

Sustainability

Chori's Sustainability Initiatives

The spirit of coexistence and co-prosperity that our first president Riichiro Ohashi maintained, which is “to develop our business for the benefit of the world and people and to always strive to grow together with our customers,” and the integrity, dignity, and compassion that has continued to support this spirit have been passed down to this present day.

As a multifaceted specialized trading company that handles fibers, textiles, and garments, as well as chemicals and machinery, Chori not only builds relationships with its clients but also engages in capital investment and production on the strength of its semi-industrial/semi-commercial business scheme. Underscoring the value of its relationships with various stakeholders around the world, the Company strives to address poverty, health, resource waste, climate change, water shortages, and a range of other global concerns. In the face of our radically changing social and economic environments, we are advancing our business in pursuit of not only the growth of the Company but also the sustainability and development of the world as a whole.

As declared in our corporate philosophy, at Chori we engage in business with sustainability at the forefront of our minds by developing environment-friendly products, conducting procurement and export control activities that ensure compliance, and establishing a system to optimize operations so that we can contribute to the realization of a better society as global citizens.

Business Environment and Chori's Countermeasures

Business Environment	Chori's Countermeasures
Climate change	<ul style="list-style-type: none"> Importance placed on reducing companies' financial risk through measures to address climate change <p>Page 45</p>
Marine plastic pollution	<ul style="list-style-type: none"> Need to ensure traceability and develop a recycling system Development and deployment of BLUE CHAIN™ Expansion of initiatives for biodegradable resin <p>Pages 37 and 44</p>
Escalation of human rights issues	<ul style="list-style-type: none"> Global need to improve working conditions and respect human rights along the supply chain Formulation of human rights policy Emphasis on CSR for procurement activities <p>Page 53</p>
Changes in consumer awareness	<ul style="list-style-type: none"> Increasing ethical consumption Emphasis on the story behind each product Growing demand for environment-friendly products, including those based on the BLUE CHAIN™ concept and plant-based foods (plant-derived alternative meat) <p>Pages 37 and 44</p>

Our Approach to Sustainability

Governance

The Chori Group has established systems to ensure appropriate operations with the aim of achieving sound management and sustainable growth. The Company strives to strengthen corporate governance by complying with laws and social norms, carrying out effective and efficient business operations, and ensuring the credibility of its financial reports while positioning the Board of Directors as a body for making strategic decisions and overseeing business operations.

Key Points

Establishment of Sustainability Promotion Preparatory Committee

With a view to establishing a specialized committee to promote sustainability (from fiscal 2024), as announced in Chori Innovation Plan 2025, the Sustainability Promotion Preparatory Committee was established in July 2023 to examine Chori's basic policy on sustainability, material issues, its value creation story, and other sustainability-related matters. A working team consisting of members selected from various departments and CARAT will also establish.



CHORI Innovation Activities (“CHOI-Katsu”)

We have been working to improve our employees' operational efficiency through our Companywide CHORI Innovation Activities (“CHOI-Katsu”), established in fiscal 2013 with the aim of achieving department- and division-specific goals.

Action Policies in Fiscal 2023

- Compliance with communication
- Health and communication
- Eco-friendliness and cleanliness

Strategy

In establishing a management foundation aimed at achieving sustainable growth, the Chori Group recognizes the importance of taking a proactive approach to environmental issues, cooperating with business partners in CSR procurement and other activities, promoting occupational safety management, developing human resources, and contributing to the betterment of society and local communities. On April 28, 2023, we announced Chori Innovation Plan 2025, our new medium-term management plan based on VISION2030—The Company We Aspire to Be—focusing on the themes of “sustainability,” “well-being,” and “innovation.” Under Chori Innovation Plan 2025, we will enhance our corporate value by steadily implementing our three basic strategies and becoming a corporate group that continues to evolve and change on a global scale, underpinned by our exceptional capabilities and expertise. The Sustainability Promotion Preparatory Committee will examine our strategies related to all areas of sustainability.

Risk Management

The Chori Group has established and operates its risk management regulations for the purpose of identifying potential risks in its business activities, reducing risks and preventing crises from occurring during the course of normal business conditions, establishing a system for responding to crises that may present a significant impact on its business activities, and responding promptly and appropriately to prevent the situation from deteriorating and recover and normalize the situation as swiftly as possible.

Indicators and Targets

Recognizing the ongoing need to address sustainability issues, the Chori Group has established non-financial targets (see page 12) in an effort to “promote ESG management,” one of the basic strategies of Chori Innovation Plan 2025.

Chori's Sustainability Initiatives



Environment

We understand the importance of respecting the environment when conducting our business activities and that it is our responsibility to address environmental issues in a proactive manner.

Basic Principle

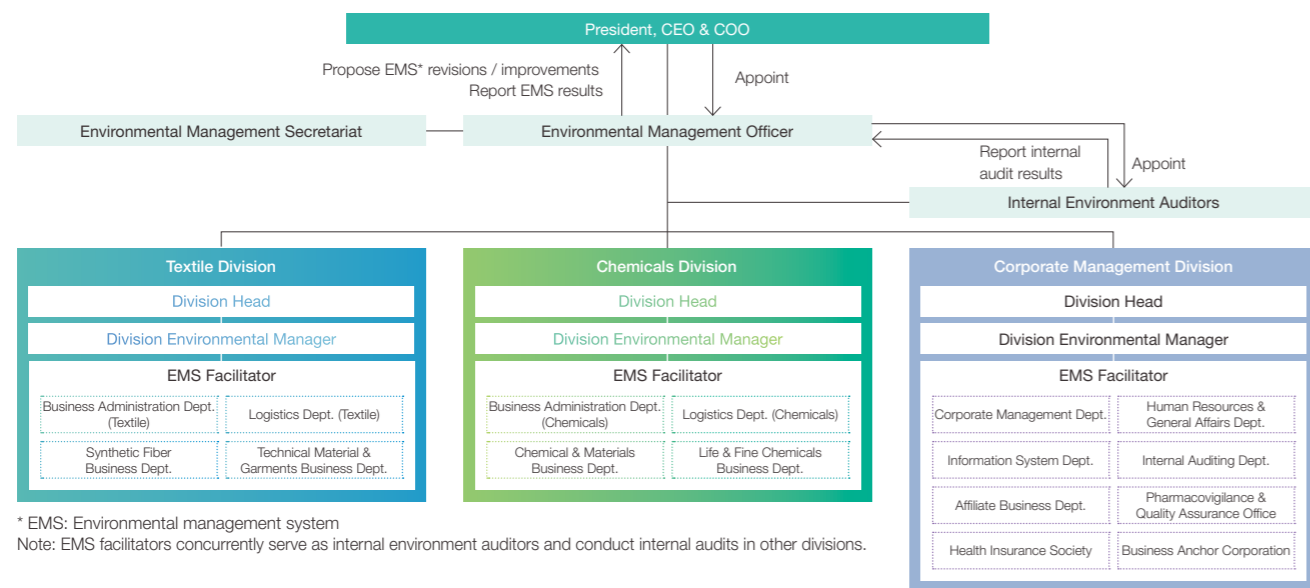
With a view to generating substantive value and helping to realize a more enriched society, Chori strives to provide accurate information and exceptional products tailored to the needs of its customers. As the environment continues to garner global attention, we believe the role we play in contributing to environmental conservation is essential to establishing a solid management foundation.

Basic Policies

1. Consideration for the global environment
2. Compliance with environmental laws and regulations
3. Establishment and continuous improvement of environmental management system

Environmental Management Structure (As of July 1, 2023)

We have established the following structure in pursuit of our environmental initiatives.



* EMS: Environmental management system
Note: EMS facilitators concurrently serve as internal environment auditors and conduct internal audits in other divisions.

Environment-Friendly Business Activities

Since its acquisition of the ISO 14001 international standard for environmental management systems in 2000, Chori has continued to conduct and engage in environmental conservation activities. We adopted the 2015 standard in December 2017, acquired ISO 14001 certification for our Hokuriku Branch and Okayama Liaison Office in December 2019, and continue to engage in Groupwide efforts with Business Anchor Corporation and other subsidiaries in our aim to help preserve the environment.



Close Up

In Pursuit of the SDGs

Chori's initiatives in pursuit of the Sustainable Development Goals (SDGs) are featured on its official YouTube channel. The channel offers viewers an illustrated look into Chori's involvement in the world of environment-friendly, plant-based foods and its participation in the lithium compound production project in Chile.

<https://www.youtube.com/watch?v=EfGtYjVL0E>



Chori's Environment-Friendly Initiatives

Chori is committed to expanding its line of environment-friendly SDG-oriented products in the Fibers, Textiles, and Garments Business and the Chemicals Business. As declared in Chori Innovation Plan 2025, we aim to increase sales of SDG-oriented products to ¥50.0 billion (two and a half times fiscal 2022 levels) in fiscal 2025.

BLUE CHAIN™ ----- Fibers, Textiles, and Garments Business

The problem of environmental degradation, which has been a focus of attention for a variety of industries in recent years, has become a matter of significant concern in the fiber, textile, and garment industries. The creation of new apparel made in response to recent trends and consumer needs requires massive volumes of water and produces substantial amounts of greenhouse gases. It is also true that large quantities of unsold clothing are discarded unused. To address these issues, Chori introduced its BLUE CHAIN™ initiatives to create environment-friendly products by seamlessly linking the vast and complex fiber, textile, and garment industries and integrating the functions of each company.



See "Branding in the Fibers, Textiles, and Garments Business" on pages 37 to 40.

Lithium Compound Production Project in Chile ----- Chemicals Business

The evaporation method commonly used to extract lithium components from brine water was associated with concerns over its significant environmental impact. In contrast, Chori has been participating in a project to produce lithium compounds through the use of a new method that enables only lithium components to be extracted from brine water, thereby maintaining the water volume of salt flats. Compared with our conventional approach, this new extraction method contributes to significant reductions in production time, and because it does not hinge on weather conditions, the production volume can be adjusted in line with market conditions. Through such means, Chori will address the needs of the lithium-ion battery market, which we anticipate will expand even more going forward.



Biodegradable Resin ----- Chemicals Business

At Chori, we have recently been expanding our lineup of biodegradable resin, a raw material used in seed sheets. Seed sheets serve as a means to prevent the evaporation of soil moisture and are used for weed and pest control. As they are made of biodegradable resin, seed sheets eventually decompose into water and carbon dioxide. Accordingly, they eliminate the need for disposing waste while reducing the use of plastic, and because the seed sheets do not need to be collected, they help enhance agricultural productivity.



We are also working to enhance our lineup of biodegradable resin derived from plants such as cassava and taro, which we are utilizing as raw materials for garbage and shopping bags due to the soft texture they generate.

Promotion of the Use of New Protein Sources ----- Chemicals Business

With the global population projected to reach approximately 10 billion by 2050, there are concerns over the potential imbalance between supply and demand for protein sources such as beef and pork. At Chori, we have been focusing on soybeans, wheat, and green peas as a source of ingredients; procuring ingredients of the highest quality and safety that comply with the Non-GMO Project Standard from overseas; and supplying these ingredients to food processing companies in Japan. We are also working to promote the use of sunflower protein, cricket powder, and other new sources of protein throughout the Group. In addition, through our measures to prevent deforestation for livestock and reduce the use of water and crops, we strive to help realize a greener and more enriched global environment.



Chori's Sustainability Initiatives

Information Disclosure Based on the TCFD Recommendations

In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) at the request of the G20.

As the world strives to limit the increase in the earth's average temperature to below 2°C above preindustrial levels as stipulated in the Paris Agreement in 2015, the aim of the TCFD is to encourage companies to disclose climate-related financial information to enable investors to make appropriate investment decisions.

At Chori, we will work to appropriately disclose information on the recommended disclosure items in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures, the final report released by the TCFD in June 2017.

Governance

The Board of Directors' system for monitoring climate-related risks and opportunities and management's role in assessing and managing such risks and opportunities

The Company's response to climate change and other environmental issues is reported regularly at Board of Directors' meetings and discussions are held based on the details of these reports. Ultimately, it is the responsibility of the Board of Directors to assess, respond to, and disclose details of the Company's risks and opportunities related to climate change.

With the general manager of the Corporate Planning Division, who also serves as a director, in charge and the Corporate Management Department as the responsible division, the Company manages and promotes organization-wide measures against climate change, including the TCFD recommendations, and other environmental issues as well as compiling important Companywide policies and measures, which are reported and proposed to the Board of Directors for discussion at Board meetings.

With regard to business-specific strategies, etc., on climate change and other environmental issues, the general managers of the respective sales departments, in cooperation with the general manager of the Corporate Planning Division and the Corporate Management Department, report summaries of such strategies, etc., to the Board of Directors, which are then assessed and discussed at Board meetings.

In addition, on April 28, 2023 we launched our medium-term management plan Chori Innovation Plan 2025. To address all sustainability issues, including climate change, we will establish an expert committee and strengthen discussions on strategies and initiatives related to all aspects of sustainability, including the TCFD recommendations.

Strategy

Short-, medium-, and long-term climate-related risks and opportunities identified by the organization and the impact thereof on the organization's business, strategies, and financial plan

Chori conducts scenario analyses to assess the transition risks and physical risks of climate change. In fiscal 2021, we analyzed the 2°C and 4°C scenarios, and in fiscal 2022 we reanalyzed and examined the 1.5°C and 4°C scenarios. Under the 1.5°C scenario, similar to the 2°C scenario, the increase in physical risks is expected to be moderate, and we expect an increasing number of opportunities to develop and expand sales of environment-friendly products. Meanwhile, under the 4°C scenario, physical risks, such as unseasonable weather, will likely increase due to the lack of progress in climate change measures.

Based on the above assumptions and background, we conducted a scenario analysis for the period up to 2030. On the basis of these results, we identified the following risks and opportunities related to climate change and determined their impact on our business and the measures we will take in response.

Major Risks and Opportunities Related to Climate Change, Their Impact on Our Business, and Measures to Take in Response

Risk Type	Risks and Opportunities		Impact on Business (▲ Risk / ● Opportunity)	Key Countermeasures	Financial Impact		
					1.5°C	4°C	
Transition Risk	Policies and Regulations	Introduction and expansion of carbon taxes	▲ Increase in purchase prices and various costs	Continue to monitor the actual amount and impact of the Company's GHG emissions Strengthen lineup of zero-carbon products	Low impact*		
		Strengthening of decarbonization measures	Strengthening of regulations on China, our largest export partner	▲ Temporary declines in trading volume due to reduced production	Strengthen and expand global supply chain	Medium impact	
	Technology	Expansion of waste-reduction efforts	● Greater demand for recycling-related products ● Greater demand for products that contribute to waste reduction	Expand trading of recycled products · Recycled plastic chips · Recycled polyester fiber (ECO BLUE™)	Medium impact		
		Rapid expansion of circular economy	Increased use of renewable resources	● Greater demand for bio-related products	Expand trading of biodegradable resin products · Seed sheets	Medium impact	
	Market	Market changes associated with the transition to decarbonization	Expansion of policies and initiatives aimed at achieving carbon neutrality throughout the automotive life cycle	● Greater demand for lithium-ion-related products due to the shift to electric vehicles	Expand trading of lithium-ion-related materials · Participate in lithium compound production project	Medium impact	
			Expansion of policies and initiatives aimed at achieving a carbon-free supply chain in the textile industry	● Reduced cost of decarbonization measures by spearheading sustainability initiatives across the supply chain	Promote sustainability initiatives throughout Chori's unique supply chain (BLUE CHAIN™)	Medium impact	
		Increased stakeholder interest in sustainability	Greater demand for non-petrochemical products and other sustainable products	● Greater demand for environmentally conscious products	Enhance lineup of environmentally conscious products · Highly stretchable functional yarn (TEXBRID™) · Environmentally conscious fiber materials · Black and colored spun-dyed yarn · Natural Dye™ · MEDITERRANEAN GIZA™ · MILLENNIUM ORGANIC™	Medium impact	
			Reluctance to buy petrochemical products	▲ Temporary decline in trading volume arising from the shift to environment-friendly products	· Non-toxic materials · Water-repellent, recycled yarn fabric (free of fluorine) · Chemicals for cleaning agents (free of chlorine gas)	Low impact	
	Strengthening of information disclosure requirements related to climate change measures		▲ Decrease in corporate value and investments due to inadequate response ● Increase in customers and investments due to climate change measures	· Promote GHG reduction measures and disclose information based on the TCFD framework	Medium impact		
	Physical Risk	Acute / Chronic	Water shortages	▲ Temporary declines in trading volume due to reduced production	Strengthen global supply chain	Low impact	
Large-scale natural disasters			▲ Temporary reduction in trading volume and longer lead times due to supply chain disruptions	Strengthen lineup of water-conscious products · ECO BLUE™ x WS™	Low impact		
Rising sea levels					Low impact		
Rising average temperatures			▲ Reduced trade of fall and winter apparel ● Greater demand for agrochemical-related products ● Greater demand for disinfection (mouthwash)-related products	Examples of Products · Strengthen lineup of next-generation products · Agrochemical ingredients (disinfectants, rice herbicides, acaricides, and herbicides) · Pharmaceutical products (iodine)	Medium impact		

Note: 1. Classified according to the scale of impact on sales and segment profit. Those deemed to have a greater impact are indicated with a darker shade.
2. Key reference scenarios include the *World Energy Outlook 2022* of the International Energy Agency and the Intergovernmental Panel on Climate Change's Shared Socioeconomic Pathways.

* Financial Impact of Introducing and Expanding Carbon Tax (Quantitative Assessment of Business Impact)

1.5°C Scenario	
2030	US\$107,000 (approx. ¥13 million)
2050	US\$191,000 (approx. ¥23 million)

Note: Calculated by multiplying fiscal 2021 GHG emissions by the amount of carbon taxes projected under the 1.5°C scenario (for Scope 2 emissions, calculated by multiplying the CO₂ emissions factor)
No estimates were made under the 4°C scenario as carbon trading in Japan is expected to remain unchanged.

In both scenarios, we found that the impact on our business will be very minimal and that opportunities to develop and expand sales of environment-friendly products will increase. We will continue to conduct business impact assessments to ensure appropriate risk management and translate business opportunities, such as the greater demand for environmentally conscious products, into increased earnings.

Chori's Sustainability Initiatives

Risk Management

The process for identifying, assessing, and managing climate-related risks and the approach to integrating this process into the organization's overall risk management

Operation of Risk Management Regulations

At Chori, we have established and operate risk management regulations with the aim of identifying potential risks in our business activities, reducing risks and preventing crises from occurring during the course of normal business conditions, establishing a system for responding to crises that may pose a significant impact on our business activities, and responding promptly and appropriately to prevent the situation from deteriorating and recover and normalize the situation as swiftly as possible.

Risk Management under Normal Business Conditions

Under the guidance of the risk management deputy officer (the president of the Company), the risk management promotion officer (the deputy general manager of the Corporate Planning Division, in charge of the Human Resources & General Affairs Department) and the Human Resources & General Affairs Department (the organization responsible for risk management) identify material issues within the organization; formulate various measures to mitigate, prevent, and promptly detect risks that may exist within the Company; and implement the necessary educational and training programs in a voluntary and systematic manner. They also follow up on the results of crisis response measures, verify their impact, identify issues, and seek measures toward improvement.

In the Company's risk management regulations, climate-related risks are defined as risks that relate to either the "external business environment, including society, the economy, and politics," or the "business continuity plan," and are addressed by the Corporate Management Department in cooperation with the risk management promotion officer and the Human Resources & General Affairs Department. As demonstrated by the results of the aforementioned scenario analyses, ensuring a stable supply chain is extremely important to the continuation of our business. With respect to transaction-related risks classified in our risk management regulations, in order to address the risk of supply chain disruptions that stem from various supplier-inflicted issues and to fulfill our social responsibilities for procurement activities in Japan and overseas, the Company has established CSR procurement guidelines and promotes procurement activities that underline the importance of corporate ethics, legal compliance, safety, disaster prevention, environmental conservation, product safety, quality assurance, human rights, and working conditions.

Crisis Response Measures

In the event of a crisis, placing the highest priority on ensuring the safety and protecting the lives of each individual, the following measures must be taken in accordance with Company regulations: communicate and report details of the crisis based on the crisis communication system; establish a crisis response headquarters under the direction of the Risk Management Deputy Officer; and execute tasks, communicate the emergency, report the results of investigations, and implement measures to prevent recurrence through the crisis response headquarters.

Indicators used to assess climate-related risks and opportunities in accordance with the organization's strategies and risk management processes, targets used by the organization to manage these risks and opportunities, and progress toward the achievement of these targets

The Group has been compiling data on the actual amount of GHG emissions produced by its business activities since fiscal 2020 and is aiming to reduce GHG emissions (Scope 1 and Scope 2) and achieve carbon neutrality by 2050. We will also look to reduce Scope 3 emissions in order to reduce GHG emissions throughout our entire supply chain.

In regard to our GHG emissions reduction targets, we intend to determine them through a dedicated sustainability committee that is currently being developed.

GHG Emissions Results

	Category	Type	Actual Amount of FY2020 (t-CO ₂)	Actual Amount of FY2021 (t-CO ₂)	Scope of Calculation
Scope 1	Direct emissions		385	330	Consolidated
Scope 2	Indirect emissions		956	866	
	Total (Scope 1 + Scope 2)		1,341	1,196	
Scope 3	Category 1	Purchased goods and services	—	1,090,766	Nonconsolidated
	Category 2	Capital goods	—	131	
	Category 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	—	41	
	Category 4	Upstream transportation and distribution	—	113,462	
	Category 5	Waste generated in operations	—	102	
	Category 6	Business travel	126	128	Consolidated
	Category 7	Employee commuting	238	243	
	Category 9	Downstream transportation and distribution	—	461	
	Category 12	Processing of sold products	—	1,318	Nonconsolidated
		Scope 3 Total		364	1,206,654

Scope 1: Direct emissions

Scope 2: Indirect emissions

Scope 3: Supply chain emissions (actual amounts for fiscal 2020 consist only of emissions from "business travel" (category 6) and "employee commuting" (category 7))

Note: GHG emissions are estimated using the GHG emissions calculation method defined in the GHG Protocol.

Indicators and Targets



Society

At Chori, we promote activities aimed at realizing the well-being of all stakeholders, including employees, business partners, and local communities.



Human Capital

Chori regards each and every one of its Group employees as its most valuable management resource and has established its policy for human resources, "Utilize people, and be useful to them. Nurture people, develop with them. Connect people, and join together with them," to secure and nurture exceptionally talented individuals who are indispensable to the growth of its business.

As a company that has been in business for over 160 years, we believe it is our mission to continue to grow together with our employees and pass on our traditions to the next generation. We aim to realize a cycle in which each employee gains a sense of pride and accomplishment in their work, feels a sense of personal and professional growth, and gets a sense of happiness, which in turn, leads to the improvement of corporate value.

Comment

A Company That Will Continue to Nurture and Utilize Its Employees



Satoko Nakayama

Senior Executive Officer,
Deputy General Manager of
Corporate Planning Division
(Human Resources &
General Affairs Department and
Information System Department)

Over its more than 160 years in business, Chori has faced a number of challenges amid some turbulent times. Through it all, what enabled Chori to overcome such challenges was its employees. As a trading company, Chori's most valuable management resource is not its products but rather its employees—a competitive strength of the Company that has endured years of adversity. The willingness to boldly take on challenges is a part of the DNA that Chori has carefully cultivated over the years. "Utilize people, and be useful to them. Nurture people, and develop with them," which comprises a part of our policy for human resources, tells the tale of Chori, a company that will continue to nurture and utilize its employees.

Meanwhile, since 2003 Chori has continued to transform and grow as a company in accordance with the needs of the times. Based on the theme of establishing various foundations to further evolve our business, in Chori Innovation Plan 2025 we declared "improve employee engagement" as one of our top priorities for developing human resources, given the importance of growing together with our employees in today's age. Unlike the approaches we have taken in the past, in order for the Company and its employees to continue to truly grow together, we must align our vectors by facing the same direction and pursuing the same goals, and the Company must be fully committed to ensuring that its employees feel a sense of fulfillment and happiness throughout this process of mutual growth.

Through this transformation and growth, Chori will advance together with its employees to its next stage as a company.

Diversity and Inclusion

CARAT is a Companywide business transformation project to be completed in April 2025 that involves replacing our manual mission-critical system that has been used for over 20 years with SAP, a management resource planning software, while changing various aspects of our business, our organization, and employee mindsets. By transitioning from our current organizational structure centered on the sales division to a flat organizational structure, we will create an organization that allows women in divisions other than sales, such as logistics, to advance to management positions and beyond. Many of our locally hired employees overseas are women, and we will continue to move gradually forward by promoting the advancement of women with immense potential, such as is the case with one of our Japanese employees working in China, who is the first employee with children to be assigned overseas, and our second such employee who will be assigned to Taiwan this fall to become a store manager.

Chori also promotes diversity in its recruiting process. We are raising the percentage of women among new graduates while hiring more students with foreign nationalities. Their global perspectives and sincere attitudes toward work are a tremendous source of inspiration for Japanese students. Our new-graduate employees are the people who will continue to pass on Chori's DNA to future generations. In addition, for the past seven years we had devoted our time and resources to our mid-career hiring, which was relatively small in scale, but recently our recruitment of new graduates has surpassed that of mid-career employees. In the past, mid-career employees were hired for their ability to make an immediate impact, but now they have become an extremely valuable presence that brings a breath of fresh air into the organization. Upon joining the Company, mid-career employees are asked to offer their opinions in regard to the areas of our business that need to be improved as well as our areas of strength. In so doing, we are able to gain an overarching view of our business through the eyes of mid-career employees, which is used to make further improvements to our business. Our business opportunities have expanded as a result, and it has become completely ordinary for mid-career employees to be promoted to management positions. We are also actively recruiting foreign nationals for mid-career positions, which truly embodies our commitment to diversity and inclusion.

In the final interviews for mid-career hires, we always ask if our potential employees would enjoy being a part of a company that will continue to change into the future. We strive to make Chori an even stronger organization by bringing in fresh perspectives from various angles.

At Chori, diversity is about respecting all genders, nationalities, backgrounds, experiences, and individualities, while inclusion is about building an organization that embraces the uniqueness of each individual.

Chori's Sustainability Initiatives

Human Capital

Human Resource Strategies and the Personnel We Seek

As globalization continues to spread at a rapid rate, employees will be expected to utilize their full capabilities. We cultivate our employees to be able to respond quickly to changes, to think and act on their own will with a sense of curiosity and a broad perspective, and to become an integral part of carrying the Group forward into the future.

Personnel We Seek

<p>1.</p> <p>Always act responsibly as a member of Chori and keep the Company charter close to their heart</p>	<p>2.</p> <p>Have a spirit of independence</p>	<p>3.</p> <p>Constantly work hard and come up with creative ideas as results-focused professionals</p>	<p>4.</p> <p>Expect the best and prepare for the worst</p>	<p>5.</p> <p>Respect the values and cultures of people from around the world</p>
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New Employee Training

Upon joining the Company, new employees receive orientation to acquire the basic knowledge and proper etiquette to become a responsible working adult and attend 30 lecture sessions and take certification exams twice a year. New employee training was held online once again in fiscal 2022.

Career Development Support

At Chori, we hold level-specific training for directors and employees, invite instructors from outside of the Company, and conduct lectures led by our employees. Moreover, in fiscal 2022, these programs were once again held through online venues and the use of video. Moreover, to speed up the pace of globalization, we will capitalize on our system for dispatching trainees overseas while continuing to conduct our in-house training program.



Employee Engagement

Through effective two-way communication from both top-down and bottom-up approaches, we will work to create an open and psychologically safe work environment and improve the corporate culture so that each employee feels a sense of pride and accomplishment in their work.

In fiscal 2022, we began engaging in face-to-face communication once again whenever possible, which we were unable to do during the COVID-19 era, and held luncheon meetings for the president and employees on 20 occasions, which were attended by around 100 employees in total. Through such opportunities to establish direct communication, we will expand the circle of communication between senior management and employees.

An employee engagement survey will be conducted through an external organization to reconfirm the Company's issues and further improve its corporate culture and working environment.

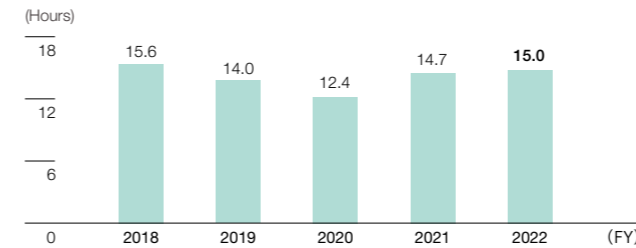
Creation of a Comfortable Workplace Environment

We regard people as our most valuable management resource, and for that reason it is essential that we provide employees with workplace environments that allow them to work in a healthy and active manner. We conduct the following initiatives with this in mind, particularly with the aim of providing employees with a healthy work-life balance.

<p style="text-align: center;">Eliminate Long Work Hours</p> <ul style="list-style-type: none"> • In principle, designate one day of the week as a no-overtime day • Require all staff to leave their workplace by 9 p.m. every day • Restrict the number of overtime hours • Automate work processes with robotic process automation • Improve the efficiency of meetings 	<p style="text-align: center;">Encourage Employees to Take Annual Paid Leave</p> <ul style="list-style-type: none"> • Require use of annual paid leave (five days) • Encourage employees to take seasonal holidays • Eliminate restrictions on the number of times half-day leave can be taken for the purpose of childcare, nursing care, or hospital visits 	<p style="text-align: center;">Promote Flexible Workstyles</p> <ul style="list-style-type: none"> • Improve flextime system (no core hours) • Utilize work-at-home system and web-conferencing system • Conduct one-on-one meetings between employees and their superiors • Provide option to relocate to other locations (transfer to other branches domestically and regionally)
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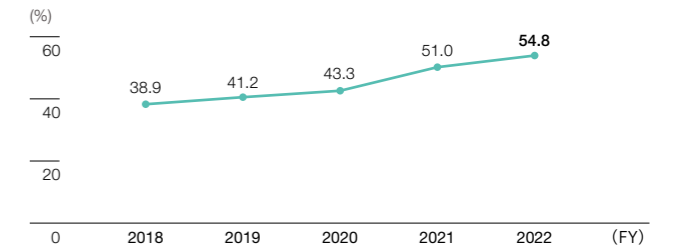
Data Related to Work-Life Balance

Monthly Overtime Work



Note: Monthly average overtime hours for nonconsolidated employees (excluding managers and dispatched employees)

Use of Annual Paid Leave



Note: Average number of paid leave days taken per year by employees, including those assigned overseas

Diversity and Inclusion

Basic Policy

Chori actively recruits people who are diverse in terms of career background, nationality, age, and ethnicity. The active participation of diverse personnel has changed not only our approach to business but also the mindsets of our employees.

Moreover, to allow our employees to continue to work, we have established a system that accommodates the life events of our employees and their families, such as marriage, childcare, illness, and nursing care.

Chori Innovation Plan 2025 KPIs

- Increase the percentage of women among career-track hires and employees who have transferred to career-track positions to over 30%
- Increase the percentage of male employees taking childcare leave
- Increase the percentage of women in management positions

Supporting the Balance of Work Life and Childcare

An increasing number of employees who have returned from childcare leave are utilizing the shortened work-hour system for childcare to balance their work and family life.

Also, as a part of our employee benefit program, we have a variety of support systems in place that provide employees with financial assistance for childbirth, self-development, and childcare.

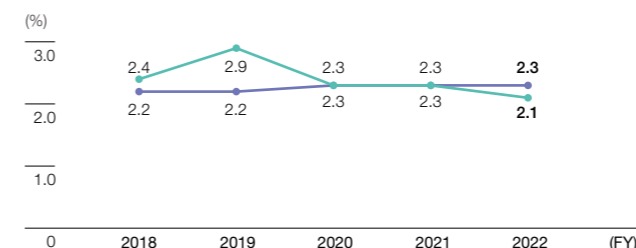
	FY2020	FY2021	FY2022
Number of Employees Taking Childcare Leave*	13 (9 of whom are male)	17 (9 of whom are male)	13 (6 of whom are male)
Number of Employees Working Shorter Hours Due to Childcare	9	12	14

* Number of employees who began taking childcare leave in each fiscal year

Recruiting Diverse Human Resources

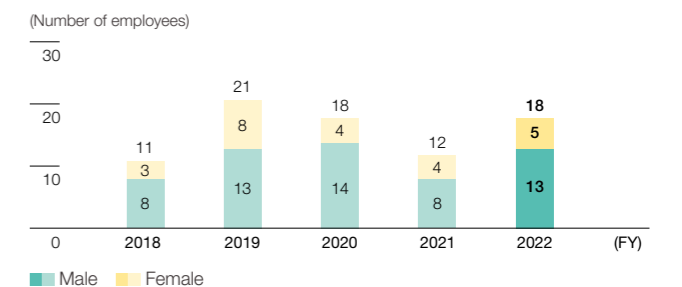
As a part of its action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, Chori established the goal of raising the percentage of women among new graduates to 20% between fiscal 2016 and fiscal 2022. Going forward, Chori will strive to continue to promote diversity and inclusion in the workplace, which includes creating an environment where women can maximize their potential and employing people with disabilities.

Ratio of People with Disabilities



Note: Results as of March 31 of each fiscal year

Number of New Graduates



Chori's Sustainability Initiatives



Health and Productivity Management

Health Declaration February 14, 2018

1. Enhancement of Awareness of the Health of Employees

Chori believes that the health of its employees and their families is significant to the success of its business and that the vitality of its employees translates into the vitality of the Company. Based on this belief, we strive on an ongoing basis to enhance awareness of the health of our employees.

2. Approach to Health and Productivity Management

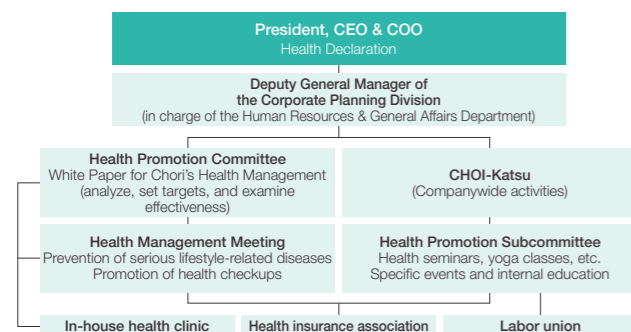
Chori actively supports and promotes initiatives that help maintain and improve the health of its employees and their families with the goal of realizing health and productivity management.

3. Responsibility to Society and the Future

Chori will do what is necessary to ensure the health of its employees and achieve sound corporate management. In so doing, we will make a difference to society and realize sustainable growth.

Health and Productivity Management Promotion Structure

We established our Health Promotion Committee in April 2018 and have since been promoting efforts to realize health and productivity management. Chaired by the deputy general manager of the Corporate Planning Division (in charge of the Human Resources & General Affairs Department), the Health Promotion Committee consists of industrial physicians and nurses from Chori's in-house health clinics as well as the employees of the Human Resources & General Affairs Department and members of the Chori Health Insurance Society. Through the initiatives of the Health Promotion Committee, Chori aims to maintain and improve the health of its employees and their families and fulfill its Health Declaration. In addition, a debriefing session on White Paper for Chori's Health Management is held once a year to assess the current state of health management and to discuss any issues.



Ensuring the Health of Employees

We conduct oral and dental checkups and flu vaccinations on a yearly basis. As part of the regular health examinations, employees aged 30 and 35 years and over can undergo a comprehensive medical checkup once a year at the expense of the Company, and dependents aged 35 years and over of the insured party are entitled to receive up to ¥32,000 in subsidies for medical checkups.

We also conduct stress checks to prevent the possibility of our employees suffering from mental illnesses. Employees who work over 40 hours of overtime in a month are required to consult with an industrial physician in the following month. In these ways, we work to ensure the health of our employees through the support of medical experts.



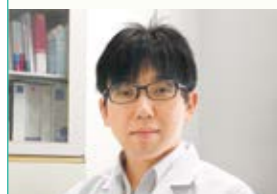
Certified for the fifth consecutive year since 2019

Rate of Employees and Family Members Who Undergo Regular Health Checkups

	FY2020	FY2021	FY2022
Employees	100%*	100%	100%
Family Members	52.9%	61.5%	62.1%

* Excludes expatriates who were unable to return to Japan due to COVID-19

Comment We offer a health support system that is attuned to changes in lifestyles.



Yuya Fujishima
Supervising physician at Chori's in-house health clinic inside Osaka Headquarters

At Chori, we have internal health clinics in place at both headquarters in Tokyo and Osaka where employees can receive medical care and health guidance after receiving the results of their medical checkups. This enables the early prevention of lifestyle-related and various other diseases from becoming more serious and the therapeutic intervention for such diseases.

In recent years, we have seen a decline in the percentage of male smokers as well as a reduction in excessive alcohol consumption due mainly to the effects of COVID-19. However, I have the impression that the conditions of employees with preexisting lifestyle-related diseases, such as diabetes and dyslipidemia, and mental health issues have worsened due to a lack of exercise. In the post-COVID-19 era, it will become essential to introduce health initiatives that are suited to new ways of living as well as to individual workstyles and work environments. Our clinics will continue to do everything possible to help maintain the health of each employee and provide information and support that helps promote healthier lives amid these new ways of living.



Occupational Safety Management

Ensuring of the Safety of Our Employees Overseas

In the event of a natural disaster or a terrorist attack, whether in Japan or overseas, we must be fully prepared to immediately identify the whereabouts of our directors and employees, confirm their safety, and respond appropriately in a timely manner. Chori has in place a proprietary system dubbed Overseas Business Trip Inquiry (OBTI), which manages the overseas business trips of domestic employees as well as the business trips of employees dispatched abroad and of the employees of overseas offices and helps to identify the location of each employee at a particular point in time.

Business Continuity Plan

Chori's business continuity plan has been designed to place the utmost priority on the safety of its directors and employees and to enable the swift recovery of business operations after serious disasters. We have implemented a safety confirmation system, which verifies the safety of all directors and employees and their families in a timely manner, and we examine the system regularly. A business continuity plan training course is also held once a year, ensuring that we are fully prepared in the event of an emergency.

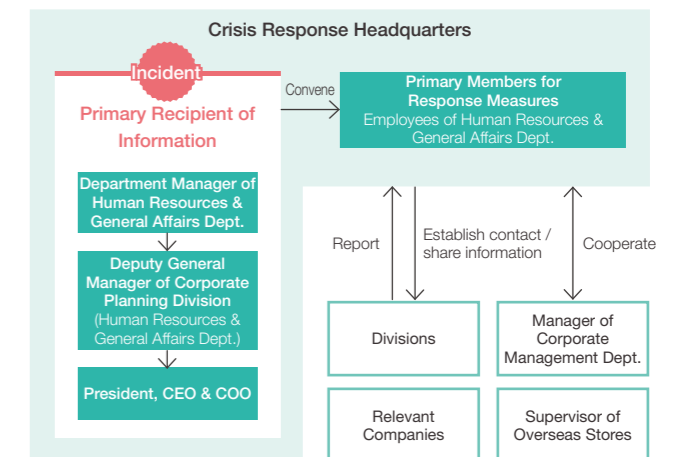
Chori's business continuity plan manual calls for a swift recovery of business operations by the sales divisions. For the corporate divisions, we have established a core operations manual to maintain systems, finances, and other basic business functions. Moreover, we have established a response headquarters and operational procedures in preparation for major disasters and pandemics.

Employees dispatched overseas and their families as well as employees on business trips outside of Japan are also enrolled in Chori's overseas healthcare support program, which provides medical assistance in Japanese in the event of an accident or illness while abroad. The program helps to minimize employee concerns regarding healthcare overseas due to its differences from Japan.

Safety and Health Management

Each month, a Safety and Health Committee member visits our head offices in Tokyo and Osaka to assess the workplace environment. Comprising employees of the Human Resources & General Affairs Department, nurses of our in-house health clinics, and representatives from the Chori Labor Union, the Safety and Health Committee ensures a safe workplace environment for all of our employees through the regular monitoring of humidity, temperature, and CO₂ concentration levels by the floor patrol officer.

Moreover, our Tokyo and Osaka head offices, Hokuriku Branch, and Okayama Liaison Office operate in compliance with the Building Sanitation Law of the Ministry of Health, Labour and Welfare, with the facilities constantly ventilated at a rate of 30 m³/h or more per person.



Safety and Health Committee

Committee Members		No. of Members
Chairperson		One
Company	Occupational physician	One
	Health clinic	One
	Safety officer	One
	Health officer	One
Union	Referee	Four or more
Total		Nine or more

Chori's Sustainability Initiatives



Supply Chain Management

Operational Rules Regarding CSR-Based Procurement

In order to fulfill its social responsibilities for procurement activities in Japan and overseas, Chori has established its CSR Procurement Guidelines and promotes procurement activities that underline the importance of corporate ethics, legal compliance, safety, disaster prevention, environmental protection, product safety, quality assurance, human rights, and working conditions. Within these guidelines, the Company has prescribed its 11 Guidelines for Corporate Behavior in order to ensure that employees are fully aware of its social mission and the ways in which they must act at all times.



Declaration of Partnership Building

CSR-Based Procurement Surveys

In an effort to promote procurement activities that focus on corporate ethics, legal compliance, safety, disaster prevention, environmental protection, product safety, quality assurance, human rights, and working conditions, Chori conducts a CSR-based procurement survey once every two years, in principle, to periodically check the status of the CSR-based promotion activities of each supplier. In fiscal 2022, a follow-up survey was conducted with suppliers that did not meet the CSR procurement standards in fiscal 2021. By working collectively with the sales departments, we identified the specific reasons for not meeting these standards and urged these suppliers to make the necessary improvements. As a result, all but one supplier taking part in the survey met the CSR procurement standards. We will continue to follow up with the one remaining supplier to ensure that it meets the standards.

Ensuring of Strict Compliance

Recognizing the importance of complying with laws and social norms when engaging in business activities with our suppliers, we undertake the following measures to ensure rigorous compliance throughout our operations.

Security Trade Control

With the objective of maintaining peace and security around the world, Chori has formulated its Internal Regulations on Compliance with Export-Related Regulations and Regulations on Fair Reporting and Management of Imports and Exports. We undertake strict export controls to prevent countries in possession of weapons of mass destruction and conventional weapons from getting access to the highly sophisticated equipment and technology of developed countries.

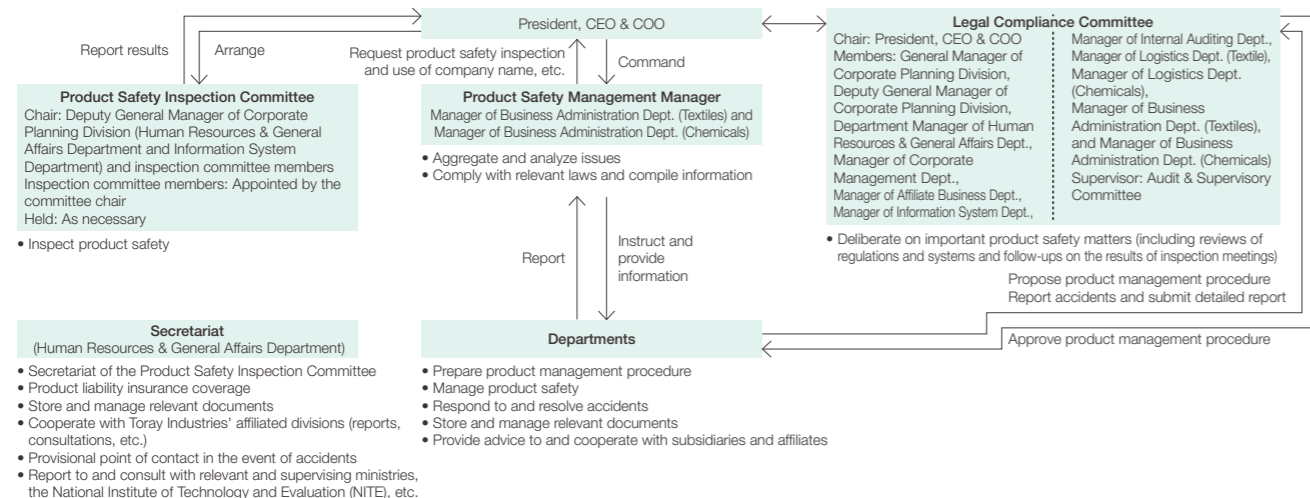
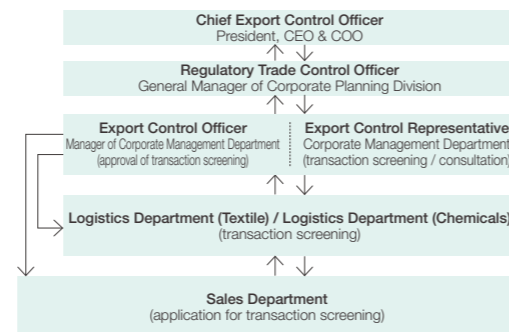
Export Control Process and Training

Once applications for list control and catch-all control are filed by Chori's Sales Department, the Corporate Management Department conducts final approval. In October 2020, we began implementing a system that integrates the management of information on export products and transactions, ensuring rigorous security trade control and stronger compliance measures. This system is also designed to improve work efficiency and eliminate the use of paper.

In addition, Chori encourages its employees to obtain the STC Associate certificate and holds internal workshops and training sessions to enhance their understanding of export control. In fiscal 2022, 27 employees acquired the STC Associate certificate.

Product Safety Initiatives

In accordance with product safety management regulations, Chori establishes a product safety inspection committee whenever a product is launched, sold, or used externally for the first time.



Local Communities and Society

Cooperation with the Hokuriku Region

The Hokuriku region (Fukui Prefecture, Ishikawa Prefecture, and Toyama Prefecture) boasts an extensive track record in the manufacture of yarn and textiles spanning over 400 years and thrives on the production of synthetic fiber fabric. Since the establishment of branch offices in Fukui Prefecture in 1929 and Ishikawa Prefecture in 1934, Chori has worked to develop a yarn and textile business that is deeply rooted in this region. In cooperation with synthetic fiber manufacturers, Chori began wholesaling raw yarn to the textile industry (textile manufacturers) and producing textiles with the industry. After the end of World War II, Chori took sole responsibility for the sale of woolly nylon, a raw material used in stockings, and grew in step with the Hokuriku region during a period of high economic growth in Japan. SPX™ is a highly crimped polyester stretch yarn made from PIN texturizing processing technology in the Hokuriku region of Japan that is highly regarded for its unique texture and is used in a wide range of products from fashion to sportswear. On the strength of our high quality and footwork that can only be realized through domestically made products, we will continue to work with local companies to provide products that fulfill the needs of each customer and communicate the value of made-in-Japan quality to the rest of the world.



Activities of the Hokuriku Chori Committee

Chori has been able to maintain its presence in yarn and textiles in the Hokuriku Region because of the cooperation of its local business partners. The Fukui Chori Committee and the Kanazawa Chori Committee were established by these business partners as support groups for Chori's business in the region. These committees were combined and renamed as the Hokuriku Chori Committee in 2001 and it continues to operate to this day. Chori works alongside its member companies to hold annual meetings, cross-industrial exchanges, and lectures, as well as publish newsletters to facilitate member interaction and share information.

Close Up

Highly Crimped Stretch Yarn SPX™

Chori's official YouTube channel features a video with interviews conducted at its cooperating plants in the Hokuriku region. Along with the features of SPX™, the video showcases the strengths of the Hokuriku region and the issues facing these companies such as labor shortage.

<https://youtube.com/playlist?list=PL7CFBM6ul5LZ-is6RI9tBUE1ncJF69qUQ>



Charity Walk Event

Chori is a co-sponsor of the WFP Walk the World charity walk event organized by the United Nations World Food Programme (WFP). The Company also conducts a charity-linked project called "CHOI-Aruki" in which donations are made to the WFP according to the number of steps walked by participants.



Sponsor of the 7th IR Presentation Contest for University Students

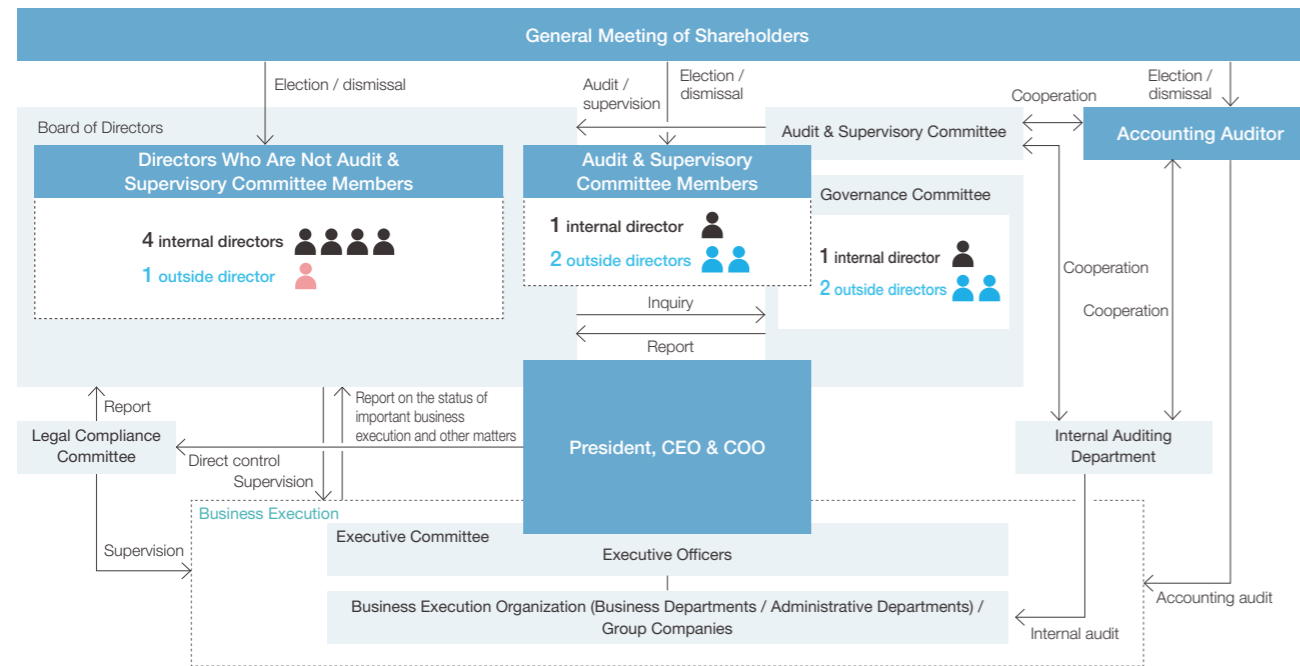
Chori was a sponsor of the 7th IR Presentation Contest for University Students held on February 17, 2023. This year, thirteen teams belonging to the Union of Student Investment Clubs (USIC) conducted 10-minute presentations based on their respective reports and research on a listed company, whom they were assigned to at random. The companies provided information to their respective teams, reviewed their presentations, and helped students improve their presentation skills. Chori was represented by Seinan Investment, an investment club of Seinan Gakuin University (Fukuoka City), which won the Special Jury Award.



Corporate Governance

Chori has established systems to ensure appropriate operations with the aim of achieving sound management and sustainable growth. The Company strives to strengthen corporate governance by complying with laws and social norms, conducting operations efficiently and effectively, and ensuring the credibility of its financial reports, while positioning the Board of Directors as a body for conducting strategic decision-making and business oversight.

Corporate Governance Structure (As of June 16, 2023)



Composition and Overview of the Board of Directors, Executive Committee, and Other Principal Committees

Name	Description	Number of Meetings Held in Fiscal 2022	Attendance Rate of All Directors and Executive Officers	Attendance Rate of Outside Directors
Board of Directors	The Board of Directors consists of all directors and has been positioned as the committee responsible for making strategic decisions and overseeing the Company's operations. The Board of Directors meets at least once a month, in principle, to make decisions on important management matters and to supervise the directors' execution of duties.	16	96.1%	95.8%
Executive Committee	The Executive Committee consists of executive officers and those who were approved by the Board of Directors and was established as an organization for conducting discussions and exchanging important information and opinions on matters related to business execution.	26	100%	—
Audit & Supervisory Committee	The Audit & Supervisory Committee convenes regularly once a month to discuss matters related to management conditions and audit results upon the exchange of information with outside directors. In addition to attendance at important meetings of the Board of Directors, directors who are Audit & Supervisory Committee members conduct individual meetings with those in charge of the Sales Department and the Corporate Planning Division to make decisions on important management-related matters (including on their process) and sufficiently audit and monitor the appropriateness of the execution of duties by each director (excluding those who are Audit & Supervisory Committee members) and executive officer.	15	100%	100%
Governance Committee	The Governance Committee aims to enhance the Company's corporate governance structure in order to strengthen the independence and objectivity of the functions and accountability of the Board of Directors regarding director nomination, remuneration, etc., and to protect the interests of minority shareholders.	5	100%	100%
Legal Compliance Committee	The Legal Compliance Committee is chaired by the president, CEO & COO and consists of the general manager of the Corporate Planning Division, the heads of corporate divisions, and other members. The committee deliberates on important compliance-related issues and reports the results to the Board of Directors and the Executive Committee as necessary.	6	—	—
Business Investment Committee	Chaired by the president, CEO & COO, the Business Investment Committee discusses and deliberates the appropriateness of risk-return assessments and plans and the feasibility of important investments and financing.	3	—	—
M&A Promotion Committee	The M&A Promotion Committee is chaired by the general manager of the Corporate Planning Division and consists of the general manager of the Sales Department and other members. The committee deliberates on and examines matters pertaining to the business portfolio of Group companies, including M&As and the Group's medium- to long-term management plan, from the perspective of improving consolidated management.	1	—	—

Committee Members

● : Committee chair ● : Committee member ▲ : Nonmember attendee

Name	Position	Fiscal 2023 Committees and Committee Members / Fiscal 2022 Attendance (Number of Meetings Attended/Number of Meetings Held*)							
		Board of Directors	Executive Committee	Audit & Supervisory Committee	Governance Committee	Legal Compliance Committee	Business Investment Committee	M&A Promotion Committee	
Kazuo Sakihama	President, CEO & COO, President and Executive Officer	● 16/16	● 26/26		● 5/5	● 6/6	● 3/3		
Tatsuyuki Sakoda	Director, Managing Executive Officer	● 12/12	● 26/26			● 5/5	● 3/3	● 1/1	
Kazuhiro Tohge	Director, Executive Officer	● 16/16	● 26/26						
Kazuhiko Shuto	Director	●							
Hiroko Noda	Outside Director	● 11/12				▲ 3/3			
Shigemasa Yabu	Director, Full-Time Audit & Supervisory Committee Member	● 16/16	▲ 6/6	● 11/11		▲ 6/6			
Masaaki Sawano	Outside Director, Audit & Supervisory Committee Member	● 15/16		● 15/15	● 5/5	▲ 4/6			
Hirosasa Suzuki	Outside Director, Audit & Supervisory Committee Member	● 16/16		● 11/11	● 3/3	▲ 5/5			

* Number of meetings held indicates the number of meetings held during each director's term of office in fiscal 2022.

Overview of Corporate Governance Structure and Reasons for Its Adoption

To strengthen the management transparency and oversight function of the Board of Directors, Chori has an Audit & Supervisory Committee in place, the majority of which consists of outside directors.

At the Board of Directors' meetings, the directors (including those who are Audit & Supervisory Committee members) engage in lively and sufficient discussions and deliberations from a free and independent perspective in regard to the supervisory status of decision-making and business execution. The Board also consists of two outside directors who are Audit & Supervisory Committee members that audit the legitimacy and appropriateness of the status of business execution from an external perspective in an objective and rational manner. The Company therefore believes that it is sufficiently fulfilling its management supervisory function. Moreover, to ensure the prioritization of results, the Company has set the term of office of directors (excluding those who are Audit & Supervisory Committee members) and executive officers to one year and has established a management structure that can respond to changes in business conditions in a timely manner.

Organizational Structure	Company with an Audit and Supervisory Committee
Number of Directors (excluding Those Who Are Audit & Supervisory Committee Members)	5 (of whom, 1 is an outside director)
Term of Office of Directors According to the Articles of Incorporation	1 year
Number of Directors Who Are Audit & Supervisory Committee Members	3 (of whom, 2 are outside directors)
Term of Office of Directors Who Are Audit & Supervisory Committee Members According to the Articles of Incorporation	2 years
Number of Independent Officers	3
Executive Officer System	Yes
Performance-Linked Remuneration System	Yes
Accounting Auditor	Deloitte Touche Tohmatsu LLC

Corporate Governance

Diversity of the Board of Directors

The Board of Directors must decide on matters in a transparent, fair, prompt, and decisive manner, and therefore consists of members with a diverse range of views, experience, and skills. To strengthen corporate governance by ensuring the objectivity and appropriateness of decisions made by the Board of Directors, at least one-third of the members are independent outside directors.

Directors

Name	Gender	Length of Service ^{*1}	Area of Expertise and Experience				
			Independent Director (Outside)	Corporate Management	Global Business	Finance & Accounting	Legal & Compliance
Kazuo Sakihama	♂	10 years		●	●		
Tatsuyuki Sakoda	♂	1 year		●	●	●	
Kazuhiro Tohge	♂	5 years		●	●		
Kazuhiro Shuto	♂	Newly appointed		●	●		
Hiroko Noda	♀	1 year	●			●	●

*1 Indicates number of full years of service as of June 16, 2023

Directors Who Are Audit & Supervisory Committee Members

Name	Gender	Length of Service ^{*2}	Area of Expertise and Experience				
			Independent Director (Outside)	Corporate Management	Global Business	Finance & Accounting	Legal & Compliance
Shigemasa Yabu ^{*3}	♂	1 year				●	●
Masaaki Sawano	♂	5 years	●				●
Hiromasa Suzuki ^{*4}	♂	1 year	●	●			

*2 Indicates number of full years of service as of June 16, 2023

*3 Shigemasa Yabu served as a director of the Company for six years prior to concurrently serving as an Audit & Supervisory Committee member.

*4 Hiromasa Suzuki served as a director of the Company for one year prior to concurrently serving as an Audit & Supervisory Committee member.

Reason for Nomination of Outside Directors

The Company's outside directors were nominated for the reasons outlined below as well as their ability to supervise management from an external point of view, such as through the proactive exchange of opinions and advice at the Board of Directors' and other important meetings.

Name	Reason for Nomination
Masaaki Sawano	He has been appointed as an outside director as he is expected to provide appropriate advice regarding the management of the Company and on the grounds that he is deeply familiar with corporate legal work as a lawyer and has sufficient insight to supervise corporate management. In addition, it has been deemed that he has no material conflict of interest with the Company and that no conflict of interest will arise with general shareholders.
Hiromasa Suzuki	He has been appointed as an outside director based on his many years of involvement in the management of Fujirebio Inc. and his wealth of experience in group management as a top executive of a company, which involved orchestrating the establishment of Miraca Holdings Inc. As an outside director, he is expected to provide appropriate advice regarding the management of the Company. In addition, it has been deemed that he has no material conflict of interest with the Company and that no conflict of interest will arise with general shareholders.
Hiroko Noda	She has been appointed as an outside director based on her knowledge, experience, and abilities as a certified public accountant as well as her sufficient expertise in management gained through her years of experience as an outside director and a management consultant. As an outside director, she is expected to provide appropriate advice to the Company's management. In addition, it has been deemed that she has no material conflict of interest with the Company and that no conflict of interest will arise with general shareholders.

Executive Remuneration

Basic Policy

A remuneration structure in which the remuneration of Chori's directors (excluding directors who are Audit & Supervisory Committee members; the same shall apply hereafter) is linked to shareholder interests shall be in place in order to fully function as an incentive to continuously improve corporate value. Our basic policy in determining the remuneration of each director is to set it at an appropriate level based on their position, performance, and other factors. Specifically, director remuneration consists of three types: monthly base remuneration, a yearly bonus, and performance-linked stock remuneration based on a stock remuneration scheme called Board Benefit Trust-Restricted Stock (BBT-RS).

Overview of Executive Remuneration System

Remuneration Type	Fixed remuneration		Variable remuneration	
	45%	45% (single year)	10% (medium to long term)	10%
	Basic Remuneration	Bonuses	Performance-Linked Stock Compensation	
Eligible Recipients	Directors who are not Audit & Supervisory Committee members Directors who are Audit & Supervisory Committee members Outside directors	Directors who are not Audit & Supervisory Committee members — —	Directors who are not Audit & Supervisory Committee members — —	
Grant Method	Cash	Cash	Stocks and cash	
Evaluation Index (Variable Remuneration)	—	• Net profit before income taxes results • Progress of medium-term management plan, etc.	• Net profit before income taxes over three-year period • Progress of medium-term management plan, etc.	
Maximum Amount of Remuneration	Directors who are not Audit & Supervisory Committee members: No more than ¥300 million annually (However, excludes the portion of employee salary of directors who concurrently serve as employees) Directors who are Audit & Supervisory Committee members: No more than ¥100 million annually (Resolution passed at the 69th General Meeting of Shareholders held on June 15, 2016)	Directors who are not Audit & Supervisory Committee members: No more than ¥300 million annually (However, excludes the portion of employee salary of directors who concurrently serve as employees) (Resolution passed at the 69th General Meeting of Shareholders held on June 15, 2016)	Directors who are not Audit & Supervisory Committee members: Maximum Number of Points The maximum number of points that may be granted to directors during each applicable term (the adjusted number of points after the end of each term) is the number of points obtained by multiplying the number of fiscal years during the applicable term by 80,000 points (of which, 40,000 points are for directors). (Resolved at the 76th Ordinary General Meeting of Shareholders held on June 16, 2023)	
Grant and Calculation Method	Monthly fixed remuneration based on position	• Paid at a certain time of the year • Amount calculated according to the progress of the medium-term management plan and net profit before income taxes in the given business year	Based on their position, the Company shall provisionally grant points to directors each fiscal year as stipulated in the director stock benefit regulations. The number of points shall be determined based on the directors' contribution to business performance by multiplying the degree of achievement of net profit before taxes and other achievements by the performance-linked coefficient at the conclusion of the medium-term management plan, in principle. As a general rule, the Company will grant one share per point in proportion to the number of points determined.	

Director Remuneration in Fiscal 2022

Classification	Total Remuneration (Millions of Japanese Yen)	Total of Remuneration by Type (Millions of Japanese Yen)			No. of Eligible Directors ^{*4}
		Fixed remuneration (monetary)	Bonus ^{*3} (monetary)	Restricted stock compensation ^{*3} (non-monetary)	
Directors (excluding Audit & Supervisory Committee Members) ^{*1,2} (Of Which, Outside Directors)	165 (7)	91 (7)	58 (—)	15 (—)	6 (2)
Directors (Audit & Supervisory Committee Members) (Of Which, Outside Directors)	36 (18)	36 (18)	— (—)	— (—)	5 (3)
Total (Of Which, Outside Directors)	201 (25)	128 (25)	58 (—)	15 (—)	11 (5)

*1 Not including the portion of employee salary for directors who concurrently serve as employees.

*2 The number of eligible directors above does not include one director (excluding directors who are Audit & Supervisory Committee members) serving without remuneration.

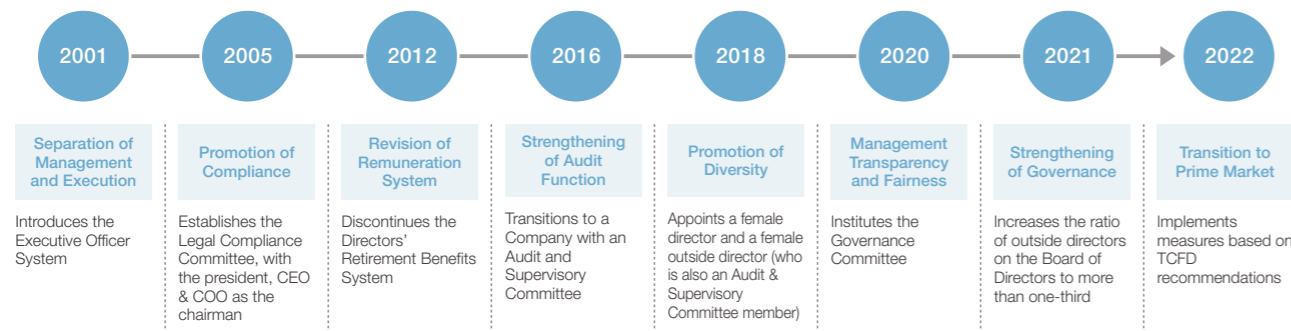
*3 Of the above items, bonuses and restricted stock compensation are stated as payment amounts corresponding to a performance benchmark of ¥12,400 million for consolidated ordinary profit for fiscal 2022.

*4 Although the total number of directors paid is shown, the actual number of directors eligible for payment was 9 (including 4 outside directors).

Corporate Governance

Measures to Strengthen Corporate Governance

Chori recognizes that the enhancement of its corporate governance is a matter of priority for management and has taken and will continue to take the following measures. We have expanded our profit margin through the introduction of a performance-linked remuneration system and the efforts of directors to instill the same level of awareness for profits in all shareholders in order to strengthen the Company's performance over the medium to long term.



Evaluation of the Effectiveness of the Board of Directors

Chori conducts an evaluation of the effectiveness of the Board of Directors each year in order to realize a more effective Board of Directors. The evaluation process involves conducting a questionnaire with all directors on the composition, operation, discussions, and support system of the Board of Directors and then compiling the views of each director.

Based on the results of the questionnaire, the Governance Committee and the Board of Directors evaluate and analyze the effectiveness of the Board of Directors as a whole. Through this process, it was determined that the Board of Directors is composed of suitably qualified members that include outside directors, and the Board of Directors' meetings are held in a free and open environment that facilitates constructive discussions and the exchange of opinions. Accordingly, it has been deemed that the Board of Directors is operating appropriately on the whole and that its effectiveness is ensured.

Respondents	All eight directors (including those who are Audit & Supervisory Committee members) in fiscal 2022 (anonymous questionnaire)
Method of Evaluation and Analysis	Evaluation and analysis conducted by the Governance Committee and the Board of Directors upon aggregation of results by a third-party institution and ensuring confidentiality
Questionnaire Content	Questions are based on the following nine major themes <ul style="list-style-type: none"> • Composition of the Board of Directors • Operation of the Board of Directors • Discussions of the Board of Directors • Monitoring function of the Board of Directors • Support system for directors (including those who are Audit & Supervisory Committee members) • Training • Dialogue with shareholders (investors) • Individual initiatives • General overview
Overview of Evaluation Results	In our medium-term management plan, we have adopted ROE and ROIC as key performance indicators of profitability and capital efficiency, which were viewed as issues in fiscal 2021, and set the ROIC for the fiscal 2025 plan at approximately 10% with the aim of increasing corporate value. Although the status of dialogue with shareholders and investors is reported to the Board of Directors by the director in charge of investor and public relations, directors expressed the desire for more detailed feedback on the content of dialogues on a regular basis. In following up on the progress of our medium-term management plan, we will promote further discussions on the management and business issues that are identified going forward in order to continue to enhance the effectiveness of the Board of Directors.

Maintenance of a Certain Level of Independence from Our Parent Company

As of March 31, 2023, Chori's parent company Toray Industries, Inc. held 52.77% of voting rights in the Company. We constantly work to strengthen the combination of our ability to sell and collect information on textiles and chemicals, which represent our core business, in Japan and overseas and Toray Industries' ability to develop materials in order to generate synergies and enhance corporate value for both companies. By operating under a parent company, Chori is able to gain a better understanding of market trends and the business environment, enhance its credibility, and enjoy other benefits that come with being a Group company.

With the exception of one director who does not execute business, the executives and employees at Chori do not concurrently serve as executives or employees at the parent company or Group companies and the Company does not accept employees through transfers from other companies. In addition, at Chori we have our own management plan in place, through the execution of which we have developed and will continue to develop our business. Transactions between Chori's parent company, Toray Industries, Inc., and its corporate group are assessed and verified annually by the Governance Committee.

Risk Management

The Company shall identify the potential risks of business activities of the Group, make efforts to reduce the level of such risks, and prevent the occurrence of risk events, as well as develop a system to promptly respond and take appropriate actions in case of the occurrence of risk events. The Risk Management Rules, the Credit Management Rules, the Rules for Information Security Management, the Rules for Protection and Management of Personal Information, and other rules shall be established in respective departments in charge and be fully understood by all through training and the preparation and distribution of manuals. Those rules shall be continuously reviewed and revised. Corporate divisions and business administration departments shall collaborate in monitoring the status of the Group's risks and responding to risks. For newly identified risks, departments shall be promptly assigned to be responsible for said risk management and appropriate measures shall be taken.

Ensuring of Thorough Compliance

Rules concerning compliance systems, such as the Guidelines for Corporate Behavior, shall be established to set compliance with laws and regulations and social ethics as a code of conduct of our business. In order to make all directors, executive officers, and employees of the Group fully aware of the initiatives for compliance, corporate divisions shall collaborate to hold compliance training and other training programs. The Legal Compliance Committee, with the president, CEO & COO as the chairman, shall discuss important matters regarding the compliance of the Group and report the results to the Board of Directors and the Executive Committee as necessary. In the event of a significant legal violation or compliance violation on the part of a management executive, in accordance with the laws and regulations and the Articles of Incorporation, the Governance Committee shall deliberate on the dismissal of the management executive in question and the Board of Directors shall adequately discuss and consider his or her dismissal based on those results.

A system of contact has been established throughout Chori whereby executives and employees (including contract, temporary, and other employees) can receive consultation and

Internal Control

Our Basic Policy on the Internal Control System was formulated in May 10, 2006 to serve as a set of fundamental guidelines for the establishment of a framework for ensuring the appropriate execution of business toward realizing sound corporate management and sustainable growth.

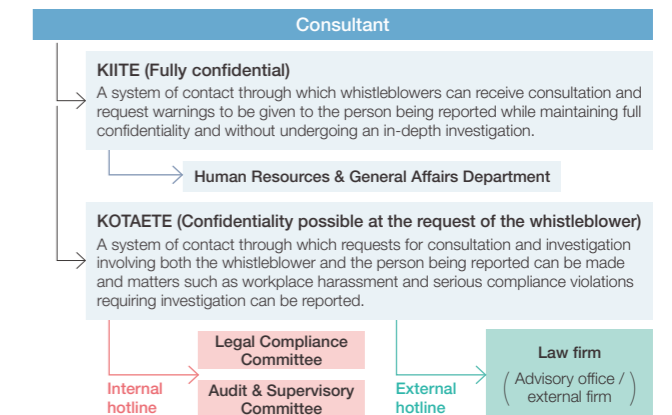
Since then, this policy has been amended to reflect changes in the Group's business environment and business activities.

Business and Other Risks

- Risks related to changes in the external business environment
- Risks related to the concentration of business in China's regions and markets
- Country risk
- Credit risk of business partners
- Risks related to exchange rate and interest rate fluctuations
- Risks related to fluctuations in the price of raw materials
- Inventory-related risks
- Risks related to tax litigation
- Risks related to business investments
- Risks related to impairment of securities
- Risk related to information systems and security
- Compliance-related risks
- Risks related to social and environmental issues and climate change
- Risks related to human resource activities
- Risks related to natural disasters, infectious diseases, etc.

report on compliance violations and other matters. In this way, we have established a framework for reporting incidents by ensuring the full confidentiality of whistleblowers, who are able to receive consultation either in-house or through an external point of contact depending on the nature of the incident.

Internal Whistleblower System



For details on our internal control system, please refer to our Corporate Governance Report (in Japanese only).

https://www.chori.co.jp/sustainability/governance/pdf/governance-report_20230616.pdf



Corporate Governance

Internal Audit

In regard to internal audits, the Company has established the Internal Auditing Department (consisting of six members as of June 16, 2023) directly under the president, CEO & COO. The Internal Auditing Department conducts audits on the appropriateness and efficiency of the Company's business activities from a fair and independent point of view. The Internal Auditing Department also evaluates the status of the implementation and operation of internal controls concerning financial reporting in accordance with the Financial Instruments and Exchange Act.

Cross-Shareholdings

The Company and its subsidiaries may acquire and hold shares of listed companies (hereinafter "cross-shareholdings") in order to maintain, expand, and sustainably develop their businesses. In such cases, the Board of Directors and other bodies decide on acquisitions after determining the department in charge of the acquisition and considering the business conditions of the investees and the profitability of the investment. The Board of Directors verifies the significance of the cross-shareholdings each year and considers the sale or reduction of shares that are deemed to be of no significance. Those shares that are held are verified each year for their economic rationality from the perspectives of the significance of each acquisition and holding, profitability of the investment, transaction scale, and relevant profits and are either held or replaced upon resolution of the Board of Directors and other bodies.

Outside directors and the Audit & Supervisory Committee receive reports regularly on audits conducted by the Internal Auditing Department and verify the status of business execution of each department and subsidiary. The Audit & Supervisory Committee reports the results of audits to and exchanges opinions with the Internal Auditing Department. The Audit & Supervisory Committee requests the Internal Auditing Department to provide information or conduct investigations when necessary, thereby working closely together to ensure that audits are carried out efficiently.

The Company appropriately exercises the voting rights of cross-shareholdings from the perspective of whether or not the Company and the investee company can expect increases in their corporate value over the medium to long term, while respecting the management policies of investee companies.

Holding of Shares for Purposes Other than Pure Investment (Cross-Shareholding)

	FY2020	FY2021	FY2022
Shares Held	30	31	27
Total Amount (Billions of Yen)	4.1	4.6	4.2

Note: The shareholdings of CHORI CO., LTD. for which the largest monetary amount is recognized on the balance sheets in relation to investment in equity securities (the monetary amount of equity securities recognized) have been stated.

Policies Regarding Constructive Dialogues with Shareholders

The Company promotes constructive dialogues with shareholders based on the following five policies.

(1) The executive officer in charge of information handling oversees matters related to investor relations (IR) and public relations, cooperates with the Corporate Management Department and relevant departments, and communicates information to shareholders and investors. If a request is made for an interview with an executive officer other than those in charge of matters related to IR and public relations (including outside directors), the Company will consider responding to the request within reasonable limits based on its details.

(2) The relevant internal departments proactively cooperate to achieve constructive dialogues with shareholders and investors through the preparation of disclosure materials and the sharing of important information while conducting their business activities.

(3) Methods of dialogue other than individual meetings

General meeting of shareholders

The Company regards the general meeting of shareholders as an opportunity to fulfill its responsibility of providing explanations to shareholders and works accordingly to carefully address their questions and understand the intent of their opinions.

Individual investors

The Company promotes dialogue with its individual shareholders by holding company briefings exclusively for such investors, which are attended by the president, CEO & COO of the Company.

Institutional investors

For institutional investors, the Company holds financial briefings attended by the president, CEO & COO and management executives upon the conclusion of its six-month and full-year financial results announcements. At these financial briefings, the Company reports on the details of its financial performance, addresses various questions, and collects the opinions of its shareholders. In addition, the department in charge of IR and public relations conducts individual visits and briefings for institutional investors.

(4) Results of fiscal 2022 activities

- Financial briefings for institutional investors and analysts: Twice
- Company briefings for individual investors: Once
- Individual IR meetings: 10 times

(5) Feedback

The Company promotes the sharing and use of information obtained from dialogues through the reporting of opinions of shareholders to the respective committees and their disclosure to the directors, management executives, and relevant departments as necessary.

Roundtable Discussion with Outside Directors



Outside Director,
Audit & Supervisory
Committee Member

Masaaki Sawano

Outside Director,
Audit & Supervisory
Committee Member

Hiromasa Suzuki

Outside Director

Hiroko Noda

Leveraging Chori's Strengths to Achieve Further Growth

As outside directors, we will support Chori in its efforts to continue to evolve over the medium to long term and strengthen its governance to facilitate this growth.

Q1 What is your assessment of Chori's governance structure?

Sawano Chori has been working to develop its internal audit system in order to realize a more robust governance structure. As a part of this effort, the departments in charge of internal audits at Chori's head office and consolidated subsidiaries were centralized in the Internal Auditing Department in fiscal 2021. It has been stipulated that the activities of the Internal Auditing Department be reported to the Board of Directors and the Audit & Supervisory Committee on a regular basis and to the Legal Compliance Committee as necessary.

Suzuki The centralization of auditing operations has enabled the entire Group to be internally audited based on a single set of auditing standards. I applaud the fact that a foundation for Group governance has been put in place once again. Moreover, in fiscal 2022 the reporting of activities of the Internal Auditing Department enabled the Audit & Supervisory Committee to discuss issues from a different perspective than in the past. In

this way, the Internal Auditing Department's operations are also making improvements each year.

Noda I was appointed as an outside director at Chori in 2022, upon the establishment of its internal audit system. I believe the Internal Auditing Department is operating at an exceptionally high level and the contents of its reports to the Board of Directors are highly sufficient. I commend the fact that Chori is highly committed to steadily enhancing its governance structure as a company that is listed on the Prime Market of the Tokyo Stock Exchange. Meanwhile, one of the challenges to address moving forward is ensuring that the skills and knowledge gained by employees in the Internal Auditing Department over the years are passed on to the next generation of employees to support their development.

Sawano In addition to improving its internal audit system, in fiscal 2019 Chori established its Governance Committee, consisting of a majority of outside directors. The Governance Committee is a voluntary advisory body that assumes the duties of a nomination committee, remuneration committee, and other committees that do not exist within the organization.

Roundtable Discussion with Outside Directors

In fiscal 2022, the committee held concrete discussions on the selection and dismissal of directors, succession planning, and other matters based on the medium- to long-term projections for the business. The substance of discussions has been improving over these last few years, and going forward we will continue to invigorate discussions that contribute to Chori's next generation of growth.



Hiromasa Suzuki

Q2 What kind of discussions were held by the Board of Directors in regard to the formulation of Chori Innovation Plan 2025?

Suzuki In formulating Chori Innovation Plan 2025, discussions were held, including by outside directors, on the issues facing Chori in achieving medium- to long-term growth and its approach to overcoming them. One of the issues raised was the need to strengthen not only the financial aspects of its operations but also the non-financial aspects, such as ESG considerations. In order to clearly define the type of company Chori should be in light of its corporate social responsibility, non-financial targets were declared, in addition to financial targets, under Chori Innovation Plan 2025. Further, VISION2030 was compiled to serve as a vision of the company Chori aspires to be seven years from now based on the three themes of "sustainability," "well-being," and "innovation." Although it is still in the preliminary stages of achieving these goals, the Company has been making strides toward its next stage of growth by duly taking into account the non-financial aspects of its business. As an outside director, I will offer advice to ensure that Chori steadily achieves these targets and that it establishes its non-financial targets more effectively by bearing in mind the needs of society.

Sawano Under Chori Innovation Plan 2025, the Company has declared "promote ESG management" as a basic strategy with the aim of further strengthening its governance structure. When operating a business in this era of increasing uncertainty, particular emphasis must be placed on risk management. We will fulfill our supervisory function as outside directors by ensuring that Chori strengthens its measures against developing country and geopolitical risks. In so doing, when we look back on Chori Innovation Plan 2025 in its final year, we will be able to acknowledge it as a three-year period in which steady progress was made in strengthening its governance.

Q3 What are the key elements to strengthening Chori's human capital?

Noda The key to strengthening Chori's human capital is the promotion of diversity and inclusion. Improvements must be made particularly in the area of recruiting women and promoting them to management positions. Although the number of women in career-track positions in the trading industry is lower than the average of other industries, Chori will not evolve as a company over the medium to long term unless it continues to improve in this area. Because this is not a problem that can be easily overcome in two or three years, it is important that a number of concrete measures be taken immediately. As a step in that direction, a Companywide business transformation project called Chori Accelerate Renovation Achievement Transformation (CARAT), which also aims to reform workstyles, was launched in 2022. I hope the creation of a more comfortable workplace environment for everyone through the standardization, automation, and integration of business processes will encourage more active participation by women.

Sawano In order to continue to attract highly qualified personnel in this day and age, where various industries are being called upon to address the issue of labor shortage, Chori must first develop an awareness of its brand. The key to doing so is to reiterate the Company's strengths and uniqueness in comparison to its competitors. Chori draws on its strengths in covering every stage of the supply chain, from upstream to downstream, in all of its businesses and, while collaborating with manufacturers from time to time, provides high-value-added products to markets around the world. Chori's semi-industrial/semi-commercial business model, which extends beyond the confines of trading, is one aspect of its uniqueness as well as its appeal. In the past, Chori's human resources and business activities were featured in a TV program. Enhancing media exposure may be one means of attracting human resources.



Masaaki Sawano

Suzuki It is important, first and foremost, that people know about the Company. Chori has the ability to deliver whatever is needed at times of need while adjusting to the changing times, as was the case in the COVID-19 era when it continued to improve business results. Along with contributing to the betterment of society through its role as a trading company, it is

important that Chori reiterates the strengths of its human resources—a defining feature of the Company—to the outside world. One of the many strengths of Chori's human resources is their high level of expertise. Chori's employees possess highly specialized knowledge of the wide range of products handled by the Fibers, Textiles, and Garments Business, the Chemicals Business, and the Machinery Business and of the markets in which they operate. Moreover, its younger employees are also active on the global stage. Each employee plays a significant role in society, and this is what makes Chori intriguing. The key to attracting highly qualified personnel is to continue to be a company where people want to work or, in other words, assume a role that only Chori can fulfill.

Noda Along with acquiring human resources, developing them is also important. As a company, it must support its employees, regardless of gender, so that they can continue to hone their skills and develop with the right opportunities. For Chori to continue to grow as a company, it will also be essential to develop a human resource portfolio that determines the type of employees that are needed in each department. Chori is a company brimming with employees who work to the best of their abilities by taking the initiative. I will continue to offer advice to ensure that Chori becomes a company where diverse employees can play an even more active role in the years to come.

Q4 What is your assessment of Chori's initiatives on climate change and other sustainability issues?

Suzuki Chori began disclosing information based on the TCFD recommendations in 2022 and continues to strengthen its measures against climate change one step at a time in response to the needs of society. Meanwhile, because Chori engages in every stage of the supply chain, from upstream to downstream, it can monitor the progress of measures against climate change throughout the supply chain. Through the use of this information, I believe Chori can play an even greater role in society by encouraging its business partners to become carbon neutral and contributing in other ways to overcome the issue of climate change. Chori will aim to further strengthen its climate change initiatives by capitalizing on its ability to monitor the flow of goods. The Company is also focusing on expanding its lineup of environment-friendly SDG-oriented products, particularly in the Fibers, Textiles, and Garments Business. Under Chori Innovation Plan 2025, the Company has declared the goal of achieving ¥50.0 billion (two and a half times fiscal 2022 levels) in sales from SDG-oriented products in fiscal 2025. As an outside director, I will oversee the Company's efforts to reduce its environmental impact so that it continues to climb up the ranks of the industry.

Noda In addition to its handling of SDG-oriented products, Chori is also a strong contributor to regional revitalization. Since the early days of the Showa Period, Chori has been working together with the Hokuriku region of Japan. Even today, the Company still works with manufacturers in this region to

expand the scope of its sustainability initiatives, such as the use of scrap wood and the recycling of textile products. Having reaffirmed the fact that the Company is expanding its business while valuing its connection with the local community and contributing to regional revitalization as a result, we will ensure that the Company continues to promote such activities through our advice. On the other hand, Chori's supply chain extends across the globe, and therefore it must also focus on its measures to promote the human rights of its employees. I will do my part in continuing to grow the business by remaining up to date on the latest information regarding the types of risks facing not only the Company but also its business partners and customers.

Q5 Do you have any additional messages for Chori's stakeholders?

Suzuki Since the arduous years of the 1970s, Chori has continued to grow as a company by focusing on profitable businesses. As a company that has quickly responded to the changes in its business environment and created new value over the years, Chori offers potential for even further growth. As outside directors, we will continue to support Chori from a governance point of view to ensure that it steadily realizes this potential.

Noda It is our duty to ensure that Chori achieves sustainable growth and increases in corporate value over the medium to long term. While the Company has continued to improve its business results by making quick decisions in response to the times, we will ensure that it is even better prepared to respond to country risks through the advice we provide.



Hiroko Noda

Sawano Chori is responsible not only for achieving the financial targets of Chori Innovation Plan 2025 but also for actively fulfilling its corporate social responsibility while promoting business management by paying due consideration to all stakeholders, including employees, business partners, and shareholders. Setting our sights on Chori's future growth, we will make sure that it seizes every business opportunity, strengthen its human resource development structure with an eye on medium- to long-term growth, and provide oversight to ensure that it steadily advances toward the launch of its digital transformation project CARAT.

Directors, Audit & Supervisory Committee Members, and Executive Officers

(As of June 16, 2023)

Directors

■ "Number of shares held" indicates the number of CHORI CO., LTD. shares held.



President, CEO & COO,
President and Executive
Officer

Kazuo Sakihama

■ Number of shares held: 35,017
CEO & COO



Director, Managing Executive
Officer

Tatsuyuki Sakoda

■ Number of shares held: 9,302
General Manager of Corporate Planning
Division,
Executive Chief Representative for China
of the Company,
and General Manager of
Pharmacovigilance & Quality Assurance
Office



Director, Executive Officer

Kazuhiro Tohge

■ Number of shares held: 9,551
Special Appointee of the President
(in relation to the Textile Division)



Director (Part-Time)

Kazuhiko Shuto

■ Number of shares held: 0
Significant concurrent positions
Toray Industries, Inc.
Executive Vice President (Member of the
Board)



Outside Director*

Hiroko Noda

■ Number of shares held: 0
Significant concurrent positions
• Representative of Noda Certified Public
Accountant Office
• Representative Director of Probity
Consulting Co., Ltd.
• Part-Time Lecturer at Graduate School
of Asian and International Business
Strategy, Asia University
• External Director of MODEC, Inc.
• Outside Director (Audit & Supervisory
Committee Member) of Okabe Co., Ltd.
• Outside Director of S.T. CORPORATION

Independent Director



Director, Full-Time Audit &
Supervisory Committee
Member

Shigemasa Yabu

■ Number of shares held: 18,138



Outside Director,* Audit &
Supervisory Committee
Member

Masaaki Sawano

■ Number of shares held: 0
Significant concurrent positions
• Partner of CITY-YUWA PARTNERS
• Member of Advisory Council on
Fundamental Issues in Corporate
Management of Urban Renaissance Agency
• Member of Advisory Council on
Fundamental Issues in Corporate
Management and Rent Council of Urban
Renaissance Agency
• Member of Business Evaluation Monitoring
Committee of Urban Renaissance Agency
• Outside Auditor of Japan Federation of
Certified Public Tax Accountants' Associations
• Member of Kanto Regional Government
Asset Council, Kanto Local Finance Bureau,
Ministry of Finance
• Chairperson of Tokyo Metropolitan Government
Election Administration Commission
• Director of Japan Bar Association

Independent Director



Outside Director,* Audit &
Supervisory Committee
Member

Hiromasa Suzuki

■ Number of shares held: 0
Significant concurrent positions
• Outside Director of Nitta Gelatin Inc.

Independent Director

Executive Officers (Excluding Those Who Concurrently Serve as Directors)



Managing Executive Officer

Hiroshi Yoshida

■ Number of shares held: 13,491
General Manager of Textile Division,
Senior Manager of Synthetic Fiber
Business Department,
General Manager of Logistics Department
(Textile),
and General Manager of Hokuriku Branch



Managing Executive Officer

Yoshihiro Teratani

■ Number of shares held: 14,210
General Manager of Chemicals Division,
Senior Manager of Life & Fine Chemicals
Business Department,
and General Manager of Logistics
Department (Chemicals)



Senior Executive Officer

Satoko Nakayama

■ Number of shares held: 14,729
Deputy General Manager of Corporate
Planning Division (Human Resources &
General Affairs Department and
Information System Department)
and General Manager of CHORI
Innovation Activities



Senior Executive Officer

Masao Nakamura

■ Number of shares held: 2,965
Senior Manager of Chemical &
Materials Business Department



Senior Executive Officer

Naohiko Ashida

■ Number of shares held: 2,965
Senior Manager of Technical Material &
Garments Business Department,
Chairman of CHORI (DALIAN) TRADING
CO., LTD.,
and Chairman of CHORI (DALIAN)
COMMERCIAL IMPORT EXPORT CO., LTD.



Executive Officer

Satoshi Shiragami

■ Number of shares held: 2,592
Deputy General Manager of the
Corporate Planning Division (Corporate
Management Department and Affiliate
Business Department)



Executive Officer

Yasuhiro Oiwa

■ Number of shares held: 700
Chairman and President of
CHORI (CHINA) CO., LTD.,
Chairman and President of CHORI
(SHANGHAI) CO., LTD.,
and Chairman and President of
CHORI (TIANJIN) CO., LTD.

* Outside director as stipulated in Article 2, Item 15 of the Companies Act.