



## ■ Critical Issues

### ■ We don't know how to manage risks in our operations.

- We have no appropriate measures to resolve our problems or anxieties.
- We have no idea what kinds of risks might occur relating to our production operations.
- Since we do not realize how important these risks are, we do not have flowcharts for the information processing and management.
- We are concerned that we might not be able to respond quickly when required in an emergency.

### ■ Even though we do have a certain type of risk management system, we are not sure whether it works effectively.

- While we have introduced various mechanisms, we don't know if they are effective.
- We doubt that we have really implemented everything that should have been done.

### ■ We are engaged in various risk management activities, but we wonder whether this is enough.

- While the dangers are increasing and the load is also increasing correspondingly, we are struggling to keep pace.
- We can verify and thoroughly implement the required measures over the range of work done inside our company, but cannot handle the work conducted by suppliers.

## ■ JMAC Concept

### ■ What are PRM activities?

JMAC recognizes that PRM is not simply the introduction of a mechanism, but is a change in awareness and behavior of each employee. We believe that in PRM, even though the risk management system does not in itself create business results, if each member of the organization is aware of the defined "risks" they will act to reduce or eliminate these risks, thereby improving the results.

Further, out of many risks, we supply judgment criteria to top management, define what constitutes a risk, and provide the latest important information so that the defined risk can be related to recognition and behavior.

We believe that it is necessary to build a risk management system that evaluates the current level of penetration and observance.

### ■ Targets of PRM activities

JMAC PRM activities focus on the following four types of risks:

- 1) Quality risks (Defects, mixture of hazardous materials, inappropriate customer responses, etc.)
- 2) Environmental risks (Waste processing, noise and pollution, etc.)
- 3) Safety risks (Labor accidents, influence of hazardous and polluting substances on employees, etc.)
- 4) Confidential information risks (IT system management failures, confidential technology leaks, etc.)

# PRM (*Production Risk Management*)

Risk management system-building program

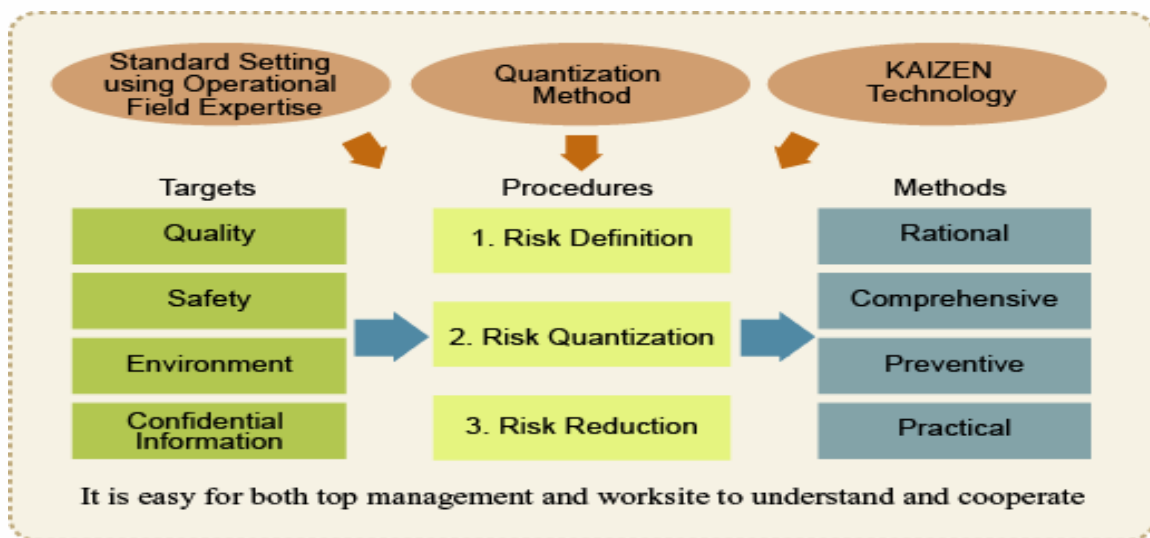
GL-PD013



## ■ JMAC Features

### ■ The characteristics of the PRM activities proposed by JMAC are:

1. Definition of all risks based on operational field expertise
2. Quantization using a variety of quantitative analyses
3. Risk reduction by KAIZEN technology that has been accumulated
4. Establishing each step that is rational, comprehensive, preventive, and practical
5. Building of a system that enhances understanding and cooperation between both the management and the worksite.



## ■ Results

### ■ Areas where accomplishments have been made

Our experience with PRM encompasses all areas of quality, safety, environment and confidential information. Regarding safety, the environment, and confidential information, there are no special characteristics according to type of industry. However, for quality there tends to be more industry types in which products are directly used on the human body, such as medicines, foods and cosmetics.

### ■ Achievements

1. Change in awareness and behavior of line staff
2. Relationship of managers and executives with operational risks will be clarified and sharpened
3. Change in recognition of dealers
4. Reform of risk management system (change from a following type to a proactive type) through the establishment of “operation, implementation and decision-making” systems. These include risk information collection and updating, the establishment of a division dedicated to monitoring the operation condition and the verification of information, and the setting-up of the action decision-making process.
5. Development of risk database, assessment tools, evaluation standards, and traceability tools