

## Corporate Disclosure of TCFD Recommendations (Draft) Summary of Risks and Opportunities

Category	Emerging Global Trends	Temperature Scenario	Business Risks (The nature and degree of qualitative impact)	Impact Assessment	Time Horizon Medium-term: 2030 Long-term: 2050	Opportunities (The nature and degree of qualitative impact)	Impact Assessment
1 Government Policy and Legal Risks	Energy intensity regulations for buildings	2.0°C	Greater pressure to develop energy-saving products to lower per-unit energy use in buildings; risk of lower sales if unable to respond to competition	Low-Medium	Medium-term	Pursue energy-saving efficiency by reducing elevator weight and adopting regenerative power; expand sales opportunities in response to increased demand for energy-efficient elevators	Medium
2 Government Policy and Legal Risks	ZEB adoption target	2.0°C	Tighter regulations (mandatory submission of product GHG emissions data, etc.); lost sales opportunities if unable to comply	Low-Medium	Medium-term	Pursue energy-saving efficiency by reducing elevator weight and adopting regenerative power; expand sales opportunities in response to increased demand for energy-efficient elevators	High
3 Market Trends	Soaring raw materials prices (iron, aluminum, copper)	2.0°C	Soaring raw material prices due to increased costs of metal raw materials caused by CO2 emissions regulations	High	Medium-term	Develop EVs (elevators and escalators) that use less metal and are lighter in weight, expand sales opportunities	Medium
4 Market Trends	Tighter regulations on industrial waste	2.0°C	Cost increases due to waste management associated with modernization of existing elevators	Medium High	Medium-term		
5 Market Trends	Decarbonization of transportation	2.0°C	Soaring freight rates for difficult-to-electrify means of transportation such as air and sea	Medium High	Medium-term		
6 Market Reputation	Decrease in inquiries from customers for companies that are late/not ready for decarbonization	2.0°C	Decrease in inquiries and sales from new and existing clients due to delay in adapting to decarbonization	Medium	Medium-term	Raise competitiveness by developing and marketing energy-saving, resource-saving, and environmentally friendly products that contribute to customer decarbonization	Medium
7 Market Reputation	Negative reputation among and divestment by investors related to companies that are late/not ready to decarbonize	2.0°C	Delay in adapting to decarbonization resulting in lower investor valuations and share price declines	Low	Medium-term		
8 Increase in average temperature	Lower labor productivity and higher costs of response due to increased heat stress	4.0°C	Increased risk of lower labor productivity, including employee health issues due to inadequate response in summer season	Medium High	Long-term		
9 Increase in average temperature	Increase in the number of extremely hot days due to higher average temperatures	4.0°C	Decrease in capacity utilization due to shutdown restrictions when outdoor temperatures exceed certain levels	High	Long-term		
10 Greater intensity of extreme weather events	Increased frequency of flooding due to heavy rain and more frequent precipitation	4.0°C	Opportunity losses due to suspension of business activities, decline in asset values and impairment losses due to damage to equipment, products, inventory, etc.	High	Long-term	Maintenance and modernization opportunities due to breakdown and abandonment of existing equipment in coastal areas (Develop elevators that resist water damage by changing the layout of machine parts, etc.)	Medium-High
11 Greater intensity of weather disasters	Damage to supplier sites due to weather disasters	4.0°C	Supply chain disruption, transportation delays, delays in raw material procurement, cost increase	High	Long-term	Reputation/increased reputation among customers and business opportunities due to quick response to disasters, including parts supply and repairs (if supply chain risk management in place)	Low
12 Greater intensity of weather disasters	Increased frequency of flooding, power outages, etc., due to weather disasters	4.0°C	Risk of damage to reputation among customers if the company is unable to respond quickly and flexibly to restore customer facilities in the event of a disaster	Medium	Long-term	Opportunities resulting from rapid recovery, increased efficiencies due to optimal allocation of recovery personnel via DX, remote monitoring, etc., during major disasters	Medium