

# **ORGANO CORPORATION**

## **Financial Results for Fiscal Year Ended March 31, 2025**

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**Securities Code: 6368**

**May 19, 2025**

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1. FY Ended 03/2025 Results and Overview of FY Ending 03/2026 Plan
2. Analysis of Results and Plans for Each Division
3. Medium- to Long-term Management Plan
4. Company Overview and Business Profile

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# FY Ended 03/2025 Results and Overview of FY Ending 03/2026 Plan

## Results for Year Ended 03/2025

(Millions of yen)	03/2025 Actual	Year-on-Year	Comparison with Previous Forecast (02/05/2025)
Orders Received	151,272	6,804 4.7%	-3,728 -2.4%
Net Sales	163,269	12,913 8.6%	-4,231 -2.5%
Operating Profit	31,120	8,576 38.0%	120 0.4%
%	19.1%	4.1pt	0.6pt
ROE	21.7%	3.3pt	—

- Orders received grew significantly in the Electronics Industry for Taiwan, but the investment plans in Japan, China, and Southeast Asia have been delayed more than expected, which has also had an impact.
- Net sales increased thanks to strong performance in Service Solutions and Performance Products, as well as growth in the Plant Division, which continued to receive large-scale projects. This was affected by progress on construction falling slightly below expectations in the previous forecast.
- Operating profit increased due to improved profit margins in Plant projects against the backdrop of a favorable order environment as well as the effect of sales growth.

## Plan for Year Ending 03/2026

(Millions of yen)	03/2026 Plan	Year-on-Year
Orders Received	180,000	28,728 19.0%
Net Sales	175,000	11,731 7.2%
Operating Profit	31,500	380 1.2%
%	18.0%	-1.1pt
ROE	18.8%	-2.9pt

- Orders received plan to include several large semiconductor projects in Japan, Taiwan, the United States, and Europe. We will closely monitor tariff policy trends in the United States.
- The plan calls for the expansion of sales of Service Solutions and Performance Products, in addition to progress on construction of Plant projects for received orders.
- For operating profit, we expect SG&A expenses to increase, mainly due to personnel expenses. Through growing sales, we plan to maintain a level of profits similar to the previous fiscal year.

# Assumptions for FY Ending 03/2026 Plan

**Orders received:**  
**¥180.0 billion**  
**(+19.0% YoY)**

**Net sales:**  
**¥175.0 billion**  
**(+7.2% YoY)**

**Operating profit:**  
**¥31.5 billion**  
**(+1.2% YoY)**

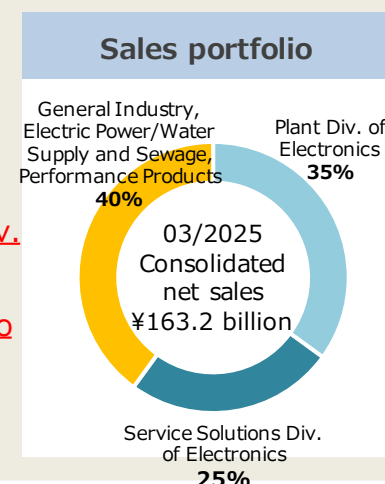
Against the backdrop of the United States' tariff policy and the observed turmoil in stock markets and currency exchange rates, there are concerns about a global recession, and the outlook for the semiconductor market, which is our main market, is experiencing a strong sense of uncertainty. In some cases, investment plans are being considered for postponement or suspension, while in others, we are seeing moves to consider investment plans that exceed expectations, such as for cutting-edge semiconductors. At this point, the known developments have been reflected in the performance forecast. The indirect impact of an economic downturn is difficult to predict.

## Impact of United States tariff policy

- Our business is centered on a “local production for local consumption” model, with cross-border transactions remaining at less than 10% of net sales and less than 20% of purchases in FY2024. Direct transactions with the United States are limited to the procurement of certain materials, and the effect of fluctuations in tariff rates is assumed to be minimal.
- Depending on the project, the amount of materials and equipment module units imported from outside the region may increase based on customer requirements and specifications. However, many cases involve the inclusion of transaction-related costs such as transportation costs and customs duties in the total cost, and the contract (sales) price is determined accordingly.

## Impact of semiconductor market conditions and economic trends

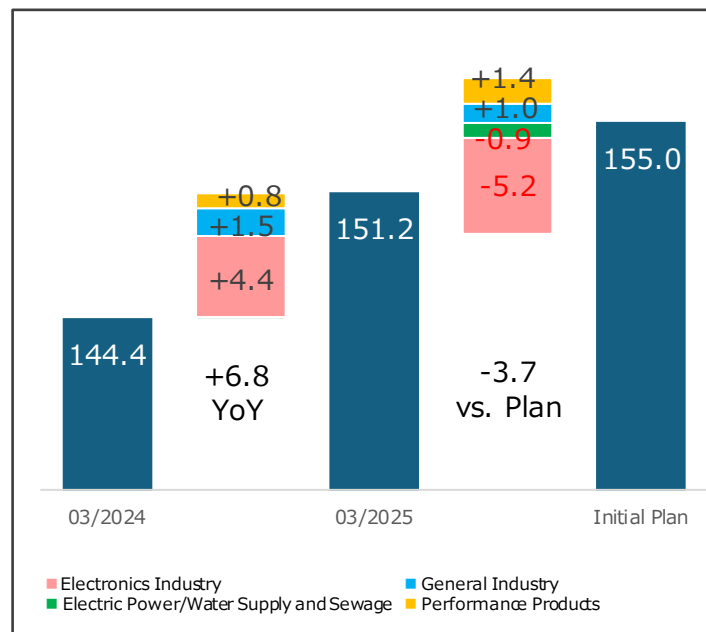
- Depending on market conditions and economic trends, the timing and scale of capital investment in the Plant Div. of Electronics may change, which could affect business performance. We are closely monitoring trends in projects.
- On the other hand, the Service Solutions Div. of Electronics, General Industry, Electric Power/Water Supply and Sewage, and Performance Products are less susceptible to the impact of market conditions. The Company has maintained relatively high profit levels and is expected to provide a stable revenue base.



# FY Ended 03/2025: Overview of Orders, Sales, and Operating Profit

(Billions of yen)

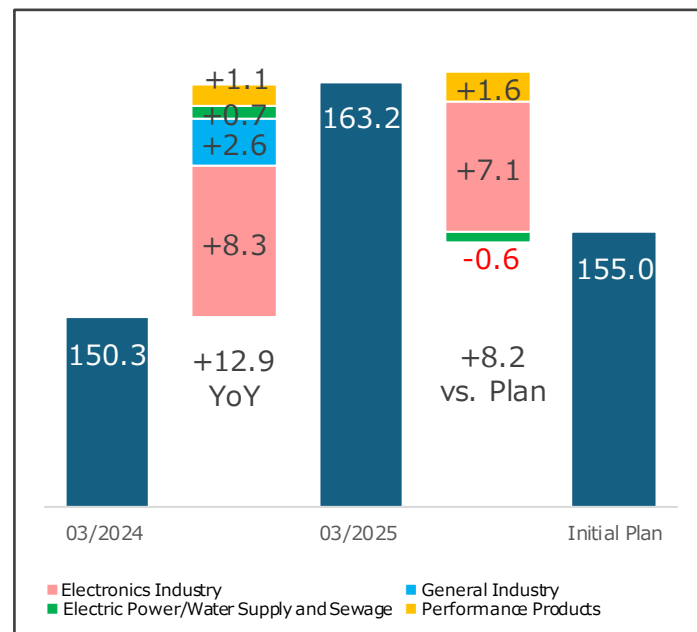
## Order Analysis



### [Orders]

In the Electronics Industry, large-scale investments in cutting-edge semiconductors remained active in Taiwan. On the other hand, in Japan, China, and Southeast Asia, large-scale projects were postponed from the initial assumptions, which also affected the results. There was strong performance in General Industry and Performance Products.

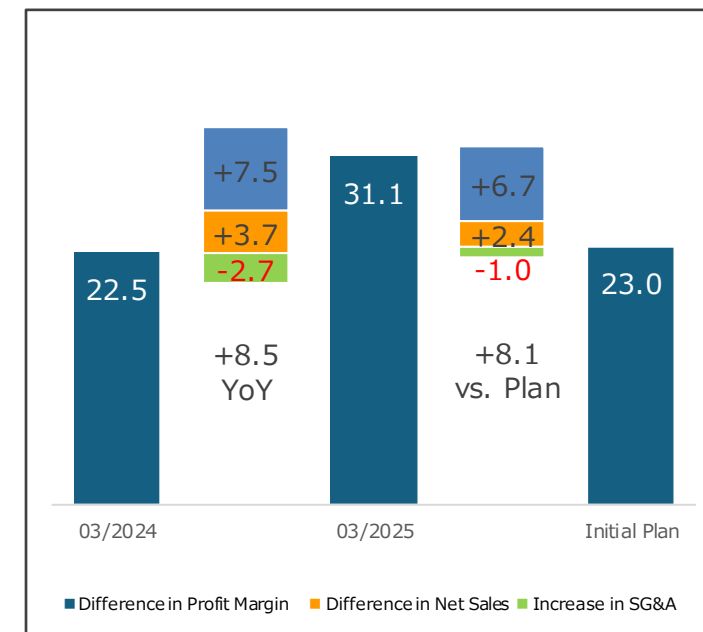
## Sales Analysis



### [Sales]

Sales of Service Solutions for the Electronics Industry grew steadily in line with the expansion of the Plant business. General Industry also grew centered on Service Solutions. Sales of Performance Products grew due to strong sales of water treatment chemicals and functional materials for semiconductors.

## Operating Profit Analysis



### [Operating Profit]

Profitability at the time of order receipt for Plant projects improved thanks to a favorable order environment. The expansion of relatively high-profit margin Service Solutions and Performance Products also contributed to the increase. SG&A expenses increased, mainly due to personnel expenses, outsourcing expenses, and digital investments.

# FY Ended 03/2025: Consolidated Statement of Income

(Millions of yen)	FY Ended 03/2024 Full-year Actual	FY Ended 03/2025		Year-on-Year	Vs. Initial Plan	Vs. Previous Forecast
		Initial Plan	Previous Forecast (02/05/2025)			
Orders Received	144,468	155,000	155,000	151,272	6,804 4.7%	-3,728 -2.4%
Net Sales	150,356	155,000	167,500	163,269	12,913 8.6%	8,269 -4,231 -2.5%
Gross Profit	43,841	46,000	54,000	55,182	11,341 25.9%	9,182 20.0%
%	29.2%	29.7%	32.2%	33.8%	4.6pt	4.1pt
SG&A	21,297	23,000	23,000	24,061	2,764 13.0%	1,061 4.6%
Operating Profit	22,544	23,000	31,000	31,120	8,576 38.0%	8,120 35.3%
%	15.0%	14.8%	18.5%	19.1%	4.1pt	4.3pt
Profit Attributable to Owners of Parent	17,310	16,100	23,000	24,150	6,840 39.5%	8,050 50.0%
ROE	18.4%	15.0%	—	21.7%	3.3pt	6.7pt

# FY Ended 03/2025: Results by Segment

(Millions of yen)		FY Ended 03/2024 Full-year Actual	FY Ended 03/2025			Year-on- Year	Vs. Initial Plan	Vs. Previous Forecast
			Initial Plan	Previous Forecast (02/05/2025)	Full-year Actual			
Company	Orders Received	144,468	155,000	155,000	151,272	6,804 4.7%	-3,728 -2.4%	-3,728 -2.4%
	Net Sales	150,356	155,000	167,500	163,269	12,913 8.6%	8,269 5.3%	-4,231 -2.5%
	Operating Profit	22,544	23,000	31,000	31,120	8,576 38.0%	8,120 35.3%	120 0.4%
	%	15.0%	14.8%	18.5%	19.1%	4.1pt	4.3pt	0.6pt
Water Treatment Engineering	Orders Received	120,420	131,500	130,000	126,327	5,907 4.9%	-5,173 -3.9%	-3,673 -2.8%
	Net Sales	126,393	131,500	142,500	138,130	11,737 9.3%	6,630 5.0%	-4,370 -3.1%
	Operating Profit	19,111	19,600	27,300	27,382	8,271 43.3%	7,782 39.7%	82 0.3%
	%	15.1%	14.9%	19.2%	19.8%	4.7pt	4.9pt	0.6pt
Performance Products	Orders Received	24,048	23,500	25,000	24,944	896 3.7%	1,444 6.1%	-56 -0.2%
	Net Sales	23,962	23,500	25,000	25,139	1,177 4.9%	1,639 7.0%	139 0.6%
	Operating Profit	3,433	3,400	3,700	3,738	305 8.9%	338 9.9%	38 1.0%
	%	14.3%	14.5%	14.8%	14.9%	0.6pt	0.4pt	0.1pt



# FY Ended 03/2025: Consolidated Balance Sheet

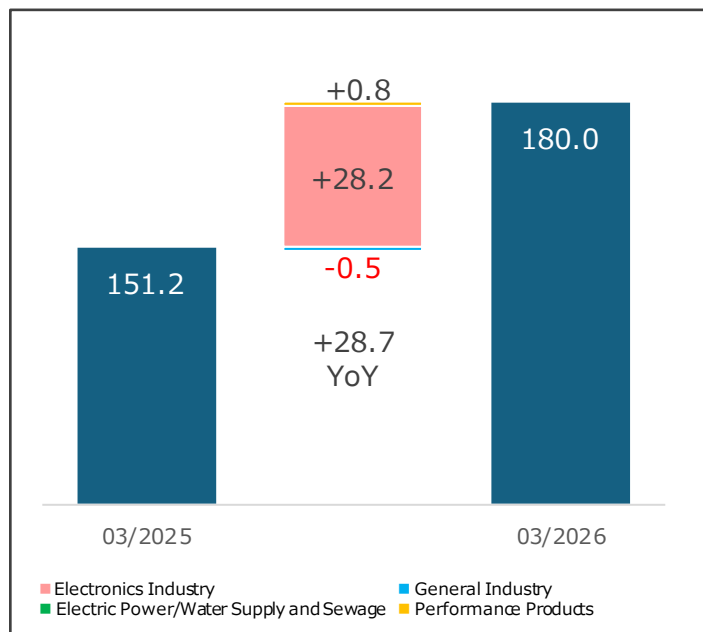
(Millions of yen)	FY Ended 03/2024 Full-year Actual	FY Ended 03/2025 Full-year Actual	Year-on-Year
Cash and Deposits	17,642	16,751	-891
Accounts Receivable and Contract Assets	82,226	83,953	1,727
Merchandise, Finished Goods, Raw Materials, Etc.	12,609	11,356	-1,253
Investments in Leases	27,814	35,512	7,698
Work in Process	9,221	11,169	1,948
Other	3,955	5,624	1,669
<b>Total Current Assets</b>	<b>153,469</b>	<b>164,367</b>	<b>10,898</b>
<b>Total Non-current Assets</b>	<b>29,233</b>	<b>30,028</b>	<b>795</b>
<b>Total Assets</b>	<b>182,703</b>	<b>194,396</b>	<b>11,693</b>

	FY Ended 03/2024 Full-year Actual	FY Ended 03/2025 Full-year Actual	Year-on-Year
Trade Payable	22,682	28,087	5,405
Short-term Borrowings	34,065	18,877	-15,188
Other	15,854	17,436	1,582
<b>Total Current Liabilities</b>	<b>72,602</b>	<b>64,401</b>	<b>-8,201</b>
Long-term Borrowings	2,400	3,680	1,280
Other	5,553	5,119	-434
<b>Total Non-current Liabilities</b>	<b>7,953</b>	<b>8,799</b>	<b>846</b>
<b>Total Liabilities</b>	<b>80,555</b>	<b>73,201</b>	<b>-7,354</b>
<b>Total Net Assets</b>	<b>102,147</b>	<b>121,194</b>	<b>19,047</b>
<b>Total Liabilities and Net Assets</b>	<b>182,703</b>	<b>194,396</b>	<b>11,693</b>
Equity-to-asset Ratio	55.8%	62.2%	+ 6.4pt

# FY Ending 03/2026: Overview of Full-year Plan

(Billions of yen)

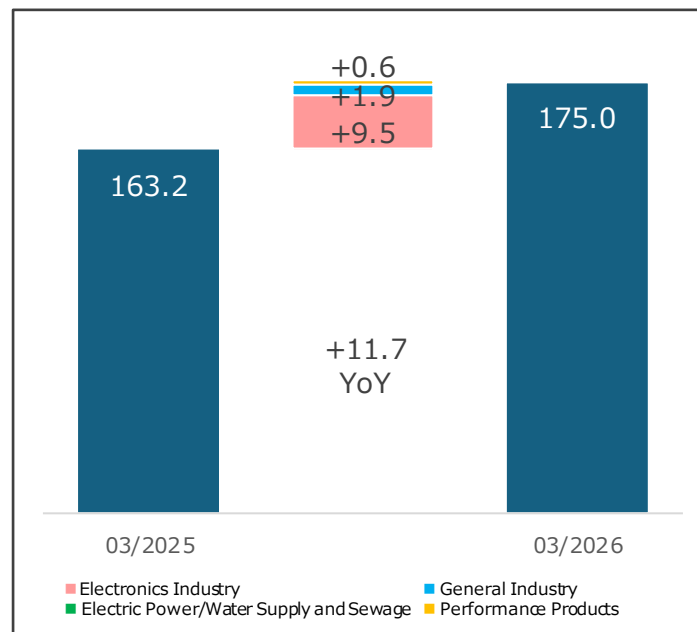
## Order Analysis



### [Orders]

Although the outlook for market conditions remains uncertain due to factors such as the United States' tariff policy, the plan assumes that orders will be received for large-scale semiconductor projects planned in Japan, Taiwan, the United States, and Europe. General Industry and Electric Power/Water Supply and Sewage are expected to be at the same level of orders as the previous fiscal year.

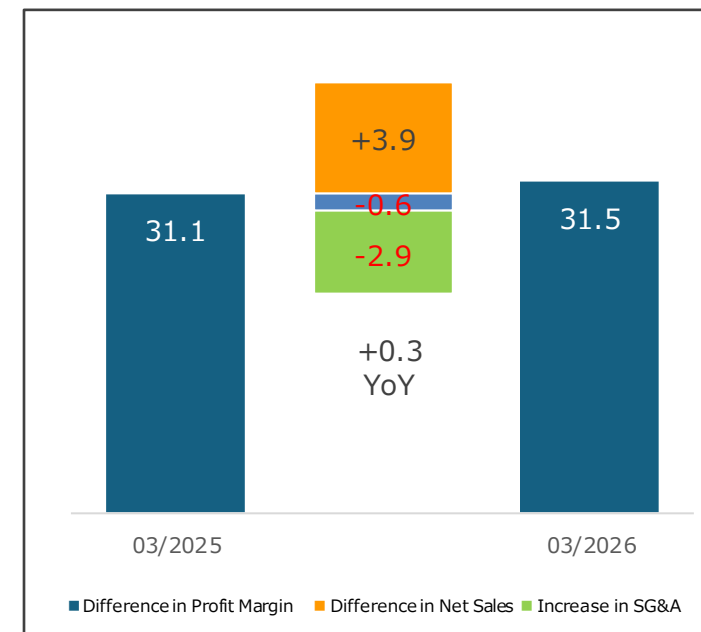
## Sales Analysis



### [Sales]

In the Electronics Industry, Plant sales are expected to grow due to an increase in orders, and Service Solutions are also expected to expand. The plan calls for progress on construction and growth in maintenance for Plant projects in General Industry. Sales of Performance Products will expand, centered on water treatment chemicals and functional materials.

## Operating Profit Analysis



### [Operating Profit]

Gross profit margins for both Water Treatment Engineering and Performance Products are expected to be at the same level as the previous fiscal year. The plan calls to cover the aggressive expansion of SG&A expenses, such as personnel expenses and DX/RD investments, with the effects of increased sales. The plan assumes that operating profit will be slightly higher than the previous fiscal year.

# FY Ending 03/2026: Consolidated Statement of Income (Plan)

(Millions of yen)	FY Ended 03/2025		FY Ending 03/2026		1st Half	Full-year
	1st Half	Full-year	1st Half	Full-year	Comparison	Comparison
	Actual	Actual	Plan	Plan		
Orders Received	92,755	151,272	97,000	180,000	4,245 4.6%	28,728 19.0%
Net Sales	74,323	163,269	77,500	175,000	3,177 4.3%	11,731 7.2%
Gross Profit	23,143	55,182	24,500	58,500	1,357 5.9%	3,318 6.0%
%	31.1%	33.8%	31.6%	33.4%	0.5pt	-0.4pt
SG&A	11,663	24,061	13,000	27,000	1,337 11.5%	2,939 12.2%
Operating Profit	11,480	31,120	11,500	31,500	20 0.2%	380 1.2%
%	15.4%	19.1%	14.8%	18.0%	-0.6pt	-1.1pt
Profit Attributable to Owners of Parent	8,134	24,150	7,500	24,200	-634 -7.8%	50 0.2%
ROE	—	21.7%	—	18.8%	—	-2.9pt

# FY Ending 03/2026: Plan by Segment

(Millions of yen)		FY Ended 03/2025		FY Ending 03/2026		1st Half	Full-year
		1st Half	Full-year	1st Half	Full-year	Comparison	Comparison
		Actual	Actual	Plan	Plan		
Company	Orders Received	92,755	151,272	97,000	180,000	4,245 4.6%	28,728 19.0%
	Net Sales	74,323	163,269	77,500	175,000	3,177 4.3%	11,731 7.2%
	Operating Profit	11,480	31,120	11,500	31,500	20 0.2%	380 1.2%
	%	15.4%	19.1%	14.8%	18.0%	-0.6pt	-1.1pt
Water Treatment Engineering	Orders Received	80,166	126,327	84,100	154,200	3,934 4.9%	27,873 22.1%
	Net Sales	61,885	138,130	64,600	149,200	2,715 4.4%	11,070 8.0%
	Operating Profit	9,802	27,382	9,550	27,630	-252 -2.6%	248 0.9%
	%	15.8%	19.8%	14.8%	18.5%	-1.0pt	-1.3pt
Performance Products	Orders Received	12,589	24,944	12,900	25,800	311 2.5%	856 3.4%
	Net Sales	12,437	25,139	12,900	25,800	463 3.7%	661 2.6%
	Operating Profit	1,677	3,738	1,950	3,870	273 16.3%	132 3.5%
	%	13.5%	14.9%	15.1%	15.0%	1.6pt	0.1pt

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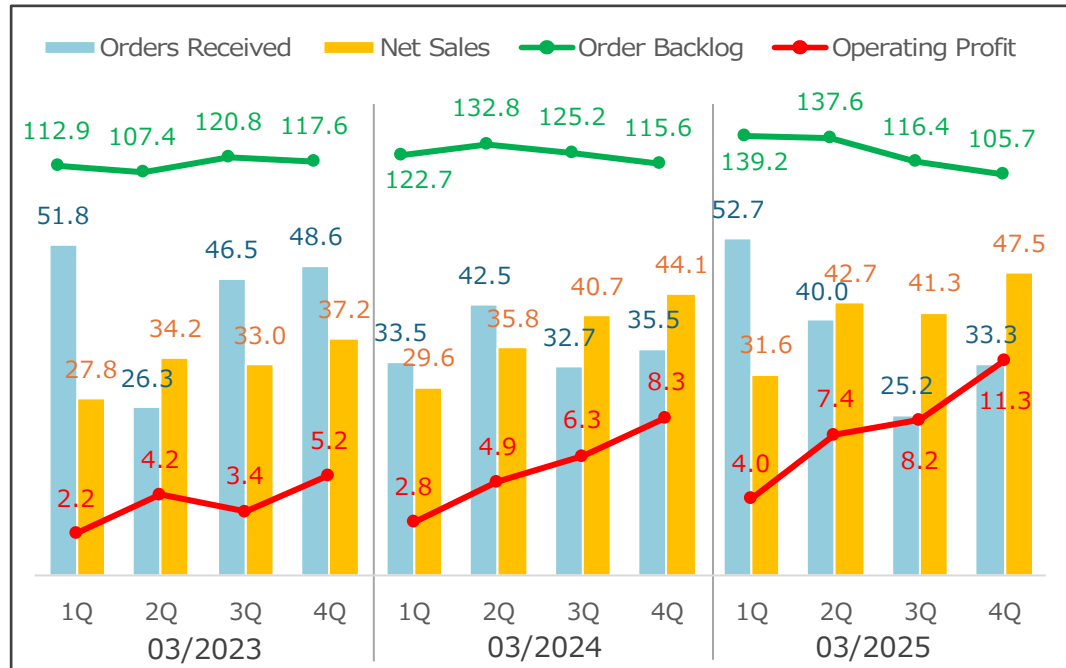
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# Trends in Orders Received, Net Sales, Order Backlog, and Operating Profit (Quarterly, Annual)

(Billions of yen)

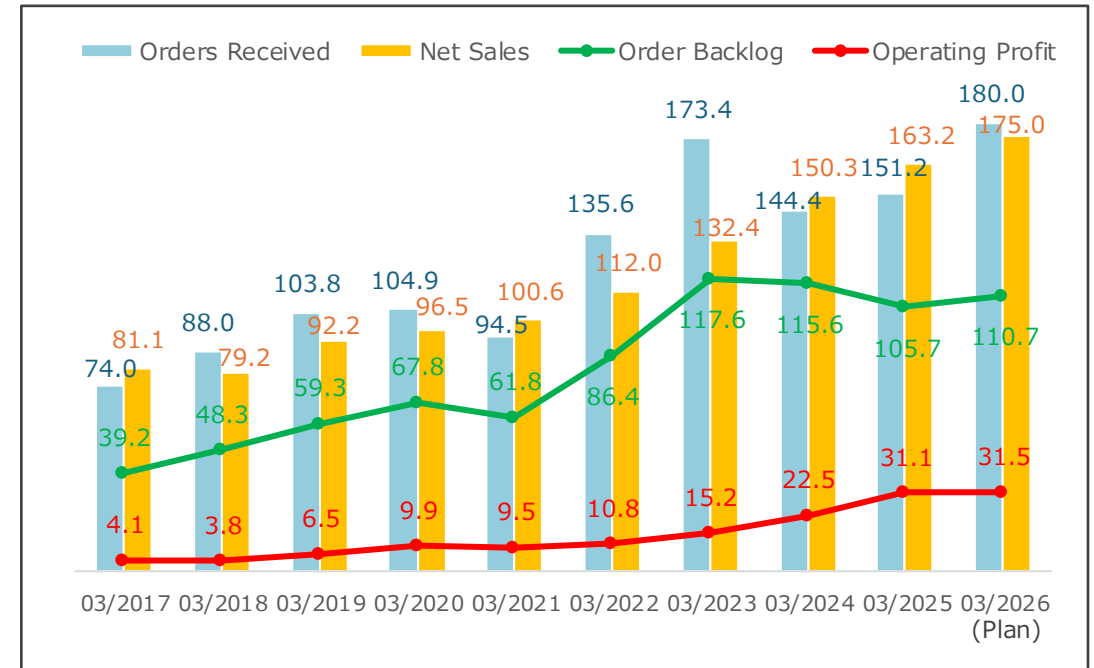
## Trends in Quarterly Results



### [Trends in quarterly results]

Orders received fluctuated due to trends in large projects. Sales are recorded according to the degree of completion of construction work, however, there are many projects with deadlines at the end of the fiscal year, and sales tend to increase moving towards the end of the fourth quarter. Operating profit is also affected by factors including fluctuations in estimated project costs and negotiations regarding additional payments due to changes or additions to specifications. Profit margins tend to improve, and profits tend to increase toward the end of the fiscal year.

## Trends in Annual Results



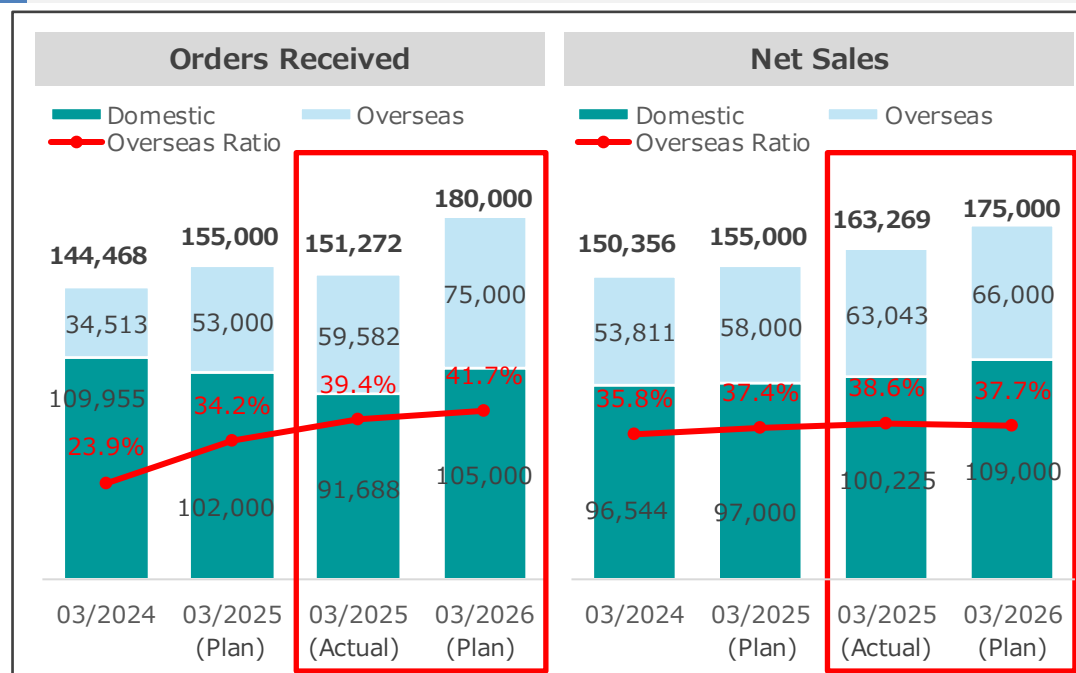
### [Trends in annual results]

Business performance has improved since 2018, when semiconductor investment picked up in Taiwan and other countries. The order environment improved thanks to continued high levels of capital investment. We were able to focus on high value-added projects. In addition, the growing scale of investment and rising prices of raw materials and construction, etc. boosted the rise in order prices and improvements to profitability. Increase in Plant deliveries led to growth in Service Solutions and Performance Products, such as maintenance and consumables.

# Trends in Orders and Sales by Region

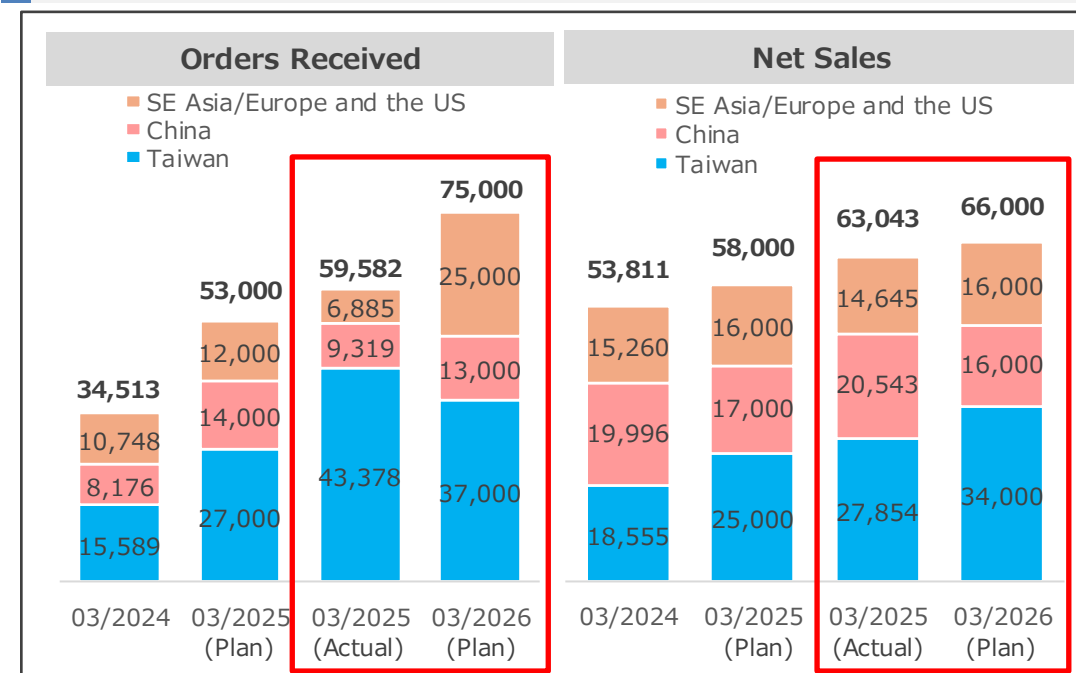
(Millions of yen)

## Orders Received and Net Sales by Region



- Although large-scale investments in Japan were postponed more than assumed in FY ended 03/2025, increased orders from overseas, particularly Taiwan, contributed to the results. Sales grew steadily both in Japan and overseas.
- During the FY ending 03/2026, the plan calls for both orders and sales growth in Japan and overseas, with large-scale semiconductor-related projects assumed to be received in Japan, Taiwan, Europe, and the United States.

## Orders Received and Net Sales by Overseas Region

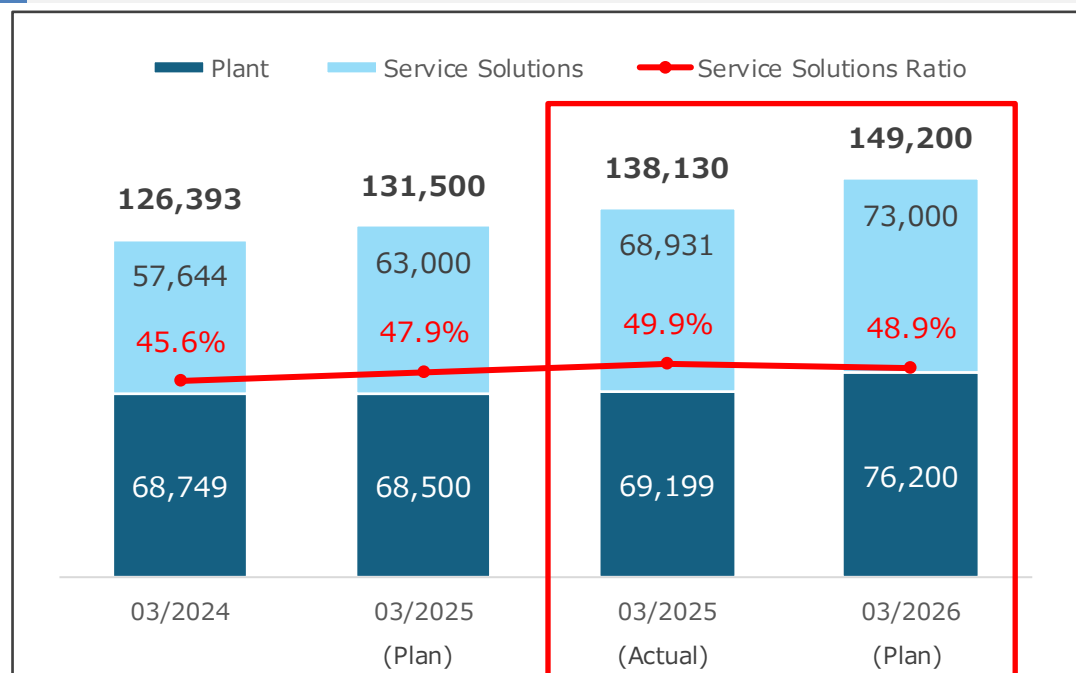


- During FY ended 03/2025, orders from Taiwan grew significantly, while China and Southeast Asia were affected by investment postponements. Sales are expanding in all regions, and there are carried-over order backlogs.
- Orders in Taiwan will settle down somewhat in FY ending 03/2026, but the plan calls for orders to be received for large-scale projects in the United States and Europe. Sales are expected to grow steadily.

# Trends in Sales by Business Segment and Department

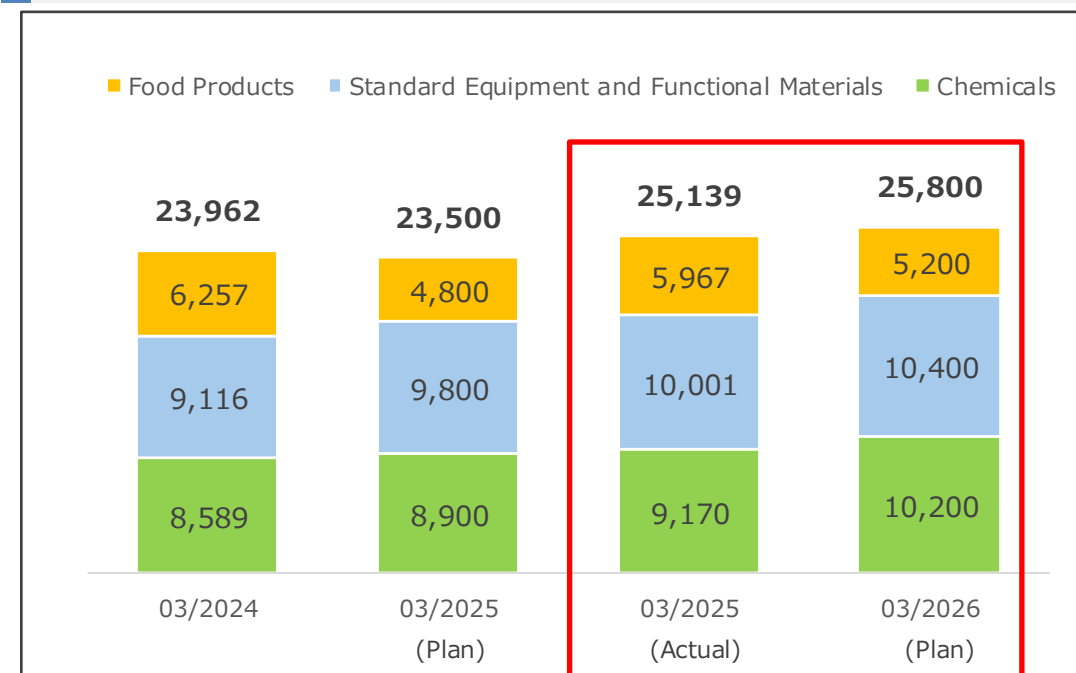
(Millions of yen)

## Water Treatment Engineering Unit: Sales by Department



- During FY ended 03/2025, the Plant increased thanks to progress on the construction of projects, and Service Solutions also expanded steadily in areas such as maintenance and facility-owned services.
- The plan also assumes Plant expansion in Electronics Industry and General Industry for FY ending 03/2026. The plan calls for the expansion of the Service Solutions business for the electronics industry in Taiwan, China, etc.

## Performance Products Business Unit: Sales by Department



- The plan calls for expansion of sales of wastewater treatment chemicals such as wastewater treatment and RO membrane treatment for semiconductor factories, and functional materials for advanced separation and refinement of semiconductor materials. Standard Equipment operations will be increased in Taiwan, China, etc. In the Food Products segment, we continued streamlining low-profit transactions as we did in FY ended 03/2025.

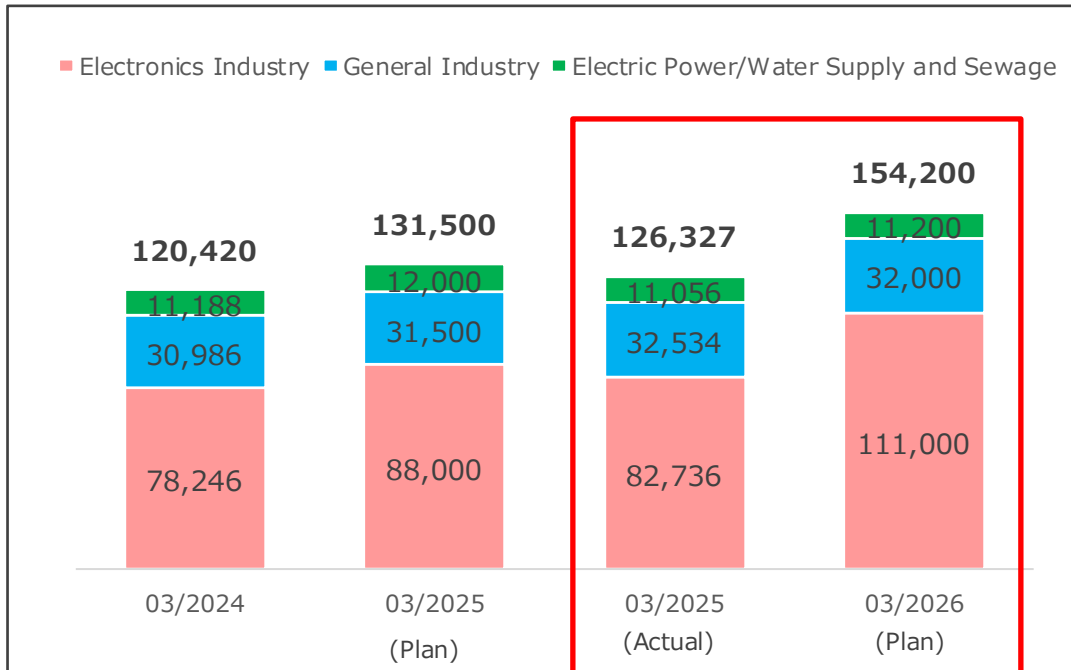
\* Separation and refinement business, which was included in Service Solutions in the Water Treatment Engineering Unit until last fiscal year has been reclassified to Equipment and Functional Materials in the Performance Products Business Unit.



# Water Treatment Engineering Unit: Trends in Orders and Sales by Market

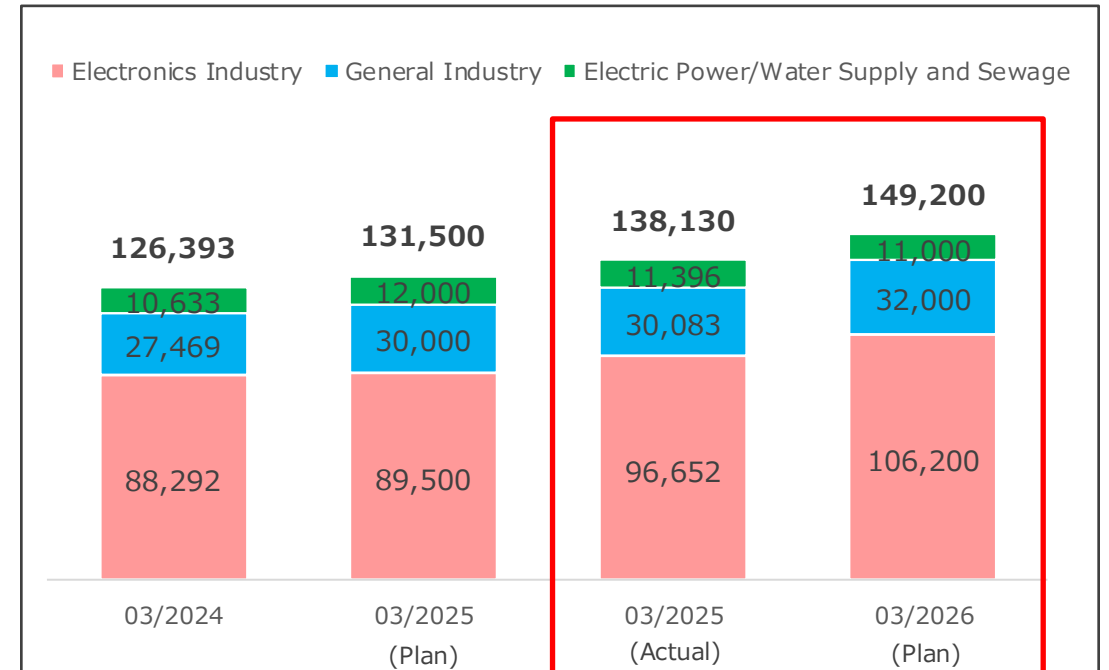
(Millions of yen)

## Orders by Market



- During FY ended 03/2025, orders received were affected by the postponement of large-scale projects in the Electronics Industry in Japan and overseas, while orders for Hyper-Kamiokande were strong in General Industry.
- During FY ending 03/2026, the plan calls for orders to be received for large-scale semiconductor-related projects in Japan and overseas. General Industry also plans to receive orders at the same level as the previous fiscal year. Electric Power/Water Supply and Sewage remained strong.

## Sales by Market

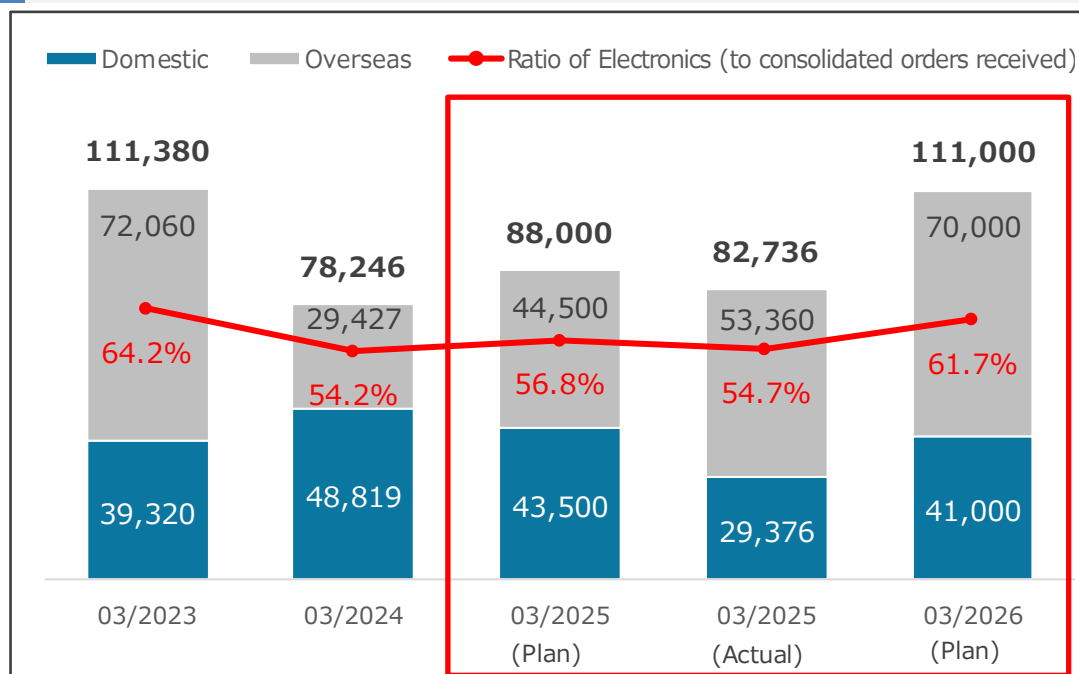


- During FY ended 03/2025, both the Electronics Industry and General Industry expanded steadily, reflecting progress on the construction of projects in the order backlog and growth in Service Solutions.
- During FY ending 03/2026, the Electronics Industry and General Industry will expand thanks to progress on the construction of large-scale projects and growth in Service Solutions. Electric Power/Water Supply and Sewage remained strong.

# Trends in Orders and Sales for the Electronics Industry

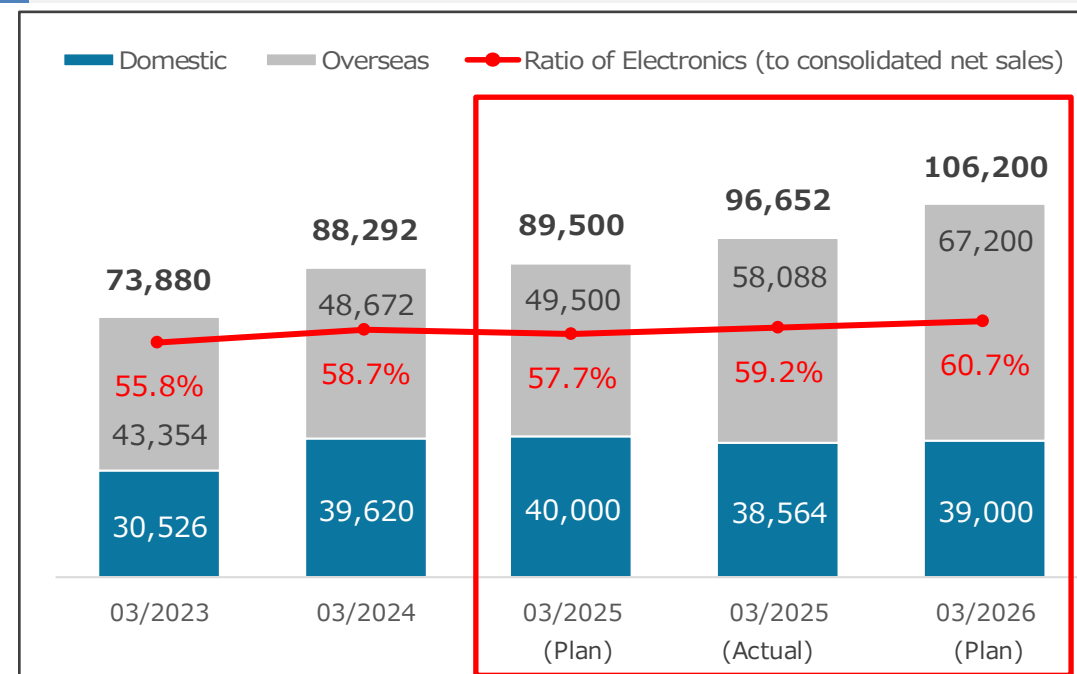
(Millions of yen)

## Electronics Industry: Orders by Region



- During FY ended 03/2025, Taiwan saw significant growth in cutting-edge semiconductors, but large-scale investment projects in Japan, China, Southeast Asia, and other regions we had expected were postponed.
- During FY ending 03/2026, in addition to Japan and Taiwan, the plan calls for orders to be received for large semiconductor-related projects in the United States, Europe, and other regions.

## Electronics Industry: Sales by Region

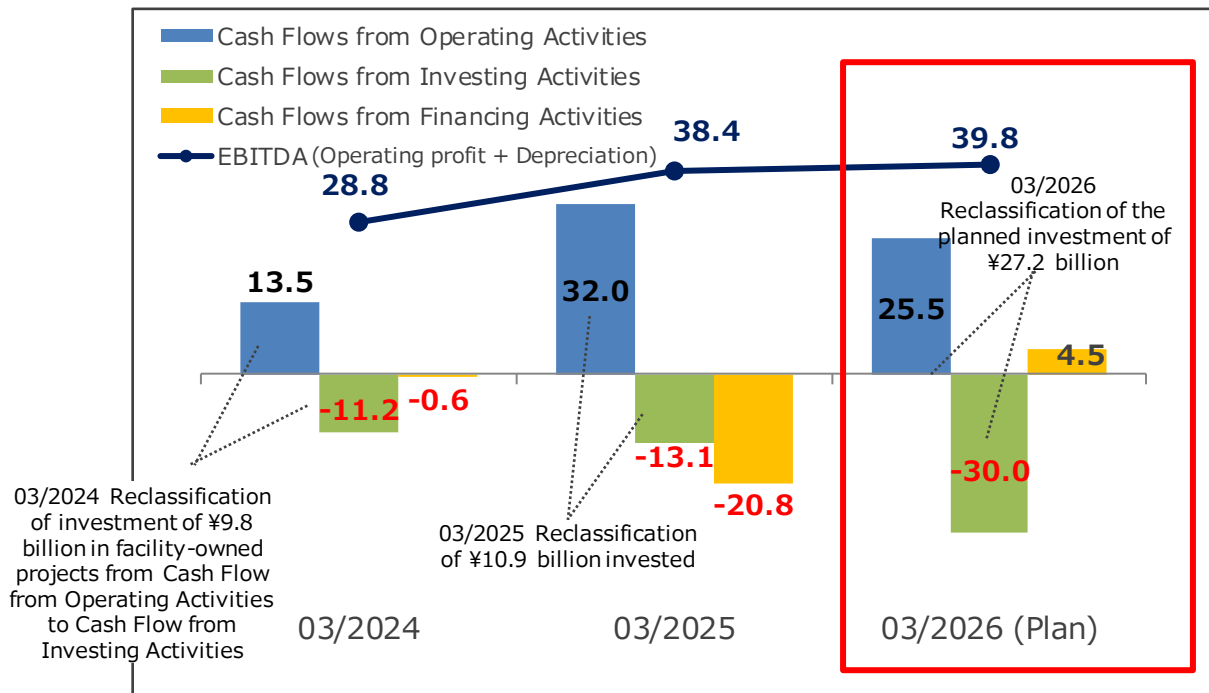


- During FY ended 03/2025, domestic sales decreased both year on year and compared to the plan, affected by the postponement of large-scale projects. Overseas saw growth in Taiwan, China, etc.
- During FY ending 03/2026, in Japan, sales are assumed to be at the same level as the previous fiscal year. Overseas, in addition to Taiwan, growing sales are anticipated in the United States and Europe, where large-scale projects are planned.

# Trends in Cash Flow and Facility-owned Services

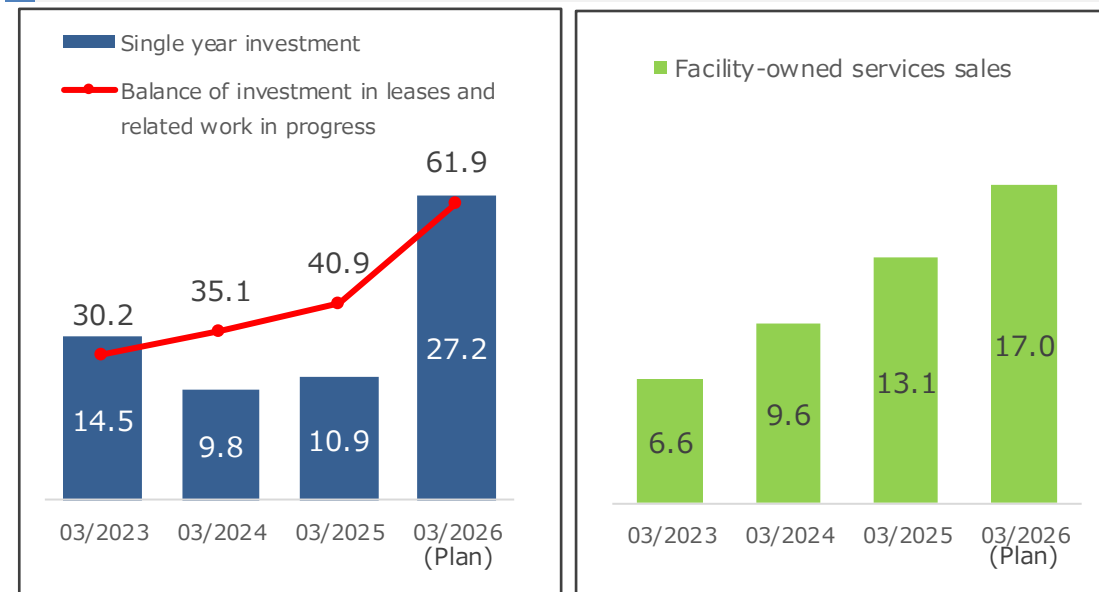
(Billions of yen)

## Trends in Cash Flows (after reclassification)



- On top of trends in business performance, our cash flow is significantly impacted by progress on the construction of large-scale projects and the collection of payments for them.
- During FY ending 03/2026, Cash Flows from Operating Activities will remain at a high level due to payments received for Plant projects and collections from facility-owned projects. Investments into facility-owned projects are also expanding.

## Trends in Facility-owned Services



- Sales of facility-owned services grew steadily. When investing, profitability was evaluated using ROIC, IRR, etc. A certain level of profitability was achieved.
- Investments in facility-owned projects are recorded in Investments in leases (work in progress during construction) and depreciated over the contract period. Since they are included in current assets, the investment amount is recorded as Cash Flow from Operating Activities in the statement of cash flow. In the graph on the left, investment in facility-owned services has been reclassified as Cash Flows from Investing Activities.

# Key Indicators

(Millions of yen)	FY Ended 03/2024	FY Ended 03/2025	FY Ending 03/2026	
	Full-year Actual	Initial Plan	Full-year Actual	Full-year Plan
Capital Expenditures	1,855	2,500	2,803	3,500
R&D Expenses	2,829	3,400	3,253	3,600
Depreciation	2,010	2,000	1,925	2,000
Interest-bearing Debt	36,465	37,000	22,557	35,000
No. of Employees	2,512	2,600	2,660	2,860

\* Capital expenditures and depreciation do not include investments and depreciation associated with facility-owned services.

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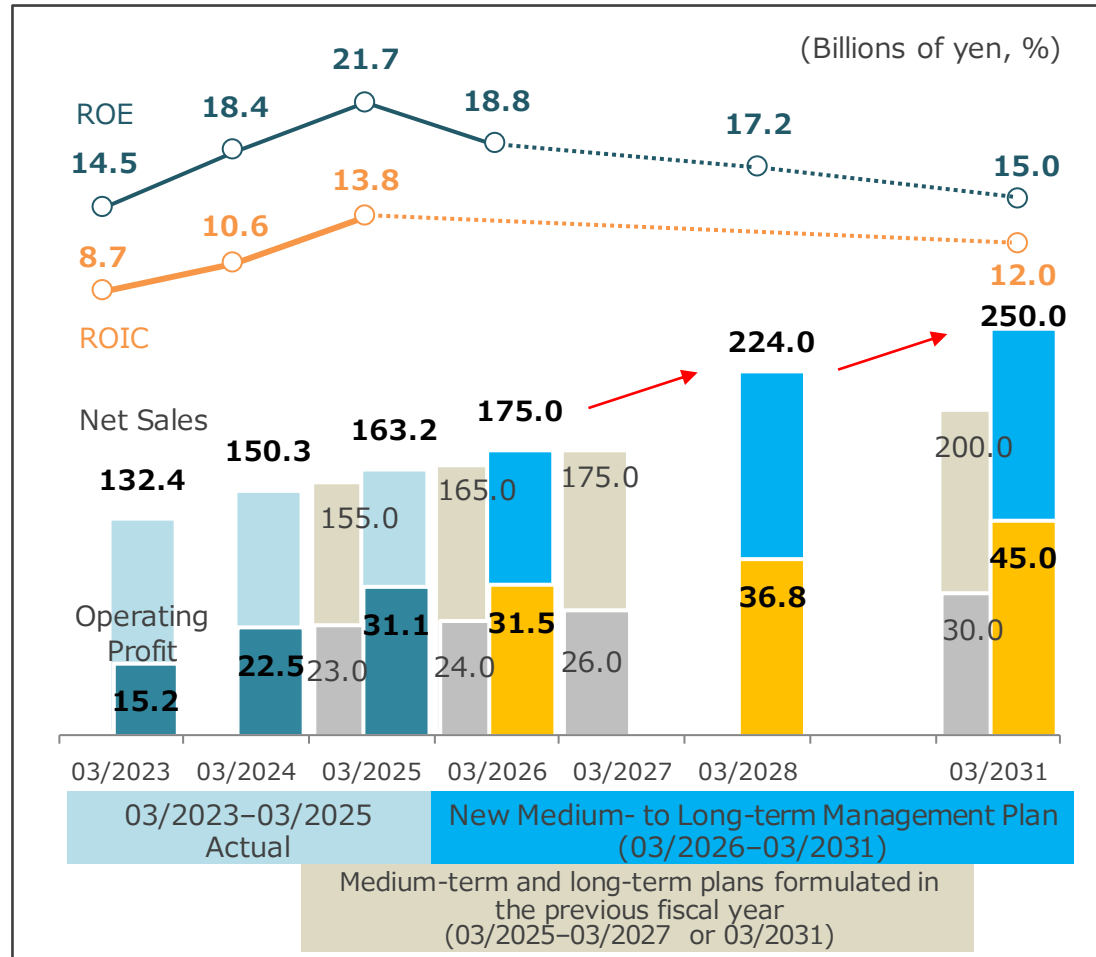
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# Medium- to Long-term Management Plan: Plan Overview

## Targets of the Medium- to Long-term Management Plan



## ORGANO2030 Achievement Targets (FY Ending 03/2031)

### Net Sales

**¥250.0 billion or more**  
(03/2025–03/2031 CAGR 7% or higher)

### Operating Profit Ratio

**15–18%**  
Set a target of 18% or higher, with 15% as the minimum target

### ROE

**15% or higher**  
Due to the slowdown in growth speed, a decline is expected, but it is expected to remain stable at 15% or higher

### ROIC

**12% or higher**  
Continuing to improve the efficiency of working capital, such as accounts receivable and inventories, to maintain 12% or higher

\* ROIC is calculated as NOPAT (operating profit after tax) divided by invested capital (accounts receivable + inventories + facility-owned related assets and fixed assets)

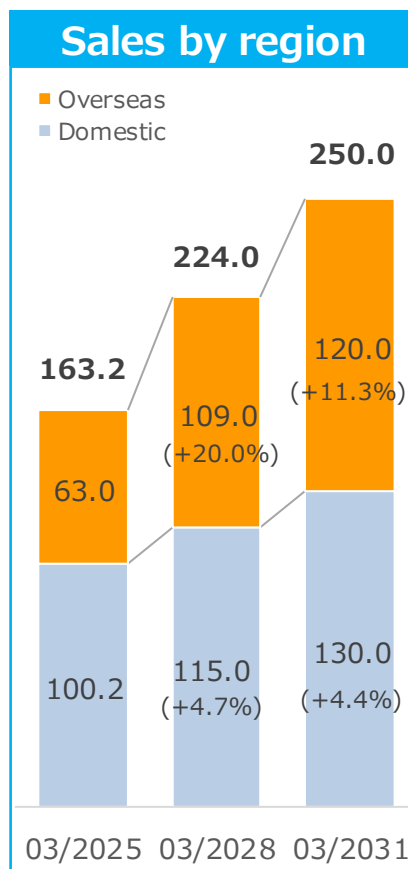
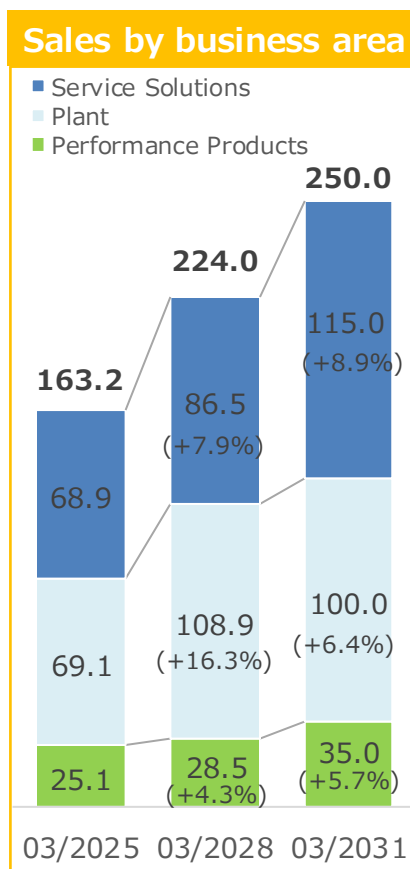
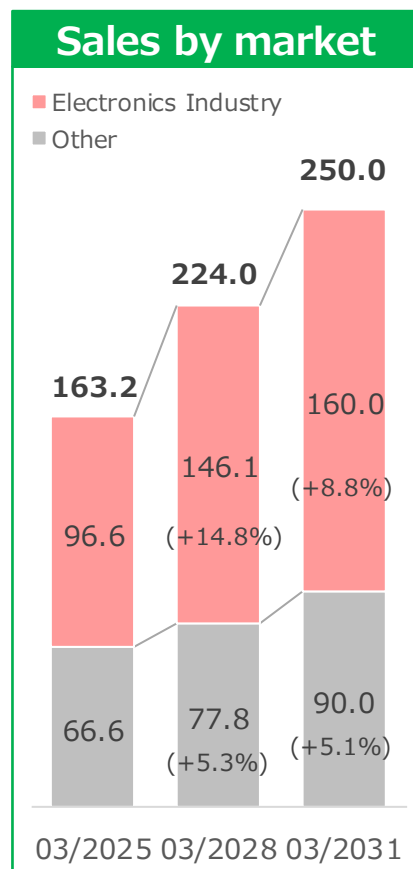
# Medium- to Long-term Management Plan: Reorganization of Issues and Initiatives for ORGANO2030



# Business Growth Strategy: Plan by Department

(Billions of yen)

## Business growth strategy



#### Expansion in the Electronics Industry

We will promote business expansion, technological innovation, and area expansion with the expansion into the Electronics Industry, such as semiconductors, as a growth driver. We will engage in strengthening our engineering systems, developing next-generation technologies, and expanding into new regions.

#### Strengthening Service Solutions

In addition to building a service network for domestic and overseas delivery equipment, we are working on expanding our service menu and Performance Products to strengthen our proposal capabilities that lead to resolving the challenges of our customers such as energy conservation, decarbonization, and saving labor.

#### Global Expansion

Centered on the Electronics Industry, we will expand our business in line with the expansion of our customers in the United States and Europe, while considering expansion into areas where we have not yet entered, such as South Korea, and regions where growth is expected, such as India.

#### Clarification of allocation

To strengthen the execution of strategies, we will clarify resource allocation and prioritize personnel and investment resources in line with our business growth strategies, and promote initiatives with greater clarity than ever before.

\* Information within the ( ) is CAGR

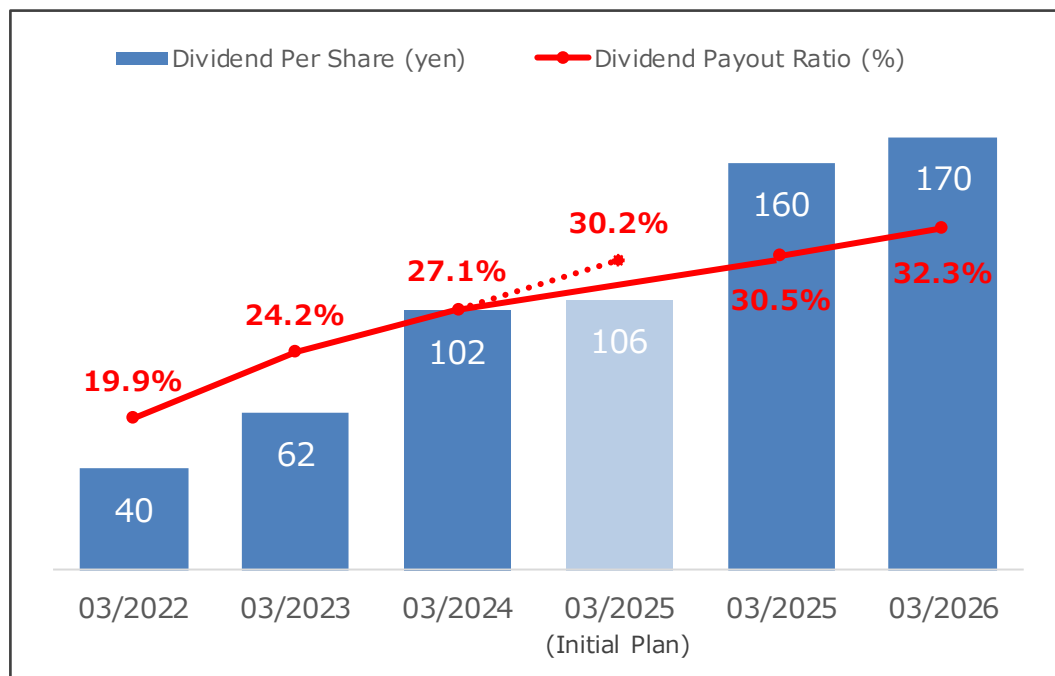


# Strengthening the Value Chain and Expanding Our Management Foundation

Strengthening the value chain		Expanding our management foundation	
Strengthening our engineering systems	We will <u>expand our digital-related investments</u> to improve the efficiency of plant engineering processes, <u>globally expand human resources strategies such as securing and developing engineers and strengthen our supply chain</u> , with the aim of expanding our engineering capacity.	Human resources strategy	We will <u>expand globally human resources strategies</u> such as engineer recruitment and skill enhancement, and digital talent development. In addition, we will promote initiatives to <u>improve employee engagement</u> .
Strengthening technology development and intellectual property strategy	To strengthen our technological capabilities in next-generation ultrapure water and advanced separation and refinement, as well as our ability to propose solutions to customers that address issues such as stable plant operation and sustainability, we will <u>enhance our product, technology, and service development systems and strengthen our intellectual property strategy to leverage these capabilities</u> .	Digital strategy	We will expand digital investment and advance the <u>development and utilization of infrastructure for the collection and analysis of engineering data, such as equipment planning and design, and data related to equipment operation and maintenance</u> .
Strengthening domestic and overseas bases	To strengthen our ability to propose and provide solutions to customers, we will strengthen our sales and maintenance network while working to develop new distributors and business partners, thereby <u>strengthening our customer contacts both in Japan and overseas</u> .	ESG strategy	We will <u>promote management that links business activities and ESG initiatives</u> and advance the enhancement of our management foundation, including safety, governance, and sustainability.
		Financial strategy	We will strengthen our financial base and accelerate growth investments to realize our business strategy. <u>While working on the efficiency of working capital, we aim to balance the acceleration of growth investments such as M&amp;A and the expansion of shareholder return.</u>

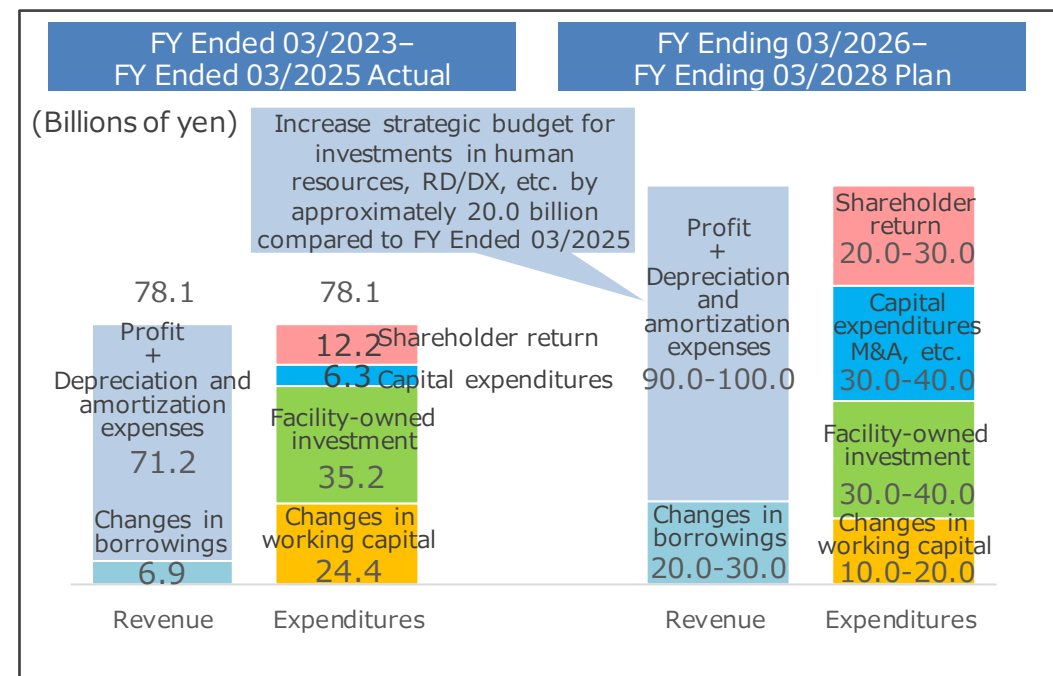
# Financial Strategy: Measures for Shareholder Return and Capital Allocation

## Measures for Shareholder Return



- For FY ended 03/2025, we revised our dividend forecast upward in line with improved business performance, raising the annual dividend to ¥160 (dividend payout ratio: 30.5%). For FY ending 03/2026, the plan calls for continued increasing dividends to ¥170 (dividend payout ratio: 32.3%).
- We aim to maintain a dividend payout ratio of 30% or higher while continuing to increase dividends. We aim to balance and expand shareholder returns and growth investments.

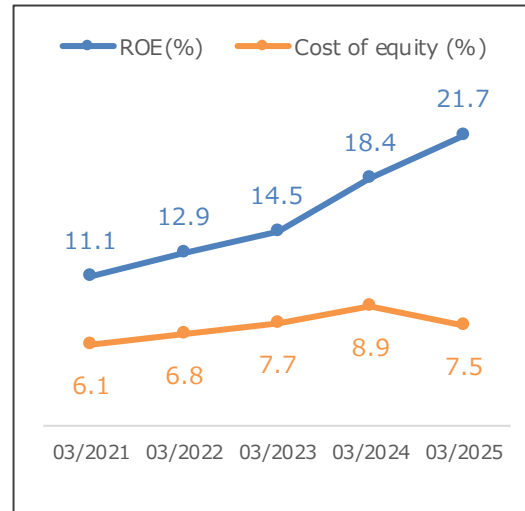
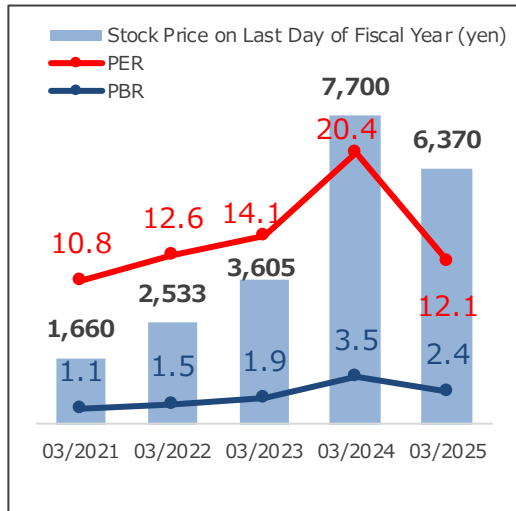
## Capital Allocation



- Revenue is expected to increase due to growing sales and full-scale collection of facility-owned services. We plan to actively expand growth investments such as personnel expenses, DX/RD investments, capital investments, and M&A. Investment in facility-owned services also increased.
- We will work to optimize working capital by improving the efficiency of accounts receivable and inventories, and undertake efforts to shorten the cash conversion cycle. We will continue to increase shareholder return through higher dividends and an improved dividend payout ratio.

# Financial Strategy: Stock Price Trends and Capital Costs

## Trends in share price, capital cost, and ROE



- Our stock price rose in line with the growth in business performance. Due to market turmoil caused by the tariff policy of the United States and other factors, the stock price declined at the end of March 2025, but the PBR remained at more than double the book value.
- Cost of equity (CAPM) is expected to be around 7 - 9%. ROE will continue to exceed the cost of equity due to improved profitability.

\*Cost of capital is calculated based on CAPM ( $R_f + \beta(R_m - R_f)$ ) (Figures are for the FY ended 03/2025)

$R_f$  (risk-free rate): Yield on long-term government bonds (10-year): **1.50%**

$\beta$  ( $\beta$  value): Stock price fluctuation rate (5 years, monthly, Levered): **1.16**

$R_m$  (market risk premium): **6.67%**

## ● Breakdown of ROE (03/2025)

ROE	=	Profitability	×	Efficiency	×	Financial soundness
21.7%		14.8% Net income ratio		0.87 turnover Asset turnover ratio		1.69 times Financial leverage

In our Medium- to Long-term Management Plan, we aim to establish a system that enables us to stably record an ROE of 15% or higher. While maintaining financial soundness, we will work to improve profitability, improve management efficiency, and expand growth investments.

Profitability	We will promote the <u>stabilization of our revenue base</u> by expanding our relatively high-margin Service Solutions and Performance Products.	Growth investment	We will actively engage in <u>investments to expand capacity</u> , such as increasing personnel expenses, as well as <u>growth investments such as M&amp;A</u> .
Management efficiency	We will work to <u>shorten the cash conversion cycle</u> by improving payment terms and reducing inventories.	Financial soundness	We will work to <u>expand growth investments and shareholder return</u> while maintaining financial soundness.

# Contents

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1. FY Ended 03/2025 Results and Overview of FY Ending 03/2026 Plan
2. Analysis of Results and Plans for Each Division
3. Medium- to Long-term Management Plan
4. Company Overview and Business Profile

\* Figures in these materials are rounded down to the nearest unit of indication. Percentages, year-on-year comparisons, comparisons with the plan, and other presentations are calculated using the units of indication. Percentages are rounded to one digit past the decimal point.

# Company Overview: Management Philosophy and Vision

## ■ Management Philosophy

Organo serves as a valuable partner company by leveraging its leading-edge technologies cultivated through long experience with water treatment, by contributing to the industries that create the future, and by playing a key role in the development of societal infrastructure.

## ■ Long-term Management Vision

At Organo, we seek to expand our business through high value-added separation and refinement as well as analysis and manufacturing technologies, and by providing products and services that promote the creation of value and which resolve the challenges that confront industry and society.

We proactively contribute to a better tomorrow by cultivating people today who will improve upon the way things were done yesterday, as a company where all employees are energetic and passionate about their work.

## ■ Sustainability Policy

Together with its stakeholders, Organo aims to realize a sustainable society for the future and improve our corporate value.



**E** Leveraging its leading-edge technologies cultivated through long experience with water treatment\*, Organo provides environmentally-friendly products and services that contribute to water environment conservation and prevention of global warming.

**S** We will respect human rights, diverse values, and individuality while promoting the creation of a workplace where each and every employee can grow and flourish.

**G** We will carry out our corporate activities with integrity and fairness, emphasizing dialogue and cooperation with all stakeholders.

\* Leveraging its leading-edge technologies cultivated through long experience with water treatment refers to our pursuit of water treatment-related separation and refinement, analysis, and engineering technologies, and our provision of optimal systems and services that meet the needs of society through a combination of these technologies.



Representative  
Director and President 山田正幸

# Company Overview: Organo's History (Changes in Sales)

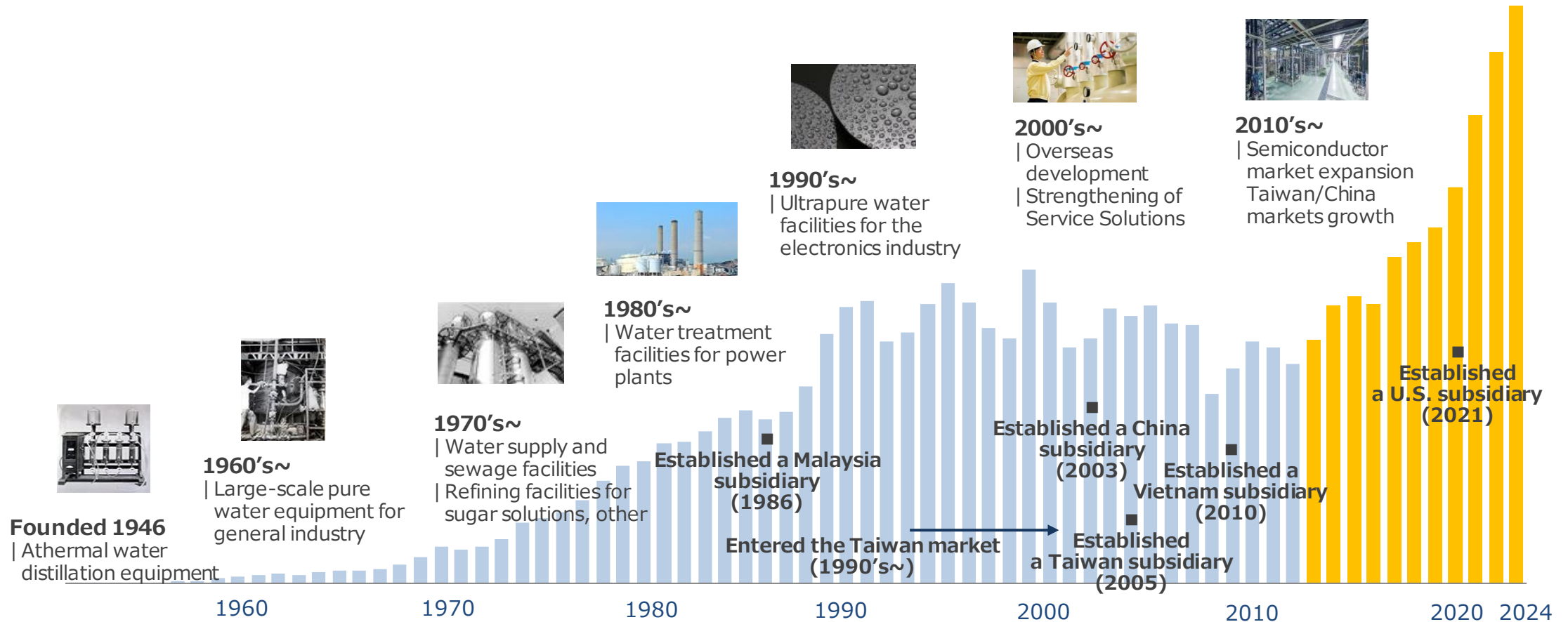
Development

Growth

Evolution

Expansion

## ● Historical sales





# Company Overview: The Organo Group's Business Structure

## Water Treatment Engineering Business Unit

### | Plant Division



Pure and ultrapure water facilities  
Wastewater treatment and recovery facilities  
Valuable material recovery facilities  
Production processing-related facilities

### | Service Solutions Division

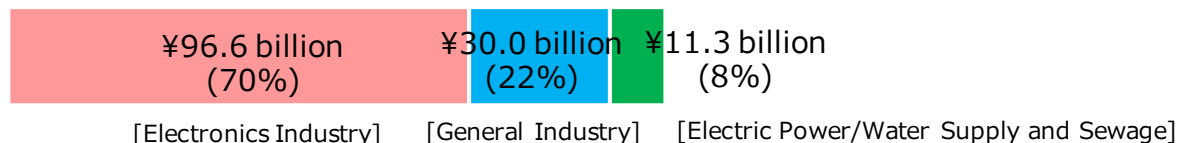


Facilities maintenance  
Operational support services and comprehensive maintenance  
Facility enhancements, renovation, and reconditioning  
Contract water treatment

### | Sales by Segment



### | Sales by Market



## Performance Products Business Unit

### | Water Treatment Chemicals Division



Treatment chemicals for wastewater, cooling water, cleaning and RO membranes, boiler waters, etc.

### | Standard Equipment and Functional Materials Division



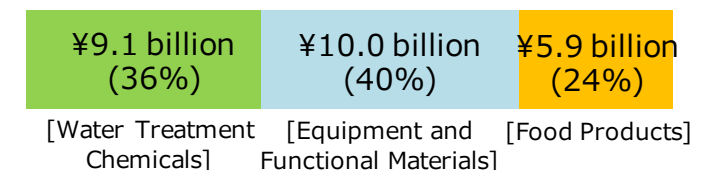
Pure and ultrapure water production systems  
Filters  
Functional materials (separation and refinement materials)

### | Food Products Division



Food processing agents  
Food ingredients

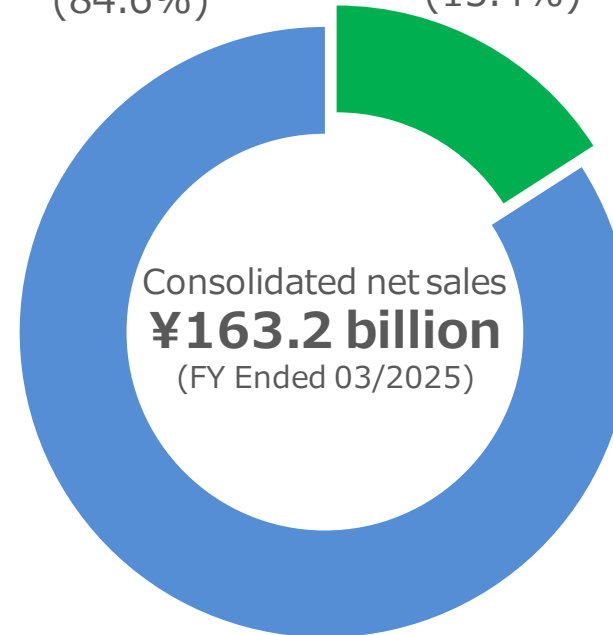
### | Sales by Segment



\* Amounts represent sales for FY ended 03/2025, percentages represent share of total sales.

¥138.1 billion  
(84.6%)

¥25.1 billion  
(15.4%)



# Company Overview: Major Shareholders and Shareholder Composition

## Major Shareholders (top ten)

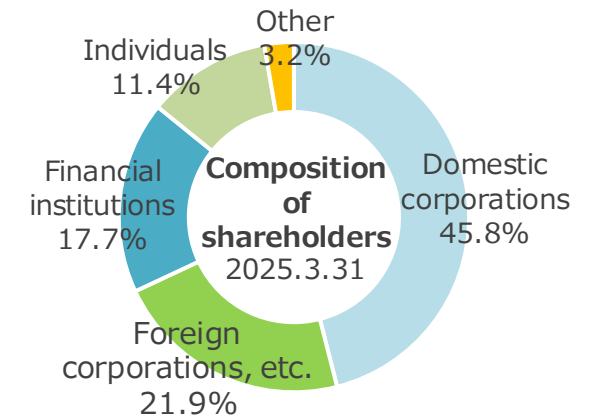
(As of March 31, 2025)

Name of Shareholder	Number of Shares Held (Thousands of shares)	Holding Ratio (%)
Tosoh Corporation	20,379	44.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,607	10.01
Custody Bank of Japan, Ltd. (Trust Account)	1,867	4.06
KBC BANK NV – UCITS CLIENTS NON TREATY	1,011	2.20
Mizuho Bank, Ltd.	464	1.01
STATE STREET BANK AND TRUST COMPANY 505103	407	0.88
JP MORGAN CHASE BANK 385781	373	0.81
JPMorgan Securities Japan Co., Ltd.	359	0.78
THE BANK OF NEW YORK MELLON 140044	356	0.77
STATE STREET BANK WEST CLIENT - TREATY 505234	349	0.76

\* The treasury shares (338 thousand shares) are excluded in the calculation of the holding ratio shown above.

## Shareholder Composition

- Total number of authorized shares: 101,568 thousand shares
- Total number of issued shares: 46,359 thousand shares (including treasury shares of 338 thousand shares)
- Number of shareholders: 12,094 shareholders



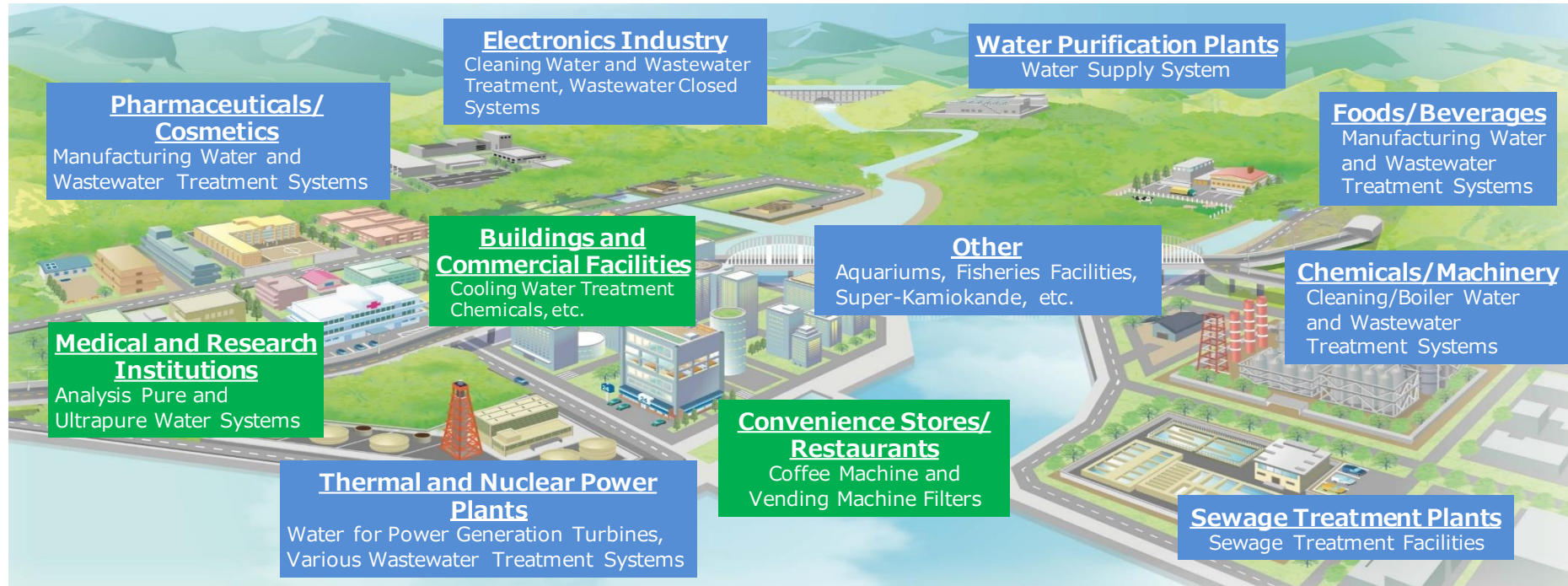
### Relationship with parent company

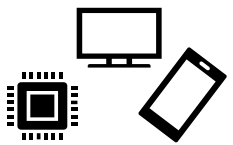

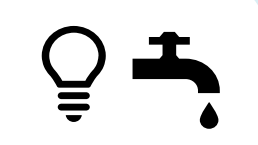



We have maintained a relationship with our parent company Tosoh Corporation since accepting capital participation in 1955. The business relationship between Organo and Tosoh includes the purchase of some raw materials and sale of water treatment facilities, chemicals, and other products. However, the scale of these transactions is small, and clear segregation is maintained in terms of the products sold by both companies and their business partners.

As a listed company, we recognize that we have a certain degree of management independence in our business activities and management decisions. In order to monitor and supervise issues regarding conflicts of interest between the parent company group and minority shareholders, Organo has established a Special Committee composed only of Independent Outside Directors. Since the 78th Ordinary General Meeting of Shareholders held in June 2023, Independent Outside Directors have also composed a majority of the Board of Directors.



# Company Overview: Organo's Water Treatment Technologies that Support Industry and Daily Life

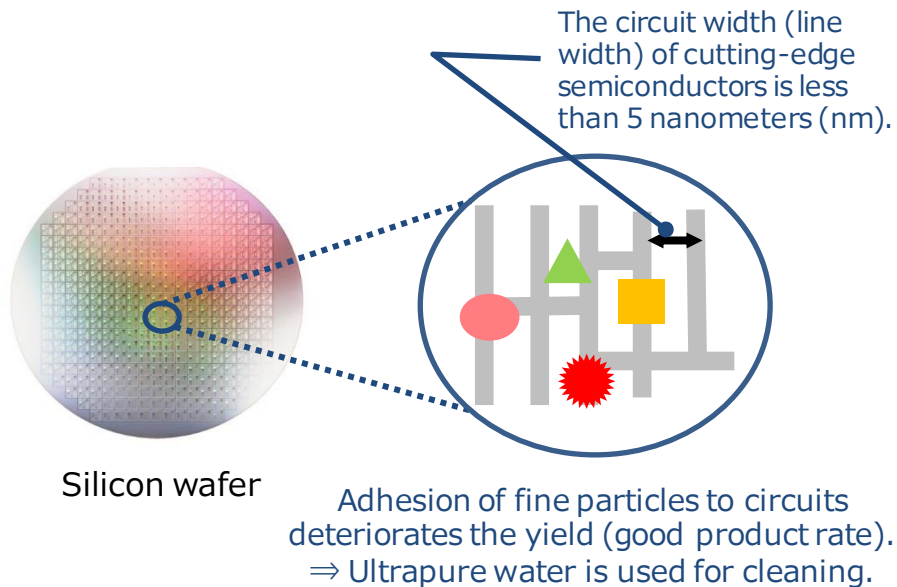


Water Treatment Engineering Unit			Performance Products Business Unit		
Electronics Industry	General Industry	Social Infrastructure	Water Treatment Chemicals	Standard Equipment and Functional Materials	Food Products
					
Semiconductors, panels, electronic parts, etc.	Pharmaceuticals and cosmetics, foods and beverages, mechanical and chemical uses, etc.	Thermal and nuclear power plants, water supply and sewage	Various manufacturing industries, buildings and commercial facilities	Medical and research institutions, convenience stores/restaurants	Food/beverages, nursing care, food/health food

# Company Overview: Semiconductors and Water

Of the many processes required in the semiconductor manufacturing operations, the cleaning process is said to account for about 30%. Ultrapure water is used in the cleaning process, which is repeated before and after wafer fabrication, film deposition, etching, resist, etc.

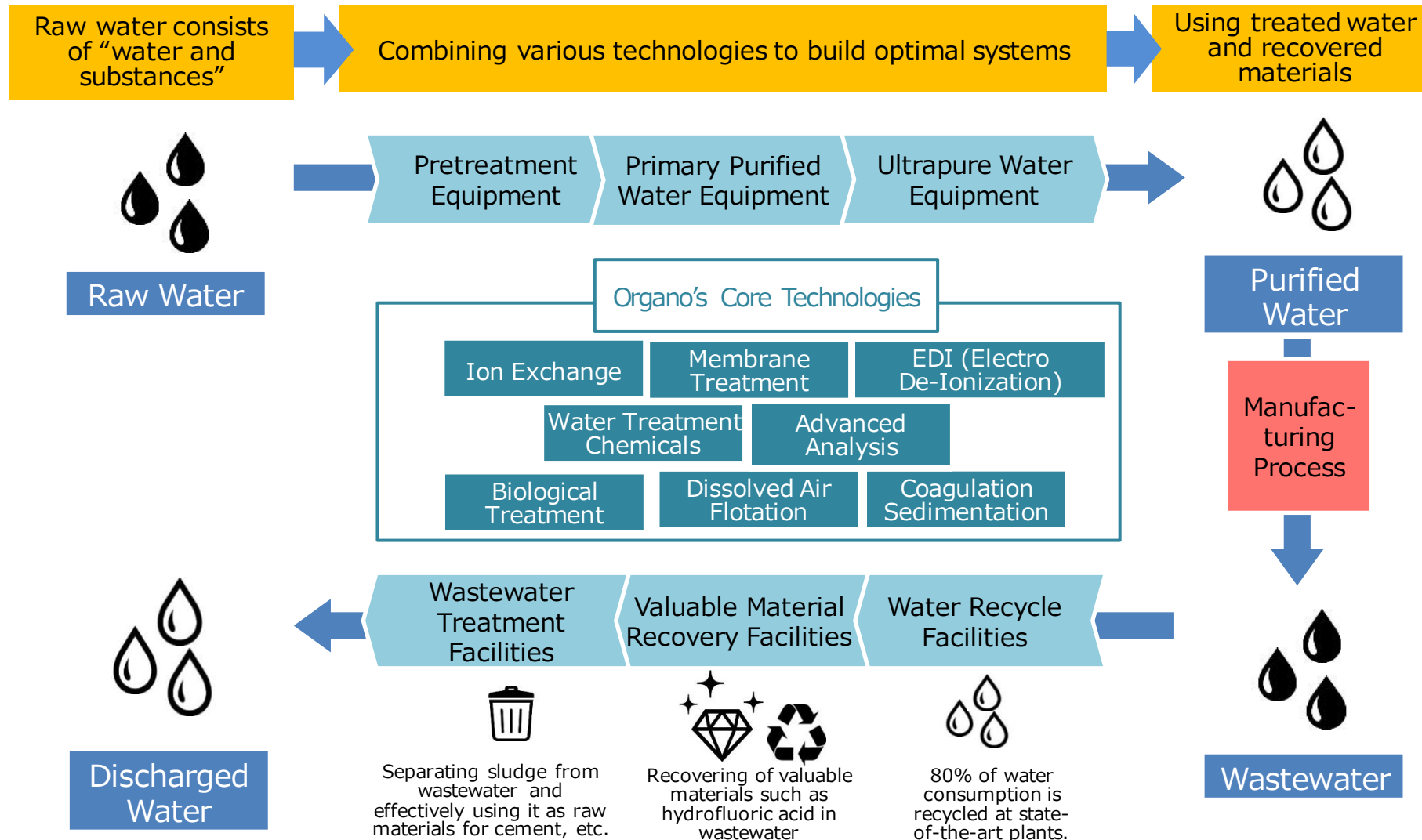
Ultrapure water contributes to yield improvement.



<b>Impurity Concentration</b>	<b>1 ppt or less</b>	The mass concentration is one trillionth of a trillionth. The amount of impurities dissolved in ultrapure water in an Olympic 50-m swimming pool (2,500 m <sup>3</sup> ) is equivalent to a teaspoon (2.5 mg) of an earpick.
<b>Volume of Water Produced</b>	<b>1000 ton/hour</b>	Large-capacity high-performance pumps and large-diameter piping are used. Filled an Olympic 50-m swimming pool (2,500 m <sup>3</sup> ) in 2.5 hours.
<b>Water Recovery Rate</b>	<b>80%</b>	Semiconductor plants use a large amount of water for cleaning and other purposes, but at cutting edge-plants, more than 80% of water is recovered and reused, utilizing technology that not only recycles water but also recovers valuables contained in wastewater.

Organo provides ultrapure water supply facilities for cleaning wafers and chips, treatment facilities to render wastewater from cleaning and other manufacturing processes harmless and reduce waste, water recycling systems, and systems to recover and recycle fluorine, rare metals, and other valuable materials from wastewater.

# Company Overview: Water Treatment Facilities for the Electronics Industry



# Contact

Website:

<https://www.organo.co.jp/english/>

Inquiries:

<https://www.organo.co.jp/english/contact/input/>

Registering to receive the IR email newsletter:

<https://www.organo.co.jp/english/ir/mail-news/>

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