

(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]	<p><Risk></p> <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 	<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]	<p><Risk></p> <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]	<p><Risk></p> <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) [Priority risk]	<p><Risk></p> <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	<p><Risk></p> <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 macroenvironment on customers • Take advantage of the well-balanced presence in other regions