

Outline of the Essential Infrastructure System and Required Information

- Operation of the System Commences on May 17, 2024. -

【NOTICE FOR USERS】

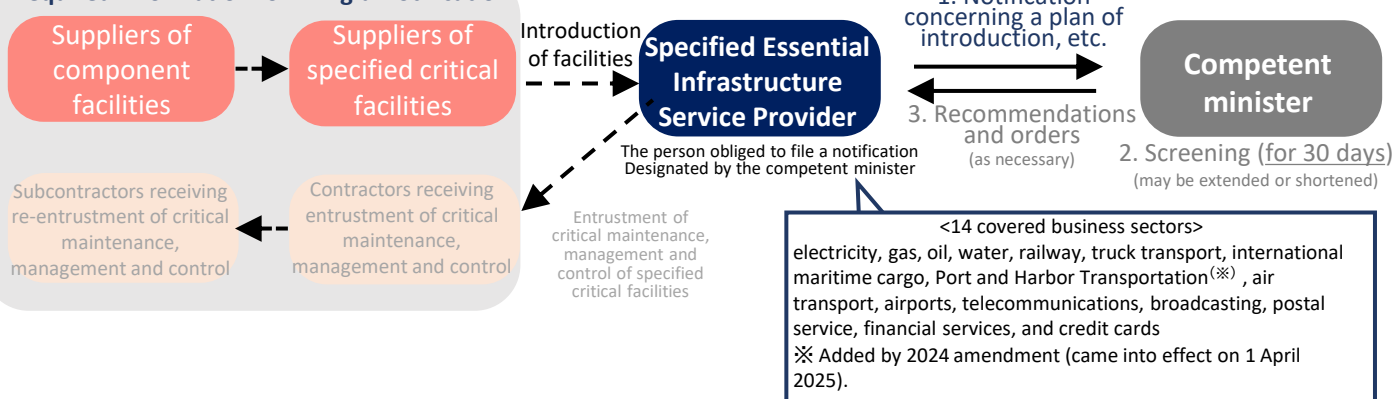
Only the Japanese laws has legal effect, and this pamphlet is only reference materials for understanding. We cannot hold responsibility for any problems arise from the use of this pamphlet, so please refer to the official Japanese laws and regulations published in need.

【Reference】 - Text of the Economic Security Promotion Act - <https://www.japaneselawtranslation.go.jp/ja/laws/view/4523>

Outline of the Essential Infrastructure System

In order to ensure the stable provision of essential infrastructure services, a new system was established under the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (the "Economic Security Promotion Act") to require business entities providing essential infrastructure services (entities designated as specified essential infrastructure service providers) that intend to introduce specified critical facilities or intend to entrust critical maintenance, management and control of specified critical facilities to file a notification to the national government in advance and subject to screening.

Required Information for Filing a Notification



【Reference】 - Outline of the Economic Security Promotion Act - <https://www.japaneselawtranslation.go.jp/outline/75/905R403.pdf>



Point !

When a specified essential infrastructure service provider introduces specified critical facilities, the following persons are required to offer cooperation as described below for prior screening:

- (1) suppliers of specified critical facilities and
- (2) suppliers of component facilities (*)

(*) Facilities, equipment, devices, or programs that comprise part of the specified critical facilities that are likely to be used as a means for specified interference actions.



Hereinafter, the persons mentioned in (1) and (2) above are referred to as "suppliers".

STEP 1 List of required information

■ Required information is as follows:

- (i) Information on suppliers
- (ii) Information on persons who directly hold 5% or more of the voting rights of suppliers
- (iii) Information on officers and other executives of suppliers
- (iv) Information on large customers such as foreign government of suppliers
- (v) Implementation status of risk management measures
- (vi) Countries or regions for manufacturing the facilities
- (vii) Types, names and functions of the facilities

(For details, please refer to P.2.)

STEP 2 Method of provision

- (i) Information is to be provided to the relevant specified essential infrastructure service provider.
* There may be cases where information is provided via suppliers of specified critical facilities.
- (ii) (Some of the) information may be provided directly to the competent minister.
* As the competent ministry differs by business sector (electricity, gas, etc.), please confirm with the relevant order.

STEP 3

Please also provide information to be "modified".

(For details, please refer to P.4.)

***As a result of the screening, you may be requested to take measures in accordance with recommendations made by the national government.**

Required Information

What kind of information should be provided?

Suppliers are requested to provide the following information.

(Required information is prescribed in Order of the competent ministry.)

- (i) Name of the supplier, name of their representative, their address and country with jurisdiction over incorporation, etc. (in the case of an individual, the person's name, address, nationality, etc.)



As attachments, a certificate of registered information and other documents need to be submitted.

- (ii) Information on persons who directly hold 5% or more of the voting rights of the supplier (their names, countries with jurisdiction over incorporation, etc. or nationalities, etc., and proportions of voting rights they hold)

- (iii) Names, birth dates and nationalities, etc. of officers and other executives (those listed in i. to v. below) of the supplier



As attachments, copies of a certificate of registered information and other documents and their passports need to be submitted.

- i. Stock company: Directors (in the case of a company with a nominating committee, etc., directors and executive officers)
- ii. Membership company: Executive members
- iii. General incorporated association, general incorporated foundation, and small and medium-size enterprise cooperative: The director
- iv. Partnership under the Civil Code: Members
- v. Other corporation or organization: Persons equivalent to those prescribed in i. to iv. above

- (iv) When the supplier has conducted transactions with a foreign government, etc. (a national government, governmental organization, local government, central bank, or political party or other political organization of a foreign country) in the last three years and the sales from those transactions accounted for 25% or more of its total sales, the relevant business year, and the name of the foreign government, etc. and the percentage accounted for by the relevant sales

- (v) Implementation status of risk management measures (For details, please refer to P.3 and P.5.)



As a confirmation document, a document proving that risk management measures are being taken needs to be submitted.

- (vi) Names of the countries or regions where the plants or workplaces for manufacturing the specified critical facilities/component facilities are located

- (vii) Types, names and functions of the specified critical facilities/component facilities

(Note) Suppliers of specified critical facilities may obtain information on suppliers of component facilities and provide such information to relevant specified essential infrastructure service providers in some cases.

What kind of information can be directly provided to the competent minister?

- ◆ Suppliers may provide the underlined information in the above box directly to the competent minister.

* They may also provide a confirmation document for some items of risk management measures directly to the competent minister.

- ◆ Other information should be provided to specified essential infrastructure service providers.

* There may be cases where information is provided via suppliers of specified critical facilities.

Risk Management Measures

What should be done as risk management measures?

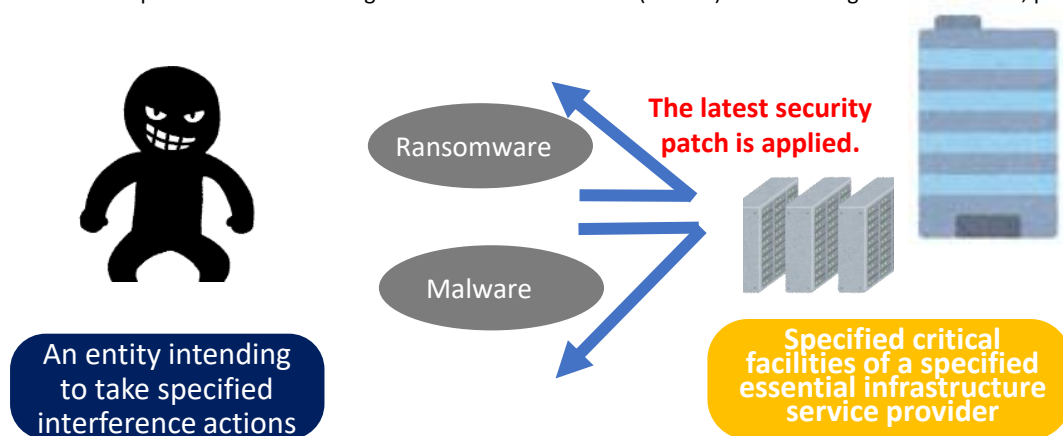
It will be effective for a specified essential infrastructure service provider to evaluate risks of any interference with the stable provision of specified essential infrastructure services with regard to the intended introduction of specified critical facilities and take appropriate measures depending on the details and levels of such risks (constant evaluation of all items is not necessarily required).

< Example of risk management measures >

Risk management measures ②— 1 :

Implementation of information security requirements (such as the latest security patches and anti-malware software, etc.)

* There are multiple items for risk management measures. For a list (outline) of risk management measures, please refer to P.5.



👉 Point !

A specified essential infrastructure service provider is considered to check whether the suppliers of specified critical facilities and component facilities are taking measures to decrease the risk, in addition to implementing their own initiatives.

For example, the following measures could be required to take:

- (i) whether suppliers have developed a verification system to detect any intrusion of malicious codes in specified critical facilities and have conducted vulnerability tests;
- (ii) whether the latest security patch is applied and whether anti-malware software has been introduced to specified critical facilities;
- (iii) whether suppliers have established a reliable quality assurance system in the manufacturing process;
- (iv) whether suppliers check the existence of any unauthorized modifications in the manufacturing process of specified critical facilities regularly or as needed.

Provision of Information to be Modified

When modifying any of the provided information, is it necessary to provide the relevant information to be modified?

When there are any modifications to the information contained in the submitted notification, a specified essential infrastructure service provider may be required to file a prior notification or make an ex post facto report for the modifications.

In that case, suppliers of specified critical facilities and component facilities may be required to provide the information to be modified to the relevant specified essential infrastructure service provider and the competent minister in some cases. More specifically, information provision is required mainly in the following cases.

1 A supplier of specified critical facilities

(1) Cases where information provision is required prior to the material modifications

Limited to modifications "prior to the introduction". Confirm the specific timing of the introduction with the relevant specified essential infrastructure service provider.

- ◆ Matters concerning the supplier of specified critical facilities
 - (i) Name of the supplier (in the case of an individual, the person's name), address (only modification of countries), country with jurisdiction over incorporation, etc. (in the case of an individual, the person's nationality, etc.)
 - (ii) Implementation status of risk management measures
 - (iii) Locations of the plants or workplaces for manufacturing the specified critical facilities (only modification of countries)
- ◆ Matters concerning the specified critical facilities
 - (iv) Types, names and functions of the specified critical facilities

(2) Cases where information provision is required after the modifications

Limited to modifications "prior to the introduction". Confirm the specific timing of the introduction with the relevant specified essential infrastructure service provider.

- ◆ Matters concerning the supplier of specified critical facilities
 - (i) Name of the representative
 - (ii) Information on persons who directly hold 5% or more of the voting rights of the supplier, etc. (when the percentages of the voting rights they hold newly become 5%, 25%, one-third, or 50% or more of the total)
 - (iii) Names, birth dates, nationalities, etc. of officers of the supplier
 - (iv) When the supplier has conducted transactions with a foreign government, etc. in the last three years and the sales from those transactions accounted for 25% or more of its total amount of transactions, the relevant business year, and the name of the relevant country and the percentage accounted for by the relevant sales among the total

In case suppliers of specified critical facilities obtain information on suppliers of component facilities, please provide such information to relevant specified essential infrastructure service providers.

2 A supplier of component facilities

(1) Cases where information provision is required prior to the material modifications

Limited to modifications "prior to the introduction". Confirm the specific timing of the introduction with the relevant specified essential infrastructure service provider and the relevant supplier of specified critical facilities.

- ◆ Matters concerning the supplier of component facilities
 - (i) Name of the supplier (in the case of an individual, the person's name), address (only modification of countries), country with jurisdiction over incorporation, etc. (in the case of an individual, the person's nationality, etc.)
 - (ii) Implementation status of risk management measures
 - (iii) Locations of the plants or workplaces for manufacturing the component facilities (only modification of countries)
- ◆ Matters concerning the component facilities
 - (iv) Types, names and functions of the component facilities

(2) Cases where information provision is required after the modifications (prior to the introduction)

Limited to modifications "prior to the introduction". Confirm the specific timing of the introduction with the relevant specified essential infrastructure service provider and the relevant supplier of specified critical facilities.

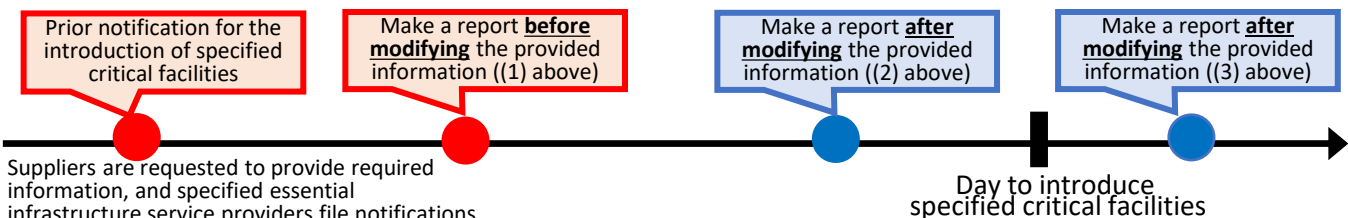
- ◆ Matters concerning the supplier of component facilities
 - (i) Name of the representative
 - (ii) Information on persons who directly hold 5% or more of the voting rights of the supplier, etc. (when the percentages of the voting rights they hold newly become 5%, 25%, one-third, or 50% or more of the total)
 - (iii) Names, birth dates, nationalities, etc. of officers of the supplier
 - (iv) When the supplier has conducted transactions with a foreign government, etc. in the last three years and the sales from those transactions accounted for 25% or more of its total amount of transactions, the relevant business year, and the name of the relevant country and the percentage accounted for by the relevant sales among the total

(3) Cases where information provision is required after the modifications (after the introduction)

A report is also required for modifications "after the introduction" of specified critical facilities. Whether a report is required or not should be confirmed with the relevant specified essential infrastructure service provider and the relevant supplier of specified critical facilities.

- ◆ Matters concerning the component facilities
 - (iv) Modifications to the types, names, or functions of the component facilities

< Conceptual drawing of procedures for modifications >



Below is an overview of examples of the risk management measures, which specified essential infrastructure service provider are expected to evaluate and take themselves under supplier's cooperation.

* It is not necessarily required to take all the measures.

* See Orders of the competent ministries for more specific details.

* The following are measures categorized by those who are mainly expected to take these measures. Specified essential infrastructure service providers may also ask for cooperation for other matters. Please consult with specified essential infrastructure service providers concerning concrete measures.

1 Under cooperation of "Suppliers of specified critical facilities"

(* ⑦ is also applicable to persons involved in the introduction)

Number on notification form ↓

Develop a verification procedure such as acceptance inspections (by a third party) and conduct vulnerability tests	①-1
Implement information security requirements (such as latest security patches and anti-malware software, etc.)	②-1
Establish a quality assurance structure	③-1
Regularly or properly check unauthorized modifications, etc. in the development and manufacturing processes	④-1
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control in the development and manufacturing environment	⑤-1
Develop a structure to prevent unauthorized modifications, etc. upon installation by suppliers and persons involved in the introduction	⑦
Ensure cooperation among suppliers to investigate matters which may become the causes of unauthorized modifications	⑧-1
Ensure provision of service after introduction by suppliers (responses to failures and vulnerability, etc.)	⑨-1
Consider alternate means in the case that service provided by suppliers become unavailable	⑩-1
Implement a mechanism for controlling and supervising unauthorized access to the facilities	⑬
Check any violations to domestic laws and regulations and international standards in the last three years	⑭-1
Ensure to receive reports on a possible breach of contract due to legal environment, etc. in a foreign country	⑮-1
Ensure the provision of detailed information on suppliers	⑰

2 Under cooperation of "Suppliers of component facilities"

Develop a verification procedure such as acceptance inspections (by a third party) and conduct vulnerability tests	①-2
Implement information security requirements (such as latest security patches and anti-malware software, etc.)	②-2
Establish a quality assurance structure	③-2
Regularly or properly check unauthorized modifications, etc. in the development and manufacturing processes	④-2
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control in the development and manufacturing environment	⑤-2
Ensure cooperation among suppliers to investigate matters which may become the causes of unauthorized modifications	⑧-2
Ensure provision of service after introduction by suppliers (responses to failures and vulnerability, etc.)	⑨-2
Consider alternate means in the case that service provided by suppliers become unavailable	⑩-2
Check any violations to domestic laws and regulations and international standards in the last three years	⑭-2
Ensure to receive reports on a possible breach of contract due to legal environment, etc. in a foreign country	⑮-2
Ensure the provision of detailed information on suppliers	⑰

(Reference) Mainly taken by Specified essential infrastructure service providers

Develop a verification procedure such as acceptance inspections (by a third party) and conduct vulnerability tests	①
Implement functions to prevent unauthorized access when connecting to the internet and prepare manuals	⑥
Consider alternate means in the case that service provided by suppliers become unavailable	⑩
Develop a structure to enable continued provision of services even in the situation with interference	⑪
Develop a policy and procedure to make responses upon an incident	⑫
Implement a mechanism for controlling and supervising unauthorized access to the facilities	⑬
Check the appropriateness of the handling of information of video equipment (places to install specified critical facilities)	⑯