



MORITA GROUP

Protecting Human Life and Mother Earth

To Shareholders and Investors

Interim Business Report for the 88th Term

From April 1, 2020 to September 30, 2020

Securities Identification Code: 6455



BUSINESS REPORT

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 trying to come up with greater innovations and creating 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 & CEO
Kazumi Ogata, President

Overview of the first half of 88th Term

| Net sales | Operating income | Ordinary income | Profit attributable to owners of parent |
|------------------------------|------------------------------|------------------------------|---|
| ¥28,163 million | ¥810 million | ¥1,018 million | ¥504 million |
| Year on year Down 11.1% ↓ | Year on year Down 43.1% ↓ | Year on year Down 34.6% ↓ | Year on year Down 75.6% ↓ |

During the consolidated cumulative second quarter of FY2020 under review, our nation's economy suffered due to the limitations on social and economic activities caused by COVID-19 pandemic. While signs of recovery in economic activity could be discerned after the state of emergency was lifted, the future of our nation's economy is still extremely unpredictable due to concerns about a second wave of infections.

In such a business environment, our group has been working on reducing the risk of infection to our employees and all of our other stakeholders, carrying out business activities while engaging in infection prevention measures.

With respect to our business results, while domestic orders

in our core Fire Fighting Vehicles business have remained positive direction, the impacts of COVID-19 pandemic – such as restrictions on sales activities and delays in sales being made – meant that net sales decreased by 3,515 million yen from the previous year to 28,163 million yen (-11.1%), operating income decreased by 614 million yen from the previous year to 810 million yen (-43.1%), and ordinary income decreased by 539 million yen from the previous year to 1,018 million yen (-34.6%). Quarterly profit attributable to owners of parent decreased by 1,561 million yen to 504 million yen (-75.6%) due to the sale of fixed assets (the former Tokyo head office) in the same quarter the previous year.

Morita, the fire truck experts, exhibited at RISCAN TOKYO (Security & Safety Trade Expo) 2020 on the theme of "Controlling Water"

Fire Fighting
Vehicles Business

Morita showcased its products at the RISCAN TOKYO (Security & Safety Trade Expo) 2020, held at Tokyo Big Sight from Wednesday, October 21 to Friday, October 23 this year. In recent years, typhoons and localized severe rain have become even more intense across Japan, leading to water damage including destruction of houses and widespread flooding from rivers breaking their banks. On the theme of "Controlling Water," Morita's exhibit at RISCAN featured numerous solution offerings such as the "FAN-BEE" rescue airboat, a toilet vehicle, the "Red Ladybug" compact off-road fire truck, and a fold-up electric equipment carrier. The Morita Group will continue pursuing its vision of providing comprehensive disaster prevention solutions. Without merely following conventional methodology, we will continue providing novel technologies, products, and services which mitigate a wide range of risks and thus contribute to the creation of a "safe, comfortable and prosperous society."

Featured products exhibited

"FAN-BEE" rescue airboat

Boat enabling safe rescue operations during increasingly severe large-scale flooding events

Its greatest feature is the propulsion unit mounted above the hull, giving a flat-bottom structure with nothing protruding into the water. The smooth, flat hull enables safe travel through flooded disaster sites - even when obstructions are hidden in the water or floating debris is present - as well as across shallows and sandbars. This feature can be utilized to support a wide range of activities, from saving lives to transporting materials.



The toilet vehicle - a new standard in mobile restrooms

Mobile, temporary flushing toilets: Delivering what people would love to have.

There are many problems with conventional temporary toilets, including setup hassle, issues topping up with fresh water, and difficulties in dealing with the waste. Toilet vehicles are a ground-breaking innovation which solves these issues in one stroke. They can be used not only at evacuation shelters, but also at disaster recovery work sites and various event venues for ceremonies.



Morita has established a special website showcasing the products exhibited at RISCAN TOKYO, featuring videos of product demonstrations filmed at the Morita booth during the event.

<https://www.morita119.com/riscon-tokyo2020/>

"Red Ladybug" compact off-road rescue truck

In recent years, the number of natural disasters (such as earthquakes and landslides) which severely disrupt the transport network has been increasing in Japan, making access to disaster sites by traditional rescue trucks difficult. The Red Ladybug is a rescue truck with excellent off-road performance and carrying capacity, enabling self-propelled access to disaster sites in difficult-to-reach locations. In addition, registration as a large special-purpose motor vehicle enables us to use as a cargo transportation vehicle even in normal times, making the Red Ladybug a new generation of rescue truck.

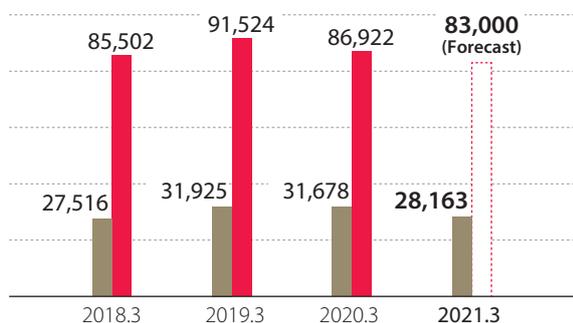


Financial Highlights (Consolidated)

Net sales

Unit: Millions of yen

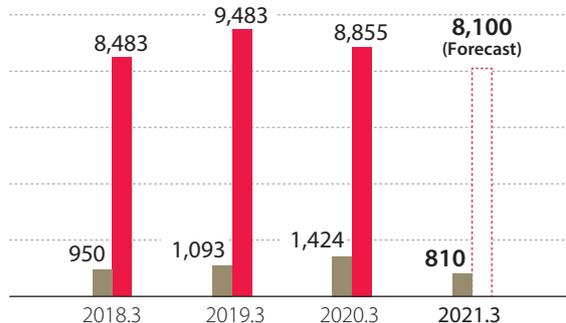
■ : First half ■ : Full-year



Operating income

Unit: Millions of yen

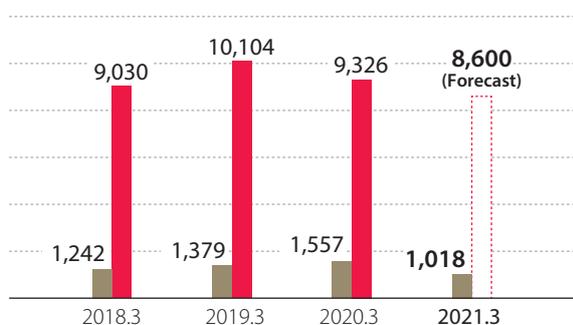
■ : First half ■ : Full-year



Ordinary income

Unit: Millions of yen

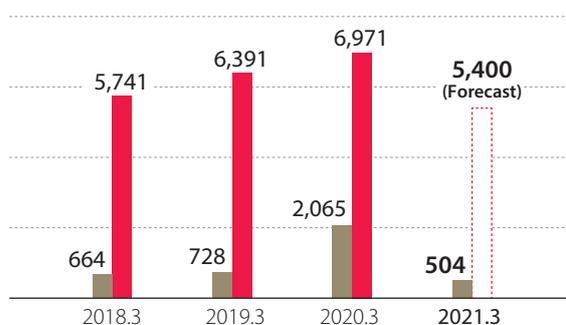
■ : First half ■ : Full-year



Profit attributable to owners of parent

Unit: Millions of yen

■ : First half ■ : Full-year



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales
7,290 million yen
Year on year
Down 8.9%

Operating loss
114 million yen
Previous year:
Income of
227 million yen

Slow sales of fire extinguishers led to decreased sales and income.



Fire Fighting Vehicles Business

Net sales
13,942 million yen
Year on year
Down 12.5%

Operating income
378 million yen
Year on year
Down 32.2%

Delays in some overseas sales being made led to decreased sales and income.



Environmental Conservation Vehicles Business

Net sales
4,880 million yen
Year on year
Down 5.0%

Operating income
312 million yen
Year on year
Down 22.1%

Slow sales of garbage collectors led to decreased sales and income.

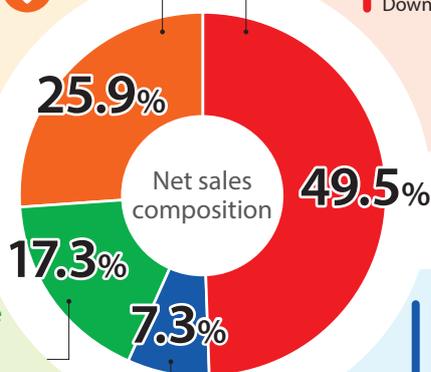


Recycling Machines Business

Net sales
2,050 million yen
Year on year
Down 21.5%

Operating income
182 million yen
Year on year
Down 17.4%

Slow sales led to decreased sales and income.



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 Doshomachi, 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

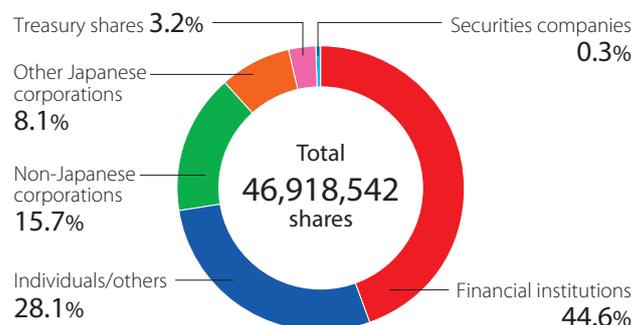
| | |
|---|---|
| Fiscal Year | April 1 to March 31 |
| Annual General Meeting of Shareholders | June |
| Reference Dates | Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary |
| Method of Public Notice | Posted as electronic public notice on company website https://www.morita119.com/kohkoku/index.html |
| 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) | https://www.smtb.jp/personal/agency/index.html |
| 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 September 30, 2020



Major Shareholders (Top 10)

As of September 30, 2020

| Name | No. of shares (thousand) |
|--|--------------------------|
| The Dai-ichi Life Insurance Company, Limited | 3,265 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 2,376 |
| Morita Trading-Partner Shareholding Association | 2,254 |
| 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. | 1,843 |
| AIR WATER INC. | 1,730 |
| NORTHERN TRUST CO. (AVFC) RE HCR00 | 1,065 |

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. The Company holds treasury shares numbering 1,482 thousand shares.