



MORITO CO., LTD.

Company Presentation Materials for Investors

Prime Market of TSE: 9837

May 2024

Where innovation is the norm

MORITO

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Company Profile

Company Profile

MORITO CO., LTD. (Prime Market of TSE: 9837)

MORITO

Where innovation is the norm

Founded in 1908 in Osaka
Global development of small parts
indispensable to daily life

Stable performance, keeping in the
black even during economic shocks

Sales networks in various markets, such
as apparel, sports, and automotive

Numerous top market shares in Japan
and around the world for eyelets, snap
fasteners, MAGIC TAPE®, and more

*Based on in-house research

Morito's Role

A trading company with manufacturing functions based on the concept of “Connect, Fasten, Decorate.”

We are involved in the planning and development, manufacturing, procurement, sales, and customer production follow-up of various parts across all industries, including clothing, bags, shoes, and automobiles.

Main products since the early days of the Company



Eyelets

*Eyelet: A metal ring attached to a hole in shoes, clothing, etc. through which a lace or cord is threaded



Shoelaces



Snap fasteners



MAGIC TAPE®



Apparel Business



Product Business



Transportation Business

Morito by the Numbers

<FY2023>

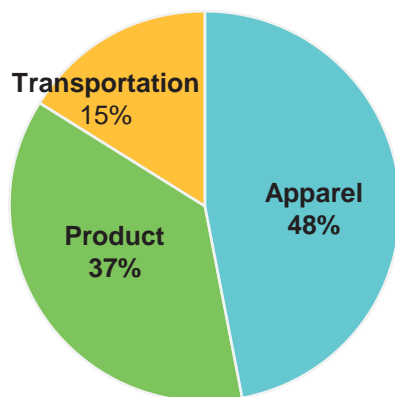
Net sales 48,500 million JPY
Operating profit 2,400 million JPY
Net income 2,200 million JPY

<Shareholder Returns>

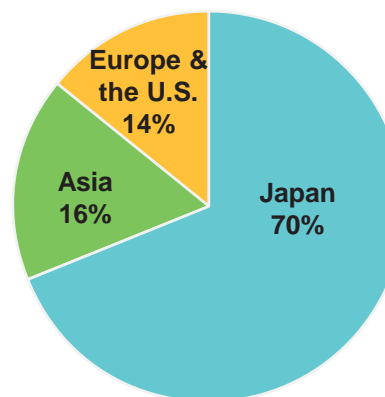
DOE target 4.0%
Payout ratio of 50% or more
Forecasted dividend yield of 3.8%

*The forecasted dividend yield is calculated based on the closing price in April 2024 (1,542 yen)

Sales by Business Segment Apparel, Product, and Transportation



Sales Composition by Region Japan, Asia, Europe & the U.S.



(FY2023)



Business & Products

Apparel Business

We sell numerous products for famous apparel brands around the world.
One of the most famous apparel brands in Japan uses almost 100% Morito snap fasteners.



Apparel Business Workwear/Sports

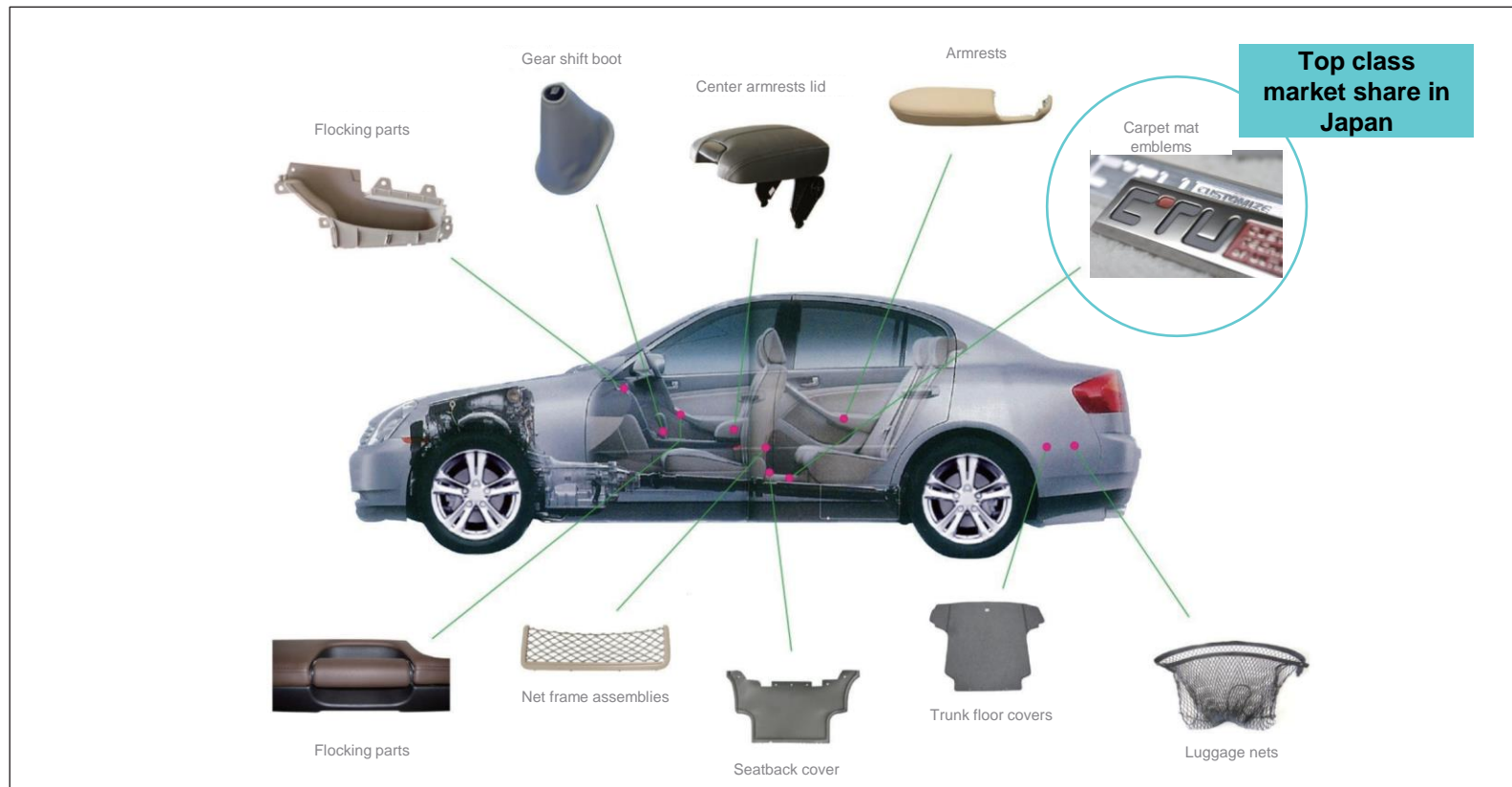
High value-added products, such as those with superior functionality and safety, are our strength.

→ In addition to the fashion industry, we also have numerous products for the workwear, medical wear, sports, and outdoor industries, with stable demand that is unaffected by trends.



Transportation Business

Starting with the use of eyelets in car mats, the Company handles automotive interior components primarily for domestic automakers. As we handle interior components, demand is expected to continue even after the shift to EVs.



Transportation Business Shinkansen

The net pockets found in front of seats on Shinkansen trains are also a product of the Morito Group. This is a stress-free product made using a special knotless manufacturing process that allows items to be smoothly placed in or taken out of the pockets.

(Enlarged)



Product Business

Recognized for our functionality, durability, and planning capabilities, we sell parts to school bag manufacturers and have in-house brands for shoe care products, supporters, and waterproof material bags.

We also deal in the import and sales of products related to surfing, skateboarding, and snowboarding, which are attracting attention as Olympic sports.



School bags



ZAT® waterproof material bags



CHANNEL ISLANDS®



NITRO®



Insole and waterproof sprays



In-house brand supporters



etnies



SHAKE JUNT®



Morito's Strengths

Morito's Strengths

Lines of business for daily necessities, which are unaffected by trends

+

Stable performance with a diversified portfolio

+

Global manufacturing, procurement, and sales capabilities

+

Enjoying high market share for various products targeting niche areas



Global niche top company

Lines of business for daily necessities, which are unaffected by trends

Since we deal in parts for things that are vital to people's daily lives, many of our businesses are essentially immune to trends or economic downturns and can continue to operate as usual. Products for government and other public offices are also available.



Baby wear



Workwear and harnesses



School bags



Insoles

Stable performance with a diversified portfolio

1

A diversified portfolio with three businesses and products for a wide range of industries
→The Company's own performance is not dependent on the performance of specific businesses or products

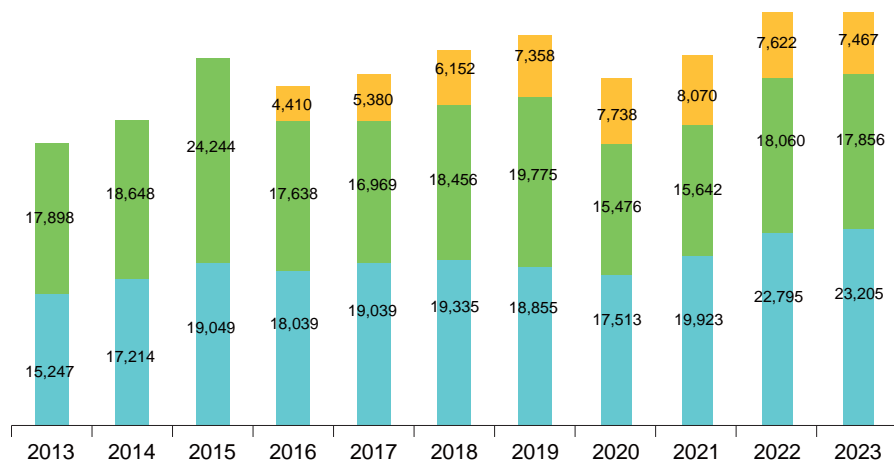
Trends in Net Sales by Business Segment

(Million JPY)

Transportation Business

Product Business

Apparel Business



Transportation Business

- Automotive interior components
- Railway interior components
- Aircraft interior components, etc.

Product Business

- Teaching tools and stationery
- Skateboards and surfboards
- Shoe care products, etc.

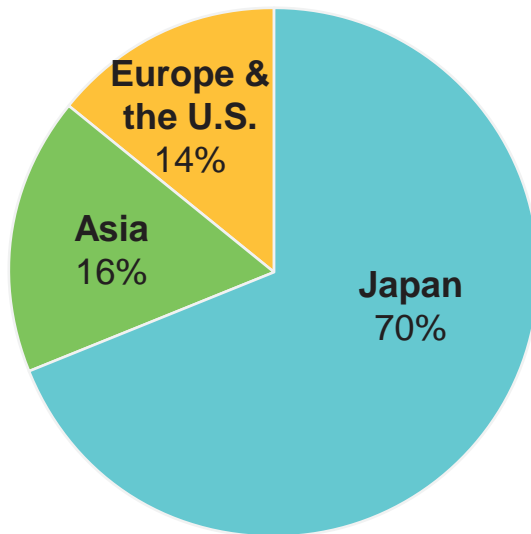
Apparel Business

- Fashion
- Sports
- Workwear, etc.

Stable performance with a diversified portfolio

- 2 Expanding business worldwide and handling both importing and exporting
→ Hedging against exchange rates and geopolitical risks

Net Sales by Region



(FY2023)

Ratio of Imports to Exports

Imports : Exports

= Approx. **6 : 4**

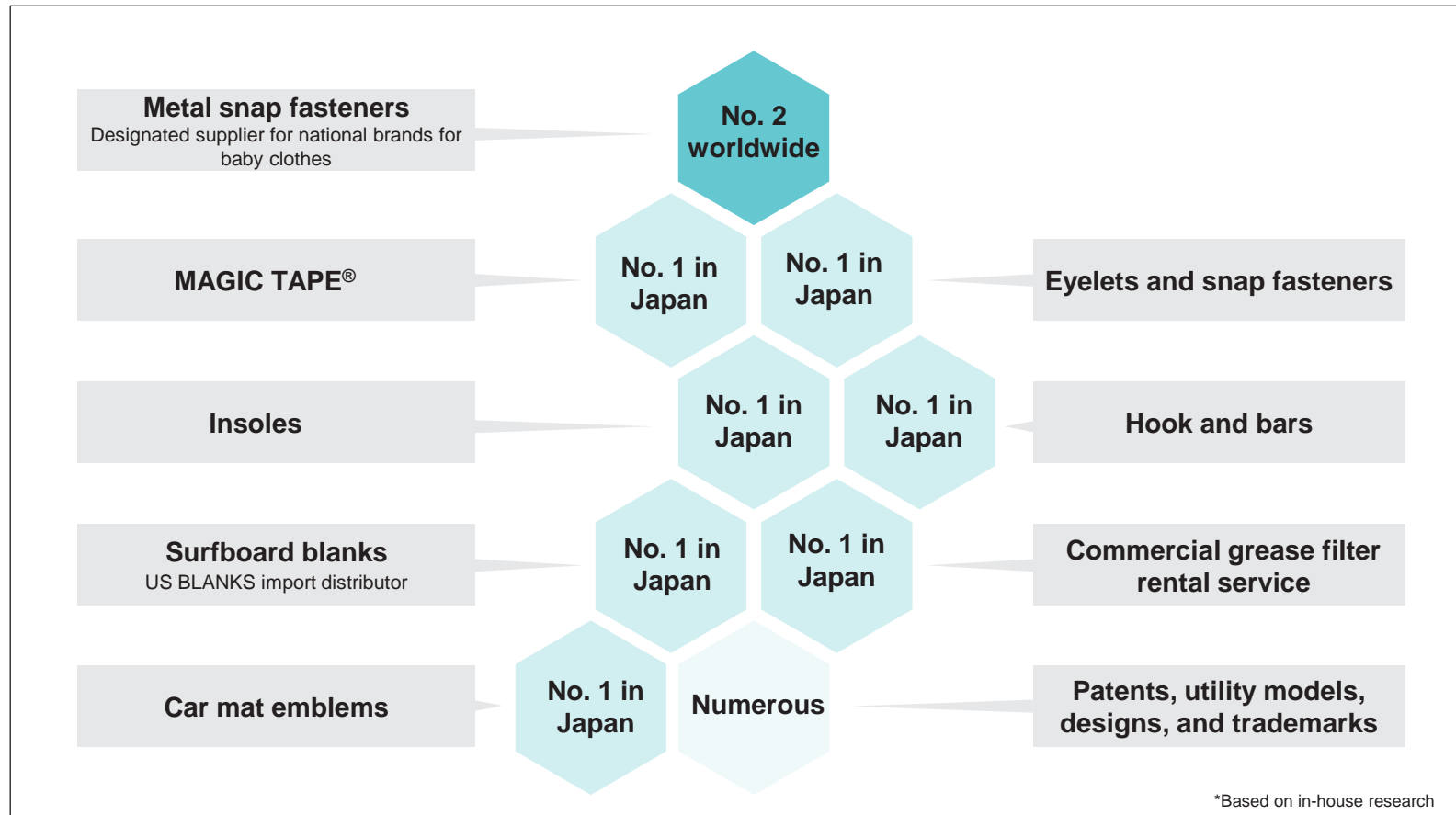
Global manufacturing, procurement, and sales capabilities

Manufacturing, procurement, and sales networks spread across the world. We also have partner plants and distributors all over the world, giving us close proximity to our customers and the ability to respond to their every need.



Enjoying high market share for various products targeting niche areas

We have captured a share of the market for parts that are niche yet indispensable to daily life both in Japan and internationally.



Why the High Market Share?

1

We have established a support system from the development and selection of parts that meet customer needs up to the completion of products, and consistently ensure stable quality control on a global scale

(1) Listening to customer needs

(2) Product proposal or development that meets needs, development of original products and parts

(3) Maintenance and operational guidance for snap fastener machines in customers' production plants

(4) In the unlikely event of issues such as product defects, staff from domestic or overseas offices directly visit customers' factories and other locations to provide support



Why the High Market Share?

- 2 We provide safe and reliable products that cover the quality standards of countries around the world

We provide high-quality products that meet the various quality standards that differ depending on region, such as Asia and Europe. We have gained market share in industries that demand high quality, such as accessories for baby wear, workwear, and medical wear.





Financial Summary

FY2023 Summary of Financial Results

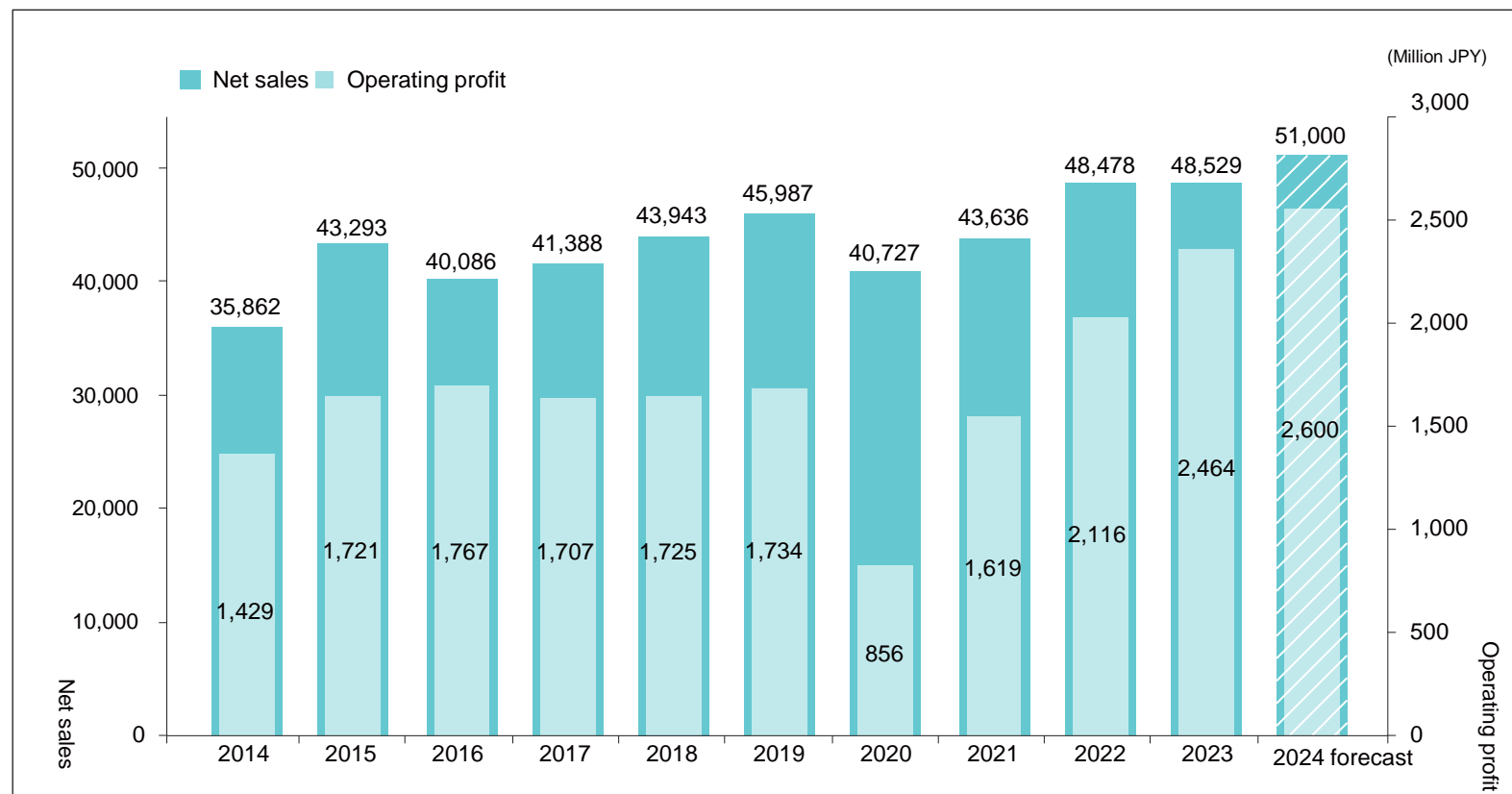
(Million JPY)

	FY2023	FY2024	Increase/Decrease	Y/Y
Net sales	48,478	48,529	+51	+0.1%
Gross profit	12,487	13,265	+778	+6.2%
Gross profit ratio	25.8%	27.3%		
Cost	10,370	10,801	+431	+4.2%
Cost ratio	21.4%	22.3%		
Operating profit	2,116	2,464	+348	+16.4%
Operating profit ratio	4.4%	5.1%		
Ordinary profit	2,342	2,771	+429	+18.3%
Ordinary profit ratio	4.8%	5.7%		
Net income	1,674	2,217	+543	+32.5%
Net income ratio	3.5%	4.6%		

Ten-Year Trends in Net Sales and Operating Profit (Consolidated)

In FY2023, sales reached a record high.

In FY2024, we aim to achieve 51,000 million yen in net sales and 2,600 million yen in operating profit, both record highs.



FY2023 Consolidated Balance Sheet

Equity ratio 74.7% → Sound financial condition

(Million JPY)

	2022 4Q	2023 4Q
Assets		
Current assets	30,481	31,149 (+668)
Fixed assets	19,790	20,280 (+490)
Total assets	50,271	51,429 (+1,158)

	2022 4Q	2023 4Q
Liabilities		
Current liabilities	9,309	8,589 (-720)
Fixed liabilities	4,278	4,382 (+104)
Total liabilities	13,587	12,972 (-615)
Net assets		
Shareholders' equity	31,860	32,673 (+813)
Accumulated other comprehensive income	4,768	5,760 (+992)
Share acquisition rights	55	23 (-32)
Total net assets	36,684	38,457 (+1,773)
Total liabilities and net assets	50,271	51,429 (+1,158)

Equity ratio 74.7% (2022 4Q: 72.9%)



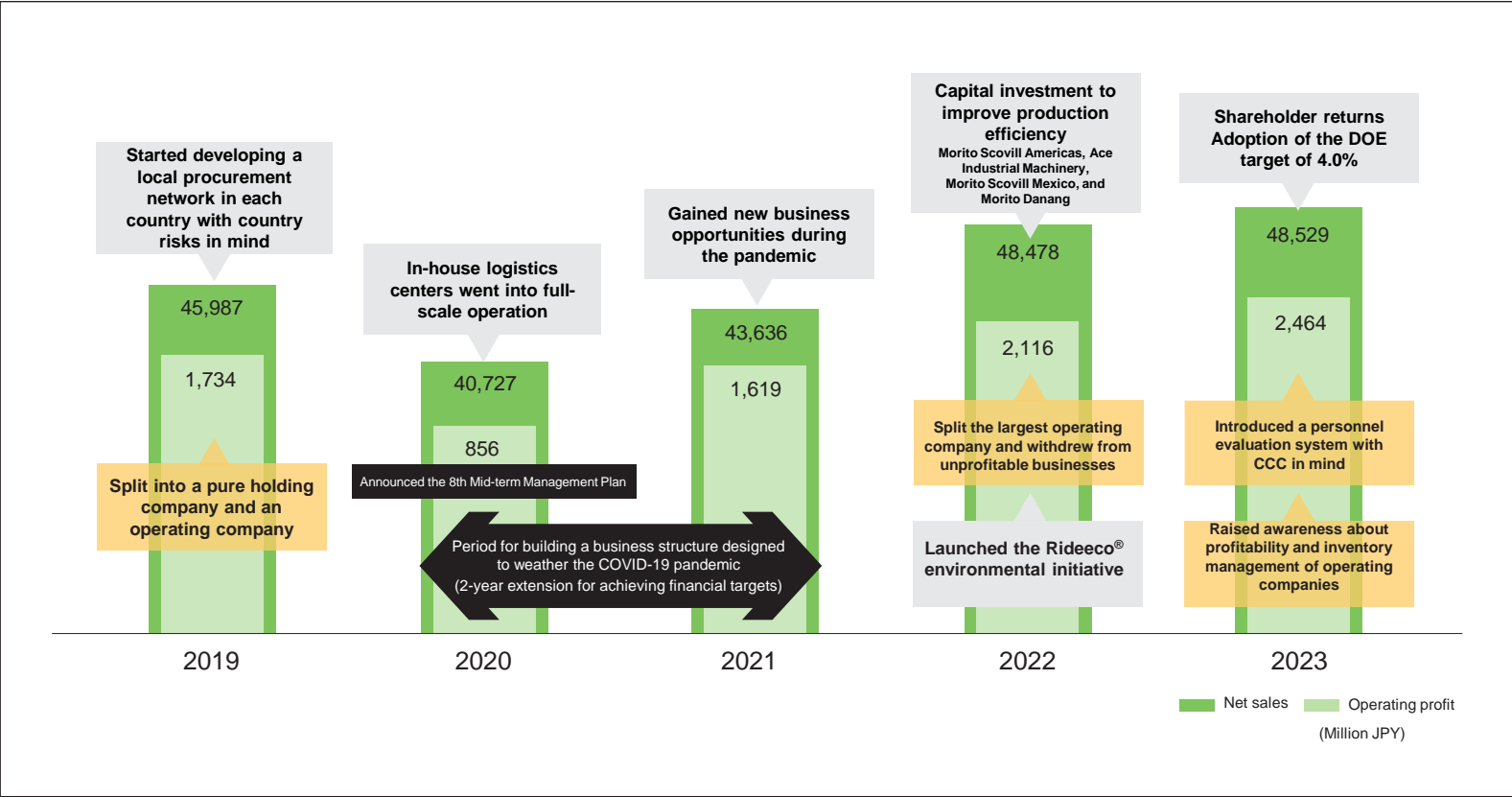
Overview of the 8th Mid-term Management Plan

Medium- and Long-term Policy Morito's Vision

**Become a global niche top company
that keeps making a big difference in
the world with small parts**

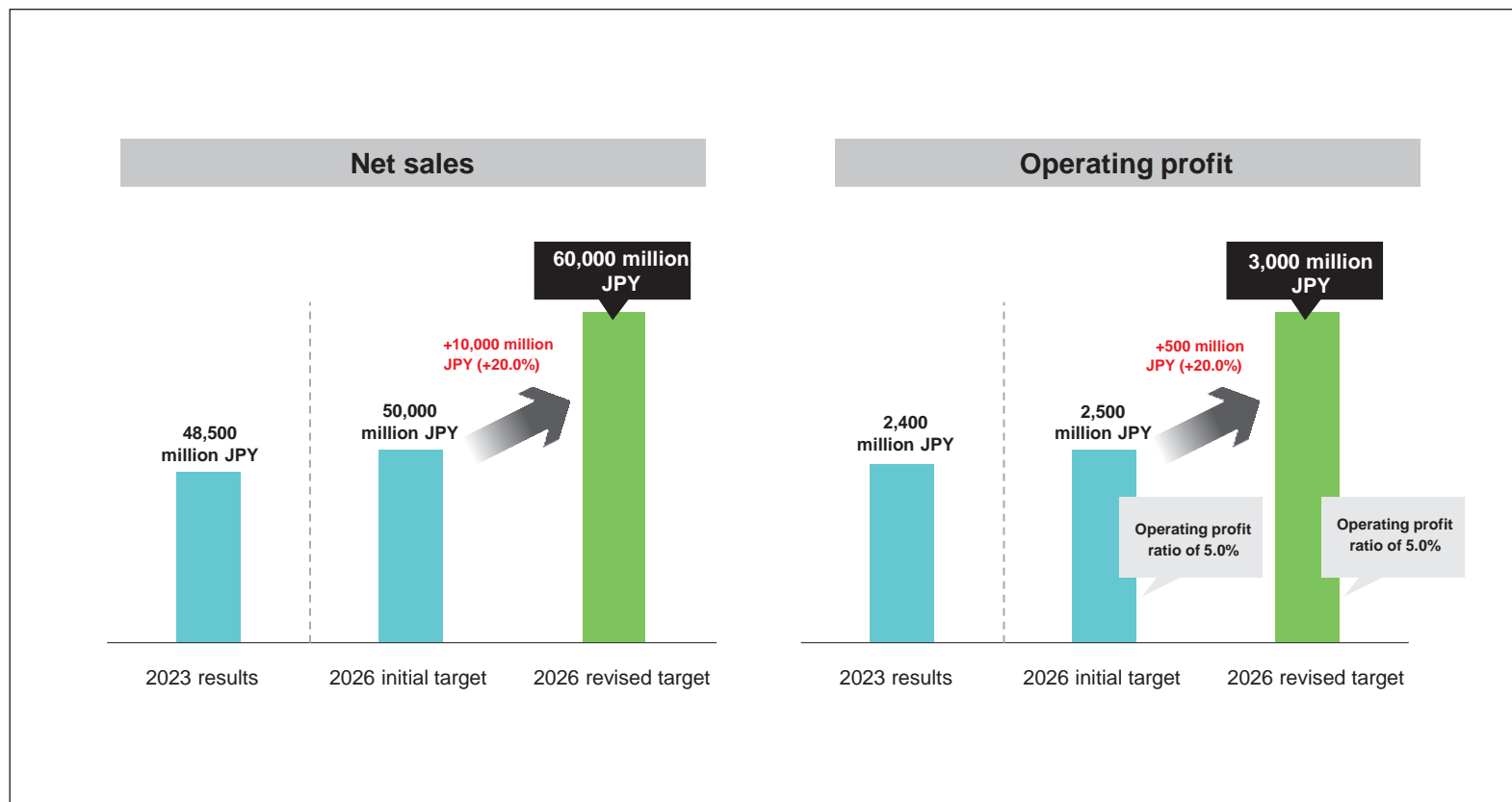
Efforts Over the Past 5 Years (FY2019 – FY2023)

Through efforts such as corporate splits centered on structural reforms, we have seen a remarkable recovery in sales and improvements to profit margin from the COVID-19 pandemic, and we have built a robust profit structure.

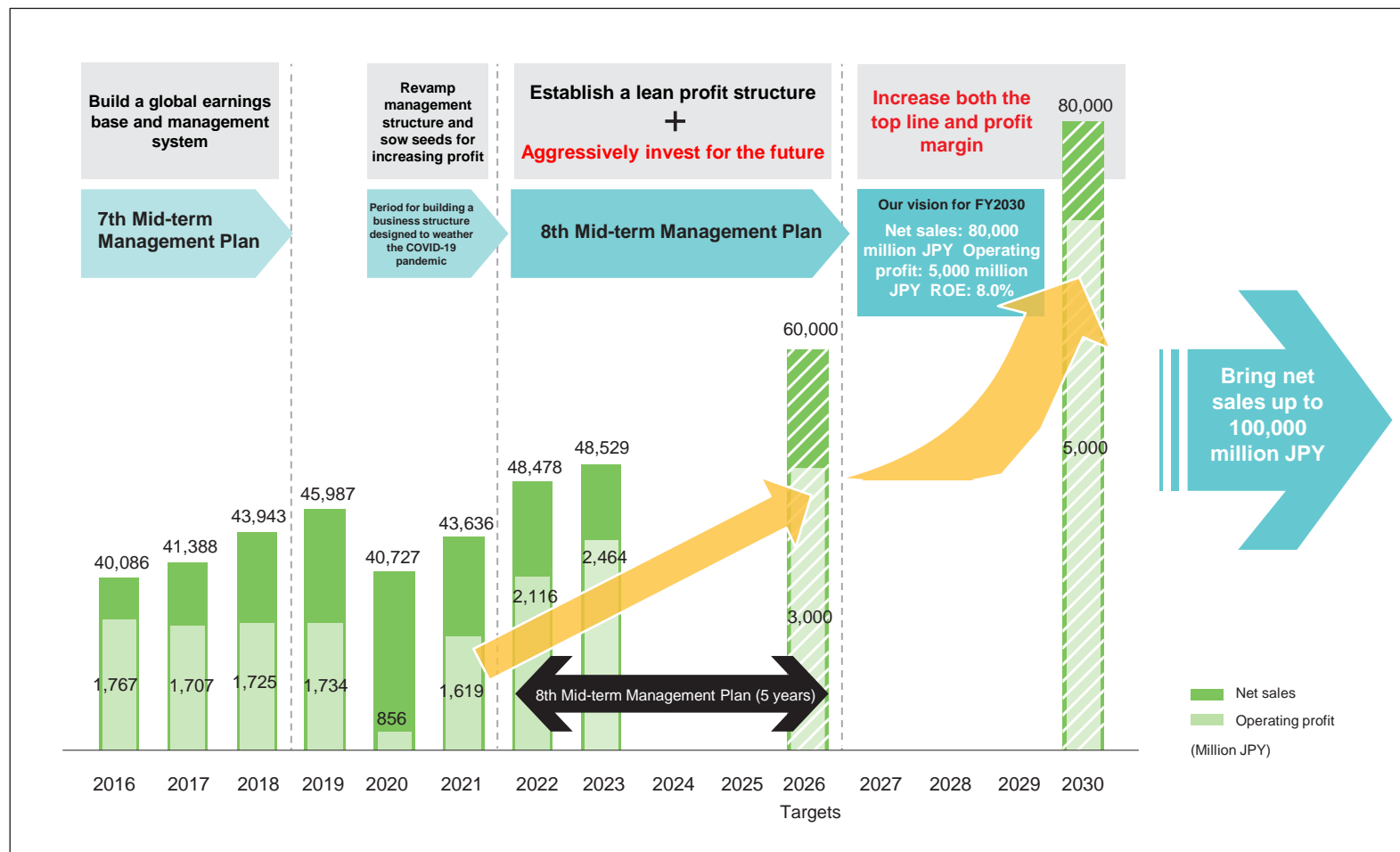


8th Mid-term Management Plan Financial Target Update

Focus on increasing our top line, in addition to keeping the recently improved profit margin up. Aim to further expand the scale of operations.



Basic Policy of the Updated 8th Mid-term Management Plan



8th Mid-term Management Plan

Growth Strategy [Rideeco® Environmental Initiative]

Rideeco® is the Morito Group's initiative to develop environmentally friendly products launched in fiscal 2021. We work to create new value so we can pass on our beautiful planet and its resources to future generations as we join hands with people and companies across all industries who share this same dream.

Recycling unwanted materials to create new value and contribute to sustainability

Recycling discarded fishing nets



Recycling fabric scraps



Removing debris from discarded fishing nets



Upcycling items used by sports teams



Ride for Eco:

It sums up our commitment to sustainability.

Relation

Build relationships and collaborate with various businesses and industries to create new value,

Initiative

take action to build a sustainable society instead of being a bystander,

Devote

devote our wisdom not only to the pursuit of short-term profits but also to the future of society,

Energy

and act with perseverance and energy.

► [Rideeco® website](#)

8th Mid-term Management Plan

Growth Strategy [Rideeco® Environmental Initiative]

It is estimated that about 40% of the total weight of plastic waste that washes ashore in Japan is discarded fishing nets and ropes*. We develop and sell materials made from recycled fishing nets. Recruitment and inquiries are increasing, and sales are expanding. We are also focusing on new product development.



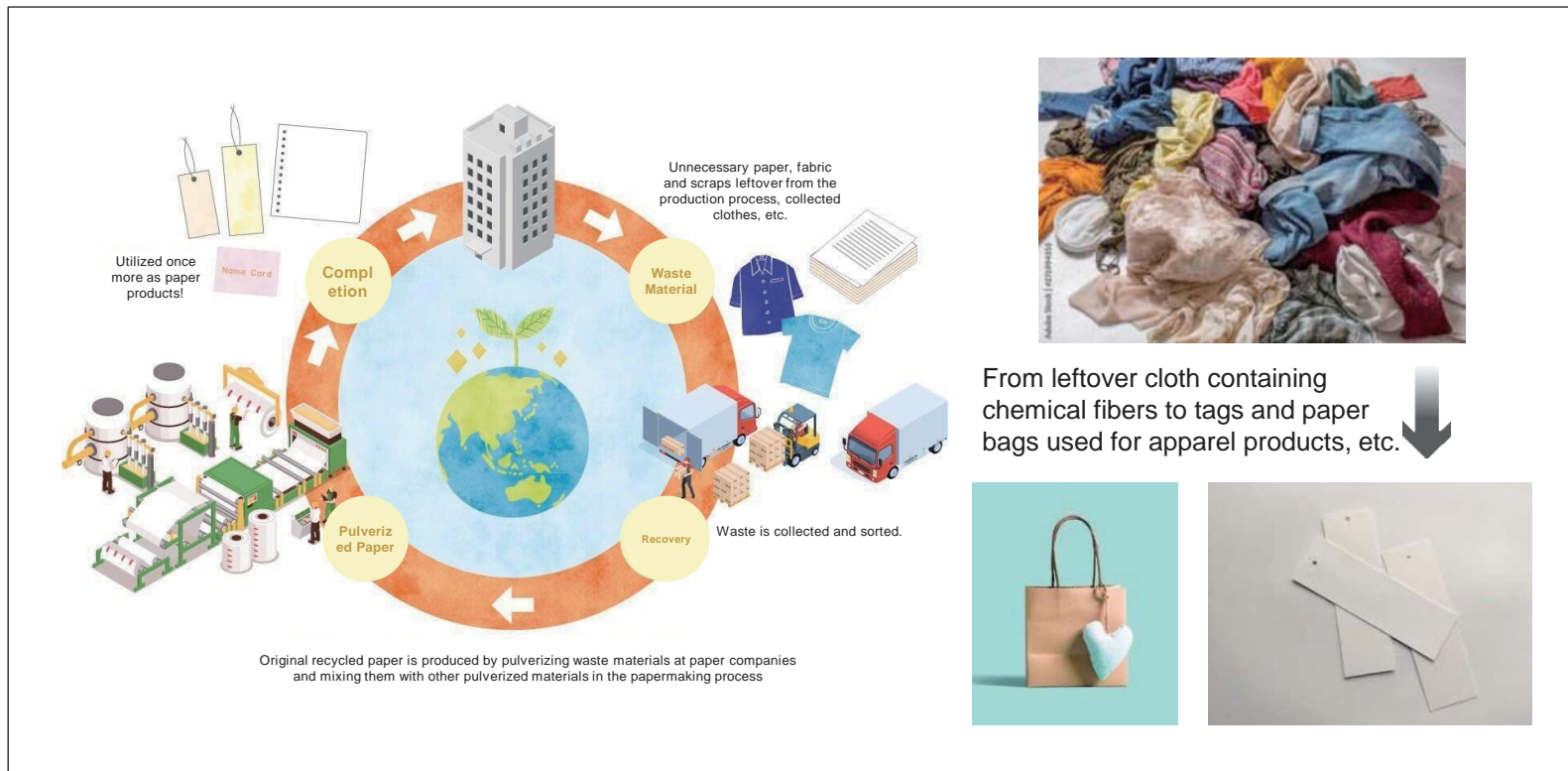
*Survey of marine debris by the Ministry of the Environment in FY2016.

8th Mid-term Management Plan

Growth Strategy [Rideeco® Environmental Initiative]

ASUKAMI® is mixed paper made from scraps from sewing factories.

Its greatest strength is that not only natural fibers such as food and plants, but also chemical fibers can be utilized as raw materials. It has been adopted by World Co., Ltd. for tags, envelopes, and business cards, and there is also work underway on industry-academia collaborations with universities and other organizations.



8th Mid-term Management Plan

Growth Strategy [Product Business' Kitchen Appliance-related Services]

● Capital investment to improve operational efficiency

- Automating company plants and installing state-of-the-art cleaning systems at each location

● Expansion of service coverage

- Kanto, Kansai, Hokkaido, Chugoku, Shikoku, etc.

● Expanding comprehensive maintenance services designed to realize a safe and comfortable environment

- Restaurants, supermarkets, food factories, hotels, etc.

Overview of kitchen appliance-related services

Ace Industrial Machinery Co., Ltd. provides a rental service for various filters used in commercial kitchen exhaust ducts, including filter exchange, delivery, and cleaning services. The company also offers kitchen exhaust hood cleaning services, helping restaurant operators to realize a comfortable working environment and mitigate the risk of fire.



Grease filter

A grease filter is installed at the inlet of the exhaust duct in restaurant kitchens. It reduces grease build-up in the ducts and the risk of fire.



In-house plant equipment



Automatic filter cleaning and drying with an automatically controlled crane

8th Mid-term Management Plan

Growth Strategy [Focus on B2C Businesses]

We are working to become a global brand by creating authentic items with a focus on function, parts, and design.



YOSOOU

Down wear brand YOSOOU®



Outdoor brand POLeR®

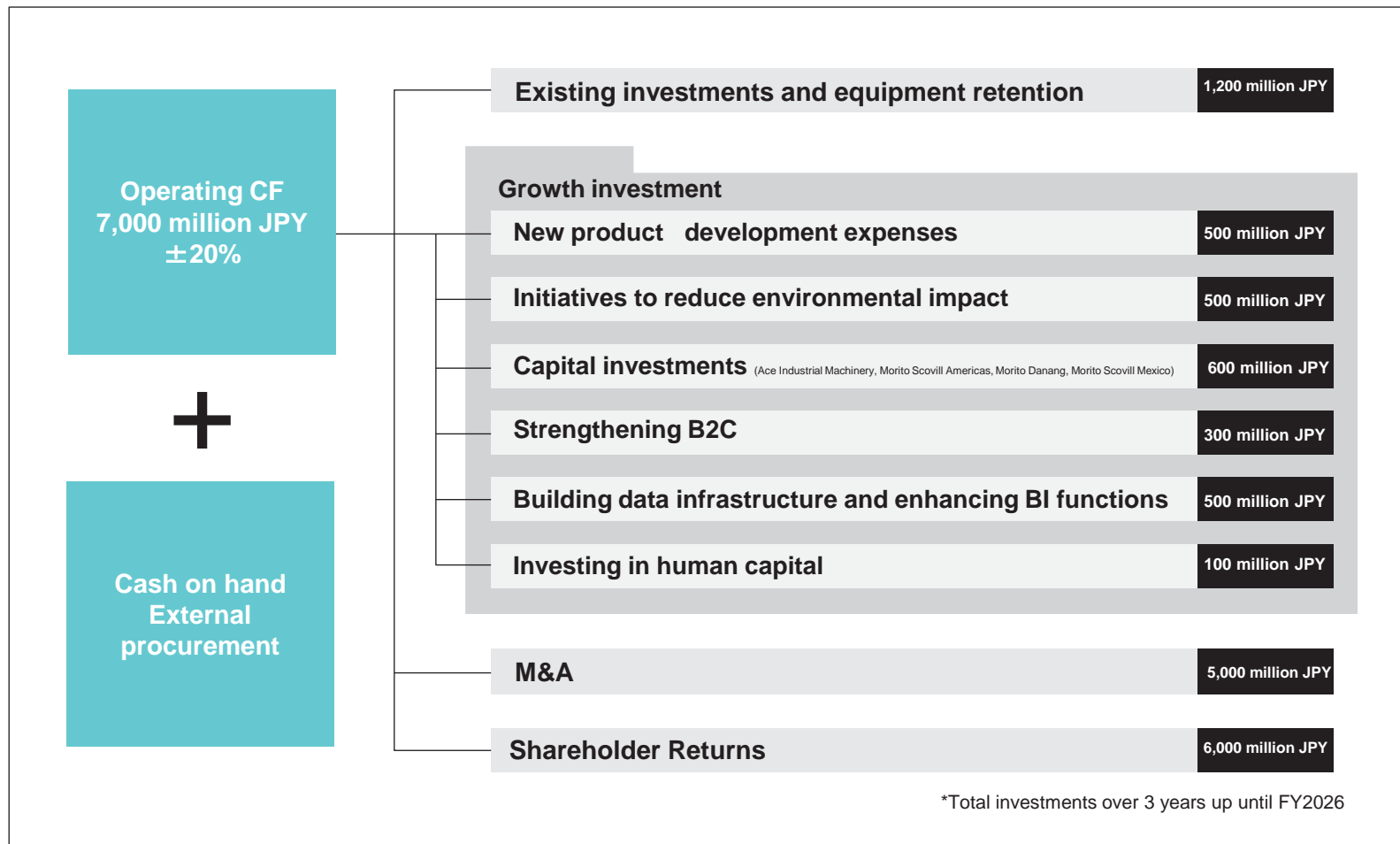
52 BY HIKARUMATSUMURA



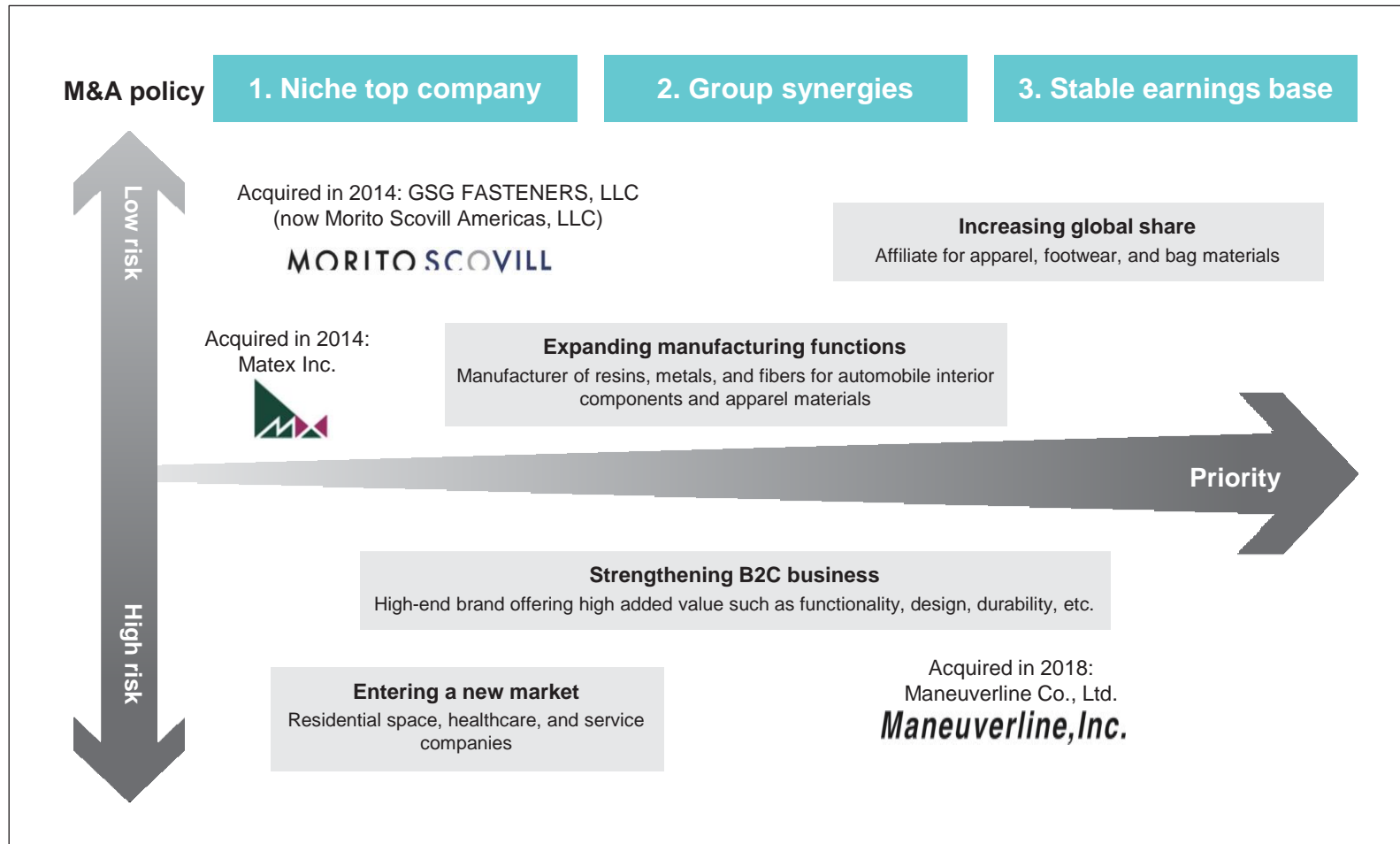
Bag brand 52 BY HIKARUMATSUMURA

8th Mid-term Management Plan Investment Strategy

Aggressive investments are planned for further growth during the period of the 8th Mid-term Management Plan and beyond (from FY2027).



8th Mid-term Management Plan Investment Strategy [M&A]





Shareholder Returns

Basic Dividend Policy

We regard returning profits to shareholders as one of the most important management issues, and determine the amount of dividends based on the following policy, taking into consideration investment projects and financial conditions (net assets, etc.).

**Realize stable
and continuous
dividend
payments**

**Dividend payout
ratio of 50% or
more**

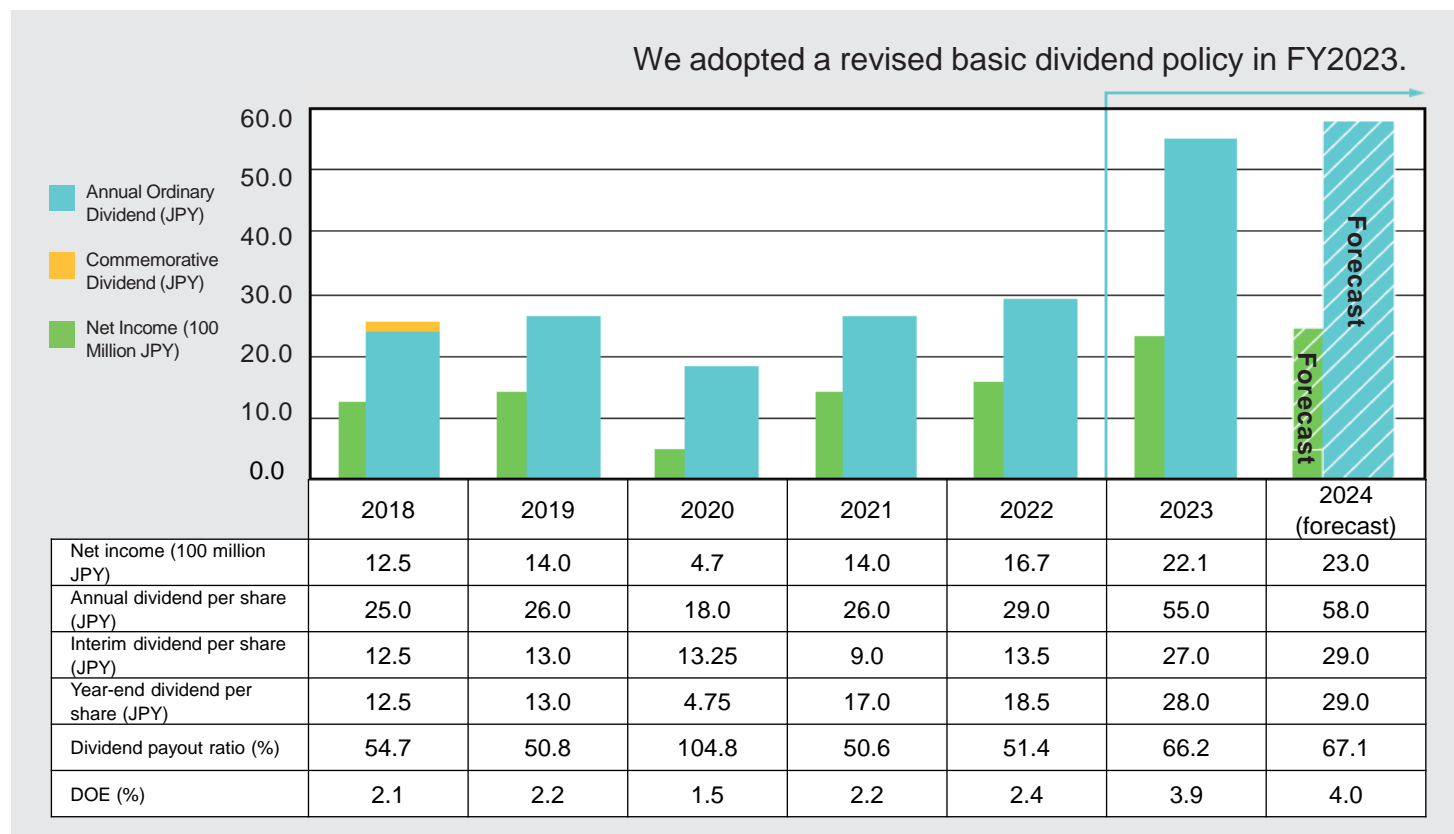
in relation to profit
attributable to owners of
parent is the standard

**Standard of a
dividend on equity
(DOE) ratio of 4.0%**

Continue to consider buying back shares whenever necessary
and canceling them appropriately

* 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.

Trends of Dividend, Dividend Payout Ratio & DOE



Summary

✓ Parts indispensable to daily life

✓ Global niche top company

✓ Rideeco® environmental initiative

✓ Sound financial condition

✓ Stable performance

✓ High dividend yield

Morito Stock Information

Company Name	MORITO CO., LTD.	Securities Code	9837
Listed Market	TSE Prime Market	Share Unit	100 shares
Accounting Period	End of November	Dividends	Twice a year

Disclaimer

This handout has been prepared only for information purposes and is not intended to solicit investment.

Although this handout is made with extreme care, its completeness cannot be guaranteed.

We assume no responsibility whatsoever for any damages resulting from the contents.

The financial results forecasts and forward-looking statements in this presentation are made with information known as of the day of presentation and contain some potential risks and uncertainties.

Therefore, please be aware that the content of the forecast may differ significantly from actual results, due to various factors such as change of business environment.

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MORITO

Where innovation is the norm