INVESTMENT COMPETITION
FAVOURITE STOCK
TEAM
alphababies
“Our mission is to bring people, information and services closer together” Takeshi Idezawa

LINE Corporation is based in Japan. It was renamed from NHN Japan Corporation on April 1, 2013, and operates the LINE, NAVER matome, and livedoor web service businesses. Since launching LINE in June 2011, LINE Corporation has placed the core of its business upon the service and actively pushed for the further expansion of the service on a global scale, as well as accelerating the development of LINE as a platform.
LINE Corp.

3938:JP

LINE’S CORE BUSINESSES AND STRATEGIC INITIATIVES

CORE BUSINESSES

- LINE COMMUNICATION
- LINE MANGA
- LINE MUSIC

STRATEGIC INITIATIVES - COMMERCE

- LINE Pay
- SHOPPING GO
- LINE GOURMET
- LINE TRAVEL

SOURCE: LINE CORP WEBSITE
LINE Corp.

3938:JP

STEADY GROWTH FOR CORE BUSINESSES

SOURCE: LINE CORP. WEBSITE

Revenues
(bn yen)
- Others
- Communication
- Content

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Others</th>
<th>Communication</th>
<th>Content</th>
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</thead>
<tbody>
<tr>
<td>Q3'18</td>
<td>17.7</td>
<td>0.9</td>
<td>18.0</td>
</tr>
<tr>
<td>Q4'18</td>
<td>17.5</td>
<td>0.9</td>
<td>17.7</td>
</tr>
<tr>
<td>Q1'19</td>
<td>18.1</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Q2'19</td>
<td>17.7</td>
<td>1.2</td>
<td>6.9</td>
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<tr>
<td>Q3'19</td>
<td>18.0</td>
<td>1.1</td>
<td>6.9</td>
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YoY + 1.3%

LINE Manga transaction volume
(bn yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
<th>Q3'19</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4.9</td>
<td>5.3</td>
<td>6.0</td>
<td>6.3</td>
<td>6.2</td>
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</table>

YoY + 25.9%

LINE MUSIC transaction volume
(bn yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>Q1'19</th>
<th>Q2'19</th>
<th>Q3'19</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>2.0</td>
<td>2.3</td>
<td>2.5</td>
<td>2.6</td>
<td>2.9</td>
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YoY + 46.0%
GREAT OPPORTUNITY IN STRATEGIC INITIATIVES

**Shopping-related transaction volume**
- SHOPPING GO (off-line) released December 2018

**YoY**
- $+83.4\%$

**Gourmet-related transaction volume**
- LINE Pockeo (take-out) released April 2019

**YoY**
- $+55.5\%$

**Travel-related transaction volume**
- Odekake NOW (search and reservation service for restaurant, events, activities) released on June 27

**QoQ**
- $+1.3\%$

SOURCE: LINE CORP WEBSITE
SHARP RISE IN MAU FOR CASHLESS TRANSACTIONS

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Global Transaction Volume (bn yen)</th>
<th>Global MAU (10k users)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3'18</td>
<td>261</td>
<td>364</td>
</tr>
<tr>
<td>Q4'18</td>
<td>375</td>
<td>400</td>
</tr>
<tr>
<td>Q1'19</td>
<td>252</td>
<td>430</td>
</tr>
<tr>
<td>Q2'19</td>
<td>286</td>
<td>741</td>
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<tr>
<td>Q3'19</td>
<td>287</td>
<td>554</td>
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</tbody>
</table>

YoY Growth:
- LINE Pay Global Transaction Volume: +9.9%
- LINE Pay Global MAU: +52.1%

SOURCE: LINE CORP WEBSITE
INVESTMENT CASE FOR LINE’S FUTURE GROWTH – CASHLESS PENETRATION
Growth driven by cashless initiatives and strong e-commerce presence

Japan while historically notorious for its status as a cash society has shifted its preferences over the last decade, with the deregulation Act and the Order for Enforcement of the Payment Services Act in 2009 driving the change in trajectory. The second phase was rolled out in 2018, where the government declared its goal of increasing cashless payments from 18.4% to 40% in 2025. In the longer term, Japan is to achieve 80% of payments made cashlessly. Needless to say, ranked 7th in the world in terms of mobile connectivity growth, with an internet penetration rate of 94%, Japan’s cashless payment system is primed for imminent growth. This growth will be further driven by the country’s emerging e-commerce market which currently stands as the 3rd largest and fastest growing in the world, largely due to its developed economic status, coupled advanced distribution technology and infrastructure.