



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 major 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"> <tr><th>Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>0.5</td></tr> <tr><td>2030</td><td>31.6</td></tr> </table>	Year	Impact (Hundreds of millions of yen/year)	2020	0.5	2030	31.6	<p>Domestic Group</p> <p>CO₂ equivalent emissions in fiscal 2020, with a carbon price of 20,000 yen per ton of CO₂ in fiscal 2030.</p>
		Year	Impact (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"> <tr><th>Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>3.8</td></tr> <tr><td>2030</td><td>5.2</td></tr> </table>	Year	Impact (Hundreds of millions of yen/year)	2020	3.8	2030	5.2	<p>Domestic Group</p> <p>The unit price of the renewable energy charge for fiscal 2030 is set at 4.1 yen/kWh based on fiscal 2020 electricity consumption.</p>		
Year	Impact (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"> <tr><th>Year</th><th>Impact (Hundreds of millions of yen/year)</th></tr> <tr><td>2020</td><td>0</td></tr> <tr><td>2050</td><td>77</td></tr> </table>	Year	Impact (Hundreds of millions of yen/year)	2020	0	2050	77	<p>NOF</p> <p>Typhoons and embankment failures every 500 to several thousand years.</p>
Year	Impact (Hundreds of millions of yen/year)										
2020	0										
2050	77										