

Outline of the Essential Infrastructure System and Required Information

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

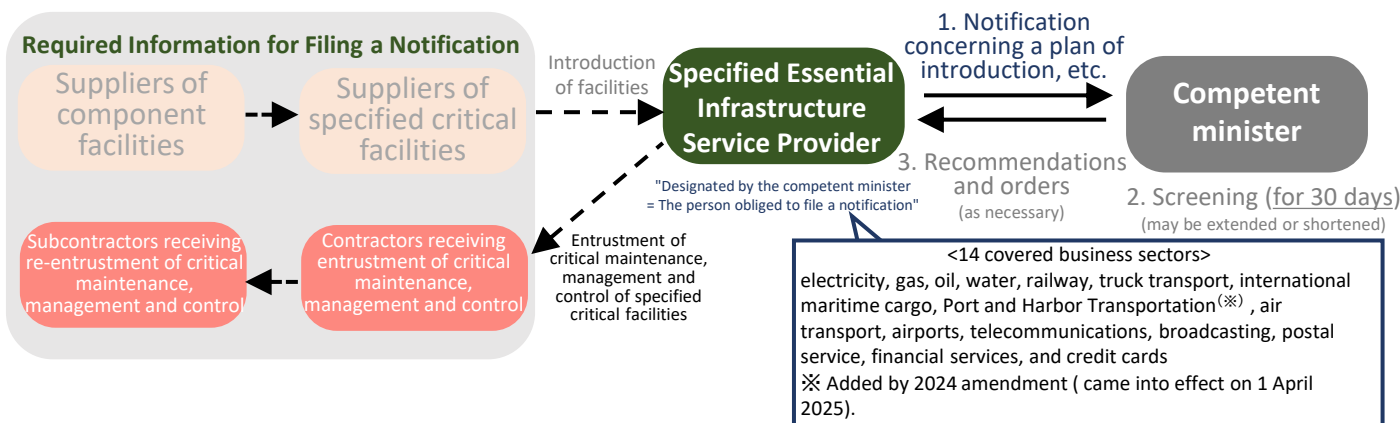
【NOTICE FOR USERS】

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 and management and control of specified critical facilities to file a notification to the national government in advance and subject to screening.



【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 entrusts critical maintenance and management, etc. of specified critical facilities, the following persons are required to offer cooperation as described below for prior screening:

- (1) contractors receiving entrustment of critical maintenance and management, etc. and
- (2) subcontractors receiving re-entrustment of critical maintenance and management, etc. (*)



* Including all contractors and subcontractors entrusted with critical maintenance and management, etc.

STEP 1 List of required information

Required information is as follows:

- (i) Information on contractors and subcontractors
- (ii) Information on persons who directly hold 5% or more of the voting rights of contractors and subcontractors
- (iii) Information on officers and other executives of contractors and subcontractors
- (iv) Information on large customers such as foreign government of contractors and subcontractors
- (v) Implementation status of risk management measures
- (vi) Places where entrusted and re-entrusted duties are performed

(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 contractors receiving entrustment of critical maintenance and management, etc.
- (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 specified essential infrastructure service provider.

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?

Contractors and subcontractors are requested to provide the following information.
(Required information is prescribed in Order of the competent ministry.)

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

! 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 contractor/subcontractor 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) Places where entrusted and re-entrusted duties are performed

(Note) Contractors receiving entrustment of critical maintenance and management, etc. may obtain information on subcontractors 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?

- ◆ Contractors and subcontractors 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 contractors receiving entrustment of critical maintenance and management, etc.

Risk Management Measures

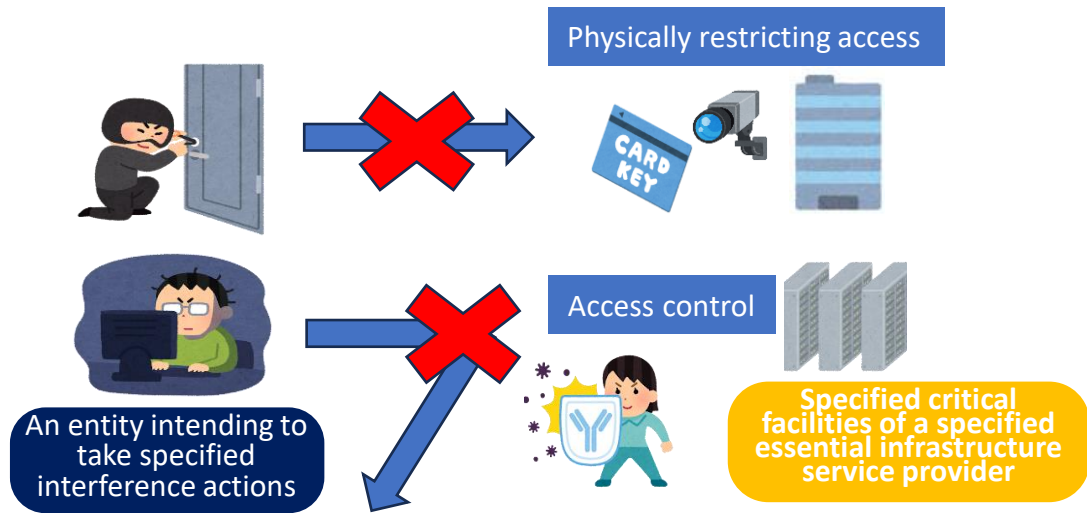
What should be done as risk management measures?

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 entrustment of critical maintenance and management, etc. and take appropriate measures depending on the details and levels of such risks (constant evaluation of all items is not necessarily required).

< Conceptual drawing of risk management measures >

Risk management measures ③: Physical and logical access control regarding information on design documents, equipment, etc. it holds

* 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 contractors and subcontractors can check the existence of any unauthorized modifications regularly or as needed through keeping and checking operational logs and task histories;
- (ii) whether contractors and subcontractors physically (management of entering and leaving the room with surveillance cameras, et.) and logically (prevention of access to data and systems) control access so that no staff members other than those they have designated can access relevant information;
- (iii) whether contractors and subcontractors provide education and training on cybersecurity.

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, contractors and subcontractors 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 contractor receiving entrustment of critical maintenance and management, etc.

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

Limited to modifications "before commencing" the entrustment or "during the entrustment period"

- ◆ Matters concerning the contractor
 - (i) Name of the contractor (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.)
 - (v) Implementation status of risk management measures
 - (vi) Places where critical maintenance and management, etc. are conducted

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

Limited to modifications "before commencing" the entrustment or "during the entrustment period"

- ◆ Matters concerning the contractor
 - (i) Name of the representative
 - (ii) Information on persons who directly hold 5% or more of the voting rights of the contractor (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 contractor
 - (iv) When the contractor 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

2 A subcontractor receiving re-entrustment of critical maintenance and management, etc.

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

Limited to modifications "before commencing" the entrustment or "during the entrustment period"

- ◆ Matters concerning the subcontractor
 - (i) Name of the subcontractor (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.)
 - (v) Implementation status of risk management measures
 - (vi) Places where critical maintenance and management, etc. are conducted

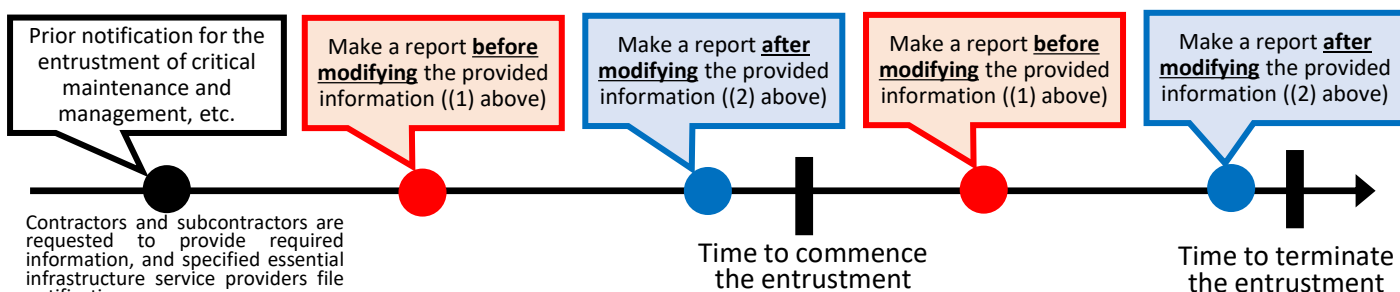
(2) Cases where information provision is required after the modifications

Limited to modifications "before commencing" the entrustment or "during the entrustment period"

- ◆ Matters concerning the subcontractor
 - (i) Name of the representative
 - (ii) Information on persons who directly hold 5% or more of the voting rights of the subcontractor (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 subcontractor
 - (iv) When the subcontractor 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

Contractors receiving entrustment of critical maintenance and management, etc. may obtain information on subcontractors and provide such information to relevant specified essential infrastructure service providers in some cases.

< Conceptual drawing of procedures for modifications >



* Notifications, etc. are not required after terminating the entrustment.

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 the cooperation of contractors and subcontractor's cooperation.

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

* 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 Contractor's cooperation

Number on notification form ↓

Keep operational logs and task histories, etc. and check unauthorized modifications regularly or as needed	①
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control regarding information on design documents, equipment, etc. they hold	③
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control in the environment where the entrusted duties are performed	④
Provide cybersecurity education	⑤
Confirm specified essential infrastructure service provider's approval is condition for each subcontract	⑥
Secure subcontractors' cybersecurity measures at the same level as those of contractors	⑦
Check the stability of business based on business plans, etc.	⑧
Check any violations to domestic laws and regulations and international standards in the last three years	⑨-1
Ensure to receive reports on a possible breach of contract due to legal environment, etc. in a foreign country	⑩-1
Ensure the provision of detailed information on suppliers	⑫

2 Under Subcontractor's cooperation

Keep operational logs and task histories, etc. and check the existence of any unauthorized modifications regularly or as needed	①
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control regarding information on design documents, equipment, etc. they hold	③
Conduct physical (ex. Entering and leaving the room) and logical (control the access to system) access control in the environment where the entrusted duties are performed	④
Provide cybersecurity education	⑤
Confirm specified essential infrastructure service provider's approval is condition for each subcontract	⑥
Secure subcontractors' cybersecurity measures at the same level as those of contractors	⑦
Check any violations to domestic laws and regulations and international standards in the last three years	⑨-2
Ensure to receive reports on a possible breach of contract due to legal environment, etc. in a foreign country	⑩-2
Ensure the provision of detailed information on suppliers	⑫

(Reference) Mainly taken by Specified essential infrastructure service providers

Regularly manage assets through means such as the application of the latest security patch	②
Confirm essential infrastructure service provider's approval is condition for each subcontract	⑥
Check the stability of business based on business plans, etc.	⑧
Check the appropriateness of the handling of information on video equipment (places for critical maintenance and management, etc.)	⑪