

Risk/Opportunity Type		Period of Occurrence	Business Impact	Action Policy	
Transition risk*1	Policies and regulations	Increased carbon price and other regulatory compliance costs	Short term	High	<ul style="list-style-type: none"> • Introducing high-efficiency equipment • Promoting energy conservation activities • Streamlining production processes • Promoting use of green energy
		Increased offset credit price	Long term	High	
		Increased prices and difficulties in procurement of some materials due to regulations	Short term	Medium	
	Markets	Decreased demand for commercial products with high environmental impact	Short term	Medium	<ul style="list-style-type: none"> • Studying low-carbon production processes
Physical risk*2	Acute	Decreased capacity utilization of business sites due to sudden disasters	Medium term	Medium	<ul style="list-style-type: none"> • Upkeep of disaster prevention equipment, goods, and materials • Conducting disaster drills in anticipation of large-scale earthquakes, etc. • Reviewing BCP • Planned renewals of aging facilities
		Stopped operations due to damage in the supply chain	Medium term	Medium	
	Chronic	Unstable supply of natural resources, water, electricity, raw materials, etc.	Medium term	Medium	<ul style="list-style-type: none"> • Diversifying raw material suppliers
			Medium term	Medium	
Opportunity	Products and services	Increased subsidies for the development and implementation of environmentally friendly technologies	Short term	High	<ul style="list-style-type: none"> • Developing materials reducing environmental impact and conserving energy by improving energy efficiency, extending service life, and eliminating solvents
		Increased demand for materials, components, and solutions for environmentally friendly equipment	Short term	Medium	
		Captured business opportunities by developing environmentally friendly technologies ahead of competitors	Short term	Medium	
	Markets	Enhanced corporate image by promoting disclosure of climate-related information	Short term	Medium	<ul style="list-style-type: none"> • Disclosing investment and development information for growth of environmentally friendly businesses

*1 Assumed to occur most significantly under the 1.5/2°C scenario *2 Assumed to occur most significantly under the 4°C scenario, etc.