

Business Report

for the 85th Term

From April 1, 2017 to March 31, 2018



MORITA GROUP

Protecting Human Life and Mother Earth



Securities Identification Code: 6455

Top Message

● Greeting

Since our company was founded in 1907, for over the years we have shared the path with the history of Japan's firefighting technology development as a top manufacturer of fire fighting vehicles. 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 Equipments & Systems, Recycling Machines and Environmental Conservation Vehicles while remaining committed to its missions of protecting human lives and property and irreplaceable nature of the earth and, for that, keeping on trying to make greater innovation and creating new value. Aiming to make great strides and improve enterprise value, we are also working under our basic policy of

"exploiting new markets", "increasing profitability of existing business", "enhancing the R&D", and "carrying out investment for sustainable growth". In addition, we are convinced that development of a sustainable society will be facilitated by promoting corporate activities to take good care of the environment and to realize a better society to live in under a corporate governance structure which enables transparent, fair, quick and bold decision-making. At Morita Group, we are all united and striving to earn the trust of a broad spectrum of society.

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

Masahiro Nakajima, Chairman and CEO
Kazumi Ogata, President

Overview of 85th Term

Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company
¥85,502 million	¥8,483 million	¥9,030 million	¥5,741 million
Year on year Up 0.5% ↑	Year on year Down 12.1% ↓	Year on year Down 10.8% ↓	Year on year Down 4.9% ↓

During this consolidated fiscal year under review, Japan's economy was on a moderate recovery trend as evidenced by improvements in corporate earnings and employment environment thanks to various economic measures implemented by the government; however, the future remains uncertain because of slowing emerging economies and the instability of the world economy due to the rising trend of protectionism.

In such circumstances, Morita group has been working on various measures aimed at increasing enterprise value for the second year of our Mid-term Plan, "Morita Advance Plan 1000." As a result of the healthy growth of the Fire Protection Equipments & Systems Business, net sales during this

consolidated fiscal year under review increased by ¥438 million from the previous year to a record high, ¥85,502 million (+0.5%), and achieved its highest sales record. In the meantime, operating income decreased by ¥1,165 million to ¥8,483 million (-12.1%) due to the decline in domestic demand for the Fire Fighting Vehicles Business and a cost increase caused by the relocation of a factory for the Environmental Conservation Vehicles Business, ordinary income, by ¥1,098 million to ¥9,030 million (-10.8%), and net income attributable to owners of parent company, by ¥298 million to ¥5,741 million (-4.9%) from the previous year, respectively.

Morita developed and showcased two new models of fire fighting vehicle at "Tokyo International Fire and Safety Exhibition 2018".

Fire Fighting
Vehicles Business

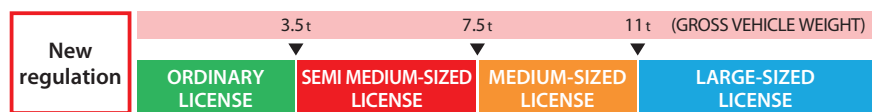
Under the concept of "Go Beyond", Morita Group exhibited two newly developed fire fighting vehicle models at the "Tokyo International Fire and Safety 2018 (Fire-Safety Tokyo)" held at Tokyo Big Sight from Thursday, May 31 to Sunday, June 3, 2018.

1. Miracle Light, fire fighting vehicle (Type CD-I) less than Gross Vehicle Weight (GVW) 3.5t, compatible with ordinary motor vehicle license

Previously, ordinary driver's license holders used to be allowed to drive fire fighting vehicle weighing less than 5t. But under the current Road Traffic Law (revised in March 2017), the limitation has been changed to less than GVW 3.5t.

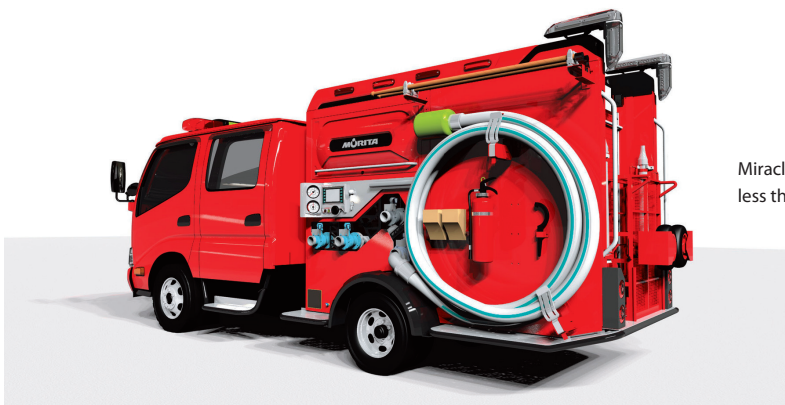
Our newly developed "Miracle Light" is first* and exclusive* Japanese domestic fire fighting vehicle (Type CD-I) that can be operated with Japanese ordinary driver's license applicable to new regulation of driver's license.

Despite its compact and smart design, Miracle Light has sufficient performance and good usability. Miracle Light is applicable to firefighting competitions, making it an excellent choice for members of volunteer fire corps nationwide in Japan.



[*Semi Medium-sized" Motor Vehicle License Classification, in Effect as of March 12, 2017.]

N.B. Ordinary motor vehicle license (newly acquired) allows drivers to operate only vehicles less than GVW 3.5t.



Miracle Light, fire fighting vehicle (Type CD-I)
less than GVW 3.5t, compatible with ordinary motor vehicle license

2. MVF21 (MORITA VARIOUS FIGHTER 21), multi-purpose fire fighting vehicle

"MVF21" is a multi-purpose fire fighting vehicle for fire extinguishing, rescue, and equipment storing. The vehicle fitted with a Compressed Air Foam System (CAFS) in order to extinguish fires using less volume of water, equipped with a 21m aerial platform, a 900L water tank, and sufficient storage space.

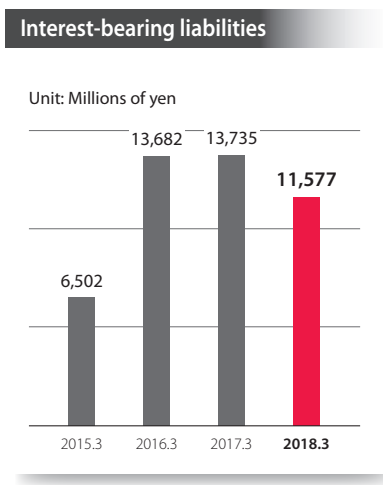
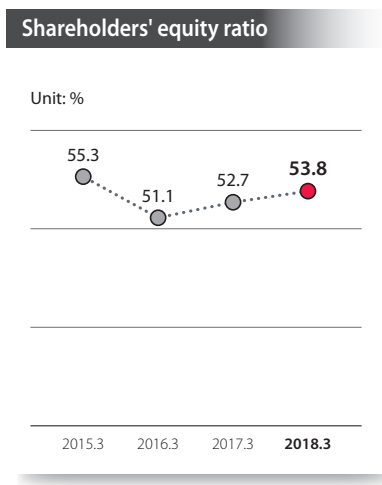
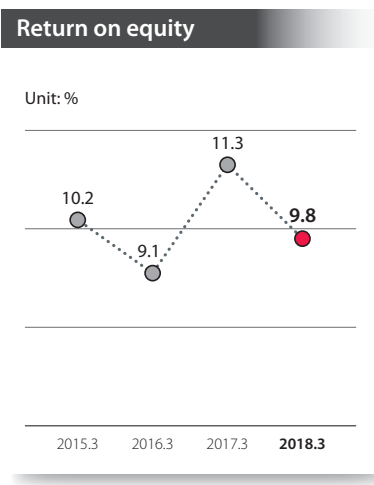
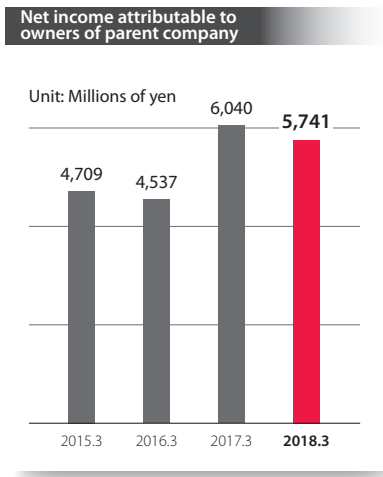
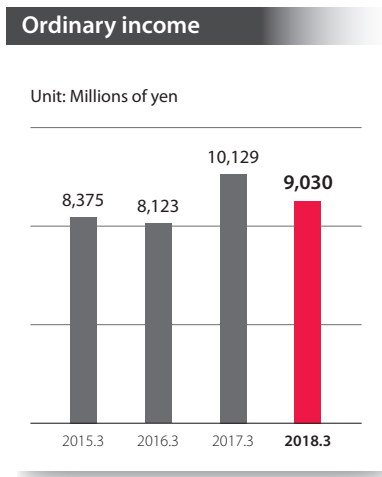
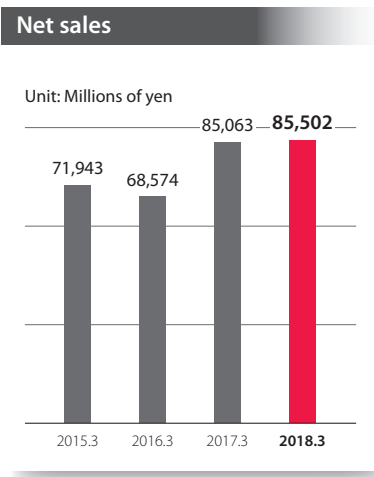
Also, MVF21 is equipped with a basket capable of carrying a maximum load of 400kg, which is the first development in Japan*. The basket was co-developed by our consolidated subsidiary BRONTO SKYLIFT OY AB of Finland and Morita Corporation in a process that utilized the best of each company's technology. MVF21 is a multipurpose fire fighting vehicle designed for a wide range of fire fighting and rescue operations.



MVF21,
multi-purpose fire fighting vehicle

(* As of May 1, 2018, according to our own research)

Financial Highlights (Consolidated)



Performance by Segment

Fire Protection Equipments & Systems Business

Net sales **Year on year ↑**
21,261 million yen Up 16.8%

Operating income **Year on year ↑**
2,101 million yen Up 71.0%



As a result of steady sales growth of "SPRINEX", a packaged automatic fire extinguishing system, both sales and income increased.

Fire Fighting Vehicles Business

Net sales **Year on year ↓**
49,781 million yen Down 4.2%

Operating income **Year on year ↓**
5,527 million yen Down 23.0%



Sales and income both decreased in reaction to the increase in domestic demand in the previous year.

Environmental Conservation Vehicles Business

Net sales **Year on year ↓**
10,331 million yen Down 1.6%

Operating income **Year on year ↓**
611 million yen Down 50.3%

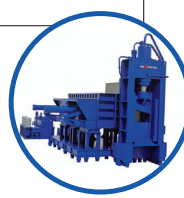


Sluggish demand for sanitary vehicles resulted in a decrease in both sales and income.

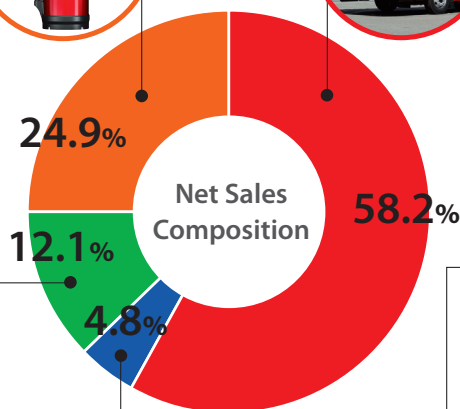
Recycling Machines Business

Net sales **Year on year ↓**
4,127 million yen Down 5.8%

Operating income **Year on year ↑**
191 million yen Up 290.4%



As a result of focused efforts in parts sales and maintenance amid a decline in product sales, sales decreased and income increased.



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	Shinichi Kanaoka
Director	Mitsuo Isoda
Director	Takao Kawanishi
Full-Time Corporate Auditor	Eiji Asada
Full-Time Corporate Auditor	Atsushi Miyazaki
Auditor	Masaru Ota
Auditor	Shozo Nishimura
Managing Corporate Executive Officer	Shinya Murai
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]

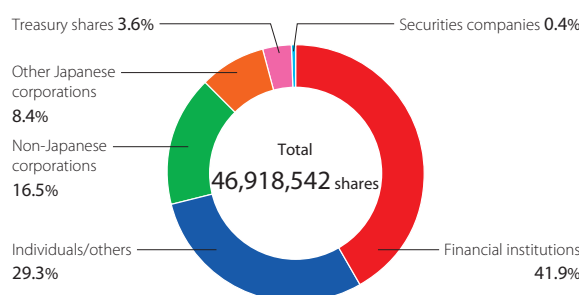
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

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	Teerivuorenkatu 28, FI-33300 Tampere, Finland Development, manufacturing and sales of combined platform ladders and aerial platforms

Distribution of Shares by Type of Shareholder

As of March 31, 2018



Top 10 Shareholders

As of March 31, 2018

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,208
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)	1,766
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,140
NORTHERN TRUST CO. (AVFC) RE HCR00	885

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,681 thousand shares.
3. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its name to MUFG Bank, Ltd. on April 1 2018.