

Risk management

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Panasonic's founder, Konosuke Matsushita, coined numerous aphorisms which are still used at the company: "Hardship now, pleasure later," "There are signs before all things," and "Small things can create big problems; one must be alert to signs of change and act accordingly," among many others. Inheriting these ideas as the cornerstone of our thinking, we, as Panasonic Group, conduct Groupwide risk management activities.

Moreover, based on the principle of "Thinking from a Global perspective, work for the whole world," we began our export business, technical assistance to overseas countries, and construction of overseas factories in 1961. At the same time, while confronting the risks that sometimes arose, we have promoted risk and crisis management initiatives early, including overseas safety policies and emergency response plans.

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The Group considers it a vital management issue to accurately identify risks that could affect its business activities and take appropriate countermeasures to ensure the achievement of its business objectives and sustainable and stable development. Thus we have formulated the Panasonic Group Basic Rules for Risk Management (the "Basic Rules"), and we promote Group risk management based on these. The Basic Rules list the three objectives of risk management:

- Ensure the safety and security of our stakeholders and compliance in our business activities
- Strengthen our business competitiveness through risk management that treats appropriately both opportunities and threats to the achievement of our business objectives
- Continuously offer products and services by maintaining operating resources and ensuring work effectiveness while fulfilling our social responsibility

In addition to providing guidelines for directors and employees to achieve these objectives, the Basic Rules also clearly define a framework for risk management, as well as the roles and responsibilities of the holdings company, Panasonic Holdings Corporation ("PHD"), and the operating companies.

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The Group considers risk management and formulating and executing strategies as the wheels of business management. As these inseparable wheels function to ensure business objective achievement and corporate value enhancement, risk management plays an important role in our group management.

In order to establish an effective risk management system, the Group promotes a process of linking the construction of appropriate frameworks with the PDCA cycle of management and business strategies under the Basic Rules, which reflect the standards of ISO 31000, an international standard for risk management systems, and COSO-ERM (2017), an international risk management framework. Through regular reports to the Board of Directors, we provide risk information to contribute to business and strategy discussions and receive supervision on establishing and operating our risk management systems.



By operating and continually improving its risk management systems, the Group will contribute to the progress and development of society and the well-being of people worldwide through our business. We will also appropriately disclose risk information to society and enhance the transparency of our business management to reassure our customers, business partners, neighbors, shareholders, employees, and other stakeholders.

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The Group Chief Risk Management Officer (“Group CRO”), an Executive Vice President, supervises the promotion of risk management within the Group (as of August 2024). Moreover, the PHD Enterprise Risk Management Office (“PHD ERM Office”), a dedicated risk management department, handles the Group’s risk management promotion.

As an internal system for promoting risk management, the Group has established the PHD Enterprise Risk Management Committee (“PHD ERM Committee”)—normally held three times a year and chaired by the Group CRO and comprising individuals representing PHD Legal, HR, Accounting, and other functions—with the PHD ERM Office handling the committee’s executive office functions. The PHD ERM Committee is responsible for promoting ERM throughout the Group, supervising risk management implemented by functional departments throughout the Group, identifying risks that may affect the entire Group, confirming countermeasures and state of control, and instructing appropriate functional departments to review and thoroughly enforce responses when necessary.

In keeping with the Group’s principle of autonomous responsible management at each operating company, we have also established operating company ERM Committees at each operating company, through which each operating company works with PHD to manage risks that are important to the Group’s management and require a certain level of management across the Group while simultaneously managing risks that arise due to the business or work of that operating company. Risk Information from risk management activities conducted under these frameworks are also used for internal audits. Based on the results of risk assessments, the Internal Audit Department determines themes to be examined and conducts audits of functional departments with a risk-based approach.

The PHD ERM Committee regularly reports to the PHD Strategy Meeting and the Board of Directors on major risks and the progress of countermeasures in the PDCA cycle of risk management. Based on these reports, the Board of Directors and Audit & Supervisory Board Members supervise and verify the status of risk monitoring and the effectiveness of the risk management process. Operating company ERM committees also report regularly to their management meetings and the Board of Directors on similar matters.

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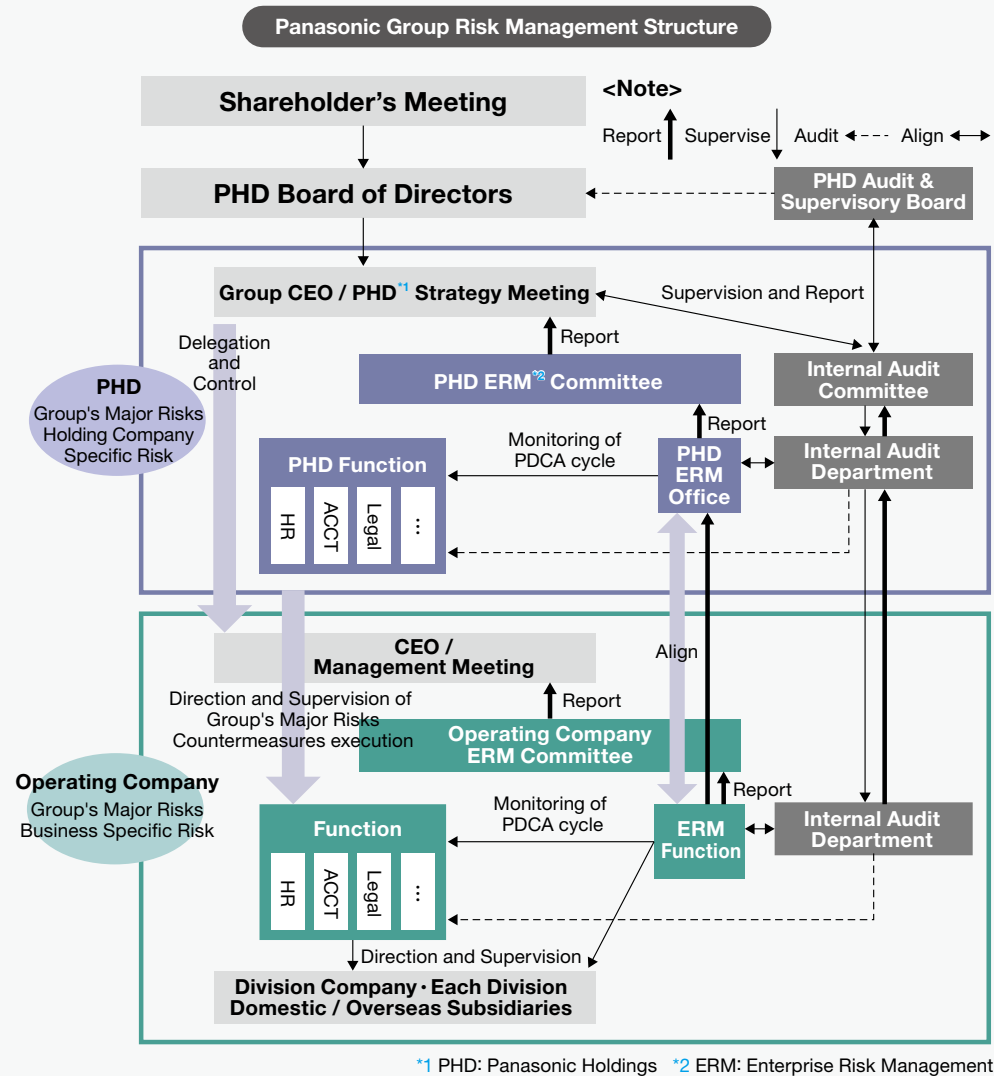
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The Group promotes risk management based on an identical process at PHD and the operating companies.

The Group defines “Operational Risks” as any uncertain event that constitutes a “loss” or “threat” to the execution of its business plan for the achievement of short-term business objectives or in the day-to-day conduct of its business. The Group updates its “risk inventory” annually by comprehensively identifying possible operational risks based on external and internal changes. We conduct risk assessments according to financial and non-financial evaluation criteria for all risks in the inventory.

The PHD ERM Committee considers the Group’s management, business strategy, and social responsibility when deliberating on these assessments to determine risks that are important to the management of the Group and require a certain level of management across the Group (the “Group’s Major Risks”).

Each operating company conducts risk assessments and determines its major business risks (“Operating Company Major Risks”) using a risk inventory that adds risks particular to the operating companies’ respective fields of business to the risks common across the Group.

Once the Group’s Major Risks and the Operating Company Major Risks are determined, PHD and each operating company work toward continuous improvement to formulate and implement countermeasures and monitor their progress. Especially for the Group’s Major Risks, in addition to implementing the Group’s common countermeasures, the functional departments in charge of each risk at operating companies formulate and implement their own necessary countermeasures according to their business areas in cooperation with PHD’s functional departments. PHD’s functional departments monitor the progress of Group-wide and proprietary countermeasures at each operating company to ensure that risks are being properly managed by ensuring that the entire Group is taking appropriate measures, and when necessary, encourage the review and thorough enforcement of appropriate countermeasures.

In our risk assessments, we have traditionally evaluated materiality based on financial impact and frequency of occurrence. However, we have added employee safety as an impact factor in our risk assessment with recent outbreaks of infectious diseases, increasingly intense natural disasters, and heightened geopolitical tensions. Considering the importance of corporate social responsibility (CSR), the SDGs, ESG, and other social imperatives, we also incorporate items related to the risk of not meeting these expectations (including human rights, labor compliance, and environmental issues) and evaluation factors related to the Group’s social impact (including our reputation) into our risk assessment framework. We are aiming to strengthen our initiatives to comply with laws and regulations, a prerequisite for business activities through our risk

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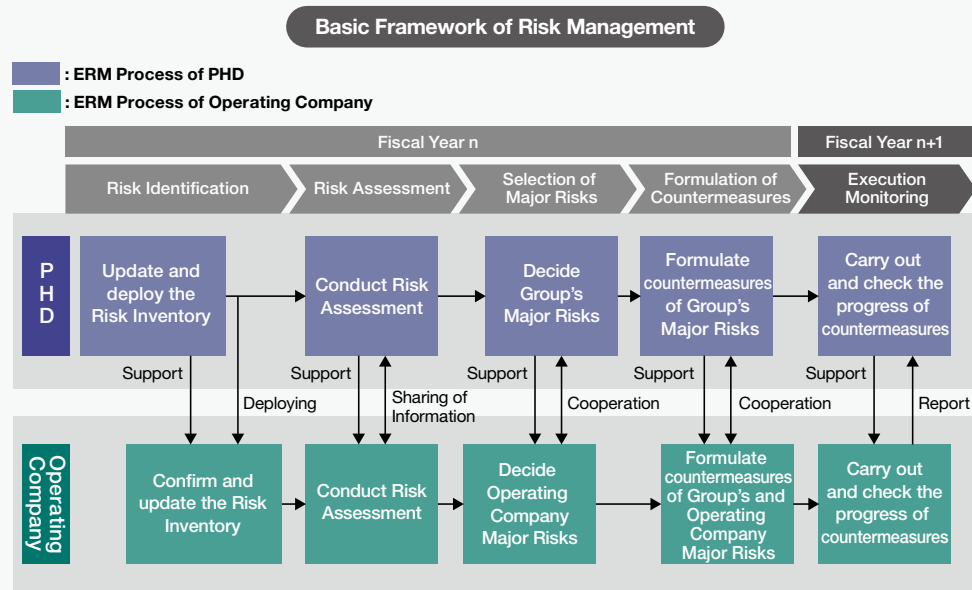
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management activities. At the same time, we will continue to aim for a high level of integrated risk management for the entire Group, treating it as an opportunity to contribute to society and our customers.



FY2025 Group Major Risks/ PHD Major Strategic Risk

■ Group Major Risks (Operational Risk)

- Natural disasters*1
- Terrorism, war, riots, and political unrest
- Human rights and labour compliance
- Antimonopoly Act violations/Violation of anti-bribery and corruption laws
- Quality compliance
- Supply chain management (environmental protections, human right and labour compliance)
- Infectious disease outbreaks/pandemics
- Occupational accidents
- Trade regulations/Economic sanctions
- Cyberattacks

■ PHD Major Strategic Risks (Strategic Risk)

- Climate change response and environmental regulations/Development of a circular economy
- Geopolitical risks and economic security issues
- Attracting, acquiring, and retaining human resources
- Risks relating to the use of AI (artificial intelligence)

*1 Refer to the major efforts in Policies on BCM and BCP

■ Group Major Risks in Fiscal 2025

Among the uncertain events that could result in losses or threats to the execution of the Group's business plan for the achievement of its short-term business objectives or the day-to-day conduct of its business, the following are identified as key risks to the Group's business in fiscal 2025.

Infectious disease outbreaks/pandemics

In order to prepare in general for the spread of infectious diseases in peacetime, we are working to maintain the health and safety of all employees as well as our business continuity system by establishing a BCP for infectious disease outbreaks at each operating company and moving ahead with appropriate stockpiling of masks, rubbing alcohol, thermometers and other items. In addition, contingent on the spread of an infectious disease and the magnitude of its impact on our Group's employees and businesses, we may shift to an emergency system based on the Corporate Emergency Management Rules and proceed with a response that prioritizes employee lives and health.

Terrorism, war, riots, and political unrest

Our Group conducts business activities on a global scale, and conflicts between countries and regions related to recent geopolitical uncertainties, political and social upheaval, and emergencies such as terrorism and wars may have a significant impact on our business.

In preparation for political instability, military tension, or acts of terrorism or war in the countries or regions where our Group has business sites, we are moving forward with initiatives for peacetime safety measures for each function, and the development of a general BCP in order to strengthen our emergency response placing the highest priority on employee safety. Furthermore, we strive to ensure the safety of our employees by providing training for employees prior to assignments and travel outside Japan, alerting them to countries and regions with particularly high risk, and implementing countermeasures at the individual level.

Occupational accidents

The Panasonic Group Occupational Health and Safety Policy, issued by the Group CEO and based on various laws and regulations as well as our Basic Business Philosophy, stipulates that employee health and safety must be ensured. In order to put our philosophy into practice, we have established the Safety and Health Management Rules and aim to contribute to business development by developing health and safety activities to maintain and promote employee health and prevent occupational accidents.

The group-wide Central Health and Safety Committee, chaired by the head of the Group's Health and Safety Management Division, serves as a body that deliberates and advises on important policy and measures related to the Group's health and safety management. Health

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and safety bodies have also been established at each operating company and business site to promote health and safety management throughout the Group.

To promote a safe and secure workplace, the Group periodically carries out risk assessments based on its occupational health and safety management system to identify risks of workplace accidents and illnesses, and implements risk reduction measures with a risk based approach. In addition, by analyzing past serious occupational accidents and identifying typical patterns leading to accidents, we share key points for review presented in risk assessments, and effectively and steadily moving ahead with measures to prevent similar accidents from occurring again.

For more details, see the “Work in safe, secure and healthy state” section ([page 86](#)).

Human rights and labour compliance

In the Panasonic Group Human Rights and Labour Policy, premised on compliance with all laws applicable to our business activities and transactions, we clearly state our commitment to respect the internationally recognized human rights set out in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, to work to achieve a rewarding work environment, and to engage with various stakeholders on these issues.

In line with this policy, we have also established the Rules on Human Rights and Labor Compliance and are moving forward with specific efforts to identify, reduce, and prevent, negative impact on human rights relating to the business areas and value chains of our operating companies in accordance with the United Nations Guiding Principles on Business and Human Rights. We gather information concerning changes to key human rights and labor-related legal requirements and share this with all our business locations to strengthen compliance. For more details, see the “Respect for Human Rights” chapter ([page 76](#)).

Trade regulation/Economic sanctions

Laws and regulations in various countries are changing continuously; the Group closely monitors these trends, collects information on a daily basis through global cooperation, and utilizes IT to quickly identify new trade restrictions and sanctions that may affect our business, and responds by updating our global policies and guidance as necessary. We also thoroughly assess how new regulations may apply to cargo and technologies. Moreover, we are raising awareness among employees in Japan and overseas to further improve governance and compliance, with efforts including sharing information internally and disseminating countermeasures to avoid transaction risks. For more details, see the “Trade Compliance” section ([page 151](#)).

Antimonopoly Act violations/Violation of anti-bribery and corruption laws

The Panasonic Group Code of Ethics & Compliance defines the commitments that each and

every one of our and our Group companies’ employees must fulfill, and which are shared and thoroughly understood by all employees, such that as a public entity, we will not only avoid violation of laws and regulations and social morals, but also perform our duties to high ethical standards and with appropriate knowledge without being bound by self-interest.

In response to serious risks such as the violation of antitrust and competition laws and bribery and corruption in particular, we are working to prevent and promptly detect misconduct through training programs meant to ensure thorough compliance based on global regulations and compliance audits on bribery and corruption based on a risk-based approach. In addition to basic compliance training for all employees, we conduct initiatives throughout the year aimed at establishing awareness of ethics and legal compliance globally, and improving our ability to respond to risks, such as risk-based compliance training based on business and regional characteristics as needed.

Additionally, we have established a global hotline to receive reports from domestic and overseas bases and business partners, which will act as a centralized internal point of contact for whistleblowers for the prevention and early resolution of misconduct. We are working to detect and correct problems early through appropriate internal investigations. For more details, see the “Business Ethics” chapter ([page 146](#)).

Quality Compliance

In accordance with the “Basic Business Philosophy”, the Group considers ensuring the constant safety of the products it manufactures and sells and the delivery of those products to customers with safety and peace of mind to be an important management issue and matter of social responsibility. The “Group’s Quality Policy” is “to serve our customers by providing products and services that consistently meet and satisfy the needs of our customers and society.”

On the other hand, we discovered that our subsidiary, Panasonic Industry Co., Ltd. has identified instances of irregularities in the process of the US-based third-party certification by UL Solutions, for its electronic materials products. Refer to “Business Ethics” ([page 146](#)) for details of our response.

Cyberattacks

We are working to ensure the soundness of the IT environment and improve its cyber resilience (response and recovery during incidents) to achieve a higher level of information security. Specifically, we are implementing measures to further expand anomaly monitoring on networks, servers, and PCs, including infrastructure at Japanese and overseas subsidiaries; integrate security monitoring with that of internal factory; and strengthen global and centralized security monitoring systems.

In addition to technical measures, we are strengthening and promoting human resource

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measures, such as the establishment of an information security training platform, periodic training for global employees, and periodic security checks of contractors involved in system operations, etc. We are striving to comply with laws and regulations concerning personal data protection and cybersecurity in various countries by investigating trends with outside experts, reflecting them in our internal rules and regulations, and operating systems to share them internally.

To promote a centralized and comprehensive response to complex cybersecurity risks in the entire supply chain, we have integrated IT, product, and plant security functions and established a Cyber Security Office within PHD and a Chief Cybersecurity Supervisor in each operating company to collaborate in the strategic implementation of cyber hygiene (prevention under normal conditions) and cyber resilience.

For more details, see the “Cyber Security and Data Protection” chapter ([page 152](#)).

Supply chain management

The Group makes purchases from roughly 13,000 suppliers globally. Demand for corporate social responsibility in the supply chain has been growing stronger day by day in recent years, and this is reflected in legislative trends, such as the enactment and enforcement of new regulations in various countries and regions, mainly in the areas of human rights and the environment. The Group has established the Rules on Supply Chain Compliance, which set forth basic policy on supply chain compliance and internal rules for its implementation, and is conducting periodic management reviews on the state of implementation.

We have established the Panasonic Supply Chain CSR Promotion Guidelines based on laws, regulations, and international norms and standards concerning CSR requirements (human rights and labour, health and safety, global environmental conservation, information security, corporate ethics, etc.). We expect our suppliers to comply with these guidelines and require our suppliers to contractually undertake to comply with these guidelines. We require our suppliers to communicate the requirements of the guidelines to their secondary suppliers and confirm their compliance with the guidelines, thereby ensuring CSR throughout the supply chain. Furthermore, as part of our supply chain due diligence, we encourage suppliers to periodically conduct checklist-based CSR self-assessments to voluntarily scrutinize the state of compliance with the requirements of the guidelines and to take corrective actions based on the results. From fiscal 2023, each operating company has defined a supplier audit implementation plan using a risk-based approach, and we have begun auditing suppliers both in-house and using third-party organizations. Through these efforts, we are working to ensure CSR throughout the entire supply chain. For more details, see the “Responsible Supply Chain” chapter ([page 109](#)).

PHD Major Strategic Risks in Fiscal 2025

In addition to operational risk management, the Group defines “strategic risk” as uncertainties

that may present opportunities or threats to be considered when formulating business strategies and making decisions to achieve medium- to long-term business goals, and implements risk management to promote appropriate risk-taking according to risk tolerance.

With regard to strategic risk, we specify functional departments responsible for risks that may affect business strategies by subdividing risk scenarios into units of events that may constitute opportunities, threats, or both. For such events, we evaluate the uncertainty and impact of the event, and formulate and implement countermeasures to deal with events as necessary. For other events we define leading indicators and conduct periodic monitoring to detect signs of risks materializing, and take timely responses to changes in the external environment.

Among the various strategic risks, we select major risks to the Group management (“PHD Major Strategic Risks”) from the viewpoint of necessity for cross-PHD/operating companies efforts to realize our vision and mission, and we work to subdivide these risks into units of events that may be “opportunities” or “threats”. We then share these details with the relevant functional departments, which monitor them in their respective areas of expertise and promote initiatives designed based on this monitoring.

Similarly, each operating company defines and manages its “Operating Company Major Strategic Risks” from among the strategic risks related to their respective business strategies.

Thus, by promoting risk management that is appropriate to the target time horizon and the type of impact, the Group aims to contribute to the integrated management of business and risk and strengthen the competitiveness of its businesses.

Climate change & Environmental regulations/Development of a circular economy

We believe that solving global environmental problems, including climate change, should be a top priority in relation to the Group’s mission of “realizing an ideal society with affluence both in matter and mind.” As environmental regulations and policies are introduced and expanded in the international community, and companies are required to further accelerate their efforts, we are moving ahead with our business activities with an eye to taking advantage of opportunities such as demand for environmentally oriented products and services and related new technology and business development. Through these efforts, we aim to reduce threats and losses, such as increased procurement and manufacturing costs associated with the introduction of carbon pricing, such as carbon taxes and emissions trading, and the switch to materials with lower environmental impact, as well as lost business opportunities due to delays in addressing environmental issues.

Recognizing that resource efficiency contributes to decarbonization in global environmental issues and that it is necessary to reduce consumption of the earth’s limited natural resources, and in order to contribute to the realization of a sustainable society, in December 2023 the

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Group formulated its Circular Economy Group Policy as a shared guideline to promote and enact a circular economy in the Group's business activities. We will strengthen our efforts to expand our business by responding appropriately to both opportunities to increase corporate value through the active use of renewable energy and expanding demand for low-carbon products using recyclable resources, and to threats such as increased production costs and frequent and normalized production delays due to rising prices and insufficient supply of recyclable resources (recycled materials and reusable raw materials). For more details, please see the "Environment" chapter ([page 9](#))

Geopolitical risks and economic security issues

Through our continuous monitoring of international affairs and trends in national and regional policies, laws, and regulations, we are making an effort to grasp their impact on employee safety in the Group and the Group's business and respond to them promptly. In particular, to prepare for emergencies or heightened tensions in the countries and regions where the Group has business sites, we are promoting initiatives to strengthen resilience through safety measures and business continuity management during peacetime.

We also identify risk scenarios, such as political and social upheaval that may accompany events such as conflicts between countries and regions or changes in government, and analyze their possible impact on the Group's businesses to optimize our business strategy through the inspection and restructuring of our production system and partnerships with other companies, with a view to duplicating supply chains and achieving local production for local consumption over the medium to long term.

We will also continue to closely monitor the rapid changes in the business environment caused by market decoupling, strengthening of economic and security policies of countries and regions, and polarizing public opinion, including the threats to our business and opportunities to leverage tax measures based on economic security policies.

Attracting, acquiring, and retaining human resources

As a common Group human resource strategy, we are committed to realizing "Employee Well-Being" so that each and every employee is in good health, both mentally and physically, and feels happy and fulfilled in their work through opportunities to take on new challenges. Thus, we create safe, secure, and healthy workplaces; encourage employees' self-motivated endeavors and support their self-determined career formation; and promote diversity, equity, and inclusion (DEI). In addition, since the transition to the operating company system, each operating company has introduced its own human resource strategy and personnel system order to recruit and train highly specialized personnel. Some of our operating companies have introduced systems that allow employees to choose their careers autonomously, for example, by switching from

conventional membership-based management to job-based management focusing on job descriptions and open recruitment and assignment, and by introducing an open recruitment system for transfers and promotions at the section manager level and above. Meanwhile, competition to secure competent human resources is intensifying, and we will continue to closely monitor trends in policies and legislation related to human resources, diversity, and promoting women in the workforce in all countries and our competitors. For more details, see the "Employee Well-Being" chapter ([page 83](#)).

Risks relating to the use of AI (artificial intelligence)

While assessing the opportunities and threats associated with the rapid advancement and uptake of AI technologies, such as generative AI, the Group is also gradually expanding its use of AI to improve operational productivity, generate new business ideas, and enhance business competitiveness.

In order to take timely and appropriate measures concerning the use of AI, the Group has established an AI Ethics Committee with the participation of personnel in charge of AI ethics from all operating companies, as well as from the legal, intellectual property, information, and quality sections. In 2022, we established the "AI Ethical Principles" in order to practice responsible use of AI, operate an AI ethical risk check system at AI development sites, and promote AI Ethical Training for all Group employees and AI technology human resource development.

While strengthening the Group-wide AI governance structure, we will accelerate the effective use and development of AI by addressing issues arising from the characteristics of AI, such as issues involving privacy, security, fairness, and copyright infringement, and by complying with the laws and regulations in each country. For more details, please see the "AI Ethics" chapter ([page 119](#)).

Education and Enlightenment for Our Employees

The Group has also established the Panasonic Group Operational Rules for Risk Management ("Operational Rules"), which are subordinate to the Basic Rules and define the standard procedures for the Group with regard to promoting risk management. The Group aims to achieve centralized risk management and its advancement by defining specific procedures for identifying and assessing risks, selecting Major Risks, and formulating and implementing countermeasures. Additionally, we annually update and deploy the Group's risk management guideline based on Operational Rules to managers and other personnel in charge of risk management at each operating company. The Guideline aims to share the priority issues, initiatives, and points for process improvement to be promoted during the fiscal year. We hold several briefings each year for personnel in charge of risk management at each operating company to share their perspectives and information, aiming to improve their skills and promote effective risk management processes.

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In addition to these initiatives, for the purpose of improving the capability of each employee in the Japan region to respond to risk and to foster a risk culture oriented toward appropriate and sound risk-taking and risk control, we provide training on basic risk management concepts and how to respond to crisis situations at the time of joining the company and prior to overseas assignments.

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The Group maintains a global hotline for domestic and international sites and business partners to report issues related to compliance violations, any type of harassment, procurement, and the like as a means for employees to report hidden risks. For more details, please see the “Business Ethics” chapter ([page 146](#)).

Policies on BCM and BCP

In light of the need for business continuity as part of our corporate social responsibility, since 2005 we have been promoting and improving BCM (Business Continuity Management) activities to ensure that our business activities will not be interrupted in the event of natural disasters (including those caused by climate change) such as earthquakes, tsunami, floods, fires, explosions, terrorism, war, epidemics and spread of infectious diseases, and cyber-attacks, and to resume necessary functions as quickly as possible in the event it becomes necessary to suspend business activities.

In particular, if a disaster, accident, or other unforeseen event occurs in the Group’s supply chain, including at parts suppliers and product delivery destinations, it will affect not only supply shortages and interruptions of parts from suppliers but also the BtoB field. Supply chain BCM is therefore an important issue, and we are strengthening our efforts in this area.

■ Major Efforts

The Group has established the Group Emergency Management Rules, which stipulate the basic policy for responding to emergencies that could have a significant impact on the Group as a whole, including the escalation and decision-making process, the system and roles to be played in responding to such emergencies, as well as initial responses. In addition to establishing the Panasonic Group Guidelines for Business Continuity Management (the “BCM Guidelines”) based on the business continuity policy, incident response and disaster prevention and mitigation, which prioritize business recovery and recovery processes, as well as business continuity planning (BCP) at the business site level, we are working to strengthen BCP and improve the resilience of the Group as a whole by establishing BCPs specific to the supply chain, logistics networks, IT security and other requirements of each function under our jurisdiction, such as procurement, logistics, and IT, as well as reviewing BCPs as necessary based on the BCM

Guidelines. In fiscal 2023, we revised the BCM Guidelines to incorporate the Japanese Cabinet Office’s latest damage projections for a Nankai Trough earthquake and an earthquake with an epicenter in the Tokyo metropolitan area. We included disaster prevention and mitigation measures in response to these projections and clarified the connections between the BCPs for each function to improve their effectiveness.

In particular, we have conducted a hazard survey about various risks posed by natural disasters such as earthquakes, floods, and tsunamis. We have also shared these findings with each of the operating companies and have put priority measures in place, both within our own Group and in our supply chain. The Group is also analyzing the impact of a Nankai Trough earthquake and an earthquake with an epicenter in the Tokyo metropolitan area, treating them as stress events expected to significantly impact the Group’s business. Based on the results of these analyses, we enhance the required countermeasures, raise appropriate risk awareness within the Group, and improve risk communication.

We have also created a Groupwide Fire and Disaster Prevention Committee to help both strengthen our readiness before contingencies arise and transition rapidly to emergency response systems when an incident does occur. The Fire and Disaster Prevention Committee is working to strengthen countermeasures for various types of disaster, such as earthquakes and floods. In particular, given the strain that has been placed on the power supply by disasters in the past, we have incorporated emergency power supply equipment into BCPs to ensure business continuity. In fiscal 2024, we began operating a “Disaster Portal” to enable timely reporting and centralization of information concerning the state of damage at each business site throughout the Group. We are working to notify all operating companies and further improve the functionality of the system in preparation for its full-scale use, so that decisions on the transition to an emergency system and initial response can be made more quickly by visualizing response and support requests from each business site and their impact on the entire group.

Furthermore, we conduct annual emergency drills, and conducted a group disaster drill based on the assumption that the Nankai Trough earthquake would cause extensive damage centering on the Kansai region. While operating companies set up emergency headquarters in locations other than the disaster-stricken areas, the Group Emergency Headquarters will set up a headquarters in Tokyo to organize information on the disaster and confirm initial responses, such as requests for cooperation and support. Coordinating with local municipalities, operating companies and business divisions conduct annual disaster preparedness and emergency evacuation training drills at each business site as needed.

We also actively work to prevent incidents and prepare for emergencies when it comes to fires as well, based on the Global Fire/Disaster Prevention Rules, which govern fire risk assessments, fire prevention and fire extinguishing equipment, fire brigades and firefighting, recurrence prevention, autonomous inspections, fire prevention drills, awareness raising, auditing, and more.