

# Climate-related Risks and Opportunities

## [Financial impact explanation]

High: Financial impact of more than 3 billion JPY  
 Medium: Financial impact of more than 300 million JPY, but less than 3 billion JPY  
 Low: Financial impact of less than 300 million JPY

	Scenario	Risks and Opportunities	Financial Implications	Possibility of occurrence	Financial Implications	Response strategy
4°C scenario	Increase in frequency/severity of natural disasters	[Physical risk] • Increase in physical damage due to increasingly severe natural disasters	<ul style="list-style-type: none"> <li>• Increase in BCP costs</li> <li>• Direct and indirect sales decline and losses incurred due to disasters</li> </ul>	Low	High	<ul style="list-style-type: none"> <li>• Enhance functions of Emergency Response Headquarters</li> <li>• Automate disaster status assessment</li> <li>• Formulate BCP, conduct ongoing review and improvements</li> <li>• Hold regular drills to verify effectiveness</li> </ul>
	Rise in average temperature	[Physical risk] • Decrease in cooling efficiency of office and vehicle air conditioning systems due to rising temperatures	• Increase in electricity costs, etc.	Medium	Medium	• Strengthening Energy Conservation Activities
		[Physical risk] • Increased risk of infectious diseases and deterioration in working conditions such as under intense sunlight, etc. due to a significant rise in temperatures	<ul style="list-style-type: none"> <li>• Decrease in sales/increase in costs due to decline in productivity</li> <li>• Rise in insurance premiums and personnel management costs</li> </ul>	Medium	Low	• Strengthening human resource management capabilities based on the working environment
1.5°C scenario	Stronger laws, regulations, and societal demands for the realization of a decarbonized society	[Transition risk] • Increasing societal demand for the use of decarbonized resources and renewable energy • Introduction of carbon pricing schemes such as carbon taxes, ETS, etc.	• Increase in procurement costs for electricity, etc.	High	Medium	<ul style="list-style-type: none"> <li>• Enhance energy conservation initiatives</li> <li>• Switch to renewable energy sources and low-carbon products</li> <li>• Enhance other initiatives to reduce greenhouse gas emissions</li> </ul>
		[Opportunity] • Provision of temporary staffing/placements and services in environment-related fields	• Increase in sales due to growth of temporary staffing/placement and service businesses in environmental related fields	Medium	Medium	• See "Initiatives relating to climate related opportunities"
	Increased environmental awareness among companies and job seekers	[Transition risk] • Reputational damage due to delay in taking action to combat climate change, or regulatory violations	• Decline in sales due to customer flight and lost opportunities, etc. from reputational damage	Medium	High	<ul style="list-style-type: none"> <li>• Set Net zero goals</li> <li>• Actively disclose information in accordance with TCFD</li> <li>• Enhance initiatives to reduce greenhouse gas emissions</li> </ul>