MORESCO Corporation

The 69th 1Q Financial Report

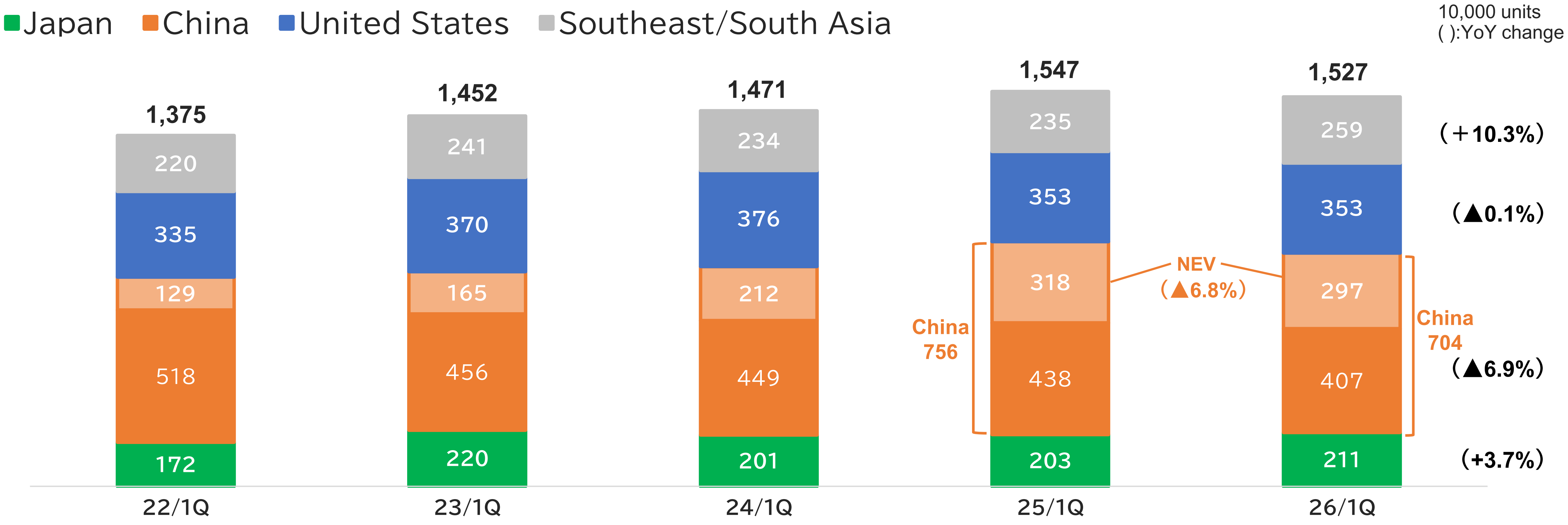
(From March 1, 2026 to May 31, 2026)

Tokyo Stock Exchange Standard Market 5018 (Petroleum and Coal Products)
July 15, 2026

Business Environment - Volume of automobile production

- Japan and Southeast/South Asia increased year-on-year. China decreased year-on-year.

Volume of automobile production in areas where our business sites are located

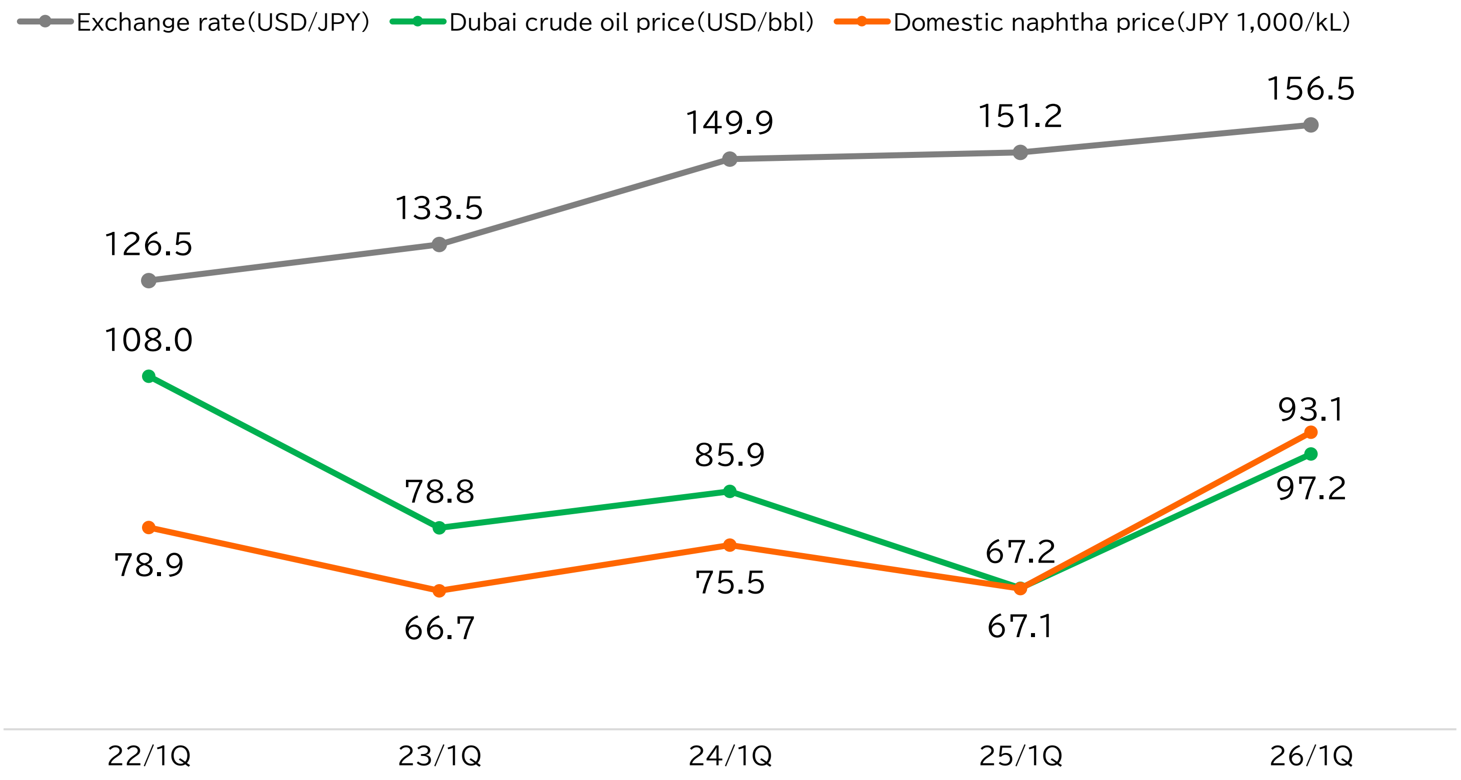


Source: Prepared by MORESCO based on data released by MarkLines Co., Ltd.
Note 1: Data is aggregated based on MORESCO's fiscal year (Japan: March to May, overseas: January to March).
Note 2: Data for Southeast/South Asia includes Thailand, Indonesia, and India.
Note 3: Data for North America includes the United States and Mexico, starting from this period.
Note 4: Japan data has been revised retroactively to reflect updated figures released by MarkLines Co., Ltd.

Business Environment - Trends in foreign exchange, crude oil and naphtha prices

- The exchange rate (USD/JPY) trended toward a weaker yen.
- Crude oil prices and domestic naphtha prices rose significantly year-on-year.

Trends in foreign exchange, crude oil and naphtha prices



	FY2025 1Q	FY2026 1Q	YoY Change	FY2026 Plan
Exchange rate (USD/JPY)	151.2	156.5	+5.3	160.0
Dubai crude oil price (USD/bbl)	67.2	93.1	+25.9	130.0
Domestic naphtha price (JPY 1,000/kL)	67.1	97.2	+30.2	-

Source: Prepared by MORESCO based on publicly available data
Note: Prices are on a three-month average basis.

Consolidated Statement of Income

MORESCO

Net sales

- Revenue increased due to inventory build-up by major customers, price revisions in key segments, and higher sales volumes, particularly in the specialty lubricants segment.

Gross profit / Operating profit

- Gross profit margin improved through the expansion of high-value-added products and price revisions, resulting in higher profit.

Ordinary profit

- Profit increased due to higher operating profit and a reduction in foreign exchange losses.

(Millions of yen)	25/1Q	26/1Q	YoY Change	
			Change in amount	Change in percentage
Net sales	8,516	**9,306**	+791	+9.3%
Gross profit	2,608	**3,351**	+743	+28.5%
SG&A	2,088	**2,280**	+192	+9.2%
R&D expenses	520	**1,071**	+551	+106.1%
Operating profit	▲78	**46**	+125	–
Non-operating profit (loss)	441	**1,117**	+676	+153.2%
Ordinary profit	438	**1,117**	+679	+154.7%
Profit before tax	237	**731**	+494	+208.3%

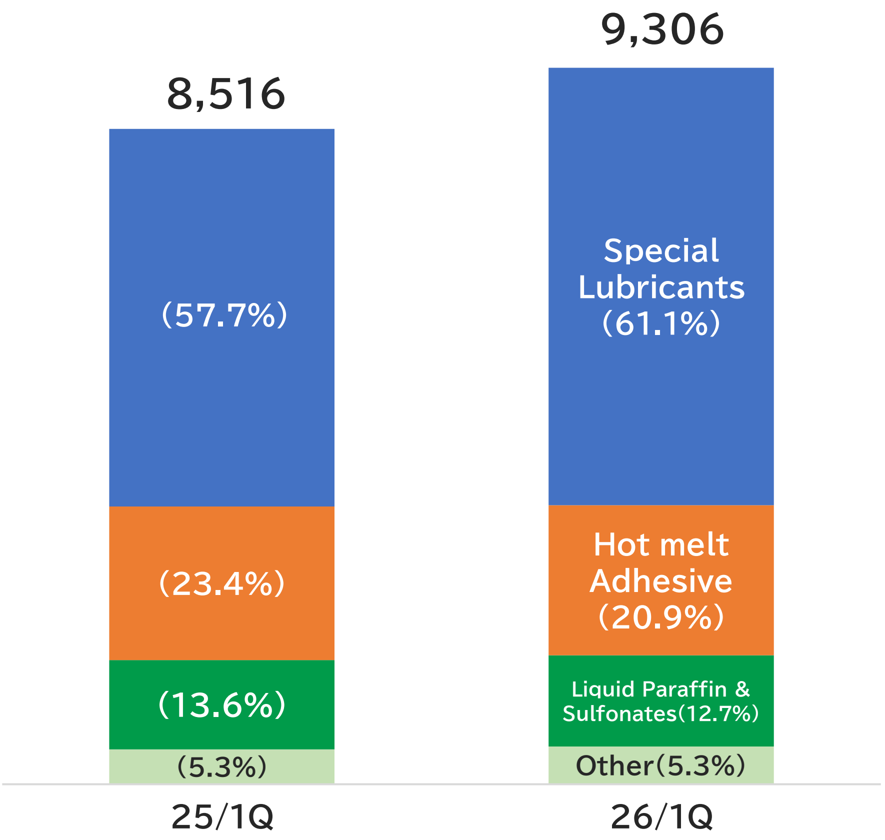
* Profit attributable to owners of parent.

Net sales by Division

➤ Revenue increased, driven by higher sales in the Special Lubricants Division.

(Millions of yen)	26/2期 1Q	27/2期 1Q	YoY Change	
			Change in amount	Change in percentage
Special Lubricants Division	4,909	**5,683**	+774	+15.8%
Hot melt Adhesive Division	1,994	**1,949**	▲45	▲2.3%
Liquid Paraffin & Sulfonates Division	1,162	**1,184**	+22	+1.9%
Other	451	**491**	+40	+9.1%
Total net sales	8,516	**9,306**	+791	+9.3%

Departmental net sales share



Special Lubricants Division

【Net sales】+15.8% YoY (¥5,683 million)　　【Sales volume】+4.6% YoY

High vacuum pump oil

- Revenue increased due to price revisions and higher demand in Japan and China.

Hydraulic fluid

- Revenue increased due to price revisions and higher demand in Japan.

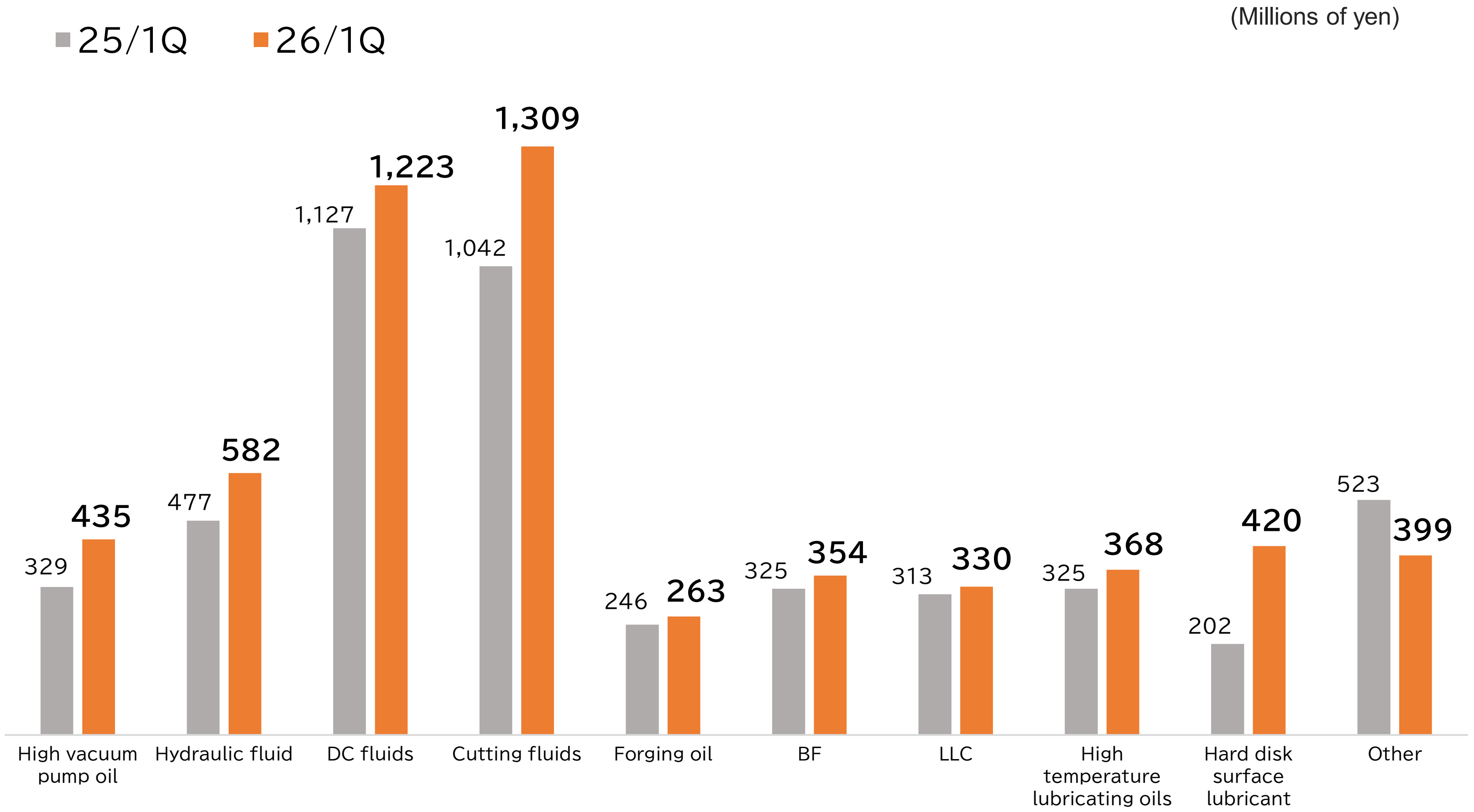
Cutting fluids

- Revenue increased driven by expanded sales across all operating sites.

Hard disk surface lubricant

- Revenue increased due to higher demand.

Net sales by product



Hot melt Adhesive Division

【Net sales】-2.3% YoY (¥1,949 million)　　**【Sales volume】-12.0% YoY**

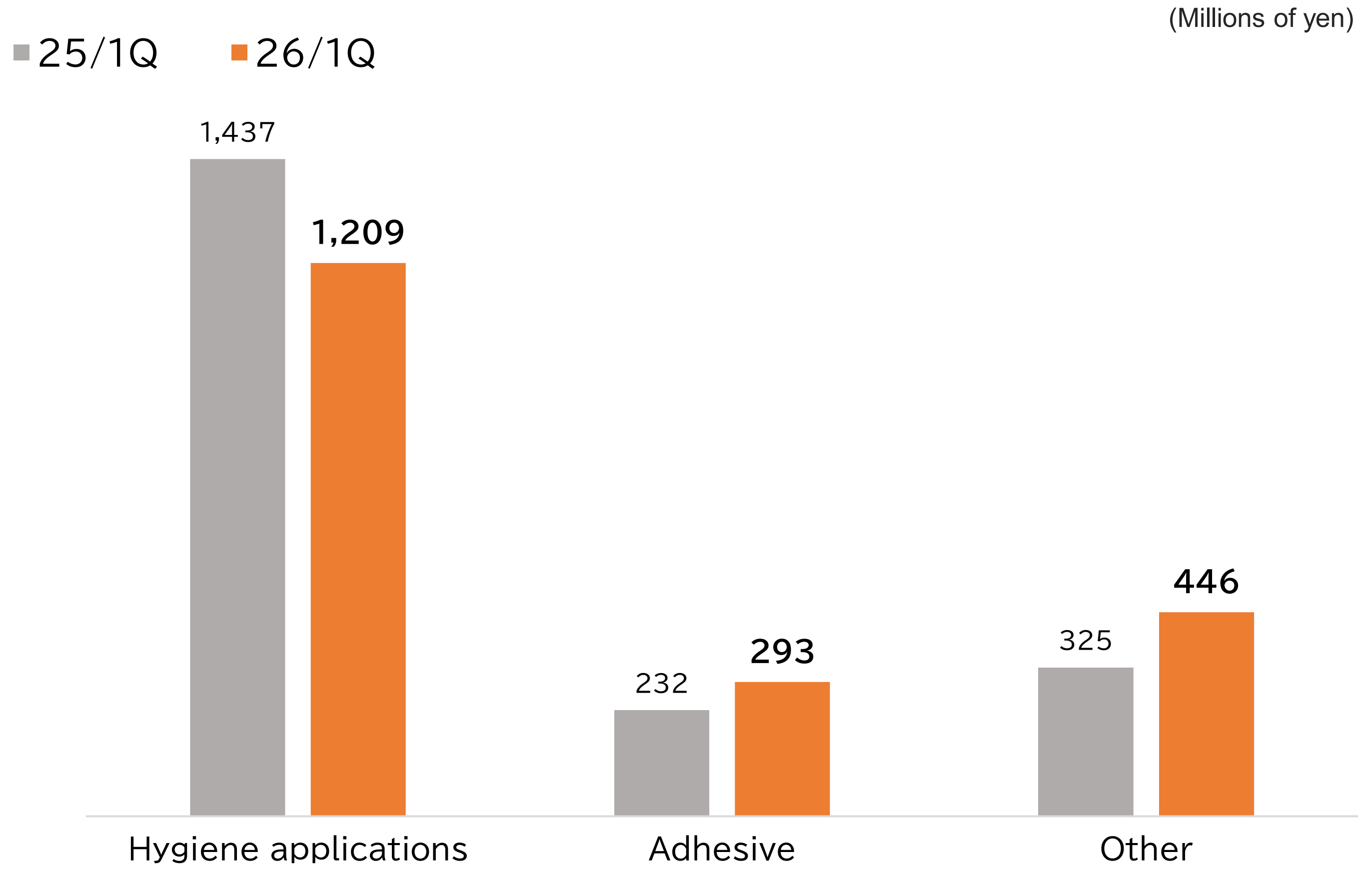
➢ Hygiene applications

- Revenue decreased due to a decline in sales volume resulting from the discontinuation of unprofitable products overseas.

➢ Adhesive

- Revenue increased due to higher demand in Japan and Southeast/South Asia.

Net sales by product



Liquid Paraffin & Sulfonates Division

【Net sales】+1.9% YoY (¥1,184 million)　　【Sales volume】-3.0% YoY

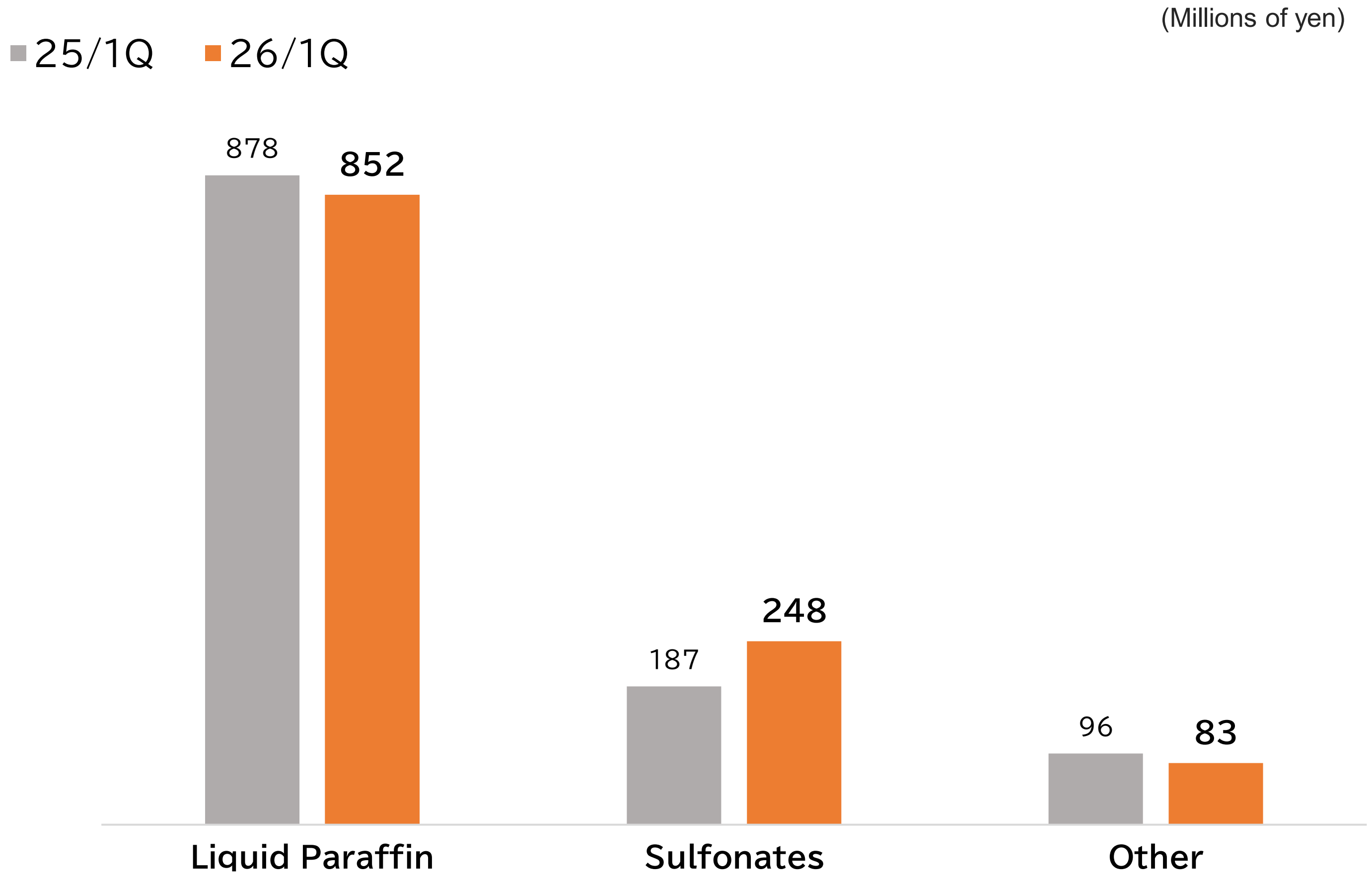
➢ Liquid Paraffin

- Revenue decreased due to lower sales volume in Japan.

➢ Sulfonates

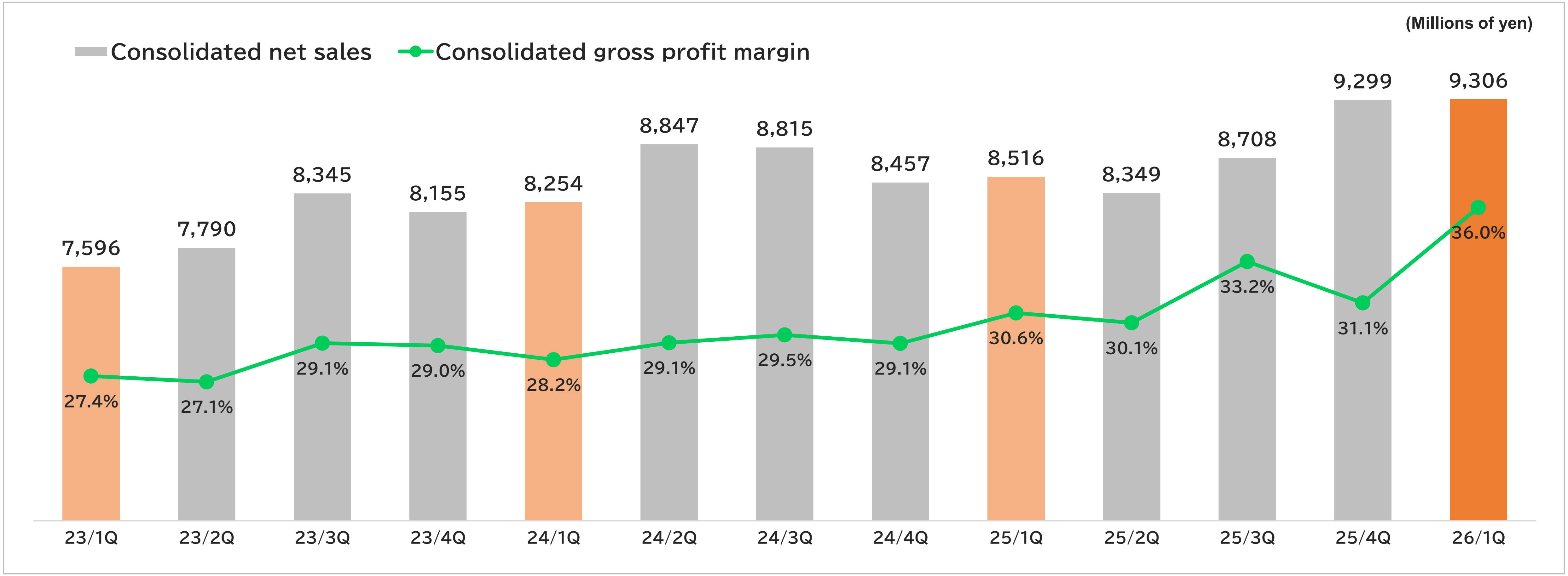
- Revenue increased driven by higher demand, primarily in Japan.

Net sales by product



Trends in Net Sales and Gross Profit Margin

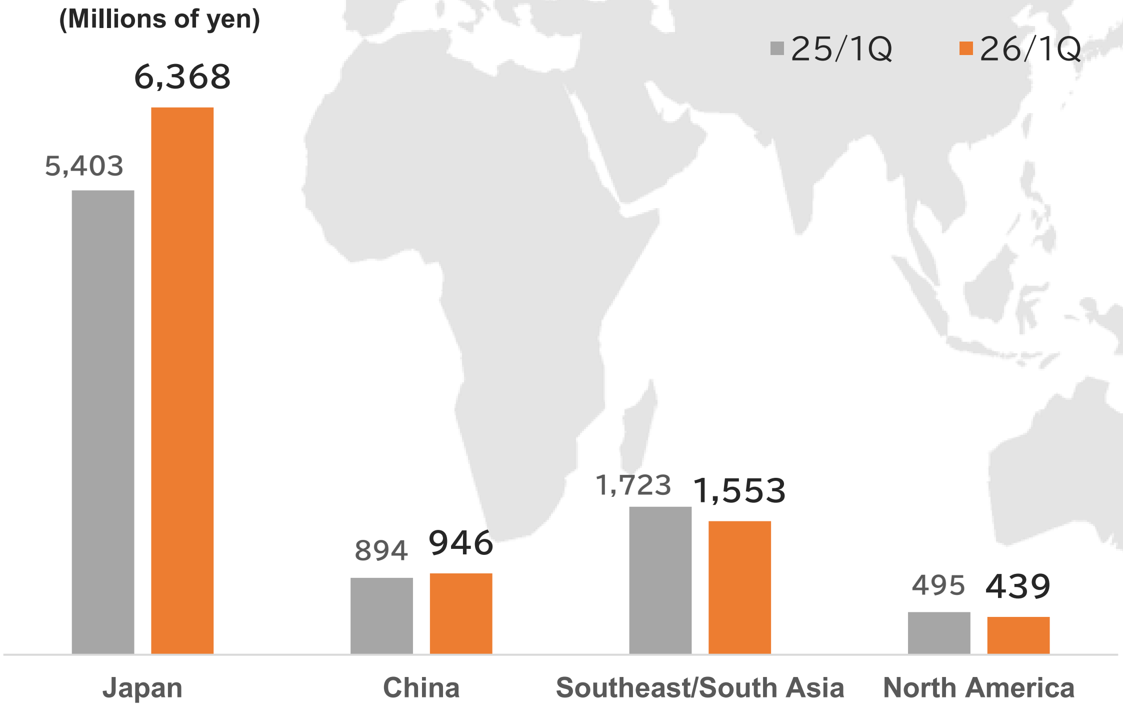
- Consolidated net sales continued to increase year-on-year.
- Consolidated gross profit margin improved to 36%.



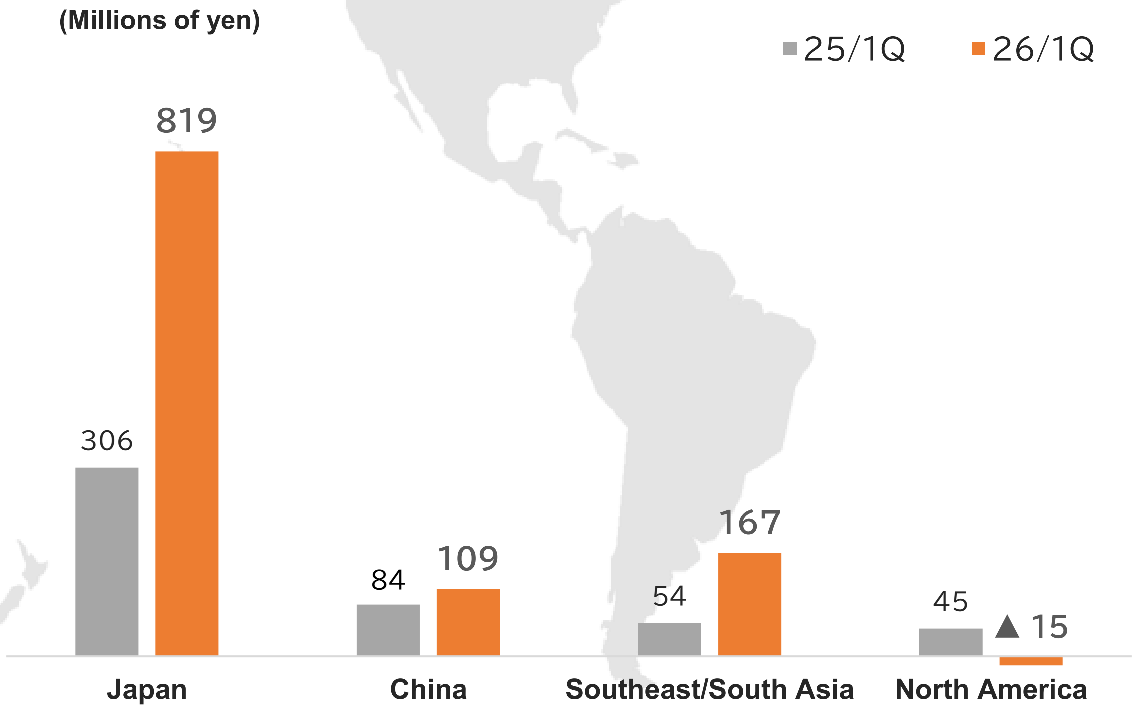
Consolidated Segment Profits and Losses

【Japan】	Revenue and profit both increased, driven by higher sales in the Special Lubricants Division.
【China】	Higher demand in the Special Lubricants Division drove higher revenue and profit.
【Southeast/South Asia】	Revenue declined due to the discontinuation of unprofitable Hot Melt Adhesive products; however, higher demand in the Special Lubricants Division led to higher profit.
【North America】	Revenue and profit both declined due to lower demand from major customers.

Net sales



Operating profit



Full-Year Consolidated Earnings Forecast

➢ Assumptions for full-year forecast

- Crude oil price: 130USD/bbl
- Exchange rate: 160USD/JPY

➢ Annual dividend per share (forecast)

- ¥55 (interim: ¥25, year-end: ¥30)

Note: Given the prolonged risk of a global economic slowdown due to elevated crude oil prices, as well as the potential impact of customers' inventory build-up amid ongoing turmoil in the Middle East, the outlook remains highly uncertain. Accordingly, we have determined that it is not yet appropriate to revise our full-year earnings forecast at this time, and we are therefore maintaining the forecast announced at the beginning of the fiscal year.

(Millions of yen)	FY2025 results	FY2026 forecasts	YoY Change		Progress rate (as of May 2026)
			Change in amount	Change in percentage	
Net sales	34,871	**37,000**	＋2,129	＋6.1%	25.2%
Operating profit	2,367	**2,400**	＋33	＋1.4%	44.6%
Ordinary profit	2,704	**2,700**	▲4	▲0.2%	41.4%
Profit*	1,525	**1,550**	＋25	＋1.6%	47.2%

* Profit attributable to owners of the parent

Head Office and R&D Center

MORESCO Group delivers sustainable one-of-a-kind products

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