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Consolidated Financial Results for the Fiscal Year Ended November 30, 2025 [Japanese GAAP]

January 14, 2026

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, Senior Executive Officer, General Manager of
Corporate Management Department and Division Manager of

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Scheduled date of Annual General Meeting of Shareholders: February 26, 2026

Scheduled date of commencing dividend payments: February 27, 2026

Scheduled date of filing annual securities report: February 24, 2026

Availability of supplementary briefing material on annual financial results : Available

Schedule of annual 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 Fiscal Year Ended November 30, 2025 (December 1, 2024 to November 30, 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	%
Fiscal year ended November 30, 2025	56,867	17.2	3,333	16.2	3,624	20.7	2,916	13.4
Fiscal year ended November 30, 2024	48,537	0.0	2,868	16.4	3,003	8.4	2,572	16.0

Fiscal year ended November 30, 2025: 3,404 million yen [15.0%] November 30, 2024: 2,959 million yen [(8.4%)]

	Basic earnings per share	Diluted earnings per share	return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended November 30, 2025	111.88	-	7.4	6.7	5.9
Fiscal year ended November 30, 2024	97.12	-	6.6	5.8	5.9

(Reference) Share of profit (loss) of entities accounted for using equity method: November 30, 2025: 42 million yen November 30, 2024: 28 million yen

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Millions of yen		Millions of yen		%	Yen
Fiscal year ended November 30, 2025	55,498		39,832		71.8	1,556.22
Fiscal year ended November 30, 2024	52,476		39,276		74.8	1,495.67

(Reference) Equity: November 30, 2025: 39,832 million yen November 30, 2024: 39,276 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended November 30, 2025	2,994	(5,015)	(4,142)	9,401
Fiscal year ended November 30, 2024	4,620	638	(2,680)	15,460

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
FY2024	Yen -	Yen 29.00	Yen -	Yen 34.00	Yen 63.00	Millions of yen 1,695	% 64.9	% 4.3
FY2025	-	33.00	-	37.00	70.00	1,847	62.6	4.6
FY2026 (Forecast)	-	36.00	-	36.00	72.00		61.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2026 (December 1, 2025 to November 30, 2026)

(% 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	%
Full year	63,000	10.8	3,500	5.0	3,700	2.1	3,000	2.9

Notes:

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 3 companies (Ms.ID Inc., Mitsuboshi Corporation Co., Ltd. and its subsidiary)

Excluded: None

(2) 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

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

1) Total number of issued shares at the end of the period (including treasury shares):	November 30, 2025:	26,800,000	November 30, 2024:	30,000,000
2) Total number of treasury shares at the end of the period:	November 30, 2025:	1,204,249	November 30, 2024:	3,739,949
3) Average number of shares during the period:	November 30, 2025:	26,071,259	November 30, 2024:	26,483,614

* These 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 "(4) Future Outlook" in "1. Overview of Business Results, Etc." on page 8.

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.

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1. Overview of Business Results, Etc.

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

The fiscal year under review (December 1, 2024, to November 30, 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 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. trade policy 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. and Mitsubishi Corporation Co.,Ltd., as well as strong sales of sports- and game-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 made entirely from 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 fiscal year under review, net sales increased 17.2% year on year to 56,867 million yen. Operating profit was up 16.2% to 3,333 million yen, ordinary profit grew 20.7% to 3,624 million yen, and profit attributable to owners of the parent increased 13.4% to 2,916 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 fiscal year under review are as follows.

	1Q	2Q	3Q	4Q
USD	152.37 (147.86)	152.46 (148.62)	149.78 (155.86)	149.19 (149.65)
EUR	162.58 (159.05)	161.62 (161.32)	162.37 (167.84)	164.89 (164.22)
CNY	21.16 (20.44)	21.05 (20.63)	20.69 (21.47)	20.67 (20.84)
HKD	19.60 (18.92)	19.60 (19.00)	19.23 (19.94)	19.14 (19.19)
VND	0.0060 (0.0061)	0.0060 (0.0060)	0.0059 (0.0062)	0.0058 (0.0060)
THB	4.49 (4.15)	4.49 (4.17)	4.45 (4.25)	4.48 (4.29)
MXN	7.59 (8.43)	7.54 (8.75)	7.49 (9.06)	7.60 (7.93)

(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 outdoor and athletic shoes 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, silver accessories such as rings and necklaces, uniform-related materials, and bear sprays for government agencies.

The Product Division enjoyed an increase in sales of game-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 surfing products.

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

As a result, net sales increased 25.1% year on year to total 41,310 million yen, and segment profit reached 24.7% year on year to reach 2,570 million yen.

Asia

The Apparel Division enjoyed growing sales of workwear accessories for the European and U.S. markets in mainland China and Hong Kong, 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 mainland China.

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 decreased 1.1% year on year to total 8,280 million yen, and segment profit rose 3.7% year on year to reach 773 million yen.

Europe and the U.S.

In the Apparel Division, sales of 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 1.7% year on year to total 7,275 million yen, and segment profit jumped 15.5% year on year to reach 374 million yen.

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

Total assets for the fiscal year under review increased 3,022 million yen from the previous fiscal year-end to 55,498 million yen.

Current assets decreased 1,048 million yen from the previous fiscal year-end to 31,001 million yen. This was mainly due to an increase of 2,011 million yen in "Merchandise and finished goods", an increase of 1,376 million yen in "Notes and accounts receivable - trade", an increase of 906 million yen in "Electronically recorded monetary claims - operating", an increase of 291 million yen in "Accounts receivable - other" included in "Other", and a decrease of 6,060 million yen in "Cash and deposits".

Non-current assets were up 4,070 million yen from the previous fiscal year-end to 24,497 million yen. This was mainly due to an increase of 1,402 million yen in "Goodwill", an increase of 1,068 million yen in "Trademark right", an increase of 718 million yen in "Buildings and structures", an increase of 207 million yen in "Investment securities", and an increase of 193 million yen in "Deferred tax assets".

Current liabilities increased 1,330 million yen from the previous fiscal year-end to 10,217 million yen. This was mainly due to a decrease 452 million yen in "Accrued expenses" included in "Other", a decrease of 195 million yen in "Electronically recorded obligations - operating", an increase of 754 million yen in "Notes and accounts payable - trade", an increase of 550 million yen in "Short-term borrowings", and an increase of 300 million yen in "Current portion of bonds payable".

Non-current liabilities were up 1,135 million yen from the previous fiscal year-end to 5,448 million yen. This was mainly due to a decrease 104 million yen in "Long-term lease liabilities" included in "Other", an increase of 582 million yen in "Deferred tax liabilities", an increase of 300 million yen in "Bonds payable", and an increase 186 million yen in "Long-term borrowings".

Net assets increased 556 million yen from the previous fiscal year-end to 39,832 million yen.

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

(3) Overview of Cash Flows for the Period under Review

The status of cash flows for the fiscal year under review is as follows.

(Cash flows from operating activities)

Cash flows provided by operating activities amounted to 2,994 million yen, compared with cash flows of 4,620 million yen provided in the previous fiscal year. This was mainly due to a decrease in funds resulting from increases in "Income taxes paid" and increases "Inventories", while an increase in funds was caused by the acquisition of "Profit before income taxes", and a decrease in "Trade receivables".

(Cash flows from investing activities)

Cash flows used in investing activities amounted to 5,015 million yen, compared with cash flows of 638 million yen provided in the previous fiscal year. This was mainly due to a decrease in cash from "Purchase of shares of subsidiaries resulting in change in scope of consolidation", as well as from "Purchase of property, plant and equipment".

(Cash flows from financing activities)

Cash flows used in financing activities amounted to 4,142 million yen, compared with cash flows of 2,680 million yen used in the previous fiscal year. This was mainly due to a decrease in funds resulting from increases in "Dividends paid", "Purchase of treasury shares", and "Repayment of long-term borrowings".

As a result of the above, cash and cash equivalents at the end of the fiscal year under review decreased 6,058 million yen from the previous fiscal year-end to 9,401 million yen.

Trends of cash flow indicators are as follows.

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024	Fiscal year ended November 30, 2025
Equity ratio (%)	74.7	74.8	71.8
Equity ratio based on fair value (%)	67.0	73.5	75.5
Cash flow to interest-bearing debt ratio (%)	33.5	25.8	89.8
Interest coverage ratio (times)	287.1	267.6	119.3

(Note) Equity ratio: Shareholders' equity / Total assets

Equity ratio based on fair value: Total market value of shares / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debts / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest paid

* The indicators were calculated using financial figures on a consolidated basis.

* The total market value of shares was calculated by multiplying the closing share price by the total number of shares outstanding (less the treasury shares) on the date of the fiscal year-end.

* Operating cash flow is the amount of net cash provided by (used in) operating activities recorded in the Consolidated Statements of Cash Flows.

* Among the liabilities recorded on the Consolidated Balance Sheets, interest-bearing debts apply to borrowings and bonds payable.

* Interest paid is the amount of interest paid recorded on the Consolidated Statements of Cash Flows.

(4) Future Outlook

During the fiscal year under review, the Group operated under the corporate vision of "Create Morito's existence value, Realize 'New Morito Group'."

The outlook for the future remains uncertain due to unstable exchange rate fluctuations and global warming. However, working with the aim of achieving net sales of 63,000 million yen and operating profit of 3,500 million yen on a consolidated basis by the fiscal year ending November 30, 2026, the Group will take various measures to become a global niche top company with a focus on continuing to make small parts that make a big difference in the world.

Regarding the full-year forecast of the Group for the fiscal year ending November 30, 2026, the global economic horizon remains clouded by uncertainty. However, the Group will focus on selling value-added products with a particular emphasis on functionality and sustainability, in addition to its core products, strengthening its global network, expanding the horizons of its B2C business, and utilizing the e-commerce platform business for B2C marketing and sales. The consolidated financial results for fiscal 2026 are forecasted to exceed those of fiscal 2025, with net sales of 63,000 million yen, operating profit of 3,500 million yen, ordinary profit of 3,700 million yen, and profit attributable to owners of parent of 3,000 million yen.

*Notes on the future outlook

The aforementioned outlook is based on information available at the date of release of these materials. Actual results and other details may differ from the outlook due to various factors in the future.

We will promptly disclose any changes in forecast figures.

(5) Basic Dividend Policy and Payments for the Period under Review and the Next Period

We see returning profits to shareholders as well as building a sound and efficient business foundation and financial structure to enhance profitability as key management issues. We will use retained earnings to aggressively invest in areas aimed at long-term growth, such as expanding existing core businesses, seeking new business opportunities, conducting M&As, etc., with an eye to enhancing our corporate value in the future. Dividends are determined after considering factors such as the financial position and net assets.

Our basic dividend policy is as follows:

- Realize stable and continuous dividend payments
- A dividend on equity (DOE) ratio of 4.0% is the standard
- Depending on business results, a dividend payout ratio of 50% or more in relation to profit attributable to owners of parent is the standard

(However, in a fiscal year with a significant fluctuation in after-tax profit attributable to owners of parent due to special factors such as extraordinary income or losses, the dividend amount will be determined in light of the corresponding impact.)

From the perspective of striving to further enhance shareholder returns, after considering factors such as the Company's earnings and expenditure balance as well as the share price level, the Company will continuously review the need to flexibly purchase or retire its treasury shares.

For the fiscal year under review, we plan to propose a year-end dividend of 37.00 yen per share at the Annual General Meeting of Shareholders that will be held on February 26, 2026. Accordingly, including the interim dividend of 33.00 yen per share, the annual dividend for the fiscal year under review will amount to 70.00 yen per share. This represents an increase of 7.00 yen from the previous year's annual dividend of 63.00 yen.

Regarding dividends for the next fiscal year, based on our basic dividend policy, we plan to pay out an interim dividend of 36.00 yen, and a year-end dividend of 36.00 yen, which will combine to form an annual dividend of 72.00 yen.

2. Overview of the Corporate Group

The Group consists of the parent company (the Company), 23 subsidiaries, and 1 affiliate. The main business of the Group is the manufacturing and sale of materials and products for apparel and lifestyle goods, centering on daily necessities, as well as automotive interior components. Business activities of the Group include: the manufacturing and sale of apparel accessories, e-commerce apparel products, uniforms, accessories, and consumer products such as stationery and office automation (OA) equipment, and automotive interior components; the import, sale, and wholesale of marine leisure and snowboarding equipment; and the rental, sale, and cleaning of kitchen appliances.

The classification of reportable segments is the same as the classification of segments described in "4. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements."

● Consolidated subsidiaries:	22 companies
○ Subsidiaries excluded from the scope of consolidation:	1 company
□ Affiliates accounted for using equity method:	1 company

Japan

● Morito Japan Co., Ltd.:	Planning, development, manufacturing, and sales of consumer product materials and related products
● Morito Apparel Co., Ltd.:	Planning, development, manufacturing, and sales of apparel materials and products
● Morito Auto-Parts Co., Ltd.:	Planning, development, manufacturing, and sales of automotive interior components
● Ace Industrial Machinery Co., Ltd.:	Rental, sales, and cleaning of kitchen appliances
● Matex Inc.:	Manufacturing of apparel secondary materials, design, printing, website creation, desktop publishing, and graphic design production planning
● Maneuverline Inc.:	Import, sales, and wholesaling of marine leisure, snowboarding, and apparel goods
● Canvas Co., Ltd.:	A wholly owned subsidiary of Maneuverline Inc.; import, sales and wholesaling of apparel goods
● Ms.ID Inc.:	Manufacturing, import, and sale of clothing and accessories at e-commerce and physical stores
○ C.T.A Co., Ltd.:	A subsidiary of Ms.ID Inc. (89% owned); Planning, manufacturing, and sale of knitted products for domestic and overseas markets
● Mitsuboshi Corporation Co., Ltd.:	Sale of a full line of clothing materials, apparel product production management, and recycling
□ Kuraray Fastening Co., Ltd.:	Sale and manufacturing of hook and loop fasteners

Asia

- Morito Scovill Hong Kong Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- Morito (Shenzhen) Co., Ltd.: A wholly owned subsidiary of Morito Scovill Hong Kong Co., Ltd.; manufacturing and sale of materials for apparel and consumer products
- Morito Shanghai Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- Morito Danang Co., Ltd.: Sale and manufacturing of materials for apparel and consumer products, and operation of rental factories
- Morito Trading (Thailand) Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- Shanghai New World Matex International Trade Co., Ltd.: A wholly owned subsidiary of Matex Inc.; sales and manufacturing of apparel secondary materials, design, and sales of printing materials
- GSG (Scovill) Fasteners Asia Ltd.: A wholly owned subsidiary of Morito Scovill Americas, LLC; sale of materials for apparel products
- Scovill Fasteners India PVT. Ltd.: A wholly owned subsidiary of Morito Scovill Americas, LLC; sale of materials for apparel products
- Mitsuboshi Corporation Shanghai Co., Ltd.: A wholly owned subsidiary of Mitsuboshi Corporation Co., Ltd; sale of apparel-related materials

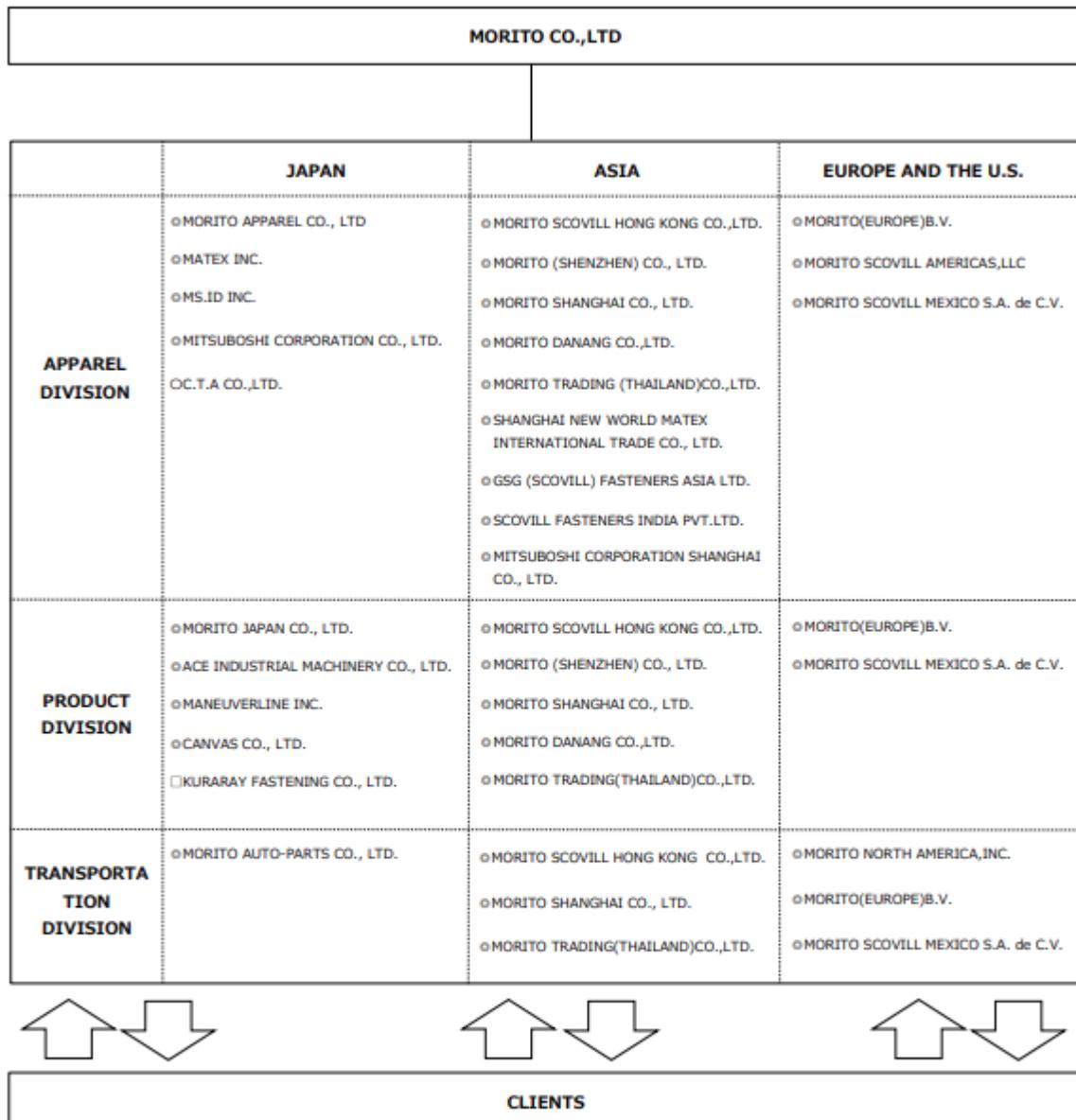
Europe and the U.S.

- Morito North America, Inc.: Sale of automotive interior components
- Morito (Europe) B.V.: Sale of materials for apparel and consumer products, and automotive interior components
- Morito Scovill Americas, LLC: Sale and manufacturing of materials for apparel and consumer products
- Morito Scovill Mexico S.A. de C.V.: A subsidiary of Morito North America, Inc. (owning an 89.4% stake) and Morito Scovill Americas, LLC (owning a 10.6% stake); sale of materials for apparel and consumer products, and automotive interior components

(Note)

- 1 The Group acquired the shares in Ms.ID Inc. on December 25, 2024, and included it among its consolidated subsidiaries beginning in the fiscal year under review.
- 2 The Group acquired the shares in Mitsuboshi Corporation Co., Ltd. on April 1, 2025, and included the company and its subsidiary, Mitsuboshi Corporation Shanghai Co., Ltd., among its consolidated subsidiaries beginning in the fiscal year under review.
- 3 Scovill Fasteners UK Ltd., a consolidated subsidiary that had been undergoing liquidation proceedings, was liquidated on September 9, 2025, and was therefore excluded from the scope of consolidation beginning in the fiscal year under review.

The Group conducts business with the following organizational structure



(Note) ◎ : Consolidated subsidiaries
 ◌ : Subsidiaries excluded from the scope of consolidation
 □ : Affiliates accounted for using equity method

3. Basic Stance Regarding Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group's policy is to continue preparing its consolidated financial statements using Japanese GAAP for the time being. With regard to the application of International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately based on considerations of the situation in Japan and overseas.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2024	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	15,461,604	9,401,479
Notes receivable - trade	476,984	585,966
Accounts receivable - trade	7,395,413	8,663,185
Electronically recorded monetary claims - operating	2,378,976	3,285,056
Merchandise and finished goods	3,799,843	5,811,729
Work in process	443,012	502,942
Raw materials and supplies	839,245	817,926
Other	1,289,224	1,965,918
Allowance for doubtful accounts	(34,802)	(32,775)
Total current assets	32,049,501	31,001,429
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,814,616	8,464,381
Accumulated depreciation	(4,306,714)	(4,237,600)
Buildings and structures, net	3,507,901	4,226,781
Machinery, equipment and vehicles	3,082,724	3,302,908
Accumulated depreciation	(2,383,653)	(2,504,185)
Machinery, equipment and vehicles, net	699,070	798,723
Tools, furniture and fixtures	2,570,342	2,701,404
Accumulated depreciation	(2,267,830)	(2,344,508)
Tools, furniture and fixtures, net	302,511	356,895
Land	4,657,230	4,642,506
Leased assets	127,084	137,686
Accumulated depreciation	(104,639)	(114,816)
Leased assets, net	22,445	22,870
Right of use assets	625,211	967,344
Accumulated depreciation	(237,048)	(488,659)
Right of use assets, net	388,162	478,685
Construction in progress	201,689	114,217
Total property, plant and equipment	9,779,012	10,640,680
Intangible assets		
Goodwill	2,126,642	3,529,567
Trademark right	704,410	1,773,215
Leased assets	667	-
Other	257,130	295,685
Total intangible assets	3,088,850	5,598,468
Investments and other assets		
Investment securities	6,386,750	6,594,430
Deferred tax assets	471,981	665,034
Retirement benefit asset	336,596	375,198
Other	504,591	779,752
Allowance for doubtful accounts	(140,545)	(156,101)
Total investments and other assets	7,559,375	8,258,314
Total non-current assets	20,427,238	24,497,464
Total assets	52,476,739	55,498,893

(Thousands of yen)

	As of November 30, 2024	As of November 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,450,704	4,205,409
Electronically recorded obligations - operating	1,218,565	1,023,219
Short-term borrowings	50,000	600,000
Current portion of bonds payable	-	300,000
Current portion of long-term borrowings	280,008	440,004
Income taxes payable	821,731	791,705
Provision for bonuses	448,579	537,532
Provision for bonuses for directors (and other officers)	165,169	195,210
Other	2,451,973	2,124,254
Total current liabilities	8,886,731	10,217,336
Non-current liabilities		
Bonds payable	-	300,000
Long-term borrowings	863,278	1,049,947
Deferred tax liabilities	1,814,346	2,396,690
Deferred tax liabilities for land revaluation	262,126	258,488
Provision for share awards	57,673	65,821
Provision for retirement benefits for directors (and other officers)	70,827	131,787
Provision for share awards for directors (and other officers)	112,519	125,647
Provision for environmental measures	25,611	13,075
Retirement benefit liability	846,659	919,282
Other	260,688	188,219
Total non-current liabilities	4,313,731	5,448,960
Total liabilities	13,200,463	15,666,296
Net assets		
Shareholders' equity		
Share capital	3,532,492	3,532,492
Capital surplus	3,075,137	-
Retained earnings	29,565,881	30,652,347
Treasury shares	(3,044,430)	(962,920)
Total shareholders' equity	33,129,080	33,221,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,814,841	2,947,894
Deferred gains or losses on hedges	(9,137)	24,640
Revaluation reserve for land	419,773	388,729
Foreign currency translation adjustment	2,850,452	3,165,086
Remeasurements of defined benefit plans	71,265	84,326
Total accumulated other comprehensive income	6,147,195	6,610,678
Non-controlling interests		
Total net assets	39,276,276	39,832,596
Total liabilities and net assets	52,476,739	55,498,893

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended November 30, 2024	For the fiscal year ended November 30, 2025
Net sales	48,537,182	56,867,188
Cost of sales	34,398,920	39,479,764
Gross profit	14,138,261	17,387,423
Selling, general and administrative expenses		
Salaries	3,611,411	4,252,901
Bonuses	824,453	907,758
Welfare expenses	949,431	1,138,688
Retirement benefit expenses	143,205	151,439
Provision for bonuses	357,428	429,130
Provision for bonuses for directors (and other officers)	165,500	194,520
Provision for retirement benefits for directors (and other officers)	18,219	21,700
Provision for share awards for directors (and other officers)	12,025	13,127
Communication expenses	104,256	112,844
Freight and packing costs	1,383,222	1,524,545
Provision of allowance for doubtful accounts	(598)	7,179
Sales commissions	41,393	873,374
Commission expenses	867,380	1,058,931
Rent expenses	169,602	250,790
Depreciation	503,956	529,117
Amortization of goodwill	280,078	390,926
Other	1,838,309	2,196,644
Total selling, general and administrative expenses	11,269,277	14,053,620
Operating profit	2,868,983	3,333,803
Non-operating income		
Interest income	16,039	13,353
Dividend income	113,565	120,714
Rental income from real estate	37,874	42,645
Foreign exchange gains	-	※1 57,640
Share of profit of entities accounted for using equity method	28,163	42,060
Subsidy income	-	44,278
Other	20,845	36,112
Total non-operating income	216,488	356,805
Non-operating expenses		
Interest expenses	17,634	25,259
Depreciation of assets for rent	2,959	2,406
Foreign exchange losses	※1 37,290	-
Other	24,242	37,945
Total non-operating expenses	82,127	65,612
Ordinary profit	3,003,345	3,624,997

(Thousands of yen)

	For the fiscal year ended November 30, 2024	For the fiscal year ended November 30, 2025
Extraordinary income		
Gain on sale of non-current assets	286	15,311
Gain on sale of investment securities	1,010,610	300,966
Gain on reversal of share acquisition rights	4,252	-
Insurance claim income	-	70,000
Gain on bargain purchase	-	1,105,306
Total extraordinary income	1,015,149	1,491,584
Extraordinary losses		
Loss on sale of non-current assets	1,856	1,380
Loss on retirement of non-current assets	15,621	35,175
Impairment losses	※2 62,592	※2 825,020
Loss on termination of employment	13,952	-
Loss due to disaster	45,098	-
Total extraordinary losses	139,122	861,576
Profit before income taxes	3,879,371	4,255,005
Income taxes - current	1,335,045	1,329,531
Income taxes - deferred	(27,732)	8,613
Total income taxes	1,307,313	1,338,145
Profit	2,572,058	2,916,860
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,572,058	2,916,860

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended November 30, 2024	For the fiscal year ended November 30, 2025
Profit	2,572,058	2,916,860
Other comprehensive income		
Valuation difference on available-for-sale securities	761,371	133,053
Deferred gains or losses on hedges	(22,425)	33,779
Revaluation reserve for land	-	(7,276)
Foreign currency translation adjustment	(373,133)	314,634
Remeasurements of defined benefit plans, net of tax	21,330	13,061
Share of other comprehensive income of entities accounted for using equity method	0	(1)
Total other comprehensive income	387,144	487,250
Comprehensive income	2,959,203	3,404,111
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,959,203	3,404,111
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,532,492	3,040,197	28,538,155	(2,437,142)	32,673,702
Changes during period					
Dividends of surplus			(1,544,333)		(1,544,333)
Profit attributable to owners of parent			2,572,058		2,572,058
Purchase of treasury shares				(750,433)	(750,433)
Disposal of treasury shares		34,940		143,146	178,086
Cancellation of treasury shares					-
Reversal of revaluation reserve for land					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					
Total changes during period	-	34,940	1,027,725	(607,287)	455,378
Balance at end of period	3,532,492	3,075,137	29,565,881	(3,044,430)	33,129,080

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,053,469	13,287	419,773	3,223,586	49,934	5,760,051	23,467	-	38,457,221
Changes during period									
Dividends of surplus									(1,544,333)
Profit attributable to owners of parent									2,572,058
Purchase of treasury shares									(750,433)
Disposal of treasury shares									178,086
Cancellation of treasury shares									-
Reversal of revaluation reserve for land									-
Transfer from retained earnings to capital surplus									-
Net changes in items other than shareholders' equity	761,371	(22,424)	-	(373,133)	21,330	387,144	(23,467)	-	363,676
Total changes during period	761,371	(22,424)	-	(373,133)	21,330	387,144	(23,467)	-	819,055
Balance at end of period	2,814,841	(9,137)	419,773	2,850,452	71,265	6,147,195	-	-	39,276,276

For the fiscal year ended November 30, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,532,492	3,075,137	29,565,881	(3,044,430)	33,129,080
Changes during period					
Dividends of surplus			(1,792,051)		(1,792,051)
Profit attributable to owners of parent			2,916,860		2,916,860
Purchase of treasury shares				(1,060,893)	(1,060,893)
Disposal of treasury shares				5,154	5,154
Cancellation of treasury shares		(3,137,248)		3,137,248	-
Reversal of revaluation reserve for land			23,768		23,768
Transfer from retained earnings to capital surplus		62,110	(62,110)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(3,075,137)	1,086,466	2,081,509	92,838
Balance at end of period	3,532,492	-	30,652,347	(962,920)	33,221,918

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,814,841	(9,137)	419,773	2,850,452	71,265	6,147,195	-	-	39,276,276
Changes during period									
Dividends of surplus									(1,792,051)
Profit attributable to owners of parent									2,916,860
Purchase of treasury shares									(1,060,893)
Disposal of treasury shares									5,154
Cancellation of treasury shares									-
Reversal of revaluation reserve for land									23,768
Transfer from retained earnings to capital surplus									-
Net changes in items other than shareholders' equity	133,053	33,778	(31,044)	314,634	13,061	463,482	-	-	463,482
Total changes during period	133,053	33,778	(31,044)	314,634	13,061	463,482	-	-	556,320
Balance at end of period	2,947,894	24,640	388,729	3,165,086	84,326	6,610,678	-	-	39,832,596

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended November 30, 2024	For the fiscal year ended November 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,879,371	4,255,005
Depreciation	983,926	999,996
Impairment losses	62,592	825,020
Amortization of goodwill	280,078	390,926
Gain on bargain purchase	-	(1,105,306)
Increase (decrease) in provision for bonuses	(16,111)	38,494
Decrease (increase) in retirement benefit asset	(25,052)	(18,905)
Increase (decrease) in retirement benefit liability	15,913	546
Increase (decrease) in provision for retirement benefits for directors (and other officers)	16,619	(42,030)
Increase (decrease) in provision for share awards	9,496	8,148
Increase (decrease) in provision for share awards for directors (and other officers)	12,025	13,127
Increase (decrease) in allowance for doubtful accounts	(4,647)	(3,030)
Interest and dividend income	(129,605)	(134,068)
Interest expenses	17,634	25,259
Subsidy Income	-	(44,278)
Insurance claim income	-	(70,000)
Share of loss (profit) of entities accounted for using equity method	(28,163)	(42,060)
Gain on reversal of share acquisition rights	(4,252)	-
Loss (gain) on sale of non-current assets	1,569	(13,930)
Loss (gain) on sale of investment securities	(1,010,610)	(300,966)
Loss on retirement of non-current assets	15,621	35,175
Decrease (increase) in trade receivables	651,625	689,458
Decrease (increase) in inventories	1,201,368	(373,718)
Increase (decrease) in trade payables	(15,417)	(301,106)
Other, net	(251,406)	(530,663)
Subtotal	5,662,579	4,301,094
Interest and dividends received	129,551	133,512
Interest paid	(17,267)	(25,102)
Subsidies received	-	44,278
Proceeds from insurance income	-	70,000
Income taxes paid	(1,154,686)	(1,528,987)
Net cash provided by (used in) operating activities	4,620,177	2,994,796

(Thousands of yen)

	For the fiscal year ended November 30, 2024	For the fiscal year ended November 30, 2025
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	14,394	-
Purchase of investment securities	(13,184)	(10,211)
Proceeds from sale of investment securities	1,169,849	403,261
Purchase of property, plant and equipment	(519,729)	(854,959)
Proceeds from sale of property, plant and equipment	443	187,069
Purchase of intangible assets	(44,783)	(105,841)
Loan advances	-	(150,000)
Proceeds from collection of loans receivable	42,000	109,271
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(4,571,492)
Other, net	(10,326)	(23,086)
Net cash provided by (used in) investing activities	638,663	(5,015,989)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	-	(350,000)
Repayments of lease liabilities	(263,161)	(259,292)
Repayments of long-term borrowings	(280,008)	(680,002)
Purchase of treasury shares	(750,433)	(1,060,893)
Proceeds from exercise of employee share options	156,958	-
Dividends paid	(1,544,333)	(1,792,051)
Net cash provided by (used in) financing activities	(2,680,977)	(4,142,239)
Effect of exchange rate change on cash and cash equivalents	(127,272)	104,740
Net increase (decrease) in cash and cash equivalents	2,450,590	(6,058,691)
Cash and cash equivalents at beginning of period	13,009,580	15,460,171
Cash and cash equivalents at end of period	15,460,171	9,401,479

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

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 current consolidated 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 consolidated financial statements.

The Group has also adopted the Revised Implementation Guidance of 2022 effective as of the beginning of the current consolidated 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 consolidated financial statements for the previous consolidated financial statements for the previous fiscal year are presented on a retroactive basis. The change in accounting policy has no effect on the consolidated financial statements of the previous fiscal year.

(Changes in presentation)

(Consolidated Balance Sheets)

In the previous consolidated fiscal year, "Trademark right" which were included in "Other" of "Intangible assets" are to be presented independently from the current consolidated fiscal year, as their financial significance has increased.

To reflect this change in presentation method, reclassification of the consolidated financial statements for the previous consolidated fiscal year is being performed.

As a result, in the consolidated balance sheet for the previous consolidated fiscal year, 961,540 thousand yen, which was presented in "Other" of "Intangible assets", has been reclassified as 704,410 thousand yen for "Trademark right" and 257,130 thousand yen for "Other".

(Consolidated Statement of Income)

In the previous consolidated fiscal year, "Provision for bonuses", "Sales commissions", and "Amortization of goodwill", which were included in "Other" of "Selling, general and administrative expenses" are to be presented independently from the current consolidated fiscal year, as their financial significance has increased.

To reflect this change in presentation method, reclassification of the consolidated financial statements for the previous consolidated fiscal year is being performed.

As a result, in the consolidated statement of income for the previous consolidated fiscal year, 2,517,210 thousand yen, which was presented in "Other" of "Selling, general and administrative expenses" has been reclassified as 357,428 thousand yen for "Provision for bonuses", 41,393 thousand yen for "Sales commissions", 280,078 thousand yen for "Amortization of goodwill", and 1,838,309 thousand yen for "Other".

(Notes on statements of Consolidated Statements of Income)

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

For the fiscal year ended November 30, 2024

Valuation losses related to forward exchange contracts for transactions between consolidated group companies of 2,851 thousand yen are included in "Foreign exchange losses".

For the fiscal year ended November 30, 2025

Valuation gains related to forward exchange contracts for transactions between consolidated group companies of 14,161 thousand yen are included in "Foreign exchange gains".

*2 Details of impairment losses are as follows.

(As of) Fiscal year ended November 30, 2024

The Group recorded impairment losses on the following assets in the previous fiscal year.

Use	Location	Type	Impairment losses (thousands of yen)
Idle real estate	Danang City, Vietnam	Building	58,475
Idle real estate	Danang City, Vietnam	Right-of-use assets	4,117
Total			62,592

The Group treats business assets of each company as a single asset group since they collectively generate cash flow for each company. Idle assets and assets held for disposal are grouped by property.

As for idle real estate, buildings and right-of-use assets that are not expected to be used in the future are recognized as impairment losses under extraordinary losses with their net realizable value being zero.

(As of) Fiscal year ended November 30, 2025

The Group recorded an impairment loss on the following asset in the fiscal year under review.

Use	Location	Type	Impairment losses (thousands of yen)
Other	Georgia, U.S.A.	Goodwill	825,020
Total			825,020

The Group treats business assets of each company as a single asset group since they collectively generate cash flow for each company. Idle assets and assets held for disposal are grouped by property. In principle, goodwill is grouped by company.

With regard to the goodwill generated when the Company acquired shares of its overseas consolidated subsidiary, Morito Scovill Americas, LLC, its book value was reduced to the recoverable amount. This was because the total amount of undiscounted future cash flows fell below the book value of the asset group that included the goodwill due to changes in the business environment surrounding the company. The amount of reduction was recorded as an impairment loss totaling 825,020 thousand yen under extraordinary losses. The recoverable amount was measured based on value in use, which was calculated by discounting future cash flows at a rate of 11.23%.

(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 consolidated statements of income

The period from January 1 to September 30, 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
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Acquisition cost	4,300,000 thousand yen
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4. Details and amounts of major acquisition-related expenses

Advisory fees, etc.	61,622 thousand yen
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5. Amount of goodwill incurred, reason for incurrence, and amortization method and period

(1) Amount of goodwill incurred

2,536,270 thousand yen

The amount of goodwill was calculated tentatively since the allocation of the acquisition cost had not been completed during the third quarter of the fiscal year under review. However, the allocation of the acquisition cost was finalized at the end of the fiscal year under review.

(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. 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	1,239,318	thousand yen
Total assets	2,847,149	thousand yen
Current liabilities	419,521	thousand yen
Non-current liabilities	663,898	thousand yen
Total liabilities	1,083,419	thousand yen

7. Amounts allocated to intangible assets other than goodwill, breakdown by major type, and weighted average amortization period for the total and by major type

Type	Amount	Amortization Period
Trademark right	1,156,000 thousand yen	20 years

8. Estimated amount of the effect of the business combination on the consolidated statement of income for the fiscal year under review calculated on the assumption that the business combination was completed as of the beginning of the fiscal year and its calculation method

Net sales	1,317,509	thousand yen
Operating profit	179,131	thousand yen

(Method for calculating estimated amount)

The difference between the net sales and profit/loss information calculated as if the business combination had been completed at the beginning of the fiscal year and the net sales and profit/loss information in the consolidated statement of income of the acquired company is the estimated amount of the effect. This note is unaudited.

(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 consolidated statements of income

The period from April 1 to September 30, 2025, is included in the financial results.

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

1,105,306 thousand yen

The amount of goodwill was calculated tentatively since the allocation of the acquisition cost had not been completed during the third quarter of the fiscal year under review. However, the allocation of the acquisition cost was finalized at the end of the fiscal year under review.

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

Current assets	4,127,765 thousand yen
Non-current assets	1,328,464 thousand yen
Total assets	5,456,229 thousand yen
Current liabilities	1,924,452 thousand yen
Non-current liabilities	1,364,453 thousand yen
Total liabilities	3,288,906 thousand yen

7. Estimated amount of the effect of the business combination on the consolidated statement of income for the fiscal year under review calculated on the assumption that the business combination was completed as of the beginning of the fiscal year and its calculation method

Net sales	4,233,728 thousand yen
Operating profit	101,358 thousand yen

(Method for calculating estimated amount)

The difference between the net sales and profit/loss information calculated as if the business combination had been completed at the beginning of the fiscal year and the net sales and profit/loss information in the consolidated statement of income of the acquired company is the estimated amount of the effect. This note is unaudited.

(Segment Information, Etc.)

Segment information

1. Overview of reportable segments

(1) Decision method of the reportable segments

The Group's reportable segments are those constituent units for which discrete financial information is available, and for which the Board of Directors conducts regular reviews for the purposes of making decisions on the allocation of resources and assessing performance.

The main business of the Group is the sales and manufacturing of materials and products for apparel and lifestyle goods, centering on daily necessities, as well as automotive interior components. Operations in Japan are mainly carried out by eight local subsidiaries, operations in Asia are mainly carried out by local subsidiaries in China and Hong Kong, and operations in Europe and the U.S. are mainly carried out by local subsidiaries in the U.S., Mexico, and the Netherlands. The Company and its local subsidiaries, etc. are independently managed units, but the Group formulates comprehensive strategies for business activities across all regions.

The Group therefore consists of three regional segments, each of which is a reportable segment: Japan, Asia, and Europe and the U.S.

(2) Matters related to changes in reportable segments, etc.

The Group previously reported goodwill and intangible assets arising from the consolidation of Scovill Americas, LLC (now Morito Scovill Americas, LLC) and its subsidiaries as consolidated subsidiaries in the fiscal year ended November 30, 2014 in the "Europe and the U.S." segment. However, following a review of management classifications, the goodwill and trademark right related to the business of Morito Scovill Hong Kong Co., Ltd. were reclassified to the "Asia" segment.

Segment information for the previous fiscal year is disclosed based on the revised reporting segment classification.

Due to this change in segmentation, segment information for the previous fiscal year has been reclassified to conform to the new reporting segment classification.

2. Method used to calculate amounts of net sales, profit (loss), assets and other items by reportable segment

The accounting treatment used for each of the reportable segments is substantially the same as the accounting treatment used in the preparation of the consolidated financial statements.

The amounts presented for the profit of reportable segments represent operating profit.

The amounts presented for intersegment sales or transfers are based on prevailing market prices.

3. Information on amounts of net sales, profit (loss), assets and other items by reportable segment

I For the fiscal year ended November 30, 2024

	Reportable Segment				Adjustment (Notes 1, 3)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales Apparel	11,849,641	6,786,618	5,590,067	24,226,327	-	24,226,327
Product	16,685,292	695,180	25,495	17,405,969	-	17,405,969
Transportation	4,477,567	891,068	1,536,249	6,904,885	-	6,904,885
Revenue from contracts with customers	33,012,501	8,372,867	7,151,812	48,537,182	-	48,537,182
Net sales to external customers	33,012,501	8,372,867	7,151,812	48,537,182	-	48,537,182
Intersegment sales or transfers	1,966,720	3,315,658	82,538	5,364,917	(5,364,917)	-
Total	34,979,221	11,688,526	7,234,351	53,902,099	(5,364,917)	48,537,182
Segment profit (loss)	2,060,479	745,378	324,748	3,130,606	(261,622)	2,868,983
Segment assets	29,639,983	8,458,355	6,015,912	44,114,251	8,362,488	52,476,739
Other items						
Depreciation	364,244	376,458	243,223	983,926	-	983,926
Increase in property, plant and equipment and intangible assets	428,628	320,512	92,008	841,149	-	841,149

(Note) 1 The adjustment of (261,622) thousand yen to segment profit includes eliminations of intersegment transactions in the amount of 6,351 thousand yen, and corporate expenses of (267,974) thousand yen not allocated to the reportable segments.

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

3 The amount of the adjustment to segment assets of 8,362,488 thousand yen includes intersegment elimination of (9,547,257) thousand yen, and corporate assets of 17,909,745 thousand yen not allocated to the reportable segments. Corporate assets mainly refer to the financial assets (cash and deposits, investment securities, etc.) held by the Company, which is the holding company of the Group.

	Reportable Segment				Adjustment (Notes 1, 3)	(Thousand yen) Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales Apparel	19,558,200	7,226,288	5,553,169	32,337,658	-	32,337,658
Product	17,216,144	472,427	12,515	17,701,087	-	17,701,087
Transportation	4,536,600	424,440	1,496,886	6,457,928	-	6,457,928
Revenue from contracts with customers	41,310,945	8,123,155	7,062,572	56,496,673	-	56,496,673
Other revenue	-	157,523	212,991	370,514	-	370,514
Net sales to external customers	41,310,945	8,280,679	7,275,563	56,867,188	-	56,867,188
Intersegment sales or transfers	1,983,080	3,587,698	70,648	5,641,427	(5,641,427)	-
Total	43,294,025	11,868,378	7,346,211	62,508,615	(5,641,427)	56,867,188
Segment profit	2,570,127	773,299	374,948	3,718,375	(384,572)	3,333,803
Segment assets	39,658,037	9,030,771	5,615,969	54,304,778	1,194,115	55,498,893
Other items						
Depreciation	443,409	322,553	234,034	999,996	-	999,996
Increase in property, plant and equipment and intangible assets	502,369	457,128	146,728	1,106,226	-	1,106,226

(Note) 1 The adjustment of (384,572) thousand yen to segment profit includes eliminations of intersegment transactions in the amount of (88,623) thousand yen, and corporate expenses of (295,948) thousand yen not allocated to the reportable segments.

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

3 The amount of the adjustment to segment assets of 1,194,115 thousand yen includes intersegment elimination of (10,236,105) thousand yen, and corporate assets of 11,430,220 thousand yen not allocated to the reportable segments. Corporate assets mainly refer to the financial assets (cash and deposits, investment securities, etc.) held by the Company, which is the holding company of the Group.

Information on gain on bargain purchase by reportable segment

For the fiscal year ended November 30, 2024

Not applicable.

For the fiscal year ended November 30, 2025

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 1,105,306 thousand yen in the fiscal year under review, which was calculated tentatively since the allocation of the acquisition cost had not been completed during the third quarter of the fiscal year under review. However, the allocation of the acquisition cost was finalized at the end of the fiscal year under review. The gain on bargain purchase is extraordinary income and is not included in the above segment profit.

(Per Share Information)

(Yen)

Item	As of November 30, 2024 (December 1, 2023 to November 30, 2024)	As of November 30, 2025 (December 1, 2024 to November 30, 2025)
Net assets per share	1,495.67	1,556.22
Basic earnings per share	97.12	111.88

(Note) 1 The number of common shares that are treasury shares used to calculate "net assets per share" includes the Company's shares (366 thousand shares in the previous fiscal year, 353 thousand shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company's shares (154 thousand shares in the previous fiscal year, 154 thousand shares in the fiscal year under review) held by The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account).

- 2 The average number of common shares during the period that are treasury shares used to calculate "basic earnings per share" includes the Company's shares (371 thousand shares in the previous fiscal year, 357 thousand shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company's shares (154 thousand shares in the previous fiscal year, 154 thousand shares in the fiscal year under review) held by The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account).
- 3 Diluted earnings per share for the previous fiscal year are not shown because there were no potentially dilutive shares. Diluted earnings per share for the fiscal year under review are not shown because there were no dilutive shares.
- 4 Calculation basis for net assets per share is as follows:

Item	As of November 30, 2024	As of November 30, 2025
Total net assets on Consolidated Balance Sheets (Thousand yen)	39,276,276	39,832,596
Amount deducted from total net assets (thousand yen)	-	-
[Including: Non-controlling interests (thousand yen)]	-	-
Net assets relating to common shares (thousand yen)	39,276,276	39,832,596
Number of common issued shares (thousand shares)	30,000	26,800
Number of common shares that are treasury shares (thousand shares)	3,739	1,204
Number of common shares used to calculate net assets per share (thousand shares)	26,260	25,595

5 Calculation basis for basic earnings per share is as follows:

Item	As of November 30, 2024 (December 1, 2023 to November 30, 2024)	As of November 30, 2025 (December 1, 2024 to November 30, 2025)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	2,572,058	2,916,860
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent relating to common shares (thousand yen)	2,572,058	2,916,860
Average number of common shares during the period (thousand shares)	26,483	26,071
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	Stock acquisition rights based on the resolution of the Ordinary General Meeting of Shareholders and the Board of Directors on February 25, 2016 expired on April 15, 2024 due to the expiration of the exercise period.	-

(Significant Subsequent Events)

Not applicable.

5. Other Information

(1) Changes to Directors

(i) Changes of representative

Not applicable.

(ii) Other changes to Directors (scheduled for February 26, 2026)

1. Candidates for new Director

Director Hiroyoshi Mori (currently Executive Officer of the Company, General Manager of Apparel Asia Strategy and CEO of Morito Apparel Co., Ltd.)

Director Yoshiko Iwata

*Ms. Iwata is a candidate for Outside Director as defined in Article 2, Paragraph 3, Item 7 of the Regulations for Enforcement of the Companies Act.

2. Directors scheduled to retire

Not applicable.

3. Candidates for new Corporate Auditor

Not applicable.

4. Auditors scheduled to retire

Not applicable.