

Risk Management Committee and BCP

Risk Management Committee

Policy We facilitate assertive governance with elements of bold risk-taking.

We maintain a forward-looking risk management structure that actively involves management in order to support appropriate risk-taking by executive staff.

The Risk Management Committee convenes annually and is headed by the CEO. The committee, which is attended by outside directors and legal counsel, approves the annual activity plan and works to establish, promote, and maintain the risk management structure by controlling risks throughout the entire Group.

Risk Management System



BCP

Policy As a pillar of global industry, it is THK’s critical social responsibility to supply products and minimize the impact on society even when an unforeseen disaster has occurred.

This year, we promoted BCM* as a method to strengthen the effectiveness of our established BCP, investigating the status of various preparatory measures and the ability of each plant to respond to a disaster through means such as desktop simulations conducted mainly by BCP Promotion Council members at our production facilities.

As a separate initiative, the 3rd BCP Promotion Council convened in December with the theme of maintaining operations during a disaster. Around fifty people in charge of BCP in their respective production and sales departments were in attendance. Prior to the meeting, these BCP promoters were asked to think about the effectiveness of the measures in place at their location while considering the opinions of experts and a survey that asked about hypothetical scenarios at the location of an earthquake. At the meeting, members of the Yamagata and THK INTECHS Sendai plants who experienced the Great East Japan Earthquake shared photos and stories about the aftermath and their response. In doing so, participants gained a stronger understanding of and ability to accomplish what they need to do at their workplaces.

Looking at the recent frequency of earthquakes, there are significantly heightened concerns of a major earthquake occurring. In order to fulfill our mission of supplying products to customers even during an emergency, we will continue to improve our BCP measures and the ability of employees to respond to disasters at their location.

Next year and beyond, we will clearly identify the depart-

ments that will respond to the challenges identified during the simulations, determine priorities, establish a collaborative structure within and outside the Group, and formulate conduct guidelines in order to strengthen the capabilities of each plant. Furthermore, in order to promptly understand the impact of an emergency on our materials, components, and other elements of our supply chain, we will develop an information-gathering system that uses RPA and visualizes supplier locations. Through these efforts, we will strive to minimize the amount of harm.

BCP Strategies for a Large-Scale Disaster

Activity	Description
Supplying products	<ul style="list-style-type: none"> Confirming back-up domestic and international Group factories to make products in place of a facility suffering a disaster Expanding production capabilities of international Group factories
Servers	<ul style="list-style-type: none"> Maintaining main and backup servers in separate data centers Practicing switching to backup servers in case main servers were to go down (once per year)
Earthquake-proofing	<ul style="list-style-type: none"> Production facilities: installing equipment to prevent toppling of shelves that hold components, fixtures, and tools Sales offices: installing equipment to prevent toppling of printers, cabinets, etc.
Emergency supplies	<ul style="list-style-type: none"> All production and sales facilities: potable water, food, sanitary items, emergency supplies, and rescue equipment
Emergency drills	<ul style="list-style-type: none"> Annual drills at all locations Annual satellite phone test

* BCM: An abbreviation of “business continuity management.”

Whereas BCP is concerned with business continuity during a disaster, BCM is focused on planning, implementation, execution, and improvement in order to manage BCP smoothly.