

Social issues and external environment	Risks					Opportunities	Response		Relevant materiality	
	Details	Occurrence	Likelihood of occurrence	Impact on business	Stakeholder(s) impacted		Details	Timeframe		
Environment	<ul style="list-style-type: none"> Increasingly serious global environmental issues 	<ul style="list-style-type: none"> Stricter regulations for greenhouse gas usage/ emissions and energy conservation More stringent building standards due to stricter laws and regulations Increase in costs associated with the provision of environmentally conscious products 	Medium term	High	Large	Business partners	<ul style="list-style-type: none"> Invigoration of the renewable energy market due to growing interest in environmental issues Increased demand for renewable energy contributing to higher electricity prices 	<ul style="list-style-type: none"> Development of renewable energy generation facilities Reduction of carbon dioxide emissions Building of an internal system in compliance with external evaluation organization standards Acquisition of environmental performance certification 	Short term	Environment <ul style="list-style-type: none"> Addressing climate change and decarbonization Promoting the stable supply and use of renewable energy
	<ul style="list-style-type: none"> Incidence of natural disasters and accidents/Spread of infectious diseases 	<ul style="list-style-type: none"> Raw materials/component supply shortages Asset damage Disruption to Group business facilities, supply chains, and customers Disruption to business operations Decline in hotel and tenant occupancy rates 	Short term Medium term Long term	Medium	Large	Customers Employees Business partners	<ul style="list-style-type: none"> Increased properties needing large-scale renovation Increased interest in disaster-resistant buildings Creating demand for new products and services to meet changing lifestyles 	<ul style="list-style-type: none"> Promote earthquake-proofing of buildings and facilities, implement countermeasures for tsunamis, torrential rain, and floods Stockpile emergency supplies necessary for disasters Conduct disaster prevention drills, formulate and promote BCP Differentiation of products and services (equipment, meeting of specifications, installation of telework spaces through renovation) 	Short term	
Social	<ul style="list-style-type: none"> Excess supply of renewable energy 	<ul style="list-style-type: none"> Decline in electricity sales revenue 	Short term	High	Small	Shareholders and investors	<ul style="list-style-type: none"> Expansion of Corporate PPA 	<ul style="list-style-type: none"> Implementation of area strategies in the energy business Utilization of rechargeable batteries 	Medium term	Social <ul style="list-style-type: none"> Realizing sustainable growth of local communities Addressing the declining birthrate, aging population, and shrinking workforce Ensuring the health and safety of employees Promoting Diversity Equity & Inclusion (DE&I) Respect for human rights and supply chain management
	<ul style="list-style-type: none"> Acts of terrorism, riots, and war 	<ul style="list-style-type: none"> Disruption to Group business facilities, supply chains, and customers Geopolitical risk Supply chain fragmentation 	Short term Medium term Long term	Low	Medium	Customers Employees Business partners		<ul style="list-style-type: none"> Conducting of credit checks on business partners Verification of geopolitical risk Stabilize procurement prices mainly by diversifying suppliers, decentralizing on a regional basis, and using long-term contract 	Medium term	
	<ul style="list-style-type: none"> Economic policy changes (changes in laws and regulations, interpretations of laws and regulations, and operational policies) 	<ul style="list-style-type: none"> Decreased number of commercialization projects due to subsidy system revisions Lost business opportunities due to changes in FIT Stricter regulations for energy conservation Strengthening of regulations on building standards 	Short term Medium term	High	Large	Business partners	<ul style="list-style-type: none"> Increased number of commercialization projects due to an expansion in subsidies Ongoing low-interest housing loans, eased tax reduction requirements Introduction of new systems to replace FIT 	<ul style="list-style-type: none"> Pursue new businesses such as PPA Strengthening of information-gathering activities 	Short term	
	<ul style="list-style-type: none"> Diversification of housing needs due to changes in lifestyles (Growth in DINKs, dual-income households, seniors relocating to condominiums, development of telework) 	<ul style="list-style-type: none"> Insufficient response to changing consumer needs 	Short term Medium term	High	Large	Customers	<ul style="list-style-type: none"> Capture demand generation/growth opportunities via new products and services Expansion in demand for compact condominiums Expansion of business areas 	<ul style="list-style-type: none"> Quickly reflect consumer needs in product planning Supply of a wide range of products, including compact condominiums and renovated properties Launching new businesses 	Short term	
	<ul style="list-style-type: none"> Changes in political conditions and economic trends 	<ul style="list-style-type: none"> Deteriorating supplier operating conditions Intensified competition including new entrants, and rapid environmental changes 	Medium term	Medium	Large	Business partners	<ul style="list-style-type: none"> Reduced competition resulting in increased opportunities to acquire land and properties Increase in M&A opportunities 	<ul style="list-style-type: none"> Redouble efforts to diversify financing methods, strengthen financial management Implement ongoing performance monitoring and countermeasures Strengthening of overseas business 	Short term	
	<ul style="list-style-type: none"> Changes in interest rate trends 	<ul style="list-style-type: none"> Decline in buyer appetite due to increasing housing loan interest rates Increased funding costs due to changes in financial institution lending attitudes and financing market conditions 	Short term	High	Large	Customers	<ul style="list-style-type: none"> Fund management (equity, bonds, and investment) 	<ul style="list-style-type: none"> Make use of fixed interest rates Appropriate LTV management 	Short term	
	<ul style="list-style-type: none"> Low birthrate coupled with an aging and declining population 	<ul style="list-style-type: none"> Decreasing demand for housing 	Long term	High	Large	Customers	<ul style="list-style-type: none"> Increased demand for condominiums among seniors Increase in opportunities for proposing solutions to vacant house issues and aging buildings Development of compact cities 	<ul style="list-style-type: none"> Supply condominiums in the center of regional cities Promotion of redevelopment and reconstruction of business Strengthening of overseas business 	Short term	
	<ul style="list-style-type: none"> Changes in the operating environment 	<ul style="list-style-type: none"> Declining business profitability Imbalance between purchasing (investment) and recovery (selling) Launch of a new business 	Short term Medium term	High	Medium	Customers Employees Business partners		<ul style="list-style-type: none"> Control of financial indicators set as targets Thorough management of the Group's portfolio Visualization of profitability in each division 	Long term	
	<ul style="list-style-type: none"> Surge in land prices as well as raw material and construction (labor) costs 	<ul style="list-style-type: none"> Soaring procurement prices Decrease in profit Slower sales due to higher selling prices 	Short term Medium term	High	Large	Business partners		<ul style="list-style-type: none"> Stabilize procurement prices mainly by diversifying suppliers, decentralizing on a regional basis, and using long-term contracts 	Short term	
Governance	<ul style="list-style-type: none"> Shortages and difficulties in securing human resources, mobility in human resources 	<ul style="list-style-type: none"> Lower product and service quality Occurrence of occupational accident Decrease in labor productivity Decrease in employee satisfaction Talent drain 	Medium term Long term	Medium	Large	Employees	<ul style="list-style-type: none"> Securing the highest-quality workers 	<ul style="list-style-type: none"> Implementation of measures aimed at improving employee loyalty Personnel system reform, enhancement and upgrading of various training systems Implementation of branding penetration measures Promotion of DX (digital transformation) Welcoming a diverse workforce 	Short term	
	<ul style="list-style-type: none"> Incidence of unauthorized access and cyberattacks 	<ul style="list-style-type: none"> Leakage of confidential information and stoppages of production lines and logistics systems Payment of damages and fines, incurring countermeasure expenses 	Short term Medium term	Low	Medium	Customers Business partners		<ul style="list-style-type: none"> Strengthening of insurance contracts and information security systems Identify issues and promote resolutions via the Compliance Committee and the Risk Management Committee Conducting thorough compliance education Improving security literacy Introduction of clawback provisions 	Short term	
	<ul style="list-style-type: none"> Insufficient internal control function 	<ul style="list-style-type: none"> Improper conduct, leakage of confidential information Payment of damages and fines, incurring countermeasure expenses Impact on reputation and standing 	Short term Medium term	Low	Medium	Customers Business partners Shareholders and investors		<ul style="list-style-type: none"> Strengthening corporate governance Strengthening risk management Ensuring corporate ethics and compliance 	Short term	

Short term : to 2025 Medium term : to 2030 Long term : to 2050