

Types of Risks and Opportunities		Risk of Manifestation			Potential	Financial Impact	Financial Impact	Response Strategies	
Type	Scenario Analysis Results	Short	Medium	Long					
T r a n s i t i o n	Regulatory/legal changes	An increase in energy costs brought by the adoption of European-style carbon taxes and pricing even in Japan to achieve net-zero GHG emissions	●	●		High	Medium	Tax burden when unable to reduce GHG emissions<Table 1> 2030: ¥300 million 2050: ¥540 million	Promote on-site adoption of renewable energy (solar power generation) Shift to CO2-free electricity, Utilization of non-fossil certificates
		A decline in auction sales due to lower demand for used gasoline car exports as more nations prohibit the sale of gasoline vehicles from Japan	●	●		Medium	Large	A decline in combustion engine vehicles sold worldwide from its peak of 75 million vehicles in 2025 to 43 million vehicles in 2030<Table 3>	Promote measures to increase the number of EVs in our auctions Expansion of business portfolio to continue creating schemes for fair and honest trade and resource recycling
		As the circular economy develops, sharing services will become more prevalent and fewer people will buy and own EVs. EV manufacturers will enclose EV distribution within their own supply chains.	●	●		Medium	Large	If the ratio of EV sales increases and the number of people purchasing and owning EVs decreases, or if EV manufacturers enclose EV distribution within their own supply chains, the number of units is our auctions will decrease	· Expansion of recycling business (contribution to a recycling-oriented society) · Effective use of auction data (big data) Creation of auction peripheral business (auto loans)
Reputation	Investment behavior by investors based on climate change risk and the movement to require SBT certification for investment destinations will take root and expand.	●	●		High	Medium	Delays in climate change action will reduce stakeholder confidence and affect trade and other activities	Obtain SBT certification *currently applying (Set reduction targets consistent with SBT standards)	
O p p o r t u n i t y	Energy sources/ Markets	Accelerating replacement demand from gasoline-powered vehicles to EVs for decarbonization, leading to an increase in the number of vehicles sold at our auctions	●	●		High	Large	Global all passenger car sales will increase toward 2030, and EV sales as a percentage of all passenger car sales will rise sharply.<Table 3>	Promote measures to increase the number of EVs in our auctions · Increase the number of charging stations for electric vehicles · Research and develop appraisal criteria and inspection systems for electric vehicles
	Products and services	An increase in the number of vehicles put on auction by developing the new inspection technologies and rules driven by industries working toward zero emissions	●	●		Medium	Medium	<All passenger car sales and EV sales ratio> 2020 (Actual): 74.5 million units (4.00%) 2025 (Forecast): 100.5 million units (24.97%) 2030 (Forecast): 110.0 million units (60.90%)	Promote operational efficiency, including expanding the use of digital auction inspection sheets

<Risk of Manifestation> Short term: Within 5 years; Medium term: 5 to 10 years; Long term: 10 to more than 30 years

<Financial Impact> Small: ¥100 million or less; Medium: ¥100 to ¥5,000 million; Large: More than ¥5,000 million

<Potential of Manifestation> High: High potential; Medium: 50-50; Low: Low potential

<Definition of Significant Impact> High potential and Medium(¥100 to ¥5,000 million) or Large(More than ¥5,000 million) Financial Impact