Risk and Opportunity Factors			Expected Operational / Financial Impacts on NHK Spring	Significance for NHK Spring				Response Measures to Risks and Opportunities under the Below 2℃ Scenario
				Below 2℃ Scenario		4℃ Scenario		
				2030	2050	2030	2050	
Transition Risks	Policy / Market	・Rising carbon prices due to the introduction of carbon pricing	Rising carbon taxes in Japan and overseas are expected to increase energy costs, leading to higher operating expenses for factory production equipment, lighting, air conditioning, and other facilities.	Large	Large	Small	Small	Continuation of energy-saving* initiatives and review of business strategies that take into account rising operating costs. (*Examples include: reducing energy consumption, introducing high-efficiency equipment, and electrifying production facilities.)
			The rise in carbon taxes domestically and internationally is expected to increase the energy costs associated with the extraction, production, and transportation of raw materials, resulting in higher raw material costs.	Large	Large	Small	Small	Review of business strategies that take into account rising raw material costs.
		・Shrinking gasoline vehicle market as governments implement carbon-neutral policies ・Changes in customer preferences	In line with carbon-neutral policies implemented by governments worldwide, the gasoline vehicle market (excluding HEVs) is expected to contract over the long term, leading to a decline in sales of parts for gasoline vehicles.	Large	Large	Small	Small	Investment in the production and development of products for electric vehicles and diversification of applications for existing products. Expansion into new fields by leveraging NHK Spring’s core technologies. Development of products that can reduce environmental impact throughout their lifecycle.
		・Expansion of renewable energy	With the expansion of renewable energy, costs associated with switching from existing energy sources to renewable energy, as well as overall energy procurement costs, are expected to increase.	Medium	Medium	Small	Small	Continuation of energy-saving initiatives and review of business strategies that take into account rising energy costs.
	Technology	・Energy transition ・Wider adoption of renewable energy technologies	The transition toward carbon neutrality—including the introduction of renewable energy, electrification, and fuel conversion—is expected to generate renewal costs for factory production equipment.	Medium	Medium	Small	Medium	Examine measures to ensure the efficient implementation of energy transition investments.
	Reputation	・Increase in ESG investment ・Changes in evaluation by customers and investors	The transition toward carbon neutrality—including the introduction of renewable energy, electrification, and fuel conversion—is expected to generate renewal costs for factory production equipment.	Medium	Medium	Small	Small	Promotion of climate change response initiatives and strengthening of engagement with related stakeholders.
Physical Risks	Acute	・Increased occurrence of large-scale natural disasters caused by extreme weather	Flooding of rivers, large-scale typhoons, droughts, tsunamis, storm surges, and lightning strikes may cause production stoppages at factories and disruptions in the supply chain (procurement and transportation), leading to suspended operations, reduced production capacity, and a decline in sales.	Small	Medium	Large	Large	Regular updates of the BCP (Business Continuity Plan) manual. Implementation of measures such as installation of lightning rods, preparation of sandbags and drainage pumps, review of hazard maps, and holding of evacuation and business continuity drills.
	Chronic	・Rise in average temperatures	Rising average temperatures are expected to increase air conditioning use in office buildings and factories, leading to higher energy costs and increased maintenance expenses for air conditioning equipment.	Small	Small	Medium	Large	Continuation of Energy-Saving Activities
Transition Opportunities	Products & Services	・Regulations on gasoline vehicle sales and stricter fuel efficiency standards ・Changes in consumer preferences	Policy factors such as restrictions on gasoline vehicle sales and stricter fuel efficiency regulations, together with changes in consumer preferences, are expected to expand the electric vehicle market, leading to increased sales of electric vehicle–related products.	Large	Large	Large	Large	Respond flexibly to the electrification of automobiles and actively consider investments to expand production capacity for growth products in this field.
		・Development and dissemination of low-carbon products and services ・Changes in consumer preferences	Advances in the energy efficiency of HDDs and growing demand for low-power HDDs for data centers are expected to lead to increased sales of related products.	Small	Medium	Small	Medium	Monitor trends toward higher value-added HDDs while executing business strategies in the HDD field.
			Advances in energy efficiency and performance of semiconductors, along with the expansion of the next-generation power semiconductor market, are expected to lead to increased sales of related products.	Small	Medium	Small	Medium	Monitor trends toward higher value-added semiconductors while executing business strategies in the semiconductor field.
			The development and dissemination of low-carbon products and services beyond existing offerings, together with anticipated changes in consumer preferences, are expected to create opportunities for increased sales in new markets through the development of environmentally friendly products.	Small	Medium	Small	Medium	Clarify the definition of environmentally friendly products and reflect it in business strategies.
	Resource Efficiency	・Spread of internal carbon pricing	The introduction of internal carbon pricing is expected to enhance management processes by promoting low-carbon investments in internal decision-making and leading to more efficient capital allocation.	Medium	Medium	Medium	Medium	Consider the application of internal carbon pricing in investment decisions and the disclosure of such practices.
	Energy Sources Products & Services	・Utilization of low-carbon energy sources ・Adoption of energy-saving technologies	The introduction of electrification and energy-saving technologies in the manufacturing process is expected to improve production efficiency, resulting in lower manufacturing costs and increased earnings.	Small	Medium	Small	Medium	Introduce internal incentives to promote the adoption of energy-efficient production equipment.
	Markets	・Changes in evaluation by consumers and investors	The development of low-carbon products is expected to enhance evaluations from consumers and investors who favor such products, leading to improvements in corporate valuation, including potential increases in stock price.	Medium	Medium	Small	Small	Enhance disclosure regarding trends in the development of low-carbon products.
Physical Opportunities	Resilience	・Adaptation to large-scale natural disasters caused by extreme weather events	By strengthening BCP (Business Continuity Plan) measures against large-scale natural disasters caused by extreme weather and enhancing resilience, we will improve customer confidence in NHK Spring products.	Medium	Medium	Large	Large	Ensure stable operations and continued reliable product supply through the enhancement of BCP (Business Continuity Plan) measures.