

Financial Results for FY2022

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
(Consolidated)** : **81.3 bil. JPY
(for the year ended March 31, 2023)**
- **Employees
(Consolidated)** : **1,755
(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

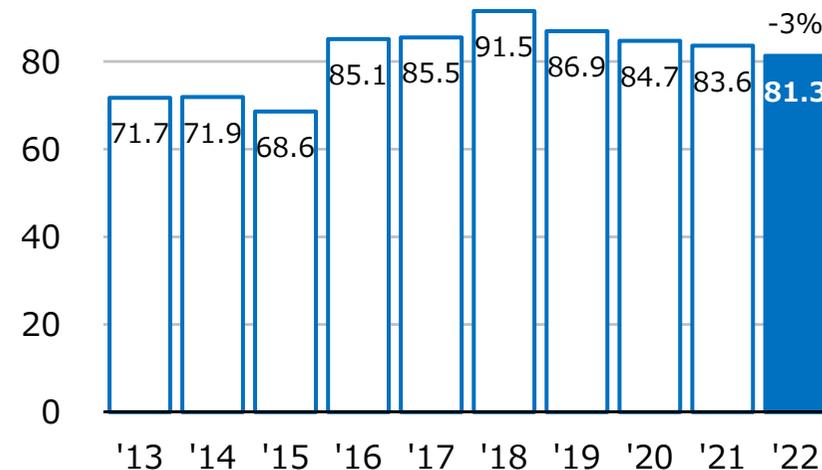
Consolidated Statements of Income



(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.

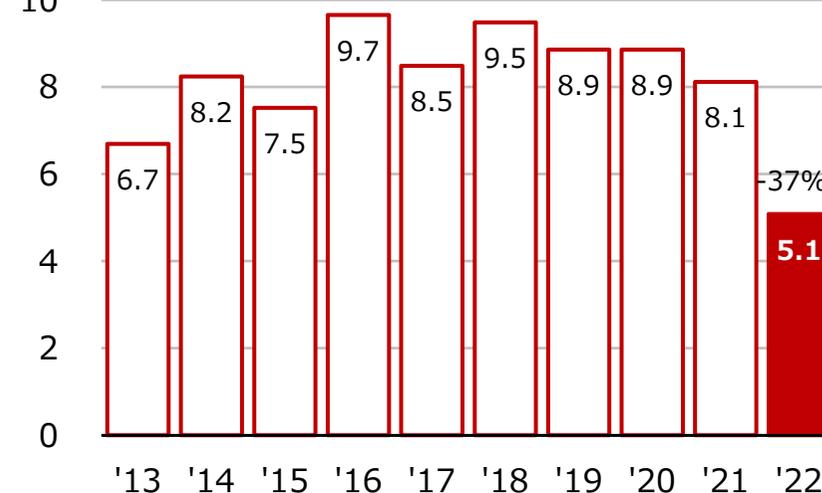
bil. JPY
100

Net Sales



bil. JPY
10

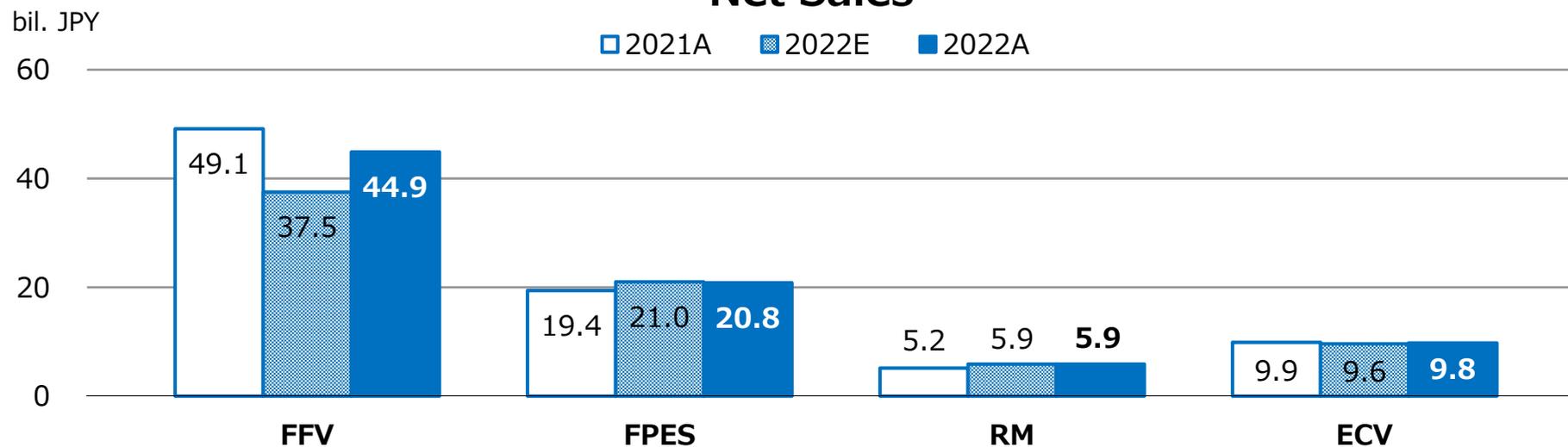
Operating Income



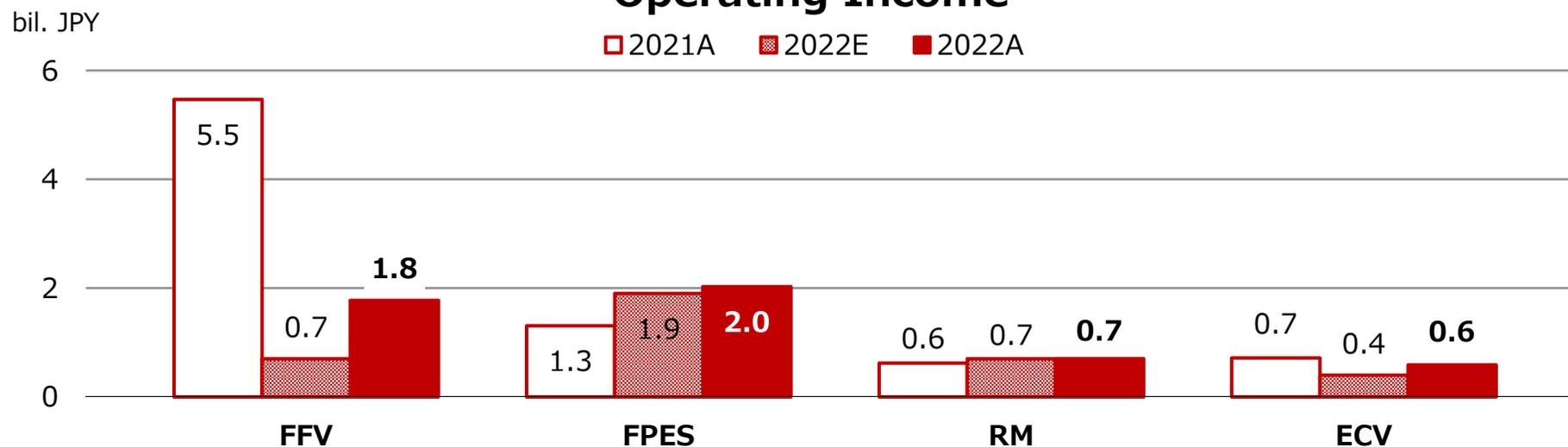
Performance by Segment



Net Sales



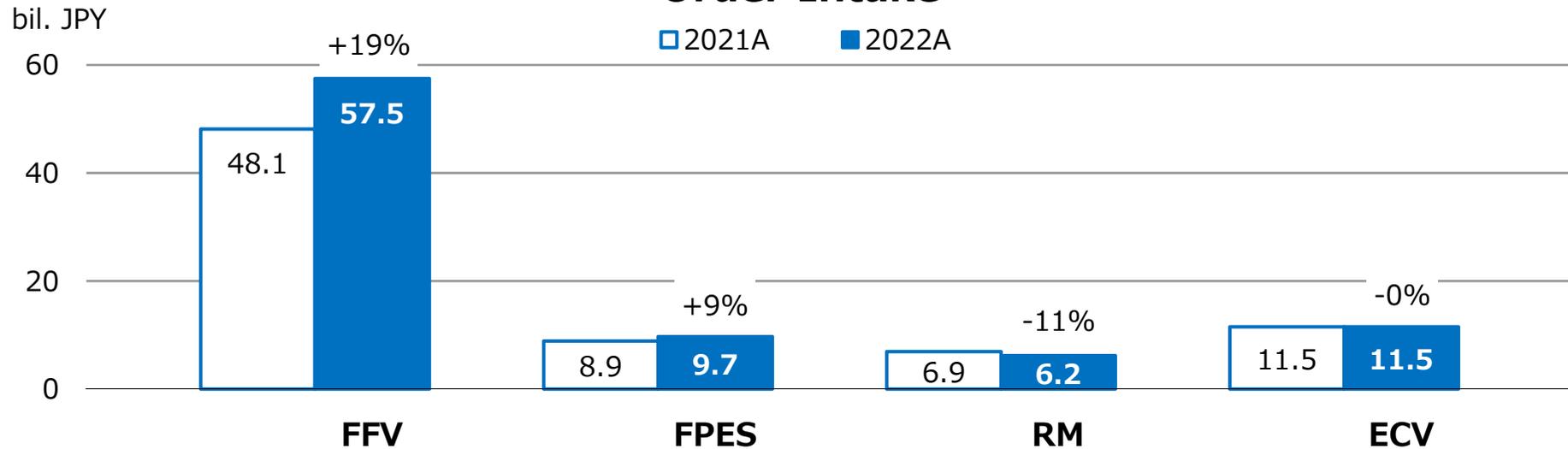
Operating Income



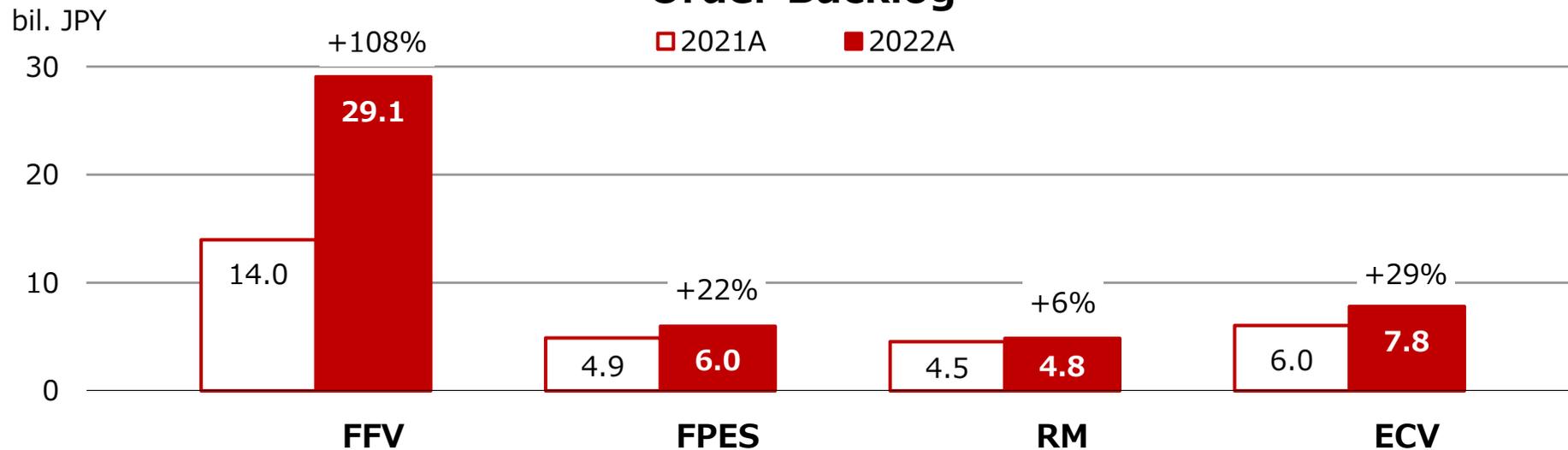
Orders by Segment



Order Intake



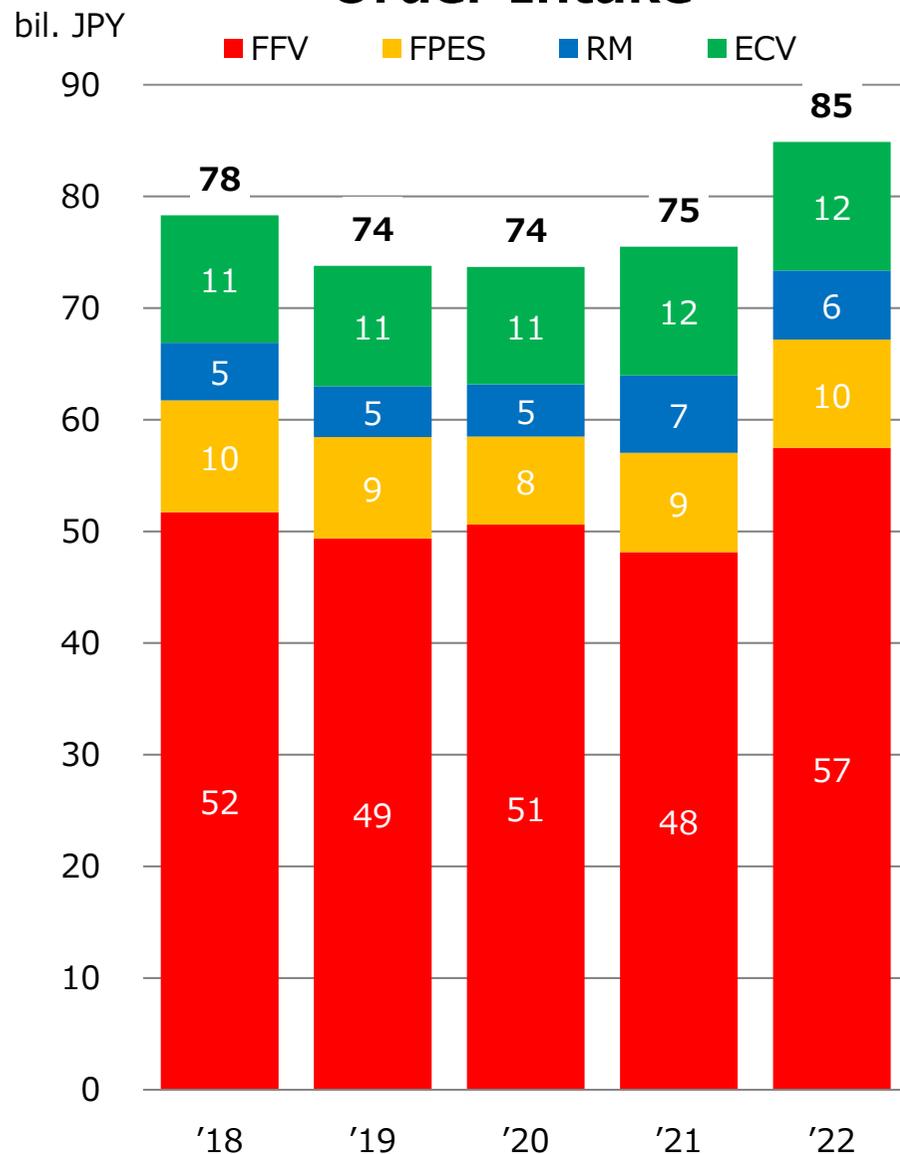
Order Backlog



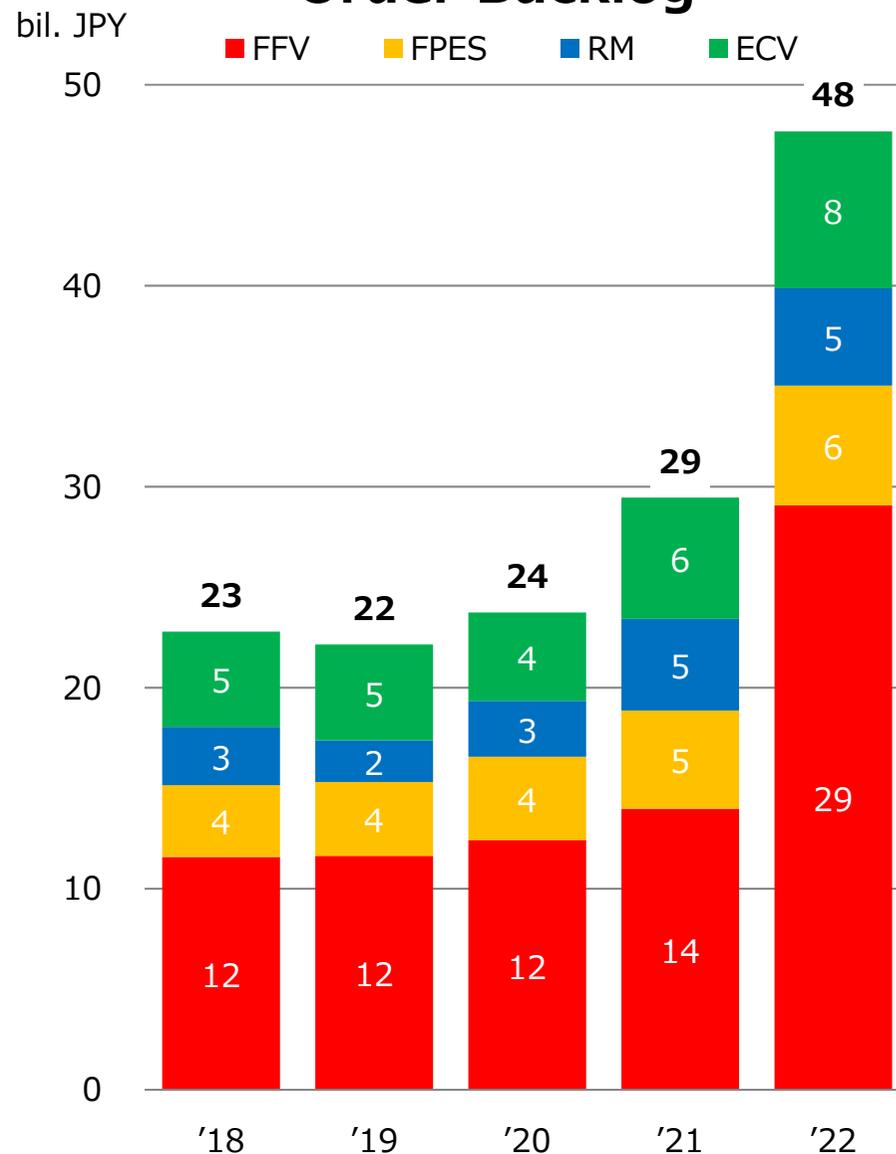
Orders and Backlog



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.



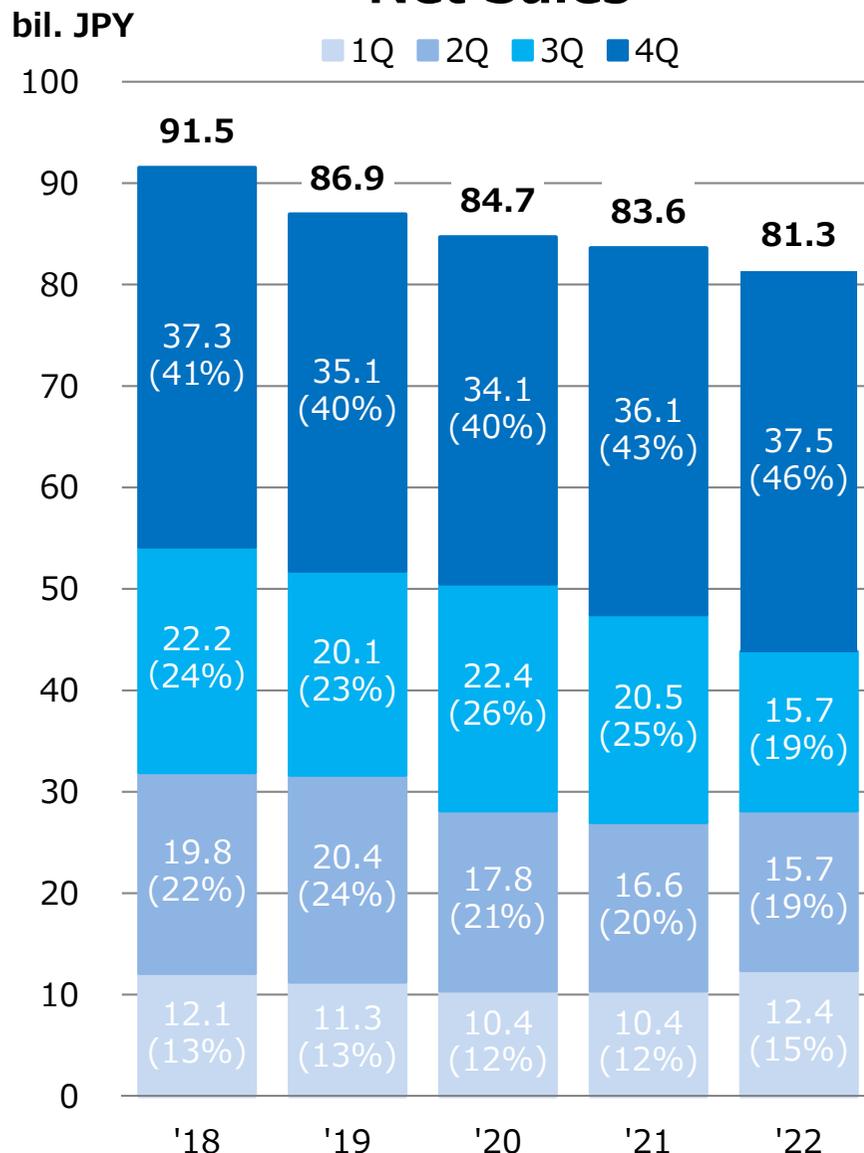
Environmental Conservation Vehicles

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.

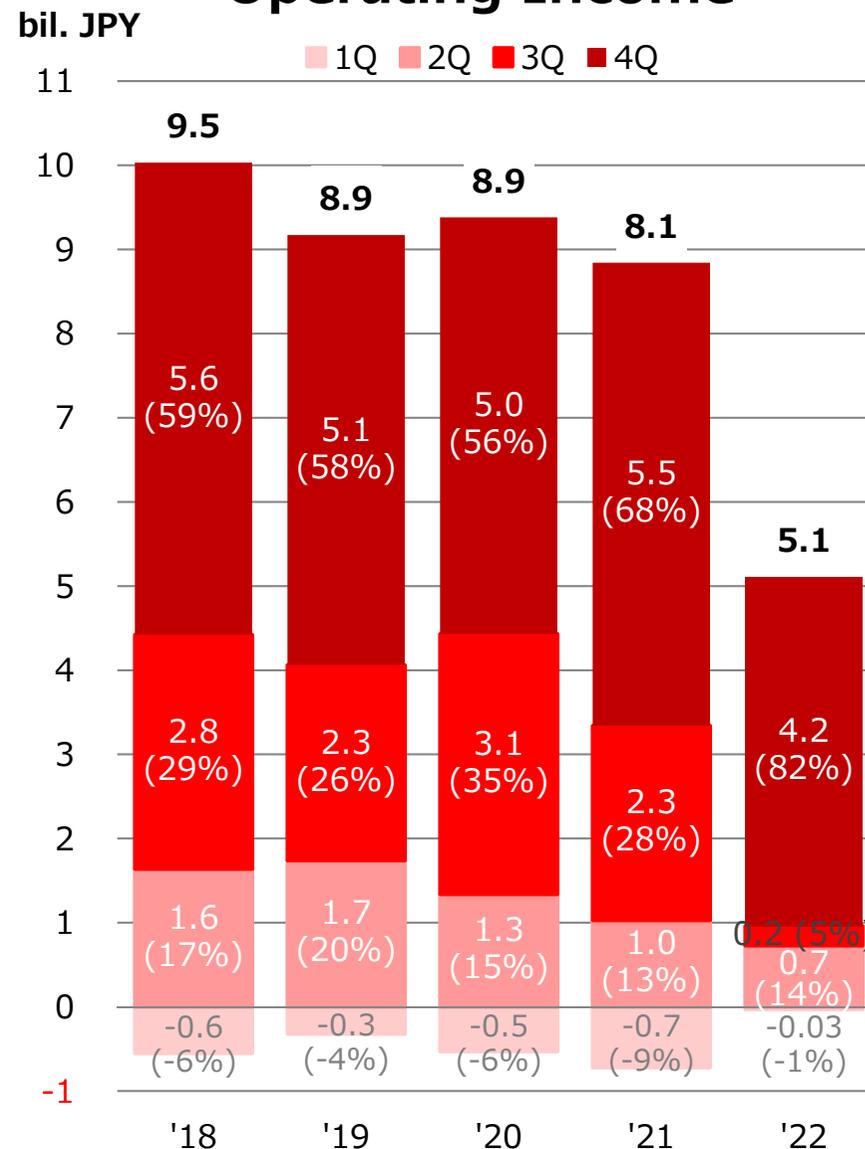
Performance Composition by Quarter



Net Sales



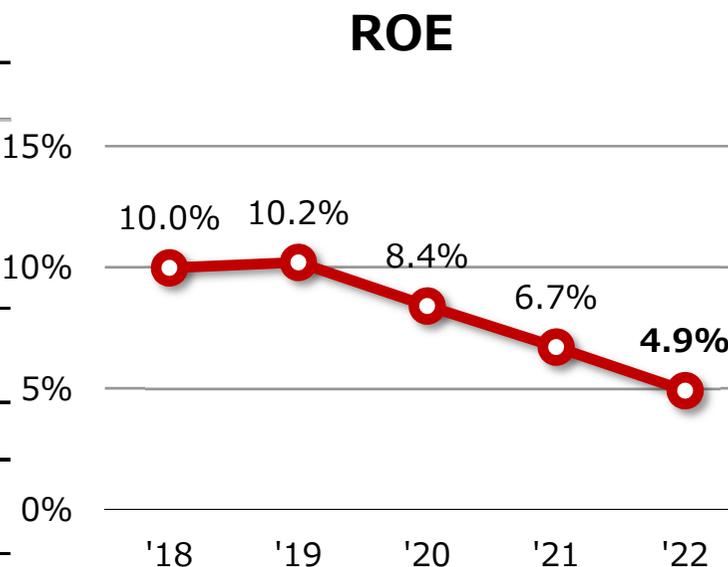
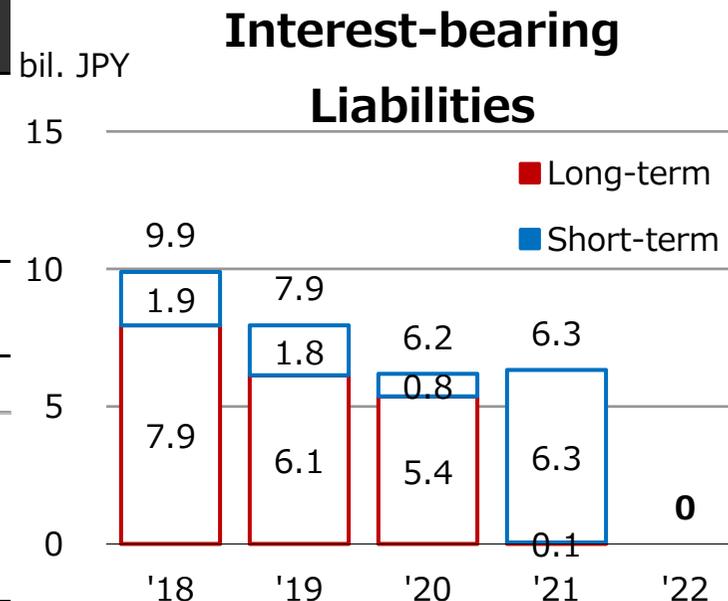
Operating Income



Consolidated Balance Sheets



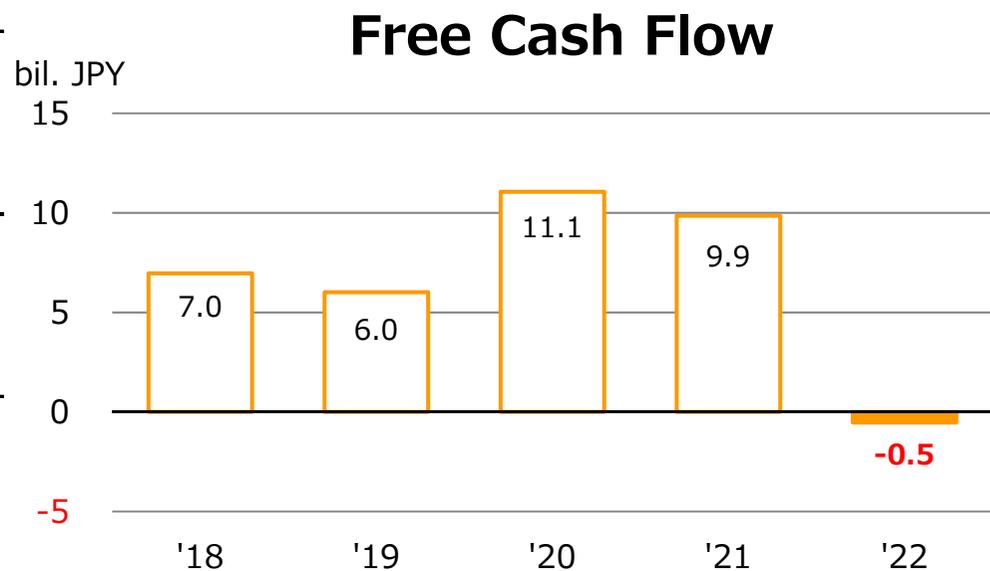
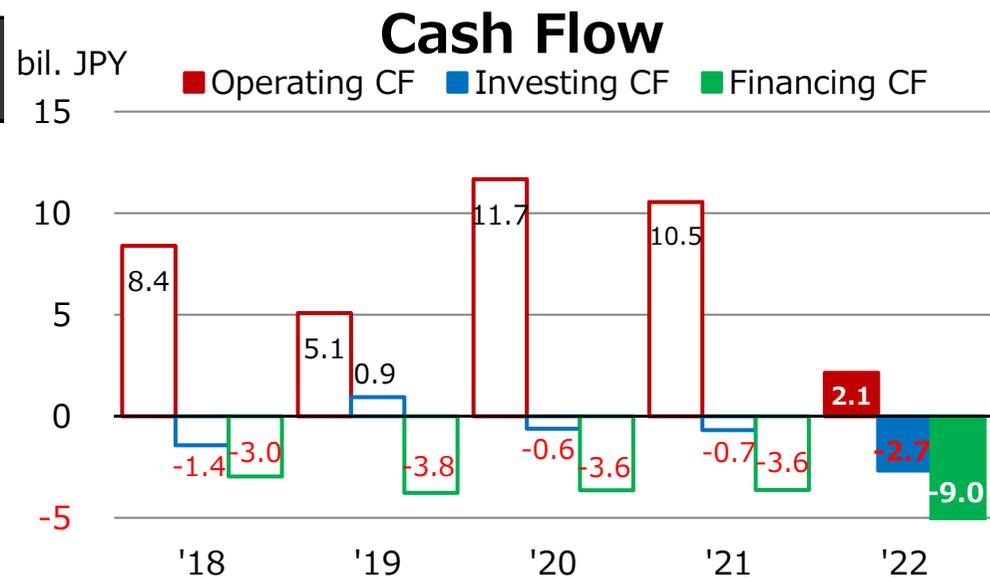
(bil. JPY)	2021		2022		Change	
Current Assets	71.6	57.2%	70.8	57.1%	-0.9	-0.1pt.
Non-Current Assets	53.5	42.8%	53.2	42.9%	-0.3	+0.1pt.
Total Assets	125.2	100.0%	124.0	100.0%	-1.2	
Current Liabilities	33.1	26.5%	30.3	24.5%	-2.8	-2.0pt.
Non-Current Liabilities	10.1	8.1%	9.5	7.6%	-0.7	-0.5pt.
Total Liabilities	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.
Minority Interests	1.0	0.8%	1.0	0.8%	+0.0	+0.0pt.
Total Net Assets	81.9	65.4%	84.2	67.9%	+2.3	+2.5pt.
Total Liabilities & Net Assets	125.2	100.0%	124.0	100.0%	-1.2	



Consolidated Statement of Cash Flows

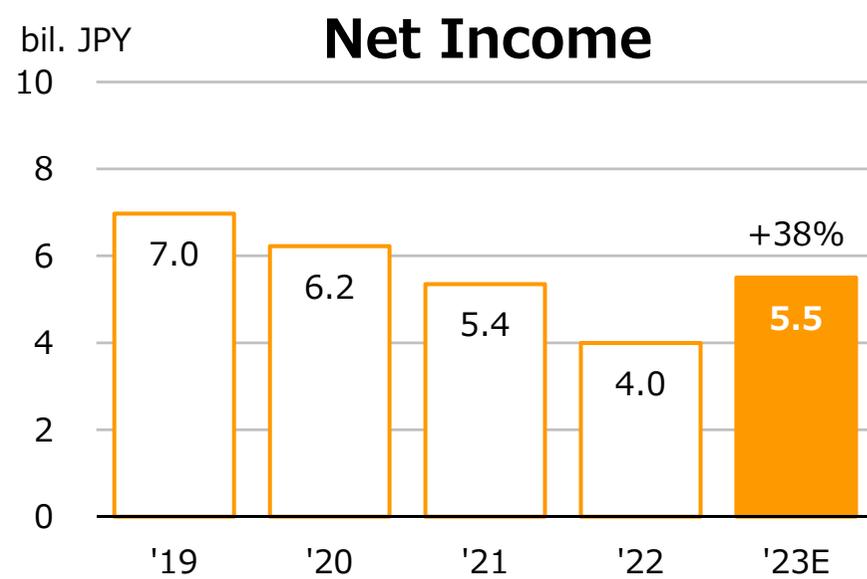
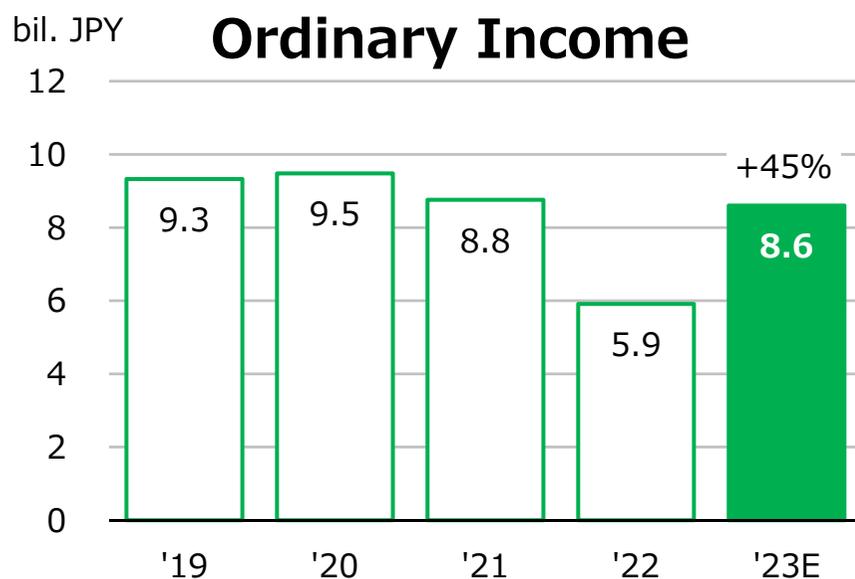
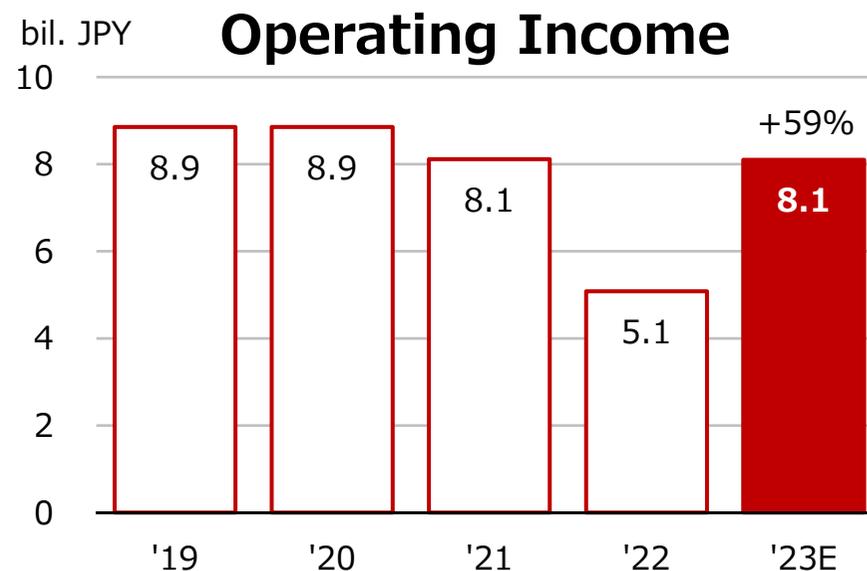
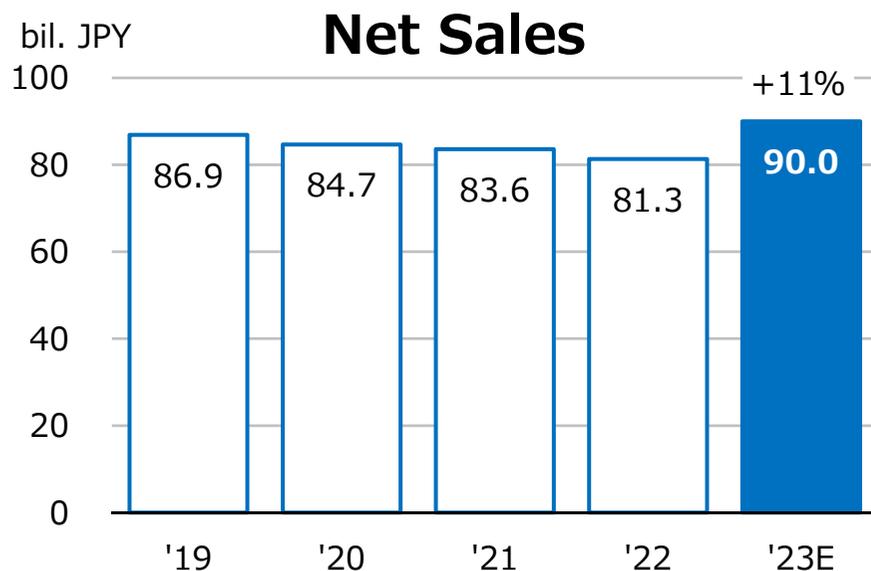


(bil. JPY)	2021	2022	Change
Operating Activities	10.5	2.1	-8.4
Investing Activities	-0.7	-2.7	-2.0
Financing Activities	-3.6	-9.0	-5.3
Net Increase/Decrease in Cash and Cash Equivalents	6.3	-9.5	-15.8
Cash and Cash Equivalents at beginning of year	22.8	29.1	+6.3
Cash and Cash Equivalents at end of year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



II. Financial Outlook for FY2023

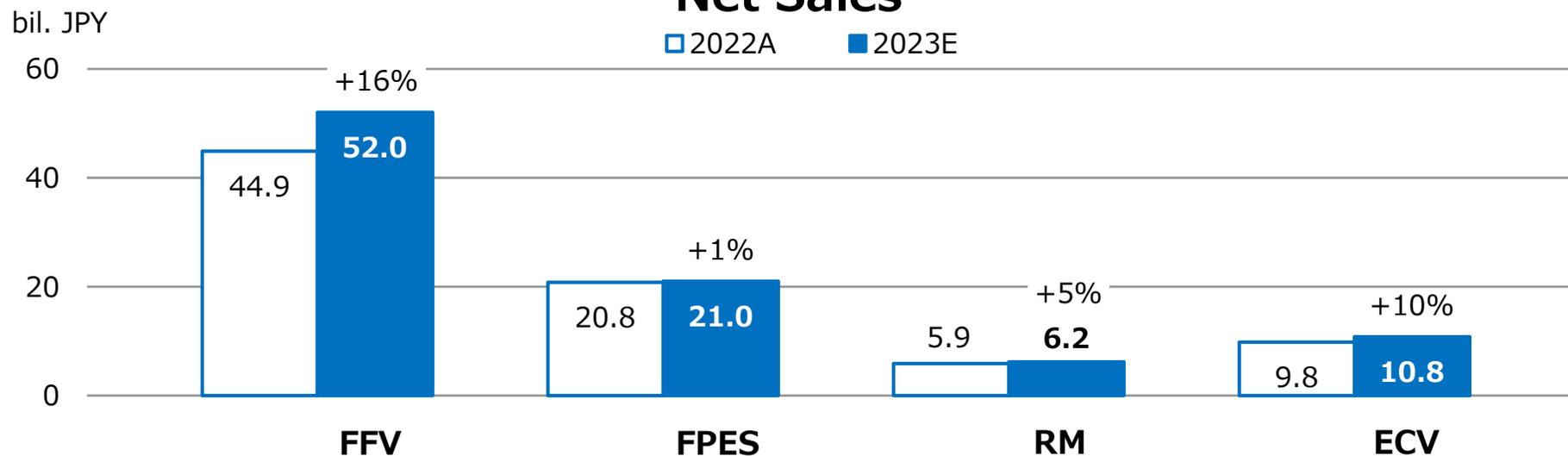
Outlook for Consolidated Performance



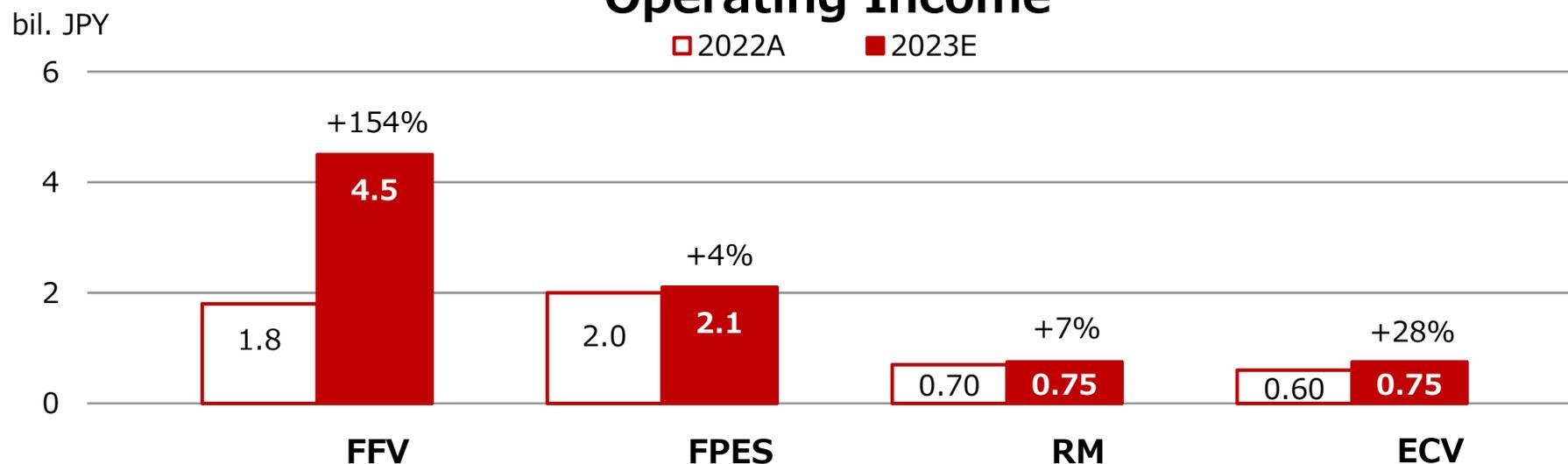
Outlook for Segment Performance



Net Sales



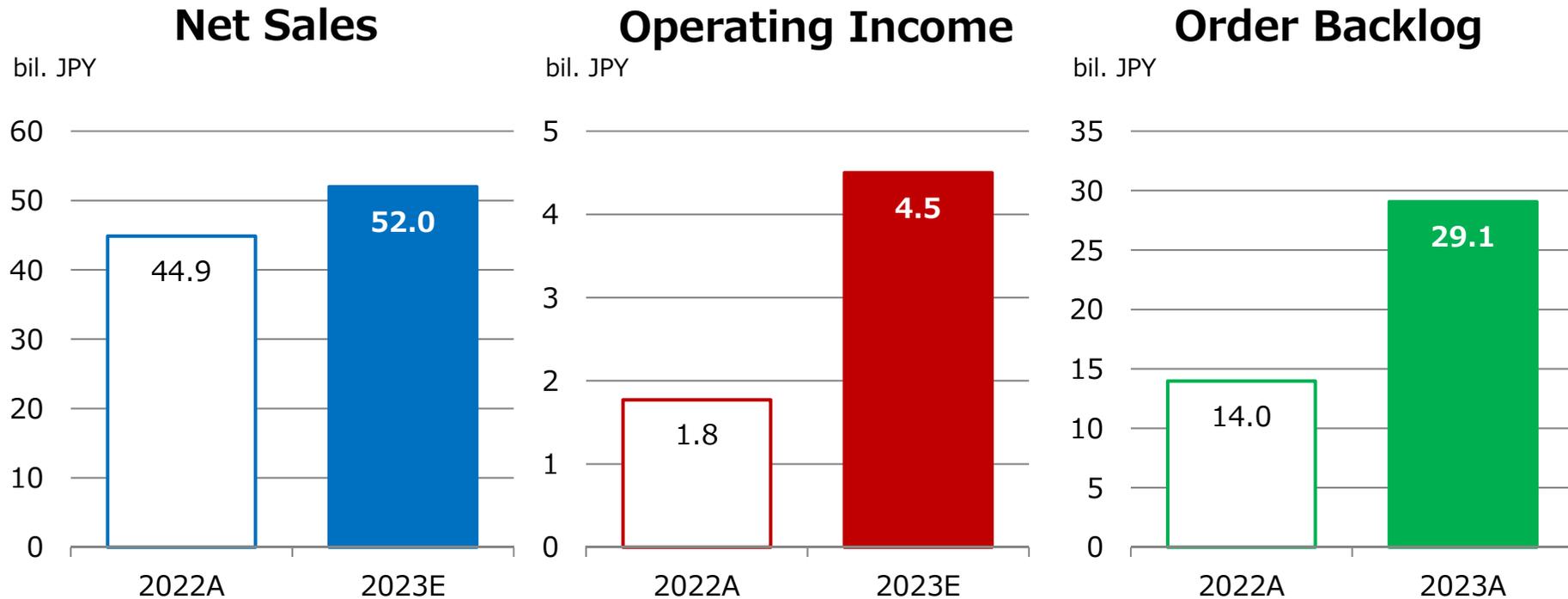
Operating Income



III. Performance by Segment



Fire Fighting Vehicles

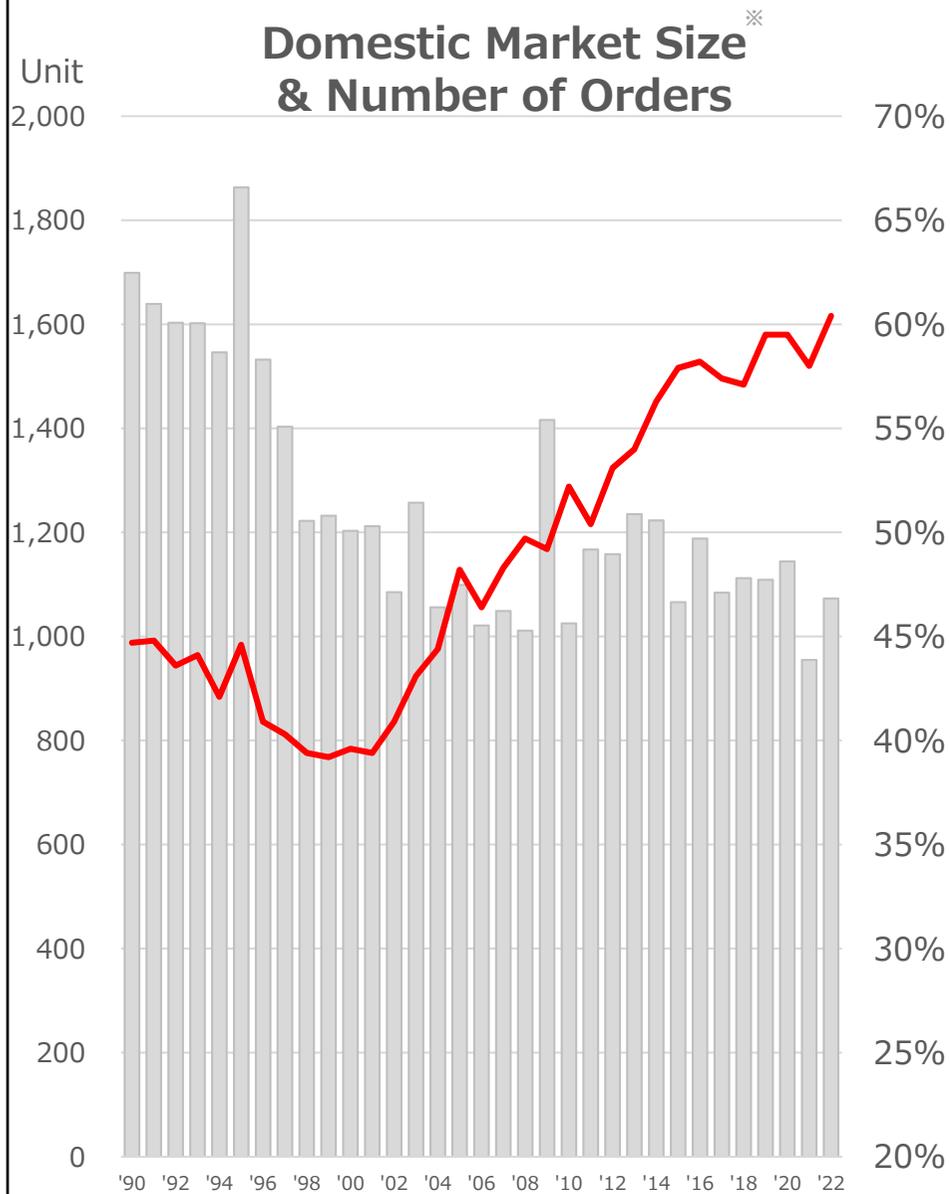


● Outlook for FY2023

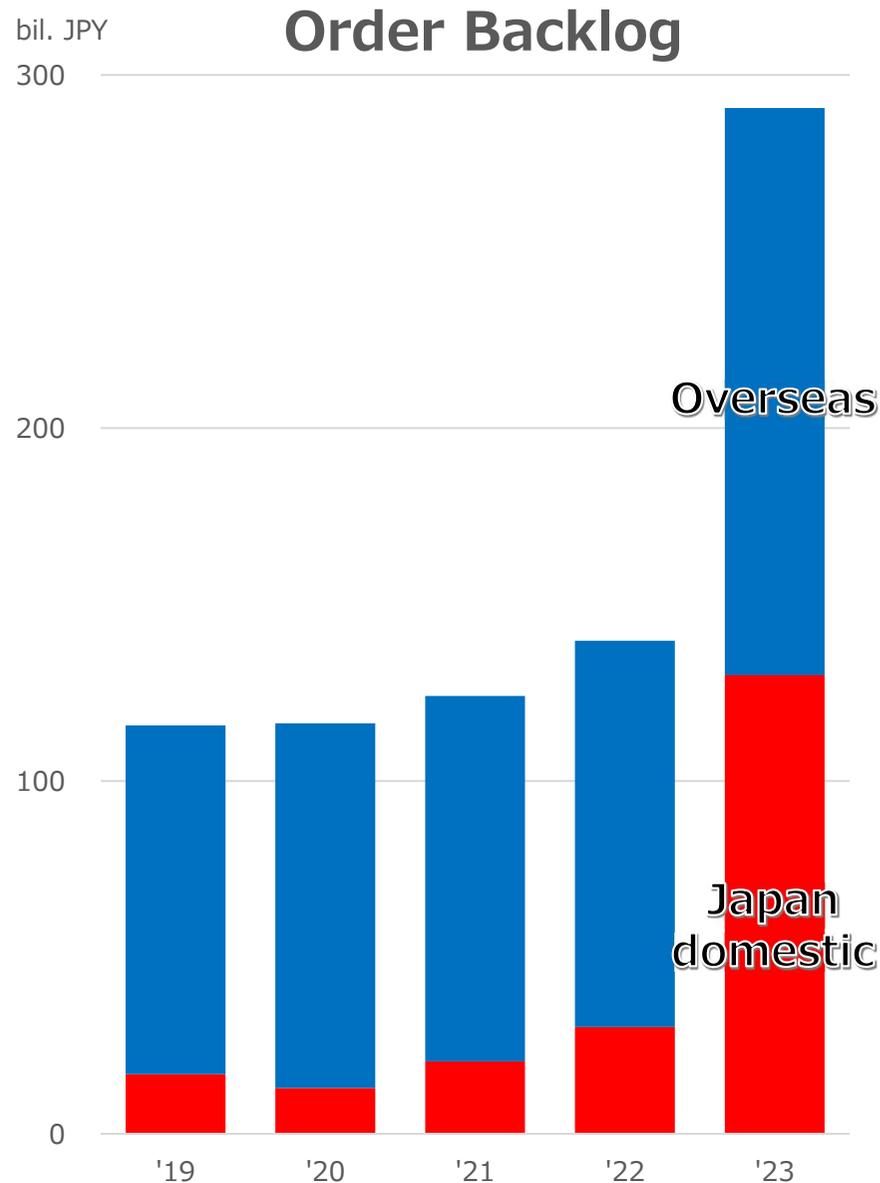
- Sales and operating income are forecasted to increase both domestic and overseas as the chassis supply gradually recovers, resulting in an overall increase in sales and operating income.
- Some firefighting vehicles orders in domestic market are forecasted to be carried over to the next fiscal year,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



Fire Fighting Vehicles



※ Internal investigation





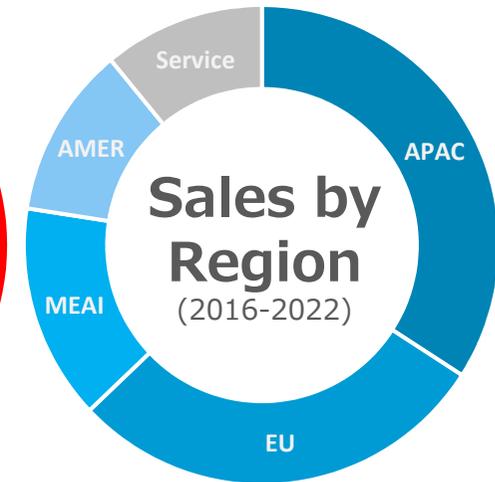
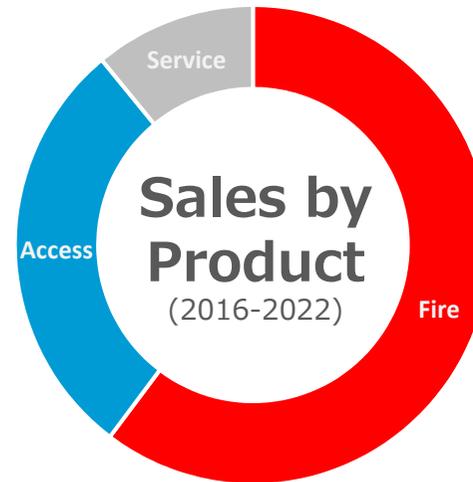
Fire Fighting Vehicles



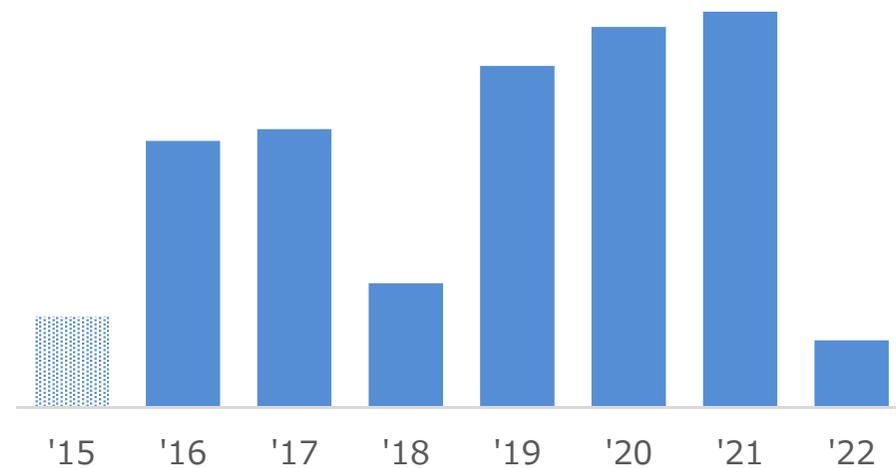
Fire and rescue

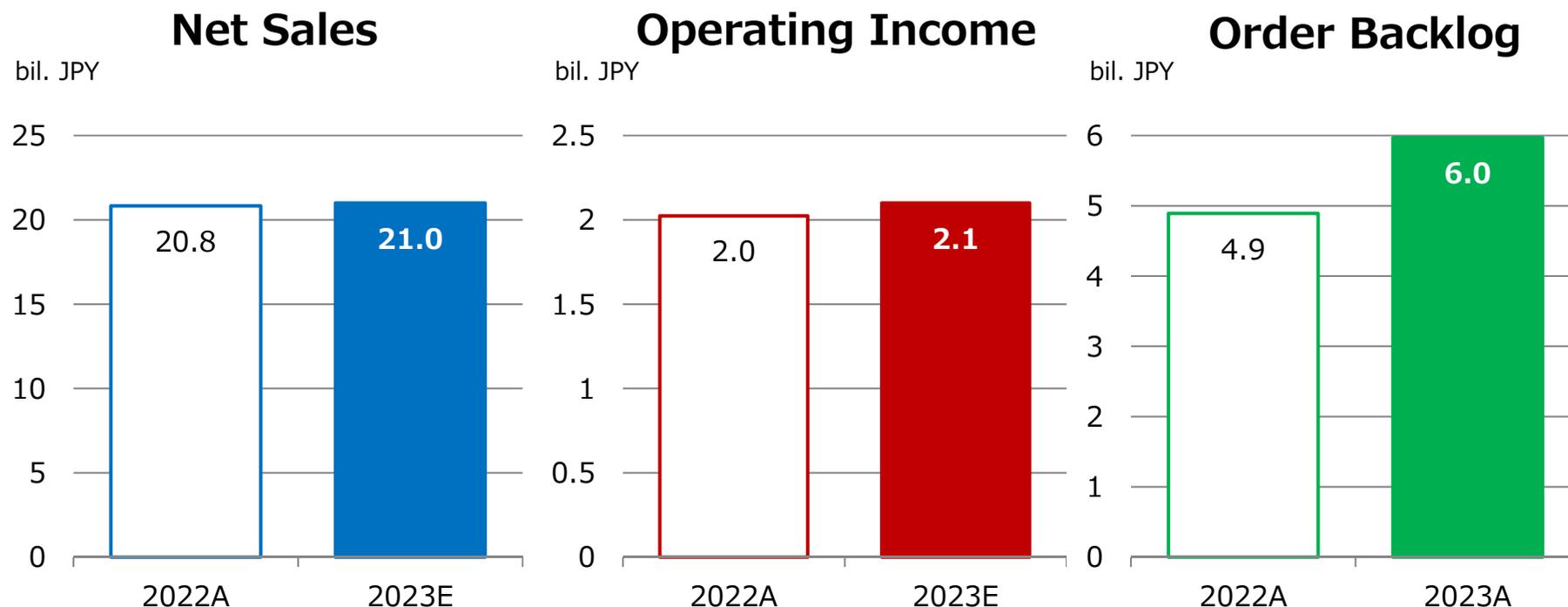


Access



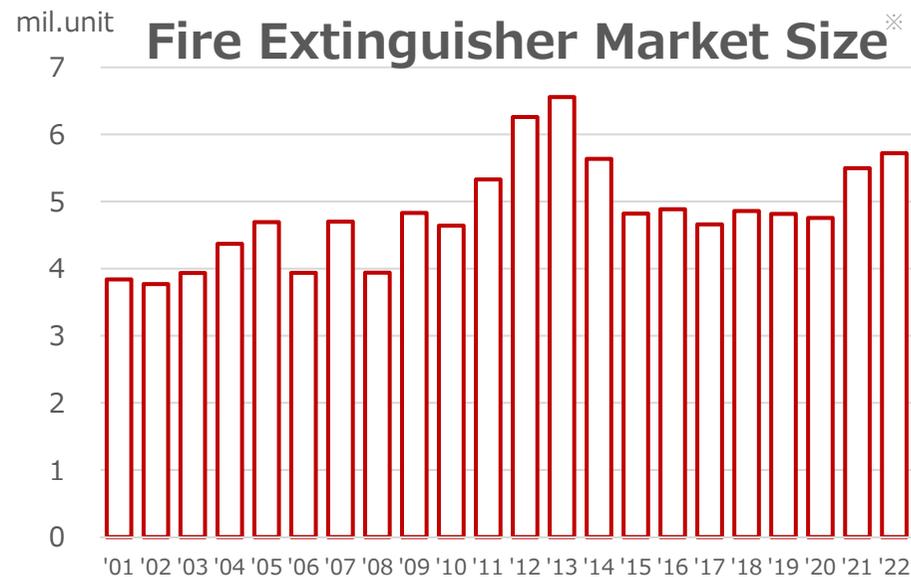
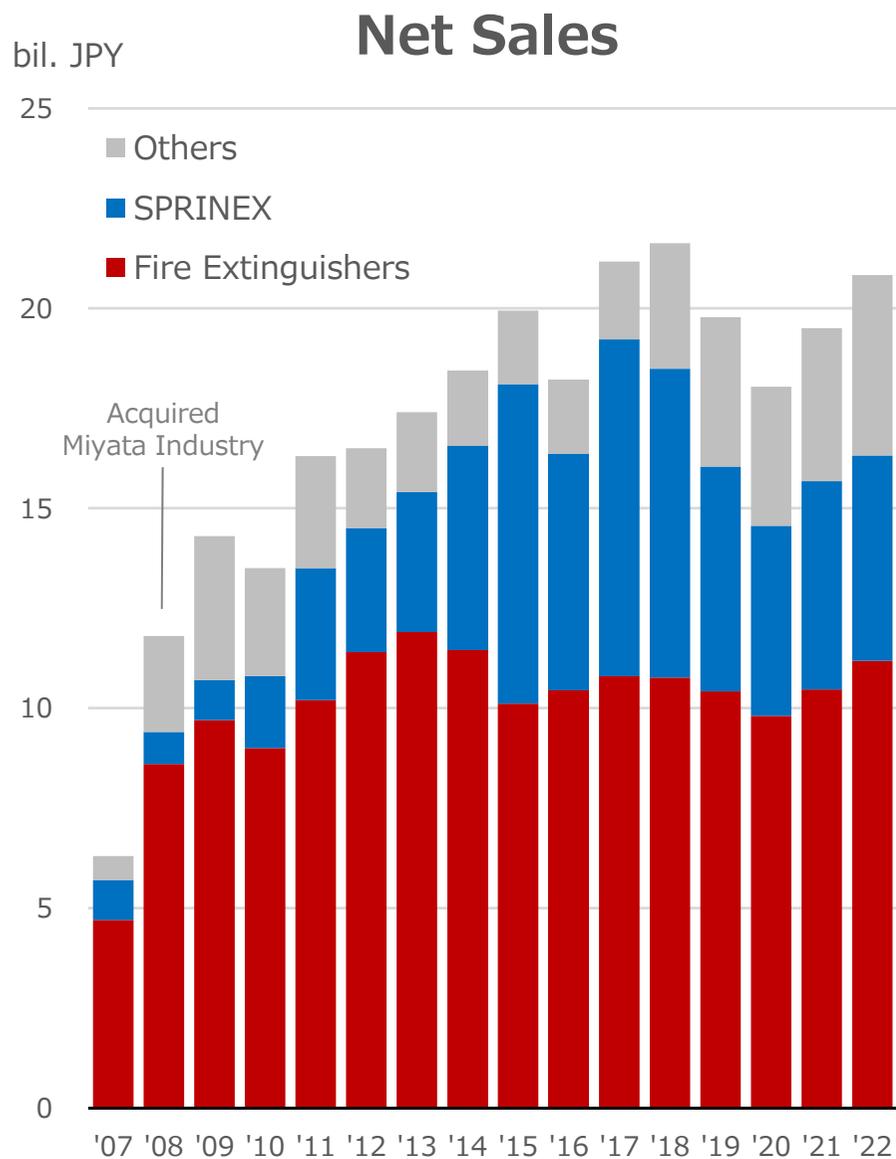
Operating Income





● 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.



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

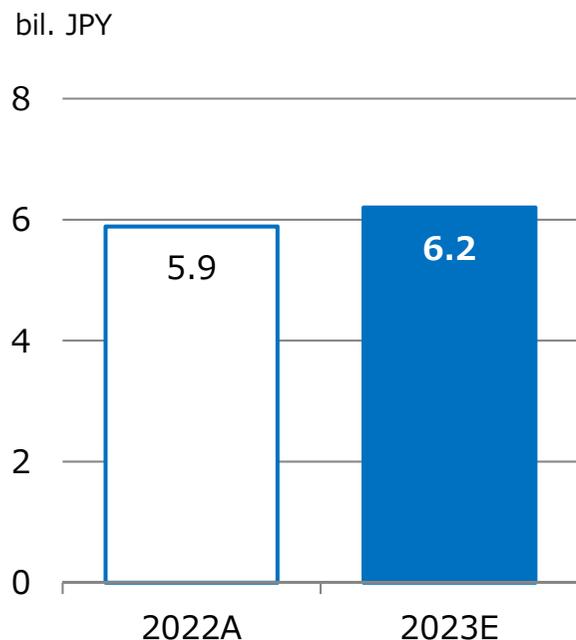
* Internal investigation



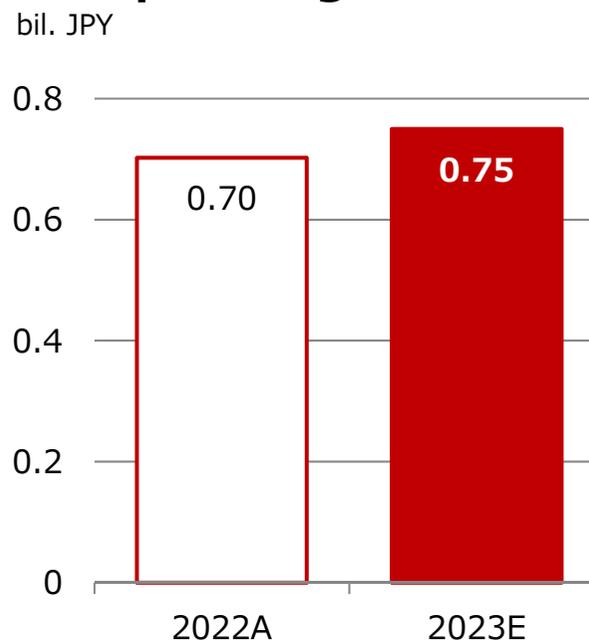
Recycling Machines



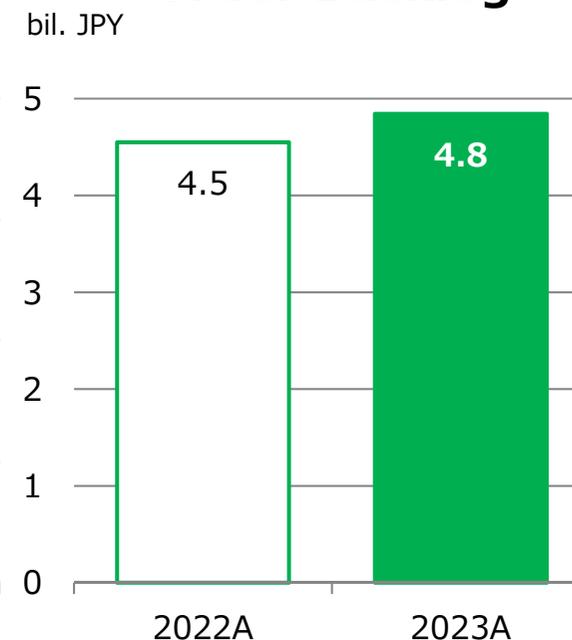
Net Sales



Operating Income



Order Backlog



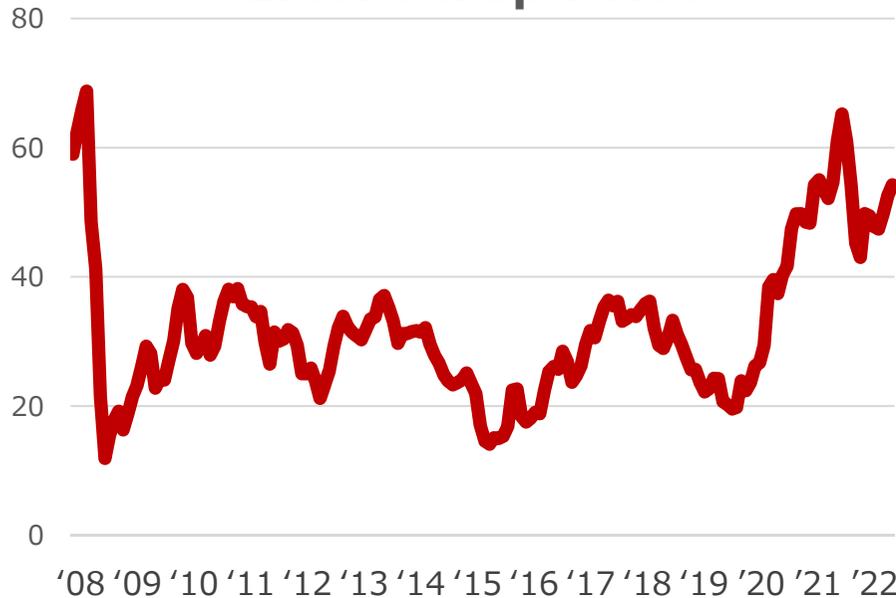
● Outlook for FY2023

- 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.

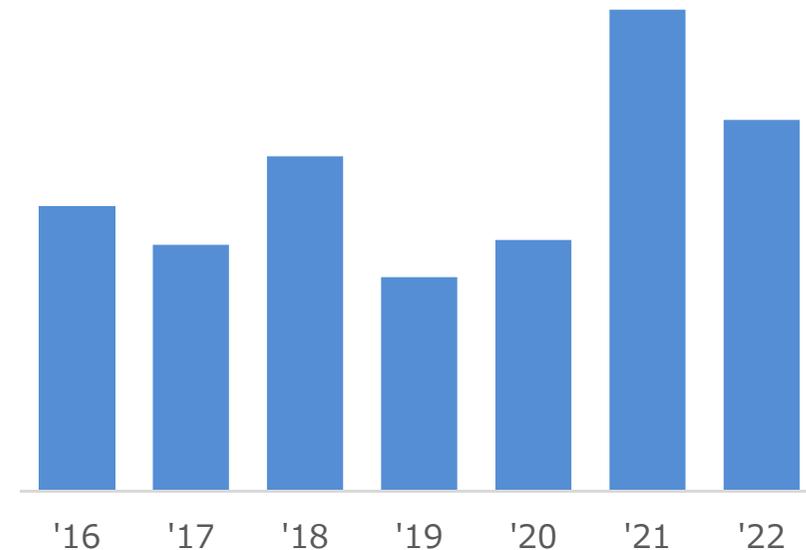


thou. JPY/t

Iron Scrap Price [※]

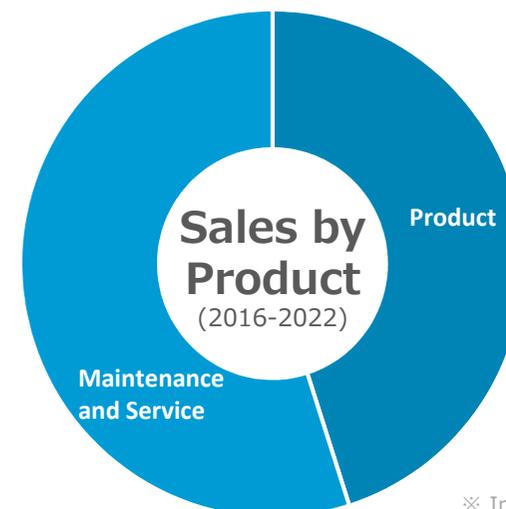


Product Order Intake

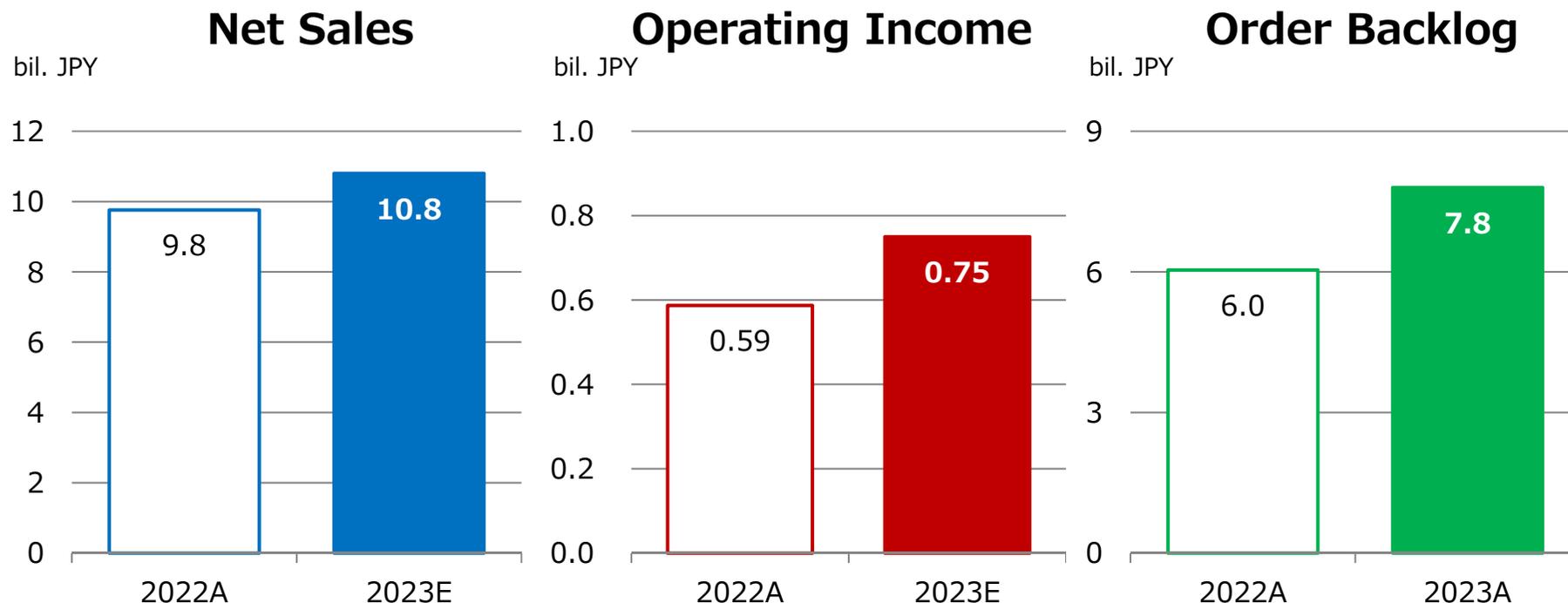


Iron scrap reevaluated internationally

- 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



● Outlook for FY2023

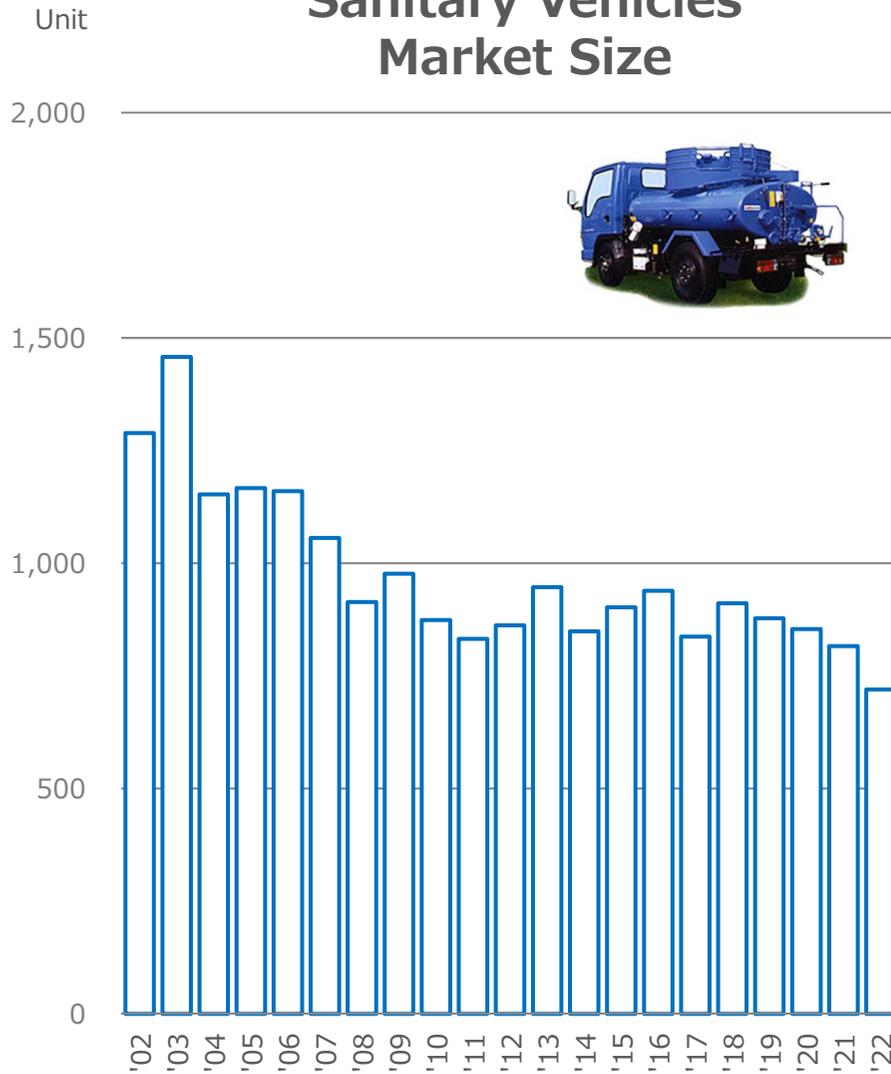
- Sales and operating income are forecasted to increase as the chassis supply gradually recovers and the order backlog at the beginning of the period contributes to sales.



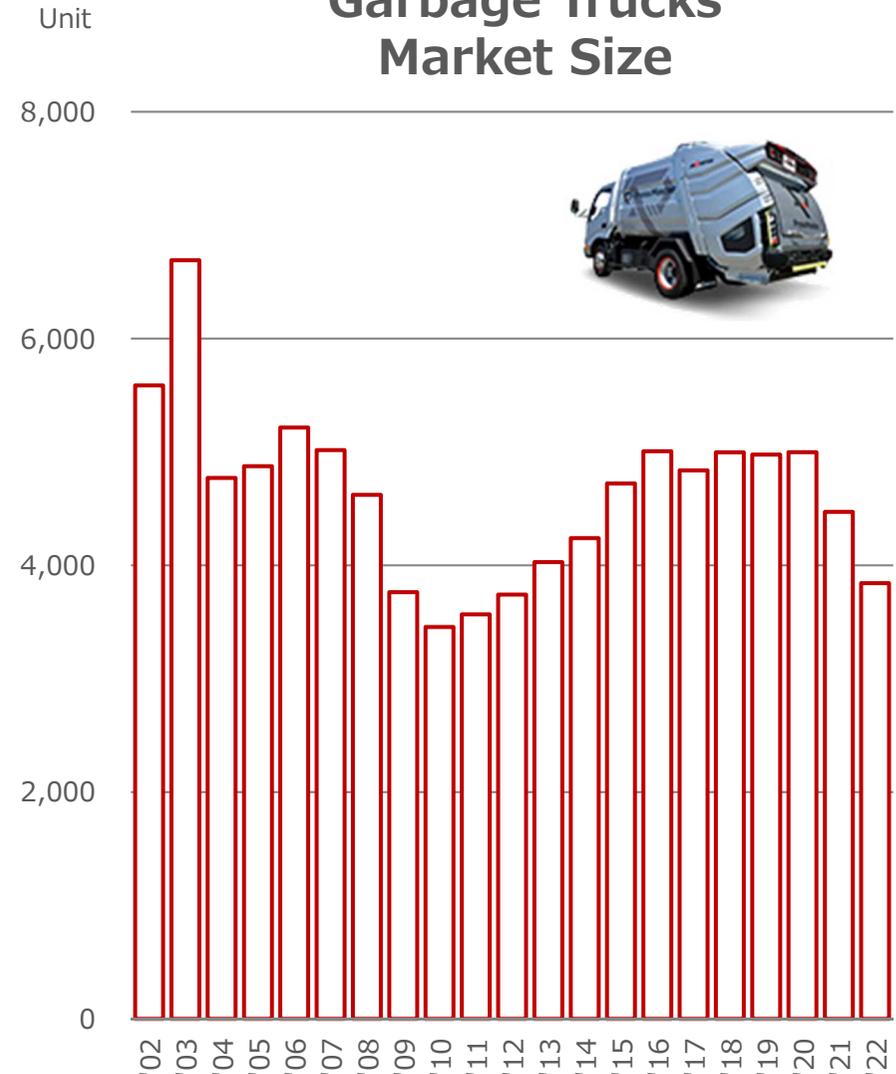
Environmental Conservation Vehicles



Sanitary Vehicles[※] Market Size



Garbage Trucks[※] Market Size



※ Internal investigation

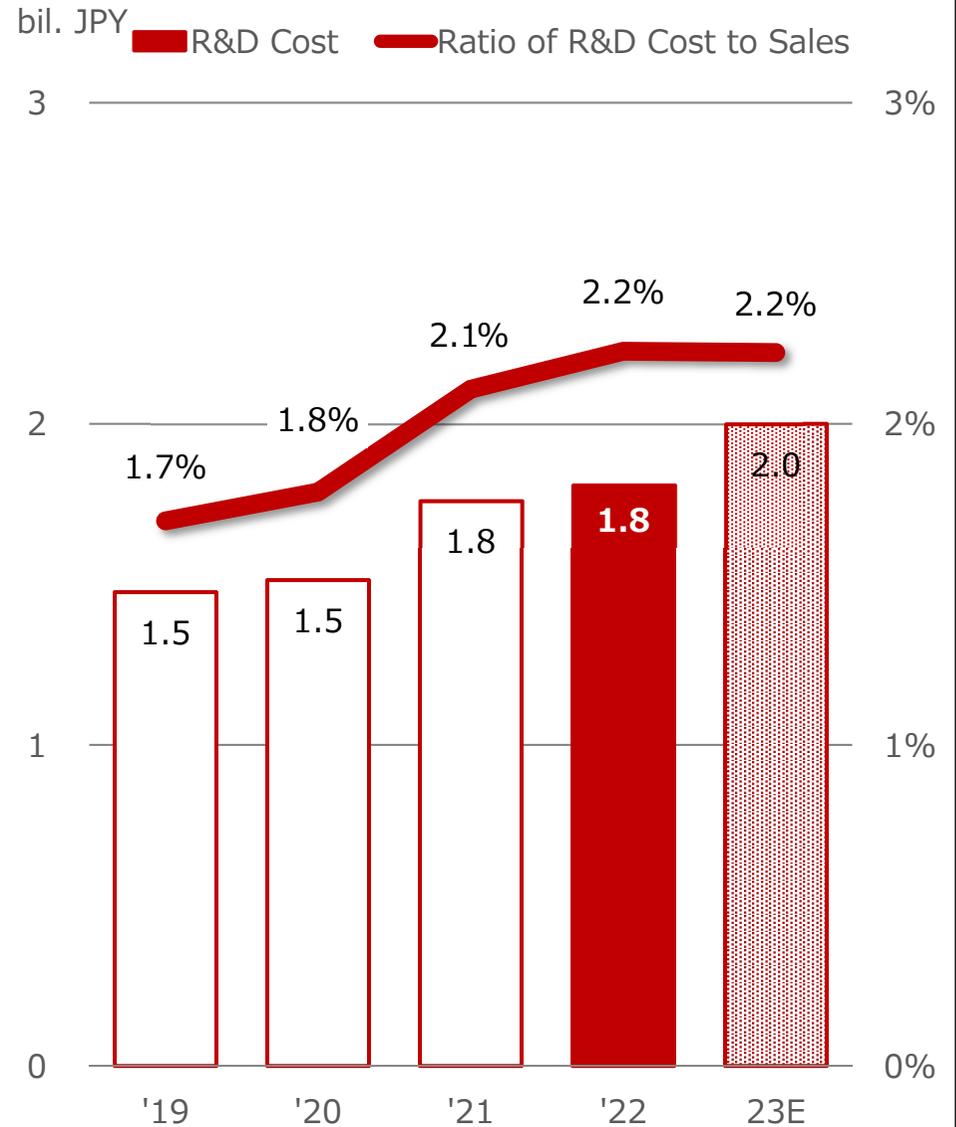
IV. Investment & Shareholder Return

Capital Expenditure · Depreciation · R&D Cost **MORITA**

Capital Expenditure · Depreciation



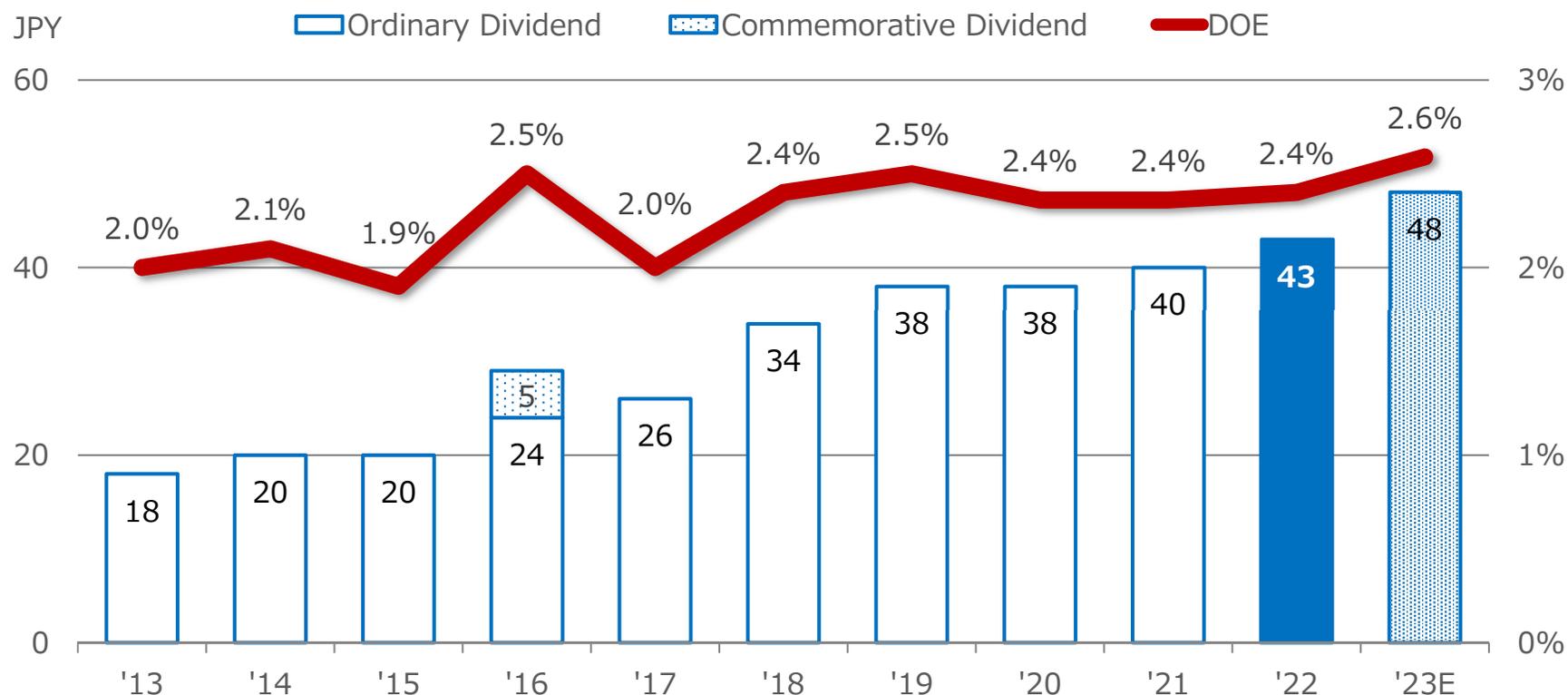
R&D Cost



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 for 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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