

Remarks for Special Issue on Business Continuity and Disaster Recovery

On behalf of NEC, I would like to preface my remarks with an expression of our deep appreciation for your continued patronage and support for our products and services.

From torrential rainstorms to earthquakes, successive large-scale disasters have struck with incredible ferocity in recent years, re-awakening and reinforcing awareness of the importance of corporate disaster and crisis management measures. Amid this situation, growing attention is focused on the Business Continuity Plan (BCP) as a measure to ensure minimal damage in the event of an actual disaster or accident, and restore business operations as rapidly as possible. In August 2005, the Cabinet Office of the Japanese Government unveiled its “Business Continuity Guidelines,” and urged the business community to take steps to build a foundation for rapid restoration of vital services and business in the aftermath of a major disaster or accident. In the international arena, there is a movement for the creation of a formalized ISO standard for BCP; furthermore, from the fiscal year beginning in April 2008 when the Japanese version of the SOX (Sarbanes-Oxley) Act is projected to go into effect, corporations will be expected to tackle BCP and disaster recovery measures in compliance with the law.

Business Continuity/Disaster Recovery (BC/DR) is a new approach to crisis management that examines the issue from perspective of how quickly vital business and operation of companies and organization can be restored and continued in the wake of a disaster. However, it should be seen as not only for times when disasters arise, but rather from the perspective of a mid-term strategy for ordinary times. Recently business continuity preparedness is also being employed as a criteria for selection of potential vendors, making it a point of differentiation from competitors. A company’s stance on BC/DR has become a factor that directly affects its market competitiveness.

If the focus is shifted to the actual practice of BC/DR and, in particular, the operation and maintenance of the information systems essential to corporate management, we can see that it is possible to run vital information systems continuously at a location remote from a disaster stricken area by using remote data synchronization, which conventionally requires the establishment of a system at a back-up site that duplicates the structure of the main system and the utilization of data storage replication functions. However, this high-specification aspects of this methodology are quite high in cost - one of the factors that had held back the widespread adoption of BC/DR. Today the market environment that is concerned with IT and networks is vigorously

moving forward with the construction of the Next Generation Network (NGN), and it has been predicted that NGN will facilitate storage virtualization of certain resources at a remote location. With the arrival of NGN, the construction and operation of BC/DR back-up sites will enjoy a higher degree of flexibility.

Recently there also have been significant advances in technology to back-up data between storage media. Through consecutive copying technology, it has become easier to save the very latest data, and the trouble of communicating the data via networks has been alleviated through progress in archiving technology. It is believed that these factors will contribute to the spread of BC/DR adoption using a variety of approaches. Through our provision of the latest hardware, the construction of DR systems and outsourcing service for operational recovery, NEC provides a total solution based on the PDCA (Plan, Do, Check, Act) cycle, beginning with analysis of the customer's operations from the perspective of business continuity and BC/DR planning and supporting the client all the way to the execution of disaster drills (rehearsals). With the aim of getting a head start on the provision of BC/DR services, about two years ago we joined forces with America's SunGard Availability Services*, the recognized global leader in this field, resulting in the injection of fresh ideas and expansion of our know-how. Moreover, with NEC's approach to internal BC/DR positioned as a reference, we are ready with a complete system that we can offer to our customers.

In this "Special Issue on Business Continuity and Disaster Recovery," we would like to introduce not only the broad selection of BC/DR services and related solutions that are provided by NEC, but also our own approach to BC, relevant case studies and a glimpse at the technologies of tomorrow. From consulting to system integration and operation, NEC totally supports your IT and network systems over their entire life cycle. Through this approach, we would like to contribute to the corporate value growth of our customers. In closing my remarks, I would like to express our heartfelt hopes that you will continue to lend us your invaluable support and encouragement in the future.

* Company name: SunGard Availability Services
Address: 680 East Swedesford Road, Wayne, PA 19087, U.S.A.
Website: www.availability.sungard.com



TANIGISHI Kazuyoshi
Senior Vice President