

December 4, 2019
Recruit Holdings Co., Ltd.

**Administrative Admonishment and Administrative Directive
from the Personal Information Protection Commission
to Recruit Co., Ltd. and Recruit Career Co., Ltd.**

The Personal Information Protection Commission has issued an administrative admonishment and an administrative directive today to Recruit Co., Ltd. (Headquarter: Chiyoda-ku, Tokyo, President: Yoshihiro Kitamura, hereinafter referred to as "Recruit"), a subsidiary of Recruit Holdings Co., Ltd. (the "Company"), and Recruit Career Co., Ltd. (Headquarter: Chiyoda-ku, Tokyo, CEO, President and Representative Director: Daizo Kobayashi, hereinafter referred to as "Recruit Career"), a subsidiary of Recruit. The Company regrets any inconvenience and concern that this incident has caused.

[Administrative Admonishment and Administrative Directive to Recruit and Recruit Career]

Recruit and Recruit Career received today the administrative admonishment under Article 42, Paragraph 1 of the Act on Protection of Personal Information of Japan (Act No. 57 of 2003, as amended; hereinafter referred to as the "Act") following the completion of factual confirmation in the investigation by the Personal Information Protection Commission regarding "Rikunabi DMP Follow," a service operated by Recruit Career under business management consignment from Recruit, in all aspects except those for which an administrative admonishment and an administrative directive were issued on August 26, 2019.

In addition, Recruit received an administrative directive under Article 41 of the Act, as its notification and announcement of the purposes of using personal information to applicant students were inappropriate, and its legal examination when providing personal data to outside parties and its actions in accordance with the said legal arrangements were also inappropriate, in using "Rikunabi DMP Follow" as a contracted enterprise client of the said service.

The Company takes the series of administrative admonishment and administrative directive from the Personal Information Protection Commission very seriously. The Company is taking various measures by instructing and supervising Recruit and Recruit Career.

For example, the Company has instructed Recruit to establish a standardized multi-check process for products and services, to reinforce its organizational structure related to data management by establishing a centralized team and integrating the legal functions across its subsidiaries, and to strengthen employee training regarding personal information protection including the handling of such information during recruiting activities. The Company has also instructed Recruit Career to reinforce its governance structure including the verification process of trial-based products, and has confirmed that Recruit Career has taken these initiatives.

In addition, the Company led Recruit to establish an Advisory Committee on Data Utilization which includes outside advisors and will hold the first committee meeting in December.

The Company will continue to supervise the progress of these efforts, provide appropriate requests and support, and will come together as a group to implement measures to prevent recurrence.

The Company expects that this incident will not have a significant impact to the Company's consolidated financial results for the fiscal year ending March 31, 2020.

* Please refer to the two press releases below for the announcements regarding this incident from Recruit Career and Recruit and details of the measures to be taken to prevent recurrence:

https://recruit-holdings.com/newsroom/pdf/20191204_12.pdf

https://recruit-holdings.com/newsroom/pdf/20191204_13.pdf

* The “Rikunabi DMP Follow” service, which was the subject of the administrative directive, was terminated as of August 4, 2019.

The Company regrets and sincerely apologizes for any inconvenience and concern that this incident has caused.

[Inquiries related to this matter:]

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