

Interim Business Report for the 86th Term

From April 1, 2018 to
September 30, 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 Equipment & 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 the first half of 86th Term

Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company
¥31,925 million	¥1,093 million	¥1,379 million	¥728 million
Year on year Up 16.0% ↑	Year on year Up 15.1% ↑	Year on year Up 11.0% ↑	Year on year Up 9.7% ↑

During the second quarter of FY2018 under review, Japan's economy has been on a moderate recovery trend as evidenced by improvements in corporate earnings and employment situation thanks to various economic measures implemented by the government; however, the future remains uncertain because of a series of natural disasters and global trade conflict that stems from protectionist policies of the U.S.

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

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

With respect to our business performance, net sales for the consolidated cumulative second quarter increased by ¥4,408 million from the year-ago period to 31,925 million yen (+16.0%). Also, operating income increased by ¥143 million to ¥1,093 million (+15.1%), ordinary income, by ¥136 million to ¥1,379 million (+11.0%), and quarterly income attributable to owners of parent company, by ¥64 million to ¥728 million (+9.7%) year-on-year, respectively.

Compact off-road fire truck Red Ladybug Awarded the "2018 Good Design Best 100"

Morita Corporation's "Compact off-road fire truck Red Ladybug," which was developed with the cooperation of Kawasaki Heavy Industries, Ltd., was recently selected as a winner of the "2018 Good Design Best 100," an award hosted by Japan Institute of Design Promotion.

About the award-winning product "Compact off-road fire truck Red Ladybug"

A series of unforeseen natural disasters have occurred in recent years across Japan, resulting in damages caused by earthquakes, typhoons and torrential rains that lead to wind and flooding hazards as well as damages resulting from landslide, snow, volcanic eruption and forest fires.

Red Ladybug is a fire truck equipped with excellent off-road travelling performance, which enables self-propelled entry into disaster sites covered with rubble, landslide or other debris that make it difficult for a normal fire truck to approach. MULE PRO-FX, a multi-purpose 4x4 base truck by Kawasaki Heavy Industries, which offers outstanding off-road performance and stable riding comfort, was adopted as its base truck. Red Ladybug accommodates three persons and is ideal for smooth fire fighting operations. Driven by a strong desire to save as many lives as possible, we have developed such a fire truck that can reach the disaster sites quickly.

Fire Fighting
Vehicles Business



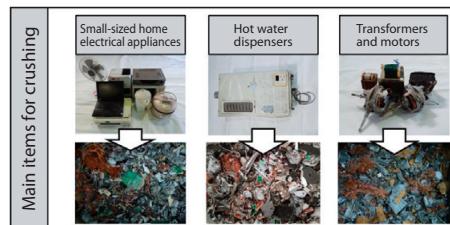
Developed and Launched Vertical Crusher "VARICRUSHER™"

This term, Morita Environmental Tech Corporation launched "VARICRUSHER™," a vertical crusher designed for small miscellaneous scraps and small-sized home electrical appliances.

"VARICRUSHER™" is a high-speed rotating vertical crusher that was developed to crush small miscellaneous scraps such as hot water dispensers, small motors and transformers as well as small-sized home electrical appliances such as computers, printers, rice cookers and microwave ovens. Its aim has been to enable the recovery of iron, copper, aluminum, plastic and other resources from scraps that had been difficult to process in the past.

By integrating the crusher body with motor into one unit, the crusher can now be installed in a smaller space.

Capitalizing on its accumulated experience as a scrap processing plant manufacturer, Morita Environmental Tech proposes, designs and builds valuable recovery lines that are adapted to the item for processing. Furthermore, Morita Environmental Tech has installed a demonstration machine inside its plant (Funabashi City, Chiba Pref.) to conduct crush sampling tests in response to requests by customers as needed.



Recycling Machines
Business



Launched "Miracle Changer J01," an odor-eliminating pump oil control system "Turning unpleasant odor into pleasant smell," designed for sanitary vehicles (vacuum trucks)

In November this year, Morita Econos Corporation launched "Miracle Changer J01," an odor-eliminating pump oil control system for sanitary vehicles that was jointly developed with Kao Corporation under the concept, "turning unpleasant odor into pleasant smell."

The product "Miracle Changer J01" has been jointly developed to improve the environment which the sanitary vehicles operate and the work environment of operators. By using this product, odor can be controlled effectively, restraining unpleasant odor in areas in which the sanitary vehicles operate, places where such vehicles are stored, and other locations. The product exhibits outstanding effect especially in sightseeing areas and densely inhabited residential districts where the odor around the work area can be a nuisance. Pleasant smell is generated simply by adding a small amount of this product into the sanitary vehicle's vacuum pump oil tank, and no special maintenance is required.

Morita Econos will keep up its efforts to develop environment-friendly products by valuing the voice of its customers.

Environmental Conservation
Vehicles Business



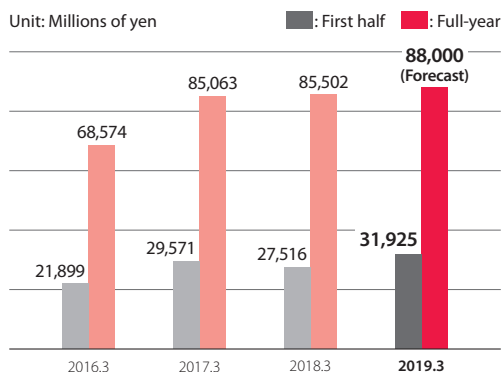
Odor-eliminating mechanism



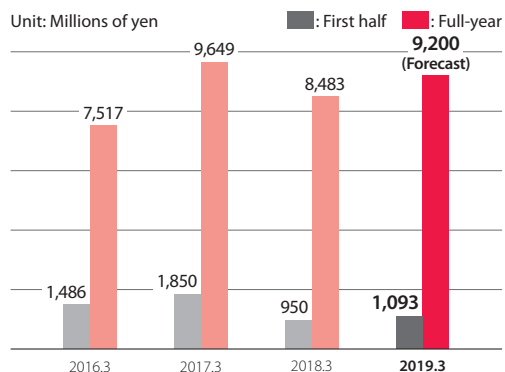
Unpleasant odor turns into pleasant smell when the offensive odor emitted by sanitary vehicles comes into contact with **Miracle Changer J01**, developed jointly by Morita Econos Corporation and Kao Corporation.

Financial Highlights (Consolidated)

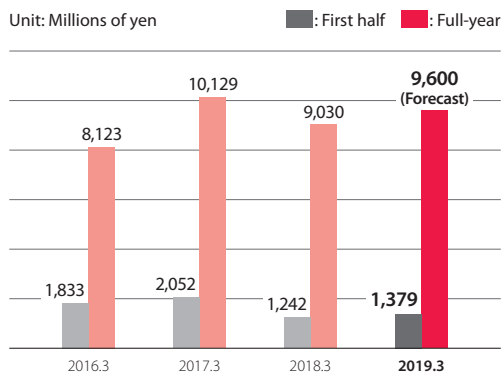
Net sales



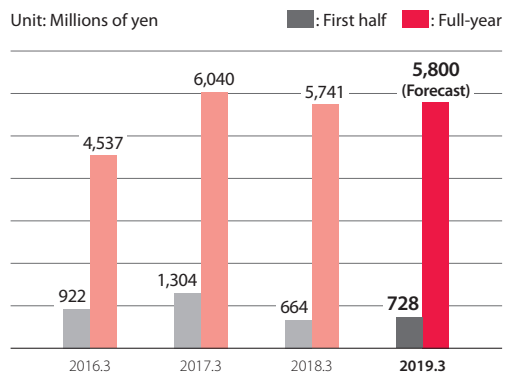
Operating income



Ordinary income



Net income attributable to owners of parent company



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales 9,763 million yen ↑ Year on year Up 32.9%

Operating income 514 million yen ↑ Year on year Up 357.6%



Sales of "SPRINEX," a packaged automatic fire extinguishing system, were robust.

Fire Fighting Vehicles Business

Net sales 14,954 million yen ↑ Year on year Up 9.4%

Operating income 148 million yen ↓ Year on year Down 74.2%



Sales in overseas regions increased steadily except in China where delays in issuing import license occurred due to institutional changes.

Environmental Conservation Vehicles Business

Net sales 4,846 million yen ↓ Year on year Down 0.3%

Operating income 252 million yen ↑ Year on year Up 13.4%

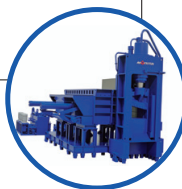


Some delays in delivery occurred due to the impact of disasters caused by torrential rains and typhoons.

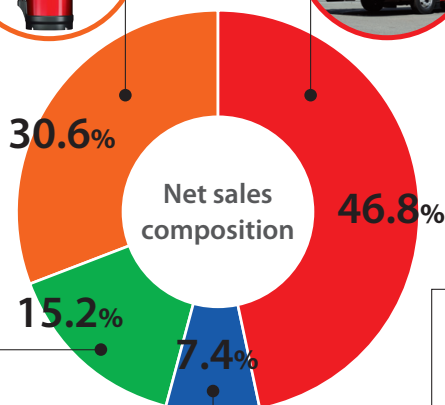
Recycling Machines Business

Net sales 2,361 million yen ↑ Year on year Up 43.9%

Operating income 230 million yen ↑ Year on year Up 827.2%



Sales of parts and maintenance increased steadily.



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 Executive Officer	Shinya Murai
Executive Officer	Naohisa Sakamoto
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 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)	https://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]

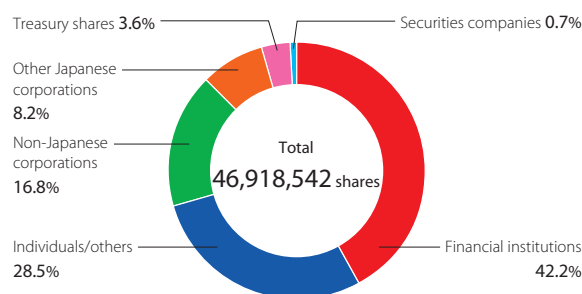
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

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	TOC ARIAKE West Tower 19F, 3-5-7 Ariake, Koto-ku, Tokyo, 135-0063, 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	Teerivuoenskatu 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 September 30, 2018



Top 10 Shareholders

As of September 30, 2018

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,232
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
MUFG Bank, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
Japan Trustee Services Bank, Ltd. (Trust account)	1,834
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,172
JP MORGAN CHASE BANK 385632	909

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,682 thousand shares.