

MORITO CO., LTD.  
Financial Statement (Unaudited)  
For the Second Quarters of the Fiscal Year ended November 30, 2015  
(Translated from the Japanese original)

## Corporate Information

Code : 9837 Listings : Second Section of the Tokyo Stock Exchange  
(URL [http: www.morito.co.jp/english/index.html](http://www.morito.co.jp/english/index.html) )  
Representative : Takaki Ichitsubo Representative Director and President  
Contact : Kenji Kojima Director, Executive Officer and General Manager of Control Division  
Telephone: +81-6-6252-3551

Scheduled date of filing of Quarterly Report July 15, 2015  
Scheduled date of dividend payment: August 10, 2015  
Supplementary explanation material for quarterly financial results: Yes  
Presentation meeting for quarterly financial results: Yes (for analyst and institution investors)  
(Amounts rounded down)

**1. Consolidated Financial Results for the Second Quarter of Fiscal Year 2015(December 1, 2014 through May 31, 2015)****(1) Consolidated Financial Results**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY 2015	21,418	24.6	874	30.5	1,026	49.4	516	△14.0
2Q of FY 2014	17,189	10.8	669	11.7	687	△17.3	600	19.0

(Note) Comprehensive income: 2,141million yen (134.6%) (2Q of FY 2015) 912million yen (△51.5%) (2Q of FY 2014)

	Net income Per share	Fully diluted net Income per share
2Q of FY 2015	Yen 17.83	Yen -
2Q of FY 2014	20.72	-

(Note) On July 1, 2014, Morito conducted a two-for-one split on shares of common stock. Consequently, "net income per share" have been computed as if the stock split had been conducted at the beginning of the fiscal year ended November 30, 2014

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
2Q of FY 2015	Millions of yen 47,614	Millions of yen 31,480	% 66.1
FY 2014	45,593	29,488	64.7

(Reference) Equity capital: 31,480million yen (2Q of FY 2015) 29,488 million yen (FY 2014)

**2. Dividends**

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total (Annual)
	Yen	Yen	Yen	Yen	Yen
FY 2014	-	12.00	-	6.50	-
FY 2015	-	7.00	-	-	-
FY 2015 (Forecast)	-	-	-	7.00	14.00

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

On July 1, 2014, Morito conducted a two-for-one split on shares of common stock. Consequently, Year-end dividends for fiscal year ended November 30, 2014, are indicated at the amounts after the stock split.

### 3. Consolidated Forecast for FY 2015 (December 1, 2014 through November 30, 2015)

(Percentages represent changes from corresponding period of previous year)

	Net Sales		Operating income		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	43,000	19.9	2,000	39.9	2,100	21.4

	Net income		Net income per share
	Millions of yen	%	Yen
Full year	1,400	10.2	48.32

(Note) Revision of consolidated earnings forecast to the latest announcement: No

#### \*Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

Newly included: None

Extended company: None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- |  |      |
|--|------|
| (i) Changes in accounting policies caused by revision of accounting standards: | Yes  |
| (ii) Changes in accounting policies other than (i):                            | None |
| (iii) Changes in accounting estimates:   | None |
| (iv) Restatements:   | None |

(Note) For details, please refer to 'Matters Concerning Summary Information (Note) (3) Changes in accounting policy, Changes in accounting estimates and Revision restated' on page 3 of the Attachment.

(4) Number of outstanding shares (common shares)

(i) Number of outstanding shares, including treasury shares at end of period:

30,800,000 shares (as of May 31, 2015)

30,800,000 shares (as of November 30, 2014)

(ii) Number of shares of treasury stock at end of period:

1,826,506 shares (as of May 31, 2015)

1,826,516 shares (as of November 30, 2014)

(iii) Average outstanding number of shares during the period:

28,973,489 shares (the Second quarter of FY 2015)

28,973,560 shares (the Second quarter of FY 2014)

(Note) On July 1, 2014, Morito conducted a two-for-one split on shares of common stock. Consequently, the number of end of the period treasury stock shares, and the average number of shares during the period are calculated on the assumption that the said stock split was implemented at the beginning of the previous fiscal year.

#### \*Status of execution of the quarterly review of financial statement

At the time of publication of this quarterly financial results release, the review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Law were completed.

#### \*Disclosure and other special notes regarding performance forecasts

The forecast above are based on information available to management as of the date on which these performance-related figures were disclosed, and various factors may cause actual results to differ from these forecasts. For issues to keep in mind when using the forecasts and criteria conditioned upon the forecasts, please refer to "Qualitative Information for the Period under Review(1) Business Performance" on page 4

We have also introduced "Stock Granting Trust (J-ESOP)" and "Board Incentive Plan". Consequently, the shares held by Trust and Custody Service Bank, Ltd. and The Master Trust Bank of Japan, Ltd. are included in the treasury shares.

Index

1. Qualitative Information for the Period under Review .....	4
(1) Business Performance .....	4
(2) Forecast of Consolidated Business Results and Other Forward-looking Information .....	4
2. Matters Concerning Summary Information .....	5
(1) Changes in Important Subsidiaries during the period under Review .....	5
(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statement .....	5
(3) Changes in Accounting Policies, Changes in Accounting Estimates and Revision Restated .....	5
(4) Additional Information .....	5
3. Quarterly Consolidated Financial Statements .....	6
(1) Quarterly Consolidated Balance Sheets .....	6
(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	8
Quarterly Consolidated statements of income .....	8
Quarterly Consolidated statement of comprehensive income .....	9
(3) Quarterly Consolidated of Cash Flows .....	10
(4) Notes regarding Quarterly Consolidated Financial Statements .....	12
[Notes on assumption of going concern] .....	12
[Notes on a Significant Change in Shareholders' Equity] .....	12
[Segment Information] .....	12
[Business Combinations] .....	13

## 1. Qualitative Information for the Period under Review

### (1) Business Performance

In the Second quarterly of the fiscal year ended November 30<sup>th</sup>, 2015, the Japanese economy has shown signs of modest recovery by weakening yen as a result of additional money easing and higher stock prices concerning the economic policy. However, the management environment still remains harsh and uncertain because of weakness from consumer sentiment and the downside risk of the global economy.

In the global economy, the economic recovery of the U.S. and other developed countries economy are expected to continue. On the other hand, the European debt crisis and slowdown in economic expansion in China are uncertainly.

In such a situation, our group is moving forward a growth strategy by expansion of a global sales channel and production base, under the mid-long term plan 'Transforming ourselves into a company with global growth'.

As a result, in the current quarterly performance reach net sales ¥ 21,418million (increased by 24.6% from a year earlier), operating income ¥874 million (increased by 30.5% from a year earlier), ordinary income ¥1,026 million (increased by 49.4% from a year earlier), net income ¥516 million (decreased by 14.0% from a year earlier).

The exchange rate used for the consolidated financial statement of the current quarter end as below:

¥120.27 to the U.S. dollar, ¥130.41 to the euro, ¥19.37 to the Chinese yuan, ¥15.51 to the Hong Kong dollar, ¥3.85 to the Taiwan dollar, ¥0.0056 to the Vietnamese dong, ¥3.69 to the Thai baht.

The exchange rate used for the consolidated financial statement of the year earlier quarter end as below:

¥102.92 to the U.S. dollar, ¥141.61 to the euro, ¥16.58 to the Chinese yuan, ¥13.27 to the Hong Kong dollar, ¥3.38 to the Taiwan dollar, ¥0.0049 to the Vietnamese dong, ¥3.16 to the Thai baht.

Segment information as below

#### [Japan]

As for the apparel division, sales of the parts for major retailers and sports apparel manufacturer in Japan, EU and the U.S. are increased.

In the consumer product division, sales of OEM product for consumer goods and shoes are increased.

As a result, net sales were ¥14,021 million (increased by 4.8% from a year earlier).

#### [Asia]

As for the apparel division, sales for infant's wear manufacturer in EU and the U.S. are increased.

In the consumer product division, sales of the parts of healthcare goods for Europe and America and sales of the automobile interior component for Japanese auto makers are increased.

From the current fiscal year, the performance of GSG (SCOVILL)FASTENERS ASIA LIMITED and SCOVILL FASTENERS INDIA PVT. LTD which became consolidated subsidiaries of our group are reflected.

As a result, net sales were ¥4,036 million (increased by 55.3% from a year earlier).

#### [Europe and the U.S.]

As for the apparel division, sales of the parts for medical industry increased in the U.S.. Also, sales of the parts for working wear in Europe increased.

In the consumer product division, sales of automobile interior article for Japanese automobile manufacture in the U.S. Also, sales of automobile interior article for Europe automobile manufacture and component for camera in Europe increased.

From the current fiscal year, the performance of GSG FASTENERS, LLC and SCOVILL FASTENERS UK LIMITED which became consolidated subsidiaries of our group are reflected.

As a result, net sales were ¥3,359 million (increased by 177.4% from a year earlier).

### (2) Forecast of Consolidated Business Results and Other Forward-looking Information

Currently, there has been no change in the consolidated forecast of FY2015, which was previously announced at January 14<sup>th</sup>, 2015.

## 2. Matters Concerning Summary Information

### (1) Changes in Important Subsidiaries during the period under Review

Not applicable

### (2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statement

Not applicable.

### (3) Changes in Accounting Policies, Changes in Accounting Estimates and Revision Restated

(Changes in Accounting Principal)

(Adoption of the accounting standard concerning retirement benefit plan)

The company applied "Accounting standard concerning retirement benefit (ASBJ Statement No.26, May 17, 2013)" (hereinafter referred to as the "Accounting standard of retirement benefit") and "Guideline on accounting standards concerning retirement benefit (ASBJ Guideline No.25, May 17, 2013)" (hereinafter referred to as the "Guideline of retirement benefit") from the First quarter of the current consolidated fiscal year. The company has reviewed the calculation of liabilities for retirement benefit and retirement benefit cost and changed service period basis as the attribution method to benefit formula from straight-line attribution. Also, the company changed the determination of the discount rate to the method using the weighted average rate reflected the period and the cost which expect payment.

The adoption of the accounting standard of retirement benefit is based on the Accounting Standards for retirement benefit No.37. The impact of this change was adjusted for retained earnings.

As a result, assets for retirement benefit were ¥115,476 thousand, liability for retirement benefit were ¥50,643 thousand and retained earnings were increased ¥41,752 thousand at the beginning from the First quarter of the current consolidated fiscal year. The impact on Second quarter earnings as a result of this change was insignificant.

### (4) Additional Information

(The Transaction for the Board Incentive Plan Trust)

The Board Incentive Plan Trust was approved by the general shareholders meeting held on February 26, 2015. The main objective of this scheme is to increase the board members' motivation to make contributions to improve business performance and increase enterprise value.

Trust transaction is accounted based on "Practical handling concerning the delivering of company outstanding shares to employee through the trust" (ASBJ PITF No.30 of March 26, 2015).

#### (1) Summary of the Transaction

This system is a performance-based stock compensation which delivers treasury stock to directors by level of achievement for sales and operating profit of each fiscal year. However, board member may receive the grant of the company shares at the time of retirement.

#### (2) Remaining treasury stock in the trust

Remaining treasury stock in the trust is recorded in net assets as treasury stock by book value of the trust.

The book value of the treasury stock at the end of the second quarter of current fiscal year is ¥168,000 thousand.

The number of the treasury stock at the end of the second quarter of current fiscal year is 175 thousand.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

	FY 2014 (As of November 30, 2014) Thousands of yen	FY 2015 (As of May 31, 2015) Thousands of yen
<i>Assets</i>		
<b>Current assets</b>		
Cash and deposits	7,862,616	8,220,681
Notes and accounts receivable	10,388,944	10,653,634
Inventory	4,557,407	4,750,906
Other current assets	1,445,161	1,262,237
Allowance for doubtful accounts	△36,023	△40,458
<b>Total current assets</b>	<b>24,218,105</b>	<b>24,847,000</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Land	6,158,454	6,174,500
Other tangible fixed assets	3,953,100	4,208,384
<b>Total tangible fixed assets</b>	<b>10,111,554</b>	<b>10,382,885</b>
<b>Intangible fixed assets</b>		
Goodwill	4,210,819	3,814,157
Other Intangible fixed assets	490,811	1,586,347
<b>Total intangible fixed assets</b>	<b>4,701,630</b>	<b>5,400,505</b>
<b>Investments and other fixed assets</b>		
Investment securities	5,262,788	5,822,032
Net defined benefit asset	238,158	354,495
Other fixed assets	1,190,897	935,100
Allowance for doubtful account	△129,635	△127,407
<b>Total investments and other fixed assets</b>	<b>6,562,209</b>	<b>6,984,221</b>
<b>Total fixed assets</b>	<b>21,375,394</b>	<b>22,767,611</b>
<b>Total assets</b>	<b>45,593,500</b>	<b>47,614,612</b>
<i>Liabilities</i>		
<b>Current liabilities</b>		
Notes and accounts payable	4,588,697	4,486,667
Short-term loans payable	4,960,000	4,970,000
Current portion of long-term debt	375,396	375,396
Accrued tax payable	313,950	506,487
Reserve for bonuses	136,269	116,545
Reserve for director's bonuses	48,100	84,221
Other current liabilities	1,460,848	1,312,796
<b>Total current liabilities</b>	<b>11,883,262</b>	<b>11,852,114</b>
<b>Fixed liabilities</b>		
Long-term debt	911,873	724,175
Provision for director's retirement benefit	129,608	54,008
Reserve for benefit allowance	4,626	10,804
Provision for environmental measures	23,658	26,370

(Unaudited)

Net defined benefit liability	752,563	801,187
Other fixed liabilities	2,399,103	2,665,098
<b>Total fixed liabilities</b>	<b>4,221,432</b>	<b>4,281,643</b>
<b>Total liabilities</b>	<b>16,104,695</b>	<b>16,133,757</b>
<i>Net Assets</i>		
<b>Shareholders' equity</b>		
Capital	3,532,492	3,532,492
Capital surplus	3,395,115	3,498,720
Retained earnings	21,364,202	21,749,804
Treasury stock	△680,993	△784,589
<b>Total shareholders' equity</b>	<b>27,610,816</b>	<b>27,996,427</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,812,097	2,377,011
Deferred gains or losses on hedges	△1,853	△872
Difference in revaluation of land	△586,591	△528,197
Foreign currency translation adjustment	545,742	1,541,439
Remeasurement of defined benefit plans	108,593	95,046
<b>Total other comprehensive income</b>	<b>1,877,988</b>	<b>3,484,427</b>
<b>Minority interests</b>	-	-
<b>Total net assets</b>	<b>29,488,805</b>	<b>31,480,854</b>
<b>Total liabilities and net assets</b>	<b>45,593,500</b>	<b>47,614,612</b>

**(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Quarterly Consolidated statements of income****The Second Quarter accounting period**

	FY 2014 (December 1, 2013 through May 31, 2014) Thousands of yen	FY 2015 (December 1, 2014 through May 31, 2015) Thousands of yen
<b>Net sales</b>	<b>17,189,916</b>	<b>21,418,115</b>
<b>Cost of sales</b>	<b>12,780,869</b>	<b>15,945,011</b>
<b>Gross profit</b>	<b>4,409,046</b>	<b>5,473,103</b>
<b>Total selling, general and administrative expense</b>	<b>3,739,073</b>	<b>4,598,955</b>
<b>Operating Income</b>	<b>669,973</b>	<b>874,148</b>
<b>Non-operating income</b>		
Interest received	11,305	11,716
Dividends received	22,341	44,184
Rent on real estate	37,179	38,499
Foreign exchange gains	2,234	66,427
Equity in earnings of affiliates	14,720	19,681
Other non-operating income	21,323	67,464
<b>Total non-operating income</b>	<b>109,104</b>	<b>247,972</b>
<b>Non-operating expenses</b>		
Interest paid	4,844	10,740
Cash discount on sales	48,695	43,584
Others non-operating expense	38,313	40,878
<b>Total non-operating expense</b>	<b>91,852</b>	<b>95,203</b>
<b>Ordinary Income</b>	<b>687,225</b>	<b>1,026,918</b>
<b>Extra ordinary income</b>		
Gains on sales of fixed assets	265,335	158,629
Gains on sales of securities	116,099	76,953
<b>Total extra ordinary income</b>	<b>381,435</b>	<b>235,583</b>
<b>Extra ordinary loss</b>		
Loss on sales of fixed assets	-	1,140
Loss on disposal of fixed assets	3,047	8,613
Loss on liquidation affiliates	49,170	301,721
<b>Total extra ordinary loss</b>	<b>52,217</b>	<b>311,475</b>
<b>Net income before taxes and other adjustment</b>	<b>1,016,443</b>	<b>951,025</b>
Corporate, inhabitant and business taxes	397,515	494,668
Adjustments to corporate and other taxes	18,605	△60,204
<b>Total income taxes</b>	<b>416,121</b>	<b>434,463</b>
Income before minority interest	600,321	516,562
Minority interest		
<b>Net income</b>	<b>600,321</b>	<b>516,562</b>



**Quarterly Consolidated statement of comprehensive income**

	FY 2014 (December 1, 2013 through May 31, 2014) Thousands of yen	FY 2015 (December 1, 2014 through May 31, 2015) Thousands of yen
<b>Income before minority interests</b>	600,321	516,562
<b>Other comprehensive income</b>		
Other gain(loss) on available-for-sale securities	92,039	564,914
Deferred gains or losses on hedges	△398	980
Difference in revaluation of land	-	76,556
Foreign currency translation adjustment	220,685	995,696
Remeasurements of defined benefit plans	-	△13,547
<b>Total other comprehensive income</b>	<b>312,326</b>	<b>1,624,601</b>
<b>Comprehensive income</b>	<b>912,648</b>	<b>2,141,163</b>
(Breakdown)		
Comprehensive income attribute to the parent	912,648	2,141,163
Comprehensive income attribute to the minority shareholders	-	-

**(3) Quarterly Consolidated of Cash Flows**

	FY 2014 (December 1, 2013 through May 31, 2014) Thousands of yen	FY 2015 (December 1, 2014 through May 31, 2015) Thousands of yen
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	1,016,443	951,025
Depreciation and amortization	199,978	346,515
Amortization of goodwill	-	118,803
Change in provision for bonus	△25,063	△24,160
Change provision for retirement benefits	△43,741	-
Changes in net defined benefit asset	-	△116,336
Changes net defined benefit liability	-	48,624
Change in reverse for retirement benefits for officers	△59,029	△75,600
Changes in reverse for employee stock ownership plan	5,478	6,177
Change in allowance for doubtful accounts	2,258	1,348
Interest income and dividends income	△33,646	△55,900
Interest paid	4,844	10,740
Equity in net income of affiliates	△14,720	△19,681
Gains from sale of fixed assets	△265,335	△157,489
Gains from sale of investment securities	△116,099	△76,953
Loss on disposal of fixed assets	3,047	8,613
Loss on liquidation of affiliates	49,170	301,721
Change in notes and accounts	108,552	26,462
Change in inventory	△196,802	16,988
Change in account payable	48,072	△339,745
Others	△105,234	63,562
Subtotal	578,170	1,034,718
Proceed from interest and dividends income	33,460	56,047
Payment of interest	△5,404	△11,288
Payment of corporate tax	△359,112	△280,392
<b>Net cash(used in)/provided by operating activities</b>	<b>247,113</b>	<b>799,085</b>
<b>Cash flows from investing activities</b>		
Decrease in time deposit	△8,788	△24,196
Purchase of investment securities	△7,803	△18,241
Increase of sale for investment securities	145,000	194,847
Purchase of stocks of Subsidiaries	△850,748	△261,500
Purchase of tangible fixed assets	△296,877	△325,465
Proceeds from sale for tangible fixed assets	390,176	212,665
Purchase of intangible fixed assets	△24,667	△6,923
Proceeds from loans receivable	27,402	30,026
Others	△16,753	△14,743
<b>Net cash provided by (used in) investing activities</b>	<b>△643,060</b>	<b>△213,521</b>
<b>Cash flows from financing activities</b>		
Changes in short-term debt	100,000	10,000

(Unaudited)

Repayments of lease obligations	△62,840	△76,215
Proceeds from long-term loans payable	1,500,000	-
Repayment of long-term loans	△25,033	△187,698
Proceeds from sale from treasury stock	-	168,009
Payments to acquire treasury stock	-	△168,000
Payments of dividends	△161,510	△190,875
<b>Net cash used in financing activities</b>	<b>1,350,615</b>	<b>△444,779</b>
<b>Effects of exchange rate on cash and cash equivalents</b>	<b>68,499</b>	<b>135,477</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,023,168</b>	<b>276,261</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>6,366,363</b>	<b>6,847,667</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,389,532</b>	<b>7,123,928</b>

**(4) Notes regarding Quarterly Consolidated Financial Statements**

[Notes on assumption of going concern]

Not applicable.

[Notes on a Significant Change in Shareholders' Equity]

Not applicable

[Segment Information]

1. The 2<sup>nd</sup> quarter of FY 2014 (December 1, 2013 through May 31, 2014)

The information on net sales, income or loss, assets and other items by reportable segment

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Consolidated Statement Amount (Note 2)
	Japan	Asia	EU and US	Total		
Net Sales						
Sales to external customers	13,378,782	2,599,959	1,211,173	17,189,916	-	17,189,916
Inter segment sales and transfer	1,130,806	1,158,743	1,650	2,291,199	Δ2,291,199	-
Total	14,509,588	3,758,702	1,212,824	19,481,116	Δ2,291,199	17,189,916
Segment income	550,245	158,542	108,001	816,789	Δ146,815	669,973

(Notes)

- Adjustment of ¥Δ146,815 thousand includes ¥Δ143,397 thousand -corporate expenses that are not distributed to each reportable segment and other ¥Δ3,418 thousand.
- The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the quarterly consolidated profit and loss statement.

2. The 2<sup>nd</sup> Quarter of FY 2015 (December 1, 2014 through May 31, 2015)

The information on net sales, income or loss, assets and other items by reportable segment

(Thousands of yen)

	Reportable Segment				Adjustment (Note 1)	Consolidated Statement Amount (Note 2)
	Japan	Asia	EU and US	Total		
Net Sales						
Sales to external customers	14,021,555	4,036,980	3,359,579	21,418,115	-	21,418,115
Inter segment sales and transfer	1,261,527	1,180,898	19,106	2,461,532	Δ2,461,532	-
Total	15,283,083	5,217,878	3,378,685	23,879,647	Δ2,461,532	21,418,115
Segment income	689,422	196,204	180,522	1,066,149	Δ192,000	874,148

(Notes)

- Adjustment of ¥Δ192,000 thousand includes ¥Δ166,126 thousand -corporate expenses that are not distributed to each reportable segment and other ¥Δ25,873 thousand.
- The amounts for income or losses in the reportable segments were subsequently adjusted with the amount of operating income on the consolidated profit and loss statement.

## [Business Combinations]

(Business combination through acquisition)

## 1. Amendments of acquisition cost

The allocation of acquisition cost is completed concerning GSG FASTENERS, LLC which acquired during previous fiscal year.

Subject	Amount
Goodwill (Before correction)	3,469,662 thousand yen
Land	△59,345
The trade mark	△1,032,495
Deferred tax liability	399,613
Other adjustment for acquisition	86,084
Total	△606,141
Goodwill (After correction)	2,863,520

## 2. The amounts of goodwill, reason for the goodwill, and method and period of amortization

(1) The amounts of goodwill ¥2,863,520 thousand

(2) The reason for the goodwill

The difference was recorded as goodwill because the acquisition cost exceeded the net asset of the acquired subsidiary.

(3) The method and period of amortization

The straight-line method for 20 year period is used.

## 3. The amounts of intangible asset, breakdown by segment and method and period of amortization without goodwill

(1) The amounts of intangible asset ¥1,032,495 thousand

(2) Breakdown by segment

The trade mark ¥1,032,495 thousand

(3) The method and period of amortization

The straight-line method for 20 year period is used