



March 25, 2020

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Notice regarding Establishment of a Governance Committee

CHORI CO., LTD. announced that it has decided to establish a Governance Committee as an advisory body for the Board of Directors following passage of a resolution at a meeting of the board held on March 25, 2020.

1. Purpose

Establish a Governance Committee to strengthen the corporate governance structure and to augment the independence and objectivity of the functions and accountability of the Board of Directors pertaining to nomination, compensation, etc. of directors, as well as to protect the interests of minority shareholders.

2. Composition

The committee shall be comprised of at least three members, with independent outside directors a majority and selection conducted by resolution of the Board of Directors.

3. Agenda Items and Authority

The Governance Committee, in regard to nominations, decides on drafts for proposals to the General Meeting of Shareholders related to the appointment or dismissal of directors (including members of the Audit & Supervisory Committee); drafts for selection (appointment) or removal (dismissal) of the representative president, directors or executive officers; drafts for delegation of duties to executive directors and executive officers; and proposals for basic policies related to these matters, and the committee also deliberates on items, etc. related to succession plans. In regard to members of executive management, the committee shall conduct annual assessments, taking into account factors such as the Company's business results, and based on those assessments, deliberate on appointment (reappointment).

In regard to compensation, the committee shall decide on the amount of compensation made individually to all directors and executive officers except for directors who are members of the Audit & Supervisory Committee, deliberate on the draft regarding compensation, etc. for directors (including members of the Audit & Supervisory Committee) for the General Meeting of Shareholders and policies for deciding compensation, and determine that draft.

Furthermore, the committee shall deliberate on any items, etc. necessary from the standpoint of protecting the interests of minority shareholders, and decide on opinions pertaining to that.

4. Committee Members

The following three members have been chosen for the committee.

Kazuo Sakihama	(President, CEO & COO)
Masaaki Sawano	(Director who is an Audit & Supervisory Committee Member, Independent Outside Director)
Noriko Morikawa	(Director who is an Audit & Supervisory Committee Member, Independent Outside Director)

The chair of the committee shall be decided by the Governance Committee, and the chair shall be the head of the committee.

5. Date of Establishment

Wednesday, March 25, 2020