



DATE: DECEMBER 24, 2020

**SUBJECT: LINE CORPORATION – ANTICIPATED ADR TERMINATION/
ANTICIPATED CASH SETTLEMENT
OPTION SYMBOL: LN
DATE: ???**

LINE Corporation (LN) announced its intention to terminate the Deposit Agreement for LINE Corporation American Depositary Receipts (“ADRs”) as of December 28, 2020 (“Termination Date”), thereby terminating the LN ADR program. LINE Corporation intends to delist the ADSs from the New York Stock Exchange (NYSE) effective at the close of business on or about December 24, 2020 and conduct a squeeze-out effective on or about January 4, 2021 following the completion of offer by NAVER J. Hub Corporation, a direct wholly owned subsidiary of NAVER Corporation and Softbank Corp. (See OCC Info Memo #47529). J.P. Morgan will close its books for issuances effective at the close of business December 28, 2020 and for cancellations effective at the close of business December 29, 2020. After the Termination Date LN ADSs will be converted into the right to receive the cash proceeds from the squeeze-out, less fees or withholdings, if any. The date or dates on which the Depository will distribute the proceeds has not been determined.

It is unknown at this time if an OTC market will develop in LINE Corporation ADRs after the ADRs are delisted from NYSE.

CONTRACT ADJUSTMENT

The option symbol LN will not change

DATE: On or about December 28, 2020

NEW DELIVERABLE PER CONTRACT: 100 x the cash proceeds received per LN ADR, less applicable fees and withholdings, if any

SETTLEMENT: LN options will be subject to delayed settlement starting December 28, 2020, pending the determination of the net cash proceeds received per LN ADR

Settlement in LN options will take place through OCC’s cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

ACCELERATION OF EXPIRATIONS

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to **an acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

Expiration Processing

If an OTC trading market does not develop for LN ADRs following the delisting of the shares from NYSE, OCC may elect to remove automatic exercise thresholds for LN options in OCC's expiration processing. If this occurs, holders of expiring LN options will be required to independently ascertain the value of the LN securities and issue positive instructions to exercise any expiring options.

Special Risks

If an OTC trading market does not develop or is not sustained, it is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement LN options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle LN options exercise and assignment activity, OCC may take the following actions: 1) if LN ADRs are only transferrable to the Depository, OCC may delay settlement of LN options exercise and assignment activity until the net cash proceeds of the sale amount is available, or 2) if LN ADRs remain transferrable, OCC may direct that the LN options exercise and assignment activity be settled on a broker to broker basis through OCC's system; however, OCC may delay the settlement obligations of both the delivering and receiving parties if the delivering party is not able to effect broker to broker settlement on the original exercise settlement date. **Such a delay in settlement may extend until the final LN cash proceeds amount is determined, after which time the unsettled obligations would settle for cash.**

The possible absence of an OTC trading market for the LN ADRs and the possibility that LN options exercise and assignment activity may be delayed until the net cash proceeds of the sale amount is determined poses possible risks for LN options exercisers and assignees: If subject to delayed settlement, an exerciser or assignee may be impaired in ability to protect himself from a decrease or increase in the value of the LN deliverable which occurs from the original exercise date to the date the final cash proceeds amount is determined. Under normal circumstances, an offsetting sale or purchase could be effected in the marketplace to protect against the increase or decrease in value of the deliverable security. But if a market for the LN ADRs does not exist, price protection may require a purchase or sale of LINE Corporation on the home market.

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.