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2025

Environmental, Social and Governance Report

Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. (Morimatsu LifeSciences)

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About this Report

Overview

Welcome to the *2025 Environmental, Social and Governance Report* (hereinafter referred to as the "Report" or "ESG Report") of Morimatsu LifeSciences Business Sector (hereinafter referred to as the "Company", "Morimatsu LifeSciences ", "Morimatsu" or "we"). Under the co-ordination of Morimatsu International Holdings Limited (Stock Code: 2155.HK, hereinafter referred to as "Morimatsu International" or the "Group"), we have established our own ESG objectives and governance structure, and for the first time, we have focused on our ESG management system, progress of our work and performance in our ESG Report to demonstrate our commitment to sustainable development.

Preparation Basis

This report has been prepared with reference to the requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of the Rules Governing the Listing of Securities* issued by the *Stock Exchange of Hong Kong*, and adheres to the reporting principles of materiality, quantitative, balance, and consistency. The report also makes reference to and responds to the relevant disclosure requirements of the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UNSDGs).

Reporting Period

This is an annual report covering the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as "the Reporting Period", "this year" or "2025"). In order to enhance the completeness of the report, some of the contents have been retrospectively extended or extended forward as appropriate.

Reporting Scope

This Report covers the Morimatsu LifeSciences business segment of Morimatsu International, including Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. (hereinafter referred to as "Morimatsu Pharmaceutical"), Morimats (Suzhou) LifeSciences Company Limited (hereinafter referred to as "Morimatsu Suzhou"), Shanghai Morimatsu Biotechnology Co., Ltd., Shanghai Mori-Biounion Technology Co., Ltd., Shanghai Senhong Technology Co., Ltd., Pharmadule Engineering India Private Limited, and Morimatsu LifeSciences (Singapore) Pte. Ltd., Morimatsu Pharmadule (Singapore) PTE. Ltd., Pharmadule T&S Co., Ltd., Morimatsu (Thailand) Co., Ltd.[1], Pharmadule Morimatsu AB (hereinafter referred to as "Pharmadule Sweden"), Pharmadule Morimatsu Inc., Morimatsu Italy S.r.l. and its affiliates' ESG performance, covering our operating subsidiaries in Hong Kong SAR, Shanghai, Nantong, Changshu, Wuhan, as well as Sweden, Japan, the United States, India, Italy, Singapore, and Mexico. For detailed information on corporate governance, please refer to the *Corporate Governance Report* chapter in Morimatsu International's 2025 Annual Report.

Sources of Information and Explanations

The information and data disclosed in this report are sourced from our official documents and statistical reports and have been reviewed by the relevant authorities. If the currency is not specifically stated, the data in the amount category in this report are all in RMB. In case of any inconsistency between the relevant data and the section *Environmental, Social and Governance Report* in Morimatsu International's 2025 Annual Report, please refer to the Annual Report of Morimatsu International.

Access and Feedback to the Report

This Report provides both Simplified Chinese and English versions for readers' reference. In the event of any discrepancy in interpretation between the two versions, the Simplified Chinese version shall prevail.

[1] As of the end of the Reporting Period, Morimatsu (Thailand) Co., Ltd. had not yet commenced commercial operations.

About Us

Company Profile

Morimatsu LifeSciences, one of the key business segments of Morimatsu International Holdings Limited (Morimatsu International, Stock Code: 2155.HK), mainly consists of Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd, Morimatsu (Suzhou) LifeSciences Company Limited, Shanghai Morimatsu Biotechnology Co. Ltd., Shanghai Senhong Technology Co., Ltd.,Pharmadule Engineering India Private Limited, and Pharmadule Morimatsu AB (hereinafter referred to as "Pharmadule Sweden") and its subsidiaries, serving the Pharmaceutical, Biopharmaceuticals, Medical & Aesthetics, FMCG (Cosmetics, Baby, Women & Home Care, Health Care, Fabric & Home Care, Food, Beverage, Nutraceuticals), etc. We provide "Core Equipment+ Value-added Services+ Mathematical and Intelligent Total Plant Solutions & Service" (MVP Solutions & Service), and we are committed to providing our customers with "Core Equipment", "Value-added Services" and "Digital Intelligent Total Plant Solutions & Service". Solutions & Service), focusing on Core Equipment, Stainless Steel Process Systems, Single-Use Process Systems, Consumables, Laboratory Solutions, Digital and Modular Plant Solutions & Service.



Morimatsu, as a diversified multinational company, has opened subsidiaries or advanced manufacturing bases in China, Japan, Sweden, the United States, India, Italy, and Singapore, etc. Relying on its globalised and efficient team of professionals, Morimatsu has delivered products and services in various forms to more than 40 countries and regions up to now.

Morimatsu's Digital-Intelligent Integrated Plant Solutions optimize production efficiency and engineering platform profitability through seamless upstream-downstream process integration, empowering clients to achieve lean manufacturing. The full lifecycle digital services spanning design, construction, and operations & maintenance establish future-ready model facilities for biopharmaceutical production, setting technological benchmarks across China and global markets.

Mission and Vision

The Group's products and technologies help society pursue a greener earth, a healthier life and smarter tools through the development of modern industrial civilization.

The Group aims to provide customers with the world's leading core equipment, high value-added proprietary technology modular solutions, digital intelligence integrated plant solutions (including process packages), and value-added services covering the full life cycle.

Vision

To become a leading provider of core equipment, process systems, and digitalized integrated factory solutions and services globally.

Mission

Through continuous technological innovation, we help clients provide safer and more reliable products, dedicated to making life healthier, more beautiful, and more convenient for the public.



Corporate Strategy

MACHINES

Core Equipment

The core equipment, designed to achieve theoretical heat and mass transfer in large volume equipment, works to realize new material synthesis processes that are theoretically based on chemical and biological reaction equations and feasible at the practical laboratory level, at the process level production scale.

VALUES

Value Empowerment

While providing products primarily in the form of core equipment to downstream industries and customers, the Company is also committed to developing high-value-added complete sets of products and solutions.

PLANTS

Highly Integrated Systemic Solutions

This is an extreme industrial product that directly aims at customers who intend to commercialize their critical advanced material synthesis technologies and provides one-stop "service + product + service" systematic solutions, covering the entire process from project initiation consultancy, technical/ commercial feasibility studies, process route design, engineering design, core equipment delivery, system manufacturing/ installation/commissioning/certification, operation and maintenance management to continuous optimization of the process, with optional incorporation of continuous supply arrangements for critical consumables and auxiliary materials.

The MVP Solutions+ refers to the product strategy that utilizes process packages as the technology carrier and continuous service as the interface for upstream and downstream interactions, in addition to the above three types of products. Its advantages mainly include:

1. Closer to the customers' value needs, enhance customer bonding and loyalty.
2. Closer to the development trends of the downstream industry, actively integrate into the process of customers' technology update and product iteration.
3. Continue to improve our competitive advantages, deepen the development of the moat effect and minimize the long-term homogeneous competition.
4. Avoid continuous investment in hardware assets and downplay the inevitable link between hardware capacity growth and business development.
5. Continuously enhance the Group's technological attributes and continue to improve self-learning and evolutionary capabilities.
6. Develop a unique development model for manufacturing enterprise, avoiding dependence on a single product, a single market, and realizing continuous updating and iteration of core technologies and products.

Annual Honors and External Recognition

Leveraging decades-long accumulation of expertise and quality products and services, Morimatsu has earned industry-wide acclaim and multiple client recognitions, with selected honors and certifications including but not limited to:

Honored Subject	Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd.
Name of the Honor	Outstanding Partner
Issuing Authority	Dawnrays Pharmaceutical (Holdings) Limited

Images of the Award



Sustainable Development Recognition and Awards

Pharmadule Sweden
EcoVadis Gold Rating

Morimatsu Suzhou
EcoVadis Silver Rating

Morimatsu Suzhou
CDP Climate Grade B Award

Morimatsu Suzhou
CDP Water Grade B Award

Signatory of the United Nations Global Compact (UNGC)

From Our CEO

At Morimatsu LifeSciences, we firmly believe that a company's value lies not only in the growth of its financial performance but also in the profound and sustainable contributions it can make to social progress and environmental protection. Over the past year, with the joint efforts of all employees and the trust and support of all stakeholders, we have deeply integrated Sustainability into the fabric of our strategy and operations, continuing to cultivate excellence across multiple dimensions including governance, environment, society, and supply chain. We are accountable to the environment, society, and every employee, customer, and partner. Our actions demonstrate that 'sustainability' is not merely a goal but also the compass guiding our journey.

The Company continues to implement the ESG sustainable development philosophy, continuously optimizing its governance structure. By formulating and implementing a series of codes of conduct, including **the *ESG Policy* and the *Supplier Code of Conduct***, the Company embeds ESG requirements into its own operations and extends them throughout the supply chain. At the same time, we attach great importance to and have established a normalized communication mechanism with diverse stakeholders. We actively listen to and respond to their concerns, utilizing these inputs as a critical basis for decision-making and action.

The Company has deeply integrated climate change risk management and the identification of opportunities into the core of its corporate strategy and governance. It scientifically assesses the physical and transformation risks it faces from the short term to the long term, while actively exploring low-carbon pathways in energy structure, resource efficiency, product and service offerings, and market expansion. **This year, we completed Scope 1, 2, and 3 carbon inventories and established Science-Based Targets (SBTs)**. Through substantive measures such as deploying photovoltaic projects, developing green solutions, and building intelligent manufacturing systems, we have effectively reduced our operational carbon footprint and empowered customers to undergo green transformation.

The Company upholds the philosophy of 'green development and responsible win-win', establishing a governance structure directly overseen by senior management where environmental performance is linked to executive compensation. By **maintaining ISO 14001 and other environmental management system certifications**, it has solidified the foundation of its environmental management. We vigorously promote clean production and the circular economy. By optimizing water resource management, innovating in packaging material reuse, and implementing strict classification and resource-based treatment of wastewater, waste gas, and solid waste, we have significantly improved resource utilization efficiency and continuously reduced our operational impact on the environment.

The Company regards superior product quality, reliable safety performance, and continuous technological innovation as the lifeline of corporate development and its core competitiveness. We have established a comprehensive quality management system throughout the entire process, adhering to international certifications such as ISO 9001. By leveraging digital systems, we enable **traceability management across the full product lifecycle** and ensure product quality through our in-house testing capabilities. We adhere to a research-driven approach, continuously increase R&D investment, and strengthen strategic partnerships, **achieving breakthroughs in key areas such as green technology and intelligent manufacturing**. In customer service, we uphold the philosophy of 'Craftsmanship in Service, Empowering Value' by leveraging regional 5S service centers, our CRM system, and a full lifecycle service system to respond rapidly to needs. Simultaneously, we have established a defense line for data security and privacy protection based on **ISO 27001 certification** and are exploring the application of Artificial intelligence (AI) to empower business innovation and efficiency, jointly forging customer trust and the Company's steady development.

While deepening our own development, we actively promote sustainable development across the supply chain and industry by systematically upgrading supplier management policies and digital platforms. **We deeply integrate sustainability requirements into the entire procurement process**, establishing clear standards and evaluation guidance for suppliers covering environmental management, labor rights, and commercial integrity. At the same time, we actively contribute to industry ecosystem development by participating in standard-setting and sharing innovative solutions. We collaborate with partners across the value chain to jointly build a more competitive and sustainable future.

We are committed to building a diverse, equal, and inclusive work environment. We have established a systematic development platform that comprehensively supports employee growth and well-being through a multi-channel career progression system, competitive compensation and benefits packages, and warm initiatives covering long-term incentives and family care. While pursuing our own development, we proactively assume social responsibilities and actively engage in public welfare initiatives to give back to the community and contribute to society through sincere actions.

Through a clear governance structure, we integrate comprehensive risk management and internal control throughout the entire business process. **By establishing a "three-line defense" model and strictly executing internal control audits**, we systematically ensure that operations are lawful, compliant, stable, and reliable. **We fully uphold the highest standards of business ethics**, internalizing fair and transparent business ethics as a conscious practice for all employees. This has established a solid guarantee for providing reliable products and services to our customers and has secured the crucial trust essential for the Company's long-term sustainable development.

Looking ahead, Morimatsu LifeSciences is committed to using this report as a window to continuously listen to voices from all sides and transform this trust into the driving force for our progress. We will always regard ESG as a long-term commitment that must be upheld and the source of our core competitive advantage. Guided by the philosophy of 'green development and responsible win-win', we will continuously reduce our environmental footprint, empower the green transformation of our customers and society, and work with all stakeholders to build a responsible and resilient industrial ecosystem, achieving true sustainable win-win outcomes.

Chief Executive Officer

Weihua Tang



2025 ESG Highlights

Governance

A total of 22 ESG material topics were identified and subsequently reviewed and confirmed by the Group's Board of Directors and senior management, resulting in the 2025 Materiality Matrix.

Established the *ESG Policy* to strengthen management requirements for the Company in areas such as environmental protection, product quality and safety, employment standards and labor rights, social engagement and contribution, corporate governance, and ethics.

Employees signed the *Letter of Commitment for Integrity and Self-discipline*

There were no anti-corruption-related lawsuits or improper business behaviors in the Company's commercial activities.

Product

Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. has been awarded the "Songjiang District Quality Innovation Award".

Obtained and maintained quality system certifications/ production qualifications such as ISO 9001:2015 Quality Management System Certification and ASME "U" Certificate of Authorization.

Actively practice and deepen the M.V.P. combination innovation model of "Machine + Values + Plants" and innovatively launch MVP Solutions+ to develop towards a service-oriented manufacturing model.

Actively leveraging the iMES management platform, containerized iMES (weld acceptance forms) is being promoted and adopted across multiple projects.

No incidents affecting customer health and safety related to products or services occurred.

Customer satisfaction surveys were conducted monthly, with satisfaction rates consistently exceeding 99.42%.

Set high standard quality objectives and realized that the pass rate for the primary project factory acceptance test (FAT) was 100%, the pass rate for the primary inspection of the products was 98.24%, and the pass rate for the primary welded seams was over 98.47%.

During the Reporting Period, R&D investment was approximately RMB 133.2138 million.

No significant information security incidents or data breaches occurred.

Maintained ISO/IEC 27001:2013 Information Security Management System Certification.

Environment

Identified climate-related risks and opportunities and introduce scenario analysis for the first time to assess climate resilience.

Conducted carbon inventory across all operating sites, and added Scope 3 Category 3 and Category 5 carbon inventory for the Suzhou Plant.

In accordance with the framework of the Science Based Targets initiative (SBTi), scientific carbon reduction targets (SBT) were established for the Suzhou Plant and successfully submitted to SBTi for approval.

The Suzhou Plant has completed the construction of a cumulative 8.7 MW photovoltaic equipment project.

Approximately RMB 0.3781 million has been invested in environmental protection.

The Suzhou Plant has obtained and maintains ISO 14001 environmental management system certification.

100% compliant disposal and discharge of wastewater, air emissions, and solid waste in accordance with standards

A compensation policy linking environmental performance with executive performance has been implemented. A certain amount will be deducted monthly from the remuneration of relevant responsible persons to establish an "HSE Risk Guarantee Fund".

Focusing on the sustainable development needs of industries such as biopharmaceuticals, medical aesthetics, fast-moving consumer goods (FMCG), and data centers, we continue to increase investment in green low-carbon technology R&D, committed to promoting technological upgrades and transformation within the industry.

Industrial Chain

We actively participated in industry exchange activities to facilitate the sharing of technology, concepts, and market information. During the Reporting Period, we took part in more than 30 industry exchange activities.

We established the *Supplier Code of Conduct* to conduct ESG assessments and management of suppliers across dimensions including environmental management, anti-corruption and integrity, and labor management.

Conducted ESG management assessments for core suppliers and encourage more suppliers to strengthen the construction and certification of their ESG-related management systems.

Signed integrity agreements with suppliers.

We advanced the upgrade of the online Supplier Relationship Management (SRM) platform. The average cycle for supplier registration and review was shortened by approximately 30%, while order collaboration efficiency improved by approximately 25%. These measures further optimized the operational efficiency of the supplier full lifecycle management system.

Society

We place high importance on diversity development. Female employees account for 22.18% of the total workforce, and in non-production roles, women represent 27.95%. Employees from ethnic minorities accounted for 3.61%, and 19 employees with disabilities were hired.

Total investment in employee training amounted to RMB 2.0911 million, with an average of 14.66 hours training per employee.

We have obtained and maintained ISO 45001 Occupational Health and Safety Management System certification.

No workplace fatalities or major workplace injury has occurred.

01

Sustainable Governance

15 ESG Governance Structure

17 Stakeholder Engagement

19 Material Issues



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

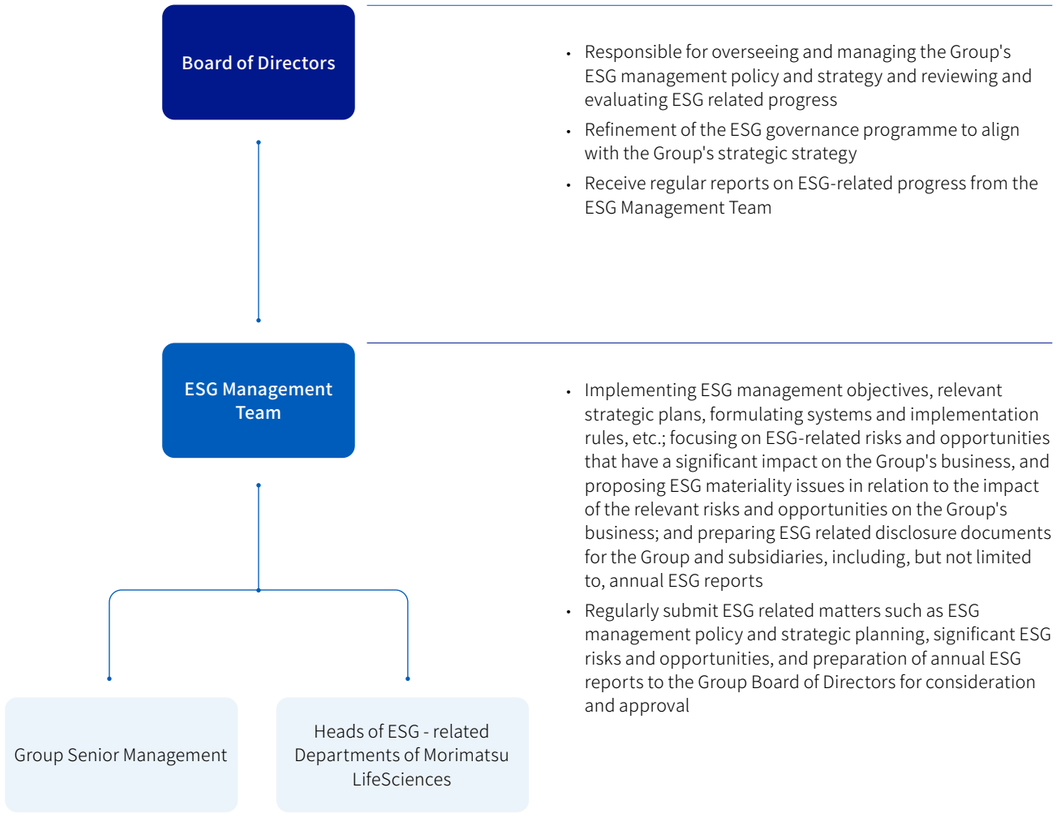
Morimatsu steadfastly upholds the concept of sustainable development by establishing and improving its ESG governance structure and management system, integrating environmental, social, and governance considerations into business operations and strategic planning. We are committed to building multi-dimensional channels for stakeholder engagement, actively listening to and responding to diverse concerns and requests to effectively safeguard stakeholders' rights and promote sustainable corporate development.

ESG Governance Structure

The Board of Directors of Morimatsu International, is responsible for formulating the Group's environmental, social, and governance strategy, assessing and determining relevant risks, and ensuring the establishment of appropriate and effective risk management objectives and internal monitoring systems. The Group's senior management and the heads of key departments jointly constitute the ESG Management Committee. In accordance with the *Environmental, Social and Governance (ESG) Management Team Work System*, the Committee standardizes ESG operations to ensure the effective implementation of the ESG strategies approved by the Board of Directors of the Group. Concurrently, the Group ESG Management Committee regularly reports on ESG performance to the Board of Directors of the Group. Guided by the Board's direction and recommendations, it continues to advance the optimization and enhancement of ESG performance.

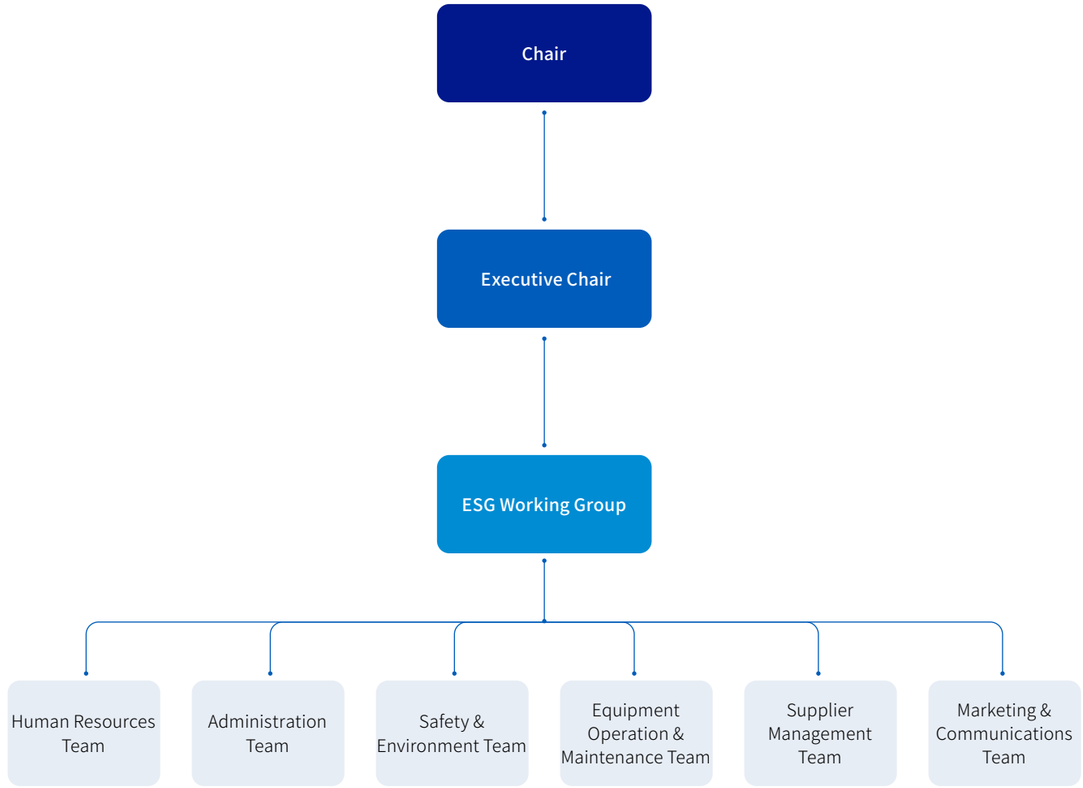
The Group has established professional ethics and awareness regarding ESG for Morimatsu employees through its *Code of Conduct*. At the same time, the Group has issued the *Supplier Code of Conduct* and also encourages suppliers and partners to practice ESG principles.

Building on this foundation, in 2025 we established the *ESG Policy* to strengthen management requirements for the Company in areas such as environmental protection, product quality and safety, employment standards and labor rights, social engagement and contribution, corporate governance and ethics. We also encourage suppliers and partners to comply with our *ESG Policy*.



Responsibilities at Each Level of the ESG Governance Structure

Building on this foundation, Morimatsu LifeSciences further established an independent ESG Management Committee, chaired by CEO Weihua Tang and with COO Lu Yi serving as executive chairman, with a subordinate ESG Working Group and six specialized functional teams. The Committee is responsible for the implementation of ESG matters at the company level and regularly reports progress to the Group, ensuring alignment with the Group's overall ESG direction.



Morimatsu LifeSciences ESG Committee Organizational Structure

During the Reporting Period, we engaged external experts to conduct specialized ESG training for core business personnel. This initiative strengthened the Company's understanding of the new climate regulations issued by the Hong Kong Stock Exchange and reinforced the management of Scope 3 greenhouse gas emissions as well as climate risk response and mitigation. At the same time, we will continue to learn from industry best practices and better plan the improvement pathways for each dimension of environmental, social, and governance.

Stakeholder Engagement

The opinions and suggestions of stakeholders serve as a critical basis for our business decision-making and the advancement of sustainable development. Morimatsu places high importance on communication and exchange with stakeholders. The Company has established open channels and a normalized communication mechanism to continuously understand and actively respond to the expectations and demands of various stakeholders, including government and regulatory authorities, investors and shareholders, customers, employees, suppliers and partners, industry association, and community.

Stakeholders	Expectations for Morimatsu	Communication and Response in Morimatsu
Government and Regulatory Authorities	• Conduct business in compliance with laws and regulations • Promote employment • Pay taxes in accordance with the law • Cleaner Production	• Implement national policies and comply with national laws and regulations • Acceptance of regulatory supervision and inspection • Strengthen corporate compliance management and operations • Timely reporting and disclosure
Investors and Shareholders	• Financial Performance • Development Strategy • Expansion of new businesses • Corporate Sustainable Development • Technology and Innovation	• Regularly convene shareholders' meetings and board of directors meetings • Investor Research and Communication • Timely disclosure of statutory matters and promotion of business dynamics • Deepen product and technological innovation while continuously expanding into new business areas
Customers	• Provide products and services that meet customer needs to create greater value for them • Intellectual Property Protection • Information Security Assurance • Construction of Corporate Social Responsibility	• Enhance product and service quality • Enhance customer satisfaction rates • Protect customer data and information • Actively cooperate with customers' corporate social responsibility audits
Employees	• Protection of Rights and Interests • Compensation and Benefits • Safety and Health • Career Development • Corporate Culture	• Safeguard employee rights and enhance employee welfare benefits • Improve the employee work environment • Strengthen training and facility investments related to employee health and safety • Provide employees with enhanced career development training • Actively engage in employee communication
Suppliers and Partners	• Uphold business ethics and national laws and regulations • Equity, Openness, and Fairness • Fulfilling our commitments • We collaborate with suppliers to advance sustainable supply chain management, achieving mutual benefit and win-win cooperation	• Enhance the supplier communication platform • Optimize the supplier selection mechanism • Establish an open and transparent bidding mechanism • Provide suppliers with equal competitive opportunities • Enhance supplier assessment
Industry Association	• Promote industry development	• Promote sustainable development in the industry • Promote fair competition in the industry
Community	• Actively participate in community development • Actively engage in public welfare initiatives	• Conduct employee volunteer activities • Scholarship Donation • Provide more employment opportunities • Charitable Donations

Morimatsu Stakeholder Communication Mechanism



Material Issues

In identifying ESG material issues, Morimatsu comprehensively employed questionnaires, email communications, and interviews to systematically collect and analyze the opinions and key concerns of stakeholders. During the Reporting Period, based on our corporate development strategy, industry trends, and changes in internal and external environments, and combining regulatory requirements, industry standards, peer benchmarking, and prior topic assessments, we identified and screened 22 material ESG topics. Following scientific evaluation and prioritization, these were reviewed and confirmed by the Group Board of Directors and senior management of the Company, resulting in the Morimatsu 2025 Materiality Matrix to guide subsequent ESG strategy formulation and specific actions.

In 2025, we added the topics of "Anti-Unfair Competition" and "Diversity and Equality", and elevated the importance of the topic "Social activity participation and contribution".

Preliminary Identification of Material Issues

Preliminarily identify the Company's material issues through the analysis of regulatory disclosure documents, peer benchmarking, and the review of the Company's current situation.

Stakeholder Interviews and Communication

Conduct interviews with key stakeholders such as investors, customers, and regulatory authorities, and collect, organize, and analyze the issues that stakeholders of the Company focus on.

Confirmation of the Materiality Issue Matrix

Integrate the global sustainable development goals, Morimatsu's strategy, and stakeholder concerns to form the Company's materiality issue matrix, and make corresponding adjustments according to the industry and the Company's actual situation.

Review by Company's Senior Management

Based on the issue matrix, the Company's senior management conducts a review, and key disclosures of highly important issues are made in the report.

Materiality Issue Identification Process



Morimatsu 2025 Criticality Issues Matrix

02

Green Development

23 Addressing Climate Change

31 Green and Low-Carbon Operations

35 Green Solutions



The Morimatsu system identifies risks and opportunities related to climate change, actively embraces global green trends, continuously optimizes its environmental management system, and persistently researches and develops new technologies for energy conservation and emission reduction. It explores low-carbon solutions, partners with stakeholders to jointly promote low-carbon transformation, contributes the Morimatsu strength to the 'Dual Carbon' goals, and builds a new chapter of green sustainable development.

Addressing Climate Change

Morimatsu proactively manages climate change-related matters through a risk control mechanism, continuously identifying and managing climate risks and opportunities to enhance resilience to climate risks, seize low-carbon transformation market opportunities, and build the Company's sustainable core competitiveness.

Governance

The Morimatsu Board serves as the highest governing body for addressing climate change, ensuring the effective integration of climate change response strategies with the Group's development strategy. The ESG Management Team, composed of senior management from Morimatsu and heads of relevant ESG departments, serves as the oversight and execution body. It comprehensively coordinates the planning and implementation of work related to climate change and submits specialized reports to the Board of Directors on a regular basis. The ESG Executive Team comprises heads of relevant executive departments from the Group and its subsidiaries, covering functional areas such as environmental and climate management, risk management, and corporate governance. It is responsible for implementing the climate action plan to ensure that all emission reduction measures are effectively executed at the operational level. During the Reporting Period, the ESG Management Team engaged external experts to conduct analysis and training on climate change. It also held regular special discussions and exchanges regarding climate-related risks and opportunities and carbon emission management to ensure that the management possesses the appropriate skills and competencies to oversee strategies addressing climate-related risks and opportunities. At the same time, the climate work outcomes reviewed by the ESG Management Team were submitted to the Morimatsu International Board of Directors for review and confirmation.

Strategy

Morimatsu strictly complies with Part D of the *Environmental, Social and Governance Reporting Code* in Appendix C2 of the *Listing Rules* of the HKEx. In conjunction with industry benchmarking results, it employs climate scenarios RCP2.6 and RCP4.5 from the Shared Socioeconomic Pathways (SSP) of the IPCC to assess physical risks. At the same time, we refer to the International Energy Agency's (IEA) Stated Policies Scenario (STEPS) and Net-zero Emissions Scenario (NZE) frameworks for 2050 to comprehensively analyze transition risks and potential development opportunities, ensuring the forward-looking nature and scientific rigor of climate risk management.

During the Reporting Period, Morimatsu management led and participated in multiple special meetings on climate change. Discussions covered topics such as corporate adaptability and resilience to various climate risks, current financial investments, and future planned initiatives. The status of managing climate risks and opportunities was also reviewed. At the same time, based on past climate risk analysis results, we identified production and operation sites such as Changshu for inclusion in entity risk analysis.

Physical Risk Climate Scenario Selection

RCP2.6

RCP2.6 is a low Emission scenario designed to limit the increase in global average temperature during the 21st century to within 2° C relative to Pre-industrial levels, while striving to approach the 1.5° C warming target. This Scenario requires robust climate policies globally, including significant reductions in the use of Fossil fuels, improvements in Energy efficiency, and the promotion of renewable energy.

RCP4.5

RCP4.5 is a medium Emission scenario that envisions the implementation of some emission reduction measures, yet global GHG emissions are projected to peak by mid-century and then gradually decline. Under this scenario, the global average temperature increase is projected to reach approximately between 2.4° C and 3.0° C by 2100. RCP4.5 represents a possible future GHG emission trajectory in the absence of achieving the more ambitious goals of the *Paris Agreement*.

Transition Risks and Opportunities Climate Scenario Selection

IEA NZE

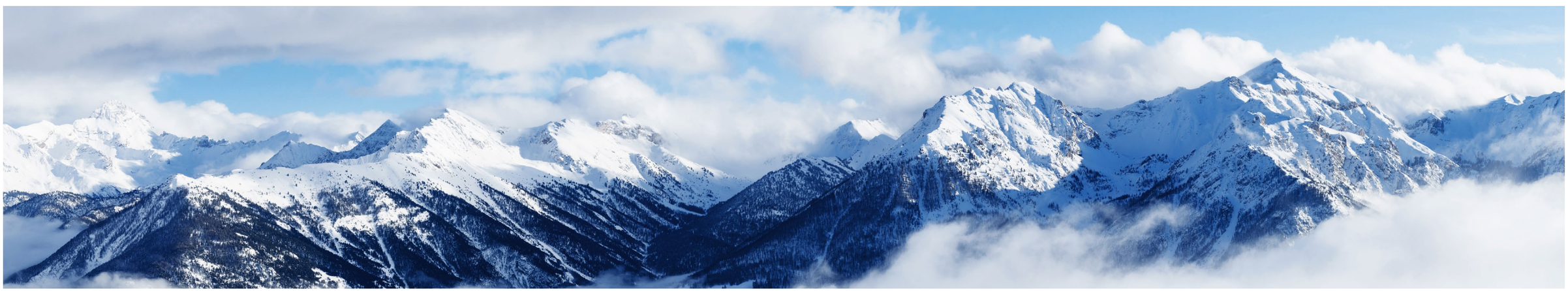
The 2050 Net Zero Emissions (NZE) scenario is a normative pathway proposed by the IEA, requiring the energy sector to achieve net zero emissions by 2050 without relying on external offsets.

IEA CPS

The Current Policy Scenario (CPS) is a baseline scenario strictly based on existing laws and regulations. It depicts the development paths of the global energy system under the assumption that government policies are completely frozen starting today.

We selected the analysis time spans based on the Company's strategic development plan: short-term (2025-2027), mid-term (2027-2035), and long-term (2035-2050), to assess climate risks and opportunities across these different time horizons.

Based on the selected scenarios and time horizons outlined above, and considering the industry's business characteristics and strategic development plans, we have identified Morimatsu's primary climate-related risks and opportunities by referencing the HKEX guidelines, the methodology in IFRS S2 (*International Financial Reporting Sustainability Disclosure Standard No. 2 — Climate-related Disclosures*), mainstream rating agency guidelines, peer practices, and external expert advice. We assessed the potential financial impacts of these risks and opportunities on our business model and value chain, as well as their magnitude, to compile the Morimatsu Climate Change and Opportunities List.



Physical Risks Table

Physical Risks Category		Climate Scenario	Short-term	Mid-term	Long-term	Risk Description and Response Measures
Acute Climate Risk	Typhoon	RCP2.6	Low	Low	Low	Climate change will increase the frequency and severity of extreme weather events, such as floods, typhoons, and droughts. Extreme weather may damage production equipment in factories, resulting in economic losses and production interruptions. The normal operation of the supply chain may be disrupted; transportation and storage of raw materials or finished products could be delayed for extended periods due to extreme weather. Employees' lives and health may be threatened, compromising production efficiency and the assurance of product delivery services. In the long term, climate change will bring chronic climate risks. For instance, rising sea levels may lead to land submersion, obstructed transportation, and water salinization causing water scarcity, which could impact the Group's normal production and operations.
		RCP4.5	Low	Low	Low	
	Flood	RCP2.6	Medium	Medium	Medium	
		RCP4.5	Medium	Medium	Medium	
	Extreme Heat	RCP2.6	Low	Low	Low	
		RCP4.5	Low	Low	Medium	
Chronic Climate Risk	Water Stress	RCP2.6	Medium	Medium	Medium	
		RCP4.5	Medium	High	High	
	Rising sea levels	RCP2.6	Low	Low	Low	
		RCP4.5	Low	Low	Low	

Risk Avoidance: During the project planning and construction phase, climate risk factors are incorporated into the integrated assessment system to prioritize avoiding high-risk site selection. In the operational phase, adaptive modifications or strategic relocation plans for operational sites will be implemented as appropriate based on the actual extent of climate risk impacts.

Early Warning Monitoring: Establish a dynamic meteorological early warning monitoring mechanism. Strictly follow the warning levels issued by meteorological authorities and initiate graded response measures in accordance with the Group's *Special Emergency Plan for Typhoon and Flood Prevention*. Adjust production plans promptly and submit reports to the competent higher-level authorities.

Emergency Management System: Establish a dedicated emergency management team and formulate the *Emergency Contingency Plan for Environmental Emergencies*. Regularly organize specialized training for extreme weather emergency response to fully implement the Group's risk management policies and emergency response procedures.

Operational Protection: Continuously improve safety facility construction at operational sites, including the installation of floodwalls in riverside areas and drainage systems for electrical equipment zones, while maintaining professional emergency equipment and material reserves to effectively mitigate risks related to work safety, property loss, and operational interruption. At the same time, commercial insurance is procured for all operational sites to establish a multi-layered risk protection system.

Heatstroke Prevention and Cooling Supplies: Provide employees with heatstroke medication, salted soda drinks, mung bean soup and other cooling beverages. Additionally, install professional cooling equipment such as air conditioners, exhaust fans, and cold air blowers in work areas.

Adjustment of Work Hours During High-Temperature Periods: When the temperature reaches 35° C or above, work schedules will be adjusted as appropriate to extend the midday break period.

Critical Equipment Cooling Management: For areas housing heat-sensitive equipment such as electrical control cabinets and main transformer rooms, professional cooling measures including the installation of air conditioners, exhaust fans, or the use of ice blocks shall be implemented.

Equipment Inspection and Maintenance: Arrange for professional personnel to conduct regular inspections of key areas such as power distribution rooms to prevent safety hazards like short circuits caused by excessive equipment load.

Digital Management: Establish a digital water resource management system to achieve real-time monitoring and precise control of water usage.

R&D: Advance the research and development and application of water recycling technologies to reduce dependence on freshwater resources.

Regular Assessment: Establish a regular risk assessment mechanism to continuously monitor the impact of water stress and sea level changes on corporate operations.

Transition Risk

Transition Risk Category		Time Dimension	Likelihood	Impact Magnitude	Risk Description and Response Measures	
Policies and Laws	**Carbon Compliance Risk**	Medium-to-long	High	Medium to High	Governments worldwide are gradually implementing carbon pricing mechanisms, including carbon taxes and emissions trading systems, to effectively control GHG emissions by increasing the cost of corporate carbon emissions and to translate national climate targets down to the enterprise level. Authoritative research institutions, such as the International Energy Agency (IEA), project that carbon pricing levels globally will continue to rise annually.	• Regularly organize and implement carbon inventory assessments to comprehensively evaluate the Company's carbon emission status. • Continuously advance specialized projects for energy conservation and consumption reduction to continuously improve energy utilization efficiency. • Establish an ESG disclosure mechanism and regularly publish the Company's ESG Reporting. • Engage external professional institutions to proactively manage potential regulatory Risk.
	Enhanced Emission Reporting Obligations	Short-term	High	Medium	Globally, governments and stock exchanges are gradually strengthening GHG disclosure requirements, requiring enterprises to bear corresponding monitoring and audit costs. Failure to comply with the regulations may result in administrative penalties, regulatory warnings, and financing restrictions.	
	Regulation of existing products and services	Medium-to-long	High	High	If existing products or services exhibit high carbon footprints, significant energy consumption, or relatively backward production processes, the enterprise may face increasingly stringent constraints and regulatory oversight from national laws and industry standards, thereby posing potential risks to normal operations and business growth.	
Technology	**Low-Carbon Technology Innovation**	Medium-to-long term	High	Medium	In the process of low-carbon transformation, high-energy-consuming and high-carbon-emission industries often face significant technical barriers and R&D investment pressures. For example, traditional energy enterprises encounter substantial technology upgrade costs and industrialization challenges when shifting to new energy businesses.	• Actively promote the research and development and application of sustainable technology solutions. • Continuously increase investment in low-carbon technology R&D. • Continuously apply photovoltaic power generation facilities at production and operation sites.
	Energy Structure Transition	Short-to-Medium	High	Medium	Low-emission technologies primarily refer to the research and application of emerging technologies such as renewable energy, energy storage systems, energy efficiency improvements, and carbon capture and storage. Related investments cover areas including retrofitting of energy-saving equipment, deployment of photovoltaic systems, and process optimization.	
Market	**Shift in Customer Behavior**	Short-to-Medium	Medium	High	Under the trend of low-carbon transformation, corporate clients are gradually inclined to choose low-carbon products. If suppliers fail to meet their emission reduction requirements, they may face the risk of losing clients and reduced orders, which directly impacts operating revenue.	• Establish a market dynamic monitoring mechanism to promptly identify trends in changes in customer demand. • Continuously optimize the low-carbon attributes of products to enhance market competitiveness. • Optimize procurement strategies by locking in key raw material prices through long-term agreements.
	Changes in Raw Material Costs	Short-to-Medium	Medium to High	Medium to High	Physical risks arising from climate change, together with impacts associated with the low-carbon transition, may increase price volatility for energy-intensive raw materials such as steel, cement, and chemicals, thereby raising corporate production costs.	
	Uncertainty of Market Signals	Short-to-Medium	Low	Low	In the global low-carbon transformation process, factors such as policy changes, technological disruption, and market reshaping may cause the industry to face systemic financial risks, including declining revenues, weakened profitability, rising financing costs, and asset impairments.	
Reputation	**Concerns of Stakeholders**	Short-term to Long-term	Low	Low	As the focus of stakeholders such as governments, investors, and clients on corporate low-carbon transformation intensifies, inadequate responses by enterprises may trigger negative public opinion, causing significant impacts on their reputation, financing costs, and stock price performance.	• We regularly conduct assessments of the Company's ESG management effectiveness and proactively disclose information regarding the Group's ESG management and low-carbon transformation. • We continuously monitor changes in customer needs, optimize product and service solutions, and timely iterate products and solutions based on shifts in customer preferences.
	Shifts in Consumer Preferences	Medium-to-long	Medium	Low	Driven by factors such as climate change response policies, technological advancements, and the rising public environmental awareness, consumer preferences are undergoing a structural shift, which may pose potential risks to corporate revenue, market share, and long-term profitability.	
	ESG-related Negative Events	Short-term to Long-term	Medium	Low	If an enterprise experiences a significant negative event in the areas of environment, society, or Governance, it may face consequences such as reputational damage, loss of customers, regulatory penalties, and increased financing costs, which could have a material impact on its financial position, market value, and long-term development.	

Opportunities

Climate Change Opportunities	Time Period	Response Measures
Energy Sources	Short to Long term	• Accelerate the deployment of distributed photovoltaic systems to reduce energy costs and accumulate green power certificates for potential carbon tariffs. Gradually build an integrated distributed energy network with energy storage and intelligent control to improve the efficiency of green power utilization and power supply stability.
Resource Efficiency	Short-term and Long-term	• Continuously apply the digital energy and resource management platform to achieve real-time monitoring, analysis, and optimization of key resource consumption. • We continue to conduct R&D and introduce advanced production processes and energy-saving technologies to improve the efficiency of resource utilization, including energy, water, and materials, from the source.
Products and Services	Short-term and Long-term	• Accelerate the iteration of core products and services to strengthen their competitiveness in energy efficiency, low carbon, and intelligent dimensions, while expanding the market share of sustainable solutions. • Integrate industrial internet with digital technologies to provide integrated "smart equipment + energy efficiency management" services, empowering clients to achieve green transformation and efficiency improvement.
Market Opportunities	Short-term and Long-term	• Establish a rapid response mechanism for customer needs and conduct joint R&D with key clients to develop customized solutions addressing pain points such as energy conservation, emission reduction, and process optimization. • We systematically conduct carbon accounting and emission reduction efforts for our own operations and supply chain, while proactively developing green capabilities to meet stringent market access requirements such as the EU CBAM.
Resilience Opportunities	Short-term and Long-term	• Optimize the supplier structure, expand strategic procurement channels, and establish a critical material reserve mechanism to enhance supply chain resilience. • We are advancing forward-looking technology research and development to proactively develop low-carbon equipment and solutions in emerging fields such as hydrogen energy, CCUS, and bio-manufacturing. This lays the technical foundation for expanding new businesses and adapting to new markets.

Upon assessment, the Company identified the following physical risks requiring priority attention, ranked by impact: water stress, flooding, extreme heat, and typhoons; transition risks, ranked by impact, are policy and legal, technology, market, and reputation. Through systematic climate risk assessment and opportunity identification, Morimatsu has established a comprehensive response mechanism and organized special working groups to conduct multiple internal discussions. A climate transition strategic plan has been formulated. For specific measures, please refer to the 'Physical Risk' and ' Transition Risk' tables. At the same time, we maintain close communication with value chain partners, proactively sharing industry transition trends and corporate response strategies to fully prepare for future climate transition. Progress on Morimatsu's Green Transition is detailed in the sections "Green and Low-Carbon Operations", "Green Solutions", and "Lean Intelligent Manufacturing".

Risk Management

Risk Management Structure

Morimatsu has integrated climate change risk management into its risk management processes to conduct risk management activities in an orderly manner and enhance the business resilience of Morimatsu against climate change risks. The Group's Board of Directors and the Audit Committee sit at the highest level of the corporate climate risk management structure and regularly review significant risks faced by the Company. The Group has established a dedicated Internal Control Audit Department as the primary risk management level for its subsidiaries. This department regularly identifies and assesses risks that Morimatsu may face, prioritizes them based on their significance, and formulates and drives the implementation of corresponding response measures. The Company's ESG Working Team, serving as the execution team, is responsible for implementing the Group's risk control strategy. For more information on the Morimatsu risk management system, please refer to Section 7 of this report, subsection 'Compliant Operations - Risk Management'.

We identified a list of the Company's primary climate-related risks and opportunities by referencing HKEX guidelines and IFRS S2 recommendations, alongside guidance from leading rating agencies, peer practices, and external expert advice. This list is regularly reviewed and updated.

Climate Risk Identification

Climate Risk Assessment

Morimatsu employs internationally authoritative climate risk assessment methodologies and utilizes selected climate scenarios to conduct quantitative analysis of climate risks across its global production and operational sites.

Based on the comprehensive climate risk assessment results, we have developed a specialized response plan and implementation schedule. Details are provided in the section titled "Climate Change Strategy". To ensure the effective implementation of risk control measures, we will scientifically decompose overall targets to each business unit and production base. By clarifying responsibility divisions and phased objectives, we will achieve closed-loop management throughout the entire climate risk management process.

Climate Risk Response

Climate Risk Monitoring

The Morimatsu ESG Working Group will regularly monitor the effectiveness of climate risk response measures and progress toward related targets, dynamically optimize implementation plans, and facilitate the steady achievement of climate targets.

Risk Management Process

Metrics and Targets

Morimatsu actively responds to the national "Dual Carbon" strategic goals. In accordance with the framework of the Science Based Targets initiative (SBTi), the Company established Science-Based Targets (SBTs) for its Suzhou Plant and successfully submitted them for SBTi approval. At the same time, the Company is actively promoting emission reduction actions for Scope 1, Scope 2, and certain key Scope 3 GHG.

Morimatsu Climate-Related Management Goals

- Actively responding to the global low-carbon transition and carbon neutrality trends, we organized GHG inventory at key operating facilities to understand the Company's GHG inventory and current status of GHG management.
- Actively advance green process upgrades and energy-saving technical renovations to improve the utilization rates of diesel, gasoline, general electricity, and natural gas, while continuously reducing energy consumption per unit of output value.
- Continuously increase the proportion of clean energy applications through pathways such as installing photovoltaic equipment to reduce indirect carbon emissions from energy consumption.

During the Reporting Period, we conducted carbon inventory for Scope 1, Scope 2 and Scope 3 Categories 3 and 5 in accordance with the GHG Protocol standards, comprehensively identifying greenhouse gas emissions across the value chain.

Indicator		Unit	2025
Environmental Management			
Greenhouse Gas[2]	Scope 1 GHG Emissions	Metric Tonnes of CO_2 Equivalent	540.44
	Scope 2 GHG Emissions	Metric Tonnes of CO_2 Equivalent	2,171.88
	Total GHG Emissions (Scope 1 + Scope 2)	Metric Tonnes of CO_2 Equivalent	2,712.32
	Scope 3 - Fuel and Energy-Related Activities	Metric Tonnes of CO_2 Equivalent	543.09
	Scope 3 - Waste Generated in Operations	Metric Tonnes of CO_2 Equivalent	37.78

[2] The specific disclosure boundary for the greenhouse gas emissions data presented herein covers the Suzhou Plant of Morimatsu LifeSciences, and the relevant data is derived from the plant-level greenhouse gas inventory and third-party verification results.

Green and Low-Carbon Operations

Morimatsu continues to advance its energy conservation and consumption reduction strategy, further improving the energy management system. Through diversified measures such as applying green electricity, promoting low-carbon technology innovation, and developing environmentally friendly solutions, it has built a comprehensive green development system.

Energy and Greenhouse Gas Management

The primary energy types utilized by Morimatsu include purchased electricity, natural gas used for heat treatment furnaces and cafeterias, diesel fuel for forklifts, and gasoline for official vehicles. Based on the carbon inventory calculation, purchased electricity constitutes the primary source of Morimatsu's operational carbon emissions, accounting for approximately 79.83%. As of the end of the Reporting Period, the Suzhou Plant has completed a cumulative photovoltaic equipment construction project of 8.7 MW.

CASE Morimatsu Photovoltaic Construction Project

The Suzhou Plant has completed the construction of photovoltaic facilities with a cumulative capacity of 8.7 MW. The estimated annual solar power generation in 2025 is approximately 8.1924 million kWh, with self-consumed electricity accounting for 46.65% of the plant's total annual energy consumption. In terms of total electricity volume, the electricity generated by the plant's PV system has exceeded the plant's electricity consumption during the same period, demonstrating the capability to supply green power sufficient to cover the plant's annual electricity demand. For any PV power that cannot be consumed in real time, the plant sends the surplus clean electricity to the regional grid through the surplus power feed-in mechanism, further expanding green power supply and contributing to regional energy structure optimization and low-carbon transition of the society. Looking ahead, the plant will further enhance PV power self-consumption efficiency and production energy stability through measures such as deploying energy storage systems, gradually solidifying the energy foundation for moving towards a "zero-carbon plant."



Suzhou Plant Photovoltaic Project

We have established a systematic carbon reduction strategy and implemented multiple energy-saving and decarbonization measures across all Morimatsu production bases. Through measures such as technological innovation, low-carbon retrofitting upgrades, optimization of production processes, and strengthened energy monitoring, we continuously improve energy efficiency and steadily reduce carbon emission intensity to advance Morimatsu's green and low-carbon transformation with concrete actions.

CASE Energy Efficiency Monitoring

We have established an intelligent energy management system covering the entire plant. By deploying an Energy Management System (EMS), we monitor and dynamically optimize electricity and industrial gas consumption in production workshops in real time. At the same time, we have established energy monitoring facilities in living and office areas, supported by a regular inspection mechanism, to ensure timely detection of abnormal energy consumption and effectively reduce energy waste.



Suzhou Plant Energy Monitoring Platform

CASE Application of Energy-Saving Technologies and Equipment

Morimatsu LifeSciences continues to advance the intelligent upgrade of its manufacturing and production processes, significantly increasing capacity while effectively achieving energy conservation and emission reduction in production operations.

- By introducing advanced automated welding technologies and intelligent equipment, we have established a "vision system + industrial robot" intelligent welding solution. This initiative has achieved automation for key welding processes, resulting in a several-fold increase in production efficiency compared to traditional manual welding.
- Collaborating with the internal digital intelligence department, we continue to carry out equipment energy-saving retrofitting and process technology upgrades.

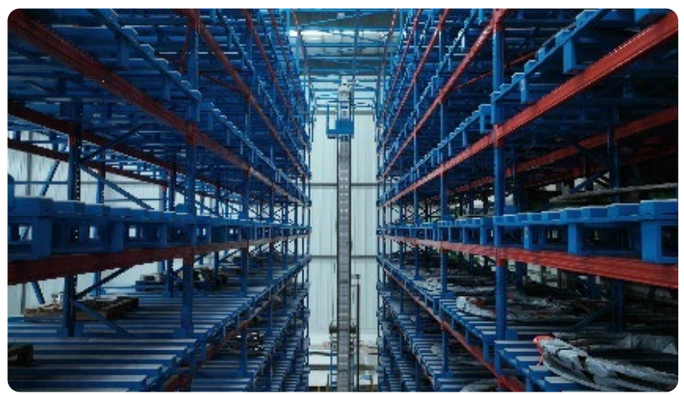
CASE Energy Efficiency Optimization of Plant Operations

To conserve energy and reduce carbon emissions, Automated Guided Vehicles (AGVs) in the Suzhou Plant's warehouse and those used for inter-process transfer on the workshop floor have been deployed. This implementation achieves end-to-end automated material distribution and circulation, reducing reliance on manual labor and fuel-powered equipment such as forklifts.



Automated Guided Vehicle (AGV) in the warehouse

At the same time, the factory adopted automated storage and retrieval system (ASRS), significantly improving stacking efficiency. Among them, the bin warehouse occupies 300 square meters, with a storage capacity equivalent to that of a 2,000-square-meter conventional rack warehouse; the pallet warehouse occupies 400 square meters, with a storage capacity equivalent to that of a 600-square-meter conventional rack warehouse.



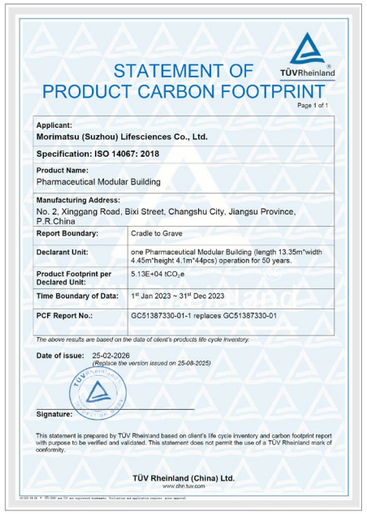
Automated Storage and Retrieval System

CASE **Morimatsu LifeSciences Energy-Saving Technology and Equipment Application**

During the Reporting Period, to enhance the level of production automation, Morimatsu LifeSciences introduced half-pipe automatic coiling and winding equipment. This equipment not only reduced the cost of winding processing but also shortened the preparation time for half-pipe cutting, significantly improving overall operational efficiency. Calculations indicate that the semi-pipe automatic coiling and winding project can reduce the delivery cycle from 7 days to 1 day.

The Company also independently developed an automatic welding workstation with spiral half-pipes, further enhancing the automation rate of the production line and effectively resolving issues such as unstable quality and low production efficiency that existed during manual TIG welding processes for end-cap handle products.

Morimatsu has promoted Life Cycle Assessment (LCA) certification for selected products across its subsidiaries. During the Reporting Period, Morimatsu LifeSciences engaged a professional third party to complete carbon footprint certification for the module factory project. At the same time, the Company is actively preparing to extend carbon footprint certification to other core product lines to gradually increase the coverage of product carbon footprint analysis.



STATEMENT OF PRODUCT CARBON FOOTPRINT

TÜVRheinland

Page 1 of 1

Applicant:	**Morimatsu (Suzhou) Lifesciences Co., Ltd.**
Specification: ISO 14067: 2018	
Product Name:	Pharmaceutical Modular Building
Manufacturing Address:	No. 2, Xinggang Road, Bixi Street, Changshu City, Jiangsu Province, P.R.China
Report Boundary:	Cradle to Grave
Declarant Unit:	one Pharmaceutical Modular Building (length 13.35m*width 4.45m*height 4.1m*44pcs) operation for 50 years.
Product Footprint per Declared Unit:	5.13E+04 tCO_2e
Time Boundary of Data:	1st Jan 2023 ~ 31st Dec 2023
PCF Report No.:	GC51387330-01-1 replaces GC51387330-01

The above results are based on the data of client's products life cycle inventory.

Date of issue: 25-02-2026
(Replace the version issued on 25-08-2025)

Signature:

This statement is prepared by TÜV Rheinland based on client's life cycle inventory and carbon footprint report with purpose to be verified and validated. This statement does not permit the use of a TÜV Rheinland mark of conformity.

TÜV Rheinland (China) Ltd.
www.chn.tuv.com

Carbon Footprint Certification for the Modular Plant Project

Green Operations

Through systematic energy-saving and carbon-reduction measures, Morimatsu has deeply integrated the concept of green operations into daily office activities and customer service processes, achieving a dual improvement in operational efficiency and environmental benefits.

CASE **Digital Twin Factory to Reduce Carbon Emissions from Customer Site Visits**

Throughout the full project lifecycle management, we have established a comprehensive digital delivery system. By applying the remote inspection platform and Virtual Reality (VR) technology, we achieved full-process digital control from design review to Factory Acceptance Testing (FAT). Customers can remotely witness key project milestones through immersive VR devices, real-time monitoring of equipment assembly progress, operating parameters, and quality control data, ensuring the timeliness and accuracy of information transmission.

The implementation of the digital delivery system has not only significantly enhanced project execution efficiency but also effectively reduced traditional travel requirements. This initiative not only optimizes the project cost structure but also demonstrates our firm commitment to low-carbon operations, achieving a win-win outcome for both economic and environmental benefits.



Digital Twin Factory

Key Initiatives for Green Operations

Green Office

Reduction of Paper Waste

Morimatsu is actively promoting the green office transformation by comprehensively optimizing operational processes through digital means. We have achieved paperless transformation of core processes such as the repair reporting system and meal voucher management, and continue to deepen the digital upgrade of approval workflows.

Reduce Energy Waste

Energy-saving tips are posted next to the switches of frequently used high-power equipment to guide employees in practicing energy conservation concepts during daily production and office operations. Simultaneously, we deployed an intelligent energy management system and established a duty inspection mechanism. Through a dual assurance mechanism combining manual oversight and technical controls, we ensured that equipment was powered off during non-operational periods and promptly repaired aging or malfunctioning energy-consuming devices, effectively reducing energy waste.

Water Conservation

We actively encourage employees to conserve water while conducting regular inspections and providing channels for employee reporting to minimize water waste caused by equipment failures.

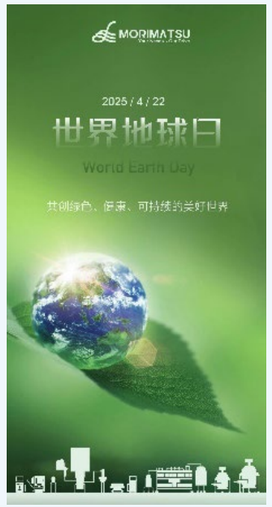
Green Advocacy

During the 2025 National Energy Conservation Publicity Week, Morimatsu focused on the theme "Enhancing Energy Efficiency with Innovation-driven Transformation" to systematically promote green concepts and energy-saving practices. The Company implemented energy efficiency improvement measures across all operational stages, continuously responded to the "Dual Carbon" goals through innovative actions, and contributed to sustainable development.



Poster for Energy Conservation Publicity Week

Morimatsu regularly conducts sustainability awareness campaigns, calling on employees to conserve energy, water, and paper.



Morimatsu Sustainability Awareness Campaign

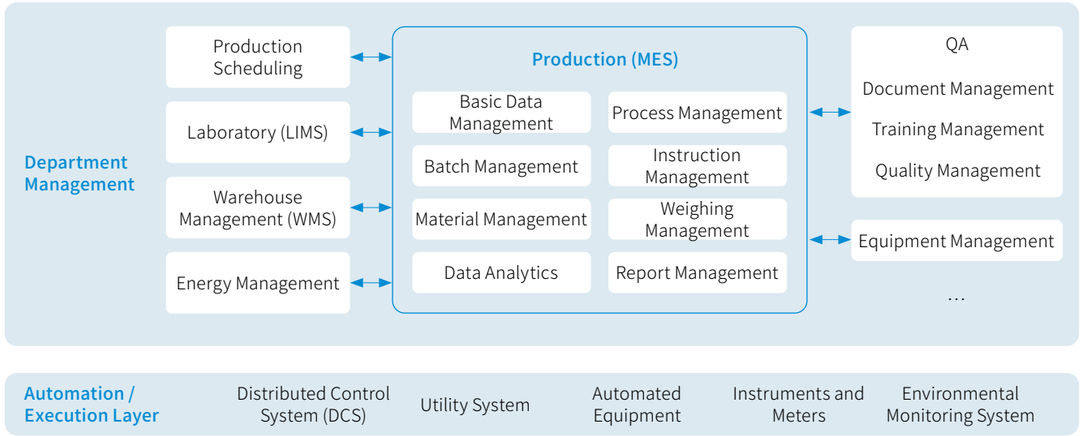
Green Solutions

Morimatsu International has consistently integrated the concept of sustainable development into its corporate strategy, responded to the call for low-carbon transition, and increased R&D investment to explore key product technologies, providing industry-leading green solutions to customers.

Morimatsu LifeSciences actively responds to the national "Dual Carbon" strategic goals. Focusing on the sustainable development needs of industries such as biopharmaceuticals, medical aesthetics, fast-moving consumer goods (FMCG), and data centers, the Company continues to increase R&D investment in green and low-carbon technologies. We are committed to promoting technological upgrades and transformation within the industry, assisting in the construction of an environmentally friendly industrial ecosystem, and contributing to the realization of carbon neutrality goals.

Build a Manufacturing Execution System (MES)

Morimatsu LifeSciences has developed a Manufacturing Execution System (MES) to address the pain points of traditional production models in pharmaceutical enterprises. This solution achieves a core transformation from "manual to automated" and from "dispersed to centralized traceability" by enabling real-time production monitoring, automatic data collection, and complete audit trails. It upgrades paper batch records to Electronic Batch Records (EBR), establishing a complete and trustworthy data chain from formulation to product. This lays a solid foundation for lean manufacturing, compliant auditing, and full-chain traceability.



The Morimatsu MES solution offers the following advantages:

Precise Identification of Critical Pain Points — Senior MES experts and process teams familiar with pharmaceutical GMP compliance and production characteristics, delivering solutions tailored to actual needs.

Mature Solution — Provides integrated "software + hardware + implementation" services tailored to the specific needs of the pharmaceutical industry.

Industry-specific Customization — Compatible with various pharmaceutical equipment to achieve efficient integration.

"Turnkey" Engineering Services — Professional commissioning and testing support to ensure the system is ready for immediate deployment and delivers visible results upon use.

Bioreactor and Supporting Systems

Bioreactors are core equipment in the fields of biopharmaceuticals and fermentation engineering. Their performance directly determines production efficiency, product quality, and cost control levels in relevant industries. Morimatsu provides industry-leading bioreactors and supporting systems to clients, empowering them with advanced processes and integrated solutions to achieve efficient, stable, and sustainable production goals.

CASE Cell-Cultured Meat Solutions

Morimatsu has consistently responded to industry needs through technological innovation. Aligning with global trends in cultured meat technology, the Company continuously enhances the scale, precision, and intelligence of its bioreactors. These efforts empower clients to gain a competitive edge amid the global transformation of protein supply. We offer the following combination solutions to our clients:

- Stainless Steel Bioreactor
- Culture Medium Preparation System + Feeding System
- Integrated CIP (Clean-in-Place) System
- Full-process automated control and data traceability system
- Modular Design and Flexible Production Capability



End-to-End Solutions for Pharmaceutical Process Equipment

Leveraging a profound understanding of the entire biopharmaceutical process, Morimatsu provides enterprises with comprehensive solutions covering upstream expression, downstream purification, and formulation filling. We create value for our customers through the following core capabilities:

Process Continuity

From process development to commercial-scale production, equipment at each stage is fully validated and optimized to ensure the smooth transition of process scale-up and reduce uncertainties during technology transfer.

Data Integrity

The integrated platform enables seamless collection and monitoring of production data, meets data integrity requirements, and provides a solid foundation for quality traceability and process optimization.

Efficiency Improvement

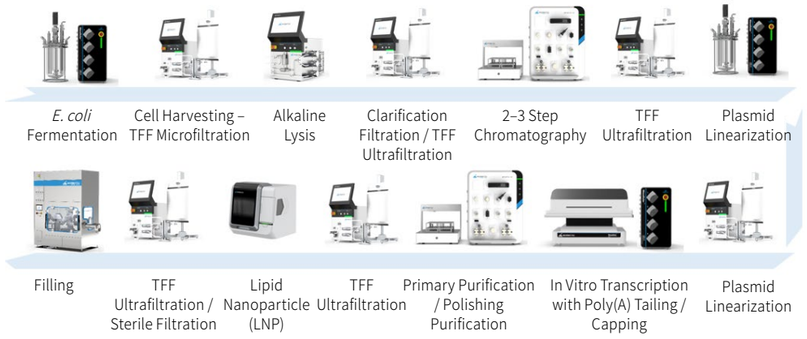
By reducing non-core inputs such as equipment interface matching and repeated validation, teams can focus more on the process itself and accelerate the time-to-market for pharmaceutical products.

Risk Control

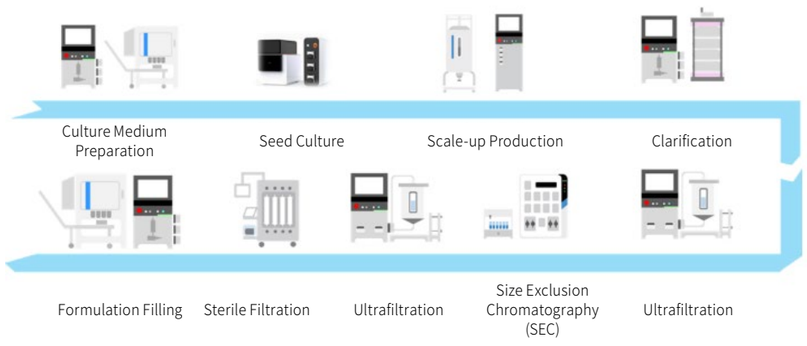
A single supplier with clearly defined responsibilities and accountabilities effectively reduces supply chain management and technical coordination risks, ensuring overall project progress and quality objectives.

CASE Cell-Cultured Meat Solution

mRNA Process Route Solution



Exosome Production Process Solutions



Plant Design and Construction

Morimatsu LifeSciences - Pharmadule Green Design

We are committed to implementing green design principles by deeply integrating environmental protection, energy conservation, and sustainability into the planning and design of our buildings. Leveraging extensive industry experience, we provide clients with customized holistic solutions for green factories that comply with LEED certification standards, supporting them in achieving Sustainable Development Goals (SDGs).

At the architectural planning level, we adopt refined design strategies and deepen the application of advanced technologies such as BIM to effectively reduce building volume. Through comprehensive comparative analysis, modular construction reduces building volume by approximately 20% to 30% compared to traditional methods. This reduction lowers transportation costs and operating expenses related to thermal loss in the building envelope by a similar proportion, while also decreasing energy consumption for air conditioning and heating as well as carbon emissions.

At the architectural design level, we have deeply integrated multiple green design concepts:

Eco-friendly Materials

High-performance thermal insulation materials are selected for the external structure, while non-toxic and recyclable building materials are extensively utilized in internal spaces.

Energy-saving Facilities

Such as the application of high-efficiency energy-saving motor equipment and the installation of air conditioning waste heat recovery systems.

Management Optimization

Measures such as the introduction of intelligent building management systems and the configuration of variable air volume (VAV) systems.

CASE Modular Pharmaceutical Factory

Morimatsu Pharmaceutical delivered the first modular biopharmaceutical factory in Egypt that integrates monoclonal antibody and small molecule protein co-production and filling capabilities. This project fills a technological gap in high-end biologic manufacturing in Egypt and injects strong momentum into the development of the local healthcare industry.



Group photo of both teams

CASE Singapore Production Base

A Singapore-based CRDMO specializing in bioconjugate drugs has adopted Morimatsu Pharmaceutical's advanced modular factory design. It integrates world-class production lines and laboratory technologies, equipped with internationally leading isolator filling lines, fully automated material transfer systems, and a digital production management system to meet multi-level requirements ranging from small-scale clinical supply to commercial production.



Singapore Production Base

03

Harmonious Ecology

41 Environmental Management

45 Cleaner Production





Morimatsu continues to deepen its green development philosophy, fully integrating it into corporate strategic planning and operational practices. We have established a comprehensive environmental management system. While strictly complying with national environmental protection regulations, we systematically advance pollution prevention and control, energy conservation and consumption reduction, and the cultivation of an environmental protection culture. By implementing a series of environmental management improvement initiatives, we continuously optimize production processes and resource utilization efficiency, injecting green momentum into the Company's sustainable development. In the future, we will continue to uphold the philosophy of 'green development and shared responsibility for mutual benefit', working hand in hand with stakeholders to build a clean and beautiful world.

Environmental Management

Morimatsu continue advancing the development of an environmentally friendly enterprise by relying on a sound environmental governance structure and establishing a clear environmental responsibility system. Based on scientific environmental risk assessment methods, we systematically identify and quantify the environmental impacts across all stages of production and operations. By optimizing the environmental management system, we established quantifiable environmental performance targets to ensure compliance in environmental management operations. We prioritized the implementation of initiatives such as cleaner production and circular economy to systematically reduce environmental impacts across the full lifecycle, collaborating with industry chain partners to jointly advance green and low-carbon transition.

Environmental Management System

Morimatsu strictly complies with relevant laws and regulations in each operating location, including the *Environmental Protection Law of the People's Republic of China*, *Integrated Wastewater Discharge Standard*, and the *Integrated emission standard of air pollutants*. The Company has established internal policies such as the *Management Manual for Environmental*, *Occupational Health, and Safety Management System*, the *Regulations on the Management of Air Pollution Prevention and Control*, and the *Regulations on the Management of Water Pollution Control* to guide all units of the Company in conducting environmental management and pollutant discharge work in compliance. During the Reporting Period, we revised internal policies such as the *Regulations on the Management of Water Pollution Control* and the *Regulations on the Management of Noise Pollution Control* in accordance with the latest environmental protection regulatory requirements to ensure that all environmental control measures consistently comply with national and local environmental protection standards.

Morimatsu continues to refine its environmental governance system by establishing a three-tier environmental management system led by senior executives. The highest leadership directly manages and supervises environmental matters, ensuring the deep integration of environmental strategy with corporate governance. Specifically, we implemented a compensation policy linking environmental performance with executive performance. A certain amount is deducted monthly from the remuneration of relevant responsible persons to establish an "HSE Risk Deposit," and the achievement rate of annual environmental targets has been incorporated into the KPI assessment system for executives. If the unit commits a major violation, the compensation of the person in charge shall be deducted; if management objectives are successfully achieved, the person in charge shall be rewarded based on the amount of the risk deposit.

General Manager of the Company	The General Manager serves as the head of senior management, responsible for formulating environmental strategies, approving policies, and overseeing environmental matters.
HSE Leadership Team & Employee Representatives	The HSE Leadership Team is fully responsible for the establishment and maintenance of the occupational health and safety management system. Employee representatives participate in environmental and occupational health and safety affairs.
Heads of Departments	Responsible for the implementation of environmental and occupational safety management policies and objectives.

Environmental Management Structure

To promote the deepening of environmental compliance system construction across all production units, continuously reduce resource consumption, optimize waste disposal processes, and improve energy efficiency, we have established our 2025 environmental management objectives. Ensuring that all emission indicators strictly comply with the laws, regulations, and emission standards of the operating locations, we will strive to reduce pollutant emissions, prevent environmental risk events, and comprehensively advance the transformation of production operations toward an environmentally friendly model.

Morimatsu Environmental Management Objectives

- Solid waste is classified and disposed of properly; **100%** of hazardous waste is treated in compliance with regulations
- The annual compliance rate of pollutant emission testing shall reach **100%**
- **0** environmental pollution incidents

Morimatsu strictly adheres to the ISO 14001:2015 international environmental management system standard and has established a comprehensive Environmental Management System (EMS) along with supporting management systems. This system integrates core elements such as environmental management procedure documents and standardized operating manuals to provide standardized guidance for the environmental management work of all departments. We actively promote the digital integration of our environmental management system with local government regulatory platforms, including the National Pollution Discharge Permit Management System, the Jiangsu Province Pollution Monitoring Information Platform, and the Hazardous Waste Full Lifecycle Monitoring System, to achieve real-time data collection and dynamic supervision.

We are actively advancing the establishment and certification of environmental management systems across all operational locations. As of the end of the Reporting Period, the Suzhou Plant[3] has obtained and maintains ISO 14001 environmental management system certification. The Shanghai Plant 3 under our group is actively advancing its system construction work and is expected to obtain certification by 2026.


DNV

管理体系认证证书

森松（苏州）生命科技有限公司

中国江苏省常熟市望虞街道兴港路2号 统一社会信用代码：91320581MA274TFL5R

ISO 14001:2015标准

此证书对下列范围有效：

压力容器，成套设备，工程系统
,模块及其钢结构的设计、制造、安装和服务；成套设备的开发（资质范围内）

DNV - Business Assurance

Morimatsu LifeSciences Suzhou Plant
ISO 14001 Certification

Morimatsu continues to strengthen its EHS management system through a regular joint internal and external audit mechanism, ensuring that HSE management fully complies with national regulations and ISO 14001 environmental management system certification standards. During the Reporting Period, we engaged an external professional agency to audit each production unit in accordance with ISO 14001:2015 requirements. No significant non-conformities were identified during the audit.

We have established a routine environmental monitoring mechanism. Professional third-party agencies conduct sampling and testing of key indicators, including wastewater, air emissions, and noise, on a monthly and quarterly basis. Monitoring data indicates that all production units maintain compliant operations. During the Reporting Period, Morimatsu did not experience any environmental accidents or violations of environmental laws and regulations, nor did it receive any environmental penalties.

In terms of environmental protection investment, the Company allocated approximately 378,100 RMB in special funds in 2025, primarily directed towards the following areas: (1) Environmental Protection Tax and pollution control costs; (2) Procurement of professional environmental technical services. According to the assessment report issued by an authoritative third-party organization, all production units successfully achieved their annual environmental management targets.

[3] The Company has several operational subsidiaries, with the Suzhou Plant and Shanghai Plant 3 serving as our primary manufacturing facilities.

Environmental Risk Management

Morimatsu continues to refine its environmental risk management system and fully implements the *Environmental Factor Identification and Assessment Procedure*. This protocol establishes an environmental impact assessment mechanism covering all stages. It systematically guides business units to identify environmental factors throughout the entire production and operation process (including core manufacturing processes such as welding, polishing, and cutting, as well as supporting office activities). Environmental impact analysis is conducted from multiple perspectives, including atmospheric pollution prevention, water body pollution prevention, soil pollution prevention, and resource recycling, ensuring the effectiveness of environmental risk control.

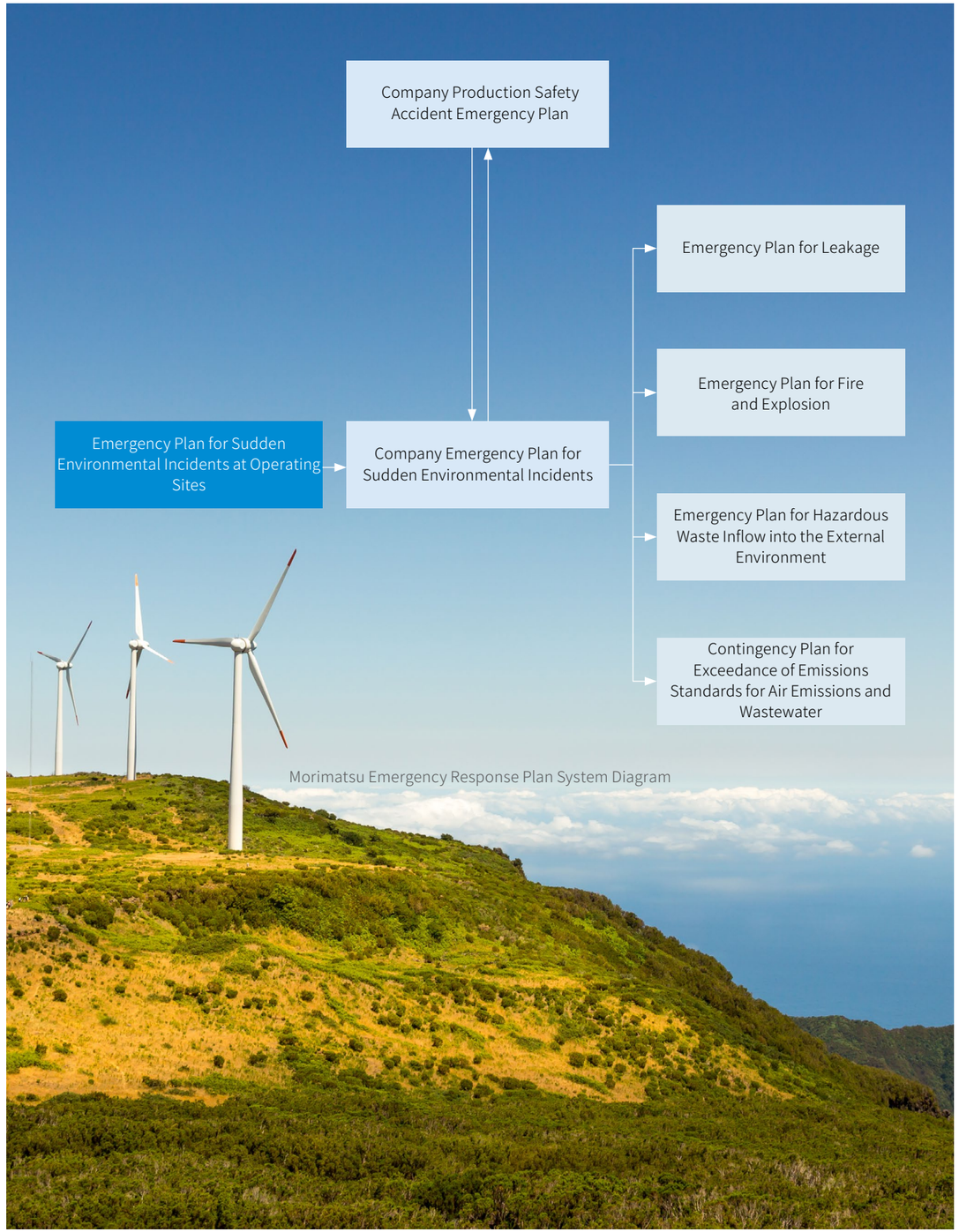


Environmental Factor Identification Process

Based on environmental factor identification procedure, we continuously update the *Summary Table of Relevant Laws, Regulations, and Standards* and the *Compliance Evaluation Comparison Table* across five dimensions: regulatory compliance, incident occurrence rate, scope of impact, hazard severity, and public concern. Through this mechanism, we ensure that our environmental management system fully complies with current laws and regulations, accurately identifies key points for risk control, effectively fulfills corporate environmental responsibilities, and safeguards the ecological safety of our operational areas and their surroundings.

Based on environmental factor assessment, the Suzhou Plant strictly adhered to the latest requirements of the *Jiangsu Regulation on Safety Production Risk Reporting of Industrial Enterprises*, revised the *Environmental Risk Assessment Report* and the *Safety Risk Grading Management and Control Report*, and systematically identified environmental risk elements in production operations. By establishing dynamic risk identification thresholds and risk classification standards, and implementing differentiated control measures accordingly, we ensure that environmental risks remain under control.

To continuously strengthen the environmental risk management level of production bases, the Company guided its subordinate production units to improve the *Emergency Contingency Plan for Environmental Emergencies*. This contingency plan comprehensively covers potential environmental risk scenarios, including abnormal pollutant emissions, extreme weather disasters, and hazardous chemical leaks. Through the design of standardized emergency response procedures, it ensures that all production units can quickly and effectively control the scope of impact of environmental incidents.



Morimatsu Emergency Response Plan System Diagram

Cleaner Production

Morimatsu continues to deepen its green manufacturing practices by optimizing production processes and resource management systems, significantly enhancing resource utilization efficiency while minimizing the impact of production operations on the natural environment.

Resource Utilization

In our production and business operations, we focus on the rational utilization of core resources such as product packaging materials, energy, and water. Although we do not directly engage in the extraction of natural resources, we consistently regard resource conservation as a critical component of sustainable development. To this end, we established a comprehensive *Regulations on Resource and Energy Management* to systematically control resource consumption during production operations by clarifying the management responsibilities and operational procedures of each department. As our business scale continues to expand, we will continuously enhance resource utilization efficiency, optimize resource allocation, and achieve effective control over the total volume of resource consumption.

We continue to deepen circular economy practices by optimizing resource efficiency through full lifecycle management. Adopting lean manufacturing principles in the production process to minimize raw material consumption; meanwhile, establishing a comprehensive equipment recycling system and collaborating with professional institutions to provide equipment recycling services to customers. Recycling equipment will implement a tiered processing approach: repairable devices will undergo professional refurbishment for reintegration into service, while non-repairable devices will be scientifically dismantled to enable the classification and recovery of components and materials such as metals and plastics.

Water Resource Management

All water sources used in Morimatsu's production and operations are municipal water supplies, and we face no water supply risks. Morimatsu strictly complies with legal and regulatory requirements, including the *Water Law of the People's Republic of China*, and has established a systematic water resource management system. We continuously track water usage data and optimize water conservation measures. In daily operations, we not only strengthen awareness campaigns on water conservation but also promote multiple innovative water-saving technologies across production units. These include high-efficiency water-saving spray systems, industrial water recycling treatment facilities, and intelligent rainwater collection and utilization systems, collectively enhancing overall water resource efficiency.

Water resource management is one of the core competencies in the pharmaceutical and daily chemical industries, as water quality control directly impacts product quality and safety. Morimatsu LifeSciences has established an intelligent water treatment system utilizing internationally advanced storage and distribution technologies and ozone disinfection processes to ensure that production water fully complies with the national GMP purified water standards. Leveraging years of experience in pure water system construction, we have achieved high operational stability and optimized energy efficiency. We continue to maintain our qualification as the first factory in the industry in China certified by TÜV SÜD Group as compliant with German water regulations, fully demonstrating our professional expertise and technical strength in the field of sustainable water resource utilization.

Packaging materials

We primarily provide customized products to clients. In the product delivery phase, we utilize various eco-friendly packaging materials, including wooden crates, rainproof tarps, iron pallets, and wooden pallets, while implementing refined packaging designs tailored to the specific protection requirements of different products. To implement the concept of a circular economy, production units have continuously optimized resource utilization efficiency and established a comprehensive packaging material recycling system. Professional processing and reuse are conducted for recyclable packaging materials that meet technical standards.

Wastewater Management

Morimatsu continues to strengthen the construction of its water resource management system, strictly adhering to environmental protection regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, and refining the implementation rules for the *Regulations on the Management of Water Pollution Control*. During the Company's production processes, wastewater is generated from procedures such as surface treatment of stainless steel products and acid mist treatment. All factories have established rigorous wastewater treatment processes. By regularly commissioning third-party testing agencies to conduct water quality inspections, they achieve monitoring and compliance management of wastewater discharge data.

All production bases strictly enforce classified wastewater treatment standards and continuously improve water resource recycling efficiency through technological innovation. We have established a comprehensive reclaimed water treatment system, prioritizing the use of compliant reclaimed water in production processes. For highly polluting wastewater from processes such as pickling, we employ internationally advanced neutralization treatment technologies for deep purification and subsequent recycling. To strengthen environmental risk prevention and control, we have equipped emergency water storage facilities in key production areas to ensure timely collection of wastewater in the event of anomalies in the water treatment system, effectively mitigating environmental risks. During the Reporting Period, we achieved 100% compliance in wastewater discharge.

CASE **Morimatsu Key Wastewater Treatment Facility**

We have established wastewater treatment facilities at the production park of our Suzhou Plant. Through pre-treatment and advanced treatment processes, 80% of the production wastewater is converted into recycled water for reuse in simple surface cleaning operations within workshops.



Picture of the wastewater treatment facility at Morimatsu Suzhou Plant

In 2025, Morimatsu Life Sciences Shanghai Plant 3 completed a wastewater treatment technology upgrade, primarily adopting a "low-temperature evaporation" process. The system can efficiently treat acid pickling wastewater and achieve fully automated operation through integrated control. By automatically separating water from pollutants, it enables a wastewater reuse rate of approximately 90%. Based on internal calculations, compared with the scenario where the original liquid is directly transported off-site as hazardous waste for incineration, this process is expected to reduce carbon emissions associated with hazardous waste incineration by approximately 86%.

Air Emissions Management

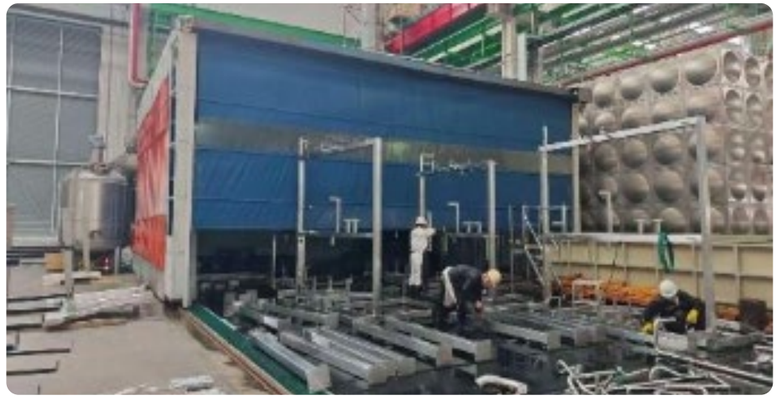
During the Company's production and operation processes, air emissions are generated from procedures such as pickling passivation, welding, electrolysis, sandblasting, spray painting, polishing, and machining. These emissions include dust, fumes, fluorides, sulfuric acid mist, nitric acid mist, and VOCs.

Morimatsu strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and Jiangsu Province's *Integrated emission standard of air pollutants*. The Company has established the "Administrative Provisions on the Prevention and Control of Atmospheric Pollution," which clearly stipulates emission standards for various types of air pollutants. Furthermore, Morimatsu requires regular organization of emission monitoring to ensure compliant air emissions.

We continue to deepen the green transition of production processes. Through technological innovation, we have effectively reduced the generation of harmful gases in production stages and comprehensively promoted the use of environmentally friendly raw materials, significantly reducing total air emissions. For major pollutants such as sulfides, particulate matter, and benzene series compounds, we have established a classified governance system and implemented precise control measures to ensure that all emissions undergo rigorous harmless treatment. In 2025, we continued to achieve 100% compliance with air emission standards.

CASE **Install Additional Exhaust Ventilation Facilities**

Extraction and ventilation facilities were added to the pickling process at the Suzhou Plant, effectively reducing the dispersion of acidic gases such as sulfur dioxide and nitrogen oxides, thereby lowering the potential inhalation risk for employees.



Morimatsu Suzhou Plant Pickling Process Exhaust Ventilation Facilities

In the manufacturing process, metal dust is generated during operations such as polishing, cutting, and heat treatment. To effectively control pollutant emissions, we have equipped key workstations in each production workshop with high-efficiency dust removal equipment and optimized the ventilation system design. By implementing these environmental measures, we have not only significantly reduced dust emissions during the production process but also comprehensively safeguarded the occupational health and safety of personnel. In 2025, the Company continued to maintain 100% compliance with dust emission standards.

Waste Management

We implement waste classification management. Hazardous wastes involved in our production and operations include mineral oil, used rags and packaging, spent fixing solution, and spent developing solution. Non-hazardous wastes include scrap metal, domestic waste, food waste, and construction debris.

Morimatsu strictly complies with the requirements of the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and relevant environmental protection regulations at its operating locations. It has established and improved the *Implementation Rules for Waste Management*, systematically standardizing the taxonomy for general waste and hazardous waste, as well as disposal processes and management responsibilities. We continue to optimize the waste management system at our production sites by introducing internationally advanced site management methodologies and implementing full-process control over waste generation, collection, storage, and disposal.

In waste management, we strictly comply with the relevant provisions of the *Measures for the Management of Urban Household Waste* and have established a comprehensive system for the storage and treatment of domestic waste. To ensure the professional disposal of industrial solid waste, we continue to entrust qualified third-party institutions to handle transportation and processing. Regarding hazardous waste management, we have implemented stricter control measures: requiring operators to complete the *Waste Disposal Process Record Form* in accordance with regulations, using dedicated containers and designated storage areas, and entrusting disposal solely to units holding a Hazardous Waste Operation License. In 2025, we maintained our excellent performance of 100% compliant disposal of solid waste. The collection, transfer, and treatment rates for hazardous waste all reached 100%, successfully achieving our environmental management goals.





04

Quality Leadership

51 Lean Intelligent Manufacturing

61 Excellence in Operations



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

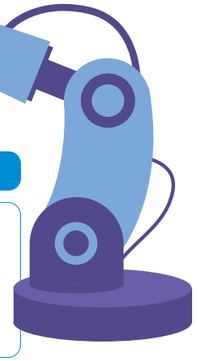
Morimatsu centers on quality management and continuous improvement, establishing and refining a management system that covers the entire process from R&D, manufacturing, delivery to service, continuously providing customers with stable and reliable products and solutions. Morimatsu continues to drive technological innovation and enhance operational management, committed to achieving the Company's steady development across diverse business scenarios and creating sustainable long-term value.

Lean Intelligent Manufacturing

Morimatsu continues to advance the construction of its quality management system by integrating lean management principles with digital and intelligent technologies. We have adopted data-driven production management methods, intelligent equipment, and information systems to continuously optimize production processes, enhance decision-making efficiency, and improve the stability, flexibility, and traceability of manufacturing operations, thereby ensuring high-quality delivery. Furthermore, we maintain continuous investment in research and development innovation to accelerate the transformation of technological achievements, injecting strong momentum into sustainable development.

Quality Assurance

Morimatsu regards product quality and operational safety as critical control elements in business management and systematically incorporates them into its long-term development planning. We continue to advance the improvement of our quality management mechanisms, strengthen full-process quality control, and solidify the foundation of product reliability to support sustainable business development. The Company continues to practice and deepen its transition from an integrated solution model combining core equipment manufacturing, module construction, and modular engineering toward a service-oriented manufacturing model. Driven by innovation, this approach facilitates more convenient, efficient, green, and healthy sustainable development for downstream industries.



Quality Policy

Achieve quality management with full-process coverage and participation by all employees, continuously improve, ensure product safety, and meet user needs. Enhance the Company's core competitiveness to make it an enterprise that customers fully trust.

Morimatsu maintains a stable and continuous operation through a four-tier quality management system comprising the Quality Manual, Management Procedures, Standard Operating Procedures, and Record and Document Management. This framework establishes hierarchical specifications for quality management requirements and execution pathways, systematically supporting the stability and controllability of product quality.

Quality System Certification

Morimatsu deeply recognizes the critical importance of quality systems to product quality and strictly adheres to internationally advanced quality management standards and certification specifications. Based on our products and business characteristics and in compliance with regulatory requirements in sales regions, we have established and continuously optimized our quality management system. We have successfully obtained multiple international quality certifications and ensured their long-term validity through continuous audit verification.

Major Quality System Certifications and Production Qualifications Obtained by Morimatsu

- ISO 9001:2015 Quality Management System Certification
- EN 1090-1 Steel Structure CE Certification
- ISO 3834-2 Certification Requirements for Quality in Fusion Welding of Metallic Materials
- Special Equipment Production License (Fixed Pressure Vessels: Medium and Low Pressure Class D)
- Special Equipment Production License (Pressure Pipeline Design GC2)
- Special Equipment Production License (Pressure Pipeline Installation GC2)
- American ASME "U" Stamp Authorization Certificate
- Japan Construction Industry License
- EU PED Certification, CE Certification
- EN 13747 Manufacturing of Precast Concrete
- TSSA Canadian Pipe Fabrication Certificate
- Certification by the U.S. Interstate Industrialized Buildings Commission (IIBC)
- UK Safe Contractor Certificate
- WHG Certificate
- General Builder Class 1
- Padrón Público de Contratistas de Servicios Especializados u Obras Especializadas

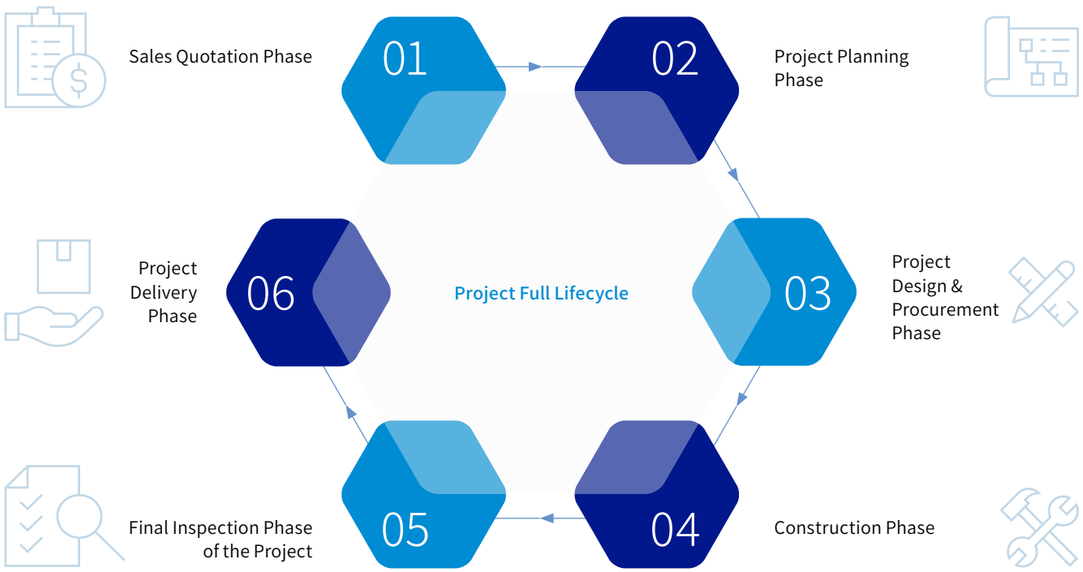
Quality Objectives

Morimatsu has established high-standard quality objectives and implemented a daily monitoring mechanism for quality indicators to continuously strengthen product quality assurance. As of the end of the Reporting Period, all quality objectives for the current year have been achieved.

Targets	Achievement Status
Pass Rate for the primary project Factory Acceptance Test (FAT) is 96%.	Pass Rate for the primary project Factory Acceptance Test (FAT) reaches 100%.
Pass Rate for the primary inspection of the products is 96%.	Pass Rate for the primary inspection of the products reaches 98.24%.
Pass Rate for the primary welded seams is 96%.	Pass Rate for the primary welded seams is 98.47%.

Annual Quality Objectives and Achievement Status

Quality Management Throughout the Full Lifecycle



Morimatsu actively leverages digital systems such as the iMES management platform to manage production and project execution across the entire product lifecycle, establishing a comprehensive and efficient quality management system.

Morimatsu strengthens project quality process control through the collaborative application of the Project Management Information System (PMIS) and iMES. At the project level, the PMIS system conducts statistical analysis and evaluation of FAT punch lists, covering issue status, closure efficiency, priority, category, and disciplinary distribution. It supports year-over-year and quarter-over-quarter comparative analysis, thereby enhancing transparency in rectification and strengthening closed-loop management capabilities. In the manufacturing process, the iMES system integrates management of welding work reporting, inspection data, and personnel information by combining with the Visual Testing (VT) procedure, thereby ensuring traceability and standardized execution of the inspection process. In 2025, the container iMES (weld acceptance form) began to be promoted and used across multiple projects.



Quality Inspection

Morimatsu has established and continuously strengthened its in-house testing capabilities. It operates quality inspection facilities, including laboratories certified by CNAS and ISO 17025 and a non-destructive testing center. The Company strictly enforces standardized product quality testing and tracks the management of various product quality indicators to safeguard product quality.

We utilize the Non-Destructive Examination (NDE) platform and the Physical-Chemical Testing platform to conduct quality inspections.

Quality Audit

Morimatsu conducts internal and external quality audits annually, leveraging internal and external oversight mechanisms to continuously monitor the effective implementation of product quality management:

Internal Audit

Internal audit of quality management system covering allbusinesses shall be carried out once a year to verify whetherthe quality management conforms to relevant provisions ofquality policy, planning and arrangement, and quality management, evaluate the comprehensiveness and effectiveness of the quality system, and provide basis for continuous improvement of the quality management system.

External Audit

Conduct external audits of ISO 9001 and other quality certifications on an annual basis to ensure continuous compliance with quality management system standards;

Conduct external quality audit according to customer requirements, actively respond to customer needs, and enhance customer trust in product quality through quality audit.

During the Reporting Period, Morimatsu conducted its 2025 internal audit, covering 24 departments and divisions, including management, as well as two service sites. Concurrently, an external joint audit was conducted with Shanghai Morimatsu Pharmaceutical Equipment Engineering Co., Ltd. and Morimatsu (Suzhou) Life Technology Co., Ltd., covering the Shanghai office, Suzhou Plant, and Songjiang Plant 3.

Quality Culture

Morimatsu has established a multi-level quality management and capacity-building mechanism to solidify the execution capability of quality management and continuously strengthen the culture of quality. We implemented a mentorship policy to support new employees in accelerating their integration and capability enhancement through on-the-job practice. We also conducted competency assessments and promotion/demotion evaluations for workers, encouraging them to continuously improve their professional standards. We also regularly provide quality training to employees involved in quality management. This includes training on the quality management system, specialized operational guidelines, raw material inspection, and job qualification certification, continuously strengthening employees' quality management capabilities.

During the Reporting Period, Morimatsu organized a total of **84** quality management-related training sessions.

Morimatsu encourages all employees to identify and report daily quality hazards via the Total Quality Management mini-program, document the handling process of quality issues, and conduct monthly statistical analysis of relevant data to continuously improve quality management practices.

During the Reporting Period, Morimatsu uploaded **823** qualified items for MLS proposal improvements and **133** effective items for Preventive proposals.

Morimatsu regularly convenes monthly quality meetings to systematically monitor quality operations. Combined with weekly workshop inspections, the company promptly identifies and rectifies on-site quality issues. We also conduct the Quality Star selection program to incentivize employee participation in quality improvement. A total of 30 person-times were awarded for proposals on preventing illness before it occurs, with each recipient receiving a reward of RMB 300.

CASE **Morimatsu was selected as the Star of Quality**

The Morimatsu has established the Quality Star Selection Regulations to reward individuals who serve as role models or make significant contributions in quality.
During the Reporting Period, we identified a total of 77 Quality Stars from individuals and teams, with cumulative bonuses totaling RMB 60,400.



CASE **Morimatsu Pharmaceutical Receives the 2024-2025 Songjiang District Government Quality Innovation Award**

In the 2024-2025 Songjiang District Government Quality Award selection in Shanghai, Morimatsu Pharmaceutical stood out among numerous enterprises and was awarded the *Songjiang District Quality Innovation Award*. This achievement not only highlights Morimatsu's outstanding results in quality management but also signifies that the Company has reached a new height in innovative management models.



Product Safety

Morimatsu places paramount importance on product safety, consistently positioning it at the core of our operations. We have established and strictly enforced a series of scientific and rigorous management mechanisms to ensure that all products comply with applicable safety standards. We implemented effective measures during the design phase to apply comprehensive risk assessments for identifying potential hazards, thereby eliminating or mitigating various risks at their source.

We have installed safety devices on equipment and systems and configured access permissions in programs to ensure operational safety and controllability. We have also established a comprehensive alert mechanism to provide timely warnings for various risks and abnormal situations. In addition, we have implemented physical security measures to effectively isolate personnel from hazard sources, further enhancing overall safety.

Based on business characteristics and product attributes, we are not involved in product recalls or traceability. In the event of product quality issues, we will promptly carry out necessary repairs to ensure customers can safely use our products.

During the Reporting Period, Morimatsu did experienced **NO** any incidents where products or services impacted customer health and safety.

Innovation and R&D

Morimatsu places high importance on the systematic and standardized management of R&D activities. The Company has formulated and implemented internal policies such as the *Management Measures for R&D Projects, the Personnel Assessment Plan*, and the *Trial Implementation Regulations on Awards for Scientific and Technological Innovation, Product R&D and Investment*, etc. These policies govern the entire process of R&D projects, from preliminary research and budget management to project approval, implementation, evaluation assessment, acceptance of results, and archival of materials. Furthermore, a fair and transparent incentive and assessment mechanism has been established to encourage R&D personnel to continuously carry out technological innovation.

We prioritize capacity building of R&D talent. In 2025, Morimatsu incorporated talent development as one of the key objectives of R&D projects. Guided by the approach of integrating project practice, multi-scenario training, and knowledge accumulation, we are progressively constructing an R&D talent development system that synergizes theory with practice. Leveraging actual order-driven R&D projects, Morimatsu has established a full-process tracking mechanism wherein R&D personnel conduct requirement analysis, solution design, prototype testing, and acceptance. This approach guides them to deeply understand equipment operating conditions and customer needs, thereby enhancing the alignment between technical solutions and market demands. Meanwhile, we organize R&D personnel to engage in technical exchanges with suppliers and participate in on-site installation, commissioning, and acceptance work for customers. These activities strengthen their understanding of material characteristics, processing techniques, and equipment operation status, continuously improving their capabilities in problem analysis and technical optimization. Furthermore, we encourage R&D personnel to participate in industry exchanges and industry-academia-research collaborations to drive the long-term enhancement of the Company's R&D capabilities.

As of the end of the Reporting Period, Morimatsu had **277** R&D personnel. During the Reporting Period, Morimatsu's R&D investment was approximately RMB **133.21** million.

R&D Capability Building

Morimatsu continues to advance R&D capability building through initiatives such as establishing in-house laboratories and joint laboratories, as well as constructing process and equipment verification facilities. These efforts continuously enhance our scientific research and verification capabilities in engineering technology and product development, driving technological progress and innovation practices.

CASE **Construction of Morimatsu R&D Capabilities**

In 2025, Morimatsu established the Songjiang Yaogang Laboratory, covering an area of 1,200 m^2. The facility comprises eight primary laboratories along with auxiliary labs and 50 distinct process equipment units, fully meeting the requirements for R&D trials and customer testing. It covers specialized fields including active pharmaceutical ingredients (APIs), sterile preparations, upstream and downstream biopharmaceutical processes, synthetic biology, and daily cosmetics, providing sufficient conditions for customers to verify process conditions and process equipment.



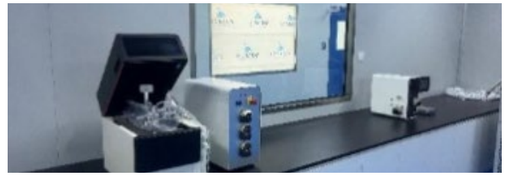
Fermentation Laboratory



Purification Laboratory



API Laboratory



Single-use Reactor Laboratory

Key R&D Projects

Morimatsu adheres to a technology-driven philosophy and promotes industrial transformation through R&D breakthroughs. We actively expand our business scope in the pharmaceutical and fast-moving consumer goods (FMCG) sectors, conducting in-depth research and development across various sub-segments.

CASE **Morimatsu Key R&D**

Morimatsu Laboratory One-Stop Integrated Solution

Morimatsu focuses on one-stop laboratory solutions, providing comprehensive systems covering upstream cultivation, downstream separation and purification, and single-use systems tailored to diverse application scenarios. This plan provides a robust and reliable foundation for new drug development.

Streamlined and efficient production processes accelerate the R&D, market launch, and commercialization of new drugs.

Robotic Automatic Sampling Device

The application of the robotic intelligent sampling system replaces traditional manual sampling, reducing personnel traffic in and out of workshops. This initiative helps mitigate cross-contamination risks, reduces energy consumption and pollution associated with manual laundry, significantly enhances production cleanliness and energy efficiency, and achieves safer, more environmentally friendly, and more efficient pharmaceutical manufacturing.

R&D Collaborative Innovation

Morimatsu places high importance on industry collaboration and cooperative innovation. Working alongside partners, the Company conducts joint research and development projects to promote complementary advantages and foster collaborative innovation. In this process, Morimatsu established multi-level communication and cooperation mechanisms with partners focusing on technology R&D, market applications, and talent exchange. By utilizing formats such as joint laboratories and industry-academia-research cooperation projects, the Company continuously deepened its cooperative relationships and enhanced collaboration levels. We advance diversified R&D cooperation projects to accelerate the development of new technologies and the transformation of results, expand product application scenarios, and jointly explore cutting-edge technologies and solutions with our partners.



CASE **Morimatsu R&D Collaboration**

Upgrading Strategic Cooperation in Digital Intelligence with Siemens to Empower Transformation in the Pharmaceutical Industry

In March 2025, Morimatsu and Siemens signed a strategic cooperation agreement in Shanghai. This collaboration marks the commencement of multi-level and multi-domain deep cooperation between both parties in the pharmaceutical industry's digital factory and intelligent manufacturing sectors. Morimatsu has officially become a Siemens-certified Digitalization Value Partner (DVP). This marks the joint development of digital solutions by both parties to advance the pharmaceutical industry toward greater efficiency, intelligence, and low carbon emissions, while jointly exploring new models for building smart pharmaceutical factories.



Morimatsu and Siemens (China) Signed a Strategic Agreement

R&D of ISFET pH Electrodes

Morimatsu has collaborated with East China University of Science and Technology to advance the research and development of ISFET pH electrodes. pH measurement is widely applied in biopharmaceutical processes; however, the current market remains dominated by traditional pH glass electrodes. These electrodes generally struggle to withstand sterilization-in-place (SIP) conditions. Even when capable of withstanding high-temperature sterilization, their measurement accuracy often declines post-treatment, necessitating frequent offline calibration and thereby constraining the stability of continuous and automated production. Addressing the aforementioned issues, both parties conducted joint R&D on new pH measurement technologies. As of the end of the Reporting Period, the basic measurement functions of ISFET pH electrodes have been realized. Building on this foundation, continuous efforts are being made to optimize manufacturing processes and improve performance to enhance reliability and applicability in biopharmaceutical application scenarios.

Strengthening Collaboration to Drive Development: EQMS Empowers Digital and Intelligent Equipment Management

In October 2025, the kick-off meeting for the EQMS equipment management system project between Morimatsu and Shanghai RAAS Blood Products Co., Ltd. was held grandly, marking the formal launch of a new chapter of deep cooperation between the two parties in the field of digital and intelligent factory construction.



Kick-off Meeting for the EQMS Equipment Management System Project

Supercritical Continuous Synthesis Instrument

Morimatsu has collaborated with Tohoku University in Japan to conduct joint research on the engineering application of supercritical continuous synthesis technology, focusing primarily on equipment performance optimization and verification of actual process requirements. As of the end of the Reporting Period, the relevant supercritical continuous synthesis instrument has completed equipment development and has been put into actual use on-site to support the experimentation and verification of continuous synthesis processes.



Supercritical Continuous Synthesis Instrument

Intellectual Property

Morimatsu strictly complies with laws and regulations such as the *Civil Code of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China*. The Company has formulated and implemented internal policies including the *Measures for the Administration of Intellectual Property Rights* and the *Incentive System for Intellectual Property Rights*. These measures standardize the application, protection, utilization, and incentives for intellectual property rights, thereby promoting the continuous improvement of independent innovation capabilities. We have established a three-tier management structure covering the decision-making, management, and execution levels. We have clearly defined the responsibilities at each level to strengthen the overall coordination and execution supervision of intellectual property-related matters.

Decision-Making Layer

- The Group President is responsible for formulating the intellectual property strategy and approving major intellectual property decisions.

Management

- The Intellectual Property Committee is a dedicated intellectual property management department established by the Group. It comprises members from the intellectual property teams of Morimatsu's and Life Science segments, as well as representatives from legal, finance, budgeting, audit, and IT departments. The Committee is responsible for the daily management, protection, and operation of intellectual property

Executive Layer

Morimatsu established an intellectual property team to specifically handle the following:

- Application and maintenance of intellectual property rights
- Conduct risk investigations on R&D projects.
- Monitor the cutting-edge patent technologies of industry competitors and provide timely feedback to the technical team.
- Prevent infringement of the Company's patents and participate in resolving patent disputes.
- Coordinate efforts to enhance intellectual property awareness among R&D project teams and marketing teams, and provide patent training and support services for relevant departments.

Morimatsu Intellectual Property Three-Level Management System

Morimatsu actively advances product and project R&D efforts while promptly filing patent applications to continuously optimize its patent portfolio. At the same time, we have incorporated the overseas patent applications and systematic layout of key business products into our intellectual property management priorities to continuously enhance compliance in international market operations and risk prevention capabilities.

Morimatsu convened a special meeting on intellectual property and tracked the patent planning for major projects, clarified the patent objectives and implementation pathways for key projects, and completed the confirmation of relevant responsibilities.

Patent Layout Phase

Morimatsu organization convened its product team, patent agencies, and internal intellectual property group for multiple collaborative workshops to systematically review the core innovations of its products, thereby driving the development of a systematic patent portfolio.

Patent Application Stage

Morimatsu conducted a prudent review of the patent requirements and guide. Aligning with examination practices and judicial tendencies in target countries, it collaborated with patent agencies to optimize drafting focus. It reasonably selected pathways such as the Paris Convention, PCT international applications, regional patent systems, and PPH expedited examination to enhance authorization efficiency and cost-effectiveness.

Patent Examination Phase

Morimatsu actively responds to examination opinions by coordinating internal and external patent agency resources to secure a reasonable and stable scope of grant. Simultaneously, we established a monthly internal reporting mechanism to regularly update business units and management on patent application progress, ensuring the overall work proceeds in an orderly manner.

Patent Protection Initiatives

We attach great importance to the prevention and control of supplier patent risks. In Morimatsu engineering projects, certain key equipment and components must be supplied by external vendors, and related products may face patent compliance risks in the countries where our clients are located. To mitigate potential intellectual property dispute risks arising from supply chain operations, we have incorporated supplier patent risk prevention and control into procurement and project management requirements, initiating preliminary reviews during the equipment and component selection phase.

A mature and comprehensive intellectual property management capability serves as the foundation for the Company to effectively address intellectual property risks. Morimatsu actively conducts internal and external training on intellectual property to enhance the team's knowledge reserves in patent applications, responses to patent risks, and patent database searches, thereby strengthening employees' intellectual property management capabilities.

We conducted a total of **4** intellectual property management training sessions, with cumulative participation exceeding **253** instances, significantly enhancing the team's intellectual property management capabilities.

Status of Authorized Patents in 2025

As of the end of the Reporting Period, we have accumulated a total of **258** valid patents and **70** valid software copyrights.

Excellence in Operations

Morimatsu systematically integrates customer requirements into the entire service management process. We continuously optimize our service processes to enhance response efficiency and delivery quality. Simultaneously, we have established a rigorous information security assurance mechanism and are progressively building AI-supported and digital service platforms. With an innovative approach and a robust information security defense line, we aim to enhance operational efficiency and provide customers with more stable and efficient service support.

Customer Service

Morimatsu continues to deepen long-term partnerships with clients by integrating customer needs throughout the entire service and operational management process. The Company continuously optimizes service response and delivery quality, committed to providing stable and reliable support services to our clients. Simultaneously, we maintain communication with customers through multiple channels, systematically collect and analyze customer feedback, and utilize the relevant information to optimize service processes and enhance service capabilities, thereby continuously improving service quality and customer satisfaction rates.

CASE **Morimatsu First 5S Store**

On November 10, 2025, Morimatsu ' first 5S store officially opened in Beijing. The completion of the new store marks a further enhancement of Morimatsu's service network in the Beijing-Tianjin-Hebei region. It will provide professional, end-to-end, and highly efficient one-stop services to local and surrounding customers, injecting new momentum into the industry service sector.

This service outlet is located in the core area of Beijing Yizhuang Economic and Technological Development Zone. Leveraging its geographical advantages, it delivers rapid on-site response within two hours. Integrating five core functions—Sales Supports, Service, Spare Parts, Specialists, and Solutions—it constructs a customer-centric full-lifecycle service to precisely and rapidly address customers' multi-scenario service needs.

Based on the requirements for full lifecycle management at customer sites, Morimatsu provides customer services including technical support, maintenance and repair, replacement of wear-and-tear consumables, pickling and passivation, red rust removal, upgrades and renovations, emergency response, simulated audits, training and consulting, and complaint handling.



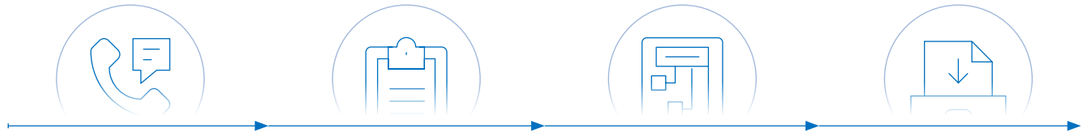
全生命周期服务



Service Management

The Company regards customer relationship management and after-sales service as key components of sustainable operations and is committed to providing customers with an exceptional service experience. We have implemented an integrated Customer Relationship Management (CRM) system to centrally manage customer information and sales and service records. This system supports the standardized execution of marketing activities, thereby enhancing both the efficiency and compliance of our customer service. We provide customized services for customer groups with diverse needs while offering comprehensive training and technical support to enhance the user experience of our customers' products through high-quality service.

We utilize channels such as telephone, email, and social media to promptly collect and respond to customer feedback, effectively resolve customer issues, and enhance customer satisfaction and retention rates.



Upon receiving a customer complaint, we respond immediately, confirm receipt of the information, and inform the customer that preliminary actions will be taken.

Complaints are thoroughly documented and analyzed. Where necessary, on-site investigations or product testing are conducted to develop effective solutions with the responsible department, such as product replacement, repair, or provision of alternatives.

Implement solutions while maintaining communication with customers throughout the process. Provide timely updates on progress in resolving issues and monitor outcomes to ensure customer complaints are properly addressed.

Record all complaints and their handling outcomes, and feed the results and lessons learned from complaint handling back into product design and production processes to improve product and service quality.

Product Complaint Response, Investigation, and Handling Procedures

Satisfaction Survey

Morimatsu places high importance on customer experience. We regularly conduct satisfaction surveys to systematically collect feedback from customers regarding product quality, service responsiveness, customer support, and delivery timeliness, thereby continuously optimizing product quality and service levels.

During the Reporting Period, Morimatsu conducted monthly customer satisfaction surveys. A total of 1,216 assessment items were investigated in the customer satisfaction survey, with a satisfaction rate exceeding 97%.

Responsible Marketing

Morimatsu adheres to compliant marketing and strictly complies with applicable marketing laws and regulations in the operating location, including the *Advertising Law of the People's Republic of China*. We have established a dedicated compliance team to conduct unified review and supervision of the authenticity, accuracy, and compliance of advertising, product labeling, and marketing activities. All advertising and marketing materials must undergo an internal compliance review process prior to external release to ensure that the relevant content complies with applicable laws, regulations, and regulatory requirements.

In product labeling management, Morimatsu clearly labels product ingredients and origins, explains product composition and usage requirements, provides guidelines for safe use and disposal, and assesses relevant environmental and social impacts to enhance the transparency and standardization of Disclosure.

At the same time, the Company conducted marketing compliance training to strengthen marketing personnel's sense of responsibility regarding legal compliance, contract review, and information protection, while continuously improving marketing management practices.

During the Reporting Period, we did not experience any violations in marketing communications, nor were there any non-compliance issues regarding product and service information or labeling.

Platform Upgrade

Morimatsu has always upheld a strong sense of social responsibility by establishing and improving information security policies and systems to fully safeguard the information security and privacy rights of global customers and relevant stakeholders. At the same time, we closely follow technological development trends by developing and launching an AI platform exclusively for employees. We have also incorporated Artificial intelligence (AI) applications into the scope of information security supervision, thereby strengthening digital empowerment while building a robust digital security defense line to support the enterprise's sustainable development.

Information Security and Privacy Protection

With the continuous development and deepening application of information technology, information security and privacy protection have become a critical foundation for the Company's stable operations. Morimatsu strictly complies with relevant laws and regulations, including the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Data Security Law of the People's Republic of China*. In addition to adhering to international privacy protection standards, Morimatsu is committed to effectively safeguarding the information security and privacy rights of its global customers and related stakeholders. At the same time, the Company has formulated and implemented internal policies such as the *Information Security Policy* and the *Administrative Measures for Data Security*. During the Reporting Period, the Company completed revisions to and issued the *Morimatsu Group Personal Information Security Management Standard*, further refining the information security management framework and establishing a comprehensive information security and privacy protection management system.

In 2025, Morimatsu successfully passed the surveillance audit for its Information Security Management System certified to ISO/IEC 27001:2013. During this year, we further expanded the coverage of our information security management system to include the Suzhou Plant. We also hold the Level 3 Classified Protection assessment for information security on our digital customer platform, further enhancing the security and stability of platform operations.

During the Reporting Period, Morimatsu experienced **NO** significant information security incidents or data breaches.


证 书

证书注册号：951 23 5684-G

TÜV SÜD AMERICA INC.
认 证 部

证明该组织

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邮政编码：215536

对于范围

压力容器，成套设备，工程系统及其模块化工厂的制造

依据《适用性声明》建立和实施了信息安全管理体系，通过审核，证明该体系满足

ISO/IEC 27001:2022

的要求

本证书须与主证书同时使用时才有效，证书有效期为：2025 年 07 月 11 日至 2026 年 04 月 05 日，更新日期为：不适用。证书注册号：951 23 5684
《适用性声明》版本号：<SOA Information Security Management statement of applicability>, <CMV-ISMS-01002>, <version 2025-01>, <Issue Date 2025-02-12>

Michael Fernold
Head of Central Certification Body

TÜV SÜD America Inc • 401 Edgewater Place, Suite 500 • Wakefield, MA 01880 USA • www.TUVSUD.com
The validity of this certificate is contingent on the company maintaining its management system to the requirements of the indicated standard and is subject to regular monitoring by TÜV SÜD America.

ZERTIFIKAT · CERTIFICATE · 認證證書 · СЕРТИФИКАТ · CERTIFICADO · CERTIFICAT

ISO 27001 Information Security Management System Certification Certificate


信息系统安全等级保护
备案证明

依据《信息安全等级保护管理办法》的有关规定，上海森松制药设备工程有限公司 单位的：

第三级 数字化客户服务平台 系统

予以备案。

证书编号：31011513066-24001

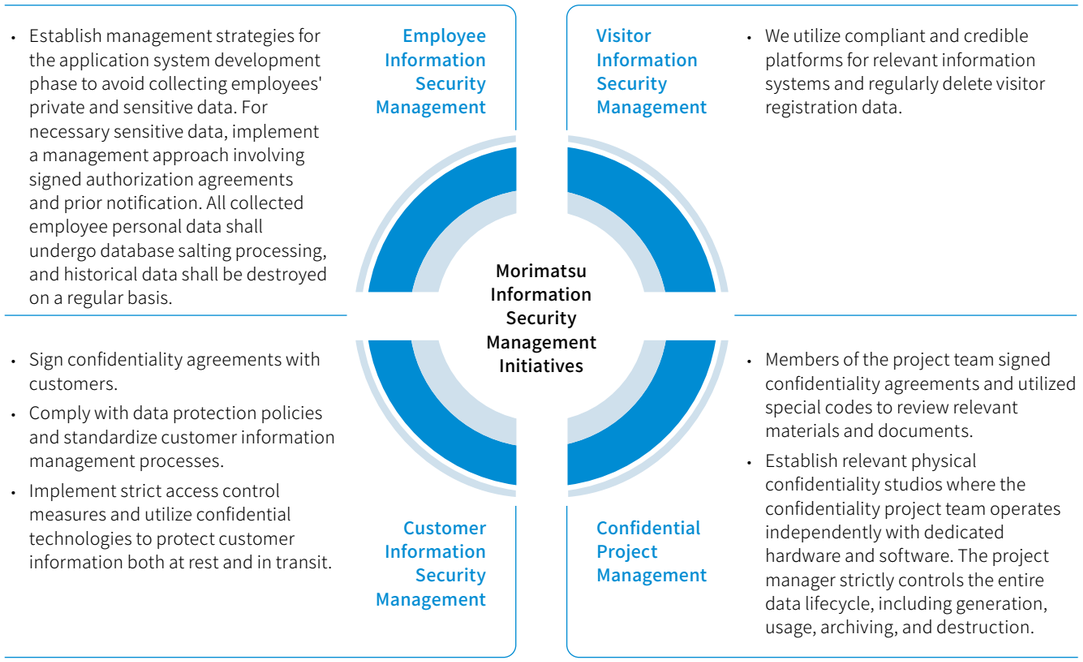
中华人民共和国公安部监制

备案公安关公章

2024 年 月 日

Certificate of Filing for Level-3 Classified Protection

We regularly update and strengthen information security management measures in alignment with the latest regulatory requirements and technology trends. We organize internal and external information security audits and risk assessments, develop remediation plans for identified risks, and ensure the effective implementation of control measures.



Employee Information Security Management

- Establish management strategies for the application system development phase to avoid collecting employees' private and sensitive data. For necessary sensitive data, implement a management approach involving signed authorization agreements and prior notification. All collected employee personal data shall undergo database salting processing, and historical data shall be destroyed on a regular basis.

Visitor Information Security Management

- We utilize compliant and credible platforms for relevant information systems and regularly delete visitor registration data.

Customer Information Security Management

- Sign confidentiality agreements with customers.
- Comply with data protection policies and standardize customer information management processes.
- Implement strict access control measures and utilize confidential technologies to protect customer information both at rest and in transit.

Confidential Project Management

- Members of the project team signed confidentiality agreements and utilized special codes to review relevant materials and documents.
- Establish relevant physical confidentiality studios where the confidentiality project team operates independently with dedicated hardware and software. The project manager strictly controls the entire data lifecycle, including generation, usage, archiving, and destruction.

To continuously enhance information security management capabilities, Morimatsu has established a tiered information security training mechanism. For technical professionals, we conduct external targeted training and annual technical certifications to further improve professional competencies. For management personnel, quarterly training sessions on trade secret protection and cybersecurity are organized. For new employees, information security training and assessments are conducted during the onboarding phase to strengthen enterprise-wide information security awareness and compliance understanding.

During the Reporting Period, Morimatsu's information security training achieved full coverage of new employees, with a completion rate of 100%.

To continuously enhance the security resilience of information systems and the capability to handle emergency incidents, the Company has established a normalized information security emergency drill mechanism. Practical simulations are conducted around high-risk scenarios such as data breaches, malicious software attacks, and core system failures. Measures including the deployment of antivirus software, implementation of cloud-based data backup, and access control have been taken to strengthen the protection of information systems.

During the Reporting Period, we conducted emergency drills for information security to systematically verify the effectiveness of emergency plans and cross-departmental collaborative response capabilities.

CASE **Morimatsu Information Security Emergency Drill**

In March 2025, Morimatsu conducted three specialized drills: tracing and handling privacy data breaches, isolating and removing large-scale virus intrusions, and switching over and recovering database systems. These drills covered key locations including office areas, business departments, and server rooms. The exercises applied processes such as privacy data source detection, event classification and reporting, system isolation, data backup and recovery, and internal and external notification issuance, achieving a closed-loop end-to-end response for information leakage from detection to recovery.

This drill verified Morimatsu's emergency command coordination and technical response capabilities. The overall objectives were achieved. Meanwhile, the emergency management processes and training mechanisms were optimized to further enhance reaction efficiency across all stages. We are continuously improving the information security emergency system to ensure business continuity and customer data security.

CASE **Morimatsu Conducts Information Security Red and Blue Team Exercises**

During the Reporting Period, Morimatsu conducted joint offensive and defensive drills with third-party institutions to verify the effectiveness of information security hardware and software protection capabilities. Measures were optimized based on identified issues to continuously strengthen the level of information security assurance.

AI Applications

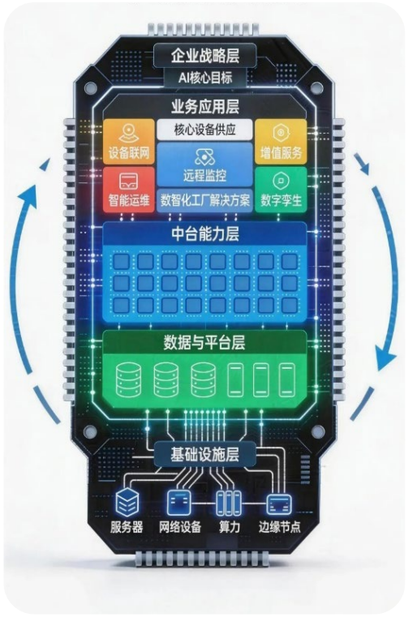
Against the backdrop of accelerating digital transformation, Morimatsu actively embraces the technological revolution in artificial intelligence (AI), deeply integrating AI into the entire chain of internal management and business development. The Morimatsu International AI Group has developed and deployed over ten customized AI application scenarios based on the actual needs of business units, providing diverse intelligent support to employees in R&D, engineering design, and daily operations.

Morimatsu AI Platform

Focusing on the enhancement of internal digital capabilities, we developed and launched an AI platform accessible to all employees. The platform covers mobile phones, web browsers, and PC desktops. It integrates AI dialogue, an AI toolset (personal AI assistant), AI agents, an AI toolbox, a knowledge base, and over ten customized project tools developed in response to the specific needs of various business departments within the Company. The platform's functionalities are undergoing continuous iteration and upgrades. Each month, new modules or tools are developed to align with the latest business requirements and AI trends.

AI-Enabled Process Optimization

Morimatsu applies Artificial intelligence (AI) tools to frontline business needs, deeply integrating AI technology with business processes. The Company has currently achieved implementation in multiple key business areas.



AI Application System Architecture

AI-Empowered Supplier Management

Morimatsu actively explores the application and empowerment of AI in supplier management to enhance procurement quality and management efficiency during precise screening, risk assessment, and audits.

AI tools empower suppliers to enhance quality and efficiency

Supplier Resource Expansion	External Dynamic Data	Compliance and Credit Data	Material Certificate Review	Performance Assessment
Morimatsu leverages natural language parsing and big data screening to rapidly match suppliers meeting complex requirements, such as those in specific regions or with special requirements.	Morimatsu utilizes AI to capture industry policy changes and market sentiment keywords, while integrating external data affecting supply, such as port throughput and raw material price fluctuations.	AI is utilized for qualification approval documents, financial statements, and credit records.	Morimatsu utilizes AI to conduct reviews of material certificates.	Morimatsu has established a multi-dimensional quantitative assessment model to evaluate supplier quality through data analysis, while also employing attribution analysis to trace the root causes of performance strengths and weaknesses.

AI Application Training

During the Reporting Period, we conducted a total of eight training sessions on AI-related knowledge and tools for Morimatsu University students and newly hired college graduates. Additionally, five sessions were organized to train all employees on Copilot usage and AI prompt engineering techniques. Relevant courses and training materials have been launched on the Morimatsu University Learning Platform and the AI platform to support employees in learning on demand and achieving continuous improvement, further solidifying the talent foundation for Morimatsu's digital and intelligent applications. Morimatsu also organized two "Morimatsu AI Prompt Competitions" to encourage all employees to master AI prompts and facilitate the transformation of work models.



Poster for the Morimatsu AI Prompt Challenge

Guidelines for Data Security in AI Usage

While advancing technological innovation, Morimatsu places equal emphasis on risk prevention and control. We have established a governance mechanism for the safe use of AI, clearly defining the boundaries of AI applications and data protection requirements.

AI Use Safety Governance Mechanism

Released the *Morimatsu Employee AI Tool Data Security Guide* to provide clear guidance for the safe use of AI tools.

All employees must read and confirm the *AI Platform User Agreement* before logging into the AI platform for the first time. It is strictly forbidden to upload or input sensitive information involving production processes, customer data, employee personal information, contract amounts, etc., and they are obligated to carry out data anonymization.

AI-generated content must not be directly used for official decisions, external release, or as a substitute for professional review.

All AI calls on the platform are uniformly controlled through the company's network egress, interaction logs are fully retained and incorporated into the information security monitoring system, enabling traceability of abnormal behavior and full-process auditing.

05

Co-creation of Value

69 Supply Chain Responsibility

73 Industry Development



17 PARTNERSHIPS FOR THE GOALS

Morimatsu places high importance on the stability and sustainability of its supply chain by implementing standardized supplier management mechanisms and strengthening value chain collaboration to promote responsible procurement and efficient resource allocation. We continue to deepen industry cooperation and coordinated development, committed to enhancing the overall resilience of the industrial chain and promoting long-term prosperity and sustainable development within the sector.

Supply Chain Responsibility

Morimatsu is committed to establishing robust partnerships with suppliers, continuously strengthening supplier lifecycle management and supply chain risk management, integrating sustainability requirements into the supplier management system, and building a more responsible and resilient sustainable supply chain.

Supplier Management

Morimatsu complies with laws and regulations such as the *Civil Code of the People's Republic of China* and the *Tendering and Bidding Law of the People's Republic of China*, as well as industry regulations. During the Reporting Period, the Company systematically upgraded its supplier management policy by revising and implementing internal policies including the *Supplier Development Procedure*, the *Supplier Quality Issue Handling Process*, the *Procurement Inquiry and Price Comparison Management Regulation*, and the *Procurement Tendering Policy*. These actions continuously improve procurement management mechanisms and processes while strengthening the supplier management policy system.

During the Reporting Period, we upgraded the Supplier Relationship Management (SRM) platform to accelerate digitalization and paperless processes, while prioritizing improvements in supplier collaboration efficiency and risk and compliance management capabilities.

As of the end of the Reporting Period, there were a total of **1,888** suppliers associated with Morimatsu's production activities

Comprising **1,104** suppliers in mainland China

784 suppliers from Hong Kong, Macao, Taiwan regions and overseas

Supplier Onboarding

During the supplier onboarding phase, multiple departments conduct a comprehensive review combining document assessment and on-site inspection. Suppliers are comprehensively scored based on the *Supplier Comprehensive Capability Assessment Form* across dimensions including quality, technology, delivery, cost, and ESG. Simultaneously, we perform a risk assessment regarding their financial status, compliance performance, reputation level, and supply chain stability. Potential suppliers may be included in the list of qualified suppliers only after passing the review.

Supplier Management

Morimatsu advances supplier quality management and evaluation through measures such as unannounced audits, on-site support for key projects, and field audits, thereby ensuring supply chain stability and enhancing resilience.

Morimatsu implements a four-tier classification system (A, B, C, D) for suppliers based on the importance of materials in projects and their market substitutability. Suppliers classified as A and B are designated as key management targets.

In performance management, Morimatsu conducts continuous monitoring based on the fulfillment of procurement contracts. Through mentoring and quality support mechanisms, it provides on-site guidance to suppliers, conducts re-examinations, and offers improvement recommendations.

CASE **Morimatsu Supplier Quality Management Enhancement Initiatives**

During the Reporting Period, Morimatsu conducted on-site guidance, re-evaluations, and provided improvement recommendations to a total of 64 suppliers. For identified supplier quality issues, we require relevant suppliers to promptly submit root cause analyses and corrective action reports to achieve closed-loop management. Furthermore, we continuously enhance supplier quality management capabilities through targeted exchanges.

In addition, Morimatsu conducts annual on-site supplier visit experience-sharing sessions and summarizes and converts practical experiences to continuously enhance the professional capabilities and on-site assessment skills of supply chain management personnel, thereby strengthening supplier management.

Supplier Exit

Morimatsu conducts continuous quality supervision and management of qualified suppliers. For suppliers that have ceased supply relationships with the Company for 12 months or longer, experienced major product quality incidents, encountered recurring quality issues of the same nature, or committed serious breaches of contract, we will conduct on-site assessments at any time. Where necessary, their supplier qualifications may be revoked.

Based on annual comprehensive evaluation results, Morimatsu categorizes suppliers into five-star, four-star, three-star, and two-star tiers. We implement differentiated management measures, such as order reduction and elimination, for three-star and two-star suppliers. Through this performance-driven dynamic tiering system, we continuously enhance the stability of supply chain quality and collaborative efficiency.

Supply Chain Risk Management

Morimatsu places high emphasis on supply chain risks and continues to deepen supply chain cooperation. We established a risk management team to continuously identify potential risks among suppliers and develop emergency response plans.

Daily supervision of suppliers is conducted through on-site inspections and interviews to promptly understand their status.	Leverage the supplier management system to monitor potential risks via public information channels.	Monitor and analyze raw material price trends on a monthly basis to identify raw material risks.	Equip critical materials with three or more alternative suppliers of different types, prioritizing local and domestic suppliers to gradually enhance the availability of critical materials and services within the region.

Supplier Risk Management Initiatives

Morimatsu continues to deepen existing collaborations with Category A and B suppliers as well as key suppliers, while actively developing secondary and tertiary suppliers within the same categories. Through mentoring and capability development, it enhances the supply capacity of these secondary and tertiary suppliers, thereby continuously improving the overall risk resilience and robustness of the supply chain.

During the Reporting Period, under the guidance of the Risk Management Group, Morimatsu conducted systematic risk assessments for suppliers of different types and formulated corresponding risk avoidance and control measures.

For strategic suppliers, the partnership is strengthened through multiple high-level interactions and mutual visits.

For bottleneck suppliers, we actively expand alternative supplier resources to reduce reliance on single-source procurement.

For overseas factories, the layout of the overseas supply chain is advanced concurrently during the initial project initiation phase. Dedicated personnel are assigned to coordinate with and expand local supply chain resources, prioritizing the use of local suppliers.

Sustainable Supply Chain

Morimatsu has fully integrated ESG requirements into its supplier management system to strengthen the construction of a sustainable supply chain. We have established *the Supplier Code of Conduct* to conduct ESG assessments and management of suppliers across dimensions including environmental management, anti-corruption and integrity, and labor management. We strictly evaluate suppliers' ESG performance in accordance with ISO 9001 and relevant ESG assessment standards.

We actively promote suppliers in obtaining certifications for management systems such as ISO 14001 and ISO 45001, and utilize these certifications as criteria for performance evaluation and preferential selection.

CASE **Morimatsu conducts ESG management assessments for core suppliers.**

During the Reporting Period, Morimatsu distributed supplier sustainability assessment questionnaires to core suppliers. The assessment reviewed their management system certifications, capabilities in collecting and managing organizational and product carbon data, energy conservation management, environmental management, labor management, health and safety management, integrity management, and social contributions. It systematically evaluated their policies, practices, and performance in the ESG domain and identified their internal and external ESG training status as well as capacity-building needs. These efforts aim to advance sustainable supply chain construction and enable suppliers to jointly fulfill corporate social responsibilities.

Among the core suppliers participating in this supply chain ESG survey, 82% have obtained ISO 9001 certification, 70% have obtained ISO 14001 certification, and 52% have obtained ISO 45001 certification. We will continue to encourage more suppliers to strengthen the construction and certification of their ESG management systems. We plan to enhance the collection of actual carbon emission data from suppliers by 2026 to advance the implementation of supply chain decarbonization.

Supply Chain Integrity Management

Morimatsu requires suppliers to adhere to the principles of equity and integrity. Anti-commercial bribery, information security, and compliance fulfillment requirements are incorporated into contracts and assessment mechanisms, and supplier ESG risk screening is conducted regularly. During the supplier onboarding and evaluation process, we require all suppliers to sign integrity agreements.

Supplier Environmental Management

Morimatsu regularly provides environmental protection training to procurement personnel and encourages them to implement green procurement principles in their daily purchasing activities. When selecting suppliers, we prioritize those that offer energy-saving, environmentally friendly, long-life, or recyclable products and services.

We require suppliers to establish an environmental management policy and encourage them to minimize the impact of their operations on the environment through measures such as reducing 'three wastes' emissions and improving energy efficiency.

Environmental management initiatives for suppliers

We formulated and implemented the *Sustainable Procurement Management Policy*, the *Supplier Code of Conduct* explicitly requiring suppliers to address water conservation, waste management, energy conservation, and emission reduction.

We regularly assess suppliers' environmental protection measures and practices to promote the development of a sustainable supply chain.

Supplier Labor Management

Morimatsu maintains a zero-tolerance stance toward child labor, human trafficking, and forced labor. It requires suppliers to refrain from discriminating against or harassing employees based on any insignificant characteristics, whether intentional or unintentional. In addition, Morimatsu requires suppliers to treat all employees with equity and comply with applicable laws and regulations in their operating locations regarding employee compensation.

Labor safety management measures for suppliers

Establish a diversified supplier list, including minority-owned enterprises, women-owned enterprises, and disabled persons-owned enterprises, to foster an inclusive and equal supplier collaboration environment.

We have established *the Supplier Code of Conduct on Labor and Human Rights* to set clear standards for protecting suppliers' labor rights. We regularly assess suppliers' performance in labor and human rights protection and take necessary measures against those who violate relevant regulations.

Supplier Occupational Health and Safety Management

Morimatsu requires suppliers to provide necessary safety facilities and equipment, as well as essential technical protective measures, for their employees to ensure health and safety in the workplace. We urge suppliers to conduct occupational health-related assessments and examinations, implement employee occupational health monitoring programs, develop emergency plans related to occupational health and safety, and conduct regular drills.

We require all suppliers entering the Morimatsu facility to strictly comply with Morimatsu's various occupational health and safety policies and regulations, and to undergo relevant training.

In the management of outsourced and subcontracted labor, Morimatsu has established clear requirements for on-site personnel safety, mandating that contractors procure accidental injury insurance for all outsourced and subcontracted staff working at Morimatsu sites. For additional contractor health and safety management requirements, please refer to Chapter 6 *Responsibility First*.



Industry Development

Morimatsu actively contributes to the construction of the industry ecosystem based on the principles of openness, collaboration, and shared value. By joining various industry associations, we collaborate with industry partners to jointly plan the future of the sector. We actively participate in multiple industry exchange platforms to facilitate the flow of technology, concepts, and market information. Building on this foundation, we are also committed to advancing the refinement of relevant industry norms and standards to support the healthy and sustainable development of the industry.

Industry Exchange

Morimatsu actively leverages its strengths to play a significant role in industry development while engaging proactively in industry exchanges, undertaking advanced practices and sharing its own experiences.

In 2025, Morimatsu LifeSciences participated in more than 30 industry exchange activities such as external exhibitions, industry association events, expos, and seminars, continuously injecting vitality into the industrial ecosystem.

Participation of Industry Associations

Shanghai Intelligent Manufacturing Industry Association	Vice-Chairman Entity
Shanghai Society for Biotechnology	Vice-Chairman Entity
Shanghai Biopharmaceutical Industry Association	Vice-Chairman Entity
Shanghai Synthetic Biology Industry Association	Member Entity
Shanghai Producer Services Promotion Association	Council Member Entity

Morimatsu participated in the "23rd CPhI China (China International Pharmaceutical Raw Materials Expo)" and the "18th P-MEC China (Pharmaceutical Machinery, Packaging Equipment and Materials China)"

In 2025, Morimatsu participated in the "23rd CPhI China" and the "18th P-MEC China", and held a series of seminars in Saudi Arabia and Changshu. During the exhibition, we presented multiple innovative solutions to attendees, including solid dosage form process solutions, API process solutions, downstream separation and purification solutions, and freeze-drying system solutions. We also explored innovation pathways in the pharmaceutical industry with peer partners, identified new drivers for industrial growth, and jointly promoted the healthy development of the sector.



Morimatsu introduced innovative solutions to the attendees



Saudi Arabia Seminar Site

BIOCHINA 2025 (10th) Yimao Bio-Industry Conference

At BIOCHINA 2025 Yimao Bioindustry Conference, Morimatsu showcased four core solutions to precisely address the development needs of the biopharmaceutical industry, garnering widespread attention. The solutions highlighted in this presentation include: comprehensive laboratory solutions to accelerate the transition from R&D to production; single-use solutions to ensure flexible and compliant manufacturing; Pharmadule modular factory solutions for rapid facility construction and capacity expansion; and a virtual factory digital twin system that empowers personnel training and process optimization through digitalization.



Conference Venue

During the conference, Morimatsu engaged in business discussions with industry peers, shared the latest research findings and practical experiences, explored key technical aspects of biomedicine as well as emerging trends and innovation opportunities, and identified new potential and prospects. At the same time, Morimatsu actively listened to and incorporated valuable feedback from customers, strengthens project cooperation and business expansion both domestically and internationally, seeks new pathways for joint development, and actively promotes the sustainable development and transformation of the industry, injecting strong momentum into innovation and breakthroughs in the global pharmaceutical sector.

Symposium at Morimatsu in 2025

In 2025, Morimatsu organized the Symposium at Morimatsu, inviting external industry experts and customer representatives to conduct on-site visits and exchanges. The program facilitated in-depth discussions on the complementary roles and collaborative challenges among research institutions, enterprises, and equipment manufacturers. By establishing an open and shared exchange platform and organizing relevant training sessions, the initiative introduced new perspectives to foster technological innovation and industrial transformation in the field of bio-manufacturing.



Symposium at Morimatsu

Industry Standard Development

Morimatsu continues to support industry progress and actively participates in standard-setting. Building on our continuous benchmarking against international frontiers and the strengthening of autonomous technological capabilities, we aim to leverage our technical accumulation and innovative solutions to empower the collaborative development and overall efficiency enhancement of the industrial chain.



Industry Empowerment

CASE

Morimatsu LifeSciences assists pharmaceutical enterprise clients in establishing the world's first industrialization base for plant-derived human serum albumin

Against the backdrop of a long-standing shortage and safety challenges in global human serum albumin plasma supply, Morimatsu LifeSciences provides pharmaceutical enterprise clients with an integrated solution covering core process modules including formulation, chromatography, and automated control systems. During project execution, Morimatsu achieved precise end-to-end control from design and manufacturing to testing through modular construction and digital management technologies, significantly enhancing delivery efficiency. The construction of this industrialization base not only assists clients in breaking through key technical barriers in bioproducts but also promotes the autonomous and controllable development of China's recombinant protein drugs from source innovation to mass production. It provides critical support for ensuring national supply chain security of human serum albumin and driving green upgrades within the industry.



Aerial View of Project Site

CASE

Facilitate the construction of a biopharmaceutical manufacturing plant in Singapore.

Morimatsu Pharmadule successfully assisted clients in accelerating the construction of their Singapore biopharmaceutical manufacturing plant by leveraging world-class modular engineering solutions. The project adopted an advanced model integrating overall design with prefabricated modules. In November 2025, the first batch of core modules was efficiently delivered and shipped, significantly shortening the on-site construction cycle. Furthermore, its integrated quality control systems and production technology laboratories have fully established a collaborative system spanning from research and development to production, providing a solid and reliable infrastructure foundation for the client to build a world-class core manufacturing base for biopharmaceutical formulations in Singapore.





Project Construction Diagram

CASE

Delivered Egypt's first modular biopharmaceutical manufacturing facility

Morimatsu Pharmadule successfully delivered Egypt's first modular pharmaceutical manufacturing plant project, marking the successful completion of the country's first modern biopharmaceutical facility that integrates monoclonal antibody and small molecule protein co-production with filling operations. This project adopted an internationally advanced modular integrated solution to efficiently establish flexible production capabilities compliant with international standards, setting a new benchmark for the upgrade of the biopharmaceutical industry in Egypt and even the Middle East region.



Project Delivery Group Photo

06

Responsibility First

79 Talent Acquisition and Retention

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For a long time, Morimatsu has placed high importance on the dual improvement of economic benefits and social value. We are dedicated to building a diverse and equitable work environment that promotes the protection of employee rights and their comprehensive development. Through a systematic and diversified training system along with fair and transparent career development pathways, we optimize the talent growth environment and continuously build a high-quality workforce. Morimatsu focuses on the two core areas of occupational health and production safety, continuously improving management measures to effectively safeguard employees' physical and mental well-being and operational safety. At the same time, we actively fulfill our social responsibilities and continue to engage in public welfare initiatives, establishing a positive image as a responsible corporate citizen.

Talent Acquisition and Retention

Morimatsu steadfastly upholds its people-centric mission, continuously strengthening capabilities in talent aggregation, technological innovation, and refined management to strive for excellence as an advanced enterprise characterized by "top-tier talents, first-class enterprise, top-tier performance, and premium compensation packages.". We are committed to cultivating an inclusive team culture grounded in equality and diversity, growing alongside our employees, continuously refining our occupational health and safety system, and implementing multi-level, empathetic employee care initiatives to genuinely enhance the sense of belonging, achievement, and professional well-being for all staff.

Employment

Morimatsu upholds the principle of equality in employment and strictly complies with laws and regulations such as the *Civil Code of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, and the *Interim Provisions on Labor Dispatch*. The Company has formulated and implemented internal policies, including the *Employee Handbook*, to safeguard legitimate rights and interests of all employees.

Diverse Teams

Employees are the core driving force and valuable asset for the Company's sustainable development. Morimatsu has always placed high importance on the diversity and inclusion of its workforce. We are committed to respecting and safeguarding the legitimate rights and interests of every employee while continuously fostering a diverse work environment that respects differing opinions, viewpoints, and beliefs.

Throughout the entire process of talent recruitment, promotion and development, compensation and benefits, and contract management, we adhere to the principles of equity, fairness, and transparency. We strictly prohibit any discriminatory practices based on factors such as age, gender, marital and family status, race, skin color, region, nationality, religious belief, or political affiliation. Morimatsu has always adhered to the principle of equality in employment, respected the legitimate rights and interests of employees with disabilities, and strictly complied with relevant laws and regulations on employment of persons with disabilities. We arrange suitable personnel for employment by integrating objective factors such as industry production characteristics, job suitability requirements, and safety production management policies. In expanding its overseas operations, Morimatsu has continued to strengthen the recruitment and development of local employees, effectively contributing to the resolution of employment issues in Thailand while actively cultivating and supplying professional technical talent for relevant sectors.

We strictly adhere to relevant International Labour Organization conventions and national laws and regulations, comprehensively prohibiting the employment of child labour and forced labour. We also require our suppliers to comply with these provisions, ensuring they uphold equivalent standards. We firmly oppose and prohibit all forms of slave labor and human trafficking. No juvenile are permitted to engage in any type of work at Morimatsu. Morimatsu is committed to reasonably planning employee workloads and schedules. The Company also pledges not to engage in or support business activities involving slave trafficking, human trafficking, or the recruitment of child labor. Furthermore, Morimatsu implements rigorous due diligence for suppliers to ensure no procurement of raw materials, components, or outsourcing of products and services from entities or groups involved in such illegal practices.

Morimatsu strictly enforces a comprehensive anti-discrimination policy and continuously monitors and verifies the effective implementation of the policy through a combination of internal audits and external third-party assessments. Annually, we conduct specialized risk assessments on labor rights and business ethics by evaluating risk levels based on likelihood, severity, and risk value. Our assessment scope covers key risk areas such as forced labor, child labor, humiliation of personality, and improper penalties. Relevant functional departments lead the formulation and implementation of risk control measures. The Company systematically reviews and updates the implementation and effectiveness of relevant initiatives on a regular basis to ensure that risks are continuously managed and controlled.

Morimatsu has incorporated explicit anti-harassment clauses and related policies into the *Employee Handbook* and conducted mandatory anti-harassment training for all employees to ensure that every employee fully understands their rights and obligations. At the same time, we have established confidential and convenient anonymous reporting channels to effectively protect the rights and interests of victims.

In 2025, Morimatsu recorded **zero** incidents of child labour, forced labour, or workplace harassment.

Attracting Talent

Morimatsu plans its talent deployment in alignment with business strategy and development goals, systematically formulating annual and medium-to-long-term recruitment plans. During the recruitment process, we strictly adhere to the principles of openness, equity, and fairness. We actively attract diverse talent from the global talent market and domestic and international higher education institutions who align with Morimatsu's values and development needs.

To build a diversified talent acquisition system, Morimatsu integrated online and offline channels to expand multi-dimensional pathways including social recruitment, campus recruitment, internal referrals, and specialized hiring. Through deepening cooperation with mainstream recruitment platforms, operating corporate new media live-streaming recruitment sessions, regularly holding specialized job fairs, strengthening headhunter collaboration mechanisms, and implementing internal referral incentives, we have comprehensively achieved the precise acquisition and efficient absorption of high-quality talent.

We prioritize localized recruitment by focusing on local talent resources during the hiring process, effectively activating and leveraging existing networks of local employees to attract potential candidates.

Morimatsu continues to deepen industry-academia cooperation by establishing long-term and stable talent development partnerships with multiple educational institutions. Through collaborative curriculum development and the linkage of industry-academia-research projects, both parties jointly promote the deep integration of professional knowledge systems with social practice capabilities. This systematic approach facilitates students' transformation into industry professionals, ensuring a continuous supply of composite talents who possess both professional literacy and practical skills for the industry.

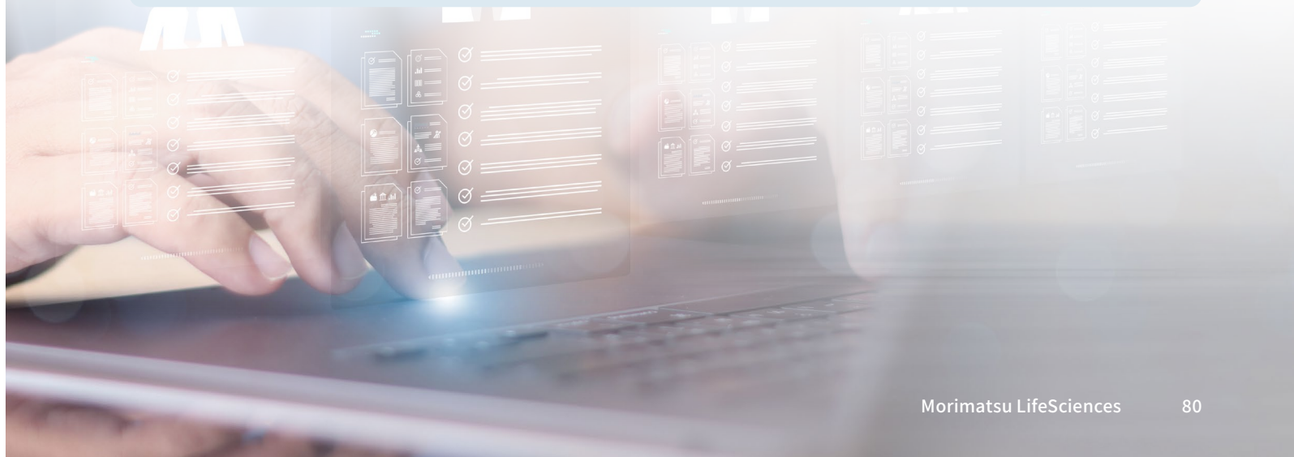
In 2025, Morimatsu LifeSciences was recognized by Donghua University for its achievements in talent recruitment and development.



"Most Influential Enterprise" Award

As of the end of the Reporting Period,

- Morimatsu had a total workforce of **1,997** employees
- Female employees Percentage **22.18%**
- Female Employees Engaged in Non-Production Work **27.95%**
- Ethnic minority employees **3.61%**
- Disabilities employed **19** employees



Talent Development

Morimatsu has always closely integrated employee growth with the Company's development, focusing on promoting the comprehensive growth of its employees. Through multiple channels and methods, we continuously assist employees in enhancing their comprehensive capabilities and professional literacy, supporting them in systematically planning and achieving their personal career pathways.

Employee Training

Morimatsu actively builds a learning organization and establishes a systematic, diversified career development training system to comprehensively support the continuous growth of employees. Morimatsu has established the *Employee Education and Training Management System*, which clarifies the requirements and standards for various types of training. Aligned with the Morimatsu development strategy and medium-to-long-term objectives, we formulate annual training plans to systematically advance various training activities. We regularly evaluate training effectiveness to continuously optimize our talent development mechanisms.

- Professional Competency Training
- Specialized Operational Training
- HSE Training
- Enhance AI Capabilities Training
- Frontline Supervisor Capability Enhancement Initiatives

- Management Skills Advancement Courses
- Advanced Executive Management Program
- Sustainable Development - Carbon Management Training

- Intensive Training for Recent College Graduates
- Mentorship and Training

- Degree Advancement Programs
- Japan Technical Exchange Program for Welders
- Foreign Language Proficiency Training



Morimatsu Training Course System and Highlighted Training Programs



We continuously optimize our curriculum resources and integrate and refine the internal training platform, "Morimatsu University," to cultivate composite talents possessing excellent character, systematic knowledge, and practical capabilities. Morimatsu University has established a high-caliber faculty team by integrating senior executives and technical experts from within the organization while also inviting industry elites and distinguished professors from renowned universities to participate in teaching. We conduct 1-2 sessions of youth cadre training classes and senior management reserve classes. Through a diversified curriculum, we systematically enhance participants' comprehensive literacy and management capabilities.

In 2025, Morimatsu continued to increase resource allocation, with a total annual training investment of RMB **2.0911** million.


Strategies for Corporate Survival and Development in the New Era


Introduction to Enterprise Management


Lean Production Management



Smart Supply Chain in the New Landscape

Morimatsu University 2025 Highlights Training Courses

We established the "Morimatsu Knowledge Sharing Center" by integrating online and offline training resources and launched the "Morimatsu E-Learning", a professional learning platform that provides flexible and personalized learning support for our employees. Simultaneously, we deployed Morimatsu library self-service borrowing terminals in all office areas and regularly updated the book collection based on employee needs to continuously enrich learning resources. To stimulate employees' enthusiasm for learning, we conduct monthly themed knowledge competitions via WeChat Mini Programs. Employees who emerge as winners receive exclusive rewards, fostering a positive and vibrant learning atmosphere.

While refining our internal training system, we actively expanded external cooperation channels and continuously introduced high-quality training resources. Morimatsu supports employees in pursuing academic advancement programs, such as upgrading from junior colleges to universities and furthering their studies toward master's or doctoral degrees, while providing corresponding tuition subsidies. Additionally, reimbursement is provided for fees related to professional qualification certifications and title evaluations that meet the prescribed eligibility criteria, comprehensively facilitating employees' professional growth.

Morimatsu Employee Career Development Program

Degree Advancement Programs

- In 2025, Morimatsu selected employees through an open international recruitment process to pursue doctoral studies at Kyoto University and actively advance industry-academia cooperation and engagement.
- Domestic part-time postgraduate programs (e.g. MBA, MEM) at institutions such as Fudan University, Shanghai Jiao Tong University, and Tongji University During the period from 2024 - 2025, Morimatsu sponsored a total of five employees to complete advanced academic improvement programs. Among them, there is one employee from Morimatsu LifeSciences.
- In 2025, a total of 11 employees successfully upgraded their academic qualifications from junior college to bachelor's degree and received incentives issued by the Company.

Professional Certification Support

- Reimbursement for professional title assessment fees
- Subsidy for accredited qualification examination costs



Kyoto University Recruitment Poster

In 2025, Morimatsu conducted a professional title evaluation incentive program. A total of **10** employees received awards, with a cumulative amount of RMB **33,000**.

CASE **Morimatsu Organizes Series Training on AI Tool Learning and Usage**

Morimatsu places high value on the practical application of AI tools in daily work to assist employees in enhancing their efficiency. In 2025, Morimatsu University incorporated specialized training modules on "AI-Empowered Enterprise Management" and "AI-Driven Enterprise Digital Transformation and Decision Reconstruction + Global Operations and Supply Chain Resilience Construction under Geopolitical Dynamics" into its youth cadre training classes and senior management reserve classes. By aligning closely with current hot topics and development trends, the university aims to assist participants in mastering work skills as quickly as possible.

CASE **Morimatsu LifeSciences "New Manager Empowerment Program"**

To facilitate the role transformation of newly appointed managers, Morimatsu LifeSciences has established a specialized development program. The program delivers systematic training centered on three key dimensions: innovative thinking, talent management, and emotional management. Through customized development and the establishment of a successor map and competency matrix, we institutionalized talent pipeline reserves. At the same time, to better support the pharmaceutical project teams, we have simultaneously provided immediate support methods and resources for emotional management. As of the end of the Reporting Period, our 32 newly appointed managers have completed systematic training. In the future, we will continue to optimize this training system to solidify the foundation of management talent for the high-quality development of the Company.


"New Manager Empowerment Program" Training

Employee Promotion

Morimatsu has established a standardized and clear promotion system to define employees' career development pathways. This provides systematic support for employees to realize their personal value, thereby enhancing their sense of identification with the organization and cohesion. Morimatsu has established career development pathways covering four key areas for employees. The Company conducts regular performance assessments and promotion reviews while implementing specialized promotion mechanisms for critical roles to support continuous employee growth.

In the talent assessment phase, we established a multi-dimensional evaluation standard covering professional competence, professional ethics, practical experience, and comprehensive potential. This initiative aims to achieve precise job-person matching, foster mutual growth between employees and the organization, and thereby lay a solid talent foundation for Morimatsu's sustainable development. For core roles such as technology, project management, and sales, we have established a career planning mechanism involving four parties: the individual, the mentor, the department, and Human Resources. This mechanism tailors career development goals for each employee, optimizes their career paths, and facilitates mutual growth between employees and Morimatsu.



Morimatsu Employee Job Sequence

In terms of employee evaluation, Morimatsu employs a performance management system that integrates the "Balanced Score Card (BSC)" and "Key Performance Indicator (KPI)". Upholding principles of equity and fairness, evaluations are conducted strictly in accordance with institutional policies and standardized procedures, based on the achievement of departmental objectives and individual employee performance. We conduct performance reviews and feedback interviews twice annually. Based on the assessment results, we implement corresponding adjustments to employee positions, including promotions, renewals, transfers, or terminations. Additionally, we have established an expedited review channel for outstanding performers, which facilitates the accelerated career development of top talent. For professional and technical personnel, we conduct professional and technical position reviews twice annually.

In 2025, Morimatsu LifeSciences revised the *2025 MLS Production Department Employee Self-Initiated Promotion and Demotion Management Policy* to better enhance frontline employees' willingness and internal drive to learn professional technologies and solidify their operational skills.

Employee Rights

Morimatsu provides sincere care for its employees and strives to build a harmonious and positive work environment. We have established a diverse and comprehensive compensation and benefits system to support employees in achieving work-life balance. We consistently listen attentively to employee feedback and actively respond to their needs.

Compensation and Incentives

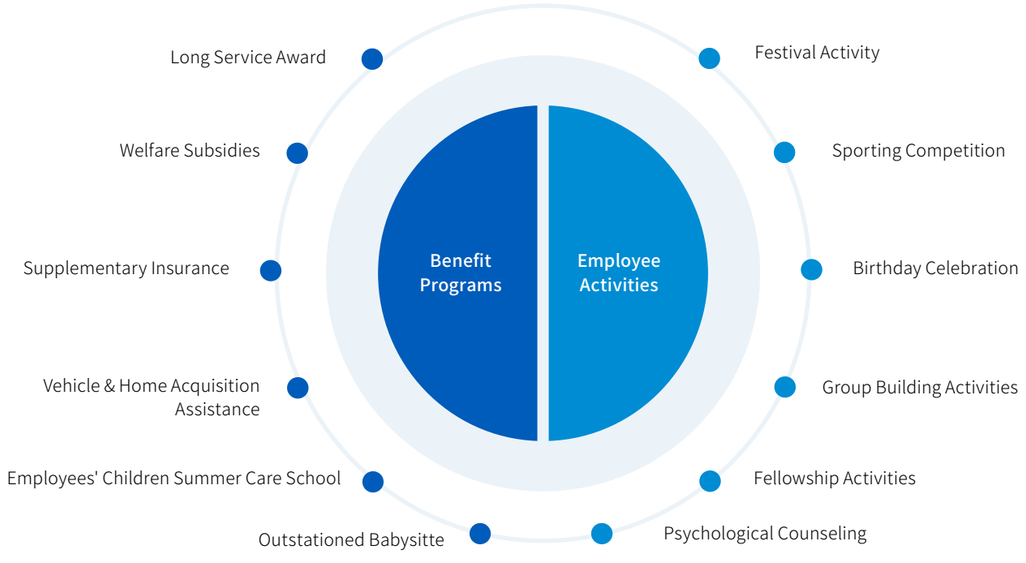
Morimatsu provides employees with fair and market-competitive compensation and benefits. We continuously optimize our compensation system to ensure a reasonable structure and effective incentives, fully recognizing and rewarding employees' contributions and value. Currently, Morimatsu's employee compensation primarily consists of base salary, post-based salary, position allowances, and performance-based wages, designed to comprehensively reflect employees' capabilities, responsibilities, and performance.

We are committed to sharing the fruits of development with our employees. We have implemented a long-term equity incentive mechanism to recognize employee contributions and continuously motivate them to create value for the Company's long-term growth.

Benefits System

Morimatsu continues to refine its non-compensation benefits system while strictly adhering to national regulations and implementing comprehensive statutory benefits. Through diversified benefit programs and employee care activities, we provide support and warmth to every member in a manner that closely aligns with their needs. Morimatsu has systematically established a comprehensive employee care system covering health care, benefits support, and work-life balance. We provide employees with benefits medical examinations and establish daily care measures such as holiday subsidies, birthday gifts, and high-temperature allowances. Additionally, through special programs, we offer financial support for eligible employees' needs, including vehicle and housing purchases, to alleviate their temporary economic pressures. In parallel, to promote work-life balance, we regularly organize employee social events, provide nannies for family care support, and offer childcare services for employees' children during school holidays such as winter and summer breaks. In addition, Morimatsu actively organizes employees to participate in diverse team-building and cultural and sports activities to enrich their leisure lives, enhance team cohesion, and foster a sense of belonging.

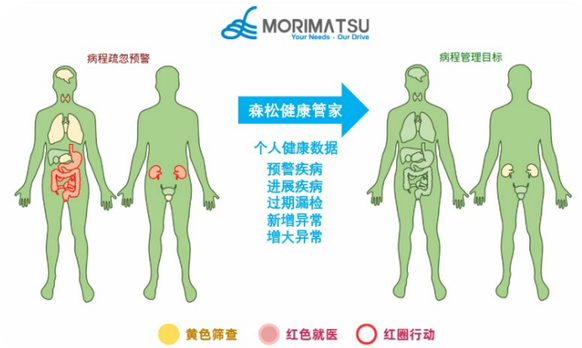
Morimatsu's Important Benefit Programs



CASE **Morimatsu Employee Health Steward**

Morimatsu provides a full-cycle solution for employee health management through digital means. In 2018, it introduced the "23Care Health Steward" digital health management tool to establish an individualized dynamic health warning digital management system for key employees, shifting from passive reimbursement assistance for major illnesses such as cancer to proactive risk management. We focus on the three core elements for improving cure rates of critical illnesses—time, technology, and responsibility—to provide employees with individualized risk assessment, customized health check-ups, medical access support, and self-risk control measures:

- Establish tools such as the *Disease Progression Management Form* and *Abnormal Tracking Form* to conduct disease progression analysis and indicator early warning, achieving a 100% coverage rate for key employee common cancer risk management and a 100% support rate for screening and medical consultation.
- We provide the "Digital Health Radar" and "Morimatsu Health Decision Card" to every key employee to improve compliance with medical follow-ups, thereby increasing the cure rate for common serious diseases. The compliance rate for standardized screening and medical actions among key employees has reached 90%.



Morimatsu applies this digital health management tool to help key employees identify early cancer risks and provide continuous medical care guarantees, effectively improving the cancer cure rate. Morimatsu's innovations and their effectiveness in the field of cancer prevention and treatment for key employees have received high recognition from the Cancer Prevention and Screening Professional Committee of the Shanghai Anti-Cancer Association, earning the "2025 Best Employee Health Protection Support Award".



2025 Best Employee Health Protection Support Award

CASE **Morimatsu conducted Traditional Chinese Medicine therapeutic activities.**

To care for the physical and mental well-being of our employees, we have carefully prepared a series of Traditional Chinese Medicine (TCM) therapeutic services. These include signature offerings such as TCM pulse diagnosis, soothing massage, cupping therapy, and one-on-one health consultations. We provide personalized health advice and conditioning recommendations to every employee, helping them gain a deeper understanding of their own health status and effectively enhancing their health awareness.

CASE **Morimatsu LifeSciences Conducts Summer Cooling Activity**

To ensure the safety and health of frontline employees working in high-temperature environments, we systematically implement a dual-safety escort plan that "prioritizes both production safety and personnel safety". We have uniformly installed air conditioning systems across all workshop areas to ensure suitable ambient temperatures in primary operational zones. For areas not yet covered by air conditioning, industrial ice machines are activated during high-temperature periods to provide targeted cooling. A heat warning mechanism has been established for temperatures at or above 35° C, ensuring timely distribution of cold beverages and other heatstroke prevention supplies to relevant staff. We are committed to improving working conditions in high-temperature environments to effectively safeguard employee health and operational safety, thereby enhancing the overall level of workplace protection.



The "Cooling Relief Team" visited various workshops to extend care to frontline employees

Employee Activities



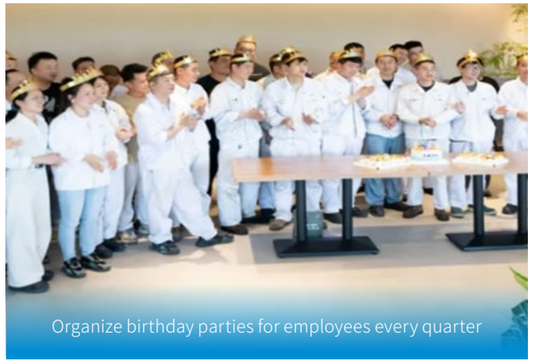
Morimatsu LifeSciences Union Christmas & Welcome Activity



Morimatsu LifeSciences Union Suzhou Cultural and Tourism Activities



Reading board game group building activities



Organize birthday parties for employees every quarter

Assistance for Special Groups

Morimatsu is committed to optimizing support policies for vulnerable groups, reducing practical work barriers and alleviating stress. The Company provides warmth and care, offering precise and personalized assistance tailored to different types of vulnerable individuals facing difficulties.

CASE **Care for Employees with Disabilities**

To facilitate the work and daily lives of employees with disabilities, we have constructed accessible ramps and accessible restrooms within the factory premises to effectively address their practical needs. In the next step, Morimatsu will continue to monitor relevant employment policies. While ensuring safe production and job suitability, the Company will further improve barrier-free facilities, broaden employment channels for employees with disabilities, and steadily enhance the quality and effectiveness of fulfilling social responsibilities.

Women's Care

Morimatsu places high value on safeguarding the rights and interests of female employees. By improving care mechanisms and optimizing the work environment, we provide concrete support for their career development. Morimatsu addresses the basic needs of female employees during lactation by providing maternity benefits, regularly organizing exclusive care activities for women, and establishing dedicated nursing rooms in office spaces equipped with necessary supplies.

CASE **Morimatsu Opens a Loving Mother-and-Child Room**

Morimatsu has established a nursing room in its office area, equipped with a refrigerator, sterilization cabinet, air conditioning, comfortable seating, and emergency supplies to provide a private, safe, and hygienic dedicated space for breastfeeding mothers. In the future, we will also invite parenting experts to deliver lectures to help employees gain a deeper understanding of childcare knowledge and alleviate parenting anxiety.

Communication Mechanism

Morimatsu has always believed that sincerity, trust, and respect form the essential foundation for employees' healthy mindset and a harmonious team atmosphere. To this end, we are committed to establishing an environment of equality and open communication, safeguarding employees' rights to freedom of association and collective bargaining, and refraining from interfering with their voluntary right to join trade unions.

We have established a multi-channel and multi-form communication system to facilitate employee feedback and expression. Through diversified communication platforms including proposal submission systems, employee satisfaction surveys, trade union representative congresses, regular all-staff meetings, anonymous feedback mechanisms, and cross-departmental exchanges, we ensure that employees can express their opinions. We actively listen to and respond to the voice of every employee, enhance their participation in the Company's development, and promote collaborative progress between employees and the Company. To further ensure the effective implementation of employee communication mechanisms, Morimatsu LifeSciences has incorporated the execution status of departmental symposiums into one of the key performance indicators (KPIs) for department leaders.

In the event of damage to interests or unfair treatment, employees may submit feedback or complaints at any time. Relevant functional departments and the trade union will provide timely assistance in areas such as labor rights protection, occupational psychological support, and grievance handling. We will strictly protect the complainant's personal information, conduct a thorough investigation, and promptly provide feedback on the handling results to the relevant employees.

Employee Satisfaction Survey

Morimatsu consistently values employees' genuine feelings by regularly collecting feedback through multiple channels and publicly disclosing the implementation status. This approach drives management to promptly optimize work processes, ensuring that employee voices truly become a driving force for organizational progress.

In 2025, we conducted a specialized satisfaction survey focused on daily services including cleaning, catering, security, and commuter shuttle buses. Based on collected employee feedback, the Company promptly implemented measures such as optimizing shuttle bus routes and improving cafeteria meals, demonstrating its commitment to continuously enhancing its capacity to serve employees.

Occupational Health and Safety

Morimatsu remains committed to safeguarding employee health and safety, continuously investing resources to optimize the working environment, and systematically conducting safety training and capacity building. Morimatsu continuously refines emergency response plans and risk management mechanisms to effectively reduce various hazards in the workplace. We strictly comply with the laws and regulations of the jurisdictions in which we operate. We have established a policy framework including the *Work Safety Management System*, the *Occupational Health and Safety Management Regulations*, the *Occupational Health Monitoring and Archiving Management System*, and *Labor Protection Articles Management Regulations* to solidify our management foundation. At the same time, we actively introduce internationally advanced safety management methods and implement standardized work processes to ensure the systematic, standardized, and effective nature of health and safety management.

In 2025, the Morimatsu LifeSciences Suzhou Plant has obtained the ISO 45001 occupational health and safety management system certification. The Shanghai Plant 3 has not yet undergone certification due to ongoing construction activities this year. We will actively advance the renewal process in the future.

In 2025, our total investment in occupational health and safety amounted to approximately RMB **3.507** million.


DNV

管理体系认证证书

766522-2025-ASA-RGC-RvA

兹证明

森松（苏州）生命科技有限公司

中国江苏省常熟市碧溪街道兴港路2号 统一社会信用代码：91320581MA274TFL5R

职业健康安全管理体系符合：

ISO 45001:2018标准

此证书对下列范围有效：

压力容器，成套设备，工程系统

模块及其钢结构的设计、制造、安装和服务；成套设备的开发（资质范围内）

Occupational Health and Safety Management System Certification

Health and Safety Management

Morimatsu has established a systematic and effective health and safety governance structure to fully implement health and safety management. We established the *Twelve-Point Assessment Regulations for Employee HSE Behavior* to link health and safety with the performance appraisal of all employees. In addition, we have established a "HSE Risk Guarantee Fund" mechanism. Quarterly and annual rewards and penalties are implemented based on safety management performance and the achievement of annual safety targets. Department heads whose HSE management is rated as "non-compliant" in the annual assessment shall be disqualified from promotion and merit evaluation for that year.

Highest Responsible Person

General Manager

Management Authority and Responsible Department

Safety Production Committee and HSE Department

Morimatsu Health and Safety Management System

Putting People First and Prevention First

Active Advocacy and Full Participation

Exemplary Practice and Continuous Improvement

Morimatsu HSE Policy



To ensure the effective operation of the occupational health and safety management system, Morimatsu has established clear health and safety management objectives and implemented a regular review mechanism, creating a closed-loop management process from objective setting to execution review. At the same time, we incorporate the safety management of contractor personnel into our own management objectives to further promote comprehensive coverage of safety management.

- Work-related injury incidents ⩽2, with no serious injuries or work-related fatalities
- Occupational health inspection rate: 100%
- 100% coverage of employees in safety education and training
- Level II Standardization of Work Safety is effectively operating

Morimatsu Health and Safety Management Objectives

Health, Safety and Risk Management

To continuously strengthen health and safety management, Morimatsu has deeply integrated systematic risk management into daily operations. We regularly conduct health and safety risk identification and assessment, issue the *Occupational Hazard Factors Monitoring Report*, and implement targeted control measures and emergency plans. Simultaneously, we established a standardized mechanism for accident and incident investigation and root cause analysis to fundamentally prevent recurrence and comprehensively safeguard the health and safety of employees, customers, suppliers, and the public.

Risk Assessment

- Systematically identify potential hazard sources in workshops and positions, and conduct specialized safety risk detection and assessment regarding the chemical and physical factors involved.

Risk Check

- Establish and implement a safety flight inspection mechanism for project sites. Conduct systematic reviews of safety document compliance and on-site operational execution every two months, with a focus on key areas including entry documentation, special operation management, employee work practices, equipment and facility status, and waste generation and discharge.

Management Initiatives

- Weekly safety production meetings and monthly all-staff morning safety meetings are conducted to effectively control safety production risks.
- Establish a comprehensive emergency response plan system and conduct regular drills to ensure that response procedures can be rapidly activated and effectively executed in various emergency situations.
- Based on the results of occupational health and safety performance monitoring, internal and external audits, and management reviews, improvement measures shall be established and implemented to form a continuous optimization loop, thereby promoting the dynamic enhancement of the occupational health and safety management system.

Morimatsu Health and Safety Risk Assessment, Inspection, and Management Initiatives

Management of Hazardous Chemicals

Based on the actual use of hazardous chemicals in its business operations, Morimatsu conducted a comprehensive assessment of related health and safety risks. The Company is committed to building a full lifecycle management system covering procurement, storage, usage, and disposal, continuously strengthening management capabilities and execution safeguards to ensure that all links remain under safe control.

Procurement

- For suppliers of hazardous chemicals, we conduct a focused review to verify that they hold the relevant *Hazardous Chemical Operation License* and that their designated logistics providers possess the *Hazardous Chemical Road Transportation License*, ensuring the safety of hazardous chemical supply.

Usage Phase

- Strictly adhering to the ISO 14001 and ISO 45001 standard frameworks, we have formulated and implemented management procedures such as the Chemical Usage Policy and the *Chemical Spill Contingency Plan*. These procedures establish clear regulations for the entire lifecycle of chemical handling, including storage, operation, and disposal, to prevent safety incidents such as spills.
- Specialized safety training is regularly organized for employees in relevant positions to consolidate their safety awareness and emergency response capabilities.

Morimatsu Hazardous Chemical Management Initiatives

Contractor Safety Management

Morimatsu strictly manages contractor safety by integrating it into the overall EHS management system. During the contractor onboarding phase, we conduct a comprehensive review of their safety management systems, relevant qualifications, and historical safety performance to ensure compliance with regulations and company policies. All contractors are required to sign a series of health and safety documents, including the *Occupational Health, Safety, and Environmental Protection Agreement* and the *Site Entry Safety Commitment* in written form to explicitly state and commit to complying with the Company's various health, safety, and environmental requirements.

In 2025, we updated the *Contractor Safety Management Policy* to adjust and further clarify requirements regarding contractor safety insurance and the establishment of safety officers. Morimatsu LifeSciences has collaborated with a third-party professional agency to implement contractor safety management, ensuring compliance with local regulatory requirements. We conducted a specialized risk identification for the production processes where accidents occurred, optimized operational procedures, and installed dedicated auxiliary tools. We required all workshops to organize specialized risk education sessions to prevent similar incidents from recurring.

Morimatsu's Safety Management Requirements for Contractors

- Provide employees with pre-employment medical checkups; ensure employees exposed to occupational hazards undergo occupational health examinations.
- Secure work-related injury insurance and accident insurance coverage for all employees.
- Ensure all employees performing specialized operations hold the relevant qualification certificates.
- Conduct safety inspections of equipment and tools prior to entry.
- Conduct regular safety inspections of construction operations.
- Implement timely corrective measures to address safety hazards identified by Morimatsu.
- Develop safety training programs to educate all newly onboarded employees on safety protocols, operational procedures, and emergency response measures. Actively participate in Morimatsu's organizational safety training.
- Formulate emergency response plans and implement regular emergency drills to enhance emergency response capabilities.

Occupational Health Management

Morimatsu has established a systematic occupational health and safety management system, including the *Responsibility System for Prevention and Control of Occupational Disease Hazards*, the *Warning and Notification System*, and the *Occupational Disease Hazards Disposal and Reporting System* to ensure effective implementation of relevant work. Morimatsu strictly implements the "one person, one file" management system for employee health records to ensure their integrity, standardization, and traceability.

Morimatsu continues to refine its occupational health and safety management system by systematically configuring protective equipment and facilities for occupational diseases, regularly organizing safety inspections and occupational health examinations, thereby establishing a working mechanism that prioritizes prevention and operates on an ongoing basis. To address potential occupational health risks, we have established a comprehensive management mechanism covering the entire process from emergency response and root cause analysis to the implementation of corrective measures, aiming to minimize the hazards and impacts of related incidents. In 2025, the coverage rate of occupational health examinations for employees exposed to occupational hazard factors reached 100%. Morimatsu strictly complies with all professional occupational health laws and regulations. In 2025, no significant penalties, lawsuits, claims, or disciplinary actions occurred.

Occupational Disease Prevention Facilities and Measures

- Labor protection equipment such as masks, face shields, and safety goggles is provided to employees, with continuous supervision maintained.
- Establish an employee psychological counseling room to provide professional mental health support and consulting services for employees.
- We conduct annual testing of occupational hazard factors at production sites to ensure the working environment complies with national occupational health standards.
- For dust-generating work areas, dedicated dust collection systems shall be installed to control the dispersion of dust at the source.
- Physical protective barriers shall be installed in the laser processing area to prevent laser radiation from causing injury to operators.

Occupational Health Examination

- We provide occupational health examinations for employees covering the entire lifecycle from pre-employment to post-departure, systematically screen and manage suspected occupational diseases and occupational contraindications, and achieve full-process monitoring of occupational health risks.

Morimatsu Occupational Health and Safety Management Initiatives



Safety Culture Construction

Morimatsu is committed to building a safety culture system that engages all employees. Through continuous education and guidance, the company transforms safety concepts into shared awareness and conscious actions among its workforce. We regularly organize specialized activities such as core skills training and knowledge competitions for safety management personnel. Affiliated companies simultaneously carry out multiple practical safety skills drills and emergency response exercises to effectively enhance employees' on-site risk coping capacity.

In 2025

Morimatsu organized a total of **62** occupational health and safety training sessions

9 Safety drills

Achieving a **100%** coverage rate for occupational health and safety training





Morimatsu LifeSciences organizes theoretical and practical examinations for crane lifting operations

CASE **Morimatsu organized first aid training**

In July 2025, Morimatsu invited personnel from the Shanghai Red Cross Society to conduct first aid training. Participating employees passed the assessment and obtained relevant certificates. This training effectively equipped employees with fundamental first aid skills, enhanced their ability to respond promptly to sudden injuries or illnesses in the workplace, and further strengthened overall emergency response capabilities.





First Aid Training

CASE **Morimatsu LifeSciences Organized Conducts Fire Emergency Drill**

In November 2025, Morimatsu LifeSciences conducted a fire emergency drill combining on-site practical exercises with system linkage verification, under the theme of "Workshop Fire Emergency Response and Multi-System Linkage Disposal". Through simulating sudden fire scenarios, we effectively tested the coordination of the Company's fire alarm system, emergency evacuation mechanisms, and firefighting response actions. This initiative comprehensively enhanced employees' overall capabilities in emergency escape, fire prevention and extinguishing, and pollution control, ensuring safe and efficient firefighting operations.



Fire Emergency Drill

Social Engagement and Contribution

Morimatsu has always regarded fulfilling social responsibilities as a key component of driving sustainable development. The Company actively engages in public welfare initiatives and gives back to society through concrete actions. We focused on two core themes: social contribution and compassionate public welfare. We carried out diverse activities including international cooperation in vocational education, support for the elderly, environmental protection, and health promotion. These efforts extend care to every corner of the community, contributing to the construction of a warmer and more inclusive social environment.

Social Contribution

Morimatsu actively responds to the call for international cooperation in vocational education under the Belt and Road Initiative by establishing the Morimatsu-Shanghai Zhongqiao International Class talent program with Shanghai Zhongqiao Vocational and Technical University, systematically supporting the cultivation of skilled youth talents in Malaysia. We not only provide students with opportunities for professional learning and industry practice but also are committed to integrating advanced technologies and educational expertise locally. This supports Malaysia in building a sustainable local talent ecosystem and contributes long-term value to regional economic and social development.

CASE **Morimatsu - Zhongqiao International Class Talent Program**

The Morimatsu-Zhongqiao International Class Talent Program is a talent development initiative launched by Morimatsu to meet the dual needs of academic advancement and employment. By combining theoretical knowledge learning with hands-on workshop training, the program equips students with production and management skills, empowering them to become professional talents.

In October 2025, the second cohort of the Morimatsu-Zhongqiao International Program officially commenced, and Malaysian students formally enrolled. While providing learning and practical opportunities, we also offer them meticulous care in their daily lives. This project provides full scholarships and grants to Malaysian students, significantly alleviating their financial pressure. We have assigned a Morimatsu "Corporate Academic Mentor" to every student, establishing a profound bond that is both teacher-like and friend-like, covering academic pursuits, daily life, cultural adaptation, and career guidance. We also facilitated their rapid integration and strengthened interpersonal bonds through holiday events and gift-giving.

This project not only meets the talent needs of Morimatsu's Malaysia plant but also transfers professional technology to Malaysia's machinery manufacturing sector. It contributes to cultivating scarce professional talents in the industry, further facilitates cultural exchange between China and Malaysia, broadens employment opportunities for the new generation in Malaysia, and helps achieve a win-win outcome in localized talent development and industry talent growth.



Morimatsu - Zhongqiao International Class Opening Ceremony

Public Welfare and Community Service

As a vital member of society, Morimatsu consistently upholds the spirit of public welfare by actively engaging in various social charitable activities. We are dedicated to spreading warmth and care, contributing to the construction of a more harmonious and inclusive society. We have long focused on vulnerable groups within the community. Through diverse public welfare activities such as caring for the elderly, organizing voluntary blood donation drives, and participating in environmental cleanup initiatives, we actively fulfill our corporate social responsibilities to foster the common development of the community.

CASE **Morimatsu organized a public blood donation event**

In November 2025, Morimatsu organized employees to participate in a public blood donation drive. Nearly 100 colleagues donated blood, with a total volume of 23,200 ml. As a continuing tradition of public welfare, Morimatsu organizes employee blood donation activities annually. Most employees have actively responded to the call and participated in these charitable blood donation events multiple times. For employees participating in voluntary unpaid blood donation, we also provide appropriate paid leave as an incentive to jointly contribute to public welfare.





Charitable Blood Donation Activity

CASE **Morimatsu LifeSciences Conducts Mid-Autumn Festival Care Social Activity**

During the Mid-Autumn Festival in 2025, Morimatsu LifeSciences conducted a social care activity titled "Autumn Moon Brings Coolness, Love Warms Humanity" at sanitation work sites and the Changshu Binjiang Fire Rescue Station, extending holiday greetings and special gratitude to sanitation workers and firefighters.





Mid-Autumn Festival Community Care Activity

07

Prudent Operations

99 Compliant Operations

101 Corporate Responsibility



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Guided by scientific decision-making and relying on a sound corporate governance structure, Morimatsu integrates comprehensive risk management and internal control throughout its entire operations, adhering to compliant practices. Through continuously improving corporate governance and actively fulfilling social responsibilities, we have built a solid foundation for providing compliant, high-quality products and services to customers, while laying a long-term cornerstone for the Company's sustainable development.

Compliant Operations

We consistently adhere to compliant operations and continuously improve our compliance management, risk management, and internal control mechanisms. We strengthen the compliance defense line and uphold the bottom line of business operations.

Compliance Management

Morimatsu strictly adheres to laws and regulations such as the *Company Law of the People's Republic of China*, as well as regulations including the *Hong Kong Standards on Auditing*, the *China Internal Auditing Standards*, and the *Listing Rules* of the Stock Exchange of Hong Kong, to formulate and implement the *Internal Control and Audit Management System*. We have established and improved a compliance system to form an effective internal compliance risk management mechanism, embedding compliance awareness into corporate operations and management.

To continuously strengthen compliance management, Morimatsu strictly adheres to the annual internal control audit process and collaborates with the Group's Internal Control & Audit Department to conduct systematic internal audits, fully verifying the effective implementation and continuous operation of all compliance management measures. As an independent oversight department, the Internal Control & Audit Department incorporates compliance audits into its business and financial audit processes. This includes evaluating conformity between internal policies and external regulations, as well as assessing the effectiveness of policy implementation, thereby systematically ensuring the legality and compliance of corporate operations.

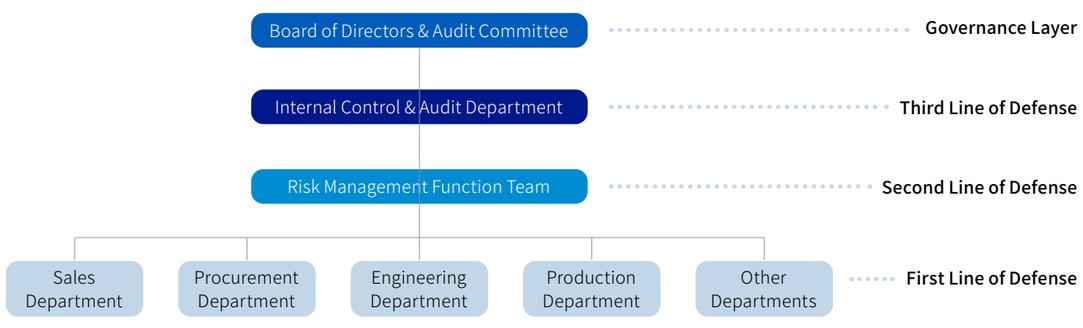
The Company strictly adheres to the reporting procedures and investigation and handling mechanisms established by the Group. It has established and publicly disclosed a hotline and email address for reporting, with designated departments promptly conducting investigations and driving corrective actions. Based on the findings from whistleblower investigations and regular inspections, we conduct dynamic assessments and continuous optimization of our compliance management system. The Company's management team regularly reviews the operational status of this system.

In 2025, the Group's Internal Control & Audit Department organized a corporate compliance sharing session for all management cadres. The initiative aims to enhance the management team's proactive identification and systematic coping capacity regarding compliance risks. It is also committed to strengthening the leadership role of management cadres in compliance and raising risk prevention awareness among all employees.

During the Reporting Period, we had no cases of legal disputes arising from illegal operations.

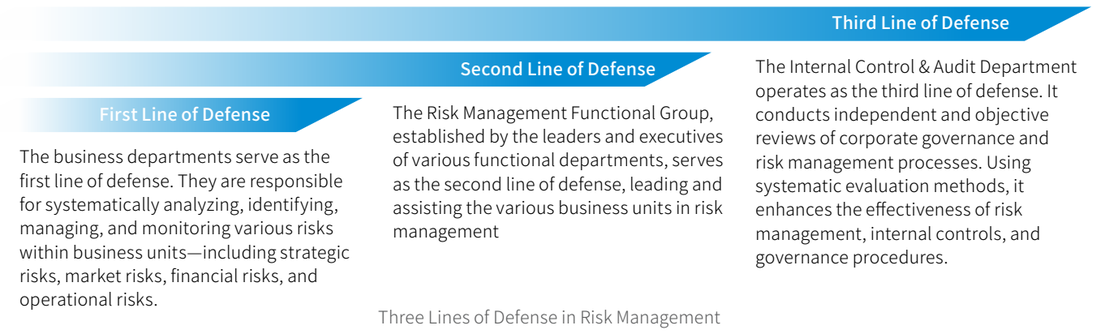
Risk Management and Internal Control

The Company adheres to the three-tier architecture of risk management and internal control established by the Group, comprising the governance layer, management layer, and execution layer. It systematically advances risk management work in accordance with the principles of comprehensiveness, prudence, independence, effectiveness, and timeliness.



Risk Control Management Structure

The Company has established a three-line defense model for risk management, clearly defining the specific positioning and division of responsibilities for each department in risk management work to ensure that risks are effectively identified, assessed, and addressed.

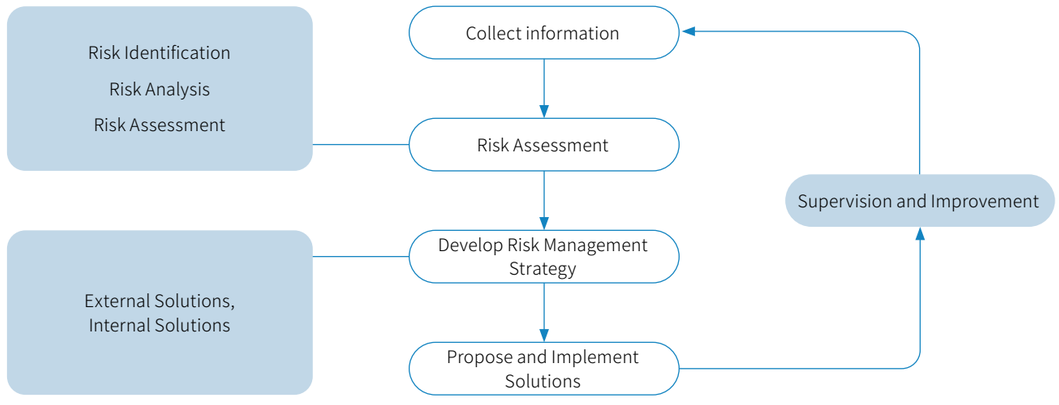


Three Lines of Defense in Risk Management

The Group's Board of Directors serves as the highest decision-making body for risk management and internal monitoring. It is responsible for assessing and determining the nature and extent of risks that the Group is willing to accept in achieving strategic objectives, and for supervising management's design, implementation, and oversight of the risk management and internal monitoring systems. The Group's Board of Directors conducts an annual review and assessment of the effectiveness of relevant policies to ensure their continued appropriateness, robustness, and efficient operation.

The Group has established a dedicated Internal Control & Audit Department to perform internal audit functions. This department supervises the design and implementation of internal control policies and continuously analyzes and assesses the adequacy and effectiveness of risk management and internal monitoring systems, reporting assessment results to the Audit Committee.

The Risk Management Functional Team strictly conducts its work in accordance with the *Working System of the Risk Management Team* and establishes and regularly updates the risk register. The committee convenes twice annually to discuss current and potential future risks facing the Group. By assessing the probability of occurrence and the magnitude of potential impact, it evaluates and prioritizes various risks. To further enhance the agility of risk response and the forward-looking nature of control measures in addressing rapid changes in the external environment, such as geopolitical shifts, the Group has decided to adjust the frequency of the Risk Management Functional Team meetings to quarterly, effective from 2026. Based on the urgency and severity of specific risk events, we formulate corresponding risk management strategies, propose and implement solutions, and continuously monitor the effectiveness of risk responses to achieve closed-loop optimization of the risk management process.



Risk Management Process

Corporate Responsibility

In our continuous pursuit of business excellence and steady development, we consistently regard business ethics and an integrity culture as core elements in fulfilling corporate responsibility. We firmly believe that only by upholding integrity as the guiding principle and ethics as the standard can we truly build sustainable competitiveness, contribute to fostering a fair and orderly market ecosystem, and earn long-term trust from all stakeholders.

Business Ethics

Morimatsu is committed to upholding the highest standards of business ethics, integrity, and equity. The Company strictly complies with all applicable laws and regulations regarding business ethics in its operating locations. It has established internal policies including the *Code of Business Conduct*, the *Letter of Commitment of Integrity and Self-discipline*, *Confidentiality Agreement, Anti-Bribery and Anti-Corruption Management System,* and *Anti-Fraud Management System*. Morimatsu firmly resists unfair competition practices and integrates these business ethics standards throughout its business activities and management practices. In 2025, we amended the *Whistleblowing Management Policy* to enhance the effectiveness and transparency of our reporting and investigation handling mechanisms. We believe that fair and standardized competition will enhance market transparency, enabling us to better serve our clients with products and services.

To mitigate risks related to anti-corruption and anti-bribery, the Company has implemented the following measures:

Ethical Requirements

Morimatsu is committed to fully integrating Ethics and compliance requirements into its corporate operations, requiring all employees to adhere to the code of Ethics when conducting business activities. We have clearly stipulated anti-corruption and anti-bribery behavioral standards in our *Code of Conduct for Employees* and require employee to sign the *Letter of Commitment of Integrity and Self-discipline.*

Furthermore, we require business partners to implement anti-bribery control measures, provide written commitments, and sign integrity agreements during cooperation.

Process Compliance

In corporate management, we implement rigorous and comprehensive financial control measures. We adhere to the requirements of segregation of duties and authorization approval for payment processing to ensure compliance with the payment procedures. We have also strengthened controls in non-financial areas such as procurement, operations, sales, human resources, and legal and regulatory activities to comprehensively prevent risks.

At the same time, the Company also conducts regular compliance inspections on high-risk businesses, activities, business partners, and personnel in specific positions to ensure that all control measures are effectively implemented.

Specialized Training

Regularly participate in the Group's anti-corruption and anti-bribery thematic training to enhance the compliance awareness of directors and employees regarding anti-corruption and anti-bribery. Annually, the Legal Department conducts training on business ethics and professional integrity for personnel involved in procurement and sales activities across all departments.

To continuously strengthen corporate integrity governance, the Company has established open and transparent reporting procedures and investigation and handling mechanisms. We have published contact information on our official website to ensure that the Company's customers, suppliers, and other business partners can report suspected or actual bribery. We conduct at least two annual reviews of the operations of the whistleblower hotline and the General Manager's mailbox. If reports related to business Ethics are identified, we intervene in the investigation promptly.

After receiving a complaint, the relevant department will be notified and conduct an investigation.

↓

After obtaining the preliminary investigation results, the relevant department will interview the whistleblower.

↓

Based on the interview and the investigation results, the relevant department will notify the complained party to assist in investigating the violation.

↓

If the violation is confirmed to be true, the group will handle it fairly in accordance with relevant systems.

Complaint Acceptance Process[4]

The Company has established a whistleblower protection policy to ensure the independence of personnel responsible for receiving and managing reports, while strictly regulating the access permissions of reception staff and whistleblowing information. All personnel responsible for receiving, recording, and processing reports, as well as those with access to report information, must fulfill strict confidentiality obligations. Any access to whistleblower materials and archives must be approved by management.

During the Reporting Period, the Company had no litigation cases related to anti-corruption and anti-bribery, and there were no unfair competition or other improper business practices in the Company's commercial activities.

Culture Construction

Morimatsu places high importance on cultivating an integrity culture, is committed to creating a clean and upright, fair and transparent working atmosphere, and builds a clean, transparent, and compliant business ecosystem for all stakeholders.

We regularly organize participation in the Group's compliance management training annually. The content covers key areas such as anti-corruption and anti-bribery, systematically promoting compliance policies and processes. This initiative continuously enhances all employees' integrity awareness and moral self-discipline, thereby consolidating and fostering a corporate culture that upholds business ethics.

[4] "Relevant departments" are mainly departments that handle reported information, including the Audit Committee, managers of each company, etc

Appendix I: ESG Performance Table

Social and Governance Performance Table

Indicator		Unit	2025
Anti-Corruption			
Signing rate of the annual integrity and self-discipline commitment letter		%	100
Corruption Litigation Cases		Case	0
Employment[5]			
Number of Employee		/	1,997
Number of Employee by Employment Type	Permanent employee	/	1,961
	Contractor[6]	/	36
Number of Employee by Gender	Male	/	1,554
	Female	/	443
Number of Employee by Age	30 years old and below	/	633
	31-40 years old	/	837
	41-50 years old	/	404
	51 years old and above	/	123
Number of Employee by Nationality[7]	The Chinese Mainland	/	1,831
	China Hong Kong, Macao and Taiwan Regions	/	0
	Overseas Regions	/	166
Number of Employee by Function Type	Employees engaged in production work	/	487
	Employees not engaged in production work	/	1,510
Overall Employee Turnover		/	223
Employee Training			
Total Hours of Employee Training		Hour	29,268.54
Average Training Hours for Employee[8]		Hour	14.66
Average Training Hours per Employee by Gender	Male	Hour	14.25
	Female	Hour	16.07
Percentage of Employees Trained by Gender	Employees engaged in production work	Hour	12.85
	Employees not engaged in production work	Hour	15.24
Training participation rate by gender	Male	%	100.00
	Female	%	100.00
Participation Rate by Job Level	Employees engaged in production work	%	100.00
	Employees not engaged in production work	%	100.00

Indicator	Unit	2025
Health and Safety		
Work-Related Fatality Rate	%	0
Number of Workplace Fatalities	Case	0
Number of Work-Related Injury Incidents	Case	2
Lost Workhours Due to Work-Related Injuries	Hour	784
Lost Workdays Due to Work-Related Injuries	Day	98
Community Engagement Contributions		
Total Volunteer Service Hours	Hour	43
Public Welfare Investment Amount	RMB 10,000	2.99
R&D Innovation		
R&D Investment	RMB 10,000	13,321
R&D Personnel	/	227
Number of Self-Developed Projects	Number	35
Intellectual Property		
Number of Participants in Intellectual Property Training	/	253
Number of Hours of Intellectual Property Training Participation Hour	Hour	379.5
Valid Patent	Number	258
Valid Software Copyright	Number	70
Privacy Protection and Information Security		
Number of Information Security Training Time	Time	1
Significant Information Security and Data Leakage Incidents	Case	0
Product Safety and Quality		
Pass Rate for the Primary Inspection of the Products	%	98.24
Pass Rate for the Primary Welded Seams	%	98.47
Incidents of Products and Services Affecting Customer Health and Safety	Case	0
Customer Service		
Comprehensive Customer Satisfaction	%	98.64
Major Products and Services Complaints	Case	0
Incidents Related to Information and Labeling of Products and Services	Case	0
Incidents Related to Marketing Communication Violations	Case	0
Supplier Management		
Total Number of Suppliers	Count	1,888
The Chinese Mainland Suppliers	Count	1,104
China Hong Kong, Macau, Taiwan Regions and Overseas Suppliers	Count	784

[5] Employee counts categorized by gender, age, nationality, and function type are calculated based on total workforce headcount, inclusive of permanent employees and contractors

[6] This encompasses labor contract employees in Mainland China and part-time employees at overseas regions

[7] Categorization is implemented according to employee nationality

[8] Average training hours for employees = (Total training hours completed by employees within the category) / (Number of trained employees in the category)

Environmental Performance Table

Indicator		Unit	2025
Environmental Management			
Greenhouse Gases[9]	Scope 1 GHG Emissions	Metric Tonnes of CO_2 Equivalent	540.44
	Scope 2 GHG Emissions	Metric Tonnes of CO_2 Equivalent	2,171.88
	Total GHG Emissions (Scope 1 + Scope 2)	Metric Tonnes of CO_2 Equivalent	2,712.32
	Scope 3 - Fuel and Energy-Related Activities	Metric Tonnes of CO_2 Equivalent	543.09
	Scope 3 - Waste Generated in Operations	Metric Tonnes of CO_2 Equivalent	37.78
Environmental Expenditure	Environmental Protection Tax and Sewage Discharge Fees	RMB 10,000	0.18
	Environmental Protection Equipment and Construction in Progress	RMB 10,000	0
	External Service Fees Related to Environmental Protection	RMB 10,000	37.63
Energy Use	Diesel	Metric Tonnes	16.67
	Gasoline	Metric Tonnes	37.30
	Natural Gas	10,000 Cubic Meters	7.33
	Purchased Steam	Metric Tonnes	1,500.00
	Purchased General Electricity	Kilowatt-hour	4,972,188.82
	Self-generated and Self-consumed Solar Electricity	Kilowatt-hour	3,538,365.00
Emissions			
Wastewater	Discharge Volume	Cubic Meter	184,300.20
Waste Gas	Nitrogen Oxides	Metric Tonnes	1.86
	Sulfur Dioxide	Metric Tonnes	2.00
	Particulate Matter	Metric Tonnes	0.40
	Benzene	Metric Tonnes	0
	Toluene	Metric Tonnes	0
	Xylene	Metric Tonnes	0
Solid Waste	Total General (Non-hazardous) Solid Waste	Metric Tonnes	568.17
	Total Recycled General (Non-hazardous) Solid Waste	Metric Tonnes	6.63
	Total Hazardous (Harmful) Waste	Metric Tonnes	517.89
	Total Recycled Hazardous (Harmful) Waste	Metric Tonnes	0
Resource Usage			
Water Resources	Total Water Intake	10,000 Cubic Meters	20.48
	Total Water Consumption	10,000 Cubic Meters	20.48
Packaging Materials	Paper		
	Printing Paper - Usage	Metric Tonnes	4.28
	Packaging Materials (cont.)		
	Rain-proof Cloth/Bag - Usage	Square Meters	243,666.93
	Wooden Board/Wooden Box - Usage	Square Meters	19,249.07
	Wooden Cubes/Wooden Brackets - Usage	Square Meters	448.22
	Iron Saddle/Frame - Usage	Metric Tonnes	132.86
	Tray - Usage	Square Meters	11,907.83
	Drying Agent - Usage	Kilogram	16,785.00
	Packing Tape/Plywood Tape - Usage	Meter	7,500.00

[9] The specific disclosure boundary for the greenhouse gas emissions data presented herein covers the Suzhou Plant of Morimatsu LifeSciences, and the relevant data is derived from the plant-level greenhouse gas inventory and third-party verification results.

Appendix II: SASB Index Table

Industrial Machinery & Goods

Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Corresponding Chapter
Energy Management	(1) Total energy consumed, (2) Percentage grid electricity and (3) percentage renewable	Quantitative	Gigajoule (GJ), percentage (%)	RT-IG-130a.1	Green and Low-Carbon Operations Appendix I: ESG Performance Table
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-IG-320a.1	Talent Acquisition and Retention Appendix I: ESG Performance Table
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Liters per 100 tonne-kilometres	RT-IG-410a.1	Not applicable
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Liters per hour	RT-IG-410a.2	Not applicable
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoule per litre	RT-IG-410a.3	Not applicable
	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	Quantitative	Grammes per kilojoule	RT-IG-410a.4	Not applicable
Procurement of materials	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	Lean Intelligent Manufacturing Excellence in Operations
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Presentation Currency	RT-IG-440b.1	Not applicable

Activity Metrics

Activity Metrics	Category	Unit of Measure	Code	Corresponding Chapter
Number of units produced by product category	Quantitative	Number	RT-IG-000.A	Not applicable
Number of Employees	Quantitative	Number	RT-IG-000.B	Talent Acquisition and Retention Appendix I: ESG Performance Table

Appendix III: UNSDGs Response



Morimatsu actively fulfills its corporate citizenship responsibilities by integrating philanthropy into its long-term development. Through diverse activities such as organizing blood donation drives, and extending condolences to sanitation workers and firefighters, we actively give back to society, convey warmth, and are committed to building a more inclusive and harmonious community environment.



We prioritize employee health and safety by establishing a systematic framework and allocating resources to build a robust protection network. In 2025, approximately RMB 3.5 million was invested in the field of occupational health and safety. By strictly enforcing the health and safety inspection policy, we achieved 100% coverage of occupational health examinations for employees exposed to workplace hazards. We successfully maintained zero fatalities and zero major work-related injuries, demonstrating significant results in safety management.



In safeguarding employee rights and interests, we are committed to providing comprehensive care. Building upon the statutory implementation of legally mandated benefits, we have launched a long-term equity incentive plan to share development outcomes. Additionally, through daily welfare measures such as holiday subsidies, birthday care, and high-temperature allowances, alongside specialized initiatives like financial support for housing and vehicle purchases, we effectively assist employees in alleviating pressure while enhancing their sense of gain and well-being.



We firmly believe that diversity and inclusion are the source of innovation and fully implement equal employment. The Company strictly prohibits any form of discrimination and actively fosters a diverse team. As of the end of the Reporting Period, women accounted for 22.18% of the Company's employees, with women comprising 27.95% of non-production roles. Concurrently, we actively recruited ethnic minority and disabled employees; ethnic minorities represented 3.61% of the workforce, and 19 individuals with disabilities were employed.



Morimatsu actively conducts wastewater management to ensure compliant discharge of sewage. We reduce wastewater generation by subjecting it to advanced industry-standard neutralization processes for deep treatment and reuse.



We are gradually replacing purchased electricity with clean energy and exploring multi-faceted carbon neutrality pathways. We have completed the construction of a photovoltaic equipment project with a cumulative capacity exceeding 8 megawatts at our Suzhou factory.



Morimatsu manages the entire R&D project lifecycle, from preliminary research and budget management to project initiation approval, implementation and organization, review and evaluation, acceptance of results, and archival of materials. It has established a fair and transparent incentive and assessment mechanism to promote continuous technological innovation by R&D personnel.



Guided by the principle of minimizing resource consumption, we are committed to advancing a circular economy throughout our product manufacturing processes. Our efforts focus on reducing resource usage and enhancing overall resource utilization efficiency, while also encouraging users to recycle equipment upon reaching the end of its lifecycle.



Morimatsu regards product quality and operational safety as critical control elements in business management and systematically incorporates them into its long-term development planning. We continue to advance the improvement of our quality management mechanisms, strengthen process-wide quality control, and solidify the foundation of product reliability to support sustainable business development.



Morimatsu identifies and assesses climate-related risks and opportunities, introduces scenario analysis to further evaluate climate resilience, and formulates targeted response measures.

Actively responding to the global low-carbon transformation and carbon neutrality trends, we organized GHG (greenhouse gases) inventory at key operating facilities to understand the Company's GHG inventory and current status of GHG management.



Morimatsu adheres to compliant operations and upholds the highest standards of business ethics, integrity, and Equity, integrating them into all business activities and management practices to foster sustainable corporate development and contribute to a fair and orderly market ecosystem.



Morimatsu places high importance on communication and exchange with all stakeholders. Through normalized communication mechanisms, we actively respond to the expectations and demands of stakeholders, promoting continuous improvement in our sustainable governance level.


MORIMATSU
Your Needs · Our Drive