

# 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/>



## Contents

### Introduction

To Our Readers	1
Contents	2
Management Philosophy/Long-Term Management Vision	3
Sustainability Policy/Material Issues	4
Business of the Organo Group	5
Organo’s Three Strengths	7
Business Model	9
History of the Organo Group	11

### Goal of the Organo Group

Value Creation Process	13
Message from the President	15
Medium- to Long-Term Management Plan ORGANO 2030	21
Financial Strategy	23
Sustainability Management	25

### Strategies to Enhance the Organo Group’s Value

Strengthening Management Capital	27
Strategy by Segment: Water Treatment Engineering Business Unit	29
Strategy by Segment: Performance Products Business Unit	31
R&D and Engineering	33
Manufacturing Sites	36
Overseas Business Development	37
New Customer Value Creation Initiatives	39
Human Resource Strategy	41

### Business Foundation of the Organo Group

Governance	47
Environment	59
Society	66

### Corporate Data

Financial/Nonfinancial Information	71
Consolidated Balance Sheet	73
Consolidated Statement of Income/Consolidated Statement of Comprehensive Income	74
Consolidated Statement of Shareholders’ Equity	75
Consolidated Statement of Cash Flows	76
Company Information/External Evaluation—Incorporated into Indexes	77
Network (Japan/Overseas)	78



### 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

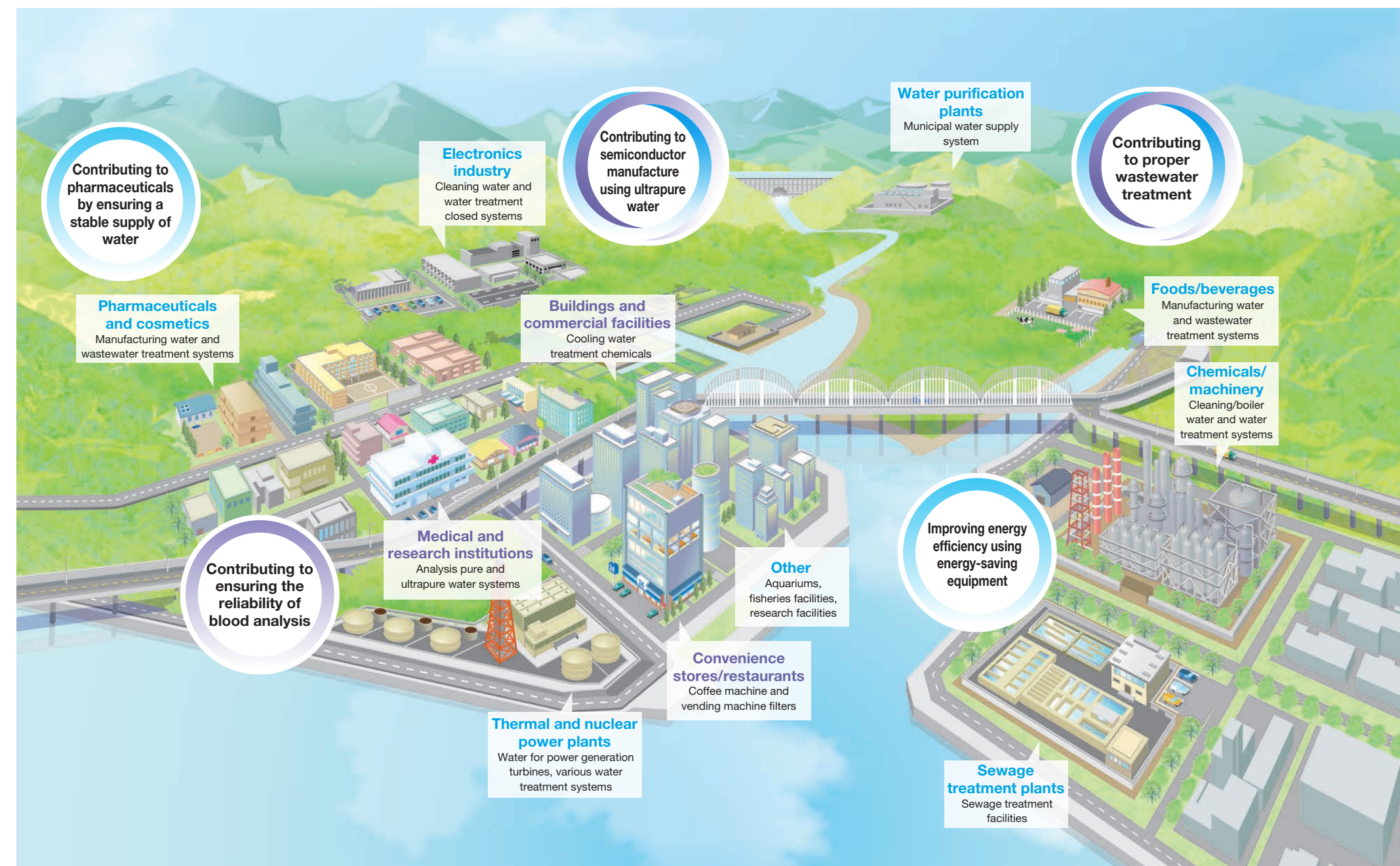


Food products

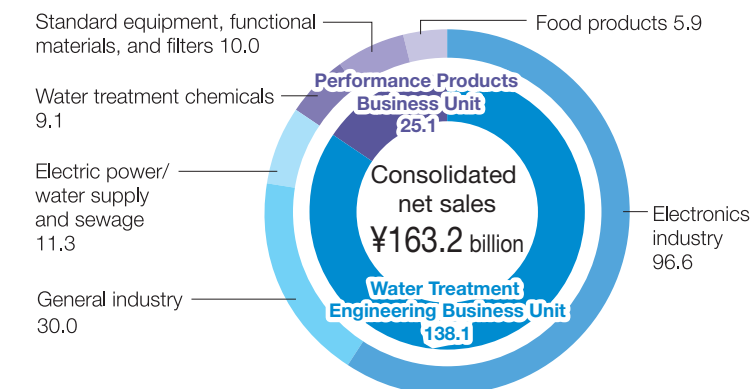


Standard equipment and functional materials

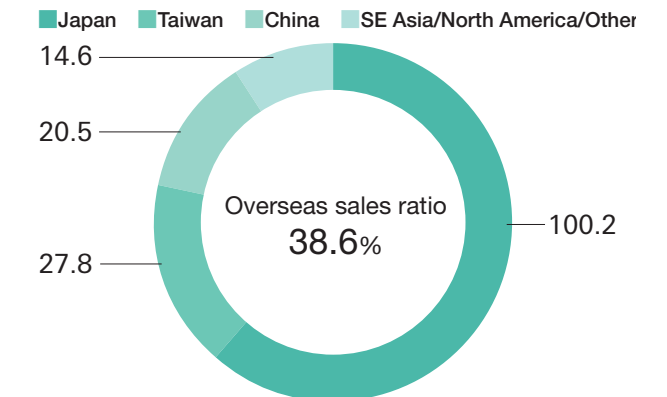
## Organo water treatment technology supporting daily life



### Net Sales by Segment (Billions of yen)



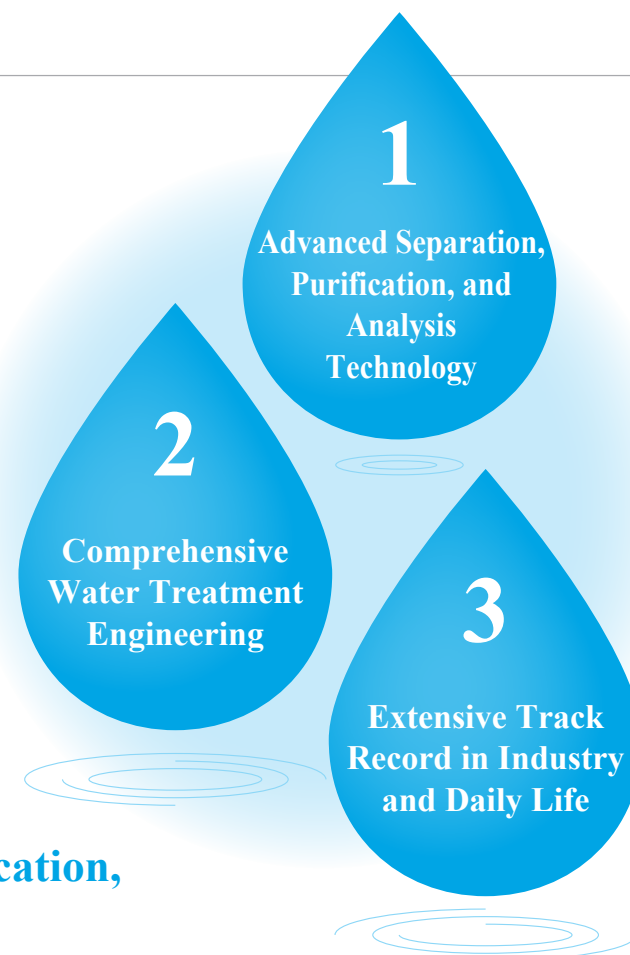
### Net Sales by Region (Billions of yen)





# 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?

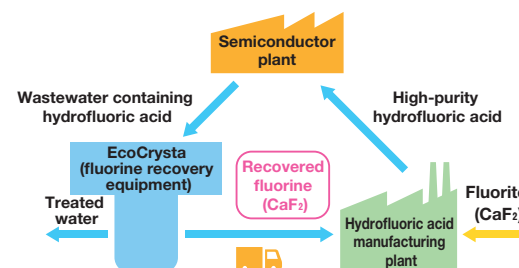
While Organo's separation and purification technologies can be found in a wide range of applications—from ultrapure water to wastewater and for various solvents and chemical solutions—the key is the ability to separate and remove unwanted matter and to purify useful substances.

#### 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 m<sup>3</sup>) at the Olympic Games.

#### Purifying useful substances

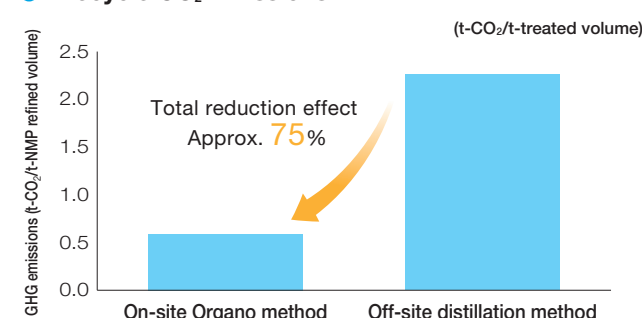


Technology to increase the purity of specific substances is used in applications such as the recovery of valuable resources in wastewater. (The above is an example of calcium fluoride recovery from wastewater.)

### Non-Aqueous Separation and Purification

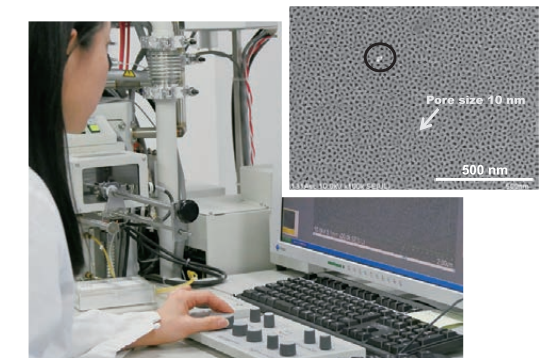
Organo entered the non-aqueous separation and purification field in 1953. We develop and deliver technologies for the refinement and decolorization of sugar, the removal of substances from a distilled spirit that cause people to feel sick, and currently, to recover N-methylpyrrolidone (NMP) used in large 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 CO<sub>2</sub> emissions by nearly 75%, contributing to resource and energy savings.

#### Lifecycle CO<sub>2</sub> 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 <sup>3</sup> 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

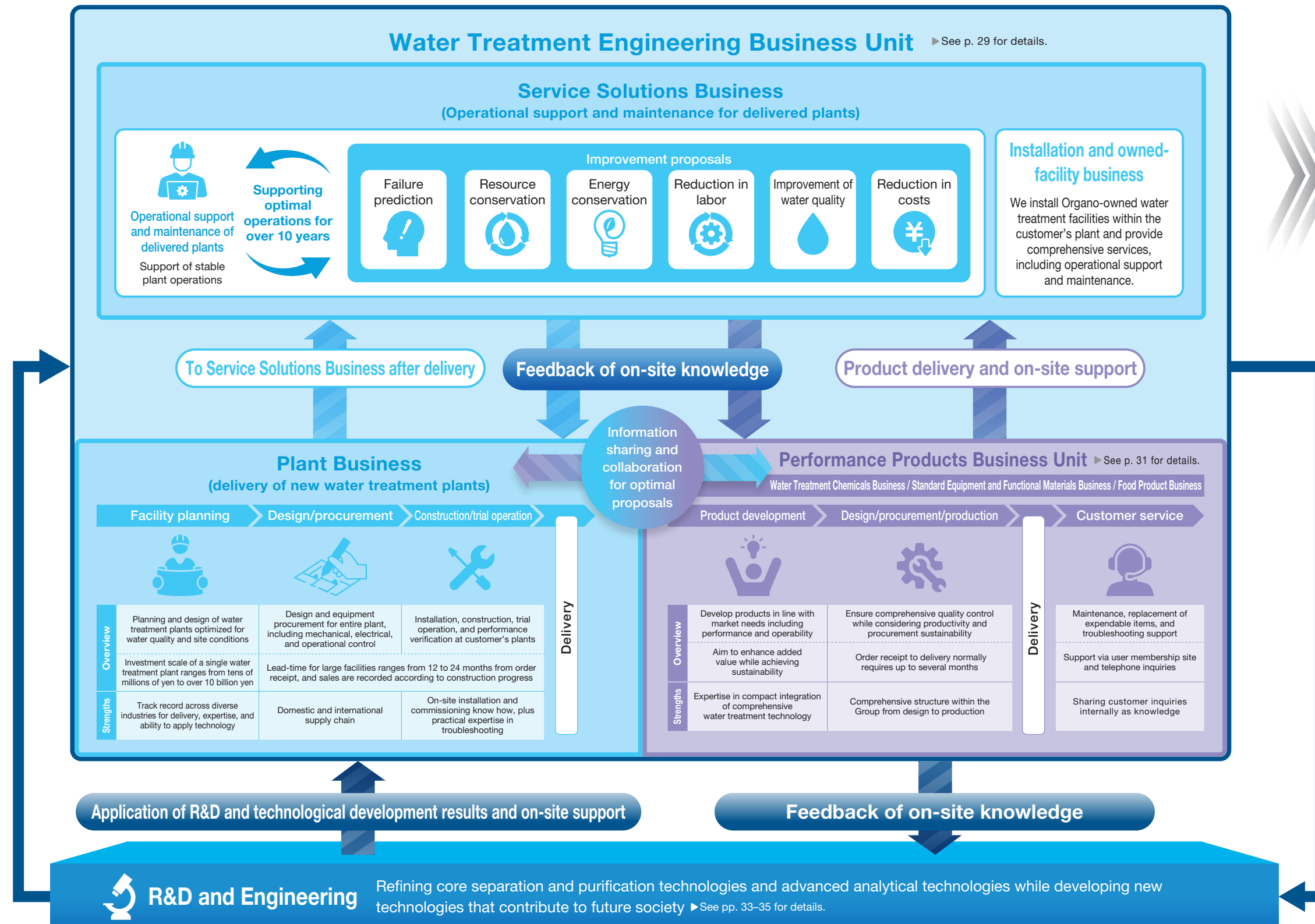
The breadth of our customer base accumulated from our wide-ranging delivery record is one of our most valuable assets for meeting our customers' future needs.

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

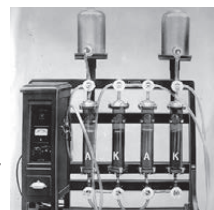
2020

Note: The graph indicates the changes in net sales.

### Founded

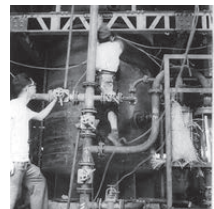
#### 1946

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

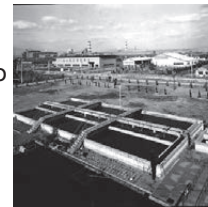


#### 1957

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.

