

BCP framework

Japan Securities Depository Center, Inc.

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I. What is BCP?

- Business Continuity Planning (BCP) refers to a plan to ensure swift execution of continued operation and recovery in the event of an assumed risk such as normal business operations become difficult to carry out.
- As a clearing and settlement institution, we are required by the Financial Services Agency's comprehensive guidelines for supervision of Financial Market Infrastructures and CPMI-IOSCO's Principles for Financial Market Infrastructures, to have a business continuity plan in place as part of usual operations.
- To fulfill this requirements, in recognition of our role as a critical settlement infrastructure in the capital markets and to ensure swift execution of continued operation and recovery in the event of an assumed risk, we have defined a BCP to ensure operational reliability based on the policies outlined below.

II. About the BCP system

Basic BCP Policy

- assumed risks
 - Widespread disasters due to a natural disaster, epidemic, or disruption of social infrastructure, isolated disasters due to fire or terrorist attack
 - System failures within the JASDEC Group
- priority operations to be continued or recovered

In the event of an assumed risks, although JASDEC Group will continue to conduct business as far as possible or resume business operations as soon as possible, we have identified three operations to prioritize for continuity and restoration.

 - Ensuring contact with JASDEC participants and related entities
 - Operations related to settlement of securities
 - Operations related to corporate actions
- recovery time objective
 - The recovery time objective (the target time from the initial cessation of a business function to its restoration) in the event of an assumed risks is defined generally as being within two hours.
 - We will also aim to complete in-progress settlements within the day.

II. About the BCP system

Backup System

➤ Office

We have established an Osaka office to continue operations, provide information on the status of operations, and respond to inquiries from outside even in the event that our head office becomes inoperable or inaccessible due to the disruption of social infrastructure.

In addition, the following measures are routinely taken by the BCP countermeasure office.

- Core operations are identified and procedures are established to resume such operations within the recovery time objective.
- Annual checks and manual improvements are conducted between the head office and the Osaka office to maintain the quality of operations and service level.

II. About the BCP system

➤ System

Operations data at the main center is duplicated at the backup center in close to real time.

In cases where the main center becomes unusable due to a disaster, infrastructure failure or other such events, and the restoration task is deemed to be time-consuming, the systems will be switched over to the backup center.

Establishment of BCP Countermeasure Office

In the event of an assumed risks deemed as having the potential to impede business operations, we will establish a BCP countermeasure office in charge of assessing damage, ensuring contact with JASDEC participants and related entities, and making decisions regarding the continuity of business operations.

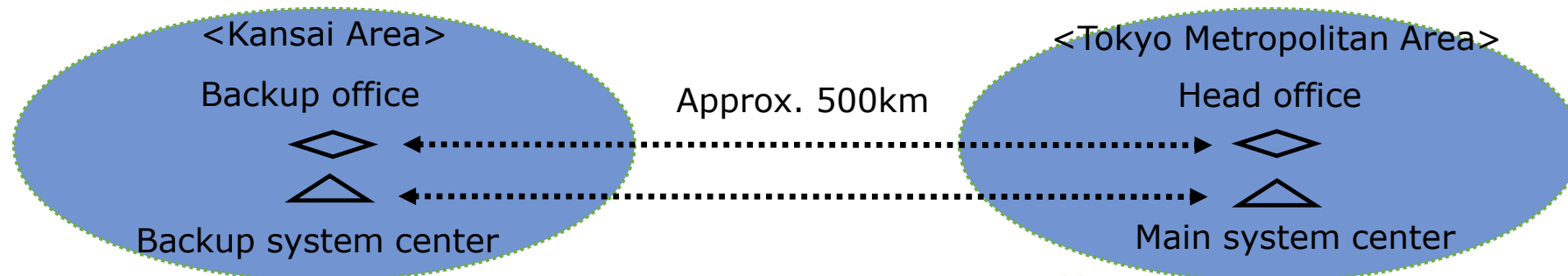
III. About the Osaka office

Location : Osaka Prefecture (address not disclosed)

History

- 2012 Jul. Established a BCP study group as a cross-sectional study body for BCP
- 2015 Feb. Resolved to make Osaka area the second base
- 2016 Feb. Established Osaka office (began trial operations)
 - Nov. Began full-scale operations at Osaka office
(6 employees, 5 temporary employees)
- 2017 Mar. Started BCP training
- 2021 May Moved System Backup Center to Kansai
- 2022 Jan. Created operational vendor room in the Osaka office
Established deployment of approximately 10 people from head office systems department to work from the office at all times

Dual operations are conducted in both Osaka and Tokyo with operational support staff stationed there.



III. About the Osaka office

BCP Training Outline

The Osaka office continuously conducts the following three types of BCP training

Type of Training	Training Outline	Frequency of implementation
Load training (simulation)	On the training day, in addition to the core operations that are handled on a bi-weekly basis, core operations conducted by the head office are also simulated at the Osaka office.	Conducted monthly
Load training (production)	All core operations are carried out at the Osaka office in cooperation with the head office.	Planned to be conducted twice in 2022 (July, December)
Group training	Each group will decide on its own theme to discuss business issues faced by each group in the Osaka office.	Conducted as needed (Planned to be implemented approximately 90 times in FY2022 as a whole)

In addition to the above, the company also participates in joint training sessions with the Japan Securities Dealers Association and the Japanese Bankers Association for the three markets (securities market, foreign exchange market, and short-term money market).

III. About the Osaka office

actual example (e.g., typhoon response)

2018

- Response to the Northern Osaka Earthquake (Osaka Office → Head Office)
- Response to Typhoon No. 12 (Head Office → Osaka Office)
- Response to Typhoon No. 21 (Osaka Office → Head Office)

2019

- Response to Typhoon No. 10 (Osaka Office → Head Office)
- Response to Typhoon No. 15 (Head Office → Osaka Office)

2021

- Response to the closure of the Osaka Office due to an outbreak of coronavirus infection
(Osaka Office → Head Office)

2022

- Response to heavy snowfall (Head Office → Osaka Office)
- Response to heavy snowfall (Head Office → Osaka Office)

Thank you !

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