

- ✓ List up risks and assess them by magnitude level

Category	Risks	Magnitude
Gov. Regulations	Targets/regulations on the aviation industry to reduce carbon emissions and improve fuel efficiency	Major
	Targets/policies on carbon emissions and fuel efficiency of each country	Moderate
	Carbon Pricing	Moderate
Change in Technology (Opportunities)	High fuel prices	Major
	Improved fuel efficiency	Moderate
	Development of next-generation aircraft	Minor
Market	High fuel prices	Major
Physical Risk	Extreme weather	Major
	Changing rain and weather patterns	Major
	Increasing average temperatures	Moderate-Major

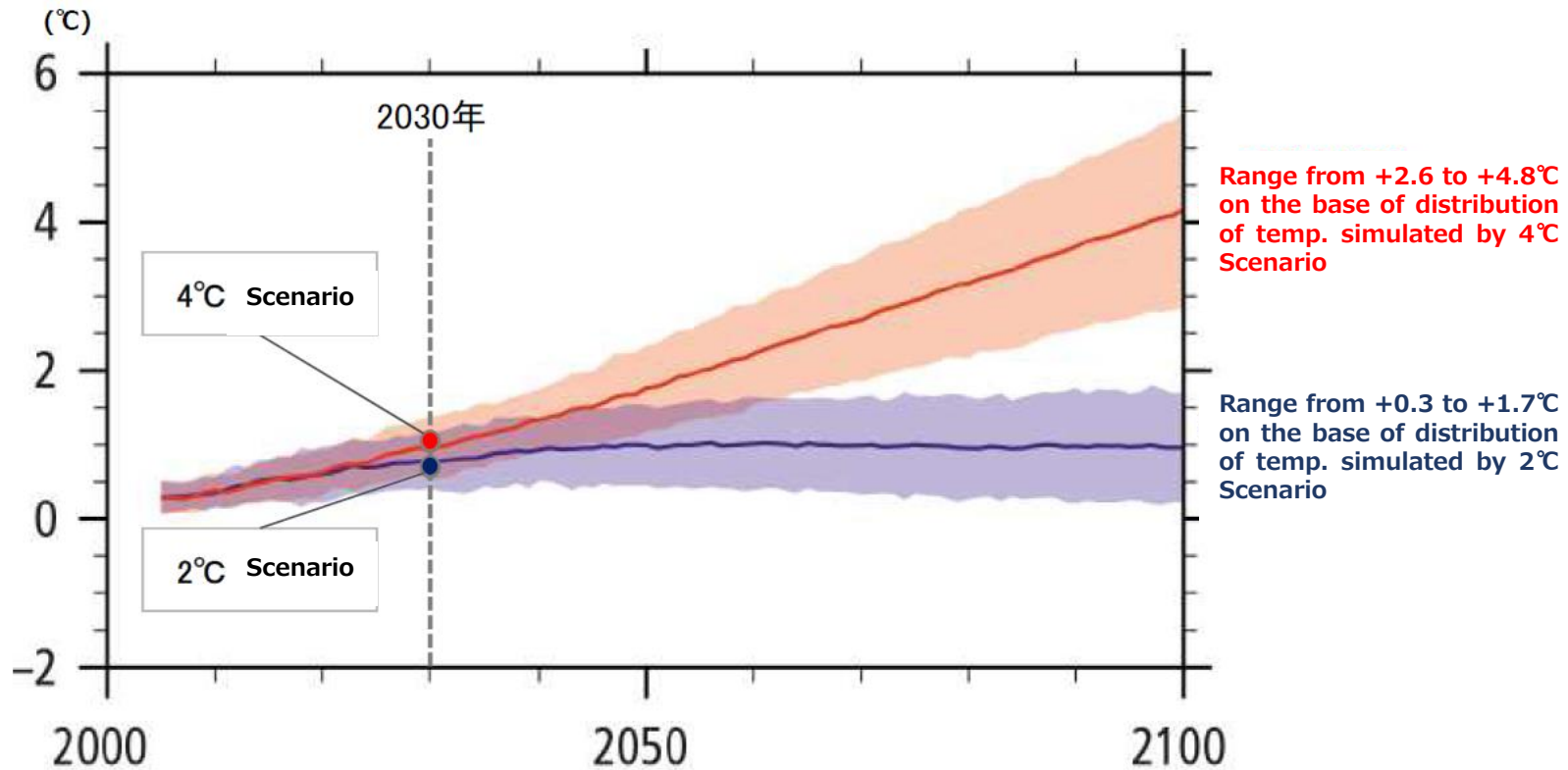
(Translation the original to English for DJSI)

Scenario Planning – Distributions of the temperature in the future for an input to financial impact



✓ Distributions of the temperature in the future simulated by historical data

[Prediction of the change in the average global temp. on the ground (difference from the average temp. of 1986-2005) ]



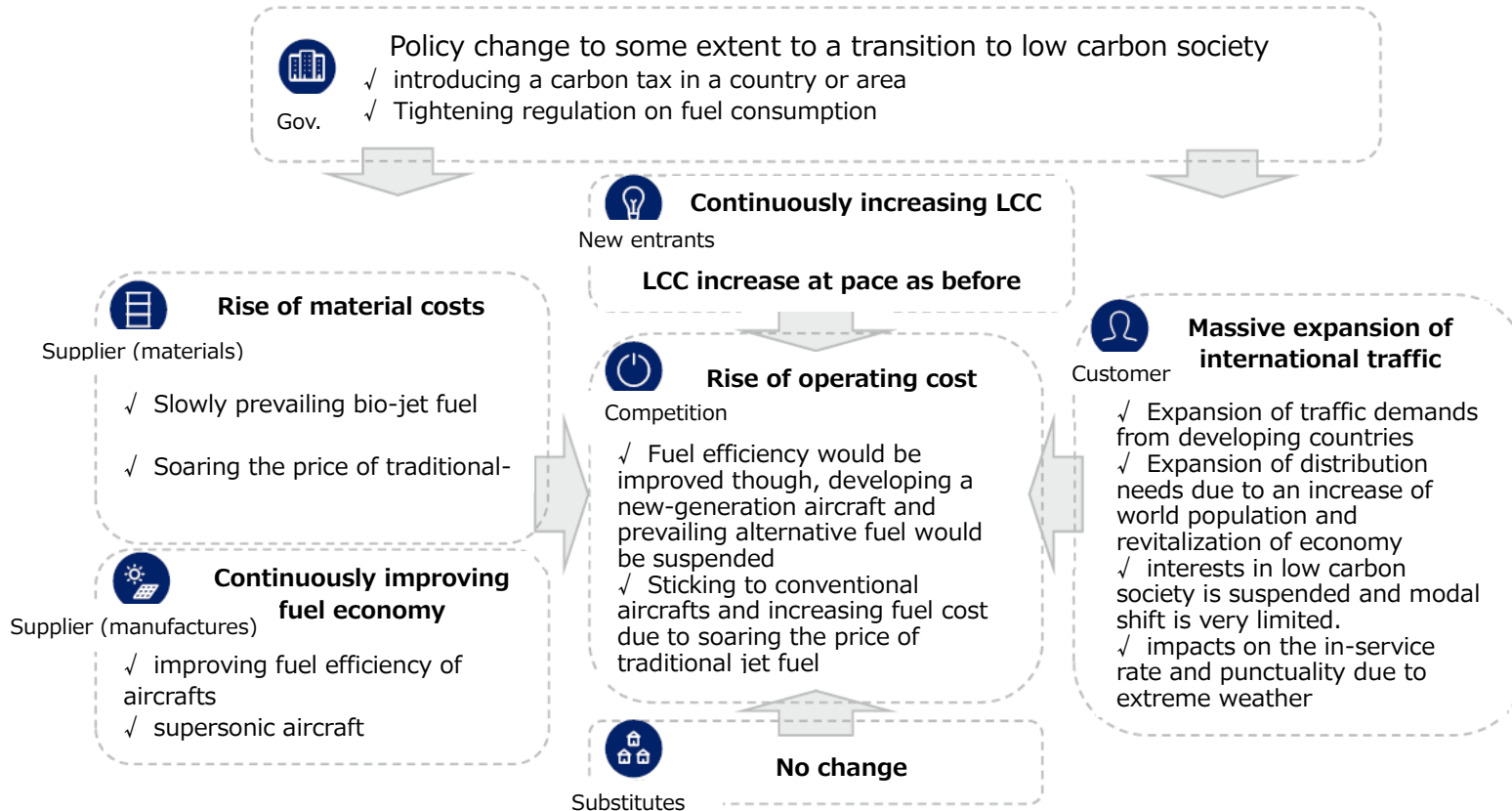
(Translation the original to English for DJSI)

Scenario Planning : +4°C scenario based on Porter's five forces with external environment by Gov.



✓ 4°C scenario is on the ongoing extension line

+4°C scenario



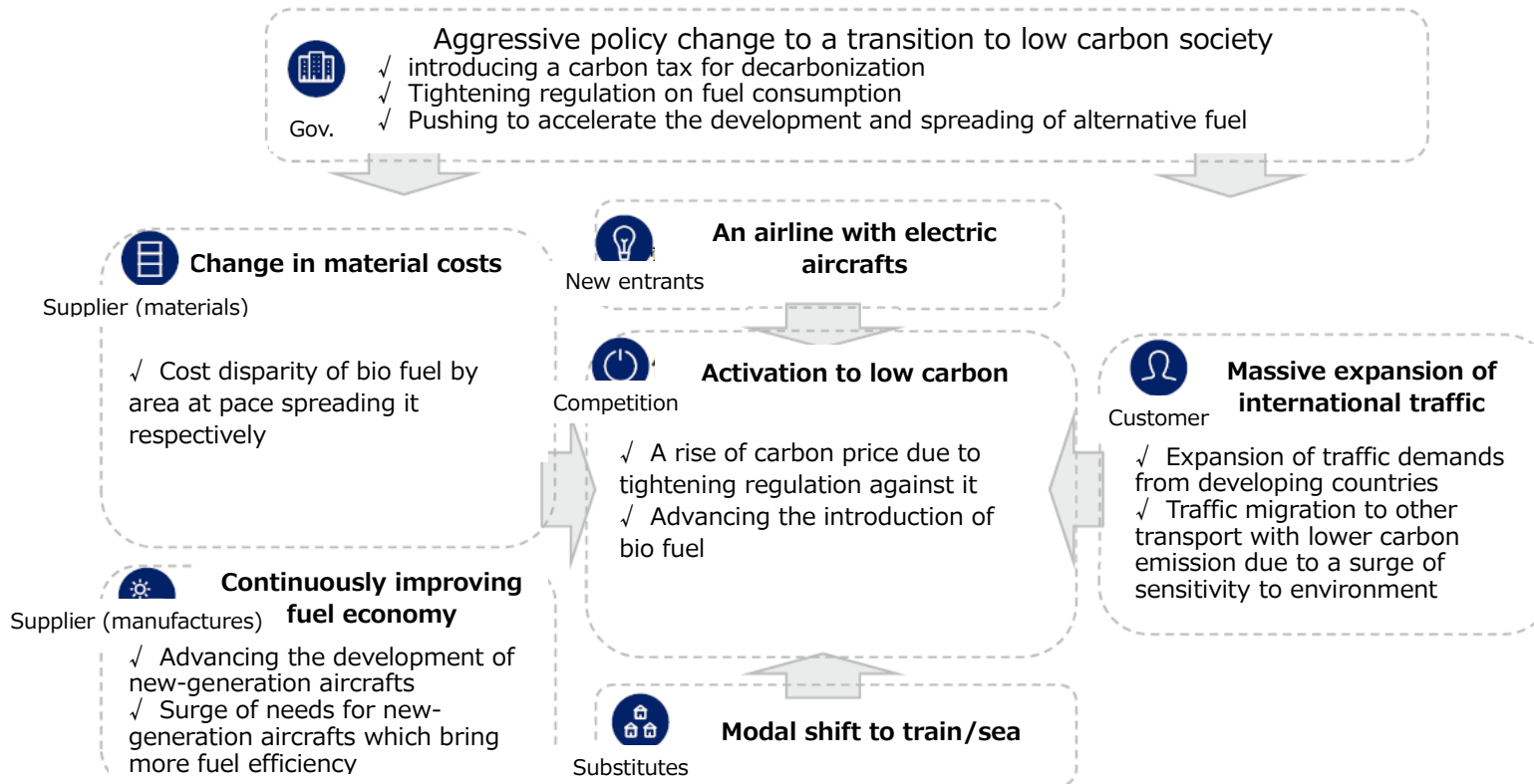
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Scenario Planning : +2°C scenario based on Porter's five forces with external environment by Gov.



✓ Possible necessity of reviews on supply chain and business model due to an effect of alternative fuel and modal shift

+2°C scenario



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Scenario Planning : Impact analysis with drivers (parameters) by scenario



✓ Sensitivity analysis and simulations with parameters to gauge financial impacts

