

# Outline of the Primary Report by the Special Advisory Committee on Global Data Governance

June 11, 2021

Special Advisory Committee on Global Data Governance

Please find the outline of the primary report announced today by the Special Advisory Committee on Global Data Governance, a committee consisting of external experts to verify and evaluate the handling of data in the Z Holdings Group from security and governance perspectives.

For more information on the primary report, please click [here](#). (Japanese only)

## 1. Scope of the investigation conducted by the Special Advisory Committee

The Special Advisory Committee covers a wide range of topics in its investigation, such as the overall picture of the services of LINE Corporation (hereinafter "LINE"), development system, and handling of user data, and discusses how LINE should fulfill its accountability to its users and society in light of the findings, what kind of governance system LINE should build in order to be trusted as a social infrastructure, and how Z Holdings Corporation (hereinafter "ZHD"), LINE's parent company, should improve and supervise the system.

## 2. Findings and matters pointed out in the Special Advisory Committee

- Facts related to overseas consignments
- Facts related to storage of data
- Insufficient user communication on cross-border transfer of data
- Concerns regarding economic security
- Problems related to the engagement with the public sector
- Administrative guidance from the Personal Information Protection Commission to LINE and measures to be taken
- Administrative guidance from the Ministry of Internal Affairs and Communications to LINE and measures to be taken
- and others

3. Matters to be verified and examined by the Special Advisory Committee in the future

1) Facts to be verified

The following matters, which have not yet been clarified as of the end of the Fifth Special Advisory Committee, will continue to be verified by the Special Advisory Committee, mainly by the Technology Verification Subcommittee.

- Reverification by the Technology Verification Subcommittee of past access to Japanese user data by the employees of LINE's affiliate company in China that was subcontracted.
- Appropriateness of transfers to Japan to be made for images, videos, and files of Japanese users sent by the messaging service.
- Verification of the structural factors that have led to the discrepancy between some communication and reality in the engagement with the public sector.

2) Matters to be examined

Based on the facts investigated and confirmed by the Special Advisory Committee, the following matters will be examined in order for LINE and the Z Holdings Group, which have come to have a public aspect as an infrastructure of the digital society, to fulfill the responsibilities expected by users and society.

- Appropriate systems of responsibility at key Group companies in the areas of protection of personal information, privacy, security, economic security, and engagement with the public sector.
  - A system to create an environment where each and every employee is conscious of personal information protection, etc., and can discuss problems encountered in the frontline.
  - A system that allows questions and opinions from the user's perspective to be broadly discussed within the company and to be smoothly and appropriately fed back to the relevant responsible parties.
  - Centralized supervisory system appropriate for the Z Holdings Group, a multinational company.
  - System for ZHD to appropriately manage the achievement status of the improvements in the governance system within the Group
  - A system for correctly and appropriately communicating information in a manner that is easy to understand from the perspective of general users.
  - Governance structure for the overseas subsidiaries of LINE

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