

# Business Report for the 87<sup>th</sup> Term

From April 1, 2019  
to March 31, 2020



**MORITA GROUP**

Protecting Human Life and Mother Earth

## Top Message • Greeting

Over the years since our company was founded in 1907, we have shared the path with the history of Japan's firefighting technology development as a top manufacturer of fire fighting vehicles. We would like to express our deepest appreciation for the warm support and patronage of shareholders and all those concerned.

The Morita Group has the slogan "Protecting Human Life and Mother Earth" and develops our four businesses of Fire Fighting Vehicles, Fire Protection Equipment & Systems, Recycling Machines and Environmental Conservation Vehicles while remaining committed to its mission of protecting human lives and property and the irreplaceable nature on Earth and, to that end, we continue to try to come up with greater innovations and create new values

In April last year, we established our new Mid-term Plan "Morita Reborn 2025", which sets fiscal 2025 as its final fiscal year. In this plan, we set our basic policies as "increasing the profitability of our existing business", "cultivating and expanding overseas businesses and new businesses", "enhancing basic research capabilities and new product development", "developing innovative human resources" and "promoting CSR activities". We will positively implement these policies in order to become a global company providing comprehensive disaster prevention solutions. With all our energy, we will continue working on becoming a company group widely trusted by society, so we would ask for your continued support.

**Masahiro Nakajima**, Chairman and CEO  
**Kazumi Ogata**, President

## Overview of 87<sup>th</sup> Term

<p><b>Net sales</b></p> <p><b>¥86,922</b> million</p> <p>Year on year Down <b>5.0%</b> ↓</p>	<p><b>Operating income</b></p> <p><b>¥8,855</b> million</p> <p>Year on year Down <b>6.6%</b> ↓</p>	<p><b>Ordinary income</b></p> <p><b>¥9,326</b> million</p> <p>Year on year Down <b>7.7%</b> ↓</p>	<p><b>Profit attributable to owners of parent</b></p> <p><b>¥6,971</b> million</p> <p>Year on year Up <b>9.1%</b> ↑</p>
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During this consolidated fiscal year under review, although our nation's economy remained on a gradual recovery trend with corporate profit and the work environment improving, due to global economic stagnation and social unrest owing to the spread of the novel coronavirus as well as the prolonged trade conflict between the US and China, the future of our nation's economy is increasingly unpredictable.

In such a business environment, our group had been working on various measures to improve our enterprise value, as it was the first fiscal year of the Mid-term Plan "Morita Reborn 2025".

With respect to our business results of the consolidated fiscal year under review, because our Fire Fighting Vehicles and Fire Protection Equipment & Systems businesses were sluggish, our net sales decreased by ¥4,601 million from the previous year to ¥86,922 million (-5.0%), operating income decreased by ¥628 million to ¥8,855 million (-6.6%), ordinary income decreased by ¥778 million to ¥9,326 million (-7.7%). However, due to the sale of fixed assets (the former Tokyo head office), the profit attributable to owners of parent increased by ¥580 million to ¥6,971 million (+9.1%).

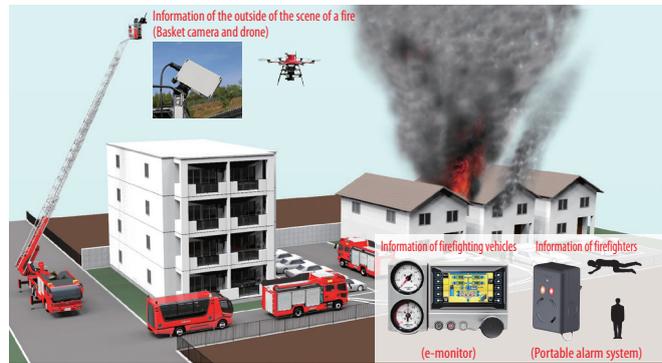
## Started to provide firefighting vehicles' "Watching Service" using IoT (Internet of Things) technology

Fire Fighting Vehicles Business

We collected information on firefighting vehicles such as fire engines and ladder trucks through the Internet and have developed analysis technology with artificial intelligence (AI). In April 2020, we started to provide a "Watching Service" which prevents failures and provides guidance for repair by remotely diagnosing the operating status of vehicles and another service that can be used to review operations by recording traveling routes.

By installing a communication device in a firefighting vehicle, for example in a ladder truck, this watching service enables us to collect information on the inclination and speed of the ladder, and operating time, analyze the collected data with AI, and find signs of defects in the firefighting vehicle so that appropriate actions such as repairs can be taken swiftly.

We will further expand services according to users' demands and advance the development of a fire scene visualization system in combination with a technology to monitor the conditions of fire fighters so that we can contribute to the safety and security of firefighters during firefighting operations.



"Morita IoT System"

## The high-performance aluminum stored-pressure powder fire extinguisher "ALTESIMO Plus MKA10B" was released

Fire Protection Equipment & Systems Business

MORITA MIYATA CORPORATION has released a high-performance fire extinguisher "ALTESIMO Plus MKA10B" which boasts excellent design and drastically improved fire extinguishing capability that enables you to extinguish a fire more quickly and reliably.

Compared to the conventional size 10 fire extinguisher (MEA10B), this new fire extinguisher has about a 1.3-fold higher fire extinguishing capability for Class A (ordinary fires) and about a 1.7-fold higher fire extinguishing capability for Class B (oil fires), enabling you to extinguish a fire in about half the time.

"ALTESIMO Plus" is not only the lightest in the industry as with the conventional size 10 fire extinguisher with an improved fire extinguishing capability; it has also adopted a label written in 4 languages - Japanese, English, Chinese, and Korean to respond to internationalization. We will keep providing further safety and security through adding higher-performance fire extinguishers to our product lineup which are easy to use for anyone.



High-performance aluminum stored-pressure powder fire extinguisher "ALTESIMO Plus MKA10B"

## Completed the model changes of the garbage truck series

Environmental Conservation Vehicles Business



Press-type garbage truck (Press Master)



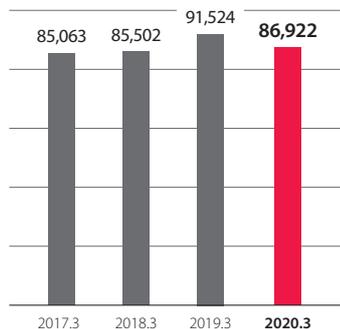
Rotary-type garbage truck (Pack Master)

MORITA ECONOS CORPORATION has finally completed the model changes of the garbage truck series for the small and medium type of each of the rotary-type garbage truck (Pack Master) and press-type garbage truck (Press Master), which were launched with the concept "Safer and Easier to Use!" Aiming at more efficient waste collection, alleviation of waste collectors' workloads, and improvement of safety, the new models are designed to have lighting and display units that have been put together on the company's unique high-mounted rear panel to achieve both visibility and safety. Garbage trucks run all over town and routinely collect garbage in order to keep our daily lives clean. We hope that waste collectors and people living in the town will feel that our garbage trucks are safe, powerful, and stylish, and give a sense of security and trust.

## Financial Highlights (Consolidated)

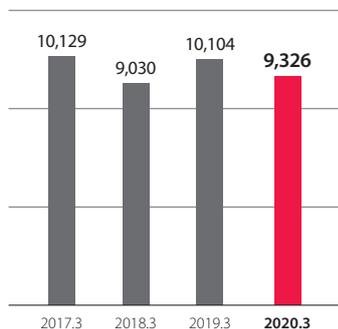
### Net sales

Unit: Millions of yen



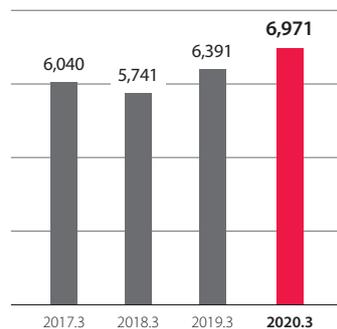
### Ordinary income

Unit: Millions of yen



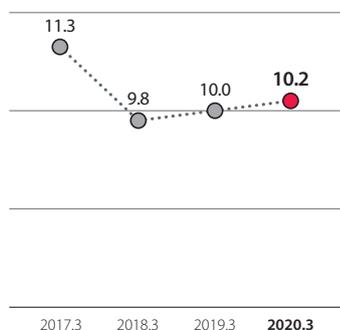
### Profit attributable to owners of parent

Unit: Millions of yen



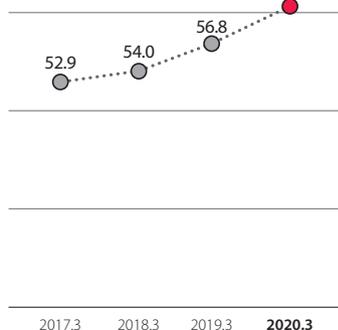
### Return on equity (ROE)

Unit: %



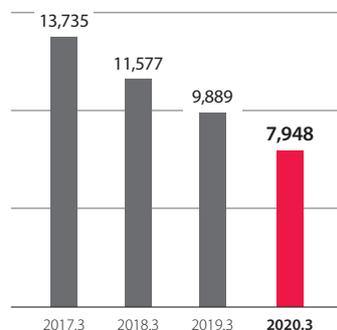
### Shareholders' equity ratio

Unit: %



### Interest-bearing liabilities

Unit: Millions of yen



## Performance by Segment

### Fire Protection Equipment & Systems Business

Net sales  
19,774 million yen Year on year ↓  
Down 8.6%

Operating income  
1,718 million yen Year on year ↓  
Down 18.8%



Since sales of the packaged automatic fire extinguishing system "SPRINEX" were sluggish, sales and income decreased.

### Fire Fighting Vehicles Business

Net sales  
51,014 million yen Year on year ↓  
Down 6.6%

Operating income  
5,715 million yen Year on year ↓  
Down 8.6%



Mainly due to a decrease in domestic sales, sales and income decreased.

### Environmental Conservation Vehicles Business

Net sales  
10,756 million yen Year on year ↑  
Up 1.9%

Operating income  
881 million yen Year on year ↑  
Up 12.8%



As a result of a steady increase in the sales of products, sales and income increased.

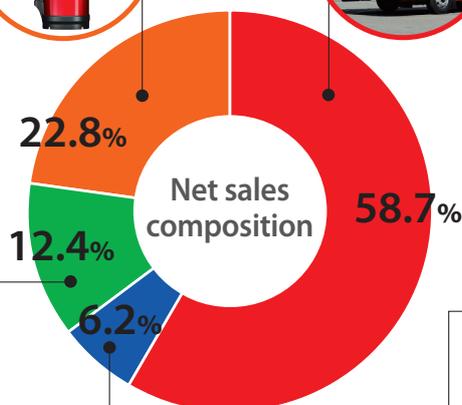
### Recycling Machines Business

Net sales  
5,375 million yen Year on year ↑  
Up 14.1%

Operating income  
508 million yen Year on year ↑  
Up 33.3%



As a result of a steady increase in the sales of products, sales and income increased.



## Company Profile and Stock Information

Company Name	MORITA HOLDINGS CORPORATION
Founded	April 23, 1907
Established	July 23, 1932
Paid-in Capital	4,746 million yen
Osaka Head Office	3-6-1 Dosho-machi, Chuo-ku, Osaka-shi, Osaka
Tokyo Head Office	5-36-7 Shiba, Minato-ku, Tokyo
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 and Managing Executive Officer	Kunio Morimoto
Director and Managing Executive Officer	Shinichi Kanaoka
Director	Mitsuo Isoda
Director	Takao Kawanishi
Director	Masaki Hojo
Full-Time Corporate Auditor	Eiji Asada
Full-Time Corporate Auditor	Atsushi Miyazaki
Auditor	Masaru Ota
Auditor	Shozo Nishimura
Managing Executive Officer	Shinya Murai
Executive Officer	Naohisa Sakamoto
Executive Officer	Mitsuru Ito

## Information about the Stock

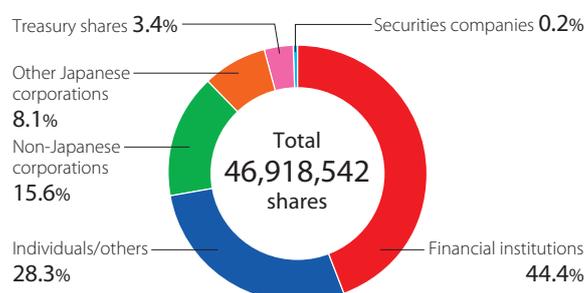
Fiscal Year	April 1 to March 31
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary
Method of Public Notice	Posted as electronic public notice on company website <a href="https://www.morita119.com/kohkoku/index.html">https://www.morita119.com/kohkoku/index.html</a>
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Handling Office of Shareholder Registry Administrator	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)	<a href="https://www.smtb.jp/personal/agency/index.html">https://www.smtb.jp/personal/agency/index.html</a>
Stock Exchange Listing	Tokyo Stock Exchange
Number of shares per unit	100 shares

## 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 specialty vehicles
MORITA MIYATA CORPORATION	3-5-7 Ariake, Koto-ku, Tokyo, 135-0063, 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	28 Techno Park, Sanda-shi, Hyogo, 669-1339, 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 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

## Breakdown of Shares by Type of Shareholder

As of March 31, 2020



## Major Shareholders (Top10)

As of March 31, 2020

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
Morita Trading-Partner Shareholding Association	2,231
Japan Trustee Services Bank, Ltd. (Trust account)	2,115
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
MUFG Bank, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
The Master Trust Bank of Japan, Ltd. (Trust account)	1,973
AIR WATER INC.	1,730
NORTHERN TRUST CO. (AVFC) RE HCR00	908

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.  
2. The Company holds treasury shares numbering 1,589 thousand shares.

Protecting Human Life  
and Mother Earth

**MORITA**  
MORITA HOLDINGS CORPORATION

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