

# Risk Management

## Risk Management Structure

JASDEC has established the Basic Policy on Risk Management, which defines basic aspects of risk management activities by the JASDEC Group, to ensure the soundness and reliability

of the JASDEC Group as a provider of settlement infrastructure. Fundamental approach on risk management is outlined below.

### Fundamental Approach to Risk Management

Framework	I	JASDEC Group emphasizes the importance of risk management, and strives to instill awareness of this need in each department and office.
	II	JASDEC Group, in order to ensure sound management of operations, takes comprehensive measures to manage each risk category, while ensuring that the increasing diversity and complexity of operations is reflected appropriately in the risk management structure.
Management Policy	III	JASDEC Group shall periodically specify, analyze and assess risks, and will implement countermeasures to the risk and monitor the status of risk management as necessary. In the event that a risk materializes, JASDEC Group shall identify the cause, take measures to prevent recurrence and, with due consideration of available management resources, endeavor to minimize the risk to the entire Group.
	IV	JASDEC Group shall remain highly cognizant of the particular importance of managing information system risk, and shall endeavor to minimize this risk by using standardized administrative procedures for planning, development and operations of information systems, maintaining a consistent level of information system quality, and preparing a robust and up-to-date emergency response framework in case of disaster or damage.
Responsibility	V	Directors and employees shall maintain a high awareness of risk, and endeavor to ensure that business operations are carried out properly at all times, based on an understanding that the materialization of risks could significantly damage JASDEC Group assets and bring about significant losses.
	VI	Each department and office shall endeavor to conduct proper risk management, and if a risk materializes in the course of conducting operations shall promptly report to the Integrated Risk Management Council while taking necessary measures to minimize the impact of the materialized risk.

We have established a Risk Committee where more than half of the members do not engage in any operation of the Group. We also have established the Integrated Risk Management Council, which consists of the officers of the Group and the heads of departments, under the chairmanship of the Chief Risk Officer (CRO). In addition, JASDEC has

assigned departments to manage each risk category to monitor and manage each specific risk under the overall supervision of the Risk Management Department. By creating these organizations, we built a structure capable of providing comprehensive risk management for the JASDEC Group.

**Functional Framework of Risk Management**

