



**THE FOUNDATION
FOR SECURE
MARKETS**

#47529

DATE: SEPTEMBER 2, 2020

SUBJECT: LINE CORPORATION – TENDER OFFER
OPTION SYMBOL: LN
DATE: 9/15/20

Note: The Offer is being made with intention of acquiring all outstanding LINE Corporation (LN) American Depositary Shares. Following the expiration of the offer, ADS's will be eliminated by a share consolidation of the Common Shares pursuant to the Business Integration Agreement, the Companies Act of Japan or other available squeeze-out procedures. The payment received through any of these actions may be different from the terms of the offer and may be subject to an ADS's cancellation fee of up to \$5.00 for each 100 ADS's cancelled.

LINE Corporation (LN) is the subject of an Offer to Purchase (The "Offer"), as described below:

PURCHASER: NAVER J. Hub Corporation, a direct wholly owned subsidiary of NAVER Corporation and Softbank Corp.

SECURITY TO BE PURCHASED: LINE Corporation (LN) American Depositary Shares

QUANTITY: All LINE Corporation (LN) American Depositary Shares

PRICE: JPY 5,380 per American Depositary Share, payable in U.S dollars, less up to \$5.00 ADS fee per 100 tendered ADS's cancelled, conversion fee and withholdings if any, as explained in the offer dated August 3, 2020

EXPIRATION: 2:30 A.M., New York City time, on September 15, 2020, unless extended

DEPOSITARY: JPMorgan Chase Bank, N.A.

GUARANTY PERIOD: NONE

DELIVERY SETTLEMENT AND PROTECT PROVISIONS

Option contracts which are exercised will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, securities not included in the contract deliverable at the time of the option exercise not associated with the underlying deliverable securities, may preclude call exercisers from realizing the benefit of such entitlements. (See also "Special Risks - Valuation Disparity".) Except in unusual cases, securities deliverable as a result of equity option exercise are settled through National Securities Clearing Corporation ("NSCC").

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called "protect" or "liability notice" procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such "protect" provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

SPECIAL RISKS

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs 2 business days after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (2 business-day settlement) or call option exercise (2 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the protect provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day, or less-than-2-business-day settlement) may not be available, or may be expensive for buyers of the underlying security.

POSSIBLE CONTRACT ADJUSTMENT

The Offer is being made with intention of acquiring all outstanding LINE Corporation (LN) American Depositary Shares. Following the expiration of the offer, ADS's will be eliminated by a share consolidation of the Common Shares pursuant to the Business Integration Agreement, the Companies Act of Japan or other available squeeze-out procedures. The payment received through any of these actions may be different from the terms of the offer and may be subject to an ADS's cancellation fee of up to \$5.00 for each 100 ADS's cancelled. Interpretation .03 to Article VI, Section 11A, of OCC's By-Laws indicates a contract adjustment for LN options would be contemplated when and if the aforementioned intended merger is actually consummated. It is not known how quickly after the expiration of the Offer the intended merger or contract adjustment would be effected. Until such merger is consummated, LN option exercise and settlement activity would continue to call for delivery of the underlying security.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.