

MORITO CO., LTD.
Financial Statement (Unaudited)
For the Fiscal Year ended November 30, 2013
(Translated from the Japanese original)

Corporate Information

Code : 9837 Listings : Second Section of the Tokyo Stock Exchange

(URL [http: www.morito.co.jp/english/index.html](http://www.morito.co.jp/english/index.html))

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Scheduled date of annual general meeting of shareholders: February 27, 2014

Scheduled date of dividend payment: February 28, 2014

Scheduled date of filling of Security Report: February 28, 2014

Supplementary explanation material for financial results: Yes

Presentation meeting for financial results: Yes (for analyst and institution investors)

(Amounts rounded down)

1. Consolidated Financial Results for Fiscal Year 2013 (December 1, 2012 through November 30, 2013)**(1) Consolidated Financial Results**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of Yen	%
FY 2013	33,145	5.2	1,390	0.1	1,699	20.9	1,081	37.3
FY 2012	21,521	1.3	1,398	-7.7	1,405	5.1	787	45.3

(Note) Comprehensive income: 2,669 million yen (93.5%) (FY 2013) 1,379 million yen (214.8%) (FY 2012)

	Net income Per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY 2013	74.69	-	4.1	5.0	4.2
FY 2012	54.20	-	3.2	4.4	4.4

(Note) Equity in earnings (losses) of affiliates: (16) million yen for FY 2013, (53) million yen for FY 2012

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2013	35,813	27,352	76.4	1,888.11
FY 2012	32,777	24,889	75.9	1,718.15

(Note) Equity capital: 27,352 million yen (FY 2013) 24,889 million yen (FY 2012)

(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
FY 2013	683	-285	-346	6,366
FY 2012	1,053	-170	-347	5,771

2. Dividends

	Dividends per share					Total dividends (Annual)	Dividends Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2013	-	8.50	-	8.50	17.00	246	31.4	1.0
FY 2012	-	9.00	-	11.00	20.00	293	26.8	1.1
FY 2014 (Forecast)	-	12.00	-	12.00	24.00		29.0	

3. Consolidated Forecast for FY 2014 (December 1, 2013 through November 30, 2014)

(Percentages represent changes from corresponding period of previous year)

	Net sales		Operating income		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	17,000	9.6	700	16.7	850	2.3
Full year	37,000	11.6	1,700	22.2	1,800	5.9

	Net income		Net income per share
	Millions of yen	%	Yen
First half	550	9.0	37.97
Full year	1,200	10.9	82.83

* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies caused by revision of accounting standards: Yes
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: Yes
- (iv) Restatements: None

(3) Number of outstanding shares (common shares)

(i) Number of outstanding shares, including treasury shares at end of period:

15,400,000 shares (as of November 30, 2013)
15,400,000 shares (as of November 30, 2012)

(ii) Number of shares of treasury stock at end of period:

913,220 shares (as of November 30, 2013)
914,008 shares (as of November 30, 2012)

(iii) Average outstanding number of shares during the period:

14,486,597 shares (FY 2013)
14,538,164 shares (FY 2012)

(Reference) Summary of Non-Consolidated Financial Results**1. Non-Consolidated Financial Results for FY 2013 (December 1, 2012 through November 30, 2013)****(1) Non-Consolidated Financial Results**

(Percentages represent changes from corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of Yen	%
FY 2013	25,410	-1.4	822	11.9	1,115	11.2	703	63.8
FY 2012	25,781	0.2	734	-11.0	1,003	2.5	429	15.8

	Net income Per share	Fully diluted net income per share
	Yen	Yen
FY 2013	48.56	-
FY 2012	29.53	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2013	32,230	24,964	77.5	1,723.29
FY2012	30,896	23,894 yen	77.3	1,649.47

(Note) Shareholder's equity: 24,964 million yen (FY 2013) 23,894 million yen (FY 2012)

***Update on the Execution Status of Audit Procedures**

As of the date on which this financial report was released, an audit of the financial statements, based on the Financial Instruments and Exchange Law, had not been completed.

***Disclosure and other special notes regarding performance forecasts**

The forecast above are based on information available to management as of the date on which these performance-related figures were disclosed, and various factors may cause actual results to differ from these forecasts. For issues to keep in mind when using the forecasts and criteria conditioned upon the forecasts, please refer to "1. Operating results, (1) Analysis of operating results" on page 3

The board of directors decided to introduce "Stock Granting Trust (J-ESOP)" at the meeting of board of directors held on March 25, 2013 for the purpose of enhancement of employees' motivation to improve stock prices and business performance. Consequently, on April 30, 2013 Trust and Custody Service Bank, Ltd. acquired 196,000 shares of our shares. The shares held by Trust and Custody Service Bank, ltd. is included in the treasury shares.

Index

1. Operating Results	3
(1) Analysis of Operating Results.....	3
(2) Analysis of Financial Position.....	4
(3) Basic policy on Payment of Dividends and Dividends for FY 2013 and FY 2014.....	4
2. Organization of the group	6
3. Management Policy	8
(1) Basic Management Policy.....	8
(2) Target Indicators.....	8
(3) Medium and Long-Term Management Strategy.....	8
(4) Issues to be Addressed.....	8
(5) Other Material Matters.....	8
4. Consolidated Financial Statements	9
(1) Consolidated Balance Sheets.....	9
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	11
(3) Consolidated Statements of Changes in Shareholders' Equity.....	14
(4) Consolidated Statement of Cash Flows.....	17
[Notes on assumption of going concern].....	19
[Basis for preparation of consolidated financial statements].....	19
[Changes in accounting principal].....	19
[Additional Information].....	19
5. Non-Consolidated Financial Statements	22
(1) Non-consolidated balance sheets.....	22
(2) Non-Consolidated Statements of Income.....	26
(3) Non-Consolidated Statements of Changes in Shareholders' Equity.....	28
(4) Notes Regarding Non-Consolidated Financial Statement.....	31
6. Others	32
(1) Changes in Senior Managements.....	32

1. Operating Results

(1) Analysis of Operating Results

(i) General condition of FY 2013

In the fiscal year ended November 30th, 2013, Japanese economy, the higher expectations arising from the economic recovery plans and financial plans by the new cabinet has helped weakening yen trend and acceleration in rising stock prices. The business environment surrounding Japanese companies show sign of improvement.

In the global economy, it has shown sign of modest recovery by the employment and housing markets in the U.S. economy, yet uncertainty brought by stagnation arising from austerity measures in the E.U economy and slowing down caused by weaker export in emerging economies including China and Brazil is still remaining.

In such a situation, our group is moving forward a growth strategy by expansion of global sales channel and production base, under the mid-long term plan 'Transforming ourselves into a company with global growth'.

As a result, in the current fiscal year performance reach net sales ¥33,145 million (increased by 5.2% from a year earlier), operating income ¥1,390 million (increased by 0.1% from a year earlier), ordinary income ¥1,699 million (increased by 20.9% from a year earlier), net income ¥1,081 million (increased by 37.3% from a year earlier).

The exchange rate used for the consolidated financial statement of the current fiscal year end as below:

¥97.75 to the U.S. dollar, ¥131.9 to the euro, ¥15.97 to the Chinese yuan, ¥12.61 to the Hong Kong dollar, ¥3.31 to the Taiwan dollar, ¥0.0046 Vietnamese dong, ¥3.11 to the Thai baht.

The exchange rate used for the consolidated financial statement of the year earlier fiscal year end as below:

¥77.61 to the U.S. dollar, ¥100.22 to the euro, ¥12.33 to the Chinese yuan, ¥10.01 to the Hong Kong dollar, ¥2.65 to the Taiwan dollar, ¥0.0037 Vietnamese dong.

Segment information as below:

[Japan]

As for the apparel division, metal parts for casual wear sales steadily increased. On the other hand, working wear industry and footwear industry sales decreased by inventory adjustment and so on.

In the consumer product division, sales of the protection against cold increased by the effects of a harsh winter. On the other hand, the transportation segment decreased sales from Chinese problem, reaction to the expiry of the eco-car subsidies and shifting production base into overseas of automotive makers.

In addition, consumer accessory goods decreased sales, because of shrinking the market of compact digital camera.

As a result, net sales were ¥25,718 million (down 1.1% from a year earlier).

[Asia]

As for the apparel division, sales of parts for working wear to Europe and China and parts of baby apparel increased.

In the consumer product division, sales of the transportation product division increased for trending upward of vehicle production.

As a result, net sales were ¥5,491 million (increased by 39.6% from a year earlier).

[Europe and America]

As for the apparel division, sales remained strong for parts of British royal warrant brands. On the other hand, sales of parts for hi-end brands decreased from a year earlier.

In the consumer product division, new order of components for U.S. automotive makers contributes sales increase. As a result, net sales were ¥1,935 million (increased by 22.6% from a year earlier).

(ii) Outlook for the next fiscal year

Our group has put into practice with the mid-term plan "Transforming ourselves into a company with global growth." ending in FY 2015. We are going to definite the growth businesses from both the strategy and finance perspective and expand our businesses. In addition, we will seek to expand our business and improvement of enterprise value by new investment and M&A.

We will also improve our group enterprise value. We are practicing globalization and diversity of administrative division. At the point of production bases, we satisfy the needs of our customer by maintenance of stable operation and continuous strength of manufacturing facilities in Japan, China and ASEAN.

(2) Analysis of Financial Position

(i) Assets, liability and net assets

Total assets stood at ¥35,813 million, increased by ¥3,036million from a year earlier.

Total current assets reached ¥20,700 million, increased by ¥1,431 million from a year earlier. This change was principally due to increase in notes and account receivable by ¥566 million and cash and cash equivalent by ¥255 million.

Total fixed assets came to ¥15,112 million, increased by ¥1,605 million from a year earlier. This change was mainly due to increase in investment securities by ¥770 million and land by ¥323 million.

Total current liabilities reached ¥5,722 million, increased by ¥239 million from a year earlier.

Total fixed liabilities came to ¥2,738 million, increased by ¥333 million from a year earlier.

Total net assets became ¥27,352 million, increased by ¥2,463 million from a year earlier. Share holders' equity ratio was 76.4%, increased by 0.5% from a year earlier.

(ii) Cash flows

The overall situation regarding cash flow during the fiscal year was as follow:

[Cash flows from operating activities]

Net cash provided by operating activities was ¥683 million (¥1,053 million provided in the same period of the previous fiscal year). This change was mainly due to acquisition of net income before taxes.

[Cash flows from investing activities]

Net cash used in investing activities was ¥285 million (compared with ¥170 million used in the same period of the previous fiscal year). This change was principally due to refunds of time deposit and acquire tangible fixed asset.

[Cash flows from financing activities]

Net cash provided by financing activities was ¥346 million (compared with ¥347 million provided in the same period of the previous fiscal year). The change was mainly due to dividends.

As a result of the above and new consolidations KANE-M (THAILAND) CO., LTD. and ANNU ARE CO., LTD. , cash and cash equivalent was ¥6,366 million, increased by ¥594 million from a year earlier.

The following table shows financial indicators associated with cash flows.

	FY 2011	FY 2012	FY 2013
Equity ratio	75.3%	75.9%	76.4%
Equity ratio (market value basis)	30.5%	33.1%	33.4%
Interest-bearing debt / cashflow ratio	57.9%	33.2%	51.2%
Interest coverage ratio	122.1	287.2	95.5

(Note)

Equity ratio = Equity capital / Total assets

Equity ratio (market value basis) = Market capitalization / Total Assets

Interest-bearing debt / cash flow ratio = Interest-bearing debt/net cash provided by operating activities

Interest coverage ratio = Operating cash flows / Interest paid

*Each indicator is calculated on a consolidated basis.

*Market capitalization is based on the year-end share price multiplied by the number of shares issued and outstanding at year-end not including treasury stocks.

*Operating cash flows refers to net cash provided by operating activities in the consolidated statement of cash flows.

*Interest-bearing debt include short-term loans payable on the consolidated balance sheet.

*The interest payments use the interest paid as recorded in the consolidated statement of cash flows.

(3) Basic policy on Payment of Dividends and Dividends for FY 2013 and FY 2014

The company's basic dividend policy is to return the profit to our shareholders by reinforced financial ground and improved profitability. In addition, we will use the internal reserve to invest for the long-term growth in the future.

Dividend was distributed in a manner that reflects the consolidated company result and financial standing.

- Continuous dividends payment
- Maintain DOE 1%
- Basic policy of dividend payout ratio by 30%

During this fiscal year, we scheduled to propose the general meeting of shareholders to payout ¥11 per share as dividend of year-ended. As a result, dividends for the subject fiscal year amount to ¥20 per share including the interim dividends of ¥9 per share.

The annual dividend for next fiscal year is planned ¥24 per share, consisting of an interim dividend of ¥12 per share and a year-end dividend of ¥12 per share.

2. Organization of the group

Our group consists of the parent company, 17 subsidiaries and 1 affiliate company. The group's main business is sales and manufacture of materials for daily-life: including apparel materials, parts for automotive, life style goods, and rental and cleaning of kitchen appliances etc.

◎:Consolidated subsidiaries: 13 companies ○:Non-consolidated subsidiaries: 4 companies □:Affiliates: 1 company

- ◎ MORITO INDUSTRIAL CO., (H.K.) LTD. : Selling of apparel and consumer products
- ◎ MORITO INDUSTRIAL CO., (SHENZHEN) LTD. : Subsidiaries of Morito Industrial Co., (H.K.) Ltd. (100% owned)
Manufacturing of component of apparel and consumer products
- ◎ MORITO (SHENZHEN) CO., LTD. : Subsidiaries of Morito Industrial Co., (H.K.) Ltd.(100% owned)
Manufacturing of component of apparel and consumer products
- ◎ TAIWAN MORITO CO., LTD. : Selling and manufacturing of component of apparel and consumer products.
- ◎ KANE-M SHANGHAI CO., LTD. : Selling and manufacturing of component of apparel and consumer products.
- ◎ KANE-M INC. : Selling of component of apparel and consumer products.
- ◎ MORITO (EUROPE) B.V. : Selling of component of apparel and consumer products.
- ◎ KANE-M DANANG CO., LTD : Selling and manufacturing of component of apparel and consumer products, operation of rental factories.
- ◎ MORITO VIETNAM CO., LTD. : Subsidiaries of KANE-M DANANG CO., LTD (100% owned)
Manufacturing and assembling of component of apparel and consumer products.
- ◎ KANE-M (THAILAND) CO., LTD. : Selling of component of electronic and automobile.
- MORITO ISHIHARA AUTO PARTS (SHENZHEN) CO., LTD: Manufacturing and assembling of automotive equipments
- ◎ ACE INDUSTRIAL MACHINERY CO., LTD. : Rental service, selling and cleaning of kitchen appliance
- IAKK SERVICE CO., LTD. : Subsidiaries of ACE SERVICE CO., LTD. (95%). Cleaning and construction of kitchen exhaust system.
- ◎ COLOR FASTENER INDUSTRIAL CO., LTD. : Selling and manufacturing of consumer products.
- ◎ THREE RUNNERS CO., LTD. : Selling and manufacturing of sports supporter.
- TRINTO CO., LTD. : Manufacturing of consumer products.
- ◎ ANNU ARE CO., LTD. : Selling and manufacturing of bag and accessories.
- Kuraray Fastening Co., Ltd. : Selling and manufacturing of hook and loop fastener.

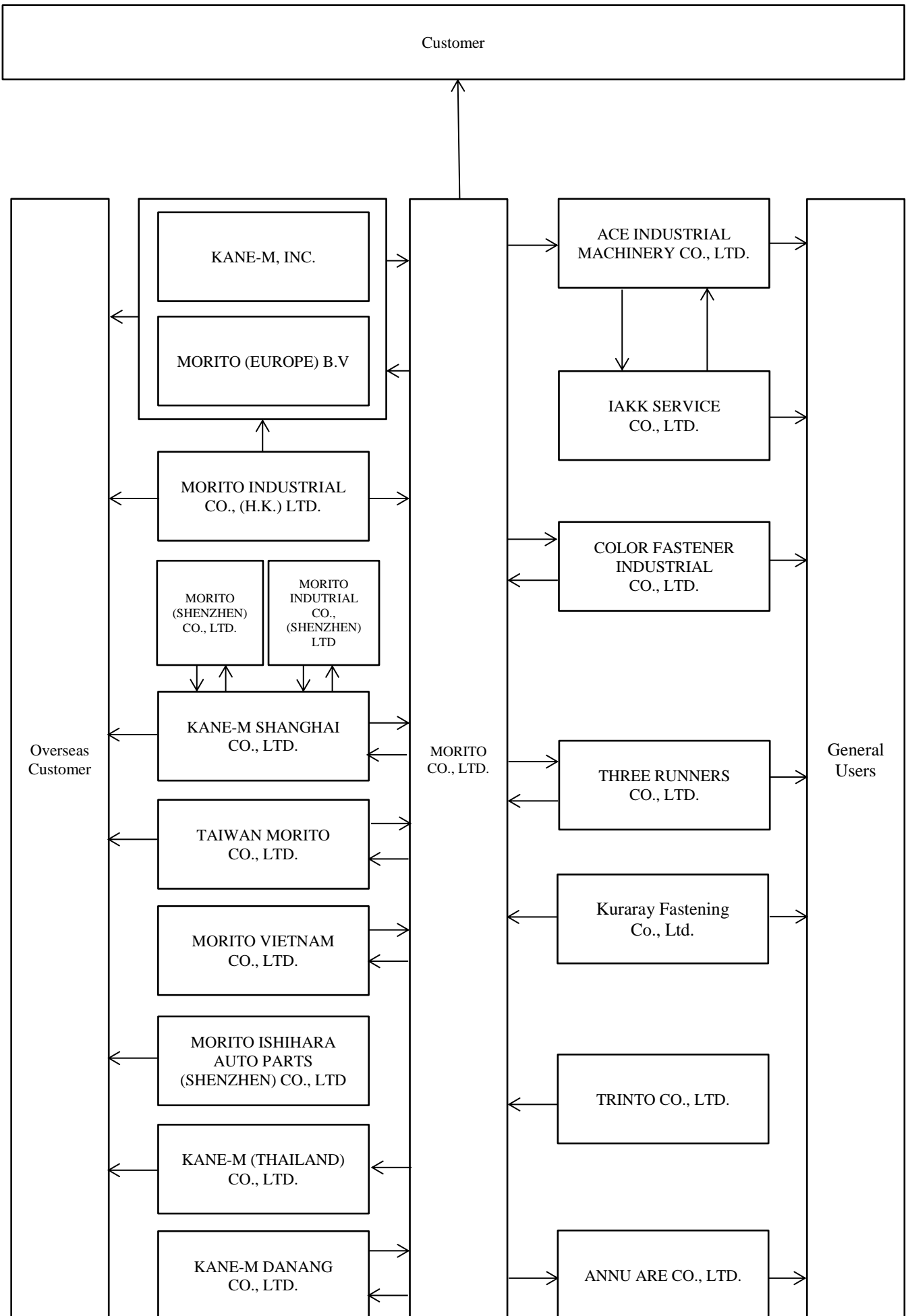
(Note 1)

We established MORITO (SHENZHEN) CO., LTD. because of expiration of the proceeding license for SHENZHEN factory belongs to MORITO INDUSTRIAL CO., (H.K.) LTD.

(Note 2)

KANE-M (THAILAND) CO., LTD and ANNU ARE CO., LTD. was included in the scope of consolidation for this consolidated fiscal year as its importance has increased.

Business Flow Chart as follow:



3. Management Policy

(1) Basic Management Policy

We manage business under the corporate principle of 'DESIGN YOUR BRIGHT FUTURE WITH OUR VARIOUS PARTS'.

Basic management policy as below:

1. Expansion of growth business
2. Aggressive new investment and M&A
3. Globalization of indirect departments
4. Global human resources and diversity

(2) Target Indicators

We are in the middle of mid-term management plan from FY2011 to FY2015 'Transforming ourselves into a company with global growth'. Our goal to be achieved at the FY 2015 is as below:

Consolidated sales:	40 billion yen
Consolidated operating sales:	2 billion yen
Consolidated ROE:	5%

(3) Medium and Long-Term Management Strategy

Our medium and long-term management strategy is as below:

1. Enhance revenue base through investments in new businesses and mergers and acquisitions.
2. Develop a global sales network.
3. Stimulate Investor Relations and Public Relations to create fair share value.
4. Enhance technology exchange and the development of new materials with KURARAY Group.
5. Recruit and train global human resources, and global exchange of human resources.
6. Adopt a new enterprise resource planning ("ERP") and prepare for IFRS.
7. Globalize core departments.
8. Improve financial control and asset management, tighten cash flow management.

(4) Issues to be Addressed

To achieve the goal, the Morito group will work to transform the revenue source structure with expanding the sales channel and continue stable and efficient production. In addition, we will seek to expand our business and improvement of enterprise value by new investment and M&A. To support these activities, we maintain and enhance an internal audit system, such as adoption of a new ERP, recruitment and training of global human resources, and development of strategic HR management.

Furthermore our group is enhancing cash management efficiency by introducing of global cash management system and improving assets management. We also proceed aggressive IR and PR activities for improvement of enterprise value, and aim to stabilize of fair share prices and stable dividend payments.

(5) Other Material Matters

Not applicable.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	FY 2012 (As of November 30, 2012) Thousands of yen	FY 2013 (As of November 30, 2013) Thousands of yen
Assets		
Current assets		
Cash and deposits	6,566,776	6,822,058
Notes and accounts receivable	8,879,237	9,445,261
Commercial goods and finished goods	2,980,284	3,219,514
Work in process	39,806	38,250
Raw materials and supplies	133,300	204,859
Deferred tax assets	192,071	165,313
Other current assets	517,381	833,415
Allowance for doubtful accounts	-39,014	-27,761
Total current assets	19,269,844	20,700,912
Fixed assets		
Tangible fixed assets		
Building and structures	5,403,960	5,463,952
Accumulated depreciation	-3,556,679	-3,524,941
Building and structures, net	1,847,281	1,939,011
Machinery and delivery equipment	1,303,220	1,116,235
Accumulated depreciation	-1,008,787	-713,448
Machinery and delivery equipment, net	294,432	402,787
Tools, furnitures and fixtures	2,101,048	2,149,463
Accumulated depreciation	-1,848,545	-1,882,504
Tools, furnitures and fixtures, net	252,503	266,958
Land	5,973,590	6,297,541
Lease assets	125,209	126,138
Accumulated depreciation	-36,716	-61,783
Lease assets, net	88,493	64,355
Construction-in-process-in-process	-	229,501
Total tangible fixed assets	8,456,300	9,200,154
Intangible fixed assets		
Lease assets	207,606	300,637
Other Intangible fixed assets	77,330	82,826
Total intangible fixed assets	284,937	383,464
Investments and other fixed assets		
Investment securities	3,787,721	4,558,238
Long-term loans	267,202	267,531
Deferred tax	54,497	51,158
Other fixed assets	783,667	746,080
Allowance for doubtful account	-126,779	-94,012
Total investments and other fixed assets	4,766,309	5,528,997

Total fixed assets	13,507,547	15,112,616
Total assets	32,777,391	35,813,528
Liabilities		
Current liabilities		
Notes and accounts payable	3,548,364	3,801,196
Short-term loans payable	350,000	350,000
Accrued tax payable	356,810	341,592
Reserve for bonuses	107,103	111,523
Reserve for director's bonuses	30,400	29,200
Other current liabilities	1,091,116	1,089,393
Total current liabilities	5,483,795	5,722,906
Fixed liabilities		
Deferred tax	299,985	623,891
Deferred tax assets for revaluation	875,791	875,791
Provision for retirement benefits	784,458	753,817
Provision for director's retirement benefit	157,687	179,887
Other fixed liabilities	286,608	304,649
Total fixed liabilities	2,404,531	2,738,038
Total liabilities	7,888,327	8,460,945
Net Assets		
Shareholders' equity		
Capital	3,532,492	3,532,492
Capital surplus	3,386,004	3,386,099
Retained earnings	19,683,405	20,559,086
Treasury stock	-672,472	-671,920
Total shareholders' equity	25,929,429	26,805,757
Other comprehensive income		
Valuation difference on available-for-sale securities	624,833	1,250,653
Difference in revaluation of land	-714,198	-714,198
Foreign currency translation adjustment	-950,999	10,371
Total other comprehensive income	-1,040,365	546,826
Minority interests	-	-
Total net assets	24,889,064	27,352,583
Total liabilities and net assets	32,777,391	35,813,528

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

Consolidated statements of income

	FY 2012 (December 1, 2011 through November 30, 2012)	FY 2013 (December 1, 2012 through November 30, 2013)
	Thousands of yen	Thousands of yen
Net sales	31,521,553	33,145,597
Cost of sales	23,393,374	24,655,946
Gross profit	8,128,179	8,489,651
Selling, general and administrative expenses		
Salary	2,186,325	2,349,417
Bonus	571,066	557,287
Welfare expense	513,460	564,076
Provision of retirement benefits	98,379	64,152
Provision of officer's bonus	30,050	29,200
Provision for directors' retirement benefits	23,720	22,200
Postage	96,752	122,405
Freightage and packing expense	933,389	968,146
Provision of allowance for doubtful account	35,886	-11,102
Commission paid	321,440	404,620
Rental expense	328,068	351,080
Depreciation	254,254	255,851
Other selling, general and administrative expense	1,345,930	1,421,544
Total selling, general and administrative expense	6,738,725	7,098,879
Operating Income	1,389,454	1,390,772
Non-operating income		
Interest received	27,232	27,291
Dividends received	84,490	90,267
Rent on real estate	77,716	85,460
Foreign exchange gains	8,657	258,694
Commission received	6,258	2,881
Others	37,475	54,838
Total non-operating income	241,831	519,434
Non-operating expenses		
Interest paid	3,701	4,615
Cash discount on sales	106,267	104,450
Depreciation expense of assets lent	16,364	14,223
Equity in net loss of affiliates	53,367	16,479
Others non-operating expense	46,286	71,259
Total non-operating expense	225,986	211,028

Ordinary Income	1,405,298	1,699,177
Extra ordinary income		
Gains on sales of fixed assets	198,967	1,026
Gains on sales of securities	-	46,050
Gain on negative goodwill	21,233	-
Total Extra Ordinary Income	220,201	47,077
Extra ordinary expenses		
Losses on retirement of fixed assets	9,293	11,972
Losses on sales of fixed assets	4,958	-
Losses on sales of investments in securities	1,800	-
Losses on revaluation of investments in securities	17,129	-
Losses on revaluation of golf club membership	-	1,235
Impairment loss	95,715	-
Reversal of foreign currency translation adjustment for reducing the capital of controlled foreign subsidiaries	139,455	-
Reversal of foreign currency translation adjustment for liquidation the capital of controlled foreign subsidiaries	33,491	-
Total extra ordinary loss	301,844	13,207
Net income before taxes and other adjustment	1,323,655	1,733,047
Corporate, inhabitant and business taxes	591,167	609,304
Adjustments to corporate and other taxes	-58,078	41,765
Total income taxes	533,089	651,070
Income before minority interest	790,565	1,081,976
Minority interest	2,632	-
Net income	787,932	1,081,976

Consolidated statements of comprehensive income

	FY 2012 (December 1, 2011 through November 30, 2012)	FY 2013 (December 1, 2012 through November 30, 2013)
	Thousands of yen	Thousands of yen
Income before minority interests	790,565	1,081,976
Other comprehensive income		
Unrealized gain(loss) on available-for-sale securities	278,699	625,820
Land revaluation difference	123,004	-
Foreign currency translation adjustment	186,939	961,371
Other comprehensive income	588,643	1,587,192
Comprehensive income	1,379,208	2,669,168
(Breakdown)		
Comprehensive income attribute to the parent	1,376,568	2,669,168
Comprehensive income attribute to the minority shareholders	2,639	-

(3) Consolidated Statements of Changes in Shareholders' Equity

	FY 2012 (As of November 30,2012)	FY 2013 (As of November 30, 2013)
	Thousands of yen	Thousands of yen
Shareholders' Equity		
Capital stock		
Balance at the beginning of current period	3,532,492	3,532,492
Change of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	3,532,492	3,532,492
Capital surplus		
Balance at the beginning of current period	3,386,004	3,386,004
Change of items during the period		
Disposal of treasury stock	-	95
Total changes of items during the period	-	95
Balance at the end of current period	3,386,004	3,386,099
Retained earnings		
Balance at the beginning of current period	19,150,276	19,683,405
Change of items during the period		
Dividends from surplus	-240,183	-255,275
Net income	787,932	1,081,976
Reversal of revaluation reserve for land	31,651	-
Changes for new consolidation	-46,720	48,980
Total changes of items during the period	533,129	875,681
Balance at the end of current period	19,683,405	20,559,086
Treasury stock		
Balance at the beginning of current period	-622,645	-672,472
Change of items during the period		
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,165
Total changes of items during the period	-49,826	551
Balance at the end of current period	-672,472	-671,920
Total shareholders' equity		
Balance at the beginning of current period	25,446,126	25,929,429
Change of items during the period		
Dividends from surplus	-240,183	-255,275
Net income	787,932	1,081,976
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,260
Reversal of revaluation reserve for land	31,651	-
Changes for new consolidation	-46,270	48,980

Total changes of items during the period	483,302	876,327
Balance at the end of current period	25,929,429	26,805,757
<i>Accumulated other comprehensive income</i>		
Balance at the beginning of current period	346,140	624,833
Change of items during the period		
Net changes of items other than shareholders' equity	278,692	625,820
Total changes of items during the period	278,692	625,820
Balance at the end of current period	624,833	1,250,653
Difference in revaluation of land		
Balance at the beginning of current period	-805,551	-714,198
Change of items during the period		
Net changes of items other than shareholders' equity	91,353	-
Total changes of items during the period	91,353	-
Balance at the end of current period	-714,198	-714,198
Foreign currency translation adjustment		
Balance at the beginning of current period	-1,137,939	-950,999
Change of items during the period		
Net changes of items other than shareholders' equity	186,939	961,371
Total changes of items during the period	186,939	961,371
Balance at the end of current period	-950,999	10,371
Total accumulated other comprehensive income		
Balance at the beginning of current period	-1,597,350	-1,040,365
Change of items during the period		
Net changes of items other than shareholders' equity	556,985	1,587,192
Total changes of items during the period	556,985	1,587,192
Balance at the end of current period	-1,040,365	546,826
Minority interest		
Balance at the beginning of current period	37,793	-
Change of items during the period		
Net changes of items other than shareholders' equity	-37,793	-
Total changes of items during the period	-37,793	-
Balance at the end of current period	-	-
Total net assets		
Balance at the beginning of current period	23,886,569	24,889,064
Change of items during the period		
Dividends from surplus	-240,183	-255,275
Net income	787,932	1,081,976
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,260
Reversal of revaluation reserve for land	31,651	-
Changes for new consolidation	-46,270	48,980
Net changes of items other than shareholders' equity	519,191	1,587,192

Total changes of items during the period	1,002,494	2,463,519
Balance at the end of current period	24,889,064	27,352,583

(4) Consolidated Statement of Cash Flows

	FY 2012 (December 1, 2011 through November 30, 2012) Thousands of yen	FY 2013 (December 1, 2012 through November 30, 2013) Thousands of yen
Cash flows from operating activities		
Income (loss) before income taxes	1,323,655	1,733,047
Depreciation and amortization	299,068	345,275
Impairment loss	95,715	-
Change in provision for bonus	4,970	-10,648
Change provision for retirement benefits	-7,754	-30,640
Change in reverse for retirement benefits for officers	-2,129	22,200
Change in allowance for doubtful accounts	16,181	-46,418
Interest income and dividends income	-111,723	-117,559
Interest paid	3,701	4,615
Negative goodwill	-21,233	-
Equity in net income of affiliates	53,367	16,479
Gains from sale of fixed assets	-194,009	-1,026
Gains from sale of investment securities	1,800	-45,975
Loss on retirement of noncurrent assets	9,293	11,972
Profit from revaluation of investment securities	17,129	-
Loss on revaluation of golf membership	-	1,235
Reversal of foreign currency translation adjustment for reducing the capital of controlled foreign subsidiaries	139,455	-
Reversal of foreign currency translation adjustment for liquidation the capital of controlled foreign subsidiaries	33,491	-
Change in notes and accounts	378,035	36,669
Change in inventory	-421,541	127,874
Change in account payable	-176,104	-310,732
Others	-67,433	-470,993
Subtotal	1,373,934	1,265,403
Proceed from interest and dividends income	111,427	117,659
Payment of interest	-3,668	-7,149
Payment of corporate tax	-492,282	-661,273
Others	63,997	-31,540
Net cash(used in)provided by operating activities	1,053,408	683,100
Cash flows from investing activities		
Decrease in time deposit	-110,104	-96,400
Increase in time deposit	-	638,174
Purchase of investment securities	-26,098	-22,974
Increase of sale for investment securities	1,200	115,620
Purchase of stocks of affiliates	-19,200	-3,603
Purchase of tangible fixed assets	-149,140	-836,100
Proceeds from sale for tangible fixed assets	552,916	4,785
Payments of loans receivable to affiliates	-451,312	-103,284
Proceeds from loans receivable	57,052	34,404
Others	-25,642	-15,892

Net cash provided by (used in) investing activities	-170,329	-285,269
Cash flows from financing activities		
Repayments of lease obligations	-57,091	-91,749
Proceeds from sale from treasury stock	-	1,260
Payments to acquire treasury stock	-49,826	-614
Payments of dividends	-240,183	-255,275
Net cash used in financing activities	-347,101	-346,379
Effects of exchange rate on cash and cash equivalents	29,247	445,498
Net increase (decrease) in cash and cash equivalents	565,255	496,949
Cash and cash equivalents at beginning of year	5,067,524	5,771,740
Cash and cash equivalents from newly consolidation	138,989	97,673
Cash and cash equivalents at fiscal year-end	5,771,740	6,366,363

(5) Notes regarding Consolidated Financial Statements

[Notes on assumption of going concern]

Not applicable

[Basis for preparation of consolidated financial statements]

The scope of consolidated financial reporting

The newly established MORITO (SHENZHEN) CO., LTD. have been included in scope of consolidated subsidiaries. In addition, KANE-M (THAILAND) CO., LTD and ANNU ARE CO., LTD. have been added to the scope of consolidated subsidiaries as its importance has increased.

[Changes in accounting principal]

[A change in an accounting policy that is difficult to distinguish from a change in an accounting estimate]

In accordance with revisions to the Corporate Tax Law, the company and its domestic consolidated subsidiaries record depreciation of tangible fixed assets purchased on and after December 1, 2012.

This change had no impact on operating profit, recurring profit or net income before income taxes.

[Additional Information]

The board resolved on the introduction of “Stock Granting Trust (J-ESOP)” at a meeting of board of directors held on March 25, 2014 to improve corporate values and, thus, stock prices by (1) linking their benefits to the share price and financial results of Morito and (2) sharing economic benefits with stakeholders. Consequently, on April 30, Trust and Custody Service Bank, Ltd. acquires 196,000 shares of our securities.

Accounting treatment of J-ESOP, we have focused on the accounting treatment from the viewpoint of economic reality, the shares, assets, liabilities, costs, revenues, which related to the Trust Account are included on our balance sheets and statements of income.

As of the end of the fiscal year, the ESOP trust account held 196,000 shares of treasury stock.

[Segment Information]

1. Fiscal 2012 (December 1, 2011 through November 30, 2012)

The information on net sales, income or loss, assets and other items by reportable segment

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1,3)	Consolidated Statement amount (Note 2)
	Japan	Asia	EU and US	Total		
Net sales						
Sales to external customers	26,007,933	3,934,531	1,579,088	31,521,553	-	31,521,553
Inter segment sales and transfer	1,991,920	1,419,177	9,527	3,420,625	-3,420,625	-
Total	27,999,854	5,353,709	1,588,615	34,942,179	-3,420,625	31,521,553
Segment income	1,258,383	336,655	48,353	1,643,392	-253,938	1,389,454
Segment asset	23,908,013	4,125,976	1,038,840	29,072,830	3,704,561	32,777,391
Other						
Depreciation	247,222	45,775	6,070	299,068	-	299,068
Increases in tangible fixed assets and intangible fixed assets	343,746	11,159	7,105	362,011	-	362,011

(Note)

- Adjustment of -253,938 thousand yen includes 295,263 thousand yen -corporate expenses that are not distributed to each reportable segment and other 41,324 thousand yen.
- The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the consolidated profit and loss statement.
- The adjustment for segment asset includes elimination of intersegment transaction -4,570,113 thousand yen and corporate asset 8,274,674 thousand yen that have not been distributed to reportable segment. Corporate assets consists mainly of assets not belonging to specific segment (cash and cash equivalent and investments in securities) and assets related to administrative operations.

2. Fiscal 2013 Fiscal 2012 (December 1, 2012 through November 30, 2013)

The information on net sales, income or loss, assets and other items by reportable segment

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1,3)	Consolidated Statement amount (Note 2)
	Japan	Asia	EU and US	Total		
Net sales						
Sales to external customers	25,718,377	5,491,647	1,935,572	33,145,597	-	33,145,597
Inter segment sales and transfer	2,323,994	1,908,729	9,026	4,241,749	-4,241,749	-
Total	28,042,371	7,400,376	1,944,598	37,387,346	-4,241,749	33,145,597
Segment income	1,349,547	315,619	30,236	1,695,403	-304,631	1,390,772
Segment asset	24,171,135	5,449,072	1,263,888	30,884,095	4,929,433	35,813,528
Other						
Depreciation	207,311	126,787	11,176	345,275	--	345,275
Increases in tangible fixed assets and intangible fixed assets	816,484	93,055	33,928	943,468	--	943,468

(Note)

- Adjustment of -304,601 thousand yen includes 291,124 thousand yen -corporate expenses that are not distributed to each reportable segment and other -13,507 thousand yen.
- The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the consolidated profit and loss statement.
- The adjustment for segment asset includes elimination of intersegment transaction -4,701,505 thousand yen and corporate asset 9,630,938 thousand yen that have not been distributed to reportable segment. Corporate assets consists mainly of assets not belonging to specific segment (cash and cash equivalent and investments in securities) and assets related to administrative operations.

[Per share data]

Item	FY2012	FY2013
	(December 1, 2011 through November 30, 2012)	(December 1, 2012 through November 30, 2013)
Net assets per share	1,718.15 yen	1,888.11 yen
Net income per share	54.20 yen	74.69 yen
Diluted net income per share	- yen	- yen

(Note) The basis for calculating

1. Net assets per share

Item	FY2012 (December 1, 2011 through November 30, 2012)	FY2013 (December 1, 2012 through November 30, 2013)
The total net assets in the consolidated balance sheet (Thousand of yen)	24,889,064	27,352,583
The net assets associated with common stock (Thousand of yen)	24,889,064	27,352,583
Major breakdown of differences (Thousand of yen)		
Minority interests	-	-
Number of issued stock (Thousand shares)	15,400	15,400
Number of treasury stock (Thousand shares)	914	913
Number of common stock for calculating the net assets per share	14,485	14,486

2. Net income per share and Diluted net income per share

Item	FY2012 (December 1, 2011 through November 30, 2012)	FY2013 (December 1, 2012 through November 30, 2013)
Net income per share		
Net income(Thousand yen)	787,932	1,081,976
Share unallocated to common stock (Thousand shares)	-	-
Net income relating to common stock	787,932	1,081,976
Shares on the average during the fiscal year (Thousand share)	14,538	14,486
Diluted net income per share(Thousand share)		
Adjustment for net income(Thousand yen)	-	-
The increase of the number of the common stock(Thousand share)	-	-
(Stock Acquisition Rights)	-	-
Description of dilutive shares that were not included in the computation of diluted net income per share	-	-

(Note) Shares on the average during the fiscal year included the treasury stock held by Trust & Custody Services Bank, Ltd. to calculate the net income per share.

[Significant subsequent events]

Not applicable.

5. Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

	FY 2012 (As of November 30, 2012)	FY 2013 (As of November 30, 2013)
	Thousands of yen	Thousands of yen
Assets		
Current assets		
Cash and deposits	3,674,738	3,907,535
Notes receivable	3,078,509	3,248,599
Account receivable	4,977,665	5,123,825
Commercial goods and finished goods	2,178,368	2,107,235
Prepayment	15,364	10,444
Prepaid expense	44,756	56,405
Deferred tax assets	149,699	84,071
Accrued income	4,930	5,202
Short loan receivable	33,600	42,000
Short loan receivable to affiliates	110,284	115,380
Other receivable – Other	437,619	355,234
Others	23,594	5,661
Allowance for doubtful accounts	-33,000	-19,000
Total current assets	14,696,132	15,042,595
Fixed assets		
Tangible fixed assets		
Buildings	4,189,382	4,085,155
Accumulated depreciation	-3,153,375	-3,116,472
Buildings, net	1,036,006	968,683
Structures	267,150	269,902
Accumulated depreciation	-222,455	-201,939
Structures, net	44,695	67,963
Machinery and equipment	657,242	268,965
Accumulated depreciation	-521,869	-191,478
Machinery equipment, net	135,373	77,487
Vehicles	9,034	5,105
Accumulated depreciation	-6,743	-5,105
Vehicles, net	2,290	-
Tools, furnitures and fixtures	1,673,469	1,631,596
Accumulated depreciation	-1,486,083	-1,462,334
Tools, furnitures and fixtures, net	187,386	169,262
Land	5,859,720	6,029,486
Lease assets	121,801	122,730
Accumulated depreciation	-35,807	-60,192
Lease assets, net	85,994	62,537
Construction-in-process	-	88,968

Total tangible fixed assets	7,351,466	7,464,388
Intangible fixed assets		
Leasehold	29,250	29,250
Software	9,742	13,628
Telephone subscription right	16,926	19,926
Lease assets	207,606	300,637
Other intangible fixed assets	2,575	2,103
Total intangible fixed assets	266,102	362,547
Investments and other fixed assets		
Investment securities	3,054,658	3,961,445
Stocks of subsidiaries and affiliates	3,325,448	3,329,051
Money invested	330	330
Investments of subsidiaries and affiliates	951,925	941,827
Long-term loan receivable	208,400	166,400
Long-term loan receivable to subsidiaries and affiliates	605,929	568,716
Bankruptcy claims	111,029	80,084
Long-term accrued expense	2,148	4,941
Lease deposits	43,311	500
Security deposit	18,922	17,892
Membership	31,212	27,646
Insurance reserve	307,841	307,854
Other fixed assets	100,000	100,000
Allowance for doubtful account	-178,000	-146,000
Total investments and other fixed assets	8,583,158	9,360,690
Total fixed assets	16,200,727	17,187,626
Total assets	30,896,859	32,230,221

	FY 2012 (As of November 30,2012)	FY 2013 (As of November 30, 2013)
	Thousands of yen	Thousands of yen
Liabilities		
Current liabilities		
Note payable	284,001	258,099
Account payable	3,000,754	3,033,727
Short-term loans payable	350,000	350,000
Lease liabilities	69,353	94,590
Accrued liabilities	364,903	287,581
Accrued expense	376,163	410,269
Accrued income taxes payable	247,809	199,246
Advance received	13,207	12,126
Deposit received	16,267	15,879
Reserve for director's bonuses	22,000	22,000
Other current liabilities	116	196
Total current liabilities	4,744,399	4,683,717
Fixed liabilities		
Lease liabilities	214,092	229,759
Deferred tax liabilities	274,979	599,406
Deferred tax assets for revaluation	875,791	875,791
Provision for retirement benefits	723,289	688,514
Provision for director's retirement benefit	114,662	130,912
Long-term deposit	50,282	51,938
Asset retirement obligation	5,123	5,245
Total fixed liabilities	2,258,221	2,581,568
Total liabilities	7,002,620	7,265,285
Net Assets		
Shareholders' equity		
Capital	3,532,492	3,532,492
Capital surplus		
Legal capital surplus	3,319,065	3,319,065
Other legal capital surplus	66,938	67,034
Total capital surplus	3,386,004	3,386,099
Retained earnings		
Legal retained earnings	419,566	419,566
Other retained earnings		
Reserve for advance depreciation of noncurrent assets	673,380	650,210
Special reserve	16,185,000	16,335,000
Retained earnings brought forward	460,465	781,786
Total retained earnings	17,738,412	18,186,563
Treasury stock	-672,472	-671,920

Total shareholders' equity	23,984,436	24,433,233
Valuation and translation adjustment		
Valuation difference on available-for-sale securities	624,001	1,245,901
Difference in revaluation of land	-714,198	-714,198
Total valuation and translation adjustment	-90,197	531,702
Total net assets	23,894,239	24,964,935
Total liabilities and net assets	30,896,859	32,230,221

(2)Non-Consolidated Statements of Income

	FY 2012 (December 1, 2011 through November 30, 2012)	FY 2013 (December 1, 2012 through November 30, 2013)
	Thousands of yen	Thousands of yen
Net sales		
Net sales of goods	25,781,491	25,410,602
Cost of sales		
Beginning inventory	1,914,837	2,178,368
Purchases	20,321,424	19,741,556
Total	22,236,261	21,919,924
Ending inventory	2,178,368	2,107,235
Total cost of sales	20,057,893	19,812,689
Gross profit	5,723,597	5,597,912
Selling, general and administrative expenses		
Salary	1,523,225	1,465,551
Bonus	466,206	452,261
Welfare expense	361,483	349,662
Commuting cost	69,843	66,563
Director's remuneration	132,348	140,540
Provision of retirement benefits	87,877	53,659
Provision of officer's bonus	22,000	22,000
Provision for directors' retirement benefits	15,350	16,250
Postage	57,193	70,285
Freightage and packing expense	862,205	856,332
Transportation and communication expense	195,743	180,307
Advertising expense	105,636	75,283
Social expense	15,876	11,745
Sales commission	11,421	14,330
Provision of allowance for doubtful account	37,903	-16,535
Supplies expense	53,224	47,814
Utility expense	36,899	40,078
Commission paid	240,282	282,053
Travel expense	44,352	40,808
Repair cost	92,826	96,443
Rental expense	175,791	157,259
Taxes and dues	88,772	86,146
Depreciation expense	178,133	159,583
Office tax	14,104	13,200
Sanitation expense	23,225	23,015
Other selling, general and administrative expense	76,985	70,810
Total selling, general and administrative expense	4,988,912	4,775,451

Operating income	734,685	822,461
Non-operating income		
Interest received	15,801	16,978
Dividends received	265,305	198,937
Rent on real estate	144,361	128,139
Commission received	3,016	2,522
Foreign exchange gains	24,414	149,485
Others	27,121	14,228
Total non-operating income	480,021	510,292
Non-operating expenses		
Interest paid	3,343	3,516
Cash discount on sales	106,240	104,433
Depreciation expense of assets lent	58,346	37,903
Claim expense	3,677	4,410
Others non-operating expense	39,519	66,674
Total non-operating expense	211,126	216,938
Ordinary income	1,003,580	1,115,815
Extra ordinary income		
Gains on sales of fixed assets	8,074	-
Gains on sales of securities	-	46,050
Gain on negative goodwill	18,666	-
Total extra ordinary income	26,714	46,050
Extra ordinary expenses		
Losses on retirement of fixed assets	8,320	9,121
Losses on sales of fixed assets	4,958	-
Losses on sales of investments in securities	1,800	-
Losses on revaluation of golf club membership	-	1,235
Losses on valuation of investments in capital of affiliates	17,129	
Impairment loss		
Reversal of foreign currency translation adjustment for reducing the capital of controlled foreign subsidiaries	95,715	-
Reversal of foreign currency translation adjustment for liquidation the capital of controlled foreign subsidiaries	139,455	
Total extra ordinary loss	267,379	10,357
Net income before taxes and other adjustment	762,914	1,151,508
Corporate, inhabitant and business taxes	407,070	381,000
Adjustments to corporate and other taxes	-73,487	67,081
Total income taxes	333,582	448,081
Net income	429,332	703,427

(3) Non-Consolidated Statements of Changes in Shareholders' Equity

	FY 2012 (As of November 30, 2012)	FY 2013 (As of November 30, 2013)
	Thousands of yen	Thousands of yen
Shareholders' Equity		
Capital stock		
Balance at the beginning of current period	3,532,492	3,532,492
Change of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	3,532,492	3,532,492
Capital surplus		
Balance at the beginning of current period	3,319,065	3,319,065
Change of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	3,319,065	3,319,065
Other capital surplus		
Balance at the beginning of current period	66,938	66,398
Change of items during the period		
Disposition of treasury stock	-	95
Total changes of items during the period	-	95
Balance at the end of current period	66,938	67,034
Total capital surplus		
Balance at the beginning of current period	3,386,004	3,386,004
Change of items during the period		
Disposition of treasury stock	-	95
Total changes of items during the period	-	95
Balance at the end of current period	3,386,004	3,386,099
Retained earnings		
Legal retained earnings		
Balance at the beginning of current period	419,556	419,556
Change of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	419,556	419,556
Other retained earnings		
Reserve for advanced depreciation of fixed assets		
Balance at the beginning of current period	626,107	673,380
Change of items during the period		
Provision of reserve for advanced depreciation of fixed assets	47,272	-
Reversal of reserve for advanced depreciation of fixed assets	-	-23,169
Total changes of items during the period	47,272	-23,169
Balance at the end of current period	673,380	650,210

General reserve		
Balance at the beginning of current period	16,035,000	16,185,000
Change of items during the period		
Provision of general reserve	150,000	150,000
Total changes of items during the period	150,000	150,000
Balance at the end of current period	16,185,000	16,335,000
Earned surplus		
Balance at the beginning of current period	436,938	460,465
Change of items during the period		
Provision of reserve for advanced depreciation of fixed assets	-47,272	-
Reversal of reserve for advanced depreciation of fixed assets	-	23,169
Provision of general reserve	-150,000	-150,000
Dividends of surplus	-240,183	-255,275
Current net income	429,332	703,427
Reversal of revaluation reserve for land	31,651	-
Total changes of items during the period	23,527	321,320
Balance at the end of current period	460,465	781,786
Total retained earnings		
Balance at the beginning of current period	17,517,612	17,738,412
Change of items during the period		
Provision of reserve for advanced depreciation of fixed assets	-	-
Reversal of reserve for advanced depreciation of fixed assets	-	-
Provision of general reserve	-	-
Dividends of surplus	-240,183	-255,275
Current net income	429,332	703,427
Reversal of revaluation reserve for land	31,651	-
Total changes of items during the period	220,799	448,151
Balance at the end of current period	17,738,412	18,186,563
Treasury stock		
Balance at the beginning of current period	-622,645	-672,472
Change of items during the period		
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,165
Total changes of items during the period	-49,826	551
Balance at the end of current period	-672,472	-671,920
Total shareholders' equity		
Balance at the beginning of current period	23,813,463	23,984,436
Change of items during the period		
Dividends from surplus	-240,183	-255,275
Net income	429,332	703,427
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,260

Reversal of revaluation reserve for land	31,651	-
Total changes of items during the period	170,973	448,797
Balance at the end of current period	23,984,436	24,433,233
<i>Valuation and conversion adjustment</i>		
Other valuation difference on available-for-sale securities		
Balance at the beginning of current period	346,035	624,001
Change of items during the period		
Net changes of items other than shareholders' equity	277,966	621,899
Total changes of items during the period	277,966	621,899
Balance at the end of current period	624,001	1,245,901
The difference in revaluation of land		
Balance at the beginning of current period	-805,551	-714,198
Change of items during the period		
Net changes of items other than shareholders' equity	91,353	
Total changes of items during the period	91,353	-
Balance at the end of current period	-714,198	-714,198
Total Valuation and conversion adjustment		
Balance at the beginning of current period	-459,516	-90,197
Change of items during the period		
Net changes of items other than shareholders' equity	369,319	621,899
Total changes of items during the period	369,319	621,899
Balance at the end of current period	-90,197	531,702
Total net assets		
Balance at the beginning of current period	23,353,946	23,894,239
Change of items during the period		
Dividends from surplus	-240,183	-255,275
Net income	429,332	703,427
Purchase of treasury stock	-49,826	-614
Disposal of treasury stock	-	1,260
Reversal of revaluation reserve for land	31,651	-
Net changes of items other than shareholders' equity	369,319	621,899
Total changes of items during the period	540,292	1,070,696
Balance at the end of current period	23,894,239	24,964,935

(4)Notes Regarding Non-Consolidated Financial Statement

[Notes on assumption on going concern]

Not applicable

[Changes in accounting policy]

In accordance with the amendment of the corporate tax laws, the method of depreciation for tangible fixed assets purchased on or after December 1, 2012, has been changed to the method prescribed by the revised Income Tax Law.

This change had no impact on operating income, ordinary income and income before taxes and minority interest.

6. Others

(1) Changes in Senior Managements

(i) Changes in President

Not applicable

(ii) Changes in other officers (Limited scheduled on February 27th, 2014)

1. Newly appointed director candidate

Director Mitsuyuki Mouri (Present General Manager of Footwear Sales Department)

Director Kenji Kojima (Present General Manager of Legal Department)

Director Bunki Yano (Present Executive Officer)

2. Retiring directors

Director, Vice president Syuhei Ohyama

Senior Managing Director Masahiko Kawahara

3. Newly appointed auditor candidate

Not applicable

4. Retiring auditors

Not applicable