

Issued on March 27, 2025

Chori Group Compliance Policy



President's Message

Corporate compliance entails more than simply abiding by the law. In the context of corporate activities, compliance means that a company upholds basic principles as a matter of course with respect to making decisions in accordance with social conventions and sound judgment, even when such behavior is not explicitly defined by law.



The applicable scope of corporate compliance has been constantly expanding amid a scenario where compliance has come to encompass not only initiatives to contend with legal and regulatory violations but also a company's response to issues that arise and its stance on human rights. There have furthermore been many instances where a company becomes immediately subject to loss of credibility attributable to compliance issues irrespective of whether details in that regard are accurate or not, amid a situation where society has been taking an increasingly stringent view of corporate compliance violations with news of such violations spreading rapidly and incurring criticism on social media and other such platforms. Moreover, loss of credibility and reputational damage constitute the greatest risk factor associated with corporate activities given how hard it is to restore credibility and reputation once lost.

Compliance accordingly serves as the cornerstone of our operations given that it serves as the key factor in ensuring both that we serve as a company preferred by our stakeholders and that the corporate value we have built up thus far extends into the future. As such, it is crucial that each and every one of us take responsibility for our actions, enlisting a shared sense of values and possessing knowledge with respect to addressing risk.

Together, let's all strive to make the Chori Group even better.

Tatsuyuki Sakoda
President, CEO & COO
CHORI CO., LTD.

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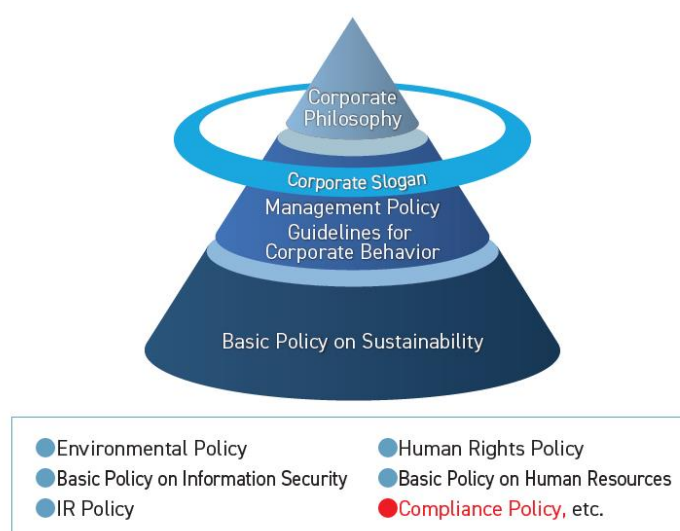
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Chapter I: Approach to Compliance Policy

1. Description of the Compliance Policy

Chori has established its Guidelines for Corporate Behavior and other such regulations associated with its compliance structure, thereby ensuring that code of conduct applied to its corporate activities embodies compliance with laws and regulations as well as adherence to social ethics.

In seeking to convey our fundamental approach to compliance to be applied consistently across the entire Chori Group, we have accordingly formulated the Chori Group Compliance Policy for ensuring that all executives, employees and others associated with each Chori Group company operating globally is able to act in compliance with laws and regulations, rules, and social norms applicable in any given situation.



■ Corporate Philosophy ■

As members of the global community, we will work for the betterment of society. We take pride in being fair and sincere, and in continuing to offer superb service in order to deliver superior customer satisfaction.

■ Corporate Slogan ■

(We are) Making your dreams come true.

Japanese : あなたの夢に挑戦します。

Chinese : 挑戰你的夢想

■ Management Policy ■

(1) We aim to transform the Chori Group into a constantly evolving company of exceptional competence and expertise.

- (2) With customer satisfaction as our highest priority, we will create a solid management foundation, capable of withstanding economic fluctuations, in order to realize growth that is both profitable and sustainable.
- (3) We propose new ideas, maximizing our creativity, and developing new business domains toward achieving self-reliant, autonomous management.
- (4) We believe in sound business and trust, not quick profits and speculative dealing.
- (5) We foster goal-oriented, self-motivated, thinking personnel who thrive on friendly rivalry to demonstrate comprehensive strengths and capabilities, achieve consistent personal growth, and advance through the organization.
- (6) We constantly review our businesses, hone our sensitivity to risks, and move quickly to invest management resources into growth fields, in the drive for continuous reform of our business structure.
- (7) We remain committed to fulfilling our social responsibilities, such as compliance and environmental preservation, and to maintaining close relationships with stakeholders, including customers, employees, shareholders and the communities we serve.

Our Management Policy is designed to give shape to a more energized enterprise, the Dynamic Chori Group.

2. Scope of the Compliance Policy

The Compliance Policy applies to executives and employees of the Chori Group along with all those working with the Group. Everyone is to understand the Compliance Policy and apply it to his or her daily work.

3. Positioning of the Compliance Policy

1) Relationship with policies and rules of Group companies

The Compliance Policy outlines exemplary practices that executives, employees, and others associated with Chori Group companies are to uniformly follow from the perspective of compliance.

The compliance policies and rules of each Chori Group company define more detailed matters in accordance with the laws and regulations of respective countries as well as industry-specific considerations and other factors, based on the Compliance Policy.

2) Relationship with national laws and regulations

Given that the Chori Group operates business globally, executives, employees, and others associated with Chori Group companies are to comply with laws, regulations and other mandates of numerous countries and regions.

In cases where local laws, regulations and other mandates impose more stringent requirements than those of the Compliance Policy, such laws, regulations and other mandates are to take precedence. In cases where local requirements are less stringent than those of the Compliance Policy, standards of the Compliance Policy are to be applied.

4. Instructions for executives, employees and others associated with Chori Group companies

Executives, employees, and others associated with Chori Group companies are to implement the following.

- (1) Understand the Compliance Policy and apply it to daily work. Initially refer back to the Compliance Policy if there are any operational uncertainties regarding compliance.
- (2) Maintain high ethical standards in accordance with laws, regulations and other mandates applicable to your company.
- (3) Address all compliance-related concerns without fail, no matter how seemingly insignificant. If you have any concerns or doubts, either report the issue to your supervisor or seek consultation enlisting the internal whistleblower system. Additionally, if an issue arises, lend your sincere cooperation to investigations and other such actions taken by the company.

5. Requirements with respect to management of Chori Group companies

Management of Chori Group companies is to act as follows, in addition to abiding by the instructions in the previous section 4.

- (1) Consistently communicate a clear message that compliance is top priority.
- (2) In cases where business interests are in conflict with compliance, management is to clearly convey the policy that compliance is top priority.
- (3) Ensure that subordinates understand the Compliance Policy and are capable of achieving thorough compliance. In addition, arrange for education necessary to such ends.

- (4) Appropriately address compliance-related concerns that have been reported. Make sure to address any and all compliance-related concerns, no matter how seemingly insignificant.
- (5) Cultivate and maintain a healthy workplace environment enlisting effective communication.

* Internal measures for addressing violations of the Compliance Policy

Violations of the Compliance Policy are subject to disciplinary action in the event that such violation meets the criteria for disciplinary measures prescribed in the company's work regulations. In particular, those who have committed violations with malicious intent or gross negligence are to become subject to stringent penalties in accordance with the work regulations (including punitive dismissal). Moreover, if the company consequently incurs financial damage, the individual in question may also become subject to claims for damages or criminal charges.

Chapter II: Compliance Promotion Structure

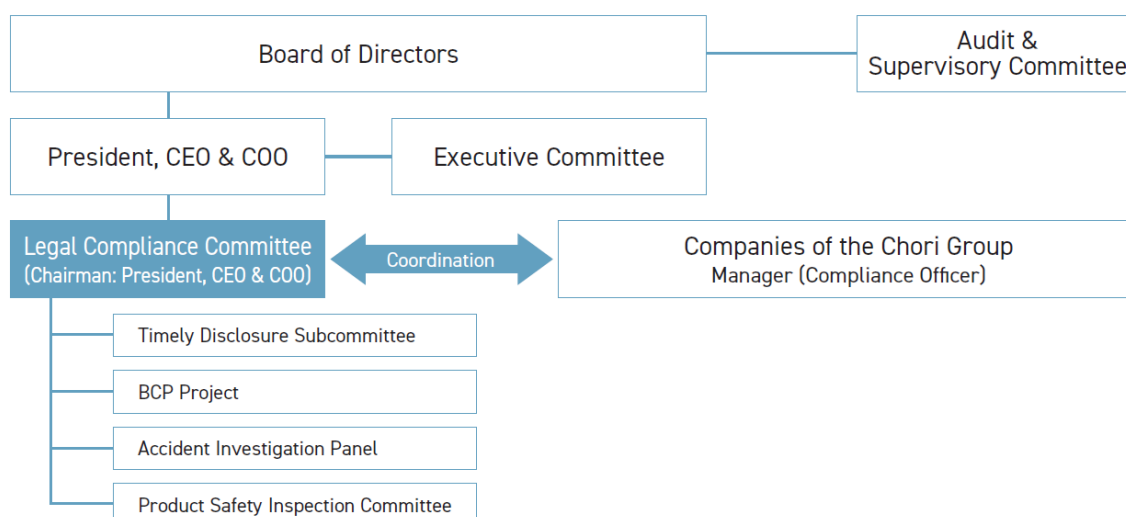
Chori's compliance promotion structure comprises three key activities and systems: the Legal Compliance Committee chaired by the President, CEO & COO at the center; Group-wide compliance activities carried out by respective divisions and business departments; and the internal whistleblower system for addressing reports and feedback from executives, employees and others.

1. Legal Compliance Committee

Chori has established Guidelines for Corporate Behavior and other such regulations associated with its compliance structure, thereby ensuring that code of conduct applied to its corporate activities embodies compliance with laws and regulations as well as adherence to social ethics.

To thoroughly inform executives, employees and others associated with Chori Group companies regarding compliance, the corporate divisions are to coordinate efforts in arranging compliance-related training and other such programs. Additionally, the Legal Compliance Committee, chaired by the President, CEO & COO, is to deliberate on important compliance issues of the Chori Group and report such findings to the Board of Directors and the Executive Committee as necessary.

● Compliance Promotion Structure

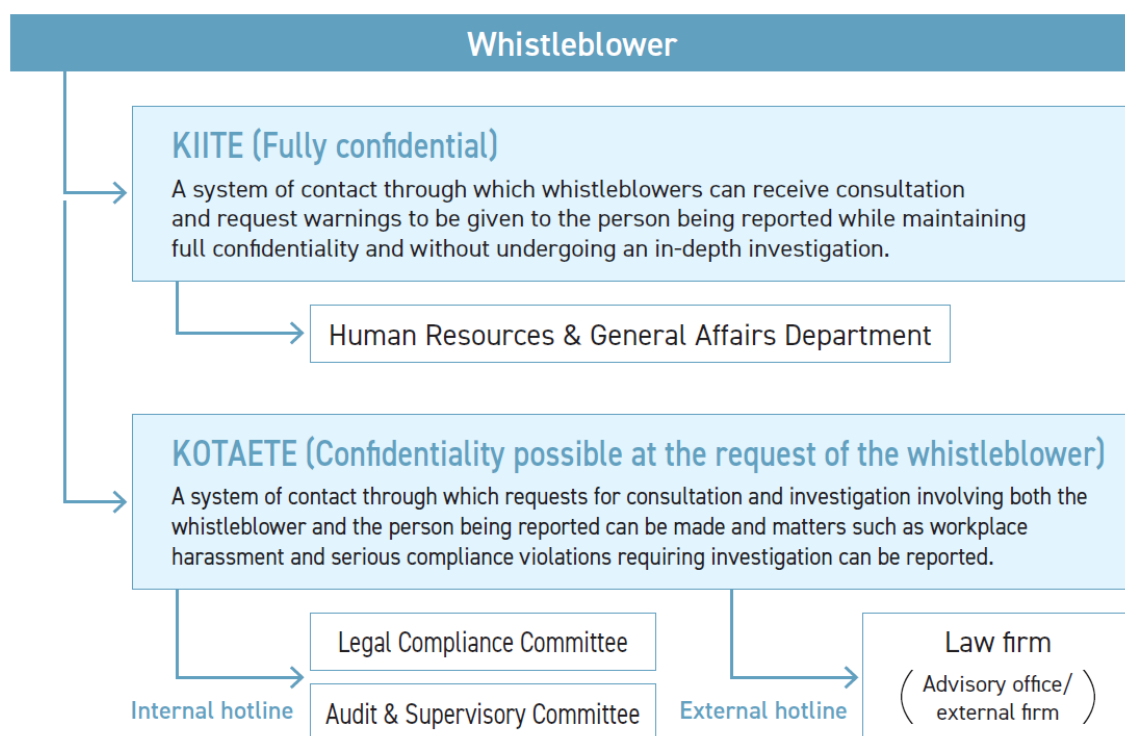


2. Group-wide compliance activities associated with CHOI-Katsu

Chori has established Company-wide CHORI Innovation Activities (CHOI-Katsu) with the aim of sharing and achieving objectives prioritized by management in promoting revitalization and streamlining of all business operations. Chori engages in compliance activities on a division-specific basis as part of such CHOI-Katsu initiatives.

3. Internal whistleblower system

Chori has established an internal whistleblower system to serve as a point of contact for reporting and consultation on matters that include compliance violations. The internal whistleblower system is accessible and user-friendly for whistleblowers. The system is structured in a way that enables whistleblowers to choose between internal and external channels depending on the nature of the issue, and also in providing a fully anonymous reporting option for those who wish to avoid an investigation.



Chapter III: Chori Group Compliance Policy

1. Respect for human rights and prevention of discrimination and harassment

We respect one other's diversity and do not tolerate any form of discrimination, human rights violation, or harassment.

- We respect the dignity of all executives, employees and others, and do not engage in inappropriate harassment or discrimination. Additionally, we respect the privacy of every executive, employee, and individual.
- To avoid human rights violations, we uphold international norms associated with rights and take action in accordance with the Chori Group Human Rights Policy.

2. Compliance with laws and regulations associated with trade including security trade control

We rigorously implement appropriate export-import control and security trade control, while also complying with various treaties as well as laws and regulations of respective countries.

- When exporting or importing products, services and equipment, or providing products, services and equipment to foreign countries, we follow internal rules, comply with relevant laws and regulations of the respective countries, and implement appropriate export-import control and security trade control.

3. Fair competition practices

We engage in fair competition across all of our business activities and comply with laws, regulations and other mandates associated with fair trade in respective countries and regions.

- In procurement, sales and other such activities, we do not engage in collusive practices through cartels and other such unfair competitive tactics.
- In procurement, sales and other such activities, we do not engage in unfair treatment of customers, suppliers or business partners, nor do we act in violation of antitrust laws in respective countries.
- We make appropriate representations regarding the quality, performance, pricing and other such aspects of products and services, thereby ensuring that we do not mislead our business partners and users.

- We appropriately conduct all transactions, including procurement, sales and expenditures in accordance with laws and regulations as well as accounting rules. We also correctly manage, use and maintain inventory, fixed assets and other such corporate assets for business purposes.
- We refrain from behavior constituting conflict of interest with respect to practices that include receiving kickbacks from business partners, selecting business partners with whom we share personal interests, and engaging in business that would give rise to competition with business of the Chori Group.

4. Prevention of bribery and corruption

We do not engage in acts constituting bribery or corruption with public officials or other such individuals in respective countries and regions, or with business operators involved in transactions.

- We do not engage in any form of behavior constituting bribery or corrupt practices, including payment or acceptance of bribes with respect to public officials or business partners either in Japan or abroad.
- We comply with laws, regulations and internal rules when making political donations or contributions.

5. Information management

We rigorously ensure that information is managed appropriately to prevent leakage of confidential information of the Chori Group and its business partners, and furthermore comply with laws, regulations and other mandates associated with intellectual property rights.

- We ensure that both current and former Group employees do not repurpose, make public, or otherwise disclose to third parties any confidential information of their own company or others obtained during the course of their duties.
- Corporate documents and other such information are not to be removed from company premises without permission.
- We prudently and appropriately handle personal information in the course of administering such information in carrying out business operations.
- We do not intentionally infringe on the intellectual property rights of others and furthermore exercise sufficient care to prevent unintentional infringement thereof.

6. Prevention of insider trading

We do not engage in activities that violate insider trading regulations or actions that could raise suspicion thereof.

- We do not buy, sell, or cause others to trade publicly listed stocks or other securities using material non-public information (“insider information”) in violation of insider trading regulations of respective countries, regardless of whether or not the company in question is part of the Chori Group.
- In the event that we come into possession of insider information, we handle it appropriately in accordance with internal rules and rigorously uphold confidentiality thereof.

7. Environmental conservation

We assign due consideration to conservation of the global environment and accordingly aim to help bring about a sustainable society through our business activities.

- We comply with laws and regulations related to the environment, disaster prevention and chemical substances, as well as relevant internal rules.
- We make every effort to ensure that our business activities and the products and services we provide impose the least possible burden on the overall global environment, while also striving to conserve biodiversity and achieve sustainable use.

8. Proper accounting practices, tax filings, and information disclosure

We ensure proper accounting practices and tax filings, and disclose important corporate information in a timely and appropriate manner.

- We appropriately conduct accounting practices and tax filings pursuant to the relevant laws and regulations.
- We comply with statutory disclosure requirements and perform information disclosure in accordance with our IR Policy in seeking to achieve fair information disclosure in a timely and appropriate manner.

9. Prohibition against providing benefits to antisocial forces

We steadfastly oppose antisocial activities and forces, and accordingly do not provide any benefits whatsoever thereto.

- We do not have associations whatsoever with antisocial activities or forces that pose a threat to the order and safety of civil society.
- We do not engage in questionable financial dealings, such that would involve receipt and disbursal of funds, custody of funds, or payment of ransom upon receipt of a ransom demand, nor do we lend our cooperation to money laundering schemes.

10. Product safety management and quality assurance

We appropriately engage in product safety management with respect to our own company's products and services, and accordingly strive to ensure quality thereof.

- We comply with laws and regulations associated with safety and take swift action should any concerns arise.
- We obtain, store, and verify quality data in accordance with laws, regulations, and contracts. We do not falsify or tamper with quality data.

– End –