

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/>

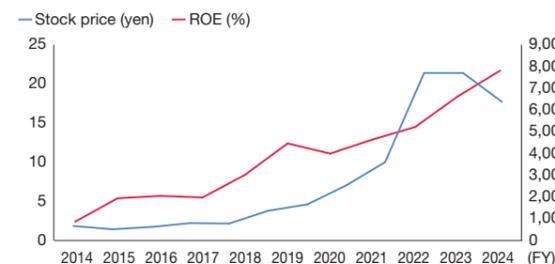


Transition toward Stronger Corporate Governance

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.

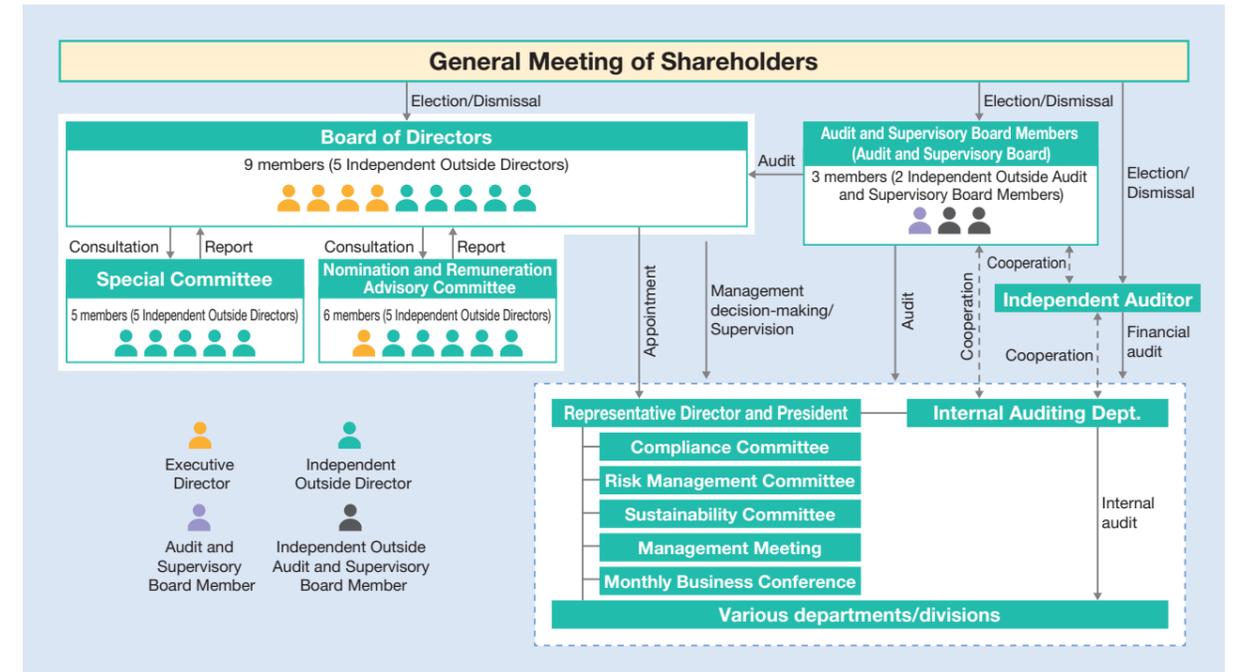
Trends in Stock Price and ROE



- 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.

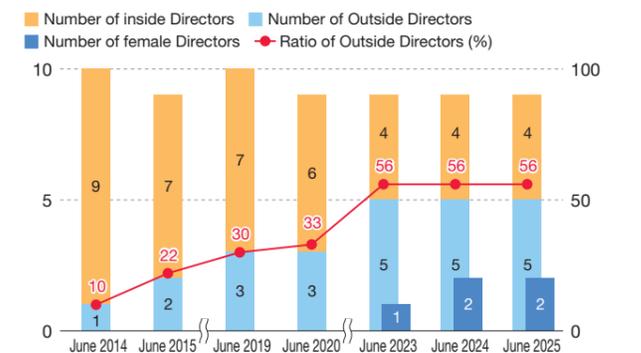
Special Committee

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)

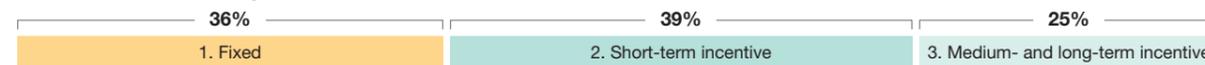
Article 13 (Form of corporate organ)	<ul style="list-style-type: none"> The Company shall select a company with an Audit and Supervisory Board as its form of corporate organ. The Board of Directors shall be positioned as an organ that makes decisions on basic policies, etc. of the entire Group, exercises 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



* In the case of the Representative Director and President

Overview of remuneration system of Executive Directors

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

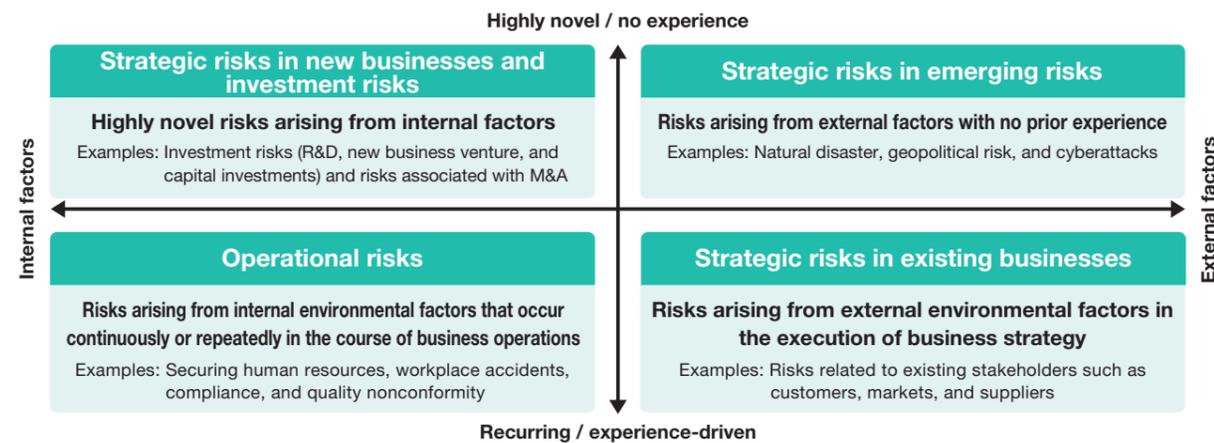
To ensure more appropriate management of major risks, we introduced the Risk Management Committee and established a system to promote risk management with the committee playing a central role. This committee consists of Executive Directors, Executive Officers with titles, and other members who are selected 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.

Established the Risk Management Committee (April 1, 2024)



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.

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
(2) Strategic risks in existing businesses	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
	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
(3) Strategic risks in new businesses and investment risks	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
	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
(4) Operational risks	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
	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.

Carbon Disclosure Project (CDP) Score

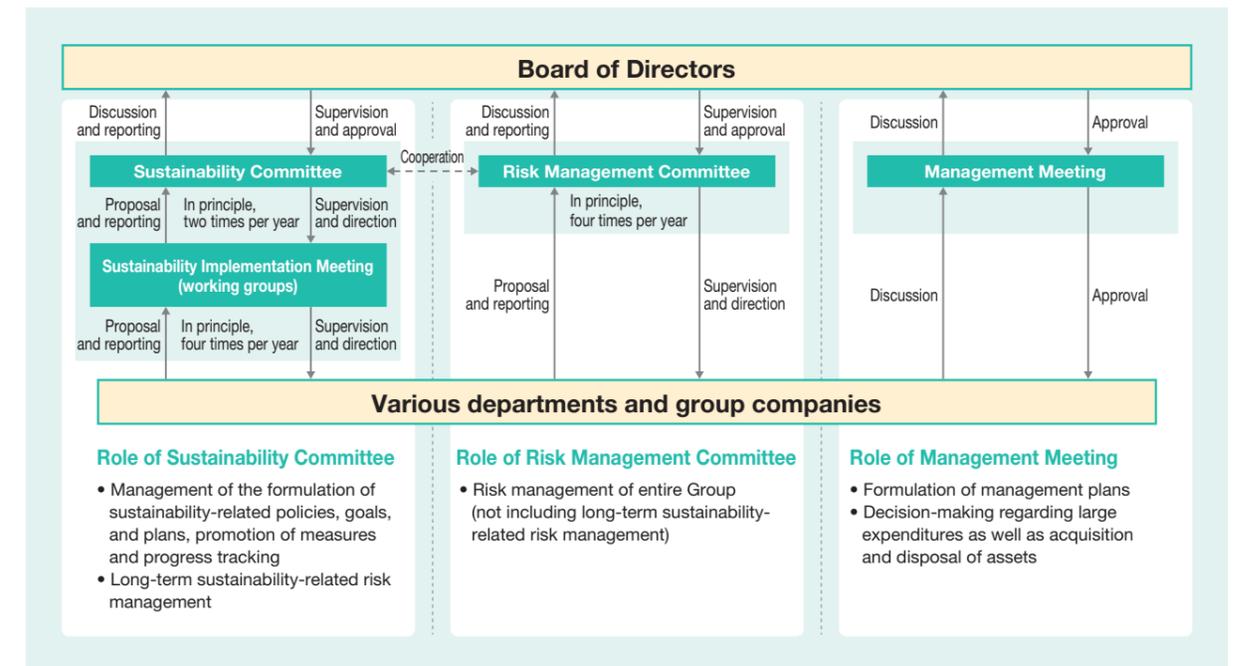
In 2024, the Organo Group received a score of "B" from CDP for both climate change and water security. The CDP issues three questionnaires: "climate change," concerning decarbonization; "water security," concerning water conservation; and "forests," concerning forest conservation. We submitted responses 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



■ 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
	Technology	Increased social demand for reuse and effective use of waste	Reduced sales of products and services with low energy efficiency	Medium term	• Strengthen development of energy-saving products and services
			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	

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	
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 	
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
			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	
Opportunities in the 4°C scenario	Physical (chronic)	Chronic climate change (rising average temperatures)	Higher energy costs due to increased intensity and duration of air conditioning	Medium to long term	<ul style="list-style-type: none"> Introduce energy-saving air conditioning equipment

* 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.

3 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.

4 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.

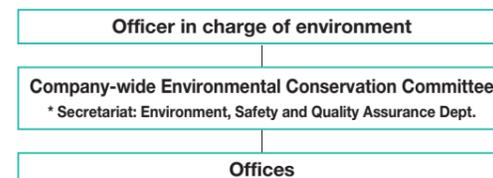
Basic Environmental Policy

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

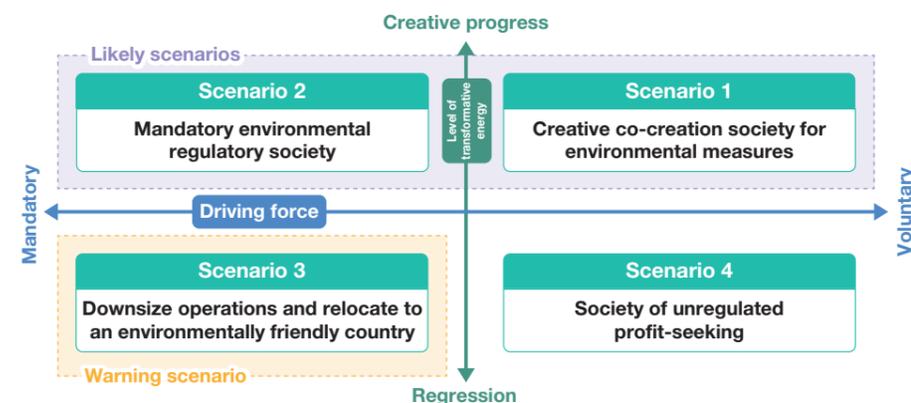
	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total waste volume	t	1,165	1,171	2,776	3,102	3,265
Recycling volume	t	486	554	430	552	444
Volume of waste generated	t	679	617	2,346	2,550	2,821

* 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.

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.

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*	7	6	4

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

* The figures for FY2022 and FY2023 have been corrected on March 16, 2026.

Society

Respect for Human Rights

Basic Concept

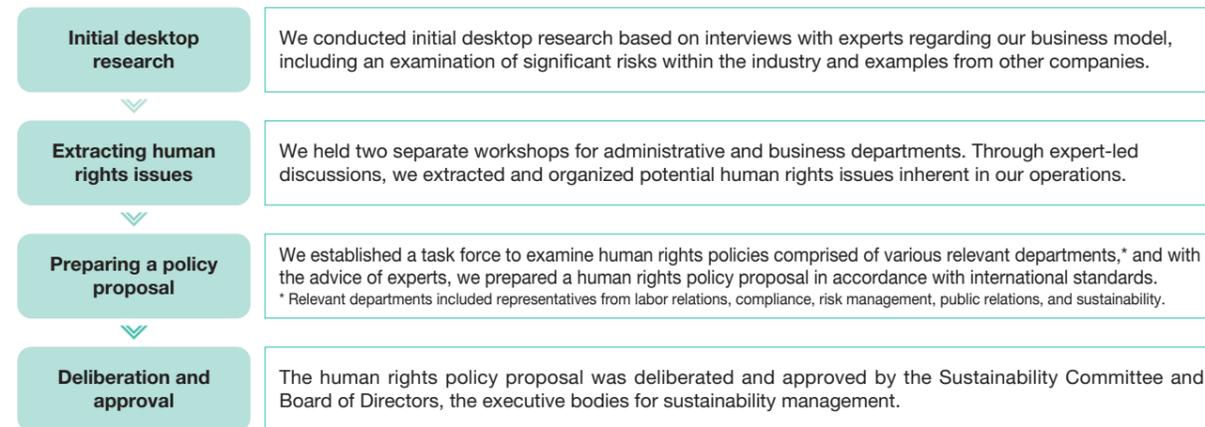
Respect for human rights is an essential part of conducting business activities. The Organo Group believes it is important to respect the human rights of all stakeholders involved in its business activities throughout the entire value chain including its own operations, and to conduct business activities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

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/>



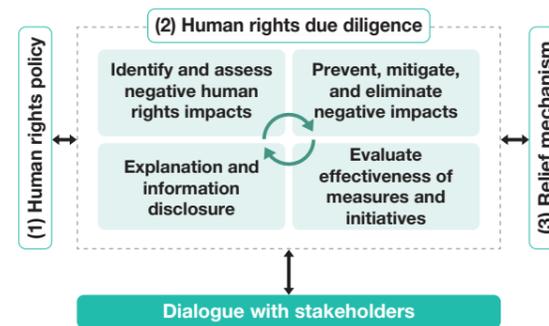
Organo Group Company Code of Conduct
<https://www.organo.co.jp/english/company/ecology/>



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



Overview of the Company's Human Rights Initiatives



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

Society

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.

