Prepare for disasters with a business continuity system supporting a damaged head office

#### Large-scale disasters will damage public infrastructure and paralyze urban functions

Impact of the Great East Japan Earthquake on the Tokyo area included:

Approx. 5 million

stranded commuters

Estimated damage to infrastructure by the Tokyo inland earthquake includes:



Blackouts in approx. 50% of central Tokyo: over 1 week in the worst case



May be unavailable for 1 week to 1 month



Unavailable for over 1 day



(Maior roads) Unavailable for at least 1-2 days (General roads) Several weeks of severe traffic congestion



Scheduled blackouts for approx. 1 month



Unavailable in approx. 50% of central Tokyo; sewage systems unavailable in approx. 10% of the area



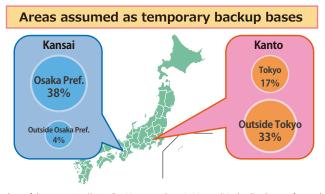
Source: Final Report by the WG on Tokyo Inland Earthquake (Dec. 2013)

Light oil, gasoline, and kerosene not supplied to end users

# Do you have a perfect BCP?

To continue mission critical activities in an emergency, it is effective to establish "backup bases" away from the head office!

## Approx. 40% of major companies selected Osaka for their backup bases \*



#### Companies with backup bases in Osaka

- AIG Japan Holdings K.K.
- (in random order)
- NTT Communications Corporation
- Cosmo Energy Holdings Co., Ltd.
- Shimizu Corporation
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Nissin Foods Holdings, Co., Ltd.
- Japan Airlines Co., Ltd.

and more

(Period) Nov. 17 – Dec. 8, 2017 (Method) Survey forms distributed and returned by mail Multiple answer questions \* Outline of the survey

(Respondents) Companies headquartered in Tokyo and listed on the TSE First Section (1,109 companies) (Valid responses) 135 companies (12.2%)

Companies that have backup bases in Osaka are introduced on this website.

https://www.city.osaka.lg.jp/fukushutosuishin/page/0000462730.html







Second Capital Promotion Bureau, Osaka Prefecture and City of Osaka

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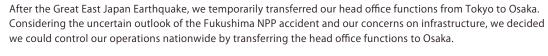
## Companies having backup bases in Osaka

#### **AIG Japan Holdings K.K.**

In expanding its business in Japan, the company established its second business base in Osaka, following Tokyo, equipped with the functions of the group's head office in Japan. Thus, the company reinforced its business continuity system in an emergency.

# Statement of Mr. Robert L. Noddin, President and CEO From "Establishment of a second base with head office functions in Osaka"

(Second meeting of the Second Capital Promotion Headquarters in Feb. 2016)



It took three days for the transfer. This is too long.

Why Osaka? Osaka is one of the most convenient areas in Japan, highly accessible from international airports and seaports. It is also easy to travel from Osaka to other places in Japan. We can travel easily by ship, train or car without stress.

Our business base in Osaka has always supervised our offices in western Japan. We are not changing this point. By posting many senior managers to Osaka and enhancing the skills of the Osaka base, we aim to empower the Osaka base so that it can serve as substitute head offices in Japan and the U.S. when necessary.



### Nissin Foods Holdings Co., Ltd.

The primary plan is to use the Hachioji research institute for backing up business operations. If it is unavailable due to a blackout or other reasons, the supply chain management sector will be transferred to the Osaka Head Office.

A disaster response headquarters will be set up within 2 hours after the occurrence of a disaster, which will judge the necessity of function transfer within 6 hours. The destination will be decided based on the status of potential sites.

Since working in disaster-affected areas is a heavy burden for employees, the company ensures an environment supporting long-term work in Osaka. (Reservation of transportation, accommodation, etc. in advance)

# (Business continuity of the supply chain management sector) \*\*When the Tokyo Head Office is affected Tokyo Head Office Research institute "the WAVE" (Hachioji) Osaka Head Office

- · On foot & company-owned bus;
- · stay at hotels around Hachioji
- · Long-distance bus;
- · stay at hotels in Osaka

## Cosmo Energy Holdings Co., Ltd.

When a disaster occurs, each group company engaged in oil product supply will set up its own emergency response headquarters and implement the BCP.

If the head office functions are lost or damaged, temporary emergency response headquarters will be established at Cosmo Oil Co., Ltd. Sakai Refinery and Cosmo Oil Marketing Co., Ltd. Kansai Branch, to which the head office authority related to oil product supply will be transferred.

System management and public relations functions of Cosmo Energy Holdings Co., Ltd., which has no offices in Osaka, will be transferred to the Sakai Refinery.

#### **BCP-based system at Tokyo Head Office**



## BCP-based system in Osaka (When the head office functions are lost or damaged)

