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### **Notice of Recognition of Loss Allowance on Loan Receivables and Impairment Loss of Property and Equipment and Right-of-Use Assets**

LINE Corporation (hereinafter "LINE") announces that it has recognized a loss allowance on loan receivables and impairment loss of property and equipment and right-of-use assets in the second quarter (April 1 until June 30, 2020) for the fiscal year ending December 31, 2020.

#### 1. Recognition of Loss Allowance on Loan Receivables

After giving full consideration on the financial position and operating results on loans to its affiliated companies, LINE has recognized JPY one billion in loss allowance on loan receivables in the second quarter individual and consolidated financial statements for the fiscal year ending December 31, 2020.

#### 2. Recognition of Impairment Loss on Equipment and Property and Right-of-Use Assets

The spread of COVID-19 has caused LINE and LINE Group to face impediment of production lines and customer decline in street-level stores during the state of emergency. Due to these factors, impairment loss was recognized for equipment and property of each store, and right-of-use assets. LINE has recognized JPY 4.449 billion in impairment loss in the second quarter consolidated financial statements for the fiscal year ending December 31, 2020.

#### 3. Future Projections

JPY 1 billion in loss allowance on loan receivables for the above loans and JPY 4.449 billion in impairment loss on equipment and property and right-of-use assets have been recognized on the Summary of Second Quarter Consolidated Financial Statements for the Fiscal Year Ending December 31, 2020 (IFRS) announced today.