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URL: <https://www.chori.co.jp/english/>

Issued in July 2024



Corporate Profile

2 0 2 4

Making your dreams come true



Introduction



Continuing to Pursue New Businesses with Our Vision for the Future

■ A Multifaceted Specialized Trading Company Boasting a Track Record of over 160 Years

The Chori Group is a multifaceted specialized trading company engaged in the Fibers, Textiles, and Garments, Chemicals, and Machinery businesses. Since its founding over 160 years ago, Chori has expanded its operations beyond trading and delivered high-value-added, high-performance products while constantly addressing the needs of customers and society. Moreover, throughout our history, we have expanded our business by building a wide global network centered on China and the ASEAN region.

In April 2024, we made an announcement regarding the identification of material issues (materiality) and the establishment of sustainability-related policies. We will steadily implement the basic strategies and various measures and initiatives of Chori Innovation Plan 2025, our medium-term management plan covering the three-year period from fiscal 2023 to fiscal 2025, and continue to move forward as a corporate group that constantly evolves and changes on a global scale, underpinned by our exceptional capabilities and expertise.

■ Regarding Our *Corporate Profile*

Our *Corporate Profile* serves as an introductory guide to the Chori Group's history and businesses, sustainability initiatives, and other activities. We hope readers can gain an understanding of Chori's strengths and distinctiveness as a company after reading this report.

Amid a business environment marked by drastic changes, we will frame these changes as opportunities and address them in a timely manner. Going forward, Chori will continue to meet the expectations of all of its stakeholders, including customers and shareholders, and enhance its corporate value with the aim of realizing sustainable growth and development.

Tatsuyuki Sakoda
President, CEO & COO

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

あなたの夢に挑戦します。

挑戰你的夢想

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Chori's Business Segments and Strengths

Chori will continue to evolve and change as a corporate group, underpinned by its outstanding expertise, in order to roll out high-value-added products worldwide.

We continue to build solid relationships with prominent suppliers in Japan and overseas. Chori has acquired a wealth of expertise and technology through the close business relationships developed with its customers and throughout its supply chain. By leveraging these long-cultivated strengths, we will promptly identify the needs of markets and customers and respond accordingly in a swift and flexible manner.

Chori's Business = Outstanding Capabilities and Expertise × Robust Global

Network

Fibers, Textiles, and Garments Business

Building a Robust Global Network

Chori has continued to deliver high-value-added products on the strength of its deep-rooted relationship with the Hokuriku region of Japan, which boasts exceptional world-class capabilities in yarn processing, textile manufacturing, and dyeing technologies. Together with our multiple supply chains in Japan and overseas, we will continue to expand our production operations in China and the ASEAN region and develop a global network that enables us to conduct our procurement, production, and sales activities at the most suitable locations. Through "GLOBAL ONE STOP CHORI," we are proposing a range of materials, including fibers, fabrics, and product materials, covering sportswear and fashion apparel, worldwide.

Chemicals Business

Expanding Business on the Strength of Our Unique Global Network

Chori handles a wide range of products that includes not only basic chemical products but also food chemicals; raw materials that enhance the moisturizing effects of cosmetics; functional materials, such as pharmaceutical products and agrochemical intermediates; electronics materials; battery materials; 5G-related materials; and environment-friendly products, including biodegradable plastics. Leveraging its global network that centers on its long-standing business in China, Chori is stepping up the pace of its strategic measures in regions with the potential for economic growth and working closely together with business partners to enhance procurement and sales on a global scale.

Machinery Business

Swiftly Addressing Changes in the Global Market through Information Acquired from Our Unique Network

Chori engages in exports and intermediary transactions of transportation equipment, such as four-wheeled vehicles, two-wheeled vehicles, and trucks, along with agricultural machinery and other equipment with the Central American, South American, and European markets. We will draw on our sophisticated information network and our sound relationships with business partners to respond promptly to market changes and engage in offshore trade with China and Mexico for automobiles based on semi-knocked-down production.

Chori's History

Chori was founded as a raw silk wholesaler in Kyoto in 1861, near the end of the Edo Period. Since then, we have been proactive in our efforts to grow our business by always keeping in step with the times and addressing the needs of society.

Domestic	Global
<div>1861</div> <div>Founded as a raw silk wholesaler in the Nishijin district of Kyoto, Japan</div>	
<div>1926</div> <div>Begins handling rayon yarn in line with dramatic growth of rayon industry</div>	
<div>1948</div> <div>CHORI CO., LTD. established with capital of ¥5 million</div>	
	<div>1957</div> <div>Establishes subsidiary Chori New York Co., Ltd. (currently CHORI AMERICA, INC.)</div>
<div>1961</div> <div>Stock listed on the Tokyo Stock Exchange</div>	<div>1963</div> <div>Establishes subsidiary Chori GmbH (currently Chori Europe GmbH)</div> <div>1973</div> <div>Establishes subsidiary CHORI SINGAPORE PTE LTD</div> <div>1974</div> <div>Establishes subsidiary THAI CHORI CO., LTD.</div> <div>1987</div> <div>Establishes subsidiary CHORI COMPANY, (HONG KONG) LIMITED</div> <div>1989</div> <div>Establishes subsidiary CHORI TRADING (MALAYSIA) SDN. BHD.</div>

1861

The Origin of “Chori”

The name “Chori” originates from the combination of the Japanese characters “蝶” (cho), derived from the image of a moth creating raw silk, and “理” (ri), stemming from the first name of Chori’s first president, Riichiro Ohashi.



1956

Launch of Chemicals Business

Recognizing the potential of petro-chemical products early on, in 1956 Chori engaged in the business of chemical products, such as polyvinyl chloride (PVC), polyester resin, and other types of synthetic resin. We also tapped into the market for machinery and other products. In so doing, Chori bolstered its business portfolio with the launch of the Chemicals and Machinery businesses to complement its already existing core business of Fibers, Textiles, and Garments.



1961

One of the First to Be Designated as a Friendly Trading Company by China

Chori was designated as one of the first friendly trading companies by the government of China in 1961, prior to the normalization of diplomatic relations between Japan and China. This designation paved the way for Chori’s full-scale launch of the China business as a pioneer of Japan–China trade, as well as for the expansion of its network with prominent business partners in China.



<div>2003</div> <div>Formulates the Reborn Management Plan</div>	<div>1993</div> <div>Establishes CHORI (SHANGHAI) CO., LTD. as its first subsidiary in China</div> <div>1995</div> <div>Establishes subsidiary P.T. CHORI INDONESIA</div> <div>2001</div> <div>Establishes Chori Middle East FZE</div> <div>2004</div> <div>Establishes subsidiaries CHORI (TIANJIN) CO., LTD. and CHORI (DALIAN) TRADING CO., LTD.</div>
<div>2013</div> <div>Makes CHORI GLEX CO., LTD. a consolidated subsidiary</div> <div>2014</div> <div>Moves Tokyo Head Office to Shinagawa</div> <div>2015</div> <div>Makes Miyako Kagaku Co., Ltd. a consolidated subsidiary</div> <div>2017</div> <div>Establishes Chori Machinery Co., Ltd. Makes ASADA U CO., LTD. a consolidated subsidiary</div> <div>2018</div> <div>Makes KOZAKURA SHOKAI CO., LTD. a consolidated subsidiary</div> <div>2021</div> <div>Makes STX Co., Ltd. a consolidated subsidiary</div> <div>2022</div> <div>Launches Companywide business transformation project</div> <div>2023</div> <div>Formulates medium-term management plan Chori Innovation Plan 2025</div>	<div>2010</div> <div>Establishes a representative office in Dhaka, Bangladesh</div> <div>2012</div> <div>Establishes subsidiary CHORI KOREA CO., LTD.</div> <div>2014</div> <div>Establishes subsidiary CHORI TRADING INDIA PRIVATE LIMITED</div> <div>2016</div> <div>Establishes subsidiary CHORI VIETNAM COMPANY LIMITED</div> <div>2017</div> <div>Establishes subsidiary CHORI COMERCIAL DE MEXICO, S.A. DE C.V.</div> <div>2018</div> <div>Establishes subsidiary TAIWAN CHORI MERCHANDISE COOPERATION LTD.</div> <div>2019</div> <div>Establishes subsidiary CHORI (DALIAN) COMMERCIAL IMPORT EXPORT CO., LTD.</div>

2005

Acquisition of Rights to Sell and Trade in China

CHORI (CHINA) CO., LTD. was established as the first Japanese trading company subsidiary with the rights to sell and trade in China. Firmly rooted in China as a well-known company, Chori regards China not only as a hub for manufacturing but also as a mega market that serves as a strategic base for offshore trade.



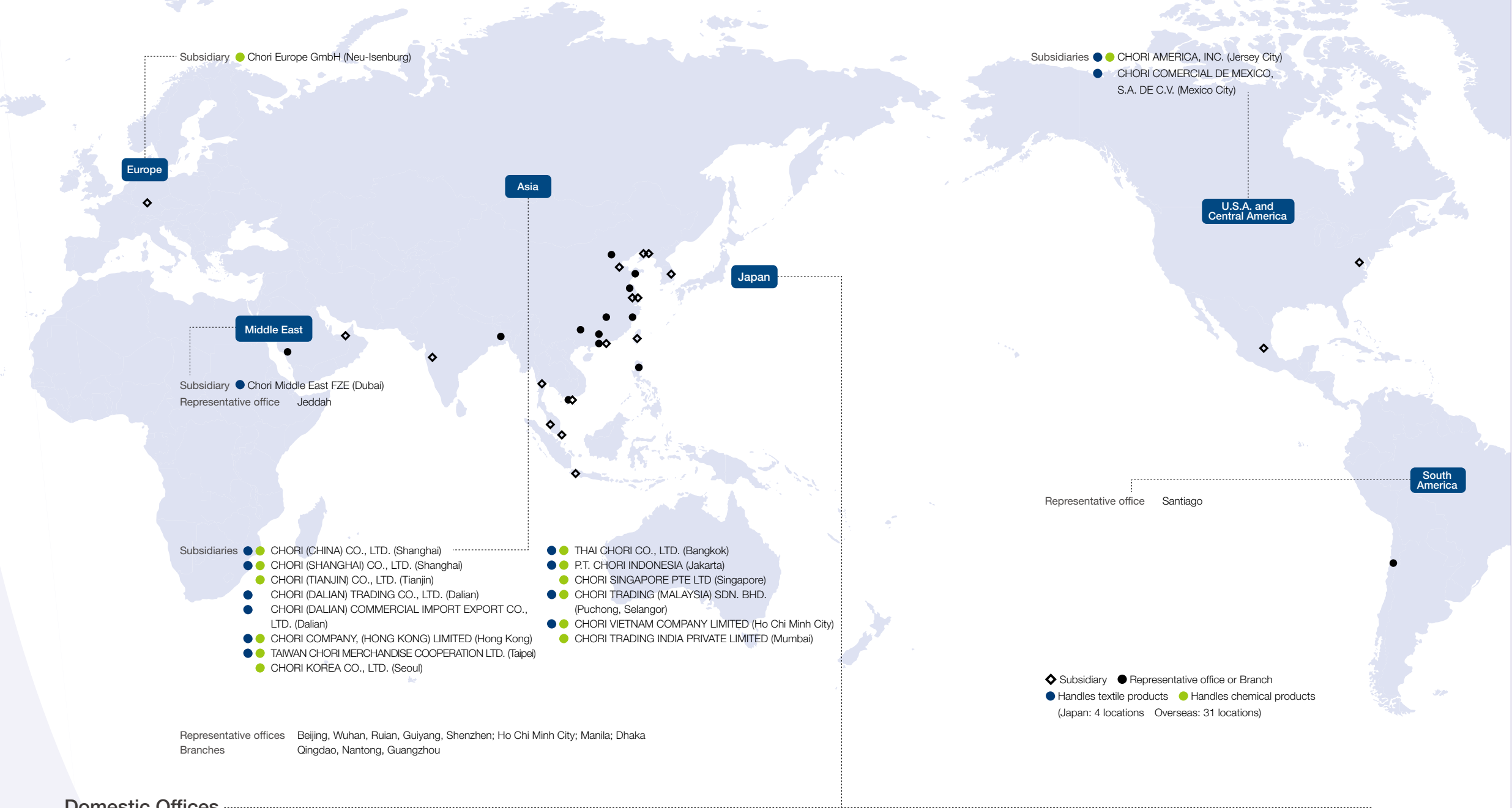
2024

Sustainability-Focused Management

To advance even further in our efforts to realize a sustainable society and enhance corporate value over the medium to long term, we have identified material issues (materiality) and formulated sustainability-related policies.

Chori's Global Network

After the end of World War II, Chori recommenced the full-scale development of its overseas business in 1949, when private foreign trade resumed. Today, Chori boasts a global network consisting of subsidiaries and offices located in various regions of the world. As we move forward, we will step up the pace of our globalization efforts while addressing the needs of our customers.



Domestic Offices



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Major Overseas Subsidiaries and Affiliates

- QINGDAO RED BUTTERFLY PRECISION MATERIALS CO., LTD. (China)
Production and sale of inorganic chemicals
- Beijing Chostar Equipment Engineering Technology CO., LTD. (China)
Import and export of equipment and materials for chemical plants
- CHORI Analysis & Technology Service (Suzhou) CO., LTD. (China)
Analysis and research and development of chemicals
- MCC Industry COMPANY LIMITED (Hong Kong)
Sale of textile products
- MEGACHEM LIMITED (Singapore)
Trading company specializing in chemicals
- PT. MATSUOKA INDUSTRIES INDONESIA (Indonesia)
Sewing of textile products

Major Domestic Subsidiaries and Affiliates

- ASADA U CO., LTD.
Sale of interior and packaging materials
- CHORI MODA CO., LTD.
Planning of fashion apparel
- STX Company Limited
Trading company specializing in textiles
- Miyako Kagaku Co., Ltd.
Trading company specializing in chemicals
- KOZAKURA SHOKAI CO., LTD.
Trading company specializing in chemicals
- CHORI GLEX CO., LTD.
Trading company specializing in chemicals
- Chori Machinery Co., Ltd.
Trading company specializing in transportation equipment
- Business Anchor Corporation
Outsourcing of administrative work

Chori at a Glance

Overseas Operations

31
business sites

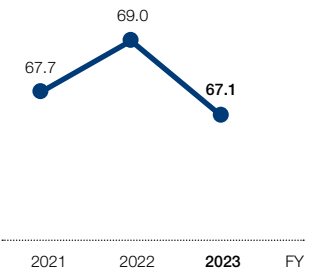
(As of June 2024)

Chori has been aggressively expanding its business in emerging countries since the prewar period through efforts including the export of rayon yarn to China, India, and Mexico since the 1930s. Since then, the Company has expanded its global network to other parts of the world, including Asia, Europe, the United States, and the Middle East, and its overseas transactions now account for roughly 70% of its total net sales.

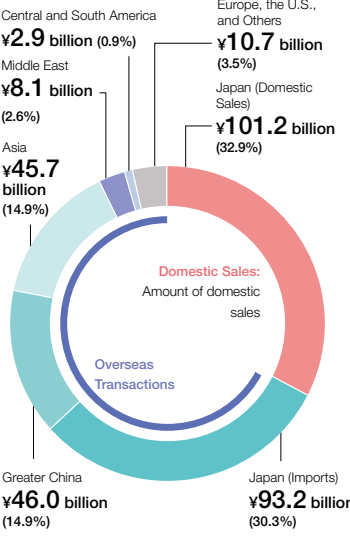
Ratio of Net Sales through Trade

67.1%

-1.9 points YoY

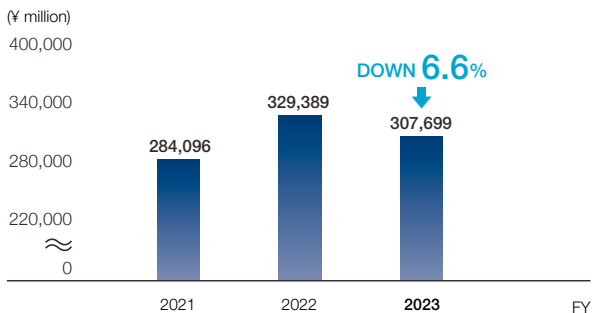


Net Sales by Region in Fiscal 2023

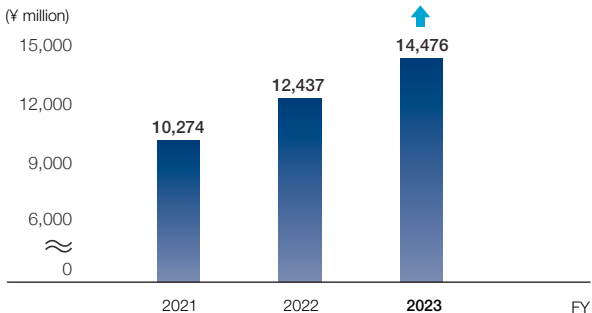


Consolidated Financial Highlights for Fiscal 2023 (the Year Ended March 31, 2024)

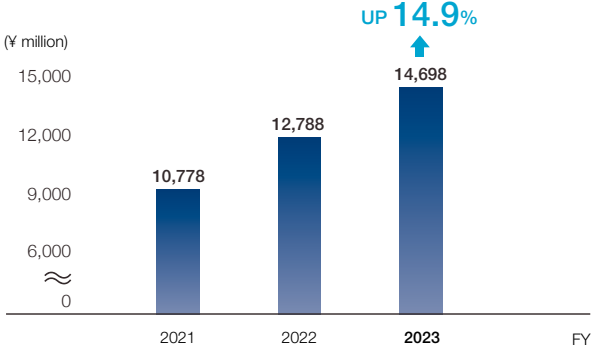
Net Sales



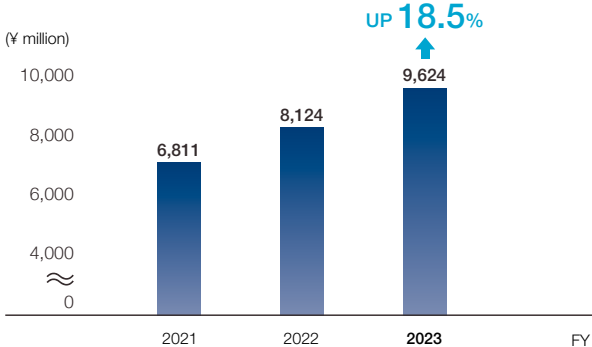
Ordinary Profit



Net Profit before Income Taxes



Net Profit Attributable to Owners of Parent



Companywide Business Transformation Project:
Chori Accelerate Renovation Achievement Transformation (CARAT)

In April 2022, we introduced Chori Accelerate Renovation Achievement Transformation (CARAT) with a view to implementing and developing our next-generation mission-critical system (SAP). CARAT is a project aimed at transforming the Chori Group's business model and operational style through the process of enhancing business management. We are proceeding toward its full-scale launch in fiscal 2025.

CARAT



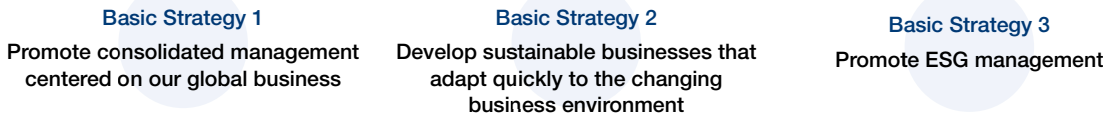
Medium-Term Management Plan: Chori Innovation Plan 2025

Chori Innovation Plan 2025 (CIP2025) is our three-year medium-term management plan covering the period from fiscal 2023 to fiscal 2025. CIP2025 marks the final stage of consistently delivering ordinary profit at the ¥10.0 billion level, a goal we set out to reach under the Chori Innovation Plan in fiscal 2017. We will set our sights on further expanding business and increasing corporate value based on our basic policy of becoming a corporate group that constantly evolves and changes on a global scale, underpinned by its outstanding capabilities and expertise.



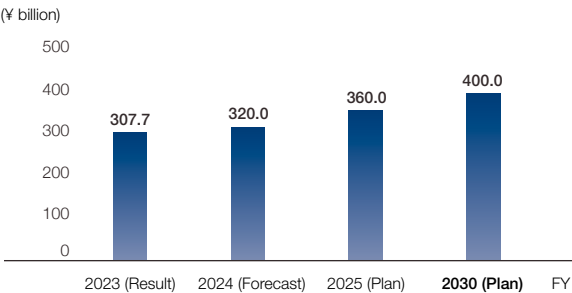
Basic Strategies and KPIs of Chori Innovation Plan 2025

We aim to achieve our key performance indicators (KPIs) by executing our basic strategies while transforming our business and management structures through the promotion of digital transformation (DX).

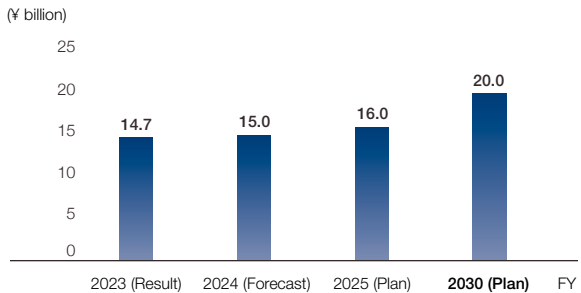


Net Sales and Net Profit before Income Taxes

Net Sales



Net Profit before Income Taxes



Financial Targets

	Fiscal 2025 Plan
Net Sales	¥360.0 billion
Net Profit before Income Taxes	¥16.0 billion
Net Profit Attributable to Owners of Parent	¥11.0 billion
ROA (Net Profit Basis*)	7% or more
ROE (Net Profit Basis*)	12% or more
ROIC**	Approx. 10%

*1 Net profit attributable to owners of parent basis

*2 Return on invested capital (ROIC) = Operating profit after income taxes ÷ Average invested capital during the period (Equity + Interest-bearing debt)

Non-Financial Targets

- Expand our line of environment-friendly SDG-oriented products
- 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
- Continue to acquire certification as an outstanding organization under the Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Outstanding Organizations Recognition Program
- Invest approximately ¥5.0 billion in DX measures, including the adoption of SAP software

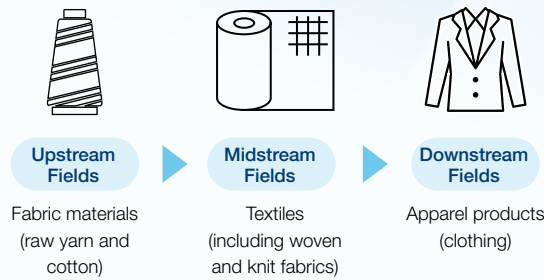
Overview of Business Segments

Fibers, Textiles, and Garments Business

Representing Chori's Core Business

Since 1861

Founded as a raw silk wholesaler in 1861, Chori has built its business around its core Fibers, Textiles, and Garments Business for over 160 years. By drawing on our wealth of expertise and insight, we have developed a strong track record and earned the trust of our customers in the process. The Fibers, Textiles, and Garments Business engages in every stage of the textile manufacturing process, from the handling of raw materials (upstream) to the management of textiles and other materials (midstream) and the manufacture and distribution of apparel and other finished products (downstream).



Fibers & Textiles Business Department

Product Portfolio and Strengths

We develop an array of raw materials and textiles for use in sports apparel, uniforms, and other products.

Fiber Raw Materials Department



- Key Products
- Synthetic fiber intermediates, polyester fibers, and nylon thread

Leading Share of Raw Material Sales in Japan

Chori supplies raw materials and develops original yarn in Japan and overseas, primarily in Europe, the United States, and the ASEAN region. By optimizing procurement through our overseas network and drawing on our sophisticated yarn processing technologies in Japan, we develop a wide range of businesses through the sale of high-value-added, high-performance materials and environment-friendly products for a variety of apparel and material applications.

Textile-Fabric Department



- Key Products
- Fabrics used in casual wear, sportswear, Middle Eastern garments, and various materials

Integration of Japanese Technology and Global Production Network

Chori's high-quality, high-performance materials made in Japan and its fabrics developed at production sites in Indonesia, Vietnam, China, and other countries are deployed to a variety of markets around the world. We supply fabrics to markets not only in Japan but also in China, South Korea, and other parts of Asia; the Middle East; Europe; and the United States.

Business Model

We conduct an array of product proposals by drawing on our diverse global network of business partners, which we have built over the years in tandem with our long track record. The strength of the Fibers, Textiles, and Garments Business lies in its ability to collaborate throughout each stage of the textile manufacturing process, from the procurement of raw materials to weaving, knitting, dyeing, and sewing. Moreover, we also engage in the development of our own original products by taking advantage of our diverse network.

CIP2025 Segment Strategy

Continue to enhance the strengths of “GLOBAL ONE STOP CHORI” and expand business in growth sectors

- Reinforce our proprietary business model
- Ensure stable growth in the three areas of materials, products, and resources
- Expand business in growth sectors (the environment, health, and comfort)
- Continue to grow the business across the globe
- Pursue exceptional levels of functionality and expertise and further set ourselves apart from the competition

Industrial Textiles Business Department

Product Portfolio and Strengths

We develop materials for a wide range of applications.

Technical Textiles Department



- Key Products
- Hygienic and lifestyle-related materials and construction materials

Reliable High-Performance Nonwoven Fabric and Composite Sheets That Accommodate a Range of Uses and Needs

Chori handles a wide range of materials and products, such as nonwoven fabrics that are soft on the skin and perfect for babies, printed waterproof film that can reproduce high-quality images in a variety of designs, and cleaning wipes made of special raw cotton that are highly effective against tough-to-remove stains. We are also in the development stages of moisture-permeable and waterproof sheets, which will be mass produced and offer a combination of durability, thermal insulation, antifungal properties, sound insulation and absorption, and other high-performance features that have been cultivated in the market for construction materials. We will work to maintain a high reputation for safety throughout Asia and remain highly committed to helping promote our customers' sales worldwide.

Automotive Materials and Fabrics Department



- Key Products
- Raw materials used in automotive and other product materials and automotive interiors

Adoption in Automotive Interiors by Major Automakers

Chori sells the polyester fiber and fabric used in automotive interiors and other products. Boasting a domestic market share of over 40% for raw materials and over 30% for fabrics, we are embracing these strengths to aggressively expand our business outside of Japan. Going forward, we will continue to provide raw materials and fabrics that separate us from the competition by forming a solid business network with major players across the globe.

Overview of Business Segments

Apparel Business Department Product Portfolio and Strengths

We handle an extensive line of apparel that includes workwear, men’s suits, ladies’ and men’s casual wear, and sportswear.



Career Apparel & Workwear Department



- Key Products**
- Lab coats, uniforms, suits, and clothing materials

Sale of Uniforms to Healthcare and Nursing Care Facilities, Construction Sites, and a Range of Other Work Settings

Outside of Japan, Chori is expanding its business of designing and manufacturing uniforms, which are expected to be highly functional in a range of work settings. For our high-value-added products utilizing environment-friendly and functional materials, we have established production lines in Japan, China, and the ASEAN region. Moreover, with Japan, China, and Cambodia serving as hubs, our men’s suits and clothing materials are being procured and sold in the most suitable locations.

Apparel Department



- Key Products**
- Men’s apparel, ladies’ apparel, and unisex apparel

Global Production and Supply of Products for the Leading Brands of Major Apparel Manufacturers

Chori has developed an OEM*1 business for major SPAs**2 and leading apparel brands. We handle all types of fashion apparel and are developing a global supply chain management business that integrates each process of the supply chain, from planning and proposals to production and distribution. We always provide high-quality products by assessing both retail and e-commerce markets on a monthly basis. Through cooperation with the Fibers & Textiles Business Department, we are also directing our attention to the commercialization of sustainable products.

*1 Original equipment manufacturer
*2 Specialty store retailers of private label apparel

Performance Apparel Department



- Key Products**
- Sportswear, fitness wear, golf wear, and innerwear

Global Production and Supply of Products for the Leading Brands of Major Manufacturers

Chori handles highly fashionable and functional sportswear and casual wear centered on golf apparel and athletic wear. By harnessing the strengths of our global supply chain, we continue to build a strong collaborative framework with our clients. Moreover, we also engage in the sale of materials and products to inner apparel manufacturers as well as the sale of yoga clothing and loungewear.

Achieving Sustainability throughout the Entire Supply Chain



BLUE CHAIN™ is a concept unique to Chori that aims to achieve optimal sustainability across the entire supply chain through a versatile combination of sustainability-focused initiatives carried out along each stage of the textile industry chain, from upstream to downstream (from silk to fabric to the final product). BLUE CHAIN™ was established as a means to address the various issues associated with the textile industry, such as greenhouse gas emissions and water use.

BLUE CHAIN™ Products and Initiatives



ECO BLUE™

ECO BLUE™ is a recycled polyester fiber produced by turning used plastic bottles into plastic pellets, which are used to manufacture over 200 types of products, including long- and short-fiber fabric.



WS™

WS™ is a material we developed together with KOMATSU MATERE Co., Ltd. that can be dyed quickly at low temperatures. This quick-dyeing yarn also reduces CO₂ emissions from the fabric dyeing process by 31.7%* compared with conventional yarn.

* Based on measurements using standard WS™ materials



TEXBRID™

TEXBRID™ is a highly stretchable material that offers excellent elongation recovery capabilities through its spring-like molecular structure, making it especially comfortable to wear. This wrinkle-resistant material caters to a variety of situations, including sports activities and business environments.



SPX™

SPX™ is a stretchable, highly crimped polyester yarn made by PIN texturizing, a unique Japanese yarn processing technology that has been used for over 50 years in the Hokuriku region. Due to the unique puffiness and lightness of this yarn, SPX™ is remarkably soft on the skin and comfortable to wear.



BLUENY™

BLUENY™ is a line of three types of nylon: LOOP, a nylon made from recycled fiber waste; OCEAN, a post-consumer nylon derived from used fishing nets; and SAVE, a bio-nylon derived from plants.



B-LOOP™

A recycling initiative for textile products in which polyester and other materials are processed into recycled cotton and yarn and used in clothing and various materials, such as soundproofing materials for automobiles and pavement materials for riverbeds to prevent flooding.



ECOSOL™

A polyester yarn that is colored by blending pigments into the yarn during the spinning stage. Adding colors at the yarn-making stage uses less water and produces less CO₂ emissions than dyeing fabric.



NEXUEDE™

NEXUEDE™ is a high-quality woven microfiber fabric that can be used as an alternative to artificial leather. Due to its suede-like feel, NEXUEDE™ is used on car seats and a number of other products.

Overview of Business Segments

Chemicals Business

Developing a Proprietary Business Model That Caters to Unique Materials, Fields, and Markets

Recognizing the potential of petrochemicals, Chori entered the chemicals business in 1956. Since then, we have accumulated a track record spanning over 60 years in the Chemicals Business. We have continued to take advantage of our global network, not only in terms of procurement and sales within China but also through exports and intermediary transactions with the Middle East and other regions. Through these efforts, coupled with our ability to meet the diverse needs of our clients, we have set ourselves apart from our competitors and enhanced our market presence.

Business Model

Taking advantage of its highly specialized employees, Chori develops and supplies products based on a market-in approach. We respond to customer needs through our extensive lineup of high-performance materials.

CIP2025 Segment Strategy

Develop new businesses through continuous innovation

- Promote consolidated management centered on our global business
- Establish environmentally conscious businesses that offer high levels of functionality and profitability in place of existing sub-standard businesses
- Develop frameworks and product domains that are resilient to changes in market and economic conditions
- Strengthen cooperative efforts with China, India, South Korea, and countries in Southeast Asia and South America



Chemical & Materials Business Department Product Portfolio and Strengths

Performance Chemicals Department



Key Products

- Urethane materials
- Coatings, inks, and adhesives
- Resins and compounds
- Cosmetics and personal care materials
- Environment-related products

Developing Businesses That Swiftly Address Market Needs for Everything from Functional Chemicals to Environmental Products

We engage in export and import activities primarily for resin materials, cosmetic ingredients, and paint materials. In light of the increase in environmental awareness around the world, we are strengthening our measures in growth markets through efforts such as improvements to our lineups of recycled products and various types of environmental materials, including bio-based materials, in a bid to realize carbon neutrality.

Inorganic Fine Materials Department



Key Products

- Lithium-ion battery-related materials and battery raw materials
- Glass and ceramic raw materials
- Agriculture-related materials and fertilizer-related raw materials
- Functional inorganic chemical materials
- Functional metal materials

Providing a Comprehensive Line of Support Services, from the Supply of Glass Substrate Materials and Functional Materials for Electronic Visual Displays to Their After-Sales Services

Riding the wave of the growing market for flat-panel displays (FPDs) used in flat-screen TVs and PCs, Chori established a joint venture with a local manufacturer in China to manufacture glass substrate materials for use in FPDs, which are being supplied to glass manufacturers around the world.

Industrial Chemicals Department



Key Products

- Raw materials for aluminum electrolytic capacitors
- Raw materials for ceramic capacitors
- Refined phosphoric acid and phosphate
- Resin raw materials and resin additives (talc and glass fibers)
- Aluminum raw materials for heat exchangers

Using Phosphate in Metal Surface Treatment Agents, Food Additives, and a Range of Other Applications

Chori engages in the stable import and sale of refined phosphoric acid materials as a distributor for a major manufacturer in China. These materials are used to produce secondary phosphate, and Chori owns storage tanks in Japan dedicated to food-grade refined phosphoric acid. The phosphoric acid is used in a wide range of applications, including materials for surface treatment agents used in car paint sealers, food preservatives, and the palm oil refining process.

Overview of Business Segments

Life & Fine Chemicals Business Department Product Portfolio and Strengths

Fine Chemicals Department



Key Products

- Pharmaceutical ingredients and intermediates
- Agrochemical ingredients and intermediates
- Functional intermediates (semiconductor and electronics materials)
- Bio-related products

Providing Comprehensive Support from R&D to Commercial Production

Chori has established global partnerships with contractors and suppliers in five regions of the world (India, China, Eastern Europe, North America, and Asia). We promote a market-in business model and develop raw materials that are customized according to customer needs through the services of our contractors. We are focused on developing new products and expanding our network of business partners in the Indian subcontinent as well as expanding our line of bio-related products.

Life Science Department



Key Products

- Food chemicals
- Feedstuff materials and additives
- Healthcare products and ingredients for supplements and health foods
- Pharmaceutical raw materials
- Medical equipment

Procuring Raw Materials for Food, Feedstuff, Pharmaceuticals, and Fertilizers from North America, Europe, China, and Asia

Chori handles a variety of raw materials for food, such as feedstuff and fertilizers, ingredients for processed food, and pharmaceutical ingredients, and is developing businesses that help people lead healthy and affluent lifestyles. Looking ahead to the future, we are working with business partners around the world to promote the development of new alternative protein businesses in the food and feedstuff fields.



SDG-Oriented Initiatives

Lithium Compound Production Project in Chile

Chori has been involved in a project to extract lithium compounds from brine water without reducing the water volume of salt flats.



Sustainable Sources of Protein

Chori is developing sustainable sources of marine feed by producing novel protein using the latest biotechnology.



Biodegradable Resin

Chori handles the biodegradable resin used in seed sheets, which are eventually decomposed into water and CO₂ by microorganisms, and is proposing the use of this naturally derived synthetic resin in garbage bags and other products.



Overview of Business Segments

Machinery Business

Expanding Operations by Leveraging Our Long-Cultivated Know-How in Trade and Distinctive Trade Routes

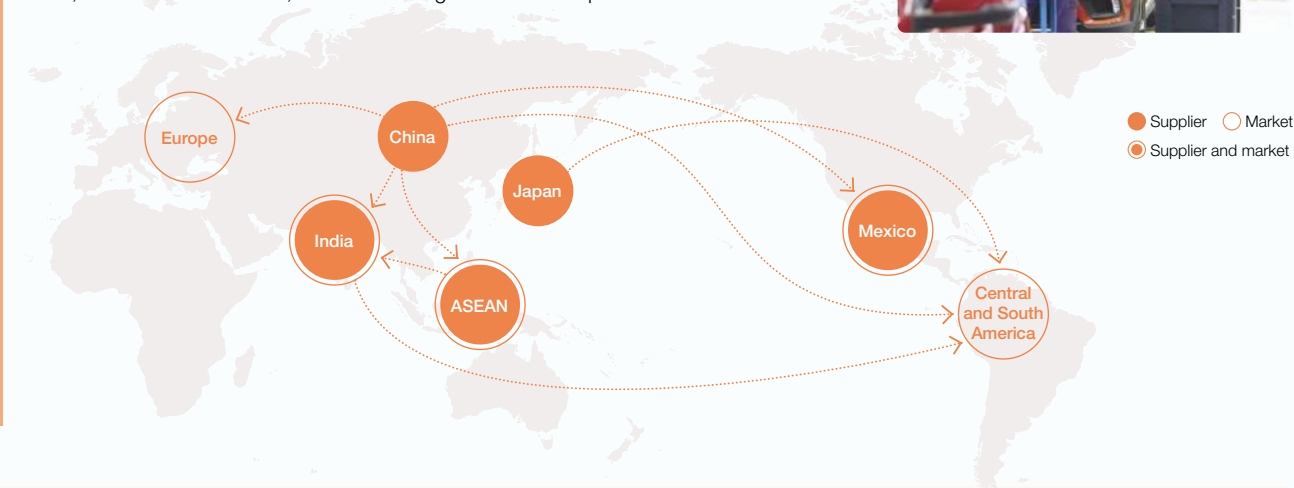
Chori is expanding the operations of Chori Machinery Co., Ltd., a trading company specializing in transportation equipment that was spun off in April 2017.

Transportation Equipment

Four-Wheeled Vehicles, Two-Wheeled Vehicles, and Trucks; Agricultural Machinery; Construction Materials; and Marine Equipment

Chori Machinery engages in exports and intermediary transactions of transportation equipment, such as four-wheeled vehicles, two-wheeled vehicles, and trucks, as well as agricultural machinery and construction machinery, with Central and South America, the ASEAN region, and Europe.

Through our investment in a Mexican automotive assembly manufacturer, we have been participating in a project since February 2017 in which automobiles of Chinese automakers are assembled through semi-knocked-down production and sold in Mexico. Going forward, we will continue to draw on our long-cultivated know-how in international trade, distinctive trade routes, and other strengths to further expand our business.



Core Initiative

Enhancement of Our Presence in Italy and Other Parts of Europe

Chori Machinery has established a partnership with a company based in Italy to develop businesses in the country and other parts of Europe, including Spain, Germany, and countries in Eastern Europe. The stylish vehicles developed by Chori's business partner have been well received by the younger generation and the local markets, spurring a growth in sales. In addition, Chori Machinery is aggressively moving forward in the development of electric vehicles, which will play a key role in realizing the Sustainable Development Goals (SDGs).

This joint initiative began with the establishment of our presence in Italy, a market on the scale of 1.6 million units. Since then, in addition to expanding our business in Europe, we have continued to form partnerships with other companies to examine new business opportunities in Asia and Central and South America.



Chori's Sustainability Initiatives

We at Chori 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 that optimizes operations, thereby contributing to a better society as global citizens. Accordingly, we will promote ESG management, which was declared as one of the basic strategies of our medium-term management plan Chori Innovation Plan 2025.

The Chori Group Basic Policy on Sustainability

The Chori Group's spirit of coexistence and co-prosperity, which has remained unchanged since the Company's founding, declares that we aim "to develop our business for the benefit of the world and people and to always strive to grow together with our customers." Guided by this unwavering spirit, we work unstintingly for "the betterment of society as members of the global community," as set forth in our corporate philosophy. In keeping with our corporate slogan, "Making your dreams come true," we remain firmly dedicated to achieving a sustainable society by continuously growing as a group through our steadfast approach to materiality.

Material Issues



Promote businesses that contribute to the realization of a sustainable and prosperous society



Promote human resource development and diversity



Strengthen supply chain management



Strengthen governance and ensure compliance

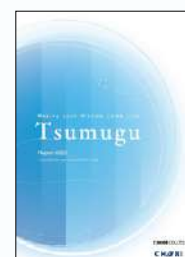
Key Themes

- Help reduce the impact of climate change in order to achieve carbon neutrality by 2050
- Establish a circular economy by further expanding our line of carbon-free, recycling-oriented products
- Resolve social issues through business activities
- Create value through activities that go beyond the import and export of goods
- Further expand our line of sustainable materials
- Provide employees with a rewarding and enjoyable working environment
- Invest in human capital (human resource development, strengthening of recruitment, promotion of diversity)
- Increase employee engagement (create a rewarding, comfortable working environment) and promote health and productivity management
- Ensure ability to procure safe, high-quality products and raw materials
- Strengthen and ensure stability of supply chains (maintain a stable and effective business continuity plan)
- Make effective use of resources and ensure their stable procurement and supply in line with global demand
- Address the human rights, labor, and health and safety concerns of suppliers
- Strengthen governance structure with a view to achieving sustainable growth
- Continue to foster employee awareness of the importance of compliance

▼ Please refer to the following sections of our corporate website for more details.



Sustainability section of Chori's corporate website
<https://www.chori.co.jp/english/sustainability/>



Tsumugu Report
<https://www.chori.co.jp/english/ir/library/tsumugu/>



Environment

Recognizing the importance of environmental awareness to our business activities, we at Chori believe it is our responsibility to actively pursue solutions to environmental issues.

Consideration for the Global Environment

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.

Acquisition of ISO 14001 Certification

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.

Information Disclosure Based on the TCFD Recommendations

In accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures, the final report released by the TCFD in June 2017, Chori continues to strive to ensure appropriate information disclosure for the recommended disclosure items.



Society

Chori strives to be a company that contributes to the well-being of each stakeholder and provides employees with a rewarding and enjoyable workplace environment.

Human Resource Development

Guided by the Chori Group's 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 regard our employees as our most valuable management resource. Accordingly, in addition to our various in-house training programs, we implement overseas training and language course programs to secure and cultivate employees who are able to work successfully outside of Japan.

Respect for Human Rights

In order to fulfill its social responsibilities as a company that procures materials from all over the world, Chori has established human rights policies and the 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. The CSR Procurement Guidelines prescribe our 11 Guidelines for Corporate Behavior to ensure employees are fully aware of our social mission and the ways in which they must act at all times. We also conduct CSR-based procurement surveys on a periodic basis and are strengthening activities with ESG-conscious companies with the goal of realizing a sustainable supply chain.



Governance

Chori has established systems to ensure the appropriate operation of its business with the aim of realizing sound business management and sustainable growth. We strive to constantly strengthen corporate governance by complying with laws and social norms, conducting efficient and effective operations, and ensuring the credibility of our financial reports while positioning the Board of Directors as a strategic decision-making body and a supervisory body for business execution.

Corporate Information

Company Overview (As of March 31, 2024)

Company Name	CHORI CO., LTD.
Headquarters	Tokyo Head Office 2-15-3, Konan, Minato-ku, Tokyo 108-6216, Japan Tel: +81-3-5781-6200 Osaka Head Office (Main Headquarters) (until September 16, 2024) 1-7-3, Awajimachi, Chuo-ku, Osaka 540-8603, Japan (from September 17, 2024) 4-2-13, Awajimachi, Chuo-ku, Osaka 540-8603, Japan Tel: +81-6-6228-5000
Capital	¥6.8 billion
Date of Incorporation	September 2, 1948 (Founded in 1861)
Closing Date	March 31
Number of Employees	Consolidated: 1,304 Non-consolidated: 418 (Including 75 employees dispatched to other companies)
Corporate Website	https://www.chori.co.jp/english/

Stock Information (As of March 31, 2024)

Total Number of Shares Authorized to Be Issued	55,000,000
Total Number of Shares Outstanding	25,303,478
Number of Shareholders	7,767
Stock Listing	Prime Market of the Tokyo Stock Exchange
Major Shareholder	Toray Industries, Inc.

Directors & Executive Officers (As of June 18, 2024)

President, CEO & COO / President and Executive Officer	Tatsuyuki Sakoda	Managing Executive Officer	Yoshihiro Teratani
		Managing Executive Officer	Naohiko Ashida
Director / Managing Executive Officer	Hiroshi Yoshida	Senior Executive Officer	Satoko Nakayama
Director / Executive Officer	Kazuhiro Tohge	Senior Executive Officer	Masao Nakamura
Director	Nobuyuki Inohara	Executive Officer	Yasuhiro Oiwa
Director / Full-Time Audit & Supervisory Committee Member	Shigemasa Yabu	Executive Officer	Masahiro Takamaru
Outside Director / Audit & Supervisory Committee Member	Masaaki Sawano	Executive Officer	Yasutaka Kawamura
Outside Director / Audit & Supervisory Committee Member	Hiromasa Suzuki	Note: Directors Masaaki Sawano, Hiromasa Suzuki, and Hiroko Noda have been registered as independent directors with the Tokyo Stock Exchange.	
Outside Director/ Audit & Supervisory Committee Member	Hiroko Noda		

Caution Regarding Forward-Looking Statements

The forecasts presented in this report include forward-looking statements and plans based on assumptions and projections made at the time of its publication and do not represent any promises or guarantees on the part of the Company.

Organization (As of June 18, 2024)

