

Administrative Admonishment and Administrative Directive to Recruit Co., Ltd. and Recruit Career Co., Ltd. following the Results of the Continued Investigation by the Personal Information Protection Commission

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”) and its subsidiary Recruit Career Co., Ltd. (Headquarter: Chiyoda-ku, Tokyo, CEO, President and Representative Director: Daizo Kobayashi, hereinafter referred to as “Recruit Career”).

The administrative admonishment and administrative directive were received today 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.

This press release explains the overview of the administrative admonishment and administrative directive that were received this time. Please refer to the separate press release “Report on Issue Identification and Measures to Prevent Recurrence Related to ‘Rikunabi DMP Follow’” (https://recruit-holdings.com/newsroom/pdf/20191204_13.pdf) and Recruit Career’s corporate website (<https://www.recruitcareer.co.jp/r-dmpf/>) for complete details of the incident and initiatives such as measures to prevent recurrence.

■ Administrative Admonishment and Administrative Directive Issued Today

Recruit and Recruit Career received an administrative admonishment under Article 42, Paragraph 1 of the Act on Protection of Personal Information of Japan, and an administrative directive under Article 41 of the Act, in relation to “Rikunabi DMP Follow,” a service operated by Recruit Career, based on facts reported during the continued investigation carried out from August 26, 2019. The details are shown below.

1. “Administrative Admonishment” to Recruit and Recruit Career

Details

To protect individual rights and interest appropriately when handling personal data, organizational structures must be reviewed, awareness of personal data protection must be enhanced across the company including senior management, and necessary measures must be implemented including the following:

- When conceptualizing new products, etc., a system must be established where products are conceptualized and designed so that personal information is handled appropriately in accordance with the law.
- The content of products, etc. must be specified to the extent possible when obtaining personal information, and the purposes of using such information must be notified or announced appropriately.
- Recruit must provide necessary and appropriate oversight of the service provider when outsourcing work.

2. Additional Facts Reported by Recruit Career During the Continued Investigation by the Personal Information Protection Commission

Explained below are the facts, among matters reported to Personal Information Protection Commission during the course of the continued investigation from August 26, 2019, which resulted in the administrative admonishment issued today.

Please refer to Recruit Career's "Apology and Explanation regarding 'Rikunabi DMP Follow'" page for further details.

▶ Apology and Explanation regarding "Rikunabi DMP Follow" (Japanese Only):

<https://www.recruitcareer.co.jp/r-dmpf>

(1) Service scheme until February 2019

Until February 2019, "Rikunabi DMP Follow" calculated scores in the following way:

- 1) Collect "cookie information" and "contracted enterprise client's unique applicant management ID" via online survey
- 2) Collect "cookie information" and "Rikunabi website browsing history" via Rikunabi and other websites
- 3) Match "contracted enterprise client's unique applicant management ID" with "browsing history for each industry category on Rikunabi website" using the online survey and Rikunabi website's cookie information, then calculate the scores

At the time, it was deemed that this scheme would not constitute a release of personal data to a third party because it would not be possible for Recruit Career to identify specific individuals from the abovementioned information alone, and specific individuals would only be identifiable by the enterprise clients to whom the scores were provided. However, it was pointed out in the administrative admonishment received today that the fact that scores were provided without obtaining the consent of the individuals concerned, knowing that the parties provided with the data would be able to identify specific individuals, was inappropriate and not in accordance with the purpose of the law.

In cases such as these, where we handle topics that require careful risk analysis in terms of "data utilization," we should have established a system that would enable wide-ranging consideration not only of the laws and regulations in force at the time, but also the background and the opinion which led to establish such laws and regulations, even in the development process of trial-based products such as "Rikunabi DMP Follow," and we therefore take these findings very seriously.

(2) Applicability as personal information of the information handled in the service scheme until February 2019

Until February 2019, “Rikunabi DMP Follow” calculated scores by matching the cookie information as described earlier. However, at the time, the department responsible for calculating the scores of “Rikunabi DMP Follow” was also involved in operating other services such as advertisement distribution, and it was discovered that the department had been collecting personal information in these services from some of the contracted enterprise clients of “Rikunabi DMP Follow”.

No cases have been identified in which such personal information was used in “Rikunabi DMP Follow.” Nevertheless, it was found that because information collected in “Rikunabi DMP Follow” and information obtained in other services existed within the same department, it was possible to identify specific individuals by comparing the information delivered to some contracted enterprise clients with other information.

Consequently, providing the scores from “Rikunabi DMP Follow” of the “Rikunabi 2019” members to the contracted enterprise should have been regarded as providing personal information, but it was carried out without consent because the privacy policy at the time did not contain any clause pertaining to obtaining the necessary consent for providing personal information to contracted enterprise clients.

(3) Provision of personal information to third parties without the consent of the individual, based on a misunderstanding related to hashing

In the service scheme until February 2019, scores were calculated under a different scheme to that for the online survey with some contracted enterprise clients, in order to improve the identification rates using cookie information. In this irregular case, names and other types of personal information were provided by these contracted enterprise clients.

Based on the wrong understanding that as long as personal information are hashed, they can be treated as non-personal information when providing them to contracted enterprise clients, the scores that were calculated through this process were provided to the said contracted enterprise clients without the consent of the students.

(4) Scores provided to some contracted enterprise clients under a scheme that was essentially the same as “Rikunabi DMP Follow” without naming the service

In the scheme operated after the privacy policy changes of March 2019, individual contracts that were different from “Rikunabi DMP Follow” were concluded with some contracted enterprise clients, to provide scores under a scheme that was essentially the same as “Rikunabi DMP Follow” without naming the service.

In this case, similar to the incident announced on the Recruit Career press release dated August 5, 2019, personal information was provided to third party companies without obtaining appropriate consent from the relevant members, due to a failure to amend the “Rikunabi 2020” privacy policy in March 2019.

3. Correction to the Number of Students Affected and Related Matters

Pursuant to the facts reported in (2), (3) and (4) of the continued investigation, and reexamination of information during this period, the total number of students for whom scores were provided under “Rikunabi DMP Follow” was 95,590. Of these, appropriate consent had not been obtained for a total of 26,060. 38 enterprise clients had requested to use the service, and of these, scores were provided to 35.

We sincerely apologize to the students affected, university staff, and the enterprise clients who used “Rikunabi DMP Follow.”

With respect to students using “Rikunabi 2020,” we have sent a separate apology and report to those who have been newly identified as having been affected by the provision of scores or have been identified as persons from whom we had not obtained appropriate consent. We apologize for not being able to contact those who used “Rikunabi 2019” directly because the service ended as of March 2019 and personal information on its members held by Recruit Career has already been deleted. Should you have any questions, please contact us using the dedicated inquiry form for “Rikunabi 2019” users.

▶Dedicated inquiry form for “Rikunabi 2019” users:

https://rikunabi.custhelp.com/app/ask/p/1024/rnv_id/2019

We sincerely apologize for the inconvenience.

(Reference) Detailed numbers of students affected, based on the continued investigation

<Table 1> Scope of impact on members affected and changes due to the continued investigation

Category		Number of students affected			Changes due to the continued investigation
			At the time of Aug. release	Changes in number of students due to the continued investigation	
Rikunabi 2019	Targets whose data was used for calculation of scores in "Rikunabi DMP Follow" (A)	14,525	12,330	+2,195	• Of the contracted enterprise clients for whom provision of scores was yet to be confirmed, it was discovered that one had been provided with scores
	Of the above, those whose personal information was provided without obtaining consent (C)	12,220	0	+12,220	• Due to the above as well as facts reported in (2) and (3), added those whose "personal information was provided to third parties without consent"
Rikunabi 2020	Targets whose data was used for calculation of scores in "Rikunabi DMP Follow" (B)	81,065	62,548	+18,517	• Added cases in which scores were provided under a scheme that was essentially the same as "Rikunabi DMP Follow" without naming the service (facts reported in (4)) • Reflected results of examination into the number of other contracted enterprise clients to whom scores were provided
	Of the above, those whose personal information was provided without obtaining consent (D)	13,840	7,983	+5,857	• Due to the above and facts reported in (3), added those whose "personal information was provided to third parties without consent"
Overall	All targets whose data was used for calculation of scores in "Rikunabi DMP Follow" (A + B)	95,590	74,878	+20,712	
	Of the above, those whose personal information was provided without obtaining consent (C + D)	26,060	7,983	+18,077	

<Table 2> Changes in numbers of contracts and enterprise clients provided with scores

* Including contracts concluded for verification cooperation during service development and cases in which scores were provided under a scheme that was essentially the same as "Rikunabi DMP Follow" without naming the service

Category		Applicable enterprise clients			Changes due to the continued investigation
			At the time of Aug. release	Changes in number of companies due to the continued investigation	
Rikunabi 2019	Contracted enterprise clients of "Rikunabi DMP Follow"	38	38	0	-
Rikunabi 2020	Of the above, enterprise clients which were provided with scores	35	34	+1	• Of the contracted enterprise clients for whom provision of scores was yet to be confirmed, it was discovered that one had been provided with scores

4. Administrative Directive Issued to Recruit as a Contracted Enterprise Client of “Rikunabi DMP Follow”

Recruit, as a contracted enterprise clients of “Rikunabi DMP Follow”, received an administrative directive as followed, due to insufficient disclosure of personal information usage to applicant students, and inappropriate legal examination and arrangements when providing personal data to outside parties.

- (1) The purposes of using personal data must be notified or announced appropriately
- (2) Systematic legal examination must be conducted and appropriate actions must be taken when providing personal data to third parties
- (3) Necessary and appropriate oversight of the service provider must be provided when outsourcing the handling of personal data

Regarding the handling of personal information in the recruiting activities of Recruit, we will endeavor to prevent recurrence by thorough employee and training in departments engaged in related work.

We apologize once again for the inconvenience and concern that this incident has caused. We take the issues very seriously, and will come together as a group to implement measures to prevent recurrence.

[Inquiries related to this matter:]

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