

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.

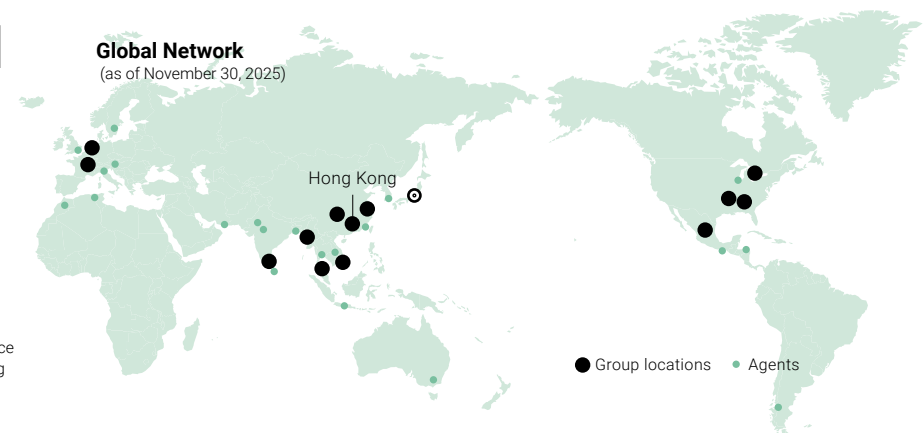


Using a Roman letter for a trademark was innovative at the time and reflected the Company's early overseas business dealings, which had already begun in the Taisho era, as well as its future intention to expand internationally. The outer "Kane" shape is derived from an L-shaped carpenter's square, representing 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



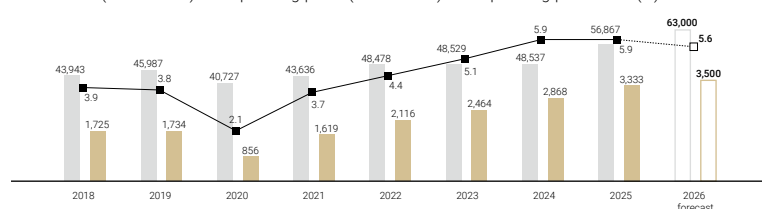
MORITO KANTO LOGISTICS CENTER

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.