

MORITO CO.,LTD

1st section of TSE : 9837

Presentation Materials

for the First Quarter of Fiscal Year Ended
November 30, 2021 Financial Results

April 2021

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1. FY2021.11 1Q Financial Results
2. FY2021.11 1Q Business Overview
3. Shareholder Returns

FY2021 1Q Progress & Highlights

- By gross profit ratio improvement and cost reduction, operating income increased by 40%, net income increased by 70%.
- Net Sales decreased, due to adjusting inventories in department stores and mass retailers caused by COVID-19.
- Businesses in Asia, especially automobile interior components have expanded.

FY2021 Q1 Summary of Financial Results

(Million JPY)

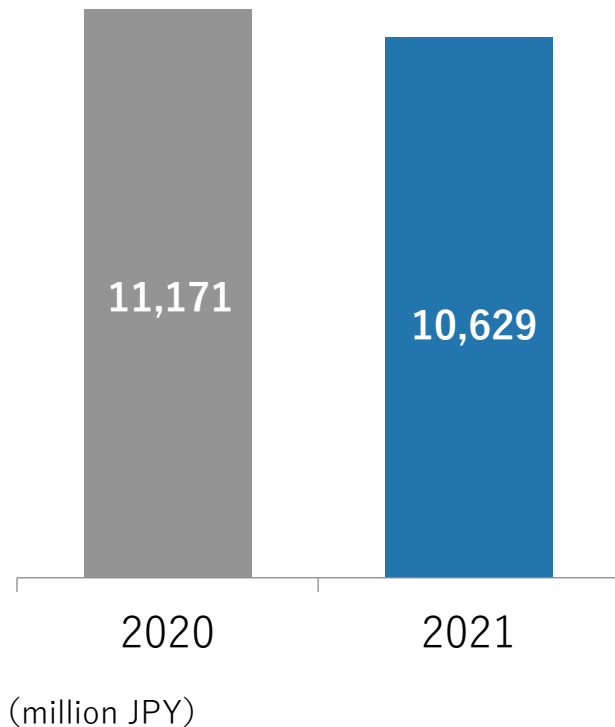
	2020 1Q	2021 1Q	Increase/ Decrease	Y/Y
Net sales	11,171	10,629	-542	-4.9%
Gross profit	2,935	2,795	-140	-4.8%
Gross profit ratio	26.3%	26.3%		
Cost	2,598	2,321	-277	-10.6%
Cost ratio	23.3%	21.8%		
Operating income	336	473	+137	+40.6%
Operating income ratio	3.0%	4.5%		
Ordinary income	306	485	+179	+58.6%
Ordinary income ratio	2.7%	4.6%		
Net income	169	288	+119	+70.8%
Net income ratio	1.5%	2.7%		

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2021FY 1Q Net Sales

Net sales : 10,629 million JPY Y/Y : -542 million JPY (-4.9%)

Sales of the apparel division in Japan decreased by COVID-19.



Japan 7,347 million JPY

Y/Y -555 million yen (-7.0%)

Asia 2,083 million JPY

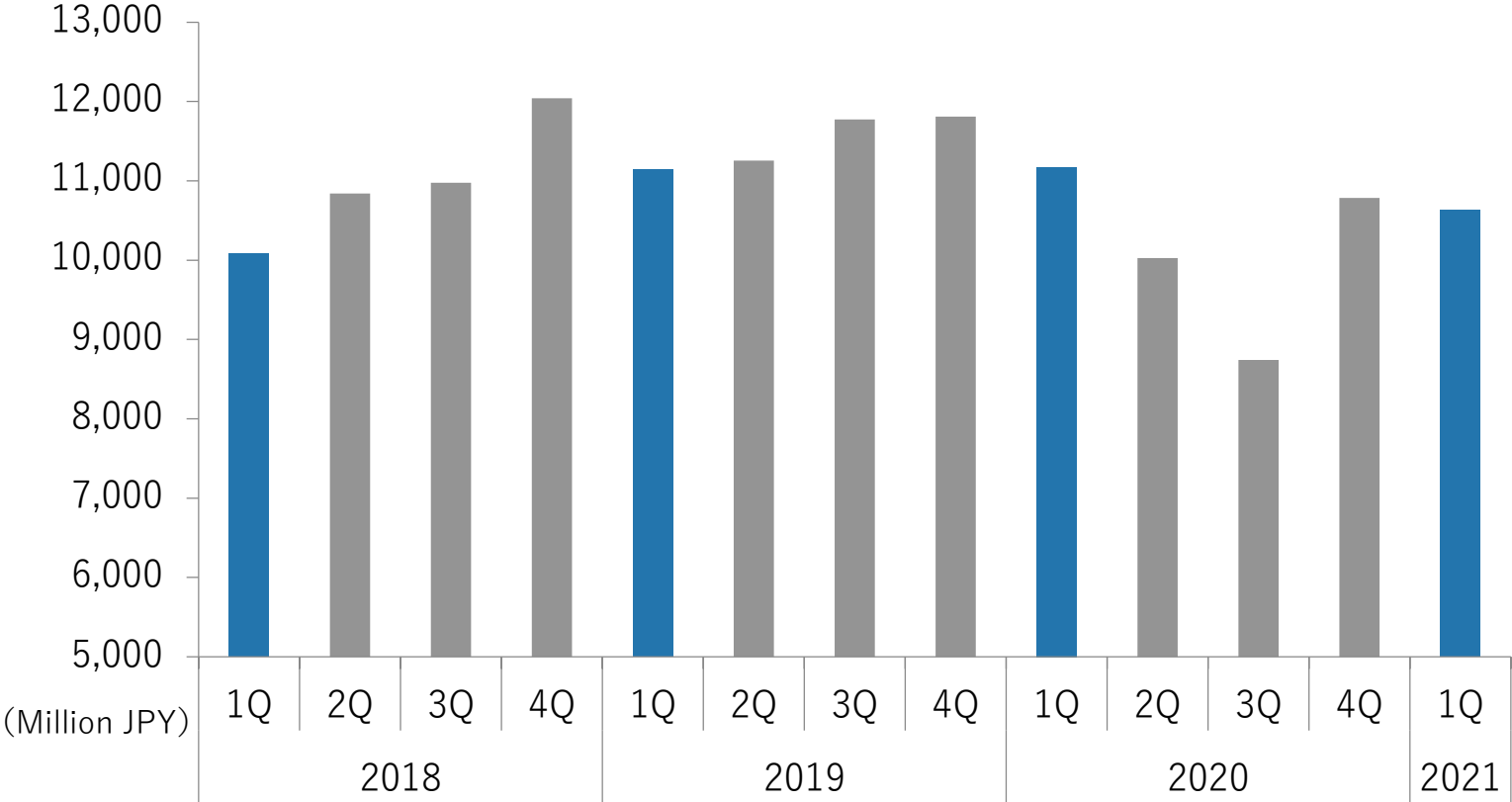
Y/Y +57 million yen (+2.8%)

Europe & the U.S. 1,198 million JPY

Y/Y -44 million yen (-3.5%)

2021FY 1Q Quarterly Financial Trends

Net sales have recovered since 3Q 2020FY. It were as expected.
It will be concentrated in the second half continuously.

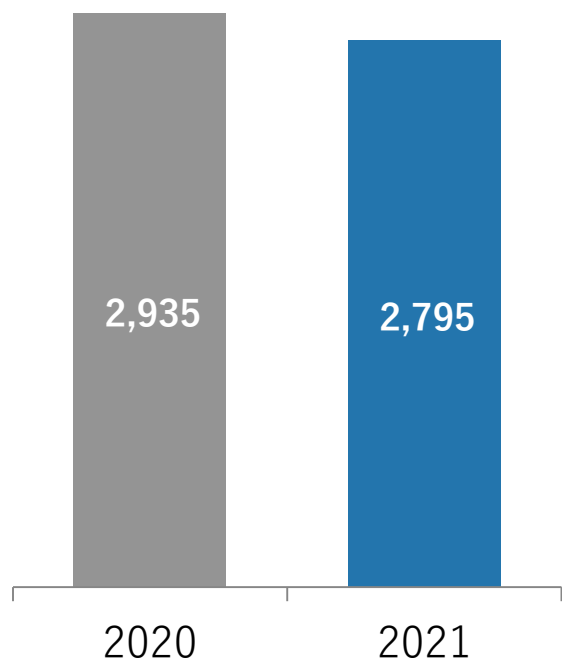


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2021FY 1Q Gross Profit

Gross profit : 2,795 million JPY Y/Y : -140 million JPY (-4.8%)

Impact by decrease of net sales



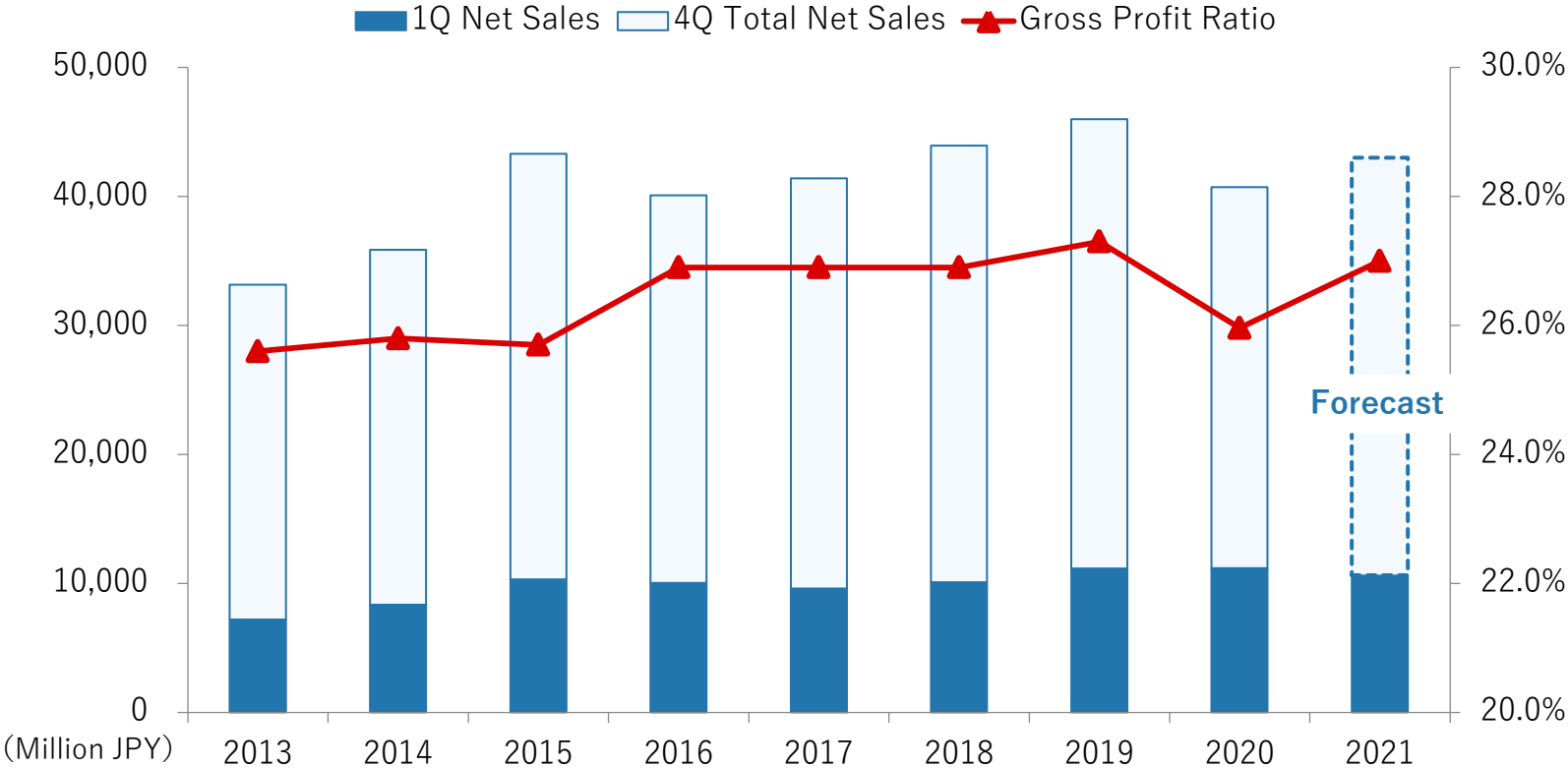
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2021FY 1Q Trends in Net Sales & Gross Profit Ratio

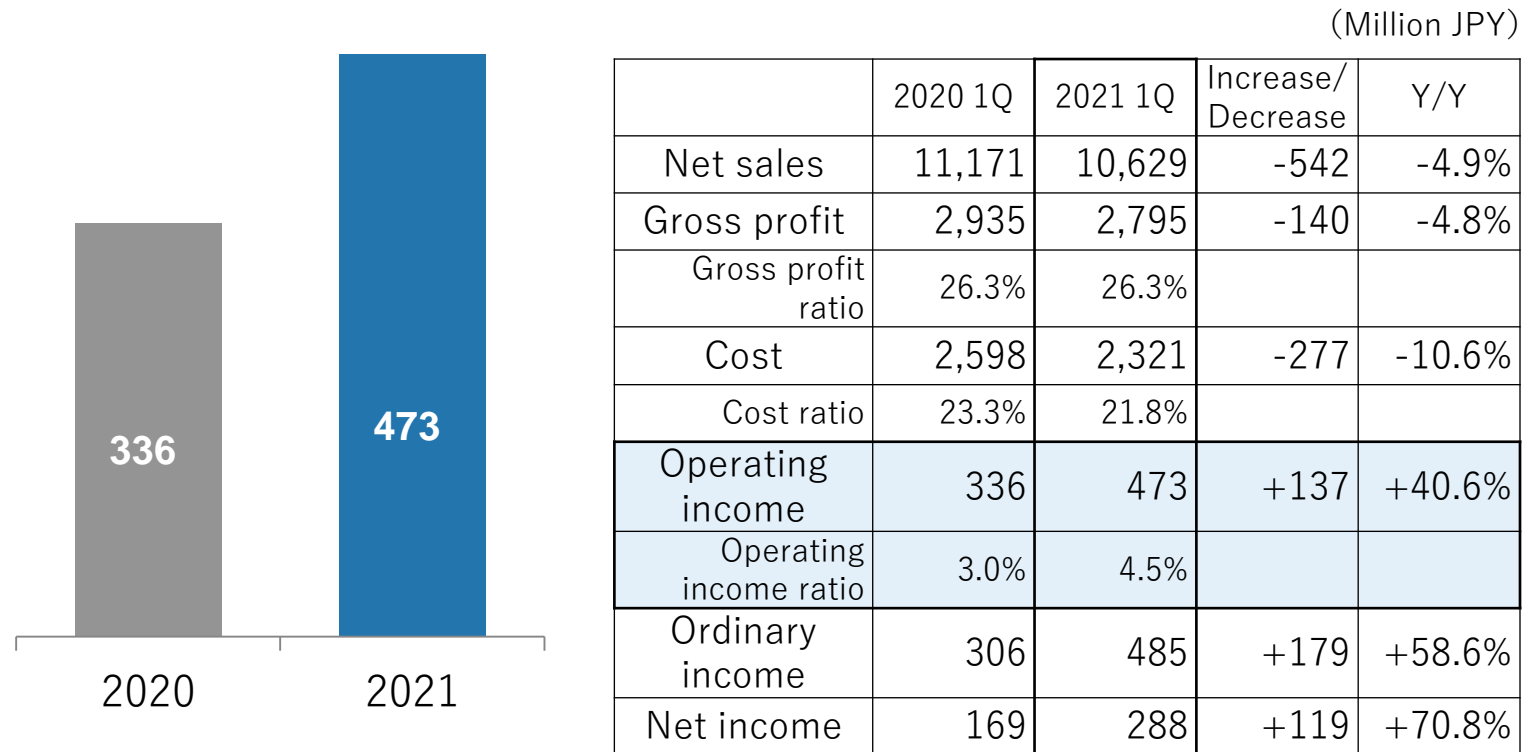
In 2020FY, gross profit ratio decreased by COVID-19, however will be forecasted to recover in 2021FY.



2021FY 1Q Operating Income

Operating income : 473 million JPY Y/Y : +137 million JPY (+40.6%)

Decrease of cost > Decrease of gross profit

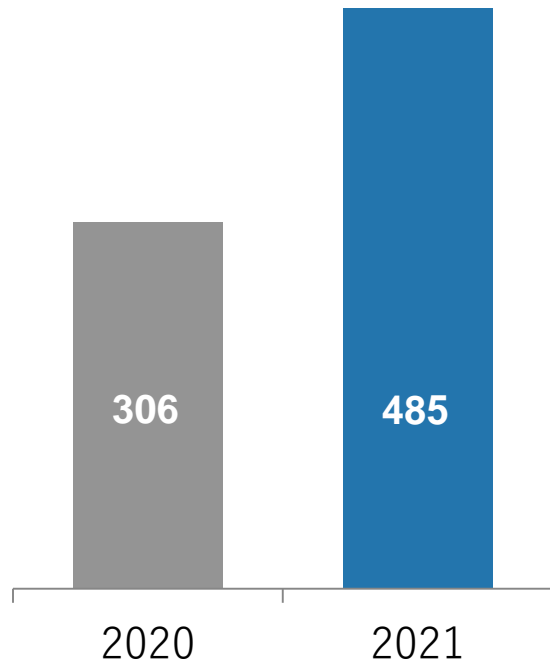


2021FY 1Q Ordinary Income

Ordinary Income : 485 million JPY Y/Y : +179 million JPY (+58.6%)

Increase of operating income & non-operating income

Decrease of non-operating expenses



(Million JPY)

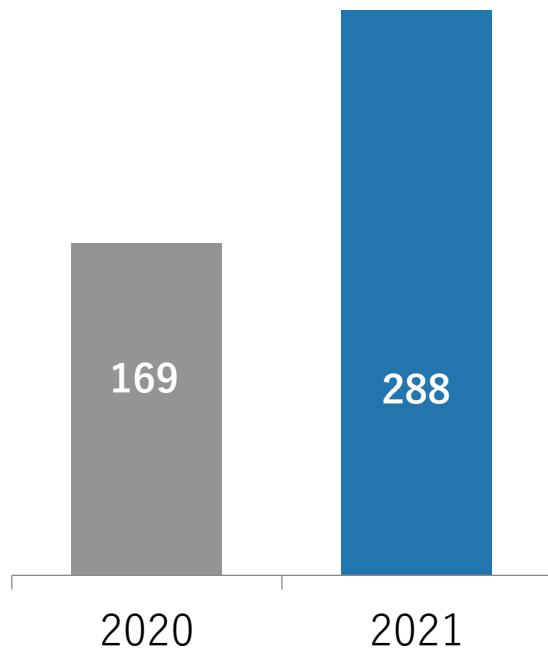
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Cost ratio	3.0%	4.5%		
Ordinary income	306	485	+179	+58.6%
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2021FY 1Q Net Income

Net Income : 288 million JPY Y/Y : +119 million JPY (+70.8%)

Increase of ordinary income



(Million JPY)

	2020 1Q	2021 1Q	Increase/ Decrease	Y/Y
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Operating income	336	473	+137	+40.6%
Ordinary income	306	485	+179	+58.6%
Ordinary income ratio	2.7%	4.6%		
Net income	169	288	+119	+70.8%
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2021FY 1Q Forecast & Progress

(Million JPY)

	2021FY 1Q	FY2021 Full-Year Forecast	Progress
Net sales	10,629	43,000	24.7%
Operating income	473	1,300	36.4%
Operating income ratio	4.5%	3.0%	
Ordinary income	485	1,300	37.3%
Ordinary income ratio	4.6%	3.0%	
Net income	288	700	41.1%
Net income ratio	2.7%	1.6%	

	2020FY 1Q	2020FY 4Q	Progress
Net sales	11,171	40,727	27.4%
Operating income	336	856	39.3%
Operating income ratio	3.0%	2.1%	
Ordinary income	306	928	33.0%
Ordinary income ratio	2.7%	2.3%	
Net income	169	470	36.0%
Net income ratio	1.5%	1.2%	

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2021FY 1Q Balance Sheet

(Million JPY)

	2020 4Q Assets	2021 1Q
Current assets	25,496	25,900 (404)
Fixed assets	18,201	18,018 (▲ 183)
Deferred assets	1	0 (▲ 1)
Total assets	43,699	43,919 (+220)

	2020 4Q Liabilities	2021 1Q
Current liabilities	6,927	7,150 (+223)
Fixed liabilities	4,756	4,614 (▲ 142)
Total liabilities	11,684	11,764 (+80)
Net assets		
Shareholders' equity	30,516	30,673 (+157)
Other comprehensive income	1,441	1,425 (▲ 16)
Total net assets	32,015	32,154 (+139)
Liabilities and net assets	43,699	43,919 (+220)

Equity ratio 73.1% (2020FY 4Q 73.1%)

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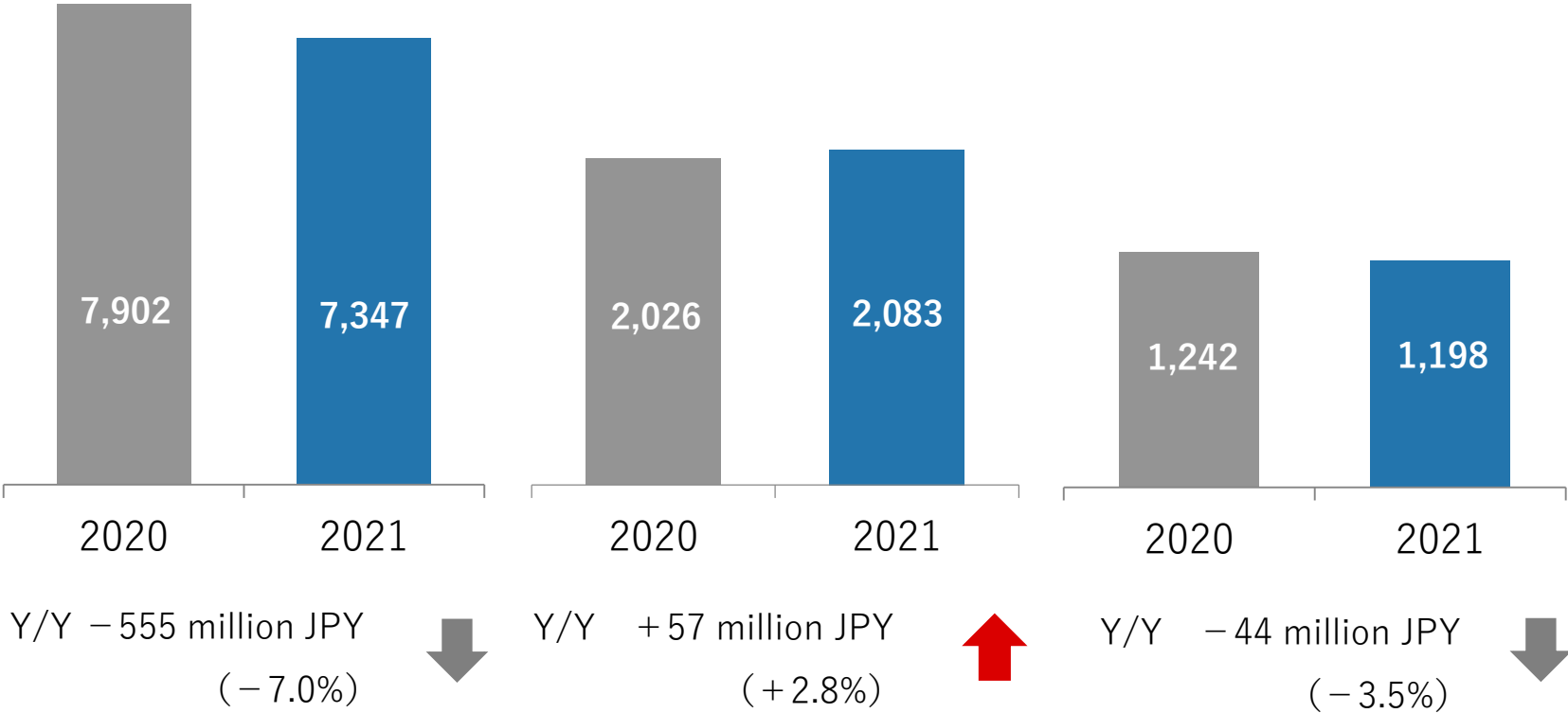
2021FY 1Q Net Sales by Regions

(Million JPY)

Japan

Asia

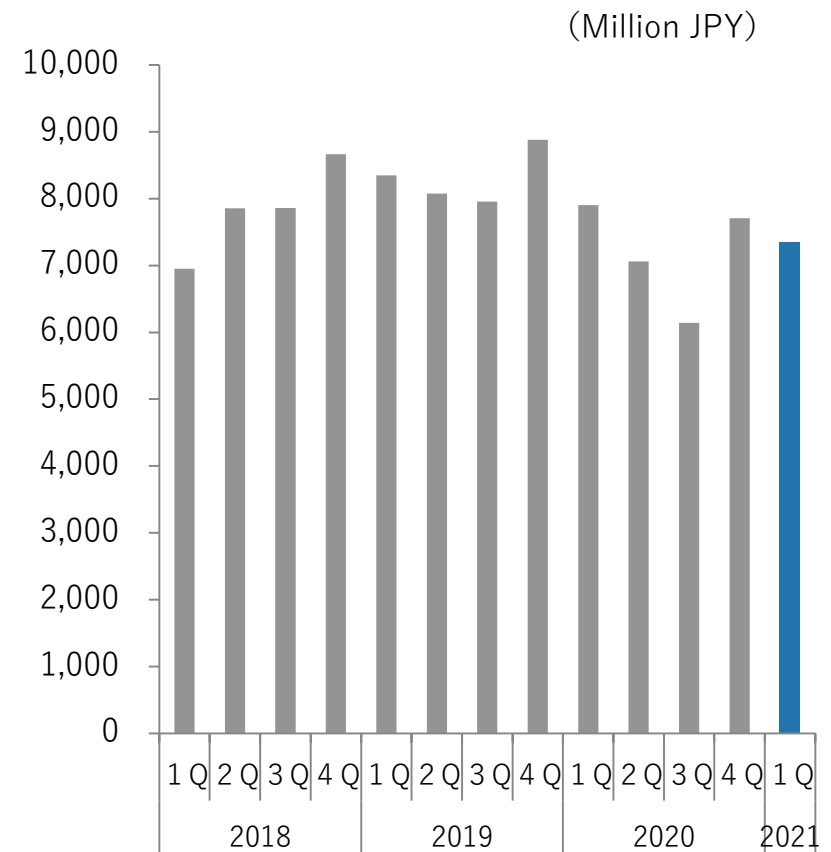
Europe& the U.S.



2021FY 1Q Net Sales by Regions (Japan)

Impacts of COVID-19 have continued, especially in apparel business. But orders in Japan have been recovering.

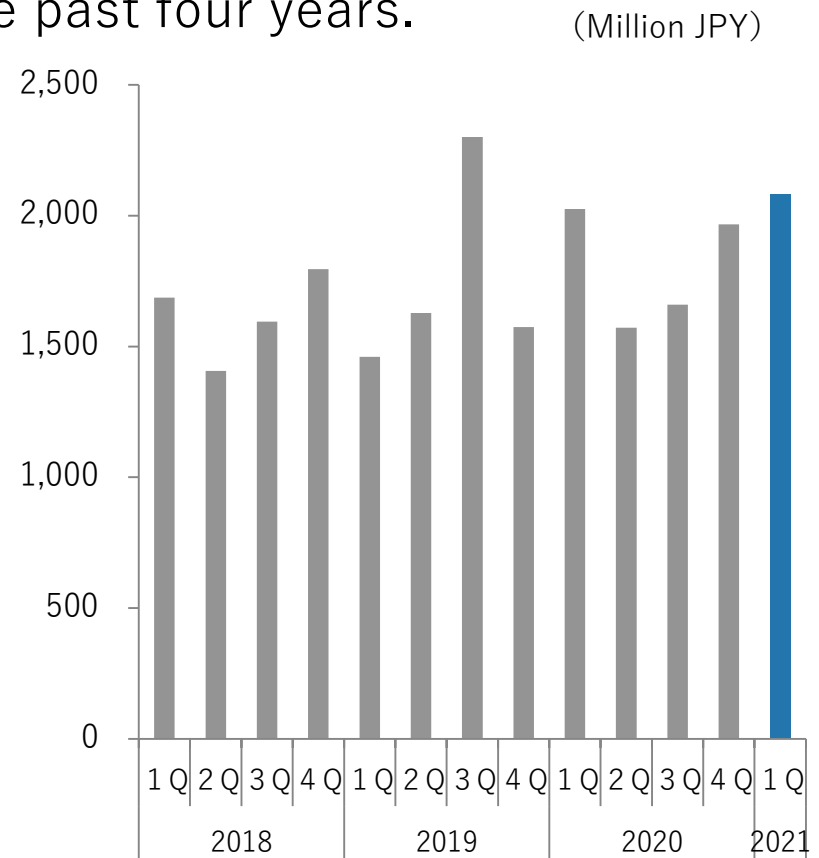
- Increase of fitness clothes
- Decrease of accessories for casual wear, working wear and thick-fabric menswear
- Increase of products to dollar stores
- Increase of accessories for school bag
- Increase of sales, cleaning business of kitchen equipment
- Decrease of products related to snowboard and safety-related accessories for construction site



2021FY 1Q Net Sales by Regions (Asia)

Transportation business has grown as an axis in Asia.
Apparel business has been recovering, too.
1Q Net sales were the highest in the past four years.

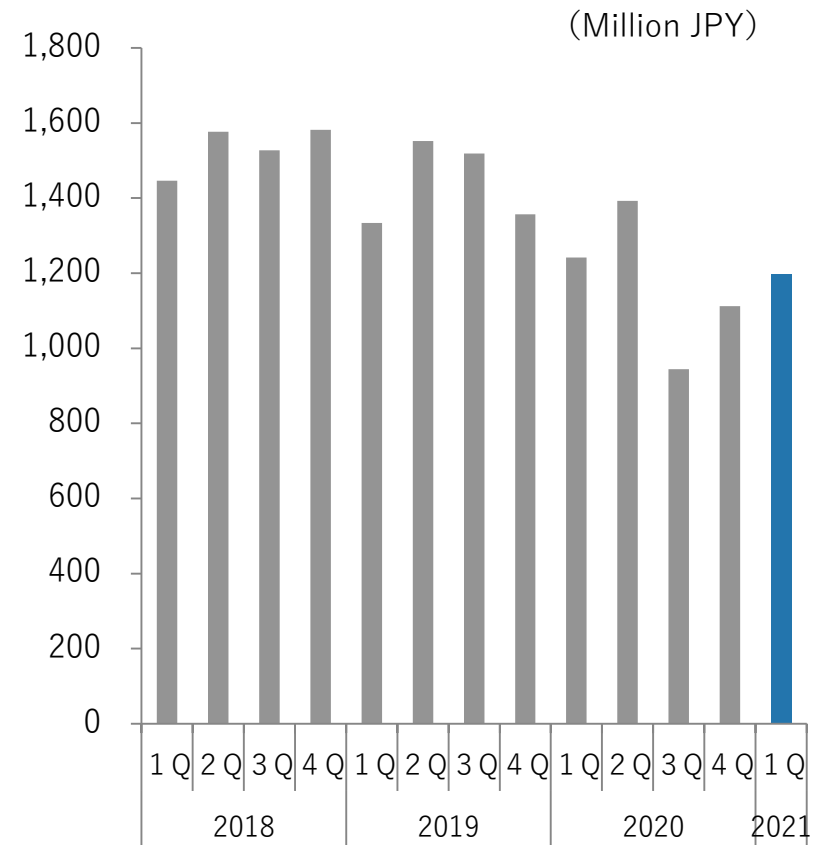
- Increase of accessories to Europe and the U.S. apparel manufacturers in Hong Kong
- Decrease of accessories to Japanese apparel manufacturers in Thailand
- Increase of automobile interior components to Japanese automobile manufacturers in China
- Decrease of products for video equipment in Thailand



2021FY 1Q Net Sales by Regions (Europe & the U.S.)

Impact of COVID-19 has continued, especially in Europe.
Net sales have been recovering since 2020FY 3Q.

- Increase of accessories to apparel manufacturers in the U.S.
- Decrease of accessories to apparel manufacturers in Europe
- Decrease of automobile interior components to Japanese automobile manufacturers



2021FY 1Q Net Sales by Regions (Quarterly)

(Million JPY)

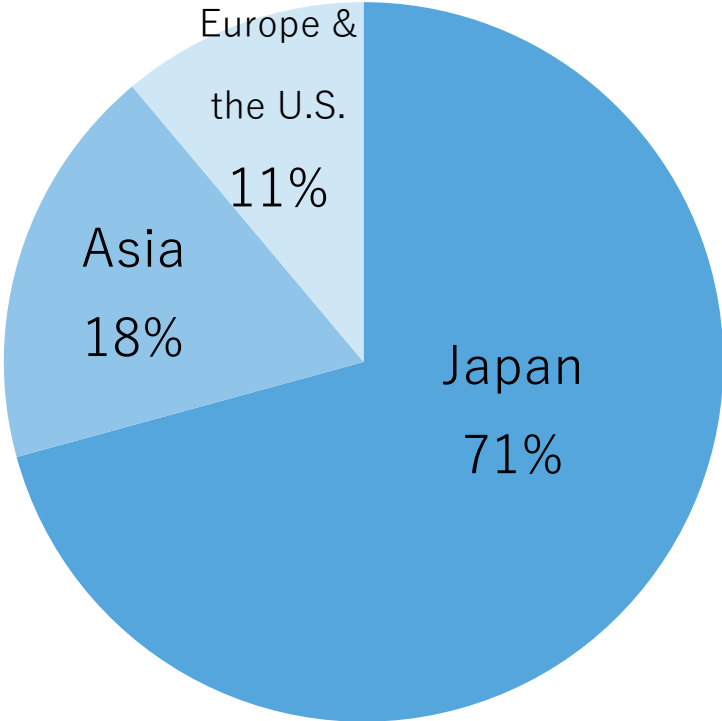
2021FY				
	1 Q	Composition	Increase/ Decrease	Y/Y
Japan	7,347	69.1%	-555	-7.0%
Asia	2,083	19.6%	+57	+2.8%
Europe& the U.S.	1,198	11.3%	-44	-3.5%
Total	10,629	100.0%	-542	-4.9%

2020FY								
	1 Q	2 Q	3 Q	4 Q	Total	Composition	Increase/ Decrease	Y/Y
Japan	7,902	7,062	6,141	7,705	28,810	70.7%	-4,452	-13.4%
Asia	2,026	1,572	1,660	1,967	7,225	17.7%	+262	+3.8%
Europe& the U.S.	1,242	1,393	944	1,112	4,691	11.5%	-1,071	-18.6%
Total	11,171	10,027	8,744	10,785	40,727	100.0%	-5,260	-11.4%

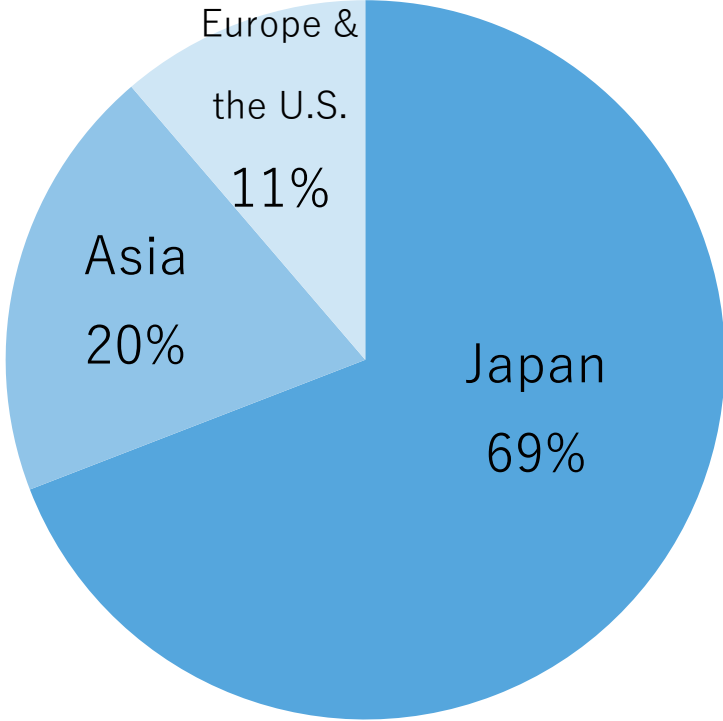
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2021FY 1Q Sales Composition by Region

< 2020 1Q >

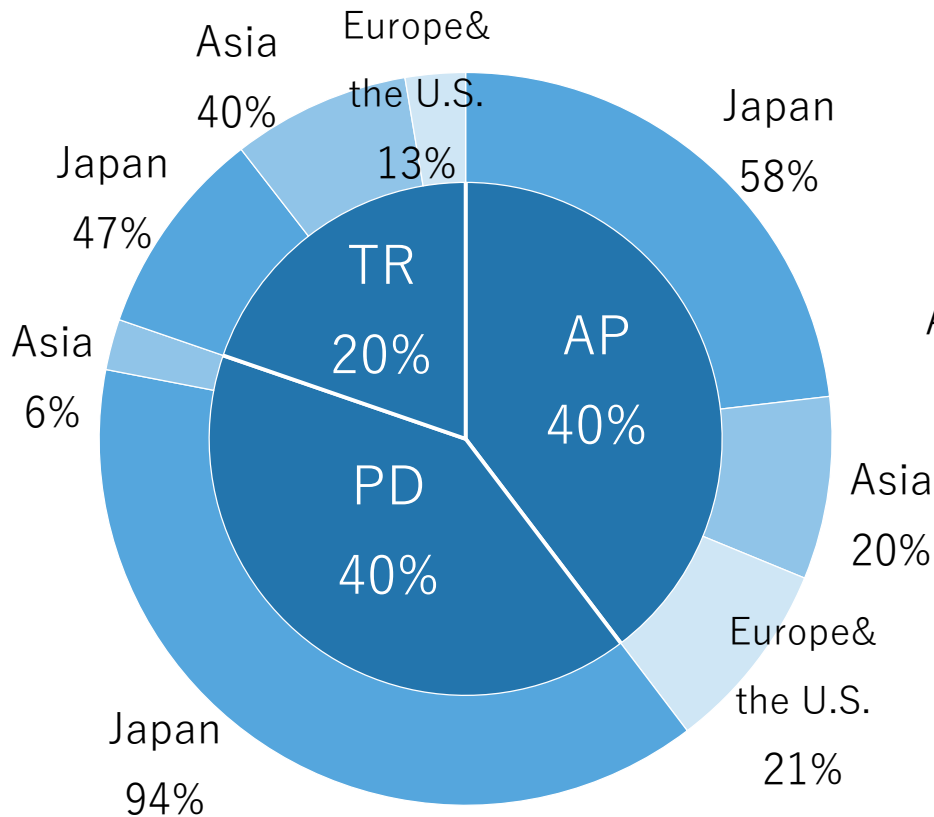


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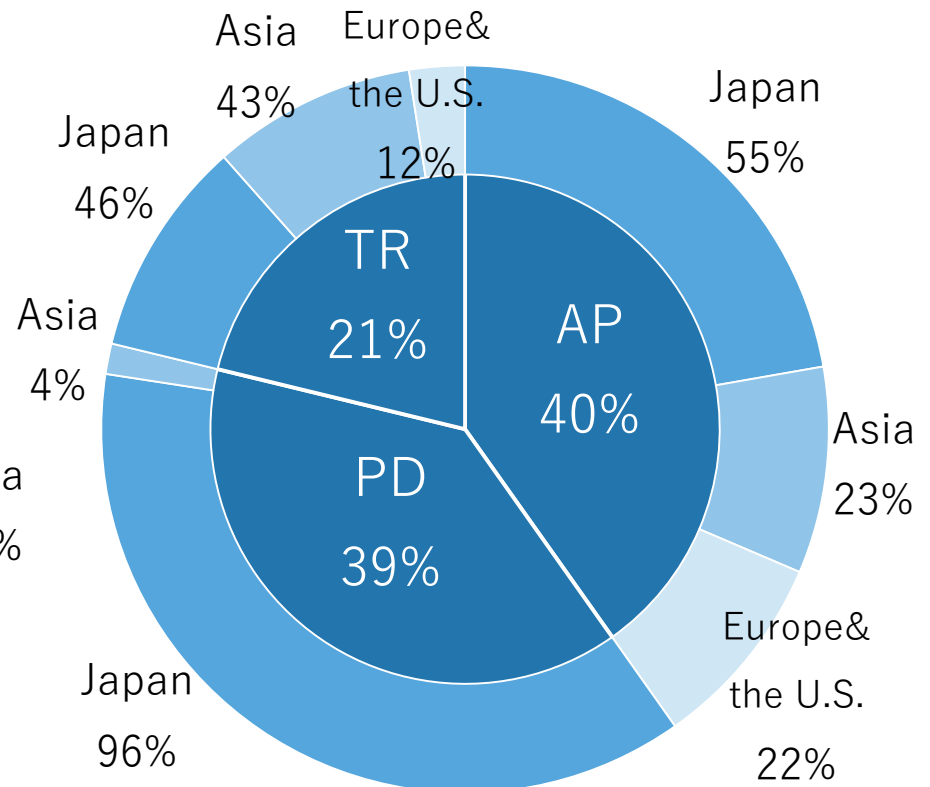


2021FY 1Q Sales Composition by Region & Business

< 2020 1Q >



< 2021 1Q >



AP : Apparel PD : Product TR : Transportation

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Basic Dividend Policy

Realize
continuous
dividend
payments

Dividend
payout ratio of
50% more in
relation to profit
attributable to owners
of parent is the
standard※

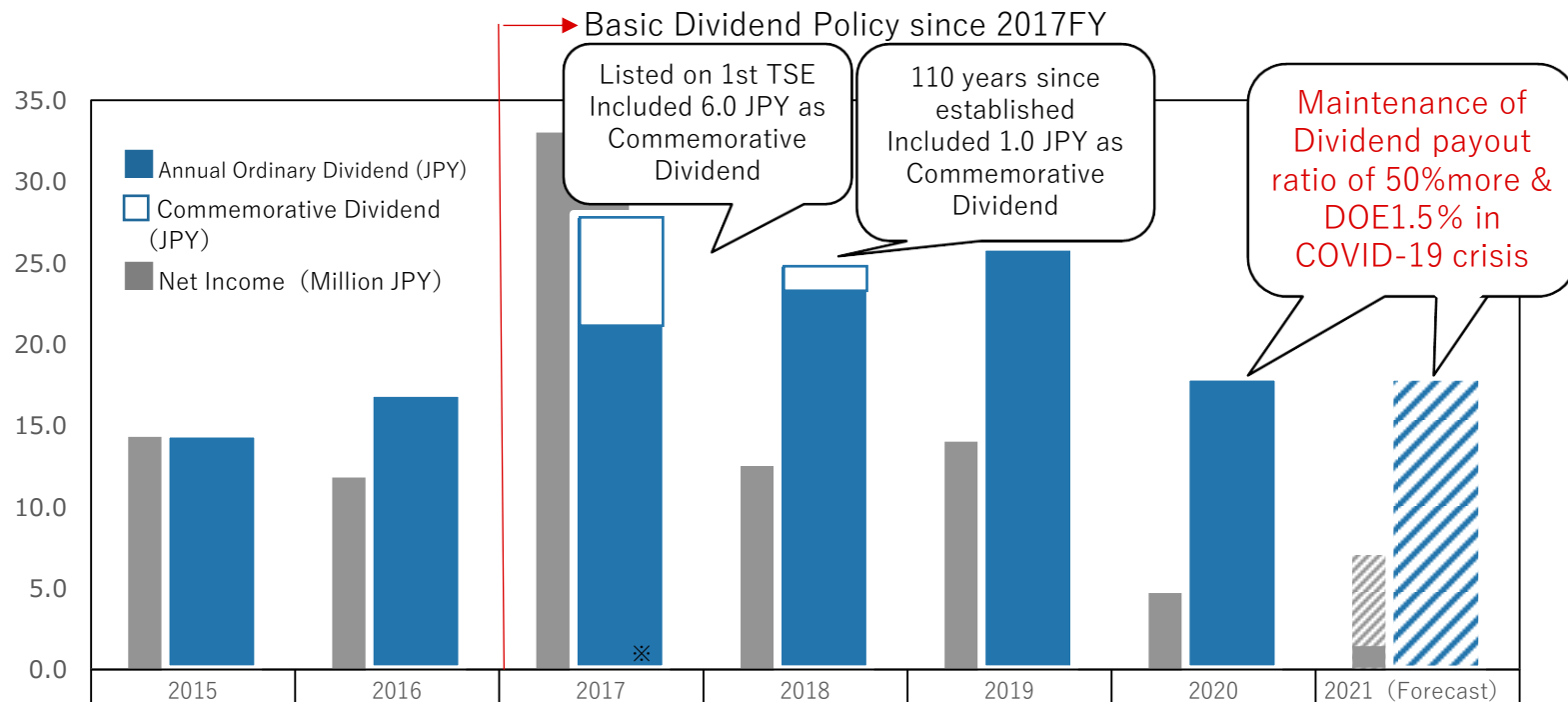
Maintain a
dividend on
equity (DOE)
of 1.5%

※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 conduct a purchase or retirement of its treasury shares.

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Trends of Dividend, Dividend Payout Ratio & DOE



	2015	2016	2017	2018	2019	2020	2021 (Forecast)
Net income (Million JPY)	14.3	11.8	33.0	12.5	14.0	4.7	7.0
Annual dividend per share (JPY)	14.5	17.0	28.0	25.0	26.0	18.0	18.0
Interim dividend per share (JPY)	7.0	8.0	14.0	12.5	13.0	13.25	9.0
Year-end dividend per share (JPY)	7.5	9.0	14.0	12.5	13.0	4.75	9.0
Dividend payout ratio (%)	29.3	41.0	23.5	54.7	50.8	104.8	70.4
DOE (%)	1.37	1.69	2.42	2.13	2.22	1.53	1.54

※ The dividend payout ratio for the fiscal year ended November 30, 2017 is 23.5% in the table, but based on the ordinary dividend of 22 yen excluding the commemorative dividend and the net income attributable to shareholders of the parent company excluding extraordinary gains and losses, the dividend payout ratio is more than 50%.

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The financial results forecasts and forward-looking in this presentation are judged by information known as of the day of presentation and contains 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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