Tokyo firms eye moving to Osaka

By ERIC JOHNSTON
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OSAKA — Inquiries for Osaka office facilities by Tokyo firms seeking to evacuate employees were reportedly up sharply Thursday, as companies including casual wear store H&M close up shop in Kanto and move to Osaka, while some foreign airlines were also rerouting Tokyo flights to Kansai airport.

But how long the shift from Tokyo to the Osaka region lasts is unclear, given uncertainties about radiation emitted from the Fukushima No. 1 nuclear plant and how long electricity blackouts will continue.

Kansai media, quoting local real estate agents, said inquiries from Osaka-based tenants about temporary offices for their Tokyo branches had risen sharply since Wednesday. Office space in Osaka last year was about 15 to 20 percent less expensive than Tokyo, and the presence of Kansai and Itami airports was attracting inquiries from both domestic and foreign firms, local media said.

H&M decided earlier this week to close its 10 Kanto-based stores and put up 2,000 staff members in Osaka over concerns about the Fukushima crisis, continued aftershocks in the Tokyo region and Kanto’s rolling blackouts.

Some foreign airlines, concerned about flight patterns that take them near the Fukushima reactors, have also said they will divert flights from the Tokyo region. Six Lufthansa flights and three Chinese carriers are now landing at Kansai airport instead.

Osaka business and government officials said it was too early to determine whether this was the beginning of a long-term relocation by Tokyo firms to the region. Some were convinced the trend was only likely to be temporary, given the amount of money firms have invested in their Tokyo operations.

Others, however, said the situation could be a good opportunity for all businesses to re-evaluate the necessity of maintaining a large workforce in Tokyo.

"Does your entire firm have to be located in Tokyo? Although nobody knows what will happen in the days and weeks ahead, this is now a good time for firms thinking about temporary relocation to ask themselves this question. Given the region's cost advantages and transportation infrastructure, some may decide for both safety and economic reasons that it's better to move staff who don't have to be in Tokyo to Osaka or Kansai," said Keichi Tanikawa, an Osaka-based consultant to foreign firms.