

Growth Drivers

Business Development in the ASEAN Region

Since 1952, when we dispatched a representative from Japan to our Indonesian subsidiary, we have been aggressively developing our business in the ASEAN region. With five local subsidiaries and two representative offices in the region, we provide the best value chain solutions for each customer.

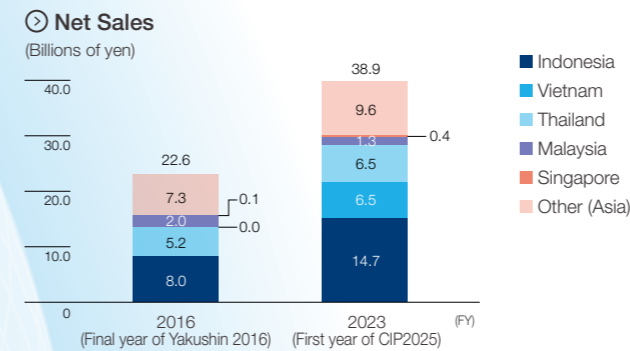
- THAI CHORI CO., LTD**
Established in 1974, THAI CHORI CO., LTD. develops raw materials for clothing and Middle Eastern fabrics and garments in the Fibers, Textiles, and Garments Business and food additives in the Chemicals Business, in addition to handling automotive products, a major industry in Thailand.
- Local subsidiaries** (Blue diamond)
- Representative offices** (Blue circle)
- Affiliates** (Purple circle)
- Ho Chi Minh Office**
Established in 1994
- CHORI VIETNAM COMPANY LIMITED**
Established in 2016, CHORI VIETNAM COMPANY LIMITED develops urethane raw materials and food additives in the Chemicals Business and produces and sells raw materials and fabrics in the Fibers, Textiles, and Garments Business in Vietnam, the second largest producer of textile and sewn products following China.
- STX Vietnam Company Limited**
STX Vietnam Company Limited is a local subsidiary of STX Company Limited, which became a Group subsidiary in 2021 and operates a sewing factory in Vietnam that is utilized by the entire Chori Group.
- Manila Office**
Established in 2011
- CHORI TRADING (MALAYSIA) SDN. BHD.**
Established in 1989, CHORI TRADING (MALAYSIA) SDN. BHD. focuses on the development of textile materials in the Fibers, Textiles, and Garments Business and chemical raw materials, such as capacitor raw materials, in the Chemicals Business in Malaysia, where the electronics industry is a core industry.
- CHORI SINGAPORE PTE LTD**
Established in 1973, CHORI SINGAPORE PTE LTD expanded its business through interregional transactions (brokerage), including financial and logistics functions.
- MEGACHEM LIMITED**
An equity-method affiliate in which Chori invested in 2012, MEGACHEM LIMITED develops a wide range of products from functional chemicals and fine chemicals to life science chemicals in Singapore.
- P.T. CHORI INDONESIA**
Established in 1995, P.T. CHORI INDONESIA engages in the textile business and a wide range of other businesses in both the Fibers, Textiles, and Garments Business and the Chemicals Business.
- PT. MATSUOKA INDUSTRIES INDONESIA**
An equity-method affiliate in which Chori invested in 2018, MATSUOKA INDUSTRIES INDONESIA specializes in the sewing of textile products in Indonesia.

01. Ensuring a Stable Supply Chain

In 1949, when private foreign trade resumed, Chori began to develop sales channels in Southeast Asia and South America through overseas business trips. In 1950, demand in these regions and exports of textiles saw rapid growth, and in response to this trend, we dispatched a representative to Indonesia in 1952. Since then, we have continued to develop business in accordance with the characteristics of each country, establishing local subsidiaries and representative offices as appropriate.

Due to the rise in geopolitical risk during COVID-19, more and more customers have been choosing to procure raw materials from the ASEAN region. The region offers promising opportunities not only for imports, owing to the combination of high quality, low cost, and short lead times, but also for exports and new businesses based on regional demand due to its increasing population and resulting economic growth.

In fiscal 2023, Chori's net sales in Asia (excluding Greater China), primarily in the ASEAN region, came to ¥38.9 billion, a 1.73-fold increase from fiscal 2016.



03. Approach Going Forward

Aiming to expand business overseas, we will focus on acquiring new opportunities for local procurement and local sales in the ASEAN region. One of the benefits of having Chori as a business partner is its wide assortment of SDG-oriented products. We will continue to emphasize the appeal and functions of Chori's differentiated products, such as ECO BLUE™ recycled polyester fiber made from used plastic bottles.

We will also serve as an intermediary between ASEAN countries and companies in Europe, the United States, and China. An increasing number of factories are investing in environmental measures in response to the decarbonization of business activities in Europe and the United States. We are working to capture new demand by focusing not only on price responsiveness but also the environmental friendliness of products. We are also developing new businesses with companies in China that are looking to expand their business in the ASEAN market.

We will continue to move forward with our basic strategy of "promote consolidated management centered on our global business," as declared in Chori Innovation Plan 2025, in pursuit of further growth in the years ahead.

Case Studies



Global Textile Recovery and Recycling Efforts

Fibers, Textiles, and Garments Business

In response to the ever-increasing focus on the circular economy, Chori introduced B-LOOP™, an initiative in which discarded textiles are recovered and recycled. Utilizing the strengths of our global business network and extensive know-how, we recycle polyester and other materials into various textile products in cooperation with our business sites in Vietnam, China, and Taiwan.

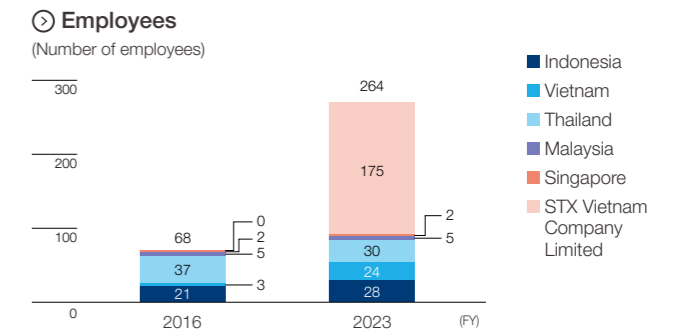
In Vietnam, where the textile industry is thriving and a significant amount of textile waste is generated, we teamed up with a local company that was already a business partner of our subsidiary CHORI VIETNAM COMPANY LIMITED to recycle polyester materials into textile products. We also began working with major sports and apparel brands to further expand our textile recovery and recycling efforts.

02. Creating a Rewarding Workplace Environment for All Employees

Chori has established a system that promotes close cooperation between its head office employees, representatives dispatched overseas from Japan, and locally hired employees overseas. Aiming to foster employees who can thrive on the global stage, our overseas trainee system dispatches young employees to improve their business customs and language skills. Nearly one out of three employees have been assigned overseas through this program.

With wage levels rising year after year, it is becoming increasingly difficult to secure highly skilled personnel. In order to maintain a positive work environment at our local subsidiaries and representative offices, we have a training program in place for those who have been assigned to work overseas to understand the circumstances and challenges of their new workplace and their roles and responsibilities, in addition to programs tailored to our locally hired staff.

In anticipation of the future growth of the ASEAN market, we have laid out a personnel plan at each business site to which we continue to make adjustments and improvements, such as dividing existing transactions among locally hired staff and new transactions, including development projects, among representatives dispatched from Japan.



Development of Food Chemicals

Chemicals Business

The Chemicals Business of THAI CHORI CO., LTD., which celebrated its 50th anniversary in 2024, handles a wide range of products, with a focus on food chemicals in recent years. Thailand produces a large number of processed foods, including those for convenience stores in Japan, for which Chori provides food additives and seasonings.

Shelf-life extenders for chicken, side dishes, and other food products, which we produce on consignment in Thailand, are becoming more widely used throughout the country due to its rapidly growing convenience-store culture. Chori has also acquired halal certification for food products in Indonesia, Vietnam, and other ASEAN countries, to which shipments will likely increase due to the anticipated growth of their convenience-store cultures.

We also develop texture enhancers and are strengthening our sales activities to position them alongside shelf-life extenders as part of our core products.