

# Financial Results for FY2022

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**May 16, 2023**

**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  
Shinichi Kanaoka, President
- **Paid-in Capital** : 4.75 bil. JPY
- **Net Sales** : 81.3 bil. JPY  
(Consolidated) (for the year ended March 31, 2023)
- **Employees** : 1,755  
(Consolidated) (as of March 31, 2023)
- **Affiliates** : 13 Companies
- **Equity Method Affiliates** : 2 Companies
- **Other Affiliates** : 5 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	44.9 bil. JPY (55%)	20.8 bil. JPY (26%)	5.9 bil. JPY (7%)	9.8 bil. JPY (12%)
Operating Income	1.8 bil. JPY (35%)	2.0 bil. JPY (40%)	0.7 bil. JPY (14%)	0.6 bil. JPY (11%)

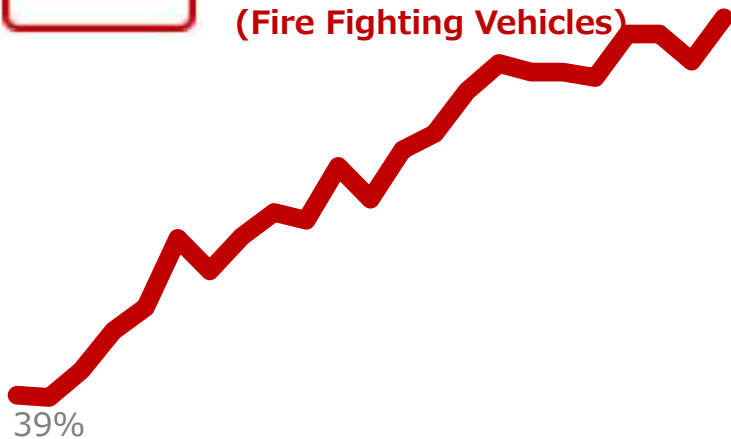
# Market Share (2000-2022)



**FFV**

(Fire Fighting Vehicles)

**60%\***



**FPES**

(Fire Extinguishers)

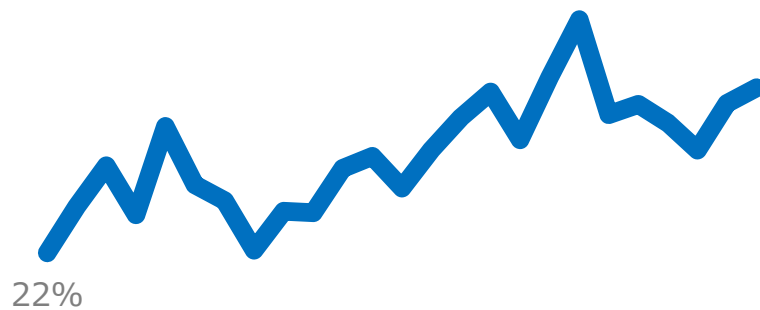
**36%\***



**RM**

(Scrap Shears)

**63%\***



**ECV**

(Sanitary Vehicles)

**86%\***



※ Internal investigation

# **I. Financial Results for FY2022**

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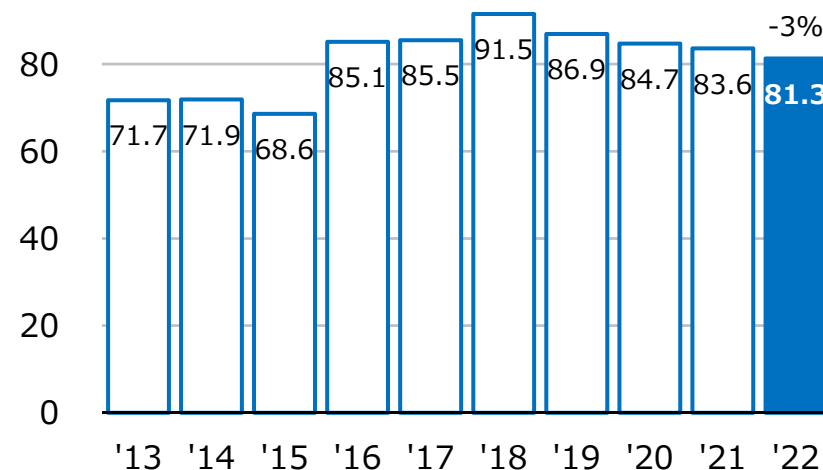
# Consolidated Statements of Income



(bil. JPY)	2021	2022	Change
Net Sales	83.6 100.0%	81.3 100.0%	-2.3
Cost of Sales	61.5 73.6%	62.0 76.2%	+0.5 +2.6pt.
Gross Profit	22.1 26.4%	19.3 23.8%	-2.7 -2.6pt.
S,G&A Expenses	14.0 16.7%	14.3 17.5%	+0.3 +0.8pt.
Operating Income	8.1 9.7%	5.1 6.2%	-3.0 -3.5pt.
Non-Operating Income	0.9 1.0%	1.0 1.3%	+0.2 +0.2pt.
Non-Operating Expenses	0.2 0.3%	0.2 0.2%	-0.0 -0.0pt.
Ordinary Income	8.8 10.5%	5.9 7.3%	-2.8 -3.2pt.
Extraordinary Income	0.0 0.0%	0.2 0.3%	+0.2 +0.3pt.
Extraordinary Loss	0.4 0.4%	0.0 0.0%	-0.4 -0.4pt.
Income before Income Taxes	8.4 10.0%	6.1 7.6%	-2.3 -2.5pt.
Net Income	5.4 6.4%	4.0 4.9%	-1.4 -1.5pt.

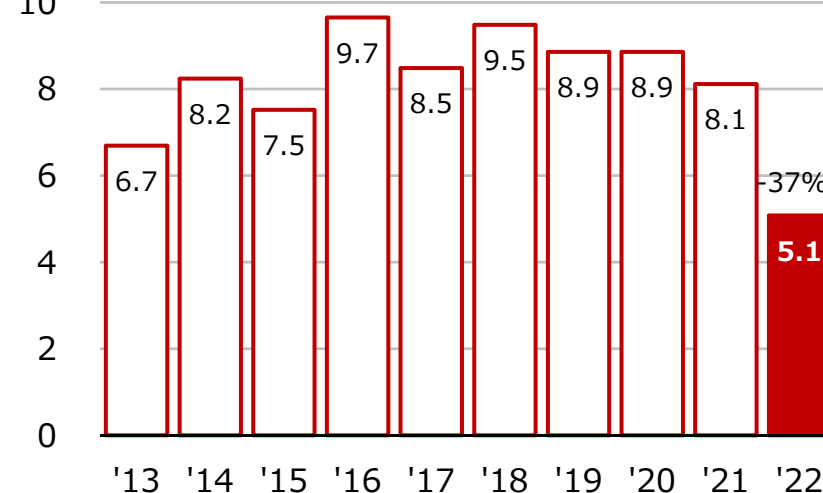
bil. JPY  
100

## Net Sales



bil. JPY  
10

## Operating Income

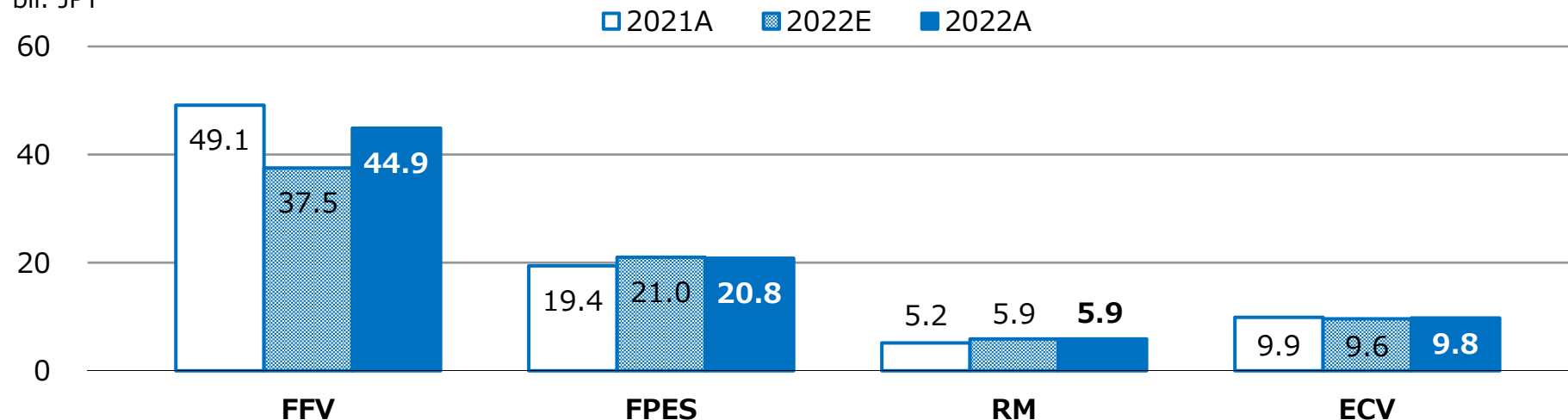


# Performance by Segment



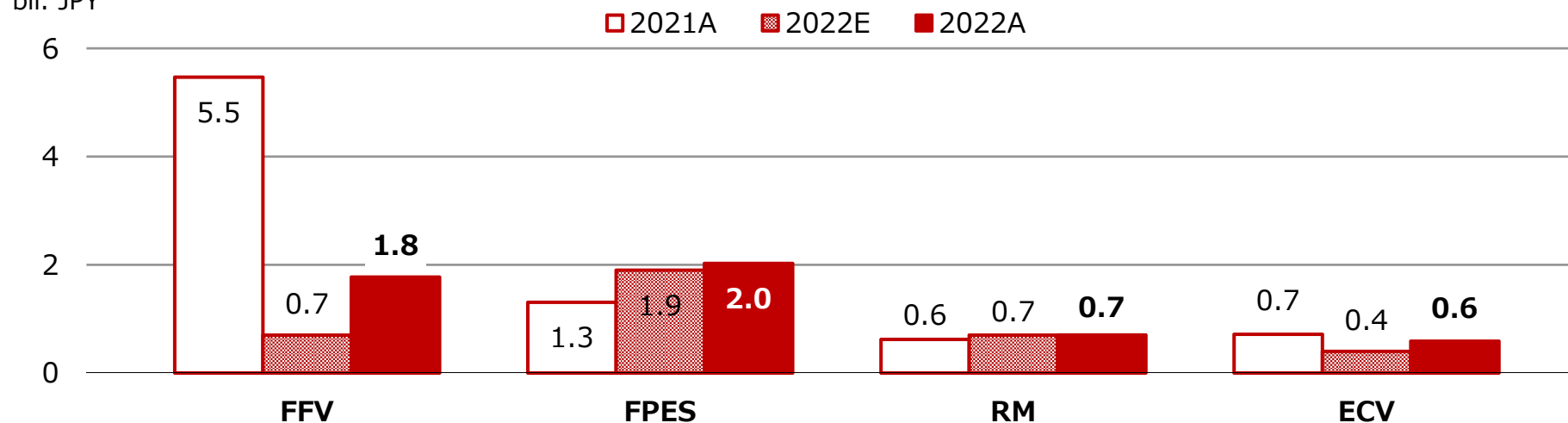
## Net Sales

bil. JPY



## Operating Income

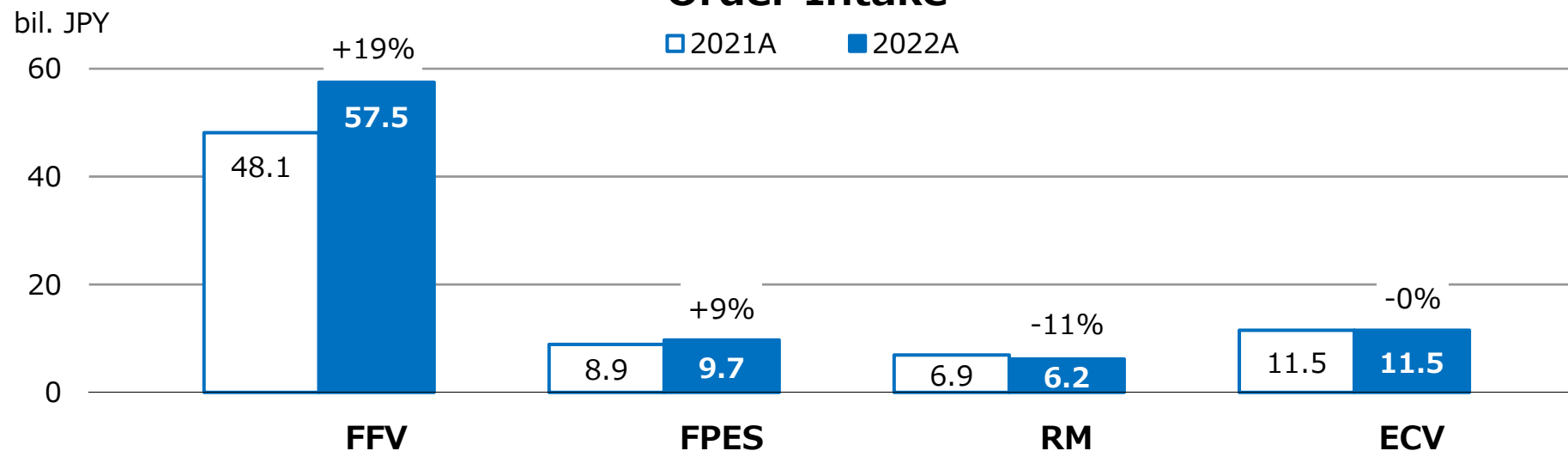
bil. JPY



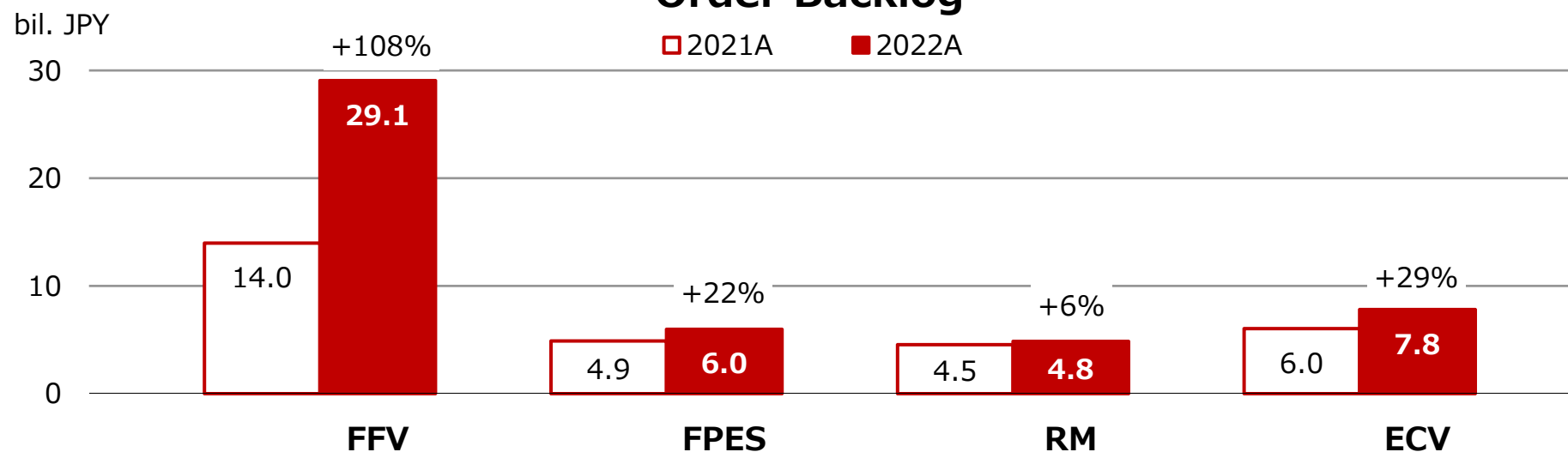
# Orders by Segment



## Order Intake



## Order Backlog

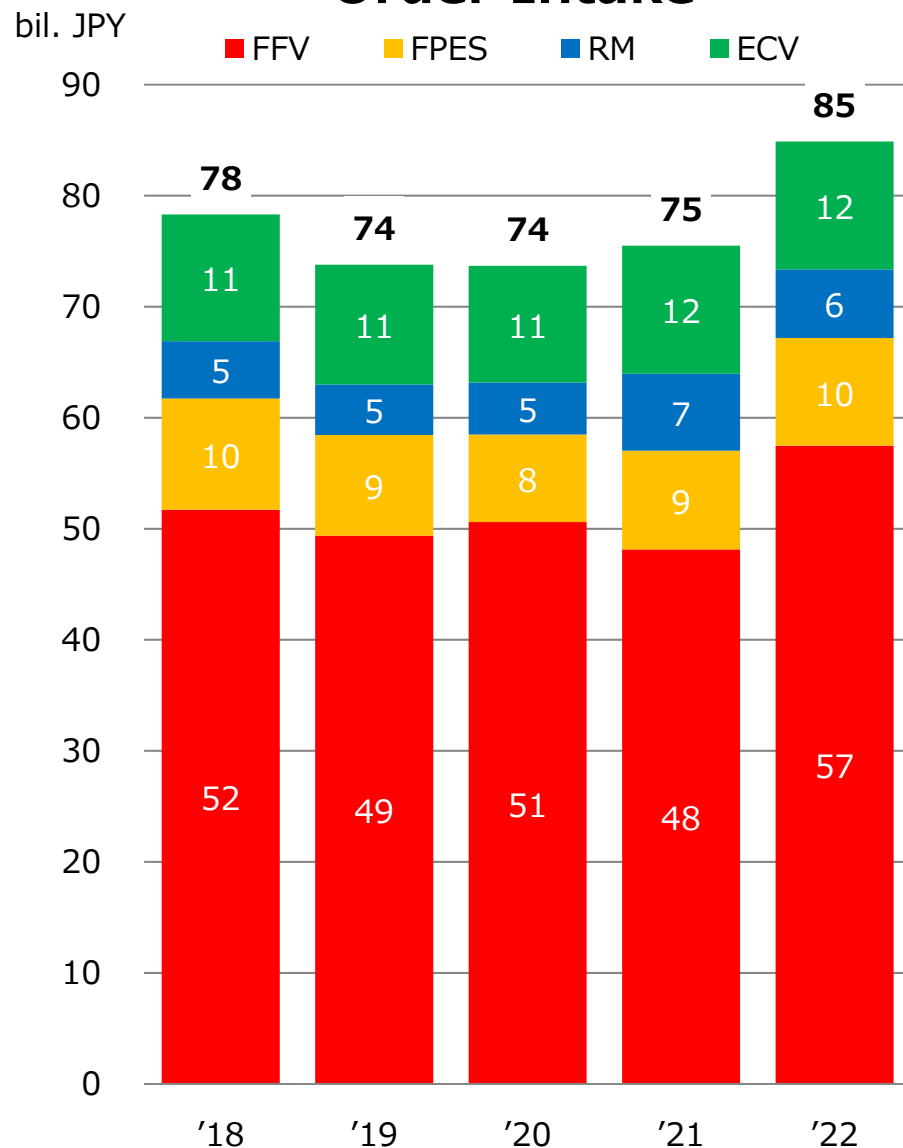




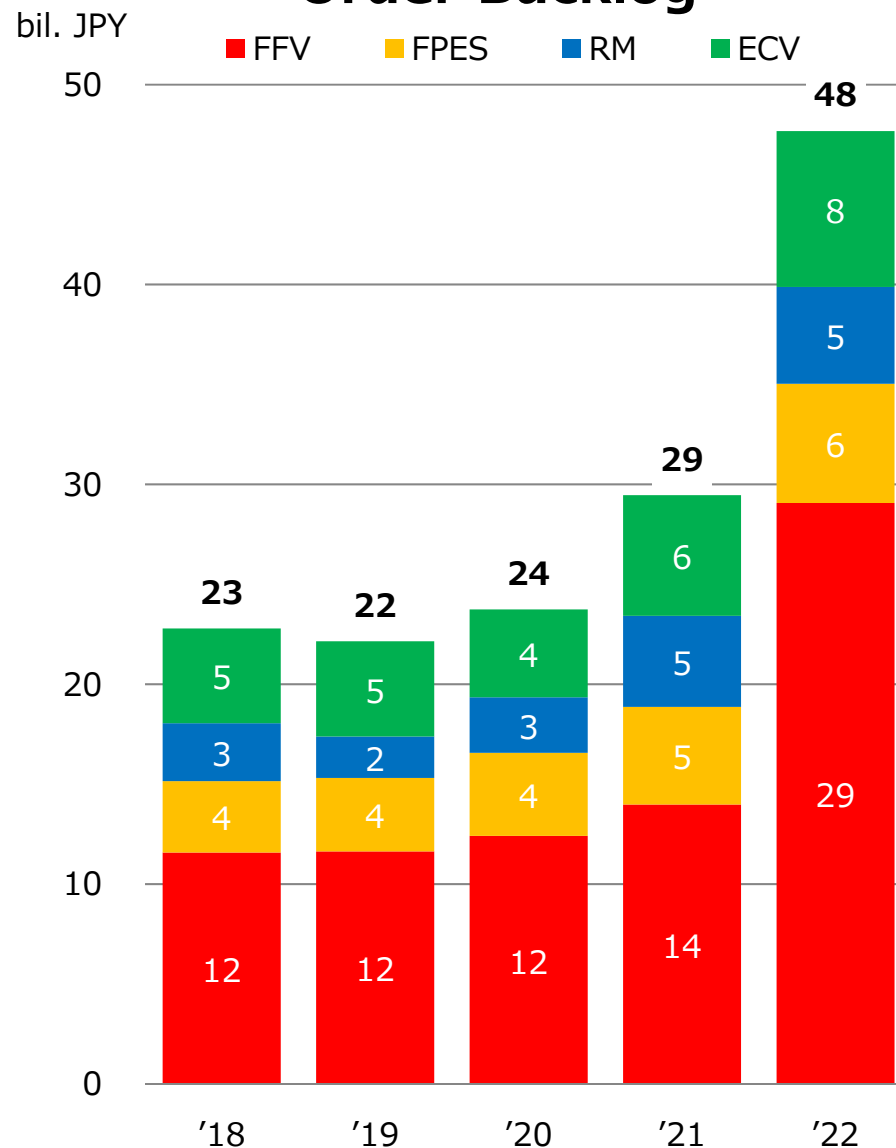
# Orders and Backlog



## Order Intake



## Order Backlog





## Fire Fighting Vehicles

While incoming orders are solid both domestic and overseas, overall sales and operating income decreased. Domestic sales and operating income decreased due to a decline in production volume and lower productivity caused by delayed supply of chassis. Although overseas sales increased, overseas income decreased due to lower productivity caused by inaccurate delivery schedule of chassis and high raw material prices.



## Fire Protection Equipment & Systems

Sales and operating income increased due to steady demand for fire extinguishers, as well as increased sales of fire extinguishing systems and steady sales of SPRINEX.



## Recycling Machines

Sales and operating income increased due to steady sales of our main product, the scrap shear, due to the steady iron scrap prices.



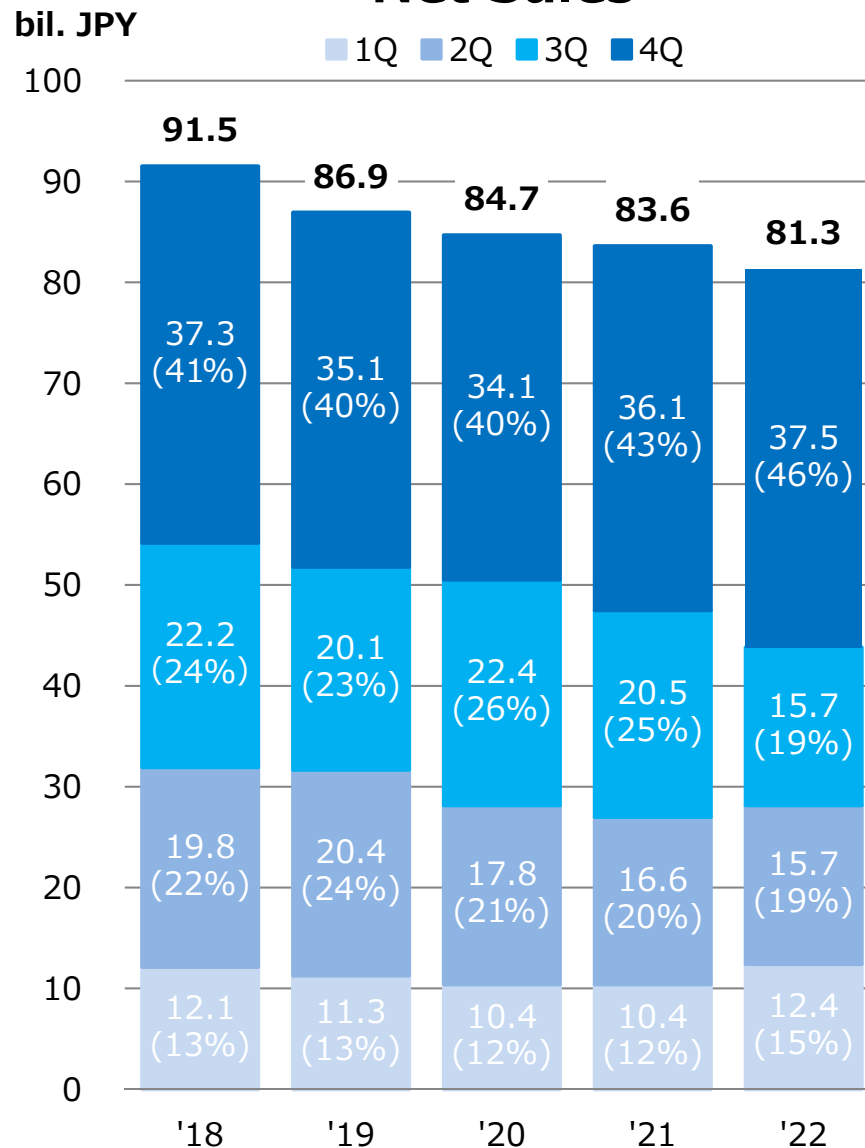
## Environmental Conservation Vehicles

While incoming orders are solid, sales and operating income decreased due to a decline in production volume and lower productivity caused by inaccurate delivery schedule of chassis.

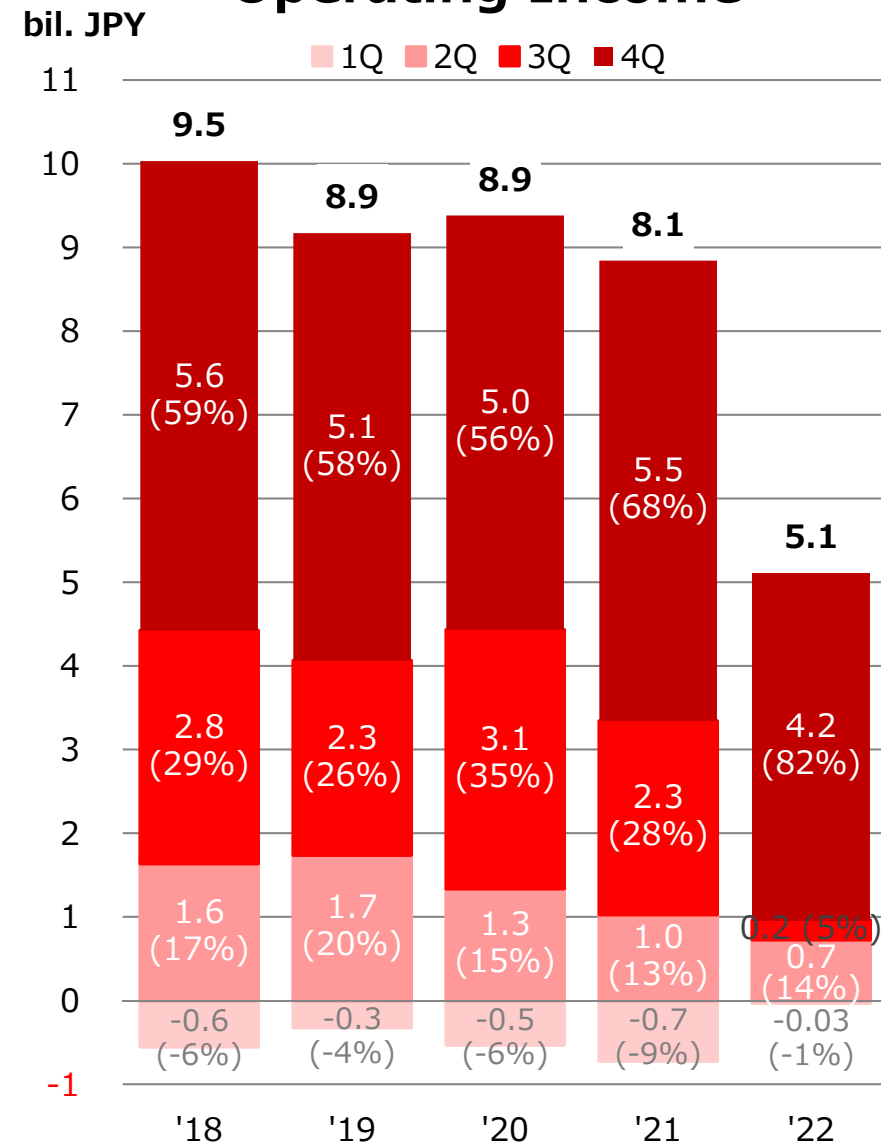
# Performance Composition by Quarter



## Net Sales



## Operating Income

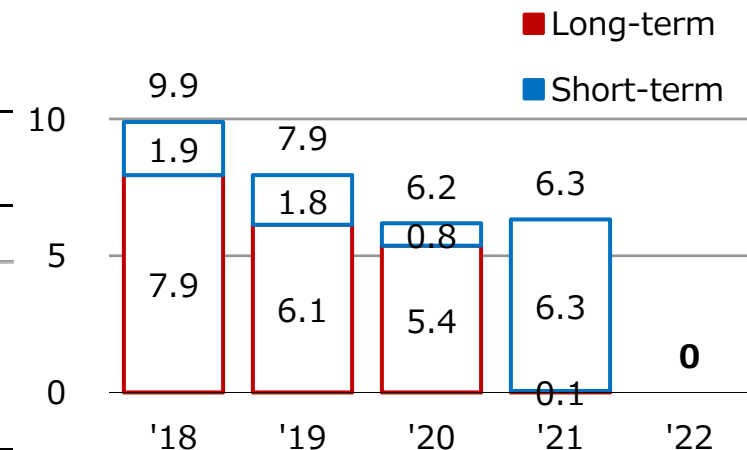


# Consolidated Balance Sheets

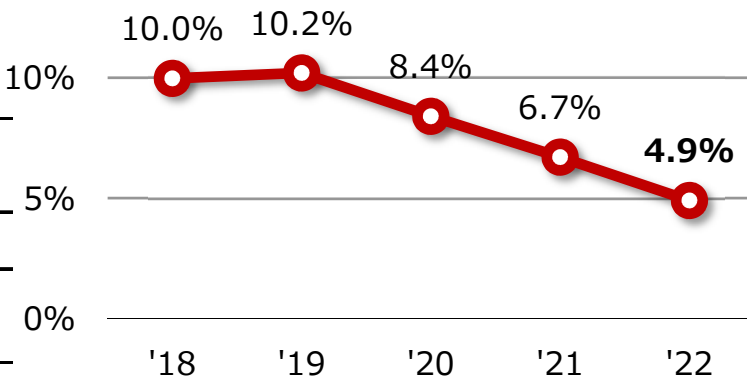


(bil. JPY)	2021	2022	Change	bil. JPY
Current Assets	71.6 57.2%	70.8 57.1%	-0.9 -0.1pt.	15
Non-Current Assets	53.5 42.8%	53.2 42.9%	-0.3 +0.1pt.	10
Total Assets	125.2 100.0%	124.0 100.0%	-1.2	5
Current Liabilities	33.1 26.5%	30.3 24.5%	-2.8 -2.0pt.	0
Non-Current Liabilities	10.1 8.1%	9.5 7.6%	-0.7 -0.5pt.	
Total Liabilities	43.3 34.6%	39.8 32.1%	-3.5 -2.5pt.	
Shareholders' Equity	80.9 64.7%	83.2 67.1%	+2.3 +2.5pt.	15%
Minority Interests	1.0 0.8%	1.0 0.8%	+0.0 +0.0pt.	10%
Total Net Assets	81.9 65.4%	84.2 67.9%	+2.3 +2.5pt.	5%
Total Liabilities & Net Assets	125.2 100.0%	124.0 100.0%	-1.2	0%

## Interest-bearing Liabilities



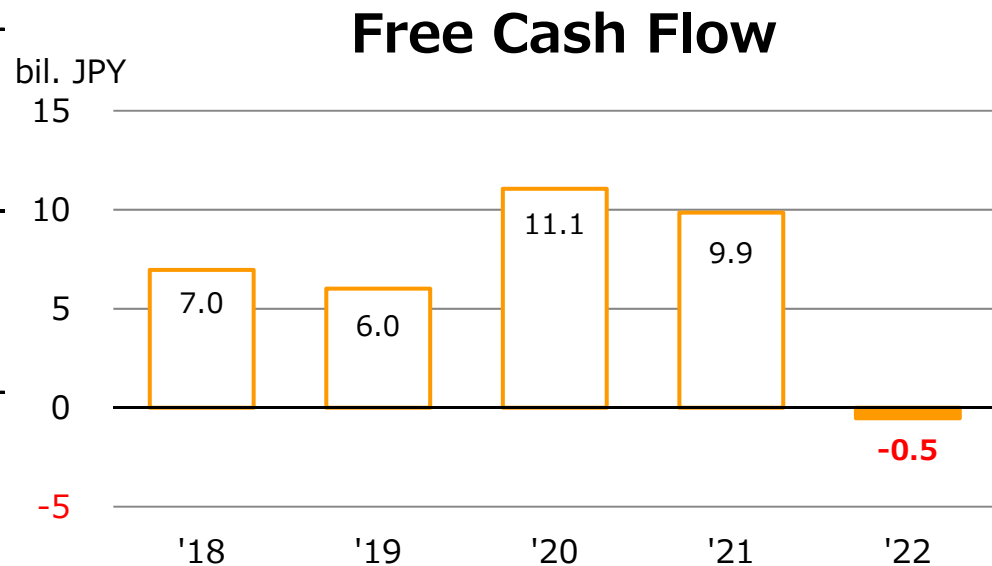
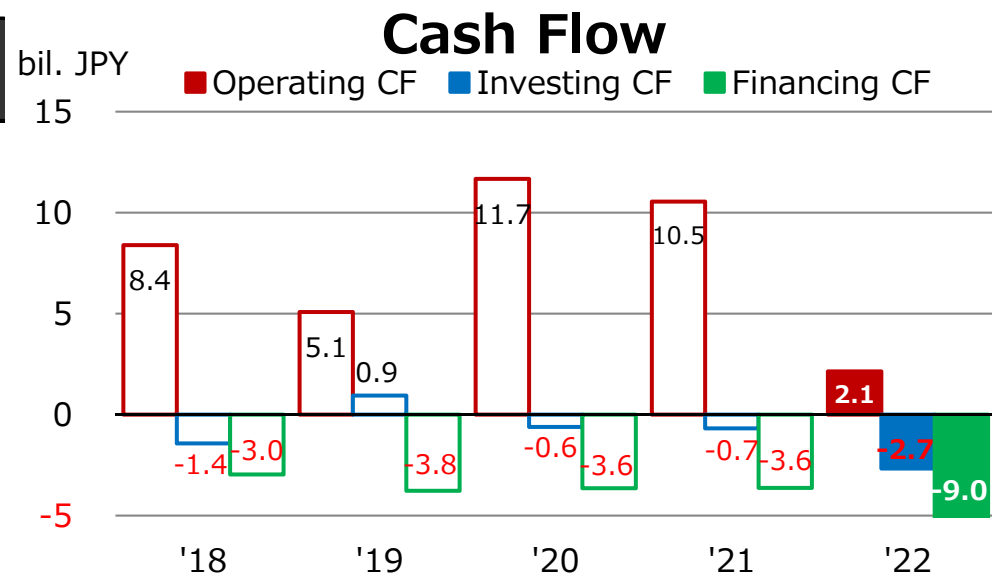
## ROE



# Consolidated Statement of Cash Flows



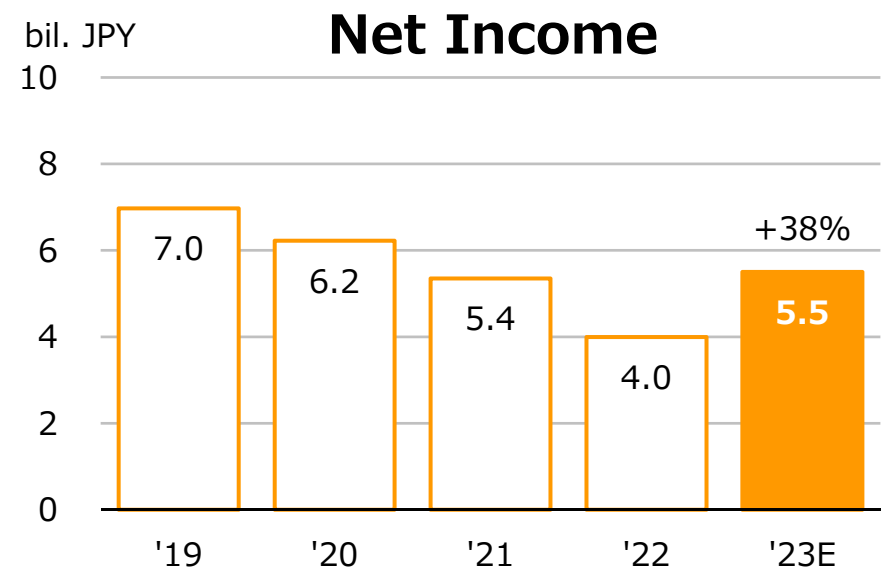
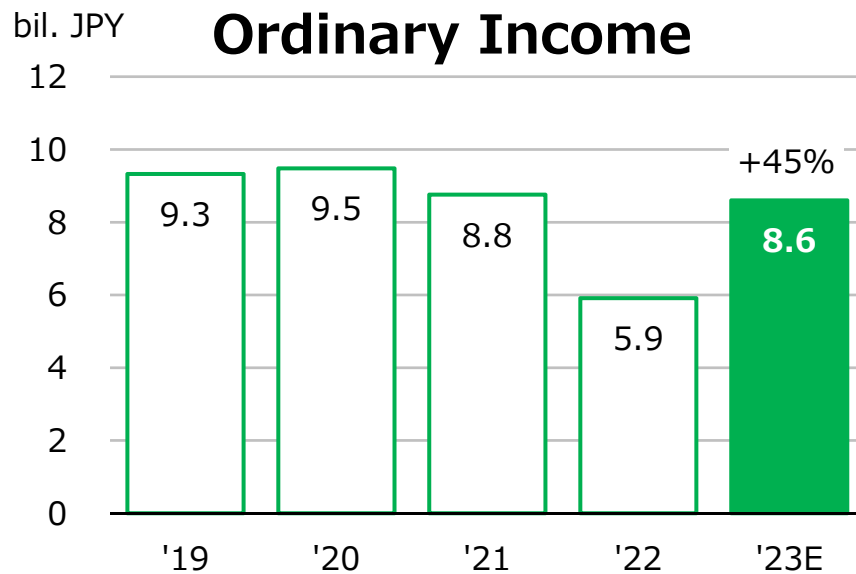
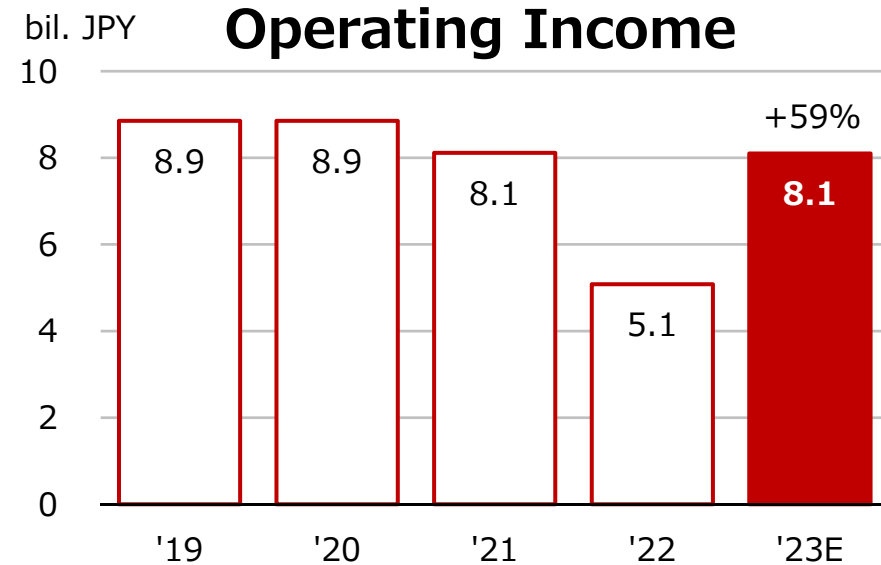
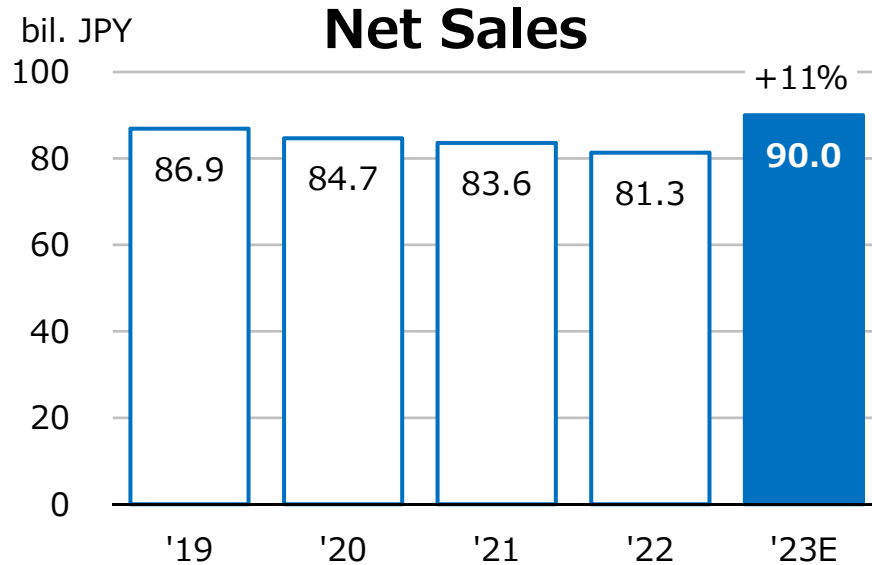
(bil. JPY)	2021	2022	Change
Operating Activities	10.5	2.1	-8.4
Investing Activities	-0.7	-2.7	-2.0
Financing Activities	-3.6	-9.0	-5.3
Net Increase/Decrease in Cash and Cash Equivalents	6.3	-9.5	-15.8
Cash and Cash Equivalents at beginning of year	22.8	29.1	+6.3
Cash and Cash Equivalents at end of year	29.1	19.7	-9.5



## **Ⅱ. Financial Outlook for FY2023**

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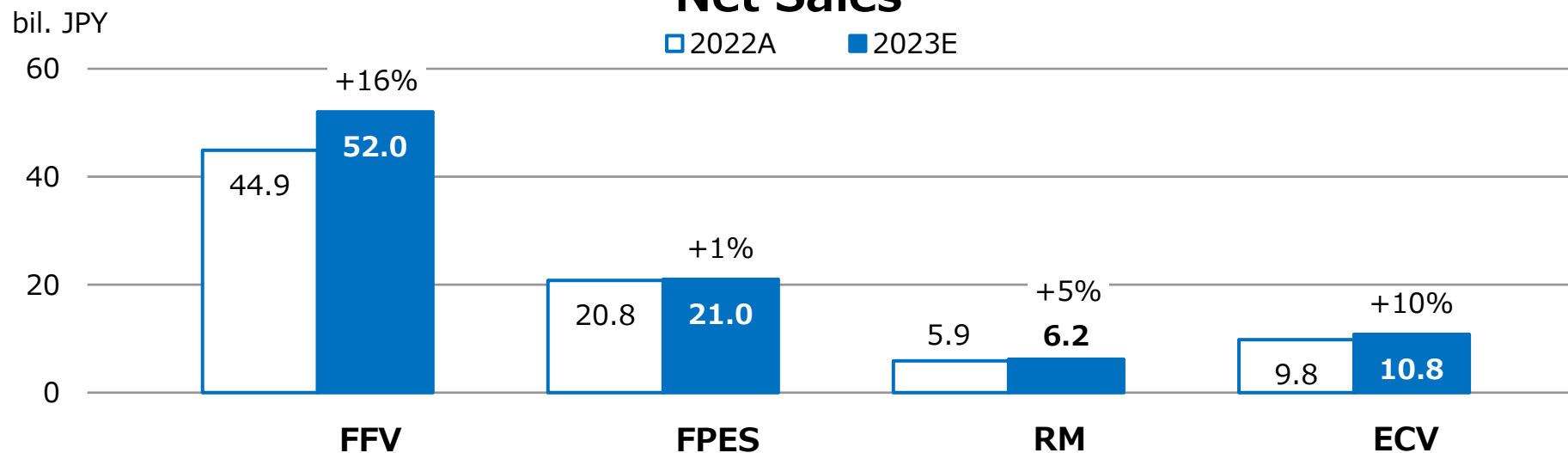
# Outlook for Consolidated Performance



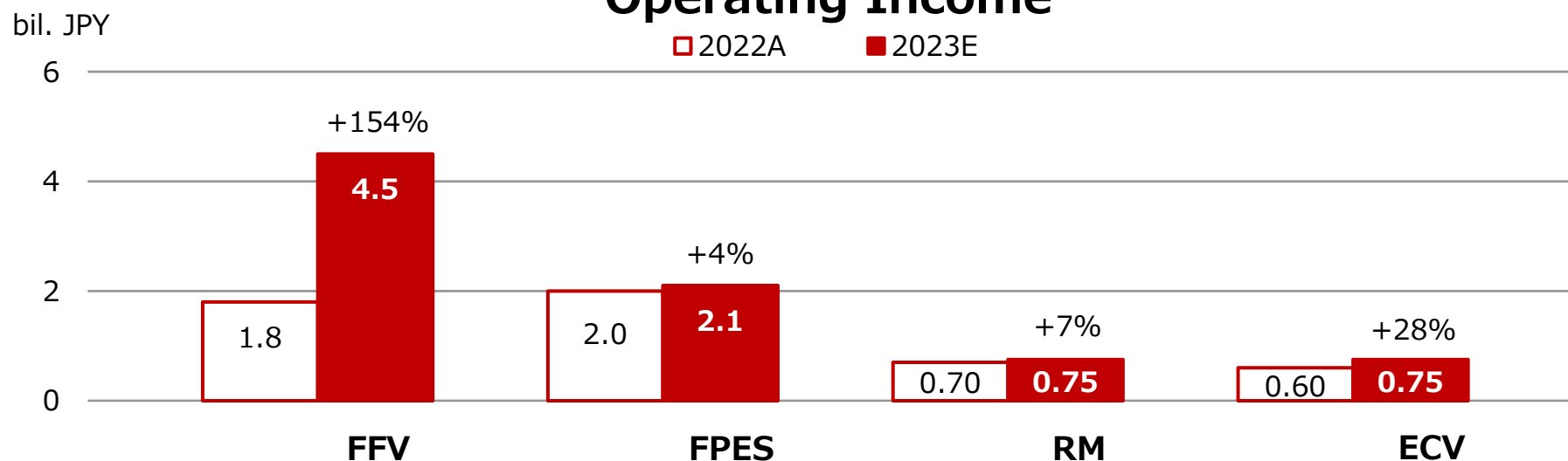
# Outlook for Segment Performance



## Net Sales



## Operating Income





## **III. Performance by Segment**

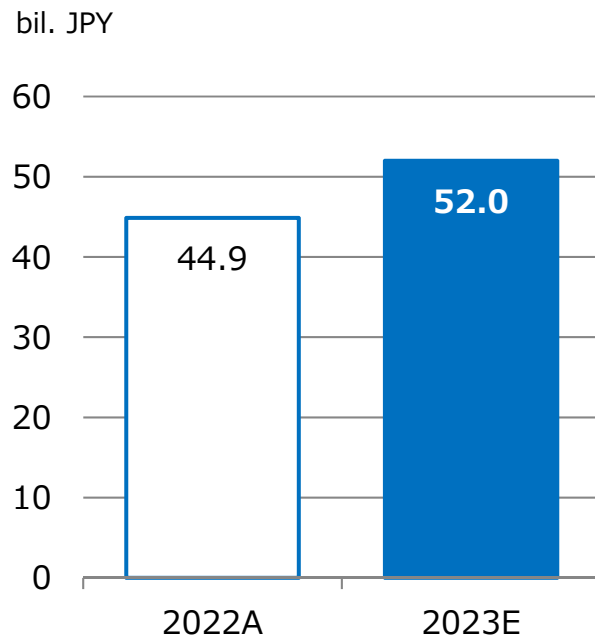
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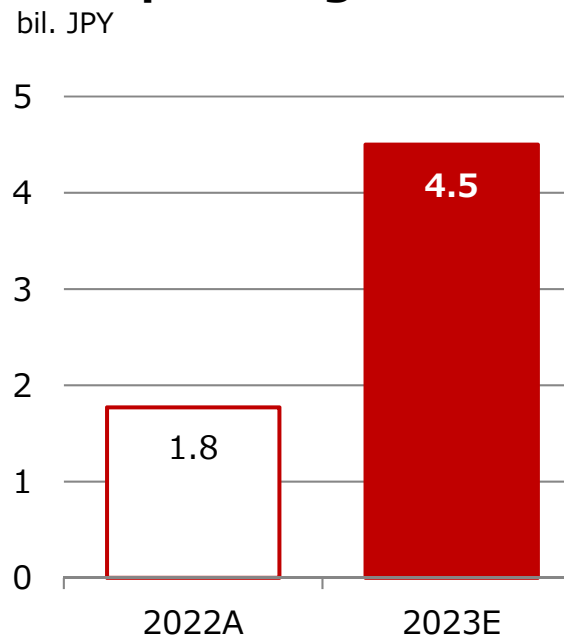
# Fire Fighting Vehicles



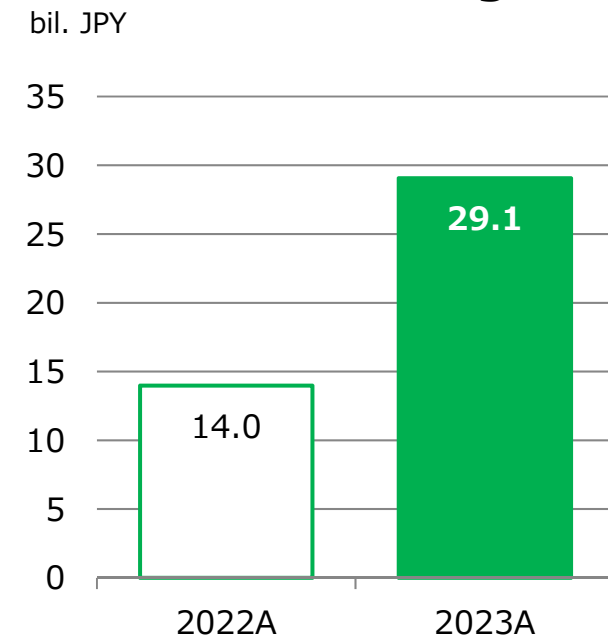
## Net Sales



## Operating Income



## Order Backlog

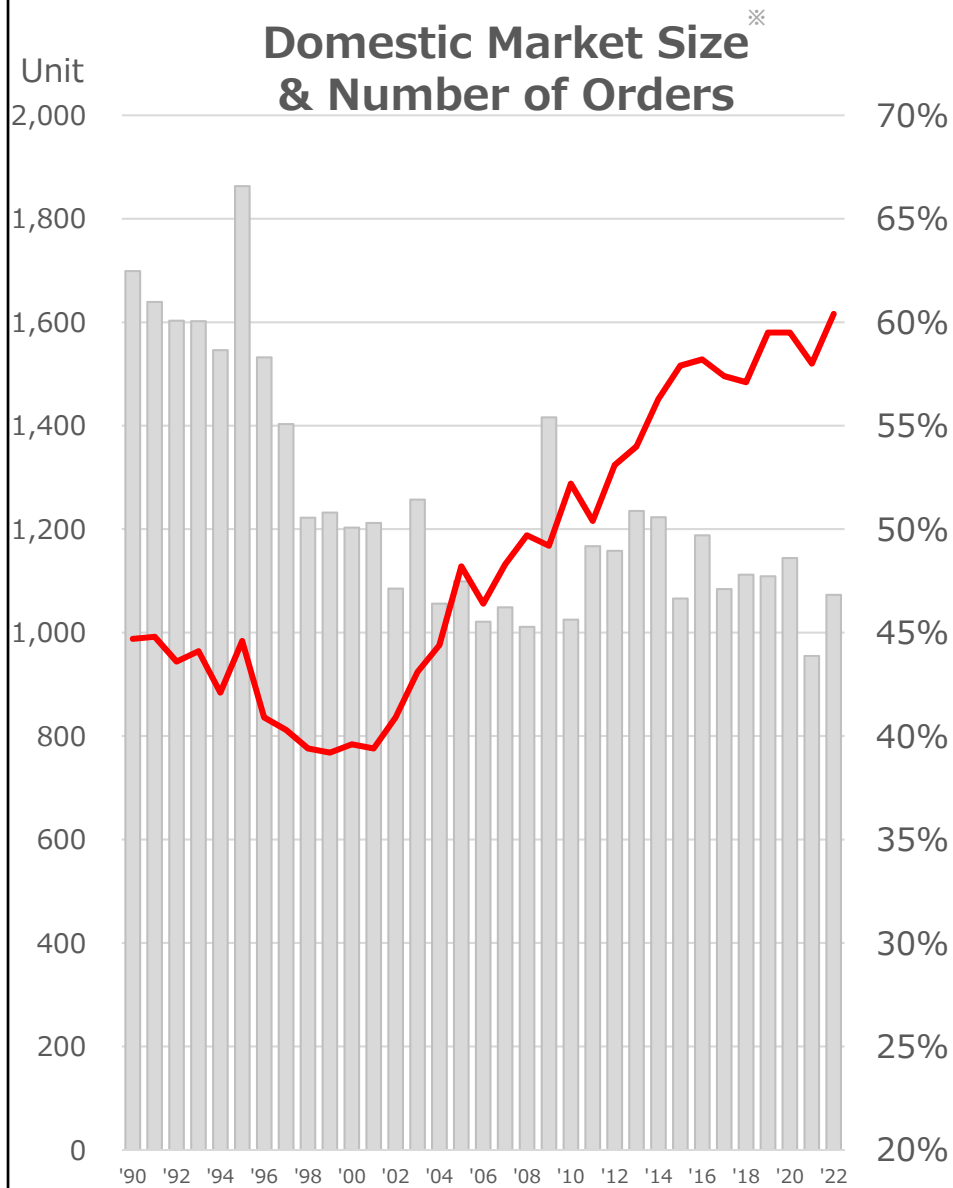


## ● Outlook for FY2023

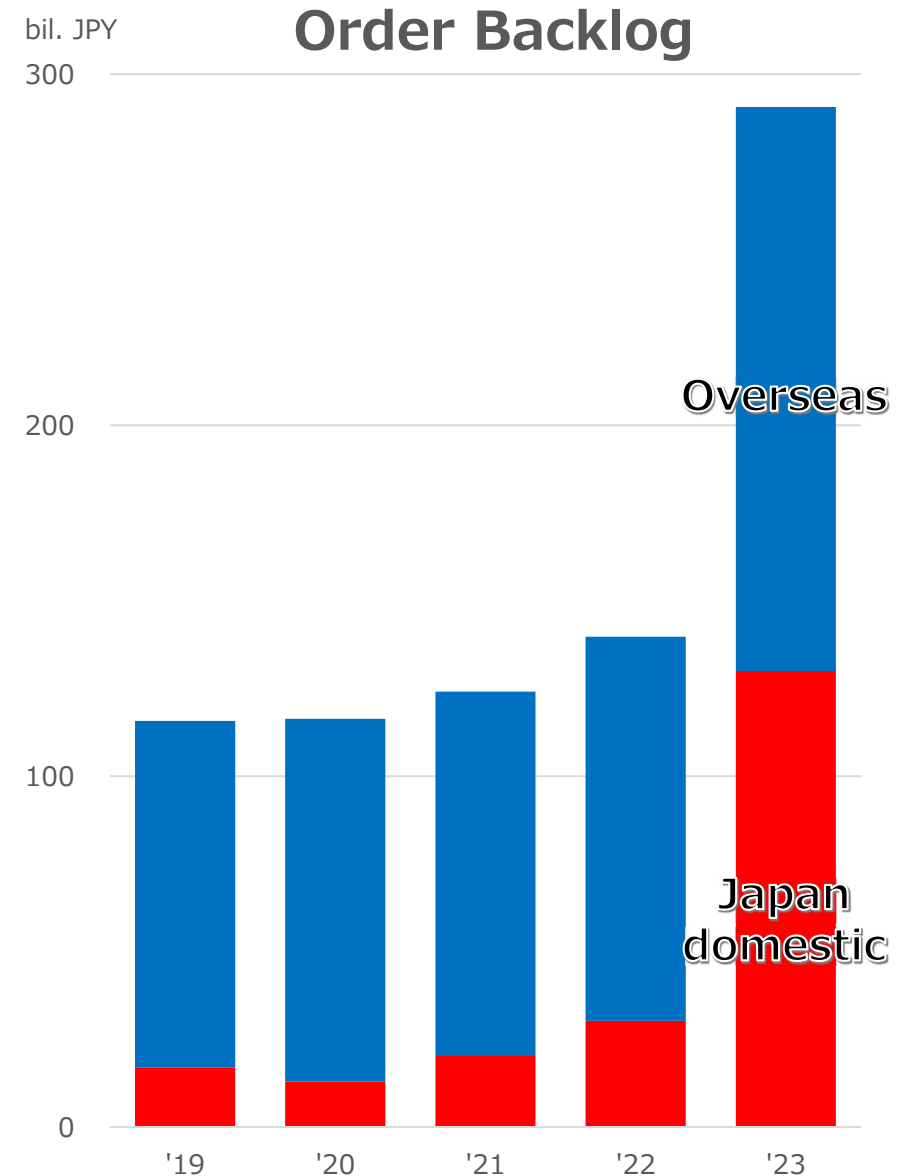
- Sales and operating income are forecasted to increase both domestic and overseas as the chassis supply gradually recovers, resulting in an overall increase in sales and operating income.
- Some firefighting vehicles orders in domestic market are forecasted to be carried over to the next fiscal year, as in the previous year.



# Fire Fighting Vehicles



※ Internal investigation





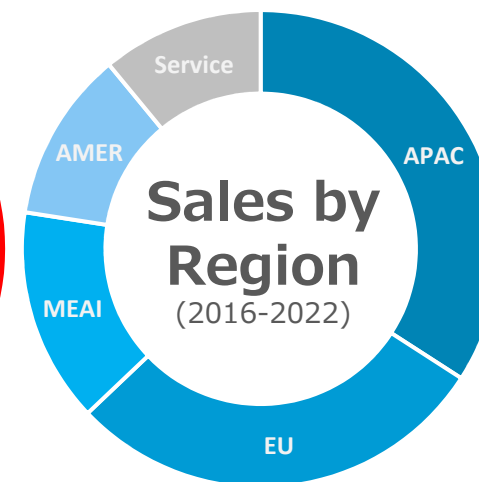
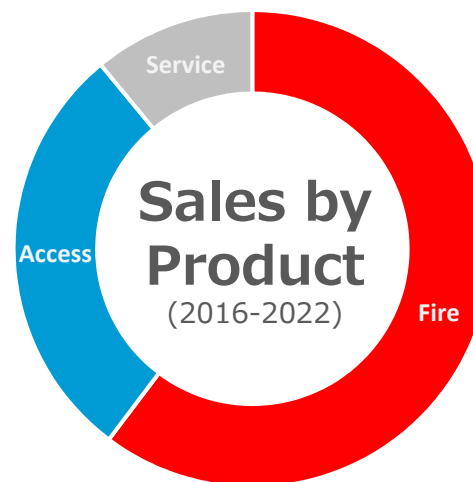
# Fire Fighting Vehicles



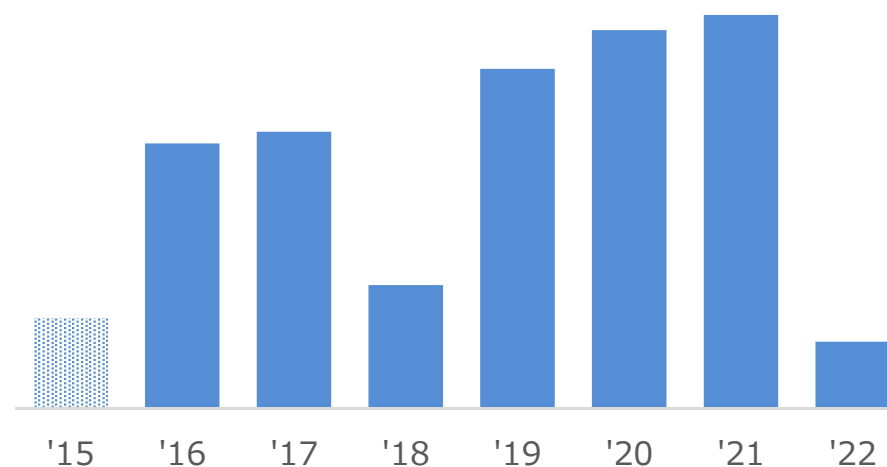
Fire and rescue

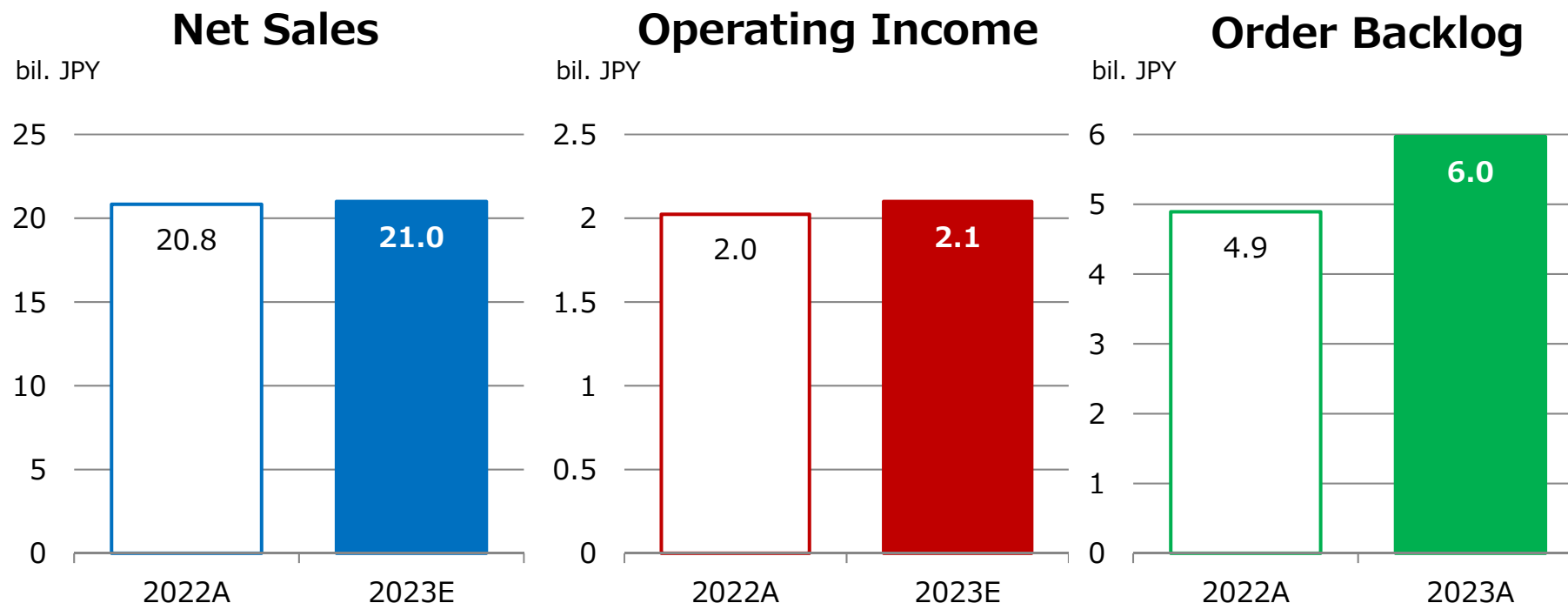


Access



## Operating Income



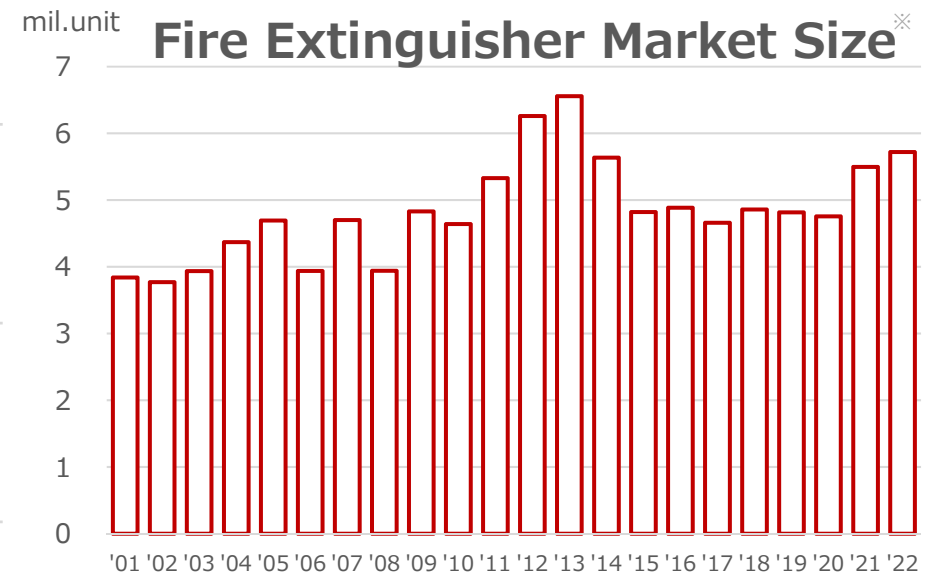
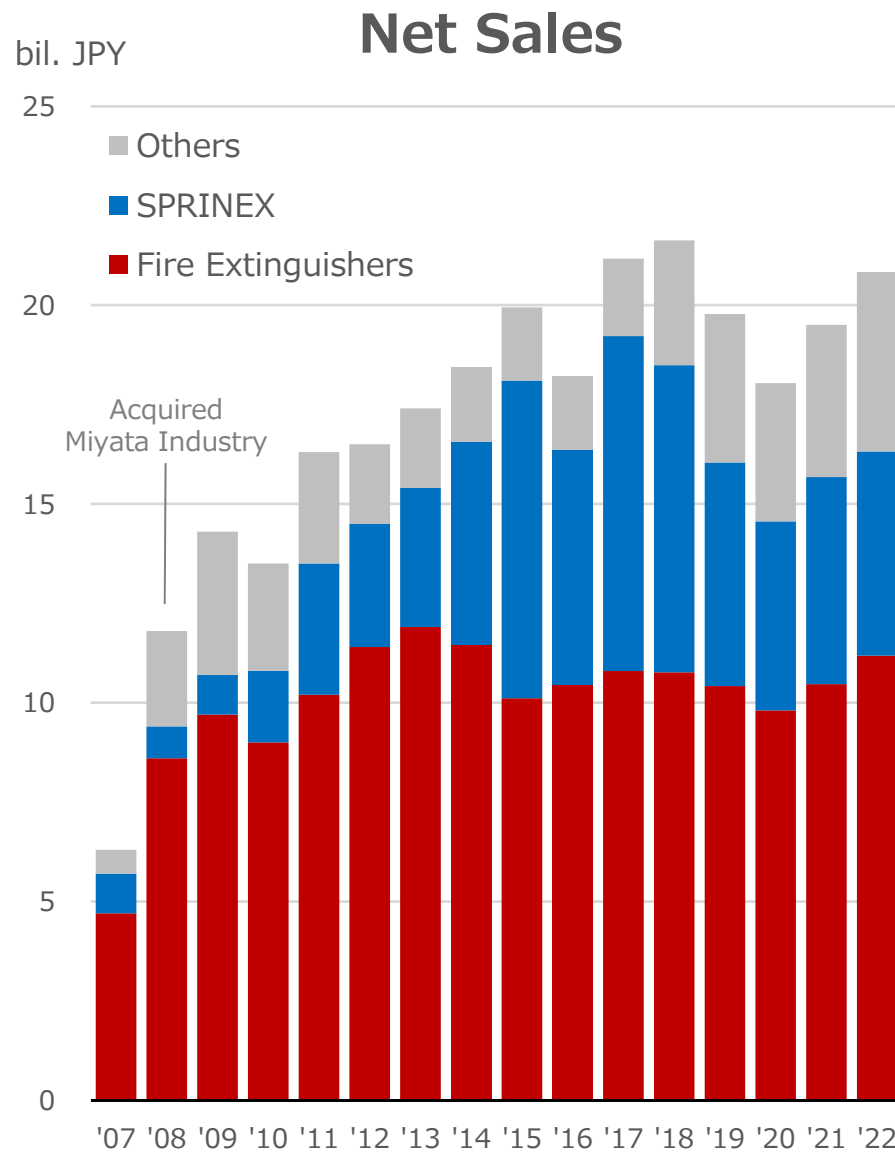


## ● Outlook for FY2023

- In addition to increasing the market share of fire extinguishers, steady sales of fire extinguishing systems are forecasted, with contributions from the order backlog at the beginning of the period, resulting in an overall increase in sales and operating income.

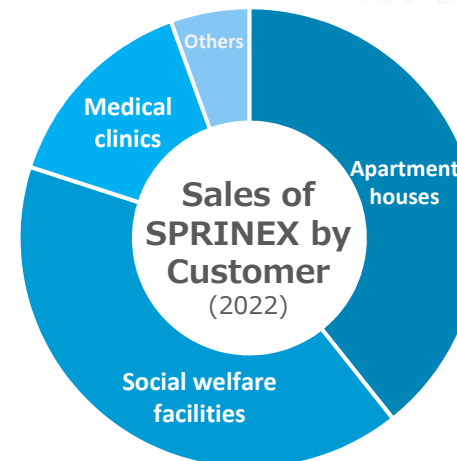


# Fire Protection Equipment & Systems **MORITA**



Packaged Automatic Fire Extinguishing System Type I

**SPRINEX**



### Product Features

- High extinguish performance (x4 than water)
- Senses a fire in its early stage
- Availability at time of water outage
- Prevents water damage
- Non-Freezing system
- Easy installation

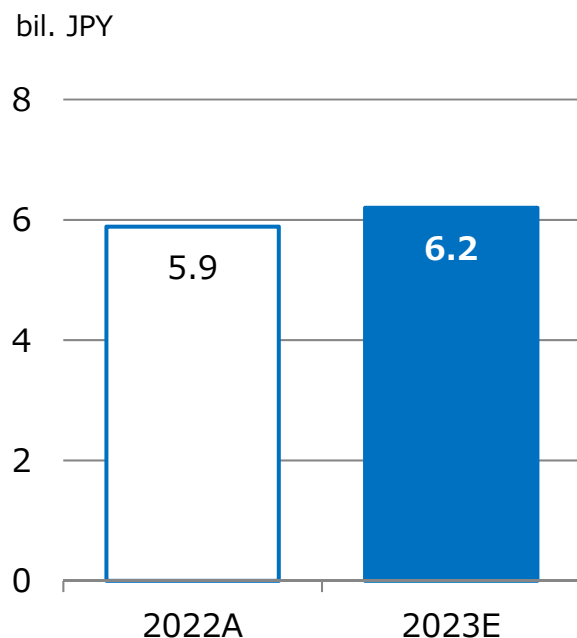
※ Internal investigation



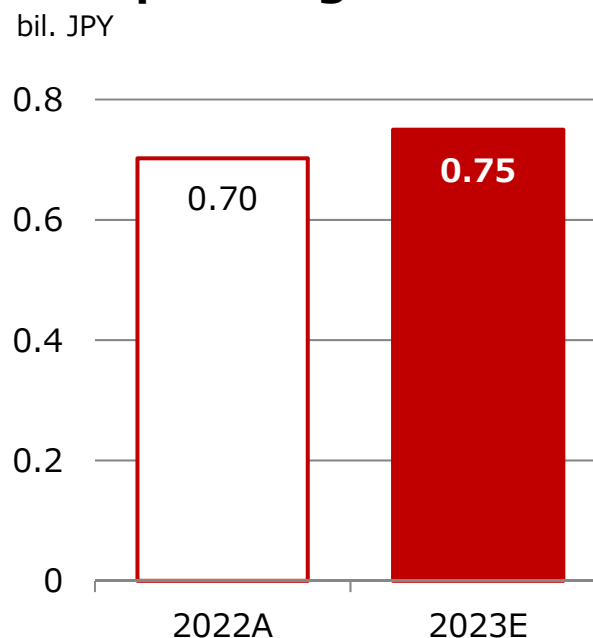
# Recycling Machines



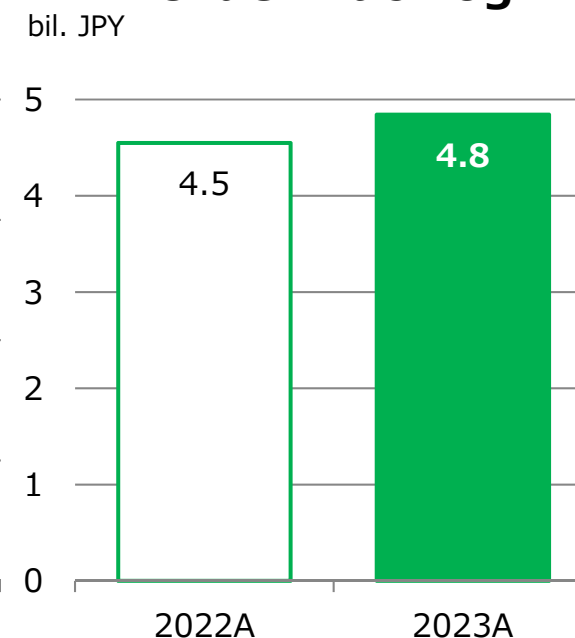
## Net Sales



## Operating Income



## Order Backlog



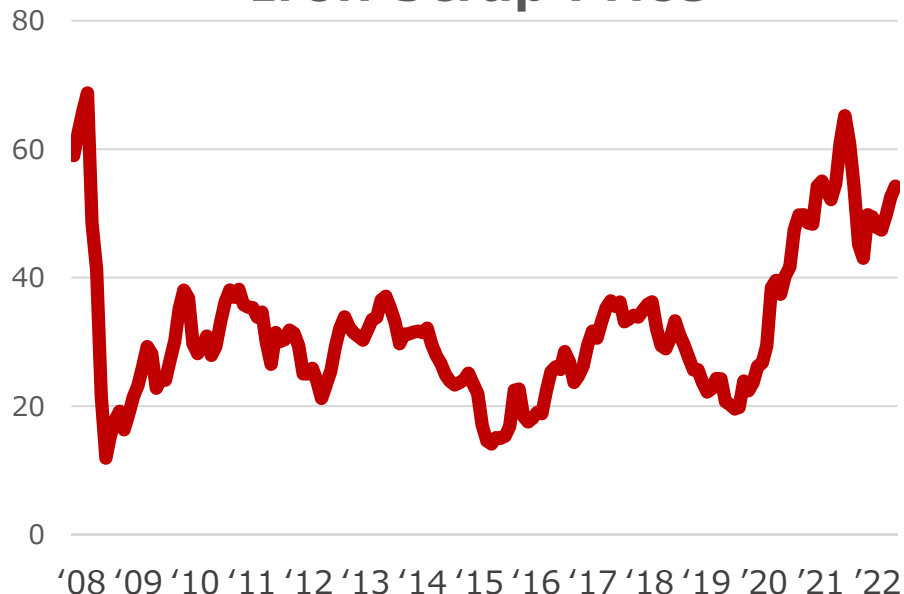
## ● Outlook for FY2023

- Sales and operating income are forecasted to increase as the high level of order backlog at the beginning of the period contributes to sales.
- Solid demand is forecasted reflecting expected solid iron scrap prices.

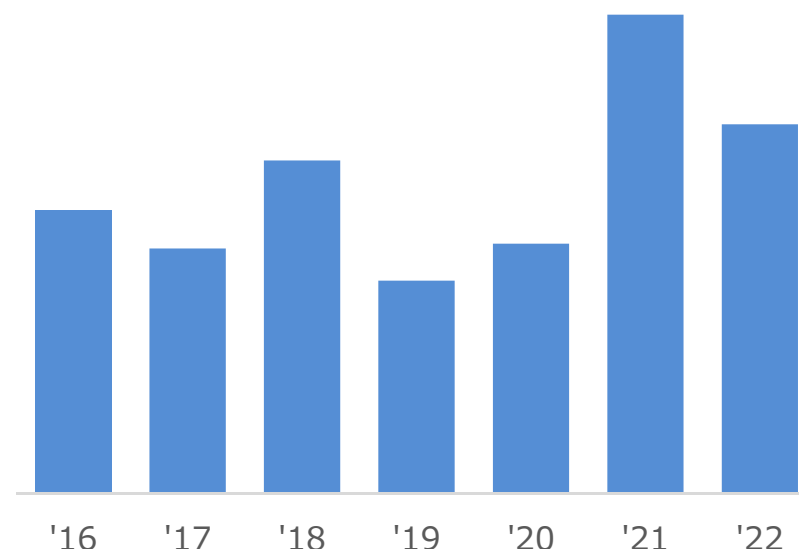


thou. JPY/t

## Iron Scrap Price ※

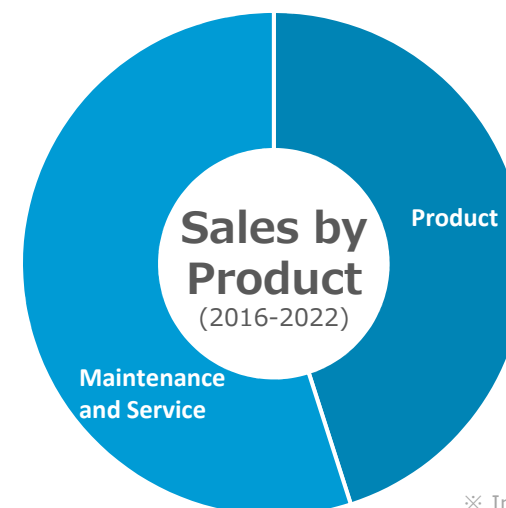


## Product Order Intake



## 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.

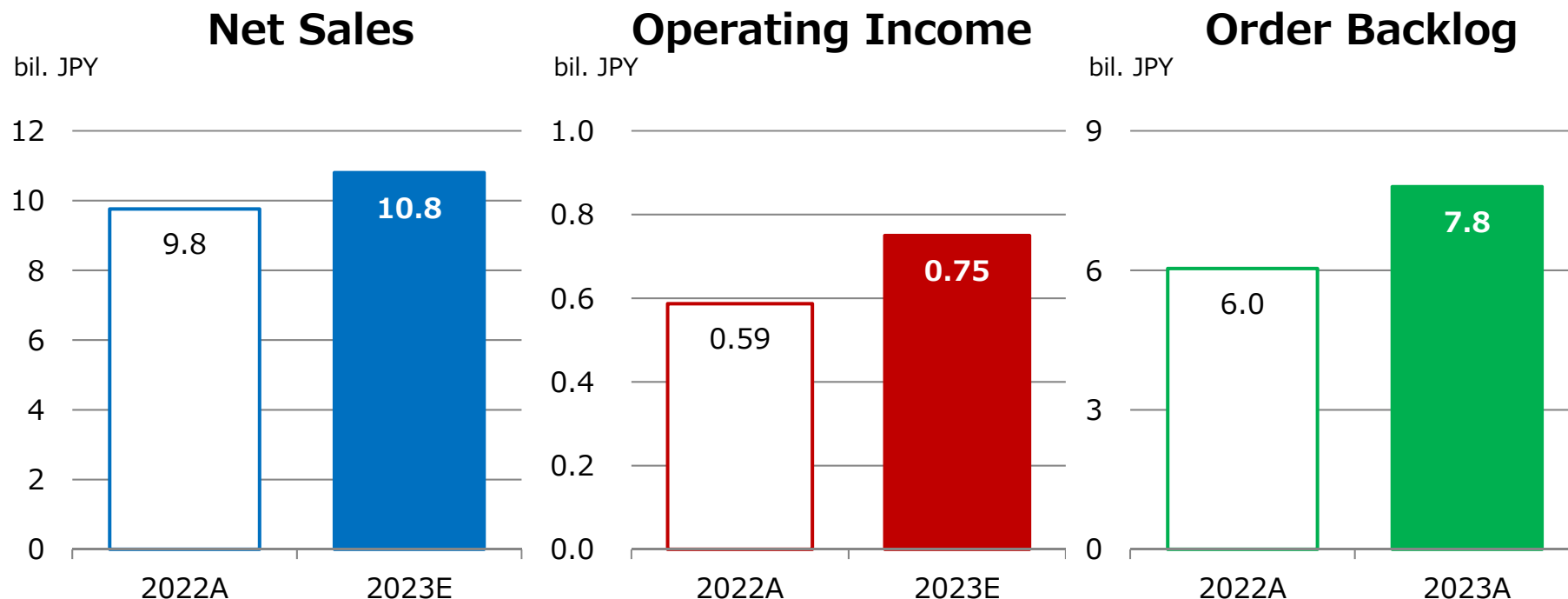


※ Internal investigation





# Environmental Conservation Vehicles **MORITA**



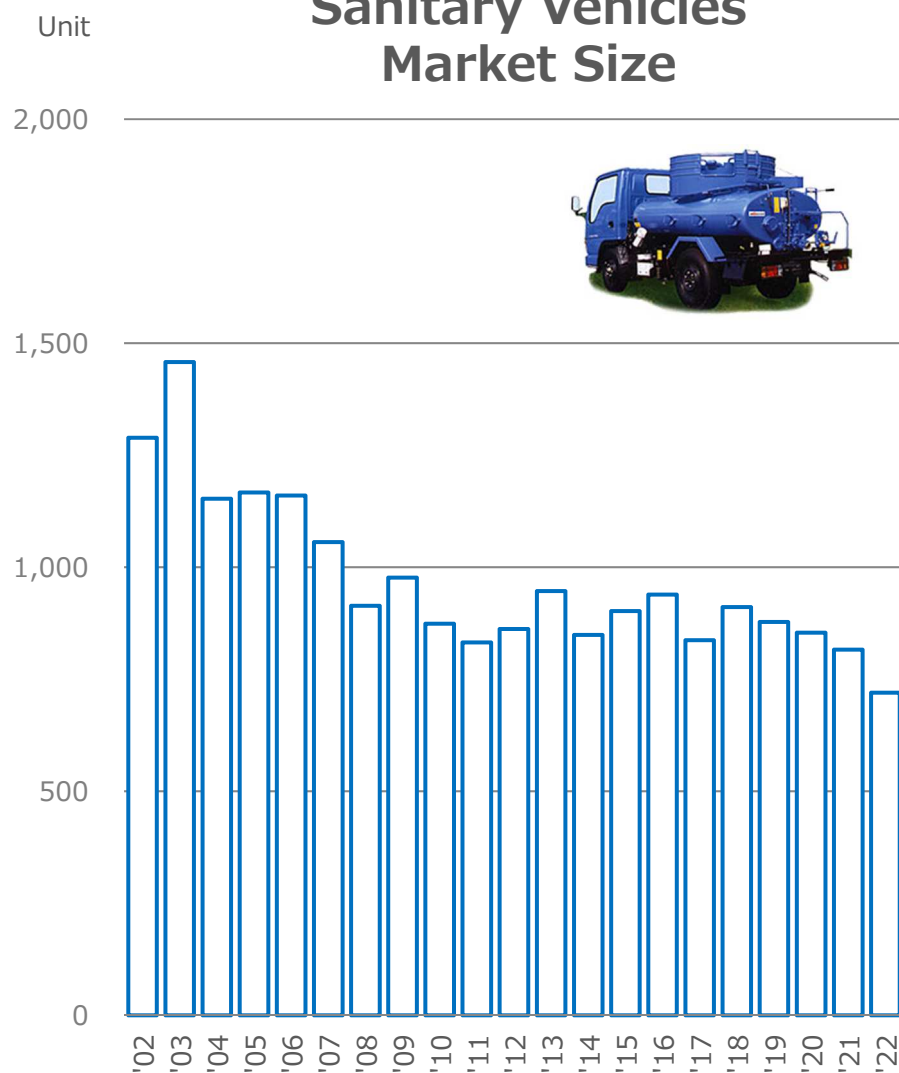
## ● Outlook for FY2023

- Sales and operating income are forecasted to increase as the chassis supply gradually recovers and the order backlog at the beginning of the period contributes to sales.

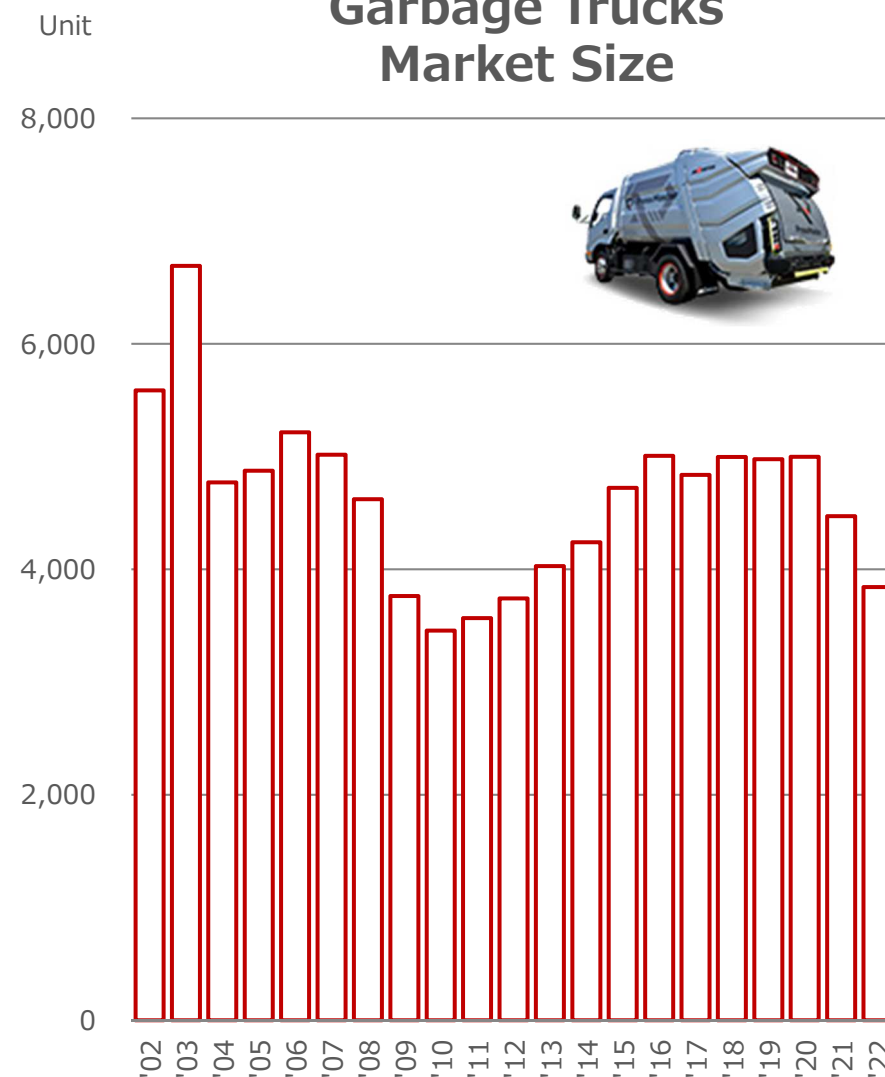


# Environmental Conservation Vehicles **MORITA**

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



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

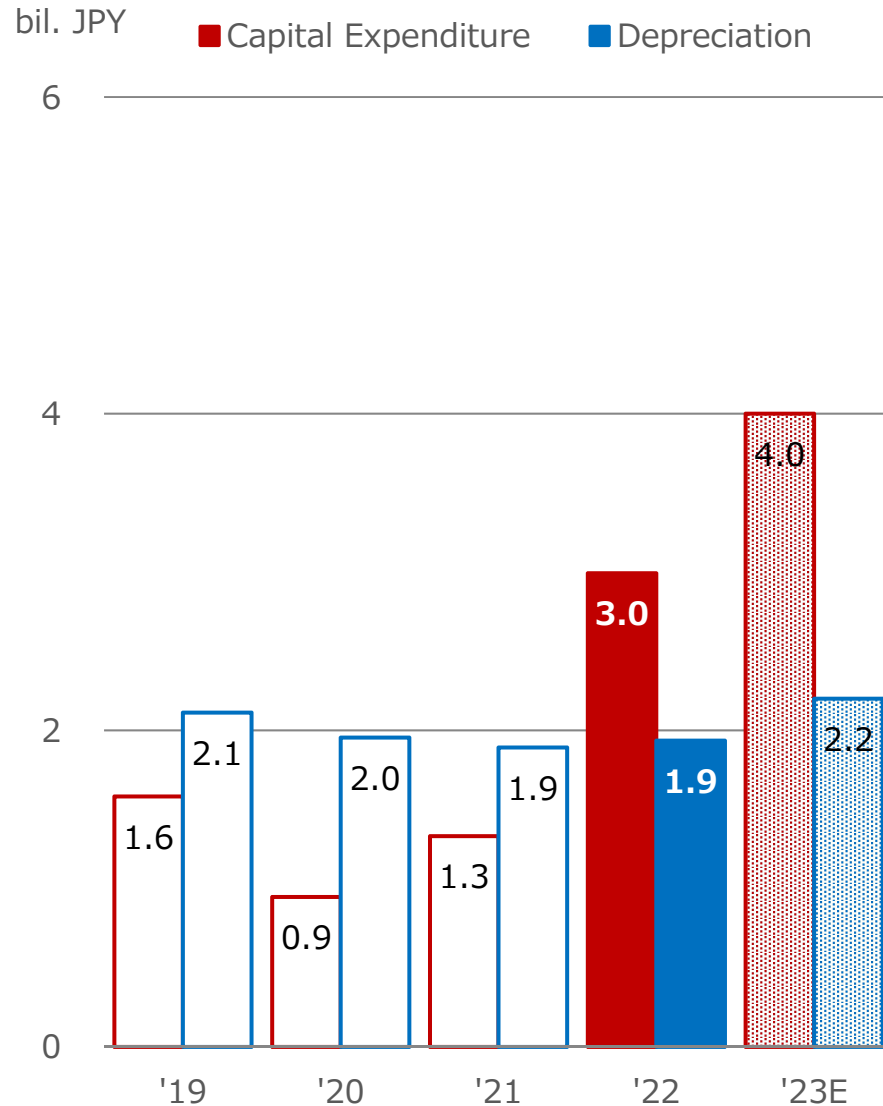


※ Internal investigation

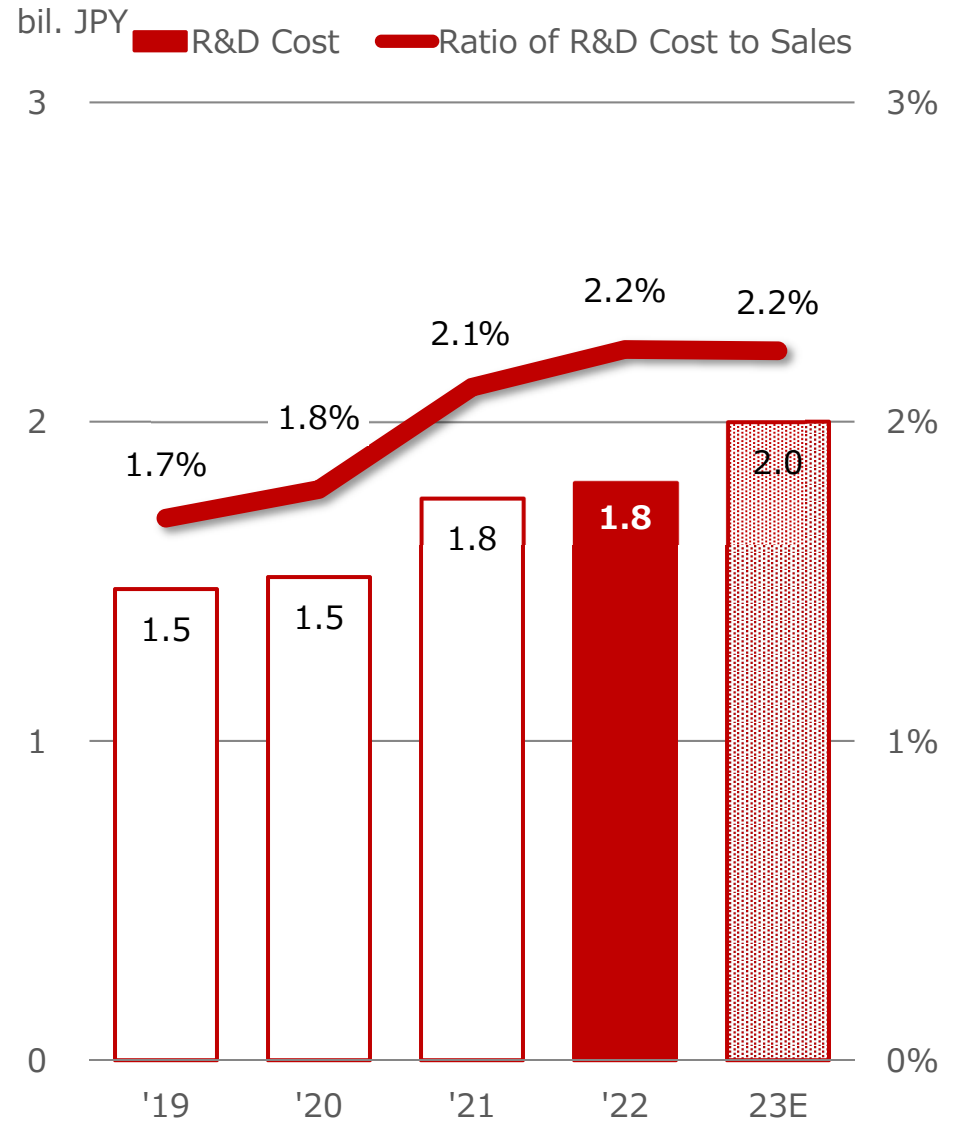
## **IV. Investment & Shareholder Return**

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

## Capital Expenditure・Depreciation



## R&D Cost



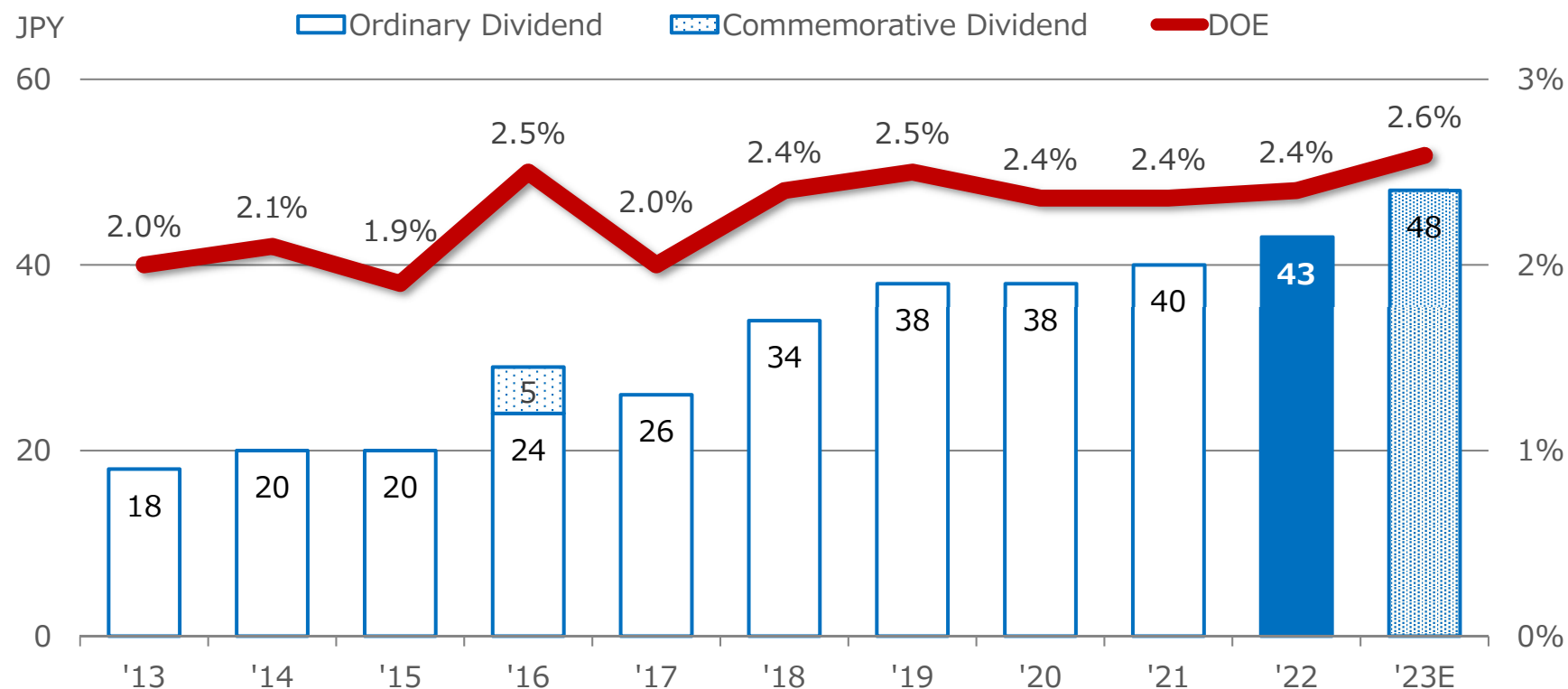
# Shareholder Return



## 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 or 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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