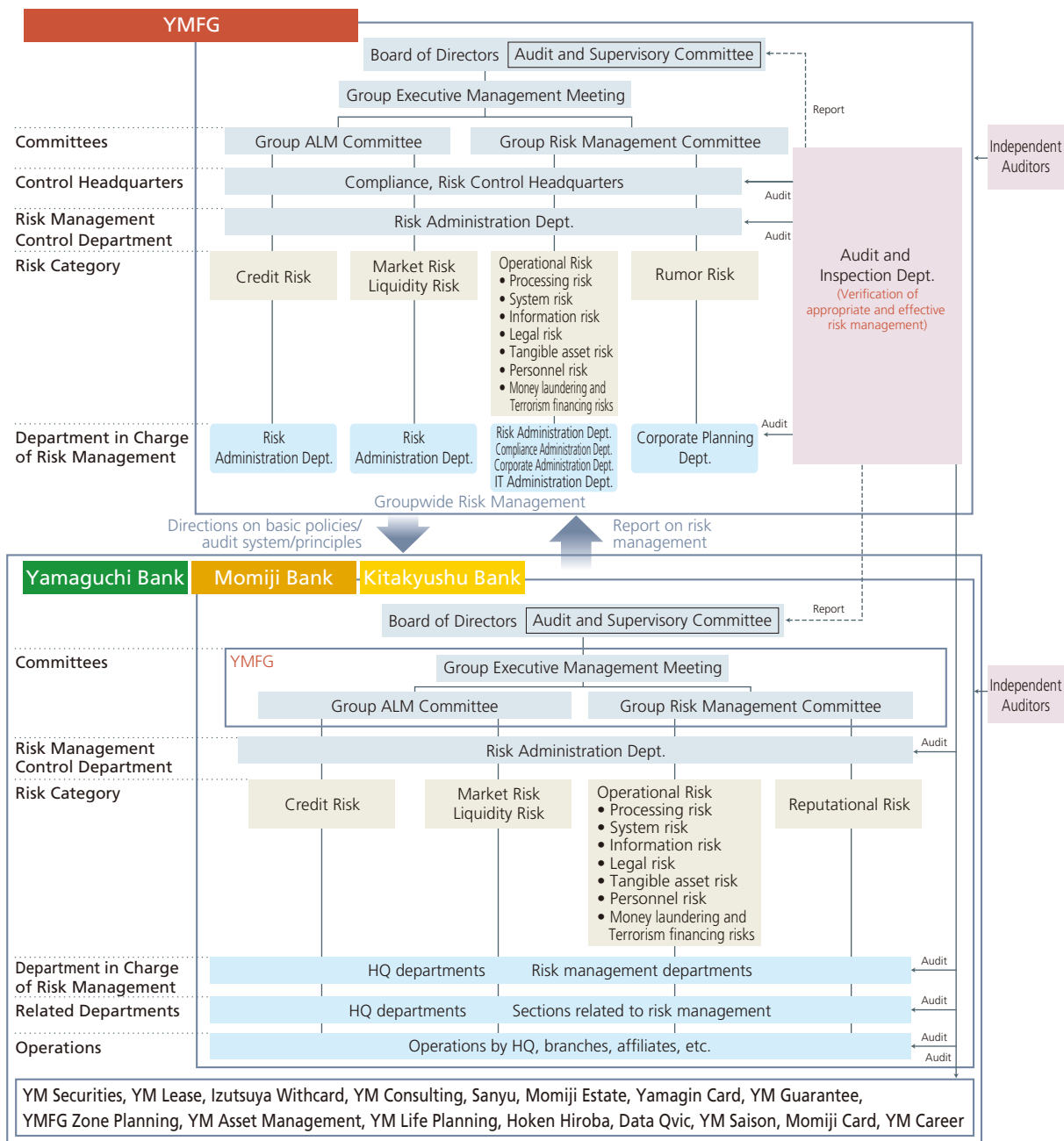


Risk Management System

YMFG Risk Management System (AS of July 1, 2020)



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 the Group.

The Group has organized risk management sections, risk management departments, Group Risk Management Committee and Group Executive Management Meeting 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 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 the Group.