

Strengthening Financial Soundness

# Promoting ERM

## ERM

Enterprise Risk Management (ERM): All risks associated with a company's operations are identified in a comprehensive and systematic manner in order to achieve corporate targets. These risks are managed and controlled by using an integrated and strategic approach. The ultimate objectives of ERM

are consistently increasing earnings over the long term and ensuring financial soundness.

## Utilizing ERM in Management

We define our risk preferences in terms of how much capital we want to hold to support the business and how we want to assume investment risks to increase returns. We define risk preferences to be maintained over the long term and medium-term risk preferences based on changing business conditions. Under ERM, business plans are formulated to maintain consistency with medium-term and long-term risk preferences.

In our business plans, besides targeting higher earnings, we seek to improve profitability relative to the risk assumed, while also bolstering

financial soundness by ensuring an adequate level of capital in proportion to envisaged risks.

By promoting ERM management, our goal is to facilitate the supply of a wide range of products and services and to deliver stable dividends to customers, while fulfilling our long-term coverage obligations.

