

Logisnext

Q1 Financial Results for FY2022

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

Aug. 24, 2022

MITSUBISHI LOGISNEXT

Economic Market Trends

- In the global economy, there are growing fears of a recession due to tightening financial conditions caused by rising prices in Europe and the Americas, the Shanghai lockdown caused by the spread of COVID-19, and Russia's invasion of Ukraine. In addition, the rapid recovery phase has not been able to keep up with demand, causing higher material and transportation costs and continued supply chain disruptions.
- In Japan, the material handling equipment market has remained steady at pre-COVID-19 levels, while overseas markets varied by region. Demand exceeded under pre-COVID-19 levels in the Americas, remained weak in Europe, remained firm in Asia, and decreased significantly early in the year in China, due to the impact of the Shanghai lockdown.
- At Mitsubishi Logisnext, orders takings are generally strong, but we were affected by higher costs and longer lead times due to delays in the supply of various assembly components.

Summary of FY2022 Q1 Results

- Net sales increased by 25.2% YoY due to an increase in units sold mainly in the Americas and Europe, where there is a sufficient backlog of orders from the previous year, as well as due to the impact of yen depreciation.
- Operating profit (before amortization of goodwill, etc.) decreased 68.7% YoY due to increasing material and transportation costs, and the delayed contribution of sales price improvements.

2. Financial Highlights

Unit: Hundred million JPY

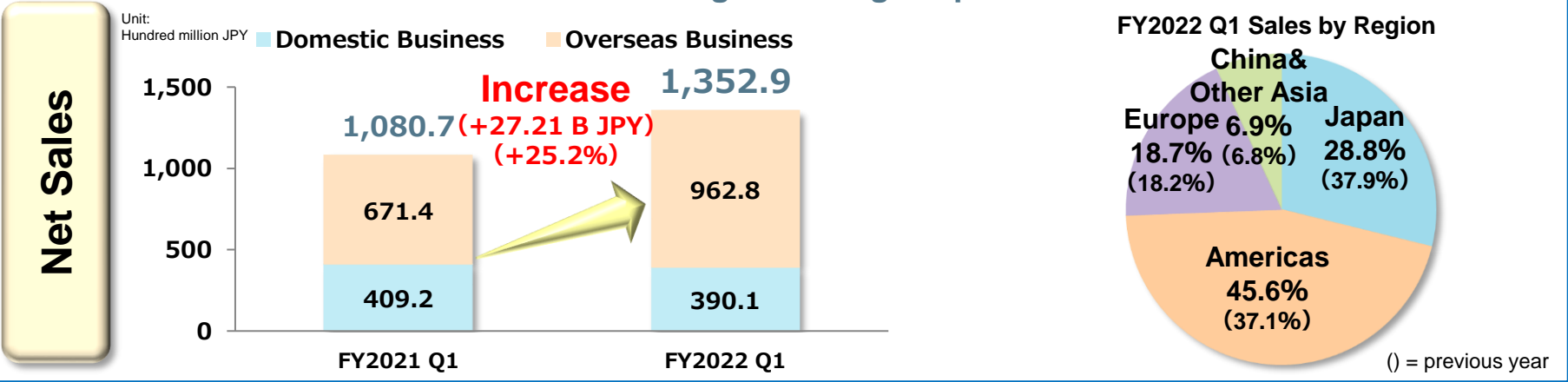
Profit and Loss Statement	FY2021 Q1	FY2022 Q1	YOY Change	
Net Sales	1,080.7	1,352.9	+272.1	+25.2%
Operating Profit <small>(Before amortization of goodwill, etc.) (Operating profit margin)</small>	34.7 (3.2%)	10.8 (0.8%)	-23.8	-68.7%
Amortization of Goodwill	22.7	26.8	—	—
Operating Profit <small>(Operating profit margin)</small>	12.0 (1.1%)	-15.9 (-1.2%)	-28.0	—
Ordinary Profit <small>(Ordinary profit margin)</small>	11.9 (1.1%)	-14.7 (-1.1%)	-26.6	—
Profit Attributable to Owners of Parent <small>(Net income margin)</small>	-0.3 (-0.0%)	-15.3 (-1.1%)	-15.0	—

FY2021 Q1 actual FX rates: USD = JPY109.49 EUR = JPY131.93 CNY = JPY16.95
 FY2021 Q4 actual FX rates: USD = JPY112.38 EUR = JPY130.56 CNY = JPY17.51
 FY2022 Q1 actual FX rates: USD = JPY129.57 EUR = JPY138.12 CNY = JPY19.58

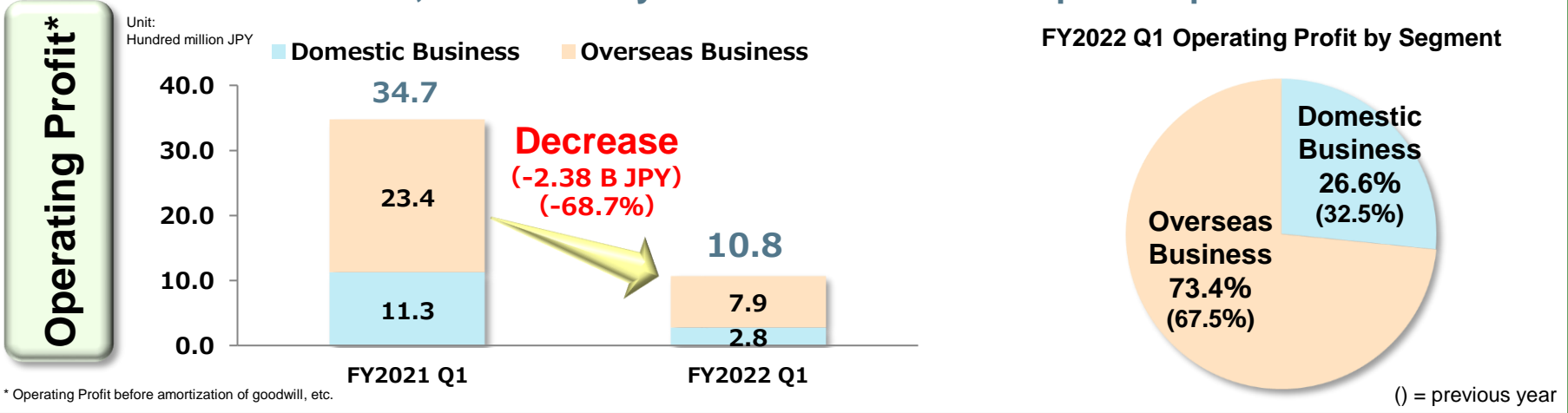
Balance Sheet	FY2021 Q4	FY2022 Q1	YOY Change	
Total Assets	4,056.0	4,462.6	+406.6	+10.0%
Total Liabilities	3,418.6	3,763.3	+344.7	+10.1%
Net Assets	637.3	699.2	+61.9	+9.7%

3. Business Results by Segment

Net Sales: Net sales of the domestic business decreased due to delays in the supply of assembly components, on the other hand in the overseas business increased due to an increase in units sold and foreign exchange impacts.



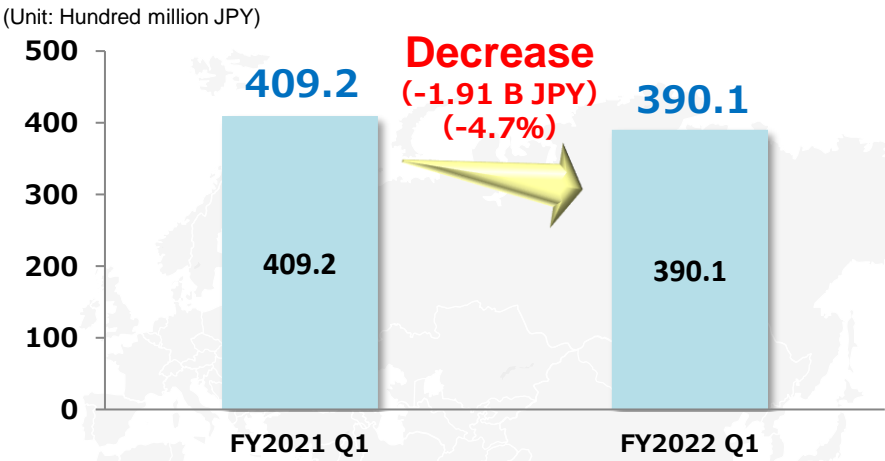
Operating profit *: Operating profit decreased due to increasing material and transportation costs, and the delayed contribution of sales price improvements.



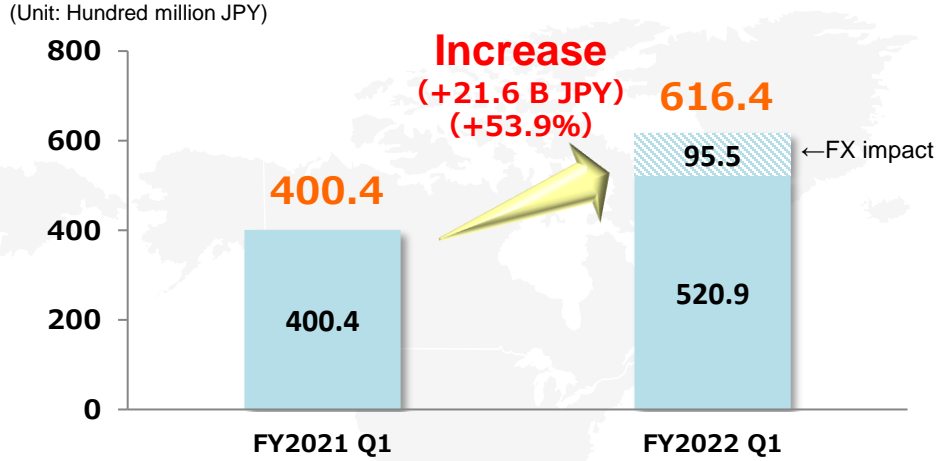
* Operating Profit before amortization of goodwill, etc.

4. Sales by Region (including FX impact)

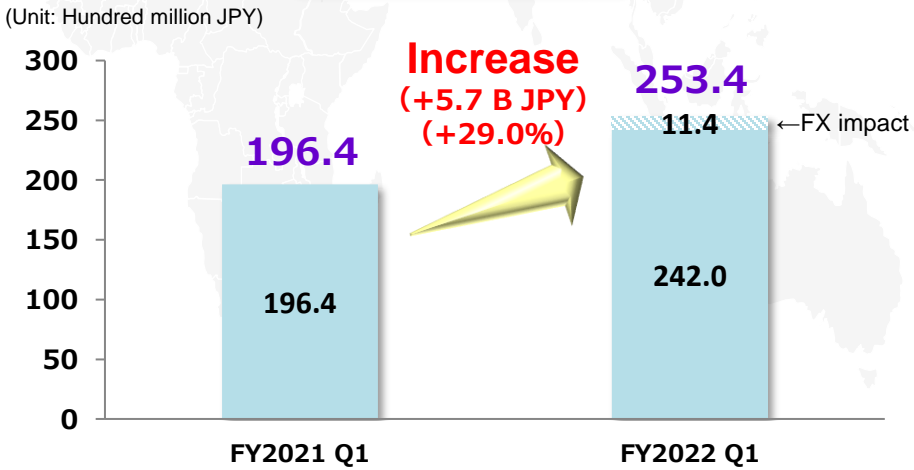
Japan



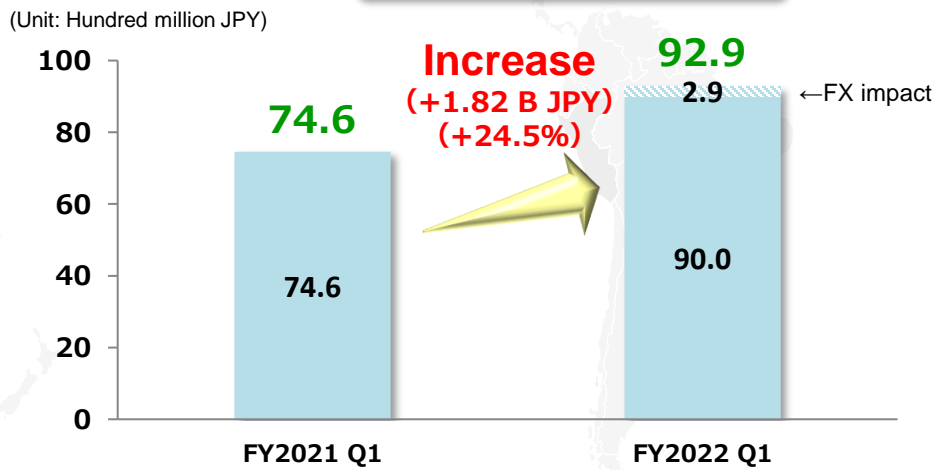
Americas



Europe

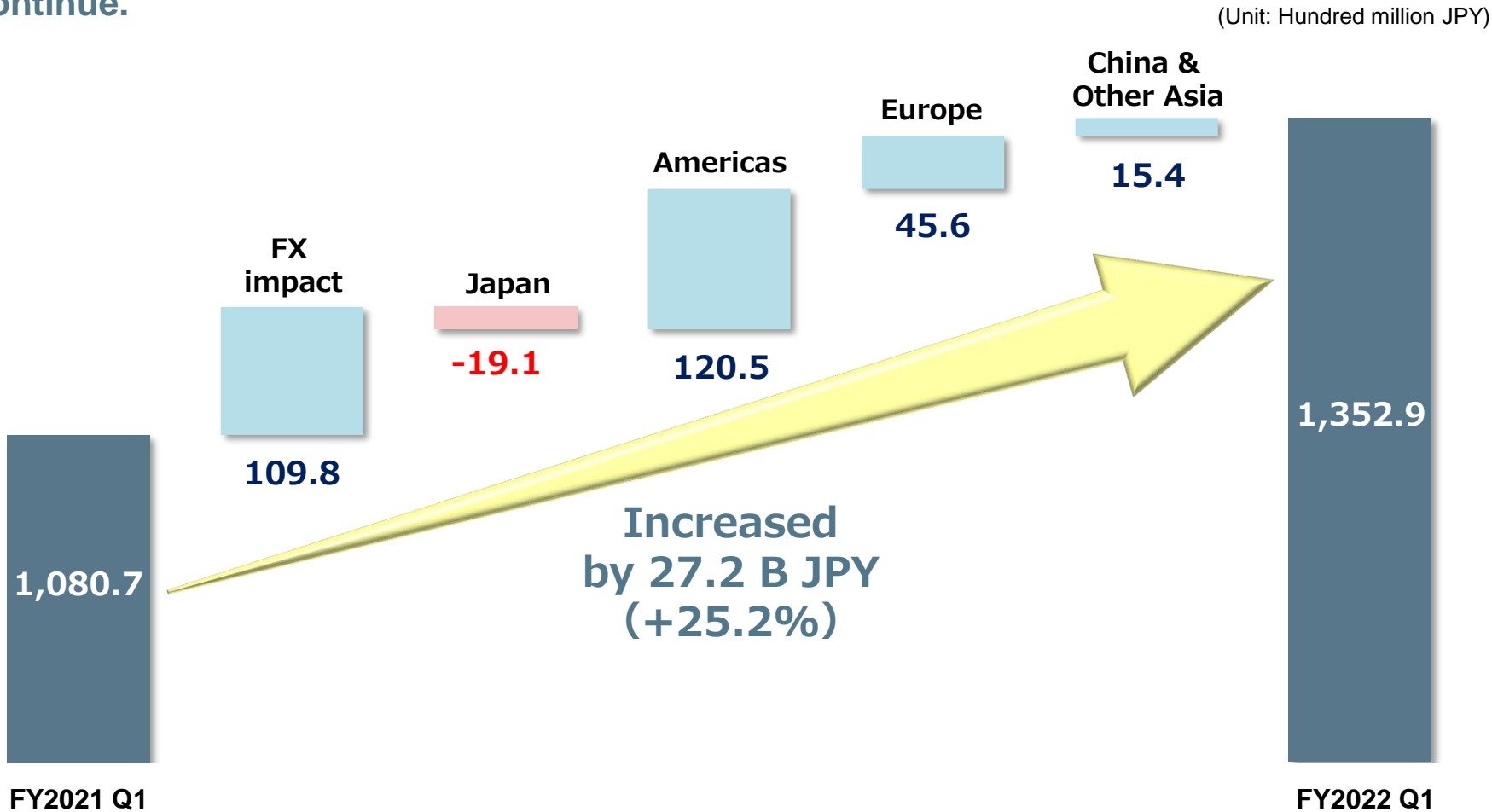


China & Other Asia



5. Net Sales – FY2021 Q1 vs FY2022 Q1 **Logisnext**

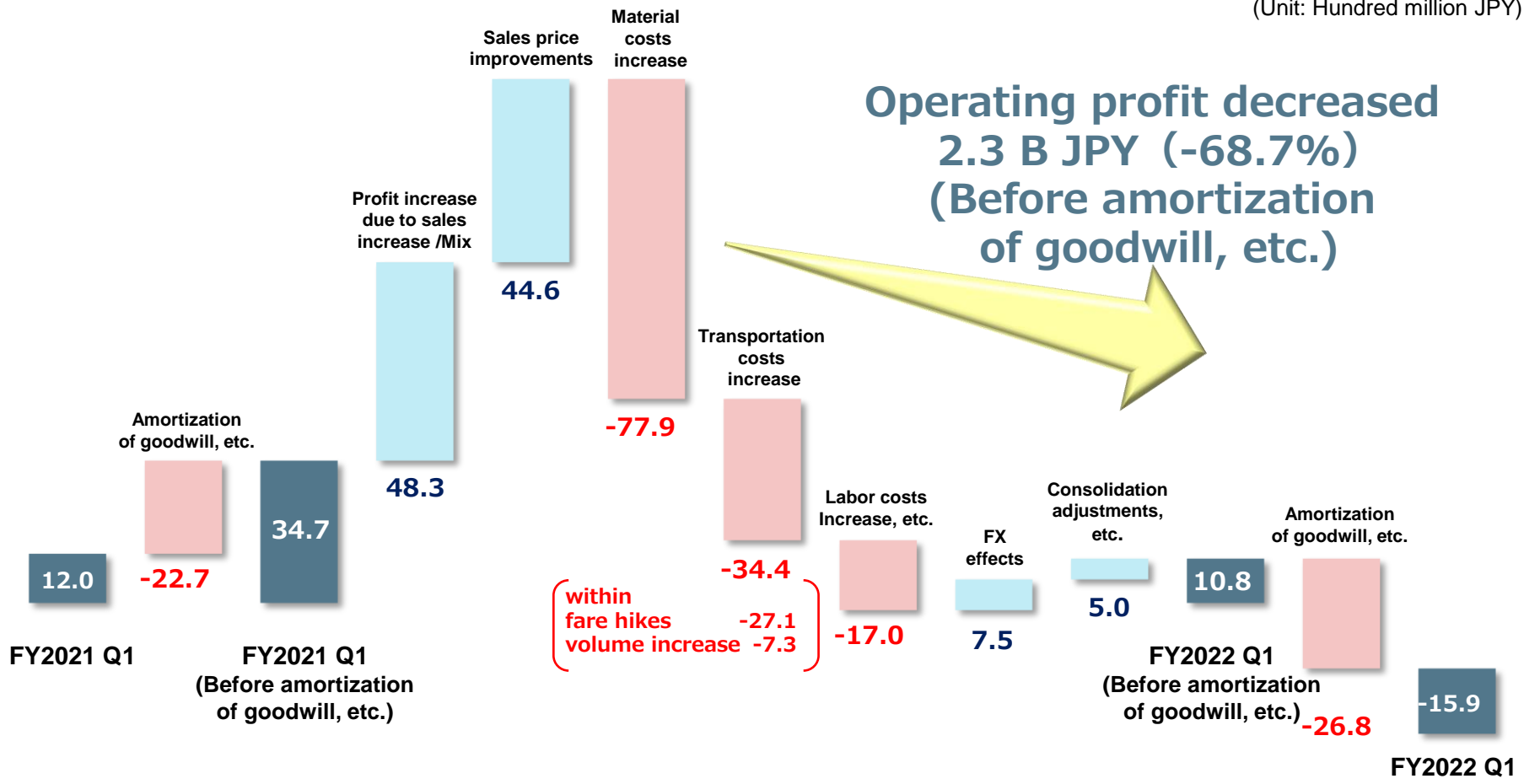
Net sales increased by 25.2% YoY due to an increase in units sold mainly in the Americas and Europe, where there is a sufficient backlog of orders from the previous year, as well as due to the impact of yen depreciation. However, both in Japan and overseas, longer lead times due to supply chain disruptions continue.



6. Operating Profit – FY2021 Q1 vs FY2022 Q1 **Logisnext**

Operating profit (before amortization of goodwill, etc.) decreased by 68.7% YoY due to increasing material and transportation costs, and the delayed contribution of sales price improvements caused by longer lead times.

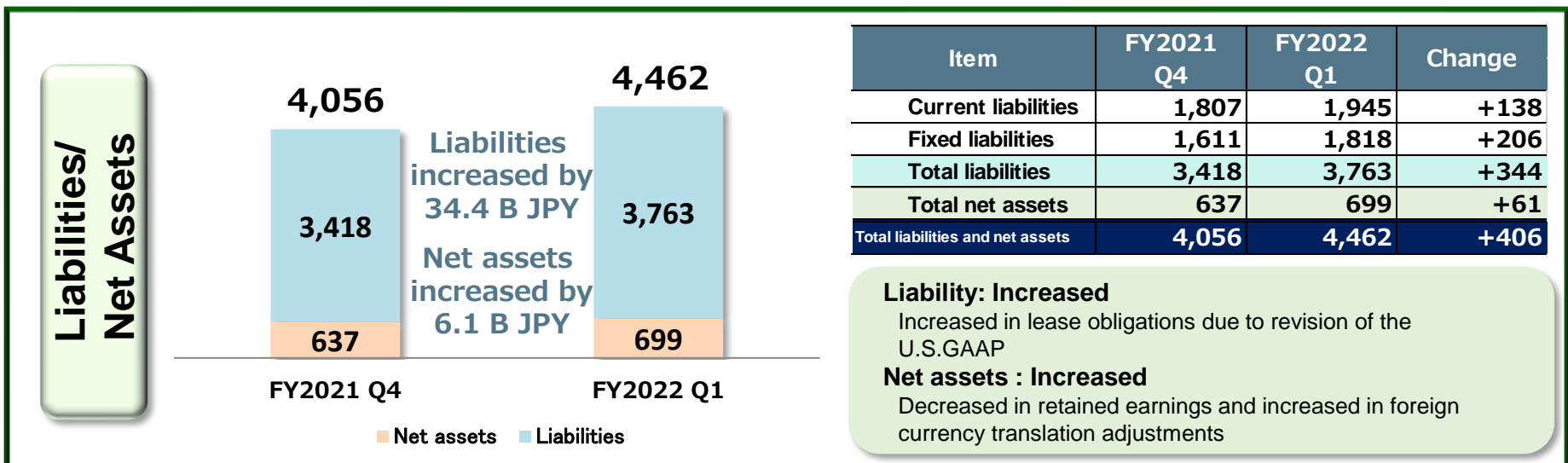
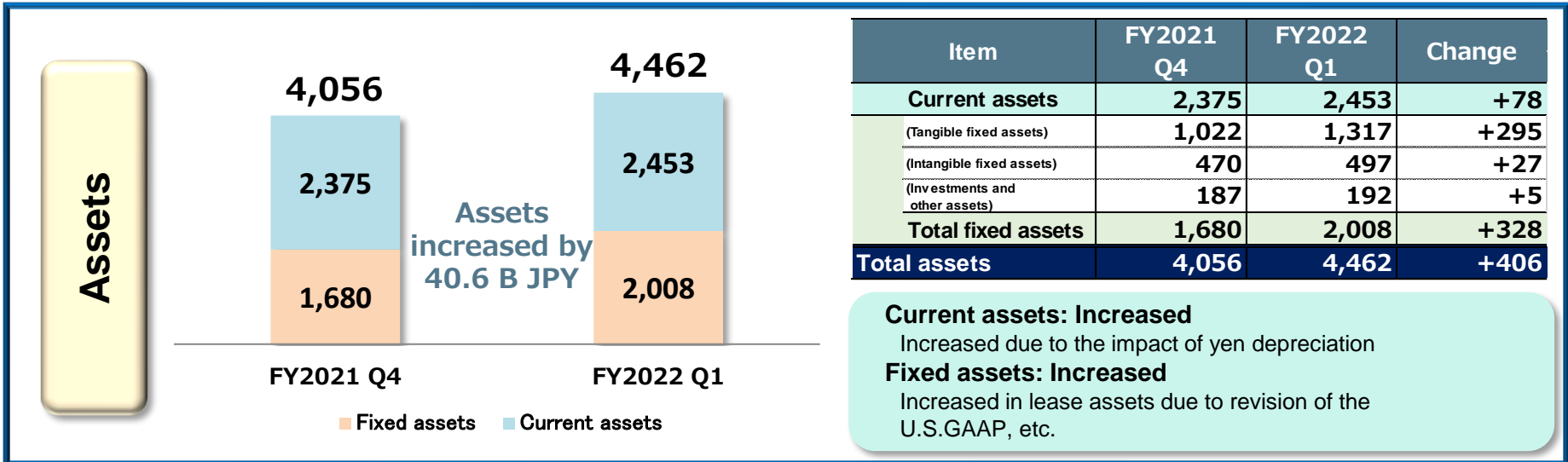
(Unit: Hundred million JPY)



7. Consolidated Balance Sheet

Total assets increased due to an increase in lease assets resulting from the revision of the U.S.GAAP and the impact of yen depreciation.

(Unit: Hundred million JPY)



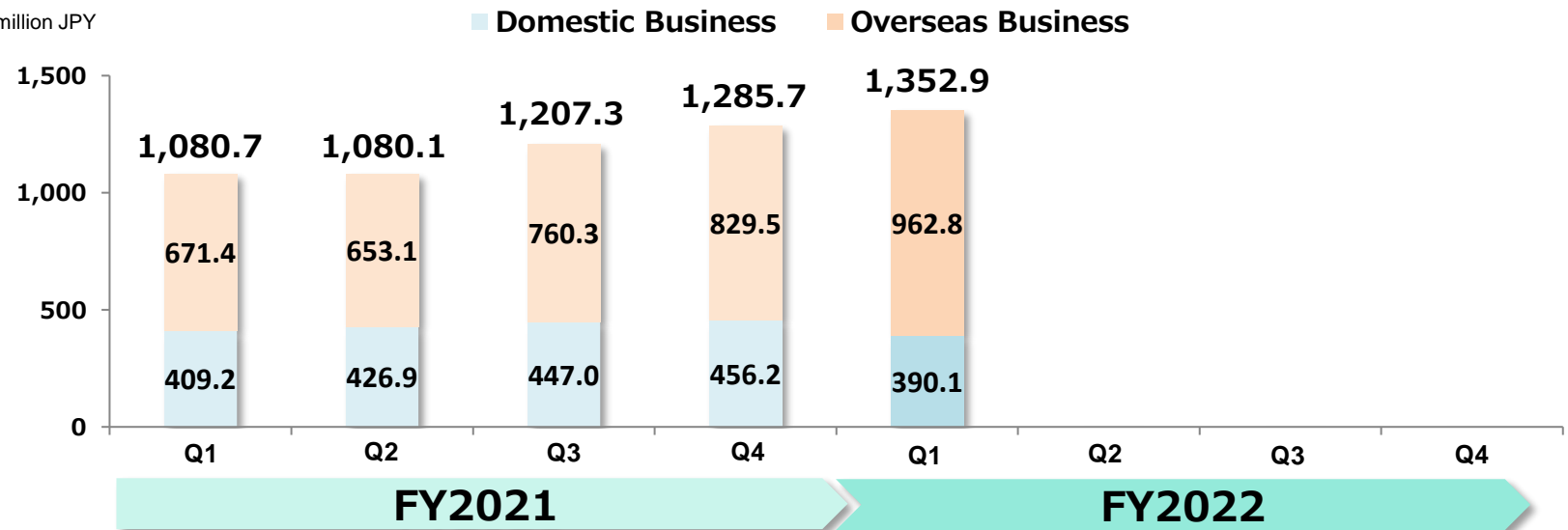
[Reference] Key Performance Indicators **Logisnext**

	Indicator	Formula	FY2021 Q4		FY2022 Q1		Comments
				(Before amortization of goodwill, etc.)		(Before amortization of goodwill, etc.)	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	0.2%	(2.2%)	-1.4%	(0.8%)	The figures deteriorated due to a loss in profit caused by increasing material and transportation costs, and the delayed contribution of sales price improvements.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	1.2%	(8.6%)	-9.3%	(3.1%)	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	0.8%	(2.8%)	-1.2%	(0.8%)	
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	0.2%	(2.1%)	-1.1%	(0.7%)	
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		6.5 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%		15.5%		
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.0 times		3.2 times		
Shares	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	JPY 6.73	(JPY 89.52)	JPY -57.76	(JPY 36.40)	Stock prices : End of FY2021 : JPY 932 End of FY2022 Q1 : JPY 870
	Price earnings ratio (PER)	$\frac{\text{Share value}}{\text{Earnings per share}}$	138.5 times	(10.4 times)	-	(23.9 times)	
	Price book value ratio (PBR)	$\frac{\text{Share value}}{\text{Book value per share}}$	1.6 times		1.3 times		

[Reference] Quarterly Financial Results

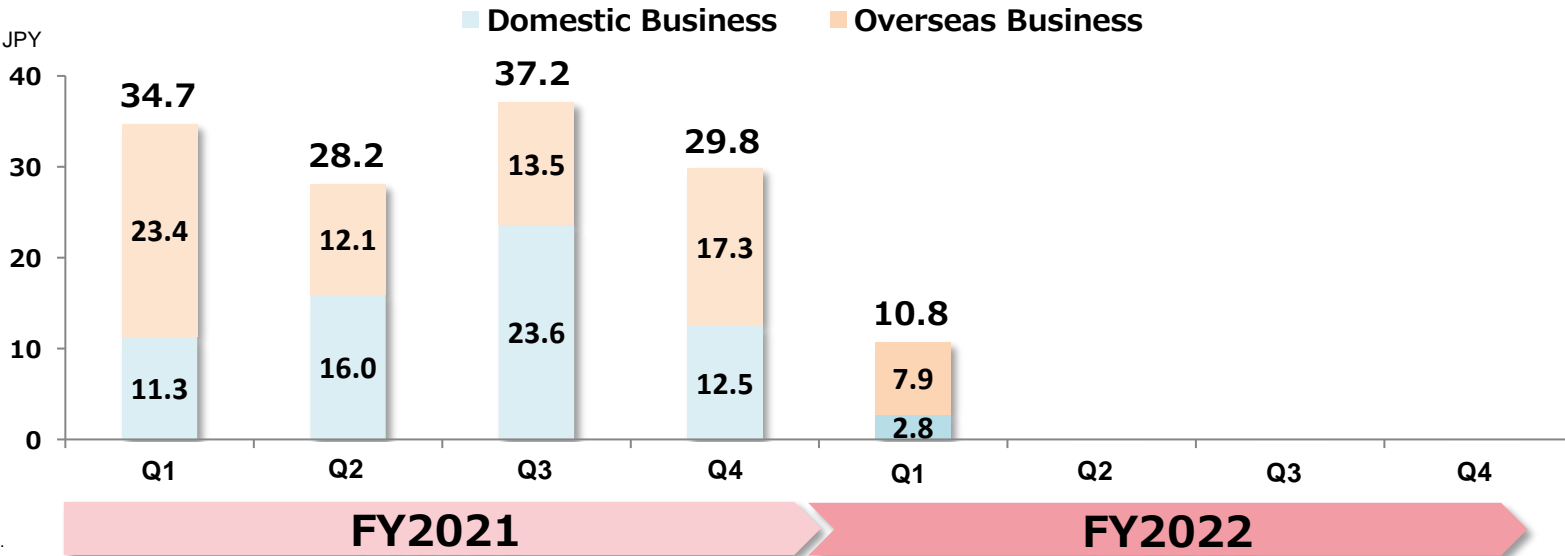
Unit: Hundred million JPY

Net Sales



Unit: Hundred million JPY

Operating Profit*

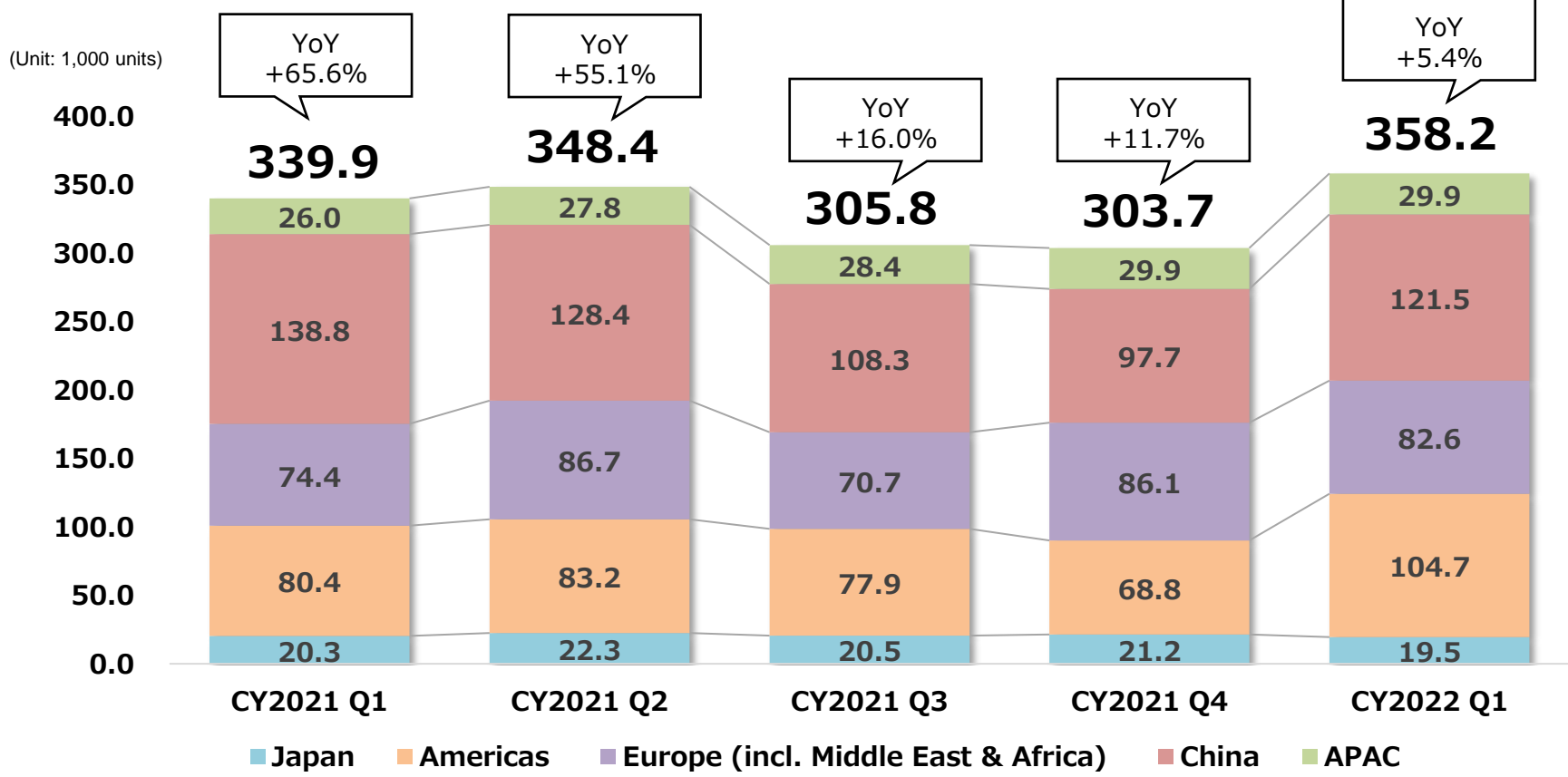


* Operating profit before amortization of goodwill, etc.

[Reference] Forklift Market Trends – Orders (Quarterly) **Logisnext**

Strong demand remained mainly in the Americas and China, but growth in demand has slowed due to Russia's invasion of Ukraine and the Shanghai lockdown in China. (+5.4% YoY to 358,000 units, or +17.7% YoY to 237,000 units excluding the Chinese market)

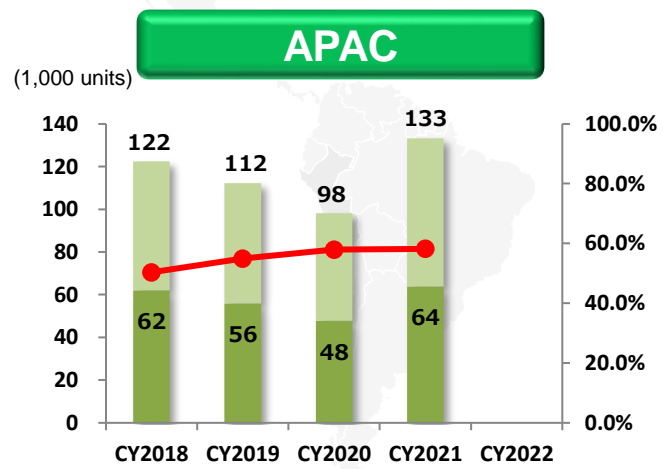
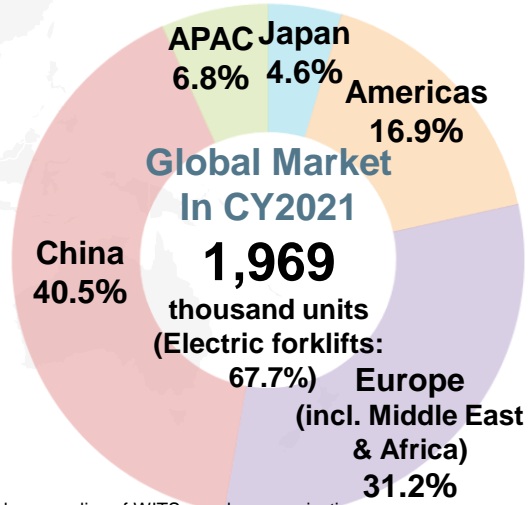
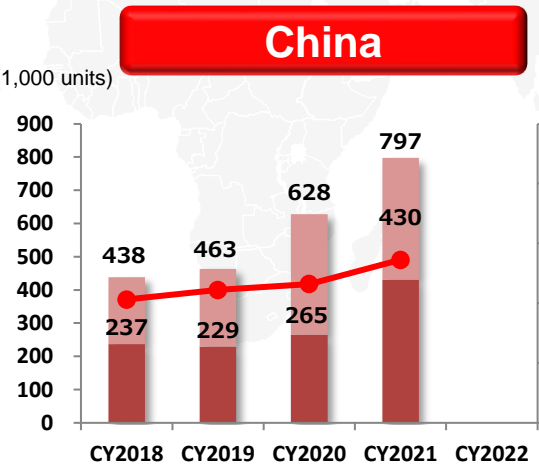
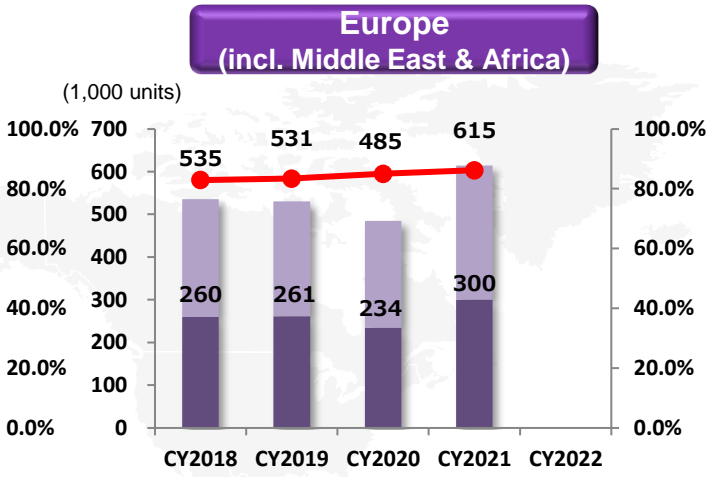
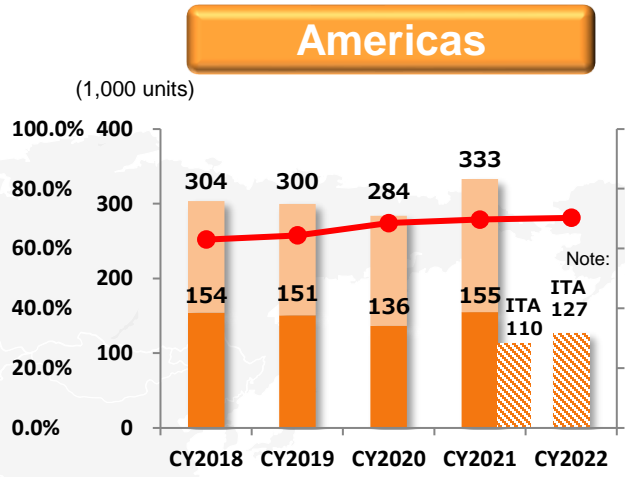
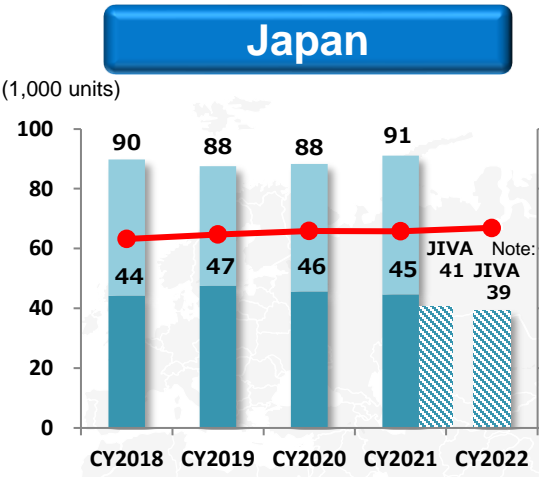
Purchase Orders (excl. Class III*)



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

[Reference] Forklift Market Trends – Shipping (Jan. - Jun.) **Logisnext**

Amid growing uncertainty in the global economy, the forklift market for January to June 2022 in Japan declined slightly from the previous year, while that in the Americas remained firm.



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 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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Market units
 Percent electric forklifts

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Please direct inquiries regarding this material to the following:

Mr. Kariya or Ms. Mitsuyuki
Corporate Finance 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

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