



MORITA GROUP

MORITA REPORT 2012

To Shareholders and Investors

Interim Business Report for the 80th Term

From April 1, 2012 to September 30, 2012



MORITA

Securities Identification Code: 6455

Morita Topics

■ Morita Group has developed Japan's Highest 54-m Ladder Truck with the latest functions (MLL type)

Morita Group has been working on technological development in pursuit of safer and faster fire fighting and rescue operations and has now developed Japan's Highest 54-m Ladder Truck with the latest functions. Comparing to the highest ladder trucks currently used in Japan that are 50m high above ground, this is 4m longer and reaches up to 18 stories above ground.

This ladder truck is equipped with a basket used to discharge water from the remote water monitor fixed to the tip of the ladder or rescue trapped people in a high-rise fire. As the most distinctive features, this new ladder truck has a basket with the maximum load capacity of 270kg, which is the first achievement of 50-m-class ladder trucks, and the simultaneous use of the basket and the lifter to shuttle between the ladder tip and ground. In addition, a vibration suppression system is installed to automatically suppress the vibration of the ladder. This is truly a state-of-the-art ladder truck for safe and rapid fire fighting and rescue operations.

Under the slogan of "Protecting Human Life and Mother Earth", we would like to continue developing new technologies.



■ Lumbar Support Wear, “rakunie,” was newly released.

Morita Holdings has developed and launched lumbar support wear, “rakunie” that helps you in doing back-straining work. This development was carried out through industry-academia cooperation by Keio University (Professor Nobutoshi Yamazaki, Faculty of Science and Technology) and a medical supply manufacturer, Daiya Industry Co., Ltd. In the early stages, we intended to protect the low backs of rescue workers engaged in work that was hard on their backs. We



found, however, that this product would also help older workers who will continue to grow and home care workers who were supporting our current aging society, and we further worked on modifications. We also tried to design the product by taking advantage of the functionality. Thanks to the beauty in design, we were able to win the Good Design Award 2012.

With the catch phrase “Move in Comfort! Makes Work Fun!” this product was also displayed at exhibitions of the nursing care industry. Aiming for entry into different industries such as medical, welfare, farming, fishery, and transportation, we will introduce this product to a wide range of markets.

The name of “rakunie” is our coined word by combining “raku ni” (comfortably) and “e” (wear), meaning “wearing of this product makes you comfortable.”



 GOOD DESIGN
AWARD 2012

腰部サポートウェア
rakunie
ラクニエ

MIYATA has developed the latest power-assisted bicycle with “the first after-sale service and longest warranty system in industry.”

Miyata Cycle Co., Ltd. is pleased to announce that we will launch two models of power-assisted bicycles, “Lilly Assist” and “EX Cross S Assist” from this December. They are equipped with the latest power-assisted unit “Power Cross Assist System” that has realized low noise, low vibration, high efficiency, and the lightest weight.

We have developed this power-assisted bicycle jointly with NIDEC CORPORATION of which technology of DC brushless motor has number-one share in the world. As well as having resolved the biggest challenges such as battery capacity, weight saving, and easy operation, we have developed the industry’s first “Smart Diagnosis System” allowing quick status checks of the assist unit for your beloved vehicle and battery charging via connection to a dedicated PC in MIYATA Care Shop. This destroyed the stereotype that it takes time to repair power-assisted bicycles.

In addition, the industry’s longest warranty period is also a big feature of this product.

More than two times longer mileage than those of conventional models, use of ultra-lightweight battery with high capacity, light and stable ride with both the front and rear wheels driven, high-efficient regenerative charging system that allows charging while riding, and so on—while having these multiple functions, this power-assisted bicycle is easy to operate.



Lilly Assist



EX Cross S Assist

Message from Top Management

We would first like to extend our deep appreciation for your continued support for the Morita Group.

It is our pleasure to give a briefing about the business overview to present our Interim Business Report for the first half of FY2012 (80th term).

Business Overview

Although the Japanese economy for the first half of FY2012 has begun to show signs of recovery in domestic demand, thanks to the momentum of demand from the post-Great East Japan Earthquake reconstruction projects, investments in public works projects, and eco-friendly car subsidies, among other factors, it still remains uncertain, reflecting the sluggish Eurozone economy resulting from the European debt problems, prolonged yen appreciation, and concern over the possibility of a downturn in the emerging countries, chiefly China and India.

Under these circumstances, the Morita Group has continued our efforts to reduce costs and develop new products, in addition to our aggressive marketing expansion efforts.

Our operating results for the first half of FY2012 are as follows: The Group's net sales amounted to 23,923 million yen, an increase of 3,561 million yen, or 17.5% from the same period of the prior year; operating profit amounted to 1,134 million yen, an increase of 587 million yen, or 107.4% from the same period of the prior year; ordinary profit amounted to 1,155 million yen, an increase of 534 million yen, or 85.9% from the same period of the prior year; and net income amounted to 559 million yen, an increase of 296 million yen, or 113.1% from the same period of the prior year. Thus, the Group achieved record sales, operating income, ordinary income, and net income again.

The Group's operating results by segment are as follows: The Fire Fighting Vehicles Business sales were 8,022 million yen, up 19.8% from the same period of the prior year and segment income was 49 million yen, down 52.8% from the same period of the prior year, because we continued to receive orders successfully. The Fire Protection Equipments & Systems Business sales were 8,119 million yen, up 14.0% from the same period of the prior year and segment income was 686

million yen, up 67.9% from the same period of the prior year, reflecting increased demand resulting from the amendments to the laws and ordinances pertaining to fire extinguishers. The Recycling Machines Business sales were 2,213 million yen, up 24.3% from the same period of the prior year and segment income was 105 million yen, compared with a loss of 24 million yen for the same period of the prior year. The Environmental Conservation Vehicles Business sales were 4,351 million yen, up 32.0% from the same period of the prior year and segment income was 261 million yen, compared with a loss of 12 million yen for the same period of the prior year, due to the elimination of production disruption following the Great East Japan Earthquake during the same period of the prior year. The Bicycles Business sales were 1,217 million yen, down 17.1% from the same period of the prior year and segment income was 8 million yen, down 88.3% from the second period a year ago, partly due to the slowdown in the market as a whole reflecting the sharp decline in the special demand that occurred during the same period of the prior year due to the influence of the Great East Japan Earthquake.

Future Outlook

As described above, the Group's business performance for the first half of FY2012 remained generally steady, chiefly because the business results of the Fire Protection Equipments & Systems Business and the Environmental Conservation Vehicles Business grew strongly and each of these segments ended in the black. Although the Japanese economy would still remain in the balance for the moment, we will endeavor to continue our aggressive marketing activities and promote measures for cost reduction and production efficiency so as to attain profitability.

In conclusion, we would like to take this opportunity to ask our shareholders for continued support and encouragement.

November 2012

Masahiro Nakajima
President

Consolidated Summary

Consolidated Balance Sheets

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2011 First half	FY2012 First half	FY2011 Full Year
Assets			
Current assets	¥ 31,086	¥ 35,968	¥ 40,948
Property, plant and equipment	29,368	29,652	29,148
Intangible assets	1,705	1,560	1,613
Investments and other assets	5,903	5,753	6,341
Total assets	¥ 68,063	¥ 72,933	¥ 78,051
Liabilities			
Current liabilities	¥ 17,245	¥ 21,991	¥ 27,263
Long-term liabilities	17,527	14,648	14,571
Total liabilities	34,773	36,639	41,834
Net assets			
Shareholders' equity			
Common stock	4,746	4,746	4,746
Additional paid-in capital	3,743	3,742	3,742
Retained earnings	26,666	28,927	28,859
Treasury stock, at cost	(1,038)	(1,044)	(1,040)
Total shareholders' equity	34,116	36,372	36,307
Accumulated other comprehensive income			
Unrealized gains (losses) on available-for-sale securities	(253)	92	67
Deferred gains (losses) on hedges	(19)	(6)	0
Unrealized gains (losses) on revaluation of land	(1,428)	(1,066)	(1,066)
Foreign currency translation adjustments	(328)	(313)	(351)
Total accumulated other comprehensive income	(2,029)	(1,294)	(1,350)
Minority interests in consolidated subsidiaries	1,202	1,216	1,258
Total net assets	33,289	36,294	36,216
Total liabilities and net assets	¥ 68,063	¥ 72,933	¥ 78,051

(Note) Figures less than 1 million yen are rounded down to the nearest 1 million yen.

● Consolidated Statements of Income

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2011 First half	FY2012 First half	FY2011 Full Year
Net sales	¥ 20,362	¥ 23,923	¥ 63,694
Cost of sales	14,717	17,519	47,911
Gross profit	5,645	6,404	15,783
Selling, general and administrative expenses	5,097	5,269	10,709
Operating income	547	1,134	5,073
Other income	233	201	561
Other expenses	174	351	1,020
Income before income taxes	606	984	4,614
Income taxes			
Current	335	470	2,222
Deferred	—	—	(480)
	335	470	1,741
Minority interests in earnings of consolidated subsidiaries	8	(45)	69
Net income	¥ 262	¥ 559	¥ 2,803

(Note) Figures less than 1 million yen are rounded down to the nearest 1 million yen.

● Consolidated Statements of Cash Flows

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2011 First half	FY2012 First half	FY2011 Full Year
Cash flows from operating activities	(¥ 440)	(¥ 777)	¥ 5,510
Cash flows from investing activities	(1,082)	(1,039)	(1,898)
Cash flows from financing activities	(79)	(325)	(1,314)
Effect of exchange rate change on cash and cash equivalents	0	20	(5)
Net increase (decrease) in cash and cash equivalents	(1,601)	(2,122)	2,293
Cash and cash equivalents at beginning of year	6,373	8,667	6,373
Cash and cash equivalents at end of period (year)	¥ 4,771	¥ 6,545	¥ 8,667

(Note) Figures less than 1 million yen are rounded down to the nearest 1 million yen.

Company Profile

(As of September 30, 2012)

Overview

Company Name	MORITA HOLDINGS CORPORATION
Inauguration of Business	April 23, 1907
Establishment	July 23, 1932
Capital	¥4,746mil
Osaka Head Office	5-5-20 Shoji-Higashi, Ikuno-ku, Osaka-shi, Osaka
Tokyo Head Office	3-25-31 Nishishinbashi, Minato-ku, Tokyo
Type of Business	Control/management of business activities of group companies, and being entrusted with indirect management operations

Group Companies

MORITA CORPORATION

1-5 Techno Park, Sanda-shi, Hyogo, 669-1339, Japan
Development, manufacturing and sales of ladder trucks, fire trucks and other types of fire trucks and specialty vehicles

MORITA BOHSAI TECH CORPORATION

Shiba 256 Square Building 8F, 2-5-6 Shiba, Minato-ku, Tokyo, 105-0014, Japan
Sales of fire protection equipment mainly fire extinguishers. Design, construction and maintenance of fire protection facilities

MORITA ENVIRONMENTAL TECH CORPORATION

1530 Konoda-cho, Funabashi-shi, Chiba, 274-0081, Japan
Design of waste recycling facilities and other waste disposal facilities. Development, manufacturing and sales of large hydraulic equipment

MORITA ECONOS CORPORATION

1-48 Jinmu-cho, Yao-shi, Osaka, 581-0067, Japan
Development, manufacturing and sales of environmental conservation vehicles such as sanitation vehicles and garbage trucks

MORITA TECHNOS CORPORATION

5-5-20 Shoji-Higashi, Ikuno-ku, Osaka-shi, Osaka, 544-0003, Japan
Aftercare service and maintenance of fire trucks and of equipment and materials for lifesaving. Development, manufacturing and sales of electronic applied machinery and information processing machinery

MIYATA INDUSTRY CO., LTD.

1-1-1 Shimomachiya, Chigasaki-shi, Kanagawa, 253-8588, Japan
Development, manufacturing and sales of fire extinguishing-related equipment, mainly of fire extinguishers, firefighting equipment and other fire protection equipment

MIYATA CYCLE CO.LTD.

3-25-31 Nishishinbashi, Minato-ku, Tokyo, 105-0003, Japan
Development and sales of bicycles

MORITA SOGO SERVICE CORPORATION

5-5-20 Shoji-Higashi, Ikuno-ku, Osaka-shi, Osaka, 544-8585, Japan

ALUVO CORPORATION

1479-1 Kamikanzo, Iwata-shi, Shizuoka, 438-0115, Japan

MORITA U.G. CORPORATION

Shiba 256 Square Building 8F, 2-5-6 Shiba, Minato-ku, Tokyo, 105-0014, Japan

MORITA ENGINEERING CORPORATION

1-48 Jinmu-cho, Yao-shi, Osaka 581-0067, Japan

HOKKAIDO MORITA CORPORATION

13-2-17 Naebo-cho, Higashi-ku, Sapporo-shi, Hokkaido, 065-0043, Japan

KAGOSHIMA MORITA PUMP CORPORATION

12-32, Matsubara-cho, Kagoshima-shi, Kagoshima, 892-0833, Japan

MORITA TOYO CORPORATION

1700-2 Konjinzuka, Sanagu-cho, Iga-shi, Mie, 518-0001, Japan

SHANGHAI JINDUN SPECIAL VEHICLE EQUIPMENT CO., LTD.

No.1515, Lizheng Road, Shuyuan Town, Pudong New Area, Shanghai, China, 201304

NANJING CHENGUANG MORITA ENVIRONMENT PROTECTION SCIENCE & TECHNOLOGY CO., LTD

No.188 Tianyuanzhong Road, Jiangning Economic & Technical Development Zone, Nanjing, China, 211100

SICHUAN MORITA FIRE SAFETY APPLIANCES LIMITED COMPANY

No.8, Xinhua Avenue, Chengdu Cross-Straits Technological Industry Park, Wenjiang District, China, 611130

MORITA HOLDRICH (HONG KONG) COMPANY LIMITED

Rm.1911CC Wu Building, 302-8 Hennessy Rd., Wan Chai, Hong Kong

Shareholder's Memo

Information about the Stock

Business Year April 1st to March 31st

Annual General Meeting of Shareholders June

Reference Dates Annual General Meeting of Shareholders - March 31st
Year-end Dividend - March 31st
Interim Dividend - September 30th
Other dates published in advance as necessary

Method of Public Notice Posted on company website
<http://www.morita119.com/kohkoku/index.html>

Administrator of the Shareholders List

Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo

Place of Clerical Office for the above

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
4-5-33, Kitahama, Chuo-ku, Osaka-shi

(Postal Address) Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
1-10 Nikko-cho, Fuchu-shi, Tokyo 183-8701

(Telephone Inquiries) +81-120-176-417

<*The postal address and number for telephone inquiries will change from January 2013.>
Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
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+81-120-782-031

(Internet Website URL)

<http://www.smtb.jp/personal/agency/index.html>

Stock Listing Tokyo Stock Exchange, Osaka Securities Exchange

[Special Account]

For shareholders who did not use JASDEC (Japan Securities Depository Center, Inc.) before the share certificates were computerized, an account (a special account) has been opened with Sumitomo Mitsui Trust Bank, Limited, the shareholder registration administrator. For details regarding the special account, notification of address change, and so on, please inquire using the contact information listed above.

[Notification of address change and inquiries]

For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please inquire using the contact information listed above.

Please visit our website
for the latest investor relations information.

<http://www.morita119.com>



Online Store
for MORITA Original Goods
“MORITA NETSHOP”

<http://morita119-netshop.com/>

Protecting Human Life
and Mother Earth

MORITA

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