



November 27, 2018

Company: LINE Corporation

Representative: Takeshi Idezawa, Representative Director and President

Stock Code: 3938 (First section of the Tokyo Stock Exchange)

**Notice of Execution of Basic Memorandum of Understanding concerning Establishment of a Preparatory Company through a Joint Venture to Enter the Banking Business**

LINE Financial Corporation (hereinafter "LINE Financial"), a consolidated subsidiary of LINE Corporation (hereinafter the "Company"), announced today that LINE Financial has resolved to execute a Memorandum of Understanding with Mizuho Bank, Ltd. (Headquarters: Chiyoda-ku, Tokyo, Japan; President & CEO: Koji Fujiwara; hereinafter "Mizuho Bank"), a subsidiary of Mizuho Financial Group Inc. (Headquarters: Chiyoda-ku, Tokyo, Japan; President & CEO: Tatsufumi Sakai), in order to proceed with establishment of a preparatory company through a joint venture.

1. Reasons for this Execution

The Company established LINE Financial in January 2018 to strengthen its financial business segment and has provided investment service (LINE Smart Invest) and non-life insurance service (LINE Insurance) through the LINE messaging app, while preparing for other financial services including other securities and loan services.

In order to provide more convenient financial services and further grow its financial business, the Company has determined to enter into the banking business and establish a preparatory company through a joint venture with Mizuho Bank in anticipation of the establishment of a new bank.

Subject to any required regulatory approval, the preparatory company will prepare and consider for the establishment of a new bank in order to bring people and financial services closer, and make various financial services more accessible through the combined synergy of the Company's services with exceptional usability and Mizuho Bank's established experience in banking business.

2. Overview of the Changing Second-tier Subsidiary (Tentative)

(1) Company name	LINE Bank Preparatory Company, Inc.
(2) Location	Not decided
(3) Name and title of representative	Not decided
(4) Business	Preparatory company for the establishment of a new bank
(5) Capital and capital reserves	JPY 2 billion
(6) Established	Not decided

(7)	Principal shareholders and holding ratio	LINE Financial Corporation: 51% Mizuho Bank, Ltd.: 49%
-----	---	---

### 3. Future Projections

The impact of this alliance on the Company's consolidated results is expected to be minimal.

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 later shall prevail.