

Z Holdings Corporation FY2019/3Q 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	3Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	231,855	233,163	242,571	247,123	238,634	245,510		275,469	100.0%	29,958	+12.2%
Advertising	76,427	79,354	82,936	85,131	78,234	82,142	87,635	31.8%	5,493	+6.7%	4,699	+5.7%
Business Services	101,780	99,192	105,660	107,639	106,498	108,577	128,502	46.6%	19,925	+18.4%	22,842	+21.6%
Personal Services	52,968	53,304	55,494	53,320	53,638	54,007	58,075	21.1%	4,067	+7.5%	2,580	+4.7%
Others	679	1,312	-1,519	1,031	263	783	1,255	0.5%	472	+60.3%	2,775	n.a.
Intra-Company Revenue	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	101,250	98,993	103,139	105,529	102,078	103,174	106,291	38.6%	3,117	+3.0%	3,151	+3.1%
Selling, General and Administrative Expenses	90,998	98,642	102,864	114,075	100,391	102,839	121,296	44.0%	18,457	+17.9%	18,431	+17.9%
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	47,881	17.4%	8,384	+21.2%	11,313	+30.9%
Other Non-Operating Income and Expenses	688	551	-564	-291	*4 11,096	-235	-1,203	-0.4%	-967	n.a.	-638	n.a.
Equity in Earnings (Losses) of Associates	208	-1,174	-9,145	-7,430	-5,900	-5,034	-6,253	-2.3%	-1,218	n.a.	2,891	n.a.
Income before Income Taxes	48,481	34,904	26,857	13,127	41,360	34,226	40,424	14.7%	6,198	+18.1%	13,567	+50.5%
Net Income	32,647	22,794	14,646	7,740	27,837	24,756	26,977	9.8%	2,221	+9.0%	12,331	+84.2%
Net Income Attributable to Owners of the Parent	32,673	22,473	15,024	8,505	27,379	23,798	23,878	8.7%	80	+0.3%	8,854	+58.9%
Operating Margin	20.5%	15.2%	15.1%	8.4%	15.2%	16.1%	17.4%	n.a.	+1.3%	n.a.	+2.3%	n.a.
Ratio of Income before Income Taxes to Revenue	20.9%	15.0%	11.1%	5.3%	17.3%	13.9%	14.7%	n.a.	+0.7%	n.a.	+3.6%	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%	8.7%	n.a.	-1.0%	n.a.	+2.5%	n.a.

Commerce Business	FY2018				FY2019			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	158,467	157,837	166,154	167,173	165,826	169,645		197,246	100.0%	27,600	+16.3%
Advertising	6,602	6,633	9,136	7,730	7,827	8,074	11,112	5.6%	3,037	+37.6%	1,976	+21.6%
Business Services	98,166	96,369	102,708	104,773	104,313	106,737	126,636	64.2%	19,898	+18.6%	23,928	+23.3%
Personal Services	52,198	52,780	54,999	52,840	52,808	53,515	57,695	29.3%	4,180	+7.8%	2,696	+4.9%
Others	679	1,312	-1,519	1,031	263	783	1,255	0.6%	472	+60.3%	2,775	n.a.
Intra-Company Revenue	820	740	830	796	612	534	546	0.3%	11	+2.2%	-284	-34.2%
Cost of Sales	84,075	81,227	85,732	87,419	85,697	86,785	88,863	45.1%	2,077	+2.4%	3,130	+3.7%
Selling, General and Administrative Expenses	58,966	60,904	64,792	66,429	63,232	64,123	80,792	41.0%	16,668	+26.0%	16,000	+24.7%
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	27,590	14.0%	8,854	+47.3%	11,960	+76.5%
Operating Margin	9.7%	10.0%	9.4%	5.4%	10.2%	11.0%	14.0%	n.a.	+2.9%	n.a.	+4.6%	n.a.

Media Business	FY2018				FY2019			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	72,174	75,127	76,328	79,841	72,254	75,525		77,634	100.0%	2,109	+2.8%
Advertising	70,139	73,087	74,364	77,746	70,623	74,288	76,737	98.8%	2,449	+3.3%	2,372	+3.2%
Business Services	1,769	1,747	1,670	1,809	1,382	976	722	0.9%	-254	-26.1%	-948	-56.8%
Personal Services	265	292	293	285	247	260	175	0.2%	-85	-32.6%	-117	-40.2%
Intra-Company Revenue	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	16,673	17,712	17,344	18,043	16,333	16,351	17,408	22.4%	1,056	+6.5%	64	+0.4%
Selling, General and Administrative Expenses	18,754	22,097	22,530	26,918	20,988	22,023	20,810	26.8%	-1,212	-5.5%	-1,719	-7.6%
Other Income and Expenses	-	-	-0	*3 -2,379	-	-	-	n.a.	-	n.a.	0	n.a.
Operating Income	36,745	35,317	36,454	32,501	34,932	37,150	39,415	50.8%	2,265	+6.1%	2,961	+8.1%
Operating Margin	50.9%	47.0%	47.8%	40.7%	48.3%	49.2%	50.8%	n.a.	+1.6%	n.a.	+3.0%	n.a.

Others	FY2018				FY2019			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	3,173	2,118	2,425	2,190	2,197	1,887		2,145	100.0%	258	+13.7%
Advertising	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Business Services	1,845	1,074	1,281	1,056	803	862	1,143	53.3%	281	+32.6%	-137	-10.8%
Personal Services	504	230	202	194	581	231	204	9.5%	-27	-11.9%	2	+1.1%
Intra-Company Revenue	823	813	941	939	812	793	797	37.2%	4	+0.5%	-144	-15.3%
Cost of Sales	819	67	67	71	48	37	19	0.9%	-17	-47.2%	-47	-70.4%
Selling, General and Administrative Expenses	1,411	1,426	1,971	1,825	1,947	2,287	2,313	107.8%	26	+1.1%	341	+17.3%
Other Income and Expenses	*1 7,977	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	8,920	624	387	293	201	-437	-187	-8.7%	250	n.a.	-574	-148.3%
Operating Margin	281.1%	29.5%	16.0%	13.4%	9.1%	-23.2%	-8.7%	n.a.	+14.4%	n.a.	-24.7%	n.a.

Adjustments	FY2018				FY2019			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	-1,959	-1,920	-2,337	-2,081	-1,642	-1,547		-1,557	n.a.	-9	n.a.
Advertising	-314	-366	-564	-346	-217	-219	-213	n.a.	6	n.a.	350	n.a.
Business Services	-0	0	-0	0	-	-	-	n.a.	-	n.a.	0	n.a.
Personal Services	-0	0	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-1,644	-1,553	-1,772	-1,736	-1,425	-1,328	-1,343	n.a.	-15	n.a.	428	n.a.
Cost of Sales	-318	-13	-4	-4	-0	-0	-0	n.a.	-0	n.a.	4	n.a.
Selling, General and Administrative Expenses	11,865	14,213	13,571	18,903	14,222	14,405	17,380	n.a.	2,975	+20.7%	3,809	+28.1%
Other Income and Expenses	-0	-	0	-	-	-	-	n.a.	-	n.a.	-0	n.a.
Operating Income	-13,507	-16,119	-15,903	-20,981	-15,864	-15,952	-18,937	n.a.	-2,985	n.a.	-3,034	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.	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.

Note 4: ZOZO, Inc. became a consolidated subsidiary on November 13, 2019. The financial results of ZOZO, Inc. have been consolidated from November 2019.

*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".