

List of Important Risks

Risk description			Expected Situation					
ategor	Risk No	Risk	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
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)	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	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.			Risk of losing orders or suspending transactions due to inability to respond to new indices, renewable energy introduction, and other customer requirements, laws and regulations
	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)	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	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	Internal management index: Zero workplace accidents
	31	Difficulty in securing 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	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					·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	·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.		