

# Financial Results for FY2019

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**May 11, 2020**

Securities Code: 6455

**MORITA HOLDINGS CORPORATION**

<https://www.morita119.com/en>

# Company Outline



- **Company Name** : **MORITA HOLDINGS CORPORATION**
- **Founded** : **April 23, 1907**
- **Established** : **July 23, 1932**
- **Representative** : **Masahiro Nakajima, Chairman & CEO**  
**Kazumi Ogata, President**
- **Paid-in Capital** : **4.75 bil. JPY**
- **Net Sales** : **86.9 bil. JPY**  
**(Consolidated)** **(for the year ended March 31, 2020)**
- **Employees** : **1,767**  
**(Consolidated)** **(as of March 31, 2020)**
- **Affiliates** : **14 Companies**
- **Equity Method** : **2 Companies**  
**Affiliates**
- **Other Affiliates** : **6 Companies**

# Business Segments



Segment	Fire Fighting Vehicles (FFV)	Fire Protection Equipment & Systems (FPES)	Recycling Machines (RM)	Environmental Conservation Vehicles (ECV)
Business Lines				
	Fire fighting vehicles, maintenance service for fire fighting vehicles	Extinguishers, fire extinguishing equipment	Recycling facilities, waste disposal facilities, industrial waste treatment	Sanitary vehicles, garbage trucks and other environmental sanitary vehicles
Operating Company	Morita, Morita Technos, Bronto Skylift	Morita Miyata	Morita Environmental Tech	Morita Econos
Net Sales	<b>51.0</b> bil. JPY (58.7%)	<b>19.8</b> bil. JPY (22.8%)	<b>5.4</b> bil. JPY (6.2%)	<b>10.8</b> bil. JPY (12.4%)
Operating Income	<b>5.7</b> bil. JPY (64.5%)	<b>1.7</b> bil. JPY (19.4%)	<b>0.5</b> bil. JPY (5.7%)	<b>0.9</b> bil. JPY (10.0%)

# Market Share (2000-2019)



**FFV**

(Fire Fighting Vehicles)

**59%**<sup>※</sup>



**FPES**

(Fire Extinguishers)

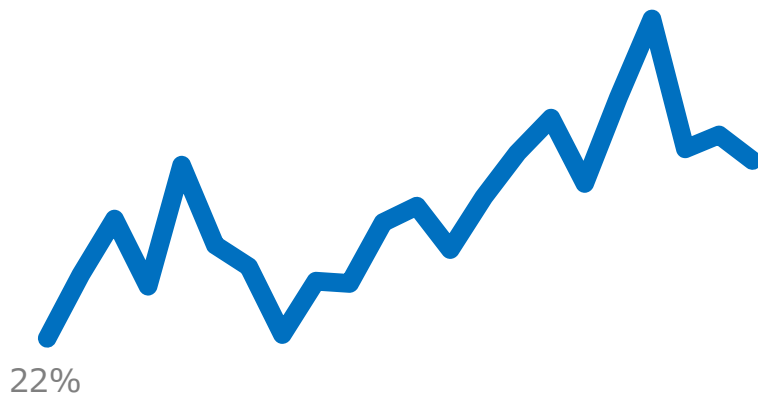
**37%**<sup>※</sup>



**RM**

(Scrap Shears)

**54%**<sup>※</sup>



**ECV**

(Sanitary Vehicles)

**83%**<sup>※</sup>



※ Internal investigation

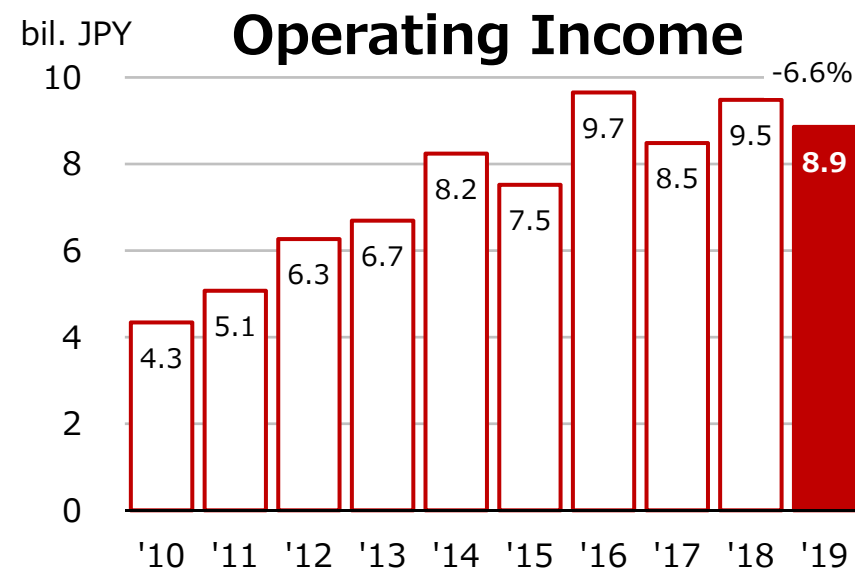
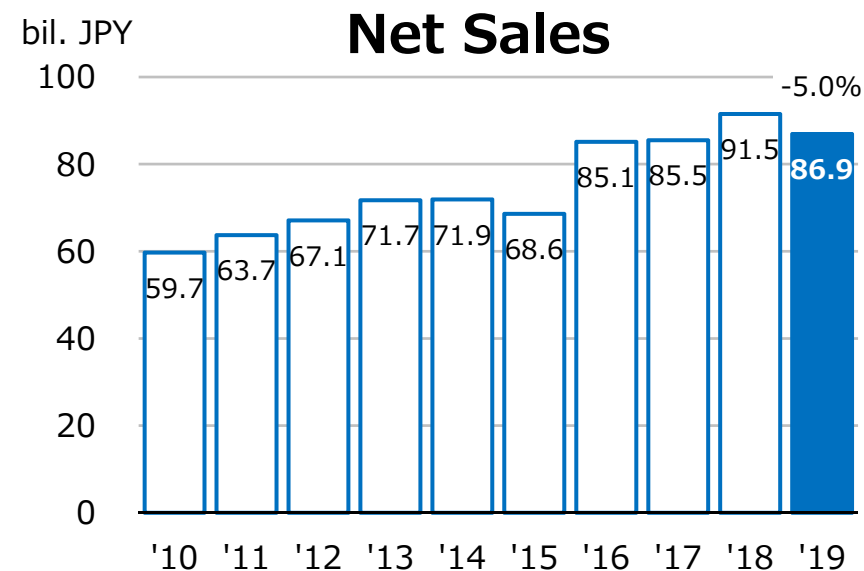
# I. Financial Results for FY2019

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# Consolidated Statements of Income

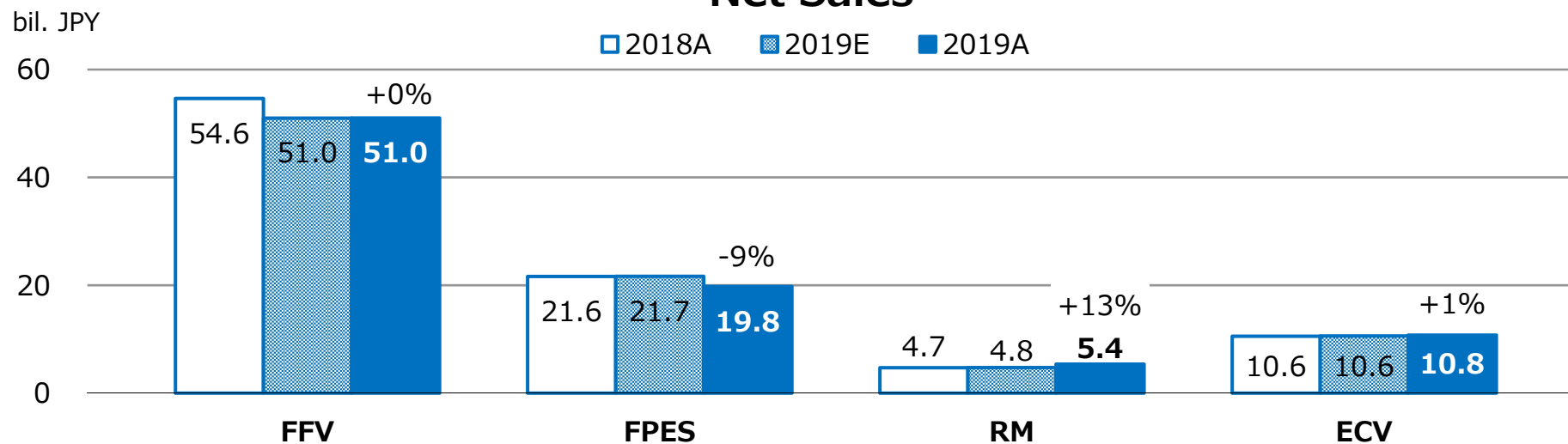


(bil. JPY)	2018	2019	Change
Net Sales	91.5 100.0%	86.9 100.0%	-4.6
Cost of Sales	67.9 74.1%	64.2 73.9%	-3.7 -0.3pt.
Gross Profit	23.7 25.9%	22.7 26.1%	-0.9 +0.3pt.
S,G&A Expenses	14.2 15.5%	13.9 16.0%	-0.3 +0.5pt.
Operating Income	9.5 10.4%	8.9 10.2%	-0.6 -0.2pt.
Non-Operating Income	0.9 0.9%	0.7 0.8%	-0.2 -0.2pt.
Non-Operating Expenses	0.2 0.3%	0.2 0.2%	-0.0 -0.0pt.
Ordinary Income	10.1 11.0%	9.3 10.7%	-0.8 -0.3pt.
Extraordinary Income	0.0 0.0%	1.9 2.2%	+1.9 +2.2pt.
Extraordinary Loss	0.1 0.2%	0.7 0.8%	+0.6 +0.7pt.
Income before Income Taxes	10.0 10.9%	10.5 12.1%	+0.6 +1.2pt.
Net Income	6.4 7.0%	7.0 8.0%	+0.6 +1.0pt.

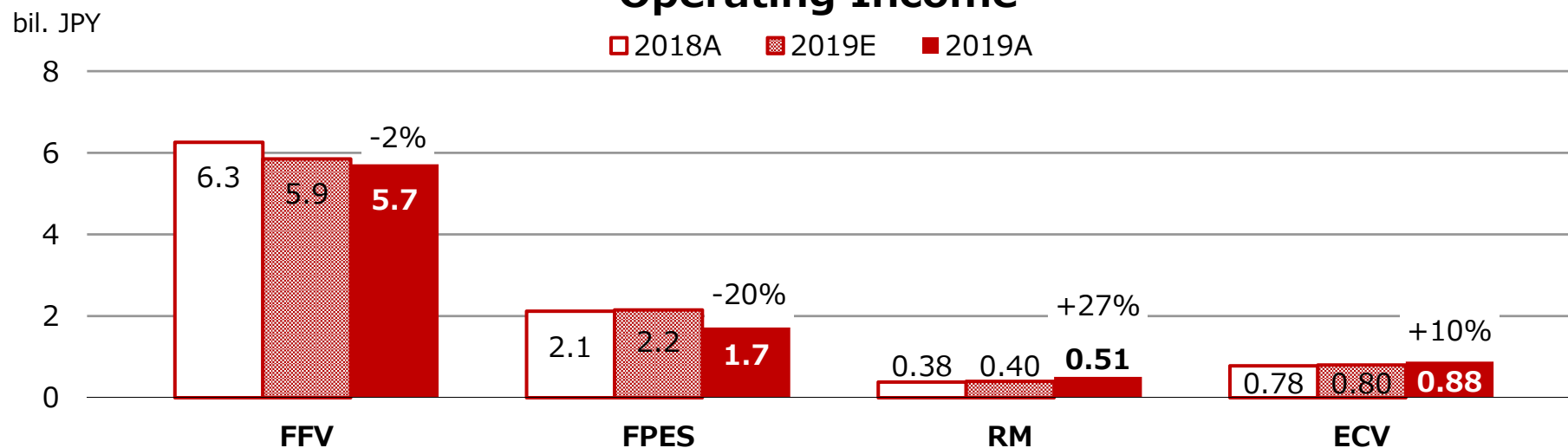


# Performance by Segment

## Net Sales



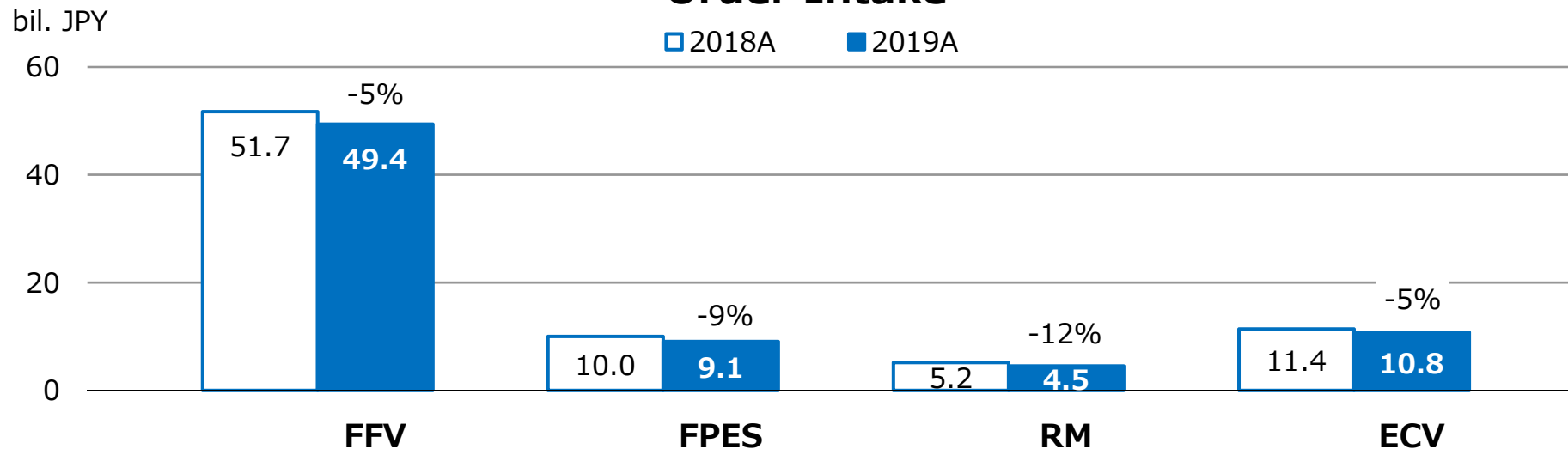
## Operating Income



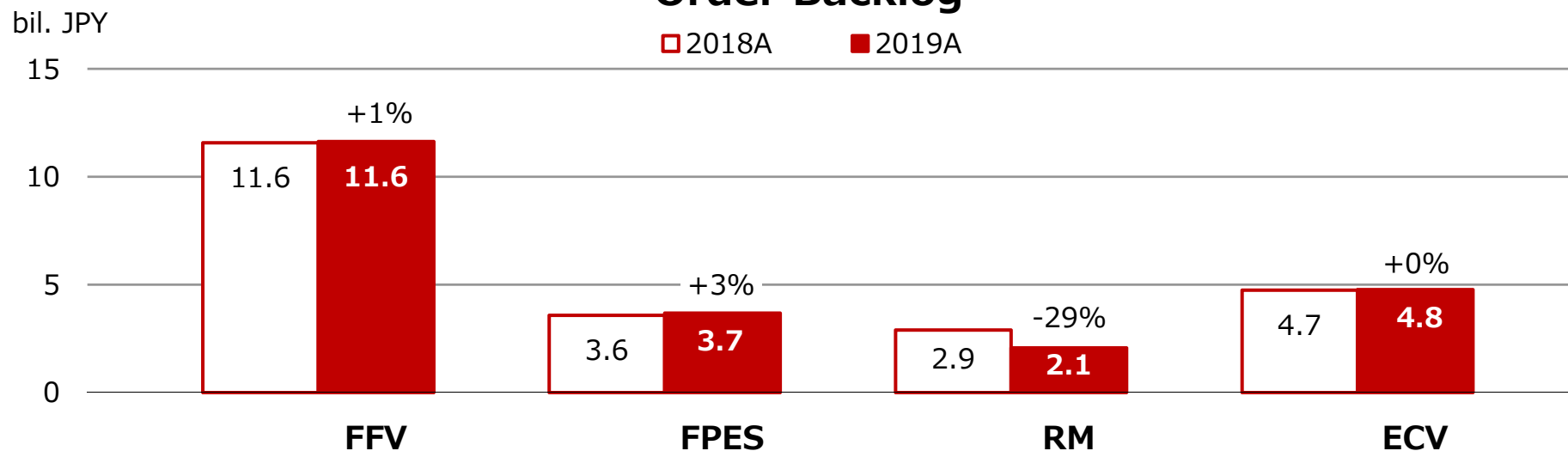
# Orders by Segment



## Order Intake



## Order Backlog







## Fire Fighting Vehicles

While overseas business and domestic market share improved, adverse product mix affected.



## Fire Protection Equipment & Systems

Demand for SPRINEX was sluggish as there is still time before the installation deadline of sprinkler system in the medical clinics.



## Recycling Machines

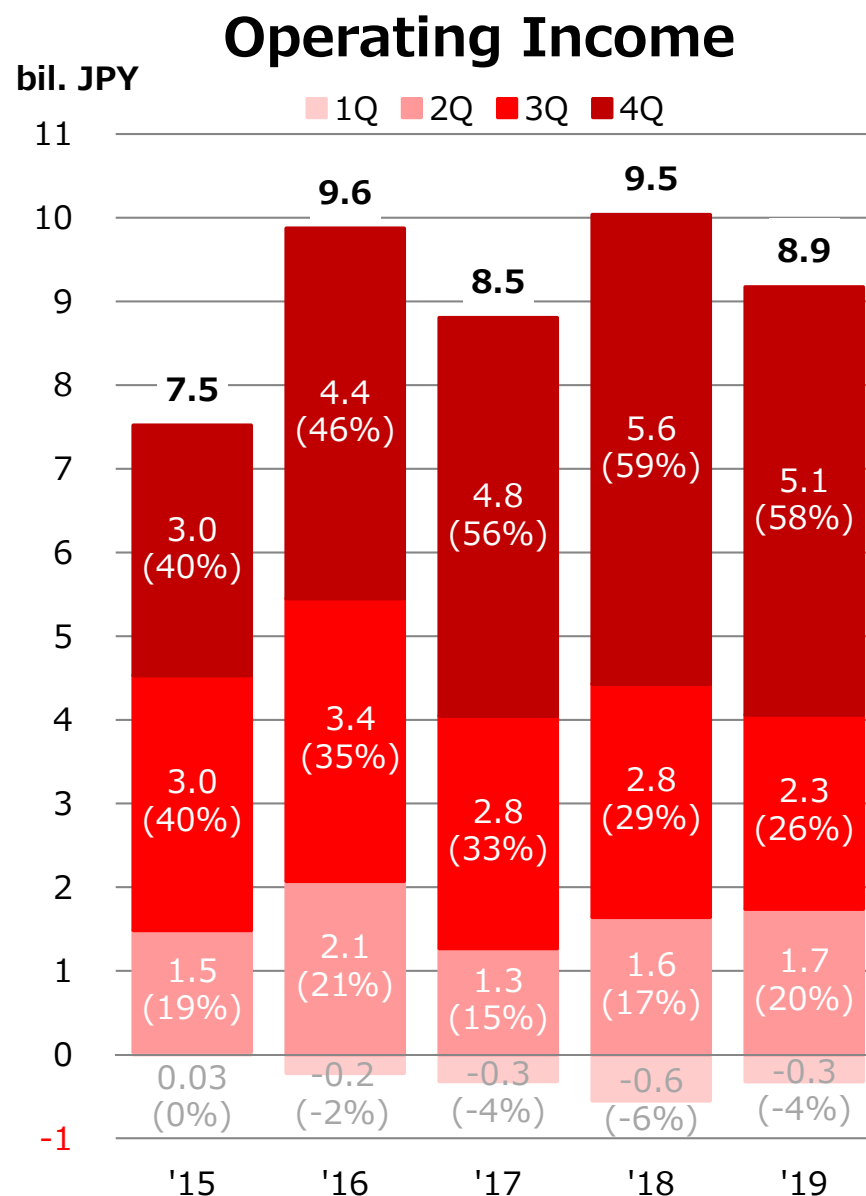
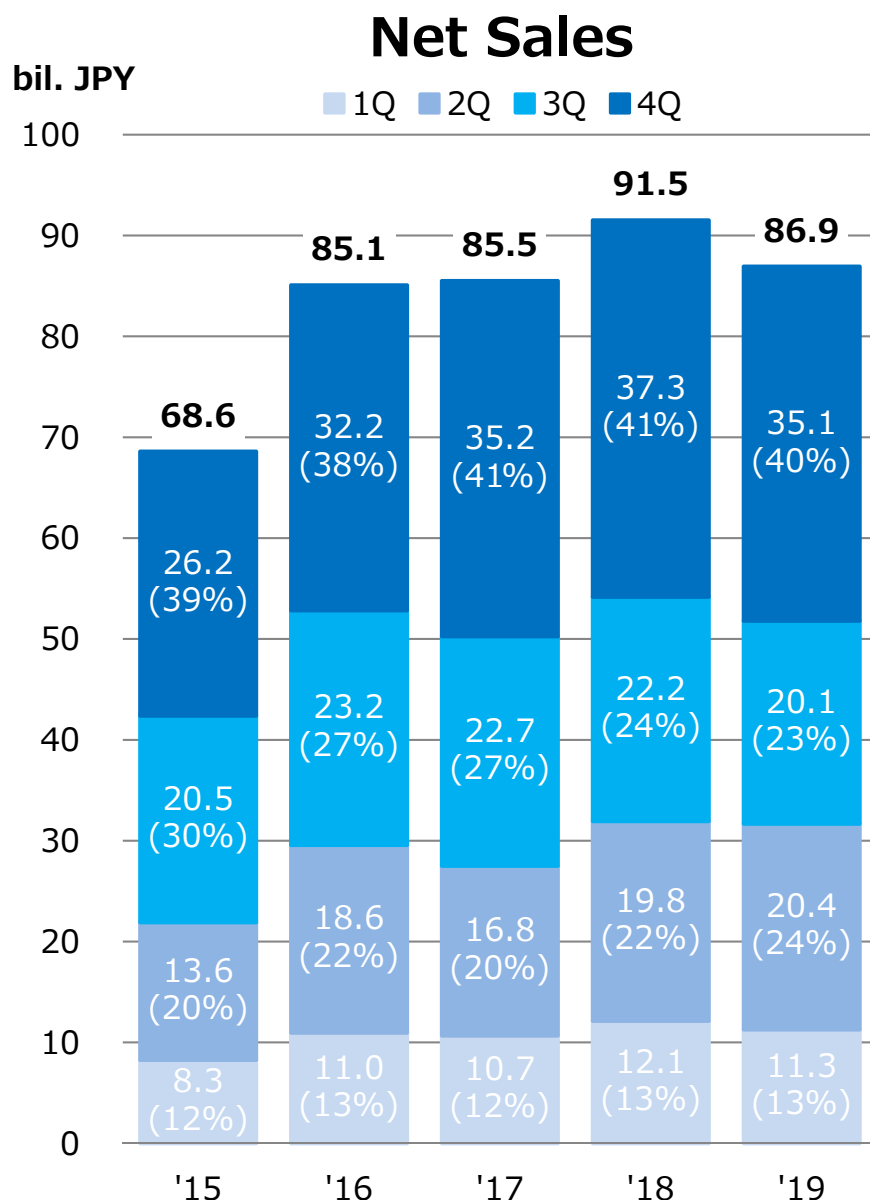
In addition to the large-scale projects for products, maintenance and service increased steadily.



## Environmental Conservation Vehicles

Sales of product increased steadily due to the rush demand before the introduction of new emission regulation offset by a reactionary decline after that.

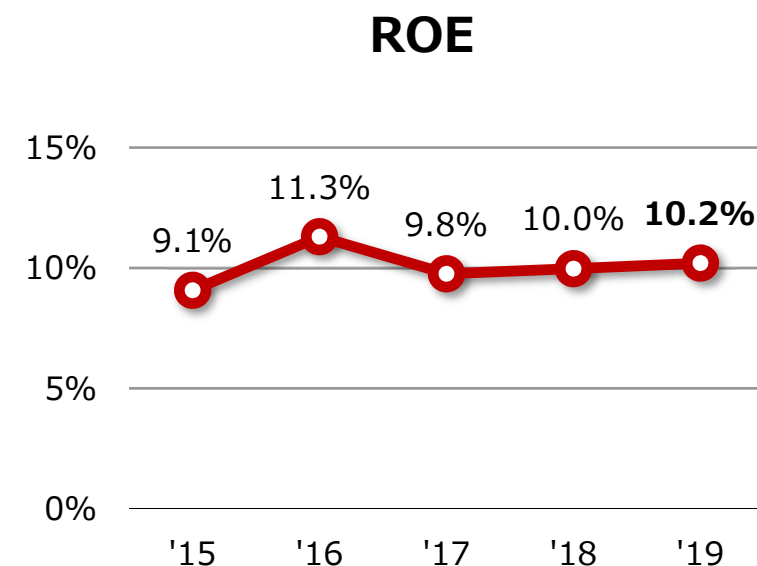
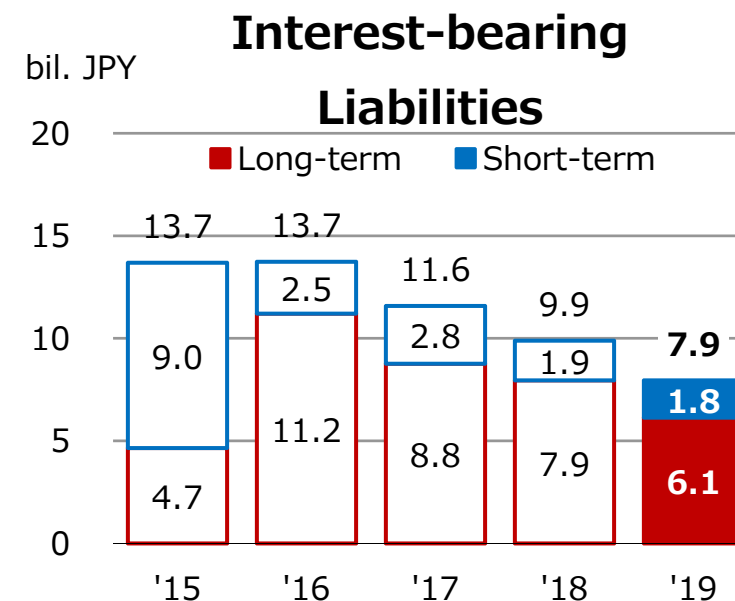
# Performance Composition by Quarter



# Consolidated Balance Sheets



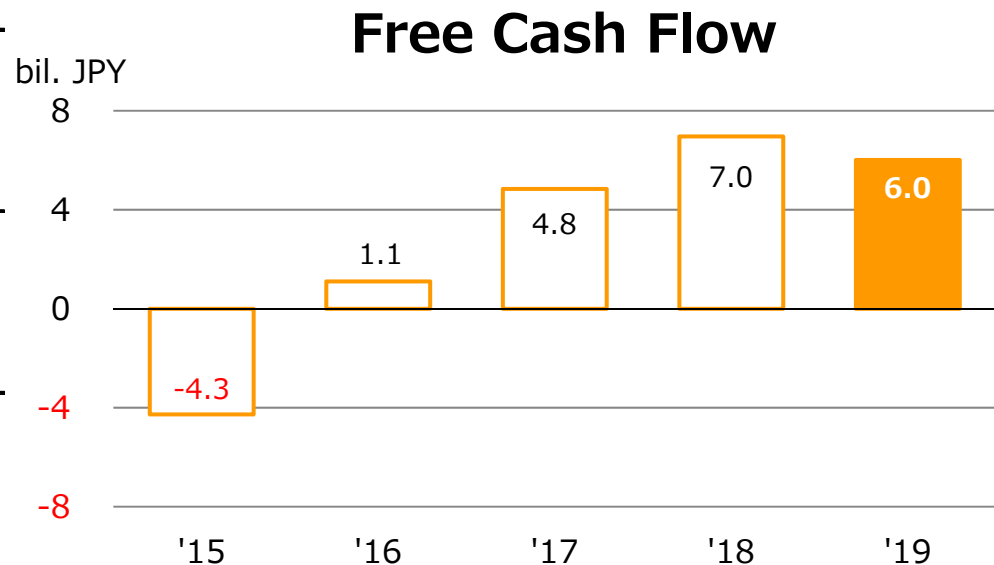
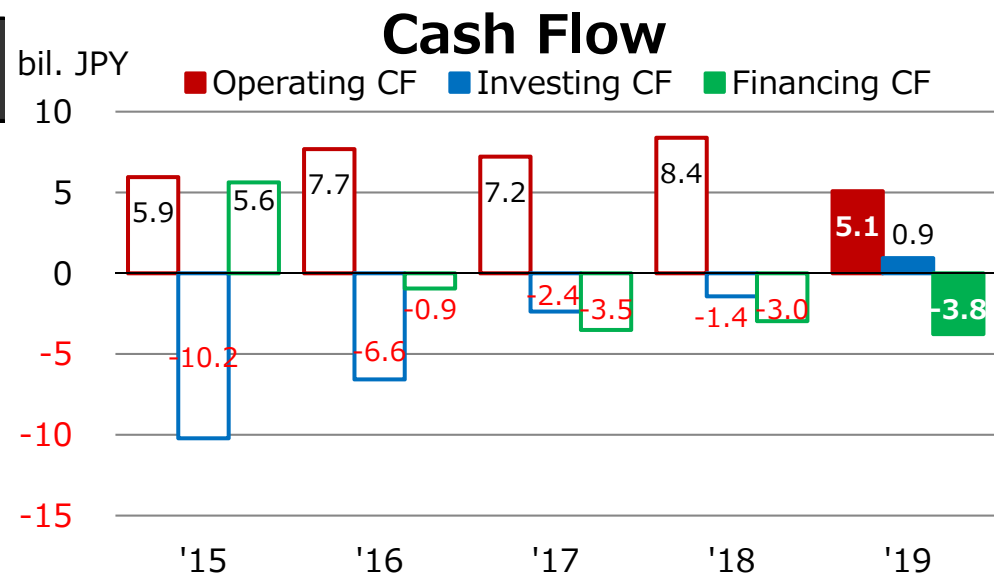
(bil. JPY)	2018	2019	Change
Current Assets	62.3 53.2%	64.2 55.4%	+1.8 +2.3pt.
Non-Current Assets	54.9 46.8%	51.6 44.6%	-3.3 -2.3pt.
<b>Total Assets</b>	<b>117.2 100.0%</b>	<b>115.8 100.0%</b>	<b>-1.5</b>
Current Liabilities	33.2 28.3%	29.5 25.5%	-3.7 -2.8pt.
Non-Current Liabilities	16.4 14.0%	14.9 12.9%	-1.5 -1.1pt.
<b>Total Liabilities</b>	<b>49.6 42.3%</b>	<b>44.4 38.4%</b>	<b>-5.2 -3.9pt.</b>
Shareholders' Equity	66.5 56.8%	70.2 60.6%	+3.6 +3.8pt.
Minority Interests	1.1 0.9%	1.2 1.0%	+0.1 +0.1pt.
<b>Total Net Assets</b>	<b>67.6 57.7%</b>	<b>71.3 61.6%</b>	<b>+3.7 +3.9pt.</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>117.2 100.0%</b>	<b>115.8 100.0%</b>	<b>-1.5</b>



# Consolidated Statement of Cash Flows

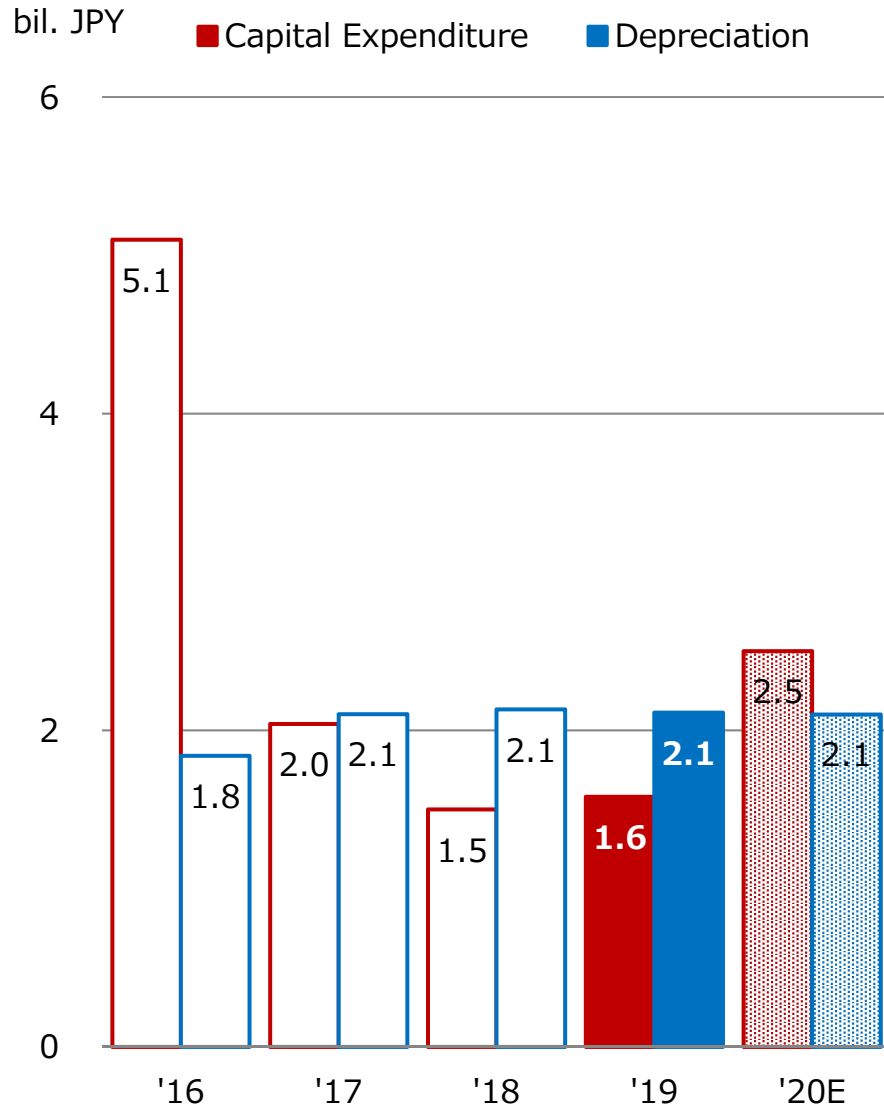


(bil. JPY)	2018	2019	Change
Operating Activities	8.4	5.1	-3.3
Investing Activities	-1.4	0.9	+2.4
Financing Activities	-3.0	-3.8	-0.8
Net Increase/Decrease in Cash and Cash Equivalents	4.0	2.2	-1.8
Cash and Cash Equivalents at beginning of year	9.2	13.2	+4.0
Cash and Cash Equivalents at end of year	13.2	15.4	+2.2

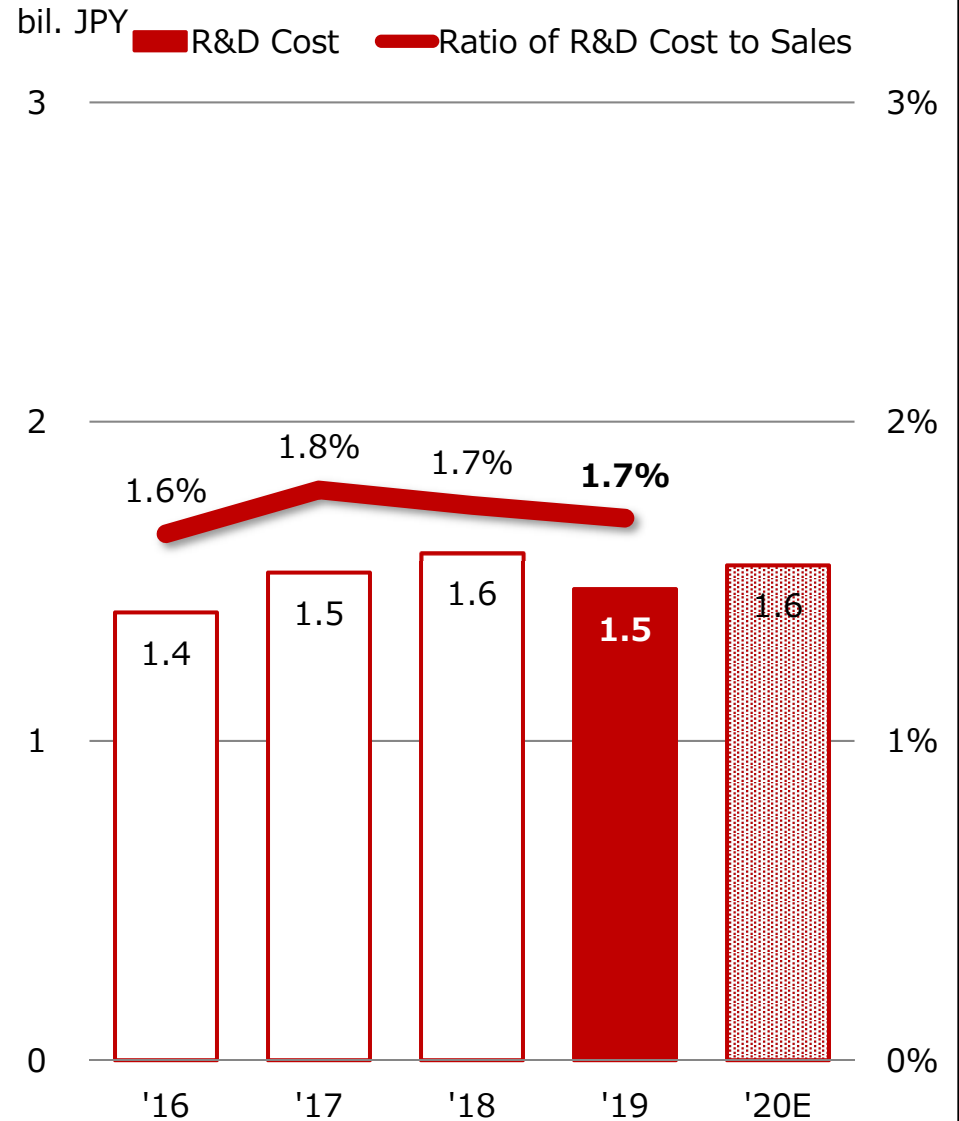


# Capital Expenditure · Depreciation · R&D Cost **MORITA**

## Capital Expenditure · Depreciation



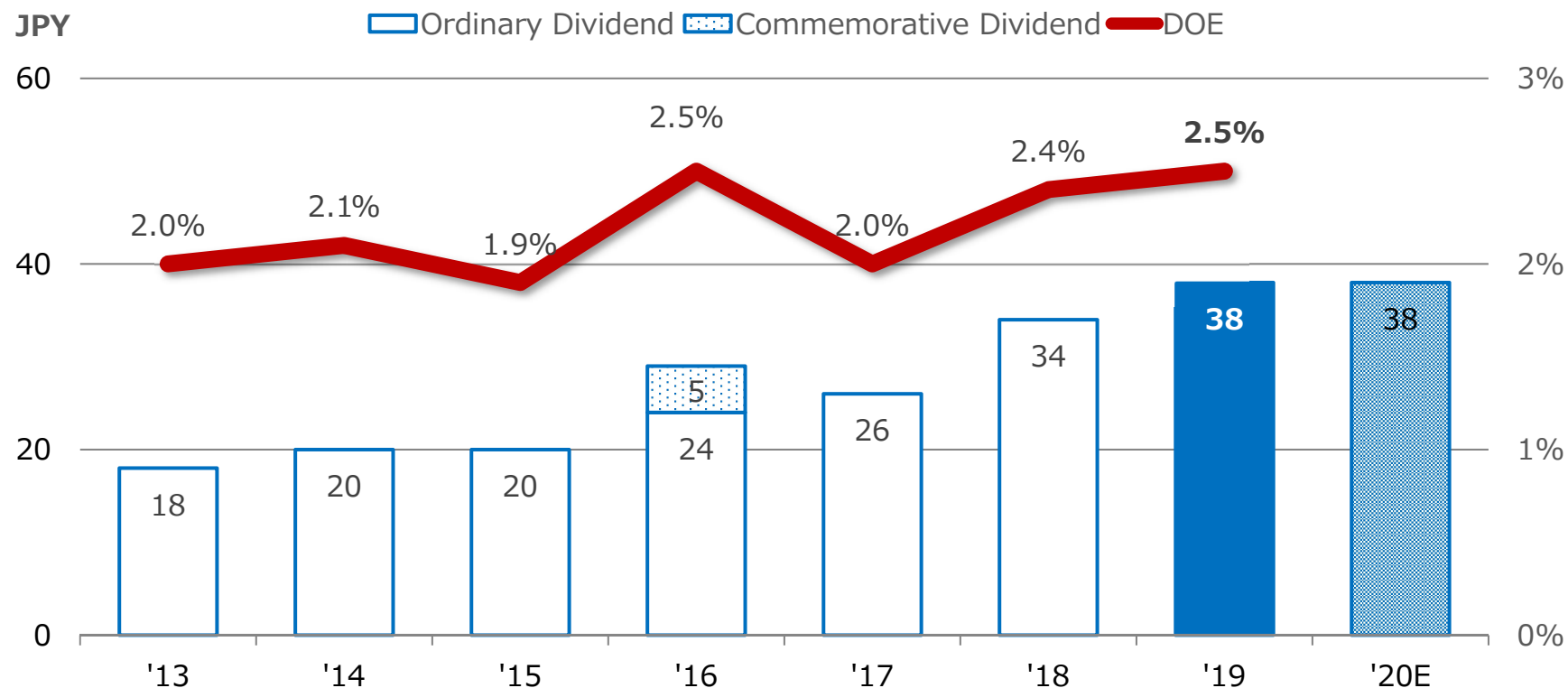
## R&D Cost



## Dividend policy

Increasing dividend payments in a stable and sustainable manner, strengthening financial structure and business foundation, and DOE (Dividend on Equity) is targeted around 2.5% or higher.

### DPS and DOE



## **II. COVID-19 Business Impact and Measures**

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## □ Potential Business Risks

- › Interruptions to business/reduced efficiency due to possible infection of our employees, customers and suppliers' employees
- › Product/service supply capacity issues caused by long-term restrictions on movement and lockdowns around the world
  - Procurement difficulties due to global supply chain disruptions
  - Difficulties in securing manufacturing personnel in-house or at outsourcing partners
  - Decreased ability to provide customer support
- › Decreases in demand due to declining appetites for capital expenditure caused by the rapid deterioration of the world economy

## □ Morita's Measures

- › Prioritize the health of stakeholders by utilizing remote work, staggered working hours, temporary closure to reduce the risk of fatalities among customers, suppliers and employees
- › Parts procurement amidst supply chain disruption risks
- › Monitor demand trends by attentively exchanging detailed information with customers and suppliers

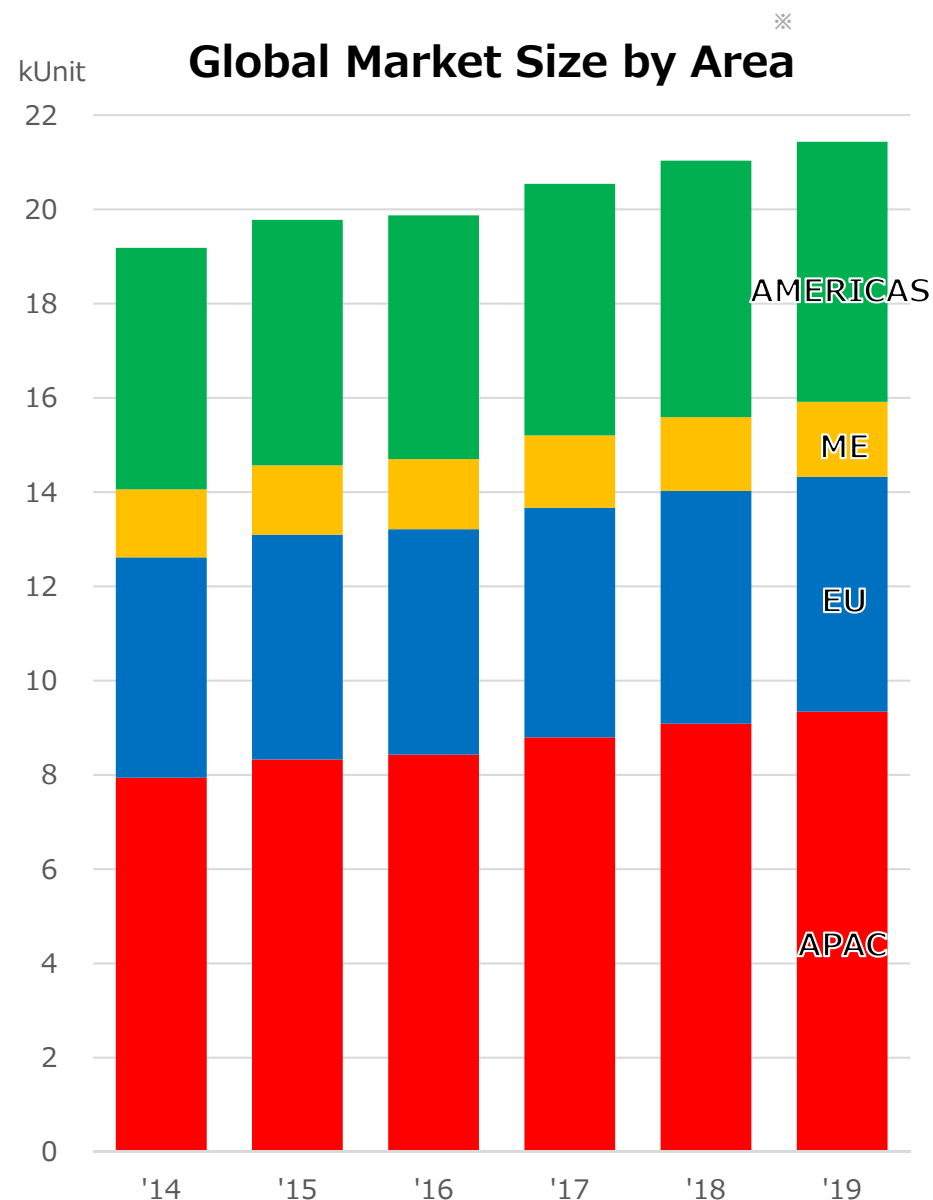
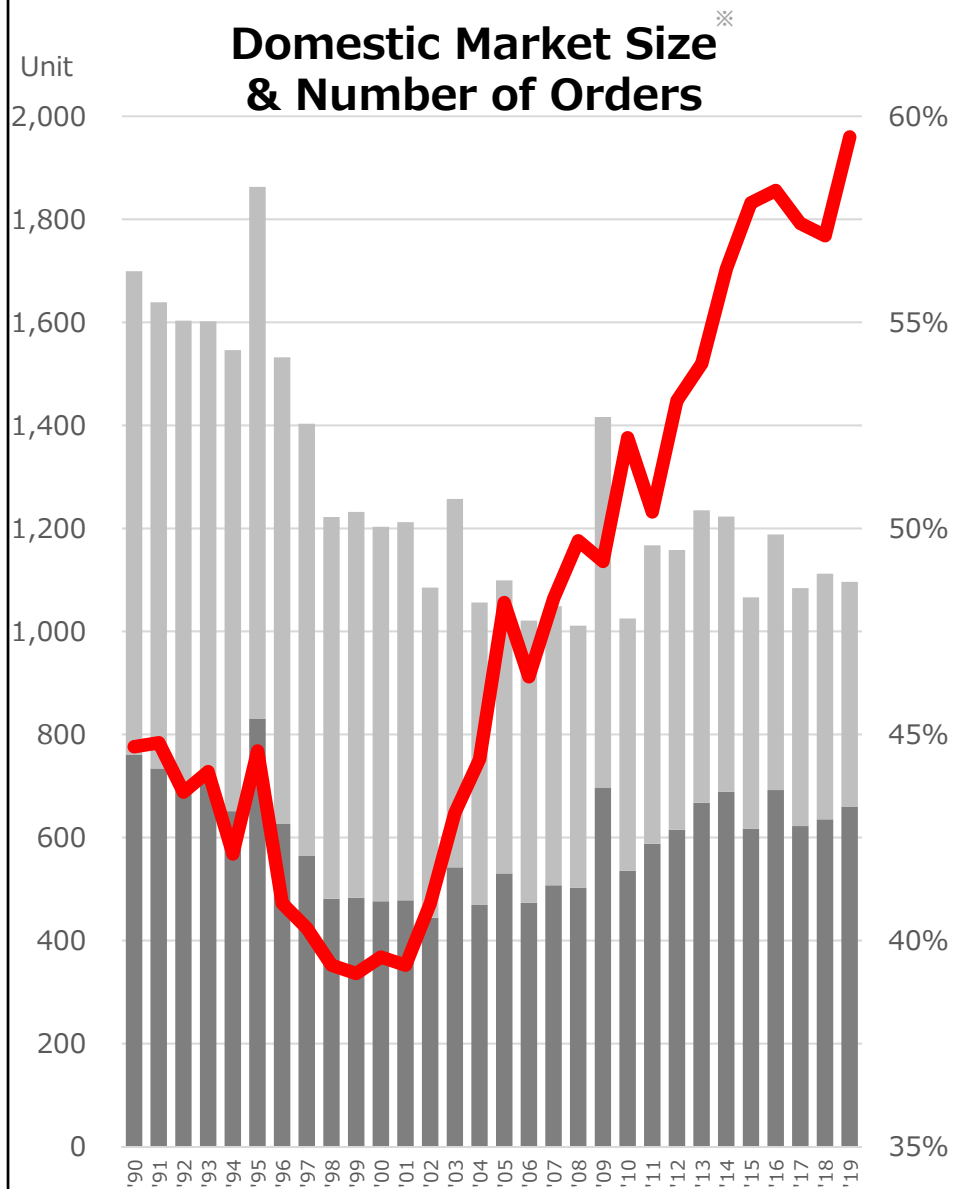


## III. Overview by Segment

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# Fire Fighting Vehicles



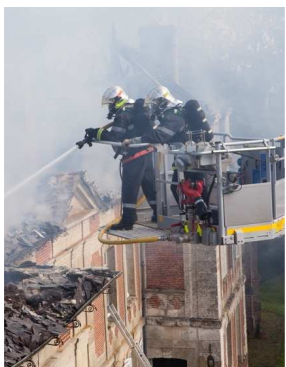
※ Internal investigation



# Fire Fighting Vehicles



## Bronto Skylift



## MVF21 Multi-Purpose Fire Fighting Vehicle with 21m Aerial Platform

Morita Various Fighter



## Product Development Utilizing IoT



Visualization of Fire Scenes

Drone, Basket Camera, etc.



Control of Operation Conditions

Pump Control Panel



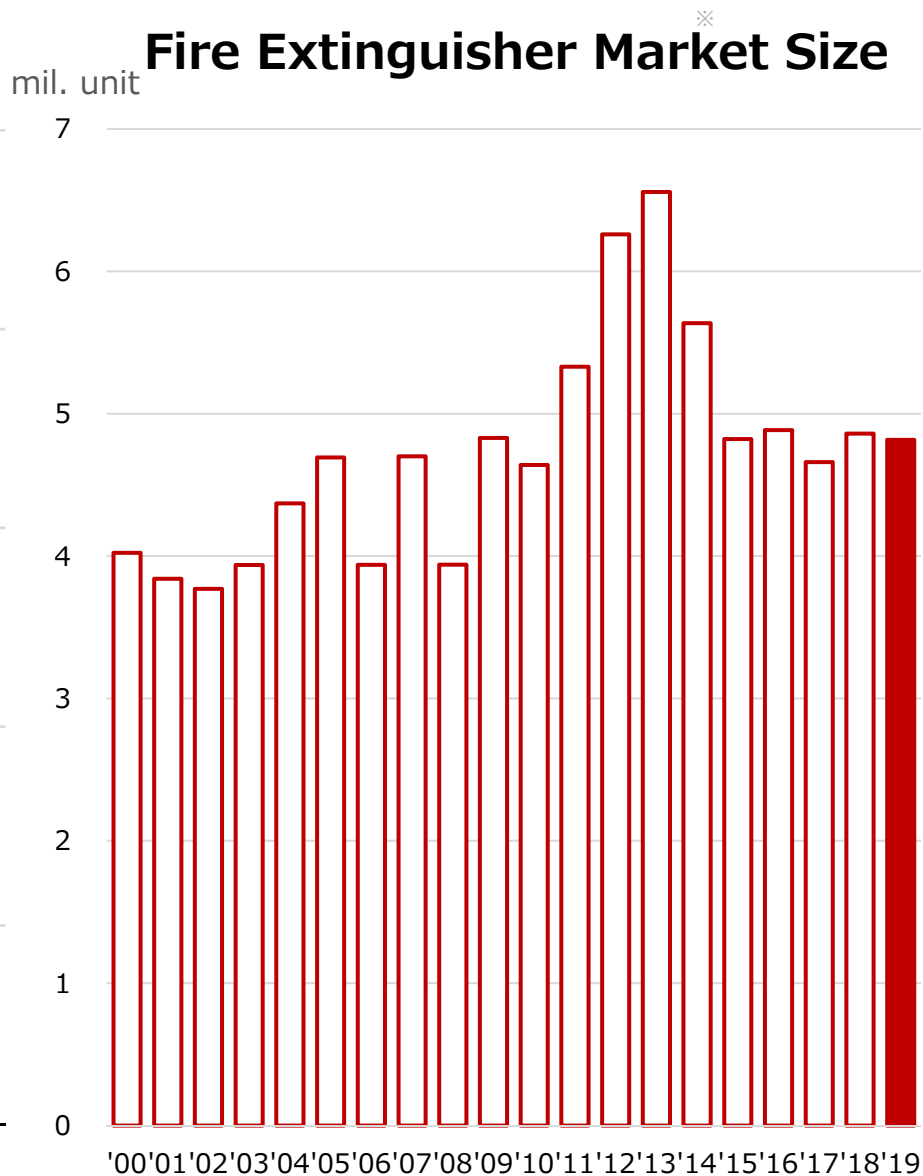
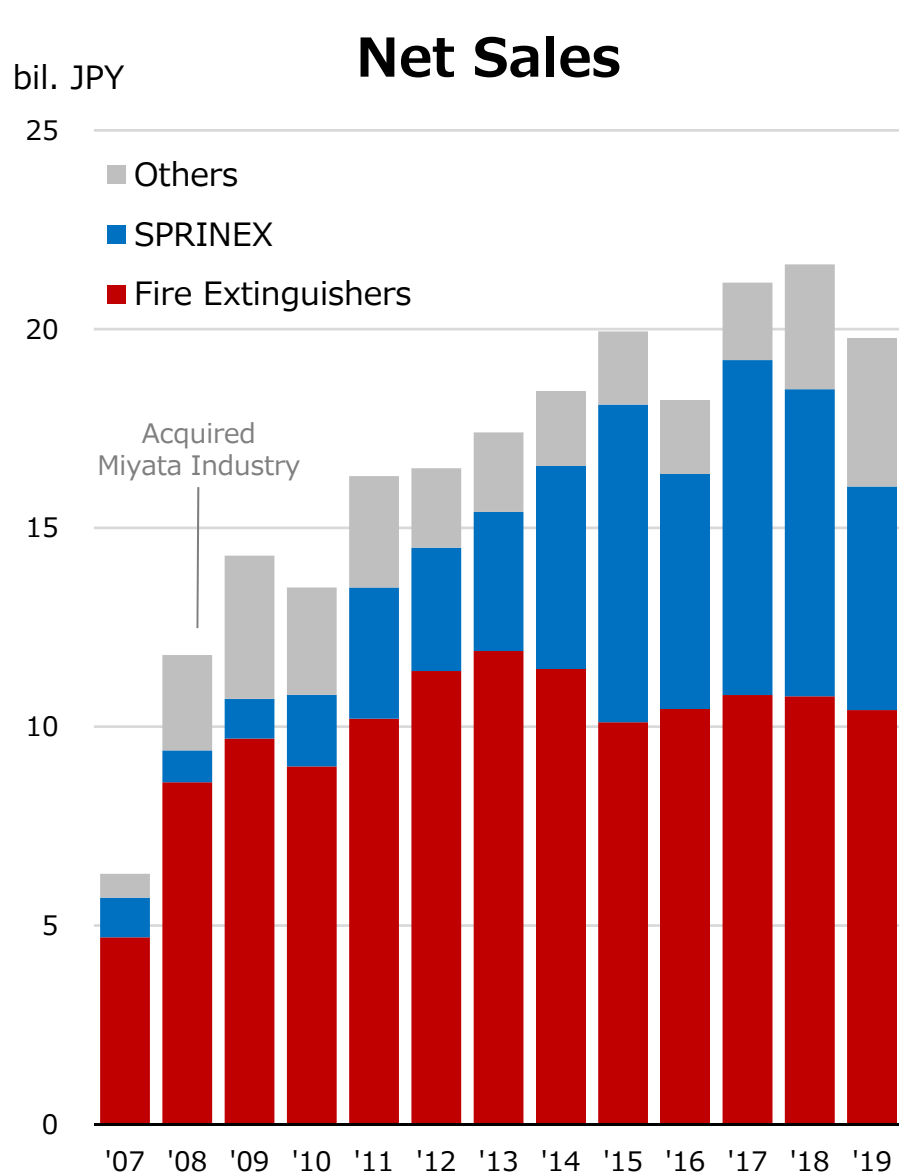
Safety Confirmation of Fire Fighters

Wearable Devices



**IoT**

**Support Firefighting Activities**



※ Internal investigation



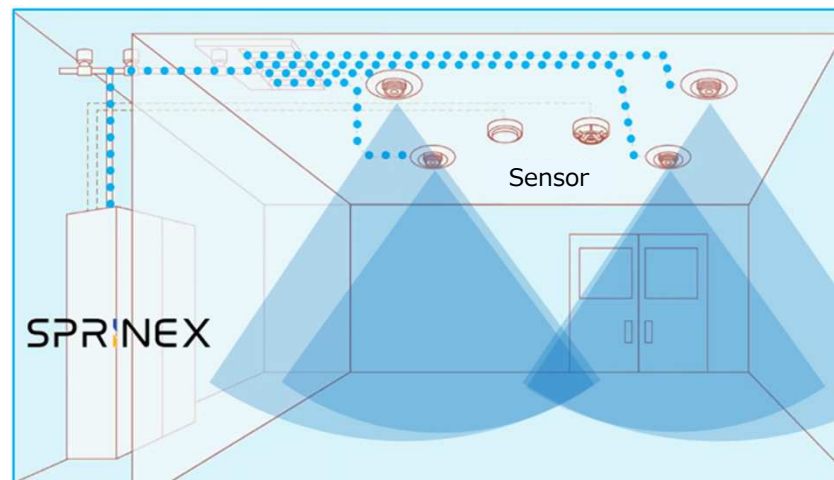
Packaged Automatic Fire Extinguishing System Type I



## SPRINEX

- ❑ High extinguish performance (4 times better than that of water and prevents recombustion)
- ❑ Senses a fire in its early stage
- ❑ Prevents water damage
- ❑ Available even when the water supply is cut off, and it is frost-proof
- ❑ Not require a large scale construction for installation

## ❑ System Configuration



## ❑ Medical Clinics

Installation becomes mandatory due to a law amendment



Enforced in April 2016

**June 2025**

## ❑ Market Deployment



Social Welfare Facilities



Apartment Houses



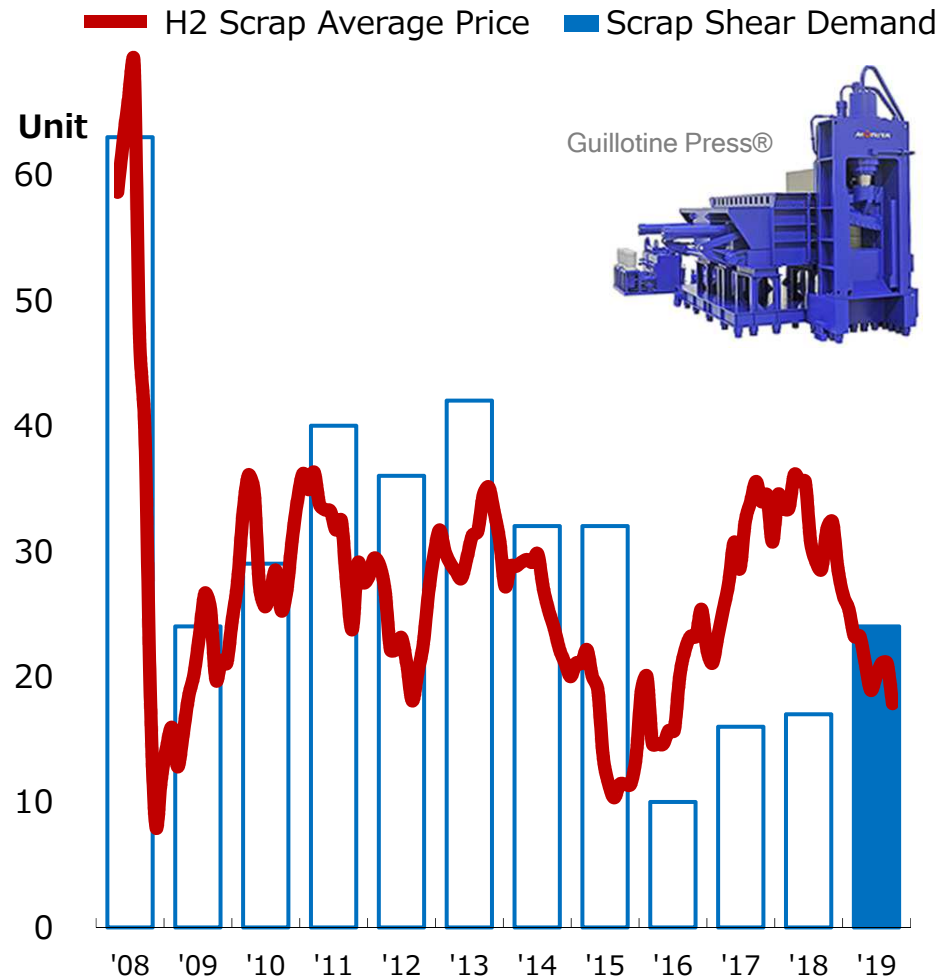
Important Cultural Properties



# Recycling Machines



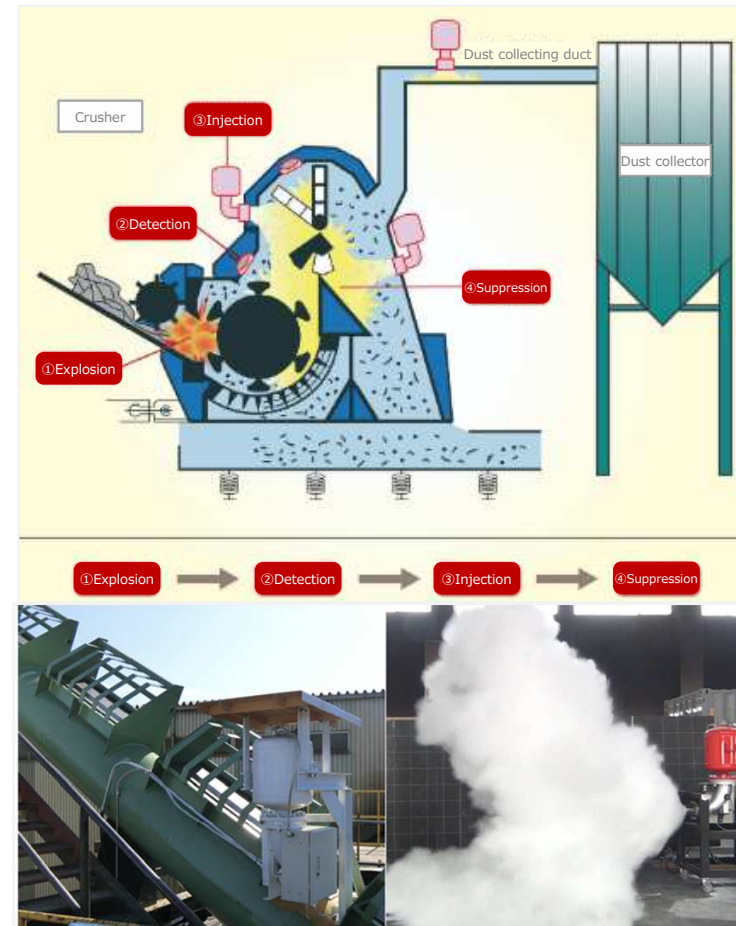
## Iron Scrap Price & Scrap Shear Market Size



※ Internal Investigation

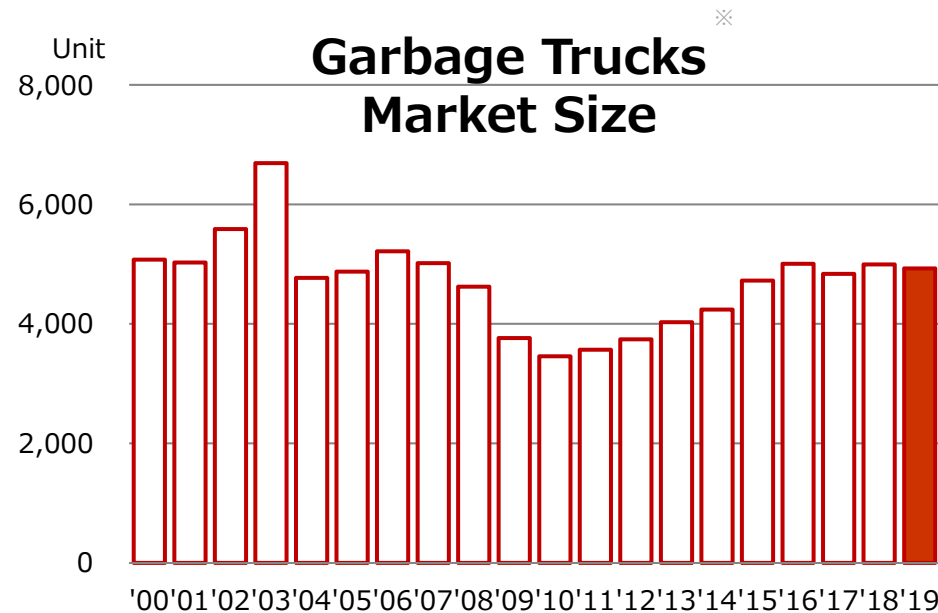
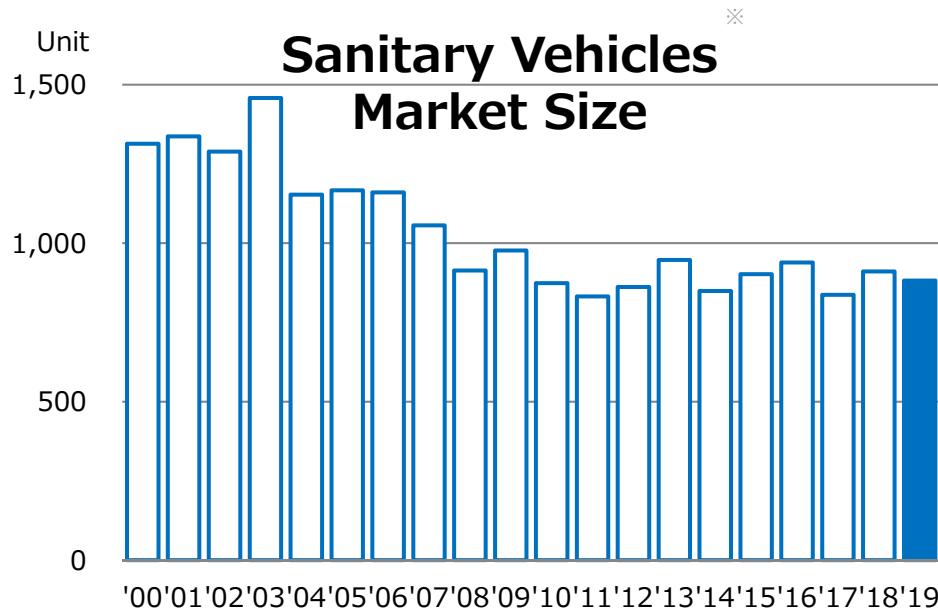
## Explosion Protection System "Hyper Guard"

A device that instantly detects the explosion inside the shredder and release the extinguishing agents at high speed with the unique "high-speed opening mechanism" to minimize a secondary damage from an explosion.





# Environmental Conservation Vehicles MORITA



## New Garbage Truck Series Development

### Improved Safety

Improved rearward visibility by integrating indicators on the high-mounted rear panel

### Labor-saving

Input port designed to be lower which enables to reduce the work burden and improve efficiency

### Improved Rigidity and Design

Improved basic performance such as rigidity of body and tail gate, and significantly enhanced design



※ Internal investigation





**This document contains forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions, bases underlying such a forward-looking statement, or economic environment in the primary markets and fluctuations of demand and supply, Morita Holdings cautions that assumed facts for bases almost always vary from the actual results, and differences between assumed facts or bases and actual results can be material, depending upon the circumstances. Where, in any forward-looking statement, Morita Holdings or its management expresses an expectation or belief as to future results, there can be no guaranty or assurance that the statement of expectation or belief will result or be achieved or accomplished. The words “forecast”, “project”, “believe”, “expect”, “anticipate”, and similar expressions may identify forward-looking statements.**

**Taking into account the foregoing, the following are identified as important factors, risks or uncertainties that cause the actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, Morita Holdings: competitive factors, including and not limited to, pricing, the implementation of Morita Holdings’ product strategies, and economic trends in important markets worldwide.**

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