

Table. Nature-related risks (Preliminary results)

			Risk	Importance Assessment		
				2030	2050	
P h y s i c a l r i s k s	o p e r a t i o n	Acute risk	Damage to our company's assets through natural disasters Increased cost of equipment recovery, delivery delays and halts to operations.	Medium	High	
		Acute risk	Extreme weather conditions or severe natural disasters cause slowing of society's economic activity and/or customer businesses that use our goods or services. Disasters result in reduced customer numbers due to interruption or slowing of customer businesses that use our goods and services.	Medium	High	
		Chronic risk	Halts of operation and facility shutdowns due to deterioration of the natural environment Increased downtime and difficulty in continuing operations due to deterioration and instability of the natural environment, such as heat waves, droughts, sea level rise, earthquakes, floods, and tsunamis that occur more frequently, resulting in site relocation costs	Medium	High	
	U p s t r e a m	Chronic risk	Supply chain disruption due to natural disasters Difficulty in obtaining raw materials and supplies, resulting in delivery delays and suspension of operations.	Medium	High	
		Chronic risk	Decrease in IT infrastructure procurement due to deterioration of the natural environment Reduction in procurement of your corporate IT infrastructure due to the deterioration and instability of the natural environment, as exemplified by frequent heat waves, droughts, sea level rise, earthquakes, floods, and tsunamis, as well as reduced utilization of facilities such as data centers	Medium	High	
		Chronic risk	Decrease in raw material procurement due to deterioration of the natural environment Decline in the procurement and production of raw materials due to the deterioration and instability of the natural environment, as exemplified by more frequent heat waves, droughts, sea level rise, earthquakes, floods, and tsunamis.	Medium	High	
		Chronic risk	Increased procurement costs due to raw material price fluctuations resulting from deterioration of the natural environment Fluctuations in land prices due to development, and sudden price jumps in water rates due to reduced water availability.	Medium	Medium	
	T r a n s i t i o n r i s k s	D i r e c t o p e r a t i o n s	Policy risk	Increased operational costs due to stronger environmental laws and regulations Increased cost of data collection, management, and reporting to comply with various regulations and criteria related to nature, such as water use, waste treatment, ecosystem conservation, and GHG emissions.	Medium	High
			Policy risk	Increased disclosure costs due to stronger environmental laws and regulations	Medium	High
			Policy risk	Additional costs incurred for natural environment surveys and relocation of planned facilities Although data centers and plants are not currently included in the scope of Japan's environmental impact assessment, they may be subject to assessment in future as laws and regulations are strengthened and data centers become larger. In addition, private organizations and others may in future indicate "Red List species have been confirmed to inhabit or breed in the area and should be taken into consideration".	Low	Medium
Policy risk			Increased energy procurement costs due to higher rate of renewable energy use The amount of energy used in data centers and plants accounts for a very large proportion of the Group's total energy consumption.	Low	Medium	
Market/Tech nology risk			Increased cost of developing new technology to support changing values in the market Occurs where there is increased motivation to purchase goods produced using manufacturing methods with lower environmental impact.	Medium	High	
Market risk			Reduction in volume of goods and services provided to customers resulting from business decline due to their lack of nature-related action Possible resulting decline in the volume of goods and services we provide, due to deterioration in our customers' business performance	Low	Medium	
Reputational/ technology risk			Decline in competitiveness, and deterioration of reputation among investors and consumers due to inadequate nature-based response and delays in technology development	Low	Medium	
Reputational risk			Outflow of talented human resources resulting from a declining corporate reputation due to insufficient nature-related action Decline in employee sense of belonging and outflow of talented staff as well as possible difficulty in attracting new employees.	Low	Medium	
U p s t r e a m V C	Market/Policy risk	Increased support and procurement costs due to stronger environmental laws and regulations in the supply chain Related to ensuring responsible procurement and traceability, including due diligence.	Low	High		

VC : Value chain