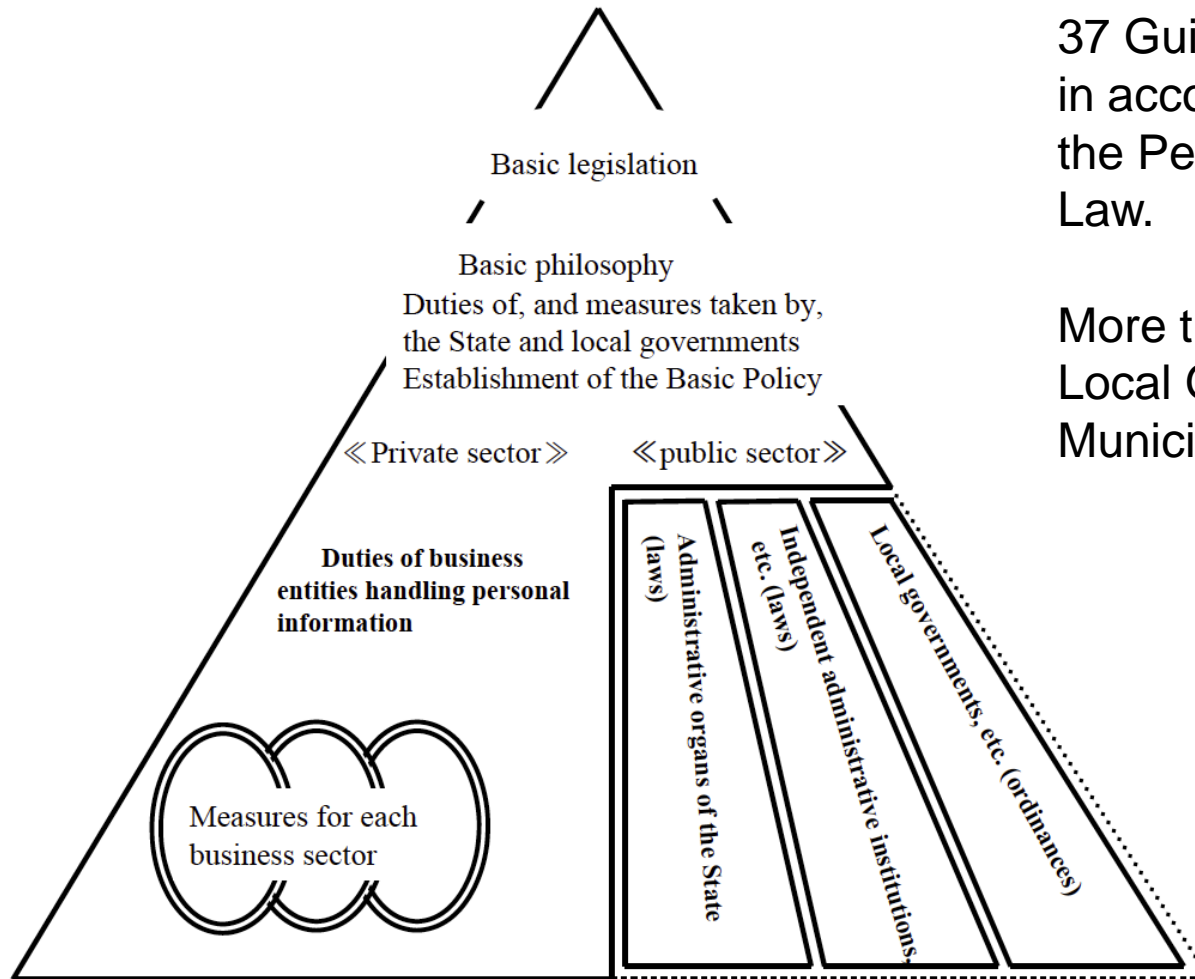


1. Personal Data Protection in Japan
 - 1-1. Framework for personal data protection
 - 1-2. Regulation on Private Sector
 - 1-3. Enforcement by Competent Minister
2. Recent Topics
 - 2-1. Protecting Privacy Online
 - 2-2. Taxes and Social Security Numbers
 - 2-3. Proceeding to Make Rules
3. Issue to be Discussed
 - 3-1. International Harmonization
 - 3-2. Protection Policy in EU and US
 - 3-3. "Users" and Social Acceptability

1. Personal Data Protection in Japan

1-1. Framework for personal data protection

- System of Legislation for Personal Information Protection
 - Basic Legislation: the Personal Data Protection Law

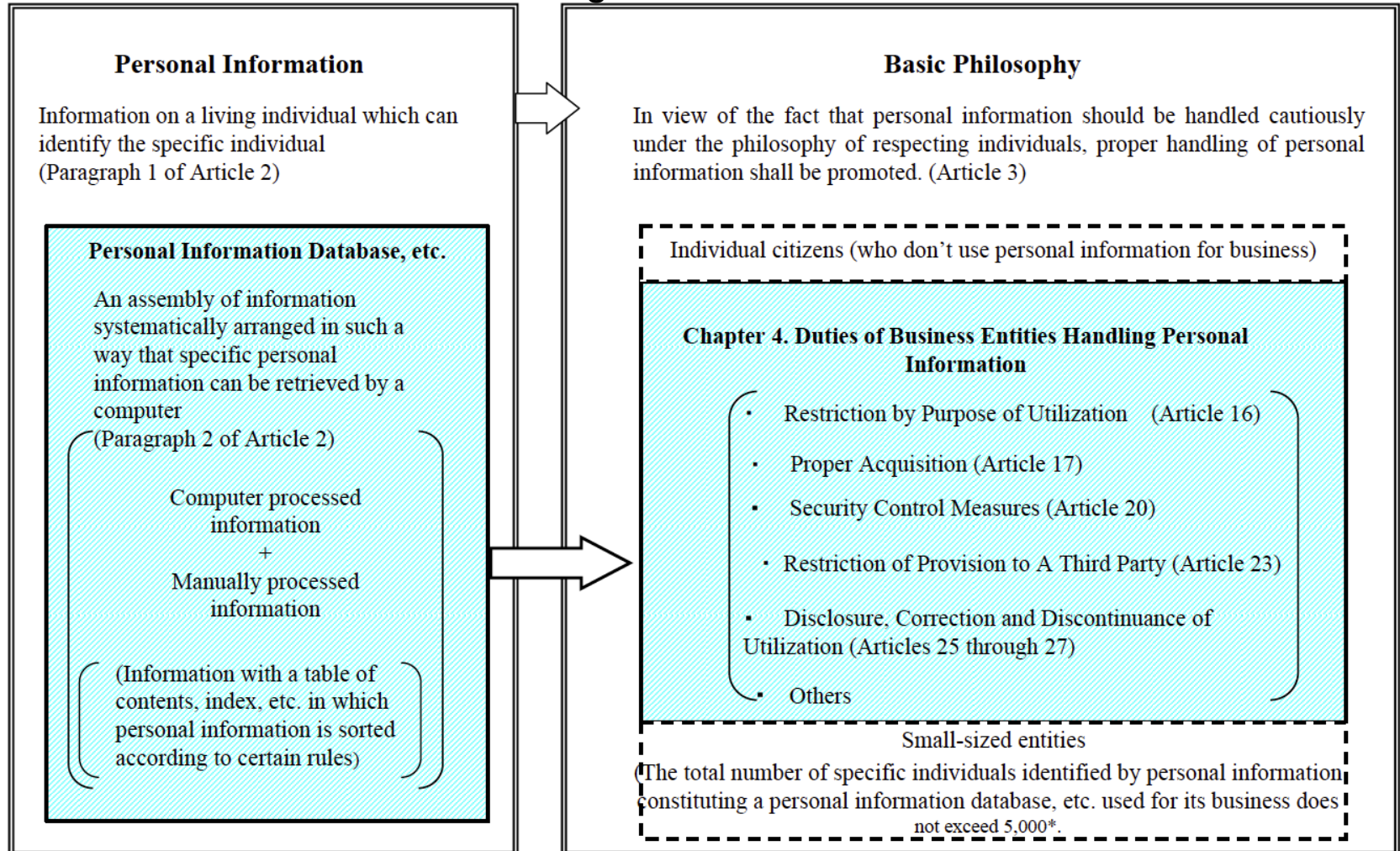


37 Guidelines for each Ministry in accordance with Article 8 of the Personal Data Protection Law.

More than 2,000 ordinances by Local Governments and Municipalities.

1-2. Regulation on Private Sector

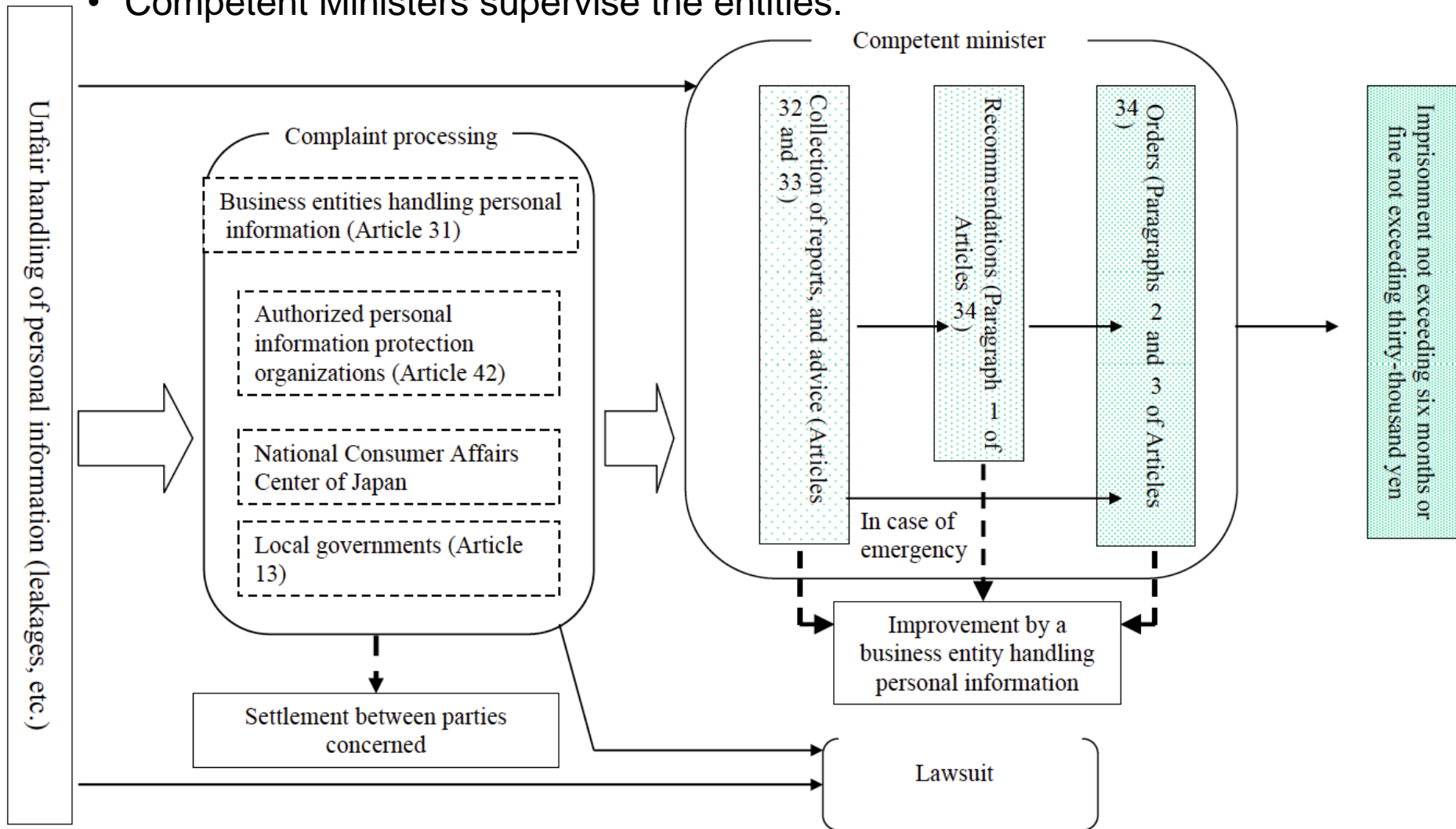
- Scope of personal information and entities to be covered
 - Rules of acquisition and utilization of personal information for Business Entities Handling Personal Information



* If commercial telephone directories or car navigation systems are used without being edited or processed, the number of specific individuals identified by these directories, etc. will not be included in computing this number.

1-3. Enforcement by Competent Minister

- Mechanism to ensure effectiveness
 - No Privacy Commission or Commissioner
 - Competent Ministers supervise the entities.



2. Recent Topics

- MIC: Ministry of Internal Affairs and Communications
 - Official Announcement of Report from Research Society for Use and Circulation of Personal Data, June 12, 2013
 - ① Ensuring Transparency, ② Securing the Opportunity of User Participation, ③ Respecting for Context in which Data Collected, ④ Minimum Collection, ⑤ Ensuring Data Collection through Proper Means, ⑥ Ensuring Proper management of User Information, ⑥ Privacy by Design
 - Smartphone Privacy Initiative: New Age Innovation by Appropriate Handling of User Information and Improvement of Literacy, August 7, 2012
 - ① Ensuring Transparency, ② Securing the Opportunity of User Participation, ③ Ensuring Data Collection through Proper Means, ④ Ensuring Proper management of User Information, ⑤ Properly Handling Complaints and Requests for Advice, ⑥ Privacy by Design
- METI: Ministry of Economy, Trade and Industry
 - Personal Data Working Group under the IT Integration Forum, May 10, 2013
 - ① Methods and approaches to user-friendliness, ② Utilization of information-providing organizations, ③ Selection of disclosable information by consumers

- The Bill on the Use of Number to Identify Specified Individuals in Administrative Procedures was enacted on May 13, 2013.
- An independent supervisory authority will be established in 2014.
- The numbers will be used from January 2016.

The third-party institution

Formation, etc.

- A committee shall be formed under the Prime Minister with purposes such as protecting p the Number Personal Information
- The main work of the committee
 - Supervision of the handling of the Number Personal Information by organizations subject to monitoring
 - Processing of complaints related to the handling of personal information associated with the Numbers
 - Scrutiny of the Information Sharing Infrastructure and its interface
 - Advice concerning information protection assessments and approval of reports
 - International cooperation concerning affairs under its jurisdiction
 - public awareness and consultations regarding policies for the protection of the Number Personal Information and the Number Act.
- The committee Chair and Members shall exercise independent authority
- The committee Chair and Members shall be appointed by the Prime Minister with the consent of both houses of the Diet

Rights, functions, etc.

- Requests for documents and explanations, on-site inspections, advice, guidance, recommendation, and orders directed at organizations subject to monitoring
- Supervision of the Information Sharing Infrastructure, etc.
- Approval of reports of information protection assessments
- Permission for information sharing via the Information Sharing Infrastructure for special reasons following a severe disaster
- Offering opinions to the Prime Minister
Etc.




“The Japanese government will immediately establish a new study group under the IT Strategic Headquarters and start the discussion to clarify the rule about making the best use of personal data with consideration for privacy and data protection, reform of data protection guidelines, standardization of the way to obtain user's consent. The study group will also make a reform policy and roadmap including establishment of the third party authority and new means of enforcement within this year.”

Cabinet decision "Declaration for creating the most advanced IT society in the world" June 14, 2013, translated by Dr. Taro Komukai.

3. Issues to be Discussed

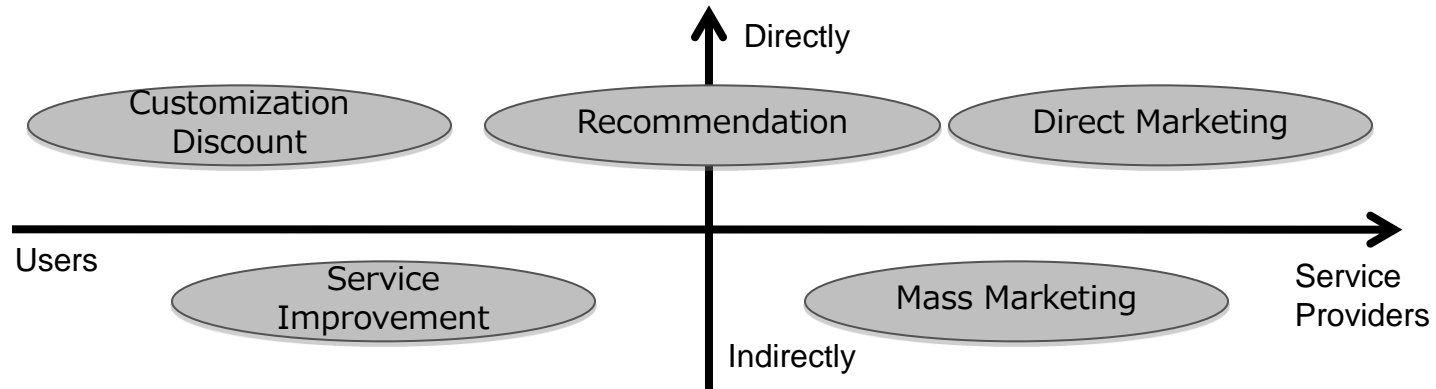
- OECD
 - Revision of “Recommendation Concerning Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data (1980 Guideline) “
- APEC
 - APEC Privacy Framework
 - Cross-Border Privacy Rules
- European Union
 - General Data Protection Regulation proposed on Jan. 25, 2012
 - US-EU Safe Harbour Framework, Binding Corporate Rules
- Council of Europe
 - Modernization of Convention 108 on the Automated Processing of Personal Data.

3-2. 3-2. Protection Policy in EU and US

			
Regulatory Scheme	<ul style="list-style-type: none"> • Comprehensive Law on the Personal Data Protection • Data Protection Directive, 1995 	<ul style="list-style-type: none"> • Laws and Regulation for each industry or sector • Consumer Privacy Protection by FTC Act. 	<ul style="list-style-type: none"> • Comprehensive Law on the Personal Data Protection • the Personal Data Protection Law
Regulator	<ul style="list-style-type: none"> • Independent Authority 	<ul style="list-style-type: none"> • Regulatory Authorities on each industry 	<ul style="list-style-type: none"> • Competent Ministers
Policy Proposed	<ul style="list-style-type: none"> • General Data Protection Regulation, Jan.25, 2012 <ul style="list-style-type: none"> • Single set of Rules • Single National Data Protection Authority • Responsibility and Accountability • Right to be Forgotten • Express Consent Requirement to Process Personal Data • Penalties • Transfers of Personal Data to Third Countries, etc. 	<ul style="list-style-type: none"> • A Consumer Privacy Bill of Rights, Feb. 23, 2012 <ul style="list-style-type: none"> • Transparency • Security: • Access and Accuracy • Focused Collection • Accountability 	<ul style="list-style-type: none"> • MIC Report, June 12, 2013 <ul style="list-style-type: none"> • Ensuring Transparency • Securing the Opportunity of User Participation • Respecting for Context in which Data Collected • Minimum Collection • Ensuring Data Collection through Proper Means • Ensuring Proper management of User Information • Privacy by Design

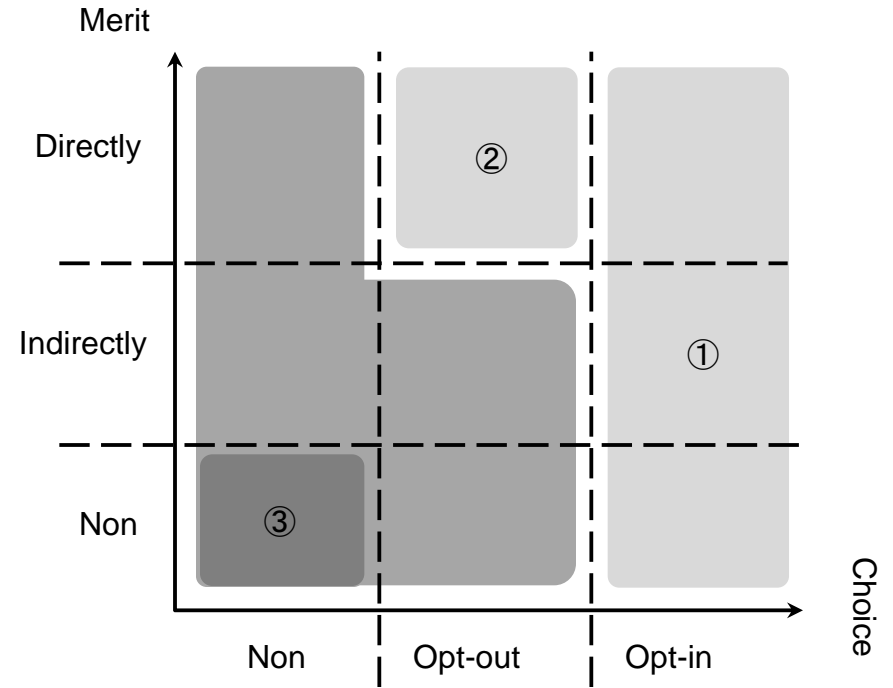
3-3. "Users" and Social Acceptability

Identifiability and return profit to users



Acceptability Analysis

- Whether Users Realize Merit
- Whether Users have a choice
- ⇒ Acceptability of Use



- ① When users realize the merit by the personal data usage and agree with the usage by opt-in, it will be easily accepted.
- ② When the merit of users are given directly, it tend to be accepted by opt-out.
- ③ The usage with no choice and merit by users won't be accepted.