

MORITA GROUP

Protecting Human Life
and Mother Earth

To Shareholders and Investors

Business Report

for the **84th** Term

From April 1, 2016 to March 31, 2017



B u s i n e s s R e p o r t

Top Message

● Greeting

Since our company was founded in 1907, we have shared the path with the history of Japan's firefighting technology development over many years as a top manufacturer of fire engines to reach our 110th anniversary in April 2017. We would like to express our deepest appreciation for the warm support and patronage of all those concerned including shareholders.

Morita Group has the slogan "Protecting Human Life and Mother Earth" and develops the four businesses of fire fighting vehicles, fire protection equipment & systems, recycling machines and environmental conservation vehicles while working hard on the themes of "protecting irreplaceable life and property from disasters" and "protecting the lush green natural environment". Furthermore, in January 2016, we acquired a Finnish company and this has allowed us a foothold for further development of our global business.

Morita Group promotes the creation of a work environment that allows each person to fully utilize their talents and ability regardless of factors such as gender, nationality or age. In particular, to promote women in the workplace, we are proactively working hard to improve our training and rules.

In addition, "exploiting new markets", "increasing profitability of existing business", "enhancing the R&D" and "carrying out investment for sustainable growth", as stated in the Mid-term Plan established in fiscal year 2016, are now our basic policy and we will continue to aim to make great strides, improve corporate value and contribute to society.

We sincerely thank you for your continued support in the future.

Masahiro Nakajima, Chairman and CEO

Kazumi Ogata, President

Overview of 84th Term

Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company
¥85,063 million	¥9,649 million	¥10,129 million	¥6,040 million
Year on year Up 24.0% ↑	Year on year Up 28.4% ↑	Year on year Up 24.7% ↑	Year on year Up 33.1% ↑

During this consolidated fiscal year under review, despite the Japanese economy showing signs of a modest recovery on the back of various economic policies from the government, uncertainty over the future still continues for such as the effect on the domestic economy due to fluctuations in stock prices and exchange rates caused by factors that include a slowdown in the economy of emerging countries, the United Kingdom's exit from the European Union (EU) and policy trends of the United States.

Under these circumstances, Morita Group has been working on various measures towards improving corporate value as of the first fiscal year of the Mid-term Plan "Morita Advance Plan 1000", which has its final year in FY 2018.

As a result of the fire fighting vehicle business performing

particularly well, during this consolidated fiscal year under review, net sales increased by ¥16,489 million compared to the same period in the previous year to ¥85,063 million (+24.0%), operating income increased by ¥2,131 million compared to the same period in the previous year to ¥9,649 million (+28.4%), ordinary income increased by ¥2,006 million compared to the same period in the previous year to ¥10,129 million yen (+24.7%), and net income attributable to owners of parent company increased by ¥1,502 million compared to the same period in the previous year to ¥6,040 million (+33.1%). We achieved our highest record for net sales, operating income, ordinary income and net income attributable to owners of parent company.

New MVF Multi-Purpose Fire Fighting Vehicle with 13m Aerial Platform Developed, Launched This Fiscal Year

Fire Fighting
Vehicles Business

Morita has developed a new model, which can be used for a four-wheel drive vehicle. It's "MVF Multi-Purpose Fire Fighting Vehicle with 13m Aerial Platform (MORITA VARIOUS FIGHTER)", which can take various roles including fire extinguishing, rescue and equipment storing on a single vehicle. This vehicle was launched this fiscal year.

The MVF has a boom with a basket that reaches a height of approximately 13.7 m above ground level and approximately 2.1 m below ground level. It is equipped with an aluminum single-stage volute pump "MZI", a 900 L polypropylene tank and also a compressed air foam system (CAFS). The MVF is a fire fighting vehicle that achieves more effective firefighting activities.

We will continue to strive for even greater technological innovation in the future on the basic concept of securing firefighters' safety.



MVF Multi-Purpose Fire Fighting Vehicle with 13m Aerial Platform

Morita Econos Corporation Constructs New Factory in Hokusetsu Sanda No.2 Techno Park, Sanda City, Hyogo Prefecture

Environmental Conservation
Vehicles Business

Our company has constructed a new factory in the Hokusetsu Sanda No.2 Techno Park in Sanda City, Hyogo Prefecture and Morita Econos Corporation, which manufactures and sells environmental conservation vehicles, began operation from May this year.

The new factory, with a site area of approximately 63,000 m², is a factory that can consistently produce using a seamless process from module manufacture to undercoating, assembly and inspection, and also consistently manage incoming goods such as chassis, parts, and components with the aim of maximizing improvements to productivity.

We have been developing technology on the basis of "always seek thorough usability and safety with consideration for actual use". In recent years, with consideration for the usability and safety of garbage trucks, we have been developing such vehicles that seek functional beauty and have received high praise from many customers and users. Further to this, news such as being awarded the "iF DESIGN AWARD", a famous global design award, has spread overseas.

Due to the operation of the new factory, we plan to increase the garbage truck production volume by 25% and reduce the cost of each truck by 10% or greater. Morita Group has gathered together the three companies of Morita Corporation, Morita Technos Corporation and Morita Econos Corporation in the Sanda Techno Park. This will raise the group's overall strength so that we will make great advances as a global Morita.



Morita Econos Corporation new factory



Press-type garbage truck "Press Master"

Packaged Automatic Fire Extinguishing System Type II "SPRINEX mini" Series

Fire Protection Equipment &
Systems Business

Morita Miyata Corporation has launched a new model "CPW13094" as the packaged automatic fire extinguishing system type II "SPRINEX mini" series since January this year. The system has been approved as a substitute for sprinkler systems for small-scale welfare facilities with a total floor space of less than 275 m². The new model "CPW13094" is equipped with more fire extinguishing agents so that it can now be applied for buildings where wooden materials such as fancy plywood (which do not stand for quasi-incombustible) might be used for interiors. Existing "SPRINEX mini" series are not applicable for such materials. The new container for fire extinguishing agents becomes much smaller to make it well fit in any room.

Three types of "SPRINEX mini" series have been launched since April 2016 and have been providing a lower installation cost while having the same firefighting and fire suppression performance as those of sprinkler systems. It has received high praise due to its easy installation. We have now added the "CPW13094" to this lineup, which makes the system applicable for more building conditions and more installation patterns.

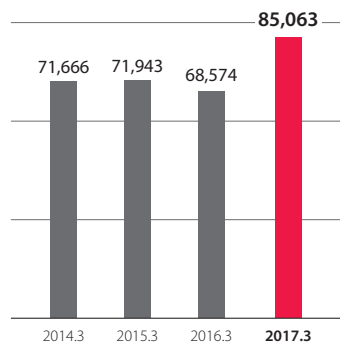


Packaged Automatic Fire Extinguishing System Type II
SPRINEX mini "CPW13094"

Financial Highlights (Consolidated)

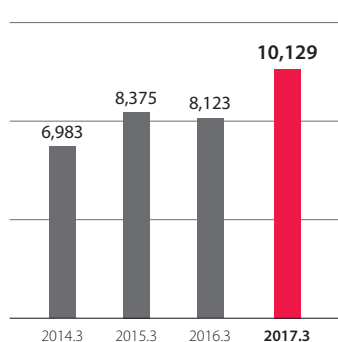
Net sales

Unit: Millions of yen



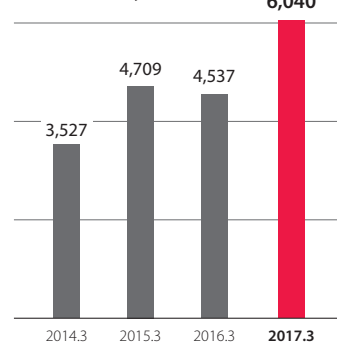
Ordinary income

Unit: Millions of yen



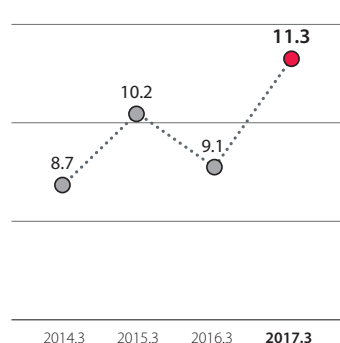
Net income attributable to owners of parent company

Unit: Millions of yen



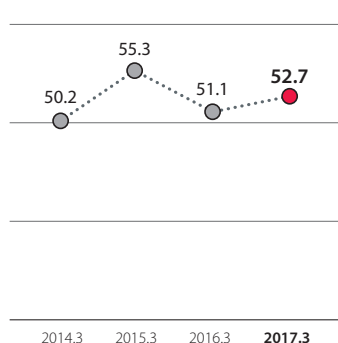
Return on equity

Unit: %



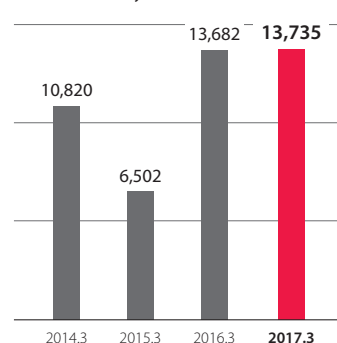
Shareholders' equity ratio

Unit: %



Interest-bearing liabilities

Unit: Millions of yen



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales	18,197 million yen	Year on year ↓ Down 8.7%
Income	1,229 million yen	Year on year ↓ Down 31.0%

Though fire extinguishers business has been performing well, sales and income both decreased due to the effect of carried over government subsidy to the next fiscal year for the Packaged Automatic Fire Extinguishing System "SPRINEX".



Fire Fighting Vehicles Business

Net sales	51,979 million yen	Year on year ↑ Up 58.4%
Income	7,175 million yen	Year on year ↑ Up 71.8%

Sales and income both increased as a result of contribution from BRONTO SKYLIFT OY AB performance, our new consolidated subsidiary, in addition to the increase in domestic market share.



Environmental Conservation Vehicles Business

Net sales	10,503 million yen	Year on year ↑ Up 6.5%
Income	1,231 million yen	Year on year ↑ Up 8.5%

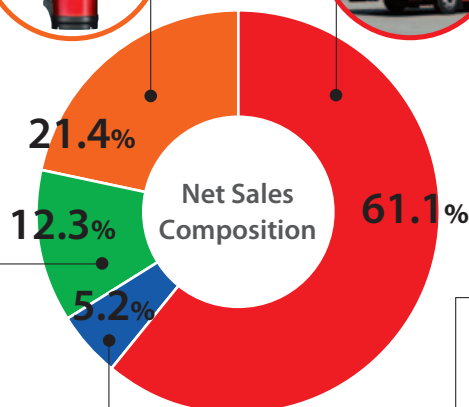
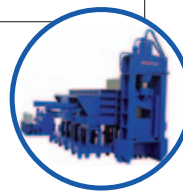
Sales and income both increased as a result of continued good performance of product orders and sales.



Recycling Machines Business

Net sales	4,383 million yen	Year on year ↓ Down 26.4%
Income	49 million yen	Year on year ↓ Down 88.3%

Despite focusing on sales of parts and maintenance, sales and income both decreased due to the effect of reduced product orders.



Company Profile and Stock Information

Company Name	MORITA HOLDINGS CORPORATION
Inauguration of Business	April 23, 1907
Establishment	July 23, 1932
Capital	4,746 million yen
Osaka Head Office	3-6-1 Doshomachi, 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

Executives

Chairman & CEO	Masahiro Nakajima
President	Kazumi Ogata
Director and Executive Vice President	Yukihiro Maehata
Director	Mitsuo Isoda
Director	Takao Kawanishi
Full-Time Corporate Auditor	Eiji Asada
Full-Time Corporate Auditor	Atsushi Sasaki
Full-Time Corporate Auditor	Yusuke Takano
Auditor	Masaru Ota
Managing Corporate Executive Officer	Shinichi Kanaoka
Managing Corporate Executive Officer	Shinya Murai
Corporate Executive Officer	Hiroko Urano
Corporate Executive Officer	Naohisa Sakamoto

Information about the Stock

Business Year	April 1 to March 31
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary
Method of Public Notice	Posted as electronic public notice 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)	+81-3-3323-8222
(Internet Website URL)	http://www.smtbjp/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]

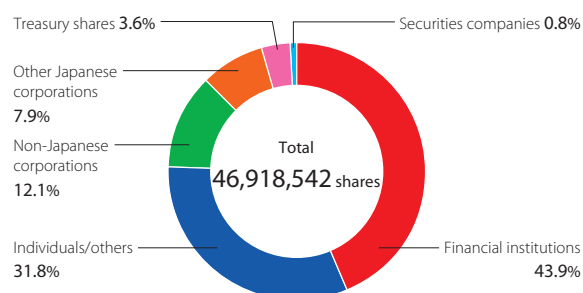
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

Major 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	Shiba256 Square Building 8F, 2-5-6 Shiba, Minato-ku, Tokyo, 105-0014, 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	28 Techno Park, Sanda-shi, Hyogo, 669-1339, 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
BRONTO SKYLIFT OY AB	Tampere City, Republic of Finland Development, manufacturing and sales of combined platform ladders and mobile elevating work platforms

Distribution of Shares by Type of Shareholder

As of March 31, 2017



Top 10 Shareholders

As of March 31, 2017

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,506
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
Japan Trustee Services Bank, Ltd. (Trust account)	1,795
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,141
Morita Employees Shareholding Association	901

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,679 thousand shares.