

4) Hazard risk

Risk factors	Description of risks/opportunities	Impacts when risks occur	Group's measures
1) Severe disasters and global expansion of infectious disease (pandemic) [Priority risk]	<p><Risks></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 a shutdown, disruption of logistics network or soaring fuel costs • Restoration cost and impairment of assets 	<ul style="list-style-type: none"> • Assess business interruption risk in each region • Develop business continuity plan (BCP) 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 business continuity management (BCM) • Promote automation/labor-saving • Execution of operations remotely using online tools • Introduce a disaster and infection reporting system
2) Loss/leakage of information [Priority risk]	<p><Risks></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
3) War, terrorism, unstable political situation (geopolitical risk) [Priority risk]	<p><Risks></p> <ul style="list-style-type: none"> • Damage to employees • Impact on business (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 a shutdown, disruption of logistics network or soaring fuel costs • 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
4) Economic Stagnation in business regions [Priority risk]	<p><Risks></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 and partners • Diversify customer portfolio and regional portfolio • Optimize business scale in economically stagnant countries (regions) (including base closures and workforce adjustments)
5) Threat to capital	<p><Risks></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 • Impairment losses on goodwill 	<ul style="list-style-type: none"> • Decline of initiative of the current management • Impact on corporate value of material changes in capital structure • Recognition of impairment losses 	<ul style="list-style-type: none"> • Increase corporate value to increase stock value • Active communication with shareholders • Invest in growth opportunities