



January 31, 2018

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Notice of Execution of Memorandum of Understanding for Strategic Alliance by a Consolidated Subsidiary and Prospect of Change to Subsidiary

LINE MOBILE Corporation (hereinafter “LINE MOBILE”), a consolidated subsidiary of LINE Corporation (hereinafter the “Company”), announces that it has executed a Memorandum of Understanding together with SoftBank Corporation (hereinafter “SoftBank”) in order to proceed with discussions and deliberations pertaining to a strategic alliance (hereinafter this “Alliance”) between the two companies. It is planned for LINE MOBILE to change from a consolidated subsidiary to an equity-method affiliate of the Company.

As this transaction does not fall under the timely disclosure standards set forth by the Tokyo Stock Exchange, certain disclosure items and details have been omitted.

1. Reasons for this Alliance

LINE MOBILE began full operation in September 2016 as a mobile communications service MVNO (mobile virtual network operator). Operating under the pillars of launching plans that are easy for users to understand, a simple application process, and full-featured customer service, the number of users is steadily growing.

In order to further grow its mobile communications service, LINE MOBILE has agreed to move forward with this Alliance with SoftBank.

This Alliance will consist of capital alliance wherein SoftBank takes on a third party allocation of new shares to be conducted by LINE MOBILE, as well as a partnership to promote the MVNO business, though the details will be decided through future mutual consultations between the companies.

After the procedures for the third party allocation of new shares accompanying this capital alliance have completed, the Company’s capital contribution ratio in LINE MOBILE will be 49% and Ayano Kado will continue to be the Representative Director and President, and it is planned for LINE MOBILE to change from a consolidated subsidiary to an equity-method affiliate of the Company.

2. Overview of the Changing Subsidiary (Tentative)

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|-----|----------------------------------|-------------------------------------|
| (1) | Company name | LINE MOBILE Corporation |
| (2) | Location | 4-1-6 Shinjuku, Shinjuku-ku, Tokyo |
| (3) | Name and title of representative | Ayano Kado, Representative Director |

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|-----|---|--|---|
| (4) | Business | Provision of internet connection services, telecommunication business, internet phone-calling and other telecommunication-related services | |
| (5) | Total capitalization | JPY 1,710,000,000 | |
| (6) | Established | February 26, 2016 | |
| (7) | Relationship between LINE and the changing subsidiary | Capital relationship | The Company holds 100% of the shares issued by the changing subsidiary. |
| | | Personnel relationship | Two of the Company's directors serve jointly as directors at the changing subsidiary, and one of the Company's executives serves jointly as an auditor at the changing subsidiary. In addition to the two Company directors, two further directors are dispatched to the changing subsidiary. |
| | | Business relationship | There are business relationships, such as providing services, between the Company and the changing subsidiary. |

3. Future Projections

The effects on the Company's consolidated earnings if this Alliance were to take place are undetermined. An announcement will be made once determined.

The Company has announced further details concerning services released by LINE MOBILE and the Memorandum of Understanding for this Alliance in the press release titled "LINE's Subsidiary, LINE MOBILE, Enters Into Memorandum of Understanding With SoftBank for a Strategic Alliance" (<https://linecorp.com/en/pr/news/en/2018/2026>) released today.

This is an English translation of the original Japanese-language document. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.