

MORITO

Integrated Report MORITO CO., LTD.

2025



MORITO

Where innovation is the norm

What is MORITO?

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

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



Where innovation is the norm

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



Where innovation is the norm

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



Where innovation is the norm

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

* According to internal research.



Look for MORITO

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

Where innovation is the norm

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

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

MORITO APPAREL CO., LTD.
YOSOOU Department

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

MORITO JAPAN CO., LTD.
Business Supply Sales
Department

We leverage broad
expertise to meet
customer needs and deliver
high-quality products globally.
MORITO AUTO-PARTS CO., LTD.
Sales Department

Invisible snap fasteners

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



School supply parts and products

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



Metal emblems

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



MORITO by the Numbers

Founded in

1908

No. 2

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

Annual number of snap fasteners sold

More than **1** billion

No. 1

market share in Japan ^{*1}

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

Annual sales volume of MAGICTAPE® (by length)

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

Number of consolidated-
basis employees

1,509 ^{*2}

Consolidated net sales

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

Dividends

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

Percentage of interna-
tional employees

66.3 % ^{*2}

Operating profit

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

Standard for dividend
on equity (DOE)

4.0 %

Number of group companies
(domestic and international)

23 ^{*3}

Net income

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

Business breakdown
Procurement to production ratio

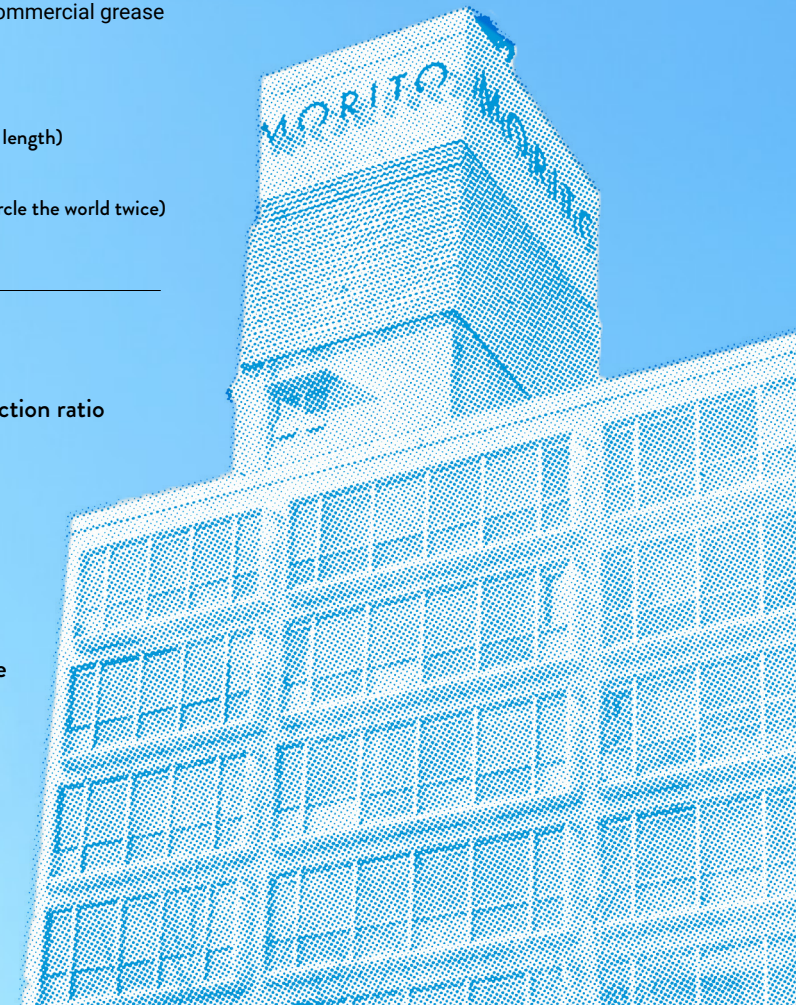
About **7:3**

Equity ratio

In the **70** % range

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

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



Message from the CEO

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

Takaki Ichitsubo
Representative Director, CEO

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

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

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

Message from the CEO

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

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

* According to internal research.

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

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

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



Message from the CEO

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

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

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

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

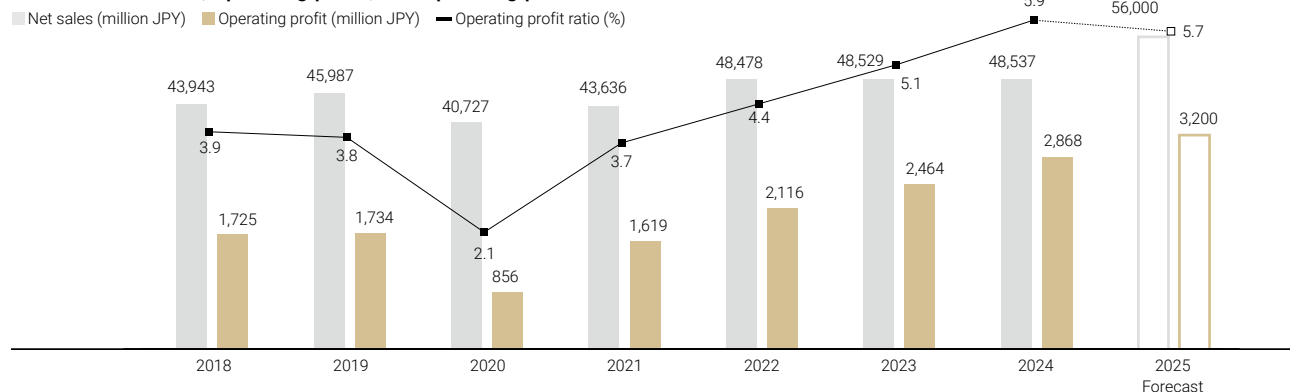
* Operating profit basis

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

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

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

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



Message from the CEO



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

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

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

Creating a new norm

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

Conclusion

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

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

Representative Director, CEO

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Editorial Policy

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

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

Logo Design Concept

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



Cautionary note concerning forward-looking statements

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

Reporting Scope

December 1, 2023, to November 30, 2024

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