



MORITA GROUP

Protecting Human Life and Mother Earth

BUSINESS REPORT

To Shareholders and Investors

Business Report for the 88th Term

From April 1, 2020 to March 31, 2021

Securities Identification Code: 6455



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.

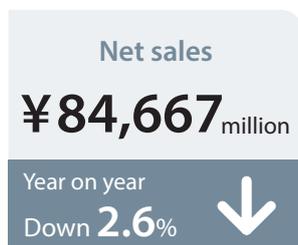
The Morita Group has the slogan "Protecting Human Life and Mother Earth" and develops our four businesses of Fire Fighting Vehicles, Fire Protection Equipment & Systems, Recycling Machines and Environmental Conservation Vehicles while remaining committed to its mission of protecting human lives and property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

The Morita Group 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 88th Term



During this consolidated fiscal year, our nation's economy entered an economic downturn after significant shrinkage due to restrictions on social and economic activities associated with the spread of COVID-19 worldwide. Although the Japanese economy is expected to pick up due to the effects of various policies and improvements in economies outside of Japan, the outlook remains highly unpredictable due to downside risks in the Japanese and overseas economy caused by COVID-19 spreading once again.

In such a business environment, our group has been working on reducing the risk of infection to our employees and all

of our stakeholders, carrying out business activities while engaging in infection prevention measures.

With respect to our business results, our net sales decreased by ¥2,254 million from the previous year to ¥84,667 million (-2.6%). Operating income increased by ¥0 million from the previous year to ¥8,855 million (+0.0%), and ordinary income increased by ¥153 million from the previous year to ¥9,479 million (+1.6%). Net income attributable to owners of the parent decreased by ¥747 million from the previous year to ¥6,224 million (-10.7%), partly due to the recording of a gain on sales of fixed assets in the previous year.

Bronto Skylift aerial platform delivered to NASA!

In April 2021, BRONTO SKYLIFT delivered a new aerial platform for the maintenance of NASA's deep-space communication antennas in California, USA.

NASA uses a communication system called the "Deep Space Network (DSN)" to communicate with spacecraft far away from the earth, and it operates three large antenna complexes around the world for this purpose.



One of the antennas that uses an aerial platform for its maintenance

This time, the Bronto Skylift's aerial platform was selected to provide maintenance for a large, 70 m diameter antenna at the Goldstone Deep Space Communications Complex, which is one of the sites that makes up the DSN. In 2005, an aerial platform of the same size class was delivered to a DSN facility in Canberra, Australia, where it is used to conduct maintenance work.



The aerial platform delivered to NASA

BRONTO SKYLIFT OY AB

Based in Finland, BRONTO SKYLIFT joined the Morita Group in 2016. BRONTO SKYLIFT is one of the world's top brands for truck-mounted aerial platforms and sells its products to more than 100 countries worldwide, including aerial platforms that can reach a maximum working height of 112 m.

The "Miracle Kiyora™" garbage truck odor reduction device for "Comfortable Work Without Bothersome Odors"

With the aim of improving conditions around the area where garbage collection is done and the working environment for operators, MORITA ECONOS jointly developed the "Miracle Kiyora™" odor reduction device for garbage trucks with the Kao Corporation under the concept of "Comfortable Work Without Bothersome Odors." This device uses an odor-reducing agent and nano-spraying technology to reduce offensive odors emitted by kitchen waste and other items, and sales of the device began in January 2021. "Miracle Kiyora™" uses an odor-reducing agent with a refreshing herbal fragrance that is inspired by forest bathing and sprays from inside the truck's loading hopper to reduce the odor around the loading hopper with the aim of improving the environment for garbage collection work. Through the use of nano-spraying technology, fine and lightweight particles can be quickly dispersed and suspended inside the truck's loading hopper to efficiently reducing odors. This contributes to the resolution of issues related to odors in various situations, such as reducing on-site odors while loading trash, residual odors while driving, and odors that stay on work clothes.

The device is compatible with every garbage truck model manufactured by MORITA ECONOS and can also be installed in vehicles that are currently in use.

MORITA ECONOS will continue to value the opinions of our customers and pursue better products that are environmentally friendly.



Reduces on-site odors during work operations



Reduces odors while driving



Reduces odors that stay after work



The delivery of the first Morita original cabin designed with the image of "a machine that assists the heroes (fire fighters) who protect the community"

MORITA has created a new model of the Morita original cabin "Intelligent Attacker" that combines design, safety, and functionality at a high level. The new model inherits the design of Morita's original high-roof cabin Red Armor while also dramatically expanding the interior space of the cabin. It achieves a modern and powerful exterior design and evokes the image of "a machine that assists fire fighters, the heroes who protect the community."

For safety, visibility from the inside of the cabin is enhanced by placing window glass at four locations on each side of the rear of the cabin, making it easier for rear-seat crew members to confirm safety.

In terms of functionality, a deployable steps are adopted to further improve the ease of getting on and off the cabin. In addition, to achieve a large cabin space, the rear seat of the double-cab is extended to ensure the largest rear-seat space in this class. Furthermore, the rear seats secure an indoor height of 1,880 mm in consideration of crew members wearing helmets. It is also possible to choose a walk-through type cabin layout that allows for moving between front and rear seats.

The Morita original cabin "Intelligent Attacker" is available in a wide range of models, such as rescue vehicles and water tenders.

To assist firefighting and disaster relief activities, MORITA provides firefighting vehicles that are easy to use and contribute to safety and security.

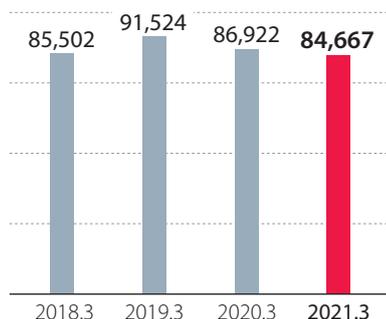


*The photo shows the first such Morita original cabin delivered to the Kasuga-Onojo-Nakagawa Fire Department in Fukuoka Prefecture in February 2021.

Financial Highlights (Consolidated)

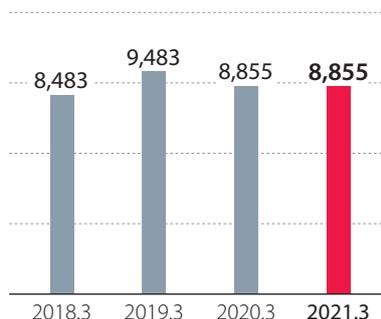
Net sales

Unit: Millions of yen



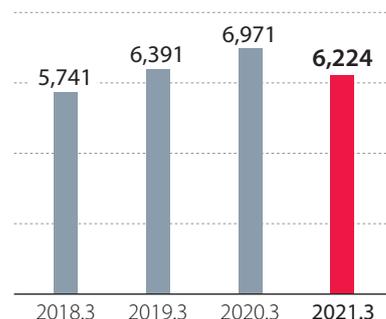
Operating income

Unit: Millions of yen



Profit attributable to owners of parent

Unit: Millions of yen



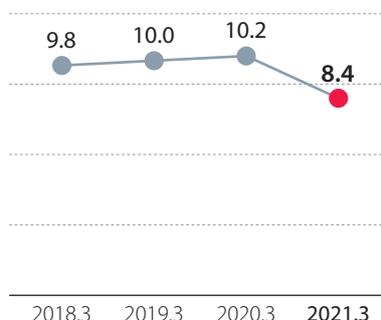
Operating income to net sales

Unit: %



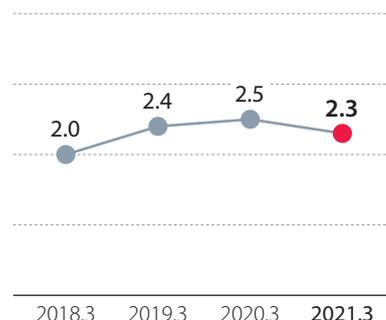
Return on equity (ROE)

Unit: %



Dividend on equity ratio (DOE)

Unit: %



Performance by Segment

Fire Protection Equipment & Systems Business

Net sales
18,035 million yen
Year on year **Down 8.8%**

Operating income
988 million yen
Year on year **Down 42.5%**

Due to sluggish sales of the automatic fire extinguishing system, sales and income decreased.

Fire Fighting Vehicles Business

Net sales
51,784 million yen
Year on year **Up 1.5%**

Operating income
6,621 million yen
Year on year **Up 15.8%**

Due to the solid domestic sales, sales and income increased.

Environmental Conservation Vehicles Business

Net sales
10,870 million yen
Year on year **Up 1.1%**

Operating income
882 million yen
Year on year **Up 0.2%**

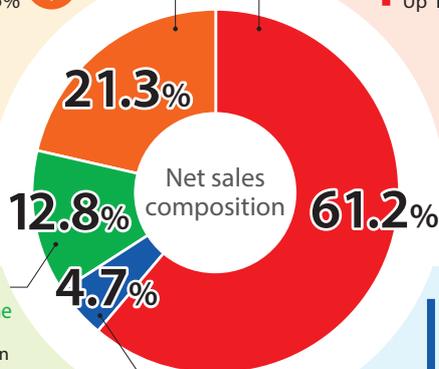
Due to the solid sales of products, sales and income increased.

Recycling Machines Business

Net sales
3,977 million yen
Year on year **Down 26.0%**

Operating income
308 million yen
Year on year **Down 39.3%**

Due to sluggish sales of products, sales and income decreased.



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	Mitsuru Ito

Information about the Stock

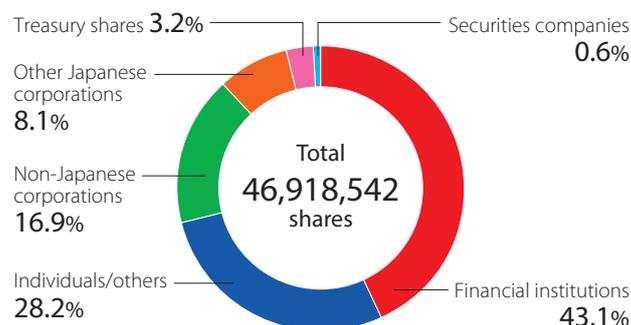
Fiscal Year	April 1 to March 31
Annual General Meeting of Shareholders	June
Reference Dates	Annual General Meeting of Shareholders - March 31 Year-end Dividend - March 31 Interim Dividend - September 30 Other dates published in advance as necessary
Method of Public Notice	Posted as electronic public 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 Exchang 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, fire fighting 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, 2021



Major Shareholders (Top 10)

As of March 31, 2021

Name	No. of shares (thousand)
The Dai-ichi Life Insurance Company, Limited	3,265
The Master Trust Bank of Japan, Ltd. (Trust account)	2,345
Morita Trading-Partner Shareholding Association	2,288
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. (Trust account)	1,769
AIR WATER INC.	1,730
NORTHERN TRUST CO. (AVFC) RE HCR00	1,017

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.