

To Shareholders and Investors

Interim Business Report

for the **84th** Term

From April 1, 2016
to September 30, 2016



MORITA GROUP

Protecting Human Life
and Mother Earth

Securities Identification Code: 6455



Top Message

● Greeting

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

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

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

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

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

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

Masahiro Nakajima, Chairman & CEO

Kazumi Ogata, President

Overview of the first half of 84th Term

Net sales

¥29,571 million

Year on year
Up 35.0%



Operating income

¥1,850 million

Year on year
Up 24.5%



Ordinary income

¥2,052 million

Year on year
Up 11.9%



Net income attributable to owners of parent company

¥1,304 million

Year on year
Up 41.4%



In the second quarter of the current fiscal year, the Japanese economy experienced a gradual recovery in corporate income and employment conditions as a result of various economic policies implemented by the government. However, the stronger yen resulting from the uncertain international political situation such as Britain's exit from the European Union (EU), in addition to a slowdown in economic growth, particularly in newly emerging economies, means that uncertainty remains about the future direction of the economy.

Under this environment, in the first year of medium-term management plan "Morita Advance Plan 1000", the Morita Group has implemented initiatives with the aim of increasing our corporate value.

Under these circumstances, largely as a result of the positive performance in domestic orders and sales in the Fire Fighting Vehicles Business and the contribution of sales at newly consolidated subsidiary BRONTO SKYLIFT OY AB, net sales increased by ¥7,671 million compared to the same period in the previous year to ¥29,571 million (+35.0%); operating income increased by ¥364 million compared to the same period in the previous year to ¥1,850 million (+24.5%); ordinary income increased by ¥218 million compared to the same period in the previous year to ¥2,052 million (+11.9%); and quarterly net income attributable to owners of parent company increased by ¥381 million compared to the same period in the previous year to ¥1,304 million (+41.4%).

Growth in demand for **the Compressed Air Foam System (CAFS)**

Fire Fighting
Vehicles Business

The Miracle CAFS Car developed by Morita is a revolutionary pumper that makes huge changes to the existing concept of fire-fighting. More than 1,300 vehicles (as of April 1, 2016) have already been deployed to fire departments, fire academies, volunteer fire corps and companies all over Japan, and demand is increasing year on year.

CAFS stands for "Compressed Air Foam System". This equipment creates foam by adding a small amount of foaming agent into water and pumping in compressed air. By increasing the surface area of the water, the product displays high fire extinguishing performance using a small volume of water. In June this year, the CAFS standard of the Japan Fire Equipment Inspection Institute was officially employed as an ISO international industrial standard, almost without modification. Accordingly, in the future we will work hard to target the overseas market in proposing the "Miracle CAFS Car".



Industry first – Achieving a type 10 commercial fire extinguisher with total mass in the 3 kg range (less than 4 kg)

Fire Protection Equipments &
Systems Business

Morita Miyata Corporation has developed and launched sales for ALTESIMO II MEA10A, which is a lighter version of the aluminum stored-pressure powder fire extinguisher ALTESIMO. ALTESIMO has received excellent reviews since its launch in September 2011. ALTESIMO II MEA10A has a total mass in the 3 kg range (less than 4 kg), which is an industry first.

The recently developed ALTESIMO II maintains an extremely low risk of pressure leakage by using aluminum material to make a molded container without joints, while at the same time reducing the product weight further in anticipation of an ageing society. In this way, this fire extinguisher is an embodiment of a product that meets customers' needs. Fire extinguishers are essential to initial stage fire-fighting, and play an important role as a "guard" in our homes and workplaces. Providing a fire extinguisher that is lighter than ever and easier to hold, in addition to maintaining its original features of having an attractive appearance and increasing our safety, is something we consider part of our mission as the industry's top manufacturer.

Additional features include the use of ergonomic techniques to make a more visible label and easy-to-read design, use of recycled fire extinguishing agents for more than 40% of the product, and acquisition of Eco-Mark accreditation as a fire extinguisher that has a collection and recycling system.



Aluminum stored-pressure powder fire extinguisher
"ALTESIMO II MEA10A"

Full model change for **the Press Master** press-type garbage truck

Environmental Conservation
Vehicles Business

Morita Econos Corporation has launched sales of the press-type garbage truck "Press Master", which has undergone a full model change.

The Press Master is a press-type garbage truck that aims to make garbage collection more efficient, improve safety, and reduce the work burden. Tail lamps and signal lights are concentrated on the unique high-mounted rear panel, helping to improve visibility from the rear and safety. Furthermore, in order to reduce the workload for operators, the loading slots have been designed at the lowest height for a garbage truck of its class, making it even easier to use.

By utilizing dramatic improvements to the design, the Press Master now combines practicality with a beautiful and bold design.

Moving forward, we will continue to value the opinions of our customers, and pursue products that are both safer and highly practical.

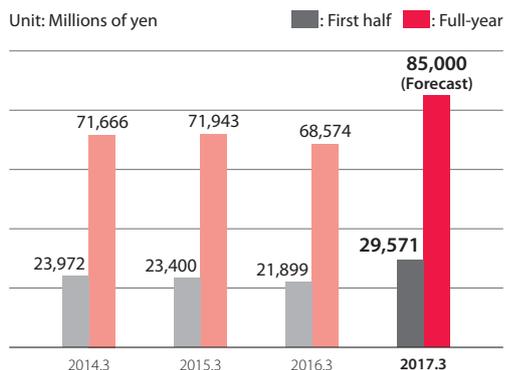


[Features of the Press Master]

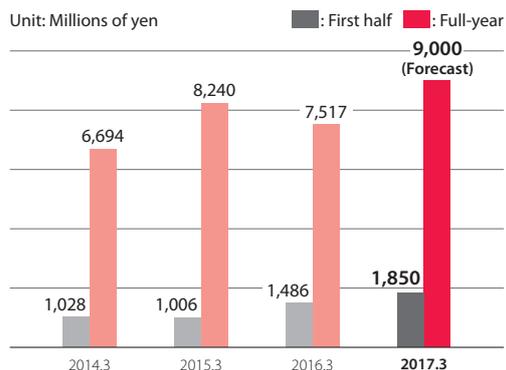
- 5% increase in capacity (compared to previous model)
- High-mounted rear panel (functions to attract people's attention in a wider area, and styling that creates a lighter impression)
- Body with outstanding design (uses new ribbed shape for both strength and robustness)
- Low loading slots (design at the lowest height in its class for improved operability)

Financial Highlights (Consolidated)

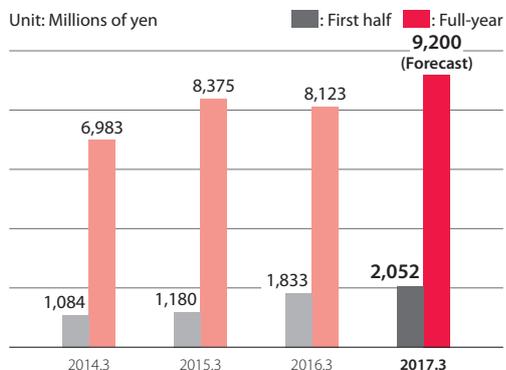
Net sales



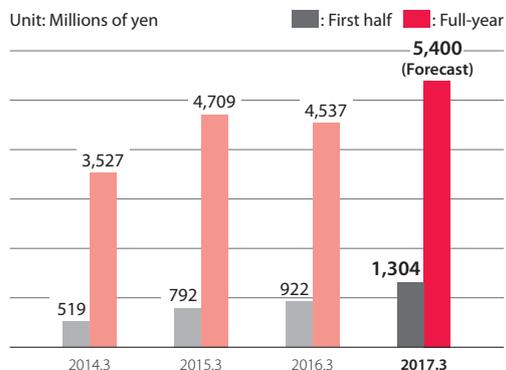
Operating income



Ordinary income



Net income attributable to owners of parent company



Performance by Segment

Fire Protection Equipments & Systems Business

Net sales	Year on year	↓
7,521 million yen	Down 3.6%	
Income	Year on year	↓
297 million yen	Down 41.2%	



Sales of fire extinguishers and SPRINEX, a packaged automatic fire extinguishing system, are expected to be stronger in the fourth quarter.

Fire Fighting Vehicles Business

Net sales	Year on year	↑
15,275 million yen	Up 97.9%	
Income	Year on year	↑
1,009 million yen	Up 160.4%	



Orders and sales in the domestic market have been strong, and sales of newly consolidated subsidiary BRONTO SKYLIFT OY AB has made a contribution.

Environmental Conservation Vehicles Business

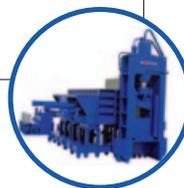
Net sales	Year on year	↑
4,939 million yen	Up 5.2%	
Income	Year on year	↑
569 million yen	Up 5.2%	



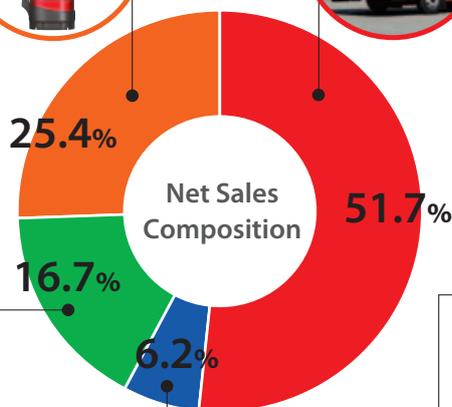
Product orders and sales have been strong.

Recycling Machines Business

Net sales	Year on year	↑
1,834 million yen	Up 9.3%	
Loss	Income of 52 million yen in the same period of the previous fiscal year	↓
9 million yen		



Product orders have decreased, but the focus has been on components and maintenance sales.



Company Profile and Stock Information

Company Name	MORITA HOLDINGS CORPORATION
Inauguration of Business	April 23, 1907
Establishment	July 23, 1932
Capital	4,746 million yen
Osaka Head Office	3-6-1 Doshomachi, Chuo-ku, Osaka-shi, Osaka
Tokyo Head Office	3-25-31 Nishishinbashi, Minato-ku, Tokyo
Type of Business	Control/management of business activities of group companies, and being entrusted with indirect management operations

Executives

Chairman & CEO	Masahiro Nakajima
President	Kazumi Ogata
Director	Yukihiro Maehata
Director	Toru Matsuo
Director	Mitsuo Isoda
Full-Time Corporate Auditor	Eiji Asada
Full-Time Corporate Auditor	Atsushi Sasaki
Full-Time Corporate Auditor	Yusuke Takano
Auditor	Masaru Ota
Corporate Executive Officer	Hiroko Urano
Corporate Executive Officer	Naohisa Sakamoto
Corporate Executive Officer	Shinichi Kanaoka
Corporate Executive Officer	Shinya Murai

Information about the Stock

Business Year	April 1 to March 31
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary
Method of Public Notice	Posted as electronic public notice on company website http://www.morita119.com/kohkoku/index.html
Administrator of the Shareholders List	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Place of Clerical Office for the above	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 4-5-33 Kitahama, Chuo-ku, Osaka-shi, Osaka
(Postal Address)	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo, 168-0063
(Telephone Inquiries)	+81-3-3323-8222
(Internet Website URL)	http://www.smtb.jp/personal/agency/index.html
Stock Listing	Tokyo Stock Exchange
Number of shares per unit	100 shares

[Special Account]

For shareholders who did not use JASDEC (Japan Securities Depository Center, Inc.) before the share certificates were computerized, an account (a special account) has been opened with Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholders list. For details regarding the special account, notification of address change, and so on, please contact the telephone inquiry number listed above.

[Notification of Address Change and Inquiries]

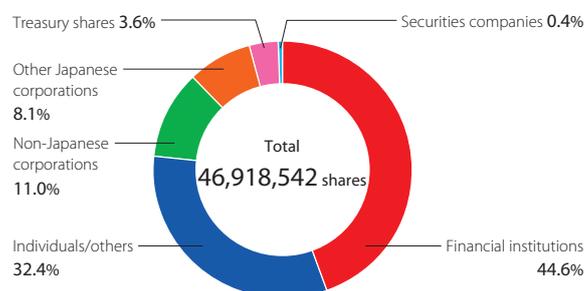
For shareholders who have an account at a securities firm, please contact the firm where your account was established for notification of address change and so on. For shareholders who do not have an account at a securities firm, please contact the telephone inquiry number listed above.

Major Group Companies

MORITA CORPORATION	1-5 Techno Park, Sanda-shi, Hyogo, 669-1339, Japan Development, manufacturing and sales of ladder trucks, fire trucks and other types of fire trucks and specialty vehicles
MORITA MIYATA CORPORATION	Shiba 256 Square Building 8F, 2-5-6 Shiba, Minato-ku, Tokyo, 105-0014, Japan Development, manufacturing and sales of fire extinguishing-related equipment, mainly of fire extinguishers, firefighting equipment and other fire protection equipment
MORITA ENVIRONMENTAL TECH CORPORATION	1530 Konoda-cho, Funabashi-shi, Chiba, 274-0081, Japan Design and construction of waste recycling facilities and other waste disposal facilities. Development, manufacturing and sales of large hydraulic equipment
MORITA ECONOS CORPORATION	1-48 Jinmu-cho, Yao-shi, Osaka, 581-0067, Japan Development, manufacturing and sales of environmental conservation vehicles such as sanitation vehicles and garbage trucks
MORITA TECHNOS CORPORATION	32 Techno Park, Sanda-shi, Hyogo, 669-1339, Japan Aftercare service and maintenance of fire trucks and of equipment and materials for lifesaving. Development, manufacturing and sales of electronic applied machinery and information processing machinery
BRONTO SKYLIFT OY AB	Tampere City, Republic of Finland Development, manufacturing and sales of combined platform ladders and mobile elevating work platforms

Distribution of Shares by Type of Shareholder

As of September 30, 2016



Top 10 Shareholders

As of September 30, 2016

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Japan Trustee Services Bank, Ltd. (Trust account)	2,496
Morita Trading-Partner Shareholding Association	2,494
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
AIR WATER INC.	1,730
NORTHERN TRUST CO. (AVFC) RE-HCROO	1,095
The Master Trust Bank of Japan, Ltd. (Trust account)	1,015

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,678 thousand shares.
3. The Dai-ichi Life Insurance Company, Limited shifted to a holding company system on October 1, 2016, and changed the company name to Dai-ichi Life Holdings, Inc.