

Secondary Report Received From the Special Advisory Committee on Global Data Governance

August 4, 2021

Z Holdings Corporation

Z Holdings Corporation (hereinafter "ZHD") has received the secondary report from 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 secondary report by the Special Advisory Committee, please click [here](#).

- Outline of the Secondary Report by the Special Advisory Committee on Global Data Governance

Matters pointed out by the Special Advisory Committee based on its verifications are as follows.

Major issues verified, facts found based on verifications, etc.

1. Verifications related to overseas consignments
2. Verifications related to data storage on servers in South Korea
3. Verifications related to the engagement with the public sector
4. Verifications on LINE Pay Corporation and LINE Healthcare Corporation and others

From the perspective of responding appropriately to the changes in the environment surrounding international economic security, ZHD mainly reports the following to the Special Committee.

- Establish an appropriate global data governance structure to strengthen "research and development," "data utilization," and "security and privacy protection," in a well-balanced manner.
- Aim to build trust and deliver a sense of security in ZHD's data governance activities by

being transparent and accountable to users, society, governments, etc.

To strengthen the above three aspects in a well-balanced manner, Chief Data Officer (GCDO) in charge of data usage, Group Chief Technology Officer (GCTO), in charge of research and development, and Group Chief Trust & Safety Officer (GCTSO), in charge of security and privacy, work together and discuss the ideal state of ZHD's data governance. For this purpose, a dedicated organization named the Data Governance Working Group has been established under the Risk Management Committee . The Data Governance Working Group formulates the ZHD Group's data governance policy and specific rules necessary to practice the policy, evaluates and audits each Group company's compliance with the rules, and recommends corrective actions as necessary.

Four sub-working groups on specific data usage issues: "Data-Driven Sub-Working Group," "Cybersecurity Sub-Working Group," "Data Protection Sub-Working Group," and "Data R&D Sub-Working Group," have been established under the Data Governance Working Group. These sub-working groups will draw up governance structure plans and specific rule plans for their respective fields, which will then be finalized through discussions of the GCDO, GCTO, and GCTSO at the Data Governance Working Group.

ZHD will further strive to promote continuous improvements based on the recommendations received from the Special Committee. In addition, ZHD will continue to sincerely address the opinions and suggestions of users and experts, and work to increase the transparency and to create an environment where users can use its services with a sense of security.

For more information on the Special Advisory Committee meetings held in the past, please click [here](#).

¹ The Risk Management Committee, consisting of the members of the Top Management Committee, the supreme decision-making organization related to the execution of operations in ZHD, assumes the roles of developing the risk management policy for ZHD and directing and supervising the overall risk management in the company.

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