Results of analysis pertaining risks and opportunities based on climate change scenarios

ij	Factors and events			Evaluation				Status of Komori initiatives
Segment				4°C scenario		1.5°C scenario		\Rightarrow Items implemented in the fiscal year ending March 31, 2024
, y				Risks	Opportunities	Risks	Opportunities	Response to risk
Impact from transitioning to a decarbonized society	Carbon pricing	CO2	Increase in business costs such as the start of carbon tax	Low	Low	High	Low	 Setting reduction targets for Scopes 1 and 2 and taking action ⇒Changed the calculation method in accordance with the Scope 2 market standards. Initiatives to achieve carbon neutrality by 2050
	Energy-saving and renewable energy measures		Response to measures related to energy-saving and renewable energy	Low	Low	High	High	 Installation of solar panels ⇒MBO plant in Portugal installed 590kW solar power generator. Introduction of electricity sourced from renewable energy O Promote energy-saving performance during product development ⇒ Developed a technology that reduces the operating power of the main model of the Lithrone G40 advance Series by approximately 18% compared to conventional models.
	Changes in energy costs		Increase in electricity price due in part to switch to power-generating method sourced from renewable energy	Low	Low	Medium	Low	 Switch to energy-saving air conditioning and lighting equipment during product manufacturing ⇒ Renewal of air conditioning system at Tsukuba Plant. O Development of products at high energy-saving performance ⇒ Developed elemental technologies to improve the energy-saving performance of ink supply and sheet transfer equipment.
	Progress in next-generation technology		Changes in demand for printing presses due to digital transformation	Medium	Medium	High to Medium	High to Medium	 Downsizing due to improved product manufacturing capabilities Transition to printing presses and digital printing systems with high environmental performance Development of products in the field of printed electronics with low environmental impact
	Changes in raw material costs	ISI A	Rise in prices of casting and steel materials due to changes in iron smelting methods	Low	Low	Medium	Low	Examination and consideration into substitution of parts through dialogue with suppliers
	Reputational risks		Impact from status of initiatives pertaining climate change on corporate evaluation	Low	Low	Medium	Low	Appropriate information disclosure and communication with stakeholders ⇒ Disclosed information through integrated report and other means, and engaged in dialogue with investors.
Physical impact from climate change	Intensifying extreme weather	2	Damage to Komori locations and the supply chain due to weather disasters	High	Low	Medium	Low	 Relocations and measures for offices exposed to hazards and risks Strengthening of BCP measures ⇒ Added risks related to head office functions and production sites to the risk management items of the Risk Management Committee.
	Rise in average temperatures		Increase in business costs due to the use of air conditioning equipment caused by rising temperatures	High	Low	Medium	Low	 Installation of air conditioning equipment with high energy-saving performance ⇒ Upgraded air conditioning equipment at the Tsukuba Plant to reduce CO₂ emissions by 48 tons per year.

[Evaluation Indicators]

- Quantitative evaluations have been performed with the following criteria on items that (potentially) impacted operating income performance in the fiscal year ended March 31, 2022: ⇒ High: 5% or more, Medium: More than 1% - under 5%, Low: Under 1%
- · Impact on which quantitative evaluations are not performed is evaluated based on qualitative study, and qualitative evaluation is indicated with gray coloring.

45 | KOMORI CORPORATION INTEGRATED REPORT 2023 | 46