

Item		Impact on Panasonic Energy	1.5°C	4°C	Timing of occurrence	Impact	Countermeasures
Transitional risks	Cost of implementing carbon pricing	Increase in procurement costs due to the levy on the company and the price shift of the levy to suppliers/logistics providers due to the tightening of the carbon pricing system			Medium term	Large	<ul style="list-style-type: none"> Promote energy conservation, utilize renewable energy
	Higher costs of complying with environmental regulations related to products and services	Increase in costs to comply with stricter battery-related regulations (including carbon footprint disclosure and traceability management) and mandatory GHG emissions reporting			Short term	Small	<ul style="list-style-type: none"> Introduce general-purpose system capable of responding to increasingly sophisticated regulations
	Increase in R&D and capex costs for higher battery performance	Increase in R&D and capital investment costs to develop next-generation batteries for EVs and storage battery systems and to lead other companies in improving environmental performance			Short term	Medium	<ul style="list-style-type: none"> Improve development efficiency through collaborative research with research institutes and partner companies Tradition of skills within the company through operation of the Academy of Battery Technology and Manufacturing
	Increase in costs for energy conservation measures and renewable energy installations	Increase in procurement costs due to higher investment costs related to energy conservation/renewable energy and price shifting of GHG emission reduction costs from suppliers			Short term	Large	<ul style="list-style-type: none"> Increase amount of renewable energy procurement
	Lower sales due to delay in responding to social and customer needs	Lower sales due to failure to respond appropriately to changing needs of corporate customers who have to address market changes, new regulations, and demands from stakeholders			Short term	Large	<ul style="list-style-type: none"> Ensure compliance with the EU Battery Regulation, GBA, RBA, etc. Lead policy frameworks through active participation in industry associations
	Increase in procurement costs due to soaring raw material prices and material switching	Increase in raw material procurement costs resulting from intensified competition for raw materials due to increased demand for batteries and increased protectionism			Medium - to long - term	Large	<ul style="list-style-type: none"> Expand battery reuse, establish recycling scheme Review manufacturing processes to help reduce process waste and loss
Physical risks	Lower sales/increased costs due to damage to the company's sites and supply chain caused by severe wind and flood damage	Increase in opportunity loss and recovery costs due to damage to the company's sites and upstream/downstream supply chain caused by severe wind and flood damage			Short term	Medium	<ul style="list-style-type: none"> Shorten the supply chain through local procurement Promote BCP measures for key parts and materials
	Lower sales/increased costs due to damage to own facilities and supply chain caused by sea level rise	Opportunity losses and increased costs of recovery and countermeasures due to damage to the company's facilities and supply chain sites near the coast caused by sea level rise			Long term	Small	<ul style="list-style-type: none"> Assess supplier risk
	Lower sales/increased costs due to employee health risks from heat and cold	Opportunity losses due to disruption of employee health caused by extreme weather and increased capital investment costs for air conditioning and other equipment			Short and long term	Small	<ul style="list-style-type: none"> Promote measures against infectious diseases in the workplace Conduct seminars and programs aimed at improving the mental and physical health of employees
Opportunities	Cost reductions through increased resource efficiency and increased sales through improved production efficiency	Decrease in procurement costs due to recycling resources through resource recycling and increase in sales by developing the battery reuse market			Medium - to long - term	Medium	<ul style="list-style-type: none"> Expand battery reuse, establish recycling scheme, control waste Boost energy density, increase lifespan, increase diameter
	Decrease in energy procurement costs due to lower energy prices	Decrease in energy costs at the Company due to lower prices for renewable energy and in raw material procurement costs due to lower energy costs at suppliers			Medium - to long - term	Medium	<ul style="list-style-type: none"> Review renewable energy options based on market prices and increase procurement volume
	Increase in sales due to higher demand for environmentally conscious products and services	Increase in sales due to growing demand for products that contribute to GHG reduction, such as automotive batteries and stationary storage batteries for use alongside renewable energy sources			Short term	Large	<ul style="list-style-type: none"> Expand lineup of environmentally friendly products and solutions Promote image as environmentally advanced company
	Increase in sales due to higher demand for disaster preparedness products and services	Increase in sales due to higher demand for disaster preparedness products, such as storage batteries to prepare for disruptions in energy infrastructure and battery products that contribute to the weather observation/space business			Medium - to long - term	Large	<ul style="list-style-type: none"> Expand industrial backup power supply and residential energy storage businesses Promote dry cell batteries as disaster preparedness measure