

(Reference Translation)

## **BCP (Business Continuity Plan) of Japan Exchange Group**

Revised on April 1, 2022  
Japan Exchange Group

In order to fulfill our responsibility as part of the social infrastructure, Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc. (hereinafter "TSE"), Osaka Exchange, Inc. (hereinafter "OSE"), Tokyo Commodity Exchange, Inc. (hereinafter "TOCOM"), JPX Market Innovation & Research, Inc. and Japan Exchange Regulation (hereinafter the six entities will be collectively referred to as "the JPX group") have been engaged in efforts to establish a system to allow us to consistently and stably continue business operations in case of various actualized risks.

Specifically, the JPX group has developed a BCP (Business Continuity Plan) that defines the basic policy, system, procedures, and other matters relevant to continuing business in case of emergency situations in order to respond to various risks including natural disasters, system failure, terrorist attacks, and flu epidemics.

The JPX group believes that it is important for the BCP to be made known to as many trading participants and other related institutions as possible, and has now decided to publicize the BCP to the extent where it does not undermine our security.

### 1. Basic Policy

The BCP aims to clarify the basic policy pertaining to company-wide business continuity.

The purpose is to minimize the impact on stakeholders, including trading participants, listed companies, and investors, by continuing business activities to the greatest extent possible when an emergency situation arises. Through business continuity, we also aim to enhance our brand image, which is a source of corporate value of the JPX group, and improve confidence in the Japanese securities market and Japanese commodity derivatives market.

The basic policy on the continuation of trading and other operations on the TSE, OSE and TOCOM markets constitute the core of the BCP. Thus, the JPX group has publicized a "Contingency Plan for each market with the recognition that it is imperative for the BCP to be widely understood by parties who participate in these markets.

The Contingency Plans specify the basic measures to be taken in cases where it is

difficult to continue trading and other transactions in the TSE , OSE and/or TOCOM markets due to situations such as a system failure at the JPX group or a related external institution, natural disasters (such as earthquakes, strong winds, and floods), terrorist attacks, or a breakdown of the social infrastructure.

## 2. Target for Resumption

For business continuity based on the BCP, our basic policy at the JPX group is to continuously offer business operations to the maximum extent possible, and to aim for early resumption of operations in the event that the JPX group is forced to suspend business operations. Moreover, even in the case of a risk event that has an enormous impact on business continuity, such as a large-scale earthquake, the JPX group aims to resume necessary operations within approximately 24 hours following the occurrence of such risks, and to secure a state where trading and transactions can be resumed in the TSE , OSE and TOCOM markets and avoid a gap in trading days as far as possible.

To achieve this goal, the JPX group has been constructing a secondary center (a back-up data center) in a location that enables it to avoid being affected at the same time as the primary center (the data center where system operations are conducted in normal circumstances). Construction at the secondary center, in particular of core systems, is almost complete and we will be steadily and sequentially implementing initiatives to enhance our back-up structures toward further strengthening our system for securing business continuity.

## 3. Scope of BCP

### (1) Assumed Risks

The BCP covers responses for as wide a range of cases as possible by addressing assumed risks that may lead to suspension of operations with a combination of causal events and resultant events.

The casual events for which the BCP is prepared are natural disasters, including earthquakes, damage by wind or floods; system failure; breakdown of the social infrastructure such as electricity or telecommunication systems; terrorist attacks (actual destruction or cyber-terrorism); and flu epidemics. The BCP presumes events brought about by such causal events will result in the inability to use the building, inability to use systems, a lack of manpower, and the cessation of operations at external institutions among others.

## (2) Scope of Application

The BCP applies to the officers and employees of the JPX group (including representatives stationed overseas and secretaries employed overseas), temporary employees stationed in the facilities of the JPX group, and external staff including persons engaged in system development and maintenance.

The JPX group believes that it is important that related external institutions such as trading participants, many of which are closely involved in the continuity of our business, have a prior understanding of the Contingency Plans and related response measures, and continue to develop and improve communication systems even during normal times.

The BCP will be promptly applied to visitors, guests, and other persons in the facilities of the JPX group when an emergency situation occurs, clarifying in advance the department that will take care of these people.

## 4. Response Policy for Each Resultant Event

The BCP classifies the resultant events into the following three categories and sets forth a response policy for each category. Accordingly the BCP stipulates the system and procedures for continuing the bare minimum of business activity to the extent that the JPX group is capable in the event that any presumed emergency situation arises. Moreover, with respect to work done by each relevant department to continue business operations, the JPX group has prepared an instruction manual for each department, thereby establishing the system and structure for enabling smooth continuation of business during emergency situations.

### (1) Response based on the continued use of the primary center

This category of response refers to cases where the JPX group and related external institutions have sustained damage due to a risk event such as a large-scale earthquake, damage by wind or floods, or terrorist attack, but the primary center is still available.

In the cases where such an event occurs, some of the response measures the JPX group will take include:

- ① Setting up a BCP emergency headquarters
- ② Obtaining a firm understanding of the extent of damage
- ③ Considering and determining possible responses
- ④ Communicating with external entities

- ⑤ Comprehending the extent of damage/recovery of related external institutions
- ⑥ Procuring necessary resources
- ⑦ Conducting back-up operations (performing activities such as trading and other transactions at back-up offices)
- ⑧ Preparing for full-scale recovery

In the event that damage occurs, while the JPX group will make efforts to continue conducting trading and other transactions to the maximum extent possible by way of performing operations at back-up offices, the JPX group will suspend trading and other transactions in cases where the criteria for applying the Contingency Plan are met.

## (2) Response based on the switching of operations to the secondary center

This category of response refers to cases where the primary center has sustained localized damage or where the JPX group, the primary center, and related external institutions are afflicted simultaneously due to an inland earthquake in the Tokyo Metropolitan Area or surrounding area and the need to switch operations to the secondary center arises.

When the above event occurs, it is assumed that the JPX group applies the Contingency Plan and suspends trading temporarily. By switching operations to the secondary center, the JPX group is able to resume trading and other transactions as quickly as possible. (JPX aims to resume trading and other transactions within 24 hours by switching operations to the secondary center but will not resume such operations on the day of the event.)

## (3) System Failure

System failures refer to cases where it has become impossible to use the information systems of the JPX group due to hardware failure, application failure, communication line or other failure.

In the event of a system failure taking place, the JPX group will set up a key center around the relevant department to make an initial response, examine expected impact of the failure, and set up a system-related headquarters according to the extent of the failure. If the system failure is serious, the JPX group will set up a BCP emergency headquarters to implement the same response made in the case of (1).

In the event that a system failure occurs, while the JPX group will make an effort to continue trading and other transactions to the maximum extent possible, the JPX group will suspend trading and other operations in cases where the criteria for applying the Contingency Plan are met in terms of the severity of such system failure.

## 5. Development of the System and Procedures for Response

The JPX group has developed the following system and infrastructure in order to respond as stated in "4. Response policy for each resultant event":

### (1) BCP Emergency Headquarters

In order to implement the necessary response measures promptly and adequately in the event of an emergency situation, the JPX group will set up a BCP emergency headquarters to ascertain the state of damage and continuance of business operations, to communicate with related institutions, and to make necessary decisions.

### (2) Securing Manpower

In order to secure necessary manpower in cases where an emergency situation arises during night-time hours or on a non-business day, the JPX group has specified in advance the personnel who are to make the initial response. In order to promptly confirm the safety of personnel, including the officers and employees of the JPX group, and to enable the JPX group to secure manpower flexibly, the JPX group has introduced a system for confirming the safety of personnel.

### (3) Securing Means of Communication

In order to ensure that means of communication within the JPX group and with those outside are available in the event of an emergency situation, the JPX group has prepared various modes of communication such as telephones, facsimiles, priority telephones for times of disaster, mobile phones, e-mail, Target, notice via trading systems of JPX, and satellite phones. In addition, the JPX group has exchanged lists of communication contacts with related external institutions.

### (4) Back-up Offices

The JPX group has prepared back-up offices so that it can continue business operations at an area separate from the ordinary facilities in case they become unusable. At the same time, the JPX group has designated personnel that will move to back-up offices in an emergency situation.

### (5) Data Center

The JPX group has moved its core systems to a robust data center which meets all the requirements in the "FISC Security Guidelines on Computer Systems for Banking and Related Financial Institutions" of the Financial Information System Center (FISC) and for which the JPX group has also obtained ISMS (Information Security Management System)

certification.

#### (6) Tests and Training

In addition to verifying whether the contents of the BCP are appropriate or not, the JPX group has established a system for implementing BCP tests and training personnel including officers and employees at least once a year so that the JPX group can smoothly enact response measures set forth in the BCP in the event of an emergency situation.

#### 6. Future Tasks

While the response policy of the JPX group in the event of emergency situations and the outline of the system and procedures pertaining to such are mentioned above, the BCP needs to be continuously reviewed in response to the emergence of new risks and changes in circumstances.

In order to further enhance the system and procedures to secure business continuity, the JPX group will regularly review the BCP at least once a year, and will also review it on a timely basis in accordance with changes in circumstances.

Moreover, in order to strengthen the business continuity system of the securities market etc. as a whole, it is important for the JPX group to improve the system and procedures in collaboration with market related parties such as trading participants.

In order to examine a BCP for the securities market as a whole and to take measures on an as-needed basis, a forum to examine a BCP for the securities market as a whole (hereinafter "BCP Forum") was set up. It consists of concerned parties from self-regulatory organizations (the securities dealers association and exchanges), securities companies, and administrative authorities, and is currently discussing the development of a system and procedures for communication in case of emergency, and implementation of joint drills.

The JPX group strives not only to further enhance its business continuity system, but also to strengthen cooperation with market related parties through discussion at the BCP Forum, and at the same time, work proactively on enhancement of the BCP functions for the securities market as a whole.

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Corporate Strategy

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