

Fourth Quarter and FY2015 Earnings Results

January 28, 2016

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All financial information contained in this document is based on K-IFRS.

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Therefore, the information and financial data contained in this document are subject to change upon an independent auditor's audit.

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1. Earnings Summary (Consolidated)

(bn KRW)	4Q14	3Q15	4Q15	Growth		2015	Growth
				Y/Y	Q/Q		Y/Y
Operating revenue	746.8	839.7	890.0	19.2%	6.0%	3,251.2	17.9%
Ads	540.2	587.0	646.9	19.7%	10.2%	2,322.4	15.0%
Contents	192.3	235.1	217.3	13.0%	-7.6%	851.3	25.8%
Other	14.3	17.6	25.9	80.4%	46.8%	77.4	23.4%
Operating expenses	553.0	640.2	686.5	24.1%	7.2%	2,489.0	24.4%
Operating income	193.9	199.5	203.6	5.0%	2.0%	762.2	0.5%
Margin(%)	26.0%	23.8%	22.9%	-3.1%p	-0.9%p	23.4%	-4.0%p
Pre-tax income	198.1	189.5	134.2	-32.3%	-29.2%	708.3	7.5%
Tax	67.7	72.7	-7.3	n/a	n/a	191.3	-19.3%
Net income from continuing operations	130.4	116.8	141.5	8.5%	21.1%	517.0	22.6%
Discontinued operations income	-0.7	-	-	n/a	n/a	-	n/a
Net income	129.7	116.8	141.5	9.1%	21.1%	517.0	14.4%

※ To reflect the nature of the sales, LINE character goods revenue was reclassified as other revenue from contents revenue

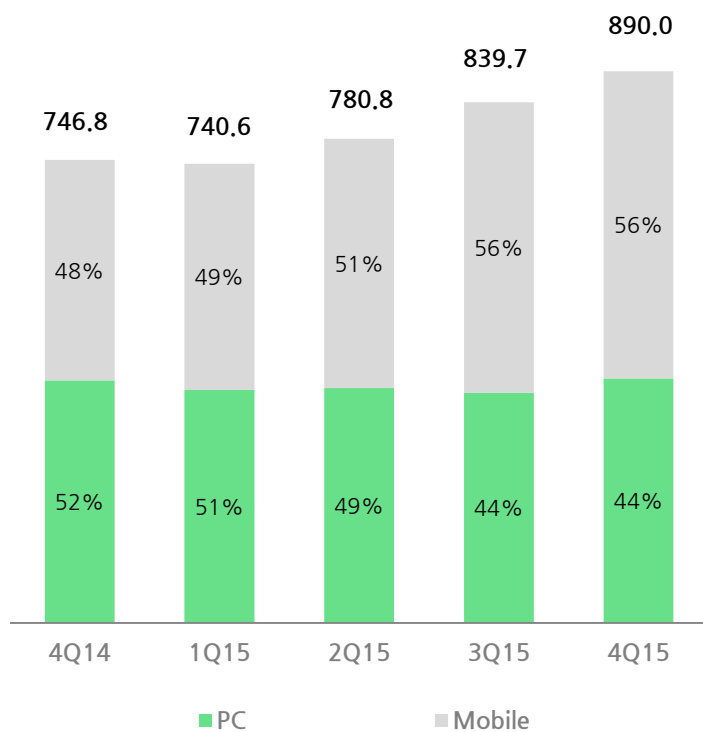
※ Stock-based compensation(SBC) in 4Q15 was 27.5 bn KRW, and ex-SBC operating income was 231.0 bn KRW with the margin of 26.0%

※ Accumulated deferred revenue of LINE in 4Q15 was 88.6bn KRW, resulting from such permanent items as sticker, free coin, theme, play, game, etc.

2. Revenue Proportion (Consolidated)

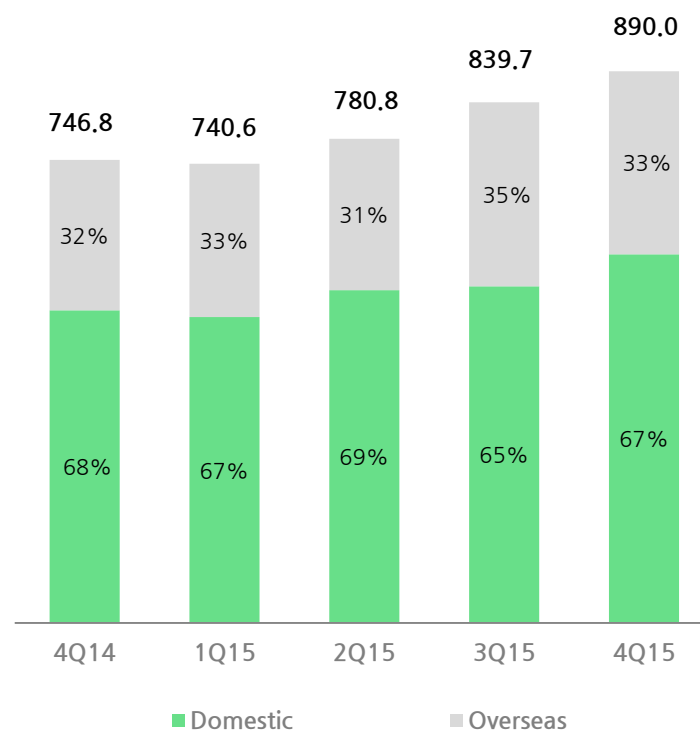
PC vs. Mobile

(bn KRW)



Domestic vs. Overseas

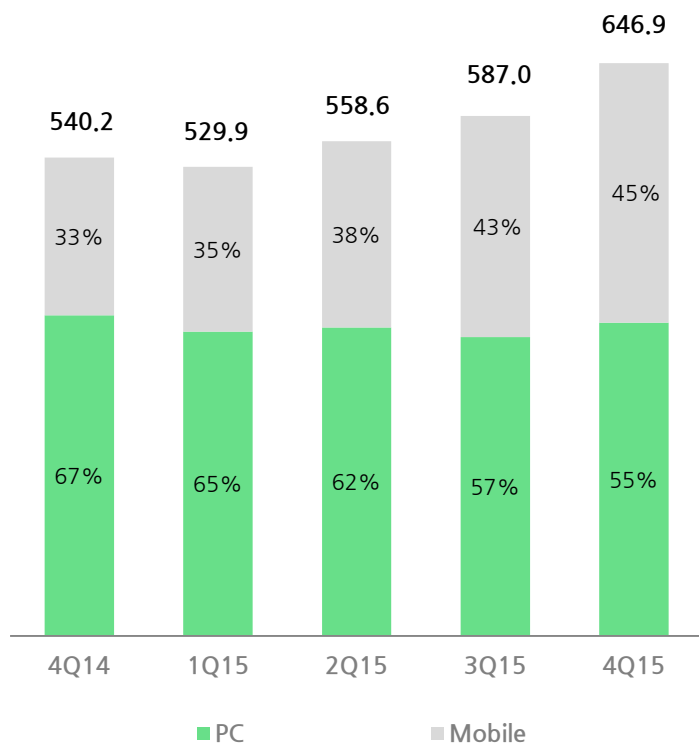
(bn KRW)



3.1. Revenue by business (Consolidated) - Ads

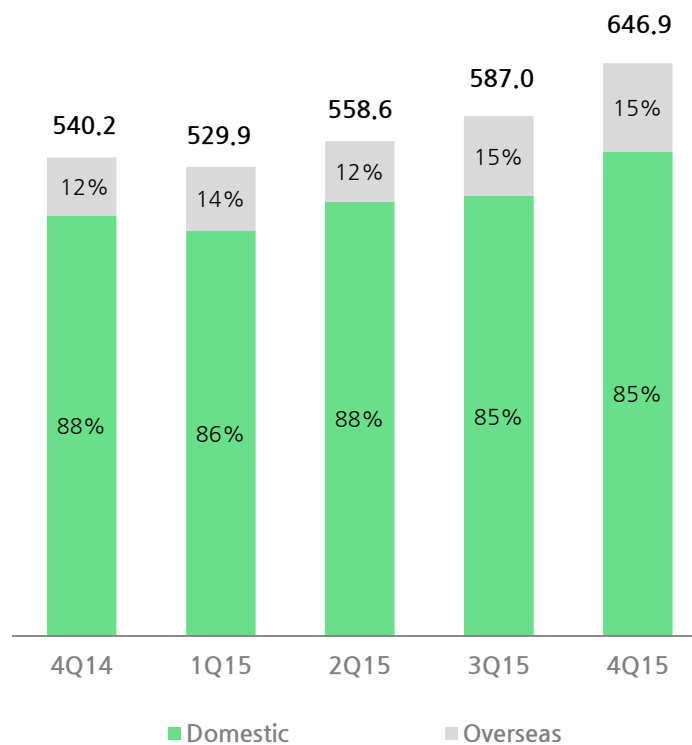
PC vs. Mobile

(bn KRW)



Domestic vs. Overseas

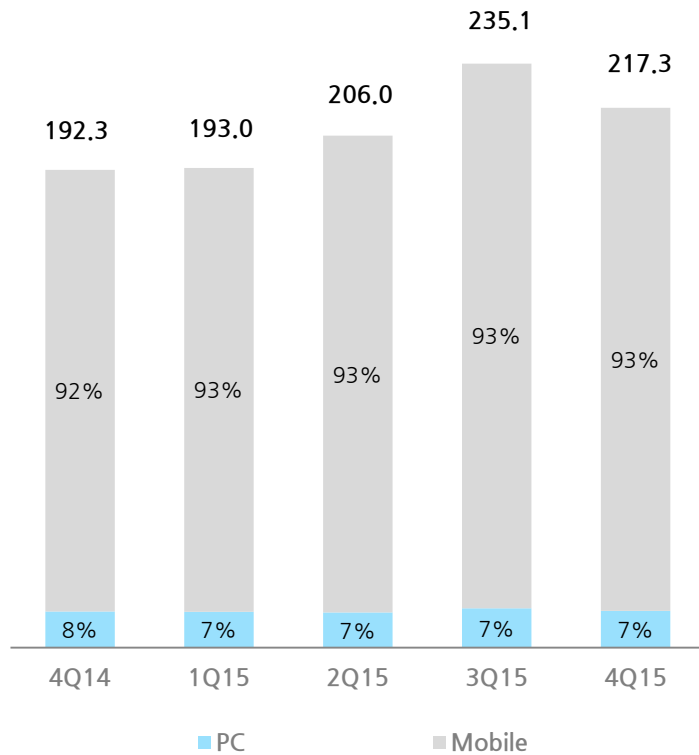
(bn KRW)



3.2. Revenue by business (Consolidated) - Contents

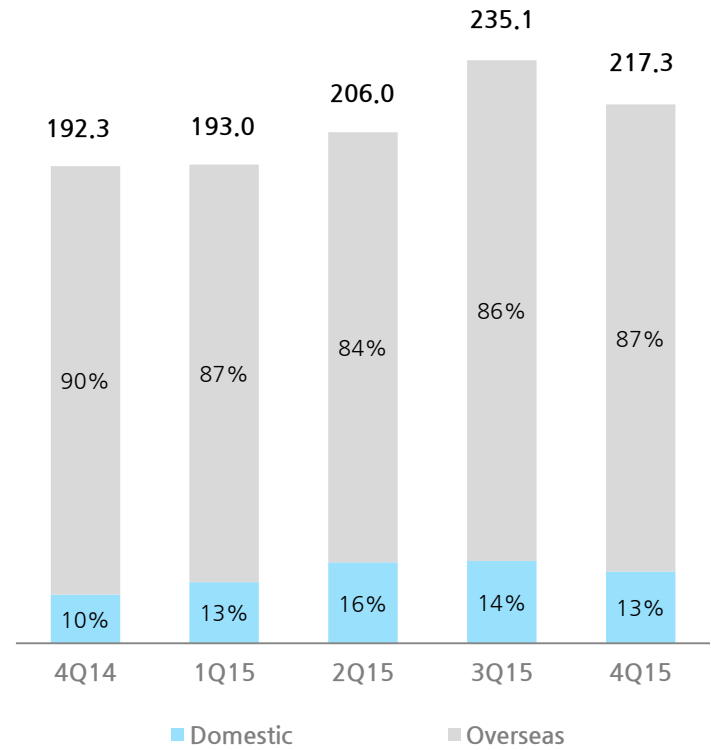
PC vs. Mobile

(bn KRW)



Domestic vs. Overseas

(bn KRW)

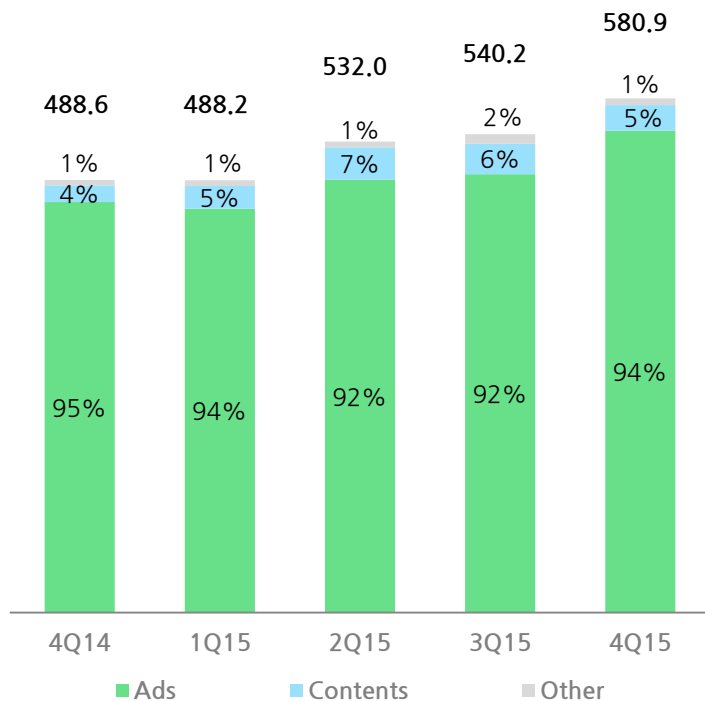


※ To reflect the nature of the sales, LINE character goods revenue was reclassified as other revenue from contents revenue

4. NAVER (Separate)

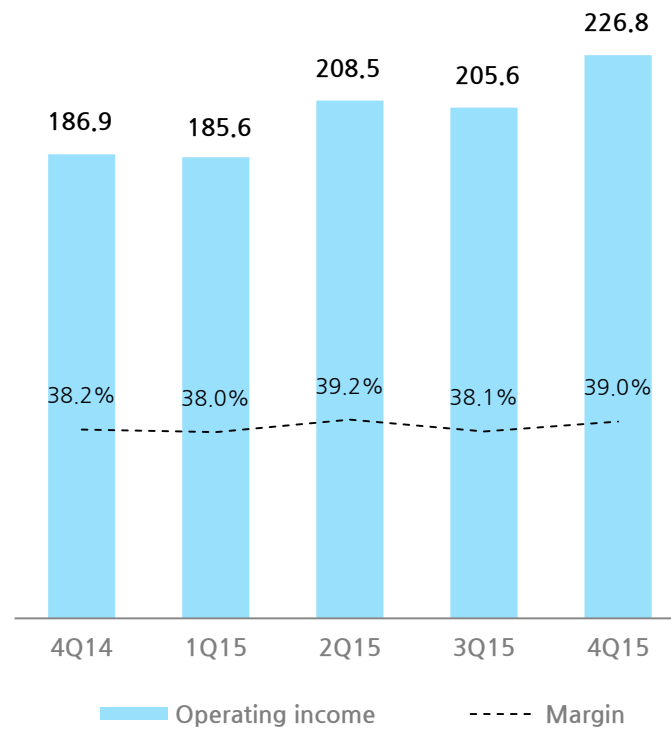
NAVER Revenue by Business

(bn KRW)



NAVER Operating Income (Margin)

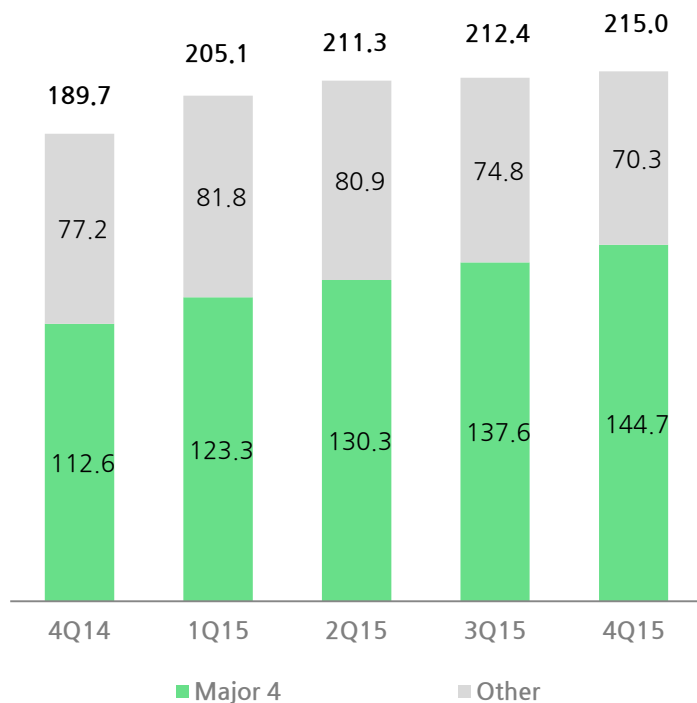
(bn KRW)



5. LINE (LINE Corp. Consolidated)

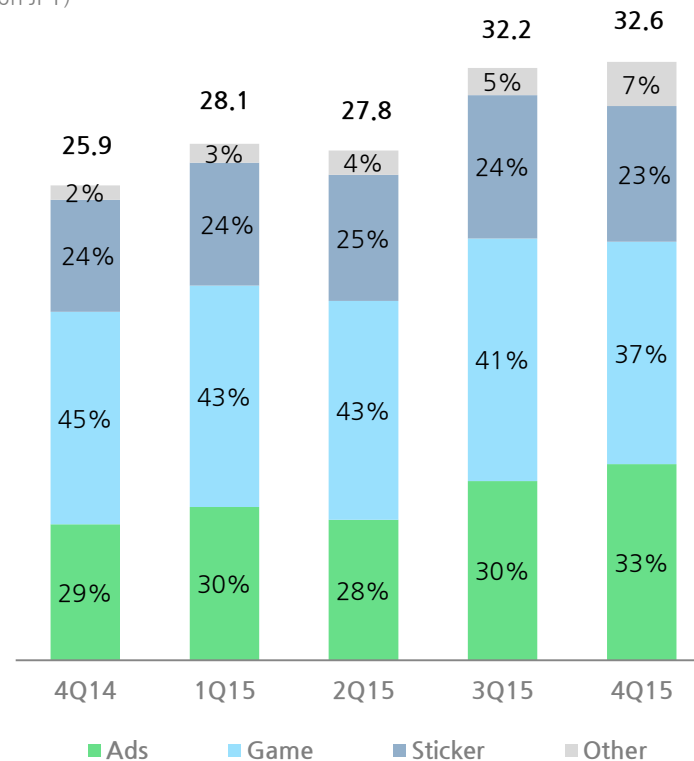
LINE MAU

(mn)



LINE Corp. Revenue by Business

(bn JPY)



※ Major 4 includes Japan, Taiwan, Thailand, and Indonesia

※ Based on IFRS, and number of subsidiaries for consolidation are 27, including LINE+, LINE Business Partners, etc.

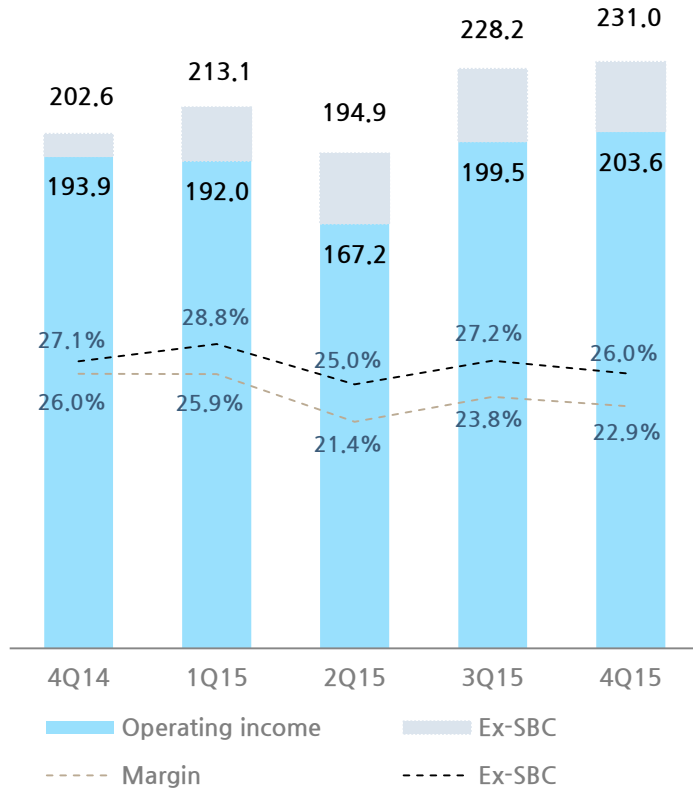
6. Operating Expenses (Consolidated)

(bn KRW)	4Q14	3Q15	4Q15	Growth		2015	Growth
				Y/Y	Q/Q		Y/Y
Operating expenses	553.0	640.2	686.5	24.1%	7.2%	2,489.0	24.4%
Labor	140.6	191.6	199.8	42.1%	4.3%	737.5	32.9%
Commission	208.5	244.5	257.7	23.6%	5.4%	922.6	20.9%
Marketing	78.0	76.1	84.1	7.8%	10.5%	314.4	27.9%
Depreciation	37.1	39.2	40.3	8.6%	2.7%	156.0	12.3%
Telecommunication	26.9	26.8	27.6	2.5%	3.0%	104.1	2.3%
Employee benefit	17.8	19.8	21.4	20.2%	8.2%	78.7	18.8%
Other	44.1	42.3	55.7	26.3%	31.8%	175.7	35.7%

7. Income (Consolidated)

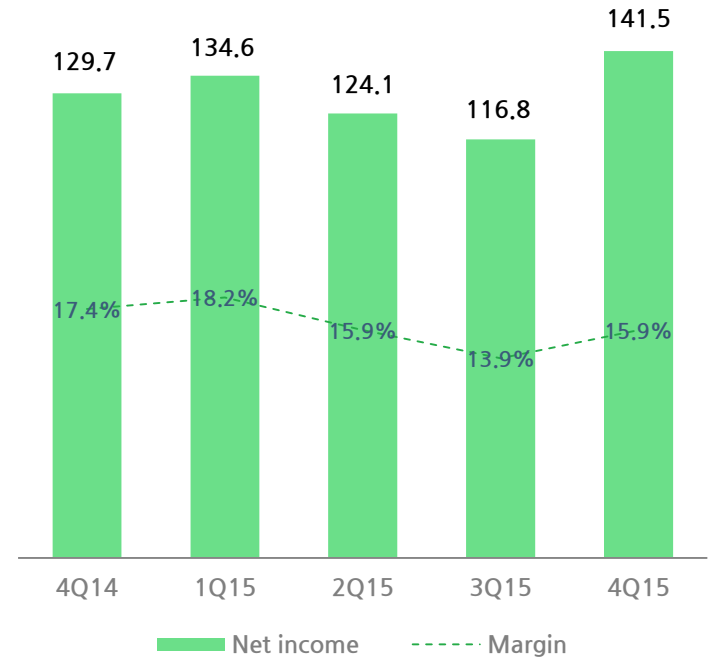
Operating Income (Margin)

(bn KRW)



Net Income (Margin)

(bn KRW)



8. Appendix - Consolidated Financial Statements

Comprehensive Income Statement

(mn KRW)	4Q14	1Q15	2Q15	3Q15	4Q15
Operating revenue	746,841	740,562	780,844	839,719	890,032
Ads	540,210	529,874	558,590	587,041	646,875
Contents	192,290	193,011	205,986	235,051	217,281
Other	14,341	17,676	16,269	17,627	25,876
Operating expenses	552,988	548,606	613,685	640,190	686,473
Labor	140,626	163,175	182,934	191,611	199,773
Commission	208,481	197,561	222,872	244,465	257,673
Marketing	77,986	67,526	86,748	76,053	84,061
Depreciation	37,078	37,534	38,967	39,221	40,262
Telecommunication	26,896	24,615	25,132	26,777	27,575
Employee benefit	17,825	18,494	18,996	19,804	21,432
Other	44,095	39,701	38,036	42,259	55,697
Operating income	193,853	191,956	167,160	199,529	203,559
<i>Margin</i>	26.0%	25.9%	21.4%	23.8%	22.9%
Non operating income	7,793	28,580	15,248	17,326	-126
Finance income	32,068	19,247	26,321	14,215	7,688
Interest income	6,382	7,250	6,256	6,893	7,801
Other	25,686	11,997	20,065	7,322	-113
Share of profit of associates	609	181	3,585	662	541
Non operating expense	25,980	6,612	30,246	22,777	71,023
Finance cost	9,039	9,053	20,282	17,965	6,088
Interest cost	1,355	1,470	1,276	1,285	1,712
Other	7,684	7,583	19,005	16,681	4,375
Share of loss of associates	1,182	1,059	435	1,480	353
Income before income tax	198,122	223,239	161,350	189,510	134,198
Income Tax	67,719	88,684	37,264	72,663	-7,300
Net income from continuing operations	130,403	134,555	124,086	116,847	141,498
Net income from discontinued operations	-704	-	-	-	-
Net income	129,699	134,555	124,086	116,847	141,498
Net income of controlling interests	130,621	135,099	124,474	117,281	141,892
Net income of non-controlling interests	-923	-544	-388	-435	-395

Statement of Financial Position

(mn KRW)	4Q14	1Q15	2Q15	3Q15	4Q15
Current assets	1,945,784	2,076,627	2,217,694	2,437,143	2,639,383
Cash & cash equivalents	1,126,260	1,222,002	1,410,655	1,575,542	1,745,281
Accounts receivable	421,566	406,698	424,080	455,304	526,632
Other	397,957	447,926	382,959	406,297	367,469
Non-current assets	1,448,674	1,491,515	1,587,740	1,720,013	1,746,530
Investment assets	246,773	244,795	307,943	406,824	389,358
Tangible assets	900,957	888,122	883,143	877,256	863,805
Intangible assets	120,758	167,066	169,095	148,712	103,319
Other	180,186	191,533	227,560	287,222	390,049
Total assets	3,394,458	3,568,142	3,805,434	4,157,156	4,385,913
Current liabilities	1,080,709	1,140,568	1,338,749	1,585,190	1,683,656
Accrued payable	314,625	292,057	336,075	330,678	373,241
Advance receipts	103,183	120,193	138,434	158,863	166,564
Accrued income taxes	154,447	116,752	107,146	103,275	178,936
Bonds	4,555	4,555	4,540	105,084	104,957
Other	503,900	607,011	752,554	887,290	859,957
Non-current liabilities	516,331	506,707	382,962	301,216	432,679
Bonds	104,693	102,416	102,408	-	150,000
Allowance for severance pay	180,609	189,859	199,447	208,733	233,680
Other	231,029	214,432	81,107	92,483	48,998
Total liabilities	1,597,040	1,647,276	1,721,712	1,886,406	2,116,334
Paid-in capital	16,481	16,481	16,481	16,481	16,481
Capital surplus	133,102	133,102	133,088	133,088	133,088
Other components of equity	-937,173	-926,594	-887,844	-817,769	-950,473
Retained earnings	2,583,592	2,695,648	2,820,121	2,937,403	3,069,370
Non-controlling interests	1,416	2,229	1,876	1,547	1,112
Total equity	1,797,418	1,920,866	2,083,722	2,270,750	2,269,579

8. Appendix - Separate Financial Statements

Comprehensive Income Statement

(mn KRW)	4Q14	1Q15	2Q15	3Q15	4Q15
Operating revenue	488,588	488,202	531,959	540,223	580,890
Ads	463,940	456,242	489,184	495,237	544,514
Contents	18,473	25,497	36,374	34,287	28,658
Other	6,175	6,463	6,401	10,699	7,718
Operating expenses	301,708	302,604	323,460	334,585	354,135
Labor	47,397	59,581	56,672	63,737	58,422
Commission	207,697	186,871	206,892	207,653	221,722
Marketing	20,386	31,328	35,276	40,200	49,206
Depreciation	8,577	8,427	8,245	8,137	8,111
Telecommunication	192	171	168	162	156
Employee benefit	6,768	7,283	6,099	5,368	6,847
Other	10,691	8,942	10,107	9,327	9,672
Operating income	186,880	185,598	208,500	205,638	226,755
<i>Margin</i>	38.2%	38.0%	39.2%	38.1%	39.0%
Non operating income	1,407	18,534	5,286	3,505	1,378
Finance income	17,398	14,754	14,966	6,158	14,676
Interest income	5,108	5,845	5,240	6,040	6,828
Other	12,289	8,909	9,726	118	7,848
Share of profit of associates	-	-	-	-	200
Non operating expense	18,703	2,417	18,443	6,564	17,787
Finance cost	3,853	3,272	696	15,846	-7,576
Interest cost	1,066	1,040	1,032	1,058	1,434
Other	2,786	2,231	-336	14,788	-9,010
Share of loss of associates	-	-	-	-	-
Income before income tax	183,130	213,199	209,612	192,892	232,798
Income Tax	46,217	56,839	45,759	46,405	56,902
Net income from continuing operations	136,913	156,360	163,853	146,487	175,896
Net income from discontinued operations	-	-	-	-	-
Net income	136,913	156,360	163,853	146,487	175,896

Statement of Financial Position

(mn KRW)	4Q14	1Q15	2Q15	3Q15	4Q15
Current assets	1,278,052	1,414,319	1,538,016	1,658,381	1,804,796
Cash & cash equivalents	1,058,796	1,154,466	1,265,015	1,377,944	1,228,780
Accounts receivable	199,867	195,802	212,922	225,214	266,573
Other	19,389	64,051	60,078	55,223	309,444
Non-current assets	1,450,393	1,456,445	1,548,671	1,598,450	1,578,921
Investment assets	627,841	635,872	710,395	750,291	733,038
Tangible assets	681,974	675,314	669,104	667,419	662,033
Intangible assets	37,571	36,837	37,722	37,133	36,594
Other	103,007	108,422	131,451	143,607	147,256
Total assets	2,728,444	2,870,765	3,086,687	3,256,831	3,383,718
Current liabilities	394,970	424,585	602,875	726,673	739,150
Accrued payable	226,640	208,080	231,826	236,494	251,793
Advance receipts	62,767	62,399	68,670	73,886	73,195
Accrued income taxes	69,316	87,236	92,298	79,685	142,768
Bonds	-	-	-	100,000	100,000
Other	36,247	66,870	210,081	236,609	171,394
Non-current liabilities	422,128	401,328	267,418	166,449	268,851
Bonds	100,000	100,000	100,000	-	150,000
Allowance for severance pay	101,190	104,263	103,531	107,996	110,841
Other	220,937	197,064	63,887	58,453	8,010
Total liabilities	817,098	825,913	870,293	893,122	1,008,001
Paid-in capital	16,481	16,481	16,481	16,481	16,481
Capital surplus	154,947	154,947	162,513	162,513	162,513
Other components of equity	-933,071	-932,882	-932,758	-931,931	-1,096,969
Retained earnings	2,672,989	2,806,305	2,970,158	3,116,645	3,293,692
Total equity	1,911,346	2,044,852	2,216,394	2,363,708	2,375,716