

# Financial Results for FY2020

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**May 10, 2021**

**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** : **84.7 bil. JPY**  
**(Consolidated)** **(for the year ended March 31, 2021)**
- **Employees** : **1,796**  
**(Consolidated)** **(as of March 31, 2021)**
- **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>51.8</b> bil. JPY (61%)	<b>18.0</b> bil. JPY (21%)	<b>4.0</b> bil. JPY (5%)	<b>10.9</b> bil. JPY (13%)
Operating Income	<b>6.6</b> bil. JPY (75%)	<b>1.0</b> bil. JPY (11%)	<b>0.3</b> bil. JPY (4%)	<b>0.9</b> bil. JPY (10%)

# Market Share (2000-2020)



**FFV**  
(Fire Fighting Vehicles)

**59%**<sup>※</sup>



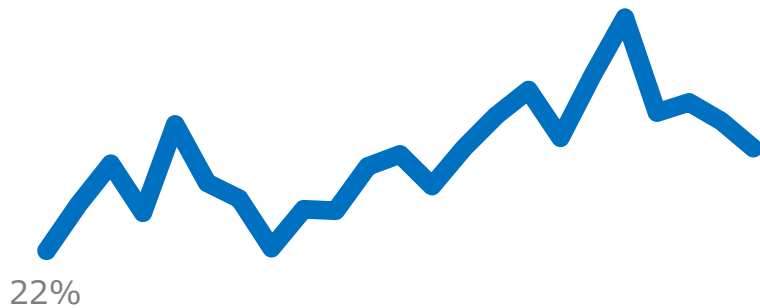
**FPES**  
(Fire Extinguishers)

**37%**<sup>※</sup>



**RM**  
(Scrap Shears)

**47%**<sup>※</sup>



**ECV**  
(Sanitary Vehicles)

**87%**<sup>※</sup>



※ Internal investigation

# I. Financial Results for FY2020

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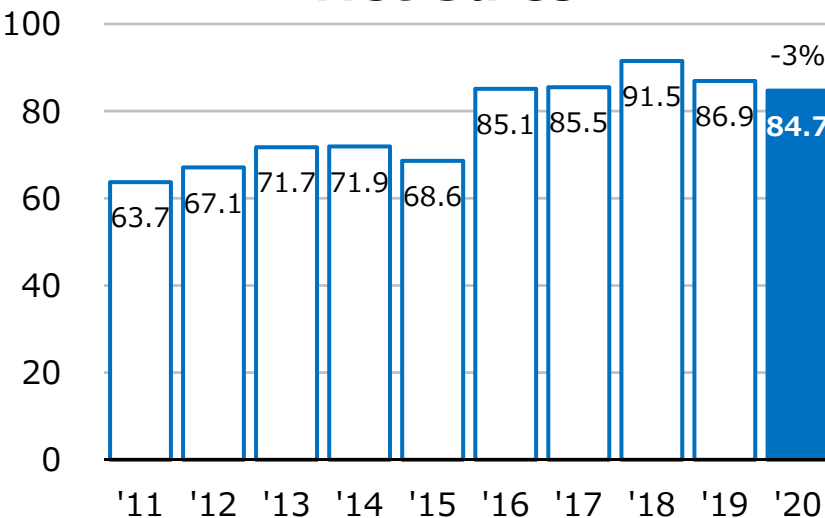
# Consolidated Statements of Income



(bil. JPY)	2019	2020	Change
Net Sales	86.9 100.0%	84.7 100.0%	-2.3
Cost of Sales	64.2 73.9%	62.5 73.8%	-1.7 -0.0pt.
Gross Profit	22.7 26.1%	22.1 26.2%	-0.6 +0.0pt.
S,G&A Expenses	13.9 16.0%	13.3 15.7%	-0.6 -0.3pt.
Operating Income	8.9 10.2%	8.9 10.5%	+0.0 +0.3pt.
Non-Operating Income	0.7 0.8%	0.8 0.9%	+0.1 +0.2pt.
Non-Operating Expenses	0.2 0.2%	0.2 0.2%	-0.0 -0.0pt.
Ordinary Income	9.3 10.7%	9.5 11.2%	+0.2 +0.5pt.
Extraordinary Income	1.9 2.2%	0.1 0.1%	-1.9 -2.1pt.
Extraordinary Loss	0.7 0.8%	0.1 0.2%	-0.6 -0.7pt.
Income before Income Taxes	10.5 12.1%	9.4 11.1%	-1.1 -1.0pt.
Net Income	7.0 8.0%	6.2 7.4%	-0.7 -0.7pt.

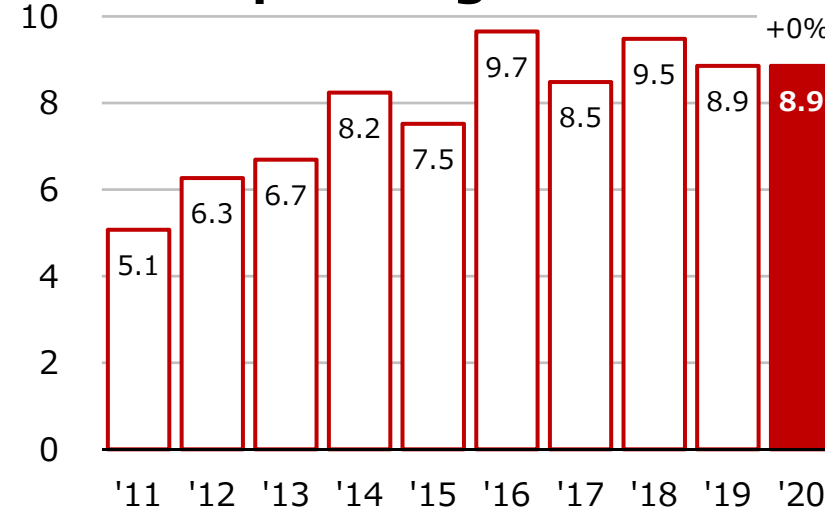
bil. JPY  
100

## Net Sales



bil. JPY  
10

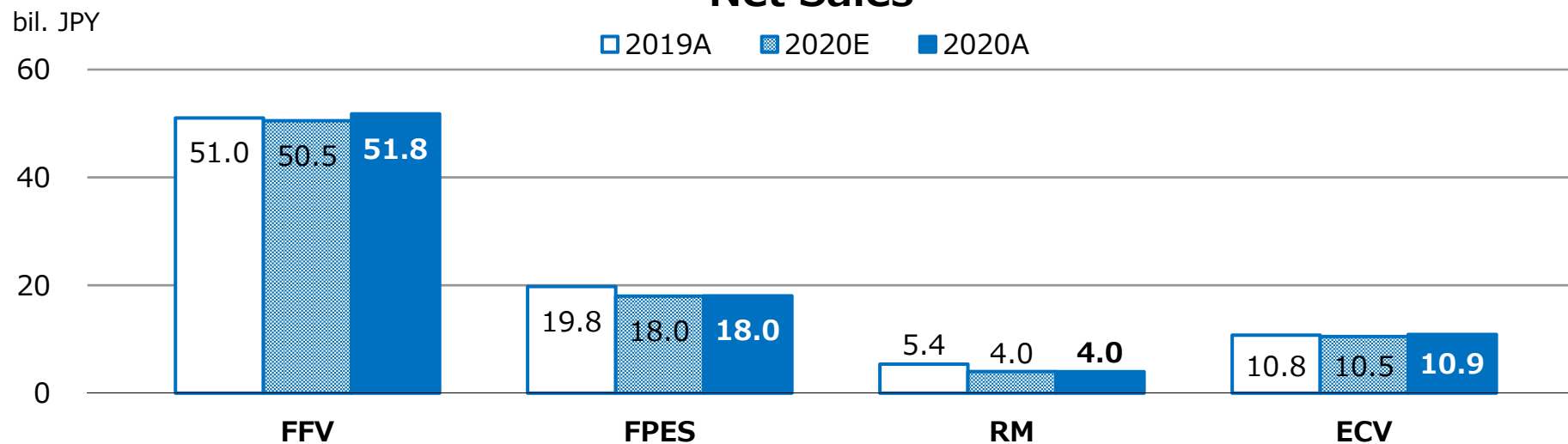
## Operating Income



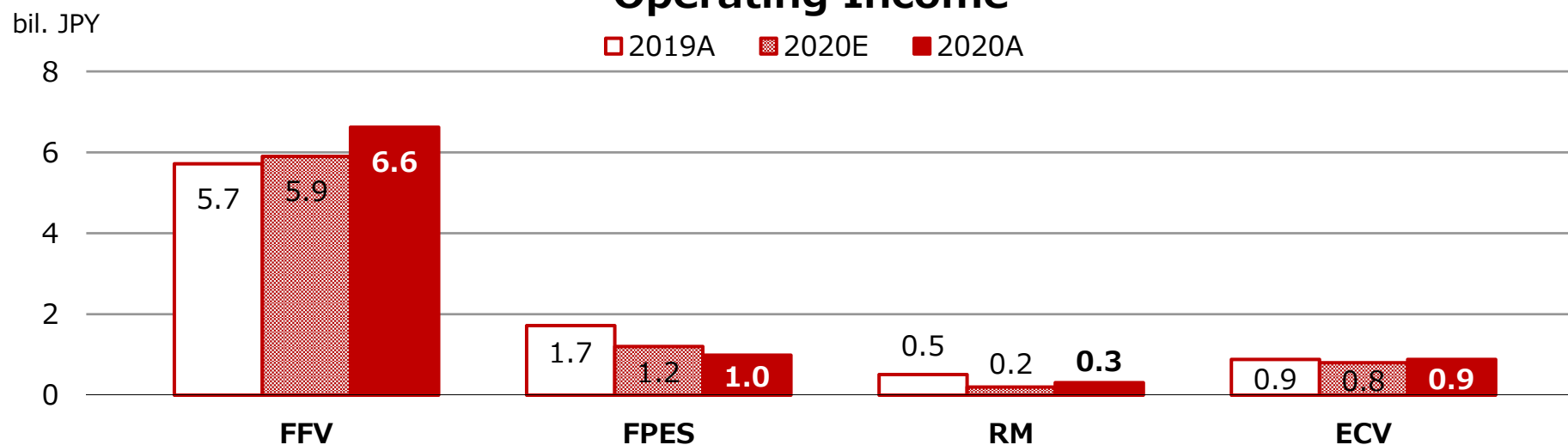
# Performance by Segment



## Net Sales



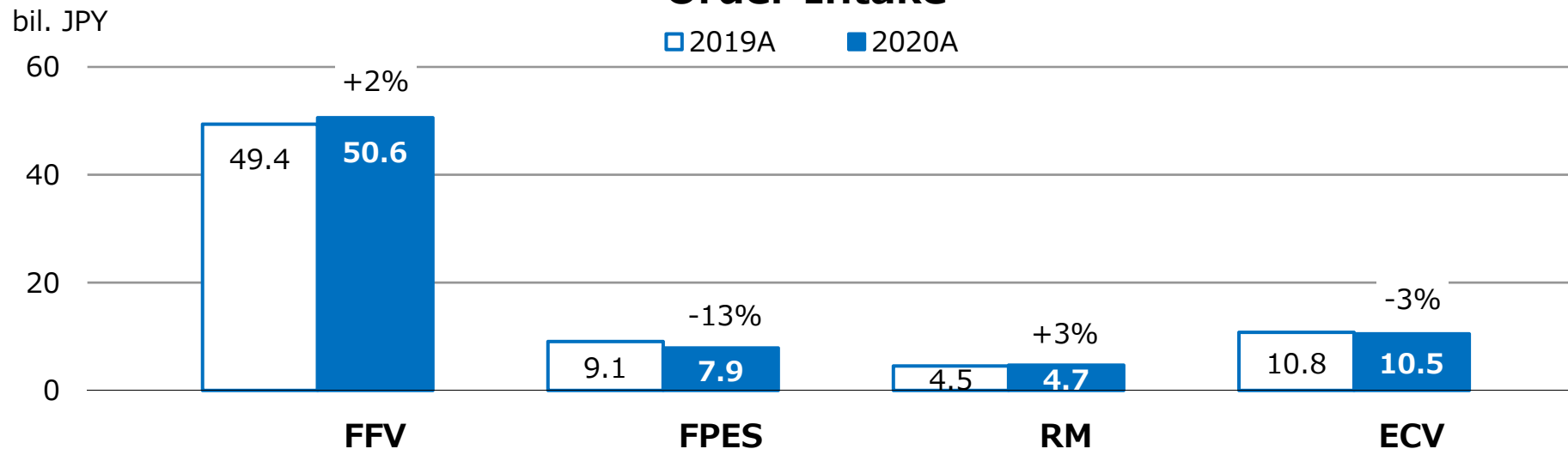
## Operating Income



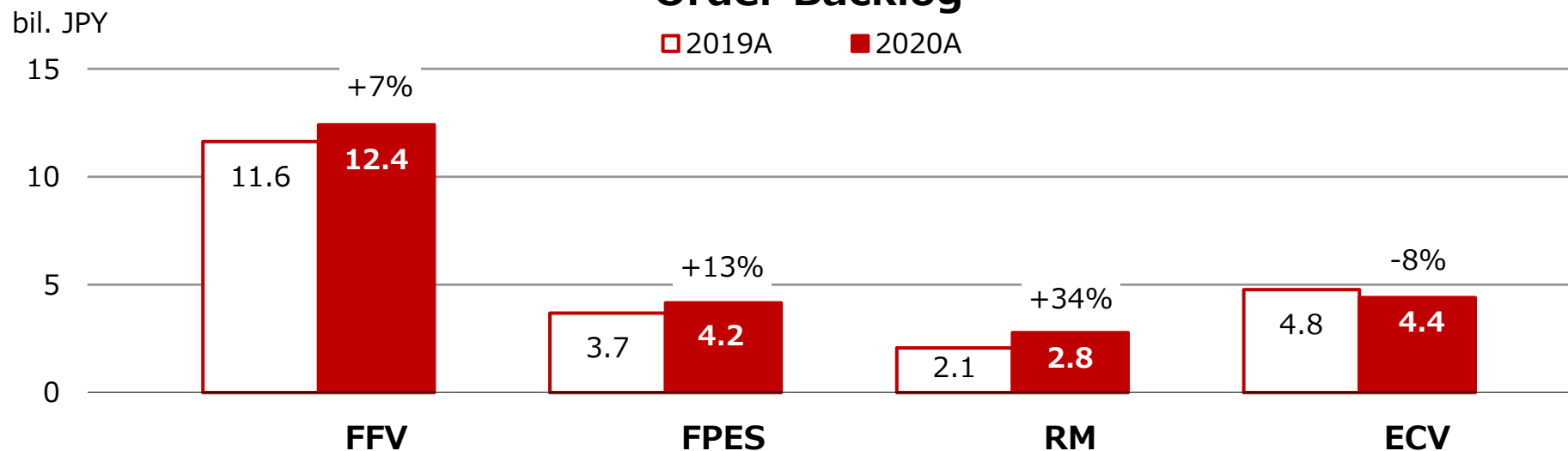
# Orders by Segment



## Order Intake



## Order Backlog







## Fire Fighting Vehicles

Both sales and operating income increased due to the solid domestic sales and overseas sales recovering in the second half from the delay caused by the impact of COVID-19 in the first half of the year.



## Fire Protection Equipment & Systems

Although fire extinguisher recovered from the delay caused by the impact of COVID-19 in the first half of the year, sales and operating income decreased due to the sluggish sales of SPRINEX and temporary costs in production.



## Recycling Machines

Sales and operating income decreased due to the weak product sales, partly because the order backlog at the beginning of the period was lower than the previous year.



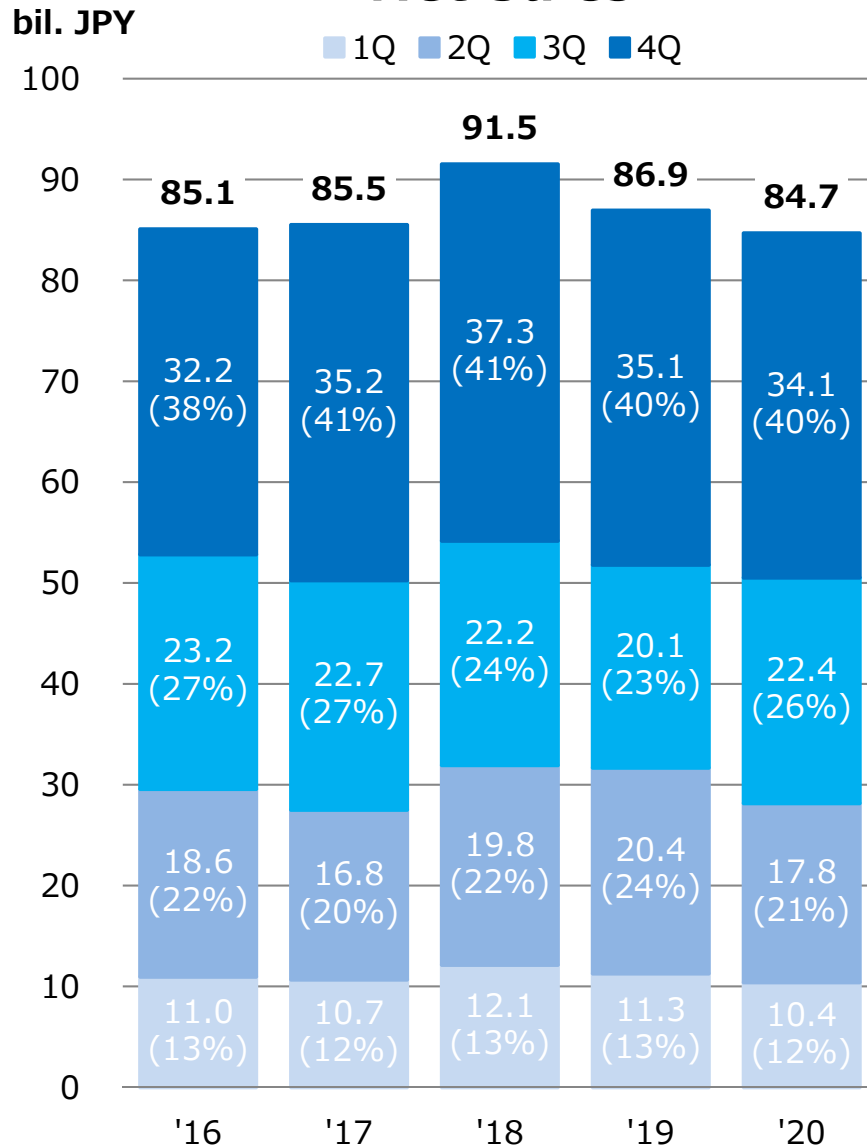
## Environmental Conservation Vehicles

Both sales and operating income increased due to the solid sales of sanitary vehicles.

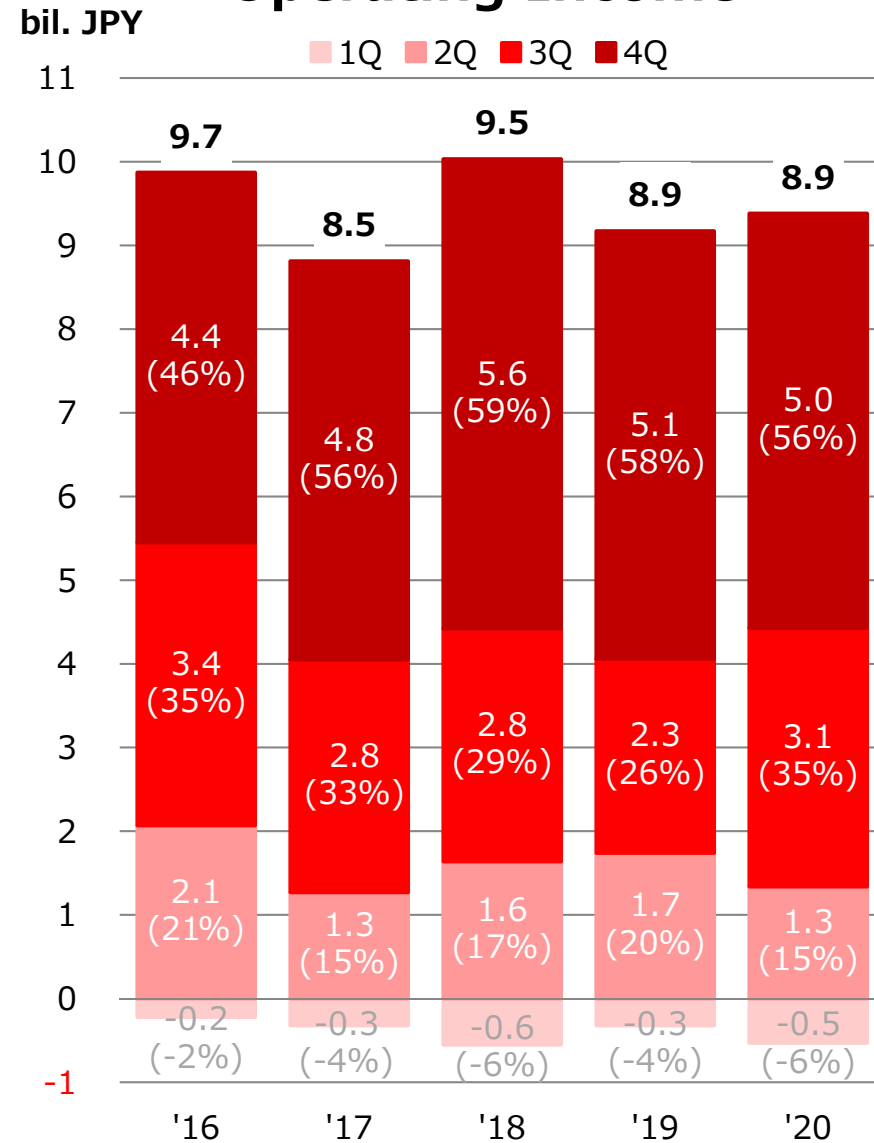
# Performance Composition by Quarter



## Net Sales



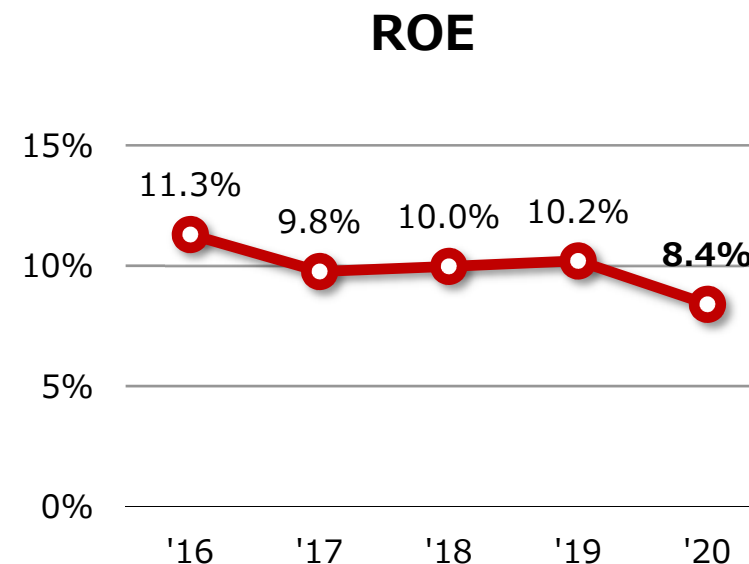
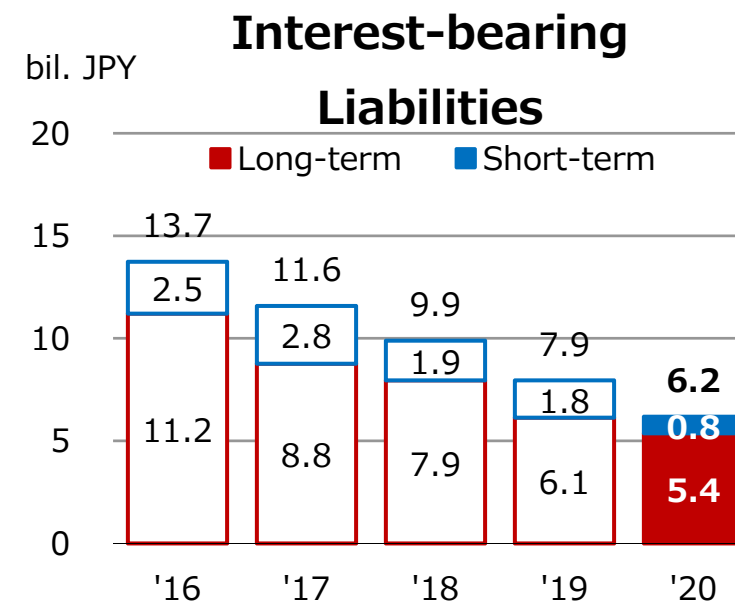
## Operating Income



# Consolidated Balance Sheets



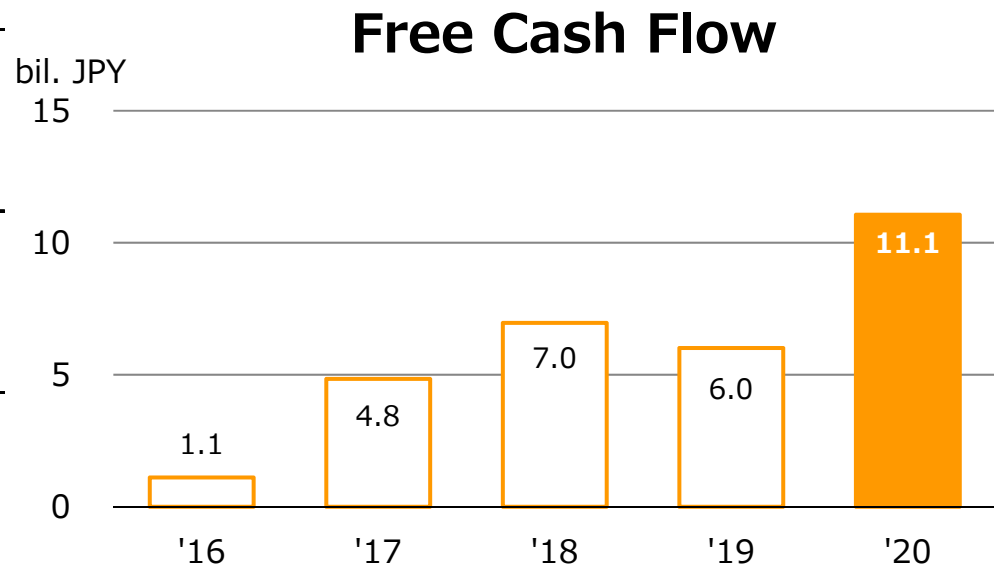
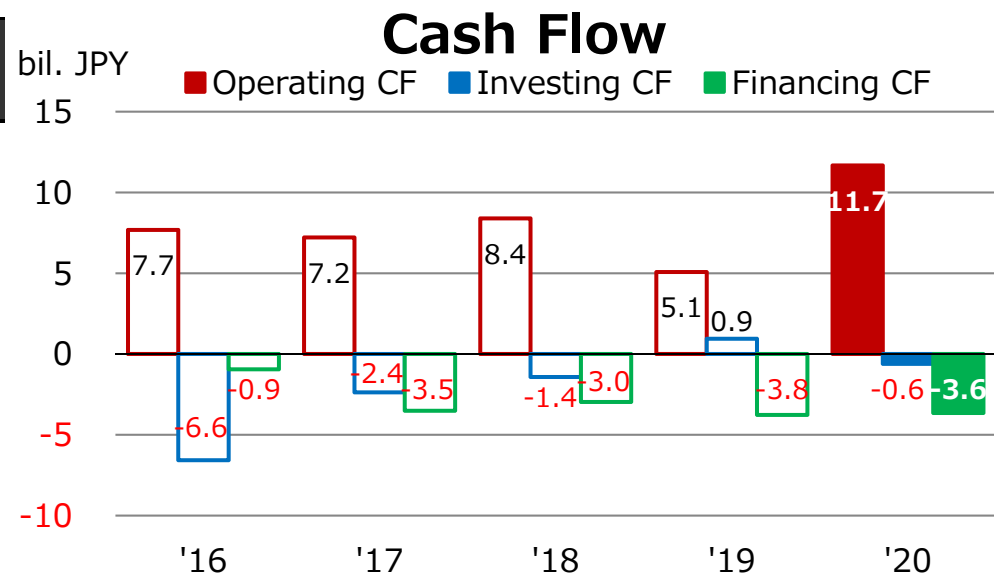
(bil. JPY)	2019		2020		Change	
Current Assets	64.2	55.4%	68.3	55.8%	+4.2	+0.3pt.
Non-Current Assets	51.6	44.6%	54.2	44.2%	+2.6	-0.3pt.
<b>Total Assets</b>	<b>115.8</b>	<b>100.0%</b>	<b>122.5</b>	<b>100.0%</b>	<b>+6.8</b>	
Current Liabilities	29.5	25.5%	27.8	22.7%	-1.7	-2.8pt.
Non-Current Liabilities	14.9	12.9%	15.4	12.5%	+0.4	-0.3pt.
<b>Total Liabilities</b>	<b>44.4</b>	<b>38.4%</b>	<b>43.1</b>	<b>35.2%</b>	<b>-1.3</b>	<b>-3.2pt.</b>
Shareholders' Equity	70.2	60.6%	78.0	63.7%	+7.9	+3.1pt.
Minority Interests	1.2	1.0%	1.3	1.1%	+0.1	+0.1pt.
<b>Total Net Assets</b>	<b>71.3</b>	<b>61.6%</b>	<b>79.4</b>	<b>64.8%</b>	<b>+8.0</b>	<b>+3.2pt.</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>115.8</b>	<b>100.0%</b>	<b>122.5</b>	<b>100.0%</b>	<b>+6.8</b>	



# Consolidated Statement of Cash Flows



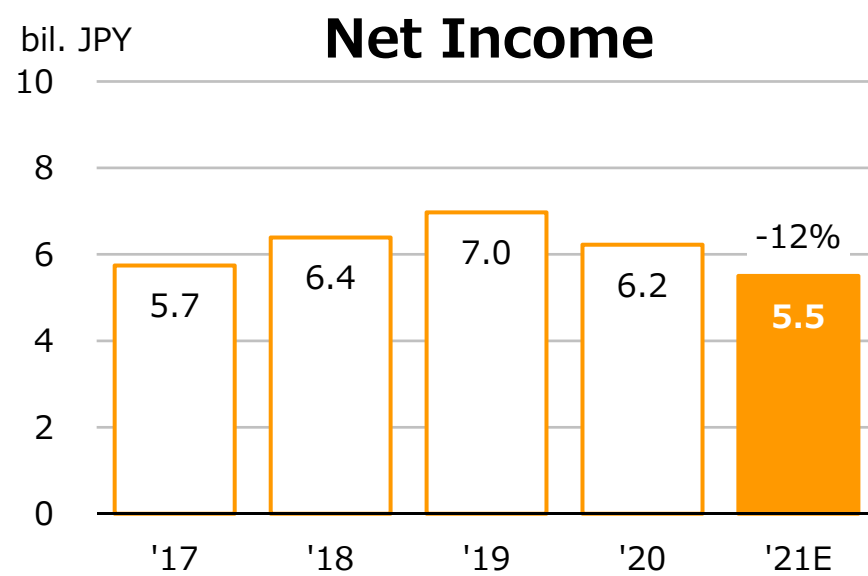
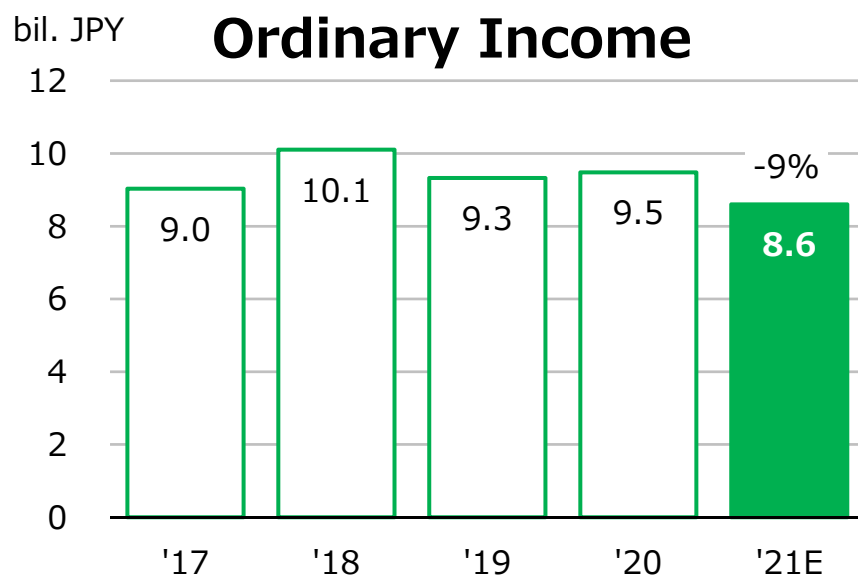
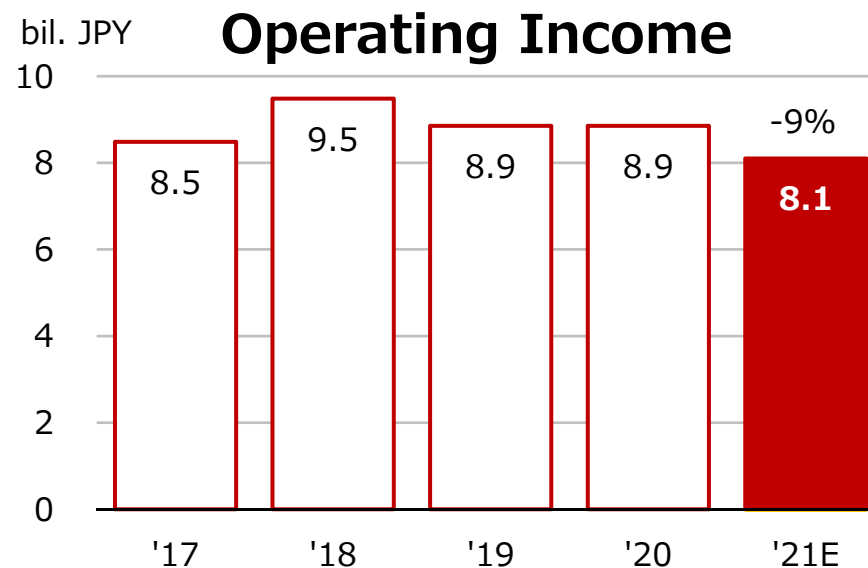
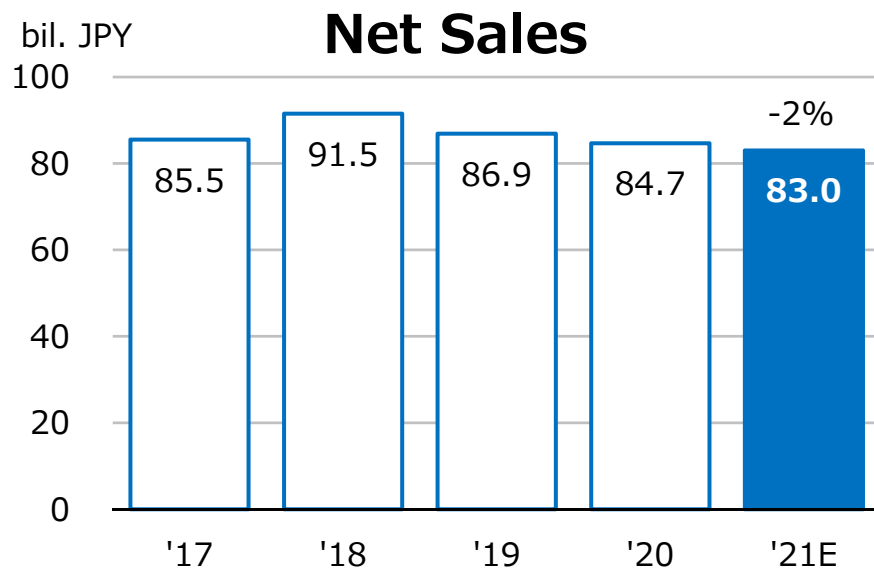
(bil. JPY)	2019	2020	Change
Operating Activities	5.1	11.7	+6.6
Investing Activities	0.9	-0.6	-1.6
Financing Activities	-3.8	-3.6	+0.1
Net Increase/Decrease in Cash and Cash Equivalents	2.2	7.4	+5.2
Cash and Cash Equivalents at beginning of year	13.2	15.4	+2.2
Cash and Cash Equivalents at end of year	15.4	22.8	+7.4



## **II. Financial Outlook for FY2021**

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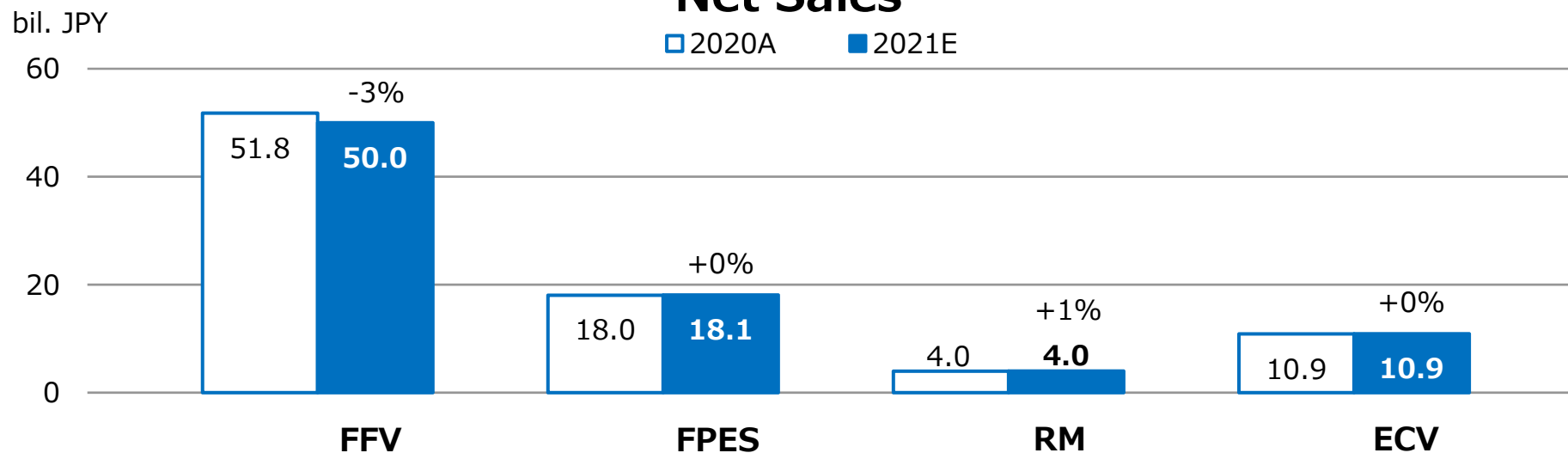
# Outlook for Consolidated Performance



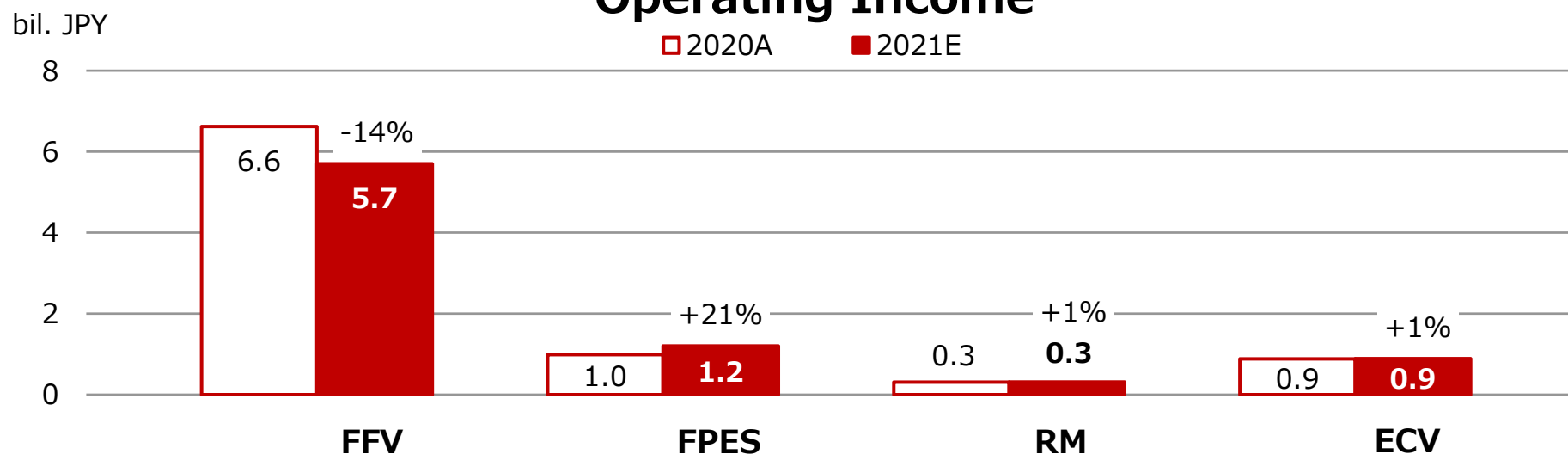
# Outlook for Segment Performance



## Net Sales



## Operating Income





## Fire Fighting Vehicles

Overseas sales are expected to grow steadily, but domestic demand is uncertain due to the impact of COVID-19, sales and operating income are expected to decrease.



## Fire Protection Equipment & Systems

Although the impact of COVID-19 on demand for SPRINEX and fire extinguishers is uncertain, sales and operating income are expected to increase due to the cycle renewal demand for fire extinguishers.



## Recycling Machines

Sales and operating income are expected to increase with the solid iron scrap prices amid global movement to achieve carbon neutrality.



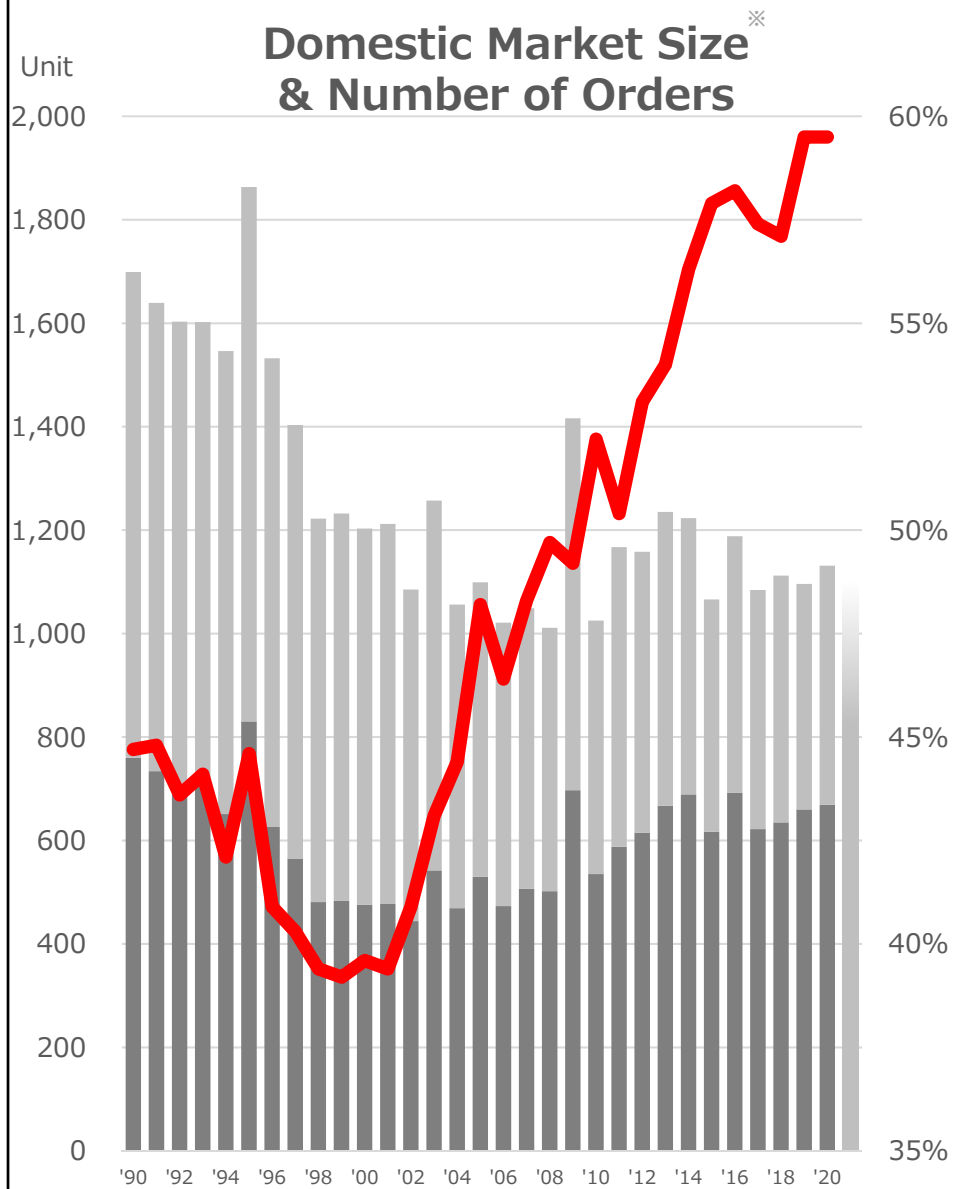
## Environmental Conservation Vehicles

Sales and operating income are expected to increase due to the solid demand for sanitary vehicles.





# Fire Fighting Vehicles



※ Internal investigation

## Market Development

- Products to support large-scale natural disasters such as wind and flood damage added to lineup



Rescue Airboat



Electric All-Terrain Vehicle



Compact Off-Road Rescue Truck



Mobile Dewatering Pump Unit



Multi-Purpose Support Truck



Mobile Toilet



# Fire Fighting Vehicles



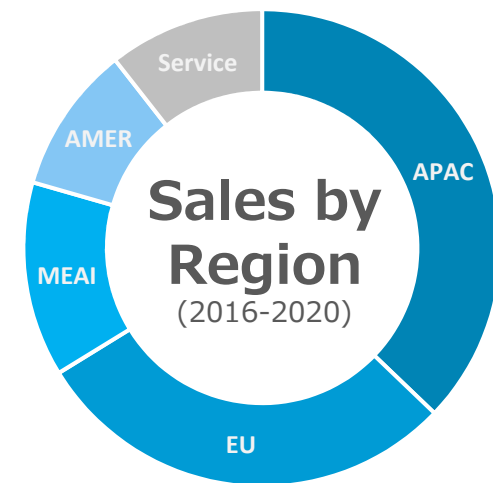
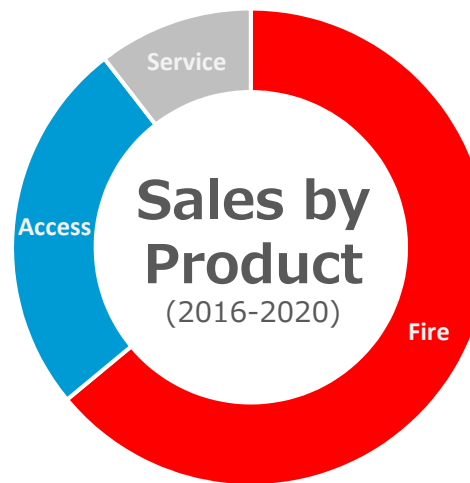
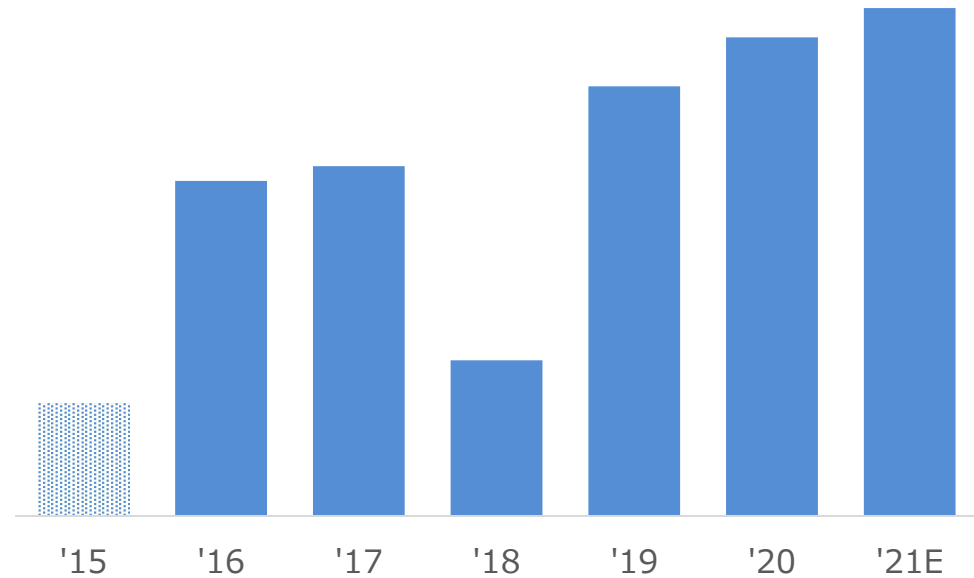
## Fire and rescue

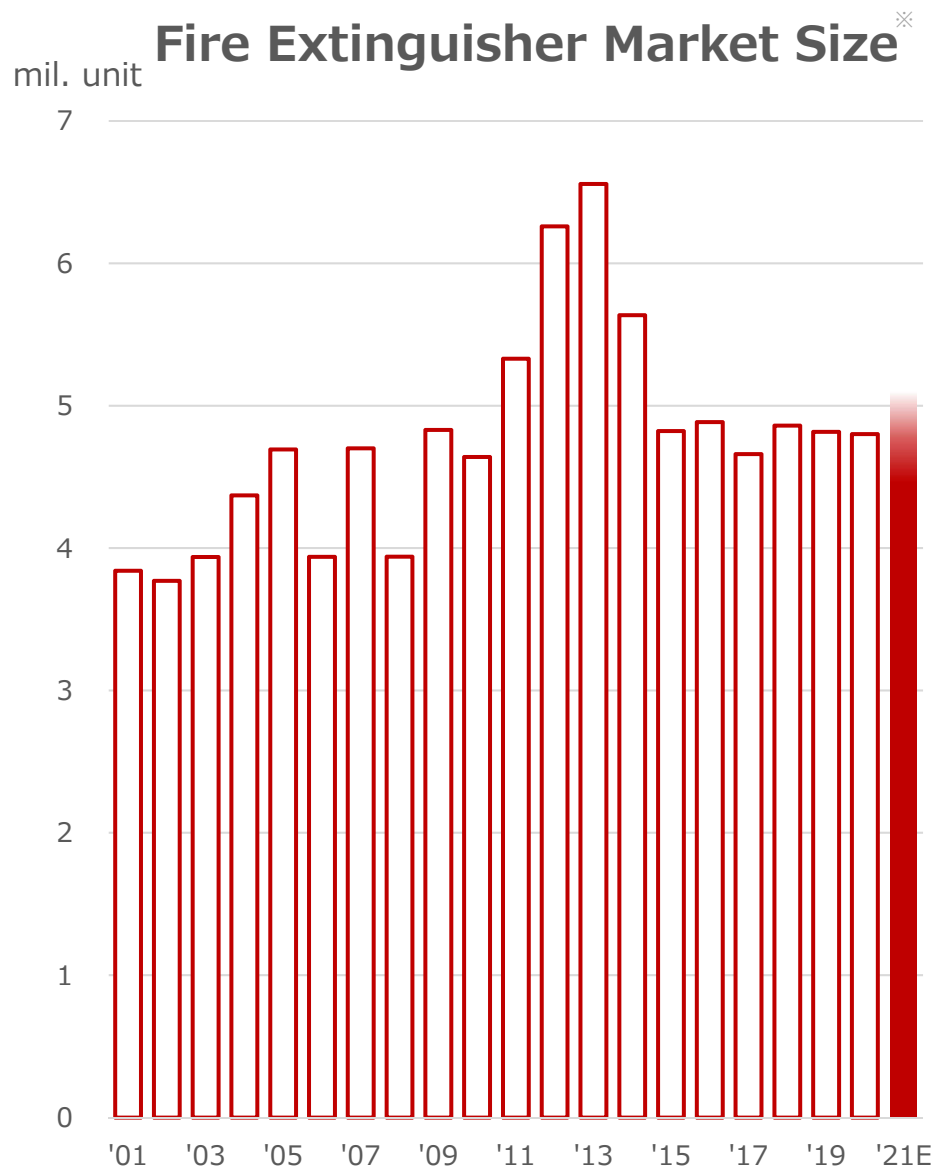
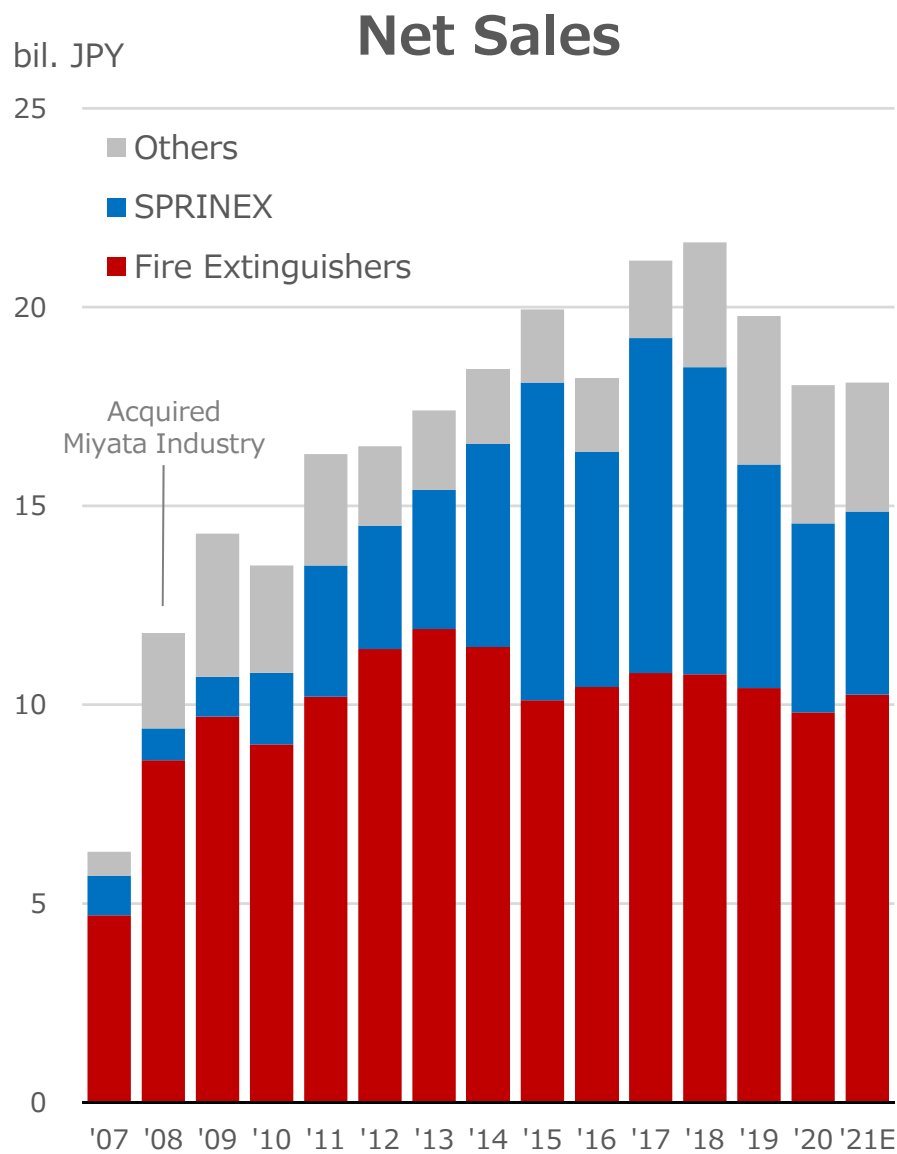


## Access



## Operating Income





※ Internal investigation



Packaged Automatic Fire Extinguishing System Type I

## SPRINEX



### ■ Product Features

- 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

### ■ Medical Clinics must install sprinklers

- The Ministry of Health, Labor and Welfare provides subsidies for projects to install sprinklers at Medical Clinics

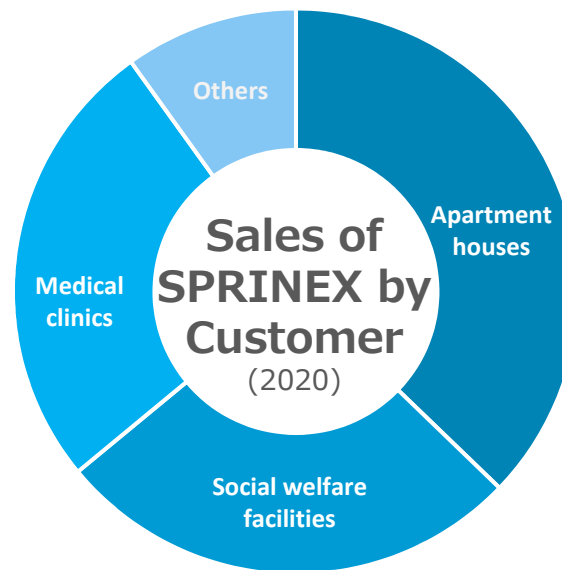
Enforcement

April 2016

Deadline

June 2025

Grace Period



### Fire Extinguishing System for Movable Booths

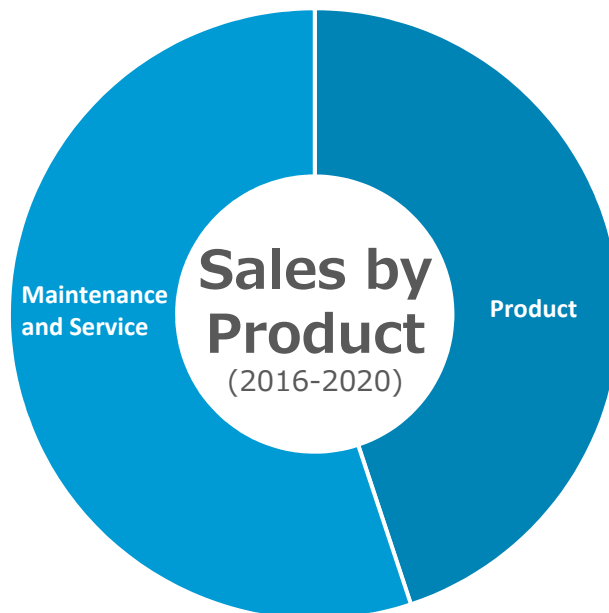
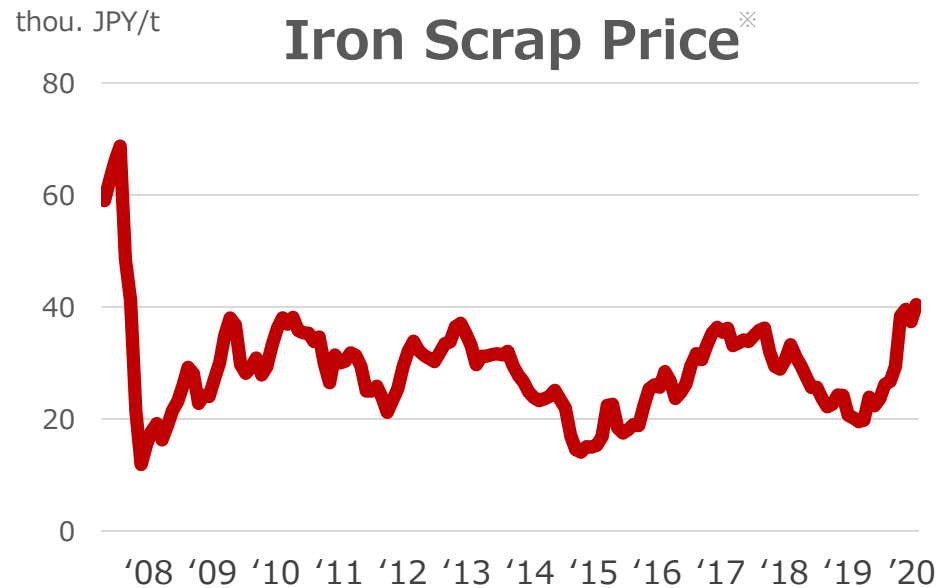
- Fire extinguishing system for small spaces such as business booths and smoking spaces released



kiritutu



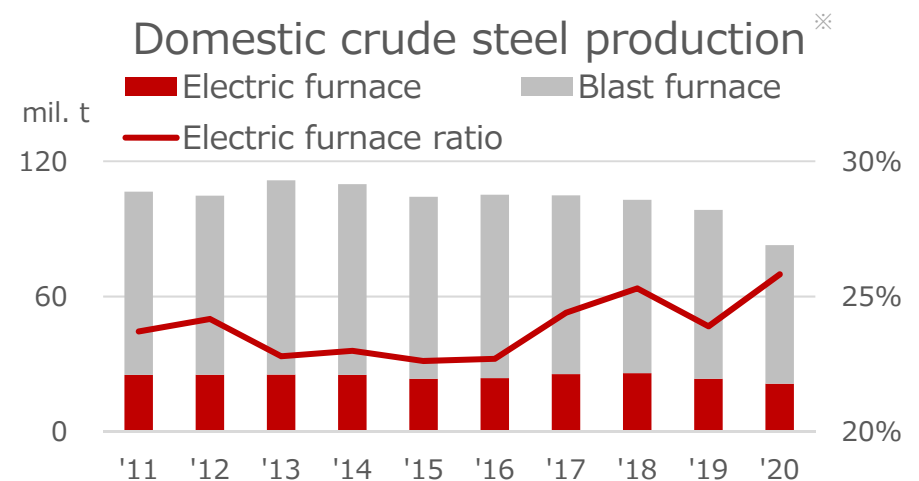
Installation image



## Iron scrap reevaluated internationally

- Reducing CO2 emissions is an international challenge to achieve carbon neutrality.
- Iron scrap, the main raw material for electric furnaces, a method of steel production with low CO2 emissions, is being reevaluated.

### ■ Tendency from Blast Furnace to Electric Furnace



### ■ China resumed imports of iron scrap

- China resumed imports of Iron scrap in January 2021 due to deregulation of imports.

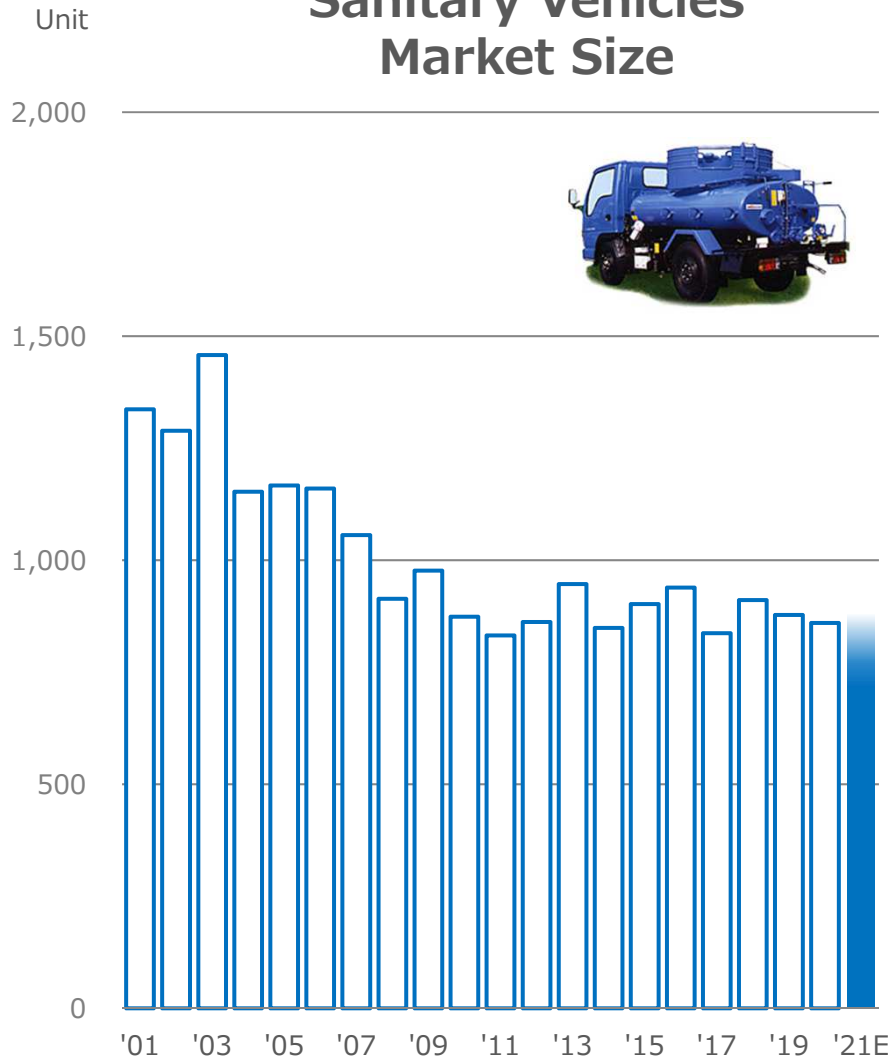
※ Internal investigation



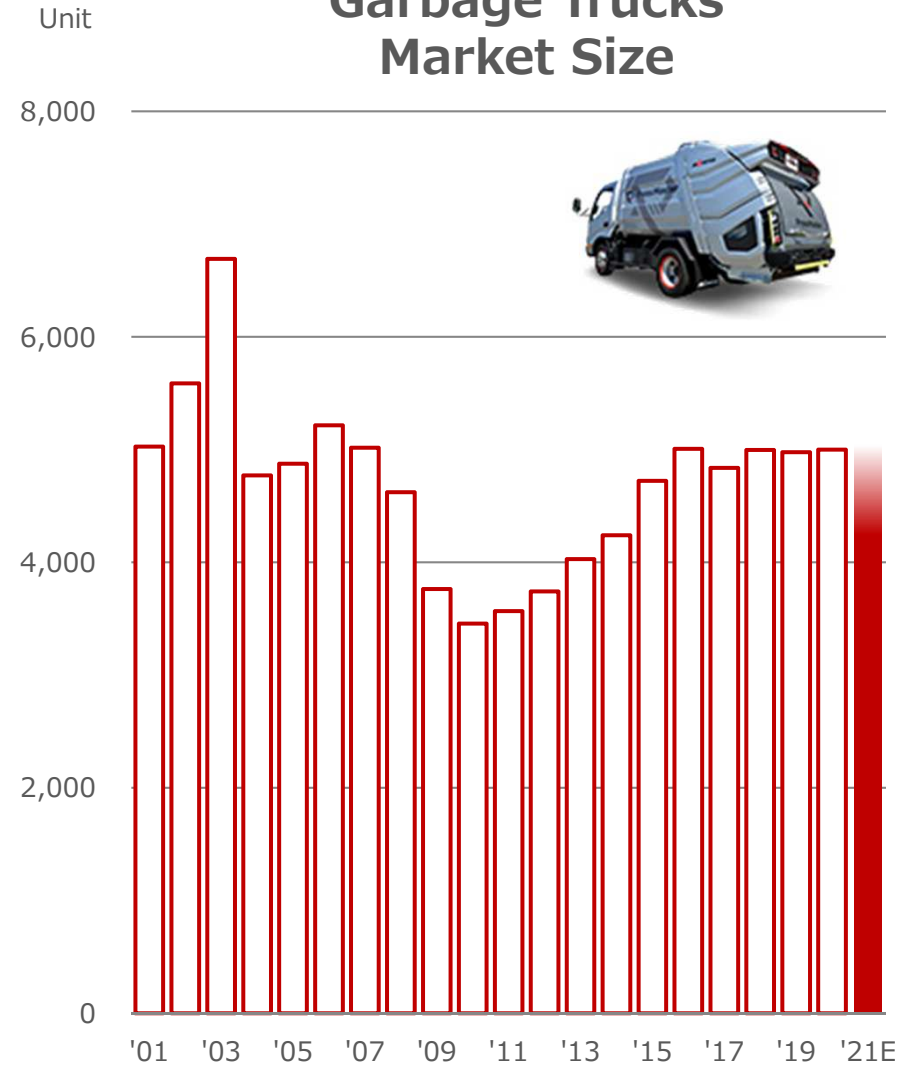
# Environmental Conservation Vehicles



## Sanitary Vehicles<sup>※</sup> Market Size



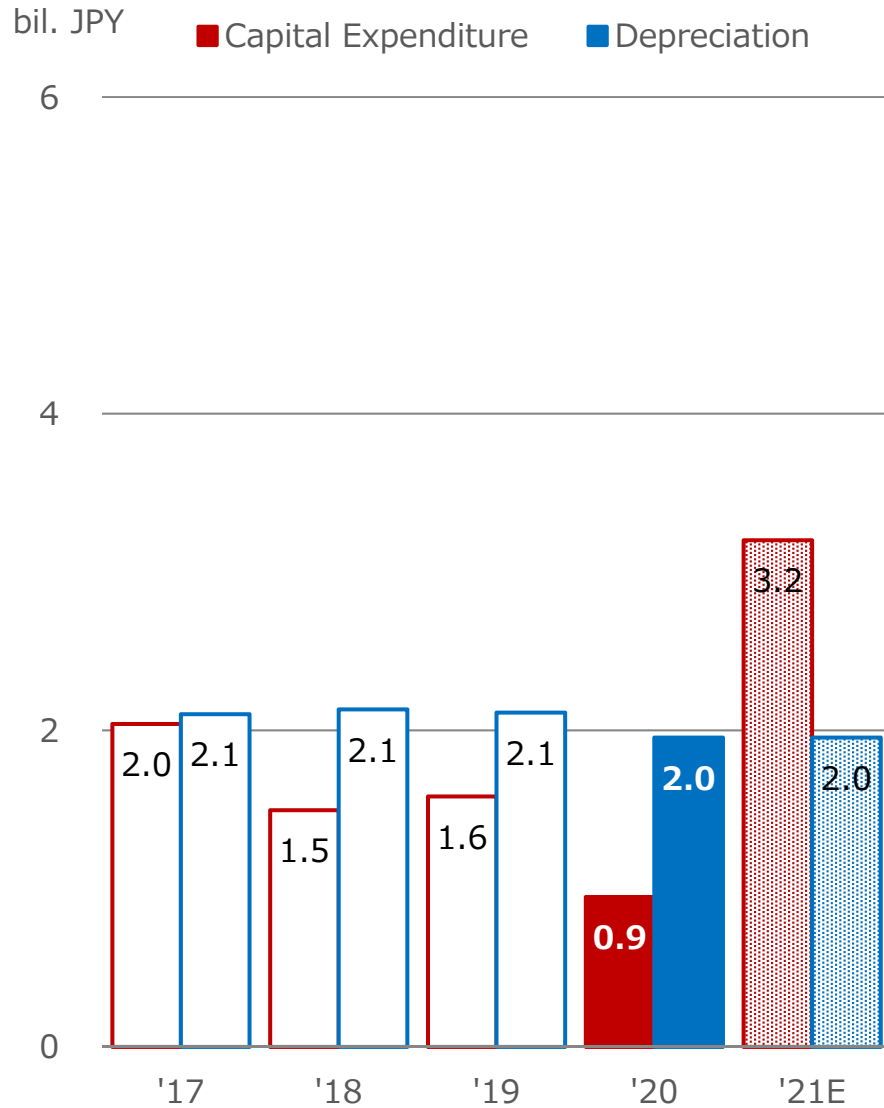
## Garbage Trucks<sup>※</sup> Market Size



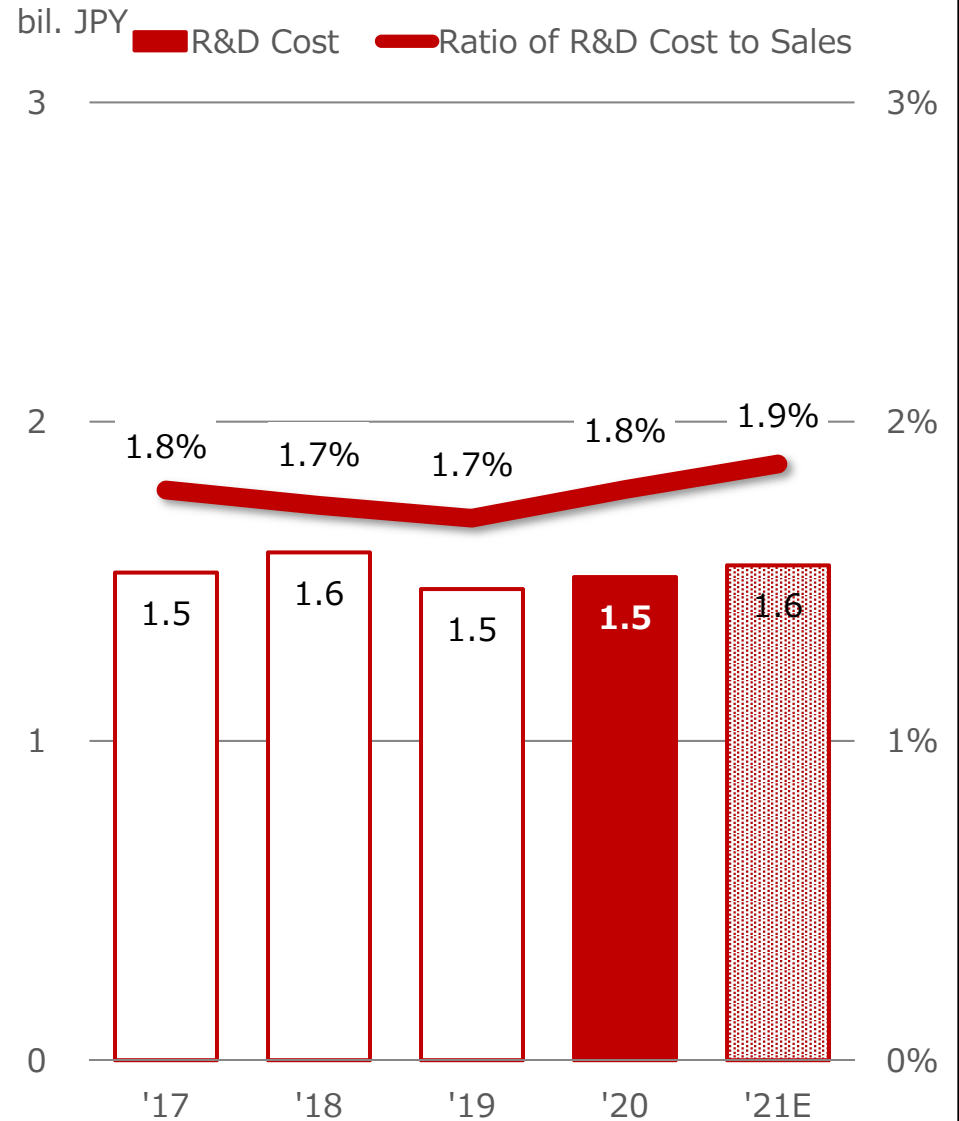
※ Internal investigation

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

## Capital Expenditure · Depreciation



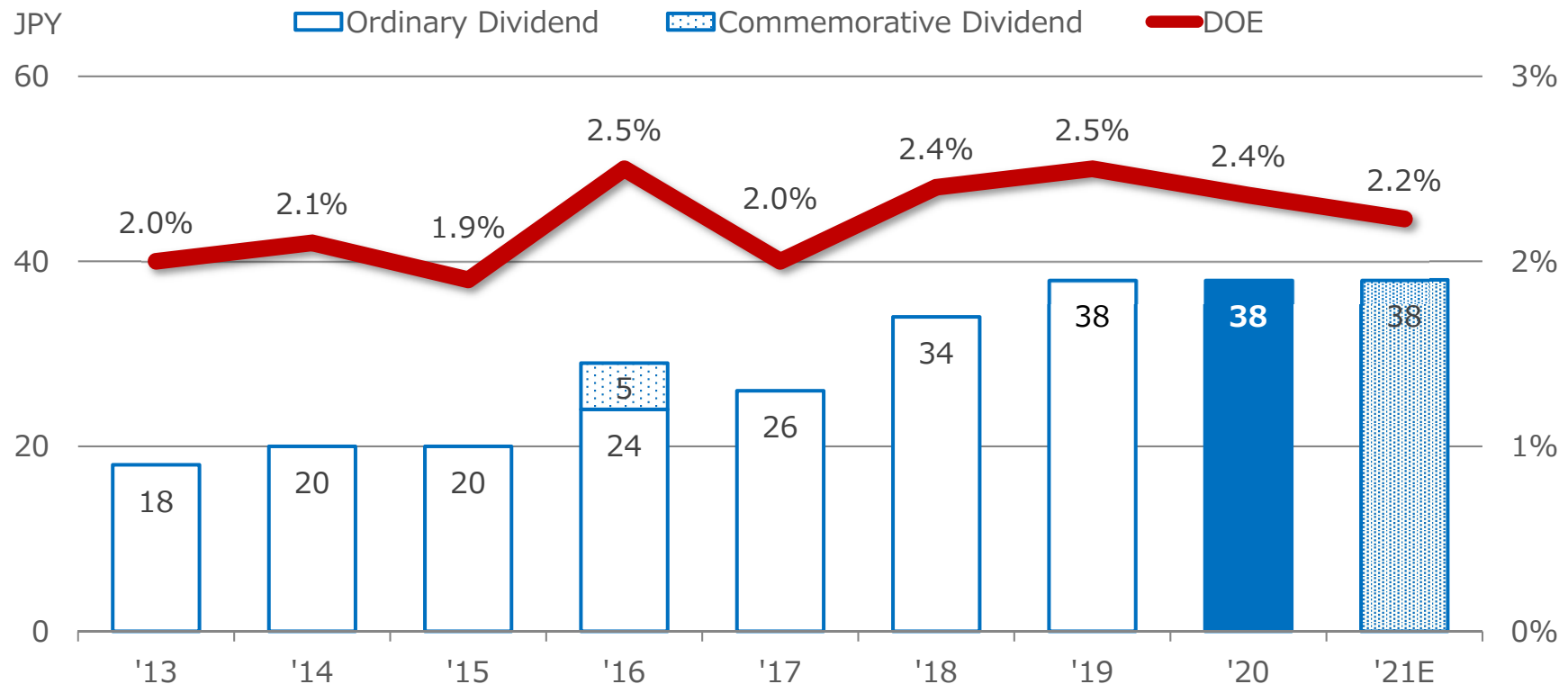
## R&D Cost



## 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







**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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