



Tatsuyuki Sakoda

President, CEO & COO
President and Executive Officer

Achievements and Challenges in Fiscal 2024

From a financial perspective, we can say that fiscal 2024 results were favorable. On the other hand, excluding one-time gains, business performance was less than satisfactory as we were unable to fully pass on the increased costs, primarily due to human capital investment, to our sales prices. The increase in human capital investment costs is the result of our efforts to secure and develop human resources suitable for our business based on our medium- to long-term strategy, which looks ahead to even further growth in the future. This is crucial to our sustainable growth and will lead to the enhancement of our corporate value.

In terms of business performance, we have improved our overall profitability by focusing on health and the environment, shifting our focus from existing products to more sustainable ones. We recognize, however, that we have not been able to fully reflect the higher costs stemming from our efforts to enhance added value in our sales prices and that there is plenty of room for improvement on this issue. We will aim to further enhance profitability by continuing to promote businesses that contribute to the realization of a sustainable and prosperous society.

We aim to be the company of choice for all stakeholders by continuing to change and evolve.

Development of a Robust Management Foundation to Achieve VISION2030

To achieve net sales of ¥400.0 billion as set forth in VISION2030, we aim to shift the sales ratio between the Japanese market and the overseas market from 60:40 to 50:50. In fiscal 2024, sales for the Japanese market totaled ¥188.3 billion. Given that an annual growth rate of approximately 1% is necessary to increase this figure to ¥200.0 billion by 2030, we should be able to reach this goal. However, Japan's ongoing issue of its declining and aging population will limit the growth of the industry overall as well as GDP. Against this backdrop, it is essential to develop a business strategy focused on securing profits through differentiated products, and we will redouble our efforts in this area going forward.

Meanwhile, sales for the overseas market totaled ¥123.2 billion in fiscal 2024, requiring an annual growth rate of approximately 8% to reach our 2030 target of ¥200.0 billion. Currently, sales in Greater China and Asia stand at approximately ¥50.0 billion each and the Middle East at approximately ¥10.0 billion. Going forward, we will expand our business in these regions as well as in emerging countries. We see significant potential in the Indian market in particular. Although our business in India currently focuses on sourcing pharmaceutical intermediates, we will expand business to include the distribution of raw materials by tapping into the growth of the local economy. In expanding our overseas business, we will draw on the know-how cultivated in the Fibers, Textiles, and Garments Business and the Chemicals Business and collaborate with thriving Chinese companies to further develop our business in Southeast Asia, the Middle East, and emerging markets. We also believe there is potential for further growth in Greater China and will continue to invest management resources in this market.

Underpinning this business strategy is our evolution into a robust company capable of sustainable growth. We are actively investing in human resources and developing infrastructure to achieve both business growth and expansion. To become the company of choice for all stakeholders, we must always manage our business determinedly and from a medium- to long-term perspective. While those in charge of executing

business tend to focus on the short term, the Board of Directors is developing a system to supervise business execution from a medium- to long-term perspective. We are developing a system to facilitate strategic decision-making by sharing our winning formula for achieving a competitive advantage—our value creation story—within the Board. In June 2025, we increased the number of outside directors by one, bringing the total to four out of nine members. Outside directors are not directly involved in Chori's business or corporate culture; therefore, we are able to gain valuable third-party opinions from an unbiased and objective point of view. Through this exchange of opinions, we will further strengthen our competitive advantage and enhance our corporate value.

Progress in the Second Year of Chori Innovation Plan 2025

Basic Strategy 1: Promote Consolidated Management Centered on Our Global Business

The Fibers, Textiles, and Garments Business and the Chemicals Business are bolstering their overseas operations using distinct strategies. In the Fibers, Textiles, and Garments Business, we are sharing know-how overseas, including the deployment of our B-LOOP™ recycling initiative, which was cultivated in Japan, to Vietnam. In the Chemicals Business, we are expanding collaborations with growth companies in China. While we previously focused primarily on selling products of Japanese chemical manufacturers overseas, we are now focusing on introducing products of highly competitive Chinese companies, such as the Huafeng Group, to the Japanese market as well as other Asian and third-country markets.

Basic Strategy 2: Develop Sustainable Businesses That Adapt Quickly to the Changing Business Environment

In April 2024, we declared the Chori Group's four material issues, one of which is to "promote businesses that contribute to the realization of a sustainable and prosperous society." To achieve this, we are focusing on the development of a wide range of products, including BLUE CHAIN™ products in the Fibers, Textiles, and Garments Business and biodegradable

President's Message

resin products in the Chemicals Business. However, these value-added products are often caught in price competition with existing products, making it difficult to develop them into high-profit businesses. We understand that this is due to the lack of public awareness of our business and products and our passive approach to information disclosure. We are strengthening our branding efforts, particularly for sportswear, to actively promote the appeal of our business. For example, we are collaborating with J.League soccer team Tokyo Verdy on a clothing recycling and collection initiative using B-LOOP™ and with Japan's national surfing team NAMINORI JAPAN on beach cleanup activities related to our ECO BLUE™ recycled polyester fiber made from used plastic bottles. These initiatives enhance Chori's brand value by uniting sustainable products and social contribution activities. Going forward, we will integrate these activities into our business operations to further enhance our corporate presence and in turn, attract talent who will sustain our business into the future.

Basic Strategy 3: Promote ESG Management

From the perspective of environmental, social, and governance (ESG) management, we believe we have established a system conducive to a company listed on the Prime Market of the Tokyo Stock Exchange and are now in a transition phase in which we are working to evolve and change toward our next stage of growth. If we were to compare the Prime Market to a restaurant, we have acquired all the necessary attire for the dress code but have not yet been able to style it in a way that reflects our identity. We will instill our corporate philosophy so that all employees align with our unique identity and enhance employee engagement while advancing to our next stage.

In fiscal 2024, three working teams—the Risk Management Team, the Sustainable Business Management Team, and the Policy and System Design Team—were established under the Sustainability Promotion Committee. The Risk Management Team aimed to visualize risks, ensure awareness of risks throughout the Group, and develop a system that allows employees to take on new challenges. We will continuously strive to reduce risks and appropriately allocate management resources in pursuit of further growth. The Sustainable Business Management Team established the criteria for determining sustainable products, and going forward we will utilize our SAP system to quantify environmental contributions. The Policy and System Design Team established policies and systems related to sustainability. We believe ensuring each employee understands and acts in accordance with our policies will enhance the sustainability of our business. Aiming to be the company of choice for all stakeholders, we will continue to foster internal awareness and share information externally to achieve this goal.

Among our efforts to promote ESG management, we place the highest priority on those related to people. We have

declared “be a company that provides employees with a rewarding and enjoyable workplace environment” as our key theme and aim to secure a stable workforce, even in Japan where the population is declining and aging. Furthermore, based on the Chori Group Basic Policy on Human Resources, established in fiscal 2024, we are making every effort to become a company chosen by talented individuals who take pride in being a part of Chori and act with fairness and integrity. As a matter of fact, the majority of the cost increases in fiscal 2024 are related to people, including the relocation of the Osaka Head Office. Our newly constructed office building on the main street of the city of Osaka incorporates various features to promote communication among employees, thereby fostering a workplace culture where everyone can enjoy working.

Moreover, as a trading company that operates globally, we believe respect for human rights is an important responsibility. In addition to the supply chain survey we have been conducting every two years since 2013 (見 page 57), we will continue to strengthen our efforts in this area based on the Chori Group Human Rights Policy, established in fiscal 2024.

Promotion of Business Transformation and Management Reform Through DX

In April 2025, we began fully operating our SAP system. Despite some challenges during the implementation stage, we are now transitioning to the phase of fully utilizing the system. Our goal is to maximize use of the SAP system and its accompanying systems to enhance corporate value. This system is aimed at not only improving operational efficiency but also continuously generating revenue and developing a solid management foundation that will support the growth of future generations. In the trading industry in particular, sales-related know-how depends on the individual, often making it difficult to share knowledge. In light of this, Chori is promoting digital transformation (DX) to accumulate and share knowledge as a corporate asset, rather than letting it remain solely with individual employees. For example, unless it is stored as data, customer information cannot be passed on when the person in charge leaves or is transferred, diminishing its organizational strength. To overcome this issue, we will accumulate information within the Company as corporate assets and develop a business management system that enables skilled employees to effectively utilize their knowledge.

Our Aim to Become the Company of Choice

The Fibers, Textiles, and Garments Business boasts comprehensive strengths in the development of apparel and



textile materials, encompassing everything from raw materials to finished products. The Chemicals Business specializes in niche areas within expanding markets, leveraging its unique strengths. While these businesses have different roles, the strength of Chori's sales lies in its frontline capabilities, the ability to connect closely with customers and respond precisely to their needs. Even during COVID-19, when our existing businesses struggled, we secured profits by firmly addressing the urgent demand arising from societal changes. We will continue to refine our frontline capabilities and develop them into a business foundation that underpins the entire organization, rather than relying on individual capabilities.

Resolving social issues is also essential for sustainable corporate growth. At Chori, we set profit-focused goals for sustainable products that address social needs and define a clear path to achieving them. The global trend toward environmental conservation remains unchanged, and we will continue to address this issue with urgency. Even in the case of supply chain disruptions, we will adapt quickly to change, as we did during the pandemic.

We believe the harmonization of our three key themes for realizing VISION2030, sustainability, well-being, and innovation, is the path to becoming the company of choice for all stakeholders. To realize a sustainable and prosperous society, we must be a company chosen by society. To ensure the well-being of our employees and be a company where they can work happily with a sense of pride and fulfillment, we must first earn the trust and respect of our employees, among all stakeholders. Furthermore, we must invest management resources in growth areas, specifically innovation, in order to sustainably generate profits in a rapidly changing society. We believe the harmonization of these three key themes will lead to the enhancement of corporate value. While we are proud of our achievements to date, we will remain on a growth path for the foreseeable future. To take our business to the next level, we must build a robust foundation and enhance all our business operations. We must continuously evolve and adapt in order to be a company that sustains growth into the future. This

requires not only the relentless dedication of the CEO but also the commitment and understanding our employees. Since becoming president, I have stressed the importance of everyone sharing the same end goal and working together as a team. In identifying the material issues disclosed in April 2024, we conducted a survey of all employees, of whom 80% responded. The number of responses was much greater than I expected, reaffirming the high level of expectations and interest from employees in the Company. Having prioritized the full-scale implementation of our SAP system this past year, we must continue to improve our ability to instill awareness of our material issues and sustainability-related policies among employees. The foundation of our business is people. We will reflect on our fundamental beliefs and continue to advance our business while sharing the direction of the Company with all our employees.

To Our Stakeholders

A year has passed since I assumed the role of president. Over this period, I have been reminded of the enormous expectations for Chori's future through repeated discussions with many stakeholders. My role is to ensure that Chori remains the company of choice, creating a virtuous cycle in which we are chosen by society, people, and business partners in the supply chain. We will do so by ensuring that everyone in the Group shares the same end goal and works together as a team to drive further growth. We ask for the continued support and expectations of our stakeholders.

Tatsuyuki Sakoda
President, CEO & COO
President and Executive Officer

Financial Strategy



We will shift to higher-value-added products and strengthen our management foundation with a view to achieving sustainable growth.

Hiroshi Yoshida

Director, Managing Executive Officer
General Manager of Corporate Planning Division

Review of Fiscal 2024 Performance

In fiscal 2024, ordinary profit, profit before income taxes, and net profit attributable to owners of parent reached record highs for the fourth consecutive year. Over these four years, the business environment was highly unstable, even after transitioning from the COVID-19 era to the post-COVID-19 era. In light of this situation, we achieved further growth by responding to changes in the business environment, such as raw material supply constraints and supply chain restructuring, while steadily advancing management reforms at our subsidiaries. STX Company Limited, which became a consolidated subsidiary in 2021, endured challenges during the pandemic, including being forced to temporarily suspend its production facilities. However, through a joint effort with Chori, STX increased the production rate at its facilities and turned a business with profitability issues into a profitable one.

In our overseas business, despite strict lockdown measures during the pandemic, we monitored and assessed the progress of Chori Innovation Plan 2025 and adapted our approach to achieving VISION2030 in accordance with the changing environment through our employees' efforts to develop relationships of trust with local customers. In our domestic business, despite the need to adjust import product prices as a result of the depreciating Japanese yen, we achieved further growth by shifting to higher-value-added products, rather than simply raising prices.

In line with our basic strategy of Chori Innovation Plan 2025 to “promote consolidated management centered on our global business,” we are promoting product development both in Japan and overseas. Overseas, we have shifted to higher-value-added products to address customer needs, and these efforts have been recognized, as reflected in our business performance.

Consolidated Financial Results

	FY2023	FY2024	Amount Change	Percentage Change
Net sales	307.7	311.5	+3.8	+1.3%
Gross profit	38.7	40.5	+1.8	+4.6%
Selling, general and administrative expenses	23.7	26.0	+2.3	+9.8%
Operating profit	15.0	14.5	−0.5	−3.6%
Ordinary profit	14.5	16.2	+1.7	+11.9%
Profit before income taxes	14.7	16.3	+1.6	+11.0%
Net profit attributable to owners of parent	9.6	11.7	+2.0	+21.1%

Profitability and Capital Efficiency

At the end of March 2025, our return on assets (ROA) and return on equity (ROE) were exceptionally high due to one-time factors, such as the reversal of allowance for doubtful accounts and the recording of gain on sale of investment securities. From an operational perspective, the Company is transitioning to a business structure with higher profitability and added value. Going forward, we must further emphasize this shift to achieve stable profit growth.

Return on invested capital (ROIC), which was added as a management indicator in fiscal 2023, decreased as of March 31, 2025, compared with the same period in the previous fiscal year. This decrease was primarily due to a year-on-year decline in operating profit. Currently, Chori is taking a cost-first approach to strengthening its management foundation, and higher personnel expenses and expenses related to the relocation of the Osaka Head Office have negatively impacted

operating profit. Furthermore, we are in a transition period focused on improving capital efficiency and shifting to higher-value-added products, and the speed of this shift will be key to improving operating profit.

It has a been a year since the addition of ROIC as a management indicator and awareness of it is increasing internally. At the Executive Committee and Board of Directors' meetings, monthly results for each department are shared and discussed, which have led to reductions in inventory and improvements in working capital turnover. Moreover, at the operational level, we continue to focus on capital-efficient, highly profitable businesses. If ROIC does not exceed cost of capital, it means that funds are not being utilized effectively. Therefore, we share cost of capital figures across various committees and continuously strive to improve capital efficiency.

From a capital utilization perspective, we have emphasized business investments and M&As over the past 10 years. However, since the latter half of Trump's first term in office, more and more projects have not lived up to expectations due to various changes in markets and supply

chains around the world. Amid these changes, we are carefully assessing risks and opportunities and adapting accordingly. Meanwhile, the rapid increase in consumption of locally produced products due to U.S. tariff measures and changing lifestyles in recent years also present new business opportunities for Chori. We must seize these opportunities, leverage them through investment, and ensure that they facilitate the growth of our business. We must also make strategic use of cash going forward. As a trading company, Chori will not only invest cash but also effectively leverage resources while incurring additional costs, including investments in our highly specialized human resources with market expertise.

Profitability/Capital Efficiency

	Mar. 31, 2024	Mar. 31, 2025	Difference
ROA*1	6.7%	8.1%	+1.4pt
ROE*1	12.5%	13.4%	+0.9pt
ROIC*2	12.4%	11.1%	−1.3pt

Progress and Evaluation of Chori Innovation Plan 2025 and Approach to Achieving VISION2030

In fiscal 2024, both profit before income taxes and net profit attributable to owners of parent exceeded our final year targets for Chori Innovation Plan 2025, indicating that we are making significant progress. Chori continues to invest in its management foundation to overcome the drastic changes in the global environment. We are making steady advances in our infrastructure development, such as the relocation of our Osaka Head Office in September 2024 and the implementation of our new mission-critical system in April 2025. In the first half of fiscal 2025, the final year of Chori Innovation Plan 2025, we expect to incur upfront costs associated with infrastructure development. While the Company is transitioning to a business structure with higher added value, results will not appear immediately but rather little by little. Accordingly, we expect this shift to have a greater impact in the second half of fiscal 2025. In terms of net sales, our fiscal 2025 forecast is lower than our final year target for Chori Innovation Plan 2025 because we reduced the handling of high-volume generic products. However, given that these products have low profit margins, shifting to higher-value-added products will allow us to maintain profitability even with lower net sales. In the Fibers, Textiles, and Garments Business, we are expanding our line

of higher-value-added materials for which we have secured a strong market position and share, in addition to extending these efforts to final products. We are also transitioning to higher-value-added products in the Chemicals Business, where we will place greater emphasis on pharmaceutical and agrochemical intermediates, food materials, cosmetic ingredients, electronics and semiconductor materials, and other products with growth potential.

Under Chori Innovation Plan 2025, we have continued to actively invest in not only our mission-critical system but also human capital. We have achieved positive results in both new graduate and mid-career recruitment and are focusing on hiring more women, promoting diversity, and improving our training programs.

The key to realizing VISION2030 is our approach to developing and deploying higher-value-added products that are accepted by and meet the demands of people all over the world. We will identify which areas of our supply chain—from upstream to downstream—need to be strengthened and actively pursue investments and M&As as necessary while establishing a development system for higher-value-added products that meet customer needs.

Fiscal 2025 Performance Forecast

	FY2025 (Forecast)	Chori Innovation Plan 2025 (Final Year Target)	VISION2030
Nat sales	330.0	360.0	400.0
Profit before income taxes	16.0	16.0	20.0
Net profit attributable to owners of parent	11.0	11.0	—
ROA*1	—	7% or more	—
ROE*1	—	12% or more	—
ROIC*2	—	Approx. 10%	—

*1 Net profit attributable to owners of parent basis

*2 ROIC = Operating profit after income taxes / Invested capital (Equity + Interest-bearing debt, Avg. of beginning and end of fiscal year) × 100

Cash Allocation

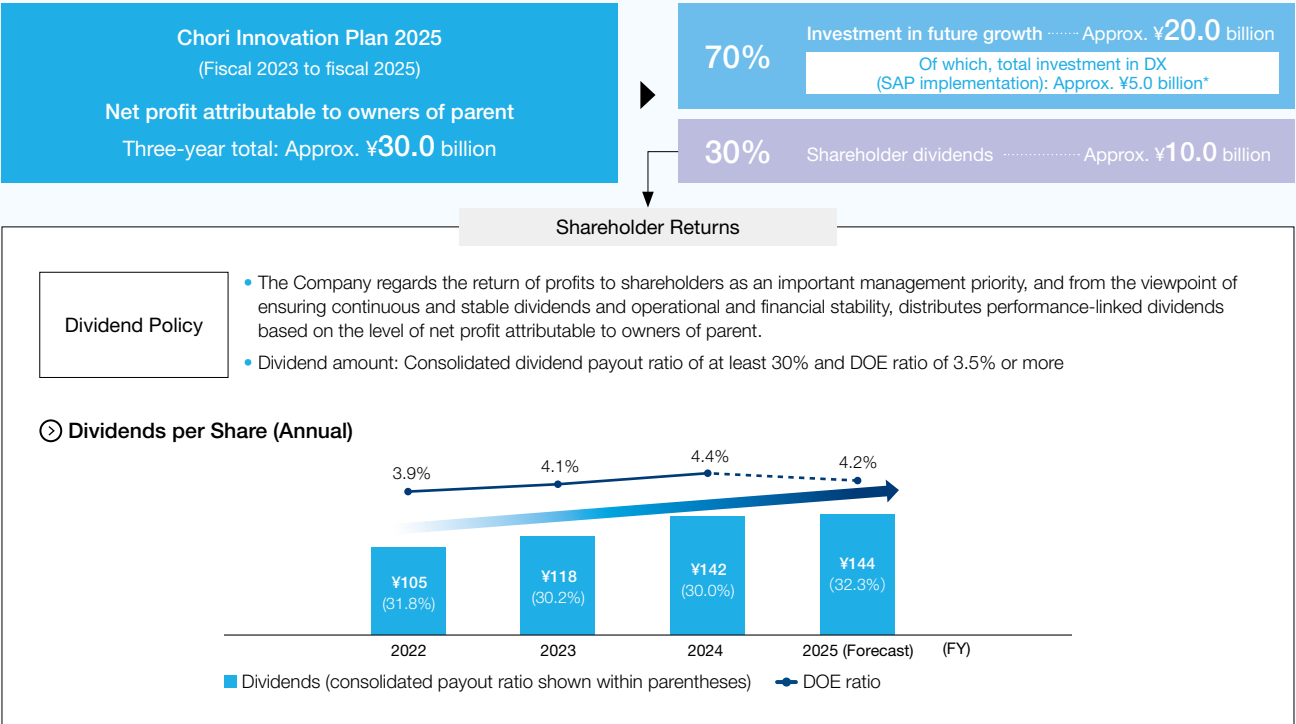
With regard to shareholder returns, we will continue to provide stable dividends to shareholders based on our dividend policy, which calls for a consolidated dividend payout ratio of at least 30% and a dividend on equity (DOE) ratio of 3.5% or more. Meanwhile, the remaining cash will be used for investments aimed at future growth.

During the first two years of Chori Innovation Plan 2025, we prioritized the strengthening of our management foundation, focusing on relocating our Osaka Head Office and implementing our mission-critical system. Going forward, we will set our sights on further strengthening business investments and M&A activities. In fiscal 2024, we invested in PT. TAKAHA MULTICHEM INDONESIA, a trading company in Indonesia specializing in the distribution of cosmetic ingredients, making it an equity-method affiliate. The Business Investment Committee and the M&A Promotion Committee discuss potential investments and M&As from a multifaceted perspective, for both new and existing business areas, based on potential contributions to business growth and possible synergies relative to the amount invested. With supply chains and industry structures changing on a global scale and increasing focus on business spin-offs, especially among major corporations, the number of potential investments is gradually increasing. Business

investments and M&As are a way of acquiring time and resources and an opportunity to further enhance Chori's capabilities and expertise and expand its business domain. We will carefully examine and steadily capture such opportunities going forward.

We will also continue to invest in DX and human resources. Regarding DX, we began implementing our new mission-critical system SAP in April 2025 to improve operational efficiency and accelerate decision-making through the use of business intelligence. Leveraging robotic process automation and AI, we will build a next-generation business environment centered on SAP. With respect to human resource investment, while our new graduate and mid-career recruitment in Japan continues to see positive results, we are recruiting new talent overseas in line with business growth. Despite Japan's shrinking labor force, we continue to secure highly qualified individuals, and will enhance their skills through various training programs to boost productivity.

Furthermore, the relocation of our Osaka Head Office has improved our corporate environment, having a positive impact on employee work practices and recruitment efforts. We will continue to invest in our future with the aim of achieving sustainable growth.



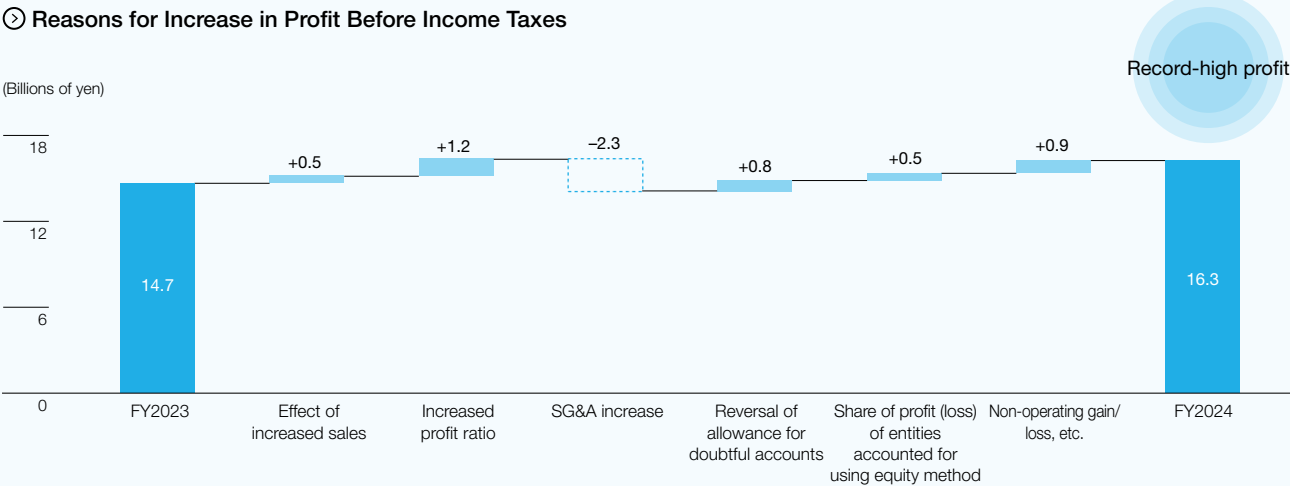
To Our Stakeholders

Chori celebrated its 164th anniversary in 2025. Guided by the spirit of coexistence and co-prosperity set out by our founding president Riichiro Ohashi, which is to “to develop our business for the benefit of the world and people and to always strive to grow together with our customers,” we are committed to realizing a better society through our business activities. Even in this age of drastic change,

we are able to adapt quickly because of our human resources, who are respected and knowledgeable with exceptional capabilities and expertise. By fully leveraging this strength, we aim to continue to grow toward our 170th and 200th anniversaries as a company that contributes to the betterment of society and is trusted by all stakeholders.

Reference Material

Year-on-Year Change and Reasons for Increase in Profit Before Income Taxes



Trends in Business Performance

	FY2023					FY2024				
	1Q	2Q	3Q	4Q	Full-year total	1Q	2Q	3Q	4Q	Full-year total
Net sales	75.8	77.1	80.5	74.3	307.7	77.0	77.5	75.8	81.3	311.5
Profit (loss) before income taxes	3.6	4.2	4.2	2.7	14.7	5.6	3.7	3.4	3.6	16.3
Fibers, Textiles, and Garments	1.9	2.4	2.1	1.6	8.0	2.6	1.8	1.7	1.6	7.7
Chemicals	2.1	2.1	1.9	1.5	7.6	2.8	1.8	2.2	2.2	8.9
Machinery	(0.5)	(0.3)	0.4	(0.2)	(0.6)	0.1	0.2	0.1	0.2	0.6
Other*	0.0	(0.0)	(0.3)	(0.1)	(0.4)	0.1	(0.0)	(0.6)	(0.4)	(0.9)
Net profit attributable to owners of parent	2.2	2.8	3.0	1.6	9.6	4.2	2.9	2.1	2.5	11.7

* Other includes income taxes

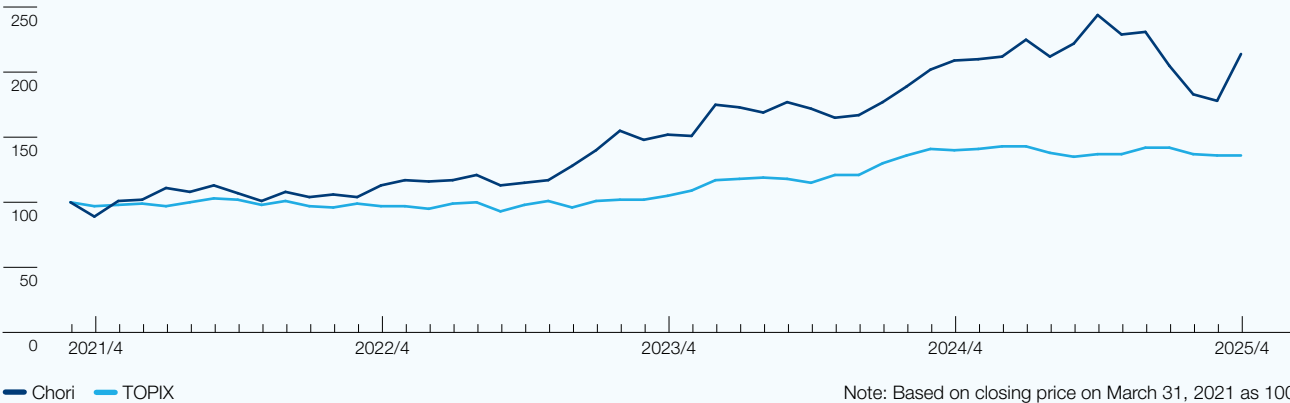
Total Shareholder Return (TSR)

Total Shareholder Return (TSR)-Related Data

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Stock price at end of March (yen)	1,537	1,685	1,759	2,508	3,405	3,010
Dividends per share (yen)	63	37	84	105	118	142
TSR (%)						
Chori	—	112.0%	122.3%	177.9%	243.9%	227.5%
TOPIX (incl. dividends)	—	142.1%	145.0%	153.4%	216.8%	213.4%

Note: TSR is based on investments carried out at the closing price on March 31, 2020.

Stock Price Trend



Chori's History

Transformation of Business Portfolio

Chori has continued to expand its business portfolio centered on the Fibers, Textiles, and Garments Business, its founding business. Through the lessons learned from diversification and setbacks over the years, we are constantly working to optimize our business portfolio.

Evolving from a Raw Silk Wholesaler to a Trading Company
Specializing in Fibers, Textiles, and Garments



Since its establishment in 1861, Chori has continued to conduct business as a raw silk wholesaler for nearly half a century and has been handling rayon yarn since 1926. Chori's handling of rayon yarn expanded as a result of the widening use of this man-made fiber, becoming the foundation of its synthetic fiber, which has become a strength of its business today.

Since establishing a branch office in Fukui Prefecture in 1929, we have been working closely for over 90 years with businesses in the Hokuriku region, one of the world's leading textile-producing regions, forming an important supply chain foundation for the Fibers, Textiles, and Garments Business, which handles a wide range of high-performance, high-quality materials.

In 1933, Chori Shoten was established, and by transforming this general partnership from a traditional, privately owned business in Japan to a more modern business, we expanded our sales channels in not only Japan but also China, India, Mexico, and other areas overseas to coincide with the expanding sales of rayon yarn.

By 1937, Chori accounted for approximately 30% of rayon yarn production in Japan, establishing a solid foundation as a trading company specializing in fibers, textiles, and garments.

In 1948, after World War II, Chori Shoten was restructured, resulting in the establishment of CHORI CO., LTD.

By this time, the Company had formed a network of 20 overseas branch offices, primarily in China and other countries in Asia.

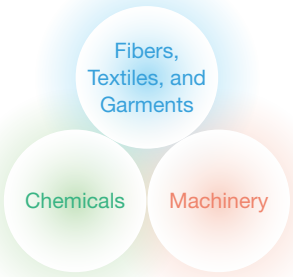


Founded in the Nishijin District of Kyoto, Japan

Chori was founded as a raw silk wholesaler during a turbulent time, as Japan was transitioning from the Edo Period to the Meiji Era. Moreover, 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.

1929 Establishes branch office in Fukui Prefecture | 1934 Establishes branch office in Ishikawa Prefecture

Branching Out into the Chemical and Machinery Fields on the Strength of Our Fibers, Textiles, and Garments Business



In 1953, the Fibers, Textiles, and Garments Business began handling woolly nylon, a material used in a variety of products, leading to steady growth of the business. In 1956, we entered the field of synthetic resins, which use the same raw materials as synthetic fibers. This was the beginning of our expansion of the Chemicals Business through the supply of textile auxiliaries to textile processing plants. While demand for synthetic resins grew steadily owing to their widening range of applications, other areas of the Chemicals Business continued to go through a period of trial and error. We also began handling textile machinery with the aim of enhancing business efficiency, which led to the establishment of the Machinery Business and the accumulation of our knowledge of machinery.

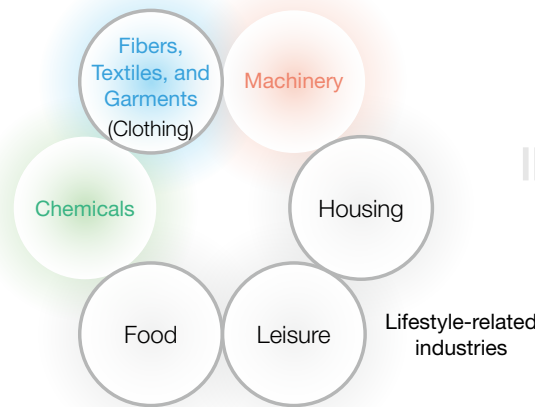
In 1961, prior to the normalization of Japan-China diplomatic relations, Chori was designated as one of the first friendly trading companies by China, paving the way for the launch of its China business ahead of competitors. Chori has established a robust supply chain in China through the extensive ties it has developed with the country over the years. Despite the expansion of our business fields, the Fibers, Textiles, and Garments Business still represented 90% of our net sales in the fiscal year ended March 31, 1967.

A Period of Growth

Handling of Synthetic Resin, Chemical Products, and Various Types of Machinery

1948	CHORI CO., LTD. established	1959	Stock listed on Osaka Securities Exchange
1952	Moves head office to Osaka	1961	Stock listed on Tokyo Stock Exchange
1953	Commences exclusive sales of woolly nylon through the establishment of a joint venture for the manufacture of woolly nylon with Toyo Rayon Co., Ltd. (currently Toray Industries, Inc.)		Designated as one of the first friendly trading companies by China
1956	Launches the Chemicals Business	1963	Establishes subsidiary Chori GmbH (currently Chori Europe GmbH)
1957	Establishes Chori New York Co., Ltd. (currently CHORI AMERICA, INC.), Chori's first overseas subsidiary	1973	Establishes subsidiary CHORI SINGAPORE PTE LTD
		1974	Establishes subsidiary THAI CHORI CO., LTD

Diversifying Our Business to Become a Major Specialized Trading Company



In addition to the synthetic resin business, inorganic chemicals grew into a pillar of the Chemicals Business through the launch of the phosphoric acid business, while new businesses such as the animal and plant extract and feed additives businesses were introduced. The Chemicals Business later expanded to include chemical raw materials and urethane raw materials, and various attempts were made to build on the business' current foundation, including the development of the food and organic intermediates businesses, the launch of electronic equipment-related products, and the handling of pharmaceutical ingredients.

Meanwhile, in addition to textile machinery, the Machinery Business expanded its handling of machinery to various types of industrial machinery in Japan and overseas, began exporting vehicles to Central and South America, and entered the field of information equipment and electronic devices.

Aiming to become a major trading company that specializes in the lifestyle-related industries of food, clothing, housing, and leisure, we launched a fast-food business, constructed large-scale recreation centers, created new communities, invested in real estate, developed golf courses, began operating a hotel business, and developed a wide range of other businesses.

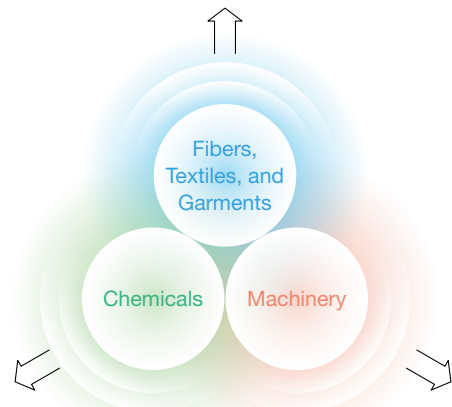
In 1997, when the Company advocated itself as a trading company that contributes to the betterment of lifestyles and culture, it received an order for the construction of a railroad in Kazakhstan. The Company then focused on the natural resource and construction businesses and invested a large amount of capital in promoting the development of various other businesses, but was ultimately unable to withstand the challenges of the unstable Japanese economy after the collapse of the bubble economy, becoming trapped in a state of financial dependency.

A Period of Setbacks

Selection and Concentration of Businesses Due to Significant Losses

1975	Begins company restructuring with drastic streamlining and downsizing of management	1993	Establishes CHORI (SHANGHAI) CO., LTD., Chori's first subsidiary in China
1976	Establishes Fukui Chori Committee and Kanazawa Chori Committee (currently Hokuriku Chori Committee) with twisted yarn manufacturers and other business partners in the Hokuriku region	1995	Establishes P.T. CHORI INDONESIA
		2001	Establishes Chori Middle East FZE
1987	Establishes subsidiary CHORI COMPANY, (HONG KONG) LIMITED	2002	Spins off the Synthetic Resin Business Division into a separate company
1989	Establishes subsidiary CHORI TRADING (MALAYSIA) SDN. BHD.	2003	Launches the Reborn Management Plan and undergoes sweeping structural reforms

Selecting and Concentrating on Promising Businesses



Under the Reborn Management Plan, announced in 2003, we analyzed our businesses from the perspectives of function, capital, and profitability and classified them based on priority. The Company also sold its synthetic resin and kimono businesses and focused on selecting and concentrating on promising businesses. This led to the creation of the prototype for our current business portfolio as a multifaceted specialized trading company consisting of the Fibers, Textiles, and Garments, Chemicals, and Machinery businesses.

Optimization of Business Portfolio

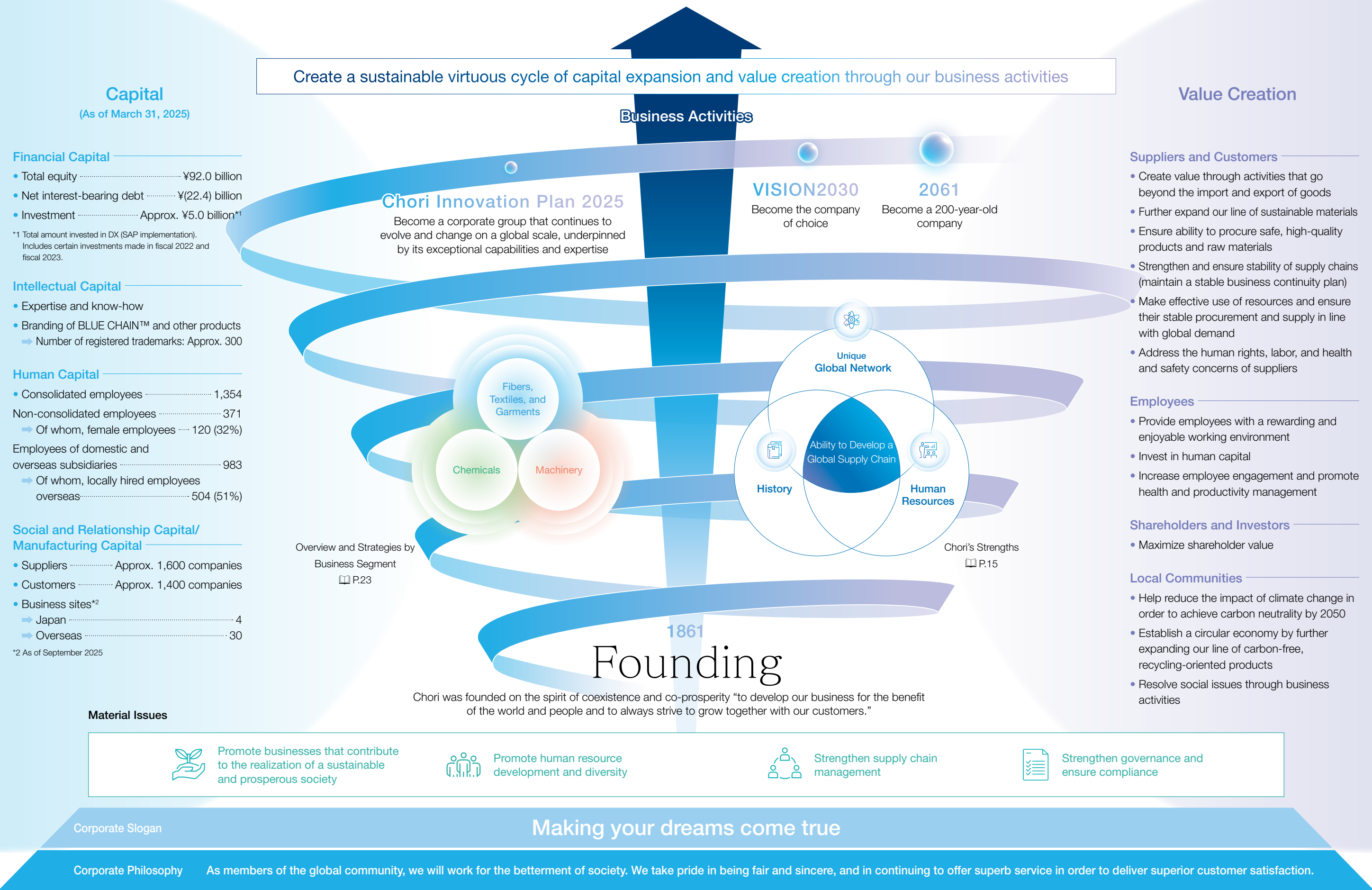
In the period that followed the Reborn Management Plan, we established and strictly enforced exit rules for business withdrawal. In addition, we invested in growth fields and regions to further optimize our business portfolio and tied this to improvements in our ROA and ROIC.

A Period of Breakthrough Results

Steady Improvements in Business Performance and Expansion of Business

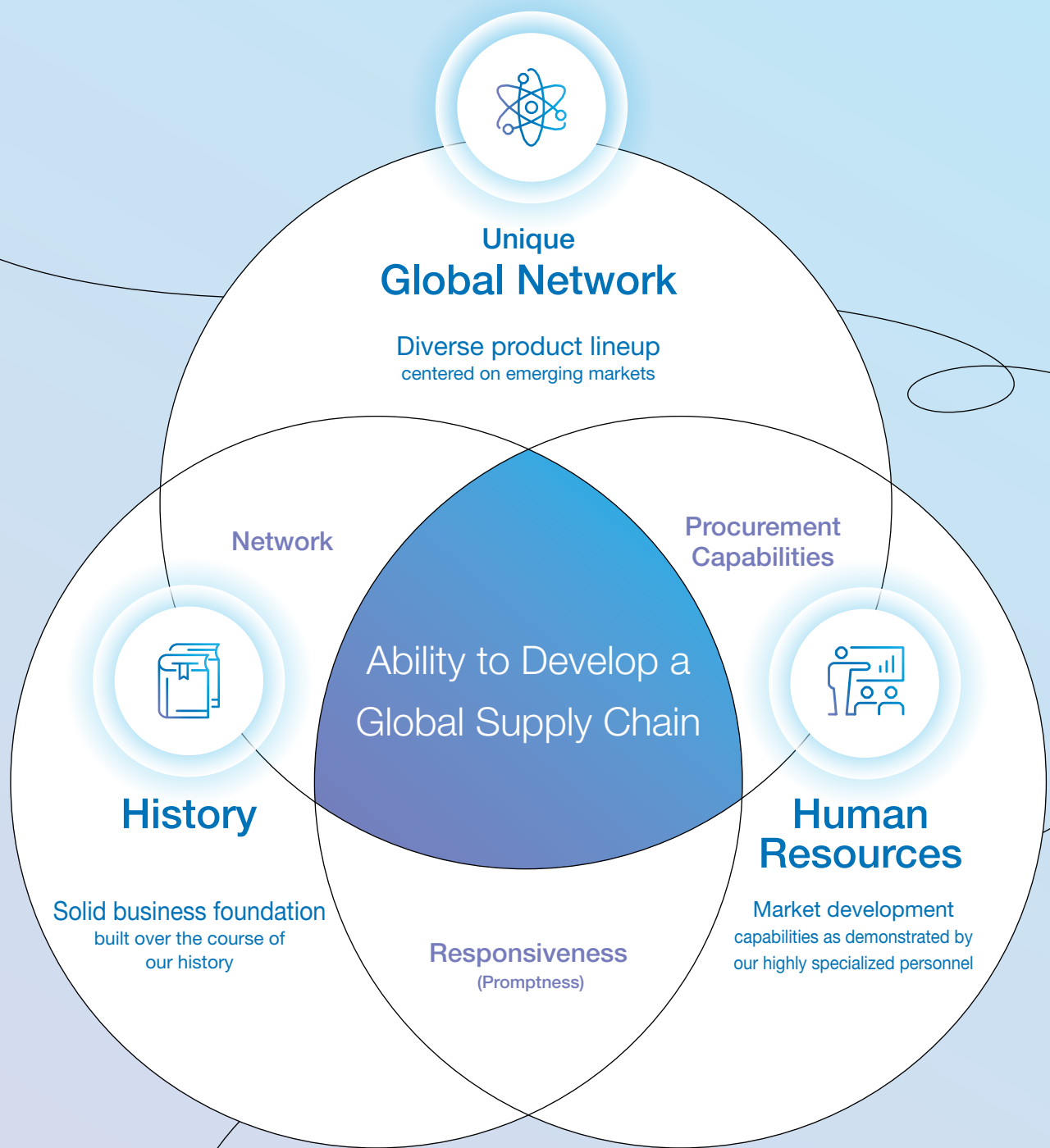
2004	Becomes a consolidated subsidiary of Toray Industries, Inc. Establishes subsidiaries CHORI (TIANJIN) CO., LTD. and CHORI (DALIAN) TRADING CO., LTD.	2017	Splits off the Machinery Business and establishes Chori Machinery Co., Ltd. Makes ASADA U CO., LTD., a sales company of automotive interior and packaging materials, a consolidated subsidiary Establishes subsidiary CHORI COMERCIAL DE MEXICO, S.A. DE C.V.
2005	Establishes CHORI (CHINA) CO., LTD., the first Japanese trading company subsidiary with the rights to sell and trade in China		
2010	Establishes a representative office in Dhaka, Bangladesh	2018	Makes KOZAKURA SHOKAI CO., LTD., a trading company specializing in chemicals, a consolidated subsidiary Establishes subsidiary TAIWAN CHORI MERCHANDISE COOPERATION LTD.
2012	Establishes subsidiary CHORI KOREA CO., LTD.	2019	Establishes CHORI (DALIAN) COMMERCIAL IMPORT EXPORT CO., LTD.
2013	Makes PTI Japan Limited (currently CHORI GLEX CO., LTD.), a trading company specializing in chemicals, a consolidated subsidiary	2021	Makes STX Company Limited, a trading company specializing in textiles, a consolidated subsidiary
2014	Relocates Tokyo Head Office to Shinagawa Establishes subsidiary CHORI TRADING INDIA PRIVATE LIMITED	2022	Launches Companywide business transformation project CARAT (based on SAP mission-critical system)
2015	Makes Miyako Kagaku Co., Ltd., a trading company specializing in chemicals, a consolidated subsidiary	2025	Launches new mission-critical system (SAP)
2016	Holds first annual Hokuriku Yarn Fair Establishes subsidiary CHORI VIETNAM COMPANY LIMITED		

Contributing to a Sustainable Society



Chori's Strengths

Stemming from Its Commitment to Making a Variety of Dreams Come True



Years Since Founding

164

Since our founding as a raw silk wholesaler, we have expanded our customer base and business know-how while broadening our business domain to synthetic fibers and chemicals to evolve by responding quickly to changes in society.



Overseas Network

30 locations^{*1}

We have continued to expand our overseas network since the establishment of our first overseas subsidiary in the United States in 1957. We conduct procurement, production, and sales activities at the most suitable locations by drawing on our business networks centered on China and the ASEAN region.



Subsidiaries and Affiliates

40 companies^{*2}

The Chori Group consists of 33 subsidiaries and seven affiliates. We will continue to expand the Group through M&As of companies in the same industry or related industries that offer the potential for synergies.



Suppliers

Approx. 1,600 companies

We acquire a wide range of raw materials from various manufacturers in Japan and overseas. We also work with suppliers to develop new products in accordance with their needs.



Customers

Approx. 1,400 companies

We maintain a steady supply of products by meeting the needs of our customers through efforts that include securing raw materials, ensuring the transparency of the supply chain, and responding to issues when they arise. We have also been receiving an increasing number of inquiries for sustainable products.



Consolidated Employees

1,354^{*2}

We create added value through our extensive range of know-how and expertise cultivated over many years. Leveraging our versatility, we nurture employees who can respond quickly and flexibly to customer needs.

^{*1} As of September 30, 2025 ^{*2} As of March 31, 2025

Market Development Capabilities Based on a Human-Centered Approach to Business: The Essence of Chori's Global Expansion

Teruyoshi Shimizu

General Manager
P.T. CHORI INDONESIA



I joined the Company in 2009 and worked in the Chemicals Division from 2012. In April 2021, I transferred to Indonesia, where I am currently in my fifth year of assignment.

Through my experience here, I have come to realize Chori's greatest strengths—the integrity of each employee and our ability to build relationships of trust with customers. It has been 30 years since P.T. CHORI INDONESIA's founding, and the names of our predecessors are mentioned no less often. I believe this is a testament to the values they created, which are deeply rooted in the market and underpin our business to this day.

To continue to grow our business, we must nurture and locally recruit talent who can carry on such a human-centered approach to business. Our local recruitment efforts are ongoing and include recent hiring in Surabaya, the second largest city in Indonesia. We aim to be part of the local community and establish relationships in which we grow together with our customers.

In addition to maintaining our reputation as a solid business in China, we will do everything in our power to be recognized for our work in Indonesia to enhance Chori's corporate value.

Value Creation History of Evolution and Change

Though we have endured long periods of hardship over our more than 160 years in business, we made a fresh start in 2003 with the establishment of our Reborn Management Plan and have since continued to evolve and change while enhancing our corporate value. As a part of this regrowth, we have focused on ROA as a key management indicator in order to fulfill the needs of all stakeholders, including shareholders, business partners, employees, and society as a whole.

Strengthen financial base and select and concentrate management resources on certain businesses

Strengthen management foundation and launch M&A strategy

Chori Innovation Plan 2025
Fiscal 2023 to Fiscal 2025

Sustainability

Well-being

Innovation

VISION2030:
The Company
We Aspire to Be

Net Sales ¥400.0 billion
Profit Before
Income Taxes ¥20.0 billion

Evolve and transform business model and strengthen corporate governance
Advance to a new stage of consistently delivering ordinary profit at the ¥10.0 billion level

Reborn Management Plan Fiscal 2003 to Fiscal 2005

Basic Strategies

- Strengthen financial base
- Strengthen corporate governance
- Ensure business profitability

Results

Improved financial position through our efforts to select and concentrate management resources on certain businesses with the aim of maximizing ROA. Targets for total assets, net interest-bearing debt, and ROA were achieved ahead of schedule.

➡ Net Sales (Yen)

FY	Plan	Result
2003	286.9 billion	299.5 billion
2004	255.3 billion	242.2 billion
2005	261.0 billion	223.3 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2003	2.8 billion	2.9 billion
2004	4.1 billion	3.4 billion
2005	4.7 billion	4.5 billion

➡ ROA (Net Profit Basis)*3

FY	Plan	Result
2003	2.1%	0.9%
2004	3.1%	4.0%
2005	3.4%	5.2%

Yakushin 2006 Fiscal 2005 to Fiscal 2006

Basic Strategies

- Rapidly increase business profitability
- Further improve operational efficiency

Results

Continued to strengthen financial position as the steady improvement in profitability led to a turnaround in revenue growth and record ordinary profit.

➡ Net Sales (Yen)

FY	Plan	Result
2005	240.0 billion	223.3 billion
2006	255.0 billion	232.1 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2005	5.0 billion	4.5 billion
2006	6.0 billion	4.9 billion

➡ ROA (Net Profit Basis)*3

FY	Plan	Result
2005	5.0%	5.2%
2006	6.0%	4.8%

Yakushin 2008 Fiscal 2007 to Fiscal 2008

Basic Strategies

- Establish a high-profit structure conducive to sustainable growth
- Further promote open and honest compliance management

Results

Aggressively developed business centered on China, achieved record ordinary profit for the fourth consecutive year, and purchased and redeemed preferred shares, resuming dividend payments for the first time in 17 and a half years.

➡ Net Sales (Yen)

FY	Plan	Result
2007	240.0 billion	252.1 billion
2008	270.0 billion	223.0 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2007	5.1 billion	5.7 billion
2008	5.5 billion	6.0 billion

➡ ROA (Net Profit Basis)*3

FY	Plan	Result
2007	4.3%	4.0%
2008	4.4%	5.9%

Yakushin 2010 Fiscal 2009 to Fiscal 2010

Basic Strategies

- Reorganize business structure in response to changes in the business environment
- Develop and inspire employees
- Further promote open and honest compliance management

Results

Successfully reorganized business structure in response to changes in the business environment as a result of the global financial crisis of 2007 to 2009 and achieved our planned goals despite the impacts of the stagnant Japanese economy.

➡ Net Sales (Yen)

FY	Plan	Result
2009	200.0 billion	191.1 billion
2010	230.0 billion	222.1 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2009	4.0 billion	4.7 billion
2010	5.0 billion	5.3 billion

➡ ROA (Net Profit Basis)*3

FY	Plan	Result
2009	4.0%	5.1%
2010	4.5%	8.3%

Yakushin 2013*1 Fiscal 2012 to Fiscal 2013

Basic Strategies

- Promote consolidated global management
- Strengthen management foundation
- Develop new businesses, conduct business investments, and engage in M&As

Results

Continued to review existing businesses while establishing new businesses, increased the ratio of non-consolidated to consolidated ordinary profit through the expansion of business overseas, and carried out business investments of approximately ¥4.0 billion, including M&As.

➡ Net Sales (Yen)

FY	Plan	Result
2012	230.0 billion	221.8 billion
2013	260.0 billion	224.3 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2012	6.3 billion	5.5 billion
2013	7.0 billion	5.8 billion

➡ ROA (Ordinary Profit Basis)*4

FY	Plan	Result
2012	9.0%	7.6%
2013	9.0%	7.5%

Yakushin 2016 Fiscal 2014 to Fiscal 2016

Basic Strategies

- Reinforce consolidated management structure
- Strengthen human resource development structure
- Develop new businesses and engage in M&As

Results

Strengthened the foundation of our overseas businesses and carried out business investments of approximately ¥9.0 billion, including a large-scale M&A in the Chemicals Business (Miyako Kagaku Co., Ltd.).

➡ Net Sales (Yen)

FY	Plan	Result
2014	260.0 billion	248.4 billion
2015	280.0 billion	291.6 billion
2016	300.0 billion	270.9 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2014	6.2 billion	6.0 billion
2015	6.8 billion	5.5 billion
2016	7.5 billion	7.0 billion

➡ ROA (Ordinary Profit Basis)*4

FY	Plan	Result
2014	8.0%	7.1%
2015	8.0%	5.6%
2016	8.0%	7.1%

Chori Innovation Plan 2019 Fiscal 2017 to Fiscal 2019

Basic Strategies

- Reinforce consolidated management structure
- Develop new businesses, conduct business investments, and engage in M&As
- Strengthen corporate governance
- Strengthen human resource development structure

Results

Carried out business investments of approximately ¥6.0 billion, including M&As; improved overall profitability; and achieved record ordinary profit in two consecutive years through the contributions of subsidiaries acquired through M&As.

➡ Net Sales (Yen)

FY	Plan	Result
2017	280.0 billion	311.7 billion
2018	300.0 billion	356.5 billion
2019	330.0 billion	329.4 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2017	7.2 billion	7.5 billion
2018	7.8 billion	8.7 billion
2019	8.5 billion	8.7 billion

➡ ROA (Ordinary Profit Basis)*5

FY	Plan	Result
2017	7.2%	6.9%
2018	7.3%	7.3%
2019	7.5%	7.5%

Chori Innovation Plan 2022 Fiscal 2020 to Fiscal 2022

Basic Strategies

- Reinforce consolidated management structure
- Create next-generation business models
- Strengthen corporate governance
- Promote compliance
- Strengthen human resource development structure

Results

Established the foundation for our new stage of consistently delivering ordinary profit at the ¥10.0 billion level through the expansion of our overseas business and the contributions of subsidiaries acquired through M&As, in addition to engaging in a large-scale M&A in the Fibers, Textiles, and Garments Business (STX Company Limited).

➡ Net Sales*2 (Yen)

FY	Plan	Result
2020		216.2 billion
2021		284.1 billion
2022	280.0 billion	329.4 billion

➡ Ordinary Profit (Yen)

FY	Plan	Result
2020		4.7 billion
2021		10.3 billion
2022	11.0 billion	12.4 billion

➡ ROA (Ordinary Profit Basis)*5

FY	Plan	Result
2020		4.1%
2021		8.4%
2022	8.0% or more	9.0%

*1 The formulation of this medium-term management plan was postponed in fiscal 2011 due to the effects of the Great East Japan Earthquake.

*2 Effective from the beginning of fiscal 2020, the Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 30, 2018) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, issued on March 30, 2018).

*3 ROA = Net profit attributable to owners of parent / Total assets × 100 *4 ROA = Ordinary profit / Total assets × 100

*5 ROA = Ordinary profit / Total assets (Avg. of beginning and end of fiscal year) × 100

Medium-Term Management Plan

Chori Innovation Plan 2025

Chori Innovation Plan 2025 is our medium-term management plan covering the three-year period from fiscal 2023 to fiscal 2025 and marks the final stage of the Chori Innovation Plan, which we have been promoting since fiscal 2017. Under the Chori Innovation Plan, we are transforming businesses and management structures to achieve further growth and expansion to achieve VISION2030.

Chori Innovation Plan 2025

Basic Strategy 1. Promote Consolidated Management Centered on Our Global Business

Basic Strategy 2. Develop Sustainable Businesses That Adapt Quickly to the Changing Business Environment

Basic Strategy 3. Promote ESG Management

Transforming Businesses and Management Structures Through DX

P.21

🕒 Financial Targets	Fiscal 2024 Results	Fiscal 2025 Forecast	Fiscal 2025 Chori Innovation Plan 2025
Net sales	311.5 billion	330.0 billion	360.0 billion
Profit before income taxes	16.3 billion	16.0 billion	16.0 billion
Net profit attributable to owners of parent	11.7 billion	11.0 billion	11.0 billion
ROA*1	8.1%	—	7% or more
ROE*1	13.4%	—	12% or more
ROIC*2	11.1%	—	Approx. 10%

*1 Net profit attributable to owners of parent basis

*2 Return on invested capital (ROIC) = Operating profit after income taxes / Invested capital (Equity + Interest-bearing debt, Avg. of beginning and end of fiscal year) × 100

Basic Strategy 1. Promote Consolidated Management Centered on Our Global Business

Chori will strengthen the operating bases of its major overseas business sites by enhancing its mission-critical system and expanding its overseas workforce while improving the profitability of its overseas operations. In addition, by reviewing and refining our business portfolio and promoting integrated operations as a specialized company through the leveraging of Group synergies, we will strive to develop next-generation products and expand our line of existing products.

Progress

Fibers, Textiles, and Garments Business

- Continuously pursuing and optimizing Group synergies
- Promoting collaboration with MCC Industry on textile and sportswear products

Chemicals Business

- Focusing on organizational management to create new businesses, expanding and utilizing human capital, and securing and developing global talent
- Strengthening collaboration with overseas bases
- Dispatching human resources overseas and increasing the number of locally hired employees to strengthen business in China, Southeast Asia, India, South Korea, and South America

Business-Specific Strategies for the Final Year of Chori Innovation Plan 2025

Fibers, Textiles, and Garments Business

The evolution of “GLOBAL ONE STOP CHORI”

Cooperate with overseas business sites and Group companies to further strengthen supply chain capabilities, from upstream to downstream, and establish a system conducive to conducting production and sales activities at the most suitable locations

Strengthen Our Global Structure

Strengthen workforce and collaboration at overseas business sites in each business segment

Focus regions Fibers and textiles: China Industrial textiles: Indonesia and North America

Apparel: China and Europe / United States (MCC Industry)

Chemicals Business

Refine the Structure of the Chori Group Overall, Including Overseas Business Sites

Expand workforce, implement job rotation, and invest in human resources

Focus regions China, Southeast Asia, and India

Basic Strategy 2. Develop Sustainable Businesses That Adapt Quickly to the Changing Business Environment

We will respond to the drastic changes in this era of volatility, uncertainty, complexity, and ambiguity by taking a bird's-eye view of business risks and opportunities, diversifying our global supply chain, and actively undertaking business investments, new development projects, and M&As in growth sectors and regions.

Progress

Fibers, Textiles, and Garments Business

- Ratio of sales of BLUE CHAIN™ and other differentiated products increased to approximately 50% of sales of fiber raw materials
- Cf. Sales of fiber raw materials (non-consolidated): Approximately ¥13.4 billion
- Launched short-fiber differentiated product SPUNLAB, which we had not handled previously, to address a wide range of needs
- Expanded handling of BLUE CHAIN™ and other sustainable (SDG-oriented) products in the environmental fields of the Fibers, Textiles, and Garments Business
- Diversification of sewing facilities delayed due in part to the coup d'état in Bangladesh, but permanent staff assigned in March 2025 to get the process back on schedule

Chemicals Business

- Market-oriented product development increasing in fields such as pharmaceuticals, agrochemicals, functional intermediates for semiconductors and electronics materials markets, food materials, and animal feed and fertilizers
- On the other hand, development speed remains insufficient. Need to secure new supply sources for the future

Business-Specific Strategies for the Final Year of Chori Innovation Plan 2025

Fibers, Textiles, and Garments Business

Strengthening of BLUE CHAIN™ Products

- Expand focus in growth areas (environment, health, and comfort) from our current approach based on raw materials to textile development and product applications
- Enhance product lineup, including through new product development, and expand recycling schemes such as B-LOOP™
- Heighten our ability to deliver effective messages and enhance brand recognition

Further Globalization of Business

Strengthen brand marketing for overseas markets and participate in overseas exhibitions through activities of the Textile Division

Chemicals Business

Establishment of a System to Prepare for Unforeseen Circumstances

Promote globalization of business to ensure business continuity and development, even in the event of unforeseen circumstances

Focus on Seven Key Business Fields While Promoting Digitalization

Expand business in the key fields of electronics and semiconductor materials; battery materials and nonferrous metals; healthcare; cosmetics; agrochemicals, animal feed, and fertilizers; food materials and processed foods; and green business based on a market-in approach with an emphasis on speed

Establishment of a Next-Generation Business Model in Multiple Fields

Establish a highly functional, highly profitable, and environmentally conscious business model in the fields of healthcare, food, CO₂ reduction, bio-based material, recycling, and environmental impact reduction

Basic Strategy 3. Promote ESG Management

We strive to strengthen ESG management by addressing climate change and expanding our line of environment-friendly products, developing a diverse workforce and promoting respect for human rights to ensure the well-being of stakeholders, and continuing to strengthen and promote corporate governance, compliance, and risk management.

Non-Financial Targets

	Fiscal 2024 Results
Expand our line of environment-friendly SDG-oriented products	Consolidated sales: ¥32.6 billion (Fibers, Textiles, and Garments Business: ¥22.5 billion, Chemicals Business: ¥10.1 billion)
Increase the percentage of women among career-track hires and employees who have transferred to career-track positions to over 30%	24.3% (-1.3pt YoY)
Increase the percentage of male employees taking childcare leave	53.8% (-4.5pt YoY)
Increase the percentage of women in management positions	3.0% (up 1.0 percentage point year on year)
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	Acquired certification as an outstanding organization under the Ministry of Economy, Trade and Industry's 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) for the seventh consecutive year
Invest approximately ¥5.0 billion in DX measures, including the adoption of SAP software	SAP went into operation in April 2025

DX Strategy

Chori is promoting DX from both defensive and offensive perspectives. To solidify our defensive DX strategy, in 2022 we launched the Companywide business transformation project Chori Accelerate Renovation Achievement Transformation (CARAT) as the base from which we have continued to develop our DX management structure. By standardizing and streamlining business processes, we are solidifying our business foundation. Going forward, we will strengthen businesses based on management structure established as part of our offensive DX strategy and utilize these efforts as a springboard to realize VISION2030, our vision of the company we aspire to be.

2023


2024

2025

CIP2025

Defensive DX Strategy

Introduction of SAP and Development of DX Management Structure



In keeping with the basic policy of our medium-term management plan, Chori Innovation Plan 2025, we will become a corporate group that continues to evolve and change on a global scale, underpinned by our exceptional capabilities and expertise. In addition to the three basic strategies for realizing this policy, we will promote the transformation of our business and management structures through DX.

	Business Transformation and Standardization	Data-Driven Management and Establishment of a Platform for the Use of Data	Development of DX Specialists and Promotion of Diversity
Fiscal 2024 Progress	We have completed the development of the SAP system and conducted testing and end-user training.	We have conducted testing and end-user training for the full-fledged implementation of the management dashboard connected to the SAP system.	We have implemented the DX Skills Development Program in accordance with each individual's computer skills and worked to enhance these skills through learning programs based on individual proficiency.
Fiscal 2025 Plan	We began full-scale operation of the SAP system in April and are working to ensure that it operates stably and takes hold throughout the Company.	We will utilize the management dashboard to enhance management transparency and the speed of management decision-making.	We are working to support and train users of the SAP system.

After Chori Innovation Plan 2025

Offensive DX Strategy

Utilization of SAP and Enhancement of Corporate Value

We will strengthen our management and business operations through the SAP mission-critical system developed under Chori Innovation Plan 2025 with the aim of enhancing our corporate value.

Realization of flexible management resistant to change	Strengthening of sales competitiveness through use of data	Business model reform
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VISION2030

Continuing to evolve and change to realize our vision of the company we aspire to be

Sustainability

Well-being

Innovation

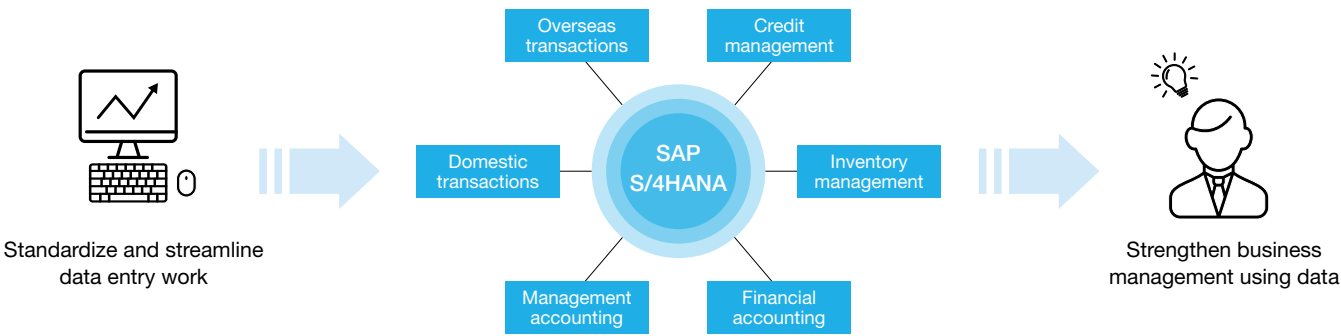
We will continue to build our foundation for offensive DX strategies.

Katsuhito Aoki
Department Manager
Information System Department



The decision to implement the SAP system stemmed from the increasing limitations of our previous mission-critical IS system. Although the IS system, developed 25 years ago to suit our business operations, functioned flawlessly in business processes, it encountered issues when collecting and analyzing data. To move forward with our business transformation and DX, we

required a system that can more flexibly utilize data. With the SAP system, data from sales to accounting is integrated in real time, enabling faster processing. It can also be paired with other cloud systems to utilize various services, which was a key factor in our decision.



Led by our Companywide business transformation project CARAT, launched in April 2022, the SAP system became fully operational in April 2025. Completing such a large project on time and within budget demonstrates our unwavering commitment to standardizing business processes Companywide and the collective efforts of the CARAT project team and our frontline employees. One significant outcome of the project was the growth of dedicated team members in their 30s and 40s who have developed strong initiative skills and the ability to bridge management and the front lines. At operation launch, delays occurred due to several factors including a lack of data transfer from the previous system and insufficient master data, and while the increased number of data entry fields initially presented a challenge, as of June 2025, frontline employees have adjusted to the new system.

Our current challenge is allotting time to explore DX initiatives. The newly launched status of our SAP system precludes optimizing data utilization and digitalization on a Companywide level, despite having the personnel in place to do so. To promote DX, I believe a strong knowledge of the business and the desire to implement change are even more

important than pure digital knowledge. Looking ahead, we aim to foster employees with a deep understanding of our business, who can analyze past and present situations and are able to utilize new technologies, such as AI, in future simulations. To cultivate such digital-savvy talent, in fiscal 2024 we developed a DX training program that encompasses generative AI with the Human Resources & General Affairs Department. In addition, we made IT Passport certification a requirement for members of our management team, including executives, all of whom are now certified. In fiscal 2025, we will prioritize stable SAP operations and enhancing awareness of DX through practical experience.

It is here that we reach the true starting point for promoting DX. To shift from a defensive DX strategy to an offensive one, we are developing a platform to utilize collected data. We are considering the creation of a data reservoir that collects and stores not only that entered into the SAP system but all data in our peripheral systems. We aim to develop a data analytics platform that visualizes the output of stored data using business intelligence and enables all employees to freely perform statistical analysis and predictive analytics.