

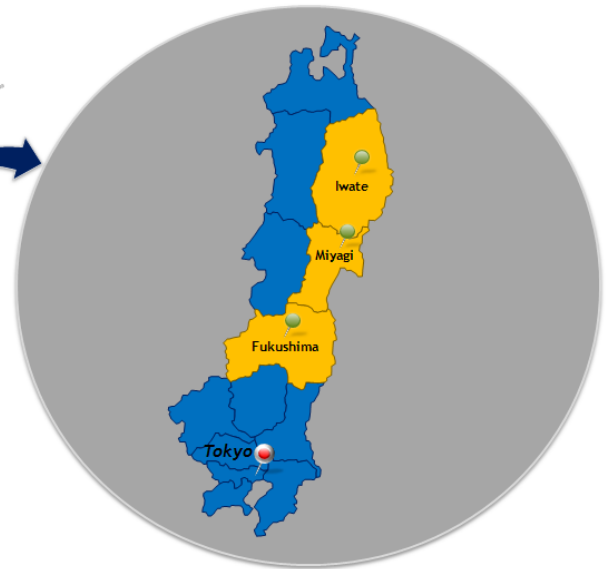
# 2011 Impact Report of Japan Earthquake and Tsunami

## Preliminary Business Impact Analysis for High Impact Areas of Japan



Decide with Confidence

Since the 9.0 magnitude earthquake and resultant tsunami hit Japan on March 11, 2011, the total recovery costs are still unknown. The economic impact of this disaster has the potential to affect not only businesses within Japan's borders, but those located in countries around the world. Dun and Bradstreet, a world leader in business information and commercial insight, has prepared a preliminary analysis of the potential business impact of the disaster in Japan.



### Analysis Methodology

D&B reviewed its database of more than 195 million businesses to perform this preliminary assessment. We analyzed the number of businesses, employees, and sales volume in the three prefectures that were most impacted by the disaster.

### Business Impact

The earthquake and tsunami has the potential to impact **86,418 businesses** with the majority located in the prefectures most impacted by the disaster—Miyagi, Fukushima, and Iwate. Conservative estimates suggest potential impact to **311,934 employees** and **\$209 billion in sales volume**. These businesses spread across **715 industries**.

### Miyagi

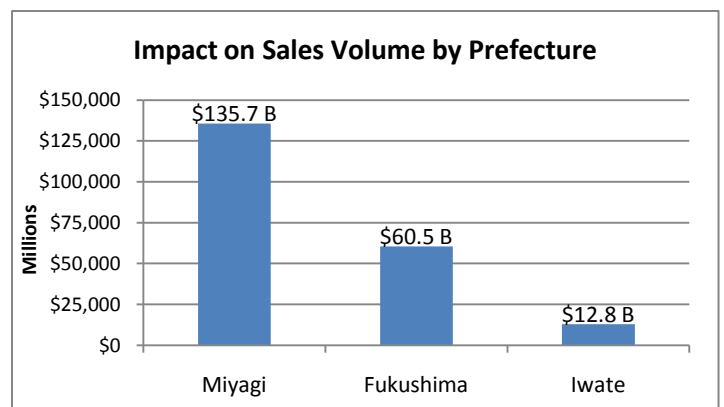
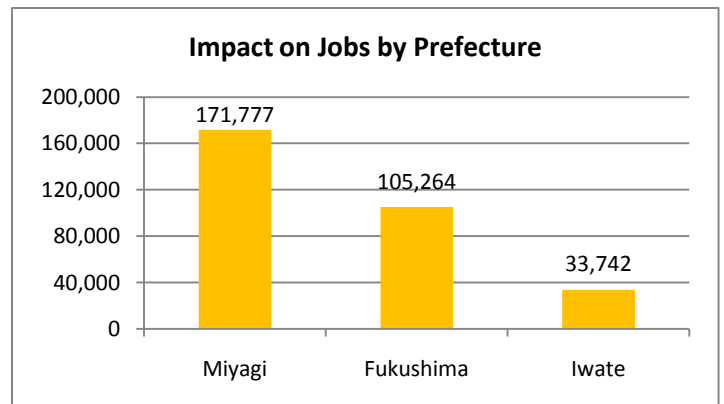
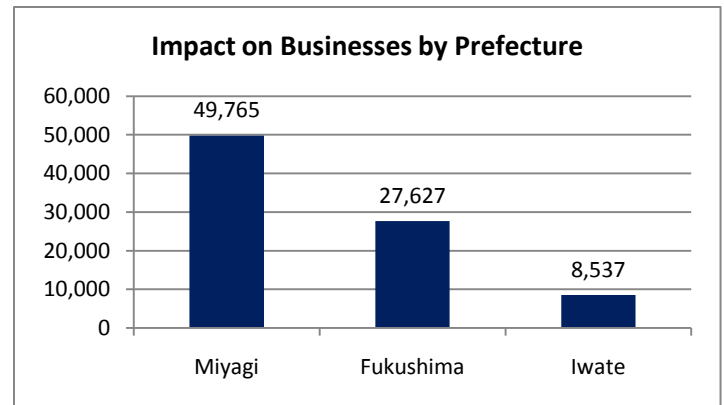
Miyagi was the prefecture closest to the epicenter of the tsunami, and also has the largest number of businesses, employees and sales volume of the three prefectures. There are an estimated **49,765 businesses** that could be impacted, with a minimum of **171,777 employees**, and **\$136 billion in sales volume**. These businesses spread across **669 industries**.

### Fukushima

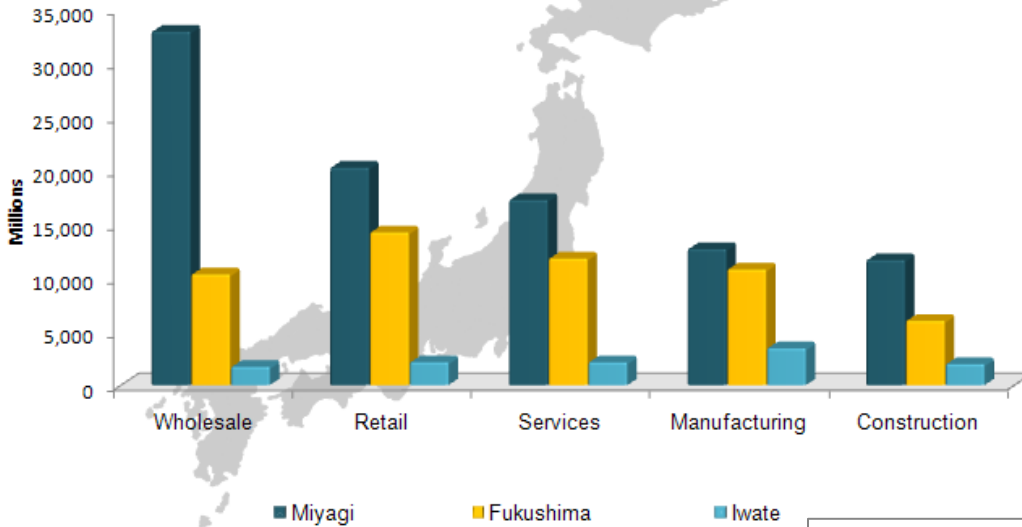
Fukushima, located directly south of Miyagi, had the second highest impact of the earthquake and tsunami. There is a potential of **27,627 businesses** that could be impacted and at least **105,264 employees** and **\$60 billion in sales volume**. These businesses spread across **600 industries**.

### Iwate

Iwate, located north of Miyagi, is the third highest impacted prefecture from the earthquake and tsunami. There are an estimated **8,537 businesses** that could be impacted by the disaster with a minimum of **33,742 employees** and **\$13 billion in sales volume** have the potential to be impacted. These businesses spread across **451 industries**.



## Potential Sales Impact by Prefecture for Top Industries



## Potential Impact on Industries

The top five industries based on sales volume are Wholesale, Retail, Services, Manufacturing, and Construction. Across the three prefectures, Wholesale has \$47.75 billion in sales volume and Retail has \$38.15 billion in sales volume.

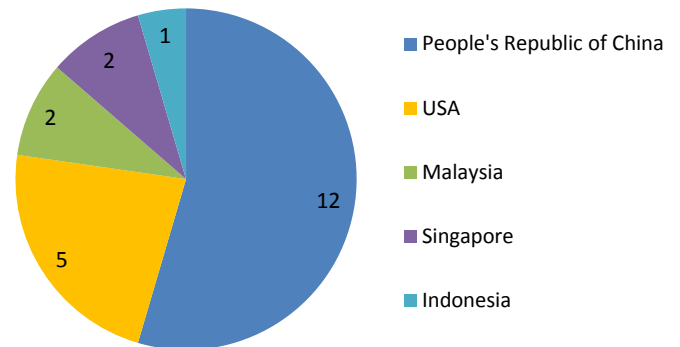
In Miyagi alone, which is the highest impacted area, **Wholesale has \$33 billion** in sales volume, **Retail has \$20.3 billion** in sales volume, and **Services has \$17.3 billion** in sales volume.

## Potential Impact on Other Countries

In looking at corporations potentially impacted both inside and outside Japan's borders, D&B found **59,848 linked corporate locations**, with the majority found in Japan.

There are **23 Japanese corporate families with sites located in the impacted area that also have business locations in other countries**. People's Republic of China has the largest number of business locations—12—that could potentially be impacted by the disaster, with an estimated 1,825 employees. The United States is second with 5 business locations and 112 employees. Singapore and Malaysia each have 2 business locations, with 97 and 17 employees respectively.

## Top 5 Countries with Corporate Headquarters in Impacted Areas



There are an estimated **179 corporate family locations with world headquarters located in countries outside Japan**. The United States has 73 corporations that include 184 affected locations, followed by Germany has 21 corporations that include 42 affected locations, and France has 16 corporations that include 41 affected locations.

## Potential Impact on Top 10 Monitored Japanese Supplier Industries

Based on the Japanese suppliers that D&B monitors for its U.S. customers, the top 10 Japanese supplier industry categories that can potentially be impacted include Manufacturing Durable, Services, Computer Services, Wholesale Durable, and Manufacturing Non-Durable. The industries most likely to be impacted include **Electronics** (since Japan produces 40% of the electronic component supply), **Automotive** and certain **Textiles**. Capacity and inventory levels were at an all-time low before the earthquake hit. Bringing in new sources of supply is not easy since many of the electronic components manufactured in Japan are highly specialized, and it will take time to find new sources. The same is true for some textiles, and heavy equipment.

Top 10 Monitored Japanese Supplier Industries	# of Suppliers
Manufacturing Durable	873
Services	247
Computer Services	140
Wholesale Durable	203
Manufacturing Non-Durable	136
Transportation	76
Professional Services	49
Holding Companies & Investment Offices	33
Construction	32
Wholesale Non-Durable	31

D&B is focused on keeping you well-informed of the most current information, and has released a [free search tool](#) that allows you to identify businesses that are located in the impacted areas. D&B has also provided an updated [Country Risk Report](#) for Japan.