

January 24, 2025

To Shareholders with Voting Rights

Company Name	MORITO CO., LTD.
Name of Representative	Takaki Ichitsubo, Representative Director and President (Securities Code: 9837, TSE Prime Market)
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Notice of Acquisition of Shares of Mitsuboshi Corporation (Turning the company into a subsidiary)

MORITO Co., Ltd. (the “Company”) hereby announces that at the Board of Directors meeting held on January 24, 2025, a resolution was made regarding acquiring shares of Mitsuboshi Corporation (the “Subject”) and turning the Subject into a subsidiary of the Company, as follows.

1. Reason for acquisition of shares

The major business of the Company Group is the manufacturing and sales of apparel-related materials and materials and products for the lifestyle industry, centered on daily necessities, as well as automotive interior components. With the aim of becoming “a global niche top enterprise that keeps changing the world with small parts and components,” the Group has expanded its business in a steady manner.

Setting M&A activities as one of the key measures for expanding its global market share under the investment strategy in the 8th Mid-term Management Plan, which is currently underway, the Company Group has actively explored M&A deals that meet its primary requirements. For example, it has looked for a target company that is a niche leading corporation, with potential synergies with the Company Group’s business and good prospects for a stable business.

The Subject mainly runs the sales business of a full line of clothing materials primarily for the workwear and uniform industries. By acquiring the Subject, the Company expects to acquire expertise in the sales methodologies and products that the Subject possesses and expand the scale of the Company’s sales. Additionally, the Company believes that the strength of its accessories can be further leveraged in the workwear and uniform industries, where functionality and quality are demanded and which are less susceptible to seasonality and fashion trends. Moreover, the Company intends to make better use of the parts procurement, sales functions and overseas network that each of the Subject and the Company possesses, thereby realizing higher efficiency and focusing anew on the apparel business that the Company has expanded since its founding. Through this initiative, the Company aims to become the global niche leader in the clothing market.

2. Method for acquiring shares

The Company will acquire a 100% equity stake in the Subject for cash consideration.

3. Overview of the subsidiary (the Subject) subject to change

(1)	Name	Mitsuboshi Corporation		
(2)	Location	2382-6, Oaza-Tode, Shinichi-cho, Fukuyama City, Hiroshima Prefecture		
(3)	Name and title of representative	Katsushi Makimoto, Representative Director Kazuo Nakatsuka, Representative Director		
(4)	Description of business	Sales of a full line of clothing materials, apparel product production management, and recycling		
(5)	Share capital	88,735,000 yen		
(6)	Date of establishment	October 1, 1959		
(7)	Major shareholders and ownership ratios	Individual shareholders: 13 people 101,136 shares or 76.2% (Details are not disclosed since they are individuals.) Mitsuboshi Corporation Employee Stock Ownership Plan 26,216 shares or 19.7% Other corporations: 1 5,400 shares or 4.1%		
(8)	Relationship between the listed company and the Subject	Capital relationship	None	
		Personal relationship	None	
		Business relationship	The Company Group sells goods to the Subject.	
(9)	Operating results and financial positions of the Subject for the last three years			
	Fiscal year	FY ended March 2022	FY ended March 2023	FY ended March 2024
	Net assets	1,934 million yen	2,077 million yen	2,262 million yen
	Total assets	4,796 million yen	4,866 million yen	5,335 million yen
	Net sales	6,694 million yen	7,414 million yen	7,462 million yen
	Operating profit	88 million yen	5 million yen	66 million yen
	Ordinary profit	193 million yen	59 million yen	235 million yen
	Net income	120 million yen	150 million yen	190 million yen
	Net income per share	908 yen	1,133 yen	1,437 yen
	Dividend per share	50 yen	50 yen	100 yen

4. Overview of the counterparty to the acquisition of shares

(1)	Name	Mitsuboshi Corporation Employee Stock Ownership Plan
(2)	Location	2382-6, Oaza-Tode, Shinichi-cho, Fukuyama City, Hiroshima Prefecture
(3)	Relationship between the listed company and said organization	There are no applicable capital, personal or business relationships, or affiliate parties.

(1)	Name	Individual shareholders:13 people
(2)	Address	Details are not disclosed since they are individuals.
(3)	Relationship between the listed company and said 13 individuals	There are no applicable capital, personal or business relationships, or affiliate parties.

5. Number of shares to be acquired, acquisition costs, and shareholding and voting rights held before and after acquisition

(1)	Number of shares held before change	0 shares	
(2)	Number of shares to be acquired	Common stock	132,752 shares (Number of voting rights: 132,752 units) (Voting rights ownership ratio: 100%)
(3)	Acquisition cost	Common stock of the Subject	1,062 million yen
		Advisory and other expenses (estimated amount)	25 million yen
		Total (estimated amount)	1,087 million yen
(4)	Number of shares held after change	Common stock	132,752 shares (Number of voting rights: 132,752 units) (Voting rights ownership ratio: 100%)

6. Timetable

(1)	Date of resolution at the meeting of the Board of Directors	January 24, 2025
(2)	Date of conclusion of the agreement	January 24, 2025 (scheduled)
(3)	Date of execution of stock transfer	April 1, 2025 (scheduled)

*Regarding this acquisition of shares, its execution is subject to approval by the Japanese Fair Trade Commission in relation to the Antimonopoly Law.

7. Future outlook

The impact of the matter on the Company's financial results for the current fiscal year is currently under scrutiny and has not been incorporated into its consolidated financial results forecast for the fiscal year ending November 30, 2025, which was announced in the "Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 [Japanese GAAP]" dated January 14, 2025. If matters to be disclosed arise in the future, the Company will disclose them separately. The plan is to make the Subject a consolidated subsidiary of the Company through this acquisition of shares.