



MORITA GROUP

Protecting Human Life
and Mother Earth

To Shareholders and Investors

Interim Business Report

for the **85th** Term

From April 1, 2017 to September 30, 2017

Securities Identification Code: 6455



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

Top Message

● Greeting

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

Morita Group has the slogan "Protecting Human Life and Mother Earth" and deploys 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".

For the purpose of securing human resources necessary to realize these themes, we are making efforts to create a work environment where diverse values held by employees are

respected regardless of gender, nationality, age and other factors and where each employee is encouraged to fully utilize their talent and ability, supported principally by work-style reforms and the promotion of women's activities in workplaces.

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 FY2016, 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 the first half of 85th Term

Net sales

¥27,516 million

Year on year
Down 6.9% ↓

Operating income

¥950 million

Year on year
Down 48.6% ↓

Ordinary income

¥1,242 million

Year on year
Down 39.4% ↓

Net income attributable to owners of parent company

¥664 million

Year on year
Down 49.1% ↓

During the second quarter of FY2017 our economy continued to see corporate earnings and employment situations on a recovery trend on the back of various economic measures implemented by the government; however, the future of the domestic and overseas economic situation remains uncertain because of the unpredictable policies being adopted by the new administration of the United States and the rising geopolitical risk involving North Korea.

In such circumstances, our group has been working on various measures aimed at increasing our corporate value for the

second year of our 3-year Mid-term Plan, "Morita Advance Plan 1000."

With respect to our business performance, net sales decreased by ¥2,054 million from the year-ago period to ¥27,516 million (-6.9%). Operating income decreased by ¥900 million to ¥950 million (-48.6%), ordinary income, by ¥809 million to ¥1,242 million (-39.4%), and quarterly income attributable to the owners of the parent company, by ¥640 million to ¥664 million (-49.1%) year-on-year, respectively.

Morita fire fighting vehicles topic!

Let us now present to you our next-generation fire fighting vehicle that will renew the firefighting strategy: MVF Multi-Purpose Fire Fighting Vehicle with 13m Aerial Platform. MVF stands for MORITA VARIOUS FIGHTER. MVF was born as a new type of fire fighting vehicle designed for a wide range of fire fighting and rescue operations.

MVF saves time!

The greatest feature of MVF's multipurpose functions is the boom equipped with a basket that can accommodate up to 3 people. The flexible boom supports a wide range of rescue activities. Different from a large-size ladder truck, MVF is capable of smoothly moving into all sorts of fire scenes and has a high reputation on its mobility. Furthermore, the new MVF with a 4x4 chassis performs a wider range of activities.



MVF has a fire extinguishing capacity equal to that of a Water Tender!



[Posted photo shows a concept vehicle]

MVF also has a fire extinguishing capacity equivalent to that of a normal fire fighting vehicle. It is compact, and carries a class A-2 pump and a 900 liter water tank as a normal fire fighting vehicle does, that enables MVF to discharge water expeditiously upon arriving at the fire scene. MVF is also equipped with the latest fire extinguishing system, CAFS, that can efficiently extinguish a fire with a small amount of water. CAFS is easily operated. Its hoses are light and easily handled by firefighters, which reduces their work load at the fire scene. Furthermore, the boom is equipped with a telescopic water pipe which easily enables water to be discharged from above.

MVF provides sufficient storage space!

MVF provides compartments with sufficient space for storing extinguishing equipment on both sides of its body. In its compartments, it can accommodate hoses, other fire equipment and materials to cope with diversifying firefighting activities required at each fire scene.



MVF won a Good Design Award!



MVF's stylish design that represents its functionality to the maximum extent was granted a Good Design Award for FY2014. It adopts a high roof made of the latest carbon fiber which provides lighter cabin than the one made of other materials. Having a high ceiling and a cab roof strong enough for firefighting to work on it. Wide lateral LED working lamps illuminate a larger area and improve the safety during work at night.

MVF is a completely new fire fighting vehicle that Morita is proposing. Since its launch, we have already received orders of more than 20 units. MVFs' usefulness and efficiency are increasingly expected for firefighting. This new concept of firefighting vehicle is a proposal of Morita in its eagerness to save as many lives as possible.

Morita has developed and launched a press-type garbage truck Press Master E-SVN.

Press Master E-SVN, recently developed and started selling by Morita Econos, is a press-type garbage truck which is designed for higher efficiency, less labor, and keep designed safe improvement in garbage collection in a manner that considered the environment of the local community.

Lighting devices and other items are centralized in our unique high-mounted rear panel to make visibility from the rear better and improved safety. Furthermore, the height of the input port was modified in order to reduce the work burden of those engaged in garbage collection and improve the vehicle's operability. The basic capability was improved with its body capacity enlarged to the biggest of its class. Furthermore, in the electricity-driven mode the vehicle is emission-free. It realizes the most garbage collection cycles in succession in its class and also has reduced noise.

On top of all of the above features, the vehicle won the prize at the world-famous "iF Design Award 2017" for its beautiful, strong design.

We will continue to make the most of what our customers are saying in pursuit of quality that is "Safer and easier to use. Urban-friendly!"

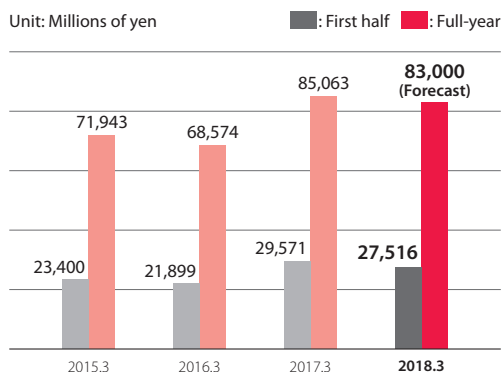
Environmental Conservation Vehicles Business



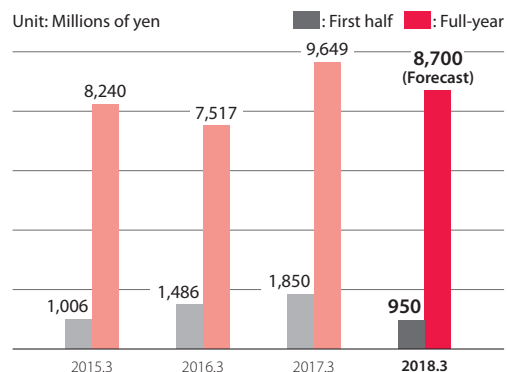
Press-type garbage truck Press Master E-SVN

Financial Highlights (Consolidated)

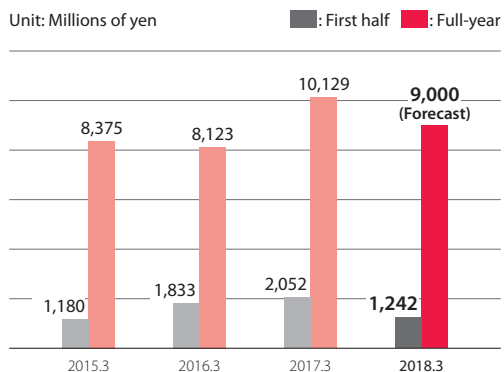
Net sales



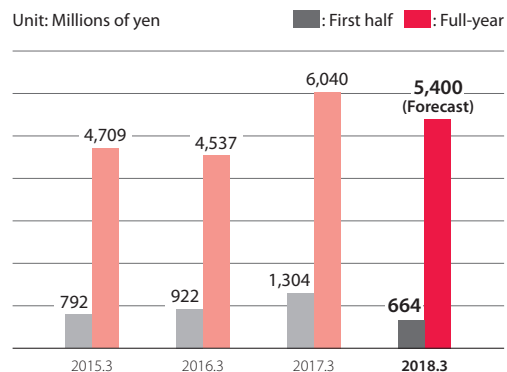
Operating income



Ordinary income



Net income attributable to owners of parent company



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales 7,344 million yen Year on year ↓
Down 2.4%

Income 112 million yen Year on year ↓
Down 62.2%



We have booked orders for Packaged Automatic Fire Extinguishing System "SPRINEX"; however, the installations will be completed principally in and after the third quarter of the current fiscal year.

Fire Fighting Vehicles Business

Net sales 13,671 million yen Year on year ↓
Down 10.5%

Income 577 million yen Year on year ↓
Down 42.9%



Sales decreased in reaction to the increase in domestic in the previous terms.

Environmental Conservation Vehicles Business

Net sales 4,860 million yen Year on year ↓
Down 1.6%

Income 222 million yen Year on year ↓
Down 60.9%

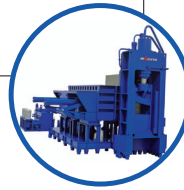


Sales of new press-type garbage truck "Press Master" increased, while parts and components sales decreased.

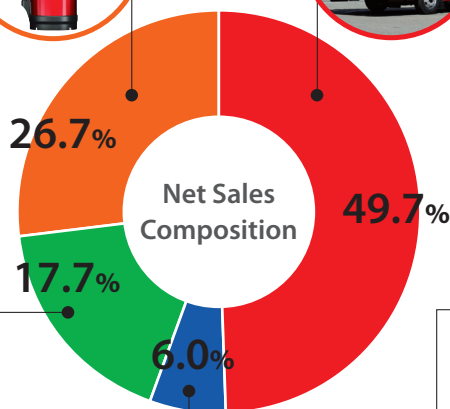
Recycling Machines Business

Net sales 1,640 million yen Year on year ↓
Down 10.6%

Income 24 million yen Loss of 9 million yen in the same period of the previous fiscal year ↑



Product orders decreased; however, the focus has been on components and maintenance sales.



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
Corporate Executive Officer	Mitsuru Ito

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]

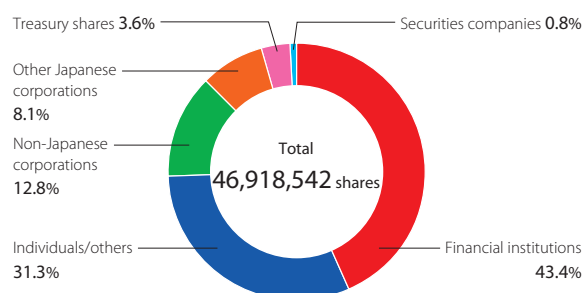
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

Major Group Companies

MORITA CORPORATION	1-5 Techno Park, Sanda-shi, Hyogo, 669-1339, Japan Development, manufacturing and sales of ladder trucks, fire trucks, 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 rescue equipment. 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 aerial platforms

Distribution of Shares by Type of Shareholder

As of September 30, 2017



Top 10 Shareholders

As of September 30, 2017

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,437
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
Japan Trustee Services Bank, Ltd. (Trust account)	2,057
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,116
NORTHERN TRUST CO. (AVFC) RE HCR00	958

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,680 thousand shares.