

# MORITA GROUP

Protecting Human Life  
and Mother Earth

Securities Identification Code:  
6455

## BUSINESS REPORT

To Shareholders and Investors

# Business Report for the 89<sup>th</sup> Term

From April 1, 2021 to March 31, 2022

## Top Message Greeting

Since its establishment in 1907, Morita has been a leading manufacturer of fire fighting vehicles and has progressed together with the development of firefighting technology in Japan. We would like to express our deepest gratitude to our shareholders and other stakeholders for their warm support and patronage.

Under the slogan "Protecting Human Life and Mother Earth," the Morita Group has been working to provide solutions that respond to changes in society through its four businesses area; fire fighting vehicles, fire prevention equipment & systems, recycling machines, and environmental conservation vehicles, in order to protect people's lives and property from disasters and contribute to the preservation of our irreplaceable global environment.

As social issues become more diverse and complex,

corporations are playing an increasingly important role in realizing a safe, secure, and sustainable society. It is in this rapidly changing environment that we will steadily implement the basic policies of our Mid-term Plan, Morita Reborn 2025, from a more medium- to long-term perspective. At the same time, we will strive to fulfill our corporate social responsibility and enhance our corporate value by working to enhance sustainability through environmental efforts, social contribution, and enhanced corporate governance.

We will continue to come together and make a concerted effort to be a corporate group that is widely trusted by society and hope for your continued support in the years to come.

Masahiro Nakajima, Chairman & CEO  
Shinichi Kanaoka, President

## Overview of 89<sup>th</sup> Term

Net sales

¥83,602 million

Year on year  
Down 1.3% ↓

Operating income

¥8,115 million

Year on year  
Down 8.4% ↓

Ordinary income

¥8,761 million

Year on year  
Down 7.6% ↓

Profit attributable to  
owners of parent

¥5,350 million

Year on year  
Down 14.0% ↓

The outlook for the Japanese economy in the current consolidated fiscal year remains uncertain due to the resurgence of COVID-19 infections, soaring material prices, and a shortage in the supply of semiconductors.

Amidst this environment, the Morita Group has continued corporate activities to reduce the risk of infection to employees and other stakeholders and to prevent the spread of infection.

For the consolidated fiscal year under review, net sales

decreased by ¥1,064 million, to ¥83,602 million (down 1.3%), operating income decreased by ¥740 million, to ¥8,115 million (down 8.4%), ordinary income decreased by ¥718 million, to ¥8,761 million (down 7.6%) compared to the previous consolidated fiscal year. Net income for the period attributable to shareholders of the parent company decreased by ¥874 million, to ¥5,350 million (down 14.0%) compared to the previous consolidated fiscal year, due in part to the recording of a loss on recall issue of ¥199 million.

### A large order received from the U.S. for Bronto Skylift - The tallest truck-mounted aerial platform vehicles in North America at 104 meters -

BRONTO SKYLIFT (Finland) has received a large order from a customer in the United States for a number of truck-mounted aerial platform vehicles, including several 104 m tall S341HLA vehicles. This marks one of the largest ever orders for Bronto Skylift in North America.

With the world's tallest truck-mounted aerial platform vehicle in its lineup, Bronto Skylift's high rise aerial work platform are used for the servicing and maintenance of a variety of facilities, such as wind power generators. In particular, the average height of the hub



(windmill rotating shaft) of wind power generation facilities in North America is as high as 90 m, making the 104 m S341HLA an ideal solution.

In line with increased investment in renewable energy infrastructure in the United States, orders for truck-mounted aerial platform vehicles in the North American market for Bronto Skylift have grown at a CAGR (compound annual growth rate) of approximately 30% since the company became a consolidated subsidiary in 2016. Moving forward, our group will continue to expand its business to address these sustainability issues and aim to increase its enterprise value.



#### About Bronto Skylift

BRONTO SKYLIFT is the world's leading brand for fire fighting aerial platforms and truck-mounted work aerial platform vehicles, that joined the Morita Group in 2016. Based in Finland, Bronto Skylift has delivered products to fire brigades and industrial customers in more than 100 countries worldwide.

### New high-power sewerage suction truck, Powerful Master released, Improved suction power, less noise, and enhanced operability

MORITA ECONOS has commenced sale of a new, high-power sewerage suction truck, the Powerful Master (4-ton class).

At construction sites and cleaning sites where high-power industrial sewerage suction vehicles are used, improving productivity and the working environment are recognized as urgent issues against the backdrop of labor shortages and long working hours along with effectively managing diversification of the work force, driven by a rapidly increasing number of foreign workers. To resolve these problems, we have developed a new, high-power sewerage suction truck that offers (1) improved suction power, (2) less noise, and (3) enhanced operability. This new model was released in June 2022.



#### (1) Improved suction power

The use of a uniquely designed, high-efficiency exhaust cyclone and optimization of the intake and exhaust paths has improved suction by increasing the volume of air intake by approximately 16%\* during operation.

#### (3) Enhanced operability

The new model features a multifunctional, easy-to-operate LCD monitor. It also has a universal design that uses pictograms.

A preset switch has been added to the electronically controlled throttle to allow you to go back to set speeds with a touch of a button.

#### (2) Less noise

By optimizing the intake and exhaust paths and changing the structure of the dust collector, noise under idle and during operation has been reduced by approximately 5 dB\*.

\*Compared to previous products



### Minor modification to ensure compliance with new emission control (gasoline-powered models) for CD-I pumper fire trucks with its gross vehicle weight less than 3.5 tons that can be driven on a standard motor vehicle license

With the enforcement of the revised Road Traffic Act in March 2017, the gross vehicle weight of pumper fire trucks that can be driven with a standard motor vehicle license was reduced to less than 3.5 tons or less. In recent years, the number of volunteer fire fighters has been decreasing throughout the country, and this coupled with an aging population has left the nationwide fire fighting system in a critical situation in which they are unable to maintain the necessary workforce. Now they are faced with the additional problem of fire fighters being unable to drive the trucks with their newly acquired standard motor vehicle licenses.

MORITA has developed a pumper fire truck with a gross vehicle weight of less than 3.5 tons and began sales in fiscal 2018. This new vehicle has gained in popularity under the name, "Miracle Light," and more than 300 vehicles have been purchased by the Ministry of Internal Affairs and Communications, volunteer fire corps and other organizations.

In addition, in response to the chassis model changes resulting from emission control, the Miracle Light has undergone a minor change from a conventional diesel engine to gasoline. This was done to quickly address the issue of sustainability.

The Miracle Light has improved acceleration while also maintaining the A-2 class water pump (Ministerial order on fire fighting pump performance requirement), a key factor in pumper fire trucks. This more compact model has also received favorable reviews from customers owing to the ease with which it can pass oncoming traffic safely on narrow roads.

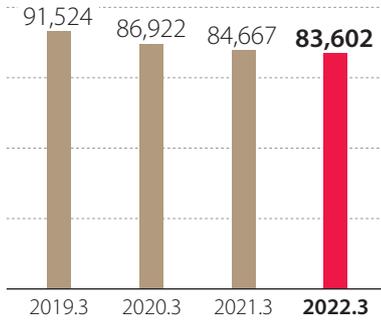
Morita will continue to provide fire trucks that are easy to use and can be used safely by fire fighters.



## Financial Highlights (Consolidated)

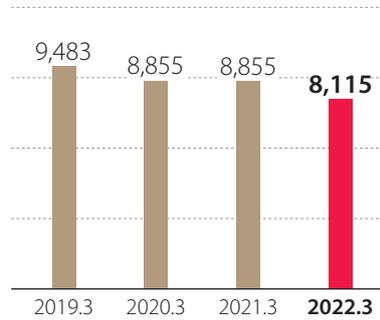
### Net sales

Unit: Millions of yen



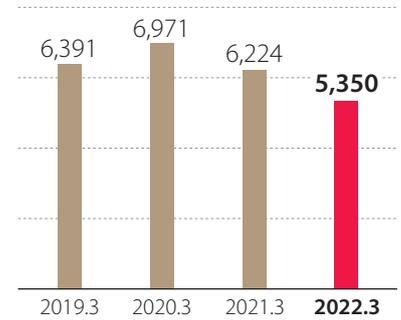
### Operating income

Unit: Millions of yen



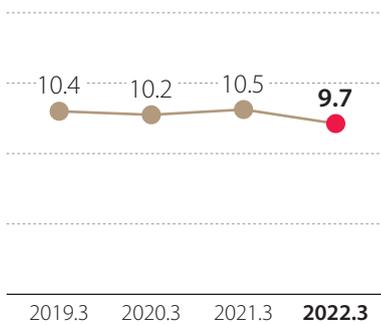
### Profit attributable to owners of parent

Unit: Millions of yen



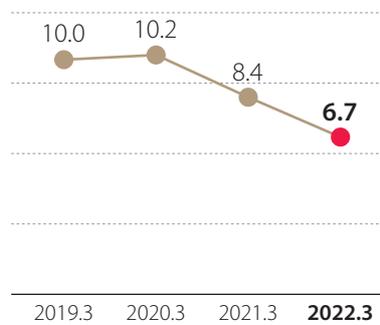
### Operating income to net sales

Unit: %



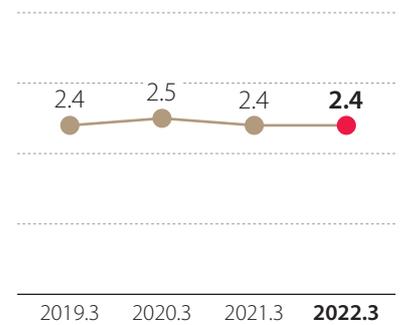
### Return on equity (ROE)

Unit: %



### Dividend on equity (DOE)

Unit: %



## Performance by Segment

### Fire Protection Equipment & Systems Business

Net sales

**19,426** million yen

Year on year Up 7.7%

Operating income

**1,306** million yen

Year on year Up 32.2%

In particular sales and profit increased steadily, primarily on the back of strong sales of fire extinguishers.

### Fire Fighting Vehicles Business

Net sales

**49,128** million yen

Year on year Down 5.1%

Operating income

**5,467** million yen

Year on year Down 17.4%

Although overseas sales were steady, domestic demand was weak, and sales and profits declined.

### Environmental Conservation Vehicles Business

Net sales

**9,890** million yen

Year on year Down 9.0%

Operating income

**716** million yen

Year on year Down 18.8%

Although orders remained firm, sales and profits declined due to the impact on production caused by the delay in chassis supply.

### Recycling Machines Business

Net sales

**5,157** million yen

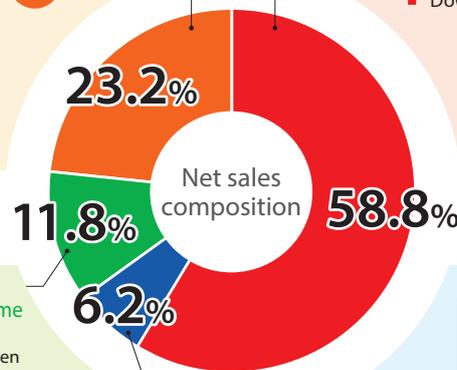
Year on year Up 29.7%

Operating income

**620** million yen

Year on year Up 101.0%

Sales and profit increased due to well progressed sales of products, parts and maintenance.



## 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	Shinichi Kanaoka
Director and Managing Executive Officer	Kunio Morimoto
Director and Managing Executive Officer	Shinya Murai
Director	Mitsuo Isoda
Director	Takao Kawanishi
Director	Masaki Hojo
Director	Masayoshi Kato
Director	Hiroyuki Fukunishi
Full-Time Corporate Auditor	Eiji Asada
Auditor	Masaru Ota
Auditor	Shozo Nishimura
Auditor	Mari Kaneko
Managing Executive Officer	Mitsuru Ito

### Information about the Stock

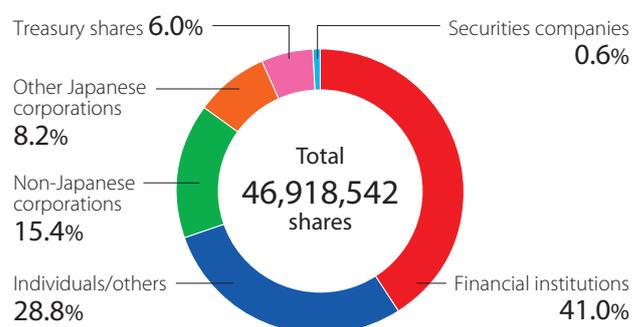
Fiscal Year	April 1 to March 31
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary
Method of Public Notice	Posted as electronic public notice on company website <a href="https://www.morita119.com/ir/stock/kohkoku.html">https://www.morita119.com/ir/stock/kohkoku.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)	+81-3-3323-7111
(Internet Website URL)	<a href="https://www.smtb.jp/personal/procedure/agency/">https://www.smtb.jp/personal/procedure/agency/</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 fire protection-related 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 sanitary vehicles (vacuum trucks) and garbage collectors
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, 2022



### Major Shareholders (Top 10)

As of March 31, 2022

Name	No. of shares (thousand)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,580
Morita Trading-Partner Shareholding Association	2,354
The Dai-ichi Life Insurance Company, Limited	2,123
Mizuho Bank, Ltd.	2,087
Sumitomo Mitsui Trust Bank, Limited	2,082
MUFG Bank, Ltd.	2,048
Sumitomo Mitsui Banking Corporation	2,007
Custody Bank of Japan, Ltd.	1,851
AIR WATER INC.	1,730
NORTHERN TRUST CO. (AVFC) RE HCR00	1,223

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.  
2. The Company holds treasury shares numbering 2,817 thousand shares.