



March 24, 2021

To whom it may concern

Z Holdings Corporation  
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President and Representative Director  
Stock Code: 4689

## Handling of Personal Information, Etc. at LINE Corporation

LINE Corporation (hereinafter “LINE”), a consolidated subsidiary of Z Holdings Corporation (hereinafter “ZHD”) announced “Media Coverage on Users’ Personal Information” dated March 17, 2021 (re: item 1 below) regarding the overseas handling of personal information of users in Japan using “LINE”, a communication app provided by LINE.

In addition, ZHD announced “Announcement of a Special Committee of External Experts on Global Data Governance” on March 19, 2021 (re: item 2 below).

The outline of this matter is as follows.

1. Outline of LINE’s announcement on “Media Coverage on Users’ Personal Information” dated March 17, 2021

On March 17, 2021, there was a media coverage on the overseas handling of personal information of users in Japan using “LINE.”

Chat text messages in “LINE” and highly private personal information of the users (anything that can identify an individual user when used alone, such as name, telephone number, email address, LINE ID, chat text, or anything that could cause financial damage) are in principle safely managed in servers in Japan.

However, ZHD sincerely apologizes for the anxiety and concern caused by the fact that sufficient

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explanations were not given to users regarding the fact that the personal information of some of LINE's users in Japan is accessed from LINE's global bases for the daily needs of development and operation.

Please refer to the following for details on the press release:

<https://linecorp.com/ja/pr/news/ja/2021/3675> (Japanese only)

## 2. Outline of ZHD's "Announcement of a Special Committee of External Experts on Global Data Governance" dated March 19, 2021

ZHD has established the "Special Committee on Global Data Governance", a committee consisting of external experts to verify and evaluate the handling of data at the ZHD Group from security and governance perspectives (hereinafter "Special Committee"). In addition, ZHD has established a Technical Verification Subcommittee consisting of external experts in the field of cybersecurity which will support the Special Committee from a technical perspective.

The Special Committee will hold multiple meetings in the future, with the first meeting held on March 23, 2021, and the results of the verification will be announced sequentially. The Special Committee will first examine and evaluate data governance and other issues related to access to data in Japan from LINE's global bases, and in the medium to long term, it is scheduled to also make recommendations on the optimal governance structure for the ZHD Group. In order to fulfill its social responsibility as a digital platform operator, the ZHD Group will continue to sincerely consider the opinions and suggestions of customers and experts, and make continuous improvements to enhance transparency and create an environment where customers can use our services with peace of mind.

Please refer to the following for details on the press release:

<https://www.z-holdings.co.jp/en/pr/press-release/2021/0319/>

## 3. First Special Committee

At the First Special Committee held on March 23, 2021, Takeshi Idezawa, Representative Director, President and CEO of LINE announced the following measures:

- Implementation of access control to personal information at the development base and outside

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contractors in China (access to personal information of users in Japan has already been blocked, termination of operations in China on LINE's communication-related functions and services)

- Phased transfer of data to Japan (Scheduled to be completed after June 2021 and by September 2021\*)
- Revision of privacy policy for users
- Strengthening of data security governance structure and information protection

\*For further details, please refer to the following:

[https://d.line-scdn.net/stf/linecorp/ja/pr/20210323\\_LINE.pdf](https://d.line-scdn.net/stf/linecorp/ja/pr/20210323_LINE.pdf) (Japanese only)

#### 4. Impact on the business results

Please note that ZHD expects the impact of this matter on the FY2020 consolidated business results of the ZHD Group to be minor. The medium term guidance announced in the “Business Integration with LINE Corporation - Strategy Briefing” on March 1, 2021 remains unchanged. ZHD will make an announcement should there be a need to make a disclosure.

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