[This is an English translation prepared for reference purpose only. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.]

[Cover]

Document to be filed:	Management's Report on Internal Control over Financial Reporting
Grounds:	Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	March 31, 2017
Company name (Japanese):	LINE 株式会社（LINE Kabushiki-Kaisha）
Company name (English):	LINE Corporation
Title and name of representative:	Representative Director, President and Chief Executive Officer Takeshi Idezawa
Title and name of chief financial officer:	Director and Chief Financial Officer In Joon Hwang
Location of head office:	Shibuya Hikarie, 27th Floor 21-1 Shibuya 2-chome Shibuya-ku, Tokyo 150-8510, Japan (Note) As of April 1, 2017, our head office is to be relocated to the address below. JR Shinjuku Miraina Tower, 23rd Floor, 1-6 Shinjuku 4-chome, Shinjuku-ku, Tokyo 160-0022, Japan
Places where the document is available for public inspection:	Tokyo Stock Exchange, Inc. 2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan

LINE Corporation

Management's Report on Internal Control over Financial Reporting

1. [Matters relating to the basic framework for internal control over financial reporting]

Representative Director, President and Chief Executive Officer, Takeshi Idezawa and Director and Chief Financial Officer, Injoon Hwang are responsible for designing and operating effective internal control over financial reporting of LINE Corporation (the “Company”) and its consolidated subsidiaries and equity-method affiliates and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control is designed to achieve its objectives to the extent reasonable through the organic interplay between and the functioning together of its basic components. Therefore, there is a possibility that misstatements in financial reporting may not be completely prevented or detected by internal control over financial reporting.

2. [Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures]

The assessment of internal control over financial reporting was performed as of December 31, 2016, which was the end date of this fiscal year. The assessment was performed in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

In conducting this assessment, we evaluated the internal controls which may have a material effect on our entire financial reporting on a consolidated basis (“entity-level controls”) and, based on the results of this assessment, we selected business processes to be included in the scope of the assessment. We analyzed these selected business processes, identified key controls that may have a material effect on the reliability of the financial reporting, and assessed the design and the operation of these key controls to assess the effectiveness of internal control.

We determined the necessary scope of the assessment of internal control over financial reporting for the Company and its consolidated subsidiaries and equity-method affiliates from the perspective of the materiality to the reliability of the financial reporting. The materiality to the reliability of the financial reporting is determined by considering the materiality of quantitative and qualitative impacts. In light of the results of the assessment of the entity-level internal controls covering the Company and five consolidated subsidiaries, we determined in a reasonable manner the scope of the assessment of the process-level controls. 23 consolidated subsidiaries and 12 equity method affiliates were not included in the scope of the assessment of the entity-level internal controls because their quantitative and qualitative materiality was judged to be minimal.

Regarding the scope of the assessment of the process-level controls, we selected locations and business units to be included in the scope of the assessment in descending order of revenues of this fiscal year (after elimination of inter-company transactions), and the two companies whose combined revenues of this fiscal year accounted for around two-thirds of the total revenues on a consolidated basis were selected as "significant business locations". We included in the scope of the assessment, at the selected significant business locations, the business processes related to revenues, trade receivables, advances received and deferred revenue as significant accounts that may have a material impact on our business objectives. Further, at the two selected significant business locations and all other business locations, the business processes that (i) have a greater likelihood of causing material misstatements and relate to significant accounts which involve estimates and forecasts, and/or (ii) relate to a business or operation dealing with high-risk transactions, were individually selected as having greater materiality to the financial reporting and included in the scope of the assessment.

3. [Matters relating to the results of the assessment]
As a result of the assessment described above, as of the end of this fiscal year, we concluded that our internal control over financial reporting was effective.

4. Additional notes
None noted.

5. Special notes

None noted.