



February 17, 2020

To whom it may concern

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Notice regarding the transition to a company with an audit and supervisory committee

Takihyo Co., Ltd. ("Takihyo") hereby announces that at the Board of Directors' Meeting held today, it resolved a policy of transition from a company with a board of company auditors to a company with an audit and supervisory committee, subject to approval in the 109th Annual General Meeting of Shareholders, scheduled to be held in May 2020.

1. Purpose of the transition

(1) Governance strengthening

This transition aims at improving effectiveness of supervisory functions of the Board of Directors and further enhancement of the governance system, with outside directors being the majority of the audit and supervisory committee members, and with directors who are members of the audit and supervisory committee having voting rights at the Board of Directors, etc.

(2) Enhancement of business execution mobility

The transition will enable to delegate part of the decision-making authority regarding business execution at the Board of Directors, improve execution mobility by more timely decision-making of management, and bring better corporate value.

2. Transitional period

The transition to a company with an audit and supervisory committee will be conducted, once approval has been given for matters regarding changes to the articles of incorporation that are required for the transition, in the 109th Annual General Meeting of Shareholders, scheduled to be held in May 2020.

3. Other

The details regarding the transition including changes to the articles of incorporation and executive officer system will be notified upon determination.