

Z Holdings Restructures Financial Business—No Immediate Impact on PayPay Card's Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the impact on PayPay Card Corporation (security code: -) of Z Holdings Corporation (security code: 4689)'s attempt to make PayPay Corporation a consolidated subsidiary.

- (1) On July 27, Z Holdings Corporation (ZHD) (JCR's Long-term Issuer Rating: AA-/Stable) announced that it would make PayPay Corporation (PayPay) a consolidated subsidiary. After it transfers the acquiring business operated by Yahoo Japan Corporation under the umbrella of ZHD to PayPay Card Corporation (PPCD), it will make PPCD a wholly owned subsidiary of PayPay. The restructuring is scheduled to be completed on October 1, 2022, and PPCD is expected to remain a consolidated subsidiary of ZHD.
- (2) JCR believes that the restructuring will not immediately affect the rating of PPCD. JCR currently places PPCD's rating on a par with the ZHD Group's group creditworthiness, reflecting that PPCD has established close relationship with the Group in terms of capital, management, sales, financing, and other areas and that PPCD's strategic importance to the ZHD Group is high with its role in retaining customers by providing payment services and granting points and its business ties with the Group is extremely strong. JCR assumes that the relationships between PPCD and ZHD Group in all areas will be maintained and that the strength of the business ties will not significantly change after the restructuring. JCR will pay attention to whether the integrated operations of PPCD handling credit card business and PayPay handling QR code payment business in the future can further generate group synergies in the payment business.

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<Reference>

Issuer: PayPay Card Corporation

Long-term Issuer Rating: AA- Outlook: Stable

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