



MORITA GROUP

Protecting Human Life
and Mother Earth

To Shareholders and Investors

Business Report for the 83rd Term

From April 1, 2015 to March 31, 2016

Securities Identification Code: 6455

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

Top Message

● Greeting

Shosaku Morita, who Morita Holdings is named after, founded our company in 1907 and made the first gasoline-powered fire pump in Japan.

Ever since then, Morita Holdings has been developing firefighting technology in Japan, working as a leading manufacturer of fire trucks for over a century. We owe our success to our customers who have continued to support us to this very day, for which we are deeply grateful.

In addition to our dedication to the protection of human life and property from fire, we have embarked in environment-related businesses including environmental conservation vehicles, waste recycling plants and waste disposal

equipment, working hard to tackle the great challenge of protecting our natural green environment from lifestyle-induced pollution.

For the future, we have our sights set on a progressively global expansion, and aim to be the corporation for safety and security.

Under the slogan of Protecting Human Life and Mother Earth, Morita Group continues to unflinchingly commit itself to developing and embracing new technologies to protect our lives.

Masahiro Nakajima, Chairman & CEO

Kazumi Ogata, President

Overview of 83rd Term

Net sales

68,574 million yen

Year on year

Down 4.7%



Operating income

7,517 million yen

Year on year

Down 8.8%



Ordinary income

8,123 million yen

Year on year

Down 3.0%



Net income attributable to owners of parent company

4,537 million yen

Year on year

Down 3.7%



During this consolidated fiscal year under review, a gradual recovery was seen in economic conditions in the Japanese economy, including improvements in companies' performance and in the employment environment as a result of the economic and fiscal policies pursued by the Japanese government and the Bank of Japan. In contrast, the outlook for economic conditions remains unclear because of the slowdown in the global economy, including China, and instability in the financial markets, which have seen a rapid strengthening in the yen and a sharp drop in share prices since the start of the year.

In this environment, Morita Group has sought to achieve sustainable growth and pursued cost reductions in addition to actively promoting business expansion, and worked to develop new products.

In order to accelerate the global development of the Fire Fighting Vehicle Business, on January 29, 2016 we acquired a Finnish company BRONTO SKYLIFT OY AB.

Under these circumstances, the Fire Fighting Vehicles Business has encountered a period of low demand in Japan. In the current fiscal year net sales fell by 3,368 million yen year on year to 68,574 million yen (down 4.7%), operating income fell by 722 million yen year on year to 7,517 million yen (down 8.8%), and ordinary income fell by 252 million yen year on year to 8,123 million yen (down 3.0%). Net income attributable to owners of parent company fell by 172 million yen year on year to 4,537 million yen (down 3.7%), partly as a consequence of a 600 million yen loss on sales of stocks of subsidiaries and affiliates, and a 572 million yen loss on valuation of investment securities.

Acquired a Finnish company with the aim of promoting the globalization of our business

Fire Fighting
Vehicles Business

On January 29, 2016, Morita Holdings acquired 100% shares of BRONTO SKYLIFT OY AB (BRONTO), which is headquartered in the Northern European city of Tampere, Finland. Morita Group has made a start in further promoting the globalization of our business. BRONTO has built a sales network covering more than 100 countries throughout Europe and the world, and expanded its business as the global top brand in Combined Platform Ladders (CPL).

improvement through enhancing its overseas fire fighting vehicles business and obtaining BRONTO's state-of-the-art CPL technology.

The CPL is a vehicle with a ladder attached beside the boom to allow fire-fighting and rescue from high elevations. Some models even operate at heights of up to 112m.

Morita believes that integrating BRONTO into its group will contribute to the group's sustainable growth and corporate value

Outline of BRONTO SKYLIFT OY AB

Founded	1938
Location	Tampere City, Republic of Finland
Number of employees	approximately 400
Main products	Combined Platform Ladders (CPL) Aerial work platforms



CPL(Combined Platform Ladder)

Sales launched for "SPRINEX mini", packaged automatic fire extinguishing system type II

Fire Protection Equipment &
Systems Business

- Satisfies the obligation to install fire extinguishing equipment at small-scale welfare facilities under the amended Fire Services Act -

On April 1, 2016, Morita Miyata Corporation launched a build-to-order service for "SPRINEX mini", packaged automatic fire extinguishing system type II that can be installed as an alternative to a sprinkler system at small-scale welfare facilities with total floor space of less than 275 m².

[Features of "SPRINEX mini"]

- Rapidly detects and extinguishes fires (detects fires using two types of sensor, and extinguishing fires at an early stage)
- Extinguishing performance 4 times better than water
- Stands up to interruptions in the water or power supply and freezing (extinguishing fluid is stored inside the main unit, giving you peace of mind even if the water supply is cut; the system uses lithium batteries, meaning that fires can be extinguished even when there is a power cut)
- Space-saving, simple installation, and simple maintenance and removal (there is no need for complicated piping work)
- There is less water damage after extinguishing a fire

More than 60% of the casualties in building fires result from victims failing to escape quickly enough. More than half of these victims are elderly. The Fire Services Act was amended because of the large number of fires with casualties occurring at social welfare facilities. Irrespective of the scale of the facility, any facility with a significant number of elderly or disabled residents who would not be able to evacuate without assistance must have a sprinkler system installed. Even in existing buildings, it will be compulsory to install a system by the end of March 2018.

Installation of "SPRINEX mini" has been approved as an alternative to installing a sprinkler system at small-scale welfare facilities with total floor space of less than 275 m². "SPRINEX mini" is an automatic fire extinguishing system with a compact design modelled on "SPRINEX", which already has a track record of introduction at approximately 2,700 welfare facilities and hospitals over a period of 27 years.



"SPRINEX mini"

Full line-up developed for the Pack Master, Rotary extrusion garbage truck

Environmental Conservation
Vehicles Business

Morita Econos Corporation recently carried out a complete renewal of its compact wide model and medium-sized model Pack Master garbage trucks and launched sales.

Pack Master is a rotary extrusion garbage trucks series that aims to make garbage collection more efficient, as well as safer and easier.

The elegant shape of the new models has been designed in the pursuit of practicality and safety, which are the essence of workplace needs. A new standard has been set for garbage trucks by using the concept of "beauty = strength, cleanliness and reliability" in order to create a functional elegance that sweeps away the workmanlike image of existing garbage collection vehicles.

Also a new model of the Press Master press-type garbage truck has been designed and sales are due to be launched this autumn.

We will continue to value to our customers' opinions as we pursue improvements in safety and convenience.

Design Conscious × Garbage Truck

- Creating a new standard for garbage collection trucks:
practicality & shape design -

[Features of Pack Master]

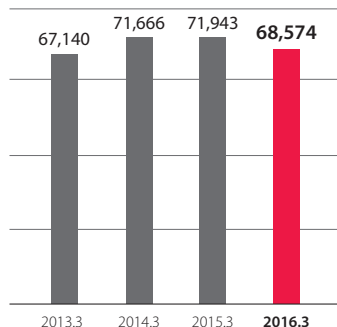
- The largest capacity in its class (box capacity)
- High-mounted rear panel (an arch-like design that draws attention to the environment)
- Slim-line body (improves drivability in cramped locations)
- Improved loading function (20% improvement compared to previous compact wide model and 9% improvement compared to previous medium-sized model)



Financial Highlights (Consolidated)

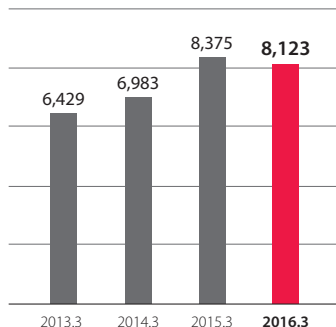
Net Sales

Unit: Millions of yen



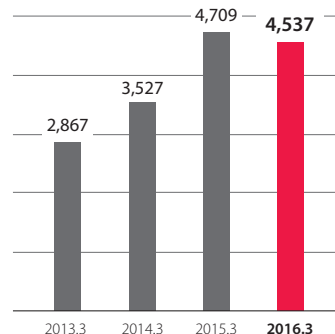
Ordinary Income

Unit: Millions of yen



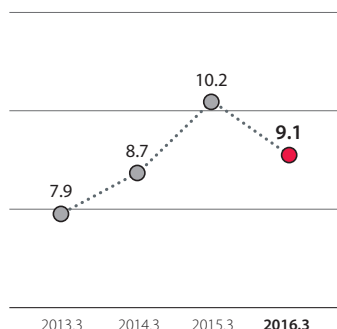
Net Income Attributable to Owners of Parent Company

Unit: Millions of yen



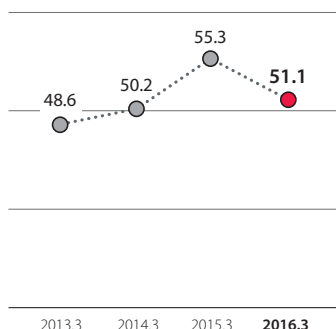
Return on Equity

Unit: %



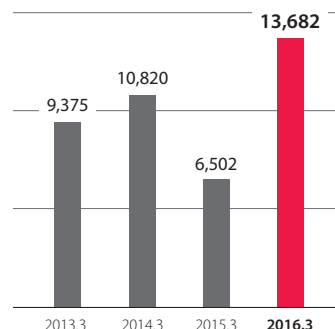
Shareholders' Equity Ratio

Unit: %



Interest-Bearing Liabilities

Unit: Millions of yen



Performance by Segment

Fire Protection Equipment & Systems Business

Net Sales 19,940 million yen ↑ Year on year Up 8.2%

Income 1,780 million yen ↑ Year on year Up 16.3%



Sales and income were both up thanks to strong sales of SPRINEX, packaged automatic fire extinguishing system.

Fire Fighting Vehicles Business

Net Sales 32,820 million yen ↓ Year on year Down 14.4%

Income 4,176 million yen ↓ Year on year Down 26.9%



We possess a large market share, but sales and income both fell as a result of a period of low demand in Japan.

Environmental Conservation Vehicles Business

Net Sales 9,859 million yen ↑ Year on year Up 1.7%

Income 1,134 million yen ↑ Year on year Up 45.8%

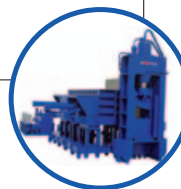


Sales and income both increased as a result of stable demand and the promotion of cost-cutting.

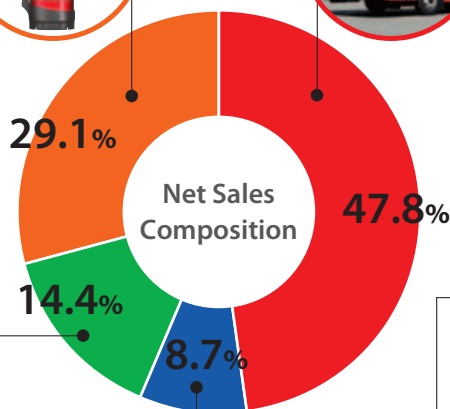
Recycling Machines Business

Net Sales 5,953 million yen ↑ Year on year Up 8.4%

Income 420 million yen ↑ Year on year Up 86.8%



Sales and income both rose thanks to strong product orders and 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	Yukihiro Maehata
Director	Toru Matsuo
Director	Mitsuo Isoda
Full-Time Corporate Auditor	Eiji Asada
Full-Time Corporate Auditor	Atsushi Sasaki
Full-Time Corporate Auditor	Yusuke Takano
Auditor	Masaru Ota
Corporate Executive Officer	Hiroko Urano
Corporate Executive Officer	Naohisa Sakamoto
Corporate Executive Officer	Shinichi Kanaoka
Corporate Executive Officer	Shinya Murai

Information about the Stock

Business Year	April 1 st to March 31 st
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 st Year-end Dividend - March 31 st Interim Dividend - September 30 th 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)	+81-3-3323-8222
(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.

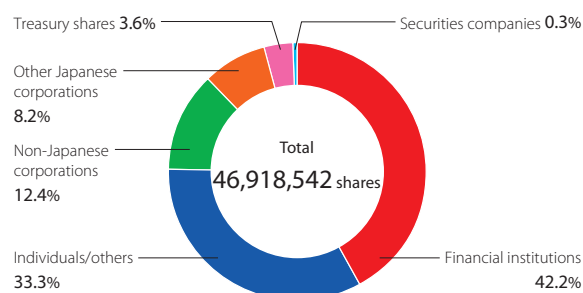
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Major Group Companies

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	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
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 31st, 2016



Top 10 Shareholders

As of March 31st, 2016

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,495
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)	1,759
AIR WATER INC.	1,730
NORTHERN TRUST CO. (AVFC) RE-HCROO	1,557
Morita Employees Shareholding Association	910

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,678 thousand shares.