

LINE Screen 画面

New Business Plan

Draft

This document is a virtual plan.
This was not made by LINE corp.

LINE

LINE screen 画面

- Lockscreen is the first screen of mobile that used about 60 times in a day
- Users can be gathered through a great number of current LINE users



60+

of turn on mobile per day

*Expectation figure of
LINE Screen*

18,130,935

LINE screen DAU(E)

120,872,898

LINE Android user(E)

1,087,856,084

LINE Screen daily impressions(E)

Phase & distribution

■ Phase 1 : Securing the closest screen to User (Android OS only)

- Organize AD server / mediation / creative optimizer / contents hub

■ Phase 2 : Increasing accessibility to LINE internal feature

- Distribute huge traffic from the first screen to LINE internal feature

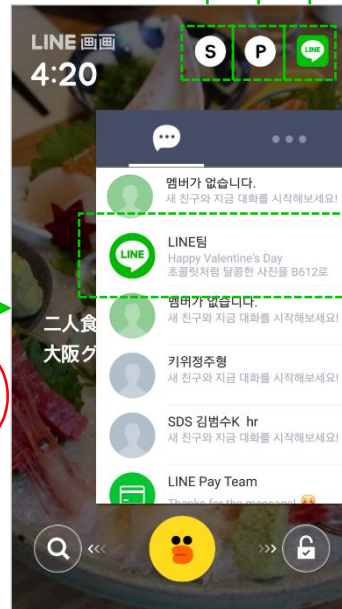
■ Phase 3 : Connecting to the entry of LINE Portal ?



Phase 1



Phase 2



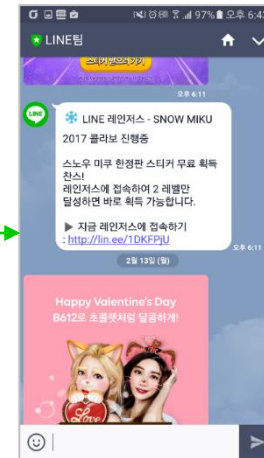
LINE App



LINE Point



Sticker Shop



Chat screen

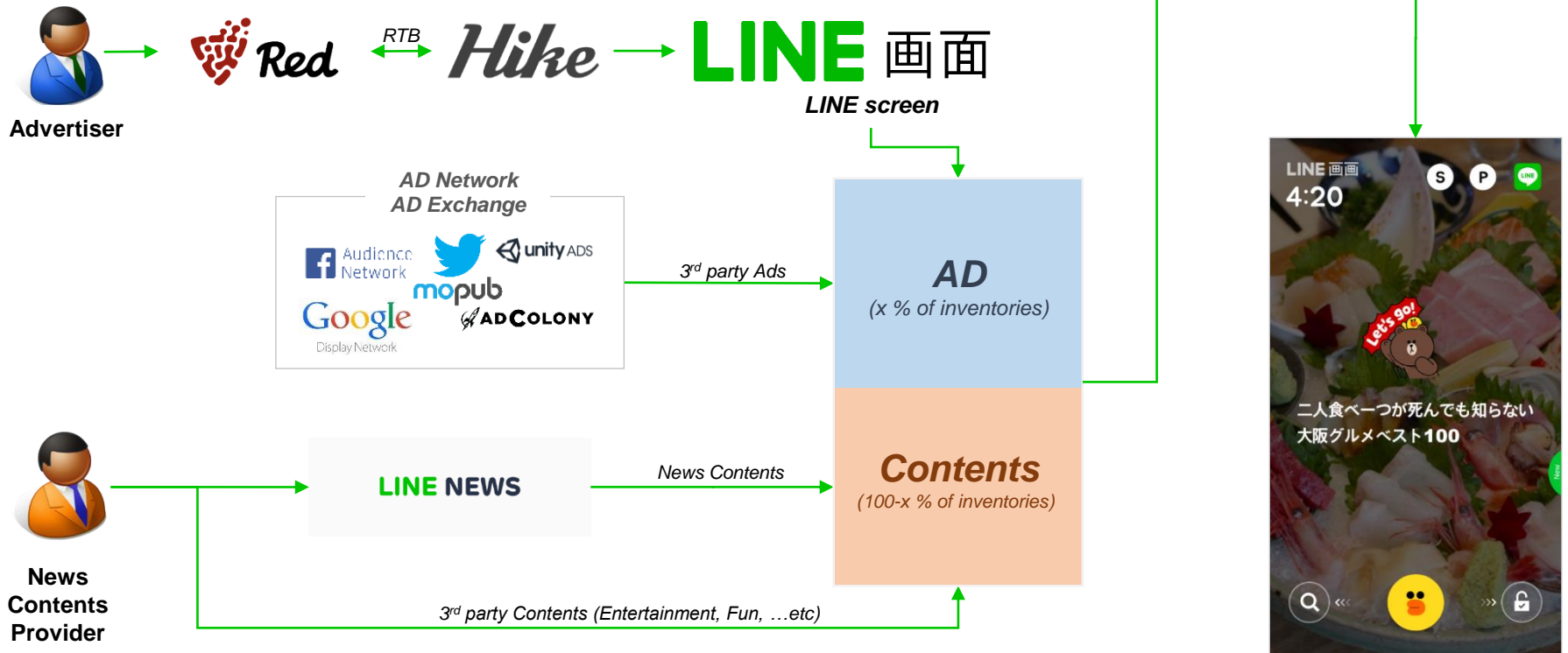
AD / Contents delivery process

■ AD : easy to get ads from AD delivery (Red-Hike)

- Additional AD suppliers (AD network, AD exchange)

■ Contents : easy to get news contents from LINE News

- Additional News supplier (Entertainment Contents Provider)



Product & Competitiveness

Design & Friendship

- Collaborate with LINE Friends characters to gain familiarity
- A Mobile first screen is very personalized. Aesthetic elements and designs are essential.
- LINE Friends IP can decrease AD aversion about the personalized mobile first screen

Expandability

- Users can be rapidly gathered by LINE without an additional new app download
- Easy adaption to LINE family app via simply loaded SDK
- Gateway to distribute traffic toward future concept of LINE portal

Easy realization

- Secure basic AD suppliers by HIKE of mt.burn
- News/entertainment contents are able to be provided by LINE NEWS

Quickly surpass competitors / possible to realize Monetization

Forecast LINE Screen(E)

**Most of references(column 'reference')are real market data.
product's business expansion excluded**

| LINE screen - estimate statement | | | | | | |
|----------------------------------|---------------------|----------------------------------|---|----------------------|----------|---|
| One year rule | Japan | Taiwan, Thailand Indonesia | JAPAN+ Taiwan,Thailand, Indonesia | World Wide | constant | Reference [**1) Lockscreen data from major lockscreen provider] |
| MAU | 66,000,000 | 101,000,000 | 167,000,000 | 217,000,000 | | https://scdn.line-apps.com/stf/linecorp/en/ir/library/Q4-0223-EN-1.pdf |
| DAU | 47,520,000 | 72,720,000 | 120,240,000 | 156,240,000 | | Stickness (DAU/MAU)= 72% (from LINE conference call 2016 4Q) |
| Android MAU(E) | 18,282,000 | 74,740,000 | 93,022,000 | 120,872,898 | | http://gs.statcounter.com/os-market-share/mobile a) Japan = 27.7% b) 3 Key countries (AVG= 64.4% assumption by each reference) - Indonesia = 77.2% - Thailand = 77.16% - Taiwan = 68.49 % |
| Subscription rate | | | | | 15% | Lockscreen**1) AVG sub rate = 15% (sub DAU/MAU) |
| Lockscreen DAU (E) | 2,742,300 | 11,211,000 | 13,953,300 | 18,130,935 | | |
| Daily imp (E) | 164,538,000 | 672,660,000 | 837,198,000 | 1,087,856,084 | 60 | Lockscreen AVG daily imp = 60 |
| AD imp (E) | 49,361,400 | 201,798,000 | 251,159,400 | 326,356,825 | 30% | Lockscreen AVG AD fill rate = 30% (per total imp) |
| Daily Revenue(\$)(E) | \$49,361 | \$201,798 | \$251,159 | \$326,357 | 1 | AVG eCPM = 1\$. Only network AD included |
| Monthly Revenue(\$)(E) | \$1,480,842 | \$6,053,940 | \$7,534,782 | \$9,790,705 | * 30 | eCPM * Daily Revenue * 30 |
| Yearly Revenue(\$)(E) | \$18,016,911 | \$73,656,270 | \$91,673,181 | \$119,120,241 | * 365 | eCPM * Daily Revenue * 365 |

Forecast LINE Ads impression

Past data is from LINE IR,
Expected figure marked '(E)'

| LINE Ads Platform Impressions(E) | | | | | | |
|----------------------------------|--------------------|------------------|----------------------------|-----------------------------|------------------------------------|---|
| | LINE Ads Total Imp | Existing Product | Lockscreen Impression (mn) | | | Reference [**1) Lockscreen data from major lockscreen provider in worldwide] |
| | | Japan | Japan | Taiwan, Thailand, Indonesia | JAPAN+ Taiwan, Thailand, Indonesia | |
| Q1.2016 | 6,751 | 6,751 | | | | |
| Q2 | 7,992 | 7,992 | | | | |
| Q3 | 9,933 | 9,933 | | | | |
| Q4 | 11,166 | 11,166 | | | | |
| Q1. 2017(E) | 12,283 | 12,283 | | | | |
| Q2(E) | 13,511 | 13,511 | | | | |
| Q3(E) | 14,862 | 14,862 | | | | |
| Q4(E) - Lockscreen Launch | 17,237 | 16,348 | 889 | | | Lockscreen AD impression = 5% of existing product |
| Q1.2018(E) | 20,204 | 17,983 | 2,221 | | | Lockscreen AD impression = 12% of existing product |
| Q2(E) | 37,865 | 19,781 | 3,554 | 14,529 | 18,083 | Lockscreen AD impression = 91% of existing product |
| Q3(E) | 44,364 | 21,759 | 4,443 | 18,162 | 22,604 | Lockscreen AD impression = 103% of existing product |
| Q4(E) | 48,800 | 23,935 | 4,887 | 19,978 | 24,865 | Lockscreen AD impression = 103% of existing product |

Issue & Checklist

A Check list to develop business / product

| Category | | Checkpoint | Factor |
|----------|-------------------------------|--|---|
| Business | Marketability | LINE Screen is marketable? | Competitor Customer Needs |
| | Profitability | Check LINE screen business is profitable or not | Basic paid point Operation cost |
| | Marketing | How can we promote LINE screen effectively on target market? | Marketing channel Marketing budget Go-to-market Strategy |
| Product | Tech | Infringe patent or not | Competitor's patent Patent strategy |
| | Expandability | The possibility of expanding the product | LINE family ecosystem Additional service and business OS standard, policy |
| | UX | User interface implementation for optimal user usability | UI/UX strategy Prototype - A/B Test |
| | Scale up | Do we have infrastructure/technology to accommodate a lot of user | Secure infrastructure Development review |
| | Character | What is the most effective way to increase friendliness and Design quality | LINE Friends |
| In house | team | Is there proper co-worker who can lead new business and development | Man-power evaluation Organization structure |
| | collaboration (Family app) | Possibility of collaborate with LINE family app | Business roadmap Expandable technology Development priority |



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