

18 years, since the Hanshin Awaji Earthquake in 1995

And the current situation of the bankrupt companies in the affected areas

It has been 18 years past since the Hanshin Awaji Earthquake. It occurred January 17th, 1995 with the epicenter of southern part of Hyogo prefecture. The most of the damages were reported majorly as the collapsed buildings and the burnt buildings due to the earthquake. The death toll was reported 6434 people, and the economical damages in the area was reported as 9,900,000,000,000 Japanese Yen.

There is a distinctive difference in the type of damages between Hanshin Awaji Earthquake and the Great East Japan Earthquake. The majority of damages were reported as collapsed and burnt buildings in Hanshin Awaji Earthquake in 2011 whereas the most of the damages were reported due to the Tsunami effects in the Great East Japan Earthquake in 2011.

○ The percentage of bankrupt companies after the Hanshin Awaji Earthquake in Hyogo prefecture

	1994		1995		1996		1997	
	deceased companies	% change from the previous year	deceased companies	% change from the previous year	deceased companies	% change from the previous year	deceased companies	% change from the previous year
Hyogo pref.	588	8.7%	431	-26.7%	488	13.2%	609	24.8%
nationwide	13,963	-0.6%	15,086	8.0%	14,544	-3.6%	16,365	12.5%

The year of 1995 that Hanshin Awaji Earthquake occurred, the increment percentage of bankrupt companies due to the high Japanese yen currency

Discussion

was reported at the same time. However an unusual situation was observed in Hyogo prefecture in the same year right after the Earthquake. The percentage of bankrupt companies was significantly less than the previous year in Hyogo prefecture despite of the Earthquake occurrence. This unexpected situation may have had occurred due to the implementation of special measures (such as special funding system) which the government introduced as a part of revitalization program. Therefore the potential bankrupt companies had regained longer lifetime at that time. However, as a consequence, the percentage of bankrupt companies eventually started to increase rapidly as of 2 years after the Earthquake.

The number of bankrupt companies due to the Great East Japan Earthquake was reported 1032 as of December 2012. This means that the high monthly average number of 40.5 bankrupt companies has continuously been added every month. In comparison, the average number of bankrupt companies were added 9.2 every month after Hanshin Awaji Earthquake. This high increment rate of the bankrupt companies in the Great East Japan Earthquake forecasts a continued growth of the number for a long period of time.

In the aspect of long-term effects and situation involving bankrupt companies, it is possible that the number of bankrupt companies will continue to grow in the affected area of the Great East Japan Earthquake as similar situations have been witnessed in Hanshin Awaji Earthquake. Consequently, the number of bankrupt companies had risen significantly 2 years after the Hanshin Awaji Earthquake.