

Z Holdings Corporation FY2020/Q1 Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	FY2019				FY2020	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	Q1	Q2	Q3	Q4	Q1		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	238,634	245,510	275,469	293,329		273,879	100.0%	-19,449	-6.6%
Advertising	78,234	82,142	87,635	93,033	79,172	28.9%	-13,860	-14.9%	938	+1.2%
Business Services	106,498	108,577	128,502	138,134	127,927	46.7%	-10,207	-7.4%	21,428	+20.1%
Personal Services	53,638	54,007	58,075	62,474	65,695	24.0%	3,221	+5.2%	12,057	+22.5%
Others	263	783	1,255	-313	1,084	0.4%	1,397	n.a.	821	+311.7%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	102,078	103,174	106,291	112,918	100,450	36.7%	-12,468	-11.0%	-1,628	-1.6%
Selling, General and Administrative Expenses	100,391	102,839	121,296	151,676	122,796	44.8%	-28,880	-19.0%	22,405	+22.3%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	36,164	39,496	47,881	28,733	50,632	18.5%	21,899	+76.2%	14,468	+40.0%
Other Non-Operating Income and Expenses	*1 11,096	-235	-1,203	-1,715	-1,912	-0.7%	-197	n.a.	-13,009	-117.2%
Equity in Earnings (Losses) of Associates	-5,900	-5,034	-6,253	-7,353	-3,791	-1.4%	3,561	n.a.	2,108	n.a.
Income before Income Taxes	41,360	34,226	40,424	19,664	44,928	16.4%	25,263	+128.5%	3,567	+8.6%
Net Income	27,837	24,756	26,977	8,448	27,542	10.1%	19,093	+226.0%	-294	-1.1%
Net Income Attributable to Owners of the Parent	27,379	23,798	23,878	6,618	22,750	8.3%	16,132	+243.7%	-4,628	-16.9%
Operating Margin	15.2%	16.1%	17.4%	9.8%	18.5%	n.a.	+8.7%	n.a.	+3.3%	n.a.
Ratio of Income before Income Taxes to Revenue	17.3%	13.9%	14.7%	6.7%	16.4%	n.a.	+9.7%	n.a.	-0.9%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	11.5%	9.7%	8.7%	2.3%	8.3%	n.a.	+6.1%	n.a.	-3.2%	n.a.

Commerce Business	FY2019				FY2020	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	Q1	Q2	Q3	Q4	Q1		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	165,187	169,060	196,625	209,339		205,867	100.0%	-3,471	-1.7%
Advertising	7,717	7,981	10,994	10,658	12,387	6.0%	1,728	+16.2%	4,670	+60.5%
Business Services	103,865	106,308	126,197	136,315	127,167	61.8%	-9,147	-6.7%	23,302	+22.4%
Personal Services	52,808	53,515	57,695	62,160	64,854	31.5%	2,694	+4.3%	12,045	+22.8%
Others	263	783	1,255	-313	1,084	0.5%	1,397	n.a.	821	+311.7%
Intra-Company Revenue	532	472	482	518	373	0.2%	-144	-27.9%	-159	-29.9%
Cost of Sales	85,762	86,838	88,915	94,638	85,356	41.5%	-9,281	-9.8%	-405	-0.5%
Selling, General and Administrative Expenses	62,759	63,671	80,362	97,292	84,174	40.9%	-13,118	-13.5%	21,414	+34.1%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	16,665	18,550	27,347	17,408	36,336	17.7%	18,928	+108.7%	19,671	+118.0%
Operating Margin	10.1%	11.0%	13.9%	8.3%	17.7%	n.a.	+9.3%	n.a.	+7.6%	n.a.

Media Business	FY2019				FY2020	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	Q1	Q2	Q3	Q4	Q1		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	72,811	76,047	78,191	83,880		67,502	100.0%	-16,378	-19.5%
Advertising	70,733	74,380	76,854	82,723	66,937	99.2%	-15,786	-19.1%	-3,796	-5.4%
Business Services	1,830	1,406	1,161	1,028	409	0.6%	-618	-60.2%	-1,421	-77.6%
Personal Services	247	260	175	128	155	0.2%	27	+21.1%	-92	-37.3%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	16,267	16,298	17,355	18,243	15,071	22.3%	-3,171	-17.4%	-1,196	-7.4%
Selling, General and Administrative Expenses	21,475	22,491	21,255	22,691	18,892	28.0%	-3,799	-16.7%	-2,583	-12.0%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	35,068	37,257	39,580	42,945	33,538	49.7%	-9,407	-21.9%	-1,529	-4.4%
Operating Margin	48.2%	49.0%	50.6%	51.2%	49.7%	n.a.	-1.5%	n.a.	+1.5%	n.a.

Others	FY2019				FY2020	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	Q1	Q2	Q3	Q4	Q1		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	2,197	1,887	2,145	1,773		1,784	100.0%	11	+0.6%
Advertising	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Business Services	803	862	1,143	790	349	19.6%	-440	-55.8%	-453	-56.4%
Personal Services	581	231	204	186	685	38.4%	499	+268.5%	104	+17.9%
Intra-Company Revenue	812	793	797	796	748	42.0%	-47	-6.0%	-64	-7.9%
Cost of Sales	48	37	19	29	22	1.2%	-7	-25.9%	-26	-54.6%
Selling, General and Administrative Expenses	2,058	2,457	2,313	5,988	2,410	135.1%	-3,577	-59.7%	352	+17.1%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	90	-607	-187	-4,244	-648	-36.3%	3,596	n.a.	-738	-816.2%
Operating Margin	4.1%	-32.2%	-8.7%	-239.4%	-36.3%	n.a.	+203.0%	n.a.	-40.4%	n.a.

Adjustments	FY2019				FY2020	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	Q1	Q2	Q3	Q4	Q1		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	-1,562	-1,485	-1,493	-1,664		-1,274	n.a.	389	n.a.
Advertising	-216	-219	-213	-349	-152	n.a.	197	n.a.	63	n.a.
Business Services	-	-	-	-	0	n.a.	0	n.a.	0	n.a.
Personal Services	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-1,345	-1,266	-1,279	-1,314	-1,122	n.a.	192	n.a.	223	n.a.
Cost of Sales	-	-	-	7	-	n.a.	-7	n.a.	-	n.a.
Selling, General and Administrative Expenses	14,097	14,218	17,365	25,704	17,319	n.a.	-8,384	-32.6%	3,221	+22.9%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	-15,659	-15,703	-18,859	-27,375	-18,594	n.a.	8,781	n.a.	-2,934	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note 1: Some services and subsidiaries have been transferred among segments from FY2020-Q1. The main change is the transfer of automobile-related services including our subsidiary Carview Corporation, from "Commerce Business" to "Media Business". Prior data and comparative figures have been adjusted to the current segments retroactively.

Note 2: Adjustments figures represent inter-segment transaction and general corporate expenses not belonging to any reporting segment.

Note 3: 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 4: Investment profit/loss etc., of The Japan Net Bank, Limited is recorded in "Others" in "Commerce Business" revenue.

Note 5: ZOZO, Inc. became a consolidated subsidiary on November 13, 2019. The financial results of ZOZO, Inc. have been consolidated from November 2019.

*1 In FY2019-Q1, gain on change in equity of PayPay Corporation of ¥10.8 billion is recorded in "Other Non-Operating Income and Expenses".