

[Reference translation - in case of any discrepancy, the original Japanese version shall prevail.]



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Press Release

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**(Update to Previously Disclosed Items) Notice Regarding Finalized Recording of Other Operating Income (Gains Due to the Loss of Control of Subsidiaries)**

In its consolidated financial statement for the third quarter period of the fiscal year ending December 31, 2020, LINE Corporation (the "Company") has recorded other operating income as a result of disposing two of its subsidiaries as announced in "Notice Regarding Change in Specified Subsidiary" (published on May 27, 2020) and "Notice Regarding Merger of LINE Corporation's Consolidated Subsidiary and Expected Recording of Gains Resulting from its Transfer" (published on July 30, 2020).

1. Gain recognized as a result of transfer of LINE Digital Frontier Corporation ("LDF")

By transferring shares of LDF (former consolidated subsidiary of the Company) to Webtoon Entertainment Inc. ("Webtoon"), LDF has been reclassified as the Company's equity method affiliate.

As a result of losing controlling interest in LDF, the Company recognized JPY 9.48 billion in gain due to the loss of control of subsidiaries as other operating income after re-measuring Webtoon's shares (received in exchange for LDF shares) at its fair value at the date when control was lost. This gain was recorded in the "3Q 2020 Quarterly Report (IFRS) (Consolidated Financial Results)" published today.

2. Gain recognized as a result of transfer of LINE Man Corporation Pte. Ltd. ("LINE Man")

LINE Man has been reclassified from a consolidated subsidiary to an equity method affiliate of the Company due to the decrease in the Company's voting rights in the entity resulting from third party allotment of shares.

Upon losing controlling interest in LINE Man, the Company recognized JPY 18.07 billion in gain due to the loss of control of subsidiaries as other operating income after re-measuring its remaining interest in the entity at its fair value at the date when control was lost. This gain was recorded in the "3Q 2020 Quarterly Report (IFRS) (Consolidated Financial Results)" published today.