

Risk Management

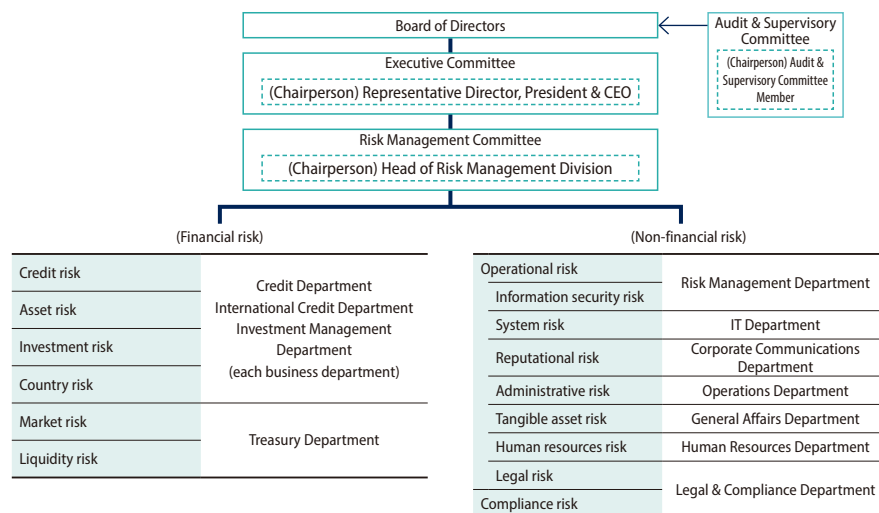
The Group seeks to maximize corporate value while ensuring management soundness by identifying and recognizing the various risks it faces and by taking risks within controlled boundaries. The Group has also built a program to minimize the impact on management through effective crisis management, even in emergencies such as disasters.

Risk management program

The Group identifies and recognizes various risks across the entire Group, and has a program in place under which risks are managed based on risk categories overseen by responsible departments. The Risk Management Committee comprehensively and systematically collects, organizes, and analyzes risk information for the entire Group. It also shares and discusses risk awareness that contributes to management decision-making through forward-looking risk management in light of environmental changes, and reports important matters to the Executive Committee and the Board of Directors for deliberation. In addition, the Group has introduced a Three-Line Model to establish an effective risk management program.

In addition to the financial and non-financial risks shown in the figure below, we are also enhancing risk management by formulating response policies in accordance with changing circumstances for risks that have a significant impact on management, such as risks related to conduct and human rights violations.

Diagram of risk management framework

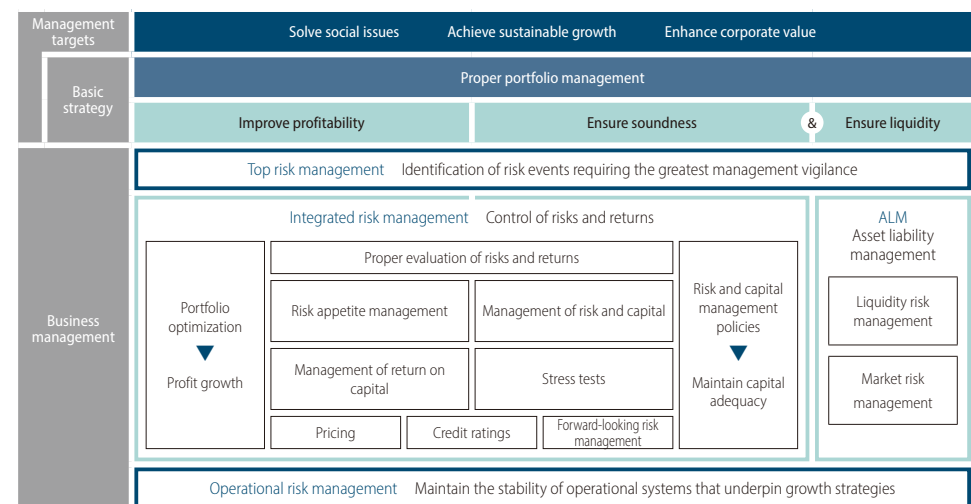


Risk and capital management

The Group measures and quantifies the various risks it faces on a uniform scale using statistical methods based on the framework of integrated risk management. We then manage risk and capital for securing sound business management by comparing equity capital, which represents our financial strength, with quantified risks. Specifically, we set planned Economic Capital for each category of risk, including credit risk and asset risk, and take risks within the limits of our risk tolerance. The status of risks and our portfolio are continuously monitored and reported to management.

We also conduct regular stress tests, which assume deterioration in the economic environment, market fluctuations, and other scenarios, to assess the impact of risks that cannot be captured by statistical methods. By taking a multi-faceted approach to examining whether we are taking excessive risks and whether our risk-bearing capacity is sufficient, we strive to ensure soundness.

Overview of the Group's risk management program



Risk Management

Review program to support new business development

To realize the *evolution and layering of business models 2.0*, the Group is promoting initiatives in new business domains across the Group. To support these initiatives, we have established the Joint New Business Review Team comprising relevant Corporate Center departments and thereby put in place a framework for collaboration across sales and business divisions. Drawing on the specialized knowledge of each department, this team verifies business feasibility and profitability, conducts multifaceted risk evaluations in line with each business's characteristics, and examines the organizational framework needed for ongoing business operations. Through these activities, we identify the risks to take and the risks to control, support the review and introduction of new businesses based on a balance between growth potential, profitability, and soundness, and promote portfolio transformation that contributes to enhancing corporate value.

New business review program



Column

Global Credit Panel

We held a global meeting at the head office on the theme of vendor finance, bringing together credit officers from Group companies in Japan and overseas. At the meeting, each company gave presentations on credit assessment methods for the vendor finance business, the challenges they face, and the future outlook, followed by active discussion.

In light of risks materializing in the Americas transportation sector, the meeting enabled us to recognize common challenges and take another step toward enhancing credit risk management on a global basis.



Crisis management

The Group has Crisis Management Regulations, Disaster Response Regulations, and response manuals in place, and a program to minimize the impact that natural disasters, human-caused disasters, accidents, and other events have on management. Furthermore, in the event of a crisis, the Group determines the crisis category based on the status of the event in question and establishes a crisis management headquarters or disaster response headquarters if it determines the situation to be a crisis situation. In July 2025, we conducted a drill to establish a disaster response headquarters, simulating a Nankai Trough earthquake. Under management leadership and in close coordination with relevant departments, we collected and shared information, examined response policies, and issued instructions, thereby enhancing our ability to respond effectively to emergencies.

Response flow for crisis management



Determine the crisis category		
Crisis category	Description	Response
State of alert	A situation that can be handled by the department in charge and is not a "crisis situation," but may develop into one due to delays or errors in the response	Response by the department in charge
Crisis situation	A situation that is likely to cause significant delays or prolonged interruptions in operations and a significant loss of credibility that may jeopardize the Company's continued existence	Headquarters

Cybersecurity

To protect all information assets from various security threats, the Group strives to establish an effective information security management program and rules. We have also established a cross-organizational team, the MHC-SIRT (Security Incident Response Team), which is responsible for preventing cyberattacks, conducting periodic in-house education and training, and examining responses and investigating causes when incidents occur.

In December 2025, at the FY2025 (43rd) IT Awards organized by the Japan Institute of Information Technology, the Group received the IT Encouragement Award (Management and Business Reform Category) in recognition of its initiatives to reduce management risk through strengthened and visualized governance based on Group-wide unified standards and cybersecurity measures.

[Web](#) For details on crisis management and the MHC-SIRT organizational chart and activities, please see our ESG Data Book.