

To Shareholders and Investors

Business Report for the 86th Term

BUSINESS REPORT

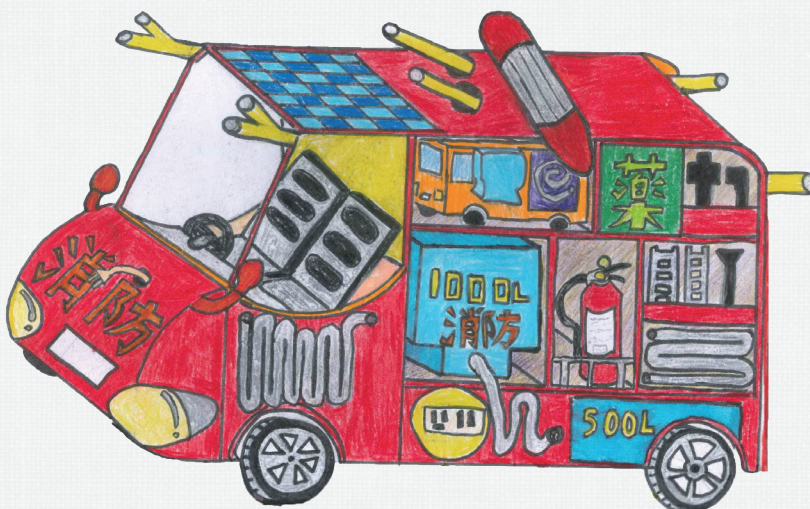
From April 1, 2018 to March 31, 2019

Securities Identification Code: 6455



MORITA GROUP

Protecting Human Life and Mother Earth



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.

We have recently established our new Mid-term Plan <<Morita Reborn 2025>>, which sets its final fiscal year as fiscal 2025. In this plan, we set our basic policies as "increasing profitability of existing business", "cultivating and expanding overseas businesses and new businesses", "enhancing basic research capabilities and new product development", "developing innovative human resource" and "promoting CSR activities". We will positively implement these policies in order to become a global company providing comprehensive disaster prevention solutions. With all our energy, we will continue working on becoming a company group widely trusted by society, so we sincerely wish for your continuous support.

Masahiro Nakajima, Chairman and CEO
Kazumi Ogata, President

Overview of 86th Term

Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company
¥91,524 million	¥9,483 million	¥10,104 million	¥6,391 million
Year on year Up 7.0% ↑	Year on year Up 11.8% ↑	Year on year Up 11.9% ↑	Year on year Up 11.3% ↑

During this consolidated fiscal year under review, although our nation's economy remained on a gradual recovery trend with corporate profit and the work environment improving, due to the trade conflict between the US and China, the slow-down of the Chinese economy and other reasons, the future of our nation's economy is still unpredictable.

In such a business environment, our group had been working on various measures to improve our enterprise value, as it was the final fiscal year of our 3-year Mid-term Plan, "Morita Advance Plan 1000".

In such situation, our Fire Fighting Vehicles Business registered

a particularly good performance. As a result, during the consolidated fiscal year under review, our net sales increased by ¥6,021 million from the previous year to ¥91,524 million (+7%), operating income increased by ¥999 million to ¥9,483 million (+11.8%), ordinary income increased by ¥1,074 million to ¥10,104 million (+11.9%), and net income attributable to owners of the parent company increased by ¥650 million to ¥6,391 million (+11.3%). Among the above, our net sales and net income attributable to owners of the parent company were record highs.

MVF21 Multi-Purpose Firefighting Vehicle won "iF DESIGN AWARD 2019"

Our MVF21 Multi-Purpose Firefighting Vehicle with a 21m Aerial Platform won "iF DESIGN AWARD" in the "Product category" of "iF DESIGN AWARD", a world-famous German design award.

MVF21 is equipped with a flexible 21m aerial platform and basket that can bear a load of 4,000N. The MVF21 was developed through technical cooperation between MORITA Corporation and BRONTO SKYLIFT OY AB, our consolidated subsidiary in Finland. This vehicle can dramatically expand the possibility of firefighting operations, with the unique function of rescuing wheelchair-bound people, and a design that is made to improve the user-friendliness for firefighters in order to enable safe firefighting operations.



Multi-Purpose Firefighting Vehicle with a 21m Aerial Platform, MVF21

Fire Fighting
Vehicles Business

Sales of "Miracle Light", a CD-I firefighting vehicle under 3.5 tons started

Due to the enforcement of the revised road traffic act in March 2017, the Gross Vehicle Weight (GVW) of firefighting vehicles which can be driven by regular automobile driver's license decreased from 5 tons to less than 3.5 tons.

About 49.5%* of total personnel who undertake firefighting and other disaster prevention are volunteer fire corps members. Many of the volunteer fire corps members have regular work and go to the scene of a fire or other disaster from their home or workplace. Most of them have only regular automobile driver's license. This means that persons who earn regular automobile driver's license after the enforcement of the revised road traffic act will not be able to drive firefighting vehicles that have already been deployed. In order to tackle this issue, MORITA started to develop firefighting vehicles under GVW 3.5-ton, completed development in fiscal 2018, and received orders for more than 30 units from the Ministry of Internal Affairs and Communication and others. MORITA will continue providing fire trucks which can be used easily and with confidence by people involved in firefighting.

*Fiscal 2017 results from the website of the Fire and Disaster Management Agency



"Miracle Light" CD-I firefighting vehicle under 3.5 tons
(can be driven with class 1 driver's license)

Fire Fighting
Vehicles Business

Started developing the bubble shower "KINUAMI" utilizing crowdfunding



Product design with a streamline shape expressing softness of bubbles

MORITA MIYATA CORPORATION started to develop the bubble shower "KINUAMI", a shower made with a new concept that provides a new bathing experience by creating highly condensed bubbles, in cooperation with NITTO CERA Corporation, a company that sells housing equipment, by utilizing crowdfunding provided by Makuake, Inc.

"KINUAMI" is a "body treatment" shower that richly covers your body with "bubbles of KINUAMI," which are automatically created in a shower head that contains a natural silk ingredient, like a white cocoon, and treats your skin after body-washing. We succeeded in applying MORITA's bubble creation technology developed for fire trucks to the shower head, based on the experience NITTO CERA has for bathing. Bubbles created by this shower head are so fine and thick that it is impossible for human hands to create the same things. We will provide innovative cosmetic products which can be developed only from collaboration between different industries.

Fire Protection Equipment &
Systems Business

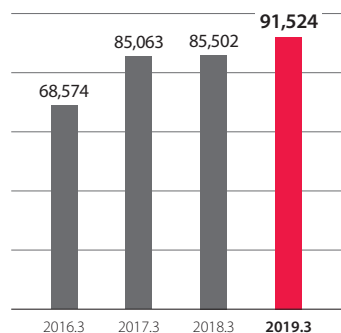
Cover page

Picture drawn by Kazuto Nagaike (4th grader in Hiratsuka City, Kanagawa Prefecture *at the time of application), winner of the first prize in the 14th "Future fire truck" idea contest for elementary students nationwide.

Financial Highlights (Consolidated)

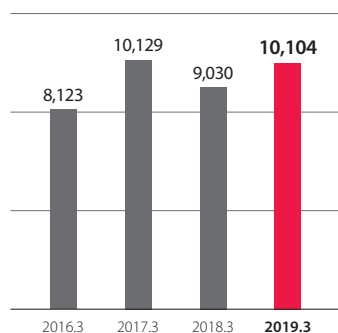
Net sales

Unit: Millions of yen



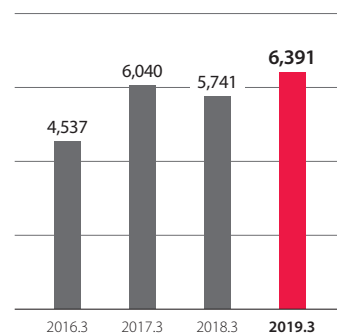
Ordinary income

Unit: Millions of yen



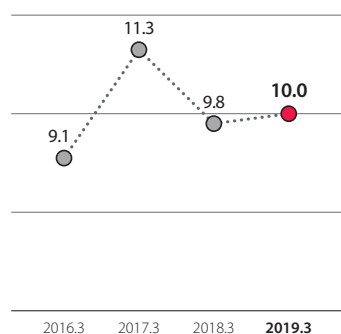
Net income attributable to owners of parent company

Unit: Millions of yen



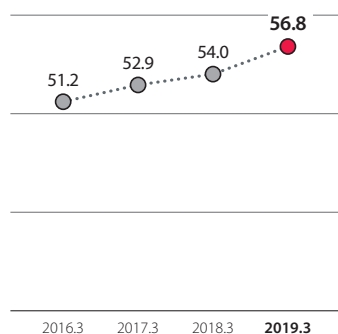
Return on equity

Unit: %



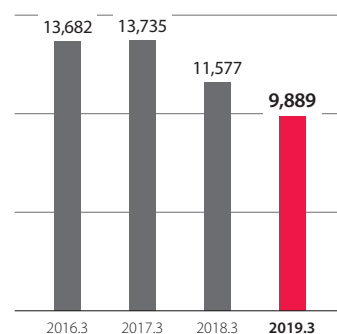
Shareholders' equity ratio

Unit: %



Interest-bearing liabilities

Unit: Millions of yen



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales **Year on year ↑**
21,626 million yen Up 1.7%

Operating income **Year on year ↑**
2,117 million yen Up 0.7%

Since sales of fire extinguisher and packaged automatic fire extinguishing system "SPRINEX" performed generally firm, both sales and income increased.



Fire Fighting Vehicles Business

Net sales **Year on year ↑**
54,626 million yen Up 9.7%

Operating income **Year on year ↑**
6,255 million yen Up 13.2%

Since both domestic and overseas sales showed excellent growth, sales and income increased.



Environmental Conservation Vehicles Business

Net sales **Year on year ↑**
10,561 million yen Up 2.2%

Operating income **Year on year ↑**
781 million yen Up 27.7%

Due to the normalization of delay in production line caused by relocation of the factory in the previous year, both sales and income increased.

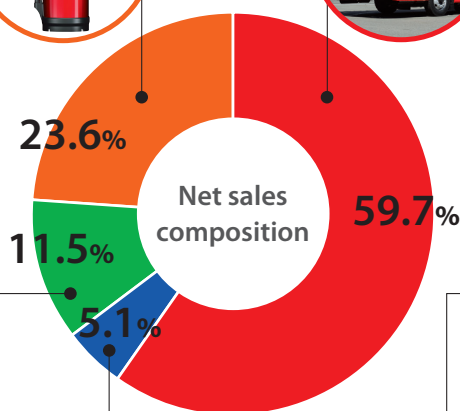
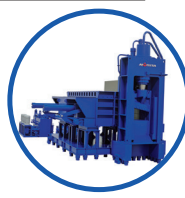


Recycling Machines Business

Net sales **Year on year ↑**
4,709 million yen Up 14.1%

Operating income **Year on year ↑**
381 million yen Up 98.8%

Due to the steady increase in new orders and sales of products, both sales 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	5-36-7 Shiba, 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 Managing Executive Officer	Kunio Morimoto
Director and Executive Officer	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 https://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]

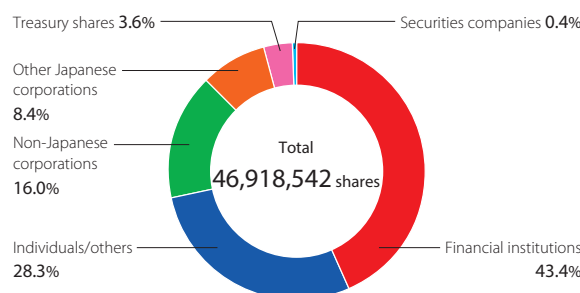
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

Major Group Companies

MORITA CORPORATION	1-5 Techno Park, Sanda-shi, Hyogo, 669-1339, Japan Development, manufacturing and sales of ladder trucks, fire trucks, 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	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, 2019



Top 10 Shareholders

As of March 31, 2019

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,175
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)	2,001
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,501
JP MORGAN CHASE BANK 385632	888

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.