



Making your dreams come true

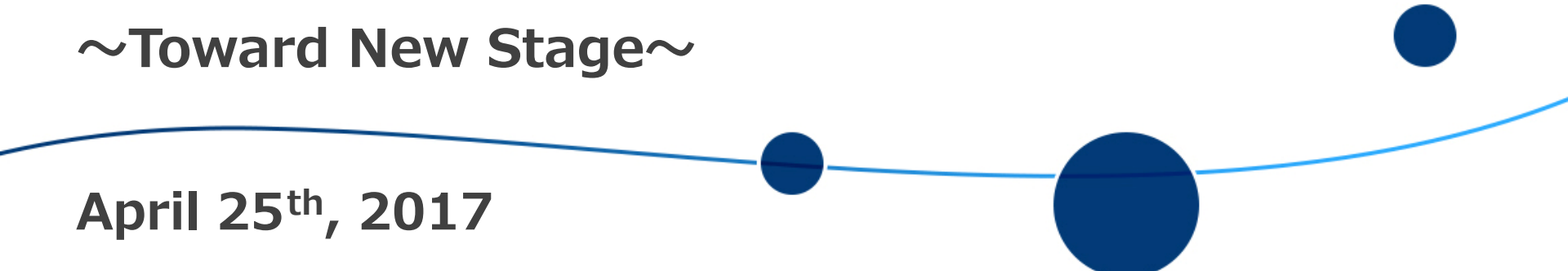
Mid-Term Management Plan

FY2017 – FY2019

Chori Innovation Plan 2019

~Toward New Stage~

April 25th, 2017



- 1 Review of Former Mid-Term Management Plan
“Yakushin2016”
- 2 Mid-Term Management Plan
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Review of Former Mid-Term Management Plan “Yakushin2016”(FY2014-FY2016)

1 Review of Former Mid-Term Management Plan “Yakushin2016”

Profit

- Ordinary income of FY2016: ¥7.0 billion ⇒ Highest record (FY2011 ¥6.1 billion)
- Ordinary income of FY2014-FY2016 in total:
(Plan)…¥20.5 billion (Result)…¥18.5 billion ⇒ Achievement rate of 90%
- Profit attributable to CHORI of FY2014-FY2016 in total:
(Plan)…¥13.2 billion (Result)…¥13.2 billion ⇒ Achieved the target plan

Financial Base

- End of FY2013 equity capital: ¥36.3 billion equity ratio: 46%
⇒ End of FY2016 equity capital: ¥46.3 billion equity ratio: 47%
- ROA of FY2016 based on ordinary income: 7.1%

Investment

- M&A and business investment result for FY2014-FY2016 in total:
¥9.1 billion
- Large-scale M&A, Making Miyako Kagaku Co., Ltd into subsidiary:
invested ¥6.6 billion (May, 2015)

Dividend

- Dividend ratio of 20%. Dividend increased for last 4 FY
- FY2013: ¥33 per share ⇒ FY2016: ¥40 per share
- Resumed paying out interim dividend from FY 2016


POINT

- **FY2015** (year to year)
 - Net sales : Increased significantly due to M&A of Miyako Kagaku Co., Ltd
 - Ordinary income : Decreased due to loss of accelerated restructuring of textile business
 - Profit attributable to CHORI : Increased by gain on sales of investment securities
- **FY2016** (year to year)
 - Net sales : Decreased by reduction of trading business amount due to higher yen
 - Ordinary income : Record-breaking high
 - Profit attributable to CHORI : Achieved the target plan

(Unit: billion yen)	FY2014	FY2015	FY2016	
	Annual Result	Annual Result	Plan	Annual Result
Net Sales	248.4	291.6	300.0	270.9
Ordinary Income	6.0	5.5	7.5	7.0
Profit attributable to CHORI	4.2	4.3	4.8	4.8
Total Assets	84.3	98.7	94.0	98.0
Equity Capital	41.4	42.8	47.0	46.3
ROA (ordinary income)	7.1%	5.6%	8.0%	7.1%
ROA (net income)	4.9%	4.4%	5.0%	4.9%
Equity Ratio	49%	43%	50%	47%

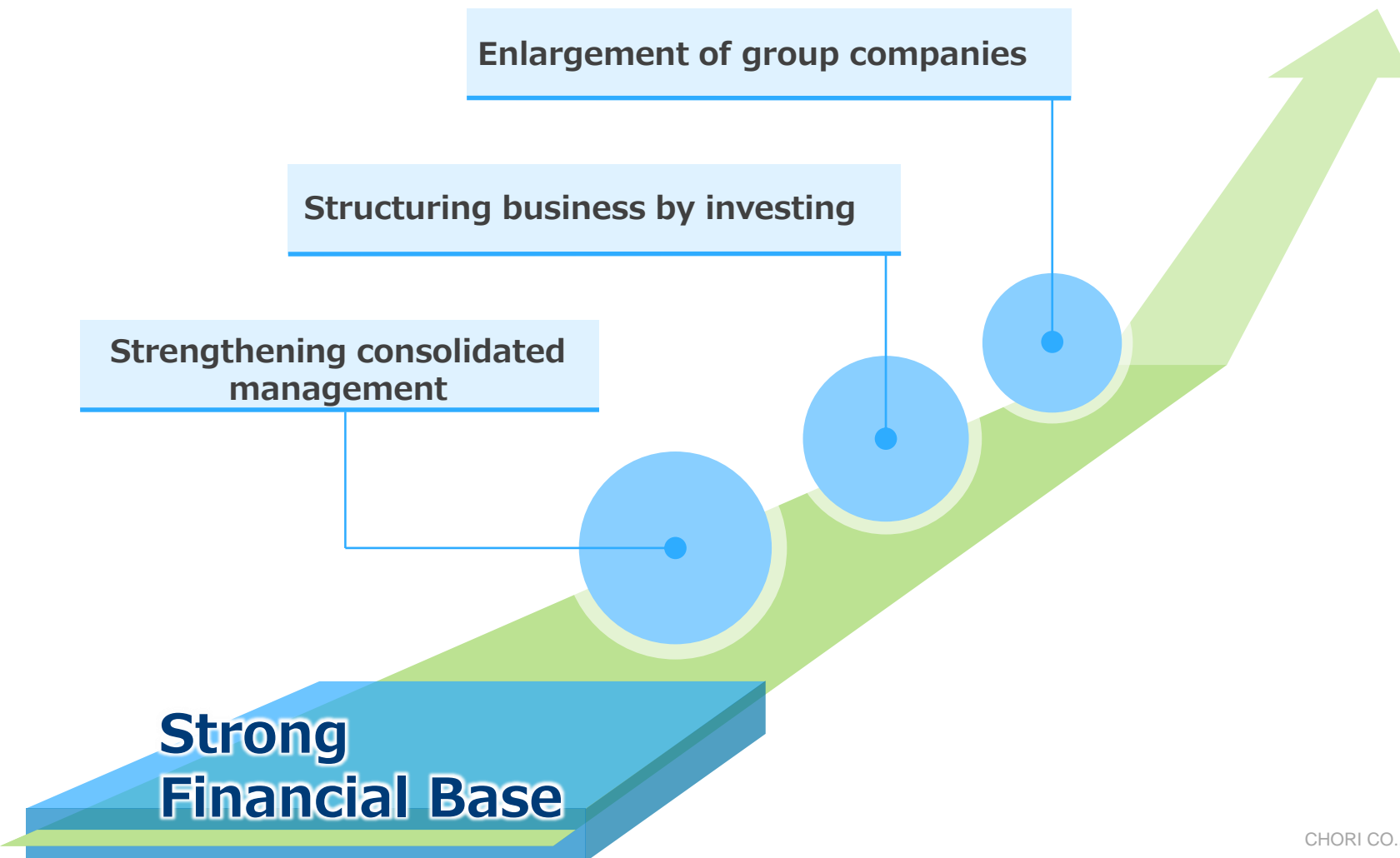
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Mid-Term Management Plan “Chori Innovation Plan 2019”

~Toward New Stage~

1. Vision · Policy

Toward New Stage
-Vision of FY2022-
Ordinary Income of 13 billion yen



2. Strategy①

Mid-Term
Management Plan

Chori Innovation Plan 2019

Consolidated
Management

New Development ·
Business Investment
and M&A

Corporate
Governance

Human
Resource

Corporate group continues to evolve and change on a global scale, built on outstanding capabilities and expertise

2. Strategy②

Consolidated Management

- Promoting consolidated operations by each business department
- Accelerating further globalization
- Strengthening IT infrastructures and improving operational efficiency
- Enhancing synergy with Toray Group

New Development · Business Investment and M&A

- Focusing on investment in growing fields and areas
- Establish “Business Investment Committee”
- Continue to hold “M&A Promoting Committee”
- Investment and development of venture enterprises

Corporate Governance

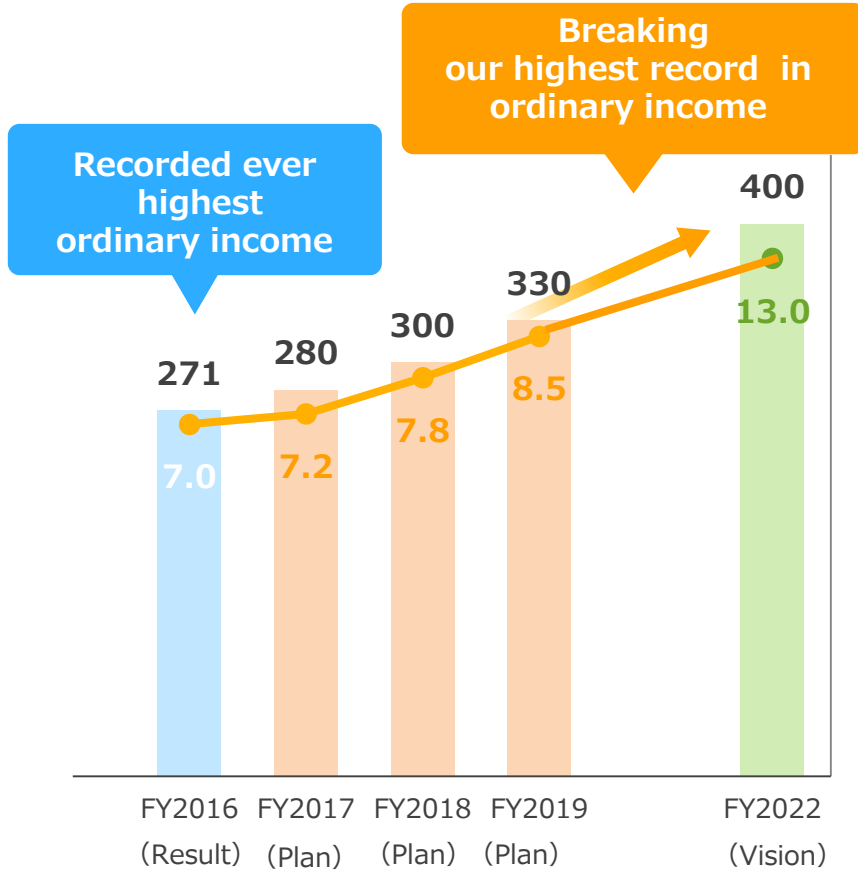
- Strengthening internal controlling system
- Globalized risk management
- CSR · IR
- Improvement in dividend policy

Human Resource

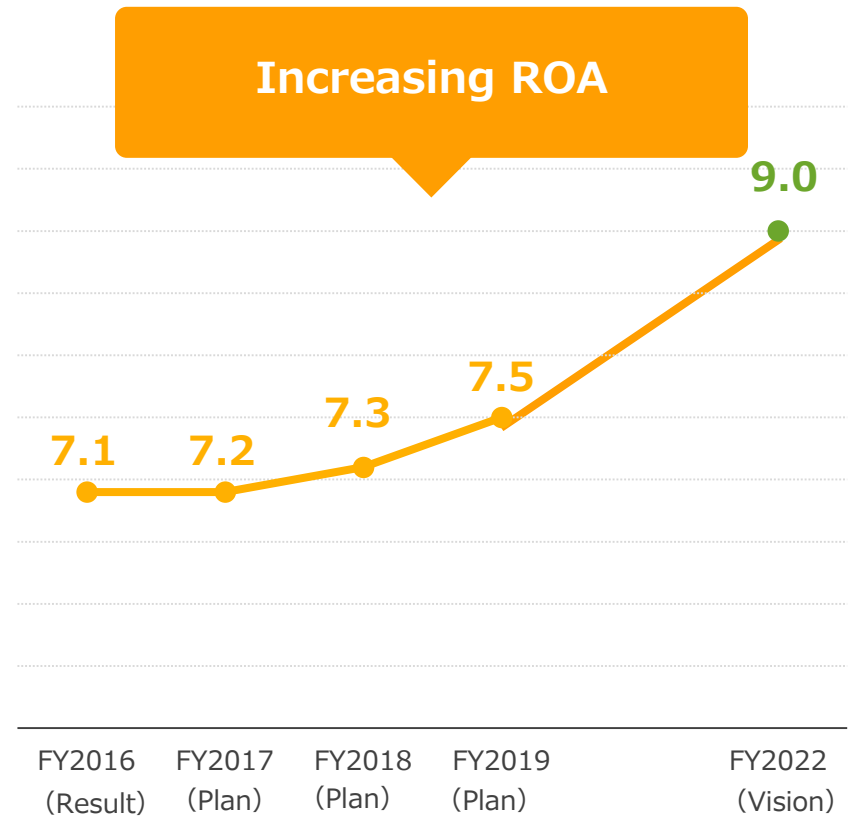
- Developing globally specialized personnel
- Design policy on human resources
- Mobilization of employees in Chori Group
- Working-style reforms(reducing overtime work)

3. Positioning of Mid-Term Management Plan

■ Net sales ■ Ordinary Income
(Unit : billion yen)



ROA (Ordinary income based) (Unit : %)



4. Business Strategy ~ Fibers, Textiles and Garments

Net Sales

(unit: billion yen)



Ordinary Income

(unit: billion yen)



① Textiles Collective Strength Enhancement Project

- Promote integrated business model covering all arrangements from materials to manufacturing
- Reorganize company structure to most optimized management system
(2 operations ⇒ 3 operations)

② Accelerate Global Expansion “Global One Stop CHORI”

- Establish global framework of six regions (Japan, China, Asia, US, South and Central America, Europe)
- Improvement in global supply chain management
- Expand business initiated by overseas bases (China, ASEAN)
- Enhance overseas production infrastructure (China · Indonesia)

③ Strengthen Planning and Solution Services

- Transfer apparel business operations to CHORI MODA Co., Ltd.
- Transfer merchandise function to appropriate place and promote direct trading between overseas countries. (China/Dalian, Vietnam, Thailand, Indonesia)
- Develop and expand sales of original Chori products and environmental products

5. Business Strategy ~ Chemicals and Machinery ~

Net Sales

(unit: billion yen)



Ordinary Income

(unit: billion yen)



① Trading Business Model to Business Investing and Converting Business Model

- Promoting business investment ⇒ Secure and strengthen procurement sources (China, Chile, Germany)
- Strengthen and deepen converting function (fine chemicals, condenser materials, processed food)
- Pursue new development (environment related materials, lithium-ion battery materials, pharmaceutical and agrochemical intermediates)

② Promote Further Globalization

- Expand overseas business (Focus on ASEAN region, maintain overseas bases)
- Expand China business (Promote collaboration with leading Chinese partners)

③ Enlargement of Group Companies

- Strengthen alliance with subsidiaries after M&A (Miyako Kagaku Co., Ltd., PTI JAPAN LTD)
- Accelerate business cycle of transportation equipment business enabled by company split-up (Established Chori Machinery Co., Ltd. in April, 2017)

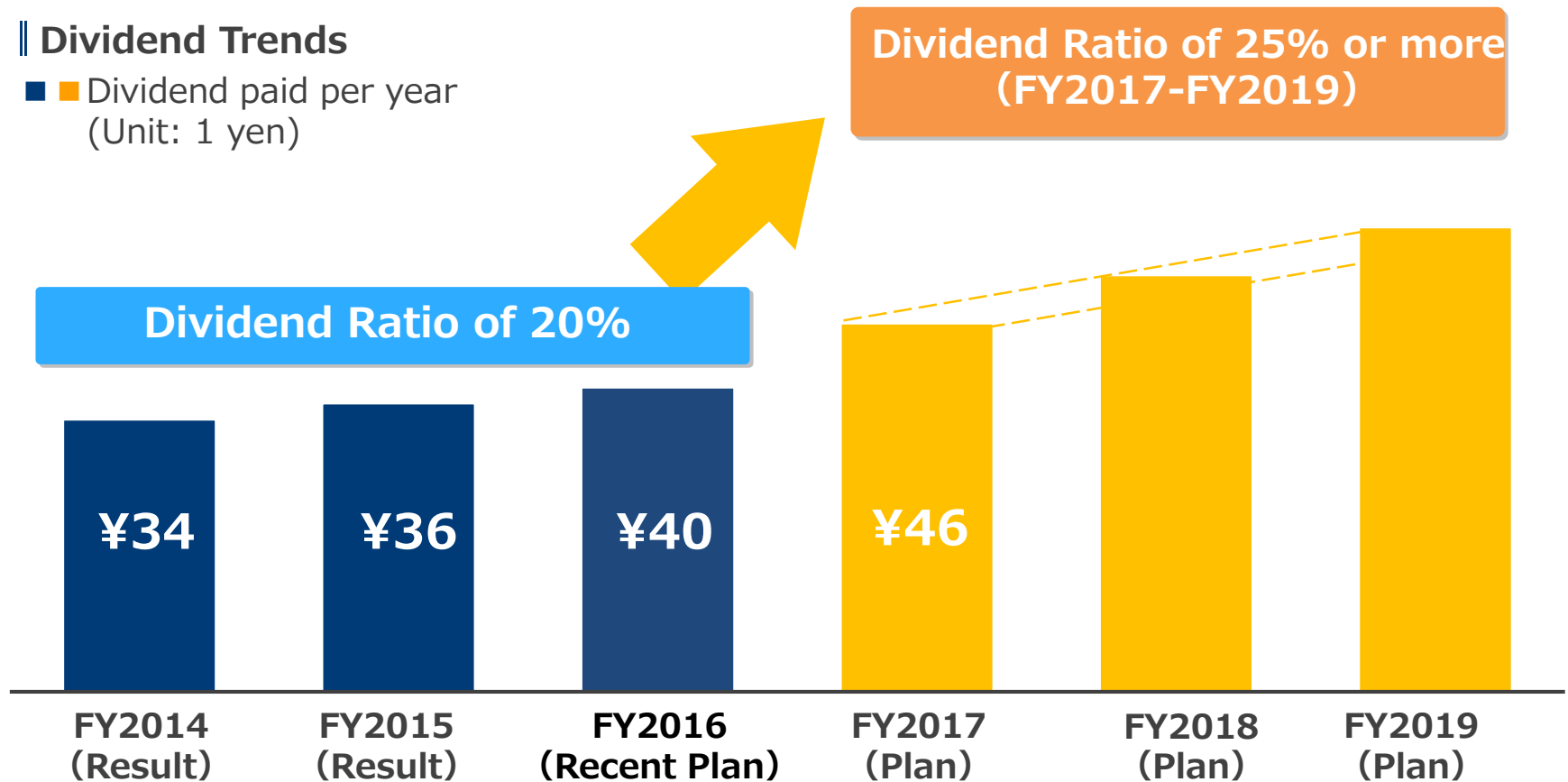
6. Dividend Policy

|| Dividend Policy

- Paying performance-linked dividends corresponding to net income attributable to owners of the parent of the year
- Ensuring the flexible return of profits and stability of management and financial affairs
- Maintaining sufficient investment funds for business growth

|| Dividend Trends

■ Dividend paid per year
(Unit: 1 yen)

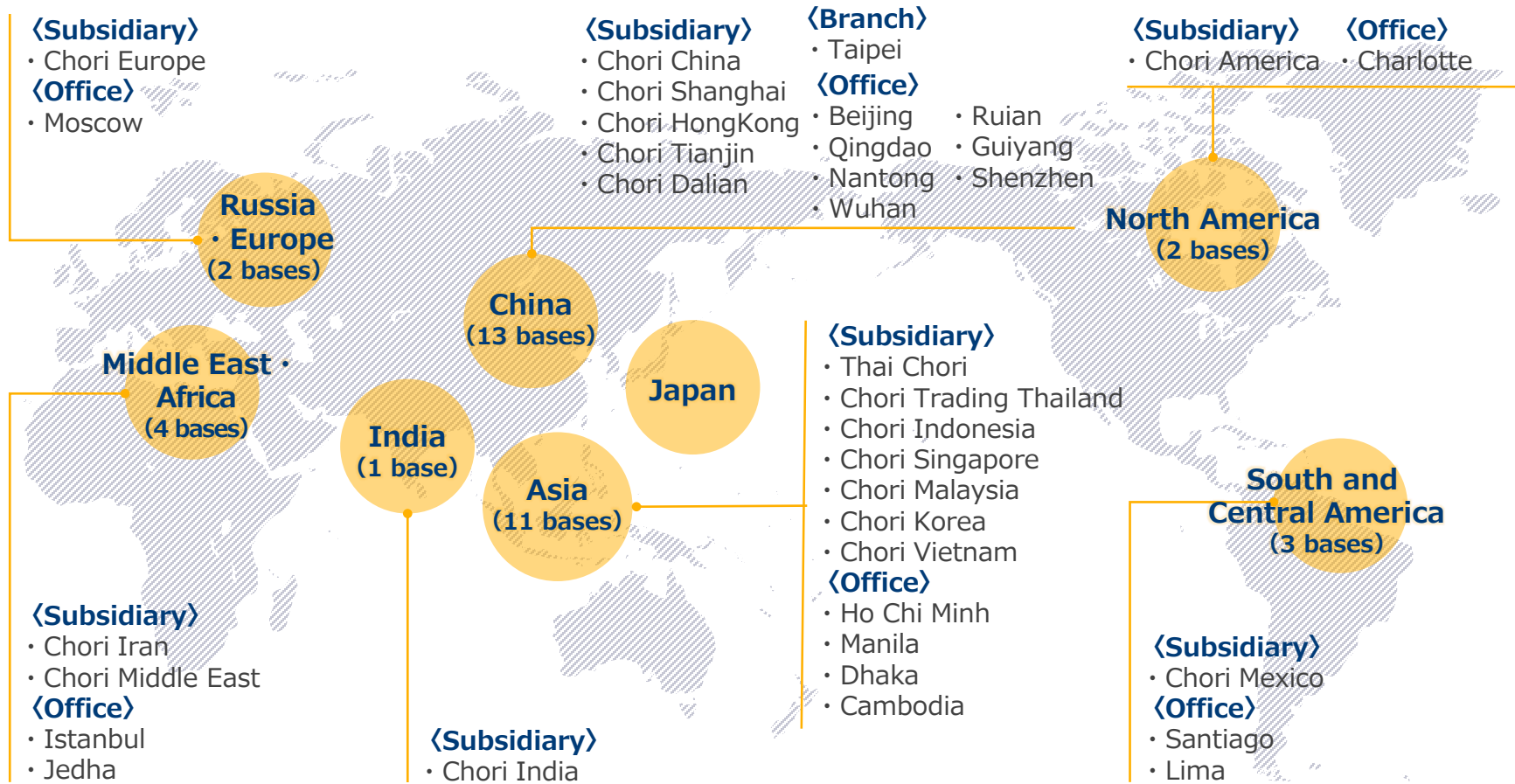


7. Financial Targets of FY2019

(Unit: billion yen)

	FY2016 Annual Result	FY 2019 Plan
Net Sales	270.9	330.0
Ordinary Income	7.0	8.5
Profit attributable to C H O R I	4.8	5.5
R O A (Ordinary Income)	7.1%	7.5%
R O A (Net Income)	10%	10% Or more

3 Reference: Global Networks





Making your dreams come true

Forecasts for operational performances, as well as future predictions described in this document, were prepared based on information available as of the day on which this document was released.

This document in no way guarantees the contents and operational performances of the company in the future.

