DBJ Initiatives for Tohoku's Region-Wide Recovery from the Great East Japan Earthquake

June 25, 2014

Development Bank of Japan Inc.
Tohoku Revival Reinforcement Office,
Tohoku Branch
## DBJ profile

| **Established** | October 1, 2008          Former Japan Development Bank est. 1951  
Former Hokkaido-Tohoku Development Finance Public Co. est. 1956  
Former Development Bank of Japan est. 1999 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>President &amp; CEO</strong></td>
<td>Tōru Hashimoto</td>
</tr>
<tr>
<td><strong>Number of employees</strong></td>
<td>1,168 (as of March 31, 2013)</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>JPY1,206,953,000,000 (wholly government-funded)</td>
</tr>
<tr>
<td><strong>Head office</strong></td>
<td>1-9-6 Otemachi, Chiyoda-ku, Tokyo 100-8178</td>
</tr>
<tr>
<td><strong>URL</strong></td>
<td><a href="http://www.dbj.jp/">http://www.dbj.jp/</a></td>
</tr>
<tr>
<td><strong>Associated offices</strong></td>
<td>Branches (10), offices (8), overseas representative office (1), overseas subsidiaries (2)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>JPY16,183,800,000,000 (as of March 31, 2013)</td>
</tr>
<tr>
<td><strong>Loans outstanding</strong></td>
<td>JPY14,015,400,000,000 (as of March 31, 2013)</td>
</tr>
<tr>
<td><strong>Capital adequacy ratio</strong></td>
<td>15.02% (Uniform International Standard; as of March 31, 2013)</td>
</tr>
<tr>
<td><strong>Issuer rating</strong></td>
<td>Aa3 (Moody's), A+ (S&amp;P), AA (R&amp;I), AAA (JCR)</td>
</tr>
</tbody>
</table>
The Tohoku Revival Reinforcement Office: What we do

- Finance
- Planning, proposals & research
- Recovery projects promotion

Source: Website of Spa Resort Hawaiians.
Links with related organizations

- **DBJ**
  - Local governments
    - Recovery plan support
  - Government and public agencies
    - Co-work on special reconstruction zones and other recovery measures
  - International organizations
    - Information sharing on disaster experience and lessons learned
  - Companies and economic organizations
    - Disaster preparedness and BCM promotion
    - Industrial recovery project support
  - Local financial institutions
    - Recovery funds
    - Cooperative financing
## Finance～Track record

(as of 31 March 2014; million yen)

### ◆ Interest rate subsidy system for special zone for reconstruction

Cumulative total

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>Number of deal</th>
<th>Loans executed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iwate, Miyagi, Fukushima, Aomori, and Ibaraki (Total)</td>
<td>30</td>
<td>35,501</td>
</tr>
</tbody>
</table>

### ◆ Great East Japan Earthquake Reconstruction Fund

Cumulative total

<table>
<thead>
<tr>
<th>Fund by prefecture</th>
<th>Number of deal</th>
<th>Amount decided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iwate Fund</td>
<td>18</td>
<td>3,590</td>
</tr>
<tr>
<td>Miyagi Fund</td>
<td>7</td>
<td>1,000</td>
</tr>
<tr>
<td>Fukushima Fund</td>
<td>11</td>
<td>2,850</td>
</tr>
<tr>
<td>Total of Tohoku 3 Prefectures</td>
<td>36</td>
<td>7,440</td>
</tr>
<tr>
<td>Ibaraki Fund</td>
<td>7</td>
<td>950</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>8,390</td>
</tr>
</tbody>
</table>
## DBJ Enterprise Disaster Resilience Rated Loan Program

### Outline of screening

**Operation level**

1. To-Be (with BCP)
2. How to prevent decreasing operation level
3. How do achieve optimum & prompt recovery

### As-Is vs. To-Be

<table>
<thead>
<tr>
<th>1</th>
<th>Preparedness/Mitigation</th>
<th>5</th>
<th>Hardware</th>
<th>10</th>
<th>Software</th>
<th>16</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Disaster Prevention Plan</td>
<td>6</td>
<td>Durability of Important Property</td>
<td>10</td>
<td>Strategy of Business Continuity from Viewpoint of Stakeholder Management</td>
<td>7</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>3</td>
<td>Emergency Response and Operations</td>
<td>7</td>
<td>Distribution and Fugnility of the Head Office and Important Bases</td>
<td>11</td>
<td>Target Restoration Time Based on Supply Delivery Responsibility</td>
<td>8</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>4</td>
<td>Secondary Disaster Prevention Plan</td>
<td>12</td>
<td>Redundancy of Information Systems</td>
<td>12</td>
<td>Information Disclosure about Business Continuity</td>
<td>9</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>5</td>
<td>Compliance</td>
<td>13</td>
<td></td>
<td>13</td>
<td>Resilience of Supply Chain and Value Chain</td>
<td>14</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>14</td>
<td></td>
<td>14</td>
<td>Crisis Communications to Stakeholders</td>
<td>15</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>15</td>
<td></td>
<td>15</td>
<td>Information Disclosure about Business Continuity</td>
<td>16</td>
<td>Total Assessment</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>16</td>
<td></td>
<td>16</td>
<td>Financial Stability (Using Risk, Finance and Insurance)</td>
<td>17</td>
<td>Total Assessment</td>
</tr>
</tbody>
</table>

**RANKS**

- **RANK A**
- **RANK B**
- **RANK C**
- **RANK D (ineligible)**
Disaster Resilience (BCM) Rated Loan Program ~ Track record

Total amount by the end of Mar. 2014: 144 cases, about 130 billion yen

<table>
<thead>
<tr>
<th>Scope</th>
<th>DBJ Disaster preparedness Ratings</th>
<th>DBJ Enterprise Disaster Resilience Rated Loan Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of deal</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>100 million yen</td>
<td>63</td>
<td>3</td>
</tr>
</tbody>
</table>
The Tohoku Alliance is a unified platform dedicated to the region’s recovery. Participation is open to persons and organizations from Tohoku and beyond with information and ideas that can serve as the basis for concrete action. Policies and initiatives draw on the valuable lessons learned from the Great East Japan Earthquake.

**Tohoku Alliance**

- A unified platform for entities from Tohoku, Japan and the world
- Source of information on the earthquake, the lessons drawn from it, and recovery efforts involving people, goods, and information

**Other regions of Japan**

- Broad-ranging exchange during normal times
- Development of region-wide backup functions

**Overseas**

- Information-sharing with other disaster-affected countries
- Promotion of personal exchange

**Horizontal expansion of advanced initiatives developed in Tohoku**

**Source:** METI IT-based Community-building Initiatives, METI.

**Guided tour of damaged government office building**

**Hiraizumi, a World Heritage Site**

**Source:** Study Group on Major Earthquakes around the Nankai Trough, Cabinet Office.
About the Tohoku Alliance

1. Purpose
   To gather and assess ideas from within and outside Tohoku on the best means of achieving a creative recovery on a region-wide scale – through strategies such as strengthening the region’s disaster resilience and promoting and rehabilitating its industries – and, through these strategies and the lessons learned from the Great East Japan Earthquake, guide the way to a resolution of the region’s issues.

2. Character and objectives

1. A Tohoku-based platform for a flexible alliance of diverse entities in Japan and abroad
   - A venue for free, practical and constructive discussion by workers, experts and others. Participation is solicited from seven Tohoku prefectures, the city of Sendai, Tohoku University, the International Recovery Platform (IRP), private companies and other organizations in Japan and overseas.

2. A venue for knowledge- and information-sharing in the search for solutions
   - By sharing their information and knowledge rather than working on their own, participating entities contribute not only to Tohoku’s recovery but to the creation of home-grown content.*
   - * This includes initiatives to increase disaster-resilience throughout Tohoku; develop back-up functions that will enable Tohoku to assist other areas, both in Japan and overseas, at times of natural disaster; and promotion strategies for industry and infrastructure.

3. A direct source of information from Tohoku to elsewhere in Japan and overseas
   - Looking ahead to the UN World Conference on Disaster Risk Reduction in 2015, the Tohoku Alliance will generate information both before and after the Conference to promote recognition of Tohoku and its move toward creative recovery.
1st meeting of the Tohoku Alliance

Opening topic: Alliance and mutual cooperation for a more resilient Tohoku

- Participants present their ideas on the need for partnerships and mutual cooperation among diverse entities, and on improving disaster preparedness, founded on the lessons they have learned through experience with disasters, and develop future positions and measures on this basis.
- Information and expertise gained through such activity is shared, stored, and used in the development of backup functions through which Tohoku as a whole can assist other regions, in Japan and overseas, to cope with disaster.

Specific topics for discussion

- Greater disaster resilience for all of Tohoku
- Backup for other regions at times of disaster
- Proposals for national disaster-related initiatives
- Suggestions for industry...

Region-wide initiatives

- Concrete action
- Establish methods of evaluating disaster response capability

We propose **3 keywords** for concrete action, based on discussions thus far

- **ORGANIZE** operations in anticipation of disaster
- **FACILITATE** operations through wide-area ICT
- **ESTABLISH** methods of evaluating disaster response capability
The place of each keyword in disaster preparedness

Better disaster response through alliances and mutual cooperation within and outside Tohoku

ORGANIZE operations in anticipation of disaster

FACILITATE operations through wide-area ICT

ESTABLISH methods of evaluating disaster response capability

Region-wide effort to strengthen response capability

Proposals by Tohoku on national anti-disaster initiatives

Strengthen Tohoku’s response capability

Horizontal expansion of successful precedents

Disaster back-up for other regions

Suggestions for industry

Knowledge acquired from natural disasters will be applied to improve regional resilience

◆ Our aim is to make sure that disaster operations are smoothly coordinated. Operations planned with a disaster scenario in mind will facilitate wide-area cooperation through ICT. Establishing methods of evaluating disaster response capability will ensure that measures are as effective as possible.
Keywords in action: Some examples

Organize operations in anticipation of disaster

- If industries create distribution plans in advance based on disaster scenarios, how can distributors and public bodies forge deeper alliances enabling them to adapt to those plans?
- How can close relationships and personal exchanges built up during normal times be strengthened so that they can be used to advantage at times of disaster?

Facilitate operations through wide-area ICT

- When a natural disaster or other event occurs across a wide area, using ICT to build wide-range alliances will facilitate action and the sharing of information. Efficient alliances should be developed not only during ordinary times but also at times of disaster.

Establish methods of evaluating disaster response capability

- For optimum disaster preparedness, it is important to understand how cities, towns and villages are managing disaster risk. Methods should be established to evaluate the disaster response capabilities of individual communities; this will help to raise the standard and improve the rating of the communities concerned.
Schedule

- **Preparatory meeting**
  (Study sessions, etc.)
  - 2013

- **Organization meeting**
  - 2014

- **Extend fields**
  - 2015
  - World conference on disaster risk reduction
    (Information sharing, etc.)

- **Discussion in multiple topics & productive solutions**
  - 2016
Inquiries

Please contact us with any questions or comments.

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