

August 6, 2020

To whom it may concern

Z Holdings Corporation Kentaro Kawabe President and CEO Stock Code: 4689

Apologies for the malfunction in Yahoo! JAPAN ID information registration system of Yahoo Japan Corporation, and notice on the resolution of the incident

We have discovered that, in our consolidated subsidiary, Yahoo Japan Corporation (hereafter "Yahoo Japan"), there was a malfunction in the information registration system of Yahoo! JAPAN ID (hereafter "ID"), which is used in its various services, and that registered ID information (name, address, telephone number, etc.) of some of its ID holders was erroneously reflected in ID information of others (maximum approx. 390,000 IDs).

We would like to express our sincerest apologies to the ID holders and to everyone concerned for the inconveniences and concerns that this may have caused. Please find the outline of this incident below.

Please note that emails are being sequentially sent to each of those whose registered ID information has been erroneously overwritten, and we are asking them to re-enter their ID information. Also, please note that the deletion of erroneously overwritten information has been completed.

1. Outline of incident

(1) Some of those who attempted to edit any of their registered ID information (name, address, telephone number, etc.) in between July 29 (Wed.) 14:06 and August 4 (Tue.) 23:50 ("ID Holders A"), did not have their revised information reflected in their own registered ID information. Instead, the information was erroneously reflected in the registered ID information of another ID holder ("ID Holders B").

As a result, there is a possibility that the revised ID information of ID Holders A may have been browsed by ID Holders B, and that items or services ordered by ID Holders B may have been delivered, based on the erroneously overwritten information, to ID Holders A.

(2) In some ID Holders B who purchased items, concluded agreements, browsed their registered ID information in between July 29 (Wed.) 14:06 and August 4 (Tue.) 23:50, their registered ID information was overwritten by the information of ID Holders A.

As a result, there is a possibility that the registered ID information of ID Holders B became incorrect, and that items or services ordered are not delivered.

*In addition, if ID Holders B purchased items in CtoC service, there is a possibility that the seller could not send the item to ID Holders B, the purchasers, and that the senders' information included in the delivery invoice (e.g. name/address/telephone number, etc. of the seller) is browsed by ID Holders A.

2. Items that were erroneously reflected due to system malfunction

All items registered in "Information on name and address (name, address, telephone no., etc.)" in the ID's "Registered Information", as indicated below:

- "Surname (Kanji)", "Name (Kanji)", "Surname (Katakana)", "Name (Katakana)"
- The following information pertaining to "Home" and "Workplace or school"
- "Country or region", "Postal code", "Prefecture", "City/ward/town/village", "Name of block/block no.",
- "Name of building/apartment", "Telephone no.", "Fax no.", "Emergency contact phone no."
- "Workplace or name of school"
- *Please note that email address, credit card information, information on bank accounts, etc. were not included.

3. Scale of incident

No. of times the revised ID information was erroneously reflected in the ID information of ID Holders B, as a result of editing of ID information during the time in which malfunction occurred, as described in 1. (1) above: maximum 528,155 times

As a result, no. of ID Holders B whose ID information has the possibility of being erroneously overwritten, as described in 1. (2) above: maximum 387,460 IDs

3. Sequence of events and responses

- July 29 2pm Malfunction occurred when updating the ID information registration system.
 Immediately after the updates, incidents outlined in 1. above occurred.
- August 4 8 pm Incident came to light due to inquiry by an ID holder
- August 4 11pm Restored the system to the original version and stopped incidents outlined in 1.
 above from occurring.
- August 5 8 pm Began deleting erroneously reflected ID information
- August 6 8 am Completed deleting erroneously reflected ID information in the information registration system

5. Notice to our customers

- We plan to post an explanation on the outline of this incident in Yahoo Japan's website.
- We are sequentially sending emails apologizing and explaining the current state as well as future response measures, to each of the ID Holders B, whose ID information has been overwritten with the information of ID Holders A as described in (2) above. Since their registered ID information has been

deleted, we are asking these ID Holders to make a reentry.

- We have prepared a tool that can judge whether the ID information has been overwritten, as described in (2) above) in the website of Yahoo Japan.

6. Measures to prevent recurrence

As measures to prevent recurrence, we will "reinforce prior verification assuming actual access scale", "strengthen system monitoring in order to detect problems at an early stage", etc.

7. Inquiries

Customers who wish to make inquiries on this matter, please do so through the following form of Yahoo Japan.

Customers who did not receive the purchased items, customers who received other items, customers who experienced malfunctions in our e-commerce services, please make inquiries from the following form.

Inquiry form:

https://support.yahoo-net.jp/form/s/dirregisterinfo

8. Impact on our business results

Although the impact of this incident on the Company's business results is unclear at this point of time, we expect the impact to be slight.