



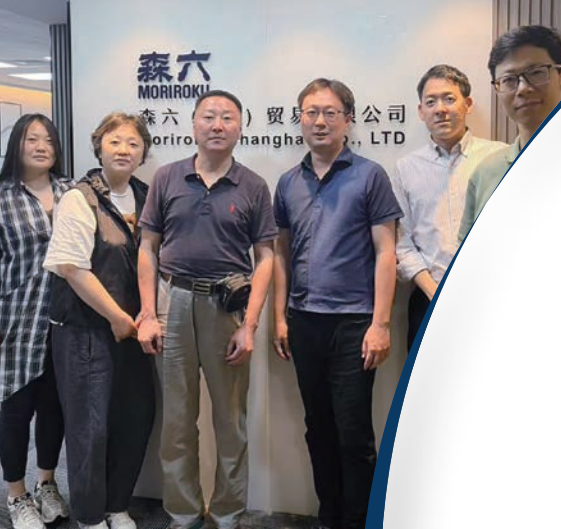
# Moriroku Co., Ltd. Integrated Report 2025

共に挑もう、新たな未来。

Create A New Future As One







Inheriting Our Spirit of Challenge and  
Maximizing Synergies

# 共に挑もう、新たな未来。

## Create A New Future As One

On April 1, 2025, Moriroku Holdings Co., Ltd. entered a new chapter in its history by integrating its two core operating companies and changing its name to “Moriroku Co., Ltd.”

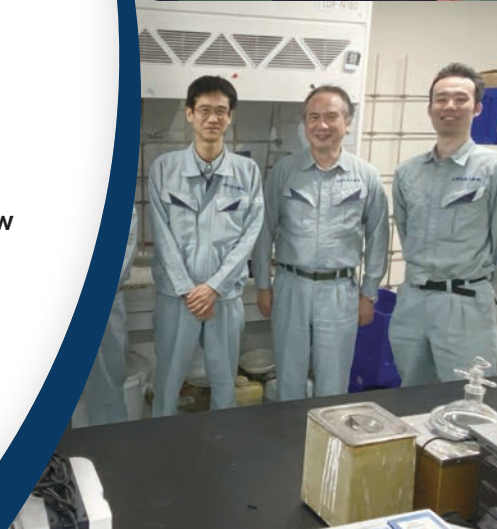
We will harness the collective strengths of the Group and embark on a new course, guided by the spirit of challenge that has been inherited throughout our 360-year history.

Our new slogan, “Create A New Future As One,” expresses our strong determination to create a new future together with our diverse stakeholders, united as one.

We will pursue synergies that combine the power of chemistry with the craftsmanship of *monozukuri* (manufacturing) and continue contributing to the development of next-generation mobility and the creation of a future society through valuable solutions.

With flexibility and creativity, we will continue to turn our aspirations into reality.

Moriroku’s rebirth sees its challenge starting once again.





## Principles

Moriroku Group will create high value with its future-oriented creativity and advanced technologies, while contributing to the global society.

## Code of Conduct

1

### Compliance

We will comply with domestic and foreign laws and regulations, and aim to become a trusted industrial group through fair and equitable corporate activities.

2

### Respect for life and dignity

Our corporate members will individually exercise their autonomy and creativity, and respect the personality and individuality of their colleagues.

3

### Customer satisfaction

We will provide our customers with valuable ideas, high quality services, and fine products to maintain their satisfaction.

4

### Contribution to society

As a good corporate citizen, we will contribute to society through environmental consciousness and community-oriented corporate activities.

## Core Values

1

### Progressive spirit

We will make continued efforts to improve our corporate value, by anticipating future trends.

2

### Total cooperation

We aim to become a corporate group that puts a premium on teamwork and the pursuit of ideals.



Founded in 1663. More than 360 years of

# History of Taking on Challenges

From introducing indigo to the world, to entering the synthetic resin business, and to launching our manufacturing operations ... Since its founding in 1663, the Morioku Group has expanded its portfolio by developing businesses that anticipate the needs of society.

We will continue to create new value and exceed customer expectations by inheriting our spirit of challenge that we have cultivated throughout our history, and will tie that into a new transformation as a new Morioku.



## Innovation to Meet Social Needs

Since its founding in 1663, the Morioku Group has expanded its portfolio by developing businesses that anticipate the needs of society. Here are some of the key innovations that have led to our current business.

## 1663 Supporting People's Clothing

Morioku was founded in 1663, when Yasube Mori, a Tokushima merchant, began selling balls of dried, fermented indigo leaves as well as a fertilizer for cultivating indigo plants. As indigo dyeing spread amongst households in Japan, Morioku expanded its business from Awa to Edo, and then to the entire country. At the end of the Edo period, we also began importing and exporting. In the 20th century, we acquired the exclusive marketing rights for artificial indigo and established our foundation as a chemical trading company.







## 1958 Supporting People's Mobility

Moriroku entered the synthetic resin business in 1949, and in 1958, we became a special agent for the high-density, high-strength polyethylene HI-ZEX. This led to Honda Motor Co., Ltd. asking us to do trial runs for the resin portions of their Super Cub motorcycles, and so we started our journey as a resin-treated product maker. After that, we deepened our collaborative relationship with Honda, going on to supply parts for four-wheeled vehicles, too.

## 1983 Supporting People's Lives

In 1983, we established Shikoku Kakoh, a manufacturing subsidiary, in Kagawa Prefecture. Our high-performance multilayer films, made using our co-extrusion technology which allows us to manufacture multiple layers of different types of resins at the same time, are used in the food, healthcare and electronics fields. We offer solutions for a wide variety of needs as packaging, where safety and functionality are critical.

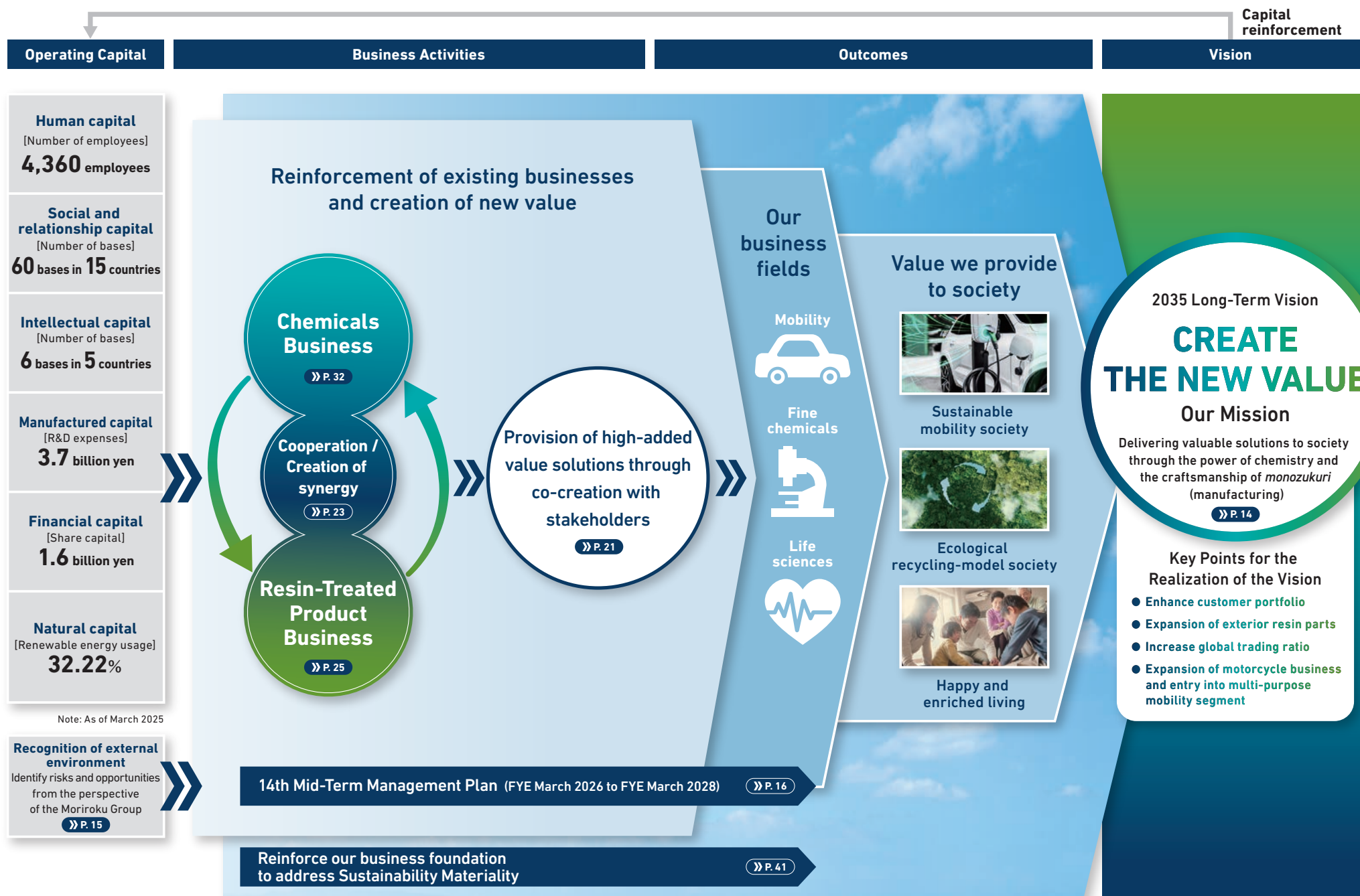


### About the Moriroku Group logo

With the integration of our company in 2025, we drafted a logo for the Moriroku Group that would act as our new symbol. The logo simply symbolizes our company name, with *Mori* (forest) represented by an oval shape and *Roku* (six) by six trees. The different colors of the trees show the different fields in which our diverse groups do business, and represents reform and growth through their reciprocal relationships. It has a feeling of global unification and includes our resolve to make contributions towards the realization of a sustainable society.



# The Value-Creation Model





The Moriroku Group comprises an automotive parts manufacturer and a chemical trading company with diverse business domains. Working together globally, we provide high value-added solutions that meet the needs of customers worldwide.

## Moriroku Co., Ltd.

Listed on the Prime Market of the TSE

Group net sales: **146.1** billion yen (FYE March 2025)

Total group employees: **4,360** (as of March 31, 2025)

### Production Division

» P. 25

#### Resin-Treated Product Business

#### The function of an automotive parts manufacturer

##### Strengths

- Build an optimized development and mass production system through collaboration among global bases
- Promote agile co-creation development through a strong network with major automobile manufacturers
- Anticipate future market trends and deliver valuable proposals

##### Interior parts



##### Exterior parts



### Chemicals Division

» P. 32

#### Chemicals Business

#### The function of a trading company in the field of chemicals

##### Strengths

- Expand globally by leveraging the expertise of a chemical trading company and *monozukuri* manufacturing
- Create synergies with the resin-treated product business
- Develop and provide high-performance materials through collaboration with group companies

##### Mobility field



##### Electrical and electronic field



##### Healthcare field



##### Fine chemical field



##### Medical field



##### Living materials field



##### Coating field



##### Functional materials field



##### Agriculture / Food field





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Moriroku's Unique Technologies & Business Strategy

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## Editorial Policy

The *Integrated Report 2025* aims to communicate the Moriroku Group's short-, medium-, and long-term value creation story to stakeholders in a clear and accessible manner. This report has been prepared with the objective of presenting an integrated explanation of the Group's unique technologies, its approach to co-creation, and its strategies for realizing its long-term vision by combining both financial and non-financial information. In preparing this report, we referred to the International Integrated Reporting Framework published by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry (METI) of Japan.

### Organizations covered by the report

Moriroku Co., Ltd. and its affiliated companies

### Period covered by the report

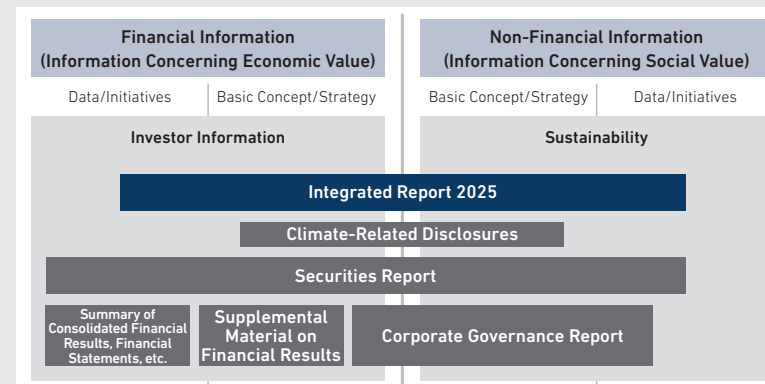
FY2025 (April 1, 2024 – March 31, 2025)

Note: Some initiatives after April 2025 are also included.

### Notes on forward-looking statements

While every effort has been made to ensure the accuracy of the information contained in this report, Moriroku Co., Ltd. does not guarantee its completeness and assumes no liability for any damage resulting from its use. This report contains forward-looking statements based on information available at the time of publication. These statements are subject to risks and uncertainties, and actual results may differ materially due to changes in the business environment and other factors.

### Moriroku Group information disclosure system





# Vision for **GROWTH**

## Mid- to Long-Term Strategy

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### What kind of vision do we have for growth?

Moriroku has formulated a 2035 Long-Term Vision and defined its mission as combining manufacturing technologies with chemical expertise to create new value for society. To realize this vision, we have positioned the 14th Mid-Term Management Plan (FYE March 2026 – FYE March 2028) as an important milestone and are working to enhance profitability under the theme of “Agile Management.”

2035 Long-Term Vision

## **CREATE THE NEW VALUE**

### Our Mission

Delivering valuable solutions to society  
through the power of chemistry  
and the craftsmanship of *monozukuri*  
(manufacturing)


### 14th Mid-Term Management Plan: Basic Policy

(FYE March 2026 to FYE March 2028)

### Pioneering the Future through Agile Management

—Accelerating Growth with Flexibility and Profit Focus—





We will mobilize and integrate  
Morioku's unique strengths to foster  
an organization and culture that nurture  
sustainable growth for the next generation.

| Naoki Kurose

Representative Director,  
President and CEO  
Morioku Co., Ltd.

## Entering my second year as president

Working to establish management that balances the enhancement of corporate value with the well-being of employees, building on the issues identified during my first year in office

One year has already passed since I was appointed as president in June 2024. My first year as president coincided with the final year of our 13th Mid-Term Management Plan (hereinafter, “the 13th Mid-Term Plan”) covering the period from the fiscal year ended March 2023 to the fiscal year ended March 2025. It was a pivotal year, as we were finalizing the existing plan while formulating the next one—a process that underscored the weight of my responsibility each day.

In the 13th Mid-Term Plan, we set ambitious profit targets in our determination to achieve a robust business recovery. However, the external environment proved to be more challenging than anticipated, with sudden changes in the business environment including semiconductor supply shortages, rising labor costs in North America, and reduced production of automobiles for the Chinese market following the shift toward electric vehicles (EVs), as well as increasing geopolitical risks and inflation on a global scale. I acknowledge that we were unable to meet our profit targets amid a challenging business environment, and I take this outcome seriously.

At the same time, we steadily laid the foundation for future growth by strengthening our profit structure through re-evaluating unprofitable businesses as well as starting the development of proprietary technologies with an eye toward next-generation mobility. I am confident that these efforts will serve as a solid foundation for sustainable growth going forward. Moreover, we have presented a clear direction for sustainability management. As a result of Group-wide efforts to address key issues, we have raised awareness across the Company and firmly established a shared recognition that these initiatives contribute to enhancing corporate value.

In formulating the 14th Mid-Term Management Plan (FYE March 2026 to FYE March 2028), I was driven by my strong desire to properly reward our employees who make sincere efforts on the frontlines day after day.

The mission of management is to deliver both economic and social value to all stakeholders by continuously enhancing corporate value and generating stable profits. Beyond this, I believe it is my responsibility to ensure that every employee contributing to the Company’s future is fairly rewarded based on performance, takes pride in their work, and enjoys both spiritual and physical well-being. I consider this mission deeply meaningful—and take great joy in fulfilling it. Looking back on my first year as president, I am grateful for the many opportunities I have had to engage in dialogue with people outside the Company—experiences that have proven extremely valuable. By listening to sincere opinions from a wide range of perspectives, I was able to rediscover the strengths of our Group while also recognizing the challenges we must address. Strengthening communication with shareholders and investors is one of my top priorities. I regard the stock price as a “report card” on our

management, and I believe it is my responsibility to clearly convey our Group’s vision and growth potential to the capital markets and respond to the expectations of our stakeholders. These insights have been actively reflected in the formulation of the new 14th Mid-Term Management Plan.

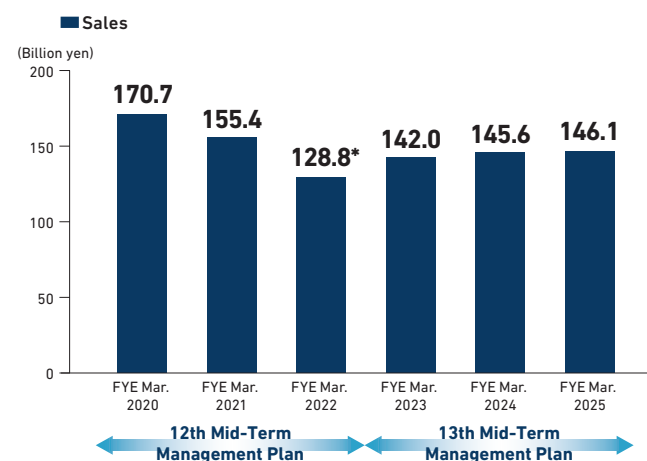
## 2035 Long-Term Vision

Mobilize the collective strengths of the entire Company to achieve our Long-Term Vision under the new integrated structure

In order to strengthen synergy creation by each business unit and achieve sustainable growth, in April 2025, under Moriorku Holdings, the Group integrated Moriorku Technology and Moriorku Chemicals into a single entity, Moriorku Co., Ltd.

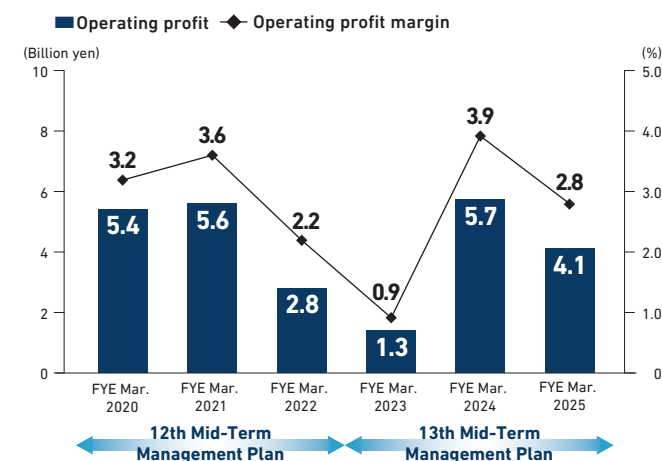
Looking back on our history, the Group originally operated as a single company with two businesses, but in 2008 we adopted the separation of the Company into one holding company and two operating companies with the aim of accelerating the growth and decision-making of each business. Since then, we have expanded

### Consolidated Net Sales (Moriorku Group)



\*The Accounting Standard for Revenue Recognition has been applied starting from FYE March 2022.

### Consolidated Operating Profit / Operating Profit Margin (Moriorku Group)







each business globally and achieved steady success. In response to the increasingly rapid changes in the business environment, we recognized the need for Group-wide collaboration to create new value and accelerate decision-making for sustainable growth. Accordingly, we made the strategic decision to reintegrate our operations into a single company.

To mark the integration into a single entity, we introduced the slogan “Create A New Future As One.” Through this slogan, we express our strong commitment to work together—not only among Moriroku Group employees but also with all stakeholders—to drive innovation and create a better future. This message serves as a foundation for fostering a spirit of challenge throughout the Company.

One of the key objectives of the integration is the creation of synergies. I recognize that the concept of synergy may be perceived differently depending on the individual or organization. However, I believe that synergies are not only generated through major structural reforms, but also through daily dialogue and collaboration that transcend divisions and regions. The process in which all of us make efforts to get to know each other, learn from each other, and join forces to take on challenges for the future—

this is exactly the creation of new value that Moriroku aims to achieve, and it is also the starting point of our innovation.

In addition, under the 2035 Long-Term Vision, “CREATE THE NEW VALUE,” which succeeds the 2030 vision set out in the 13th Mid-Term Plan, we have clearly defined the Group’s purpose and the role it should play in society as: “Our Mission: Delivering valuable solutions to society through the power of chemistry and the craftsmanship of *monozukuri* (manufacturing).” By combining the strengths of our two core businesses—the power of chemistry and the craftsmanship of manufacturing—we are committed to continuously delivering valuable solutions not only to our customers, but also to society at large. This commitment reflects our enduring dedication to creating long-term value.

To realize our 2035 Long-Term Vision, the Group has identified four key strategies as its foundational pillars. **» P. 14**

The first is “Enhance customer portfolio.” By diversifying our customer base, we aim to build a business structure that is more resilient to changes in the external environment. The second is “Expansion exterior resin parts.” We will leverage our core technologies—one of the Company’s key strengths—to drive profitability. The third is “Increase global trading ratio.” We intend

to further accelerate the global expansion of our Chemicals Business.

At the same time, we will address “Expansion of motorcycle business and entry into multi-purpose mobility segment” in order to strengthen our product portfolio that is not dependent on automobiles. These measures will enable us to concentrate resources on areas where the Group has distinct strengths and can demonstrate competitive advantage. This will significantly enhance our problem-solving capabilities and earning power—key elements of the roadmap we have defined for sustainable growth.

#### Intention of the 14th Mid-Term Plan

Steadily advance our growth strategy for the future while securing near-term profitability

In the 14th Mid-Term Plan, beginning in FYE March 2026, we will renew our commitment to enhancing profitability, while carefully reflecting on the challenges and outcomes of the 13th Plan.

Given that our business model is closely tied to product model cycles in the automotive industry—our primary market—it often takes time for the impact of initiatives and investments to be reflected in our financial results.

To achieve our operating profit targets, we will accurately assess and leverage the opportunities and risks inherent in our business structure. Looking beyond short-term fluctuations, we will continue to take strategic steps with a long-term perspective to realize sustainable growth over the medium to long term.

In the 14th Mid-Term Plan, we will promote four priority strategies. The first is “(1) Pursue greater profitability in core businesses.” We will work to expand our markets, acquire new customers, and optimize our product and materials portfolio in order to enhance profitability. In the development domain, we will uphold “(2) Advance development for future commercialization,” promoting the development of highly unique and value-added products. To realize “(3) Create new value through business synergy,” one of the key themes of the integration, we will

accelerate the exchange and integration of human resources and expertise between the two businesses. At the same time, we will pursue synergies with external partners by forming strategic alliances and collaborations in areas closely aligned with our core businesses, thereby driving sustainable growth.

In this way, in addition to working to achieve business growth from a broad perspective, we will also address “(4) Further strengthen the business foundation” through strategies for sustainability, human resource development, digital transformation, and intellectual property utilization that support our business growth. **» PP. 16–17**

In promoting these strategies, I place particular emphasis on the pursuit of customer satisfaction. By realizing our mission of “delivering valuable solutions to society through the power of chemistry and the craftsmanship of *monozukuri* (manufacturing),” we can provide solutions to challenges that our customers are facing and help to improve their competitive edge. Through such contributions, we can earn the trust and foster stronger partnerships, which will ultimately lead to contribution to solving

problems for society as a whole.

To continue fulfilling this role, we must become a strong company capable of generating sufficient profits and securing the resources needed to create new value through sustained growth. Achieving true customer satisfaction and contributing to society require that every employee fully understands the importance of pursuing profitability and reflects this awareness in their daily work.

### Promote Agile Management

#### Passing on more than 360 years of accumulated experience and spirit of challenge to the next generation

We have set “Pioneering the Future through Agile Management” as a basic policy of the 14th Mid-Term Plan.

“Agile Management” refers to a dynamic management approach that quickly detects change and responds with flexibility. As the current business environment remains uncertain without any clear vision for the future, we must work harder to practice business management with agility and adaptability to pave the way for the future.

The Group has a history of having carried on “Agile Management” since before the phrase was coined. Back in 1663, in the early Edo era, we began selling indigo balls, and since then, throughout the history of the Company, we have boldly ventured into new domains, such as fertilizers, synthetic resins, paints, and pharmaceuticals, while anticipating the needs of the times. This attitude of always being unafraid of change and working to create new value constitutes the bedrock of today’s Moriroku Group, along with the knowledge and expertise we have cultivated with the support of our customers and suppliers.

I am confident that passing on this corporate culture to the next generation will be key to revitalizing our organization and achieving sustainable growth.

To this end, I place great importance on improving communication within the Company.

I have long believed that being in a position of leadership requires sincerely listening to the opinions of those around me—a belief I have held consistently since becoming a manager, even before my appointment as president. In addition to increasing opportunities to communicate messages from the management team, I place great importance on fostering interactive dialogue by listening to the views of each employee and creating an environment where they feel comfortable sharing their thoughts and concerns.

It would be ideal for the management team and employees to engage in sufficient dialogue in this culture and build relationships that will bring about positive changes in each other’s behavior. I would like all employees to properly understand the severity of the current business environment and act on their own initiative based on the awareness that profit is not something that is generated naturally, but something that employees generate through their own actions.

At the same time, the management and executive employees, including myself, are also expected to approach new ideas and challenges from young employees with an unbiased perspective and seek out possibilities, instead of dismissing them for reasons such as “There is no precedent,” or “It goes against conventional wisdom.” Instead of being satisfied with short-term fixes, we will make sure to implement management with an eye to the future and fulfill our responsibility to pass on a strong company to the next generation. In fact, we have begun to feel positive results of our efforts to build such an organization. At Board of Directors meetings, there are increasing opportunities to receive constructive opinions from outside directors regarding sustainable growth, with participants engaging more actively in discussions. With one year having passed since the transition to a company with Audit & Supervisory Committee, clarifying the roles of the Board of Directors and the Management Meetings has enabled us to expand the time for discussions from a medium- to long-term perspective at Board of Directors meetings, which has also led to improvement of the quality of dialogue. Going forward,





all directors will continue to think and act with a future-oriented attitude, further demonstrate the DNA of “Agile Management” that has been passed down within the Group, and work to build a solid foundation for sustainable growth. **» P. 58**

### Scenario for sustainable growth

#### Recognize and leverage Moriroku’s unique strengths to achieve steady growth as an “indispensable company”

In my first year as president, I had many opportunities to look again at the unique strengths of the Moriroku Group.

In the Resin-Treated Product Business, our development and proposal capabilities from the user’s perspective, together with advanced production and supply systems that maintain an optimal balance of quality, cost, and delivery (QCD), form the core of our competitiveness. In the Chemicals Business, our key strengths lie in our agility and procurement capabilities, which enable us to provide high-value-added materials with stability. What both businesses share in common is the unwavering trust earned from customers and markets over many years as professionals in their respective fields—and the sincerity of every employee that underpins this foundation. I believe this is the Moriroku Group’s greatest asset. These strengths will continue to demonstrate their value amid changing external conditions. For example, we expect that the mobility sector, centered on automobiles, will continue to evolve and transform, bringing significant change to the entire market. Under these circumstances, we will remain committed to our mission of “creating new value and contributing to society and our customers,” regardless of how the business environment may change. In the Chemicals Business, we will pursue the creation of new value by combining diverse materials and technologies, thereby contributing to the growth of the industry as a whole through the accumulation of innovation. That is why we regard each of our businesses as both meaningful and challenging—constantly exploring new approaches and delivering outputs that

anticipate the evolving needs of society.

As stated in “Our Mission,” the Moriroku Group will achieve sustainable growth not simply by manufacturing but also by delivering valuable solutions.

Furthermore, I am convinced that fostering engagement across the entire Group through ongoing open and honest dialogue—while encouraging all employees, myself included, to take pride in and responsibility for their work—will serve as a driving force for our continued growth.



Representative Director  
President and CEO

### Dialogue between President Kurose and the Creator of the Winning Slogan —A thought conveyed by “Create A New Future As One”

At the start of the new Moriroku, we held an in-house competition to create a Company-wide slogan with the aim of inspiring our employees to take actions to create a new future together with our diverse stakeholders. From among 230 entries submitted by Group companies both in Japan and overseas, “Create A New Future As One” submitted by Yoshikazu Kakinuma from the Production Engineering Section, Kanto Plant, Production Division, was selected.

As a company that has been in business for 360 years, Moriroku aims to maintain its challenging spirit that has been passed down until now and always strive to move forward. It also expresses our aspiration to move forward together with our stakeholders to shape the future. (Kakinuma)



When we take on new challenges, the values that we hold dear, “progressive spirit” and “total cooperation” will be more important than ever. The slogan “Create A New Future As One” conveys our expectation for the possibility of growth and innovation resulting from taking on new challenges driven by our integration. I would like all officers and employees, including myself, to share this awareness and move forward together. (Kurose)

## 2035 Long-Term Vision — Business Growth Roadmap

Enhance earning power by contributing to the future of mobility through technological capabilities and leveraging the combined strengths of *monozukuri* (manufacturing) and trading to realize the 2035 vision

In May 2025, we formulated our Long-Term Vision for 2035. In addition to our aim of "Delivering valuable solutions to society through the power of chemistry and the craftsmanship of *monozukuri* (manufacturing)," we will work on "Enhance customer portfolio", "Expansion of exterior resin parts", "Increase global trading ratio", and "Expansion of motorcycle business and entry into multi-purpose mobility segment". We aim to achieve our 2035 Long-Term Vision by making concerted efforts as the Group to accelerate business growth.

### Key Points for Realizing the 2035 Long-Term Vision

#### Enhance customer portfolio

Acquire new business at global sites by leveraging regional and customer-specific strengths.

#### Expansion of exterior resin parts

Advance large-module product technologies

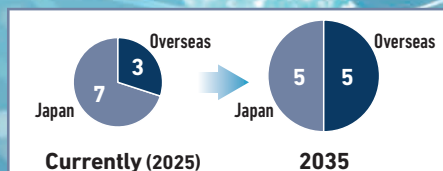
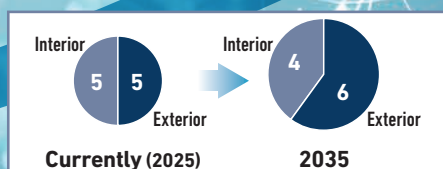
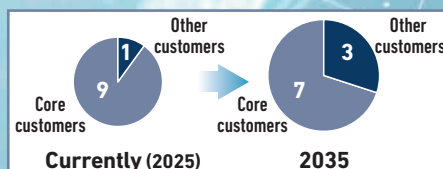
#### Increase global trading ratio

Entry into new regions

#### Expansion of motorcycle business and entry into multi-purpose mobility segment

Growth of existing businesses and entry into new business domains

### Transformation Roadmap (Image)



## 2035 Long-Term Vision CREATE THE NEW VALUE

### Our Mission

Delivering valuable solutions to society through the power of chemistry and the craftsmanship of *monozukuri* (manufacturing)

Operating profit  
5.0 billion yen

ROE  
5% or higher

Operating profit  
110% increase  
(Compared to FYE March 2026)

ROE  
6% or higher

FYE March 2026    FYE March 2028

Plan

Target

2035



## Achievements and Issues of the 13th Mid-Term Management Plan (FYE March 2023 to FYE March 2025)

The Group established a high-efficiency production system and developed proprietary technologies. The key challenge is to create new sources of revenue.

In the 13th Mid-Term Management Plan, we steadily laid the groundwork for growth areas by developing technology and expanding production capacity in the Resin-Treated Product Business, and by expanding into new markets and developing original materials in the Chemicals Business. We also directed our efforts to the improvement of manufacturing efficiency through digital transformation and automation, the enhancement of our research and development system, and the promotion of sustainability management, striving to strengthen our long-term competitiveness. Through making these efforts, we have achieved great results, such as the establishment of a highly efficient production system and proprietary technology, laying a solid foundation for future growth.

However, amid an increasingly uncertain business environment surrounding the automotive and chemical industries—driven by factors such as weaker demand in China and other Asian markets—net sales, operating profit, and ROE all fell short of our initial targets. With the stagnating growth in our core businesses having become apparent, we recognize that securing stable revenue sources and working toward the next stage of business growth are urgent issues. Going forward, we will work to enhance our earning power by expanding into new business domains centered on our core businesses and by increasing the global trading ratio, with the aim of further improving profitability and achieving sustainable growth.

## Environment Surrounding the Morioku Group (PESTEL Analysis)

	Risks for the Morioku Group	Opportunities for the Morioku Group
<b>P</b> Political	<ul style="list-style-type: none"> <li>US-China trade friction</li> <li>Tensions in the Taiwan Strait and the impact of the Palestinian situation on trade</li> <li>Changes in the business environment due to policy switches following the US presidential election</li> </ul>	<ul style="list-style-type: none"> <li>Incorporation of customer procurement review needs due to changes in the global situation</li> <li>Business expansion in line with Indian economic growth</li> <li>Expansion of growth opportunities in the North American market</li> </ul>
<b>E</b> Economic	<ul style="list-style-type: none"> <li>Market shrinkage due to slowdown in the Chinese economy</li> <li>Impact of exchange rate fluctuations on profitability</li> <li>Increase in energy and labor costs due to inflation</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating expansion into growing markets outside of China</li> <li>Optimization of global revenue portfolios in response to currency fluctuations</li> <li>Expansion of the new EV mobility market</li> </ul>
<b>S</b> Social	<ul style="list-style-type: none"> <li>Impact of strengthened environmental regulations on business operations</li> <li>Labor shortages due to population decline</li> </ul>	<ul style="list-style-type: none"> <li>Entry into new overseas markets</li> <li>Increased needs for environmentally friendly products</li> <li>Introduction of smart factories and development of digital transformation (DX)</li> </ul>
<b>T</b> Technological	<ul style="list-style-type: none"> <li>Changes in the competitive environment due to new-product developments by competitors</li> <li>Impact of substitution of materials and raw materials on procurement and manufacturing processes</li> </ul>	<ul style="list-style-type: none"> <li>Progress of in-house development through analysis of competing products</li> <li>Product development in response to growing demand for digital transformation (DX) and new domains</li> </ul>
<b>E</b> Environmental	<ul style="list-style-type: none"> <li>Cost increase associated with response to climate change and sustainability</li> <li>Response to resource depletion and transition to a circular economy</li> <li>Impact of strengthened environmental regulations on business activities</li> </ul>	<ul style="list-style-type: none"> <li>Commercialization of recycled materials and nature-based materials</li> <li>Promotion of the development of environmentally friendly products</li> </ul>
<b>L</b> Legal	<ul style="list-style-type: none"> <li>Strengthening compliance with environmental laws and regulations</li> <li>Growing risks associated with the protection of intellectual property rights</li> <li>Strengthening demands for response to labor regulations and human rights</li> </ul>	<ul style="list-style-type: none"> <li>Protection of intellectual property rights associated with the development of new materials and new technologies, which are key to maintaining competitiveness</li> <li>Establishing a system to protect employee rights in accordance with the labor laws and human rights regulations of each country</li> </ul>

Core Strategies and Key Initiatives	Achievements	Identified Issues	Opportunities for the Morioku Group
<b>I. Establish a stable financial foundation and enhance profitability</b> <div> <div>Resin-Treated Product</div> <div>Chemicals</div> </div> <ul style="list-style-type: none"> <li>Advance a flexible production system</li> <li>Promote high-efficiency production</li> </ul>	<ul style="list-style-type: none"> <li>Automation of production processes</li> <li>Pursuit of high-efficiency production</li> <li>Profit optimization through selection and focus</li> <li>Overall optimization of sales offices</li> </ul>	<ul style="list-style-type: none"> <li>Stagnating growth in core businesses</li> <li>Major shifts in the geographic distribution of profit</li> <li>Limited expansion of new business through global cooperation in core operations</li> </ul>	<b>Strengthen core businesses (Profitability focus)</b>
<b>II. Create value and sow seeds for 2030 by strengthening R&amp;D</b> <div> <div>Resin-Treated Product</div> <div>Chemicals</div> </div> <ul style="list-style-type: none"> <li>Expansion of technological fields, possession of unique technology</li> <li>Create advantages through the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Orders received from new customers</li> <li>Developed high value-added products</li> <li>Developed environmentally friendly resin</li> <li>Product development leveraging proprietary technologies</li> <li>Entry into new markets</li> </ul>	<ul style="list-style-type: none"> <li>Variability in profitability by product</li> <li>Promote profit growth by leveraging synergies within core businesses</li> <li>Development and sales expansion in new business domains</li> </ul>	<b>Expand customer base and market reach Develop high value-added products Create new sources of revenue</b>
<b>III. Increase management resilience by promoting sustainable activities</b> <div>Corporate</div> <ul style="list-style-type: none"> <li>Increase corporate value</li> <li>Strengthen corporate governance functions</li> <li>Hire and cultivate diverse human resources</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened response to climate change issues</li> <li>Transitioned to a company with an Audit &amp; Supervisory Committee</li> <li>Promoted improvement of engagement</li> <li>Enhanced development of future management talent</li> <li>Promote D&amp;I</li> </ul>	<ul style="list-style-type: none"> <li>Further enhancement of governance functions</li> <li>Strengthening corporate functions to support execution of growth strategies</li> </ul>	<b>Further strengthen the business foundation</b>

## 14th Mid-Term Management Plan (FYE March 2026 to FYE March 2028): Morioku Group Policy and Strategy

Announced together with the 2035 Long-Term Vision, the 14th Mid-Term Management Plan outlines our basic policy of Pioneering the Future through Agile Management. Under this policy, we aim to respond quickly and flexibly to a rapidly changing business environment and to accelerate growth with a focus on profitability. We will strive to continuously improve our profitability and enhance our competitive advantage by focusing on our four priority strategies: "Pursue greater profitability in core businesses," "Advance development for future commercialization," "Create new value through business synergy," and "Further strengthen business foundation."

### Pioneering the Future through Agile Management

— Accelerating Growth with Flexibility and Profit Focus —

FYE March  
2026

Operating profit:  
**5.0** billion yen



FYE March  
2028

**110% or higher**  
Compared to FYE March 2026

#### Strategy 1 Pursue greater profitability in core businesses

- Expand profits through global market growth and acquisition of new customers
- Expand profits by establishing a well-balanced product and materials portfolio
- Reduce environmental impact and increase profits through production technology development and high-efficiency manufacturing

#### Strategy 2 Advance development for future commercialization

- Strengthen *monozukuri* (manufacturing) capabilities to enhance differentiation
- Develop highly unique and value-added products

#### Strategy 3 Create new value through business synergy

- Expand business domains and pursue profitability by leveraging synergies
- Accelerate value creation through strategic investments and business partnerships

#### Strategy 4 Further strengthen the business foundation

- Integrate corporate functions with business strategy
- Maximize the potential of a diverse talent base across nationalities and genders
- Deepen sustainability management

#### Resin-Treated Product Business » P.25

Establish a foundation for business growth by accelerating monetization in growth sectors and creating new business models

##### Customer and Parts Domain

- Enhance customer portfolio
- Expand parts portfolio

##### Regional Domain

- Increase profitability in North America
- Restructure operations in Asia

##### Development Domain

- Strengthen development for adoption of new models
- Development of environmentally friendly products
- Product development to enhance profitability

#### Chemicals Business » P.32

Become a global company that pursues operating profit in the chemical domain

- Expansion of global business
- Value creation through expansion of *monozukuri* (manufacturing) business
- "Destruction and Creation"

#### Financial Targets (Consolidated)

Operating profit	5.0 billion yen (FYE Mar. 2026 plan)
Operating profit growth rate	110% or higher (FYE Mar. 2028 target: Compared to FYE Mar. 2026 results)
ROE	5% or higher (FYE Mar. 2026 plan) → 6% or higher (FYE Mar. 2028 target)

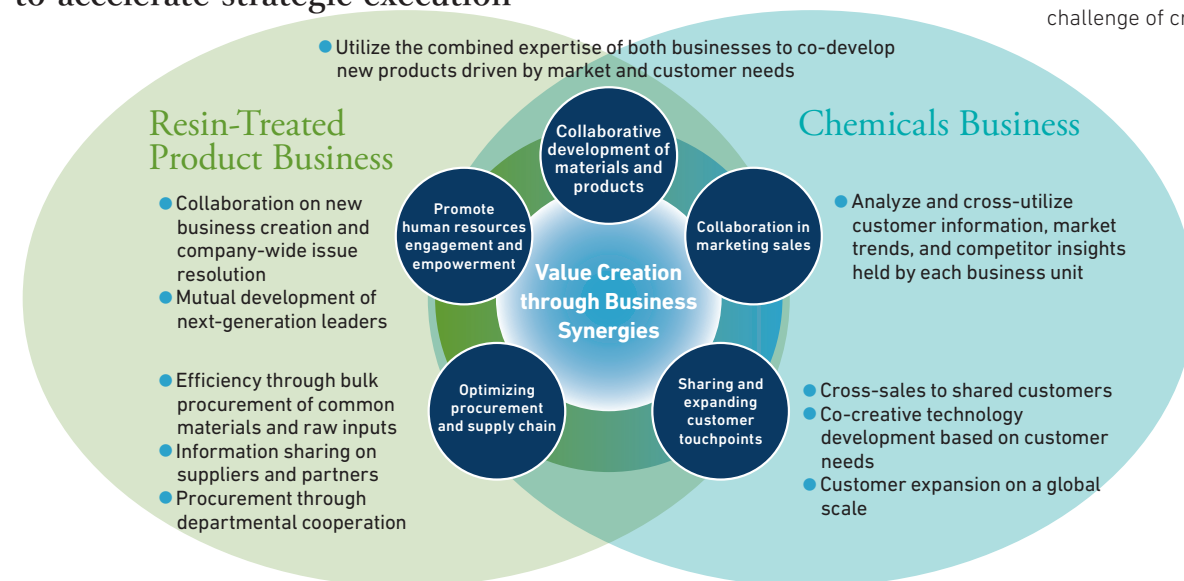
#### Non-financial Targets (Consolidated) (FYE Mar. 2028 target)

Employee engagement	Employee engagement	45% or higher —Positive response rate improve by 5 points
	Environment for utilizing employees	47% or higher —Positive response rate improve by 5 points
Number of women in managerial positions		Compared to April 2024 to double
CO <sub>2</sub> emission reduction rate		Baseline: Compared to FY2019 45%



### Strategy 3 Create new value through business synergy

#### Share resources between two core businesses to accelerate strategic execution



We aim to create new value by integrating the knowledge and management resources of the Resin-Treated Product Business and the Chemicals Business. We have already begun expanding into non-four-wheel vehicle segments by leveraging the sales network of the Chemicals Business, developing original materials based on our expertise in material processing, and collaborating with external partners—initiatives that are already producing tangible results. We will take on the challenge of creating new synergies and connect them to the sustainable growth of Moriroku.

#### Collaboration with External Partners

In the 13th Mid-Term Management Plan, we invested in digzyme Inc., which enjoys an advantage in enzyme development (investment made in April 2024), and KINS Co., Ltd., which operates in the microbiome domain (investment made in October 2023). We will advance into new business domains, including the life sciences domain, by combining the cutting-edge technological capabilities of our partner companies with our manufacturing capabilities and knowledge in the chemical industry.

**KINS**

KINS offers skincare products and supplements that utilize human-derived microbes to support health and beauty. Through the power of fermentation and microbes, the company promotes a lifestyle called "microbe care," aimed at improving skin and gut health.

**digzyme**

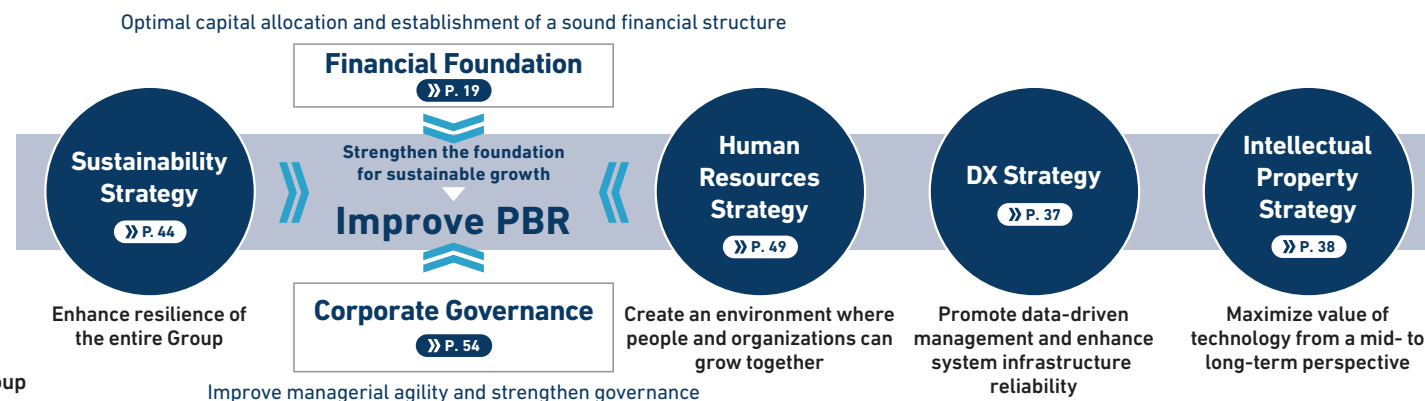
Founded as a start-up from the Tokyo Institute of Technology (now the Institute of Science Tokyo), digzyme aims to develop technology that efficiently designs enzymes suited for industrial applications using bioinformatics (a fusion of life sciences and information engineering) and quickly scale up their mass production.

### Strategy 4 Further strengthen the business foundation

#### Pursue sustainability through optimizing capital costs and deepening sustainability management

Through disciplined and optimal capital allocation, we will not only support the execution of our business strategies, but also promote management conscious of capital costs and stock prices. With regard to non-financial management, we will revise materiality in line with the 14th Mid-Term Management Plan and work to deepen sustainability management. We will improve our capability to respond to social issues and capital market demands, and strive to achieve sustainable growth and improve corporate value.

» P. 41 Sustainability Management at the Moriroku Group



## 14th Mid-Term Management Plan: Cash Allocation

### Balance business growth and capital efficiency through focused investments in R&D, human resources, and facilities

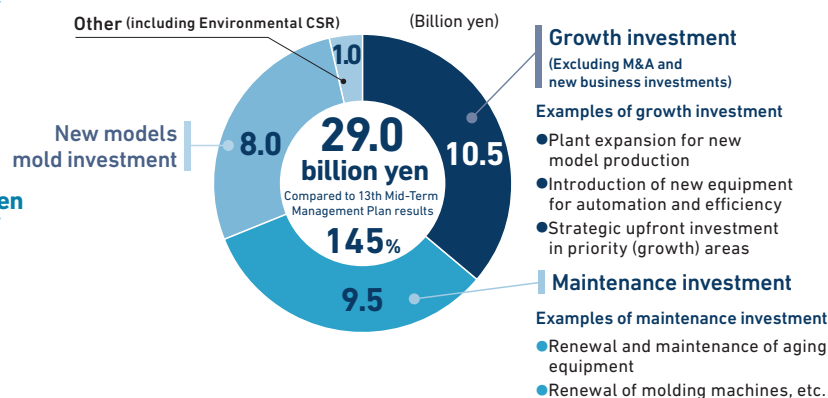
Under the 14th Mid-Term Management Plan, we will make proactive, forward-looking investments focused on growth and priority areas, including human resource acquisition and development as well as research and development. While striving to achieve both capital efficiency and business growth, we will assess risks and promote upfront investments that will contribute to strengthening our competitiveness over the medium to long term. Regarding shareholder returns, we plan to achieve a DOE of 3.0% or higher in the final year of the 14th Mid-Term Management Plan, and will work to maximize shareholder value with a view to increasing dividends.

» P. 19 Financial Strategy

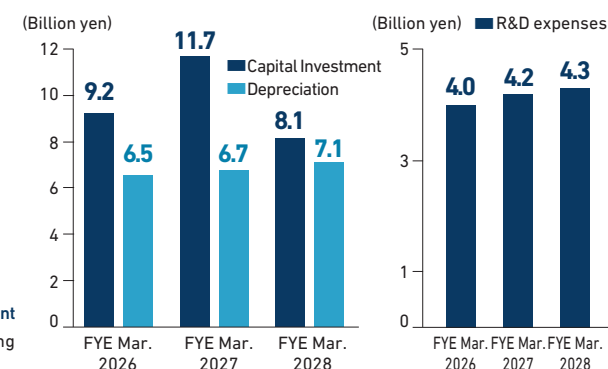


### Capital Investment Plan

#### 14th Mid-Term Management Plan Capital Investment Plan

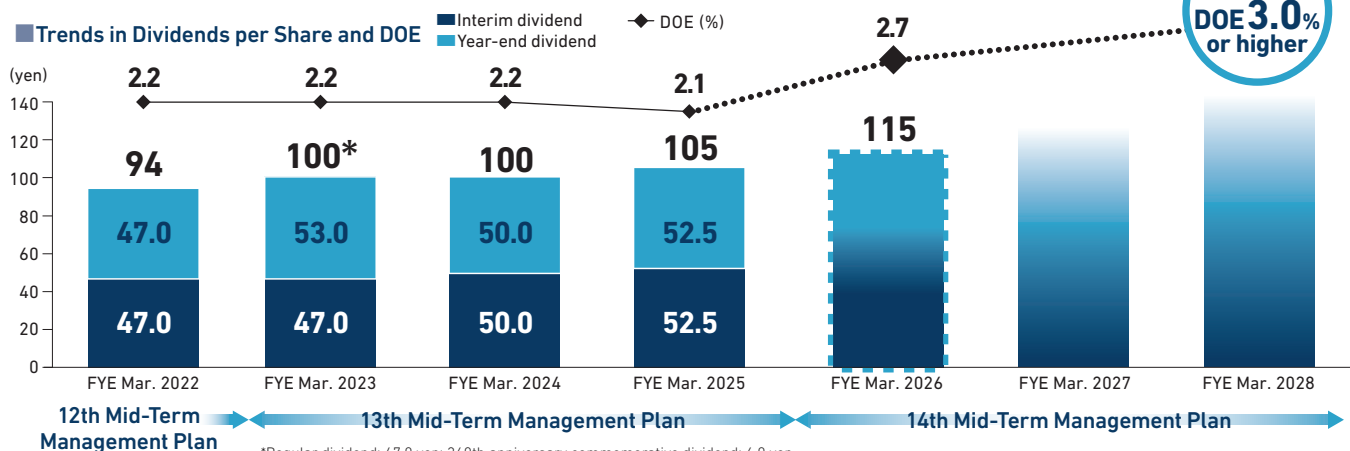


#### Capital Investment and Depreciation | R&D Expenses



### Shareholder Return

With DOE (Dividend on Equity ratio) as a key indicator, the Company has set a policy to raise the DOE to 3.0% by FYE March 2028.







We will execute growth strategies to make a shift to an aggressive stance, aiming to enhance profitability and corporate value.

Koichi Kikuchi

Representative Director,  
Executive Vice President  
and CFO

## FYE March 2025 performance review

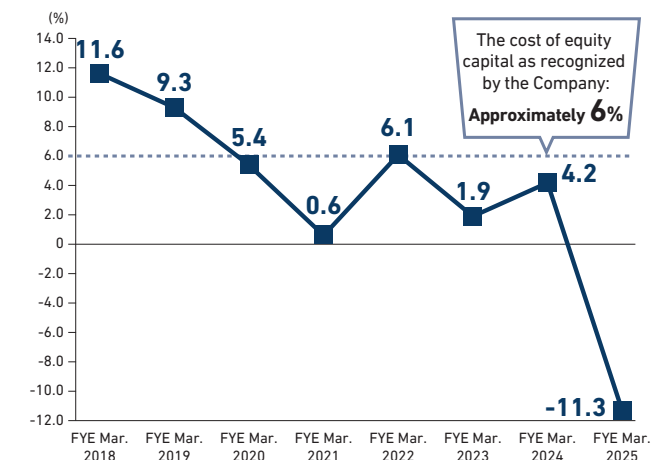
In the fiscal year ended March 2025—the final year of the 13th Mid-Term Management Plan (FYE March 2023–FYE March 2025)—net sales rose slightly by 0.4% year on year to 146.1 billion yen, supported by increased production in the Resin-Treated Product Business in North America. However, substantial production reductions by Japanese automakers in China and other parts of Asia led to a 27.5% decline in operating profit to 4.1 billion yen. Additionally, we recorded a 6.6 billion yen loss in connection with the transfer of our Mexican subsidiary and recognized a 4.2 billion yen impairment loss in our Chinese subsidiary. As a result, the fiscal year ended with a net loss of 7.8 billion yen. Consequently, while we achieved the final-year target of 143 billion yen in net sales under the 13th Mid-Term Management Plan—partly due to the weaker yen—we did not meet our profit targets of 11 billion yen in operating profit and 9.1% in ROE. Although the fiscal year ended March 2025 presented a challenging business environment, we have nearly completed the disposal of unprofitable businesses and laid a solid foundation for future growth.

## Execute growth strategies to shift to an aggressive stance in the 14th Mid-Term Management Plan

Under the 14th Mid-Term Management Plan (FYE March 2026–FYE March 2028), announced in May 2025, we aim to achieve an operating profit of 5.0 billion yen and an ROE of 5.0% or higher in FYE March 2026. From FYE March 2027 onward, we will set specific annual targets in response to changes in the business environment, seeking to achieve 110% operating profit growth (compared with FYE March 2026) and an ROE of at least 6.0% by FYE March 2028, the final year of the plan. While maintaining financial discipline, we will steadily execute measures to transition to an aggressive stance—an initiative left unfinished in the previous plan—and strive to enhance corporate value by raising profitability.

Specifically, in the Resin-Treated Product Business, we plan capital investments of approximately 29 billion yen to expand production facilities for new model launches and to upgrade molding equipment for automation. We will also continue to reinforce our competitiveness through research and development, while promoting technological innovation for future growth. In the

## ROE Trends



Chemicals Business, we will expand our global footprint while advancing our *monozukuri* (manufacturing) initiatives, and aim to enhance profitability by increasing sales of high-value-added products developed using proprietary materials and technologies.

## Balance business growth and capital efficiency toward realizing ROE exceeding the cost of capital

In November 2023, we announced a management policy targeting a price-to-book (P/B) ratio above 1x, while working to enhance ROE and reduce the cost of capital. In the 14th Mid-Term Management Plan, we will continue to pursue management focused on capital efficiency and share price improvement.

The Company's cost of equity is estimated at around 6%. However, during the 13th Mid-Term Management Plan, ROE remained below this level due to a challenging business environment. Under the 14th Mid-Term Management Plan, we have formulated a cash allocation policy designed to financially support strategies that accelerate business profit growth—such as further pursuit of profitability in core businesses, promotion of development leading to commercialization, and creation of business synergies—

with the aim of achieving ROE above our cost of capital. We estimate that operating cash flow generated over the three-year period will total approximately 46.5 billion yen. We will allocate funds efficiently across key areas—including capital investment, R&D, and human resources—while maintaining a sound financial base and ensuring both growth and capital efficiency. In addition, we will consider strategic investments in inorganic growth opportunities such as M&A and business alliances, expanding fundraising limits as necessary to strengthen our balance sheet and ensure both financial safety and efficiency.

Furthermore, we are promoting the reduction of cross-shareholdings as a measure to improve capital efficiency. We have been working to reduce this ratio of cross-shareholdings to net assets to 10% or less, and we reached 9.1% by the end of the fiscal year ended March 2025, achieving the level we aimed at. Proceeds

from the sale of these shares will be used for growth investments and the enhancement of shareholder returns including the acquisition of treasury shares.

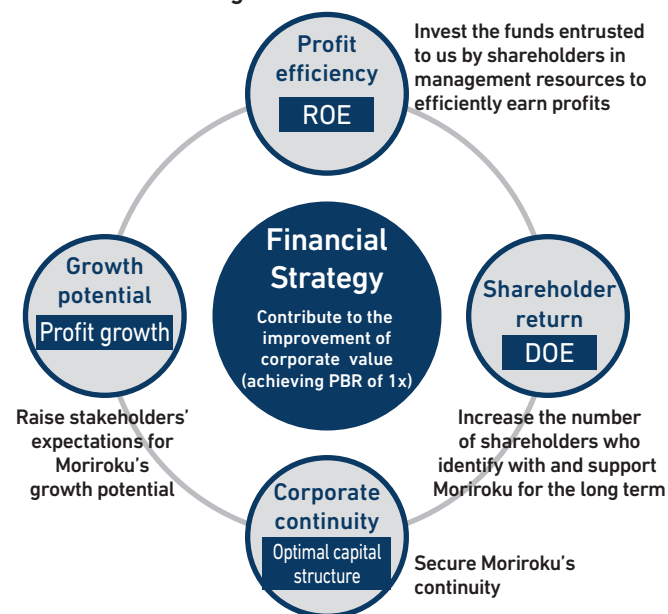
### Deepen dialogue with shareholders and investors to realize sustainable growth

In November 2023, we revised our shareholder return policy and introduced the Dividend on Equity (DOE) ratio that focuses on stable dividends over the medium to long term. In the fiscal year ended March 2025, following the disposal of unprofitable divisions, the final profit and loss marked a large deficit. We maintained our policy of stable annual dividends, raising the annual dividend to 105 yen, up 5 yen year on year (DOE: 2.1%). In the 14th Mid-Term Management Plan, we have set a target of achieving a DOE of 3.0%

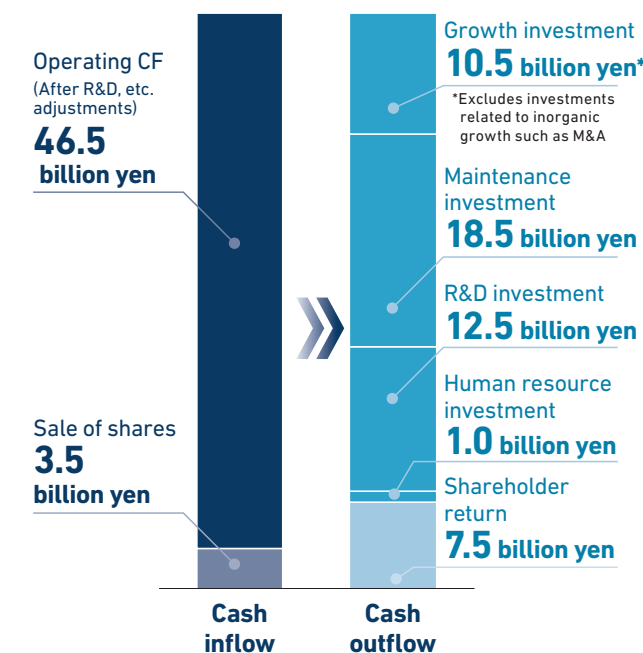
or higher in the final year. In order to achieve an appropriate capital structure, we will implement measures such as share buybacks as necessary, and will continue to work to increase shareholder value, with a view to increasing dividends in line with business growth.

At the same time, we recognize the importance of clearly communicating our growth story to stakeholders and taking initiatives to reduce the cost of capital. We will continue to expand dialogue with both institutional and individual investors and enhance information disclosure through our website. In particular, we will proactively disclose non-financial information to deepen understanding of the Group's sustainability initiatives, thereby advancing sustainability management and strengthening investor relations activities.

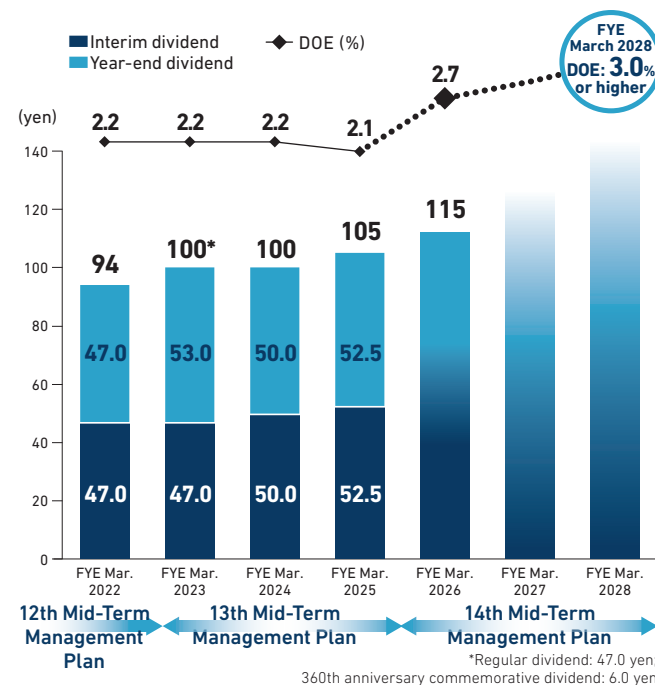
### Overview of Financial Strategy in the 14th Mid-Term Management Plan



### 14th Mid-Term Management Plan: Cash Allocation P. 18



### Dividends per Share and DOE P. 18





# Strategy with **TECHNOLOGY**

## Moriroku's Unique Technologies & Business Strategy

Moriroku's Unique Technologies & Co-Creation — 22

### Business Strategy

Resin-Treated Product Business — 25

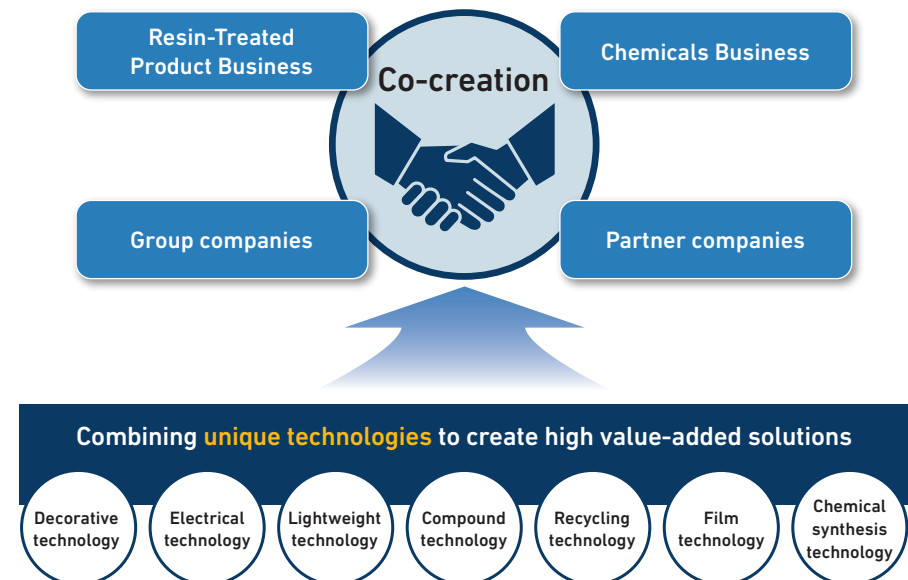
Chemicals Business — 32

Digital Transformation (DX) Strategy — 37

Legal & Intellectual Property Strategy — 38

### What unique technologies enable co-creation of a sustainable society with stakeholders?

Moriroku integrates its chemical solutions, which span a wide range of fields, with advanced technical expertise in areas such as resin processing, to deliver high value-added solutions that meet the diverse needs of its customers.



## Combining core technologies\* co-created with stakeholders from a market-driven perspective to deliver optimal new solutions

The Moriroku Group integrates the craftsmanship of *monozukuri* (manufacturing) with chemistry to create valuable solutions. Through co-creation with stakeholders, we leverage the technologies cultivated in the fields of resin processing and chemistry to address the diverse needs of the market. The following introduces examples of our unique technologies and co-creation initiatives.

\*"Core technologies" refers to resin molding technology and vehicle part manufacturing know-how.

### Co-creation Case 1

(with a partner)



# Mobility



Concept Model :  
New Value Air Vent

## Creating new interior value that combines comfort and design

In recent years, as electric vehicles (EVs) and autonomous driving technologies have advanced, there has been an increasing focus on cabin livability and comfort. The concept model "New Value Air Vent" divides and diffuses airflow, channeling it toward the center to create a soft, comfortable breeze that enhances the quality of the in-vehicle environment. While conventional air vents were primarily functional components with limited decorative scope, this model features an expansive decorative surface and achieves a higher level of design refinement. By integrating our multi-layer molding technology—which enables lighting effects such as shading and gradation—with our strength in electrical engineering, we have developed a model that offers a sense of harmony with the air-conditioning system.

The combination of diverse LED lighting designs and motion effects appeals to drivers' senses, reducing psychological stress and contributing to a high-quality, comfortable cabin environment.

### Moriroku's strengths

- Making a wide range of design expressions possible by combining decorative technology, core technologies, and electrical technology
- Delivering new value by integrating the technologies of Moriroku and its partner companies

### Co-creation with a partner

## Combining our strengths to help realize a future mobility society

TOKAI RIKA CO., LTD. / Moriroku Co., Ltd.

TOKAI RIKA CO., LTD. has been contributing to the realization of a prosperous society with vehicles for many years by delivering human interface parts that comfortably convey the driver's intent to the vehicle. Moriroku has also advanced the resin processing technology it has cultivated over many years, working to improve the comfort and experiential value within an in-vehicle space. In the air vent co-creation project, which combined the strengths of both companies, we were able to create new value by merging technologies and knowledge under the shared vision of "delivering a higher quality in-vehicle space to customers." Going forward, we will further deepen the collaboration between the two companies with the aim of further improving comfort and design in the mobility society of the future, working to lead the creation of new value.



## Creating new value in the vehicle interior through the integration of decorative, core, and electrical technologies

Mirei Uehara R&D Department, Production Division

In response to industry changes, we have taken on the challenge of developing products that enhance comfort and design in the in-vehicle space. In collaboration with TOKAI RIKA, a leader in human-interface components, we co-developed the New Value Air Vent—a concept model that delivers a soft, comfortable airflow and refined decorative expression. By integrating multi-layer molding technology, which enables lighting effects such as shading and gradation, with electrical engineering, the model achieves both aesthetic harmony and functional value. Moving forward, we will continue to combine our electrical and decorative technologies to offer compelling interior solutions for next-generation mobility.





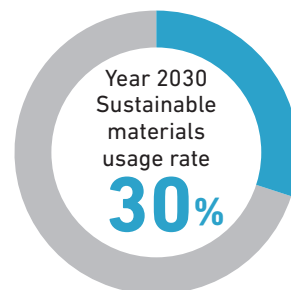


# Environment

## Center console using sustainable materials

Moriroku seamlessly integrates manufacturing and chemical trading functions, covering the entire value chain from product planning and design to mold development, prototyping, testing, and mass production. In parallel, the Company procures and sells resin materials while conducting in-house research on resin compounds and performing quality evaluations through its chemical trading operations. This integrated approach enables Moriroku to manage all processes internally, ensuring consistent quality and responsiveness across its operations. Working across divisions, we have explored inedible waste and plant-derived materials as potential alternatives to petroleum-based resins and reinforcing agents such as talc. By applying these sustainable materials to automotive interior parts such as center consoles, we aim to reduce environmental impact and promote resource recycling.

With the goal of replacing 30% of resin raw materials in each component with sustainable materials by 2030, we are developing and mass-producing environmentally friendly parts that satisfy the stringent quality standards of the automotive industry through optimized material composition and molding design.



### Co-creation across business segments

Pursuing sincere and collaborative solutions through co-creation

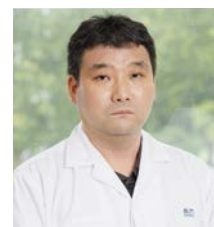
Takeki Murano Mobility Department, Chemicals Division

I have been collaborating with the Production Division under the theme of utilizing environmentally friendly materials, researching and proposing such materials with a view to mass production. In addition to making proposals, I visited the site where such materials were actually used to verify whether any site-specific problems were occurring, through which I discovered that those materials had their distinctive odors, and directed my efforts to improvement activities for deodorization. Going forward, I hope to further strengthen collaboration with the Production Division and generate more value through co-creation.



Contributing to a sustainable future and more comfortable spaces through the development of advanced materials

Takumi Aoki R&D Department, Production Division

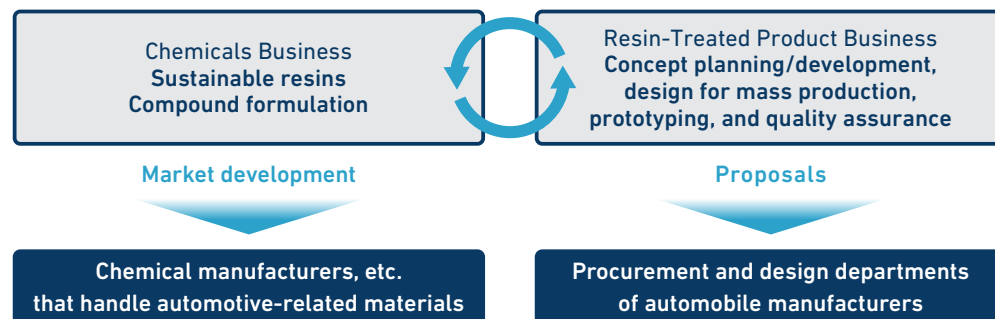


Our engineers view protecting the planet as both a corporate responsibility and a personal mission. Through years of trial and error, we achieved the high performance required for mobility applications while also addressing challenges unique to eco-materials, such as odor control, in collaboration with the Chemicals Division. Moving forward, we will continue to promote the circular economy and create materials that offer both environmental value and new appeal through co-creation between the Production Division and the Chemicals Division.

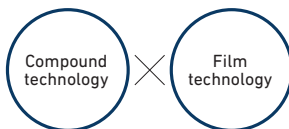
### Moriroku's strengths

- Solving issues of environmentally friendly materials such as odor and deterioration of light resistance with compound technology
- Maintaining on-board quality through both material development capabilities and design/analysis technology
- Utilizing the texture of materials in decoration to visualize the value of "eco-friendliness"
- Realizing stable supply for mass production with a unique supply chain combining trading companies and manufacturers

### Accelerate development by consolidating the Group's know-how



This achievement is made possible by Moriroku's integrated structure: our chemical trading functions enable material procurement and research on sustainable compounds, while our manufacturing functions support product development, design, prototyping, and testing in a single process.



## Developing high-dispersion carbon nanotube materials with superior electrical, thermal, and mechanical performance

Carbon nanotubes (CNTs) are nanostructures composed of carbon atoms arranged in hexagonal graphene sheets rolled into tubular forms. Owing to their excellent electrical and thermal conductivity and mechanical strength, CNTs have attracted attention as next-generation, high-performance materials. However, because CNTs are prone to aggregation and difficult to disperse, advanced dispersion technology is essential to unlock their full potential.

The Chemicals Division at Morioku has developed a high-performance CNT masterbatch that minimizes aggregation and enhances moldability by leveraging its proprietary dispersion technology. We are working to provide materials and support product development, aiming to expand CNT applications across a wide range of fields, including conductive materials for electronic components, electromagnetic wave shielding materials, and heat-generating sheets.

### Morioku's strengths

- Enables blending of CNTs into wide variety of resins and rubber materials
- Developed masterbatches that maximize CNT performance even with minimal addition by using its unique compounding technology
- Prevents carbon particle scattering and color migration in consideration of the working environment
- Consistently supports the development of products that maximize the advantages of materials from planning to manufacturing

### Co-creation with Group companies

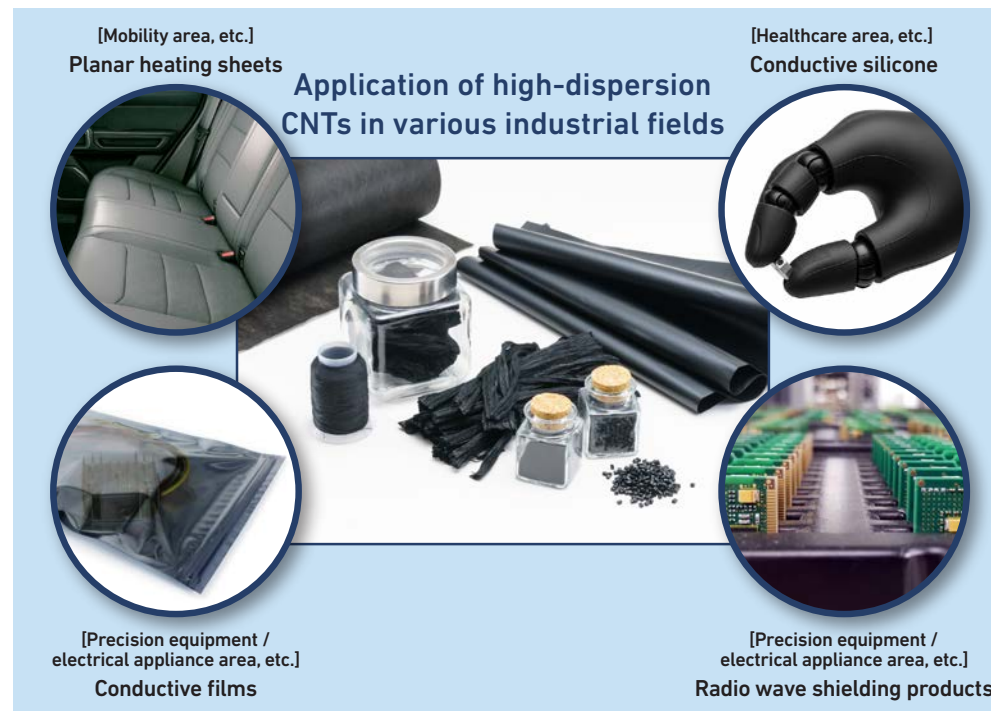
Opening a new frontier through group collaboration:  
Taking on the challenge of CNT film development

**Masanori Mitani** Manager of Technology Development Division, Shikoku Kakoh Co., Ltd.

By integrating Shikoku Kakoh's film-forming technology with Morioku's CNT compounding expertise, we succeeded in developing a high-quality melt-compounded CNT film that had previously been considered technically challenging. Achieving both uniform dispersibility and excellent moldability enables us to deliver a broader lineup of higher-quality products. Through close collaboration within the Group, we are able to advance product development faster and more effectively.



Shikoku Kakoh Co., Ltd. (Higashi-Kagawa City, Kagawa Prefecture)



### Co-creation with customers

By enhancing value while maintaining performance, we have created new possibilities

**Tomohiro Ueno** Sales Engineering Department, Sunpolymer Corporation

Conventional conductive silicone rubber contained over 40% carbon black (CB) by weight, which reduced the inherent flexibility and strength of the silicone material. Morioku's CNT compound technology has made it possible to reduce the amount of additive to about one-fifth of the conventional amount, while still providing the same conductivity as before. By suppressing the effects caused by excessive additives, it has become possible to mold silicone rubber while retaining its inherent flexibility and strength. This also eliminates CB scattering and enhances safety at manufacturing sites.





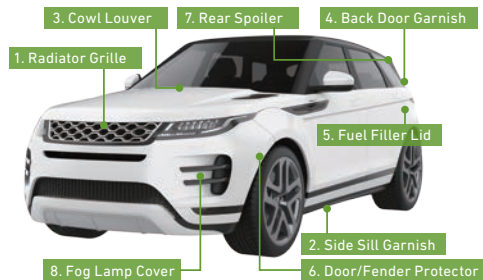
# Resin-Treated Product Business

We provide high value-added products that meet the increasingly sophisticated needs of the mobility industry—from resin-molded components for automobiles to exterior and functional parts for motorcycles. Ideas generated through proposal-based development that reflects market trends are refined through prototyping and testing and are mass-produced worldwide under consistent quality standards. Leveraging our strong capabilities in proposal and execution, we deliver optimal solutions to customers around the world.

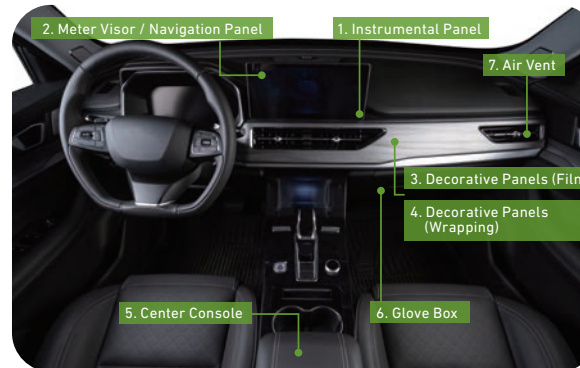


## Main Products

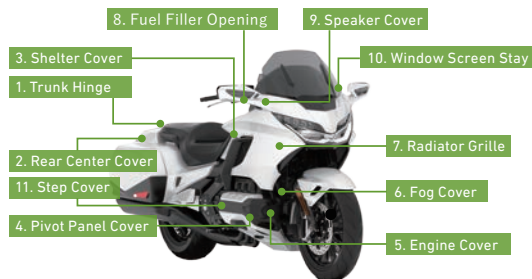
### [Automotive Exterior Parts]



### [Automotive Interior Parts]



### [Motorcycle Exterior Parts]



Note: as of the end of March 2025

## Business Strategy and Strengths:

Global system for development and mass production

We achieve both **cost competitiveness** and **high added value** through close collaboration among our global bases.

### Proposal and implementation capabilities to support strengths

High responsiveness supported by an integrated in-house system spanning development through quality assurance

- Maintain close collaboration among departments for development, design, manufacturing, and quality assurance
- Complete all processes in-house, from development and prototyping to mass production and delivery

Properly reflect customer needs and achieve both speed and quality

### Agile development driven by co-creation with customers

- Conduct in-house idea competitions and joint development with customers from the early stages of projects
- Incorporate market trends and customer insights into product development

Provide development proposals quickly and flexibly in response to market trends

### Extensive decorative variations

- Possess and integrate high value-added decoration and manufacturing technologies in-house
- Painting, film, hot stamping, insert molding, etc.

Combine optimal technologies to meet sophisticated demands for design and texture

### Sustainable technologies that help reduce environmental impact

- Reduce CO<sub>2</sub> emissions by selecting eco-friendly materials and applying lightweight technologies
- Conduct joint development with automakers to promote the use of eco-friendly and recycled materials

Contribute to sustainable mobility through environmentally friendly technologies

## Achievements and Issues during the 13th Mid-Term Management Plan

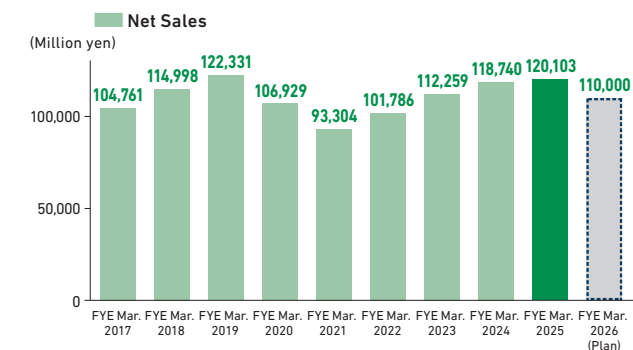
### Achievements

- Delivering added value through hot stamp technology
- Launched order acquisition activities to drive business expansion
- Expansion of production capacity at India Plant (Exterior painting line)
- Enhancing manufacturing efficiency through DX and automation in North America and Japan

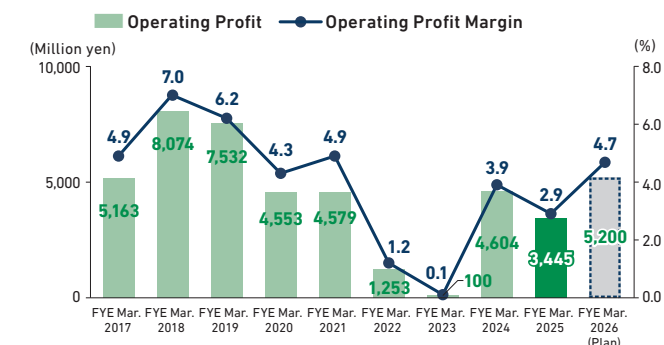
### Issues

- Improving production efficiency of the Resin-Treated Product Business
- Reviewing regional portfolio
- Expanding new business partners through global cooperation
- Promoting profit growth by leveraging business synergies

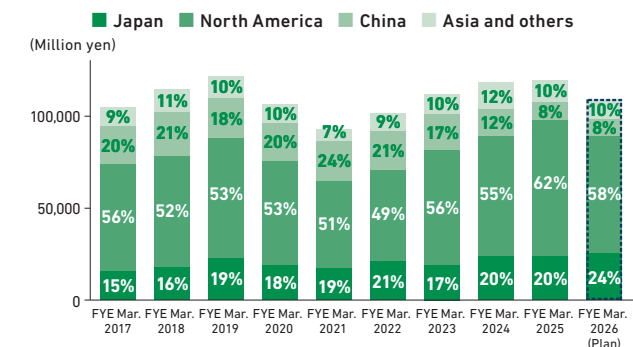
## Net Sales



## Operating Profit / Operating Profit Margin



## Net Sales Composition Trends by Region\*



\*The figures displayed within each bar indicate the share of sales by region for the respective fiscal year.

## Resin-Treated Product Business: Growth Strategy of the 14th Mid-Term Management Plan

Establish a foundation for business growth by accelerating monetization in growth sectors and creating new business models

### Strategy 1 Pursue greater profitability in core businesses

#### Customer and Parts Domain

##### Enhance customer portfolio

1. Strengthen proposals for core and proprietary technology-based parts to new customers
2. Build a manufacturing framework capable of delivering high-value-added, high-quality products

##### Expand parts portfolio

1. Increase orders based on parts portfolio (high-value-added)
2. Execute selection and focus strategy to grow shares of high-profit parts
3. Expand shares of large painted exterior parts for next-generation vehicles

#### Regional Domain

##### Increase profitability in North America

1. Enhance value-added through orders for strategic parts
2. Improve profitability through cost structure reform
3. Pursue greater development efficiency

##### Restructure operations in Asia

1. Increase value-added output by expanding production capacity at the India facility
2. Optimize operations at the China site

### Strategy 2 Advance development for future commercialization

#### Development Domain

##### Strengthen development for adoption of new models

- Develop through customer co-creation
- Enhance marketing capabilities
- Leverage open innovation



##### Development of environmentally friendly products

- Develop customer-preferred sustainable materials
- Collaborate to expand eco-material applications
- Jointly evaluate 3R-based resource circulation with customers



##### Product development to enhance profitability

- Advance core technologies to increase product value
- Develop proprietary technologies to enter new markets
- Create products aligned with a strategic parts portfolio





## Demonstrating our strengths to develop high value-added fields Focusing on profitability, we will build an organization resilient to change.

### Review of the 13th Mid-Term Plan

Rediscovering our strengths and making steady progress  
in reinforcing our business foundation amid challenging conditions

Looking back on the 13th Mid-Term Management Plan ("13th Mid-Term Plan"), it was a three-year period marked by numerous challenges. At the outset, we expected it to be a time to move beyond the COVID-19 pandemic and achieve growth, as a new wave of opportunities driven by CASE\* was emerging. However, the global semiconductor shortage severely disrupted automobile production, particularly in China and other parts of Asia, where production cuts were greater than anticipated. In addition, rising labor costs led to a decline in profits in North and Central America, and with business environments intensifying around the world, we were compelled to review our global portfolio.

At the same time, this sense of urgency prompted us to rediscover our strengths, which has led us to accelerate efforts to leverage them to strengthen the foundations for our business growth. Our ability to maintain a stable position as a Tier 1 automotive parts manufacturer stemmed from the high evaluations we received from major customers in terms of quality, cost, and delivery (QCD). However, the global semiconductor shortage severely disrupted automobile production, particularly in China and other parts of Asia, where production cuts were greater than anticipated.

We believe that our customers appreciated these strengths once again through our daily proposal activities during the 13th Mid-Term Plan.

Moreover, we proactively and continuously engaged in proposal activities with both existing and new automakers, resulting in broader recognition of our decorative technologies—one of our core strengths—and the expectation of further business expansion. Despite the challenging environment, we were able to broaden our customer base, making this period a time of "sowing seeds" for the 14th Mid-Term Plan and beyond.

\*CASE: A coined term created by combining the initial letters of Connected, Autonomous, Shared, and Electric (referring to advanced automotive technologies)

### Vision of the 14th Mid-Term Plan

Optimize our customer and product portfolio to establish a business model for proactive and sustainable growth

Under the 14th Mid-Term Management Plan, the Resin-Treated Product Business aims to establish a foundation for growth by accelerating monetization in growth areas and creating new business models.

In this context, creating new business models means shifting from a customer volume-dependent, follower-type approach to a proactive model in which we independently select high value-added

projects and pursue sustainable profitability.

Until now, the Group has expanded by establishing overseas operations aligned with the global expansion of its major customers and by locally producing and supplying parts. In recent years, however, overseas plants of Japanese companies—not only in the automotive industry—have been downsized or discontinued. We recognize that sustainable growth requires building our own business model driven by independent strategy and initiative, rather than relying on customer-dependent operations as in the past.

The key to this transformation lies in optimizing our portfolio across regions, customers, and parts. With the working population expected to continue declining and labor shortages becoming more severe, we must focus resources on growth and high-profit areas to operate effectively with limited management capacity.

First, in terms of regions, we will focus on North America and India and establish a flexible production system while minimizing costs. For customers, we will determine which regions and vehicle models to prioritize, aiming to expand business with new clients mentioned above. Finally, for parts, we will take a broad view to distinguish between high- and low-margin products and determine where to focus our efforts. To this end, we will establish clear and transparent evaluation criteria to build a sense of unity and motivation among employees.

Through this process of selection and concentration, we will enhance development efficiency, improve added value by strengthening our development capabilities **» P. 29** that contribute to customer satisfaction, and build a more resilient profit structure.

### What We Aim for as an Organization in the 14th Mid-Term Plan

Building an organization in which every employee demonstrates flexibility and autonomy, creating value and driving profitability through individual initiative

To put the new business model into practice, a company-wide shift in mindset is essential. We encourage

Kazuyuki  
Morita

Senior Managing  
Executive Officer,  
COO of Production Division



our on-site employees to “become stronger, not just larger.” In other words, securing sustainable profitability is more important than pursuing sales growth alone. To transform the Company into a stronger and more profitable organization, every employee must act with flexibility and autonomy.

Flexibility is the ability to respond swiftly to social and environmental changes. To achieve sustainable growth in an increasingly uncertain business environment, we must look ahead, continuously taking on new challenges without relying on past successes. We also believe that employees should take initiative—actively creating opportunities rather than waiting for work to be assigned—and continue demonstrating creativity and ingenuity in their respective roles.

To build such a strong organization, management will clearly communicate our growth vision, identify key challenges, and work collaboratively to explore new opportunities for advancement. We will continue to ensure that these principles are understood and practiced by all employees in their daily activities.

## Message to Our Stakeholders

**Strengthening collaboration with internal and external partners to evolve into an organization resilient to change**

To respond swiftly to change and seize growth opportunities, we will actively collaborate with internal and external partners that possess complementary strengths, co-creating new value through innovation.

In particular, we aim to create synergies with the Chemicals Business, which has been a key theme

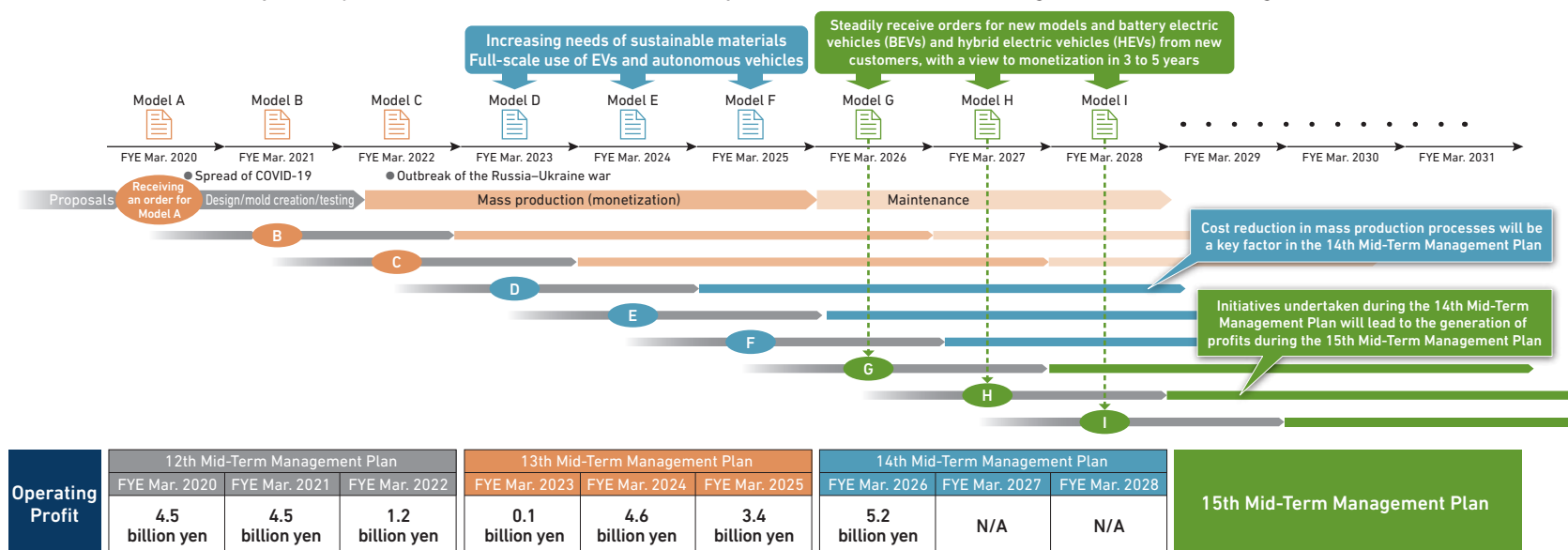
since our recent integration. Until now, we have worked together as partners to develop sustainable materials [» P. 23](#) that reduce the use of petroleum-based resins. Recent organizational reforms have further accelerated the exchange of ideas between management teams and on-site members, enabling faster and more effective joint development.

In terms of collaboration with external partners, we are exploring a wide range of opportunities, including technical alliances to further enhance our decorative technologies—one of our core strengths. We also seek to build relationships of mutual growth by encouraging suppliers to share candid opinions and ambitious proposals.

We believe it is important to clearly communicate our growth scenario to shareholders and investors to gain their understanding. The automotive industry operates on a model-change cycle, meaning it typically takes three to five years to recover upfront investments through revenue. The new initiatives under the 14th Mid-Term Plan are expected to begin producing results toward the final year, and we look forward to achieving steady medium- to long-term growth.

Going forward, we will strategically accumulate profits and strengthen our foundation to become an organization that is both strong and resilient to change. United as one, all employees will work to seize growth opportunities and enhance satisfaction among all stakeholders—including customers, suppliers, shareholders, and investors.

### References: From development by an automotive manufacturer to mass production schedules and timing for monetization (image)

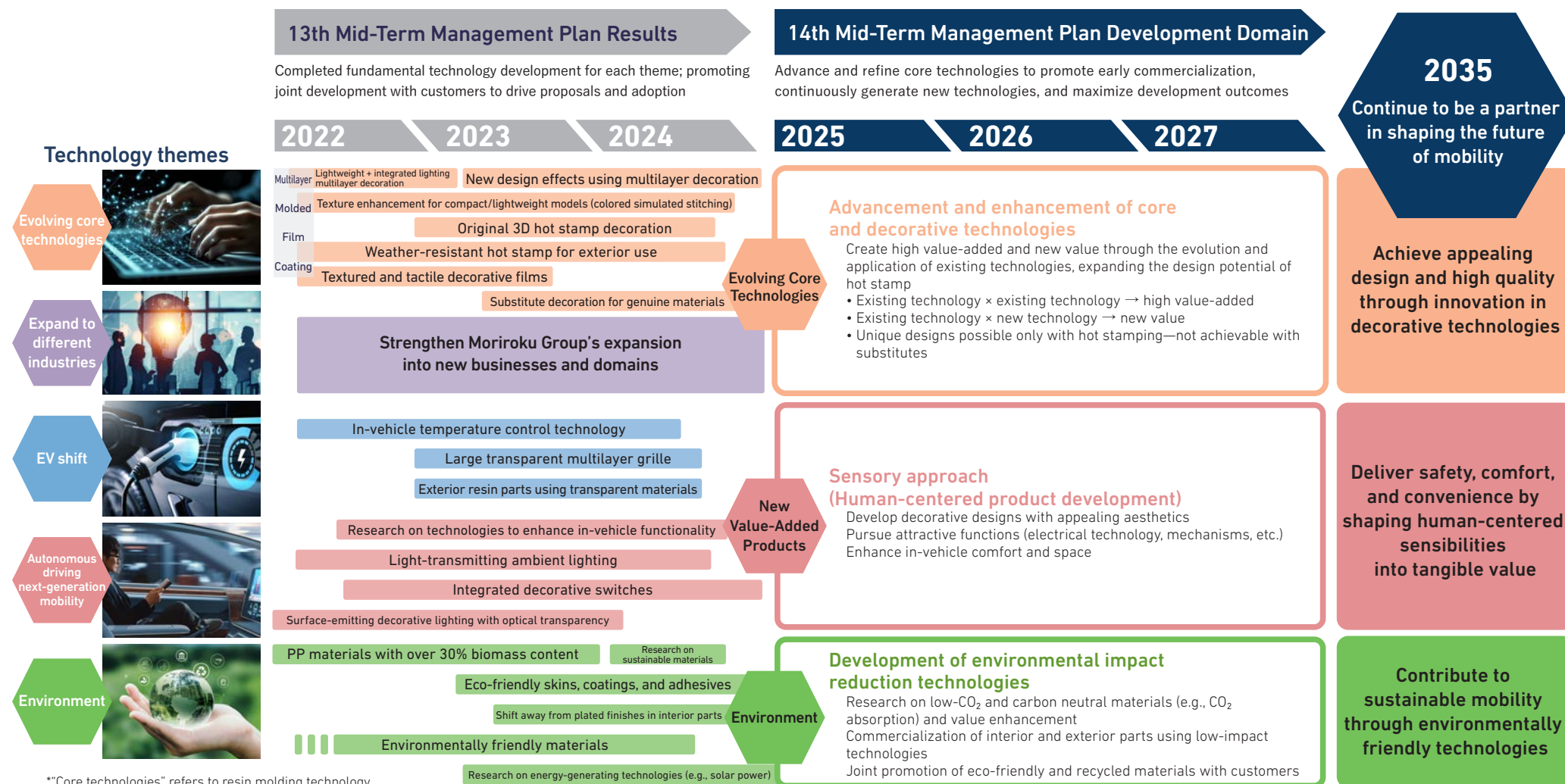


Since it is expected to take 3 to 5 years for new models to generate profits, it is important to formulate a strategy with a medium- to long-term perspective.

- Sales are recorded after delivery of mass-produced products, and orders for new models will be reflected in business performance 3 to 5 years after such orders.
- As material costs are largely determined by the market environment at the time of order placement, cost reductions in the mass production process will be a key factor for the improvement of profit margins during the 14th Mid-Term Management Plan.
- Initiatives undertaken during the 14th Mid-Term Plan will bear fruit during or after the 15th Mid-Term Plan. It is important to negotiate on prices at the time of receiving orders and make advance investments with an eye on the business environment several years into the future.

## R&D Strategy

Our R&D activities focus on three key areas: (1) Advancement and enhancement of core\* and decorative technologies, (2) Sensory approach (Human-centered product development), and (3) Development of environmental impact reduction technologies. We are accelerating the commercialization of competitive technologies through stronger marketing initiatives, open innovation, and collaborative development with customers. In particular, under the sensory approach, we aim to quantify sensory values—such as comfort and texture—within the in-vehicle environment to further strengthen the competitiveness of our core technologies and create products that will be preferred in the next-generation mobility society driven by electrification and autonomous driving.





## R&D Strategy

# Refining our technology and sensibility to create value for future mobility and drive our next stage of growth

### Strength and the 13th Mid-Term Plan Results

We enhanced our presence by leveraging our accumulated technical expertise and design capabilities while expanding into new business domains

As a manufacturer of interior and exterior resin parts for automobiles and motorcycles, we have anticipated changes in the mobility industry by creating products and functions that deliver value to the next generation through our advanced resin processing technologies. With a system that provides seamless support—from design and development to production engineering and quality assurance—and advanced development capabilities that anticipate future needs, we are positioned to create products that have not yet reached the market.

In particular, we focus on design expression and decorative techniques that appeal to users' intuitive sensibilities. We take an integrated approach to design and manufacturing, ensuring that aesthetic appeal and functionality coexist. Our ability to propose solutions that balance beauty with functionality, supported by strong technical capabilities, is the foundation of our value and reflects our spirit of continually taking on challenges and our desire to remain an indispensable partner to our customers.

During the 13th Mid-Term Management Plan, we significantly expanded the scope of our technological capabilities through the advancement of environmentally friendly materials and

decorative technologies, as well as collaboration with partners in the electrical and electronics fields. By actively participating in exhibitions, we increased recognition within the industry and improved corporate brand awareness. However, the high evaluation we have received for our technology has not yet been fully reflected in business results. Going forward, we will actively incorporate customer feedback, develop more specific and appealing prototypes, and strengthen our proposal-based activities. As we have already initiated joint development with

new automakers, we will ensure that these efforts lead to tangible outcomes while further expanding co-creation initiatives.

### Development Policy That Contributes to Next-Generation Mobility

By advancing development across three key areas—technology, sensibility, and the environment—we aim to contribute to a more prosperous and sustainable future of mobility

Our R&D strategy is built on three pillars: (1) advancement and enhancement of core and decorative technologies, (2) a sensory approach (human-centered product development), and (3) the development of technologies that reduce environmental impact. In particular, under the sensory approach, we are working to quantify sensory values such as comfort and texture within the in-vehicle space to support the shift toward electric vehicles and create appeal unique to a society of autonomous driving. Regarding environmental initiatives, we continue to promote the use of recycled materials in cooperation with customers and material suppliers, anticipating compliance with the EU's End-of-Life Vehicles (ELV) Directive.\*

One of our focus areas for next-generation mobility is expanding the application of the hot stamp method. In exterior decoration, our technologies have earned high evaluations for performance that withstands harsh outdoor conditions while maintaining required quality standards. Consequently, we have received growing inquiries from companies both in Japan and overseas, and we are pursuing global expansion. In the exterior field, we promote differentiation through integrated decoration of large parts and the application of lightweight technologies. In the interior field, we seek to combine design and functionality to enhance spatial value and advance development aimed at integrating these features as needed.

In advancing these development themes, we will move away from conventional development-led approaches, setting clear priorities based on business feasibility, market trends, and the likelihood of achieving key goals. We will allocate management resources strategically to accelerate development speed and maximize effectiveness.

We will continue to develop environmentally friendly, convenient, and comfortable products that contribute to realizing a better society. By accurately understanding customers' long-term needs and delivering high-quality, appealing products, we aim to help strengthen the competitiveness of automobiles and the broader mobility industry. Morioku's mission is to be a partner that creates value, evolves with its customers, and achieves sustainable growth through future-oriented solutions.

\*A directive established by the EU in 2000 concerning the disposal and recycling of end-of-life vehicles. It promotes resource efficiency and reduces environmental impact, and discussions are under way to upgrade it into a regulation mandating the use of certain recycled plastics.



Kazuhiro  
Hashimoto

Executive Officer,  
R&D and Technology,  
Production Division

## Production Technology

By leveraging our production technologies that support high-precision and stable manufacturing, we have established an integrated in-house system that covers all processes from development to mass production. We design and verify the specifications of metal molds, dedicated jigs, and equipment entirely in-house, creating a system that enables us to consider mass production from the planning stage. During the design phase, we optimize specifications for both precision and productivity by checking actual products rather than relying solely on drawings, thereby achieving manufacturing that closely links technology and on-site operations. In the mass production phase, we not only transfer technologies such as mold and equipment specifications to factories in Japan and overseas, but also dispatch skilled engineers and provide technical support for the launch of new local businesses. Through these efforts, we are realizing global standardization and common quality across all our production sites.

Using precision mold technology and prototyping and verification capabilities as our core strengths, we have established ourselves as a trusted global partner.

### Overview of the 13th Mid-Term Plan

To improve mold quality, we reviewed product specifications and strengthened our flow analysis capabilities, while also enhancing maturity and component assessments to evaluate mass-production stability and improving our problem-solving capabilities. In addition, we shared mold specifications with overseas sites to reduce technical disparities. We also promoted activities to visualize production equipment issues using IoT, aiming to improve labor efficiency and reduce operational losses. However, challenges remain in developing competitive mold specifications, reviewing maturity evaluation methods, improving defect management, and providing structured technical support to our sites in North America and Asia.

### Strategy of the 14th Mid-Term Plan

We will strengthen global collaboration and concurrent development capabilities for new models to establish optimal mold specifications that ensure both high quality and superior productivity. In addition, we will stabilize our production system by swiftly assessing mass productivity and improving the maturity of our tools. We are also working to develop technologies and equipment that achieve both reduced environmental impact and enhanced productivity, while fostering engineers who can lead next-generation manufacturing. Through these initiatives, we aim to evolve into a company with a highly competitive mold development structure that supports the acquisition of new business opportunities.

## Quality Assurance

With quality assurance offices established globally, we respond promptly and flexibly to customer needs, enabling faster product development and stable market quality. Utilizing our extensive testing facilities, we verify product principles through quality evaluations and reliability testing, aiming to identify potential issues early and implement effective countermeasures. Through these efforts, we are building a forward-looking quality assurance framework that enhances customer satisfaction and supports sustainable growth.

### Overview of the 13th Mid-Term Plan

In Japan, we have reinforced our mother function as the central hub of the global quality assurance system. We implemented both hardware and software measures to completely eliminate recurring defects, including comprehensive trigger management, elimination of serious defects, and reduction of customer complaints in the domestic and North American markets. These initiatives led to tangible results in Japan. Meanwhile, at overseas sites where production conditions remain unstable, we identified the need to establish more effective training programs and management systems.

### Strategy of the 14th Mid-Term Plan

We will continue to strengthen our global quality management system with the goal of completely eliminating recurring defects through enhanced quality assurance. To improve on-site proficiency at our overseas locations, we will develop multilingual manuals, horizontally deploy measures that proved effective under the 13th Mid-Term Plan, and prevent defects through the utilization of manufacturing monitoring data.

## Message from the Executive Officer for Quality

Strengthening global  
competitiveness  
through trusted quality

Hideki Mizutani

Executive Officer,  
Business Management,  
Production and Quality,  
Production Division



Guided by the principle that “quality is the foundation of management,” we are committed to formulating and executing a global quality strategy, strengthening our quality management system, and ensuring compliance with laws, regulations, and industry standards.

During the 13th Mid-Term Management Plan, we reduced human errors through the automation of work and inspection processes, achieving a 90% reduction in defects via on-site improvement activities conducted jointly with business partners in Japan. However, at our overseas sites, variations in quality due to fluctuations in production volume and workforce changes highlighted the need to review training programs and management frameworks.

Under the 14th Mid-Term Management Plan, we aim for the complete elimination of recurring defects by enhancing quality assurance. We are identifying root causes, visualizing defect trends, and clarifying improvement targets. By introducing multilingual instructional videos for standard operations, we seek to improve employees' understanding of their duties and shorten the time required to reach proficiency. We are also expanding automation and labor-saving initiatives proven effective in the previous plan. Furthermore, by monitoring indicators such as critical defects, customer evaluations, production volume, and personnel transitions, we will prevent defect occurrence and accelerate improvement through predictive management.

Progress on strategies and KPIs will be reported to management on a monthly and quarterly basis, with successful initiatives shared globally. Balancing operational efficiency with quality, we will deliver high-quality products and services more quickly and at lower cost, thereby enhancing long-term corporate value through a quality strategy that also integrates sustainability.

# Chemicals Business

We operate both trading and *monozukuri* (manufacturing) businesses in the chemical field, connecting people, technologies, and products. By combining the technological expertise and ideas of our Group companies, we create new value through chemistry. Leveraging the collective strength of the Morioku Group, we continue to take on challenges to help solve issues faced by our customers and society.



## Main Business Domains



Mobility Field



Fine Chemicals Field



Coating Field



Electrical and Electronic Field



Medical Field



Functional Materials Field



Healthcare Field



Living Materials Field



Agriculture / Food Field

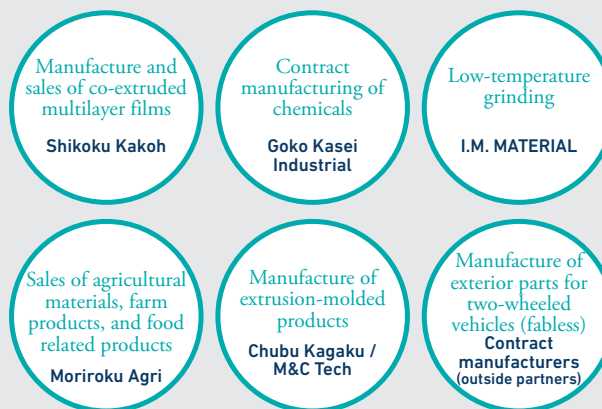
## Strengths 1

Expertise as a Trading Company

Business history of over **360** years

## Strengths 2

Network of Group Companies with Unique Technologies



## Strengths 3

Global Business Development

Anticipating the needs of markets and users worldwide in **12** countries



Morioku Group Global Network »  
<https://www.morioku.co.jp/english/network/>

Note: As of the end of March 2025



## Achievements and Issues during the 13th Mid-Term Management Plan

### Achievements

- Expansion of manufacturing capabilities at contract chemical manufacturing subsidiary
- Investment in South Korean company and establishment of joint venture
- Expand sales of Carbon Nanotube (CNT) masterbatch
- Expand Chemicals Business in Europe, India, and Malaysia
- Optimize activity bases (expansion and consolidation of new bases)

### Issues

- Create profitable value by changing mindsets
- Create markets for high-value-added original materials and establish sales bases
- Strengthen profit structure for global bases

## Chemicals Business: Growth Strategy of the 14th Mid-Term Management Plan

Become a global company that pursues operating profit in the chemical domain

### Business strategies during the 14th Mid-Term Management Plan

Strategy 1 Pursue greater profitability in core businesses

#### Expansion of global business

Identify priority regions based on the external environment and deploy resources with speed

- (1) Accelerate expansion in Europe and ASEAN
- (2) Offset decline in China through growth in other regions
- (3) Focus on expanding cross-border business (Strengthen cooperation across global bases)
- (4) Shift perspective toward broader market (business) growth



Strategy 2 Advance development for future commercialization

#### Value creation through expansion of *monozukuri* (manufacturing) business

Create added value in fields where we have a competitive edge as a chemical trading company

- (1) Expand film manufacturing technologies overseas
- (2) Grow the chemical synthesis business
- (3) Develop Moriroku original products
- (4) Expand the CNT masterbatch business



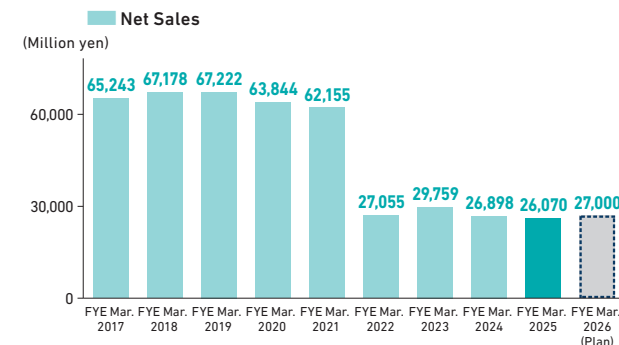
### "Destruction and Creation"

Dismantle outdated culture and structures, and cultivate a new corporate culture with speed and scale

- (1) Shift the mindset away from "the traditional way is always right"
- (2) Enhance productivity through the elimination of waste
- (3) Drive new business creation and execute bold M&A and strategic investments

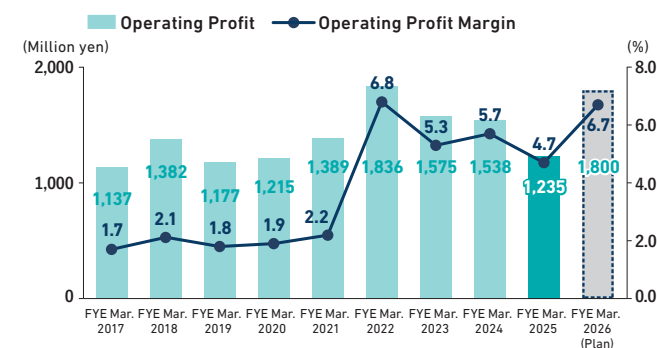


## Net Sales



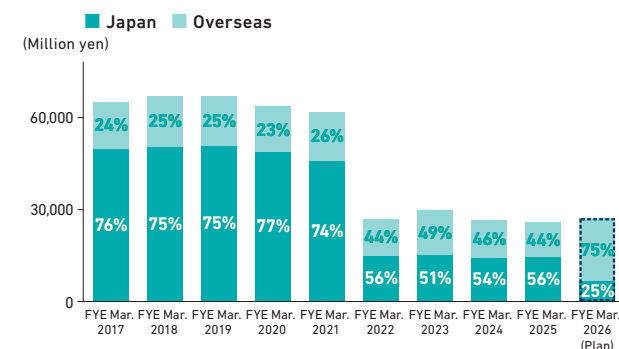
Note: The "Accounting Standard for Revenue Recognition" has been adopted since the fiscal year ended March 2022, and figures are based on this standard.

## Operating Profit / Operating Profit Margin



Note: The "Accounting Standard for Revenue Recognition" has been adopted since the fiscal year ended March 2022, and figures are based on this standard.

## Net Sales Composition Trends by Region (Japan/Overseas)\*



Note: The "Accounting Standard for Revenue Recognition" has been adopted since the fiscal year ended March 2022, and figures are based on this standard.

\*The figures displayed within each bar indicate the share of sales by region for the respective fiscal year.

## Transforming organizational culture and structures, we will build a new business system that prioritizes profitability and speed.

### Growth Scenario of the Chemicals Business

Strengthening global business and manufacturing operations to capture growth opportunities through internal and external synergies

In the 13th Mid-Term Plan, we advanced initiatives such as “selecting and concentrating businesses,” “accelerating global expansion,” and “strengthening manufacturing operations” as main pillars. Over the three-year period, despite a challenging environment for trading companies and limited opportunities to implement aggressive measures, we steadily strengthened our business foundation—optimizing base and customer portfolios, and expanding our presence in India and Vietnam, thereby laying the groundwork for the next stage of growth.

Against this backdrop, the newly formulated 14th Mid-Term Plan—following our business integration in April—adopts a policy of pursuing profitability by breaking away from conventional business models and accelerating bold initiatives that had previously been postponed.

What we place a primary emphasis on is, of course, the expansion of global business. **» P. 35** In order for us to achieve sustainable profit growth, it is essential that we increase the overseas sales ratio in our total sales, and we have set a target of achieving 50% by 2035 as a benchmark. After strengthening our presence in ASEAN, we opened a representative office in Germany in August, in addition to our existing local subsidiary in Vienna. Using these two offices as our bases, we will direct our efforts to Europe, where demand for environmentally friendly products is growing. Furthermore, since we are considering expansion into Eastern Europe, Africa, the Middle East, and other regions in the future, we will increase our agility to respond to geopolitical risks and secure a wider range of options.

Additionally, we will continue to direct our efforts to the expansion of *monozukuri* (manufacturing) business. **» P. 36** However, instead of stepping into the already saturated downstream manufacturing area, we will focus on the enhancement of new functions and added value in the upstream area, particularly in the materials field, where we can demonstrate our superiority. Here, we intend to make the most of the manufacturing capabilities of our Group companies, such as by utilizing the chemical synthesis contract business of Goko Kasei Industrial, in which we made facility investments under the 13th Mid-Term Plan, as well as by expanding Shikoku Kakoh's high-value-added film manufacturing technology overseas. In addition, taking advantage of the consolidation to enhance synergy with the Resin-Treated Product Business is also one of our important themes. People-to-people exchanges, including transfers, have already been in progress between the two businesses, and knowledge and experiences cultivated in different domains have also been combined. These initiatives have provided our employees with new insights and contributed to enhanced business performance.

We also give great importance to synergies with a wide range of external partners, and strive to discover partner companies both in Japan and overseas, focusing on domains that have a high affinity with our existing businesses. In the 13th Mid-Term Plan, we invested in a South Korean company for the development of insulating slurry for lithium-ion batteries. In addition to expanding sales of carbon nanotube masterbatches, which we have been working on for a long time, we will accelerate efforts to sow seeds in fields where the market is expected to blossom.

### Hidehito Monji

Senior Managing  
Executive Officer,  
COO of Chemicals Division



### Thoughts Hidden behind the 14th Mid-Term Plan

Upholding “Destruction and Creation” as a driving force for mindset transformation and profitable value creation

As the foundation for advancing these strategies, we have adopted the high-impact theme of “Destruction and Creation.” The greatest challenge—and opportunity—for growth lies in fostering a mindset that embraces challenge and focuses on generating profit. Unless each individual acts with profit in mind, it is no longer possible to change to a high-profit structure. Additionally, in today's rapidly changing environment, if we do not respond to customer requests in a timely fashion and act swiftly, our business itself will quickly become obsolete. I deliberately encourage employees to reflect on how they can improve their current work, serve customers more effectively, and contribute to society. This theme conveys my strong desire and sense of urgency to cultivate the ability to think independently and take swift action throughout the organization. I myself would like to communicate face to face with employees at each base, and spread this attitude while reducing the distance between on-site workers and management.

At the same time, in order to increase this willingness and properly reward employees for their hard work and performance, we will also accelerate the review of remuneration and employment terms, and the application of a flexible personnel system that promotes motivated and talented personnel. Additionally, we will expand opportunities for skill development, such as through training programs and business schools that have been provided, and will also focus on the development of global human resources. In recent years, we have seen an increase in the promotion of foreign staff and locally hired personnel, and we will continue to promote highly transparent personnel deployment based on capability, regardless of career, nationality, or gender.

The mission of a trading company is to quickly sense or predict market trends from the same viewpoint as its customers and to always continue sowing seeds. Toward achieving our long-term vision and the targets of the 14th Mid-Term Plan, the Chemicals Business is required to create new value through the combination of chemistry and manufacturing, continue to make proposals to various industrial fields, and build a unique global network by taking on challenges. I also recognize that our business is required to provide feedback on the results of our marketing efforts to the entire Moriroku Group. I am personally committed to fulfilling this responsibility by embodying the spirit of “Destruction and Creation” in practice.

## Expansion of Global Business

The Moriroku Chemicals Division has bases in 12 countries, and provides optimal materials and products to customers with its trading function and manufacturing function capabilities. In addition to expanding our business in Europe and ASEAN, we are undertaking sales activities that take into account potential entry into emerging markets. We will identify priority regions based on a precise understanding of changes in the external environment and strategically allocate management resources to expand our global market share. Furthermore, by promoting global expansion and manufacturing activities in an integrated manner, we aim to maximize growth opportunities worldwide.

### Overview of the 13th Mid-Term Plan

We have completed putting in place the infrastructure for expanding our business henceforth in Europe, India, and Malaysia—areas in which growth is expected. Of particular note, we proceeded with preparations for establishing a new office in Düsseldorf, Germany, and combined with the existing Austria base, we have constructed a two-base system to cover all of Europe. In India, we have expanded market development and achieved profitability at the local subsidiary, and are currently looking into further business expansion. And through our development of the electrical and electronic field, we also worked toward entering the Malaysian market.

### Strategy of the 14th Mid-Term Plan

In order to further increase our overseas profit ratio on a consolidated basis, we will expand our global coverage. Under the 14th Mid-Term Management Plan, we intend to use the global network of bases we expanded in the 13th Mid-Term Management Plan and proactively advance into regions and countries we previously had no involvement with, such as India, Africa, Eastern Europe, and the Middle East. From the perspective of risk distribution, we will prioritize ensuring diversity of options and build a strategic foothold in a variety of regions, and by doing so take action on both future risk management and the acquisition of growth opportunities.

### Message from Executive Officer for ASEAN

With ASEAN as the hub, we will accelerate our exploration and development of new areas, and our cooperation in Europe.



Atsufumi Niimura

Executive Officer,  
Head of ASEAN Business, Chemicals Division,  
President, Moriroku (Thailand) Co., Ltd.

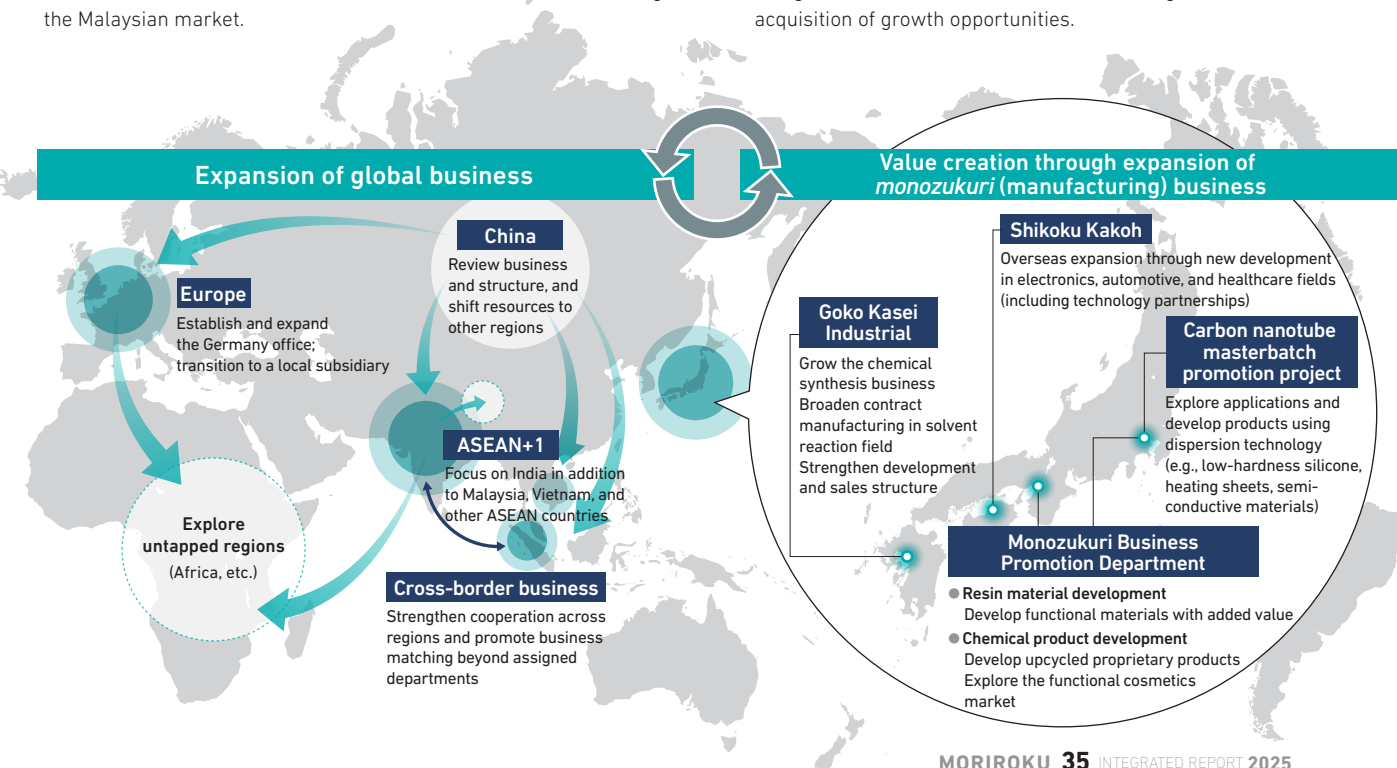
Japanese automobile manufacturers have been faced with difficult business circumstances over recent years in ASEAN and India, and under circumstances in which many bases have been impacted, the construction of new business infrastructure is a pressing issue. Breaking free from conventional thinking, we will flexibly explore and develop markets in both the resin and chemicals fields, while strengthening collaboration among bases and promoting a cross-base sales structure centered on product leaders. At the same time, we will use ASEAN as a hub and accelerate our expansion into other areas.

The 13th Mid-Term Management Plan set out the expansion of film, electric vehicles, chemical synthesis, and environmental materials as priority measures. In the film and EV-related areas, we have begun expanding into electrical material applications, while also advancing proposals for environmentally friendly recycled resin products (PIR). However, given the limited progress in the field of chemicals, this area has been made a priority area for strengthening under the 14th Mid-Term Management Plan. Seizing the trend of supply chain diversification away from China, we will expand into the European and US markets from India, while strengthening cooperation with our European bases. In the resin business, we will put in place a dedicated structure to enter new fields beyond automobiles, while also leveraging the foothold we gained in the electronic materials field under the 13th Mid-Term Management Plan.

Under the 14th Mid-Term Management Plan, we have set numerical targets for the entire ASEAN region, ensuring the targets for each fiscal year are understood at the worksite level, and ensuring thorough progress management and PDCA implementation by each team. Our sales structure will be built centering on Thailand in the chemicals business, and on Singapore in the resin business, and we will allocate resources flexibly in line with each business style. Energizing our ASEAN operations will directly contribute to creating new business opportunities and enhancing customer service. By rolling out successful case studies to other businesses, we aim to use our growth in ASEAN to bring progress to the Company as a whole.

### Expansion of global business

### Value creation through expansion of monozukuri (manufacturing) business





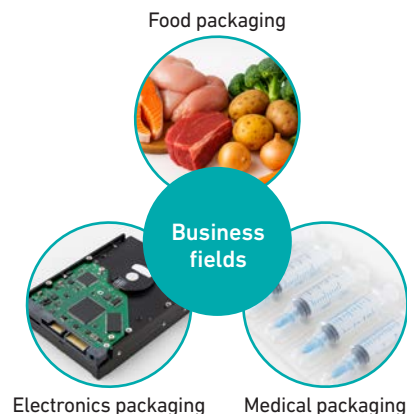
## Value Creation Through Expansion of *Monozukuri* (Manufacturing) Business

In the *monozukuri* (manufacturing) segment of the Chemicals Business, we combine Morioku's global information network with the advanced technical expertise of our Group companies to deliver a diverse range of high-performance materials that meet customer needs. We also enhance product value by developing compounds\* from raw materials that are optimized for user processing and application. Under the 14th Mid-Term Management Plan, we aim to expand sales by leveraging proprietary technologies and increasing the share of high-value-added products with competitive advantages, thereby enhancing profitability.

\*Compound: Depending on the use of the plastic, the raw material resin and additives are mixed to give it new characteristics.

### Shikoku Kakoh

Shikoku Kakoh has refined its film fabrication technology over the course of more than 40 years. In addition to knowledge of raw materials and production capabilities that leverage the company's unique facilities, Shikoku Kakoh also offers after-sales maintenance based on an intimate knowledge of the customer's worksite, and also possesses bag-making technology with strengths in specialized processing. Utilizing these technologies, we supply films for a wide range of applications, including food, medical, and electronics fields. Because customer demands for performance and functionality are diverse, we offer a broad product lineup to meet their various needs.



### Leader's Message

#### Bringing new value to plastic, and helping solve issues faced by society

The plastics industry has entered an era in which it must address environmental issues head-on. As a company that deals in plastic films, we are committed to fulfilling our responsibility by focusing on sustainable manufacturing. Leveraging our co-extrusion multilayer film technology, we are working to make films thinner and reduce their volume in the pharmaceutical packaging sector. Reducing material usage not only improves resource efficiency during production but also contributes to lowering environmental impact during transportation. Furthermore, compared to conventional lamination methods, co-extrusion multilayer films can be integrally molded without adhesives, enabling streamlined production processes and significantly reducing CO<sub>2</sub> emissions. This initiative goes beyond mere energy savings and represents a fundamental reevaluation of the carbon footprint, and clearly demonstrates the superiority of Shikoku Kakoh's products as environmentally friendly products. In addition, Shikoku Kakoh's technologies are being applied to environmental restoration. For example, seedling systems using APTON, a single-sided plastic-corrugated board, contribute to greening in semi-arid regions, supporting both agriculture and ecosystem preservation. We believe that giving new value to plastics and contributing to the resolution of issues faced by society is the mission of companies going forward.



**Masato Okada**

Sales Promotion  
Department  
Shikoku Kakoh Co., Ltd.

### Goko Kasei Industrial

Goko Kasei Industrial undertakes contract manufacturing according to customer needs, including inorganic and organic synthesis reactions, bromination and halogenation reactions, reactions using strong acids, drying and mixing.

In April 2025, the company constructed a new drying building with better protection to prevent contamination. It also strengthened its laboratory capabilities, focusing on pre-mass-production synthesis testing and expanding the scope of product property evaluations. Furthermore, it is actively engaged in developing new products that leverage Goko Kasei Industrial's proprietary technologies.



Inside the new drying building

### Leader's Message

#### Enhancing manufacturing competitiveness through evolution toward a resilient corporate structure

At Goko Kasei Industrial, we are advancing the realization of one of our core management policies, namely the evolution toward a resilient corporate structure, by strengthening our business foundation and taking on the challenge of new growth areas.

Until now, Goko Kasei Industrial's business has centered on aqueous reactions, but to better meet the diverse needs of our customers, we are making a full entry into the solvent-based field. As part of this strategy, we launched operations at a new reaction building in June 2023, and we are currently receiving orders and undertaking production for a wide range of solvent-related projects. We are also working on expansion with a view to entering the electronic materials field.

In addition, a new drying building has been in operation since May 2025, and alongside the smooth transfer of existing projects, we are proactively working on new projects. This will create new business opportunities while leveraging our existing technological infrastructure.

We view the expansion of our chemical synthesis business as a key growth driver, and are working to further enhance our technological capabilities, development capacity, and production capabilities (including our safety system). We are also focusing our efforts on cultivating talent for the future, striving to build a corporate structure that supports sustainable growth.



**Hiroyuki Ikeno**

President and CEO  
Goko Kasei Industrial  
Co., Ltd.

## Moriroku's Digital Transformation to Support Business Growth and Accelerate Innovation

### Message from General Manager in Charge of DX

Support Moriroku's growth and open the way to the future driven by On-site DX

Jun Takashima

General Manager,  
Information System Department



The promotion of digital transformation contributes to improving business efficiency and enhancing organizational competitiveness. Moriroku places particular emphasis on improving operations starting with familiar tasks and pursues practical reforms that directly address on-site challenges. Starting with honest feedback from employees, we identify waste and unnecessary labor hidden in daily work, and automate these elements with familiar tools such as RPA, helping to reduce the burden on employees. By transforming the accumulation of small, employee-driven improvements into major organizational reform, we aim to enhance company-wide productivity and build a more flexible organization. We will improve the quality and speed of work as we aim to build a future where workers can devote their time to more valuable work.

Pillars of DX Strategy	Initiatives
Promotion of data-driven management	<ul style="list-style-type: none"> <li>● Advance and streamline data analysis based on KPIs, performance metrics, products, and customer data</li> </ul>
DX promotion in Production Division	<ul style="list-style-type: none"> <li>● Achieve business transformation by continuously implementing improvements using familiar tools such as RPA and BI</li> </ul>
DX promotion in Chemicals Division	<ul style="list-style-type: none"> <li>● Improve operational efficiency by streamlining order management and visualizing data through BI tools</li> </ul>
Development of DX human resources	<ul style="list-style-type: none"> <li>● DX awareness initiatives (for all divisions)</li> <li>● Make e-learning and specialized courses mandatory at training hosted by the Human Resources Department</li> </ul>
Strengthen security and optimize risk management	<ul style="list-style-type: none"> <li>● Respond to changes in laws, regulations, and organizational structures, and promote ERP renewal</li> <li>● Accelerate cross-departmental efforts to address security incidents to enhance countermeasures against cyber threats <a href="#">» P. 65</a></li> </ul>

### Initiatives in FY2024

In the 13th Mid-Term Management Plan, we newly established the DX Promotion Section to lay the foundation for a DX promotion system. The R&D Department of the Production Division visualized work analysis and business processes, and identified issues, while the Chemicals Division focused on the promotion of system development and system introduction as well as business improvement support with the aim of streamlining trading operations.

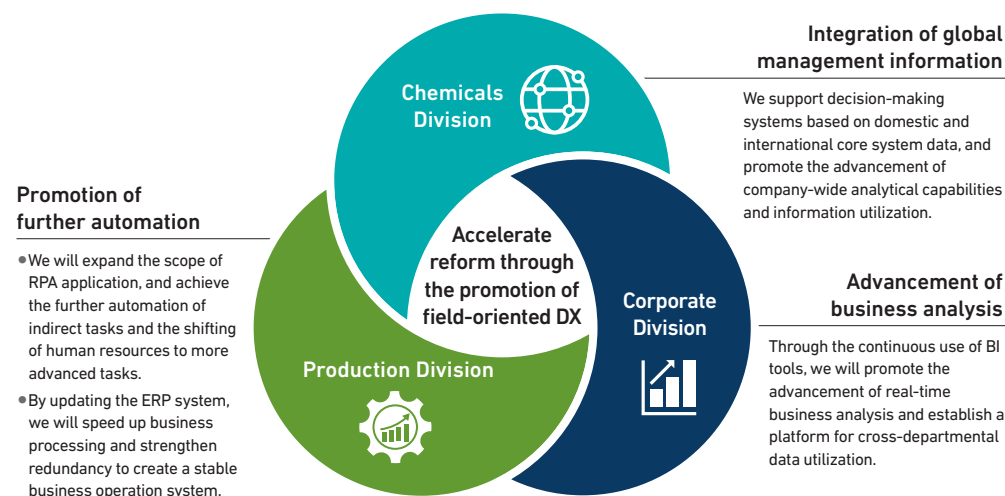
In FY2024, we focused on updating our core systems in conjunction with the integration of operations and the strengthening of security across our domestic and overseas Group companies. We also started to provide e-learning on DX for all employees. Going forward, we will cooperate with the Human Resources Department to further raise awareness of DX and strive to increase participation rates and enhance training content.

### Key Points of DX Promotion in the 14th Mid-Term Management Plan

In our efforts to limit selling, general and administrative expenses and reduce human burden, we place emphasis on a practical approach that focuses on the actual workplace (*Genba*). By identifying hidden issues in daily operations and resolving them gradually using familiar technologies, we aim to build on small successes and translate them into company-wide reform.

By deepening cooperation between the Information System Department and business divisions, as well as by continuing dialogue with the site teams even after the introduction of system tools, we aim to ensure that such tools are firmly established and widely adopted while reflecting the feedback of on-site workers. Furthermore, we will share successful case studies and enhance motivation through regular reviews, thereby promoting more effective and sustainable DX initiatives.

### DX promoted with a practical approach



## Message from Executive Officer for Legal & Intellectual Property Strategy

We will contribute to minimizing risks and maximizing profits from the viewpoint of specialists in the fields of legal affairs and intellectual property.

### Ensuring compliance with laws and regulations implementing new policies and system reforms for intellectual property

During the 13th Mid-Term Management Plan, in the area of legal affairs, we worked to ensure compliance and expedite responses to issues by conducting compliance training and developing and sharing response manuals. We also developed a system for providing legal support and supporting risk responses in order to carry out special projects such as various M&As, as well as prompt provision of information on legal revisions to our global bases, and worked to establish its firm operation. As a result of these efforts, we successfully ensured compliance with all relevant laws and regulations, with no instances of criminal or administrative penalties arising from violations.

In the area of intellectual property, we promoted Group-wide efforts to strengthen measures related to intellectual property and sought to spread awareness while paying attention to a tripartite management strategy that integrates intellectual property with business and development. In addition, we formulated new policies for intellectual property business, and changed our systems. Specifically, to maximize our strengths in the technological fields of development and design, we transitioned to a workflow optimized for each application category. We also reviewed our reward system and strengthened incentives for promoting patent applications, and we regularly held intellectual property liaison meetings, directing our efforts toward the Group-wide development of intellectual property activities.

### Continue to promote changes by enhancing the organizational strength and expertise of the Legal & Intellectual Department

In order to boost future business growth in both the legal and intellectual property fields, we need to strengthen the skills and organizational capabilities of the department so as to handle more difficult and unique cases. The overseas sales ratio of the Morioku Group is approximately 70% in 14 countries, and in order to cover all this, it is necessary to solve problems by taking into account not only language differences but also the latest treaties, various rules such as laws, the operations of individual authorities, and the business customs unique to each region.

With this in mind, in the 14th Mid-Term Management Plan, we will further enhance the expertise of our members in order to respond quickly to changes in business, new laws, and legal revisions. Depending on the nature of the case, we will incorporate external expertise and share their know-how within the department, with the aim of raising the level of our members' knowledge. In April 2025, we

#### Focus: Enhancement of IP (Intellectual Property) Liaison System

- Began to appoint IP liaison officers in main Group companies' development departments in FY2023
- Promoted collaboration between the Legal & Intellectual Department and an IP liaison officer of each department to uncover inventions, with the aim of increasing the number of patent applications and enhancing IP capabilities
- Completed the introduction of the system at bases in Japan, the US, and China in FY2024

Executive Officer,  
Legal, Intellectual Property  
and Compliance

Junko  
Saito



established the Legal Section and the Intellectual Section within the Legal & Intellectual Department, thereby creating an organizational structure designed to further strengthen specialized expertise. We are also steadily carrying out measures to provide employees with training that utilizes digital technology and content related to legal affairs and compliance. While making such efforts, we will quantify the results of each activity as much as possible, and aim to visualize progress by measuring the effectiveness of such measures.

In particular, in the field of intellectual property, we will build a patent portfolio by visualizing the deployment status of inventions essential to business through patent mapping and objective viewing for the comprehensive acquisition of patents. We will enhance business competitiveness by improving both the quality and quantity of patents while preventing infringement. Moreover, we will work to improve the IP (intellectual property) liaison system in order to encourage patent application activities. For example, we standardized the agenda for liaison meetings to make it easier to raise topics for discussion and expand results horizontally within the Group. Furthermore, we will continue to implement "aggressive" measures to become a hub for on-site human resource development and business strategies, including by sharing knowledge pertaining to patent research and applications, holding invention discovery meetings in collaboration with technology departments, and holding patent research training workshops to prevent infringement of intellectual property rights, thereby contributing to the promotion of the 14th Mid-Term Management Plan.

### Contribute to the increase in corporate value by taking both offensive and defensive approaches and strategically create a patent network for Morioku's technologies

In order for the Morioku Group to continue to grow sustainably, we will contribute to enhancing corporate value by taking both offensive and defensive approaches as professionals in the area of legal affairs. Additionally, in the area of intellectual property, we would like to strategically create a patent network that will make people view Morioku as being synonymous with certain technologies. To this end, I am committed to promptly formulating response policies for each case, encouraging proactive action across the organization, and creating an environment that enables our specialists to perform at their best while continuously developing their expertise. I will continue to leverage my specialized knowledge in legal affairs and intellectual property, with the aim of contributing to minimizing risks and maximizing profits for the Morioku Group from both a medium- and long-term perspective.



## Overview of Legal and Intellectual Property Strategy and Initiatives in FY2024

The Moriroke Group recognizes future-oriented creativity and advanced technologies upheld in its Principles as the driving force for its corporate growth, and is undertaking a variety of measures to ensure that intellectual property is firmly rooted in its corporate culture. In addition, we are working on the improvement of the corporate value of the Group by taking both offensive and defensive approaches, keeping in mind the compliance described in our Code of Conduct. Also, keeping in mind our tripartite management strategy integrating intellectual property with business and development, we will contribute to the realization of long-term visions and management plans.



### 2035 Long-Term Vision CREATE THE NEW VALUE

Delivering valuable solutions to society through the power of chemistry and the craftsmanship of *monozukuri* (manufacturing)

#### 14th Mid-Term Management Plan: Priority Strategies

- Strategy 1 Pursue greater profitability in core businesses
- Strategy 2 Advance development for future commercialization
- Strategy 3 Create new value through business synergy
- Strategy 4 Further strengthen the business foundation

#### Major efforts in FY2024

Provide strategic support aligned with business transformation	<ul style="list-style-type: none"> <li>● Provide legal support for special projects such as M&amp;A, as well as support for risk response</li> <li>● Accelerate response to issues by creating and sharing response manuals</li> </ul>
Thoroughly enforce and penetrate compliance awareness	<ul style="list-style-type: none"> <li>● Continuously implement compliance training to raise awareness and strengthen education</li> <li>● Establish a system to quickly provide information on legal revision to global bases</li> <li>● Enhance response capabilities by establishing a system for sharing legal information</li> </ul>
Build a patent portfolio that ensures competitive advantage	<ul style="list-style-type: none"> <li>● Build a patent portfolio for Moriroke's strategically important proprietary technologies</li> <li>● Clarify business processes and strengthen their operations to prevent patent infringement</li> </ul>
Establish a global patent network	<ul style="list-style-type: none"> <li>● Efficiently acquire patents in terms of both quality and quantity through invention categorization</li> <li>● Review invention proposals by category, and optimize descriptions according to their levels</li> <li>● Visualize inventions through patent mapping and establish a patent portfolio to ensure competitive advantage</li> </ul>

# Action for SUSTAINABILITY

## Foundation for Co-Creation

### Sustainability Management at the Morioku Group — 41

Results and KPIs for Sustainability Materialities

### ● Environment — 45

Strengthening the Response to Climate Change Issues  
Resource Recycling / Water Resource Conservation /  
Biodiversity-Conscious Business Activities

### ● Social — 49

Creating a Great Place to Work  
Promoting Diversity and Inclusion  
Respect for Human Rights / Building a Sustainable Supply Chain

### ● Governance — 54

Corporate Officers  
Messages from Outside Directors

### Enhancing the business foundation to drive sustainability management

Since its founding in 1663, the Morioku Group has conducted its business based on relationships of trust with stakeholders, contributing to the resolution of social issues through its corporate activities. Looking ahead, we aim to strengthen the resilience of the entire Group by integrating business strategy with sustainability management, thereby creating both economic and social value.

## Environment

Promoting initiatives to address key environmental issues,  
including climate change, resource recycling,  
and biodiversity conservation



## Social

Fostering human resource development  
and creating a better workplace  
environment while promoting respect  
for human rights and building  
a sustainable supply chain



## Governance

Promoting medium- to  
long-term initiatives  
to enhance sustainable  
corporate value with a focus  
on transparency and fairness

Enhance resilience  
of the entire Group



## Basic Approach to Sustainability

In March 2022, the Morioku Group established a Sustainability Policy. This Policy outlines the role the Group should play in achieving a sustainable society. The Morioku Group aspires to become a 400-year company that addresses social issues through business activities conducted with consideration for the interests of all stakeholders, while continuing to earn their trust, expectations, and support. Furthermore, we will endeavor to enhance information disclosure from the three perspectives of "Environment," "Social," and "Governance" to enhance our corporate value.

### Morioku Group Sustainability Policy

**Based on our management principles, we, the Morioku Group, and our stakeholders will co-create the value required by the new age and contribute to the sustainable growth of society.**

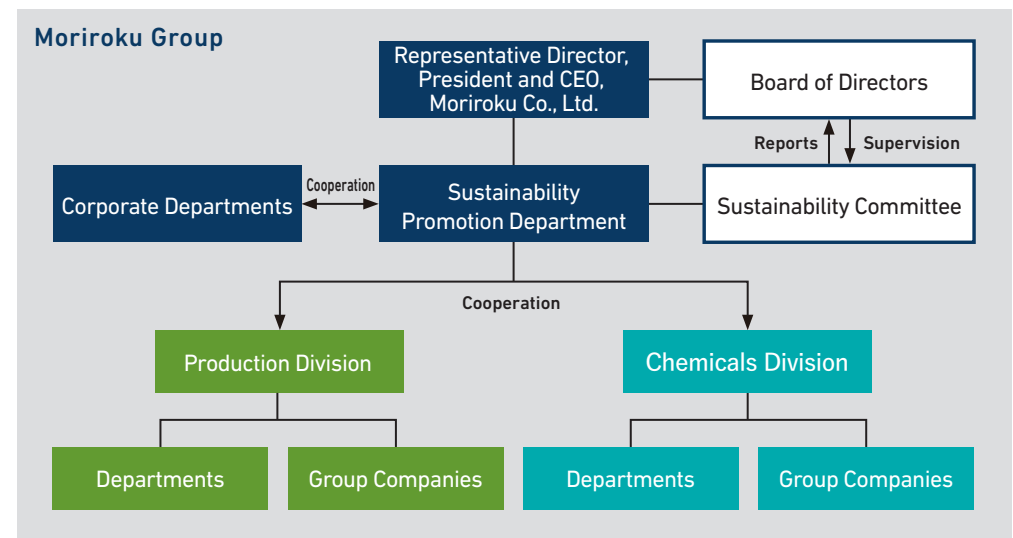
1. We will work to solve social issues beyond conventional business areas by leveraging the Group's functions and resources to the fullest.
2. We will aim for a sustainable mobility society through innovative manufacturing that contributes to carbon neutrality and the cyclical use of resources.
3. We will contribute to the achievement of an ecological, recycling-based society by providing green chemicals throughout the entire supply chain.
4. Based on a foundation that respects human rights, we will continue to create new value through an organization that pursues employee wellbeing and in which diverse personnel participate actively and work with satisfaction.
5. We will nurture mutual trust via highly transparent and honest business activities, understanding the expectations and requests of society through dialogue with stakeholders.

## Sustainability Promotion Framework

The Morioku Group has established a Sustainability Committee chaired by the Representative Director, President and CEO as an organization to take sustainability management forward.

The Board of Directors establishes and monitors progress on policies concerning sustainability, materialities, and targets with the aim of medium- to long-term corporate value improvement.

### Morioku Group Sustainability Promotion Framework



The Sustainability Committee discusses requests from the international community and stakeholders, as well as issues arising from changes in the business environment, and reports the outcomes of its deliberations to the Board of Directors. It also debates strategy and formulates concrete initiative plans for the resolution of issues faced by society and environmental issues in order to take sustainability management forward across the Group as a whole under the supervision of the Board of Directors. The Sustainability Committee aims to strengthen our governance structure and to contribute to the achievement of a sustainable society.

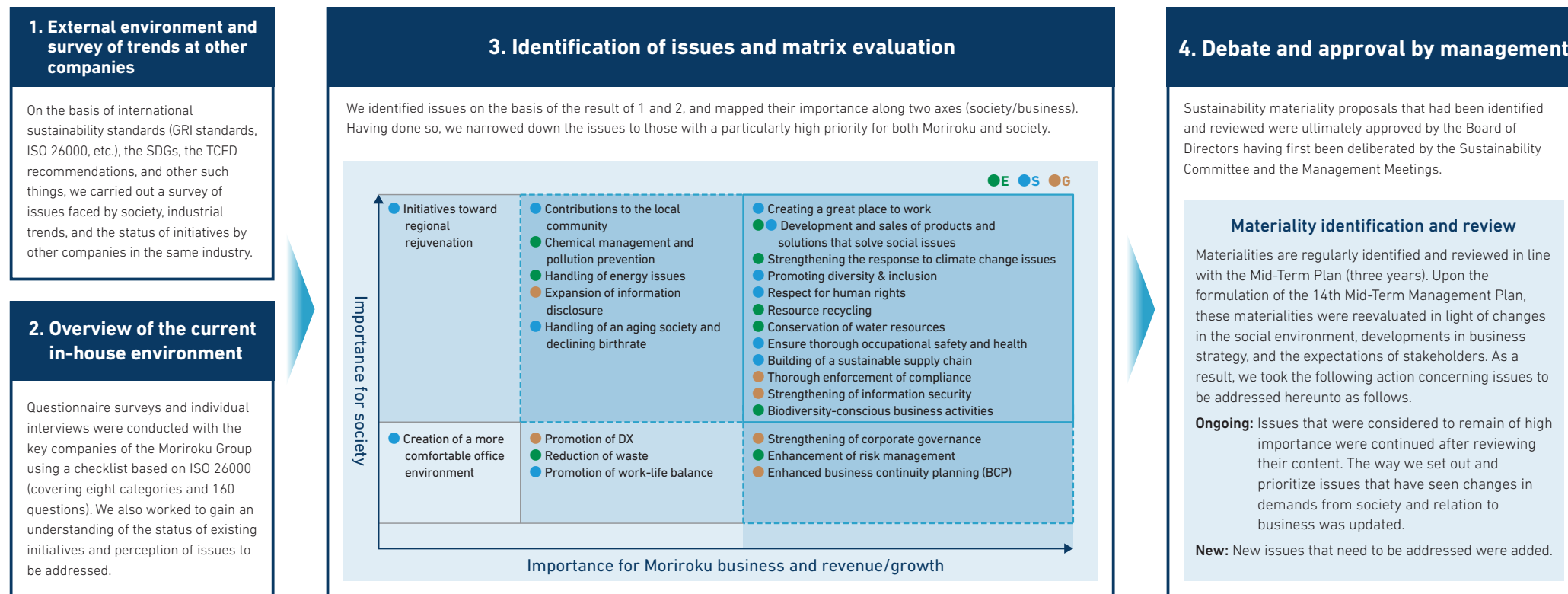
#### Key Themes for Discussion at the Sustainability Committee (FY2024)

- Addressing climate change issues
- Supply chain management
- ESG trends and response policy
- Respect for human rights (human rights due diligence)
- Forest creation in Tokushima
- Progress management for materialities, etc.



## Materiality Identification Process

In order to achieve both a sustainable society and increasing corporate value, the Morioku Group identifies and reviews sustainability materialities in light of international guidelines, trends in society and industry, and its own business environment. We reevaluated and reestablished these materialities in the creation of our 14th Mid-Term Management Plan (hereinafter, "Mid-Term Plan"). We evaluate sustainability materialities from two perspectives: their importance to society (stakeholders) and their importance to Morioku's business, taking into account both societal expectations and their impact on the Morioku Group. After evaluating the materialities, we prioritize them before deliberating and approving them with management oversight.



## 14th Mid-Term Management Plan Sustainability Materialities

1	Strengthening the response to climate change issues	Ongoing	2	Resource recycling	Ongoing	3	Conservation of water resources	New	4	Biodiversity-conscious business activities	New	5	Development and sales of products and solutions that solve social issues	Ongoing	6	Creation of a fulfilling workplace	Ongoing
7	Promoting diversity & inclusion	Ongoing	8	Ensure thorough occupational safety and health	Ongoing	9	Respect for human rights	Ongoing	10	Building of a sustainable supply chain	Ongoing	11	Thorough enforcement of compliance	New	12	Strengthening of information security	New

## Results and KPIs for Sustainability Materialities

The Morioku Group views the issue of climate change as a materiality in terms of sustainability management, and has defined the reduction rate of GHG emissions as one of the most important non-financial KGI (long-term targets) for FY2030. We have defined reducing GHG emissions by 45% compared to FY2019 by FY2027 as one of our medium-term targets set by backcasting from this long-term target. This medium-term target is also linked to directors' compensation, and it is something that the Group as a whole is working toward under the commitment of the directors. Furthermore, the 14th Mid-Term Plan sets out medium-term targets and indicators (KPI) for each sustainability materiality, and initiatives toward these are underway across the Group as a whole. Building on the concrete initiatives and results of the 13th Mid-Term Plan, we apply the PDCA cycle to ensure robust and reliable progress management, while continuously pursuing improvement.

### Most Important Non-Financial KGI for FY2030

**GHG emission reduction rate**  
Compared with emissions in FY2019,  
the entire Morioku Group

**50%** Reduction

	Sustainability Materialities in the 13th Mid-Term Plan	Achievements in the Period of the 13th Mid-Term Plan	FY2024 Results		Sustainability Materialities in the 14th Mid-Term Plan	KPIs for the Period of the 14th Mid-Term Plan	See Page
E	Addressing climate change issues	<ul style="list-style-type: none"> <li>Construction of a system for gaining an overview of the Scope 1 and Scope 2 situation at sites in Japan and overseas</li> <li>Data collection and management process implementation</li> <li>Introduction of renewable energy at sites in Japan and overseas</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emissions: 39.13% reduction on FY2019</li> <li>Renewable energy introduction rate: 32.22%</li> </ul>	Ongoing	Strengthening the response to climate change issues	45% CO <sub>2</sub> emission reduction rate (Baseline: Compared to FY2019)	P. 45
	Resource recycling	<ul style="list-style-type: none"> <li>Construction of a system for monitoring and collecting data on waste and resource usage at manufacturing sites</li> <li>Material recycling by Production Division</li> </ul>	<ul style="list-style-type: none"> <li>Collection of statistics on recycled product types and volumes at manufacturing sites</li> <li>Establishment of environmental data collection scheme</li> </ul>	Ongoing	Resource recycling	Setting of resource recycling targets and policies for waste reduction rate, material recycling rate, etc.	P. 47
	—	<ul style="list-style-type: none"> <li>Commenced visualization of water intake volume</li> <li>Implementation of data management for data on water intake volume, water quality, water sources, etc., at manufacturing sites</li> </ul>	<ul style="list-style-type: none"> <li>35 m<sup>3</sup> water saving through waterless toilet installation (in some locations at Suzuka Plant)</li> <li>Water resource recycling at manufacturing sites</li> </ul>	New	Conservation of water resources	Setting of targets and policies for optimized water use, such as water resource usage efficiency	
	—	<ul style="list-style-type: none"> <li>Comprehensive collection of environmental data (CO<sub>2</sub> emissions, waste, water, chemicals, etc.) and implementation of supporting infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Aggregated environmental data by site, commenced risk analysis preparations</li> </ul>	New	Biodiversity-conscious business activities	Identification of business risks and opportunities taking biodiversity into consideration, and information disclosure	
	—	<ul style="list-style-type: none"> <li>Launched forest creation project in Tokushima, started making donations, embarked on forest conservation activities</li> </ul>	<ul style="list-style-type: none"> <li>Held first tree-planting event in Tokushima</li> </ul>				
S	Development and sales of products and solutions that solve social issues	<ul style="list-style-type: none"> <li>Exploration of new products leveraging business synergies</li> <li>Identification of themes through industry-academia collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Research and development of alternative materials, such as those derived from plants, to replace petroleum-derived materials and reinforcing additives such as talc.</li> <li>Funded start-up companies with the aim of entering the biomanufacturing industry</li> </ul>	Ongoing	Development and sales of products and solutions that solve social issues	Creation of business using waste materials and unused resources	P. 48
	Creation of a fulfilling workplace	<ul style="list-style-type: none"> <li>Initiatives toward better employee engagement</li> <li>Implementation of a range of training programs to offer learning tailored to career and skills</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of pulse surveys and sharing of engagement improvement case studies</li> <li>Implementation of career design training and enhancement of opportunities through a combination of in-person and online programs</li> </ul>	Ongoing	Creation of a fulfilling workplace	<ul style="list-style-type: none"> <li>[Employee engagement] positive response rate 5 point improvement: 45% or higher</li> <li>[Environment for utilizing employees] positive response rate 5 point improvement: 47% or higher</li> </ul>	P. 49
	Promoting diversity & inclusion	<ul style="list-style-type: none"> <li>D&amp;I education planning and implementation</li> <li>Structure to obtain the Kurumin certification mark put in place</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of unconscious bias training</li> <li>Acquisition of Kurumin certification</li> </ul>	Ongoing	Promoting diversity & inclusion	Double number of women in managerial positions (baseline: April 2024)	P. 51
	Occupational safety and health	<ul style="list-style-type: none"> <li>Introduction of safety patrol system, regular implementation at sites</li> <li>Enhancement of occupational safety and health education</li> </ul>	<ul style="list-style-type: none"> <li>Regular safety and 5S patrols, transport safety drills</li> <li>Training for new employees, posting of awareness-raising posters at sites</li> </ul>	Ongoing	Ensure thorough occupational safety and health	Zero industrial accidents	P. 52
	Respect for human rights	<ul style="list-style-type: none"> <li>Formulation and publication of Morioku Group Human Rights Policy</li> <li>Commencement of human rights due diligence</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of training based on e-learning, in-house awareness-raising activities such as posting of posters</li> <li>Identification of human rights risks within the Morioku Group</li> </ul>	Ongoing	Respect for human rights	Identification and reduction of human rights risks through continuous human rights due diligence	P. 53
	CSR procurement promotion	<ul style="list-style-type: none"> <li>Introduction of SAQ (self-assessment questionnaires) for CSR procurement in Japan and overseas</li> <li>Risk assessment and improvement support for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Continued SAQ implementation and response collection in Japan and overseas</li> <li>Continued feedback and improvement activities based on results</li> </ul>	Ongoing	Building of a sustainable supply chain	<ul style="list-style-type: none"> <li>SAQ evaluation improvement based on ongoing engagement activity</li> <li>Evaluation of human rights risk, and information disclosure in the supply chain</li> </ul>	
	—	<ul style="list-style-type: none"> <li>Enhanced awareness raising of whistleblowing system</li> </ul>	<ul style="list-style-type: none"> <li>Internal information provision concerning Green Guidelines of the Anti-Monopoly Act</li> <li>Implementation of internal audits, ongoing awareness-raising activities</li> </ul>	New	Thorough enforcement of compliance	Zero legal penalties or administrative actions through the implementation of compliance enhancement measures	P. 65
	—	<ul style="list-style-type: none"> <li>Review of information security policy, implementation of internal education</li> <li>Construction of management structure for system risks</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing implementation of groupwide security system inspections</li> <li>Implementation of security risk stocktaking and reevaluation</li> </ul>	New	Strengthening of information security	Zero system security incidents	
G	Establishment of CSR management	<ul style="list-style-type: none"> <li>Launch of dedicated sustainability department</li> <li>Holding and operation of Sustainability Committee</li> <li>Implementation of activities (briefings) to facilitate understanding among employees</li> </ul>	<ul style="list-style-type: none"> <li>Progress management for sustainability materialities</li> <li>Issuing of Integrated Report</li> </ul>	(Completed)			

## Message from Executive Officer for Sustainability

# We will enhance our earning power and corporate value through “Agile Management.”

During the 13th Mid-Term Management Plan, we established the foundation for sustainability management. Going forward, we will build upon this foundation to enhance earning power from a broader perspective.

In the 13th Mid-Term Plan, we identified sustainability materialities (“materialities”), and put in place a foundation for sustainability management by working on these across the Morioku Group as a whole. We deemed the first year of the 13th Mid-Term Plan (FY2022) to be our first year of sustainability, and we established a dedicated Sustainability Department, making a concerted effort to raise awareness among employees and shift their perceptions. Under strong commitment from top management, we took forward work that included addressing climate change, promoting diversity and inclusion, and establishing a human rights due diligence framework, while also achieving reasonable results in terms of disclosing information on our sustainability activities.

In terms of reduction rate for GHG emissions, which we have defined as our most important non-financial KGI, we achieved a reduction of 39.13% (FY2024 result) compared to FY2019, and are making steady progress toward our goal of a 50% reduction by FY2030. On the other hand, it is a fact that our action on climate change has resulted in our incurring a certain level of costs. While we view these as bringing future benefits, we believe that there is room for improvement in terms of balancing with economic benefit and efficient resource distribution, and going forward we intend to engage in further creation of economic value through initiatives that are more directly linked to increasing our earning power. Furthermore, we recognize the need for broader environmental risk management through actions including water resource and biodiversity conservation. In parallel with our efforts toward carbon neutrality, we will continue to address these issues with unwavering commitment.

### With redefined materialities, shift to opportunity creation in the 14th Mid-Term Plan

Recent years have seen accelerating changes and uncertainties in the business environment, and the risks and social demands our Group faces are increasingly shifting from those envisaged in the previous mid-term plan. In light of these circumstances, we undertook a review of the materialities set out in the 13th Mid-Term Plan.

When putting together our 14th Mid-Term Plan, we reconsidered the prioritization assigned to the issues that our group faces from the two perspectives of materialities in the area of value creation and materialities in the area of risk management, and identified 12 materialities. We have also clearly set out who is to take the lead and which department has responsibility for action for each materiality, and through regular reviews by the Sustainability Committee, we work to increase the effectiveness of our measures. In addition to thorough risk management, we also intend to put sustainability management into practice as we make a concerted effort toward opportunity creation initiatives that view the development of environmentally friendly products through technology development, the provision of support to enable a diverse range of human resources to flourish, and other such solutions for issues

Executive Officer,  
Corporate Planning and  
Sustainability Promotion

Hiromi  
Banno



faced by society as opportunities for growth.

Above all, investment in human capital is essential for achieving the objectives of the 14th Mid-Term Management Plan. In addition to fostering next-generation human resources to lead the way in management in the future, we will take the opportunity of our consolidation into a single company to further promote exchange among human resources within the Group, cultivating people who have diverse experiences and perspectives while expanding opportunities for them to flourish. We will also make our business management infrastructure more advanced through data utilization and digital transformation, and enhance our overall capabilities as an organization.

### Playing the role of a bridge between management and business divisions, accelerate the creation of new value

In the 13th Mid-Term Plan, not only did we build an executive structure through the Sustainability Committee and Management Meetings, but we also built a foundation for operating the PDCA cycle through regular reporting to and oversight by the Board of Directors. Going forward, we will continue to strengthen collaboration with management and business divisions, enhancing effectiveness through regular reviews and implementation to ensure the steady achievement of our goals.

As the officer with responsibility for corporate planning and sustainability, my mission is to play the role of a bridge between executive management and business divisions, and to increase corporate value through the dual pillars of earning power and social value creation. The 14th Mid-Term Plan included agile management as a basic policy for opening up a path into the future. In a rapidly changing business environment, it is essential to establish a management structure that facilitates accurate identification of internal and external demands, and that enables swift decision-making and flexible course corrections. To this end, I will lead the enhancement of the Group's overall management capabilities through close dialogue with executive management and business divisions.

At the same time, the Group regards balancing the resolution of social issues with the pursuit of sustainable growth as a key management challenge. To realize this, we will work to create new value by deepening collaboration with a diverse range of stakeholders, including customers, business partners, local communities, shareholders and investors, and employees. Furthermore, by further refining the manufacturing and trading functions that constitute our strengths, we will evolve to become a Morioku for the next-generation, combining both resilience and flexibility.



## Basic Concept

The Moriroku Group has identified climate change issues as one of its material issues and announced its support for the TCFD Recommendations in October 2022. Based on these recommendations, we are working to expand information disclosure from four perspectives: governance, strategy, risk management, and metrics and targets. We will continue to actively pursue both the reduction of environmental impact and the enhancement of corporate value.

### Governance

#### Governance System for Environmental Issues

In the Board of Directors' meeting, the Moriroku Group deliberates and makes decisions on basic policy, important issues, and important target setting related to sustainability management, including climate change issues. In addition, KPIs related to environmental issues are incorporated into the Mid-Term Management Plan, and we are taking forward our initiatives as a group.

#### Addressing Climate Change and Linkage with Executive Compensation

In FY2022, we introduced a system for reflecting the level of achievement of GHG emission reduction rate in part of our directors' compensation. We are striving to achieve a 45% reduction in GHG emissions by the end of FY2027 with the goal of a 50% reduction by FY2030, and we incorporate the status of the initiatives in each mid-term management plan into the evaluation of the directors while working to tackle the issue of climate change on the basis of their commitment.

### Risk Management

#### Critical Risk Identification Process and Monitoring

We assess and analyze the current status of our business as a whole, scrutinize the risks common to the entire Group, and summarize the risks that the Group should address. In terms of risks, we comprehensively evaluate the degree of impact and importance on the Moriroku Group from a Company-wide management perspective and identify high-priority risks.

Climate change-related risks and the relevant decision-making process are deliberated by the Sustainability Committee, which makes decisions on these matters. In addition, it reviews risks and opportunities as needed in light of changes in the business environment and progress in business strategies, and reports to the Board of Directors.

### Strategy

We analyzed potential business impacts under two scenarios: the "1.5°C–2°C scenario," assuming full implementation of decarbonization policies, and the "4°C scenario," assuming limited implementation.

#### Results of Scenario Analysis (excerpt)

[Time base] Medium term: 4–10 years (2030)

Long term: 11–25 years (2050)

#### Climate change-related information »

[https://www.moriroku.co.jp/english/sustainability/environment/climatic\\_change/index.html](https://www.moriroku.co.jp/english/sustainability/environment/climatic_change/index.html)

### Summary of Transition Risks (Based on 1.5–2°C Scenario)

The time base for all items in the following analysis is set from the medium to long term.

Risk factor		Business impact		Financial impact	
		Risk	Opportunity	Risk	Opportunity
Policy and Regs	Plastic regulation	<ul style="list-style-type: none"> <li>Reduced product demand and profits due to plastic regulations</li> <li>Cost increased due to switch to biomass plastic</li> </ul>	<ul style="list-style-type: none"> <li>Improved competitiveness from development of new products using plastic alternatives</li> <li>Production process streamlining with plastic recycling</li> <li>Increased sales through expanded sales of bioplastic and other new materials</li> </ul>	Major	Major
	Renewable Energy Policy	<ul style="list-style-type: none"> <li>Increased investment costs due to introduction of renewable energy</li> <li>Destabilization of energy prices due to structural changes in energy market</li> </ul>	<ul style="list-style-type: none"> <li>Improved competitiveness resulting from energy cost decreases</li> <li>Improved market competitiveness thanks to consideration for the environment and better energy efficiency</li> <li>Building of relationship of trust with stakeholders through fulfilling corporate responsibility and improved company sustainability</li> </ul>	Moderate	Moderate
Technology	Development of low-carbon technologies	<ul style="list-style-type: none"> <li>Reduced demand for existing products due to migration to low-carbon products</li> <li>Additional costs from the introduction of low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>Increased demand for environmentally friendly products and materials through the development of environmentally friendly materials based on collaboration between production and trading businesses</li> <li>Expanding business opportunities with the shift to EVs</li> <li>Improving energy efficiency and reducing costs by introducing low-carbon facilities</li> </ul>	Major	Major
Market	Products/ Services	<ul style="list-style-type: none"> <li>Lost opportunities due to delays in development of materials from recycled resources</li> <li>Restrictions on use of plastic products due to regulations and environmental changes</li> <li>Supply difficulties due to impact on raw material procurement and logistics</li> </ul>	<ul style="list-style-type: none"> <li>Business expansion and diversification through development of new markets and customers</li> <li>Construction of a procurement network through initiatives to reduce environmental impact throughout the entire supply chain</li> <li>Increase profits by responding to changes in consumer needs</li> </ul>	Moderate	Major

### Summary of Physical Risks (Based on 4°C Scenario)

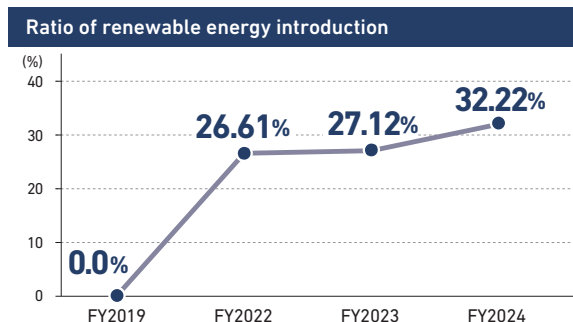
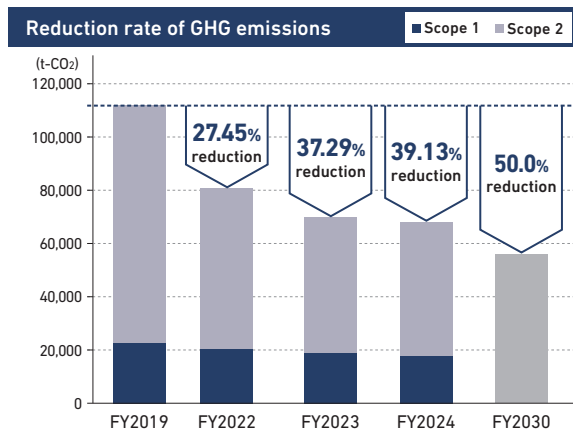
The time base for all items in the following analysis is set from the medium to long term.

Risk factor		Business impact		Financial impact	
		Risk	Opportunity	Risk	Opportunity
Acute	Increase in severity of abnormal weather (e.g., typhoons, heavy rains, landslides)	<ul style="list-style-type: none"> <li>Production stoppage and supply chain interruption due to abnormal weather</li> </ul>	<ul style="list-style-type: none"> <li>Procurement risk avoidance leveraging provision capabilities with multiple sites globally</li> </ul>	Major	Major
Chronic	Increase in average temperature	<ul style="list-style-type: none"> <li>Cost increase from increased air-conditioning use</li> </ul>	<ul style="list-style-type: none"> <li>Growth in demand for environmentally friendly products</li> </ul>	Moderate	—

## Metrics and Targets

### Long-Term Targets

The Moriroke Group has set a target of reducing GHG emissions in Scope 1 and Scope 2 by 50% by FY2030 (base year: FY2019). In addition to reducing emissions under Scope 1 and Scope 2 through the introduction of renewable energy, we will work with suppliers to identify and reduce emissions under Scope 3 and contribute to the achievement of a decarbonized society.



## Reduction of GHG Emissions

The Moriroke Group undertakes information disclosure on the basis of the TCFD recommendations, while also working to reduce emissions of greenhouse gases (GHG). We are engaged in ongoing efforts to reduce Scope 1 and Scope 2 emissions, including energy saving and facility reviews, in line with the status of each individual site. With regards to Scope 3, we work to calculate emissions in order to clarify and understand the actual state of affairs, and disclose the results of this on our website. Going forward, we will enhance the accuracy of our emission management to enable more effective action.

## Introduction of Renewable Energy

We are expanding the use of renewable energy across the Group, and it has been introduced at 17 of the 38 sites targeted for introduction as of FY2024. Solar panels have been installed at the Production Division's Technical Research Center and at the India site, and these are now generating electricity. In addition to switching to CO<sub>2</sub>-free electricity at the Shikoku office and Group company Moriroke Aguri, the Chemicals Division has also introduced solar power at the Nishiyama First Plant of the Group company Shikoku Kakoh under a Power Purchase Agreement (PPA). We will continue to help reduce environmental impact and promote a sustainable society by increasing the share of renewable energy in our operations.



## TOPIC Initiatives to Strengthen Information Disclosure

### Steady score improvement for both climate change and water security in CDP assessment

In its FY2024 CDP assessment, the Moriroke Group achieved a score of B for climate change and B for water security thanks to enhancement of its initiatives and information disclosure regarding climate change and water security. In the category of climate change, we achieved an increase of two ranks in our score from C to B in FY2023, a rank that we maintained in FY2024. In terms of water security, we achieved a score of B, representing a two-rank increase over the previous year's C. We see this improvement in our assessment as reflecting the result of our decreasing Scope 1 and Scope 2 emissions, the enhancement of our system for monitoring and managing our water usage, and initiatives including environmental data visualization and target setting in addition to putting in place a governance and risk management system based on the TCFD recommendations.

#### Change in CDP score (Moriroke Group)

	Climate Change	Water Security
FY2022	C	—
	+2 Ranks	
FY2023	B	C
	Maintained	+2 Ranks
FY2024	B	B



## Basic Concept

As a corporate member of society, the Morioku Group recognizes that global environmental issues are the biggest challenge that will have a serious impact on the next generation and beyond. With the aim of co-existence with the global environment, the Group works to reduce its impact on the global environment. At the same time, we are raising the environmental awareness of all our employees through education and messaging from top management, and by encouraging their active participation in local environmental conservation activities.

### Monitoring of Resource Usage Efficiency

In order to make effective use of finite resources, the Morioku Group promotes resource recycling and works to reduce the burden on the environment through its recycling of plastic waste generated in the production process. In FY2024, the Production Division recovered around 834 tons of plastic waste. Of these 834 tons, around 79% underwent material recycling, roughly 18% underwent thermal recycling, and about 2% was processed as industrial waste. We will continue efforts to raise our material recycling ratio, design materials that facilitate reuse, and reduce the use of virgin resources to enhance resource efficiency.

Plastic waste processing ratios (Production Division) (kg)			
	FY2023		FY2024
Material recycling	642,869 (76.1%)	661,800	(79.4%)
Thermal recycling	180,753 (21.4%)	152,980	(18.3%)
Industrial waste	21,190 (2.5%)	19,270	(2.3%)
Total	844,812 (100.0%)	834,050	(100.0%)

### Promotion of Resource Recycling

In our Kanto Plant, we have introduced an in-house electricity generation system with the aim of operational stability in emergencies and better energy efficiency. Prioritizing the environment, we adopted a cogeneration system\* that uses city gas as an energy source for this system. The system generates electricity in-house using city gas supplied directly by pipes from a factory. Compared to the conventional method of purchasing electricity created at a power plant, it is characterized by almost no



Gas cogeneration system  
(Kanto Plant)

energy loss from power transmission, as well as the ability to make use of the waste heat generated within the factory. At the Kanto Plant, this waste heat is used to make warm water and steam. The overall electrical efficiency of this system is high at 80%, compared to the conventional 40%, reducing peak power consumption across the entire plant. We will continue to pursue environmentally friendly resource recycling.

\*Cogeneration system: High-efficiency energy system that produces and provides electricity and heat simultaneously

### Water Resource Conservation-Conscious Business Activities

The Morioku Group views water as a finite, precious resource, and is engaged in initiatives toward its sustainable use. In the 14th Mid-Term Plan, we set out the target of enhancing our water resource management system up to FY2027, and are working on priority areas that include thorough water intake management, proper management of water quality and discharge destination, and water usage efficiency improvement.

As a specific measure, in the painting process we introduced an automatic paint sludge removal system, which automatically separates paint residue from water to enable the recycling of water. Achieving zero wastewater discharge, we have successfully both reduced water usage and improved the working environment. In the Suzuka Plant, we have installed waterless toilets reducing our annual tap water usage by 35 cubic meters. This contributes to improving water resource efficiency under normal conditions, as well as enhancing resilience as a facility available during disasters.

### Risk Management for Waste, Water, Chemical Substances, etc.

The Morioku Group views the mitigation of environmental risks that accompany its business activities to be an important responsibility, and is working to enhance its risk management in areas that include waste and water resources. In addition to complying with the law and regulations, we are working to visualize the environmental load and take preventive action at all sites. Since FY2023, we have been collecting a comprehensive range of environmental data from each site, including CO<sub>2</sub> emission volumes, water resource usage status, and the status of management of chemical substances and waste. This allows us to get an overall picture of the environmental burden, and has led to progress in establishing a basis for risk assessments and improvements.

We will strengthen environmental management based on the data collected. Together with this, we are also working to reduce the volume of waste sent for final disposal, recycle more, and use water more efficiently in order to implement more effective risk management.

### Environmental Conservation Activities Contributing to Biodiversity

The Morioku Group is committed to environmental conservation activities with a focus on biodiversity. In Japan's Tokushima Prefecture, where Morioku was founded, we have donated funds to a local organization working to create forests with the aim of conserving and regenerating local forest resources. To boost environmental awareness among our employees, we embarked on our first-ever employee tree-planting activity in Tokushima Prefecture in FY2024, creating an opportunity for them to experience a connection with nature by planting trees. Going forward, we will continue our ongoing efforts toward the conservation of forests and all other aspects of biodiversity.



Tree-planting activities in Tokushima (FY2024)



## Basic Concept

Against the backdrop of worsening climate change and increasingly tight resources, a changing population structure, and heightening geopolitical risks among other factors, the mission of the Morioku Group is to contribute to the achievement of a sustainable society based on a clear and accurate understanding of the increasingly complex and diverse issues that society faces. Viewing social issues—such as responding to an aging society, reducing environmental impact, and cutting food waste—as business opportunities, we develop and provide solutions that help address these challenges. Through co-creation with customers and communities, we pursue manufacturing that creates new value combining social significance and practical benefit. Through our business activities, we will continue striving to help resolve social issues while remaining responsive to rapid changes in society and market environments.

### Contributing to Ecological Recycling-Model Society with High Value-Added Recycled Plastic Products

Specializing in co-extrusion multilayering technology that enables the simultaneous extrusion and multilayering of several plastics with different functions, Shikoku Kakoh is engaged in the manufacturing and sale of high-performance films that offer the kind of strength, air tightness, and other such properties that cannot be achieved with monolayer films. Lightweight with excellent openability and workability and simple to dispose of, the company's film products have been extremely well received thanks to their applicability across a range of fields that include food, industry, and electronics.

Shikoku Kakoh also works to recycle plastic that is discarded in the manufacturing process, and introduced a pellet granulator in November 2022. With this, the company has put in place a system that enables not only mono-materials but also of mixed materials waste to be reused as recycled pellets through the crushing, melting, and molding of waste generated in equipment setup, defective products, and other such things.

By taking advantage of the introduction of this machinery, Shikoku Kakoh took on the challenge of utilizing conventionally hard-to-recycle compound pellets. By using proprietary technology to manage variations in materials, Shikoku Kakoh successfully recycled these pellets into functional, high value-added plastic products. This has also enabled the manufacturing of high-performance films that use recycled materials, expanding applications of recycled plastic to include fields that deliver very high levels

#### Waste plastic reuse process (Shikoku Kakoh)



Waste plastic



Crushing



Melting



Cutting/cooling



Recycled pellets

of added value. Going forward, Shikoku Kakoh will further advance sustainable manufacturing through the development of environmentally friendly products that will support resource recycling. [» P. 36](#)

### Environmentally Friendly Material Development and Green Chemical Proposals

The Monozukuri Business Promotion Department of the Chemicals Division develops and supplies high-performance materials to meet the needs of customers in the fields of plastic compounds and chemicals. It works on the development of environmentally friendly products and sustainable manufacturing methods by combining the global network we have built up as a chemical trading company, the information capabilities born of many years of dealings with a range of partners, and the advanced technical and production capabilities of each Group company.



#### Plastic compounds field

We contribute to achieving carbon neutrality through the development of plastic compounds utilizing biomass, recycled materials, and other such resources. Working as a unified Group, we deliver distinctive products in the mobility and life science fields.

#### Chemicals field

We create new value by upcycling unused resources and waste materials into innovative products. Working alongside affiliates of the Morioku Group, we aim to develop and offer unique products.

### Product Development for Lower GHG Emissions

The carbon nanotube (CNT) masterbatch developed by the Chemicals Division leverages unique dispersion technology to inhibit aggregation, and it offers high performance in low volumes. Furthermore, the fact that the CNTs themselves have a robust and stable structure makes them easy to handle during molding. [» P. 24](#) This allows us to contribute to energy efficiency and resource saving across the product lifecycle as a whole, with effects that include a reduction in the volume and weight of materials used, and an improved product lifespan.

To promote decarbonization across the entire value chain, we will work closely with our customers to expand sales of CNT masterbatch.

#### Comparison with carbon black (CB) (similar material)

Item	CNT	CB
Raw materials	Ethylene	Heavy oil, acetylene, natural gas, etc.
By-products	Mainly hydrogen (H <sub>2</sub> ) (In the case of liquid-phase thermal CVD)	CO <sub>2</sub> , soot, SOx, etc.
CO <sub>2</sub> emissions	Approx. 20–25 kg-CO <sub>2</sub> /kg-CNT (assuming liquid-phase thermal CVD)	Approx. 25–35 kg-CO <sub>2</sub> /kg-CB (assuming furnace processing)
Electrical conductivity	Very high (achieved at 1/4 of the weight of CB)	Medium
Price	High	Low



CNT masterbatch

## Basic Concept

Moriroku has established the Moriroku Group Human Resources Policy to clarify the goals that all employees should aspire to, and strives to develop talent capable of leveraging a broad range of capabilities and expertise. And in order to achieve sustainable corporate growth, the growth of each individual employee alongside the execution of management strategy is essential. As such, we focus on creating an environment that enables employees to gain opportunities for growth through their daily work and to work with motivation. With a strong commitment to employee growth and engagement, we aim to create a workplace that provides a genuine sense of purpose and fulfillment.

### Moriroku Group Human Resources Policy

- 1. We will support proactive initiatives for challenges and growth.**
  - We will create an environment in which individual growth leads to company growth by providing highly capable, skilled, and passionate employees with stretching roles.
- 2. We will evaluate actions, processes, and stance toward challenges fairly.**
  - We will set high targets according to roles and evaluate achievements and actions that lead to results.
- 3. We will create an environment in which individual abilities are brought together, and teamwork can be demonstrated.**
  - We will improve team communication and create a corporate culture that embraces and leverages diverse values and new ideas.
- 4. We will develop human resources who can demonstrate a variety of abilities and skills from a global perspective.**
  - We will actively provide opportunities for employees to play active roles both in Japan and overseas, and systematically foster professional human resources capable of working around the world.

## Putting in Place an Environment in Which Employees Can Demonstrate Their Capabilities

To enable employees to realize their full potential, Moriroku is committed to creating a flexible, comfortable, and motivating work environment. In addition to supporting a range of lifestyles and working styles through the introduction of a flex-time system and remote working, we have also put in place a system to fairly recognize effort and results, and are connecting this to greater desire to take on challenges and increased motivation among employees.

In addition to these initiatives, we will work to ensure we have a continuous understanding of the actual state of affairs in the workplace through employee engagement surveys. Taking improvement of “Employee engagement” and “Environment for utilizing employees” as important indicators, in 2021 we set respect for the individual, collaboration, and leadership as priority themes. As a result of continuously working on improvements, we began to see our efforts steadily bearing fruit in the FY2024 survey, which included an across-the-board increase in scores.

### 14th Mid-Term Plan KPIs

Positive response rate to “Employee engagement” and “Environment for utilizing employees”  
(compared to FY2024 survey)

**FY2027 Target**

**Improve by 5 points**

## Message from Executive Officer for HR

With the goal of creating new value, we will create an environment to help each individual take on challenges and which a diverse range of values are leveraged.

Naoki Morikawa

Executive Officer,  
Human Resource and General Affairs



Under the 13th Mid-Term Plan, we strived to nurture a corporate culture that enabled each individual employee to work to the best of their capabilities and that respects and leverages a diverse range of values and new ideas while also enhancing our system that facilitates flexible working styles. Of particular note, the number of male employees taking parental leave has increased, and has quadrupled in three years. Furthermore, we made steady progress in training and fostering awareness toward the goal of developing female managers, and commenced a program to develop sophisticated management human resources by incorporating external assessments of those at the management level.

I feel that Moriroku's human resources are highly adaptable to change and are very eager to learn. And that's why, in order to bring our CREATE THE NEW VALUE long-term vision to fruition, I feel it is important to provide an environment that enables each individual employee to keep learning, and to build an environment that allows them to express their own opinions and ideas to an even greater extent.

As such, in our 14th Mid-Term Plan we have set out investment and cultivation of strategic human resources, providing opportunities and systems that support individual challenges and performance, aligning remuneration with contributions and results, and optimizing the talent structure to support corporate growth as pillars of our human resources strategy, and are aiming to become an organization that further encourages employees to take on new challenges. In terms of investment in and development of human resources, we will expand rank-specific training and selective training in order to develop talent to take on reform with a management perspective at the global level, and work to deploy and promote human resources able to immediately take on business reform. We will also support all of our employees to work to their fullest potential through reskilling and by affording opportunities and the environment to consider their career autonomously.

Furthermore, to foster an organization that ensures a high level of psychological safety, we will continue to advance improvement initiatives using “Employee engagement” indicators as key KPIs. While the figures improved to a certain extent under the previous mid-term plan, going forward, we will enhance our improvement activities after implementing an awareness survey and come up with ideas for nurturing communication based on mutual acceptance.

We will continue to keep bringing together a diverse range of talent and growing through work firmly in mind, and will build an organization in which the company and its employees think together and put ideas into practice with the aim of creating new value. In addition to this, we will work to build an environment that enables each individual to exercise autonomy and creativity, and allows the diversity of values and ideas offered by our employees to be shared and leveraged.

## Training to Support Growth and Increase Fulfillment

Moriroku continuously evolves its learning environment to help each employee envision and realize their own career path. In addition to conventional rank-specific training and education to increase expertise, we have introduced educational programs and e-learning to assist employees in forming a career vision, putting in place a system to enable learning anytime and anywhere. With a training structure that flexibly combines in-person and online training, we provide learning opportunities in line with work.

By going beyond simple knowledge acquisition to strengthen practical skills and broaden perspectives, our training programs help employees continuously enhance their capabilities and take on more advanced responsibilities.

## Training Structure

Personnel enhancement			Career education						
	Role, mindset, and skills	Global human resource development	Diversity promotion				Self-study support		
			Basic education	Work-life balance support	Career support	Other			
Management	Management personnel training	Pre-departure and post-departure training	Language support	Human rights education	Individual explanation for those eligible for the nursing care and childcare system	Women's empowerment and career development training	Unconscious bias education	Pre-retirement Life plan seminars	e-learning
	Directors' seminar for Group companies								
	Training for new managers								
Non-management	Leadership training	Global communication training							
	Pre-leadership training								
	Mid-career general staff training								
	Comprehensive young employee training								
	Training after six months of employment								
	New employee training								

## VOICE

Technical roles address on-site challenges, administrative roles support operations, and sales roles connect the Company with external parties. From their own perspective, here, participants share the insights and changes they gained through their training. Helping participants to work in a way that further reflects who they are deepening their dialog skills, training fosters learnings that they can use in real work.

Global communication training

## Deepening multidepartmental cooperation through dialog

Acting as a liaison between the R&D department and the manufacturing department, I am responsible for making process proposals and for cost management. In this training, I got a keen sense of the importance of listening ability, which is a dialog skill for identifying the real intent of a counterpart. In the role play, I was inspired by participants of the same generation and became aware of areas where I need to improve my listening skills. In situations involving multidepartmental cooperation going forward, I intend to aim for a flexible dialog and trust-building in light of cultural background, and to contribute to the team as a “conversational artisan” who moves things forward through my listening ability.



**Akira Sunaba**  
Suzuka Plant  
Production Division



**Women's empowerment and career development training**

## Making being who you are a strength

It was a precious opportunity to deeply consider leadership based on being who you are. Through frank dialog with participants from other sites and the sharing of experiences of female leaders from other companies, I got a true sense that my values and perspectives had broadened. It was a practical session full of learning, where I gained self-understanding through a Personal Brain Score and became aware of unconscious biases. I aim to make full use of the communication and introspection skills I have learned to my daily work, such as production management and operational streamlining, and to build my own unique leadership style.

**Rie Mimura**  
Suzuka Plant  
Production Division

New employee training

**I will use my dialog skills in sales.**

It was a very meaningful opportunity for learning, in which we refined our communication abilities that are directly connected to our work. In addition to relearning how one should behave as a fully-fledged member of the workforce, through the group work I got a keen feeling of the importance of increasing the quality of dialog. The experience allowed me to learn the approach and thinking required to build a smooth relationship, and I feel this has given me a platform from which to confidently deal with customers and internal stakeholders as a salesperson selling chemical raw materials. Going forward, I intend to put the mindset that this training fostered into practical use, and aim for sales that gain an even higher level of trust.



**Litung Chuang**  
Fine Chemicals Department  
Chemicals Division



## Basic Philosophy for Ensuring Diversity

Based on our philosophy that “Moriroku cannot grow without the growth of diverse human resources,” we are working to secure and develop human resources. We believe that realizing “the future-oriented creativity,” as set out in our Principles, is possible only when every employee values and leverages differences in age, gender, nationality, disability, and perspective, demonstrating collective strength as a team.

D&I is one of the 12 sustainability materialities in our 14th Mid-Term Plan, and across the Company as a whole we are working to create a workplace that enables a diverse range of talent to shine.

## Promoting Diversity and Inclusion (D&I)

As part of our promotion of D&I, in FY2024 Moriroku worked to deepen understanding of and empathy with D&I by disseminating messages from the President and holding unconscious bias workshops for leaders. In particular, we provided around 70 leaders with the chance to share their diverse range of perspectives as we believe a change in the thinking of leaders will lead to improvement in workplace culture.

And since FY2023, we have been working to build an environment that enables female employees to work to their fullest potential, and have implemented training and e-learning.

As part of our promotion of D&I, in FY2024 we enhanced our female empowerment initiatives on a companywide basis, and steadily achieved results that included the ratio of female recruits exceeding 30% of the total. Going forward, we will keep making use of engagement surveys and continuously work to change thinking, and have D&I permeate the Company as a whole.

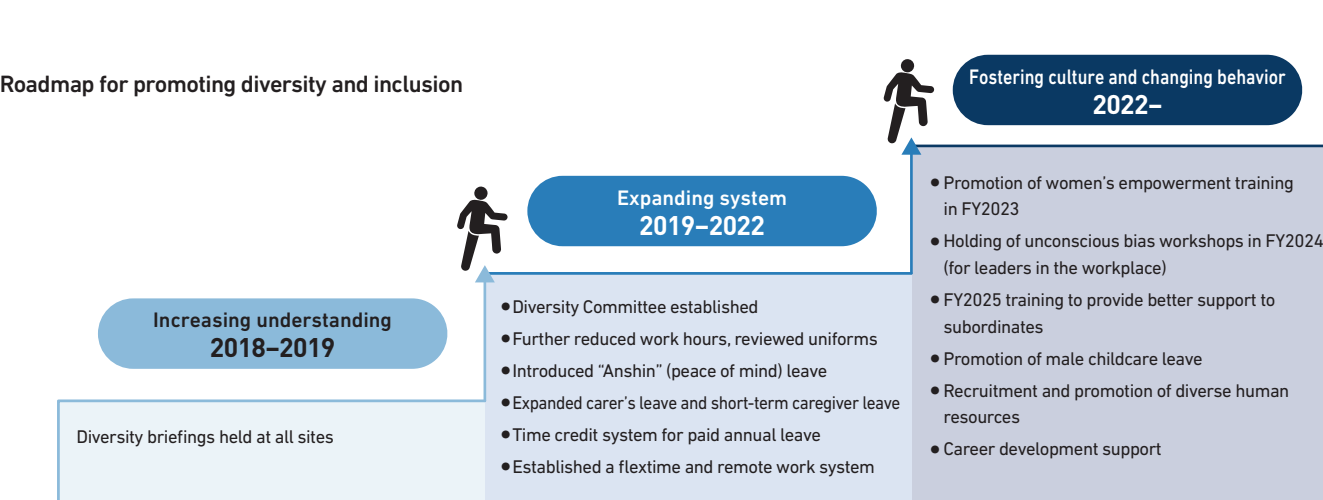


Unconscious bias workshop at the Kanto Plant (November 2024)

## Support Systems Suitable for Various Work Styles and Life Stages

In order to make a diverse range of working styles a reality, Moriroku has taken actions that include bringing in a flex-time system, a remote working system, and a system that allowed annual leave to be

## Roadmap for promoting diversity and inclusion



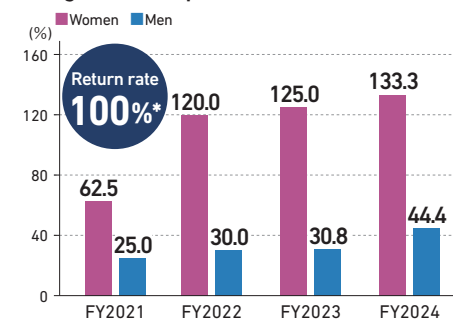
taken in half-days or hours, and in doing so supports flexible working styles that are conscious of work-life balance. Furthermore, in addition to maternity and childcare leave, and nursing leave, we have also established an “Anshin Leave” (Leave for Peace of Mind) system (under which expired paid leave can be accumulated) in case of illness or injury. Through this and other such actions, we are enriching our system of support for working styles to fit lifestage.

In FY2025, eligibility for shorter working hours was expanded to employees with children up to the third grade of elementary school, further improving the environment for work-life balance and peace of mind. In addition to female employees, a greater number of male employees are also taking childcare leave and working shorter hours, indicating the extent to which a culture for environment that makes it easy to work is being nurtured. As a result of these initiatives, in March 2025 we were awarded Kurumin Certification as a company that supports child raising.

We will continue to build a workplace that allows employees to be themselves and keep working over the long term through support for a range of events at different lifestages, including childcare and nursing care.



## Change in rate of parental leave use\*



\*Calculated by dividing the number of employees who took childcare leave by the number of employees whose baby was born. The figure may exceed 100% in some cases as the fiscal year in which an employee had a baby and the fiscal year in which they take childcare leave may differ.

## Basic Philosophy on Occupational Safety and Health

In terms of occupational safety and health, we carry out health and safety activities based on the following “Moriroku Group Basic Policy on Occupational Safety and Health.”

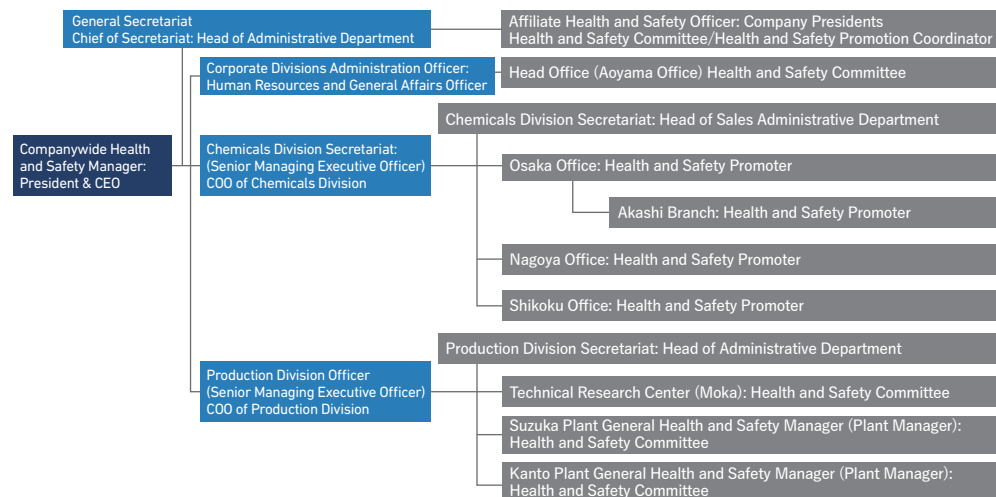
### Moriroku Group Basic Policy on Occupational Safety and Health

Guided by our management principles of respect for life, dignity, and cooperation, the Moriroku Group places the highest priority on protecting the lives and the mental and physical well-being of all employees. We will comply with laws and regulations, and all employees will work together to create a safe and comfortable workplace.

## Occupational Safety and Health Promotion Framework

We have constructed a health and safety management system with the President and CEO having ultimate responsibility. The Health and Safety Committee and Health and Safety Promotion Coordinator at each office and affiliate is engaged in health and safety maintenance and improvement activities in light of operational details and office characteristics, and in the unlikely event of an industrial accident, works to identify the true cause and implement improvement activities through joint efforts between workers and management.

### Companywide health and safety management framework



## Health and Safety Awareness Activities

In addition to initiatives such as National Health and Safety Week, seasonal traffic safety campaigns, and Chemical Substances Management Emphasis Month, we conduct various awareness-raising activities, including Safety Top Inspections at manufacturing sites, improvement proposal awards, and health and safety slogan contests.

## Initiatives for the Prevention of Industrial Accidents

At each office and affiliate, the following activities for the prevention of industrial accidents are being undertaken. As well as making thorough efforts toward achieving zero accidents and ultimately zero hazards in the future, annual reports are provided to management.

<b>Risk assessments</b>	We assess various risks in the workplace and take measures to reduce them.
<b>Health and safety patrol</b>	Health and Safety Committee members regularly perform workplace inspections and identify unsafe conditions and behaviors, and improvements are then made on the basis of these observations.
<b>Health and safety education</b>	We provide education and training to employees so that they are aware of risks and can respond appropriately.
<b>Equipment safety management</b>	We conduct inspections and maintenance of machinery and equipment upon installation and on a regular basis afterward to prevent accidents and fires.
<b>Chemical substance safety management</b>	We ensure proper understanding and risk management of the chemical products we use, implement necessary countermeasures, and strive to create a safe workplace with no chemical-related accidents.
<b>Emergency response plan</b>	In preparation for emergencies such as fires and earthquakes, we work with Fire Prevention Committees and In-house Fire Brigades to conduct evacuation drills and have emergency response procedures in place.
<b>Stress checks</b>	We conduct regular stress checks for all employees, and when necessary, referrals for consultation services or discussions with doctors are provided and accommodations are made in the workplace.

## Activities to Eliminate Traffic Accidents

As a company involved in the automobile industry, we undertake a range of activities aiming to eliminate traffic accidents among our employees.

- Traffic safety education for new and third-year employees
- Traffic safety hazard prediction training
- Training on stopping distance and blind spot awareness, and other exercises
- Safe driving check when arriving at/leaving work, etc.



Vehicle blind spot drill

## Basic Philosophy on Respect for Human Rights

The Group is committed to respecting human rights across its global business activities and to creating a workplace where individuals respect one another's uniqueness and work with energy and enthusiasm.

The Group will apply the Moriroke Group Human Rights Policy to all executives and employees (including temporary workers) of each Group company. We ask all business partners, including business affiliates, to understand the Policy, and work together with us on respect for human rights. The Group makes clear who is responsible for the implementation of this policy, and compliance with this policy and initiatives toward this are overseen by Moriroke's Board of Directors.

### Moriroke Group Human Rights Policy (Extract of Items Only)

- ◆ Respect for internationally-recognized human rights and labor standards
- ◆ Respect for human rights in business activities
- ◆ Responding to human rights issues in business activities
- ◆ Human rights due diligence and relief
- ◆ Education and training
- ◆ Growth
- ◆ Governance / management system

### Moriroke Group Human Rights Policy »

[https://www.moriroke.co.jp/english/sustainability/social/human\\_rights/index.html](https://www.moriroke.co.jp/english/sustainability/social/human_rights/index.html)

### Initiatives in FY2024

In FY2024, we implemented the following measures and activities.

Period	Details
April to May	Training on harassment (e-learning) (Ongoing since FY2023)
April to July	Review of human rights education program
June to July	Survey and analysis of internal human rights-related complaints from the previous fiscal year
August	Message from top management issued
August to September	Human rights risk survey and analysis in-house and in related industries
October to November	Discussions with experts, risk map creation
October to November	Human rights posters displayed in-house, human rights awareness raising
December–	Human rights education throughout Human Rights Week (e-learning)

## Supply Chain Management

To fulfill our social responsibility and help realize a sustainable society, the Moriroke Group promotes sustainable procurement throughout its supply chain under the Moriroke Group Purchasing Policy.

### Purchasing Policy of the Moriroke Group »

<https://www.moriroke.co.jp/english/sustainability/social/procurement/index.html>

## Initiatives for Responsible Procurement Activities

### Supplier Questionnaire (SAQ) and Risk Assessment

In order to increase sustainability across the supply chain as a whole, the Moriroke Group performs risk assessments using questionnaires (SAQ) for business partners. Based on SAQ results, we evaluate our business partners' environmental, social, and governance actions and provide support for improvements to companies that we assess as high risk.

Examples of actions in the Production Division	Examples of actions in the Chemicals Division
<ul style="list-style-type: none"> <li>● Prior to the start of dealings with a new business partner, we undertake due diligence and an audit of the relevant partner in order to assess risk.</li> <li>● And before the start of mass-production transactions, we have business partners attend a briefing on our Purchasing Policy to ensure they are aware of our environmental and other policies, while also sharing with them our CSR Procurement Guidelines and exchanging agreements.</li> <li>● SAQ surveys are then implemented from the year after the start of mass production, thus creating a system to enable the tracking of business partners' ESG initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>● We set a credit rank for new business partners, and implement suitable transaction management on the basis of this.</li> <li>● For existing business partners, we make a selection for SAQ survey implementation based on standards such as corporate scale and sales amounts.</li> <li>● For companies that have a low SAQ result, we provide reference materials for use in making improvements, and support the promotion of sustainable business activities.</li> </ul>

### Purchasing Policy Briefings by the Production Division

The Production Division holds Purchasing Policy briefings for our main business partners, and provides an explanation of our Sustainability Policy, CSR Procurement Guidelines, and Purchasing Policy in order to obtain understanding and endorsement on the part of these partners. These briefings were held in person up to FY2024, and as well as sharing the importance of sustainability, we handed out agreement documents and achieved a 100% collection rate. The briefings have shifted to an online format from FY2025, and we encourage many of our business partners to take part. Going forward, we will continue to deepen our cooperation with business partners, and drive forward our construction of a sustainable procurement system.

### Enhanced Supply Chain Management Through Visits to Business Partners

With the aim of increasing transparency and reducing risk across the supply chain, the Moriroke Group undertakes sustainability assessments and provides support through visits to business partners. A particular aspect of this involves visiting the location of business partners that are assessed using SAQs to be at high risk in order to check the state of affairs from the perspectives of environment, society, and governance, and provide support for improvements.



## Corporate Governance System

### Basic Philosophy

Through the implementation of our Principles the Morioku Group aims to achieve sustainable growth in corporate value over the medium to long term. By ensuring transparency, fairness, and timely decision-making, we will fulfill our social responsibilities and cultivate enduring relationships with stakeholders—including customers, business partners, employees, local communities, and shareholders—founded on mutual trust and shared aspirations.

### Purposes of Changing Institutional Design (FY2024)

#### Developing the foundation of “Agile Management”

Improving decision-making speed and strengthening risk management

Based on the resolution of the 109th Ordinary General Shareholders' Meeting held on June 18, 2024, the Company transitioned from a Company with Audit & Supervisory Board to a Company with Audit & Supervisory Committee. The purposes of changing institutional design are as follows.

#### 1. Separation of management supervision and business execution

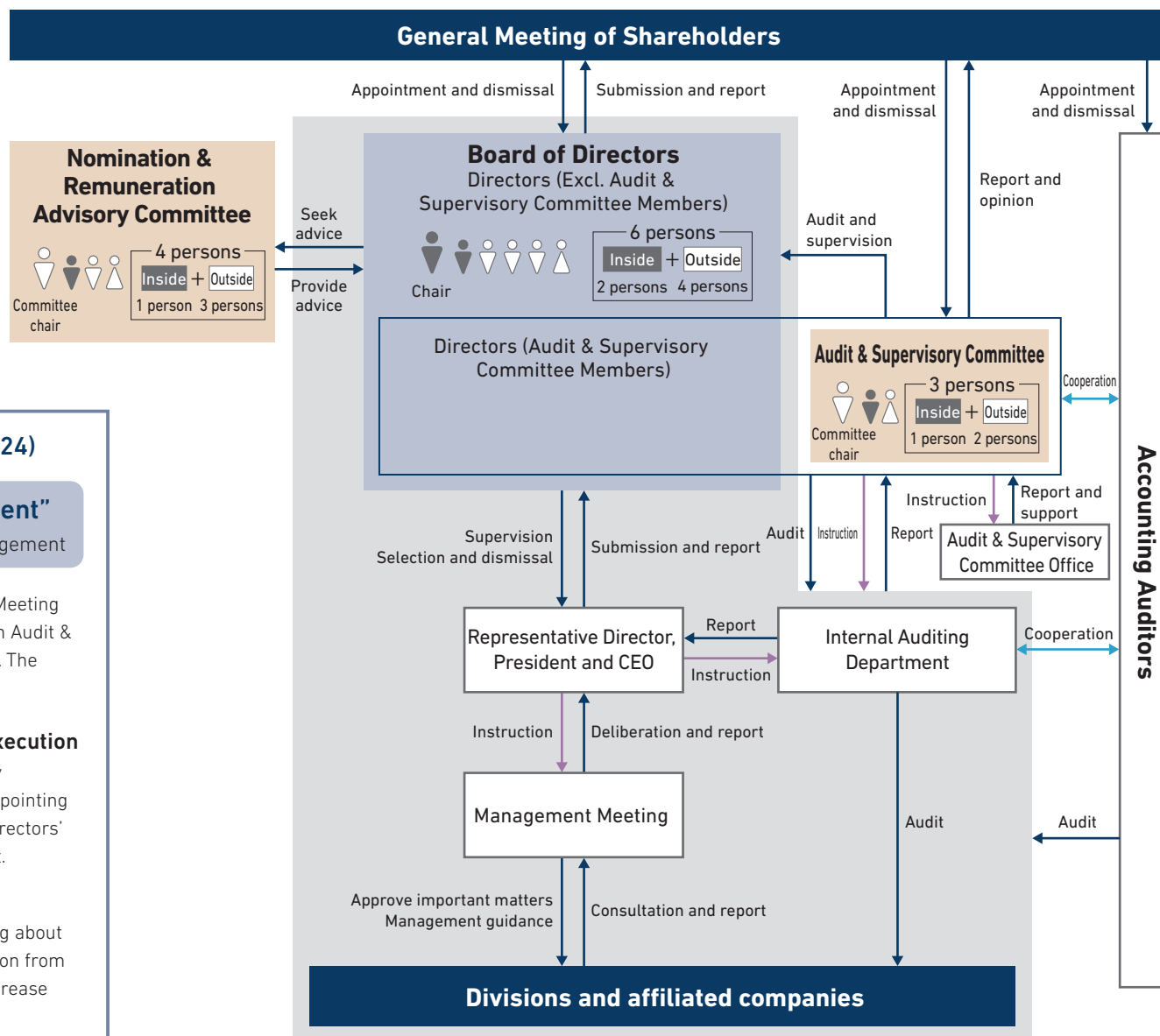
The Morioku Group enhances its corporate governance framework by strengthening the Board's supervisory function. This is achieved by appointing Audit & Supervisory Committee members—responsible for auditing directors' duties—as Board members, thereby ensuring more effective oversight.

#### 2. Acceleration of management decision-making

By allowing the Board of Directors to broadly delegate decision-making about business execution to directors, we work to separate business execution from supervision, accelerate management decision-making, and further increase corporate value.

### Organization Chart (As of June 20, 2025)

Inside Outside



## Director Configuration and Skills

When appointing directors, in order to ensure that the Board of Directors makes decisions on important business execution through thorough discussions and that it exercises supervisory and auditing functions at a high level for appropriate business execution, the Company selects personnel with high ethical standards and a law-abiding spirit who possess the knowledge, experience, expertise, etc. deemed necessary for the Company's Board of Directors in light of the skill matrix and in consideration of the balance and diversity of the Board of Directors as a whole.

For outside directors, the Company appoints persons who have extensive experience in management, a high level of expertise in areas such as finance, accounting, and legal affairs, and a wide range of knowledge and experience.

Compliance with the Corporate Governance Code »

[https://www.moriroku.co.jp/english/sustainability/governance/cg/basic\\_policy.html](https://www.moriroku.co.jp/english/sustainability/governance/cg/basic_policy.html)

### Corporate Governance System Overview (As of June 20, 2025)

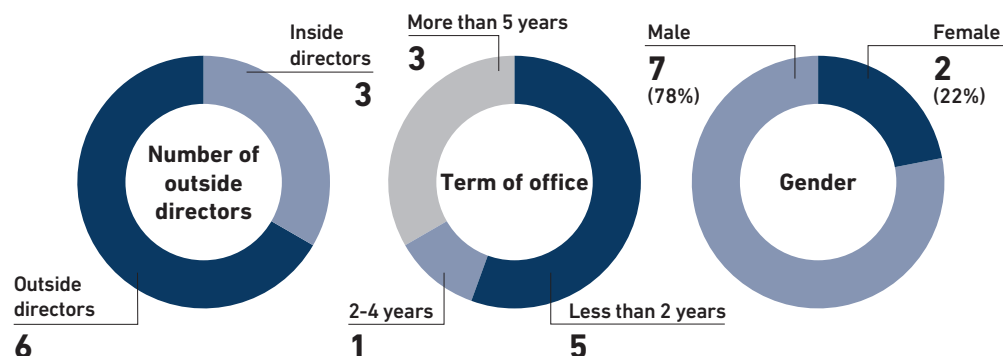
<b>Corporate structure</b>	Company with Audit & Supervisory Committee
<b>Board chair</b>	President
<b>Number of directors</b>	9 persons
<b>Number of outside directors included</b>	6 persons
<b>Number of independent officers</b>	6 persons
<b>Directors' terms of office (excluding directors who are Audit &amp; Supervisory Committee members)</b>	1 year

From the perspective of clarifying management responsibilities and strengthening corporate governance, as of June 18, 2024, the Company abolished its senior executive advisor and advisor system, which had been established to provide positions for former directors and executive officers.

### Composition of the Committee (As of June 20, 2025)

	<b>Nomination &amp; Remuneration Advisory Committee</b>	<b>Audit &amp; Supervisory Committee</b>
<b>Committee members</b>	4 members	3 members
<b>Outside directors</b>	3 members (including committee chair)	2 members (including committee chair)
<b>Inside directors</b>	1 member	1 member






### Composition of Directors (As of June 20, 2025)



### Skills the Company Requires from Directors (Roles and Abilities)

<b>Corporate management</b>	A wealth of experience in corporate management is necessary to practice management that balances contribution to a sustainable society and business expansion.
<b>Legal affairs and risk management</b>	This field forms the foundation for the sustainable enhancement of corporate value, and solid knowledge and experience in legal and risk management are essential to improve the effectiveness of management supervision by the Board of Directors.
<b>Finance and accounting</b>	To improve the efficiency of management resources (safety, efficiency, growth potential), solid knowledge and experience are necessary in the finance and accounting fields.
<b>Global experience</b>	To oversee the growth strategy and management of international businesses, it is necessary to have business experience overseas and practical experience in a global enterprise.
<b>Business strategy</b>	To create a new growth field and new business and achieve sustainable growth, it is necessary to have solid knowledge and experience in the business strategy field.
<b>Knowledge in business and industry</b>	To fulfill the supervisory function of the Group, which has manufacturing and trading company functions, it is necessary to have broad and reliable knowledge of the businesses and the industries.
<b>Human resources development and diversity</b>	To develop human resources and ensure diversity in the organization, it is necessary to have solid knowledge and experience in the area of human resources development, including the promotion of diversity.
<b>Sustainability</b>	Promoting contributions to a sustainable society requires solid knowledge and experience in the field of sustainability.

## Corporate Officers (As of June 20, 2025)





	Outside	Outside director	Non-executive	Internal non-executive director	Independent	Independent officer (as designated by the Tokyo Stock Exchange)	Nomination/Remuneration	Nomination & Remuneration Advisory Committee member	Audit	Audit & Supervisory Committee member
<b>Directors</b>	    									
<b>Full name</b>	<b>Naoki Kurose</b> (56 years old, male)		<b>Koichi Kikuchi</b> (61 years old, male)		<b>Koichiro Shibata</b> (64 years old, male)		<b>Kenichi Hirai</b> (70 years old, male)		<b>Ryo Otsuka</b> (60 years old, male)	
<b>Job title</b>	Representative Director, President and CEO		Representative Director, Executive Vice President and CFO		Independent Outside Director		Independent Outside Director		Independent Outside Director	
<b>Significant concurrent positions</b>	N/A		N/A		<ul style="list-style-type: none"> <li>Lawyer of Lawyer Shibata Koichiro Law Firm</li> <li>Outside Director of Nakabohtec Corrosion Protecting Co., Ltd.</li> </ul>		N/A		<ul style="list-style-type: none"> <li>President of OHTSUKA POLY-TECH CO., LTD.</li> </ul>	
<b>Attribute / Committee membership</b>	Nomination/Remuneration		Outside		Independent		Nomination/Remuneration		Outside	
<b>Total years in office*</b>	1 year		1 year		7 years		5 years		5 years	
<b>Number of shares owned</b>	7,500		1,000		-		700		-	
<b>Corporate management</b>	●		●				●		●	
<b>Legal affairs and risk management</b>					●					
<b>Finance and accounting</b>			●				●			
<b>Global experience</b>	●		●				●		●	
<b>Business strategy</b>	●		●				●			
<b>Knowledge in business and industry</b>	●		●				●		●	
<b>Human resources development and diversity</b>										
<b>Sustainability</b>	●				●				●	

Corporate officers (Directors' career summary) » <https://www.moriroku.co.jp/english/company/board/index.html>

\*Total years in office: total years served as corporate auditors and as director



## Corporate Officers (As of June 20, 2025)

	Outside Outside director	Non- executive Internal non-executive director	Independent Independent officer (as designated by the Tokyo Stock Exchange)	Nomination/ Remuneration Nomination & Remuneration Advisory Committee member	Audit Audit & Supervisory Committee member
<b>Directors</b>					
<b>Full name</b>	<b>Hitomi Yokote</b> (62 years old, female)	<b>Hideki Koike</b> (62 years old, male)	<b>Fujio Furukawa</b> (67 years old, male)	<b>Chiaki Tsuji</b> (72 years old, female)	
<b>Job title</b>	Independent Outside Director	Director	Independent Outside Director	Independent Outside Director	
<b>Significant concurrent positions</b>	<ul style="list-style-type: none"> <li>Director of Centre for International Capacity Building (ICB)</li> <li>Councilor of Asian Rural Institute</li> <li>CEO of Second Harvest Japan</li> <li>Director of Alliance of Japan Foodbanks</li> </ul>		N/A	<ul style="list-style-type: none"> <li>Tax Accountant, Fujio Furukawa Tax Accountant Office</li> </ul>	<ul style="list-style-type: none"> <li>Partner Lawyer of Kinorr Tokyo Law Office</li> <li>Outside Director of Yorozu Corporation (Audit &amp; Supervisory Committee member)</li> </ul>
<b>Attribute / Committee membership</b>	Outside	Independent	Nomination/ Remuneration	Non-executive	Audit
<b>Total years in office*</b>	2 years	-	5 years	3 years	
<b>Number of shares owned</b>	-	4,420	-	1,000	
<b>Corporate management</b>	●	●			
<b>Legal affairs and risk management</b>		●	●		●
<b>Finance and accounting</b>		●	●		
<b>Global experience</b>	●				●
<b>Business strategy</b>					
<b>Knowledge in business and industry</b>					
<b>Human resources development and diversity</b>	●				
<b>Sustainability</b>	●	●			●

Corporate officers (Directors' career summary) » <https://www.moriroku.co.jp/english/company/board/index.html>

\*Total years in office: total years served as corporate auditors and as director

## Executive Officers

## Senior Managing Executive Officers

COO of Production Division

**Kazuyuki Morita**

COO of Chemicals Division

**Hidehito Monji**

## Managing Executive Officer

Development Promotion

Department, Chemicals Division

**Toru Sakaguchi**

## Executive Officers

R&amp;D and Technology, Production Division

**Kazuhiro Hashimoto**

Sales and Purchasing, Production Division

**Yusuke Ikuma**

Administration, East Asia Business, and Business Strategy, Chemicals Division

**Chizuko Hiki**

Business Management, Production and Quality, Production Division

**Hideki Mizutani**

Human Resource and General Affairs

**Naoki Morikawa**

In charge of Special Project

**Muga Koiwai**

Legal, Intellectual Property and Compliance

**Junko Saito**

Corporate Planning and Sustainability Promotion

**Hiromi Banno**

Head of Asia and China Business, Production Division

**Yasushi Nakao**

Head of North America Business, Production Division, President, Morioku Technology North America Inc.

**Naohiko Kawamura**

Head of ASEAN Business, Chemicals Division, President, Morioku (Thailand) Co., Ltd.

**Atsufumi Niimura**

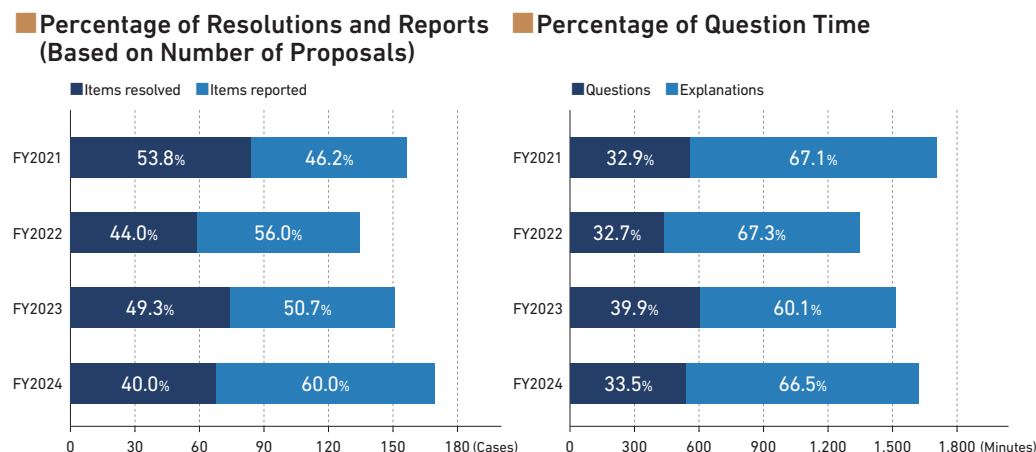
President, Morioku Chemicals Korea Co., Ltd.

**Jung Kyongchul**

## Status of Board of Directors Operations

In accordance with laws and regulations, the Articles of Incorporation, and the “Board of Directors Regulations,” the Board of Directors holds a regular meeting once a month and other meetings as necessary for the purpose of making decisions on important management matters and supervising business execution.

In FY2024, a total of 19 Board of Directors meetings were held. Specific matters discussed include various management issues such as management policies, corporate governance, sustainability, important business issues, and matters related to business execution. The chart below shows changes in the percentage of items resolved and reported, and the percentage of question time at the Board of Directors meetings. We will continue our efforts to improve the effectiveness of the Board of Directors.



### Major agendas and efforts for FY2024

#### ● Enhancement of discussions on management strategies and management plans

Toward the formulation of the next Mid-Term Management Plan, we held lively discussions on topics such as an overview of the ongoing 13th Mid-Term Management Plan and specific investment plans for further growth, in light of the business environment surrounding the Company.

#### ● Deepening discussions through early confirmation of agenda items

We have encouraged the directors to make sure they prepare and submit materials to the Board of Directors early, and have established a system that allows them to fully consider agenda items before meetings are held.

#### ● Enhancement of discussions on capital cost

In addition to standardizing capital cost confirmation documents for investment projects, we have also worked to invigorate discussions on capital profitability with affiliated companies.

## Evaluation of the Effectiveness of the Board of Directors

With the aim of improving the functions of the Board of Directors and increasing corporate value, Morioku conducts a self-evaluation and analysis of the effectiveness of the Board of Directors every year. In carrying out the evaluation, we conduct a survey on all directors, while receiving advice from outside organizations, to understand the actual situation from multiple perspectives, including the composition and operation of the Board of Directors, the quality of their discussions, and how they provide information. The evaluation results are shared and discussed at meetings of the Board of Directors, and as for points in which a need for improvement is recognized, specific measures are taken in an effort to continually strengthen the functions of the Board of Directors.

### Effectiveness Evaluation in FY2024 (Summary)

#### 1. Self-evaluation questionnaire survey (compiled by an outside organization)

The questionnaire for the FY2024 survey consists of the following major items. Each question requires an answer on a five-point scale, and each item has a free-text field to collect opinions.

1. Modality of Board of Directors	2. Composition of Board of Directors	3. Operation of Board of Directors	4. Discussions by Board of Directors	5. Monitoring function of the Board of Directors
6. Performance of inside directors (excluding those who are Audit & Supervisory Committee members)	7. Performance of outside directors		8. Support system for directors	
9. Training	10. Dialogue with shareholders (investors)	11. Your own efforts	12. Operation of the Nomination & Remuneration Advisory Committee	13. General overview

#### Questionnaire outcome from a director (example)

- Following the transition to a company with Audit & Supervisory Committee, compared with before, directors came to express their opinions more frequently, having lively discussions.
- The Audit & Supervisory Committee members also participate in resolutions on agenda items, auditing and supervising the operation of the entire Company. The introduction of Management Meetings is expected to improve the agility of decision-making and lead to more efficient operation.
- I find that the members generally enjoy a free and open-minded exchange of views, but as for agenda items requiring prior examination, if related information were provided earlier, I believe that discussions would become more productive.

#### 2. Analysis and evaluation results

Based on the questionnaire outcomes, we verified the effectiveness of the Board of Directors and confirmed that the effectiveness of the Company's Board of Directors has generally continued to be secured, considering that the directors, in line with the Company's corporate culture, have a free and open-minded exchange of views and constructive discussions. Moreover, as a result of discussions at a Board of Directors meeting, a specific direction for improving the operation of the Board of Directors was identified.

#### 3. Themes to be focused on in FY2025

Based on these findings, we will work on the themes shown on the right in FY2025.

- Improving the quality of deliberations through promptly and clearly providing materials
- Appropriately sharing the content of dialogue with shareholders and investors
- Sharing progress on business plans and enhancing strategic discussions

## Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three directors who are Audit & Supervisory Committee members. One of them is a full-time Audit & Supervisory Committee member, and the others are independent outside directors.

In principle, a regular Audit & Supervisory Committee meeting is held once a month and a special Audit & Supervisory Committee meeting is held as necessary. In addition, in cooperation with the Internal Auditing Department and the Accounting Auditors, the full-time Audit & Supervisory Committee member conducts audits of the execution status of duties by periodically exchanging opinions with the Representative Director, attending Management Meetings and other important meetings, and collecting information by inspecting important documents.

### Accounting Auditors

Moriroku is audited by KPMG AZSA LLC. The certified public accountants who provided accountancy service for the Company are listed below.

Atsushi Nagata / Tomoaki Takeuchi

### Audit & Supervisory Committee Office

The Audit & Supervisory Committee staff who assist the functions of the Audit and Supervisory Committee are positioned at the Audit & Supervisory Committee Office. The Audit & Supervisory Committee staff who assist the functions of the Audit & Supervisory Committee will provide such assistance under the direction and orders of the Audit & Supervisory Committee, and will not be subject to the direction and orders of the Company's officers and employees.

### Internal Auditing Department

Based on the Internal Audit Regulations, the Internal Auditing Department supervises and conducts audits of subsidiaries as well, works to build a cross-sectional risk management system and a compliance system, and ensures the appropriateness of business operations in an integrated manner.

The Internal Auditing Department reports the results of internal audits of the Company and its subsidiaries to the Audit & Supervisory Committee.

#### Audit & Supervisory Committee Members (As of June 20, 2025)



Committee chair  
**Fujio Furukawa**  
(Outside)



**Hideki Koike**  
(Inside)



**Chiaki Tsuji**  
(Outside)

Number of Audit &  
Supervisory Committee  
meetings held  
(FY2024)

**12**

Through close cooperation both inside and outside the Company,  
we strive to prevent risks and secure the interests of stakeholders.

It has been one year since the transition to a company with an Audit & Supervisory Committee was approved in the Shareholders Meeting in June 2024. The purpose of this change is to enhance corporate value and ensure the transparency of corporate behavior. Additionally, the authority for audit work, which had previously been vested in individual Board of Corporate Auditors under the statutory auditor system, has now come to reside with the Audit & Supervisory Committee, making it even more important for the three directors serving as Audit & Supervisory Committee members to reach consensus. Furthermore, they came to have voting rights as a member of the Board of Directors and play a part in the Board of Directors' monitoring function. Looking back on the past year, I am proud to say that the activities and performance of each Audit and Supervisory Committee member have been generally good.

Based on our audit policy, which includes (1) establishing and operating a system for compliance with laws and regulations and the Articles of Incorporation, (2) preventing specific risks, and (3) enhancing the internal control system, including the Group companies, we have conducted intensive audits through regular operational audits and on-site inspections, as well as dialogue with each department of the Group companies. With regard to cooperation with other organizations, we have made efforts to attend Board of Directors meetings and communicate with directors, receive reports from and exchange opinions with the Internal Auditing Department, etc., and regularly exchange information and opinions with Accounting Auditors and directors of subsidiaries, etc.

The Audit & Supervisory Committee consists of three directors who are Audit & Supervisory Committee members, and the General Manager of the Audit and Supervisory Committee Office also attends meetings. One Audit and Supervisory Committee member and the General Manager are full-time employees within the Company, and they work on auditing service based on their extensive work experience in various departments within the Company. The other two members are outside directors, who leverage the track record, experience, and knowledge they have accumulated in their respective specialized fields in their audit work. In addition, we strive to improve the role of outside officers by exchanging views with outside directors at the Independent Outside Director Council.

This fiscal year, the first year of our 14th Mid-Term Management Plan, with the Company's structure reorganized, we will continue to work closely with various organizations, both inside and outside the Company, to ensure that we can conduct even more comprehensive audits and maintain a cool-headed perspective to give high priority to the protection of the interests of all stakeholders.



**Fujio Furukawa**  
Outside Director,  
Chair of Audit &  
Supervisory Committee



## Nomination & Remuneration Advisory Committee

The voluntary Nomination & Remuneration Advisory Committee has been established as an advisory body to the Board of Directors. With this committee, we will enhance the independence and objectivity of the functions of the Board of Directors with respect to the nominations and remuneration of directors and fulfill our accountability to the outside world.

In FY2024, a total of 11 Nomination & Remuneration Advisory Committee meetings were held. The committee discussed important issues for the Board of Directors to fulfill its functions in a sustainable manner, including the nomination of director candidates, president succession planning, the directors' remuneration system and levels, and the directors' skill matrix.

### Major agendas and efforts for FY2024

- **Succession planning (training successors)**

Conducted interviews with executive officers and above as well as candidates thereof in order to directly and concretely confirm the qualities, achievements, and ambitions of each officer and candidate

Considered development programs for successor candidates

- **Remuneration system**

Discussed the remuneration system for directors and levels, as well as expansion of incentive remuneration

### Nomination & Remuneration Advisory Committee (As of June 20, 2025)



Committee chair  
**Koichiro Shibata**  
(Outside)



**Naoki Kurose**  
(Inside)



**Kenichi Hirai**  
(Outside)



**Hitomi Yokote**  
(Outside)

**Number of Nomination &  
Remuneration Advisory  
Committee meetings held  
(FY2024)**

**11**

**We will support and develop a strong management team  
that will drive medium- to long-term growth.**

As Morioku does not have a parent company, specific largest shareholders, or financial institutions having considerable influence, we are able to conduct business activities as a completely independent company. While this allows freedom in management, the management team bears a great deal of responsibility for their management decisions toward stakeholders as a Prime-listed company.

We believe that the responsibilities of the Nomination & Remuneration Advisory Committee are to select and develop a strong management team that will lead to medium- to long-term increases in corporate value, as well as to plan and implement measures that will contribute to increasing motivation. Although the committee has also played a major role in selecting new officers, we believe there are still issues to be addressed regarding the involvement of the entire officer-level team in planning and training for successor candidates. Last fiscal year, we continued to conduct interviews with executive officers and above as well as candidates thereof, which we started in FY2023, and we plan to conduct such interviews again this fiscal year. With the executive side's understanding and appreciation of officers having gradually deepened, we would like to actively consider the appointment of human resources from an objective and company-wide perspective.

Regarding remuneration, we plan to discuss the expansion of incentive remuneration, such as stock-based remuneration, which is transparent and can be a motivator to adopt a risk-taking attitude toward sustainable development. We believe this is also an important strategy for personnel acquisition.

The 14th Mid-Term Management Plan will be a time to build a foundation for achieving our long-term vision, as well as an important time to plant seeds and implement new initiatives. The committee will also support the development of the foundation so that the executive side will be able to exercise strong leadership toward realizing the mid-term plan.

Since last fiscal year, Director Yokote has joined the committee, contributing to the diversification of the composition of the committee. Without being bound by the name "Advisory Committee," we would like to work with the secretariat on various issues, raise questions extensively, and have active discussions and make proposals. I hope to be of some help to the Company by utilizing my experience of working at multiple companies.



**Kenichi Hirai**  
Outside Director,  
Member of the Nomination &  
Remuneration Advisory Committee

## Officer Remuneration

### Basic Philosophy

Moriroku regards its remuneration system for directors as a mechanism to secure, retain, and motivate human resources who are essential for the sustainable enhancement of corporate value.

Remuneration levels for officers are determined based on the Company's business environment and on remuneration levels at major companies of a similar size.

### Director Remuneration

Remuneration for directors (excluding outside directors and Audit & Supervisory Committee members) comprises fixed basic, performance-linked, and stock-based components, with a ratio of approximately 65:25:10. Fixed basic remuneration is a fixed monthly monetary remuneration for each position according to the scope of responsibility. Performance-linked remuneration is a short-term monetary incentive that varies based on the Company's annual performance—specifically consolidated net sales and consolidated operating profit.

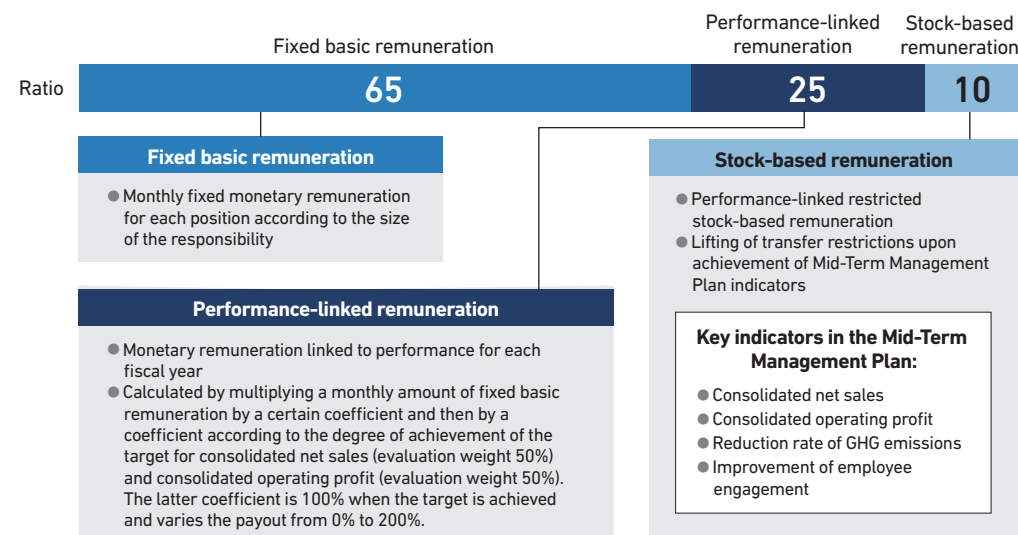
Stock-based remuneration is a performance-linked restricted stock plan designed to incentivize medium- to long-term performance and enhance corporate value, based on performance, management indicators, and other factors. In principle, it is granted in the first year of the Mid-Term Management Plan. The granting of shares during the term of office reinforces alignment with shareholders through value sharing. Lifting of the transfer restrictions is contingent upon the achievement of the key management indicators listed in the Mid-Term Management Plan. Management indicators for the Mid-Term Management Plan include financial indicators (consolidated net sales and consolidated operating profit in the final year of the Mid-Term Management Plan) and sustainability indicators (GHG emission reduction rate and employee engagement improvement). A distinctive feature of the Company's remuneration system is that it incorporates both financial and non-financial indicators.

Remuneration for outside directors and directors who are Audit & Supervisory Committee members consists solely of monthly fixed monetary payments to ensure their independence from management.

### Return of Remuneration, etc. (Malus and Clawback Clauses)

To ensure the soundness of the remuneration system, if certain events occur—such as serious violations of internal regulations or other unlawful acts, or material accounting errors that affect the indicators used for calculating remuneration—the Company may seek to forfeit unpaid remuneration (Malus Clause) or reclaim paid remuneration (Clawback Clause) based on the decision of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee.

### Remuneration System for Directors



### Total Amount of Remuneration, etc. for Directors and Corporate Auditors

Classification	Total amount of remuneration (Million yen)	Total amount of remuneration, etc. by type (Million yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
<b>Directors (excluding Audit &amp; Supervisory Committee Members)</b>	136	107	23	5	8
(Of which, Outside Directors)	(33)	(33)	( - )	( - )	(4)
<b>Directors (Audit &amp; Supervisory Board Members)</b>	27	27	-	-	3
(Of which, Outside Directors)	(13)	(13)	( - )	( - )	(2)
<b>Corporate Auditors</b>	6	6	-	-	3
(Of which, Outside Corporate Auditors)	(3)	(3)	( - )	( - )	(2)

Notes: 1. Based on the resolution of the 109th Ordinary General Shareholders' Meeting held on June 18, 2024, the Company transferred to a company with an Audit & Supervisory Committee on the same day. The amount of remuneration paid to Corporate Auditors is related to the period before the transition to a company with an Audit & Supervisory Committee, and the amount of remuneration paid to directors who are Audit & Supervisory Committee members is related to the period after the transition to a company with an Audit & Supervisory Committee.

2. The amount of remuneration, etc. for directors does not include employee salaries to be paid to directors with employee status.

## Messages from Outside Directors

Giving greater importance to the perspective of shareholders, I will actively engage in effective measures that will contribute to medium- to long-term growth.

Koichiro Shibata Outside Director



I have been working as an outside director of Morioku by primarily leveraging my legal practice skills as an attorney, as well as skills related to compliance gained from serving as a disciplinary and ethics committee member for many years within the bar association. Additionally, as an independent outside director, I have always taken the perspective of shareholders into consideration when taking part in deliberations at Board of Directors meetings. I have been able to build good relationships with the other outside directors coming from a variety of backgrounds, and I have renewed my awareness that my role and responsibility are to appropriately assess and take risks while ensuring the rationality of management decision-making.

In FY2024, I hosted discussions on the concept of the appointment of principal officers and officer remuneration as the chairperson of the Nomination & Remuneration Advisory Committee. Recognizing that setting an overall direction for our corporate strategy is one of my key responsibilities, I will strive to ensure that our Company, with its long history, continues to grow and enhance corporate value as we approach our 400th anniversary.

Furthermore, in FY2024, with the integration into a single entity scheduled for April 2025 in mind, we thoroughly discussed matters such as the appointment of principal officers, the concept of organizational structure, and how to maximize synergies among our business fields. In FY2025, the initial year of our new Mid-Term Management Plan, we will actively address issues such as profit increase and the creation of a third business from a medium- and long-term perspective.

In particular, we are facing a major challenge of how to create synergy between two business fields with different characteristics: the field of resin processing for automotive parts and the field of chemical trading. To that end, I have reaffirmed my determination to fulfill my role as an outside director in various aspects, including personnel exchanges between the two fields.

Valuing the attitude of taking one step forward, we all will become One Morioku aiming for greater heights.

Hitomi Yokote Outside Director



I have worked in a wide range of industries and areas, including government agencies, private companies (large corporations, venture companies, Japanese companies, foreign companies), universities, and NPOs. In every position, I have practiced critical thinking rather than blindly accepting workplace norms, considered how I could contribute to the organization, pursued my own growth, and upheld the SDGs and international engagement.

I have served as an outside director at Morioku since 2023, and joined the Nomination & Remuneration Advisory Committee in 2024. At Board of Directors meetings as well as Nomination & Remuneration Advisory Committee meetings, I make use of my various experiences to express my candid opinions and, at times, ask in-depth questions and offer comments.

In 2024, after the CEO transition, Morioku restarted under new leadership. The following year, 2025, after the integration of three companies and the change of the trade name, we are now steering the Company truly as One Morioku. To embody our new slogan of "Create A New Future As One," it is necessary for each employee to consciously break down organizational barriers, explore ways to create synergy, and take action accordingly, and to that end, I believe it is important to demonstrate leadership, raise awareness, and develop human resources.

In the 14th Mid-Term Management Plan, we have set the target of increasing the ratio of women in managerial positions. It may be challenging, but I have insisted that the number should be doubled. Promoting the active participation of women and diversity will enhance corporate value. Above all, Morioku is a company that treats its employees with respect, and I believed that demonstrating this through a high numerical target will have a positive impact in the medium to long term.

I greatly respect all of our outside directors both from a human and managerial perspective, and they are all talented individuals. Driven by our common desire to make Morioku an even greater company, we regularly hold forums (Independent Outside Director Council meetings) to exchange opinions that go beyond the Board of Directors meetings. As one of the directors, I would like to contribute to Morioku's sustainable growth and value creation to the best of my ability.



## Messages from Outside Directors

I will cultivate the assets of trust, technology, and people that will provide a boost to innovation both inside and outside the Company.

Ryo Otsuka Outside Director



I was appointed as an outside director of Morioku in 2020, and this year marks my fifth year in this position. As the representative of OHTSUKA POLY-TECH CO., LTD., I am engaged in a wide range of responsibilities, including enhancing QCD management at manufacturing sites, promoting continuous improvement, managing design and development as a Tier 1 automotive parts supplier, and formulating and implementing management strategies with a global perspective.

At the FY2024 Board of Directors meeting, I worked to make recommendations that emphasized feasibility and actuality by utilizing my knowledge and management perspective based on my practical experience. For example, with regard to the management of overseas bases, I provided opinions and advice that would contribute to improving the validity of management decisions, such as minimizing losses in impairment accounting and proactive capital investment based on customer orders.

The Independent Outside Director Council has also focused on management issues not discussed at Board of Directors meetings, and has paid attention to improving the quality of decision-making and the effectiveness of the Board of Directors.

Under circumstances where looking at the business environment further heightens a sense of uncertainty, it is becoming increasingly important to make swift and flexible business decisions in response to changes. In this context, the Group has achieved the integration of three companies in 2025, and held up “Agile Management” as its basic policy, emphasizing unity and the acceleration of decision-making. I view this as an important starting point for the establishment of a management structure that can respond appropriately to the changing times.

To ensure the success of the 14th Mid-Term Management Plan, which began in 2025, I believe it is essential to develop diverse human resources and create an organization that can leverage them. I will focus on fostering an environment that encourages innovation both within and beyond the Company by further invigorating the Board of Directors.

In order for Morioku to make a further leap forward toward our 400th anniversary, as an outside director I will strive to draw fully upon the assets of trust, technology, and people that the Company has cultivated over the years, and to achieve high-level governance, as well as to contribute to the sustainable improvement of corporate value.

In order to demonstrate our strengths globally, I will contribute to accurate supervision aimed at “Agile Management”.

Chiaki Tsuji Outside Director,  
Audit & Supervisory Committee Member



Since my appointment as an outside corporate auditor of Morioku in 2022, I have primarily been engaged in audit activities. While continuing to work as a lawyer (in Japan and Germany, with approximately 40 years of experience), I also worked as a professor at the department of law of a graduate school for approximately 15 years, and since 2017, I have served as an outside director at several listed companies. Two of these companies were auto parts manufacturers, where I have deepened my knowledge of the automobile industry, and as an independent outside director, I have made decisions that contribute to the sustainable growth of those companies and the improvement of shareholder value by responding to so-called activist shareholders and serving as a member of a special committee for takeover bids.

Our Audit and Supervisory Committee receives accurate and prompt information sharing and support from the full-time committee member and other people within the Company, and constructive discussions are held with members from both inside and outside the Company, which enables us to carry out audit work appropriately.

FY2024 was a year in which we undertook structural reforms across the entire organization, including transition to a company with an Audit & Supervisory committee, integration into a single entity, and new investments and business transfers in overseas businesses. These issues were not related only to short-term management; they also required a review of our governance structure and global strategy, and I have once again become aware of the importance of my role as a member of the Board of Directors. Furthermore, when I visited plants in Kanto, Suzuka, Guangzhou, Wuhan, Thailand, and elsewhere, I saw employees not only striving for strength and functionality of parts, but also for their beauty in terms of decorative technology, which further deepened my desire to contribute to them.

The 14th Mid-Term Management Plan, which began in FY2025, focuses on the achievement of flexible and rapid decision-making, the strengthening of inter-departmental collaboration, and the deepening of corporate governance under the key phrase of “Agile Management”. I will also leverage my legal and international experience to ensure thorough compliance with laws and regulations and to fulfill my supervisory responsibilities as a director, so that I can help the Company to add new value to its tradition of over 360 years and open the way to the future.

## Risk Management

### Basic Philosophy

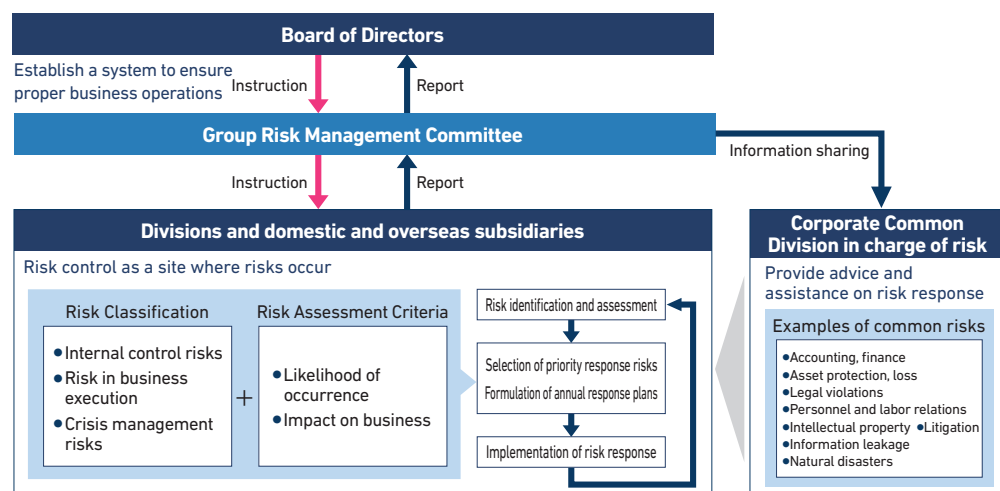
The Morioku Group defines “risk” as any event or action that could hinder the achievement of business objectives or have an undesirable impact. To ensure our business continuity and stable growth, we have established a management system to accurately identify, evaluate, and respond to various business-related risks. In addition, the Group has established the “Basic Policy for Risk Management” and the “Basic Risk Management Regulations” to properly develop and operate its risk management system. We aim to minimize risks by identifying potential risks at the divisions and overseas subsidiaries on a global scale and addressing them proactively.

The division responsible for managing common corporate risks provides risk management advice and support to divisions and subsidiaries both in Japan and overseas. In the event that a risk materializes and a crisis occurs, it is promptly reported to management and related departments in accordance with the “Basic Regulations for Risk Management” and a system is in place for a prompt response. Once a year, the Board of Directors reviews the status of the Group’s risk management systems and initiatives, and the results are reflected in the action plan for the following fiscal year. Through these activities, we strive to strengthen risk management at the divisions and overseas subsidiaries, reduce risks across the Group, and raise risk awareness among all employees.

#### Major Risks Faced in the Morioku Group »

<https://www.morioku.co.jp/english/sustainability/governance/risk/index.html>

### Risk Management System



### BCP Initiatives

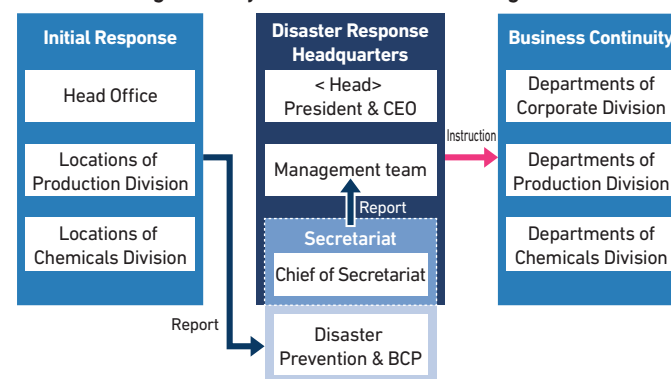
The Group has formulated a BCP basic policy that places the highest priority on the safety of employees. During normal times, the Group develops and strengthens its disaster prevention framework by preparing stockpiles, conducting disaster prevention drills for all officers and employees, and implementing measures to prevent damage to personnel and facilities that could hinder response during a large-scale disaster.

Under our crisis management system for the occurrence of a large-scale disaster, based on the policy that initial responses should be made at the base level and business continuity responses should follow the usual reporting line (division level), we are working to strengthen our communication system through training and other means so that the countermeasures headquarters can make appropriate decisions. In addition, we have established a system to maintain the effectiveness of our crisis management framework by identifying risks that could significantly impact the Group, formulating a business continuity plan for early recovery from disasters, and reviewing the plan annually.

### Basic Policy on BCP

<b>1. Human Life First</b>	The Morioku Group is committed to ensuring the safety and security of its employees and their families in situations where their lives or wellbeing may be at risk.
<b>2. Community Contribution</b>	The Morioku Group is committed to fulfilling its social responsibility and contributing to the local community, which has a symbiotic relationship with each business site, even in the event of a disaster.
<b>3. Business Continuity</b>	The Morioku Group is committed to restoring business operations, maintaining a stable supply chain, and ensuring business continuity in the event of a disaster.

### Crisis Management System in the Event of a Large-Scale Disaster



### Identification of Critical Risks

Risk under Consideration
1. Near-field earthquake hitting the metropolitan area
2. Nankai megathrust earthquake
3. Near-field earthquake hitting the area surrounding a location
4. Flooding of Watarase River

## Risk Management

### Initiatives for Information Security

The Moriroku Group places the highest priority on the protection of information assets and conducts thorough risk management to prevent unauthorized access, leakage, and unauthorized use. In addition to implementing appropriate information management in compliance with laws and regulations, all employees are provided with continual education to promote the establishment of security knowledge and awareness. The Group also cooperates with external specialized institutions to regularly check and evaluate the safety of the entire system.

### Response to Security Incidents

In recent years, the threat of cyber attacks has been increasing, and such attacks are causing wide-ranging damage, including the outflow of personal information, the leakage of corporate secrets, and business interruptions due to system shutdowns. In addition to taking measures to prevent security incidents, the Group is building a cross-functional system to ensure prompt and appropriate response in the unlikely event of an incident, thereby maintaining business continuity.

<b>Incident Response</b>	Incident detection, initial response, root cause analysis, impact assessment, recovery work, etc.
<b>Preventive Measures</b>	Measures to prevent incidents, such as security monitoring, threat information collection, vulnerability assessment, patch management, and employee education
<b>Information Sharing &amp; Reporting</b>	Managing security policies, establishing internal collaboration, managing incident information, and sharing information with external organizations
<b>Training &amp; Exercises</b>	Conduct training and exercises for all employees to improve response capacities

## Compliance

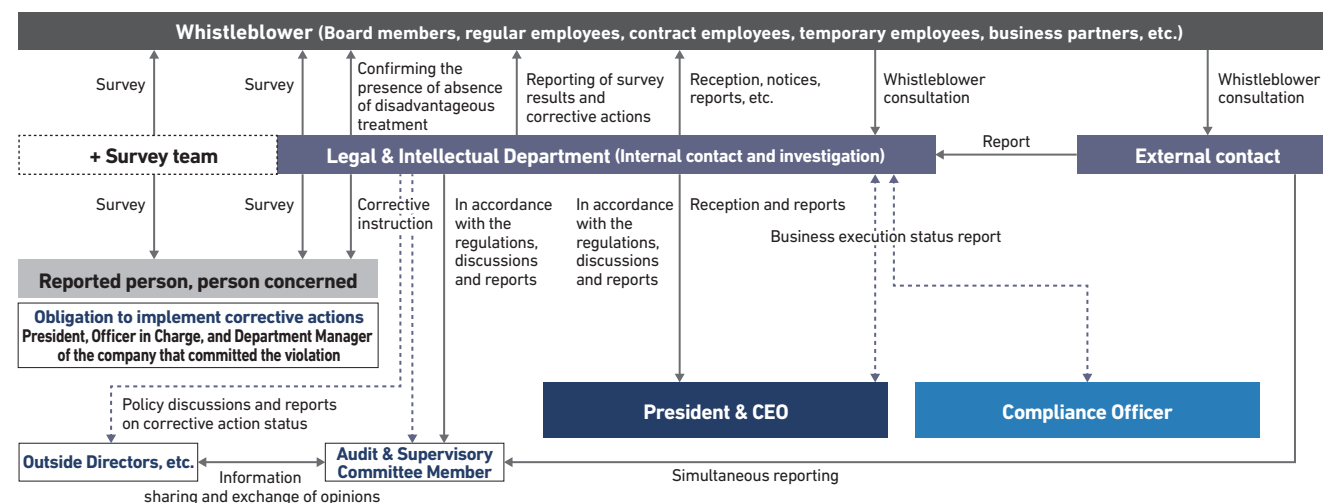
### Basic Philosophy

Based on its Principle the Moriroku Group places legal compliance at the core of its Code of Conduct and has established a Legal & Intellectual Department within Moriroku Co., Ltd. under the direct supervision of the President to oversee compliance activities across the entire Group. The Code of Conduct is available in nine languages and has been disseminated to all Group companies.

**Moriroku Group Code of Conduct** »

[https://www.moriroku.co.jp/english/company/principle/pki7t90000001t07-att/conduct\\_guideline.pdf](https://www.moriroku.co.jp/english/company/principle/pki7t90000001t07-att/conduct_guideline.pdf)

### Flow of Compliance-Related Reporting and Consultation



### Enhancement of the Whistleblowing System

Internal whistleblower hotlines have been established both inside and outside the Company to enable employees to report and consult on actions that violate laws and internal regulations. In accordance with applicable laws and regulations, retaliation or any other form of disadvantageous treatment against reporters or consultees is strictly prohibited, and anonymous reporting and consultation are permitted.

### Continuous Implementation of Compliance Training

Based on the legal affairs and compliance education system, we provide legal affairs and compliance education to the officers and the employees of the Group to ensure compliance from the top management to each and every employee.

In FY2024, regular training sessions were held at the domestic subsidiaries as well. Going forward, we will continue to provide information on the latest key laws and regulations, diversify training methods, and enhance both the content and frequency of compliance training.

## Main Financial Data (Eight Years)

(Unit: Million yen)

	FYE Mar. 2018	FYE Mar. 2019	FYE Mar. 2020	FYE Mar. 2021	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025
<b>Management results</b>								
Net sales	182,177	189,554	170,773	155,460	128,842	142,019	145,638	146,174
Resin-Treated Product Business	114,998	122,331	106,929	93,304	101,786	112,259	118,740	120,103
Chemicals Business	67,178	67,222	63,844	62,155	27,055*	29,759*	26,898*	26,070*
Operating profit	9,417	8,686	5,497	5,672	2,846	1,335	5,706	4,135
Operating profit margin [%]	5.2	4.6	3.2	3.6	2.2	0.9	3.9	2.8
Segment profit								
Resin-Treated Product Business	8,074	7,532	4,553	4,579	1,253	100	4,604	3,445
Chemicals Business	1,382	1,177	1,215	1,389	1,836	1,575	1,538	1,235
Ordinary profit	9,256	8,827	5,668	5,595	2,965	1,596	6,183	2,204
Net income attributable to the parent company	6,805	6,112	3,525	375	4,259	1,346	3,022	(7,814)
Earnings per Share (EPS)	446.00	369.42	212.89	22.68	258.92	86.34	200.95	(532.37)
Depreciation	7,526	7,993	7,943	7,801	7,916	8,320	8,699	7,899
R&D expenses	2,408	2,701	2,570	2,579	2,609	3,030	3,255	3,724
<b>Cash flows</b>								
Cash flows from operating activities	15,388	18,358	6,042	9,693	3,434	9,495	14,764	9,348
Cash flows from investing activities	(8,819)	(7,186)	(12,857)	(5,260)	(1,140)	(5,311)	(6,630)	(3,751)
Cash flows from financing activities	1,562	(9,016)	(112)	1,633	(2,824)	(5,310)	(7,221)	(6,407)
Cash and cash equivalents (end of period)	17,190	18,906	11,653	17,933	18,358	17,658	19,444	19,088
<b>Financial status</b>								
Total assets	133,824	128,063	122,493	132,887	137,125	131,797	140,556	124,634
Net assets	66,672	67,440	66,467	70,136	72,067	70,683	76,423	64,911
Equity ratio [%]	49.1	51.8	53.3	51.8	51.6	52.6	53.4	51.1
Interest-bearing debt	25,948	19,397	20,869	24,282	26,786	26,574	24,830	21,018
<b>Financial indicators</b>								
Return on Invested Capital (ROIC) [%]	8.2	6.7	4.1	3.9	(0.8)	(0.6)	3.9	3.2
Return on Equity (ROE) [%]	11.6	9.3	5.4	0.6	6.1	1.9	4.2	(11.3)
Return on Assets (ROA) [%]	5.4	4.7	2.8	0.3	3.2	1.0	2.2	(5.9)
Dividends per share (yen)	90	94	94	50	94	100	100	105
Dividend yield [%]	3.1	3.6	6.3	2.2	5.2	5.4	3.8	5.2
Working capital turnover rate [%]	9.0	7.6	12.5	9.5	6.1	7.0	5.8	7.3
Dividend on Equity (DOE) ratio [%]	-	-	-	-	-	2.2	2.2	2.1
Total payout ratio [%]	21.9	25.4	44.2	220.5	62.1	214.3	82.8	(27.9)

\*The Accounting Standard for Revenue Recognition has been applied, and the figures presented are based on this standard.



## Main Non-Financial Data (Four Years)

### Environment

		FYE Mar. 2020 (base year)	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025
GHG emissions [t-CO <sub>2</sub> ]	Scope 1 + 2	111,598	-	80,969	69,983	67,925
	Scope 3*1	-	445,487	409,049	429,324	432,152
Total energy usage [MWh]		281,394	273,731	262,265	256,177	235,131
Waste emissions*1 [t]		-	975	1,257	1,112	741
Power usage*1 [MWh]		169,605	161,797	155,887	156,120	141,152
Water consumption*2 [1,000 m <sup>3</sup> ]		-	-	-	153	126

Scope: Entire Moriroku Group (Japan and overseas)

\*1 Excluding consolidated subsidiaries and related companies in Japan and overseas

\*2 Excluding consolidated subsidiaries and related companies overseas

### Governance\*

	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025
Number of directors [people]	5	6	7	9
Ratio of independent outside directors [%]	60	50	67	67
Ratio of female directors [%]	0	0	11	22
Nomination & Remuneration Advisory Committee composition ratio of independent outside directors [%]	67	67	67	75
Audit & Supervisory Committee composition ratio of independent outside directors [%]	-	-	-	67
Number of consultations at Compliance Hotline (includes internal whistleblower consultations / human rights violations consultations)	10	11	9	12

#### Board of Directors, Board of Corporate Auditors, Nomination & Remuneration Advisory Committee

Number of Board of Directors meetings held [no. of meetings]	19	17	20	19
Attendance of the Board of Directors [%]	100	100	100	100
Number of Audit & Supervisory Committee meetings held [no. of meetings]	-	-	-	12
Number of Board of Corporate Auditors meetings held [no. of meetings]	22	19	22	7
Attendance of the Board of Corporate Auditors [%]	100	92	100	100
Number of Nomination & Remuneration Advisory Committee meetings held [no. of meetings]	11	8	10	11
Attendance of Nomination & Remuneration Advisory Committee [%]	100	100	100	100

\*Following approval at the 109th Ordinary General Shareholders' Meeting held on June 18, 2024, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee.

#### Acquisition of environmental management system certification

» <https://www.moriroku.co.jp/english/sustainability/environment/management/iso.html>

#### Acquisition of quality management system certification

» <https://www.moriroku.co.jp/english/sustainability/social/quality.html>

### Society

	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025
<b>Human resources</b>				
Number of employees [people]	900	898	903	903
Ratio of females to total employees (consolidated) [%]	17.3	18.0	18.7	19.5
Consolidated number of employees (overall)*3 [people]	4,521	4,342	4,447	4,360
Ratio of foreign employees [%]	1.8	2.1	2.1	2.3
Continued years working (Male) [years]	16.0	16.2	16.4	17.8
Continued years working (Female) [years]	11.9	11.8	11.2	11.7
Training hours per person [hours]	5.3	10.5	11.9	11.0
Turnover rate [%]	6.3	5.3	4.4	4.9
<b>Salary</b>				
Average salary of all employees [yen]	5,853,865	5,909,022	6,020,987	6,229,767
Gender pay gap*4 [%]	73.6	75.4	74.5	74.6
<b>Management</b>				
Number of managers [people]	181	179	184	190
Ratio of female executive officers [%]	9.1	8.3	18.2	27.3
Ratio of women in managerial positions [%]	2.2	2.2	2.7	3.2
Ratio of women in leader class [%]	6.3	6.0	5.1	6.5
Ratio of foreign employees in managerial positions [%]	1.7	1.7	1.6	2.1
<b>Recruitment</b>				
New graduates hired [people]	35	28	26	17
Ratio of female new graduates [%]	31.4	14.3	42.3	41.2
Mid-career recruitment [people]	26	23	23	32
Ratio of mid-career female employees hired [%]	15.4	47.8	39.1	25.0
Annual number of employees hired [people]	61	51	49	49
Ratio of women hired [%]	24.6	29.4	40.8	30.6
<b>Diverse ways of working</b>				
Number of employees who switch to career-track positions [people]	4	12	11	14
Number of employees who switch to career-track positions (ratio of female employees) [%]	0.0	50.0	9.1	21.4
<b>Health management</b>				
Occupational safety and health (number of fatal accidents) [no. of cases]	-	-	0	0
Occupational safety and health frequency rate	-	-	1.25	0.60
Occupational safety and health severity rate	-	-	0.05	0.00
Average overtime hours (monthly) [hours]	18.4	17.5	19.4	17.0
Percentage of employees taking paid leave [%]	67.1	70.9	74.4	74.1
<b>Employees taking parental leave</b>				
Total number [people]	11	12	9	8
Number of males [people]	6	6	4	4
Ratio of males*5 [%]	25.0	30.0	30.8	44.4
Days of parental leave for males [days] *6	136	110	132	146
Ratio of males returning to work [%]	100	100	100	100
Number of females [people]	5	6	5	4
Ratio of females*5 [%]	62.5	120.0	125.0	133.3
Ratio of females returning to work [%]	100	100	100	100

Scope: Moriroku Holdings Company, Ltd., Moriroku Technology Company, Ltd., and Moriroku Chemicals Company, Ltd.

\*3 Moriroku Group Overall (Japan/Overseas)

\*4 Calculated as the average wage for female employees when that for male employees is set at 100

\*5 No. of employees who took parental leave ÷ Number of employees who had a baby. Employees who did not take the parental leave in the fiscal year in which the child was born but took it in the following fiscal year are included, so the value might exceed 100%.

\*6 No. of days taken in a fiscal year

## Company Overview (As of March 31, 2025)

<b>Established</b>	March 1916 *Founded in 1663
<b>Capital</b>	1,640.1 million yen
<b>Head office</b>	Shin Aoyama Building East (18th floor), 1-1, Minamiaoyama 1-chome, Minato-ku, Tokyo 107-0062

## Affiliates of the Morioku Group (Consolidated Subsidiaries and Equity Method Affiliates) (As of June 20, 2025)

### Resin-Treated Product Business

Morioku Technology Overseas Holdings Co., Ltd.  
Yukou Co., Ltd.  
Kumamoto Morioku Kasei Co., Ltd.  
Morioku Technology North America Inc.  
Listowel Technology, Inc.  
Morioku Philippines, Inc.  
Morioku Technology India Pvt. Ltd.  
Morioku Technology (Thailand) Co., Ltd.  
PT. Morioku Technology Indonesia  
Guangzhou Morioku Technology Co., Ltd.  
Wuhan Morioku Technology Co., Ltd.

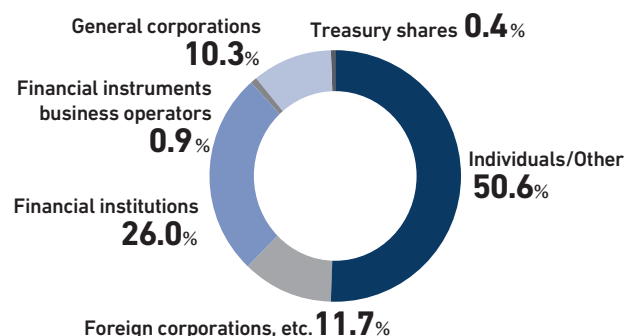
### Chemicals Business

Morioku Chemicals Overseas Holdings Co., Ltd.  
Shikoku Kakoh Co., Ltd.  
Morioku Agri Co., Ltd.  
Goko Kasei Industrial Co., Ltd.  
Morioku Co., (HK) Ltd.  
Morioku (Singapore) Pte., Ltd.  
Morioku (Thailand) Co., Ltd.  
Morioku (Shanghai) Co., Ltd.  
Morioku (Guangzhou) Trading Co., Ltd.  
Morioku (Tianjin) Co., Ltd.  
Morioku Chemicals Korea Co., Ltd.  
Morioku Austria GmbH  
Morioku America, Inc.  
PT. Morioku Chemicals Indonesia  
M&C Tech Indiana Corporation  
I.M. MATERIAL Corporation

## Stock Information (As of March 31, 2025)

<b>Market listing</b>	TSE Prime Market
<b>Securities code</b>	4249
<b>Total number of shares authorized to be issued</b>	60,000,000 shares
<b>Total number of outstanding shares</b>	14,860,000 shares (including 63,519 treasury shares)
<b>Number of shareholders</b>	5,765

### Shareholding ratio by owner



## Status of Major Shareholders

	Number of shares held (shares)	Shareholding ratio (%)
<b>Custody Bank of Japan, Ltd.</b> (Sumitomo Mitsui Trust Bank, Limited Re-trust Account, Mitsui Chemicals, Inc. Pension Trust Account)	1,416,000	9.57
<b>The Master Trust Bank of Japan, Ltd. (Trust Account)</b>	1,353,400	9.15
<b>Morioku Employees' Stockholdings Association</b>	1,135,738	7.68
<b>Shigeru Mori</b>	966,560	6.53
<b>Honda Motor Co., Ltd.</b>	792,000	5.35
<b>The Awa Bank, Ltd.</b>	526,000	3.55
<b>CHARLES SCHWAB FBO CUSTOMER</b> (Standing proxy: Citibank, N.A., Tokyo Branch)	461,100	3.12
<b>Custody Bank of Japan, Ltd. (trust account)</b>	287,800	1.95
<b>Toshiko Isome</b>	260,476	1.76
<b>Toyoko Mori</b>	257,823	1.74

## External Evaluation



Received a score of B in the two fields of Climate Change and Water Security



Received the Commendation Award in the 2024 Daiwa Internet Investor Relations Awards for the first time



Selected as an excellent website by Nikkei Investor Relations' 2024 Nikkei Investor Relations 2024 Website Ranking for All Japanese Listed Companies

## Message from the Production Team Representative

Thank you for reading the *Morioku Co., Ltd. Integrated Report 2025*. This report has been issued to provide all stakeholders, including shareholders and investors, with an understanding of our efforts to sustainably increase the corporate value of the Morioku Group.

This is the second year of publication of our Integrated Report. With the launch of the 14th Mid-Term Management Plan, we aim to convey our employees' commitment to innovation under the slogan "Create A New Future As One" which was adopted at the time of our integration in April 2025. Additionally, in the Unique Technologies and Business Strategy chapter, we introduce substantive initiatives that we are engaging in to contribute to our Principles of "creating high value with its future-oriented creativity and advanced technologies," showing the course we have set ourselves on for the sustainable growth our group is aiming for.

We would like to express our sincere appreciation to everyone who contributed to the preparation of this report. Moving forward, we are going to work to improve even more while doing what we can to provide everyone with valuable information in an even easier-to-understand manner. We hope that this report serves as a catalyst for constructive dialogue with all our stakeholders.



**Takahiro Oguchi**

Manager, Corporate Planning Department



#### Our website

Moriroku Co., Ltd.  
<https://www.moriroku.co.jp/english/>



#### For inquiries regarding the Integrated Report

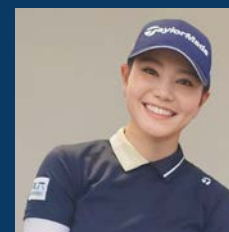
Moriroku Co., Ltd, Corporate Planning Department  
[m\\_kikaku@moriroku.co.jp](mailto:m_kikaku@moriroku.co.jp)

## Support for Sports

Moriroku fulfills its responsibility as a good corporate citizen through support for sports, contributing to the creation of a prosperous society.

The Moriroku Group supports athletes who pursue their dreams and continue to take on challenges on the global stage. In addition to professional golfer Akira Yamaji, whom we have supported since 2019, we welcomed Tomoya Tachi, a wheelchair tennis player, as an athlete employee in 2025.

Recognizing that diversity and inclusion (D&I) are essential management priorities in the global expansion of our business, we are engaged in a variety of initiatives to promote them. The attitude of these athletes—constantly striving forward, taking on challenges, and pioneering their own paths—deeply resonates with our corporate values. We will continue to support their ongoing efforts and aspirations.



Akira Yamaji



Tomoya Tachi