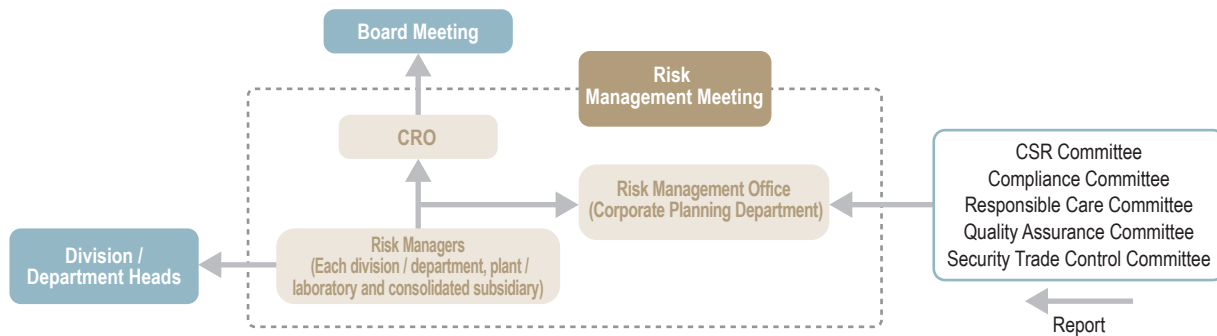


# Risk Management

We have established risk management guidelines with basic rules on risk management to prevent the emergence of various risks to the Group that could affect the achievement of the following items, and minimize the damage and impact of these risks should they arise.

1. Ensuring the safety of human resources	3. Sound maintenance of assets	5. Optimizing business opportunities and opportunities to make achievements and avoiding the loss of these opportunities
2. Surviving as a company	4. Maintaining trust of stakeholders	6. Ensuring compliance and pursuing efficiency, accuracy and effectiveness in the execution of operations

## Risk Management Framework



We appoint risk managers to divisions, departments, plants, laboratories and group companies under the overall control of the Chief Risk Management Officer (CRO) appointed by the board of directors. We run the Risk Management Meeting with the Corporate Planning Department serving as the Risk Management Office.

At the Risk Management Meeting, we cooperate with specialized committees in identifying and assessing risks in individual organizations, examining the status of the implementation of countermeasures, strengthening systems for handling crises and emergencies, and formulating a business continuity plan (BCP). In addition, we share the risk management information of the entire group through the annual plan, the annual review of risk management activities and reports from all organizations. The status of risk management is reported regularly to the board meeting via CRO.

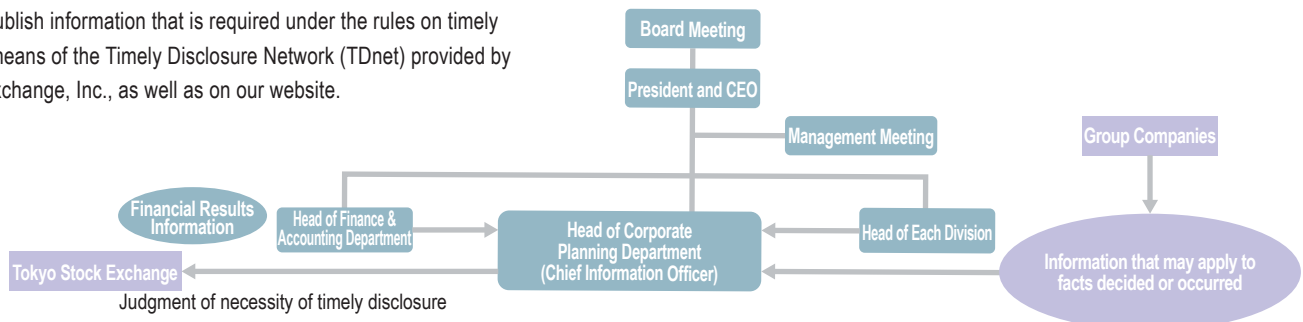
### Major Initiatives in FY2016

- Checking the status of BCPs of important businesses and reviewing them
- Strengthening overseas risk management
- Provision of training on initial response by the emergency headquarters of the head office, and training on safety confirmation

# Information Disclosure

## Timely Disclosure System

We promptly publish information that is required under the rules on timely disclosure by means of the Timely Disclosure Network (TDnet) provided by Tokyo Stock Exchange, Inc., as well as on our website.



## Environmental Reporting Platform Development Pilot Project

As a measure for disclosing environmental, social and governance (ESG) information, which has been increasingly demanded by institutional investors in recent years, we disclose information by participating in the "Environmental Reporting Platform Development Pilot Project", which is led by the Ministry of the Environment of Japan.