



Consolidated Financial Results for the Six Months (First Half) of the Fiscal Year Ending November 30, 2025 [Japanese GAAP]

July 11, 2025

Company name: MORITO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9837

URL: <https://www.morito.co.jp>

Representative: Takaki Ichitsubo, Representative Director, CEO

Kiyomi Akui, Director, Managing Executive Officer, General Manager of

Contact: Corporate Management Department, and Division Manager of
Corporate Administrative Division

(Phone) +81-6-6252-3551

Scheduled date of filing

July 14, 2025

Scheduled date of commencing

August 7, 2025

semi-annual securities report:

dividend payments:

: Available

Availability of supplementary briefing material on financial results

Schedule of financial results briefing session

: Yes (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending November 30, 2025

(December 1, 2024 to May 31, 2025)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended May 31, 2025	25,805	8.7	1,570	5.9	1,713	9.4	2,359	69.3
Six months ended May 31, 2024	23,749	(1.7)	1,483	13.7	1,565	7.3	1,393	6.5

(Note) Comprehensive income: Six months ended May 31, 2025 2,766 million yen[30.4%]

Six months ended May 31, 2024 2,121 million yen[171.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended May 31, 2025	90.01	-
Six months ended May 31, 2024	52.42	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Six months ended May 31, 2025	57,125	41,034	71.8
FY2024	52,476	39,276	74.8

(Reference) Equity: Six months ended May 31, 2025 41,034 million yen FY2024 39,276 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	29.00	-	34.00	63.00
FY2025	-	33.00	-	-	-
FY2025(Forecast)	-	-	-	36.00	69.00

(Note) Revision to the latest announcement of dividend forecast : Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2025

(December 1, 2024 to November 30, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	56,000	15.4	3,200	11.5	3,300	9.9	2,800	8.9	106.63

(Note) Revision to the latest announcement of performance forecast : None

Notes:

(1) Significant changes in the scope of consolidation during the period : Yes
 Newly included: 3 companies (Ms.ID Inc., Mitsubishi Corporation Co.,Ltd. and its subsidiary)
 Excluded: None

(2) Adoption of special accounting treatment for preparing semi-annual consolidated financial statements : No

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards : Yes
- 2) Changes in accounting policies other than 1) above : No
- 3) Changes in accounting estimates : No
- 4) Retrospective restatement : No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):	May 31, 2025:	30,000,000	November 30, 2024:	30,000,000
2) Total number of treasury shares at the end of the period:	May 31, 2025:	3,795,149	November 30, 2024:	3,739,949
3) Average number of shares during the period:	For the Six months of the fiscal year ending November 30, 2025:	26,210,265	For the Six months of the fiscal year ended November 30, 2024:	26,579,700

* These semi-annual consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions judged to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

As for suppositions that form the assumptions for the forecast of financial results and cautionary notes concerning the use thereof, please refer to "(3) Forecast of Consolidated Business Results and other Forward-looking Information" in "1. Overview of Business Results, Etc" on page 6.

The Company and some of the MORITO Group companies have introduced the "Japanese version of the employee stock ownership plan (J-ESOP)" and the "officer remuneration board incentive plan (BIP) trust." Consequently, the shares of the Company held by Custody Bank of Japan, Ltd. (trust account E) and The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account), respectively, are included in treasury shares.

Table of Contents

1. Overview of Business Results, Etc.....	4
(1) Overview of Business Results for the Period under Review.....	4
(2) Overview of Financial Position for the Period under Review.....	6
(3) Forecast of Consolidated Business Results and other Forward-looking Information.....	6
2. Semi-annual Consolidated Financial Statements and Primary Notes.....	7
(1) Semi-annual Consolidated Balance Sheets.....	7
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income.....	9
Semi-annual Consolidated Statements of Income.....	9
Semi-annual Consolidated Statements of Comprehensive Income.....	10
(3) Semi-annual Consolidated Statements of Cash Flows.....	11
(4) Notes to the Semi-annual Consolidated Financial Statements.....	13
(Notes on Going Concern Assumption).....	13
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	13
(Changes in Accounting Policies).....	13
(Segment Information, Etc.).....	14
(Notes on statements of Semi-annual Consolidated Balance Sheets).....	15
(Notes on statements of Semi-annual Consolidated Statements of Income).....	16
(Business Combinations).....	17

1. Overview of Business Results, Etc

(1) Overview of Business Results for the Period under Review

The six months of the fiscal year ending November 30, 2025 (December 1, 2024, to May 31, 2025) saw the Japanese economy continue to grow at a moderate pace due to the improvement in the job market and the earnings environment as well as an increase in demand from inbound tourists. On the downside, the outlook for the future remains uncertain due to soaring resource and raw material prices, geopolitical risks such as U.S. policy trends and the situations in Ukraine and the Middle East, as well as the impact of financial and capital market fluctuations. Working against this backdrop, the MORITO Group (the "Group"), which is mainly engaged in the apparel, product, and transportation businesses, faced an uphill battle. This was due to a warm winter and overstocking in the market the year before last, weaker sales of active sports products, and sluggish performance of Japanese automotive manufacturers in China. On the upside, net sales increased due to a recovery from inventory adjustments in the Japanese apparel market, the recent consolidation of Ms.ID Inc., as well as strong sales of sports- and stationery-related products. Under its "Rideeco®" initiative aimed at realizing a sustainable society, the Group moved forward with the full-scale launch of MURON®, a fiber used entirely discarded fishing nets collected in Japan, along with the development and sales of ASUKAMI®, a mixed paper with fabric scraps from the sewing factories, with a focus on winning new business contracts.

As a result, for the six months of the fiscal year under review, net sales increased 8.7% year on year to 25,805 million yen. Operating profit was up 5.9% to 1,570 million yen, ordinary profit grew 9.4% to 1,713 million yen, and profit attributable to owners of the parent increased 69.3% to 2,359 million yen.

Exchange rates used for the conversion of revenue and expenses of the Group's overseas subsidiaries during the preparation of consolidated financial statements for the six months of the fiscal year under review are as follows.

	1Q		2Q	
USD	152.37	(147.86)	152.46	(148.62)
EUR	162.58	(159.05)	161.62	(161.32)
CNY	21.16	(20.44)	21.05	(20.63)
HKD	19.60	(18.92)	19.60	(19.00)
VND	0.0060	(0.0061)	0.0060	(0.0060)
THB	4.49	(4.15)	4.49	(4.17)
MXN	7.59	(8.43)	7.54	(8.75)

(Note) The exchange rate of the same period in the previous fiscal year is stated in parentheses.

Business results by segment are as follows.

Japan

The Apparel Division recovered from the impact of inventory adjustments and saw an uptick in sales for sports and outdoor products, workwear accessories for the European and U.S. markets, accessories for high-end outdoor brands, subsidiary material for apparel products sold at department stores, and silver accessories such as the ring and necklace.

The Product Division enjoyed an increase in sales of stationery-related products and products designed to beat the summer heat as well as higher revenues for the kitchen appliance rental, sales, and cleaning business, despite weaker sales of snowboarding and skateboarding products.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers fell.

As a result, net sales increased 10.8% year on year to total 18,046 million yen, and segment profit reached 8.7% year on year to reach 1,213 million yen.

Asia

The Apparel Division enjoyed growing sales of workwear accessories for the European and U.S. markets, subsidiary material for apparel products sold at department stores, and athletic shoe accessories and workwear-related products in Vietnam although sales of casual wear accessories declined in China and Hong Kong.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers decreased in China due to the discontinuation of models that use MORITO products.

As a result, net sales came to 4.4% year on year to total 4,233 million yen, and segment profit rose 7.0% year on year to total 491 million yen.

Europe and the U.S.

In the Apparel Division, leather goods accessories in Mexico increased and sales of workwear accessories in Europe and the U.S. were up.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers in North America increased while sales in Europe decreased after withdrawing from some businesses in Europe in order to streamline operations.

As a result, net sales grew 3.4% year on year to total 3,525 million yen, and segment profit jumped 99.4% year on year to total 74 million yen.

(2) Overview of Financial Position for the Period under Review

Total assets for the fiscal year under review increased 4,648 million yen from the previous fiscal year-end to 57,125 million yen.

Current assets fell 677 million yen from the previous fiscal year-end to 31,371 million yen. This was mainly due to an increase of 1,764 million yen in "Inventories", an increase of 1,561 million yen in "Notes and accounts receivable - trade", an increase of 938 million yen in "Electronically recorded monetary claims - operating", an increase of 259 million yen in "Short-term Loans Receivable" included in "Other", and a decrease of 5,250 million yen in "Cash and deposits".

Non-current assets were up 5,326 million yen from the previous fiscal year-end to 25,753 million yen. This was mainly due to an increase of 3,190 million yen in "Goodwill", an increase of 883 million yen in "Buildings and structures" included in "Other property, plant and equipment", an increase of 238 million yen in "Deferred Tax Assets" included in "Other investments and other assets", an increase of 204 million yen in "Investment securities", and an increase of 189 million yen in "Right-of-use assets" included in "Other property, plant and equipment".

Current liabilities increased 1,333 million yen from the previous fiscal year-end to 10,220 million yen. This was mainly due to a decrease of 215 million yen in "Accrued expenses" included in "Other", a decrease of 205 million yen in "Electronically recorded obligations - operating", an increase of 900 million yen in "Short-term borrowings", an increase of 755 million yen in "Notes and accounts payable - trade", and an increase of 240 million yen in "Current portion of long-term borrowings".

Non-current liabilities increased 1,556 million yen from the previous fiscal year-end to 5,870 million yen. This was mainly due to an increase of 626 million yen in "Long-term borrowings", an increase of 600 million yen in "Bonds payable", an increase of 128 million yen in "Deferred tax liabilities" included in "Other", an increase of 103 million yen in "Provision for retirement benefits for directors (and other officers)", and an increase of 89 million yen in "Retirement benefit liability".

Net assets increased 1,758 million yen from the previous fiscal year-end to 41,034 million yen.

The shareholders' equity ratio decreased 3.0 percentage points to 71.8% from 74.8% in the previous fiscal year.

(3) Forecast of Consolidated Business Results and Other Forward-Looking Information

No change has been made to the consolidated financial forecast figures for the fiscal year ending November 30, 2025, which were announced in the Consolidated Financial Results for the Three Months of the Fiscal Year Ending November 30, 2025 (dated April 11, 2025)

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	15,461,604	10,211,391
Notes and accounts receivable - trade ※ 1	7,872,398	※ 1 9,434,029
Electronically recorded monetary claims - operating ※ 1	2,378,976	※ 1 3,317,564
Inventories	5,082,101	6,846,493
Other	1,289,224	1,595,984
Allowance for doubtful accounts	(34,802)	(33,826)
Total current assets	32,049,501	31,371,636
Non-current assets		
Property, plant and equipment		
Land	4,657,230	4,802,577
Other, net	5,121,781	6,349,766
Total property, plant and equipment	9,779,012	11,152,343
Intangible assets		
Goodwill	2,126,642	5,316,955
Other	962,207	1,020,467
Total intangible assets	3,088,850	6,337,423
Investments and other assets		
Investment securities	6,386,750	6,590,879
Retirement benefit asset	336,596	336,809
Other	976,573	1,490,585
Allowance for doubtful accounts	(140,545)	(154,404)
Total investments and other assets	7,559,375	8,263,869
Total non-current assets	20,427,238	25,753,636
Total assets	52,476,739	57,125,272
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,450,704	4,205,939
Electronically recorded obligations - operating ※ 1	1,218,565	※ 1 1,013,188
Short-term borrowings	50,000	950,000
Current portion of long-term borrowings	280,008	520,008
Income taxes payable	821,731	828,487
Provision for bonuses	448,579	461,530
Provision for bonuses for directors (and other officers)	165,169	93,695
Other	2,451,973	2,147,481
Total current liabilities	8,886,731	10,220,331
Non-current liabilities		
Bonds payable	-	600,000
Long-term borrowings	863,278	1,489,940
Provision for share awards	57,673	70,011
Provision for retirement benefits for directors (and other officers)	70,827	173,950
Provision for share awards for directors (and other officers)	112,519	119,083
Provision for environmental measures	25,611	26,814
Retirement benefit liability	846,659	935,987
Other	2,337,161	2,454,316
Total non-current liabilities	4,313,731	5,870,105
Total liabilities	13,200,463	16,090,437

(Thousands of yen)

	As of November 30, 2024	As of May 31, 2025
Net assets		
Shareholders' equity		
Share capital	3,532,492	3,532,492
Capital surplus	3,075,137	3,075,137
Retained earnings	29,565,881	31,014,425
Treasury shares	(3,044,430)	(3,141,884)
Total shareholders' equity	33,129,080	34,480,170
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,814,841	2,888,347
Deferred gains or losses on hedges	(9,137)	(9,997)
Revaluation reserve for land	419,773	412,497
Foreign currency translation adjustment	2,850,452	3,205,701
Remeasurements of defined benefit plans	71,265	58,116
Total accumulated other comprehensive income	6,147,195	6,554,665
Non-controlling interests	-	-
Total net assets	39,276,276	41,034,835
Total liabilities and net assets	52,476,739	57,125,272

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

(Thousands of yen)

	For the six months ended May 31, 2024	For the six months ended May 31, 2025
Net sales	23,749,540	25,805,520
Cost of sales	16,815,883	17,937,125
Gross profit	6,933,656	7,868,394
Selling, general and administrative expenses	5,449,742	6,297,511
Operating profit	1,483,913	1,570,882
Non-operating income		
Interest income	9,297	5,051
Dividend income	39,832	41,911
Rental income from real estate	18,842	18,596
Foreign exchange gains	※ 1 16,441	※ 1 45,287
Share of profit of entities accounted for using equity method	8,205	24,638
Other	8,269	35,962
Total non-operating income	100,889	171,446
Non-operating expenses		
Interest expenses	7,953	9,893
Other	11,142	18,866
Total non-operating expenses	19,095	28,760
Ordinary profit	1,565,707	1,713,569
Extraordinary income		
Gain on sale of non-current assets	100	88
Gain on sale of investment securities	515,464	130,193
Gain on reversal of share acquisition rights	4,252	-
Insurance claim income	-	70,000
Gain on bargain purchase	-	1,120,786
Total extraordinary income	519,817	1,321,068
Extraordinary losses		
Loss on sale of non-current assets	1,842	-
Loss on retirement of non-current assets	3,227	15,629
Loss on termination of employment	13,952	-
Total extraordinary losses	19,022	15,629
Profit before income taxes	2,066,501	3,019,008
Income taxes - current	733,401	688,842
Income taxes - deferred	(60,191)	(28,908)
Total income taxes	673,210	659,934
Profit	1,393,291	2,359,073
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,393,291	2,359,073

Semi-annual Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the six months ended May 31, 2024	For the six months ended May 31, 2025
Profit	1,393,291	2,359,073
Other comprehensive income		
Valuation difference on available-for-sale securities	582,555	73,505
Deferred gains or losses on hedges	10,495	(860)
Revaluation reserve for land	-	(7,276)
Foreign currency translation adjustment	144,473	355,248
Remeasurements of defined benefit plans, net of tax	(9,212)	(13,148)
Share of other comprehensive income of entities accounted for using equity method	(2)	1
Total other comprehensive income	728,308	407,469
Comprehensive income	2,121,600	2,766,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,121,600	2,766,543
Comprehensive income attributable to non-controlling interests	-	-

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended May 31, 2024	For the six months ended May 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,066,501	3,019,008
Depreciation	503,813	461,968
Amortization of goodwill	145,657	189,032
Gain on bargain purchase	-	(1,120,786)
Increase (decrease) in provision for bonuses	(90,666)	(42,040)
Decrease (increase) in retirement benefit asset	(17,086)	(9,146)
Increase (decrease) in retirement benefit liability	(999)	6,597
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6,767	2,968
Increase (decrease) in provision for share awards	14,551	12,338
Increase (decrease) in provision for share awards for directors (and other officers)	6,012	6,563
Increase (decrease) in allowance for doubtful accounts	(10,673)	(2,413)
Interest and dividend income	(49,130)	(46,962)
Interest expenses	7,953	9,893
Insurance claim income	-	(70,000)
Share of loss (profit) of entities accounted for using equity method	(8,205)	(24,638)
Gain on reversal of share acquisition rights	(4,252)	-
Loss (gain) on sale of non-current assets	1,742	(88)
Loss (gain) on sale of investment securities	(515,464)	(130,193)
Loss on retirement of non-current assets	3,227	15,629
Decrease (increase) in trade receivables	1,061,301	451,396
Decrease (increase) in inventories	634,410	(115,139)
Increase (decrease) in trade payables	(415,961)	(280,850)
Other, net	(430,751)	(286,599)
Subtotal	2,908,746	2,046,537
Interest and dividends received	49,147	45,042
Interest paid	(7,963)	(9,934)
Proceeds from insurance income	-	70,000
Income taxes paid	(648,810)	(816,905)
Net cash provided by (used in) operating activities	2,301,120	1,334,739
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	4,798	-
Purchase of investment securities	(6,879)	(5,388)
Proceeds from sale of investment securities	618,824	134,175
Purchase of property, plant and equipment	(222,054)	(705,422)
Proceeds from sale of property, plant and equipment	250	261
Purchase of intangible assets	(4,448)	(81,130)
Loan advances	-	(150,000)
Proceeds from collection of loans receivable	42,000	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(4,571,492)
Other, net	(2,919)	(14,262)
Net cash provided by (used in) investing activities	429,570	(5,393,258)

(Thousands of yen)

	For the six months ended May 31, 2024	For the six months ended May 31, 2025
Cash flows from financing activities		
Repayments of lease liabilities	(130,515)	(129,968)
Repayments of long-term borrowings	(140,004)	(160,005)
Purchase of treasury shares	(346,086)	(102,257)
Proceeds from exercise of employee share options	156,958	-
Dividends paid	(759,439)	(910,529)
Net cash provided by (used in) financing activities	(1,219,086)	(1,302,760)
Effect of exchange rate change on cash and cash equivalents	51,303	112,499
Net increase (decrease) in cash and cash equivalents	1,562,907	(5,248,779)
Cash and cash equivalents at beginning of period	13,009,580	15,460,171
Cash and cash equivalents at end of period	14,572,488	10,211,391

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Adoption of Accounting Standard for Current Income Taxes, etc.)

The Group has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "Revised Accounting Standard of 2022") and relevant ASBJ regulations effective as of the beginning of the six months of the current fiscal year.

Revisions related to the accounting classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment set forth in the proviso to paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "Revised Implementation Guidance of 2022"). This change in accounting policy has no impact on the semi-annual consolidated financial statements.

The Group has also adopted the Revised Implementation Guidance of 2022 effective as of the beginning of the six months of the current fiscal year for revisions related to the change in the treatment in consolidated financial statements when deferring, for tax purposes, gains or losses on sales of shares of subsidiaries and other securities arising from sales between consolidated companies. The change in accounting policy has been applied retroactively, and the semi-annual consolidated financial statements for the previous semi-annual and the consolidated financial statements for the previous fiscal year are presented on a retroactive basis. The change in accounting policy has no effect on the semi-annual consolidated financial statements and the consolidated financial statements of the previous fiscal year.

(Segment Information, Etc.)

Segment information

I For the six months of the fiscal year ended November 30, 2024

Information on amounts of net sales and profit by reportable segment and disaggregated revenue

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Apparel	5,680,237	3,181,017	2,585,271	11,446,526	-	11,446,526
Product	8,314,001	328,839	21,576	8,664,418	-	8,664,418
Transportation	2,291,483	544,604	802,507	3,638,595	-	3,638,595
Revenue from contracts with customers	16,285,722	4,054,461	3,409,355	23,749,540	-	23,749,540
Net sales to external customers	16,285,722	4,054,461	3,409,355	23,749,540	-	23,749,540
Intersegment sales or transfers	926,141	1,710,437	35,598	2,672,178	(2,672,178)	-
Total	17,211,864	5,764,899	3,444,954	26,421,718	(2,672,178)	23,749,540
Segment profit	1,115,885	459,340	37,238	1,612,464	(128,551)	1,483,913

(Notes) 1 The adjustment of (128,551) thousand yen to segment profit includes corporate expenses of (123,985) thousand yen not allocated to the reportable segments, and other in the amount of (4,566) thousand yen.

2 The amount of segment profit has been adjusted with operating profit in the Semi-annual Consolidated Statements of Income.

II For the six months of the fiscal year ending November 30, 2025

1. Information on amounts of net sales and profit by reportable segment and disaggregated revenue

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Apparel	7,347,578	3,680,582	2,787,074	13,815,235	-	13,815,235
Product	8,541,773	316,845	12,131	8,870,750	-	8,870,750
Transportation	2,157,645	235,624	726,265	3,119,534	-	3,119,534
Revenue from contracts with customers	18,046,997	4,233,051	3,525,471	25,805,520	-	25,805,520
Net sales to external customers	18,046,997	4,233,051	3,525,471	25,805,520	-	25,805,520
Intersegment sales or transfers	958,703	1,687,583	44,326	2,690,613	(2,690,613)	-
Total	19,005,700	5,920,634	3,569,797	28,496,133	(2,690,613)	25,805,520
Segment profit	1,213,247	491,562	74,263	1,779,072	(208,189)	1,570,882

(Notes) 1 The adjustment of (208,189) thousand yen to segment profit includes corporate expenses of (145,777) thousand yen not allocated to the reportable segments, and other in the amount of (62,411) thousand yen.

2 The amount of segment profit has been adjusted with operating profit in the Semi-annual Consolidated Statements of Income.

2. Information on impairment losses on non-current assets or goodwill by reportable segment

(Significant Changes in the Amount of Goodwill)

In the Japan segment, the Group acquired shares in Ms.ID Inc. and made it a consolidated subsidiary.

The increase in goodwill due to the acquisition amounted to 3,288,364 thousand yen in the six months of the current fiscal year, but the amount of goodwill is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the six months of the current fiscal year.

(Material Gain on Bargain Purchase)

In the Japan and Asia segment, the Group recognized a gain on bargain purchase due to the acquisition of shares in Mitsuboshi Corporation Co.,Ltd. and the consolidation of the company and its subsidiary as consolidated subsidiaries, which was made a consolidated subsidiary.

The amount of the gain on bargain purchase resulting from the acquisition totaled 1,120,786 thousand yen in the six months of the current fiscal year, but the amount of the gain on bargain purchase is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the six months of the current fiscal year. The gain on bargain purchase is extraordinary income and is not included in the above segment profit.

(Notes on statements of Semi-annual Consolidated Balance Sheets)

*1 Accounting for notes maturing at the end of the six months period

Since the last day of the six months of the current fiscal year falls on a holiday for financial institutions, notes maturing at the end of the period are processed on the actual clearing or settlement date. Notes maturing at the end of the period included in the ending balance are as shown below.

	(Thousands of yen)	
	As of November 30, 2024 (December 1, 2023 to November 30, 2024)	As of May 31, 2025 (December 1, 2024 to May 31, 2025)
Notes receivable - trade	31,250	27,295
Electronically recorded monetary claims -operating	106,858	87,213
Electronically recorded obligations - operating	32,952	50,521

2. Discount on export notes

	(Thousands of yen)	
	As of November 30, 2024 (December 1, 2023 to November 30, 2024)	As of May 31, 2025 (December 1, 2024 to May 31, 2025)
Discount on export notes	9,604	1,369

(Notes on statements of Semi-annual Consolidated Statements of Income)

*1 Presentation of gains (losses) related to forward exchange contracts

For the six months ended May 31, 2024

Valuation losses related to forward exchange contracts for transactions between consolidated group companies of 10,605 thousand yen are included in "Foreign exchange gains".

For the six months ended May 31, 2025

Valuation losses related to forward exchange contracts for transactions between consolidated group companies of 5,879 thousand yen are included in "Foreign exchange gains".

(Changes in presentation)

Valuation gains (losses) related to forward exchange contracts for transactions between consolidated group companies, which were categorized and presented as "Gain (Loss) on derivatives" in the six months of the previous fiscal year, are included in "Foreign exchange gains (losses)" beginning in the previous nine months of quarterly consolidated accounting period to reflect actual transactions. In order to reflect this change in presentation, "Foreign exchange gains" of 27,092 thousand yen and a "Loss on derivatives" of 10,605 thousand yen in the consolidated statements of income for the six months of the previous fiscal year have been reclassified as "Foreign exchange gains" of 16,441 thousand yen.

(Business Combinations)

(Business combination through acquisition 1)

1. Outline of business combination

(1) Name of the acquired company and its business

Name of acquired company Ms.ID Inc.

Business Manufacture, import, and sales of clothing and accessories (e-commerce and physical stores)

(2) Reasons for business combination

The MORITO Group's main business entails the sale and manufacturing of materials and products for apparel and lifestyle goods, focused on daily necessities, as well as automotive interior components. We have been steadily operating our businesses with the aim of becoming a global niche top company that keeps making a big difference in the world with small parts.

Additionally, as part of the investment strategy outlined in the ongoing 8th Mid-term Management Plan, we have positioned M&As as one of the key initiatives for expanding our business portfolio as we look for new business opportunities and seek to strengthen our B2C business. In actively exploring M&A opportunities, we essentially search out companies at the top of niche markets that demonstrate the potential to create synergy with our businesses and achieve operational stability.

The target company's primary businesses are e-commerce fashion, accessories, and the e-commerce platform business.

Acquiring the target company will enable us to expand the scope of our B2C operations in the apparel business and use its e-commerce platform business to strengthen marketing and sales in our B2C operations. We also believe that the acquisition will enable us to develop new apparel accessories and products by linking our procurement and manufacturing capabilities with the brands owned by the target company. We will also utilize our overseas network as well as quality control and logistics functions to boost the global expansion and quality of the target company's brands.

By combining the brands owned by the target company with our accessories, we aim to maximize the value of both companies and become a global niche top company in the apparel market.

(3) Date of business combination

December 25, 2024 (share acquisition date)

December 31, 2024 (deemed acquisition date)

(4) Legal form of business combination

Acquisition of shares

(5) Name of the post-merger company

There will be no change to the company name.

(6) Percentage of voting rights acquired

100%

(7) Main reason for selecting the company to acquire

The Company acquired the shares for cash.

2. Period of the acquired company's financial results included in the semi-annual consolidated statements of income

The period from January 1 to March 31, 2025, is included in the financial results.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition:	Cash	4,300,000	thousand yen
Acquisition cost		4,300,000	thousand yen

4. Details and amounts of major acquisition-related expenses

Advisory fees, etc. 58,558 thousand yen

5. Amount of goodwill incurred, reason for incurrence, and amortization method and period

(1) Amount of goodwill incurred

3,288,364 thousand yen

The amount of goodwill is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the six months of the current fiscal year.

(2) Reason for incurrence

The amount was incurred due to future excess earnings expected from future business activities.

(3) Amortization method and period

Straight-line method over 15 years

6. Allocation of acquisition cost

As of the end of the six months of the current fiscal year, identifiable assets and liabilities as of the date of the business combination were not identified and their fair values were not yet calculated. Since the allocation of the acquisition cost was not completed, provisional accounting procedures were performed based on reasonable information available at that time.

7. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets	1,607,831	thousand yen
Non-current assets	83,318	thousand yen
Total assets	1,691,149	thousand yen
Current liabilities	419,521	thousand yen
Non-current liabilities	259,992	thousand yen
Total liabilities	679,513	thousand yen

(Business combination through acquisition 2)

1. Outline of business combination

(1) Name of the acquired company and its business

Name of acquired company Mitsuboshi Corporation Co.,Ltd. and its subsidiary (the "Subject")

Business Sales of a full line of clothing materials, apparel product production management, and recycling

(2) Reasons for business combination

The MORITO Group's main business entails the sale and manufacturing of materials and products for apparel and lifestyle goods, focused on daily necessities, as well as automotive interior components. We have been steadily operating our businesses with the aim of becoming a global niche top company that keeps making a big difference in the world with small parts.

Additionally, as part of the investment strategy outlined in the ongoing 8th Mid-term Management Plan, we have positioned M&As as one of the key initiatives for expanding our global market share. In actively exploring M&A opportunities, we essentially search out companies at the top of niche markets that demonstrate the potential to create synergy with our businesses and achieve operational stability.

The Subject mainly runs the sales business of a full line of clothing materials primarily for the workwear and uniform industries. By acquiring the Subject, the Company expects to acquire expertise in the sales methodologies and products that the Subject possesses and expand the scale of the Company's sales. Additionally, the Company believes that the strength of its accessories can be further leveraged in the workwear and uniform industries, where functionality and quality are demanded and which are less susceptible to seasonality and fashion trends. Moreover, the Company intends to make better use of the parts procurement, sales functions and overseas network that each of the Subject and the Company possesses, thereby realizing higher efficiency and focusing anew on the apparel business that the Company has expanded since its founding. Through this initiative, the Company aims to become the global niche leader in the clothing market.

(3) Date of business combination

April 1, 2025 (share acquisition date)

(4) Legal form of business combination

Acquisition of shares

(5) Name of the post-merger company

There will be no change to the company name.

(6) Percentage of voting rights acquired

100%

(7) Main reason for selecting the company to acquire

The Company acquired the shares for cash.

2. Period of the acquired company's financial results included in the semi-annual consolidated statements of income

Only the balance sheet is consolidated since the share acquisition date is April 1, 2025, which falls within three months of the fiscal year-end. Therefore, the results of the acquired company are not included.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition:	Cash	1,062,016	thousand yen
Acquisition cost		1,062,016	thousand yen

4. Details and amounts of major acquisition-related expenses

Advisory fees, etc.	24,722	thousand yen
---------------------	--------	--------------

5. Amount of gain on bargain purchase and reason for the gain

(1) Amount of gain on bargain purchase

1,120,786 thousand yen

The amount of gain on bargain purchase is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the six months of the current fiscal year.

(2) Reason for the gain

Since the net asset value of the acquired company's shares at the time of acquisition exceeded the acquisition cost, the difference was recognized as a gain on bargain purchase.

6. Allocation of acquisition cost

As of the end of the six months of the current fiscal year, identifiable assets and liabilities as of the date of the business combination were not identified and their fair values were not yet calculated. Since the allocation of the acquisition cost was not completed, provisional accounting procedures were performed based on reasonable information available at that time.

7. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets	4,120,451	thousand yen
Non-current assets	1,346,260	thousand yen
<hr/>		
Total assets	5,466,712	thousand yen
<hr/>		
Current liabilities	1,922,291	thousand yen
Non-current liabilities	1,361,618	thousand yen
<hr/>		
Total liabilities	3,283,910	thousand yen