

Special Feature

Realizing a sustainable supply chain from upstream to downstream

blue
chain™

In this section, we will introduce Chori's initiatives toward realizing sustainability, centered on its ECO BLUE™ concept.

BLUE CHAIN™ at a Glance

Resolving the Issues of the Fiber, Textile, and Garment Industries

The problem of environmental degradation, which has been a focus of attention for a variety of industries in recent years, has become a matter of significant concern in the fiber, textile, and garment industries. The creation of new apparel made in response to recent trends and consumer needs requires massive volumes of water and produces substantial amounts of greenhouse gases. It is also true that large quantities of unsold clothing are discarded unused. To address these issues, Chori introduced BLUE CHAIN™ initiatives to create environment-friendly products by seamlessly linking the vast and complex fiber, textile, and garment industries and integrating the functions of each company. By teaming up with a number of companies and operating businesses by leveraging economies of scale, we will reduce the costs associated with decarbonization measures. Through BLUE CHAIN™, we will work together with our business partners to contribute to the transformation of the fiber, textile, and garment industries.

Chori's unique line of
BLUE CHAIN™ products



ECO BLUE™

Recycled polyester fiber made of used plastic bottles



TEXBRID™

A highly durable, long-lasting, and stretchable material



MILLENNIUM ORGANIC™

A material made of ultra-white raw cotton that eliminates the need for chlorine bleach and excess reducing agents used in chemical dyeing processes



MEDITERRANEAN GIZA™

A material that is made using 100% recycled water and has reduced the amount of water used in cultivation processes by 30% to 50% through the extensive use of a drip irrigation system



Natural Dye

A line of apparel that uses plants and food residue as dyes, having less impact on the environment than chemical dyes



ECO BLUE™



Natural Dye



Cotton

Special Feature

ECO BLUE™ Recycled Polyester Fiber

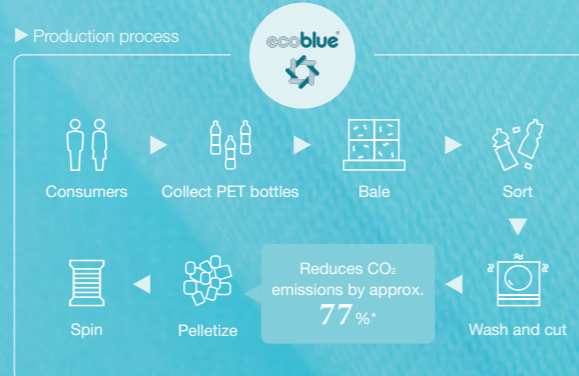
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At Chori, we handle a wide variety of environment-friendly products. At the core of these products is our ECO BLUE™ recycled polyester fiber made from recycled plastic bottles. ECO BLUE™ was introduced in 2007 and has continued to evolve over the last 15 years. While continuing to engage in all areas of the supply chain, from the handling of yarn to the sale of the final product, in 2019 Chori partnered with recycled pellet manufacturer Utsumi Recycle Systems Inc. to tap into the pellet business—an upstream recycling process—and established its very own recycling facility.

The amount of recycled polyester fiber handled by other companies has also been on the rise in recent years. However, the strength of ECO BLUE™ lies in the Company's ability to handle over 200 types of yarn by leveraging the solid relationships it has built with the world's leading synthetic fiber manufacturers. Each year, approximately 520 million plastic bottles are recycled to produce plastic pellets and yarn. Setting our sights on continuing to increase corporate value, we will engage in advanced yarn processing together with processing plants in the Hokuriku region and other areas.



Recycled pellet extruder



* Based on in-house estimates

Development of Quick-Dyeing Yarn with Business Partners

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Chori is expanding its lineup of initiatives that infuse its ECO BLUE™ concept into the products of its business partners. In 2021, we developed WS™, a quick-dyeing material, with KOMATSU MATERE Co., Ltd., a chemical material manufacturer based in Ishikawa Prefecture.

WS™ is an environment-friendly material that significantly reduces the amount of energy and dye required for the dyeing process by incorporating special yarn and processing technologies. Ordinary yarn needs to be dyed at high temperatures due to the inability of polymers to move around freely and the many crystalline regions that are not easy for dyes to permeate. Meanwhile, WS™ offers less than one-third the number of crystalline regions as ordinary yarn, enabling polymers to move around and dyes to permeate easily. As a result, compared with conventional methods, the dyeing process can be performed at a lower temperature and be completed in roughly 50% less time, thereby reducing the amount of CO₂ emissions from fabric dyeing processes by 31.7%.

Although textile recycling has become commonplace worldwide, WS™, which reduces greenhouse gas emissions at the manufacturing stage, is attracting a great deal of interest both in Japan and overseas and is expanding in terms of sales for use in sportswear, casual wear, and uniforms around the world.



Direction Going Forward

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ECO BLUE™ and Chori's other recycled raw materials are already used in a number of sports and other apparel products, and in fiscal 2021 sales of environment-friendly products grew to approximately ¥10.0 billion. As new initiatives, we are proposing a system in which the used plastic bottles we collect are reused to produce original company uniforms and developing mats for riverbeds to prevent flood damage and sound-absorbing mats for electric vehicles made of fiber scraps generated at factories. Going forward, we will look to expand our business not only in Japan but also overseas, targeting the sports and



outdoors and mid- to high-end apparel markets in Europe. We will thereby achieve net sales of ¥13.5 billion in fiscal 2022 along the road to ultimately reaching ¥30 billion.

As a company that was founded on its raw silk business, Chori holds itself accountable for overcoming the challenges facing the fiber, textile, and garment industries and achieving sustainability throughout the supply chain. While it is important to pursue sustainability at each point along the supply chain, this alone will not achieve true sustainability. Leveraging the solid relationships it has built with business partners throughout its over 160 years in business, Chori will weave together its sustainability practices along the supply chain and develop and provide environment-friendly products that pave the way to the future of the textile industry, which generates large amounts of waste, presenting a significant impact on the environment.

Exhibit at 9th FaW TOKYO—
FASHION WORLD TOKYO
(April 6–8, 2022)



Chori was among the approximately 360 companies with an exhibit at FaW TOKYO—FASHION WORLD TOKYO, Japan's largest fashion trade show held at Tokyo Big Sight from April 6 to April 8, 2022. Consisting of six themes, including Sustainable Fashion Expo and Japan Fashion Expo, this year's event marked our second appearance following our participation in last year's event held in October 2021. Our booth, which unveiled the redesigned logos of BLUE CHAIN™ and ECO BLUE™ and featured keynote speeches detailing these concepts, proved to be a tremendous success.