million	JPY -38,997 million
	Income or loss attributable to owners of the parent company	JPY 8,078 million	JPY -3,718 million	JPY -46,888 million
	Earnings per share: basic profit or loss for the period	JPY 36.56	JPY -15.62	JPY -196.07
	Dividends per share	-	-	-

(ii) LINE Pay Corporation

(1)	Name	LINE Pay Corporation	
(2)	Address	1-1-1 Nishi Shinagawa, Shinagawa-ku Tokyo	
(3)	Name and title of representative	Hisahiro Chofuku, Representative Director and President	
(4)	Nature of business	Issuance, sales, and management of prepaid payment instruments, provision of electronic payment systems, and funds transfer business. Operation of services related to “LINE Kakeibo”, and “LINE Points”, and more.	
(5)	Share Capital	JPY 21,100 million (as of February 26, 2021)	
(6)	Founded	May 9, 2014	
(7)	Major shareholders and shareholding ratios	LINE Corporation	100.00%
(8)	Relationships with SoftBank	Capital relationship	SoftBank owns 50.00% of the shares in LINE, the parent company of LINE Pay Corporation.

	Personnel relationship	Not applicable		
	Business relationship	Not applicable		
(9)	Results of operation and financial position over the past 3 years (Standalone, Japanese GAAP)			
	Fiscal year	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
	Total capital	JPY 1,936 million	JPY -2,168 million	JPY 12,010 million
	Total assets	JPY 12,326 million	JPY 15,006 million	JPY 42,549 million
	Equity attributable to owners of parent per share	JPY 4,072.73	JPY -2,849.52	JPY 2,788.59
	Net sales	JPY 213 million	JPY 4,453 million	JPY 6,288 million
	Operating income or loss	JPY -2,742 million	JPY -5,333 million	JPY -19,179 million
	Income or loss attributable to owners of the parent company	JPY -2,744 million	JPY -5,404 million	JPY -20,822 million
	Earnings per share: basic profit or loss for the period	JPY -5,772.20	JPY -7,103.65	JPY -7,762.59
	Dividends per share	-	-	-

(iii) LINE Financial Corporation

(1)	Name	LINE Financial Corporation		
(2)	Address	1-1-1 Nishi Shinagawa, Shinagawa-ku Tokyo		
(3)	Name and title of representative	Tetsuhiko Saito, Representative Director and CEO		
(4)	Nature of business	Provision of financial services		
(5)	Share Capital	JPY 45,650 million (as of February 26, 2021)		
(6)	Founded	January 10, 2018		
(7)	Major shareholders and shareholding ratios	LINE Corporation	100.00%	
(8)	Relationships with SoftBank	Capital relationship	SoftBank owns 50.00% of the shares in LINE, the parent company of LINE Financial Corporation.	
		Personnel relationship	Not applicable	
		Business relationship	Not applicable	
(9)	Results of operation and financial position over the past 3 years (Standalone, Japanese GAAP)			

Fiscal year	First Fiscal Year: Fiscal year from January 10, 2018 until May 31, 2018	Second Fiscal Year: Fiscal year from June 1, 2018 until March 31, 2019	Third Fiscal Year: Fiscal year from April 1, 2019 until March 31, 2020
Sales	-	JPY 127 million	JPY 405 million
Operating income or loss	JPY -188 million	JPY -1,648 million	JPY -3,010 million
Ordinary income or loss	JPY -260 million	JPY -1,754 million	JPY -3,280 million
Net income or loss	JPY -261 million	JPY -1,755 million	JPY -4,277 million
Net income or loss per share	JPY -183.16	JPY -447.09	JPY -599.85
Total assets	JPY 20,005 million	JPY 58,491 mil lion	JPY 72,695 million
Net assets	JPY 19,739 million	JPY 57,051 mil lion	JPY 72,238 million
Net assets per share	JPY 9,869.73	JPY 9,669.69	JPY 9,261.26
Dividends per share	-	-	-

(iv) LINE Financial Asia Corporation Limited

(1)	Name	LINE Financial Asia Corporation Limited	
(2)	Address	Units 04-05, 26/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong	
(3)	Name and title of representative	HWANG In Joon, Director	
(4)	Nature of business	Financial business strategy	
(5)	Share Capital	JPY 39,523 million (as of February 26, 2021) (Note 4)	
(6)	Founded	September 4, 2018	
(7)	Major shareholders and shareholding ratios	LINE Financial Plus Corporation	100.00%
(8)	Relationships with SoftBank	Capital relationship	SoftBank owns 50.00% of the shares in LINE, the parent company of LINE Financial Asia Corporation Limited.
		Personnel relationship	Not applicable
		Business relationship	Not applicable
(9)	Results of operation and financial position over the past 3 years (Standalone, IFRS)		
	Fiscal year	First Fiscal Year: Fiscal year from September 4, 2018 until December 31, 2019	
	Sales	-	
	Operating income or loss	JPY -461 million	
	Net income or loss	JPY -1,048 million	

	Net income or loss per share	JPY -431.63
	Total assets	JPY 39,456 million
	Net assets	JPY 39,089 million
	Dividends per share	-

(Note 4) The exchange rate as of February 25, 2021 (1 USD = JPY 105.90480) has been used for the conversion of Share Capital from USD to JPY.

3. Date of change

February 26, 2021

4. Future Outlook

There have been no changes on SoftBank's consolidated financial result forecasts for the fiscal year ending March 31, 2021 from those announced in "Consolidated Financial Report For the Nine Months Ended December 31, 2020 (IFRS)" dated February 4, 2021.

(For reference) SoftBank's consolidated financial result forecasts for the fiscal year ending March 31, 2021 (as announced on February 4, 2021) and consolidated financial result for the previous fiscal year

	Revenue	Operating income	Net income attributable to owners of the Company
Financial result forecasts (fiscal year ending March 31, 2021)	JPY 5,100,000 million	JPY 970,000 million	JPY 490,000 million
Financial result (fiscal year ended March 31, 2020)	JPY 4,861,247 million	JPY 911,725 million	JPY 473,135 million