



Tokyo Head Office

2-15-3, Konan, Minato-ku, Tokyo
108-6216, Japan
Tel: +81-3-5781-6200

Osaka Head Office

1-7-3, Awajimachi, Chuo-ku, Osaka
540-8603, Japan
Tel: +81-6-6228-5000

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

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Corporate Profile

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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 2023, we announced Chori Innovation Plan 2025, our three-year medium-term management plan that concludes in fiscal 2025. We will steadily implement the basic strategies and various measures and initiatives laid out in the plan 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.

Kazuo Sakihama
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.

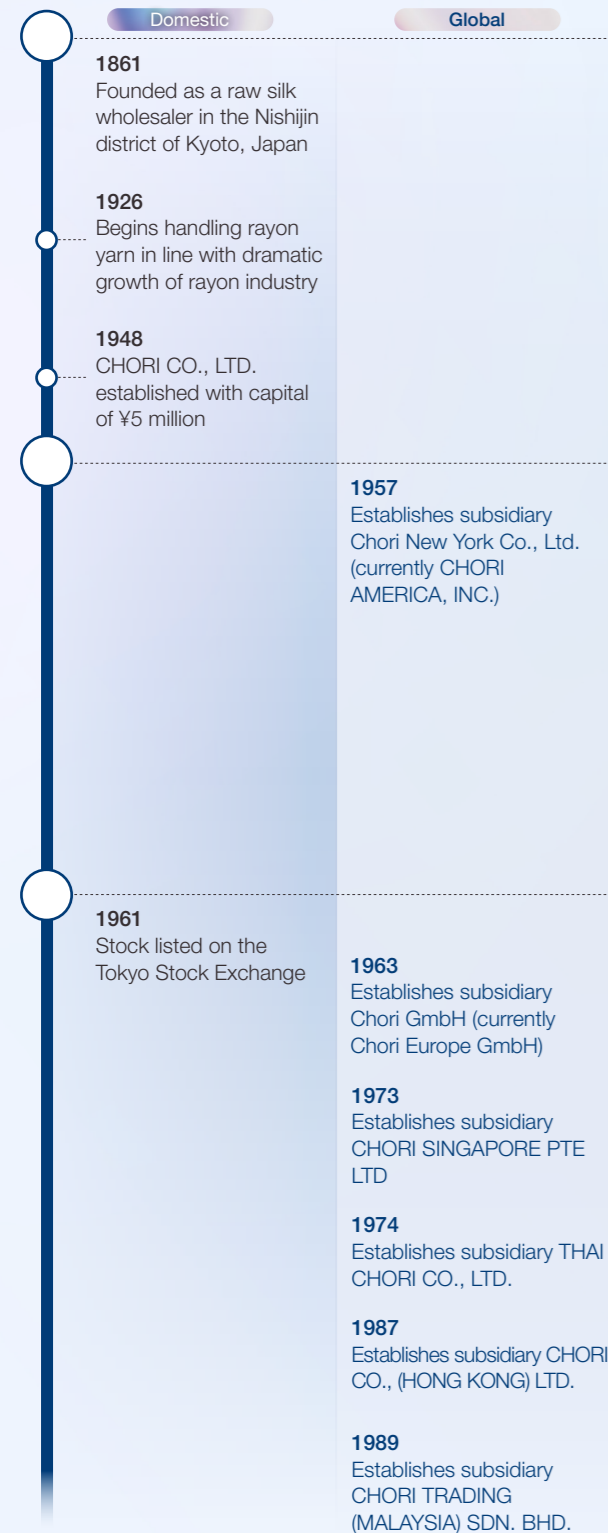
Machinery Business

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.



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 petrochemical 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.



2003
Formulates the Reborn Management Plan

2004
Becomes a consolidated subsidiary of TORAY INDUSTRIES, INC.

1993
Establishes CHORI (SHANGHAI) CO., LTD. as its first subsidiary in China

1995
Establishes subsidiary PT. CHORI INDONESIA

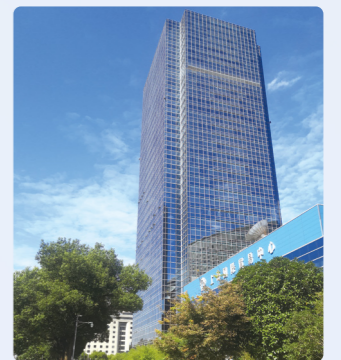
2001
Establishes Chori Middle East FZE

2004
Establishes subsidiaries CHORI (TIANJIN) CO., LTD. and CHORI (DALIAN) TRADING CO., LTD.

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.



2013
Makes CHORI GLEX CO., LTD. a consolidated subsidiary

2014
Moves Tokyo Head Office to Shinagawa

2015
Makes Miyako Kagaku Co., Ltd. a consolidated subsidiary

2017
Establishes Chori Machinery Co., Ltd. Makes ASADA U CO., LTD. a consolidated subsidiary

2018
Makes KOZAKURA SHOKAI CO., LTD. a consolidated subsidiary

2021
Makes STX Co., Ltd. a consolidated subsidiary

2022
Launches Companywide business transformation project

2010
Establishes a representative office in Dhaka, Bangladesh

2012
Establishes subsidiary CHORI KOREA CO., LTD.

2014
Establishes subsidiary CHORI TRADING INDIA PRIVATE LIMITED

2016
Establishes subsidiary CHORI VIETNAM CO., LTD.

2017
Establishes subsidiary CHORI COMERCIAL DE MEXICO, S.A. DE C.V.

2018
Establishes subsidiary TAIWAN CHORI MERCHANDISE COOPERATION LTD.

2023

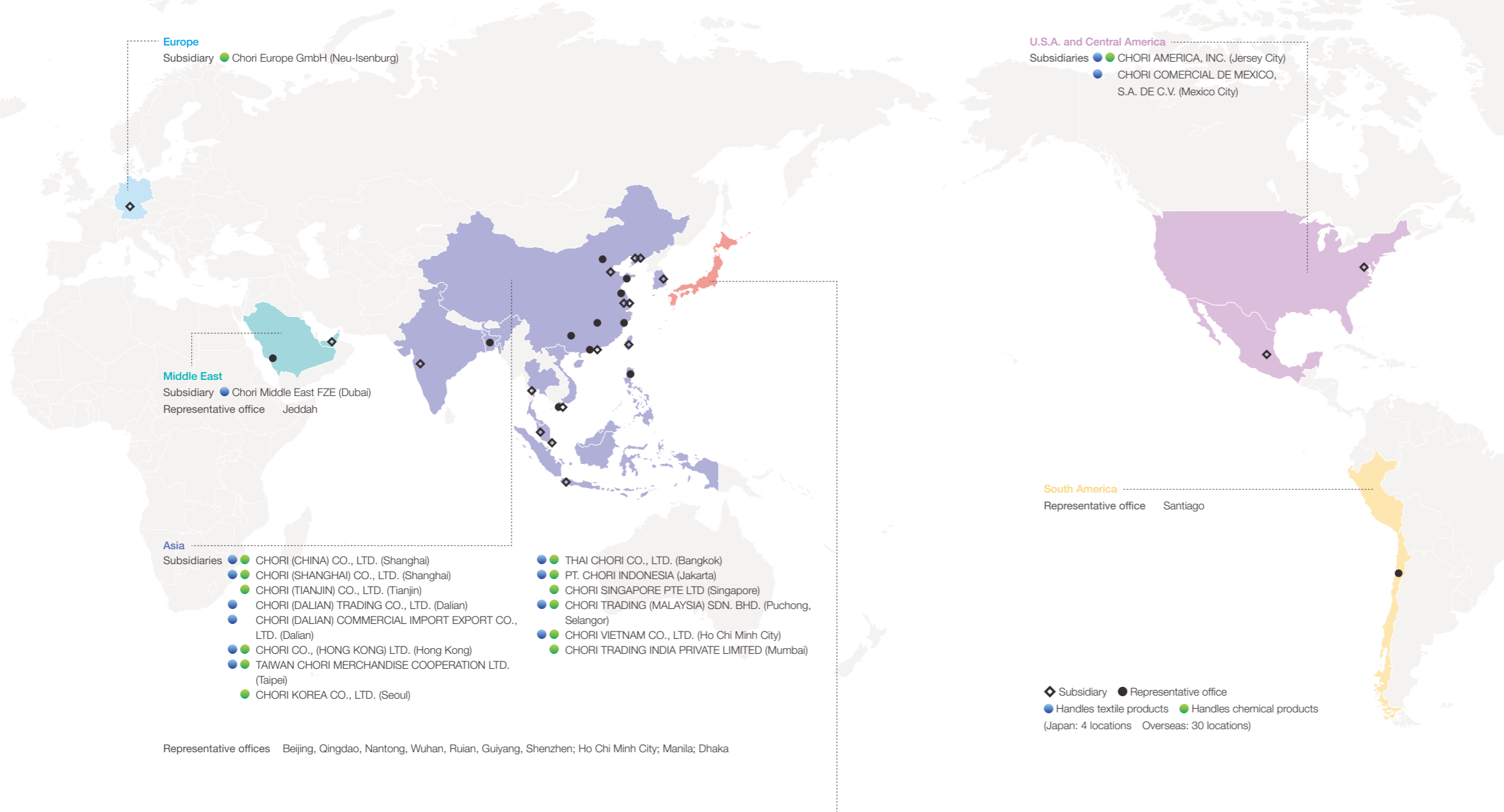
Establishment of New Medium-Term Management Plan

Chori established Chori Innovation Plan 2025, its medium-term management plan covering the three-year period from fiscal 2023 to fiscal 2025. We will harness the strengths of the Chori Group and steadily implement the basic strategies outlined in the plan with the aim of continuously enhancing our corporate value.



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.



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 Co., Ltd.
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

Domestic Offices



Tokyo Head Office
Tower C, Shinagawa Intercity,
2-15-3, Konan, Minato-ku, Tokyo
108-6216, Japan
Tel: +81-3-5781-6200



Osaka Head Office
Nittochi Sakaisuji Bldg.,
1-7-3, Awajimachi, Chuo-ku, Osaka
540-8603, Japan
Tel: +81-6-6228-5000

Hokuriku Branch
15F Visage Office Zone,
16-1, Showa-machi, Kanazawa
920-8676, Japan
Tel: +81-76-232-3521

Okayama Liaison Office
10F Okayama
Fukokuseimei-ekimae Bldg.,
1-6, Ekimotomachi,
Kita-ku, Okayama
700-0024, Japan
Tel: +81-86-224-6188

Chori at a Glance

Overseas Operations

30
business sites

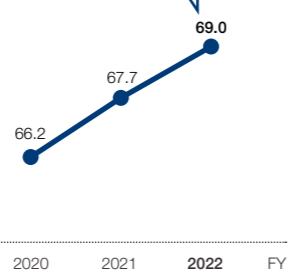
* As of June 2023

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.

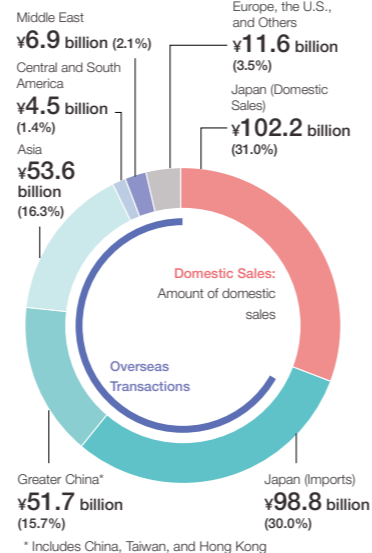
Ratio of Net Sales through Trade

69.0%

UP
1.2 points YoY

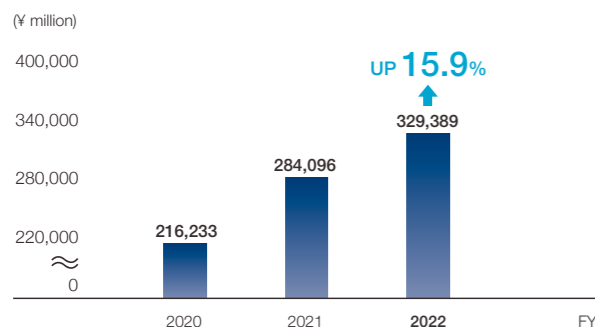


Net Sales by Region in Fiscal 2022

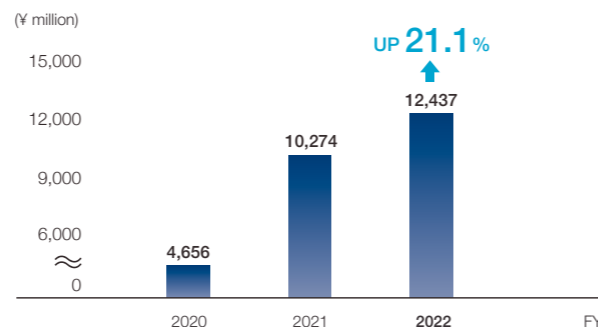


Consolidated Financial Highlights for Fiscal 2022 (the Year Ended March 31, 2023)

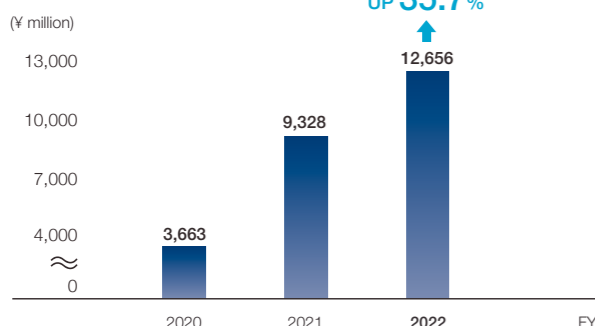
Net Sales



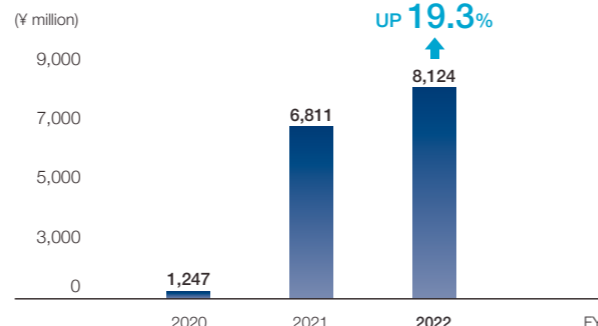
Ordinary Profit



Operating Profit



Net Profit Attributable to Owners of Parent



Note: As of this report, the term "profit" is used in lieu of "income"

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.



Medium-Term Management Plan—Chori Innovation Plan 2025

We have established Chori Innovation Plan 2025 (CIP2025), our new medium-term management plan covering the three-year period from fiscal 2023 to fiscal 2025. CIP2025 is a continuation of our new 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.

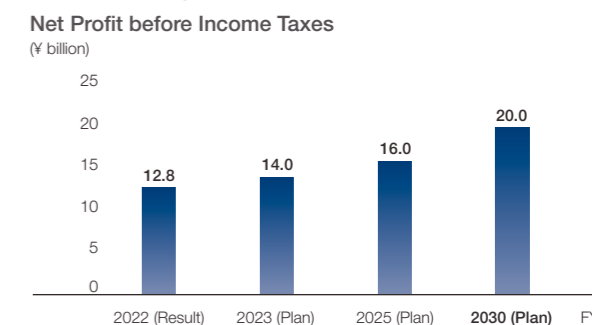
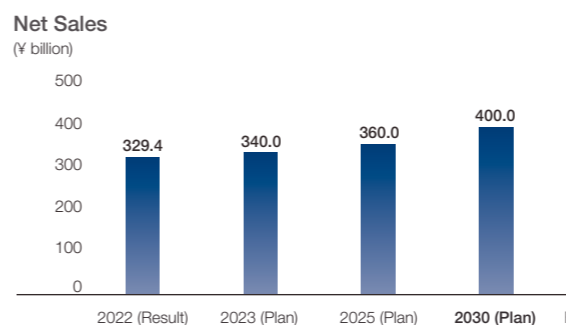


Basic Strategies and KPIs of Chori Innovation Plan 2025

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 (Results and Plans)



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%

- #### 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

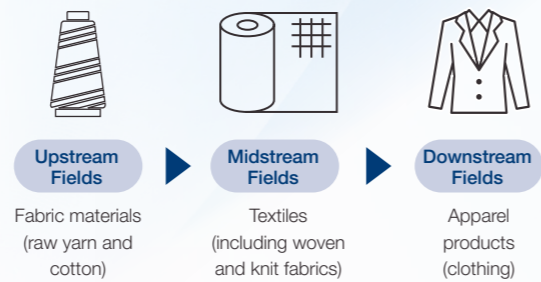
*1 Net profit attributable to owners of parent

**2 Return on invested capital (ROIC) = After-tax operating profit / (Total equity + Interest-bearing debt)

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).



Synthetic Fiber Business Department Product Portfolio and Strengths

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

Fiber Raw Materials Department



Key Products

- Synthetic fiber intermediates, polyester fibers, and nylon thread

Rollout of Recycled Plastic Chips as a Raw Material

Chori supplies materials made of recycled plastic bottles to both Japan and overseas, centered on Europe, the United States, and the ASEAN region, and develops its own original yarn. By drawing on our expertise in optimal global procurement through the use of our overseas network, we will market recycled products for use in materials and apparel as a part of our vast business growth.

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.

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

Standard Products

Yarn Types

POY/DTY/SDY/ATY/ACY

Gloss

BR/SD/FD/CD/CDMIX

Cross-Section

Circular/triangular/cross-over/flat

Spun-Dyed Yarns

Black/gray/beige/brown

Special Chips

Recyclable/bio-PET/highly contractible/highly potent/flame-retardant

Technical Textiles Department



Key Products

- Hygienic and lifestyle-related materials, construction materials, and automotive interior materials

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

Chori handles a 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.

Textile-Fabric Department



Key Products

- Fabric used in casual wear, sportswear, and Middle Eastern garments

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.

Overview of Business Segments

Technical Material & Garments Business Department

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



Career Apparel & Workwear Department



Key Products

- Suits, uniforms, and lab coats

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 and China serving as the hub, 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 Synthetic Fiber 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 outdoor clothing, 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



SUSTAINABILITY
COMES FROM THE WHOLE SUPPLYCHAIN.

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.

Chori's Line of BLUE CHAIN™ Products



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™

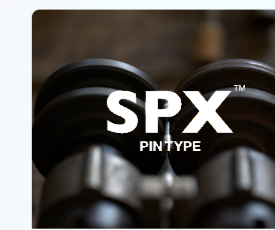
WS™ is a material we developed together with KOMATSU MATERE Co., Ltd. that can be dyed quickly at low temperatures. This quick-dyeing yarn also reduces CO₂ emissions from the fabric dyeing process by 31.7%* compared with conventional yarn.

* 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 comfortable to wear. Demand for this material has grown due to an increase in the time people spend at home and the popularity of golf and other sports.



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.



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.



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.



FREETEQ

FREETEQ is a line of fully elastic products currently being developed by combining highly stretchable yarn and a fully fashioned, circular knit seamless structure. In addition to accommodating a wide range of sizes and body shapes, FREETEQ reduces production stock-keeping units, thereby eliminating product waste and promoting sustainability.

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.

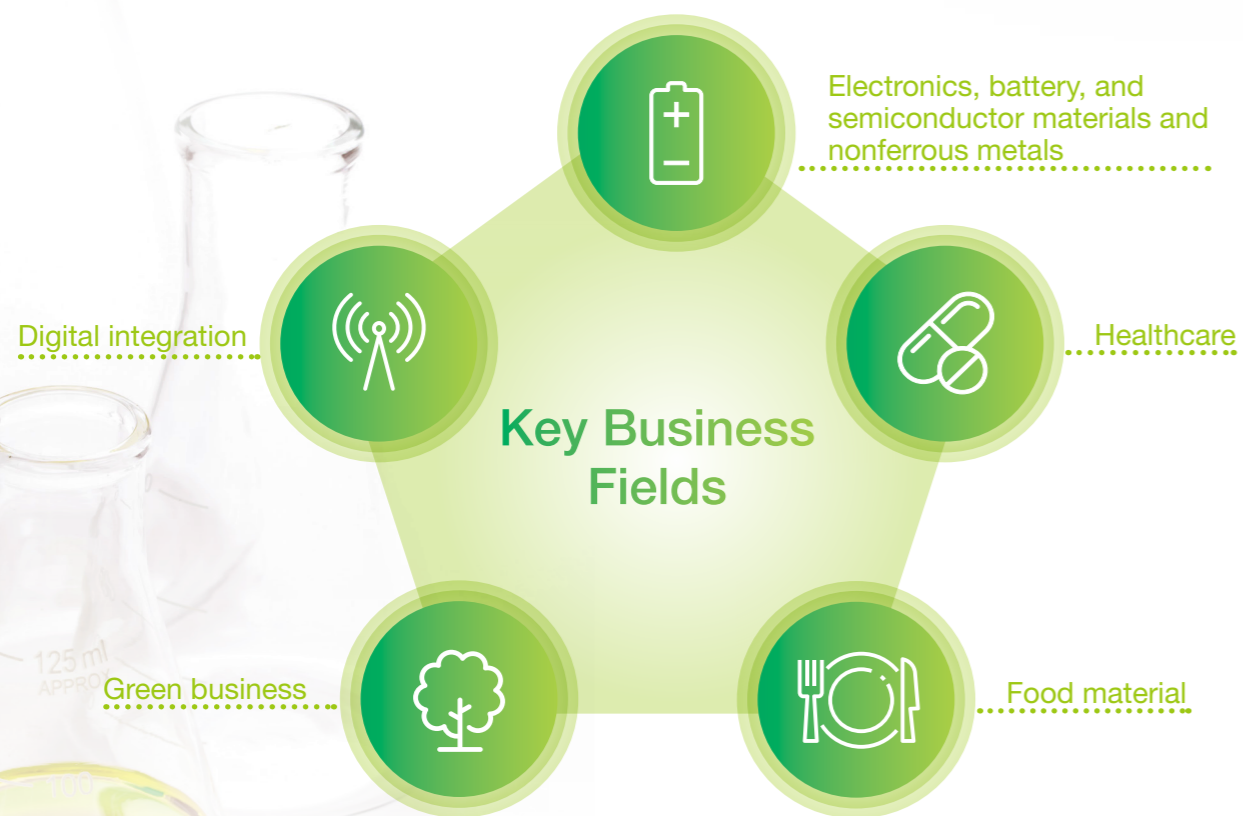
Business Model

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, 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

Fine Chemicals Department



Key Products

- Pharmaceutical ingredients and intermediates
- Agrochemical ingredients and intermediates
- Functional intermediates

Outsourcing of Business for Chemical and Pharmaceutical Manufacturers and Support for Drug Discovery

On the strength of its supply network spanning across the globe, Chori handles the raw materials that function as active ingredients primarily for generic drugs. Our subsidiary CHORI Analysis & Technology Service (Suzhou) Co., Ltd. has put in place a system in which its team of experts conduct product analyses and provide technical support. In addition, we have joined forces with WuXi AppTec of China for the rollout of our outsourcing business in research and production in an effort to provide support for drug discovery.

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 an Array of Feed Materials and Additives from Overseas

Chori imports and sells calcium propionate, sodium bicarbonate, and other feedstuff materials to compound feed producers and farmers. We also handle a variety of other products, including functional materials that ensure the health of livestock. By leveraging its long-cultivated know-how and years of experience, Chori has built a supply chain that strictly adheres to good manufacturing practices and other quality assurance standards, through which it continues to provide high-value-added products.

Sustainable Products

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.



New Protein Sources

Chori supplies raw materials made from soybeans, wheat, and green peas and is introducing new sources of protein, such as sunflower protein and cricket powder.



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

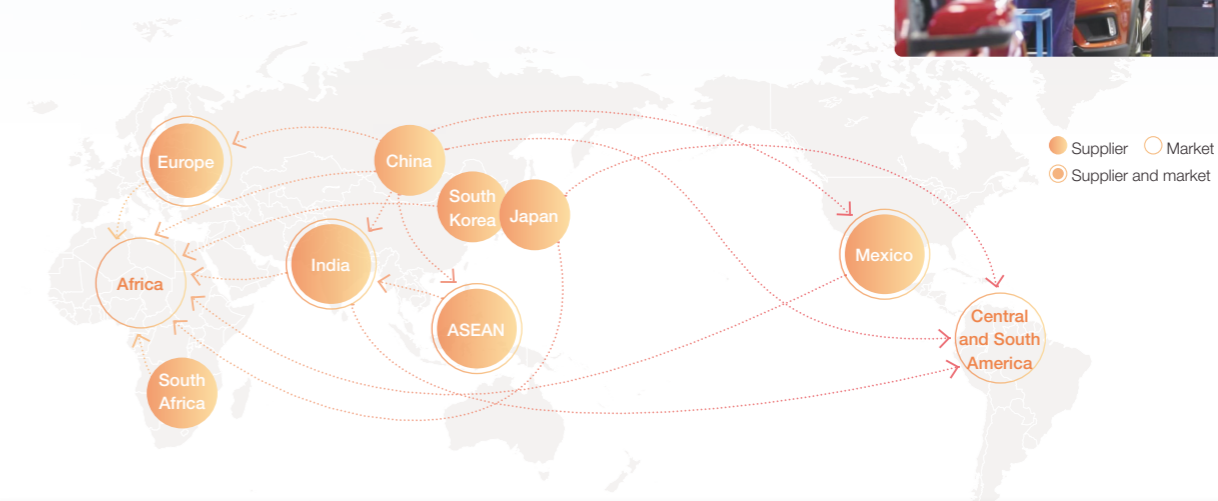
Chori is expanding the operations of Chori Machinery Co., Ltd., a trading company specializing in transportation equipment that was spun off in April 2017.

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 Middle East, Africa, Europe, and the ASEAN region.

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, France, and Belgium. The stylish and environment-friendly vehicles developed by Chori's business partner have been well received by the younger generation and the local markets and continue to increase in sales.

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

As declared in our corporate philosophy, 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.

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 Chori Machinery Co., Ltd., Business Anchor Corporation, and other subsidiaries in our aim to help preserve the environment.



Information Disclosure Based on the TCFD Recommendations

In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) at the request of the G20. We believe that it is our social responsibility to proactively address environmental issues in the course of our business activities and that this will lead to the Group's sustainable growth. In accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures, the final report released by the TCFD in June 2017, we began disclosing the recommended disclosure items in fiscal 2022. We will continue to strive to ensure appropriate information disclosure going forward.

Details are available on our website (in Japanese only).



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 Human Resources Vision of "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, we implement overseas training and language course programs to secure and cultivate employees who are able to work successfully outside of Japan. In addition, we regularly conduct training programs for the employees of our overseas offices.

In addition to these activities, we promote a variety of measures in our aim to become a company that is a comfortable place to work for everyone.

As a result of these initiatives, for the fifth consecutive year since 2019, Chori was certified as a Sports Yell Company by the Japan Sports Agency and as an outstanding organization under the large enterprise category of the Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Outstanding Organizations Recognition Program.

Approach to Providing Rewarding Work Environments

Reducing Long Work Hours

In principle, our employees must adhere to a rule that designates one day of the week as a no-overtime day, and all staff must leave their workplace by 9 p.m. every day. We also support employees in improving their workstyles at our in-house training seminars and promote improvements in operational efficiency and the reduction of long work hours through in-house projects.

Enhancing Operational Efficiency

Chori works to improve the operational efficiency of its employees through its Companywide CHORI Innovation Activities ("CHOI-Katsu").

Promoting Health and Productivity Management

Chori provides yoga classes during lunchtime, support for quitting smoking, measures for reducing alcohol consumption, and other initiatives to help employees improve their health and productivity.

Promoting Active Roles for Women in Management

Chori strives to provide its female employees with a comfortable workplace environment that allows them to take active roles and utilize their capabilities to the fullest.

Providing a Comfortable Workplace Environment

Chori constantly works to ensure that its employees are able to work in a safe, clean, and comfortable environment.



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 its 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. In these guidelines, we have prescribed our 11 Guidelines for Corporate Behavior to ensure that 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, 2023)

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) 1-7-3, 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: 1,285 Non-consolidated: 405 (Including 74 employees dispatched to other companies)
Corporate Website	https://www.chori.co.jp/english/

Stock Information (As of March 31, 2023)

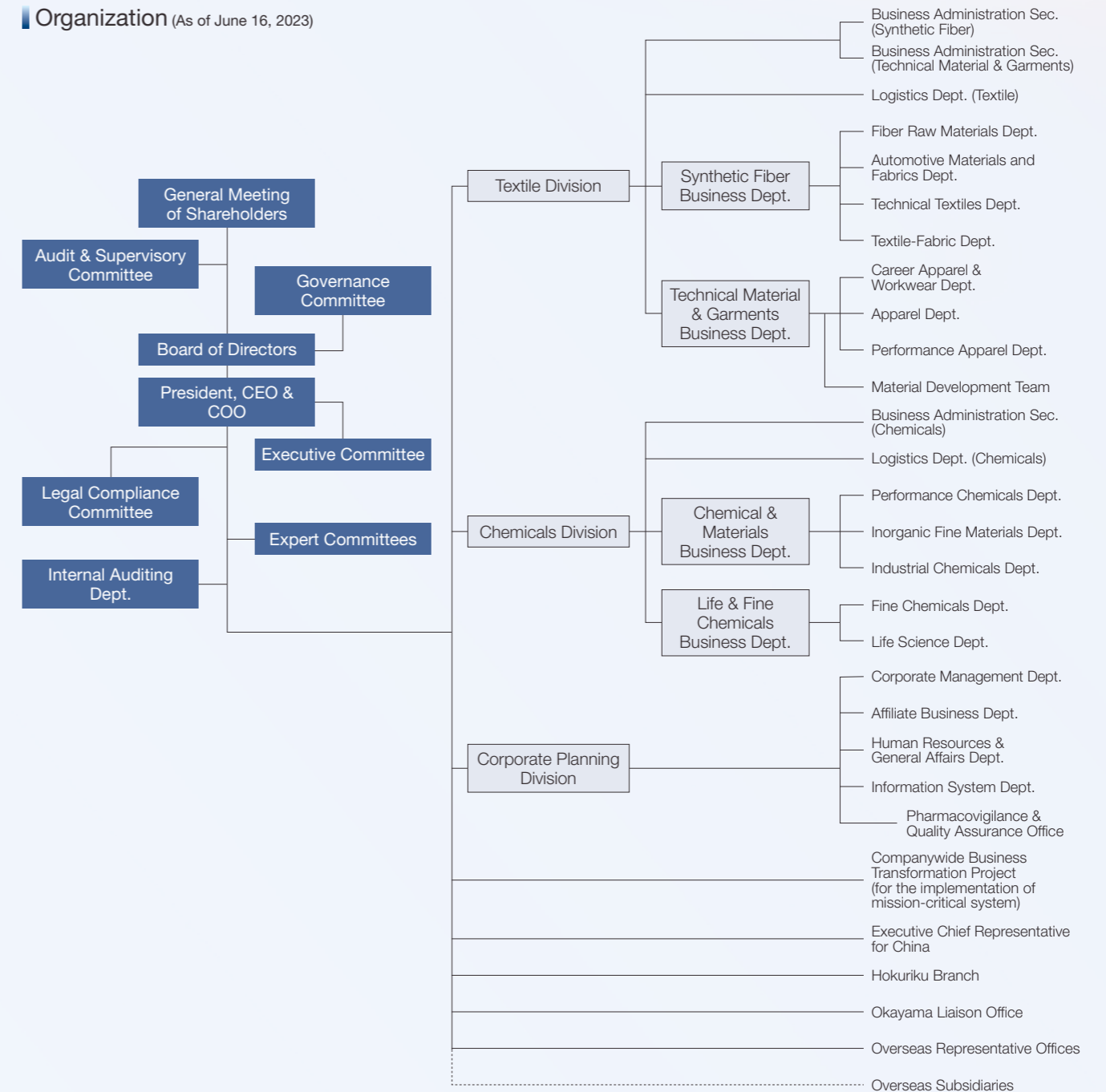
Total Number of Shares Authorized to Be Issued	55,000,000
Total Number of Shares Outstanding	25,303,478
Number of Shareholders	7,202
Stock Listing	Tokyo Stock Exchange
Major Shareholder	TORAY INDUSTRIES, INC.

Directors & Executive Officers (As of June 16, 2023)

President, CEO & COO / President and Executive Officer	Kazuo Sakihama	Managing Executive Officer	Hiroshi Yoshida
		Managing Executive Officer	Yoshihiro Teratani
Director / Managing Executive Officer	Tatsuyuki Sakoda	Senior Executive Officer	Satoko Nakayama
Director / Executive Officer	Kazuhiro Tohge	Senior Executive Officer	Masao Nakamura
Director (Part-Time)	Kazuhiro Shuto	Senior Executive Officer	Naohiko Ashida
Director / Full-Time Audit & Supervisory Committee Member	Shigemasa Yabu	Executive Officer	Satoshi Shiragami
Outside Director / Audit & Supervisory Committee Member	Masaaki Sawano	Executive Officer	Yasuhiro Oiwa
Outside Director / Audit & Supervisory Committee Member	Hiomasa Suzuki		
Outside Director	Hiroko Noda		

Note: Directors Masaaki Sawano, Hiromasa Suzuki, and Hiroko Noda have been registered as independent directors with the Tokyo Stock Exchange.

Organization (As of June 16, 2023)



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.