The Great East Japan Earthquake of March 11, 2011, was a natural disaster unprecedented in scale in recent times. It caused enormous damage, especially in the three prefectures of Japan’s Tohoku Region. There was significant disruption of social infrastructure: electricity, gas and water services were rendered inoperable, and relief supplies necessary for daily life could not be delivered to desperate survivors until weeks later. To the INPEX Group, the disaster reinforced the importance of supporting society’s infrastructure as an energy company, and we were quick to reaffirm our dedication to ensuring a stable supply of energy resources at all times.
Effect of the Great East Japan Earthquake on the Group, and Our Response

In our company, a “Corporate Crisis Management Team” performs disaster response in the event of emergencies that affect our operations. On the day the Great East Japan Earthquake struck, this crisis management team office sprang into action, and quickly and methodically ascertained on that day and subsequent days that there had been no fatalities among company personnel, nor damage done to the Minami Nagaoka Gas Field, Koshijihara or Oyazawa plants (the primary production plants of our gas business in Japan), or to the gas pipeline network in the Kanto and Koshinetsu areas. Slight damage to natural gas production facilities in Chiba Prefecture was identified, but timely and careful restoration work by our personnel on the spot enabled resumption of facility operation there three weeks after the earthquake.

As well as engagement in energetic on-the-ground recovery efforts, we also donated funds to the Japanese Red Cross Society and relief supplies to those areas hit hard by the disaster. We also delivered such petroleum products as gasoline, kerosene, and diesel, produced by INPEX Group refineries, direct to affected regions via tanker truck, as well as supplied additional crude oil and LNG from our overseas sources to power companies for use in power generation. Employees from a gas-utility company in the INPEX Group joined in utility gas pipeline restoration work in affected regions as part of their relief efforts. (For additional information, click here.)
Stable Natural Gas Supply System Strengthening Initiatives

Every year, over a pipeline network with a total length of approximately 1,400 kilometers, we supply utility gas companies and factories in Japan with a volume of natural gas equivalent to the amount consumed annually by approximately four million households. In order to establish a gas supply chain linking overseas natural gas supply sources with the Japanese natural gas market, we are working on the construction of the Naoetsu LNG Receiving Terminal in Joetsu City, Niigata Prefecture.

Our natural gas supply operations are very community oriented, and are intricately tied to everyday life. In response to the disaster, we have decided to review the following in order to ensure that we are always able to provide a stable supply of natural gas.


We have been maintaining and upgrading our Business Continuity Plan (BCP) in a systematic and constructive manner, based on an existing manual specifying what response to take in the event of an earthquake, but in response to the scale of this disaster, we have created a more comprehensive BCP for our Akasaka headquarters mindful of the possibility of an earthquake striking Tokyo direct.

In establishing this BCP, we have created a document architecture composed of (1) basic guidelines defining fundamental BCP policy, including prioritization of human life, and cooperation and coordination with the community, (2) business continuity plans defining how to continue our headquarters operations (operations related to the maintaining of social functions such as our domestic natural gas business), and (3) an earthquake response manual defining what actions are to be taken, from initial response when an earthquake strikes, to switchover to the BCP system. This document architecture will enable us to smoothly continue headquarters functions and operations in the event of an emergency.

In implementing this BCP, we plan to continue to perform various risk evaluations, both inside and outside
2. Review of Naoetsu LNG Receiving Terminal Design

In the design work of our new Naoetsu LNG Receiving Terminal, currently under construction, we have ensured a high level of safety in the face of earthquake activity through our latest anti-earthquake design guidelines. In addition to employing safety measures such as the installation of levees to protect against tsunamis, we have also taken all possible steps to prevent secondary disasters such as land subsidence or liquefaction.

However, taking into consideration the massive damage caused by this recent earthquake, we have decided to perform a thorough review of the design of this receiving terminal. Specifically, in order to improve the facility’s margin of safety in the face of earthquakes or tsunamis, we are beginning preparations to reinforce the levees, and overhauling the facility’s foundation design to better protect against tsunamis, in addition to flooding countermeasures such as raising the foundation elevations of power generation and electrical facilities. We plan to continue gathering information and deploying new countermeasures as necessary when new information or insights become available.

We plan to begin operations at the new receiving terminal in 2014, and will continue to take appropriate measures in order to create disaster-resistant facilities.
The Great East Japan Earthquake has not only thrown into sharp relief the issue of attaining energy security for Japan, which has limited natural resources, but also spurred tremendous debate on the future of energy and its role in society. Expectations are rising for natural gas and renewable energies as replacements for nuclear power, which has been used to produce a relatively large portion of Japan’s electricity. Natural gas, in particular, has a smaller environmental impact than other fossil fuels, and there are abundant reserves, so demand for natural gas as an efficient energy source is forecast to rise.

The earthquake has prompted the INPEX Group to reconfirm its role as an energy company. We will continue to make the most of our abilities and experience as an oil and natural gas development company, while further reinforcing our system for providing a stable supply of energy.

The large scale Ichthys (Australia) and Abadi (Indonesia) LNG projects we are developing as an operator will have a joint production volume equivalent to slightly more than 15% of the total LNG imported by Japan. The INPEX Group will work together to ensure that these two projects begin production as scheduled. Responding to society’s expectations of us as a supplier of stable energy, we will also construct an integrated gas supply chain in Japan that covers from LNG receiving terminals to a wide range of natural gas transport pipelines.