

The JFTC Reviewed the proposed managerial integration of Z Holdings Corporation and LINE Corporation

(Tentative Translation)

August 4th, 2020

Japan Fair Trade Commission

Receiving notifications regarding the proposed managerial integration between Z Holdings Corporation (JCN4010401039979) (hereinafter referred to as “ZHD”; a group of combined companies held by the ultimate parent company SoftBank Group Corporation (JCN1010401056795), hereinafter referred to as “SBK Group”) and LINE Corporation (JCN7010701019678) (hereinafter referred to as “LINE”; a group of combined companies held by the ultimate parent company NAVER Corporation (JCN2700150071768), hereinafter referred to as “NAVER Group”; and “SBK Group” and “NAVER Group” hereinafter collectively referred to as “the parties”), the Japan Fair Trade Commission (“JFTC”) reviewed the transaction and reached the conclusion that, given the remedial measures proposed by the parties, competition in any particular fields of trade is unlikely to be substantially restrained. Accordingly, the JFTC has notified the parties that it will not issue a cease and desist order, resulting in the completion of its review.

I. Overview of the transaction

The parties plan the managerial integration between ZHD and LINE by the acquisition of shares and the merger, etc.

II. Reviewing Process

- Receipt of notifications regarding the acquisition of shares and the merger on July 14th, 2020 (the start of the primary review)
- Clearance notification on August 4th, 2020

III. Conclusion

As a result of its review, based on the premise that the parties will implement their proposed remedial measures, the JFTC concluded that the transaction would not substantially restrain competition in any particular fields of trade.

(Footnote)

The JFTC has been authorized to conduct reviews on whether plans of business combination may be substantially to restrain competition in particular fields of trade by following procedures prescribed in the Antimonopoly

Act (hereinafter referred to as the “AMA”). When a notifying corporation submits a notification form to the JFTC and the JFTC receives it, the notifying corporation is prohibited from effecting the planned business combination in question by the expiration of the 30-day waiting period from the date of receipt of the said notification. During the waiting period, concerning the business combination in question, the JFTC will either; (1) judge that the said business combination is not problematic in light of the AMA, or; (2) judge that more detailed review is necessary and request submission of the necessary reports, information or materials, or; (3) provides Notification of the Commitment Procedures.

In the case of (1) above, to improve transparency of the review of business combination, the JFTC shall give notification to the effect that it will not issue a cease and desist order.

In the case of (2) above, the period when the JFTC may give notice of hearing of opinions shall be extended until 120 days after the date of receipt of the notification or 90 days after the date of receipt of all reports etc., whichever is later. In case the JFTC judges, within this extended period, that the business combination plan in question is not problematic in light of the AMA, it shall give notification to the effect that it will not issue a cease and desist order, same as the case of (1).

In the case of (3) above, the procedures in detail are described in the Policies Concerning Commitment Procedures