MORITA GROUP

MORITA REPORT 2026

Integrated Report
Fiscal year ended March 31, 2026

MORITA HOLDINGS CORPORATION

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MORITA HOLDINGS CORPORATION

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Editorial Policy

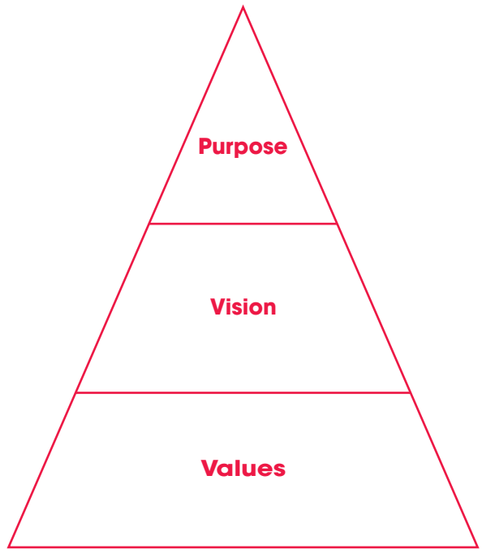
This report is intended for all stakeholders, including shareholders and investors, and aims to clearly communicate our Group's initiatives toward sustainable growth, deepen mutual understanding with you, and facilitate dialogue by disclosing financial and non-financial information in an integrated manner. In editing this report, we have referred to various guidelines, including the International Integrated Reporting Framework recommended by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry.

Period Covered by the Report

April 1, 2025–March 31, 2026 (Includes some information from outside this period)

Forward-Looking Statements

The content of this report includes descriptions of management forecasts, future plans, strategies, results, and the like as of the date of publication. These are forecasts based on the Group's assessment of currently available information and actual results, performance, or events may differ due to changes in various factors.



Morita's Philosophy

Purpose

Our reason for being in society

Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge.

Vision

The society we envision and our aspirations

To be a valued and respected company by serving to shape a safe, accessible, and thriving society.

Values

The important ideals

The trust of customers and society

Together with customers and society, by delivering quality with care, fulfill expectations and maintain trust.

Resilient pursuit of innovation

Break from the status quo. Venture boldly into new places.

Principled business management

Conduct business fairly and justly. Preserve social integrity.

Respect for diversity

Celebrate the different values and diverse individualities.

Challenge and growth

Pursue ambitions and progress. Continue to challenge and grow.

Living together with nature and society

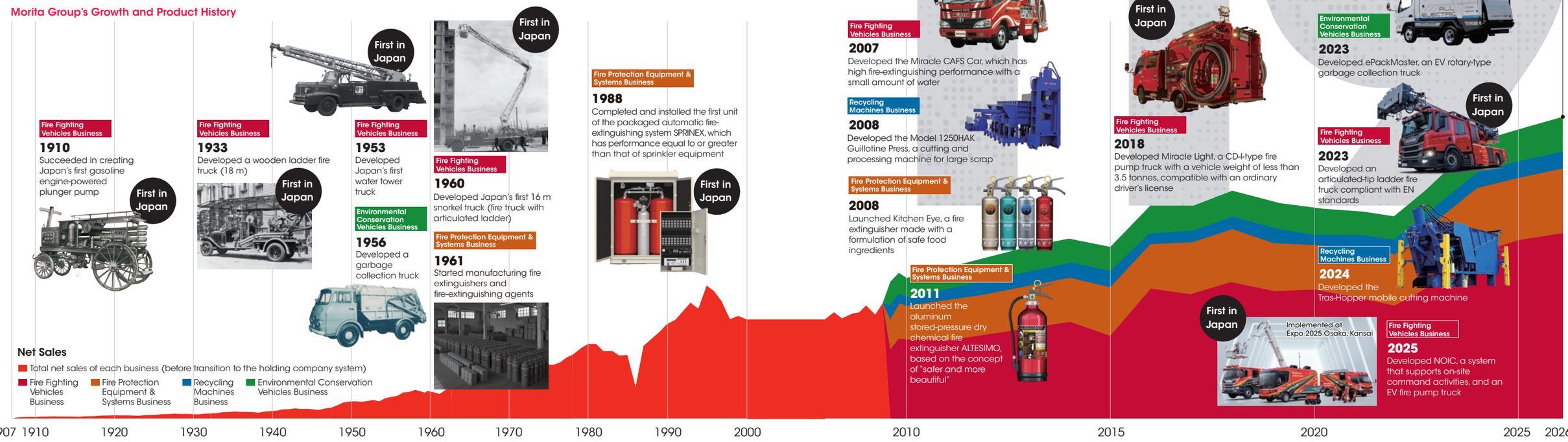
Continue to solve environmental and social problems. Shape the future together with society.

History of Value Creation

119 Years Since Founding: Morita Group's History of Taking on Challenges

On April 23, 2026, the Morita Group marked its 119th year since founding.
"119" is a number that symbolizes the fire service, and it is also the history itself of the Company facing firefighting sites and overcoming challenges.

Morita Group's Growth and Product History



Morita Group's Challenges That Realize Value Creation

1907–1921
Founded



Founder Shosaku Morita Established the Fire Protection Association in Osaka

It produced many of Japan's first domestically manufactured fire pumpers and fire equipment, and had a major influence on the development of Japan's firefighting technology.

1922–1962
Technological innovation and postwar reconstruction



Leveraged Pump Technology to Develop the Environmental Conservation Vehicles Business

In response to growing demand for environmental sanitation, we expanded the Environmental Conservation Vehicles Business by leveraging fire truck technology.

1963–1979
From Japan's Morita to the world's Morita



Advanced Overseas with World-Class Technology

Recognized for our world-class technology, we exported high-performance vehicles to North America and Asia. We also achieved technical partnerships with overseas manufacturers.

1980–1999
Entry into new businesses



Listed on the First Section of the Stock Exchange and Expanded Business Domains

Reassigned to the First Sections of the Tokyo and Osaka Stock Exchanges. We also entered environmental business fields such as recycling treatment facilities and waste treatment facilities.

2000–2007
Establishment of the Morita brand



Strengthened the Brand Through Product Development Capabilities

By successively introducing new products, including next-generation ladder trucks and pumpers, we made the Morita brand firmly established.

2008–2012
Morita Group's new century



Marked the 101st Anniversary of Founding, Transitioned to a Holding Company System, and Strengthened Production Sites

We strengthened Group management through the start of operation of a new plant and organizational restructuring. We advanced investment toward the next stage of growth, including development of new products and exhibition at overseas trade shows.

2013–2018
Next stage



Welcomed Bronto Skylift into the Group and Accelerated Global Expansion

We welcomed Bronto Skylift, a global leading brand in articulated ladder fire trucks and aerial work vehicles, into the Group and accelerated global expansion.

2019–present
Reborn



Going Beyond the Bounds of Manufacturing to Create New Fire Fighting and Disaster Prevention Solutions

We established the Morita ATI Center and concentrated research and development sites. We continue to address social issues by enhancing the value provided by products and solutions.

Business Description

Engaging in Businesses to Safeguard Lives and the Environment

The Group supports the safety and security of society on the foundation of four businesses: Fire Fighting Vehicles, Fire Protection Equipment & Systems, Recycling Machines, and Environmental Conservation Vehicles.

Recently, we have not stopped at products, but have provided solutions according to sites and applications, and have also expanded business in overseas markets.

Net sales composition



61%

Operating profit composition **53%**



Fire Fighting Vehicles Business

➡p. 31

We develop, manufacture, and sell diverse firefighting solutions, including pumpers and ladder trucks, and carry out maintenance and inspection.

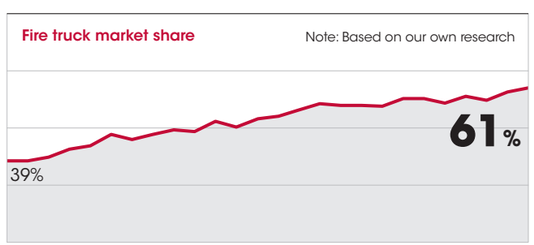
We also engage in business globally through a sales network in more than 100 countries worldwide.

Major operating companies

MORITA CORPORATION, MORITA TECHNOS CORPORATION, BRONTO SKYLIFT OY AB

Overseas sales ratio*

32%



*The overseas sales ratio is calculated for the Fire Fighting Vehicles Business.

Net sales composition



21%

Operating profit composition **33%**



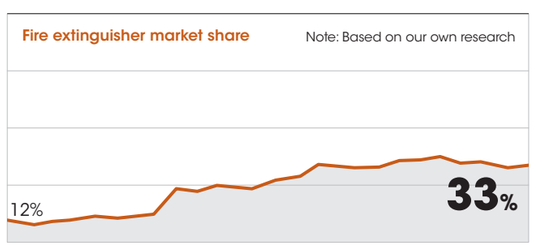
Fire Protection Equipment & Systems Business

➡p. 33

In addition to the development, manufacture, and sale of fire protection equipment such as fire extinguishers, we carry out the design, installation, and maintenance of firefighting equipment. We also engage in the recycling of used fire extinguishers.

Major operating companies

MORITA MIYATA CORPORATION



Net sales composition



6%

Operating profit composition **6%**



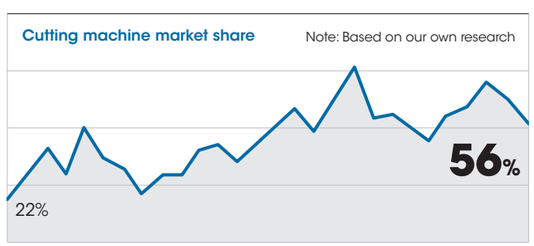
Recycling Machines Business

➡p. 35

In addition to the development, manufacture, sale, and maintenance and inspection of various processing machines for metal scrap, we also engage in the design, construction, and management of recycling plants.

Major operating companies

MORITA ENVIRONMENTAL TECH CORPORATION



Net sales composition



12%

Operating profit composition **8%**



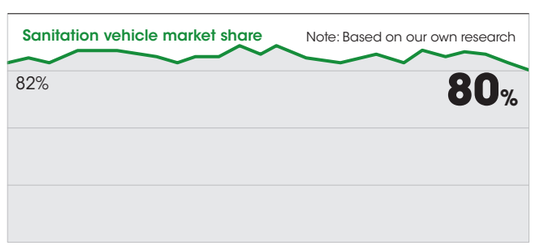
Environmental Conservation Vehicles Business

➡p. 37

We develop, manufacture, and sell environmental conservation vehicles such as sanitation vehicles and garbage trucks, as well as various special-purpose vehicles, and provide after-sales service.

Major operating companies

MORITA ECONOS CORPORATION



Message from the President



Masayoshi Kato
Representative Director,
President & Executive Officer

Combining Frontline Strength and Technology to Reach a New Stage of Growth as a Comprehensive Fire Protection Company

Looking Back on My First Year as President

Addressing Social Issues Holistically, Not as Isolated Points

My starting point is the design floor of the Fire Fighting Vehicles Business. Because the specifications of every firefighting vehicle differ, it is essential to accurately understand the customer requirements, obtain the necessary information quickly, and promote design efficiency and standardization. If there are delays in drawing preparation, subsequent processes and delivery dates will also be affected. That is precisely why I have come to see how important it is to integrate development, manufacturing, sales, and service, and to feed insights gained on the front lines into subsequent developments and services. Since becoming President in June 2025 and gaining an overview of the entire Group, I have come to realize again that this field-driven approach to value creation is a strength shared by each of the Group's businesses. Fire Fighting Vehicles, Fire Protection Equipment & Systems, Recycling Machines, and Environmental Conservation Vehicles businesses all operate in sectors that are indispensable to society, and we have refined our technology, expertise, and customer base by addressing our customers' challenges. These accumulated experiences are also a valuable asset for our future growth.

On the other hand, we face the challenge of creating synergies across business lines in order for the entire group to grow further. Although we have shared people and cooperated on individual matters before, we have not yet fully reached the stage where we can create new value as a business. Because we position ourselves as a comprehensive fire protection company, we must address social issues not only through our individual businesses but also collectively as a group. I want us to combine the technologies and customer contacts of each business and respond more broadly to the issues facing customers and society.

Assessment of Results for the Fiscal Year Ended March 31, 2026

Record-Breaking Results Achieved Through Steadfast Preparation and Execution

In the fiscal year ended March 31, 2026, net sales, operating profit, and ordinary profit all reached record highs. As the final year of the medium-term management plan, "Morita Reborn 2025" (FY2019–FY2025), these results reflect the way each operating company kept the targets firmly in view and confronted its own issues, including order fulfillment, production efficiency, price revisions, and stronger services.

As orders remained strong in the Fire Fighting Vehicles Business, we arranged chassis and materials from the beginning of the fiscal year and used chassis-less production where chassis deliveries were delayed, allowing us to maintain efficient production throughout the year. Furthermore, multi-year contracts have made it possible to maintain a backlog of orders while continuing production, and the alignment between our sales efforts and

Message from the President



production capacity is driving our profits higher. In the Fire Protection Equipment & Systems Business, we steadily secured projects of a meaningful scale and, in addition to price revisions and efforts to improve production efficiency, we also made progress in the unglamorous sales work of explaining the strengths of our products and technologies directly to customers. Although there were times when this business struggled to generate profit, I now feel that its underlying strength as a business is steadily taking hold. In the Recycling Machines Business, amid a slowdown in capital expenditures in the scrap metal industry, we focused on services such as maintenance and leveraged our customer relationships to build up revenue. In the Environmental Conservation Vehicles Business, we used the order backlog to improve production efficiency and turned higher production volumes into higher sales. Even as the external environment continued to change, the fact that frontline teams in each business independently considered how to respond and followed through with diligent, unpretentious effort supported the results for the fiscal year ended March 31, 2026.

The Business Environment and Our Growth Challenges

Building a Form of Growth Less Susceptible to the External Environment

The current business environment gives us no reason for complacency. Soaring raw material prices, difficulty in obtaining parts, and rising labor costs are affecting every business. For overseas projects, there are cases where customer acceptance is delayed due to geopolitical conditions. In our core Fire Fighting Vehicles Business in particular, the availability of chassis directly affects production and sales, and model changes required to comply with domestic regulations are expected to cause further delays in obtaining chassis. I see the challenge as how to expand earnings opportunities while limiting the impact of the external environment.

In light of these circumstances, while continuing to focus on the supply of finished vehicles, we will combine technology, systems, and services to broaden the value we deliver to customers. One example is the development of a field command support system aimed at the digital transformation of firefighting operations. Firefighting and fire protection sites face challenges such as labor shortages and increasingly complex disaster response, so we aim to help our customers overcome these challenges while generating recurring revenue by ensuring the continuous use of systems designed to support decision-making in the field.

Overseas as well, we will apply the firefighting vehicle technologies we have developed to the standards and needs of each region. While collaborating with Bronto Skylift, we will look beyond the sale of finished vehicles to deployments that leverage our core technologies such as ladder systems, and expand our opportunities in overseas markets. While every initiative might not yield significant results all at once, I do believe that building a record one step at a time is what leads to growth that is less susceptible to changes in the external environment.

Medium-Term Management Plan

Identifying Growth Drivers and Evolving the Value Proposition of Fire Protection

The medium-term management plan "Morita Growth 2030" (FY2026–FY2030), announced in June 2026, sets forth the vision to "achieve advanced fire protection and a sustainable society through innovation and advance to a new growth stage." The role demanded of fire protection is becoming both broader and more advanced as disasters become more severe and more frequent, and as decarbonization and labor shortages intensify. As a comprehensive fire protection company, we recognize that it is important not only to supply products, but also to propose forms of fire protection suitable for the field.

In this medium-term management plan, the Fire Fighting Vehicles and Fire Protection Equipment & Systems businesses are positioned as key growth drivers. In the Fire Fighting Vehicles Business, we see room to grow through overseas expansion, while in the Fire Protection Equipment & Systems Business, factory fire protection driven by rising corporate awareness of business continuity planning is one such opportunity. To further develop these areas, collaboration across the Group is essential, including the Recycling Machines and Environmental Conservation Vehicles businesses. There are fire risks in environmental and recycling facilities as well, and there are situations where knowledge of fire protection can be put to use. By pooling the strengths and customer contacts of each business, we will identify customer challenges that would be difficult to spot within a single business unit and turn them into new opportunities to make proposals.

We will make fuller use of the Morita ATI Center to convert cross-business initiatives into actual proposals and technology development. This site concentrates the Group's R&D functions so that technologies and expertise from each business are shared and the operating companies stimulate one another. We will use these opportunities not only to raise the profitability of existing businesses but also to create new value. On the other hand, as we seek to expand our achievements into overseas markets and new business areas, challenges remain in terms of speed and scale. This medium-term management plan makes clear the areas where we aim to grow and to which we will allocate sufficient human resources, technology, and capital. We will continue to consider M&A as well while carefully assessing whether each opportunity will truly contribute to the growth of the Group.

Formulating a medium-term management plan isn't the end of the process. It only becomes meaningful once each operating company understands it, accepts it, and executes it as its own plan. If we simply continue as we have done before, the Group might still secure a certain level of earnings from existing businesses. However, that alone would not fulfill our social responsibility to take fire protection further. While conveying hard truths when necessary, we will accomplish what we should do as a group.



People and Purpose

Developing People and Delivering Peace of Mind to the World

Our human resources are the foundation for executing our growth strategy, and it is ultimately each employee who refines technology, creates new value, and delivers it to society. Over the past year, as I have observed the Group as a whole, there were occasions when I felt that an employee who had gained experience in one business might be able to bring new strength to another. Going forward, we will promote personnel exchanges within the Group and pool our collective expertise to generate ideas and proposals that would be difficult to develop through individual business operations alone.

There is also a tangible sense that these employees' potential is continuing to expand in the everyday work of the field. For example, when I see younger employees present their research with confidence at our R&D sites, or take on work close to the field such as fire-extinguishing tests, I find them both reassuring and a source of pride. Many people join the Group because they have a passion for fire trucks, want to help others, care about working vehicles, or want to be involved in environmental conservation, and they bring such approaches to their work. These sentiments are the driving force that propels the Group's businesses forward. We will build a company in which every employee can take pride in their work and is empowered to take on challenges.

The Group's Purpose is "Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge." I take this as a clear and powerful statement that is directly linked both to the feelings of each employee and to the businesses of the Group itself. With this Purpose as the guiding principle for our management decisions, we will keep refining our technology, developing our people, combining the strength of the Group, and taking on new challenges. Going forward, we will continue to deliver peace of mind to the world, aiming to be a valued and respected company by serving to shape a safe, accessible, and thriving society.

Masayoshi Kato
Representative Director,
President & Executive Officer

Message from the Head of the Corporate Strategy Division



Hiroyuki Fukunishi
Representative Director, Vice President & Executive Officer
Head of the Corporate Strategy Division

Seizing New Growth Opportunities and Linking Strategy to Tangible Results

Overview of the Previous Medium-Term Management Plan

Strengthening the Profitability of Existing Businesses and Addressing Issues for the Next Stage of Growth

Under the previous medium-term management plan, "Morita Reborn 2025" (FY2019–FY2025), we set five basic policies—increasing profitability of existing business, cultivate and expand overseas businesses and new businesses, enhance basic research capabilities and new product development, develop innovative human resources, and promote CSR activities—and worked to strengthen the competitiveness of each business and our management foundations.

In existing businesses, all business segments achieved record highs for both net sales and operating profit, achieving solid results in strengthening earnings power. On the other hand, we have not yet translated our efforts into sufficient results in areas such as the expansion of overseas and new businesses and the enhancement of basic research and product development. Growth strategy investment, including M&A, also remained at 5 billion yen against a plan of 20 billion yen.

Going forward, we will proactively seek out growth opportunities and strengthen the full process—from identifying and originating deals, through evaluation and decision-making, to post-investment progress management. Even in highly specialized business areas, we will carefully assess compatibility and synergies with the Group and profitability, and improve the precision of investment decisions and execution.

Over the seven years of the previous medium-term management plan, the business environment surrounding the Group also changed significantly. Disasters associated with climate change have become more severe and more frequent, fire risks have become more complex and diverse, the transition to a decarbonized society has progressed, environmental regulations have tightened, and labor shortages have intensified, and the value sought by markets and customers is also changing rapidly.

For example, as products and infrastructure used in society change, such as the spread of lithium-ion batteries, the causes of fires are becoming more complex and diverse. Accordingly, the disaster prevention measures and products and services that are required are also changing. It is also important to engage in business operations in light of market characteristics that differ by region. In the firefighting vehicles market, while stable replacement demand is expected in developed countries, emerging countries are expected to see growing demand accompanying the development of firefighting infrastructure.

This diversification of social issues and expansion of markets represent major growth opportunities for the Group, which operates in the fire protection and environmental fields. However, simply continuing business as usual will not allow us to fully seize these opportunities. Taking into account the issues remaining from the previous medium-term plan, under the new plan we will increase the speed of strategy execution and steadily deliver results.

Evolution of Business Models

Starting from Customer Issues to Expand the Value We Provide and Our Earnings Opportunities

Against this backdrop, we formulated the new medium-term management plan, "Morita Growth 2030" (FY2026–FY2030). We have set three priority measures—evolution of business models, differentiation and high added value through innovation, and strengthening of management foundations—and aim to advance to the next growth stage.

Under the first measure, "evolution of business models," we will advance a shift from a traditional product-centered sales business to a solution business that starts from customers' on-site challenges. We will also leverage the customer base we have built up to expand service areas such as servicing and maintenance. Rather than simply ending with the sale of products, we will continue to support customers even after introduction, thereby building long-term relationships and strengthening a recurring business that realizes stable earnings growth. Furthermore, we will develop new markets through sales of components in which we have strengths and thereby expand our earnings opportunities.

Expanding into overseas markets is also an important growth theme. Although Japanese firefighting vehicles have strengths in quality and safety, expanding sales in the European market required addressing European unified standards (EN standards) and building a sales network. During the period of the previous medium-term plan, we worked with Bronto Skylift to ensure compliance with EN standards and put in place a foundation for expansion into the European market.

Going forward, we will also leverage the sales network and maintenance structure created through collaboration with an overseas truck body manufacturer, with which we entered into a strategic partnership in June 2026, and

Message from the Head of the Corporate Strategy Division

strengthen expansion into overseas markets including Eastern Europe. By building a structure that covers not only product supply but also post-introduction maintenance and services, and by creating an environment in which overseas customers can continue to use our products with peace of mind, we will strengthen the earnings base of our overseas business.

Creating synergies among businesses is also essential. During the period of the previous medium-term plan, although each business segment grew its results, an issue remained as to how to combine the strengths of the four segments to drive growth across the entire Group.

Going forward, we will combine the technologies and expertise of each business to create new products and services. For example, fire risks originating from lithium-ion batteries are increasing at waste treatment and recycling sites in the Recycling Machines Business. The Recycling Machines Business and the Fire Protection Equipment & Systems Business are currently collaborating to jointly develop detection systems. In addition, the Fire Fighting Vehicles Business and the Environmental Conservation Vehicles Business have potential to collaborate on shared technology themes such as the transition to electric vehicles (EVs).

Under the Purpose of "Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge," by bringing together the technologies, customer bases, and expertise cultivated by each business, we can provide social value that a single business could not create on its own. Through ongoing dialogue not only among the operating companies, but also between the management of the holding company and operating companies, and by sharing issues and technology themes throughout the Group, we consciously create opportunities for collaboration and aim for value creation by the Group as a whole that is not limited to the growth of individual businesses.

Differentiation and High Added Value Through Innovation

Turning Environmental Changes and On-Site Issues into New Competitive Advantages

Under the second measure, "differentiation and high added value through innovation," we will enhance the added value of products and technologies starting from environmental regulations and on-site issues.

We view decarbonization toward the realization of carbon neutrality and tighter regulation of substances such as per- and polyfluoroalkyl substances (PFAS) as opportunities to accelerate the development of technologies and products that reduce environmental impact, and we will turn these into competitive strengths that go beyond mere regulatory compliance.

In addition, at firefighting and disaster prevention sites, needs for labor saving and automation are growing against a backdrop of severe personnel shortages. By applying AI and robotics and advancing the digital transformation (DX) of our products and services, we will support reduced burdens on people working in the field, improved safety, and faster decision-making, and create new value that other companies do not offer.

One specific example is the on-scene command support system announced at Expo 2025 Osaka, Kansai, Japan. We are currently proceeding with practical, real-world development that reflects the voices of firefighting sites, with a view to implementing the system as soon as possible.

We prioritize speed and practicality in our development work. Markets and customer needs are constantly changing, and if too much time is spent on development, the value customers are looking for may have changed by the time the product is completed. For that reason, rather than completing all functions at once, we will advance the staged development of individual functions, such as grasping the location information and vital signs of firefighters, and make repeated improvements while verifying them in the field.

The Group has a customer base built over many years with firefighting personnel throughout Japan. By capturing on-site issues and needs through this network and incorporating them in development, we will give them shape as effective solutions. Rather than developing technology for its own sake, we will take responsibility through to actual use in the field and contribution to solving issues, and aim for early social implementation.

Strengthening of Management Foundations

Linking Materiality to Strategy Execution and Enhancement of Corporate Value

Under the final measure, "strengthening of management foundations," we will reinforce the base for steadily executing the measures of the new medium-term plan. In conjunction with the formulation of the new medium-term plan, we reviewed our materiality and reorganized the previous seven items into three: "Creating Environmental Value," "Nurturing and Empowering People," and "Deepening Governance." We will link targets based on materiality with the measures of the medium-term plan and manage progress. We will clarify the connection between social value and economic value and link it to the enhancement of corporate value over the medium to long term.

Under "Creating Environmental Value," we have set the GHG emissions reduction rate and expansion of the environmentally friendly product lineup as important KGIs. Through initiatives such as energy saving, low emissions, weight reduction, recycling, and elimination of hazardous substances, we will contribute to solving social issues and strengthen our product development capabilities. We will also prepare ahead of changes such as PFAS regulations and the electrification of vehicles, and elevate environmental responsiveness into a source of competitive strength.



Under "Nurturing and Empowering People," the employee engagement score and human capital ROI are important KGIs. Through the employee engagement score, we will gain an understanding of the state of willingness to take on challenges, empathy with the organization, and their level of proactive behavior, and use it as a foundation that supports retention of human resources, productivity, quality, and the creation of innovation. Through human capital ROI, we will gain an understanding of how investment in human resources is connected to the creation of added value and earnings.

The Group has an organizational culture of approaching manufacturing with sincerity, and building on that strength we intend to visualize the state and outcomes of human capital and connect this to improvements in specific measures.

Under the previous medium-term plan, securing specialized human resources responsible for development, AI and DX, and global expansion did not progress sufficiently, which was one of the factors that led to the failure to meet our growth strategy investment targets. In addition, as demand for service and maintenance expands in each business, securing the human resources needed to support operations on the ground is becoming increasingly important.

Under the new medium-term plan, we plan to address both the quality of enhancing expertise and the quantity of securing the necessary personnel. We will strengthen the hiring and development of specialized human resources and, by also using tools such as AI, accelerate the acquisition of skills and improve operational efficiency. It is people who execute growth strategies. Even if we have technology and funds, they will not lead to results without the human resources and organization to support them. We will establish mechanisms that link investment in human resources to business growth and enhance our ability to execute strategy.

Under "Deepening Governance," we position compliance and respect for human rights, including in the supply chain, as important themes that form the foundation for enhancing the reliability of our business activities. With regard to compliance, we will continue to promote awareness of legal compliance through training and other initiatives. As for respect for human rights, based on the view that responses covering not only the Company but also business partners are important, we will assess the situation through questionnaires to business partners and other means and work to enhance the reliability of the supply chain as a whole.

At the same time, to strengthen our management oversight functions, we will also work to increase the effectiveness of the Board of Directors. We will enhance the effectiveness of our governance by identifying issues through an annual evaluation of effectiveness and continuously improving the quality of discussion, the provision of information, and the decision-making process.

Dialogue with Stakeholders

Turning Dialogue into a Force for Management and Indicating a Clear Path to Growth

Recently, interest in capital policy, growth investment, shareholder returns, and earnings growth has increased in dialogue with investors. At the same time, interest in non-financial information such as sustainability, human capital, governance, and human rights is also growing. In order for stakeholders to understand the corporate value of the Group, rather than presenting financial information and non-financial information separately, we must present a single picture of how initiatives in human resources, technology, environmental responsiveness, and governance lead to business growth and future earnings.

Based on the new medium-term plan and the reorganization of materiality, through this first integrated report we aimed to clearly communicate the Group's approach to value creation and its path to growth. Rather than merely conveying information unilaterally, we will bring back to management the expectations and awareness of issues gained through dialogue with stakeholders and use them to improve our strategies and initiatives.

My mission is to steadily execute the strategies set forth in the new medium-term plan and link each measure to results. Even when things do not go according to plan, we will identify the causes and enhance the effectiveness of strategy while making the necessary course corrections. We will deepen relationships of trust with stakeholders and show a clear path to growth by honestly communicating our goals, how far we have progressed, and what issues remain.

We will fulfill our mission of safeguarding lives and the environment and continue to support the resilience of society on the foundation of the history and trust cultivated over 119 years. We will also turn the changing needs of society into new value and take on the challenge of further leaps forward for the Group.

Hiroyuki Fukunishi

Representative Director, Vice President & Executive Officer
Head of the Corporate Strategy Division

Ritsuo Nishida
Managing Executive Officer
Head of the Group
Corporate Division



Leveraging Capital, Harnessing the Potential of Our Human Resources, and Building a Management Foundation That Supports Sustainable Growth

Building a Management Foundation that Supports Growth

Looking at the Front Lines and the People Behind the Numbers

In April 2026, I assumed the position of Head of the Group Corporate Division and became responsible for human resources and information management in addition to finance. All of these areas are important functions that support management. I will support the Company's decision-making and execution by assessing matters from a fair and impartial perspective, while accurately gathering the information required, and balancing caution with speed.

What matters in corporate functions, including accounting and finance, is not only managing figures and information, but also understanding the businesses and front lines behind them and linking that understanding to management decisions. Accounting figures reflect decisions in the field, the movement of people, and changes in the business environment. Rather than making judgments based solely on the numbers, it is necessary to investigate the causes, the underlying necessity, and hidden issues, and also to look carefully for signs that can lead to the next stage of growth.

To that end, it is essential to engage in ongoing dialogue with each business and related departments to gain a clear understanding of what is happening in the field. Starting from changes in the numbers, we assess the actual conditions in the field, identify challenges and opportunities, and then consider where to allocate capital and human resources.

It is also important to ensure that the information needed for management decisions reaches the right people, at the right time, and in the appropriate form. Rather than treating finance, human resources, and information management as independent functions, we will strengthen the foundation that supports management decision-making and execution by each business while having these functions work in coordination with one another. The mission of the Group Corporate Division is to build the management foundation needed to execute the growth strategy steadily across the Group as a whole.

Trends in Business Performance and Orders

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	86.9	84.7	83.6	81.3	95.2	111.7	**116.6**
Fire Fighting Vehicles	51.0	51.8	49.1	44.9	54.4	66.4	**71.7**
Fire Protection Equipment & Systems	19.8	18.0	19.4	20.8	23.8	26.6	**25.0**
Recycling Machines	5.4	4.0	5.2	5.9	6.2	6.4	**6.5**
Environmental Conservation Vehicles	10.8	10.9	9.9	9.8	10.9	12.3	**13.5**
Operating profit	8.9	8.9	8.1	5.1	9.5	13.7	**15.5**
Fire Fighting Vehicles	5.7	6.6	5.5	1.8	4.7	6.8	**8.2**
Fire Protection Equipment & Systems	1.7	1.0	1.3	2.0	3.3	5.0	**5.1**
Recycling Machines	0.5	0.3	0.6	0.7	0.7	0.9	**0.9**
Environmental Conservation Vehicles	0.9	0.9	0.7	0.6	0.7	1.0	**1.3**
Ordinary profit	9.3	9.5	8.8	5.9	9.6	13.7	**15.0**
Net profit	7.0	6.2	5.4	4.0	6.0	9.5	**9.5**
Order intake	73.8	73.7	75.5	84.9	87.4	105.6	**104.4**
Order backlog	22.1	23.7	29.5	47.7	57.0	67.7	**71.6**

(billion yen)

Message from the Head of the Group Corporate Division

Review of Performance for the Fiscal Year Ended March 31, 2026

Growth Investment and a Lean Financial Structure That Supported Record-High Results

In the fiscal year ended March 31, 2026, net sales, operating profit, and ordinary profit reached new record highs. Our strong performance over the past few years did not come about by chance. It is the result of initiatives we have accumulated to raise earning power, including strengthening the foundation of the Fire Protection Equipment & Systems Business, overseas expansion of the Fire Fighting Vehicles Business, and greater efficiency in the production system. From a financial perspective, we have consistently addressed issues such as idle assets and obsolete inventory as they arose. We use capital to fuel growth without holding on to what is unnecessary. It is continuing both of these that has led to our current earning power and lean financial structure.

The rise in earning power is also evident in our mainstay businesses. In the Fire Fighting Vehicles Business, we have become able to secure earnings not only from high-function vehicles but also from small- and medium-sized vehicles. In addition to improvements in production, ingenuity in terms of sales and the accuracy of winning projects have also increased, and our ability to keep profitability in mind from the moment an order is received and to secure profit has grown. In the Fire Protection Equipment & Systems Business as well, the areas we can handle in the systems field have expanded in addition to fire extinguishers, and this has allowed us to take on larger projects than before.

In the Recycling Machines Business, product orders fluctuate in response to capital investment trends in the scrap industry. For that reason, we have positioned service areas such as maintenance as a pillar of stable earnings and, while making use of our points of contact with customers, have expanded earnings opportunities that do not depend on new capital investment. In the Environmental Conservation Vehicles Business, we have a stable business foundation centered on sanitary vehicles, while market conditions and the competitive situation differ by product category. To ensure that record-high results are not a one-off, we will carefully discern the strengths and challenges of each business and continuously enhance our earning power.

Outlook and Business Risks for the Fiscal Year Ending March 31, 2027

Converting a High Order Backlog Reliably into Net Sales and Profit

Although we expect lower sales and profit for the fiscal year ending March 31, 2027, the order backlog remains at a high level, centered on the Fire Fighting Vehicles Business. Precisely because the order backlog is high, it is important to assess cost fluctuations through to sales and to manage to ensure that profits are realized. For projects ordered in prior fiscal years, there is a possibility that the profitability assumptions at the time of order receipt will change as material costs and personnel expenses rise before revenue is recognized. Therefore, we will continuously monitor cost trends and profitability by project and lead this to results.

With regard to Bronto Skylift, there are aspects affected by the external environment, such as the situation in the Middle East, so it is necessary to assess its situation based on assumptions that differ from those for our domestic operations. To steadily capture the growth potential of overseas businesses as well, we will maintain frequent communication with the company to continuously monitor the progress of orders, as well as trends in inventory, accounts receivable, and cash flow. Based on that, we will assess what changes in financial figures mean, also taking into account local commercial practices and the circumstances of each project.

Whether in Japan or overseas, an approach of not overlooking small signs of discomfort and not assuming we understand things only on the surface is indispensable. We will engage in dialogue with the front lines of each business and related departments and confirm one by one what is happening. While carefully addressing the points that should be viewed with caution, we will not stop making decisions and will face the issues of each business.

Financial Strategy and Cash Allocation

Connecting Earned Cash to Growth Investment and Improved Capital Efficiency

In the medium-term management plan, "Morita Growth 2030" (FY2026–FY2030) announced in June 2026, we set forth the basic concept "Achieve advanced fire protection and a sustainable society through innovation and advance to a new growth stage," and positioned the Fire Fighting Vehicles Business and the Fire Protection Equipment & Systems Business as growth-driving domains. What is important from the standpoint of people responsible for finance is, in line with this direction, to determine which domains our limited capital should be allocated and to enhance future profit and cash-generating capabilities.

We recognize that, under the previous medium-term management plan, in addition to not being able to fully execute growth investment, there were areas in which we were not able to sufficiently demonstrate to investors, in concrete terms, how the Company will achieve growth. As a result, I believe that market attention may have shifted toward shareholder returns.

Based on this reflection, in investment decisions we will judge after looking not only at the amount and the outlook for recovery, but also at which business issues the investment will solve, how it will connect to future profit and cash generation, and further, whether the people, technology, and structure that will carry out execution are in place. As many investment themes emerge from each business, including development projects, I will continue to ask questions from a finance standpoint and identify the areas where we should prioritize our resources.

To ensure that investments lead to an increase in corporate value, we also need to further refine how we look at capital efficiency. While indicators such as return on invested capital (ROIC) and cash conversion cycle (CCC) are important, at the Group the asset composition and cash flows differ by business. Taking into account how assets are held, inventory levels, collection and payment terms, and other factors, we will establish a system that allows us to continuously evaluate these figures based on the actual conditions of each business, rather than viewing them in a one-size-fits-all manner. We will ensure that these metrics lead to effective business decisions by consistently implementing these management practices.

In cash allocation, we will strike a balance between growth investments, financial soundness, and shareholder returns. With regard to shareholder returns, we have raised dividend on equity (DOE) to 3.5% and set "Continue and improve stable dividends" as our basic policy. At the same time, we will also allocate earned cash to growth investments that lead to future profits. We hope to help investors to understand our growth potential by demonstrating this thinking and our progress in concrete terms.

Human Capital and Organization Building

Bringing Out the Power of Human Capital and Enhancing Our Growth Strategy Execution Capabilities

To realize the growth strategy outlined in "Morita Growth 2030", it is indispensable not only to allocate capital appropriately, but also to strengthen human capital and organizational capabilities so that this capital translates into business results. To steadily advance the initiatives required for our future growth, such as development, overseas expansion, and expansion of the service domain, we will secure and develop the necessary human resources and build an organization in which they can demonstrate their capabilities.

The foundation for this is an organizational culture that encourages taking on challenges. The Group has a culture of approaching work seriously and taking responsibility for it. To make use of this strength and grow further, it is important to foster a culture in which each individual thinks for themselves, expresses opinions, discusses them with those around them, and can take on new challenges. We aim not only to indicate the direction the Company is pursuing, but also to be an organization in which employees themselves feel a sense of purpose in their work and recognize opportunities for growth, and can act vibrantly and on their own initiative.

In particular, when considering future business growth, development that takes the human capital portfolio into account will be important. In addition to specialized human resources who will further extend the business foundation we have built in Japan, we will clarify the capabilities required in line with the growth strategy—including human resources who can drive business in overseas markets, human resources who can create new businesses and technologies, and human resources who can take on management decisions in a changing environment—and develop them in a planned manner.

The development of global human resources is one



such effort. We will establish mechanisms for such development according to generation and role, such as creating opportunities for younger employees to experience overseas early in their careers, enabling mid-career employees to demonstrate their expertise globally, and having management acquire the perspective and judgment to take on overseas businesses. Rather than focusing solely on improving English proficiency, we will also place an emphasis on experience in thinking for oneself in a different environment, communicating, and producing results by applying one's expertise.

One such specific measure is personnel exchange with overseas Group companies. We have already dispatched people from Japan to Bronto Skylift, and going forward we will not stop at merely treating dispatches and acceptances as personnel exchanges; we will look ahead as far as how the experience gained locally will be applied to businesses and roles after returning, and we will make the purpose of the exchange and the place where they will play an active role clear. We will circulate the knowledge and experience generated by personnel exchange from the Fire Fighting Vehicles Business across the Group as a whole, including the Fire Protection Equipment & Systems Business, and accumulate it as organizational capability.

We will also approach hiring and engagement in connection with the growth strategy. We will clearly communicate the value the Group provides to society and the significance of working here, attract the human resources we need, while also creating an environment where each employee can feel a sense of growth and continue to contribute for the long term after joining us.

Human capital is the most important management resource for executing the growth strategy. We will strengthen our ability to execute strategy by securing, developing, and appropriately assigning the necessary human resources, while supporting each individual's efforts to take on new challenges as an organization. By strengthening finance, human resources, and information management as one, and by building a management foundation that links the power of capital and human capital to business growth, we will elevate the Group to the next stage of growth.

Ritsuo Nishida
Managing Executive Officer
Head of the Group Corporate Division

Value Creation Process

Toward realizing the vision set out in Morita's Philosophy—"To be a valued and respected company by serving to shape a safe, accessible, and thriving society"—the Group works to create value through its business activities, using the management resources it has cultivated as the source.

Social issues

Build social infrastructure resilient against disasters	Maintain safe and secure living environments	Create a resource-recycling society	Reduce environmental impact and achieve decarbonization
• Initial response to the diversification and intensification of disasters • Advancement of on-site response capabilities • Minimization of damage and achievement of a rapid recovery	• Strengthening of fire prevention and fire protection systems • Sanitation management in local communities • Stable operation of social infrastructure	• Appropriate treatment of waste • Advancement of recycling • Promotion of resource recycling	• Reduction of CO_2 emissions • Promotion of energy and resource conservation • Introduction of low-environmental-impact technologies

Purpose Safeguarding lives and the environment. Securing peace of mind.

Technology, powered by visionary challenge.

Financial capital
Stable earnings base and financial soundness supporting sustainable growth

Intellectual capital
Accumulation of specialized technology and expertise gained in the firefighting, fire protection, and environmental fields

Manufactured capital
Advanced development and production facilities and manufacturing foundations with customizable capabilities

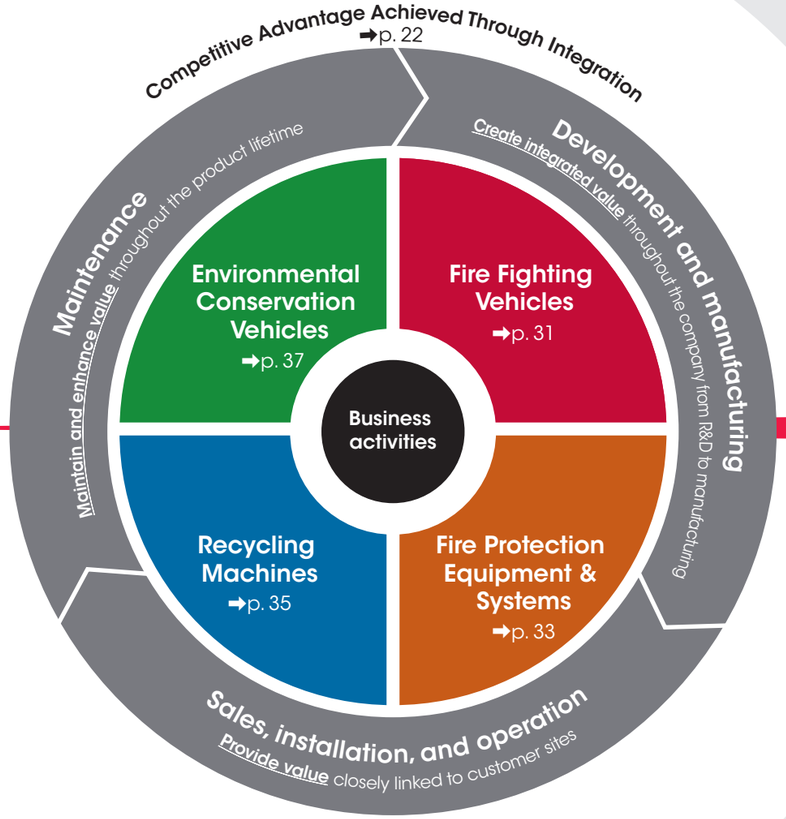
Human capital
Human capital base that supports field-driven proposal capabilities and technical expertise

Social capital
A foundation of trust and networks built on the firefighting, fire protection, and environmental fields

Natural capital
Sustainable business operations in harmony with natural capital

Management resources ➡p. 21

Medium-Term Management Plan / Business Plan ➡p. 27



Materiality ➡p. 40

Values ➡p. 2

(FY2025)

Financial
- Net sales **116.6** billion yen
- Operating profit **15.5** billion yen
- Operating margin **13.3**%
- Overseas sales ratio **20.2**%
- Return on equity (ROE) **9.6**%
- Dividend on equity (DOE) **3.0**%

Business

Fire Fighting Vehicles

[Market share] Fire Fighting Vehicles **61**% (Domestic)

[Introductions and activities]
- Global introduction of ladder modules compliant with overseas standards
- Sponsorship of Expo 2025 Osaka, Kansai
  - On-site command support system using AI
  - EV fire pump truck
- Start of industry-academia-government joint R&D on the use of firefighting drones

Fire Protection Equipment & Systems

[Market share] Fire extinguishers **33**%

[Introductions and activities]
- Delivery of fire-extinguishing solutions for factories
- Launch of the hazard detection system "Flare eye" for waste treatment facilities

Recycling Machines

[Market share] Scrap shears **56**%

[Introductions and activities]
- Delivery of the Tras-Hopper mobile scrap shears

Environmental Conservation Vehicles

[Market share] Sanitary vehicles **80**%

[Introductions and activities]
- Commencement of body mounting for two new EV garbage truck models
- Exhibition of EV garbage trucks at TOKYO GX ACTION CHANGING

Social contribution activities
- Support for forest and field disaster response
  - Donation of foam fire-extinguishing agents to fire departments (Ofunato City, Imabari City, Otsuki City, Uenohara City)
  - Free inspections of fire trucks manufactured by Morita that were dispatched (Ofunato City, Imabari City)

Key outputs

Outcomes ➡p. 23

Local communities
Formation of a society resilient to disasters and capable of sustaining social functions (safety and security in daily life)

Customers
Stable operation of firefighting, fire protection, and environmental operations through high technical reliability

Business partners
Establishment of sustainable competitiveness based on technology and trust

Employees and organization
Demonstrating and passing on expertise sustainably

Environment
Formation of a sustainable environment in which resource circulation and reduced environmental impact coexist

Shareholders and investors
Creation of long-term, stable corporate value linked to social value

Vision

To be a valued and respected company by serving to shape a safe, accessible, and thriving society.

Factors That Support Value Creation

Management Resources

Management resources → Business activities → Key outputs → Outcomes

Based on our purpose—"Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge."—the Group takes a medium- to long-term view and works to enhance the management resources that support business resilience (the ability to adapt to environmental changes and to continue operations) and sustainable growth.

Capital	Features of capital	Related indicators
Financial Capital	**Stable earnings base and financial soundness supporting sustainable growth** • Stable earnings base supported by the firefighting, fire protection, and environmental infrastructure businesses • Financial soundness that enables continuous R&D and capital investment • Cash generating capabilities to support stable dividends	**ROE (FY2024 results)** 10.1 % **FCF (FY2024 results)** 9.9 billion yen
Intellectual Capital	**Accumulation of specialized technology and expertise gained in the firefighting, fire protection, and environmental fields** • A research and development facility equipped with one of Japan's largest comprehensive testing sites • Technology and expertise gained in the firefighting, fire protection, and environmental fields • Knowledge concerning domestic and foreign laws and regulations, safety standards, and firefighting specifications • Accumulated knowledge on development and design that reflect on-site needs in products	**R&D expenses** 2.6 billion yen **Number of patents and utility model rights held* (as of the end of December 2025)** 128 * Fire truck-related, including applications pending
Manufactured Capital	**Advanced development and production facilities and manufacturing foundations with customizable capabilities** • One of Asia's largest firefighting vehicle plants • Production technologies capable of handling high-mix and highly customized manufacturing • Automated and efficient production facilities • Quality control systems that emphasize reliability and durability	**Manufacturing sites** 8 sites in Japan, 3 sites overseas
Human Capital	**Human capital base that supports field-driven proposal capabilities and technical expertise** • Engineering and development human resources forged in the frontlines of firefighting, fire protection, and the environment • Human resources that share the value of placing the highest priority on safety and security • Service and proposal capabilities that work in collaboration with customers	**Employees (Consolidated)** 1,786 **Education and training expenses per employee** 88,708 yen
Social Capital	**A foundation of trust and networks built on the firefighting, fire protection, and environmental fields** • Long-term relationships of trust with fire departments, local governments, and governmental agencies throughout the country • Recognition of the Morita brand as a leader in firefighting and fire protection • Firefighting vehicle business networks in overseas markets • Network of suppliers and distributors with deep relationships of trust	**Fire fighting vehicles dealers** 57 companies **Delivery record** At least 100 countries
Natural Capital	**Sustainable business operations in harmony with natural capital** • Achievement of both environmental conservation and business growth • Reduction of environmental burdens throughout the product lifecycle	**Renewable energy electricity used** 1,280 MWh

Competitive Advantage Achieved Through Integration

Management resources → Business activities → Key outputs → Outcomes

With a structure that consistently handles everything from development and manufacturing through maintenance as a strength, the Group works closely with customers to address their on-site issues and provides high-quality, highly innovative products and services throughout the entire lifecycle.



Create integrated value throughout the company from R&D to manufacturing

The Group works to strengthen basic research capabilities and new-product development capabilities. With our Group R&D center that promotes open innovation (Morita ATI Center) at the core, we are deploying domestic production sites optimized for each business and overseas sites that comply with overseas market standards. Such effective collaborations among these sites support the Group's competitive advantage.

- Group R&D center (Morita ATI Center)
- Sanda Factory (Fire Fighting Vehicles / Environmental Conservation Vehicles)
- Chigasaki Factory / Kurihara Factory (Fire Protection Equipment & Systems)
- Funabashi Factory (Recycling Machines)
- Finland Factory (Bronto Skylift / fire fighting vehicles)


Morita ATI Center



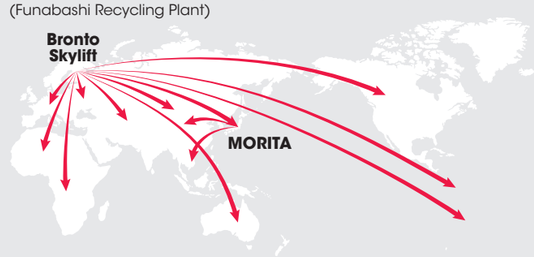
Morita Sanda Factory



Provide value closely linked to customer sites

Building on the foundation of on-site understanding and insight cultivated through an extensive track record in the firefighting, fire protection, and environmental fields, the Group provides optimal solutions according to customer issues. This on-site, closely engaged value creation is a major strength of the Group, supported by an integrated in-house system that handles everything from research and development to manufacturing and maintenance.

- Sales network in more than 100 countries overseas (fire fighting vehicles)
- Design and installation of fire protection equipment tailored to customer needs
- Provision of fire fighting and disaster prevention solutions, including third-party products
- Incorporation of feedback on customer issues into development
- Contracted operation of a recycling plant from a local government (Funabashi Recycling Plant)





Maintain and enhance value throughout the product lifetime

For infrastructure that supports the safety and security of society, stable operation, long-term reliability, and a high level of safety are essential. Under an in-house integrated structure covering R&D through maintenance, the Group uses experienced personnel and advanced technologies to maintain and enhance value throughout the product lifecycle.

- Service centers covering all of Japan
- A wide range of maintenance options according to customer needs
- Upgrade services that enhance added value
- High-quality maintenance and overhauls by skilled workers
- Timely maintenance proposals using IoT


Maintenance that supports stable product operation


Restoration of performance through component-level disassembly and servicing

Factors That Support Value Creation

Outcomes (Value Provided to Stakeholders)

Management resources — Business activities — Key outputs — **Outcomes**

The Group engages in business activities centered on materiality and, together with stakeholders, achieves both the resolution of social issues and the enhancement of corporate value, thereby pursuing realization of the vision "To be a valued and respected company by serving to shape a safe, accessible, and thriving society."

Local communities

Formation of a society resilient to disasters and capable of sustaining social functions (safety and security in daily life)

Through businesses in the firefighting, fire protection, and environmental fields, the Group contributes to enhancing the resilience of local communities. During normal times, we raise the disaster-prevention capabilities of entire communities through the advancement of firefighting vehicles and fire protection equipment and through operational support, while during disasters, we minimize damage to lives and property through products and services that support initial response. We also support the maintenance and improvement of local sanitation and environmental standards through promotion of environmental businesses.


Disaster-prevention camp (Kwansei Gakuin University)


Scene from Expo 2025 Osaka, Kansai

Customers

Stable operation of firefighting, fire protection, and environmental operations through high technical reliability

By advancing the functions and quality of products, the Group contributes to enhancing certainty, responsiveness, safety, and efficiency in customers' operations, and helps to reduce operational risk through the stable operation of equipment and vehicles. Furthermore, through products and support structures designed for long-term operation, we seek to optimize ownership and maintenance costs and enable customers' sustained performance of operations.


Verification of water discharge capacity


Garbage collection

Business partners

Establishment of sustainable competitiveness based on technology and trust

Through collaboration with business partners, the Group achieves stable trading relationships and the creation of ongoing business opportunities. By supporting compliance with safety and quality standards and sharing knowledge, we help enhance partners' technical capabilities, quality levels, and market competitiveness, and contribute to forming a sustainable industrial base that fosters mutual growth.


Strategic partnership with an overseas truck body manufacturer


Morita Sanda Factory

Employees and organization

Demonstrating and passing on expertise sustainably

The Group's business is rooted in highly specialized domains that support social infrastructure, and it provides employees with a strong sense of purpose in their work and opportunities for growth. While our employees refine their expertise and judgment through work in areas of significant public interest, the intergenerational succession of technology and knowledge advances through products and services designed for long-term operation. This has formed a human resources foundation that supports employee retention and continuous growth.


New employee training


Level-specific training

Environment

Formation of a sustainable environment in which resource circulation and reduced environmental impact coexist

Through the Group's business, appropriate treatment of waste and resource recovery advance and contribute to the establishment of resource recycling in society. In addition, we are reducing our environmental impact by curbing emissions, pollution, and secondary damage. These achievements help mitigate the degradation of natural capital and contribute to laying the foundation for local communities to remain sustainable well into the future.


Recycled fertilizer MORITA 1 GOU


Funabashi Recycling Plant


Solar panels at Sanda Factory

Shareholders and investors

Creation of long-term, stable corporate value linked to social value

The Group realizes sustained creation of corporate value against a backdrop of stable market demand through a business foundation rooted in the public infrastructure domain. We balance the sustainability and growth of earnings through a business model in which resolution of social issues and generation of earnings are linked. Building on this foundation, we provide value that balances the creation of social value through investment with corporate growth.



Number of IR interviews (FY2025)

98

Review of the Previous Medium-Term Management Plan

Morita Reborn 2025 (FY2019–FY2025)

The previous medium-term management plan covered the seven years from FY2019 and, under the banner "Toward Becoming a Global Fire Fighting and Disaster Prevention Solution Company," set five basic policies and five financial targets and worked toward them. Here, we review that plan.

Toward Becoming a Global Fire Fighting and Disaster Prevention Solution Company

1 Basic Policies

1. Increasing profitability of existing business
2. Cultivate and expand overseas businesses and new businesses
3. Enhance basic research capabilities and new product development
4. Develop innovative human resources
5. Promote CSR activities

2 Financial Targets (FY2025)

Operating Margin	ROE	DOE	Operating Profit	Growth strategy investment budget (including M&A)
12%	10%	around 2.5% or higher	Reach the record high	20 billion yen

1 Basic Policies

In the medium-term management plan "Morita Reborn 2025," while refining the earning power of existing businesses, we laid groundwork for the next stage of growth in the areas of overseas and new businesses, R&D, human resources, and sustainability. It was a period in which we went beyond short-term earnings improvement, expanded business domains and strengthened organizational capabilities, and advanced the development of the business and management foundations needed to keep responding to change.

1 Increasing profitability of existing business

Policy

We aim to shift to a business constitution that stably generates profit by raising quality, productivity, and sales capabilities. We will refine existing businesses as a growth foundation.

Achievements

New record highs in financial results

- **All segments achieved record highs in both net sales and operating profit.**

2 Cultivate and expand overseas businesses and new businesses

Policy

We will leverage technology and know-how cultivated in Japan to open growth opportunities in overseas markets and new business domains. We aim to expand our operations to meet local needs.

Achievements

Growth of overseas and new businesses

- **Growth of overseas subsidiary**
- **Development and sales of ladder trucks compliant with international standards**
- **Enhancing capabilities to secure and execute large-scale fire suppression system projects**



[Progress point]
Build a new foundation toward expanding presence in overseas markets

3 Enhance basic research capabilities and new product development

Policy

We will strengthen basic research and new product development, with an eye on social challenges in the fields of disaster prevention and the environment. We will incorporate next-generation technologies and connect them to the creation of new value.

Achievements

Progress in new product development

- **Establishment of a new R&D center**
- **Demonstration testing of a command support system at Expo 2025 Osaka, Kansai, Japan**
- **Electrification of fire fighting vehicle and garbage truck**



[Progress point]
Accelerate next-generation value creation by strengthening R&D capabilities



[Progress point]
Create new value that supports on-site decision-making and expand our business scope

4 Develop innovative human resources

Policy

We will develop human resources who can respond to a changing business environment and generate new value. We aim for an organization that uses diverse experience and expertise and encourages taking on challenges.

Achievements

Progress in developing human capital and enhancing organizational capabilities

- **Implementation of level-specific training and core talent development programs**
- **Promoting the recruitment of diverse talent, including women and midcareer professionals**
- **Establishment of a dedicated department for new business development**

5 Promote CSR activities

Policy

We will promote our business activities and CSR in an integrated manner to remain a corporate group trusted by society. We aim to balance contributing to social issues with enhancing corporate value.

Achievements

Evolution toward sustainability management

- **Established Morita's Philosophy**
- **Launched the Sustainability Committee**
- **Identified materiality and promoted Group-wide initiatives**

Ongoing topics

- **Strategic allocation of management resources**
- **Continuous investment in human capital**
- **Steady execution of growth strategies**

2 Financial Targets

Financial Targets and Results

In the previous medium-term management plan "Morita Reborn 2025," the financial targets for the final year, FY2025, were an operating margin of 12%, ROE of 10%, stable dividends using DOE of 2.5% or higher as a guideline, a new record high in operating profit, and a growth strategy investment budget of 20 billion yen.

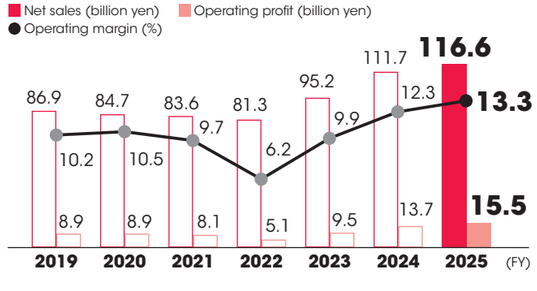
During the period of the plan, effects including the COVID-19 pandemic and delays in chassis supply caused operating margin to fall as low as 6.2% in FY2022, but thereafter, with the recovery of chassis supply and, in the Fire Protection Equipment & Systems Business, expansion of business scale centered on firefighting equipment, profitability improved, and in FY2025 net sales were 116.6 billion yen, operating profit was 15.5 billion yen, and operating margin was 13.3%. Operating profit reached a new record high and operating margin exceeded the target, demonstrating steady progress in raising profit levels and improving profitability. In addition, DOE was 3.0%, and the policy of stable dividends using 2.5% or higher as a guideline was also achieved.

Meanwhile, ROE was 9.6% due in part to the recording of one-time losses, and fell slightly short of the 10% target. In addition, regarding the growth strategy investment fund, while we had been exploring options primarily with M&A in mind, following a thorough review, several deals were deferred. Therefore, cumulative use was 5 billion yen compared to the planned 20 billion yen.

In light of these results, the previous medium-term management plan produced results in strengthening earning power, while further improvement of capital efficiency and acceleration of investment execution toward future growth are important themes going forward.

	Targets for "Morita Reborn 2025"	FY2025 results
Operating margin	12%	13.3%
ROE	10%	9.6%
DOE	Around 2.5% or higher	3.0%
Operating profit	Reach the record high	15.5 billion yen (Record high)
Growth strategy investment budget (including M&A)	20 billion yen	Total: 5 billion yen

Consolidated Financial Results



New Medium-Term Management Plan

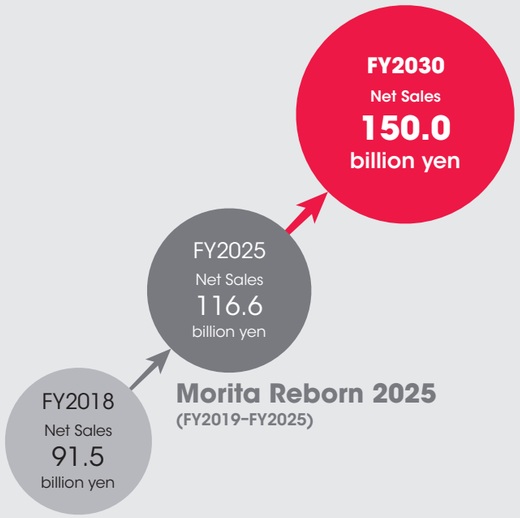
Morita Growth 2030 (FY2026–FY2030)

In the new medium-term management plan covering FY2026–FY2030, we set as the basic concept "Achieve advanced fire protection and a sustainable society through innovation and advance to a new growth stage." Here we introduce the content of the plan from three perspectives: business strategy, strengthening of management foundations, and financial strategy.

Fundamental Approach

Since its founding in 1907, the Group has supported the safety and security of society in the fields of firefighting, fire protection, and environmental conservation. During the period of the previous medium-term management plan as well, the environment surrounding society changed greatly, including the intensification and increased frequency of natural disasters, aging of social infrastructure, and labor shortages, and social issues became even more complex. In light of these changes, we formulated "Morita Growth 2030," which aims for contribution to the safety and security of society and for sustainable growth by using the business foundation built up since founding and the earnings base strengthened through the previous medium-term management plan.

Achieve advanced fire protection and a sustainable society through innovation and advance to a new growth stage



Morita Growth 2030 (FY2026–FY2030)

(1) Evolution of business models

- Establish a solution business geared toward solving customer issues through a market-in approach
- Leverage the customer base to expand recurring business capable of continuous and stable earnings growth
- Develop markets through strong component sales

(2) Differentiation and high added value through innovation

- Develop technologies that reduce environmental burdens
- Apply AI and robotics
- Incorporate digital transformation (DX) into products and services

(3) Strengthening of management foundations

- Human capital & organizations: Reinforce human capital base to support growth strategies
- R&D: Focus efforts on acquiring competitive advantage
- Governance: Deepen governance geared toward improving corporate value

Financial Targets

	FY2025 results	FY2030 targets
Net sales	116.6 billion yen	**150** billion yen
Operating profit	15.5 billion yen	**20** billion yen
Operating margin	13.3%	**13.3%**
ROE	9.6%	**10%** or higher
DOE	3.0%	Around **3.5%** or higher
Growth strategy investment budget	Total 5 billion yen	**62** billion yen

* Monetary amounts are rounded to the nearest 100 million yen.

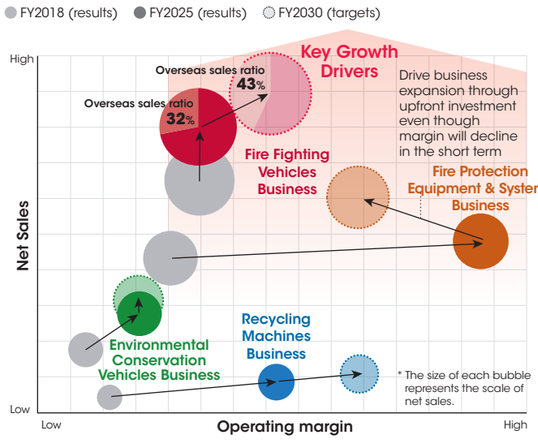
Business Strategy

Transformation of the Business Portfolio

We position the Fire Fighting Vehicles Business and the Fire Protection Equipment & Systems Business as key growth driver domains and allocate growth investments to them as a priority.

In the Fire Fighting Vehicles Business, we will strengthen the earnings base in Japan and accelerate overseas expansion. In the Fire Protection Equipment & Systems Business, because we will make upfront investment in human resources, installation structures, R&D, and other areas, we will expand our business scope and enhance added value centered on firefighting equipment while factoring in a temporary decline in profitability. The Recycling Machines Business and the Environmental Conservation Vehicles Business will enhance profitability through the resolution of changing social issues and will support the sustainable growth of the Group as a whole.

Image of Business Portfolio Through 2030



Trends in Performance and Targets by Segment

			FY2018 results	FY2025 results	FY2030 targets
Key Growth Drivers	Fire Fighting Vehicles Business	Net sales	54.6 billion yen	71.7 billion yen	**86** billion yen
		Operating margin	11.5%	11.4%	**13.1%**
		Growth investment	–	–	**35** billion yen (including M&A)
	Fire Protection Equipment & Systems Business	Net sales	21.6 billion yen	25 billion yen	**40** billion yen
		Operating margin	9.8%	20.6%	**15.0%**
		Growth investment	–	–	**20** billion yen (including M&A)
	Recycling Machines Business	Net sales	4.7 billion yen	6.5 billion yen	**8** billion yen
		Operating margin	8.1%	13.8%	**15.0%**
		Growth investment	–	–	**3** billion yen
	Environmental Conservation Vehicles Business	Net sales	10.6 billion yen	13.5 billion yen	**16** billion yen
		Operating margin	7.4%	9.3%	**9.3%**
		Growth investment	–	–	**4** billion yen

Creation of Synergies That Leverage the Strengths of a Comprehensive Disaster Preparedness Solution Provider

Through four businesses, the Group conducts business in a wide range of domains that support urban and daily-life infrastructure—from normal times to disasters—including the prevention, response, and recovery from various disasters, such as fires.

By having each business mutually utilize the technologies, knowledge, and implementation capabilities cultivated in the field, and by creating synergies among businesses, we will advance firefighting and fire protection capabilities as well as recovery capabilities and resource circulation, and will further broaden the value we provide to society as a comprehensive disaster preparedness solution provider.



New Medium-Term Management Plan

Strengthening of Management Foundations

In the new medium-term management plan, in addition to strengthening the earning power of existing businesses, we will strengthen management foundations with three priority themes—human resources and organizations, R&D, and governance—in order to create new growth areas and advance our overseas expansion.

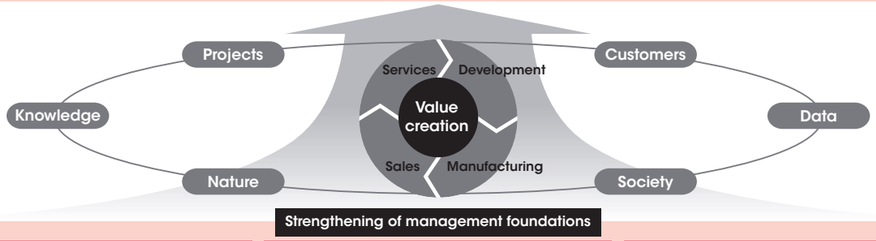
First, in terms of human resources and organizations, we will hire and develop specialized human resources who will take on growth fields such as DX, overseas business, and firefighting equipment, and will work to build an organization that supports the challenge and growth of each employee.

Second, in terms of R&D, we will deepen the technologies and knowledge cultivated in each business and, using new technologies such as AI and open innovation with external partners, aim to create products and services that respond to the issues of society and of sites.

Third, in terms of governance, through increasing the effectiveness of the Board of Directors and advancing risk management, we will appropriately manage risks accompanying the expansion of business domains and support the steady execution of growth strategies and the sustained enhancement of corporate value.

Value to be realized

Generation of high added value | Sustainable growth | Global competitiveness | Provision of peace of mind



Strengthening of management foundations

Human resources & organizations
(1) Expand specialized human resources in growth fields
(2) Reinforce training of human resources who support growth strategies
(3) Reinforce organizational capabilities to support taking on challenges and sustainable growth

R&D
(1) Consolidate knowledge through the utilization of the Morita ATI Center
(2) Continuously refine fundamental technologies and train researchers
(3) Introduce new technologies and knowledge through open innovation

Governance
(1) Increase the effectiveness of the Board of Directors
(2) Advance risk management
(3) Strengthen Group governance

Financial Capital | Intellectual Capital | Manufactured Capital | Human Capital | Social Capital | Natural Capital

Materiality

Financial Strategy Toward achieving management that is conscious of cost of capital and stock price

In our financial strategy, toward achieving management that is conscious of cost of capital and stock price, we will advance growth strategy, financial strategy, and dialogue with the market in an integrated manner.

We will allocate funds on a priority basis to fields that lead to future growth, including R&D, facilities, human resources, and new businesses, while assessing the growth potential and profitability of businesses, with the aim of steadily improving our earning power.

At the same time, we will enhance capital efficiency through reduction of strategic shareholdings and non-business assets and through flexible use of financial leverage.

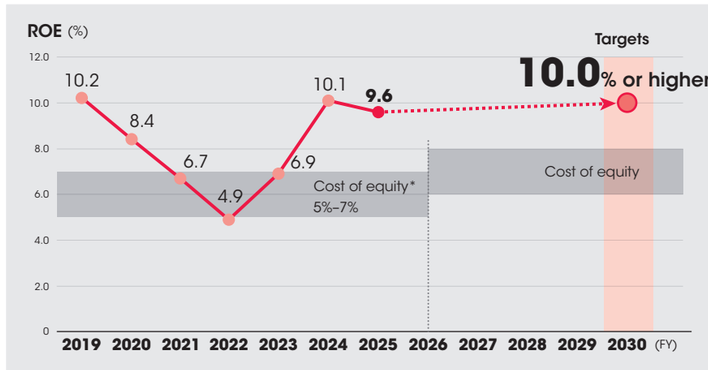
We will continue stable shareholder returns and use dialogue with shareholders and investors in management, with the aim of sustainably enhancing corporate value.

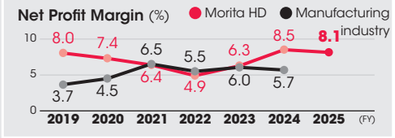
Management Indicators (FY2030 targets)	Consolidated Financial Results (FY2030 targets)		Shareholder Return
ROE	Net sales	Operating profit	DOE
10% or higher	**150** billion yen	**20** billion yen	Around **3.5**% or higher

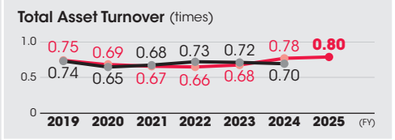
Analysis of Roe Trends over Time and Targets of Morita Growth 2030

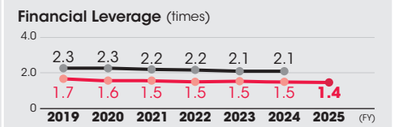
Although ROE declined temporarily during the period of the previous medium-term management plan, it improved as profitability recovered, reaching 9.6% in FY2025, the final year of the plan.

In light of changes in the market environment including rising interest rates, we assume that the cost of equity will rise slightly from the period of the previous medium-term management plan. Going forward, we will enhance the profitability of our business and total asset turnover. In addition to generating profit through growth investment that also uses borrowings, we will pursue stable shareholder returns, and will continuously secure ROE of 10% or higher, exceeding the cost of equity.









Cash Allocation Policy

Based on the operating cash flow we expect to generate over the next five years, and also leveraging the optimization of non-business assets, improvement of the CCC, and borrowings, we will allocate funds to growth investment, investment in existing businesses, and shareholder returns.

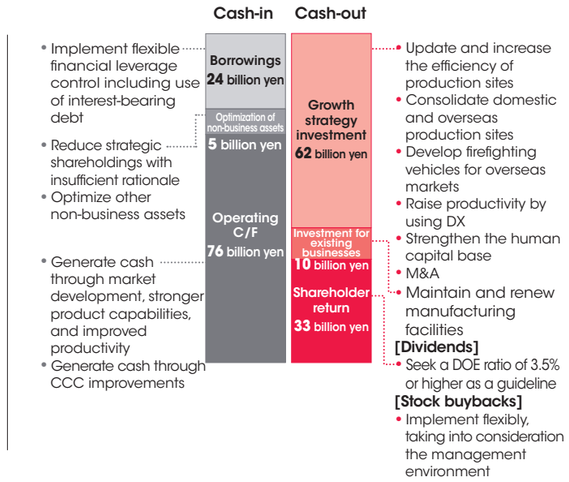
Above all, we will prioritize investment toward future growth and stronger competitiveness, and will advance renewal and greater efficiency of production sites, consolidation of domestic and overseas sites, development of fire trucks for overseas markets, DX, strengthening of the human capital base, M&A, among others.

At the same time, we will carry out maintenance and renewal of existing facilities and, while maintaining financial discipline, seek both growth investment and shareholder returns through stable dividends and flexible acquisition of treasury shares, connecting this to sustained enhancement of corporate value.

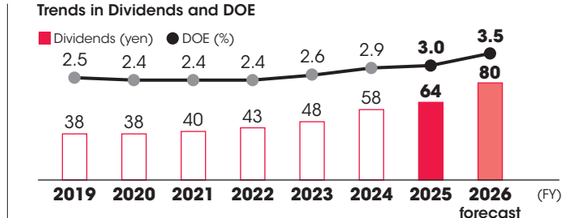
Shareholder Return Policy

With regard to shareholder returns, we will use DOE of 3.5% or higher as a guideline and take as the basic approach the continuation and improvement of stable dividends that are not easily swayed by short-term fluctuations in profit.

We make flexible decisions regarding the repurchase of treasury shares as a means of supplementing dividends, taking into account stock prices, our financial position, and the business environment. Holdings of treasury shares will be capped at around 10% of the total number of shares issued, and amounts in excess will in principle be retired.



Trends in Dividends and DOE



Overview of Business by Segment

Fire Fighting Vehicles Business

In the Fire Fighting Vehicles Business, the Group provides a diverse range of products and services, including pumpers, ladder trucks, EV fire trucks, rescue trucks, and fire trucks for industrial complexes, on an integrated basis from development and manufacturing through sales to maintenance and inspection. We solve on-site challenges through advanced fire suppression technologies and firefighting DX, and support the safety and security of society on the foundation of more than 100 years of technology.

Bronto Skylift is a Finland-based company that provides high-reach access solutions to fire services and industrial sectors around the world.



Mamoru Jogamoto
MORITA CORPORATION
Representative Director, President and Executive Officer



Hiroshi Shimizu
MORITA TECHNOS CORPORATION
Representative Director, President and Executive Officer



Lasse Orre
BRONTO SKYLIFT OY AB
Managing Director



Super Gyro Ladder
A ladder fire truck with a broad lineup ranging from a working height of 15 meters to 54 meters, the longest in Japan. It contributes to the safety and security of communities as a mainstay of high-reach rescue and firefighting.



Miracle Light
The only Type CD-I pumper with a gross vehicle weight of less than 3.5 tonnes that can be driven with an ordinary driver's license. It makes a significant contribution to addressing shortages of volunteer fire corps personnel.

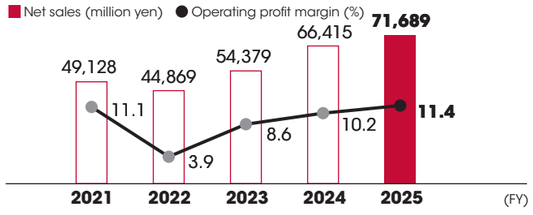


Bronto Aerial Platform
An articulated ladder fire truck compatible with a height of 112 meters, the highest in the world. A flagship product with high stability that supports firefighting activities in ultra-high-rise cities.

Overview of Business

In the Fire Fighting Vehicles Business, while domestic demand remained stable, the supply of chassis, which had been a concern, progressed smoothly, and production proceeded according to plan. Furthermore, improved efficiency through production leveling also contributed to higher earnings. Overseas, although the timing of revenue recognition for some projects shifted, for the business as a whole, net sales increased 5,274 million yen year on year to 71,689 million yen (up 7.9%), and operating profit increased 1,332 million yen to 8,167 million yen (up 19.5%).

Five-Year Net Sales and Operating Profit Margin



SWOT Analysis

Strengths	• Overwhelming brand strength and customer base, with a domestic market share of over 60% Domestic • Ability to create industry standards through brand strength combined with technological capabilities Domestic • Sales and service network spanning more than 100 countries worldwide Overseas
Weaknesses	• Somewhat limited room for growth in existing fields as the domestic market matures Domestic • Persistently high manufacturing costs due to high-mix, low-volume production Domestic Overseas
Opportunities	• Increasing demand for high-reach firefighting accompanying taller and more complex urban buildings Overseas • Carbon neutrality in municipalities, including fire services Domestic • Growing demand for firefighting infrastructure development in emerging countries Overseas
Threats	• Rise of emerging-country manufacturers in overseas markets Overseas • Rising geopolitical risks Domestic Overseas • Rising raw material prices and logistics costs Domestic Overseas

Recognition of Changes in the External Environment and Response Policy

Based on changes in the external environment, the Group is focusing on three themes.

The first is the expansion of business opportunities through the advancement of firefighting support in light of the diversification and increasing severity of disasters. We will advance research and development by leveraging the Morita ATI Center and create new markets that are not limited to fire trucks.

The second is changes in the order and production cycle due to factors such as an increase in the order backlog. We will strengthen cost competitiveness and supply capacity through production leveling and improved production efficiency.

The third is growth in overseas fire truck markets and growing demand for large aerial work vehicles. We will develop new markets by expanding our lineup of products compliant with EN standards* and by strengthening our sales and service structures.

*Unified product standards originating in Europe

Review of the Previous Medium-Term Management Plan, "Morita Reborn 2025" (FY2019–FY2025)

During the period of the previous medium-term management plan, the domestic business was affected by a temporary decline in demand due to the COVID-19 pandemic and by chassis supply constraints, but as demand recovered, we worked on increasing market share and on price revisions to address inflation.

In addition, as chassis supply constraints led to an increase in projects with delivery dates in the following fiscal year or later, we began production from the opening order backlog in the first half onward and advanced production leveling.

Furthermore, we promoted initiatives for future growth, including a demonstration experiment of a field command support system at Expo 2025 Osaka, Kansai.

To expand our overseas business, we developed products conforming to EN standards, and at Bronto Skylift we advanced sales of large aerial work vehicles in the United States.

Initiatives Under the New Medium-Term Management Plan, "Morita Growth 2030" (FY2026–FY2030)

Policy
- **Reinforce products and services that support safe firefighting activities**
- **Expand profits in domestic business and accelerate growth in overseas business**

Numerical Targets (FY2030)
Net Sales **86** billion yen
Operating Profit **11.3** billion yen

Under the new medium-term management plan, in Japan we will broaden both our customer base and the value we provide, and enhance profitability, through product deployment into the private-sector and social infrastructure fields and through proposals that combine hardware and software, such as field command support systems.

Overseas, in addition to exporting completed vehicles from Japan and leveraging Bronto Skylift's sales network, we will also look at component sales such as ladder modules and EV pump units, and will advance global expansion while also considering the development of local partners.

Initiatives in Japan

1. Market development & creation of next-generation products	• Expand business into key infrastructure markets • Contribute to a carbon neutral society
2. Products and services that support firefighting activities	• Maximize personnel safety and security in firefighting situations
3. Vehicle reliability and adoption of DX in maintenance services	• Ensure vehicle reliability for emergency dispatch • Increase the quality of services and improve efficiency

Initiatives Overseas

1. Global deployment of technologically superior models	• Use proprietary core technologies to establish competitive advantage • Establish competitive advantage in overseas markets using Japanese quality and high reliability
2. Creation of robust sales, supply, and service structures	• Build robust sales and supply structures • Expand market share through enhanced local adaptability
3. Maximization of production and supply efficiency	• Establish supply structures that can adapt to the laws and regulations of each country, and increase productivity by reorganizing domestic and overseas plants

Overview of Business by Segment

Fire Protection Equipment & Systems Business

As a leading company in fire protection equipment with the top share of the fire extinguisher market in Japan, MORITA MIYATA CORPORATION, which is responsible for the Morita Group's Fire Protection Equipment & Systems Business, provides comprehensive fire protection solutions that support safety and security.

In addition to the development, manufacture, and sale of fire protection equipment and systems such as fire extinguishers, SPRINEX, and mobile dry chemical fire extinguishing systems, it provides integrated services covering all aspects from the design and installation of firefighting equipment through to maintenance. Furthermore, it has established a system for the collection and recycling of used fire extinguishers, and is working to achieve both safety and security and a reduction in environmental burden.



Osamu Isogai
MORITA MIYATA CORPORATION
Representative Director, President and Executive Officer



ALTESIMO
A fire extinguisher that combines lightness, beauty, and resistance to rust and is widely used in a variety of facilities

CLEANMIST WS3
A fire extinguisher optimal for precision equipment, clean rooms, and similar settings because of its high cleanliness and limited secondary damage



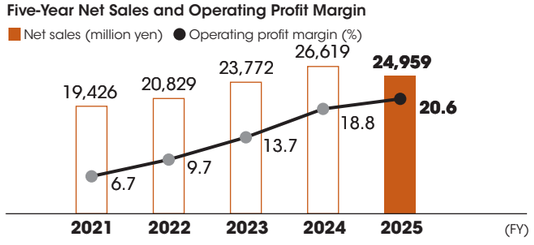


SPRINEX
A fire extinguishing system that is easy to install and that offers four times the fire-extinguishing performance of water and eliminates the need for large fire-extinguishing water storage tanks and similar facilities

Overview of Business

In the Fire Protection Equipment & Systems Business, in firefighting equipment, we leveraged the Morita ATI Center, our research and development hub, to advance proposals for optimal firefighting equipment according to applications such as plants and to fire risks. By strengthening our proposal capabilities in line with each customer's issues, we have improved the profitability of our projects. Due to the impact of revenue recognition of a large project in the previous fiscal year, net sales were 24,959 million yen (down 6.2%), but aided also by the effects of price revisions, operating profit was 5,148 million yen (up 2.7%), securing an increase in profit.

Five-Year Net Sales and Operating Profit Margin



SWOT Analysis

S Strengths	• Top domestic market share in the fire extinguisher market • Ability to propose comprehensive solutions in the fire protection field • Development capabilities for environmentally friendly products and ability to respond to a circular society	**W** Weaknesses	• Shortage of certified personnel (fire protection equipment engineers and dedicated technical personnel) • Insufficient installation capacity for firefighting equipment • Insufficient in-house manufacturing of equipment and products
O Opportunities	• Increasing scale and sophistication of target equipment • Diversification of fire and disaster risks • Growing demand for environmentally friendly products	**T** Threats	• Challenges in raw material procurement due to geopolitical risks • Increased cost burden due to soaring raw material prices • Intensifying competition to attract and secure specialized human resources

Recognition of Changes in the External Environment and Response Policy

In light of changes in the external environment, the Group is focusing on three themes.

First, amid the tightening of regulations on chemical substances such as per- and polyfluoroalkyl substances (PFAS) in Japan and overseas, we are seeking to capture replacement demand by developing non-PFAS foam fire-extinguishing agents and by strengthening proposals for replacement at existing facilities.

Second, in light of supply risks arising from dependence on external sources for firefighting equipment and devices, we will advance in-house manufacturing and internalization as well as multi-vendor purchasing, and will seek to strengthen the supply chain.

Third, with a view to the further tightening of labor regulations, in addition to securing, developing, and optimally allocating human resources, we will promote stronger collaboration with partner companies and the adoption of DX in sales, production, and administration.

Review of the Previous Medium-Term Management Plan, "Morita Reborn 2025" (FY2019–FY2025)

During the period of the previous medium-term management plan, we maintained the top domestic share in fire extinguishers, and SPRINEX (see image above) also became established as one of the categories of the Fire Protection Equipment & Systems Business.

In addition, in firefighting equipment, amid continued capital investment by domestic companies in plants and similar facilities, in order to respond to changes in the causes and locations of fire risks, we promoted optimal proposals according to installation location, application, and target object through demonstration experiments with customers that leveraged our knowledge of fire-extinguishing agents and the Morita ATI Center, our research and development facility.

Furthermore, we strengthened our structure to handle larger-scale projects as well, and steadily expanded the scale of the business.

Initiatives Under the New Medium-Term Management Plan, "Morita Growth 2030" (FY2026–FY2030)

Policy
- **Expand the firefighting equipment field and advance fire protection technologies**
- **Establish fire protection solutions that support the resolution of diverse social issues**

Numerical Targets (FY2030)
Net Sales 40 billion yen | **Operating Profit 6 billion yen**

In the period of the new medium-term management plan, we will position the Fire Protection Equipment & Systems Business as a growth field and work on business expansion while making the necessary investments.

In firefighting equipment, we will advance greater efficiency in installation management and the reinforcement of installation personnel, further strengthen our structure to handle large projects, and promote the horizontal expansion of our business by leveraging our track record of installation projects at factories and other facilities.

In addition, as environmental considerations become a social issue, we will advance development that takes into account the reduction of environmental burden and seek differentiation in terms of products.

Furthermore, we will steadily capture maintenance, inspection, and replacement demand at properties we ourselves have installed, and aim to expand recurring revenue.

Key Initiatives

1. Advance fire protection solutions and develop profit models	• Build high-value-added fire protection solutions adapted to BCP needs • Reinforce recurring business
2. Create and deploy next-generation fire protection solutions	• Expand and promote the adoption of non-PFAS products • Deploy next-generation automated firefighting equipment
3. Reinforce earnings base by strengthening production structures and business foundations	• Restructure to create advanced production foundations • Reinforce foundations in the firefighting equipment area

Overview of Business by Segment

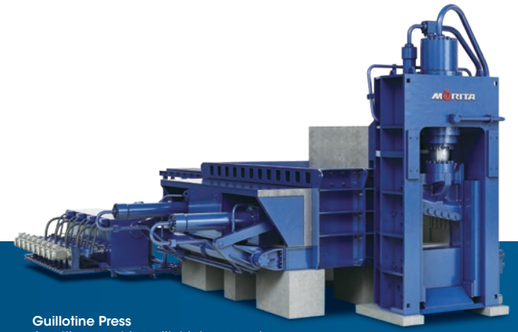
Recycling Machines Business

MORITA ENVIRONMENTAL TECH CORPORATION, which is responsible for the Morita Group's Recycling Machines Business, provides integrated services covering all aspects from the development and design through manufacture, sales, and maintenance and repair of metal scrap processing machines and recycling plants.

As a manufacturer with the top market share in Japan in the field of metal scrap processing machinery, toward the realization of a circular economy and carbon neutrality, it is focusing on the further development of energy-saving technologies and on manufacturing that is conscious of product lifecycles.



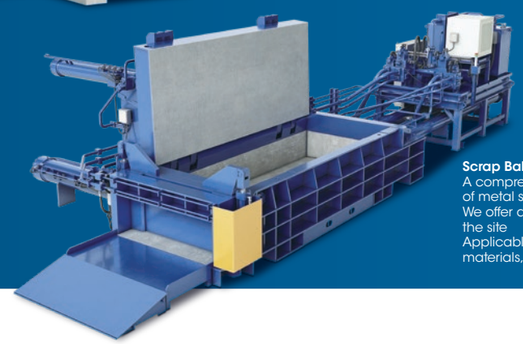
Hiroshi Souma
MORITA ENVIRONMENTAL TECH CORPORATION
Representative Director, President and Executive Officer



Guillotine Press
A cutting machine with high processing capacity suited to compressing and cutting large, heavy scrap
Applicable items: waste construction materials, materials from decommissioned ships, etc.

Shredder Plant
A crushing and sorting system that recovers valuable materials such as metals to the maximum extent through multi-stage sorting
Applicable items: end-of-life vehicles, mixed scrap, etc.



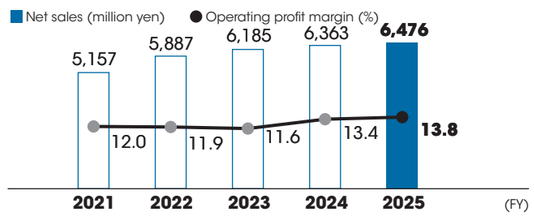


Scrap Baling Press
A compressor for compression molding of various types of metal scrap
We offer a broad lineup that can be selected to match the site
Applicable items: end-of-life vehicles, new scrap materials, aluminum sashes, low-grade scrap, etc.

Overview of Business

In the Recycling Machines Business, in the iron scrap market, which affects demand trends, while generated volumes declined somewhat, prices remained firm. Under these circumstances, product sales increased as we steadily converted the order backlog at the beginning of the period into sales. Maintenance sales, on which we are focusing toward the stabilization of earnings, also increased, and net sales increased 113 million yen year on year to 6,476 million yen (up 1.8%), while operating profit increased 42 million yen to 896 million yen (up 4.9%).

Five-Year Net Sales and Operating Profit Margin



SWOT Analysis

Strengths • Top market share in Japan for metal scrap processing equipment • A one-stop structure covering development, design, manufacture, sales, maintenance, and management and operations in an integrated manner	**Weaknesses** • Limited market scale and product obsolescence • Labor shortages and difficulty in securing partner companies
Opportunities • Growing demand for iron scrap due to the shift to electric furnaces • Expansion of the sorting technology market due to demand for recycled plastics • Growing demand driven by countermeasures against lithium-ion battery fire	**Threats** • Risk of market fluctuations due to external factors • Procurement delays due to supply chain disruptions • Intensifying price competition due to low-price offensives by overseas products

Recognition of Changes in the External Environment and Response Policy

In light of changes in the external environment such as the progress of a circular economy and carbon neutrality, the Group is focusing on two themes.

First, as the proper disposal of waste, the effective use of resources, and the preservation of the natural and living environments become social issues, we will advance technologies for the treatment and sorting of waste, including metal scrap, and will increase added value through collaboration with fire protection and fire prevention technologies.

Second, amid moves by blast furnace manufacturers to newly install electric furnaces as well, and with solid demand expected over the medium to long term for iron scrap for electric furnaces, we will put in place a structure that is conscious of technological innovation such as energy saving and automation and of enhancing the value provided across the entire product lifecycle, and will steadily capture investment demand.

Review of the Previous Medium-Term Management Plan, "Morita Reborn 2025" (FY2019–FY2025)

During the period of the previous medium-term management plan, against the backdrop of rising interest in a circular economy and carbon neutrality, we worked on energy saving and improved environmental performance in iron scrap processing machines, our mainstay products.

In addition, we leveraged maintenance opportunities and strengthened proposals that go beyond mere maintenance and repair and lead to improved machine functionality and productivity. Through this, we supported the stable operation of customers' equipment and sought to create ongoing customer contact points and to reinforce our earnings base.

Furthermore, through the development of mobile cutting machines and collaboration with other companies, we broadened the scope of proposals to existing customers and worked on expanding our new customer base.

Initiatives Under the New Medium-Term Management Plan, "Morita Growth 2030" (FY2026–FY2030)

Policy
- **Strengthen business foundations to capture increasing demand from a circular economy**
- **Deepen total support structures from development to maintenance**

Numerical Targets (FY2030)
Net Sales **8** billion yen
Operating Profit **1.2** billion yen

Under the new medium-term management plan, against the backdrop of the transition to a circular economy and carbon neutrality, we will capture demand toward the advancement of resource circulation. We will capture new business opportunities, such as needs for higher quality in recycled resources and the enforcement of the Ship Recycling Act, and will work on enhancing technological capabilities centered on crushing and sorting.

In addition, amid responding to fire risks at recycling plants becoming an issue, we will also strengthen proposals that leverage the expertise of the Group's Fire Protection Equipment & Systems Business.

Through these initiatives, we will put in place a structure that provides integrated support from the introduction of machines through maintenance and on-site safety measures, and will seek business growth.

Key Initiatives

1. Develop market in new growth areas in a circular economy	• Deploy solutions in strategic new markets • Develop next-generation recycling plants
2. Expand business areas and promote technology development through strategic partnerships	• Enhance solutions through partnerships • Promote and strengthen technology development through group synergies
3. Deepen high-value-added total support structures	• Deepen total support structures covering everything from development to maintenance

Overview of Business by Segment

Environmental Conservation Vehicles Business

MORITA ECONOS CORPORATION, which is responsible for the Morita Group's Environmental Conservation Vehicles Business, provides environmental sanitation vehicles on an integrated basis from development, manufacture, and sales through after-sales service, and in particular holds the top share in sanitation vehicles in Japan. Waste collection using sanitation vehicles and garbage trucks is important social infrastructure carried out by municipalities nationwide, and high-power vacuum trucks and high-pressure cleaning vehicles are indispensable to the cleaning and maintenance of sewer systems, where aging infrastructure has become a growing concern recently. Through these environmental sanitation vehicles, we contribute to the conservation of local living environments and the stable operation of social infrastructure.



Noritaka Takata
MORITA ECONOS CORPORATION
Representative Director, President and Executive Officer



Garbage Truck: Rotary Garbage Truck
A rotary-type model widely used for household waste collection. A method that uses a rotating drum to sweep up trash and load it efficiently

Special-Purpose Vehicle: High-Pressure Cleaning Vehicle
Cleans the inside of sewer pipes and domestic wastewater pipes with high-pressure water. Used in a variety of settings, including gutter cleaning



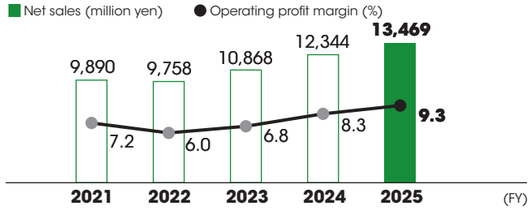


Sanitation Vehicle: Vacuum Truck
Used for human waste collection and septic-tank cleaning, it supports public hygiene and is indispensable to maintaining local sanitary environments. Also used as a water supply vehicle

Overview of Business

In the Environmental Conservation Vehicles Business, against the backdrop of a high order backlog at the beginning of the period, we flexibly adjusted production plans according to the status of chassis arrivals and worked on process management. As a result, the number of units produced increased, and sales of both our mainstay garbage trucks and sanitation vehicles grew. Net sales increased 1,124 million yen year on year to 13,469 million yen (up 9.1%), and operating profit increased 226 million yen to 1,254 million yen (up 22.1%) due to the effect of higher sales.

Five-Year Net Sales and Operating Profit Margin



SWOT Analysis

Strengths	• Market share in Japan of just over 80% (sanitation vehicles) • Network of 15 company-operated service sites throughout Japan • Integrated production structure capable of in-house manufacturing from major structures through to core components
Weaknesses	• Shortage and aging of employees • Work structures dependent on individuals and stagnation in skills succession • Delay in digitalization
Opportunities	• Connections with the municipal solid waste collection and transportation industry and with government nationwide • Review of special-purpose vehicles (declining birthrate and aging population, revisions to the licensing system, etc.) • Review of the advantages of septic tanks due to aging of buried sewer pipes
Threats	• Productivity improvements at competing companies • Intensifying competition accompanying digitalization at competing companies • Shortage of human resources in the manufacturing industry due to a society with a declining birthrate and aging population

Recognition of Changes in the External Environment and Response Policy

In response to changes in the external environment, the Group is addressing three particularly important themes. The first is that we are considering a model change for press-type garbage trucks that aligns with market value.

The second is that the employment environment is changing due to factors such as the declining birthrate and aging population, revisions to the licensing system, and the active participation of women in the workforce, and the functions required of special-purpose vehicles are becoming more diverse. We will pursue ease of operation that anyone can handle and new vehicle configurations aligned with the licensing system.

The third is that, given the characteristics of environmental sanitation vehicles, which are required to operate every day without fail, in addition to improving quality, we will advance the reinforcement of after-sales service structures using digital technologies such as IoT to ensure stable operation.

Review of the Previous Medium-Term Management Plan, "Morita Reborn 2025" (FY2019–FY2025)

During the period of the previous medium-term management plan, we faced supply-side constraints, including longer lead times from order to delivery due to delays in chassis supply associated with factors such as semiconductor shortages.

Under these circumstances, on the production front we advanced initiatives such as the introduction of automated welding and worked on improving productivity and stabilizing quality.

In addition, in sanitation vehicles we maintained a high market share in Japan and reinforced after-sales services, seeking to maintain and improve a stable earnings base while deepening relationships with existing customers.

Furthermore, in garbage trucks, in addition to a model change that improved operability, we advanced the development of EV garbage trucks with a view to a decarbonized society. We sought higher added value from both the standpoint of responding to on-site needs and the standpoint of environmental measures, and worked on reinforcing product capabilities.

Initiatives Under the New Medium-Term Management Plan, "Morita Growth 2030" (FY2026–FY2030)

Policy

- **Develop vehicles adapted to environmental changes and strengthen product competitiveness to enhance customer value**
- **Establish market superiority by increasing product supply efficiency and strengthening service structures**

Numerical Targets (FY2030)

Net Sales **16** billion yen
Operating Profit **1.5** billion yen

Under the new medium-term management plan, with a view to the transition to a decarbonized society and to labor shortages in society, we will work on strengthening competitiveness from both the standpoint of product capabilities and the standpoint of supply capabilities.

In terms of products, we will advance the use of digital technologies and responses to electrification, and will pursue development that leads to labor saving in the field and a lighter work burden through improvements in payload, loading workability, work efficiency, and safety.

As for production, we will incorporate reviews of specifications and processes and automation, and will work on expanding production capacity and improving quality.

Key Initiatives

1. Reinforce product capabilities in response to market needs	• Develop advanced-function models to address on-site challenges • Optimize collection and operations using DX and promote responses to decarbonization (including electrification)
2. Strengthen service responses and build recurring business Reinforce stable earnings base	• Reinforce after-sales service foundations and conduct preventive maintenance using digital technologies • Build partner-based recurring businesses
3. Expand production capabilities by reinforcing design and production foundations	• Reinforce supply capabilities through use of common and standard designs • Use digital technologies and automation to increase productivity and profitability

Sustainability

Promotion of Sustainability Management

The Group aims to resolve social issues through its business activities themselves in firefighting, fire protection, recycling, and environmental conservation, and takes that orientation as the basis of its existence. To make sustainability initiatives more effective, we are reinforcing the promotion of sustainability management under the Purpose of "Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge."

As various social issues grow more serious worldwide, we believe management based on this Purpose is even more important for realizing a sustainable society. We also believe that sincerely addressing environmental and other social issues and taking on the challenge of contributing more to social development and the resolution of issues will lead to stronger business competitiveness.

(1) Governance and Risk Management

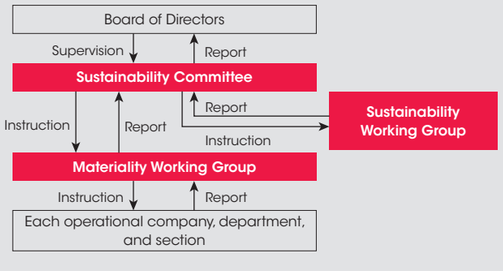
Board of Directors

The Board of Directors monitors and manages risks and opportunities by deliberating on and making decisions regarding reports and recommendations on important sustainability matters submitted by the Sustainability Committee from the perspectives of the Group and of stakeholders including investors.

Sustainability Committee

The Sustainability Committee is composed of Directors and Executive Officers of the Group and deliberates matters including identification of materiality (priority issues) and setting of target indicators. Through direction and supervision of the Sustainability Working Group and the Materiality Working Group, the Committee identifies and evaluates risks and opportunities that may affect the business and promotes company-wide initiatives toward resolving issues. Through reports and recommendations to the Board of Directors, its activities are integrated into Group-wide risk management.

Sustainability Promotion Structure



(2) Strategies

In 2023, aiming for continuous enhancement of corporate value through business activities and for the sustainable development of society, the Group identified priority issues as materiality and has implemented various measures.

Then in 2026, in formulating the new medium-term management plan, "Morita Growth 2030" (FY2026–FY2030), we reviewed the materiality, aiming to achieve compatibility between corporate value and environmental and social value at an even higher level.

2023 Identification of seven materialities → pp. 41–42

2026 Revision to three materialities → p. 40

Materiality Identification Process

Step 1 Extraction of social issues (2023)
From international frameworks such as the SDGs and the GRI Standards, those social issues that were considered to be associated with our company were extracted.

Step 2 Questionnaire survey of stakeholders
In order to prioritize the social issues extracted under Step 1 from the perspective of stakeholders, a questionnaire survey of shareholders, investors, business partners, and our company's employees was conducted.

Step 3 Questionnaire survey of group officers
In order to prioritize the social issues extracted under Step 1 from our perspective, a questionnaire survey of the officers of our group was conducted.

Step 4 Consideration by management (identification)
The primary candidate materiality selected by the Sustainability Committee based on the results of Steps 2 and 3 was optimized in light of the opinions of the Group's Directors, Audit & Supervisory Board Members, and Executive Officers to determine the secondary candidate materiality, which was then approved by the Board of Directors of the Company.

Identification of materiality and implementation of measures (FY2023–FY2025)

Step 5 Review of materiality (2026)
In light of changes in the business environment and social issues, the Sustainability Committee reviewed materiality, reconfirmed importance and appropriateness, and revised materiality.

Background and Purpose of the Materiality Review

Measures based on the seven materialities identified in 2023 have taken root as group-wide activities involving major operating companies, as part of management and business activities, and have steadily yielded results.

At the same time, various challenges have come to light regarding achieving compatibility between corporate value and environmental and social value at a higher level. We therefore performed a fundamental overhaul of our materiality framework based on our previous findings in conjunction with formulation of the new medium-term management plan.

New Materiality

Materiality	Vision and direction	Key goal indicator (KGI)*	Key contributors to corporate value
Creating Environmental Value	Contribute to solving environmental issues, including climate change, and protect lives and the global environment.	GHG emissions reduction rate	• Reduction in costs and risk of carbon taxes by saving energy and resources • Enhancement of responsiveness to legislation and customer demands for decarbonization
		Expansion of environmentally friendly product lineup	• Enhancement of innovation capability • Increase in added-value and further differentiation of products
Nurturing and Empowering People	Create an environment where all employees can grow with hope and demonstrate their full potential.	Employee engagement score	• Enhancement of creativity and productivity of employees and organization • Establishment of competitive recruitment and reduction in employee attrition rate
		Human capital ROI	• Optimization of human capital investment • Improvement of business strategy implementation by enhancing the value added by human resources
Deepening Governance	Continuously enhance the effectiveness of corporate governance, including compliance and respect for human rights.	Thorough adherence to laws and regulations	• Reduction in risk of damage to corporate value • Establishment of trustworthy relationships with customers and trading partners
		Respect for human rights within the company and its supply chain	• Reduction in risk of human rights violations in-house • Reduction in risk of human rights violations in the supply chain
		Effectiveness of the Board of Directors	• Enhancement of decision making ability • Promotion of management focused on capital efficiency

*The targets for each KGI will be disclosed on our website.

Definition of Indicators

	Indicator	Definition	Operation
Two-tier structure	Key **global** indicator (**KGI**)	**Degree of achievement of** materiality **targets**	• Indicators that concisely represent our vision and direction • Medium-term and fiscal-year achievement targets are set
	Key **performance** indicator (**KPI**)	**Degree of progress of measures, or of achievement of interim targets**, toward KGI targets	• Indicators useful for managing the progress of measures • Flexible operation based on measures

In setting the new materiality criteria, we conducted our review after evaluating the progress made, the results achieved, and the remaining challenges associated with initiatives based on the previous materiality criteria.

The following pages (→pp. 41–42) present target setting and activity results under the previous materiality.

Sustainability

Themes of Measures and Results Under the Previous Materiality

Classification	Materiality and related SDGs	Initiative theme	KPI	FY2030 KPI target	FY2025 initiative achievements
Materiality related to business activities	❶ Initiatives on the problem of climate change	Reduction of greenhouse gas (GHG) emissions generated from the company's own business activities (Scope 1, 2)	GHG emissions under Scope 1	Reduction by 42% from the FY2022 level	• Continued adoption of hybrid vehicles as company cars • Expanded range of models using high-solid paint • Prepared budget for conversion from gas type to electric air conditioners at some sites
			GHG emissions under Scope 2	Reduction by 42% from the FY2022 level	• Introduced LED lighting for paint booths as planned
		Reduction of GHG emissions generated in the upstream and downstream supply chain (Scope 3)	GHG emissions under Scope 3 (targeting Categories 4, 9, and 11*1)	Reduction by 25% from the FY2022 level (in Categories 4, 9, and 11*1)	• Started sales activities for lightweight industrial machinery products • Applied for type approval for electric fire trucks • Achieved target for orders of electric garbage trucks
	❷ Contribution to a recycling-oriented society	Waste reduction and improvement in the recycling rate	Waste recycling rate	Waste recycling rate of 95%	• Promoted conversion to valuables by thorough separation • Improved recycling rate by revising waste treatment method
				Waste fire extinguisher recycling rate of 95%	• Started recycling fire extinguisher plastic parts
				Recycling rate of 95% at Funabashi Recycling Plant	• Continued to consider expanding scope of residue reduction
		Environment-friendly procurement	Environment-friendly suppliers	At least 80%* *Of the top 30 key business partners	• Started to promote based on assessment of suppliers' environmental management
			Each company's own environment-friendly procurement	Purchase of environment-friendly products	• Made the switch to Eco goods known, starting with feasible items
	❸ Contribution to a safe and secure society	BCP measures	Electricity sufficiency rate in an emergency situation	100%* *Procurement rate of electricity required for minimum operation	[Alternative BCP approach: Social contribution activities] • Promoted blood donation, factory tours, and volunteering for cleaning activities at main sites • Installed AED at all 34 sites and completed training courses
			Ratio of purchase of key materials and parts from multiple suppliers	50%* *Ratio of suppliers of key materials and parts which account for multiple suppliers	
		Measures to be taken at the time of a disaster	Rate of acquisition of disaster prevention cooperation certification or agreements, etc. from/with the municipalities in which our key bases are located	100%	• Maintained and strengthened relations with municipalities with existing agreements • Approached new municipalities
			Sufficiency rate of disaster relief stockpiles for employees at bases	100%	• Systematically expanded and improved stockpile distribution
	❹ Creation of environmental value through persistent technological innovation	Development of technology and products to contribute to the reduction of greenhouse gas (GHG) emissions	Preparation of zero-emission vehicle (ZEV) compatible products	Conversion of typical fire trucks to ZEVs	• Promoted development for EV chassis
				Conversion of typical environmental conservation vehicles	• Completed EV adaptation for 3 models
		Development of technology to replace materials with those which are friendly to the global environment, and development of products which give consideration to the recycling of resources	Elimination of substances harmful to the environment	Completion of the development of fire extinguishing agents, which are not subject to GHS labeling	• (Completed in FY2024)
				Completion of the development of fluorine-free fire extinguishing agents	• Acquired type approval for chemical substances • Applied for type approval for compatible equipment
				100% compliance with RoHS Directive on in-house electrical/electronic equipment	• Supplier survey is in progress
				Completion of the development of fluorine-free agents for fire extinguishers/extinguishing equipment	• Acquired type approval for some chemical substances • Assessment tests are in progress for others
			Recycling rate of products/materials	100% elimination of GFRP parts used in the manufacture of fire trucks	• Implementation method is under consideration
				Product recycling rate 95% (average of 10 models)	• Continued consideration of alternative materials for garbage trucks
				Recycling rate of 99% for aluminum fire extinguishers (including extinguishing agents)	• Implementation plan is being formulated
				Recycled SS material usage rate of 10% (scrap shear, compared to FY2022)	• Completed material study for target models
			Reduction of parts/materials used for products based on reduced designs	100% paperless instruction manuals for all fire extinguishers	• Completed development • User alignment is in progress
				Reduction of the use weight of steel structures by 5% (scrap shears, from the FY2022 level)	• Achieved targets for some models
	❺ Pursuing product quality and safety	Improvement in the product elaboration quality	Number of complaints within one year of delivery	Number of complaints Vehicle-related: 0.05 cases/vehicle Related to fire protection equipment & systems: 0.0002 cases/item Environment-related equipment: 0.25 cases/unit	• Shared legislative and technical information • Conducted training for operators • Shared knowledge using AI • Reviewed inspection processes
			Number of quality accidents/serious problems* *Fatal accident or fire caused by the product	0 cases*2	• Shared information on serious quality issues • Implemented measures to prevent reoccurrence
			Raising of the quality-related skills/awareness of employees	Rate of acquisition of QC certification Grade 3 or higher: 100% of the quality assurance division: 50% of the technology/production division Rate of acquisition of QC certification Grade 4 or higher: 100% of factory workers E-learning implementation rate of 100%	• Promoted certification examinations • Provided support for learning • Considered method for verifying effectiveness
		Improvement of occupational health and safety in workplaces	Rate of frequency of labor accidents resulting in lost workdays	0.50 or lower*3	• Reviewed safety patrol activities • Visited best workplaces among the Group • Education by specialist trainers
			Response level in the event of disasters	Extraction of workplace risks arising in the event of disasters, and implementation of countermeasures	• (Included in BCP)
Materiality related to business foundations	❻ Practical application of viable corporate governance	Ensuring thorough legal compliance	Number of cases of serious legal violation	0 cases	• Implemented stratified training • Implemented e-learning • Operated whistleblowing system appropriately
			Raising awareness of compliance and elimination of harassment	90% or higher* *positive responses in questionnaire surveys	• Encouraged improvements based on the questionnaire results of the previous fiscal year • Conducted questionnaire surveys for this fiscal year
			Respect for human rights	100%* *acquisition of consent forms from key suppliers on their respect for human rights	• Surveyed and analyzed in-house human rights issues • Conducted various human rights training
		Enhancement of supervisory functions	Improvement in the effectiveness of the Board of Directors	100%* *Rate of positive response from the questionnaire-based survey	• Implemented questionnaire-based survey of Directors • Analyzed survey results, formulated and implemented measures, and prepared a budget • Started to strengthen risk management systems
	❼ Development of innovative human resource	Acquisition of diverse human resources on the basis of management strategies	Ratio of mid-career hiring	50%	• Actively implemented mid-career recruitment • Strengthened new graduate and mid-career female recruitment
			Ratio of women hired	40%	
			Ratio of hired individuals from overseas	10%	
		Development of human resources to enhance business competitiveness	Educational expenses per head	70,000 yen	• Introduced career design training • Implemented DX training • Prepared for conducting an engagement survey
			Positive response rate in an engagement survey	80%	
		Development of a workplace environment where diverse human resources are accepted and can play active roles	Ratio of female personnel in managerial positions	5% or higher in each company	• Considered issues for promoting the appointment of female employees • Conducted interviews with male employees eligible for child care leave
			Rate of acquisition of child-raising leave by men	80% or higher in each company	

*1 Category 4: upstream transportation and distribution, Category 9: downstream transportation and distribution, Category 11: use of sold products
*2 Morita, Morita Miyata Corporation, Morita Environmental Tech, Morita Econos, and Morita Technos
*3 Morita, Morita Miyata Corporation, Morita Environmental Tech, Morita Econos, Morita Technos, and Morita Holdings

Environment

Environmental Management

Starting from our Purpose of "Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge," the Group works through its business activities to resolve social issues including environmental conservation and resource circulation.

Climate change and changes in the natural environment are both business opportunities and material risks for the Group. We regard these environmental changes as opportunities to create new value and seek to enhance corporate value through our products and services, while addressing the negative impact of our business activities on the natural environment by treating its management and reduction as important management issues.

In addition, each operating company has formulated its own environmental policy according to its business domain. Furthermore, we have established an environmental management system and implement the PDCA cycle on an organized basis, thereby continuously strengthening our efforts to reduce our environmental impact.

Environmental Policy

As an example, we present the environmental policy of MORITA CORPORATION, which is responsible for the Fire Fighting Vehicles Business, the Group's core business.

MORITA CORPORATION Environmental Policy

Based on the philosophy of "contributing to a safe, livable, and thriving society and striving for harmony with society," Morita will take on the theme of continuing to protect our green Earth from environmental pollution. In the 21st century, for the coexistence of people and the Earth, toward a sure step to a sustainable circular society, we aim to be a Morita that is "safeguarding the lives of people and the Earth" through unceasing effort and new technologies.

1. We will comply with legal requirements related to the environment and with other requirements such as agreements to which this business site has consented.
2. We will promote environmentally responsible business activities by establishing an environmental management system, setting environmental objectives and targets in line with our action guidelines, and reviewing them on a regular basis.

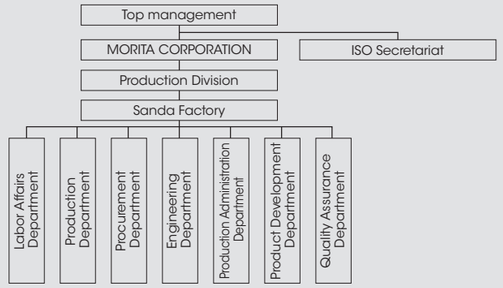
   Action Guidelines
   (1) We will strive to conserve energy and resources.
   (2) We will strive to reduce waste and recycle.
   (3) We will strive to reduce the environmental impact caused by chemical emissions.
   (4) We will strive to reduce environmental impact throughout the product lifecycle.
3. We will strive for the continual improvement of the environmental management system and the prevention of environmental pollution.

Environmental Management System

Each operating company has voluntarily obtained certification under ISO 14001, the international standard for environmental management systems, and is promoting environmental improvement activities based on the PDCA cycle.

As an example, we present the environmental promotion structure of MORITA CORPORATION. We have established an ISO Secretariat directly under the President and have appointed the Head of the Production Division as management representative. Furthermore, we have positioned the Quality Assurance Department above the Production Division and assigned responsible persons and promoters to each department within the Production Division, thereby putting in place a structure for advancing environmental activities.

Environmental Management Promotion Framework (MORITA CORPORATION)



Moreover, as a Group-wide environmental promotion structure, we have established a materiality working group to address environmental issues. Here, we work on matters such as the reduction of GHG emissions and the development of products with lower environmental burden, and, in coordination with each company's environmental management system, we are enhancing the Group's overall environmental response capabilities.

Reduction of Greenhouse Gases

In order to mitigate climate change risks and contribute to a decarbonized society, the Group has set GHG emissions as one of its indicators and is working on their management. We are advancing initiatives centered on the promotion of energy saving and the use of renewable energy to reduce our direct emissions (Scope 1) and indirect emissions (Scope 2). In addition, with respect to the reduction of emissions from the supply chain (Scope 3), we will contribute through such means as the development of ZEV vehicles, the weight reduction of products, the improvement of recycling rates, and the reduction of waste.

Examples of Initiatives at Operating Companies

At MORITA CORPORATION's Sanda Factory, as part of energy saving, we are advancing such measures as the introduction of LED lighting, the installation of solar panels, and the securing of green space. We are also contributing to the prevention of heatstroke by applying heat-shielding paint to roofs and windows, which keeps indoor temperatures from rising. In addition, fire-extinguishing agents and hydraulic oil used in firefighting vehicle testing are disposed of through appropriate treatment at treatment facilities, and we comply with wastewater discharge standards.

Factory wastewater is inspected on a regular basis, and we continuously confirm the effectiveness of management through periodic ISO 14001 audits.

These initiatives are linked to the materiality that covers environmental issues.

Furthermore, with respect to the reduction of GHG emissions, while a certain degree of improvement can be seen in Scope 1 and 2 emissions, further promotion of energy saving and expanded introduction of renewable energy are issues for the achievement of medium-term targets. With regard to Scope 3 emissions, collaboration with suppliers is essential, and while building relationships of trust and sharing targets, we are seeking to reinforce the structure for working on emissions reduction across the entire supply chain.

Reduction of Waste

The Group's basic policy for waste generated in its business activities is to minimize environmental burden by promoting the 3Rs (reduce, reuse, and recycle).

In the Recycling Machines Business, we provide scrap processing machinery and recycling plants with the aim of contributing to the circular economy and carbon neutrality. In the Environmental Conservation Vehicles Business, we contribute to local resource circulation through garbage trucks and sanitation vehicles that are indispensable to the collection and transportation of trash and human waste. In addition, in the Fire Protection Equipment & Systems Business, we collect used fire extinguishers and recycle agents, and work on the effective use of resources.

Although we have not set a total volume target for waste, we have set a target of achieving a recycling rate of 95% or more for the Group as a whole over the medium term, and aim to bring it closer to 100% in the future.

Initiatives
- Expansion of the volume of recyclable valuables recovered through thorough sorting
- Switching the disposal method for powdered waste paint from landfilling to thermal recycling
- Transition of the disposal method for sludge from landfilling to recycling
- Switching to a waste processing contractor with strong recycling capabilities for mixed waste

In addition, we conduct an environmental management evaluation questionnaire for suppliers and, in that questionnaire, confirm the status of waste management and whether reduction targets have been set. Using these initiatives as a starting point, we make approaches toward the promotion of environmental management including waste reduction and connect them to improvement across the entire supply chain.

Environmentally-Conscious Procurement

The Group believes that the reduction of environmental burden, including the reduction of GHG emissions, becomes more effective when addressed throughout the entire value chain. For that reason, we place importance on information sharing and collaboration with suppliers and, while also broadening our perspective to social issues such as respect for human rights, we place great importance on the maintenance and development of partnerships based on mutual understanding and relationships of trust.

Initiatives (FY2025)
- Set targets for the environmental management evaluation scores of major business partners and promote their achievement
- Conduct an environmental management evaluation questionnaire to understand suppliers' environmental policies and the status of their initiatives
- Share areas for improvement and priority areas based on questionnaire results to promote higher levels of engagement

Environmentally Friendly Product Development

The Group places importance on reducing environmental burden across the entire product lifecycle and is working on the zero-emission conversion of vehicles, the elimination of hazardous substances, and the reinforcement of resource circulation. We will advance the conversion of firefighting and environmental vehicles to ZEVs and, at the same time, incorporate environmental consideration from the parts and materials stage of products, with the aim of contributing to a sustainable society.

Initiatives	Target
Increasing the proportion of zero-emission vehicles	FY2030: Convert 77% of applicable firefighting vehicles and 85% of applicable environmental vehicles to zero-emission vehicles
Elimination of hazardous substances	During FY2025: Practical application of fluorine-free foam fire-extinguishing agents FY2030: 100% compliance with the RoHS Directive for electrical and electronic equipment
Reinforcement of resource circulation and environmental design	Improvement of the recycling rate of products and materials Promotion of reductive design (weight reduction, longer life, modularization, etc.)

Initiatives (FY2025)
- Progress in ZEV design for firefighting vehicles
- ZEV design for environmental vehicles: completed for 8 models
- Completion of type approval for fluorine-free foam fire-extinguishing agents
- Completion of a 10% ratio of electric furnace steel used in the Model 800 cutting machine



Rotary-type EV garbage truck ePack Master



Press-type EV garbage truck ePress Master

Information Disclosure Based on TCFD Recommendations

Morita Group has positioned initiatives on the problem of climate change as one of its materialities, and will promote information disclosure based on the Task Force on Climate-related Financial Disclosures (hereinafter referred to as "TCFD") recommendations.

Governance

Critical issues related to climate change are deliberated by the Sustainability Committee, which reports and makes recommendations to the Board of Directors. Additionally, the Sustainability Working Group, under the direction and supervision of the Sustainability Committee, identifies and assesses the potential risks and opportunities that climate change may pose to our business operations. It also makes revisions as necessary in response to changes in the external environment and business conditions.

Strategy

Morita Group identifies risks and opportunities that are considered to be of particular importance to the Group's core businesses, namely the Fire Fighting Vehicle Business and Fire Protection Equipment & Systems Business, based on the short-, medium-, and long-term impacts of climate change on the economy and society, as guided by the framework of the TCFD recommendations.

The financial impact of each of the identified risks and opportunities on the Group is analyzed under two scenarios: less than 2°C, in which climate change countermeasures and regulations are expected to strengthen, and 4°C, in which the severity of disasters is expected to worsen.

Additionally, for each risk and opportunity, we consider its financial impact and likelihood of occurrence, and evaluate the materiality of its business impact on our group.

To obtain the information necessary for consideration, we referenced reports such as IEA (International Energy Agency) WEO 2022 Net Zero by 2050 and IEA ETP 2020.

Below is a summary of how we forecast the business environment and impacts on our business under each scenario.

Less than 2°C scenario

In this scenario, we forecast the following business environment where transition risks, such as carbon taxes, mainly arise from advancements in climate change-related regulations and efforts to mitigate rising temperatures and as society moves toward a low-carbon future.

[Overview]

Countries are proactively responding to climate change and policies such as CO_2 emissions regulations and introduction of carbon taxes are being implemented. Companies are likely to be forced to bear the costs of responding to such policies and price shifts from suppliers.

[Changes in business environment]

The shift to clean energy and technological innovations that lead to decarbonization will change customer attitudes and increase demand for products and services that can contribute to a low-carbon society. Emissions regulations and electrification will progress, particularly in vehicles.

With increasing demand for vehicles with a lower environmental impact, electrification is expected to also progress in the Group's core business, special-purpose vehicles, which include fire trucks. In addition, regulations on fire extinguishing agents will increase and recycling will become more important.

4°C scenario

In this scenario, we forecast the following business environment where rising temperatures have not been mitigated due to a lack of decisive climate change action and the impact of physical risks, such as more severe natural disasters, including flooding and storm surges, will worsen.

[Overview]

Climate change regulations and policies are not being implemented decisively, and environmental regulations are not having significant impact on business. Meanwhile, rising temperatures are likely to lead to an increase in large-scale natural disasters, resulting in more extensive damage.

[Changes in business environment]

Natural disasters have the potential to disrupt supply chains and make it difficult to procure parts needed for production. In addition, direct risks to production sites located in areas vulnerable to sea level rise will increase.

On the other hand, the importance of disaster prevention will increase with the frequency of disasters, and opportunities to provide solutions for disaster prevention and recovery from disaster are expected to increase.

Risk and opportunity		Type	Impacts	Main impacts on the group	Estimated timeframe	Degree of financial impact		Measures
						Less than 2°C	4°C	
Risks	Transition risks	Regulations	**Introduction of carbon taxes**	Increase in additional costs due to development of new low-CO_2 compliant equipment, etc. and increase in costs due to carbon tax burden	Medium-term	M	–	• Installation of energy-saving equipment • Optimization of production processes • Expansion of renewable energy ratio
		Technology	**Transition to products with low environmental impact**	Loss of sales opportunities due to delays in development of electric vehicles and other vehicles with low environmental impact	Short- to medium-term	M	–	• Product development based on market trends and surveys of customer requirements • R&D of environmentally friendly technologies
		Market	**Increase in procurement costs**	Increase in procurement costs for parts and vehicle bodies due to the transfer of carbon tax prices	Medium-term	L	–	• Improvement of parts procurement efficiency through enhanced accuracy in managing bills of materials • Optimization of the supply chain, including parts suppliers
	Physical risks	Acute	**Increasing severity and frequency of extreme weather events**	Loss of sales opportunities due to supply chain disruptions caused by floods and typhoons	Medium- to long-term	S	M	• Periodic review of Business Continuity Plan (BCP) • Decrease risk from local disasters by decentralizing offices and suppliers
Opportunities	Products and services		**Development and provision of low emission products and services**	Gain sales opportunities by developing and offering fuel-efficient vehicles that lead to energy savings	Short- to medium-term	M	–	• Product development such as electrification, connected services and low-CO_2 devices
			Development of climate adaptation and resilience solutions	Expand sales opportunities by offering disaster countermeasure products that lead to disaster mitigation and recovery from disaster	Medium- to long-term	S	M	• Sales expansion and development of related products such as off-road vehicles and drainage pumps
			Development of new products through R&D and technological innovation	Gain sales opportunities by making firefighting equipment available for use in electric vehicles, natural gas vehicles, and other low emission vehicles	Medium-term	M	–	• R&D of environmentally friendly technologies
	Market		**Growing stakeholder interest in ESG**	Enhancement of corporate value through improvement of ESG-related evaluations, including environmental considerations	Medium- to long-term	M	–	• Proactive disclosure of information on climate change risk countermeasures • Timely identification of supply chain emissions and initiatives to reduce them

Notes:
1. Estimated timeframe: Short-term (less than 3 years); Medium-term (at least 3 years but less than 10 years); Long-term (10 years or more)
2. Degree of financial impact: S (less than 100 million yen); M (at least 100 million yen but less than 1 billion yen); L (1 billion yen or more)

Risk Management

Regarding risks related to climate change, the Sustainability Working Group, under the direction and supervision of the Sustainability Committee, uses scenario analysis to identify and evaluate risks that could impact our business operations.

The Sustainability Committee deliberates and discusses the degree of business impact and adaptation measures of risks identified as critical, and reports and makes recommendations to the Board of Directors.

Metrics and Targets

To mitigate the risk of climate change and contribute to a decarbonized society, Morita Group has set GHG emissions as one of its indicators and is working on managing its emissions. To reduce direct emissions (Scope 1) and indirect emissions (Scope 2) from the Company, it is promoting initiatives that include energy conservation and utilizing renewable energy. In addition, to reduce emissions from its supply chain (Scope 3), it will contribute through the development of ZEV vehicles, weight reduction of products, improving recycling rates and reducing waste.

The actual GHG emissions are as shown in the table below. As for Scope 3, the Morita Group will continue to work on improving the completeness and accuracy of data used to calculate emissions to disclose them in the future.

GHG Emissions (t-CO_2)

Scope	FY2022	FY2023	FY2024	FY2025	FY2030 target
Scope 1	5,142	5,352	5,127	5,217	Reduction by 42% compared to FY2022
Scope 2	6,414	6,604	6,285	6,381	
Scope 1+2	11,556	11,956	11,412	11,598	

*Scope 1: Direct greenhouse gas emissions by the Company (fuel combustion, industrial processes)
Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies
Coverage scope: MORITA HOLDINGS CORPORATION and major consolidated subsidiaries

Social

Community Contribution Activities

Fundamental Approach

The Group promotes initiatives that emphasize coexistence with society, with the vision in Morita's Philosophy—"To be a valued and respected company by serving to shape a safe, accessible, and thriving society"—at the core. In addition to activities rooted in local communities, as part of social contribution through our business, we continuously provide support to areas affected by earthquakes and other natural disasters.

Recently, as natural disasters have become more frequent and severe, the Group's role in protecting the safety and security of society has grown further. Based on this recognition, we will further strengthen disaster-prevention support and disaster-response support for local communities and advance them in conjunction with our business activities, thereby contributing to creating environments where communities are resilient to disasters and people can live with peace of mind. Through these initiatives, the Group will fulfill its responsibility as a company that society needs and contribute to sustainable community development.

Actions 1

Disaster Relief Activities

- **Supported areas affected by the forest fire in Ofunato City**
  - Conducted free inspections of firefighting vehicles manufactured by Morita dispatched to the affected areas
  - Donated environmentally friendly foam fire-extinguishing agents to the Ofunato City Fire Defense Headquarters
- **Supported areas affected by the forest fire in Imabari City**
  - Conducted free inspections of firefighting vehicles manufactured by Morita dispatched to the affected areas
  - Donated environmentally friendly foam fire-extinguishing agents to the Imabari City Fire Defense Headquarters



The Imabari City Fire Defense Headquarters

- **Supported areas affected by the forest fire in Otsuki City and Uenohara City**
  - Donated environmentally friendly foam fire-extinguishing agents to the Otsuki City Fire Department and the Uenohara City Fire Department

Actions 2

Activities Contributing to Local Communities

- **Signed an Agreement on Safe and Secure Community Development with Yao City, Osaka Prefecture (March 2025)**
- **Local cleanup volunteering**
- **Blood donation activities at business sites**

Actions 3

On-Site Science Classes in Osaka, Kyoto, and Hyogo Prefectures

The Group supports the on-site science classes for special-needs schools for the deaf organized by the Osaka Science & Technology Center and has been a sponsor since 2007.

Through this initiative, we hope to give children opportunities to discover what is interesting about science and to connect that with inspiration and new ideas. We will continue educational support activities in the community as part of developing the next generation.

Actions 4

Disaster-Prevention Education for Local Students

The Company and Kwansei Gakuin University concluded a comprehensive partnership agreement in March 2023, with the aims of creating new learning opportunities, promoting joint research, and contributing to sustainable community development. As part of that partnership, we hold a disaster prevention camp at Kwansei Gakuin University's Kobe Sanda Campus.

In this program, through a camping experience on a campus rich in nature, participants can acquire basic knowledge of disaster prevention and gain learning and awareness while experiencing simulated disaster conditions.

Through these experiences, we will develop human resources who can lead future community-based disaster prevention.



Cardboard beds for use in disasters

Quality Management

Fundamental Approach

The Group positions quality management as an important element of management that supports customers' trust. While defects in products and services lead to damage to safety and brand value, stable and improved quality creates opportunities such as higher customer satisfaction and expanded business.

In light of these risks and opportunities, the Group aims for sustainable business growth through continuous improvement driven by quality management. In addition, each operating company has established a quality policy according to the characteristics of its business and is implementing initiatives to ensure quality. Here we introduce the quality policy of MORITA CORPORATION, which handles the Fire Fighting Vehicles Business, our core business.

MORITA CORPORATION Quality Policy

1. We will aim to establish the Morita Brand worldwide by strengthening total quality (the quality of all corporate activities).
2. We will provide high-quality products through dedicated manufacturing to earn customers' trust and satisfaction.
3. We will continuously improve the effectiveness of our quality management system to become a strong, competitive company.
4. We will ensure conformity with product requirements and quality management system requirements to improve customer satisfaction.

Measures

Each operating company has independently obtained ISO 9001 certification and is advancing continuous improvement through the PDCA cycle by implementing a quality management system.

Toward quality improvement throughout the Group, we have established a working group on product quality and safety as part of materiality activities, and we work on reduction and prevention while sharing information on complaints and serious problems.

Furthermore, as development of quality human resources, we promote acquisition of Grade 3 of the Quality Management and Quality Control Examination, set acquisition targets at each operating company, and support examinees. Overall there is progress, while the existence of departments that have not met targets and verification of effects after obtaining certification remain issues. Going forward, we will assess the effects of educational efforts through post-acquisition questionnaires and similar means, and connect this to improving the effectiveness of training.

Topics

Supporting Reliable Quality for Disaster Response Through Systems

Fire trucks are products that must function reliably at fire and disaster sites. MORITA CORPORATION operates a quality management system covering the design, development, and manufacture of fire trucks at Sanda Factory, design and development in the Product Development Department, and sales at each sales site.

In October 2010, the company obtained registration from Japan Quality Assurance Organization (JQA), an external certification body. In addition to internal audits twice a year, a compliance evaluation once a year, and a management review every month, it also undergoes periodic and renewal audits by the external certification body and continuously confirms the effectiveness of the quality management system.

Through these activities, issues at each stage of design and development, manufacturing, and sales are identified and connected to improving the quality of fire trucks.

Occupational Safety and Health

Fundamental Approach

The occupational safety and health of employees is an important management foundation that supports business continuity and value creation. The Group's businesses include many operations that involve physical risk, such as manufacturing, maintenance, and on-site response, and occupational accidents lead not only to impacts on human life but also to material business risks including suspension of operations, lower quality, and damage to public trust. At the same time, we regard development of an environment where people can work safely and with peace of mind as an opportunity that goes beyond reducing accident risk and leads to establishment of skills, higher productivity, and stronger front-line capabilities.

Health Management

Fundamental Approach

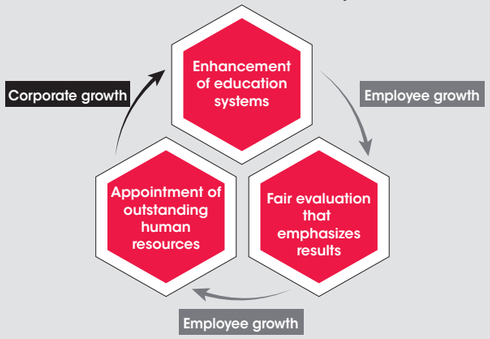
Employee health and mental well-being are an important management foundation that supports sustainable value creation. The Group's businesses require safety and reliability, and concentration and judgment at sites and in design and manufacturing connect directly to quality. On the other hand, physical and mental health issues are risks that can lead to occupational accidents and to lower quality and productivity. Based on this recognition, we regard initiatives on health and mental well-being not only as risk reduction but also as an opportunity to strengthen competitiveness through employees' demonstration of ability and stronger organizational capability.

Human Capital

Fundamental Approach

The Group regards the human capital each employee possesses, such as knowledge, skills, experience, and motivation, as the source of corporate value creation. We regard people not merely as a cost but as an investment for future growth that supports future growth, and we continue to promote development and creation of environments where people can work safely and in good health. We recognize that preparing an environment in which diverse human resources can demonstrate their abilities leads to securing sustainable competitiveness and driving innovation.

Three Pillars of the Human Resources System



Human Resource Development

The Group regards people as human capital and treats creation of an environment in which diverse human capital can grow and demonstrate ability as an important management issue. We will promote human resource development, securing of diversity, and development of an internal environment that is easy to work in an integrated manner, and connect this to sustainable enhancement of corporate value.

In the medium-term management plan, "Morita Reborn 2025" (FY2019–FY2025), we set "develop innovative human resources" as one of the basic policies and have advanced various measures. In addition to conventional training by year of hire and support for self-development, we have expanded selection-based development measures to further strengthen the development of innovative human capital.

Specifically, we conduct dispatch to graduate school for working adults aiming for a doctorate, global human resource development training for those who will lead new product development and overseas businesses, and capability development training that raises practical ability across generations and industries. In addition, as a grading system for managers, we have established a specialist course alongside a management course, and have established a mechanism in which highly specialized human resources can play active roles. For management candidates, we conduct six-month training with assessment and support continuous growth and capability development. Furthermore, from the standpoint of building a culture that values an attitude of continuing to learn, we have established programs that encourage self-development. (See the "Training structure diagram" below)

Training Structure Diagram

	Level-specific training	Skills training	Job function training	Selective training	Issue-based training
Officer training				Next-generation executive training	Officer compliance training
Manager training	Management training for managers New manager training Follow-up training for new managers	Communication training Time management training Coaching training Presentation training Excel training PowerPoint training Finance training Business manners training Elective reskilling training	Sales training Intellectual property training DX training	Training for manager candidates	Manager compliance training Mental health training Compliance training Human rights awareness training
Grade 4 training (Deputy section manager / factory supervisor)	Grade 4 training Newly appointed grade 4 training				
Grade 3 training (Assistant manager / foreman)	Grade 3 training Newly appointed grade 3 training			Next generation young leader training Dispatch to graduate school for working adults New employee mentor system New employee OJT training Training for supervisors of new employees	
General employee training	Vision 30 training Training after three years of service Training after one year of service New employee follow-up training New employee compliance training New employee training				

Promotion of Diversity (Diversity Management)

An environment in which human capital with diverse experience and values can play active roles is indispensable to generate technological progress and innovation. To establish mechanisms and an environment in which diverse human capital can play active roles regardless of gender, nationality, or age, and to promote building of a vigorous organization, the Group has established a Diversity Promotion Office and is pursuing hiring, development, and system reform in an integrated manner.

Basic Policy on Diversity Management

The Morita Group will work on diversity management as a management strategy in order to generate results.

The diversity management we have in mind does not have as its sole purpose increasing the diversity of employees. It is not something we do solely to enhance employee benefits or fulfill our corporate social responsibility.

We will approach diversity management with an aim of ensuring that employees demonstrate their abilities to the fullest by working with vitality, and connect that to results.

Measures

1. **Recruitment of diverse human resources**
   We have set numerical targets for the ratios of mid-career hires, female hires, and hires from overseas to promote the recruitment of human resources with diverse knowledge and experience as well as the placement of the right people in the right roles.
   [Target indicators]
   - Aim for a ratio of women among annual hires of 40% or more
   - Aim for a ratio of foreign nationals among annual hires of 10% or more
   - Aim for a ratio of mid-career hires among annual hires of 50% or more
2. **Provision of opportunities for human resource development**
   We have established a mechanism in which, at the human resources system operation meetings, officers and managers confirm employees' performance and strengths and consider and share opportunities that lead to further capability development.
3. **System reform (development of an environment that is easy to work in)**
   We are creating systems that enable employees to continue contributing even as they experience life events. Specifically, the details are as follows.
   - Clarification of evaluation rules for employees taking childcare or nursing care leave
   - Promotion of flexible working styles for employees with children in elementary school or younger
   - Creation of an environment in which people can continue to work with peace of mind, including extension of the nursing care leave period and establishment of a salary compensation system during leave

Creation of a Supportive Work Environment

Under the mission of Morita's Philosophy and the corporate slogan of "safeguarding lives and the environment," the Group aims for sustainable enhancement of corporate value through maximization of human capital, with safety and security as the foundation.

To achieve this, we operate various systems as a group so that each and every employee can take on challenges and grow. We place a particular emphasis on training for younger employees and development of management candidates. For new employees, two senior employees serve as mentors and provide on-the-job training for one year after joining the company, with the goal of fostering their early development. For the senior employees as well, this serves as an opportunity to improve management skills, which in turn helps foster a culture of mutual learning and create an open and communicative workplace. For the first four years after joining the company, we conduct training for employees who joined at the same time once a year, as an opportunity to learn from one another and pursue self-improvement from an early stage. Furthermore, for mid-career employees in their 30s, we conduct the Vision 30 Training, in which employees consider their careers by age group, and provide an opportunity to reflect on their own careers over a six-month period. This has advanced early development of younger employees and has led to leaders in their early 30s playing active roles in leading the organization. Before promotion to manager, we provide training so that employees acquire the necessary knowledge and skills and can perform their duties smoothly.

In addition, based on the assumption that employees will take advantage of maternity, child-raising, and family care leave programs, we implement the Career 100 program as a mechanism to ensure that even long-term leaves of absence do not hinder career advancement. By using evaluations before and after leave as the criteria for promotion, we prevent employees from being disadvantaged and allow them to take promotion exams even while on leave. We have also expanded the system to male employees who take child-raising leave or employees who take nursing care leave, realizing an environment in which people can work continuously on career formation while balancing work and family life.

Related Data[*1] (FY)

	2023	2024	2025
Ratio of mid-career hires	37.8%	55.3%	50.9%
Ratio of female hires	8.9%	8.5%	13.6%
Ratio of hires from overseas	2.2%	2.1%	3.4%
Ratio of female managers[*2]	3.6%	2.1%	2.0%
Ratio of male employees taking child-raising leave	64.3%	67.7%	77.8%

*1 Calculated for MORITA HOLDINGS CORPORATION, MORITA CORPORATION, MORITA MIYATA CORPORATION, MORITA ENVIRONMENTAL TECH CORPORATION, MORITA ECONOS CORPORATION, and MORITA TECHNOS CORPORATION.
*2 Shows the ratio as of the end of each fiscal year.

Governance

Corporate Governance

The Group positions Morita's Philosophy as the foundation of its corporate activities and is committed to implementing effective corporate governance in order to enhance corporate value over the medium to long term.

Structure

The Group has adopted a holding company system and, as its form of governance, a company with an Audit & Supervisory Board, through which it appropriately manages and supervises the operations of each operating company. Specifically, we assign officers and employees of the Company as Directors and Audit & Supervisory Board Members at key Group companies and establish a management structure in which appropriate supervision and monitoring function, thereby enhancing corporate governance throughout the Group.

Board of Directors

In accordance with the Company's Articles of Incorporation, Executive Officers elected by the Board of Directors are responsible for business execution under the supervision of the Board of Directors and the Representative Directors.

To ensure the efficient execution of duties, the Board of Directors meets regularly once a month and holds extraordinary meetings of the Board of Directors when an urgent resolution is required.

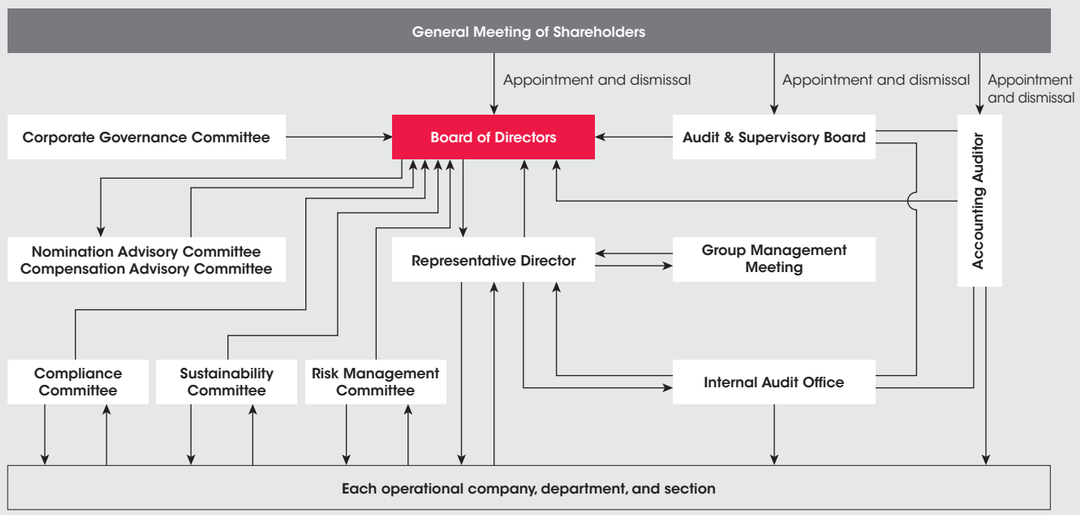
In addition, a Group Management Meeting of representatives of the Company and major subsidiaries and others is held in principle once a month to report on the progress of management plans and engage in multifaceted discussions on key issues.

In addition to deliberating matters for resolution stipulated in the Rules on the Board of Directors, the Board of Directors receives reports on the monthly results of major subsidiaries and matters resolved at the boards of directors of each subsidiary, with the aim of strengthening the Group's monitoring functions. Through this, we are working to enhance the effectiveness of the Board of Directors so that the supervisory functions as a holding company are appropriately exercised.

Audit & Supervisory Board

The Company's Audit & Supervisory Board consists of four Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members), and based on the audit standards as well as audit policies and audit plans for the current fiscal year established by the Audit & Supervisory Board, each member audits the legality of business execution.

Corporate Governance Chart (as of April 2026)



In addition, it receives reports on the status of execution of duties from Directors, the internal audit department, the Accounting Auditor, and others, requests explanations as necessary, regularly exchanges opinions, and continuously supervises the status of compliance and internal control.

The main matters deliberated in the fiscal year under review are as follows.

- Basic audit policy, audit plans, and priority audit items
- Status of development and operation of internal control systems
- Audit report and appropriateness of audits by the Accounting Auditor
- Evaluation of the Accounting Auditor and appropriateness of audit fees
- Discussions with the Accounting Auditor on key audit matters (KAM)
- Handling of competitive transactions, transactions involving conflicts of interest, misconduct, and other matters

Nomination and Compensation Advisory Committees

The Company has established a Nomination Advisory Committee and a Compensation Advisory Committee, each composed of six Directors including four Outside Directors. Each committee discusses the appointment and compensation of Directors and Executive Officers of the Company and major subsidiaries, submits recommendations to the Board of Directors of the Company, and the Board of Directors makes resolutions based on those recommendations. In addition, Outside Director Mitsuo Isoda chairs each of the committees.

- Selection of personnel for the next management structure and the next Executive Officer structure
- Matters related to the succession plan
- Matters related to officer compensation, including officer bonuses and the stock compensation system

Corporate Governance Committee

The Company's Corporate Governance Committee regularly reviews, verifies, and discusses the governance structure and management policies, and works to ensure an appropriate corporate governance structure.

Compliance Committee

The Company's Compliance Committee serves as an independent body that, with respect to risk information identified through means such as whistleblowing, investigates the facts, decides on the response policy, reports to the Board of Directors and the Company, provides feedback, and proposes and implements measures to prevent recurrence.

Sustainability Committee

The Company's Sustainability Committee deliberates matters including formulation of the Basic Policy on Sustainability, identification of materiality (priority issues), and setting of target indicators, and reports and makes recommendations to the Board of Directors.

Risk Management Committee

The Company's Risk Management Committee forecasts risks, considers and promotes measures toward prevention and reduction, and ascertains the status of management. When a risk materializes, it considers prevention of the spread of losses, early containment, and measures to prevent recurrence. It also reports and makes recommendations on that content to the Board of Directors.

Evaluation of the Effectiveness of the Board of Directors

The Company conducts a self-evaluation questionnaire of all members of the Board of Directors (Directors and Audit & Supervisory Board Members) to analyze and evaluate the effectiveness of the Board of Directors.

The questionnaire is conducted once a year, and the Corporate Governance Committee discusses the analysis results to continuously improve the effectiveness of the Board of Directors.

Summary of Questionnaire Results

Theme	Details
Structure of the Board of Directors	The number of members of the Board of Directors and the number and proportion of Independent Outside Directors are appropriate, and the expertise and diversity of the members are also ensured. Independent Outside Directors also have sufficient knowledge and experience of management, and the roles expected of them are clear, and the structure of the Board of Directors is therefore considered appropriate overall. On the other hand, there were opinions calling for training opportunities to help outside officers fulfill their expected roles.
Operation of the Board of Directors	The frequency of meetings, the content and time allocation for agenda items, and the volume of materials are all appropriate, and the discussions are open, frank, and constructive. On the other hand, there were opinions calling for earlier disclosure of agenda items and materials in order to enable more in-depth discussions.
Agenda of the Board of Directors	The distinction between matters that should be deliberated by the Board of Directors and matters of judgment left to the management team is appropriate, and the effectiveness of the Board of Directors is also secured with respect to the appointment, dismissal, and compensation of the management team through discussion in voluntary advisory committees in which Independent Outside Directors constitute a majority. On the other hand, there were opinions calling for continued discussion of the succession plan for the President and CEO, the promotion of diversity, and the basic policy on disclosure and IR. In addition, further enhancement of effectiveness is also expected through establishment of rules for follow-up by the Board of Directors and through improvement initiatives.

Officer Compensation System

The Company positions officer compensation for Directors and Executive Officers as consideration corresponding to their respective roles, responsibilities, and performance, with the aim of sustainable enhancement of corporate value.

The basic policy on officer compensation is established in light of the Company's management

environment and performance, future growth potential, and economic and social conditions as well as related laws, regulations, and guidelines. It is adopted by resolution of the Board of Directors after receiving a recommendation from the Compensation Advisory Committee, which is composed of six members including four Outside Directors (one of whom serves as chair).

Compensation Structure

Compensation for Directors and Executive Officers consists of basic compensation, which is fixed compensation, performance-linked compensation, and non-monetary compensation (long-term incentive compensation). Only basic compensation is paid for Outside Directors and Audit & Supervisory Board Members, in light of the nature of their duties.

Basic compensation and performance-linked compensation (officer bonuses) are monetary compensation, while non-monetary compensation (long-term incentive compensation) is provided in the form of advance-delivery restricted stock compensation.

Composition Ratio of Directors' Compensation

Position	Basic compensation	Performance-linked compensation	Non-monetary compensation (Long-term incentive compensation)
Representative Directors	40%	30%	30%
Other Directors	55%	25%	20%

Total Amount of Compensation, etc. by Officer Category, Total Amount by Type of Compensation, etc., and Number of Officers Covered

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of officers covered (persons)
		Basic compensation	Performance-linked compensation*1	Non-monetary compensation*2 (Long-term incentive compensation)	
Directors (excluding Outside Directors)	280	112	103	65	5
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	17	17	–	–	2
Outside officers	58	58	–	–	7

*1 Performance-linked compensation reflects the provision for officer bonuses for the fiscal year under review.
*2 Non-monetary compensation (long-term incentive compensation) reflects the amount recognized as an expense in the fiscal year under review based on the restricted stock compensation system.

Approach to Strategic Shareholding

In light of needs such as maintaining and strengthening business partnerships and trading relationships, the Company strategically holds listed shares with the aim of sustainable growth and enhancement of corporate value.

Regarding strategic shareholdings, every year, the Board of Directors and other bodies comprehensively consider the purpose of holding, benefits, risks, and other factors, verify the appropriateness of holding each stock on a case-by-case basis, and, for stocks for which there is little rationale for continued holding, work to reduce our holdings while taking market conditions into account.

When exercising voting rights, judgments are made based on consistency with the Company's policies and on contribution to the sound management and enhancement of corporate value of the issuing company.

Compliance

The Group positions remaining a company trusted by society as its most important value and has established the Morita Group Basic Compliance Policy. Based on this policy, we work on compliance with laws and regulations and other rules, appropriate information disclosure and management, respect for human rights and the environment, and the severance of relations with antisocial forces, thereby striving to ensure thorough compliance throughout the entire Group.

Whistleblower System and Corrective Actions for Compliance Violations

The Group has established internal and external whistleblowing contact points with the aim of early detection of compliance violations and prevention of improper conduct before it occurs.

When a whistleblowing report is received, the Compliance Committee investigates the facts, decides on the response policy, reports to related bodies, and considers and implements measures to prevent recurrence.

Number of Whistleblowing Reports

(FY)

2021	2022	2023	2024	2025
1	2	2	0	0

Initiatives to Foster an Awareness of Compliance

The Group works to instill and establish an awareness of compliance through education according to position and years of experience.

- **Group rank-based compliance training**
  We conduct rank-based compliance training for officers, managers, new employees, and younger employees. We also conduct training for Group companies including Bronto Skylift overseas.
- **Training through e-learning**
  In addition to follow-up training for new employees and training for employees in their second year, we provide ongoing education using e-learning as appropriate on laws and regulations related to operations in light of legislative changes and social trends.

Number of Serious Compliance Violations and Instances of Negligence

(FY)

2021	2022	2023	2024	2025
0	0	0	0	0

Human Rights

Under the Purpose of "Safeguarding lives and the environment. Securing peace of mind. Technology, powered by visionary challenge," the Group places importance on the impact of corporate activities on diverse stakeholders and positions respect for human rights as an important management issue. To fulfill its responsibilities regarding respect for human rights, the Group supports the UN Guiding Principles on Business and Human Rights and has established a policy under which all officers and employees share sincere corporate management and respect for diversity.

➡Morita Group Human Rights Policy
Web https://www.morita119.com/en/about/humanrights/

Human Rights Due Diligence

The Group began conducting human rights due diligence in FY2025. First, the Group is surveying and analyzing human rights issues in-house and, based on those results, it plans to expand the scope to the supply chain from the current fiscal year.

Initiatives to Create a Workplace Environment That Respects Human Rights

Led by the Human Rights Awareness Office, we conduct awareness-raising activities aimed at raising human rights awareness in-house. In FY2025, we began in-house human rights awareness training and conducted training on the theme of "Communication Through Pep Talks: The Power of Words to Inspire Vitality and Enthusiasm."

We also conduct human rights training for newly appointed managers every May, as well as training on the theme of human rights as part of officer compliance training.

Risk Management

The Group has established internal control and risk management systems to appropriately manage various risks accompanying business activities and to achieve sustainable growth and enhancement of corporate value.

In addition to the Risk Management Committee, various meeting bodies including the Board of Directors and the Group Management Meeting identify and manage risks relating to business, investment, compliance, and other matters on a company-wide basis, and continuously monitor significant risks.

Compliance and Risk Response

Based on the Morita Group Basic Compliance Policy, the Group has established Compliance Committees at the Company and major subsidiaries.

With regard to risk information identified through the whistleblowing system, the committees investigate the facts, decide on the response policy from an independent standpoint, report to the Board of Directors as necessary, and consider and implement measures to prevent recurrence.

Coordination with Group Risk Management and Audits

The Company receives regular reports on the performance and management status of each Group company and ensures the appropriateness of operations throughout the Group.

In addition, we work to enhance the effectiveness of internal control and risk management through coordination among internal audits, audits by Audit & Supervisory Board Members, and audits by the Accounting Auditor.

Identification of Risks

Under this framework, the Group identifies the key risks that could impact its business strategy and operations, prioritizes them, and takes appropriate measures to address them.

Risks Associated with Business Operations

Importance	Risk category	Nature of the risk
Especially important	Market environment	Changes in policy trends and economic conditions, and country risk and exchange-rate fluctuations in overseas operations
Especially important	Product defects	Occurrence of recalls or product liability claims due to product defects
Especially important	Compliance risk	Impact on social trust and management due to violations of laws and regulations or inappropriate conduct
Important	Procurement of parts and raw materials	Impact on stable procurement of raw materials and parts due to the management status of business partners, soaring prices, and other factors
Important	New product development	Possibility of being unable to develop and provide new technologies and new products in a timely manner
Important	Securing and development of human resources	Possibility that securing, development, and placement of human resources will not proceed as planned
Important	Impairment of fixed assets	Occurrence of impairment losses on fixed assets or goodwill
Important	Disasters, infectious diseases, etc.	Impact on business activities due to natural disasters, accidents, outbreaks of infectious diseases, and other events
Important	Information security	Information leaks or system failures due to cyberattacks and other events
Important	Retirement benefit obligations	Impact of changes in the assumptions for retirement benefit obligations
Important	Seasonal fluctuations	Seasonal fluctuations in performance due to the high ratio of sales to government agencies in the Fire Fighting Vehicles Business

Message from Outside Directors



Takao Kawanishi

Outside Director

Profile

Mr. Kawanishi has served as Vice President of The Bank of Tokyo-Mitsubishi UFJ (currently MUFG Bank) and as President and Chairman of JCB. He has extensive knowledge of finance and corporate management. He has served as an Outside Director of the Company since June 2017 and provides opinions and recommendations from an independent standpoint at meetings of the Board of Directors and the Nomination and Compensation Advisory Committees.

Leveraging Organizational Diversity and Collaboration to Enhance the Ability to Execute Growth Strategy

I have observed the management of the Morita Group primarily through the Board of Directors since assuming office as an Outside Director in 2017, drawing on the knowledge cultivated in the management of financial institutions and operating companies.

Over the past few years, we have actively pursued a generational transition among members of the Board of Directors and an increase in the number of outside officers. Currently, internal and outside Directors and Audit & Supervisory Board Members bring their respective experience and knowledge and exchange opinions on management issues in a frank and constructive manner. Based on these lively discussions, I believe that the Board of Directors is functioning effectively and that the Group oversight function as a holding company is also being fully fulfilled.

My focus has been on overseeing whether judgments in business execution are appropriate and reasonable, and frankly conveying necessary advice and opinions to ensure that the Board of Directors functions effectively. Furthermore, I believe it is important to ensure diversity in the backgrounds and expertise of outside officers and to maintain a composition that can examine management from different experiences and values, so that the company can grow soundly and contribute to society.

Although we faced a number of major changes in the environment during the period of the previous medium-term management plan (FY2019–FY2025), I recognize that by continuing to set high targets and overcoming those changes as one Group, we built a foundation for the next stage of growth.

To achieve further growth under the new medium-term management plan, "Morita Growth 2030" (FY2026–FY2030), each organization must steadily implement a PDCA cycle that verifies the progress of the plan and reviews measures in response to any challenges that arise. For this PDCA cycle to function, it is important to create an organization in which information and opinions flow freely across hierarchical levels, departments, and group companies. It is necessary not only to communicate policies from management to the front line, but also for management to take up issues and proposals arising on the front line and share them throughout the organization, and this leads to greater ability to respond to changes in the environment. In addition, targets and issues related to sustainability must not be separated from regular business operations; they must instead be broken down and made concrete and incorporated into the daily work of each and every employee.

Moreover, continuously developing the human resources who will execute the plan is also an important responsibility of management. It is indispensable to develop not only the next generation of management human resources, but also those who will lead the generation after that. For key positions, we must formulate succession plans, develop candidates in a systematic manner, and ensure diversity of human resources.

The Morita Group has earned a high level of trust in Japan thanks to the outstanding technical capabilities it has cultivated in each of its business sectors. To connect these technological capabilities and trust to global growth, it is also indispensable to strengthen not only the manufacturing and sales departments, but also the various back-office departments that support our business operations. Rather than viewing back-office departments merely as administrative departments, it is necessary to position them as strategic departments that support the expansion of overseas operations and underpin the decision-making and execution of the business departments. Based on this way of thinking, in the formulation of the new medium-term plan as well, I recommended that it is important to build a structure in which manufacturing, sales, and the back-office departments work in close collaboration and bring together their respective expertise.

Going forward, as a member of the Board of Directors, I intend to ensure that the various measures set forth by each department are being executed steadily toward achievement of the targets of the new medium-term management plan, and that the PDCA cycle is functioning effectively.



Masaru Ota

Outside Director

New appointment

Profile

Mr. Ota is a certified public accountant and has extensive knowledge of finance and accounting, investment, and corporate management. From June 2015, for 11 years, he audited and supervised management as an Outside Audit & Supervisory Board Member of the Company. Going forward, he will draw on that experience to improve management transparency and strengthen oversight functions as an Outside Director.

Significant concurrent positions

Representative Director, Ascent Partners

Outside Board Member (Audit and Supervisory Committee Member), Wealth Management, Inc.

Ensuring Sustainable Growth Through Disciplined Risk-Taking

I assumed office as an Outside Audit & Supervisory Board Member in 2015 and, while in office, I was responsible for auditing the execution of duties by Directors and the decision-making process. In addition to the various departments of the holding company, through on-site inspections of the head offices, branches, and factories of operating companies, I deepened my understanding of the Group's businesses and front lines and verified business risks and their management systems. Now that I have become an Outside Director in 2026, this experience has become an important foundation for my role in overseeing management.

As an Outside Director, I intend not only to supervise business execution, but also to be actively involved, from an independent and objective standpoint, in management policies, business strategies, and important decision-making so that the Morita Group continues to generate sustainable profits through appropriate risk-taking. In particular, I will raise issues and provide advice from a medium- to long-term perspective and an external viewpoint to enhance the quality of management decisions.

At the Morita Group, a compliance mindset has taken root throughout the Group, and under a stable business foundation centered on operations in Japan, the internal control and management systems of the holding company are functioning effectively. Looking ahead, as our business becomes more complex due to the expansion of our business scale and the promotion of overseas expansion, it will be necessary to respect relationships of trust and autonomy in the field while strengthening mechanisms that complement them. To that end, we need to enhance the sophistication of mechanisms for collecting and reporting information, as well as internal control and management systems, in line with business growth and changes in the environment, so that we can gain a timely and accurate understanding of the Group's overall situation. At meetings of the Board of Directors, I will not only review individual matters, but also verify whether mechanisms for promptly collecting and analyzing information that could have a material impact on management, and for sharing it with management and the Board of Directors, are functioning effectively. If there are deficiencies, it is important to discuss improvement measures and verify their implementation and effectiveness.

Behind the need to enhance the sophistication of such management systems is the growing uncertainty in the business environment, including geopolitical risks, fluctuations in foreign exchange rates and prices, and procurement risks. To achieve a balance between risk management and business growth under these conditions, medium- to long-term targets and decision-making criteria are essential. In that sense, I believe there is great significance in the fact that initiatives toward growth were made concrete in the new medium-term management plan, "Morita Growth 2030" (FY2026–FY2030).

In the process of formulating the new medium-term management plan, we discussed growth investment, including M&A, not only in terms of profitability and risk at the time of investment, but also in terms of how to verify post-investment progress and effectiveness. I pointed out that it is important to confirm as appropriate whether there has been any change in the underlying assumptions for investment decisions and to review investment plans and response policies as necessary.

Formulating a medium-term management plan isn't the end of the process. It is necessary to confirm the progress and results of the plan as a whole through KPIs and financial indicators, while also reflecting changes in the business environment and risk factors in our strategies and resource allocation. It is also important to share at meetings of the Board of Directors the evaluations and awareness of issues obtained through dialogue with the capital market, and to discuss areas for improvement and response strategies from an external perspective.

By drawing on the knowledge of accounting, internal control, management, finance, and M&A that I have cultivated at audit firms, consulting firms, and investment funds, and by supporting challenges toward growth while maintaining management discipline, I will contribute to the sustainable growth of the Morita Group and the enhancement of its corporate value.

Directors and Executive Officers

(as of June 22, 2026)

Director

Name, current position at the Company, gender, and date of birth	Reasons for nomination	Number of the Company's shares held / attendance at meetings of the Board of Directors
 **Masayoshi Kato** **Representative Director, President & Executive Officer** (Term of office: 4 years) Male February 18, 1970	Mr. Masayoshi Kato has held key positions in the production and engineering departments for many years in the Fire Fighting Vehicles Business. After assuming office as a Director of MORITA CORPORATION in 2017, he served as the company's Representative Director, President and Executive Officer for four fiscal years, from April 2022 to March 2026. He has further been involved in the Company's management as a Director since June 2022, and has served as Representative Director, President & Executive Officer since June 2025. He plays a sufficient role in the overall management supervision and decision-making by utilizing his abundant experience and track record.	42,163 shares 12/12 (100%)
 **Hiroyuki Fukunishi** **Representative Director, Vice President & Executive Officer** (Term of office: 4 years) Male January 1, 1970	Mr. Hiroyuki Fukunishi has held key positions in the sales department for many years in the Recycling Machines Business. After assuming office as a Director of MORITA ENVIRONMENTAL TECH CORPORATION in 2017, he served as the company's Representative Director, President and Executive Officer for four fiscal years, from April 2022 to March 2026. He has further been involved in the Company's management as a Director since June 2022, and has served as Representative Director, Vice President & Executive Officer since June 2026. He plays a sufficient role in the overall management supervision and decision-making by utilizing his abundant experience and track record.	33,582 shares 12/12 (100%)
 **Mitsuo Isoda** **Outside Director** (Term of office: 10 years) Male January 7, 1970	Mr. Mitsuo Isoda has been a lawyer for many years and has a high degree of expertise in laws and regulations. He has been an Outside Director of the Company since June 2016 and has provided useful and valuable advice on compliance and governance from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committees, which he chairs. He also exercises monitoring and supervisory functions toward securing the independence and transparency of the Company's management.	4,800 shares 12/12 (100%)
 **Takao Kawanishi** **Outside Director** (Term of office: 9 years) Male November 23, 1948	Mr. Takao Kawanishi possesses expert knowledge cultivated through many years of experience at financial institutions and a wealth of experience and broad insight as a corporate manager. He has been an Outside Director of the Company since June 2017 and has provided useful and valuable advice based on his deep knowledge of corporate management, from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committees. He also exercises monitoring and supervisory functions toward securing the independence and transparency of the Company's management.	4,600 shares 12/12 (100%)
 **Mari Kaneko** **Outside Director** (Term of office: 2 years) Female August 23, 1962	Ms. Mari Kaneko has served as Full-time Corporate Auditor and as the President and Representative of Phil Company, Inc., and possesses abundant experience as a corporate manager. She also has extensive insight into finance and accounting. She has been an Outside Audit & Supervisory Board Member of the Company since June 2022 and has served as an Outside Director since June 2024. She has provided useful and valuable advice based on her deep knowledge of corporate management, from an independent standpoint in the deliberations of the Board of Directors and the Nomination and Compensation Advisory Committees. She also contributes to enhancing the transparency of the Company's management and exercises monitoring and supervisory functions.	2,400 shares 12/12 (100%)
 **Masaru Ota** **Outside Director** (Term of office: 0 years) Male June 8, 1966	Mr. Masaru Ota has abundant experience at consulting firms and extensive knowledge cultivated as representative director of a management consulting firm. He has been an Outside Audit & Supervisory Board Member of the Company since June 2015, and has provided appropriate recommendations and advice in auditing the Company's important decision-making and business execution. He has served as an Outside Director since June 2026, and it is expected that, drawing on his experience and insight to date, he will exercise monitoring and supervisory functions over management from an independent standpoint.	12,700 shares 12/12 (100%)

Audit & Supervisory Board Member

Name, current position at the Company, gender, and date of birth	Reasons for nomination	Number of the Company's shares held / attendance at meetings of the Board of Directors
 **Michihiro Hiraoka** **Full-Time Corporate Audit & Supervisory Board Member** (Term of office: 2 years) Male February 13, 1961	Mr. Michihiro Hiraoka has held key positions in the production and quality assurance departments for many years in the Fire Fighting Vehicles Business. He contributes to strengthening the Company's audit function by utilizing the abundant practical experience and high analytical and judgment capabilities cultivated there.	6,000 shares 12/12 (100%)
 **Shozo Nishimura** **Outside Audit & Supervisory Board Member** (Term of office: 8 years) Male March 3, 1945	Mr. Shozo Nishimura has been engaged in corporate legal affairs as an attorney for many years and has sufficient insight into corporate governance. He contributes to strengthening the Company's audit function by utilizing this specialized insight.	11,200 shares 12/12 (100%)
 **Nahoko Yano** **Outside Audit & Supervisory Board Member** (Term of office: 1 year) Female June 29, 1962	Ms. Nahoko Yano has extensive knowledge of finance and accounting. She provides appropriate recommendations and advice in auditing the Company's important decision-making and business execution by utilizing her abundant experience at consulting firms and the high level of insight cultivated as head of an accounting office.	0 shares 10/10 (100%)
 **Ken Kawamura** **Outside Audit & Supervisory Board Member** (Term of office: 0 years) Male March 17, 1967	Mr. Ken Kawamura has high-level insight as a Certified Public Accountant and extensive experience gained through accounting audit and deal advisory services across multiple industries both domestically and overseas. The Company determined that he can provide appropriate recommendations and advice in auditing the Company's important decision-making and business execution by utilizing this insight and experience, and appointed him as an Outside Audit & Supervisory Board Member.	0 shares –

Skills Matrix

Name of Director		The knowledge and experience which each Director has							
		Corporate management	International experience	Legal and governance	Finance and accounting	Sales and marketing	Technology and R&D	Production	Human resource
Inside Director	**Masayoshi Kato**	●		●	●		●	●	●
	Hiroyuki Fukunishi	●	●	●	●	●			●
Outside Director	**Mitsuo Isoda***1,2		●	●					
	Takao Kawanishi*1	●	●		●	●			●
	Mari Kaneko*1	●	●	●	●				●
	Masaru Ota*1	●	●		●				

*1 Independent Officer who has no potential conflicts of interests with general shareholders, the designation of which is required by Tokyo Stock Exchange, Inc.
*2 Mr. Mitsuo Isoda chairs the Nomination Advisory Committee and the Compensation Advisory Committee.

Executive Officer

President & Executive Officer	**Masayoshi Kato**	Executive Officer	**Hiroyuki Nishikaze**
Vice President & Executive Officer	**Hiroyuki Fukunishi**	Executive Officer	**Hitokazu Ikemura**
Managing Executive Officer	**Ritsuo Nishida**	Executive Officer	**Kyoko Aketa**

11-Year Financial and Non-Financial Data

				FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Financial results	Net sales	Millions of yen		68,574	85,063	85,502	91,524	86,922	84,667	83,602	81,344	95,205	111,743	**116,596**
	Operating profit (Operating margin)	Millions of yen (%)		7,517 (11.0)	9,649 (11.3)	8,483 (9.9)	9,483 (10.4)	8,855 (10.2)	8,855 (10.5)	8,115 (9.7)	5,081 (6.2)	9,453 (9.9)	13,733 (12.3)	**15,456 (13.3)**
	Ordinary profit	Millions of yen		8,123	10,129	9,030	10,104	9,326	9,479	8,761	5,913	9,627	13,744	**15,045**
	Profit attributable to owners of parent	Millions of yen		4,537	6,040	5,741	6,391	6,971	6,224	5,350	3,996	6,011	9,472	**9,456**
	Order intake	Millions of yen		54,554	71,644	71,792	78,294	73,773	73,667	75,492	84,876	87,443	105,589	**104,379**
	Order backlog	Millions of yen		19,412	19,808	22,115	22,787	22,142	23,738	29,453	47,671	57,000	67,659	**71,591**
	Overseas sales	Millions of yen		—	14,585	15,120	16,918	15,780	13,531	16,540	16,970	17,559	25,116	**23,571**
	Overseas sales ratio	%		—	17.1	17.7	18.5	18.2	16.0	19.8	20.9	18.4	22.5	**20.2**
	R&D cost	Millions of yen		1,044	1,402	1,527	1,590	1,475	1,513	1,761	1,810	2,022	2,380	**2,618**
	Capex (Acquisition of property, plant and equipment)	Millions of yen		3,559	5,099	2,040	1,495	1,582	947	1,331	2,991	4,313	1,849	**1,852**
	Depreciation	Millions of yen		1,315	1,839	2,101	2,131	2,112	1,954	1,891	1,934	2,277	2,346	**2,446**
Financial position	Total assets	Millions of yen		99,947	106,037	114,839	117,218	115,753	122,515	125,167	123,986	139,695	143,352	**146,006**
	Liabilities	Millions of yen		48,230	49,315	52,137	49,610	44,419	43,146	43,261	39,772	48,111	45,650	**43,530**
	Net assets	Millions of yen		51,716	56,722	62,701	67,607	71,334	79,368	81,906	84,213	91,583	97,702	**102,476**
Cash flows	Cash flows from operating activities	Millions of yen		5,944	7,681	7,213	8,389	5,075	11,673	10,544	2,140	11,172	11,391	**4,787**
	Cash flows from investing activities	Millions of yen		–10,212	–6,574	–2,372	–1,427	940	–611	–685	–2,669	–3,479	–1,487	**–1,407**
	Cash flows from financing activities	Millions of yen		5,623	–945	–3,509	–2,966	–3,770	–3,647	–3,630	–8,961	–1,485	–6,003	**–6,794**
	Cash and cash equivalents at end of year	Millions of yen		7,771	7,886	9,172	13,182	15,426	22,839	29,132	19,651	25,910	29,724	**26,268**
	Free cash flow	Millions of yen		–4,268	1,107	4,840	6,961	6,015	11,061	9,859	–528	7,692	9,903	**3,380**
Management indicators	Return on assets (ROA)	%		8.6	9.8	8.2	8.7	8.0	8.0	7.1	4.7	7.3	9.7	**10.4**
	Return on equity (ROE)	%		9.1	11.3	9.8	10.0	10.2	8.4	6.7	4.9	6.9	10.1	**9.6**
	Shareholders' equity	Millions of yen		51,026	55,918	61,763	66,539	70,150	78,049	80,947	83,223	90,511	96,528	**101,205**
	Equity-to-asset ratio	%		51.1	52.7	53.8	56.8	60.6	63.7	64.7	67.1	64.8	67.3	**69.3**
	Debt equity ratio	Times		0.27	0.25	0.19	0.15	0.11	0.08	0.08	0.00	0.02	0.00	**0.01**
Investment indicators	**Corporate profitability and financial foundation**	Basic earnings per share (EPS)	yen	100.18	133.52	126.93	141.30	153.93	137.09	118.10	90.98	137.09	217.47	**224.71**
		Net assets per share (BPS)	yen	1,127.89	1,236.06	1,365.32	1,470.94	1,547.57	1,717.79	1,835.49	1,899.79	2,074.22	2,258.99	**2,470.13**
	Actual status and approach to shareholder returns	Dividend per share (DPS)	yen	20.0	29.0	26.0	34.0	38.0	38.0	40.0	43.0	48.0	58.0	**64.0**
		Dividend on equity ratio (DOE)	%	1.9	2.5	2.0	2.4	2.5	2.4	2.4	2.4	2.6	2.9	**3.0**
		Dividend payout ratio (consolidated)	%	20.0	21.7	20.5	24.1	24.7	27.7	33.9	47.3	35.0	26.7	**28.5**
	Market valuation	Price earnings ratio (PER)	Times	13.14	12.12	15.87	12.88	10.80	13.04	10.47	14.62	11.94	9.53	**11.90**
		Price-to-book ratio (PBR)	Times	1.17	1.31	1.48	1.24	1.07	1.04	0.67	0.70	0.79	0.92	**1.08**
Non-financial indicators	**Social**	Number of employees (consolidated)	People	—	—	—	—	—	—	1,785	1,755	1,723	1,748	**1,786**
		Fire Fighting Vehicles	People	—	—	—	—	—	—	1,015	993	968	980	**1,018**
		Fire Protection Equipment & Systems	People	—	—	—	—	—	—	342	335	331	336	**334**
		Recycling Machines	People	—	—	—	—	—	—	71	74	72	73	**78**
		Environmental Conservation Vehicles	People	—	—	—	—	—	—	256	252	252	253	**252**
		Company-wide (common)	People	—	—	—	—	—	—	101	101	100	106	**104**
		Ratio of mid-career hiring*1	%	—	—	—	—	—	—	—	—	37.8	55.3	**50.9**
		Ratio of women hired*1	%	—	—	—	—	—	—	—	—	8.9	8.5	**13.6**
		Ratio of hired individuals from overseas*1	%	—	—	—	—	—	—	—	—	2.2	2.1	**3.4**
		Ratio of female personnel in managerial positions*1, 2	%	—	—	—	—	—	—	—	—	3.6	2.1	**2.0**
		Rate of acquisition of child-raising leave by men*1	%	—	—	—	—	—	—	—	—	64.3	67.7	**77.8**
	Environment	CO_2 emissions*3 Scope 1	t-CO_2	—	—	—	—	—	—	—	5,142	5,352	5,127	**5,217**
		Scope 2	t-CO_2	—	—	—	—	—	—	—	6,414	6,604	6,285	**6,381**
		Amount of waste*4	t	—	—	—	—	—	—	10,462	10,922	11,112	11,192	**10,711**

*1 Calculated for MORITA HOLDINGS CORPORATION, MORITA CORPORATION, MORITA MIYATA CORPORATION, MORITA ENVIRONMENTAL TECH CORPORATION, MORITA ECONOS CORPORATION, and MORITA TECHNOS CORPORATION.
*2 Shows the ratio as of the end of each fiscal year.
*3 Calculated for MORITA HOLDINGS CORPORATION, MORITA CORPORATION, MORITA MIYATA CORPORATION, MORITA ENVIRONMENTAL TECH CORPORATION, MORITA ECONOS CORPORATION, MORITA TECHNOS CORPORATION, and BRONTO SKYLIFT OY AB.
*4 Calculated for MORITA CORPORATION, MORITA MIYATA CORPORATION, MORITA ENVIRONMENTAL TECH CORPORATION, MORITA ECONOS CORPORATION, and MORITA TECHNOS CORPORATION.

About Us / Stock Information

About Us

(as of June 30, 2026)

Company Name	MORITA HOLDINGS CORPORATION
Head Office Location	[Osaka Head Office] Keihanshin-Midosuji Building 12F, 3-6-1 Dosho-machi, Chuo-ku, Osaka-shi, Osaka, 541-0045, Japan Telephone: +81-6-6208-1907 [Tokyo Head Office] Mita Bellju Building 19F, 5-36-7 Shiba, Minato-ku, Tokyo, 108-0014, Japan Telephone: +81-3-6400-3480
Founded	April 23, 1907
Established	July 23, 1932

Representative	Masayoshi Kato Representative Director, President & Executive Officer Hiroyuki Fukunishi Representative Director, Vice President & Executive Officer
Paid-In Capital	JPY 4.75 billion
Number of Employees (as of March 31, 2026)	[Consolidated] 1,786 [Non-consolidated] 104
Fiscal Year	April 1 to March 31
Website	Home https://www.morita119.com/en/

Major Group Companies

	Address	Business Description
MORITA CORPORATION	1-5 Techno Park, Sanda-shi, Hyogo, Japan	Development, manufacturing and sales of ladder trucks, pumpers, and other fire trucks and specialty vehicles.
MORITA MIYATA CORPORATION	TOC ARIAKE West Tower 19F, 3-5-7 Ariake, Koto-ku, Tokyo, Japan	Development, manufacturing and sales of fire extinguishing-related equipment, mainly of fire extinguishers, firefighting equipment and fire protection-related equipment.
MORITA ENVIRONMENTAL TECH CORPORATION	1530 Konoda-cho, Funabashi-shi, Chiba, 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, Japan	Development, manufacturing and sales of environmental conservation vehicles such as sanitary vehicles and garbage trucks.
MORITA TECHNOS CORPORATION	32 Techno Park, Sanda-shi, Hyogo, 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.

Stock Information

(as of March 31, 2026)

Securities Code	6455
Stock Exchange Listing	Tokyo Stock Exchange Prime Market
Total Number of Shares Authorized to Be Issued	180,000,000 shares
Total Number of Shares Outstanding	45,418,542 shares
Number of Shareholders	6,686

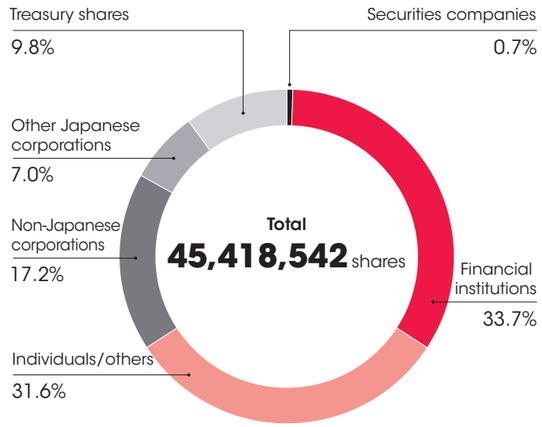
Number of Shares per Unit	100 shares
Reference Dates	Annual General Meeting of Shareholders March 31 Year-end Dividend March 31 Interim Dividend September 30
Annual General Meeting of Shareholders	June
Handling Office of Shareholder Registry Administrator	4-5-33 Kitahama, Chuo-ku, Osaka-shi, Osaka Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Major Shareholders (Top 10)

Shareholder name*1	Number of shares (1,000 shares)*2	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,332	10.57
Morita Trading-Partner Shareholding Association	2,379	5.81
The Dai-ichi Life Insurance Company, Limited	1,805	4.41
Mizuho Bank, Ltd.	1,774	4.33
Custody Bank of Japan, Ltd. (Trust account)	1,759	4.29
AIR WATER INC.	1,730	4.22
MUFG Bank, Ltd.	1,498	3.66
Sumitomo Mitsui Trust Bank, Limited	1,117	2.73
Sumitomo Mitsui Banking Corporation	1,007	2.46
Morita Employee Shareholding Association	944	2.30

*1 The Company holds 4,446,000 treasury shares.
*2 The number of shares held is rounded down to the nearest thousand shares.

Breakdown of Shares by Type of Shareholder



Stock Price Trends / Stock Trading Volume

