

The AIDC industry in 2050

(4.0°C scenario)

Key actions:

Establish resilient factories and supply chains, and support customers' SCM needs.



Governments & investors

★ Risks/opportunities

No progress in climate change controls

★ More subsidies for damage caused by extreme weather

★ More subsidies for aging infrastructure

Raw materials (Suppliers)

Production/service (AIDC)

Usage (Consumers)

Disposal/recycling

Need to **optimize procurement strategies**

Resilient factories are required to deal with the impact of extreme weather

Demand for services would rise with poor working conditions & disaster damages

Unsuccessful recycling would perpetuate **mass consumption & disposal habits**

Materials



★ Physical impact on supply network



★ Higher cost due to scarce forest resources



★ Higher chip prices due to water shortage

Energy



★ Aging energy infrastructure

Printers, labels & tags



★ Land value fluctuation in disaster-prone areas (impact on factory relocation)



★ Higher operation/restoration cost of factory after disasters



★ Supply chain reformation adapting to climate changes



★ Higher HVAC^{*1} running costs due to rising temperatures



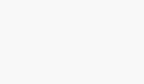
★ Production & transport industries needing automation due to rising temperatures



★ Importance of BCP^{*2} readiness in supplier selection



★ Maintenance/repair services needed after disasters



★ Greater focus on nature conservation and resilience against disasters

★ Damage to transportation networks

Markets



★ Material shortage caused by resource depletion

*1 HVAC: Heating, Ventilation and Air Conditioning

*2 BCP: Business Continuity Planning