

## Logisnext Transform 2026

Mitsubishi Logisnext Medium-Term Plan (FY2024 to FY2026)

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

Logisnext solutions are supporting logistical  
operations throughout the world.



March 22, 2024  
Mitsubishi Logisnext Co., Ltd.

- 1. Review of the Current Medium-Term Plan**
- 2. Business Conditions**
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# 1. Review of the Current Medium-Term Plan **Logisnext**

## “Logisnext Solutions 2023” Medium-Term Management Plan (abbreviated “LS23”)

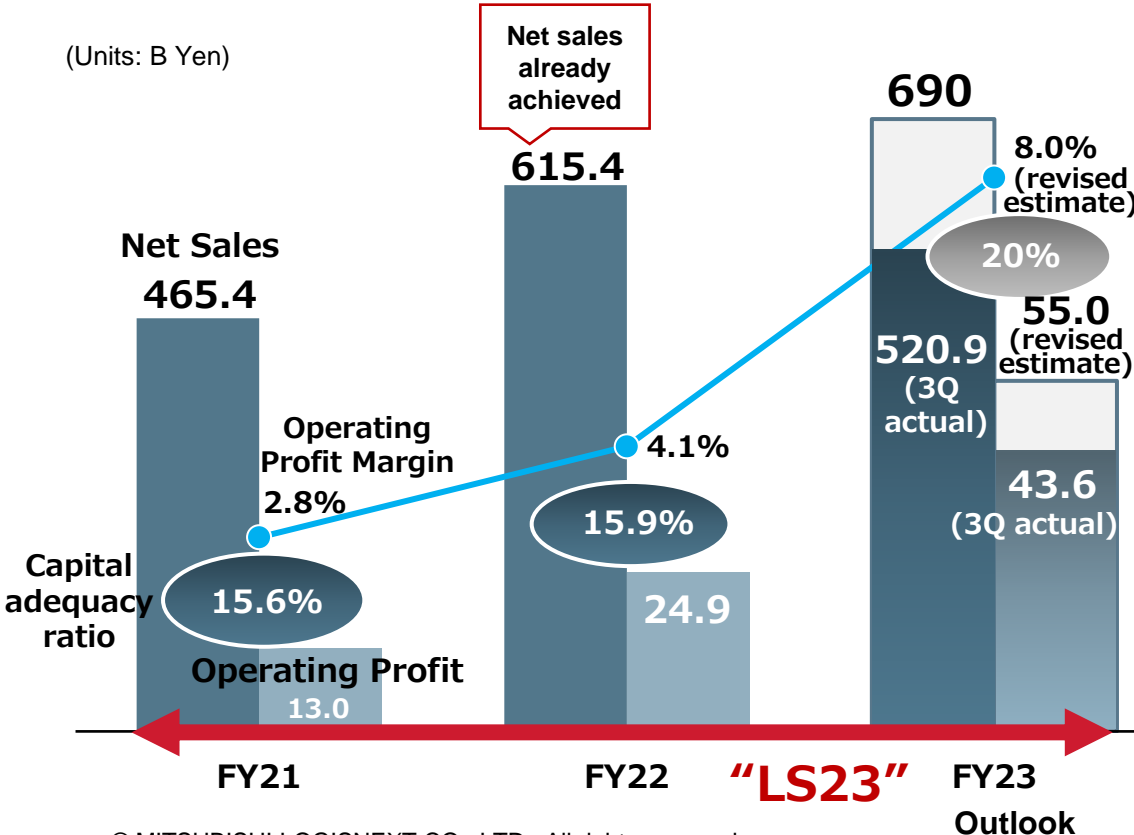
Build up Business Resilience

Accelerate Growth Strategy

Further Develop Our 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, etc.)
- ✓ Capital adequacy ratio of 20% or more

(Units: B Yen)



### Net Sales

- The “LS23” target of 500 billion yen was significantly exceeded in FY2022.
- 690 billion yen estimated for FY2023, due to promotion of shipments in the Americas

### Operating Profit and Operating Profit Margin

- “LS23” target is expected to be significantly exceeded due to increased sales, appropriate pricing, and exchange rate effects.

### Capital adequacy ratio

- 20% target achieved due to higher retained earnings from increased profits and exchange rate effects.

# 1. Review of the Current Medium-Term Plan **Logisnext**

## Current “LS23” Medium-Term Plan Accomplishments and Challenges

### Accomplishments

- In terms of numerical targets, net sales were achieved ahead of schedule in FY2022 and both operating profit and operating profit margin results are expected to significantly exceed targets.
- In terms of core strategies, profitability was improved in North America due to growth, reorganization, and other factors at EQD\*<sup>1</sup> direct-sales businesses, implementation of growth strategies by the Solutions Business, and increasing brand strength by establishing the long-term management vision and expanding/improving public relations functions.
- Major changes in business conditions caused by the pandemic were appropriately addressed.

\*1 EQD: Equipment Depot, Inc. (direct-sales company in the United States)

### Challenges

- Sales and profit targets were successfully achieved, but FCF improvements and total asset reductions were inadequate and improving fundamental financial health continues to be a challenge.
- Broken down by region, challenges include improving the operating profit margins of businesses in Japan, mitigating the risk of being overly dependent on business in North America, and improving the profitability in Europe, China, and APAC businesses.
- Also, due to the steady market penetration by Chinese forklifts in newly emerging market, Europe, and the United States, urgent countermeasures need to be implemented.

### Customer and Society

- Reduce CO<sub>2</sub> emissions in response to global climate changes.
- Shrinking labor forces in developed economies due to declining birth rates and aging populations.
- Logistics safety and security needs are expanding due to growing demands for working condition improvements.
- Increasing needs for connected logistics with greater emphasis on inter-machine and human-machine cooperation.

### Competitor

- Release of new electric forklifts as an alternative to engine-powered models in response to environmental regulations and the transition to a decarbonizing society.
- Technology development needs to be urgently accelerated due to intensifying competition from many new startups entering the logistics automation market in Japan and other countries.
- Chinese forklifts are making steady market inroads in newly emerging economies, Europe, and the United States.

### Needs Related in Logistics Equipment

Safety /  
Security

Automation /  
Autonomy

Decarbonization

### Current Status of Mitsubishi Logisnext

- Despite deploying sales networks globally for a full line of products, total assets are being expanded by M&A and the Capital adequacy ratio is low.
- Revenue is skewed by North America market and brand presence in European and Chinese markets is low.
- The corporate culture that enables a diversity of human resources from the former companies with access to a cumulative wealth of technology and expertise from those companies and the use of technologies available from Mitsubishi Heavy Industries.
- The PMI process is close to completion but financial health needs to be improved by additional reorganization/rationalization of operating sites, improvement of operating efficiencies, and so on.

## Values Based on the Corporate Mission 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.

#### The Values We Support

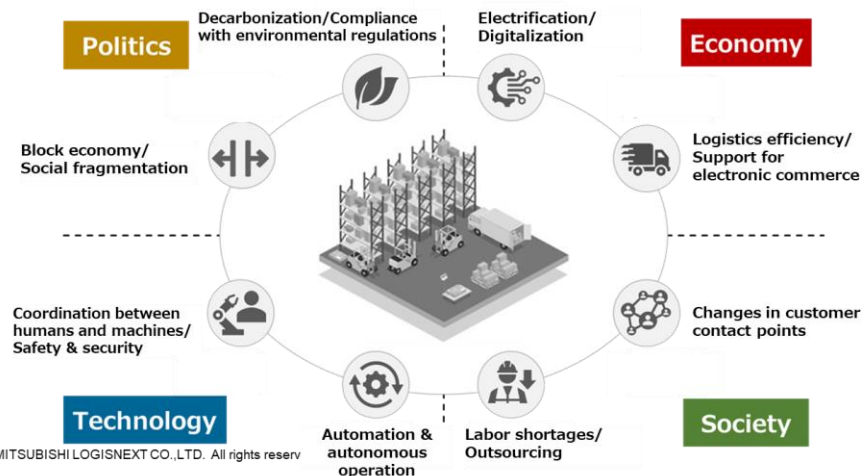
Employee satisfaction: Each employee can think independently, attempt new challenges and take the risk of making mistakes without fear of failure, while growing day to day.

### Market Conditions Affecting Logistics (up to 2035)

- Market conditions affecting logistics in 2035 will include a major shift toward decarbonization and general advancements in automation and autonomous operability, but manned forklifts will continue to be widely used.
- That will result in increasing needs for connected logistics with greater importance placed on inter-machine and human-machine cooperation and logistics safety/security.

### Business Scale and Numerical Targets in 2035

- To fulfill our purpose, we will achieve additional growth by 2035 based on the slogan “Transition from integration to growth”.



### 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

## Promoting Sustainability Management

■ Basic policies for SDGs were revised to reflect the principles underlying our purpose. The following 4 basic policies have been specified.

- (1) Conserve the global environment.
- (2) Ensure customer safety and security and offer automation and autonomy (revised).
- (3) Promote diversity and engagement (revised).
- (4) Strengthen corporate governance.

Basic Policies	(1) Conserve the global environment.	(2) Ensure customer safety and security and offer automation and autonomy.	(3) Promote diversity and engagement.	(4) Strengthen corporate governance.
	 	   	 	
Materiality	Reduce environmental impact (Reduce scopes 1 and 2)	Offer safe and secure logistics equipment to customers	Ensure diversity in human resources	Corporate governance
	Offer environmentally-friendly products (Reduce scope 3)	Offer automated and autonomous systems to customers	Train human resources	Compliance
			Job satisfaction and labor productivity	Risk management
			Occupational safety and health	

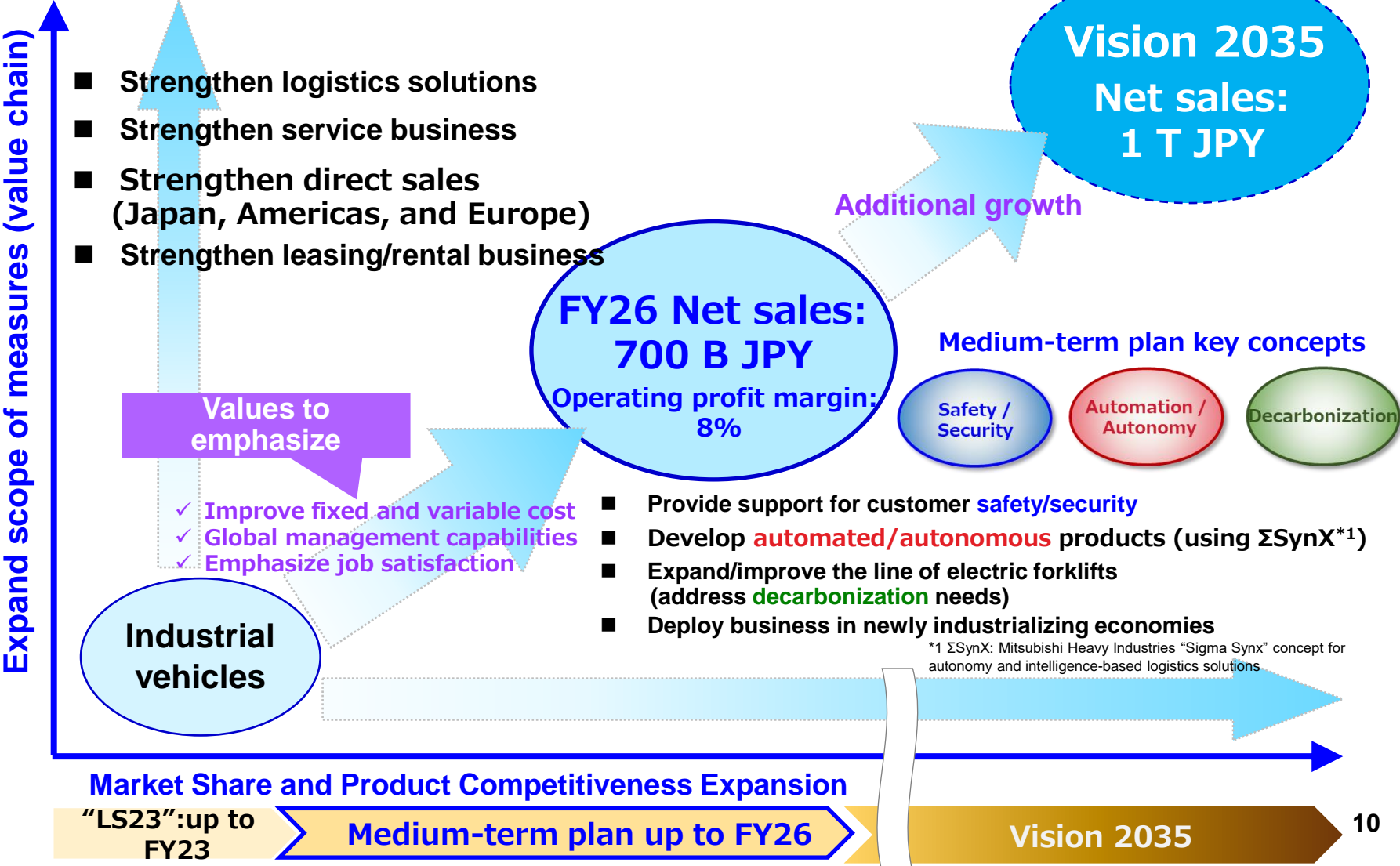
# 4. Medium-Term Plan

“Logisnext Transform 2026”



## **4.1 Core Strategies**

## Core Strategies in the Medium-Term Plan



## Mitsubishi Logisnext Medium-Term Plan (FY2024 to FY2026)

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

“Logisnext **Transform** 2026” (abbreviated “LT26”)

### Three Core Strategies

#### Further Growth in Industrial Vehicles

- Release new products for decarbonizing society.
- Expand/improve line of high value-added products that help ensure safety and security.
- Accelerate deployment of business in new markets.

#### Breakthrough in Logistics Solutions Business

- Release new AGV/AGF products based on automation/autonomy.
- Develop system that supports human-machine cooperation.
- Strengthen our ability to make connections and solve problems based on maximum use of customer contacts.

#### Continuous Improvement for Corporate Resilience and Reform of Business Management Structure

- Further improve fixed and variable cost.
- Build truly global management capabilities.
- Manage businesses with emphasis on importance of job satisfaction.

## Regional Core Strategies

- Release products based on region-specific characteristics/needs that help realize a decarbonizing society. Expand the logistics solutions business in Japan, the United States, and Europe.
- Strengthen management practices and improve the efficiency of service operations by using direct-sales organizations in Japan, the United States, and Europe to fully utilize customer contacts.
- Strengthen management practices at APAC and in China while rebuilding product and sales strategies at the same time.

Region	Specific Issues	Regional Strategies
Japan	<u>Improve profitability</u>	<ul style="list-style-type: none"> <li>● Expand service revenue by using digital tools to improve work efficiency.</li> <li>● Promote automation and saving labor by offering systems that include peripheral equipment.</li> </ul>
Americas	<u>Accelerate shift to electric forklifts</u>	<ul style="list-style-type: none"> <li>● Release new electric forklifts and increase the production capacity of electric forklifts.</li> <li>● Expand AGF/AGV sales and strengthen system engineering capabilities</li> </ul>
Europe	<u>Promote advanced technologies</u>	<ul style="list-style-type: none"> <li>● Develop and release an integrated control system that supports human-machine cooperation.</li> <li>● Globally deploy sales of electric forklifts and AGF models developed in Europe.</li> </ul>
APAC • China	<u>Improve competitiveness and deploy in new markets</u>	<ul style="list-style-type: none"> <li>● Develop new markets by releasing cost-competitive products.</li> <li>● Significantly improve the efficiency of production and sales functions.</li> </ul>

# 4.1 Core Strategies —

## a) Further Growth in Industrial Vehicles

### Develop and Expand Sales of New electric forklifts

#### Europe

- Develop new **medium/large electric forklifts** in response to expanding needs of customers with high environmental awareness.
- Promote sales by directly affiliated sales subsidiaries in Europe by **training and improving sales personnel for electric forklifts**.



#### Americas

- Jointly develop **U.S.-specific electric forklifts** in collaboration with affiliates in Europe/Americas.
- Expand sales of **existing models developed by affiliates in Europe** that can satisfy outdoor demand.



#### Japan

- **Expand/improve the line of LiB-equipped models** and establish techniques for **expanding LiB sales**.
- **Make design changes to existing electric forklifts** to strengthen the product line and reduce costs.



#### Global

- Develop **next-generation LiB-equipped models** with performance equivalent to engine-powered models.
- Develop **low-cost LiB-equipped models** for which demand is predicted to expand in newly emerging economies and even developed economies.

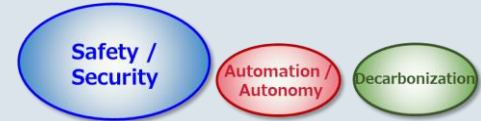


# 4.1 Core Strategies –

## a) Further Growth in Industrial Vehicles

Offer high value-added products with safety and security functionality.

- Expand/improve functionality and services for **supporting customer safety and security** in all sorts of logistics scenarios.
- Actively cooperate with business partners** to create added value in combination with key Mitsubishi Logisnext technologies.



**(1) Work with customers as a unified team to propose solutions that help ensure safety and security at each workplace.**

Respond individually by prioritizing speed



**(2) Optimize production modules and retrofit modules.**

Include optional settings in production models



**(3) Establish competitive advantages associated with automation technologies and service tools.**

Differentiate with technology

### AI Camera-Based Human-Sensing System



AIカメラ“人検知システム”  
OmniEye®

- ◆ “人”のみを検知
- ◆ ドラレコ機能付き



### EDiA XL-based technology transfer

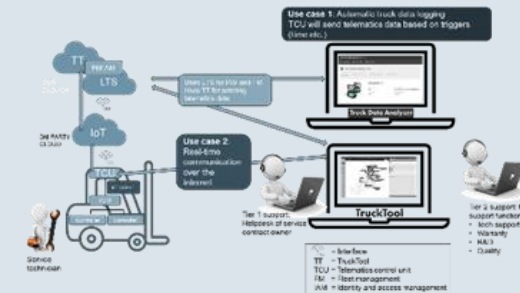


Technology transfer already started on other EDiA-family products and planned for future projects



- ・長距離移動でも随時のアクセル操作が要らないため、疲れにくい。
- ・操作に気を取られず、周囲確認にも集中できる。
- ・速度制限のある構内でも楽にスピード維持できる。

### Remote Vehicle Diagnostic Tool



### Functionality for Supporting Driving and Loading Operations

# 4.1 Core Strategies —

## b) Breakthrough in Logistics Solutions Business

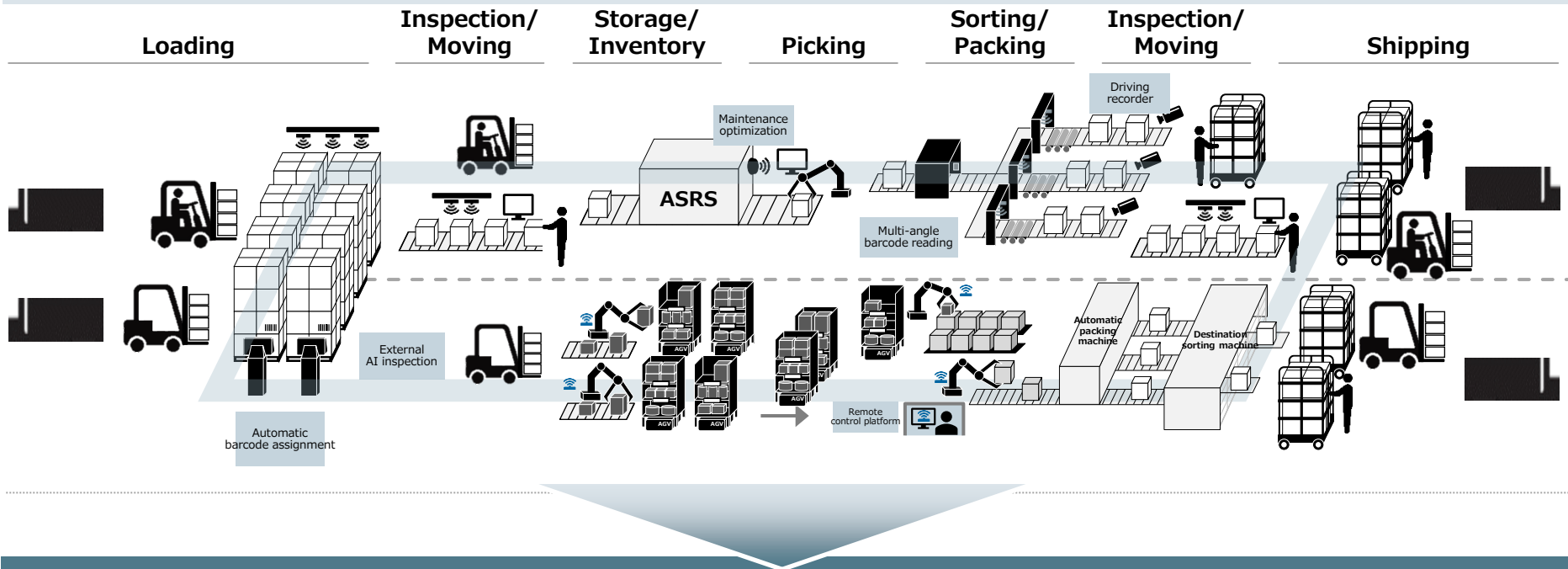
### Future Warehouse Logistics

Safety / Security

Automation / Autonomy

Decarbonization

- Despite major advancements in the use of automation and IoT technologies expected in the future, many logistic operations will continue to involve both humans and machines.
- That will result in **increasing needs for logistics with human-machine or machine-machine connections** and a **greater importance placed on inter-machine and human-machine cooperation and logistics safety/security.**



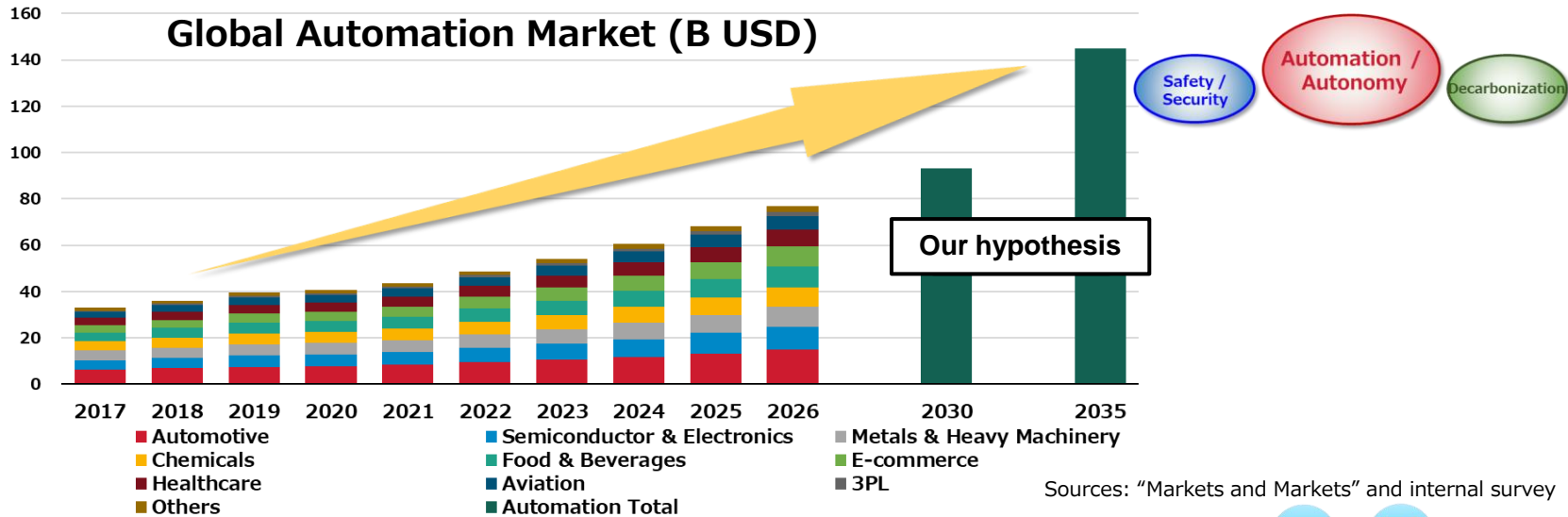
### Logistics Solutions intended by Mitsubishi Logisnext

- **Fully utilize customer contacts**, considered a strength of Mitsubishi Logisnext, to **develop logistics solutions in close partnership with customers** that connect mainly human-powered forklifts and AGF/AGV units with automation and peripheral equipment **based on familiarity with customer processes, scale of operations, and needs.**

# 4.1 Core Strategies —

## b) Breakthrough in Logistics Solutions Business

- The automation market size is predicted to approximately double from 2020 to 2026 and is expected to expand further after that.
- We intend to increase Logisnext presence in the expanding automation market.



### Labor-Saving and Automated Products / Human-Machine Cooperation Support System

- **Release new AGV/AGF-based labor-saving/automated products**
  - Use  $\Sigma$ SynX to develop next-generation AGF platform at Mitsubishi Logisnext. Achieve both timely development and flexible solutions for customer needs.
- **Develop and expand sales of an integrated control system for supporting human-machine cooperation (mixed-fleet solution).**
  - Also incorporate non-Mitsubishi Logisnext vehicles and equipment that customers already own into the system by integrating the management of manned forklift and unmanned equipment operations and using software for ensuring customer resources are utilized efficiently to issue work instructions optimized respectively for humans and machines. That is also expected to increase demand for replacement with Mitsubishi Logisnext products.





# 4.1 Core Strategies —

## b) Breakthrough in Logistics Solutions Business

### Utilize Customer Contacts from Strengthening Direct-Sales Capabilities

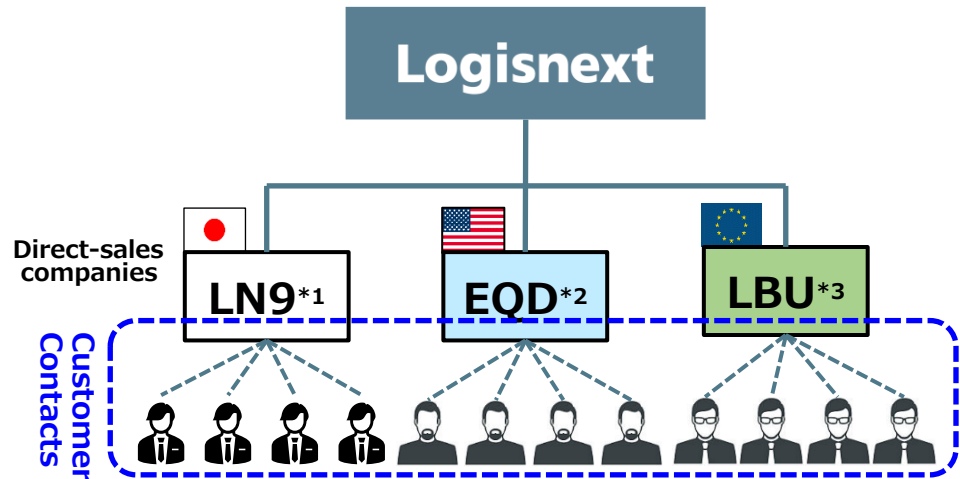
- With **the sales network of mostly direct-sales organizations defined as “customer contacts”**, which is considered a strength of Mitsubishi Logisnext, strengthen our ability to connect logistics process steps and solve customer logistical challenges by fully utilizing the presence of customers
- To strengthen those abilities, ensure adequate development and engineering-related human resources and service personnel, cooperate with automation equipment manufacturers and system integrators to expand our engineering capabilities, and offer systems that include peripheral equipment.

### Establish Organization for Promoting Logistics Solutions Business

- On April 1, 2024, a new **Logisnext Solutions Department (LogSol\*4 Dept.)** was established as an organization for integrating logistical solution businesses globally.
- The department will be headed by Corporate Officer Tapio Rummukainen\*5, who has extensive logistics experience working in the Logistical Solutions Business within the Mitsubishi Logisnext Group for many years and is very familiar with the businesses in Europe and the United States, where the next battlegrounds are expected to be. He will be in charge of proposing and implementing strategies for the business, managing globally integrated net sales and profits/losses, and ensuring resources are utilized efficiently.

\*4: Pronounced “Log-Sol”

\*5: Executive Vice-President of coordinating operations in Europe (Mitsubishi Logisnext Europe B.V.) and the first non-Japanese Division General Manager at the corporate organization in Japan.



- \*1 LN9: Direct-sales companies in Japan (9 companies)
- \*2 EQD: Equipment Dept., Inc. (direct-sales company in the United States)
- \*3 LBU: Logisnext Business Unit (direct-sales company in Europe)

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# 4.1 Core Strategies

## c) Continuous Improvement for Corporate Resilience and Reform of Business Management Structure

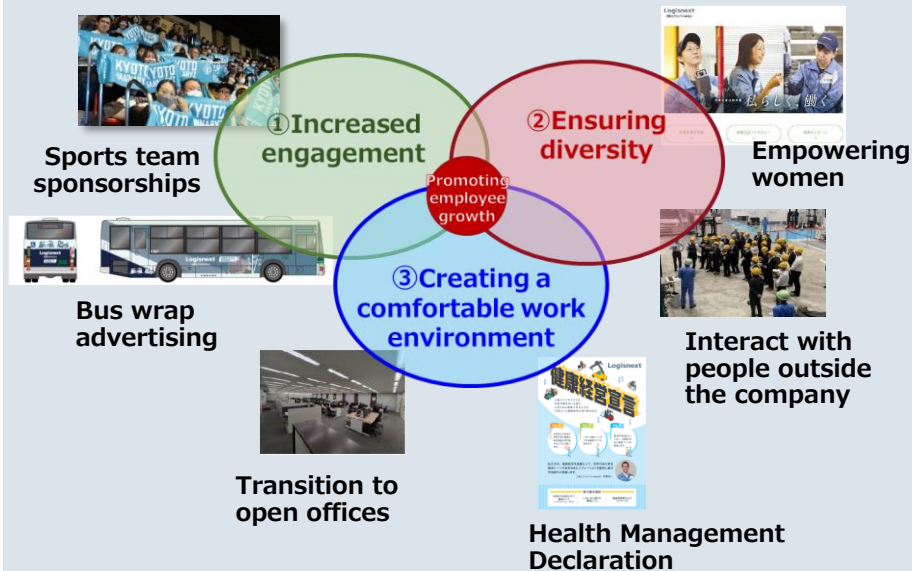
### Profitability Improvements

#### ■ Implement job satisfaction reforms

- Implement additional advancements to previous working practice reforms already executed and instilled.

Implement job satisfaction reforms based on 3 key themes.

#### 3 Themes and Key Measures



#### The Values We Support

**Employee satisfaction: Each employee can think independently, attempt new challenges and take the risk of making mistakes without fear of failure, while growing day to day.**

### Business Structural Reforms

#### ■ Build truly global management capabilities

- To build global management systems appropriate for a company with overseas operations currently accounting for over 70% of consolidated sales, expand/improve the appointment of non-Japanese corporate executive officers and subsidiary presidents.



**Kenneth J. Barina**

Senior Vice President  
(as of 4/1)  
President of MLAG and MLA



**Tapio Rummukainen**

Executive Officer  
LogSol Dept. Manager  
(as of 4/1)  
and MLE Executive Vice-President

- Rationalize production locations globally, such as by closing functions at the Sweden plant and investing to increase production of electric forklifts at North America plant.

#### ■ Increase supply chain resilience

- Establish local procurement practices at production locations throughout the world and procure common parts from multiple sources globally.
- To avoid concentrating critical parts in a specific country, accelerate development of new suppliers in emerging market.

#### ■ Execute ICT/DX strategies

- Offer new services based on utilizing LVS\*1 data. (such as for detecting dangerous operations, troubleshooting, and mapping vehicle location)
- Improve business continuity by integrating the different core operation systems used at various locations around the world and by improving IT-BCP and IT security.

## **4.2 Financial and Non-Financial Targets**

## a) Financial Targets

- Achieve Vision 2035 by aiming to expand the business more quickly and achieve **700 billion yen in net sales, 56 billion yen in operating profit, and an 8.0% operating profit margin value by FY26.**
- Diligently improve financial health and aim to achieve a **capital adequacy ratio of 30% or higher.**
- Specify new ROE targets for establishing management practices based on an awareness of the cost of capital. Aim to achieve an **ROE value of 20% or higher** that exceeds shareholder cost of capital (10%).

(Units: B Yen)	Est. FY23 Results	Est. FY23 Results (values converted with "LT26" plan rates)
<b>Net Sales</b>	<b>690</b>	<b>640</b>
<b>Operating profit</b> (before amortization of goodwill)	<b>55</b>	<b>48</b>
<b>Operating Profit Margin</b> (before amortization of goodwill)	<b>8.0%</b>	<b>7.5%</b>
<b>Capital adequacy ratio</b>	<b>20%</b>	<b>–</b>
<b>ROE</b>	<b>30%</b>	<b>–</b>

FY26 Plan
<b>700</b>
<b>56</b>
<b>8.0%</b>
<b>30% or higher</b>
<b>20% or higher</b>

FY23/3Q actual rate: USD = 143.29 yen EUR = 155.29 yen  
 "LT26" plan rates: USD = 130.00 yen EUR = 140.00 yen

# 4.2 Financial and Non-Financial Targets

## b) Financial Policy and Shareholder Return Measures

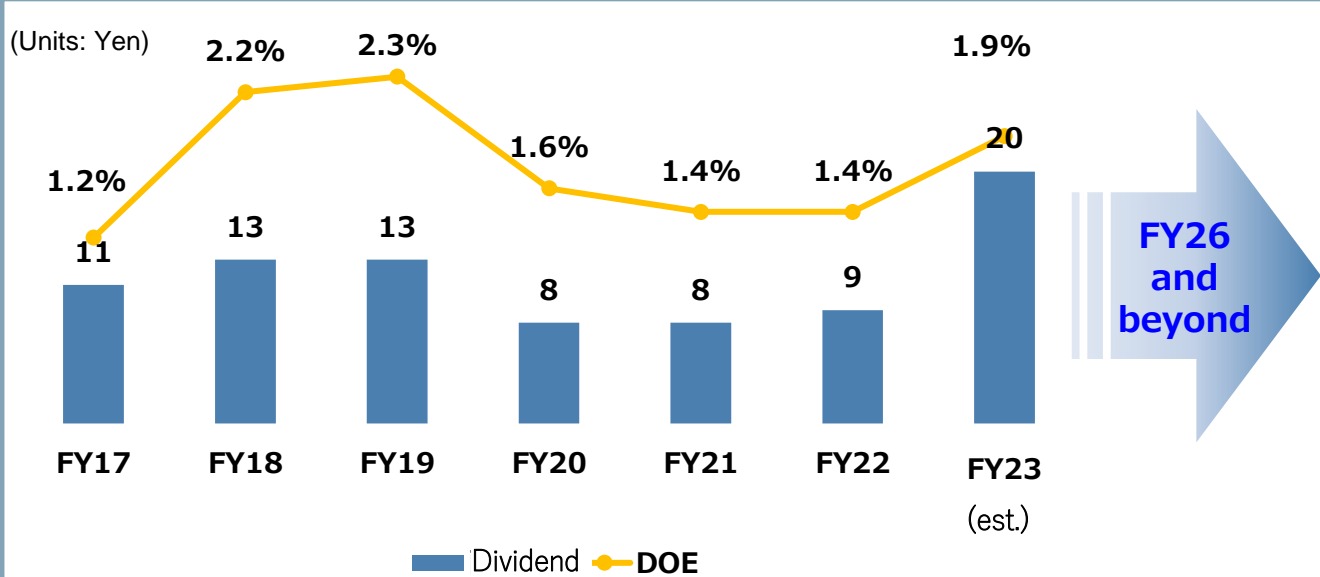
### Financial Policy

- A steady accumulation of profits and working capital improvements provide adequate free cash flow that enables a well-balanced allocation of free cash flow for strategic investments, financial improvements, and shareholder returns.

### Shareholder Return Measures

- Given the basic policy of issuing consistent and sustained dividends that will not vary in response to performance fluctuations caused by sudden changes in economic conditions, Mitsubishi Logisnext will continue to issue consistent dividends based on a target 2% dividend on equity (DOE) until FY2025, when amortization of goodwill associated with the acquisition of former UniCarriers is finished.

Dividend per Share and Annual DOE Trend



While taking into consideration the balance between growth investments and financial health improvements and a target DOE of 4%, the aim is to provide consistent and sustained increases in shareholder returns.

## c) Non-Financial Targets

Note: Excludes use of new alternative fuels or engine fuel efficiency improvements.

		Criterion	2026	2035/40
Decarbonization	Scopes 1 and 2	Emissions Reduction (vs 2017)	<b>-33%</b>	2040: C and N
	Scope 3 - (11)	Emissions Reduction (vs 2017)	<b>-29%</b>	Note: -75% (Electric vehicle ratio of 90% or more)
<b>Automation and Autonomy</b>		Net Sales of Solutions Business	<b>60 B yen</b>	200 B yen

# Logisnext

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