

List of Important Risks

| Risk description | | | Expected Situation | | | | |
|-------------------------------------|---------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category | Risk No | Risk | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
| Disaster | 01 | Earthquake/eruption | Direct earthquake of seismic intensity 6 or higher (similar to March 11 earthquake) | Direct earthquake of seismic intensity 6 or higher (seismic intensity 5 + expected in BCP manual) | Direct earthquake of seismic intensity 6 or higher (hazard map standards for each base region) | Direct earthquake of seismic intensity 6 or higher (hazard map standards for each base region) | Direct earthquake of seismic intensity 6 or higher (hazard map standards for each base region) |
| | 03 | Fire/explosion | Operation stoppage due to fire or associated administrative guidance | Operation stoppage due to fire or associated administrative guidance | Operation stoppage due to fire or associated administrative guidance | | Operation stoppage due to fire or associated administrative guidance |
| Accident | 04 | Pollution/environmental issue | Environmental pollution or damage caused by leakage of hazardous substance | Production line stoppage due to legal breach etc. | Production line stoppage due to legal breach etc. | | |
| | 07 | System damage/network crime | System stoppage of 24 hours or longer | Data damage or system stoppage (24 hours or longer) due to viral infection or cyber attack | Data damage or system stoppage (24 hours or longer) due to viral infection or cyber attack | Data damage or system stoppage (24 hours or longer) due to viral infection or cyber attack | Business activity stoppage due to IT system stoppage during disaster incident (IT-BCP) |
| Politics and society | 09 | Country risk | Delayed passage through customs due to anti-Japan allies, geopolitical risk due to North Korea problem etc. | (Under risk control) | | | |
| Economic s | 13 | Exchange rate fluctuation | Fluctuation larger than prices anticipated in business plan | Fluctuation larger than prices anticipated in business plan | | | |
| Legal | 17 | Intellectual property right breach | Major intellectual property right breach, trolling | (Under risk control) | | | |
| Personnel/ workplace accident | 25 | Infection spread | | | | Operational stoppage due to COVID-19 outbreak | Operational stoppage due to COVID-19 outbreak |
| | 30 | Workplace accident | Internal management index: Zero workplace accidents | Internal management index: Zero workplace accidents | Internal management index: Zero workplace accidents | Internal management index: Zero workplace accidents | Internal management index: Zero workplace accidents |
| | 31 | Difficulty in securing personnel | Secure mid- to long-term personnel (manufacturing, staff) | Secure mid- to long-term personnel (manufacturing, staff) Increased internal response burden due to short-term difficulty in securing manufacturing personnel | Secure mid- to long-term personnel (manufacturing, staff) Increased internal response burden due to short-term difficulty in securing manufacturing personnel | Secure mid- to long-term personnel (manufacturing, staff) Increased internal response burden due to short-term difficulty in securing manufacturing personnel | |
| Developm ent | 38 | Product/service development | "Development delay of 6 months or longer" for core customer-oriented product | (Under risk control) | | | |
| Procurem ent | 40 | Dependence on specific supplier | | | | | <ul style="list-style-type: none"> •Risk of not being able to produce amount ordered due to inability to secure production capacity at external contractor, and associated risk of decreased sales •Production stoppage due to disaster risk (fire) •Increased issues identified in CSR monitoring by customer |
| Manufact uring | 41 | Production capacity | Customer line stoppage due to production delay | Customer line stoppage due to production delay * Pre-process Manufacturing Division: Risk of production stoppage resulting from receiving direction from administration and operation suspension being ordered due to being unable to comply with High Pressure Gas Safety Act or Fire Service Act. | | | |
| | 42 | Product/service defect | Customer line stoppage due to quality problem | (Under risk control) | | | |
| Data | 56 | Leakage/stealing of personal data/trade secret | Personal data or confidential information leakage due to virus or hacking | Personal data or confidential information leakage due to virus or loss of information media | | | |
| Other | 99 | Drought risk | Temporary production line stoppage due to water shortage | (Identified as important theme if drought occurs) | | | |
| | 99 | Reputation risk | Risks related to mainly accounting compliance | Loss of social trust and decreased business performance due to brand image damage resulting from compliance breach etc. | ↓ (Included below) | ↓ (Included below) | |
| | 99 | Risk at related company (overseas) | | | (Risk at overseas affiliated firm) Loss of social trust and decreased business performance due to brand image damage resulting from compliance breach etc. | (Risk at overseas affiliated firm) Loss of social trust and decreased business performance due to brand image damage resulting from compliance breach etc. | |