

CNBC Interview with Namsun Kim, CFO of Naver

Q. Update on the kind of business pipelines you are seeing in those regions [Saudi Arabia and Southeast Asia]?

- For Saudi Arabia, we've been working with the government on a digital twin project. This software was developed out of our Naver Labs unit. We're still in the early phases of creating projects for several other municipalities. We're talking to them about how we can explore more opportunities together. As we learn more about the region, I think we'll have a better idea of what those opportunities will be.

Southeast Asia has always been a focus for Line, but currently, for Naver, we're focusing more on developed markets. For example, we're continuing to expand into Japan and exploring new opportunities in North America. We made the Poshmark acquisition last year and continue to build our business there. Webtoons, which we listed on NASDAQ last month, is already generating more than half of its revenue outside of Korea, with a significant portion from North America. Those businesses are signs of how we are continuing to expand, and we'll look to do more.

Q. Naver-SoftBank breakup story, are you guys breaking up?

- No, that's not true. We've always been very good partners, and the partnership couldn't be as strong as it is today. There was little bit of issue with the regulator regarding breaches of security, which we've remediated or on the path to remediating. That won't be an issue going forward. But we do continue to explore other opportunities outside of the Line relationship.

Q. Maybe Naver can sell out of this [LINE] and use that money for the corporate Value Up program. Is that potentially an option you're considering?

- You know, I can't talk about what we may or may not do in the future, but we always consider strategic opportunities, especially when how we recycle capital. That's definitely on the top of our mind. So, the Value Up initiative, I think, is a well-intended initiative, which we're thinking hard about.

Q. Just to dig deeper, when it comes to the Value Up program, I know there have been some announcements in relation to boosting shareholder value. Do you think it's enough? With the voluntary nature of it, could the program be better with extra tax incentives, for example?

- I think what you see in Japan and the early signs of the benefits you see there show and set a good example of what could happen in Korea. Now these things - the non-compulsory nature of it, as you mentioned - the question is, exactly: is it enough to incentivize different behavior. I actually think, even if it's non-compulsory, it will act as a catalyst for many companies to rethink how they actually think about shareholder return and capital allocation.