

## Risk information

Daifuku recognizes the following items as risks that could have a significant impact on its business activities.

The Company takes measures to mitigate and minimize each risk; however, it believes that these incidents have the potential to impact the Group's performance, should they occur.

### • Risks covered by the Chief Financial Officer and Chief Risk Officer

1. Major disruption to production
2. Impact of natural disasters and intentional threats, war, acts of terrorism, strikes, disease, etc.
3. Environmental problems
4. Labor relations issues
5. Joint ventures
6. Intellectual property rights
7. Securing of human resources
8. Customer/Supplier credit risk
9. Information management
10. Global business development
  - (1) Unexpected changes to each country's laws and regulations
  - (2) Changes in the social, political, and economic situation, or deterioration in public safety
  - (3) Disruption to transportation/electric power infrastructure
  - (4) Currency exchange restrictions and fluctuations
  - (5) Tax system changes
  - (6) Taxation by transfer price
  - (7) Trade protection regulations

- (8) Customer credit risk by different commercial practices
- (9) Different employment systems and social insurance systems
- (10) Changes in the labor environment, difficulties in recruiting/retaining personnel
- (11) Outbreaks of disease

### • Risks covered by head of each business global operation

1. Impacts of conditions in the markets related to semiconductors and flat-panel displays, as well as automobiles
2. Price competition
3. Product quality issues
4. Risk related to the development of new products/technologies
5. Increase in raw material prices
6. Increasing project scale
 

The number of projects with high-value orders is increasing in systems for distribution centers and semiconductor/flat-panel display factories. The Group's financial results may be affected by the timing of orders recorded, along with how efficiently all aspects of projects are managed.

## Risk management framework

To develop an appropriate risk management system to address anticipated risks that have a significant impact on the Group's businesses, the executive vice president acts as Chief Risk Officer, overseeing the Corporate Affairs Operations, which develop and promote countermeasures.

Daifuku conducts risk assessments across the Group every year. Also, the Company sets in advance the frameworks for responding to emergency situations.

### Information disclosure on corporate governance

Daifuku Corporate Governance Guidelines  
[www.daifuku.com/ir/policy/governance/guideline](http://www.daifuku.com/ir/policy/governance/guideline)

Corporate Governance Report  
[www.daifuku.com/ir/policy/governance](http://www.daifuku.com/ir/policy/governance)

Notice of General Meeting of Shareholders  
[www.daifuku.com/ir/stock/shareholders](http://www.daifuku.com/ir/stock/shareholders)