Materiality (Key Issues)

Business Operations / Management Base

Social Issues/Megatrends	Opportunities and Risks		Timeframe (Short / Medium / Long)	Corporate Impact (Positive (Opportunities) / Negative (Risks))
■ Achieving both innovations in automotive technology (electrification and intelligence) and a safer mobility society ■ Changes in company competitiveness due to accelerating digital/IT transformation	Expansion of CASE (BEV/FCEV) market	Strategic market entry of new technologies and products driven by BEV adoption (OEM and supply chain evolution)	● ● ●	↑↑ / ↓↓
		Expansion of BEV-leading markets and the rise of BEV-leading OEMs (shifts in market and power dynamics)	● ● ●	↑ / ↓↓
		Increased demand for environmentally friendly HEVs and PHEVs	● ● ●	↑↑ /
		Expansion of FCEV market	●	↑↑↑ /
		Advancement of technology for preventing traffic accidents	● ● ●	↑↑↑ /
		Reduced demand for fuel system components	● ●	/ ↓↓
	Expansion of MaaS market	Changes in user values on vehicle and vehicle usage (development of transportation infrastructure, demand for a more comfortable cabin environment)	● ●	↑↑ / ↓↓
	Market changes	Automotive market expansion due to infrastructure improvements and laws and regulations in emerging countries	● ● ●	↑↑↑ /
	Accelerate adoption of digitalization, IoT, and DX	Optimization from production to delivery (real-time monitoring, predictive maintenance, automation, etc.)	● ● ●	↑↑↑ /
■ Increasingly serious problems in the global environment ■ Business transformation due to climate change and resource shortages (tighter regulations)	Environment and resources	Market expansion in new fields through green technology* and green transformation	● ● ●	↑↑↑ / ↓↓
		Change in competitiveness due to adoption of carbon pricing	● ●	↑↑↑ / ↓↓↓
		Full utilization of rubber and plastic materials and development of materials (recycled materials, lighter weight, material replacement, and new materials)	● ● ●	↑↑↑ / ↓↓
		Large-scale disasters due to extreme weather conditions	● ● ●	↑↑ / ↓↓↓
		Promotion of energy efficiency and renewable energy (reducing energy costs, GHG emissions)	● ● ●	↑↑↑ /
■ Demographic changes (declining birthrate and aging population) ■ Changing values and diversifying work styles	Human capital	DE&I promotion for diversification of thinking, skills, and experience	● ● ●	↑↑↑ /
		Human resource portfolios for efficient use of human capital	● ● ●	↑↑↑ /
		Rising labor costs, hiring difficulties	● ● ●	/ ↓↓
■ BCP risks ■ Rising geopolitical risks	Supply chain	Fluctuations in production, disrupted supply chains, and human casualties due to escalating national/regional conflicts, infectious diseases, and natural disasters	● ● ●	↑↑ / ↓↓↓
		Shortages and rising costs of parts and raw materials, along with increasing logistics costs	● ● ●	/ ↓↓↓
		Serious quality issues and recalls	(●) (●) (●)	/ ↓↓↓
	Governance	Cyberattacks and scam emails	(●) (●) (●)	/ ↓↓↓
		Leakage of confidential information	(●) (●) (●)	/ ↓↓
		Antitrust law violations (bid rigging and cartels)	(●) (●) (●)	/ ↓↓

* Green technology:
Technologies and products that solve or mitigate environmental problems (e.g., technologies and products that contribute to more lightweight designs and decarbonization)

Short term: Within 3 years
Medium term: Up to 2029
Long term: After 2030

↑: Positive impact
↓: Negative impact