



Consolidated Financial Results for the Nine Months of the Fiscal Year Ending November 30, 2026 [Japanese GAAP]

October 14, 2026

Company name: MORITO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9837

URL: <https://www.morito.co.jp>

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Corporate Administrative Division

Scheduled date of commencing

dividend payments:

Availability of supplementary briefing material on financial results

: Available

Schedule of financial results briefing session : None scheduled

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

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending November 30, 2026

(December 1, 2025 to August 31, 2026)

(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	%
Nine months ended August 31, 2026	49,305	21.5	2,917	22.7	3,109	17.7	2,366	(21.6)
Nine months ended August 31, 2025	40,595	14.0	2,377	10.4	2,640	15.5	3,019	57.3

(Note) Comprehensive income: ended August 31, 3,973 million yen[21.4%] ended August 31, 3,273 million yen[(11.5)%]
2026 2025

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended August 31, 2026	94.20	-
Nine months ended August 31, 2025	115.34	-

(Note) In the fiscal year ended November 30, 2025, the Company finalized the provisional accounting treatment for the business combinations, and the figures for the nine months of the fiscal year ended November 30, 2025 reflect the details of the finalized provisional accounting treatment.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Nine months ended August 31, 2026	56,292	40,403	71.8
FY2025	55,498	39,832	71.8

(Reference) Equity: Nine months ended August 31, 2026 40,403 million yen FY2025 39,832 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2025	-	33.00	-	37.00	70.00
FY2026	-	36.00	-	-	-
FY2026(Forecast)	-	-	-	36.00	72.00

(Note) Revision to the latest announcement of dividend forecast : None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2026
(December 1, 2025 to November 30, 2026)

(% 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	66,000	16.1	3,600	8.0	3,800	4.8	3,050	4.6	121.38

(Note) Revision to the latest announcement of performance forecast : Yes

Notes:

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 company (Hisanaga Seisakusho Co., Ltd.)

Excluded: None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements : No

(3) 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

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

1) Total number of issued shares at the end of the period (including treasury shares):	August 31, 2026:	26,800,000	November 30, 2025:	26,800,000
2) Total number of treasury shares at the end of the period:	August 31, 2026:	2,016,349	November 30, 2025:	1,204,249
3) Average number of shares during the period:	For the nine months of the fiscal year ending November 30, 2026:	25,126,846	For the nine months of the fiscal year ended November 30, 2025:	26,178,531

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm : No

* 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 "(3) Forecast of Consolidated Business Results and other Forward-looking Information" in "1. Overview of Business Results, Etc" on page 4.

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

The business combinations with Ms.ID Inc. on December 25, 2024 and Mitsuboshi Corporation Co., Ltd. on April 1, 2025 were provisionally accounted for in their respective fiscal years and finalized at the end of previous fiscal year. In analyzing comparisons with the nine months of the previous fiscal year, figures after the finalization of provisional accounting procedures are used.

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

The first nine months of the fiscal year ending November 30, 2026 (December 1, 2025 to August 31, 2026) saw the Japanese economy continue to grow at a moderate pace due to the improvement in the employment and income conditions. On the downside, the outlook for the future remains uncertain due to the impact of financial and capital market fluctuations, rising resource and raw material prices as well as higher personnel expenses, trends in the U.S. and Chinese economies, and heightened geopolitical risks such as the situation in the Middle East. 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 mainly due to the sluggish performance of some Japanese automotive manufacturers. The Group must also keep a close eye on how rising procurement risks and costs stemming from the situation in the Middle East will impact its operations. On the upside, net sales increased due to the consolidation of Ms.ID Inc. and Mitsuboshi Corporation Co., Ltd., strong sales of health care- and game-related products, and the robust performance of the kitchen appliance-related services business. Under its "Rideeco®" initiative aimed at realizing a sustainable society, the Group moved forward with the development and sales of MURON®, a fiber made entirely from discarded fishing nets collected in Japan, and ASUKAMI®, a blended paper made using fabric scraps from sewing factories.

As a result, for the nine months of the fiscal year under review, net sales increased 21.5% year on year to 49,305 million yen. Operating profit was up 22.7% to 2,917 million yen, ordinary profit grew 17.7% to 3,109 million yen, and profit attributable to owners of the parent decreased 21.6% to 2,366 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 nine months of the fiscal year under review are as follows.

USD	156.85	(149.78)
EUR	182.78	(162.37)
CNY	22.61	(20.69)
HKD	20.09	(19.23)
VND	0.0060	(0.0059)
THB	4.89	(4.45)
MXN	8.84	(7.49)

(Note) The exchange rate of the same period in the previous fiscal year is stated in parentheses.

Business results by segment are as follows.

Effective from the previous fiscal year, the Group has changed the classification of its reportable segments. For details, please refer to "3. Matters related to changes in reportable segments, etc." in "Notes to the Quarterly Consolidated Financial Statements (Segment Information, Etc.)".

Japan

In the Apparel Division, sales of silver accessories, uniform-related materials, accessories for high-end bags, and bear sprays increased although sales of materials for fashion apparel and related products remained slow.

The Product Division performed well overall and enjoyed an increase in sales of health care-related products, tool-, stationery- and game-related products, products for one-coin shops, and products designed to beat the summer heat, as well as higher revenues for the kitchen appliance rental, sales, and cleaning business.

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

As a result, net sales increased 24.6% year on year to total 36,122 million yen, and segment profit rose 15.0% year on year to reach 2,029 million yen.

Asia

The Apparel Division enjoyed growing sales of casual wear accessories in China and shoe accessories for Japanese sporting goods manufacturers in Vietnam although sales of kids and baby wear accessories declined in Hong Kong.

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

As a result, net sales reached 18.0% year on year to total 7,263 million yen, and segment profit increased 29.2% year on year to total 765 million yen.

Europe and the U.S.

In the Apparel Division, sales of medical wear accessories and accessories for marine leisure products increased in the U.S.

In the Transportation Division, sales of automotive interior components to Japanese automotive manufacturers in Europe increased while sales of automotive interior components to some Japanese automotive manufacturers in the U.S. decreased.

As a result, net sales grew 8.7% year on year to total 5,920 million yen, and segment profit came to 56.5% year on year to reach 511 million yen.

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

Total assets for the fiscal year under review increased 793 million yen from the previous fiscal year-end to 56,292 million yen.

Current assets fell 1,087 million yen from the previous fiscal year-end to 29,913 million yen. This was mainly due to an increase of 1,223 million yen in "Inventories", an increase of 731 million yen in "Cash and deposits", a decrease of 1,318 million yen in "Notes and accounts receivable - trade", a decrease of 1,311 million yen in "Electronically recorded monetary claims - operating", and a decrease of 254 million yen in "Accounts receivable - other" included in "Other".

Non-current assets were up 1,881 million yen from the previous fiscal year-end to 26,379 million yen. This was mainly due to an increase of 738 million yen in "Investment securities", an increase of 324 million yen in "Land", an increase of 227 million yen in "Goodwill", an increase of 209 million yen in "Buildings and structures" included in "Other property, plant and equipment", and an increase of 166 million yen in "Right of use assets" included in "Other property, plant and equipment".

Current liabilities rose 130 million yen from the previous fiscal year-end to 10,348 million yen. This was mainly due to a decrease of 249 million yen in "Electronically recorded obligations-operating", and an increase of 375 million yen in "Short-term borrowings".

Non-current liabilities increased 91 million yen from the previous fiscal year-end to 5,540 million yen. This was mainly due to a decrease of 310 million yen in "Long-term borrowings", an increase of 157 million yen in "Deferred tax liabilities" included in "Other", an increase of 140 million yen in "Long-term lease liabilities" included in "Other", and an increase of 63 million yen in "Retirement benefit liability".

Net assets increased 570 million yen from the previous fiscal year-end to 40,403 million yen.

The shareholders' equity ratio was 71.8%, approximately the same level as in the previous fiscal year.

(3) Forecast of Consolidated Business Results and Other Forward-Looking Information

The consolidated forecast for the fiscal year ending November 30, 2026, is expected to exceed the initial forecast. For details, please refer to the "Notice of Revision of Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2026" released today (October 14, 2026).

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2025	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	9,401,479	10,132,543
Notes and accounts receivable - trade	9,249,151	7,930,918
Electronically recorded monetary claims - operating	3,285,056	1,973,818
Inventories	7,132,599	8,356,310
Other	1,965,918	1,554,193
Allowance for doubtful accounts	(32,775)	(34,099)
Total current assets	31,001,429	29,913,684
Non-current assets		
Property, plant and equipment		
Land	4,642,506	4,967,392
Other, net	5,998,173	6,628,501
Total property, plant and equipment	10,640,680	11,595,894
Intangible assets		
Goodwill	3,529,567	3,756,766
Trademark right	1,773,215	1,727,981
Other	295,685	269,212
Total intangible assets	5,598,468	5,753,960
Investments and other assets		
Investment securities	6,594,430	7,332,633
Retirement benefit asset	375,198	375,897
Other	1,444,787	1,486,013
Allowance for doubtful accounts	(156,101)	(165,394)
Total investments and other assets	8,258,314	9,029,150
Total non-current assets	24,497,464	26,379,005
Total assets	55,498,893	56,292,689
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,205,409	4,284,931
Electronically recorded obligations - operating	1,023,219	774,193
Short-term borrowings	600,000	975,714
Current portion of bonds payable	300,000	300,000
Current portion of long-term borrowings	440,004	420,004
Income taxes payable	791,705	551,020
Provision for bonuses	537,532	615,998
Provision for bonuses for directors (and other officers)	195,210	150,739
Other	2,124,254	2,275,660
Total current liabilities	10,217,336	10,348,262
Non-current liabilities		
Bonds payable	300,000	300,000
Long-term borrowings	1,049,947	739,944
Provision for share awards	65,821	74,264
Provision for retirement benefits for directors (and other officers)	131,787	148,627
Provision for share awards for directors (and other officers)	125,647	137,145
Provision for environmental measures	13,075	14,266
Retirement benefit liability	919,282	983,080
Other	2,843,398	3,143,618
Total non-current liabilities	5,448,960	5,540,947
Total liabilities	15,666,296	15,889,210

(Thousands of yen)

	As of November 30, 2025	As of August 31, 2026
Net assets		
Shareholders' equity		
Share capital	3,532,492	3,532,492
Retained earnings	30,652,347	31,136,329
Treasury shares	(962,920)	(2,483,031)
Total shareholders' equity	33,221,918	32,185,790
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,947,894	3,467,568
Deferred gains or losses on hedges	24,640	8,858
Revaluation reserve for land	388,729	388,729
Foreign currency translation adjustment	3,165,086	4,289,621
Remeasurements of defined benefit plans	84,326	62,910
Total accumulated other comprehensive income	6,610,678	8,217,688
Non-controlling interests	-	-
Total net assets	39,832,596	40,403,479
Total liabilities and net assets	55,498,893	56,292,689

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
The nine-month period

	(Thousands of yen)	
	For the nine months ended August 31, 2025	For the nine months ended August 31, 2026
Net sales	40,595,562	49,305,951
Cost of sales	28,143,921	34,225,991
Gross profit	12,451,640	15,079,959
Selling, general and administrative expenses	10,074,149	12,162,264
Operating profit	2,377,491	2,917,694
Non-operating income		
Interest income	7,637	9,432
Dividend income	79,826	90,462
Rental income from real estate	31,340	35,656
Foreign exchange gains	*1 88,126	-
Share of profit of entities accounted for using equity method	32,257	41,112
Insurance refund	-	51,678
Other	68,647	50,314
Total non-operating income	307,835	278,657
Non-operating expenses		
Interest expenses	16,034	35,623
Foreign exchange losses	-	*1 14,961
Other	28,297	36,092
Total non-operating expenses	44,332	86,676
Ordinary profit	2,640,995	3,109,675
Extraordinary income		
Gain on sale of non-current assets	15,559	10,087
Gain on sale of investment securities	164,473	361,499
Insurance claim income	70,000	-
Gain on bargain purchase	1,105,306	-
Total extraordinary income	1,355,339	371,586
Extraordinary losses		
Loss on sale of non-current assets	216	-
Loss on retirement of non-current assets	28,899	8,170
Total extraordinary losses	29,116	8,170
Profit before income taxes	3,967,217	3,473,091
Income taxes - current	1,028,615	1,143,201
Income taxes - deferred	(80,729)	(37,095)
Total income taxes	947,886	1,106,105
Profit	3,019,331	2,366,986
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,019,331	2,366,986

Quarterly Consolidated Statement of Comprehensive Income
The nine-month period

(Thousands of yen)

	For the nine months ended August 31, 2025	For the nine months ended August 31, 2026
Profit	3,019,331	2,366,986
Other comprehensive income		
Valuation difference on available-for-sale securities	263,438	519,673
Deferred gains or losses on hedges	5,577	(15,798)
Revaluation reserve for land	(7,276)	-
Foreign currency translation adjustment	12,625	1,124,535
Remeasurements of defined benefit plans, net of tax	(20,354)	(21,416)
Share of other comprehensive income of entities accounted for using equity method	0	16
Total other comprehensive income	254,011	1,607,010
Comprehensive income	3,273,343	3,973,996
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,273,343	3,973,996
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to the Quarterly Consolidated Financial Statements

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements that are generally accepted as fair and appropriate in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

(Segment Information, Etc.)

I For the nine months of the fiscal year ended November 30, 2025

1. Information on amounts of net sales and profit by reportable segment and disaggregated revenue

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Apparel	13,228,729	5,373,255	4,338,544	22,940,529	-	22,940,529
Product	12,530,460	460,526	12,172	13,003,158	-	13,003,158
Transportation	3,232,694	321,686	1,097,493	4,651,873	-	4,651,873
Revenue from contracts with customers	28,991,884	6,155,467	5,448,210	40,595,562	-	40,595,562
Net sales to external customers	28,991,884	6,155,467	5,448,210	40,595,562	-	40,595,562
Intersegment sales or transfers	1,448,336	2,651,807	55,399	4,155,543	(4,155,543)	-
Total	30,440,220	8,807,275	5,503,609	44,751,105	(4,155,543)	40,595,562
Segment profit	1,763,702	592,614	326,931	2,683,248	(305,756)	2,377,491

(Notes) 1 The adjustment of (305,756) thousand yen to segment profit includes eliminations of intersegment transactions in the amount of (85,880) thousand yen, and corporate expenses of (219,876) thousand yen not allocated to the reportable segments.

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

2. Information on impairment losses on non-current assets or goodwill by reportable segment

(Significant Changes in the Amount of Goodwill)

In the Japan segment, the Group acquired shares in Ms.ID Inc. and made it a consolidated subsidiary.

The increase in goodwill due to the acquisition amounted to 2,536,270 thousand yen in the nine months of the previous fiscal year.

Note that the amount of goodwill resulting from this transaction reflects a significant revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment related to the business combination.

(Material Gain on Bargain Purchase)

In the Japan and Asia segments, the Group recognized a gain on bargain purchase due to the acquisition of shares in Mitsuboshi Corporation Co., Ltd. and the consolidation of the company and its subsidiary as consolidated subsidiaries, which was made a consolidated subsidiary.

The amount of the gain on bargain purchase resulting from the acquisition totaled 1,105,306 thousand yen in the nine months of the current fiscal year.

The amount of the gain on bargain purchase reflects a significant revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment related to the business combination, but there has been no adjustment to the amount resulting from this finalization.

The gain on bargain purchase is extraordinary income and is not included in the above segment profit.

II For the nine months of the fiscal year ending November 30, 2026

1. Information on amounts of net sales and profit by reportable segment and disaggregated revenue

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Japan	Asia	Europe & the U.S.	Total		
Net sales						
Apparel	18,502,850	6,510,828	4,647,090	29,660,769	-	29,660,769
Product	14,007,541	330,742	22,999	14,361,282	-	14,361,282
Transportation	3,611,657	300,871	1,086,040	4,998,569	-	4,998,569
Revenue from contracts with customers	36,122,049	7,142,442	5,756,130	49,020,621	-	49,020,621
Other revenue	-	121,118	164,211	285,329	-	285,329
Net sales to external customers	36,122,049	7,263,560	5,920,341	49,305,951	-	49,305,951
Intersegment sales or transfers	1,394,224	3,144,179	47,075	4,585,479	(4,585,479)	-
Total	37,516,273	10,407,739	5,967,417	53,891,430	(4,585,479)	49,305,951
Segment profit	2,029,110	765,645	511,487	3,306,243	(388,549)	2,917,694

(Notes) 1 The adjustment of (388,549) thousand yen to segment profit includes eliminations of intersegment transactions in the amount of (90,995) thousand yen, and corporate expenses of (297,553) thousand yen not allocated to the reportable segments.

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

3 Segment information for the nine months of the previous fiscal year is disclosed at the amount after the significant revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment.

2. Information on impairment losses on non-current assets or goodwill by reportable segment

(Significant Changes in the Amount of Goodwill)

In the Japan segment, the Group acquired shares in Hisanaga Seisakusho Co., Ltd. and made it a consolidated subsidiary.

The increase in goodwill due to the acquisition amounted to 413,823 thousand yen in the nine months of the current fiscal year, but the amount of goodwill is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the nine months of the current fiscal year.

3. Matters related to changes in reportable segments, etc.

The Group previously reported goodwill and intangible assets arising from the consolidation of Scovill Americas, LLC (now Morito Scovill Americas, LLC) and its subsidiaries as consolidated subsidiaries in the fiscal year ended November 30, 2014 in the "Europe and the U.S." segment. However, effective from the previous consolidated fiscal year, following a review of management classifications, the goodwill and trademark right related to the business of Morito Scovill Hong Kong Co., Ltd. were reclassified to the "Asia" segment.

Due to this change in segmentation, segment information in the nine months of the previous fiscal year has been reclassified to conform to the new reporting segment classification.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on statements of Quarterly Consolidated Statements of Income)

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

For the nine months ended August 31, 2025

Valuation losses related to forward exchange contracts for transactions between consolidated group companies of 937 thousand yen are included in "Foreign exchange gains".

For the nine months ended August 31, 2026

Valuation losses related to forward exchange contracts for transactions between consolidated group companies of 4,882 thousand yen are included in "Foreign exchange losses".

(Notes on statements of Quarterly Consolidated Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the nine months of the current fiscal year.

Depreciation (including amortization related to intangible assets excluding goodwill) and goodwill amortization for the nine months of the current fiscal year are as follows.

	(Thousands of yen)	
	Nine months ended August 31, 2025 (December 1, 2024 to August 31, 2025)	Nine months ended August 31, 2026 (December 1, 2025 to August 31, 2026)
Depreciation	721,955	837,498
Goodwill amortization	283,214	270,585

(Notes) The amounts for depreciation and amortization (including amortization of intangible assets other than goodwill) and amortization of goodwill for the Nine months ended August 31, 2025, shown here reflect a significant revision to the initial allocation of the acquisition cost following the finalization of the provisional accounting treatment.

(Business Combinations)

(Significant revision to the initial allocation of acquisition cost in comparative information)

The business combination with Ms.ID Inc. that took place on December 25, 2024, which had been provisionally accounted for in the nine months of the previous fiscal year, was finalized at the end of the previous fiscal year.

Due to the finalization of the provisional accounting treatment, the comparative information included in the consolidated financial statements for the nine months of the current fiscal year reflects a revision to the initial allocation of the acquisition cost.

As a result, the consolidated statement of income for the nine months of the previous fiscal year includes an increase of 28 million yen in the amortization of trademark rights, a decrease of 25 million yen in the amortization of goodwill, and a decrease of 10 million yen in income taxes - deferred. Consequently, operating profit, ordinary profit, and profit before income taxes decreased by 3 million yen respectively, while profit and profit attributable to owners of the parent increased by 6 million yen.

(Significant revision to the initial allocation of acquisition cost in comparative information)

The business combination with Mitsuboshi Corporation Co., Ltd. that took place on April 1, 2025, which had been provisionally accounted for in the nine months of the previous fiscal year, was finalized at the end of the previous fiscal year.

There has been no adjustment to the amount of the gain on bargain purchase as a result of the finalization of this provisional accounting treatment.

(Business combination through acquisition)

1. Outline of business combination

(1) Name of the acquired company and its business

Name of acquired company Hisanaga Seisakusho Co., Ltd.

Business Manufacture and sale of metal snap fasteners and other precision metal products

(2) Reasons for business combination

The MORITO Group's main business entails the manufacture and sale of materials and products for apparel and lifestyle goods, focused on daily necessities, as well as automotive interior components. We have been steadily operating our businesses with the aim of becoming a global niche top company that keeps making a big difference in the world with small parts.

Additionally, as part of the investment strategy outlined in the ongoing 8th Mid-Term Management Plan, we have positioned expanding our manufacturing function as one of the key M&A strategies. In actively exploring M&A opportunities, we essentially search out companies at the top of niche markets that demonstrate the potential to create synergy with our businesses and achieve operational stability.

The target company offers a variety of products that apply precision press technology, such as metal snap fasteners and other precision metal products. By acquiring the target company's industry-leading manufacturing technology for snap fasteners and establishing a group structure that integrates manufacturing and sales, we aim to maximize the value of both companies and become a global niche top company in the apparel market.

(3) Date of business combination

April 1, 2026 (share acquisition date)

(4) Legal form of business combination

Acquisition of shares

(5) Name of the post-merger company

There will be no change to the company name.

(6) Percentage of voting rights acquired

100%

(7) Main reason for selecting the company to acquire

The Company acquired the shares for cash.

2. Period of the acquired company's financial results included in the consolidated statements of income

The period from April 1 to June 30, 2026, is included in the financial results.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition:	Cash	200,000	thousand yen
Acquisition cost		200,000	thousand yen

4. Details and amounts of major acquisition-related expenses

Advisory fees, etc. 20,692 thousand yen

5. Amount of goodwill incurred, reason for incurrence, and amortization method and period

(1) Amount of goodwill incurred

413,823 thousand yen

The amount of goodwill is a tentative figure since the allocation of the acquisition cost was not completed as of the end of the nine months of the current fiscal year.

(2) Reason for incurrence

The amount was incurred due to future excess earnings expected from future business activities.

(3) Amortization method and period

Straight-line method over 10 years

6. Allocation of acquisition cost

As of the end of the nine months of the current fiscal year, identifiable assets and liabilities as of the date of the business combination were not identified and their fair values were not yet calculated. Since the allocation of the acquisition cost was not completed, provisional accounting procedures were performed based on reasonable information available at that time.

7. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets	782,060	thousand yen
Non-current assets	822,178	thousand yen
Total assets	1,604,238	thousand yen
Current liabilities	1,791,291	thousand yen
Non-current liabilities	26,770	thousand yen
Total liabilities	1,818,062	thousand yen