

Risk Management

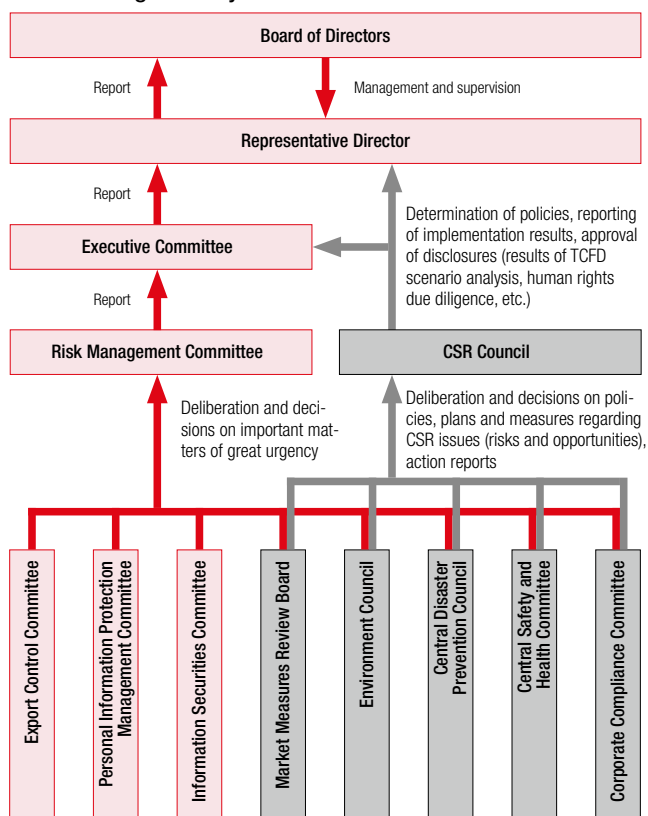
Basic Approach

To establish a solid defense system against the various risks surrounding the Company, we have established the Risk Management Committee, which is chaired by the director in charge of risk management. The committee manages the risks that could have a serious impact on management in a cross-sectoral manner, and assesses and responds to those risks appropriately.

We have also established various bodies including the Corporate Compliance Committee, Central Safety and Health Committee, Central Disaster Prevention Council, Environment Council, Information Securities Committee, Personal Information Protection Management Committee and the Export Control Committee, each of which creates and maintains regulations, guidelines and manuals to manage each risk, while conducting education and training activities. When a committee or council deems a matter to be serious and require urgency, an Extraordinary Risk Management Committee Meeting is convened at the request of the relevant committee or council as part of the system in place to assess and respond appropriately to such matters.

The activities of the Risk Management Committee are regularly reported to the Board of Directors. The activities of meeting bodies other than those above are reported to the Executive Committee as appropriate, and to the Board of Directors when deemed necessary.

■ Risk Management System



Cross-Shareholdings

Basic Approach

In the interests of corporate expansion and sustainable development, the Company believes it is essential to maintain cooperative ties with various companies. We adopt a medium-to-long-term perspective for enhancing the Company's corporate value, and follow a policy of holding shares deemed strategically necessary after comprehensively accounting for strategic ties with the companies with whom we maintain important cooperative relationships, cooperative business-related ties with supplier, and other factors.

Verifying the Appropriateness of Cross-Shareholdings

Once a year, the Company verifies, in both qualitative and quantitative terms, the benefits and risks associated with its individual cross-shareholdings from a medium-to-long-term perspective, also taking into account nature and scale of transactions, among other factors. These findings are reported to the Board of Directors.

In fiscal 2021, the Company sold all shares held in three companies in light of verification by the Board of Directors in February 2021.

■ Number of Issuers and Amount on Balance Sheet

	Number of issuers	Total balance sheet amount (Millions of yen)
Unlisted shares	37	484
Shares other than unlisted shares	64	100,391

(Stocks which saw an increase in the number of shares in fiscal 2021)

	Number of issuers	Total balance sheet amount (Millions of yen)
Unlisted shares	—	—
Shares other than unlisted shares	1	0

(Stocks which saw a decrease in the number of shares in fiscal 2021)

	Number of issuers	Total balance sheet amount (Millions of yen)
Unlisted shares	1	27
Shares other than unlisted shares	3	196