



January 31, 2019

Company: LINE Corporation

Representative: Takeshi Idezawa, Representative Director and President

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

**Notice Regarding Reporting of Other Operating Income
(Gain Due to the Loss of Control of Subsidiary)**

LINE Corporation (hereinafter the "Company") announces as follows that it has reported other operating income gain due to the loss of control of a subsidiary during the financial year ended December 2018.

1. Incurred Other Operating Income

(1) Occurrence of Event

November 27 2018 (Effective date of third-party allocation of shares for capital increase)

(2) Event Details

LINE Games Corporation (hereinafter "LINE Games"), a consolidated subsidiary of LINE the Company, has changed from a consolidated subsidiary to an equity-method affiliate with decrease in voting rights held by the Company to 49.5% due to the third party allotment underwritten by Lungo Entertainment Ltd. (HQ: Birkirkara, Republic of Malta, Director: Seong Il Choi) on November 27 2018. In conjunction with this event, the Company has re-measured the fair value of its investments in LINE Games and recorded the following gain due to the loss of control.

(3) Impact of Event on Results

15,300 million JPY in gain due to the loss of control of the subsidiary will be reported as "Other Operating Income" in the fiscal year ended December 2018 consolidated financial results.

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.