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Notice on countermeasures being taken to prevent recurrence of unauthorized access and personal information leakage

LY Corporation would like to inform users and relevant parties of the following countermeasures being undertaken to prevent the recurrence of unauthorized access of the company's systems, which was announced(※1) on November 27, 2023.

■ Overview of incident

We have discovered that information about users, business partners, employees and other personnel have been leaked due to unauthorized access by a third party. The incident occurred when the PC owned by an employee of our subcontractor, which is also a subcontractor of our affiliate NAVER Cloud Corporation, was infected with malware. (※1)

■ Causes and countermeasures

□ Causes

This incident was caused by issues with safety management measures for subcontractors, the shared system network between NAVER and former LINE Corporation, and the security of the employee system of the former LINE Corporation. In response, we will implement the following measures to prevent any incident like this from reoccurring.

□ Preventing recurrence

・Strengthening the management of subcontractors

We will reassess security risks as well as develop more effective monitoring and management and supervision techniques in cooperation with external third parties. We will also thoroughly implement two-factor authentication for cases where external subcontractors use PCs under our control and connect to our internal network.

In addition, we will request NAVER Cloud Corporation and our subcontractors who initially caused this incident to monitor the implementation status of the improvement measures and strengthen management as necessary.

· Mitigating system and network risks and strengthening management (including separating the common authentication system from NAVER Cloud Corporation)

We will strengthen the management of network access between NAVER Cloud Corporation and the former LINE Corporation. Specifically, enabling firewalls and building safe lists can block unauthorized access of and attacks on networks, creating a structure for network protection. In addition, we will separate the authentication system that manages employee and other personnel information from NAVER Cloud Corporation, which was synchronized under the former LINE Corporation's system for employees, and transition to an authentication system exclusively for LY Corporation.

Furthermore, we will separate the employee systems and our network to eliminate the risk of unauthorized access through having shared systems with NAVER and NAVER Cloud Corporation.

·Enhancing the security of employee systems

We will standardize two-factor authentication to strengthen access control and tighten restrictions on employee systems. Additional security diagnostics will be conducted to verify that access control mechanisms are functioning properly for critical systems, such as data analysis systems.

In regard to the above-mentioned measures to prevent issues from reoccurring, we will objectively evaluate the suitability and effectiveness of measures made by external parties. In addition, we will re-analyze the causes of the issue, overhaul our risk management scenarios, verify measures designed to prevent any reoccurrence, and formulate additional mitigation

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plans.

Once again, we sincerely apologize to our users and relevant parties for any inconvenience or concern caused. We deeply regret this incident and will make our best efforts to prevent anything like it from happening again.

（※1） https://www.lycorp.co.jp/en/news/announcements/007715/