

January 14, 2026

To Shareholders with Voting Rights:

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### **Measures to Realize Management Conscious of Cost of Capital and Stock Price (Update)**

MORITO CO., LTD. (the “Company”) hereby announces that, at a meeting held on January 14, 2026, the Board of Directors once more analyzed and reevaluated the current situation regarding the “Measures to Realize Management Conscious of Cost of Capital and Stock Price” announced on June 18, 2025, and updated its policies and initiatives for improvement as follows.

As shown in the table below, while the Company recognizes that both PBR and ROE are currently improving, PBR is still around 1 and ROE is still far from the level expected by investors. The Company will continue to make further efforts to realize management that is more conscious of the cost of capital and stock price, with priority being placed on improving corporate value through expanding business performance and capital policies.

	FY2022	FY2023	FY2024	FY2025	FY2026 Forecast
Consolidated net sales (Million JPY)	48,478	48,529	48,537	56,867	63,000
Consolidated operating profit (Million JPY)	2,116	2,464	2,868	3,333	3,500
Consolidated net income (Million JPY)	1,674	2,217	2,572	2,916	3,000
ROE (%)	4.8	5.9	6.6	7.4	-
PBR (Times)	0.55	0.90	0.98	1.05	-
Share price at end of term (Yen)	758	1,295	1,469	1,638	-

**\*Please refer to the attached document for details of the “Measures to Realize Management Conscious of Cost of Capital and Stock Price” FY2026 update.**

(Note) The performance forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and may differ from the actual results due to various factors moving forward.

**MORITO CO., LTD.**

Update for the Fiscal Year Ending November 2026

**Measures to Realize Management  
Conscious of Cost of Capital and  
Stock Price**

Where innovation is the norm

**MORITO**

# Measures to Realize Management Conscious of Cost of Capital and Stock Price

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## Update for the Fiscal Year Ending November 2026

### I. Analysis and Assessment of the Current Situation

1. Our Cost of Equity
2. PBR
3. TSR and DOE

### II. Future Initiatives

1. Efforts to Improve PBR
2. To improve ROE

### <FYI>

- Track Record of IR Activities
- Status of Dialogue with Investors and Analysts
- Updates on IR Activities

# I. Analysis and Assessment of the Current Situation 1. Our Cost of Equity

## ● Our Approach to Cost of Equity

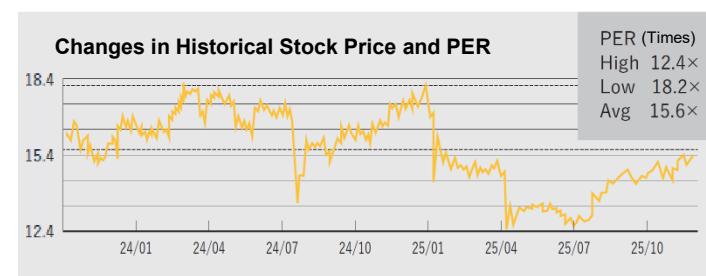
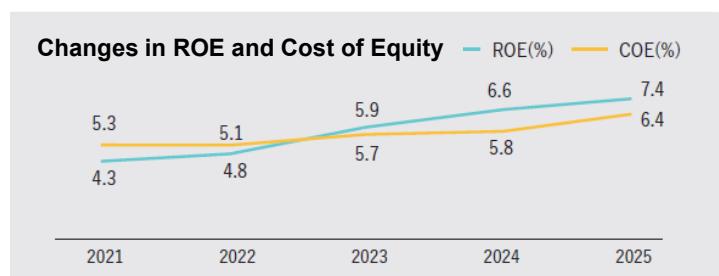
<Estimation on a CAPM basis>

$$\text{Risk-free rate (10-year JGB 1.73\%)} + \text{β value TOPIX 24-month historical 0.79} \times \text{Risk premium average 5.9\%} = \text{Cost of equity 6.37\%}$$

<Estimation based on earnings yield>

$$\text{Earnings yield (Assumed growth rate of 0)} \div \text{PER average 15.6x (2023/12 – 2025/11)} = \text{Cost of equity 6.41\%}$$

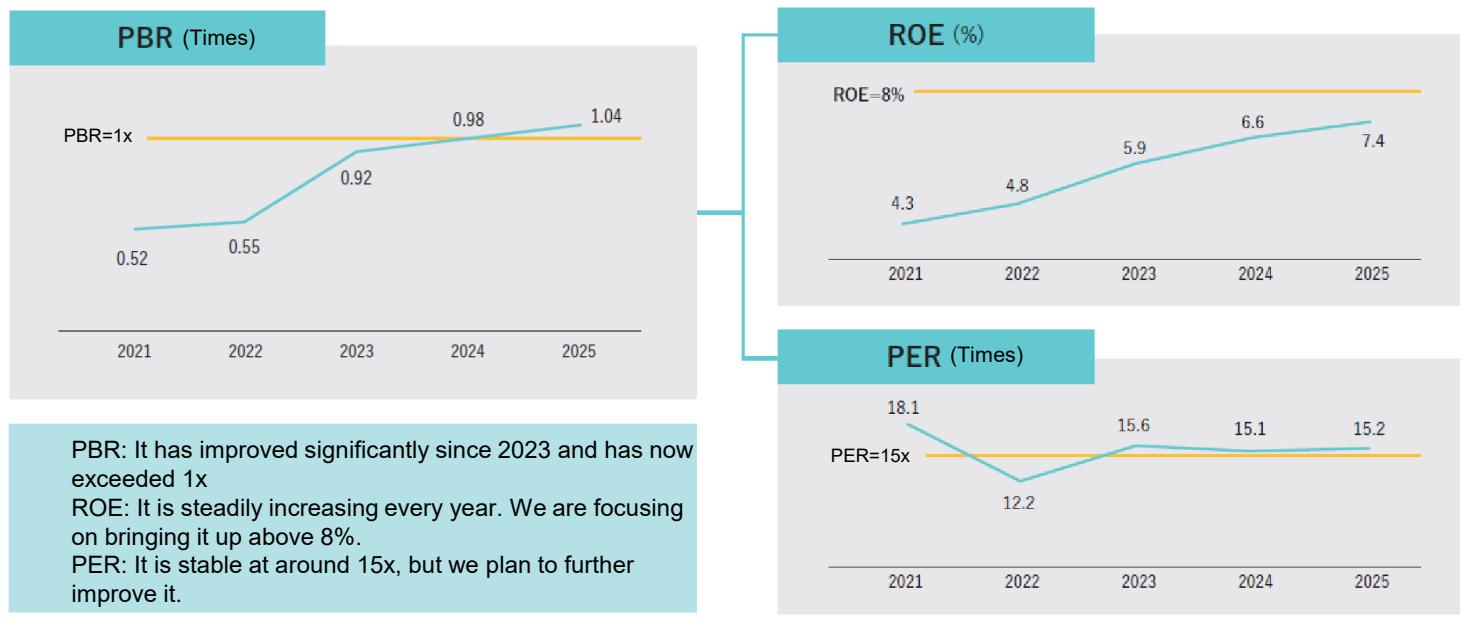
- Our cost of equity is approximately 6.37% based on CAPM calculations and 6.41% based on the earnings yield.
- We recognize that the CAPM calculation results indicate a lower cost of capital than investors anticipate, and we will strive to achieve a target ROE of 8% or higher with these findings in mind.



## I. Analysis and Assessment of the Current Situation 2. PBR

### ● PBR=ROE×PER

- Through proactive efforts to improve ROE and strengthen engagement with shareholders, we worked to maintain and improve the PER. As a result, the PBR has gradually risen and now exceeds 1x.
- In order to increase the PBR well above 1x, we believe that it is necessary to maintain and improve the PER while further increasing the ROE.



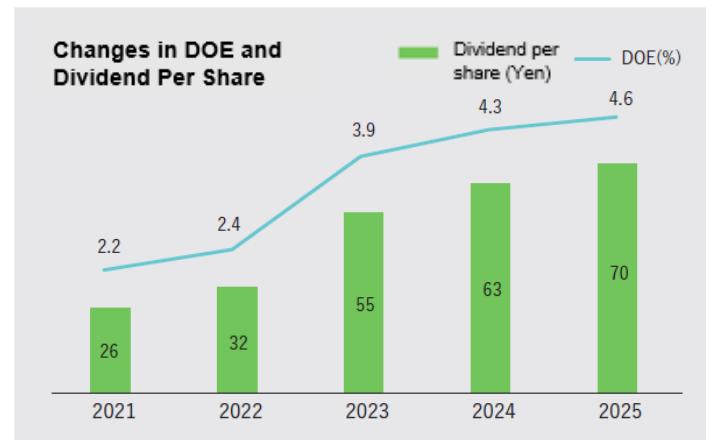
# I. Analysis and Assessment of the Current Situation 3. TSR and DOE

## ● TSR (Total Shareholder Return)

- TSR has consistently outperformed the benchmark as a result of our proactive efforts to realize management practices conscious of cost of capital. We will continue to implement initiatives focused on this indicator.

## ● DOE (Dividend on Equity)

- DOE has remained above the 4% benchmark, and we will continue to focus on improving it.
- We need to improve ROE in particular to achieve DOE growth.



## II. Future Initiatives

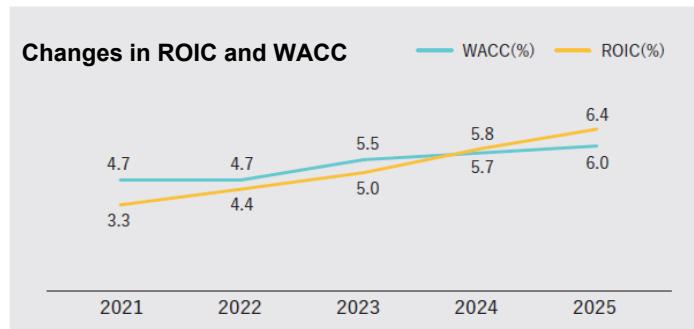
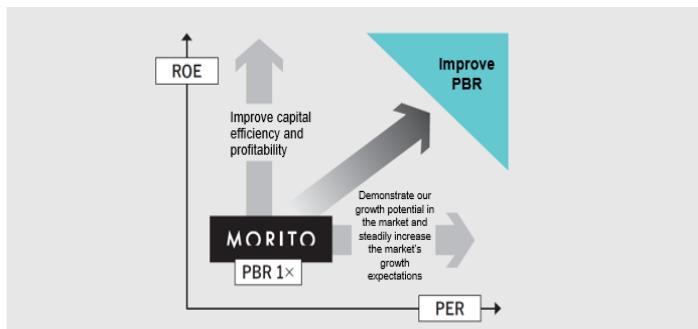
### 1. Efforts to Improve PBR

#### ● Focus on PBR = ROE × PER

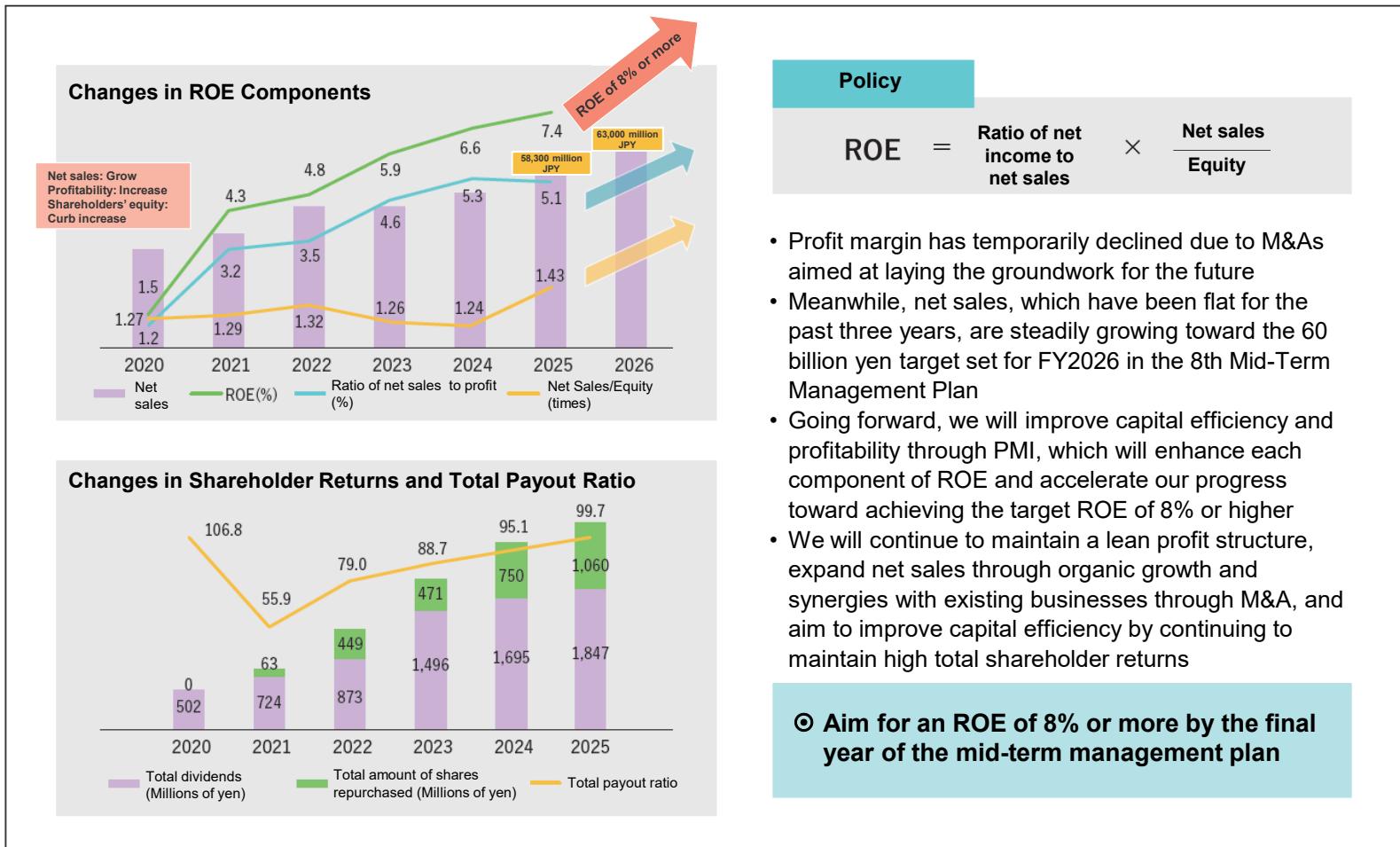
- Increase ROE
  - Increase sales growth and profit margin (ROIC)
  - Conduct thorough PMI of acquired companies for capital efficiency, higher profits, and synergy creation
- Maintain and improve PER
  - Further strengthen engagement with shareholders through investor relations and other activities to reduce the cost of capital and demonstrate a higher expected growth rate in the market.

#### ● ROIC and WACC

- Generate cash flow through CCC (cash conversion cycle) and leverage interest-bearing debt to improve efficiency of invested capital and increase operating profit
- Increase operating profit through sales growth and higher gross profit margin
- Leverage debt to reduce WACC and improve capital turnover



## II. Future Initiatives 2. To improve ROE



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## Track Record of IR Activities

We continued to enhance investor relations activities to reduce the cost of capital, and established a system to take advantage of dialogue with investors.

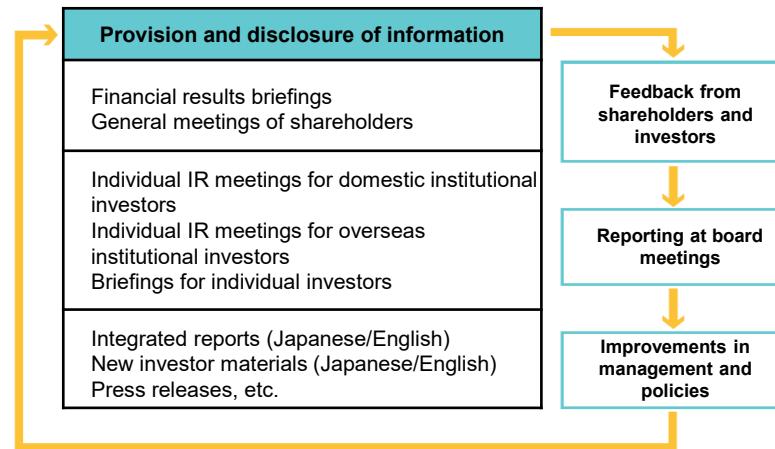
### Organizational structure for IR activities

The Corporate Planning Department and the Investor Relations/Public Relations Department are in charge of IR activities. To improve company recognition, they also carry out public relations (PR) activities to bolster internal and external communications. They report to the Board of Directors twice a year and make ongoing improvements in management and policies based on these reports.

Representative Director/CEO

Corporate Planning Department

Investor Relations/Public Relations Department



### Activities carried out

Activities	Number of times held	Main speakers
Financial results briefings (January and July)	2	Representative Director/CEO
Individual IR meetings for domestic institutional investors	40	Representative Director/CEO
Individual IR meetings and small meetings for overseas institutional investors	10	IR Manager
Briefings for individual investors	1	

We started holding individual IR meetings, small meetings, etc. in FY2025 with the aim of increasing recognition among overseas institutional investors. We also actively provided information in English.

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# Status of Dialogue with Investors and Analysts

We continued to enhance our IR activities and disclosure contents based on feedback from shareholders and investors.

## Main dialogue topics

- Market environment for each business and region
- Updates on newly consolidated group companies and their performance
- Medium- to long-term growth strategy
- Cost of capital and capital policy

## Main dialogue outcomes

Contents of dialogue	Results of dialogue and responses
Impact of U.S. trade policy on our business	Explained that there would be almost no impact in FY2025 due to the use of our own manufacturing plant in the U.S. and the network of group companies in the U.S. and Mexico
Profit by business segment	Began disclosing information in financial results presentation materials, integrated reports, etc. in response to requests for disclosure from investors
Request for disclosure regarding the progress of synergy realization with newly consolidated group companies	Started providing information about the progress to help investors understand synergies and disclosed the sales status of the B2C business, including Ms.ID, in financial results presentation materials
Request for disclosure of our vision for the group including newly consolidated group companies	To be discussed in the next mid-term management plan
Our perception of the cost of capital and the market expected return	Confirmed that our perception of the market expected return at 8% is in line with investors' perceptions
Request for disclosure of the kind of B/S we are aiming for as well as cash allocation, etc.	Explained the investment strategy formulated in the 8th Mid-Term Management Plan, which is also being reviewed under the next Mid-Term Management Plan.
Request to enhance the contents of the integrated report addressing strategies, rather than business operations, which are substantially covered in the report	We are working on a project to enhance disclosure about human capital in the next integrated report.

<FYI>

## Updates on IR Activities

Here are some of the activities we carried out in FY2025 in order to improve our company recognition and disclosure materials.

### Efforts to increase company recognition



Posting video content for individual investors



Publishing content via note (a media platform)

### Enhanced disclosure materials (newly issued in FY2025)



Integrated Report 2025 (Japanese/English)



Materials for New Investors (Japanese/English)

# Disclaimer

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This handout has been prepared only for information purposes and is not intended to solicit investment.

Although this handout is made with extreme care, its completeness cannot be guaranteed.

We assume no responsibility whatsoever for any damages resulting from the contents.

The financial results forecasts and forward-looking statements in this presentation are made with information known as of the day of presentation and contain some potential risks and uncertainties. Therefore, please be aware that the content of the forecasts may differ significantly from actual results, due to various factors such as changes in the business environment.

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