



MORITA REPORT 2015

To Shareholders and Investors

Interim Business Report for the 83rd Term

From April 1, 2015 to September 30, 2015



INTERSCHUTZ 2015
International Trade Fair at Hannover, Germany

MORITA

Securities Identification Code: 6455

Morita Topics

■ The development and the start of the sale of “Advanced Monitor” – Advanced Driver Assistance System to enhance safety

As emergency vehicles fire trucks need not only to reach the accident scene quickly but also to ensure that the safety is maintained while driving and during the operations at an emergency site.

Morita has developed and started the sale of “Advanced Monitor” – Advanced Driver Assistance System to enhance safety. The system gives the driver a 360° panoramic bird’s eye view from above the fire truck and eliminates blind spots which helps prevent various potentially dangerous collisions that may occur when making turns, starting, stopping and parking the vehicle.

Fire trucks also carry various fire fighting and rescue equipment. The system allows the driver to check easily from the driver’s seat if storage compartment doors and/or ladder steps are open or close and if equipment like rescue cranes and lighting equipment has been properly stored or not. The system warns if any equipment is not adequately secured and helps prevent the accidents.

The system can be equipped with a drive recorder as an option.

Morita exhibited this “Advanced Monitor” at the world’s largest international trade fair for public safety “INTERSCHUTZ 2015” held in Germany in June this year and was highly praised as a system newly designed by Morita to enhance safety of people and cities.

In future, for further safety enhancement, this system will also be installed on other Morita Group products like environmental conservation and sanitation vehicles.



<Panorama view>

<Rear view>

■ Start of sales of the New Model “Rotary Electric Extrusion Garbage Collector E-SVN”

Morita Econos started selling the new model “Rotary Electric Extrusion Garbage Collector E-SVN” from September this year.

Developed with the concept “Safer and easier to use. Urban-friendly!” the E-SVN is a rotary electric extrusion garbage collector that is a showcase of technology from Morita Econos. It was designed based on feedback received from customers using it for actual garbage collection work, as well as the needs of the local community and environment.

The use of a hybrid platform means there are no exhaust gas emissions, which make it ideal for work in areas not suited to exhaust gases, such as garbage collection in basement areas. The sound level has been reduced to 67.7 dB as part of a community-friendly design when operating early in the morning or at night.

As a hybrid garbage collector, the E-SVN features the largest body capacity (4.8 m³) in its class and to assist with improvements to work efficiency. Operation can be switched between the electric motor and engine easily using a control panel within the cabin, making it an environmentally friendly garbage collector that provides outstanding safety and operability. Morita Econos will continue in its pursuit of “Safer and easier to use. Urban-friendly!”



Rotary Electric Extrusion Garbage Collector E-SVN

■ New model lumbar support wear “rakunie” goes on sale

Morita has developed a new model of the lumbar support wear “rakunie” that has been sold since 2012. Sales starts from December this year.

Lumbar support wear “rakunie” was first marketed as a new type of support wear that works to support the lumbar area during deep flexing movement but does not interfere with normal daily movement. Since it was first released, “rakunie” has been admired by countless users involved in work that subjects heavy strains on their lumbar area.

Development of the newly announced “rakunie” model included trials conducted with the cooperation of many participants in fields such as agricultural, nursing, logistics and maintenance to make the product range more applicable to a wide range of industries. While the new model provides the same reliable level of support, a function was added as a result of these trials to easily release support power when driving vehicles or resting by simply unclipping the buckle, which improves usability even further. The new model also features a unisex design and is available in a greater size range (XS to L) for use by people with a wider range of body types and frames.

The entire Morita Group will continue making contributions to a safer, more comfortable and more affluent society through its efforts at building an environment that is more pleasant to work in.



New model “rakunie”



Release support power when not needed

Top Message

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

For our 83rd term interim report, we would like to provide you with a business overview report.

Business Overview

During the first half of FY2015, Japan's economy has seen improvement in corporate performance and capital investment due to the economic and financial policies implemented by the government and the Bank of Japan. The economy is showing signs of slow recovery, but with concerns about sluggish economic performance overseas especially in China, it still remains in a state of future uncertainty.

In such an environment, the Morita Group has endeavored to implement proactive business development and further cost reduction while also developing new products.

Business performance for the first half of FY2015 resulted in as follows.

Net sales decreased by ¥1,501 million compared to the same period in the previous year to ¥21,899 million (-6.4%); operating income increased by ¥479 million compared to the same period in the previous year to ¥1,486 million (+47.7%); and ordinary profit increased by ¥652 million compared to the same period in the previous year to ¥1,833 million (+55.3%).

The net income attributable to owners of parent increased by ¥130 million compared to the same period in the previous year to ¥922 million (+16.5%) with this ordinary profit, despite recording an extraordinary loss of ¥413 million due to the sale of shares of an affiliated company (excluded from the equity method).

The business performance by segment across the Morita Group is as follows. Net sales for the Fire Fighting Vehicles Business was ¥7,719 million (-12.4% over the same period in the previous year) due to the transfer of all equity of a Chinese joint venture company that had been a consolidated company until the same period in the previous year. Net sales for the Fire Protection Equipments & Systems Business was ¥7,804 million (+0.9% over the same period in the previous year) due to steady sales of fire extinguishers and "SPRINEX," the

packaged automatic fire extinguishing equipment. Net sales for the Recycling Machines Business was ¥1,678 million (-30.9% over the same period in the previous year) due to concentration of product deliveries in the second half of the year, despite steady growth in orders. Net sales for the Environmental Conservation Vehicles Business was ¥4,696 million (+6.2% over the same period in the previous year) due to an increase in the shipment of sanitation vehicles and the sales of parts.

Future Outlook

Business performance for the first half of FY2015 remained strong for the entire Morita Group, and full year results are mainly expected to stay positive as the group is on track to securing the number of orders that were initially planned. While conditions are likely to remain unpredictable from the following year and on, we will continue our efforts for sales activities and reducing costs, while also developing new products and technologies, making further improvement of quality and securing profits for the group.

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

November 2015

Kazumi Ogata
President

Consolidated Summary

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

Consolidated Balance Sheets

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2014 First half	FY2015 First half	FY2014 Full year
Assets			
Current assets	¥ 35,359	¥ 36,461	¥ 41,883
Property, plant and equipment	30,916	28,626	30,132
Intangible assets	320	606	521
Investments and other assets	13,685	14,820	16,001
Total assets	¥ 80,281	¥ 80,515	¥ 88,539
Liabilities			
Current liabilities	¥ 24,281	¥ 20,635	¥ 27,796
Long-term liabilities	10,687	10,705	11,169
Total liabilities	34,968	31,340	38,966
Net assets			
Shareholders' equity			
Common stock	4,746	4,746	4,746
Additional paid-in capital	4,331	4,331	4,331
Retained earnings	35,048	39,360	38,810
Treasury stock, at cost	(242)	(1,492)	(1,212)
Total shareholders' equity	43,883	46,945	46,675
Accumulated other comprehensive income			
Unrealized gains on available-for-sale securities	2,986	3,142	3,868
Deferred gains on hedges	(8)	(3)	(1)
Unrealized gains (losses) on revaluation of land	(1,804)	(1,980)	(1,980)
Foreign currency translation adjustments	172	529	508
Remeasurements of defined benefit plans	(429)	(38)	(74)
Total accumulated other comprehensive income	915	1,649	2,319
Non-controlling interests in consolidated subsidiaries	512	580	577
Total net assets	45,312	49,174	49,572
Total liabilities and net assets	¥ 80,281	¥ 80,515	¥ 88,539

● Consolidated Statements of Income

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2014 First half	FY2015 First half	FY2014 Full year
Net sales	¥ 23,400	¥ 21,899	¥ 71,943
Cost of sales	17,088	15,534	53,128
Gross profit	6,311	6,365	18,814
Selling, general and administrative expenses	5,305	4,878	10,574
Operating income	1,006	1,486	8,240
Other income	318	441	693
Other expenses	171	475	1,209
Income before income taxes	1,153	1,452	7,723
Income taxes			
Current	547	563	3,475
Deferred	(83)	(42)	(425)
	464	521	3,049
Net income	689	931	4,674
Net income (loss) attributable to non-controlling interests	(102)	8	(35)
Net income attributable to owners of parent	¥ 792	¥ 922	¥ 4,709

● Consolidated Statements of Cash Flows

Morita Holdings Corporation and Consolidated Subsidiaries

	Millions of yen		
	FY2014 First half	FY2015 First half	FY2014 Full year
Cash flows from operating activities	(¥ 2,472)	(¥ 208)	¥ 4,501
Cash flows from investing activities	(2,340)	620	(3,101)
Cash flows from financing activities	(201)	(1,952)	(4,217)
Effect of exchange rate change on cash and cash equivalents	(27)	(0)	(27)
Net increase (decrease) in cash and cash equivalents	(5,042)	(1,540)	(2,845)
Cash and cash equivalents at beginning of year	9,525	6,424	9,525
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(254)	—	(254)
Cash and cash equivalents at end of period (year)	¥ 4,227	¥ 4,884	¥ 6,424

Company Profile

(As of September 30, 2015)

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 MIYATA CORPORATION	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
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	32 Techno Park, Sanda-shi, Hyogo, 669-1339, 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

ALUVO CORPORATION	1479-1 Kamikanzo, Iwata-shi, Shizuoka, 438-0115, Japan
KANSAI BODY WORKS CORPORATION	2-3 Techno Park, Sanda-shi, Hyogo, 669-1339, 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
MIYATA CYCLE CO. LTD.	Sumitomo Life Insurance Kawasaki Building 8F, 11-27 Higashida-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa, 210-0005, Japan
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

Number of Shares per Unit 100 shares

[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

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