



Financial Results for the 1st quarter of FY2019

(FY2019: From April 1, 2019 to March 31, 2020)

Sep. 3, 2019

MITSUBISHI LOGISNEXT CO., LTD.

Economic Market Trends

- The global economy has begun to show sluggish growth, mainly in the manufacturing industry, due to the stagnation of export-type industries from prolonged US-China trade friction.
- Although there is support from domestic demand in each country, there is a growing sense of uncertainty including the political situation in Europe and geopolitical factors in Asia and the Middle East. Thus, companies notably have shown movement toward minimizing capital investment.
- Although Japan's domestic economy is basically steady, it cannot be said that it is showing strong growth, and with the slow down of the special demand for the Tokyo Olympics, the domestic economy is shifting to a wait-and-see phase.
- Logistics equipment demand is not optimistic, since it is also starting to show sluggishness due to caution of carefully assessing future economic trends.

Summary of FY2019 1Q Results

- Net sales decreased 1.4% year-on-year, due to decrease mainly in China and Asia.
- Operating profit increased 54.0% year-on-year, by reflecting rising material costs and freight costs into sales prices.
- Net income decreased by 38.4% year-on-year, due to the reversal of deferred tax assets as a result of tax losses recognized in the current fiscal year for the transfer loss of a Chinese subsidiary (Anhui Forklift) recorded in the previous fiscal year.
(This impact has been factored into the FY2019 financial forecast)

2. Financial Highlights

Unit: Hundred million JPY

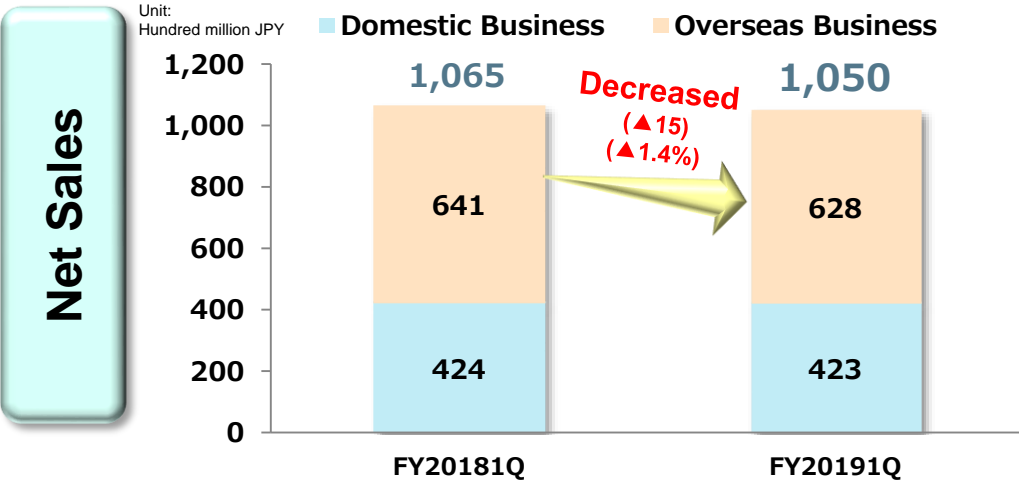
Profit and Loss Statement	FY2018 1Q		FY2019 1Q		YOY Change	
Net Sales	1,065	1,050	▲15	▲1.4%		
Operating Profit (Before amortization of goodwill) (Operating profit margin)	37.2 (3.5%)	45.4 (4.3%)	+8.2	+22.0%		
Amortization of Goodwill	21.9	21.9	—	—		
Operating Profit (Operating profit margin)	15.2 (1.4%)	23.5 (2.2%)	+8.3	+54.0%		
Ordinary Profit (Ordinary profit margin)	19.1 (1.8%)	23.8 (2.3%)	+4.7	+24.7%		
Profit Attributable to Owners of Parent (Net income margin)	9.7 (0.9%)	6.0 (0.6%)	▲3.7	▲38.4%		
Balance Sheet	FY2018 1Q		FY2019 1Q		YOY Change	
Total Assets	3,677	3,576	▲101	▲2.7%		
Total Liabilities	2,992	2,933	▲59	▲2.0%		
Net Assets	685	643	▲42	▲6.1%		

FY2018 1Q actual FX rates: USD = JPY109.07 EUR = JPY130.06 CNY = JPY17.13

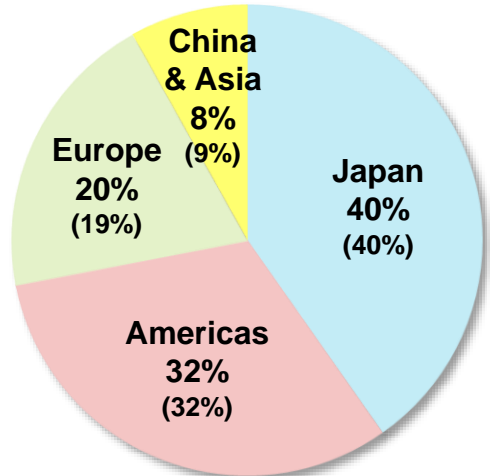
FY2019 1Q actual FX rates: USD = JPY109.90 EUR = JPY123.49 CNY = JPY16.07

3. Business Results by Segment

Net sales decreased mainly in China and Asia.

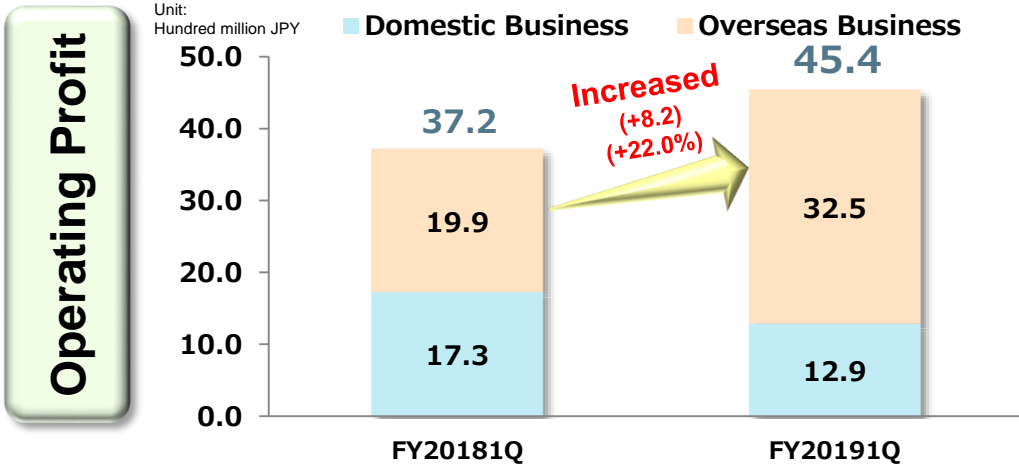


FY2019 1Q Sales by Region

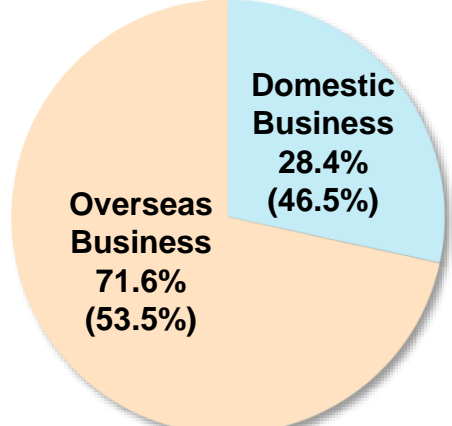


FY2018 1Q indicated in parentheses

Operating profit increased mainly by reflecting rising material costs and freight costs into sales prices.



FY2019 1Q Operating Profit by Segment



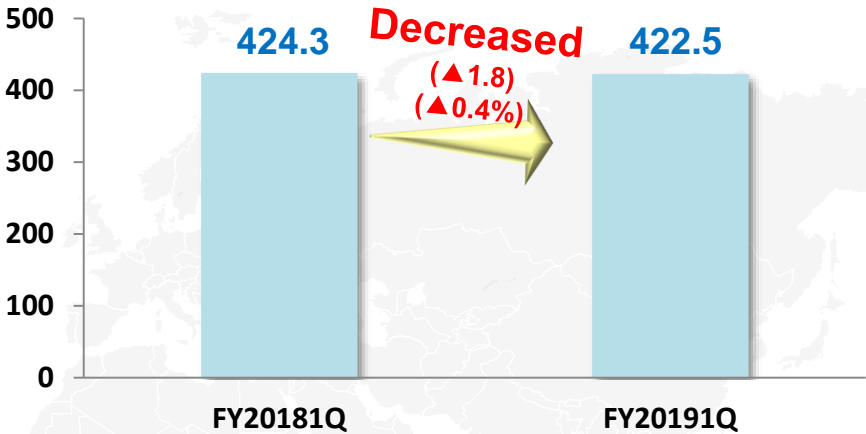
FY2018 1Q indicated in parentheses

* Operating Profit before amortization of goodwill

4. Sales by Region

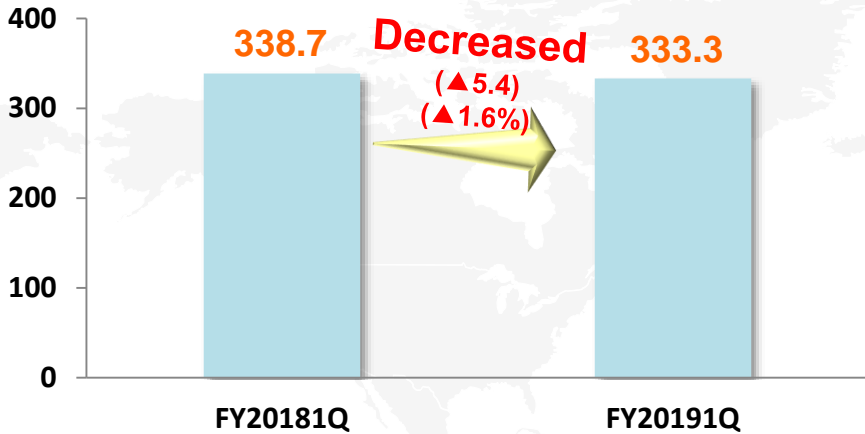
Japan

(Unit: Hundred million JPY)



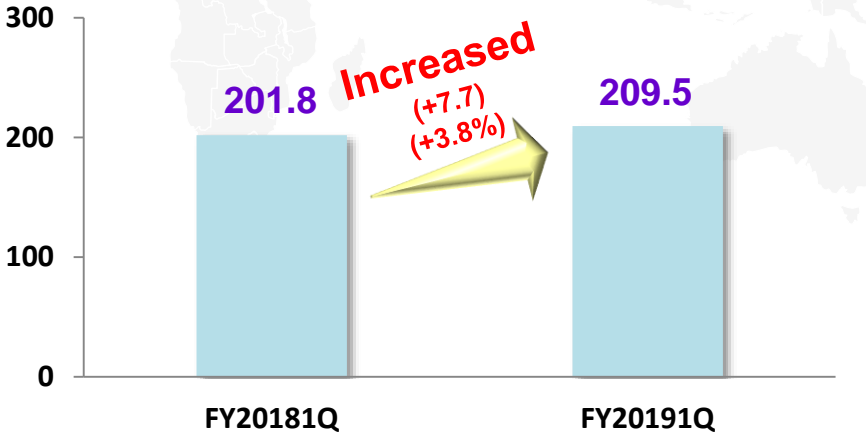
Americas

(Unit: Hundred million JPY)



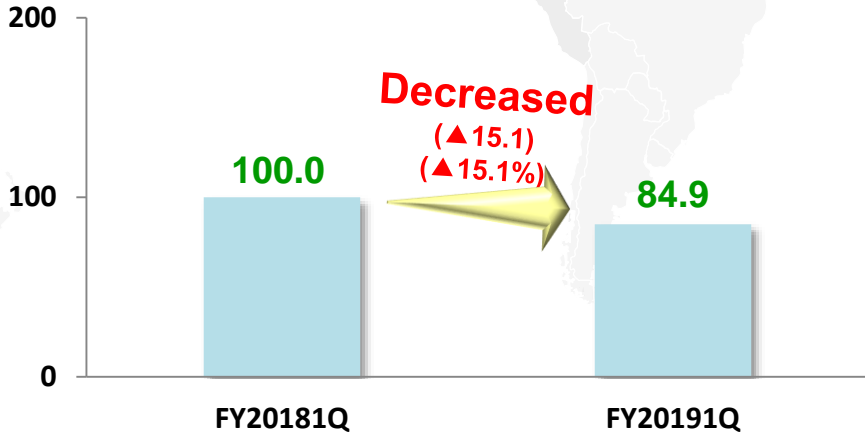
Europe

(Unit: Hundred million JPY)



China and Asia

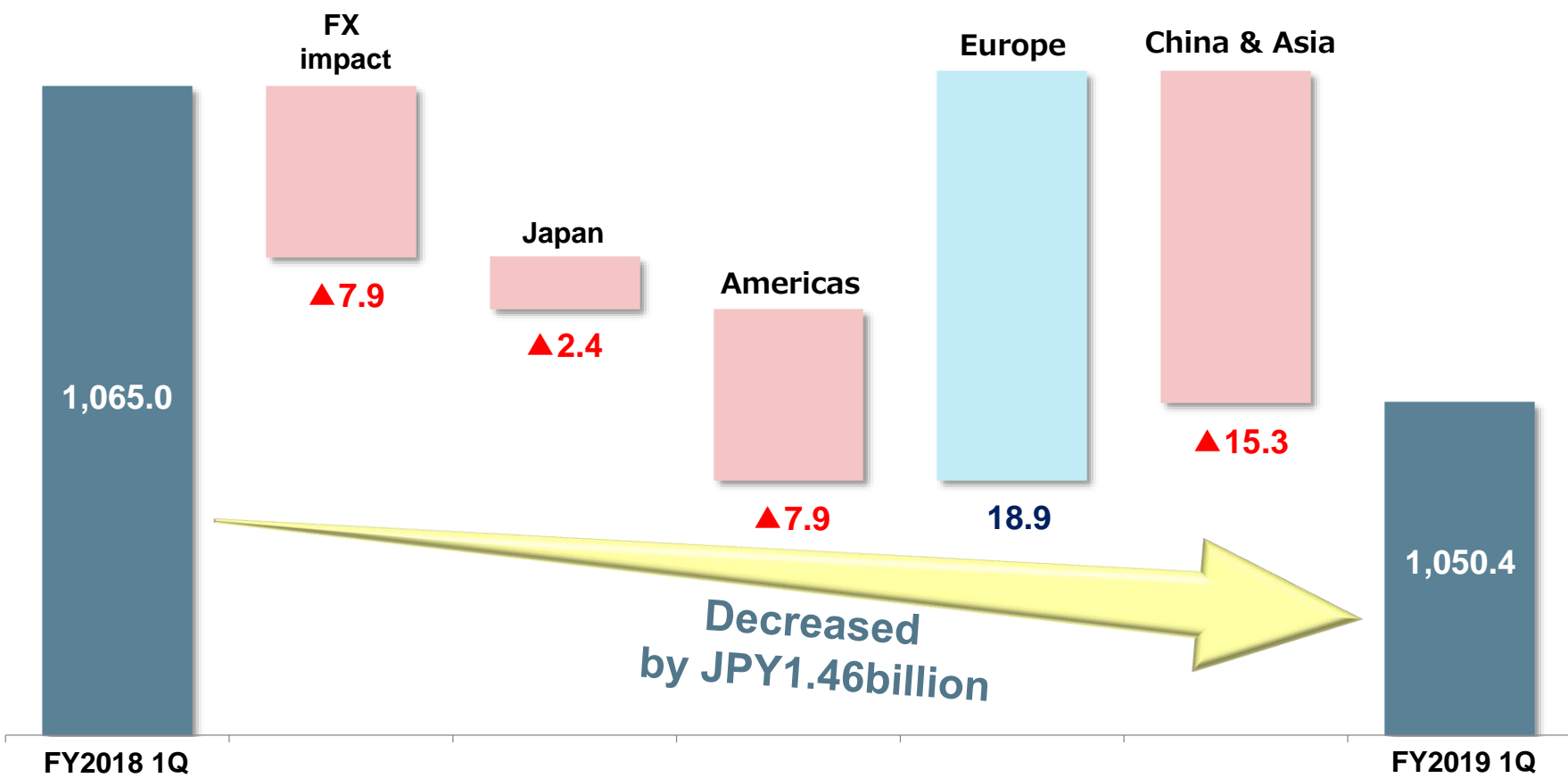
(Unit: Hundred million JPY)



5. Net Sales FY2018 1Q vs FY2019 1Q

Net sales decreased mainly in China and Asia.

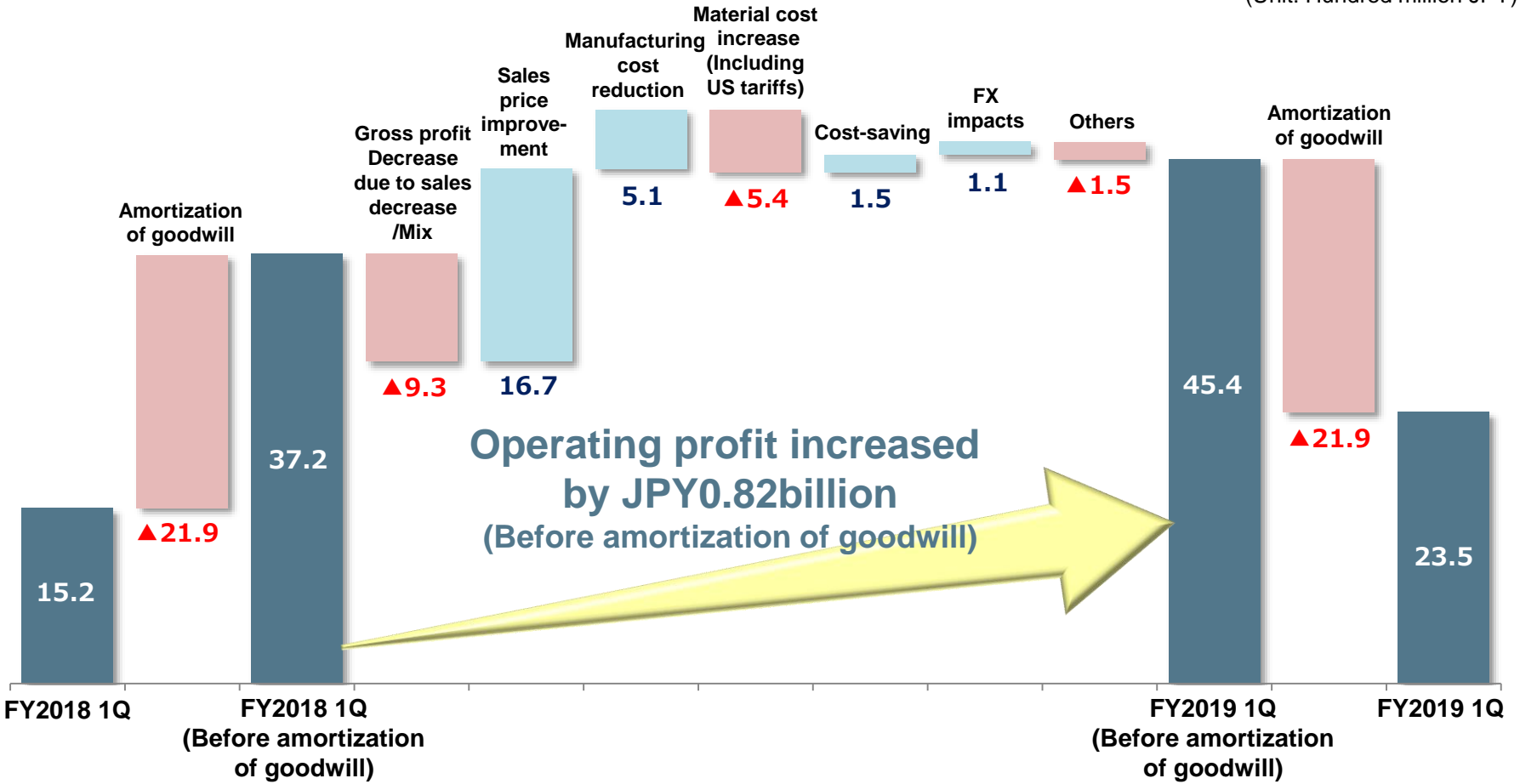
(Unit: Hundred million JPY)



6. Operating Profit FY2018 1Q vs FY2019 1Q **Logisnext**

Operating profit increased mainly by reflecting rising material costs and freight costs into sales prices.

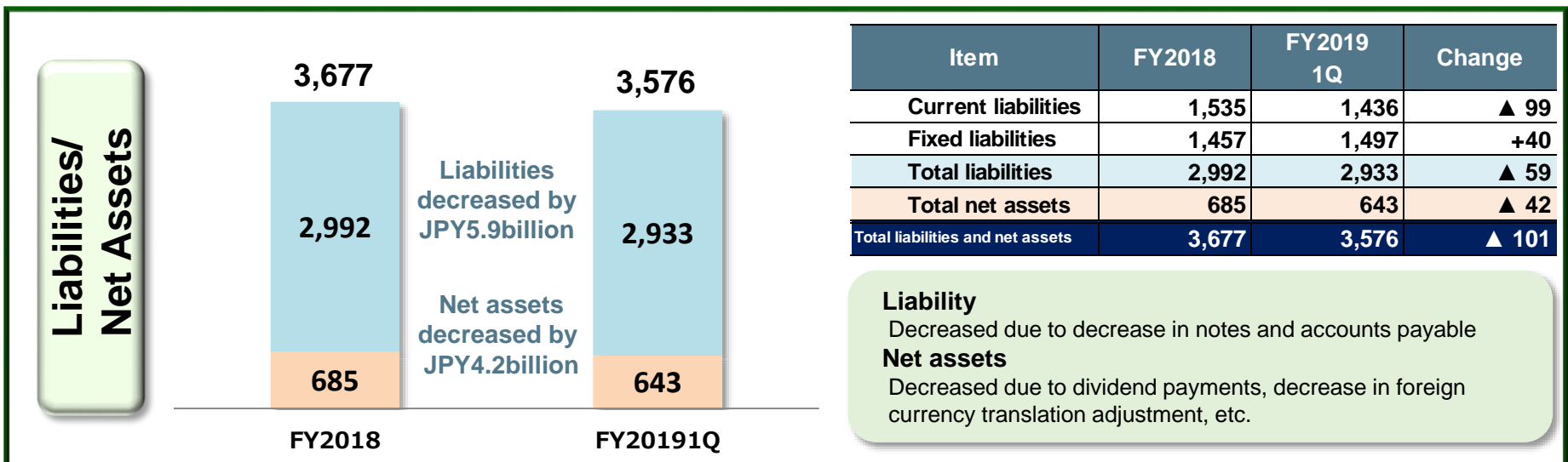
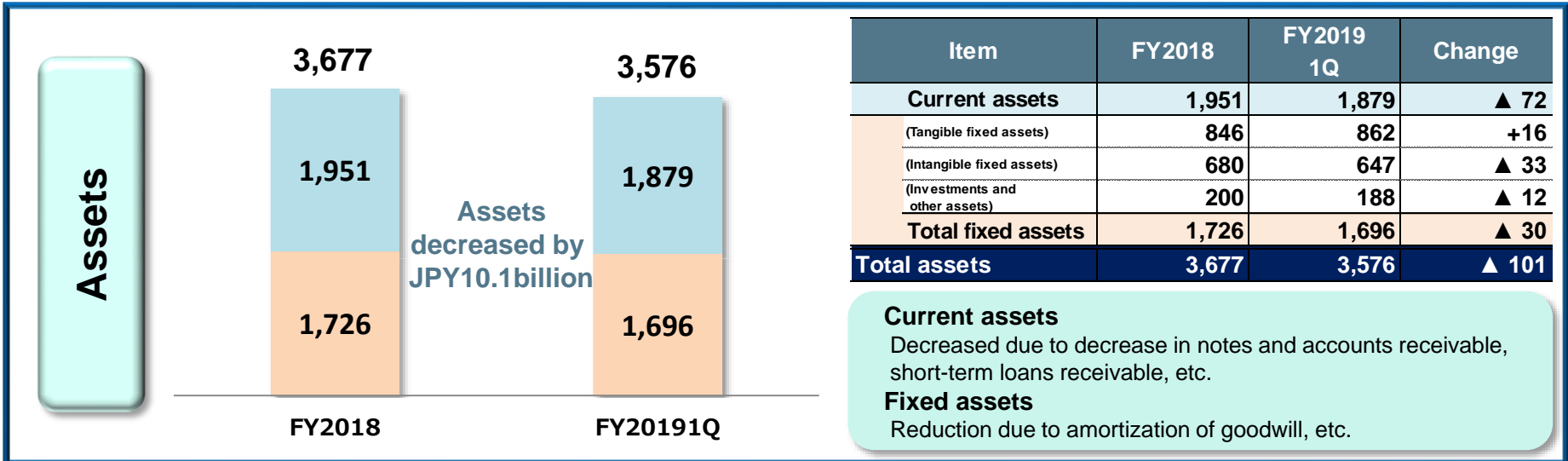
(Unit: Hundred million JPY)



7. Consolidated Balance Sheet

Total assets and total liabilities decreased due to decrease in trade receivables and payables from the decline in sales

(Unit: Hundred million JPY)



8. Financial Forecast for FY2019

Due to the acquisition of Equipment Depot, Inc. (EQD), we have revised our FY2019 financial forecast by including EQD and its subsidiaries' nine months forecast and amortization of goodwill.

(Unit: Hundred million JPY)

Item	FY2019 1Q (Results)	FY2019 Original Forecast (May 2019)	FY2019 Revised Forecast (Aug. 5, 2019)
Units Sold	28,000 units	119,000 units	119,000 units
Net Sales	1,050	4,600	4,900
Operating Profit (Before amortization of goodwill) (Operating profit margin)	45.4 (4.3%)	240.0 (5.2%)	250.0 (5.1%)
Amortization of Goodwill	21.9	90.0	110.0
Operating Profit (Operating profit margin)	23.5 (2.2%)	150.0 (3.3%)	140.0 (2.9%)
Ordinary Profit (Ordinary profit margin)	23.8 (2.3%)	150.0 (3.3%)	130.0 (2.7%)
Profit Attributable to Owners of Parent (Net income margin)	6.0 (0.6%)	90.0 (2.0%)	70.0 (1.4%)
Dividend per Share	—	JPY13	JPY13

(Reference) Key Performance Indicators **Logisnext**

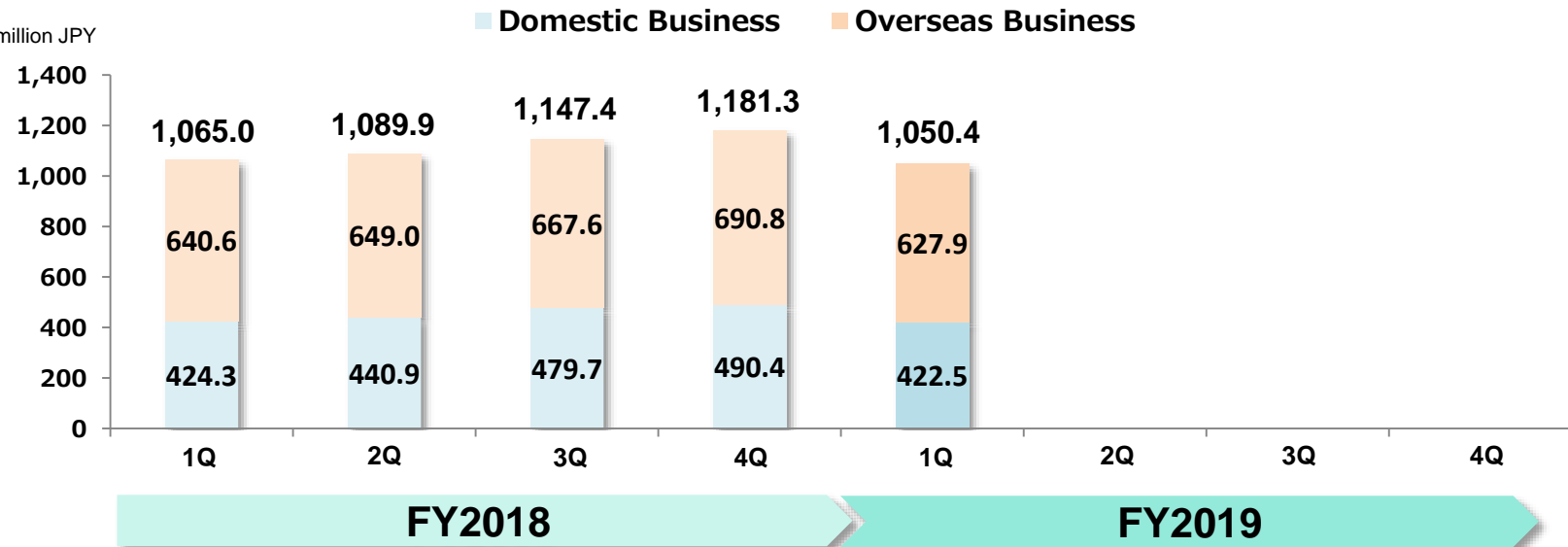
	Indicator	Formula	FY2018		FY20191Q		Comments
				(Before amortization of goodwill)		(Before amortization of goodwill)	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	1.9%	(4.2%)	1.9%	(4.7%)	Indicators after amortization of goodwill slightly deteriorated due to an increase in goodwill amortization resulting from the EQD acquisition.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	11.2%	(20.4%)	10.9%	(23.1%)	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	2.9%	(4.9%)	2.9%	(5.1%)	
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	1.6%	(3.5%)	1.4%	(3.5%)	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.2 times		1.4 times		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	5.8 times		6.1 times		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	5.6 times		5.1 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	17.9%		17.3%		Equity ratio deteriorated due to payment of dividends and decrease in foreign currency translation adjustment from yen appreciation
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	2.5 times		2.8 times		

*Performance (ROA / ROE) and Profitability (operating profit margin, etc.) indicators are calculated based on the FY2019 financial forecast.

(Reference) Quarterly Financial Results

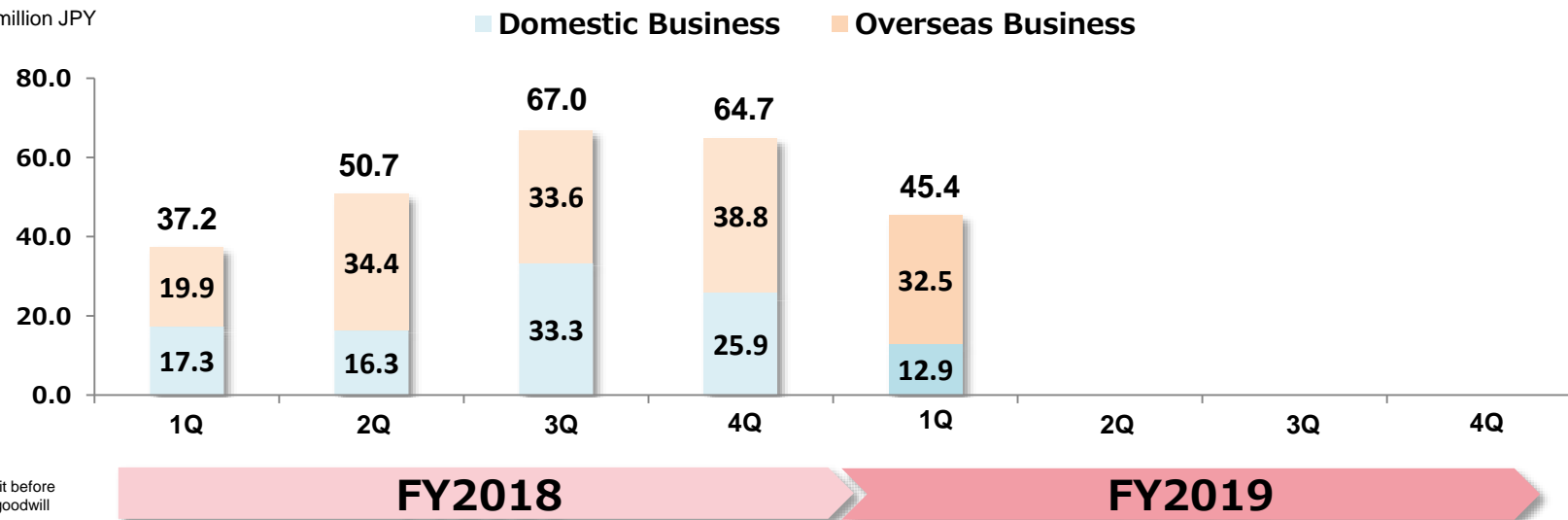
Unit: Hundred million JPY

Net Sales



Unit: Hundred million JPY

Operating Profit

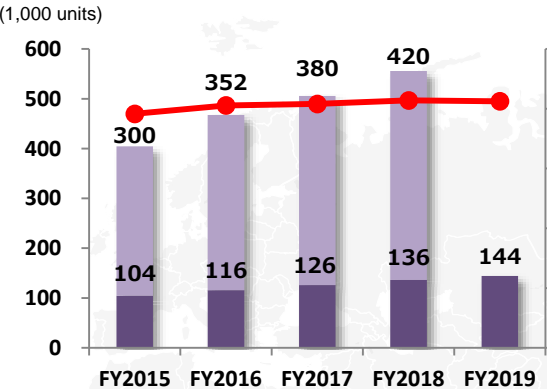


* Operating Profit before amortization of goodwill

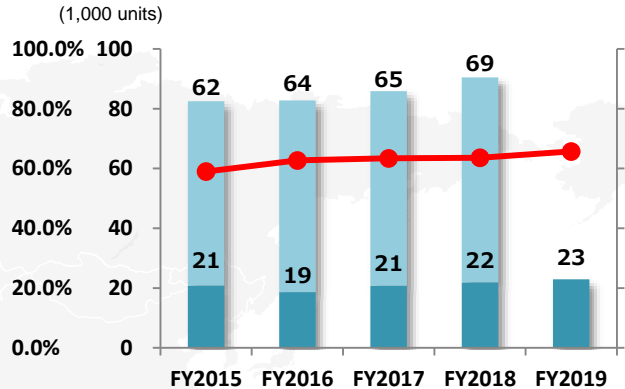
(Reference) Market Trend in Forklift Trucks

Due to sluggish demand in the US and China, the global market in FY2019 1Q decreased 1.6% (YOY) to 386 thousand units.

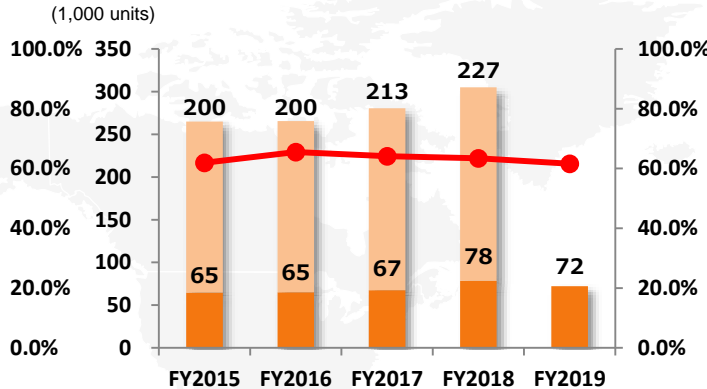
Europe (incl. Middle East & Africa)



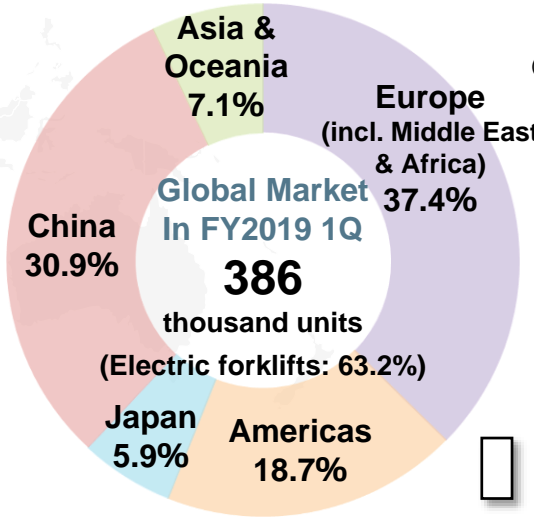
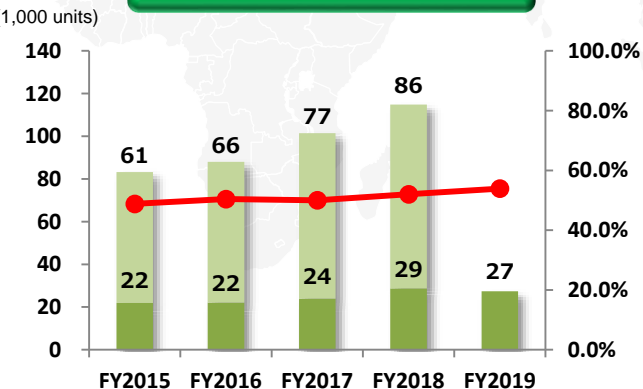
Japan



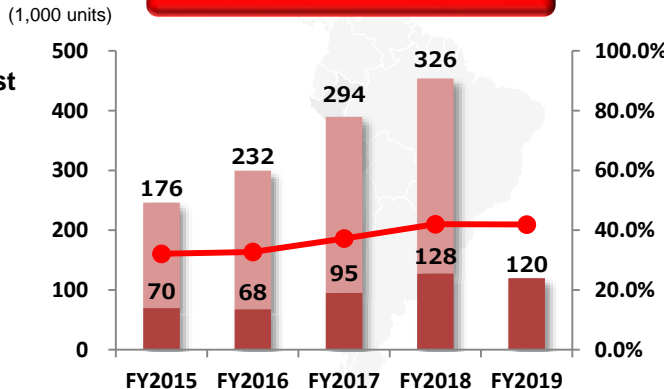
Americas



Asia & Oceania



China



Markets units

Percent electric forklifts

Disclaimer:

- This material is prepared for the sole purpose of providing investors with information and not intended for solicitation of any buying or selling.
- Forward-looking statements in this material are intended as targets or forecasts, with no commitment or guarantee as to their accuracy.
- Note that actual future business results of Mitsubishi Logisnext may differ from our current forecast.
- Statements concerning the business results are based on various data that we believe to be reliable, but we do not guarantee the correctness or completeness of such data.
- This material is provided based on the premise that each investor should use it relying on his or her own judgment and responsibility, whatever the purpose of its use may be. Mitsubishi Logisnext shall not be liable whatsoever, regardless of the results from using this material.

Please direct inquires regarding this material to the following:

Mr. Kariya or Ms. Kashiwagi
Planning Division
Mitsubishi Logisnext Co., Ltd.

1-1, 2-chome, Higashikotari, Nagaokakyo-shi, Kyoto 617-8585
TEL: 075-956-8610 FAX: 075-951-4038
URL: www.logisnext.com

Logisnext

MITSUBISHI LOGISNEXT CO., LTD.