

April 1st, 2019

LINE Corporation

Takeshi Idezawa,

the Representative Director and President

Contact: Corporate Development/Investor Relations

Department (03-4316-2050)

<https://linecorp.com/>

Stock Code: 3938

The corporate governance of LINE Corporation is described below.

I. Basic Stance on Corporate Governance, and Shareholder Structure, Corporate Profile and Other Basic Information

1. Basic Stance on Corporate Governance

In order to continuously increase the company's earnings and raise the company's corporate value to ensure mutual benefit of the company's shareholders, the company believes it is extremely important to create business management structure that enables prompt decision-making and appropriate business execution, and to simultaneously strive to enhance the company's management monitoring system and improve the soundness and transparency of management. The company strives to reinforce the company's corporate governance system under this belief. The company also believes that a strong corporate governance system is important for ensuring the trust of stakeholders. Through the creation of the company's business management system, the company feels that it is essential that the company ensures the transparency and objectivity of the company's business activities. In conjunction with the company's enhancement of the company's management monitoring system, the company will also make proper disclosures.

[Reason for Not Implementing Principles of Corporate Governance Code]

Supplementary Principle 4-1 (3)

Selection of directors, corporate auditors and executive officers, including the Chief Executive Officer ("CEO"), collectively referred to herein this paragraph as "CEOs", will be done through a comprehensive evaluation from the perspective of "the right person for the job," through studying the achievements and experiences of candidates at Board of Directors meetings, which will also be attended by independent outside directors.

When selecting a specific person among a certain number of candidates, independent outside directors also will confirm the rationale for that selection, along with the appropriateness of the candidate based on their achievements and experience. Because this selection process has already

been adopted for the appropriate selection of the CEOs, the company has not formulated any CEO succession plans. The company strives to build a training framework focused on the company's management staff.

Supplementary Principle 4-10(1)

The company has voluntarily established Compensation Committee, Outside Director Candidates Recommendation Committee, and Advisory Board to appropriately involve and receive advice from the independent outside directors in discussion of important matters.

For details about the Compensation Committee, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

Regarding the Outside Director Candidates Recommendation Committee, see "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" below.

Regarding the Advisory Board, see "I.4. Policy Regarding Measures for Protection of Minority Shareholders When Conducting Transactions with Controlling Shareholders" below and "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" below.

The company has no separate committee for selection of directors (excluding outside directors), corporate auditors, and executive officers, due to the fact that the current system of comprehensively evaluating the candidates at Board of Directors meetings, which will also be attended by independent outside directors, from the perspective of "the right person for the job," through studying the achievements and experiences, is properly functioning. The additional selection process of corporate auditors is as explained in the "I. [Disclosure Based on Principles of Corporate Governance Code] Principle 3-1(iv)" below, which the company also believes to be properly functioning.

Principle 5-2

There is uncertainty due to rapid changes occurring across the globe in the smartphone and mobile application market, which is the main pillar of business for the company's Group. This has a significant effect on the performance of the company's Group, and so there is a limit to the usefulness of profitability and capital efficiency goals, and it is therefore difficult to set and publish precise management strategy or management plan. The company explains to its shareholders in comprehensible language the goals of its mid-to long term strategy at financial results briefings held every quarter or at the shareholders' meetings, etc.

[Disclosure Based on Principles of Corporate Governance Code]

Principle 1-4

From the perspective of corporate governance, the company does not practice cross-holding of shares simply for the sake of securing stable shareholders. If the company does ever engage in cross-holding, the company only ever does so when it is deemed that it will contribute to improve corporate value for both companies.

Principle 1-7

The company has established a Related Party Transaction Management Policy. When the company, or one of the company's subsidiaries, engages in a transaction with the company's directors, major shareholders, or other relevant persons prescribed in the said policy, approval is granted through Management Meetings. Related Party Transactions that are approved at Management Meetings are reported to an Advisory Board, which is comprised solely of outside directors. Material transactions are deliberated by the Advisory Board, with approval granted through the Board of Directors.

Principle 2-6

Because we do not adopt corporate pension plan, there is no situation where we function as asset owners of corporate pension.

Principle 3-1

(i) Company objectives (e.g., business principles), business strategies and business plans

The company's corporate mission is "CLOSING THE DISTANCE," meaning that the company will bring people closer to each other, to information, and to new services. The company strives to create a world where LINE serves as users' gateway to seamlessly connect them whenever, wherever, and at the distance they feel comfortable, to people, information/content, and services, etc. both online and offline in a way that enables users to complete everything in their daily lives within the LINE ecosystem. The company views this mission as the company's fundamental principle on which all of the company's Group's businesses and the company's acts as individuals are based, and will faithfully carry out this mission.

(ii) Basic stance and policy on corporate governance based on each of the principles of the Corporate Governance Code

See "I. 1. Basic Stance on Corporate Governance" above.

(iii) Policies and procedures taken by the Board of Directors in determining the compensation of the senior management and directors

For details about the company's compensation policy, including the policies and procedures taken by the Board of Directors in determining the compensation of the senior management and

directors, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

(iv) Policies and procedures taken by the Board of Directors in appointing or dismissing the senior management and nominating candidates for directors and corporate auditor

In order for the Board of Directors to fulfill their role and responsibilities effectively, the company believes that, upon determining the strategic direction of the company, there is a need for a certain number of persons familiar with the company's business and issues to serve as members of the Board of Directors. Furthermore, the company also believes that it is important to ensure a diversity of knowledge, experience and capabilities among the members of the board to maintain the board's independence and objectivity. For appointments of outside directors after the company's IPO, an outside director candidates recommendation proposal will be submitted to the general meeting of shareholders after deliberation by the Outside Director Candidates Recommendation Committee. See "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" below for details of aforementioned committee. For the appointment of corporate auditor candidates, the Board of Directors, with the agreement of the Board of Corporate Auditors, is to submit a nomination proposal to the general meeting of shareholders.

(v) Explanations on Board of Directors' appointment or dismissal of senior management and candidates for directors and corporate auditors based on (iv) above

When appointing a candidate for director (including the CEO) or corporate auditor or discussing the dismissal of director (including the CEO) or corporate auditor, the company comprehensively considers not only whether a candidate or director or corporate auditor in discussion possesses the necessary character, knowledge and ability to be senior management, but also whether they are in sync with the culture of the LINE Group. For outside directors in particular, the company has implemented a policy to select candidates from the perspective of whether they can actively make proposals or bring up issues related to protecting minority shareholders and problems facing the company's business, while satisfying the independence standards set by the Tokyo Stock Exchange, Inc. as a prerequisite.

Supplementary Principle 4-1 (1)

Except for matters stipulated to be resolved by the Board of Directors in the laws, the company's Articles of Incorporation and Board of Director Regulations, the company relegates decisions related to business execution to the company's senior management, including the Representative Director and President, and to the attending members of Management Meetings with the aim of greater clarity of responsibilities in group management and faster decision-making. Matters related to decision-making and approval authority are prescribed in the Board of Directors Regulations, the Management Meeting Policy, the Positional Authority Policy and the

Decision-Making Authority Reference Table attached to Positional Authority Policy.

Principle 4-9

Regarding the independence of outside directors, with fulfilling the independence criteria set by Tokyo Stock Exchange, Inc. as a given, candidates are selected from the perspective of whether they can be expected to protect minority shareholders, actively offer recommendations for business issues and identify problems.

Supplementary Principle 4-11 (1)

See "I. [Disclosure Based on Principles of Corporate Governance Code] Principle 3-1(iv)" above.

Supplementary Principle 4-11 (2)

The company discloses the status of directors' and corporate auditors' material concurrent positions through reference materials for notices of the ordinary general meeting of shareholders and business reports.

<https://linecorp.com/en/ir/stock/>

Supplementary Principle 4-11 (3)

The company's Board of Directors analyzes and evaluates the effectiveness ("Effectiveness Evaluation") of the Board of Directors every year. In 2018, a prior survey to the directors and corporate auditors was conducted, and its results were compiled in a document presented at a Board of Directors and were discussed in order to perform the Effectiveness Evaluation. On the whole, the survey responses were positive, especially on the questions regarding the leveraging of outside directors' opinions and independence from the parent company in decision making. The company will strive to maintain and further improve the effectiveness of the Board of Directors.

Supplementary Principle 4-14 (2)

The company provides ongoing training for directors and corporate auditors so that they can gain knowledge on relevant laws, compliance and the roles and responsibilities expected of them in their positions. The company also makes sure to amply explain the status of the company's business and financial situation as well as the company's organizational structure to the company's outside directors and corporate auditors.

Principle 5-1

In the company's IR activities, the company's senior management and directors strive to reasonably participate in dialogue so as to increase corporate value over the mid- to long-term

through constructive dialogue with shareholders. For specifics on the status of IR activities, see “II. 2. Investor Relations (IR) Activities” below. The company’s policies concerning the measures and organizational structures aimed at promoting constructive dialogue with shareholders and investors are as follows:

- (1) For general dialogue with shareholders and investors, a member of the senior management or a director is assigned to oversee and ensure that constructive dialogue takes place, including the matters stated in items (2) through (5) below.

The Director and Chief Financial Officer (“CFO”) oversees general dialogue with shareholders and investors and strives to ensure that it is constructive. Actual dialogue is conducted by the CFO, the department responsible for investor relation (“IR”) or a person appointed by the CFO, with consideration given to the wishes of the shareholders and investors and the major points of concern, and directors (including outside directors) will also participate if deemed reasonably necessary.

- (2) Measures to ensure positive cooperation between internal departments such as IR, corporate planning, general affairs, corporate finance, accounting and legal affairs with the aim of supporting dialogue.

In consideration of shareholders’ and investors’ concerns from a mid- to long-term perspective, IR coordinates with relevant departments to support constructive dialogue and provide fair, timely and accurate information.

- (3) Measures to promote opportunities for dialogue aside from individual meetings (e.g., investor briefings and other IR activities).

Outside of general meetings of shareholders and individual meetings, constructive dialogue with shareholders and investors is implemented through financial results briefings and other meetings. These meetings are conducted from various perspectives, in consideration of shareholders’ and investors’ concerns from a mid- to long-term perspective, and the company strives to make sure these meetings are comprehensive and substantial. Documents are also posted on IR section of the company’s website (<https://linecorp.com/en/ir/top>).

- (4) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to senior management and the Board of Directors:

IR reports on shareholders’ and investors’ opinions, views and concerns to the Board of Directors regularly and appropriately. The Board of Directors can request IR to provide an explanation of the details of the dialogue with shareholders and investors at any time.

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(5) Measures to control insider information when engaging in dialogues

When engaging in dialogues, the company complies with insider trading-related regulations, and do not selectively disclose undisclosed material information to any unauthorized persons.

2. Capital Structure

Percentage of Non-Japanese Shareholders	30% or more
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[Principle Shareholders] (as of December 31, 2018)

Name	Number of shares	Investment ratio (%)
NAVER Corporation (Standing proxy: LINE Corporation, Corporate Development/ Investor Relations Department)	174,992,000	72.75
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	7,839,912	3.25
MOXLEY & CO LLC (Standing proxy: Mizuho Bank, Ltd. Settlement Department)	6,943,340	2.88
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	4,823,136	2.00
Jungho Shin	4,760,500	1.97
Hae Jin Lee	4,594,000	1.90
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	3,523,100	1.46
Japan Trustee Services Bank, Ltd. (Trust Account)	2,778,300	1.15
Trust & Custody Services Bank, Ltd. (Trust E Account)	1,978,822	0.82
Joonho Lee	1,638,000	0.68
Total	213,871,110	88.91

1. Any fraction of a percentage beyond the second decimal place will be rounded down.

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2. Number of shares of NAVER Corporation includes the 6,000,000 shares lent based on securities lending agreement between NAVER Corporation and Morgan Stanley MUFG Securities Co., Ltd.

Controlling Shareholder	—
Parent Company	NAVER Corporation
Stock exchange listing of parent company	Overseas

Notes

NAVER Corporation is listed on the Korea Exchange.

3. Corporate Profile

Stock exchange listing and market classification	Tokyo First Section
Fiscal year-end	December
Business Sector	Information and Communications (Jyouhou tsuushin)
Number of employees at end of most recent fiscal year (consolidated basis)	Over 1,000
Sales for the most recent fiscal year (consolidated)	100 billion to less than 1 trillion yen
Number of consolidated subsidiaries at end of most recent fiscal year	50 - 100 subsidiaries

4. Policy Regarding Measures for Protection of Minority Shareholders When Conducting Transactions with Controlling Shareholders

The company has established Related Party Transaction Management Policy, and in a case where the company was to engage in transactions with group companies of the company's parent company, NAVER Corporation, or otherwise conducts a related party transaction (not including transactions performed with the company's subsidiaries and affiliates) corresponding to a prescription in the said policy, such transactions must be approved via a Management Meeting after clarifying the necessity and appropriateness of the transactions. With a view towards strengthening corporate governance, the company has put in place an Advisory Board comprised solely of outside directors, but for the most significant related party transactions approved at Management Meetings, further deliberation by the Advisory Board and approval by the Board of

Directors is required. Furthermore, the Advisory Board, after deliberating on the formulation of policies for minority shareholder protection, can give necessary recommendations to the Board of Directors, who give due respect to said opinion as they perform necessary management decisions. See "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" below for details on Board of Directors, Management Meeting, and the Advisory Board.

5. Other Special Circumstances that Could Materially Affect Corporate Governance

The company is a subsidiary of the Korea-based NAVER Corporation, which owns more than 70% of voting rights in the company. However, the company independently makes decisions regarding the company's group policies and business development plans. The company has also set 98% as the voting rights ratio for becoming a special controlling shareholder that can request the sale of shares as prescribed in the company's Articles of Incorporation and as recognized by Article 179 of the Companies Act.

In addition to the above, the company places emphasis on the significance of outside directors in a strong corporate governance system and has appointed three independent outside directors. So that these outside directors can provide effective supervision on business execution from an independent position (specifically, oversight from the perspective of whether it has properly planned for minority shareholder protection, etc.) and valuable advice on the company's business operations as a member of the Board of Directors, the company has appointed one attorney with specialized knowledge of the Companies Act, a corporate finance specialist, and a professional experienced in corporate management, and the company anticipates that they will contribute to the company's business operations.

II. Status of Management Organization Relating to Management Decision-Making, Execution and Supervision, and Other Corporate Governance Systems

1. Matters relating to Organizational Structure and Organizational Management

Organizational structure	Company with Board of Corporate Auditors
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[Directors Related Matters]

Number of directors in Articles of Incorporation	3 to 8 directors
Terms of office for directors in Articles of Incorporation	2 years
Chairperson of the Board of Directors	Representative Director and President
Number of directors	8

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Appointment of Outside Directors	Yes
Number of Outside Directors	3
Number of Outside Directors designated as Independent Directors	3

Relationship with the Company (1)

Name	Association	Relationship with LINE Corporation (*1)											
		a	B	c	d	e	f	g	h	i	j	k	
Tadashi Kunihiro	Attorney												
Koji Kotaka	Attorney												
Rehito Hatoyama	From another company								△				

*1 Items for selection regarding relationship with the company

- A person who executes business in the company or its subsidiary
- A person who executes business, or is a non-executive officer, in its parent company
- A person who executes business in its sister company
- An entity for which the company is a key business partner to, or, if the entity is a corporation, a person who executes business in such corporation
 - A key business partner of the company, or, if the partner is a corporation, a person who executes business in such corporation
 - A consultant, professional accountant or lawyer who receives a large amount of money and other economic benefits other than officers' compensation from the company
 - A major shareholder of the company if the major shareholder is a corporation, a person who executes business in such corporation)
 - A person who executes business (limited to the principal) in a corporation that is a business partner of the company other than those falling under any category of d, e and f above
 - A person who executes business (limited to the principal) in a corporation at which an outside director of the company concurrently has a position of outside director
 - A person who executes business (limited to the principal) in a corporation to which the company makes donations
 - Others

Relationship with the Company (2)

Name	Belonging Committee	Independent Director	Notes concerning applicable items	Reason for appointment
Tadashi Kunihiro	○	○	—	(Reason for appointment) As an attorney, Tadashi

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				<p>Kunihiro has broad knowledge about corporate crisis management and in particular has served in an important role as an outside director by providing sound and informative advice and recommendations relating to the development of the crisis management process.</p> <p>(Reason for designation as independent director)</p> <p>The relationship between Tadashi Kunihiro and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with ordinary shareholders, and has been appointed thusly as an outside director who can act independently.</p>
Koji Kotaka	○	○	—	<p>(Reason for appointment)</p> <p>As an attorney, Koji Kotaka has a broad range of legal knowledge, and extensive knowledge in the financial field as an investment banker. In response to the company's decision-making, he provides sound and informative advice and recommendations based on his advanced expertise in</p>

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				<p>finance, capital markets, etc.</p> <p>He has served in an important role as an outside director.</p> <p>(Reason for designation as independent director)</p> <p>The relationship between Koji Kotaka and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with general shareholders, and has been appointed thusly as an outside director who can act independently.</p>
Rehito Hatoyama	○	○	<p>Rehito Hatoyama was a director at Sanrio Company, Ltd., the company's business partners. He resigned from the position due to termination of a term as of 56th Annual Shareholders' Meeting of Sanrio Company, Ltd. held on June 23rd, 2016.</p>	<p>(Reason for appointment)</p> <p>With a focus on content and character businesses, Rehito Hatoyama has abundant knowledge on overseas business development and business management. In response to the company's decision-making, he provides sound and informative advice and recommendations from a practical perspective cultivated in corporate management. He has served in an important role as an outside director.</p> <p>(Reason for designation as independent)</p> <p>The relationship between</p>

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				Rehito Hatoyama and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with general shareholders, and has been appointed thusly as an outside director who can act independently.
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[Optional Committees]

Establishment of Any Committees Corresponding to the Nominating Committee or the Compensation Committee	Established
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Details of Establishment, Members and Attributes of Chairperson

Any Committees Corresponding to the Nominating Committee

Name of Committee			None			
Total Members (#)	Full-time Members (#)	Internal Directors (#)	Outside Directors (#)	Internal Experts (#)	Other (#)	Head of committee (chairperson)
0	0	0	0	0	0	None

Any Committees Corresponding to a Compensation Committee

Name of Committee			Compensation Committee			
Total Members (#)	Full-time Members (#)	Internal Directors (#)	Outside Directors (#)	Internal Experts (#)	Other (#)	Head of committee (chairperson)
5	0	2	3	0	0	Outside Director

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Notes

The company has established a Compensation Committee, comprised of a majority of outside directors and chaired by an outside director, to ensure the adequacy and transparency of the decision making process of directors' compensation. The Compensation Committee shall deliberate on matters such as compensation policy, total compensation amount, compensation composition, evaluation standards and evaluations conducted in accordance with such standards, and individual compensation amount, etc. for the company's directors, and provide advice and recommendations to the Board of Directors. The Board of Directors shall respect such advice and recommendation in making their decisions. For details about the Compensation Committee, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

[Corporate Auditors Related Matters]

Establishment of Board of Corporate Auditors	Yes
Number of Corporate Auditors in Articles of Incorporation	Up to 5
Number of Corporate Auditors	3

Status of Cooperation among Corporate Auditors, Accounting Auditors and Internal Audit Department

Corporate auditors hold meetings with the Internal Audit Department monthly to confirm details of the audit and exchange opinions. Corporate auditors receive explanations of the yearly auditing plan from accounting auditors, and exchange opinions quarterly. The three entities strive for better coordination through this information-sharing. The Internal Audit Department exchanges opinion with accounting auditors on an irregular basis, providing them with important information related to internal controls, and, when necessary, is provided with instructions and advice.

Appointment of Outside Corporate Auditors	Yes
Number of Outside Corporate Auditors	3
Number of Outside Corporate Auditors Designated as Independent Directors	3

Relationship with Company (1)

Name	Association	Relationship with LINE Corporation (*1)													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Hitoshi Kurazawa	From another company														
Yoichi Namekata	Attorney														

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Noriyuki Uematsu	Certified Accountant	Public																		
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*1 Items for selection regarding relationship with the company

- a. A person who executes business in the company or its subsidiary
- b. Non-executive officer or accounting adviser of the company or its subsidiary
- c. A person who executes business or a non-executive officer in its parent company
- d. A corporate auditor in its parent company
- e. A person who executes business in its sister company
- f. An entity for which the company is a key business partner to, or, if the entity is a corporation, a person who executes business in such corporation
- g. A key business partner of the company, or, if the partner is a corporation, a person who executes business in such corporation
- h. A consultant, professional accountant or lawyer who receives a large amount of money and other economic benefits other than officers' compensation from the company
- i. A major shareholder of the company (if the major shareholder is a corporation, a person who executes business in such corporation)
- j. A person who executes business (limited to the principal) in a corporation that is a business partner of the company other than those falling under any category of f, g and h above
- k. A person who executes business (limited to the principal) in a corporation at which an outside director of the company concurrently has a position of outside director
- l. A person who executes business (limited to the principal) in a corporation to which the company makes donations
- m. Others

Relationship with the Company (2)

Name	Independent Director	Supplementary information concerning applicable items (※)	Reason for appointment
Hitoshi Kurasawa	○	—	(Reason for appointment) The company has determined that Hitoshi Kurasawa, who has years of experience in corporate management and finance and accounting-related knowledge, can properly carry out the duties as an outside corporate auditor.

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			<p>(Reason for designation as independent director)</p> <p>The relationship between Hitoshi Kurasawa and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with general shareholders, and has been appointed thusly as an outside director who can act independently.</p>
Yoichi Namekata	○	—	<p>(Reason for appointment)</p> <p>The company has determined that Yoichi Namekata can properly carry out the role of an outside director due to his extensive knowledge and abundant experience as an attorney mainly in the fields of compliance, internal control and finance-related laws.</p> <p>(Reason for designation as independent)</p> <p>The relationship between Yoichi Namekata and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with general shareholders, and</p>

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			has been appointed thusly as an outside director who can act independently.
Noriyuki Uematsu	○	—	<p>(Reason for appointment)</p> <p>The company has determined that Noriyuki Uematsu can properly carry out the duties as an outside corporate auditor, due to his extensive knowledge as well as abundant and long-standing experience as a certified public accountant in accounting audits, research projects and advisory services for companies.</p> <p>(Reason for designation as independent)</p> <p>The relationship between Noriyuki Uematsu and the company is not recognized as having any special attributes like those flagged by the regulations of the Tokyo Stock Exchange. His appointment has been identified as causing no conflict of interest with general shareholders, and has been appointed thusly as an outside director who can act independently.</p>

[Independent Directors]

Number of Independent Directors	6
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Other Matters Relating to Independent Directors

The company designates as independent directors all outside directors who qualify as independent directors.

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[Incentives Related Matters]

Status of implementation of policies related to incentive initiatives for directors	Introduced stock options
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Notes Regarding Relevant Item

For details about the status of implementation of policies related to incentive initiatives for directors, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

Eligible recipients of stock options	Internal directors, outside directors, executive officers, employees of the company and the directors, executive officers and employees of its subsidiaries
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Notes Regarding Relevant Item

For the details of the company's compensation policy, including the reasons for choosing the eligible recipients as eligible and the details on each recipients' incentives, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>.

[Directors' Compensation Related Matters]

Status	Partial disclosure only of individual items
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Notes Regarding Relevant Item

For compensation paid to the directors, the company has disclosed the totals for each category of directors in the company's Annual Securities Report. In the report, individuals who received consolidated compensation of 100 million yen and above are disclosed.

Has a policy for setting compensation amounts and calculation method	Yes
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Disclosed Details of Policy for Setting Compensation Amounts and Calculation Method

For the details of the company's compensation policy, including the policy for setting compensation amounts and calculation method, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

[Support System for Outside Directors (Outside Corporate Auditors)]

The department in charge of the arrangement of official meetings of the company and Secretary Department are responsible for assisting outside directors. These departments regularly provide communication regarding the convening of the Board of Directors and various other matters requiring contact. They will also conduct business briefing sessions for outside directors so that they can deepen their understanding of the company's business.

For corporate auditors, one dedicated staff person is in place to appropriately provide communication regarding the convening of the Board of Directors and various other matters requiring contact.

2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)

1) Board of Directors

The Board of Directors is comprised of eight directors (which includes three outside directors), and in principle convenes once a month, otherwise meeting flexibly when necessary. As the highest decision-making body, in addition to making resolutions on important policies and matters prescribed in laws and the Article of Incorporation, they also oversee the status of business execution.

Below are the attendances of the outside directors and corporate auditors for the Board of Directors for the fiscal year 2018, which were, in total, held 17 times:

- Director Tadashi Kunihiro: 17 meetings
- Director Koji Kotaka: 15 meetings
- Director Rehito Hatoyama: 17 meetings
- Corporate Auditor Hitoshi Kurasawa: 17 meetings
- Corporate Auditor Takashi Kanai: 16 meetings
- Corporate Auditor Naoki Watanabe: 5 meetings (all of the meetings since he assumed the position of corporate auditor)

2) Board of Corporate Auditors

The Board of Corporate Auditors is comprised of three outside corporate auditors. Corporate auditors conduct their audits based on the contents of an auditing plan devised by the corporate auditors, and work to share information at a Board of Corporate Auditors meeting held, in principle, once a month. During the audit, corporate auditors exchange opinions with the Representative Director and President, attend important meetings, review important documents, study material assets, interview members of business departments, and review subsidiaries. Working together with the Internal Audit Department and accounting auditors, they improve the effectiveness and efficiency of audits.

Below are the attendances of the outside directors for the Board of Corporate Auditors for the fiscal year 2018, which were, in total, held 13 times:

- Corporate Auditor Hitoshi Kurasawa: 13 meetings
- Corporate Auditor Takashi Kanai: 13 meetings
- Corporate Auditor Naoki Watanabe: 4 meetings (all of the meetings since he assumed the

position of corporate auditor)

3) Management Meeting

At Management Meetings, members conduct advance discussion on matters to be discussed at the Board of Directors, and discuss the progress of business execution and make decisions based on strategies and policies decided at the Board of Directors. The company regularly holds Management Meetings attended by the Representative Director and President, the CFO (Chief Financial Officer), the CWO (Chief WOW Officer), the CSMO (Chief Strategy & Marketing Officer), the CPO/CISO (Chief Privacy Officer/ Chief Information Security Officer), the executive officer in charge of financial accounting, the executive officer in charge of HR, executive officer in charge of Legal, executive officer in charge of internal audits (i.e., the act of an audit), and full-time corporate auditors, allowing for ample discussion and prompt decision-making on important executive matters.

4) Investment Strategy Meeting

The Investment Strategy Meeting is aimed at facilitating smoother and more streamlined business operations by providing a venue to discuss the disposal of the company's Groups' certain company investments and assets. The meeting is comprised of the Representative Director and President, CFO, CWO and CSMO. Also, full-time corporate auditors are provided an opportunity to attend and share their opinions.

5) Internal Audit

The Internal Audit Department, which is directly under the Representative Director and President, is responsible for internal audits affairs (i.e., the act of an audit). The Internal Audit Department is comprised of a department head and thirteen internal audit staff (as of March 1st, 2019). An audit report describing the results of internal audits is submitted and made to the Representative Director and President, full-time corporate auditors and, as necessary, to the heads of the audited departments. If some measures are necessary at that time, an action request form is also sent. In such cases, the Internal Audit Department receives back an action report form that compiles and details the policies from the audited department regarding their handling and processing, plans, and implementation of plans for those measures, thereby promoting improvements in business operations and management efficiency. Internal audits for subsidiaries are jointly conducted by the Internal Audit Department of the company and the personnel in charge of internal audit of each subsidiary, who fulfill their respective roles and responsibilities. Even when such audit is conducted by the internal audit department of the subsidiary, the Internal Audit Department of the company may directly conduct its audit, if necessary, ensuring the good

quality of the audit.

Internal audit staff conducts meetings monthly with full-time corporate auditors and confirms audit details and exchange opinions. Also, internal audit staff exchanges opinions with accounting auditors on an irregular basis, providing them with important information on internal control, and, when necessary, receives their instructions and advice.

6) Compensation Committee

See “II. 1. Matters relating to Organizational Structure and Organizational Management [Optional Committees] Any Committees Corresponding to a Compensation Committee” and its notes above for details.

7) Advisory Board

With a view towards minority shareholder protection, the company has put in place an Advisory Board comprised solely of outside directors. Furthermore, the Advisory Board deliberates and studies material related party transactions and transactions with conflict of interest (including the transactions with the company’s parent company, NAVER Corporation), the operational status of the Board of Directors and policies for minority shareholder protection, and the Board of Directors respects the opinions of the Advisory Board. In regards to methodology and other issues regarding the analysis and evaluation of the effectiveness of the company’s Board of Directors, it is the company’s policy to have the Advisory Board review and discuss this.

8) Outside Director Candidates Recommendation Committee

The company has created an Outside Director Candidates Recommendation Committee, comprised of three outside directors and the Representative Director and President. This committee deliberates on the appointment of outside director candidates, and the Board of Directors will, while respecting their opinion, propose the agenda concerning the appointment of an outside director to the general meeting of shareholders.

9) Accounting Auditors

The company has appointed PricewaterhouseCoopers Aarata LLC as the company’s accounting auditor, and concluded an accounting contract to that end. The names of certified public accountants who executed relevant work are as follows. Under their direction, certified public accountants and other employees of PricewaterhouseCoopers Aarata LLC support the execution of accounting auditing duties. The years of auditing is omitted due to the fact that consecutive years of auditing are within seven years.

Kentaro Iwao

Yoshihisa Chiyoda

Nobuhiro Nasu

Also, the members' configuration supporting the execution of accounting auditing duties is as follows.

Certified public accountant: 19 people;

Members who have passed the certified public accountant examination: 20 people;

Others: 44 people

3. Reasons for Selecting Present Corporate Governance System

Three outside directors have been appointed to serve with the company's five internal directors (thereby making up more than one-third of all board members), who work with the company's three outside corporate auditors to ensure the transparency and fairness of the company's business management. Regarding the execution of duties by directors, the company appoints lawyers and verifies compliance with laws and the Articles of Incorporation from a professional and objective perspective in order to ensure thorough oversight by outside directors and outside corporate auditors. With the main objective of protecting minority shareholders and ensuring common benefit of shareholders, the company established a Compensation Committee, an Advisory Board, and an Outside Director Candidates Recommendation Committee, which are all optional committee, enabling more precise discussions and recommendations from independent outside directors.

III. Implementation of Initiatives Concerning Shareholders and Other Stakeholders

1. Measures to Ensure an Active General Meeting of Shareholders and Smooth Exercise of Voting Shares

	Notes
Early notification of convocation of general meetings of shareholders	The company strives to send notice earlier than the statutory deadline, and the company public announces the convocation notice electronically via the company's website prior to mailing the convocation notice.
Scheduling the general meeting of shareholders to avoid conflict with other shareholders' meetings	The general meeting of shareholders is held in March, but is scheduled to avoid dates when many other companies hold their general meetings of shareholders, so that more shareholders can attend the meeting.

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Allowing the exercise of voting rights via electromagnetic means	The company allows voting rights to be exercised via personal computers, mobile phone, or other internet-connected devices.
Participation in an Electronic Voting Platform, and Other Measures to Improve the Voting Environment for Institutional Investors	In addition to participating in an electronic voting platform, the company is carrying out activities to promote the exercise of voting rights by overseas and domestic institutional investors (actual shareholders).
Provision of convocation notice (summary) in English	The company posts convocation notices on the company's website in Japanese and English.
Other	The basic policy of the general meeting of shareholders is to allow shareholders, who are unable to attend the general meeting of shareholders, to participate in the resolution process as much as possible, and to ensure direct communication between shareholders in attendance at the general meeting of shareholders and senior management.

2. IR Activities

	Notes	Explanations by representatives themselves
Creation and announcement of disclosure policy	The company formulates a disclosure policy comprised of entries on information disclosure, disclosure methods, uncertainties, and quiet periods. The policy is published on the IR page of the company's website.	
Holds regular briefing sessions	In order to disclose information in a timely manner to all domestic and foreign investors, the company holds	Yes

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for individual investors	quarterly earnings release in Japanese and English, which can be heard on the IR page of the company's website. Also, the Representative Director and President explains the business strategies at the annual general meeting of shareholders.	
Holds regular meetings for analysts and institutional investors	The company holds quarterly meetings for analysts and institutional investors in conjunction with quarterly financial results briefings.	Yes
Holds regular briefing sessions for overseas investors	The company holds quarterly meetings for overseas investors in conjunction with quarterly financial results briefings.	Yes
Posts IR materials on company website	The company discloses IR materials on the IR section of the company's website.	
Established an IR-related department (staff)	The company has put in place an Investor Relations Department to be responsible for IR.	

3. Status of the Measures Concerning Respect of the Standpoint of Stakeholders

	Notes
Provisions in respect of the standpoint of stakeholders in internal policies, etc.	LINE Group Code of Conduct has been established, with provisions in respect of the standpoint of stakeholders.
Environmental protection and CSR activities	Public Policy Department is responsible for promoting CSR activities, and they conduct various activities aiming at solving social issues to realize the company's mission, "CLOSING THE DISTANCE". Their major activities include efforts aimed at disaster control and disaster prevention in coordination with national research institutes, countermeasures for regional challenges in coordination with administrative agencies, educational activities to encourage appropriate use of the Internet

	<p>for schools across the country accompanied by research and investigation on the actual use of the internet by the adolescents, and development and distribution of educational materials, etc.</p> <p>The company has created a dedicated CSR page on the company’s website where the company discloses to the company’s stakeholders details of the company’s CSR activities.</p>
<p>Formulated policy on the provision of information to stakeholders</p>	<p>To increase the transparency of management, the company follows the timely disclosure regulations prescribed by stock exchanges and make timely and appropriate disclosures to the company’s stakeholders.</p>

IV. Matters Regarding Internal Control System

1. Basic Stance Regarding Internal Control System and Status of Establishment

<p>1. System to Ensure the Execution of Duties by Directors and Employees Is in Conformity with Laws and Regulations and Articles of Incorporation</p> <p>(1) In order for directors and employees of the company’s Group to comply with the laws and the company’s Articles of Incorporation and to execute their duties under sound social norms, the company formulates LINE Group Code of Conduct and takes steps to reinforce to directors and employees that legal compliance is a prerequisite for all business activities.</p> <p>(2) An Internal Audit Department is in place directly under the Representative Director and President, and it implements internal audits (i.e., the act of an audit) for the company’s Group.</p> <p>(3) A Whistleblowing System is in place so that employees who discover an act that is potentially in direct violation of the law can report anonymously.</p> <p>(4) A dedicated Compliance Department is established to create and promote compliance systems.</p> <p>(5) The company does not have any connections with anti-social forces that threaten social order or safety. The company is committed as a company to taking necessary measures against anti-social forces, and the company coordinates with external specialists to be firm in the company’s response.</p> <p>2. System for the Storage and Management of Information Related to Directors’ Execution of Duties</p> <p>The company establishes Board of Director Regulations, a document retention policy and information security policy, etc., and the company stores documents and electronic records of data relevant to the execution of duties by directors.</p> <p>3. Regulations and Other Systems Concerning Management of Loss Risks</p> <p>(1) The company establishes Basic Risk Management Policy to properly conduct risk management</p>

during times of normal operation.

(2) A committee is put into place to share risk information and study response measures with the Representative Director and President as the center of the committee.

(3) A Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO) are appointed, with each officer as the head of an organization aimed at protecting and managing information assets as well as appropriately managing risks related to information assets.

(4) A Crisis Management Policy is formulated to help ensure the performance of organization-wide risk management under the direction of the Representative Director and President and responsible directors in instances when a risk, or potential risk, arises that could affect business continuity.

(5) The Internal Audit Department, based on the Internal Audit Policy, audits the effectiveness and appropriateness of risk management on a process-by-process basis, and reports on the results to the Representative Director and President and corporate auditors depending on the materiality thereof.

4. System for Ensuring that Directors Perform Duties Efficiently

Important management-related decision-making is performed by the Board of Directors, with executive officers executing operations. Furthermore, an executive officer system has been adopted, whereby management and operation execution can be divided by delegating a substantial portion of operation execution to executive officers, with the aim of making decision-making and operation execution more efficient. When executing individual operation, the division of positional authority and duties is performed appropriately in accordance with the internal regulations, with the aim of making operation more specialized and advanced.

5. System for Ensuring the Suitability of Business Conducted by the Group

(1) System for Reporting Execution of Duties by Subsidiary Directors, Etc. to the company

An Affiliate Management Policy is formulated and matters related to the execution of duties by directors of subsidiaries are reported in a timely and proper manner by having material facts relevant to subsidiaries reported and discussed in advance.

(2) Regulations and Other Systems Concerning Management of Loss Risks within Subsidiaries

The company exchanges opinions from time to time with subsidiary personnel responsible for financial, legal and security matters in order to gain a grasp of risk management issues and issues from the perspective of financial reporting accuracy, and thereby manage loss risks within subsidiaries.

(3) System for Ensuring that Subsidiary Directors, Etc. Perform Duties Efficiently

The company stays in close contact with subsidiaries, and takes measures to ensure autonomous and appropriate operations, which enables the efficient performance of duties by subsidiary

directors.

(4) System to Ensure the Execution of Duties by Directors, Etc. and Employees of Subsidiaries is in Conformity with Laws and Regulations and Articles of Incorporation

The LINE Group Code of Conduct is created for the Group-wide adoption and application, and compliance awareness is fostered and strengthened through regular training. A committee has been put into place to monitor, and promote overseas compliance activities. An Internal Reporting Desk is in place for incidents at subsidiaries suspected to be compliance violations so that information on incidents can be gathered quickly, and the company promotes use of the Desk.

(5) System to Prevent Damage to Shareholder Value via Related Party Transactions or Conflict of Interest Transactions

An Advisory Board comprised solely of outside directors is in place, and significant related party transactions and transactions with conflict of interest are deliberated in advance within the Advisory Board, and the conclusions made by the committee are respected by the Board of Directors.

6. Matters Relevant to Employees Put in Place to Assist in the Duties of a Corporate Auditor

(1) When a corporate auditor requests an employee be put in place to assist in their duties, said employee will be appointed promptly.

(2) For employee transfers, evaluation, disciplinary actions and other HR-related issues relevant to employees in the preceding paragraph, the company makes careful considerations to ensure independence from directors (such as by requiring the prior consent of corporate auditors) and ensure the viability of corporate auditors' directions to said employees.

7. System Concerning Reporting to the Company's Corporate Auditors.

(1) System to Enable Directors and Employees to Report to Corporate Auditors and Other Systems for Reporting to Corporate Auditors

The company establishes a system to ensure that when a director or employee becomes aware of an act that violates laws, the Articles of Incorporation or the LINE Group Code of Conduct, or an act that could possibly cause serious loss or other matters that have a material impact on the Group ("Legal Violations, Etc."), that said director or employee quickly report said matter to corporate auditors.

Reporting to corporate auditors is effectively implemented through corporate auditors' attendance at the Board of Directors, full-time corporate auditors' attendance at Management Meetings, reporting of the result of internal audits (i.e., the act of an audit) to a full-time corporate auditor from the Internal Audit Department, and other deliberations between the directors and corporate auditors.

(2) System to Enable Directors, Corporate Auditors and Employees at Subsidiaries (or Others Receiving Reports from these Entities) to Report to the Company's Corporate Auditors

The company establishes a system to ensure that directors, corporate auditors and employees at subsidiaries ("Subsidiary Directors, Etc.") discovering Legal Violations, Etc. or others receiving reports of Legal Violations, Etc. from Subsidiary Directors, Etc. quickly report these matters to corporate auditors.

(3) The company introduces a system in which any person who has submitted a report per the preceding paragraph is not treated disadvantageously as a result.

8. Items Concerning Policies for the Fees or Debt Dispositions Arising from the Execution of Corporate Auditor's Duties

The directors secure a sufficient budget in order to ensure the validity of audits of various expenses or obligations arising from the execution of corporate auditors' duties.

9. Other System for Ensuring that Corporate Auditors' Audits Are Performed Efficiently

The Board of Corporate Auditors conducts meetings with the Representative Director and President directors, and the auditing company that serves as the company's accounting auditor to exchange opinions, and the full-time corporate auditor coordinates with the Internal Audit Department to perform effective and efficient work on the selection of audit items, when investigating the status of the company's business and assets, and executing other audit-related tasks.

2. Basic Stance and Preparations Relating to Exclusion of Anti-social Forces

In the "Basic Policy for Building Internal Control Systems", the company prescribe (i) that no relationship should be maintained with anti-social forces that threaten social order or safety, (ii) that responses to anti-social forces should be conducted group-wide, and (iii) that any such relationships should be cut off resolutely. The "Prevention of Influence by Anti-Social Forces Policy" also prescribes that the company should not have any relationships with anti-social forces. At the company, the Compliance/Risk Management Department is the responsible department for eliminating relationships with anti-social forces, and it responds appropriately to any illegitimate demands and collects information on anti-social forces. Furthermore, the company is a supporting member of a specialized center working to eliminate anti-social forces ("kouekizaidan hojin bouryokudan tsuihou undou suishin tomin center"), and the company works with the center as part of the company's normal everyday operations.

Under the above system, the Compliance/Risk Management Department, in principle, performs checks on new business partners before doing business together as it strives to eliminate

anti-social forces. Furthermore, in regards to eliminating relationships with anti-social forces, when the company concludes a contract with a business partner, the Legal Department gives thorough attention to ensuring that contracts are not concluded with anti-social forces, primarily through the inclusion of a company-prescribed provision on the elimination of organized crime groups when reviewing contracts. When officers and employees join the company, they are required to submit a pledge that they are not affiliated, and will not have any affiliation, with anti-social forces.

V. Other

1. Matters Concerning Anti-Takeover Measures

Introduction of anti-takeover measures	None
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Notes regarding relevant item

Anti-takeover measures have not been introduced.

2. Other Matters Concerning the Corporate Governance System

[Notes on Optional Committees]

The company has voluntarily established Compensation Committee, Outside Director Candidates Recommendation Committee, and Advisory Board to appropriately involve and receive advice from the independent outside directors in discussion of important matters.

For details about the Compensation Committee, see the compensation policy posted on our website: <https://linecorp.com/en/ir/governance>

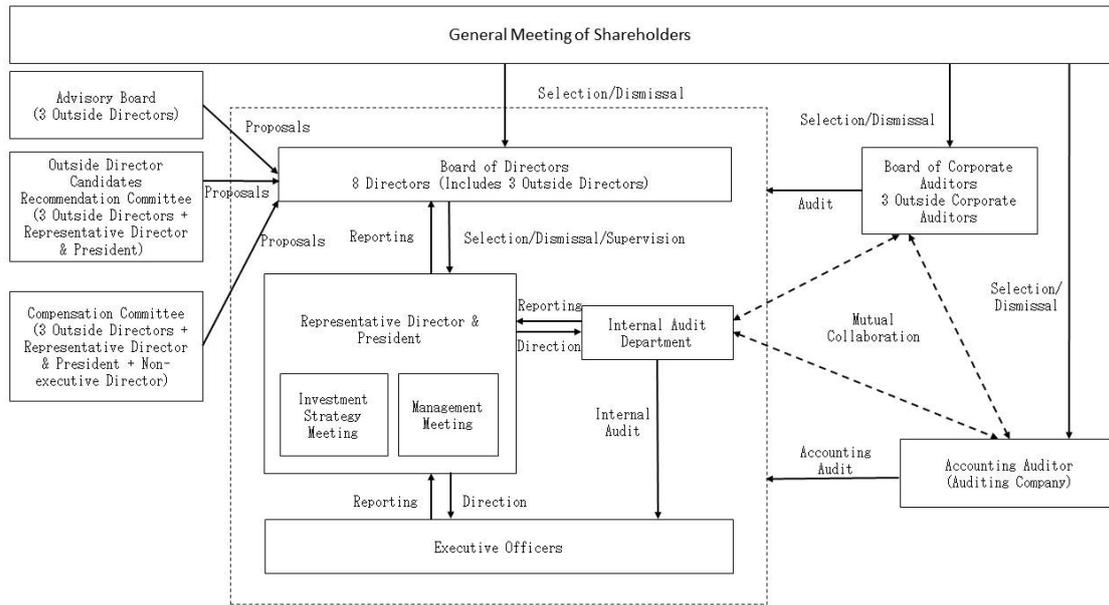
Regarding the Outside Director Candidates Recommendation Committee, see "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" above.

Regarding the Advisory Board, see "I.4. Policy Regarding Measures for Protection of Minority Shareholders When Conducting Transactions with Controlling Shareholders" and "II.2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Compensation and Other Functions (Summary of Current Status of Corporate Governance System)" above.

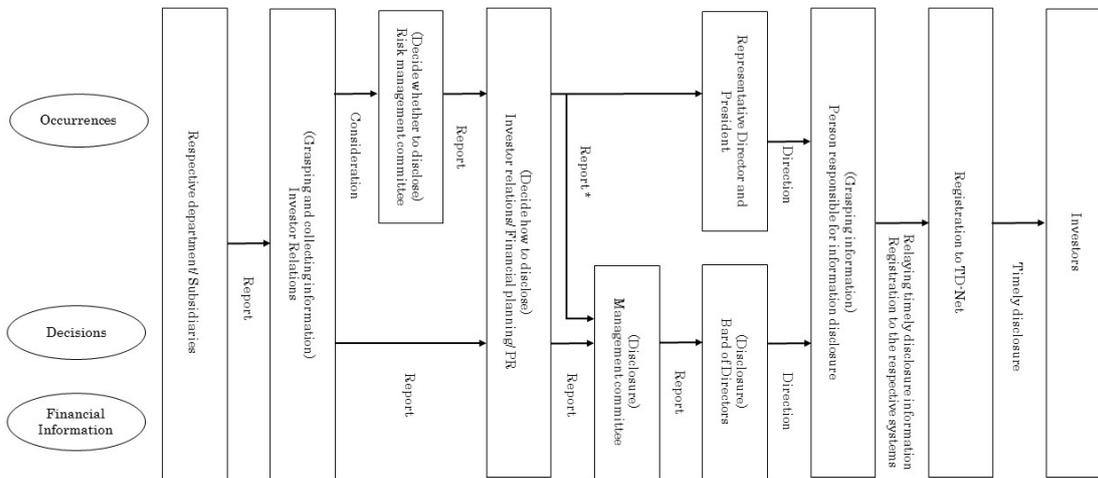
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Schematic diagram (reference material)



[Outline of Timely Disclosure System (schematic)]



* Regarding occurrences: When an incident occurs that requires immediate disclosure, such disclosure is made promptly with Representative Director and President's approval.

Note: This English translation of the Corporate Governance Code of LINE Corporation is for reference purpose only. In the event of any discrepancy between the Japanese Corporate Governance Code and this English translation, the Japanese version shall be construed as original and shall prevail. LINE Corporation assumes no responsibility for this translation or for direct, indirect or any other form of damages arising from the translation.