

22.03.07

Z Holdings Corporation

## Z Holdings' Panel of Experts Proposes Approach to Information Disclosure for Digital Advertising Business

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### **- In response to the proposal, Yahoo! JAPAN will reinforce information disclosures to its stakeholders (advertisers, distributors, and consumers)**

On March 4, 2022, Z Holdings Corporation (hereinafter "ZHD") has received a proposal (hereinafter the "Proposal") from the Study Group on the Information Disclosure for Digital Advertising Business (hereinafter the "Study Group") established in July 2021, on the approach to information disclosure as a digital platform operator, and the systems necessary to improve transparency. Based on this Proposal, Yahoo Japan Corporation (hereinafter "Yahoo! JAPAN"), a group company of ZHD will publish its screening criteria for ad accounts by April 2022, and will also provide clearer disclosure of its screening and anti-fraud measures related to ad spaces.

To maintain and secure the trust for the industry involved in the digital advertising business, ZHD established the Study Group in July 2021, inviting external experts to discuss matters such as how information should be disclosed in the digital advertising business. From a wide range of perspectives, the Study Group discussed information disclosure on screening of ad accounts, brand safety measures, measures against invalid traffic, risk management related to conflict of interests/favoritism, and others.

The Proposal advocates: "As their social responsibility, platform operators and other parties involved in the digital advertising business are required to continue to enhance their efforts to improve the transparency of the digital advertising business. ZHD should not only proceed to meet this requirement and fulfill its responsibilities, but also lead the whole industry to fulfill these responsibilities."

Based on the Proposal, Yahoo! JAPAN, as a platform operator that builds the ecosystem of the digital advertising business, will not only observe the government's formulation of rules, but will also proactively promote initiatives to ensure the soundness and reliability of the ecosystem.

More specifically, Yahoo! JAPAN will disclose, in a location that is easily accessible to advertisers and consumers, the criteria for ad account screening to prevent fraudulent businesses from placing advertisements. In addition, as part of the disclosure of information related to brand safety measures and invalid traffic countermeasures implemented to ensure the quality of ad spaces, clearer explanations will be made available regarding the interests to be protected by the ad distribution guidelines, the actual status of invalid traffic, and the criteria for determining invalid traffic, etc. Furthermore, Yahoo! JAPAN will formulate and disclose policies for appropriately managing the risks of conflicts of interest/favoritism, etc.

The Proposal was delivered from the Study Group to: Kentaro Kawabe, ZHD's President and Representative Director, Co-CEO, Kentaro Kawabe; and Takeshi Idezawa, ZHD's Representative Director, Co-CEO, in the online hand-over ceremony held on March 4, 2022.

■ Outline of the Proposal ([Full text in PDF, Japanese only](#))

- Characteristics of the digital advertising business and basic approach to information disclosure
- <Ensuring the quality of advertising>Disclosure of information related to screening of ad accounts
- <Ensuring the quality of ad spaces>Disclosure of information related to brand safety measures and invalid traffic countermeasures
- Management of conflicts of interests/favoritism, and disclosure of information related thereto

■ Yahoo! JAPAN's Major Policies Based on the Proposal

From the perspective of appropriately disclosing information to each stakeholder (advertisers, distributors, and consumers) and fulfilling its accountability, Yahoo! JAPAN will implement the measures on the following matters, and reinforce and improve its information disclosure.

- Ad account screening
- Brand safety measures and invalid traffic countermeasures as a measure to eliminate illegal/harmful ad spaces
- Management of conflicts of interests/favoritism

<Matters decided in Yahoo! JAPAN>

- Establish and disclose criteria for screening ad accounts (Scheduled in April 2022)
- In a Help Page, post representative examples in which basket clause was applied to ad account screening (Scheduled in April 2022)
- Publish a clearer explanation on ad distribution guidelines (Scheduled in April 2022)
- Publish easy-to-understand information on the actual status of invalid traffic and countermeasures (Published in December 2021)
- Publish an easy-to-understand explanation on the reasons why the judgement criteria of ad frauds are undisclosed, and on invalid traffic (Published in December 2021)
- Establish "Yahoo! JAPAN's Policy on Management of Conflicts of Interest/Favoritism in the Advertising Business" (Scheduled in March 2022)

■ Overview of the Study Group on the Information Disclosure for Digital Advertising Business

1. Matters deliberated

- Information disclosure regarding advertising account screening,
- How to disclose information related to measures to combat ad-fraud and brand safety measures,
- How to establish a system to improve transparency in light of concerns about conflicts of interest and favoritism, and others.

2. Members and observers (without honorifics)

Chairperson

Hiroshi OHASHI, Dean, Graduate School of Public Policy, The University of Tokyo

Members

Yoshitoshi IMOTO, Partner, Nagashima Ohno & Tsunematsu

Takashi IWAMOTO, Project Professor, Graduate School of Business Administration, Keio University

Yuka KAKINUMA, Researcher, IT Research Group, Japan Association of Consumer Affairs Specialists

Toshiya WATANABE, Professor, Institute for Future Initiatives, The University of Tokyo

Observers

Secretariat, Headquarters for Digital Market Competition, Cabinet Secretariat

Digital Market Policy Office, Digital Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

ICT Strategy Policy Division, Information and Communications Bureau, Ministry of Internal Affairs and Communications

3. Schedule

1st Meeting: Monday, July 26, 2021 (13:00 - 15:00)

2nd Meeting: Monday, August 16, 2021 (14:00 - 16:00)

3rd Meeting: Monday, September 27, 2021 (14:30 - 16:30)

4th Meeting: Monday, November 1, 2021 (12:00 - 14:00)

5th Meeting: Tuesday, December 21, 2021 (16:00 - 18:00)

6th Meeting: Monday, February 7, 2022 (14:30 - 16:30)

\*Meetings were held both online and in person.

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