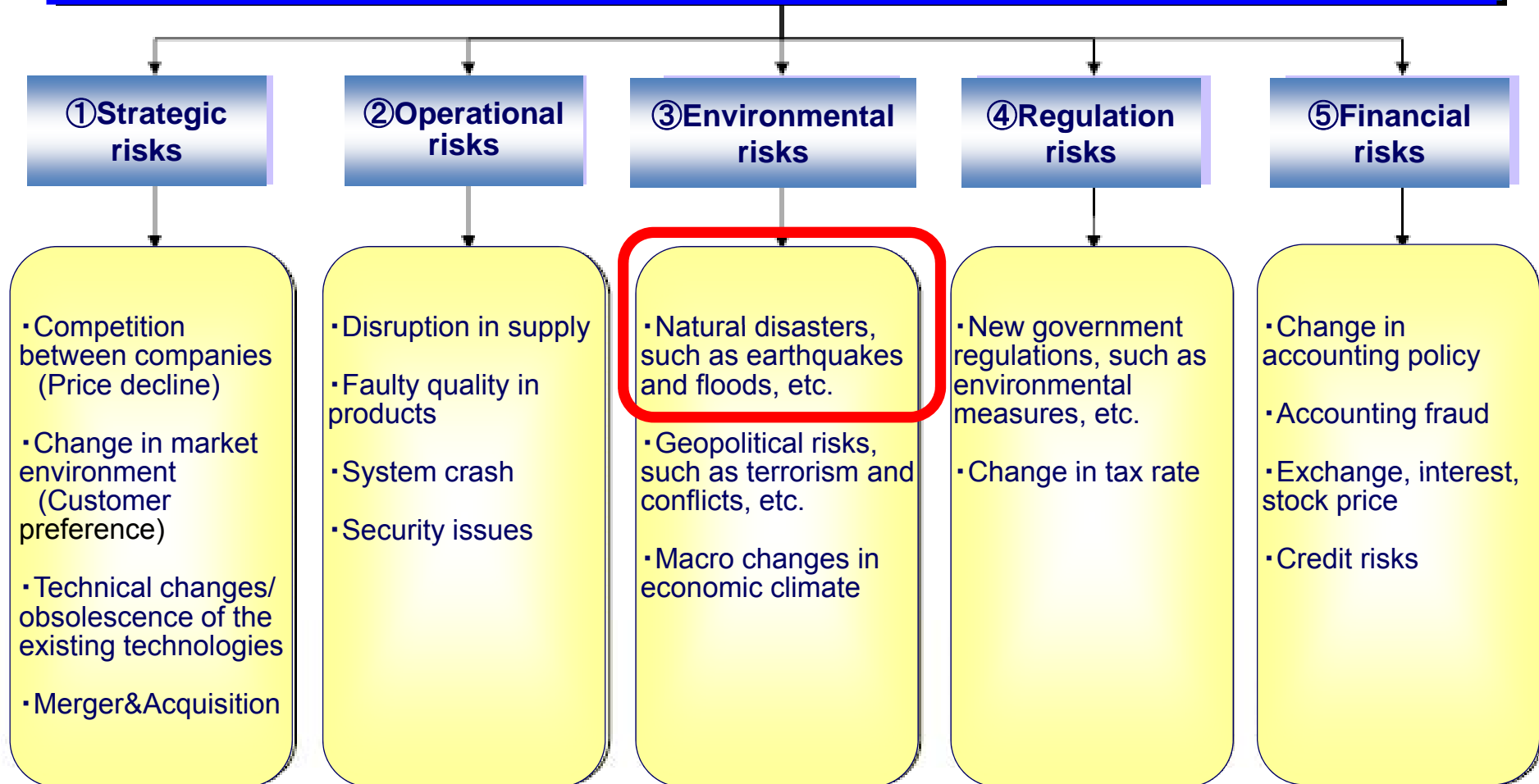KEIDANREN

Enterprise Disaster Risk Management and Cooperation with the Government

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Enterprise Risks

①Strategic risks

・Competition between companies (Price decline)

・Change in market environment (Customer preference)

・Technical changes/ obsolescence of the existing technologies

・Merger&Acquisition

②Operational risks

・Disruption in supply

・Faulty quality in products

・System crash

・Security issues

③Environmental risks

・Natural disasters, such as earthquakes and floods, etc.

・Geopolitical risks, such as terrorism and conflicts, etc.

・Macro changes in economic climate

④Regulation risks

・New government regulations, such as environmental measures, etc.

・Change in tax rate

⑤Financial risks

・Change in accounting policy

・Accounting fraud

・Exchange, interest, stock price

・Credit risks

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(1) March, 2012 Policy Proposal

"Toward a More Resilient Society"

Acknowledgment:
It is urgently necessary to further enhance the initiatives for preventing/reducing
   disasters by companies and government as a result of the verification regarding
   response to the Great East Japan Earthquake.
   (Ex) Acceleration in safety confirmation, securing of sufficient stockpiles,
         and business continuity including business partners, etc.

Proposal points:

Based on the lessons learned from the Great East Japan Earthquake, propose specific
   measures toward the enhancement of crisis response capability of each entity
   including companies and the Government

① Initiatives by companies/business communities
・ Initiatives during ordinary time such as multiplexed safety confirmation measures and securing of
   stockpiles
・ Response toward reconstruction, such as business continuity, after disaster occurrence

② Response required to be implemented by the Government
・ Initiatives during ordinary time such as reviewing of designated public institution stipulated in the
   Basic Act on Disaster Control Measures
・ Response toward reconstruction, such as temporary relaxation of regulations regarding emergency
   transportation of materials, after disaster occurrence

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(2) February, 2013 Policy Proposal
"Enhancing Effectiveness of Business Continuity Plan"

Acknowledgment:
It is urgently necessary to enhance measures since the business continuity risk has
been increasing including concerns about Tokyo Inland Earthquake and Great
Nankai Trough Earthquake, large-size natural disasters including overseas disasters.

Proposal points:
Propose by indicating the initiatives required to be implemented by companies and the Government
respectively with the focus on enhancing business continuity level of companies

1. Initiatives to be implemented by companies/business communities
① Promote BCP led by executives

② Improve BCP effectiveness
→ System enhancement including personnel gathering outside of working hours,
BCP based on result events, utilization of cutting-edge ICT technology

③ Establish business continuity system across the borders of organizations
→ Cooperation within a company/group, cooperation within industry,
cooperation with supply chain, and cooperation with community

2. Requests for the Government
① Establish a healthy economic society
→ Reviewing of designated public institution stipulated in the Basic Act on Disaster Control Measures, etc.

② Support the initiatives implemented by companies/business communities
→ Subsidies for initiatives for preventing/ reducing disasters, etc.

Summary

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Corporate disaster prevention

Public-private cooperation

Enhancement of disaster prevention capabilities in the overall society