



MORITA GROUP

Protecting Human Life and Mother Earth

Securities Identification Code: 6455

Business Report

To Shareholders and Investors

Interim Business Report for the 87th Term

From April 1, 2019 to September 30, 2019



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 the first half of 87th Term

<p>Net sales</p> <p>¥31,678 million</p> <p>Year on year Down 0.8% ↓</p>	<p>Operating income</p> <p>¥1,424 million</p> <p>Year on year Up 30.3% ↑</p>	<p>Ordinary income</p> <p>¥1,557 million</p> <p>Year on year Up 12.9% ↑</p>	<p>Net income attributable to owners of parent company</p> <p>¥2,065 million</p> <p>Year on year Up 183.5% ↑</p>
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During the second quarter of FY2019 under review, the future of Japan's economy is still unpredictable, due to concerns about worldwide economic slowdowns owing to the trade conflict between the U.S. and China, and the sluggish Chinese economy. In such a business environment, our group has been working on various measures to improve our enterprise value in light of the newly established Mid-term Plan "Morita Reborn 2025".

With respect to our business performance, net sales decreased by ¥246 million from the previous year to ¥31,678 million (-0.8%). On the other hand, operating income increased by ¥331 million to ¥1,424 million (+30.3%), and ordinary income, by ¥178 million to ¥1,557 million (+12.9%), and quarterly net income attributable to owners of parent company, by ¥1,336 million, due to the sale of fixed assets (the former Tokyo head office), to reach ¥2,065 million (+183.5%).

The “+ Home Fire Extinguisher” from the consumer disaster prevention brand +maffs received the “2019 Good Design Best 100” award.

Fire Protection Equipment
& Systems Business

The “+ Home Fire Extinguisher” is the first product from the disaster prevention brand +maffs by MORITA MIYATA CORPORATION, which focuses on consumer lifestyles under the concept of “Take disaster prevention into your lifestyle”. The product received the “Good Focus Award [Disaster Prevention & Recovery Design]” at the “2019 Good Design Best 100” awards, hosted by the Japan Institute of Design Promotion. This awards top 100 products that have received notably good reviews from juries of the Good Design Award hosted by the same institution.

■ About the award-winning product: “+ Home Fire Extinguisher”

The “+ Home Fire Extinguisher” is the first product from the +maffs brand, which was launched in January 2019 as a brand featuring consumer-friendly products. The product is for home use, with simple design and matte texture of its body. This enables the product to blend into living environments, meeting the brand concept of “Take disaster prevention into your lifestyle”.

Juries commented, “The simple modification of changing the color of the fire extinguisher from red to black and white is a big step forward in creating harmony with the living space. There have been a preconceptions that fire extinguishers must be red in order to grab visual attention. I feel like we have just accepted fire extinguishers to be red because that is the way they are. Innovation like this may happen in other areas with other products. The development of this product may be a good trigger for changing many other preconceptions we have.”

■ About the “Good Focus Award [Disaster Prevention & Recovery Design]”

The Good Focus Award [Disaster Prevention & Recovery Design] is given to outstanding designs which contribute to the prevention of and the recovery from natural disasters, chosen from all award-winning objects of the Good Design Award 2019.



The foam shower “KINUAMI”, which treats the entire body with warm, natural silk foam, received the “Good Design Award 2019”.

Fire Protection Equipment
& Systems Business

“KINUAMI” is a foam shower with a novel concept—it generates rich foam for a new bathing experience. The product was developed jointly by MORITA MIYATA CORPORATION and the housing equipment sales corporation NITTO CERA Corporation, and received the “Good Design Award 2019” hosted by the Japan Institute of Design Promotion.

■ About the award-winning “KINUAMI”

“KINUAMI” is a “body treatment” shower that can treat the skin after washing. Warm and rich “KINUAMI foam”, compounding ingredients from natural silk, is automatically discharged from a shower head and luxuriously wraps and packs the whole body of a user.

The “KINUAMI” project launched using Japan’s largest crowdfunding website “MAKUAKE” on March 27, 2019, to raise funds for delivering the product to users and started accepting advance reservations. Within about two weeks, the product sold out and the project met its goal, receiving many positive reviews from buyers.

Currently, the project is under preparation for delivering the product to people who have supported in raising funds and is also under deliberation for commercialization for the general public.



The press-type garbage truck “Press Master PB7” received the “Good Design Award 2019”

Environmental Conservation
Vehicles Business

The press-type garbage truck “Press Master PB7”, developed by MORITA ECONOS CORPORATION and is currently on sale, received the “Good Design Award 2019” hosted by the Japan Institute of Design Promotion.

■ About the award-winning “Press Master PB7”

The “Press Master PB7” is a press-type garbage truck that makes waste collection more efficient, alleviates workloads and improves safety. Lighting and display units have been put together on the company’s unique high-mounted panel (loaded on the upper side in the rear) to improve back area visibility and safety. A rear hatch is light enough for single-handed opening/closing. Garbage trucks have an important role in keeping our daily lives and cities clean. The “Press Master PB7” aims to be a smart working vehicle with a

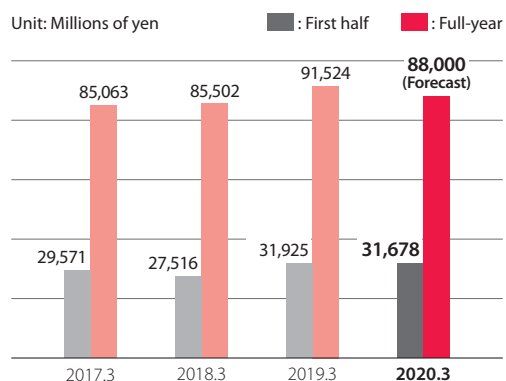
powerfully functional and reliable design that can fit into townscapes. We hope that this vehicle will be recognized as “the reliable garbage truck to clean the town” by local citizens and society and also enable workers to do their jobs with pride and joy.



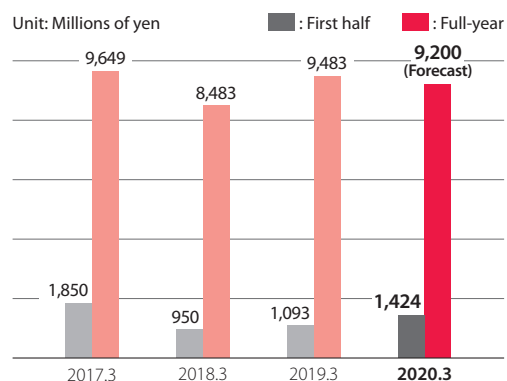
Press Master PB7

Financial Highlights (Consolidated)

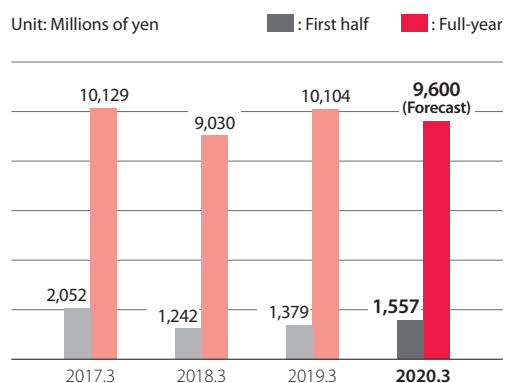
Net sales



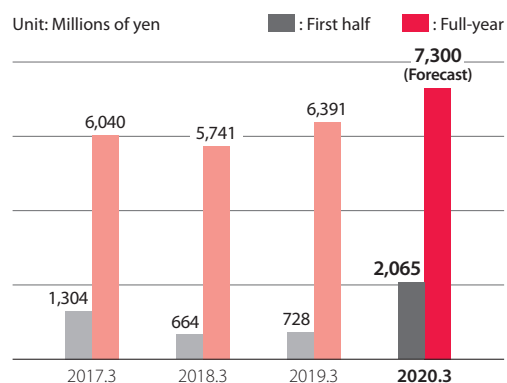
Operating income



Ordinary income



Net income attributable to owners of parent company



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales	Year on year	↓
8,003 million yen	Down 18.0%	
Operating income	Year on year	↓
227 million yen	Down 55.7%	



Although fire extinguisher sales performed well, sales for the packaged automatic fire extinguishing system "SPRINEX" were slow.

Fire Fighting Vehicles Business

Net sales	Year on year	↑
15,929 million yen	Up 6.5%	
Operating income	Year on year	↑
557 million yen	Up 274.9%	



Mainly due to the steady increase in overseas sales.

Environmental Conservation Vehicles Business

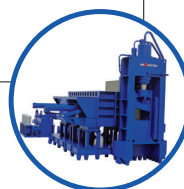
Net sales	Year on year	↑
5,134 million yen	Up 6.0%	
Operating income	Year on year	↑
401 million yen	Up 59.2%	



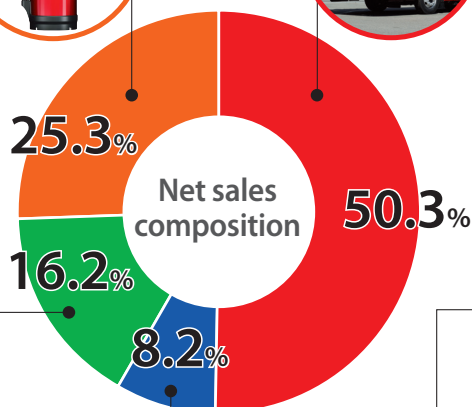
Product shipments increased steadily.

Recycling Machines Business

Net sales	Year on year	↑
2,611 million yen	Up 10.6%	
Operating income	Year on year	↓
221 million yen	Down 4.2%	



While maintenance and services decreased, sales of products 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 Dosho-machi, 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.

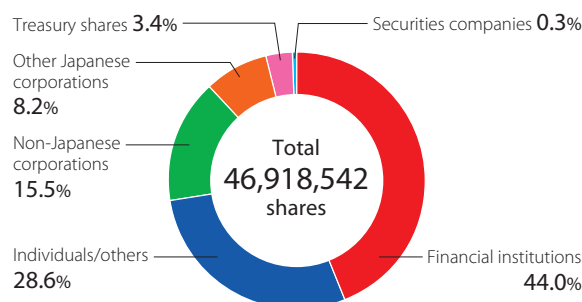
For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

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	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 September 30, 2019



Top 10 Shareholders

As of September 30, 2019

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Japan Trustee Services Bank, Ltd. (Trust account)	2,260
Morita Trading-Partner Shareholding Association	2,205
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
MUFG Bank, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
AIR WATER INC.	1,730
The Master Trust Bank of Japan, Ltd. (Trust account)	1,628
JP MORGAN CHASE BANK 385632	869

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,588 thousand shares.