



March 26, 2018

Company: LINE Corporation
Representative: Takeshi Idezawa CEO
Stock Code: 3938 (First section of the Tokyo Stock Exchange)
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Notice Regarding Third-Party Allocation of New Shares by a Consolidated Subsidiary and Change to Specified Subsidiary

LINE Financial Corporation (hereinafter "LINE Financial"), a consolidated subsidiary of LINE Corporation (hereinafter the "Company"), announces today that it has made a resolution to issue new shares to the Company through a third-party allocation of new shares, with such shares to be underwritten by the Company.

Since the total capitalization of LINE Finance will become equivalent to ten-hundredths or greater of the Company's total capitalization once the third-party allocation of new shares to increase capital is completed, LINE Financial will therefore correspond to a specified subsidiary.

1. Reasons for Third-Party Allocation of New Shares to Increase Capital by Subsidiary, and Underwriting of the Same

Following its mobile money transfer and payment service "LINE Pay," the Company established LINE Financial in January 2018 to further reinforce its position in the financial business domain as well as to create and provide revolutionary financial services. Going forward, LINE Financial will serve as the core of the various LINE-based financial services – including virtual currency trading and an exchange, loans, and insurance – that the Company is currently preparing to provide. The Company will underwrite LINE Financial's third-party allocation of new shares to increase capital in order to further advance the preparations for these businesses.

2. Overview of Third-Party Allocation of New Shares to Increase Capital Conducted by a Subsidiary

(1)	Amount to be paid	JPY 10,000,000,000
(2)	Payment date	April 2, 2018 (tentative)
(3)	Total capitalization after capital increase	JPY 10,000,000,000

3. Overview of Subsidiary Intending to Conduct a Third-Party Allocation of New Shares to Increase Capital

(1)	Company name	LINE Financial Corporation	
(2)	Location	4-1-6 Shinjuku, Shinjuku-ku, Tokyo	
(3)	Name and title of representative	Takeshi Idezawa, Representative Director	
(4)	Business	Business management for subsidiaries operating financial-related services, and other operations ancillary thereto	
(5)	Total capitalization	JPY 5,000,000,000 (before capital increase)	
(6)	Established	January 10, 2018	
(7)	Relationship between LINE and LINE Financial	Capital relationship	The Company holds 100% of the shares issued by LINE Financial.
		Personnel relationship	Two of the Company's directors serve jointly as directors at LINE Financial, and one executive serves jointly as an auditor at LINE Financial.
		Business relationship	There are business relationships, such as providing services, between the Company and LINE Financial.

4. Future Projections

This transaction will have no effect on the Company's consolidated earnings.

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.