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Explanation of the Events Leading to Our Public Statement on September 27th, and Our Company's Plans Going Forward

We apologize for the confusion resulting from our recent official statement.

On September 27, 2020, due to unauthorized disclosure of confidential YouTube channel analytics and actions violating our company guidelines (regarding understanding differences in perspective and taking into account the positions of countries in which we provide our services) by our company's talents, we released a statement of apology on the matter and have dealt the necessary sanctions on the talents involved.

However, there were discrepancies between the statement published for the Chinese audience and those which were published for the Japanese and global audiences. We would like to deeply apologize for the confusion caused by this carelessness.

Below, we would like to explain the sequence of events leading up to the release of our prior official statement.

Sequence of Events

1. At around the time that we were made aware of the aforementioned conduct, Hololive Production talents had become the subject of numerous abusive messages and threats to their life or of bodily harm. In light of this, we responded by privatizing or deleting the controversial videos.
2. Despite the above measures taken, the situation did not improve. In accordance with company guidelines, a decision was made to release an official statement and to discipline the talents involved.

3. In preparing the official statement, and after careful consultation with our partner company located in China, we were advised that, to secure the safety of our talents and employees and ensure that they are able to continue their activities moving forward, it was necessary for us to release a clear statement to the Chinese audience regarding the disputed statements.
4. Taking the above circumstances into account, in order to prioritize the safety of our talents and related parties, our company decided that it was necessary to speak out quickly, leading to the emergency release of the official statement on September 27, 2020.

However, as a result, the official statement we released included language insensitive to certain geographical regions. We understand the severe ramifications of this issue both domestically and internationally, and deeply regret our poor handling of the situation.

We are aware that Hololive Production has a worldwide audience, across many countries and territories. As such, we operate on the principle of providing our services to each country and territory in accordance with its laws, social norms, common wisdom, and the stance of its current government.

Due to the above circumstances, and because our service policies, guidelines, and modes of communication differ depending on the countries and territories to which we provide our service, we decided to adapt the contents of our statement and the manner of its release accordingly. However, this led to differing statements being released. We would once more like to deeply apologize for the confusion this had caused.

Our company takes the confusion caused by this matter very seriously and, in order to clarify management responsibility, we held an emergency management meeting on Tuesday, September 29, 2020, where, in addition to reprimanding the CEO, our company has resolved to establish a Compliance Committee to prevent the recurrence of such situations. Furthermore, the CEO will relinquish a portion of his salary, in light of the seriousness of this situation.

Moving forward, we will make it company policy to release statements that not only conform to local laws and customs but are also universally equitable, and rework our internal guidelines to ensure consistency.

Moreover, to provide everyone with better service, we promise to always convey a sincere and honest attitude towards our fans and viewers. We hope for your continued support.

We kindly request that you refrain from contacting our talents in relation to the situation.

Wednesday, September 30, 2020
COVER Corporation