

(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>&lt;Risk&gt;</p> <ul style="list-style-type: none"> <li>• Damage to employees</li> <li>• Disruption of logistics network</li> <li>• Damage to the Group's assets (e.g. buildings and facilities) and customers' products</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in revenues and profit due to a shutdown, disruption of logistics network or soaring fuel costs</li> <li>• Restoration cost and impairment of assets</li> </ul>	<ul style="list-style-type: none"> <li>• Assess business interruption risk in each region</li> <li>• Develop business continuity plan (BCP) for early business recovery (including prior consultation with customers and business partners)</li> <li>• Establish rules for information collection and work regulations as a global organization in case of pandemic</li> <li>• Carry out business continuity management (BCM)</li> <li>• Promote automation/labor-saving</li> <li>• Execution of operations remotely using online tools</li> </ul>
2) Loss/leakage of information [Priority risk]	<p>&lt;Risk&gt;</p> <ul style="list-style-type: none"> <li>• Loss or leakage of data such as customer information due to an information security incident, cyberattack or large-scale system failure</li> </ul>	<ul style="list-style-type: none"> <li>• Impairment of corporate value due to decline in social trust</li> <li>• Decrease in revenues and profit due to decline in customer and social trust</li> <li>• Restoration cost</li> <li>• Claims for compensation damages from customers</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the information asset management through internal audit and in-house trainings, etc.</li> <li>• Establish and disseminate information security rules</li> <li>• Build a system to deal with cyberattacks and regularly update the technology</li> <li>• Increase frequency of monitoring including audit</li> </ul>
3) War, terrorism, unstable political situation (geopolitical risk) [Priority risk]	<p>&lt;Risk&gt;</p> <ul style="list-style-type: none"> <li>• Damage to employees</li> <li>• Impact on business (Disruption of logistics network)</li> <li>• Damage to the Group's assets (e.g. buildings and facilities) and customers' products</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in revenues and profit due to a shutdown, disruption of logistics network or soaring fuel costs</li> <li>• Restoration cost and impairment of assets</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct routine situation analyses and monitoring</li> <li>• Accelerate decision-making in case of emergency</li> <li>• Develop BCP</li> </ul>
4) Economic Stagnation in business regions	<p>&lt;Risk&gt;</p> <ul style="list-style-type: none"> <li>• Slowdown in customers' business due to deterioration of the real economy</li> <li>• Capital outflow due to weak currency, onset of financial crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Decreases in revenues and profit due to a decline in volume resulting from the deterioration of customers' businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Carefully observe and analyze impacts of changes in the macroenvironment on customers and partners</li> <li>• Diversify customer portfolio and regional portfolio</li> </ul>
5) Threat to capital	<p>&lt;Risk&gt;</p> <ul style="list-style-type: none"> <li>• Changes in capital policies of major shareholders</li> <li>• Change of control as a result of acquisition of large number of the Company's shares by a specific Investor</li> <li>• Impairment losses on goodwill</li> </ul>	<ul style="list-style-type: none"> <li>• Decline of initiative of the current management</li> <li>• Impact on corporate value of material changes in capital structure</li> <li>• Recognition of impairment losses</li> </ul>	<ul style="list-style-type: none"> <li>• Increase corporate value to increase stock value</li> <li>• Active communication with shareholders</li> <li>• Invest in growth opportunities</li> </ul>