

Consolidated Financial Results for the Fiscal Year Ended November 30, 2022 [Japanese GAAP]

January 13, 2023

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, Division
 Contact: Manager of Corporate Administrative Division and Division (TEL) +81-6-6252-3551
 Manager of Business Management Division

Scheduled date of Annual General Meeting of Shareholders: February 24, 2023 Scheduled date of commencing dividend payments: February 27, 2023

Scheduled date of filing annual securities report: February 27, 2023

Availability of supplementary briefing material on annual financial results : Available

Schedule of annual financial results briefing session : Scheduled (for securities analysts and institutional investors)

(Amounts of less than 1 million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended November 30, 2022 (December 1, 2021 to November 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended November 30, 2022	48,478	11.1	2,116	30.7	2,342	27.7	1,674	19.0
November 30, 2021	43,636	7.1	1,619	89.1	1,834	97.6	1,407	199.3

(Note) Comprehensive income: Fiscal year ended November 30, 2022: ¥4,070 million yen [73.4%] Fiscal year ended November 30, 2021: ¥2,346 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total asset	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended November 30, 2022	62.23	-	4.8	4.9	4.4
November 30, 2021	51.41	-	4.3	4.1	3.7

(Reference) Share of profit (loss) of entities accounted for using equity method: Fiscal year ended November 30, 2022 ¥73 million November 30, 2021 ¥65 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended November 30, 2022	50,271	36,684	72.9	1,371.63
November 30, 2021	45,938	33,914	73.7	1,240.70

(Reference) Equity: Fiscal year ended November 30, 2022 ¥36,628 million November 30, 2021 ¥33,858 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended November 30, 2022	850	(135)	(1,916)	10,396
November 30, 2021	2,644	(401)	(1,380)	11,020

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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
November 30, 2021	-	9.00	-	17.00	26.00	724	50.6	2.2
Fiscal year ended November 30, 2022	-	13.50	-	18.50	32.00	873	51.4	2.4
Fiscal year ending November 30, 2023 (Forecast)	-	27.00	-	27.00	54.00		80.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2023
(December 1, 2022 to November 30, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	50,000	3.1	2,300	8.6	2,450	4.6	1,800	7.5	67.40

Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in the scope of consolidation) : No
- (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):
Fiscal year ended November 30, 2022: 30,000,000
November 30, 2021: 30,800,000
 - 2) Total number of treasury shares at the end of the period:
Fiscal year ended November 30, 2022: 3,295,500
November 30, 2021: 3,510,000
 - 3) Average number of shares during the period:
Fiscal year ended November 30, 2022: 26,901,369
November 30, 2021: 27,372,477
- * 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 "1. Overview of Business Results, etc. (4) Future Outlook" on page 7.
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	5
(3) Overview of Cash Flows for the Period under Review	6
(4) Future Outlook	7
(5) Basic Dividend Policy and Payments for the Period under Review and the Next Period	7
2. Overview of the Corporate Group	8
3. Basic Stance Regarding Choice of Accounting Standards	11
4. Consolidated Financial Statements and Primary Notes	12
(1) Consolidated Balance Sheets	12
(2) Consolidated Statements of Income and Comprehensive Income	14
(3) Consolidated Statements of Changes in Equity	17
(4) Consolidated Statements of Cash Flows	19
(5) Notes to the Consolidated Financial Statements	21
(Notes on Going Concern Assumption)	21
(Changes in Accounting Policies)	21
(Additional Information)	22
(Segment Information, Etc.)	23
(Per Share Information)	26
(Significant Subsequent Events)	27
5. Other Information	27
(1) Changes in Officers	27

1. Overview of Business Results, Etc.

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

The fiscal year under review (December 1, 2021 to November 30, 2022) saw signs of an economic recovery in the operating environment due to the shift to a new phase of the “living with COVID-19” policy. However, the outlook for the future remains uncertain due to a combination of various risks, such as soaring raw material costs associated with rising crude oil prices triggered by the situation in Ukraine and other factors as well as currency fluctuations caused by global monetary tightening.

The Morito Group (the “Group”), which is mainly engaged in apparel, product, and transportation businesses, faced a number of hurdles that kept profits low, including soaring prices and difficulties in procuring raw materials for its mainstay products, production cutbacks and stoppages by automakers due to semiconductor shortages, delays in marine transportation, and rising transportation costs. On the other hand, the Group enjoyed favorable sales of accessories and products with superior functionality, including medical wear and working wear, which are unaffected by trends, as well as yoga, fishing, and other sporting goods, and medical device-related products. Under its “Rideeco” initiative aimed at realizing a sustainable society, the Group moved forward with the development and sales of environmentally friendly products, using discarded fishing nets and fabric scraps from garment factories, with a focus on winning new business contracts. The Group has also made ongoing efforts to cut transportation and other costs, which has substantially improved its profitability.

As a result, for the fiscal year under review, net sales increased 11.1% year on year to ¥48,478 million. Operating profit was up 30.7% to ¥2,116 million, ordinary profit grew 27.7% to ¥2,342 million, and profit attributable to owners of the parent increased 19.0% to ¥1,674 million.

The Group has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. effective as of the beginning of the fiscal year under review. This change resulted in a decrease of ¥427 million in net sales and ¥46 million in operating profit, respectively, and resulted in an increase of ¥6 million in ordinary profit and profit attributable to owners of the parent, respectively, for the fiscal year under review.

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	113.71 (104.51)	116.34 (106.09)	129.73 (109.52)	138.28 (110.10)
EUR	130.04 (124.58)	130.40 (127.80)	138.25 (131.93)	139.26 (129.82)
CNY	17.78 (15.81)	18.31 (16.38)	19.60 (16.96)	20.18 (17.02)
HKD	14.60 (13.48)	14.90 (13.68)	16.53 (14.10)	17.62 (14.16)
TWD	4.09 (3.67)	4.16 (3.78)	4.41 (3.91)	4.55 (3.95)
VND	0.0050 (0.0045)	0.0051 (0.0046)	0.0056 (0.0048)	0.0059 (0.0048)
THB	3.41 (3.42)	3.52 (3.50)	3.77 (3.50)	3.80 (3.35)
MXN	5.48 (5.08)	5.67 (5.21)	6.48 (5.47)	6.83 (5.50)

(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 saw increases in sales of accessories for working wear and medical wear sold in Europe and the U.S. as well as accessories for casual wear, sportswear, and athletic shoes.

The Product Division enjoyed increases in sales of medical device-related products, products for one-coin shops (like 100-yen stores), construction safety products, and snowboarding, surfing, and outdoor products.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers increased. As a result, net sales grew 10.9% year on year to total ¥33,516 million, and segment profit rose 17.7% year on year to reach ¥1,618 million.

Due to the adoption of the Accounting Standard for Revenue Recognition, etc., net sales and segment profit fell ¥427 million and ¥46 million respectively.

Asia

In China and Hong Kong apparel operations, sales of working wear accessories for the European and U.S. markets and accessories for casual wear were up while apparel operations in Vietnam enjoyed growing sales of athletic shoes accessories.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers decreased in China due to the semiconductor shortage.

As a result, net sales increased 3.5% year on year to total ¥8,340 million, and segment profit grew 73.7% year on year to reach ¥696 million.

Europe and the U.S.

In the Apparel Division, sales of accessories related to working wear and casual wear as well as accessories for high-end down wear increased.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers decreased due to the semiconductor shortage.

As a result, net sales grew 23.7% year on year to total ¥6,621 million, and segment profit grew 82.7% year on year to reach ¥104 million.

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

Total assets for the fiscal year under review increased ¥4,333 million from the previous fiscal year-end to ¥50,271 million.

Current assets grew ¥3,523 million from the previous fiscal year-end to ¥30,481 million. This was mainly due to an increase of ¥1,569 million in merchandise and finished goods, an increase of ¥892 million in notes and accounts receivable, an increase of ¥687 million in raw materials and supplies, an increase of ¥561 million in electronically recorded monetary claims, and a decrease of ¥703 million in cash and deposits.

Non-current assets were up ¥810 million from the previous fiscal year-end to ¥19,790 million. This was mainly due to an increase of ¥280 million in goodwill, an increase of ¥168 million in machinery and equipment, and an increase of ¥137 million in trademark rights included in other intangible assets.

Current liabilities increased ¥1,801 million from the previous fiscal year-end to ¥9,309 million. This was mainly due to an increase of ¥1,084 million in notes and accounts payable - trade, an increase of ¥259 million in liabilities related to chargeable subcontracting included in other, an increase of ¥113 million in accrued expenses included in other, an increase of ¥106 million in provision for bonuses, and a decrease of ¥114 million in the current portion of long-term borrowings.

Non-current liabilities decreased ¥237 million from the previous fiscal year-end to ¥4,278 million. This was mainly due to a decrease of ¥280 million in long-term borrowings.

Net assets increased ¥2,769 million from the previous fiscal year-end to ¥36,684 million.

The shareholders' equity ratio decreased 0.8 percentage points to 72.9% from 73.7% 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 ¥850 million, compared with cash flows of ¥2,644 million provided in the previous fiscal year. This was mainly due to an increase in inventories and payment of income taxes, while there was an increase in funds due to the acquisition of profit before income taxes and the recording of depreciation expenses.

(Cash flows from investing activities)

Cash flows used in investing activities amounted to ¥135 million, compared with cash flows of ¥401 million used in the previous fiscal year. This was mainly due to an increase in cash from the sale of investment securities and the sale of property, plant and equipment, and a decrease in cash from the acquisition of property, plant and equipment.

(Cash flows from financing activities)

Cash flows used in financing activities amounted to ¥1,916 million, compared with cash flows of ¥1,380 million used in the previous fiscal year. This was mainly due to the repayment of long-term borrowings, payment of dividends, and purchase of treasury stock.

As a result of the above, cash and cash equivalents at the end of the fiscal year under review decreased ¥623 million from the previous fiscal year-end to ¥10,396 million.

Trends of cash flow indicators are as follows.

	Fiscal year ended November 30, 2020	November 30, 2021	Fiscal year ended November 30, 2022
Equity ratio (%)	73.1	73.7	72.9
Equity ratio based on fair value (%)	38.3	38.1	40.3
Cash flow to interest-bearing debt ratio (%)	116.9	81.2	206.1
Interest coverage ratio (times)	175.4	245.6	63.5

(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 bonds payable and borrowings.
- * 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 “Creating existence value: Realization of a new Morito Group.”

The situation remains uncertain due to the spread of COVID-19 and the Ukrainian situation. However, aiming for consolidated net sales of ¥50,000 million and consolidated operating profit of ¥2,500 million in the fiscal year ending November 30, 2026, the targets established under the Group’s 8th midterm management plan (spanning five years from fiscal 2022 to fiscal 2026), we will implement various initiatives to adapt to rapidly changing markets and new lifestyles.

Regarding the full-year forecast of the Group for the fiscal year ending November 30, 2023, although the outlook for the global economy remains uncertain, due to factors including the severe exchange rate fluctuations and price increases, the Group will focus on sales of value-added products with a particular emphasis on functionality, sustainability, and ecology, as well as core products. The consolidated financial results for fiscal 2023 are forecasted to exceed those of fiscal 2022, with net sales of ¥50,000 million, operating profit of ¥2,300 million, ordinary profit of ¥2,450 million, and profit attributable to owners of parent of ¥1,800 million.

*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 such as the resurgence of COVID-19. We will promptly disclose any changes in forecast figures.

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

The Company’s basic dividend policy for the fiscal year under review is to secure a sound management foundation, strengthen its financial structure, and improve profitability while recognizing the return of profits to shareholders as an important management issue. Internal reserves will be utilized in areas such as investments aimed at long-term growth, expansions of existing core business, and preparations for new businesses, M&As, and such like, in order to increase our corporate value in the future.

Dividends are determined after considering factors such as the financial position and net assets.

- Realize continuous dividend payments
- Maintain a dividend on equity (DOE) ratio of 1.5%
- Depending on business results, 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 consideration 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 ¥18.50 per share in the Annual General Meeting of Shareholders that will be held on February 24, 2023. Accordingly, including the interim dividend of ¥13.50 per share, the annual dividend for the fiscal year under review will amount to ¥32.00 per share. This represents an increase of ¥6.00 from the previous year’s annual dividend of ¥26.00.

Regarding dividends for the next fiscal year, based on our new basic dividend policy announced today, we plan to pay out an interim dividend of ¥27.00, and a year-end dividend of ¥27.00, which will combine to form an annual dividend of ¥54.00. For the new basic dividend policy, please refer to the “Notice Concerning Partial Changes to Capital Policy and Shareholder Return Policy, etc., in Line with Formulation of Sustainability Policy” announced today.

2. Overview of the Corporate Group

The Group consists of the parent company (the Company), 22 subsidiaries, and 1 affiliate. 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. Business activities of the Group include: the sale and manufacturing of materials for apparel and lifestyle goods such as stationery and 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 □ 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
- ⊙ 52DESIGN Co., Ltd.: Sale and manufacturing of bags, accessories, clothes, furniture, and miscellaneous goods
- ⊙ Maneuverline Co., Ltd.: Import, sales, and wholesaling of marine leisure, snowboarding, and apparel goods
- ⊙ Canvas Co., Ltd.: A wholly owned subsidiary of Maneuverline Co., Ltd.; import, sales and wholesaling of apparel goods
- 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
- ⊙ Taiwan Morito Co., Ltd.: Sale of materials for consumer products
- ⊙ Morito Shanghai Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- ⊙ Kane-M Danang Co., Ltd.: Sale and manufacturing of materials for apparel and consumer products, and operation of rental factories
- ⊙ Kane-M (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 both in and outside China
- ⊙ 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

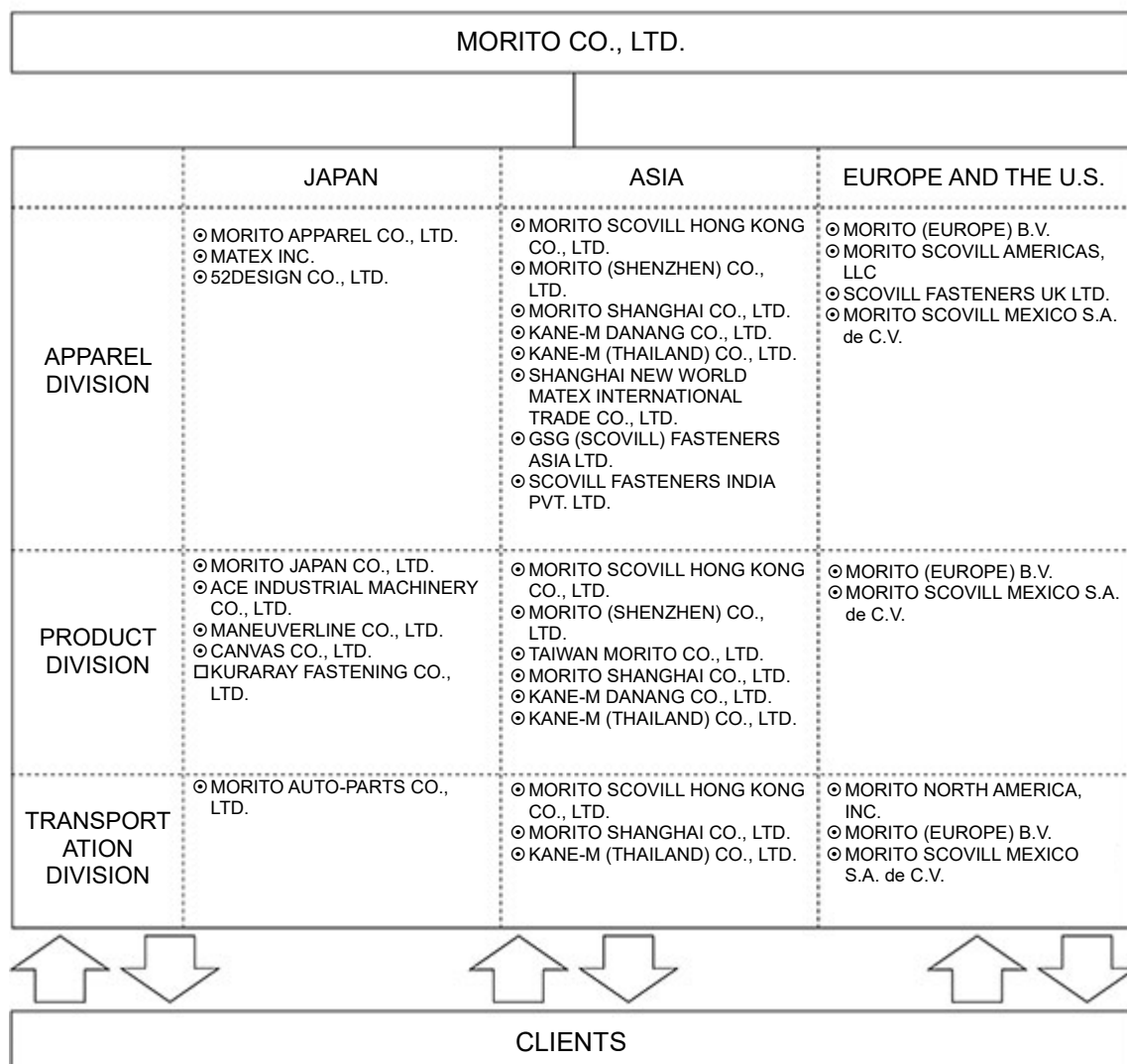
Europe and the U.S.

- ⊙ 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
- ⊙ Scovill Fasteners UK Ltd.: A wholly owned subsidiary of Morito Scovill Americas, LLC; sale of materials for apparel 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

- (Notes)
- 1 The liquidation of unconsolidated subsidiary Matex Bangkok Co., Ltd. was completed on August 9, 2022.
 - 2 Starting in the fiscal year under review, the newly established Morito Apparel Co., Ltd. and Morito Auto-Parts Co., Ltd. are included in the scope of consolidation. On June 1, 2022, Morito Japan Co., Ltd. transferred its apparel materials business and automotive interior components business, to Morito Apparel Co., Ltd. and Morito Auto-Parts Co., Ltd. respectively, through an absorption-type company split.
 - 3 Taiwan Morito Co., Ltd. is currently undergoing liquidation procedures.
 - 4 Kane-M Shanghai Co., Ltd. was renamed Morito Shanghai Co., Ltd. on July 6, 2022, and Kane-M, Inc. was renamed Morito North America, Inc. on November 1, 2022.
 - 5 Kane-M (Thailand) Co., Ltd. was renamed Morito Trading (Thailand) Co., Ltd. on December 1, 2022, and Kane-M Danang Co., Ltd. was renamed Morito Danang Co., Ltd. on December 22, 2022.

The Group conducts business with the following organizational structure.



(Note) ⊙: Consolidated subsidiaries □: 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

(Thousand yen)

	As of November 30, 2021	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	11,103,207	10,399,699
Notes and accounts receivable - trade	8,363,688	-
Notes receivable - trade	-	1,132,789
Accounts receivable - trade	-	8,122,904
Electronically recorded monetary claims	2,286,001	2,847,664
Merchandise and finished goods	3,590,130	5,159,313
Work in progress	352,442	509,281
Raw materials and supplies	598,032	1,285,121
Other Information	707,446	1,076,907
Allowance for doubtful accounts	(43,235)	(52,481)
Total current assets	26,957,713	30,481,201
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,650,091	8,005,558
Accumulated depreciation	(3,735,844)	(4,035,303)
Buildings and structures, net	3,914,246	3,970,255
Machinery, equipment and vehicles	2,377,636	3,017,147
Accumulated depreciation	(1,764,313)	(2,235,107)
Machinery, equipment and vehicles, net	613,323	782,039
Tools, furniture and fixtures	2,362,025	2,453,916
Accumulated depreciation	(1,973,146)	(2,108,137)
Tools, furniture and fixtures, net	388,878	345,778
Land	4,594,174	4,547,309
Leased assets	111,742	123,040
Accumulated depreciation	(73,727)	(82,431)
Lease assets, net	38,015	40,609
Right of use assets	509,268	634,820
Accumulated depreciation	(263,468)	(311,359)
Right of use assets, net	245,800	323,460
Construction in progress	82,532	157,477
Total property, plant and equipment	9,876,970	10,166,930
Intangible assets		
Goodwill	2,432,266	2,712,342
Leased assets	5,708	3,871
Other Information	1,031,775	1,150,396
Total intangible assets	3,469,750	3,866,611
Investments and other assets		
Investment securities	4,485,900	4,465,618
Long-term loans receivable	48,000	42,000
Deferred tax assets	462,373	535,338
Retirement benefit assets	241,832	286,915
Other Information	504,360	573,067
Allowance for doubtful accounts	(108,676)	(145,760)
Total investments and other assets	5,633,790	5,757,179
Total non-current assets	18,980,511	19,790,721
Total assets	45,938,224	50,271,922

(Thousand yen)

	As of November 30, 2021	As of November 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,600,779	4,684,932
Electronically recorded obligations	853,075	940,625
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	394,620	280,008
Income taxes payable	483,951	577,794
Provision for bonuses	286,425	393,205
Provision for bonuses for directors (and other officers)	86,065	145,842
Other Information	1,752,857	2,237,096
Total current liabilities	7,507,774	9,309,505
Non-current liabilities		
Long-term borrowings	1,703,302	1,423,294
Deferred tax liabilities	1,229,154	1,268,648
Deferred tax liabilities for land revaluation	275,959	272,019
Provision for share awards	32,274	37,448
Provision for retirement benefits for directors (and other officers)	32,158	45,558
Provision for share awards for directors (and other officers)	91,650	88,468
Provision for environmental measures	20,075	25,968
Retirement benefit liability	911,731	862,554
Other Information	219,273	254,097
Total non-current liabilities	4,515,579	4,278,056
Total liabilities	12,023,354	13,587,562
Net assets		
Shareholders' equity		
Share capital	3,532,492	3,532,492
Capital surplus	3,507,603	2,962,803
Retained earnings	26,726,521	27,539,047
Treasury shares	(2,289,615)	(2,174,195)
Total shareholders' equity	31,477,001	31,860,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,321,667	1,274,715
Deferred gains or losses on hedges	4,612	(15,199)
Revaluation reserve for land	451,115	442,187
Foreign currency translation adjustment	641,116	3,023,530
Remeasurements of defined benefit plans	(36,922)	43,380
Total accumulated other comprehensive income	2,381,589	4,768,615
Share acquisition rights	56,280	55,597
Non-controlling interests	-	-
Total net assets	33,914,870	36,684,360
Total liabilities and net assets	45,938,224	50,271,922

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended November 30, 2021	For the fiscal year ended November 30, 2022
Net sales	43,636,848	48,478,405
Cost of sales	32,235,770	35,990,975
Gross profit	11,401,077	12,487,429
Selling, general and administrative expenses		
Salaries	3,281,014	3,366,015
Bonuses	609,669	695,886
Welfare expenses	782,211	841,485
Retirement benefit expenses	220,126	187,420
Provision for bonuses for directors (and other officers)	82,867	129,796
Provision for retirement benefits for directors (and other officers)	5,033	13,900
Provision for share awards for directors (and other officers)	16,217	16,647
Communication expenses	108,031	101,875
Freight and packing costs	1,461,317	1,549,973
Provision of allowance for doubtful accounts	41,265	22,509
Commission expenses	646,752	698,672
Rent expenses	154,391	160,204
Depreciation	510,657	524,721
Other Information	1,861,736	2,061,370
Total selling, general and administrative expenses	9,781,293	10,370,480
Operating profit	1,619,783	2,116,949
Non-operating profit		
Interest income	9,721	9,690
Dividend income	85,538	85,142
Rental income from real estate	68,812	79,320
Foreign exchange gains	-	11,531
Share of profit of entities accounted for using equity method	65,078	73,334
Subsidies for employment adjustment	111,854	4,205
Other Information	58,855	50,693
Total non-operating profit	399,860	313,917
Non-operating expenses		
Interest expenses	10,700	13,172
Sales discounts	59,080	-
Depreciation of assets for rent	22,579	17,797
Foreign exchange losses	34,895	-
Other Information	58,128	57,306
Total non-operating expenses	185,384	88,275
Ordinary profit	1,834,260	2,342,590

(Thousand yen)

	For the fiscal year ended November 30, 2021	For the fiscal year ended November 30, 2022
Extraordinary income		
Gain on sale of non-current assets	360	123,184
Gain on sales of investment securities	378,617	164,385
Gain on reversal of share acquisition rights	787	682
Gain on sale of golf club membership	-	466
Insurance claim income	-	96,654
Total extraordinary income	379,764	385,373
Extraordinary losses		
Loss on sale of non-current assets	29	585
Loss on retirement of non-current assets	30,879	15,236
Loss on sale of investment securities	139	-
Loss on valuation of golf club membership	200	-
Impairment losses	16,926	-
Loss on business restructuring	34,365	-
Loss due to new coronavirus infection	9,456	-
Complaint settlement	-	48,648
Loss on business withdrawal	-	46,658
Total extraordinary losses	91,997	111,128
Profit before income taxes	2,122,027	2,616,836
Income taxes - current	771,950	1,008,111
Income taxes - deferred	(57,129)	(65,355)
Total income taxes	714,820	942,755
Profit	1,407,207	1,674,080
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,407,207	1,674,080

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended November 30, 2021	For the fiscal year ended November 30, 2022
Profit	1,407,207	1,674,080
Other comprehensive income		
Valuation difference on available-for-sale securities	376,130	(46,951)
Deferred gains or losses on hedges	4,493	(19,811)
Foreign currency translation adjustment	528,372	2,382,413
Remeasurements of defined benefit plans, net of tax	30,736	80,303
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	939,734	2,395,953
Comprehensive income	2,346,941	4,070,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,346,941	4,070,034
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended November 30, 2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,532,492	3,507,603	25,703,378	(2,227,056)	30,516,416
Changes during period					
Dividends of surplus			(384,063)		(384,063)
Profit attributable to owners of parent			1,407,207		1,407,207
Purchase of treasury shares				(63,496)	(63,496)
Disposal of treasury shares				937	937
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,023,143	(62,559)	960,584
Balance at end of period	3,532,492	3,507,603	26,726,521	(2,289,615)	31,477,001

	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	945,536	118	451,115	112,743	(67,659)	1,441,855	57,067	-	32,015,339
Changes during period									
Dividends of surplus									(384,063)
Profit attributable to owners of parent									1,407,207
Purchase of treasury shares									(63,496)
Disposal of treasury shares									937
Net changes in items other than shareholders' equity	376,130	4,494	-	528,372	30,736	939,734	(787)	-	938,946
Total changes during period	376,130	4,494	-	528,372	30,736	939,734	(787)	-	1,899,531
Balance at end of period	1,321,667	4,612	451,115	641,116	(36,922)	2,381,589	56,280	-	33,914,870

For the fiscal year ended November 30, 2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,532,492	3,507,603	26,726,521	(2,289,615)	31,477,001
Cumulative effect of changes in accounting policies			(27,800)		(27,800)
Balance at beginning of period reflecting changes in accounting policies	3,532,492	3,507,603	26,698,720	(2,289,615)	31,449,200
Changes during period					
Dividends of surplus			(842,681)		(842,681)
Profit attributable to owners of parent			1,674,080		1,674,080
Purchase of treasury shares				(449,455)	(449,455)
Disposal of treasury shares				20,074	20,074
Retirement of treasury shares		(544,800)		544,800	-
Reversal of revaluation reserve for land			8,927		8,927
Net changes in items other than shareholders' equity					
Total changes during period	-	(544,800)	840,326	115,419	410,946
Balance at end of period	3,532,492	2,962,803	27,539,047	(2,174,195)	31,860,146

	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	1,321,667	4,612	451,115	641,116	(36,922)	2,381,589	56,280	-	33,914,870
Cumulative effect of changes in accounting policies									(27,800)
Balance at beginning of period reflecting changes in accounting policies	1,321,667	4,612	451,115	641,116	(36,922)	2,381,589	56,280	-	33,887,069
Changes during period									
Dividends of surplus									(842,681)
Profit attributable to owners of parent									1,674,080
Purchase of treasury shares									(449,455)
Disposal of treasury shares									20,074
Retirement of treasury shares									-
Reversal of revaluation reserve for land									8,927
Net changes in items other than shareholders' equity	(46,951)	(19,811)	(8,927)	2,382,413	80,303	2,387,026	(682)	-	2,386,343
Total changes during period	(46,951)	(19,811)	(8,927)	2,382,413	80,303	2,387,026	(682)	-	2,797,290
Balance at end of period	1,274,715	(15,199)	442,187	3,023,530	43,380	4,768,615	55,597	-	36,684,360

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended November 30, 2021	For the fiscal year ended November 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,122,027	2,616,836
Depreciation	937,238	992,422
Impairment losses	16,926	-
Amortization of goodwill	237,327	259,832
Increase (decrease) in provision for bonuses	97,841	86,830
Decrease (increase) in retirement benefit asset	15,313	11,278
Increase (decrease) in retirement benefit liability	15,942	10,204
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(29,941)	13,400
Increase (decrease) in provision for share-based remuneration	(5,178)	5,173
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	16,217	(3,181)
Increase (decrease) in allowance for doubtful accounts	40,330	29,442
Interest and dividend income	(95,259)	(94,832)
Interest expenses	10,700	13,172
Subsidies for employment adjustment	(111,854)	(4,205)
Insurance claim income	-	(96,654)
Share of loss (profit) of entities accounted for using equity method	(65,078)	(73,334)
Gain on reversal of share acquisition rights	(787)	(682)
Loss (gain) on sales of non-current assets	(330)	(122,599)
Loss (gain) on sales of investment securities	(378,477)	(164,385)
Loss (gain) on sale of golf memberships	-	(466)
Loss on valuation of golf club membership	200	-
Loss on retirement of non-current assets	30,879	15,236
Complaint settlement	-	48,648
Loss on business withdrawal	-	46,658
Decrease (increase) in trade receivables	(542,641)	(775,801)
Decrease (increase) in inventories	310,449	(1,785,241)
Increase (decrease) in trade payables	19,780	702,848
Other Information	197,485	(147,792)
Subtotal	2,839,112	1,582,807
Interest and dividends received	95,244	94,848
Interest paid	(10,767)	(13,395)
Subsidies for employment adjustment received	96,277	19,572
Proceeds from insurance income	-	96,654
Complaint settlement paid	-	(36,709)
Income taxes paid	(375,843)	(893,143)
Cash flows from operating activities	2,644,023	850,634
Cash flows from investing activities		
Payments into time deposits	(79,000)	-
Proceeds from withdrawal of time deposits	88,596	91,921
Purchase of investment securities	(35,038)	(19,189)
Proceeds from sales of investment securities	473,619	193,429
Purchase of property, plant and equipment	(784,947)	(517,000)
Proceeds from sales of property, plant and equipment	967	213,964
Purchase of intangible assets	(67,976)	(93,987)
Proceeds from collection of loans receivable	6,800	6,000
Other Information	(4,729)	(10,251)
Cash flows from investing activities	(401,707)	(135,113)

(Thousand yen)

	For the fiscal year ended November 30, 2021	For the fiscal year ended November 30, 2022
Cash flows from financing activities		
Repayments of lease obligations	(202,772)	(229,818)
Repayments of long-term borrowings	(530,000)	(394,620)
Redemption of bonds	(200,000)	-
Purchase of treasury shares	(63,496)	(449,455)
Dividends paid	(384,063)	(842,681)
Cash flows from financing activities	(1,380,332)	(1,916,575)
Effect of exchange rate change on cash and cash equivalents	106,057	577,131
Net increase (decrease) in cash and cash equivalents	968,040	(623,922)
Cash and cash equivalents at beginning of period	10,052,070	11,020,111
Cash and cash equivalents at end of period	11,020,111	10,396,188

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Adoption of accounting standards for revenue recognition)

The Group has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. effective as of the beginning of the fiscal year under review. The Group now recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

The Group also uses the alternative treatment specified in paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition, under which revenue is recognized when goods or products sold in Japan are shipped, as long as the period from the time of shipment to the time when control of the goods or products is transferred to customers is a normal period.

Major changes due to the adoption of the Accounting Standard for Revenue Recognition are as follows.

(Principal vs. agent)

For transactions in which the Group acts as an agent in providing goods or services to customers, the Group previously recognized revenue in the gross amount of consideration received from the customer, but now recognizes revenue as the net amount of such gross consideration less amounts paid to suppliers of goods or services.

(Variable consideration for transactions with potential discounts)

For sales that include discounts given to customers at a later date based on past sales, the Group previously reduced revenue based on historical experience of actual discounts given, but now recognizes revenue by excluding the amount equivalent to revenue from goods and products that are expected to be discounted at the time of sale. The price expected to be reduced is included in "other" under "current liabilities" as a refund liability.

(Transactions in which a certain level of returns is expected)

For transactions in which a certain level of returns is expected, the Group previously reduced revenue and cost of sales based on historical experience of actual customer returns, but now recognizes revenue and cost of sales by excluding the amount equivalent to revenue and cost of sales of goods and products expected to be returned at the time of sale. The consideration for goods and products expected to be returned is included in "other" under "current liabilities" as a refund liability, and the asset recognized as the right to recover the goods and products from customers upon settling the refund liability is included in "other" under "current assets" as a return asset.

(Consideration payable to customers)

The Group previously recognized consideration paid to customers, such as EDI commissions and center fees, as selling, general and administrative expenses, but now treats such consideration as a reduction in the transaction price.

(Transactions involving materials supplied by customers for a fee)

For transactions in which products processed from materials supplied by customers for a fee are sold to those customers, the Group previously recognized revenue and cost of sales by including the amount equivalent to materials supplied for a fee, but now recognizes the amount excluding the amount equivalent to materials supplied for a fee as revenue and cost of sales.

(Chargeable subcontracting)

For transactions involving chargeable subcontracting, the Group previously recognized the extinguishment of inventory for the goods supplied to its subcontractors for a fee. However, when the Group deems that it has an actual obligation to repurchase the supplied goods, it continues to recognize the inventory and includes the amount

equivalent to the ending inventory of the supplied goods remaining with subcontractors in “other” under “current liabilities” as a liability related to chargeable subcontracting.

The Group uses the Accounting Standard for Revenue Recognition, etc. in accordance with the transitional treatment set forth in the proviso of paragraph 84 of the standard. The cumulative effect of retrospectively applying the new accounting policy to periods prior to the beginning of the fiscal year under review is added to or deducted from retained earnings at the beginning of the fiscal year under review, and the new accounting policy has been applied starting with the said beginning balance of retained earnings. However, in accordance with the method set forth in paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts were recognized using the previous treatment prior to the beginning of the fiscal year under review. In addition, the Group has applied the method set forth in (1) of the second part of paragraph 86 of the Accounting Standard for Revenue Recognition to account for contract changes made prior to the beginning of the fiscal year under review based on the contract terms after reflecting all contract changes. The cumulative effect of such changes has been added to or deducted from retained earnings at the beginning of the fiscal year under review.

“Notes and accounts receivable - trade,” which were included in “current assets” in the consolidated balance sheets for the previous fiscal year, are included in “notes receivable - trade” and “accounts receivable - trade” beginning in the fiscal year under review. However, in accordance with the transitional treatment set forth in paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation method.

As a result, the consolidated balance sheet for the fiscal year under review shows an increase of ¥259,453 thousand in merchandise and finished goods, ¥61,288 thousand in other current assets, and ¥345,956 thousand in other current liabilities compared with the balance before the application of the Accounting Standard for Revenue Recognition, etc. The consolidated statements of income for the fiscal year under review show a decrease of ¥427,938 thousand in net sales, a decrease of ¥274,221 thousand in cost of sales, a decrease of ¥107,484 thousand in selling, general and administrative expenses, and a decrease of ¥46,233 thousand in operating profit, and an increase of ¥6,609 thousand in ordinary profit and profit before income taxes respectively.

The consolidated statement of cash flows for the fiscal year under review shows an increase of ¥6,609 thousand in profit before income taxes.

The beginning balance of retained earnings in the consolidated statement of changes in net assets decreased ¥27,800 thousand due to the cumulative effect reflected in net assets at the beginning of the fiscal year under review.

The impact on per share information is stated in the relevant section.

In accordance with the transitional treatment set forth in paragraph 89-3 of the Accounting Standard for Revenue Recognition, information on disaggregated revenue from contracts with customers for the previous fiscal year is not provided.

(Adoption of accounting standards for fair value measurement)

The Group has adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019), etc. effective as of the beginning of the fiscal year under review. In accordance with the transitional treatment set forth in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Group will apply the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement, etc. prospectively. This has no effect on the consolidated financial statements.

(Additional Information)

(Impact of COVID-19 pandemic on accounting estimates)

The Company estimated future cash flows and made accounting estimates for the application of impairment accounting to fixed assets (including goodwill) for the fiscal year under review based on the assumption that the impact of the

COVID-19 pandemic is subsiding and that its effect on the Group's performance will be limited.

However, if the status of the pandemic or economic activities deviate from the said assumption, the Group's financial position and operating results may be affected.

(Segment Information, Etc.)

[Segment information]

1. Overview of 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 six 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. 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.

As described in "Changes in Accounting Policies," the Group has applied the Accounting Standard for Revenue Recognition, etc. to its consolidated financial statements from the beginning of the fiscal year under review and changed its accounting method for revenue recognition. Accordingly, the method of calculating profit or loss by geographic segment has also been changed.

As a result of this change, consolidated net sales and segment profit for Japan for the fiscal year under review are respectively ¥427,938 thousand and ¥46,233 thousand less than what they would be when calculated using the previous method.

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

I. For the fiscal year ended November 30, 2021

(Thousand yen)

	Reportable Segment				Adjustment (Notes 1, 3)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Net sales to external customers	30,229,154	8,054,328	5,353,364	43,636,848	-	43,636,848
Intersegment sales or transfers	1,717,321	2,408,394	52,375	4,178,091	(4,178,091)	-
Total	31,946,475	10,462,723	5,405,740	47,814,939	(4,178,091)	43,636,848
Segment profit	1,375,514	401,180	56,929	1,833,625	(213,841)	1,619,783
Segment assets	30,798,110	6,091,162	6,691,907	43,581,180	2,357,044	45,938,224
Other items						
Depreciation	410,717	314,565	211,954	937,238	-	937,238
Increase in property, plant and equipment and intangible assets	791,151	173,213	106,048	1,070,413	-	1,070,413

(Notes) 1 The adjustment of ¥(213,841) thousand to segment profit includes corporate expenses of ¥(213,877) thousand not allocated to the reportable segments, and other in the amount of ¥36 thousand.

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 ¥2,357,044 thousand includes intersegment elimination of ¥(9,518,492) thousand, and corporate assets of ¥11,875,536 thousand 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.

II. For the fiscal year ended November 30, 2022

(Thousand yen)

	Reportable Segment				Adjustment (Notes 1, 3)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Apparel	11,528,224	5,763,357	5,503,993	22,795,574	-	22,795,574
Product	17,315,149	711,216	33,820	18,060,186	-	18,060,186
Transportation	4,673,065	1,865,563	1,084,015	7,622,644	-	7,622,644
Revenue from contracts with customers	33,516,439	8,340,137	6,621,828	48,478,405	-	48,478,405
Net sales to external customers	33,516,439	8,340,137	6,621,828	48,478,405	-	48,478,405
Intersegment sales or transfers	1,795,433	3,630,045	91,183	5,516,662	(5,516,662)	-
Total	35,311,873	11,970,182	6,713,012	53,995,068	(5,516,662)	48,478,405
Segment profit	1,618,824	696,660	104,001	2,419,486	(302,536)	2,116,949
Segment assets	32,895,532	7,636,550	8,486,327	49,018,409	1,253,513	50,271,922
Other items						
Depreciation	422,817	353,393	216,211	992,422	-	992,422
Increase in property, plant and equipment and intangible assets	369,617	236,337	284,030	889,985	-	889,985

(Notes) 1 The adjustment of ¥(302,536) thousand to segment profit includes corporate expenses of ¥(222,104) thousand not allocated to the reportable segments, and other in the amount of ¥(80,432) thousand.

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 ¥1,253,513 thousand includes intersegment elimination of ¥(9,675,966) thousand, and corporate assets of ¥10,929,480 thousand 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.

(Per Share Information)

(Yen)

Item	As of November 30, 2021 (December 1, 2020 to November 30, 2021)	As of November 30, 2022 (December 1, 2021 to November 30, 2022)
Net assets per share	1,240.70	1,371.63
Basic earnings per share	51.41	62.23
Diluted earnings per share	-	-

- (Notes) 1 The number of common shares that are treasury shares used to calculate “net assets per share” includes the Company’s shares (373,000 shares in the previous fiscal year, 373,000 shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company’s shares (175,000 shares in the previous fiscal year, 154,000 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 (374,000 shares in the previous fiscal year, 373,000 shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company’s shares (175,000 shares in the previous fiscal year, 162,000 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 are not stated as there were no residual shares with a dilutive effect.
- 4 As described in “Changes in Accounting Policies,” the Group has applied the Accounting Standard for Revenue Recognition, etc. As a result, net assets per share decreased ¥0.79 and net income per share increased ¥0.24.

(Note) Basis for the Calculations

1 Net assets per share

Item	As of November 30, 2021	As of November 30, 2022
Total net assets on Consolidated Balance Sheets (Thousand yen)	33,914,870	36,684,360
Amount deducted from total net assets (thousand yen)	56,280	55,597
[Including: Share acquisition rights (thousand yen)]	(56,280)	(55,597)
[Including: Non-controlling interests (thousand yen)]	-	-
Net assets relating to common shares (thousand yen)	33,858,590	36,628,762
Number of common issued shares (thousand shares)	30,800	30,000
Number of common shares that are treasury shares (thousand shares)	3,510	3,295
Number of common shares used to calculate net assets per share (thousand shares)	27,290	26,704

- (Notes) The number of common shares that are treasury shares used to calculate net assets per share includes the Company’s shares held respectively by Custody Bank of Japan, Ltd. (trust account E) and The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account) as treasury shares.

2 Basic earnings per share

Item	As of November 30, 2021 (December 1, 2020 to November 30, 2021)	As of November 30, 2022 (December 1, 2021 to November 30, 2022)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	1,407,207	1,674,080
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent relating to common shares (thousand yen)	1,407,207	1,674,080
Average number of common shares during the period (thousand shares)	27,372	26,901
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	Share acquisition rights resolved by the Board of Directors and at the Annual General Meeting of Shareholders held on February 25, 2016 Common shares: 536,000	Share acquisition rights resolved by the Board of Directors and at the Annual General Meeting of Shareholders held on February 25, 2016 Common shares: 529,500

(Notes) The average number of common shares during the period used to calculate basic earnings per share and diluted earnings per share includes the Company's shares held respectively by Custody Bank of Japan, Ltd. (trust account E) and The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account) as treasury shares.

(Significant Subsequent Events)

Not applicable.

5. Other Information

(1) Changes in Officers

1. Changes of representative

Not applicable.

2. Changes of other officers

Not applicable.