



Q3 Financial Results for FY2022

(FY2022: From April 1, 2022 to March 31, 2023)

Feb. 17, 2023

MITSUBISHI LOGISNEXT

Economic Market Trends

- **The global economy remains stagnant or continues to slow down due to policies of increasing interest rates by central banks in various countries in order to control inflation and the impact of Russian aggression in Ukraine since February last year. In addition, material and transportation costs and supply chain disruptions remain high, although there are regional differences.**
- **In the material handling equipment market, demand in Japan remains at pre-COVID-19 levels. Overseas demand in Americas, has continued to exceed pre-COVID-19 levels because logistics needs remain strong despite economic slowdowns, remains high in Asia, is declining in Europe although maintaining pre-COVID-19 levels, and slows down in China.**
- **At Mitsubishi Logisnext, we have been affected by longer lead times due to delays in the supply of components and by higher material and transportation costs, but orders are generally steady despite regional differences. We have been able to increase production and shipping compared to the first half of FY2022 because of our efforts to improve production both in Japan and overseas. Corresponding sales price improvements have also been effective.**

Summary of FY2022 Q3 Results

- **Net sales increased by 30.9% YoY due to an increase in units sold mainly in the Americas and Europe, as well as the impact of weak JPY.**
- **Operating profit (before amortization of goodwill, etc.) increased 52.1% YoY due to a significant increase in sales against the background of strong orders, particularly in the Americas, as well as the impact of weak JPY and sales price improvements.**

2. Financial Highlights

Unit: Hundred million JPY

Profit and Loss Statement	FY2021 Q3		FY2022 Q3		YoY Change	
Net Sales	3,368.3		4,409.5		+1,041.2	+30.9%
Operating Profit <small>(Before amortization of goodwill, etc.) (Operating profit margin)</small>	100.2 (3.0%)		152.5 (3.5%)		+52.2	+52.1%
Amortization of Goodwill	70.5		76.3		—	—
Operating Profit <small>(Operating profit margin)</small>	29.7 (0.9%)		76.2 (1.7%)		+46.4	+156.1%
Ordinary Profit <small>(Ordinary profit margin)</small>	27.4 (0.8%)		62.6 (1.4%)		+35.1	+128.0%
Profit Attributable to Owners of Parent <small>(Net income margin)</small>	3.4 (0.1%)		28.8 (0.7%)		+25.3	+731.9%

FY2021 Q3 actual FX rates: USD=JPY111.11 EUR=JPY130.61 CNY=JPY17.25

FY2021 Q4 actual FX rates: USD=JPY112.38 EUR=JPY130.56 CNY=JPY17.51

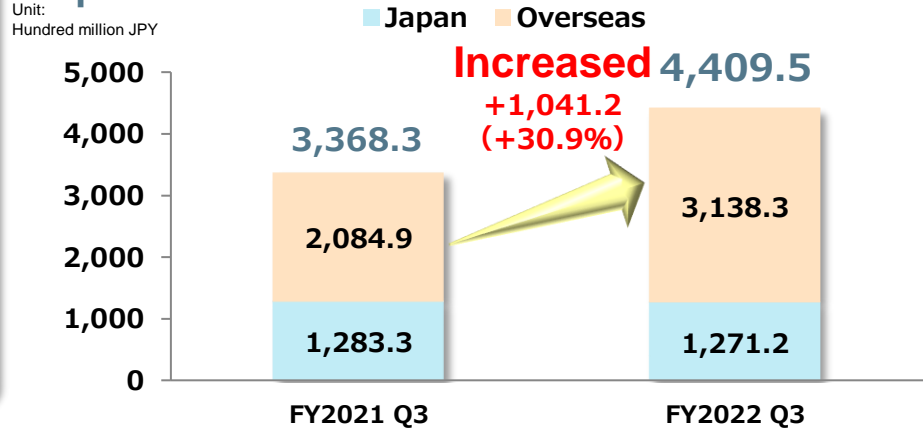
FY2022 Q3 actual FX rates: USD=JPY136.51 EUR=JPY140.59 CNY=JPY19.88

Balance Sheet	FY2021 Q4		FY2022 Q3		YoY Change	
Total Assets	4,056.0		4,674.3		+618.3	+15.2%
Total Liabilities	3,418.6		3,965.6		+546.9	+16.0%
Net Assets	637.3		708.7		+71.3	+11.2%

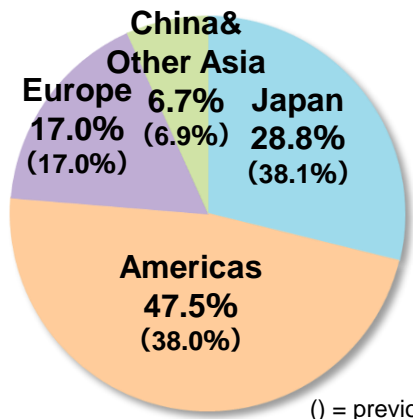
3. Business Results by Segment

Net Sales

Net sales increased by 30.9% YoY due to an increase in units sold mainly in the Americas and Europe and the impact of weak JPY, although decreased slightly in Japan.

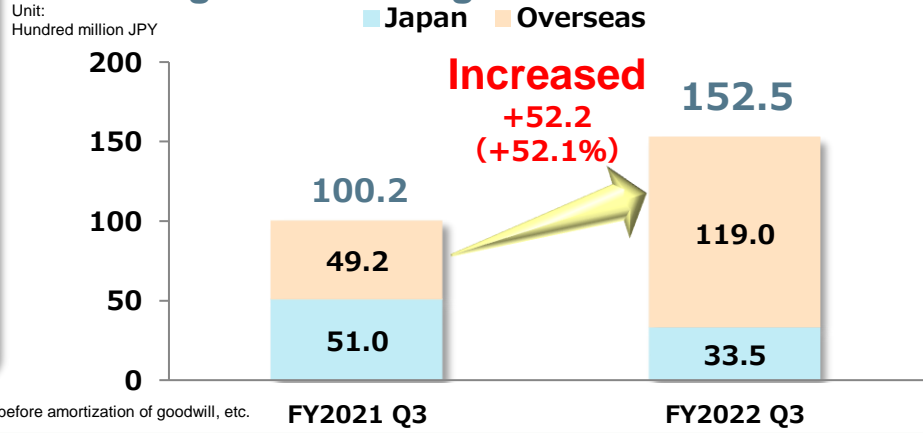


FY2022 Q3 Sales by Region

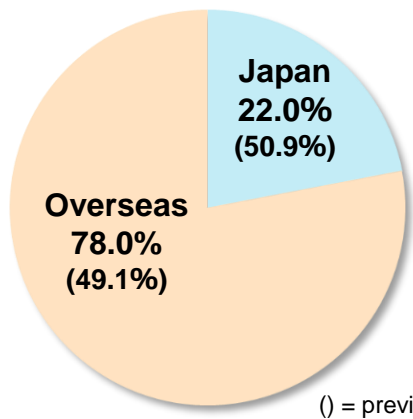


Operating Profit*

Operating profit increased by 52.1% YoY overseas due to the contribution from increasing sales and sales price improvements, although decreased in Japan due to declining sales and high costs.



FY2022 Q3 Operating Profit by Segment

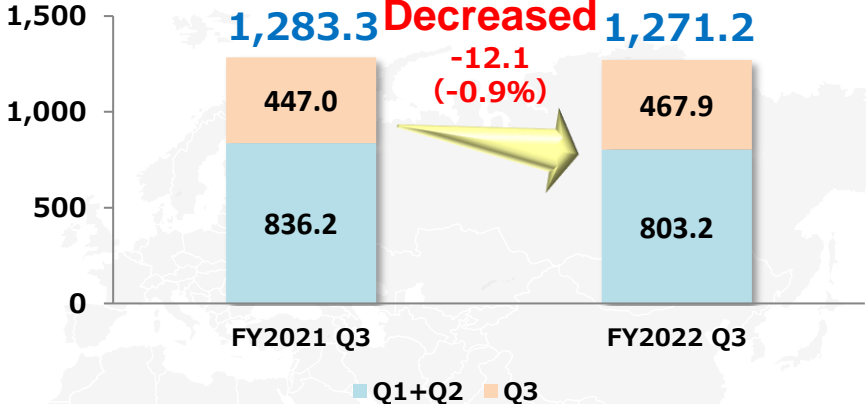


* Operating Profit before amortization of goodwill, etc.

4. Sales by Region (Including FX impact)

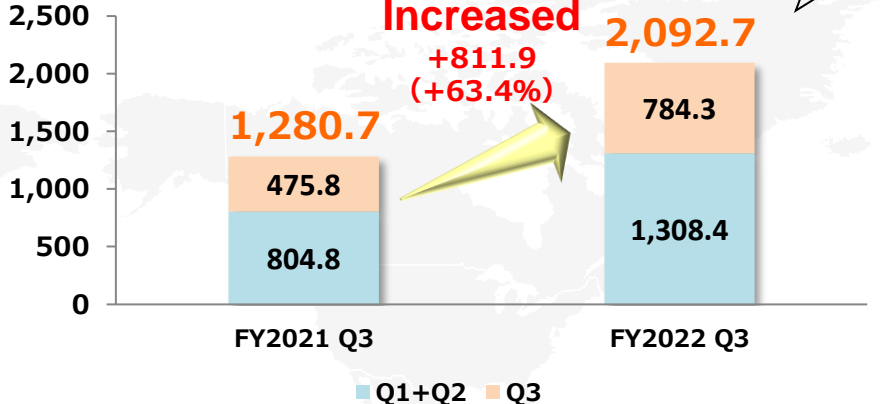
Japan

(Unit: Hundred million JPY)



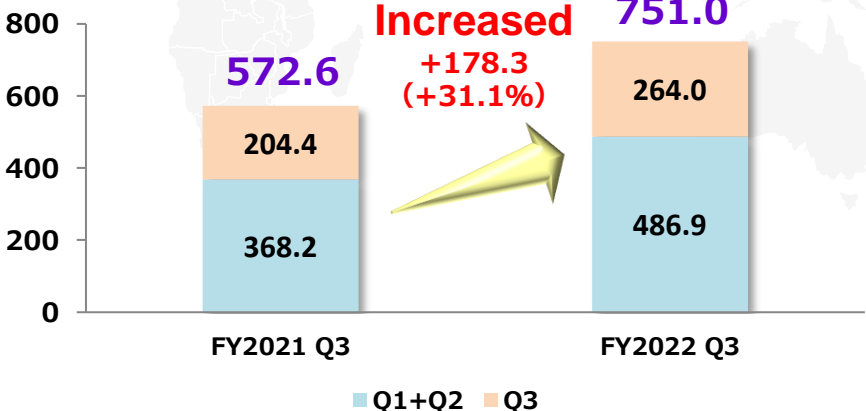
Americas

(Unit: Hundred million JPY)



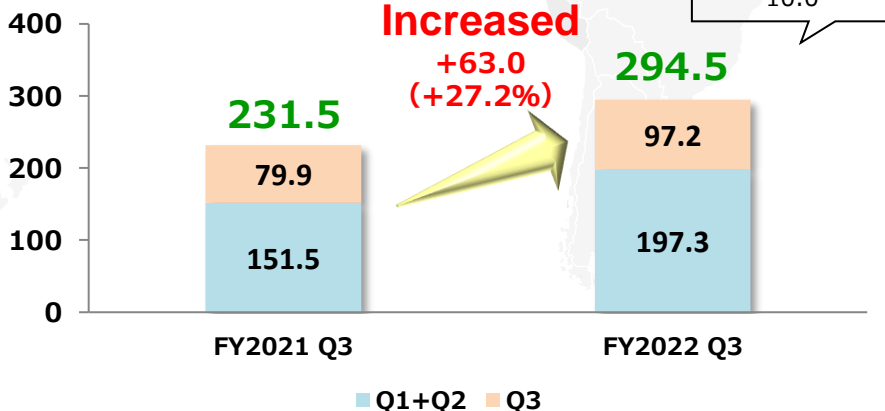
Europe

(Unit: Hundred million JPY)



China & Other Asia

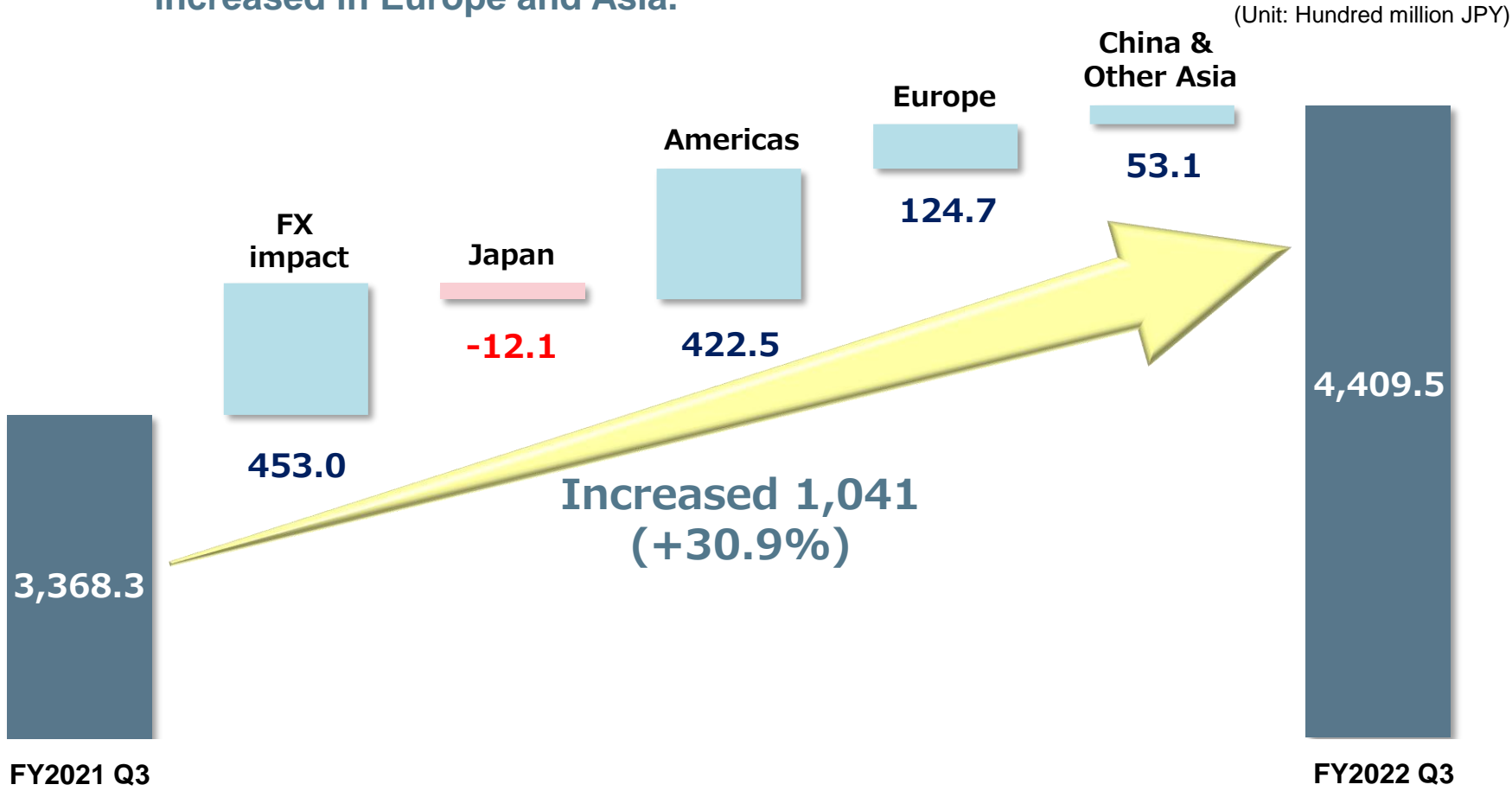
(Unit: Hundred million JPY)



5. Net Sales – FY2021 Q3 vs FY2022 Q3 Logisnext

Japan: Net sales declined due to a lack of shipments caused by parts shortage in the first half of FY2022.

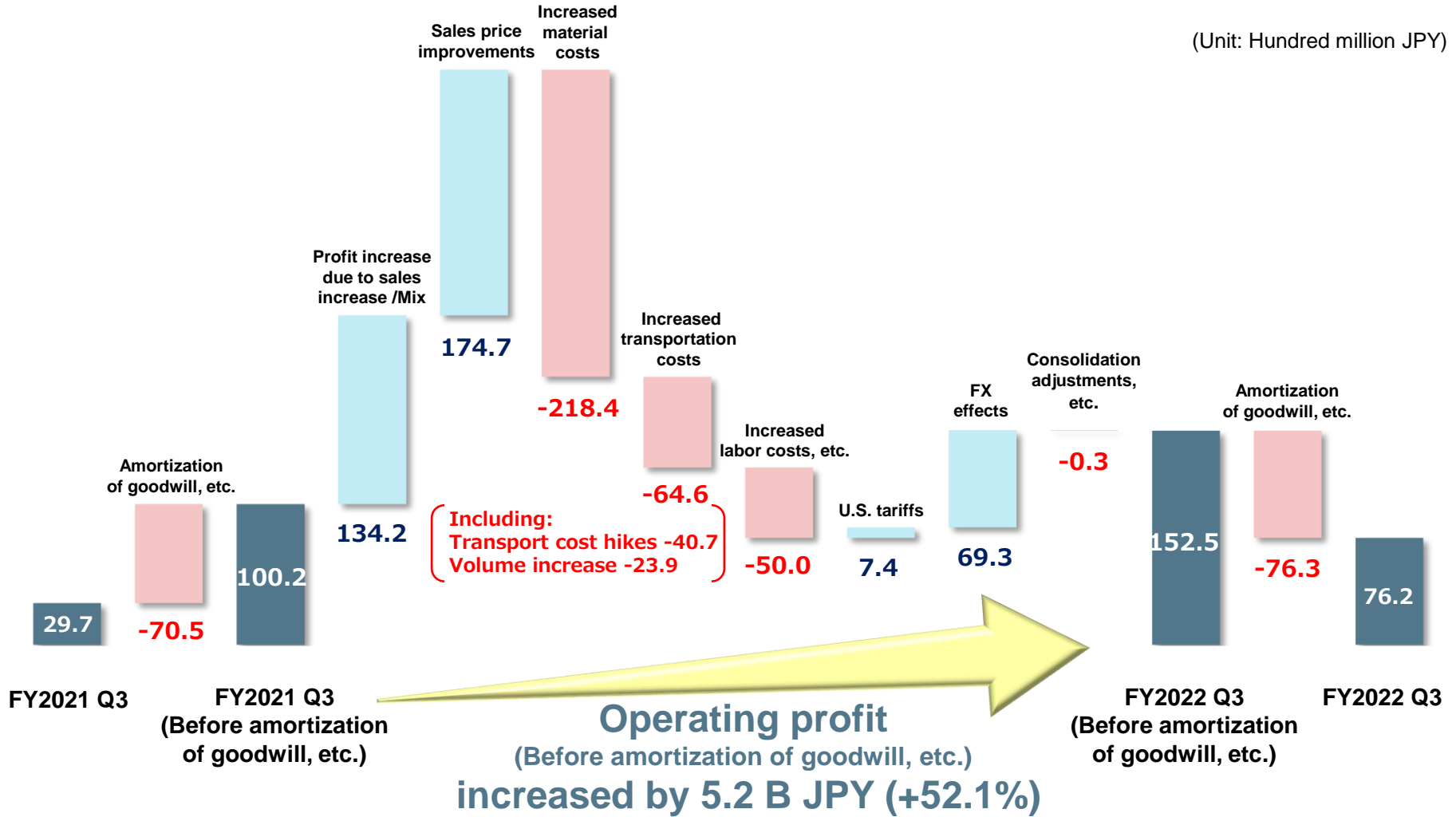
Overseas: Net Sales increased in the Americas and growth in rental businesses at EQD* contributed to sales, in addition to the impact of weak JPY and also increased in Europe and Asia.



* Equipment Depot, Inc.

6. Operating Profit – FY2021 Q3 vs FY2022 Q3 **Logisnext**

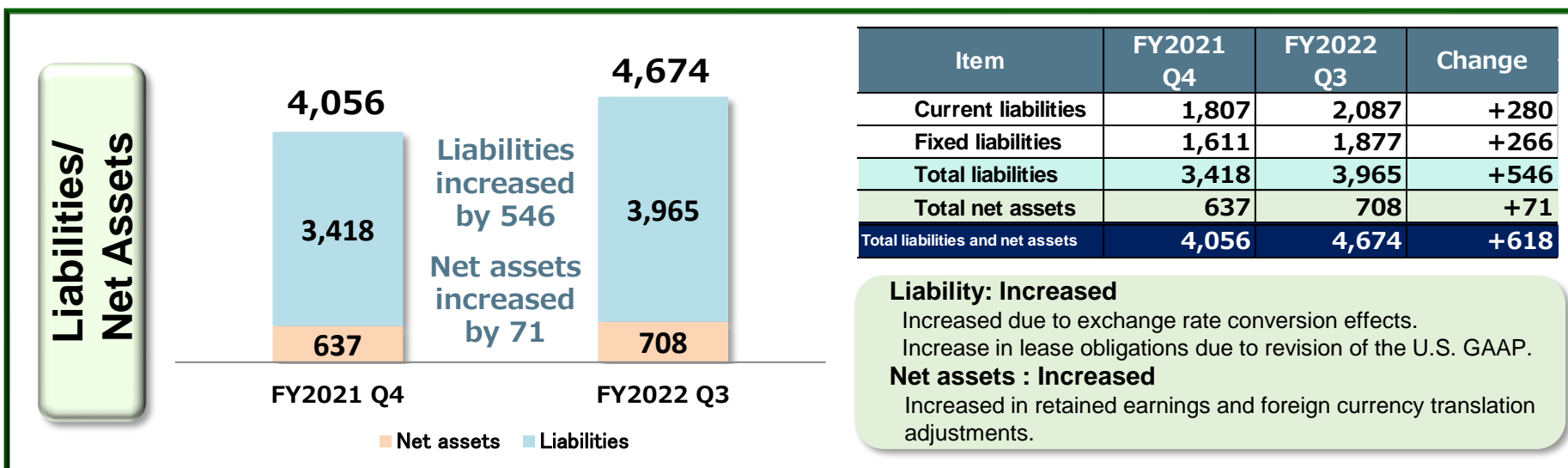
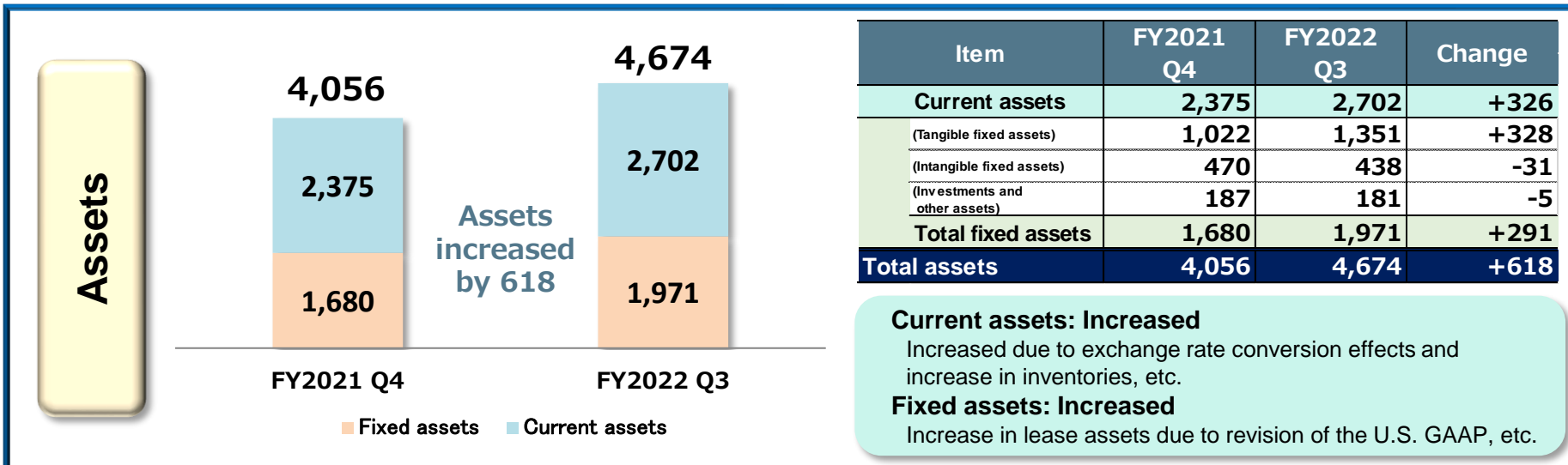
- Costs for materials and transportation continue to remain high.
- Operating profit (before amortization of goodwill, etc.) increased by 5.2 B JPY YoY due to higher sales, sales price improvements and the impact of weak JPY.



7. Consolidated Balance Sheet

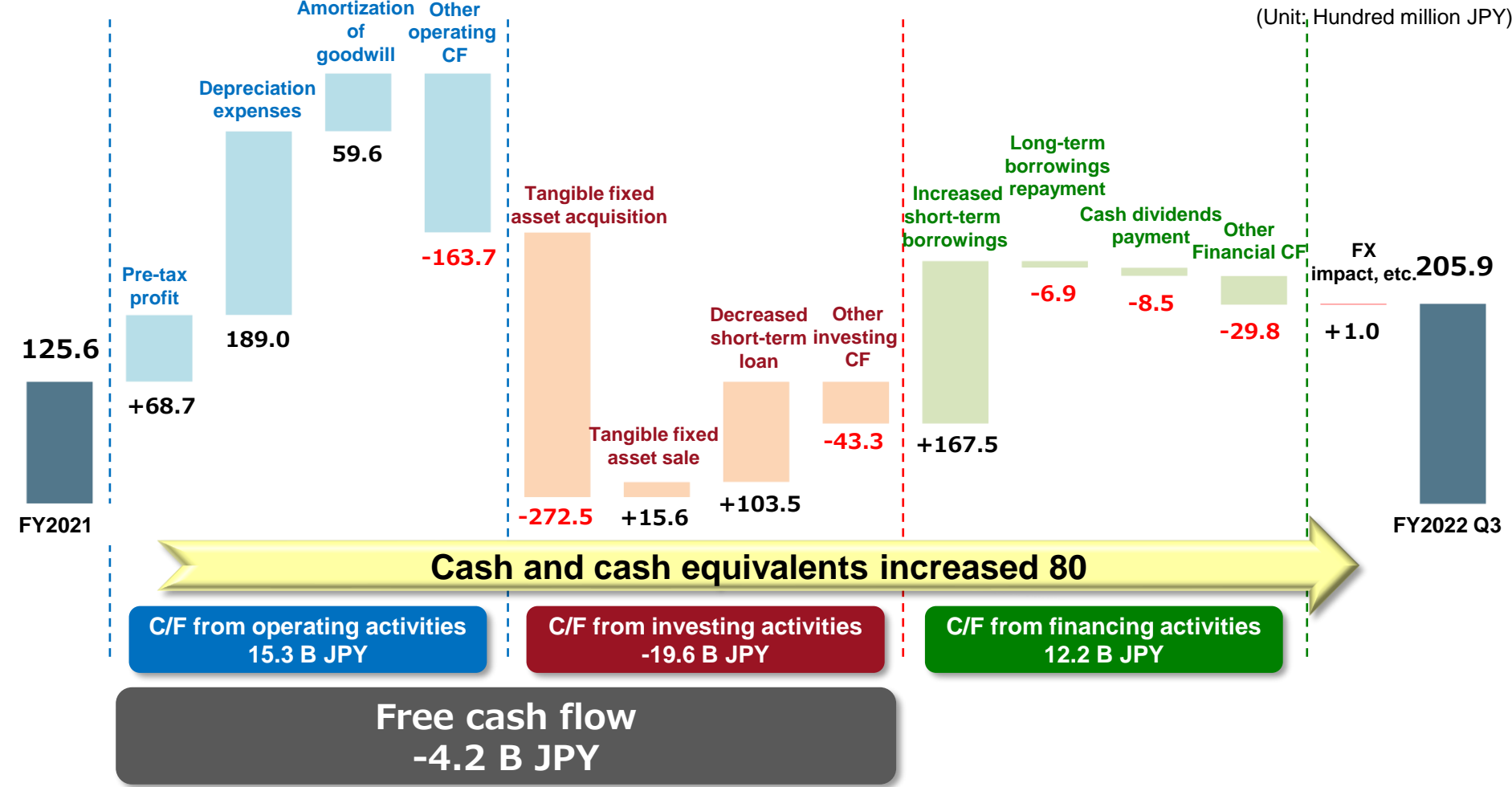
Total assets increased due to an increase in lease assets at subsidiaries in the Americas resulting from the revision of the U.S. GAAP and the impact of weak JPY.

(Unit: Hundred million JPY)



8. Cash Flow

- Positive 15.3 B JPY C/F from operating activities achieved despite worse working capital position.
- Free cash flow decreased 4.2 B JPY due to active investments in rental forklifts in the Americas and corporate acquisitions.



Reference: Key Performance Indicators

	Indicator	Formula*1	FY2021 Q4		FY2022 Q2		Comments
				Before amortization of goodwill, etc.*2		Before amortization of goodwill, etc.*2	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	0.2%	2.2%	0.9%	2.7%	Each indicator improved as a result of a recovery in performance due to a significant increase in sales, the effect of sales price improvements and the impact of JPY depreciation.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	1.2%	8.6%	5.8%	10.6%	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	0.8%	2.8%	1.7%	3.5%	
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	0.2%	2.1%	0.7%	2.3%	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.2 times		1.3 times		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	6.0 times		6.8 times		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	4.6 times		4.3 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	15.6%		15.0%		
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.0 times		3.4 times		
Shares	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	6.73 JPY	89.52 JPY	36.03 JPY	125.88 JPY	Stock prices: End of FY2021: 932 JPY End of FY2022 Q3: 699 JPY
	Price earnings ratio (PER)	$\frac{\text{Share value}}{\text{Earnings per share}}$	138.5 times	10.4 times	19.4 times	5.6 times	
	Price book value ratio (PBR)	$\frac{\text{Share value}}{\text{Book value per share}}$	1.6 times		1.1 times		

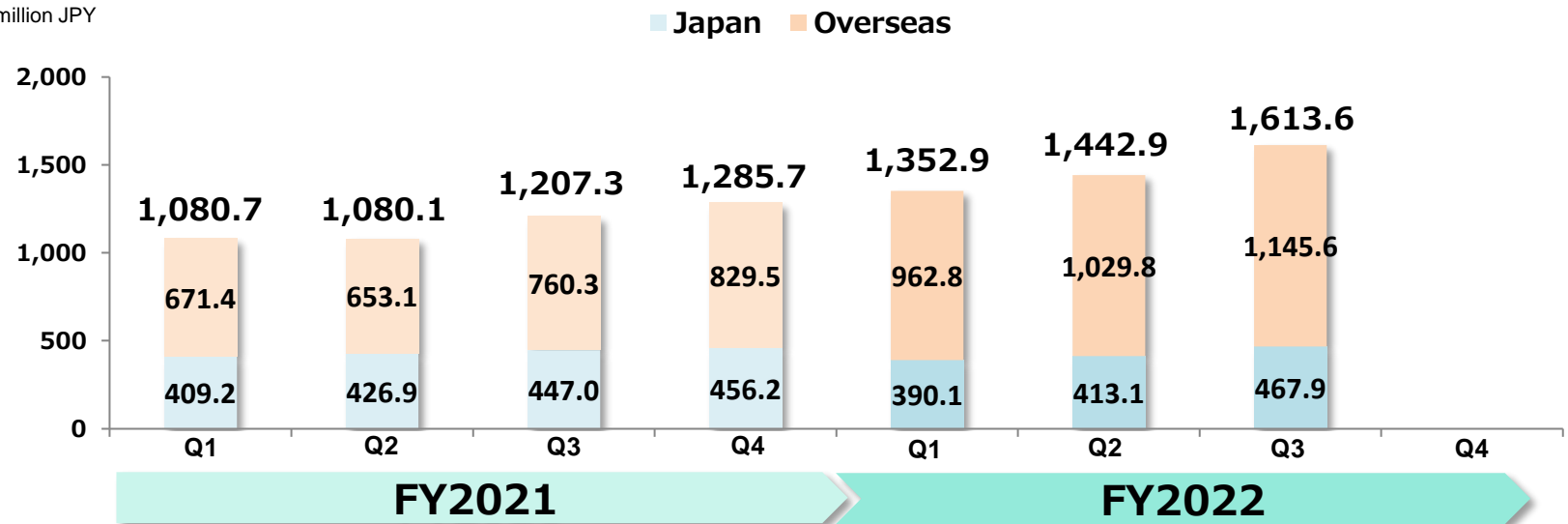
*1 P/L items are calculated on an annualized basis

*2 Reference value

Reference: Quarterly Financial Results (By Business)

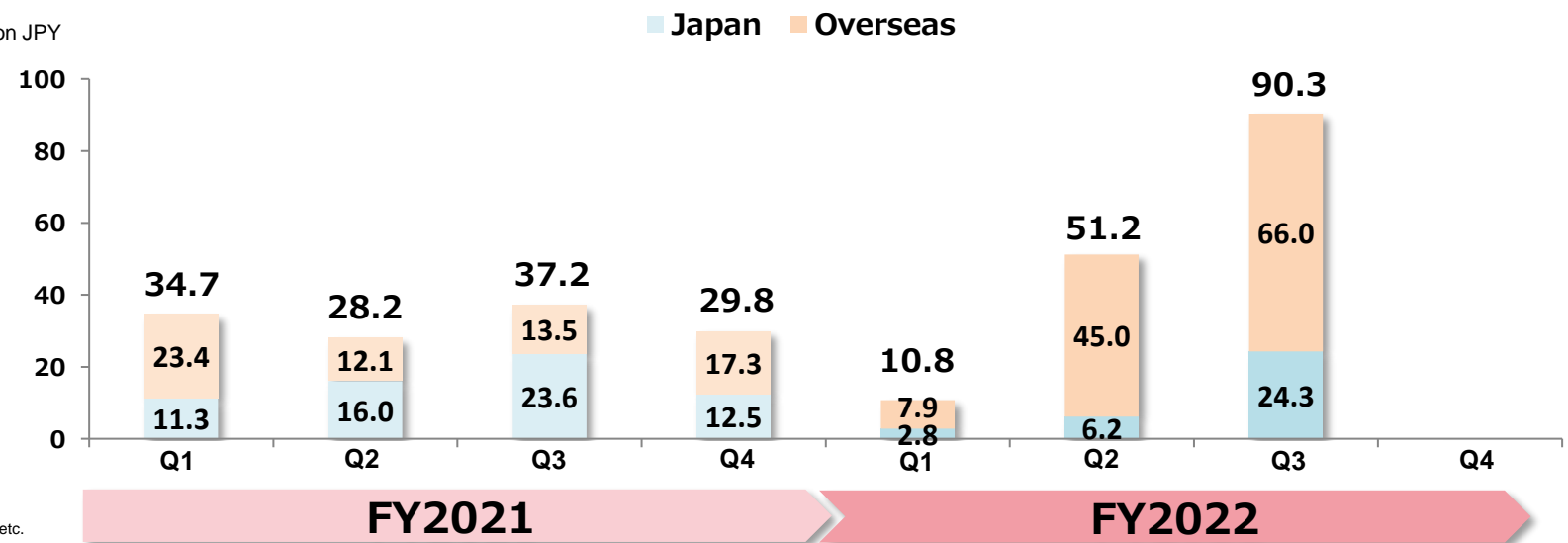
Unit: Hundred million JPY

Net Sales



Unit: Hundred million JPY

Operating Profit*

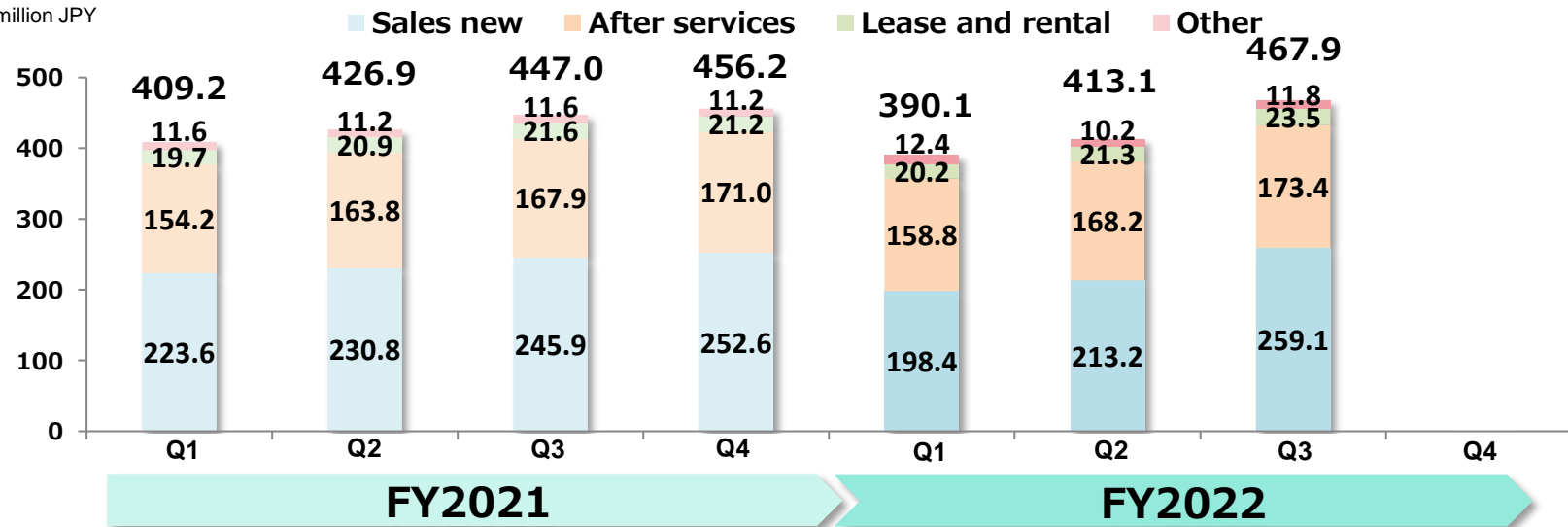


* Operating profit before amortization of goodwill, etc.

Reference: Quarterly Financial Results (By Category)

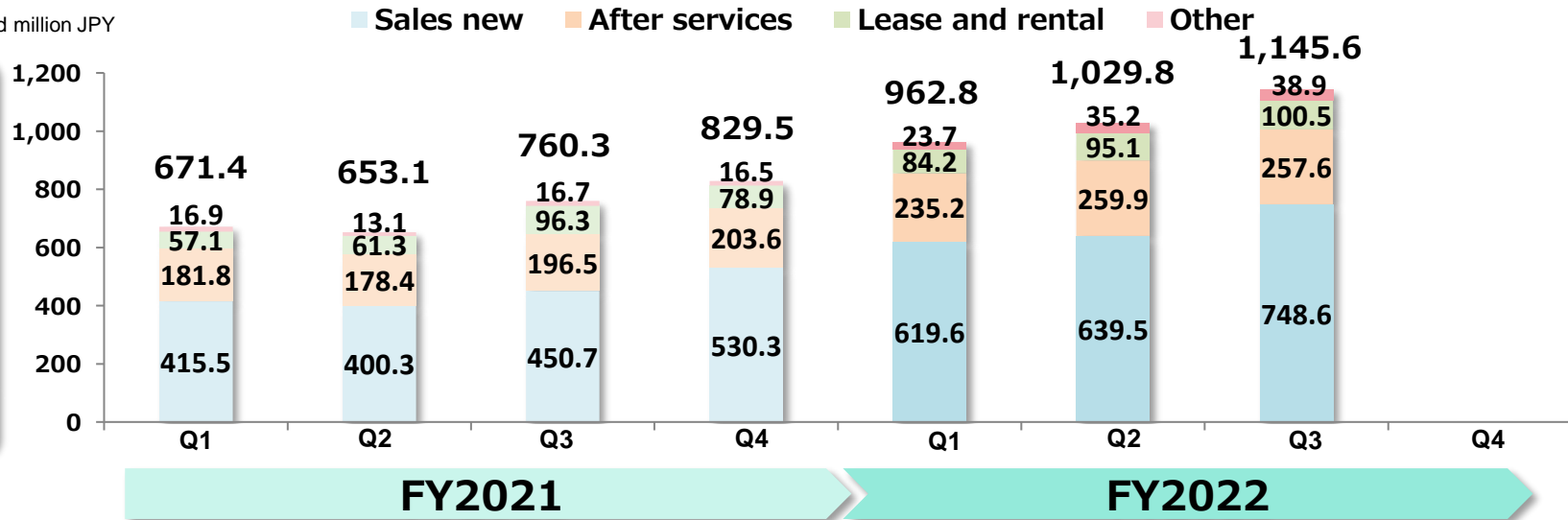
Unit: Hundred million JPY

**Net Sales/
Japan**



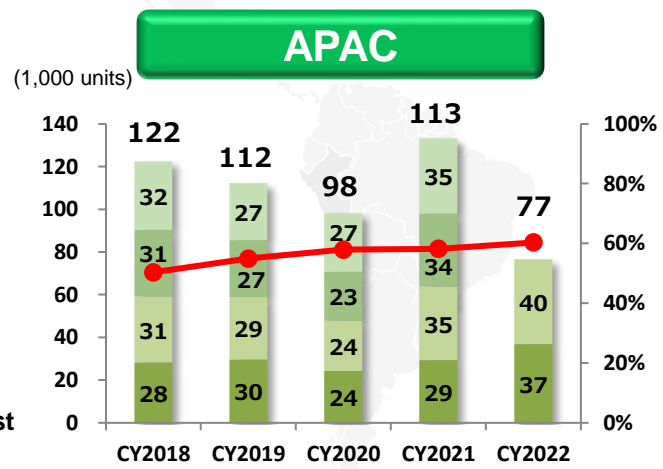
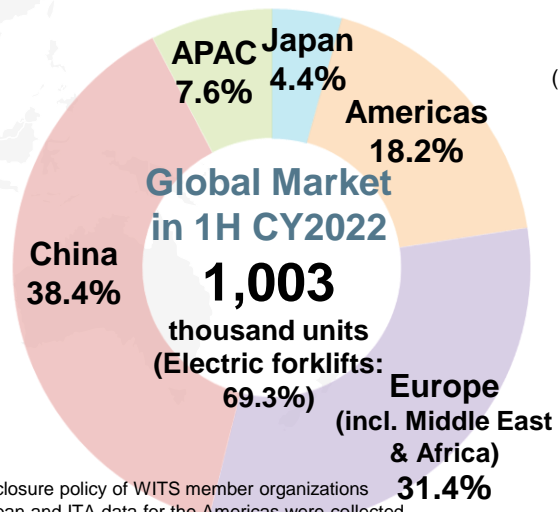
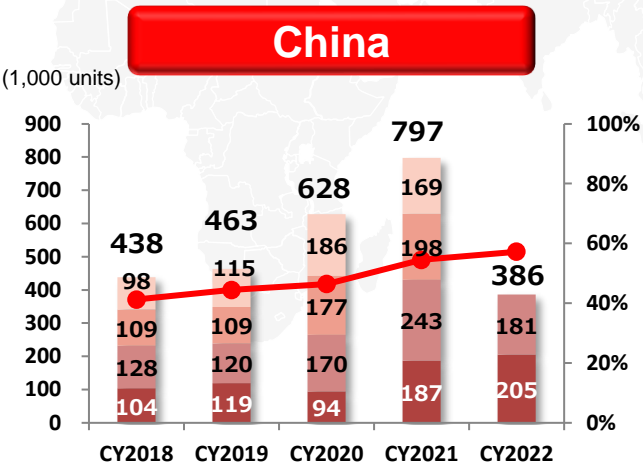
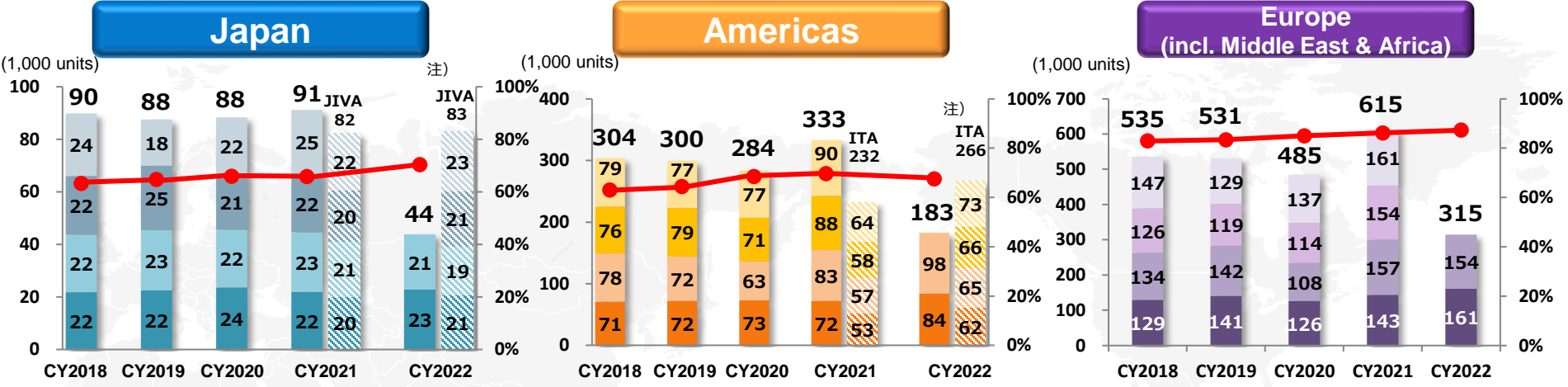
Unit: Hundred million JPY

**Net Sales/
Overseas**



Reference: Forklift Market Trends – Shipping (Jan. - Dec.) **Logisnext**

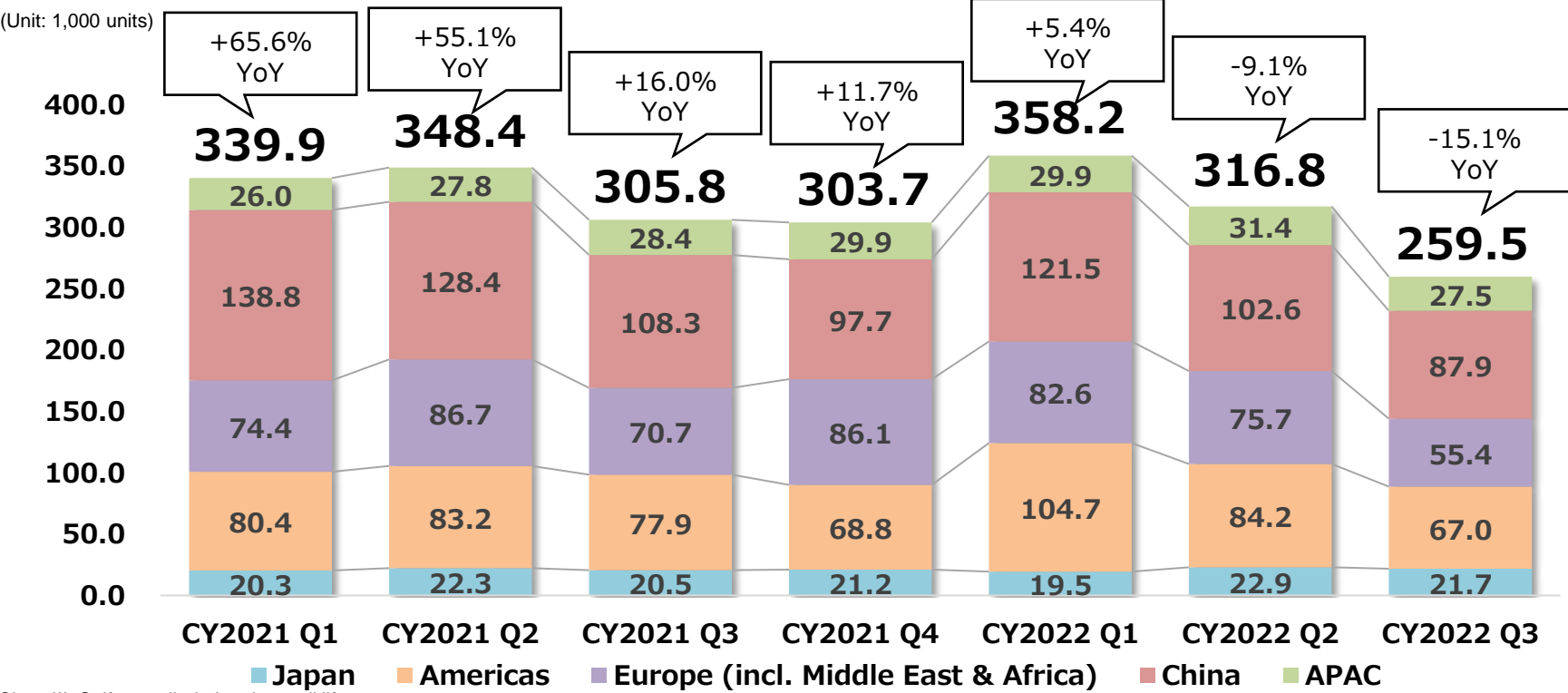
Japan (JIVA) remained at the same level as the previous year, while demand in the Americas (ITA) continued to exceed the previous year levels because the material handling equipment market remained strong despite the economic slowdowns.



Note: Calculated in 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 for Japan and ITA data for the Americas were collected.
 Other regions are blank after Q3 CY2022 due to non-disclosure of national statistical data.
 JIVA has different standards from WITS, and some models are not included. ITA does not include sales volumes of Chinese and Korean manufacturers.
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- Orders decreased YoY in all regions except Japan.
- Although demand is stronger than pre-COVID-19 levels, it has gradually declined because the global economy has slowed down due to policies for increasing interest rates by central banks in various countries in order to control inflation and the impact of Russian aggression in Ukraine.

Purchase Orders (excl. Class III*)



*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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