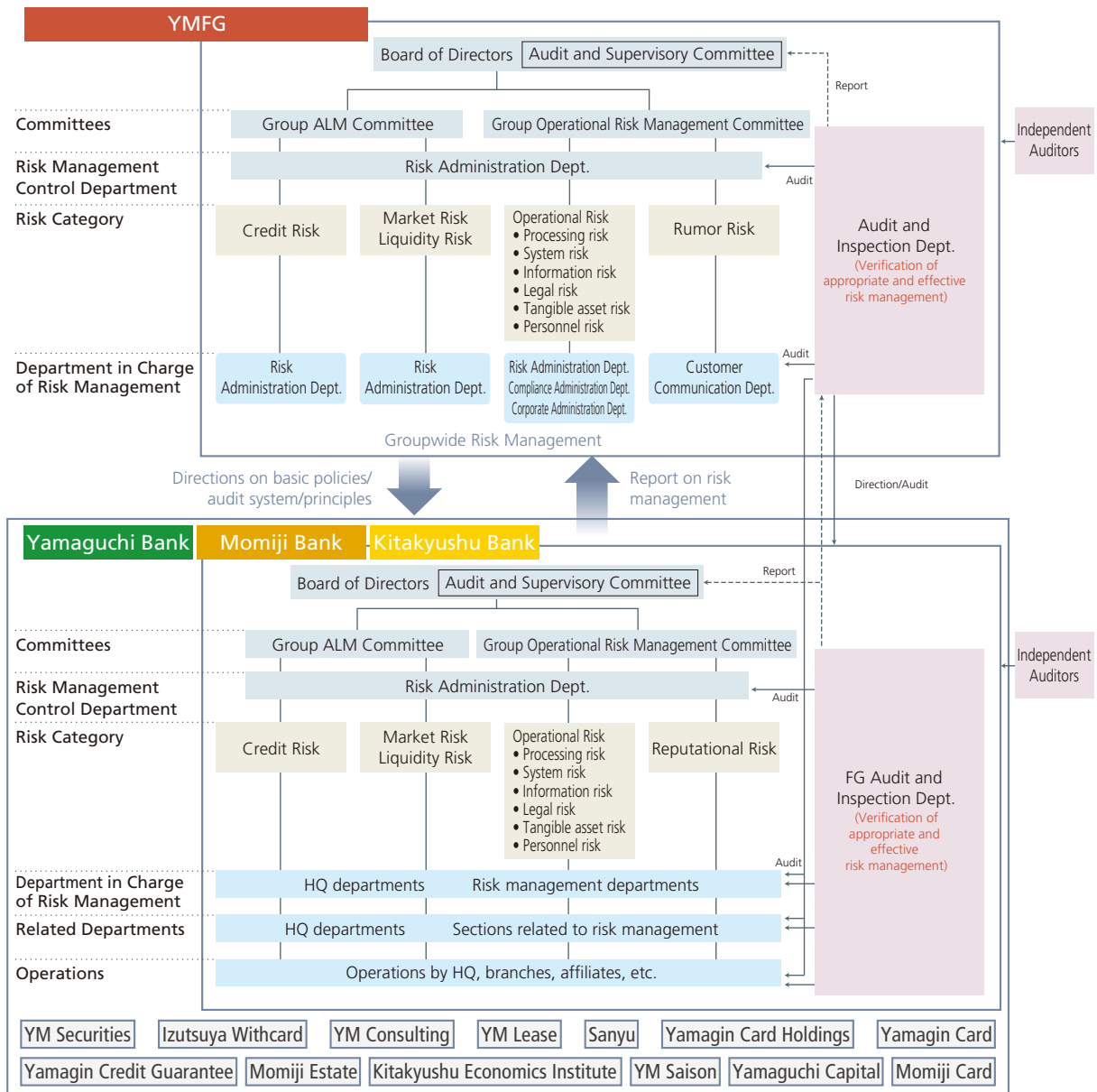


Risk Management System

YMFG Risk Management System



YMFG faces all kinds of risks that have become more diversified and complex along with changes in the economy and in society. Risk management is one of the most important issues facing the Group.

As part of our basic risk management policy, we have devised standard risk management rules that apply to YMFG and its subsidiaries.

The subsidiaries have organized risk management sections, risk management departments and Group Operational Risk Management committee to cope with risks. Risk amounts are

measured by a uniform method, capital is allocated on the basis of these methods, and risks are collectively managed.

YMFG's risk management sections cooperates with its counterparts in the subsidiaries to check risk management conditions in the whole Group.

The Audit and Inspection Department, which is independent of the operation departments, implements internal audits to ascertain the appropriateness and effectiveness of risk management. This system applies both to YMFG and to its subsidiaries.