

April 1st, 2020

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)

The Board of Directors, which will be attended also by independent outside directors, will appoint the Chief Executive Officer (CEO) and other senior management members after taking into consideration the achievements and experiences of candidates from the standpoint of having the right person in the right place. At this point in time, the company has not formulated any CEO succession plans. Meanwhile, the company strives to build a training framework focused on its 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 does not have an optional committee that nominates directors (excluding outside directors). As for the company's stance on the nomination of directors, see Principle 3-1(v) below.

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 the 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 senior management and nominating candidates for directors and corporate auditors

In order for the Board of Directors to fulfill their roles 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 or nominating senior management or a candidate for director or corporate auditor, or when discussing the dismissal of senior management, a director or corporate auditor, the Board of Directors comprehensively considers not only whether the senior management or candidate in question possesses the necessary character, knowledge and ability to be a member of 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 appoint candidates based on the perspective of whether they can actively offer recommendations for and raise issues on minority shareholder protection and other business issues, 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 delegates 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 when necessary and to the extent that it is beneficial in providing 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 the Tokyo Stock Exchange, Inc. as a given, candidates are appointed based on 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 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 Board of Directors analyzes and evaluates the effectiveness of the Board of Directors ("Effectiveness Evaluation") every year. In the fiscal year 2019, as was the case in fiscal year 2018, a preliminary survey was conducted among the directors and corporate auditors, and its results were compiled in a document presented to the Board of Directors and discussed in order to perform the Effectiveness Evaluation. On the whole, the survey responses were positive, especially on the questions regarding the effectiveness of discussions about management strategies and plans, efforts to ensure a balanced composition of the Board of Directors and collaborations among board members, and 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 "III. 2. 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.

- (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

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unauthorized persons.

2. Capital Structure

Percentage of Non-Japanese Shareholders	30% or more
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[Principle Shareholders] (as of December 31, 2019)

Name	Number of shares	Investment ratio (%)
NAVER Corporation	174,992,000	72.57
MSIP CLIENT SECURITIES	5,203,972	2.15
MOXLEY & CO LLC	4,958,961	2.05
Shin Jung Ho	4,760,500	1.97
KSD-MIRAE ASSET DAEWOO (CLIENT)	4,631,600	1.92
GOLDMAN SACHS INTERNATIONAL	3,512,952	1.45
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	3,459,400	1.43
GOLDMAN, SACHS & CO. REG	3,456,813	1.43
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	2,698,804	1.11
LEE JOON HO	1,638,000	0.67

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

Notes

NAVER Corporation is listed on the Korea Exchange.
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3. Corporate Profile

Stock exchange listing and market classification	Tokyo First Section
Fiscal year-end	December
Business Sector	Information and Communications (Jyouchou)

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	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 the 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

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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
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. A person who executes business in the company or its subsidiary
- b. A person who executes business, or is a non-executive director, in its parent company
- c. A person who executes business in its sister company
- d. 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

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- e. A key business partner of the company, or, if the partner is a corporation, a person who executes business in such corporation
- f. A consultant, professional accountant or lawyer who receives a large amount of money and other economic benefits other than officers' compensation from the company
- g. A major shareholder of the company if the major shareholder is a corporation, a person who executes business in such corporation)
- h. 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
- i. 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
- j. A person who executes business (limited to the principal) in a corporation to which the company makes donations
- k. Others

Relationship with the Company (2)

Name	Belonging Committee	Independent Director	Notes concerning applicable items	Reason for appointment
Tadashi Kunihiro	✓	✓	—	<p>(Reason for appointment)</p> <p>As an attorney, Tadashi 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</p>

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				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.
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 finance, capital markets, etc. 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>

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Rehito Hatoyama	✓	✓	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 56 th Annual Shareholders' Meeting of Sanrio Company, Ltd. held on June 23 rd , 2016.	<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 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.</p>
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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

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.

Below are the details of the committee:

- Members: the Representative Director and President, outside directors, and non-executive directors
- Meetings held for the fiscal year 2019:
 - Number of meetings: 10
 - Major agenda items: roles and responsibilities of directors, composition and scale of compensations, revision of compensation policies
 - Members and attendance:
 - Tadashi Kunihiro: 10/10 meetings
 - Koji Kotaka: 8/10 meetings
 - Rehito Hatoyama: 10/10 meetings
 - Takeshi Idezawa: 10/10 meetings
 - Hae Jin Lee: 7/10 meetings
- Secretariat: the executive officer in charge of HR and the Employee Success Department

For the operation of the Compensation Committee and other details, 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

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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													
Noriyuki Uematsu	Certified Public Accountant													

*1 Items for selection regarding relationship with the company

- a. A person who executes business in the company or its subsidiary
- b. Non-executive director or accounting adviser of the company or its subsidiary
- c. A person who executes business or a non-executive director 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

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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	✓	—	<p>(Reason for appointment)</p> <p>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.</p> <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</p>

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			<p>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 has been appointed thusly as an outside director who can act independently.</p>
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</p>

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			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.
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[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.

[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 .

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[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 Articles 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 2019:

- Director Tadashi Kunihiro: 20/21 meetings
- Director Koji Kotaka: 21/21 meetings

- Director Rehito Hatoyama: 21/21 meetings
- Corporate Auditor Hitoshi Kurasawa: 21/21 meetings
- Corporate Auditor Yoichi Namekata: 16/18 meetings
- Corporate Auditor Noriyuki Uematsu: 17/18 meetings
- Corporate Auditors Yoichi Namekata and Noriyuki Uematsu were newly appointed as corporate auditor at the conclusion of the 19th Ordinary General Meeting of Shareholders held on March 28, 2019, and thus the above attendance at the meetings of the Board of Directors only cover those held since they assumed the position.

2) Board of Corporate Auditors

The Board of Corporate Auditors is comprised of three outside corporate auditors. Each corporate auditor conducts audits based on the auditing plans devised by the board, and works to share information at a Board of Corporate Auditors meeting held, in principle, once a month. During audits, 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 2019:

- Corporate Auditor Hitoshi Kurasawa: 14/14 meetings
- Corporate Auditor Yoichi Namekata: 9/10 meetings
- Corporate Auditor Noriyuki Uematsu: 10/10 meetings
- Corporate Auditors Yoichi Namekata and Noriyuki Uematsu were newly appointed as Corporate Auditor at the conclusion of the 19th Ordinary General Meeting of Shareholders held on March 28, 2019, and thus the above attendance at the meetings of the Board of Corporate Auditors only cover those held since they assumed the position.

3) Management Meeting

The Management Meeting is aimed at supporting the Representative Director and President and the Board of Directors. It is comprised of the Representative Director and President—who also serves as chairperson—the Chief WOW Officer (CWO), the Chief Financial Officer (CFO), the Chief Strategy & Marketing Officer (CSMO), the Chief Privacy Officer/Chief Information Security Officer (CPO/CISO)—who also serves as executive officer in charge of legal affairs, compliance and risk management—the executive officer in charge of financial accounting, and the executive officer in charge of HR, and attended also by the executive officer in charge of internal audits as well as full-time corporate auditors as observers. At the Management Meeting, the members conduct

preliminary discussions on matters to be discussed by the Board of Directors, as well as discuss the progress of business execution and make decisions on material matters delegated from the Board of Directors, based on the strategies and policies decided by the Board of Directors.

4) Investment Strategy Meeting

The Investment Strategy Meeting is aimed at establishing systems for flexibly approving investments and developing related internal processes. It is comprised of the Representative Director and President—who will appoint the chairperson—the CWO, the CFO, and the CSMO. At the Investment Strategy Meeting, the members make decisions on investments up to a certain amount stipulated by internal regulations and other related matters.

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, 2020). The department conducts audits based on the audit plans approved by the Representative Director and President, as well as makes and submits an audit report describing the results of internal audits 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 to the respective audited departments. In such cases, the Internal Audit Department urges such audited departments to submit an action report that compiles and details their policies regarding the 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

The Advisory Board is an advisory body for the Board of Directors, comprised solely of outside directors. It is aimed at deliberating material management matters and offering recommendations to the Board of Directors after evaluating the appropriateness of the company's business operations and the legality of the company's business activities from an independent standpoint. The chairperson will be elected by the Advisory Board from among its members. At the board, the members deliberate and study 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 offer recommendations for those matters to the Board of Directors. The Board of Directors will, while respecting such recommendations, make managerial decisions.

8) Outside Director Candidates Recommendation Committee

The Outside Director Candidates Recommendation Committee is an advisory body for the Board of Directors, comprised of outside directors and the Representative Director and President who also serves as chairperson. From its independent standpoint, the committee deliberates on outside director candidates who are expected to contribute to the business operation of the LINE Group and makes recommendations to the Board of Directors. The Board of Directors will, while respecting such recommendations, propose the agenda concerning the appointment of outside directors 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.

Yoshihisa Chiyoda

Nobuhiro Nasu

Soichiro Hayashi

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

Certified public accountant: 21 people;

Members who have passed the certified public accountant examination: 16 people;

Others: 35 people

10) Liability Limitation Agreement

In accordance with Article 427, paragraph (1) of the Companies Act, the company has executed agreements with outside directors and corporate auditors respectively in terms of the limitation of their liability prescribed under Article 423, paragraph (1) of the same. According to those agreements, their liability is limited to an agreed amount (at least 10 million JPY) or an amount stipulated by laws, whichever is greater, on the condition that said outside directors or corporate auditors had acted in a good faith and without gross negligence when they had conducted tasks that caused liabilities.

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	The general meeting of shareholders is held in March, but is scheduled to avoid dates when many other companies hold their general meetings of

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shareholders to avoid conflict with other shareholders' meetings	shareholders, so that more shareholders can attend the meeting.
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	

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	on the IR page of the company's website.	
Holds regular briefing sessions for individual investors	In order to disclose information in a timely manner to all domestic and foreign investors, the company holds 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.	Yes
Holds regular meetings for analysts and institutional investors	The company holds quarterly meetings for analysts and institutional investors, as necessary, in conjunction with quarterly financial results briefings.	Yes
Holds regular briefing sessions for overseas investors	The company holds quarterly meetings for overseas investors, as necessary, 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

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	<p>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 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>
Formulated policy on the provision of information to stakeholders	<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 Systems

1. Basic Stance and Current Situation Regarding Internal Control Systems

- 1) Systems to ensure that directors and employees execute their duties in compliance with laws and regulations and the Articles of Incorporation
 - i. To ensure that the directors and employees of the corporate group, consisting of the company and its subsidiaries (hereinafter referred to as the "Group"), adhere to laws and regulations and the Articles of Incorporation, and execute their duties on the basis of sound social norms, the company has drawn up the LINE Group Code of Conduct and accordingly adopts systems for ensuring that the Group's directors and employees fully recognize compliance as a precondition for performing any corporate activities.
 - ii. The company has established the Internal Audit Department, an organizational unit directly under control of the Representative Director and President, and accordingly adopts systems for carrying out internal audits of the Group.
 - iii. The company has established a whistleblowing system that enables anonymous reporting by employees who have directly noticed conducts that may violate laws or regulations.
 - iv. The company has established a dedicated office that drives compliance efforts in order to develop and enhance compliance systems.
 - v. The company does not engage in any relations whatsoever with anti-social forces that pose a threat to the order and safety of society. The company also addresses matters pertaining to anti-social forces on an organization-wide basis, and resolutely handles such matters in conjunction with external professional organizations.

2) Systems for the storage and management of information relating to the execution of duties by directors

The company has established the Board of Directors Regulations, the Document Retention Policy and the Information Security Policy, and accordingly adopts systems for recording and storing documents and electromagnetic records containing information pertaining to the execution of duties by directors.

3) Rules and other systems for management of risk of loss

i. The company has established rules on risk management and accordingly adopts systems for promptly making decisions in this regard.

ii. The company has established a meeting body led by the Representative Director and President for sharing information on risks, reviewing countermeasures and performing such tasks, and accordingly adopts systems for executing these activities.

iii. The company has appointed a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO), organizes bodies for holding meetings headed by the respective officers, and accordingly adopts systems for enhancing safekeeping and control of its information assets while appropriately managing risks related to those information assets.

iv. The company has established the Crisis Management Policy and accordingly adopts systems for taking an organization-wide approach to manage risks that impact or may impact business continuity, based on instructions provided by the Representative Director and President and directors in charge. Moreover, the Internal Audit Department conducts audits on the basis of the Internal Audit Policy in order to determine the effectiveness and appropriateness of respective risk management procedures, and accordingly adopts systems for reporting audit outcomes to the Representative Director and President and corporate auditors, depending on the importance of the matter involved.

4) Systems to ensure that directors efficiently execute their duties

The company adopts systems whereby the Board of Directors makes important managerial decisions and executive directors perform business operations. Specifically, it employs the executive officer system and delegates a substantial portion of business execution to executive officers in order to separate management oversight and business execution as well as streamline decision-making and business execution. Furthermore, the company defines powers and segregates duties of relevant positions in respective domains appropriately based on the internal regulations, aiming to achieve greater specialization and sophistication of business execution.

5) Systems to ensure that the Group appropriately operates businesses

i. Systems for subsidiaries to report to the company regarding the execution of duties by their directors, etc.

The company has established the Affiliate Management Policy and accordingly adopts systems whereby subsidiaries report important matters and conduct preliminary discussions in this regard so that the company receives appropriate and timely reports from them regarding the execution of duties by their directors.

ii. Rules and other systems for management of risk of loss at subsidiaries

The company adopts systems for controlling risks of loss incurred by subsidiaries by means of exchanging opinions with respective subsidiaries' managers in charge of finance, legal affairs, security and other domains, whenever necessary, to comprehend issues of subsidiaries from the perspective of risk management and accurate financial reporting.

iii. Systems to ensure that directors, etc. of subsidiaries efficiently execute their duties

With an aim for a prosperous coexistence among the Group entities, the company cooperates closely with each subsidiary and develops systems for them to autonomously ensure the appropriateness of business operations so that directors of subsidiaries efficiently execute their duties.

iv. Systems to ensure that directors, etc. and employees of subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation

The company has drawn up the LINE Group Code of Conduct, which is applied across the overall Group, and accordingly works to cultivate and build compliance awareness by regularly providing education and training opportunities. In addition, it has established a meeting body for promoting and monitoring the overseas compliance activities of the Group and accordingly adopts systems to execute these activities. Furthermore, the company promotes use of its whistleblowing reporting desk which has been established to make it possible to swiftly gather information in instances involving suspected compliance violations by the subsidiaries.

v. Systems to prevent circumstances that would undermine shareholder interests due to transactions involving related parties and conflicts of interest

The company has established the Advisory Committee comprised solely of outside directors, and accordingly adopts systems to ensure that the committee engages in preliminary deliberations regarding important matters in terms of those transactions involving related parties and conflicts of interest, and to ensure that outcomes of such deliberations are respected by the Board of Directors.

6) Matters pertaining to employees who are assigned to assist corporate auditors upon their request to perform their duties

i. The company promptly assigns employees to the task of assisting corporate auditors upon

request in that regard.

ii. As for the employees set forth in the preceding paragraph, the company strives to ensure their independence from directors and maintain effectiveness of instructions provided by corporate auditors by obtaining prior agreement from corporate auditors regarding transfer, evaluation, disciplinary action and other personnel-related matters involving such employees, or taking other necessary measures.

7) Systems for reporting to corporate auditors

i. Systems for the company's directors and employees to report to corporate auditors, and other systems for reporting to corporate auditors

The company adopts systems for making timely reports to corporate auditors, in cases where the company's directors or employees become aware of actions that may violate laws and regulations, the Articles of Incorporation or the LINE Group Code of Conduct, or actions that could potentially cause the Group to incur substantial losses, or incidents that could otherwise have a substantial adverse effect on the Group (hereinafter collectively referred to as "Unwarranted Conduct, etc.").

Moreover, the company adopts systems for providing effective reporting to corporate auditors by means of participation in meetings of the Board of Directors by corporate auditors, Management Meetings by full-time corporate auditors, reporting results of internal audits to full-time corporate auditors by the Internal Audit Department, and discussion between directors and corporate auditors.

ii. Systems for reporting to corporate auditors of the company by directors, corporate auditors or employees of subsidiaries, or by individuals who received reports from such directors, corporate auditors or employees of subsidiaries

The company adopts systems for promptly reporting matters involving Unwarranted Conduct, etc. to corporate auditors of the company, by directors, corporate auditors or employees of subsidiaries (hereinafter referred to as "Subsidiary Directors, etc.") who have detected Unwarranted Conduct, etc., or by directors or employees of the company who have received reports from Subsidiary Directors, etc. regarding Unwarranted Conduct, etc.

iii. The company adopts systems for prohibiting unfavorable treatment of whistleblowers on the grounds they have made reports as described in the preceding two paragraphs.

8) Items related to the policies for handling the expenses or financial obligations incurred by corporate auditors in the course of their duties

In order to guarantee effectiveness of audits, the company adopts systems whereby directors secure budgets as necessary and sufficient to cover expenses and obligations incurred by corporate auditors in the course of their duties.

9) Other systems to ensure that corporate auditors effectively perform audits

The company adopts systems to ensure that corporate auditors perform effective and efficient audits (audit item selection, implementation, and other processes) when investigating the status of the company's business operations and assets or taking on other audit related tasks. To this end, the corporate auditors will collaborate with the Internal Audit Department while the Board of Corporate Auditors will carry out meetings to exchange opinions respectively with the Representative Director, directors and the auditing company that acts as the accounting auditor for the company.

2. Basic Stance and Current Situation Regarding Exclusion of Anti-social Forces

The company has established the Basic Policy for Building Internal Control Systems stating that it should not have any relationships with anti-social forces that threaten social order or safety, and takes a resolute company-wide stance toward them by cutting off any such relationships. In that context, the company has also developed the Prevention of Influence by Anti-Social Forces Policy to prescribe that it should not have any relationships with anti-social forces. Specifically, the company's Compliance/Risk Management Department is responsible for taking action to eliminate relationships with anti-social forces, such as responding appropriately to any illegitimate demands and collecting information on anti-social forces. In addition, the company regularly collaborates with Tokyo Center for Removal of Criminal Organizations ("kouekizaidan hojin bouryokudan tsuihou undou suishin tomin center") as a supporting member.

As part of those initiatives, the company strives to eliminate anti-social forces by also having the Compliance/Risk Management Department, in principle, check new business partners before starting business with them. As for cutting off relationships with anti-social forces, the company leverages the Legal Department to thoroughly review contracts in advance and take necessary measures, such as including a provision on the elimination of organized crime groups, in order to ensure that no contracts will be executed with anti-social forces. Furthermore, the company obligates incoming directors and employees 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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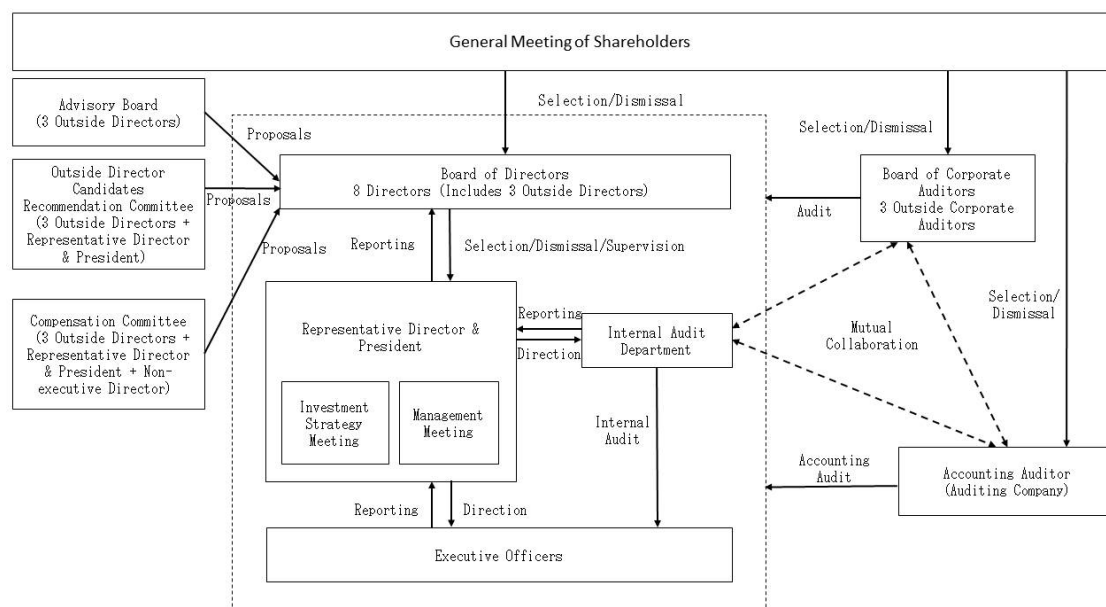
Notes regarding relevant item

Anti-takeover measures have not been introduced.

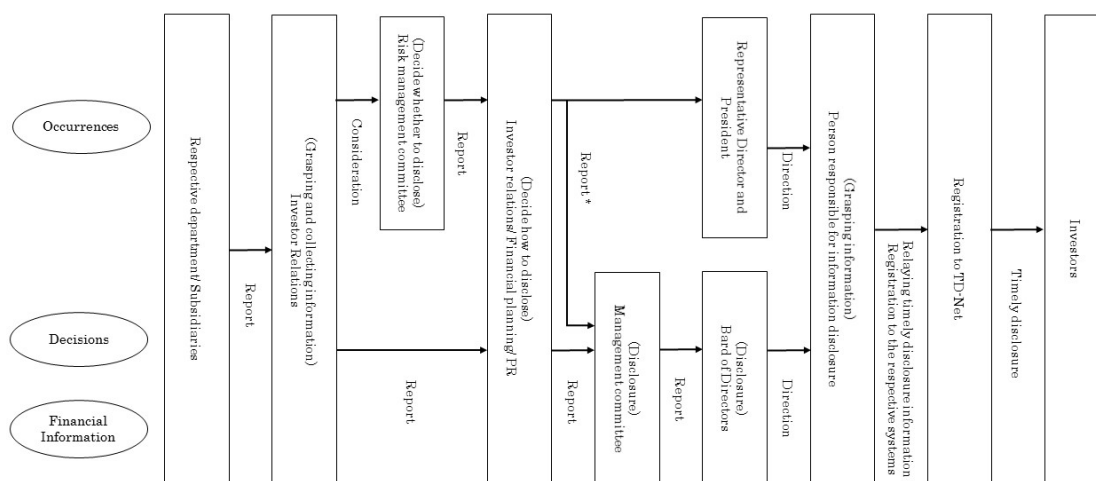
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Schematic diagram (reference material)



[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.