

(4) Hazard risk

Risk factors	Description of risk/opportunity	Impacts when risk occurs	Group's measures
1) Severe disasters and global expansion of infectious disease (pandemic) [Priority risk]	<Risk> <ul style="list-style-type: none"> •Damage to employees •Disruption of logistics network •Damage to the Group's assets (e.g. buildings and facilities) and customers' products 	<ul style="list-style-type: none"> •Decrease in revenues and profit due to impacts on business (e.g. shutdown) •Restoration cost and impairment of assets (Reference) COVID-19 impact in FY2020 (YoY) <ul style="list-style-type: none"> •Revenues: -¥25.6 billion •Adjusted operating income: -¥5 billion 	<ul style="list-style-type: none"> •Assess business interruption risk in each region •Develop BCP (business continuity plan) for early business recovery (including prior consultation with customers and business partners) •Establish rules for information collection and work regulations as a global organization in case of pandemic •Carry out BCM (business continuity management)
2) Threat to capital [Priority risk]	<Risk> <ul style="list-style-type: none"> •Changes in capital policies of major shareholders •Change of control as a result of acquisition of large number of the Company's shares by a specific investor 	<ul style="list-style-type: none"> •Decline of initiative of the current management •Impact on corporate value of material changes in capital structure 	<ul style="list-style-type: none"> •Increase corporate value to grow market capitalization •Active communication with shareholders •Invest in growth opportunities •Increase shareholder returns
3) Loss/leakage of information [Priority risk]	<Risk> <ul style="list-style-type: none"> •Loss or leakage of data such as customer information due to an information security incident, cyberattack or large-scale system failure 	<ul style="list-style-type: none"> •Impairment of corporate value due to decline in social trust •Decrease in revenues and profit due to decline in customer and social trust •Restoration cost •Claims for compensation damages from customers 	<ul style="list-style-type: none"> •Strengthen the information asset management through internal audit and in-house trainings, etc. •Establish and disseminate information security rules •Build a system to deal with cyberattacks and regularly update the technology •Increase frequency of monitoring including audit
4) War, terrorism, unstable political situation (geopolitical risk)	<Risk> <ul style="list-style-type: none"> •Damage to employees •Impact on business •Damage to the Group's assets (e.g. buildings and facilities) and customers' products 	<ul style="list-style-type: none"> •Decrease in revenues and profit due to impacts on business (e.g. shutdown) •Restoration cost and impairment of assets 	<ul style="list-style-type: none"> •Conduct routine situation analyses and monitoring •Accelerate decision-making in case of emergency •Develop BCP for overseas locations
5) Economic stagnation in business regions	<Risk> <ul style="list-style-type: none"> •Slowdown in customers' business due to deterioration of the real economy •Capital outflow due to weak currency, onset of financial crisis 	<ul style="list-style-type: none"> •Decreases in revenues and profit due to a decline in volume resulting from the deterioration of customers' businesses 	<ul style="list-style-type: none"> •Carefully observe and analyze impacts of changes in the macro environment on customers •Take advantage of the well-balanced presence in other regions