



MORITA GROUP

MORITA REPORT 2013

To Shareholders and Investors

Interim Business Report for the 81st Term

From April 1, 2013 to September 30, 2013



MORITA

Securities Identification Code: 6455

Morita Topics

■ Innovative concepts and the latest technology on show at the Tokyo International Fire and Safety Exhibition 2013

The Tokyo International Fire and Safety Exhibition 2013 was held at Tokyo Big Sight in October this year, with a total of approximately 125,000 guests visiting over the four-day event. The exhibition was organized to showcase the latest in fire fighting technologies and initiatives from Tokyo to guests from Japan and around the world, to spread information related to fire fighting and disaster safety, and as an event for industry interaction. Five companies of Morita Group – Morita Holdings, Morita Corporation, Morita Technos Corporation, Morita Bohsai Tech Corporation and Miyata Industry Co., Ltd. – participated at the event with fire fighting vehicles equipped with innovative concepts and the latest technologies, fire fighting and rescue products, and other disaster related equipment. Guests were invited to ride in the 35 m ladder, and a special jazz live session by jazz pianist Chihiro Yamanaka was organized with all staff on hand to welcome guests. Next-generation fire fighting vehicles multi-purpose fire fighting vehicle with 13m aerial platform MVF (Morita



Various Fighter) and Water tender MFF (Morita Feature Fighter) were also on show as reference exhibits.

The “MVF” features a basket and flexible boom that can reach up to approximately 13.7 m above ground and approximately 2.1 m below ground, and has been designed for use in a range of different rescue scenarios. In addition to rescue efforts, the vehicle can also be used to spray water from high positions, and also comes equipped with the new CAFS in what is an outstanding fire truck with advanced fire fighting, rescue and equipment capabilities.

The “MFF” equipped with the new CAFS and a 1,500 L PP tank, and in addition to water truck functionalities, the compact and lightweight aluminium volute pump MZI ensures that there is ample storage space onboard. A water tender with a range of functions and unique design to transport water with peace of mind.



Other displays include a reference exhibit of a aircraft rescue & fire fighting vehicle for use at airports that features a modern design with ample windscreen space for better visibility.



A range of new product concepts designed for ease-of-use and safety were also on show, including the L-CHA (Lifter Battery Charging System) that automatically charges the lifter that raises the basket of ladder trucks, the L-VAS (Ladder voice assistance system) that provides audible warning sounds and guidance of the ladder's position, and Luminous Safety that ensures safer nighttime work with step lamps laid out on truck decks.



Morita's core products took the stage. An outdoor demonstration of the CAFS, which can be used to fight fires with a foam spray using compressed air with a water and foam mixture, highlighted its water discharge capabilities and ease-of-use to a large number of guests. Trucks equipped with this CAFS already make up approximately 25% of the annual demand for such vehicles in Japan, and Morita will focus on promoting them as core strategic products.



Morita will continue developing products that are capable of responding to various types of disasters as part of its aim to create a "safe, comfortable and prosperous society" with our dedication to quality production and unceasing technological innovations.

Message from top management

We deeply appreciate your constant support and patronage, and are happy to report on our operations in releasing our 81st interim earnings.

Business overview

During the first half of FY2013, the Japanese economy has shown signs of recovery, in part, as a result of the government's economic and monetary policies. Still, however, uncertainties remain due to an increase in raw material prices reflecting stronger yen and a concern about the downward overseas economy.

In this environment, the Group engaged in aggressive sales operations while working to reduce our cost of goods and develop new products.

Our operating results for the first half of FY2013 are as follows: The Group's net sales grew ¥48million, on a year-over-year basis respectively, to ¥23,972million (+0.2%); operating profits decreased ¥106million to ¥1,028million (-9.4%); ordinary profits decreased ¥71million to ¥1,084million (-6.2%); and net income decreased ¥40million to ¥519million (-7.2%) from the same period of the prior year.

The Group's operating results by segment are as follows: Sales in the Fire Fighting Vehicles Business were ¥8,646million (+7.8%, on a year-over-year basis respectively) because our success in receiving orders played a leading role in the business results; sales in the Fire Protection Equipments & Systems Business were ¥7,317million (-9.9%) due to selectively accepted sprinkler facility installation orders as well as the prospect that sales of fire extinguishers and SPRINEX would be focused on the fourth quarter; sales in the Recycling Machines Business were ¥2,232million (+0.9%) partly due to scheduled progress in the delivery of products; sales in the Environmental Conservation Vehicles Business were ¥4,600million (+5.7%) due to our success in receiving orders; and sales in the Bicycles Business were ¥1,175million (-3.5%) partly due to weak sales of light roadsters despite growing sales of sports bicycles.

Future Outlook

As described above, the Group's business performance for the first half of FY2013 remained generally steady because the business results of the Fire Protection Equipments & Systems Business and the Environmental Conservation Vehicles Business grew strongly. Although the Japanese economy would still remain in 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 their continued support and encouragement.

November 2013

Masahiro Nakajima
President

Consolidated Summary

Consolidated Balance Sheets

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2012 First half	FY2013 First half	FY2012 Full Year
Assets			
Current assets	¥ 35,968	¥ 36,349	¥ 40,404
Property, plant and equipment	29,652	29,997	28,538
Intangible assets	1,560	1,407	1,207
Investments and other assets	5,753	9,879	7,984
Total assets	¥ 72,933	¥ 77,632	¥ 78,133
Liabilities			
Current liabilities	¥ 21,991	¥ 25,467	¥ 26,908
Long-term liabilities	14,648	12,181	12,027
Total liabilities	36,639	37,648	38,935
Net assets			
Shareholders' equity			
Common stock	4,746	4,746	4,746
Additional paid-in capital	3,742	3,743	3,742
Retained earnings	28,927	31,719	31,557
Treasury stock, at cost	(1,044)	(1,063)	(1,056)
Total shareholders' equity	36,372	39,145	38,989
Accumulated other comprehensive income			
Unrealized gains on available-for-sale securities	92	1,210	961
Deferred gains (losses) on hedges	(6)	2	9
Unrealized gains (losses) on revaluation of land	(1,066)	(1,774)	(1,774)
Foreign currency translation adjustments	(313)	130	(198)
Total accumulated other comprehensive income	(1,294)	(430)	(1,001)
Minority interests in consolidated subsidiaries	1,216	1,268	1,209
Total net assets	36,294	39,983	39,197
Total liabilities and net assets	¥ 72,933	¥ 77,632	¥ 78,133

(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		
	FY2012 First half	FY2013 First half	FY2012 Full Year
Net sales	¥ 23,923	¥ 23,972	¥ 67,140
Cost of sales	17,519	17,441	49,837
Gross profit	6,404	6,531	17,303
Selling, general and administrative expenses	5,269	5,503	11,037
Operating income	1,134	1,028	6,266
Other income	201	239	624
Other expenses	351	342	2,081
Income before income taxes	984	925	4,808
Income taxes			
Current	470	485	2,342
Deferred	—	—	(321)
	470	485	2,020
Minority interests in earnings of consolidated subsidiaries	(45)	(79)	(79)
Net income	¥ 559	¥ 519	¥ 2,867

(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		
	FY2012 First half	FY2013 First half	FY2012 Full Year
Cash flows from operating activities	(¥ 777)	(¥ 2,394)	¥ 5,240
Cash flows from investing activities	(1,039)	(3,878)	(1,813)
Cash flows from financing activities	(325)	3,029	(3,410)
Effect of exchange rate change on cash and cash equivalents	20	69	64
Net increase (decrease) in cash and cash equivalents	(2,122)	(3,174)	81
Cash and cash equivalents at beginning of year	8,667	8,748	8,667
Cash and cash equivalents at end of period (year)	¥ 6,545	¥ 5,574	¥ 8,748

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

Company Profile

(As of September, 30, 2013)

Overview

Company Name	MORITA HOLDINGS CORPORATION
Inauguration of Business	April 23, 1907
Establishment	July 23, 1932
Capital	¥4,746 mil.
Osaka Head Office	3-6-1 Dosho-machi, Chuo-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 and construction 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, manufacturing 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	Level 12, 28 Hennessy Road, Wanchai, 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, Osaka

(Postal Address) Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
2-8-4 Izumi, Suginami-ku, Tokyo, 168-0063

(Telephone Inquiries) +81-120-782-031

(Internet Website URL)

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

Stock Listing Tokyo Stock 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 administrator of the shareholders list. For details regarding the special account, notification of address change, and so on, please contact the telephone inquiry number 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 contact the telephone inquiry number listed above.

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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

MORITA HOLDINGS CORPORATION

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