

FY2023 Financial Results

(April 1 ,2023 to March 31,2024)

Broad-line provider
of logistics equipment
headquartered
in Kyoto, Japan.



Logisnext solutions are supporting logistical
operations throughout the world.



May 29, 2024
Mitsubishi Logisnext Co., Ltd.

Logisnext

FY2023
Summary of Financial Results

MITSUBISHI LOGISNEXT

Takatoshi Uno
Director, Senior Executive Officer
CFO

1. Key Points in FY2023 Results

Forklift Market Conditions

- The domestic market remained firm at pre-COVID-19 levels.
- Overseas, demand immediately decreased in reaction to the temporary special demand after COVID-19, but is currently recovering.
- Competition is intensifying due to the entry of Li-ion battery (LiB) equipped models from China.

Status of Mitsubishi Logisnext

- All numerical targets specified in the previous “LS23” medium-term management plan were achieved and net sales and profits reached record levels.
- Lengthening lead times were shortened to nearly appropriate levels through production improvements. The order backlog has not yet reached an appropriate level only in the U.S., where there was a 9-month backlog at the end of March 2024.

Performance Overview

- Net sales increased by 14.0% YoY due to the expanded effects of price optimization in Japan and overseas and the contribution of the impact of yen depreciation.
- Operating profit before amortization of goodwill increased 111.5% YoY due to the contribution of accelerating shipments in the Americas and the expanded effects of price optimization in Japan and overseas.

Net Sales
701.7 B yen
YoY +14.0%

Operating Profit*
52.8 B yen
YoY +111.5%

Profit Attributable to Owners of Parent
27.5 B yen
YoY +298.0%

2. Review of the "LS23" Medium-Term Plan

"Logisnext Solutions 2023" Medium-Term Management Plan (abbreviated "LS23")

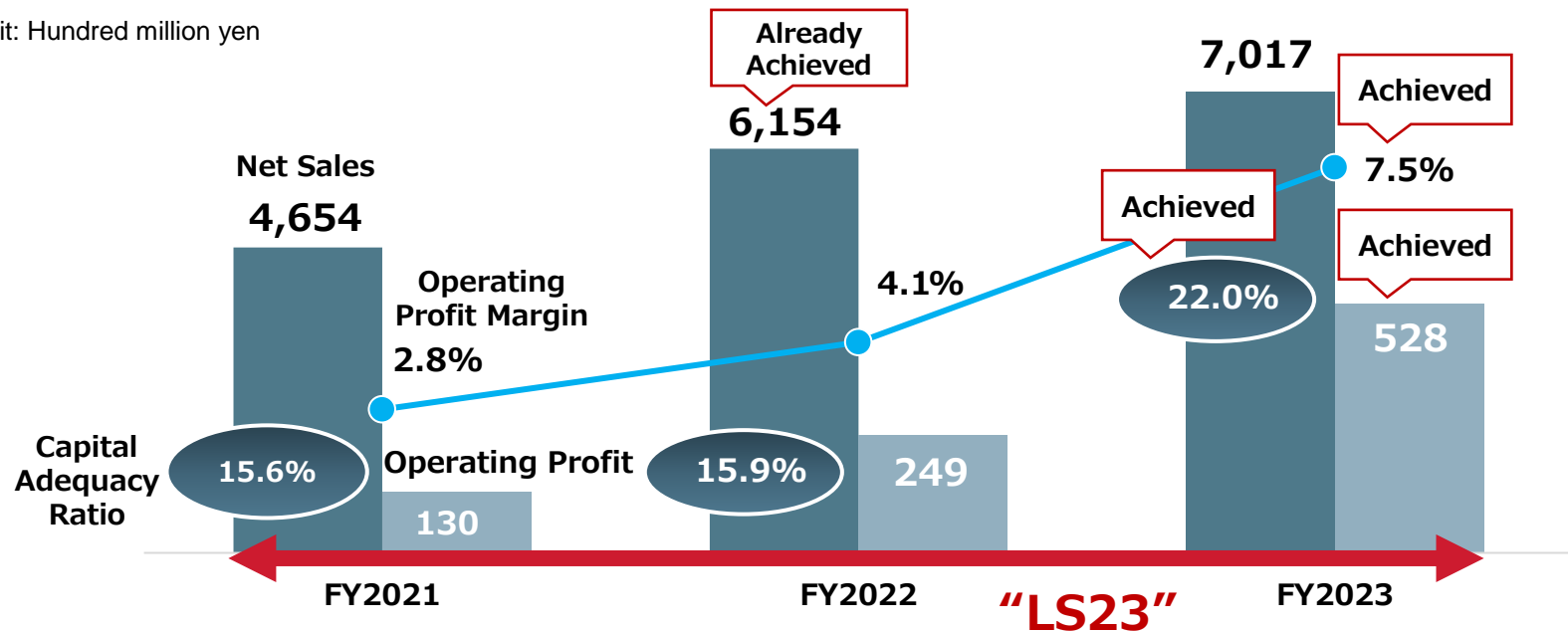
Build up Business Resilience

Accelerate Growth Strategy

Further Develop Global and Regional Branding Strategies

- ✓ Net sales of 500 billion yen
 - ✓ Operating profit* of 30 billion yen and operating profit margin* of 6% (*before amortization of goodwill)
 - ✓ Capital adequacy ratio of 20% or more
- ⇒ Net sales already achieved in FY22.
- ⇒ Operating profit, operating profit margin, and capital adequacy ratio achieved in FY23.

Unit: Hundred million yen



3. Financial Highlights

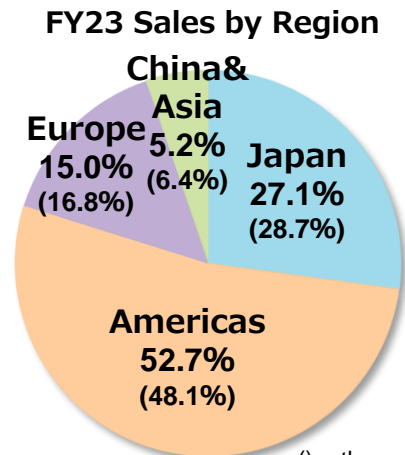
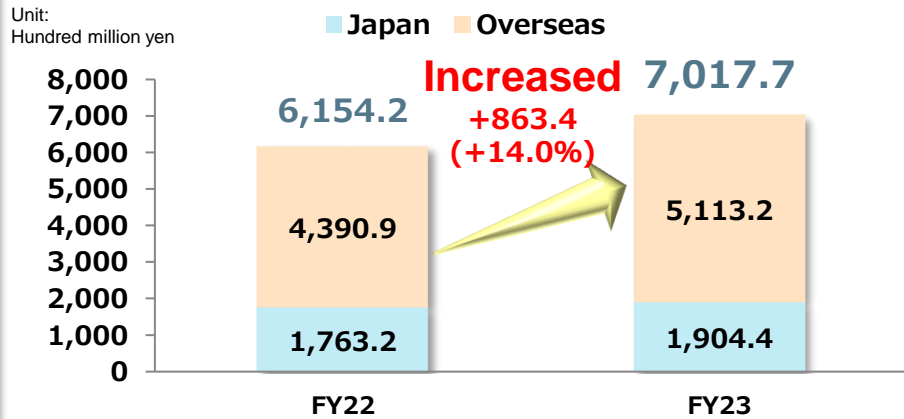
Unit: Hundred million yen

	FY22	FY23	YoY Change	
Net Sales	6,154.2	7,017.7	+863.4	+14.0%
Operating Profit (Before amortization of goodwill) (Operating profit margin)	249.9 (4.1%)	528.7 (7.5%)	+278.8	+111.5%
Amortization of Goodwill	102.8	102.7	—	—
Operating Profit (Operating profit margin)	147.0 (2.4%)	426.0 (6.1%)	+278.9	+189.6%
Ordinary Profit (Ordinary profit margin)	116.4 (1.9%)	374.7 (5.3%)	+258.3	+221.8%
Profit Attributable to Owners of Parent (Net income margin)	69.1 (1.1%)	275.2 (3.9%)	+206.0	+298.0%
Capital Adequacy Ratio	15.9%	22.0%		
ROE	10.0%	28.6%		
FX rates				
USD	135.47 yen	144.62 yen		
EUR	140.97 yen	156.80 yen		
CNY	19.75 yen	20.14 yen		

4. Business Results by Segment

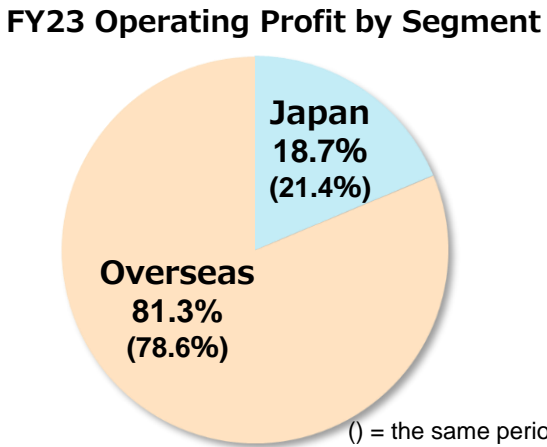
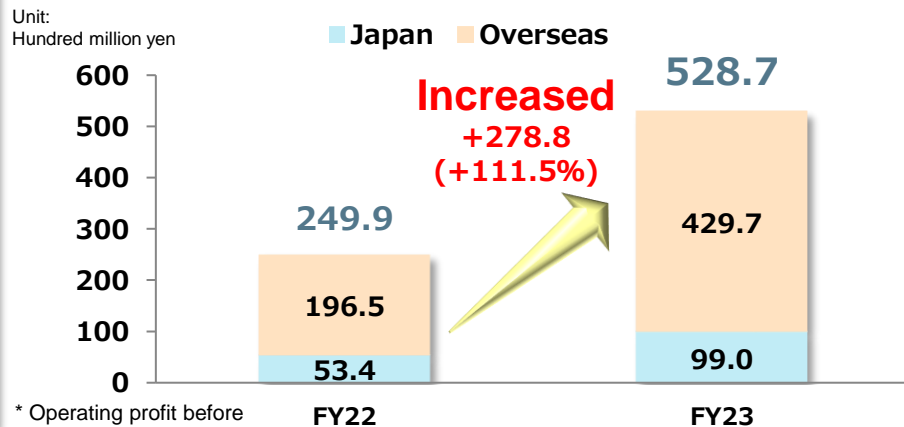
Net Sales

- Net sales increased by 14.0% YoY due to the expanded effects of price optimization in Japan and overseas.
- The impact of yen depreciation was also a tailwind.



Operating Profit*

- Operating profit increased by 111.5% YoY due to the expanded effects of price optimization, the settling of increase in marine transportation costs, and the impact of yen depreciation.

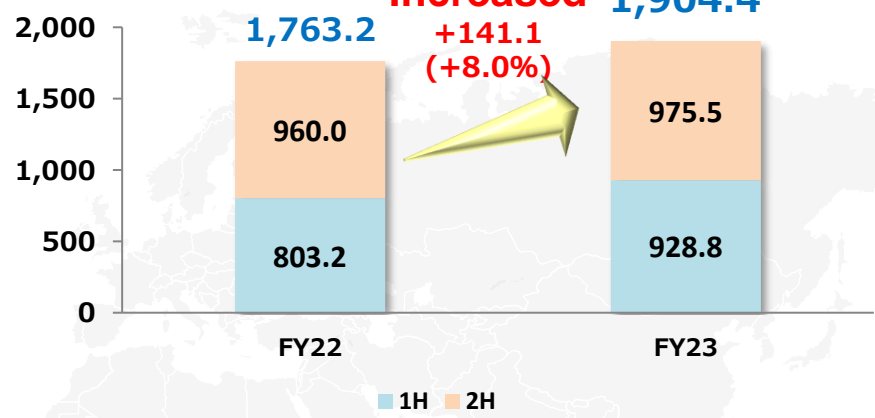


* Operating profit before amortization of goodwill

5. Net Sales by Region (including FX impacts) Logisnext

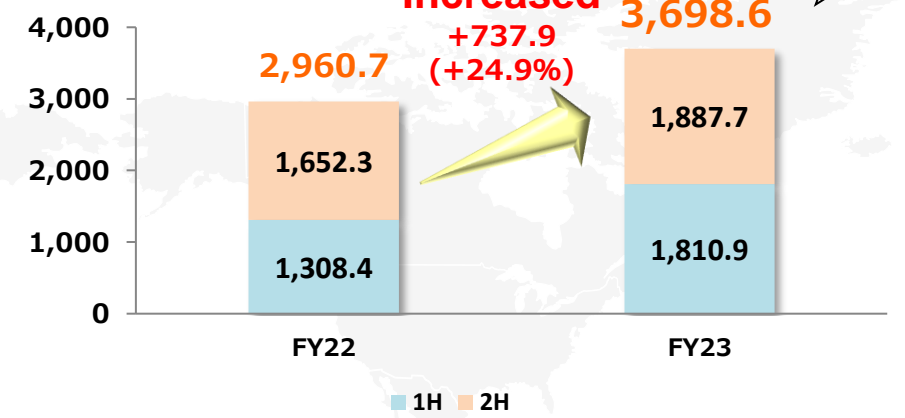
Japan

(Unit: Hundred million yen)



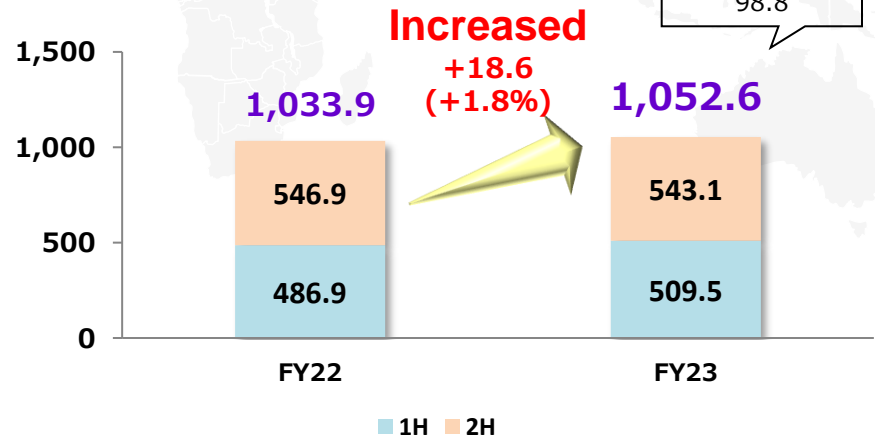
Americas

(Unit: Hundred million yen)



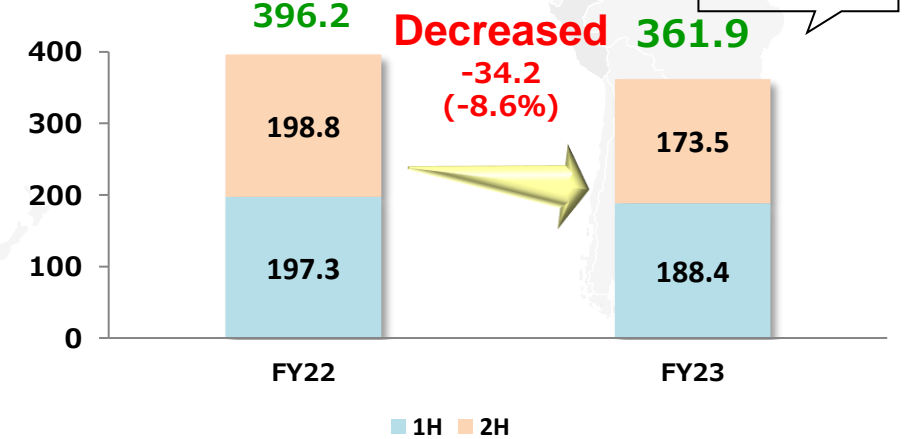
Europe

(Unit: Hundred million yen)



China & Asia

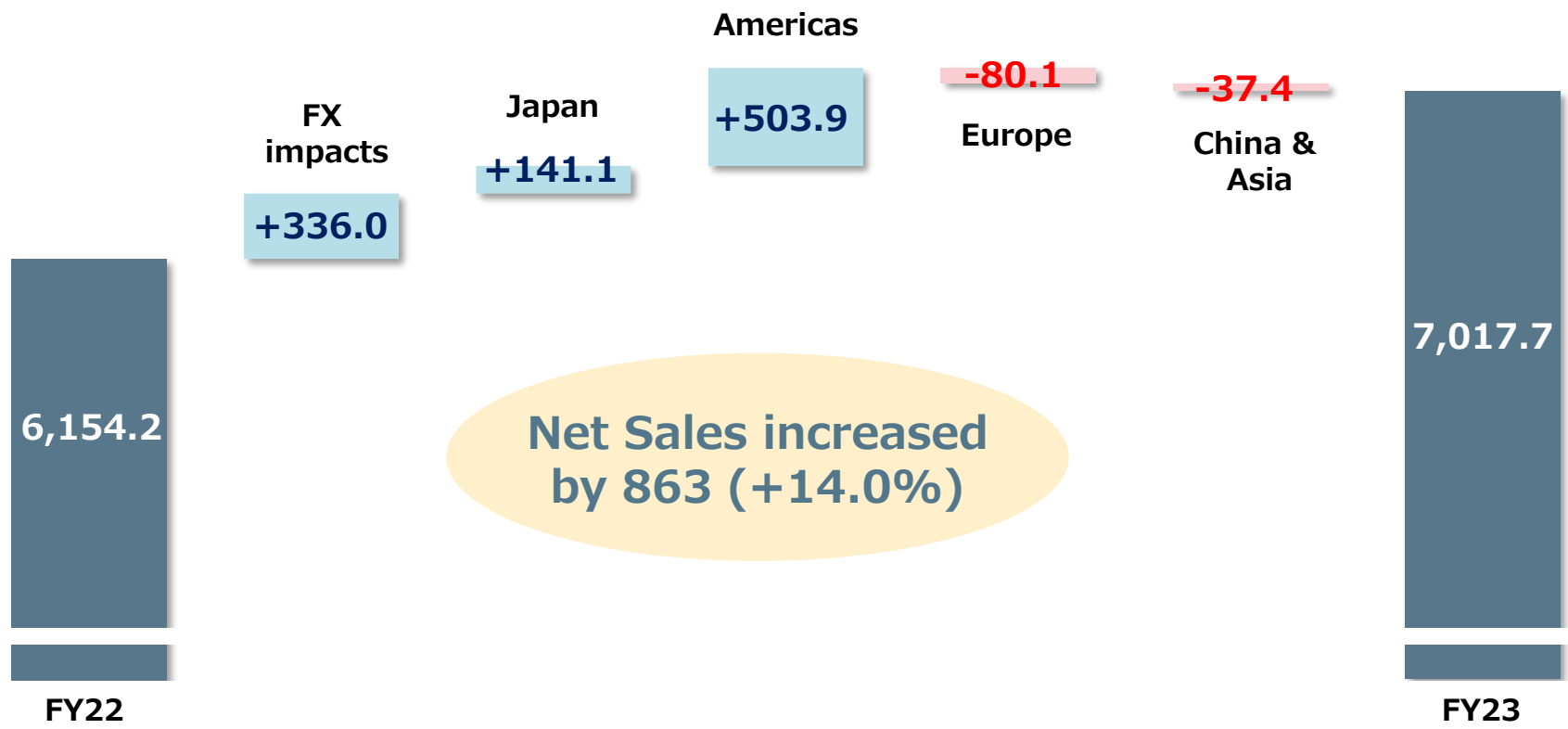
(Unit: Hundred million yen)



6. Net Sales – FY2022 vs FY2023

- Japan: Net sales increased due to steady orders, the resolution of component shortages, and the effects of price optimization.
- Overseas: Net sales increased due to the expanded effects of price optimization in line with an increase in units sold in the Americas. In contrast, net sales decreased in Europe and China & Asia regions due to worsening market conditions.

(Unit: Hundred million yen)

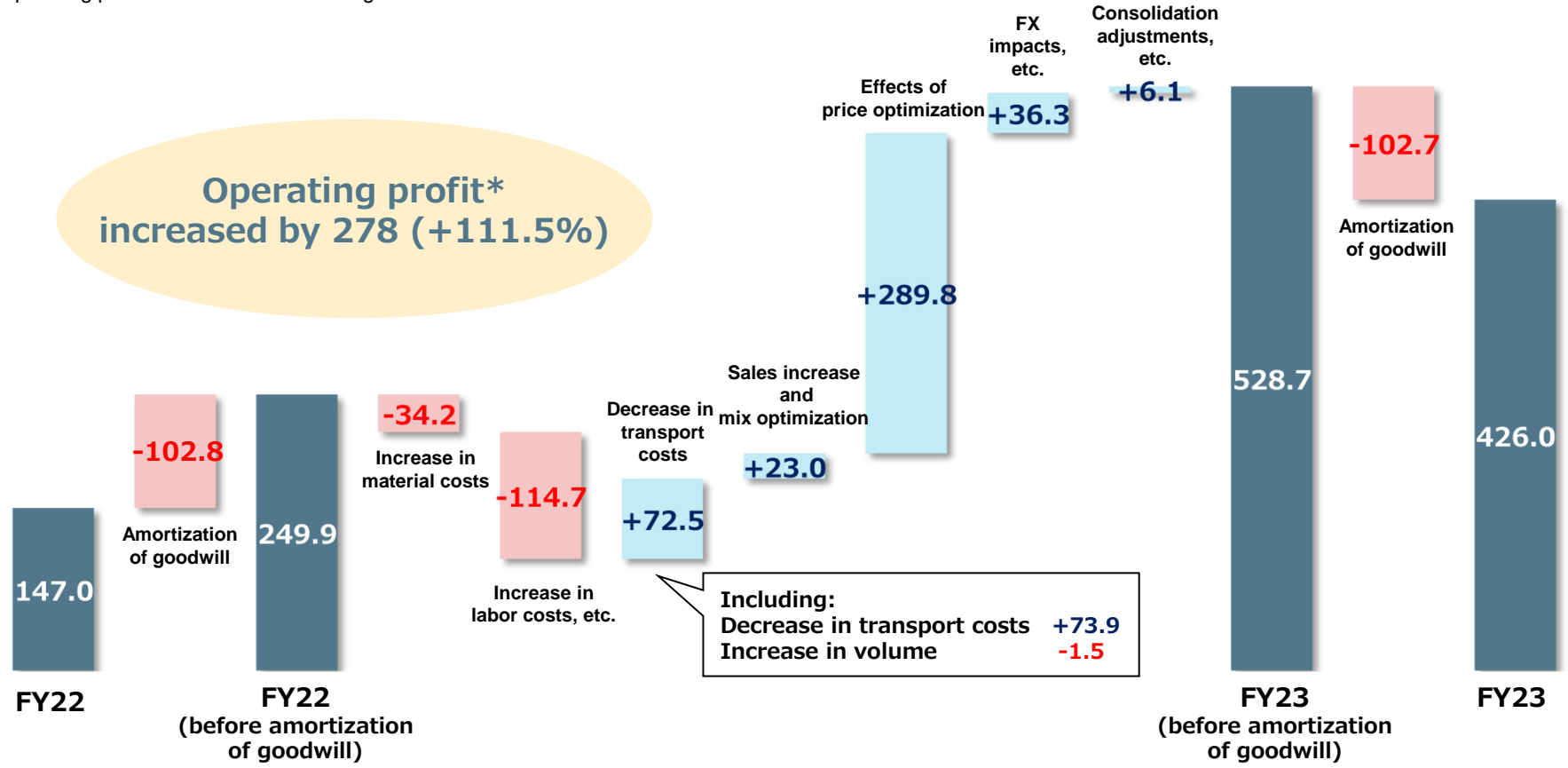


7. Operating Profit* – FY2022 vs FY2023 Logisnext

- Material costs remained high in Japan. Expenses increased due to inflationary effects, such as a rise in labor costs in response to wage increases.
- Operating profit* increased 111.5% YoY due to the effects of price optimization, the settling of increase in marine transportation costs, and the impact of yen depreciation.

* Operating profit before amortization of goodwill

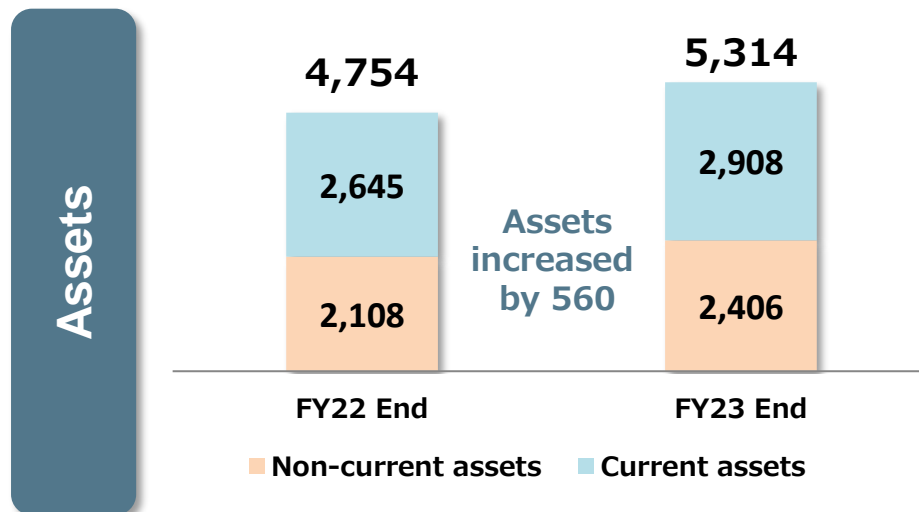
(Unit: Hundred million yen)



8. Consolidated Balance Sheet

- Net assets increased due to an increase in retained earnings from net profit and an increase in foreign currency translation adjustment. The capital adequacy ratio improved to 22.0%, achieving the “LS23” target.

(Unit: Hundred million JPY)



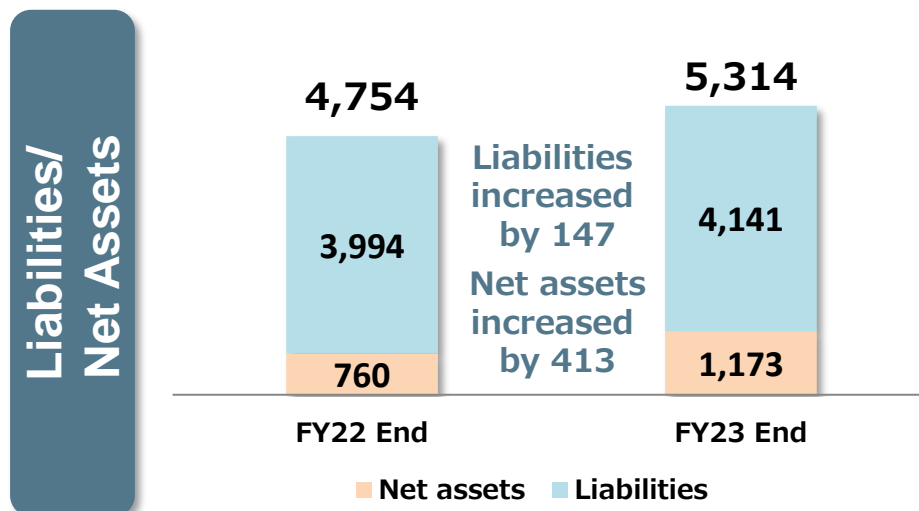
Item	FY22 End	FY23 End	Change
Current assets	2,645	2,908	+262
Property, plant and equipment	1,489	1,791	+302
Intangible assets	411	338	-73
Investments and other assets	208	276	+68
Total non-current assets	2,108	2,406	+297
Total assets	4,754	5,314	+560

Current assets: Increased

Due to exchange rate conversion effects, an increase in cash and deposits, an increase in inventory, etc.

Non-current assets: Increased

Due to exchange rate conversion effects, an increase in property, plant and equipment, etc.



Item	FY22 End	FY23 End	Change
Current liabilities	2,087	2,133	+46
Non-current liabilities	1,906	2,007	+100
Total liabilities	3,994	4,141	+147
Total net assets	760	1,173	+413
Total liabilities and net assets	4,754	5,314	+560

Liabilities: Increased

Due to exchange rate conversion effects, an increase in other financial liabilities, etc.

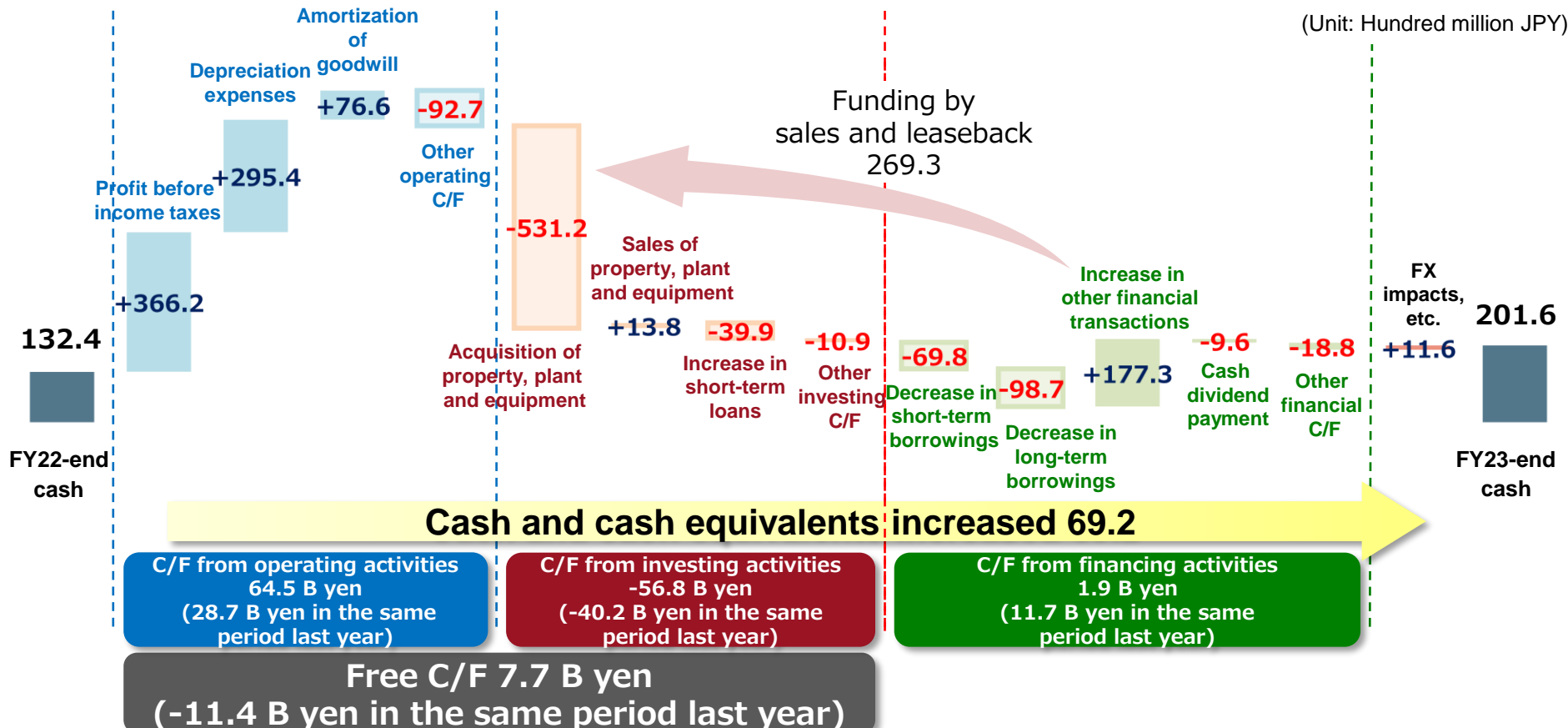
Net assets: Increased

Due to an increase in retained earnings and a larger foreign currency translation adjustment.

9. Cash Flow

- C/F from operating activities reached 64.5 B yen due to an increase in profit before income taxes.
- C/F from investing activities was -56.8 B yen due to a shift in FY2023 from collection of short-term loans to providing loans (impact: -11.9 B yen) and an increase in acquisition of property, plants, and equipment.
- Free C/F was 7.7 B yen, up 19.2 B yen YoY, due to improved C/F from operating activities.

(Unit: Hundred million JPY)



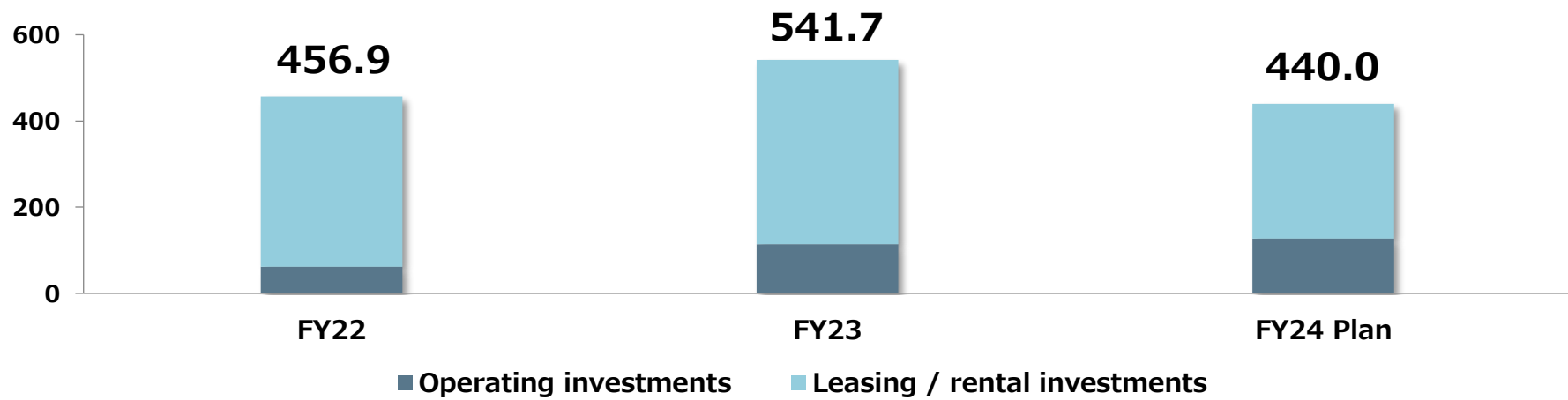
Reference: Key Performance Indicators **Logisnext**

	Indicator	Formula	FY22		FY23		Comments
				Before amortization of goodwill *1		Before amortization of goodwill *1	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	1.6%		5.5%		Each indicator improved as a result of a recovery in performance due to a significant increase in sales, the effects of price optimization, and the impact of JPY depreciation.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	10.0%		28.6%		
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	2.4%	4.1%	6.1%	7.5%	
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	1.1%	2.7%	3.9%	5.3%	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.4 times		1.4 times		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	6.8 times		7.3 times		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	4.7 times		4.5 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	15.9%		22.0%		
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.0 times		2.1 times		
Shares	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	64.82 yen		256.06 yen		
	Price earnings ratio (PER)	$\frac{\text{Stock price}}{\text{Earnings per share}}$	14.5 times		7.3 times	Stock prices: End of FY2022: 941 yen End of FY2023: 1,894 yen	
	Price book value ratio (PBR)	$\frac{\text{Stock price}}{\text{Book value per share}}$	1.3 times		1.7 times		

*1 For reference purposes

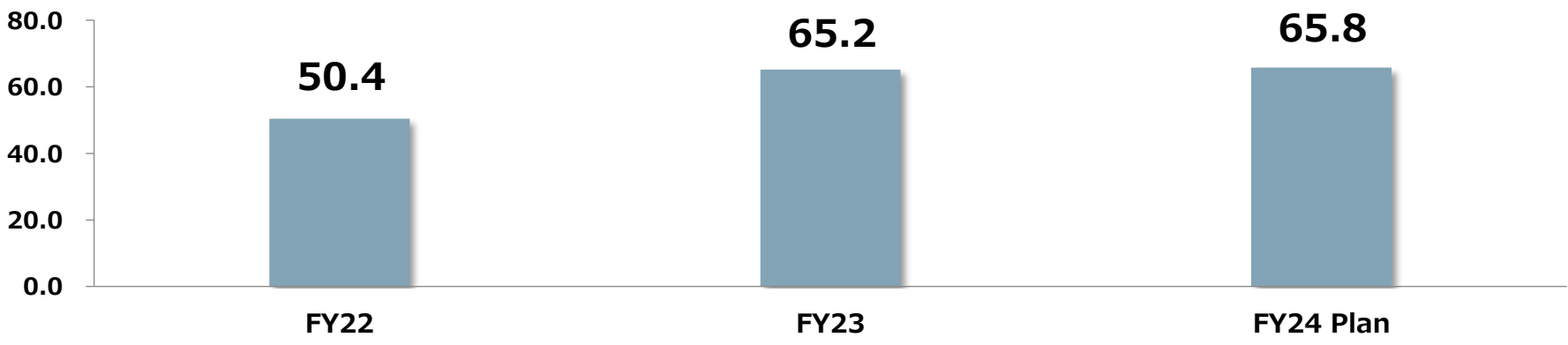
■ CAPEX

Unit: Hundred million yen



■ R&D Expenses

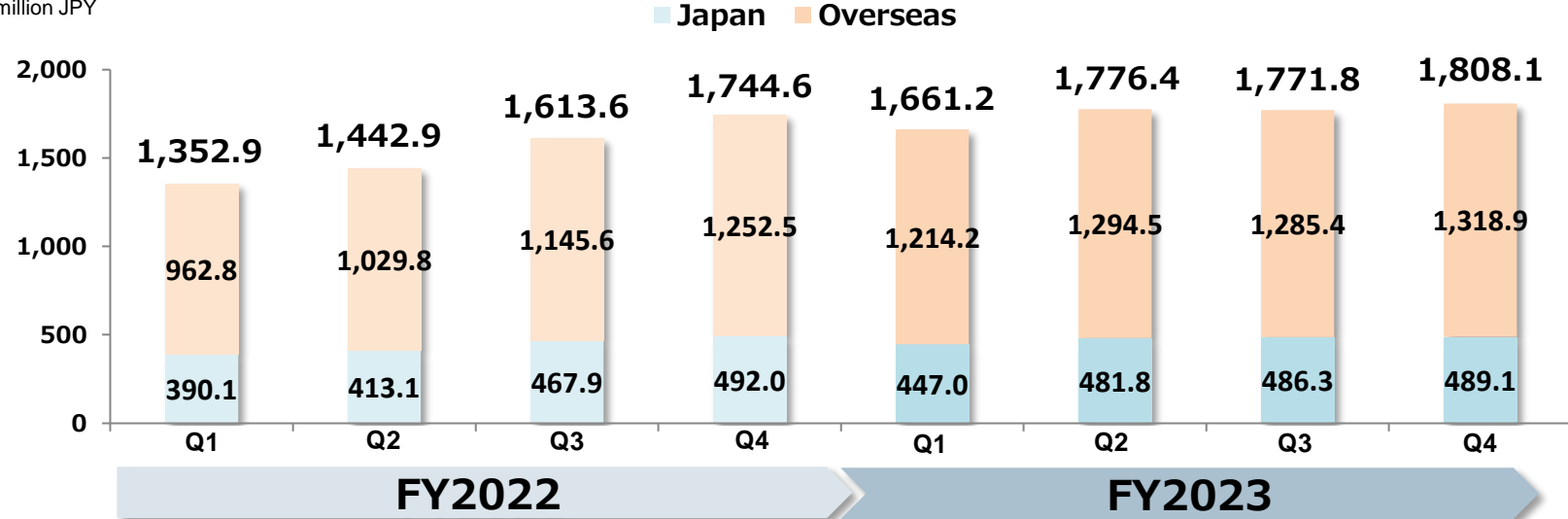
Unit: Hundred million yen



Reference: Quarterly Net Sales and Operating Profit Trends by Segment

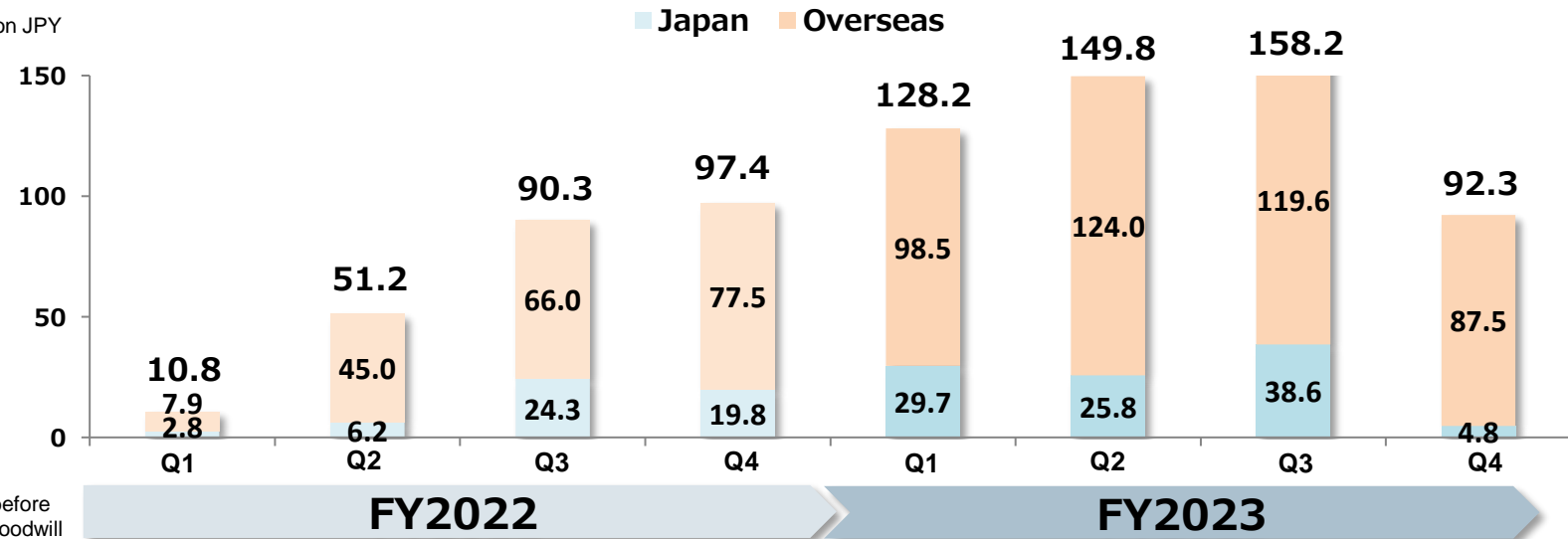
Unit: Hundred million JPY

Net Sales



Unit: Hundred million JPY

Operating Profit*

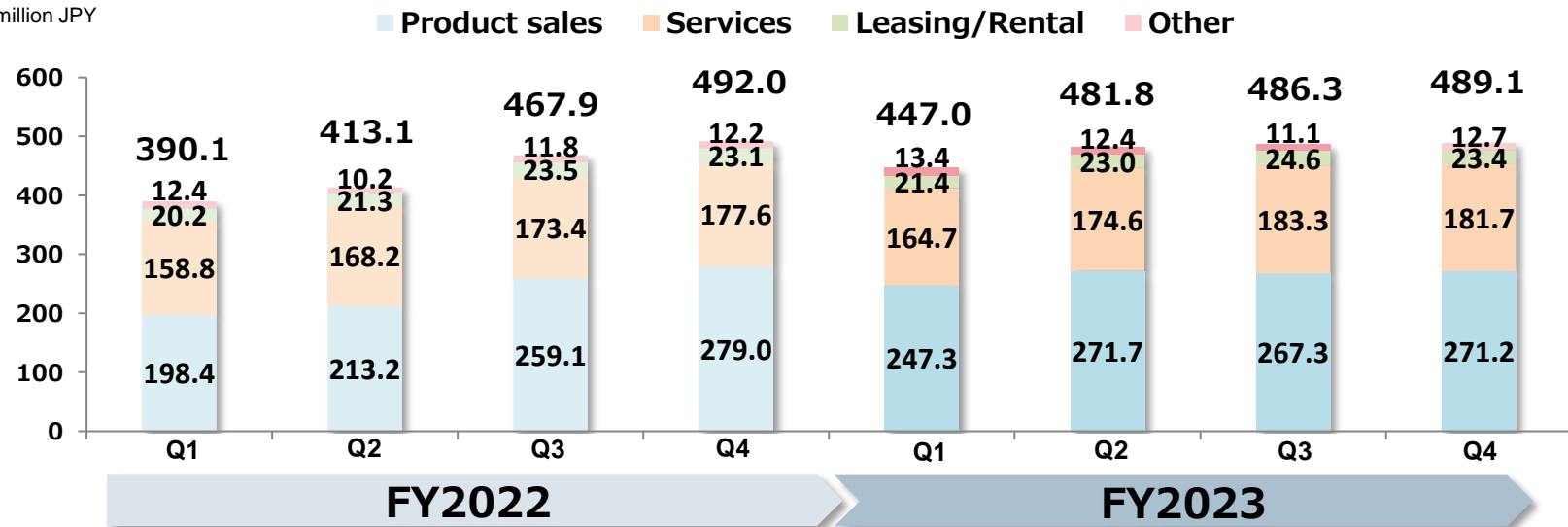


* Operating profit before amortization of goodwill

Reference: Quarterly Net Sales Trends by Category **Logisnext**

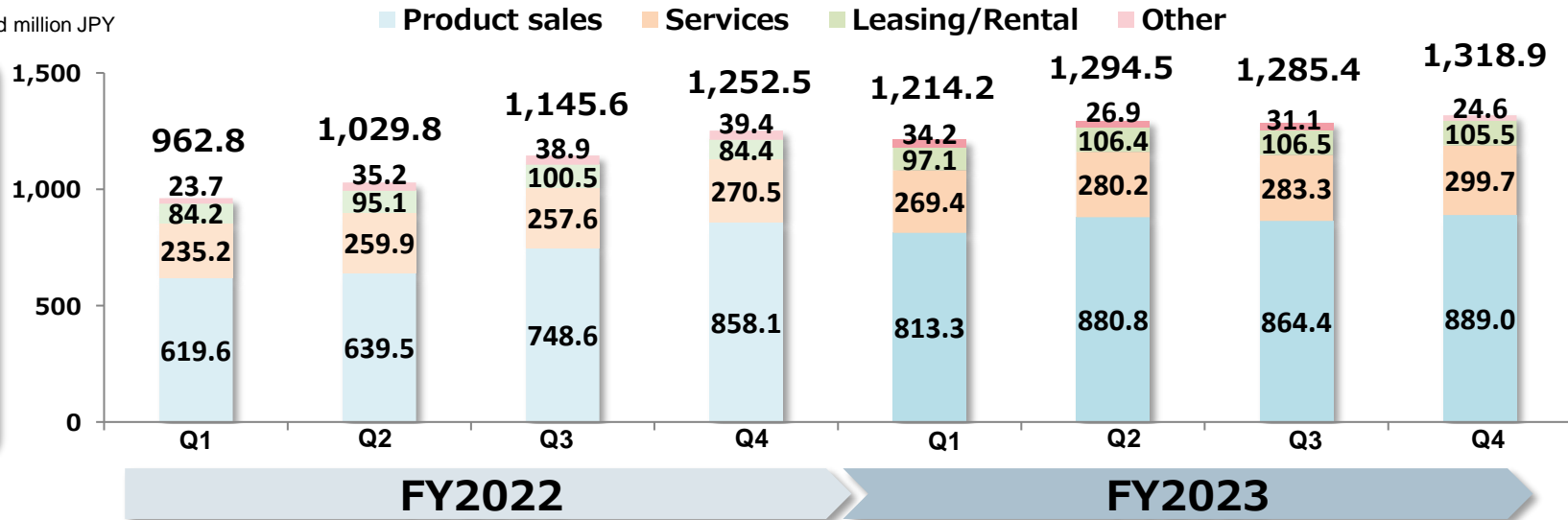
Unit: Hundred million JPY

**Net Sales/
Japan**



Unit: Hundred million JPY

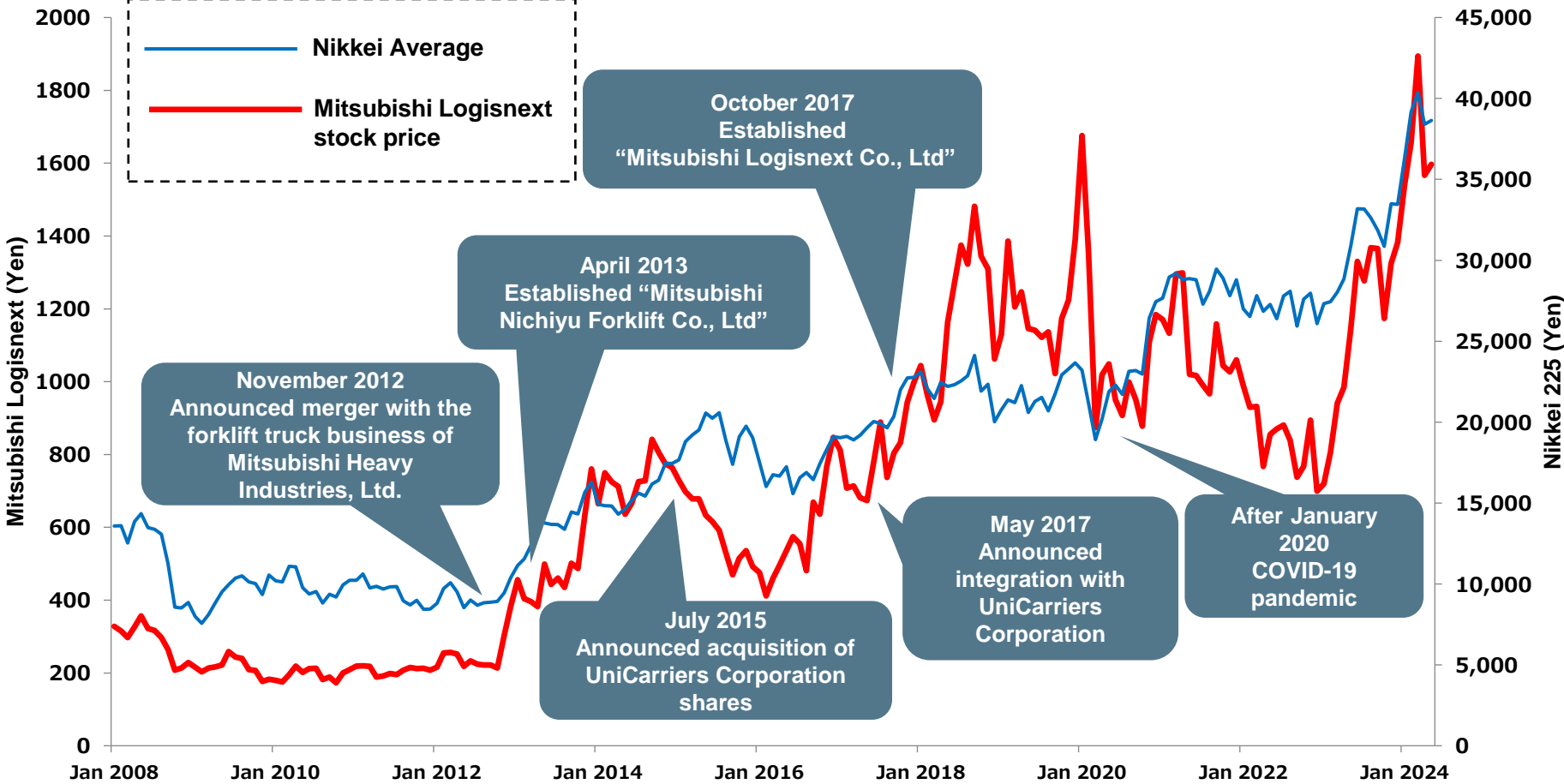
**Net Sales/
Overseas**



Reference: Stock Price Trends

In 2024
 Year high value: 1,929 yen (Mar. 7)
 Year low value: 1,350 yen (Jun. 9)
 (as of May. 27, 2024)

Closing price on May. 27
1,610 yen



Vision 2035 & “LT26” Summary

MITSUBISHI LOGISNEXT

Yuichi Mano
President

Corporate Vision and Purpose

Corporate Vision

"Moving the world forward as the leading provider of innovative logistics and material handling solutions"

Our Purpose

We positively impact the lives of people around the world by demonstrating a pioneering spirit and using emerging technologies to deliver safe, automated and decarbonized logistics solutions.

Business Scale and Numerical Targets in 2035

2035 Business Scale

Net Sales: **1** trillion yen

2035 Solutions Business Net Sales

Net Sales: **200** billion yen

2035 Ratio of Electric Forklift Ratio

90% or higher

Medium-Term Plan (FY24 to FY26)

~ We **Transform** Customers' Logistics, Society, and Ourselves ~

"Logisnext Transform 2026" (abbreviated "LT26")

Core Strategies

Further Growth in Industrial Vehicles

Breakthrough in Logistics Solutions Business

Continuous Improvement for Corporate Resilience and Reform of Business Management Structure

2. "LT26" Financial and Non-Financial Targets

Financial Targets	FY26	FY35
Net Sales	700 B yen	1 T yen
Operating profit (before amortization of goodwill)	56 B yen	—
Operating Profit Margin (before amortization of goodwill)	8.0%	—
Capital Adequacy Ratio	30% or higher	—
ROE	20% or higher	—

"LT26" Plan rates: USD = 130 yen EUR = 140 yen

Non-Financial Targets		Criterion	FY26	FY35/FY40
Decarbonization	Scopes 1 and 2	Emissions Reduction (vs FY17)	-33%	2040 : C/N
	Scope 3 - (11)	Emissions Reduction (vs FY17)	-29%	-75% (Electric vehicle ratio of 90% or more)
Automation and Autonomy		Net Sales of Solutions Business	60 B yen	200 B yen

FY2024 Forecast

MITSUBISHI LOGISNEXT

**Yuichi Mano
President**

1. Key Points of FY2024 Forecast

Forklift Market Conditions

- The domestic market is expected to remain relatively firm in FY2024.
- Overseas, orders are expected to decrease YoY in FY2024 due to inventory adjustments by dealers in the Americas.
- Orders in Europe, China and Asia are showing signs of bottoming out, and a recovery is anticipated in FY2024.

Status of Mitsubishi Logisnext

- We strive to strengthen the sales expansion of electric forklifts in line with the shift to electric forklifts and aim to increase our market share.
- For certain models offered in North America, there have been some delays in the process of obtaining the engine certifications, which resulted in the suspension of the shipments. We are diligently working on obtaining the certificates as early as possible.

Overview of Performance Forecast

- Net sales are expected to decrease by 3.1% YoY due to a drop in sales overseas.
- Operating profit before amortization of goodwill is expected to decrease 9.2% YoY due to higher labor costs and material costs caused by inflation, despite the contribution of price optimization in Japan.
- Profit attributable to owners of parent is expected to increase by 5.4% YoY due to gains on sale of fixed assets.

Net Sales

680 B yen
YoY -3.1%

Operating Profit*

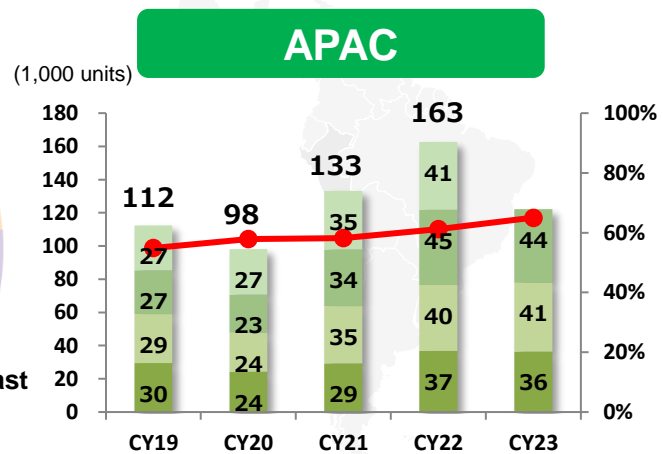
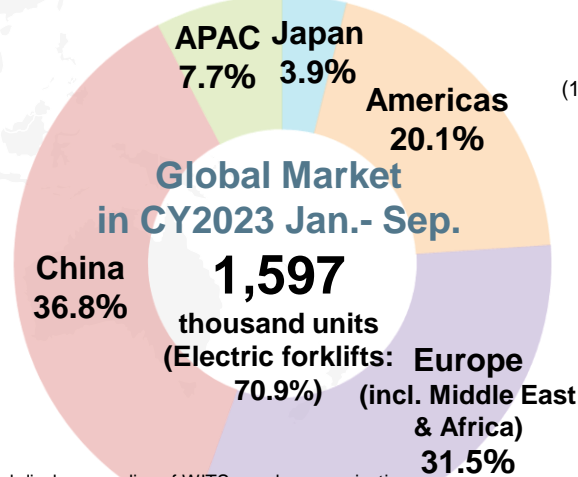
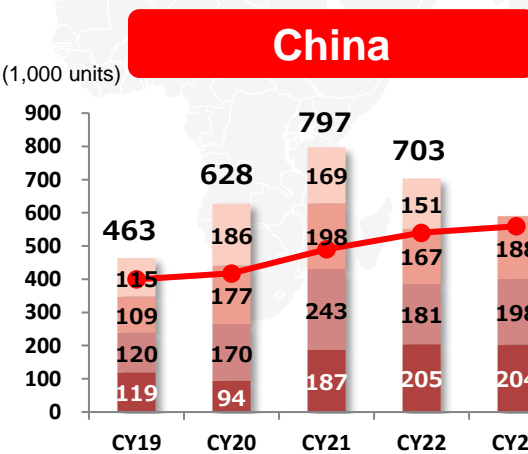
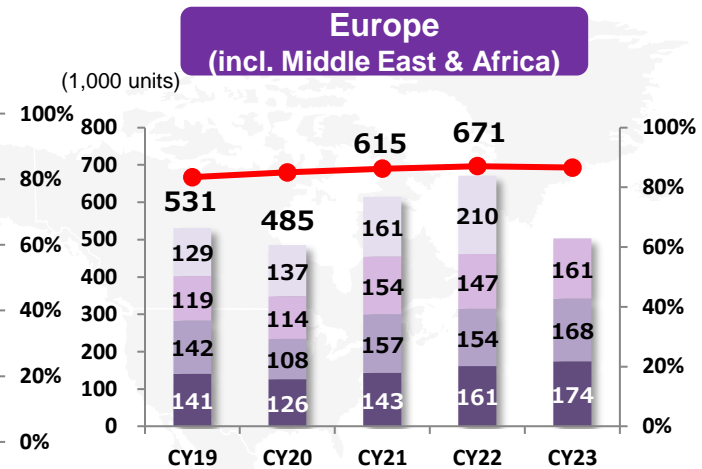
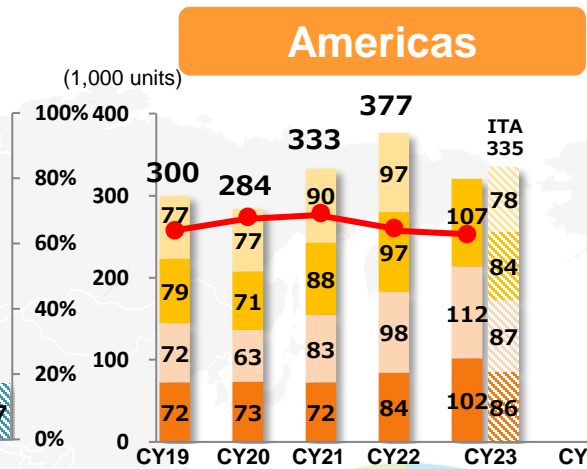
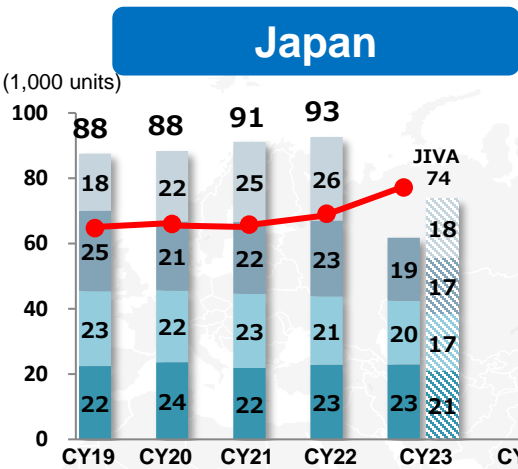
48 B yen
YoY -9.2%

Profit Attributable to Owners of Parent

29 B yen
YoY +5.4%

2. Market Conditions/ Forklift Market Trends – Shipments

■ From January to March 2024, shipments in Japan (JIVA statistics) slowed slightly compared to the previous year. In the Americas (ITA statistics) as well, shipments slowed due to economic slowdowns.



Note: Calculated for the CY from January to December due to changes in statistical disclosure policy of WITS member organizations.
 Due to the above delay in the disclosure of WITS statistics, JIVA data was used to calculate values for Japan and ITA data for the Americas.
 Other regions are blank after CY2023 Q4, because national statistical data has not been published.
 Due to different standards for JIVA and WITS, some models are not included. ITA does not include sales volumes of Chinese and Korean manufacturers.
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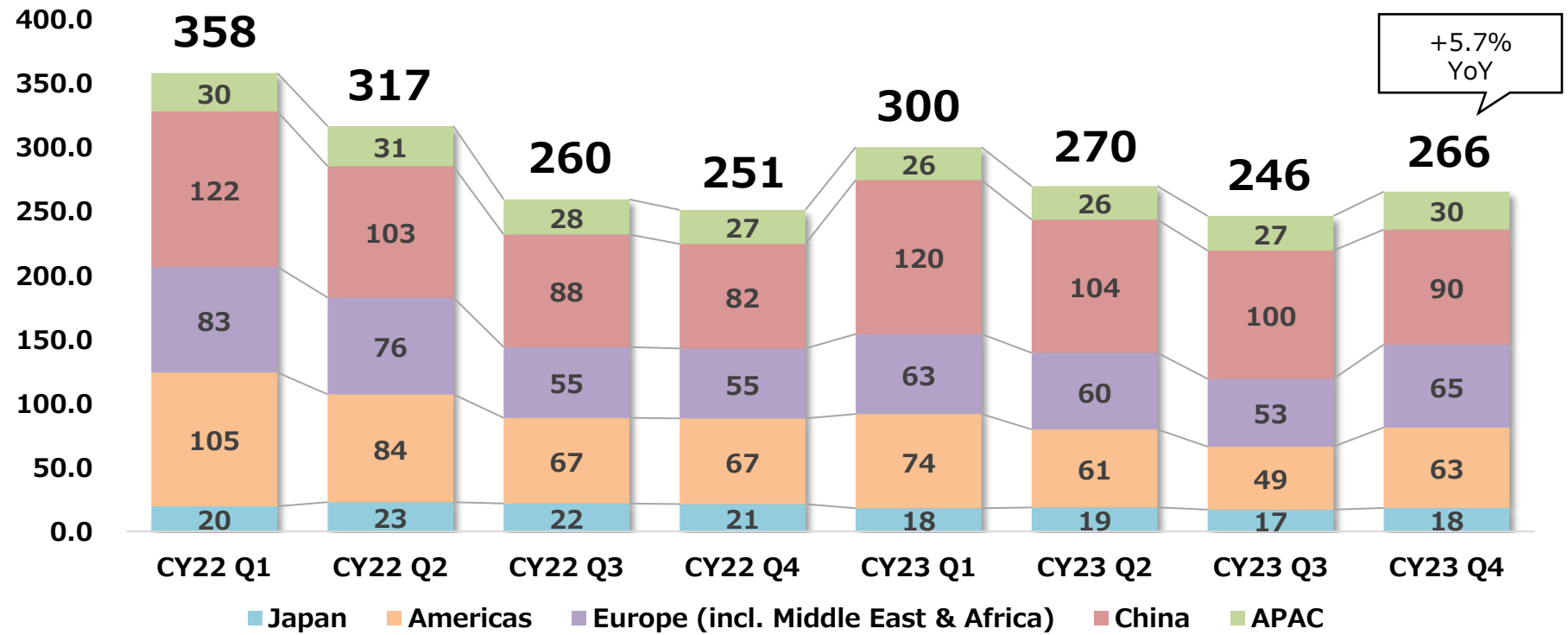
Market units
 Percent electric forklifts

3. Market Conditions/ Forklift Market Trends – Orders (Quarterly)

- Orders are showing signs of bottoming out YoY and are on a recovery trend in the markets of Europe, China, and Asia.
- The demand has increased QoQ in all regions excluding China.

Purchase Orders (excl. Class III*)

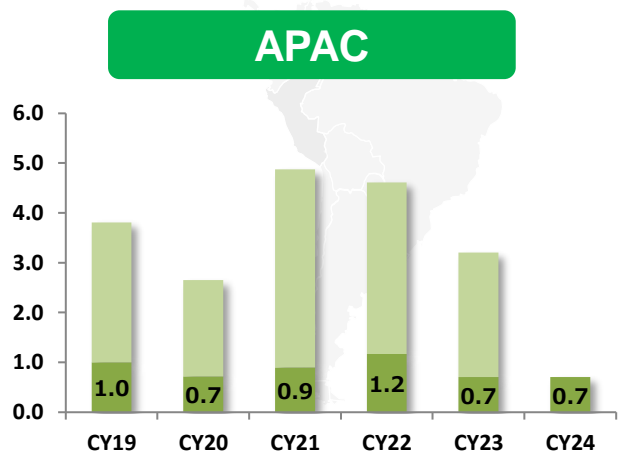
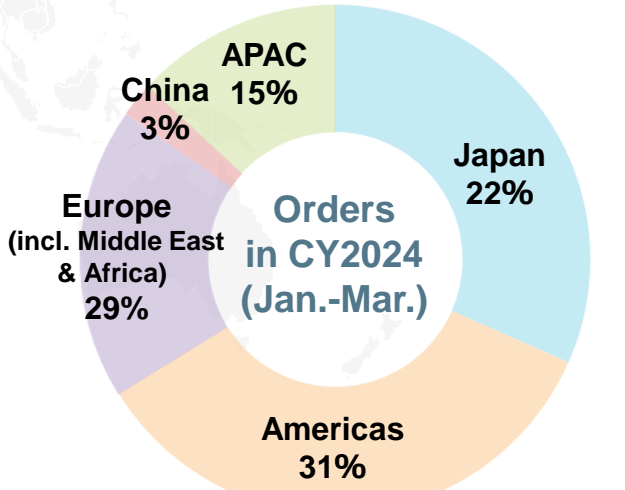
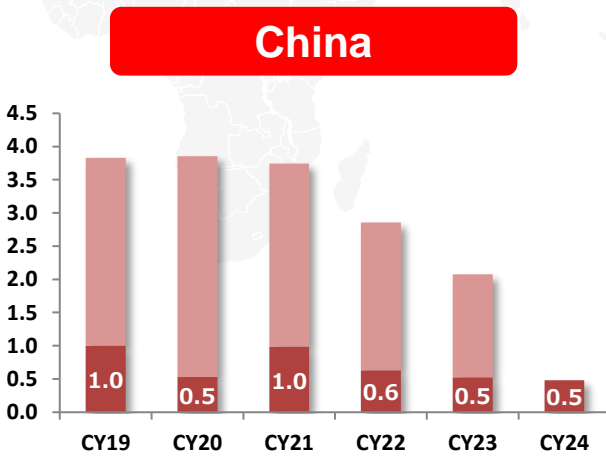
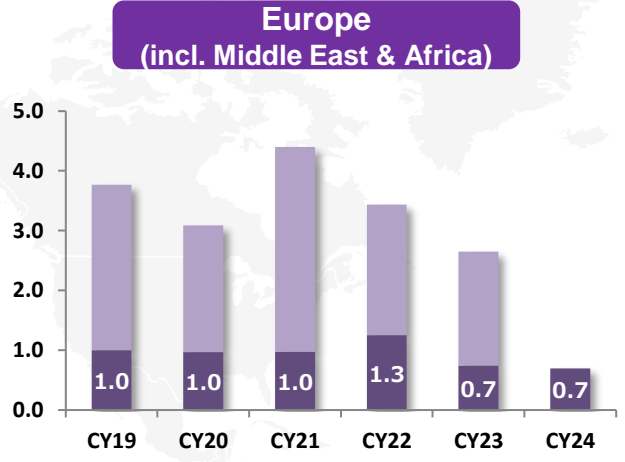
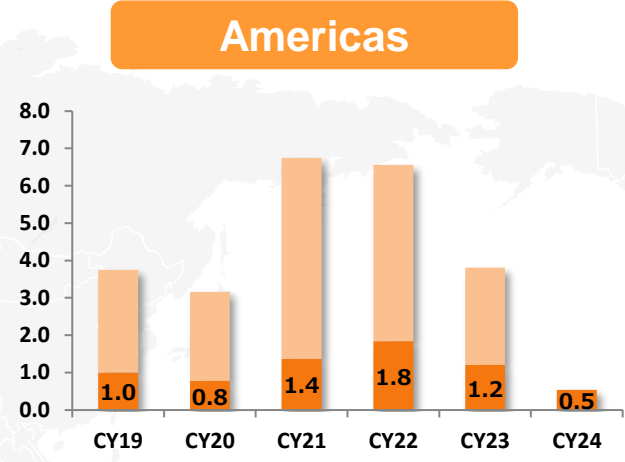
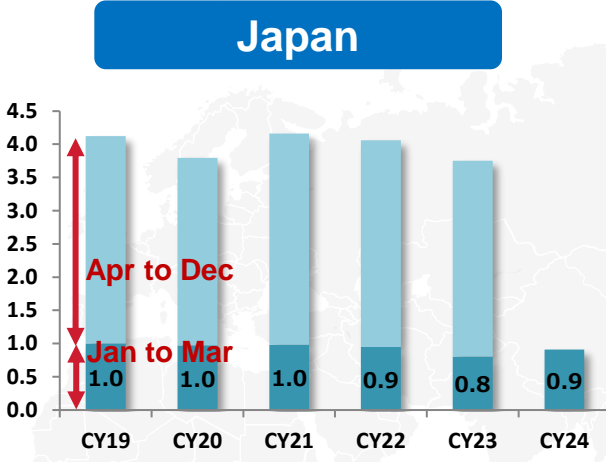
(Unit: 1,000 units)



*Class III: Self-propelled electric small lifts
 Note: Due to changes in the statistical disclosure policy of WITS member organizations, the figures are based on the calendar year from January to December.
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4. Mitsubishi Logisnext Order Results

- Orders in Japan remained relatively firm. Orders in the Americas decreased YoY due to inventory adjustments by dealers, but they are expected to recover once the adjustments are completed. Meanwhile, the order backlog at the end of March 2024 is approximately 9 months.
- Orders in Europe, China and Asia remained stable YoY.



Note: Assuming CY2019 (Jan.-Mar.) = 1. Even if the same number is indicated, the graph may have different heights due to decimal differences.

5. The suspension of the shipments on certain models offered in North America Logisnext

- Since last year, we have been working on obtaining the 2024 U.S. engine certification for models offered in North America, but there have been some delays in the process, which resulted in the suspension of the shipments from the middle of May 2024. ^{*1}
- Once obtaining the certifications from the U.S. environmental authorities ^{*2}, we expect to resume the shipments.
- The significant financial impact is forecasted in Q1 of FY2024 on our business in North America due to the shipment suspension, but is expected to recover from Q2 of FY2024 onwards. This is already factored into the forecast of FY2024.
- If any matters arise that need to be disclosed regarding this issue in the future, we will promptly disclose them.

*1: There has been a delay in obtaining the certification of engines manufactured by our subsidiary, Global Component Technologies.
 *2: United States Environmental Protection Agency

	FY23 result	FY24 Q1 impact
Qty of affected models	Approx. 27,000 units	Approx. 4,400 units

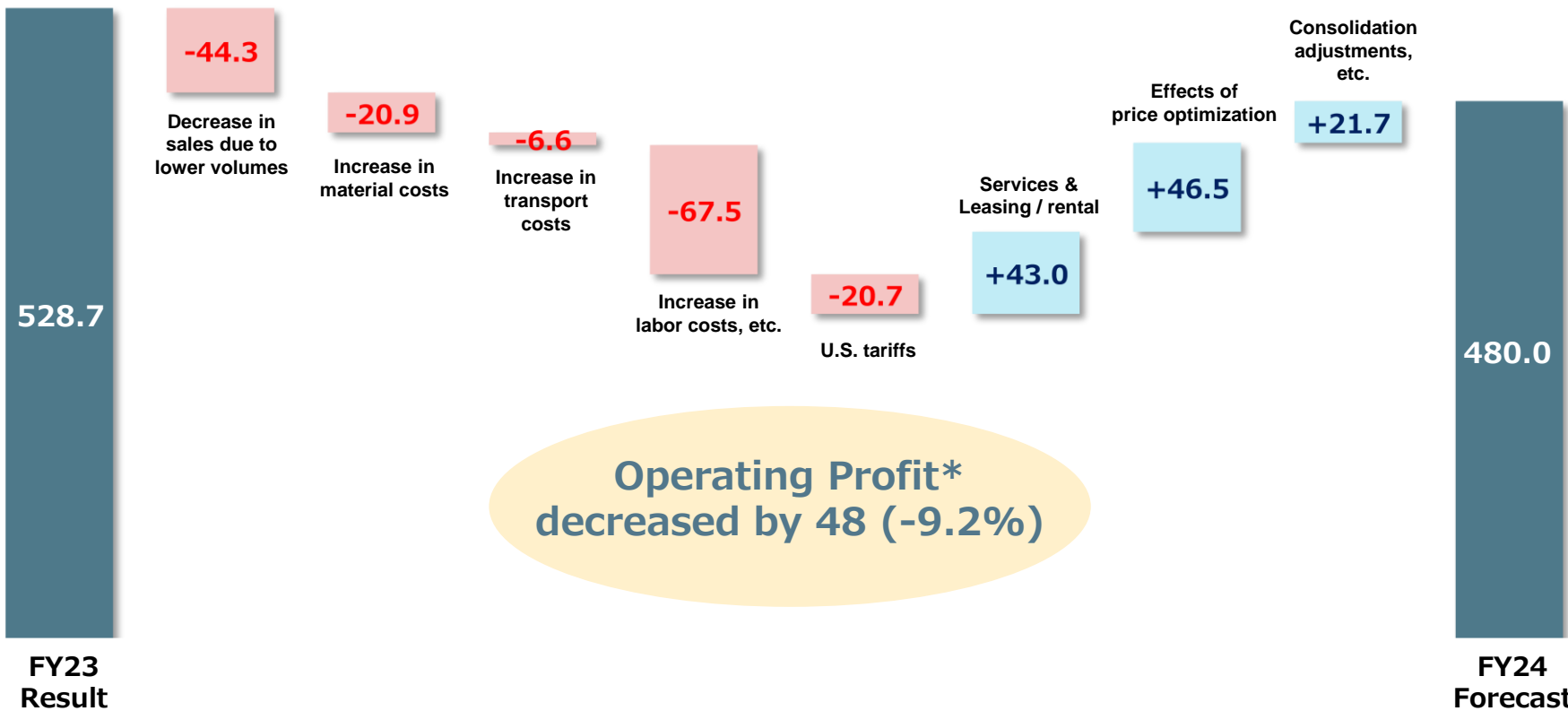
6. FY2024 Forecast

Unit: Hundred million yen	FY23	FY24 Forecast	YoY Change	
Units Sold	110,000 units	104,000 units	-6,000 units	-
Net Sales	7,017.7	6,800	-217.7	-3.1%
Operating Profit <small>(Before amortization of goodwill) (Operating profit margin)</small>	528.7 (7.5%)	480 (7.1%)	-48.7	-9.2%
Amortization of Goodwill	102.7	100	-	-
Operating Profit <small>(Operating profit margin)</small>	426.0 (6.1%)	380 (5.6%)	-46.0	-10.8%
Ordinary Profit <small>(Ordinary profit margin)</small>	374.7 (5.3%)	330 (4.9%)	-44.7	-12.0%
Profit Attributable to Owners of Parent <small>(Net income margin)</small>	275.2 (3.9%)	290 (4.3%)	+14.7	+5.4%
Capital Adequacy Ratio	22.0%	25%	-	-
ROE	28.6%	20% or higher	-	-
Dividend per Share	20 yen	24 yen	+4 yen	-
FX rates				
USD	144.6 yen	145.0 yen		
EUR	156.8 yen	155.0 yen		
CNY	20.1 yen	20.0 yen		

7. Operating Profit* – FY2023 vs FY2024 Forecast **Logisnext**

■ Operating profit* is expected to decrease 9.2% YoY due to higher labor costs and material costs caused by inflation, despite the contribution of price optimization in Japan.

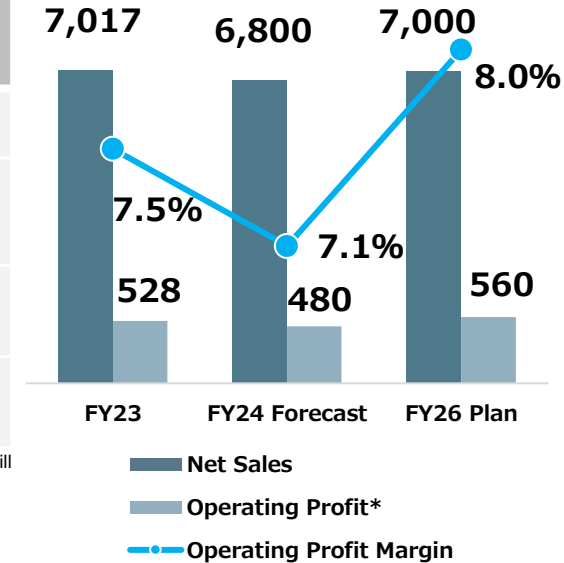
(Unit: Hundred million yen)



* Operating profit before amortization of goodwill

8. FY2024 Forecast vs FY2026 Plan

Official rate	FY23 Result	FY24 Forecast	FY26 Plan (Reference)	FY23 vs FY24	FY24 vs FY26
Net Sales	7,017	6,800	7,000	-3.1%	-0.0%
Operating Profit* (Operating profit margin)	528 (7.5%)	480 (7.1%)	560 (8.0%)	-9.2%	+6.1%
Capital Adequacy Ratio	22.0%	25%	30% or higher	-	-
ROE	28.6%	20% or higher	20% or higher	-	-



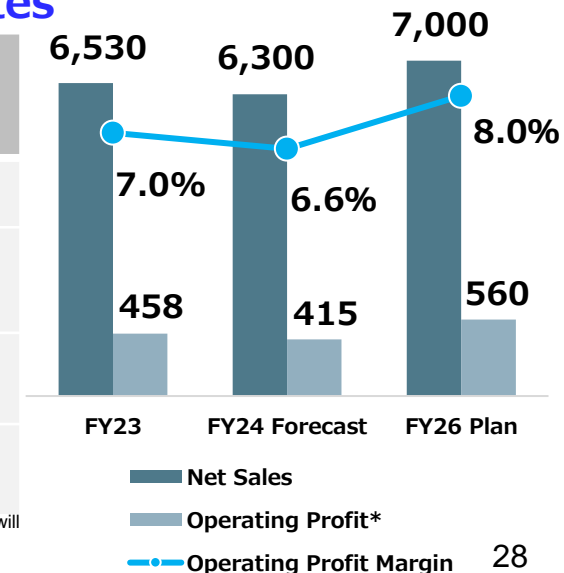
FX rates

FY23 Actual rates: USD = 144.62 yen EUR = 156.80 yen CNY = 20.14 yen
 FY24 Forecast rates: USD = 145.00 yen EUR = 155.00 yen CNY = 20.00 yen
 FY26 Plan rates: USD = 130.00 yen EUR = 140.00 yen

* Operating profit before amortization of goodwill

Conversion of FY23 result and FY24 forecast at "LT26" rates

"LT26" rate	FY23 Result	FY24 Forecast	FY26 Plan (Reference)	FY23 vs FY24	FY24 vs FY26
Net Sales	6,530	6,300	7,000	-3.5%	+11.1%
Operating Profit* (Operating profit margin)	458 (7.0%)	415 (6.6%)	560 (8.0%)	-9.4%	+34.9%
Capital Adequacy Ratio	-	-	30% or higher	-	-
ROE	-	-	20% or higher	-	-



FX rates

"LT26" plan rates: USD = 130 yen EUR = 140 yen

* Operating profit before amortization of goodwill

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