

# **Sumitomo Electric Device Innovations, Inc. (SEDI)**

## **Summary of Business Continuity Plan (BCP)**

Sumitomo Electric Device Innovations, Inc.

# **CONTENTS**

**I : BCP Policy**

**II : Overview**

**1 , Fundamental Policy  
of Risk Management**

**2 , Risk Management**

**3 , Risk Assessment**

**III : Incident Management Plan (IMP) for  
Natural Disasters**

**IV : Business Recovery Plan**

# I : BCP Policy

**We have established a Business Continuity Plan to continue essential operations even in the event of natural disasters such as earthquakes, infectious diseases such as new strains of influenza, or accidents such as fire, and to ensure prompt recovery from any suspension of our business. We will continue to promote our business continuity management (BCM) for continuous improvement. To improve the effectiveness of BCM, we will continue to provide practical training and education and strive to respond to various risks.**

## **II : Overview (Risk Management System, Risk Understanding and Evaluation, etc. )**

### **1. Basic Policy for Risk Management**

#### **① Ensuring the Safety of Human Life**

**Our top priority is to ensure the safety of customers, employees, business partners, etc.**

#### **② Stable Supply of Products and Services**

**We will continuously supply the products and services necessary to society domestically and overseas.**

#### **③ Compliance and Respect for Corporate Social Responsibility**

**In addition to emphasizing compliance with laws and corporate ethics, we adhere to “the Sumitomo Corporate Philosophy,” “the Sumitomo Spirit,” and “the Sumitomo Electric Group Charter of Corporate Behavior.”**

**We will fulfill our corporate social responsibility by acting under our Charter.**

# II : Overview-2, Risk Management

- (1) Understand, analyze, and evaluate the risks associated with management, take mitigation measures, and minimize each risk according to the evaluation results.
- (2) The main target is risk management in the following categories.

Category	Subcategory	Sub-Subcategory	Applicable
External Risk	Non-financial risk	<ul style="list-style-type: none"> <li>● Disaster risk, Social crime risk</li> <li>● Political and country risk</li> </ul>	◎
	Financial risk	<ul style="list-style-type: none"> <li>● Credit risk</li> </ul>	◎
Internal Risk	Operational risk	<ul style="list-style-type: none"> <li>● Product quality and safety risk</li> <li>● Occupational accidents, Equipment accidents, Safety risk</li> <li>● Environmental risk</li> <li>● Compliance risk</li> <li>● Risk of violation of regulations</li> <li>● Labor/human rights/personal information risks</li> <li>● Risk of unreliability of financial information and asset security risk</li> <li>● Information/Communication system risk</li> <li>● Intellectual property risk</li> <li>● Reputation risk, etc.</li> </ul>	◎

### (3) Risk Management System

In collaboration with the Sumitomo Electric (SEI) Group's risk management system, SEDI has the management organization below.

- ① Risk Management Office (Risk Management Standard)
- ② Risk Management Group
- ③ Natural Disasters (Earthquakes) BCP Committee
- ④ Infectious Disease Control Secretariat  
( Infectious Disease Control Action Plan)

#### — SEDI in SEI Risk Management System —



## **II : Overview - 3 , Risk Assessment**

**We are implementing the following actions based on company rules. ( Risk Management Guidelines)**

- ① We conduct risk analysis and evaluation once a year based on the company guidelines and identify essential risks.**
- ② For significant risks, we set deadlines to consider countermeasures and take mitigation measures.**
- ③ We report significant risks to the SEI business division, which identifies the most critical risks that the business division should focus on, and counter measures to reduce risks.**

**The next slide shows the risk analysis method.**

# Risk Analysis Method

A business Unit	
Risk details	Supplementary explanation
Suspension of operations and shipment due to country risk	(1) Request for improvements to power companies; installation of in-house power generation

## Risk Analysis I (Individual)

Risk classification		Impact (D)	Frequency (F)	Importance (D×F)
(1) Disaster Risks	① Large scale earthquakes	3	1	3
	② Storms and floods (Typhoon)	2	2	4

## Risk Analysis II (Common)

Points	Impact (D)	Points	Frequency (F)
10	50 Billion Yen or more.	3	twice a year or more
5	10~50 Billion Yen	2	Once every one to three years or more
3	1~10 Billion Yen	1	Once every three to ten years or more
2	10 Million Yen ~ 1 Billion Yen	0.8	Fewer than once every ten years
1	Less than 10 Million Yen		

## Extracting significant risk

Significant Risk	Scenario	Impact × Frequency = Importance	Countermeasures to be implemented	Effectiveness of Countermeasures
Country risk	Suspension of Infrastructure	10 × 1 = 10	Double track supply line	0.9
Suspension of Operations	Big earthquakes	5 × 1 = 5	① Preventive maintenance.	①~③ 0.9 ④ 0.8

## (Guidelines for significant risks)

D (Impact)	F (Frequency)			
	0.8	1	2	3
10	8	10	20	30
5	4	5	10	15
3	2.4	3	6	9
2	1.6	2	4	6
1	0.8	1	2	3

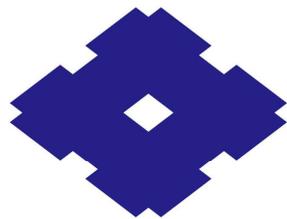
Points	Effectiveness of Countermeasures
0.8	Fully effective
0.9	Partially effective
1.0	No effect
1.2	Worse (countermeasures are lagging, etc.)

## **III : Disaster/Incident Response Plan**

- We have established a management system and behavioral guidelines based on the Disaster/Incident Response Plan (IMP). We conduct regular training to prevent disasters and prepare for disasters or major disruptions. ( Disaster/Incident Response Plan (IMP) )

## **IV : Business Recovery Plan**

1. To prepare for a disaster or significant disruption, we have established a business continuity plan (BCP), reviewed yearly, including the recovery plan.  
(Business Continuity Plan for a large-scale Earthquake Disaster)
2. Procedures and recovery periods for 100% recovery in a functional outage have been established and reviewed once a year.
3. To prepare for an infectious disease outbreak (pandemic), we have established a business continuity plan for infectious diseases and reviewed it once a year.  
( Business Continuity Plan for Infectious Disease (Infectious Disease BCP))



# **SUMITOMO ELECTRIC**

## **DEVICE INNOVATIONS**

<https://www.sedi.co.jp/>

**SUMITOMO  
ELECTRIC  
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