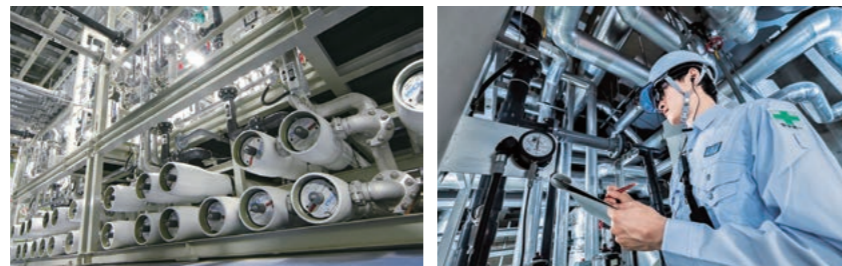


# Business of the Organo Group

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

## Water Treatment Engineering Business Unit

This business unit provides water treatment systems used at various manufacturing plants, power plants, and water supply and sewage facilities. It undertakes business as a comprehensive water treatment engineering company providing solutions ranging from the supply of ultrapure water—which boasts the top level of purity in the world—to water recycling and various wastewater treatment facilities that detoxify harmful wastewater.



Plant Business

Service Solutions Business

## Performance Products Business Unit

This business unit provides performance products such as water treatment chemicals, standard water treatment equipment, filters, and food processing materials to various manufacturing plants, retail facilities, and medical and research institutions. Although the business has focused primarily on Japan, the Company is also working to strengthen business development overseas with products such as compact pure water systems for medical institutions and water treatment chemicals for the electronics industry.

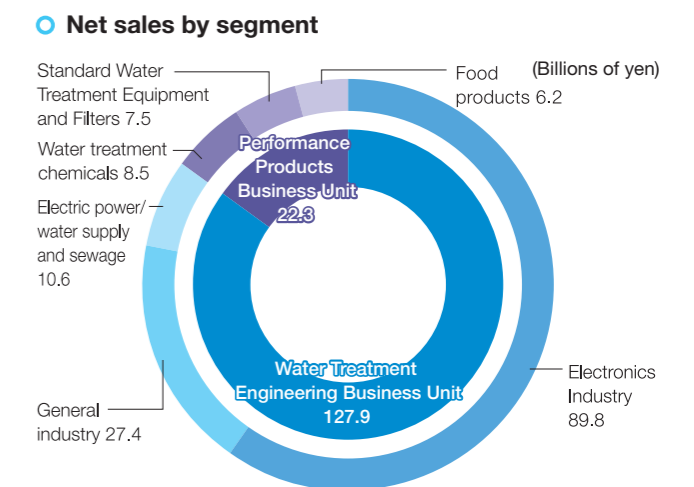
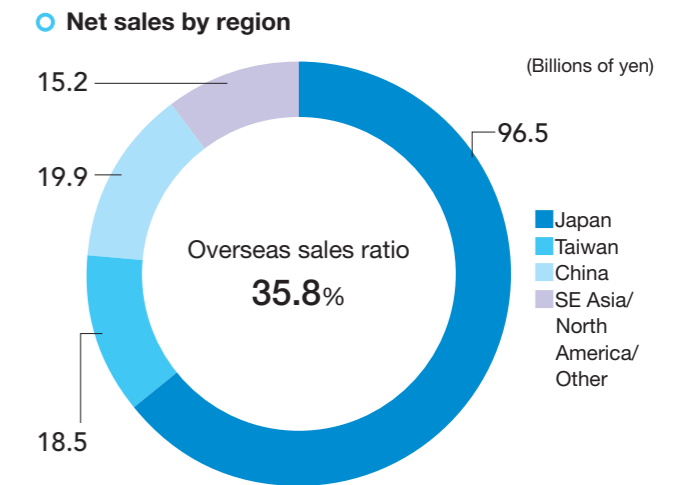
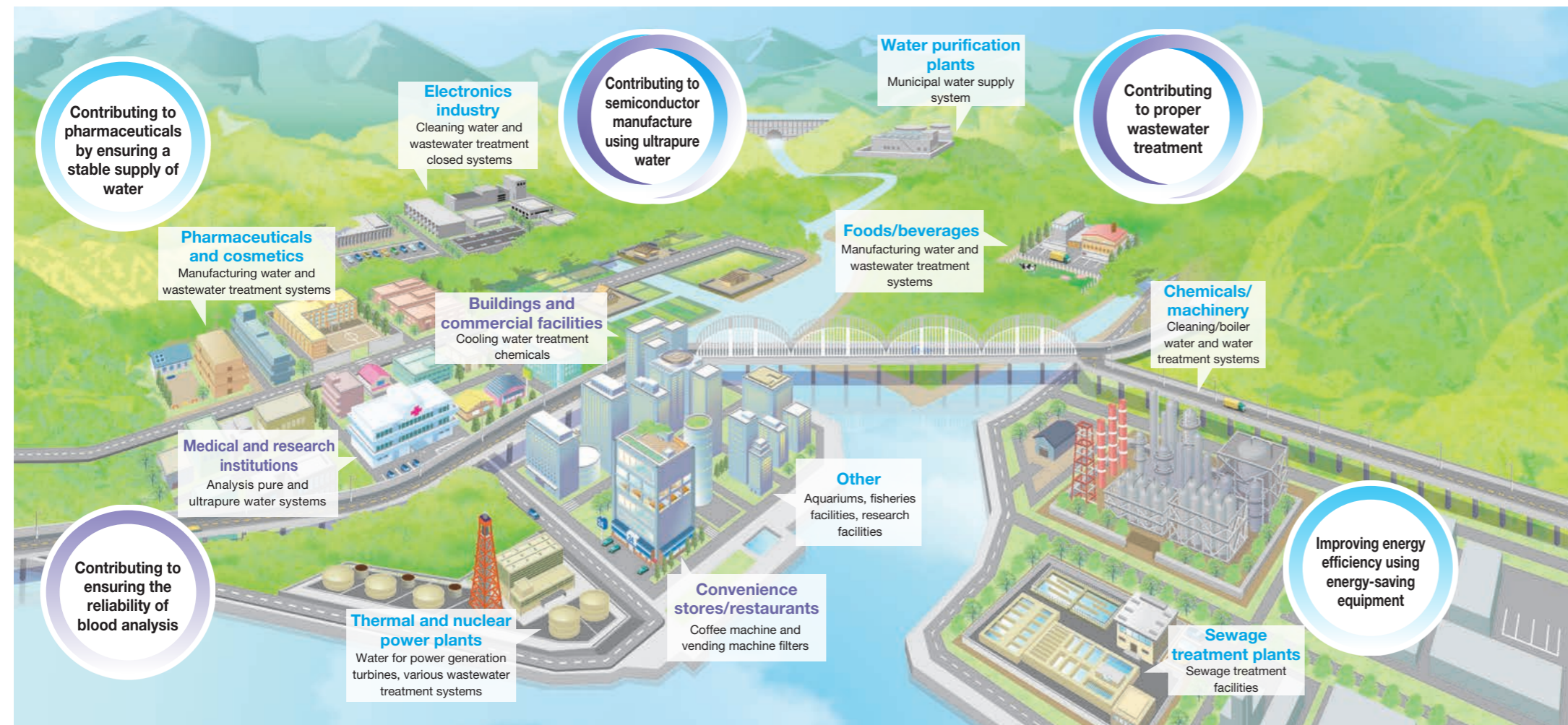


Water treatment chemicals

Standard water treatment equipment and filters

Food products

## Organo water treatment technology supporting daily life



# History of the Organo Group

## Technology Cultivated Over 75-Plus Years

### 1946-

#### Social needs and challenges

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

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

### 1960s

#### Social needs and challenges

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

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

### 1980s

#### Social needs and challenges

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

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

### 2000s

#### Social needs and challenges

Growing needs for lifecycle costs and sustainability

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

### Founded

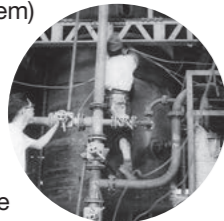
1946

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



1951

Delivered Japan's first large-scale pure water system



1953

Expanded into special sugar liquid refining field



1954

Launched water treatment chemicals business



1957

Delivered Japan's first ultrapure water system for electronics industry

1959

Expanded into water supply and sewage field



1959

Launched food product business



1966

Completed large-scale water treatment facility for power plant



1984

Expanded into pharmaceutical manufacturing field



1986

Completed Central Research Laboratory (Toda)



1991

Expanded deliveries for semiconductors



2003

Expanded overseas business Enhanced service solutions

2005

Executed full-scale launch of comprehensive service solutions

2005

Established R&D Center (Sagamihara)



2014

Launched energy-saving service solutions using water heat utilization system

2018

Formulated new management philosophy and long-term management vision

2022

Formulated Sustainability Policy

### Founding Spirit (Origin of the Company)

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



1940 1950

1960

1970

1980

1990

2000

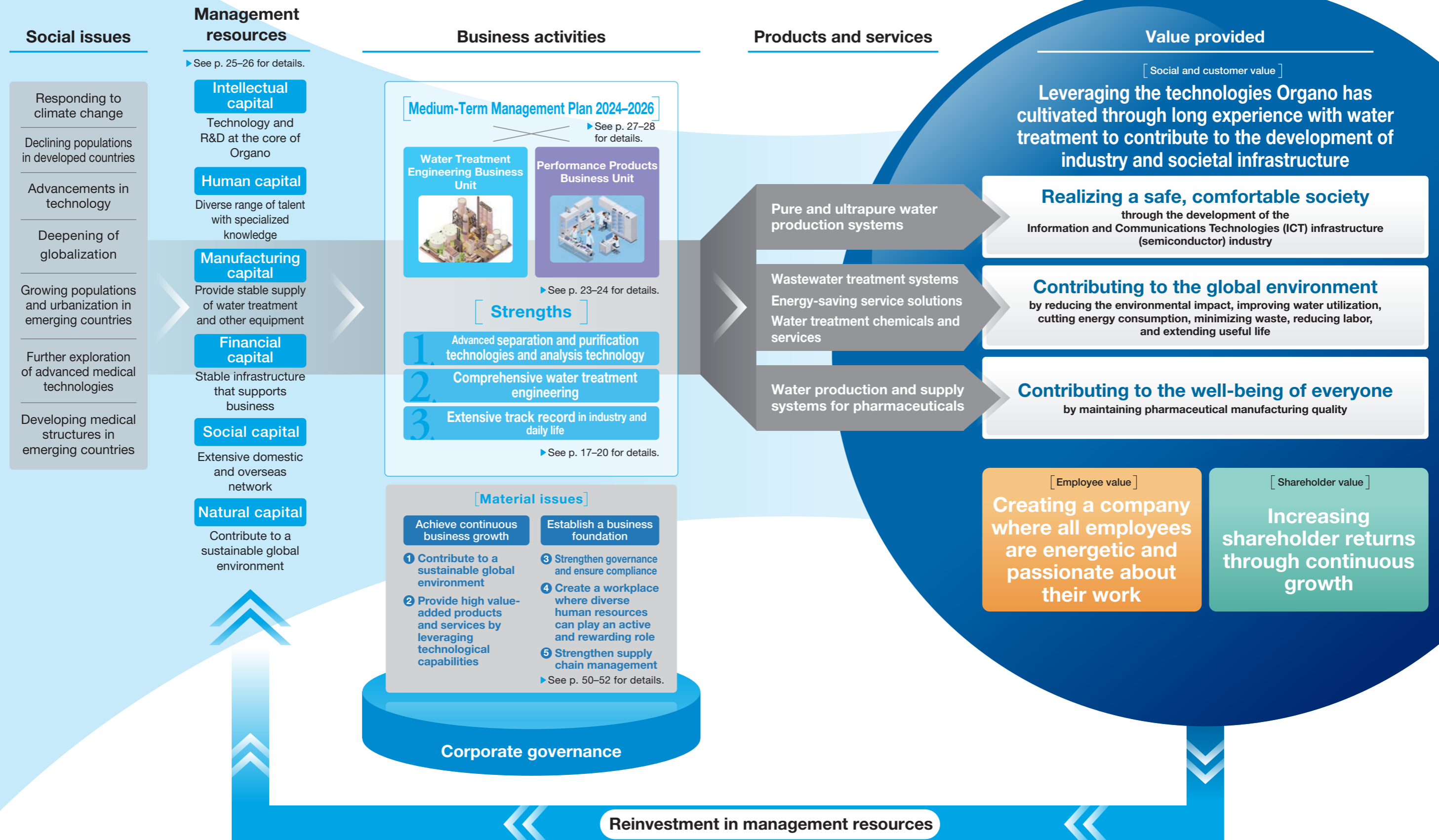
2010

2020

Note: The graph indicates the changes in net sales.

# Value Creation Process

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



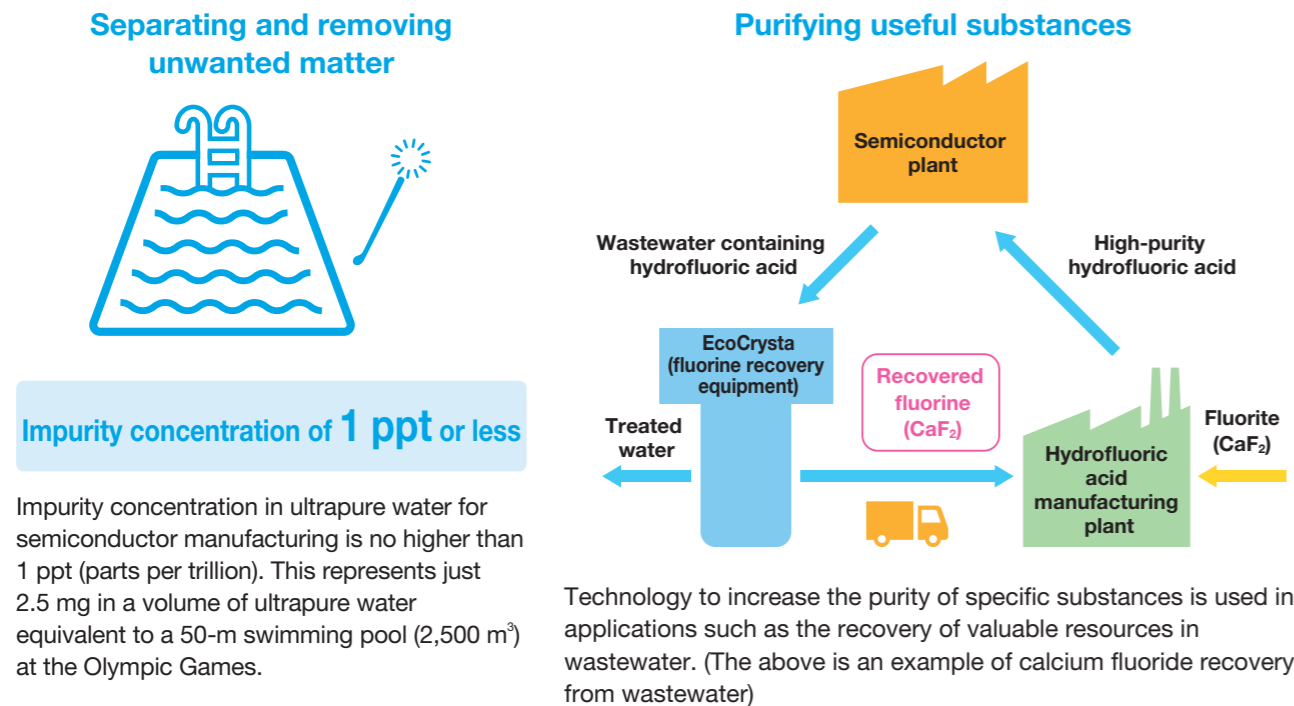
# Organo's Three Strengths

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

## 1. Advanced Separation and Purification Technologies and Analysis Technology

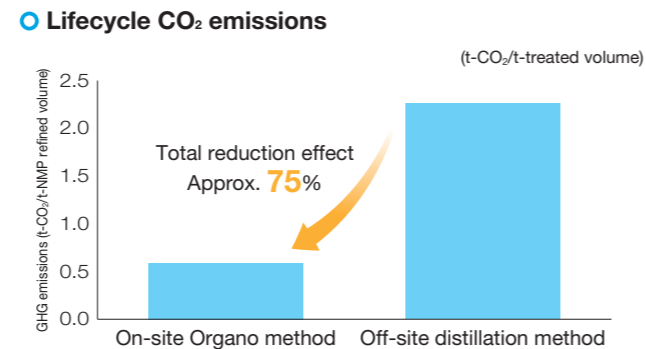
### What Are Separation and Purification Technologies?

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



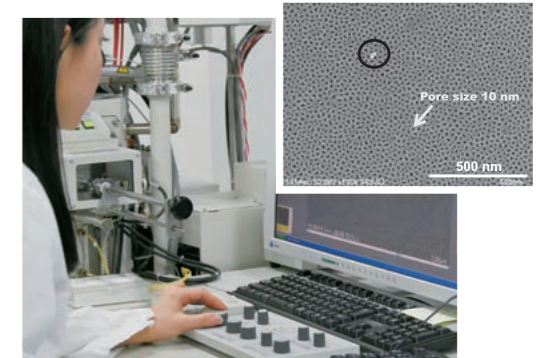
### Non-Aqueous Separation and Purification

Organo entered the non-aqueous separation and purification field in 1953. We are conducting demonstration tests of technologies for the refinement and decolorization of sugar, the removal of substances from a distilled spirit that cause people to feel sick, and currently, to recover N-methylpyrrolidone (NMP) used in large quantities in the manufacture of cathode materials for rechargeable lithium-ion batteries found in electric vehicles (EVs). Whereas mainstream distillation methods are energy intensive, our membrane separation method reduces costs to one-seventh that of conventional methods and reduces lifecycle CO<sub>2</sub> emissions by nearly 75%, contributing to resource and energy savings.



### Development of Analysis Technology

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



### How Separation and Purification Technologies Contribute to Society

● = Products and technologies ● = Contribution to resolving social issues (contribution to daily life and industry)



— Organo’s Three Strengths

## 2. Comprehensive Water Treatment Engineering

Organo continues to evolve the broad range of separation and purification technologies—including water treatment—developed over the years to meet our customers’ needs.

### Wide Range of Supporting Technologies

The Organo Group supports a vast range of processing capacities, from ultrapure water production systems used at research institutions that require a single drop of water to ultrapure water production systems used in cleaning applications at large-scale semiconductor manufacturing plants that supply 1,000 tons of water per hour—more water than in an Olympic-size swimming pool. The scale of production determines the equipment technology required, even when producing the same ultrapure water. In addition, water before treatment—also known as raw water—varies depending on the location, such as seawater, river water, well water, industrial water, and wastewater, and there is also a variance in customer uses. As such, we provide water treatment facilities and services in line with the characteristics and uses of raw water.

Capacity

From a single drop to large-scale plants

Water quality

Support for everything from the purification of pure and ultrapure industrial process water to wastewater, recovery, and recycling

Applications

Support for fields ranging from societal infrastructure—such as power plants and water supply and sewage—to manufacturing and testing and research centers

### Comprehensive Structure

We internally share customer needs and new insight gained at each phase to improve our technology and services.



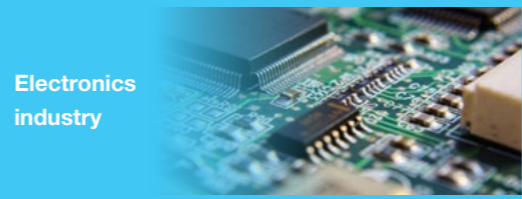


### Know-How and Support Capabilities

The source of the Organo Group’s customer support capabilities is the accumulation of know-how through accurately responding to customer needs based on individual experiences. This includes the development of technology and installation of equipment related to separation and purification for more than 75 years as well as the ability to respond to issues that arise during operation and maintenance.

## 3. Extensive Track Record in Industry and Daily Life

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

### Water Treatment Engineering Business Unit

|  | Main areas   | Main equipment   |
|--|--|--|
|  <p><b>Electronics industry</b></p>                     | Semiconductors, silicon wafers, panels, and electronic parts                     | Ultrapure water production systems, wastewater treatment systems, wastewater recovery systems, valuable resource recovery systems  |
|  <p><b>General industry</b></p>                        | Pharmaceuticals and cosmetics, foods and beverages, mechanical and chemical uses | Ultrapure water production systems, wastewater treatment systems, wastewater recovery systems, refining facilities for sugar liquid, refining facilities for distilled spirits |
|  <p><b>Electric power/water supply and sewage</b></p> | Thermal and nuclear power plants, water supply and sewage                        | Pure water production systems, wastewater treatment systems, condensate treatment systems, water treatment facilities, sewage treatment facilities                             |

### Performance Products Business Unit

|  | Main areas   | Main equipment  |
|--|--|---|
|  <p><b>Water treatment chemicals</b></p>                      | Various manufacturing industries, building air conditioning, commercial facilities                   | Wastewater, cooling water, boiler water, and RO membrane treatment agents   |
|  <p><b>Standard water treatment equipment and filters</b></p> | Medical and research institutions, convenience stores/restaurants, electronic materials purification | Compact pure water/ultrapure water systems, water purification filters, ion exchange resin, electrodeionization (EDI) |
|  <p><b>Food products</b></p>                                  | Food/beverages, food products for nursing care patients/health food products                         | Food additives and processing agents, food ingredients  |

# Value Provided through Organo Group Products and Technology

There is a Japanese proverb that says, “When the wind blows, the barrel maker gets rich.” The blowing wind creates dust, which gets in people’s eyes and causes them to lose their eyesight. People who lose their eyesight try to make a living playing the shamisen, leading to an increased demand for shamisen. Because the shamisen is covered in cat skin, the number of cats decreases. As the number of cats decreases, the number of mice increases, resulting in more barrels being gnawed by mice. Therefore, the barrel maker profits from selling more barrels.

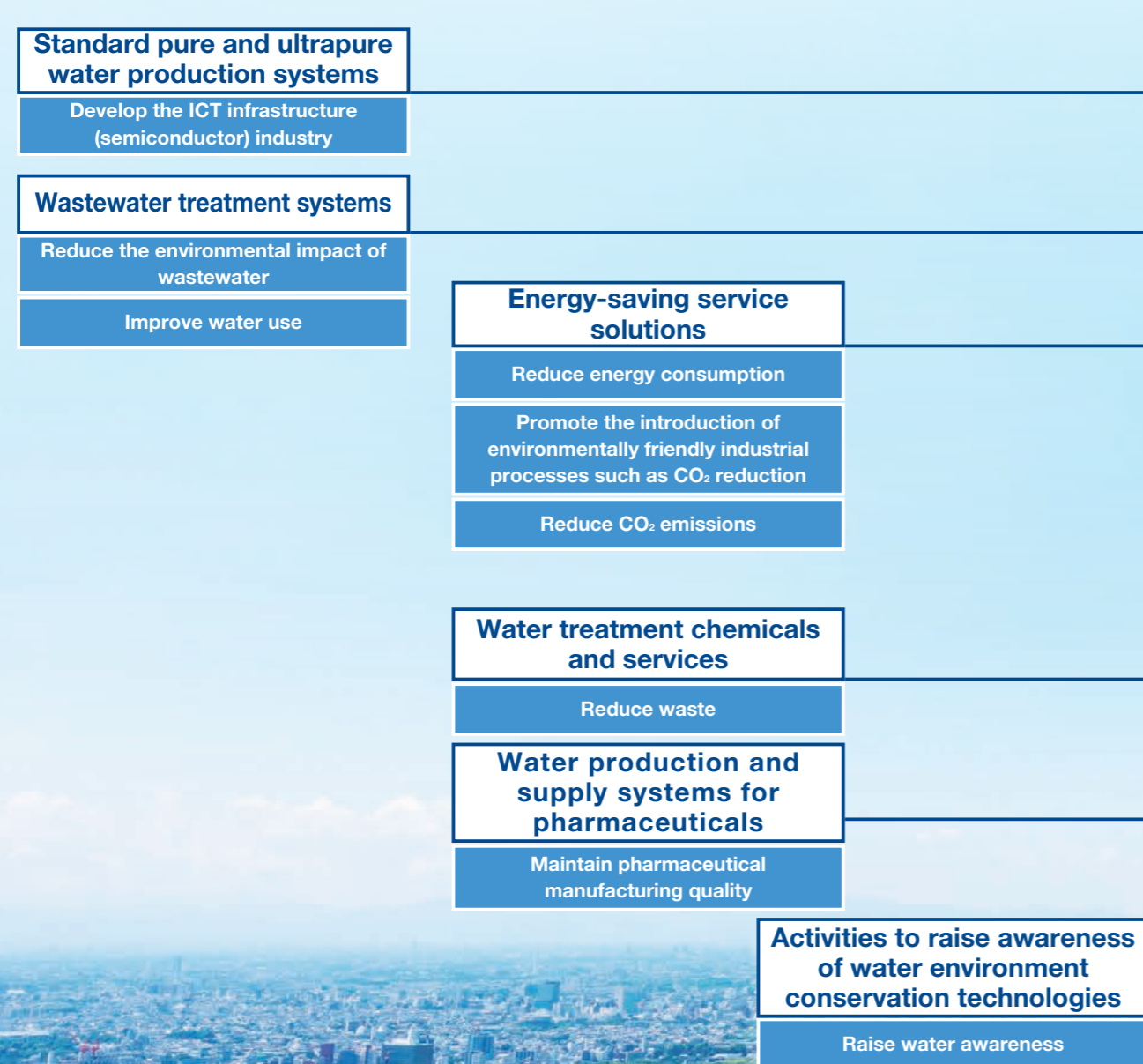
While this is an extreme example, in the world in which we live, seemingly unrelated things can actually be connected. Pure water purified using Organo’s state-of-the-art technology is used in pharmaceutical manufacturing, and these pharmaceuticals help people to regain their health. Our technology to purify industrial wastewater beyond legal requirements protects river and ocean ecosystems, thereby preserving marine resources. Ultrapure water with minimal impurities is essential for semiconductor manufacturing. These semiconductors support the core elements of societal infrastructure, including bank ATMs, train operations, and the Internet. Moreover, our technology to

enhance air conditioning energy efficiency not only reduces energy consumption but also mitigates CO<sub>2</sub> emissions.

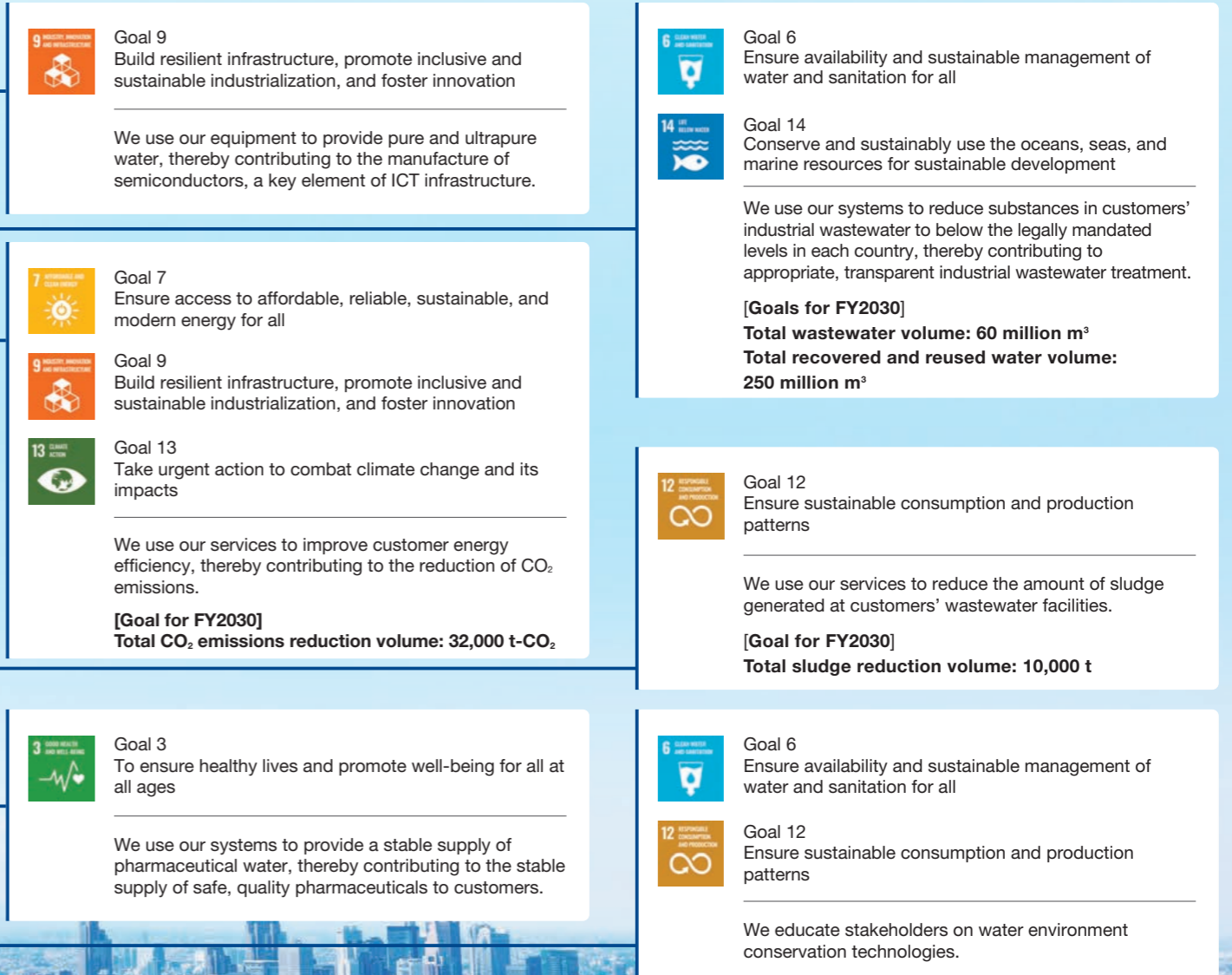
Organo products and technologies support industry and people’s daily lives behind the scenes through a process of intake, use, and discharge of water. Behind this are our strengths—our advanced technologies in separation and purification, analysis, and manufacturing. Our technology contributes to both environmental conservation and economic development by building small water reclamation circulation loops used in daily life and industry within the larger global water cycle. This is the value that we proudly provide to society. By pursuing this value, we support semiconductor, pharmaceutical, and other cutting-edge technologies while realizing climate change measures and the Sustainable Development Goals (SDGs).

Taking full advantage of the cutting-edge technology we have cultivated through long experience with water treatment, Organo will continue to serve as a valuable partner company by contributing to the industries that create the future, and by playing a key role in the development of societal infrastructure.

— Our Businesses, Services, Initiatives, and Social Issues to be Solved —



— SDG contributions and targets for FY2030 —



# Business Model

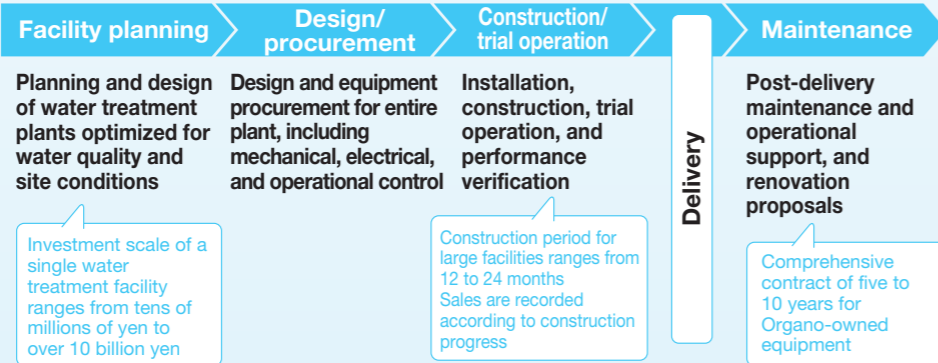
Large-scale water treatment systems, such as ultrapure water production systems, wastewater treatment systems, and wastewater recovery systems, are delivered to customers based on custom specifications, and become long-term transactions of over 20 years when maintenance and operational support are factored in. Meanwhile, the Performance Products Business Unit sells standardized products. The common denominator is our promise that our customers will get the quality and quantity of water they need for their business.

## Water Treatment Engineering Business Unit



We are developing our Plant business, which constructs large-scale water treatment plants at factories, power stations, water purification plants, and other locations, and our Service Solutions business, which provides post-delivery maintenance, renovation, and operational support.

### Supply chain



### Customers/Target Markets

| Electronics industry | General industry          | Electric power/ water supply and sewage |
|----------------------|---------------------------|---|
| Semiconductors       | Pharmaceuticals/cosmetics | Power plants                            |
| Silicon wafers       | Foods/beverages           | Water purification plants               |
| Panels               | Machinery/chemicals       | Sewage treatment plants                 |

## Strengthening synergy between the Plant and Performance Products Business Units

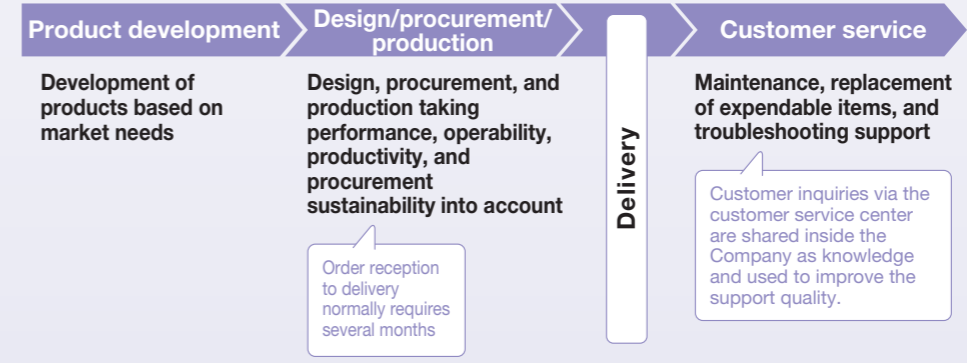
Regarding water treatment plant equipment deliveries, we incorporate various functional materials essential to performance, such as ion exchange resin, filters, and water treatment chemicals, to meet replacement demand after equipment has become operational. In recent years, we aim to enhance both equipment and functional materials to further improve added value and realize the SDGs. We will work to develop marketing-driven technologies and products to create a proactive synergy by integrating equipment and technology (hardware) with functional materials and products (applications). In addition, there are numerous cases where target markets and customers in the Water Treatment Engineering and Functional Products Business Units overlap. Given this, we will further enhance our comprehensive support for these same customers, from large-scale water treatment systems to compact equipment for laboratory use.

## Performance Products Business Unit



We sell chemicals and filters used for water treatment, compact water treatment equipment, food processing agents, and other products, and we are developing functional materials for non-aqueous separation and purification.

### Supply chain



### Customers/Target Markets





| Water treatment chemicals           | Standard water treatment equipment and filters | Food products  |
|-------------------------------------|--|--|
| Various manufacturing industries    | Medical institutions, research institutions    | Food factories, food processing industry   |
| Buildings and commercial facilities | Various manufacturing industries               | Beverage manufacturing industry  |
|                                     | Electronic materials purification              | Manufacturing industry for food products for nursing care patients/ health food products |

R & D

▶ p. 37

Create new technologies, expand business scope

# Management Resources

| Capital   | Features  |   | Initiatives for strengthening capital   |
|---|---|---|---|
| <b>Intellectual capital</b><br>  | <b>Continuous refinement and application of accumulated separation and purification technologies and analysis technology</b><br>Our core intellectual capital lies in the accumulation of technologies, from individual water treatment technologies, such as ion exchange resin, membranes, and functional materials, to entire water treatment systems encompassing mechanical, electrical, control, operations, and maintenance know-how, as well as technology for analyzing water quality after it has been treated. We advance R&D to meet customer needs for specific water and liquid quality, explore research topics from the perspective of market changes and future trends, and aim to grow our business by building our own intellectual property (IP) network while respecting the IP of other companies.  | R&D expenses ————— <b>¥2.8 billion</b><br>Target ————— <b>2.5% of consolidated net sales</b><br>Number of patents and utility models (Japan) — <b>803</b><br>Established a research facility in Taiwan (2024)   | <ul style="list-style-type: none"> <li>• <b>Further strengthen competitive advantage in cutting-edge semiconductor field</b></li> </ul> In the semiconductor industry, where customer manufacturing technology is rapidly evolving, it is critical to quickly identify customer needs, develop solutions, and establish them as part of our IP. Therefore, we have created a specialized team to explore trends in the cutting-edge semiconductor field and collaborate with the department in charge of IP in promoting activities.  |
| <b>Human capital</b><br>         | <b>Fostering a culture of taking on challenges and the desire to learn while creating a workplace where employees are energetic and passionate about their work</b><br>Diverse human resources with specialized knowledge is the source of the Company's competitiveness and growth. Organo actively supports talent who have skills gained through hands-on experience, independent thinking, a sense of teamwork, the drive to take on new challenges, and those committed to continuous skill improvement while striving for personal growth. We have also introduced a variety of systems that take into account a wide range of life events so that employees can perform to the best of their abilities within their own personal circumstances.  | Total number of employees ————— <b>2,512 (consolidated)</b><br>Number of overseas employees ————— <b>881</b>  | <ul style="list-style-type: none"> <li>• <b>Enhance talent management</b></li> <li>• <b>Promote diversity</b></li> </ul> By visualizing the skills of each employee, we aim to develop human resources, plan career paths, and assign talent from the perspectives of both the organization and the individual. It is essential to secure diverse talent in order to respond to rapidly changing markets and promote new businesses. Therefore, we are aiming to proactively hire foreign employees and increase the number of female managers to 50.   |
| <b>Manufacturing capital</b><br> | <b>Supply of water treatment equipment</b><br>We have a site for assembling equipment units that are the main components of equipment handled by the Water Treatment Engineering Business Unit and for purifying ion exchange resin, one of the functional materials that are key to water treatment performance. Group company Hostec Co., Ltd. assembles standard water treatment equipment, a component of the Performance Products Business Unit, and Group company Organo Food Tech Corporation manufactures food ingredients and food processing agents.  | Water treatment system unit assembly plant (Iwaki Factory)<br>Ion exchange resin refinery (Tsukuba Factory)<br>Standard water treatment equipment manufacturing site (Hostec)<br>Food ingredients and food processing agent manufacturing site (Organo Food Tech)   | <ul style="list-style-type: none"> <li>• <b>Strengthen our ability to respond to demand in semiconductors and other markets</b></li> <li>• <b>Increase manufacture of standard water treatment equipment</b></li> </ul> To shorten delivery times for all water treatment equipment while maintaining quality, we are sharing project schedule information more closely with the Sales Division. We manage lead times for material procurement, assembly, and the like, and proceed with manufacturing and refinement. ▶ See p. 40<br>Manufacturing subsidiary Hostec moved to a new building in February 2024 to accommodate the expansion of manufacturing capacity based on the long-term management plan for the Performance Products Business Unit.  |
| <b>Financial capital</b><br>   | <b>Stable infrastructure that supports business</b><br>To steadily generate cash through operating activities, we are working to improve profitability and strengthen our financial position by thoroughly managing project profitability and expanding our Service Solutions business and Performance Products Business Unit, which are stable sources of revenue. In addition, to improve corporate value over the medium to long term, we will promote management that is conscious of cost of capital and stock price, and strive to achieve a balance between and expansion of capital efficiency, investment in growth, and shareholder returns.  | Equity ————— <b>¥101,928 million</b><br>Total shareholder's equity ratio — <b>55.8%</b><br>Operating profit ratio ————— <b>15.0%</b><br>ROE ————— <b>18.4%</b>  | <ul style="list-style-type: none"> <li>• <b>Initiatives to enhance corporate value</b></li> <li>• <b>Capital allocation and shareholder returns</b></li> </ul> To achieve ROE that exceeds the cost of capital (7–9%), we are working to raise profitability, improve efficiency, and utilize financial leverage, with the aim of achieving an ROE of 12% or more. We will continue to make growth investments in human capital, R&D, digital investments, and owned-facility service projects. For shareholder returns, we will aim for continuous dividend increases with a dividend payout ratio of 30% or more.   |
| <b>Social capital</b><br>      | <b>Customer base and partner companies span a broad range of industries and layers</b><br>Each industry has its own ecosystem of end users and their partner companies, and Organo has client companies across multiple layers in a number of industries. In recent years, some of our customers have invested globally in the electronics industry overseas. In these cases, along with our network in the country or region of investment, we often collaborate with domestic and third-country partner companies. We are leveraging this cultivated network as a major capital.  | Domestic affiliates ————— <b>6</b><br>Domestic offices and sales offices — <b>42</b><br>Overseas sites ————— <b>7</b>   | <ul style="list-style-type: none"> <li>• <b>Expand overseas engineering locations and strengthen cooperation</b></li> <li>• <b>Capital and business alliance with LIGHTz Inc.</b></li> </ul> We are bolstering recruitment and training of local engineers at our engineering locations in Thailand and Vietnam, and they are playing an active role in projects outside those countries as well. In June 2024, we entered into a capital and business alliance with LIGHTz Inc., a provider of solutions for technology transfer and business optimization, centered on the manufacturing industry. This will help us build a more competitive engineering structure.  |
| <b>Natural capital</b><br>     | <b>Contributing to a sustainable global environment</b><br>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. We further recognize that climate change is a serious issue that must be addressed on a global scale, and that it is one of the most important matters affecting the Group's business activities. We will analyze the risks and opportunities that climate change poses to the Group's business and reflect this in our management strategies and risk management, and strive to achieve the common goal of carbon neutrality while also aiming for further growth. | <b>Through product offerings</b><br>Volume of wastewater treated ————— <b>20.72 million m<sup>3</sup></b><br>Volume of water recovered and reused ————— <b>12.31 million m<sup>3</sup></b><br><b>CO<sub>2</sub> emissions by Scope (FY2023/Consolidated)</b><br>Scope 1 and 2 emissions — <b>6.6 thousand t-CO<sub>2</sub></b><br>Scope 3 emissions — <b>1,393 thousand t-CO<sub>2</sub></b><br><small>Note: Does not include some Group companies.</small> | <ul style="list-style-type: none"> <li>• <b>Address water resource issues</b></li> <li>• <b>Protect biodiversity</b></li> <li>• <b>Reduce the Company's CO<sub>2</sub> emissions</b></li> </ul> Contribute to the preservation of healthy water cycles and secure water resources through water use in industry and daily life by providing wastewater treatment and recovery technology. Contribute to the protection of biodiversity through corporate initiatives on material issues including wastewater treatment, products and services that save energy and resources, and waste reduction. Contribute to realizing a sustainable society by optimizing energy usage related to our business activities and by providing products and services that contribute to lessening the effects of climate change. |