



ORGANO GROUP REPORT 2025



ORGANO CORPORATION

1-2-8, Shinsuna, Koto-ku, Tokyo 136-8631
<https://www.organo.co.jp/english/>



Introduction

To Our Readers

Since 2020, the Organo Group has published the “Organo Group Report” annually to help stakeholders better understand our sustainable corporate value enhancement initiatives and to actively promote dialogue with them. This report presents the Group’s financial information supporting the business environment and management strategies to realize ORGANO 2030, our medium- to long-term management plan, as well as nonfinancial information, including environmental, social, and governance (ESG) as the base for this growth.

Key Takeaways

- In his message, the President discusses the Group’s intent to continue evolving with an eye to the future while honing its technology and expertise and maintaining our culture of sincerely addressing customer challenges.
- As growth investments to strengthen our business foundation, we introduce initiatives for multifaceted advancement, including human capital and IT utilization.
- We present initiatives to augment governance, including activities based on TCFD recommendations and our newly established human rights policy.

We hope this report offers insight into the Company’s approach to resolving social issues through the use of water treatment technology, and its creation of new value through cooperation with our diverse range of stakeholders while continuing to grow with society. Going forward, the Company will continue engaging with its stakeholders and strive to provide timely and accurate information disclosure.

Reference guidelines

“International Integrated Reporting Framework” by the IFRS Foundation
 “Guidance for Collaborative Value Creation” by Japan’s Ministry of Economy, Trade and Industry
 “Environmental Reporting Guidelines” (2018 edition) by Japan’s Ministry of the Environment
 ISO 26000:2010 Guidance on Social Responsibility

Disclaimer regarding forward-looking statements

Forward-looking statements included in this report contain assumptions and expectations. They are based on information available at the time of publication, and involve risks and uncertainties. Please note that actual performance may vary materially from forecasts owing to changes in various factors impacting the Company’s business.

Information Disclosure System (Overview of communications)

	Information for shareholders and investors	Sustainability information
Reports	Organo Group Report	
	Annual securities report	
	Corporate governance report	
Online information	IR webpage	Sustainability webpage
Dialogue	Financial results presentations	General Meeting of Shareholders
	Individual meetings	

IR information
<https://www.organo.co.jp/english/ir/>



Sustainability information
<https://www.organo.co.jp/english/company/sustainability/>



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Message from the President

We provide new and additional information on how the Group creates value and the desired type of medium- to long-term growth.



Human Resource Strategy

Our human resource strategy focuses on maximizing the potential of our talent—the source of corporate value—to realize our Medium- to Long-Term Management Plan ORGANO 2030 and ensure sustainable growth into the future.



Human Rights

Newly established human rights policy

We have established a human rights policy, based on our recognition that respect for the human rights of all individuals affected by the Group’s business activities is essential to realizing our management philosophy.



Origin of the Company Name

Ion exchange resin, one of Organo’s core materials, is called organic zeolite, or “organolite” for short, as opposed to natural inorganic zeolite. The company name derives from the name of the resin.

EcoCrysta and PURIC, which appear in this document, are trademarks or registered trademarks of Organo Corporation.

Introduction

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.

The Power of Purification

Sustainability Policy

Organo Corporation, together with its stakeholders, aims to realize a sustainable society and enhance corporate value for the future.

E	S	G
We will provide environmentally friendly products and services that contribute to water environment conservation and global warming prevention through cultivating optimization technologies with water.*	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.	We will carry out our corporate activities with integrity and fairness, emphasizing dialogue and cooperation with all stakeholders.

* 'Cultivating optimization technologies with water' means the pursuit of technologies in separation, purification, analysis, and engineering related to water treatment, and the combination of these technologies to provide optimal systems and services that meet the needs of society.

Material Issues

Items related to value creation through business activities and global environmental conservation essential for daily life, industry, and business

Achieve continuous business growth

- 1) Contribute to a sustainable global environment
 - Address water resource issues
 - Protect biodiversity
 - Respond to climate change
 - Expand environmentally friendly products and services
 - Promote the 3Rs (Reuse, Reduce, Recycle)
- 2) Provide high value-added products and services by leveraging technological capabilities

The foundation enabling continued business operations while fulfilling social responsibilities

Establish a business foundation

- 3) Strengthen governance and ensure compliance
 - Promote occupational safety and health
 - Strengthen compliance
 - Respect human rights
 - Strengthen risk management
- 4) Create a workplace where diverse human resources can play an active and rewarding role
- 5) Strengthen supply chain management

Medium- to Long-Term Management Plan ORGANO 2030

We have updated our medium- to long-term management plan based on our management philosophy, long-term management vision, and sustainability policy, taking into account future environmental changes in our business

Business of the Organo Group

Organo possesses a wide variety of water treatment technologies for ultrapure water, pure water, tap water, industrial wastewater, and sewage, and is developing its businesses globally to serve a diverse range of customers while also applying these technologies to non-water fields. In addition, the Company has built a structure that allows it to provide comprehensive solutions by integrating all functions in-house, including product development, design, construction, sales, post-delivery maintenance, and operational support.

Water Treatment Engineering Business Unit

In addition to supplying ultrapure water production systems for semiconductor plants, we also provide customized water treatment facilities for various industries, including power and pharmaceutical plants. As a comprehensive water treatment engineering company that handles everything from design and construction to maintenance, we develop business that contributes to a sustainable society.



Plant Business



Service Solutions Business

Performance Products Business Unit

We provide performance products, such as water treatment chemicals, standard water treatment equipment and filters, ion exchange resins, separation membranes, and food processing materials, to a variety of sectors, including manufacturing, commercial facilities, medical and research institutions, and electronics. We are also expanding our business globally through enhancement of overseas development with a focus on water treatment chemicals for the electronics industry and compact pure water systems for medical institutions.



Water treatment chemicals

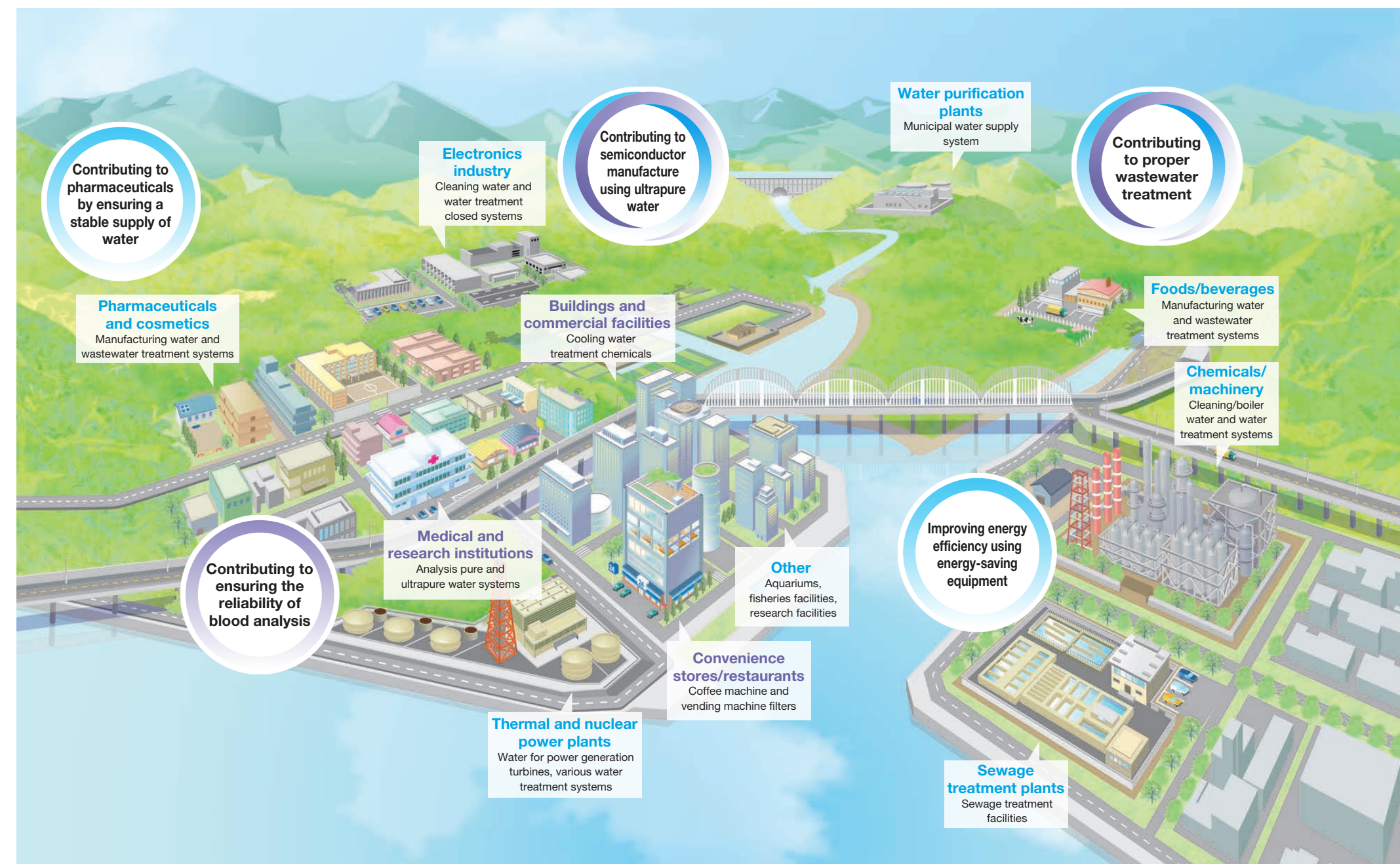


Food products

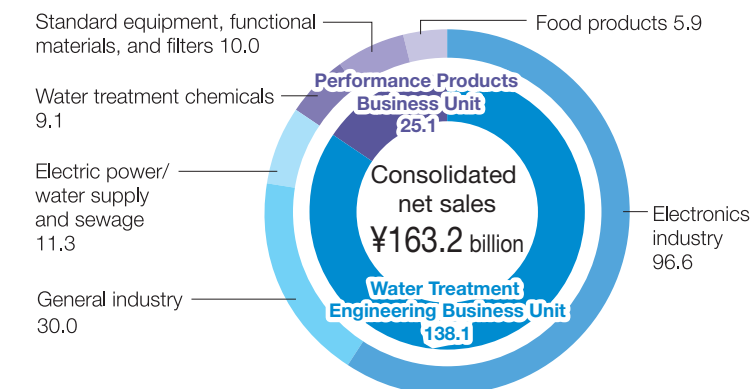


Standard equipment and functional materials

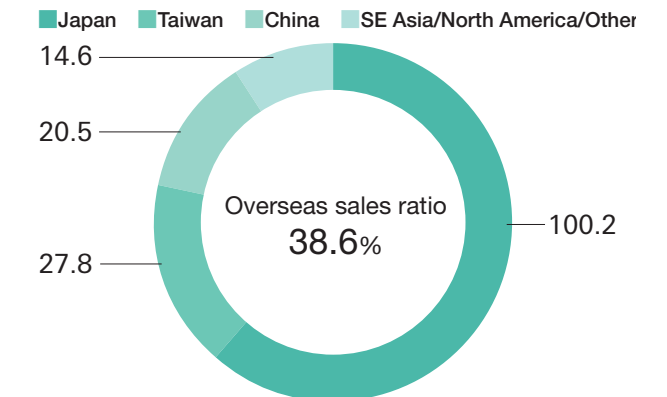
Organo water treatment technology supporting daily life



Net Sales by Segment (Billions of yen)

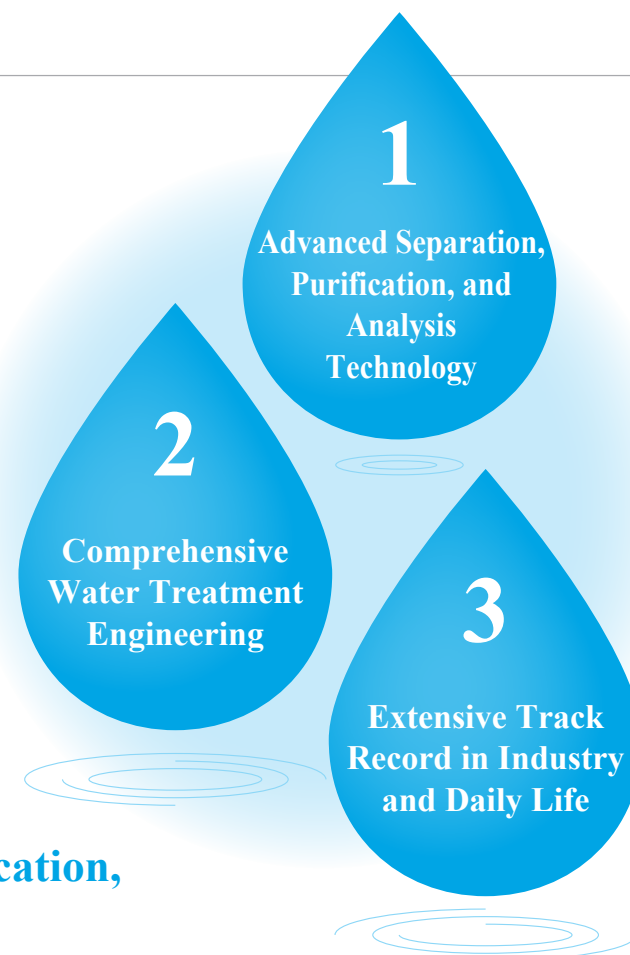


Net Sales by Region (Billions of yen)



Organo's Three Strengths

Since its founding, Organo has developed technology to meet its customers' diverse needs through the use of ion exchange resins—unique materials possessing ion component exchange capability—and equipment that effectively utilizes these materials. The accumulation of these efforts has led to the development of unique practical technologies, and the cultivation of our strengths.

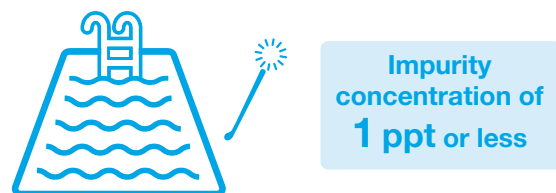


1 Advanced Separation, Purification, and Analysis Technology

What Are Separation and Purification Technologies?

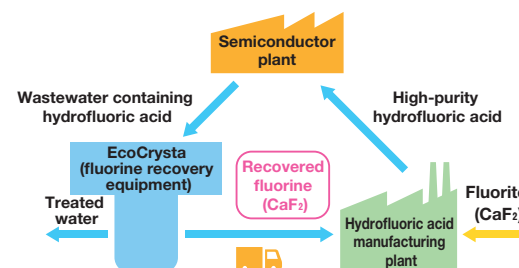
While Organo's separation and purification technologies can be found in a wide range of applications—from ultrapure water to wastewater and for various solvents and chemical solutions—the key is the ability to separate and remove unwanted matter and to purify useful substances.

Separating and removing unwanted matter



Impurity concentration in ultrapure water for semiconductor manufacturing is no higher than 1 ppt (parts per trillion). This represents just 2.5 mg in a volume of ultrapure water equivalent to a 50-m swimming pool (2,500 m³) at the Olympic Games.

Purifying useful substances

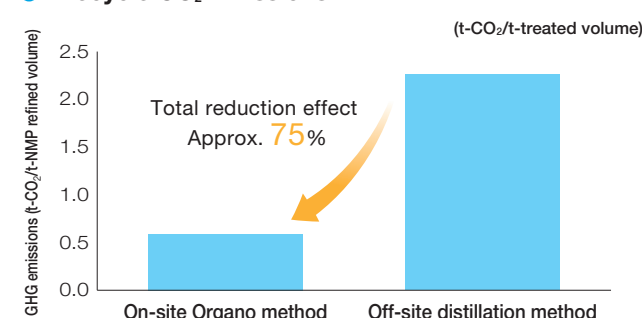


Technology to increase the purity of specific substances is used in applications such as the recovery of valuable resources in wastewater. (The above is an example of calcium fluoride recovery from wastewater.)

Non-Aqueous Separation and Purification

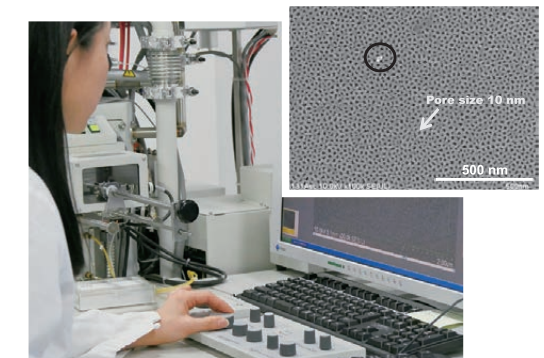
Organo entered the non-aqueous separation and purification field in 1953. We develop and deliver technologies for the refinement and decolorization of sugar, the removal of substances from a distilled spirit that cause people to feel sick, and currently, to recover N-methylpyrrolidone (NMP) used in large quantities in the manufacture of cathode materials for rechargeable lithium-ion batteries found in electric vehicles (EVs). Whereas mainstream distillation methods are energy intensive, our membrane separation method reduces costs to one-seventh that of conventional methods and reduces lifecycle CO₂ emissions by nearly 75%, contributing to resource and energy savings.

Lifecycle CO₂ Emissions



Development of Analysis Technology

While our R&D Center utilizes state-of-the-art analytical equipment and a host of advanced analyses to confirm equipment performance and water quality, the impurities in ultrapure water used in advanced semiconductor manufacturing are at levels so low that they are undetectable by this analytical equipment. Therefore, we continued the development of our analysis technology and succeeded in using a proprietary membrane—the first in the world with the ability to measure fine particles as small as 10 nm (1.0E-8 -meters). (See photo on the right.) Using the newly developed membrane along with filtration and continuous automatic observation technologies, we have made possible the analysis of fine particles as small as 10 nm, contributing to the improvement of the semiconductor product quality and yield (non-defective rate).



2 Comprehensive Water Treatment Engineering

Wide Range of Supporting Technologies

Facility scale	The Organo Group supports a vast range of processing capacities, from ultrapure water production systems used at research institutions that require a single drop of water to large ultrapure water production systems used in cleaning applications at large-scale semiconductor manufacturing plants that supply 1,000 m ³ of water per hour.
Water quality	Support for everything from the purification of pure and ultrapure industrial process water to wastewater, recovery, and recycling
Applications	Support for fields ranging from societal infrastructure—such as power plants and water supply and sewage—to manufacturing and testing and research centers

Comprehensive Structure and Know-How and Support Capabilities

We provide comprehensive support, from the introduction of new water treatment systems to existing facility operational support and improvement proposals. We internally share customer needs and new insight gained at each phase to improve our technology and services. The source of the Organo Group's customer support capabilities is the accumulation of know-how through accurately responding to customer needs based on individual experiences. This includes the development of technology and installation of equipment related to separation and purification for more than 75 years as well as the ability to respond to issues that arise during operation and maintenance.

► See pp. 9–10 for details.

3 Extensive Track Record in Industry and Daily Life

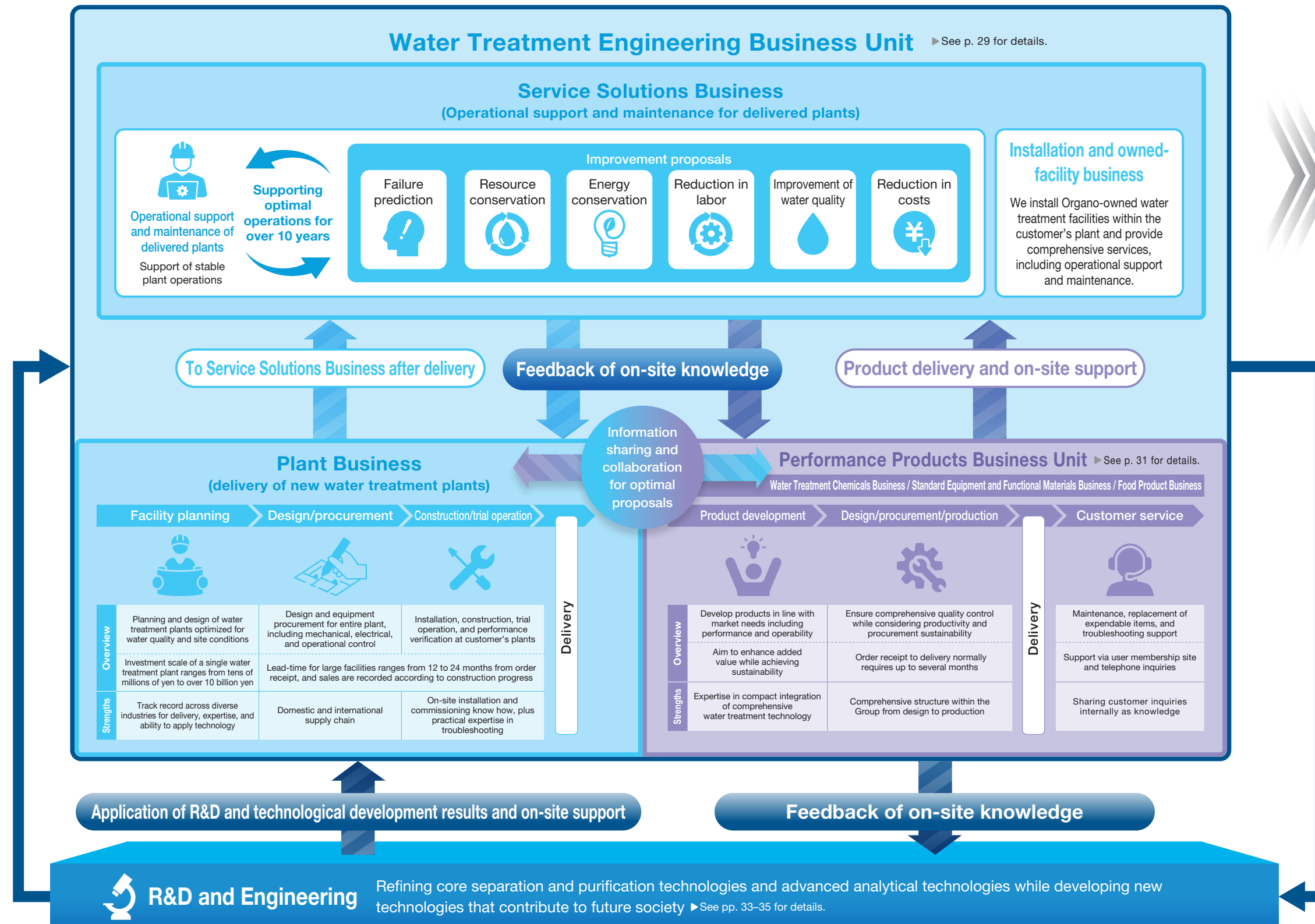
The breadth of our customer base accumulated from our wide-ranging delivery record is one of our most valuable assets for meeting our customers' future needs.

Water Treatment Engineering Business Unit			Performance Products Business Unit		
Electronics industry	General industry	Social infrastructure	Water treatment chemicals	Standard equipment and functional materials	Food products
Semiconductors, panels, and electronic parts	Pharmaceuticals and cosmetics, foods and beverages, mechanical and chemical uses	Thermal and nuclear power plants, water supply and sewage	Various manufacturing industries, buildings, commercial facilities	Medical and research institutions, convenience stores/restaurants	Food/beverages, food products for nursing care patients/health food products

► See pp. 5–6 for details.

Business Model

We design and deliver customized ultrapure water and wastewater treatment plants, and offer maintenance and improvement proposals to ensure the stable, long-term operation of our customers' facilities. By closely linking our Water Treatment Engineering and Performance Products Business Units and our R&D and Engineering Department together, we are advancing and expanding our Service Solutions business while maximizing the value we provide to our customers. This will lead to us achieving sustainable growth and expanding our earnings base.



Enhancing corporate value

Medium- to Long-Term
Management Plan
ORGANO 2030
Achievement Targets

Net sales ¥250 billion or more
Operating profit ratio 15%–18%
ROE 15% or higher
ROIC 12% or higher

History of the Organo Group

Technology Cultivated Over 75-Plus Years

1946–

◎ Social needs and challenges

- ▼ Demand for boiler water, pure water, and the purification of customer products in various industries—from chemicals, textiles, and pharmaceuticals to sugar—increased with postwar economic recovery in Japan.

- ◎ Organo used ion exchange resin to develop sugar liquid refining facilities and antibiotic extraction and refining facilities tailored to customer products.

1960–

◎ Social needs and challenges

- ▼ Demand for energy increased to meet rapid economic growth in Japan, and awareness to prevent pollution rose through measures such as the establishment of the Water Pollution Prevention Act.

- ◎ Organo developed and delivered a water treatment system for Japan's first boiling-water nuclear power plant and delivered various wastewater treatment systems to oil refineries, food plants, and other locations tailored to the wastewater characteristics of the specific industry.

1980–

◎ Social needs and challenges

- ▼ The industrial structure shifted from high energy consumption to energy conservation, the semiconductor market saw rapid growth, and Japanese manufacturers expanded production overseas.

- ◎ Organo delivered many ultrapure water systems to semiconductor plants and established an overseas subsidiary to provide support to overseas factory operations.

2000–

◎ Social needs and challenges

- ▼ Growing needs for lifecycle costs and sustainability

- ◎ Organo developed comprehensive service solutions including operational support and entered the water recycling market and non-water purification areas.

1940 1950

1960

1970

1980

1990

2000

2010

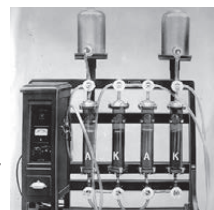
2020

Note: The graph indicates the changes in net sales.

Founded

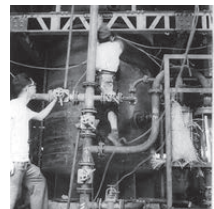
1946

Developed compact pure water system (heat-free water distillation system)



1951

Delivered Japan's first large-scale pure water system



1953

Expanded into special sugar liquid refining field



1954

Launched water treatment chemicals business

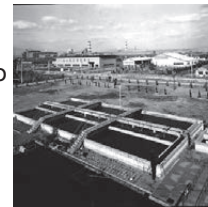


1957

Delivered Japan's first ultrapure water system for electronics industry

1959

Expanded into water supply and sewage field



1959

Launched food product business



1966

Completed large-scale water treatment facility for power plant



1984

Expanded into pharmaceutical manufacturing field



1986

Completed Central Research Laboratory (Toda)



1991

Expanded deliveries for semiconductors



2003

Expanded overseas business Enhanced service solutions

2005

Executed full-scale launch of comprehensive service solutions

2005

Established R&D Center (Sagamihara)
(Closed Central Research Laboratory (Toda))



2014

Launched energy-saving service solutions using water heat utilization system

2018

Formulated new management philosophy and long-term management vision

2022

Formulated Sustainability Policy

2025

Established human rights policy

Founding Spirit (Origin of the Company)

While serving in the army, Organo founder Masatake Maruyama researched ion exchange resins as a technology to supply drinking water. After the war, in the face of a severe energy shortage, Mr. Maruyama developed a water distillation system using ion exchange resin that did not require fuel or electricity. In addition, believing proof of its performance was necessary, he proceeded to develop a water quality meter. This was the starting point for the development of ultrapure water equipment and analysis technology for modern-day cutting-edge semiconductor plants.



Value Creation Process

With the Water Treatment Engineering Business Unit remaining at the core, Organo will further expand its role by leveraging its separation and purification, analysis, and manufacturing technologies. The Company will also expand the scope and regions of its businesses—including those beyond water—and constantly provide products and services that promote the creation of value and resolve the challenges that confront industry and society.

Social issues

- Responding to climate change
- Declining populations in developed countries
- Advancements in technology
- Deepening of globalization
- Growing populations and urbanization in emerging countries
- Further exploration of advanced medical technologies
- Developing medical structures in emerging countries

Management resources

► See pp. 27–28 for details.

Intellectual capital

Technology and R&D at the core of Organo

Human capital

Diverse range of talent with specialized knowledge

Manufacturing capital

Provide stable supply of water treatment and other equipment

Financial capital

Stable infrastructure that supports business

Social capital

Extensive domestic and overseas network

Natural capital

Contribute to a sustainable global environment

Business activities

Organo's strengths ► See pp. 7–8 for details.



Products and services

Pure and ultrapure water production systems

Equipment that supplies pure water and ultrapure water to various industries, including semiconductors

Wastewater treatment systems

Environmentally friendly wastewater treatment and recovery facilities

Energy-saving service solutions

Water treatment energy-saving services that use proprietary technology to reduce power consumption and CO₂ emissions

Water treatment chemicals and services

Wide range of water treatment chemicals and the ability to propose solutions to achieve optimal water quality

Water production and supply systems for pharmaceuticals

Domestically produced system that provides a stable supply of high-quality pharmaceutical-grade water

Goal

Realizing our 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.

Value provided

Social and customer value

Realizing a safe, comfortable society

through the development of the Information and Communications Technologies (ICT) infrastructure (semiconductor) industry

Contributing to the global environment

by reducing the environmental impact, improving water utilization, cutting energy consumption, minimizing waste, reducing labor, and extending useful life

Contributing to the well-being of everyone

by maintaining pharmaceutical manufacturing quality

Employee value

Creating a company where all employees are energetic and passionate about their work

Shareholder value

Increasing shareholder returns through continuous growth

Reinvestment in management resources

Message from the President



Masayuki Yamada

Representative Director and President
President and Executive Officer
ORGANO CORPORATION

Achieving new goals of Medium- to Long-Term Management Plan ORGANO 2030

Review of Fiscal 2024

Recent years have seen strong demand for water treatment engineering in the electronics industry, serving as a key growth driver for the Organo Group. This remained true in FY2024, with strong demand in the general industrial and social infrastructure sectors. Amidst these conditions, construction on projects already secured—including large-scale projects—in the Plant business is progressing smoothly, and the Service Solutions business and Performance Products Business Unit also saw steady growth. Overall, the Group achieved consolidated net sales of ¥163.2 billion in FY2024, marking a record high for the seventh consecutive period, and operating profit of ¥31.1 billion, a record high for the fourth consecutive period. Despite orders received falling below the initial plan of ¥155.0 billion to ¥151.2 billion, they were up ¥6.8 billion year on year.

In the semiconductor field, which accounts for a large portion of the electronics industry, domestic orders

were down year on year as demand for automotive and power semiconductors became sluggish and large-scale orders were delayed compared with the plan. This decline was offset, however, by robust orders for cutting-edge semiconductors from overseas, including Taiwan.

In last year's Group Report, I mentioned that we are at a critical phase as we transition to a new stage. To ensure the further growth of the Group, we will proactively implement necessary investments and measures to streamline operations, bolster human capital and IT infrastructure, and promote business in newly developed regions. Looking back on FY2024, these initiatives began steadily taking shape, and we are now seeing solid results.

As part of our efforts to streamline operations, we are continuing development of AI for technology transfer through a capital and business alliance with LIGHTz Inc., which started in June 2024, and efforts to

implement this have begun in some business operations. This led to increased accuracy during the initial stage of the engineering process and progress in implementing front-loading to eliminate rework in later stages. As part of our approach to strengthen human capital, we have begun enhancing employee development such as by building a talent development framework, improving engineer training facilities, and boosting IT literacy, in addition to recruiting new employees and experienced workers. We have further expanded our overseas team at the Global Engineering Center in Vietnam, with a focus on local young engineers. As the name suggests, they have become an indispensable force for design work on both domestic and overseas plant projects. Backed by these initiatives, the Group's productivity has steadily improved. The world's economic divide is becoming increasingly pronounced and geopolitical risks are on the rise. As such, there is a growing need for the Company to

secure multiple supply chain routes and augment our risk management and emergency preparedness. To ensure stable growth of our business amid this environment, we recognize the need to diversify the regions in which we do business on a global scale. From the perspective of economic security, we are moving away from relying solely on customer manufacturing sites in Japan, the U.S. and Europe in the electronics industry—the Group's key growth area—and embracing the emerging trend of expansion into previously untapped areas such as India. There is a growing need to operate the Group's engineering resources more dynamically and efficiently. To sum up, while performance overall continued to grow in a favorable demand environment and we made steady progress in implementing initiatives to meet this demand, the business environment became increasingly complex, necessitating a higher level of risk management.

Message from the President

Key Points in Organo Group Report 2025

The Organo Group has been tackling a host of water and environmental issues, and leveraging its cutting-edge technologies to contribute to the development of industry and social infrastructure. The Group's strengths lie in its advanced separation and purification technologies and supporting analysis technology, as well as expertise and support capabilities in water treatment to deliver solutions at any scale that meet the specifications and performance required by customers in a wide range of fields. Our hope is to continue to be a company that evolves with a vision over the next decade or two, while pursuing technological advancement and accumulating expertise, as well as preserving our corporate culture of sincerely addressing and satisfying customer needs. The increasingly complex global situation is impacting the business environment in various ways, including geopolitical risks and supply chain disruptions. While preparing for these risks, we will

embrace those we deem necessary, and work together as a Group to address challenges and attempt to capitalize on business opportunities to further evolve and grow as a company that contributes to society. This report provides up-to-date, comprehensive information on how the Group creates value and outlines its direction for medium- to long-term growth. It also presents the Group's initiatives for growth investments to strengthen the business foundation, operational innovation through AI utilization, and enhancement of R&D activities, including external collaboration. In addition, it highlights the Group's efforts to enhance human capital, create a comfortable workplace environment, reinforce IT infrastructure, and promote effective data utilization. The Group's water-related businesses are highly compatible with sustainability, and we are working to advance initiatives that contribute to and create

value for society and our customers across a wide range of fields. This report provides information on our sustainability activities, including decarbonization efforts based on Task Force on Climate-related Financial Disclosures (TCFD)

recommendations, as well as initiatives to bolster governance, including our newly established human rights policy. We hope that this report provides all of our stakeholders with a better understanding of the Group.

Achieving the new Medium- to Long-Term Management Plan ORGANO 2030

It has been five years since we established ORGANO 2030, our 10-year long-term management plan, in 2020, with FY2025 marking the midway point. In FY2024, we achieved the operating profit target of ¥30.0 billion set for FY2030 under ORGANO 2030 ahead of schedule, driven by higher-than-expected investments from customers in the electronics industry—particularly in the semiconductor field—as well as our ability to swiftly adapt to rising costs resulting from higher construction and material costs amid strong demand, and the faster-than-planned growth of the Service Solutions business through the accumulation of plant projects. Based on the Group's current position and expectations for future market conditions and demand trends, we reviewed the performance targets we aim to achieve by FY2030, along with the strategies and measures to achieve them, and accordingly updated our plan in the form of Medium- to Long-Term Management Plan ORGANO 2030.

Under this plan, our performance targets for FY2030 include ROIC as a new indicator, with net sales of ¥250.0 billion, an operating profit ratio of 18% or higher, ROE of 15% or higher, and ROIC of 12% or higher. The key direction for strengthening our business foundation is the enhancement of our business and geographic portfolios. For our business portfolio, we will fortify development resources and external collaboration to create new service solutions and products, with the growth of the Service Solutions business and strengthening of the Performance Products Business Unit as our pillars. Regarding our geographic portfolio, we will continue to expand to new areas where future growth is expected, in addition to developing the U.S. market, which is currently our top priority. To strengthen both our business and geographic portfolios, we will actively pursue inorganic growth opportunities such as M&A and partnerships with other companies.

Updated achievement targets of ORGANO 2030

Initial plan

Net sales ————— ¥200.0 billion
Operating profit ————— ¥30.0 billion
Operating profit ratio ————— 15%
ROE ————— Stable at 12% or higher



Revised plan

Net sales — ¥250.0 billion (FY2024–FY2030 CAGR 7% or higher)
Operating profit ratio — 15%–18%
Set 15% as the minimum target, while aiming for 18% or higher
ROE ————— Stable at 15% or higher
ROIC ————— 12% or higher

Message from the President

Strengthening Our Management Foundation

Strengthening our business foundation is key to growing our business. Given this, the Group sets KPIs to promote its human resource, digital, and financial strategies. Our human resource strategy focuses on both acquiring and developing talent. Specifically, we are promoting the diversification of hiring methods, the implementation of work systems that consider work-life balance, the improvement of the ratio of female managers, the development of individual skill mapping, and the strengthening of employee training. In addition, we are conducting regular employee engagement surveys to gauge the effectiveness of various measures. As the workforce in Japan declines, it is essential to be a company where people want to work. To strengthen our presence overseas, we will further promote the acquisition, training, and recruiting of overseas talent. As our digital strategy is key to both operational and business reform, we established a committee to promote data utilization. Under this committee, implementation meetings and working groups comprising members from various departments discuss and advance initiatives from a range of perspectives, including development of an IT infrastructure, measures to promote data utilization, enhancement of employee IT literacy,

and information security management. Our financial strategy works to improve cash flow, maintain and enhance ROE—a key management indicator—and allocate capital to balance growth investments with shareholder returns. To achieve this, we set appropriate KPIs and hold discussions aimed at linking these to specific measures.



Sustainability Activities

The Organo Group's business has a key role to play in building a sustainable society. The foundation of the Group's sustainability efforts lies in contributing to environmental and resource conservation by providing facilities that enable the use and reuse of the precious resource of water, as well as facilities that recover valuable materials from wastewater, leveraging our advanced separation and purification technologies and analysis technology. We also possess advanced technologies for the recovery, purification, and reuse

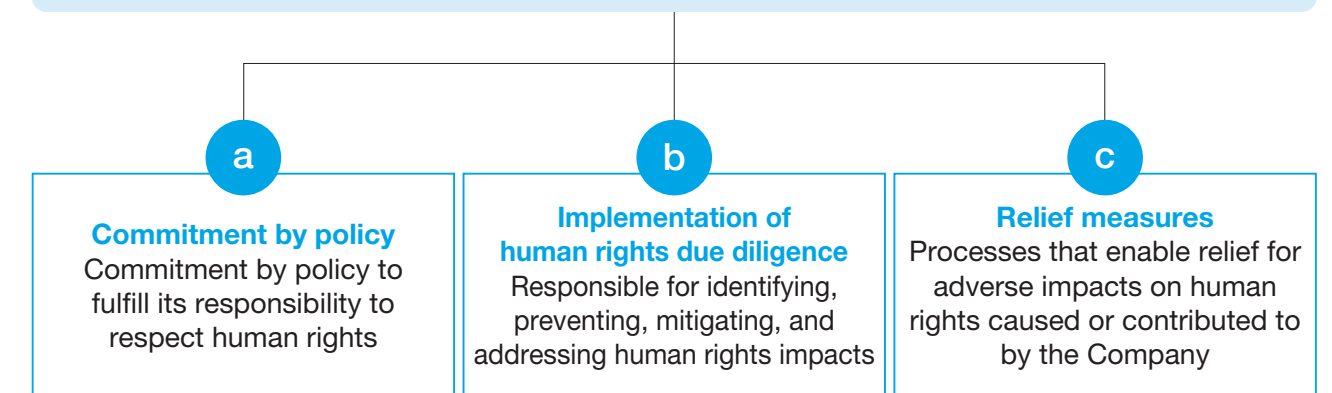
of organic solvents without distillation, significantly contributing to reducing CO₂ and conserving energy in the manufacturing industry. This development of environmentally friendly products and services is one of Company's material issues, and we are actively promoting further R&D in this area. In terms of specific sustainability activities, we are promoting decarbonized management in line with TCFD recommendations and we are working to reduce Scope 1, 2, and 3 emissions. The Group sells

large-scale facilities, so it is challenging to reduce Scope 3 emissions. Nevertheless, we will strive to establish targets, reduce emissions, and monitor the results. On the social and governance front, we established a human rights policy in FY2024. Respect for human rights is a fundamental part of doing business. As such, we have declared our commitment to respecting human rights in accordance with the UN's Guiding Principles on Business and Human Rights. Going forward, we will promote initiatives to prevent and mitigate adverse impacts on human rights in line with the overall picture of corporate human rights initiatives outlined in these principles.

We established a Risk Management Committee that identifies the Group's risks and uses a four-quadrant matrix to classify them into operational, investment, emerging, and business strategy execution risks. The Committee then evaluates the impact and likelihood of realization and uncertainty for each classification, and the Group proceeds with countermeasures as necessary. In addition to formulating a business continuity plan (BCP) to minimize damage and ensure business continuity in the event of a large-scale disaster such as a major earthquake, we are working to improve the effectiveness of our BCP by preparing for emergency situations and implementing education and training.

Summary of the Company's Human Rights Initiatives

Initiatives to prevent and mitigate adverse human rights impacts from business operations



To Our Stakeholders

Next year marks our 80th anniversary. While the Group continues to enjoy strong performance, we will not rest on our laurels. We will steadily implement the investments and measures set out in the Medium- to Long-Term Management Plan ORGANO 2030 and continuously strengthen our business and management foundations to enable us to achieve significant growth toward 2030 and beyond, with the aim of becoming a 100-year company.

In addition, we will continue to actively advance sustainability activities and promote business activities under a strengthened governance structure. Going forward, the Group will continue to work together to become a company that meets the expectations of all its stakeholders. We thank you for your continued understanding and support.

Medium- to Long-Term Management Plan ORGANO 2030

Updated Medium- to Long-Term Management Plan ORGANO 2030

Based on our performance up to FY2024 and projected demand trends, we have revised the performance targets to be achieved by FY2030 in our medium- to long-term management plan. Having considered changes in the business environment and with the aim of realizing our vision, we have also updated our measures as needed. Through both organic and inorganic initiatives, we will strengthen our business and geopolitical portfolios for global expansion, including expanding our presence in the U.S.

FY2030
Aspire to become
a global partner
company

FY2027

Expand new
businesses and
regions of
operation

FY2025

- Expansion into the U.S.
- Expand overseas development of water treatment chemicals and other performance products
- Enhance and deploy new service solutions

- Aspire to be a partner of top companies in the advanced semiconductor field
- Aspire to be the company of choice for water treatment chemicals and functional materials in differentiated specified fields
- Achieve sustainability goals
- See pp. 25–26 for details.

Updated achievement targets of ORGANO 2030

Initial plan

Net sales — ¥200.0 billion
Operating profit — ¥30.0 billion
Operating profit ratio — 15%
ROE — Stable at 12% or higher

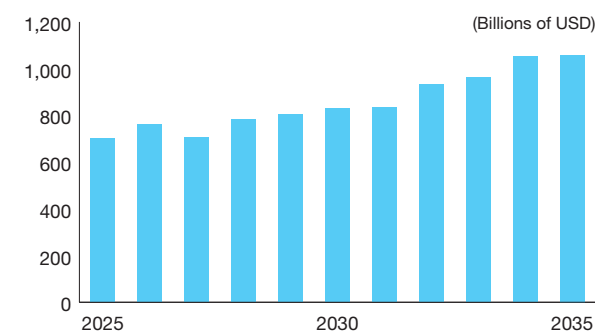
Revised plan

Net sales — ¥250.0 billion (FY2024–FY2030 CAGR 7% or higher)
Operating profit ratio — 15%–18%
Set 15% as the minimum target, while aiming for 18% or higher
ROE — Stable at 15% or higher
ROIC — 12% or higher

Awareness of the business environment

- The semiconductor market is expected to grow until 2035 due to increased demand for cutting-edge semiconductors for AI and other applications. As a result, growth is forecast in demand for products such as semiconductor materials and electronic components.
- Against the backdrop of geopolitical risks including tensions between the U.S. and China and the Taiwan issue, a global reconstruction of semiconductor supply chains is underway, and production bases will be diversified from Asia to places such as the United States and Europe.

Semiconductor Market Forecast (Organo prediction based on WSTS* forecast)

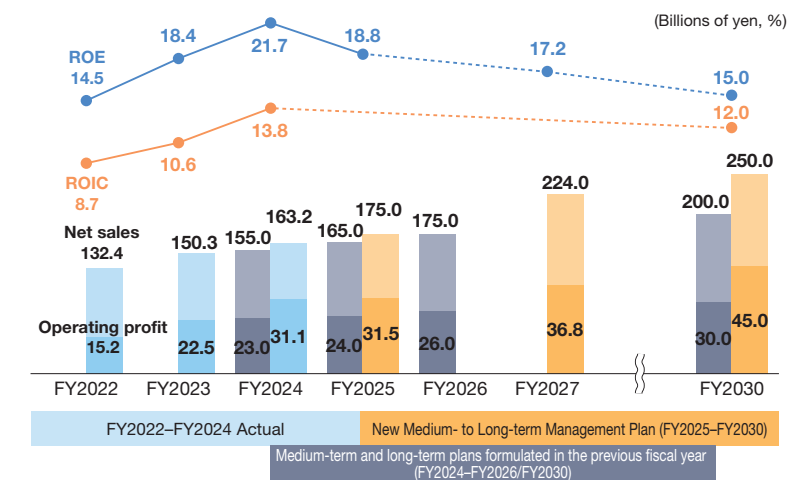


* WSTS: World Semiconductor Trade Statistics

Accelerating investment for future growth

Despite a temporary profit slowdown

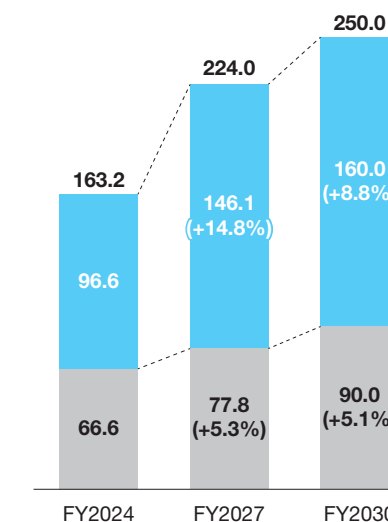
Over the past several years, demand has continued to grow at a rate exceeding our supply capacity, and our biggest challenge for growth has been strengthening our engineering structure. In addition to increasing personnel through the hiring of new graduates and experienced workers, continuous investment for growth is essential in enhancing the efficiency in engineering operations, and we are making steady progress in this area. Although this plan includes some conservative estimates, we recognize that this growth investment may temporarily slow profitability. We believe, however, that it is a necessary preparation period for growth in the future.



Plans and Measures by Segment

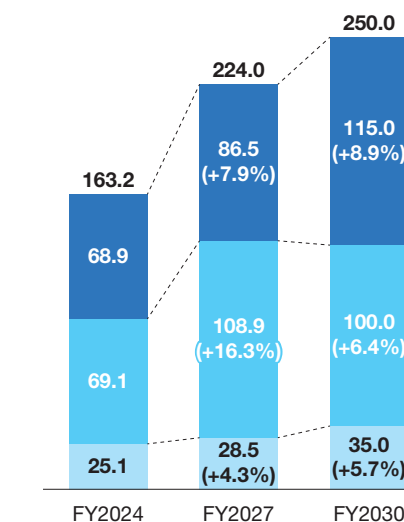
Net Sales by Market

Electronics Industry Other



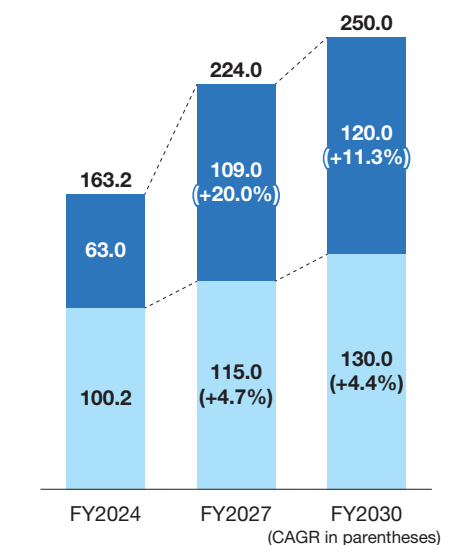
Net Sales by Business Field

Service Solutions Plant Performance Products



Net Sales by Region

Overseas Domestic (Billions of yen)



- To promote business expansion, technological innovation, and area expansion with the electronics industry as a growth driver, we will engage in strengthening our engineering systems, developing next-generation technologies, and expanding into new regions.
- We will build a service network for facilities delivered domestically and overseas, and strengthen our proposal capabilities that lead to resolving the challenges of our customers such as energy conservation, decarbonization, and labor saving.
- We will expand the Performance Products Business Unit, a stable revenue source, to the U.S. and other regions, and reduce the volatility of business performance due to plant projects affected by fluctuations in capital investment trends.
- We will actively invest in human capital and R&D in line with our business growth strategy to accelerate expansion, while also considering M&A as one of the means to achieve this.
- We will contribute to achieving sustainability of our customers and society through our business activities.

Financial Strategy



Tetsushi Honda

Managing Director and Executive Officer
President of Corporate Management and Planning

Review of Fiscal 2024

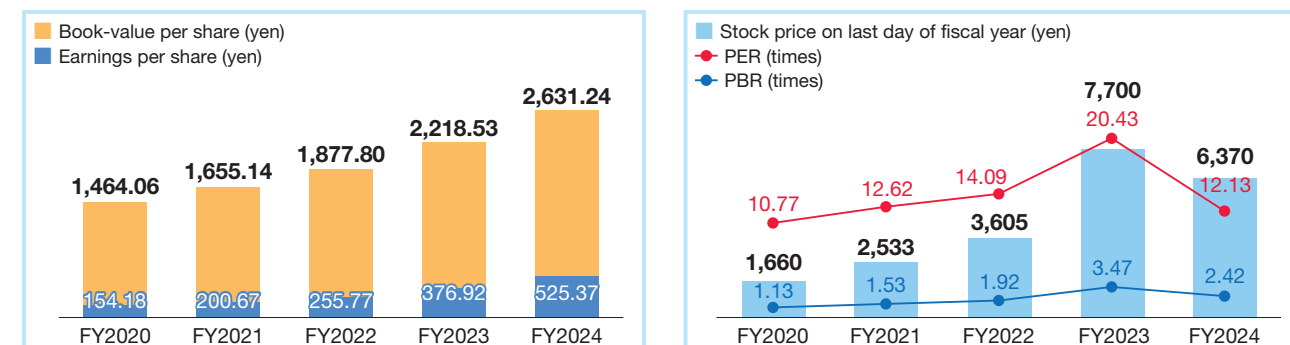
The Company's business performance continues to be strong overall, supported by increased semiconductor demand related to generative AI in the electronics industry—our core market—and by expanding capital investment in cutting-edge semiconductors. Amidst these circumstances, the Company has been working to bolster production and delivery capacity by receiving and delivering large-scale projects both domestically and overseas, investing in DX initiatives aimed at improving the efficiency of plant engineering processes, and promoting measures for global development and utilization of human resources. We have increased our investment in owned-facility services, utilizing borrowings in addition to cash on hand, and have also worked to boost shareholder returns. We need, however, to strengthen and expand our cash-generating capacity, capital efficiency, and various investments and shareholder returns to achieve further growth.

Initiatives to Enhance Corporate Value

The Company is working to stabilize its earnings base by expanding the Service Solutions and Performance Products businesses—steady sources of revenue—while carefully managing project profits. It is important to ensure a safe, sound financial foundation that can withstand unforeseen circumstances, such as a sudden decrease in orders or deterioration in project profitability—as well as fluctuations in cash flow—and to achieve the optimal balance between capital efficiency and shareholder returns.

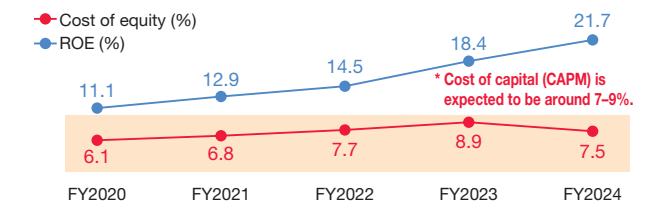
To achieve this, it is essential to improve profitability and efficiency and utilize financial leverage to improve ROE. While the current cost of capital is presumed to be around 7 to 9%, in recent years, the ROE has greatly exceeded the cost of capital due to improved profitability. In addition, we are focusing on measures to return profits to shareholders, such as continued dividend increases, and strengthening investor relations (IR) activities, and the stock price has trended upward, significantly improving PER and PBR. Due to stock market turmoil caused by the tariff policy of the U.S. and other factors in FY2024, the stock price declined but the PBR remained at more than 2x. In our medium- and long-term management plan ORGANO 2030, we aim to establish a system that enables us to stably record an ROE of 15% or higher, have established policies for profitability, efficiency, and financial leverage, and are aiming for further improvement. While profitability improved significantly in FY2024 due to improved profit margins in the Water Treatment Engineering business, we will continue to work to expand our relatively high-margin Service Solutions and Performance Products businesses to stabilize our revenue base. Meanwhile, in terms of efficiency, we are working to shorten the cash conversion cycle (CCC) such as by improving payment terms and

Per-share Indexes and Trends in Stock Price, PER, and PBR

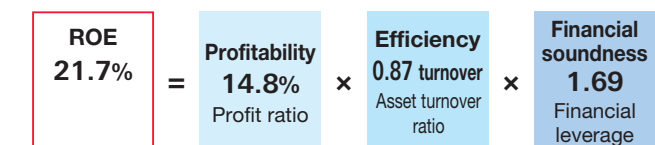


reducing inventories. These efforts are still in progress and we recognize that there remains room for improvement. Furthermore, while we are actively investing in capacity expansion including increased personnel expenses, we must further expand investment in areas such as inorganic growth through M&A. Through these initiatives, we aim to improve our ability to generate cash. And, while ensuring sufficient financial soundness, we will expand growth investments by utilizing financial leverage, such as borrowings.

Cost of Capital and ROE



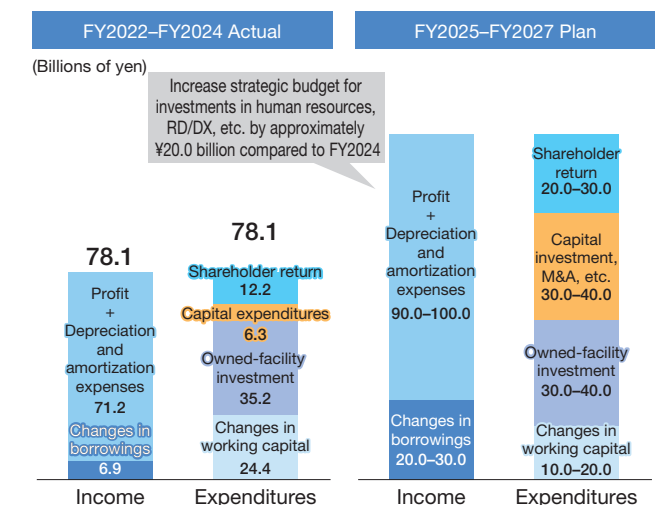
Breakdown of ROE (FY2024)



* Cost of capital is calculated based on CAPM ($R_f + \beta (R_m - R_f)$) (Figures are for FY2024)
 R_f (risk-free rate): Yield on long-term government bonds (10-year): 1.50%
 β (β value): Stock price volatility (5 years, monthly, levered): 1.16
 R_m (market risk premium): 6.67%

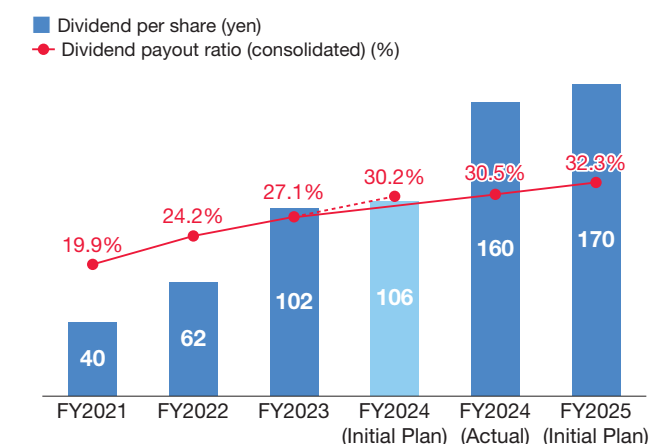
Capital Allocation

Over the three years from FY2022 to FY2024, we allocated substantial funds to investments in owned-facility services. Other growth investments were limited, however, and challenges remain regarding working capital efficiency. Over the three years from FY2025 to FY2027, we expect revenue growth through sales expansion and full-scale recovery of owned-facility service revenue, and through measures such as borrowings and shortening of the CCC, we plan to actively expand growth investments, including personnel expenses, DX and R&D investments, capital expenditures, and M&A, and we expect increased investment in owned-facility services. In addition, regarding shareholder returns, we plan to continue increasing dividends and improving the dividend payout ratio (consolidated).



Shareholder Return Measures

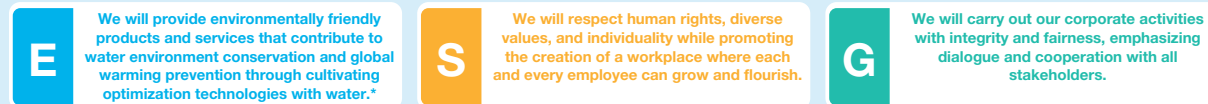
The Company regards the return of profits to shareholders as one of its most important management issues. The Company's basic policy is to provide stable, continuous dividends, and it strives to distribute profits while taking into account the status of earnings. Specifically, we aim to continue to increase dividends while maintaining a consolidated dividend payout ratio of 30% or more, and we will strive to balance the expansion of growth investments with the strengthening of shareholder returns. In FY2024, we increased the annual dividend from ¥106 in our initial plan to ¥160 (consolidated dividend payout ratio: 30.5%) due to an upward revision of our business performance. For FY2025, the plan calls for continued increasing dividends to ¥170 (consolidated dividend payout ratio: 32.3%). In addition, we will examine shareholder returns other than dividends, taking into account factors such as trends in stock price and business performance.



Sustainability Management

Sustainability Policy

Organo Corporation, together with its stakeholders, aims to realize a sustainable society and enhance corporate value for the future.



* 'Cultivating optimization technologies with water' means the pursuit of technologies in separation, purification, analysis, and engineering related to water treatment, and the combination of these technologies to provide optimal systems and services that meet the needs of society.

The Group Sustainability Policy serves as the guiding principle to enhance the sustainability of the business activities of the Organo Group and contribute to achieving a sustainable society and global government. We are integrating our medium- and long-term management plans with this policy to promote management that links business activities to ESG initiatives. We will provide products and services that contribute to our customers' sustainability, water environment conservation, and global warming prevention by solidifying the foundation of our business through comprehensive compliance and strengthened governance, and by developing cutting-edge technologies cultivated through long experience with water treatment.

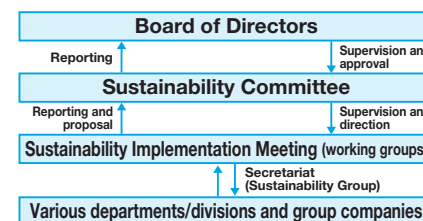
Sustainability Promotion System

The Group established the Sustainability Committee as an organization to plan, propose, and implement measures to promote sustainability management. We also established the Sustainability Implementation Meeting, which promotes specific measures as the implementation organization of the Committee.

The Sustainability Implementation Meeting creates working groups in response to prevailing sustainability issues, and working group members are assembled from relevant business units and group companies to work on resolving issues. As of October 2025, the Sustainability Implementation Meeting had four working groups, with each one focused on separate initiatives (measures to calculate and reduce GHG emissions, measures to achieve SDGs, promotion of CSR procurement, and response to TCFD recommendations).

The progress status of the measures implemented by the Sustainability Implementation Meeting are reported to the Sustainability Committee, which discusses and deliberates on issues and reports to the Board of Directors, the supervisory and approval authority.

The Sustainability Committee is required to meet at least twice a year, and it may meet on an ad hoc basis when there are urgent matters to be considered. In FY2024, the committee met a total of five times.



Material Issues

Identification Process

Keyword extraction	Extracted candidates for material issues from management philosophy, long-term management vision, ORGANO 2030 (long-term management plan), medium-term management plan, business strategies, business environment, ESG valuation standards, GRI Standards (international guidelines related to sustainability)
Assessment of importance	Organized the extracted material issue candidates by "achieving continuous business growth" and "establishing a business foundation," in accordance with the framework of ORGANO 2030, assessed these in terms of the importance to the Company based on the relationship with stakeholders, risks and opportunities, value of providing products and services, and hypothesized material issues
Assessment of validity	Assessed validity through discussions with the Sustainability Implementation Meeting and Sustainability Committee and through interviews with outside experts
Identification of material issues	Board of Directors determined the material issues

Material Issues

<https://www.organo.co.jp/english/company/sustainability/concept/>



List of Material Issues

Scope of data: In principle, domestic and overseas group companies, but for exceptions, scope of data is listed for individual items.

Material issues			Index (KPI)	Reference year	Goals for FY2030	Results for FY2024	Reference page
Achieve continuous business growth	1) Contribute to a sustainable global environment	• Address water resource issues	Amount of wastewater treated by newly delivered Organo systems and discharged by plants	2023	Total 60 million m³	Total 27,967,395 m³	p. 64
		• Protect biodiversity	Amount of water collected and reused by newly delivered Organo systems	2023	Total 250 million m³	Total 30,066,145 m³	p. 64
		• Respond to climate change	Rate of reduction of Scope 1 and 2 CO₂ emissions according to science-based target (SBT) presentation method*¹	2021	42% total emissions reduction (compared with reference year)	38% reduction*²	p. 62
			Rate of reduction of Scope 3 CO₂ emissions according to science-based target (SBT) presentation method*¹	2021	20% reduction in GHG emissions per gross profit (compared with reference year)	35% reduction*²	p. 62
		• Expansion of environmentally friendly products and services	Volume of CO₂ reduced by applying Organo technology and products	2023	Total 32,000 t-CO₂	Total 6,296 t-CO₂	–
		• Promotion of the 3Rs	Volume of sludge reduced by applying Organo technology and products	2023	Total 10,000 t	Total 3,975 t	p. 65
	2) Provide high value-added products and services by leveraging technological capabilities	Number of developed environmentally friendly products and services that add value by solving customer's sustainability issues	2023	Two per year	Eight per year (Target: Organo)	p. 65	
	Establish a business foundation	3) Strengthen governance and ensure compliance	• Promote occupational safety and health	Number of serious lost-time injuries*³	2022	Zero per year	Number of serious lost-time injuries: 4
• Strengthen compliance			Completion rate of compliance-related training for participants enrolled at the end of the previous fiscal year	2022	100%	Of the 46 required courses, 38 courses had a 100% completion rate; 8 courses had less than a 100% completion rate	p. 57
• Respect human rights			Completion rate of human-rights-related training for participants enrolled at the end of the previous fiscal year	2022	100%	Completion rate of human rights e-learning course: 100% (Target: Organo, domestic group companies)	p. 67
• Strengthen risk management			PDCA implementation rate for key risks identified by the Company	2022	100%	100% implementation	p. 55
4) Create a workplace where diverse human resources can play an active and rewarding role			Number of females in managerial positions (domestic group companies)	2022	50	26	p. 44
			Training expense per employee (all group employees including those overseas)	2022	¥100,000 per person	¥82,753 per person	p. 43
			Number of employees exceeding the annual legal overtime limit*⁴ * Domestic group companies only	2022	Employees with 600 hours per year: 0	Employees with 600 hours per year: 1	p. 44
5) Strengthen supply chain management			Number of main suppliers in compliance with Organo Group Supply Chain CSR Promotion Guidebook	2022	Number of companies in compliance: 300 or more	Number of companies surveyed: 100	p. 69







^{*1}: Criteria for calculating carbon dioxide emissions set forth by the Science Based Targets initiative (SBTi), an initiative requiring companies to set science-based carbon emission reduction targets.

^{*2}: The scope of actual results used as the basis for calculating the change had previously excluded certain group companies; beginning in FY2024, however, all domestic and overseas group companies have been included. In line with this change, the total emissions for the reference year have also been revised to include all domestic and overseas group companies (see pp. 62–63).

^{*3}: Four or more days out of work

^{*4}: This does not indicate that the upper limit (special clause) stipulated in Agreement 36 has been exceeded.

Strengthening Management Capital

Capital	Inputs	Initiatives for strengthening capital		FY2024 results
Intellectual capital 	R&D expenses — ¥3.2 billion (Target — 2.5% of consolidated net sales) R&D Center (R&D and Engineering) Established a research base in Taiwan (2024)	<ul style="list-style-type: none"> • Further strengthen competitive advantage in cutting-edge electronics industry In the semiconductor industry, where manufacturing technology is rapidly evolving, it is critical to quickly identify customer needs, develop solutions, and establish them as part of our intellectual property (IP). Therefore, we have created a specialized team to explore trends in the cutting-edge electronics industry and collaborate with the department in charge of IP in conducting R&D. 	<ul style="list-style-type: none"> • Continuous refinement and application of accumulated separation and purification technologies and analysis technology Our core intellectual capital lies in the accumulation of technologies, from individual water treatment technologies, such as ion exchange resin, membranes, and functional materials, to entire water treatment systems encompassing mechanical, electrical, control, operations, and maintenance know-how, as well as technology for analyzing water quality after it has been treated. We advance R&D to meet customer needs for specific water and liquid quality, explore research topics from the perspective of market changes and future trends, and aim to grow our business by building our own IP network while respecting the IP of other companies. 	
Human capital 	Total number of employees — 2,512 (consolidated) Number of overseas employees — 881 <small>(As of March 31, 2024)</small> Training expenses per employee — 82,753 yen	<ul style="list-style-type: none"> • Enhance talent management By visualizing the skills of each employee, we aim to achieve optimal human resource development, plan career paths, and assign talent from the perspectives of both the organization and the individual. • Promote diversity It is essential to diversify talent in order to respond to rapidly changing markets and promote new businesses. Therefore, we are aiming to proactively hire foreign employees and increase the number of female managers to 50. 	<ul style="list-style-type: none"> • Fostering a culture of taking on challenges and the desire to learn while creating a workplace where employees are energetic and passionate about their work Diverse human resources with specialized knowledge is the source of the Company's competitiveness and growth. The Group actively supports talent who have skills gained through hands-on experience, a commitment to continuous improvement, independent thinking, the drive to take on new challenges, and those who strive to improve business operations. We have also introduced a variety of systems that take into account a wide range of life events so that employees can perform to the best of their abilities within their own personal circumstances. 	Financial information Orders — ¥151.2 billion Net sales — ¥163.2 billion Operating profit — ¥31.1 billion Operating profit ratio — 19.1% ROE — 21.7% Order backlog — ¥105.7 billion Dividend payout ratio (consolidated) — 30.5% Equity — ¥121.1 billion Equity ratio — 62.2%
Manufacturing capital 	Water treatment system unit assembly plant (Iwaki Factory) Ion exchange resin refinery (Tsukuba Factory) Standard water treatment equipment manufacturing site (Hostec) Food ingredients and food processing agent manufacturing site (Organo Food Tech)	<ul style="list-style-type: none"> • Strengthen our ability to respond to demand in semiconductors and other markets To shorten delivery times for all water treatment equipment while maintaining quality, in addition to sharing project schedule information with the Sales Division, we are managing lead times for material procurement, assembly, and the like, and are proceeding with manufacturing and refinement. ▶ See p. 36 for details. • Increase manufacture of standard water treatment equipment In February 2024, manufacturing subsidiary Hostec moved to a new building. The purpose of the move was to accommodate the expansion of manufacturing capacity for the Performance Products Business Unit based on the medium- to long-term management plan ORGANO 2030. 	<ul style="list-style-type: none"> • Supply of main water treatment equipment components We have a site for assembling equipment units that are the main components of equipment handled by the Water Treatment Engineering Business Unit and for purifying ion exchange resin, one of the functional materials that are key to water treatment performance. In addition, in the Performance Products business, Hostec provided assembly of standard water treatment equipment in Suwa, Nagano Prefecture. Both are manufactured under meticulous quality control to ensure a stable supply of the water and liquid quality desired by customers. 	Nonfinancial information Number of patents and utility models (Japan) — 839 Total number of employees — 2,660 (consolidated) Number of overseas employees — 1,370 Number of female managers (Japan) — 26
Financial capital 	Equity — ¥101,928 million Equity ratio — 55.8% <small>(As of March 31, 2024)</small>	<ul style="list-style-type: none"> • Initiatives to enhance corporate value To achieve ROE that exceeds the cost of capital (7–9%), we are working to raise profitability, improve efficiency, and utilize financial leverage, with the aim of achieving an ROE of 15% or more. • Capital allocation and shareholder returns We will continue to make growth investments in human capital, R&D, digital investments, and owned-facility service projects. For shareholder returns, we will aim for continuous dividend increases while maintaining a dividend payout ratio (consolidated) of 30% or more. 	<ul style="list-style-type: none"> • Stable infrastructure that supports business To steadily generate cash through operating activities, we are working to improve profitability and strengthen our financial position by thoroughly managing project profitability and expanding our Service Solutions business and Performance Products Business Unit, which are stable sources of revenue. In addition, to improve corporate value over the medium to long term, we are promoting management that is conscious of cost of capital and stock price, and are striving to achieve a balance between expansion of capital efficiency, investment in growth, and shareholder returns. ▶ See pp. 23–24 for details. 	GHG emission reduction GHG emissions (all group companies) Scope 1 and 2: Total volume — 38% reduction compared with reference year Scope 3: Emissions per gross profit — 35% reduction compared with reference year
Social capital 	Domestic affiliates — 5 Domestic offices and sales offices — 42 Overseas sites — 7	<ul style="list-style-type: none"> • Expand overseas engineering locations and strengthen cooperation We are bolstering recruitment and training of local engineers at our engineering locations in Thailand and Vietnam, and they are playing an active role in projects outside those countries as well. • Capital and business alliance with LIGHTz Inc. In June 2024, we entered into a capital and business alliance with LIGHTz Inc., a provider of solutions for technology transfer and business optimization, centered on the manufacturing industry. This will help us build a more competitive engineering structure. 	<ul style="list-style-type: none"> • Customer base and partner companies span a broad range of industries and layers Each industry has its own ecosystem of end users and their partner companies, and Organo has client companies across multiple layers in a number of industries. In recent years, some of our customers have developed globally in the electronics industry overseas. In these cases, along with our network in the country or region of development, we often collaborate with domestic and third-country partner companies. We are leveraging this cultivated network as a major capital. 	Address water resource issues <ul style="list-style-type: none"> • Management of the water we use Water usage volume and wastewater volume (Organo and domestic group companies) Water usage volume — 750,064 m³ Wastewater volume — 737,481 m³ • Water environment conservation by providing products and services (cumulative since 2023) Volume of wastewater treated — 27,967,395 m³ Volume of water recovered and reused — 30,066,145 m³
Natural capital 	GHG emission reduction Introduce GHG emission calculation tool Establish working group to study GHG reduction measures and transition plans Address water resource issues Ascertain water usage and wastewater volumes at each site and the reasons for any changes Build and operate an environmental conservation structure including water utilization Develop products and services that contribute to water environment conservation	<ul style="list-style-type: none"> • GHG emission reduction We will promote the gradual introduction of electricity derived from renewable energy sources toward achieving Scope 1 and 2 carbon neutrality by FY2050. In addition to switching the electricity used at the headquarters and R&D Center to renewable energy, the share of renewable electricity at the Tsukuba Factory reached approximately 40% in FY2024. For FY2025, we plan to increase this ratio and introduce renewable electricity at the Iwaki Factory as well. 	Address water resource issues <ul style="list-style-type: none"> • Management of the water we use We verify monthly that the level of harmful substances in wastewater is below the standard value, and work to reduce our environmental impact. In addition, we set targets for water recovery and reuse at Tsukuba Factory (50%) and the R&D Center (20%), and are working to reduce our water usage volume. • Water environment conservation through the provision of products and services As a water treatment engineering company, we provide customers with wastewater treatment and recovery technologies, thereby reducing the environmental impact of water use in industry and daily life. This contributes to the conservation of a healthy water environment and the securing of water resources. 	

Strategy by Segment

Water Treatment Engineering Business Unit



Yasutoshi Nakayama

Managing Director and Executive Officer
President of Industrial Plant Business

Solving customer challenges and driving company growth through wastewater treatment engineering built on customer dialogue

We operate in a wide range of markets. These encompass the electronics industry, which includes cutting-edge semiconductors for the rapidly growing AI sector; general industry including pharmaceuticals; chemicals; foods and beverages; and infrastructure, including electric power, water supply, and sewage that are vital to industry and daily life (see pp. 5–6). We support the stable business operations of our customers by delivering equipment for ultrapure water production essential for semiconductor manufacturing, industrial wastewater treatment, and recycling of wastewater and valuable resources. We also provide ongoing services such as maintenance and operational management, supply of consumables, and proposals for operational improvements. By engaging in dialogue with customers, sharing trends in each industry, and collaborating with the R&D and Engineering Department and the Performance Products Business Unit, we will provide greater customer value.

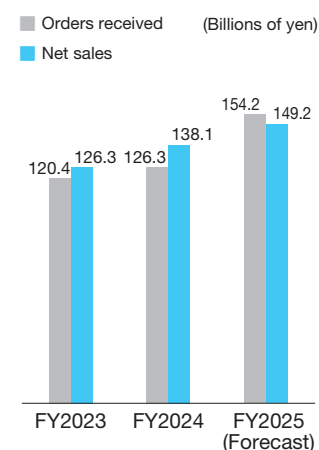
Opportunities

- Continued aggressive investments by customers in advanced semiconductors
- Diversification of investment regions among customers in the electronics industry
- Expansion of investments in the U.S. across various industries
- Growing need for energy and labor saving and workforce reduction

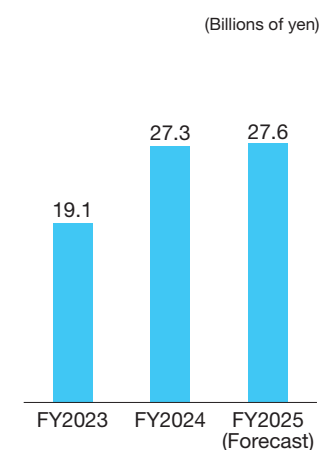
Risks

- Growing geopolitical risks
- Declining labor force in Japan
- Impact of U.S. tariff policies on investment timing of certain customers
- Labor shortage in the U.S.

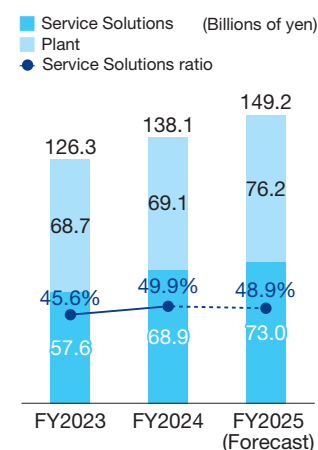
Orders/Net Sales



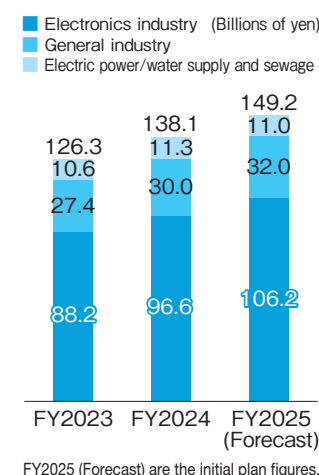
Operating Profit



Net Sales by Segment



Net Sales by Industry



Responding to Risks and Opportunities

In the electronics industry, amid a background of geopolitical risk and other factors, customers continue to diversify their investments across regions. Investments in cutting-edge semiconductors remain strong, and investments in the U.S. are expanding. To fully seize this opportunity, we are promoting R&D into ultrapure water production technologies for cutting-edge semiconductors—which require continuous evolution—and strengthening our U.S. operations. Meanwhile, overseas expansion entails many risks. We are striving to minimize them through repeated discussions with customers and partner companies. Going forward, we will continue to identify needs in a timely manner, including technological and regional trends as well as our customers' sustainability targets, and work to provide even greater value.

Review of Fiscal 2024

While delays in investments by electronics industry customers in Japan, China, and Southeast Asia were longer than expected, capital investment in cutting-edge semiconductors remained active in Taiwan. By capitalizing on that demand, we achieved orders received that surpassed the previous year. In addition to steady progress in backlog projects, maintenance demand steadily increased as multiple large-scale projects that had been delivered in recent years began operation. Service Solutions business also performed well due to the steady operation of owned-facility service projects, resulting in a year-on-year increase in net sales. Meanwhile, supported by a favorable order environment, the profitability of new plant projects and other projects improved. General industry and electric power/water supply and sewage both remained solid, led by the Service Solutions business, and ongoing cost optimization efforts contributed, enabling the Water Treatment Engineering Business Unit to achieve record profits.

Outlook for Fiscal 2025

Although the global economic situation remains uncertain and the recovery of the legacy semiconductor industry is still in progress, investment in cutting-edge semiconductor-related equipment remains at a high level. We expect steady progress in receiving orders for these projects, as well as in general industry and social infrastructure. We forecast receiving more orders than the previous fiscal year. We also expect a year-on-year increase in net sales due to steady progress in construction of backlogged large-scale projects, as well as expansion of owned-facility services and maintenance for delivered equipment. In addition, we expect operating profit to increase due to higher revenue from sales expansion and an improved profitability outlook for plant projects.

Strategy to Achieve Medium- to Long-Term Management Plan ORGANO 2030

To achieve Medium- to Long-Term Management Plan ORGANO 2030, in addition to our existing business model of plant delivery, we will enhance the added value of our business by providing functional materials to support stable plant operations and expand our Service Solutions business to further enhance efficiency. Specifically, we are enhancing our proposals to meet customer needs for advanced purification, high recovery rates, resource conservation, reduction of waste and CO₂ emissions, and labor savings. In addition, we are also working to create synergy with the Performance Products Business Unit by linking functional materials such as membranes and water treatment chemicals.

With regard to market and area strategies, we are positioning overseas expansion as an important pillar for sustainable growth. In particular, we are accelerating overseas expansion focusing on the electronics industry and peripheral fields with strong growth potential. In the U.S., a key market, we are focusing not only on the Water Treatment Engineering Business Unit, but also on expansion through synergy with the Performance Products Business Unit, such as through the sale of functional materials. Meanwhile, in the Indian market, where we anticipate growth, we are advancing research into business opportunities, exploring partner companies, and strengthening cooperation. We will also accelerate the development and provision of technologies, products, and services that support the sustainability initiatives of our customers, while promoting business operations that balance addressing social issues with enhancing corporate value.

Strategy by Segment

Performance Products Business Unit



Toru Amemiya

Executive Officer
President of Performance Products Business

Aiming to be a sustainable business that adapts to the changing social environment and contributes to industry development

In addition to standard water treatment equipment and filters, water treatment chemicals, and functional food materials, the Performance Products Business Unit handles various functional materials including ion exchange resins, the cornerstone of our separation and purification technologies.

Alongside the equipment and functional materials that we provide to ensure that water quantity and quality satisfy customer requirements, in recent years we have continued to launch various new, differentiated products and expanded our lineup of new functional materials with the aim of further improving added value and realizing the SDGs.

We are working tirelessly to establish a sustainable business structure that can withstand changes in the external environment. The Performance Products Business Unit will become a stable earnings source for the entire Group, and in collaboration with our customers—who are responsible for the maintenance and development of society—we will provide new products and services that resolve various social issues as a partner company that supports society in terms of both industry and daily life.

Opportunities

- Needs from the expanding and evolving electronics industry
- Expanded investment in domestic infrastructure such as data centers
- New water supply sources: Growing need for functional materials in desalination, reuse, and circulation

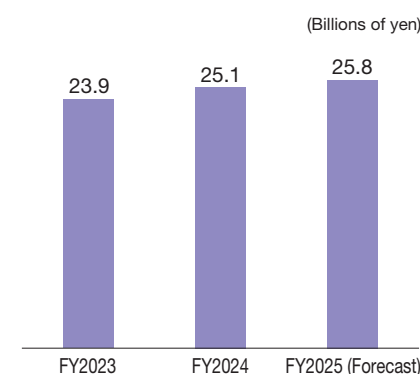
Risks

- Downturn in the domestic and global economies due to trade friction and tariff policies
- Disruptions in the supply chain and logistics due to tariff policies
- Rising raw material and logistics costs and inflationary pressure

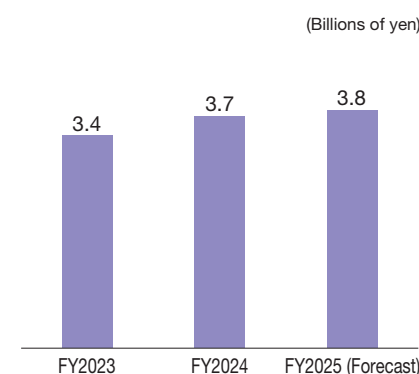
Responding to Risks and Opportunities

Changes in needs in the electronics industry and new investments such as data centers offer significant business opportunities for the Company, whose core business is based on separation and purification technologies. To ensure further growth, we will accelerate the development of new products and market entry. In addition, we will focus on discovering and developing products for new markets, such as to meet needs for functional materials used in water reuse. In terms of risk response, we will diversify our market portfolio and suppliers, visualize information, and improve productivity. In addition, as company-wide initiatives, we will develop value-added products, promote modularization, creation of services, and data utilization, and build a business structure that can flexibly respond to fluctuations in demand. In this way, we aim to continuously expand our business even amid a changing global economic environment.

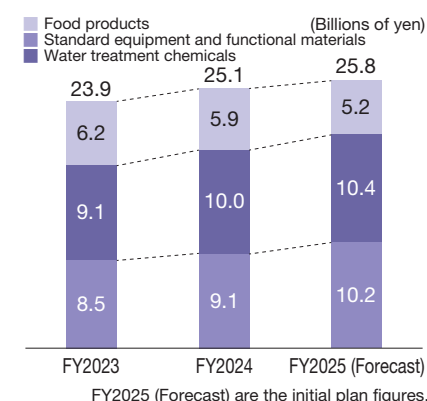
Net Sales



Operating Profit



Net Sales by Segment



Review of Fiscal 2024

In the Water Treatment Chemicals Division, sales overall remained strong, driven by significant growth in membrane treatment agents for the electronics industry through synergies with the Plant Division, increased demand for cooling water treatment agents for building air-conditioning due to extreme heat, and higher sales of industrial wastewater treatment agents through collaboration with other companies.

In the Standard Water Treatment Equipment and Filters Division, due to overlapping periods of sluggish demand, sales for industrial-use compact water treatment systems and filters, including for the cutting-edge electronics industry, as well as for pure water systems for medical institutions and testing facilities, were on par with the previous year. We succeeded in steadily increasing sales of softener filters.

Sales of functional materials progressed steadily overall, supported by sales channel expansion through e-commerce sites, a focus on high-margin products, and recovery in repeat demand from the electronics-related and life science markets. We continue, however, to recognize the need to address supply risks associated with longer delivery lead times as one of our key material issues.

In the Food Products Division, in addition to passing on rising costs of raw materials, an effort that began in the previous fiscal year, profitability improved through product consolidation and integration as well as by acquiring new customers.

Outlook for Fiscal 2025

There is growing uncertainty due to the risk of an economic downturn from U.S. tariff policies and disruptions in supply chains. Even in the electronics industry, which had been strong until last year, the power semiconductor market has declined, creating unfavorable conditions for most customers. Amidst these circumstances, the operating rates at customer facilities for water treatment chemicals, functional materials, and industrial filters are strong, and we expect performance to continue to improve. In standard water treatment equipment, which focuses on laboratory applications, the high-end model launched last year for the cutting-edge electronics industry is expected to see further adoption going forward. With regard to compact pure water equipment for life sciences, we have been enhancing our ability to provide optimal proposals tailored to customer needs since the previous fiscal year, and this is expected to contribute to our performance. We also anticipate sales of various purification and softener filters, which meet diverse customer needs, will remain strong. In addition, further streamlining and cost reduction efforts will contribute to stronger performance at product manufacturing sites for these product groups which were relocated last year. In the Food Products Division, due to efforts to reform our earnings structure since the previous fiscal year, we expect a year-on-year increase in profits.

Business Strategy to Achieve Medium- to Long-Term Management Plan ORGANO 2030

Amid a global economy of increasing uncertainty, the Performance Products Business Unit—which is expected to achieve stable growth—must be developed as a key pillar for realizing the medium- to long-term management plan, in addition to its role in supporting the Plant business. To achieve this, it is essential to have a business strategy that takes overseas markets into consideration, and we will actively work to develop into new fields and regions. First, we will further strengthen our synergies with the Water Treatment Engineering Business Unit not only in Japan but overseas. The key regions for these synergies include the U.S., Taiwan, and China, where we will develop the Plant business. In the domestic market, we are promoting collaboration with our partners and a restructuring to streamline business for Performance Products overall. In this way, we aim to enter new markets and expand our existing businesses. In the life sciences field, a key market for compact equipment in particular, we will improve productivity and quality through automation and other means at a new site launched last year, and we will provide customers with value products. Overseas, we will develop our own proposal activities targeting new regions and customers. In the cutting-edge semiconductor and electronics industries, particularly in the U.S., Taiwan, and China, we will promote proposals of PURIC ω II, a compact ultrapure water system for laboratories that was launched last year, in addition to developing our competitive functional materials. Transactions through our e-commerce site, launched as part of our initiative to strengthen marketing, have steadily grown, and we will continue to aggressively expand this channel going forward. Through these initiatives, we will expand our business toward achieving Medium- to Long-Term Management Plan ORGANO 2030.

Organo e-commerce site
<https://onlinestore.organo.co.jp/>
(Japanese only)

R&D and Engineering



Nobuyoshi Suda

Managing Director and Executive Officer
President of R&D and Engineering

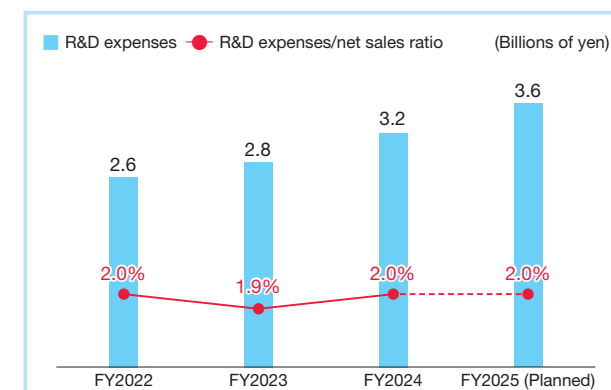
Organo's R&D and Engineering Mission

In recent years, the future has become increasingly unpredictable due to impacts of abnormal weather patterns caused by global warming as well as geopolitical risks. Amidst these circumstances, there is increasing demand for companies to take action toward building a sustainable society. Under these conditions, we set the vision for the R&D Center as creating new value together with our partners by mastering separation, purification, and advanced analysis, and playing a role in connecting people, technology, and information and having each individual refine their own approach, organically interact with each other, and continue to take on challenges for the future with the power of the organization. The Engineering Center is working to build the optimal engineering system across the entire Group in line with its long-term management vision, "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."

Strategy and Investment

To achieve our vision as a development division, we will integrate future social issues and new technologies, and we plan to invest aggressively to continue to create new value. In addition, we will strengthen our ability to create development themes not only from the business divisions but also through the R&D Center staff exploring markets independently. With regard to the engineering structure, we will work to expand our delivery capacity by optimizing delivery operations through collaboration with outside partners and data utilization. To achieve this, we plan to aggressively invest in improving the skills of our engineers, simplifying and automating the delivery process, promoting DX, and reinforcing our production facilities.

Trends in R&D Expenses



Development of Technical Personnel and Engineering Transformation

Human resources are the most important and indispensable foundation for implementing our management philosophy and long-term management vision. To proactively contribute to a better tomorrow by cultivating people today who will improve upon the way things were done yesterday, we constantly review how we have done business in the past and accelerate improvements.

The Engineering Center, which is the backbone of the Plant business, is working to implement Hanchika,* simplify operations, and achieve systemization as targets for FY2030.

	Goal for FY2030	FY2024 results (figures in parentheses indicate progress rate)
Hanchika	70	18 (26%)
Simplification	27	9 (33%)
Systemization	85	37 (44%)

Hanchika refers to the process of using AI technology to visualize and verbalize the knowledge, skills, and thought processes of experienced personnel, enabling them to be passed on to the next generation as explicit knowledge.

* Hanchika is a registered trademark of LIGHTz.

Engineering Center

Experts in Water Treatment Engineering

The Engineering Center is a technical group with expertise in separation and purification technologies in a host of fields. The Center applies the numerous specialized optimization technologies and functional materials of the Organo Group to liquid separation and purification use scenarios, such as water, solvents, and chemicals, contributing to stabilization and yield improvement of our customers' products.

We currently have two engineering locations in Southeast Asia (Thailand and Vietnam), and by incorporating new ideas and pushing forward with our technological innovation through the merging of diverse human resources, we continue to lead the industry by refining our optimization technology, and contribute to the development of industrial fields.



Shin Asano

Managing Executive Officer
General Manager of Engineering Center

Opportunities

- Robust capital investment in the electronics industry
- Need for purification and recovery of chemicals and solvents as customer products become increasingly sophisticated
- Need for reduction of environmental impact, reuse of resources, and recovery of valuable resources

Risks

- Delays in establishing a rapid delivery system to satisfy capital investment demand in new regions including overseas

Strengths of Organo Engineering

The strengths of our engineering lie in our diverse application technologies and distinctive functional materials that support them, as well as our experience and expertise in separation and purification technologies for all types of liquids—including water, solvents, and chemicals. Recently, there has been an increasing need to reduce environmental impact and to reuse resources and recover valuable materials, and we will continue to develop and take on challenges in new fields to meet these needs. We are also Japan's lone manufacturer that develops, designs, and manufactures electrodeionization (EDI) systems, a key next-generation technology. We have further accumulated manufacturing know-how and introduced a new manufacturing line that makes full use of robotic technology, and we will apply this to manufacturing lines for very larger models as well.

Initiatives toward Strengthening the Engineering Structure

This fiscal year, we established a global promotion group with the aim of building a delivery framework for responding to new regional and customer needs, including those from overseas. This enables the Engineering Center to function as a command hub connecting engineers at two sites in Japan and Southeast Asia with those in the Greater China region, establishing a system that can rapidly optimize the value chain.

With regard to data-driven engineering initiatives, we have made further progress in our efforts to visualize the thought processes of veteran engineers, digitize their know-how, and quantify their skills, enabling the logical promotion of the training of young engineers and the transfer of technology. Through this application and accumulation of data, measures to dramatically improve and streamline engineering processes have progressed beyond the annual KPIs. We will continue to take on challenges in new fields and technologies, such as further improving operational efficiency, reducing environmental impact, and reusing resources.

R&D and Engineering



Masahiro Eguchi
Executive Officer
Senior General Manager of R&D Center

R&D Center

Using a dual approach to deepen core technologies and create value for future society

As the central base for technological development, we refine separation and purification technologies and advanced analysis technology—our core technologies—and drive the development of sustainable next-generation water treatment systems. We are also expanding our research capabilities and external co-creation, while promoting innovation that will contribute to the future of society.

Opportunities

- Increased demand for purification due to semiconductor miniaturization
- Expanded water recovery and reuse to address water resource issues
- Expanded sustainability activities

Risks

- Changes in customer requirements that are difficult to satisfy with in-house technology alone
- Contraction in existing business due to market changes
- Increased social demand for reduced environmental impact

Priority Development Measures

We will pursue the following three priority measures to help achieve ORGANO 2030.

1. Promotion of next-generation technological development linked to business strategies

We will further promote the development of purification technology for ultrapure water and organic solvents that can meet sophisticated customer demands in the manufacturing process of cutting-edge semiconductors, which are becoming increasingly miniaturized and layered. Our new research facility that began operation in 2022 will be the base to achieve this by proposing next-generation ultrapure water systems. In addition, we will actively work toward creating a sustainable smart factory by optimizing the entire plant through the development of technologies for optimal operation of water treatment plants, reduction of use of water resources, and resource recycling using digital and AI technologies.

2. Strengthening research function

We are strengthening research activities to predict future social issues and changes in customer values, and to create medium- to long-term R&D themes. Last fiscal year, we established a research base in Taiwan, where there is a concentration of cutting-edge semiconductor-related companies. This fiscal year, we will expand our target areas and accelerate future value creation.

3. Strengthening external co-creation

We are actively promoting exchange with outside parties to deepen and expand our core technologies of separation, purification, and advanced analysis technologies. In addition to universities with which we have been promoting joint research, we will collaborate with cutting-edge research institutions both in Japan and overseas, as well as companies and startups in various fields from the theme creation phase, innovate new combinations, and promote the development of new technologies that transcend conventional boundaries.

Aiming for Future Growth through the New 10% Rule

At the R&D Center, we introduced a new “10% rule” that encourages employees to devote 10% of their working time to independent study, research, and improvement activities. In addition to daily development activities, we encourage employees to make time to pursue their own interests and deepen their expertise. This fosters innovation and efficiency while promoting a culture of taking on new challenges and strengthening our development foundation for the future.



Manufacturing Sites

Iwaki Factory

Water treatment system unit assembly plant

We standardize equipment units that comprise large-scale water treatment plants within transportable range and ship them as assembled products. Assembling these at the plant enables us to provide improved and stable product quality, and it simplifies assembly work on site. This allows us to shorten the on-site construction period and reduce costs. EDI, which has been researched for many years, is also manufactured at the Iwaki Factory.



Tsukuba Factory

World-leading ion exchange resin refinery

Ion exchange resin is one of our key technologies, and the level of quality required varies depending on its use, with semiconductor manufacturing plants and power plants using very high-quality resin. We condition our ion exchange resins in facilities with cutting-edge technology to meet and accommodate a wide range of quality requirements. We also recycle used ion exchange resins.



Hostec Co., Ltd.

Manufacturing plant for small and medium-sized water treatment equipment

This joint venture with OGIHARA MFG CO., LTD., with whom we have been doing business since the Company was founded, manufactures small and medium-sized water treatment equipment. Hostec integrates advanced ultrapure water technology with its compact product design and manufacturing capabilities to realize equipment that can stably supply the single drop of ultrapure water needed by medical and research institutions. This company creates products to meet a variety of needs, not only in the life sciences field but in general industry. Backed by reliable technology and quality, it is committed to manufacturing equipment to support the future of water treatment.



Overseas Business Development



Shojiro Koike

Managing Executive Officer
Deputy President of Corporate Management and Planning

Overview of Overseas Businesses

As the Organo Group continues to expand its operations overseas, it aims for further growth underpinned by the following strengths.

1. Community-based business foundation and broad customer base
2. Ability to deal with major semiconductor manufacturers
3. Diverse network including bases, suppliers, and employees
4. Exceptional design, procurement, manufacturing, and delivery capabilities
5. Comprehensive capabilities to support global business

Opportunities

- Expansion of capital investment by cutting-edge semiconductor customers
- Active global investment in semiconductor-related industries

Risks

- Trade and geopolitical risks
- Area-specific risks

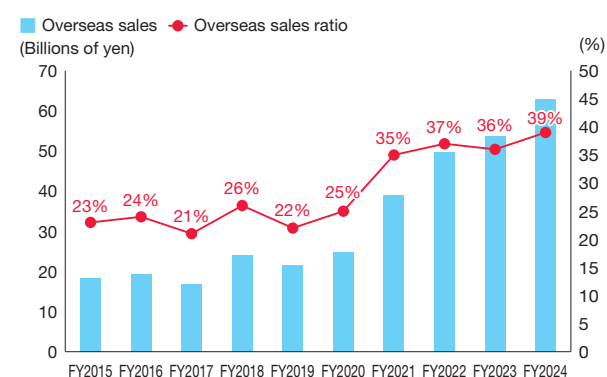
Overseas Development and Sales Ratio

Since the 1980s, Organo has fully implemented an overseas base strategy, starting with our entry into Malaysia and developing our business mainly in Southeast Asia. In the early 2000s, we entered Greater China, where we expanded our business in the electronics industry and also grew our supply chain. Furthermore, in 2021, we established a base in the U.S. as a new development region, and we are aiming for broad and significant growth there.

Our overseas expansion is characterized by our ability to achieve growth and continued development in each area where we operate while flexibly adapting to economic and market changes. Our expanding business network and sophisticated in-house technologies in particular are powerful weapons to support future growth.

With the expansion and growth of overseas business, both overseas sales and the sales ratio continue to increase. As we entered this decade, overseas sales grew significantly due to increased investment by customers in the electronics industry in Taiwan and China. Subsequently, as semiconductor-related investment targets have become more diversified, the Group's overseas sales ratio has trended upward, having capitalized on that demand. Going forward, under Medium- to Long-Term Management Plan ORGANO 2030, we will continue to strengthen resource collaboration among our domestic and overseas bases. In new development regions, we will actively pursue overseas business expansion by seeking out and collaborating with partner companies.

Trends in Overseas Sales



Overseas Customer Network and Supply Chain

The contributions of the Plant and Service Solutions businesses developed in various regions over the years have not only driven sales and profits but also fostered a diverse network and values based on talent and trust, generating new potential. Our involvement with customers, suppliers, local affiliates, and other concerned parties has become increasingly global and multifaceted over time, and these organic connections play an important role as part of our social capital.



Expanding Our Geopolitical Portfolio

The major growth opportunities for the future lie in overseas markets, and we will research markets with a view to developing business with strategic partners and proceeding with project implementation. In the U.S., we will focus on supporting investment projects of key customers, thereby promoting the establishment of a business foundation including the local supply chain. We will develop business centering on products where we have a competitive advantage, not only for the Water Treatment Engineering Business Unit but for the Performance Products Business Unit. In addition, as we expand business into new regions, we are focusing on India and South Korea, where growth is expected in the electronics industry. It is essential, however, to cultivate and build relationships with local partners in order to develop strategies tailored to the circumstances of each region. We respect differences in culture and business practices and strive to build mutually beneficial relationships.

Responding to Demand for Purification in the Electronics Industry Overseas

The development of cutting-edge semiconductors has been remarkable. They are constantly evolving, becoming increasingly advanced and sophisticated. This would not be possible without advanced manufacturing processes. In addition to cutting-edge semiconductor manufacturing equipment, ultrapure water and high purity chemicals and materials play important roles in manufacturing processes. As semiconductor technology advances, the standards for purity of these substances also become more stringent. Organo delivers strictly quality-controlled ultrapure water production equipment that is essential for advanced semiconductor plants. We also supply manufacturers of high-purity chemicals and materials with separation and purification materials essential for achieving high purity in the manufacturing processes. We take on challenges by leveraging our advanced engineering capabilities and highly advanced analysis technology to satisfy individual customer demands.

New Customer Value Creation Initiatives



Satoshi Kasahara

Executive Officer
General Manager of Data & Solution Promotion Dept.

Expanding and Developing New Service Solutions Using Data and Digital Technology

We will create service solutions that generate higher customer value by utilizing data and digital technology to gain insight into customer issues and our strengths.

Targets for utilization of data and digital technology

- Ability to gain insight into customer issues and enhancing of systems
- Enhancement and diversification of company strengths
- Enhancement and diversification of service solution models

Fostering the ability of employees to utilize digital applications to contribute to the above is also an important issue.

Opportunities

- Shift in customer needs to social conformity
- Emergence of new customer needs associated with increased uncertainty in the future business environment
- Potential to provide online services for the significant number of customer contacts cultivated offline

Risks

- Lack of digital promotion personnel and training delays
- Pervasion of disconnected department strategies due to digitalization
- Hindered commercialization of new service solution models due to lack of resources

Promoting Digital Measures and Improving Literacy

The Company is improving operations and creating new business opportunities through the use of digital technology. To accelerate these efforts, each employee must understand the power of digital technology and acquire the skills to utilize it in a variety of situations. The rank-specific DX human resource development program launched in the second half of FY2024 is currently at the stage of providing all employees with DX literacy. To date, literacy training programs for nearly all employees have been completed. Looking forward, we aim to continue and expand the virtuous cycle to further improve digital literacy through specific digital measures.

Creating Customer Value by Utilizing Digital Technology



Understanding Our Customers and Identifying Issues

In today's business environment of high uncertainty, the ability to gain insight into the future of customer issues is vital. As part of our consultant-driven service solution creation activities since 2020, we have implemented a service solution creation method that utilizes scenario planning to gain insight into customer issues. Currently, we are developing solutions to future customer issues in various scenarios thanks to the work of marketers in each business unit who utilize this scenario planning approach. We are in the fifth phase of our creation activities and are promoting the cultivation of employees who can utilize scenario planning.

Enhancing Service Solution Models

Stable operation of the manufacturing process is at the core of customer issues. To respond, we provide service solutions including water treatment facility functional maintenance and functional restoration of aging facilities. In response to recent societal issues such as SX promotion, we offer ion exchange resin recycling, switching from time-based to condition-based maintenance, and streamlining facility operations to reduce expendable items. Enhancing these services requires the visualization of facility operation status and highly accurate predictions of equipment and component condition.

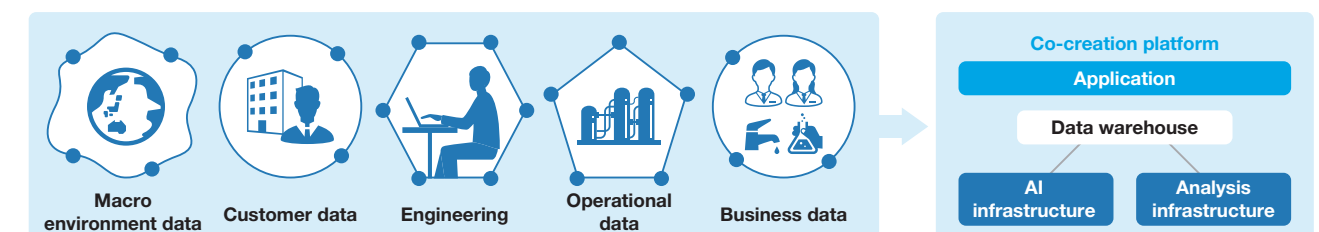
We have already begun offering services including the use of AI to optimize chemical injection volumes and operational management of reverse osmosis (RO) membrane equipment, and following the completion of the data utilization infrastructure outlined below, we have been enhancing the sophistication of various service solutions. Going forward, we will expedite the development of this platform and further enhance our service solutions in response to a vast range of sustainability transformation (SX) issues.

Promoting Open Innovation

We have started trials of outbound open innovation with external companies. The concept of this initiative is to not be constrained by existing business models and ensure that our functions and busy periods do not create bottlenecks, and it is based on the premise of external companies performing detailed development, technical studies, and business operations. Last fiscal year, we began refining our business model, and to encourage the participation of stakeholders across the value chain, we have been conducting demonstrations using prototype equipment at various locations.

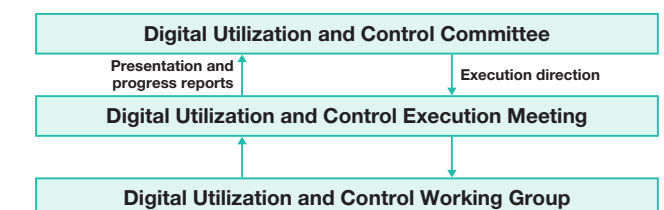
Building a Data Utilization and Digital Technology Environment

To maximize the effectiveness of data utilization and digital technology, we are building a company-wide co-creation platform. This co-creation platform comprises a data warehouse that allows centralized management of data across various departments and an AI and analysis infrastructure. As of August 2025, we completed the basic functions of the co-creation platform, and are making progress on using the data in business operations through applications such as BI tools as well as condition prediction through linkage with operational management data. In addition, we have completed construction of a new generative AI infrastructure, and it is currently being used by over 500 employees.



To address digital measures in each department where there are concerns about them becoming siloed and identifying digital technologies that should be implemented company-wide, we are continuing activities in which the Digital Utilization and Control Working Group, created in FY2023, organizes issues and measures and implements them after deliberation at high-level meetings and committees. Topics for study range from data utilization to human resource development, and they contribute significantly to the promotion of the Company's digital utilization.

Structure



Human Resource Strategy



Yoshiko Shimada
General Manager of
Human Resources Department

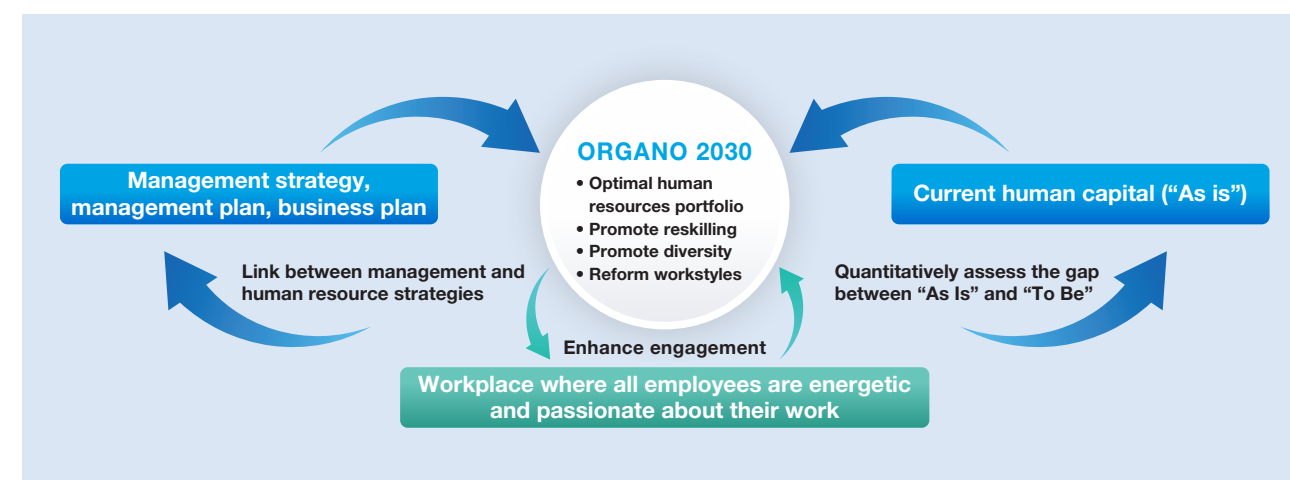
Basic Concept of Human Resource Strategy

Our human resource strategy focuses on maximizing the potential of our talent—the source of corporate value—to realize our Medium- to Long-Term Management Plan ORGANO 2030 and ensure sustainable growth into the future. By strengthening talent management to quantitatively assess each employee's skills and leverage them as management resources, we are fostering a culture that encourages taking on challenges and building a system that creates a virtuous cycle of high performance and engagement. As priority issues, we are undertaking workstyle reforms, visualizing skills while fostering tangible growth, and promoting diversity. Our ultimate aim is a system of strategic human resource utilization where employee growth is directly linked to corporate growth.

Overall Vision of Human Resource Strategy

The Organo Group's human resource strategy embodies its management philosophy of contributing to society through water, and it forms the foundation for achieving Medium- to Long-Term Management Plan ORGANO 2030. The Group is promoting strategic human resource development and placement from both a forecast perspective of predicting future business environments and necessary skills, and a backcasting-based perspective of identifying challenges by working backward from the state it envisions. In addition, the Group's competitiveness lies in its personnel, who have the skills, knowledge, and experience accumulated in various industrial fields with a focus on water treatment, as well as the Group's organizational capabilities, which makes the most of these skills. To that end, identifying both the quality and quantity of human capital is essential for the Group's sustainable growth. We are therefore developing a skill map as a framework to define the skill sets required for business growth and to link individual employee development with business performance. Our employees understand that their growth is directly linked with creating corporate value, and by taking on challenges to enhance their skills, they are strengthening the competitiveness of the entire organization. As the Group globalizes its operations, it is essential to understand diverse values. We place importance on fostering the ability of our employees to create and deliver value while respecting different cultures and perspectives. By providing flexible workstyles and establishing a support system based on individual growth targets, we are enhancing employee engagement and building an environment to align individual and corporate growth.

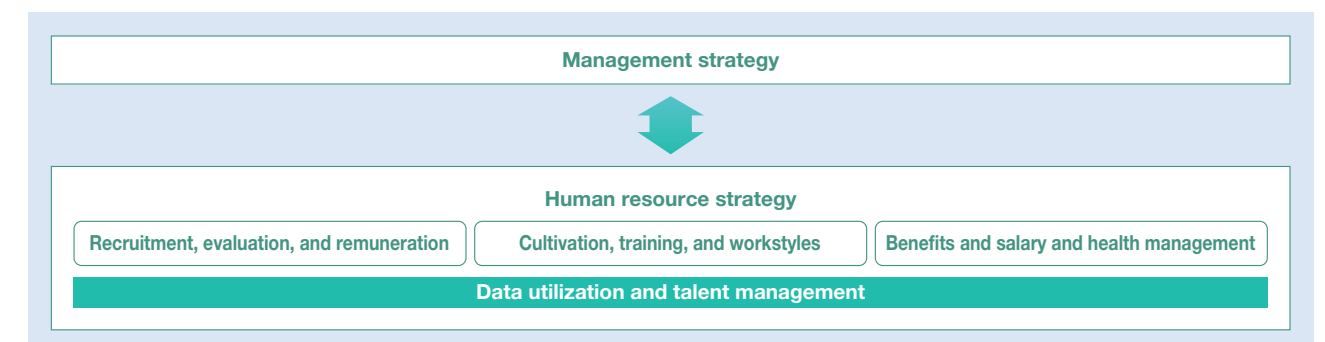
Overall Vision for Achieving ORGANO 2030



Structure for Promoting Strategies

To achieve the goals of ORGANO 2030, we need a flexible and strategic talent acquisition and development program that is not bound by conventional frameworks. In recent years, with the intensifying competition for superior talent, the Group has strengthened hiring of personnel with specialized skills who can contribute immediately, in addition to hiring new graduates. In particular, we are focusing on hiring personnel with advanced expertise in water treatment technologies and the digital domain, while diversifying our recruitment channels. Referral and alumni hiring, which leverage trust both inside and outside the Company, are gaining attention as effective recruitment methods, and we have formalized these practices to further strengthen our organizational capabilities. In terms of developing talent once hired, we are working to enhance the effectiveness of talent management by utilizing the expertise of external consultants to objectively assess skills and optimize development policies. These initiatives not only serve to secure talent but also contribute to transforming the corporate culture and improving organizational flexibility, functioning as a foundation for supporting strategic talent utilization.

Link Between Management and Human Resource Strategies



Desired Talent and Talent to Develop

The source of our Group's growth is our water treatment technologies that contribute to addressing social challenges and the human resources that support this. Based on our corporate philosophy, we look for talent who not only have technical skills but also a strong sense of ethics and the ability to collaborate. Within our Group, which emphasizes working as an organization, observing social norms, embracing diversity, and developing mutual understanding are fundamental requirements for our personnel. In the workplace, employees will be required to think and make decisions independently even if still inexperienced. Therefore, it is important to constantly learn and strive for self-improvement. The people who thrive in the Company are characterized by their ability to understand the essence of issues from diverse perspectives, approach challenges flexibly and logically, and act with an awareness of optimizing the organization as a whole.

Initiatives to Achieve Our Goals

To foster a culture of taking on challenges, we introduced a business improvement award system in FY2023. Visualizing the results increases motivation to take on new challenges. To support skill development, we have expanded our qualification acquisition support system, established a career consultation desk, and introduced elective training, thereby creating an environment that encourages learning and taking on new challenges. Furthermore, by strengthening trust between supervisors and subordinates through one-on-one meetings and diversifying experiences through personnel rotation, we are promoting on the acceptance of challenges and transformations based on knowledge and experience. These initiatives are realizing both employee growth and organizational revitalization.

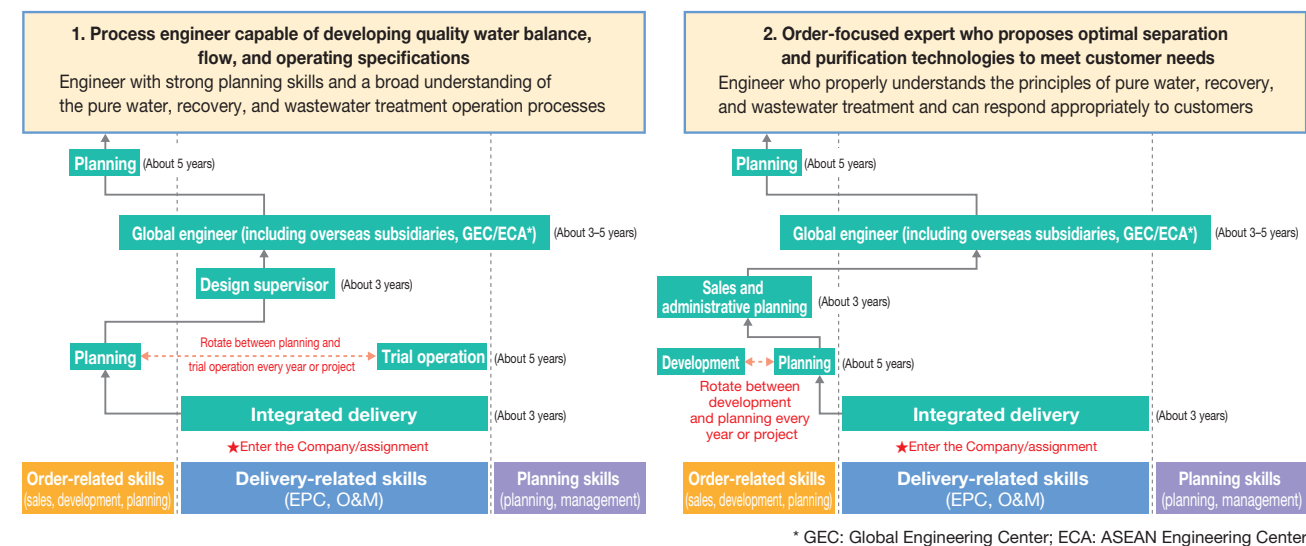


Human Resource Strategy

Career Paths for the Human Resources Who Will Support Our Company Tomorrow

As part of our efforts to promote the development of human resources who will support the future of the Company, the Engineering Center provides various career paths so that employees can proactively map out their own careers. We clearly define job types that combine expertise and diversity—such as process engineers, project managers, experts in control, design specialists, and data engineers—and aim to share with our employees the vision of the ideal engineer. Career development starts by gaining an understanding of the entire project by experiencing end-to-end delivery, and we place emphasis on broadening employee horizons through global work experience and acquiring new skills while leveraging one's own strengths. In addition, through target and evaluation interviews, we align individual growth aspirations with the needs of the organization and implement effective rotation plans. The R&D Center transfers employees to different departments within the center once every three years so as to gain diverse knowledge and experience on water treatment technology, thereby creating an environment that fosters new ideas leading to technological innovation. This not only supports employee career development but serves as a key initiative directly linked to strengthening the Company's technical capabilities.

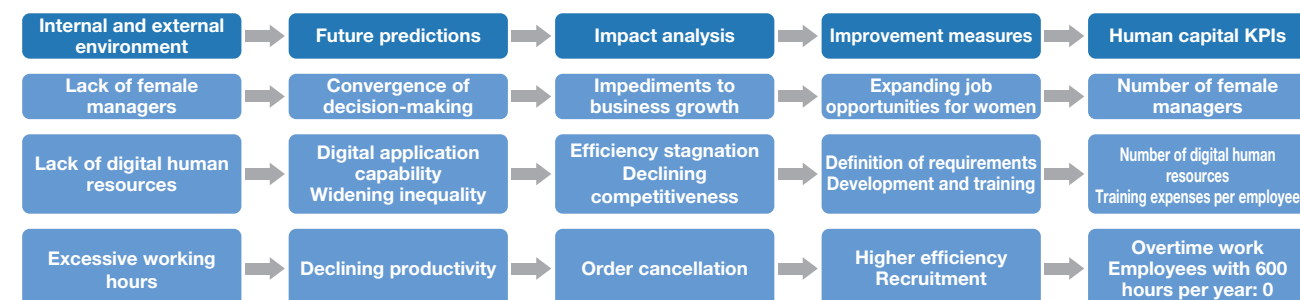
Engineer Career Case Studies



Human Resource Strategy KPIs

We aim to create a workplace where diverse human resources can play an active and rewarding role, and to that end, we are working on the following material issues.

- To ensure diversity in terms of standpoint and approach in decision-making processes, we aim to increase the number of female managers to 50.
- We believe that employees find it rewarding when they are able to improve and demonstrate their diverse range of capabilities, and we will work to cultivate human resources and enhance our systems by setting training expenses per employee of ¥100,000.
- We aim to create a rewarding work environment where employees are mentally and physically healthy, and where no employees work more than the annual legal limit for overtime hours.



Diversity Initiatives

Basic Concept

The Organo Group prescribes “Ensuring a comfortable workplace where all employees can realize their full potential” in the Organo Group Company Code of Conduct and declares that it shall respect the human rights, diversity, and individual personalities of all employees and will not discriminate based on nationality, gender, creed, physical condition, or social status.

Moreover, to ensure employee diversity based on the concept that only through a mixing of diverse ideas can we realize innovations to improve the Company's corporate value, we are working on various measures including promoting the participation of women, employing people with disabilities, utilizing global human resources, employing senior citizens, providing childcare support, and promoting workstyle reform.

Initiatives

Promoting the participation of women	<ul style="list-style-type: none"> We are establishing maternity and childcare-related systems that exceed legal requirements so as to enable female employees of child-rearing age to balance childcare and careers, and we are promoting the creation of a system that supports flexible workstyles. We established a Group material issue to increase the number of women in managerial positions to 50 by 2030. (As of March 2025, there were 26.) In January 2017, the Minister of Health, Labour and Welfare awarded the Company the Eruboshi certification, which is given to companies that promote an environment where women can demonstrate their abilities and have an active role in the workplace. 	
Employment of people with disabilities	Organo is working to expand its employment of people with disabilities who, as of March 2025, accounted for 2.64% of the Company's workforce.	
Utilizing global human resources	As Organo expands its operations overseas, it is promoting the employment and training of global human resources to take advantage of diverse values and experiences in different cultures.	
Development of the internal environment to ensure diversity	Given that Organo's workforce consists of a diverse range of employees possessing a variety of personalities and backgrounds, the Company is developing an environment where all employees are able to fulfill their potential and realize growth. Female employees have been assigned to the departments in charge of construction management, which previously was staffed mainly by male employees, and consideration is given to diverse backgrounds, such as by augmenting Japanese-language education for foreign national employees, providing a cafeteria, and establishing a prayer room.	
Employing senior citizens	The Company has introduced a reemployment program whereby it is possible to rehire employees up to the age of 70 so they can continue to work by leveraging the skills and expertise they cultivated even after reaching the mandatory retirement age of 60.	

Work-Life Balance

The Company has established various systems to support flexible workstyles and enhance the work-life balance of its employees. We promote activities to eliminate long working hours and are working to create a system to support the health of the employees.

Reducing the number of employees exceeding the legal overtime limit is one of the Group's material issues. To address the issue of long working hours, for instance, we are reviewing the work execution system through organizational reform and utilizing DX to improve work efficiency. As a result, the number of employees who worked more than 600 hours of overtime in FY2023—thereby exceeding the legal limit—dramatically decreased.

Moreover, we established a childbirth and childcare leave system that exceeds legal requirements. For example, employees are guaranteed full salary during maternity leave and leave for hospital visits during pregnancy as well as their terms of prenatal and postnatal leave (six weeks before and eight weeks after childbirth). The rate of childcare leave taken in FY2024 remained at 100% for female employees, and that for male employees dramatically increased from 2.3% in FY2018 to 75.8% in FY2024. We also take into consideration employees' life events, such as by introducing a reduced working hour system for childcare that covers children up through the third grade of elementary school, and by establishing a system that enables employees to change career paths and work in limited geographical areas. Some of Organo's female employees have even taken on managerial positions after returning from childcare leave, evidence of the fact that the Company offers a stable environment conducive to women building careers.

In addition, Organo has introduced flextime options without core time, half-day paid leave systems, and telework systems to enable flexible and efficient work styles, and is promoting the streamlining of operations utilizing ICT. As part of the measures to improve the rate of use of paid leave, Organo has established paid leave incentive days and encourages employees to take extended vacations by combining paid leave with summer vacation and special paid leave offered after 15 and 25 years of service.

Human Resource Strategy

Recruitment

As it is becoming increasingly difficult year by year to secure specialized human resources in the water treatment field, we are working to strengthen the recruitment of personnel who will support sustainable growth. Water treatment engineers in particular require a high level of expertise and experience. There is, however, a labor shortage throughout the industry, making it essential to respond to the competition for attracting top talent. Against this backdrop, we are focusing on securing and developing human resources that combine both expertise and diversity by reviewing our evaluation system, supporting career development, introducing flexible workstyles, and enhancing our employee benefits programs. We are also implementing recruitment activities that emphasize alignment with our management philosophy and long-term management vision.

Promotion of Human Resource Development

Basic Concept

Under our long-term management vision, we are undertaking various measures to develop human resources who can help us expand our business through high value-added separation and purification 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 are also cultivating people who proactively contribute to a better tomorrow and who will improve upon the way things were done yesterday. In addition to offering conventional assigned rank-specific training, we are transitioning to a system of elective training, in which each employee performs a self-assessment to find the areas in which they may be lacking and selects from a menu of training courses that they can take to improve themselves. The Group has established a target of increasing annual per-employee training expenses to ¥100,000 (about double the current amount) by 2030 as a material issue. While we still have room for improvement with actual per-employee expenses at ¥82,753 in FY2024, we provide employees with a wide range of learning opportunities. Moreover, human resource rotation and global personnel exchange are effective ways to promote career development and reskilling. Additionally, attempts to strengthen psychological safety, such as through the introduction of one-on-one meetings, are essential in human resource development. We believe that these initiatives will lead to an increase in digitally-capable talent and autonomous employees, and these personnel will transform the way we work.

Programs and initiatives

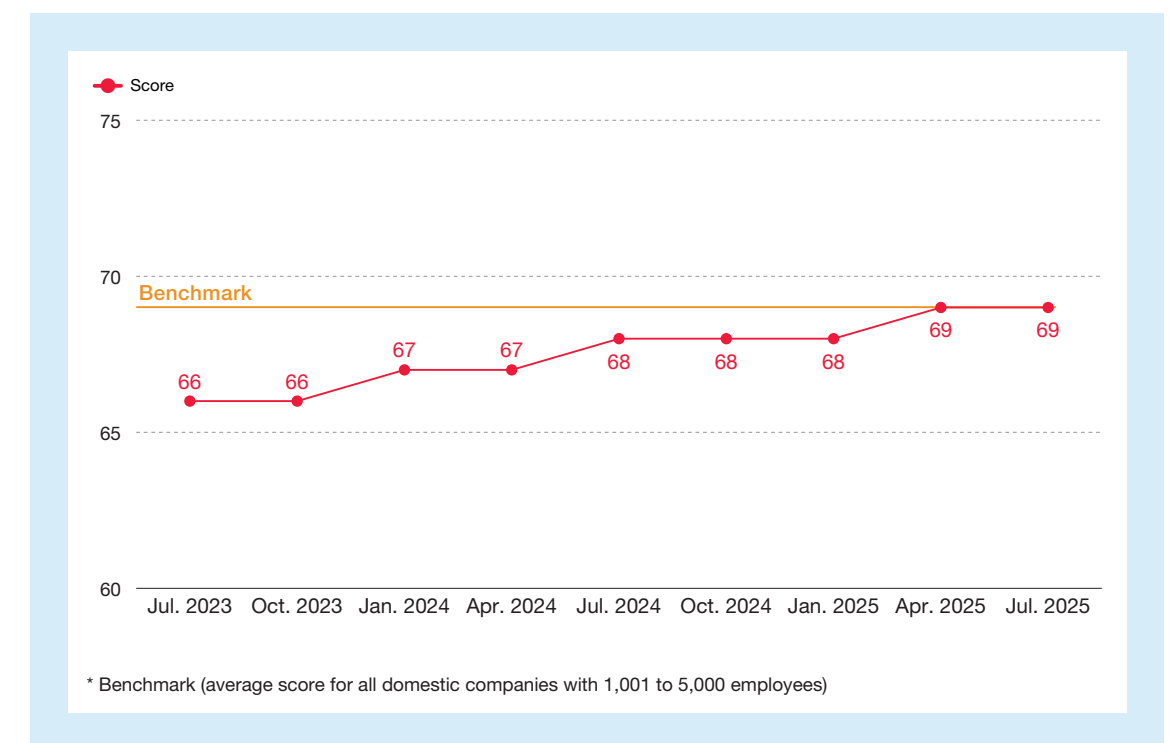
Rank-specific training	New employee training	During the first half of roughly six months of training, employees acquire general knowledge as working professionals and regarding Organo's technologies, and then in the second half they put into practice the skills and knowledge gained.
	DX training	To promote DX, employees are trained to utilize digital technology for business.
	Engineering Seminar Basic Course (ESB)	The ESB course involves technology field-specific training concerning Organo's basic technologies. Participants are able to equip themselves for future career opportunities by gaining extensive knowledge on technologies that are not directly related to their work.
	Career training	Participants cultivate the ability to independently grow by learning to take a proactive approach to career development.
	Management training	In 2021, we divided management courses into "department head positions," "expert positions," and "supervisory positions" to clarify the role of managers. Participants gain role-based management skills.
Elective training		Employees assess and identify the areas in which they work and select from a menu of training courses that they can take to improve themselves.
Self-development	Qualification acquisition support system	To support employees who learn autonomously, the Company subsidizes a portion of the cost employees incur when acquiring one of approximately 300 different formal qualifications. This encompasses target qualifications across a wide range of subject areas such as linguistics and IT, with technical certifications that include professional engineer, assistant professional engineer, and pollution control manager.
	Organo University (correspondence course subsidy system)	Organo University provides the opportunity to study by featuring 181 correspondence courses across 10 fields of study including technology and sales courses necessary for business, as well as management skills required at different levels of the corporate hierarchy.

Initiatives to Enhance Engagement

Our Group places importance on creating an environment in which each employee can understand the direction of the organization and act autonomously to help realize our management philosophy and long-term management vision. At the heart of this is improving employee engagement. Engagement is not simply a measure of satisfaction, but an indicator of employees' psychological connection to the Company and their willingness to contribute. It is also an important element that significantly impacts work efficiency, performance, and employee retention.

We continually conduct engagement surveys within the Group once every three months—led mainly by management—with the aim of increasing the sense of unity in the organization. These surveys serve as an important tool in quantitatively identifying employees' voices while visualizing issues within the organization. The survey score has improved steadily, rising from 66 in July 2023 to the present score of 69. This shows that initiatives to improve engagement are taking hold across the organization. The survey results show high ratings in areas such as support and interpersonal relationships, indicating that collaborative structures and trust within the workplace are recognized as strengths. Meanwhile, there are still issues in terms of providing career opportunities and creating a culture of taking on challenges, and we are strengthening human resource measures to achieve improvement. Specifically, we are striving to create opportunities for employees to experience self-growth, such as by introducing a performance improvement award system, strengthening job rotation, and implementing one-on-one meetings with management. In addition, to create a culture that encourages taking on challenges, we have launched a business creation talent development program, and are creating an environment where employees can proactively submit new ideas and contribute to improving operations and creating new businesses. Furthermore, initiatives to improve engagement are being driven by each department proactively, and they are working to confront challenges within their teams. We recognize engagement as a key indicator of human capital and will continue to build an organization based on employee feedback, with the aim of enhancing corporate value by realizing a rewarding workplace environment.

Change in Engagement Survey Scores



Governance

Basic Views on Corporate Governance

The Company has been engaging in efforts to enhance corporate governance that conforms to the following basic approach in order to realize fair and trustworthy management and improve management efficiency.

- (1) The Company will respect the rights of shareholders and ensure equality.
- (2) The Company will take into account the benefits for a wide range of stakeholders including shareholders/investors, consumers/customers, business partners, employees, and local communities, and cooperate with these stakeholders appropriately.
- (3) The Company will disclose information in a timely and proper way, and ensure transparency.
- (4) The Directors, Audit and Supervisory Board Members, and Executive Officers will recognize their fiduciary responsibilities, and will effectively fulfill their expected roles and duties.
- (5) The Company will hold constructive dialogue with shareholders.

Organo Corporate Governance Guidelines

<https://www.organo.co.jp/english/company/governance/guidance/>

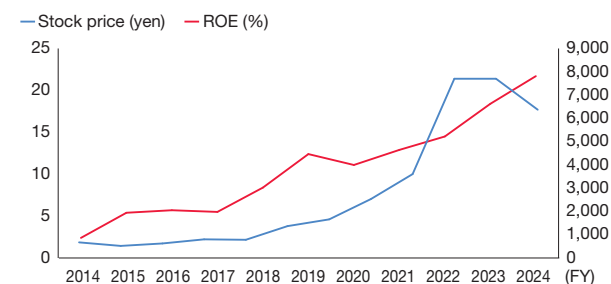


Transition toward Stronger Corporate Governance

We, the Organo Group, believe that it is our major mission to contribute to the harmony of industry, the environment, and people's lives by leveraging the technologies and services we have cultivated in water treatment to provide advanced water treatment essential for industry, to preserve the natural environment that is the foundation of society, and to create water necessary to ensure enriched lives. In addition, we are working to achieve long-term sustainable growth and enhanced corporate value based on our management philosophy and long-term management vision.

In this context, we recognize that corporate governance plays an essential role as a foundation, and we have worked to strengthen and review corporate governance with the aim of ensuring transparent, fair, prompt, and decisive decision-making and enhancing our monitoring functions. Going forward, we will continue to pursue the optimal corporate governance as a foundation for supporting the enhancement of corporate value of the Group.

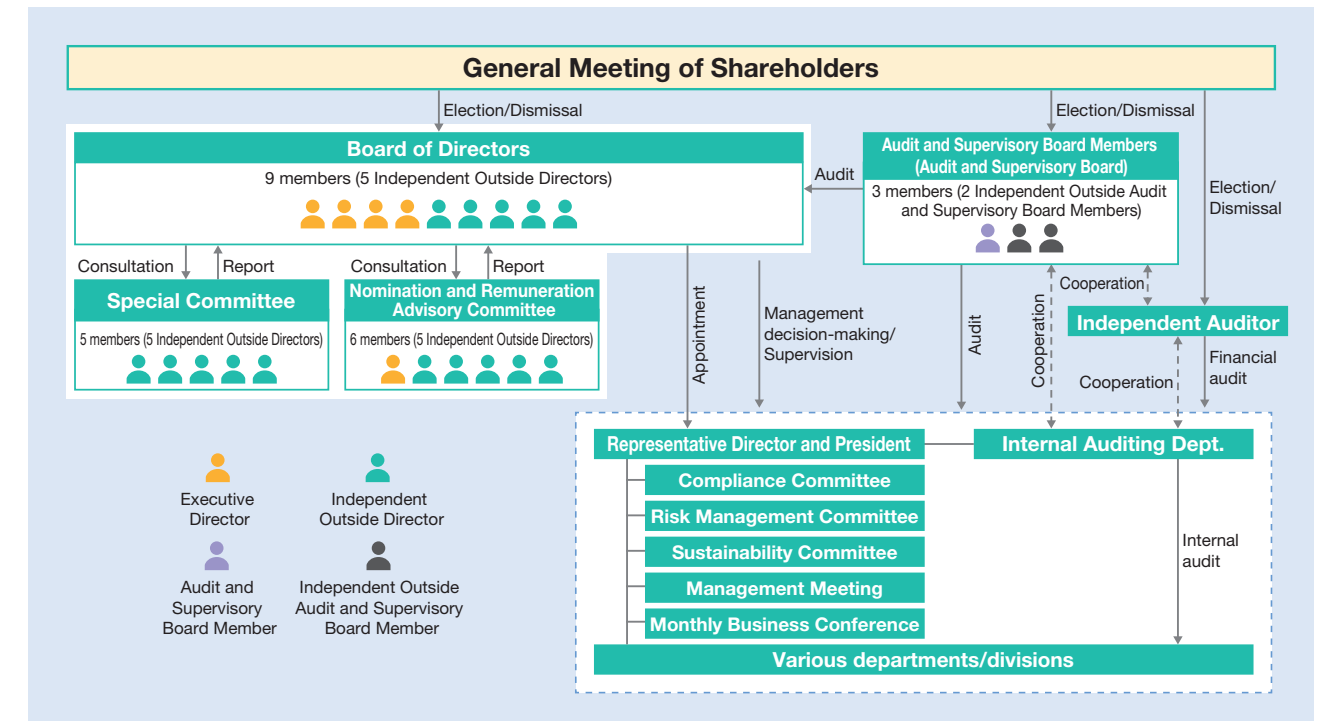
Trends in Stock Price and ROE



- Composition of officers
 - Remuneration for directors and other officers
 - Corporate governance structure
 - Other
- 2014 ● Elected one Outside Director
 - 2015 ● Elected two Outside Directors
 - Formulated Corporate Governance Guidelines
 - 2016 ● Established Remuneration Advisory Committee
 - Defined "Qualities and Abilities Required of Directors and Officers"
 - Significantly increased performance-linked remuneration ratio
 - Reduced term of office of Directors from two years to one year
 - 2018 ● Introduced medium- and long-term performance-linked remuneration (stock-based) system
 - Established criteria for considering dismissal of Directors
 - 2019 ● Elected three Outside Directors
 - Established Nomination and Remuneration Advisory Committee
 - Established the council between the Company's Nomination and Remuneration Advisory Committee and the parent company's Selection/Compensation Committee
 - 2020 ● Ratio of Outside Directors exceeded one-third
 - 2021 ● Defined Policy for determining remuneration to Directors
 - Established skills required for members of the Board of Directors
 - Established Sustainability Committee
 - 2022 ● Established Special Committee
 - 2023 ● Elected one female Director
 - Ratio of Outside Directors exceeded one-half
 - 2024 ● Elected two female Directors
 - Established Risk Management Committee
 - Formulated officer training plan
 - Formulated Corporate Governance Guidelines (Form of corporate organ, roles of the Board of Directors, roles of Directors)
 - 2025 ● Set "Matters for deliberation" as agenda items for the Board of Directors
 - Established the definition of each skill and reasons for selection

Corporate Governance Structure

Corporate Governance Structure



Nomination and Remuneration Advisory Committee

The Company established the Nomination and Remuneration Advisory Committee as a non-statutory advisory body to the Board of Directors. The committee reviews matters relating to the selection of officers including the election and dismissal of Directors and Executive Officers as well as remuneration for executives, and reports the results to the Board of Directors.

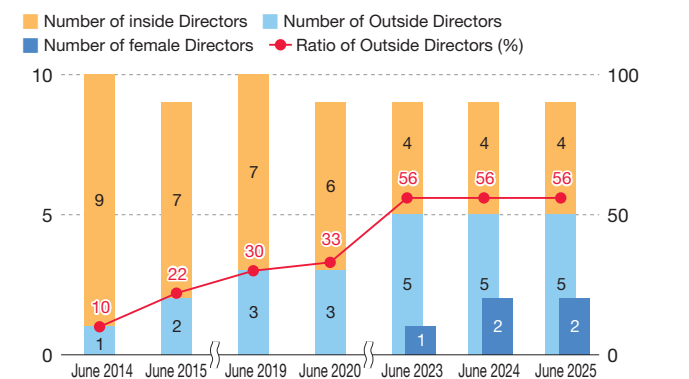
Special Committee

A special committee was established as a non-statutory advisory body to the Board of Directors, and when an important transaction is conducted between the Company and Tosoh Corporation, the controlling shareholder of the Company, or one of its subsidiaries, the Committee will deliberate on such transaction from the standpoint of protecting the interests of minority shareholders and report the resulting recommendation to the Board of Directors.

Size and Composition of the Board of Directors

The Board of Directors maintains an appropriate size and composition to ensure fairness and transparency of management by exercising its supervisory function over all aspects of management. In addition, we believe that ensuring diversity in the Board of Directors is useful for its deliberations to be multifaceted and effective, and we have identified the knowledge, experience, and skills needed to achieve sustainable growth and maximize long-term corporate value, and appointed a well-balanced group of Directors who possess these qualifications, creating a system that is complemented by the entire Board of Directors.

Trends in the Size and Composition of the Board of Directors



Governance

Officers (as of June 27, 2025)

Scan here for the profiles of the Directors and Audit and Supervisory Board Members.

Sustainability webpage

<https://www.organo.co.jp/sustainability/governance/officer/>
(in Japanese)



Directors

**Masayuki Yamada**

President
Representative Director
President and Executive
Officer

Tenure as Director: 6 years

**Yasutoshi Nakayama**

Managing Director and
Executive Officer
President of Industrial
Plant Business

Tenure as Director: 7 years

**Nobuyoshi Suda**

Managing Director and
Executive Officer
President of R&D and
Engineering

Tenure as Director: 6 years

**Tetsushi Honda**

Managing Director and
Executive Officer
President of Corporate
Management and
Planning

Tenure as Director: 4 years

**Morifumi Wada**

Outside Director

Tenure as Director: 2 years

**Daisaku Abe**

Outside Director

Tenure as Director: 2 years

Significant concurrent positions outside the Company:

Outside Director, NIPPON STEEL KOWA
REAL ESTATE CO., LTD.; Outside Director,
Nissui Corporation

**Nobuko Hanano**

Outside Director

Tenure as Director: 2 years

Significant concurrent positions outside the Company:

Lawyer; Partner, KOHWA SOHGOH LAW
OFFICES; Outside Audit and Supervisory
Board Member, Kanro Inc.

**Naomi Kodama**

Outside Director

Tenure as Director: 1 year

Significant concurrent positions outside the Company:

Professor, Faculty of Economics,
Meiji Gakuin University

**Masaya Chisaki**

Outside Director

Appointed June 27, 2025

Audit and Supervisory Board Members

**Yoshihiro Tajitsu**

Audit and
Supervisory Board
Member (Full-time)

Tenure as Audit and

Supervisory Board Member: 2 years

**Wataru Higuchi**

Outside Audit and
Supervisory Board
Member

Tenure as Audit and

Supervisory Board Member: 6 years

Significant concurrent positions outside the Company:
Lawyer; Certified Public Accountant; Representative
Partner of Ootemon Law and Accounting; Executive Officer
of Advance Residence Investment Corporation; Outside
Director (Serving as Audit and Supervisory Committee
Member) of Marubeni Construction Material Lease Co., Ltd.

**Hirohito Kodama**

Outside Audit and
Supervisory Board
Member

Tenure as Audit and

Supervisory Board Member: 2 years

Significant concurrent positions outside the Company:
Outside Director of Dynapac Co., Ltd.
(Audit and Supervisory Committee Member)

Directors' Skill Matrix

In order to achieve sustainable growth and maximize corporate value over the medium to long term, the Company's policy to nominate candidates for Directors is to identify skills such as knowledge, experience, and abilities that should be possessed by Directors and ensure that the entire Board of Directors has a well-balanced composition. Based on this policy, the Company has identified the following items as skills necessary to realize its medium- to long-term management plan. We believe that the skills of each Director are appropriately balanced.

Name	Corporate Management/ Management Strategy	Finance/ Accounting	Legal Affairs and Risk Management	Global	Sales and Marketing	Technology	Human Resource Strategy	Sustainability
Masayuki Yamada	◎	◎	◎	◎		◎	◎	◎
Yasutoshi Nakayama	◎			◎	◎			◎
Nobuyoshi Suda	◎			◎		◎		◎
Tetsushi Honda	◎	◎		◎	◎		◎	◎
Morifumi Wada (Outside)	◎	◎	◎				◎	◎
Daisaku Abe (Outside)	◎	◎	◎			◎		◎
Nobuko Hanano (Outside)		◎	◎					◎
Naomi Kodama (Outside)			◎			◎	◎	◎
Masaya Chisaki (Outside)	◎		◎				◎	◎

Note: This matrix does not represent all of the knowledge and experience possessed by each director candidate.

Definition of Each Skill and Reasons for Selection

Skills	Definitions and Reasons for Selection
Corporate Management/Management Strategy	Skills required for executing high-level management judgment and supervising business execution when it is difficult to predict the long-term business environment. These skills provide the foundation for the Organo Group to achieve sustainable growth toward the realization of ORGANO 2030 and maximize long-term corporate value.
Finance/Accounting	Skills required for establishing a sound, robust financial base and for promoting and overseeing financial strategies, such as achievement of both growth investment and shareholder returns. These skills provide the foundation for the Organo Group to achieve sustainable growth toward the realization of ORGANO 2030 and maximize long-term corporate value.
Legal Affairs and Risk Management	Skills indispensable for supporting the foundation of fair, sound business activities by ensuring appropriate company-wide risk management and compliance. These skills provide the foundation for the Organo Group to achieve sustainable growth toward the realization of ORGANO 2030 and maximize long-term corporate value.
Global	Experience in business management in international regions that include the areas where the Organo Group operates and an understanding of diverse lifestyles and values, and skills required for promoting and overseeing a precise global strategy. These skills are necessary for accelerating growth in the areas of global business development defined by ORGANO 2030 and to achieve continuous business growth.
Sales and Marketing	Skills required for promoting and overseeing the Organo Group's initiatives for business growth strategies in priority businesses and fields, the strengthening of the supply chain and the reinforcement of domestic and overseas regional bases. These skills are necessary for addressing business growth strategies in priority businesses and fields and strengthening the supply chain and reinforcing domestic and overseas regional bases defined by ORGANO 2030.
Technology	Knowledge and experience in technology, a key competitive principle of the Organo Group, and skills required for promoting and overseeing the strengthening of the value chain. These skills are necessary for strengthening the value chain, including augmenting the engineering structure, technology development and intellectual property strategy, and domestic and overseas regional bases defined by ORGANO 2030. Note: "Technology" includes skills related to "R&D," "engineering," "production and manufacturing," and "IT, information, and DX."
Human Resource Strategy	Knowledge and experience in human resource strategy (organizational strategy, DEI, human resource development, etc.), which is positioned as one of the pillars of the management foundation of the Organo Group, and skills required for promoting and overseeing the strengthening and enhancement of the management foundation. These skills are necessary for strengthening and enhancing the human resource strategy, which is positioned as one of the pillars of the management foundation defined by ORGANO 2030.
Sustainability	Knowledge and experience in sustainability (ESG/SDGs initiatives, respect for human rights, etc.), which is positioned as one of the pillars of the management foundation of the Organo Group, and skills required for promoting and overseeing the strengthening and enhancement of the management foundation. These skills are necessary for realizing a sustainable society in collaboration with stakeholders and enhancing corporate value of the Organo Group through commitment to sustainability, which is positioned as one of the pillars of the management foundation defined by ORGANO 2030.

Governance

Roles of the Board of Directors and Roles of Directors

In FY2024, in response to recent changes in the nature of the board of directors in Japan, the Company revised the current roles of the Board of Directors and the roles of Directors following extensive discussions by the Nomination and Remuneration Advisory Committee and a resolution by the Board of Directors. (Corporate Governance Guidelines, Articles 13 to 15) During these discussions, it was confirmed that the Company’s Board of Directors operates as a hybrid model, which emphasizes its decision-making function while also strengthening its supervisory role, in line with a company with an Audit and Supervisory Board. In addition, while the roles of Independent Outside Directors had previously been established, the roles of Directors were first clarified, followed by a specification of the positions, expected perspectives, and stances of the Independent Outside Directors. Going forward, the Company will continue to review the nature of the Board of Directors and individual Directors that will lead to enhanced corporate value.

Revised Corporate Governance Guidelines (Excerpt)

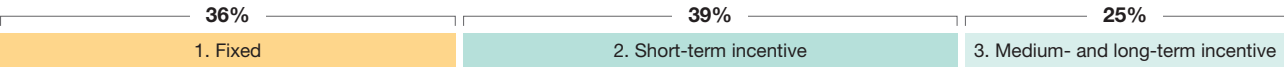
Article 13 (Form of corporate organ)	<ul style="list-style-type: none"> The Company shall select a company with an Audit and Supervisory Board as its form of corporate organ. The Board of Directors shall be positioned as an organ that makes decisions on basic policies, etc. of the entire Group, exercises sophisticated management judgment, and supervises the execution of business. As well as emphasizing its decision-making functions relating to the execution of important business, the Board of Directors shall strive to strengthen its supervisory functions. Furthermore, the Nomination and Remuneration Advisory Committee shall be established, a non-statutory advisory body consisting of a majority of Outside Directors, to enhance transparency and objectivity relating to the decisions on nomination and remuneration, etc. for Directors, etc. The Audit and Supervisory Board shall audit the performance of duties by Directors.
Article 14 (Roles of the Board of Directors)	<ul style="list-style-type: none"> The Board of Directors shall achieve efficient and effective corporate governance as entrusted by shareholders and take responsibility for ensuring the Company’s sustainable growth and for maximizing its long-term corporate value through corporate governance. To fulfill the responsibility in the preceding paragraph, the Board of Directors shall realize more sophisticated and in-depth management judgment and make the optimal decisions based on discussions from objective and multifaceted perspectives by Inside and Outside Directors with diverse experience and insight. In addition, the Board of Directors shall strengthen its supervisory function not only to ensure compliance and risk management, but also from the perspective of enhancing corporate value.
Article 15 (Roles of Directors)	<ul style="list-style-type: none"> Directors shall participate in the Board of Directors’ meetings, applying logical thinking skills from objective and multifaceted perspectives, and shall strive to have sophisticated and in-depth discussions. Independent Outside Directors, from their standpoint independent of business execution, shall contribute to strengthening the supervisory function of the Board of Directors, not only to ensure compliance and risk management, but also from the perspective of enhancing corporate value. Independent Outside Directors shall take a keen interest in the Group’s business fields, etc., striving to understand the environment in which the Group operates, and make judgments based on their knowledge.

Remuneration for Directors and Other Officers

Basic Policy

The remuneration system for Executive Directors, in addition to the fixed remuneration (cash), encourages business execution in line with management policies and management targets and establishes a remuneration framework and remuneration standards which provide strong incentive for the achievement of short-term as well as medium- to long-term management targets in order to achieve sustainable growth and improve the corporate value of the Group. The remuneration system for Non-Executive Directors, including Outside Directors, shall be fixed remuneration (cash) only, for the purpose of ensuring the effective functioning of their supervisory and monitoring roles. The Company has established the Nomination and Remuneration Advisory Committee as a non-statutory advisory body to the Board of Directors, in order to ensure objectivity and transparency in the process of determining remuneration.

Remuneration composition ratio of Executive Directors



Overview of remuneration system of Executive Directors

* In the case of the Representative Director and President

Remuneration	Overview
1. Fixed remuneration	<ul style="list-style-type: none"> Determined according to position Monetary remuneration
2. Short-term incentives remuneration	<ul style="list-style-type: none"> From the perspective of clarifying the relationship between business performance and remuneration, the Company shall use consolidated operating profit, an important management index of the Group, in performance evaluation. Varies in the range of 0% to 130% depending on the amount of consolidated operating profit Monetary remuneration
3. Mid- and long-term incentives remuneration	<ul style="list-style-type: none"> From the perspective of improving corporate values over the medium to long term and aligning the interests with those of shareholders, the Company shall use consolidated return on equity (ROE), which is an important management indicator of the Group and indicates capital efficiency, as the performance evaluation indicator. Varies in the range of 0% to 200% depending on the consolidated ROE Stock-based remuneration plan using a trust

* Short-term incentives remuneration was revised on April 1, 2024.

Assessment of the Effectiveness of the Board of Directors

The Company conducts a survey for all Directors and Audit and Supervisory Board Members every year. Based on the results of the survey, the Board of Directors’ overall effectiveness is analyzed and assessed and measures to maintain and improve the function of the Board are discussed.

Major Initiatives Implemented in FY2024

We implemented the following initiatives based on the evaluation results of FY2023.

- Enhanced effectiveness of deliberations by providing explanation in advance**
 Regarding the Management Meeting and the Risk Management Committee, which are bodies that deliberate on proposals to be submitted to the Board of Directors, the Company provided notices of their meetings to outside officers and shared information with them to encourage them to participate in these meetings. The Company also sent meeting minutes to them after the meetings to provide information before Board of Directors’ meetings are convened. In addition to the above, concerning important matters, the Company also considered a system for providing explanations and supplemental information regarding unclear points in information prior to Board of Directors’ meetings.
- Consideration toward realization of management conscious of cost of capital and stock prices**
 In preparation for discussions centered on the “cost of capital” at Board of Directors’ meetings and other meetings, the Company invited outside experts to provide training designed to help management acquire knowledge and raise awareness. Opportunities for discussion were provided at Board of Directors’ meetings to discuss matters related to the next fiscal year’s profit plan, including the trends of the Company’s cost of capital and market evaluation, comparison with competitors, business portfolio analysis, capital allocation, shareholder returns, and capital policies.
- Held discussions on “value creation and provision through utilization of digital technology and data” and “investment in human capital and alignment with management strategy”**
 At Board of Directors’ meetings, initiatives and future plans regarding “promotion of utilization of data” and “initiatives to link human capital with enhancement of corporate value” were reported and opportunities for discussion were provided. These issues will continue to be discussed at Board of Directors’ meetings and the initiatives will be further invigorated.

FY2024 Evaluation Assessment and Future Initiatives

The following is an overview of the analysis and assessment of effectiveness conducted in FY2025.

Scope	A total of 12 people including nine Directors and three Audit and Supervisory Board Members	Implementation timing	February—May 2025
Period	FY2024 (April 2024 to March 2025)	Implementation method	Survey by third-party organization

The following are the assessment results and future initiatives, and the Board of Directors will implement these to further improve its function going forward.

- Establishment of internal control systems, including those of overseas subsidiaries, and management and oversight of their operation**
 As the Group’s overseas business development accelerates, in order to strengthen the governance of domestic and overseas Group companies, the Board of Directors will consider mechanisms for efficiently aligning management of Group companies with the Company’s management to improve two-line oversight so as to strengthen the Group’s internal controls.
- Human resource strategy and initiatives for improving employee engagement, ensuring diversity of core personnel, securing and developing human resources, etc.**
 The Company will seek to secure human resources and implement appropriate development plans by visualizing the quality and quantity of human resources required for realizing ORGANO 2030. The Company also aims to link individual growth with business strategies by means of human resources skills mapping. The Company will also continue to consider measures that will lead to improved employee engagement.
- Discussions on “alignment of the Group’s intellectual property strategy and business strategies”**
 Based on the current status of the Company’s intellectual property (number of cases, comparison with competitors, etc.), the Company will provide topics for discussion at Board of Directors’ meetings regarding specific initiatives to enhance corporate value, such as commercialization and competitiveness.
- Discussions on “analysis and evaluation of cost of capital, etc.” and “review of business portfolio”**
 The Company will continue to analyze and evaluate cost of capital, etc., and provide an opportunity for discussion at Board of Directors’ meetings to consider the business portfolio while bearing in mind medium- to long-term management plans.

Governance

Message from Outside Directors



Morifumi Wada

Outside Director
Chairman of Nomination
and Remuneration
Advisory Committee

Human resources are the Company's greatest assets

I was appointed as an Outside Director in 2023, and I have served as the Chairman of the Nomination and Remuneration Advisory Committee since 2024. I recognize the significance of this responsibility and aim to help enhance the Company's corporate governance—the foundation of its sustainable growth—through operations that maintain strict neutrality and independence. The Company has continued to achieve remarkable growth. To build on that achievement, we are working to implement reforms with a view to the future. Despite the increasingly challenging business environment, the mindset of changing yesterday's ways for those of tomorrow is steadily taking hold in the Company. The potential of synergies between our technological development capabilities and the strength of our organization and talent is immense. I am confident that our Company can overcome any challenges. The development of the talent who form the foundation of these efforts is a vital part of achieving sustainable growth. I and the other committee members will draw on our experience to actively provide oversight and advice on these activities.



Daisaku Abe

Outside Director
Chairman of Special
Committee

Valuing diverse perspectives

The Company's governance continues to evolve year by year. At the same time, the needs of our diverse stakeholders continue to change. As an Outside Director, during Board meetings, I make it a point to ask myself how our decisions will impact our diverse stakeholders and to voice my views accordingly. I value a detached perspective, so I strive to embrace an objective perspective when assessing topics such as whether a topic under discussion is aligned with the strategy of the Company, whether we are taking the appropriate risks, and whether those risks are manageable. Sustainable growth and enhanced corporate value arise from the Company's continuous commitment to meeting the expectations of its diverse stakeholders. I will continue to work to maintain and strengthen that position. As Chairman of the Special Committee, I will oversee important transactions with our parent company group from the perspective of protecting the interests of minority shareholders.



Nobuko Hanano

Outside Director

Far together

In my view, Organo is a concierge-like company that has been acclaimed by many customers for its attentive service to its special clients. The Company provides a balance of the apparently contradictory values of "special" and "many" through its exceptional technological capabilities and the sincere efforts of its employees and partner companies, on both front and back end. We recognize that our client companies are developing their businesses to be more global and respond faster, and as a concierge, we are expected to further optimize across regions, business lines, and delivery formats. To achieve sustainable growth that leverages our strengths, it is essential for us to have a system in place where we work organizationally under a shared vision, as the saying goes, "If you want to go fast, go alone. If you want to go far, go together." At Board meetings, I strive to speak with due consideration for how management decisions can be explained to external parties. I hope that discussions based on this perspective will lead to more rational and sustainable decisions, and contribute to enhancing corporate value while gaining the trust of our stakeholders.



Naomi Kodama

Outside Director

A truly earnest company

I have been serving as an Outside Director since 2024. After having participated in the General Meeting of Shareholders, Board meetings, and Nomination and Remuneration Advisory Committee meetings for just over a year, I would describe Organo as a truly earnest company.

At the first General Meeting of Shareholders that I attended, when the investors who had researched Organo posed questions about its management targets, intellectual property strategy, and core technologies, I was quite impressed by the discussion the president engaged in on these issues. The earnestness of Organo also extends to meetings of the Board of Directors. Reference materials summarizing the major points are distributed in advance, and at the meetings, the responsible persons present the key points, followed by discussions. The Board meetings foster an atmosphere where even the questions and comments of Outside Directors are carefully heard and considered. While corporate governance is defined by rules and oversight, the earnestness that runs through the core of the organization goes beyond mere compliance with the rules. I will strive to maintain this corporate culture and enhance corporate value.



Masaya Chisaki

Outside Director

Promoting steady implementation of ORGANO 2030

I was appointed as Outside Director in June 2025. To achieve ORGANO 2030, the Group is advancing efforts such as expanding its governance structure, strengthening its business portfolio, and actively investing in human capital, and as a result, steady progress is being realized in business performance as well. As an Outside Director, I will oversee the steady promotion of these initiatives while paying particular attention to governance and compliance.

In addition, I will provide guidance to the Company on clearly communicating to all stakeholders, including shareholders, the current status of the Group, its future outlook, vision, and other relevant information through shareholder and investor relations activities as well as the corporate website. I would also like to contribute to enhancing brand power, which will lead to an increase in corporate value of the Group. By working together with other Outside Directors and Audit and Supervisory Board Members, I will strive to further energize discussions at Board of Directors' meetings, and fulfill the trust placed in me by our shareholders as an Outside Director.

Governance

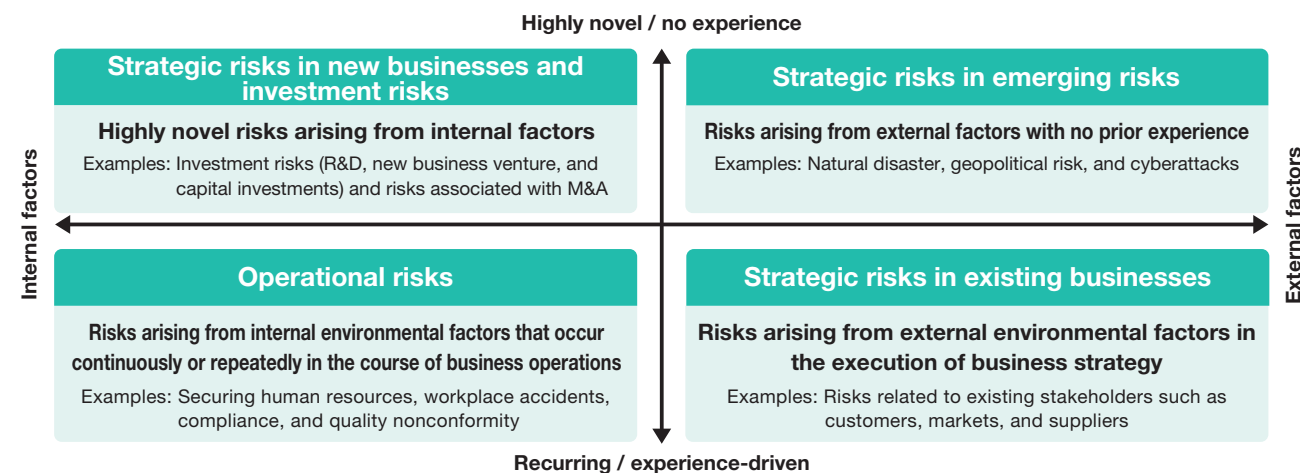
Risk Management

Risk Management Process

To ensure more appropriate management of major risks, we introduced the Risk Management Committee and established a system to promote risk management with the committee playing a central role. This committee consists of Executive Directors, Executive Officers with titles, and other members who are selected from the general manager in charge of the primary risk supervising department and from presidents of subsidiaries.

Within the Group, the direction for risk countermeasures varies greatly depending on the risk, and therefore, risks are divided into four quadrants based on risk origin (internal and external factors) and experience (highly novel and recurring). Every year, each department and group company identifies risks, and strategic risks are evaluated based on level of impact and uncertainty while operational risks are evaluated based on level of impact and possibility of occurrence. The Risk Management Committee extracts risks that have been evaluated above a certain level, integrates and evaluates them, and then extracts major risk candidates and selects a supervising department or division in charge of dealing with each major risk. Extracted major risks and their supervising department or division in charge are discussed and determined by the Board of Directors.

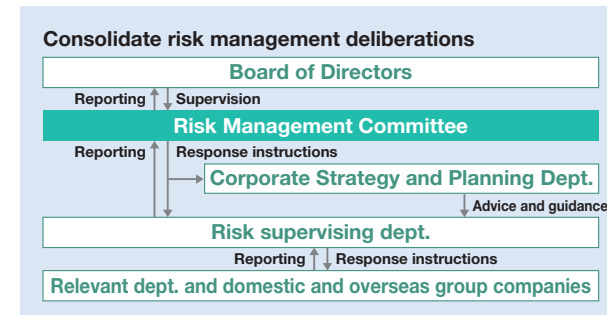
Four Risk Quadrants



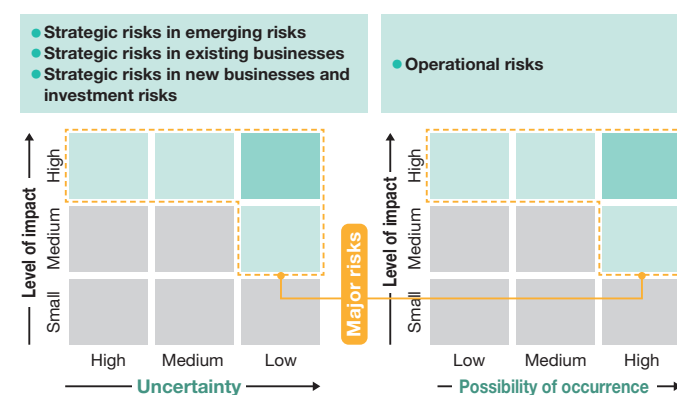
The department in charge of handling risk response formulates a risk management plan, which is then approved by the Risk Management Committee. The management plan decided upon is then executed led by the supervising department, and the status is monitored by the Risk Management Committee. The Risk Management Committee reports the progress status of the risk management plan to the Board of Directors, who supervises the progress status of the risk response.

Moreover, the Internal Auditing Office performs an internal audit of the operational status of the risk management process from an independent viewpoint to increase the effectiveness of risk management.

Established the Risk Management Committee (April 1, 2024)



Risk Assessment Diagram



Major Risks of the Organo Group

Risk category	Item	Description	Responses
(1) Strategic risks in emerging risks	Overseas business	<ul style="list-style-type: none"> Country-specific risks such as political and economic turmoil and legal restrictions in countries and regions where we do business, including export and import restrictions due to U.S.-China conflict and restrictions on business activities due to the Taiwan contingency and rising tensions between China and Taiwan 	<ul style="list-style-type: none"> Strengthen the supply chain by establishing differentiated technologies and securing and proposing alternative products Diversify concentration in specific regions by accelerating expansion into new regions and markets Implement risk scenario analysis, and formulate and implement response plans
	Natural disasters	<ul style="list-style-type: none"> Risk of significant impact on business activities due to major natural disasters such as earthquakes and typhoons 	<ul style="list-style-type: none"> Formulate business continuity plan (BCP) for major business, expand and broaden BCP, and strengthen management systems Group-wide
	Risks related to shareholders and stock	<ul style="list-style-type: none"> Risk that changes in the capital policy or management strategy of the parent company, Tosoh Corporation, may affect the Group's business development or stock price 	<ul style="list-style-type: none"> Mitigate the impact of changes in the capital policy of Tosoh Corporation by continuing to communicate appropriately with the parent company
	Cybersecurity	<ul style="list-style-type: none"> Risk of malfunction of information system and leakage of confidential information due to cyberattacks and system failures 	<ul style="list-style-type: none"> Strengthen IT infrastructure, introduce virus detection and countermeasure tools, and bolster security education
	Global environment and climate change	<ul style="list-style-type: none"> Risk of failing to meet demand for products and services with lower GHG emissions, and rising GHG emissions due to expansion 	<ul style="list-style-type: none"> Increase products and services that contribute to reducing GHG by establishing metrics for business opportunities Reduce our GHG emissions by introducing renewable energy at major factories
(2) Strategic risks in existing businesses	Concentration on specific markets and customers	<ul style="list-style-type: none"> Risk with increased impact from deterioration of business performance in the event of decline in market conditions or loss of important customers or impact from incurred losses such as compensation for damages, due to a concentration on specific markets and customers 	<ul style="list-style-type: none"> Reduce the impact of fluctuations in plant-related orders by strengthening service solutions Automate and streamline operations and use outsourcing to create resources for delivery Accelerate technology development based on customer needs
	Material and construction procurement	<ul style="list-style-type: none"> Risk of price hikes, procurement difficulties, and longer key material delivery times dependent on specific suppliers 	<ul style="list-style-type: none"> Maintain stable relationships with key suppliers, and consider multiple procurement sources and alternative products
	Laws, regulations, and social responsibility	<ul style="list-style-type: none"> Risk of restrictions on business activities due to tightening of laws and regulations related to human rights and other sustainability issues 	<ul style="list-style-type: none"> Promote sustainability initiatives such as establishing and operating the Organo Group Supply Chain CSR Promotion Guidebook and implementing green procurement explanatory sessions Formulate a human rights policy and establish a mechanism to prevent issues from arising
(3) Strategic risks in new businesses and investment risks	Technology and R&D	<ul style="list-style-type: none"> Risk of difficulty in implementing growth strategies due to factors including delays in technological development required by the market and customers and delays in the introduction of ICT and AI technologies 	<ul style="list-style-type: none"> Plan for R&D based on technology development roadmap of customers and promote open innovation
	Capital investment and M&A	<ul style="list-style-type: none"> Risk of increased impact from deterioration of customers' financial situation as capital investment in owned-facility services expands Risk of M&A failure 	<ul style="list-style-type: none"> Set investment limits for risk assets including owned-facility services and M&A
	Production and delivery capacity	<ul style="list-style-type: none"> Risk of insufficient production and delivery capacity leading to missed growth opportunities, loss of market share due to customers switching to competitors, and loss of trust from existing customers 	<ul style="list-style-type: none"> Expand delivery system by increasing global workforce and improving efficiency through automated design work and outsourcing Invest in boosting the supply capacity of ion exchange resin
(4) Operational risks	Securing human resources	<ul style="list-style-type: none"> Risk of long-term decline in competitiveness of the Group in the event of a failure to secure and train human resources 	<ul style="list-style-type: none"> Promote education for digital human resource development in addition to rank- and function-specific training Promote the creation of a workplace where diverse human resources can play an active and rewarding role
	Product and service quality, product safety, non-compliance with contract terms	<ul style="list-style-type: none"> Risk of serious quality issues with products and services Risk of increased costs due to changes in specifications after receiving orders or changes in cost of materials and construction and risk of compensation for damages due to specifications or delivery date not being met 	<ul style="list-style-type: none"> Upgrade quality management system, strengthen supplier quality surveys, improve production processes, prevent recurrence through horizontal deployment of nonconformity information, and upgrade various types of insurance Conduct risk assessment specific to long-term contracts prior to receiving orders and strengthen budget performance management for projects after receiving orders
	Safety	<ul style="list-style-type: none"> Risk of serious occupational accidents and injuries during construction and production activities 	<ul style="list-style-type: none"> Enhance hazard awareness through "kiken yochi" hazard prediction training of new employees and younger staff Foster safety awareness by educating supervisors on relevant laws and regulations Enhance on-site safety confirmation by strengthening patrols and consistently implementing pre-work risk assessments Implement safety audits by external experts Implement safety training, report the status of occupational accidents and other incidents and share information on improvement measures via safety education and the intranet
	Compliance and internal control	<ul style="list-style-type: none"> Risk of detection of legal or compliance violations or significant deficiencies in internal controls related to financial reporting 	<ul style="list-style-type: none"> Distribute messages from the Representative Director and President and enhance employee education Work to disseminate Organo Group Company Code of Conduct Direct the Compliance Committee to establish a compliance system and education plan Work to develop and disseminate a whistleblowing system in Japan and overseas Strengthen both hardware and software systems such as by restricting connection of external devices and updating the internal information management system
	Intellectual property rights	<ul style="list-style-type: none"> Risk of infringement of the Group's intellectual property rights or unintentional infringement of intellectual property rights of other companies by the Group 	<ul style="list-style-type: none"> Protect intellectual property through proactive filing of patent applications in Japan and overseas, and regularly monitor the status of applications filed by other companies, including those overseas
	Environmental issues	<ul style="list-style-type: none"> Risk of increased costs due to tighter environmental regulations, risk of environmental pollution due to restrictions on business activities or unforeseen circumstances, risk of regulatory violations 	<ul style="list-style-type: none"> Conduct risk assessment and enhance education Ensure proper equipment delivery and management and comprehensive monitoring

Governance

Compliance

The Group conducts business activities based on the idea that safety and compliance are necessary for the survival of the business. In addition, the Company has established the Organo Group Company Code of Conduct as the basic action guidelines to be observed by the Group's employees. In addition to Japanese and English versions, it has prepared local company versions in Malaysia, China, Taiwan, Thailand, and Vietnam and shared them with officers and employees of the Group in Japan and overseas. The Company also conducts a biennial survey for its officers and employees to confirm the degree of implementation and observance of the Company Code of Conduct. The results are reported to the Board of Directors and employees in an effort to foster compliance awareness.

A special committee established as an organization for promoting compliance is responsible for formulating and implementing a compliance education plan, investigating compliance issues, and considering corrective measures. Moreover, the Company established a whistleblowing system to ensure the effectiveness of compliance through the early detection and correction of improper acts. And, in addition to the Company's internal contact point, it has established contact points with Audit and Supervisory Board Members and external lawyers to receive reports and requests for consultations. The Company is also promoting the development of local whistleblowing hotlines overseas, and it is launching operation of an internal whistleblowing system in Malaysia, China, Taiwan, Thailand, Vietnam, Indonesia, and the U.S. As a material issue indicator (KPI), the completion rate for compliance-related training was 100%. In FY2024, however, 8 out of 46 required courses did not reach this target. Those who have not completed the courses are required to take them the following year, and a follow-up system has been established to ensure completion.

Crisis Management System and Business Continuity Plan (BCP)

The Company has formulated the Crisis Management Basic Regulations and the following Basic Policy on Crisis Management to set up, operate, and promote its crisis management system. In addition to formulating a BCP to minimize damage and ensure business continuity in the event of a disaster, such as an earthquake or large-scale accident, we are working to improve the effectiveness of our BCP by preparing for emergency situations and implementing education and training.

Basic Policy on Crisis Management

1) Prioritizing the safety of human life

Human life comes first, and our top priority is to confirm the safety and well-being of officers, employees, and their families, as well as the employees of our partner companies.

2) Rapid restoration and continuation of the Company's and its customers' operations

As a partner company, we will do our utmost to achieve the rapid restoration and business continuity of our company as well as our customers' facilities and factories.

3) Ensuring the protection of critical assets and the establishment of a rapid and accurate information communication system

We will work to protect information and other critical assets, and rapidly and accurately collect, report, and share information in the event of a crisis.

4) Contributing to the local community

We will contribute to the local community by ensuring the safety of surrounding areas, preventing secondary disasters, and supporting the recovery of affected areas.

5) Continuous improvement through business continuity management (BCM)

We will make continuous improvements to the crisis management system and measures through BCM in preparation for various risks that could disrupt safety and business continuity, such as disasters and cyberattacks.

Initiatives to Prepare for Large-scale Disasters

The crisis management headquarters conducted exercises based on detailed scenario analyses assuming specific situations that could have a significant impact on the Company. These exercises served as training to ensure readiness in the event of a disaster and to verify the effectiveness of the formulated BCP. Through the experience of these exercises, we were able to identify specific issues, such as improving the accuracy of the safety confirmation and emergency communication system, enabling prompt action and continued appropriate operation going forward.

Connection with Stakeholders

The Organo Group fulfills its corporate social responsibility to the five types of stakeholders with whom it is closely connected in order to achieve sustainable growth.

Stakeholders	Organo's role and mission	Engagement
Shareholders and investors	Appropriate disclosure, stable and appropriate dividends, and sustainable improvement of corporate value	IR activities (financial results presentations, IR meetings), general meeting of shareholders, shareholder explanatory sessions, Organo's website, IR email news service
Customers	Provision of high-quality products that are useful for society at reasonable prices	Communication through sales activities
Suppliers	Fair and impartial transactions	Communication through purchasing activities
Employees	Stable employment, cultivation of human resources, appropriate compensation, sharing of information and issues	Employee meetings, labor-management consultations, various training programs, intranet, intra-group announcements, health consultation office
Community, society, and government	Appropriate payment of taxes, creation of stable and fair employment, dialogue with local communities	Organo's website, Organo Group Report

TOPICS Multi-Stakeholder Policy

In May 2024, the Company disclosed its multi-stakeholder policy. We are committed to cooperating appropriately with our diverse range of stakeholders. Based on this, we will promote the initiatives shown at right while recognizing the importance of providing returns to our employees and showing consideration to business partners, with the understanding that the appropriate redistribution of profits and results generated through value co-creation and productivity improvements to multi-stakeholders will lead to maintaining momentum for wage increases and sustainable economic development.

1. Providing returns to our employees

2. Consideration to business partners

The Company continues to comply with the content of the Declaration of Partnership Building registered in April 2024. For more information on the Declaration of Partnership Building, see p. 69.

3. Other stakeholder-related initiatives

We continue to make steady progress on these matters while confirming the status of our initiatives.

Multi-stakeholder policy

<https://www.organo.co.jp/company/multi-stakeholder/>
(Japanese only)



Dialogue with Shareholders and Investors

To achieve sustainable growth and improve corporate value over the medium and long term, the Company promotes constructive dialogue with shareholders and investors. We place an emphasis on providing fair and accurate information, and we report opinions and requests obtained through dialogue at Board of Directors' meetings to improve management.

○ Main IR activities of FY2024

Main activities	Track record
Financial results presentations for analysts and institutional investors	2 (Main speaker: President)
Small meetings	4 (Main speaker: President)
Corporate briefings for individual investors	1 (Main speaker: President)
Individual meetings and interviews at conferences hosted by securities companies	370

Environment

Information Disclosure Based on TCFD Recommendations

Responding to Climate Change Issues

Climate change is a serious issue that must be addressed on a global scale, and it is one of the most important issues affecting the business activities of the Group.

Based on the climate-related disclosure framework presented by the Task Force on Climate-Related Financial Disclosures (TCFD), the Organo Group has conducted an analysis of the risks and opportunities that climate change poses to the Group's business. This analysis utilized two distinct scenarios: one assuming intensified climate change and another assuming the realization of a decarbonized society. Using this analysis, we will incorporate the identified risks and opportunities into future management strategy and risk management. We will disclose our progress accordingly and work diligently toward the global goal of achieving carbon neutrality while aiming for further business growth.

1 Governance

■ Sustainability Committee

The Company established the Sustainability Committee as an executive organization for sustainability management with the Representative Director and President as the chair. The committee formulates basic policies, plans, and goals related to sustainability, including climate-related initiatives, and monitors the implementation status and progress of these measures.

In FY2024, the committee met five times to discuss the materiality and emission reduction targets including KPIs to be achieved, and to confirm the progress of sustainability measures and KPI performance.

The important basic policies, plans, and goals discussed by the committee are submitted to the Board of Directors for deliberation and final determination. In addition, the progress status of key sustainability-related measures and KPIs are reported to the Board of Directors accordingly. In FY2024, the committee reported to the Board of Directors on two occasions.

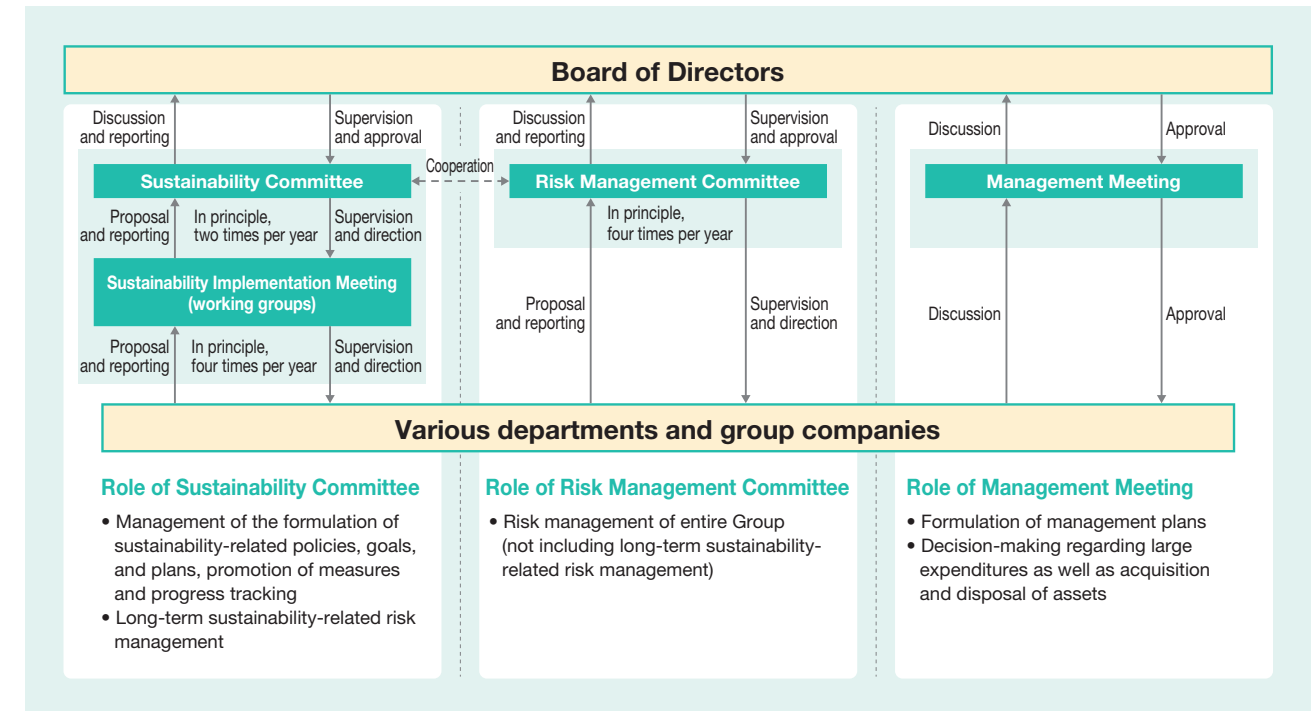
■ Sustainability Implementation Meeting

The Company established the Sustainability Implementation Meeting under the Sustainability Committee to promote specific measures based on the basic policies and plans. This meeting creates working groups for sustainability issues in a timely manner, and group members are assembled from relevant departments and group companies to promote initiatives toward resolving issues. Currently, the Sustainability Implementation Meeting has four working groups, with each one focused on separate initiatives including addressing climate change issues, such as measures to calculate and reduce GHG emissions, measures to achieve SDGs, promotion of CSR procurement, and response to TCFD recommendations. The progress status of measures implemented by the meeting are reported to the Sustainability Committee.

■ Risk Management Committee

Risk management related to sustainability is integrated into the overall risk management of the Group including sustainability. The Risk Management Committee serves as the central hub, analyzing and evaluating risks identified within the Group, identifying key risks for the Group, and determining the supervising department/division. Relevant departments/divisions take the lead in responding to identify key risks.

■ Sustainability-related Governance Structure



2 Strategy

The Organo Group conducted scenario analysis based on two scenarios. The first is the 1.5°C scenario, which refers to the Net Zero Emissions by 2050 (NZE) Scenario from World Energy Outlook (WEO) 2023 issued by the International Energy Agency (IEA). The second is the 4°C scenario, which refers to RCP8.5 from the Intergovernmental Panel on Climate Change (IPCC). For the two scenarios, the Group identified relevant risks and opportunities and assessed them based on their potential financial impact. For key risks and opportunities whose specific effects can currently be estimated, the Group also quantified the associated financial impact. We evaluate the impact of risks in terms of their effect on the Company's profit for the applicable fiscal year, while we will closely examine the specific impact of opportunities on our performance when considering future business planning. The scope of analysis for FY2024 was expanded beyond that of the previous fiscal year and now includes domestic and overseas group companies, with the exception of some group companies.

○ Risk and Opportunities in the 1.5°C Scenario

	Category	Scenario trend	Key items	Timing of onset	Measures
Risks in the 1.5°C scenario	Policies	Introduction of carbon tax and GHG emission regulations	Increased procurement costs, manufacturing facility expenses of the Company, etc. due to carbon tax burden on the Company, suppliers, and others	Medium to long term	• Reduce the Company's direct GHG emissions by introducing renewable energy
	Market trends	Market expansion due to promotion of EVs and use of smart technology in cities	Increased demand for functional materials due to growing needs for EV-related products and semiconductors, pushing raw material prices upward	Medium to long term	• Set prices appropriately based on economic rationality
		Change in power source mix (introduction of renewable energy and new fuels)	Increased costs accompanying conversion to renewable energy and new power sources	Medium term	• Promote energy conservation and continuously streamline production processes
			Reduced sales of products and services with low energy efficiency	Medium term	• Strengthen development of energy-saving products and services
	Technology	Increased social demand for reuse and effective use of waste	Increased waste disposal costs	Medium to long term	• Reduce waste
	Reputation	Increased demand for products and services related to low environmental impact, disaster prevention and mitigation, energy-saving, and renewable energy	Reduced usage and sales of products and services due to reputational damage from failing to meet GHG reduction targets	Medium to long term	• Strengthen efforts to reduce GHG emissions • Strengthen measures such as disclosing information on GHG emissions related to the Company's products and services, and conducting client surveys

Carbon Disclosure Project (CDP) Score

In 2024, the Organo Group received a score of "B" from CDP for both climate change and water security. The CDP issues three questionnaires: "climate change," concerning decarbonization; "water security," concerning water conservation; and "forests," concerning forest conservation. We submitted responses for climate change and water security. The B score we received in 2024 is the third-highest of nine and is given to companies that recognize their environmental risks and take action to address their impacts, and companies that manage the risks and impacts of environmental issues while formulating and implementing strategies to address these.

○ Organo Group CDP Score

	Climate change	Water security
FY2022	C	Not answered
FY2023	B	Not answered
FY2024	B	B



Environment

Opportunities in the 1.5°C scenario	Category	Scenario trend	Key items	Timing of onset	Measures
	Policies	Introduction of carbon tax and GHG emission regulations	Greater demand for low-carbon technologies, products, and services, resulting in higher sales	Medium to long term	<ul style="list-style-type: none"> Expand products and services that contribute to reducing customers' GHG emissions, water usage, and waste
		Promote the use of CCUS* to reduce CO ₂ emissions and achieve recycling	Growing need for CCUS technology and increased sales of related products and services	Long term	
		Stricter water use regulations	Increased sales of equipment and chemicals contributing to wastewater recovery and water conservation	Medium to long term	
	Market trends	Market expansion due to promotion of EVs and use of smart technologies in cities	Growing need for EVs resulting in increased sales of related products and services	Medium to long term	<ul style="list-style-type: none"> Strengthen and expand development of next-generation separation and purification technologies
		Change in power source mix (introduction of renewable energy and new fuels)	Increased sales of the Company's related products and services accompanying the change in power source mix with the introduction of renewable energy and new fuels	Medium term	<ul style="list-style-type: none"> Expand products and services that contribute to reducing customers' GHG emissions, water usage, and waste
	Technology	Increased social demand for reuse and effective use of waste	Increased sales due to expansion of resource recycling technology	Medium to long term	<ul style="list-style-type: none"> Expand products and services that contribute to reducing customers' GHG emissions, water usage, and waste
	Reputation	Increased demand for products and services related to low environmental impact, disaster prevention and mitigation, energy-saving, and renewable energy	Increased inquiries from new and existing customers resulting from advancement of decarbonization measures and active promotion of related disclosures to business partners	Medium to long term	<ul style="list-style-type: none"> Expand products and services that contribute to reducing customers' GHG emissions, water usage, and waste Strengthen efforts to reduce GHG emissions Strengthen measures such as disclosing information on GHG emissions related to the Company's products and services, and conducting client surveys

* Carbon dioxide Capture, Utilization, and Storage (CCUS) is a technology that captures, stores, and effectively utilizes CO₂. Timing: Medium term (2030), long term (2050)

Risk and Opportunities in the 4°C Scenario

Risks in the 4°C scenario	Category	Scenario trend	Key items	Timing of onset	Measures
	Physical (acute)	Intensification of natural disasters	Risk of soaring supply prices caused by supply-chain disruptions due to extreme weather, or of production delays or shutdowns resulting from difficulties in procuring raw materials	Medium to long term	<ul style="list-style-type: none"> Strengthen supply chain resilience and diversify suppliers
			Risk of disposal of work in progress and inventory not covered by insurance due to flood damage at sites in Southeast Asia	Medium to long term	
			Reinvest in machinery and facilities due to flood damage at sites in Southeast Asia	Medium to long term	
	Physical (chronic)	Chronic climate change (rising sea levels)	Risk of disposal of work in progress and inventory not covered by insurance due to flooding at sites in Southeast Asia	Long term	<ul style="list-style-type: none"> Establish BCP based on regular surveys of flood risks, etc. at company sites Continuously optimize insurance coverage including flood damage
			Investment in flood prevention measures at sites in Southeast Asia or reinvestment in factory relocation if the risk level increases*	Long term	
		Chronic climate change (rising average temperatures)	Increased rest time for outdoor workers due to rising temperatures, resulting in decreased productivity and increased labor costs	Medium to long term	<ul style="list-style-type: none"> Develop processes to shorten on-site construction periods Introduce flexible working hours
			Higher energy costs due to increased intensity and duration of air conditioning	Medium to long term	
Opportunities in the 4°C scenario	Physical (acute)	Intensification of natural disasters	Diversification of key raw material suppliers and increased local procurement at overseas sites, leading to more stable supply and reduced costs	Medium to long term	<ul style="list-style-type: none"> Diversify suppliers and strengthen local procurement
	Physical (chronic)	Chronic climate change (rising average temperatures)	Rising temperatures leading to greater demand for cooling technology and sterilization and antimicrobial technology, resulting in increased sales of disinfectants and cooling water-related products	Medium to long term	<ul style="list-style-type: none"> Strengthen development and expand sales of cooling water chemicals

* Due to its impact on cash flows from investing activities, this has been excluded from the assessment of financial impact on pre-tax profit. Timing: Medium term (2030), long term (2050)

Major financial impacts for FY2030 under the 1.5°C scenario

- With the introduction of carbon taxes and GHG emission regulations, we expect additional costs of slightly over ¥500 million for FY2030 on a pre-tax profit basis. These will result from the carbon tax burden on the Company as well as increased procurement costs and in-house manufacturing facility expenses due to the carbon tax burden on suppliers and others. In addition, with rising electricity prices and waste treatment costs due to changes in the power source mix, including renewable energy and new fuels, we expect additional costs of just under ¥300 million for FY2030 on a pre-tax profit basis.
- Under the 1.5°C scenario, demand for semiconductors is expected to rise with the promotion of EVs and the increased use of smart technologies in society, creating significant business growth opportunities through products and services such as water recovery plants and water treatment chemicals.

Major financial impacts for FY2050 under the 4°C scenario

- Under the 4°C scenario, outsourced labor costs are expected to rise to just under ¥800 million for the Group in FY2050 due to reduced productivity of outdoor workers for the Company's engineering work.
- At sites in Southeast Asia, we have been advancing measures from a BCP perspective, such as covering property insurance including flood damage for machinery, equipment, and inventories. Therefore, we currently recognize that the financial impacts associated with the intensification of natural disasters and other such factors are limited.

Risk Management

Under the supervision of the Sustainability Committee, a climate-related scenario analysis working group established by the Sustainability Implementation Meeting conducted scenario analysis on domestic and overseas group companies. Specifically, the working group extracted risks and opportunities for future business brought about by climate change and quantitatively analyzed the financial impact. Next, the Sustainability Committee analyzed and evaluated the financial impact of the risks and opportunities examined by the working group from the perspective of the importance, possibility of occurrence, and timeframe of impact, and then quantified the major risks. Risk management, including sustainability, at the Organo Group is promoted by the Risk Management Committee as the core hub, in cooperation with the Sustainability Committee. The Risk Management Committee takes the initiative in managing short- to medium-term major risks, while the Sustainability Committee continues to take the initiative in managing long-term major risks up to 2050. The direction of responses to the identified medium- to long-term climate-related major risks is determined by the Long-Term Management Plan Promotion Meeting. These responses are then reflected in the medium-term management plan and single-year profit plan. Subsequently, the plans are deliberated by the Management Meeting and then decided by the Board of Directors. The Sustainability Implementation Meeting reports to the Sustainability Committee on the implementation status and progress of responses to climate-related medium- and long-term risks, and the Sustainability Committee reports to the Board of Directors accordingly. In the event that large expenditures are to be made, or assets are to be acquired or disposed of in response to these risks and opportunities, the matter is brought to the Management Meeting and the Board of Directors for deliberation, depending on the nature and the amount.

Metrics and Goals

The Organo Group recognizes that climate change is a serious issue that must be addressed on a global scale and has set the greenhouse gas (GHG) emissions reduction targets as described below and is working to reduce GHG emissions in order to realize a sustainable society. In FY2024, as a measure to reduce Scope 3 emissions, we examined the two pillars of reducing emissions by working with stakeholders and through our own efforts. As such, we set a new Scope 3 reduction target for FY2030 of a 20% reduction in GHG emissions per gross profit compared with FY2021 levels. Scope 1 and 2 emissions in FY2024 decreased 38% compared with FY2021 levels. The main factor for the decrease was the gradual introduction of electricity from renewable energy sources. We will continue to promote the introduction of renewable energy at all Group bases and initiatives to reduce emissions while evaluating our progress on reaching our GHG emission reduction targets. In FY2024, Scope 3 emissions per gross profit decreased 35% compared with FY2021 levels. While we achieved our target in FY2024 mainly due to improved business profitability (higher gross profit), we will continue to promote Scope 3 reduction measures to ensure steady achievement of the goal in FY2030.

Organo Group GHG Emission Reduction Targets

Item	FY2030	FY2050
Scope 1 and 2	42% reduction (compared with FY2021 levels)	Carbon neutral
Scope 3	20% reduction in GHG emissions per gross profit (compared to FY2021 levels)	We are working with stakeholders to reduce CO ₂ emissions and realize a carbon-free society

Organo Group GHG Emission Results*

Item	FY2021 (reference year)	FY2022	FY2023	FY2024
Scope 1 and 2	Total 10,324 t-CO ₂ —	Total 11,566 t-CO ₂ 12% increase	Total 6,832 t-CO ₂ 34% reduction	Total 6,413 t-CO ₂ 38% reduction
Scope 3 (Per gross profit)	3,570 t-CO ₂ /billion yen — (Total 1,017,750 t-CO ₂)	4,116 t-CO ₂ /billion yen 15% increase (Total 1,439,701 t-CO ₂)	3,462 t-CO ₂ /billion yen 3% reduction (Total 1,517,575 t-CO ₂)	2,321 t-CO ₂ /billion yen 35% reduction (Total 1,280,847 t-CO ₂)

* The scope of actual results had previously excluded certain group companies; beginning in FY2024, however, all domestic and overseas group companies have been included. In line with this change, the total emissions for FY2021 to FY2023 have also been revised to include all domestic and overseas group companies.

Environment

Organo Group Scope 3 GHG Emission Results by Category*

Category	Reference year FY2021 (t-CO ₂)	FY2022 (t-CO ₂)	FY2023 (t-CO ₂)	FY2024 (t-CO ₂)
Category 1: Purchased goods and services	363,649	404,367	397,036	347,107
Category 2: Capital goods	8,846	8,773	5,162	7,225
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	2,772	2,626	1,455	1,290
Category 4: Upstream transportation and distribution	11,894	12,940	12,651	10,787
Category 5: Waste generated through operations	3,040	2,840	3,523	4,006
Category 6: Business travel	317	319	327	348
Category 7: Employee commuting	608	612	629	669
Category 8: Upstream leased assets	53	58	63	57
Category 9: Downstream transportation and distribution	558	661	500	421
Category 10: Processing of sold products	0	0	0	0
Category 11: Use of sold products	575,039	962,838	1,039,526	831,587
Category 12: End-of-life treatment of sold products	5,835	5,009	5,456	6,443
Category 13: Downstream leased assets	45,139	38,660	51,248	70,907
Category 14: Franchises	0	0	0	0
Category 15: Investments	0	0	0	0

As figures are rounded to the nearest decimal point, the aggregated values of emissions by category may not match the total Scope 3 emissions.
 * The scope of actual results had previously excluded certain group companies; beginning in FY2024, however, all domestic and overseas group companies have been included. In line with this change, the total emissions for FY2021 to FY2023 have also been revised to include all domestic and overseas group companies.

Environmental Philosophy and Basic Environmental Policy

Environmental Philosophy

Recognizing that the preservation of the earth’s environment is of the greatest importance for every human being, Organo contributes to human coexistence and symbiosis with Earth’s beautiful environment in every facet of its business operations.

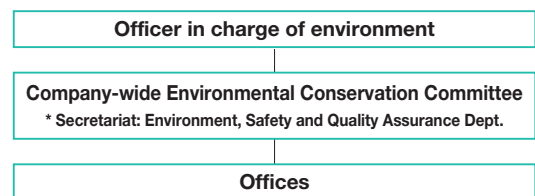
Basic Environmental Policy

Continuous improvement	We will be aware of the environment surrounding all industrial activities and continue to preserve and improve the environment through all technical and economic means possible.	Product environment	We will develop product manufacturing technologies that will reduce the burden on the environment.
Observance of laws and establishment of our own standards	We will observe laws, regulations, and agreements concerning the environment. We will also establish our own standards and do our best to preserve the environment in accordance with these standards.	Environmental monitoring	We will inspect the environment within our company and work to improve our environmental preservation activities.
Production environment	We will strive to conserve resources and energy, to minimize waste, and to recycle the waste produced in every aspect of our business activities.	Comprehensive involvement	We will educate our staff and encourage in-house publicity concerning environmental issues to promote understanding and awareness of the environment and of our own basic environmental policy.

Environmental Management

Environmental Conservation Structure

The Company’s policies, targets, and measures for environmental preservation are discussed and decided by the company-wide Environmental Conservation Committee. Each business site in Japan appoints an Environmental Conservation Committee that establishes the policies, targets, and measures for its own office based on the Company’s targets and measures, as well as specific issues, and performs environmental conservation activities accordingly.



Environmental Management System

Our environmental management system complies with national or public standards. We conduct environmental conservation operations and activities at our offices in accordance with the environmental management system, and we also inspect the environment within our company. Our Tsukuba Factory, where ion exchange resins are purified as one of our core materials, has acquired ISO 14001 certification, the international standard for environmental management systems.



Environmental Education

As part of the curriculum for new employee training and engineering technology training, the Company offers courses on pollution prevention laws and regulations. It also encourages employees to obtain national Pollution Control Manager certification, increasing the number of qualified individuals. In this way, the Company is putting its environmental philosophy into practice.

Number of Qualified Pollution Control Managers in FY2024*
Cumulative: 216
* Total of water quality-related Classes 1 to 4, air quality-related Classes 1 to 4, and dioxin-related

Addressing Water Resource Issues and Protecting Biodiversity

Basic Concept

Water is the source of life. It circulates around the Earth, nurturing a variety of plants and animals. Protecting our water is protecting life. At Organo, we have technology to protect water. By managing the water used by the Group and providing our customers with technology to protect this precious resource, we are promoting the sustainable use of water resources and contributing to protecting biodiversity.

Initiative 1 Management of the water we use

Recently, the use and conservation of water resources have been gaining attention as a global sustainability issue, and we view the impact on our corporate activities of water resource depletion, river flooding, and water pollution as a risk. The Organo Group is working to conserve water resources by effectively using water intake and maintaining and improving the quality of wastewater around its business sites to ensure the sustainable use of water resources. We will continue to contribute to environmental conservation through our business activities while keeping a close eye on water-related risks.

Water Usage Volume and Wastewater Volume

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water usage volume	m ³	539,185	624,755	618,948	801,744	750,064
Wastewater volume	m ³	461,591	538,819	587,049	790,922	737,481

* Targets for calculation: From FY2023–Organo and domestic group companies
 Until FY2022–Headquarters, R&D Center, Tsukuba Factory, and Iwaki Factory of Organo Corporation, and Main Factory of Organo Food Tech Corporation
 * The water balance does not include evaporation or sprinkling, or products brought out of or into facilities.
 * Revised due to calculation error in FY2023.

Initiative 2 Water treatment technology provided to customers

In 2022, the Group identified addressing water resource issues and protecting biodiversity as material issues, and in 2023, we established two KPIs as indicators for measuring the achievement of this initiative: 1)-1 the amount of wastewater treated by newly delivered Organo systems and discharged by plants, and 1)-2 the amount of water collected and reused by newly delivered Organo systems. This refers to the goal of supporting the sustainable use of water resources in industries and daily life in the communities surrounding our customers by providing technologies for wastewater treatment and recovery, thereby contributing to the reduction of global water risks. In FY2024, we made steady progress toward KPI 1)-1, but there was some delay in the progress of 1)-2. To compensate for this delay, we will work to further promote our wastewater recovery technology.

Environment

Promotion of the 3Rs

Initiatives

We identified promotion of the 3Rs as a material issue and set the volume of sludge reduced through the application of Organo technology and products as a KPI. In FY2024, we were nearly able to meet our annual target. We will continue to contribute to sludge reduction.

In addition to recycling ion exchange resin into cement raw material, which we are already working on, we are actively developing technology to reuse used functional materials and switching to recyclable packaging materials. The Group will continue to use its technologies and services to promote the 3Rs for waste generated through our corporate activities as well as those of our customers and make more effective use of resources and reduce our environmental impact to realize a recycling-oriented society.

Recycling Volume and Volume of Waste Generated

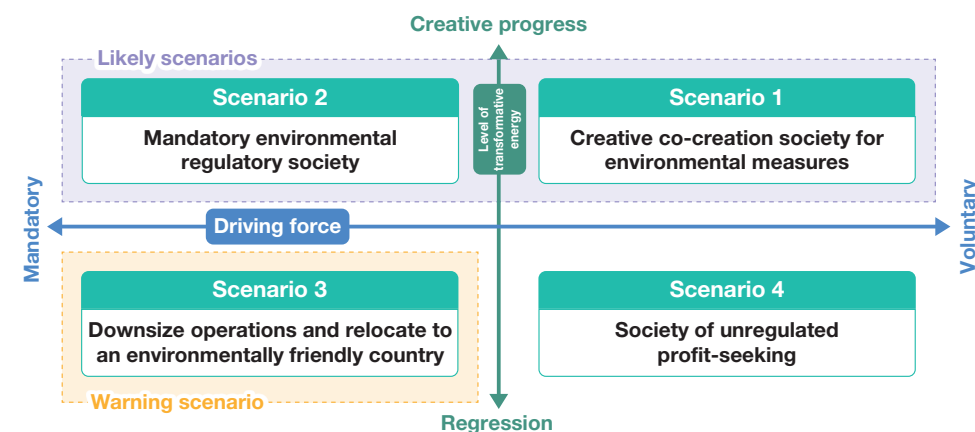
	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total waste volume	t	1,165	1,171	2,776	3,102	3,265
Recycling volume	t	486	554	430	552	444
Volume of waste generated	t	679	617	2,346	2,550	2,821

* Targets for calculation: From FY2022—Organo and domestic group companies
Until FY2021—Headquarters, R&D Center, Tsukuba Factory, and Iwaki Factory of Organo Corporation, and Main Factory of Organo Food Tech Corporation

Expansion of Environmentally Friendly Products and Services

In FY2020, we adopted a program to set topics using scenario planning and create service solutions business in order to expand our environmentally friendly products and services that add value by addressing customer sustainability issues.

Business Creation Considerations Using Scenario Planning



By using future scenarios to predict our customers' business environment over the long term and combining our strengths to address various challenges that arise in such an environment, we develop a variety of business models, some of which are commercialized.

Specifically, we are working on the following initiatives:

- Service to reduce CO₂ emissions including those generated during transportation related to business operations
- Service to recycle used materials and extend the lifecycle of products
- Service to optimize operations and reduce waste for entire industrial parks instead of individual customers

Society

Promotion of Occupational Safety and Health

Basic Concept

As a company with a large amount of field work, we recognize the risk of serious workplace accidents. Safety is a top-priority topic, and the Company has established promotion of occupational safety and health as a material issue. We continuously promote occupational safety and health initiatives that enable employees of our group companies and business partners to work with peace of mind.

Creating Safe Workplaces

In order to ensure the safety and health of its employees and to promote the creation of a comfortable work environment, Organo has established a structure for safety and health management under the direct control of the president and defined the role of each member pursuant to company regulations on safety and health management. Under this management structure, the Company is committed to properly maintaining safe workplace environments, preventing occupational accidents, taking appropriate emergency measures, and conducting relevant education and training. For plant installation work and handling of chemicals, Organo prepares documented instructions, performs safety checks using checklists, and conducts scheduled safety patrols at construction sites and factories. When safety concerns are apparent during safety patrols, corrective action is immediately directed, and we ensure that safety education is properly conducted. Organo further strengthens safety management practices by providing guidance on voluntary safety activities to prevent accidents including hazard prediction and risk assessments prior to performing tasks. In addition, the Company posts safety newsletters on occupational health and safety on the intranet to disseminate reports on the occurrence of disasters and remedial measures. And to heighten health and safety awareness and stimulate such activities, we present labor safety awards to business partners and internal business offices to convey the message that safety is our highest priority, and underscores our commitment to creating safe workplaces.

Workplace Accident Prevention Activities

The Company established an occupational safety and health policy in which it places the safety and health of workers as the top priority in business activities and promotes the creation of a comfortable work environment. In particular, we implemented activities to prevent workplace accidents based on the President's message that safety is a higher priority than delivery dates, cost, and profit, but in FY2024, we had five workplace accidents. In addition, we had four commuting accidents and serious lost-time injuries of four or more days out of work, including those at partner companies. Although both have decreased over the past few years, they have not yet been eliminated, and continued efforts are required.

These accidents were caused by factors such as irregular work, falls, chemical injuries, complacency, insufficient checks, and inattention. We will continue to implement planned employee education and training to foster safety awareness, raise the safety level across the Group, and reduce the number of serious lost-time accidents to zero.

Number, frequency rate, and severity rate of workplace accidents (Organo and domestic group companies)

	FY2022	FY2023	FY2024
Number of workplace accidents	8	12	5
Frequency rate of workplace accidents (%)	0.68	0.70	0.00
Severity rate of workplace accidents (%)	0.036	0.001	0

* None of the five workplace accidents in FY2024 required at least one day out of work, and as such, they did not impact the frequency rate or severity rate.

Number of serious lost-time injuries in material issues (Organo and domestic and overseas group companies)

	FY2022	FY2023	FY2024
Number of serious lost-time injuries*	8	12	4

* Four or more days out of work. Including workplace accidents and commuting accidents. Including partner companies.

Employee Health Initiatives

The Group considers the health of its employees as one of the most valuable management resources in achieving sustainable growth. We provide lifestyle review counseling based on regular health checkups and offer annual stress level checkups for all employees as mental health measures. Organo employees have access to counseling provided by industrial physicians and public health nurses through the Company's in-house consultation center for when they have concerns about themselves, their colleagues, or their subordinates.

Engagement with Labor Unions

The Company enters into collective bargaining agreements with Organo's labor union and maintains harmonious labor-management relations. Through regularly scheduled labor-management meetings with the participation of top management, Organo strives to disseminate its management policies to its employees and ensure that opinions of union members are reflected in the Company's management strategies and policies. At labor-management meetings, the labor union has raised requests related to occupational safety, such as the introduction of air-conditioned workwear for on-site work during extreme heat, and the Company addresses these requests sincerely.



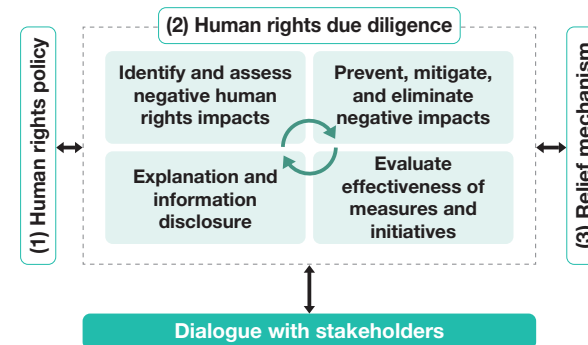
Respect for Human Rights

Basic Concept

Respect for human rights is an essential part of conducting business activities. The Organo Group believes it is important to respect the human rights of all stakeholders involved in its business activities throughout the entire value chain including its own operations, and to conduct business activities with integrity.

As business activities expand globally, human rights issues are gaining greater attention worldwide. In response to this international trend, the UN adopted the Guiding Principles on Business and Human Rights in 2011. Our Group has adopted these Guiding Principles as a framework for respecting human rights in our business activities, and we are gradually advancing our human rights initiatives.

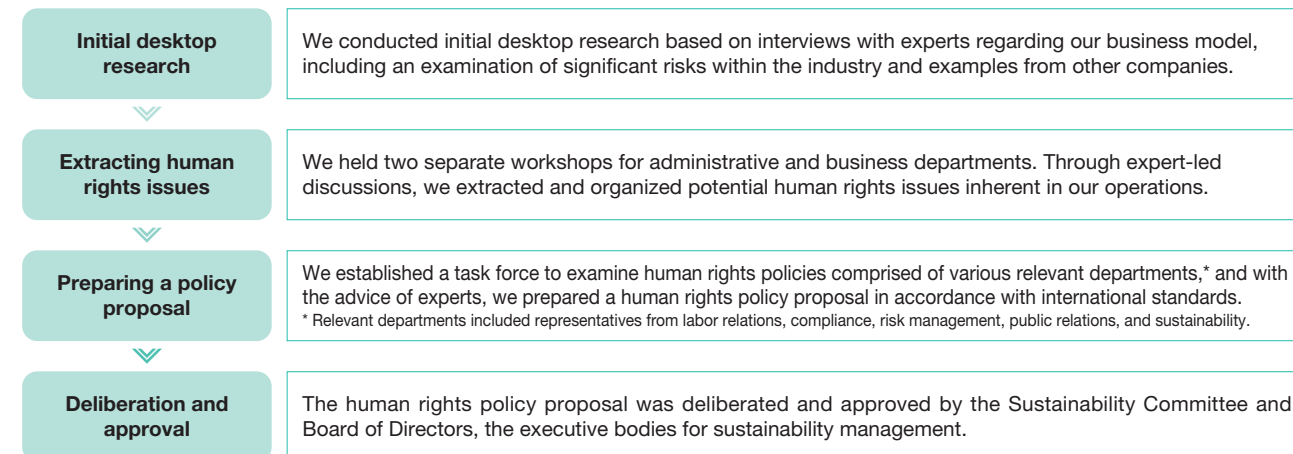
Overview of the Company's Human Rights Initiatives



Establishing a Human Rights Policy

In FY2024, the Group began formulating a human rights policy as the first step in our efforts to address human rights as a company. This process is outlined below, and after careful deliberation and approval by the Board of Directors, the Organo Group Human Rights Policy (see right) was established on March 26, 2025.

Process of establishing our human rights policy



Going forward, we will raise and promote awareness of our human rights policy and establish a system to implement human rights due diligence, which is the next phase of our efforts to address human rights as a company.

And we have disclosed on our website our specific human rights initiatives and information on human rights and harassment training for employees.

Respect for Human Rights
<https://www.organo.co.jp/english/company/humanrights-policy/>



Organo Group Company Code of Conduct
<https://www.organo.co.jp/english/company/ecology/>



Policy on the Conflict Minerals Issue
<https://www.organo.co.jp/sustainability/social/mineral/>
 (Japanese only)



Organo Group Human Rights Policy

The Organo Group's management philosophy is to serve as a valuable partner company by leveraging our 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. With this philosophy, we strive for the sustainable development of the Group.

We believe that for the management philosophy to be realized, it is important to respect the human rights of all people affected by the Organo Group's activities.

In order to fulfill the Organo Group's responsibility to respect human rights, we have established the Organo Group Human Rights Policy (this "Policy") as follows, based on the Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council in June 2011.

1. Basic Policy

Respect for human rights is fundamental to the Organo Group's activities, and the Organo Group respects internationally recognized human rights. In accordance with the UN Guiding Principles on Business and Human Rights, the Organo Group considers as minimum the International Bill of Human Rights (Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, and International Covenant on Economic, Social and Cultural Rights) and fundamental rights under the International Labour Organization's (ILO) core conventions listed in its Declaration on Fundamental Principles and Rights at Work, which sets forth fundamental rights at work. The Organo Group also supports and respects the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the ILO Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration). This Policy, together with the Organo Group's Management Philosophy, Sustainability Policy, the Organo Group Company Code of Conduct, and Basic Purchasing Concept, form the foundation of all the Organo Group activities. The Organo Group is committed to respecting human rights, and internal rules and regulations are interpreted and applied in accordance with this Policy.

2. Scope of Application

This Policy applies to all officers and employees of the Organo Group. In addition, if there are negative impacts on human rights from business partners and other parties in the value chain that directly lead to the Organo Group's business, products, or services, we will encourage these business partners and others to act in accordance with this Policy and respect human rights on an ongoing basis, with the expectation that they will comply.

3. Respect for Human Rights

The Organo Group respects the dignity, rights, and diversity of all people, prohibits all forms of discrimination, harassment, forced labor, child labor, and the like, creates a healthy and safe working environment for all employees, respects freedom of association and the right to collective bargaining, avoids even indirect involvement in human rights abuses, and will engage or participate in activities aimed at the realization of a society in which human rights are fulfilled. In addition, while complying with the laws and regulations applicable in each country or region where it operates, the Organo Group will pursue ways to maximize respect for internationally recognized human rights wherever there is a conflict between those rights and local laws. The Organo Group will identify specific issues related to respect for human rights that should be prioritized in its activities, and review them in a timely and appropriate manner, taking into consideration changes in social conditions and corporate activities and what is expected of the Group.

4. Human Rights Due Diligence

Recognizing the importance of ongoing human rights due diligence in accordance with the UN Human Rights Council's Guiding Principles on Business and Human Rights, we will strive to identify, prevent, and mitigate the negative human rights impacts of the Organo Group's activities on our stakeholders or those that directly relate to them, and continuously review the effectiveness of these efforts.

5. Dialogue and Consultation with Stakeholders

In implementing this Policy, the Organo Group will engage in dialogue and consultation with stakeholders in good faith, and leverage the expertise of external human rights experts.

6. Remediation and Relief

Where it is evident or suspected that the Organo Group's activities have caused or contributed to negative human rights impacts, we will work to remedy those impacts through dialogue and appropriate procedures. If the Organo Group's operations, products or services are directly linked to negative human rights impacts through business partners or other parties in the value chain, we will encourage such business partners and others to take corrective action. In addition, we will also develop relief mechanisms in line with international standards and take appropriate measures to provide relief to those who have suffered negative impacts on human rights.

7. Education and Training

To ensure that this Policy is incorporated into and effectively implemented in the activities of the Organo Group, we will provide appropriate education and training to our officers and employees and work to ensure that our business partners and other stakeholders understand this Policy.

8. Information Disclosure

In order to continuously monitor compliance with this Policy and fulfill our duty of accountability, we will disclose our efforts to address each of the aforementioned items related to respect for human rights on our website and in our Integrated Report, and we will strive to provide appropriate information so that stakeholders can understand the Organo Group's efforts.

* This Policy has been approved by the Company's Board of Directors.

Established March 26, 2025



Supply Chain Management

Basic Concept

To build relationships of trust and realize fair and ethical business transactions, we established a Basic Purchasing Concept. Amid growing interest from stakeholders on corporate social responsibility (CSR) in recent years, the Group is expected to go beyond its own borders to promote CSR throughout the entire supply chain. In response to these demands, the Group has published the Organo Group Supply Chain CSR Promotion Guidebook, promoting CSR initiatives in cooperation with related companies.

Basic Purchasing Concept

<https://www.organo.co.jp/company/buying/>
(Japanese only)



Supply Chain CSR Promotion Guidebook

The Organo Group Supply Chain CSR Promotion Guidebook conforms with the code of conduct of the Responsible Business Alliance (RBA), a non-profit that promotes social responsibility in the global supply chain. It outlines requirements in five areas: labor (human rights), occupational health and safety, environment, ethics, and management.

Cooperation with Suppliers

<https://www.organo.co.jp/sustainability/social/suppliers/>
(Japanese only)



Supplier Surveys

The Group conducts surveys to gain an understanding of the status of CSR initiatives of its business partners. In FY2024, we surveyed 100 business partners.

1. Survey target

The survey targets major business partners with whom we conduct ongoing transactions. We are identifying important business partners based on their importance to our business and procurement volume, dividing them into three groups, and surveying all major business partners over a three-year period. The survey is scheduled to target approximately 300 major business partners over three years, accounting for approximately 80% of the procurement volume. This survey was launched in FY2022 for the Company's business partners, and beginning in FY2025, it will also include business partners of Group companies.

2. Survey method

We ask responders to complete a self-check questionnaire.

3. Survey items

We conduct surveys on the status of our business partners regarding five topics from the Supply Chain CSR Promotion Guidebook.

4. Risk assessment

We assign a score to survey responses, establish a certain level of compliance, and assess the risk level.

CSR Promotion Training Sessions for Business Partners

We provide CSR promotion training to major business partners who, based on survey results, have not met a certain level of compliance. In addition to explaining the CSR initiatives expected of companies, the training shares the current status and policies of the Group, and encourages business partners to join Organo in promoting CSR.



Declaration of Partnership Building

To promote cooperation and mutual prosperity with our business partners and build new partnerships, we announced the Declaration of Partnership Building in April 2024. We will continue to strive to build partnerships based on mutual trust by ensuring active communication with our business partners.

Declaration of Partnership Building

https://www.organo.co.jp/wp/wp-content/uploads/2024/05/Declaration-of-Partnership-Building_240409.pdf
(Japanese only)



Social Contribution Activities

The Organo Group actively engages in support activities related to water environment conservation technologies and education while also contributing to environmental conservation through its water treatment business. In addition, the Group places emphasis on cooperation, collaboration, and building trust with communities, and actively promotes social contribution activities in areas surrounding business locations.

Organo Water Prize—Supporting the Challenges of High School and Technical College Students in the Grand Contest on Chemistry for High School Students

The Grand Contest on Chemistry for High School Students is an educational support program that fosters future scientific talent by supporting the independent research activities of high school, technical college, and secondary school students nationwide. We created the Organo Water Prize as a special sponsor award that celebrates contestants who have demonstrated a passion for chemistry and achieved outstanding results.

Supporting the Art Para Fukagawa Chatty Art Festival

This unique art festival is a nationwide public art exhibition with the aim of realizing a society in which people with disabilities and others live together, and it transforms the entire city of Fukagawa in Koto Ward, Tokyo, near our headquarters, into an art museum. Since its initial year in 2020, Organo has participated as a supporting partner, and the Company continues to contribute to the development of local culture and art and to the promotion of social participation by people with disabilities.

Certified as a Water Cycle Active-company

The Group is actively involved in activities to support water environment technology and education. These initiatives have been recognized, and the Company was certified as a Water Cycle Active-company under the 2024 Water Cycle Company Registration/Certification Program of the Headquarters for Water Cycle Policy, Cabinet Secretariat.



Organo Awards to Support Young Researchers in China

Since FY2007, the Company has been conducting a scholarship program in China known as the Organo Awards for recognizing and supporting graduate students who have achieved outstanding research results in the field of water quality and water environment conservation in China. The Organo Awards are implemented in partnership with the Research Center for Eco-Environmental Science of the Chinese Academy of Sciences and the Suzhou Industrial Park.

Support for Studies of Young Researchers in Water Environment Field

(Japan Society on Water Environment (JSWE)-ORGANO Doctoral Research Awards)

The JSWE-ORGANO Doctoral Research Awards were established with the aim of widely introducing outstanding research results of graduate students in doctoral programs and other young researchers and supporting their development of further research in the field of water environment. The Company provides assistance in the form of contributions that support the objectives of the JSWE-ORGANO Doctoral Research Awards.

Cooperation with Local Governments and Community Stakeholders

Headquarters

We hold "Organo SDGs Day," a special summer break program in cooperation with the Koto-ku Volunteer and Community Contribution Activity Center to provide information about SDGs and water environment conservation.



R&D Center

We provide water-environment conservation awareness activities at the Sagami-hara Environment Festival, an event organized with the cooperation of local residents, companies, universities, and government agencies.



Iwaki Factory

We offer factory tours for elementary and junior high school students in Fukushima Prefecture in cooperation with the "Kando! Fukushima" project, the aim of which is to promote the appeal of local businesses and assist with career development.



Financial Information

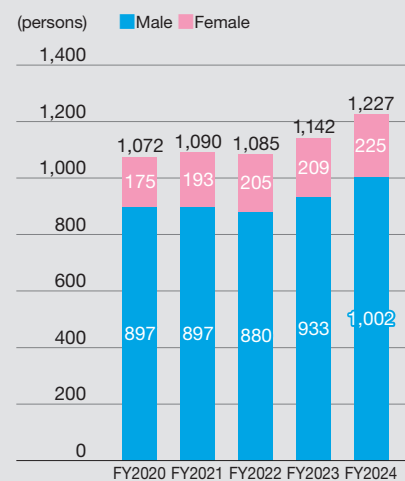
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Orders (millions of yen)	77,873	76,485	74,041	88,049	103,838	104,986	94,563	135,698	173,491	144,468	151,272
Net sales (millions of yen)	68,741	78,719	81,114	79,226	92,273	96,515	100,638	112,069	132,426	150,356	163,269
Operating profit (millions of yen)	2,398	3,947	4,114	3,821	6,558	9,908	9,579	10,850	15,212	22,544	31,120
Operating profit ratio (%)	3.5	5.0	5.1	4.8	7.1	10.3	9.5	9.7	11.5	15.0	19.1
Ordinary income (millions of yen)	2,465	3,871	4,162	3,933	6,538	9,929	9,900	11,545	16,020	23,425	31,639
Profit attributable to owners of parent (millions of yen)	1,085	2,485	2,731	2,780	4,452	7,162	7,074	9,210	11,730	17,310	24,150
Capital expenditures *1 (millions of yen)	334	603	903	644	635	965	1,015	3,387	1,466	1,855	2,803
R&D expenses (millions of yen)	1,392	1,407	1,495	1,776	1,823	2,178	2,300	2,146	2,615	2,829	3,253
Depreciation (millions of yen)	999	950	950	972	920	1,189	1,212	1,332	1,824	2,010	1,925
Net assets (millions of yen)	45,308	46,567	49,034	51,681	54,795	60,857	67,357	76,004	86,371	102,147	121,194
Total assets (millions of yen)	83,609	94,795	95,405	96,036	101,257	101,448	115,011	130,506	164,854	182,703	194,396
Liabilities with interest (millions of yen)	12,717	17,412	16,910	15,484	13,659	9,740	16,005	15,628	33,019	36,465	22,557
Annual dividend *2,3 (yen per share)	8	9	11	53	73	104	114	160	62	102	160
Book-value per share (BPS) *2,3 (yen)	786.72	806.89	849.45	4,477.64	4,784.81	5,301.26	5,856.25	6,620.54	1,877.80	2,218.53	2,631.24
Earnings per share (EPS) *2,3 (yen)	18.85	43.17	47.44	241.50	388.48	626.05	616.72	802.69	255.77	376.92	525.37
Equity ratio (%)	54.2	49.0	51.3	53.7	54.0	59.9	58.4	58.1	52.3	55.8	62.2
Return on equity (ROE) (%)	2.4	5.4	5.7	5.5	8.4	12.4	11.1	12.9	14.5	18.4	21.7
Return on assets (ROA) (%)	3.1	4.3	4.4	4.1	6.6	9.8	9.1	9.4	10.8	13.5	16.8
Consolidated payout ratio (%)	42.4	20.8	23.2	21.9	18.8	16.6	18.5	19.9	24.2	27.1	30.5

*1: Capital expenditures in FY2020 and beyond include investments in property, plant, and equipment, and intangible assets. *2: The Company implemented a reverse stock split on October 1, 2017, consolidating five common shares into one.

*3: The Company implemented a share split with an effective date of October 1, 2022, splitting one common share into four.

Nonfinancial Information (Non-consolidated)

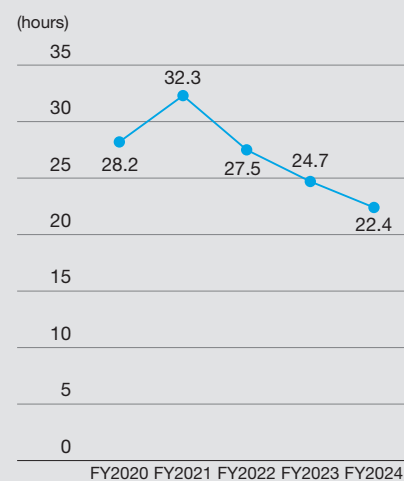
Number of Employees



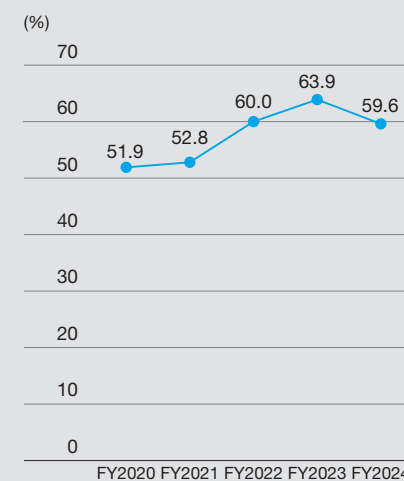
Average Years of Service



Average Monthly Hours of Overtime

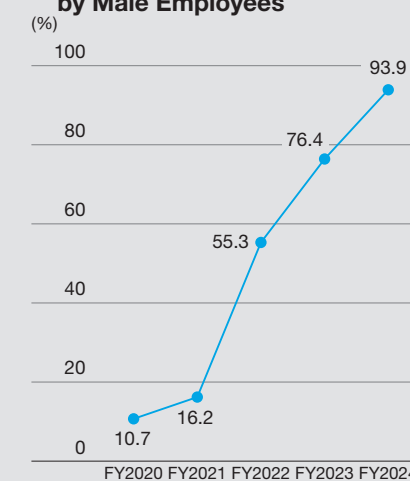


Rate of Use of Paid Leave*

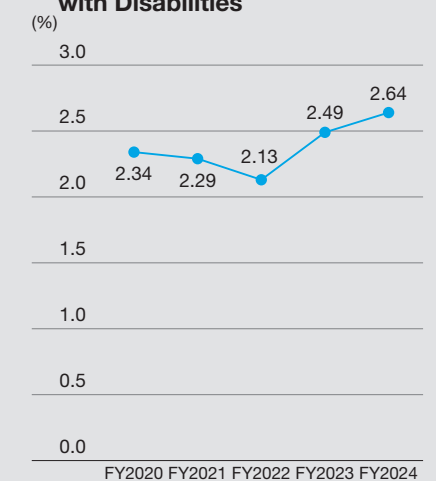


* Aggregated values from January 1 of the previous fiscal year to December 31 of the current fiscal year.
Ex.: FY2024 → Period from January 1, 2024 to December 31, 2024

Rate of Childcare Leave Taken by Male Employees



Employment Rate of People with Disabilities



Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (March 31, 2024)	Fiscal year under review (March 31, 2025)		Previous fiscal year (March 31, 2024)	Fiscal year under review (March 31, 2025)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	17,642	16,751	Trade notes and accounts payable	19,842	23,438
Notes receivable - trade	1,144	677	Electronically recorded obligations - operating	2,839	4,648
Accounts receivable - trade	42,977	42,549	Short-term borrowings	34,065	18,877
Electronically recorded monetary claims - operating	4,452	4,502	Income taxes payable	3,605	5,042
Contract assets	33,651	36,223	Contract liabilities	3,920	2,564
Lease investment assets	27,814	35,512	Provision for bonuses	1,890	2,161
Merchandise and finished goods	7,707	8,010	Provision for product warranties	1,686	1,349
Work in progress	9,221	11,169	Provision for loss on construction contracts	83	34
Raw materials and supplies	4,902	3,345	Provision for stock-based remuneration for directors (and other officers)	107	103
Other	3,978	5,719	Other	4,561	6,180
Allowance for doubtful accounts	(23)	(94)	Total current liabilities	72,602	64,401
Total current assets	153,469	164,367	Fixed liabilities		
Fixed assets			Long-term borrowings	2,400	3,680
Tangible fixed assets			Deferred tax liabilities	59	25
Buildings and structures	19,526	19,937	Retirement benefit liabilities	5,344	4,984
Accumulated depreciation	(13,550)	(13,992)	Other	149	110
Buildings and structures (net)	5,976	5,944	Total fixed liabilities	7,953	8,799
Machinery, equipment, and vehicles	6,706	7,298	Total liabilities	80,555	73,201
Accumulated depreciation	(5,828)	(6,206)	Net assets		
Machinery, equipment, and vehicles (net)	877	1,091	Shareholders' equity		
Land	12,304	12,437	Capital stock	8,225	8,225
Construction in progress	148	690	Capital surplus	7,508	7,508
Other	6,557	7,078	Retained earnings	82,907	100,982
Accumulated depreciation	(5,229)	(5,726)	Treasury stock	(518)	(746)
Other (net)	1,327	1,352	Total shareholders' equity	98,122	115,969
Total tangible fixed assets	20,634	21,516	Accumulated other comprehensive income		
Intangible fixed assets	986	1,120	Valuation difference on available-for-sale securities	774	256
Investments and other assets			Foreign exchange translation adjustment	1,923	3,397
Investment securities	2,835	2,373	Accumulated adjustment for retirement benefits	1,108	1,323
Retirement benefit assets	1,955	2,260	Total accumulated other comprehensive income	3,805	4,978
Deferred tax assets	2,404	2,391	Minority interests	219	246
Other	600	505	Total net assets	102,147	121,194
Allowance for doubtful accounts	(183)	(138)	Total liabilities and net assets	182,703	194,396
Total investments and other assets	7,613	7,391			
Total fixed assets	29,233	30,028			
Total assets	182,703	194,396			

Consolidated Statement of Income

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Net sales	150,356	163,269
Cost of sales	106,514	108,087
Gross profit	43,841	55,182
Selling, general and administrative expenses	21,297	24,061
Operating profit	22,544	31,120
Non-operating profit		
Interest income	138	120
Dividend income	47	31
Exchange gains	546	383
Equity method investment income	203	122
Other	205	123
Total non-operating income	1,142	780
Non-operating expenses		
Interest expenses	240	246
Other	20	15
Total non-operating expenses	261	262
Ordinary income	23,425	31,639
Extraordinary income		
Income from sales of fixed assets	13	4
Income from sales of investment securities	191	724
Gain on liquidation of subsidiaries	57	-
Total extraordinary income	262	728
Extraordinary losses		
Loss on abandonment of fixed assets	55	9
Total extraordinary losses	55	9
Income before income taxes	23,633	32,358
Corporate, inhabitant, and business taxes	6,503	8,107
Income taxes - deferred	(205)	63
Total income taxes	6,298	8,171
Profit	17,334	24,186
Profit attributable to minority interests	24	36
Profit attributable to owners of parent	17,310	24,150

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Profit	17,334	24,186
Other comprehensive income		
Valuation difference on available-for-sale securities	232	(517)
Deferred gains or losses on hedges	2	-
Foreign exchange translation adjustment	748	1,486
Adjustment amount for defined benefit plans	792	220
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	1,777	1,189
Comprehensive income	19,112	25,376
Items		
Comprehensive income attributable to owners of parent	19,068	25,322
Comprehensive income attributable to minority interests	43	53

Consolidated Statement of Shareholders' Equity

(Millions of yen)

Previous fiscal year (from April 1, 2023 to March 31, 2024)	Shareholders' equity						
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity		
Balance at beginning of current period	8,225	7,508	69,002	(613)	84,123		
Changes during current period							
Dividends of surplus			(3,405)		(3,405)		
Profit attributable to owners of parent			17,310		17,310		
Acquisition of treasury stock				(2)	(2)		
Disposal of treasury stock				97	97		
Changes in items other than shareholders' equity (net)							
Total changes during current period	–	–	13,904	95	13,999		
Balance at end of current period	8,225	7,508	82,907	(518)	98,122		

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign exchange translation adjustment	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income		
Balance at beginning of current period	539	(2)	1,191	317	2,047	201	86,371
Changes during current period							
Dividends of surplus							(3,405)
Profit attributable to owners of parent							17,310
Acquisition of treasury stock							(2)
Disposal of treasury stock							97
Changes in items other than shareholders' equity (net)	234	2	731	790	1,758	17	1,776
Total changes during current period	234	2	731	790	1,758	17	15,776
Balance at end of current period	774	–	1,923	1,108	3,805	219	102,147

(Millions of yen)

Fiscal year under review (from April 1, 2024 to March 31, 2025)	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	8,225	7,508	82,907	(518)	98,122
Changes during current period					
Dividends of surplus			(6,074)		(6,074)
Profit attributable to owners of parent			24,150		24,150
Acquisition of treasury stock				(330)	(330)
Disposal of treasury stock				101	101
Changes in items other than shareholders' equity (net)					
Total changes during current period	—	—	18,075	(228)	17,846
Balance at end of current period	8,225	7,508	100,982	(746)	115,969

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign exchange translation adjustment	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income		
Balance at beginning of current period	774	1,923	1,108	3,805	219	102,147
Changes during current period						
Dividends of surplus						(6,074)
Profit attributable to owners of parent						24,150
Acquisition of treasury stock						(330)
Disposal of treasury stock						101
Changes in items other than shareholders' equity (net)	(517)	1,474	215	1,172	27	1,200
Total changes during current period	(517)	1,474	215	1,172	27	19,046
Balance at end of current period	256	3,397	1,323	4,978	246	121,194

Consolidated Statement of Cash Flows

(Millions of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	Fiscal year under review (from April 1, 2024 to March 31, 2025)
Cash flow from operating activities		
Income before income taxes	23,633	32,358
Depreciation	2,010	1,925
Increase (decrease) in provisions	1,111	2
Increase (decrease) in retirement benefit liabilities	64	(22)
Decrease (increase) in retirement benefit assets	(239)	(312)
Interest and dividend income	(186)	(151)
Interest expenses	240	246
Foreign exchange losses (gains)	(43)	(225)
Loss (gain) on liquidation of subsidiaries	(57)	–
Share of loss (profit) of entities accounted for using equity method	(203)	(122)
Loss (gain) on sales of fixed assets	(13)	(4)
Loss on abandonment of fixed assets	55	9
Loss (gain) on sales of investment securities	(191)	(724)
Decrease (increase) in trade receivables and contract assets	(4,825)	603
Decrease (increase) in lease investments	(17,960)	(7,697)
Decrease (increase) in inventories	9,128	(472)
Increase (decrease) in trade payables	(3,721)	4,166
Other	814	(1,608)
Subtotal	9,614	27,970
Interest and dividends received	198	163
Interest paid	(238)	(249)
Insurance income received	114	9
Income taxes paid or refunded	(5,965)	(6,793)
Other	3	–
Cash flow from operating activities	3,726	21,100
Cash flow from investing activities		
Expenditures on acquisitions of tangible fixed assets	(1,191)	(2,262)
Income from sales of tangible fixed assets	14	4
Expenditures on acquisitions of intangible fixed assets	(456)	(427)
Expenditures on acquisitions of investment securities	(2)	(303)
Income from sales of investment securities	254	858
Loan expenditures	(30)	–
Other	(5)	(1)
Cash flow from investing activities	(1,415)	(2,130)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	4,676	(15,796)
Income from long-term borrowings	–	3,100
Repayments of long-term borrowings	(1,700)	(1,495)
Acquisition of treasury stock	(2)	(330)
Dividends paid	(3,405)	(6,074)
Dividends paid to minority interests	(25)	(25)
Other	(184)	(199)
Cash flow from financing activities	(641)	(20,821)
Foreign exchange translation adjustments on cash and cash equivalents	415	960
Increase (decrease) in cash and cash equivalents	2,084	(891)
Cash and cash equivalents at beginning of current period	15,558	17,642
Cash and cash equivalents at end of current period	17,642	16,751

Company Information

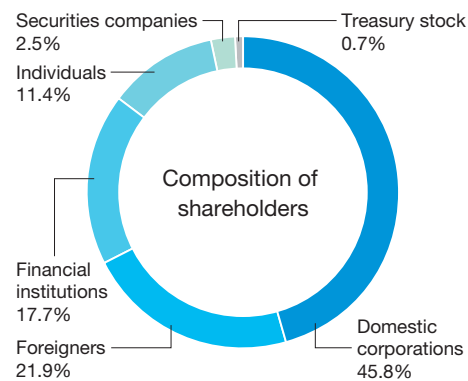
Company Profile (as of March 31, 2025)

Company name	ORGANO CORPORATION
Foundation	May 1, 1946
Capital	8,225,499,312 yen
Representative	Masayuki Yamada, Representative Director and President

Number of employees	2,660 consolidated (1,277 single entity)
Major businesses	As a comprehensive water treatment engineering company, the Company is mainly engaged in the manufacture, sale, and maintenance of various types of industrial process water and wastewater treatment systems using ion exchange resin, separation membranes, and activated charcoal, the provision of water treatment outsourcing services, and the sale of various chemicals and food processing materials.

Shares (as of March 31, 2025)

Total number of authorized shares: 101,568,000 shares
 Total number of issued shares: 46,359,700 shares
 (including 338,798 treasury shares)
 Number of shareholders: 12,094



Major Shareholders (top ten)

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

Notes: 1. The treasury shares (338,798 shares) are excluded in the calculation of the holding ratio shown above.
 2. 54,840 shares of the Company held by Custody Bank of Japan, Ltd. (Trust account) (shares in the Officer Share Delivery Trust) are not included in treasury shares.

External Evaluation—Incorporated into Indexes



2024 CONSTITUENT MSCI NIHONKABU
 ESG SELECT LEADERS INDEX
 MSCI

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Network (Japan/Overseas)

Major Offices

Headquarters	1-2-8, Shinsuna, Koto-ku, Tokyo, 136-8631
R&D Center	4-4-1, Nishi-Onuma, Minami-ku, Sagami-hara, Kanagawa, 252-0332
Tsukuba Factory	2-3, Midorigahara (Tsukuba TechnoPark Toyosato), Tsukuba City, Ibaraki, 300-2646
Iwaki Factory	1-66, Yoshima Kogyodanchi, Iwaki City, Fukushima, 970-1144
Hokkaido Branch	5-8-37, Kita 7 Jou Higashi (Organo Hokkaido Building), Higashi-ku, Sapporo City, Hokkaido, 060-0907
Tohoku Branch	1-11-1, Honcho (HF Sendai Honcho Building), Aoba-ku, Sendai City, Miyagi, 980-0014
Kanto Branch	1-2-8, Shinsuna, Koto-ku, Tokyo, 136-8631
Chubu Branch	3-7-3, Uchiyama (NTP Plaza Chikusa-Uchiyama), Chikusa-ku, Nagoya City, Aichi, 464-0075
Kansai Branch	1-6, Enoki Town (Kansai Organo Building), Suita City, Osaka, 564-0053
Chugoku Branch	2-14, Inari Town (Wako-Inarimachi Building), Minami-ku, Hiroshima City, Hiroshima, 732-0827
Kyushu Branch	1-4-2, Shirokane (Organo Kyushu Building), Chuo-ku, Fukuoka City, Fukuoka, 810-0012



Domestic Group Companies

Organo Plant Service Corporation	1-2-8, Shinsuna, Koto-ku, Tokyo, 136-0075
Organo Food Tech Corporation	2100-43, Kamiyoshiba, Saitama City, Saitama, 340-0121
Organoacty Corporation	1-2-8, Shinsuna, Koto-ku, Tokyo, 136-0075
Hostec Co., Ltd.	4780-4, Nakasu, Suwa City, Nagano, 392-0015
Tohoku Denki Tekko Co., Ltd.	1-4-57, Ohama, Sakata City, Yamagata, 998-0064

Overseas Group Companies

Organo (Asia) Sdn. Bhd.	No. 49, Jalan Bagan Terap 26/11, Seksyen 26, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia
Organo (Suzhou) Water Treatment Co., Ltd.	No. 28 Sheng gang Rd. Suzhou Industrial Park, Suzhou 215126, China
Organo Technology Co., Ltd.	10th Floor, No. 158, Sec. 2, Gongdao 5th Rd., Hsinchu City 300, Taiwan R.O.C.
Organo (Thailand) Co., Ltd.	89/1 Kasemsap Building, 6th Floor, Viphavadi Rangsit Rd., Chom Phon, Chatuchak, Bangkok 10900, Thailand
PT Lautan Organo Water	Graha Indramas 5th Floor, Jl. AIP II K.S. Tubun Raya, No.77, Jakarta 11410, Indonesia
Organo (Vietnam) Co., Ltd.	Thuy Loi 4 Office Building, 3rd Floor, 102 Nguyen Xi Street, Ward 26, Binh Thanh District, Ho Chi Minh City, Vietnam
Organo USA, Inc.	23040 N 11th Avenue, Suite 107 Phoenix, AZ 85027, United States

Our website

For more information, please refer to our website below:
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