

Basic Policy on Risk Management

We will continuously practice risk management to achieve sound risk control (including appropriate risk-taking) against various risks which may have possible material effect to business management of our company and KITZ Group in accordance with following objectives and action guides.

Objectives of Risk Management

1. Sustainable and stable business management
2. Maintenance of credibility for stakeholders
3. Preservation of company's assets
4. Improvement of corporate value
5. Safety ensuring for directors, officers, employees, their families and stakeholders

Action Guides for Risk Management

1. Develop corporate culture to practice risk management sustainably rather than temporarily, strengthening constitution of organizations, and increasing risk literacy of directors, officers and employees.
2. Understand always requests from society and stakeholders in each era, and expand risk management activities to meet such requests.
3. Prepare and operate system and structure to flexibly and appropriately respond risk which has been, or may be, materialized.
4. Practice risk management activities as a group-wide effort through concrete plans and actions.
5. In formulating business policies and plans, define risks as "uncertainty" and not only appropriately assess the "threats" that may arise from risks and take countermeasures, but also focus on "opportunities" such as solving new business opportunities and social issues.
6. Determine the risks that should be actively accepted for the achievement of the business plan and the extent to which they can be tolerated, and then take appropriate risks.
7. Disclose proactively information on risk management to stakeholders.
8. In case of disaster, deal appropriately with the same under initiatives of management, focusing on human safety as a top concern, minimize damage and loss, and strive early recovery.