

Financial impacts (selected)

Steam, electricity, and other forms of energy are consumed mainly in the manufacturing processes of the NOF Group. As transition risks brought about by climate change, the financial burden is expected to increase due to rising carbon tax costs and higher unit prices of renewable energy charges,* and the total impact is estimated to be around 3.3 billion yen. In addition, the NOF Group has established a business continuity plan for physical risks with the 4°C scenario assuming 7.7 billion yen in facilities damage in the event that a typhoon, which occurs once every 500 to several thousand years, breaks through embankments and floods our waterfront plants.

*Charges for promotion of renewable energy generation

Category	Scenario	Risks	Details of risks	Financial amount of impact	Notes						
Transition risks	1.5°C	Carbon tax	Financial burden from tax increases	<p>(Hundreds of millions of yen/year)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Financial amount (Hundreds of millions of yen/year)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0.5</td> </tr> <tr> <td>2030</td> <td>31.6</td> </tr> </tbody> </table>	Fiscal Year	Financial amount (Hundreds of millions of yen/year)	2020	0.5	2030	31.6	CO2 equivalent emissions in fiscal 2020, with a carbon price of 20,000 yen per ton of CO2 in fiscal 2030
		Fiscal Year	Financial amount (Hundreds of millions of yen/year)								
2020	0.5										
2030	31.6										
		Renewable energy charges	Increased energy costs	<p>(Hundreds of millions of yen/year)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Financial amount (Hundreds of millions of yen/year)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>3.8</td> </tr> <tr> <td>2030</td> <td>5.2</td> </tr> </tbody> </table>	Fiscal Year	Financial amount (Hundreds of millions of yen/year)	2020	3.8	2030	5.2	The unit price of the renewable energy charge for fiscal 2030 is set at 4.1 yen/kWh based on fiscal 2030
Fiscal Year	Financial amount (Hundreds of millions of yen/year)										
2020	3.8										
2030	5.2										
Physical risks	4°C	Storm surges	Flooding of facilities due to storm surges	<p>(Hundreds of millions of yen/year)</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Financial amount (Hundreds of millions of yen/year)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>0</td> </tr> <tr> <td>2050</td> <td>77</td> </tr> </tbody> </table>	Fiscal Year	Financial amount (Hundreds of millions of yen/year)	2020	0	2050	77	Typhoons and embankment failures every 500 to several thousand years.
Fiscal Year	Financial amount (Hundreds of millions of yen/year)										
2020	0										
2050	77										

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