

BCP (Business Continuity Plan)

Basic approach

The business environment is significantly changing and diversifying due to climate change, tension in international affairs, and other issues impacting business activities, as well as social instability caused by growing inequality. These social and environmental challenges are having a major impact on companies' value creation and business models. Faced with this situation, we have made risk management one of our top management priorities, and are working to minimize risks by enhancing and strengthening our controls. We classify potential impacts on business management as either "risks" (matters yet to materialize) or "crises" (emergencies that have materialized). We then focus on preventive measures that eliminate risks before they become crises, and on prompt and accurate initial and recovery responses that minimize damage in the event of a crisis occurring.

Specific initiatives

— 1. Reassessing major risks and studying

Having acquired IATF 16949* certification in FY2022, we have begun to reevaluate our major risks and to improve our response when disasters and other events occur, with the aim of strengthening our resilience to such events. As part of this effort, we began re-examining our company-wide business continuity plan (BCP) in FY2023. Assuming a situation in which operations are suspended for one month or more, we analyze and assess the specific impact on our business, then plan and implement necessary measures focusing on prevention, recovery, and alternative production.

*An international standard for quality management systems specialized for the automotive industry and used by many of the world's automakers as their global procurement standard for automotive parts

— 2. Disaster preparedness

(1) Response to Nankai Trough Earthquake Extra Information

Following the release of the first-ever Nankai Trough Earthquake Extra Information (Major Earthquake Advisory) in August 2024, we implemented response measures in accordance with our emergency response manual for major earthquakes. We have since identified areas for improvement, such as information dissemination, and are revising the manual to make the content more effective.

(2) Strengthening disaster information gathering capabilities

We have introduced a system that can centrally collect critical information necessary during a disaster from sources such as weather data, road/river cameras, and social media, using AI and fact-checking (distinguishing authentic information from misinformation and disinformation within large volumes of data). We will continue to improve our disaster assessment capabilities and accelerate our emergency decision-making.

(3) Disaster drills

We conduct companywide disaster drills twice a year. In May of FY2024, we conducted joint training with the Tokai City Fire Department at Chita Electronic Plant on initial response measures, prevention of spread, and rescue and first aid for injured employees in the event of a chemical leak. Additionally, in November we held an initial response drill assuming the immediate aftermath of a Nankai Trough earthquake. We simulated the division of roles, information gathering and consolidation, situational assessment, and provision of recommendations for decision-making, all necessary during an initial response. This allowed us to check our communication procedures during a disaster, which tend to be delayed during the critical initial response phase.



Joint firefighting drill with Tokai City Fire Department
Chita Electronic Plant



Tabletop simulation of a Nankai Trough earthquake

Strengthening of risk response

In order to cope more swiftly with an increasingly uncertain and complex business environment, we are verifying the effectiveness of measures to address emerging risks. We are gathering information about possible future risks more extensively and on a more global level than in the past.

Our functional divisions used to take the lead in addressing risks, but from now on, we will strengthen cooperation with our business divisions so that we can recognize risks more accurately than ever before and develop mechanisms to respond to them appropriately. By continuing to strengthen our risk response capabilities and reduce loss when risks materialize, we are striving to sustainably improve corporate value. In response to the release of the "Nankai Trough Earthquake Impact Assessment Report (Revised Version)" in March 2025, we will examine additional measures such as (1) reducing direct damage, (2) prioritizing human life and safeguarding livelihoods, and (3) early recovery.