



SNAP FASTENERS



MAGICTAPE®



EYELETS



SNAP FASTENERS



INSOLES



EYELETS



JEANS BUTTONS

MORITO

Integrated Report MORITO CO., LTD.

2026



NETS



RIVETS



BLOCK TAPE



BUCKLES



CORD STOPPERS



SHOELACES



MORITO

Where innovation is the norm

To us at MORITO, the 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.



Product example

Snap fasteners
MAGICTAPE®
Buttons
Tapes
Eyelets
Shoelaces
Accessories
Bags
Own brands

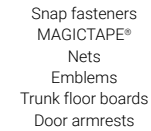
Apparel Business

Invisible snap fasteners

This product was developed in response to demand for a refined look even when the snap fastener 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

MAGICTAPE®
Insoles
Shoe care products
Supports
Straps
Commercial kitchen grease
filters
Own brands



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.



Where MORITO Stands

• Net sales

56,867 million JPY*¹
(up 17.2% YoY)

• Operating profit

3,333 million JPY*¹
(up 16.2% YoY)

• Return on equity (ROE)

7.4 %*¹
(up 0.8 percentage points YoY)

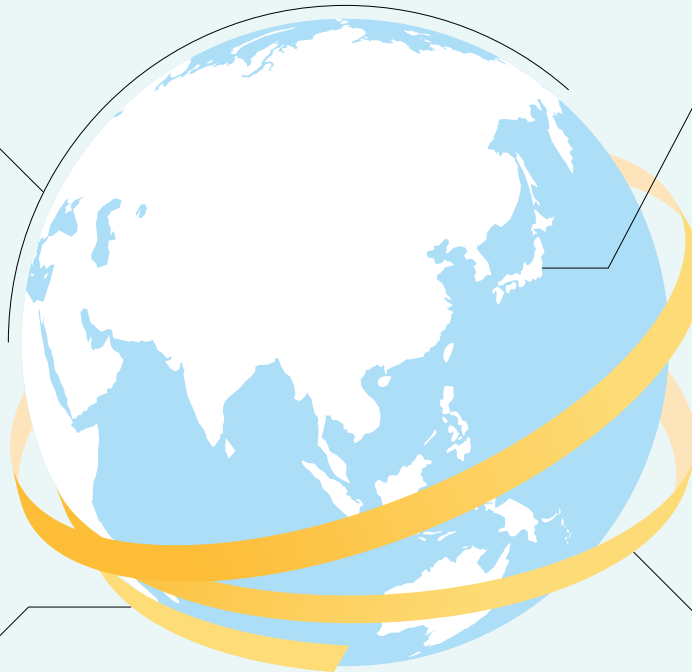
No.2

market share in the world*²

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*²

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

Annual sales volume
of MAGICTAPE® (by length)
Approx.

90,000 km

More than
twice around
the earth

Number of consolidated
basis employees

1,708 *³

Percentage of international
employees

58.7 %*³

Number of domestic and
overseas group companies

22 companies*⁴

Business breakdown
Procurement to production ratio

About **7:3**

Equity ratio

In the **70** % range

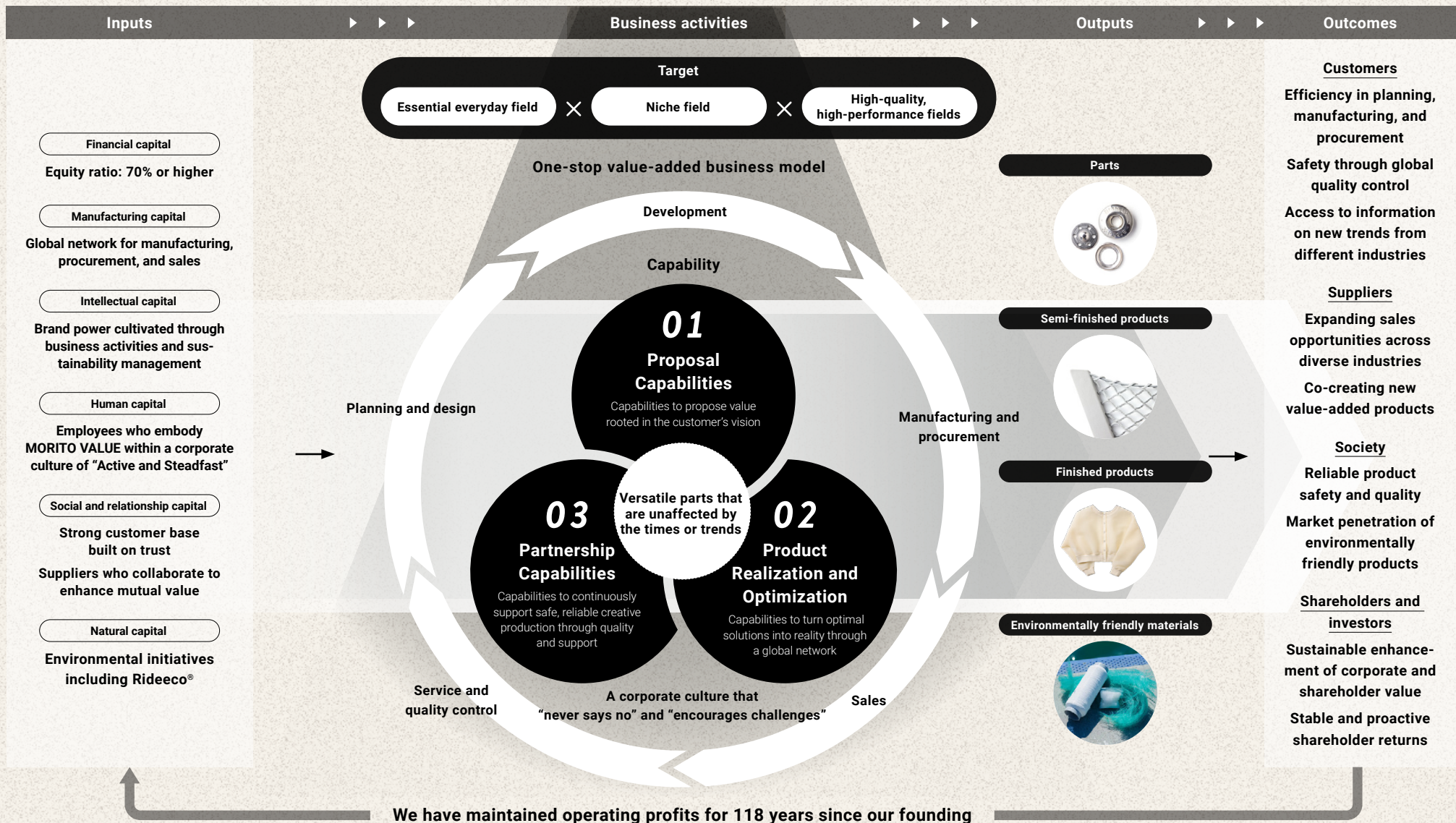
Note: MAGICTAPE® is a registered trademark of Kuraray Co., Ltd.

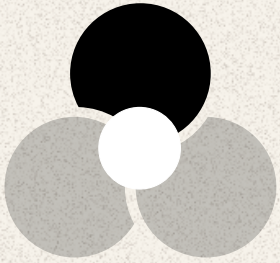
*¹ For the fiscal year ended November, 2025. *² According to internal research. *³ As of November 30, 2025. *⁴ As of April 3, 2026

Value Creation Process

MORITO's Vision

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





Capability

01

Proposal Capabilities

Capabilities to propose value rooted in the customer's vision

Starting with the customer's vision and underlying challenges, we use our expertise and creativity to shape the optimal solution. We offer comprehensive solutions that go beyond individual parts to include peripheral design, product design, and mass production, and design and deliver tangible added value to our customers.



POINT 01

Proposing a complete set, from a single part to its surrounding components

Upon receiving a request for parts, our sales personnel carefully consult with the customer to understand the concepts and challenges associated with the final product. In addition to selecting appropriate parts and developing original products, we aim to expand the range of solutions adopted by our customers by offering additional proposals covering peripheral components, development, and design. We also offer solutions combining over 500,000 parts, enabling our customers to streamline their procurement processes.

POINT 02

Demonstrating a commitment to standing by our customers through a culture that "never says no" and "encourages challenges"

We provide custom-made planning and design services tailored to our customers' needs. We flexibly address everything from proposals for specialized functions and highly sophisticated designs to vague needs, drawing on the know-how we have cultivated over many years. We never say "it can't be done" in response to difficult customer requests from the outset. We have a deeply rooted culture of thoroughly devising ways to turn ideas into reality and taking on challenges in new industries and fields.

POINT 03

Delivering valuable proposals enabled by a seamless, end-to-end approach

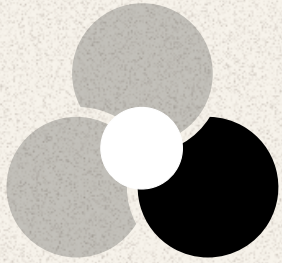
We offer proposals leveraging the insights gained through our end-to-end operations from planning and development to manufacturing, procurement, sales, and quality control. Our sales personnel incorporate customer requests into design sketches to ensure rapid development; simultaneously, they collaborate with the Quality Assurance Department to propose designs optimized for mass production, thereby proactively preventing defects.

POINT 04

Enhancing creative production expertise together with suppliers and across the entire MORITO Group

We foster an open corporate culture that encourages open communication across various business divisions and group companies; within this environment, we work to enhance our product knowledge and proposal-making capabilities, for instance, by sharing insights through in-house training. We create value by leveraging the technologies and know-how cultivated through collaboration with our suppliers to offer solution-based proposals to our customers.





Capability

02 Product Realization and Optimization

Capabilities to turn optimal solutions into reality through a global network

We bring our customers' requests to life through collaboration with suppliers and by producing semi-finished and finished products that combine multiple parts. Furthermore, we leverage our global production and procurement network to realize optimal manufacturing and procurement solutions for our customers.

POINT 01

Collaborative creative production with suppliers

We collaborate with long-standing suppliers to create prototypes starting from the planning stage, and repeatedly evaluate them with customers to visualize challenges and ensure rapid creative production. We share information on usage scenarios and functions with our suppliers to explore better methods and ideas, and also leverage this collaboration to develop parts and items that do not yet exist. For example, "Raku Raku Kan®," an original MORITO adjustable hook and bar closure that incorporates a spring into the fastener used on the front or side of pants and skirts, automatically expands and contracts to adjust to the waistline, such as after meals, thereby reducing the feeling of constriction caused by the garment.



POINT 02

Semi-finished and finished products combining different materials

Leveraging our network of suppliers handling a wide range of products, we develop parts by combining materials sourced from multiple suppliers. Furthermore, by leveraging our own sewing factories in Vietnam and partner facilities, we provide integrated support through to the production of semi-finished and finished products. This enables high flexibility in the creative production. This contributes to streamlining our customers' procurement processes while also enabling us to handle ODM and OEM production for global brands. Even among global competitors, few possess the capabilities to handle everything from parts to semi-finished and finished products. In fact, many people may already be using MORITO products without even realizing it.

POINT 03

Local production for local consumption— creative production that is completed close to the customer

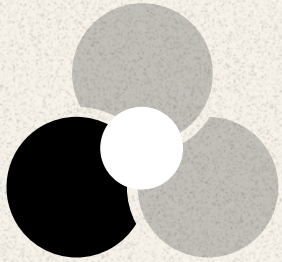
To meet customer needs, we leverage our global network, including our own factories in Japan, China, the U.S., and Vietnam, as well as partner factories and suppliers worldwide, to select the optimal production locations and carry out production and procurement through an efficient system. We also promote "local production for local consumption," which involves producing, procurement, and selling products as close as possible to our customers' production areas. For example, we procure parts in Mexico for Japanese automakers operating in the U.S. Local production for local consumption brings cost advantages, helps reduce logistics lead times and energy consumption, and enables us to establish production and procurement systems that address geopolitical risks.



Raku Raku Kan®

This adjustable hook and bar closure incorporates an expandable metal spring, reducing pressure around the waist when sitting or after meals.





Capability

03

Partnership Capabilities

Capabilities to continuously support safe, reliable creative production through quality and support

The capabilities to provide long-term support for our customers' manufacturing operations through global quality control and support systems. We are committed to supporting customers diligently at every stage, from risk mitigation during the planning phase to post-shipment support, and continue to be a trusted partner for our customers.

POINT 01

Value chain that delivers
"MORITO Quality" globally

We become closely involved in customers' business processes from the planning, design, and development stages, and work to minimize defects through risk assessments and design reviews. We have a quality assurance system in place for our suppliers, including process audits, and in the event of a defect, we ensure a prompt response, identify the root cause, and implement measures to prevent recurrence. Furthermore, we collaborate with group companies and partner factories around the world to establish production and procurement systems that meet the quality standards of each region. Through this, we have established "MORITO Quality" on a global scale and secured market share in industries demanding high quality, such as baby clothing, medical wear, and workwear.



POINT 02

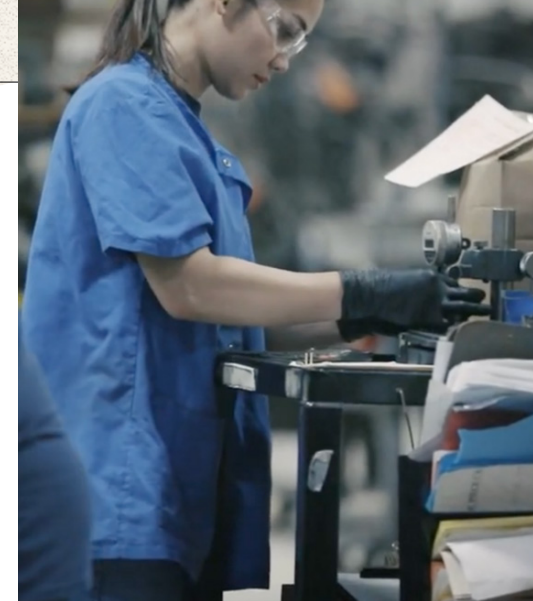
A trusted, customer-centered utility provider

We respond flexibly to small-lot orders and have built strong relationships of trust with many customers. By acting not just as a trading company but as a familiar and trusted utility provider, we are the kind of partner customers immediately think of when they need help with parts. We gain a deep understanding of our customers' challenges and needs, work alongside them to address these issues, and leverage these insights to propose complementary products and enhance our product value. By resolving our customers' challenges and building relationships of trust, brand designers continue to choose MORITO for other projects, creating new business opportunities. It's truly gratifying to see apparel brands that we've worked with since their founding grow into global names.

POINT 03

Comprehensive support services extending from planning and development through to post-shipment

We support our customers' production and prevent issues before they occur. In our sales of snap fasteners, we provide and maintain the specialized machinery used at our customers' sewing factories and provide guidance on how to attach snap fasteners based on the material and thickness of the fabric being used. In the unlikely event that a problem arises, we coordinate with our group companies and agents around the world to respond quickly and sincerely. For example, when an issue arose in New York, employees of MORITO SCOVILL AMERICAS rushed to the site, demonstrating the Group's deeply rooted culture of mutual support. Through this system, we provide safety for our customers engaged in global production and sales.



Message from the CEO

We Aim High, Trust Our People on the Front Lines, and Take on Challenges Together

Achieving net sales of 100 billion JPY and creating a future
in which everyone involved can lead a fulfilling life

Takaki Ichitsubo

Representative Director, CEO



Where MORITO Stands

We are currently in the final year of our 8th Mid-term Management Plan (hereinafter called the "Current Plan"), which covers the five-year period from the fiscal year ended November 2022 to the fiscal year ending November 2026. We have continued to make steady progress despite a business environment characterized by uncertainty, driven by factors such as rising resource and raw material prices, U.S. trade policies, geopolitical risks including the situations in Ukraine and the Middle East, and fluctuations in financial and capital markets.

In recent years, in addition to improved profitability driven by structural reforms accelerated during the COVID-19 pandemic, M&A activities involving Ms.ID INC. (hereinafter called the "Ms.ID") and MITSUBOSHI CORPORATION CO.,LTD. (hereinafter called the "MITSUBOSHI CORPORATION") have contributed significantly to our business performance. In the fiscal year ended November 2025, we achieved record net sales, operating profit, and ordinary profit for 3 consecutive years, and we achieved operating profit of 3 billion JPY ahead of schedule, which was our financial target for the Current Plan indicating steady progress.

At the same time, I do not intend to take these figures at face value. I recognize that our existing businesses are growing only modestly and have not yet reached a satisfactory level relative to their underlying potential. Here, I would like to explain how our company has transformed under the Current Plan, what we aim to achieve under the new Mid-term Management Plan, "ACTION 1000" (hereinafter called the "New Plan"), starting in the fiscal year ending November 2027, and the underlying philosophy of MORITO.

Message from the CEO

Breaking Free from Big-Company Syndrome and Transforming Employee Mindsets

I believe that the greatest achievement of the Current Plan lies not so much in the record-breaking financial results, but rather in the steady progress made in transforming the mindset of our employees.

In the past, thanks to our robust business portfolio, we were able to offset underperformance in one area with results from others, thereby maintaining a solid overall performance. But that stability was also a pitfall for the organization. A sense of detachment had spread among our employees—a feeling that even if their department failed to meet its targets, they would still receive decent salaries and bonuses. It was a corporate culture typical of big-company syndrome, where a healthy sense of crisis had faded.

“We won’t survive like this.” Sensing this, I decided to fundamentally overhaul our management structure. We began restructuring the Group in the fiscal year ended November 2019, and in June 2022 split MORITO JAPAN CO., LTD., the Group’s largest operating company, into three companies based on its core business lines: Apparel, Product, and Transportation. It took slightly longer than initially planned, but this structural reform has enabled us to establish a system that can respond quickly and flexibly to changes in our markets, customers, and business practices.

Furthermore, the shift in mindset regarding profitability, the true aim of the structural reform, has also produced clear results. The thorough delegation of responsibility and authority spurred the management and individual employees of each group company to take ownership of their company’s

profit and loss, and to think and act proactively. The structural reform also brought about changes that exceeded initial expectations. It heightened their awareness not only of profitability but also of financial stability and asset efficiency, as reflected in the balance sheet and the cash conversion cycle.

I believe that the improvement in profitability during the Current Plan is the result not only of M&A activities but also of the cumulative effect of a shift in employee mindset, specifically, the move toward employees thinking and acting on their own initiative. I am truly heartened and grateful that each and every employee has taken the reform seriously.

The Ambition of 100 Billion JPY in Net Sales and Putting Capital to Productive Use

Given the steady improvement in profitability achieved under the Current Plan, the New Plan (fiscal years ending November 2027 through November 2031) will focus on “pursuing a greater scale” as a key priority and set a target of 100 billion JPY in net sales.

We had the option of setting a more conservative target, but we deliberately chose to aim for 100 billion JPY because we believed it offered a more compelling ambition. No one can accurately foresee what the global situation will be like in 5 years. Even if we create a plan by simply projecting current figures forward, it can easily fall apart if an unforeseen situation arises. That is precisely why I believe it is important not to be swayed by external circumstances, but rather to hold onto our ambitions and passion for “where we want to be in 5 years” and do our very best.

100 billion JPY in net sales is a lofty target that we cannot achieve unless we really stretch ourselves. However, when you accomplish something with your own hands that seems impossible, you gain a great sense of confidence and accomplishment. I really hope all our employees will have the chance to experience that.

And this target is not simply about expanding our scale. It is a means to expand our operations, increase operating profit, and raise employee salaries and bonuses. I aim to increase average employee compensation to more than 1.5 times its current level over the next 5 years. My responsibility and my wish as the head of the company are to build an organization that instills pride in its employees and enables employees and their families to lead fulfilling lives.

The key to achieving our targets lies in a two-pronged approach: growing our existing businesses and expanding into new growth areas based on our strengths. The vision of our New Plan, “Challenge Through Parts, Leap Beyond Parts,” embodies our determination to achieve two goals with equal emphasis: steadily generating annual growth of around 5% in the parts business—our company’s foundation—to solidify global leadership in niche markets; and leveraging that strength to continuously drive M&A and new business initiatives, thereby cultivating new pillars of growth. A major strength is that HISANAGA SEISAKUSHO CO., LTD. (hereinafter called the “HISANAGA SEISAKUSHO”), formerly a partner factory, joined the Group in April 2026. This enabled us to bring its advanced metal snap fastener manufacturing technology in-house and further strengthen our manufacturing capabilities. Moving forward, we will position this facility as our lead plant and roll out its technologies to our factories worldwide, thereby driving the

Message from the CEO

global standardization of “MORITO Quality” and establishing a framework for local production for local consumption.

While advancing these growth strategies, we will continue to improve capital efficiency, including ROIC, at each group company and review our business portfolio. As for the consolidation or reorganization of business operations and trading areas, we intend to make objective decisions as a matter of management responsibility and to respond flexibly to changes in the business environment.

I also always tell our people on the front lines, “Spend freely on what creates value. Just don’t waste money on what does not.” You must not cut necessary expenses or shrink the organization simply for the sake of short-term profit. If a challenge

is backed by a sound explanation and pursued with passion, I would like our employees to invest such initiatives proactively. This is because I believe that the entire process, including failures and setbacks, helps them grow. I want them to think and take action on their own without fear of failure as we work toward our target of 100 billion JPY in net sales. With these ideas in mind, we named our New Plan “ACTION 1000.”

Commitment to Authenticity Deeply Rooted in MORITO

To achieve net sales of 100 billion JPY, we must steadily grow

our existing businesses, strengthen the Growth Business that will drive our “Leap Beyond Parts,” and actively pursue M&A. Ms.ID forms the core of Growth Business. It possesses B2C expertise, which represents a new strength for MORITO, and is already contributing significantly to earnings. ACE INDUSTRIAL MACHINERY CO., LTD. (hereinafter called the “ACE INDUSTRIAL MACHINERY”) and MANEUVERLINE INC. (hereinafter called the “MANEUVERLINE”) also possess the capacity for autonomous growth, driven by their own respective strategies. Going forward, we will actively strengthen corporate functions, make capital investments, pursue M&A in related areas for these operating companies, and develop them into pillars that drive our next phase of growth.

Furthermore, the criteria we apply when considering acquisition targets for M&A can be summarized in three points: being niche top players in their markets, yielding synergies with the MORITO Group’s businesses, and having a stable earnings base. Rather than rushing to expand our scale of operations, we are committed to M&A that steadily enhances the competitiveness of the entire Group.

However, the success or failure of an acquisition depends on the post-merger integration (PMI). The successful performance of companies that have recently joined the Group, such as Ms.ID and MITSUBOSHI CORPORATION, is due entirely to the respect we have shown toward those companies. We take the time to understand and respect differences in business characteristics and corporate culture. It may take time, but I believe this is the surest path to fostering trust and generating authentic synergy.

This commitment to authenticity also aligns with our approach to sustainability. We conduct business aimed at



The Challenges Undertaken by Employees Who Think and Act for Themselves Pave the Way for “ACTION 1000”

Message from the CEO

realizing a sustainable society based on the Rideeco® concept, but we do not engage in superficial environmental initiatives. For example, “MURON®,” a yarn made from 100% recycled Japanese discarded fishing nets, is a quality-focused product that can be traced to the regions where the raw material nets were collected. Thanks to the recognition of our sincere commitment to authentic creative production, inquiries about our products are increasing year by year, particularly from environmentally conscious apparel brands. This has led to tangible achievements, such as the adoption of our parts for some of the staff uniforms at Expo 2025 Osaka, Kansai, Japan.

Many of the parts we handle often end up hidden within the final product. Yet, the meticulous attention to detail, encompassing functionality, quality, and environmental considerations, invested in those small parts translates into safety, security, and a more fulfilling daily life for people. I believe that is precisely MORITO’s reason for being.

Investing in People to Thrive in the AI Era

The source of our company’s competitiveness lies in our people. Even in an era of accelerating AI adoption, digitalization, and automation, it is people who leverage these technologies to create added value, and their importance is growing ever greater. While we are currently actively recruiting highly specialized professionals, we are simultaneously ensuring an environment where existing employees, who have supported our company for years and built the foundation of our business, are fairly rewarded. We consider this to be a vital management responsibility. It is essential to raise the overall

salary level of the organization, including existing employees, rather than providing preferential treatment to only a select few. Based on this philosophy, we have been raising wages, including base pay, in recent years.

As top management, I regard it as my mission to steadily build a fair HR system in which existing employees and new team members respect one another and can work with a genuine sense of satisfaction.

Field-Oriented Approach, Commitment, and Integrity —MORITO’s Management Philosophy

What I value most in business management is a field-oriented approach. I am convinced that the “firsthand insight” gained by visiting our sites in Japan and overseas and engaging in direct dialogue with local executives and employees serves as a vital foundation for management decisions. And since we are delegating authority to the front lines and encouraging them to take on new challenges freely, I must be prepared to take full responsibility for any failures. It is precisely because I have that resolve that I can wholeheartedly trust my employees and entrust them with responsibilities.

Finally, let me touch upon the corporate culture that lies at the heart of MORITO. We used to recite the phrase “Always be polite and greet others with a smile” during our morning assembly. In today’s world, where efficiency and speed are prioritized, this practice might seem old-fashioned. However, it is precisely now that I feel the importance of basic standards of human decency stands out once again. We respect

every individual’s dignity and treat everyone with courtesy, at all times. We exchange greetings with a smile. I believe that this human sincerity is precisely the reason we have earned the enduring trust of our stakeholders, including our customers and suppliers.

There is no such thing as guaranteed stability in business management. I am resolved to maintain a constant sense of urgency and a forward-looking perspective, while never losing sight of the importance of humility. And I regard it as a crucial responsibility to earnestly pursue management that is mindful of the share price, in order to meet the expectations of our shareholders and investors.

Under ACTION 1000, the MORITO Group will continue to pursue its target of 100 billion JPY in net sales, with all employees united in their efforts. I hope that this report helps you understand our philosophy and strategy, and that you look forward to our future growth.



Representative Director, CEO

Growth Trajectory and Next Leap Forward

Review of the 8th Mid-term Management Plan

Under the 8th Mid-term Management Plan (the Current Plan), structural reforms such as corporate spin-offs heightened frontline employees' awareness of profitability and ownership, enabling us to build a lean profit structure. We achieved our operating profit target of 3 billion JPY ahead of schedule, while net sales, operating profit, and ordinary profit hit record highs for the three consecutive years from the fiscal year ended November 30, 2023 through the fiscal year ended November 30, 2025 achieving high performance. We also worked on improving employee awareness about CCC* and inventories while promoting growth investments and M&A, resulting in increased asset efficiency and cash generation capacity. On the other hand, excluding the contribution from M&A, net sales have remained largely flat, making it clear that expanding the scale of our business is a key challenge to achieving sustainable growth going forward.

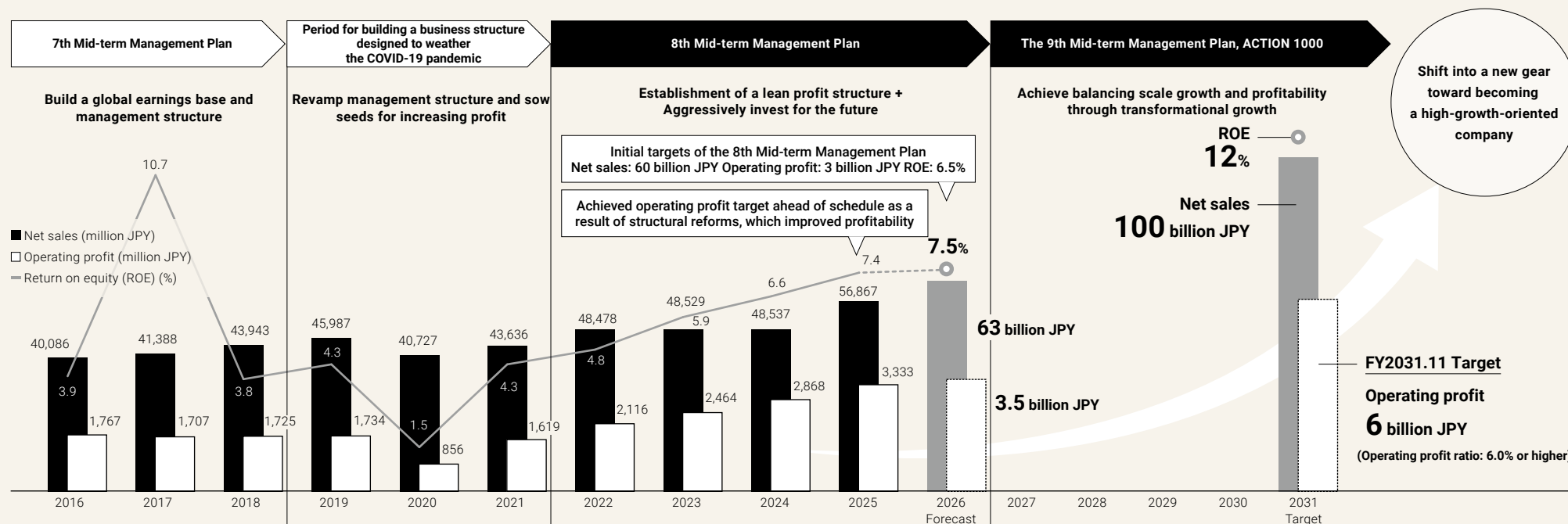
*CCC: cash conversion cycle

Overview of the 9th Mid-term Management Plan, ACTION 1000

We formulated ACTION 1000, our 9th Mid-term Management Plan, covering the five years from the fiscal year ending November 30, 2027 to the fiscal year ending November 30, 2031. We have set ambitious targets of 100 billion JPY in net sales, 6 billion JPY in operating profit, and an ROE of 12% as we aim to shift gears toward a high-growth-oriented company.

Under ACTION 1000, we have identified "pursuing a greater scale" as a key priority, in addition to maintaining and improving profitability, which has been a key focus of the Current Plan. We will focus on M&A aimed at creating new pillars of growth and acquiring management resources that enhance our growth potential and competitive advantage, while establishing global leadership in niche markets through our existing businesses, with an aim of achieving transformational growth and balancing scale growth and profitability.

We will also promote proactive investments and encourage employees to take on new challenges to enhance the organization's growth potential, while striving to improve job satisfaction and a sense of personal growth through investment in human resources, which will lead to the sustainable enhancement of corporate value.



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Editorial Policy

In the Integrated Report 2026, we focused on people, the source of value creation at MORITO, and concentrated on articulating the strengths of its business model and the value it generates. The report also explains the significance of our goal of achieving 100 billion JPY in net sales under our new Mid-term Management Plan, ACTION 1000, through which we aim to transition into a growth company. It also describes the strategies we will pursue to achieve that goal. 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, 2024 to November 30, 2025

Reports on business activities outside of this period may also be included where appropriate.

The scope covers MORITO CO., LTD. along with 22 consolidated subsidiaries, one unconsolidated subsidiary, and one equity-method affiliate.

If the scope is different, it will be noted.

MORITO

Where innovation is the norm

For MORITO employees, pursuing innovation is not something extraordinary—it's the norm.

By focusing on the parts that underpin the seemingly ordinary aspects of daily life and continuously adding new value, such as functionality, reliability, and safety, to them, we have earned the trust of our customers and partners, which has led to new business opportunities.

The networks, technologies, and expertise we have built up over time, along with the growth of our employees, provide strong support for our value creation.

Aiming to keep making a big difference in the world with small parts and to become a global niche top company, we will strive to reach the next stage of growth.

MORITO's History

100 years of building a foundation for a global niche top company

Founding Principles

"Active and Steadfast"

Actively and steadfastly expanding product lineup and business operations

1908 | Began brokering eyelets and snap fasteners in Osaka

Founder Jukichi Moritou began business as a broker of eyelets and snap fasteners in a corner of the Yamano Bag store in Utsubo, Osaka. Since our founding, we have cherished the spirit of "Active and Steadfast," which means "taking the initiative in exercising good judgment and putting it into appropriate action to ensure consistent results." While faithfully upholding these founding principles, we have steadily grown our business.



1957 | A make-or-break bet on MAGICTAPE®

MORITO staked the company's future on MAGICTAPE®, which was still unknown in Japan at the time. The Company's second president, Tokuchi 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 paid a deposit of 40 million JPY (exceeding the Company's capital at the time of 37.5 million JPY). The tape was expensive and did not sell well, piling up as unsold inventory. Despite facing criticism, Yamaguchi remained steadfast in his belief that the product would definitely catch on and the entire company continued working tenaciously to develop new sales channels. These 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.



1908

1916

1957

1977

2008

100 Years Since
Our Founding

Aggressively Expanding Globally in Niche Markets

Building a global supply chain

1916 | The "KANE-M" mark, representing a commitment to global expansion

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

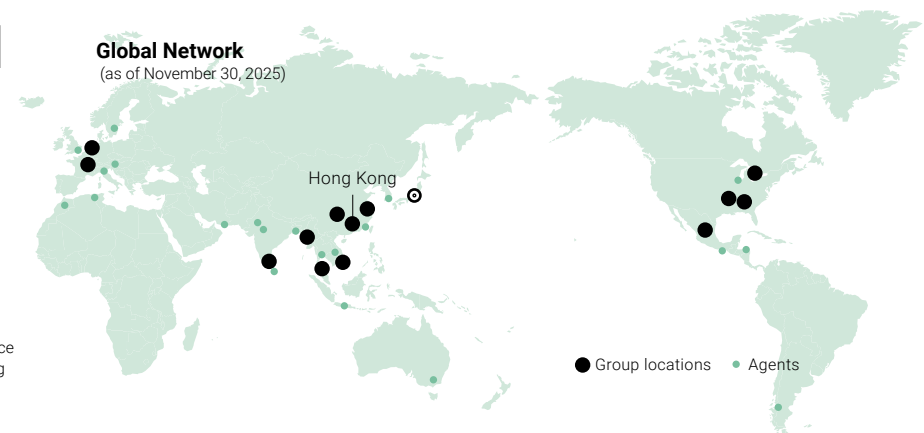


Using a Roman letter for a trademark was innovative at the time and reflected the Company's early overseas business dealings, which had already begun in the Taisho era, as well as its future intention to expand internationally. The outer "Kane" shape is derived from an L-shaped carpenter's square, representing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

1977 | First overseas subsidiary established in Hong Kong

While expanding our domestic operations in the 1960s and 1970s, we made inroads into Hong Kong in 1977, followed by North America and Europe, thereby establishing a global supply chain. Starting in the 1980s, we established subsidiaries in the U.S. and Europe and built a global manufacturing and sales network.

Global Network (as of November 30, 2025)



Building a Foundation for Medium- to Long-term Growth

Strategic investment and organizational restructuring

2010 and onward | Securing new locations and talent

In 2010, we established our own factory in Da Nang, Vietnam, equipped with manufacturing capabilities such as sewing. We acquired a rival American snap fastener maker in 2014 and established a location in Mexico in 2017 to hedge geopolitical risks and build a framework for expanding our geographic reach, functions, and business operations. We also opened a logistics facility in Saitama Prefecture in 2018 with the aim of increasing the efficiency of logistics operations and in-house capabilities. At the same time, we actively recruited mid-career professionals with expertise in finance, legal affairs, and IT systems, laying the groundwork for our continued growth.



MORITO DANANG CO., LTD.



MORITO SCOVILL AMERICAS, LLC



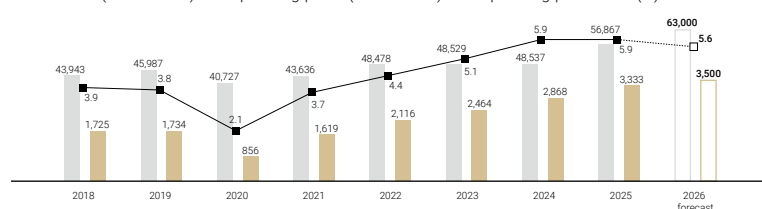
MORITO KANTO LOGISTICS CENTER

2019 and onward | Improving profitability through organizational restructuring

Following the transition to a holding company structure in 2019, we worked on reorganizing our businesses according to their respective characteristics, identifying challenges specific to each group company, and establishing a framework that enables each company to pursue profitability independently. As part of the 2022 restructuring, we promoted a greater awareness of profitability and revised our performance evaluation system to reassess sales terms and unprofitable businesses and build a lean profit structure. We have also been leveraging M&A to expand our business portfolio while deepening our expertise in niche areas. We will strike a balance between the greater autonomy of each company achieved through structural reforms and the cohesion of the Group as a whole. By leveraging the strengths of each company, we will maximize Group value and accelerate sustainable growth.

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

■ Net sales (million JPY) ■ Operating profit (million JPY) — Operating profit ratio (%)



Creating a New Norm

Pursuing authentic sustainability through business

2021 and onward | 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 our company. Through an initiative we call Rideeco®, we are 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.



Rideeco

Please see p. 22, p. 38, and p. 39 for more information.

Building on our legacy while embracing change to shape the next 100 years



2026

Now

Yoshio Sato

Executive Officer
Division Manager of
Corporate Planning Division

**Yuji Ohashi**

ACE INDUSTRIAL
MACHINERY CO., LTD.
Representative
Director and CEO

**Kazunobu Sugiyama**

Ms.ID INC.
Representative
Director and CEO



Bringing Net Sales Up to 100 Billion JPY

While the gross profit margin improved to over 30% as a result of the structural reforms implemented under the current Mid-term Management Plan (hereinafter called the “Current Plan”), net sales remained flat from the fiscal year ended November 30, 2022 through the fiscal year ended November 30, 2024. As various costs continue to rise, simply improving efficiency at our current scale will not give us enough to cover improving employees’ career development and working conditions. In order to address these challenges, we have identified “pursuing a greater scale” as our key focus under the new Mid-term Management Plan, ACTION 1000 (hereinafter called the “New Plan”). By creating new growth opportunities, we will strive to achieve net sales of 100 billion JPY.

In this roundtable discussion, participants candidly shared their views on growth, the challenges ahead, and their determination to take on those challenges. The discussion features both the corporate planning perspective, which takes an overarching view of the New Plan, and the perspectives of those leading the business on the front lines.

Sato The initial reason we began to place a strong emphasis on “pursuing a greater scale” was our recognition of internal challenges. As we addressed rising labor costs and the improvement of employee satisfaction and compensation, we started to share an awareness that expanding the revenue base itself was necessary in order to strengthen investment in human resources. There was also an incident related to overseas investor relations that really drove home the importance of scale. When we asked to meet with a European institutional investor, they turned us down because of our market capitalization at the time. This made us realize just how important it is to operate on a certain scale when engaging with international investors. As these realizations came to us, both from within and outside the company, we began to prioritize “pursuing a greater scale” as a key business objective. The target of 100 billion JPY in net sales set in the new Mid-term Management Plan, ACTION 1000, is not simply designed to increase sales. We view it as a means of improving employee compensation and job satisfaction while increasing our recognition and standing in the capital markets as the Company grows. We hope that this New Plan will serve as an important opportunity for each group company to discuss new possibilities and aspirations for transformational growth as they build on their respective strengths.

Ohashi We are also discussing the New Plan within our company. During these discussions, a young employee in their 20s made a particularly impressive proposal. He proposed to change our company name, ACE INDUSTRIAL MACHINERY, in order to give us a leg

up in recruiting new hires. This young employee’s perspective made me notice things that I might easily overlook after working here for so long. Our employees also proposed bold targets for sales figures and the number of employees. I used to tend to question whether such ideas were realistic. However, if we don’t dare to dream, we will only achieve incremental growth. That’s why we continue to value employees’ bold ideas and expect them to think through how to put those ideas into practice and bring them to life.

Sato It’s important to have a work environment where everyone can speak up, regardless of age or seniority. Such an environment fosters new ideas. While the structural reforms under the Current Plan have enabled each group company to formulate highly achievable business plans, I feel that the spirit of taking on new challenges has waned somewhat. For 118 years since its founding, MORITO has been committed to the principles of “Steadfastness,” which underpins the stability of its business operations, and “Activeness,” which is essential for its medium- to long-term growth. Under our New Plan, we intend to actively invest in promising dreams and ideas and work together to ensure that the MORITO Group is a truly attractive workplace where employees can experience a sense of fulfillment and personal growth.

Sugiyama I constantly sense this “working together” attitude in my day-to-day interactions with everyone at the MORITO Group. Ms.ID has set a medium- to long-term goal of achieving 10 billion JPY in net sales. Given our current scale, having grown from just over 3 billion JPY to the 4 billion JPY range over the past two years, it’s

Special Roundtable Discussion on ACTION 1000

honestly a very ambitious target. We've been talking frankly with people at the MORITO Group about various topics, including this candid perspective, and engaging in constructive discussions. In the fashion industry, it's difficult to produce hits year after year, and there's a tendency for sales across different genres to cancel each other out. For example, when casual wear sells well, high-fashion sales tend to drop. I've keenly felt the harsh reality of this situation for many years. That's why I believe we must not only improve our existing businesses but also build a solid business portfolio and take on the challenge of launching innovative new ventures. 10 billion JPY is not an easy target to achieve, but it raises our sights so much higher. In that sense, I feel this target holds great significance.

Ohashi Raising your sights also helps you anticipate the needs of the next era. At present, ACE INDUSTRIAL MACHINERY's main business is the rental of grease filters installed in the ventilation hoods of restaurant kitchens, and there's certainly still room for growth in the market. However, in recent years, there have been significant advances in food freezing technology and commercial cooking equipment, so it's possible that grease filters may no longer be necessary in restaurant kitchens in the future. With this possibility in mind, we are working to expand our core business while also taking on the challenge of creating new business opportunities that will spur future growth.

Sugiyama In the apparel industry, the widespread use of smartphones over the past decade or so has created an environment where consumers can shop anytime, anywhere, leading to significant changes in consumer purchasing behavior. In the future, advances in generative AI will lower barriers to manufacturing and information sharing, and we expect to see an era in which anyone can launch a brand. As a result, the commoditization of products is likely to accelerate even further. In this environment, it will be crucial to create value unique to a brand. At Ms.ID, we have redefined stores as places for emotional brand experiences. While digital experiences tend not to leave a lasting impression, special experiences at physical stores foster brand awareness and loyalty. That's why sales staff must evolve from their traditional role of selling products to the role of brand ambassadors who convey value that can only be communicated in person. Furthermore, with the evolution of AR*, virtual try-ons and shopping experiences in the metaverse are becoming a reality. I believe that how we design the

process of discovering styles online and then experiencing and confirming them in physical stores will determine a brand's future competitiveness.

* Augmented reality

Sato That's really interesting. The know-how Ms.ID has cultivated through its B2C business is extremely valuable to MORITO. While MORITO's strength lies in its ability to create high-value-added products, its ability to sell directly to consumers through storefronts and e-commerce is still developing. The partnership with Ms.ID has brought together our strengths in creating and selling. By combining these capabilities with the MORITO Group's overseas network, quality control, and logistics capabilities, we can further accelerate the global expansion of the Ms.ID brand. This partnership has already begun to take shape naturally, and it has become commonplace for employees involved in the Group's B2C business to seek advice from Ms.ID staff and exchange information with them. In addition, the presidents of the group companies hold regular social gatherings to strengthen their relationships with one another, which has led to concrete results such as switching part of the material procurement to intra-group sourcing.

Ohashi I've gained a great deal of inspiration and insight through interactions with the presidents of our group companies. Even though our businesses are different, we often face common challenges as managers, and the perspectives unique to different industries are extremely insightful. For example, by exchanging ideas with people in industries that are more advanced in adopting technology, like Mr. Sugiyama, I can gain specific tips for improving operational efficiency, such as delegating routine tasks to technology so that employees can focus on conceptualizing new businesses and creating value. I believe ACE INDUSTRIAL MACHINERY's business has great potential. There are still many business opportunities surrounding the grease filter rental business. In order for us to expand our service offerings without being constrained by existing models and achieve medium- to long-term growth, I believe my mission is to develop employees with an eye to enhancing their expertise and to foster an organization that is resilient to change.

Sugiyama I, too, want Ms.ID employees to devote time and energy to creativity and innovation. In e-commerce, in particular, a single banner design can make the difference in whether a customer feels like clicking on it. What truly resonates with customers are

Yoshio Sato

Executive Officer and Division Manager of Corporate Planning Division

After joining MORITO in 1999, he was assigned to the overseas sales department and was posted to the Netherlands three years later. He worked for MORITO (EUROPE) B.V. for 11 years, where he oversaw its operations as CEO. Despite being faced with the structural challenge of rapidly moving apparel production plants to Asia, he successfully led the Company's entry into the Transportation Business. After returning to Japan, he held positions such as general manager of the Overseas Sales Department, and currently serves as division manager of the Corporate Planning Division, where he is involved in developing company-wide strategies.

Yuji Ohashi

Representative Director and CEO, ACE INDUSTRIAL MACHINERY CO., LTD.

Since joining MORITO in 1981, he has gained experience in a variety of business areas and positions, ranging from sales in the footwear division to managing a manufacturing facility in Taiwan, serving as head of logistics, and overseeing the product business. Attracted by the potential of the rental business of ACE INDUSTRIAL MACHINERY, where he had served as an outside director, he became its senior managing director and has served as representative director and CEO since November 2020.

Kazunobu Sugiyama

Representative Director and CEO, Ms.ID INC.

He gained extensive hands-on experience working at a major apparel company for about 19 years. After starting out there in 2003, he progressed from sales associate to area manager, merchandising director, and brand manager, before joining Ms.ID, the company behind the e-commerce fashion brand, SELECT MOCA, where he has served as representative director and CEO since 2023. Leveraging his business acumen rooted in front-line operations and the company's flat corporate culture, he is driving the brand's growth.

Note: Ms.ID joined the MORITO Group in December 2024.

products created with dedication and passion. That's why it's essential to approach every job with a serious and committed attitude. It is my mission to create an environment where this attitude is naturally fostered. I'll take the lead, never be afraid to fail, and always move on from failure. By continuing to embody this attitude, I hope to build an organization where each and every employee can create value.

Sato Net sales of 100 billion JPY are by no means a large figure among companies listed on the Prime Market. But it's a big challenge for us. Once we achieve this, our sights will change. That's why I want to stick to the 100 billion JPY target. Significant growth strengthens each group company, creating a virtuous cycle in which employees can take on the challenges they want to pursue and enjoy better compensation. To achieve this goal, we will earnestly continue to strengthen not only our businesses but also our corporate functions and shareholder returns. We will continue to take on new challenges without letup as we work to enhance both corporate value and shareholder value.

The 9th Mid-term Management Plan, ACTION 1000

To read ACTION 1000 in full, see
<https://en.morito.co.jp/assets/file/action1000.pdf>

We will shift gears toward a high-growth-oriented company through ACTION 1000, making a big difference in the world with small parts, and strive to become a global niche top company



Our challenge to achieve net sales of 100 billion JPY is a goal we have set in order to realize a future in which employees, including their families, can lead fulfilling lives while experiencing a sense of accomplishment and personal growth. To this end, we will create a virtuous cycle of growth by repeatedly generating profits and reinvesting them in new growth opportunities. The sense of fulfillment that employees gain from this challenge will fuel MORITO's growth, and in turn enhance corporate value and shareholder value, while contributing to society.

Vision

Challenge Through Parts, Leap Beyond Parts

Challenge Through Parts

Pursue the possibility of new parts that enrich people's lives, unconstrained by the past

Leap Beyond Parts

Starting with parts, expand into new business areas that transcend the boundaries of industries, markets, and countries

Three Growth Drivers

1 Establishing global leadership in niche markets

2 Pursuing the Growth Business

3 Strengthening corporate functions

We aim to accelerate sustainable growth at a pace that exceeds our previous growth trajectory by enhancing our global presence in niche fields and pursuing the Growth Business, supported by strengthened corporate functions.



	8th Mid-term Management Plan Target	FY2026.11 Forecast	FY2031.11 Target
Net sales	60 billion JPY	63 billion JPY	100 billion JPY
Operating profit	3 billion JPY	3.5 billion JPY	6 billion JPY
ROE	6.5%	7.5%	12.0%
DOE	4.0% standard	4.6%	6.0%
ROIC	—	—	8.0%

The 9th Mid-term Management Plan, ACTION 1000

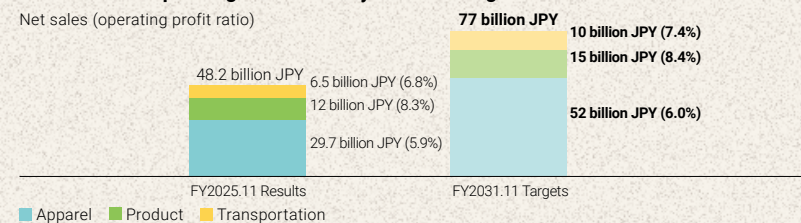
Growth Driver 1

Establishing global leadership share in niche markets

Focusing on niche areas where our existing businesses have competitive strengths, we will cultivate a new customer base across the globe and establish optimal production and supply systems to secure a position as a leader in niche markets.

Net Sales and Operating Profit Ratio by Business Segment

Net sales (operating profit ratio)



Note: Due to the launch of the Growth Business segment, figures for ACE INDUSTRIAL MACHINERY, MANEUVERLINE, and Ms.ID are not included in the above graph. Please see p. 21 for more information.
 Note: As the figures are based on consolidation eliminations for managerial accounting purposes, they may differ from those presented in statutory filings and other disclosure materials.

	Apparel Business	Product Business	Transportation Business
Vision	Promote local production for local consumption through global vertical integration and achieve the No.1 global market share in the mid- to high-end segments.	Develop new markets and expand into the healthcare field	Strengthen local production for local consumption and manufacturing functions in North America and Kyushu, our priority areas
Key Initiatives	Ensure MORITO Quality globally and boost capability in the ASEAN region Leveraging our lead plant in Japan, we will establish a global quality standard and build a snap fastener production system in the region that is tailored to our customers. As a first step, we aim to strengthen our manufacturing capabilities in the ASEAN region. Build a vertically integrated business model Leveraging MITSUBOSHI CORPORATION's expertise, ranging from the sale of packaged apparel materials to the production of finished goods, we aim to build a vertically integrated business model that covers everything from snap fastener manufacturing to direct sales to apparel brands. Strategically expand target market We will expand our target market beyond the existing mid-high segment to include the luxury and mid-low segments, offering optimal products tailored to the requests of each region. 	Deepen existing businesses and develop new markets We will leverage the expertise and quality in creative production we have cultivated over the years to develop new markets, including overseas markets, where demand is expected to grow in the future. Grow the healthcare field We will expand the scale of our domestic business for healthcare products such as insoles and supporters to five times the current size. Increase the share of in-house brands We will increase the number of highly original in-house brand projects through ODM operations that leverage our strength in materials procurement. 	Accelerate growth in North America, our top priority market We will strengthen our local manufacturing capabilities by launching an automotive interior trim plant in Mexico in order to serve the North American market, where production volumes are high. Enhance competitiveness in the Kyushu area We will strengthen our sales function in the Kyushu region, where production is expected to increase, while also aiming to establish a supply chain there. Develop new business and deepen relationships with Japanese automotive manufacturers We will cultivate new customers and enhance our ability to make proposals to existing customers in North America. 

The 9th Mid-term Management Plan, ACTION 1000

Growth Driver 2

Pursuing the Growth Business

We will manage our three unique businesses that have the potential for high profitability separately from our other businesses and establish a fourth pillar to support transformational growth, with the aim of achieving 100 billion JPY in net sales while balancing scale growth and profitability.

Net Sales and Operating Profit Ratio

Net sales (operating profit ratio)

8.8 billion JPY (9.0%)

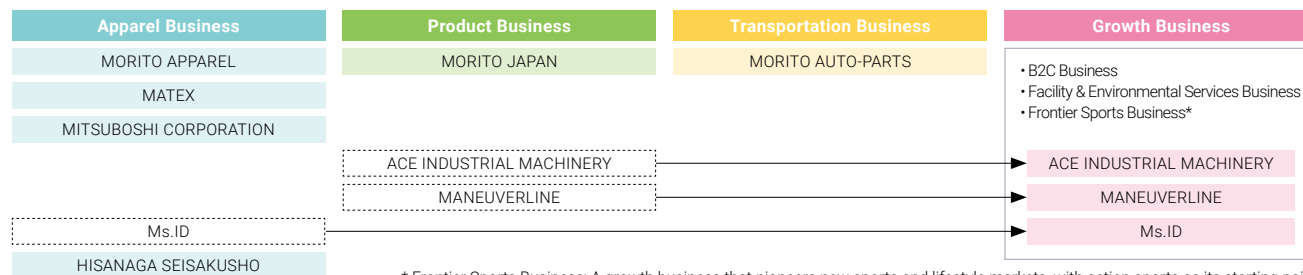
FY2025.11 Results

23 billion JPY (12.0%)

FY2031.11 Targets

Note: As the figures are based on consolidation eliminations for managerial accounting purposes, they may differ from those presented in statutory filings and other disclosure materials.

Changes to the Business Domains (Effective FY2027.11)



* Frontier Sports Business: A growth business that pioneers new sports and lifestyle markets, with action sports as its starting point

Note: The above diagram shows the Japan segment only.



	B2C Business	Facility & Environmental Services Business	Frontier Sports Business
Vision	Combine the strengths of online and offline channels to create new businesses that will generate synergies with existing businesses	Significantly enhance services and capacity to respond to customer needs through aggressive capital investment and DX	Build high-value-added business models and pioneer new sports
Key Initiatives	Promote OMO and digital marketing While actively using apps and advancing OMO (Online-Merge with Offline) integration, we will launch a dedicated e-commerce site targeting people in their 30s and 40s and expand into overseas markets to strategically broaden our customer base. Explore new business opportunities that generate synergies We will promote the launch of new businesses that create new value when combined with the strengths of our existing businesses. Ms. ID ms. independent	Establish new facilities and renovate existing facilities We will establish new service centers (cleaning facilities) and renovate our facilities in the Kanto and Kansai regions to increase capacity. Promote workforce expansion and business DX We will improve productivity in both front-office and back-office operations through DX, driven by the implementation of various business systems, while continuing to hire and train specialists. Ace エース工機株式会社 Grease filter	Build high-value-added business models We aim to increase sales opportunities and improve profitability by establishing direct-to-consumer and e-commerce operations in the action sports market, as well as by launching in-house brands. Pioneer new sports We will pioneer the Japanese market with new sports from around the world, such as pickleball, and become an industry leader. Maneuverline, Inc.

The 9th Mid-term Management Plan, ACTION 1000

Growth Driver 3

Strengthening corporate functions

A solid business foundation is essential to achieving our target of 100 billion JPY in net sales. We will actively invest in non-financial capital (human capital and IT) and maintain environmental and social dialogue as well as dialogue with capital markets (sustainability and IR) in order to enhance our corporate value.

[Human capital] Strengthen investment in human resources, an important foundation for enhancing our ability to execute plans

We will systematically train and appoint next-generation leaders and specialists, while actively recruiting specialists in growth areas such as global, DX, and e-commerce operations. We will also establish an evaluation and compensation system that rewards performance, thereby increasing employees' satisfaction with their evaluations and compensation. At the same time, by enhancing engagement, ensuring psychological safety, and improving employee benefits, we will foster an organizational culture where employees take pride in their work and find it fulfilling, creating a virtuous cycle of growth for both employees and the company.



[IT] Establish a Growth-Driving and Resilient IT infrastructure that supports the Group's growth

We will leverage IT to support global cross-functional sales and manufacturing strategies and supply chain transformation, while also actively providing group companies with IT support aimed at advancing data utilization, increasing the use of general-purpose AI, and driving the development of the Growth Business. Through this "Growth-Driving IT" strategy, we will strongly support business growth and efficiency. At the same time, we will steadily strengthen Group IT governance and cybersecurity measures, address aging systems, and enhance business continuity planning (BCP). Through this "Resilient IT" strategy, we will mitigate risks and ensure stable operations. Together with our Growth-Driving IT initiatives, these efforts will support the sustainable growth of the entire Group.

[Sustainability – Rideeco®] Achieve both business growth as well as the creation of social value and make environmentally friendly products the industry standard

We will make group-wide efforts to expand our lineup of environmentally friendly products and elevate environmentally friendly products from a mere option to the industry standard, with the aim of creating shared value (CSV). We will offer them globally across various industries and regions to help realize a future in which society and business can grow sustainably together.

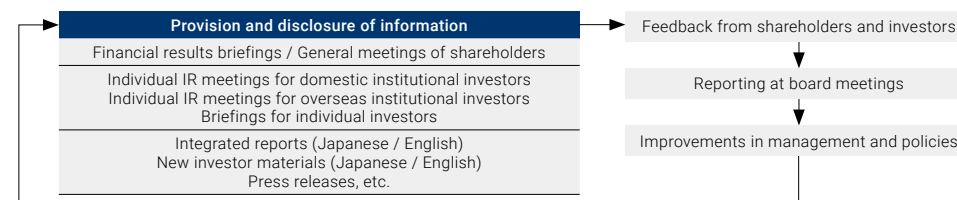


	8th Mid-term Management Plan Forecast	ACTION 1000 Targets
Number of Rideeco® Partner Companies	Approx. 20 companies	Approx. 200 companies
Sales from Environmentally Friendly Products	Approx. 1 billion JPY	5 billion JPY
Industries Served	Primarily the apparel and furniture industries	All industries served by MORITO
Sales Regions	Japan only	Domestic and international markets
Number of Rideeco® Products	5 items	30 items

Please see p. 38 and p. 39 for more information.

[IR] Strengthen dialogue with the capital markets to support MORITO's unique approach to enhancing corporate value

We will communicate our unique scenario for improving corporate value and strengthen dialogue with investors to improve operations and initiatives as we strive to reduce capital costs and raise our expected growth rate.



To learn more about our IR activities as well as the topics and outcomes of dialogue, see: <https://en.morito.co.jp/ir/management-policy/file/dialogue.pdf>

The 9th Mid-term Management Plan, ACTION 1000

Growth Driver 3

Strengthening corporate functions

[M&A strategy] Acquire management resources and capabilities we lack in order to accelerate growth

We will acquire the management resources and capabilities needed through M&A to accelerate the two growth engines: establishing a position as a global niche top company in existing businesses and expanding the Growth Business by leveraging our strengths, thereby shifting into a higher gear of growth.

Execution Policy

1. Actively pursue M&A as a means of expanding strategic business areas and accelerating growth
2. Rather than pursuing scale for its own sake, prioritize the acquisition of priority growth areas, talent, and customer bases

Execution Disciplines

	Strategic Disciplines	Investment / Financial Disciplines
Execution criteria	• Alignment with the strategy of each business • Potential to acquire management resources that strengthen growth potential and competitive advantage • PMI execution with a high degree of confidence	• EV/EBITDA multiple of 4–6× (up to 8× as a guideline) • Positive operating profit after goodwill amortization from the first year • ROIC exceeding WACC (6.0%–8.5%)
Red line (no-go criteria)	• Not aligned with the Company's strategy or priority areas • No continued commitment from key personnel • Excessive PMI burden that could hinder other strategic initiatives	• Risk of a prolonged payback period, including payback periods exceeding 10 years • Expected continued operating losses after goodwill amortization

M&A Target Areas by Business

Business Area	Current Strengths	Management Resources and Capabilities Needed	M&A Targets	Expected Synergies
Existing Businesses	Apparel Business Global presence In-house manufacturing plants High-quality products Quality control by the Quality Assurance Department Strong brand recognition within the industry A wide range of items that can be used continuously regardless of trends	Development of new core products to succeed eyelets and snap fasteners Proposal capabilities for new businesses and industries	Local talent development and management structure Planning and development capabilities Quality management and manufacturing capabilities Distributors and business locations	Expansion into customers across a wide range of market segments Expansion of global market share Enhanced sales capabilities and support for local production for local consumption Expanded product portfolio Improved profitability through integrated manufacturing and sales
	Product Business Quality control by the Quality Assurance Department Sales of in-house brand products	Planning and sales capabilities for overseas markets In-house product planning capabilities	Planning and development capabilities Overseas market share	Overseas expansion of existing product offerings Solutions to social issues
	Transportation Business Establishment of North American operations Establishment of the Kyushu Sales Office	Manufacturing capabilities supporting local production for local consumption New sales channels	Manufacturing capabilities in the Kyushu and North American regions Capabilities to establish new sales channels	Enhanced sales capabilities and support for local production for local consumption Deeper relationships with existing customers New customer acquisition and expansion of new products Solutions to social issues
Growth Business	Proactive capital investment in service centers equipped with state-of-the-art facilities Enhanced e-commerce expertise for existing brands through the acquisition of Ms. ID as a subsidiary	DX of services Utilization of e-commerce expertise Capabilities to expand into high-growth-potential sports businesses	Distributors (personnel) and specialized talent New brands Development of the Frontier Sports Business	Expanded geographic coverage, market share, and service offerings Enhanced brand value Greater brand recognition Establishing new earnings pillars

The 9th Mid-term Management Plan, ACTION 1000

Capital Policy

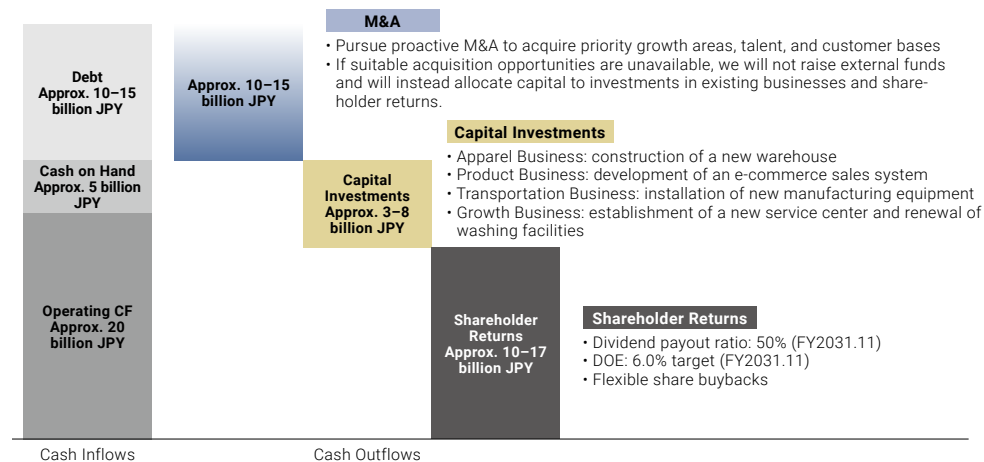
We will achieve sustainable growth through active strategic investments aimed at expanding our business while maintaining profitability, as well as management practices that are conscious of cost of capital.

Basic Approach

Our capital policy places the highest priority on achieving sustainable growth, and we will actively make strategic investments aimed at balancing scale growth and profitability by expanding the scale of our operations while maintaining and expanding profitability. Specifically, we will make capital investments in manufacturing facilities, logistics, factories, etc. and conduct M&A transactions to acquire the necessary management resources. We will also strengthen controls for each operating company using ROIC and other capital efficiency indicators. We will develop and practice investment and financial discipline when conducting M&A transactions. We will also continually review our business portfolio.

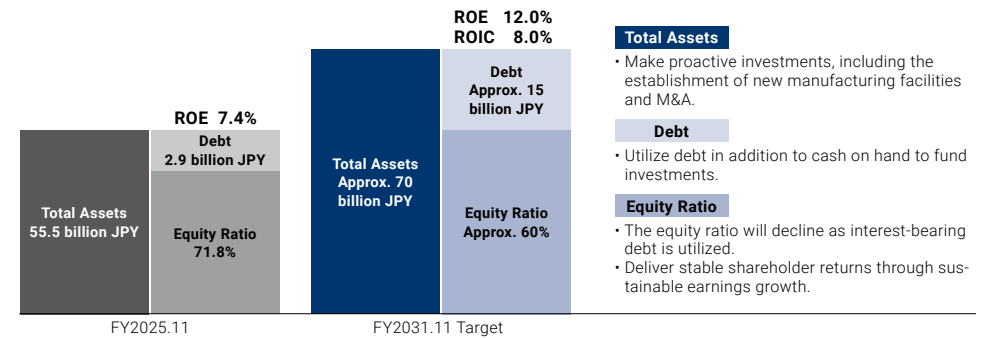
In making these investments, we will make appropriate use of both our cash on hand and interest-bearing debt to accelerate growth investments with an awareness of the cost of capital and increase capital efficiency. We also aim to improve ROE by providing stable and proactive shareholder returns and by appropriately controlling net assets.

Cash Allocation (FY2027.11 – FY2031.11)



Balance Sheet

We will appropriately utilize financial leverage while maintaining a disciplined balance sheet to achieve both sustainable growth and stable shareholder returns.



Shareholder Return Policy

We regard returning profits to shareholders as a key management priority and will strive to pay stable and continuous dividends while taking into account investment opportunities and our financial position. Starting with the fiscal year ending November 30, 2027, we will raise the standard for consolidated dividend on equity (DOE) ratio in our Basic Dividend Policy to 5.0% and adopt a progressive dividend policy.

Before

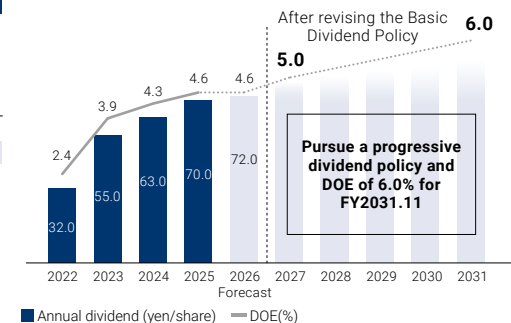
- Realize stable and continuous dividend payments
- Dividend payout ratio of 50% or more
- Standard for DOE of 4.0%
- + Continue to consider buying back shares whenever necessary and canceling them appropriately

FY2027.11 Onward

- Maintain stable and continuous dividends and pursue a progressive dividend policy
- DOE standard of 5.0% with a target DOE of 6.0% by FY2031
- Dividend payout ratio of 50% or more

+ Continue to consider buying back shares whenever necessary and canceling them appropriately

* 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.



■ Annual dividend (yen/share) — DOE(%)
 * Annual dividends and DOE for the fiscal year ending November 30, 2027 and thereafter are projections and do not represent actual results.

Featured Talk



MORITO's Unique M&A Strategy to Enhance Corporate Value Through Synergies Cultivated Over Time

In recent years, mergers and acquisitions (M&A) have been the major driving force behind MORITO's growth. In this feature, we will take a deep dive into MORITO's unique M&A strategy through a conversation between the two men who have been at its forefront.

Bunki Yano

Director and Managing
Executive Officer
General Manager of Business
Development Department

After joining MORITO in 1993, he became president and CEO of MORITO (EUROPE) B.V. in 2002 following his secondment to the company in 1995. He was seconded to MORITO INDUSTRIAL CO., (H.K.) LTD. (now MORITO SCOVILL HONG KONG CO., LTD.) in 2008. He was appointed director in 2014 and served as general manager of the Overseas Business Division, Corporate Planning Department, and the Strategic Operations Division. Since 2021, he has also served as CEO of MORITO SCOVILL AMERICAS, LLC. Serving as director, managing executive officer, and general manager of the Business Development Department since 2024, he has been in charge of supporting subsidiaries with a focus on business in the U.S.



Kazuya Hamazato

Deputy Division Manager
of Corporate Planning Division
General Manager of
Corporate Planning Department
General Manager of M&A
Strategy Department

Prior to joining MORITO in 2022, he worked for a precision machinery manufacturer, where he expanded his expertise from accounting to corporate planning and was responsible for managing budgets, formulating medium-term business plans, and spearheading M&A projects in Japan as well as overseas. He was also involved in planning overseas expansion and setting up locations in Asia, Europe, and the U.S. After joining MORITO, he worked in the Business Management Department on cross-group support tasks before moving to the Corporate Planning Department. Since 2025 he has served as the head of the M&A Strategy Department, where he is responsible for implementing growth strategies and strengthening our business portfolio.

Yano I moved to Europe two years after I joined the company and subsequently spent about 18 years abroad. While doing business there, I always asked myself what Japanese companies should do to remain competitive.

It was around 2009 that Japan's population started to decline. This coincided with the time I was in charge of our overseas subsidiary in Hong Kong. Even though the Japanese domestic market was shrinking, the company still had to grow. In the face of this dilemma, I became convinced that globalization was inevitable. At the same time, as the skilled

craftsmen and business leaders who had supported the period of Japan's rapid economic growth were retiring, there was a sense of crisis that the technologies and companies that should have been preserved might be lost. M&A is not only a powerful means of accelerating our global expansion. By participating in management, it also enables us to pass on technologies and organizations—assets that could be considered part of Japan's national strength—to the next generation. For us, M&A serves more than one purpose. It can enable us to compensate for our weaknesses, further build on our

strengths, acquire expertise quickly that would otherwise take years to develop on our own, and so on. What these purposes all have in common is the idea of combining the strengths of different companies and creating the kind of synergy necessary for us to become a global niche top company.

Hamazato To put it simply, we look for three things in our M&A targets: being niche top players in their markets, yielding synergies with the MORITO Group's businesses, and having a stable earnings base. Rather than simply aiming to expand

Featured Talk

the scale of our business, we are pursuing solid M&A deals with a focus on whether they can contribute to strengthening the competitiveness of the Group as a whole. On the financial front, we place importance on EBITDA multiples. In evaluating a company's business value, we generally value businesses at 4–6× EBITDA, with 8× as the upper limit. Another essential criterion is whether we can maintain operating profit, taking into account the amortization of goodwill. By adhering to these two points, I believe we can avoid the risk of significant losses arising from M&A transactions. We plan to also incorporate going forward the additional criterion of whether ROIC exceeds WACC. This is a viewpoint that has been gaining traction among investors, and we generally assume WACC to be in the range of 6 to 8.5%. I believe that adding this to the initial selection criteria will enable us to make more disciplined investment decisions.

Yano Considering M&A deals is a very demanding task for staff members to perform alongside their existing work. That's why it's so important to really narrow them down at an early stage. Thankfully, we get a decent number of M&A proposals. During the COVID-19 pandemic, we received nearly 80 proposals a year, including those involving loss-making companies, and there were times when we were close to being overwhelmed. That's precisely why I believe we need a system in which we can broadly narrow down the options during the initial screening process and then carefully review the remaining proposals.

Hamazato I totally agree. Once proposals pass the initial screening process, we carefully discuss them through multiple rounds of direct dialogue with the target companies' management. At

the end of the day, the most important thing is whether or not their corporate culture is compatible with ours. At MORITO, people are the core of our business, and many of them have a gentle disposition. That's why cultural compatibility is a very important decision criterion. I think it's similar to a job interview, and in the end, a large part of the final decision comes down to whether we collectively feel that we can build a successful partnership with the company. No matter how good the numbers are, if we do not believe the relationship will be a good fit, we will pass. Another point that we focus on is whether the target company can adhere to the standards expected of a Prime Market-listed company. The level of compliance required of listed companies differs greatly from that of unlisted companies. Whether or not the target company can live up to those standards as a partner moving forward with our corporate group is a deal breaker for us.

Yano Compatibility with the target company's organizational climate and culture is also very important in the post-merger integration process (PMI). I believe that understanding and respecting each other's businesses, industry characteristics, and corporate cultures is of utmost importance. We are the acquiring party, but we always try to keep in mind how we would feel if we were the one being acquired. What is the norm to us is often not the norm to the target company at all. The process of overcoming such differences may seem like a waste of time from the perspective of a private equity fund that prioritizes efficiency. However, I believe that taking the time to deepen our mutual understanding is ultimately the fastest way to create true synergy.

The 2018 MANEUVERLINE acquisition provides a good example of this belief. The company, an importer and seller of

action sports equipment such as surfing, skateboarding, and snowboarding, had a solid track record as a top player in the industry. Most of the employees seemed to embody the spirit of action sports culture, and it was "the norm" for them to wear T-shirts and shorts at work. So, when I took charge of PMI, I started off by attending trade shows and events alongside them, dressed not in a suit, but in a T-shirt, jacket, and sneakers, and joining them in casual conversation over drinks afterwards. First and foremost, I made it my top priority to integrate into their culture and build a relationship of trust. Thanks to those efforts, we've built a relationship where people feel comfortable coming to me right away whenever they have a problem. Thinking about how we've become teammates who aim to grow together as a group still makes me happy.

Hamazato I also believe that mutual understanding is the foundation of PMI. With that in mind, we are particularly mindful of "integrating without overdoing it." Companies have different cultures and strengths. These differences do not mean that one is wrong. They are simply different. Companies that have achieved success have good reasons for the actions and decisions that underpin that success. Just because a company has joined our group doesn't mean we should try to change it right away—that could backfire. That's why, as you said, our basic principle is to take the time to respect the strengths and unique characteristics of the acquired company. Specifically, we do this in three phases. In the first "100-day plan" phase, we focus on things that need to be addressed as a top priority, like ensuring compliance. When it comes to managing overtime pay alone, there are often situations where we must act quickly to meet the standards expected of a Prime Market-listed company. Consolidating

Featured Talk

financial statements is also a must. Since the acquired company will be included in the consolidated financial statements immediately upon joining our Group, we must promptly resolve any differences in accounting standards. Working with our auditing firm, our accounting staff visit the acquired company in person to not only point out differences but also roll up their sleeves and work alongside them to bridge any gaps. The goal of the 100-day plan is to have the company ready to report as a listed company within about three months, while deliberately postponing business collaboration until the next phase.

In the subsequent “first-year plan” phase, our administrative divisions work closely with the acquired company to help it establish a self-sustaining structure, while sales staff from different group companies visit the company to gradually start working together on a business-level. In the “second-year plan” phase, we shift our focus to generating full-scale synergies, while also considering organizational restructuring. We start by working closely together, then gradually encourage autonomy while strengthening our business ties. Clearly mapping out this process may be the essence of MORITO’s PMI approach.

Yano The origin of our unique PMI lies in our experience with MORITO SCOVILL AMERICAS, which joined the Group in 2014. The aim of the M&A deal with the company was to deliver our Group’s diverse product lineup to a wider range of American customers, but sales did not initially grow as expected. As I visited the company and interacted directly with local employees, I began to see the fundamental differences between the Japanese and American business cultures. In the U.S., where there is a strict division of labor,

people tend not to take an interest in areas outside their purview. While the division of labor itself can be considered rational, it created a situation where there was no function to coordinate tasks across the organization as a whole, resulting in the kind of dysfunction that would never have occurred if it was in Japan. So, I made a point of explaining, one by one, in a logical and thoughtful manner, reasons for certain actions we wanted them to take and how such actions would benefit the company and in turn benefit them. As I continued in this vein, things started to change little by little.

Today, I often hear local employees say that they are glad to be part of the MORITO Group. Rather than simply pursuing short-term profits, we have worked together to reevaluate our approaches to creative production and sales. We respect each company’s unique culture and strengths, encourage their autonomy as a member of the Group, and work together to enhance each other’s value. I believe that building such relationships is the essence of our unique M&A strategy.

Hamazato The M&A Strategy Department was established in 2025 to strategically carry out such MORITO-style M&A transactions at the organizational level.

The M&A Strategy Department is working to standardize the M&A process by breaking down the entire process from initial deal screening to PMI. By documenting and standardizing the review items, decision criteria, and related materials for each phase along with related data, we have created a template with an eye to improving reproducibility and avoiding reliance on any individual’s expertise. Moving forward, we plan to expand our structure to include not only accounting and corporate planning but also IT and human resources. Our goal is to build an organization capable of handling the entire

process from initial screening to the 100-day plan in a seamless, end-to-end manner, thereby establishing a foundation that enables us to continuously carry out M&A transactions. As the head of the M&A Strategy Department, my ultimate goal is to achieve the kind of group operations where all group companies respect and complement each other’s culture and strengths. In order to pass on such unique characteristics of the MORITO Group to the next generation, I’m strongly committed to fully codifying our thinking and decision-making criteria and preserving them as organizational assets. Right now, I intend to do everything I can to make that happen.

Yano As we expand our business globally, I wonder how we can pass on the strengths of Japanese technology, companies, and people to the next generation. This is a question I have been grappling with for many years. As I mentioned at the beginning, M&A is an effective means to achieve this. That’s why we have always placed the utmost importance on taking the time to deepen mutual understanding and fostering synergies, rather than considering the M&A process to be over once a deal is closed. In April 2026, we welcomed HISANAGA SEISAKUSHO, a company with advanced manufacturing technology, into the MORITO Group. I believe that the M&A approach unique to us, which I’ve just discussed, is essential to making the most of its advanced technology as a strength of the MORITO Group. As I move forward in my career, I will actively share the experience and knowledge I have gained with my junior colleagues so that I can help pave the way for MORITO’s future, while also continuing to take on new challenges myself.

Business Overview

Apparel Business

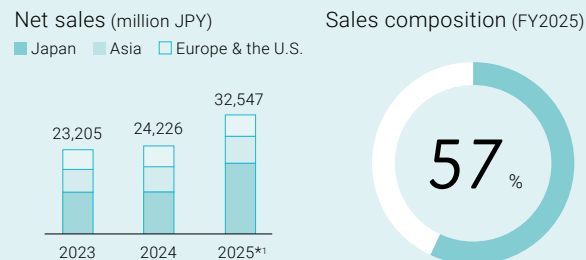
We supply parts such as eyelets, snap fasteners, buckles, tapes, and shoe uppers to all sorts of brands around the world. In addition to supplying parts, we also design and produce apparel, bags, and other products, as well as sell our own brands across the globe. Furthermore, we boost marketing and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

Examples of in-house products

Snap fasteners, MAGICTAPE®, buttons, tape, eyelets, shoelaces, accessories, bags, and own-brand products

Example applications (partners' finished products)

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



Factors of change (FY2025)

- (+) Recovery from inventory adjustments
- (+) Increase in outdoor and athletic shoe-related products, workwear in Europe and the U.S., accessories for high-end outdoor brands, subsidiary material for apparel products sold at department stores, and bear sprays
- (+) Recent consolidation of Ms.ID and increase in silver accessories
- (+) Recent consolidation of MITSUBOSHI CORPORATION and increase in uniform-related materials
- (-) Decrease in accessories for casual wear in China
- (+) Increase in workwear for the Europe and the U.S. markets in China and Hong Kong and auxiliary materials for apparel products sold at department stores
- (+) Increase in accessories for athletic shoes and workwear-related products in Vietnam
- (+) Increase in workwear and leather goods accessories in Mexico

Product Business

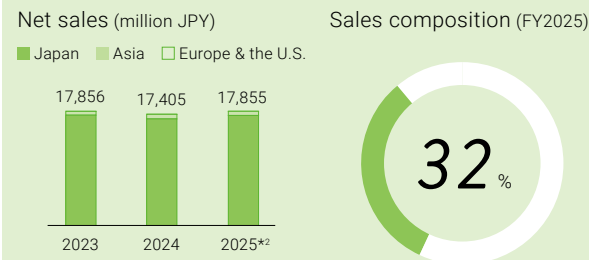
We supply a wide variety of products to a broad range of markets, from insoles and shoe care products to braces and supports, school supplies, and straps. Our lineup also includes a diverse range of products such as surfboard-, skateboard-, and snowboard-related products, as well as grease filters for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

Examples of in-house products

MAGICTAPE®, insoles, shoe care products, braces and supports, straps, grease filters for commercial kitchens, and own-brand products

Example applications (partners' finished products)

Insoles and shoe care products, braces and supports, skateboards, snowboards, surfboards, teaching tools and stationery, video equipment-related products such as camera and computer cases, and safety products



Factors of change (FY2025)

- (-) Decrease in snowboarding and surfing-related products due to warm winter, inventory adjustments, and price hikes the year before last
- (+) Increase in game-related products and products designed to beat the summer heat
- (+) Increase in kitchen appliance rental, sales, and cleaning business

*1 Net sales in Asia and Europe and the U.S. include "other revenue" stated in Financial Results (Segment Information, etc.).

*2 Net sales in Asia include "other revenue" stated in Financial Results (Segment Information, etc.).

*3 Net sales in Europe and the U.S. include "other revenue" stated in the Financial Results (Segment Information, etc.).

Transportation Business

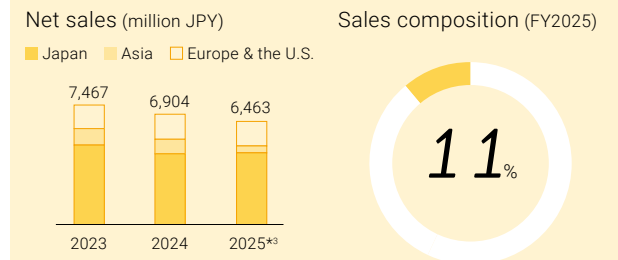
We provide a wide range of interior components for use in automobiles, railcars, and aircraft. We leverage our global sales network to supply a wide range of products to the automotive industry, including various net products for factory-line installation, components for OEM accessories, and components for OEM floor mats.

Examples of in-house products

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

Example applications (partners' finished products)

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



Factors of change (FY2025)

- (+) Increase in automotive interior components for Japanese automakers
- (-) Decrease due to sluggish performance of Japanese automakers in China
- (+) Increase in automotive interior components for Japanese automakers in North America
- (-) Decrease due to streamlining by partially withdrawing from some businesses in Europe

Business Overview

Apparel Business

S: Strength	- Strong brand recognition and credibility within the industry - One-stop operations for global manufacturing, procurement, sewing, sales, and quality control - Covering everything from manufacturing and sales to apparel brands
W: Weakness	- Low ratio of in-house production despite being positioned close to manufacturers - Difficulties in ensuring consistent quality due to varying standards across production regions
O: Opportunity	- Ongoing supply chain restructuring triggered by geopolitical risks - Growing demand for environmentally friendly products - New growth in demand for products designed to beat the summer heat and functional materials
T: Threat	- Unstable demand for fall and winter products due to climate change - Rising raw material prices and continued geopolitical risks

Leveraging group-wide collaboration and “Global MORITO Quality” to become a global niche top company for parts

Demand for local production for local consumption is rapidly expanding in the apparel market against the backdrop of rising labor costs in China and geopolitical risks. At the same time, the industry is facing structural issues such as stagnant demand for fall and winter products due to the lingering summer heat and mild winters as well as soaring raw material prices.

In light of this situation, we are preparing to create synergies with the companies that have newly joined our group. We will bolster collaboration with HISANAGA SEISAKUSHO, which will serve as our lead plant for snap fastener production, with a view to launching a new factory. We will work with MITSUBOSHI CORPORATION to reduce costs by integrating our Osaka offices and strengthen parts sales by leveraging our bundled-sales capabilities.

Moving forward, we will establish a local production system for core products, mainly in ASEAN countries, and work to enhance quality control using AI-powered vision inspection systems. We will make group-wide efforts to establish “Global MORITO Quality,” which ensures the same level of quality at each production site with the aim of enhancing the value of parts, our mainstay products, worldwide.

Product Business

S: Strength	- Wide range of procurement items and high market share for insoles - Agility to handle everything from planning and design to mass production - Planning capabilities that capture current trends and give shape to latent needs
W: Weakness	- High dependence on sourcing from China and sales to the domestic market - High dependence on ODM/OEM business, with own-brand development and marketing remaining a challenge
O: Opportunity	- Increasing domestic and overseas demand for healthcare products (insoles, braces/supports, etc.) - Growing demand for environmentally friendly products and high-quality Japanese products
T: Threat	- Rising procurement costs due to geopolitical risks, the weak yen, and soaring raw material prices - Decreasing demand for school-related products due to the declining birthrate - Changes in demand for seasonal products due to climate change, which has resulted in warm winters, etc.

Leveraging strengths in ODM and OEM operations and original planning capabilities to cultivate the healthcare and sustainable products markets

Rising procurement costs due to the weak yen and soaring logistics costs, as well as heightened geopolitical risks, have made the restructuring of our supply chain an urgent priority. At the same time, demand for healthcare products such as braces, supports, and insoles has been increasing due to demand from inbound tourists, and sales of stationery and game-related products have also been strong.

Working against this backdrop, we are strengthening sales of materials for healthcare products, improving our ability to propose new products, and expanding sales of environmentally friendly products, including GRS certified products. In order to optimize our supply chain, we will utilize our own sewing factory in Vietnam and work with our group companies in China to expand our sourcing channels.

Moving ahead, we will expand the domestic market by developing new materials and products and rebranding our own products, while also considering expanding into overseas markets with products boasting “made in Japan” quality. We will leverage our expertise in ODM and OEM operations gained over the years to strengthen our proprietary brands with an eye to accelerating business growth.

Transportation Business

S: Strength	- Supply capacity to procure a wide range of high-quality products globally - Expertise in design and processing gained across different industries - Products such as nets, straps, and emblems that are highly trusted by the industry
W: Weakness	- Limited range of items procured locally in Europe and the U.S. - Supply system without in-house manufacturing functions - Shortage of human resources for global business
O: Opportunity	- Increasing automobile production in Kyushu and North America and growing demand for local production for local consumption - Room to expand business targeting European and American automakers
T: Threat	- Sluggish performance of Japanese automakers in the Chinese market - Uncertainty of supply and demand due to heightened geopolitical risks - Changes in demand structure due to young people's shift away from automobiles

Enhancing global supply capability for interior components with a focus on local production for local consumption in Kyushu and North America

The automotive industry continues to face a challenging business environment due to heightened geopolitical risks stemming from U.S. tariff policies and the situation in the Middle East, as well as difficulties faced by Japanese automakers in China. On the other hand, demand for local production for local consumption is growing rapidly, especially in North America, and demand for SUVs, minivans, and other vehicles that use a large number of interior components remains stable.

In response to recent plans by some Japanese automakers to increase production in the Kyushu region, we will set up a new office and ramp up our sales efforts to win contracts. We will also focus on proposing high-performance products and encouraging customers to switch from our competitors' products, while reducing the risk of over-reliance on specific customers as we expand our proposals to multiple manufacturers.

Going forward, we will aim to increase the number of items sourced from Mexico for the North American market and work to develop and strengthen our supply chain in the Kyushu region. While also exploring M&A opportunities, we will continue to prioritize functionality and design in our creative production to provide comfort and style to automotive interiors.

Business Overview

Growth Business (FY2027 and onward)

As part of our new Mid-term Management Plan, ACTION 1000, we are exploring new growth areas beyond the realm of our existing businesses. We have positioned our three businesses, i.e., spatial environment service infrastructure, frontier sports, and B2C, which are highly profitable and feature unique business models, as Growth Business. We aim to take them to the next level by leveraging their respective strengths. We plan to revise our business segments starting with the fiscal year ending November 30, 2027.



Spatial Environment Service Infrastructure Business*1

ACE INDUSTRIAL MACHINERY Commercial grease filter rental service, cleaning and installation of air conditioner and kitchen exhaust systems, and sales of kitchen exhaust deodorizers

Enhancing services and strengthening human resources in response to demand for comprehensive maintenance services

We provide comprehensive maintenance services for restaurants, shopping malls, food factories, and other facilities throughout Japan to ensure fire safety as well as maintain and improve the indoor environment. Demand for these services is increasing against the backdrop of growing compliance awareness and a shortage of labor in the restaurant industry. Moving forward, we will aggressively invest in equipment for our in-house cleaning facilities to expand our service offerings. We will also work to strengthen recruitment and training and promote the use of digital transformation (DX) in order to address the issue of labor shortages within our Group.



Frontier Sports Business*1

MANEUVERLINE Sales of surfing and other marine sports-related products, sales of snowboarding, skateboarding, apparel, and other products, and new sports businesses

Pioneering new areas of growth by promoting a new sports culture and expanding the customer base

Serving as an exclusive importer and distributor for several international brands, including the outdoor brand POLeR®, MANEUVERLINE brings new trends in overseas markets such as the U.S. and Australia to Japan. Amid a challenging business environment, including an aging athlete population and rising costs due to the weak yen, we will strengthen sales to new customer segments through e-commerce, including the launch of our own brand. We will also venture into new business areas centered on sports. This will include introducing new sports such as pickleball, a rapidly growing sport in the U.S., to Japan.



B2C Business*2

Ms.ID Operation of an e-commerce women's apparel brand SELECT MOCA and a silver accessory brand TEN. as well as the e-commerce platform business

Leveraging expertise in e-commerce sales to expand the MORITO Group's B2C brands worldwide

For SELECT MOCA, we will focus on developing new products and diversifying sales channels, including our in-house e-commerce site and app. For TEN., we will focus on pop-up shop and wholesale sales with an eye to expanding in the overseas markets of Asia and Europe, while working to increase brand awareness and open new locations in Japan through sales of collaborative products, with the goal of launching a flagship store that embodies its unique brand identity. While exploring the launch of new brands over the medium run, we will create synergies across the entire Group by incorporating Ms.ID's sales expertise into the operation of the MORITO Group's B2C brands.

*1 Current Product Business *2 Current Apparel Business

Human Capital Strategy

Creating Value through Human Capital

Our efforts to create value through human capital took shape over the course of a three-year, phased evolution. In the first year, we started with reviewing our existing human resource initiatives. In the second year, we selected appropriate external experts to bring in more insights. In the third year, we formed a project team in the Human Resources Department and worked with external experts to develop a group-wide human capital value creation process.

Moving forward, we will work to refine our initiatives, KGIs, and KPIs and develop a monitoring system to verify their effectiveness.

Message from the Human Resources Project Team

At the heart of this project lies our commitment to communicating the allure of MORITO that can't be conveyed by numbers alone. MORITO is a place where you can find teammates who are willing to take on challenges together, where everyone can grow personally and professionally and is able to make the most of their abilities while feeling a sense of fulfillment and happiness. We believe that people are the driving force that makes our Group more competitive. The human capital value creation process visualizes the group-wide human capital strategy using KGIs and KPIs set for different categories, such as recruitment, placement and careers, human resource development, compensation and benefits, evaluation, diversity, and engagement. We hope word of this human capital value creation process reaches many people as the first step toward creating an environment where employees feel that they are glad to work at MORITO and where people are inspired to support those who work here.



Steps to Developing the Human Capital Value Creation Process

STEP1

- Review integrated reports and securities reports
- Develop specifications for ideal talent profile

STEP2

- Design a talent portfolio and define key talent requirements
- Identify the gap with the future vision

STEP3

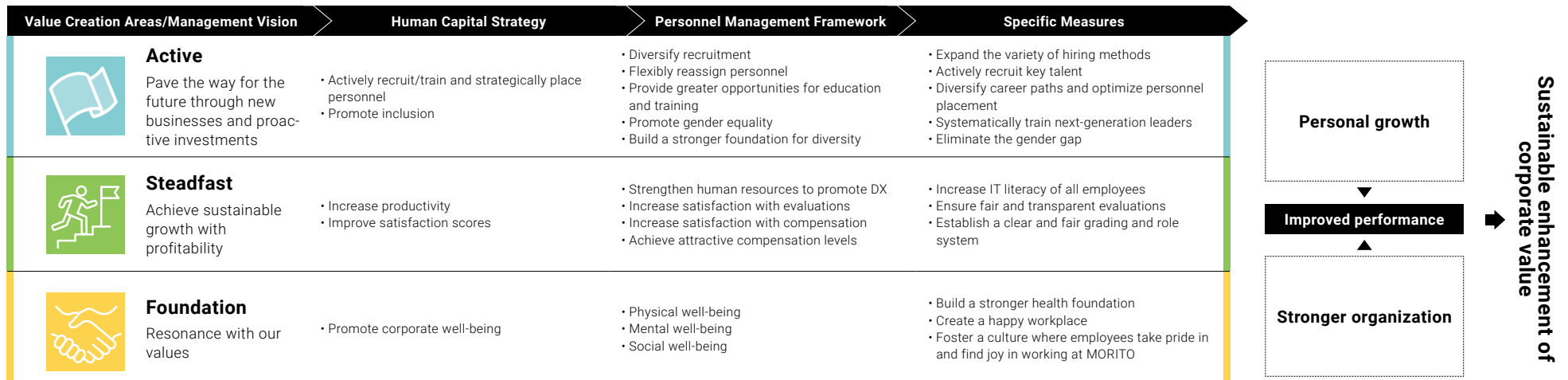
- Identify current issues
- Consider solutions
- Develop a strategy scenario for building a talent portfolio

STEP4

- Translate these into a human capital value creation process
- Design KGIs and KPIs for initiatives

Human Capital Value Creation Process

The process shows how human capital value creation initiatives can help enhance our corporate value. It consists of three areas: our founding principles of "Active and Steadfast" and the "Foundation" they rest on. We will implement specific measures aligned with our human capital strategy to synergistically promote personal growth and strengthen the organization, thereby achieving improved performance and sustainable enhancement of our corporate value.



Human Capital Strategy

Challenges and Initiatives in Each Value Creation Area



Active | Pave the way for the future through new businesses and proactive investment

Human capital strategy supporting the expansion of growth strategies through the planning of new businesses (creation of new “norms”) and active investment for the future (M&A)

Active recruitment and training, strategic placement, and promotion of inclusion

Challenges to overcome

There is still an enormous gap between things as they are now and where we want to be, including securing key personnel who will fuel our growth strategy, such as global talent, DX specialists, and professionals capable of launching new businesses, as well as systematically developing the next generation of leaders and female management candidates.

We also recognize that providing opportunities for diverse human resources, including people with disabilities, foreign nationals, and the elderly, as well as creating an environment that enables more flexible work arrangements are important issues to be addressed as we move forward.

Goals

- ☑ We aim to ensure that the entire Group is staffed with diverse key talent and that a pool of next-generation leaders and executive candidates is being steadily developed.
- ☑ We aim to create an environment where there is a framework that enables each employee to choose their own career path and where an organizational culture of continuous learning, driven by a strong desire for self-improvement, is firmly established.
- ☑ We aim to be a group where a diverse array of talented individuals can thrive. This includes creating an environment where female employees are actively given opportunities to grow and reach their full potential.

Strategies and measures

In order to secure key personnel who will drive our growth strategies, we will diversify our hiring methods and develop systematic programs to discover and develop new talent. We will also encourage employees to self-report on their career development plans and use internal job postings with an aim of realizing flexible placement and career changes that enable employees to pursue a variety of career paths within the MORITO Group. In addition, we will enhance optional training programs and self-development programs to continually provide employees with learning opportunities that enable them to grow proactively.



Steadfast | Achieve sustainable growth with profitability

Human capital strategy to achieve both top-line growth and higher profitability

Increased productivity and improved satisfaction scores

Challenges to overcome

In order to build a solid revenue base and achieve sustainable growth, we need to improve productivity and operational efficiency through DX and IT. As a first step, we conducted an IT literacy assessment of employees at major group companies in Japan in 2025, which enabled us to identify differences in IT literacy and usage levels.

There is also room for improvement in terms of employees' satisfaction with evaluations and compensation. We need to further increase their awareness of available programs and ensure consistency in their implementation to close the gap between things as they are now and where we want to be.

Goals

- ☑ We aim to improve IT literacy, productivity, and operational efficiency by promoting IT education and selecting and training DX promoters who will use IT to transform operations across all departments.
- ☑ We will improve employee satisfaction scores by fostering a better understanding of and satisfaction with performance evaluations and compensation.
- ☑ In order to achieve attractive compensation levels, we will promote the continuous enhancement of compensation and benefits throughout the group as we aim to build an organization where employees stay with us and grow on their own.

Strategies and measures

We will work to implement IT educational content based on the results of IT literacy assessments, conduct ongoing proficiency assessments, and add IT certifications to promotion requirements. We will also launch a DX promoter training project to actively select and train talent.

By regularly providing opportunities to explain our performance evaluation and compensation system and ensuring that performance review meetings are consistently conducted, we will ensure that everyone fully understands the system and establish a fair and transparent evaluation and compensation system.

Next-Generation Executive Candidate Training Program

The next-generation executive candidate development program is a selective program designed to begin developing future executives at an early stage. Selected candidates acquire business knowledge and skills at business school. After completing the program, they are given opportunities for early promotion following a screening process and are assigned to projects addressing critical issues, thereby helping to cultivate high-caliber talent.

Comments from a participant

I always wanted to be somebody who was one step ahead of the pack and able to lead the team, but I knew I lacked structured training. To be honest, when I received the news that I had been selected, half of me was pleased while the other half felt saddled with responsibility. Once the course actually began, I found that learning and applying what I've learned was more enjoyable than I had imagined, so much so that I looked forward to the next class.

Interacting with participants from other companies was also inspiring, and it helped me develop a sense of responsibility as a corporate leader. It's been six months since I became a manager, and my critical thinking and business strategy skills now come second nature to me in my daily work. I still have a lot of room for improvement, but I'm working hard every day to create synergy with our customers and team members!



Yuma Matsui

MORITO JAPAN
CO., LTD.
Retail Products
Sales Department

Human Capital Strategy

Challenges and Initiatives in Each Value Creation Area



Foundation | Resonance with our values

Human capital strategy to deepen resonance with our founding principles, corporate principle, and MORITO VALUE and enhance the sense of unity and cohesiveness across the entire Group

Promotion of well-being management

Challenges to overcome

We have taken measures to improve the physical, mental, and social well-being of our employees, but there is still a gap between things as they are now and where we want to be, such as implementing effective health promotion initiatives and ensuring early response to mental health issues. Although our philosophy and values are steadily taking root, we feel it is necessary to promote initiatives aimed at further instilling and reinforcing them. In addition to establishing systems and mechanisms, we see fostering further shifts in awareness and behavioral changes among each and every employee as a key challenge in moving forward.

Goals

- ☑ We aim to create an environment where employees' physical health is maintained and improved, and their mental health remains stable.
- ☑ We aim to foster a culture where our founding principles, corporate principle, and MORITO VALUE are deeply ingrained throughout the entire Group, enabling employees to work with a sense of pride in MORITO and a strong sense of unity.
- ☑ We aim to create an organization where employees can work in good physical and mental health and thrive while developing a deeper resonance with our principles and values.

Strategies and measures

Based on an analysis of health checkup results, we will implement effective measures on an ongoing basis. We will also conduct stress checks and engagement surveys to monitor employee well-being in a timely manner to ensure prompt action and implement initiatives aimed at further improving engagement.

We will continue to communicate and instill our founding principles, corporate principle, and MORITO VALUE in order to ensure that employees can work with pride and enthusiasm in harmony with our principles as members of the Group.

Instilling MORITO's Principles

We have defined the values, ways of thinking, and practices that have taken root at MORITO over its long history as the MORITO VALUE and share it throughout the entire Group with the aim of enhancing a sense of unity and cohesiveness. To ensure that every employee can put the MORITO VALUE into practice as a guide for their daily actions and a standard for decision-making, we have provided them with cards to carry and have hung posters on every floor. As a result of these ongoing efforts, the score for their alignment with our corporate principles and strategy has remained above the industry average,* indicating that our corporate principles are steadily taking root. We will continue to share our principles and foster a sense of unity throughout the Group.

* The survey average for companies in the same industry with a similar number of employees

Human Capital Data

Results of Specific Measures

Value creation areas	Metrics	Coverage	FY2024	FY2025	Examples of initiatives implemented so far
Active	Percentage of female managers (%)	All group companies	21.0	25.6	Diversity project (advancement of women)
	Percentage of male employees taking childcare leave (%)	Major subsidiaries	67.0	80.0	Communicating with expectant employees and managers and sharing experiences of male employees who have taken childcare leave
	Gender pay gap (%)	Major subsidiaries	65.7	62.6	Diversity project ("Tsumo-chare") and paid childcare leave
	Number of employees who have completed the next-generation executive candidate training program	Major subsidiaries	4	4	Introducing a limited regular employee system (which limits the geographical area or work hours of regular employees) and encouraging employees to change their job category (from non-career track to career track)
Steadfast	Engagement survey score regarding compensation (points)	Major subsidiaries	65	67	Implementing the next-generation executive candidate training program
	IT literacy assessment response rate (%)	Major subsidiaries	—	100	Increasing wages by more than 5% for three consecutive years
	Percentage of employees taking paid annual leave (%)	Major subsidiaries	73.9	68.5	Conducting IT security training and implementing a tuition-free self-development program (IT-related)
Foundation	Percentage of employees taking stress checks (%)	Major subsidiaries	93.5	95.3	Making an announcement encouraging employees to take days off during summer and providing days off for anniversaries, etc.
	Engagement survey score regarding principles and strategy (points)	Major subsidiaries	66	69	Conducting self-care training
					Requiring employees to carry the MORITO VALUE card, displaying the MORITO VALUE poster, and conducting MORITO VALUE and HRM policy training

Human Capital Strategy



Kiyomi Akui

Director, Managing Executive Officer,
General Manager of Corporate Management Department, and
Division Manager of Corporate Administrative Division

Message regarding Human Capital

Staying a Company that Continues to Create Value through People: MORITO's Human Capital and Human Capital Value Creation Process

Why customers choose MORITO

Our business focuses primarily on the wholesale of parts. We are not a manufacturer of equipment, nor are we a company that has grown by relying on a single proprietary technology. Nevertheless, we have continued to do business for 118 years and have continued to be chosen by many customers in Japan and overseas.

I believe the reason for this is that we have always created value through people.

When it comes to parts, which are our main products, it's often cheaper and more efficient to buy them directly from a manufacturer. Even so, customers choose us not simply

because we supply products, but because we understand our customers' needs, address challenges and possibilities that have not yet been articulated, and work with our suppliers and customers to find the best solutions by drawing on our imagination. This very process is our business model.

The ability to fine-tune our efforts to achieve such optimal solutions is supported by each employee's experience, product knowledge, intuition, and a strong sense of ownership—all of which align with the MORITO VALUE. I believe that the friendly and proactive nature of our employees also contributes greatly. It is this human capital, our collective strength, that gives us a competitive edge. Even in an era of rapid AI advancement, the unique insights and relationship-building skills that only humans possess cannot be easily replaced. In other words, without human capital, our business would not be viable. We view human capital as being of fundamental importance to our business.

Shifting our approach to investment

Based on this understanding, we view human resources not as a cost factor but as an area for investment aimed at creating further value, and actively invest in our people.

Since Mr. Ichitsubo became CEO in 2013, our approach to investment has evolved to reflect our changing stages of growth. Until then, we would basically prioritize stable growth and make additional investments within the limits of the profits generated. Today, we are shifting to a proactive investment model, in which we work backward from our desired future state, making necessary investments up front, and recovering them over time. Just as people take out a mortgage to buy their dream home, we invest with a vision of a future greater than our current scale. This shift in our approach also involves breaking away from the customs that have been ingrained in our company for many years, and it is by no means an easy task. However, driven by a strong determination to make MORITO a more inspiring company, we are steadily making changes while facing this challenge head-on.

Human capital value creation process, a road map

Our human resources initiatives, including recruitment, development, placement, performance evaluation, and respect for diversity, are not implemented individually, but form a series of measures designed to create an environment where each employee can maximize their potential and act with a sense of ownership. Investment in human capital and initiatives related to human capital take time to yield results, and in some cases, those results are difficult to measure. Working against this backdrop, we have organized our initiatives related to human capital into what we call the human capital value creation process in order to strategically invest in the human capital that gives us our competitive edge. This human capital value creation process, rooted in the spirit of "Active and Steadfast" that we have nurtured since our founding, establishes causal links between our business strategies, human capital strategies and initiatives, and KPIs to visualize how human capital contributes to our business growth and the enhancement of our corporate value.

We have two main purposes for developing this human capital value creation process. One is to logically explain to both internal and external stakeholders where we are headed and why we are actively investing in people. In particular, as we expand our business domains through M&A, we expect that this will serve as a road map for group companies, each with different cultures and at different stages of growth, to move forward with transformations tailored to their individual circumstances while maintaining a shared vision.

The other is to ensure that each employee fully understands our approach to human capital and acts with a sense of ownership. I believe that people are motivated not only by doing the right thing, but also by a sense of understanding and buy-in.

I feel that the people who work in our company, in particular, have the disposition to take ownership of their work once they understand and are satisfied with the intentions behind it. That's why I believe it's important to communicate our intentions and gain their understanding and buy-in, rather than trying to dictate their behavior through rules and instructions. We are confident that through these cumulative efforts, the MORITO Group can work as one to leverage its human capital and enhance its corporate value.

Human Capital Strategy

MORITO VALUE at Work

MORITO VALUE embodies the values and ways of thinking that have taken root at MORITO and serves as a guide for the decisions we make and actions we take every day.

Three employees working on the front lines of our operations share firsthand accounts of how it is put into practice in their daily work.

MORITO VALUE

01 Trust and Confidence

02 Achievement

03 Imagination

04 Collaboration

05 Integrity

The MORITO VALUE defines our values, way of thinking, and practices that have been embedded as unspoken rules among MORITO employees over the course of our history.



Creating new value with trust and imagination 01 03

As a sales representative, I have gained experience in a variety of fields, including materials for footwear, sporting goods, and apparel products and am currently involved in product development that utilizes environmentally friendly products. I feel that my work is deeply connected to “01 Trust and Confidence” and “03 Imagination” of the MORITO VALUE. Understanding the perspectives and backgrounds of both our customers and suppliers and continuing creative production that surpass their expectations will lead to earning their trust. In developing our glove holder, which attracted attention during the WBC, we looked beyond its basic function of simply holding a glove. By applying materials used in footwear, we added deodorizing and drying functions to reduce sweat and odour in gloves after use. This led to orders exceeding our expectations. I truly believe that communicating with both our customers and suppliers about the specific functions needed in a product and how it will actually be used can help us improve our creative production. I will continue to build on a foundation of trust and use my imagination to make proposals of value.

Akihiro Hiraiwa, Sustainable Design Department, MORITO APPAREL CO., LTD. (left)

Getting on the same page with our partners to create products that stand out in the market 04

I joined the company as a mid-career hire and am responsible for the entire process from planning and specification design to supplier selection, packaging design, pricing, and delivery primarily for braces, supports, insoles, and waterproof bags. While MORITO's business model handling everything from planning to delivery can be challenging at times, I find it rewarding to see the products I've created with my own ingenuity being chosen by customers in the market. The MORITO VALUE that I hold most dear is “04 Collaboration.” In B2B creative production, it is important not only to understand customers' surface-level requests but also to grasp the purpose behind them and align perspectives with all stakeholders. In developing waterproof bags for WORKMAN, I made a proposal to modify the design geared toward workwear so that it would appeal to general consumers in light of changes in the customer's brand strategy and worked with our suppliers as well to materialize that proposal. It gives me a great sense of accomplishment when I see a product I put a lot of effort into being sold out in a store. I hope to continue contributing to creating value only MORITO can offer through proposals that incorporate my own creative ideas.

Daiki Kunizawa, Retail Product Sales Department, MORITO JAPAN CO., LTD. (center)

Fulfilling my responsibilities and building trust 02 05

While I manage the e-commerce operations and social media communications for the apparel brands, YOSOUU and YOSOUU Lab, I'm also a member of the Tokyo Verdy hockey team, which is sponsored by MORITO, as I pursue a dual career that balances work and sports. Sometimes I go straight to work on Monday after a weekend away game. Balancing both work and sports with the limited amount of time and energy one has is by no means easy. However, by carefully managing my daily schedule and keeping in contact with my superiors and colleagues while enjoying the support of those around me, I'm committed to doing my best in both my job and my sport. At the heart of my commitment lies the MORITO VALUE: “02 Achievement” and “05 Integrity.” When it comes to e-commerce and social media, in particular, a single mistake or ambiguous decision can undermine trust in our brands. Carefully checking anything I do not understand rather than leaving it unresolved is what integrity is all about to me and how I fulfill my responsibilities. I don't have much experience in the apparel industry yet, but I want to continue working to uphold the trust of our brands by drawing on the unique perspectives that come from a place of relative inexperience.

Saera Murakami, YOSOUU Department, MORITO APPAREL CO., LTD. (right)

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 addressing climate change.

Doing business in harmony with people and their communities

We will promote diversity and harmony with people and society, thereby strengthening our role and responsibility as a corporate citizen and enhancing our corporate value.

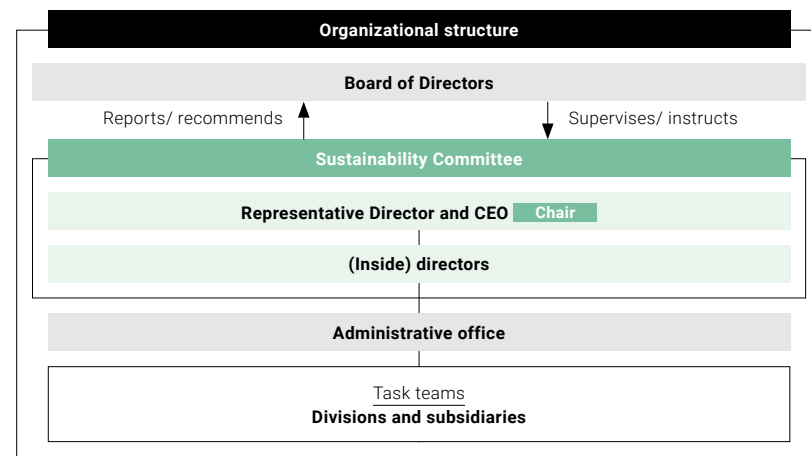
Strengthening the business foundation for continuous growth

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

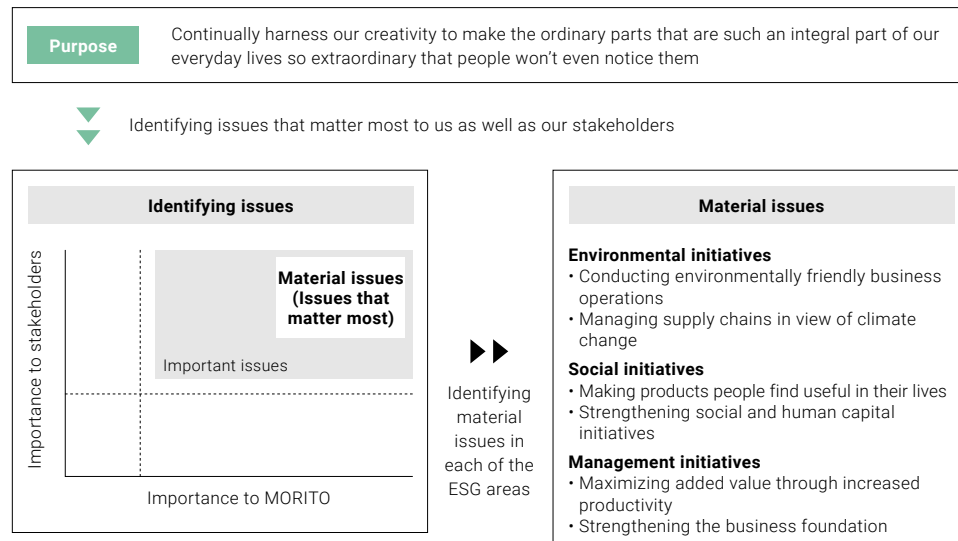
We are committed to fulfilling our fundamental corporate social responsibility of meeting the needs and expectations of society and solving the problems humanity faces through our business activities. At the same time, we are working to build a stronger business foundation to increase our corporate value. 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 MORITO 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	• Building a recycling-oriented society • Reducing waste	• 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	• Sustainable procurement of raw materials • Improving procurement and supply stability • Strengthening resilience in logistics	• Supply chain management (SCM) strategies for natural disasters • Overhauling order, inventory, warehousing, and shipping functions
Society	Making products people find useful in their lives	• Developing high-value-added products • Improving reliability through stable quality • Developing safe, reliable, and convenient products	• Creating safe, secure, and useful products to help improve people's lives • Quality management
	Strengthening social and human capital initiatives	• 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	• 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	• 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	• Adopt a holding company framework to transform functions and operations as well as optimize the Group structure • Restructuring business portfolio
	Strengthening business foundation	• Strengthening governance • Boosting public trust and reputation through ESG disclosure	• Internal control/risk management/compliance • Corporate management aimed at securing overall stakeholder satisfaction

Environment

We at 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
- Analyses a wide range of elements, from sulfur (atomic number 16) to uranium (atomic number 92), at concentrations ranging 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 products such as ASUKAMI®, a recycled paper made by collecting and pulverizing synthetic fiber scraps generated during apparel production, blending them with virgin pulp, and making them into paper.



Environment

Rideeco Championing Authentic Sustainability for the Future

We view our environmental initiatives as one of our key growth drivers, and under the Rideeco® concept, we operate businesses aimed at realizing a sustainable society.



Hiroyoshi Mori

MORITO CO., LTD.
Director, Senior Executive Officer,
General Manager of Apparel Business
Management Department, and
Representative Director and CEO of
MORITO APPAREL CO., LTD.

By remaining committed to authenticity and aiming for global expansion, we will achieve both business growth and the creation of social value.

At MORITO, we believe that, in order for environmental initiatives to remain truly sustainable, they must be CSV initiatives that are directly linked to our business operations. We have long been working to reduce water and electricity consumption and using manufacturing processes that do not emit harmful substances for the environmentally friendly creative production. In 2021, we stepped up our efforts and launched our environmental initiative, Rideeco®.

Leveraging the expertise in development, procurement, and sales we have cultivated over the years, this initiative helps our partner companies and organizations turn their environmental efforts into concrete products and business opportunities.

Under our 8th Mid-term Management Plan, we have been promoting environmental initiatives as one of our growth strategies. In developing new products, we have always prioritized authenticity. We have established internal standards, such as blending ratios for raw materials, and have been

developing products in a way that ensures accountability, including with respect to quality.

A prime example of this initiative is MURON®, a recycled yarn made entirely from discarded fishing nets collected in Japan. MURON® offers traceability that allows users to track the product back to its source region, making it environmentally friendly while ensuring quality. We also developed our first fabric using MURON®. Our environmental initiatives have served as a catalyst for venturing into new areas while also contributing to the growth of our existing businesses.

Our group company MATEX INC. developed ASUKAMI®, a paper made by blending fabric scraps from sewing factories into the pulp. In collaboration with World Co., Ltd., we are moving forward with an initiative to utilize fabric scraps generated at World Group factories, which are blended into the paper, to produce tags, business cards, envelopes, and other items.

Under our new Mid-term Management Plan, ACTION 1000, we will evolve our environmental initiatives into a group-wide effort. We will leverage MITSUBOSHI CORPORATION's sales channels and overseas network with the aim of expanding our sales regions and target industries and bringing our products to the global market. At the same time, we will expand our product lineup by utilizing HISANAGA SEISAKUSHO's technology and developing new products. We aim to make environmentally friendly products the industry standard rather than just one option, establishing our position as a leader in the industry.

Expo 2025 Osaka, Kansai Reaching the World through Our Employees' Voices

MORITO presented its Rideeco® initiative at Expo 2025 Osaka, Kansai. We created a space where visitors could experience first-hand the potential of resource recycling through an exhibition of materials, products, and artworks made from discarded fishing nets and fabric scraps from sewing factories. During the Expo period, employees from different departments came to staff the booths at the event site, engaging in conversations with visitors while providing explanations in their own words to actively share information about our Rideeco® initiative. Exhibiting at a global event like the Expo has become a source of great pride for our employees and a driving force for advancing our environmental initiatives.



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 p. 36 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 formulating our medium- to long-term strategies, we use the following internationally recognized climate change scenarios as a reference for the period up to 2030, assuming either a rise in the global average temperature of less than 1.5°C by 2100 or approximately 4°C by 2100. 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 ⁴²	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 addition to calculating the Group's Scope 1 and 2 emissions, we expanded the scope of our greenhouse gas (GHG) emissions calculations to include Scope 3 emissions from our domestic subsidiaries in fiscal 2024. In fiscal 2025, we expanded the scope of calculating Scope 3 emissions to include all* subsidiaries, including those in Japan and overseas, thereby establishing a system for calculating Scope 1, 2, and 3 emissions for the entire Group. Going forward, we will use these emissions data to reduce GHG emissions throughout our supply chain.

We will work toward achieving net zero GHG emissions by reducing our Scope 1 and 2 emissions, in line with the Japanese government's goal of achieving carbon neutrality by 2050.

* Excluding new subsidiaries acquired through M&A and companies undergoing liquidation procedures

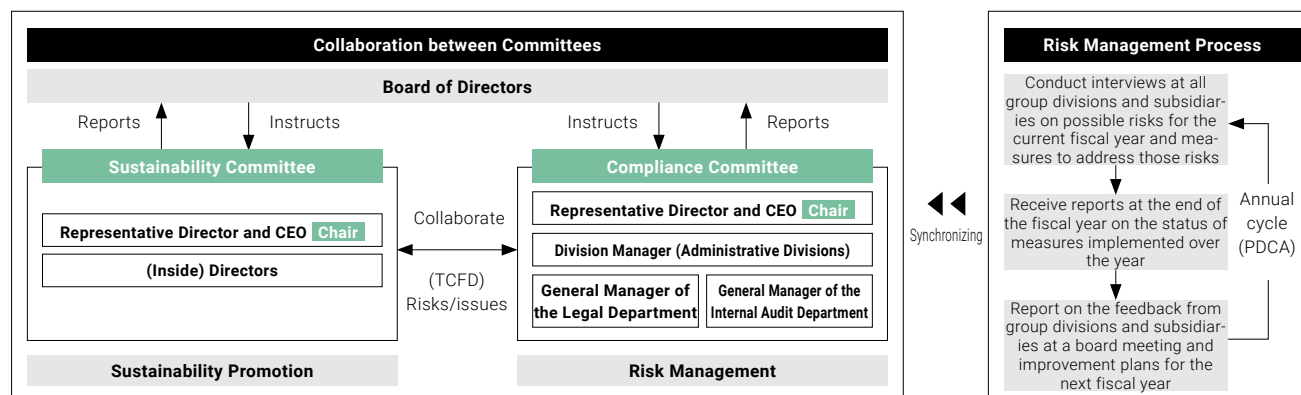
GHG emissions	2022	2023	2024	2025	(t-CO ₂) FY2025 vs. FY2022
Scope1* ¹	2,256	1,783	1,940	1,919	85%
Scope2* ²	5,004	3,785	3,543	3,672	73%
Total for Scope 1 and 2	7,260	5,567	5,483	5,591	77%
Scope3* ³	186,822	175,594	166,663	174,733	94%

*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

Contributing to society by connecting people, communities and the future through our business

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.

Outreach classes

In line with the focus areas of our material issues: building a recycling-oriented society, reducing waste, and contributing to local communities, we offer outreach classes to encourage students to think about the SDGs.

Centered on our Rideeco® environmental initiatives, the classes cover topics including product development using discarded fishing nets to address marine pollution issues and the ASUKAMI® mixed paper made from recycled synthetic fiber scraps generated during apparel production to provide students with opportunities to learn about SDG 12: Responsible Consumption and Production and SDG 14: Life Below Water.

We have conducted outreach classes at a total of 25 elementary, middle, and high schools for 1,296 students since we started offering them in 2023. (As of April 30, 2026)



Beach cleanup activities

Ever since we've been developing products made from discarded fishing nets, we have been conducting regular beach cleanups in Kami, Hyogo Prefecture, and elsewhere. In addition to contributing to the local community, cleaning up discarded fishing nets and marine debris gives employees an opportunity to view environmental issues as something that directly affects them.

Special Class Passing on the Memory of the Great Hanshin-Awaji Earthquake to the Next Generation

In 2025, we held a special class about the Great Hanshin-Awaji Earthquake at an elementary school in Kobe. We were operating in Kobe when the earthquake occurred, and many employees experienced the disaster firsthand. We organized the class out of a desire to pass on our memories of the earthquake that hit the region as well as the lessons we learned from it to the next generation before they faded away forever.

On the day of the class, employees took the stage together with former professional baseball player Sou Taguchi to share their personal experiences directly with the children. On top of that, we upcycled BlueWave throwback uniform pants actually worn by Orix Buffaloes players into amulets and gave them to the children as gifts.

We also view this initiative as a concrete step toward reducing waste.



More information on our social contribution and community outreach activities can be found here.
https://www.morito.co.jp/sustainability_en/society/social_initiatives/



Society

Diversity

MORITO Group Human Resource Management Policy

We have developed the MORITO 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 we are headed.

MORITO Group Human Resource Management Policy	
Human resource management to create a talent pool that will help us expand and move forward into the future with the aim of becoming a global growth company.	
Human resource management that is rooted in respect for people and embraces diversity in the workforce.	
▼ Strategic direction ▼	
a Recruitment	- 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	- 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	- Ensuring full compliance - Providing a comfortable working environment where employees can realize their full potential
d Placement and careers	- 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	- 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	- Providing adequate compensation commensurate with performance - Maintaining a highly controllable labor cost structure

Human resource and career development

We actively provide skill development opportunities and programs to help employees continuously build their career while keeping their level of satisfaction and motivation up.

► Training programs

We provide employees with numerous opportunities to build on their professional skills. These include assessments that are vital to charting career paths, educational programs designed for employees in

different job classifications and grades to improve their skills, and special training programs for selected employees aimed at developing the next generation of managers.

► Support for taking CASEC tests

We provide employees with an opportunity to take CASEC, a test of English language proficiency available on the internet for non-native speakers, once a year.

► 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.

► Alumni hiring program

We offer opportunities for former employees to put the new knowledge and experience they gained after leaving MORITO to good use and return to the MORITO Group as an asset who can contribute immediately.

► Employee Stock Ownership Plan (J-ESOP)

To boost employee motivation and morale with a view to improving our share price and business performance, we have introduced a scheme under which company shares or an equivalent cash amount are granted through a trust based on performance evaluations.

Creating a Comfortable Work Environment

► Staggered work hours and flextime

To support flexible and autonomous working styles, we've adopted staggered work hours as well as flextime for employees in some departments.

► Telecommuting

Employees meeting certain requirements can work from home or other places 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.

► Optimization of working hours

We are 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
- No overtime day

► Encouraging usage of 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 paid annual leave that would otherwise expire. This accumulated leave may be used for long-term medical treatment or intermittent outpatient treatment and rehabilitation for non-work-related illness or injury.

Childcare and Family Care

► Individual briefings

We provide employees with individual briefing sessions before their 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 also distribute a manual 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			
		Before childbirth	During child-care 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 Arrangements	Regular part-time employee	Until end of fiscal year in which child was a third-grader			

Family care leave and support programs (excerpt)

Programs	Description
Time off for family care	5 days per year (10 days if caring 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.

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.

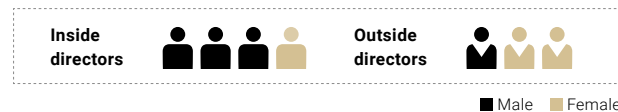
Governance System

Management and Executive Structure

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.

1 Board of Directors

The Board of Directors holds regular meetings once a month and is composed of seven directors (including three outside directors). In addition, three corporate auditors (including two outside auditors) also attend these meetings. 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.



2 Nomination and Remuneration Committee

We have established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors to enhance the fairness, transparency, and objectivity of the procedures for nominating directors and determining their remuneration, thereby further strengthening corporate governance across the Group.

At the request of the Board of Directors, the Committee deliberates on matters including the appointment and dismissal of directors and executive officers, directors' remuneration, and the formulation and implementation of succession plans for directors and other key personnel, and submits its recommendations to the Board of Directors.

A majority of the committee members are independent outside directors, and the committee is chaired by an independent outside director to ensure the transparency and objectivity of its deliberations.

3 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.

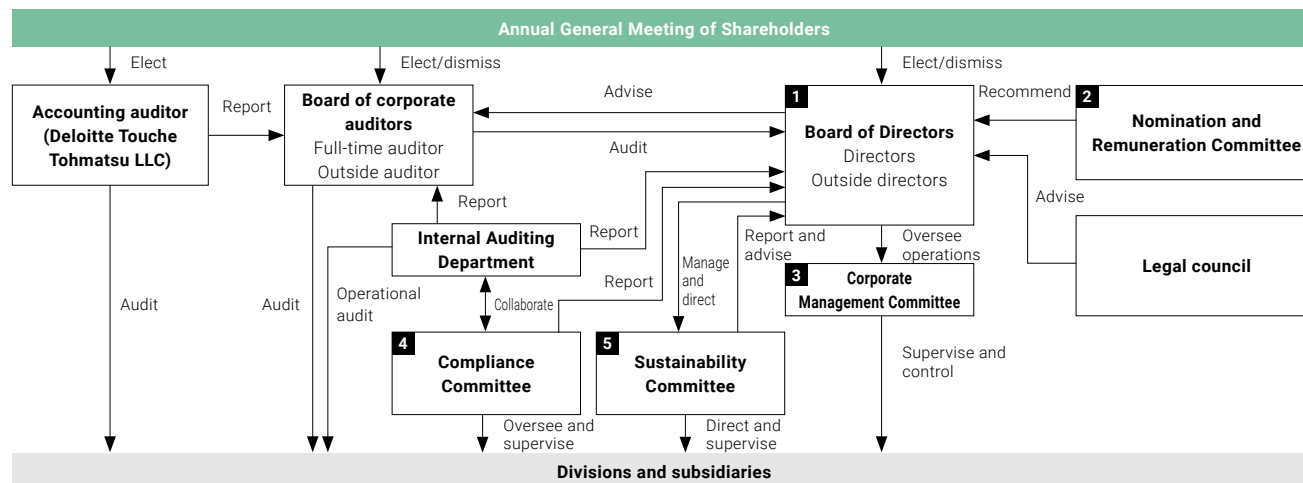
4 Compliance Committee

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.

5 Sustainability Committee

The Sustainability Committee formulates basic policies on sustainability, reviews initiatives, sets targets and indicators, and conducts status surveys for the entire Group. 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.

Corporate governance system diagram



Governance

Board of Directors and Committee Activities

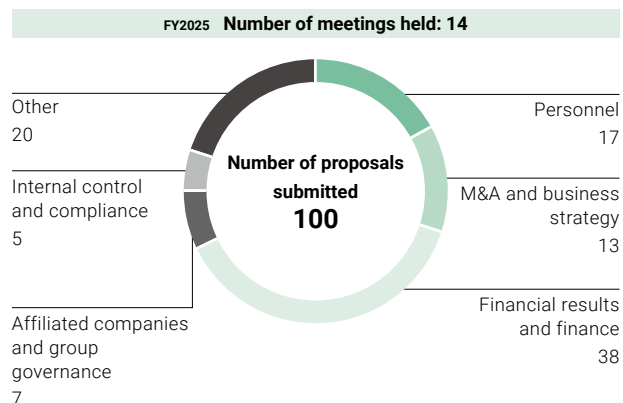
Board of Directors and Committee Meetings

The number of meetings held by the Board of Directors and the Nomination and Remuneration Committee during the fiscal year ended November 30, 2025, together with the principal matters discussed, are summarized below. Between January 2026 and February 2026, we evaluated the effectiveness of the Board of Directors meetings held during the fiscal year ended November 30, 2025. After conducting a questionnaire survey among all directors and auditors on the board's effectiveness, the Board Secretariat held individual interviews with all outside directors and all outside auditors to evaluate board effectiveness from multiple perspectives.

Board of Directors

In the fiscal year ended November 30, 2025, the Board of Directors met 14 times. The main topics of discussion were as shown below.

Board meetings are characterized by active participation and robust discussion among all members, including outside directors and outside corporate auditors. To ensure effective oversight and decision-making, the Board also revisits significant management strategy matters through multiple rounds of deliberation where appropriate.

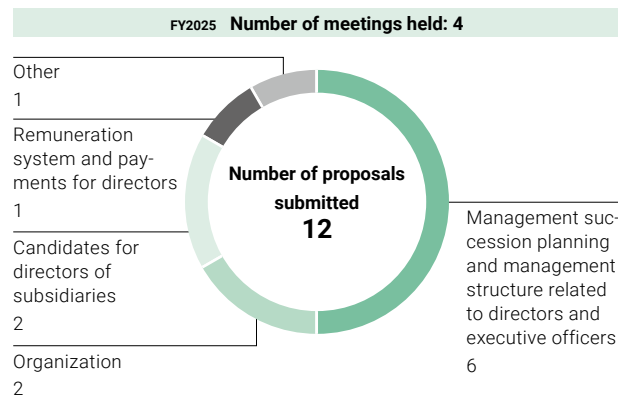


Nomination and Remuneration Committee

In the fiscal year ended November 30, 2025, the Nomination and Remuneration Committee met 4 times. The main topics of discussion were as shown below.

Topics of discussion concerning nomination included management succession planning, the composition of directors and executive officers, the future direction of the organization, and candidates for directors at subsidiaries. Matters discussed in relation to remuneration included the policy for determining directors' remuneration, the methodology for calculating remuneration, and the aggregate amount of directors' remuneration.

The Committee will continue to deliberate on the appropriate management structure and remuneration framework while ensuring objectivity and transparency.



Evaluation based on questionnaire and interviews

Between January 2026 and February 2026, we conducted a questionnaire survey and individual interviews with outside directors and outside corporate auditors to evaluate the effectiveness of the Board of Directors for the fiscal year ended November 30, 2025 from multiple perspectives.

The results are shown on the right.

Questionnaire for board members

► Summary

Target	5 directors and 3 auditors (8 in total)
Timing	January 2026
Evaluation	A total of 27 questions comprising five-point rating scales and open-ended questions.
Scope of survey	Composition, operation and process of the Board of Directors, provision of information, quality of discussions, oversight and collaborative functions, etc.

► Evaluation result

Score	4.2 (average score of all 27 questions)
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The average score was broadly in line with the previous year's level. The area receiving the lowest relative score was the timing of advance distribution of meeting materials. Going forward, we will review the Secretariat's processes to ensure directors have sufficient time to examine materials before discussions.

Individual interviews with outside officers

► Summary

Target	2 outside directors and 2 outside auditors (4 in total)
Timing	January 2026
Evaluation	Individual interviews covering a total of 14 questions were conducted.
Scope of survey	Board operations and the quality of discussions, the adequacy of information provided, governance and oversight functions, the role of outside officers and opportunities for dialogue, and the balance of skills and composition of the Board.

► Comments received

- The Nomination and Remuneration Committee engages in meaningful discussions on succession planning and talent development.
- Outside directors are fulfilling their governance role effectively, and discussions are open and candid.
- Discussions are open and inclusive, with active participation from all members, including the President.
- There is scope for creating additional opportunities for information sharing among directors.

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 three 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 below.

Executive Compensation

In order to raise awareness among our directors about enhancing corporate value, promote initiatives with a long-term perspective, and motivate them to achieve their goals, we have established a compensation structure that clearly links compensation to performance and is aligned with global standards.

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

Skills matrix

Position and name	Directors							Auditors		
	Takaki Ichitsubo	Bunki Yano	Kiyomi Akui	Hiroyoshi Mori	Mayumi Ishihara (outside)	Motoo Matsuzawa (outside)	Yoshiko Iwata (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,” 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,” the MORITO Group addresses 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

MORITO Group Human Rights Policy

The MORITO Group supplies a broad array of parts and products throughout the world with a commitment to creative production that will enrich people's lives as it continues to create new kinds of value for the future. We believe that the creation of new value is made possible by the support of all our stakeholders, including our shareholders, employees, customers, business partners, and local communities. Firmly dedicated to this belief, we have established the MORITO Group Human Rights Policy and promote efforts to respect human rights in order to fulfill our responsibility to respect the human rights of all individuals affected by our business activities.

For details, please refer to the MORITO Group Human Rights Policy.
MORITO Group Human Rights Policy
https://www.morito.co.jp/sustainability_en/governance/human_rights.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, 2025)

The Compliance Committee uses a PDCA cycle to manage risks. It assesses company-wide risks through semiannual 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 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, 2025.

► 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 and 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 surroundings. Since November 2013, I've served as Representative Director and CEO, placing great value on integrity and staying true to my principles while working to ensure that our employees and their families can live with peace of mind and contributing 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.



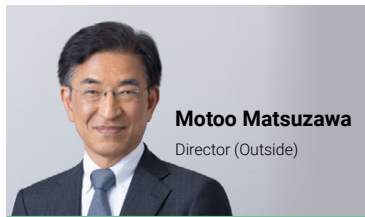
Hiroyoshi Mori
Director

I spent 17 years overseas in Singapore and Hong Kong working in the apparel industry. Currently, I oversee global operations as general manager of the Apparel Business Management Department while concurrently serving as Representative Director and CEO of MORITO APPAREL CO., LTD. I believe that the source of our corporate value lies in the respect we have for diverse countries, cultures, and ethnic groups, and our commitment to investing in people across the globe. As a company that places people at the heart of its business, we will continue to build on our unique strengths as we strive to become a global niche top 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.



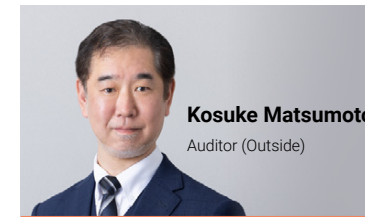
Yoshiko Iwata
Director (Outside)

I began my career at a foreign financial institution, where I experienced the dynamism of the capital markets firsthand. I've found new insights and surprises in the differences between foreign and Japanese companies. After seeing Japanese companies from both the outside and the inside, I strive to offer suggestions that draw on the strengths of both perspectives. I will look for MORITO's hidden strengths and think of ways to put its best foot forward in the capital market. "Purely, Honestly, Gracefully and Strongly" is the motto I live by. I look forward to working with everyone in the MORITO Group to enhance its corporate value.



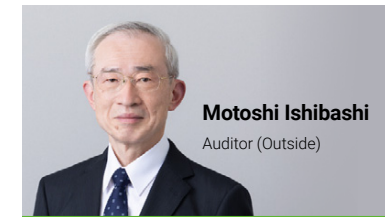
Kiyoshi Ichikawa
Auditor (Full-time)

Over the 43 years since joining MORITO, I've worked in areas that do not involve handling products and money, such as human resources, general affairs, internal audit, and legal affairs, while building a unique career within the company. 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: "The truth lies 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 26 years since I registered as a lawyer, and 15 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



**Staying true to my principles
as I ask what lies ahead over
the long run**

Mayumi Ishihara
Outside Director

MORITO's strength lies in its drive to face obstacles head on as everyone pulls together to move steadily forward toward its goals that lie ahead. That's why it's important to take a careful look at the road ahead from a medium- to long-term perspective and then decide whether the direction or goal you're headed toward is truly the right one.

In the past year, MORITO has carried out a series of major M&A deals. While I believe these were all necessary decisions, I also felt it was important to examine them from multiple angles and ask questions such as, "Why are we doing this now?", "What kind of MORITO do we aspire to become beyond the synergies?", and "How will this contribute to the happiness of our shareholders, customers, and employees?" This applies not only to M&A but also to MORITO's overall business strategy.

Since I was appointed as an outside director, MORITO has continued to grow steadily. But we are no longer in an era where growth alone is enough to please people. I hope that everyone, across departmental boundaries, will continue to make time to ask themselves what they should aim to achieve and how they can contribute to the satisfaction and happiness of all stakeholders and society as a whole. The environmental initiatives, such as products made from discarded fishing nets and ASUKAMI®, are wonderful businesses that were born from taking the time to ask this question.

In terms of governance, MORITO should focus on improving its governance by adopting the good practices of other companies and tailoring them to fit MORITO's unique style. The company should not only draw on external insights but also set a clear direction in which it will move forward.

Personally, as the outside director who has observed MORITO the longest, I am careful not to become overly sympathetic to the Company's perspective simply because I know it so well. In addition, applying my experience as a lawyer, I will continue to communicate in a way that is both principled and empathetic, thereby elevating the quality of discussions.

*ASUKAMI® is a mixed paper made partially from recycled fabric waste.



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

Motoo Matsuzawa
Outside Director

As an outside director, I strive to base my opinions on a broad societal perspective while placing great importance on integrity. I try to express my view by prioritizing fairness and impartiality, drawing on my experience as an auditor and other roles. I'm also committed to providing timely and appropriate advice so that MORITO can live up to the trust placed in it by society and pursue sound and sustainable growth and the creation of corporate value over the medium to long term.

At present, the most important issue for the MORITO Group is improving profitability. The Group has set a target of achieving an ROE of 12% by 2031 under the new Mid-term Management Plan, ACTION 1000, and I have been actively contributing to discussions at Board of Directors meetings with a focus on improving profit margins.

When it comes to protecting the interests of general shareholders, it's vital that outside directors fulfill their responsibility and speak up in board meetings and raise issues with the representative director whenever necessary. The board meetings are a place where outside directors can candidly exchange opinions with the president and other inside executives, fostering active discussions on various topics including how to address issues. In light of this, I believe the effectiveness of the Board of Directors is adequately ensured. I was particularly impressed by the recent board discussions on the two M&A transactions completed last year involving Ms.ID and MITSUBOSHI CORPORATION. Drawing on my experience in the financial industry, I asked questions and offered suggestions regarding the benefits of the acquisitions from a financial and cash flow perspective.

The MORITO Group, with its 118-year history, has a vision to continue creating new value over the next 100 years as a global niche top company. I expect the management team to continue to focus on strengthening sales in the B2C business while maintaining a proactive approach to M&A. I will contribute to creating corporate value over the medium to long term by effectively utilizing cash flow and improving capital efficiency.



**Beginning from a place of sincerity
in embarking on a new adventure
with MORITO**

Yoshiko Iwata
Outside Director

Since before I became an outside director, I've always had the impression that MORITO was an honest company. That impression has only grown stronger since I began attending board meetings. I feel that the term "sincere" is more fitting for this company than "honest," and I believe this is clearly reflected in the leadership of Mr. Ichitsubo, who is at the helm of the company.

Over the years, I've observed how different companies approach corporate governance and how they engage with capital markets in so many different ways. Because of this experience, I strongly feel the value of sincerity that MORITO possesses. I am convinced that this is the company's greatest strength and the source of its long-term competitive advantage.

On the other hand, I think the company could be a little more adventurous. I had a chance to visit the U.S. the other day. It seems that business leaders in the U.S. are now required to steer their businesses while keeping a close eye on the political situation. What I saw there, however, were leaders who dared not to read too much into political trends and took bold steps to develop their company's growth strategy and business model. In Japan, there remains a deep-rooted tendency to follow government policy and wait to see what other companies do before taking action. I'm concerned that such an attitude may cause companies to fall behind in the global arena.

The same is true in terms of capital markets and investor relations. Rather than putting up barriers by thinking that investors probably won't be interested in this, actively communicating to them that something interesting is about to happen will lead to meaningful dialogue with investors. I have observed boards of directors at many companies over the years and have also worked for overseas companies for a long time. Drawing on the experience I have gained, I hope to support the MORITO Group's spirit of adventure by sharing examples and best practices from boards of directors, businesses, capital markets, organizational structures, and other areas.

Financial Data Summary

	2015/11	2016/11	2017/11	2018/11	2019/11	2020/11	2021/11	2022/11	2023/11	2024/11	2025/11
Net sales (million JPY)	43,293	40,086	41,388	43,943	45,987	40,727	43,636	48,478	48,529	48,537	56,867
Operating profit (million JPY)	1,721	1,767	1,707	1,725	1,734	856	1,619	2,116	2,464	2,868	3,333
Ordinary profit (million JPY)	1,871	1,647	1,703	1,790	1,779	928	1,834	2,342	2,771	3,003	3,624
Profit attributable to owners of parent (million JPY)	1,432	1,181	3,305	1,257	1,402	470	1,407	1,674	2,217	2,572	2,916
Free cash flow (a + b) (million JPY)	3,011	4,119	4,741	(4,545)	3,724	2,446	2,243	715	4,476	5,258	(2,021)
Cash flows from operating activities (a) (million JPY)	2,034	1,391	1,802	626	3,614	2,462	2,644	850	4,399	4,620	2,994
Cash flows from investing activities (b) (million JPY)	977	2,728	2,939	(5,171)	110	(16)	(401)	(135)	77	638	(5,015)
Depreciation (million JPY)	726	617	675	714	860	962	937	992	1,010	983	999
Total assets (million JPY)	47,331	40,853	43,473	48,059	47,185	43,699	45,938	50,271	51,429	52,476	55,498
Equity (million JPY)	31,113	29,246	32,581	32,905	32,667	31,958	33,858	36,628	38,433	39,276	39,832
Operating profit to net sales ratio (%)	4.0	4.4	4.1	3.9	3.8	2.1	3.7	4.4	5.1	5.9	5.9
Ordinary profit to total assets ratio (ROA) (%)	4.0	3.7	4.0	3.9	3.7	2.0	4.1	4.9	5.5	5.8	6.7
Return on equity (ROE) (%)	4.7	3.9	10.7	3.8	4.3	1.5	4.3	4.8	5.9	6.6	7.4
Capital adequacy ratio (%)	65.7	71.6	74.9	68.5	69.2	73.1	73.7	72.9	74.7	74.8	71.8
Basic earnings per share (EPS) (JPY)	49.48	41.48	119.29	45.71	51.17	17.17	51.41	62.23	83.05	97.12	111.88
Net assets per share (BPS) (JPY)	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	1,556.22
Dividends per share (annual dividend) (JPY)	14.50	17.00	28.00	25.00	26.00	18.00	26.00	32.00	55.00	63.00	70.00
Consolidated dividend payout ratio (%)	29.3	41.0	23.5	54.7	50.8	104.8	50.6	51.4	66.2	64.9	62.6
Consolidated dividends to net assets (DOE) (%)	1.4	1.6	2.5	2.1	2.2	1.5	2.2	2.4	3.9	4.3	4.6

Non-financial Data Summary

Environment

GHG emissions

(t-CO₂)

GHG emissions	2022	2023	2024	2025	FY2025 vs. FY2022
Scope1	2,256	1,783	1,940	1,919	85%
Scope2	5,004	3,785	3,543	3,672	73%
Total for Scope 1 and 2	7,260	5,567	5,483	5,591	77%
Scope3	186,822	175,594	166,663	174,733	94%

Note: Starting in the fiscal year ended November 30, 2025, we included all of our domestic and overseas subsidiaries* in Scope 3 emissions calculations.

* Excluding new subsidiaries acquired through M&A and companies undergoing liquidation procedures

Governance

Board of Directors makeup

Number of
directors

7



Number (ratio) of outside directors: 3
(42.9%)

Number (ratio) of female directors: 3
(42.9%)

■ Male ■ Female

Number of Board of Directors meetings held and attendance rate

(fiscal year ended November 30, 2025):

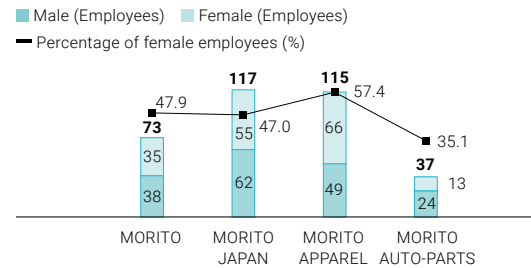
14,100%



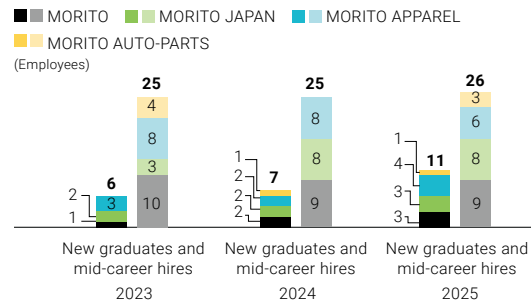
Social

Number of male and female employees

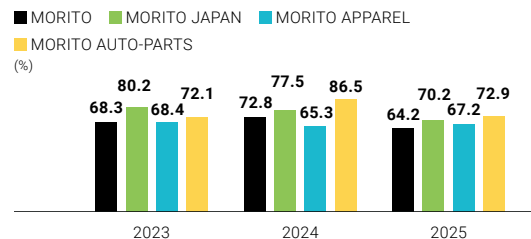
(as of November 30, 2025)



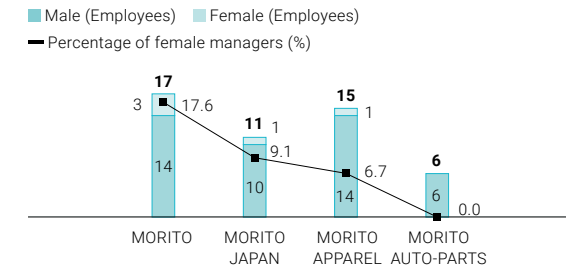
Number of new graduates and mid-career hires



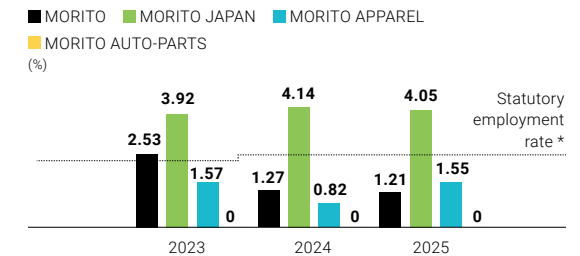
Percentage of employees taking paid annual leave



Number of male and female management-level employees (as of November 30, 2025)



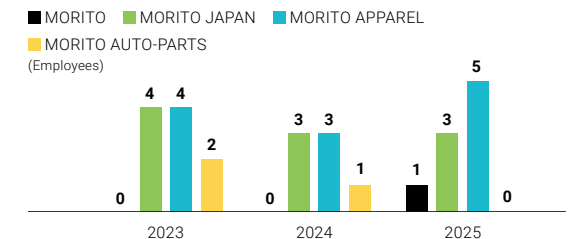
Employment rate of persons with disabilities



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% in FY2023 and 2.5% in FY2024 and FY2025.

Number of employees taking maternity leave and childcare leave



Note: There were no employees or spouses of employees eligible for childcare leave or other leave due to childbirth at MORITO CO., LTD. in FY2023 and FY2024 and at MORITO AUTO-PARTS CO., LTD. in FY2025.

Corporate and Stock Information (as of November 30, 2025)

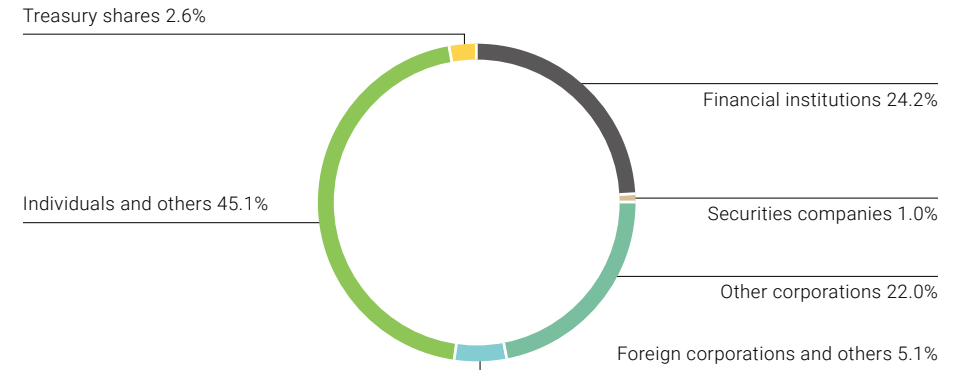
Corporate information

Trade name	MORITO CO., LTD.
Founded	June 1, 1908
Established	December 17, 1935
Capital	3,532,492,000 JPY
Employees	73 employees (1,708 on a consolidated basis)
Consolidated financial statement entities	Consolidated subsidiaries: 9 domestic companies, 13 overseas companies Unconsolidated subsidiaries: 1 domestic company 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	26,800,000 shares
Fiscal year-end	November 30 of each year
Record date for shareholders	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 Special account administrator	Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Dept. Mitsubishi UFJ Trust and Banking Corporation, 3-6-3 Fushimimachi, Chuo-ku, Osaka-shi 541-8502 TEL: 0120-094-777 (toll-free in Japan) https://www.tr.mufig.jp/daikou

Ownership percentage (by type of investor)



Major shareholders

Shareholders	Number of shares (in thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,402	9.20
Meiji Yasuda Life Insurance Company	1,700	6.51
KANE-M Co., Ltd.	1,576	6.04
Kuraray Co., LTD.	1,324	5.07
Custody Bank of Japan, Ltd. (trust account)	797	3.05
MORITO Employee Stock Ownership Plan	519	1.99
Custody Bank of Japan, Ltd. (trust E account)	353	1.35
Mizuho Bank, Ltd.	352	1.35
MORITO Kyo-ei Kai	317	1.22
BYNM AS AGT/CLTS NON TREATY JASDEC	240	0.92

Notes: 1. 697 thousand shares (2.60%) of treasury shares owned by MORITO CO., LTD. are not included in the above list of major shareholders.

2. 353 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 2026. We compiled this year's integrated report with a focus on people, the source of our value creation, to highlight our competitive advantage while conveying the unique character of MORITO. We hope it serves as an introduction to the vision behind our new Mid-term Management Plan, ACTION 1000, as well as our growth strategy, which aims to achieve 100 billion JPY in net sales. We will continue to pursue IR activities characterized by sincerity and a focus on active dialogue, timely and appropriate disclosure, and the enhancement of sustainable corporate value.