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MORITO



Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 [Japanese GAAP]

January 14, 2025

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 Schedule of annual financial results briefing session : Yes (for securities analysts and institutional investors)
 (Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 to November 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended November 30, 2024	48,537	0.0	2,868	16.4	3,003	8.4	2,572	16.0
Fiscal year ended November 30, 2023	48,529	0.1	2,464	16.4	2,771	18.3	2,217	32.5

(Note) Comprehensive income: Fiscal year ended November 30, 2024: 2,959 million yen[(8.4)%] Fiscal year ended November 30, 2023: 3,231 million yen[(20.6)%]

	Basic earnings per share	Diluted earnings per share	return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended November 30, 2024	97.12	-	6.6	5.8	5.9
Fiscal year ended November 30, 2023	83.05	82.80	5.9	5.5	5.1

(Reference) Share of profit (loss) of entities Fiscal year ended November 30, 2024: 28 million yen Fiscal year ended November 30, 2023: 52 million yen
 accounted for using equity method:

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended November 30, 2024	52,476	39,276	74.8	1,495.67
Fiscal year ended November 30, 2023	51,429	38,457	74.7	1,445.12

(Reference) Equity: Fiscal year ended November 30, 2024: 39,276 million yen Fiscal year ended November 30, 2023: 38,433 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended November 30, 2024	4,620	638	(2,680)	15,460
Fiscal year ended November 30, 2023	4,399	77	(1,983)	13,009

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	Millions of yen	%	%
FY2023	-	27.00	-	28.00	55.00	1,496	66.2	3.9
FY2024	-	29.00	-	34.00	63.00	1,695	64.9	4.3
FY2025 (Forecast)	-	33.00	-	34.00	67.00		65.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2025 (December 1, 2024 to November 30, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	53,000	9.2	3,100	8.1	3,200	6.5	2,700	5.0	102.82

Notes:

(1) Significant changes in the scope of consolidation during the period : 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 : No

2) Changes in accounting policies other than 1) above : No

3) Changes in accounting estimates : No

4) Retrospective restatement : No

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

1) Total number of issued shares at the end of the period (including treasury shares):	November 30, 2024:	30,000,000	November 30, 2023:	30,000,000
2) Total number of treasury shares at the end of the period:	November 30, 2024:	3,739,949	November 30, 2023:	3,404,514
3) Average number of shares during the period:	November 30, 2024:	26,483,614	November 30, 2023:	26,708,206

* These quarterly consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions judged to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

As for suppositions that form the assumptions for the forecast of financial results and cautionary notes concerning the use thereof, please refer to "(4) Future Outlook" in "1. Overview of Business Results, Etc." on page 8.

The Company and some of the Morito Group companies have introduced the "Japanese version of the employee stock ownership plan (J-ESOP)" and the "officer remuneration board incentive plan (BIP) trust." Consequently, the shares of the Company held by Custody Bank of Japan, Ltd. (trust account E) and The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account), respectively, are included in treasury shares.

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1. Overview of Business Results, Etc.

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

The fiscal year under review (December 1, 2023, to November 30, 2024) saw the economy continue to grow at a moderate pace due to an increase in demand from inbound tourists and an improved earnings environment. On the downside, the outlook for the future remains uncertain due to geopolitical risks such as the prolonged situation in Ukraine and rising tensions in the Middle East, as well as the sluggish Chinese economy, soaring raw material and energy prices, and unstable exchange rate fluctuations. Working against this backdrop, the Morito Group (the "Group"), which is mainly engaged in the apparel, product, and transportation businesses, faced an uphill battle. This was due to stagnant demand caused by production cutbacks by apparel manufacturers due to a warm winter in Japan and the end of the post-pandemic surge in demand, as well as production stoppages by some automakers. Otherwise, the Group enjoyed favorable sales of locally produced and procured accessories in Asia while the performance of its kitchen appliance and related service business remained upbeat. 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. In addition, continued efforts focused on profitability resulted in an improved gross profit ratio.

As a result, for the fiscal year under review, net sales increased 0.0% year on year to 48,537 million yen. Operating profit was up 16.4% to 2,868 million yen, ordinary profit grew 8.4% to 3,003 million yen, and profit attributable to owners of the parent increased 16.0% to 2,572 million yen.

Exchange rates used for the conversion of revenue and expenses of the Group's overseas subsidiaries during the preparation of consolidated financial statements for the fiscal year under review are as follows.

	1Q		2Q		3Q		4Q	
USD	147.86	(141.39)	148.62	(132.43)	155.86	(137.49)	149.65	(144.63)
EUR	159.05	(144.26)	161.32	(142.17)	167.84	(149.58)	164.22	(157.32)
CNY	20.44	(19.85)	20.63	(19.35)	21.47	(19.56)	20.84	(19.94)
HKD	18.92	(18.07)	19.00	(16.89)	19.94	(17.54)	19.19	(18.49)
VND	0.0061	(0.0058)	0.0060	(0.0056)	0.0062	(0.0059)	0.0060	(0.0060)
THB	4.15	(3.89)	4.17	(3.91)	4.25	(3.99)	4.29	(4.12)
MXN	8.43	(7.19)	8.75	(7.11)	9.06	(7.79)	7.93	(8.48)

(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 medical wear accessories for the European and U.S. markets, and sales of bag accessories and accessories for high-end outdoor brands, as well as subsidiary material for apparel products sold at department stores, while sales of accessories for workwear and casual wear decreased.

The Product Division enjoyed higher sales of products for one-coin shops (like 100-yen stores) and stationery-related products as well as higher revenues for the kitchen appliance rental, sales, and cleaning business, while sales of construction safety products and medical device-, snowboard- and surfing-related products decreased.

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

As a result, net sales decreased 3.1 year on year to total 33,012 million yen, and segment profit grew 1.7% year on year to reach 2,060 million yen.

Asia

The Apparel Division enjoyed growing sales of casual wear and workwear accessories in China and Hong Kong as well as athletic shoe accessories and workwear-related products in Vietnam.

The Product Division experienced an increase in sales of accessories for toys in Thailand.

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

As a result, net sales grew 8.7% year on year to total 8,372 million yen, and segment profit grew 17.2% year on year to reach 878 million yen.

Europe and the U.S.

In the Apparel Division, sales of medical wear and workwear accessories increased, on top of growth in the sales of leather goods accessories in Mexico.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers increased in North America.

As a result, net sales grew 5.9% year on year to total 7,151 million yen, and segment profit came to 191 million yen (segment loss for the same period in the previous fiscal year was 27 million yen).

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

Total assets for the fiscal year under review increased 1,047 million yen from the previous fiscal year-end to 52,476 million yen.

Current assets grew 900 million yen from the previous fiscal year-end to 32,049 million yen. This was mainly due to a decrease of 1,088 million yen in Merchandise and finished goods, a decrease of 751 million yen in Notes and Accounts receivable - trade, an increase of 2,448 million yen in Cash and deposits, and an increase of 260 million yen in Accounts receivable - other included in Other.

Non-current assets were up 147 million yen from the previous fiscal year-end to 20,427 million yen. This was mainly due to a decrease of 368 million yen in Goodwill, a decrease of 256 million yen in Buildings and structures, a decrease of 106 million yen in Trademark right included in Other intangible assets, a decrease of 100 million yen in Machinery, equipment and vehicles, and an increase of 964 million yen in Investment securities.

Current liabilities increased 297 million yen from the previous fiscal year-end to 8,886 million yen. This was mainly due to a decrease of 207 million yen in Notes and accounts payable - trade, an increase of 209 million yen in Income taxes payable, an increase of 135 million yen in Electronically recorded obligations - operating, and an increase of 112 million yen in Accounts payable - other included in Other.

Non-current liabilities decreased 69 million yen from the previous fiscal year-end to 4,313 million yen. This was mainly due to an increase of 257 million yen in Deferred tax liabilities, a decrease of 303 million yen in Long-term borrowings, and a decrease 34 million yen in Long-term lease liabilities in Other.

Net assets increased 819 million yen from the previous fiscal year-end to 39,276 million yen.

The shareholders' equity ratio increased 0.1 percentage points to 74.8% from 74.7% 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 4,620 million yen, compared with cash flows of 4,399 million yen provided in the previous fiscal year. This was mainly due to a decrease in funds due to the payment of income taxes, and an increase in funds due to the acquisition of profit before income taxes and a decrease in inventories.

(Cash flows from investing activities)

Cash flows provided in investing activities amounted to 638 million yen, compared with cash flows of 77 million yen used in the previous fiscal year. This was mainly due to a decrease in cash from purchase of property, plant and equipment, and an increase in cash from the proceeds from sale of investment securities.

(Cash flows from financing activities)

Cash flows used in financing activities amounted to 2,680 million yen, compared with cash flows of 1,983 million yen 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 increased 2,450 million yen from the previous fiscal year-end to 15,460 million yen.

Trends of cash flow indicators are as follows.

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Equity ratio (%)	72.9	74.7	74.8
Equity ratio based on fair value (%)	40.3	67.0	73.5
Cash flow to interest-bearing debt ratio (%)	206.1	33.5	25.8
Interest coverage ratio (times)	63.5	287.1	267.6

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

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

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

Interest coverage ratio: Operating cash flow / Interest paid

- * The indicators were calculated using financial figures on a consolidated basis.
- * The total market value of shares was calculated by multiplying the closing share price by the total number of shares outstanding (less the treasury shares) on the date of the fiscal year-end.
- * Operating cash flow is the amount of net cash provided by (used in) operating activities recorded in the Consolidated Statements of Cash Flows.
- * Among the liabilities recorded on the Consolidated Balance Sheets, interest-bearing debts apply to borrowings.
- * Interest paid is the amount of interest paid recorded on the Consolidated Statements of Cash Flows.

(4) Future Outlook

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

The outlook for the future remains uncertain due to unstable exchange rate fluctuations and global warming. However, working with the aim of achieving net sales of 60,000 million yen and operating profit of 3,000 million yen on a consolidated basis by the fiscal year ending November 30, 2026, the Group will take various measures to become a global niche top company with a focus on continuing to make small parts that make a big difference in the world.

Regarding the full-year forecast of the Group for the fiscal year ending November 30, 2025, the global economic horizon remains clouded by uncertainty. However, the Group will focus on selling value-added products with a particular emphasis on functionality and sustainability, in addition to its core products, strengthening its global network, expanding the horizons of its B2C business, and utilizing the e-commerce platform business for B2C marketing and sales. The consolidated financial results for fiscal 2025 are forecasted to exceed those of fiscal 2024, with net sales of 53,000 million yen, operating profit of 3,100 million yen, ordinary profit of 3,200 million yen, and profit attributable to owners of parent of 2,700 million yen.

*Notes on the future outlook

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

We will promptly disclose any changes in forecast figures.

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

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

Our basic dividend policy is as follows:

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

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

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

For the fiscal year under review, we plan to propose a year-end dividend of 34.00 yen per share at the Annual General Meeting of Shareholders that will be held on February 27, 2025. Accordingly, including the interim dividend of 29.00 yen per share, the annual dividend for the fiscal year under review will amount to 63.00 yen per share. This represents an increase of 8.00 yen from the previous year's annual dividend of 55.00 yen.

Regarding dividends for the next fiscal year, based on our basic dividend policy, we plan to pay out an interim dividend of 33.00 yen, and a year-end dividend of 34.00 yen, which will combine to form an annual dividend of 67.00 yen.

2. Overview of the Corporate Group

The Group consists of the parent company (the Company), 20 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: 20 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
- 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
- Morito Shanghai Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- Morito Danang Co., Ltd.: Sale and manufacturing of materials for apparel and consumer products, and operation of rental factories
- Morito Trading (Thailand) Co., Ltd.: Sale of materials for apparel and consumer products and automotive interior components
- Shanghai New World Matex International Trade Co., Ltd.: A wholly owned subsidiary of Matex Inc.; sales and manufacturing of apparel secondary materials, design, and sales of printing materials 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

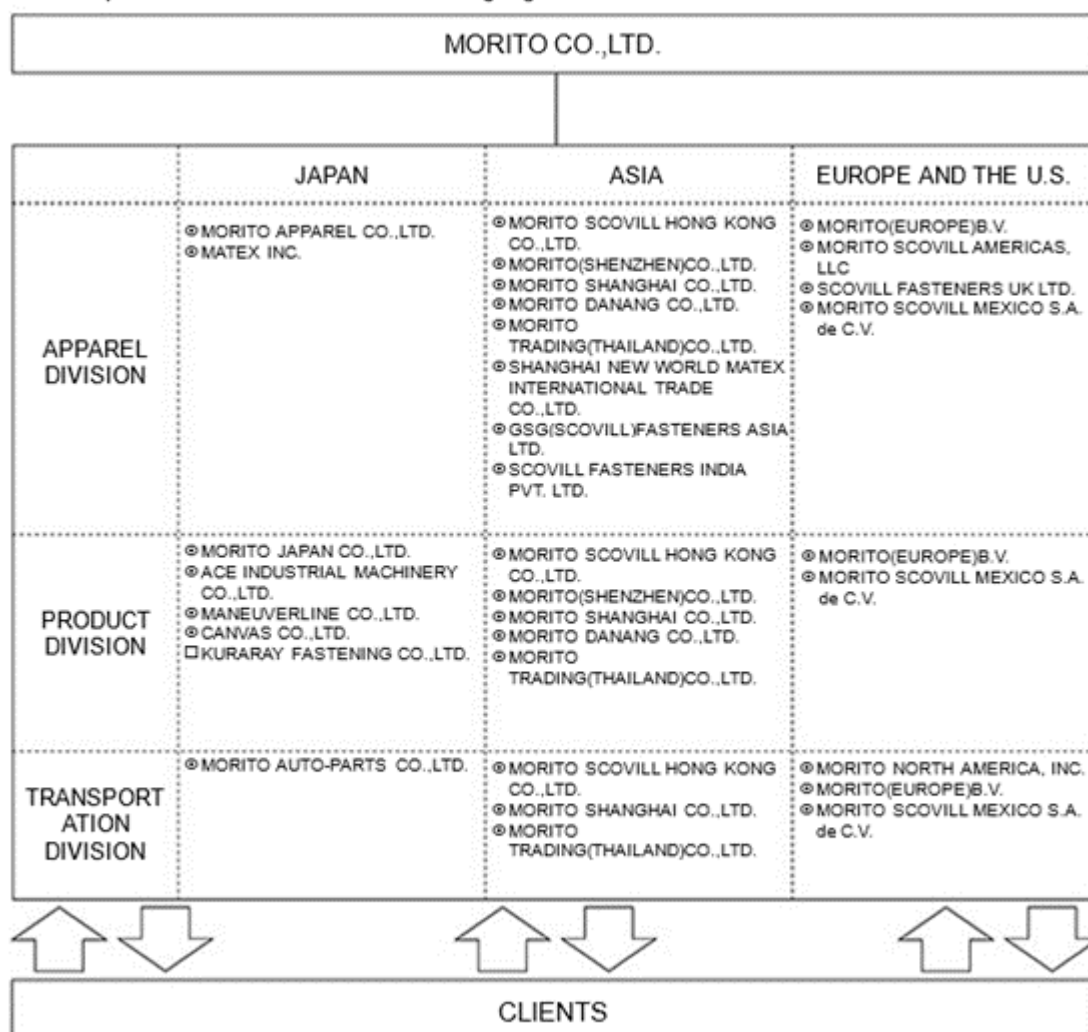
Europe and the U.S.

- 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

(Note) SCOVILL FASTENERS UK LTD. is currently under liquidation proceedings.

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

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	13,013,252	15,461,604
Notes receivable - trade	778,016	476,984
Accounts receivable - trade	7,845,458	7,395,413
Electronically recorded monetary claims - operating	2,440,431	2,378,976
Merchandise and finished goods	4,888,816	3,799,843
Work in process	453,769	443,012
Raw materials and supplies	1,015,825	839,245
Other	827,277	1,289,224
Allowance for doubtful accounts	(113,686)	(34,802)
Total current assets	31,149,163	32,049,501
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,908,854	7,814,616
Accumulated depreciation	(4,144,585)	(4,306,714)
Buildings and structures, net	3,764,268	3,507,901
Machinery, equipment and vehicles	3,135,447	3,082,724
Accumulated depreciation	(2,335,706)	(2,383,653)
Machinery, equipment and vehicles, net	799,740	699,070
Tools, furniture and fixtures	2,556,912	2,570,342
Accumulated depreciation	(2,228,808)	(2,267,830)
Tools, furniture and fixtures, net	328,103	302,511
Land	4,660,948	4,657,230
Leased assets	117,490	127,084
Accumulated depreciation	(91,633)	(104,639)
Leased assets, net	25,857	22,445
Right of use assets	598,826	625,211
Accumulated depreciation	(227,925)	(237,048)
Right of use assets, net	370,901	388,162
Construction in progress	94,051	201,689
Total property, plant and equipment	10,043,872	9,779,012
Intangible assets		
Goodwill	2,495,204	2,126,642
Leased assets	2,269	667
Other	1,064,806	961,540
Total intangible assets	3,562,280	3,088,850
Investments and other assets		
Investment securities	5,422,020	6,386,750
Long-term loans receivable	36,000	-
Deferred tax assets	516,890	471,981
Retirement benefit asset	314,646	336,596
Other	452,164	504,591
Allowance for doubtful accounts	(67,688)	(140,545)
Total investments and other assets	6,674,033	7,559,375
Total non-current assets	20,280,186	20,427,238
Total assets	51,429,350	52,476,739

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,658,697	3,450,704
Electronically recorded obligations - operating	1,082,704	1,218,565
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	256,674	280,008
Income taxes payable	611,892	821,731
Provision for bonuses	473,097	448,579
Provision for bonuses for directors (and other officers)	146,836	165,169
Other	2,309,311	2,451,973
Total current liabilities	8,589,213	8,886,731
Non-current liabilities		
Long-term borrowings	1,166,620	863,278
Deferred tax liabilities	1,556,663	1,814,346
Deferred tax liabilities for land revaluation	262,126	262,126
Provision for share awards	48,176	57,673
Provision for retirement benefits for directors (and other officers)	54,208	70,827
Provision for share awards for directors (and other officers)	100,494	112,519
Provision for environmental measures	26,823	25,611
Retirement benefit liability	864,593	846,659
Other	303,208	260,688
Total non-current liabilities	4,382,915	4,313,731
Total liabilities	12,972,128	13,200,463
Net assets		
Shareholders' equity		
Share capital	3,532,492	3,532,492
Capital surplus	3,040,197	3,075,137
Retained earnings	28,538,155	29,565,881
Treasury shares	(2,437,142)	(3,044,430)
Total shareholders' equity	32,673,702	33,129,080
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,053,469	2,814,841
Deferred gains or losses on hedges	13,287	(9,137)
Revaluation reserve for land	419,773	419,773
Foreign currency translation adjustment	3,223,586	2,850,452
Remeasurements of defined benefit plans	49,934	71,265
Total accumulated other comprehensive income	5,760,051	6,147,195
Share acquisition rights	23,467	-
Non-controlling interests	-	-
Total net assets	38,457,221	39,276,276
Total liabilities and net assets	51,429,350	52,476,739

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Net sales	48,529,542	48,537,182
Cost of sales	35,264,050	34,398,920
Gross profit	13,265,491	14,138,261
Selling, general and administrative expenses		
Salaries	3,477,761	3,611,411
Bonuses	792,860	824,453
Welfare expenses	896,484	949,431
Retirement benefit expenses	125,805	143,205
Provision for bonuses for directors (and other officers)	146,950	165,500
Provision for retirement benefits for directors (and other officers)	16,450	18,219
Provision for share awards for directors (and other officers)	12,025	12,025
Communication expenses	96,682	104,256
Freight and packing costs	1,486,464	1,383,222
Provision of allowance for doubtful accounts	(5,211)	(598)
Commission expenses	738,759	867,380
Rent expenses	168,599	169,602
Depreciation	508,078	503,956
Other	2,339,325	2,517,210
Total selling, general and administrative expenses	10,801,037	11,269,277
Operating profit	2,464,454	2,868,983
Non-operating income		
Interest income	17,388	16,039
Dividend income	99,728	113,565
Gain on redemption of investment securities	44,438	-
Rental income from real estate	67,692	37,874
Foreign exchange gains	※1 1,078	-
Share of profit of entities accounted for using equity method	52,294	28,163
Insurance return	38,236	-
Other	40,113	20,845
Total non-operating income	360,970	216,488
Non-operating expenses		
Interest expenses	12,666	17,634
Depreciation of assets for rent	12,627	2,959
Foreign exchange losses	-	※1 37,290
Other	28,760	24,242
Total non-operating expenses	54,054	82,127
Ordinary profit	2,771,370	3,003,345

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Extraordinary income		
Gain on sale of non-current assets	21,382	286
Gain on sale of investment securities	302,495	1,010,610
Gain on reversal of share acquisition rights	840	4,252
Gain on liquidation of subsidiaries	130,102	-
Total extraordinary income	454,819	1,015,149
Extraordinary losses		
Loss on sale of non-current assets	0	1,856
Loss on retirement of non-current assets	32,065	15,621
Loss on valuation of golf club membership	1,690	-
Impairment loss	-	62,592
Loss on termination of employment	-	13,952
Loss due to disaster	-	45,098
Total extraordinary losses	33,756	139,122
Profit before income taxes	3,192,433	3,879,371
Income taxes - current	999,871	1,335,045
Income taxes - deferred	(25,427)	(27,732)
Total income taxes	974,444	1,307,313
Profit	2,217,989	2,572,058
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,217,989	2,572,058

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Profit	2,217,989	2,572,058
Other comprehensive income		
Valuation difference on available-for-sale securities	778,753	761,371
Deferred gains or losses on hedges	28,486	(22,425)
Foreign currency translation adjustment	200,055	(373,133)
Remeasurements of defined benefit plans, net of tax	6,553	21,330
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	1,013,849	387,144
Comprehensive income	3,231,838	2,959,203
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,231,838	2,959,203
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended November 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,532,492	2,962,803	27,539,047	(2,174,195)	31,860,146
Changes during period					
Dividends of surplus			(1,241,295)		(1,241,295)
Profit attributable to owners of parent			2,217,989		2,217,989
Purchase of treasury shares				(471,036)	(471,036)
Disposal of treasury shares		77,394		208,089	285,484
Reversal of revaluation reserve for land			22,413		22,413
Net changes in items other than shareholders' equity					
Total changes during period	-	77,394	999,108	(262,946)	813,555
Balance at end of period	3,532,492	3,040,197	28,538,155	(2,437,142)	32,673,702

	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	1,274,715	(15,199)	442,187	3,023,530	43,380	4,768,615	55,597	-	36,684,360
Changes during period									
Dividends of surplus									(1,241,295)
Profit attributable to owners of parent									2,217,989
Purchase of treasury shares									(471,036)
Disposal of treasury shares									285,484
Reversal of revaluation reserve for land									22,413
Net changes in items other than shareholders' equity	778,753	28,486	(22,413)	200,055	6,553	991,435	(32,130)	-	959,305
Total changes during period	778,753	28,486	(22,413)	200,055	6,553	991,435	(32,130)	-	1,772,861
Balance at end of period	2,053,469	13,287	419,773	3,223,586	49,934	5,760,051	23,467	-	38,457,221

For the fiscal year ended November 30, 2024

(Thousands of yen)

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

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

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,192,433	3,879,371
Depreciation	1,010,991	983,926
Impairment loss	-	62,592
Amortization of goodwill	279,033	280,078
Increase (decrease) in provision for bonuses	74,997	(16,111)
Decrease (increase) in retirement benefit asset	(18,545)	(25,052)
Increase (decrease) in retirement benefit liability	2,300	15,913
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8,650	16,619
Increase (decrease) in provision for share awards	10,728	9,496
Increase (decrease) in provision for share awards for directors (and other officers)	12,025	12,025
Increase (decrease) in allowance for doubtful accounts	(19,490)	(4,647)
Interest and dividend income	(117,117)	(129,605)
Interest expenses	12,666	17,634
Loss (gain) on redemption of investment securities	(44,438)	-
Share of loss (profit) of entities accounted for using equity method	(52,294)	(28,163)
Gain on reversal of share acquisition rights	(840)	(4,252)
Loss (gain) on sale of non-current assets	(21,382)	1,569
Loss (gain) on sale of investment securities	(302,495)	(1,010,610)
Loss (gain) on liquidation of subsidiaries	(130,102)	-
Loss on valuation of golf club membership	1,690	-
Loss on retirement of non-current assets	32,065	15,621
Decrease (increase) in trade receivables	1,233,622	651,625
Decrease (increase) in inventories	688,611	1,201,368
Increase (decrease) in trade payables	(894,323)	(15,417)
Other, net	303,643	(251,406)
Subtotal	5,262,431	5,662,579
Interest and dividends received	117,119	129,551
Interest paid	(15,321)	(17,267)
Income taxes paid	(964,733)	(1,154,686)
Net cash provided by (used in) operating activities	4,399,496	4,620,177

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	9,596	14,394
Purchase of investment securities	(13,531)	(13,184)
Proceeds from sale of investment securities	371,540	1,169,849
Proceeds from redemption of investment securities	167,881	-
Purchase of property, plant and equipment	(491,815)	(519,729)
Proceeds from sale of property, plant and equipment	91,515	443
Purchase of intangible assets	(50,696)	(44,783)
Proceeds from collection of loans receivable	6,000	42,000
Other, net	(12,680)	(10,326)
Net cash provided by (used in) investing activities	77,810	638,663
Cash flows from financing activities		
Repayments of lease liabilities	(245,738)	(263,161)
Repayments of long-term borrowings	(280,008)	(280,008)
Purchase of treasury shares	(471,036)	(750,433)
Proceeds from exercise of employee share options	254,194	156,958
Dividends paid	(1,241,295)	(1,544,333)
Net cash provided by (used in) financing activities	(1,983,884)	(2,680,977)
Effect of exchange rate change on cash and cash equivalents	119,968	(127,272)
Net increase (decrease) in cash and cash equivalents	2,613,391	2,450,590
Cash and cash equivalents at beginning of period	10,396,188	13,009,580
Cash and cash equivalents at end of period	13,009,580	15,460,171

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on statements of Consolidated Statements of Income)

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

For the fiscal year ended November 30, 2023

Valuation gains related to forward exchange contracts for transactions between consolidated group companies of 1,323 thousand yen are included in "Foreign exchange gains".

For the fiscal year ended November 30, 2024

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

(Changes in presentation)

Valuation gains (losses) related to forward exchange contracts for transactions between consolidated group companies, which were categorized as "Gains (losses) on derivatives" and included in "Other" in the previous fiscal year, have been included in "Foreign exchange gains (losses)" since the beginning of the fiscal year under review in order to reflect actual transactions. In order to reflect this change in presentation, "Foreign exchange losses" of 244 thousand yen and a "Gain on derivatives" of 1,323 thousand yen, which was included in "Other", in the consolidated statements of income for the previous fiscal year have been reclassified as "Foreign exchange gains" of 1,078 thousand yen.

(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.

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

I For the fiscal year ended November 30, 2023

(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	11,796,377	6,123,353	5,285,849	23,205,580	-	23,205,580
Product	17,260,741	574,023	21,473	17,856,237	-	17,856,237
Transportation	5,013,408	1,008,095	1,446,219	7,467,723	-	7,467,723
Revenue from contracts with customers	34,070,527	7,705,472	6,753,542	48,529,542	-	48,529,542
Net sales to external customers	34,070,527	7,705,472	6,753,542	48,529,542	-	48,529,542
Intersegment sales or transfers	1,793,621	4,159,819	116,912	6,070,354	(6,070,354)	-
Total	35,864,148	11,865,292	6,870,455	54,599,896	(6,070,354)	48,529,542
Segment profit (loss)	2,026,957	749,562	(27,126)	2,749,393	(284,939)	2,464,454
Segment assets	30,766,797	7,301,621	8,458,770	46,527,190	4,902,160	51,429,350
Other items						
Depreciation	393,281	350,672	267,037	1,010,991	-	1,010,991
Increase in property, plant and equipment and intangible assets	319,461	356,110	221,946	897,517	-	897,517

(Note) 1 The adjustment of (284,939) thousand yen to segment profit (loss) includes corporate expenses of (248,287) thousand yen not allocated to the reportable segments, and other in the amount of (36,651) thousand yen.

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

3 The amount of the adjustment to segment assets of 4,902,160 thousand yen includes intersegment elimination of (9,401,423) thousand yen, and corporate assets of 14,303,583 thousand yen not allocated to the reportable segments. Corporate assets mainly refer to the financial assets (cash and deposits, investment securities, etc.) held by the Company, which is the holding company of the Group.

II For the fiscal year ended November 30, 2024

(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	11,849,641	6,786,618	5,590,067	24,226,327	-	24,226,327
Product	16,685,292	695,180	25,495	17,405,969	-	17,405,969
Transportation	4,477,567	891,068	1,536,249	6,904,885	-	6,904,885
Revenue from contracts with customers	33,012,501	8,372,867	7,151,812	48,537,182	-	48,537,182
Net sales to external customers	33,012,501	8,372,867	7,151,812	48,537,182	-	48,537,182
Intersegment sales or transfers	1,966,720	3,315,658	82,538	5,364,917	(5,364,917)	-
Total	34,979,221	11,688,526	7,234,351	53,902,099	(5,364,917)	48,537,182
Segment profit	2,060,479	878,514	191,612	3,130,606	(261,622)	2,868,983
Segment assets	29,639,983	7,194,916	7,279,351	44,114,251	8,362,488	52,476,739
Other items						
Depreciation	364,244	341,175	278,506	983,926	-	983,926
Increase in property, plant and equipment and intangible assets	428,628	320,512	92,008	841,149	-	841,149

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

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

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

(Per Share Information)

Item	(Yen)	
	As of November 30, 2023 (December 1, 2022 to November 30, 2023)	As of November 30, 2024 (December 1, 2023 to November 30, 2024)
Net assets per share	1,445.12	1,495.67
Basic earnings per share	83.05	97.12
Diluted earnings per share	82.80	-

(Note) 1 The number of common shares that are treasury shares used to calculate "net assets per share" includes the Company's shares (373 thousand shares in the previous fiscal year, 366 thousand shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company's shares (154 thousand shares in the previous fiscal year, 154 thousand shares in the fiscal year under review) held by The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account).

2 The average number of common shares during the period that are treasury shares used to calculate "basic earnings per share" includes the Company's shares (373 thousand shares in the previous fiscal year, 371 thousand shares in the fiscal year under review) held by Custody Bank of Japan, Ltd. (trust account E), and the Company's shares (154 thousand shares in the previous fiscal year, 154 thousand shares in the fiscal year under review) held by The Master Trust Bank of Japan, Ltd. (officer remuneration BIP trust account).

3 In the current fiscal year, there were no diluted stocks. Therefore, there is no entry in the diluted net income per share adjusted section.

(Note) Basis for the Calculations

1 Net assets per share

Item	As of November 30, 2023	As of November 30, 2024
Total net assets on Consolidated Balance Sheets (Thousand yen)	38,457,221	39,276,276
Amount deducted from total net assets (thousand yen)	23,467	-
[Including: Share acquisition rights (thousand yen)]	(23,467)	(-)
[Including: Non-controlling interests (thousand yen)]	-	-
Net assets relating to common shares (thousand yen)	38,433,753	39,276,276
Number of common issued shares (thousand shares)	30,000	30,000
Number of common shares that are treasury shares (thousand shares)	3,404	3,739
Number of common shares used to calculate net assets per share (thousand shares)	26,595	26,260

(Note) 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, 2023 (December 1, 2022 to November 30, 2023)	As of November 30, 2024 (December 1, 2023 to November 30, 2024)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	2,217,989	2,572,058
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent relating to common shares (thousand yen)	2,217,989	2,572,058
Average number of common shares during the period (thousand shares)	26,708	26,483
Diluted net income per share adjusted		
Net income adjustment attributable to parent company shareholder (thousands of yen)	-	-
The number of increase of common stock (thousand share)	80	-
(Stock Option (thousands share))	80	-
Overview of residual shares not included in calculation of diluted earnings per share due to lack of dilutive effect	-	Stock acquisition rights based on the resolution of the Ordinary General Meeting of Shareholders and the Board of Directors on February 25, 2016 expired on April 15, 2024 due to the expiration of the exercise period.

(Note) 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.