

Guidelines on Formulating and Implementing BCPs for Small and Medium Enterprises

1st Ed.

Preparations to Ensure that Businesses Can Survive any
Emergency Situation

(Basic Course)

Ministry of Economy, Trade and Industry, Japan

Note: This English version is excerpted from the Basic Course, which is one of the three courses—Basic Course, Intermediate Course, and Advanced Course—comprising these Guidelines.

Table of Contents

Note: This English version contains the underlined sections.

On release of a BCP (Business Continuity Plan) for Small and Medium Enterprises

1.	<u>Introduction</u>	1-1
1.1	<u>What is a BCP for Small and Medium Enterprises?</u>	
1.2	<u>How to Use these Guidelines</u>	
1.3	<u>Introductory Assessment</u>	
2.	<u>Basic Policy and Operating Framework</u>	2-1
2.1	<u>Drafting the Basic Policy</u>	
2.2	<u>Establishing a Formulation and Operation Framework</u>	
3.	<u>Formulation and Operation of a BCP during Normal Periods (Basic Course)</u>	3-1
3.1	<u>Understanding the Business Operations</u>	
3.2	<u>Considering BCP Preparations and Prior Measures</u>	
3.3	<u>Formulating a BCP</u>	
3.4	<u>Establishing BCP Culture</u>	
3.5	<u>Conducting BCP Assessment, Maintenance, and Updating</u>	
3.6	<u>Self-Assessment of BCP Formulation and Operation (Basic Course)</u>	
3.	Formulation and Operation of a BCP during Normal Periods (Intermediate Course)...	3-23
3.1	Understanding the Business Activities	
3.2	Considering BCP Preparations and Prior Measures	
3.3	Formulating the BCP	
3.4	Establishing a BCP Culture	
3.5	Conducting BCP Assessment, Maintenance, and Updating	
3.6	Self-Assessment of BCP Formulation and Operation	
3.	Formulation and Operation of a BCP during Normal Periods (Advanced Course)	3-65
3.1	Expanding the Scope of the BCP	
3.2	Deepening Analysis of the BCP	

4.	Implementing the BCP in an Emergency	4-1
4.1	BCP Implementation Procedures in an Emergency	
4.2	Implementation Items in Accordance with the Procedures	
4.3	Initial Responses for Each Emergency Situation	
5.	Financial Assessment Model (Basic Course)	5-1
5.1	Estimation of Recovery Costs	
5.2	Arrangement of Accident Insurance	
5.3	Funds Usable during Emergencies	
5.4	Financial Assessment and Cash Flow Measures	
5.	Financial Assessment Model (Intermediate Course)	5-14
5.1	Calculation of Recovery Expenses	
5.2	Procurement of Recovery Expenses	
5.3	Calculation of Cash Flow after Outbreak of Emergency Situation	
5.4	Approach to Prior Measures	
5.	Financial Assessment Model (Advanced Course)	5-46
5.1	Impact of Asset Damage and Business Suspension on Finances	
5.2	Financial Impact of Each Type of Emergency Situation	
5.3	Estimation of Recovery Expenses for Multiple Departments and Business Sites	
5.4	Procedures for creating and Calculating Income Statements Using Direct Cost Accounting	
6.	List of Prior Measures	6-1
7.	BCP Forms (Entry Sheets)	7-1
8.	BCP-related Materials	8-1
9.	Glossary	9-1
10.	Review Framework for these Guidelines	10-1

1. Introduction

What would you do with your company as an executive if there were a major earthquake, a business site were flooded, or there were an outbreak of a new flu virus? Would you be able to ensure the safety of the management, employees, and their families? Could the production facilities immediately be repaired? Would your customers continue to place their orders? Since small and medium enterprises have vulnerable management foundations, they face a substantial danger of being unable to respond and having to be out of business if an emergency were to occur.

Surely most business managers would like to somehow recover their business and sustain the company even if met with an emergency. It would seem that within the minds of business managers there is some idea of what would happen to the company and what actions should be taken in an emergency.

These Guidelines¹ attempt to help managers of small and medium enterprises guide their companies through emergency situations intact, by fleshing out and considering such emergency response ideas and arranging countermeasures in advance. Prior preparations to survive disasters take on special importance for small and medium enterprises.

In short, these Guidelines aim to aid managers of small and medium enterprises in the formulation and day-to-day operation of BCPs (Business Continuity Plans). These Guidelines first explain the significance of companies formulating and operating BCPs, then how to establish a successful BCP using the tools we provide. Also included is a simple introductory assessment, which you are encouraged to use to evaluate your company's current level of business continuity readiness.

¹ These Guidelines are in their 1st Edition (released in February 2006), and are planned to be revised as needed.

1.1 What is a BCP (Business Continuity Plan)?

A BCP (Business Continuity Plan) is a plan that lays out the actions to be taken during normal periods and the means and methods by which business continuity can be ensured in the event that the company is struck by a natural disaster, major earthquake, terrorist attack, or other emergency situation, so that core business operations can continue or swift recovery is enabled while minimizing the damage to the company's assets.

Emergencies occur without warning. If effective countermeasures are not taken, there is a danger that the business could be destroyed, especially for small and medium enterprises with their vulnerable management foundations. There are also situations where the emergency will force the business to downsize and lay off employees.²

In order avoid being forced into bankruptcy or downsizing in the event of an emergency, it is important to make thorough BCP preparations during normal times and sustain or quickly restore business in case of emergency.³ Such businesses retain customers' trust, receive accolades from related market participants, and maintain or enhance corporate value in the eyes of shareholders.

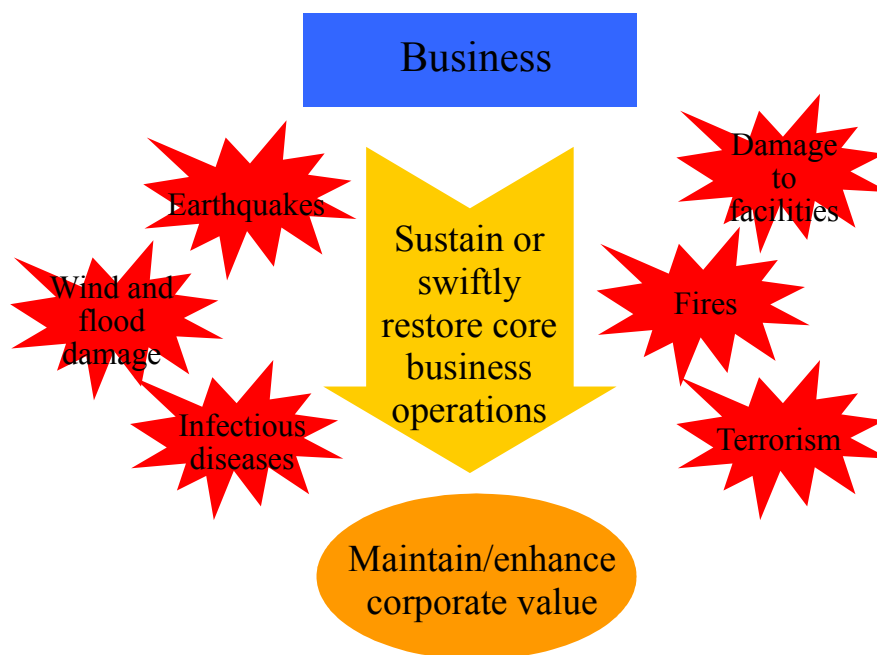


Fig. 1.1-1: The Role of BCPs (Business Continuity Plans)

² In the Niigata Prefecture Chuetsu Earthquake (October 2004), a total of 985 people were laid off at 132 companies (according to the Niigata Labor Bureau, January 2005). Moreover, an electronic parts manufacturer incurred approximately ¥50 billion in damages, and was forced to downsize by laying off 100 of its 1,500 employees, transferring 100 more, and completely eliminating their 500 contractors and temporary workers.

³ [Document 08] Please refer to the BCPs for businesses in the Niigata Prefecture Chuetsu Earthquake.

The characteristics of this proposed BCP are: (1) it designates the core business operations that are to be preferentially sustained or restored; (2) it specifies the target recovery time for core business operations in case of emergency; (3) it entails prior consultation with customers regarding the level of services able to be offered during an emergency; (4) it establishes replacement measures for business sites, production facilities, and procurement of sourced items; and (5) it involves communication with all employees regarding business continuity.

When faced with a major earthquake or other emergency, businesses suffer tremendous losses to their rates of operation (see Fig. 1.1-2). Companies that have made no preparations are much slower to recover, may be forced to reduce the scale of their operations, and, with no ability to recover, could be forced out of business. On the other hand, companies that have introduced a BCP can sustain or rapidly restore core business operations even in an emergency, and can subsequently restore their rates of operation to full capacity and earn the trust of the market so that they may further expand as a result.⁴

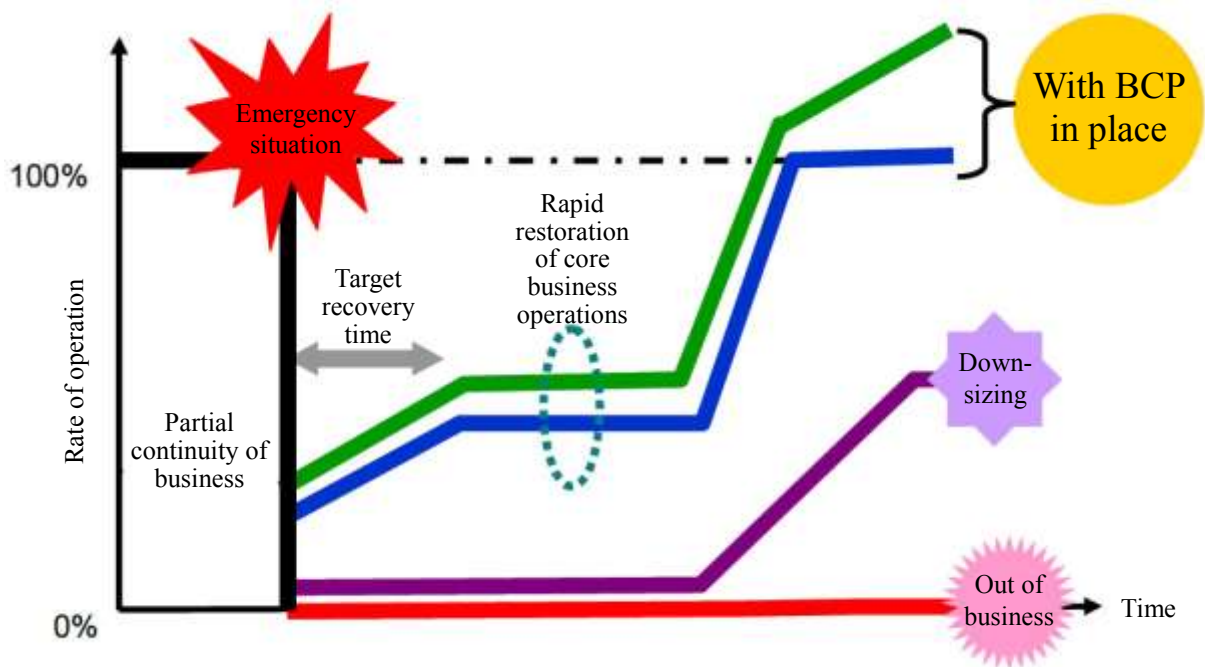


Fig. 1.1-2: Visual Representation of the Effects of Introducing BCPs on Companies' Restoration of Business Activities

⁴ [Document 4] Please refer to the example earthquake damage countermeasure scenarios with and without a BCP in place.

The key points in formulating and operating a BCP are to first draft a basic BCP policy and establish an operating framework, then to go through the formulation and operation process on a daily basis.⁵ These Guidelines will explain how to implement a BCP in accordance with the flow of BCP formulation and operation.

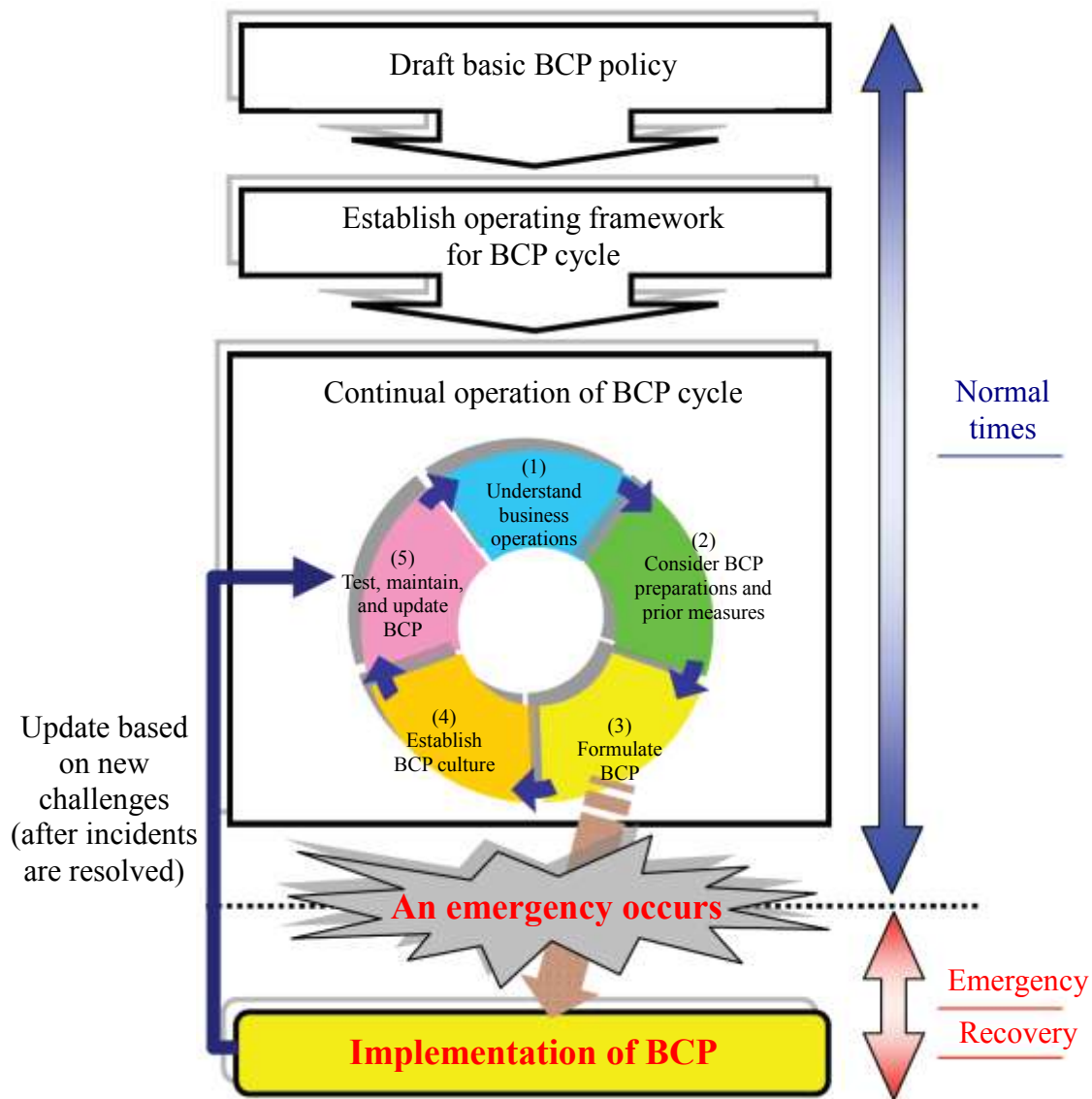


Fig. 1.1-3: Overall View of BCP Formulation, Operation, and Invocation in an Emergency
Source: Created based on the management cycle recommended by the BCI (The Business Continuity Institute)

⁵ A BCP is not completed when it is formulated. It only becomes useful in emergency situations if it is constantly improved, shared among employees, and utilized for drills and other preparations. The PDCA cycle (Plan → Do → Check → Action), which is often used in risk management, is based on the same philosophy of making continual improvements.

1.2 How to Use these Guidelines

These Guidelines aim to assist managers of small and medium enterprises in formulating BCPs for their own companies together with their employees, put the BCPs into operation on a daily basis, and prepare to implement those BCPs in case of emergency.

Three courses have been prepared to accommodate the time and labor each small and medium enterprise can afford to invest, so please choose the course that suits your company best.

Table 1.2-1: The Three Courses Arranged in these Guidelines

Course	Description	Estimated No. of Days Needed to Formulate BCP
Basic Course	This course is suited to most business managers who aim to start formulating and operating BCPs. Managers' thinking should be organized in accordance with the BCP cycle and entered into the BCP form.	A total of one to two days for a single business manager
Intermediate Course	This course is recommended for business managers who would like to establish a BCP while studying the theory of BCP formulation and operation. This course systematically covers BCP formulation, operation, and preparation in line with the BCP cycle.	A total of three to five days for a single business manager, or two to three days for a business manager and several others, including an assistant leader
Advanced Course	This is a course for business managers who have already formulated a BCP and put it into operation in the Intermediate Course, and who wish to cooperate with several other firms or perform deeper analysis in BCP formulation and operation. Please strive to build your own company's BCP while referencing the various materials presented in these Guidelines.	A total of about one week for a business manager and several others, including an assistant leader.

Note: The estimates for the number of days required are for the BCP formulation only, and will vary depending on the size of the business, its operations, and the prior preparations selected. Additional time will be required for engaging in BCP operations (education, training, and plan revisions).



Fig. 1.2-1: How to Use these Guidelines

1.3 Introductory Assessment

Before getting into the content of these Guidelines, please take a moment to assess the current business continuity capabilities of your company. Please answer “Yes” or “No” to each of the questions on the checklist on the next page.

○ Results of Evaluation via the Introductory Assessment Checklist

The results of the checklist indicate whether your company is currently prepared for business continuity and speedy recovery in the event of an emergency. Please reference the points of evaluation (approximate) in the following table, based on the number of “Yes” responses you gave in the checklist, to engage in BCP formulation and operation using these Guidelines and improve your company’s business continuity capabilities.

No. of “Yes” Responses	Evaluation (Approximate)
16 to 20	Your company seems to be advancing efforts in line with the BCP approach. It is recommended that you follow these Guidelines to check your company’s BCP and make it more resilient.
6 to 15	Your awareness of preparation for emergencies seems high, but there still seem to be many areas to improve upon. You will need to formulate a practical BCP and advance its operation during normal times based on these Guidelines.
0 to 5	If your company were to face an emergency situation now, there is a high risk of long-term business suspension and even permanent closure. Please follow these Guidelines to formulate and operate a BCP, starting from the very basics. Please immediately start doing whatever you can do.

Introductory Assessment Checklist				
		Yes	No	Unknown
Human Resources	Have you made appropriate plans for handling damages in the event of an emergency, to secure the safety and health of your employees until help arrives?			
	If an emergency occurred during work hours, or during non-work hours, would you be able to get in touch with your employees?			
	Do you conduct evacuation drills on a regular basis?			
	Have any of your employees received first aid or CPR training?			
Physical Resources (Tangible Assets)	Could your buildings withstand the shock of a natural disaster? Would the equipment in those buildings be protected from such a shock?			
	Are checks performed on exterior walls, fences, entrance doors, and the windows of your buildings on a regular basis to ensure their integrity in order to thwart intruders?			
	Have you ascertained the risks associated with damage from earthquakes or floods near your company?			
	Do you have a catalogued list of all your company's facilities and equipment that can be easily updated?			
Physical Resources (Funds)	Have you ascertained the losses the company would incur if business were to be suspended for about one week or one month?			
	Have you consulted with an insurance expert to determine whether the scope of coverage of your present insurance policy is suitable for restarting business operations after a disaster?			
	Have you determined a funding system for advance disaster countermeasures and recovery in the event of a disaster?			
	Have you secured cash flow in the amount corresponding to business operation funding requirements for approximately one month?			
Physical Resources (Information)	Have you made copies or backups of company data?			
	Do you store copies or backups of data at any location besides your company's offices?			
	Is there a way to replace IT equipment/systems that are essential for operations if they cannot be used due to malfunction or other reasons?			
	Have you created a list of contacts for your major customers and various public agencies?			
Business Continuity	Have you considered what would likely happen to your business activities if your company were struck by a disaster of natural or human origin?			
	In the event of such an emergency, have you considered which business activities should be preferentially sustained or recovered and what would need to be done to achieve that, and have you taken any concrete steps on that front?			
	Can alternative means be provided in case of lengthy power outages, phone line congestion, computer system downtime, or cessation of delivery of raw materials from suppliers?			
	Is there a system in place whereby a replacement would take over direction of the company if you, as president, were on a business trip or were injured?			

○ Tabulation of Results

	Human Resources	Physical Resources (Tangible Assets)	Physical Resources (Funds)	Physical Resources (Information)	Business Continuity	(Total)
Number of "Yes" responses	___ /4	___ /4	___ /4	___ /4	___ /4	___ /20

2. Basic Policy and Operating Framework

Please draft a basic policy for your company in formulating and operating its BCP. Then determine the internal framework for advancing the formulation and operation of the BCP.

The basic policy and operating framework that has been drafted and decided on should be entered into the designated [7. BCP Forms] and incorporated as part of your company's BCP.

2.1 Drafting the Basic BCP Policy

Why formulate a BCP and operate it on a daily basis? What are the implications of a small and medium enterprise formulating and operating a BCP? Examples of this will be presented below, so managers please put them in your own words to formulate your company's basic BCP policy (enter the basic BCP policy in [Form 02]).

(1) The Purpose of BCP Formulation and Operation

In order for a company to survive, it must protect the lives and health of its employees and their families while sustaining the business, preserving the customers' trust, and maintaining sales. If the business functions and sales can be secured, the job status of employees can also be protected. This also leads to retaining the vitality of the local economy.

The purpose of formulating and operating a BCP is to make preparations so that the business can continue operations even in an emergency, so that the three factors of trust from customers, job status of employees, and vitality of the local economy can be secured.¹

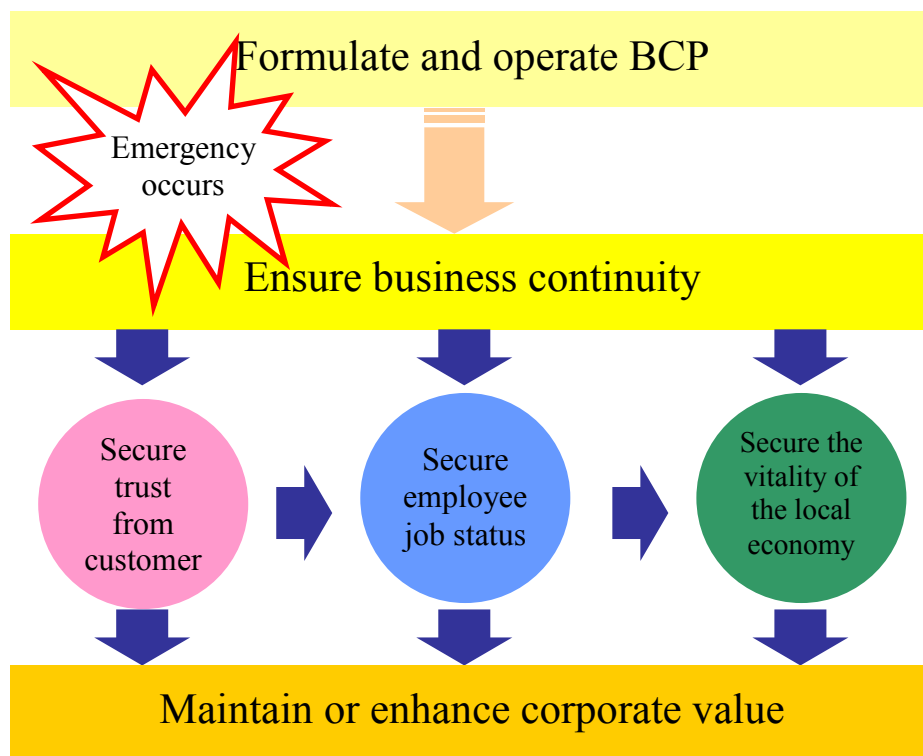


Fig. 2.1-1: The Purpose of BCP Formulation and Operation

¹ Small and medium enterprises in Japan comprise 99.7% of all companies, employ 70.2% of all employees (as of 2001), and constitute the backbone of Japan's industry. As such, from the standpoint of Japan's overall industrial competitiveness, there is a need to ensure that small and medium enterprises are managed in a way that is resilient to emergency situations.

(2) The Essential Points of Small and Medium Enterprise BCPs

Although BCPs are formulated and operated by all enterprises without regard to scale, from major corporations to mid-sized companies and family-run businesses, the following four aspects warrant particular attention for small and medium enterprises BCPs.

- Businesses should help each other out

Small and medium enterprises conduct their business operations by dividing up tasks on a day-to-day basis, exchanging information, and otherwise helping each other out. In emergencies, the less impaired companies will help other companies in the same group or their business partners, which ends up contributing to the company's own business continuity.²

- Business ethics should be preserved even in emergencies

The ethical standards of maintaining orders to cooperative companies,³ properly paying partner companies, and not engaging in price-gouging must be upheld, or else companies lose trust, dashing their hopes of recovering their businesses even after factories and storefronts are repaired.⁴

- The local community should be valued

The customers or executives and employees of small and medium enterprises may be local residents. It is preferable that companies leverage their capabilities to rescue disaster victims, provide products, and otherwise contribute to the local community, alongside their business continuity efforts.

- Public assistance systems should be utilized

In Japan, public financial institutions have extensive aid systems in place, such as emergency financing systems and special consultation points for small and medium enterprises. These systems will be introduced in these Guidelines, so please take advantage of them.⁵

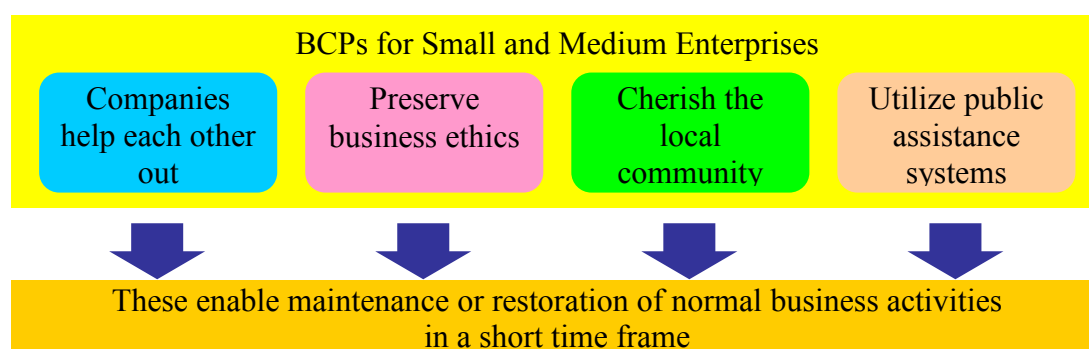


Fig. 2.1-2: The Essential Points of BCPs Formulated by Small and Medium Enterprises

² Rather than working alone, it is extremely effective for businesses to coordinate with consortiums or similar groups to formulate and operate BCPs.

³ If a cooperative company is damaged in a disaster, it is foreseeable that another company will be called upon as a replacement temporarily to ensure business continuity. It is preferable that orders to the damaged partner company be restored once it recovers.

⁴ As is also true in the case of large firms, a loss of trust with related companies is a major blow to small and medium enterprises, which have a limited base of suppliers.

⁵ [Document 10] Public Assistance Systems for Small and Medium Enterprises Hit by Disasters

2.2 Establishing a Formulation and Operation Framework

In your company, you should formulate a BCP according to these Guidelines and determine an internal framework for advancing operation of the BCP on a daily basis. Please consider the following items in determining the framework you will formulate and advance (enter the BCP formulation and operation framework [Form 03]).

- Business managers should lead by example in promoting formulation and operation

The formulation and operation of the BCP is a top management priority, and leadership by the company's management is essential.

- People should be chosen according to the size of the business and its allocation of tasks

Just one manager in the case of family-run businesses is acceptable, but if tasks are allocated in terms of general affairs, finances, labor, technology, sales, and so on, please have assistant leaders from each department participate.

- Exchanges of opinions and discussions should be held with partner companies and cooperative companies

Coordinating with partner companies and cooperative companies is important for business continuity in an emergency. It is advisable to frequently exchange opinions and hold discussions concerning BCPs. It is also effective for business cooperatives and shopping area member businesses to coordinate on BCP formulation and operation, and for commerce societies and chambers of commerce to hold study meetings covering BCPs.

- All employees should be informed that the company is promoting the formulation and operation of a BCP

All employees are part of BCP operations, and the success or failure of the plan is dependent on the actions of the employees during an actual emergency. Employee consciousness of participation in BCP operations needs to be raised.

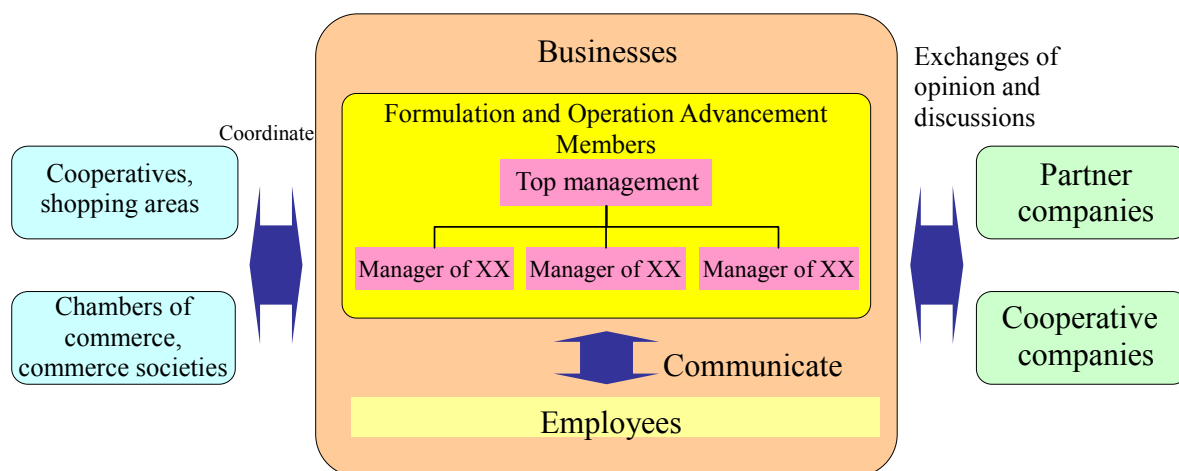


Fig. 2.2-1: BCP formulation and operation framework

3. Formulation and Operation of a BCP during Normal Periods (Basic Course)

Here, for the Basic Course, we explain the formulation procedures for creating the minimum necessary BCP for a small or medium enterprise in the *fastest* and *simplest* possible way. However, before doing so, let's reconfirm why it is necessary to formulate a BCP in the first place.

For instance, if your company fell into a situation like the following, consider whether you could really sustain business as usual.

Example 1: Due to a major earthquake, many of the computers and other devices in your company's offices fall from their desks, or important manufacturing equipment at your company's plant falls over, and are unable to be used

Example 2: Due to a fire, your company's building, various documents, computers, and other devices at your office, and important manufacturing equipment at your company's plant are burned and rendered unusable

Example 3: Due to a major flood of a nearby river, your company offices and plants are flooded, rendering work impossible at your offices or incapacitating important manufacturing equipment at your plants

Example 4: Due to a major influenza or new contagious disease epidemic, a majority of your company's employees are unable to report to work for a week or more.

In most cases, a company that had no prior preparations or readiness would likely have a very difficult time continuing operations as usual if it were faced with one of the above situations.

Small and medium enterprises in particular might be quickly forced out of business or into bankruptcy by the suspension of operations that would result in these scenarios. It is therefore important, first of all, to be aware of the necessity of making preparations for such sudden emergency situations in normal times as an urgent challenge to be faced. Moreover, for small- and medium-sized parts manufacturers within the supply chain of major corporations, there are cases where the impact on the whole supply chain could be massive, and where the impact would affect not only the disaster-struck areas but also have repercussions across Japan.

For such reasons, if your company faces a natural disaster, fire, or other emergency situation, it is necessary to decide in advance what activities should be undertaken during normal times and what means and methods will be employed to ensure business continuity in an emergency, in order to sustain core business operations and realize swift recovery while minimizing damage to those assets that are essential for your operations. That plan will be the BCP (Business Continuity Plan) you are about to formulate.

Preparing a BCP will not only aid in achieving business continuity and rapid recovery in the event of an emergency, it will also help maintain the trust of your customers and enhance how your company is evaluated by related market participants and shareholders.

As a specific example, in the past there has been no shortage of cases where, especially for business suspensions of company's hit by major disasters, a certain degree of liability forgiveness measures have been adopted, owing to the generosity of partner firms.

However, amid advancing globalization, it is fully conceivable that the competitive business environment will grow even more fierce and that suspension of business operations will not be excused just because of an emergency situation. When you consider whether, if you were a manager of one of your partner companies, you would choose to contract with Company A, which has formulated a BCP, or Company B, which has not, other conditions being mostly equal the choice would surely be clear.

In view of a variety of background factors such as those already mentioned, your company also needs a BCP, and such is expected of your company by society.

The Basic Course covers the formulation of the BCP by having business managers fill out each form in Section 7. **BCP Forms**. It is preferable that the content entered in the forms be shared with all employees and used to prepare for emergency situations.

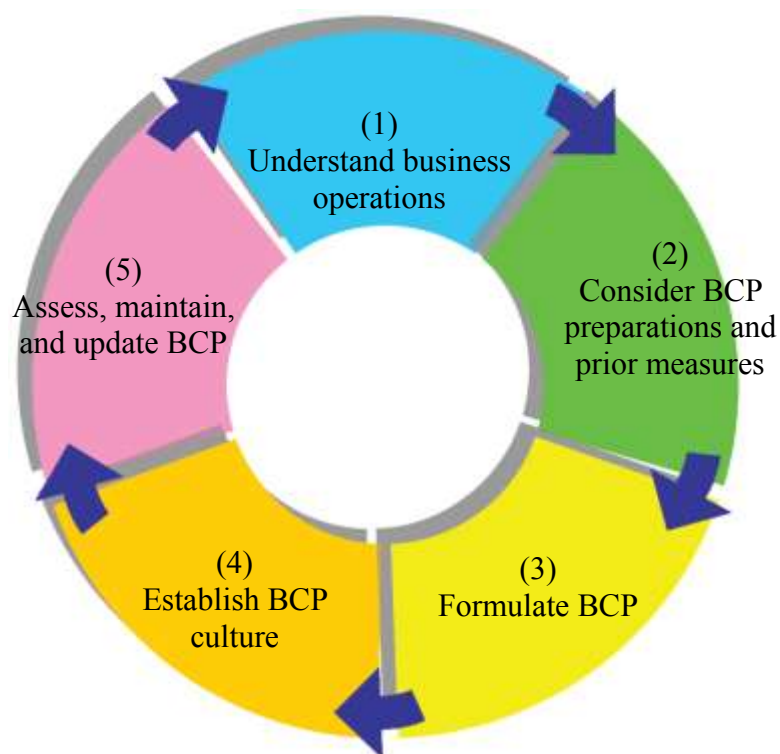


Fig. 3.1-1: BCP Formulation and Operation Cycle

3.1 Understanding the Business Operations

(1) The Objectives of this Process

While a business entails various large and small business operations and a number of related tasks, in the event of a major earthquake or accident you must sustain your company's business operations within the scope afforded by limited personnel and resources. To achieve this, the first step of the BCP is to make executive judgments in advance as to, initially, which products and services will be prioritized in terms of their production and provision.

(2) What will be Implemented in the Process

<1> Evaluate the Level of Impact on Business Operations

First identify your company's core business operations. In these Guidelines, "core business operations" refers to the most important (or most urgent) business operations in terms of the continuity of the company. For small and medium enterprises, the core business operations are ultimately determined at the discretion of top management. It is recommended that you list several business functions that are deemed important in your company and then prioritize them in terms of finances, customer relations, and the demands of society.

Point of Consideration <1>: What are your company's core business operations?

(Example: "Production and supply of Product A to Customer X.")

If you set your company's core business operations as supplying the same Product A to several customers, you will write, "Production and supply of Product A to Customer X, Customer Y, etc." Likewise, if your contractual history with a certain Customer X is the top priority and that customer needs to be furnished with several products, you will write, "Production and supply of Product A, Product B, etc. to Customer X."

After identifying the core business operations, you should then determine the processes related to the core business operations, specifically: order-taking, inventory management for parts and materials, shipping, delivery, payment, and account settlement. These Guidelines refer to these operations as "critical operations."

Point of Consideration <2>: What resources (personnel, physical resources, money, information, etc.) are necessary for the continuity of your company's core business operations and critical operations?

(To the extent possible, write down whatever comes to mind, so that there will be no omissions.)

In these Guidelines, these resources are referred to as "critical resources," and the relationship among the core business operations, critical operations, and resources is shown in Fig. 3.1-2. For instance, "personnel" includes your company's employees and those of cooperative

companies, and “physical resources” also includes facilities, equipment, raw materials, and utilities: power, gas, and water.

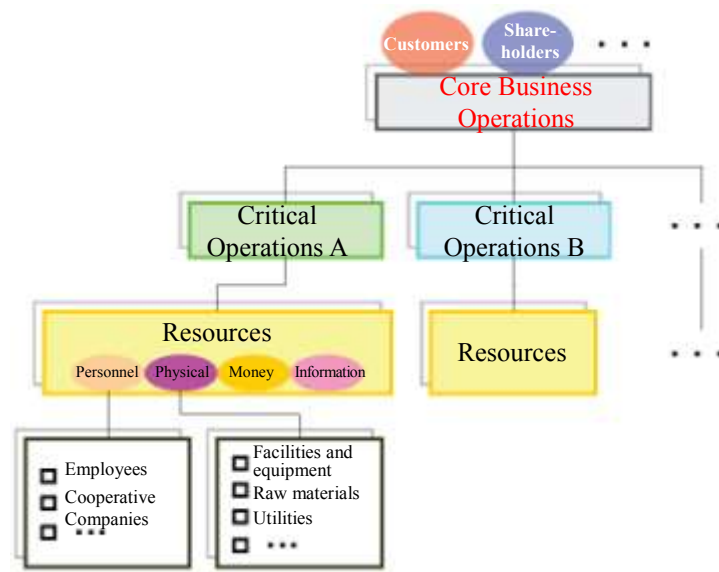


Fig. 3.1-2: The Relationship among Core Business Operations, Critical Operations, and Resources

You should also decide the target recovery time, which is the estimated deadline by which core business operations can reasonably be restored. In deciding the target recovery time, it would be a good idea to consider working out the target recovery time in advance with the partner companies related to core business operations, or basing the target recovery time on the length of time for which your company can withstand a cutoff in its revenue stream due to suspension of core business operations.

Point of Consideration <3>: How long is the target recovery time for your company’s core business operations?

<2> Assess the Damages the Core Business Operations would Incur

In this step, you should assess what degree of damage your company’s core business operations would incur in the event of an earthquake, wind or flood damage, a fire, or other emergency. To do this, try to ascertain, with minimal omissions, the extent to which the resources required for the continuity of core business operations identified in the previous step would be affected by different disasters, and the degree to which such an emergency would interfere with the continuity of core business operations.

Point of Consideration <4>: What disasters would likely impact core business operations?

Point of Consideration <5>: Please determine what impact each of the disasters considered in <4> would have on the resources required for the continuity of core business operations.

In this step, it would be a good idea to classify the resources required for the continuity of core business operations into “resources whose functionality cannot be restored within the target recovery time” and “resources whose functionality can be restored within the target recovery time” for each of the disasters that could impact core business operations. Doing so will enable you to properly consider how to secure necessary replacements for those resources that cannot be secured during the target recovery time, while also considering how to restore recoverable resources, and how to proceed during the interim period before those resources can be recovered.

To assess the level of impact outlined above, we also recommend using the Core Business Operation Impact Level Assessment Form **[Form 06]** for a more systematic analysis.

<3> Analyze Financial Status

Please calculate the specific losses your company would incur for facility and equipment restoration expenses and resulting from any business suspension in the event of an earthquake or other disaster. Based on the circumstances, please judge whether any of the following measures should be taken prior to any disaster in order to mitigate the damage.

[Proceed to 5. Financial Assessment Model (Basic Course)]

- Secure funds sufficient to enable the company to endure a one month suspension of operations
- Take out a suitable damage insurance policy
- Take other advance measures

After a disaster occurs, many small and medium enterprises require loans for recovery funds. By implementing this BCP, you can effectively utilize disaster recovery loans and other guarantee systems of government-affiliated small to medium enterprise financing institutions.

[Filling out the BCP Forms]

- You may use Form-01: Information about Core Business Operations to organize the results of the points considered thus far.
- The information organized here is basic information. Please organize any other needed information into a form that will make it easy to reference, such as by making use of the comment columns in the forms.

3.2 Considering BCP Preparations and Prior Measures

(1) The Objectives of this Process

In this process, we will study preparations and advance measures that can be taken so that your company can restore core business operations when an emergency happens.

First, it is necessary to understand in advance how to secure crucial resources that enable core business operations to resume when an emergency occurs. This prior review process will enable you to promptly restore your business operations during an emergency.

Second, you should consider prior measures that can be taken, which would support your core business operations in the event of a disaster that impacts your ability to respond.

(2) What will be Implemented in the Process

<1> Examine beforehand alternative measures for business continuity

Potential problems will be minimized if the resources necessary for the continuity of core business operations are not damaged by a disaster. However, if you cannot use such resources, the following means to secure alternatives should be examined in advance.

- A. Main sites for delivering and receiving information
- B. Material facilities and equipment
- C. Temporary employees (to provide “support for disaster-affected employees” and to assist in “restoration of business operations”)
- D. Funds
- E. Telecommunication tools and infrastructure (electricity, gas, water service, etc.)
- F. Information (backup policy)

[Filling out the BCP Forms]

- Please organize your results thus far using “[Form-03] Information on Alternatives of Various Resources relating to Business Continuity”.

<2> Examine and implement prior measures

You will, based on the results derived from the previous analyses, examine advance measures that can be taken to restore your business operations within the target recovery time.

You will implement measures such as protecting resources (personnel, physical resources, money, information, etc.), without which you will face obstacles to the continuity of your core business operations against the impact of a disaster. The prior measures are roughly divided into “measures for intangible aspects” and “measures for tangible aspects.”

Measures for Intangible Aspects

- Prepare evacuation plans
- Prepare contact lists of employees
- Educate employees on disasters

Measures for Tangible Aspects

- Reinforcement of facilities against earthquakes
- Fastening shelves on walls
- Purchasing emergency supplies, etc.

Generally, measures for tangible aspects need more funds for introduction compared to those for intangible aspects. However, every company has budgetary limits. Consequently, it would be realistic to ensure that measures for intangible aspects are implemented first. For measures for tangible aspects that involve a large expense, it may make sense to incrementally invest the profit gained from your core business operations, allowing you to complete the measures over a more extended period of time.

Even in such cases, it is recommended that you first establish an order of priority for conducting these measures in accordance with the following viewpoints:

1. Measures needed to respond to a disaster that is highly likely to affect your core business operations
2. Measures needed to obtain resources necessary for your core business operations to continue after an anticipated disaster

Based on these viewpoints, please start to implement the measures successively.

The Small and Medium Enterprise Agency and other entities are considering financing options for advance measures in areas such as the reinforcement of office buildings and the introduction of equipment that can contribute to disaster management. Additionally, a preferential treatment of interest rates is being considered, as it applies to small and medium enterprises that have completed a BCP. Therefore, it is important to know that such loans are available and to collect information for business continuity activities.

[In considering prior measures]

As general measures and guideline expenses required for them are shown in “6. List of Prior Measures,” this will be of some help to you if you consider prior measures.

3.3 Formulating a BCP

(1) The Objectives of this Process

This process aims to formulate a basic BCP and to encourage foresight in organizing the kind of BCP system that should be used.

(2) What will be Implemented in the Process

<1> Clarify the standards that will be used to implement a BCP

If an emergency happens in your company, it is very important to clarify in advance the standards that will be used to implement a BCP, in order to maximize the effectiveness of the BCP you have prepared.

The key point in establishing the standards to implement a BCP is to understand that your company's core business operations will be impacted to some extent, and they likely will not be restored within the target recovery time unless you promptly respond to the situation.

Additionally, you should establish the standards to implement a BCP based on disasters that are more likely to exert an enormous influence on your core business operations.

<2> Clarify the structure that will be used when implementing a BCP

Next, it is necessary to clarify in advance the structure that you will use to respond to the situation after an emergency occurs and your BCP is implemented. It will be important to lead employees through top-down orders, beginning with the company's top management. From the time the BCP is implemented until business operations have been fully restored, the following type of organizational structure is desirable: one in which teams are divided by function, each team has a leader and the president (or someone similar) delegates to these team leaders.

- **Function to respond to restoration/reconstruction**
Internal responses to restoration/reconstruction of facilities or equipment
- **Function to respond to external organizations**
Communication or adjustments with partners, cooperative companies, consortiums and commerce societies
- **Function of financial control**
Fund raising and settlements for business restoration
- **Logistics function**
Managing employee safety, arranging for available food, responding to injured employees, etc.

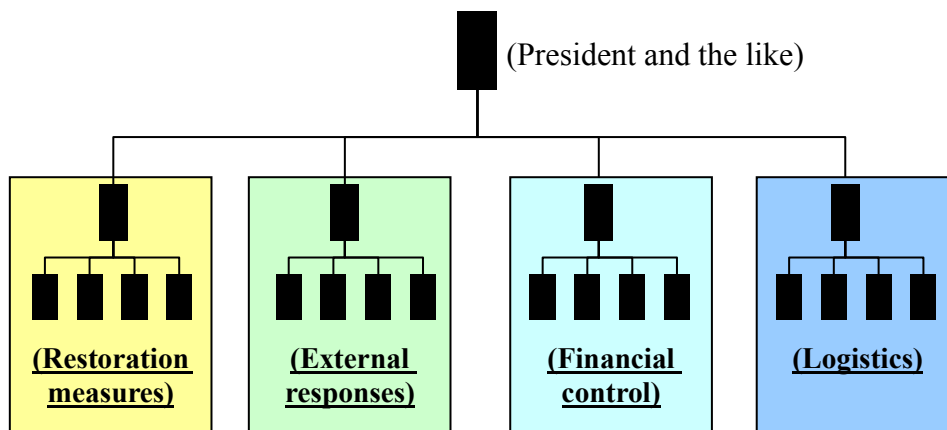


Fig. 3. 3-1 Example of Team Structure When a BCP is Implemented

<3> Organize and document information relating to business continuity

Here you will document the BCP by arranging in advance information necessary for ensuring business continuity in an emergency, by making entries into the attached note format. The BCP that is prepared here should be roughly comprised of the following two elements:

1. Implementation Flow of a BCP (Business Continuity Plan)
2. Notes on Various Information Necessary for Business Continuity

1. “Implementation Flow of a BCP (Business Continuity Plan)”

“Implementation Flow of a BCP,” a form outlining basic procedures for all stages of a BCP, is attached to these Guidelines. This is available as a first step for preparing a BCP.

2. “Notes on Various Information Necessary for Business Continuity”

In this step, you will organize necessary information for each procedure shown in “Implementation Flow of a BCP (Business Continuity Plan)” described in 1 above.

A collection of standard forms (see the next page) of the notes used to organize information is attached to these Guidelines. You can organize information using these forms as a first step to prepare a basic BCP.

Table 3.3-1 List of BCP Forms

Degree of demand	Form No.	Name of Form	Related processes and steps on the procedure documents	Remarks
Must	Form 01	Cover/Content of BCP	Cover/Content for binding into a book	
Must	Form 02	Basic Policy of BCP	To be organized during this process	
Must	Form 03	Formulation/Operation Framework of BCP	To be organized during this process	
Must	Form 04	Employee Portable Card	To be organized during this process	
Optional	Form 05	Formulation/Operation Framework of BCP Involving Collaboration of Several Companies	To be used during the Advanced Course of these Guidelines	To organize structures when firms such as trading associations collaborate to work on a BCP.
Must	Form 06	Information on Core Business Operations	To be organized in 3.1(2) <1> “Evaluate the Level of Impacts on business operations”	To make notes separately if there is more than one core business operation.
Optional	Form 07	Form for Evaluating the Degree of Impact on Core Business Operations	To be organized in 3.1(2) <2> “Assess the Damages the Core Operations would Incur”	
Must	Form 08	Information on Access to Alternatives of Various Resources Related to Business Continuity	To be organized in 3.2(2) <1> “Examine beforehand alternative measures for business continuity”	
Must	Form 09	Investment Plan for Prior Measurements	To be organized in 3.2(2) <2> “Examine and implement prior measures”	Because a certain degree of fund is necessary, a mid-to-long term improvement plan should be made.
Must	Form 10	Evacuation Plan Sheet	To be summarized in this process	
Must	Form 11	Contacts of Major Organizations	Same as above. Mitigation of damages to critical resources and organizations concerning alternatives and repairing are organized.	To make notes matching the number of organizations (priority is given to fire stations, hospitals and infrastructure firms).
Optional	Form 12-1	Employee Contact List [employee list]	To be organized during this process	
Optional	Form 12-2	Employee Contact List [for individual employees]	To be organized during this process together with [Form 12-1]	To make notes matching the number of employees.
Must	Form 12-3	Employee Contact List [for organizing basic information]	To be organized during this process, if [Form 12-1] or [Form 12-2] is not used,.	Preparation for this form is at your own discretion if [Form 12-1] and [Form 12-2] are used.
Optional	Form 13	Information of Telecommunications Options	It is desirable to bring into shape communication methods which are discussed in 3.2(2) <1> “Examine beforehand alternative measures for business continuity”	To make notes per information telecommunication means. In the “Basic Course”, you may substitute it by a review of alternative of communication methods in

Degree of demand	Form No.	Name of Form	Related processes and steps on the procedure documents	Remarks
				[Form 08].
Must	Form 14	Telephone/Fax Sheet [for company use]	To be organized during this process	Not required to collect all telephone numbers. You only have to organize numbers which are relating to the core business operations or those assumed to be able to be used for core business operations continuity.
Must	Form 15	Information on Main Customers	To be organized based on the results of the core business operations specification in 3.1(2) <1> “Evaluate the Level of Impacts on business operations”	To make notes matching the number of major customers.
Must	Form 16-1	Critical Resources Related to Core Business Operations [equipment/machinery/vehicles, etc.]	To be organized by specifying the critical resources which are determined in 3.1(2) <1> “Evaluate the Level of Impacts on business operations”	To make notes for each critical resource.
Optional	Form 16-2	Critical Resources Related to Core Business Operations [computer equipment and software]	Same as above	To be used at your own discretion if core business operations are not largely dependent on computer equipment.
Optional	Form 16-3	Critical Resources Related to Core Business Operations [other equipment]	To be organized by specifying the critical resources determined in 3.1(2) <1> “Evaluate the Level of Impacts on business operations”	
Must	Form 17-1	Information for Supplies Detailing Items Necessary for Core Business Operations	To be organized based on the results of the critical resources which are determined in 3.1(2) <1> “Evaluate the Level of Impacts on business operations” during this process	
Must	Form 17-2	Information on Major Suppliers/Vendors [per supply item]	To be organized during this process	To make notes matching for the number of supply items.
Optional	Form 18	List of Insurances Information [to examine the scope of losses]	It is desirable to review together in 3.2(2) <1> “Examine beforehand alternative measures for business continuity” and 3.2(2) <2> “Examine and implement prior measures”.	
Must	Form 19	Checklist of Tools for Disasters	It is desirable to review together in 3.2 (2) <2> “Examine and implement prior measures”.	
Optional	Form 20	Activities for Contribution to Community	What you do during normal periods and emergency is organized in 3.4(2) <3> “Cultivate a BCP culture”	

3.4 Establishing BCP Culture

(1) The Objectives of this Process

In terms of establishing a BCP in your company, simply preparing a BCP is not sufficient. It is meaningless unless employees can make effective use of it when an emergency happens.

To improve the effectiveness of a BCP, it goes without saying that employees should be empowered to proactively use a BCP to engage in actions that restore operations during a disaster. For this purpose, it is essential to recognize that the positive attitude of the company's management toward the operation of a BCP can create a company culture that encourages training and education on BCPs being proactively conducted. These Guidelines shall refer to this as a "BCP Culture."

Operation of a BCP is an activity that should last as long as your company exists. It is important to establish a BCP in your company while continuously conducting maintenance/renewal and education/training.

(2) What will be Implemented in the Process

<1> Educate employees about the BCP

1. Encourage employees to accept the operation activity of BCPs

- Internal discussions concerning BCPs and disaster prevention
- Study meetings concerning BCPs and disaster prevention, etc.

2. Encourage employees to gain knowledge and enhance their skills with regard to disaster prevention or responses in time of a disaster.

- Support for taking part in emergency-response courses such as CPR.
- Support for taking part in seminars related to BCP or disaster prevention, etc.

<2> Conduct training sessions on the BCP

To effectively implement a BCP when an emergency occurs, hold regular training sessions among employees that focus on BCP-education. The goals of these training sessions should include:

- Evaluating the effectiveness of a BCP that has been formulated
- Having employees gain a deep understanding of the BCP and clearly recognize their respective roles in an emergency.
- Clarifying points to be revised, such as discrepancies or defects of a BCP.
- Promoting collaboration and cooperation among employees in a time of emergency, etc.

There are various levels and types of BCP training. In order to conduct training smoothly, it is ideal to have employees learn over time by focusing on the different parts of the procedures involved in implementing a BCP as listed below:

- Tabletop exercises
- Drills on the company's telephone and information-sharing communication network in a time of emergency
- Training focused on working from alternative facilities
- Training focused on storing and retrieving backup data, etc.

Apart from intra-company training, disaster prevention training is sometimes hosted by local/municipal governments. Taking part in such training will not only enhance intra-company disaster prevention ability, but also lead to increased collaboration between local governments and area companies, or between neighboring companies. Having a regional collaboration or cooperation structure can be an important element to the business continuity of your company in time of a disaster. If available, your active participation in such training is advisable.

<3> Cultivate a BCP culture

To realize the “cultivation of a BCP culture,” you should work to improve the awareness of management and employees from a long-term viewpoint. Additionally, to promote employees' recognition of the BCP's operation, you should continuously provide them with updated information on your BCP.

The followings are examples of steps that management should take during normal periods.

- Frequent communication with employees during normal periods
- Implementation of safety measures for employees
- Promote ties with partner companies and the local community while conducting business
- Other support for various activities concerning BCPs or disaster prevention

3.5 Conducting BCP Assessment, Maintenance, and Updating

(1) The Objectives of this Process

“When you actually implemented a BCP, it was found to be useless because the information was outdated.” Should this occur, it would eliminate the reasoning behind creating a BCP. To avoid such a situation, you should check whether the BCP you have developed is truly effective in continuing and restoration the core business operations of your company, and update the information as frequently as possible. You should also revise the operation framework of the BCP and secure operation funds (expenses for prior measures, etc.) as needed.

Maintaining an effective BCP is an ongoing process. Activities regarding the BCP should be conducted regularly and steadily as long as the company is in operation.

(2) What will be Implemented in the Process

<1> Check the BCP

In this step, you will evaluate your current BCP with the “Self-Assessment Checklist of BCP Formulation and Operation.” You will be able to incorporate points to be improved via this step.

<2> Maintain and update the BCP

In order to make the BCP you have designed most effective, you should make sure it reflects the latest situation of your company, and revise the BCP’s operation framework as necessary if there is a change in the company structure. It is also necessary to estimate and secure operation funds that will be needed to implement advance measures.

The frequency that you update your BCP will depend on the specific characteristics and size of your company. However, the BCP should be updated in the following situations:

- If there has been a large change in the organizational structure of your company
- If there has been a large change in your partner companies (suppliers or firms to which you deliver your products)
- If there has been a large change in the core business operations of your company
- If you have developed a new business line, product or service
- If there has been a substantial change in you information telecommunication system or network
- If there has been a change in the contact information of employees
- If there has been a revision on the guidelines of the central government or the industry which is related to the operations of your company
- If there has been a change in requirements from supply chains

It is important to maintain updated contact information of your employees in order to confirm their safety in a time of emergency. Therefore, employees should clearly understand how to

inform the company of any changes in their contact information.

Even if there has not been a large change in business operations as described above, it is advisable to annually revise your BCP.

* If you decide how frequently you will update the BCP, please add this information to **[Form 02]**.

3.6 Self-Assessment of BCP Formulation and Operation (Basic Course)

We encourage you to now conduct a self-assessment check on the BCP you have formulated and its status of operation. Please reply by selecting “Yes” or “No” for each question listed in the Checklist on the following pages.

○ Result of the self-assessment

When you finish replying to all the questions, please enter the results in the Result Computation Sheet.

This self-assessment is designed to check the status of the operation of our company’s BCP, but does not aim to judge whether it “passed” or “failed” based on the total number of “Yes” Responses. Instead, it is intended to educate you about possible shortcomings in your BCP so that you will be empowered to work on those items in the future. Therefore, we would like to advise you not to be overly concerned about the number of “Yes” responses.

Table 3.6-1 Result Tabulation Sheet of the Self-Assessment Checklist of BCP Formulation and Operation (Basic Course)

Target Stage	Number of “Yes” responses	
Planning of business continuity basic policy	Must items	/2
	Recommended items	/1
Establishment of operation structure of a BCP cycle	Must items	/2
	Recommended items	/2
(1) “Understand business operations”	Must items	/10
	Recommended items	/3
(2) “Consider BCP preparations and prior measures”	Must items	/7
	Recommended items	/2
(3) “Formulate a BCP”	Must items	/12
	Recommended items	/4
(4) “Establish a BCP culture”	Must items	/2
	Recommended items	/11
(5) “Assess, maintain and update the BCP”	Must items	/8
	Recommended items	—
Total	Must items	/43
	Recommended items	/23

Table 3.6-2 Self-Assessment Check List of BCP Formulation and Operation (Basic Course Version)

Target Stage	Priority		Assessment Items		Yes	No	Remarks
	Must	Recommended					
Drafting the business continuity basic policy	<input type="radio"/>		0.I-1	Is there a business continuity basic policy which has been stipulated with the involvement of the management?			
	<input type="radio"/>		0.I-2	Concerning the basic policy described above, is there a system in place to inform every employee of its content?			
		<input type="radio"/>	0.I-3	Is its content open to partner companies or cooperative companies?			
Establishing an operation framework of a BCP cycle	<input type="radio"/>		0.II-1	Has the internal structure to promote the operation of the BCP cycle during normal times been established?			
	<input type="radio"/>		0.II-2	Is management involved in taking initiative to formulate and operate the BCP in the internal structure above?			
		<input type="radio"/>	0.II-3	Regarding the BCP's operation framework, are employees other than the relevant members also aware of its existence?			
		<input type="radio"/>	0.II-4	Is it possible to confirm and evaluate the operation framework of the BCP cycle?			
(1) "Understand business operations"	1. Evaluate the level of impact on business operations						
	<input type="radio"/>		1.I-1	Have you clearly recognized the core business operations in your company through the business impact evaluation?			
	<input type="radio"/>		1.I-2	Have you clearly recognized critical operations and resources (personnel, physical resources, money, information, etc.) in your company which are indispensable to the core business operations above?			
		<input type="radio"/>	1.I-3	Have the resources indispensable to the continuity of the core business operations above been prioritized?			
	<input type="radio"/>		1.I-4	Regarding the core business operations above, have you established target recovery time taking into account requests from partner companies or supply-chains?			
	2. Assess the damage the core operations could incur						
	<input type="radio"/>		1.II-1	Have you clearly recognized disasters that the core business operations could face, including natural or human disasters?			
	<input type="radio"/>		1.II-2	Have you evaluated the impact that each disaster above would have on bottlenecks in core business operations?			
	<input type="radio"/>		1.II-3	Have the impacts of a disaster that affects core business operations been prioritized?			
	3. Analyze financial status						
	<input type="radio"/>		1.III-1	Can you understand the post-disaster cash flow of your company using the "finance analysis model"?			
		<input type="radio"/>	1.III-2	Have you considered using a disaster restoration loan system provided by governmental financial institutions for small business based on the result of the financial analysis?			

(1) "Understand business operations"	<input type="radio"/>		1.III-3	Have you considered whether it is necessary to secure funds to endure a stoppage of operation for about a month based on the result of the financial analysis?			
		<input type="radio"/>	1.III-4	Have you considered the necessity of purchasing additional insurances against damage based on the result of the financial analysis?			
	<input type="radio"/>		1.III-5	Have you reviewed your target recovery time from the view of the financial status based on the result of the financial analysis?			
	<input type="radio"/>		1.III-6	Have you evaluated the impact on business operations, damages and your financial analysis within the past 12 months?			
(2) "Consider BCP preparations and prior measures "	1. Specify and select alternative measures for business continuity						
	<input type="radio"/>		2.I-1	Have you considered how to ensure effective communication in an emergency?			
	<input type="radio"/>		2.I-2	Have you considered how to secure alternatives to damaged facilities/equipment in your company?			
	<input type="radio"/>		2.I-3	Have you considered how to secure temporary employees?			
	<input type="radio"/>		2.I-4	Have you considered a fund procurement policy?			
	<input type="radio"/>		2.I-5	Have you considered how to back up important information that will be necessary for recovery and continuity of the core business operations?			
	<input type="radio"/>		2.I-6	Have you considered the necessity of double-preventive measures or backup concerning infrastructure, such as telecommunications and electricity?			
	2. Examine and implement prior measures						
	<input type="radio"/>		2.II-1	Have you considered taking advance measures that would address disasters affecting core business operations and cause a bottleneck in resources, and taken steps that address intangible aspects of a disaster recovery plan?			
		<input type="radio"/>	2.II-2	Has the annual budget that can be used for advance measures been clearly allocated?			
	<input type="radio"/>	2.II-3	Have you considered using financing systems for advance measures for tangible aspects of a disaster recovery plan?				
(3) "Formulate the BCP"	1. Clarify the standards for a BCP						
	<input type="radio"/>		3.I-1	Have the standards to implement a BCP clearly been established?			
	<input type="radio"/>		3.I-2	Have you clearly determined a person with authority to implement a BCP?			
	<input type="radio"/>		3.I-3	Have you determined a backup person who can implement a BCP if the initial person is unable to do so?			
		<input type="radio"/>	3.I-4	Is every employee informed about who can implement the BCP?			
	2. Clarify the framework used to implement the BCP						
	<input type="radio"/>		3.II-1	Have you clearly defined the internal framework for implementing the BCP?			
	<input type="radio"/>		3.II-2	Has the internal framework been built so that the management can provide directions when the BCP is implemented?			
	<input type="radio"/>		3.II-3	Has backup leadership been determined in the event that management is unable to implement the BCP?			

(3) "Formulate the BCP"	<input type="radio"/>	3.II-4	Is management sharing information so that the backup leaderships able to provide directions in a proper manner?			
	<input type="radio"/>	3.II-5	Are employees aware of the backup leadership?			
	<input type="radio"/>	3.II-6	Do employees clearly understand their respective roles in the framework where a BCP is implemented?			
	<input type="radio"/>	3.II-7	Has a framework to respond to inquiries from partner companies or cooperative companies been clarified?			
	3. Organize and document information relating to business continuity					
	<input type="radio"/>	3.III-1	Have you prepared and updated an employee contact information list and a phone network list?			
	<input type="radio"/>	3.III-2	Have you prepared and updated a contact information list of major partner companies?			
	<input type="radio"/>	3.III-3	Is an emergency evacuation plan defined?			
	<input type="radio"/>	3.III-4	Have you prepared and updated contact information lists for emergencies, public services and administrative organizations?			
	<input type="radio"/>	3.III-5	Have you organized lists of phone numbers and fax numbers that your company uses and evaluated whether such numbers are indispensable for continuity/restoration of the core business operations?			
(4) "Establish a BCP culture"	1. Educate employees about the BCP					
	<input type="radio"/>	4.I-1	Are you discussing the BCP or disaster prevention with employees or holding study meetings at normal times?			
	<input type="radio"/>	4.I-2	Are you providing support for employees who want to gain additional knowledge or skills regarding BCPs or disaster prevention?			
	2. Conduct BCP training					
	<input type="radio"/>	4.II-1	Are you regularly implementing training at various levels, such as training on the desk or assessment of telephone communication as needed?			
	<input type="radio"/>	4.II-2	Is there a framework to gain information concerning disaster trainings being held by municipalities or others?			
	<input type="radio"/>	4.II-3	Are you taking part in disaster prevention training held by municipalities or others?			
	<input type="radio"/>	4.II-4	Does each employee understand his/her role, obligation, responsibility and authority?			
	3. Cultivate a BCP culture					
	<input type="radio"/>	4.III-1	Is the management proactive in its support of BCP?			
	<input type="radio"/>	4.III-2	Is the proactive stance of management toward BCP understood by employees?			
	<input type="radio"/>	4.III-3	Do employees work actively toward the company-wide operation of the BCP?			
	<input type="radio"/>	4.III-4	Is there healthy communication between the management and employees during normal periods?			
	<input type="radio"/>	4.III-5	Is your company taking measures to protect the safety of employees, such as by enhancing earthquake resistance of corporate housing or distributing domestic disaster prevention tools?			
	<input type="radio"/>	4.III-6	Is information concerning BCPs or disaster prevention including communication through a company magazine, intranet or newsletter widely known to employees?			
	<input type="radio"/>	4.III-7	Is there a system in place that evaluates participation in or contribution to BCPs by employees?			

(5) "Assess, maintain and update the BCP"	1. Check the BCP					
	<input type="radio"/>		5.I-1	Have you checked the BCP using this checklist?		
	2. Maintain and update the BCP					
	<input type="radio"/>		5.II-1	Are regular updates of the BCP clearly defined?		
	<input type="radio"/>		5.II-2	Is it necessary to revise the operation framework of the BCP?		
	<input type="radio"/>		5.II-3	Are procedures in place to estimate expenses and secure funding necessary for the operation of the BCP, such as those for advance measures, education and training?		
	<input type="radio"/>		5.II-4	Is there a system in place in which the BCP can be updated if problems are found with the training or during an assessment?		
	<input type="radio"/>		5.II-5	Is there a system in place to update the BCP if there is a large change in the organizational structure of your company, in a partner company, or if you develop a new product?		
	<input type="radio"/>		5.II-6	Is there a system in place that empowers employees to inform the management of a weakness in the current BCP?		
	<input type="radio"/>		5.II-7	Is there a system in place that updates employees about changes to the BCP?		

< Reference Chart (Others) >

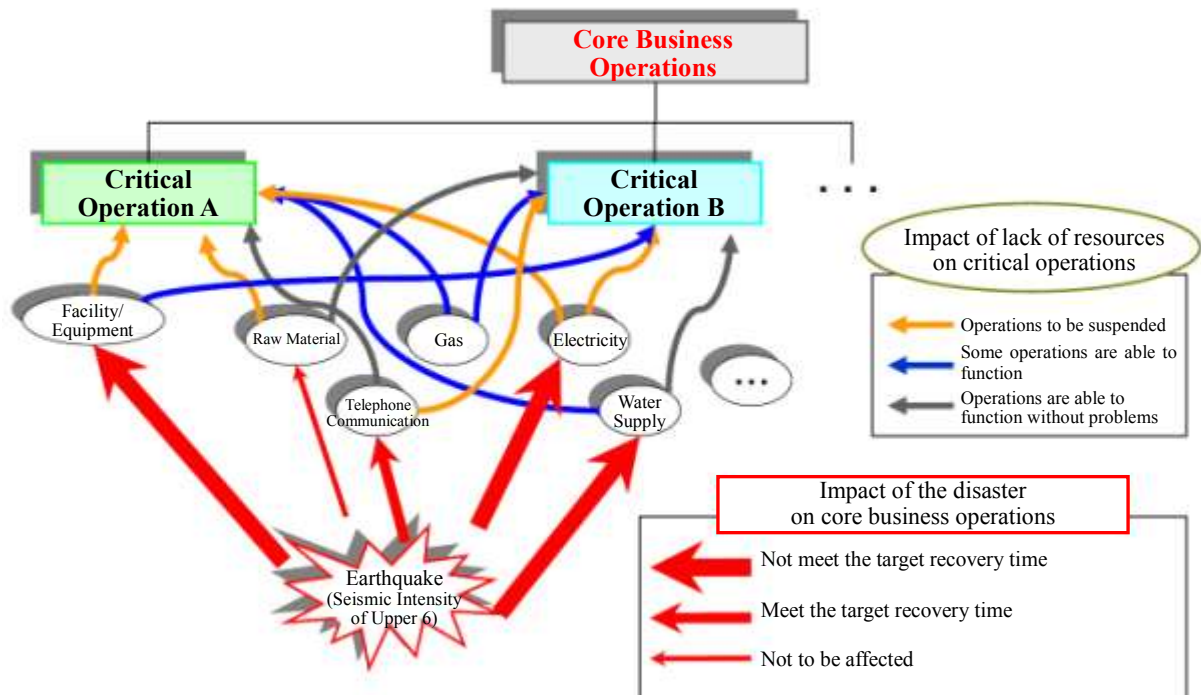


Chart (Reference-1) Impact of the earthquake (intensity 6 upper) on core business operations

Characteristics of Bottleneck Resources	Resources that can not be partially replaced by manual work		2	1
	Resources that can be partially replaced by manual work	<p>It can be said that the bottleneck resources referred to 1, 2 and 3 have a significant influence on the recovery of core business operations. The more this type of bottleneck resources are there, the more impact would be expected on the operations from envisaged disaster.</p>		3
	Resources that do not affect the continuance of core business operations			
		C: Almost No Damage	B: Affected in a certain level of production/time--it should be recovered within the target recovery time.	A: Affected in a certain level of production--it should not be recovered within the target recovery time.
		Level of the impact from envisaged disaster on bottleneck resources		

Chart (Reference-2) Degree of disaster impact on the recovery of core business operations caused by the damage to bottleneck resources

4. Implementing the BCP in an Emergency

Here we explain the procedures for executing the emergency measures designated in the BCP in the event of an emergency situation. The key points on the initial response for each type of emergency situation are also indicated.

Please make preparations before an emergency occurs as part of the BCP formulation and operation cycle. It would probably be a good idea to hold training or study sessions with all employees.

In case of an emergency, please take action while using these Guidelines as a reference. However, actual emergency situations vary widely, and the status of situations can change over time. Under the leadership of the company manager, for the goal should be for the progression of the emergency situation to be anticipated and the actions taken should suit the circumstances faced.¹

¹ The acts of expanding response structures in accordance with the progression of an emergency situation, moving people who make judgments into higher positions, and taking more aggressive responsive action are collectively referred to as “escalation.”

4.1 BCP Implementation Procedures in an Emergency

The procedures for invoking the BCP in the event of an emergency are as follows.

- (1) When the emergency situation is discovered, perform the initial responses (which will differ depending on the type of emergency).
- (2) As swiftly as possible, inform customers of the damage situation, formulate a policy for continuing core business operations, and establish a framework for implementing it.
- (3) Based on the core business operation continuation policy, simultaneously advance measures for customers and partners, employees and business resources, and financial matters. Also implement activities to contribute to the local community.
- (4) Advance emergency measures, recovery measures, and restoration measures in accordance with the progression or winding down of the emergency situation.

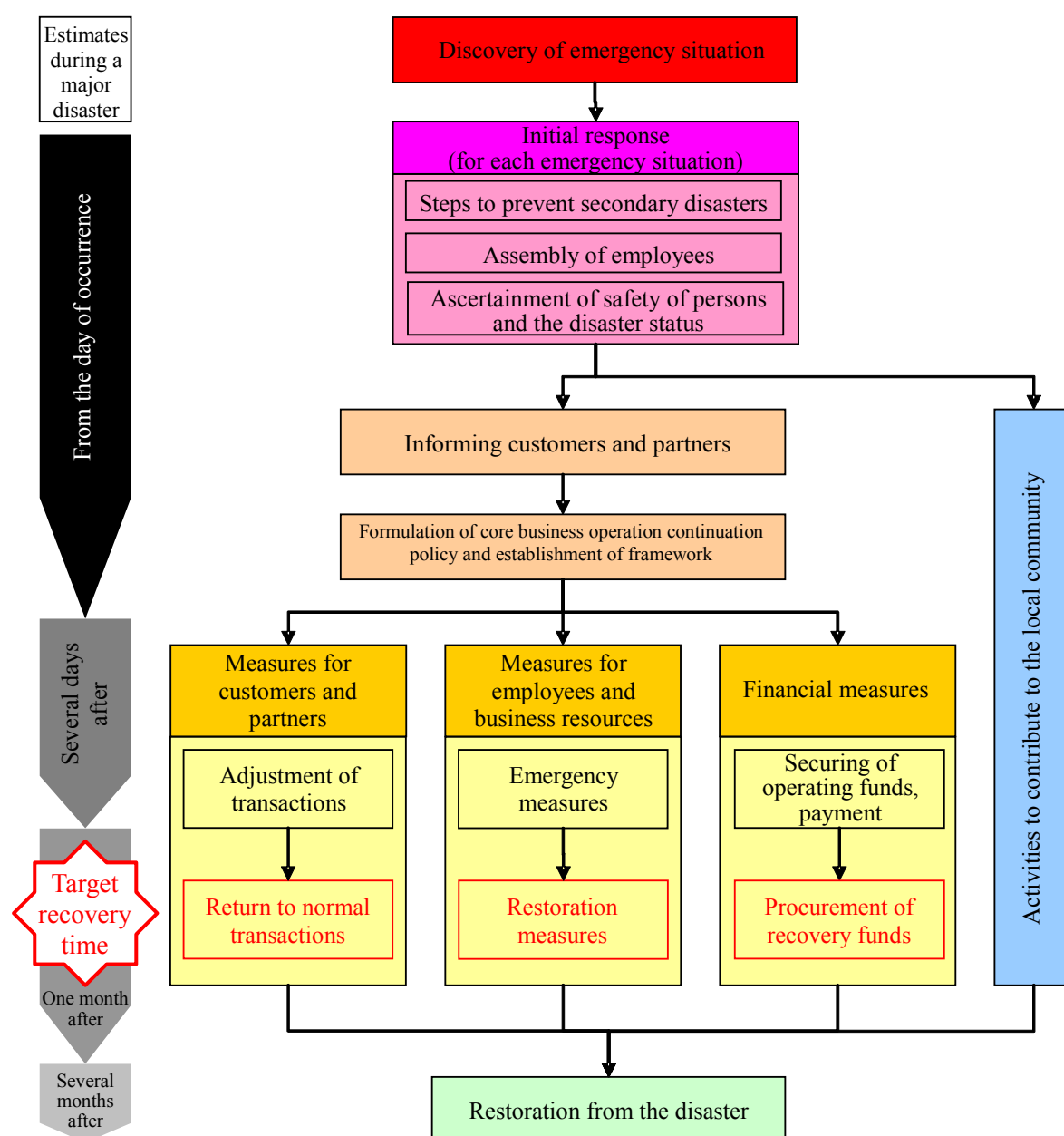


Fig. 4.1-1: BCP Implementation Procedures during an Emergency

4.2 Implementation Items in Accordance with the Procedures

(1) Initial Response

When an emergency situation is discovered, management shall inform employees, and then take steps to prevent secondary disasters, assemble the employees, and ascertain human safety and the disaster damage status.

Please refer to Section 4.3 for the key points of initial response for each type of emergency situation.

(1) Steps to Prevent Secondary Disasters

Based on the judgment of employees on site, take steps to ensure that the disaster does not expand in scope, making the safety of customers and employees your first priority. Any managers who happen to be at the work site shall give instructions to the employees.

Steps to Prevent Secondary Disasters		
● Evacuation of business site	<ul style="list-style-type: none">• If it is unsafe to stay at the business site, evacuate customers and employees from the business site to a safe location.• Examples of disasters that require evacuation include the arrival of a tsunami, flooding, landslides, and toxic gas leakage.	[Form 10] Evacuation Plan Sheet
● First aid and initial fire extinguishing	<ul style="list-style-type: none">• Rescue and administer first aid to disaster victims.• If there are any fires, take initial steps to extinguish them.	[Document 11] First Aid and Early Fire Extinguishing [Form 19] Checklist of Tools for Disaster
● Informing police and fire departments	<ul style="list-style-type: none">• If the disaster is the result of criminal action, call the 110 hotline.• If there is a fire or the need to request an ambulance dispatch, call the 119 hotline.• Inform any other organizations that are designated by law or agreements.	[Form 11] Contacts of Major Organizations
● Protection of important documents	<ul style="list-style-type: none">• If there is a risk of important documents becoming damaged, move them to a safe location within the business site, or bring them out of the business site if necessary.• If important documents have been damaged, rely on copies of the documents that were stored in advance in another location.	[Document 13] Examples of Important Documents [Document 14] Procedures for Reissuing Important Documents

(2) Assembly of Employees

If an emergency situation occurs outside of work hours, managers and employees should gather at the company or elsewhere. In the case of a major earthquake, for instance, it is necessary to formulate the BCP that recognizes the difficulty of employees going to the company should they be directly impacted or should there be disturbances in modes of transportation (especially in urban areas).

Assembly of Employees		
• Response by managers	<ul style="list-style-type: none">• If away from the company, return immediately.• Give instructions to employees via phone or other means until you have returned to the company.	
• Assembly of employees	<ul style="list-style-type: none">• If the emergency occurs outside of work hours, summon the employees.• Set criteria in advance for employees to assemble at their discretion in the case of earthquakes or wind/water damage.	[Form 04] Employee Portable Card

(3) Confirming Human Safety and Disaster Damage Status

First, confirm the safety of customers and of employees and their families. Next, confirm the disaster damage status inside and outside the business site in order to consider the continuation/restoration of core business operations.

Ascertainment of Human Safety and Disaster Damage Status		
<ul style="list-style-type: none"> • Safety of customers and of employees and their families 	<ul style="list-style-type: none"> • Check whether there are any injuries of customers at the business site. • Check whether there are any injuries of employees or their family members, as well as damage to their residences. • If any employees are unreachable by telephone, have nearby employees or others check on them. 	<p>[Form 12] Employee Contact List</p> <p>[Document 12] How to Verify the Safety of Persons</p>
<ul style="list-style-type: none"> • Buildings, production equipment, and communication devices 	<ul style="list-style-type: none"> • Perform this step once it is no longer dangerous to enter the business site. • Investigate any damage to buildings. • Investigate any damage to production equipment. • Investigate whether regular telephones, mobile phones, fax machines, and Internet and other communication devices can be used. 	<p>[Form 16-1] Critical Resources related to Core Business Operations (Equipment/machinery/vehicles, etc.)</p> <p>[Form 16-3] Critical Resources related to Core Business Operations (Other equipment)</p>
<ul style="list-style-type: none"> • Information systems 	<ul style="list-style-type: none"> • Perform this step once it is no longer dangerous to enter the business site. • Investigate whether computers and software can be used. 	<p>[Form 16-2] Critical Resources related to Core Business Operations (Computer equipment and software)</p>
<ul style="list-style-type: none"> • Community residents and nearby business sites 	<ul style="list-style-type: none"> • Investigate whether immediate evacuation is required, such as in the case of spreading fires, toxic gas leaks, etc. • Determine whether community contribution activities are required, such as initial fire extinguishing or rescue of persons trapped under debris. 	<p>[Form 11] Contacts of Major Organizations</p>
<ul style="list-style-type: none"> • Natural disasters, transportation, and essential utilities 	<ul style="list-style-type: none"> • In case of extensive rain, beware of rising rivers and signs of mudslides. • Investigate the congestion level of transportation systems. • Investigate the suspension status of electric power, gas, water, and sewer utilities. • Sources of such information include the radio, the Internet, television, and telephone inquiries. 	<p>[Form 11] Contacts of Major Organizations</p>

(2) Emergency Measures for Business Continuity

After initial responses have been completed, management should take the lead and instruct employees to take emergency measures to ensure business continuity.

Get in contact with customers and partner companies quickly if at all possible. Formulate a core business operation continuity policy based on the results of ascertaining human safety and disaster damage status, and establish an implementation system for the policy.

(1) Informing Customers and Partners

Secure the means of contacting customers and partner companies, then mutually report on disaster conditions and related matters.

Informing Customers and Partners		
• Securing the means of contact	• Secure means of contacting customers and partner companies. • Consider all manner of methods in addition to telephone and e-mail, including having employees make runs by bicycle.	[Form 13] Information of information telecommunication means [Form 14] Phone/Fax Sheet [For company use]
• Reporting of disaster damage to customers	• Report to customers on the damage status of business sites, the estimate for the next delivery, definite means of contact, and the next time contact will be made.	[Form 15] Information on main customers
• Ascertainment of damage to partner companies	• Request partner companies to report on the damage status of business sites, the estimate for the next delivery, definite means of contact, and the next time contact will be made.	[Form 17-2] Information on major suppliers/vendors (per supply item)

(2) Formulation of Core Business Operations Continuation Policy and Establishing the Policy Framework

After determining the damage sustained to the core business operations, formulate a policy for continuing core business operations (e.g. the target recovery time), and establish a framework for implementing it.

Formulation of Core Business Operations Continuation Policy and Establishing the Policy Framework		
<ul style="list-style-type: none"> ● Determination of damage to core business operations 	<ul style="list-style-type: none"> • Ascertain the extent of the damage to core business operations, based on the disaster damage status of bottleneck business resources. • Examples of bottleneck business resources include customers and partners, employees, buildings and production equipment, information systems, essential utilities, and transportation systems. 	<p>[Form 06] Information on core business operations</p> <p>[Form 07] Form evaluating effect degree of core business operations</p> <p>[Form 17-1] Information of suppliers provided necessary for core business operations</p>
<ul style="list-style-type: none"> ● Setting of target recovery time 	<ul style="list-style-type: none"> • Based on the estimation of target recovery time that was considered in advance, set the target recovery time taking into account the current disaster damage situation and estimate how the situation will progress going forward. • Make this determination while comprehensively considering whether customers will be pleased with the target recovery time, whether business will operate properly after restoration, and whether it is realistic. • Also take into consideration the results of the Predictive Financial Diagnostic shown below. 	<p>[Document 05] Reference Case Studies concerning Target Recovery Time</p> <p>[Document 06] Factors Limiting Recovery Time</p>
<ul style="list-style-type: none"> ● Determination of rapid restoration measure policy 	<ul style="list-style-type: none"> • If the damage to business resources is extensive, decide which of the following policies (or a combination) will be used to aim for recovery of core business operations within the target recovery time. <ol style="list-style-type: none"> 1) Restore the current business site and resume operations 2) Move production equipment to an alternative site and resume operations 3) Transfer production functions to another company temporarily 	<p>[Document 07] Business Continuity and Recovery Scenarios for Companies in Example Disasters</p>
<ul style="list-style-type: none"> ● Predictive financial diagnostics 	<ul style="list-style-type: none"> • Use the financial assessment model to predict recovery expenses, future cash flow, and fund shortages. • Also make use the results of the predictions when applying for funding. 	<p>[5. Financial Assessment Model]</p> <p>[Form 18] List of information on insurances (for examining the scope of compensation of loss)</p>
<ul style="list-style-type: none"> ● Establishment of implementation framework 	<ul style="list-style-type: none"> • Clearly indicate to employees the chain of command and allocation of tasks. • If necessary, enlist personnel support from company's retired employees, business cooperatives, suppliers, etc. (or provide support). 	<p>[Form 03] BCP Formulation/operation framework of BCP</p>
<ul style="list-style-type: none"> ● Securing hub locations 	<ul style="list-style-type: none"> • If a business site is damaged, secure a hub location from which customers and partners can be contacted and employees can be directed (manager's home, prefabricated housing, or a vehicle are also acceptable). 	<p>[Form 08] Information on alternatives of various resources related to business continuity</p>

(3) Emergency Responses and Recovery Measures for Business Continuity

In accordance with the business continuity policy, simultaneously implement measures for customers and partners, measures related to employees and business resources, and financial measures.

The managers should oversee the entire process, and it would be a good idea to station sub-leaders where necessary.

(1) Measures for Customers and Partners

Negotiate with customers and partner companies regarding alternative production options and restoring transactions after recovery of business resources, then implement alternative production options and restore transactions in accordance with the results of the negotiations.

Measures for Customers and Partners		
<ul style="list-style-type: none">● Negotiation of transactions (including temporary transfer to other companies)	<ul style="list-style-type: none">• Explain the plans for future delivery, etc. to customers and obtain their approval.• Negotiate for temporary alternative production options with other companies if needed (through customers or business cooperatives).• Request explanations of plans for future delivery, etc. from partner companies, and negotiate for temporary alternative production options with other companies if needed.• As a rule for dealing with customers and partner companies, alternative production with other companies is a temporary measure, and in principle orders should be returned to the original company after it recovers.	<p>[Form 02] Basic policy of BCP</p> <p>[Form 15] Information on main customers</p> <p>[Form 17-2] Information on major suppliers/vendors (per supply item)</p>
<ul style="list-style-type: none">● Restoration of transactions	<ul style="list-style-type: none">• As soon as your company recovers its business resources, end alternative production and have the customer return transactions to how they originally were before the disaster (in accordance with the above-mentioned negotiations).• As soon as partner companies' business resources recover, end alternative production and return transactions to how they originally were before the disaster (in accordance with the above-mentioned negotiations).	<p>[Form 02] Basic policy of BCP</p> <p>[Form 15] Information on main customers</p> <p>[Form 17-2] Information on major suppliers/vendors (per supply item)</p>

(2) Measures for Employees and Business Resources

Share information on business continuity with employees, and provide as much living assistance as possible to employees hit by the disaster. At the same time, secure alternative procurement and early restoration of the resources necessary for business continuity.

Measures for Employees and Business Resources		
<ul style="list-style-type: none"> • Information sharing and living assistance for employees 	<ul style="list-style-type: none"> • Explain the business continuity policy to all employees, and update them on progress as needed. • Secure food and daily necessities for employees. • If an employee or his or her family is killed, provide support to the extent possible. • If possible, provide temporary housing for employees whose homes have been damaged. 	<p>[Form 19] Checklist of tools for disasters</p>
<ul style="list-style-type: none"> • Repair and temporary relocation of buildings 	<ul style="list-style-type: none"> • If buildings have been damaged, request repairs from a construction company (on a schedule that fits with the target recovery time). • If early restoration of certain buildings is not feasible, relocate their functions to another location or locations. 	<p>[Form 08] Information on alternatives of various resources related to business continuity</p>
<ul style="list-style-type: none"> • Repair and procurement of production equipment 	<ul style="list-style-type: none"> • Request repair and/or procurement of production equipment from a specialist manufacturer. 	<p>[Form 16-1] Bottleneck resources related to core business operations (equipment/machinery/vehicles, etc.)</p> <p>[Form 16-3] Bottleneck Resources related to Core Business Operations (Other Tools and Instruments)</p>
<ul style="list-style-type: none"> • Recovery of information systems 	<ul style="list-style-type: none"> • Request repair and/or procurement of computers and other hardware from a specialist manufacturer. • Use previously backed up data to recover damaged software. 	<p>[Form 16-2] Bottleneck resources related to core business operations (computer equipment and software)</p>
<ul style="list-style-type: none"> • Procure supplies 	<ul style="list-style-type: none"> • If procurement via the usual channels is not feasible, procure the supplies from the alternative channels (vendors and shipping methods) determined in advance. 	<p>[Form 17-1] Information of suppliers provided necessary for core business operations</p> <p>[Form 17-2] Information on major suppliers/vendors (per supply item)</p>

(3) Financial Measures

After having secured the necessary operating funds for the time being, secure the additional funding required for recovering business operations to normal. If the disaster assistance laws apply because the disaster is a major earthquake or water/wind damage, there will be special consultation points set up in chambers of commerce and commerce societies, or emergency loan systems will be put in place via local governments or government-related financial institutions, so please make use of them.

Financial Measures		
<ul style="list-style-type: none"> ● Securing operating funds 	<ul style="list-style-type: none"> • Secure the operating funds necessary to cover the first month after an emergency. • Withdraw bank deposits (reserve funds). • Obtain emergency loans through systems set up by local governments, etc. if necessary. 	<p>[Document 10] Public Assistance Systems for Small and Medium Enterprises Hit by Disasters</p>
<ul style="list-style-type: none"> ● Measures for honoring cash settlements 	<ul style="list-style-type: none"> • Negotiate with banks or other financial institutions to ensure that issued bills are honored. 	
<ul style="list-style-type: none"> ● Payments for orders and payment of salaries 	<ul style="list-style-type: none"> • Pay off past-due bills to partner companies and delivery companies to the extent possible. • Pay salaries to employees to the extent possible. 	<p>[Form 02] Basic policy of BCP</p>
<ul style="list-style-type: none"> ● Securing recovery funds 	<ul style="list-style-type: none"> • Based on the results of the financial assessment, estimate the expenses required for recovery, including repair costs for buildings and production equipment. • Accept damage insurance and mutual aid payments. • Sell off securities and related assets. • Obtain disaster recovery loans from government-related financial institutions if necessary. 	<p>[Document 10] Public Assistance Systems for Small and Medium Enterprises Hit by Disasters</p> <p>[Form 18] List of information on insurances (for examining the scope of compensation of loss)</p>

(4) Contribution activities to local community

If you have available capacity while concurrently conducting measures for business continuity, you should implement activities that contribute to the welfare of the local community by taking advantage of features of the industry to which your company belongs. It will be very effective to engage in such activities after each role is determined by cooperative associations, shopping districts and others in collaboration with the city office, town or village office, social welfare council, local neighborhood community associations and NPOs.

Contribution Activities to Local Community		
● Rescue of victims / emergency relief activities/early quench	● You should cooperate if there are victims or a fire in the neighborhood of your company.	[Form 20] Contribution Activities to Local Community
● Provision of products and others	● If you are a retailer of food or daily commodities, it is conceivable that you propose a plan to provide merchandise in stock to evacuation centers free of charge.	[Form 20] Contribution Activities to Local Community
● Volunteer activities	<ul style="list-style-type: none">● There are volunteer activities such as cleanup of damaged houses or sorting of relief supplies.● You should support employees taking part in volunteer activities independently (including an expense for a volunteer insurance).● You should consider having employees take part in volunteer activities as his/her duties as necessary.	[Form 20] Contributive Activity to Local Community

(5) Emergency restoration measures

Prefectures and municipalities will draw up its restoration plans for a large-scale disaster. It may be worth considering reorganizing or expanding the company business in line with such a restoration plan.

To do this, it is conceivable to use the Advanced Funds for Post-Disaster Recovery in which a cooperative association or other entities will take on the task.²

² **[Material 10]** Public assistance system for affected medium and small enterprises

4.3 Initial Responses for Each Emergency Situation

From the perspective of risk management, it is necessary to give priority to dealing with an emergency that may cause an enormous business suspension among the other risks surrounding a company. If an emergency happens, minimizing losses by properly conducting initial responses is very important for business continuity.

Consequently, we have summarized the points and flow of initial responses regarding earthquakes, damage caused by wind or flood, fire, and group infection, characterized by the requirements below.

(1) Earthquake

A warning is usually issued prior to an earthquake in the Tokai region. However, in other regions where this system is not available, an earthquake can happen without warning, so these initial responses have been organized on the assumption that an earthquake strikes without warning.

[Point 1] Securing safety immediately after the occurrence of a disaster

It is necessary to secure your own safety right after the disaster occurs. Beware of falling objects, distance yourself from large furniture, huddle under a table, and adjust your position as necessary.

[Point 2] Evacuation from a tsunami

If there is a risk of a tsunami, you must immediately evacuate to a designated evacuation place such as a hill. Particularly in an area where a risk of a tsunami has been pointed out, you are required to evacuate immediately if you have felt a large jolt. The second wave or third wave is often the highest one in a series of a tsunami. Consequently, do not move closer to the coastal or flooded area even if a tsunami rolls back once.

[Point 3] Two security verifications

You should judge whether or not to evacuate to a safe place after taking into account the possible effect of a landslide, the breaching of nearby riverbanks and damage sustained to buildings.

[Point 4] Everyone must behave in accordance with rules

Panic in the immediate aftermath of a disaster makes it difficult for the president to issue all the orders. It is necessary for employees to understand initial responses and their roles so that they can take steps based on their own initiative.

[Point 5] Responses if you are outside of your company

You may not be at the company when an earthquake strikes. You may be at home, on the way to the company, or outside of the company during working hours. In these cases, it is necessary to inform your company of where you are, but it is also necessary to determine in advance how to deal with other matters such as whether you should go to office. It is advisable to note how to respond on a portable card, depending on situations, if the card is given out to employees.

[Point 6] Confirming the situation of other regions

If you are not struck by a disaster, but your partner companies are affected due to extensive damage in other areas, confirm the situation of other regions, as there will likely be an indirect impact on your operations.

It is important to proactively confirm whether there is a need for support in the local community rather than waiting for their requests. Employees who do not need to return home urgently should actively take part in support activities for the local community.

[Note] “Scale of quake” and “Confirmation of building safety”

As explained in the Explanation Table of Seismic Intensity Scale of the Japan Meteorological Agency, damage to buildings occurs in seismic intensity of 6 or stronger, and damage to buildings is usually minor in seismic intensity of 5 or weaker. However, serious damage may occur to buildings with low resistance to earthquakes, particularly those built before the Construction Standard Law (revised in 1981) was established (in particular, the resistance of wooden buildings to earthquakes is low). Consequently, even in a case where the seismic intensity is 5 or lower, if you feel you are in danger, you should not stay indoors.

Table 4.3-1: Images of Situations When Struck by an Earthquake

Places	Images of Situations
Office / store	<ul style="list-style-type: none"> • Office furniture falls over. Broken glass is scattered about. • Merchandise is scattered around. • Suspended fluorescent lamps and goods on shelves fall down. • PCs and stationery products on drawers and desks fall down. • Simple partitions fall over. • Clocks and whiteboards which are on the wall or lightly fixed fall down. • If the jolt is strong, PCs “jump out” horizontally. • Windows are broken and glass is scattered around due to a jolt or tumbling of office furniture. • Exit doors become deformed and cannot be opened. • If heavy goods topple over or fall down near the exit, the door cannot be opened. • Emergency bags including helmets and other supplies cannot be removed from lockers. • Evacuation routes are blocked by fallen objects, which make evacuation difficult. • A blackout happens, which makes it impossible to use lighting apparatus. • A fire breaks out in a hot-water service room. Gas may leak. • When a fire breaks out, visibility becomes bad due to smoke. Breathing becomes difficult. • If the earthquake resistance of the building is low, it becomes deformed or suffers some cracks. In the worst case scenario, it collapses.
Vicinity	<ul style="list-style-type: none"> • Damage such as deformation or collapse of buildings occurs. • A fire breaks out. Damage is expanded due to spreading fire. • Many people are killed or injured. • It becomes difficult to use utilities such as electricity, gas and water. • It becomes difficult to use telephones due to damage. If the lines are connected, overcrowding makes it difficult to use them. • Due to cracks and flooding in roads, many may be closed, and traffic on narrow roads may be obstructed. • Mainly in cities, windows in buildings or billboards fall down and scatter around on roads. There are many people on roads who are unable to return home, which hinders the flow of traffic. • Landslides occur in some areas (mainly mountainous regions). • If a tsunami occurs, the coastal area is flooded.

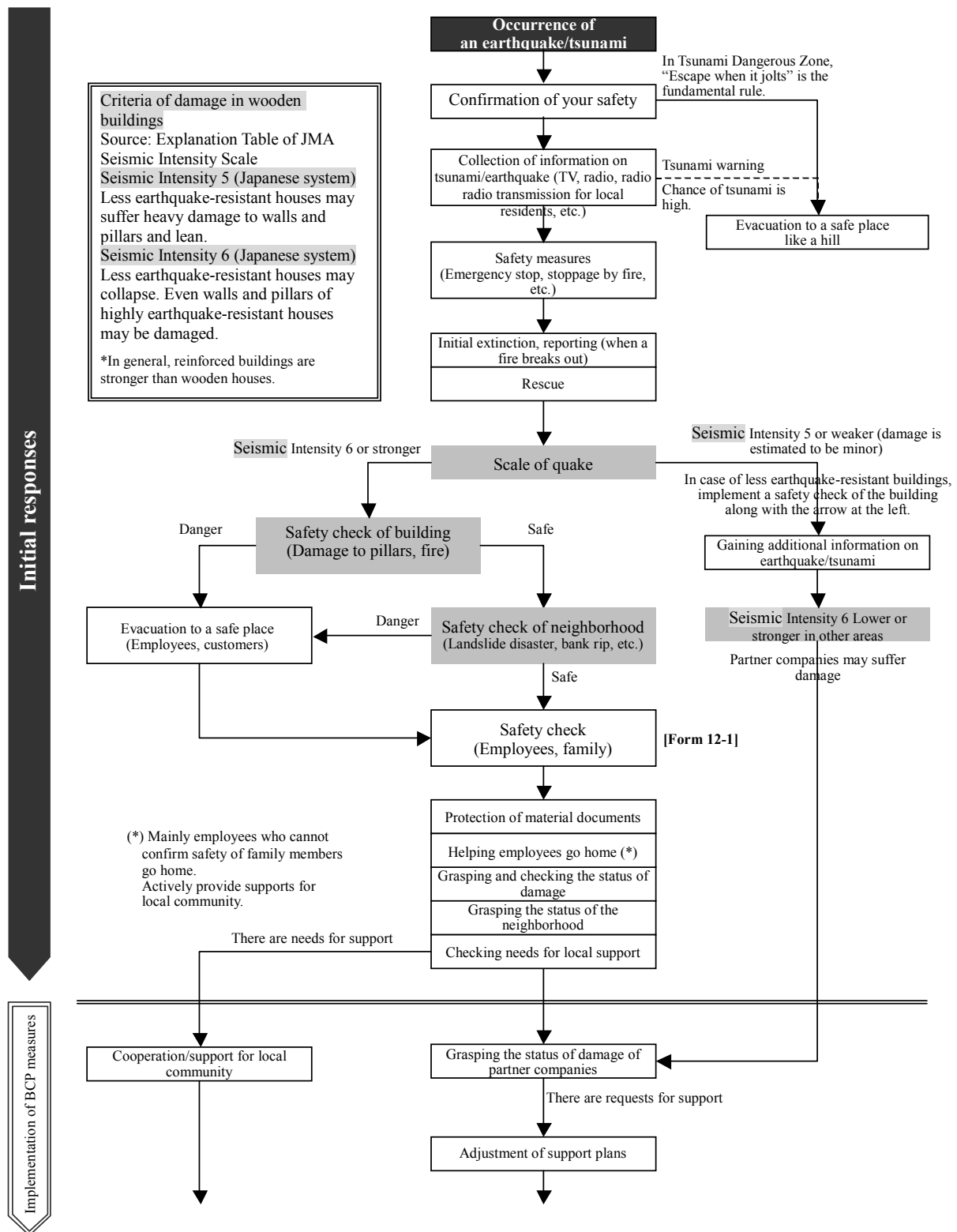


Fig. 4.3-1: Flow of Initial Responses (Earthquake)

(2) Damage Caused by Wind or Flood

There are various types of damage caused by wind or flood, and the following three are considered to be main forms of damage. For example, a typhoon may cause all of the damage at one time, which requires you to understand and deal with in advance disaster characteristics of the area where each establishment is located.

(i) Landslide disaster (ii) Inundation due to flood of river (iii) Inundation of the coastal region

[Point 1] Responses from a warning stage

Because damage by flood or wind is not a sudden natural phenomenon, it is important to take measures from the warning stage. You can reduce the damage by starting to make preparations from the warning stage.

(e.g.) Transfer of important assets to higher floors, making a backup of data, setting up sandbags or installing water bars.

[Point 2] Accessing information sources

You need to know in advance the means to access information on meteorological phenomena, water level of rivers and landslide disasters. Most of this information is available on the website of the Ministry of Land, Infrastructure, Transport and Tourism (River Office, JMA, etc.). You can obtain current information from the TV or radio.

[Point 3] Early evacuation

It may be difficult to evacuate when inundation has already begun or heavy rain prevents people from moving even if an evacuation recommendation or an evacuation instruction has been issued. In order for the elderly or other persons to begin to evacuate earlier, JMA has started to issue evacuation preparation information. You are also required to accelerate the evacuation or early dismissal of employees by using this information as a reference.

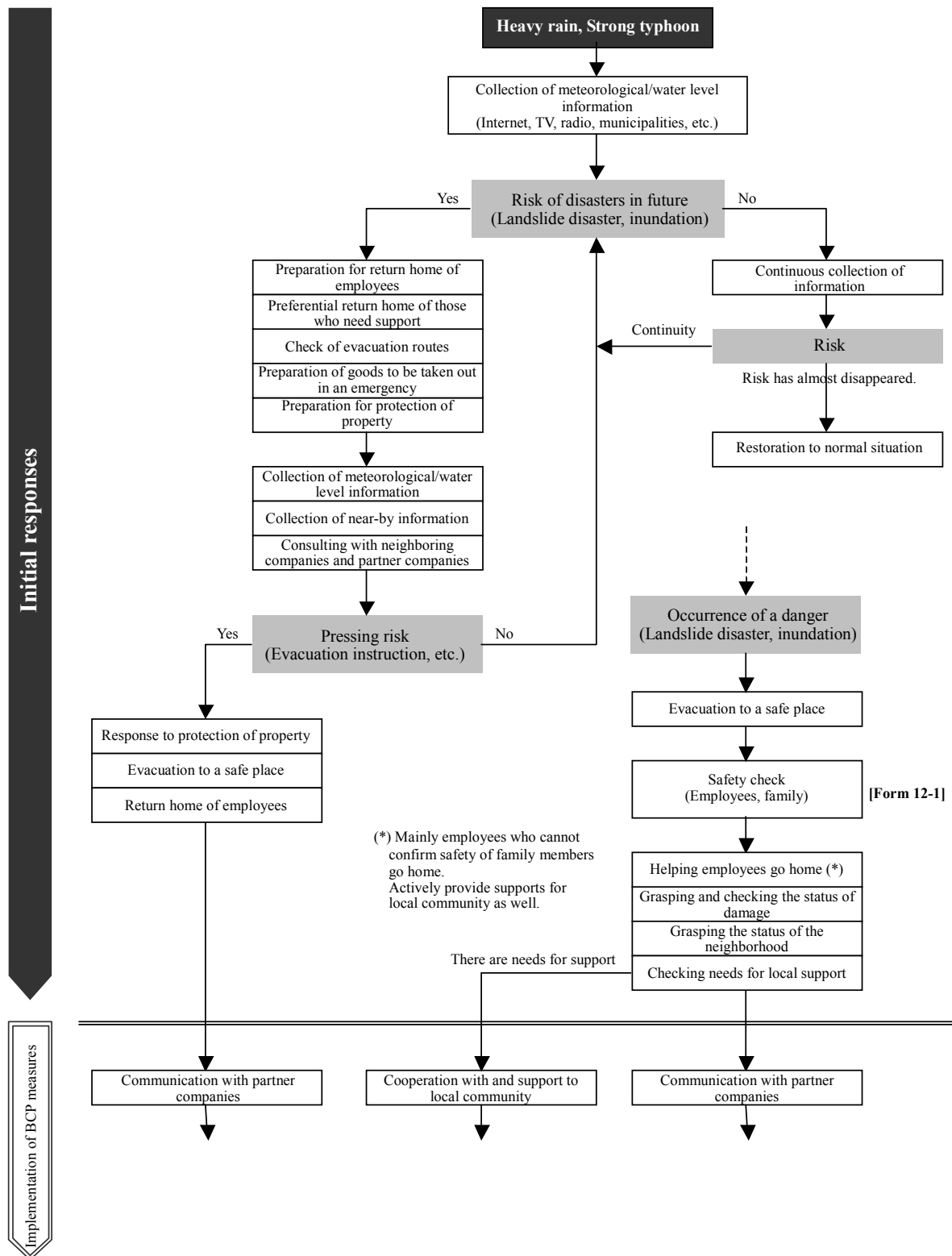


Fig. 4.3-2: Flow of Initial Responses (Damage by Wind and Water)

(3) Fire

Unlike natural disasters, fires are preventable to some extent. Therefore, it is necessary to reinforce preventive measures. However, external factors such as arson or the spread of a fire from neighboring companies is also possible.

[Point 1] “Locating,” “Initial Extinguishing” and “Reporting” as one

When a fire is noticed, even if it does not appear too serious, you should, in principle, report it to a fire station immediately (at the request of the fire station). The damage from the fire may expand if you made wrong judgment on whether or not it can be easily extinguished. Therefore, you are encouraged to implement a series of actions of “Locating,” “Initial Extinguishing” and “Reporting” as one.

[Point 2] Dividing responsibility at the initial stage

You need to conduct concurrently “Initial Extinguishing,” “Reporting to Fire Station” and “Reporting to Neighboring Companies and Residents” immediately after finding a fire. Therefore, you should determine how responsibilities will be divided beforehand.

[Point 3] Cessation of initial extinguishing and evacuation

Initial extinguishing is said to be very difficult if a fire extends to walls or ceilings. In such a case, you should stop the initial extinguishing and start an evacuation procedure at once. Also, you need to be very careful about the risk of oxygen deficiency or poisonous gases because the risk increases about three minutes after a fire begins.

[Point 4] Reporting to neighboring companies and residents

As there is a risk of fire spreading, you are encouraged to report the incident not only to a fire station but also to neighboring companies and residents when you discover a fire.

[Point 5] Be sure to have the fire station examine the premises after the fire is extinguished.

Avoid judging on its own that a fire is out, even when the fire is small, and be sure to have the fire station examine it. There have been past cases in which a fire seemed to be out but blind spots like walls or roof space were on fire, or there remained places in which the temperature was high, resulting in an additional fire after the original was extinguished. Therefore, it is always important to report the incident immediately to the fire station.

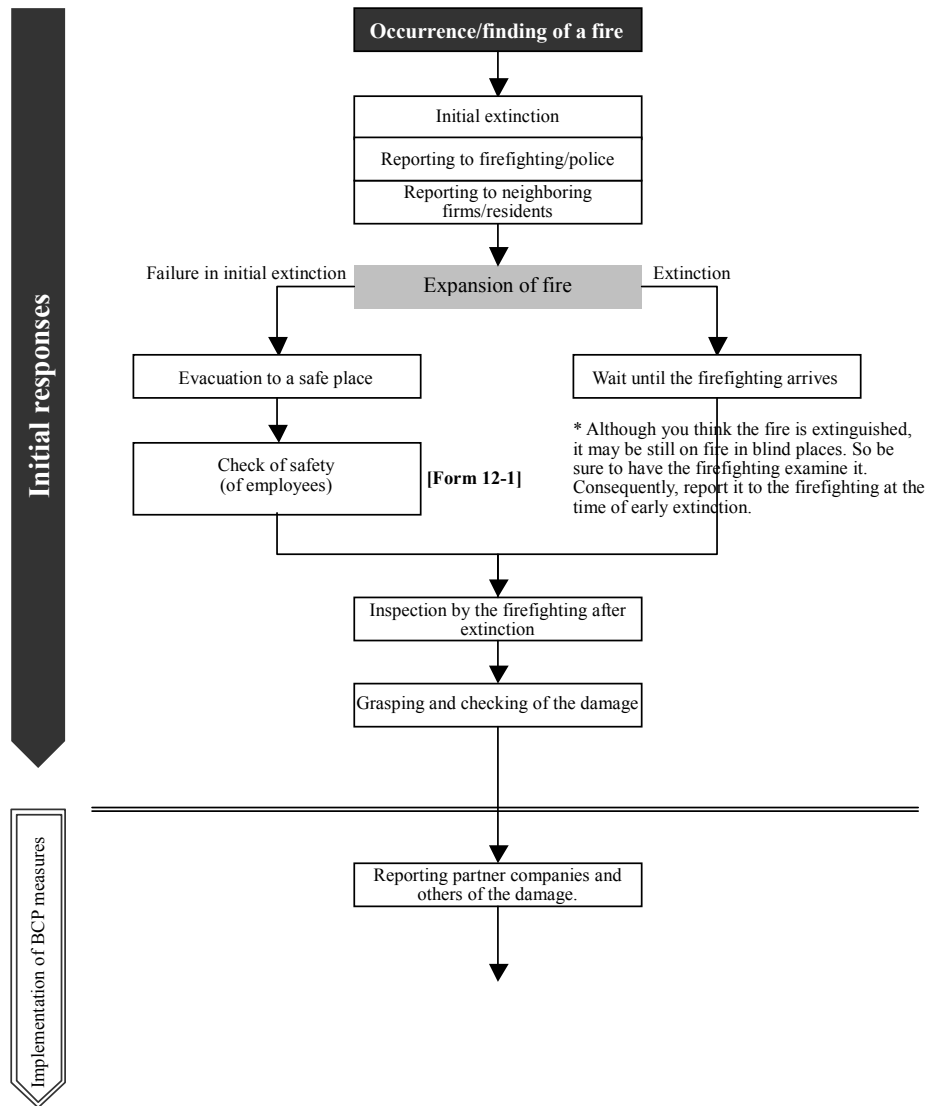


Fig. 4.3-3: Flow of Initial Responses (Fire)

(4) Collective Infection of Employees

Employees may be collectively infected with influenza or another infectious disease. The risk of infection of such air-borne and contagious diseases can be spread through the air and with contact, with this risk increasing in the workplace where many people are confined to a small space for an extended period time. That is why an employee who has caught a cold is required to wear a flu mask. If any infectious disease is detected in the workplace, the company involved is required to take drastic measures to prevent the infection from expanding³.

[Point 1] Early Implementation of Anti-expansion Measures

Since infectious diseases have their respective incubation periods, even a person who looks fine at the time of infection may develop symptoms of an infectious disease later. Therefore, if even a few employees are found to be infected, both those infected and those who are suspected to be infected should be given leave of absence to undergo a medical examination. The company involved is also required to take drastic measures to prevent their infection from expanding to other employees, including disinfection and constant ventilation as well as encouragement for employees to wash their hands and wear a flu mask.

[Point 2] Implementation of Anti-Contamination Measures for Commodities

In the case of contagious diseases, companies are required to take preventive measures against infection and contamination of commodities whenever necessary. If any customer is found to be infected through a commodity after an employee is infected, the company involved is likely to lose its social reputation.

- (Case 1) October 2005, Kawasaki City: Collective infection of tuberculosis at an internet cafe (Employees and users were infected.)
- (Case 2) June, 2005, Tokyo: Collective infection of tuberculosis at a preparatory school.
- (Case 3) August 2002, Hyuga City: Collective infection of *Legionella pneumophila* at a municipal spa (Some lives were taken.)

[Point 3] Consultation with the Public Health Center

Infectees who will receive medical treatment in the hospital can consult a doctor on an individual basis. If they are not informed about the location of a suitable doctor, they can consult the public health center, too. Consulting the center prior to infection is also effective.

³ In the case of collective food poisoning, preventive measures are also important. Moreover, BCP needs to be set in motion because employees are forced to stop working for a while upon the occurrence of poisoning. The company involved must immediately contact and consult the public health center.

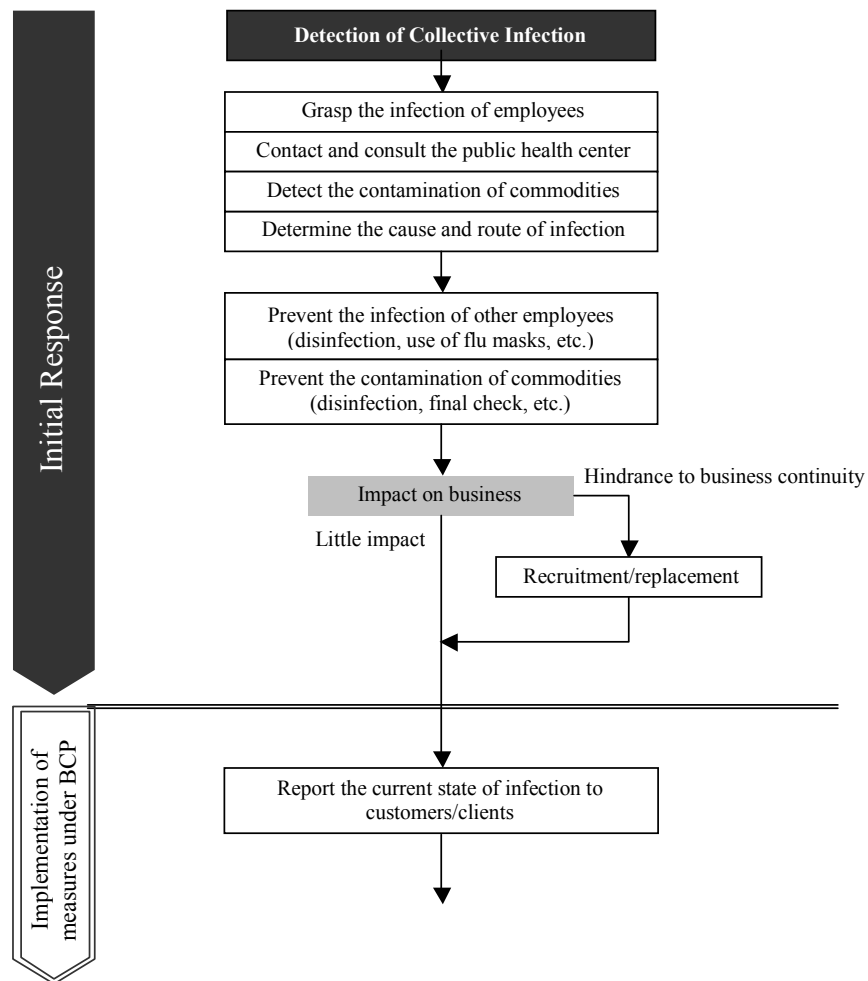
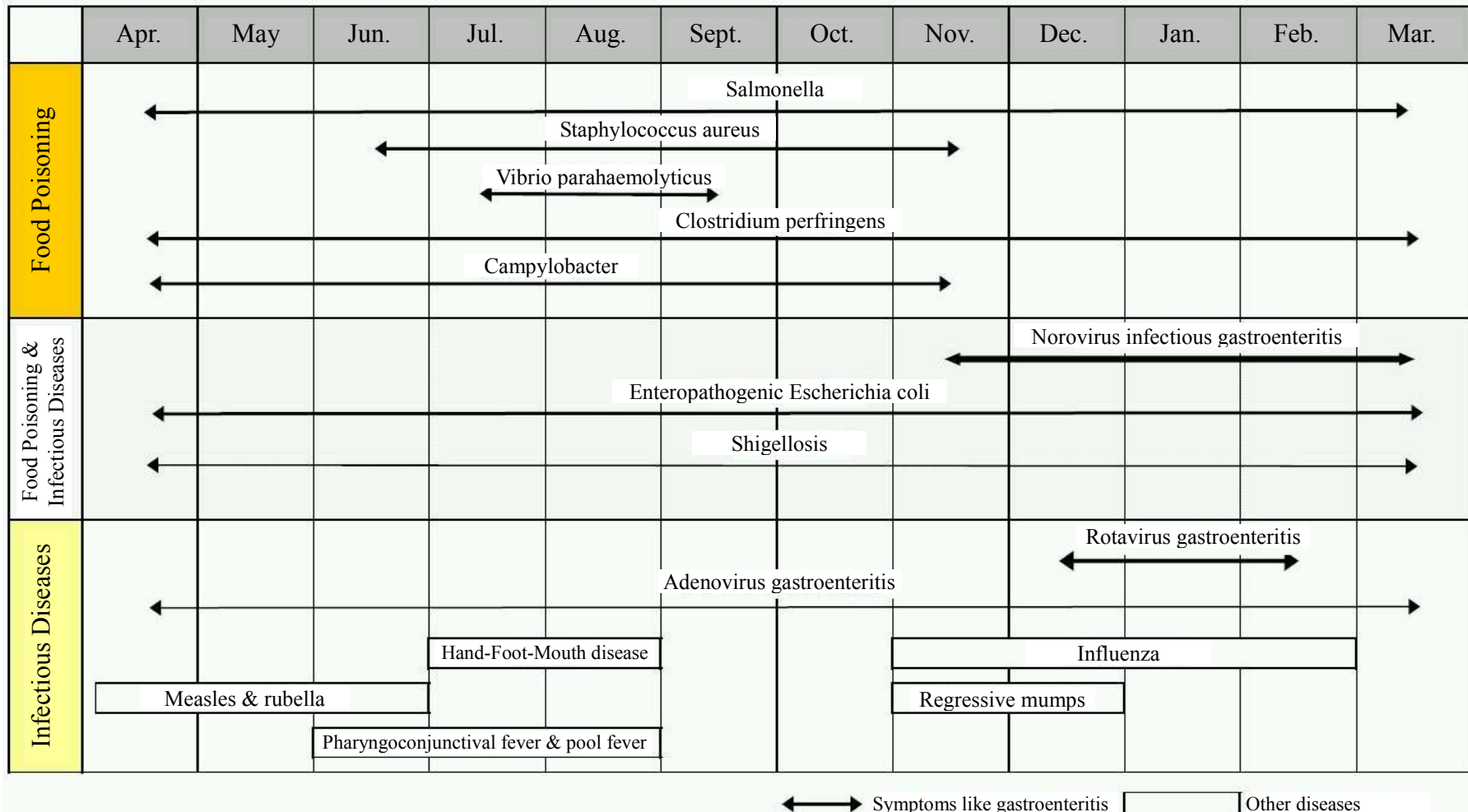


Fig. 4.3-4: A Flow of Initial Response (Collective Infection)

Table 4.3-2: A Calendar of Food Poisoning and Infectious Diseases

This table covers diseases which tend to break out collectively. You need to take more care of yourself in the marked seasons during which these diseases often occur.



Note: This was excerpted from the manual prepared by the Tokyo Metropolitan Government in order to prevent the outbreak of norovirus infectious diseases and food poisoning in social welfare facilities.

5. Financial Assessment Model (Basic Course)

As part of the BCP cycle, you should analyze the financial condition of your company (including aggregate recovery costs and cash flow) in preparation for a disaster.

In the case of a disaster, you should review your financial condition as it relates to the actual damage sustained to your company, which will help you develop a plan for procuring recovery funds and consult with a financial institution about financing.

When you would like to consider your financial condition in more detail, please refer to the intermediate course. In the case that you would like to consider disasters other than earthquakes or continue your core business operations in multiple factories or businesses, please refer to the advanced course.

5.1 Estimation of Recovery Costs

As an example, assuming that the building that houses your company is destroyed totally or partially by an earthquake of seismic intensity of 6 or above, how much money will you need in order to resume your business operations? You are requested to complete the following table by filling in approximate amounts.

Recovery costs represent two types of costs: One deals with reconstruction costs you might incur for “damage to assets” when the assets of your company (buildings and machines) are destroyed by a disaster; the other refers to costs you might incur for “losses from business interruption” during the period when the disaster hinders the business operations of your company.

From our experience, we recommend that you should reserve cash and deposits equivalent to sales which you can usually earn in a month in preparation for “losses from business interruption.”

Preparing “funds equivalent to one-month sales” at ordinary times for an emergency is the law of experience against liquidity risks. Just after an emergency occurs, you will not have enough time to consider how to provide funds due to factory and office repairs and business resumption. In addition, you have to be prepared to suspend your business operations for a period of time. That is why you need to reserve funds to cover at least one month’s worth of expenses and costs.

For example, according to SONY’s annual report from March 2004, SONY decided to maintain liquidity equivalent to at least 100% of SONY Group’s monthly sales average and the expected highest monthly repayment of debt during the fiscal year.

Table 5. 1-1: Estimation of Recovery Costs (Manufacturing Industries)

(in 1,000 yen)

	Damage Intensity	Recovery Period	Recovery Costs	Remarks
Buildings	Totally destroyed	days		
	Partially destroyed	days		
Machines	Total building destruction	days		
	Partial building destruction	days		
Inventory	Total loss	days		
	Partial loss	days		
Tools/Instruments, etc.		days		
Assets-related Total				(A)
Losses from Business Interruption				(B)
Total of Recovery Costs				(A) + (B) = (C)

Table 5. 1-2: Estimation of Recovery Costs (Wholesale and Retail Businesses)

(in 1,000 yen)

	Damage Intensity	Recovery Period	Recovery Costs	Remarks
Buildings	Totally destroyed	days		
	Partially destroyed	days		
Commodities	Total building destruction	days		
	Partial building destruction	days		
Tools/Supplies	Total loss	days		
Assets-related Total	Partial loss			(A)
Losses from Business Interruption				(B)
Total of Recovery Costs				(A) + (B) = (C)

Table 5. 1-3: Estimation of Recovery costs (Construction Industry)

(in 1,000 yen)

	Damage Intensity	Recovery Period	Recovery Costs	Remarks
Corporate Buildings	Totally destroyed	days		
	Partially destroyed	days		
Construction Machines Vehicles	Totally destroyed ¹	days		
	Partially destroyed ¹	days		
Construction Site	Totally destroyed ²	days		
	Partially destroyed ²	days		
Assets-related Total				(A)
Losses from Business Interruption				(B)
Total of Recovery Costs				(A) + (B) = (C)

In the case of the construction industry, the standard pattern of estimation is shown here (although we consider it difficult to uniformly estimate recovery costs because their estimation depends on the scale and type of business).

Note 1) In many cases, construction machinery and vehicles leased, meaning losses will be shifted to the lease company.

Note 2) As for damage to the construction site, if any construction contract is concluded in accordance with the provisions of “the private federation agreement,” “damage by force majeure” should be borne by the client as far as your company is recognized to have taken care of the site as a good manager.

You need to carefully estimate damage to machines and materials that your company has brought into the site because these damages will add to your losses.

5.2 Arrangement of Accident Insurance

You are advised to ensure you understand the coverage of accident insurance that your company maintains.

Let us check the situation of your accident insurance according to the type of disaster by referring to the attached table.

Damage to assets (property) can be fundamentally covered by a fire insurance contract. Since fire insurance can have various types and different aspects of coverage, you need to check what is specifically covered by your fire insurance. Your losses from business interruption can be covered by profits insurance.

Your company should be insured against fire. What is important here is that the insurance contract that your company has signed will compensate your company for what kind of disaster and to what extent. With regard to losses from business interruption, it is an important point to the extent your company will be compensated.

Most Western companies maintain profits insurance. It is said, however, that the ratio of Japanese companies maintaining such insurance is 20% or less. This lack of profits insurance limits your options for cash flow in case of a disaster or an accident.

A new type of insurance has been recently added to the line-up of insurance products. The coverage of accident insurance varies from insurer to insurer in some cases. The attached table shows examples of accident insurance companies. You are advised to consult your accident insurance company or agent after referring to the table to check the coverage of the accident insurance that your company has bought so that you can maintain an appropriate level of accident insurance.

Various disasters are classified into the following categories with regard to accident insurance. Referring to this classification, you are advised to correctly check the details of insurance coverage with your accident insurance company or agent.

[Natural Disasters]

1. Lightning
2. Wind, hail and snow: Damage by wind, including typhoons, cyclones, wind storms and rain storms, and damage by snow, including hail, heavy snow and avalanches.
3. Water: River flooding due to typhoons and localized torrential downpours.
4. Earthquake: Fire, destruction, and being buried and washed away by earthquakes, eruption and tsunami.

[Man-made Disasters]

5. Fire: Accidental fire, spread of fire, and water leak and destruction by fire-fighting activities
6. Blast/Explosion: Gas explosion, etc. (the explosion of a boiler turbine is not covered)
7. Flying/falling/striking objects: A car being driven into a house, etc.
8. Water Leak: Failure of water supply/drainage systems
9. Destruction: Riot or labor dispute

10. Robbery: Instruments, commodities or cash in the building
11. Breakage: Buildings, instruments or commodities

[Others]

Terrorism

Widespread infection or illness

Table 5. 2-1: Review of Your Insurance against Damage to Assets

○ Does the current fire insurance for your company base the insured amount on market prices (re-procurement prices – depreciation) or new prices (re-procurement prices)?

Generally, there are several types of contract as shown in the right-hand columns of this table. Which type of contract did your company enter into? →		Fire Insurance (Damage to assets)			
		Ordinary Fire (General property)	Ordinary Fire (Factory property)	General Insurance for Stores	All Risks
Contracted or not					
		[Covered Items] Buildings (Insured Amount ¥ ,000) Instruments/supplies & machinery/equipment (Insured Amount ¥ ,000) Commodities/products (Insured Amount ¥ ,000)			
Natural Disasters	(1) Lightning	○	○	○	○
	(2) Wind/Hail/Snow	○ ¹	○ ¹	○ ¹	○ ¹
	(3) Flood	×	×	△ ²	○ ³
	(4) Earthquake	×	×	△ ⁴	△ ⁴
Man-made Disasters	(5) Fire	○	○	○	○
	(6) Blast/Explosion	○	○	○	○
	(7) Flying/Falling/Striking objects	×	△ ⁵	○	○
	(8) Water Leak	×	○	○	○
	(9) Destruction	×	△ ⁵	○	○
	(10) Robbery	×	×	△ ⁶	○ ⁷
	(11) Breakage	×	×	×	○ ⁸
Others I	Terrorism	×	×	×	×
Others II	Electric/Mechanical Accidents	×	×	×	○ ⁹

Table 5. 2-1: Review of Your Insurance against Damage to Assets (Continued)

Disaster Expenses	Extraordinary costs	\triangle^{10}	\bigcirc^{11}	\bigcirc^{11}	\bigcirc^{11}
	Cost to dispose of damaged equipment	\triangle^{12}	\triangle^{13}	\triangle^{13}	\bigcirc^{14}
	“Sympathy Money” for accidental fire	\bigcirc^{15}	\bigcirc^{15}	\bigcirc^{15}	\bigcirc^{15}
	Earthquake/fire costs	\bigcirc^{16}	\bigcirc^{17}	\bigcirc^{16}	\bigcirc^{18}
	Costs contingent on repairs	\triangle^{19}	\triangle^{20}	\triangle^{19}	\bigcirc^{21}

- Note 1) In the case that the amount of damage is ¥200,000 or more.
- Note 2) Buildings: The maximum amount of damage 70%; Instruments/equipment/commodities in the building: 5% of the maximum insured amount (around ¥1,000,000)
- Note 3) 100% of damage, including the external unit of the air conditioner. (The details of compensation may vary from insurer to insurer in some cases.)
- Note 4) Residential buildings (including a store attached to a residence and dormitories) and household goods in the building.
- Note 5) In the case that the amount of damage is ¥200,000 or more.
- Note 6) Buildings/instruments/cash: Up to ¥300,000; Certificates of deposits/savings: ¥3,000,000 at maximum.
- Note 7) Buildings/instruments/external units of air conditioners/commodities: Up to ¥ 0,000 ; Certificates of deposits/savings: ¥ 0,000 at maximum.
- Note 8) Compensated for damage by an unforeseen and unexpected accident other than those referred to in Items (1) to (4) and Items (5) to 10 above. Limited amount needed to be checked.
- Note 9) In the case that machinery and equipment in the building and utilities on the premises are covered by the insurance.
- Note 10) To cover accidents referred to in Items (1), (2), (5) and (6). To pay 30% of accident insurance money. Up to ¥5,000,000 per accident per premises.
- Note 11) To cover accidents in Items (1) and (2) and (5) to (9). To pay 30% of accident insurance money. Up to ¥5,000,000 per accident per premises.
- Note 12) To cover accidents in Items (1), (2), (5) and (6). Up to 10% of accident insurance money.
- Note 13) To cover accidents in Items (1) and (2) and (5) to (9). Up to 10% of accident insurance money.
- Note 14) To cover accidents in Items (1) to (3) and (5) to (11). Up to 10% of accident insurance money.
- Note 15) To cover accidents in Items (5) and (6). The number of the affected households or corporations x ¥200,000. Up to 20% of contracted amount per accident.
- Note 16) In the case that the covered item is partially destroyed. Contracted amount x 5% per accident per premises on a maximum of ¥3,000,000.
- Note 17) In the case that the covered item is partially destroyed. Contracted amount x 5% per accident per premises on a maximum of ¥20,000,000.
- Note 18) In the case that the covered item is partially destroyed. Contracted amount x % per accident per premises on a maximum of ¥ 0,000 .
- Note 19) Rents for temporary stores and offices: To cover accidents in Items (1), (5) and (6). Up to the lower of either 30% of contracted amount or ¥10,000,000.
- Note 20) Rents for temporary stores and offices: To cover accidents in Items (1), (5) and (6). Up to the lower of either 30% of contracted amount or a maximum of

¥50,000,000.

Note 21) Rents for temporary stores and offices: To cover accidents in Items (1), (5) and (6).
Up to the lower of either ___% of contracted amount or a maximum of ¥ 0,000.

○ As for the construction industry, there is insurance on construction work, which will cover natural disasters under special insurance clauses.

Table 5. 2-2: Review of Your Insurance against Losses from Business Interruption

		Profits Insurance (against losses from business interruption)		
		Profits Insurance	Business Continuity Costs Insurance	All Risks
		This covers the decrease of production until recovery, a decline in operating profits during closure, and the expenditure of “fixed costs,” including salaries, land rent and tax and public charges incurred during closure.	This covers rents for temporary stores and offices in order to avoid closure and the suspension of production and “additional costs,” including the costs of rush work for early recovery.	This is insurance coverage expanded to all risks in a combination of profits insurance and business continuity costs insurance.
Generally, there are several types of contract as shown in the right-hand columns of this table. Which type of contract did your company enter into? →				
Contracted or not				
		[Contracted Coverage Period Plan] <u>Insured Amount</u> ¥ _____,000 [Contracted Coverage Ratio Plan] <u>Insured Amount</u> ¥ _____,000	Expected Period until Recovery <u>Months</u> <u>Insured Amount</u> ¥ _____,000	<Profits Clause> [Contracted Coverage Period Plan] <u>Insured Amount</u> ¥ _____,000 [Contracted Coverage Ratio Plan] <u>Insured Amount</u> ¥ _____,000 <Business Continuity Costs Clause> Expected Period until Recovery <u>Months</u> <u>Insured Amount</u> ¥ _____,000
Natural Disasters	(1) Lightning	○	○	○
	(2) Wind/Hail/Snow	△	△	○
	(3) Flood	△	△	○
	(4) Earthquake	×	×	
Man-made Disasters	(5) Fire	○	○	○
	(6) Blast/Explosion	○	○	○
	(7) Flying/Falling/Striking objects	△	△	○
	(8) Water Leak	△	△	○
	(9) Destruction	△	△	○
	(10) Robbery	×	×	○
	(11) Breakage	×	×	○

**Table 5. 2-2: Review of Your Insurance against Losses from Business Interruption
(Continued)**

Others I	Business suspension due to widespread infection within the company	×	×	×
Others II	Suspended supply of utility equipment from outside	△	△	○
	Accidents in Items (1) to (3) and (5) to (11) which have happened to adjoining objects.	×	△	○
	Electric/mechanical accidents	×	△	○

Symbol △ stands for coverage under special insurance clauses.

5.3 Funds Usable during Emergencies

In case of an emergency, your company will need operating funds to pay expenses associated with emergency measures, salaries to employees and purchased goods. You are requested to complete the following table.

Table 5. 3-1: Situation of Your Current Funds

(in 1,000 yen)

Category	Amount	Input Time	Remarks
Cash/Savings		Immediately available	
Accident Insurance Money		Some time required until payment	Ask the agent.
Disposal of Corporate Assets		Some time required until cashing	Does your company hold stock certificates?
Support of Managers		Depends on the willingness of managers	Will your company invest the president's money?
Total (D1) ¹			

Note 1) (D1) means the amount of funds in hand that your company can afford. On the other hand, the amount of funds including that of possible borrowing (D2) will be considered in the intermediate course.

5.4 Financial Assessment and Cash Flow Measures

(1) Financial Assessment

Compare currently available funds with recovery costs.

1) Available Funds (D1) > Recovery Costs (C)

In this case, your company will be able to manage. In case of an emergency, your company will be able to concentrate its effort on recovery measures without worrying about money.

2) Available Funds(D1) < Recovery Costs (C)

In this case, your company will need to borrow funds under the following disaster loan system.

(2) Cash Flow Measures

1) Possession of Cash and Savings

We consider it desirable to reserve cash and savings sufficient to cover expenses incurred during the first month after the occurrence of a disaster. As already mentioned in 5.1, we recommend that your company have available cash and savings equivalent to sales you can usually earn in one month in preparation for unexpected expenses.

2) Funding System at the time of Disaster

We recommend that if your operating and recovery funds fall short, your company consult “a special consultation office” that will be set up at the time of disaster. There are several loan systems, including the disaster loan system as part of the mutual aid system for small enterprises and other loan systems provided by the National Life Finance Corporation, Small Business Finance Corporation, the Shoko Chukin Bank and Guarantee Corporation (including safety net guarantee). They welcome consultations from affected small and medium enterprises.

3) Significance of Prior Measures

If you take advance measures, the total of recovery will certainly decrease in case of a disaster. If you find any defect that could exert a serious effect on business continuity, you should even consider borrowing money in advance.

6. List of Prior Measures

A list of prior measures to be taken will be explained in the following section. If you carry out these procedures during normal periods, they will help you continue your business in case of an emergency.

As the target of each measure is described along with its costs, your company can choose any of these measures while taking into account the funds available and BCP weaknesses of your company.

You can also be able to make use of funding systems for prior measures that are made available by government-affiliated financial institutions.¹

¹ [Reference 10] The public support system for the affected small and medium enterprises.

Table 6-1: A list of prior measure menus

Purchasing cost	Content of implementation		Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources			Business continuity		
					Goods	Money	Information			
Measures without purchasing cost	1	Formulate evacuation plans (such as evacuation places, procedures) against fire, tsunami, flood, etc.		A					For evacuation places, [Form 10] can be used.	
	2	Identify alternative means of obtaining utilities (electricity, gas, water).		A					As an example, in-house power generation for minimum electricity, outdoor stove burner for emergency food cooking, and bottled water can be considered.	
	3	Formulate a contact list to contact employees in emergency. In addition, identify means to contact employees if general telephone lines are interrupted.		A					(* For formulating an employee contact list, [Form 12-1] can be used.) In case general telephone lines are interrupted, it is advisable to devise a plan in which neighboring employees who are contacted go and see the site by bicycle or motorbike. On such an occasion, it is desirable to keep bicycles and motorbikes in a usable condition.	
	4	To confirm if employees are safe in emergency or not, have employees confirm how to use disaster emergency message dial "171" and "disaster message board"(for cell phones).		A					(References) ■ XXX Co., Ltd "Disaster Emergency Message Dial" http://www.XXX ■ XXX Association "How to use phone in emergency" http://www.XXX	
	5	Confirm method for receiving information when municipalities issue evacuation call/instructions in the event of wind and flood damage.		A					If not clear, ask disaster prevention department of each municipality for details.	
	6	Formulate a list of contacts in emergency to inquire police, fire station, and various designated public entities (such as electricity, gas and water) in emergency.		A	A				(*To make a list of contacts, [Form 11] can be used.)	
	7	Inquire with the construction department, etc. of municipalities at the time of a flood to know the possibility of risk of the company to be flooded or to suffer landslide damage.	(Flood)		A				The General Insurance Association of Japan has issued "A book of flood hazard maps" to distribute to the nationwide local governments and so it is advisable to inquire with local municipalities about it. In addition, the flood risk degree of first-class rivers is open to the public at each office of Local Maintenance Service Bureau, Ministry of Land, Infrastructure, Transport and Tourism. See the following site for the open status of hazard maps of each local government. (Reference) ■ Flood Hazard Maps, Ministry of XXX http://www.XXX	
	8	For earthquake disaster risk degree and tsunami risk degree at the location of own company at the time of a large-size earthquake, inquire with the construction department, etc. of local municipalities. In addition, for fire risk area in the neighborhood of own company, see the "fire spread risk degree" which is made public by local municipalities, etc.	(Earthquake)		A				*Because many local governments have made "Earthquake Hazard Maps" and "Fire Spread Risk Degree" in their own way, it is advisable to inquire local municipalities for confirmation. (References) ■ Earthquake Risk Degree Map, XXX Office http://www.XXX ■ Earthquake Risk Degree Map, XXX Government http://www.XXX ■ Measurement of Fire Spread Risk Degree by District, XXX Fire Department http://www.XXX	
	9	In case of flood, put valuables, important documents, electric appliances, etc. at the shelf of higher places. In addition, remove remains and obstacles within drainage facilities of a building in daily routine work.	(Flood)		A		B		(Reference) ■ "In preparation for flood" by River Division of XXX Bureau http://www.XXX	
	10	Identify business operations that are necessary for the company to continue (or are not allowed to be interrupted).						A	* [Form 06] can be used.	
Measures without purchasing cost (Continued)	11	For insurance coverage, make a list of machinery, computers (including software and peripheral equipment), etc. In addition, contact the insurance company and confirm the policy scope and price.				A		A	* [Form 16-1] , [Form 16-2] and [Form 16-3] can be used. * [Form 18] can be used.	
	12	Make a list of contacts in emergency to contact important customers, contractors, suppliers, etc. in operation. In addition, talk about mutual BCP and construct a cooperation system to implement in an emergency.						A	* To make a list of contacts, [Form 15] (main customer information) and [Form 17-2] (main suppliers/contractors information) can be used.	
	13	Identify the kinds of emergency which may affect your company.						A	* [Material 03] can be referred to.	
	14	Calculate loss if operation is interrupted for one week, one month and six months. In addition, identify financing system, etc. to be enjoyed for prior safety measures and in emergency						A	* Finance analysis model can be used.	
	15	Make a list of activity items to recover business operations at the earliest time. In addition, grasp items, etc. required for business continuity.						A	(* For organizing items required for business continuity, [Form 07] can be used. For items in response to the cases where various warnings are issued and items in response to first action in particular, it is wise to carry them by cards.)	

Purchasing cost	Content of implementation		Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources			Business continuity		
					Goods	Money	Information			
									(Reference) ■ An example of portable cards when an earthquake occurs, Earthquake Prevention Disaster Center, XXX Prefecture http://www.XXX	
	16	Study in advance what we can do concerning activities to contribute to local community in emergency. Participate in associations of the same industry and activities of local community and talk about ideal activities of associations and local community in daily meeting.						A		
	17	Through daily contact with public offices, customers, cooperative companies, associations of the same industry, local community, etc., construct a human network to obtain useful information in emergency.						A		
	18	By including emergency preparedness information in the implementation of evacuation drills, employee meetings, company intranet, periodical e-mail to employees and any other internal communication, conduct education/guidance related to the emergency plan of the company. In addition, make a booklet, etc. for employees' families and promote preparedness of employees including their family in emergency.						A	(Reference) ■ An example of portable cards when an earthquake occurs, Earthquake Prevent Disaster Center, XXX Prefecture http://www.XXX	
	19	Through daily business, train employees to assist the president in emergency and who can do business for the president when he/she is absent.						A		
	20	Conduct a simulation drill when an emergency occurs such as earthquake, tsunami, flood and blackout. If the occasion allows, participate in a disaster prevention drills sponsored by municipalities and local communities, etc.						A		
	21	Decide in advance what to do if a building cannot be used. In addition, confirm if various devices can be used in the event of a blackout.						A	(* For studying the case where a building cannot be used, [Form 08] can be used.	
Measures not exceeding ¥100,000	22	Have employees who are responsible for responding to a disaster attend drills of emergency steps and lung resuscitation.		A					Fire station of each local government and emergency-related organizations hold periodical training courses from time to time. It is advisable to contact fire station, etc. for more details. (In this section, a training fee for a person is presumed to be ¥10,000.) (Reference) ■ An example of introduction to first-aid training course, XXX Lifesaving Association http://www.XXX	
	23	Install equipment and fixtures such as cabinets and computers to a wall or other stable facilities to prepare for an earthquake. Put heavy or breakable items at lower levels on the shelves.	(Earthquake)	A	A		B		(References) ■ Earthquake Measure Office, General Disaster Prevention Section, Citizens' Culture and Life Department, XXX Prefecture http://www.XXX ■ XXX Office Products Corp. http://www.XXX (Fixing bracket)(¥840-1,155)Only L type is available. Screw for fixing is sold separately. This fixes cabinet, locker, storage, etc. with wall and floor. ■ XXX Co., Ltd. http://www.XXX (Link-stopper)(¥1,974-3,727) This is used for fixing PC. Monitor, printer, etc. ■ XXX Corporation http://www.XXX (Strap for large screen TV/electric appliances (¥5,040) This can be installed on or at the side of the targeted item. Length of a strap is adjustable. ■ XXX Corporation http://www.XXX (Sheet to prevent a thing from falling. It can endure an earthquake of seismic intensity 7. Some thousand yen from light to heavy items.	0.08-0.5

Purchasing cost		Content of implementation	Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources			Business continuity		
					Goods	Money	Information			
Measures not exceeding ¥100,000 (Continued)	24	Purchase lighting equipment		A					■ XXX Safety Engineering Co., Ltd. (12-hour candle for disaster prevention)(¥262) Match and candlestick consist of one set. (100-hour candle for disaster)(¥1,365) A safety mat, which can endure an earthquake of class 7 on the Japanese seismic intensity scale, is attached. (Safety candle & wax pellet)(¥3,463) A lantern-type candle is safe and wax pellet with 100 gram for supply is attached. In a cold season, it is used as a small kitchen range. ■ XXX Co., Ltd. http://www.XXX (SB Lantern Auto)(¥8,715) This product can burn for about seven hours with the use of cartridge of 230 grams and for about three hours with the use of cartridge of 110 grams. (In case of continuous burning) light volume can be adjusted freely. (High-bright Lantern Auto)(¥13,125) This product can burn for about two hours and 45 minutes with the use of cartridge of 230 grams and for about six hours with the use of cartridge of 470 grams (in case of continuous burning).	0.03-1.3
	25	Purchase thermal sheet		A					■ XXX Co., Ltd. http://www.XXX (Survival sheet) (G/S:¥630, S/S:¥525)One side is golden color (G/S) and both sides are silver color (S/S). Golden color absorbs heat and silver color reflects heat and so we can use them based on purpose. Size is 210 x 130cm. (All Weather Blanket) (¥2,780) Ultra heat-insulating materials developed by NASA are used and they are also used at the site of emergency medical treatment. Size is 213 x 152cm. ■ XXX Co., Ltd. http://www.XXX (Mattress absorbing air)(¥6,983) The product has sponge inside and will swell automatically by absorbing air if expanded. Size is 183 x 64cm. Thickness is 7.5cm. Cold and humidity are shut off from bottom.	0.05-0.7
	26	Caulk or insulate the circumference of holes in the outside wall, roof and attic. In addition, keep plywood and blue sheet to cover windows and the roof in an emergency.	(Storm)		A				■ XXX, Inc. (Blue sheet) http://www.XXX Sizes vary and price is above ¥15,000. ■ XXX Co., Ltd. (Blue sheet) http://www.XXX *Sizes vary and price is above several hundred yen (several meters x several meters) ■ Caulking compound/various sheets (XXX Co., Ltd.) http://www.XXX	0.3-10
	27	Copy important records and documents and keep them at facilities which are safe.					A			
	28	Install anti-virus software and firewalls to in-house PCs and update them periodically.					B		(Reference) ■ “Anti-Virus School” XXX Agency http://www.XXX	
	29	Purchase carrying bag		A					■ XXX Safety Engineering Co., Ltd. http://www.XXX (Valuable bag) (¥2,016) ALMIX product protecting valuables from water and fire (Big Rucksack)(¥6,321) ALMIX product, a rucksack type ■ Emergency carrying bags of various types (XXX Co., Ltd.) http://www.XXX Prices vary from ¥2,000 to ¥6,000.	0.2-0.6
	30	Purchase food (one set)		A					■ XXX Safety Engineering Co., Ltd. http://www.XXX (Preserved food one day set) (¥2,079) one day food for an adult, preservation period: 3-5 years (Original emergency food set) (¥4,830) three day food for an adult, preservation period: 3-5 years (New survival capsule)(¥8,715) Completely cooked canned food, 7 kinds x 5 meals, preservation period: 5 years ■ XXX, Inc. Long-term preserved food (XXX.com) http://www2.XXX Price is ¥13,800 for three day meals of two adults.	0.2-0.9
	31	Purchase portable gas stove and portable cylinder		A					■ Portable gas stoves of various types, portable cylinder (XXX.com) http://www.XXX Prices vary from ¥2,500 to ¥15,000. Portable cylinder is about ¥100 per piece.	0.3-1.5

Purchasing cost		Content of implementation	Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources			Business continuity		
					Goods	Money	Information			
Measures not exceeding ¥100,000 (Continued)	32	Purchase multi-functional radio light battery.		A					■ XXX Inc. http://www.XXX (LED portable radio)(¥1,659) The product has a white LED light which can last about 50,000 hours and can light for 24 hours consecutively with 3 pieces of AAA (cell) battery. It has not any charging function. (Dynamo radio light "Escape") (¥5,775) The product has a window crusher for emergency escape and a cutter for seat belt cutting. ■ XXX Safety Engineering Co., Ltd. http://www.XXX (X power tank) (¥10,290) The product uses a halogen bulb of H3-12V/55W and has a strong spot light of 800,000 candelas with a siren.	0.2-1
	33	(* as budget per person) Purchase all the items described in the list of disaster tools. If there is any other tool that should be included into a set of personal portable tools, discuss it with employees.		A	A				Choose and purchase items which are considered to have preference from among the items listed up in [Form 19] and the following homepage within the scope of budget which can be appropriated for purchase of disaster tools. In particular, portable radio, flashlight, coins for public phone and backup battery are essential goods. In addition, keep proper amount of cash, cash card and credit card at hand (Reference) ■ "Introduction of disaster goods," XXX Fire Department http://www.XXX	
	34	Participate in a small-scale enterprise mutual aid system (You can receive finance upon request when a disaster occurs.)					B	A	(Reference) ■ Organization for Small & Medium Enterprise and Regional Innovation, Japan http://www.smrj.go.jp/skyosai/index.html	
	35	Purchase tents (Private tents for change room, shower room and wash room)		B					■ XXX Co., Ltd. http://www.XXX (Benri tent)(¥8,400) The product can be expanded only by one touch and the inside of it cannot be seen. ■ XXX Co., Ltd. http://www.XXX (Private Tent HG) (¥36,750) It is 210 cm tall and is rather big. ■ XXX, Ltd. http://www.XXX (Personal tent (toilet tent)) (¥17,850) The product has a display of "Occupied" at its entrance.	0.8-3.7
	36	Purchase a set of disaster goods.		A					■ XXX Safety Engineering Co., Ltd. http://www.XXX (Original basic set)(¥6,300) (Ladies 21)(¥6,300) For ladies ■ XXX Electrochemical Co., Ltd. http://www.XXX (Disaster set)(¥10,500) ■ XXX Co., Ltd. http://www.XXX (Safe evacuation set)(¥9,345)	0.09-1
	37	Purchase first aid supplies		A					■ XXX Safety Engineering Co., Ltd. http://www.XXX (Aid team)(¥525) a compact first aid set (Emergency box for many people (for about 50 persons) (¥71,820) for companies and local governments ■ XXX Trading Co., Ltd. http://www.XXX (First aid bag)(¥3,990) with belt porch	0.05-7
	38	Purchase food (Staple food)		A					■ XXX Co., Ltd. http://www.XXX (Alpha rice) (¥294-357 for one meal) six kinds such as white rice, Sansaioikowa(wild vegetable and rice with red beans) and Gomokugohan (rice mixed with various vegetables or fish seasoned with vinegar) ■ XXX Corporation http://www.XXX (Hot Gourmet Lunch Box "Saving KING for Emergency") (¥997) three kinds such as curry and rice, Gyudon(a bowl of rice topped with beef) and Okayu(rice gruel). A lunch box with heating device inside. ■ XXX Safety Engineering Co., Ltd. http://www.XXX (A large can of preserved Ramen/Udon(noodle)(¥20,349 each) You can eat it within three minutes after pouring hot water into it. A set of 60 meals with cup and chop stick for each meal. ■ XXX Co., Ltd. (Safety Bread Box)(¥8,800) A can of soft bread without egg, milk and soybean (three largest allergens). Preservation period is three months. * There is Mochi or rice cake which can be softened by water.	0.03-2

Purchasing cost		Content of implementation	Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources		Information	Business continuity		
					Goods	Money				
Measures not exceeding ¥100,000 (Continued)	39	Purchase and install fire extinguishers and fire alarms.	(Fire)	A	A				(References) ■ XXX Association http://www.XXX ■ XXX Safety engineering Co., Ltd. http://www.XXX (Fire Out M) (¥1,659) An aerosol-type simple fire extinguisher. It is used for extinguishing a small size of fire such as tempura and stove, etc. ■ XXX Ltd. http://www.XXX (Fire Extinguisher with strong liquid for houses)(¥11,025) The product has 1.5 liter fire extinguishing chemical with 50% increase (compared with other products of the company). You can extinguish fire for a long time because the discharging time of such chemical is long. ■ XXX Co., Ltd. http://www.XXX (Fire extinguisher to install for street)(¥14,175-¥94,500) This product is an accumulator-type fire extinguisher and so it does not generate reaction so much. It is useful for a fire site when there are only children and women.	0.2-9.5
	40	Purchase portable bath tubs.		B					■ XXX Co.Ltd. http://www.XXX (Portable bath)(¥97,000) It weighs 9.5 kilograms and so even women can carry it because it is so light. ■ XXX Co., Ltd. http://www.XXX (A kit of knock-down outdoor bath)(¥99,750) Originally, this product is a kit of knock-down outdoor bath. You can enjoy Hinoki(cypress) bath.	10
	41	Maintain or purchase drain pumps to prepare for flood.	(Flood)		B					
	42	Purchase computer memory devices (portable hard disc, etc.) to back up important data and keep them at facilities which are located in a safe area.					A		(Reference) ■ “Back-up of Files,” XXX Industry Advancement Center http://www.XXX	
Measures exceeding ¥100,000	43	As often as possible, have employees take trainings of first aid and lung resuscitation		B						
	44	Request technical engineers to evaluate performance of wind resistance, fire resistance and earthquake resistance of the building(s).			B				(Reference) ■ “In preparation for wind,” the General Insurance Association of XXX http://www.XXX ■ Introduction of free earthquake-proof assessment, Housing Department, City-Building Coordination Bureau, City of XXX http://www.XXX ■ “Earthquake-proof navigation,” Building Safety Promotion Office, Urban Housing Department, XXX Prefecture http://www.XXX ■ “Consultation/support corner for earthquake-proof assessment of our house,” the XXX Building Disaster Prevention Association http://www.XXX ■ “Cost of earthquake-proof assessment,” the Associated General Contractors of XXX http://www.XXX ■ Introduction to a system of cost subsidy for anti-earthquake repair work, Housing Department, City-Building Coordination Bureau, City of XXX http://www.XXX	
	45	Install automatic sprinkler fire extinguisher, fire-fighting hose, refractory door and refractory wall.	(Fire)		B				(Reference) ■ XXX Rolling Shutters & Doors Association http://www.XXX	
	46	Install thunderbolt protection system.	(Thunderbolt)		B					
	47	Introduce data back-up service provided by traders.					B			
	48	Maintain multiple communications means such as cell phone, PHS and IP phone of multiple companies. In addition, establish audio communication network (such as telephone conference function) to prepare for emergency.					A		(* For organization of communication means, [Form 13] can be used.)	
Measures exceeding ¥100,000 (Continued)	49	Purchase generators, etc. for emergency and maintain fuel for them.					A		A general small generator is sold at around ¥100,000. A large generator may cost several million yen. ■ A small generator of XXX (Several hundred thousand yen) http://www.XXX ■ Automatic initiated generator of installment type of XXX (Several million yen) http://www.XXX	

Purchasing cost	Content of implementation		Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources			Business continuity		
					Goods	Money	Information			
	50	Buy additional insurance (such as business interruption, income loss, extraordinary expense, flood and earthquake)						B	(References) ■ “Insurance as measures against flood damage” The General Insurance Association of XXX http://www.XXX ■ “Insurance as measure against typhoon damage” The General Insurance Association of XXX http://www.XXX	
	51	Have employees take BCP trainings of several days which are necessary at the time of emergency.						A		
	52	Discuss if it is necessary to request experts to evaluate or formulate disaster prevention preparedness and BCP.						B		
	53	Purchase a rescue set.		A					■ XXX Co., Ltd. http://www.XXX (Survival mini goods)¥3,990 minimum survival set ■ XXX Safety Engineering Co., Ltd. http://www.XXX (Rescue kit of rucksack type)(¥42,000) Because it is a rucksack type, even one person can carry it. ■ XXX Co., Ltd. http://www.XXX (Disaster rescue tool set “New Matoi”)(¥229,950) The product is suitable for public facilities, office buildings and local governments.	0.4-23
	54	Purchase tools for evacuation		B					■ XXX Co., Ltd. http://www.XXX (Tool kit for emergency evacuation) (¥51,450)(1) window punch (2) LED signal light (3) scissor for evacuation (4)folding shovel (5)Multi-pliers (6) sliding saw (7) small ax set ■ XXX Techno-Machine Co., Ltd. http://www.XXX (Super Spider) (¥99,750 for 5 th story) It is possible to escape from high-building by oneself. Total weight is 2 kilograms. ■ XXXCorporation http://www.XXX (Parachute system to evacuate from high-rise building) (¥260,400)	5-26
	55	Purchase toilet		B					■ XXX Co., Ltd. http://www.XXX (Eco-pot E) (¥525 for one time use) This is a portable toilet for excrements. After use, it can be burned and there is no fear of smell escaping because it is a sealed bag. ■ XXX Co., Ltd. http://www.XXX (VISA portable flush toilet 24L)(¥30,975) This portable flush toilet can be used for about 60 times continuously. ■ XXX Co., Ltd. http://www.XXX (Sanka-ku PataPata)(¥365,400) Space can be used effectively by combining three rooms, six rooms and 12 rooms.	0.05-37
	56	Purchase tents (large tent for four or more persons)		B					■ XXX Co., Ltd. http://www.XXX (One touch tent) (¥23,730) This is a tent for four persons. It is not necessary to assemble it. ■ XXX Co.,Ltd. http://www.XXX (Living shelter III) (¥75,600) For all seasons of lodge type (Tent for disaster evacuation)(¥577,500) 14 persons can sleep in it. It is two meters tall and has two ventilation windows at the ceiling portion.	2.4-58
Measures exceeding ¥100,000 (continued)	57	Purchase water purifiers.		A					■ XXX Ltd. http://www.XXX (POPE)(POPE assembly set)(¥980) There is also a type for a person to assemble the kit by using a pet bottle capable of purifying water of about 300 liters, 1.5 liters. ■ XXX Corporation http://www.XXX (Portable water purifier 911 type)(¥126,000) This portable R.O. water purification system enables you to change water of river or pond into drinking water quickly. The system can produce 600 litter of water a day. ■ XXX Tech Corporation http://www.XXX (Sea water/flooded water purification system)(Engine type:¥2,625,000 and electricity type:¥2,415,000) Engine type can purify water for 600 persons a day.	0.1-263
	58	Purchase shatterproof films and install them to glass windows		A					■ XXX Co., Ltd. http://www.XXX (Shatterproof film) about ¥10,000/m ² (Price goes up according to size) ■ XXX Co., Ltd. http://www.XXX (Shatterproof film)¥3,990 (product price itself ¥3,800)/meter ■ XXX Inc.	0.9-several hundred thousand)

Purchasing cost	Content of implementation		Targeted disasters	Targets of measures (Note 1)					Remark (Note 2)	Cost target (unit: ¥10,000)
				Human resources	Material resources		Business continuity			
					Goods	Money		Information		
								http://www.XXX (Glass shatterproof film: for wide cupboard)¥980-2,500 (open price)		
59		Quake proofing work of a building		A	A			(References) Cost of quake proofing work for houses is above several hundred thousand yen and about ¥1,200,000 on average. It is considered that a wooden house and shop costs the same level of amount but a large shop costs much larger level of amount in terms of quake proofing work. Some local governments support some portion of such cost and it is advisable to use such system effectively. ■ Results of earthquake-proof assessment by XXX Association Concerning 9,668 cases of quake proofing work for wooden houses conducted nationwide from July 2000 to October 2004, cost of above ¥500,000 but not exceeding ¥1,000,000 accounts for 43.6% and cost of above ¥1,000,000 but not exceeding accounts for 32.9%. Average cost is ¥1,190,000. ■ Materials concerning quake-proofing work (XXX Prefecture) http://www.XXX Average quake proofing work for wooden houses in XXX Prefecture was about ¥1,800,000.	(Several hundred thousand)	

Note 1) Preference is as per right side. A > B > C

Note 2) Company names or product names shown in the “Remark” are only some examples in the “content of implementation” and so judge them by yourself when you adopt or purchase them. In addition, because these are only some of the samples, we plan to update them from time to time.

7. BCP Forms (Entry Sheets)

Discuss and fill out the worksheets according to “2. Basic Policy and Operation Framework” and “3. Formulating and Operating a BCP during Normal Periods (Basic Course)”.

The sheets that you fill out will be the BCP Forms of your company.

If the same form expands to several pages, it is advisable to write (present page number/total page number) at the above portion “(/)” of the each page. In addition, keep blank forms so that you may add customers if necessary.

You should implement measures for business continuation in an emergency according to “4. Implementing the BCP in an Emergency” and by referring to these forms.

You should put these forms at in a part of the office you can access in an emergency. In addition, for “Form 04,” the Employee Portable Card, distribute it to all the employees and encourage them to carry it at all times. In addition, keep a copy of it at a safe place other than the office.

If the telephone number, etc. of an employee changes, the contact list should be modified. It is wise to review the list at least once a year to ensure that its content is not outdated.

Table of Content

Form 01	Cover/Content of BCP
Form 02	Basic Policy of BCP
Form 03	Formulation/Operation Framework of BCP
Form 04	Employee Portable Card
Form 05	Formulation/Operation Framework of BCP Involving Collaboration of Several Companies
Form 06	Information on Core Business Operations
Form 07	Form for Evaluating the Degree of Impact on Core Business Operations
Form 08	Information on Access to Alternatives of Various Resources Related to Business Continuity
Form 09	Investment Plan for Prior Measurements
Form 10	Evacuation Plan Sheet
Form 11	Contacts of Major Organizations
Form 12-1	Employee Contact List [employees list]
Form 12-2	Employee Contact List [for individual employees]
Form 12-3	Employee Contact List [for organizing basic information]
Form 13	Information on Telecommunications Options
Form 14	Telephone/Fax Sheet [for company use]
Form 15	Information on Main Customers
Form 16-1	Critical Resources Related to Core Business operations [equipment/machinery/vehicles, etc.]
Form 16-2	Critical Resources Related to Core Business Operations [computer equipment and software]
Form 16-3	Critical Resources Related to Core Business Operations [other equipment]
Form 17-1	Information for Supplies Detailing Items Necessary for Core Business Operations
Form 17-2	Information on Major Suppliers/Vendors [per supply item]
Form 18	List of Insurances Information [to examine the scope of losses]
Form 19	Checklist of Tools for Disasters
Form 20	Activities to Contribute to Community Recovery

[Form 01]

Cover/Content of BCP

You should keep this form book by binding each page using the following cover sheet and table of contents. Enter your company name on the underlined portion of the upper part of the next page.

Business Continuity Plan

Edited on ()
Revised on () (Version)

Structure of Table of Contents

Table of Contents	Forms	Page
1. Basic Policy		
2. Operational System of BCP		
3. Core Business Operations and Recovery Goal		
4. Finance Assessment and Prior Measure Plan		
5. BCP Implementation in Emergency		
(1) Implementation Procedures		
(2) Evacuation		
(3) Communication of Information		
(4) Resources		
(5) Contribution to Local Community		
(6) Results of Own Judgment		

Basic Policy of BCP

- The items that are essential to business continuity in an emergency, based on our company's characteristics and BCP needs, are as follows:

1. Purpose of formulating and operating a BCP:

(1) For customers

(2) For employees

(3) For local community

(4) Others

2. Essential Points to Continue Business Operations in an Emergency:

(1) Cooperation with companies

(2) Ethical business transactions

(3) Contribution to local community

(4) Use of public support system

(5) Others

3. Calendar for updating the BCP and Disaster Prevention Plan:

(Insert month) every year (Update_____times a year)

Formulation/Operational Framework of BCP

- The following outlines the organizations involved in formulating the BCP (Business Continuity Plan), promoting the BCP's adoption in normal time, and implementing the BCP in an emergency in order to continue doing business.
- The manager shall be in charge of each responsibility. In addition, sub-leaders and their backups at the time of emergency shall be specified as follows:

1. Purposes of formulating and operating the BCP:

(1) Person in charge _____

(2) Sub-leaders (several people depending on situations) _____

2. System to Promote adoption of the BCP in Normal Time:

(1) Person in charge _____

(2) Sub-leaders (several people depending on situations) _____

(3) Partner companies _____

(4) Organizations, including associations _____

(5) Targeted People for Operation of BCP: BCP shall be operated by all the employees. _____

3. System to Implement BCP in Emergency:

(1) Person in charge _____ (Backup) _____

(2) Sub-leader in charge of customers and partners _____ (Backup) _____

(3) Sub-leader in charge of business resources _____ (Backup) _____

(4) Sub-leader in charge of finance _____ (Backup) _____

(5) Sub-leader in charge of employee support _____ (Backup) _____

Employee Portable Card

- It is advisable to have all the employees carry the card after filling out all necessary items, to enable them to take quick action in an emergency.

[Surface side]

Company name: _____															
Potable card															
Request: If you happen to find this card, please contact the following.															
Location: 〒 _____															
Telephone: _____ FAX: _____															
<table border="1" style="width: 100%;"> <tr> <th colspan="2" style="background-color: #FFD700;">Actions in emergency</th> </tr> <tr> <td style="width: 20%;">Earthquake</td> <td>(1) Extinguish fire. (2) Hurry to higher ground if near the sea. (3) Automatically gather at the company if the earthquake is at least a strong 5 on the Japanese seismic intensity scale.</td> </tr> <tr> <td>Typhoon</td> <td>(1) Pay attention to the weather report. (2) Move documents and machines to the second floor. (3) If warning is issued, be ready to evacuate.</td> </tr> <tr> <td>Fire</td> <td>(1) Notify neighbors and call 119. (2) Extinguish fire at first and if fire reaches the ceiling, evacuate. (3) Be careful about smoke, put wet towel to mouth and crouch down as you move.</td> </tr> </table>		Actions in emergency		Earthquake	(1) Extinguish fire. (2) Hurry to higher ground if near the sea. (3) Automatically gather at the company if the earthquake is at least a strong 5 on the Japanese seismic intensity scale.	Typhoon	(1) Pay attention to the weather report. (2) Move documents and machines to the second floor. (3) If warning is issued, be ready to evacuate.	Fire	(1) Notify neighbors and call 119. (2) Extinguish fire at first and if fire reaches the ceiling, evacuate. (3) Be careful about smoke, put wet towel to mouth and crouch down as you move.						
Actions in emergency															
Earthquake	(1) Extinguish fire. (2) Hurry to higher ground if near the sea. (3) Automatically gather at the company if the earthquake is at least a strong 5 on the Japanese seismic intensity scale.														
Typhoon	(1) Pay attention to the weather report. (2) Move documents and machines to the second floor. (3) If warning is issued, be ready to evacuate.														
Fire	(1) Notify neighbors and call 119. (2) Extinguish fire at first and if fire reaches the ceiling, evacuate. (3) Be careful about smoke, put wet towel to mouth and crouch down as you move.														
<table border="1" style="width: 100%;"> <tr> <th colspan="2" style="background-color: #FFD700;">Personal information</th> </tr> <tr> <td style="width: 20%;">Name</td> <td></td> </tr> <tr> <td>Blood type</td> <td></td> </tr> <tr> <td>Chronic illness/allergy</td> <td></td> </tr> <tr> <td>Home doctor</td> <td></td> </tr> <tr> <td>Evacuation place at office</td> <td></td> </tr> <tr> <td>Evacuation area near home</td> <td></td> </tr> </table>		Personal information		Name		Blood type		Chronic illness/allergy		Home doctor		Evacuation place at office		Evacuation area near home	
Personal information															
Name															
Blood type															
Chronic illness/allergy															
Home doctor															
Evacuation place at office															
Evacuation area near home															

[Reverse side]

Contact (Telephone number, cell phone number, cell-phone text messaging)	
Home telephone number	
Family (1)	Company/school name Cell phone
Family (2)	Company/school name Cell phone
Family (3)	Company/school name Cell phone
Relatives living the same area	(All the family contacts them when telephone cannot be used.)
President	
Manager:	
Contact of in-house emergency network	
Contact of in-house emergency network (if the above is not available)	
Important customer 1	
Important customer 2	
Important customer 3	
Important customer 4	
Disaster message dial	171

Cut the card and fold them three times. Then put it in your commuting pass or wallet.

Formulation/Operational Framework of BCP Involving Collaboration of Several Companies

- The following represents the system and procedures involved in collaborating with other companies.
(Check the applicable item (within □) and describe specific content. (Highest Course))

1. Collaborating companies

(1) Type	<input type="checkbox"/> Supply chain forming company <input type="checkbox"/> Association, etc. of the same industry <input type="checkbox"/> Local associations, etc.
(2) Company Name	Managing company name and contact:
	Forming companies:

2. Content of Collaboration

Check	Type	Comments
<input type="checkbox"/>	Adjust prospect of recovery time goal in advance and then have common recognition among companies.	
<input type="checkbox"/>	Hold a study meeting about BCP jointly and conduct trainings.	
<input type="checkbox"/>	Install/keep facilities and machines jointly for measures of emergency.	Joint facilities/machines
<input type="checkbox"/>	If operation of our company is stopped due to emergency, other companies make products and deliver them to customers for us.	Examples of content of substitute business
<input type="checkbox"/>	We dispatch support personnel to disaster-stricken companies in emergency.	Examples of main business of support personnel
<input type="checkbox"/>	Others	

3. Others:

- Expenses incurred due to collaborative activities shall be borne by (_____) (For example, all companies share such expenses equally or the company receiving support will bear them.)
- The managing company will hold a meeting to be attended by staff members in charge of collaboration from all the other companies (Insert time _____) (at least once a year) to exchange information and review the content of the collaboration if necessary.

Information on Core Business Operations

- The following represents our core operations and related information.

Core business operations		
In-house person responsible for core business operations		
Expected loss if core business operations are interrupted (including penalty, etc.)		
Customers/collaborating companies. of core business operations (describe all if there is more than one company)	Company name	
	Main contact (telephone number, etc.)	
	Person in charge of the company	
Suppliers of materials, etc. required for core business operations (describe all if there is more than one company)	Company name	
	Main contact (telephone number, etc.)	
	Person in charge of the company	
Recovery time goal (Indicate it by ticking ○ at the proper time unit of the parentheses.)	(About hour/day/week)	
Disasters, etc. that may interrupt core business operations		
Remarks		

[Form 06] (/)

○ Important in-house work required for continuity of core business operations (Describe all applicable matters)

Important work	Resources required for important work		Person responsible for important work	Contact info for person responsible	Remarks
	Resources that cannot be partially replaced by human resources	Resources that can be partially replaced by human resources			

(* If there is not enough room for your answers, make additional copies of this page for use.)

[Form 07]

Form for Evaluating the Degree of Impact on Core Business Operations

(In case of disaster by _____)

[illegible]

How to Fill Out This Form (Form 07)

Enter your responses to the “Resources Required for Important Work from Form 06 into Column (1).

Enter the either 1, 2, or 3 into Column (2) according to the following principle:
(If you are undecided between two numbers, choose the higher number.)

- ☐ “Resources that cannot be replaced by human resources” \Rightarrow 3
- ☐ “Resources that can be partially replaced by human resources” \Rightarrow 2
- ☐ “Resources that do not affect operation at all” from the items entered in Column (1)
 \Rightarrow 1

Enter either 1, 2, or 3 into Column (3) based on the influence a presumed disaster may have on the slowing of each operation of Column (1) according to the following principle.

- ☐ The case in which a presumed disaster may have influence on operations such that the recovery time goal cannot be met. \Rightarrow 3
- ☐ The case in which a presumed disaster may have influence on certain operations but the recovery time goal can be met. \Rightarrow 2
- ☐ The case in which a presumed disaster does not cause any damage to the company.
 \Rightarrow 1

Enter the number in Column (4) by multiplying Columns (2) by (3).

The larger this figure, the more severe the consequence to continuity of core business operations will be if a presumed disaster occurs.

Judging from the above, we can identify the expected influence that a presumed disaster may have on each factor listed in Column (1).

Information on Access to Alternatives of Various Resources Related to Business Continuity

- Information concerning the substitute policy to recover core business functions after an emergency occurs is organized as follows:

(1) Location serving as a main point of contact for information			
Address			
Building owner/manager			
Telephone number 1		Alternative telephone number	
Other contacts (cell phone, PHS, etc.)		E-mail	
Things to request			
Employees who should report to this location			
Remarks			

- ☐ Map showing this location (if it is necessary to show on the map)

(2) Location where business recovery is implemented			
Address			
Building owner/manager			
Telephone number 1		Alternative telephone number	
Other contacts (cell phone, PHS, etc.)		E-mail	
Core operations that will be continued at this location			
Employees who should report to this location			
Remarks			

○ Map identifying this location (if it is necessary to show on the map)

(3) Support personnel	
------------------------------	--

1. Personnel required for business recovery

[illegible]

Remarks	
---------	--

(3) Support personnel	
------------------------------	--

2. Personnel required to support of employees and dependents who are victims of the disaster
--

[illegible]

Remarks	
---------	--

(4) Finance procurement	
Means, policy, etc. of finance procurement	
Remarks	

(5) Communication and utility backup arrangements	
Substitute policy of communication means (such as telephone)	
Electricity	
Gas	
Water	
Others	
Remarks	

(/)

(6) Information/documents required for core business operations (including information concerning back-up)										
Information name/docum ent name,	Relevance	Locat ion	Person in Charge	Type of media(*)	Is a back-up copy	Type of media for back-up copy	Location of back-up copy	Number of back-up copies	Course of action if information cannot be recovered	Remarks
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					
					Yes/No					

* For example, printed materials, hard drive, CD/DVD, floppy disc, etc.

Investment Plan for Prior Measurements

- The followings investment plan concerns preparation of facilities and equipment to enhance the competence of business continuity.
(Given the considerable expense involved, it is advisable to use public finance systems effectively. See [Material 08] The public support system for disaster-stricken small and medium enterprises.)

Check	Measures (*)	Measures already taken	Measures to be taken	Required funds (Unit: million yen)	Fund procurement methods	Year of implementation (expected)
<input type="checkbox"/>	Strengthening of resistance to earthquake of business office (remodeling/reinforcement)					
<input type="checkbox"/>	Fireproof the office environment					
<input type="checkbox"/>	Steps taken to prevent damage from flood					
<input type="checkbox"/>	Steps taken to prevent damage from landslide					
<input type="checkbox"/>	Preparation for evacuation facilities against tsunami, etc.					
<input type="checkbox"/>	Steps taken to prevention equipment from falling or collapsing					
<input type="checkbox"/>	Purchase of generators for measures against disasters					
<input type="checkbox"/>	Preparation of water supply equipment to be used in an emergency					
<input type="checkbox"/>	Preparation of communication facilities to be used in a disaster					
<input type="checkbox"/>	Building of warehouse to keep disaster response items/equipment					

* : Additional items specific to your operations should be added in the blank spaces.

[Form 10]

Evacuation Plan Sheet

☐ Evacuation plan to _____ (Insert the name of the place of evacuation)

Actions for company to take if it is necessary to evacuate to a location outside the company	
Place to gather	
Person in charge at meeting point (Backup)	
His/her responsibilities	
Person in charge of ordering a work stoppage (Backup)	
His/her responsibilities	
Person in charge of ending the evacuation (Backup)	
Remarks	

- In order to avoid confusion and congestion, it is advisable to formulate this plan jointly with the companies adjacent to your company and the building manager.
- Copy and distribute a map of the evacuation location.
- Clarify the location of the emergency exit.
- Conduct an evacuation drill (_____) times a year.

[Form 11]

Contacts at Major Organizations

- The following list details the contact of important organizations to continue/recover the core business of our company, including those required for the core business of our company (banks, creditors, insurance companies, etc.) and those required to resume business operations (local governments, broadcasting companies, etc.)

Categories by kind:

- ☐ Fire station ☐ Police station ☐ Hospitals
☐ Telephone companies ☐ Power companies ☐ Gas companies ☐ Water supply companies
☐ Financial institutions ☐ Insurance companies ☐ Auditing companies ☐ Certified public accountants ☐ Creditors
☐ Building managers ☐ building owners ☐ building security companies ☐ Others:

Business line (or service name)				
Content of service to be provided				
Account number (if necessary)				
Address				
Website address				
Telephone number (representative)				
First contact	Department		Person in charge	
	Telephone number		Cell phone, etc.	
	FAX number		e-mail	
Second contact	Department		Person in charge	
	Telephone number		Cell phone, etc.	
	FAX number		e-mail	
Remarks				

[Form 12-1] (/)

Employee Contact List (employees list)

- Employee contact information should be collected so that the company can successfully reach employees in the event of an emergency.
(Keep the latest copy in a place that can be safely and easily accessed)

Individual list No. [Form 12-2]	Name of employee	Individual list No. [Form 12-2]	Name of employee

[Form 12-2] (No.)

Employee Contact List (for individual employees)

The contact of each employee described in [Form 12-1]:

(Enter the number of each employee in [Form 12-1] on the (No.) line of the above part of this page).

Name		Title	
Main responsibility			
Home address			
Home telephone number		Cell phone number, etc.	
Company e-mail		Home e-mail	
Emergency Contact		Relationship with this person	
Telephone number in emergency		Alternative telephone number	
Post disaster communication with employee (condition, request, etc.)			
Possibility of reporting to office in emergency	Distance from home to office (judgment of possibility of reporting to office, etc. on foot)	About () km	
	Commuting means during non-emergency		
Qualification/skill, etc. (that can be useful for business recovery)	<input type="checkbox"/> First-aid treatment <input type="checkbox"/> CPR(cardiopulmonary resuscitation) <input type="checkbox"/> amateur radio <input type="checkbox"/> license to operate construction/transportation machines (Target to operate: _____) <input type="checkbox"/> driving license of motorbike, large and special vehicles (Target: _____) <input type="checkbox"/> other qualifications which may be useful in emergency)		
Remarks			

Employee Contact List (for organizing basic information)

- Employee contact information should be collected so that the company can successfully reach employees in the event of an emergency. (Keep an updated copy in a safe and easily accessible location)

[] (* Division of department name, roles, etc. to be requested)

[illegible]

Information on Telecommunication Options

- Contact with employees, customers, suppliers and other main contacts during an emergency can have an important influence on business activity recovery after a disaster occurs. The communication equipment to be used for such communication is organized as follows:

Kinds of information communication equipment to be used	<input type="checkbox"/> Telephone (outside line) <input type="checkbox"/> Telephone (extension) <input type="checkbox"/> FAX <input type="checkbox"/> Pager <input type="checkbox"/> Internet <input type="checkbox"/> Cell phone <input type="checkbox"/> Others (Explain them)
Status of these resources	<input type="checkbox"/> We now use them <input type="checkbox"/> Scheduled to lease them / scheduled to buy them
Model name/units to be used in normal time	
Number to be considered necessary during an emergency (Approximate number)	
Measures to be taken if sufficient equipment is not available during an emergency	<input type="checkbox"/> Lease <input type="checkbox"/> Purchase <input type="checkbox"/> Others (Leasing/Purchasing from _____) (Leasing/Purchasing from [alternative] _____)
Place to which the company presumes to install it in case of business continuity	
Remarks	

[Form 14] (/)

Telephone/FAX Sheet (for company use)

- The company has the following telephone/FAX numbers.
(It is necessary to ascertain at the time of issuing the BCP the need to have each telephone/FAX number available in order to recover/continue core business. If they are indispensable numbers critical to recovering/continuing core business, it is also necessary to study prior measures and methods to maintain adequate substitutes).

Telephone number	Type (Extension, outside line, free dial, FAX, cell phone, others)	Condition (“Now in use” or “will be established only during recovery period.”)	Importance Rate (The importance rate concerning continuity of core business is evaluated as “high” or “low.”)	Measures (Enter measures if the importance rate is “high”. Examples: Transfer it to or register a new number at the place of business recovery.	Related in-house important work

Remarks:

Information on Main Customers

- The information on main customers related to our core business is organized as follows:

Company name				
Products/materials/service to be provided				
Means to provide products, etc. in normal time (Transportation means, etc.)				
Account number (if necessary)				
Company	Address			
	Homepage address			
	Telephone number (representative)			
No.1 contact	Department name		Person in charge	
	Telephone number		Cell phone, etc.	
	FAX number		e-mail	
No.12 contact	Department name		Person in charge	
	Telephone number		Cell phone, etc.	
	FAX number		e-mail	
Remarks				

Critical Resources Related to Core Business Operations (equipment/machinery/vehicle, etc.)

- The machinery and equipment which may become a bottleneck for core business continuity of our company are as follows:
(For a disaster such as a typhoon in which there is a prior warning, also ascertain whether or not the equipment and machinery can be moved to a safe place. In addition, for computer equipment, organize it in Form 16-2 “Computer equipment and software” sheet).

Important in-house work to use the resources	
Person in charge	
Status of the resources	<input type="checkbox"/> The company is now using them. <input type="checkbox"/> The company plans to lease / purchase them.
Product name (model name)	
Supplier	
Supplier (alternative)	
Place to be installed in case of business continuity	
Time to replace/install	
Remarks (Necessary items, etc. in connection with the resources)	

Critical Resources Related to Core Business Operations (computer equipment and software)

- The following computer, peripheral equipment and software may become a bottleneck for business core continuity of our company.
(For a disaster such as a typhoon in which there is a prior warning, also ascertain whether or not the equipment and machinery can be moved to a safe place).

Important in-house work to use the resources	
Person in charge	
Status of the resources	<input type="checkbox"/> The company is now using them. <input type="checkbox"/> The company plans to lease/purchase them.
Product name (version, etc.)	
Units (equipment)	
Type	<input type="checkbox"/> Computer (PCs and server, etc.) <input type="checkbox"/> Peripheral equipment <input type="checkbox"/> Software
Supplier	
Supplier (alternative)	
Place to be installed in case of business continuity	
Remarks: Date/price/serial number, etc. which they are purchased on/leased at	

Critical Resources Related to Core Business Operations (other equipment)

- The following machinery and tools may be necessary to recover/continue the core business of the company at a substitute facility.
(For necessary tools other than those described in this sheet, enter them in the open space.)

Item	Quantity	Supplier	Supplier (reserved)	Place to be installed
Chair				
Desk				
Extension cord				
Cabinet				
Mail box				
Removable air-conditioner				
Table				
Trash can/bin				
Others (Explain them specifically)				

Information for Suppliers Detailing Items Necessary for Core Business Operations

- The following items will be needed in order to recover/continue the core business.
- For information on suppliers of items described in this sheet, we organize them in **[Form 17-2]** (Information on main suppliers/customers).
(Note: This sheet does not include basic office supplies such as pens, paper and staplers, and office furniture such as shelves for files, desks and chairs because these are organized in [Form 16-3].)

Supply item	Order number	Quantity	Supplier	Related in-house important work
Remarks				

Information on Major Suppliers/Vendors (per supply item)

- The following information details suppliers/substitute vendors who can supply items necessary to recover/continue core business operations.

Product/materials/service to be provided				
Company name				
Transaction condition with customers		<input type="checkbox"/> Supplier/customer with whom the company now has business <input type="checkbox"/> Reserved supplier/customer		
Delivery means of products, etc. in normal time (Transportation means, etc.)				
Account number (if necessary)				
Company	Address			
	Homepage address			
	Telephone number (representative)			
No.1 contact	Department name		Person in charge	
	Telephone number		Cell phones, etc.	
	Fax number		e-mail	
No.2 contact	Department name		Person in charge	
	Telephone number		Cell phones, etc.	
	Fax number		e-mail	
Remarks				

List of Insurance Information (to examine the scope of losses)

- The followings list details insurance company and agent information.

Insurance agent name			
Address			
Department of contact		Person in charge	
Telephone number of contact		Telephone number of reserved contact	
FAX number		e-mail address	

Information on insurance policy

Type of insurance	Insurance policy number	Amount of exemption	Limit amount of compensation	Scope of compensation

Do you need flood insurance?	Yes	No
Do you need earthquake insurance?	Yes	No
Do you need insurance concerning operation profit and special loss?	Yes	No

Any other question concerning disaster-related insurance:

Checklist of Tools for Disasters

- The following list details the preparation status of disaster assistance tools that will become necessary if a disaster hits the area (and until emergency support arrives).

	Water for employees (The standard is 3 liters per person/day)
	Food for employees (At least 3-days worth of non-perishable food)
	Can opener and paper (or plastic) tableware
	Small kitchen range and gas cylinder
	Radio (battery-type, hand-winding charging type) and spare battery
	Flashlight and spare battery
	First-aid kit
	Whistle (help for rescue)
	Working protectors (helmet, dust mask, eye guard, working gloves, etc.)
	Health-related items (wet tissue paper, toilet paper, etc.)
	Tools (pinchers, hammer, cutting wrench, shovel, bar for a lever, etc.)
	Office supplies (pencils, pens, notebooks, etc.)
	Poly-bucket with cover, rubbish bag, broom
	Vinyl sheet and tape (for closing access to the room)
	Blue sheet
	Portable toilet products (or vinyl bag or vinyl tape for toilet)
	Camera, film, spare battery (to record damage. A disposable camera is also OK.)
	Blanket (if possible, portable bed and mat)
	Cash (including coins for pay telephone), debit card, credit card
	A list of contacts (employees, emergency services, etc. by public organizations such as the police station and fire station)
	A list of procedures for business continuity
	Maps, floor maps within the buildings
	Loud speaker

[Form 19]

Checklist of Tools for Disasters (additional tools)

[illegible]

Activities to Contribute to Community Recovery

- In order to contribute to the safety/security of local residents, our company will conduct the following activities.

1. Daily activities:

Check	Examples of activities*	Supplementary remark
<input type="checkbox"/>	Provide activities, know-how and manpower, funding, etc., to promote local volunteer disaster prevention organizations.	
<input type="checkbox"/>	Formulate/implement fire-fighting drills jointly with local residents.	
<input type="checkbox"/>		

2. Activities in the event of an emergency:

Check	Examples of activities*	Supplementary remark
<input type="checkbox"/>	Contact elderly people living on their own (when evacuation is ordered, during evacuation, etc.)	
<input type="checkbox"/>	Ascertain amount of damage sustained at neighboring houses and assist in rescue/first-aid/initial fire fighting.	
<input type="checkbox"/>	Help clean up homes that sustain damage.	
<input type="checkbox"/>	Encourage employees to register/work as volunteers.	
<input type="checkbox"/>	Provide facilities as evacuation places (if public evacuation places, such as schools, cannot be used)	
<input type="checkbox"/>	Provide products that are kept in stock.	
<input type="checkbox"/>	Provide water and emergency goods/equipment.	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

- Please add additional items in the space provided.