

Z Holdings Corporation FY2019/2Q Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	FY2018				FY2019		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	231,855	233,163	242,571	247,123	238,634	245,510	100.0%	6,876	+2.9%	12,347	+5.3%
Advertising	76,427	79,354	82,936	85,131	78,234	82,142	33.5%	3,908	+5.0%	2,788	+3.5%
Business Services	101,780	99,192	105,660	107,639	106,498	108,577	44.2%	2,078	+2.0%	9,384	+9.5%
Personal Services	52,968	53,304	55,494	53,320	53,638	54,007	22.0%	369	+0.7%	703	+1.3%
Others	679	1,312	-1,519	1,031	263	783	0.3%	519	+197.4%	-529	-40.3%
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	101,250	98,993	103,139	105,529	102,078	103,174	42.0%	1,095	+1.1%	4,181	+4.2%
Selling, General and Administrative Expenses	90,998	98,642	102,864	114,075	100,391	102,839	41.9%	2,448	+2.4%	4,196	+4.3%
Other Income and Expenses	7,977	-	-	-6,668	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	47,584	35,527	36,567	20,849	36,164	39,496	16.1%	3,332	+9.2%	3,969	+11.2%
Other Non-Operating Income and Expenses	688	551	-564	-291	*4 11,096	-235	-0.1%	-11,332	-102.1%	-786	-142.7%
Equity in Earnings (Losses) of Associates	208	-1,174	-9,145	-7,430	-5,900	-5,034	-2.1%	866	n.a.	-3,860	n.a.
Income before Income Taxes	48,481	34,904	26,857	13,127	41,360	34,226	13.9%	-7,133	-17.2%	-677	-1.9%
Net Income	32,647	22,794	14,646	7,740	27,837	24,756	10.1%	-3,081	-11.1%	1,961	+8.6%
Net Income Attributable to Owners of the Parent	32,673	22,473	15,024	8,505	27,379	23,798	9.7%	-3,580	-13.1%	1,324	+5.9%
Operating Margin	20.5%	15.2%	15.1%	8.4%	15.2%	16.1%	n.a.	+0.9%	n.a.	+0.9%	n.a.
Ratio of Income before Income Taxes to Revenue	20.9%	15.0%	11.1%	5.3%	17.3%	13.9%	n.a.	-3.4%	n.a.	-1.0%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	14.1%	9.6%	6.2%	3.4%	11.5%	9.7%	n.a.	-1.8%	n.a.	+0.1%	n.a.

Commerce Business	FY2018				FY2019		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	158,467	157,837	166,154	167,173	165,826	169,645	100.0%	3,819	+2.3%	11,808	+7.5%
Advertising	6,602	6,633	9,136	7,730	7,827	8,074	4.8%	246	+3.1%	1,440	+21.7%
Business Services	98,166	96,369	102,708	104,773	104,313	106,737	62.9%	2,424	+2.3%	10,368	+10.8%
Personal Services	52,198	52,780	54,999	52,840	52,808	53,515	31.5%	706	+1.3%	734	+1.4%
Others	679	1,312	-1,519	1,031	263	783	0.5%	519	+197.4%	-529	-40.3%
Intra-Company Revenue	820	740	830	796	612	534	0.3%	-77	-12.7%	-205	-27.8%
Cost of Sales	84,075	81,227	85,732	87,419	85,697	86,785	51.2%	1,087	+1.3%	5,557	+6.8%
Selling, General and Administrative Expenses	58,966	60,904	64,792	66,429	63,232	64,123	37.8%	890	+1.4%	3,219	+5.3%
Other Income and Expenses	-	-	-	*2 -4,289	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	15,425	15,704	15,629	9,035	16,895	18,736	11.0%	1,841	+10.9%	3,031	+19.3%
Operating Margin	9.7%	10.0%	9.4%	5.4%	10.2%	11.0%	n.a.	+0.9%	n.a.	+1.1%	n.a.

Media Business	FY2018				FY2019		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	72,174	75,127	76,328	79,841	72,254	75,525	100.0%	3,271	+4.5%	397	+0.5%
Advertising	70,139	73,087	74,364	77,746	70,623	74,288	98.4%	3,664	+5.2%	1,200	+1.6%
Business Services	1,769	1,747	1,670	1,809	1,382	976	1.3%	-405	-29.3%	-770	-44.1%
Personal Services	265	292	293	285	247	260	0.3%	12	+5.2%	-32	-11.0%
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	16,673	17,712	17,344	18,043	16,333	16,351	21.7%	18	+0.1%	-1,360	-7.7%
Selling, General and Administrative Expenses	18,754	22,097	22,530	26,918	20,988	22,023	29.2%	1,034	+4.9%	-74	-0.3%
Other Income and Expenses	-	-	-0	*3 -2,379	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	36,745	35,317	36,454	32,501	34,932	37,150	49.2%	2,217	+6.3%	1,832	+5.2%
Operating Margin	50.9%	47.0%	47.8%	40.7%	48.3%	49.2%	n.a.	+0.8%	n.a.	+2.2%	n.a.

Others	FY2018				FY2019		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	3,173	2,118	2,425	2,190	2,197	1,887	100.0%	-309	-14.1%	-231	-10.9%
Advertising	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Business Services	1,845	1,074	1,281	1,056	803	862	45.7%	59	+7.4%	-212	-19.7%
Personal Services	504	230	202	194	581	231	12.3%	-349	-60.1%	1	+0.5%
Intra-Company Revenue	823	813	941	939	812	793	42.0%	-19	-2.4%	-20	-2.5%
Cost of Sales	819	67	67	71	48	37	2.0%	-10	-22.5%	-29	-44.1%
Selling, General and Administrative Expenses	1,411	1,426	1,971	1,825	1,947	2,287	121.2%	339	+17.4%	860	+60.3%
Other Income and Expenses	*1 7,977	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	8,920	624	387	293	201	-437	-23.2%	-638	-317.5%	-1,061	-170.0%
Operating Margin	281.1%	29.5%	16.0%	13.4%	9.1%	-23.2%	n.a.	-32.3%	n.a.	-52.6%	n.a.

Adjustments	FY2018				FY2019		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	-1,959	-1,920	-2,337	-2,081	-1,642	-1,547	n.a.	95	n.a.	372	n.a.
Advertising	-314	-366	-564	-346	-217	-219	n.a.	-2	n.a.	147	n.a.
Business Services	-0	0	-0	0	-	-	n.a.	-	n.a.	-0	n.a.
Personal Services	-0	0	-	-	-	-	n.a.	-	n.a.	-0	n.a.
Intra-Company Revenue	-1,644	-1,553	-1,772	-1,736	-1,425	-1,328	n.a.	97	n.a.	225	n.a.
Cost of Sales	-318	-13	-4	-4	-0	-0	n.a.	0	n.a.	13	n.a.
Selling, General and Administrative Expenses	11,865	14,213	13,571	18,903	14,222	14,405	n.a.	182	+1.3%	191	+1.3%
Other Income and Expenses	-0	-	0	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	-13,507	-16,119	-15,903	-20,981	-15,864	-15,952	n.a.	-88	n.a.	166	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note 1: Adjustments figures represent inter-segment transaction and general corporate expenses not belonging to any reporting segment.

Note 2: As for the breakdown of the inner classifications of business segments (Advertising, Business Services, Personal Services, Others), please refer to "Business Segment Breakdown" described in the supplemental information of the Earnings Slides.

Note 3: Investment profit/loss etc., of The Japan Net Bank, Limited is recorded in "Others" in "Commerce Business" revenue.

\*1 In FY2018-1Q, gain in sales of shares of IDC Frontier Inc. of ¥7.9 billion is included in "Other Income and Expenses" in "Others".

\*2 In FY2018-4Q, impairment loss of ¥3.6 billion related to the property and equipment and intangible assets of ASKUL Corporation's logistic center (AVC Hidaka) is recorded in "Other Income and Expenses" in "Commerce Business".

\*3 In FY2018-4Q, impairment loss of ¥2.3 billion related to Synergy Marketing, Inc.'s intangible assets is recorded in "Other Income and Expenses" in "Media Business".

\*4 In FY2019-1Q, gain on change in equity of PayPay Corporation of ¥10.8 billion is recorded in "Other Non-Operating Income and Expenses".