

## Management Foundation Tailored to Sustainable Growth

### 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

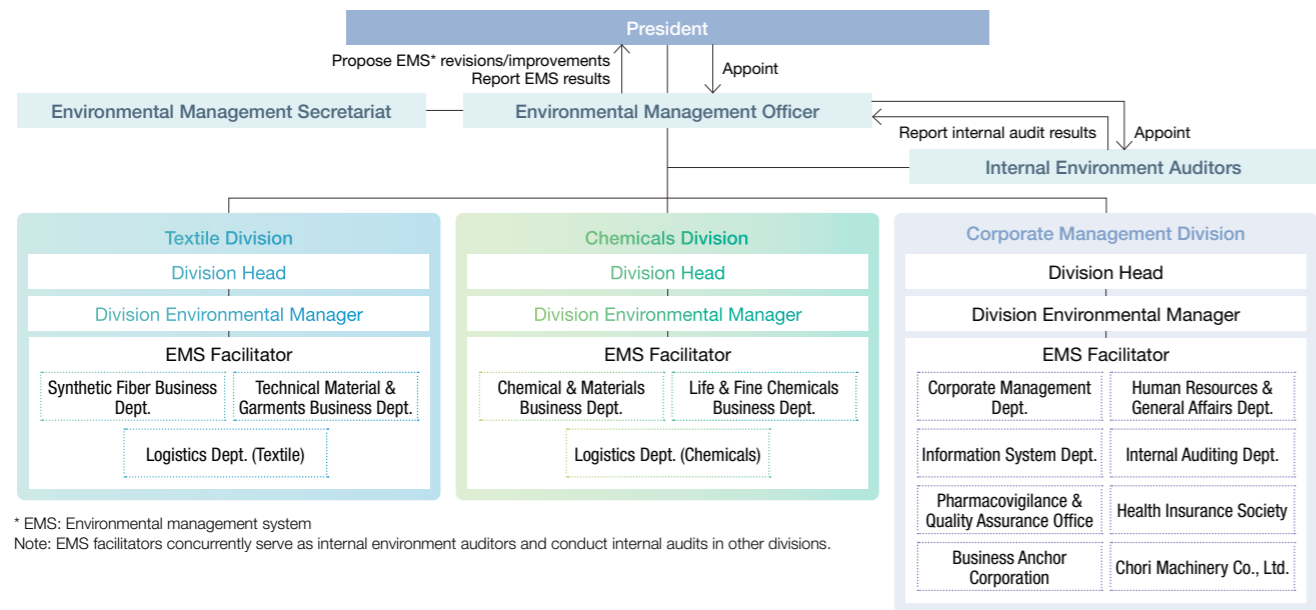
With a view to generating substantive value and helping to realize a more enriched society, Chori strives to provide accurate information and exceptional products tailored to the needs of its customers. As the environment continues to garner global attention, we believe the role we play in contributing 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 April 1, 2021)

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

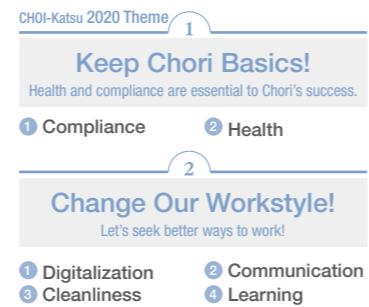
Since its acquisition of the ISO 14001 international standard for environmental management systems in 2000, Chori has continued to conduct and engage in environmental conservation activities. We adopted the 2015 standard in December 2017, acquired ISO 14001 certification for our Hokuriku Branch and Okayama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



#### CHOI-Katsu Initiatives

We instill the importance of respecting the environment when conducting our business activities in our employees through the combination of ISO 14001 and Chori Innovation Activities ("CHOI-Katsu"), Chori's original Companywide initiative. Through the selection of themes for CHOI-Katsu 2020 (as shown in the diagram on the right), we engaged in various initiatives such as the advancement of digitalization to reduce overtime work, which will lead to lower energy use.

In fiscal 2020, we reduced labor time by roughly 400 hours through a range of initiatives designed to improve operating efficiency, including the employment of robotic process automation (RPA) on routine simple tasks.



#### Chori's Environment-Friendly Initiatives

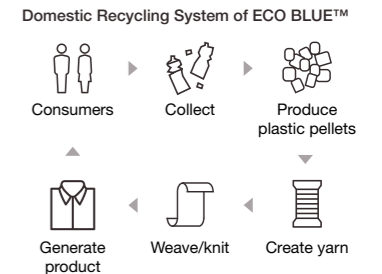
At Chori, we handle a wide range of environment-friendly products. At the CHORI Exhibition, a major trade convention for textile products, we showcase our diverse line of products, including our originally developed materials and environment-friendly materials that are paired with various other materials.

##### ECO BLUE™

To help resolve the issue of plastic pollution, which has been gaining greater attention in recent years, and realizing the importance of plastic bottles, Chori has been handling ECO BLUE™ recycled polyester fiber, which derives from such resources. Since 2019, we have maintained traceability for this brand, which is essential to ensuring a stable supply and managing the quality of these ultra-white, high-quality pellets. ECO BLUE™ is also certified with the Global Recycled Standard as it generates less carbon dioxide during production compared with virgin polyester (please refer to page 28 for details).



Plastic bottles are recycled into new, completely different products.



##### MILLENNIUM ORGANIC™

MILLENNIUM ORGANIC™ is made of a rare, long-fiber cotton cultivated in the Fergana Valley located 600 meters above sea level in Uzbekistan. Developed in climates known for extreme temperature variations and snowmelt in mountainous regions, MILLENNIUM ORGANIC™ is a 100% organic, nongenetically modified cotton derived from ultra-white raw cotton.

While Europe and certain countries in Asia have strengthened regulations on harmful substances in recent years, MILLENNIUM ORGANIC™ has received the OEKO-TEX® STANDARD 100 Class 1 certification, the world's highest safety standard for textile products, and is a highly trusted product for babies and toddlers.



##### MEDITERRANEAN GIZA™

It is said that the longer the fiber, the more premium the cotton. Giza cotton is a high-quality ultralong cotton that is deficient in quantity. Chori engages in the business of MEDITERRANEAN GIZA™, which is made from the seeds of Giza cotton grown in Israel. As Israel is mainly a dry region, we have been working to minimize daily water use through the use of AI technology. This high-tech, environment-friendly agricultural technology has earned us BCI\* certification. Moving forward, we will expand our lineup of environment-friendly materials and help realize a sustainable society.

\* Better Cotton Initiative: An international certification standard that promotes the sustainable growth of cotton production and cotton industries worldwide.



#### 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 meats and its participation in the lithium compound production project in Chile.



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



Management Foundation Tailored to Sustainable Growth

# Chori's Sustainability Initiatives



## Business Partners

Our suppliers are essential partners for our business activities and play a critical role in our contributions to society. With this in mind, we put forth every effort to ensure compliance in our CSR procurement, export management, and other activities.

## CSR Procurement

Once every two years, in principle, Chori conducts a CSR procurement survey subject to the "Operating Rules Regarding CSR Procurement" of the Toray Group. The survey is intended to confirm matters concerning the CSR promotion system, legal compliance, environmental conservation, and risk management, in addition to verifying any potential occurrences of forced labor, child labor, unfair low-wage labor, and other forms of human rights issues. In addition, Chori strives to eliminate the use of conflict minerals by confirming that its primary suppliers are conflict-free.

**Conflict Minerals**  
 Conflict minerals are mineral resources extracted in conflict zones such as Africa. Specifically, the Dodd-Frank Act in the U.S. requires that the use of conflict minerals (tin, tantalum, tungsten, and gold) be disclosed by all listed companies.  
 Global cooperation is critical to ensuring that conflict minerals do not become a means for armed forces to carry out inhumane acts on the innocent civilians of the countries in which we operate.

## 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

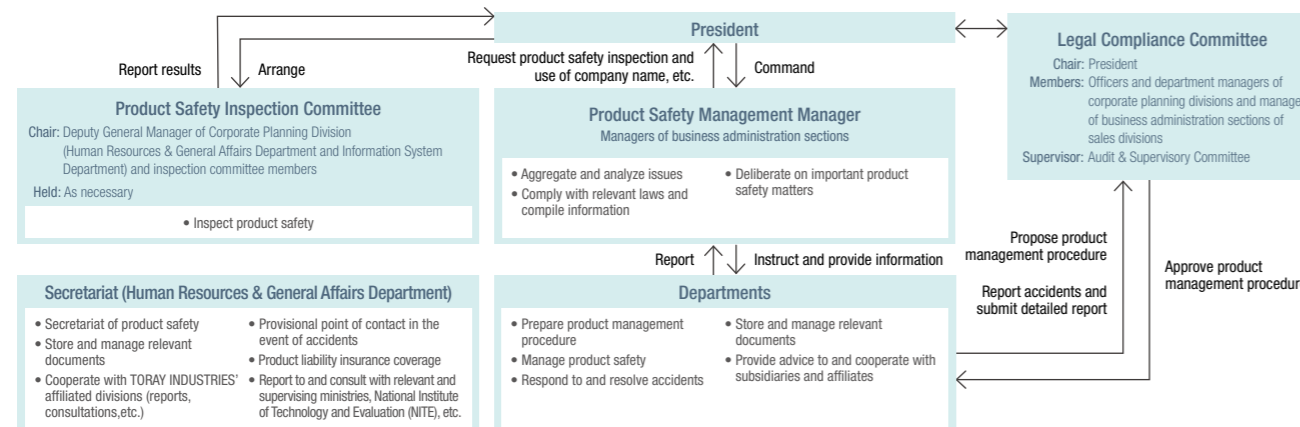
Once applications for list control and catch-all control are filed by Chori's Sales Department, the Corporate Management Department conducts final approval. In October 2020, we began implementing a system that integrates the management of information on export products and transactions, ensuring rigorous 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 2020, 37 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.



## Occupational Safety Management

At Chori, we understand the significance of minimizing risks in the workplace environment and ensuring the safety of our employees. With this in mind, we devised a business continuity plan (BCP) and instituted a safety management system for our employees overseas.

## 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. 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.

## Business Continuity Plan (BCP)

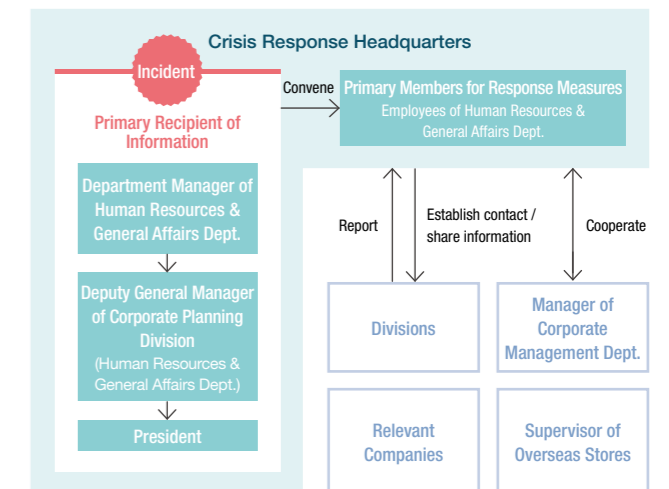
Chori's business continuity plan (BCP) has been designed to place the utmost priority on the safety of its directors and employees and to enable the swift recovery of business operations after serious disasters. We have implemented a safety confirmation system, which verifies the safety of all directors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

Chori's BCP 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.

## 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. The committee comprises employees of the Human Resources & General Affairs Department, nurses of our in-house health clinics, and representatives from the Chori Labor Union who regularly monitor the humidity, temperature, and CO<sub>2</sub> concentration levels to ensure a safe workplace environment for all of our employees.

In terms of preventive measures for COVID-19, staggered work hour and telework systems have been established, plexiglass barriers and alcohol disinfectants are available for use, and body temperatures are measured at the entrance of the reception and office areas of our facilities. 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 m<sup>3</sup>/h or more per person.



## Topic Contact System

Office etiquette has undergone drastic changes in the current COVID-19 era. Chori has established a contact system called KIITE through which employees can anonymously report legal or regulatory violations and other matters. Employees are constantly reminded to wear masks and talk quietly within work facilities, and through such measures, Chori strives to ensure a comfortable workplace environment (please see page 50 for details).



Reception area of Tokyo Head Office

Meeting area

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# Chori's Sustainability Initiatives



## Human Resources

The Chori Group regards people as its most valuable management resource, founded on its vision for human resources, "Utilize people, and be useful to them. Nurture people, and develop with them. Connect people, and join together with them." We will utilize, nurture, and connect people to continue to grow as an organization and cultivate our next generation.

### Human Resource Development

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

At the Natural Dye plant coloring event, which is held in support of recovery from the Great East Japan Earthquake, our new employees take part as representatives of Chori with the aim of cultivating their awareness of being a Company employee. (The event was canceled in fiscal 2020 due to the COVID-19 pandemic.)

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. In fiscal 2020, these programs were held online as a measure to prevent the spread of COVID-19.



#### 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. In fiscal 2020, these programs were held online as a measure to prevent the spread of COVID-19. Moreover, to speed up the pace of globalization, we have implemented a system for the dispatch of trainees overseas while continuing to conduct our in-house training program.

#### Groupwide Training System

	Level-Specific Training	In-House Training Course	Overseas Training	Organization-Based Training	Self-Development	E-Learning
<b>Director</b>	Director training					
<b>Manager</b>	Management training					
<b>Employee</b>	Follow-up training for new employees "Let's" intensive course	Career management training Mid-career employee and contract employee training In-house training program Various workshops In-house English language courses (TOEIC)	Study abroad programs Overseas trainee system Pre-departure training for overseas assignments (including language courses)	Division-specific training Overseas employee training	Self-development assistance program	Compliance, etc.

#### C-TUBE

Chori has been holding a Companywide meeting, an internal financial results conference, and group training for its employees twice a year. However, the impact of COVID-19 has put a halt to these activities and, as a result, an internal video streaming platform called C-TUBE was established to conduct these activities online. This online streaming platform allows employees to view the content as many times as they want, at any time, and because the resources used in training by the Sales Department are utilized in the videos, it contributes to information sharing throughout the Group.



## Promotion of Diversity

### Creating 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. Moreover, 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.

#### Eliminate Long Work Hours

- In principle, designate one day of the week as a no-overtime day
- All staff must leave their workplace by 9 p.m. every day
- Restrict the number of overtime hours
- Automate work processes with robotic process automation (RPA)
- Improve the efficiency of meetings

#### Encourage Employees to Take Annual Paid Leave

- Mandatory use of annual paid leave (five days)
- Encourage employees to take seasonal holidays
- Maintain records of paid leave taken in department-specific systems
- Eliminate restrictions on the number of times half-day leave can be taken for the purpose of childcare, nursing care, or hospital visits

#### Promote Flexible Workstyles

- Improve flextime system (no core hours)
- Introduce work-at-home system (temporarily) and web-conferencing system
- Encourage male employees to take childcare leave
- Conduct one-on-one meetings between employees and their superiors
- Provide option to relocate to other locations (transfer to other branches domestically and regionally)

### Supporting the Balance of Work Life and Childcare

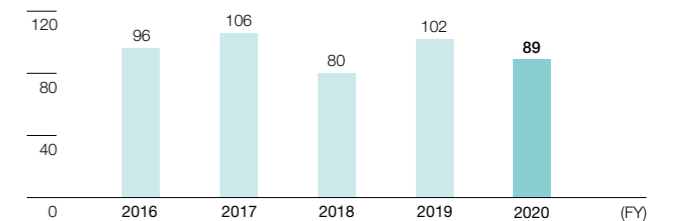
Chori has various childcare systems in place to promote the balance of work and family life. While the period of leave is relatively short, the number of male employees taking childcare leave has been on the rise, with 10 taking time off in fiscal 2020. We also have a support system in place as a part of our employee benefit program that provides employees with financial assistance for childbirth, self-development, and childcare.

	FY2018	FY2019	FY2020
Number of Employees Taking Childcare Leave	5 (1 of whom is male)	17 (6 of whom are male)	20 (10 of whom are male)
Number of Employees Working Shorter Hours Due to Childcare	11	11	10

### Promoting Workforce Fluidity and Supporting Self-Development

We promote workforce fluidity within the Group by assigning employees to affiliates in Japan and overseas and facilitating the exchange of personnel. We also support our employees' self-development by subsidizing the tuition and fees necessary to acquire Company-designated certification. In fiscal 2020, this financial assistance program was utilized by 89 employees, despite the inability to take examinations due to COVID-19.

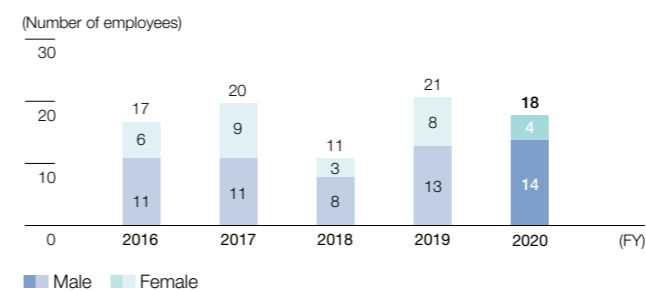
#### Number of Recipients of Self-Development Subsidy



### 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 2020. In fiscal 2020, women accounted for 39.7% (up 6.9% from fiscal 2019) of our entire workforce. In addition, we have been

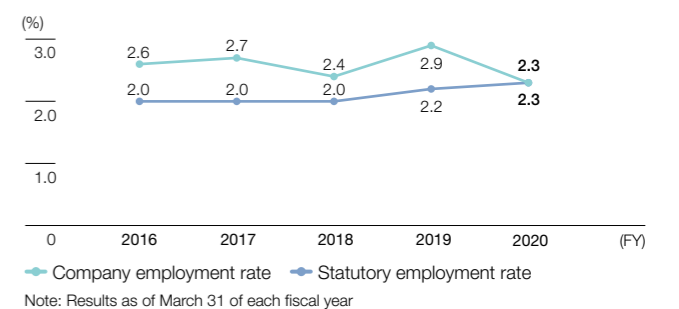
#### Number of New Graduates



making proactive efforts to promote the hiring of people with disabilities.

Chori's initiatives to increase the number of senior employees are also making strides with various programs in place for retirees looking to reenter the workforce and leverage their knowledge and experience, network of contacts, and other strengths.

#### Ratio of People with Disabilities



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## Chori's Sustainability Initiatives

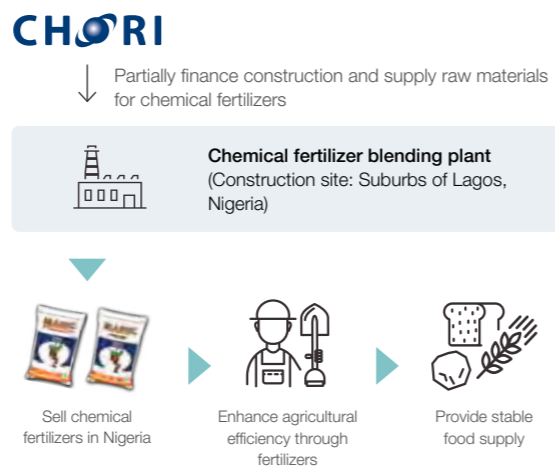


### Local Communities and Society

For a company to realize sustainability, it must be fully committed to coexisting with local communities. As a member of these local communities, Chori will continue to engage in various initiatives in its mission to grow together with society.

#### Provision of Food to Africa through Production of Chemical Fertilizers

Since fiscal 2019, Chori has participated in a chemical fertilizer production project in Nigeria. Nigeria boasts the largest population in all of Africa with roughly 190 million people and relies on agriculture as one of its major industries. With the expectation that increased demand for crops fueled by population growth will continue in Africa, the need for chemical fertilizers to enhance agricultural efficiency is projected to grow. The establishment of a chemical fertilizer blending plant, which was partially financed by Chori, has enabled the production of effective fertilizers in Nigeria that improve soil quality and expand the range of crops. Through the sale of chemical fertilizers, we will contribute to a stable food supply and higher agricultural efficiency in Africa.



Inaugural Hokuriku Yarn Fair



Chori's booth at Hokuriku Yarn Fair in 2020

Based on the slogan "Everything begins with yarn," unveiled in the event's inaugural year, over the years the participating companies have showcased materials that were differentiated in many ways through the demonstration of their unique plying and processing capabilities. In 2020, the Hokuriku Yarn Fair featured a wide range of environment-friendly sustainable materials and, while admission was limited to prevent the spread of COVID-19, 2,160 people attended over the course of two days. Chori will continue to inject energy into the Hokuriku region by conveying the glamour of its textiles.

#### Hokuriku Yarn Fair

While the Hokuriku region has always been a hotbed for synthetic fiber, it had not played host to a materials exhibition for many years. Chori has always had deep ties to the region that stem from its long history of doing business with local textile companies. In 2015, the Raw Material Presentation Exhibition was held in Ishikawa Prefecture, answering the long-awaited wishes of local companies for an exhibition in their hometown. The event was a tremendous success, setting the stage for an even bigger event in 2016, the inaugural Hokuriku Yarn Fair. A total of 13 companies, including Chori, took part in this event, which was attended by roughly 550 people.

Due to its success and the desires of those within and outside of the Hokuriku region for the continuation of such events, the Hokuriku Yarn Fair has been held annually ever since through the support of textile associations in Ishikawa and Fukui prefectures.

#### Close Up

Our business ties with the Hokuriku region date back to the outset of the Showa Period. It all began with the establishment of branches in Fukui Prefecture in 1929 and Ishikawa Prefecture in 1934, which eventually led to the formation of the Hokuriku Chori Committee in 2000. The committee organizes parties and meetings that are attended each year by the member companies and Chori's directors and employees, and at the beginning of each year, the committee issues a publication called "Chori Future" to share information and promote member interaction.

With a rich history in textile production that extends over 400 years, the Hokuriku region continues to produce fabrics of exceptional quality through the use of fine thread. The region also boasts the ability to develop materials that are intricately made of threads and fabrics and that can contend with those produced overseas. In support of the region and its textile production, in 2016 Chori launched its Ishikawa Fabrics Project as a way to communicate the brand power of fabrics made in Ishikawa Prefecture to the rest of the world by placing this brand label on apparel products.



### Promotion of Health and Productivity Management

Recognizing the importance of the health of our employees and their families to achieving sound corporate management, we formulated our Health Declaration in 2018 to promote efforts toward health and productivity management.

#### Health Declaration

##### 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.

February 14, 2018

#### 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 Satoko Nakayama, deputy general manager of the Corporate Planning Division, 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. In addition, employees aged 30 and 35 years and over are eligible to receive a comprehensive medical checkup once a year at the expense of the Company, while 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.

#### Rate of Employees and Family Members Who Undergo Regular Health Checkups

	FY2018	FY2019	FY2020
Employees	100%	100%	100%*
Family Members	70.3%	72.0%	52.9%

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

#### Comment

We are here to ensure the physical and mental well-being of all of Chori's employees.



Keiichiro Yoneyama  
Supervising Physician  
in-house health clinic  
at the Tokyo Head Office

At Chori's head offices in Tokyo and Osaka, we have in-house health clinics in place with nurses and public health nurses on hand to offer support. As such, employees can receive consultations immediately after receiving their health check results as well as undergo additional examinations and medical treatment to prevent conditions from worsening. In fiscal 2020, we saw responsible alcohol consumption improve as a result of COVID-19. Our in-house health clinics also offer treatment to help employees quit smoking, as a result of which the smoking rate of Chori's male employees is on the decline. Meanwhile, we have noticed an increasing number of cases of lipid metabolism disorders in those at high risk of such disorders stemming from lack of exercise and improper eating habits.

There is a saying in Japanese that goes "one who perseveres unscathed reigns supreme" and this applies in many ways to the health of our employees. That is because the health and mental and physical well-being of our employees are what

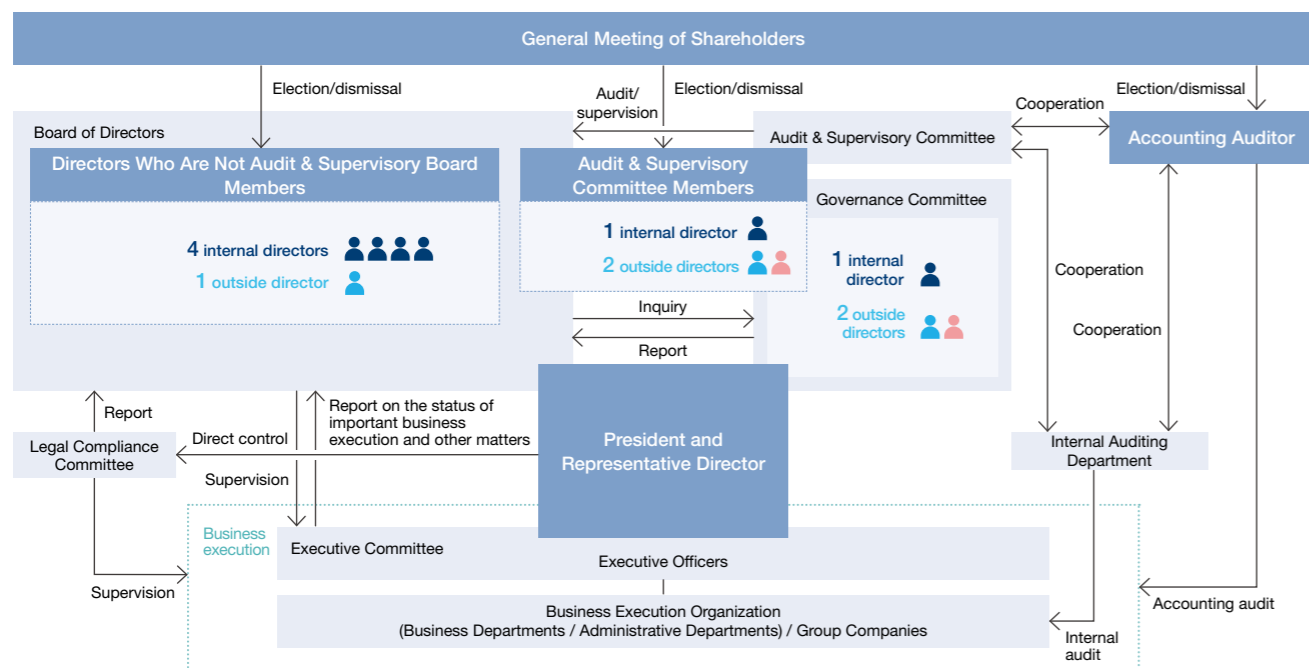
keep our business running. We at the in-house health clinics will continue to offer our support to help employees maintain good physical and mental health.

Management Foundation Tailored to Sustainable Growth

# 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 17, 2021)



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

Name	Description
<b>Board of Directors</b>	The Board of Directors consists of directors, including those who are Audit & Supervisory Committee members, and is responsible for conducting strategic decision-making and business oversight.
<b>Executive Committee</b>	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.
<b>Audit &amp; Supervisory Committee</b>	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 Corporate Planning Divisions 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.
<b>Governance Committee</b>	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.
<b>Legal Compliance Committee</b>	The Legal Compliance Committee is chaired by the president and representative director 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.
<b>Business Investment Committee</b>	Chaired by the president and representative director, the Business Investment Committee discusses and deliberates the appropriateness of risk-return assessments and plans and the feasibility of important investments and financing.
<b>M&amp;A Promotion Committee</b>	The M&A Promotion Committee consists of the general manager of the Corporate Planning Division, 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&A and the Group's medium- to long-term management plan, from the perspective of improving consolidated management.

## Committee Members and Activities

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

Name	Position	Fiscal 2020 Attendance (Meetings Attended / Meetings Held*)						
		Board of Directors <sup>2</sup>	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	● (18 times / 18 times)	● (25 times / 25 times)		● (5 times / 5 times)	● (6 times / 6 times)	● (2 times / 2 times)	
Shigemasa Yabu	Director / Senior Managing Executive Officer	● (18 times / 18 times)	● (25 times / 25 times)			● (6 times / 6 times)	● (2 times / 2 times)	● (4 times / 4 times)
Kazuhiro Tohge	Director / Executive Officer	● (18 times / 18 times)	● (25 times / 25 times)					
Mitsuo Ohya	Director (Part-Time)	● (13 times / 14 times)						
Hiromasa Suzuki	Outside Director	—						
Jun Furuya	Director / Full-Time Audit & Supervisory Committee Member	● (18 times / 18 times)	▲ (25 times / 25 times)	● (16 times / 16 times)		▲ (6 times / 6 times)		
Masaaki Sawano	Outside Director / Audit & Supervisory Committee Member	● (18 times / 18 times)		● (16 times / 16 times)	● (5 times / 5 times)	▲ (2 times / 6 times)		
Noriko Morikawa	Outside Director / Audit & Supervisory Committee Member	● (18 times / 18 times)		● (16 times / 16 times)	● (5 times / 5 times)	▲ (4 times / 6 times)		

\*1 Indicates the number of meetings held during the term of each director

\*2 The number of Board of Directors' meetings held includes two meetings that shall be deemed to have been held through a resolution in writing passed by the Board of Directors pursuant to Article 370 of the Companies Act and Article 28 of the Articles of Incorporation of the Company.

## 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	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

## Management Foundation Tailored to Sustainable Growth

### 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	♂	8 years		●	●		
Shigemasa Yabu	♂	6 years				●	●
Kazuhiro Tohge	♂	3 years		●	●		
Mitsuo Ohya	♂	1 year		●	●		
Hiromasa Suzuki	♂	Newly appointed	●	●			

\*1 Indicates number of full years of service as of June 30, 2021

#### Directors Who Are Audit & Supervisory Committee Members

Name	Gender	Length of Service*1	Area of Expertise and Experience				
			Independent Director (Outside)	Corporate Management	Global Business	Finance & Accounting	Legal & Compliance
Jun Furuya	♂	3 years*2				●	●
Masaaki Sawano	♂	3 years	●				●
Noriko Morikawa	♀	3 years	●	●	●	●	

\*1 Indicates number of full years of service as of June 30, 2021

\*2 Jun Furuya served as a director of the Company for two years 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 and 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. In June 2021, Mr. Hiromasa Suzuki was appointed as an outside director as he is expected to draw on his wealth of experience in corporate management.

Name	Reason for Nomination
Hiromasa Suzuki Newly appointed	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.
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.
Noriko Morikawa	She has been appointed as an outside director as she is expected to provide appropriate advice regarding the management of the Company and on the grounds that she is well versed in finance and accounting and has broad insight based on her abundant achievements as a corporate manager and experience working overseas. 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

Executive remuneration consists of three types: monthly basic remuneration, yearly bonuses, and restricted stock compensation. Remuneration of directors (excluding directors who are Audit & Supervisory Committee members) is based on a compensation structure that aligns with returns to shareholders to ensure that it functions effectively as an incentive toward the sustainable increase of corporate value. When determining the remuneration of each director, our basic policy is to provide an appropriate level of compensation based on a consideration of their position within the Company, individual performance, and other factors. Meanwhile, from the perspective of their role and independence, remuneration of directors who are Audit & Supervisory Committee members and outside directors consists solely of fixed remuneration, determined based on their role within the Company.

#### Overview of Executive Remuneration System

	Fixed remuneration		Variable remuneration	
	55%	35% (single year)	10% (medium to long term)	
	Note: Percentages apply in the case of full achievement of targets			
	Basic Remuneration	Bonuses	Performance-Linked Stock Compensation	
Remuneration Type	Fixed remuneration	Short-term incentive remuneration Linked to performance in relevant business year	Medium- to long-term incentive compensation Linked to degree of achievement of medium-term management plan	
Eligible Recipients	<ul style="list-style-type: none"> <li>Directors who are not Audit &amp; Supervisory Committee members</li> <li>Directors who are Audit &amp; Supervisory Committee members</li> <li>Outside directors</li> </ul>	<ul style="list-style-type: none"> <li>Directors who are not Audit &amp; Supervisory Committee members</li> </ul>	<ul style="list-style-type: none"> <li>Directors who are not Audit &amp; Supervisory Committee members</li> </ul>	
Grant Method	Cash	Cash	Restricted stock compensation	
Evaluation Index (Variable Remuneration)	—	<ul style="list-style-type: none"> <li>Consolidated ordinary income results</li> <li>Progress of medium-term management plan, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated ordinary income over three-year period</li> <li>Progress of medium-term management plan, etc.</li> </ul>	
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: No more than ¥100 million annually (However, excludes the portion of employee salary of directors who concurrently serve as employees) (Resolution passed at the 70th General Meeting of Shareholders held on June 15, 2017)	
Grant and Calculation Method	Fixed amount paid monthly based on role and position within the Company	<ul style="list-style-type: none"> <li>Paid at a certain time of the year according to position within the Company</li> <li>Amount calculated according to the progress of the medium-term management plan and consolidated ordinary income in the given business year</li> </ul>	<ul style="list-style-type: none"> <li>Level of remuneration determined based on position within the Company</li> <li>Payment made upon determining the annual base compensation for each position and, in principle, by dividing the amount equivalent to compensation for the execution of director duties over the same three-year period as the medium-term management plan by the standard stock price and determining the number of shares to grant for each position.</li> </ul> Condition subsequent: Withdrawn in accordance with the degree of achievement of consolidated ordinary income targets under the medium-term management plan and work performance	

#### Director Remuneration in Fiscal 2020

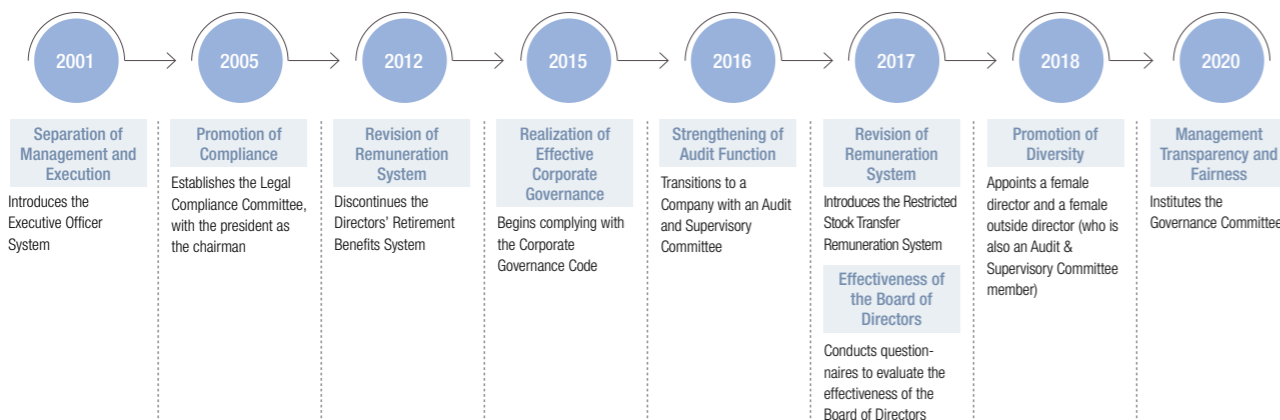
Classification	Total Amount of Remuneration (Millions of Yen)	Total Amount of Remuneration by Type (Millions of Yen)			Number of Directors Eligible
		Basic Remuneration	Bonuses	Restricted Stock Compensation	
Directors (Excluding Audit & Supervisory Committee Members)* (Excluding Outside Directors)	208	142	42	24	7
Directors (Audit & Supervisory Committee Members) (Excluding Outside Directors)	18	18	—	—	1
Outside Directors	17	17	—	—	2

\* Excludes one director who did not receive any remuneration.

## Management Foundation Tailored to Sustainable Growth

### 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

With the objective of enhancing the effectiveness of the Board of Directors, Chori conducted an evaluation of the effectiveness of the Board of Directors for fiscal 2020. 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.

<b>Respondents</b>	All 10 directors (including those who are Audit & Supervisory Committee members) in fiscal 2020 (registered questionnaire)
<b>Method of Evaluation and Analysis</b>	The secretariat of the Board of Directors (Corporate Management Department) gathers the questionnaire results, which are evaluated and analyzed by the Governance Committee and the Board of Directors upon the ensuring of confidentiality.
<b>Questionnaire Content</b>	The questions are based on the following four main items: <ul style="list-style-type: none"> <li>• Agenda of the Board of Directors' meetings</li> <li>• Composition of the Board of Directors</li> <li>• Operation of the Board of Directors</li> <li>• Systems supporting the Board of Directors</li> </ul>
<b>Overview of Evaluation Results</b>	The Governance Committee, which was established in March 2020, conducted in-depth discussion on matters concerning the succession plan for the representative director, executive remuneration, and the appointment and dismissal of management executives, which were identified as being in need of more discussion in the previous year, and the details of such discussions were shared appropriately with the Board of Directors. Meanwhile, it was deemed that there is a need for further discussions on the major direction of our corporate strategies, compliance, and business risks as well as for more opportunities to train directors. Going forward, we will hold more in-depth discussions on the medium- to long-term policies and plan at the Board of Directors' meetings and improve the training of our directors in order to continue to enhance the effectiveness of the Board. In addition, we will look into the use of third-party external consultants in our evaluations and analyses of the effectiveness of the Board of Directors.

### Maintenance of a Certain Level of Independence from Our Parent Company

As of March 31, 2021, Chori's parent company TORAY INDUSTRIES, INC. held 52.78% 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.

### Risk Management

At Chori, we take measures under normal circumstances to identify potential risks in our business activities and mitigate such risks and prevent crises before they occur. We have established a system for taking appropriate measures in the event of a crisis that could have a significant impact on our business and formulated our Risk Management Rules to enable swift and accurate responses to such emergencies while maintaining control of the situation and regaining a state of normalcy as quickly as possible. Under the direction of the president and representative director, who assumes overall responsibility of the Company's risk management activities, measures are taken to identify material issues pertaining to potential risks, mitigate such risks, and prevent such risks from occurring while formulating various methods to detect risks in advance and providing the necessary education and training in a voluntary and systematic manner. In addition, efforts are made to follow up on the results of our crisis response, verify

its effectiveness, and uncover and improve on any issues.

The management team at Chori has classified the major risks that are believed to have a significant impact on the financial position, business results, and cash flow of the consolidated company according to the risks listed below, each of which will be assigned a committee or division responsible for preventing their occurrence.

Business and Other Risks	
<ul style="list-style-type: none"> <li>• External business environment / country risk</li> <li>• Exchange and interest rate fluctuations</li> <li>• Concentration on specific regions and markets</li> <li>• Risk associated with fluctuations in raw material prices</li> <li>• Inventory risk</li> <li>• Bad debt risk</li> </ul>	<ul style="list-style-type: none"> <li>• Business investment risk</li> <li>• Risk of impairment on securities</li> <li>• Risk of natural disasters and contagious diseases</li> <li>• Risk associated with information systems and security</li> <li>• Compliance risk</li> <li>• Risk associated with securing of personnel</li> </ul>

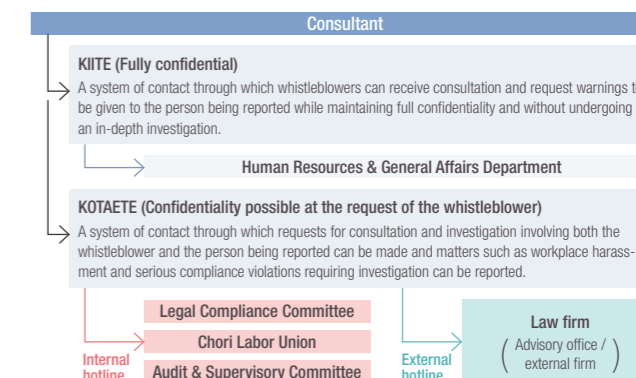
### Ensuring of Thorough Compliance

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

### Internal Whistleblower System



### Internal Control

Our Basic Policy on 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.



For details on our internal control system, please refer to our Corporate Governance Report.  
<https://www.chori.co.jp/csr/governance.html> (in Japanese only)



## Management Foundation Tailored to Sustainable Growth

### Internal Audit

In regard to internal audits, the Company has established the Internal Auditing Department (consisting of four members) directly under the president and representative director. 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 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.

### 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 IR and public relations, cooperates with the Corporate Planning Division and relevant departments, and communicates information to shareholders and investors.
- (2) The relevant internal departments proactively cooperate toward the achievement of constructive dialogues with shareholders 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. In the event of important announcements regarding management information, such as the medium-term management plan, the Company reports on its current status and collects the opinions of shareholders through such measures as the holding of briefings on the management plan upon the conclusion of the general meeting of shareholders.

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)

	FY2018	FY2019	FY2020
Shares Held	32	30	30
Total Amount (Billions of Yen)	4.0	3.4	4.1

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.

- **Individual investors**  
The Company promotes dialogues with its individual shareholders by holding company briefings exclusively for such investors, which are attended by the president and representative director of the Company.
  - **Institutional investors**  
The Company holds financial briefings through the attendance of the president and representative director 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 departments in charge of IR and public relations conduct individual visits and briefings for institutional investors.
- (4) 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.
  - (5) The Company takes appropriate measures to ensure thorough information management through compliance with the Insider Trading Prevention Regulations.

## Messages from Outside Directors



### Masaaki Sawano

Outside Director, Audit & Supervisory Committee Member

In fiscal 2020, despite the influence of COVID-19, Chori put up solid results and made steady strides with its medium-term management plan, including the M&A of Sumitex International Company Limited. Conversely, further investigation needs to be conducted to obtain more details on the cause of the Chengxing Group's debt issues while formulating and enforcing measures to prevent similar incidents from occurring again in the future. I also believe that more improvements need to be made to the effectiveness of Chori's corporate governance.

Corporate governance made its way into the industry in the first place to serve as a means for monitoring the activities of management by shareholders. Legal experts such as myself believe that it is our duty to determine and state the legality of the decisions of management at the Board of Directors' meetings, as well as the intent behind such decisions when they involve significant risks, even if made in a legal manner.

The Board of Directors' meetings are held in a free and open environment that encourages the exchange of opinions. Moreover, the corporate entity, headed by the president, is actively engaged in running business activities. On the other hand, the Company is in need of a framework for conducting business audits on its subsidiaries. I will offer more advice in regard to this as we move forward.

While we are currently in an era full of uncertainties due to COVID-19, Chori's basic stance is to develop new businesses in its areas of expertise, employ sound risk management practices, and expand the scope of its business. Moreover, as it continues to expand its business around the world, Chori must constantly remain up-to-date on and seek solutions to business- and human rights-related issues as well as the SDGs, in order to continue to grow its business in the years ahead.



### Noriko Morikawa

Outside Director, Audit & Supervisory Committee Member

In fiscal 2020, despite the impact of COVID-19, Chori was able to address various needs, including those for hygienic materials, which made an impact on both society and its operating results. I also believe that given the nature of its business, the Company has done an outstanding job of overcoming the challenges associated with conducting all aspects of its business remotely by improvising according to the situation. To achieve the goals of Chori Innovation Plan 2022 under this unprecedented business environment, all of Chori's employees will be expected to enhance their skill sets going forward.

My hope is that management takes action to orchestrate the Company's further growth while ensuring awareness of its mission and reason for existence among all of its stakeholders. The framework underpinning all of this is corporate governance. Chori has been strengthening its corporate governance over the years, as exemplified by the establishment of its Governance Committee, which is headed by an outside director, in 2020. Meanwhile, I see a need for improving the transparency and reinforcing the internal control and governance functions of its subsidiaries and overseas affiliates. I hope to be able to continue to analyze, assess, and facilitate the growth of Chori's business by drawing on the experience I have gained at an audit firm and through my role in managing all aspects of a corporate management division at a foreign company, including overseas assignments. Chori is expected to take a more active approach to incorporating the SDGs and ESG initiatives into its growth strategies, and I hope to aid in this capacity by offering specific solutions that are truly relevant and valuable to Chori's business.

Chori is a company that has overcome trying times over its 160-year history through the collective efforts of its employees. As such, there is a sense of unity among its employees. I look forward to seeing Chori develop its business to a whole new level on the strengths of its outstanding teamwork and flexibility.



## Management Foundation Tailored to Sustainable Growth

# Directors, Audit & Supervisory Committee Members, and Executive Officers

(As of July 1, 2021)

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

## Directors



President, CEO & COO,  
President and Executive Officer

## Kazuo Sakihama

■ Number of shares held: 32,617  
CEO & COO



Director, Senior Managing  
Executive Officer

## Shigemasa Yabu

■ Number of shares held: 21,282  
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: 9,151  
Special Appointee of the President (in relation to  
the Textile Division)



Director (Part-Time)

## Mitsuo Ohya

■ Number of shares held: 0  
Significant concurrent positions  
Executive Vice President and Representative  
Member of the Board of TORAY INDUSTRIES, INC.



Outside Director\*

## Hiromasa Suzuki

■ Number of shares held: 0

Independent Director



Director, Full-Time Audit &  
Supervisory Committee Member

## Jun Furuya

■ Number of shares held: 4,930



Outside Director,\* Audit &  
Supervisory Committee Member

## Masaaki Sawano

■ Number of shares held: 0  
Significant concurrent positions  
• 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

Independent Director



Outside Director,\* Audit &  
Supervisory Committee Member

## Noriko Morikawa

■ Number of shares held: 0  
Significant concurrent positions  
• Outside Director of Showa Denko K.K.  
• Outside Director of Mitsubishi Heavy  
Industries, Ltd.

Independent Director

## Executive Officers (Excluding Those Who Concurrently Serve as Directors)



Managing Executive Officer

## Hiroshi Yoshida

■ Number of shares held: 12,519  
General Manager of Textile Division, Senior  
Manager of Synthetic Fiber Business Department,  
General Manager of Logistics Department (Textile)  
of the Company, and General Manager of  
Hokuriku Branch



Managing Executive Officer

## Yoshihiro Teratani

■ Number of shares held: 12,378  
General Manager of Chemicals Division, Senior  
Manager of Life & Fine Chemicals Business  
Department, and General Manager of Logistics  
Department (Chemicals) of the Company



Senior Executive Officer

## Satoko Nakayama

■ Number of shares held: 13,829  
Deputy General Manager of Corporate Planning  
Division (Human Resources & General Affairs  
Department, Information System Department), and  
General Manager of CHORI Innovation Activities of  
the Company



Senior Executive Officer

## Tatsuyuki Sakoda

■ Number of shares held: 6,774  
President & CEO of Miyako Kagaku Co., Ltd.



Executive Officer

## Masao Nakamura

■ Number of shares held: 0  
Senior Manager of Chemical & Materials Business  
Department



Executive Officer

## Naohiko Ashida

■ Number of shares held: 0  
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.

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