

## Japan – Data Privacy

The collection, processing, and transfer of personal data are regulated under the Personal Information Protection Law (the "Privacy Law") passed in May 2003. The Privacy Law regulates businesses that hold 5,000 or more records. Prior to the passage of the Privacy Law, the collection and use of personal data by the private sector was minimally regulated by some sectors' codes of practice.

Collection and Processing of Personal Data	
<i>Compliance Alternatives</i>	Generally, disclosure is required for the collection and processing of personal data. Japan is an "opt-out" jurisdiction, so that it is up to the employees to limit or control the collection of their personal information.
<i>Disclosure/ Registration</i>	None applicable.
<i>Other Requirements</i>	<p>When collecting personal data, the employer must notify the employee of its purpose of use, unless the employer has reason to believe that its rights or fair profits will be harmed by such notification. The notice should be given directly to the employee. If the personal data is collected in connection with the execution of an employment contract, the employer must disclose its purpose of use to the employee before the collection. The employer may not collect personal data beyond that which is required to achieve the disclosed use.</p> <p>Actual use by the employer may not exceed the scope of the original purpose of use. If the employer changes its purpose of use, it should notify the employee. Employees may demand that the employer cease using their personal data or stop providing personal data to a third party. Although the employer may refuse such a request if the cost or expense to do so is excessive, substitute measures must be implemented to protect the rights and welfare of the employee. Generally, where it is difficult to obtain employee consent, the employer may use or disclose personal information if: 1) pursuant to a law, ordinance or official order; 2) necessary for the protection of human life, safety, or property; or 3) necessary to improve public hygiene or promote the health of children.</p> <p>The employer must maintain personal data in an accurate and up-to-date form, and employees may request correction or update. The employer need not correct personal data if the request is unreasonable, provided safeguards are implemented to protect the welfare of the employee. The employer must adopt measures to prevent unauthorized disclosure, loss or destruction of personal data.</p>
Transfer of Personal Data	
<i>Compliance Alternatives</i>	Personal data may not be transferred to third parties without the prior consent of the employee, except the employer: 1) delegates some or all of the personal data processing or fulfillment function to a service provider or subcontractor, whether located inside or outside of Japan, by executing entrustment agreement(s) with appropriate terms to protect the personal data ; 2) discloses personal data to a successor company as part of succession of business (i.e., consolidation, merger, company split, or business transfer) ; or 3) shares and jointly uses personal data with businesses in the same field with similar purpose of use, provided that the employee is given notice or can easily learn that the personal data will be shared.
<i>Other Requirements</i>	None applicable.

This summary is intended to reflect local law and practice as at 1 May 2013. Please note, however, that recent amendments and legal interpretations of the local law may not be included in these summaries. In addition, corporate governance, administration, and option plan design facts that are specific to your company may impact how the local laws affect the company's equity based compensation plans. With these matters in mind, companies should not rely on the information provided in this summary when implementing their stock plans.