

## The way forward CEO Interview

### Building a Stronger Business Foundation and Moving Forward

Sales in the 68th fiscal year remained solid, increasing 1.4% YoY to 34.87 billion yen, while operating profit rose sharply by 70.2% to 2.36 billion yen. This was mainly due to higher sales of high-value-added hard disk surface lubricants, supported by strong data center investment amid growing AI demand. Profit growth was also supported by the steady shift from existing products to MORESCO Green SX (MGS)\* products. Since the launch of the 10th Medium-Term Management Plan two years ago, we have made steady progress in advancing sustainability management.

By division, the Special Lubricants Division was affected by weak global automobile sales, except in China and India. However, sales increased YoY due to the acquisition of new customers for cutting fluids and progress in sales of high-value-added products. In the Hot melt Adhesives Division, sales declined YoY due to lower demand for hygiene materials and weaker overseas demand. In the Liquid Paraffin & Sulfonates Division, sales exceeded the previous year, supported by stable domestic sales of liquid paraffin and increased sales of sulfonates.

In this environment, the outlook remains difficult to predict amid rising geopolitical risks, including the recent situation in Iran. Sharp increases in raw material prices and volatility in foreign exchange rates may also affect our business operations. However, MORESCO has sites around the world and is building a structure to diversify its raw material procurement risks. We are also actively creating new businesses, including developing sealants for perovskite solar cells, applying nanoemulsion technology in the cosmetics field, and planning to launch PFAS-free lubricants this fiscal year, which are in strong demand in the semiconductor equipment field. Going forward, we will strengthen our business foundation by expanding deployment of MGS products and enhancing our R&D sites as we move into the next stage of growth.

\*Products are certified as MORESCO Green SX when their entire life cycle—from raw material procurement to disposal—is evaluated, and they are found to make significant contributions to our seven material issues and help reduce environmental impact.

**MORESCO Corporation**

CEO, Representative Director, President

**Motohisa Morozumi**

MORESCO Group  
Integrated Report 2025



# Promoting Lower Environmental Impact while Improving Profit

## Taking Sustainability to the Next Stage by Strengthening Our Structure

### Why MORESCO Works on Sustainability

MORESCO promotes sustainability management because, since its founding, it has been an R&D-oriented company committed to improving the world through proprietary technologies. We provide products that are environmentally considerate and help improve working environments, while also supporting MORESCO's own development. Our desire to deliver better products to customers is also part of our founding philosophy, and we believe that continuous development leads to improved product quality. Based on this background, we believe our technologies can make a significant contribution to the sustainable development of the

global environment. We are currently reviewing energy use across each process, from raw material procurement to production and sales, while also upgrading to highly efficient equipment and introducing solar power generation. At the same time, as part of our efforts to promote carbon neutrality, we are working to reduce greenhouse gas (GHG) emissions in our newly deployed business activities and expand sales of MGS products with low environmental impact. In fiscal 2025, we reduced GHG emissions by more than 50%, while the sales ratio of MGS products reached 38%.

### Taking on New Challenges for Further Improvement

MORESCO's sustainability initiatives begin at the Head Office and must be extended across the Group's companies in Japan and overseas, as we conduct business globally. To further strengthen this structure, we established the Sustainability Management Department, with the Sustainability Office and CN (Carbon Neutrality) Office placed under it.

Management under the new structure has only just begun, but we are first working to manage GHG emissions and the sales ratio of MGS products across the entire Group, while identifying key environmental impact-related risks and opportunities. By strengthening this structure, the entire Group will work together to help solve social issues.

MORESCO is advancing sustainability management to contribute to society, with the aim to "delivers sustainable one-of-a-kind products to the world." We have established indicators for the following three priority themes and are developing businesses to achieve our plans. In fiscal 2025, these efforts produced extremely strong results.



CFO, Director, Managing Executive Officer  
Hirofumi Fujimoto

### Promotion of Carbon Neutrality

#### Businesses Implemented to Achieve Targets

- Plan to introduce electricity plans with zero emissions at the Head Office, Chiba Plant, and Akoh Plant
- Upgrade to energy-saving equipment, etc.

### Increasing the Sales Ratio of MGS Products

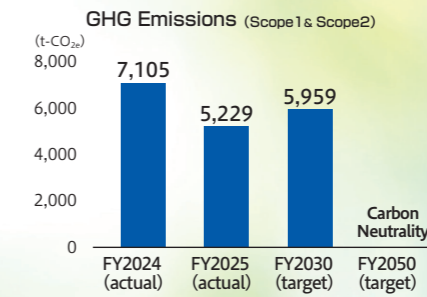
#### Businesses Implemented to Achieve Targets

- Sales of GRAPHACE MQ Series water-soluble minimum quantity spray type lubricants
- Sales of MORESCO-MELT RO Series reactive hot melt adhesives, etc.

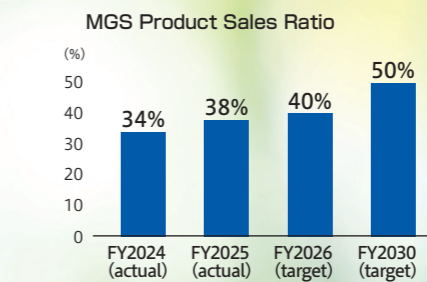
### Initiatives for the Circular Economy

#### Businesses Implemented to Achieve Targets

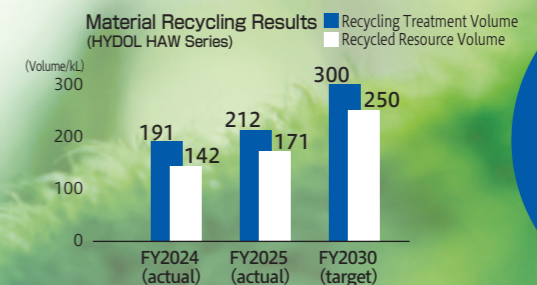
- Collect used products and recycle them as raw materials through material recycling
- Utilize refined oil, etc.



**Reduce GHG emissions by 46% by fiscal 2030**  
(compared with fiscal 2013)



**Increase the sales ratio to 50% by fiscal 2030**



**Achieve a recycling treatment volume of 300 kL and a recycled resource volume of 250 kL by fiscal 2030**

## MORESCO Highlights of the Year

### Oct. | MORESCO LUBE MEXICANA S.A.DE C.V. (MMX) Starts Operations

Until now, we have operated in Mexico through a representative office. To further expand our business, however, we established MMX as a corporate entity and began operations in October. Going forward, in addition to sales through distributors, we will also develop direct sales to customers as we work to further expand earnings.



### Nov. | Exhibited at Space Approach EXPO, a Special Exhibition within Messe Nagoya 2025

MORESCO participated in Space Approach EXPO, a special exhibition focused on space research and development held within Messe Nagoya 2025 at Port Messe Nagoya. We exhibited radiation resistant lubricating oil, OPV (organic photovoltaics), and nanoemulsion technology, helping build interest and expectations for the space industry.



### Nov. | Exhibited at SEMICON Europe 2025

MORESCO held a corporate exhibit at SEMICON Europe 2025, one of Europe's largest comprehensive exhibitions for semiconductor manufacturing equipment and materials, held in Germany. We introduced visitors to PFAS-free and other specialized lubricants used in semiconductor manufacturing.



### Jan. | Held a Briefing for Individual Investors

MORESCO held a company briefing for individual investors in Nagoya. We explained our business, performance, future growth strategy, and other topics to 142 individual investors. The booth at the venue drew many questions and strong interest, making the event a great success.



Radiation Resistant Lubricating Oil and Greases Essential for Stable Fusion Plant Operation

# Contributing to Next-Generation Energy Creation with Proprietary Technologies!

CTO, Director, Executive Officer  
Katsuhito Fukuda



In the 1980s, MORESCO developed radiation resistant lubricating oil and greases that minimizes radiation-induced deterioration and degradation to the greatest extent possible. These products supported the operation of Monju, the prototype fast breeder reactor that helped lay the foundation for Japan's nuclear technology, and have long been used in operating equipment in radiation-controlled areas and in drive components for medical testing equipment. Because this technology is highly advanced and highly specialized, its applications have been limited to date. Today, however, it is once again attracting significant attention with the rise of new energy technologies.

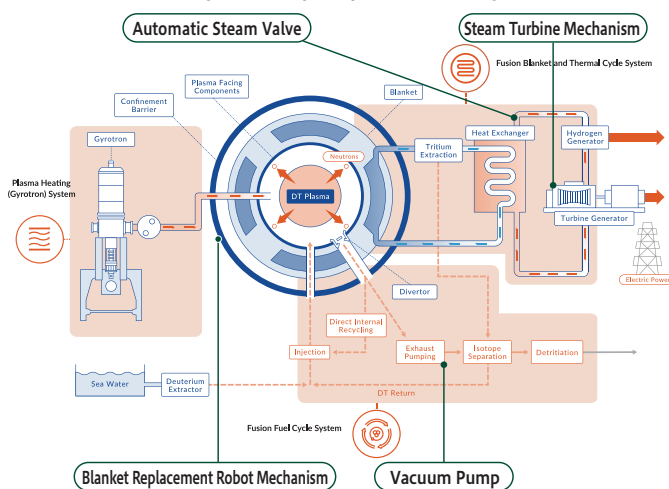
That new stage is fusion power generation, which is expected to become a next-generation source of clean energy. Fusion power generation is regarded as the ultimate energy source because it can greatly reduce radioactive waste while offering high safety and CO<sub>2</sub>-free operation. However, the equipment is exposed to extremely high levels of radiation, which can alter the physical properties of ordinary lubricants, leading to mechanical failure. MORESCO's products, by contrast, offer high reliability by maintaining performance equivalent to their pre-irradiation performance, and are recognized as essential components for the stable operation of fusion plants.

MORESCO is currently partnering with Kyoto Fusioneering Ltd. to

conduct demonstration testing and research to advance, compact, and commercialize fusion power generation equipment. Although fusion power generation is still under development, global investment in the field is accelerating. As a company with one-of-a-kind technology in this area, MORESCO aims to create a new pillar of business.

## Equipment in Fusion Plants Where Lubricants Are Expected to Be Used

Images courtesy of Kyoto Fusioneering



Would You Like to Experience the Place Where the Future Is Born?

# MORESCO Head Office & R&D Center Tour to Be Held

\\ Please feel free to apply! /

MORESCO will hold a tour of its Head Office & R&D Center to help shareholders deepen their understanding of the Company. This will be an opportunity for us to introduce our R&D activities.

## Tour Overview

**Location:** MORESCO Corporation Head Office & R&D Center (5-5-3 Minatojima-minamimachi, Chuo-ku, Kobe-city, Hyogo)

**Date and time:** Tuesday, September 29, 2026, 11:00-15:00

**Fee:** Free (Participants are responsible for their own round-trip transportation expenses to and from the meeting and dismissal location.)

\*Please note that photography and video recording are not permitted during the tour.

**Other:** Personal information of shareholders and accompanying persons obtained through applications will be used only to the extent necessary to conduct this tour.



## Application Guidelines

**Eligibility:** Shareholders who hold shares of the Company as of the last day of February 2026 (one accompanying person of elementary school age or older may also participate)

**Number of participants:** 30, including accompanying persons

\*If applications exceed capacity, participants will be selected by lottery, and only those selected will be notified by email around mid-August 2026.

**Application deadline:** Tuesday, July 21, 2026

## Contact:

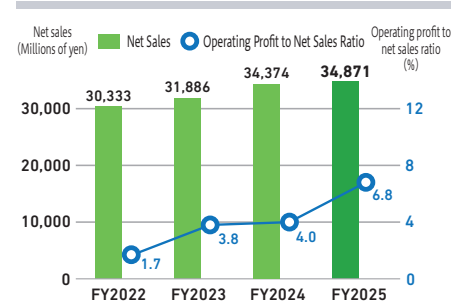
MORESCO Corporation Corporate Communications Department

Tel: 078-303-9058 Hours: Weekdays 10:00-17:00, excluding Saturdays, Sundays, national holidays, etc.

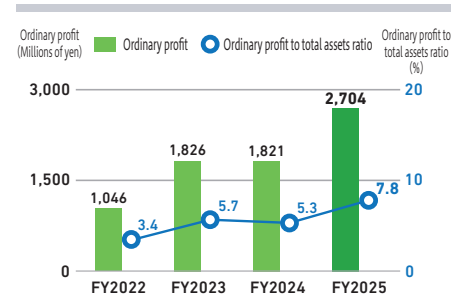
# Major Consolidated Financial Indicators

During the consolidated fiscal year under review, corporate earnings in Japan declined from the previous fiscal year due to the impact of U.S. tariffs. However, profits trended upward, supported by lower energy costs and higher overseas earnings resulting from the weaker yen. In the global economy, China's economic slowdown and the increasingly visible negative impact of U.S. tariff policies on the global economy weighed on manufacturing production. In addition, the U.S. administration's use of military force against Venezuela and Iran has raised concerns that elevated crude oil prices could persist, leaving the economic outlook uncertain. Amid these circumstances, despite lower automobile production volume in Japan and overseas markets excluding China and India, our Group recorded net sales of 34,871 million yen, up 1.4% YoY, and operating profit of 2,367 million yen, up 70.2% YoY, due to increased sales of high-value-added products and control of selling, general and administrative expenses. Ordinary profit was 2,704 million yen, up 48.5% YoY, and profit attributable to owners of the parent was 1,525 million yen, up 50.6% YoY.

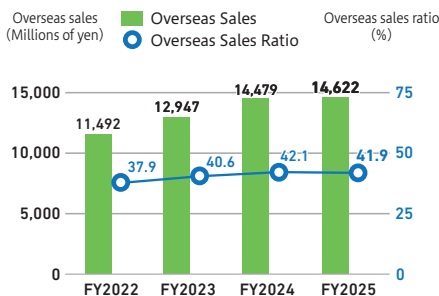
## Net Sales and Operating Profit to Net Sales Ratio



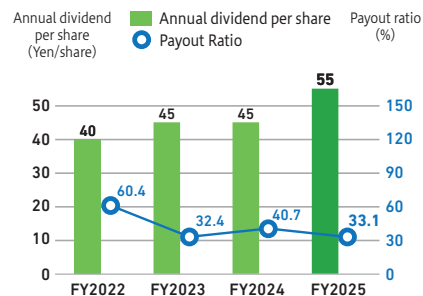
## Ordinary Profit and Ordinary to Total Assets Ratio



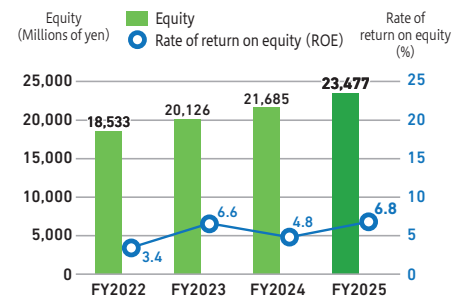
## Overseas Sales and Overseas Sales Ratio



## Annual Dividend per Share and Payout Ratio

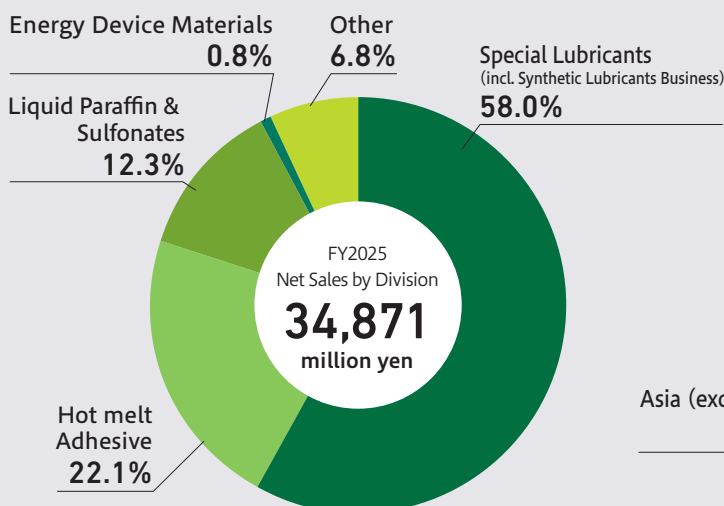


## Equity and Rate of Return on Equity (ROE)

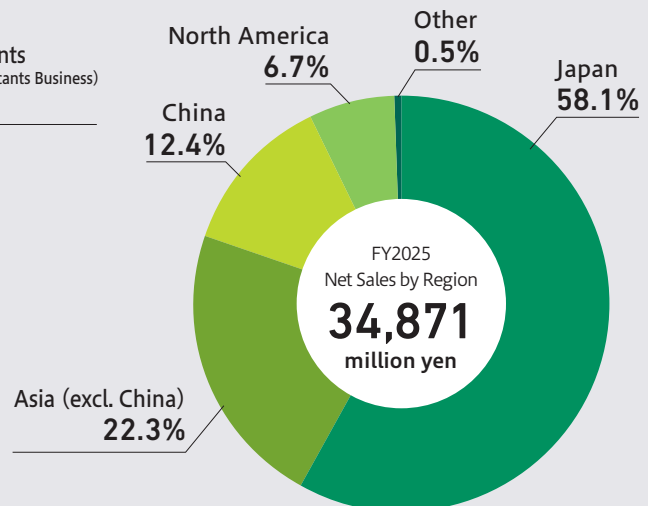


# Segment Information

### By Division



### By Region



## Information on Shareholder Benefits

We have established a shareholder benefit program to show our appreciation for our shareholders' support and enhance our company's appeal as an investment. This initiative aims to encourage more individual investors to hold onto our shares for the medium to long term. We hope for the continued support of shareholders as we do our utmost to strive for further growth to meet their expectations.

### Shareholder Benefits

Number of shares held and continuous holding period	Shareholder Benefits
300 shares or more and less than 3 years of continuous ownership	QUO Card worth 3,000 yen
300 shares or more and 3 or more years of continuous holding period	QUO Card worth 4,000 yen

Benefits are available to shareholders who hold three units (300 shares) or more of the Company's stock and are listed or recorded in the shareholders' register as of the last day of February every year.

A continuous holding period of three years or longer is contingent on the same shareholder number being listed or recorded in the shareholders' register as of the last day of February and the last day of August seven or more times consecutively.

**\*Should a shareholder holding fewer than 300 shares make an additional purchase so that their number of shares is 300 shares or more as of the last day of February, the period in which fewer than 300 shares were held will also be included in the continuous holding period.**

### Timing of Benefit Delivery

Benefits will be mailed in late May of each year, enclosed with the business report.

**(How to confirm the length of time MORESCO shares have been held)**

Shareholders who wish to confirm the holding period of their shares are asked to contact the following number and request a certificate of share transfer.

**Contact information :** Osaka Corporate Agency Division,  
Mitsubishi UFJ Trust and Banking Corporation

**TEL :** 0120-094-777 (toll free)

**Hours :** Weekdays 9:00-17:00,  
excluding Saturdays, Sundays, national holidays, etc.

## Company Profile and Stock Information (As of February 28, 2026)

### Company Profile

Company name	MORESCO Corporation
Establishment	October 27, 1958
Capital	2,118,294,000 yen
Number of employees	374

### Head Office and Business Offices

Head Office & R&D Center	5-5-3, Minatojimmaminami-machi, Chuo-ku, Kobe-city, Hyogo 650-0047 Japan TEL: 078-303-9010 (main contact number)
Branch	Tokyo Branch, Osaka Branch
Sales Office	Nagoya Sales Office
Plants	Chiba Plant, Akoh Plant

### Directors (As of May 27, 2026)

Motohisa Morozumi	CEO, Representative Director, President
Nobuhiro Sewaki	COO, Director, Senior Managing Executive Officer
Hirofumi Fujimoto	CFO, Director, Managing Executive Officer
Jiro Hosomi	Director, Executive Officer, Global Operations
Katsuhito Fukuda	CTO, Director, Executive Officer
Hiroshi Sakai	Outside Director
Tadashi Takeuchi	Director, Full-time Audit and Supervisory Committee Member
Mikio Nakajo	Outside Director, Audit and Supervisory Committee Member
Hiroko Fuji	Outside Director, Audit and Supervisory Committee Member
Yukiko Hirazawa	Outside Director, Audit and Supervisory Committee Member

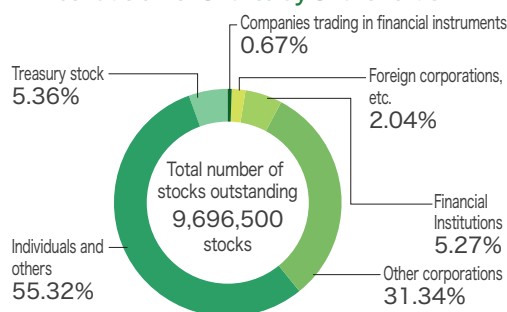
### Situation of Stock

Total number of authorized stocks: 20,000,000

Total number of stocks outstanding: 9,696,500

Number of shareholders: 15,733

### Distribution of Shares by Shareholder



### Major Shareholders

Name of shareholders	Number of shares held	Shareholding ratio
MATSUMURA OIL Co., Ltd.	1,067,000	11.6%
COSMO OIL LUBRICANTS CO., LTD.	503,000	5.5%
MORESCO Employee Stock Ownership Plan	388,820	4.2%
NIPPON SODA CO., LTD.	365,000	4.0%
STARLITE Co., Ltd.	326,000	3.6%
Mizuho Bank, Ltd.	250,000	2.7%
MUFG Bank, Ltd.	250,000	2.7%
Osaka Small and Medium Business Investment & Consultation Co., Ltd	209,600	2.3%
Shima Trading Co., LTD.	165,000	1.8%
KYODO YUSHI CO., LTD.	164,000	1.8%

Note: The shareholding ratio is calculated after excluding treasury shares (519,320 shares).

### Caveats

- Regarding changes of address, purchase requests and any other such procedures, the basic rule is that shareholders are asked to contact the securities company or other organization where they opened their account. Note that the administrator of shareholder registry (Mitsubishi UFJ Trust and Banking Corporation) is unable to process such procedures.
- For any procedures regarding shares recorded in special accounts, please contact Mitsubishi UFJ Trust and Banking Corporation, which is the management institution for special accounts. The Mitsubishi UFJ Trust and Banking Corporation head office and branches nationwide will also be able to assist with these procedures.
- Dividends that have not yet been received will be paid at the Mitsubishi UFJ Trust and Banking Corporation head office and branches.

## Shareholder Memo

### Fiscal year

March 1 through the last day of February of the following year

### Shareholder fixed date for year-end dividend receipt

End of Feb.

(In the case of interim dividends)

August 31

### Ordinary General Meeting of Shareholders

May every year

### Administrator of shareholder registry and account management institution for special accounts

Mitsubishi UFJ Trust and Banking Corporation

### Contact information

Mitsubishi UFJ Trust and Banking Corporation

Osaka Corporate Agency Division

3-6-3 Fushimi-cho, Chuo-ku, Osaka-city,

Osaka 541-8502 Japan

Telephone: 0120-094-777 (toll free)

### Listed Stock Exchanges

Tokyo Stock Exchange

## Method of Public Notice

Public notice will be made electronically.

URL for public notice:

<https://www.moresco.co.jp/ir/notice.php>

(In the event of an accident or other unavoidable circumstances that preclude electronic public notice, public notice will be given in the Nihon Keizai Shimbun.)