

MORITO

Integrated Report MORITO CO., LTD.

2025



MORITO

Where innovation is the norm

What is MORITO?

To us at MORITO, norm means something that is always close at hand in daily life, something that feels natural to use and causes neither stress nor discomfort. At first glance, our parts may seem quite ordinary. But we are constantly pursuing ease of use as we develop and propose products that are perfectly suited to their intended purpose.

You may find "Where innovation is the norm" in your own life. We invite you to take a closer look.



Where innovation is the norm

In the Apparel Business, we supply fashion accessories worldwide to brands across a wide range of industries, including casual, sports, luxury fashion, and medical wear. Snap fasteners have been a core product since our founding, and we hold a leading share in the global market. We plan, develop, and propose snap fastener solutions tailored to customer needs by combining functionality and design as suits each application.



Where innovation is the norm

In the Product Business, we offer a diverse range of items including shoe care products, supporters, parts for daily-use products, and we plan, develop, and sell OEM/ODM products. We also handle unique goods including kitchen duct filters, surfboards, and skateboards. Among these offerings, our school-related parts and products stand out. We provide planning and design services tailored to children's needs and follow through with production.



Where innovation is the norm

The Transportation Business began when we started supplying parts such as eyelets and MAGICTAPE® to the automotive industry. Today, we provide a wide range of interior components, including nets, straps, and armrests for use in automobiles, railways, and aircraft on a global scale. We're also proud to hold No.1* domestic market share for metal emblems used on car mats.

* According to internal research.



Look for MORITO

In everyday life, you'll find that MORITO parts are used here, there, and everywhere. These small parts are so much the norm that we rarely even notice them. What kinds of innovation have been added to make them so seamlessly part of our routines?

Where innovation is the norm

Here are three products that embody MORITO's innovations,
as explained by the employees who developed them.

A snap fastener
designed to look
stylish not only when fastened,
but also when unfastened.

MORITO APPAREL CO., LTD.
YOSOOU Department

We worked to achieve
not only durability and
safety, but also ease of use
specifically tailored for children.

MORITO JAPAN CO., LTD.
Business Supply Sales
Department

We leverage broad
expertise to meet
customer needs and deliver
high-quality products globally.

MORITO AUTO-PARTS CO., LTD.
Sales Department

Invisible snap fasteners

This product was developed in response to demand for a refined look even when the snap fasteners is unfastened. Unlike typical snap fasteners, which often have a raised rim around the stud, this product features a flat, rimless design that gives the part a stylish appearance. It's especially popular for winter outerwear within the casual wear category. Because it requires careful compatibility checks with the fabric during the planning stage (more so than standard snap fasteners), this product is made possible by MORITO's global support system, which facilitates design proposals and on-site installation guidance at manufacturing facilities.



School supply parts and products

Because children use these items throughout their years at school, school supplies must meet high standards of durability and safety. To ensure they satisfy strict quality requirements, we repeatedly prototype and test products in close collaboration with suppliers in developing products. We also carefully consider how children will use our products in an effort to design them for maximum ease of use. Starting with rough customer needs as our point of departure, we handle the entire process, from developing and proposing detailed designs to procuring parts and handling sewing and final assembly. This comprehensive, end-to-end support is a hallmark of MORITO's approach.



Metal emblems

These products feature the logos of various automakers, so they're often subject to demanding standards when it comes to design. At MORITO, each sales representative possesses creative production expertise, which allows us to quickly propose processing methods and designs that meet customer needs. We also apply fastening techniques developed through our experience with snap fasteners to streamline mat installation processes at manufacturing plants. Among the key reasons customers trust and choose MORITO is our global sourcing and supply capability, which tracks the needs of the automakers that manufacture vehicles around the world. Another is our commitment to consistently delivering high-quality products that help ensure passenger safety.



MORITO by the Numbers

Founded in

1908

No. 2

market share in the world ^{*1}
Designated supplier of metal snap
fasteners for national brand baby wear

Annual number of snap fasteners sold

More than **1** billion

No. 1

market share in Japan ^{*1}

MAGICTAPE®, eyelets and metal snap fasteners, insoles, hook and bar,
surfboard blanks, automotive metal emblems, and commercial grease
filter rental services

Annual sales volume of MAGICTAPE® (by length)

About **90,000** km (more than circle the world twice)

Number of consolidated-
basis employees

1,509 ^{*2}

Consolidated net sales

About **48.5**
billion JPY ^{*4}

Dividends

Increasing for **5**
consecutive fiscal years ^{*5}

Percentage of interna-
tional employees

66.3 % ^{*2}

Operating profit

About **2.8** billion JPY ^{*4}

Standard for dividend
on equity (DOE)

4.0 %

Number of group companies
(domestic and international)

23 ^{*3}

Net income

About **2.5** billion JPY ^{*4}

Business breakdown
Procurement to production ratio

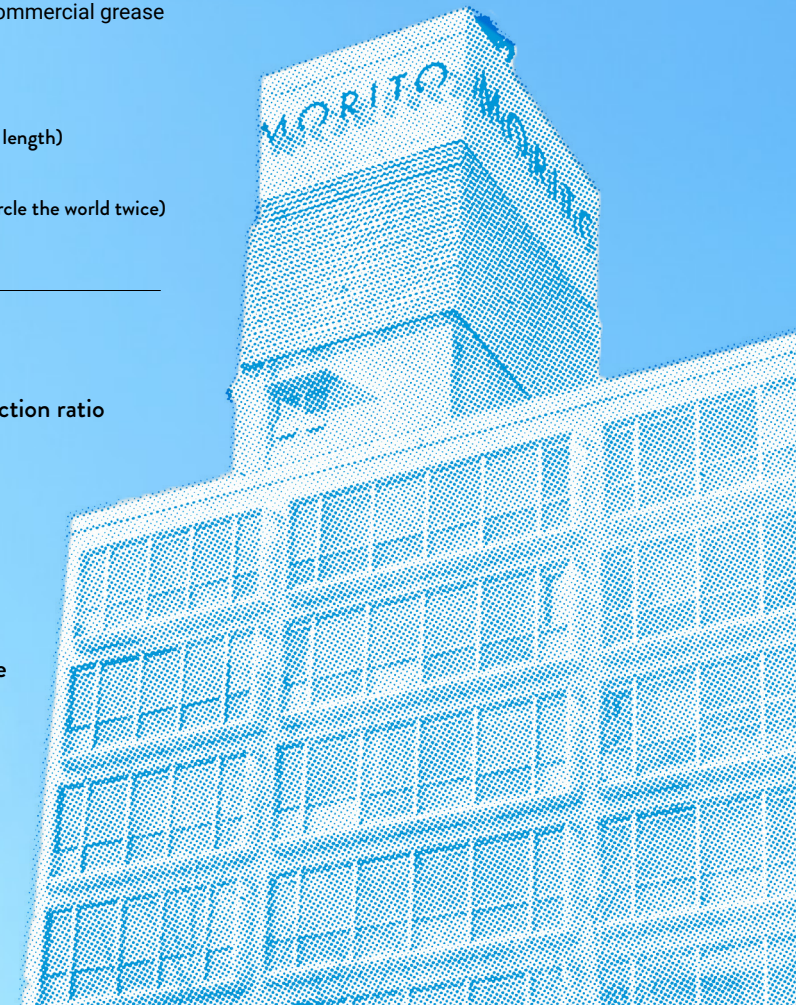
About **7:3**

Equity ratio

In the **70** % range

Note: MAGICTAPE® is a registered trademark of Kuraray Co., Ltd.

^{*1} According to internal research. ^{*2} As of November 30, 2024. ^{*3} As of April 1, 2025. ^{*4} For the fiscal year ended November 30, 2024. ^{*5} Including annual dividends forecast for the fiscal year ending November 30, 2025



Message from the CEO

**Changing the world
with small parts;
Creating the next 100 years**

Takaki Ichitsubo
Representative Director, CEO

Staying “Active and Steadfast” on the path to becoming a global niche top company

MORITO's journey began in 1908, when founder Jukichi Moritou started a brokering business for eyelets and snap fasteners. Since then, we've expanded our product range by focusing on the concepts of “Connect, Fasten, Decorate.”. Today, as a comprehensive trading company with manufacturing capabilities, we handle the development, procurement, and sale of over 500,000 different parts used in apparel, footwear, sporting goods, school supplies, and automobiles—all on a global scale. We're proud to hold the No. 1 domestic share* of the market for products like eyelets and metal snap fasteners, MAGICTAPE®, insoles, and automotive metal emblems. Some of our products are even global leaders.

Our progress toward becoming a global niche top company is the result of consistent reliance for 117 years on our founding principles: of “Active and Steadfast,” which have allowed us to build strong relationships of trust with both customers and suppliers. By “Active and Steadfast,” we mean we can achieve reliable results through voluntary decision-making and action. For example, when a customer requests a part, we actively listen to the final product's concept, requirements, and challenges. This approach helps us deepen our understanding of the customer's potential needs. As a result, we can not only select the most suitable product from our extensive lineup but also independently propose peripheral parts and designs. Grounded in a thorough understanding of the quality standards across various industries, our meticulous proposals are consistently well

Message from the CEO

received by customers, often leading to additional orders for related parts or semi-finished products incorporating them. This style of sales exemplifies our commitment to the "Active and Steadfast" philosophy. Typically, customers must work with multiple suppliers when combining parts made from different materials. At MORITO, however, we are able to procure products that combine these materials. What's more, even if the part a customer wants does not yet exist, our manufacturing capabilities enable us to develop products tailored to our customers' specifications. In this way, we fulfill a role beyond that of a trading company by functioning as a one-stop utility provider that customers can rely on when they don't know where else to turn. This role as an indispensable B2B partner is our existence value.

In addition, our early push into global markets has allowed us to build manufacturing, procurement, and sales networks throughout Asia, Europe, and the Americas, highlighting another key strength. Many of our clients, including some of the world's most recognized manufacturers, have their headquarters in Europe and the U.S. and production facilities in Asia. By establishing offices and agencies worldwide, we're able to provide seamless support, from planning and product development proposals to the headquarters to technical guidance at factories and on-the-ground response in the event of problems. This proximity to clients allows us to consistently deliver high-quality products and services, earning their strong trust.

* According to internal research.

Taking advantage of the COVID-19 pandemic to accelerate structural reforms and improve profitability

Because our business deals in parts essential to everyday life, it's relatively unaffected by trends or economic fluctuations. While the form and function of these items may evolve over time, they will never disappear altogether. Moreover, with our three core business segments (Apparel, Product, and Transportation) we operate across a wide range of industries on a global scale as part of our highly stable business portfolio. In fact, despite facing numerous economic crises over the years, including the oil shock, the financial crisis in 2008, and the pandemic, we have never once posted a loss* since our founding.

That said, during the fiscal year ending November 30, 2020, when the pandemic was declared, our operations were significantly impacted. As president, I prepared myself for what could have been the first loss in MORITO's history. Having taken employee and family safety as our top priority, we accepted that a deficit would be unavoidable and shifted our focus to laying the groundwork for the medium and long term, specifically through organizational restructuring. At the time, MORITO's robust business portfolio meant that even if one segment underperformed, strong results in other areas could compensate and allow us to maintain overall stability. However, this led to a kind of complacency among employees, inviting them to treat even a significant downturn in their own division with indifference. This lack of healthy urgency had created a classic case of "big-company syndrome," and addressing this structural mindset became a pressing need. For this reason,



Message from the CEO

we had been advancing structural reforms such as the spin-off of businesses since the fiscal year that ended in November 30, 2019. However, with the onset of the COVID-19 pandemic, we accelerated the review of our management structure, and in June 2022, we spun off MORITO JAPAN CO., LTD., the largest operating company in the Group, into three companies, each aligned with a core business area: Apparel, Product, and Transportation Businesses.

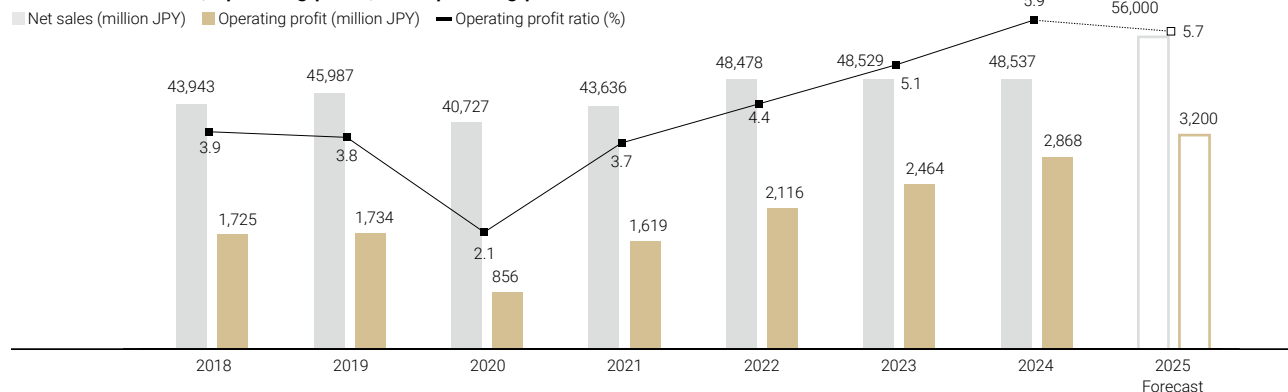
Although it took slightly longer than initially planned, this structural reform has yielded a system that can respond quickly and flexibly to changes in each market, customer base, and business practices. More importantly, the transformation brought about a shift in mindset regarding profitability. We've seen a tangible change: not only management but also individual employees have taken ownership of their company's profit and loss and begun proactively applying creativity and ingenuity. Furthermore, beyond profitability, awareness of financial soundness, including balance sheet health and cash

conversion cycles, as well as asset efficiency has risen. These effects have exceeded our expectations. This progress is clearly reflected in our business performance.

While this independence has strengthened the centrifugal forces within each company, we also recognized the need to reinforce centripetal force to align the Group by imposing a common direction. To achieve this imperative, we launched a cross-functional project to develop a new tagline. A tagline is a short phrase that succinctly expresses the values, philosophy, or value proposition of a company or brand. Through discussions and shared efforts to articulate what makes MORITO unique, the tagline we created together was "Where innovation is the norm." The phrase embodies two meanings: first, the value the MORITO Group provides (adding a sense of innovation to the everyday to improve what is considered ordinary); and second, the attitude of MORITO employees, to make innovation the norm.

* Operating profit basis

Trends in net sales, operating profit, and operating profit ratio



Bolstering the top line for medium- to long-term growth

The 8th Mid-term Management Plan covering the five years from the fiscal year ending November 30, 2022 to the fiscal year ending November 30, 2026 identifies two primary goals: building a lean and strong profit structure and investing aggressively for the future. Despite facing challenging conditions during the third year (the fiscal year that ended in November 30, 2024), including a warm winter in Japan, the fading of rebound demand resulting in production cuts by apparel manufacturers, and production halts at some automakers, we achieved record performance for the second consecutive year with net sales of 48,537 million JPY, operating profit of 2,868 million JPY, and ordinary profit of 3,003 million JPY. As mentioned above, the structural reforms and mindset shifts among individual employees significantly improved profitability. As a result, we now expect to achieve the plan's operating profit target of 3 billion JPY ahead of schedule in the fiscal year ending November 30, 2025, demonstrating the considerable success of our efforts to build a lean and strong profit structure.

However, if we rely solely on this approach, the business will eventually mature, and both sales and profits will plateau. To ensure continuous growth of our existing businesses, we're focusing on M&As as part of aggressive investment for the future. In December 2024, we welcomed Ms.ID INC. to the Group. Ms.ID operates four businesses: EC fashion, accessories, luxury knitwear for overseas markets, and an EC platform. We expect synergies such as the expansion of the B2C business domain within the Group's Apparel Business and the

Message from the CEO



strengthening of B2C marketing and sales through the use of the EC platform business. By developing a wide range of apparel brands offering high added value in terms of functionality, design, and durability for the B2C market, we're striving not only to improve profitability, but also to enhance the future growth potential of our B2B and D2C businesses, including by anticipating the needs of apparel brands for development of parts and gaining marketing expertise through the use of e-commerce and social media.

However, the true essence of M&A lies in the post-merger integration (PMI) process. An M&A can only be considered successful when people from both companies work together on the ground, seeing eye to eye, sharing ideas for creating synergies, and bringing those ideas to life. Amid rising geopolitical risks in recent years, the importance of our long-standing initiatives pursuing local production for local consumption has grown even further. Employees on the front lines, in particular, feel rapid social changes firsthand, and they've begun to take proactive steps to overcome the crisis. Not only with Ms.ID, but with all newly joined companies, we strive to gain a deep

understanding of new acquisitions' businesses and characteristics, foster mutual respect, create synergies, and work together to overcome challenges so that we can unite as a group to significantly boost our top line.

Creating a new norm

Additionally, we're developing businesses under the concept of Rideeco® in order to realize a sustainable society, and we've positioned that approach as a pillar of our growth strategies in the Mid-term Management Plan. Everyone here at MORITO believes sustainability should be a shared norm across society. In fact, the use of sustainable materials and products is becoming commonplace in the European apparel industry, and demands are increasing year by year in Japan as well. We see creating such new norms as MORITO's mission, and at the same time, we believe the activities we undertake to achieve that mission must themselves be sustainable. In other words, profitable operation as a business is a prerequisite. Currently, we're accelerating our environmental efforts, including development of fabrics and parts using discarded fishing nets and ASUKAMI®, a mixed paper with fabric scraps from sewing factories. These efforts are progressing steadily toward our mid-term plan goal of 1 billion JPY in sales. In the fiscal year ending in November 2025, we plan to establish a specialized department for sustainable product development, and we will continue to focus on genuine sustainability as we contribute to the realization of a sustainable society.

Conclusion

I've served as Representative Director and CEO since November 2013. When I first took on the role, I took a moment to reflect on why MORITO is a publicly listed company. I came to believe that the primary significance of being listed lies in intentionally placing ourselves in the public eye so that we're subject to various demands and expectations. By doing that, we create a rigorous environment that compels us to reach beyond our current capabilities and encourages further growth and evolution. In recent years, for example, we've been called upon to manage our business with greater awareness of capital costs and share prices. Taking this as an opportunity, we announced a policy to limit excessive accumulation of shareholders' equity and make effective use of the interest-bearing debt by actively investing for our future, with the goal of improving ROE. I believe this is one of the positive stimuli that comes from the market.

We'll continue to work together as a group to achieve our goal of becoming a global niche top company that keeps making a big difference in the world with small parts. We would be truly grateful if our shareholders and investors would understand the MORITO Group's values and strategy and share in our expectations for the next 100 years of growth.

Representative Director, CEO

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Editorial Policy

As a manufacturer and supplier of parts for daily life, the MORITO Group is striving to become a global niche top company that keeps making a big difference in the world with small parts. In Integrated Report 2025, we explain our values, business model, and strengths while exploring how "MORITO VALUE" rooted in our company contributes to the creation of sustainable value. We hope that the Report will provide an opportunity to deepen dialog with all stakeholders, including shareholders, investors, business partners, and employees.

In compiling the Report, we drew on frameworks such as the International Integrated Reporting Framework recommended by the IFRS Foundation and Guidance for Collaborative Value Creation, a set of guidelines published by Japan's Ministry of Economy, Trade and Industry.

Logo Design Concept

The letter M expresses the excitement you feel when you experience something new. The logotype that is cropped at the bottom to make it look slightly hidden represents the role we play in supporting various industries and expresses the dynamism of the rising sun.



Cautionary note concerning forward-looking statements

The performance forecasts and forward-looking statements in this integrated report represent the Company's judgment based on information available at the time of publication. These statements inherently contain potential risks, uncertainties, and other factors. Actual results may differ significantly from the future outlook described or implied in the Report due to various factors such as changes in the business environment. Additionally, please note that the Company is not obligated to update these forward-looking statements based on new information or future events.

Reporting Scope

December 1, 2023, to November 30, 2024

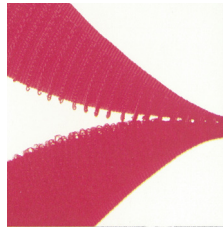
Reports on business activities outside of this period may also be included where appropriate. The scope covers MORITO CO., LTD. along with 20 consolidated subsidiaries and one equity-method affiliate. In cases where the scope differs, that fact is noted accordingly.

MORITO's History

Bringing value in the spirit of "Active and Steadfast" to the world for 117 years



An advertisement at the time (left) and MAGICTAPE®



A make-or-break bet on MAGICTAPE®

Today, MAGICTAPE® is widely used in many products and known by nearly everyone. However, its spread within Japan involved a bold gamble that put MORITO's corporate fate on the line. In 1957, the Company's second president, Tokuichi Yamaguchi, heard about a revolutionary new tape consisting of two strips that could stick together firmly yet be easily detached. Finding the product compelling, he jumped at the opportunity and invested 40 million JPY (exceeding the Company's then-capital of 37.5 million JPY). After many twists and turns, MORITO ultimately secured exclusive distributor rights. At first, however, the tape was expensive and did not sell well, piling up as unsold inventory. Even within the industry, the product met with skepticism and criticism. Despite these challenges, the Company united in the belief that MAGICTAPE® was innovative, already used in Europe and the U.S., and unavailable in Japan, prompting it to conclude that it will surely sell well. A determined sales efforts bore fruit when a Japanese automaker began using the tape in car floor mats in 1963. From there, use expanded into a wide range of applications, from seat covers on Shinkansen trains to diaper covers, as MAGICTAPE® became a core MORITO product as a fastening solution using surface adhesion, in contrast to snap fasteners (points) and zippers (lines).

Founding

1908

Founder Jukichi Moritou began brokering eyelets and snap fasteners.



1935

Following the establishment of MORITO SHOTEN CORPORATION, export and purchasing departments are added as MORITO makes new inroads into the overseas market.

1963

The Company changes its name to MORITO & CO., LTD. Around this time, the Osaka Head Office Building opens. Operating as a general trading company for apparel and footwear, the Company earned a reputation as one of the industry's largest trading companies with annual sales of 8 billion JPY.

1976

The Company changes its name to MORITO CO., LTD., reflecting the hope of growing into a global company while honoring the Moritou's spirits.

1983

KANE-M, INC. (currently MORITO NORTH AMERICA, INC.) is established in the U.S.

1987

ACE INDUSTRIAL MACHINERY CO., LTD. is established.

1989

The Company's stock listed on the Second Section of the Osaka Stock Exchange.

2000

2001

WAH KIN METAL PRODUCTS MFG. CO., LTD. (currently MORITO (SHENZHEN) CO., LTD.) acquires MORITO INDUSTRIAL CO., (H.K.) LTD. in China as a subsidiary.

2008

A business/capital partnership is formed with the Kuraray Group, making Kuraray Fastening Co., LTD. an equity-method affiliate.

2003

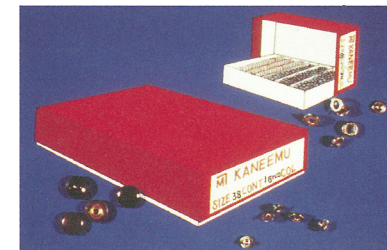
KANE-M SHANGHAI CO., LTD. (currently MORITO SHANGHAI CO., LTD.) is established in China.



The "KANE-M" mark expresses a commitment to global expansion and the spirit of "Active and Steadfast."

In the Company's early years, it used the symbol "㊦" as its trademark. However, in 1916, it began using the "M" (KANE-M) symbol instead.

Using a Roman letter for a trademark was innovative at the time and reflected the Company's early overseas business dealings, which had already begun in the Taisho era, as well as its future intention to expand internationally. The outer "M" "Kane" shape is derived from an L-shaped carpenter's square, representing precision and steadfast. The shape also symbolizes a forward-leaning posture of proactive progress in the spirit of the founding principles of "Active and Steadfast."



Snap fasteners exported at the time, known by the nickname "Red Box"



MORITO SHOTEN
An envelope from the Company's founding era

Celebrating 100 Years Since the Company's Founding



Group-wide Shared Values: MORITO VALUE

The MORITO VALUE defines MORITO's values, way of thinking, and practices that have been passed down as unspoken rules over the course of our history among those working at MORITO.

By ensuring that every individual working in the MORITO Group in Japan and overseas, from management to ordinary staff, understands the meaning of these five words and puts them into practice in daily work, we strive to realize value creation that is uniquely MORITO across the Group.

MORITO
VALUE

01 Trust and
Confidence
02 Achievement

03 Imagination
04 Collaboration
05 Integrity

Environmental initiatives: Rideeco®

Since 2021, the MORITO Group has launched initiatives conceived to develop and sell environmentally friendly products, including the development of materials using discarded fishing nets, efforts to reduce water and power consumption, and manufacturing processes that emit no harmful substances, all part of a unique approach to pursuing more sustainable creative production. Furthermore, these efforts are not limited to the Company. Through an initiative we call Rideeco®, we're working together with companies and organizations that share the desire to create new value across all industries and generate new value that will preserve our beautiful planet and its resources for the future. The initiative is also positioned as one of our growth strategies.

Please see p21, 32 for more information.

Rideeco



OUR VALUE CREATION

2011

KANE-M (THAILAND) CO., LTD. (currently MORITO TRADING (THAILAND) CO., LTD.) was established in Thailand.

2013

The Company's stocks listed on the Second Section of the Tokyo Stock Exchange due to market integration.

2014

- MATEX INC. was acquired.
- Scovill Easterners (GSG Fasteners, LLC; currently MORITO SCOVILL AMERICAS, LLC) was acquired in the U.S.
- MORITO VALUE was adopted.

2018

- MORITO KANTO LOGISTICS CENTER opened in Saitama.
- MANEUVERLINE INC. was acquired.

2010

KANE-M DANANG CO., LTD. (currently MORITO DANANG CO., LTD.) was established in Vietnam.

2012

- MYANMAR REPRESENTATIVE OFFICE (currently part of MORITO APPAREL CO., LTD.) opened in Myanmar.
- KANE-M, INC.'s Michigan Branch (currently MORITO NORTH AMERICA, INC.) opened in the U.S.

2016

The Company's stock listed on the First Section of the Tokyo Stock Exchange.

2017

MORITO SCOVILL MEXICO S.A. de C.V. was established in Mexico.

2019

The Company was split into MORITO CO., LTD. (a pure holding company) and MORITO JAPAN CO., LTD. (an operating company) due to the transition to the holding company structure.

2020

2022

- The 8th Mid-term Management Plan (FY2022 to FY2026) was formulated.
- MORITO JAPAN CO., LTD. as the splitting company, transferred its Apparel Business to MORITO APPAREL CO., LTD. and its Transportation Business to MORITO AUTO-PARTS CO., LTD.
- The corporate brand was revamped.
- The Company launched the Rideeco® environmental initiative.
- The Company's stock moved to the Prime Market on the Tokyo Stock Exchange due to a market reclassification.

2023

The Sustainability Policy formulated.

2024

Ms.ID INC. was acquired.

2025

MITSUBOSHI CORPORATION CO., LTD. was acquired.

MORITO

Where innovation is the norm

Embracing "Where innovation is the norm" so that MORITO can continue to evolve

In addition to the growing number of group companies each year, our transition to a holding company structure in 2019 and the accompanying spin-offs have enabled each company to operate more autonomously in response to the changing environments and needs in its respective market. At the same time, we formulated a shared tagline and renewed our corporate logo to strengthen the unity of the MORITO Group and foster mutual growth. Employees from various departments participated in the process of creating the tagline, engaging in repeated discussions about what makes MORITO unique. The resulting phrase, "Where innovation is the norm," embodies two meanings: first, the value the MORITO Group provides (adding a sense of innovation to the everyday to improve what is considered ordinary) and second, the attitude of MORITO employees to make innovation the norm. By continuing to embrace change and put "Where innovation is the norm" into practice, we will pursue our mission as a global niche top company that keeps making a big difference in the world with small parts.

Embracing the challenges of the next 100 years
while carrying on our founding principles

Business Overview

MORITO supports people's lives by supplying small parts to a wide range of industries related to Apparel, Product, and Transportation, where those products help make possible the manufacture of familiar goods.

Transportation Business

We provide a wide range of interior components for use in automobiles, railcars, and aircraft. For automotive industry items, we leverage sales facilities around the world to offer various net products for production line installation. We also provide products, and parts for the genuine genuine parts and floor mats.

Examples of in-house products

Snap fasteners, MAGICTAPE®, nets, emblems, trunk and floor boards, and door armrests

Example applications (partner products)

Automotive interior parts, aircraft interior parts, and train and Shinkansen interior parts



Product Business

We supply a wide variety of products to a broad range of markets, from insoles and shoe care products to supporters, school supply products, and straps. Our lineup also includes a diverse range of products such as surfboard-, skateboard-, and snowboard-related products, as well as commercial grease filters for kitchens.

Examples of in-house products

MAGICTAPE®, insoles, shoe care products, supporters, straps, commercial grease filters for commercial kitchens and in-house brands

Example applications (partner products)

Insoles and shoe care products, supporters, skateboards, snowboards, surfing gear, educational tools and stationaries, video equipment-related products like camera and computer cases, and safety-related products

Apparel Business

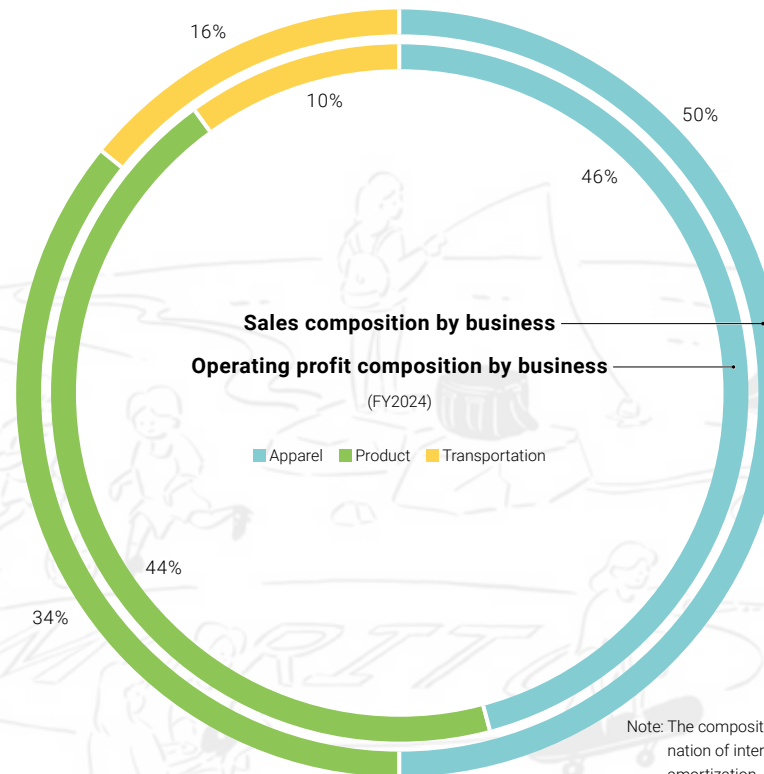
We supply parts such as eyelets, snap fasteners, buckles, tapes, and shoe uppers to all sorts of brands around the world. In addition to supplying parts, we also design and produce apparel, bags, and other products, as well as sell our own brands across the globe. Furthermore, we boost marketing and sales efforts to B2C business, focusing on expanding our own brands.

Examples of in-house products

Snap fasteners, MAGICTAPE®, buttons, tape, eyelets, shoelaces, accessories, bags, and in-house brands

Example applications (partner finished products)

Casual wear, sportswear, workwear, shoes, medical wear, and bags



Note: The composition is based on figures before the elimination of intercompany transactions and goodwill amortization, and it may differ from other disclosed documents.

Global Operations

MORITO's manufacturing, procurement, and sales network spans the globe.

We also have partner factories and agents around the world, enabling us to respond to customer needs as closely as possible.

Percentage of international employees

66.3% *1

Number of domestic and international group companies

23 *2

Number of countries hosting sales, procurement, and manufacturing facilities

9

the U.S. (Michigan, Tennessee, Georgia), Netherlands, Mexico, France, China (Shanghai, Shenzhen), Hong Kong, Vietnam (Danang, Ho Chi Minh City), Thailand, Myanmar, India

In-house manufacturing facilities

3 countries

the U.S. (Georgia), China (Shenzhen), Vietnam (Danang)

*1 As of November 30, 2024 *2 As of April 1, 2025



Why MORITO chose these countries?

Netherlands

① MORITO (EUROPE)

With one of the lowest corporate tax rates in Europe and excellent logistics infrastructure, including Amsterdam Schiphol Airport and the Port of Rotterdam, the Netherlands was chosen as a sales base for countries across Europe, which is a hub for fashion. MORITO (EUROPE) now operates all business segments there.

India

② SCOVILL INDIA

India is home to numerous American and European-affiliated apparel sewing factories. MORITO focuses on sales and after-sales service to these sewing factories especially for baby wear.

China (Shanghai, Shenzhen)

③ MORITO (SHENZHEN)
④ MORITO SHANGHAI / MATEX SHANGHAI / MITSUBOSHI SHANGHAI

In Shenzhen, MORITO operates factories for snap fasteners and eyelets. In Shanghai, sales bases primarily engage with customers in the automotive and apparel industries.

Hong Kong

⑤ MORITO SCOVILL HONG KONG

Many apparel brands in Europe and the U.S. have established purchasing offices in Hong Kong, and MORITO made its first overseas expansion here in 1977. Today, the base continues to focus on the apparel industry and oversees MORITO's operations across Asia.

Vietnam

⑥ MORITO DANANG / MORITO DANANG HO CHI MINH BRANCH

After evaluating potential locations for a plant in the ASEAN region, MORITO chose Danang based on its strategic logistics location, talent availability, and strong municipal support.

Thailand

⑦ MORITO TRADING (THAILAND)

As automotive and video equipment-related production has increased in recent years in Thailand, MORITO's operations there have focused on sales and procurement for camera and automotive-related products.

The U.S.

⑧ MORITO NORTH AMERICA
⑨ MORITO NORTH AMERICA MICHIGAN BRANCH
⑩ MORITO SCOVILL AMERICAS

MORITO entered the U.S., a global consumer superpower, relatively early on compared to other Japanese apparel parts companies in 1983. In 2014, MORITO acquired SCOVILL in a bid to strengthen its manufacturing and sales capabilities in the U.S.

Mexico

⑪ MORITO SCOVILL MEXICO

Taking advantage of the U.S.- North American Free Trade Agreement (NAFTA) *3 at that time, MORITO established a presence in 2017 in response to rapid growth in the production of automobiles and apparel. Mexico-Canada Agreement (USMCA)

*3 Mexico-Canada Agreement (USMCA) replaced NAFTA in 2020.

● Apparel ● Product ● Transportation

Value Creation Process

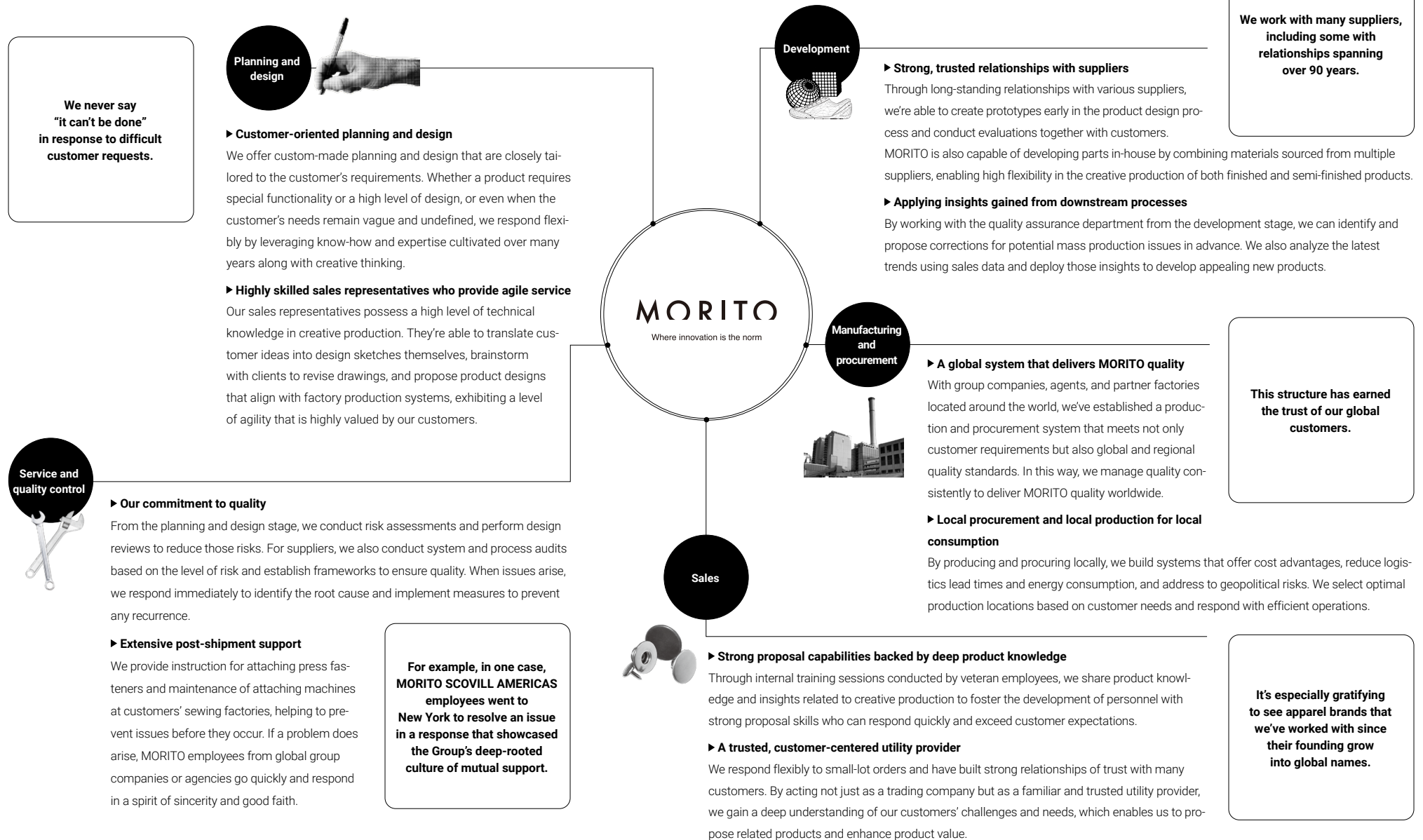
MORITO's Vision

A global niche top company that keeps making a big difference in the world with small parts



Demonstrating Strengths across the Value Chain

MORITO demonstrates unique strengths at each stage of the value chain, from upstream to midstream and downstream, to establish compelling competitive advantages.



How MORITO Realizes a Global Niche Top Position

MORITO serves global demand in niche markets and holds high market share as a global niche top company, keeping to make a big difference in the world with small parts. Gaining the deep trust of customers and partners is essential to achieving this vision, and its value is defined by MORITO VALUE and embodied by each and every employee.



Niche markets

► Pioneering niche markets with foresight

During the late Meiji period, Japan was transitioning from traditional Japanese clothing to Western-style garments. Founder Jukichi Moritou observed that while many businesses were making and selling clothes, shoes, and bags, few companies were specialized in handling the parts and materials needed to make them. In 1908, he began an eyelet and snap fastener brokerage business.

► A specialist in parts who is deeply attuned to customer needs

We persistently respond to customer needs by drawing on long-standing technical expertise, know-how, and fresh thinking. The trust we earn in the process leads to new needs and new products. Through this cycle, we've built a wide product lineup in niche markets and expanded into a range of industries including the apparel, sports, footwear, daily goods, and automotive sectors.

Number of
products handled
Over **500,000**

Profitable
every year since
our founding



High market share

► Stable supply of high value-added parts that meet unique requirements

For example, metal snap fasteners used in medical wear must be non-magnetic to be safe during MRI and X-ray procedures, and they must be durable enough to withstand the strong detergents used to clean blood stains. MORITO is highly regarded for delivering such high-performance, high value-added parts, each with specialized functions depending on its application, to global markets with stable quality.

► Strong brand and recognition in the Japanese apparel industry

Although MORITO operates mainly in the B2B space and remains largely behind the scenes supporting everyday life and may not be widely recognized, we've established overwhelming recognition and brand presence in the Japanese apparel industry. We take pride in being the go-to company that customers turn to when they have a problem with parts. Again and again, when they're stuck, they look to MORITO.

No. **2** global
market share for
metal snap
fasteners

Designated supplier
for national brands
in baby wear

No. **1** domestic
market share for:*

MAGICTAPE®, eyelets and metal snap fasteners, insoles, hook and bar, surfboard blanks, automotive metal emblems, and commercial grease filter rental services

* According to internal research.



Global

► Pioneering global expansion

In anticipation of the apparel industry's shift to overseas production, MORITO established its first overseas office in Hong Kong in 1977. We continued expanding overseas through the 1980s by entering the U.S. and the Netherlands. Our presence has grown globally with demanding quality standards, such as baby wear, workwear, and recreational boats. Today, MORITO operates 23 group companies across Japan, Asia, Europe, and the Americas.

► Delivering safe and secure service worldwide

With group companies, agents, and partner factories around the world, we not only produce, procure, and supply products globally, but also provide hands-on support near our customers, including by offering instruction for attaching press fasteners at customers' sewing factories, maintenance of attaching machines, and quality control. In the event of trouble, MORITO staff respond on-site to address issues sincerely and earn customer trust.

Ratio of
overseas sales
Approx. **30%**

Global niche top status is achieved through the unique value creation that only MORITO can offer, an idea that is expressed in our tagline of “Where innovation is the norm.”



Global



Niche markets



High market share



MORITO

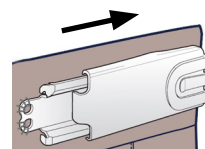
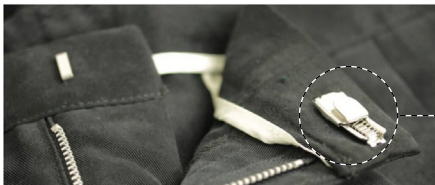
Where innovation is the norm

MORITO's value creation

Case 1: Raku Raku Kan® (functional hook and bar)

Stress-free comfort × “Wouldn’t it be nice if...” brought to life × No.1 domestic market share

Raku Raku Kan® is an original MORITO product: an improved waist adjuster (hook and bar) used at the front or side of pants and skirts, enhanced with elasticity. By incorporating a spring into a conventional hook and bar, it naturally stretches and contracts to accommodate changes in waist size, adjusting the fit of the garment. This design reduces pressure around the stomach and waist when sitting or after meals, making it more comfortable to wear bottoms for long periods. Born from casual comments like “I wish something like this existed,” Raku Raku Kan® is now widely used in workwear, suits, golf pants, and more.



Natural stretching to accommodate changes in the waist thanks to incorporation of a spring into a conventional hook and bar

Case 2: Tapey Snapper®

Easy factory installation × Safety and security × Original MORITO product

Tapey Snapper® is another MORITO original product: an integrated design combining plastic snap fasteners with tape. While conventional snap fasteners require specialized machines, Tapey Snapper® can simply be sewn onto garments using a standard sewing machine, making it accessible to any sewing factory. Since the snap components are molded directly onto the tape, the risk of detachment is extremely low. When used in baby and kids’ clothing, this product significantly reduces the risk of accidental ingestion or skin irritation, offering added safety and comfort. Tapey Snapper® is a revolutionary part that enhances safety during wear and simplifies manufacturing, and it’s already in use across a wide range of apparel products.



Special Roundtable Discussion

Creating New Value as a Global Niche Top Company

As part of our efforts to realize our corporate vision, “Create MORITO’s existence value, Realize New MORITO Group”, we held a special roundtable discussion on value creation with three key team members, each with deep expertise in a different business, to discuss how we are striving to become a global niche top company.

Yano To begin with our global initiatives, MORITO established its first overseas base in Hong Kong in 1977, followed by the U.S. in 1983 and the Netherlands in 1985. Considering the scale of our operations at the time, these moves marked an exceptionally bold and early expansion into global markets. In those early days, we didn’t even have a clear grasp of the size of the markets we were targeting. Our founding principles are “Active and Steadfast,” and I believe that period exemplified a boldly proactive character that could even be called reckless. Over time, we expanded our presence across Asia, Europe, and North America through new offices and agencies. Today, MORITO’s manufacturing, procurement, and sales network spans the globe. I believe this expansion was made possible because our steadfast way of working earned the trust of customers worldwide. Where most might say, “as long as a press fastens or decorates, that’s good enough,” we proposed products with better usability, safety, and quality. Leveraging the meticulous attention to detail that’s characteristic of the Japanese, our well-crafted products have earned strong support, particularly in industries with stringent quality standards.

Sato We currently hold the world’s second-largest market share* in metal snap fasteners for national-brand baby wear, a sector where extremely high quality is essential. To protect babies’ safety and health, each brand sets detailed quality standards and many requirements that avoid even the smallest risks. When expanding overseas, we chose to focus on niche areas where MORITO’s strengths

could be leveraged rather than competing with other companies in large markets. In this way, we carved out a solid position. As a result, we gained trust in sectors like baby wear and workwear, including medical gowns. From a purely business perspective, these sectors can seem inefficient, with their strict quality demands and low price points, but once we establish our position, we’re relatively unaffected by fashion

trends and offer stable, long-lasting demand. And the longer you continue to serve them, the more your earnings accumulate. At the same time, our pursuit of higher quality leads to a steady buildup of technology, expertise, and know-how. These assets support global business expansion and raises barriers to entry for competitors.

* According to internal research.

Yoshio Sato

General Manager of
Corporate Planning Division

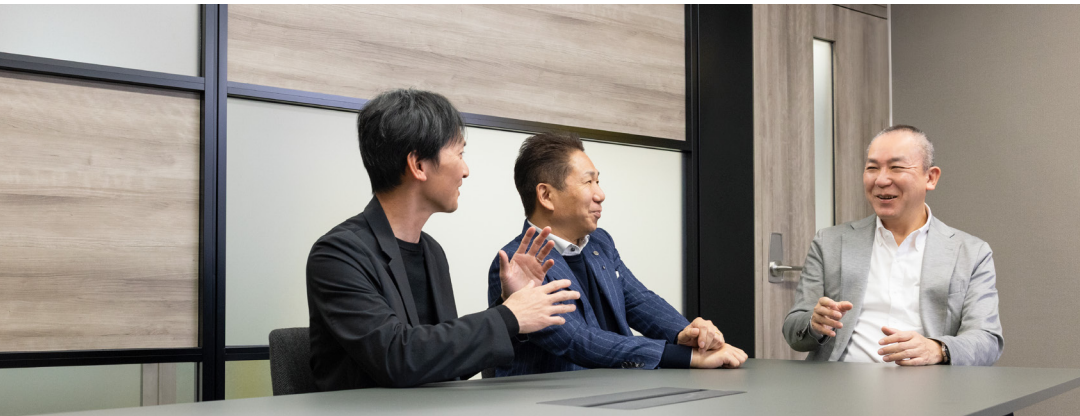
Bunki Yano

Director and Managing
Executive Officer
General Manager of Business
Development Department

Kotaro Mizuno

Representative Director, CEO
MORITO AUTO-PARTS CO., LTD.





Mizuno In the Transportation business, we hold a strong market share in products such as metal emblems for automobiles and various types of netting used across the transportation equipment sector. These parts are small and tend to be overlooked in the context of large-scale creative production, such as automobiles. However, since they are part of vehicles that carry human lives, they are subject to strict requirements. Products must be developed using the same molds and production processes as the final mass production* to confirm the quality and mass production system, even at the prototyping stage. Compared to the Apparel and Product businesses, an enormous amount of time, effort, and expertise is required just to win a contract. As a result, few companies are willing to fully commit to entering this field. For us, however, it's a sector where we can leverage our longstanding strengths in textile, resin, and metal processing technologies, as well as our ability to combine different materials. Once a

project is awarded, it often leads to continued business over four to five years. Initially, we struggled with industry-specific documentation requirements and establishing internal systems, but by facing each challenge steadily and overcoming them one by one, we established the position we hold today. Furthermore, despite being a trading company, we've established dedicated departments for quality assurance and production technology, enabling us to accumulate a high level of expertise and technical knowledge. These capabilities in turn enhance our product development ability.

* Applying molds and production process used for mass production

Yano Quality standards vary by country and region, but through our global expansion, we've gained the ability to plan and develop products that meet not only Japanese standards but also various local requirements and global standards. For instance, in the apparel industry, once a

product is adopted in Europe, it often leads to inquiries from Japanese clients. Conversely, in the transportation sector, once a product is used in Japanese vehicles, it tends to gain trust among overseas automakers as well. We've seen these kinds of positive cross-regional synergies.

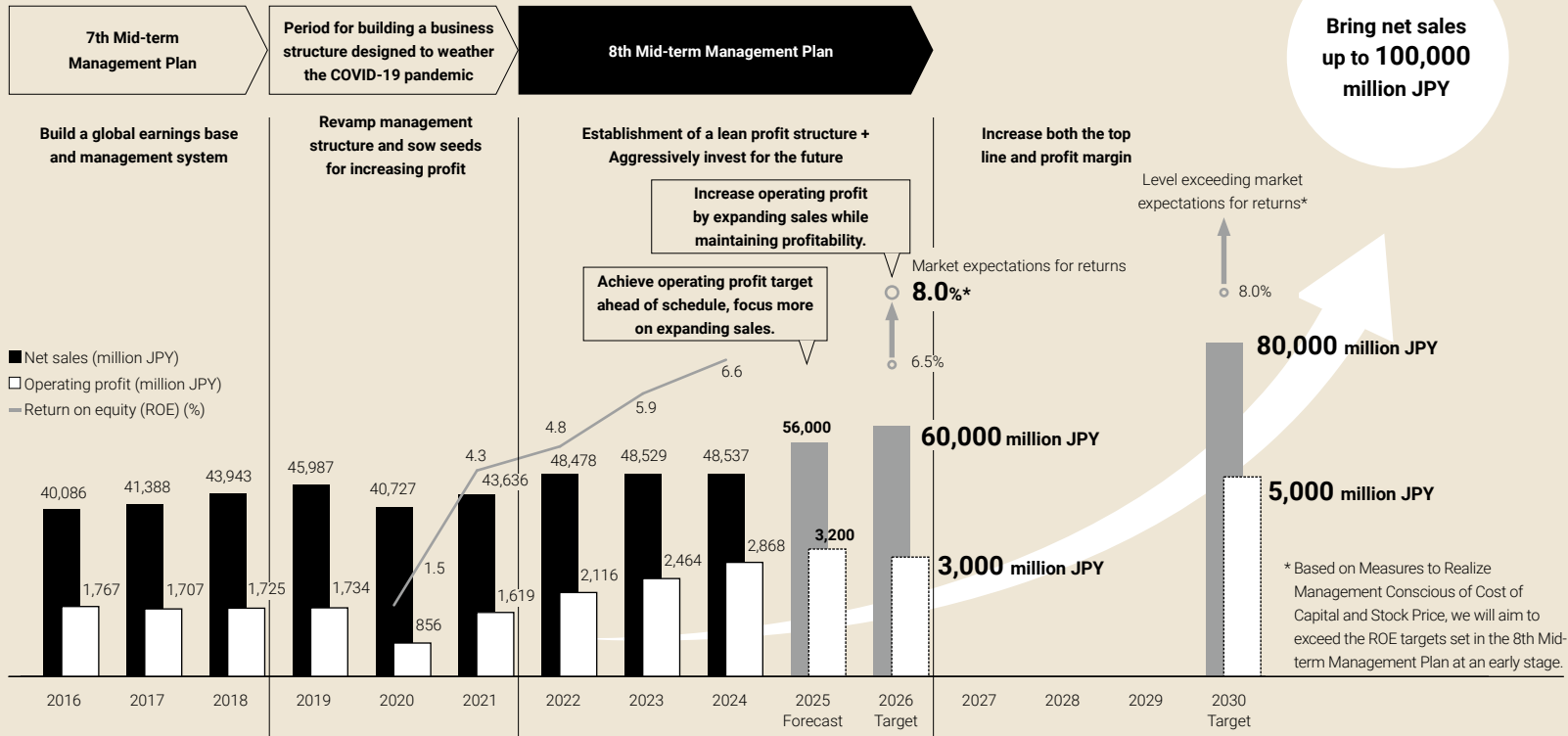
Sato Exactly. What's particularly interesting is that by operating across the Apparel, Product, and Transportation businesses, we often find our technologies being applied across industry boundaries. For example, a well-known American sportswear brand with whom we have a relationship in our Apparel business once approached us asking whether technologies from our transportation business could be adapted to create new functionality or designs. This led to the planning and development of a urethane patch that incorporated the design and technology of a metal emblem typically used in car mats. Even if a certain technology is standard in one industry, it may be considered innovative or novel in another. That kind of cross-industry application often delights our customers, and being able to facilitate it is a significant strength that is uniquely MORITO.

Mizuno It also helps expand opportunities not just for our customers but for our suppliers, too. As Yano-san mentioned earlier, we've recently seen more cases where trust and a proven track record built in Japan lead directly to new business overseas, and that's something we're genuinely pleased with. Some of the manufacturer representatives we've worked with have

recommended MORITO to others, encouraging them to talk to MORITO about certain kinds of projects. Even when those individuals transfer to different departments or companies, they continue to rely on us, offering proof that our sincere service, reliable technology, and ability to make sound proposals are truly recognized.

Yano Fortunately, in the Apparel business as well, brand designers continue to choose MORITO for other projects, which steadily leads to new business opportunities. One of the key reasons we have earned such strong trust from our customers is our sincere response when issues arise. While this might seem like an obvious expectation, unfortunately, there are overseas competitors who exhibit a lack of responsibility when problems occur. At MORITO, we're committed to quality, not only striving to prevent defects and issues before they happen, but also responding swiftly and sincerely when problems do occur, fulfilling our responsibilities without exception. I'm confident that this consistent integrity is what has enabled MORITO to grow into a global niche top company, and it will continue to be the source of our ability to create new value moving forward.

Mid-term Management Plan



Overview of the 8th Mid-term Management Plan

The 8th Mid-term Management Plan, which covers from FY2022 to FY2026, focuses on creating opportunities and reassessing expenses in the context of the COVID-19 pandemic. It also seeks to enhance profit margins through business restructuring as a way to establish a lean profit structure.

Furthermore, we're actively investing in initiatives to position the next Mid-term Management Plan as a period of growth as we aggressively invest in strengthening our B2C capabilities, expanding our manufacturing functions, building a robust IT infrastructure, and enhancing human capital. At the same time, we're preparing for accelerated medium- to long-term growth by expanding the global market share of our existing businesses, strengthening our supply chain through initiatives such as local production for local consumption, and promoting our environmental initiative, Rideeco®.

Progress, achievements, and future directions

Through structural reforms such as corporate spin-offs and change of awareness about profitability, we've observed a significant recovery in sales and improvement in profit margins following the challenges posed by the COVID-19 pandemic. For FY2025, we anticipate operating profit to exceed 3 billion JPY. Given that we expect to achieve the initial financial targets of the 8th Mid-term Management Plan (50 billion JPY in sales and 2.5 billion JPY in operating profit) ahead of schedule, we revised our targets upward in January 2024 to 60 billion JPY in sales and 3 billion JPY in operating profit. Our focus is on increasing the top line while maintaining profit margins.

Annual highlights

FY2022

- Reduced costs through measures such as utilizing in-house warehouses
- Divided MORITO JAPAN the largest operating company in the MORITO Group, into three companies by business line

FY2023

- Leveraged improved awareness of profitability to facilitate the streamlining of unprofitable businesses, appropriate price pass-through, and revisions to inventory management
- Introduced profitability-related indicators into personnel evaluations
- Revised basic dividend policy to DOE 4.0%

FY2024

- Made progress in streamlining unprofitable businesses
- Strengthened lineup and marketing for existing B2C products
- Replaced equipment at MORITO SCOVILL AMERICAS, our U.S.-based in-house plant, to improve production efficiency
- Established a new service center for kitchen equipment (ACE INDUSTRIAL MACHINERY) in Hokkaido and enhanced facilities in Kitakyushu
- Enhanced data infrastructure and business intelligence functions
- Exhibited at trade shows to expand sales to high-end apparel brands (MORITO APPAREL)
- Developed MURON®, a yarn using 100% discarded fishing nets collected in Japan
- Saw strengthening sales of Rideeco®-related products

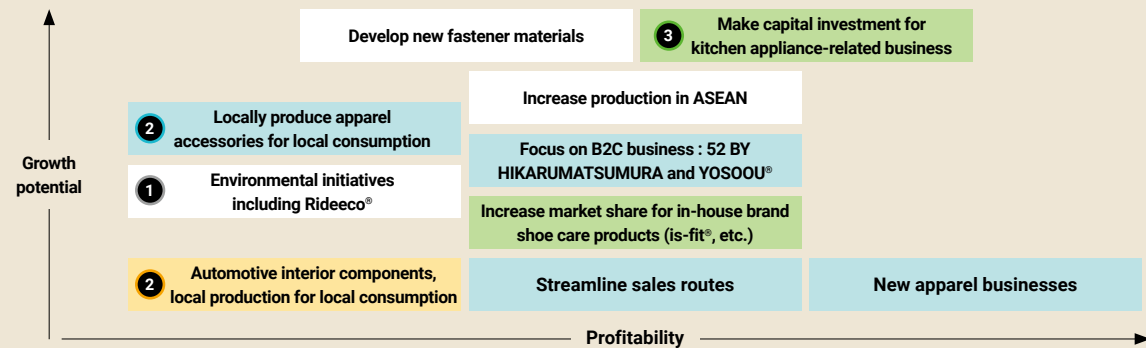
FY2025

- Acquired Ms.ID as a subsidiary in December 2024
- Strengthened production capacity in ASEAN through capital investment in MORITO DANANG, our Vietnam plant
- Continued equipment upgrades at MORITO SCOVILL AMERICAS to improve production efficiency
- Prepared for and began trial use of AI
- Prepared to establish human capital investment management items and KPIs
- Continued trade show participation to expand sales to high-end apparel brands (MORITO APPAREL)
- Acquired MITSUBOSHI CORPORATION as a subsidiary in April 2025
- Commenced full-scale sales of MURON®, a yarn using 100% discarded fishing nets collected in Japan

Overview of growth strategy

The diagram on the right maps the initiatives of the 8th Mid-term Management Plan along two axes: profitability and growth potential. From these initiatives, we'll explore three key areas: environmental initiatives including Rideeco®, local production for local consumption, and capital investment related to kitchen appliance-related business.

■ Apparel ■ Product ■ Transportation ■ Shared domain



Growth strategy 1 Rideeco® environmental initiative

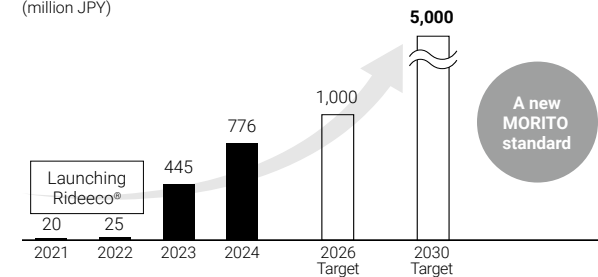
Since 2021, the MORITO Group has developed materials using discarded fishing nets, worked to reduce water and electricity consumption, and implemented manufacturing processes that emit no harmful substances as part of a unique approach to pursuing more sustainable creative production. Furthermore, these efforts are not limited to the Company. Through an initiative we call Rideeco®, we're working together with other companies and organizations that share the desire to create new value across all industries and sectors and generate new value that will pass on our beautiful planet and its resources to future generations.

We're actively engaged in the development and sales of materials using discarded fishing nets which are considered one of the main sources of marine plastic waste, and recycled paper using scrap fabric. Due to continued strong demand, sales have steadily increased year by year, approaching 800 million JPY across the Group in FY2024. In FY2025, we're striving to reach the 1 billion JPY sales target set forth in the 8th Mid-term Management Plan through the full-scale launch of MURON®, a yarn using 100% discarded fishing nets collected in Japan, and the establishment of a new department focused on sustainable product development. Looking ahead to 2030, we're targeting 5 billion JPY in sales and plan to expand the Rideeco® product line with the goal of making it a future MORITO standard.

Please see p32 for more information.

Trends in net sales of environmental initiative

(million JPY)



TOPIC Recycling discarded fishing nets

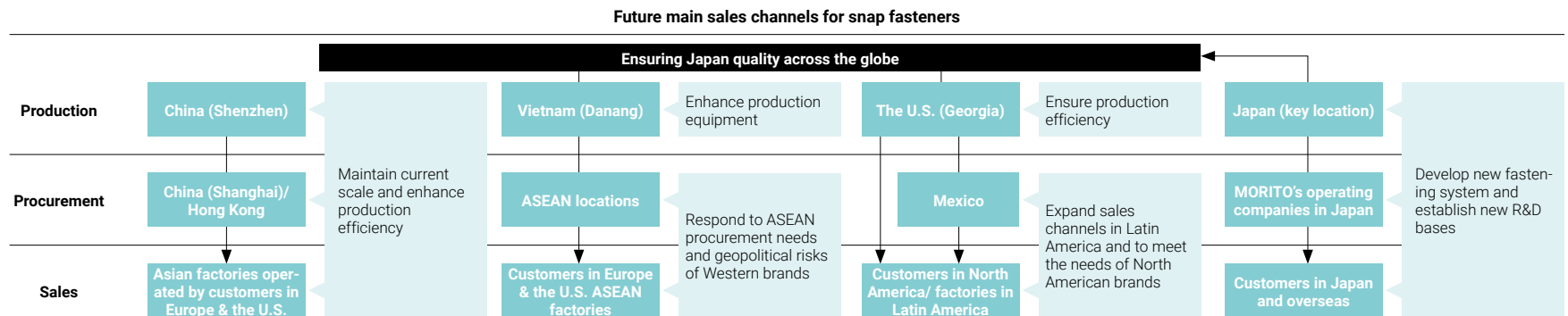
Marine plastic pollution is a global issue, and according to a 2016 study by Japan's Ministry of the Environment, discarded fishing nets and ropes account for approximately 40% of the total weight of plastic waste washed ashore in Japan. The MORITO Group is actively addressing this issue by recycling discarded fishing nets. Sustaining this recycling effort requires the cooperation of those in the fishing industry and the involvement of individuals who can handle the task of removing debris tangled in the recovered nets. We're participating in a closely connected network of fishery professionals established by REFINVERSE Group, Inc., and through Rideeco®, we're building new communities that bring together fishery workers, partner companies, students, and others as we work with a diverse range of collaborators to solve this pressing issue.

MORITO's commitment to passing on a rich natural environment to future generations has resonated with apparel brands, stationery manufacturers, and other stakeholders, earning their support. In 2024, fabric partially made from recycled materials derived from discarded fishing nets was adopted for items from BEAMS GOLF, and fabric made from MURON®, a yarn using entirely discarded fishing nets collected in Japan, was used in garments featured in ANREALAGE's Paris Collection line. We have built up a track record as shown these examples.



Growth strategy ②
Local production for local consumption

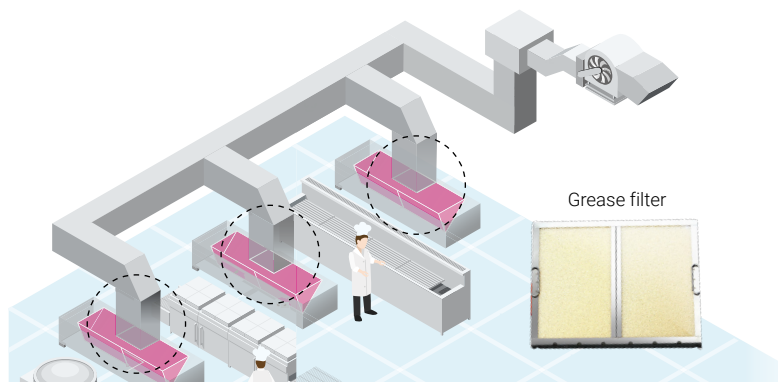
The MORITO Group is working to establish a localized production and consumption framework to better address geopolitical risks and meet customer demand in a sophisticated manner. By FY2026, the Group seeks to select appropriate production sites and build a system to enable end-to-end operations, from production and procurement to logistics and sales, in each region. We're making particularly strong progress in responding to the needs of domestic global brands. Local sourcing and transactions are increasing especially in Vietnam and Mexico. The president himself has visited group companies in various countries, where he confirmed growing demand for localized production and consumption in both the Apparel and Transportation Businesses. Through this initiative, we're striving to increase sales by enhancing service and quality, strengthening relationships with customers and business partners, and building a production and supply system that minimizes transportation distances for sustainability.



Growth Strategy ③
Make capital investment for kitchen appliance-related business

ACE INDUSTRIAL MACHINERY CO., LTD., a group company engaged in the Product Business, offers a nationwide rental service for grease filters installed at the inlets of kitchen exhaust ducts in restaurants, food factories, and convenience stores. The service includes cleaning, replacement, and delivery. Regular maintenance is essential since neglecting to clean kitchen ventilation fans and exhaust ducts can increase the risk of fire. Thanks to the labor-intensive nature of the process, the rental service has been well received by the industry. ACE also provides cleaning service for kitchen exhaust systems, helping to create a safer, more comfortable workplace environment while reducing fire risk.

It continues to actively invest in expanding service centers equipped with state-of-the-art cleaning systems, including automated washers. In April 2025, it started full operation at a new service center in Hokkaido as part of this expansion.



Number of installed locations

About **20,000** sites

There are around 500,000 restaurants in Japan*, so there's still plenty of room for growth.

* Based on the Ministry of Internal Affairs and Communications' 2021 Economic Census for Business Activity.

Number of filters in use

About **154,000**

If laid flat, the filters would stretch about 4,600 meters, making them far taller than Mt. Fuji. If stacked vertically, they would reach approximately 62 kilometers, well into the stratosphere.

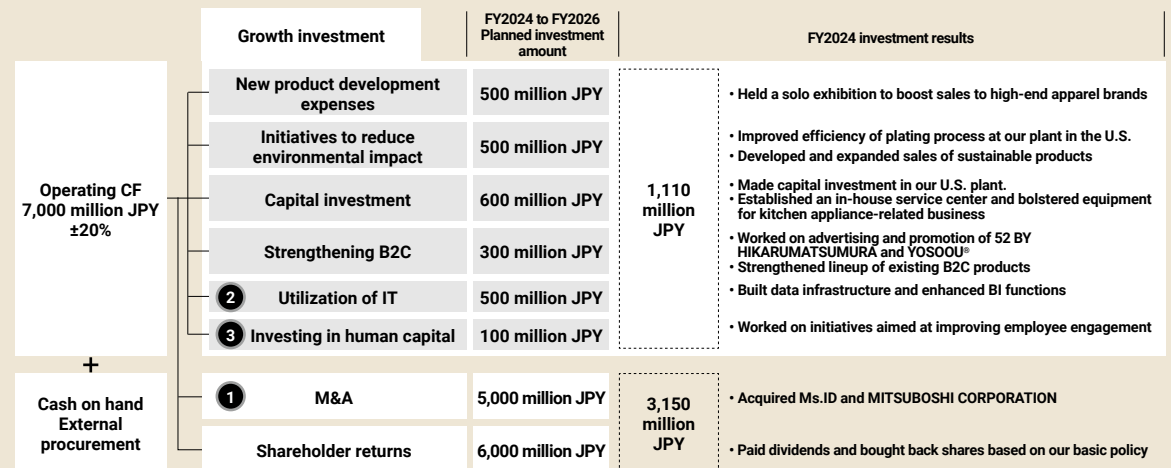
Number of filters cleaned per month

About **107,000**

The company cleans about 5,400 filters every day.

Overview and progress of financial and investment strategy

We aim to improve ROE and PBR by actively maintaining control over net assets while utilizing cash and interest-bearing debt for investments such as M&As and business expansion to generate profits. During FY2024, we made investments totaling 1.11 billion JPY, focusing primarily on strengthening equipment at our U.S. plant and investing in kitchen equipment-related business. We also returned profits to shareholders through dividends and flexible share buybacks. Under the 8th Mid-term Management Plan, we plan to invest a total of approximately 13 to 14 billion JPY, and as of the end of FY2024, around 60% of that investment had been completed. We will continue to proactively consider M&A opportunities and pursue aggressive investments for the future.



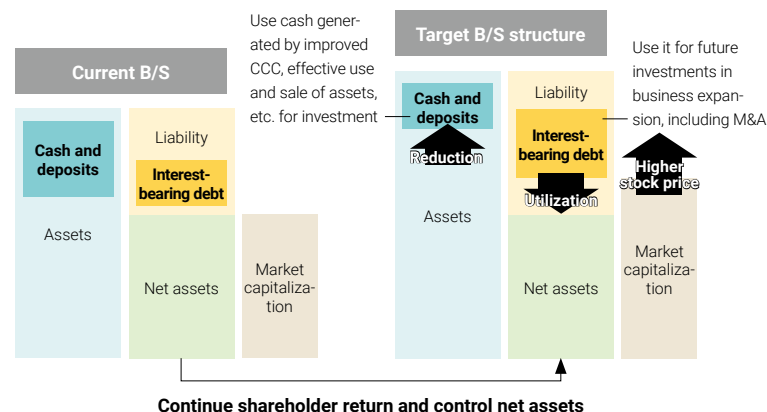
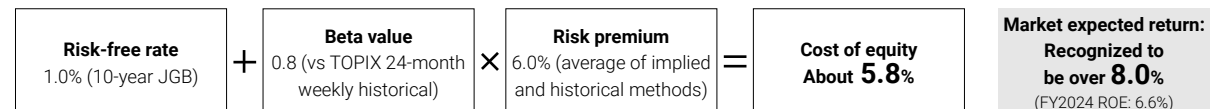
Measures to realize management conscious of cost of capital and stock price

ROE for FY2024 stands at 6.6%, while the cost of equity based on CAPM was about 5.8%. We recognize that market expectations for returns exceed 8.0% and consider bridging this gap to be a key challenge.

Thanks to improved profit margins over the past three years, ROE has risen, but with net sales remaining flat, we believe expanding net sales is essential for further ROE improvement. We're working to grow net sales both organically and through M&A activities that generate synergies with our existing businesses while maintaining a lean and efficient profit structure. At the same time, we plan to enhance capital efficiency by utilizing cash generated from the sale of cross-held shares, and interest-bearing debt to make forward-looking investments, including business expansion through M&As. Additionally, we will continue shareholder returns through dividends, flexible share buybacks, and appropriate share cancellations as ways to control net assets and limit excessive accumulation of shareholders' equity.

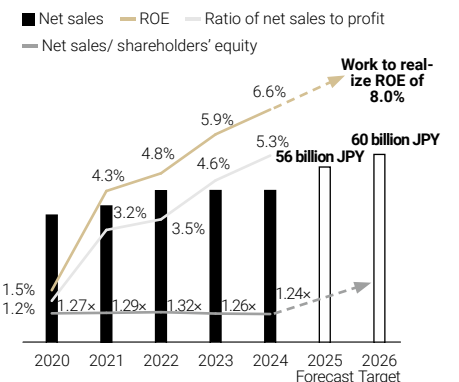
More information on Measures to Realize Management Conscious of Cost of Capital and Stock Price (Update) is available at the following link.
<https://en.morito.co.jp/ir/management-policy/file/costofcapital.pdf>

Approach to cost of equity (CAPM basis)



Basic dividend policy: Target a dividend payout ratio of 50% and DOE ratio of 4.0% standard
 Buy back shares flexibly and cancel them appropriately

Changes in ROE components



Investment Strategy ① M&As

The MORITO Group considers M&As to be a key element of its investment strategy as it looks to expand global market share, strengthen its B2C business, and enhance its business portfolio through the development of new businesses. We actively study M&A opportunities based on our policy such as niche top company, expected synergies with existing MORITO Group operations, and business stability.

In December 2024, we acquired Ms.ID INC., a company operating EC fashion, accessories, luxury knitwear for overseas markets, and EC platform businesses. The acquisition seeks to expand the Group's B2C business in the Apparel Business. Leveraging Ms.ID's EC platform, the Group will enhance marketing and sales in its B2C business while developing apparel-related parts and products by integrating both companies' procurement and manufacturing capabilities with the goal of growing sales to 10 billion JPY over the next ten years. We will also utilize our overseas network as well as quality control and logistics functions to boost the global expansion and quality of Ms.ID's brands.

In April 2025, the Group also acquired MITSUBOSHI CORPORATION CO.,LTD., mainly runs the sales business of a full line of clothing materials primarily for the workwear and uniform industries. The acquisition is expected to contribute to increased sales. We consider the workwear and uniform sectors, which functionality and quality are demanded and which are less susceptible to seasonality and fashion trends, to be an ideal market for leveraging the MORITO Group's strengths in parts. By integrating both companies' procurement and sales functions as well as their global networks, the Group seeks greater efficiency as it renews its focus on the apparel industry that the Company has expanded since its founding, with the goal of becoming a global niche leader in the apparel market.



	Ms.ID	MITSUBOSHI CORPORATION
Business	Manufacture, import, and sales of clothing and accessories (e-commerce and physical stores)	Sales of a full line of clothing materials, apparel product production management, and recycling
Net assets	1,475 million JPY	2,262 million JPY
Total assets	2,467 million JPY	5,335 million JPY
Net sales	3,893 million JPY	7,462 million JPY
Operating profit	442 million JPY	66 million JPY
Ordinary profit	459 million JPY	235 million JPY
Net income	310 million JPY	190 million JPY

Notes: 1. Combined simple total of Ms.ID's results for the fiscal year ended August 31, 2024 and C.T.A.' results for the fiscal year ended December 31, 2023.
2. MITSUBOSHI CORPORATION's results for the fiscal year ended March 31, 2024.

Impact on FY2025 forecast

Ms.ID	Since we plan to consolidate Ms.ID starting in Q2 of FY2025, the consolidated earnings forecast includes nine months of Ms.ID's figures. Goodwill is currently under review.
MITSUBOSHI CORPORATION	Since we plan to consolidate MITSUBOSHI CORPORATION starting in Q3 of FY2025, the consolidated earnings forecast includes six months of MITSUBOSHI CORPORATION's figures. We expect some negative goodwill, which will be disclosed promptly once finalized (the amount remains under discussion).

Investment strategy ②
Growth investment
Utilization of IT

By developing IT platforms across three domains— management information systems, business processing systems, and foundational information—the MORITO Group is promoting efficient management and utilization of information across its organization in support of speedy management and improved operational efficiency.

Through FY2026, the Group will establish IT capabilities in the following three areas:

- ▶ **Management information systems:** Build systems to efficiently share and manage the group's management information and establish a data analysis platform for data collaboration among group companies.
→ Ensure high-precision analysis and efficient management of group companies
- ▶ **Business processing systems:** Introduce online B2B ordering system, introduce and use PSI planning, and use of RPA.
→ Realize efficient one-stop operations, including everything from ordering to distribution, and establish a streamlined inventory management system
- ▶ **Foundational information systems:** Build common infrastructure for the entire group with a safe, secure and stable environment.
→ Strengthen BCP and ability to respond to changes that may arise due to business expansion, etc.

Integrate IT functions across the three areas

Realize speedy management and expand net sales and profitability by FY2030

Investment strategy ③
Growth investment
Investment in human capital

To enhance the value of human capital across the Group, MORITO has established the MORITO Group Human Resource Management Policy, which outlines its approach to recruitment, development, and placement to guide various related initiatives. In FY2024, the Group began conducting employee engagement surveys, which it uses to visualize organizational challenges, prevent turnover, and promote stronger internal communication.

More information on the Human Resource Management Policy is available at the following link.
https://www.morito.co.jp/sustainability_en/society/diversity/human_resource_management_policy/

Shareholder returns

We regard returning profits to shareholders as a priority management issue and determine the amount of dividends based on the following policy, taking into consideration investment projects and financial conditions (net assets, etc.). Since FY2023, we have adopted a revised basic dividend policy.

Realize stable and continuous dividend payments	Dividend payout ratio* of 50% or more	Standard for dividend on equity (DOE) ratio of 4.0% (on a consolidated basis)
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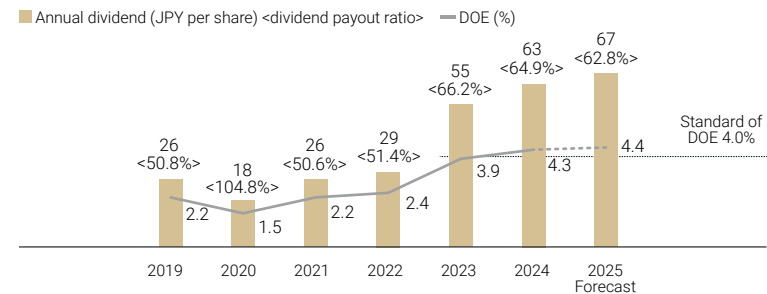
Continue to consider buying back shares whenever necessary and canceling them appropriately

* Vs profit attributable to owners of parent.

Note: In a fiscal year with a significant fluctuation in after-tax profit attributable to owners of parent due to special factors such as extraordinary income or losses, the dividend amount will be determined in consideration of the corresponding impact.

More information about share buybacks and related activities is available at the following link.
<https://en.morito.co.jp/ir/dividend/>

Trends of Dividend, Dividend Payout Ratio & DOE



Note: Since FY2023, we have adopted a revised basic dividend policy.

Discussion

MORITO's Unique Human Capital Strategy Makes the Company Even More Exciting

MORITO believes that the most critical element in striving to become a global niche top company is people. In the 8th Mid-term Management Plan, we've declared a strong commitment to actively investing in human capital.

So what exactly do MORITO's unique HR strategy and approach to diversity & inclusion (D&I) look like?

One executive in charge of HR and three employees from the field share their perspectives based on their day-to-day experiences.

MORITO VALUE is deeply embedded in our daily work

Akui MORITO VALUE was established in 2014. When Ichitsubo-san became president, he initiated various reforms, and within that context, the leadership team began discussing how we might visualize the unique set of values that define MORITO. For instance, we often wondered, "Why are MORITO employees so warm and united?" It felt like there was something like DNA running through the organization.

Once the values were articulated, it became clear just how important it is to put things into words. We were able to communicate the MORITO VALUE not just to new hires, but also across our group companies. The values were translated into English, Chinese, and Vietnamese

and displayed prominently in workplaces to ensure they were shared not just with employees but with executives as well. Our president made it clear that "If someone acts in a way that contradicts the MORITO VALUE, they won't be reappointed." The business environment evolves over time, but we're determined not to lose sight of MORITO's DNA. That's why we come back to MORITO VALUE for guidance whenever we're uncertain about a decision.

Tsujii Ever since I joined the company, my supervisors and colleagues have always taken the time to listen sincerely, no matter which department I was assigned to. I've felt a warm, welcoming atmosphere throughout, which has made working here truly enjoyable. I really believe that the MORITO VALUE of "Collaboration" is deeply ingrained in our daily work. As a team, we build



(From left)
Shinya Tsujii
Kiyomi Akui

Sakiko Soumi
Hisashi Matsukawa

Sales Department, Global Division MORITO AUTO-PARTS CO., LTD.
Director, Managing Executive Officer, General Manager of Corporate Management Department, and Division Manager of Corporate Administrative Division
Business Supply Sales Department, MORITO JAPAN CO., LTD.
Life Design Business Department, General Business Division MORITO APPAREL CO., LTD.

strong relationships with both customers and suppliers, and we work together to solve problems.

Soumi I also think MORITO VALUE comes to life in our day-to-day work. Since our technologies are often closely tied to those of our suppliers, many employees naturally value relationships with them. When it comes to customers, we approach business discussions with a focus on understanding their challenges. If we relied solely on pricing to win business, it would be extremely difficult to build real trust. We have to foster relationships where customers feel comfortable opening up about their underlying issues.

Matsukawa Like Soumi-san said, I believe that “Trust and Confidence,” one of the MORITO VALUES, is fundamental for anyone in a sales role. Gaining a customer’s trust is extremely difficult, and it can unravel quickly, sometimes from the smallest trigger. Once that trust begins to erode, it tends to fall apart fast. So while earning trust is important, I believe protecting and maintaining it is just as crucial. That’s something I always keep in mind in my daily work.

The flexibility of workplaces that allow individuals to thrive ultimately contributes to the strength of the entire organization.

Tsujii When it comes to improving employee engagement, I think it’s really important to create an environment where even younger employees can think for themselves and take action. Of course, new hires need to be guided step by step at first, but at some point, they need to stand on their own so that they can

learn through trial and error. That’s the best way to grow. At least in my experience, that’s when I learned the most. It’s all about how well we can provide an environment where people feel safe to take risks and keep trying.

Soumi I agree with Tsujii-san: When it comes to our approach to training, learning from failure really is the best teacher. Our company is flexible and supportive when it comes to taking on new challenges.

Akui I believe that motivation and engagement ultimately come down to the individual. Of course, it’s the Company’s role to create the right environment and culture; in return, I want everyone to take ownership of our business strategy and see it as something personal.

Soumi Since I was part of the first cohort of female career-track employees, I can truly feel how much the environment has improved since I joined the company. After giving birth, we are able to work shorter hours until the child starts elementary school, and we can choose to work as a regular part-time employee until the end of the child’s third school year. Just having those options tailored to our circumstances gives me a great sense of security.

Akui Although you’re working shorter hours, you still want to fully engage in your job, right? In the past, the default was to assign simpler tasks to reduce workload, which was a kind of well-meaning but misdirected consideration. I believe true D&I means thinking about how someone can still work in a way that’s true to themselves, even if they’re on a shortened schedule. Employees are dealing with all sorts of life

situations like childcare and family care, and managing all that isn’t easy. But I think it’s important for the workplace to adapt flexibly, and that flexibility is what strengthens the entire organization.

Overseas assignments and job rotations build experience early in careers.

Tsujii Speaking of diversity in the context of global talent development, there are certain generations of workers who find it hard to go abroad due to childcare and family care. So giving people the opportunity to gain hands-on experience with manufacturing overseas, including making mistakes early on, is incredibly valuable, both for them and for the company. I personally learned a lot from being stationed abroad, and I feel that experience still informs my work today. It would be great if more employees had the chance to do the same.

Matsukawa There’s a system in place where employees can express their career plan for their future, but I get the sense that not many people are actively making use of it like a job rotation program. I think it’s often hard for employees to take that first step. But MORITO has such a wide variety of roles, and I’d really like to see more employees gain different experiences early in their careers. It would be great if we could foster a culture where these kinds of rotations happen more naturally.

Akui Our greatest strength is our people. Each employee takes pride in acting professionally when working with customers. By helping



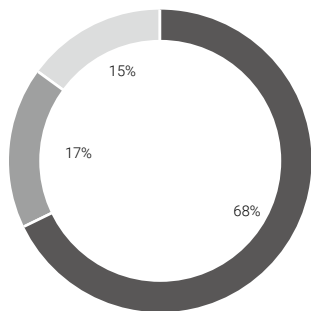
enhance the value of our customers’ businesses, we naturally help raise the value of the MORITO Group as well.

When each person achieves their individual goals, those efforts directly contribute to financial results. And because they’re working in areas they’re passionate about, engagement increases too. Everything happening within the company becomes personally meaningful. When the whole Group is filled with people like that, the result is that innovative products and services (what we mean by “Where innovation is the norm”) start to emerge. In today’s world, I think very few companies can deliver “Where innovation is the norm” on a global scale the way MORITO does.

The fact that our products, born from this unique company, are found throughout people’s everyday lives gives us a pride in what we do. Our HR strategy and D&I initiatives, all driven by MORITO VALUE, will continue to enhance the corporate value of the whole Group and make MORITO an even more rare and interesting company going forward.

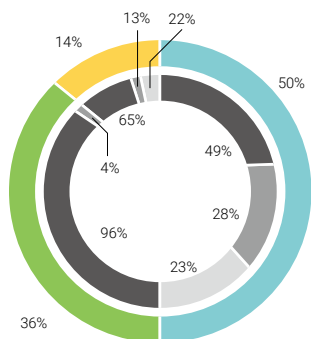
Business Segment Strategies

Net sales composition by region
(FY2024)



■ Japan ■ Asia ■ Europe & the U.S.

Net sales composition by region & business
(FY2024)



■ Apparel ■ Product ■ Transportation
■ Japan ■ Asia ■ Europe & the U.S.

Performance trends by business segment

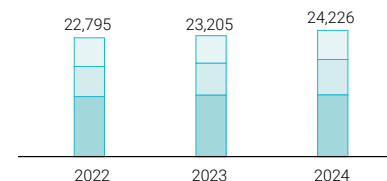
Opportunities and risks

Apparel Business

Net sales

■ Japan ■ Asia ■ Europe & the U.S.

(million JPY)



Factors of change (FY2024)

- (+) Increase in medical wear accessories for the European and U.S. markets and accessories for some brands, including domestic bag brands and high-end outdoor brands
- Japan
 - (+) Strong sales of environmentally friendly products
 - (-) Sluggish sales mainly for workwear and casual wear due to the end of a post-pandemic surge in demand, stagnant demand, inventory adjustments, and the warm winter
- Asia
 - (+) Increase in accessories for casual wear and workwear in China and Hong Kong
 - (+) Increase in accessories for athletic shoes and workwear-related products in Vietnam
- Europe & the U.S.
 - (+) Recovery from the impact of inventory adjustments and increase in medical wear and workwear accessories

Opportunity

- Rising demand for environmentally friendly products
- Rising demand for local production for local consumption, primarily in the ASEAN region
- Tailwind for Ms.ID and MATEX fueled by demand from inbound tourists

Risk

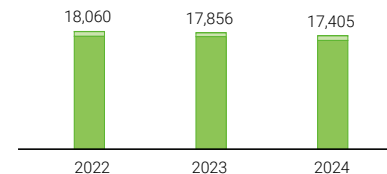
- Anticipated recovery in customer inventory adjustments during FY2025, tempered by persisting impacts

Product Business

Net sales

■ Japan ■ Asia ■ Europe & the U.S.

(million JPY)



Factors of change (FY2024)

- (+) Increase in products for one-coin shops and stationery products
- (+) Increase in kitchen appliance rental, sales, and cleaning business
- Japan
 - (-) Decrease in construction safety products and medical device-related products
 - (-) Decrease in snowboard- and surfing-related products due to the weak yen, inventory adjustments, etc.
- Asia
 - (+) Increase in accessories for toys in Thailand

Opportunity

- Strong sales of products for one-coin shops
- Continued demand for kitchen appliance-related business
- Stronger original-brand products

Risk

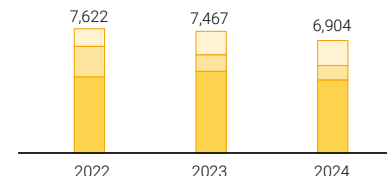
- Challenges in the active sports sector due to customer inventory adjustments
- Increase in import costs due to the weak yen

Transportation Business

Net sales

■ Japan ■ Asia ■ Europe & the U.S.

(million JPY)



Factors of change (FY2024)

- Japan
 - (-) Decrease in automotive interior components for Japanese automotive manufacturers due to stagnant domestic automotive production
- Asia
 - (-) Decrease due to slumping sales of Japanese automakers in China
- Europe & the U.S.
 - (+) Increase in automotive interior components for Japanese automotive manufacturers following the launch of mass production in North America

Opportunity

- Rising demand for local production and consumption in North America

Risk

- Unlikely outlook for a significant recovery in domestic automotive production
- Sluggish performance of Japanese automakers in the Chinese market

Business Segment Strategies

Message from Segment Heads

Apparel Business



Creating new businesses by leveraging our global network and Rideeco® initiatives

Following the spin-off of MORITO JAPAN CO., LTD., MORITO's core Apparel Business has undergone a fundamental review of long-standing practices to improve profitability. Changing it is never easy, but by fostering internal discussions on the need for reform, we laid the groundwork for transformation by raising employee awareness around profitability and reaffirming the added value we bring through safety, reliability, and high quality. Looking ahead, we'll focus on growing our top line and creating new businesses. Specifically, this includes expanding full-scale sales of our original nylon material using discarded fishing nets in an effort to carve out a unique position in the textile industry. We also plan to strengthen our B2C business through synergies with Ms.ID, which recently joined the Group. While geopolitical risks and tightening environmental regulations present growing challenges, we see these as opportunities for our global network and Rideeco® initiatives to demonstrate their full potential. By seizing such opportunities and actively investing in the future, we'll continue to lead innovation in the industry—step by step, powered by every individual in the company.

Product Business



Always seeking the next business opportunity and enhancing product strength

Our business encompasses two main businesses: OEM and ODM operations that supply everything from parts to semi-finished and finished products for B2B clients, and the production and wholesale of our own branded products, including shoe insoles, supporter, and waterproof bags, primarily for mass retailers like home centers and variety shops. Because we serve a wide range of industries, our business is relatively resilient to demand fluctuations in individual sectors. However, the products our customers seek are constantly evolving. As a result, we not only pay close attention to the fine details of each product, but also stay attuned to broader industry and societal trends to identify our next business opportunities. In recent years, we've successfully captured emerging demand by reimagining conventional items, for example by developing new products inspired by the fandom boom, to contribute to top-line growth. Moving forward, we'll continue working toward the FY2030 sales target of 20 billion JPY and beyond as we look to achieve sustainable growth. By enhancing our product appeal and developing breakout hits through new initiatives, we hope to raise MORITO's brand recognition, which has been long understated as a behind-the-scenes company, and make our name known more widely in the market.

Transportation Business



Accelerating capital investment in North America to achieve 10 billion JPY in global sales

FY2025 marks a crucial turning point in our pursuit of 10 billion JPY in global sales by FY2030. As a company that operates in a traditionally low-margin industry, we've long focused on delivering unique added value and enhancing profitability from a long-term perspective. Looking ahead, we'll shift our focus more toward top-line increase for further growth. In particular, given the increasingly challenging external environment in regions like China and ASEAN, we'll accelerate capital investment in North America (specifically in the U.S. and Mexico) with the goal of replicating in those markets the production and procurement capabilities we've established in Japan. To begin, we're developing new outsourcing partners while considering M&As and capital alliances as part of our strategy to build a localized production and consumption framework. We'll also prioritize training local personnel at our global sites to ensure the same high level of quality as achieved in our domestic operations. These initiatives will lay as a solid foundation for our medium- to long-term growth. We'll also invite ideas from employees regarding capital investment and business expansion as we work together to achieve the 10 billion JPY sales milestone and ensure sustainable growth beyond that.

Sustainability in the MORITO Group

The MORITO Group is committed to addressing environmental and social issues through our business operations to improve our corporate value as we strive for sustainable management.

Sustainability Policy

In line with our management policies, we look at environmental and social issues that are important to our business with an eye to creating a sustainable society (social value) through our operations. At the same time, we work to realize our own sustainable growth and enhance our corporate value (economic value), all with the aim of creating shared value (CSV).

Initiatives

Protecting the global environment and fighting climate change

We will conduct all business activities while considering their impact on the environment as we aim for corporate growth while fighting climate change.

Doing business in harmony with people and their communities

We will promote diversity and work with individuals and communities to enhance our corporate social identity and improve our corporate value.

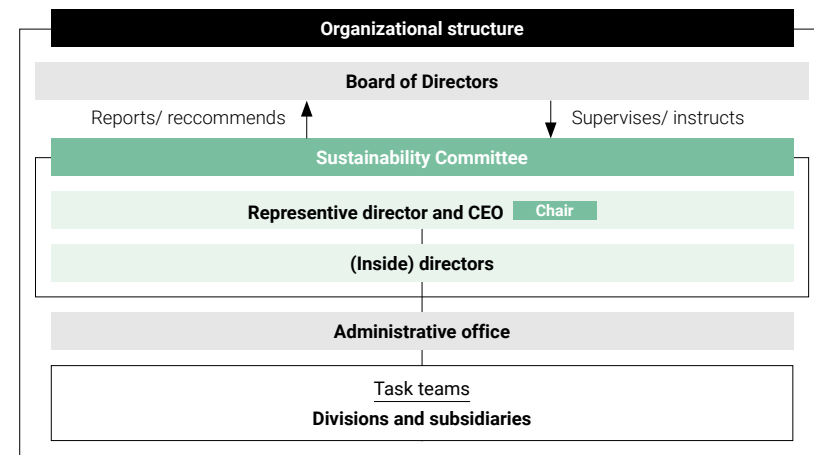
Strengthening the business foundation for continuous growth

We will develop and strengthen management systems so that they can keep pace with business developments well into the future while adapting to changes in the external environment, all with an eye to corporate growth.

Organizing for Sustainability

We have organized the Sustainability Committee consisting of directors and chaired by the representative director and CEO. Working to sustain our operations into the future in the face of a dramatically changing operating environment, we will promote sustainable management as we address risks and opportunities related to environmental, social, and governance issues over the long run. The chair will invite non-members to attend Sustainability Committee meetings in order to get input from those in relevant departments and seek advice from outside experts, etc. as needed.

Sustainability Committee



Material Issues

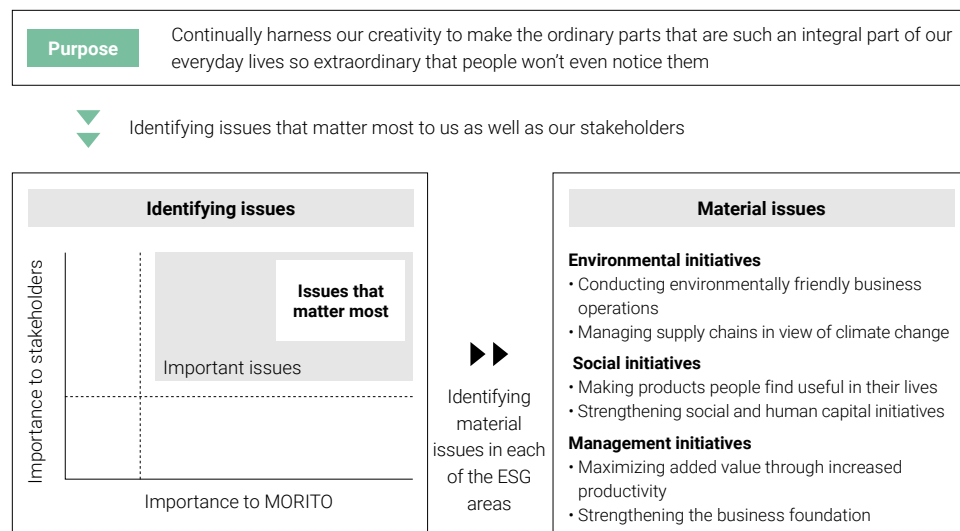
We are committed to fulfilling our fundamental corporate social responsibility of meeting the needs and expectations of society and solving the problems humanity faces through our business activities. At the same time we are working to build a stronger business foundation to increase our corporate value. That's why we have reviewed environmental, social, and governance issues most relevant to our business, and identified the areas we should focus on in addressing them.

Identifying Material Issues

We identified material issues with an eye to realizing our vision for sustainable management. In identifying these issues, we first reviewed and categorized ESG issues that are most relevant to our business. The Sustainability Committee and the Board of Directors then discussed these issues while referring to opinions and suggestions from stakeholders both inside and outside the company, including investors, business associates, and Group employees, and in light of environmental trends, SDGs, TCFD recommendations, and other assessment guidelines.

We will draft an outline of initiatives and specific targets (KPIs) for each material issue after careful consideration.

Material Issues Assessment Process



Addressing Material Issues

	Material Issues	Focus Areas	Initiatives
Environment	Conducting environmentally friendly business operations	<ul style="list-style-type: none"> • Building a recycling-oriented society • Reducing waste 	<ul style="list-style-type: none"> • Preventing marine pollution • Cutting material waste and boosting product yield • Streamlining office operations (reducing resource consumption) • Increasing green purchasing ratio
	Managing supply chains in view of climate change	<ul style="list-style-type: none"> • Sustainable procurement of raw materials • Improving procurement and supply stability • Strengthening resilience in logistics 	<ul style="list-style-type: none"> • Supply chain management (SCM) strategies for natural disasters • Overhauling order, inventory, warehousing, and shipping functions
Society	Making products people find useful in their lives	<ul style="list-style-type: none"> • Developing high-value-added products • Improving reliability through stable quality • Developing safe, secure, and useful products 	<ul style="list-style-type: none"> • Creating safe, secure, and useful products to help improve people's lives • Quality management
	Strengthening social and human capital initiatives	<ul style="list-style-type: none"> • Engaging in and contributing to local communities • Human resources strategy for a competitive edge • Placing a diverse range of people in positions that are a good fit for them in order to cultivate an environment where everyone can thrive 	<ul style="list-style-type: none"> • Building stronger ties with communities and organizations • Acquiring self-motivated workers and providing skills development training • Promoting diversity and accommodating different work styles to enhance employee engagement
Governance	Maximizing added value through increased productivity	<ul style="list-style-type: none"> • Establishing a management system that enables us to respond to changes in the business environment quickly and appropriately • Focus on growth investing to improve capital efficiency 	<ul style="list-style-type: none"> • Adopt a holding company framework to transform functions and operations as well as optimize the Group structure • Restructuring business portfolio
	Strengthening business foundation	<ul style="list-style-type: none"> • Strengthening governance • Boosting public trust and reputation through ESG disclosure 	<ul style="list-style-type: none"> • Internal control/risk management/compliance • Corporate management aimed at securing overall stakeholder satisfaction

Environment

The MORITO Group will work to create new value so we can pass on our beautiful planet and its resources to future generations as we join hands with people and companies across all industries who share this same dream.

Environmental Philosophy

Recognizing global environmental issues as one of our most important management problems, we implement initiatives to protect the global environment and strive for continuous improvement.

Environmental Policy

We sell a wide range of parts and products around the world that people use in their lives every day. By conducting environmentally friendly sales and office activities, we aim to achieve harmony with the global environment while making society more livable and prosperous.

1 Consideration to and protection of the environment

In addition to striving to conserve resources and energy in our business activities and prevent environmental pollution, we will take the initiative to engage in activities aimed at protecting the global environment.

2 Waste reduction and prevention

We will strive to reduce the amount of waste products and waste generated from our business activities.

3 Contribution to a recycling-oriented society

We will promote recycling and reuse to make effective use of resources.

4 Promotion of environmentally friendly products

We will promote the development, procurement, and sales of environmentally friendly products that take into account the entire product lifecycle, from development to consumption and disposal.

5 Compliance with laws and other requirements

We will comply with environmental laws, regulations, ordinances, agreements, and other requirements that we have agreed to.

6 Setting and reviewing environmental goals

We will set and implement environmental goals, review them, and continuously improve our environmental management system.

7 Promotion of environmental education and awareness-raising activities

We will promote education and awareness-raising activities in order to improve environmental awareness and related activities.

Green Procurement

MORITO promotes green procurement. We use X-ray fluorescence spectrometers to meet the requirements of the RoHS Directive and ELV Directive.

Features of X-ray fluorescence spectrometers

- Rapidly analyzing element type and amount using a non-destructive method.
- Comprehensively analyzing various elements (from 16S to 92U) from a few ppm to 100%.

Environmental Initiatives

Rideeco®: Bringing MORITO's commitment to sustainability to the world

Rideeco® was launched not simply as a way to do what we can, but as a movement to transcend industry and sector boundaries, connecting individuals and companies that want to contribute to the environment. The goal is to pass on a beautiful planet and its resources to future generations.

Rideeco



The Meaning behind Rideeco®

Ride for Eco: It sums up our commitment to sustainability

Relation	Build relationships and collaborate with various businesses and industries to create new value
Initiative	Take action to build a sustainable society instead of being a bystander
Devote	Devote our wisdom not only to the pursuit of short-term profits but also to the future of society
Energy	Act with perseverance and energy

Rideeco® initiative examples

Recycling discarded fishing nets, one of the main causes of ocean plastic waste

According to a 2016 survey on marine debris by Japanese Ministry of the Environment, discarded fishing nets and ropes account for approximately 40% of the total weight of plastic waste that washes ashore in Japan. MORITO addresses ocean pollution by transforming discarded fishing nets into everyday products. These items represent a groundbreaking initiative that allows recycled materials to be continuously reused as resources.



A rebirth and evolution in paper

We propose new ways to enjoy and use paper through items like ASUKAMI®, a recycled paper made by collecting and pulverizing synthetic fiber scraps manufactured during apparel production and mixing them with virgin pulp.



Environment

TCFD

Following the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board at the request of the G20. In June 2021, it issued recommendations encouraging Prime Market-listed companies to identify and disclose climate-related risks and opportunities.

As part of promoting sustainability management, MORITO recognizes climate change response as one of its key material issues. Accordingly, we have established a company-wide organizational body and introduced a management mechanism that allows us to systematically respond while accurately identifying risks and opportunities.

We also analyze the impact of climate change on our business and finances in consideration of our unique characteristics, develop strategies and response measures, and work to set activity targets and indicators in the future.

Governance

We have established a sustainability committee*¹ under the Board of Directors in order to study and address various medium- to long-term issues related to our operations. The committee consists entirely of directors and is chaired by the representative director and CEO. The chair will invite non-members to attend Sustainability Committee meetings and seek advice from outside experts, etc. as needed.

The functions of the Sustainability Committee include formulating basic policies on sustainability for the entire group covering issues related to the environment, society, and governance (including climate change) as well as establishing frameworks, examining initiatives, and setting targets and indicators. The committee also conducts status surveys within the Group, and initiatives deliberated by the committee are subject to oversight and direction by the Board of Directors.

*1 Please see p30 for more about the Sustainability Committee.

Strategies

Since we are primarily a trading company, climate change due to global warming is likely to have multiple effects on the Group's operations, such as a hike in the cost of procuring materials and products and supply chain disruptions caused by natural disasters. We evaluate these potential impacts through scenario analysis and consider countermeasures to address the risks and opportunities.

1 Scenario analysis

In identifying the risks and opportunities that climate change poses to the Group and drawing up medium- to long-term strategies for these risks and opportunities, we use the following internationally recognized climate change scenarios as a reference for the period up to 2030. These scenarios are based on the assumptions

that the global average temperature by 2100 will either increase by less than 1.5°C or rise 4°C. The scenario for keeping global warming below 1.5°C is substituted with a scenario for keeping global warming below 2.0°C when it's not available.

1. Period covered

Up to 2030

2. Scenarios used

- **A world with global warming of 1.5°C and elevated transition risks**
Reference scenario: Net Zero Emissions by 2050 Scenario (NZE)
(Alternative scenario used in part: Sustainable Development Scenario (SDS))
Published by: International Energy Agency (IEA)
- **A world with global warming of 4°C and elevated physical risks**
Reference scenario: Representative Concentration Pathways (RCP8.5)
Published by: Intergovernmental Panel on Climate Change (IPCC)

Identification of risks and opportunities and MORITO's response policy

Category		Opportunity/ risk	Time frame* ²	Severity of impact		Description	Major initiatives/ response policy
				1.5°C	4°C		
Transition risk	Laws and regulations	Opportunity	Long term	Low	Low	• Emergence of demand for new products associated with the use of new materials that are not subject to regulations	• Strengthen sales of products made using less energy or with renewable energy
		Risk	Long term	High	Low	• Increase in business costs due to the introduction of policies to reduce greenhouse gas emissions (carbon tax, etc.) • Increased costs due to restrictions on product materials	• Work toward carbon neutrality • Promote a shift to next-generation materials
	Markets	Opportunity	Medium term	Low	Low	• Emergence of demand for sustainable products in response to environmental changes • Promoting the development of functional materials • Increased preference for and value placed on environmentally friendly products	• Develop and use materials designed to reduce environmental impact • Expand line of eco-friendly products and share information with an eye to promoting sustainability
		Risk	Medium term	High	Low	• Increased costs due to higher fuel prices for transportation, etc. • Decrease in the demand for current products • Rising costs due to the need for alternative manufacturing methods	• Build an efficient distribution system • Promote a shift to products using next-generation materials
Physical risk	Urgent	Opportunity	Medium term	Low	Low	• Increasing demand for functional products that withstand inclement and extreme weather conditions	• Develop and sell new products with improved functionality for risk management
		Risk	Long term	Low	Low	• Costs incurred due to damage to business locations and disruption of supply routes caused by extreme weather • Increased costs due to higher energy usage for temperature control from rising or falling temperatures	• Strengthen flood control measures and management of company assets through BCP • Implement comprehensive supply chain risk management

*2 Time frame before risks and opportunities are materialized (Short term: up to 3 years, Medium term: 3 to 7 years, Long term: 7 years or more)

Environment TCFD

2 Financial impact assessment

In the scenario analysis, we have examined and analyzed climate-related risk factors that are expected to affect the Group in the future. In fiscal 2022, we assessed the financial impact on the Apparel business, the bedrock business upon which we were founded, covering all domestic and overseas group companies (excluding subsidiaries that are subject to only minor impacts). We plan to expand the analysis to other business areas in the future.

► 1.5°C scenario

We examined the introduction of a carbon tax due to the full-scale implementation of greenhouse gas control policies. Using the IEA's NZE scenario and assuming that a carbon tax will be introduced in the countries where we operate, we assessed the financial impact based on our current GHG emissions (scopes 1 and 2). In light of the assessment results, we believe that the financial impact will be minimal. In addition, since we are primarily a trading company, we believe that the financial impact of increased fuel prices, including electricity prices, will be minimal and that we are resilient to climate-related risks.

► 4°C scenario

In this scenario where the introduction of measures for decarbonization is gradual, we estimated the resulting impact of possible damage from floods and storm surges caused by intensifying weather-related disasters. Due to the nature of our business as a trading company, we have limited business assets, and we do not expect a significant financial impact on our company. We are making ongoing efforts to enhance our BCP in light of disaster risks and are strengthening supply chain management in order to minimize the possibility of damage. We also believe that swift and flexible business operations, such as those where we have switched gears to focus on developing functional products that can withstand extreme weather conditions, will enable us to expand our business horizons.

Risk Management

The risk management system we have put in place covers all business activities across the Group. We have also established a

compliance committee to oversee risk management. The committee is chaired by the representative director and CEO and consists of the general managers of administrative divisions, the general manager of the Legal Department, and the general manager of the Internal Audit Department.

The Compliance Committee uses a PDCA cycle to manage risks. It assesses company-wide risks through annual interviews conducted at all divisions and subsidiaries. The committee references that assessment in conducting analysis that uses a risk matrix for the probability of the risk's occurrence and its impact. It reports to the Board of Directors twice a year on the results of the measures taken against the risks identified and evaluated as well as improvement plans.

The Compliance and Sustainability Committees share information and work together to identify risks related to climate change. The Sustainability Committee is responsible for formulating policies and strategies as well as monitoring initiatives to enhance corporate value by minimizing risks and maximizing opportunities related to climate change.

Indicators and Targets

In FY2023, we calculated greenhouse gas (GHG) emissions only for Scope 1 and Scope 2, but from FY2024, we have decided to align our direct emissions (Scope 1 and Scope 2) with the fiscal year in which we disclose our business results, calculating them up to FY2024. For Scope 3, which are GHG emissions within the supply chain, we are first calculating the actual results for some major companies in Japan from 2022 to 2024.

We will continue to broaden the scope of Scope3 calculations and establish indicators and targets for GHG reduction in order to establish a system that enables us to consider carbon neutrality throughout the entire supply chain. (t-CO₂)

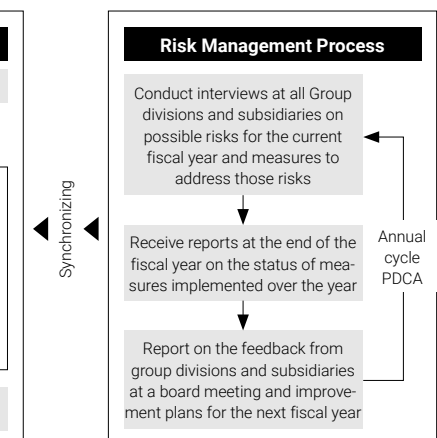
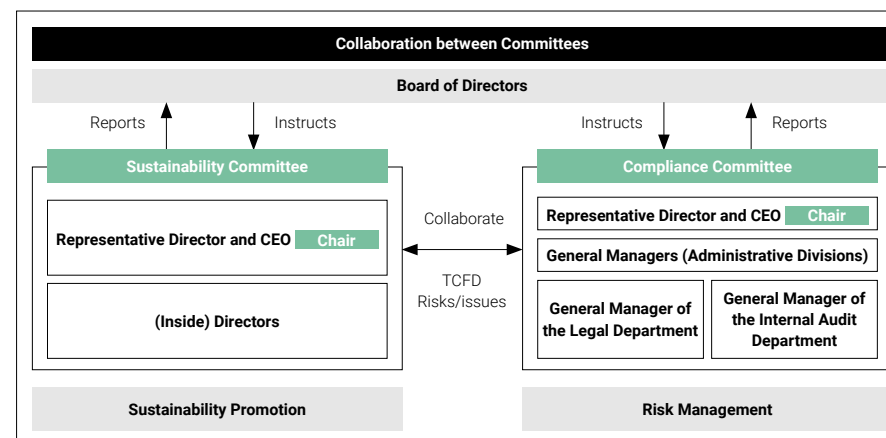
GHG emissions	FY2022	FY2023	FY2024
Scope1*1	2,256	1,783	1,940
Scope2*2	5,004	3,785	3,543
Scope3*3	96,913	93,291	86,231
Total	104,173	98,859	91,714

*1 Direct greenhouse gas emission from resources owned and controlled by an organization

*2 Indirect emissions associated with purchased electricity, heat, and steam used by the organization

*3 Indirect emissions other than Scope 1 and Scope 2 emissions (emissions from activities of other companies that are related to the organization's activities)

Risk Management Structures



Society

In line with our corporate principle, “Design Your Bright Future with Our Various Parts,” we look at what the MORITO Group can do for people, communities, and the future of society through its business activities and promote community engagement.

Social and Community Engagement

Over the years, we at the Group have put together an extensive tool box that we draw upon to help fix the problems facing local communities and society as a whole.

Beach cleanup activities

In connection with the Group's efforts to utilize discarded fishing nets, we regularly conduct beach cleanups in Kami, Hyogo Prefecture, and elsewhere.



Industry-university collaboration

We work together with various universities on developing creative production technologies as well as initiatives that utilize environmentally friendly parts and materials.

Past collaboration partners: Osaka Institute of Technology, Otsuma Women's University, Kansai University, Kindai University, Kobe Women's University, and Hosei University.



Wild Bird Society of Japan

The Group, which handles binocular cases and straps, helps support the Wild Bird Society of Japan.



Kansai Guide Dogs for the Blind Association

The Group, which handles harnesses and leashes for dogs, helps support the Kansai Guide Dogs for the Blind Association.



Outreach classes

To encourage children to take part in building a sustainable future, we offer outreach classes that introduce the current state of marine pollution and textile waste as well as specific recycling and environmental conservation initiatives undertaken through Rideeco®.



Initiatives to Promote Sports

The Group, which has long been involved in sports-related parts and products, works on activities to promote sports with an eye to expanding the sports market.

Support for developing countries through skateboarding

We donate skateboard decks and shoes handled by the Group in order to share the joy and culture of skateboarding to children in developing countries.

We also support professional skateboarder and YouTuber, Shimon Iwazawa, in his project to promote skateboarding in developing countries.



TOKYO VERDY HOCKEY TEAM

MORITO is a corporate partner of the TOKYO VERDY HOCKEY TEAM.

We work with the players on product development as well as our environmental conservation efforts while supporting exciting hockey activities that really put a smile on people's faces.



Happy Parts Day

Aligning with the wordplay “8 (Pa) 2 (tsu),” August 2 has been designated as “Happy Parts Day” (recognized by the Japan Anniversary Association), and we carry out activities to promote the MORITO parts. In 2024, following 2023, we hosted a hands-on crafting experience using MORITO parts at an Orix Buffaloes baseball game. We also carried out sustainable initiatives such as creating upcycled items from used baseball caps and uniform pants.



Chiba Lotte Marines

MORITO is an official sponsor of the Chiba Lotte Marines. Our company name and corporate logo are displayed at the team's home playing field, the ZOZO Marine Stadium.



Society

Diversity

Human Resource Management Policy

The MORITO Group aims to grow steadily while adding new value to its existence, beyond the added value its products already have.

We have developed the Group Human Resource Management Policy in order to ensure that all group companies around the world are on the same page. Covering the six categories of recruitment, human resource development, labor management, placement and careers, evaluation, and compensation and benefits, the policy provides a clear picture of the direction in which the Group is headed.

MORITO Group Human Resource Management Policy



Strategic direction

a Recruitment	<ul style="list-style-type: none"> Securing candidates who meet the various employment requirements for the global job market Securing candidates who share a similar sense of values and ideas with us
b Human resource development	<ul style="list-style-type: none"> Adhering to our fundamental belief in "self-growth and self-development" Providing opportunities to employees who have the ability or the motivation to excel
c Labor management	<ul style="list-style-type: none"> Ensuring full compliance Providing a comfortable working environment where employees can realize their full potential
d Placement and careers	<ul style="list-style-type: none"> Giving people an equal opportunity, regardless of nationality, race, or religion, to work in positions where they can make the best use of their abilities and contribute to the company Providing opportunities for career development according to the employee's role and aptitude
e Evaluation	<ul style="list-style-type: none"> Evaluating employees based on the quality and degree of their contribution in their roles as well as the relative value of their jobs Ensuring fair and consistent evaluations
f Compensation and benefits	<ul style="list-style-type: none"> Providing adequate compensation commensurate with performance Maintaining a highly controllable labor cost structure

Creating a Comfortable Work Environment

Career development

MORITO has a variety of programs to help employees continuously build their career while keeping their level of satisfaction and motivation up.

► Re-employment Program

We have implemented a re-employment program for those who have retired upon reaching retirement age. This program provides opportunities for employees who still want to work to continue their careers.

► Employee Stock Ownership Plan (J-ESOP)

J-ESOP grants MORITO shares or cash equivalents to their employees who have met certain requirements in accordance with the stock benefit regulations. Each year, MORITO employees earn points that are calculated on the basis of their qualifications, target achievement rates, and other factors. Upon retirement, they receive MORITO shares or cash through a trust, in the amount equivalent to the value of points they have earned.

Education and support

MORITO's basic educational policy is one of "self-growth and self-development." This policy implicitly conveys a message that each employee should be self-motivated, be the best possible version of themselves, and remain disciplined with a strong desire to fulfill their aspirations. We provide such highly motivated employees with opportunities to develop their abilities, as well as educational and support programs that will nurture their personal growth.

► Assessments/Job-specific educational programs/ Special training

We provide employees with various opportunities to build on their professional skill foundation. These include assessments that are vital to charting career paths, educational programs designed for employees in different job classifications and grades to improve their business skills, and special training programs for selected employees to develop managerial skills at an early stage in their career.

► Support for taking CASEC tests

CASEC is a test of English language proficiency for non-native speakers. Our Employees have an opportunity to take this test once a year.

More information can be found here.

Action plans and initiatives

https://www.morito.co.jp/sustainability_en/society/diversity/action_plan_and_measures/

Childcare and Family Care

Individual briefings before maternity leave, etc.

We provide employees with individual briefing sessions before their maternity or childcare leave starts. These meetings are designed to provide employees with information about childbirth-related programs and benefits available to them so they can feel more at ease and give them an overall picture of what they can expect until they return to work. We have also made a manual and distributed it to the relevant employees and their supervisors to help them better understand how the leave works.

Maternity and childcare leave and support programs (excerpt)

		Childbirth	After reinstatement	
		Before childbirth	During childcare leave	Preschool Elementary school
Leave	Child nursing care leave, etc.	Until graduation from elementary school 5 days a year (10 days if an employee provides care for two or more children)*		
	Shortened work hours for childcare	Until the child starts elementary school		
Work Arrangement	Regular part-time employee	Until end of the child's third school year		

Family care leave and support programs (excerpt)

Programs	Description
Time off for family care	5 days a year (10 days if an employee provides care for two or more family members)*
Family care leave	120 days in total (Leave can be taken in full-work-day increments.)
Shortened work hours for family care	3 years from start (up to 2 times)
Regular part-time employee	For individuals deemed as being in need of assistance, it is possible to work with reduced prescribed working hours during the certification period.

* Leave can be taken in half-day or hourly increments.

Society **Diversity**

Time Management

No overtime day

We have designated every Wednesday as “No Overtime Day” and encourage employees to leave the office on time. We intended to promote work-life balance as they can allocate the time saved from overtime work to their family matters or personal lives. This program also helps employees to learn and develop their skills to separate work from private life, thus improving their work efficiency.

Staggered work hours and flextime

To support flexible and autonomous working styles, we’ve adopted staggered work hours as well as flextime for select employees in the sales department.

Telecommuting

Employees meeting certain requirements can work from home or other places up to eight times a month under the telecommuting program for all or part of their working hours. This program aims to help employees develop a work style that will help them balance their work and personal life. It will also ensure the continuity of our operations while fulfilling our corporate social responsibility to reduce our environmental footprint.

Optimization of working hours

MORITO is taking various steps to reduce total working hours.

► Example initiatives

- Strictly managing overtime work (requires pre-approval)
- Generally prohibiting late-night work (requires pre-approval)
- Encouraging employees meeting with a client to go directly to the client and straight home after the meeting
- Providing e-learning on improving work efficiency

Encouraging usage of paid annual leave

MORITO encourages employees in all departments to take paid annual leave. We have introduced a system that allows employees to take their paid annual leave in hourly increments, enabling them to use their leave more flexibly.

Accumulated annual leave

Employees may accumulate up to 60 days of unused paid annual leave, which cannot be carried over. They can take their accumulated leave when they need long-term medical treatment or intermittent outpatient treatment or rehabilitation due to non-work-related injuries or illnesses.

Commitment to Quality

We monitor the quality, effectiveness, and safety of products and services we offer and look at ways to improve them throughout all processes from planning and development to sales and after-sale services. As part of our efforts to maintain and improve the quality management system, we conduct regular quality monitoring that includes ensuring compliance with regulatory requirements, setting quality targets, and responding to management review outputs.

Our commitment to quality

MORITO products are used not only in our own products but also in a wide range of areas where they meet our customers’ needs. That’s why we conduct risk assessments from the planning, design and development stages and carry out activities (i.e., design reviews) to minimize risk.

We also audit our suppliers’ quality assurance systems and processes to manage risks. When we are informed of a defect, we immediately investigate the cause and take countermeasures along with steps to prevent a recurrence.

Employee training

At MORITO, we provide employees with quality training that goes well beyond just informing them of our quality policy. We work hand in hand with our Legal Affairs Department to ensure that we develop and provide products that conform to all regulatory and quality requirements.

Equipment to ensure quality

► ZTS-500N force gauge / MX2-500N motorized stand

These devices are used to measure force, such as shear force, bending strength, and piercing force.



► LHU-114 / SH-242 constant temperature and humidity chambers

These devices provide different temperature and humidity settings and are used to test how a sample is affected by the environment.



► EDX-7000 X-ray fluorescence spectrometer

This device analyzes the energy (wavelength) and intensity of X-ray fluorescence generated when focusing X-rays on a sample to determine its elemental composition.



Governance

We are moving toward realizing the vision incorporated in our corporate principle and continually working to strengthen corporate governance with an eye to forging a more transparent, fair, and prompt decision-making process as we aim to achieve sustainable growth and increase corporate value over the medium to long term.

Basic Approach

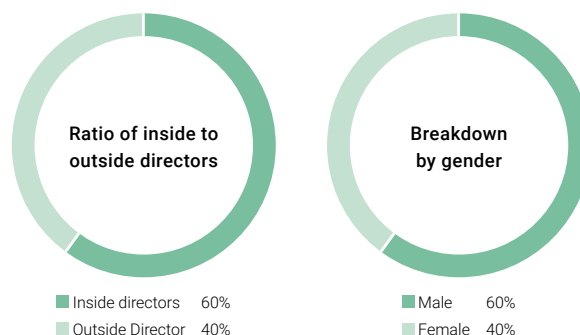
In accordance with our corporate principle and the code of conduct that outlines the principles all officers and employees should follow, we adopt the perspective of our stakeholders and regard the enhancement and strengthening of corporate governance as one of the most important management issues for achieving long-term and sustainable enhancement of corporate value. We believe it's essential to maintain a sincere attitude toward stakeholders, ensure timely disclosure, clarify roles and responsibilities to enable prompt decision-making, and strengthen objective oversight functions.

We've adopted the governance structure of a company with a board of corporate auditors, reflecting our belief that the oversight of business execution by outside directors and the auditing by auditors, including outside auditors, is an effective means of corporate oversight.

Governance System

Board of Directors

The Board of Directors holds regular meetings once a month and is composed of three internal directors and two outside directors. It makes decisions on matters stipulated by law and other important matters related to the company's management strategy and supervises the execution of duties by the directors.



Corporate Management Committee

The Corporate Management Committee convenes once a month, with participation from the full-time auditor in addition to the executive directors. During the meeting, participants share reports on the execution of operations within the Group and discuss management issues to facilitate policy formulation.

Compliance Committee

A Compliance Committee has been established to put in place and maintain a compliance framework and to respond to the requirements of the internal control system.

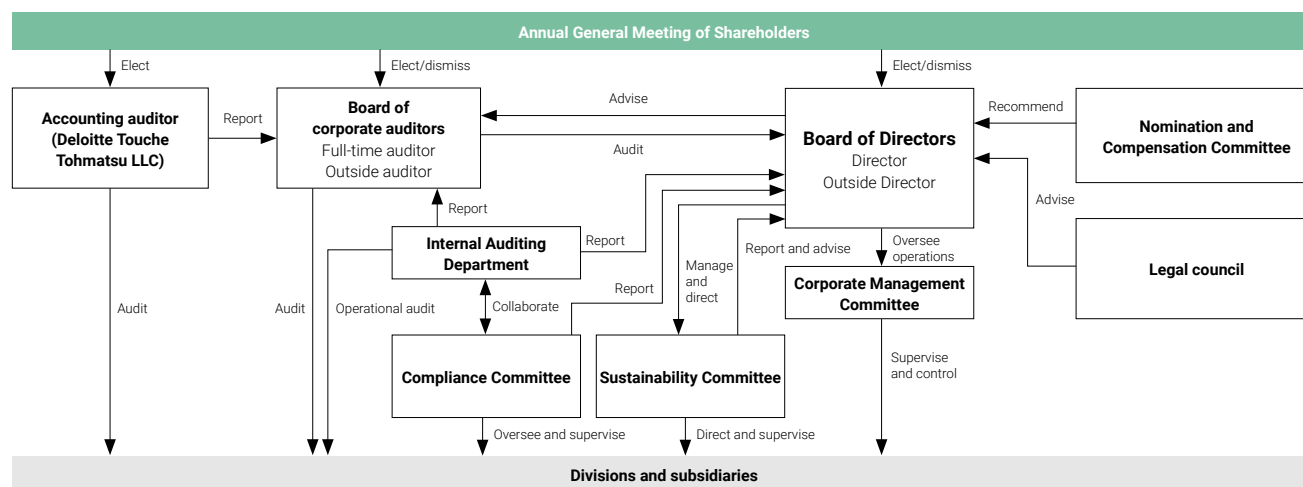
Evaluation of the Effectiveness of the Board of Directors

Between December 2024 and January 2025, we conducted an evaluation of the effectiveness of the Board of Directors based on meetings held during FY2024. Following a questionnaire on board effectiveness conducted by the Board Secretariat for all directors and auditors, discussions on Board effectiveness were held by the chair of the Board, all outside directors, and all outside auditors.

The average score across all questionnaire items was 4.2 out of 5.0, and the overall evaluation, based on the discussions, concluded that there were no major issues.

Outside directors noted that it would be beneficial to provide opportunities for one-on-one dialog between inside directors and outside directors and auditors, with the goal of deepening understanding of inside directors' perspectives. Additionally, a comment regarding the revision of the Mid-term Management Plan requested insight into the strategies and direction being considered by key subsidiaries. We plan to address these points and make improvements accordingly.

Corporate governance system diagram



Governance

Officer skills and compensation

Skills and Roles of Directors

The Board of Directors determines candidates for director positions with consideration for the Group's organizational structure, ensuring a balanced and diverse mix of knowledge, experience, and abilities. We've appointed two outside directors and two outside auditors to enhance transparency in decision-making and strengthen supervisory functions. Among the outside directors, we've included individuals with experience in corporate management at other companies.

For more information about the skills held by directors and auditors, please refer to the skills matrix on the right.

Executive Compensation

In accordance with the executive compensation system put in place by the Board of Directors, the compensation amounts for senior management and directors are decided after thorough discussion based on deliberations by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is composed with a majority of outside directors. To ensure transparency and objectivity in deliberations, the committee is chaired by an independent outside director.

For details, please refer to the Corporate Governance Report (in Japanese only).
<https://www.morito.co.jp/sustainability/governance/img/governance.pdf>

Skills matrix

Position and name	Directors					Auditors		
	Takaki Ichitsubo	Bunki Yano	Kiyomi Akui	Mayumi Ishihara (outside)	Motoo Matsuzawa (outside)	Kiyoshi Ichikawa	Kosuke Matsumoto (outside)	Motoshi Ishibashi (outside)
Corporate management	○	○	○		○			
Global business	○	○			○			
Branding, marketing, and sales	○	○						
Finance, accounting, and M&A	○	○	○		○			○
Personnel and HR development			○			○		
Risk management, legal affairs, and ESG	○	○	○	○		○	○	

The above table shows the areas in which individual board members have expertise (e.g., have worked in a relevant department), which are indicated by a circle, but does not cover all the knowledge and experience each individual possesses.

Governance

Compliance

MORITO Group Basic CSR Policy

In line with its founding principles of being “Active and Steadfast,” MORITO and its subsidiaries (collectively, the “MORITO Group”) must work to build good relationships with customers, suppliers, shareholders, and other diverse stakeholders in the MORITO Group.

We have formulated the MORITO Group Basic CSR Policy (the “Policy”). We ensure that the Policy is implemented throughout the Group so we remain a good corporate citizen.

The Policy is designed for not only the MORITO Group but also its business partners. We expect all companies that do business with us to understand its purpose and act in accordance with it.

For details, please refer to the MORITO Group Basic CSR Policy.
MORITO Group Basic CSR Policy
https://www.morito.co.jp/sustainability_en/governance/csr.php

Basic Anti-Bribery Policy

Working in line with its founding principles of being “Active and Steadfast,” MORITO Group address anti-corruption under the Basic Anti-Bribery Policy.

The MORITO Group has established this policy in order to implement anti-bribery measures and will make group-wide efforts to prevent bribery.

For details, please refer to the Basic Anti-Bribery Policy.
Basic Anti-Bribery Policy
https://www.morito.co.jp/sustainability_en/governance/preventing_bribery.php

Compliance

We make active efforts to ensure compliance, identify risks, and maintain a system to manage those risks.

Compliance structures



Compliance Committee activities

(fiscal year ended November 30, 2024)

The Compliance Committee uses a PDCA cycle to manage risks. It assesses company-wide risks through annual interviews conducted at all divisions and subsidiaries. The committee references that assessment in conducting analysis that uses a risk matrix for the probability of the risk's occurrence and its impact. It reports to the Board of Directors twice a year on the results of the measures taken against the risks identified and evaluated as well as plans for improvement.

Initiatives

► Whistleblower Program (Hotline)

We have set up a point of contact for direct consultation and reporting by employees who become aware of acts that constitute compliance violations or acts that may constitute violations. One internal report was received by the Company during the fiscal year ended November 30, 2024.

► Anti-harassment Program

We will take strict disciplinary action in accordance with the rules of employment, should any act of harassment be committed by an employee. We also hold regular seminars aimed at preventing harassment.

► Introduction of a Safety Reporting System

We have implemented a Safety Reporting System, which can be used via computer or smartphone, to ensure lines of communication between employees and the company remain open in the event of a major earthquake similar to those that have struck Japan in the past.

List of Executives

Executive profiles can be found here.

<https://en.morito.co.jp/ir/management-policy/directors-auditors/>



Takaki Ichitsubo
Representative Director,
CEO

During my student years, I was deeply involved in soft tennis, through which I developed perseverance and a strong drive to win. Since I dislike losing, I no longer play tennis and instead enjoy taking walks with my beloved dog. I spent 11 years overseas on assignment in the Netherlands starting in 1985, and that experience helped me develop the ability to adapt to different cultures. I felt like a stranger when I returned to Japan, but those years gave me a fresh perspective on my current environment. Since November 2013, I've been serving as representative director, CEO, and I place great value on integrity and staying true to principles while working to ensure that our employees and their families can live with peace of mind as they contribute to the growth of the MORITO Group.



Bunki Yano
Director

I spent 13 years on assignment in the Netherlands and five years in Hong Kong. Currently, I also serve as CEO of our subsidiary, MORITO SCOVILL AMERICAS, LLC, and divide my time between Japan and the U.S. Through many years of global experience, I have developed multifaceted thinking and decision-making skills by working with people who hold different values from my own. Lately, I make a conscious effort to view things from a broad perspective, always striving to grasp the essence of matters while reflecting on my work and the Company's future. I hope to continue contributing to the growth and new challenges of the MORITO Group.



Kiyomi Akui
Director

While searching for a company where women can build long-term careers, I was drawn to a job posting from our company for "New Graduate / HR Department Staff." Guided by a strong intuition that this was the company for me, I was fortunate to join the Company, and since then, I have continued to learn about various aspects of management centered around the theme of people. As those before us have taught, a company is its people. With the renewed focus on the importance of human capital in recent years, I aim to seize this momentum and work to maximize the value of people, as I strive to deliver outcomes that bring joy to everyone connected with the Company.



Mayumi Ishihara
Director (Outside)

After graduating from the faculty of law, I began my professional career as a court clerk, but resigned after two years upon getting married. While moving around Japan due to my husband's job transfers, I studied for the bar exam and passed. Since then, while raising children—and more recently, grandchildren—I've spent nearly 30 years as a lawyer specializing in corporate legal affairs. I've served as an outside officer for other listed companies for nearly 20 years, but I feel that the energy of the MORITO Group is truly exceptional. To keep pace, I will draw on both my legal expertise and my perspective as a homemaker and consumer to contribute to strengthening governance.



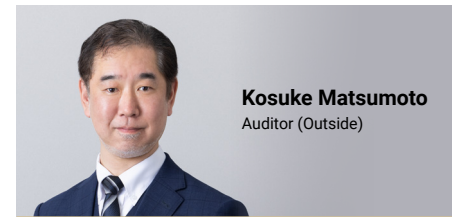
Motoo Matsuzawa
Director (Outside)

Drawing on 25 years of experience in financial services at a bank, eight years of hands-on experience as CFO and director of a foreign-affiliated company's Japan office, and my role as a full-time auditor at a pharmaceutical manufacturer, I provide input as an outside director particularly in the areas of finance, legal compliance, and corporate governance. With sincerity, I carry out my duties by seeking sound judgment grounded in a broad societal perspective and by upholding fairness and integrity, all in order to contribute to the realization of medium- to long-term corporate value creation for the MORITO Group.



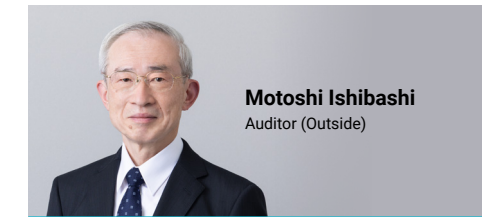
Kiyoshi Ichikawa
Auditor (Full-time)

Over the 42 years since joining the Company, I've worked in areas such as human resources, general affairs, and legal affairs while building a unique career within MORITO that does not involve handling products and money. Drawing on this rare perspective, I hope to contribute to establishing a sound and sustainable corporate governance system that supports the healthy growth of the Group and the creation of medium- to long-term corporate value, in order to meet society's expectations. To that end, I take to heart the words of a respected former auditor at the Company: "Divinity resides on the front lines." Guided by this principle, I strive to conduct audit activities with a keen focus on the facts found in the field.



Kosuke Matsumoto
Auditor (Outside)

It has been 25 years since I registered as a lawyer, and 14 years since I assumed the role of outside auditor for MORITO. While recent Western management perspectives increasingly argue that outside officers should not serve long terms, my personal experience tells me that it takes many years for someone from outside a company to truly grasp the essence of the role and to gain a nuanced understanding of the voices of employees working on the front lines. Drawing on the insight I have gained through domestic and international site visits over the years, I look forward to continuing to fulfill my responsibilities to the Group.



Motoshi Ishibashi
Auditor (Outside)

After more than 10 years of service in international affairs at the Osaka Regional Taxation Bureau and other public duties, I've built a career as a certified tax accountant. In corporate management today, maintaining and improving compliance in accounting and taxation is essential. Against this backdrop, I'm honored to apply the knowledge and expertise I have developed to the global MORITO Group. As an auditor, I'll continue contributing to the further growth of the Group both in Japan and abroad as it aims to become a global niche top company.

Message from the Outside Directors



I'll contribute to realizing a management approach that connects with consumers and leads to the future.

Mayumi Ishihara
Outside Director

For nearly 30 years, I've worked as a lawyer specializing in corporate legal affairs while also fulfilling my roles as a wife and mother, never easing up in either responsibility. Beyond my legal expertise, I believe the perspective I've gained through daily life as a consumer is one of my strengths. Since the end-users of MORITO Group's products are ultimately consumers, I'll continue to offer various observations and recommendations to ensure that the Company never loses sight of the importance of staying connected with them.

Looking back on when I first assumed my position, I recall feeling that the Group's Board of Directors needed to go deeper into financial statements and adopt a broader view of medium- to long-term business prospects. However, over time, the Company has taken external opinions and feedback seriously, steadily working to make improvements. Once a goal is set, the Company's drive to achieve it is remarkable, as demonstrated by its designation to the First Section of the Tokyo Stock Exchange and later its transition to the Prime Market. These were moments when I truly witnessed the underlying strength of MORITO as a 100-year company. Even after transitioning to a holding company structure, the Group has continued to steadily expand its business. Recently, the Company has been receiving advice from experts on IR and governance enhancement, but what is truly commendable is its continued commitment to thinking and acting independently.

Looking ahead, I believe consumer needs will continue to diversify, and developing products that connect to the future will be essential. To maintain and advance its position as a global niche top company, it will be key to further strengthen employee engagement, especially among those who support the company from within. Furthermore, given that the Group's companies operate worldwide, it is critical to both meet global standards and respond swiftly to country-specific risks. In addressing these various challenges, I'll continue to approach my role as a director with the spirit of "Active and Steadfast" and do my utmost to help MORITO become a sustainable and enduring corporate group.

Supporting the sustainable growth of the MORITO Group with a proactive mindset

Motoo Matsuzawa
Outside Director



With integrity as my foremost principle, I strive to base my judgments on a broad societal perspective and to ensure that my proposals are fair and impartial, drawing on my experience as an auditor and in other roles. As an outside director, I believe that supporting the healthy and sustainable growth of the MORITO Group requires not only a defensive stance, but also an active approach. In recent years, I've provided timely advice such as positive evaluations of large-scale investments and requests for progress reports on cost-reduction efforts.

From the perspective of protecting the interests of general shareholders, it's the responsibility of outside directors to speak out in board meetings and raise issues with the representative director when necessary. The Group has fostered a culture of open and candid dialog between outside directors and inside executives, including the president. Outside directors embody a wide range of knowledge and experience, and I believe they are fully equipped to oversee corporate management from an external perspective. This structure allows us to engage in lively discussions about management issues, and I believe it's helped the Board of Directors maintain its effectiveness. Furthermore, the advance distribution of materials, preliminary briefings and opportunity for advance confirmation contribute to more meaningful discussions during Board meetings.

As a part of its preparations for further growth toward 2030 and beyond, the Group has announced its 8th Mid-term Management Plan. This plan outlines the vision through which MORITO, with its 117-year history, will continue creating new value over the next 100 years as a global niche top company. I believe that considering M&A opportunities is essential for the creation of medium- to long-term corporate value. To that end, visualizing synergies such as financial impact is crucial for discussions and deliberations at the Board of Directors level. Going forward, I will continue to offer proposals that contribute to the realization of medium- to long term sustainable value creation by encouraging the concrete presentation of such factors.

Financial Data Summary

	2014/11	2015/11	2016/11	2017/11	2018/11	2019/11	2020/11	2021/11	2022/11	2023/11	2024/11
Net sales (million JPY)	35,862	43,293	40,086	41,388	43,943	45,987	40,727	43,636	48,478	48,529	48,537
Operating profit (million JPY)	1,429	1,721	1,767	1,707	1,725	1,734	856	1,619	2,116	2,464	2,868
Ordinary profit (million JPY)	1,729	1,871	1,647	1,703	1,790	1,779	928	1,834	2,342	2,771	3,003
Profit attributable to owners of parent (million JPY)	1,270	1,432	1,181	3,305	1,257	1,402	470	1,407	1,674	2,217	2,572
Free cash flow (a + b) (million JPY)	(4,742)	3,011	4,119	4,741	(4,545)	3,724	2,446	2,243	715	4,476	5,258
Cash flows from operating activities (a) (million JPY)	1,123	2,034	1,391	1,802	626	3,614	2,462	2,644	850	4,399	4,620
Cash flows from investing activities (b) (million JPY)	(5,865)	977	2,728	2,939	(5,171)	110	(16)	(401)	(135)	77	638
Depreciation (million JPY)	462	726	617	675	714	860	962	937	992	1,010	983
Total assets (million JPY)	45,593	47,331	40,853	43,473	48,059	47,185	43,699	45,938	50,271	51,429	52,476
Equity (million JPY)	29,488	31,113	29,246	32,581	32,905	32,667	31,958	33,858	36,628	38,433	39,276
Operating profit to net sales ratio (%)	4.0	4.0	4.4	4.1	3.9	3.8	2.1	3.7	4.4	5.1	5.9
Ordinary profit to total assets ratio (ROA) (%)	4.2	4.0	3.7	4.0	3.9	3.7	2.0	4.1	4.9	5.5	5.8
Rate of return on equity (ROE) (%)	4.5	4.7	3.9	10.7	3.8	4.3	1.5	4.3	4.8	5.9	6.6
Capital adequacy ratio (%)	64.7	65.7	71.6	74.9	68.5	69.2	73.1	73.7	72.9	74.7	74.8
Basic earnings per share (EPS) (JPY)	43.85*	49.48	41.48	119.29	45.71	51.17	17.17	51.41	62.23	83.05	97.12
Net assets per share (BPS) (JPY)	1,017.79*	1,081.23	1,027.96	1,184.79	1,196.17	1,193.13	1,167.21	1,240.70	1,371.63	1,445.12	1,495.67
Dividends per share (annual dividend) (JPY)	12.50*	14.50	17.00	28.00	25.00	26.00	18.00	26.00	32.00	55.00	63.00
Consolidated dividend payout ratio (%)	28.5	29.3	41.0	23.5	54.7	50.8	104.8	50.6	51.4	66.2	64.9
Consolidated dividends to net assets (DOE) (%)	1.2	1.4	1.6	2.5	2.1	2.2	1.5	2.2	2.4	3.9	4.3

* The Company conducted a 2-for-1 split of its common stock on July 1, 2014. Accordingly, basic earnings per share, net assets per share, and annual dividends per share were calculated if the stock split had been conducted at the beginning of the fiscal year ended November 30, 2014.

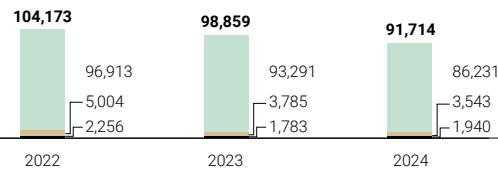
Non-financial Data Summary

Environment

GHG emissions

■ Scope1 ■ Scope2 ■ Scope3*

(t-CO₂)



* Only some major domestic companies

Governance

Board of Directors makeup

Number of directors

5



Number (ratio) of outside directors: 2 (40%)

Number (ratio) of female directors: 2 (40%)

■ Male ■ Female

Number of Board of Directors meetings held and attendance rate (fiscal year ended November 30, 2024)

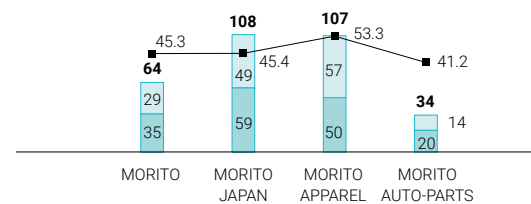
14
100%



Social

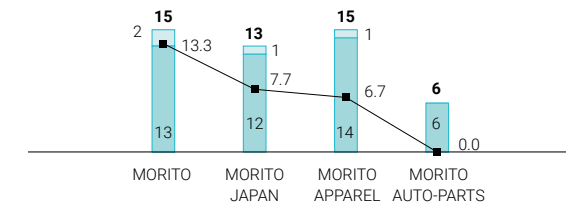
Number of male and female employees (as of November 30, 2024)

■ Male (Employees) ■ Female (Employees)
— Percentage of female employees (%)



Number of male and female management-level employees (as of November 30, 2024)

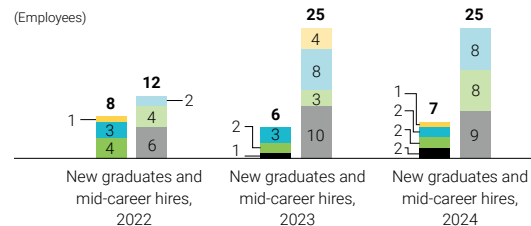
■ Male (Employees) ■ Female (Employees)
— Percentage of female management-level employees (%)



Number of new graduates and mid-career hires

■ MORITO ■ MORITO JAPAN ■ MORITO APPAREL
■ MORITO AUTO-PARTS

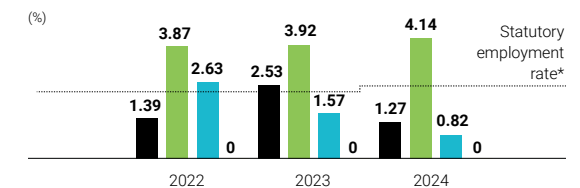
(Employees)



Employment rate of persons with disabilities

■ MORITO ■ MORITO JAPAN ■ MORITO APPAREL
■ MORITO AUTO-PARTS

(%)



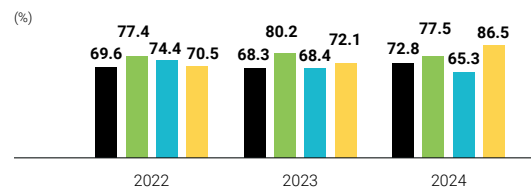
Note: MORITO AUTO-PARTS CO., LTD. is not included because the number of employees is below the legal standard.

* The statutory employment rate was 2.3% until FY2023, but it has been 2.5% since FY2024.

Percentage of employees taking paid annual leave

■ MORITO ■ MORITO JAPAN ■ MORITO APPAREL
■ MORITO AUTO-PARTS

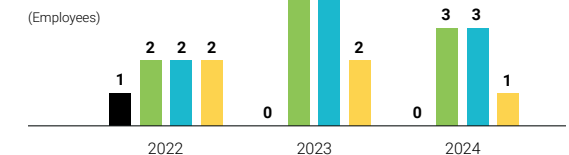
(%)



Number of employees taking maternity leave and childcare leave

■ MORITO ■ MORITO JAPAN ■ MORITO APPAREL
■ MORITO AUTO-PARTS

(Employees)



Note: MORITO CO., LTD. had no births of employees (or spouses) eligible for childcare leave or other leave in FY2023 and FY2024.

Global Network

Japan

MORITO CO., LTD.

MORITO JAPAN CO., LTD.

MORITO JAPAN engages in the planning, development, manufacturing, and sales of consumer product materials and related products. In addition to selling products under its own brands, the company also provides various industries with parts and OEM products that meet customer needs.

MORITO APPAREL CO., LTD.

MORITO APPAREL engages in the planning, development, manufacturing, and sales of accessories and products related to apparel, footwear, hygiene and medical equipment, as well as lifestyle goods. The company handles a wide range of products, including fasteners, various types of parts, as well as finished and semi-finished OEM products. It also operates the bag brand "52 BY HIKARUMATSUMURA" and the downwear brand "YOSOOU®."

MORITO AUTO-PARTS CO., LTD.

MORITO AUTO-PARTS provides various parts mainly for automobiles, railways, and aircraft. Leveraging years of experience in parts innovation, the company makes products and assemblies using various textile, resin, and metal processing technologies (sewing, ultrasonic wave, high frequency, press, etc.).

ACE INDUSTRIAL MACHINERY CO., LTD.

ACE INDUSTRIAL MACHINERY operates a grease filter rental service for commercial kitchens to help customers solve environmental problems. Today, in addition to the rental business, the company provides comprehensive maintenance services to meet all kinds of needs, including 360-degree support for air conditioners, sales of kitchen exhaust deodorizers, as well as cleaning and installation of kitchen exhaust systems.

MATEX INC.

MATEX focuses on subsidiary material for apparel products sales handles a wide range of apparel-related products, including online ordering systems, RFID tags, environmentally friendly items, and more. The company also makes OEM products and novelties and designs retail store supplies.

MANEUVERLINE INC.

Since its foundation in 1977, MANEUVERLINE has supported Japan's surfing community. The company imports and wholesales surfing, windsurfing, snowboarding, skateboarding, and apparel products, spanning all categories of action sports.

CANVAS CO., LTD.

Ms.ID INC.

Ms.ID operates a women's apparel brand "SELECT MOCA" which focuses on EC sales, an accessories brand "TEN" which operates online and in brick-and-mortar stores.

C.T.A. CO., LTD.

MITSUBOSHI CORPORATION CO., LTD.

MITSUBOSHI CORPORATION is a comprehensive trim supplier focusing on the workwear and uniform industry. The company supplies a broad range of trims to industries that prioritize functionality and quality, focusing on solutions that are less affected by seasonality or trends.

Asia

MORITO SCOVILL HONG KONG CO., LTD.

Operating in Kowloon, a procurement hub for manufacturers and distributors from all over the world, MORITO SCOVILL HONG KONG is experiencing dynamic global growth. It supplies an array of products from MORITO (SHENZHEN) CO., LTD., a MORITO subsidiary, to the world's brand-name apparel

companies and volume retailers while collecting and sharing information about industry-specific trends.

MORITO (SHENZHEN) CO., LTD.

MORITO (SHENZHEN) has a production system capable of making metal press products for garments, such as snap fasteners and jeans buttons, which are MORITO's core products. It also provides sewn products, fabric and tape printing as well as various types of processing services to meet customer needs.

MORITO SHANGHAI CO., LTD.

MORITO SHANGHAI mainly deals in materials related to clothing, footwear, and transportation systems, and supplies materials made in China and Japan according to market needs. They are widely used in products exported to Japan and Europe and the U.S. as well as those sold in China.

MORITO DANANG CO., LTD.

MORITO DANANG is a comprehensive supplier of materials for apparel and consumer products as well as finished products, providing manufacturing, sales, and logistics services in the ASEAN region, which is at the forefront of MORITO's global strategy.

MORITO TRADING (THAILAND) CO., LTD.

MORITO TRADING (THAILAND) focuses on transportation businesses, and operates electrical equipment- and apparel businesses in Thailand, but also serves as MORITO's marketing, sales, and logistics location for the ASEAN region to meet diversifying customer needs in Southeast Asia.

SHANGHAI NEW WORLD MATEX INTERNATIONAL TRADE CO., LTD.

MITSUBOSHI CORPORATION SHANGHAI CO., LTD.

SCOVILL FASTENERS INDIA PVT., LTD.

● Apparel ● Product ● Transportation

Americas

MORITO NORTH AMERICA, INC.

MORITO NORTH AMERICA designs, develops, markets, and sells automotive parts. The company sells automotive interior components mainly to auto parts manufacturers in North America. The company leverages MORITO's worldwide network to strengthen not only its global procurement and supply but also local procurement and supply network.

MORITO SCOVILL AMERICAS, LLC

Founded in 1802, MORITO SCOVILL AMERICAS is a pioneer in apparel accessories with more than 220 years of history. The company operates a manufacturing plant and mainly sells accessories for apparel applications. It also manufactures and sells accessories for medical wear and leisure products.

MORITO SCOVILL MEXICO S.A. de C.V.

MORITO SCOVILL MEXICO was established in 2017 as a sales subsidiary in Mexico, one of the world's leading automobile producing countries, as part of MORITO's North and Central America sales strategy for the automotive interior component and apparel businesses. It works closely with MORITO NORTH AMERICA to promote sales for the automotive interior component business.

Europe

MORITO (EUROPE) B.V.

MORITO (EUROPE) operates a distribution center to widely serve the apparel, electronics, and transportation industries. It makes ceaseless efforts to introduce new products to different fields as well as to develop and propose new business models. The company has a representative office in Pontarlier, France, to meet the needs of the apparel industry in the French and North African markets.

Corporate and Stock Information (as of November 30, 2024)

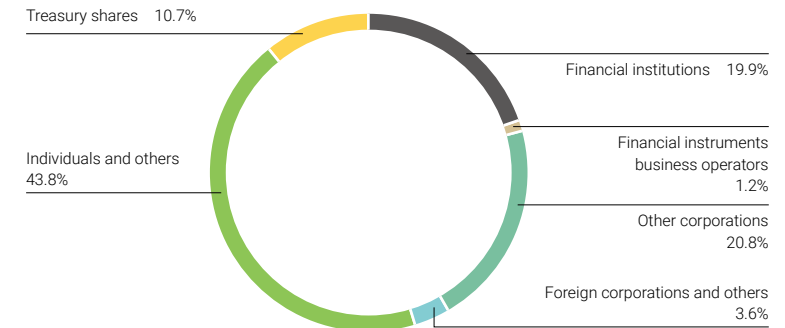
Corporate information

Trade name	MORITO CO., LTD.
Founded	June 1, 1908
Established	December 17, 1935
Capital	3,532,492,000 JPY
Employees	64 (consolidated-basis employees: 1,509)
Consolidated financial statement entities	Consolidated subsidiaries: 7 domestic companies, 13 overseas companies Affiliates accounted for using equity method: 1 domestic company
Address	4-2-4 Minami-honmachi, Chuo-ku, Osaka-shi, Osaka 541-0054 TEL: 06-6252-3551 URL: https://en.morito.co.jp

Stock information

Securities code	9837
Stock exchange	Prime Market, Tokyo Stock Exchange
Share unit	100 shares
Type of shares	Ordinary shares (The Company does not currently issue preferred or other types of shares.)
Total outstanding shares	30,000,000
Fiscal year-end	November 30 of each year
Record date	Year-end dividend: November 30 of each year Interim dividend: May 31 of each year In other cases where necessary, we will set a record date after giving prior public notice
Annual general meeting of shareholders	February of each year
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation
Special account administrator	Osaka Corporate Agency Dept. Mitsubishi UFJ Trust and Banking Corporation, 3-6-3 Fushimimachi, Chuou-ku, Osaka-shi 541-8502 TEL: 0120-094-777 (toll-free in Japan) URL: https://www.tr.mufig.jp/daikou

Ownership percentage (by type of investor)



Major shareholders

Shareholders	Number of shares (in thousands)	Shareholding ratio (%)
Kuraray Co., LTD.	2,324	8.68
The Master Trust Bank of Japan, Ltd. (trust account)	1,814	6.77
MORITO Kyoiei Kai	1,743	6.51
Meiji Yasuda Life Insurance Company	1,700	6.35
KANE-M Co., Ltd.	1,676	6.26
MORITO Employee Stock Ownership Plan	529	1.98
Custody Bank of Japan, Ltd. (trust account)	476	1.78
Custody Bank of Japan, Ltd. (trust account E)	366	1.37
Mizuho Bank, Ltd.	353	1.32
KOMATSU MATERE Co, Ltd.	320	1.19

Notes: 1. 3,220 thousand shares(10.73%) of treasury shares owned by MORITO CO., LTD. are not included in the above list of major shareholders.
2. 366 thousand shares of MORITO held by the Custody Bank of Japan, Ltd. (trust account E) and 154 thousand shares of MORITO held by the Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account) are not included in treasury shares.



Editor's Note

Thank you for reading Integrated Report 2025. As the first integrated report published by MORITO CO., LTD. The Report was compiled to convey the unique character of MORITO, including to readers who are unfamiliar with the Company. We hope it serves as an introduction to our "Active and Steadfast" approach, which we've cultivated over 117 years; the MORITO VALUE embraced by each of our employees; and our growth strategy, which is conceived to achieve 100 billion JPY in sales.

We will continue to pursue IR activities characterized by sincerity and a focus on active dialog, timely and appropriate disclosure, and the enhancement of sustainable corporate value.