

Mitsubishi Logisnext Co., Ltd.

Logisnext

Logistical Equipment & System Solutions Next

Mitsubishi Logisnext

Integrated Report 2024

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

In December 2022, to clarify the significance of our presence in the logistics industry, we reiterated our purpose by presenting it in new terms. As a comprehensive manufacturer of logistics equipment that contributes solutions to societal issues through our business, we remain committed to devising optimal solutions to the logistics challenges faced by our customers around the world.

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Corporate Philosophy

Logisnext

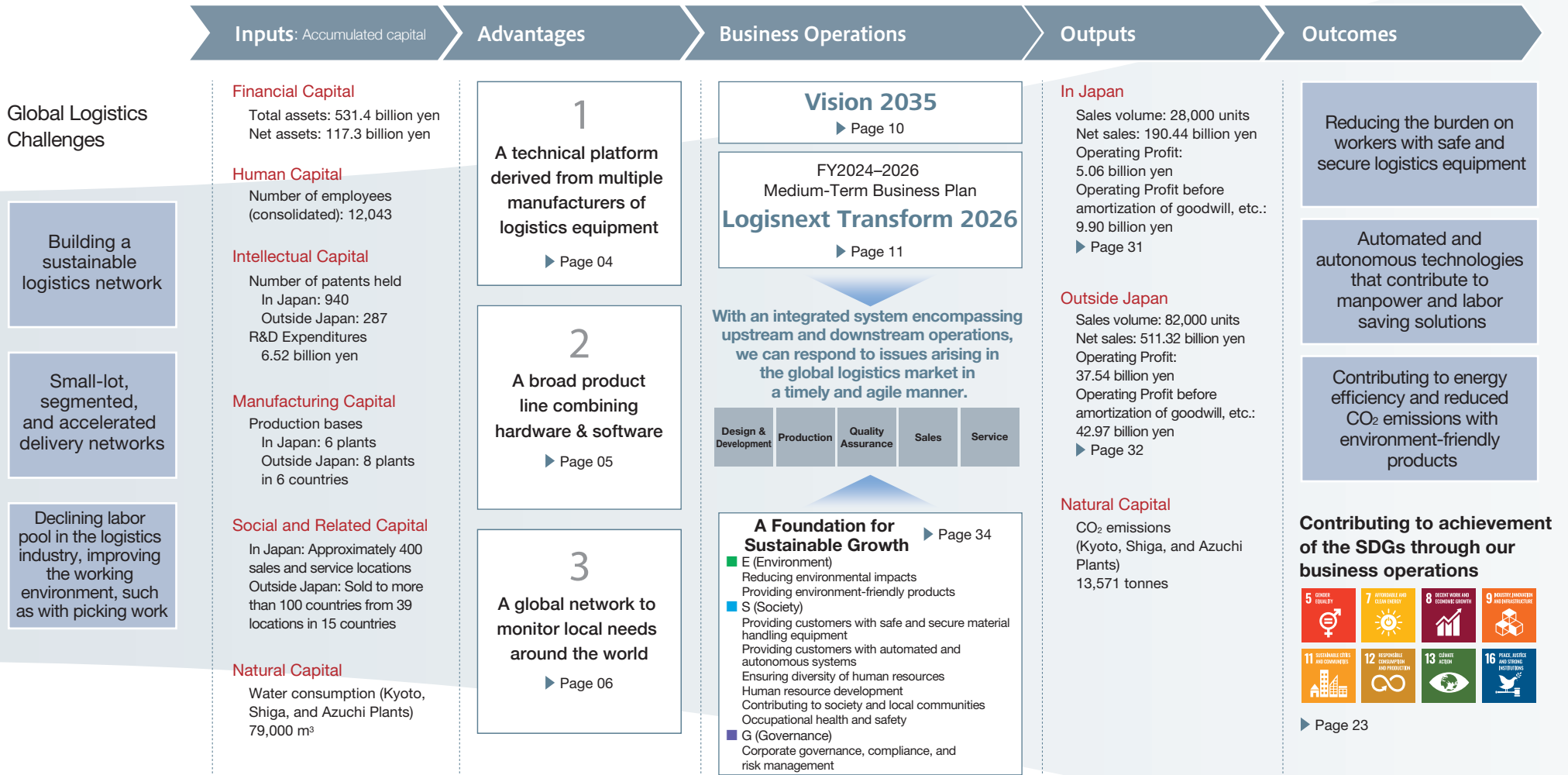
Logistical Equipment & System Solutions Next

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

Management Policy



As a comprehensive manufacturer of logistics equipment, we create value for society by providing solutions in the global logistics market



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

Our technological platform is derived from multiple material handling equipment manufacturers that have created many “Japan firsts” and “world firsts.”

Origins of Our Advantages

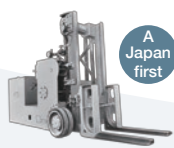
1937–
Nippon Yusoki Co., Ltd.

1970–
Forklift Division, Mitsubishi Heavy Industries, Ltd.


1949–
TCM Corporation

1957–
Nissan Forklift Co., Ltd.


Establishing a solid footing in the Japanese market



1939
Electric forklift developed.



1958
PLATTER stand-on electric reach forklift developed.



1971
Automated guided forklift developed and introduced.

Focused on Europe and North America



2009
4- and 5-tonne hybrid forklifts introduced.

Advantages in large vehicles for handling specialized cargoes




1949
Completed Japan's first engine-powered forklift (certified in 2010 as an element of Japan's Mechanical Engineering Heritage by the Japan Society of Mechanical Engineers).




2008
Hybrid transfer crane wins the second Japan Material Handling Grand Prize.

Accumulated expertise in incorporating automotive technology and in-house engine innovations in product development



1975
Nissan Motor starts production at the Murayama Plant (following a transfer from the Nissan Shatai Kyoto Plant).



1986
Production and sales of H01 and H02 Series small engine vehicles with full floating cabs begins.



Brands for the Japanese market

PLATTER



バッテリーフォークリフト

PLATTER Auto



Logisnext Solutions

ERSIS




三菱フォークリフト

FX



TCM フォークリフト

Transfer crane



TCM 特殊搬送車両

Brands for the international market



NICHYU
ELECTRIC FORKLIFT



mitsubishi
FORKLIFT TRUCKS

CAT
Lift Trucks




TCM

UNICARRIERS

Our Technological Advantage

Technology for automation and unmanned operation

ΣSynX
ΣSynX autonomous and intelligent solutions




Environmental performance

F-ZERO
New rubber-tired gantry crane




Key components of our in-house group development

D04EG DIESEL ENGINE **6K21/25 GASOLINE/PEP ENGINE**
Environment-friendly clean engines, Models D04EG and 6K21/25



Safety

Good Finder, an AI-powered human detection system for large forklifts



Incorporating development and design innovations targeting enhanced functionality and ease of use



An extensive product line supporting all aspects of logistics by combining hardware and software

Transportation

We support the safe and efficient transportation of a variety of materials and products in and between various locations, including indoor environments such as warehouses and low-temperature storage, and outdoor environments such as ports and in-between factories.



Reach-type forklift



Reach Stacker

Storage

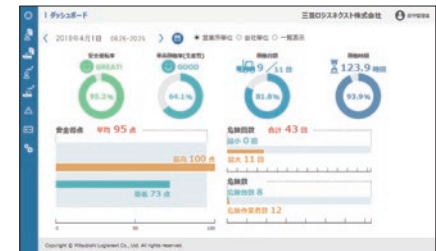
We contribute to not only the space efficiency, but also the time efficiency through work process improvement, such as location management based on the frequency of warehouse utilization, and the automation of routine operations.



Automated warehouse

Management

By real-time monitoring of various data including product storage and forklift operational status, we enhance operational efficiency and safety.



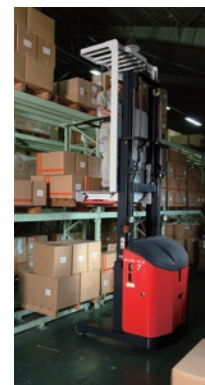
LVS forklift operation management system



Automated guided vehicle



Rubber-tired gantry crane



Order picker

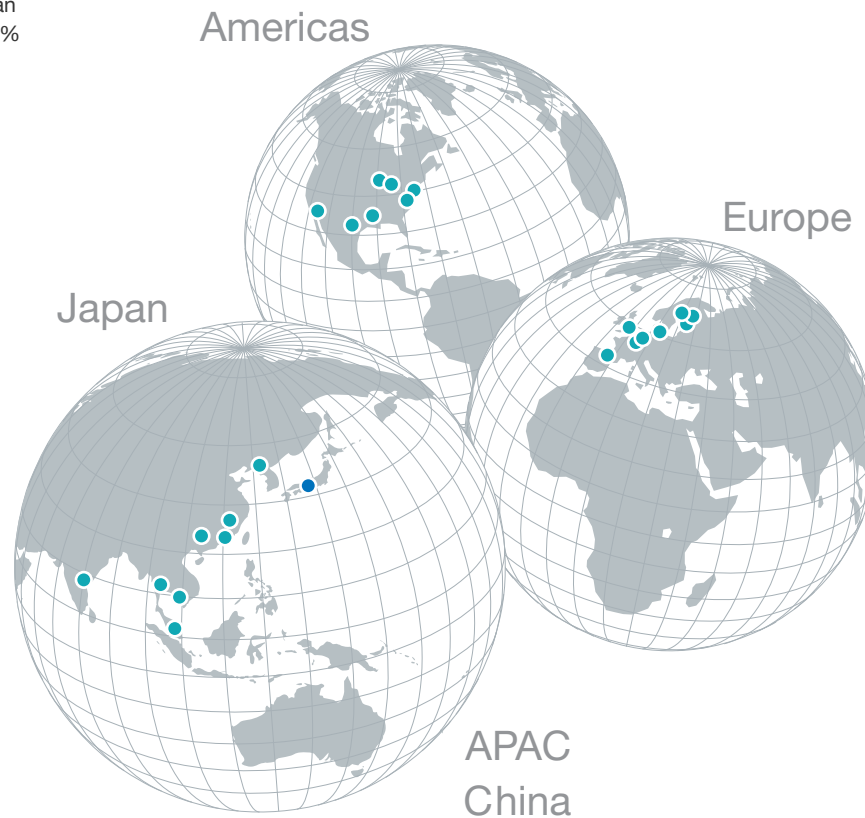
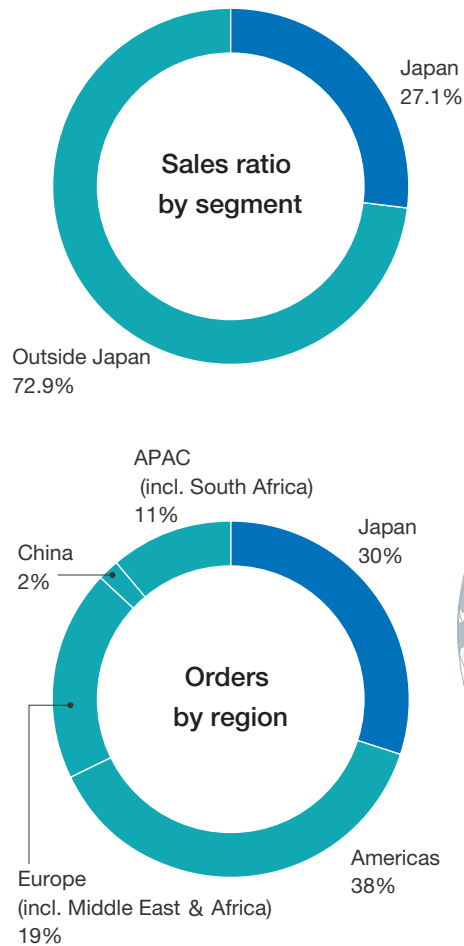


Lateral stacking truck



Service-based troubleshooting system

Our global network identifies the local logistics needs of countries around the world and responds with local production for local consumption



Global Network and Regional Strategies

Japan

This market has a stable business foundation, supported by a robust sales and service network, with customers demonstrating high trust and strong brand awareness of our products.

Strategy

We aim to enhance profitability by advancing system solutions, automation, and labor-saving technologies, including the integration of peripheral equipment, while increasing service revenues through the use of digital tools to improve operational efficiency.

Americas

The markets of the Americas lead the world economy. In the Americas, where demand is high, we have built a strong sales and service network and have developed diverse alliances. We position these as the most important markets because they drive our international operations.

Strategy

We are striving to introduce new battery-powered vehicles and increase our production capacity to support their growth. Additionally, we will work to accelerate the transition to battery-powered vehicles by expanding sales of AGFs / Automated Guided Vehicles (AGVs) and enhancing our system engineering capabilities.

Europe

Europe is at the forefront of logistics. With our ability to develop products that meet customer needs, we emphasize steady growth as we pursue our global operations.

Strategy

As part of our commitment to cutting-edge technology, we are advancing the development and launch of an integrated control system designed to enhance human-machine cooperation.* Simultaneously, we are focused on expanding the global reach of the counterbalanced battery-powered AGF forklift truck, originally developed in Europe.

* Refers to the collaborative work of humans and machines.

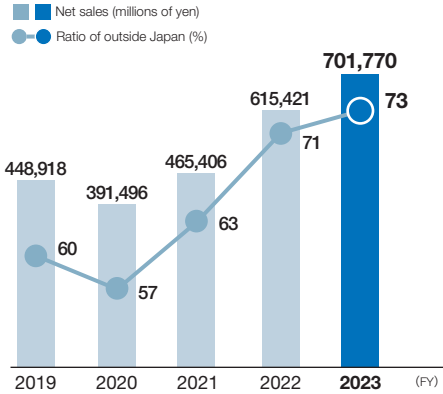
APAC (Asia and the Pacific) / China

The logistics equipment market in China continues to grow, while the APAC market is anticipated to expand rapidly in the future, driven by factors such as the relocation of supply chains from China. To capture this market growth, our company will revamp our product and sales strategies.

Strategy

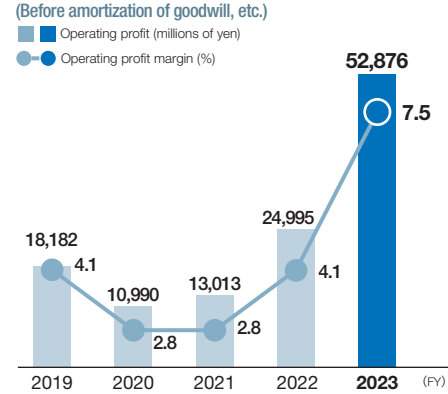
We will endeavor to enhance our competitiveness and enter new markets by launching cost-competitive products and exploring emerging markets, while also boosting the efficiency of our production and sales functions.

Net Sales / Ratio of Outside Japan



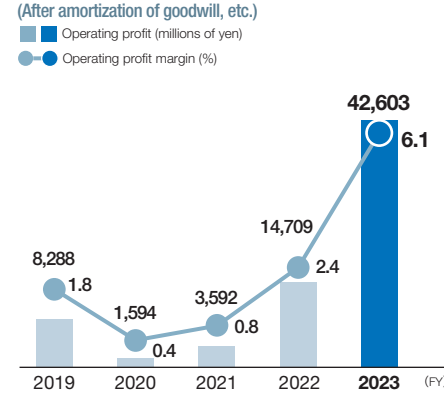
Net sales reached a record high of 701.77 billion yen, driven by price optimization accompanying increased sales volume in the Americas and the impact of yen depreciation on conversion rates. Japan sales totaled 190.441 billion yen, while sales outside Japan accounted for 511.329 billion yen.

Operating Profit / Operating Profit Margin (Before amortization of goodwill, etc.)

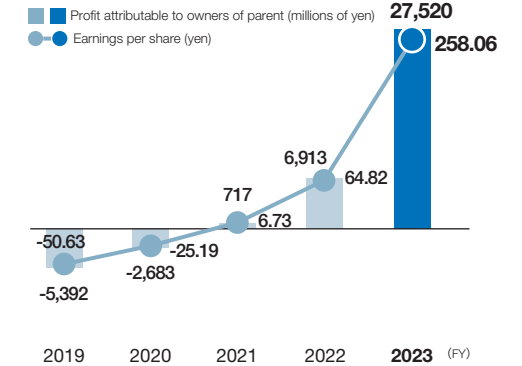


Through streamlined production, we achieved a significant boost in shipments, particularly in the Americas. Coupled with the positive impact of price optimization, this drove increased net sales and resulted in record-high operating profit.

Operating Profit / Operating Profit Margin (After amortization of goodwill, etc.)

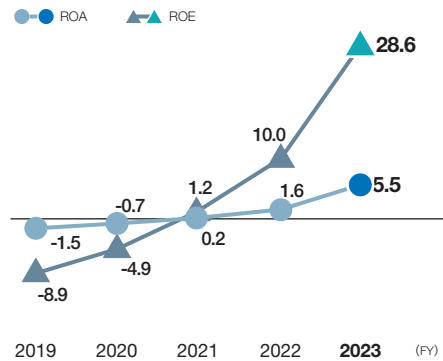


Profit Attributable to Owners of Parent / Earnings per Share



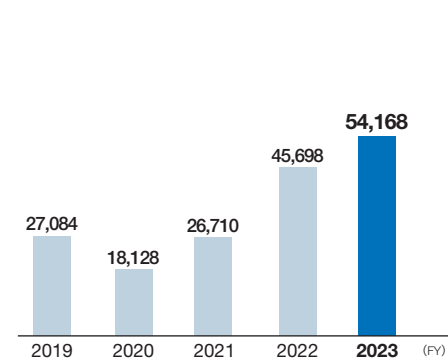
Profit attributable to owners of parent was 27.52 billion yen and earnings per share were 258.06 yen due to an increase in operating profit.

ROA / ROE (%)



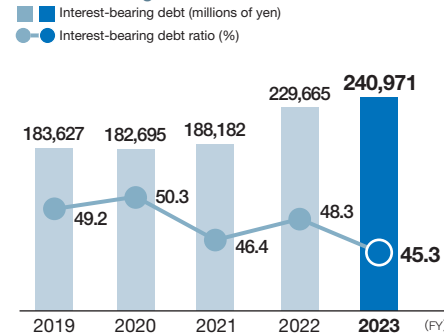
ROA was 5.5% and ROE was 28.6% due to an increase in profit attributable to owners of parent.

Capital Expenditure (millions of yen)



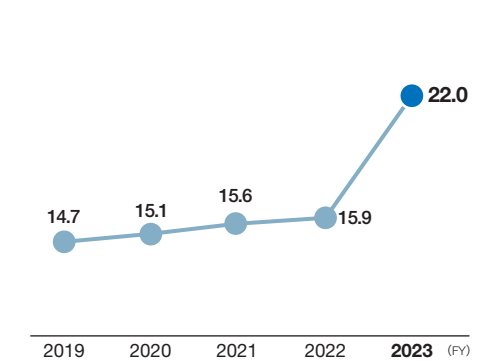
Our capital expenditures were 54.168 billion yen. Our book value investments consisted of the following: 12.233 billion yen was attributable to our business in Japan, mainly investments in forklift vehicles by sales subsidiaries for leasing and rental, while 41.464 billion yen was attributable to our business outside Japan, mainly investments in forklift vehicles by sales subsidiaries for leasing and rental as well as the purchase of machinery and equipment.

Interest-bearing Debt / Interest-bearing Debt Ratio

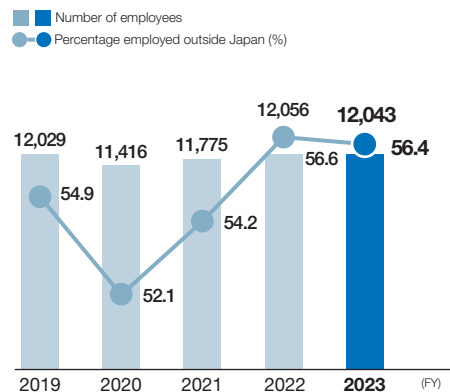


In fiscal 2016, we took on a large amount of debt to acquire shares of UniCarriers Corporation, so interest-bearing debt remains high compared to the scale of our business. We intend to increase free cash flow in order to improve our capital adequacy ratio as we continue to focus on strengthening our financial base.

Capital Adequacy Ratio (%)

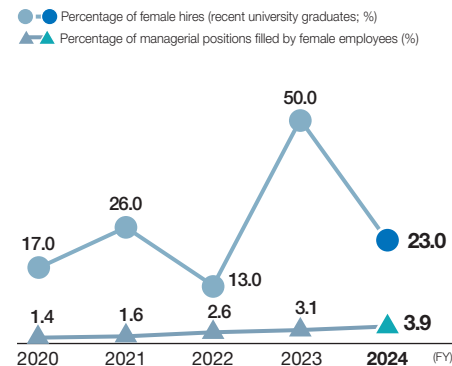


Personnel



The company employed 5,252 in its businesses in Japan and 6,791 employees in its businesses outside Japan, for an international employee ratio of 56.4%.

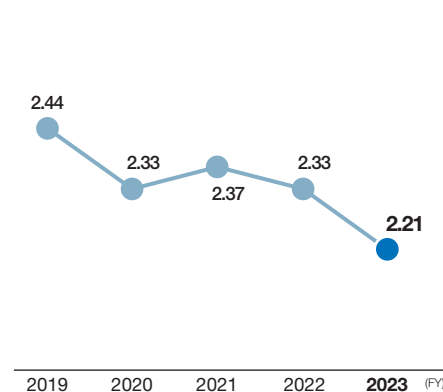
Percentage of Female Hires (Recent University Graduates) and Female Managers*1



We remain focused on promoting diversity, which includes the active participation of our female employees. Under our Action Plan, which is related to Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, we have adopted a target of 3.4% for female managers and 20% for new female hires. We are committed to achieving these targets.

*1 As of April 1

Percentage of Employees with Disabilities (%)



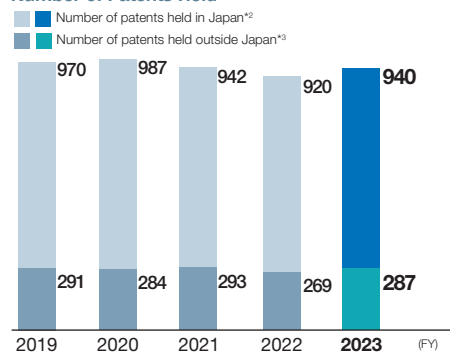
We are focused on creating a workplace in which individuals, regardless of their disability, can play an active role in accordance with their wishes and abilities.

Occurrence of Occupational Accidents

		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Mitsubishi Logisnext	Accidents with lost time	5	5	1	0	2
	Accidents without lost time	11	12	8	21	17
Our affiliates	Accidents with lost time	1	0	1	0	1
	Accidents without lost time	7	9	6	6	8
Direct sales companies in Japan	Accidents with lost time	12	12	14	18	16
	Accidents without lost time	26	47	39	32	26
Production bases outside Japan	More than accidents without lost time	33	34	46	56	53

We remain focused on ensuring a safe and secure workplace environment in a multifaceted manner by adhering to our Group's safety credo: "Safety is the foundation of all that we do."

Number of Patents Held

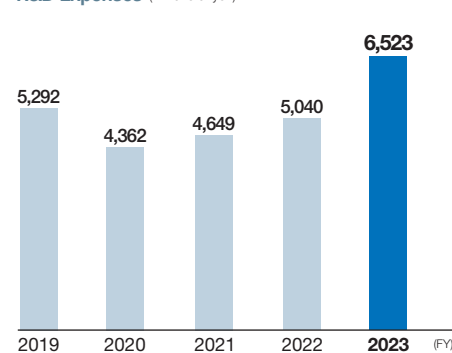


We have established a rewards system that motivates our employees to be inventive, and we are working to acquire intellectual property and enhance our intellectual creativity.

*2 Patents filed by the Company in Japan and patents owned by the Company in Japan

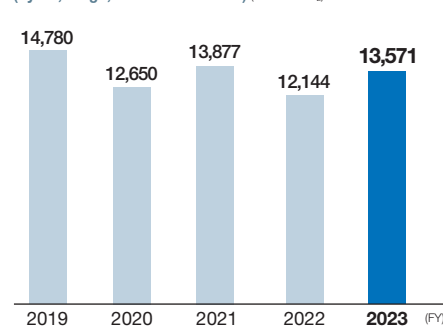
*3 Patents filed by the Company outside Japan and patents owned by the Company outside Japan (Patents filed and held by group companies outside Japan are not included.)

R&D Expenses (millions of yen)



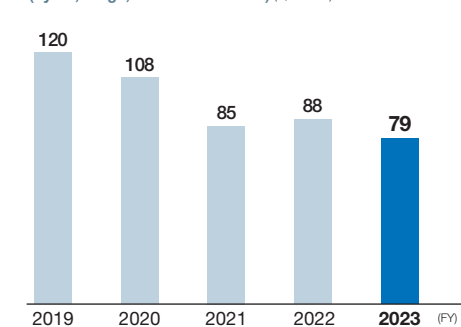
In fiscal 2023, we successfully launched new products as planned, aligned with the product development goals outlined in our medium-term business plan, Logisnext SolutionS 2023. This achievement maximized the strengths of our Engineering Headquarters and was made possible by close collaboration with our development bases outside Japan. By segment, sales of our business in Japan accounted for 3,005 million yen, and 3,517 million yen for our business outside Japan.

CO₂ Emissions from Plants in Japan (Kyoto, Shiga, and Azuchi Plants) (tonnes-CO₂)



CO₂ Emissions from our Kyoto plant were 2,875 tonnes-CO₂, the Shiga Plant emitted 7,371 tonnes-CO₂, and the Azuchi Plant emitted 3,325 tonnes-CO₂. The CO₂ emissions of all three plants increased compared from the previous year, due in part to the increase in emission coefficients.

Water Consumption at Plants in Japan (Kyoto, Shiga, and Azuchi Plants) (1,000 m³)



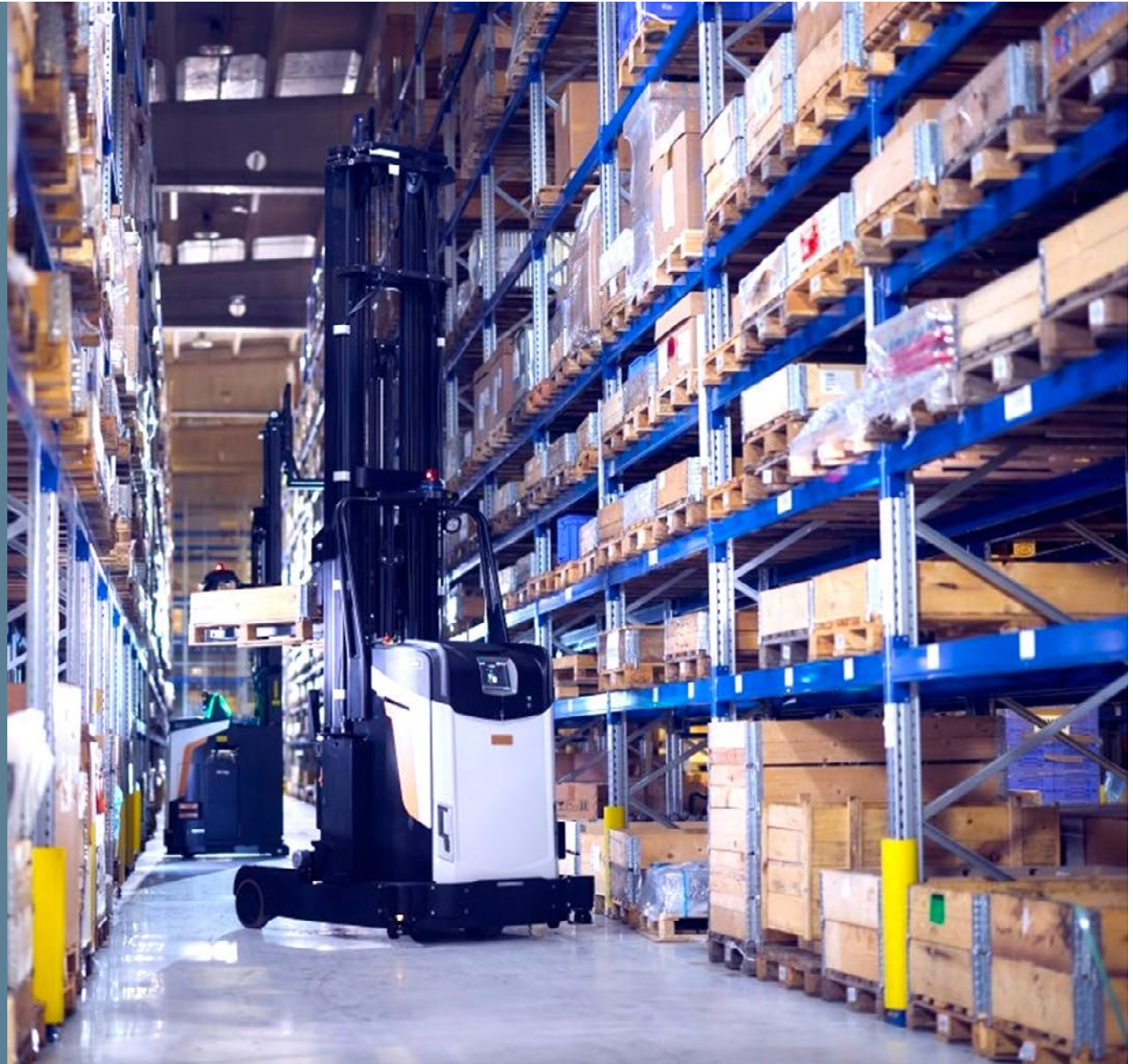
Despite a decrease in production at the Kyoto Plant, water consumption slightly increased. At the Shiga Plant, production rose; however, water consumption significantly decreased due to the suspension of discharge from fire protection water tanks and the temporary halt in cogeneration generator operations. Similarly, while production at the Azuchi Plant increased, water consumption remained steady. Overall, combined water consumption across the three plants decreased compared to the previous year.

Chapter 2

Our Value Creation Strategy

The ACT automated guided vehicle, developed by Mitsubishi Logisnext Europe Oy (Finland), a group company in Europe, embodies the concept of collaboration. It features advanced safety and practicality, including a 360-degree monitoring system and a dedicated touch screen. Recognized for its innovative design, it has received both the iF Design Award and the Red Dot Design Award, two of Germany's most prestigious international design honors.

In September 2024, it also won the Archies Award in the UK, which is given to outstanding logistics equipment.



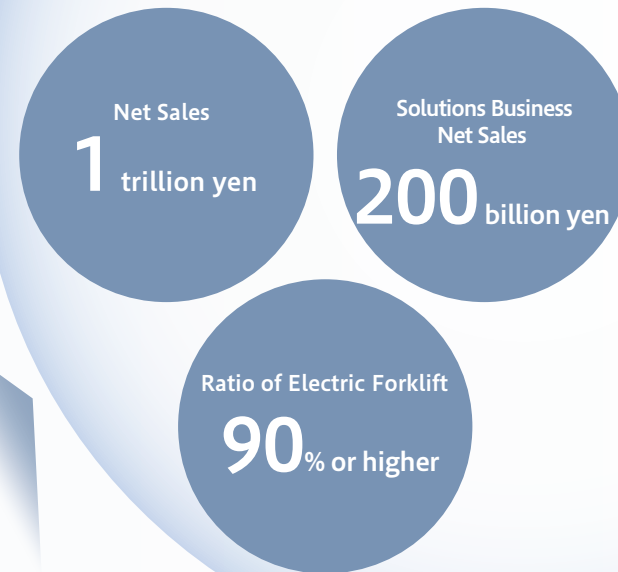
Achieving the Long-Term Business Vision 2035

Since its founding in 2017, the Mitsubishi Logisnext Group has remained focused on promoting its business according to our medium-term business plan that emphasizes growth and expansion.

As we expect major changes to emerge in the environment surrounding the logistics industry, we have revealed a plan we call “Vision 2035” as a guideline for achieving this future growth in 2035.

Additionally, we have developed the medium-term business plan, Logisnext Transform 2026, using a backcast approach to achieve our objectives. This plan addresses key issues in light of the current business environment, building on the initiatives from the previous medium-term business plan.

Vision 2035



Medium-term business plan

FY2024–2026

Logisnext Transform 2026

- Further Growth in Industrial Vehicles
- Breakthrough in Logistics Solutions Business
- Continuous Improvement for Corporate Resilience and Reform of Business Management Structure

Medium-term business plan

FY2021–2023

Logisnext SolutionS 2023

- Build up Business Resilience
- Accelerate Growth Strategy
- Further Strengthen Our Global and Regional Branding Strategies

2017

The Birth of Mitsubishi Logisnext

The future of logistics in a changing business environment

Political/Social Changes

Decarbonization / Compliance with environmental regulations / Block economy / Social fragmentation

Business Environment Changes

Electrification / Digitization / Logistics efficiency / Support for electronic commerce

Technological Evolution

Human-machine cooperation / Safety & security / Automation & autonomous operation

Changing Needs of Customers

Labor shortages / Outsourcing / Changes in customer contact points

Taking up the challenge of driving change in the logistics industry, society, and ourselves.

We have developed a three-year medium-term business plan for fiscal 2024 to fiscal 2026. Centered around the three key needs in logistics equipment—safety and security, automation and autonomy, and decarbonization—we aim to accelerate our transformation in the rapidly evolving business environment and take on the challenging of driving further change in the logistics industry.

The Changing External Environment

The Customer and Societal Environment

- Reduce CO₂ 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.

The Competition

- Release of new electric forklifts as an alternative to engine-powered models in response to environmental regulations and the transition to a decarbonizing society.
- The logistics automation market has seen increased competition, with numerous venture companies both inside and outside Japan entering the space, and driving rapid technological advancement.
- Forklifts manufactured in China are expanding into markets worldwide.

FY2024–2026 Medium-Term Business Plan

Logisnext Transform 2026

Financial targets

	Fiscal 2026
Net sales	700 billion yen
Operating profit (before amortization of goodwill, etc.)	56 billion yen
Operating profit margin (before amortization of goodwill, etc.)	8.0%
Capital adequacy ratio	More than 30%
ROE	More than 20%

“LT26” plan rates: USD = 130.00 yen; EUR = 140.00 yen

Medium-term plan key concepts



Safety / Security

Development of safe and secure logistics equipment to prevent accidents and disasters at logistics sites, alongside safety awareness initiatives.



Automation / Autonomy

Contributing to the resolution of social issues, such as the worsening labor shortage in the logistics industry, through products and solutions that leverage our unique automation technology.



Decarbonization

As a leader in battery-powered forklifts, we are actively developing environmental friendly products both inside and outside Japan that contribute to the achievement of a carbon-neutral society.

Core Strategies

1 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.

2 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.

3 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.

Non-Financial Targets

This is the first time our company has announced non-financial quantitative targets. We have chosen indicators that are closely aligned with the execution and success of our core strategies.

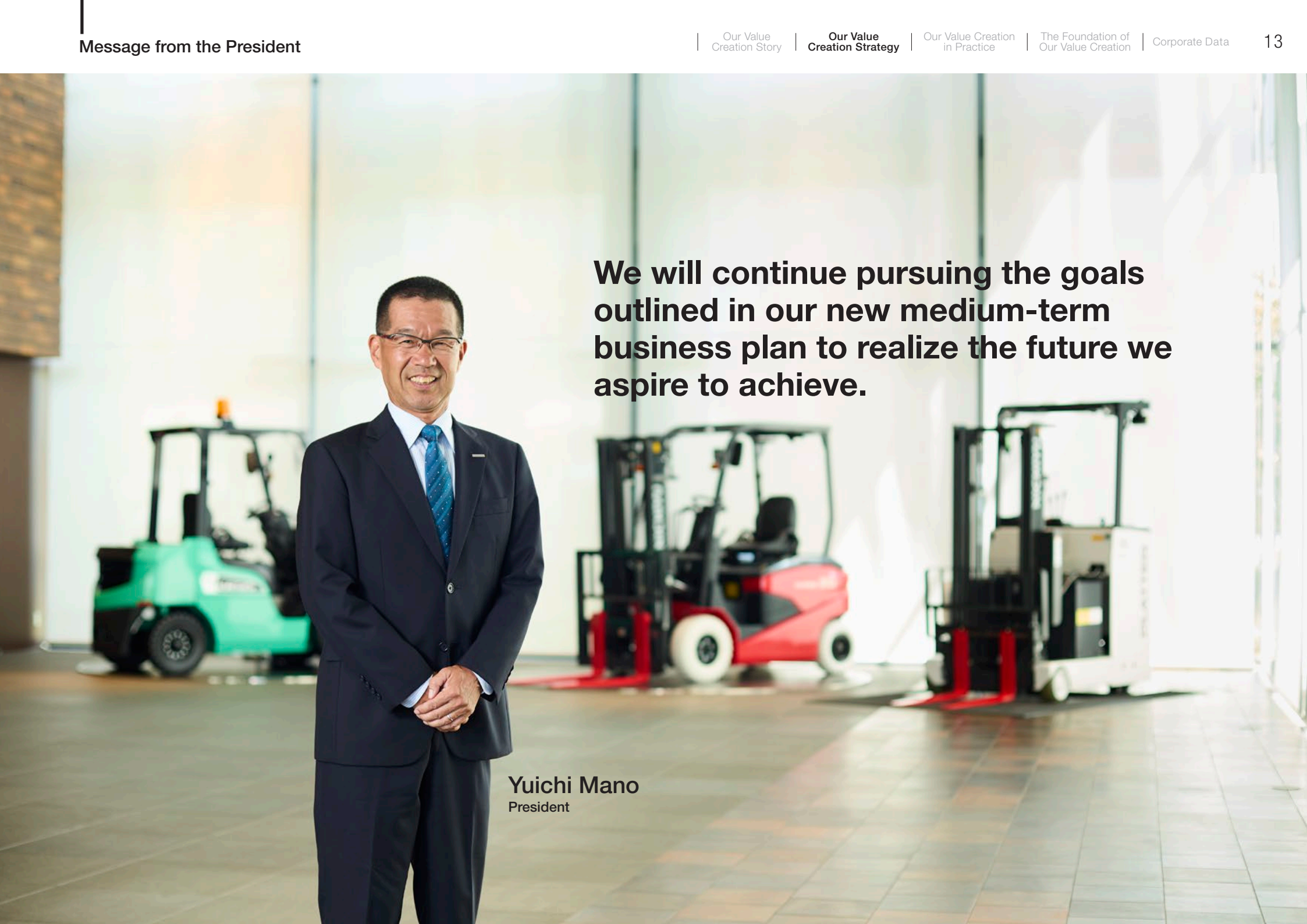
		Indicator	Fiscal 2026
Decarbonization	Scope 1 and 2	Emission reduction rate (relative to 2017)	-33%
	Scope 3 category 11	Emission reduction rate (relative to 2017)	-29%
Automation / Autonomy		Sales amount of the solutions business	60 billion yen
Job Satisfaction	Engagement / Motivation	Job motivation	52 deviation value
		Number of active workplaces	
	Work-style reforms	Take-up rate of paid leave	80%
	Promoting the participation and advancement of female employees	Ratio of female managers	5%
		Take-up rate of childcare leave for male employees	60%
	Ensuring diversity of human resources	Ratio of female hires	30%
Ratio of mid-career hires		40%	

Financial Policy

We aim to generate ample free cash flow by consistently growing profits and optimizing working capital. This free cash flow will be allocated in a balanced approach toward strategic investments, strengthening our financial position, and delivering returns to shareholders.

Shareholder Returns Policy

Our fundamental policy is to provide stable and consistent dividends, unaffected by short-term fluctuations in business performance caused by sudden economic changes. We aim to maintain stable dividends with a target Dividend on Equity Ratio (DOE) of 2.0% through fiscal 2025, coinciding with the completion of goodwill amortization related to the acquisition of the former UniCarriers Corporation.



We will continue pursuing the goals outlined in our new medium-term business plan to realize the future we aspire to achieve.

Yuichi Mano
President

Record-High Sales and Profits Achieved Under the Previous Medium-Term Business Plan

In the final year of the previous medium-term business plan, Logisnext SolutionS 2023 (LS23), demand in the logistics equipment market remained robust both domestically and internationally in fiscal 2023 (ending March 2024). On the production side, long-standing delays in the supply of various parts, which had been extending lead times, were finally resolved, and we moved forward in clearing a significant accumulation of backlog orders, allowing us to increase sales volumes across global markets. Combined with the impact of a weaker yen, net sales for fiscal 2023 surged to 701.7 billion yen, a 14% year-on-year increase, setting a new record for the second consecutive year.

In terms of profitability, we achieved significant gains by streamlining production and shipping processes, improving cost structure through inventory optimization, and implementing price adjustments to address rising costs, particularly in European and American markets. As a result, operating profit reached 42.6 billion yen (a 189.6% year-on-year increase), and profit



attributable to owners of parent rose to 27.5 billion yen (a 298% increase). Additionally, operating profit before goodwill amortization and other items, a key performance indicator, climbed to 52.8 billion yen (up 111.5%). Both figures marked substantial year-on-year growth and set new record highs.

Over the three years, we faced challenging times due to unforeseen events such as surging energy and transportation costs, supply chain disruptions, and sudden exchange rate fluctuations. Despite these difficulties, we successfully achieved all the numerical targets set at the outset.

Steady Progress in the Three Basic Policies

We recognized significant progress in the three basic policies of LS23: building up business resilience, accelerating growth strategy, and further developing our global and regional branding strategies.

In terms of building up business resilience, we have made steady progress in optimizing pricing and have also advanced the reorganization and integration of production and sales facilities across various regions, including China and Europe, resulting in improved business productivity. We expect the benefits of these efforts to become more evident in the future. However, strengthening resilience is an ongoing process, and we will continue to focus on further enhancing profitability in each market.

Regarding accelerating growth strategy, we achieved a significant increase in profits in the Americas market and strengthened our solution business activities in Europe, which we have identified as a key growth pillar. While the solution business is not yet generating substantial figures, we are seeing promising signs of untapped demand, and we are confident that our efforts will yield positive results in the future.

In terms of further developing our global and regional

branding strategies, we have actively supported local communities and fostered the next generation through our sponsorship of various sports and cultural initiatives, including professional golfer Ayaka Furue. Additionally, we have focused on boosting brand recognition by sharing information both internally and externally, engaging in corporate branding activities such as advertising, promotions, and leveraging social media.

What I prioritized most was ensuring that our employees felt a sense of pride in the Mitsubishi Logisnext brand and experienced a deep sense of fulfillment in their work. We've made significant progress in fostering a comfortable work environment through initiatives like the establishment of remote work systems following the pandemic, the introduction of flexible working hours, and the adoption of free-seating offices (open-plan desk-swapping system) in the office. Moving forward, I aim to focus not only on comfort but also on enhancing the sense of fulfillment and pride that our employees feel in their work.

Developing a New Medium-Term Business Plan Through Backcasting from Our Desired Future

In fiscal 2024, we launched the new medium-term business plan, Logisnext Transform 2026 (LT26). Prior to this, the Group unveiled its Purpose, which highlights the company's social significance, and its Vision 2035, outlining our future aspirations. Both were developed based on a draft created after a year of thorough discussions by a select team of around 20 mid-career employees in their 30s and 40s, who will play a key role in the next generation of management.

In our Vision 2035, we adopted the slogan From Consolidation to Growth and set ambitious numerical targets: 1 trillion yen in sales, 200 billion yen in sales from the solutions business, and a forklift battery vehicle ratio of 90% or more by

fiscal 2035. However, the key focus is not just on these figures, but on the backcasting approach—how should we shape our current work and organization to move closer to the future we aim to achieve? How should we proceed from here? LT26 was created based on this very approach.

In LT26, we considered the ideal future state of society, the current social and market environment, and the competitive landscape to identify the three most important social needs: safety and security, automation and autonomy, and decarbonization. These have been positioned as key concepts. We have set numerical targets of 700 billion yen in net sales, 56 billion yen in operating profit before goodwill amortization and

other items, and an operating income margin before amortization of goodwill and other items of 8.0% in fiscal 2026. The figures of 700 billion yen in net sales and 56 billion yen in operating profit are similar to those for fiscal 2023, which might initially suggest that we are maintaining the status quo. However, these figures exclude the impact of the current yen depreciation. If we adjust for this, net sales in fiscal 2023 are estimated to be around 640 billion yen, with operating profit before goodwill amortization and other items at approximately 48 billion yen. In other words, we are targeting a net sales and profit growth of about 10% over the next three years.



Logisnext Transform 2026 numerical targets



* "LT26" plan rates: USD = 130.00 yen; EUR = 140.00 yen

Driving Agile Development Through Customer Collaboration

The first pillar of LT26 is, of course, the growth of our core business in the industrial vehicle sector. As the world moves toward a decarbonized society and the shift to electric vehicles accelerates, customer demand for battery-powered forklifts is becoming increasingly diverse. To meet this demand, we will focus our development and sales efforts on battery-powered forklifts, working to expand our product lineup and boost sales in each region. This will be achieved through a development approach and system that transcends regional and model boundaries.

In response to the growing global demand for safety and security, we will focus on expanding our lineup of high-value-added products that enhance the safety and security of our customers across various logistics scenarios. In this area, we have also begun exploring a new development approach through collaboration with business partners starting in fiscal 2023. This involves bringing experimental equipment and prototypes to the sites of long-term customer partners and working closely with their technical teams. Through a process of trial and error, we aim to rapidly develop products and achieve

the desired outcomes much more quickly than with traditional development methods.

The AI-powered Human Detection System we recently launched is a new product developed using this approach. Building on this model, we aim to continue expanding our agile development of features and products that effectively and promptly address safety and security needs. By collaborating with a diverse range of customers, we plan to drive business growth through these efforts.

Leveraging Customer Touchpoints to Enhance Our Problem-Solving Capability

The second pillar of LT26 is the advancement of our logistics solutions business. By "logistics solutions," I refer to a broad range of products and services that address the automation and autonomy needs of logistics sites. This includes everything beyond the sale of individual equipment like forklifts and their associated services. The primary focus is on labor-saving and automation products, such as automated guided vehicles (AGVs) and automated guided forklifts (AGFs), as well as

integrated control systems that enable human-machine cooperation*¹. However, these solutions don't necessarily need to be high-tech products or even our own products.

What matters most is our ability to provide solutions to the challenges faced by our customers. This means focusing on our problem-solving capability, and when necessary, proposing a combination of in-house products and externally sourced items. We could also explore partnerships with companies from other industries, such as startups with unique technologies and expertise, to deliver new value by leveraging our strengths, including our broad customer network and strong relationships of trust. In fact, this type of business model may be the way forward. In this sense, the logistics solutions business represents a shift from manufacturing to value creation.

To drive this type of business forward on a global scale, we established the Logisnext Solutions Office as a global business control function in April 2024. Led by an executive officer of our company, who also serves as the executive vice president of our European subsidiary, this organization will take a cross-group, integrated approach to solution-oriented activities. These activities, which have previously been managed by individual



departments and personnel, will now be aligned for overall optimization, with resource allocation considered from a broader perspective. To demonstrate our serious commitment to this field both internally and externally, we have also set numerical targets for this business, which currently generates around 20 billion yen in sales. Our goals are 60 billion yen by fiscal 2026 and 200 billion yen by fiscal 2035.

Continuing to Focus on Strengthening Our Corporate Structure

The third pillar of LT26 focuses on continuously improving our corporate structure while taking up the challenge of transforming our business model. A key area of emphasis is strengthening our human capital. Building on the work style-reforms initiated under LS23, we aim to foster a cultural shift that prioritizes individual employee fulfillment. To enhance this sense of fulfillment, it is essential for employees to develop an autonomous drive for change and the motivation to embrace new challenges. Exposure to diverse external experiences and stimuli plays a critical role in this process. With this in mind, since assuming the role of president, I have encouraged employees to engage with the outside world and connect with a wide variety of people. Recently, we demonstrated this commitment by sponsoring the Theme Week*² at the Expo 2025 Osaka/Kansai, where we sent teams of over ten young employees to participate and gain valuable insights.

Through these initiatives, we aim to cultivate a corporate culture where employees can embrace bold trial and error without fear of failure, fostering growth and innovation beyond merely providing a comfortable workplace.

Another key governance priority is establishing a global management system that aligns with our status as a company with over 70% of sales generated overseas. Currently, the regional heads of our US and Finland operations serve on our

headquarters officers. However, looking ahead, we aim to evolve our management meetings—currently consist of Japanese executive members—into a structure where regional heads from all key regions form the executive board. This transformation will enable us to become a truly global company capable of discussing and making decisions from a worldwide perspective.

By embracing challenges across diverse fields within this corporate culture, we aim to create a positive cycle that enhances Mitsubishi Logisnext's social recognition and brand strength. In doing so, we hope to instill a sense of pride and fulfillment among our employees and their families, making them feel genuinely glad to be part of our company.

*1 The cooperation of humans and machines in carrying out tasks

*2 An initiative that makes use of the characteristics of the World Expo, where countries from around the world gather, to bring together wisdom for solving global-scale issues and to explore solutions through dialogue

A Vision for the Logistics Solutions Business to Thrive and Expand

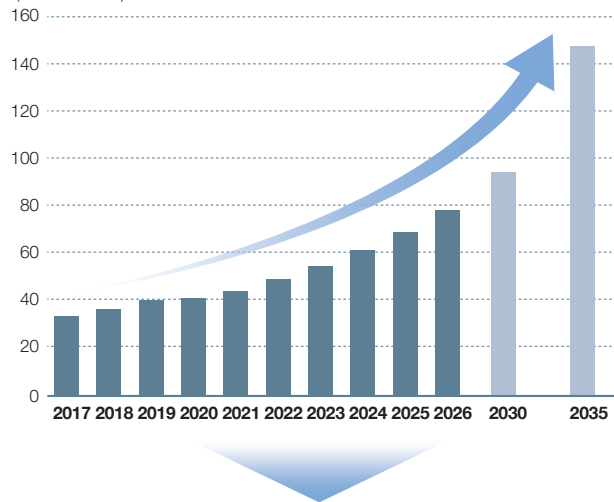
Market Environment and Vision

The global automation market is steadily expanding and is projected to surpass \$140 billion by 2035. Within this growing market, we are sustaining our competitiveness by offering innovative automation and autonomous products, with a focus on automated guided vehicles and automated guided forklifts.

Looking ahead, we aim to grow our market share by enhancing awareness of our new business domain, Logisnext Solutions. This will be achieved through the development of integrated control systems that enable human-machine cooperation and the strategic promotion of sales expansion.

Global automation market

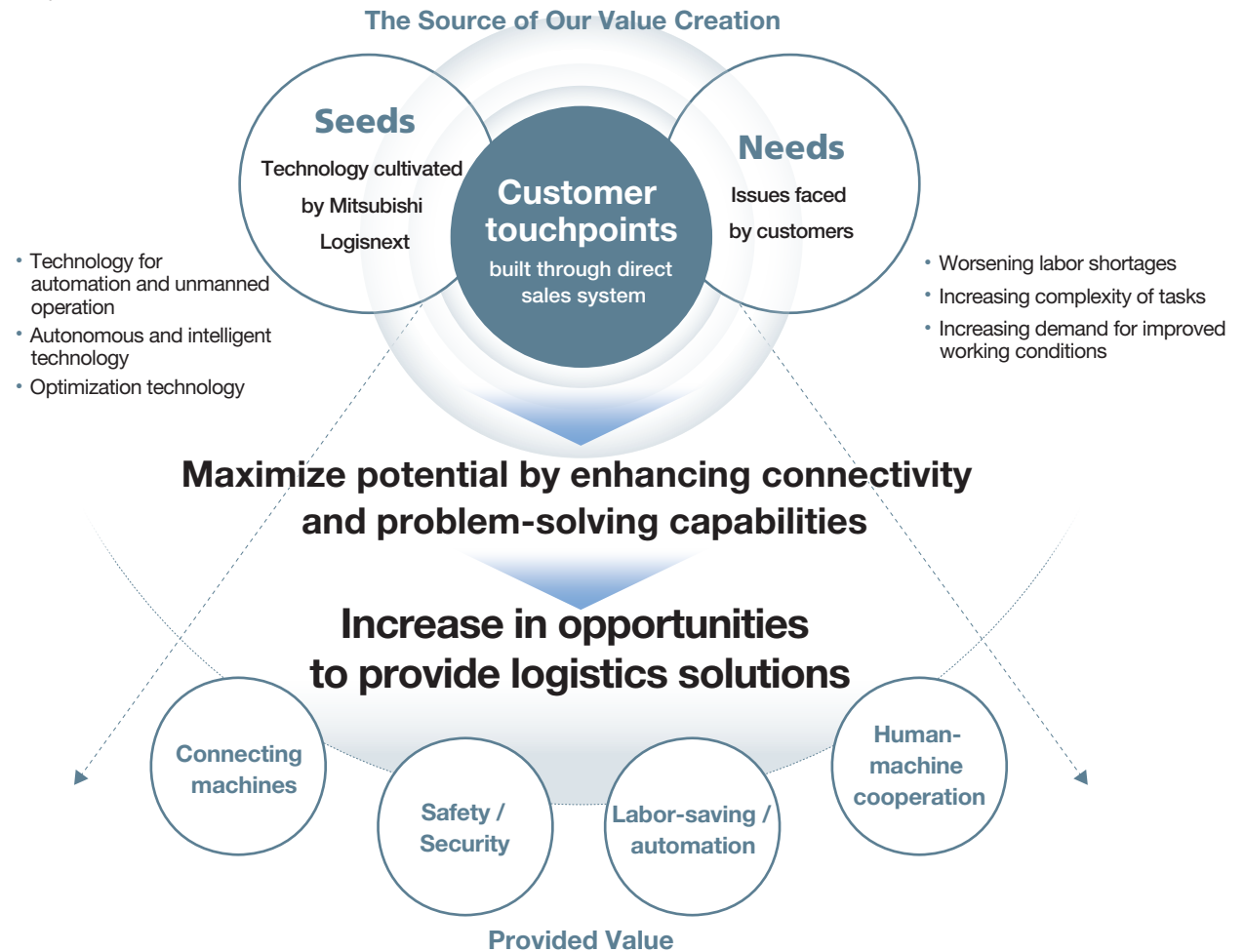
(Billions of dollars)



Elevating the Presence of Logisnext in the Growing Automation Market

Overview of Strategy

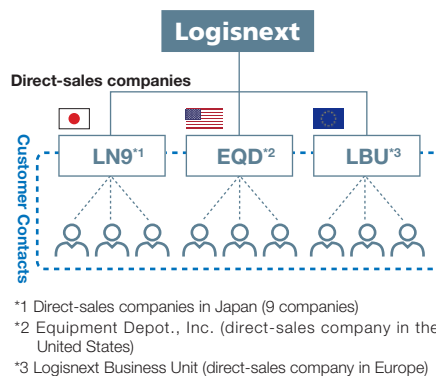
We aim to grow our logistics solutions business by aligning our established technologies with the challenges our customers face, leveraging our strengths in extensive customer touchpoints and solutions capabilities developed through our forklift sales and service expertise.



Utilizing Customer Touchpoints through Strengthening Direct Sales Systems

Our sales network, centered on our direct sales system, is one of our strengths.

By leveraging the strong relationships we've cultivated with our extensive customer base, we will utilize our robust domestic and international sales network as a customer touchpoint. This will enable us to enhance connectivity across logistics processes and address our customers' logistics challenges more effectively.



Examples of Solutions We Offer

Introduction of Labor-Saving and Automated Products Focused on AGVs and AGFs

We are advancing our proprietary technology, "SynfoX," built on ΣSynX (Sigma Syncs), an autonomy and intelligent solution put forward by Mitsubishi Heavy Industries, Ltd. This innovation enables us to deliver timely development while responding flexibly to customer needs.



Image of automated warehouse logistics using AGF

Developing and Expanding Sales of Integrated Control Systems for Human-Machine Cooperation

Our integrated control system, the mixed-fleet solution, manages both manned and unmanned equipment, by providing optimized task-specific instructions to make on-site resources more efficient.

We are actively working to enhance market recognition of Logisnext Solutions by driving the sales growth of this innovative system.



ACT

Setting up the Logisnext Solutions Office

In April 2024, we established the Logisnext Solutions Office (LogSol Office) to spearhead the global expansion of our solutions business. Notably, its leadership marks a milestone, as the head of the office is the first officer from an overseas subsidiary to hold a department head position in our headquarters.

Going forward, the LogSol Office will serve as a central hub, driving innovation in our solutions business by leveraging the resources of our technology and sales bases both inside and outside Japan.



Tapio Rummukainen

Executive Officer
Division Head, General Manager, Logisnext Solutions Office (Executive Vice President, Mitsubishi Logisnext Europe B.V.)

The LogSol Office is dedicated to accelerating the transformation and growth of our global solutions business. Our mission is to create high-value-added offerings by defining the potential of the solutions business domain and showcasing the comprehensive capabilities of Mitsubishi Logisnext, which our customers highly regard.

The environment surrounding our business is constantly evolving. To thrive in such a

dynamic landscape, it is essential for our organization to maintain a shared understanding and work toward unified goals. Through recent organizational restructuring, we have undergone internal structural changes, bringing together diverse backgrounds and cultures. While this diversity can sometimes lead to friction, successful integration has the potential to transform it into a powerful competitive advantage.

We have made significant progress so far, but there is still much to accomplish. Moving towards the future, we will continue to embrace new challenges, build on our strengths, and address our weaknesses, ensuring that the initiatives we are currently pursuing will lead to successful outcomes.

Tackling the 2024 Logistics Challenge with Technology that Connects

Beginning in April 2024, stricter regulations were imposed on truck drivers, as work-style reforms in the logistics and warehousing sectors are gaining momentum. Additionally, the growing labor shortage and increasing logistics volume are intensifying the challenge, making the streamlining and optimization of logistics operations a top priority.

We help solve the challenges of our customers by delivering solutions that address their connectivity needs through automation technology, while also working towards a sustainable future for the logistics industry.


Keyword 1: Safely Connecting Humans and Machines

Human-Machine Cooperation

In logistics and warehousing, fully automating operations present significant technical and cost challenges. Additionally, due to the need for flexibility and quick responses to varying volumes of goods, manual labor remains essential. As a result, we are focused on creating an environment where people and machines can collaborate effectively, leveraging each other's strengths.

Additionally, when people and machines work together, ensuring the safety of workers on-site is crucial. We are committed to supporting human-machine cooperation in logistics by developing and providing solutions that prioritize not only convenience but also safety and security.

Use cases



Worker

- Complex tasks
- Tasks requiring adaptability





Machines

- Simple tasks
- Dangerous tasks

Keyword 2: Achieving Smart Connections Among Machines

Connecting Machines

Logistics and warehouse operations involve several processes, such as shipping, transportation, and picking, each with equipment tailored to specific tasks. Automating each piece of equipment in isolation will not yield significant benefits. However, by integrating these processes, we can enhance the efficiency of the entire operation. We contribute to this goal by providing solutions that create smart connections between equipment, driving overall efficiency.

We will connect unmanned forklifts and other equipment with peripheral devices to automate a series of tasks more efficiently. Our efforts will focus on expanding these machine connections, extending beyond warehouse operations to include external transportation and other areas, in order to support the optimization of overall operations.

Use cases



Machine A

- In-warehouse picking
- Sorting/Packing
- Linking to external transport





Machine B

- Loading
- Shipping

Examples of Solutions

1 Practical Application of AGF Automated Truck Loading System

2 Implementing Automated Picking Solutions with Automated/Intelligent Systems



We have developed an automated truck loading system utilizing the laser-guided unmanned forklift, PLATTERAUTO.

In partnership with Konoike Transport Co., Ltd., a logistics service provider, we conducted a series of demonstration tests, and the system has been operational for commercial use since March 2024.

Truck loading requires precise adjustments to the loading position based on the type of truck and the dimensions of the parking space. Additionally, time constraints necessitate speedy operations to minimize truck idle time. This

system employs two unmanned forklifts, which operate autonomously to load trucks parked in designated spaces with the same accuracy and speed as manned forklifts.

Strengths demonstrated

- Sensing technology that accurately measures the loading position and gaps in the cargo bed
- Control technology that quickly and accurately guides the vehicle to the target position

We have launched an automated picking solution for warehouse logistics, powered by ΣSynX (Sigma Syncs), a cutting-edge technology developed by Mitsubishi Heavy Industries, Ltd.

This is Japan’s first solution to automate and intelligently control the picking process, traditionally handled by manned forklifts and manual labor. By leveraging our proprietary optimization engine and integrated control system, we efficiently coordinate multiple unmanned forklifts, AGVs, and other equipment to streamline the picking process and enhance processing capacity.

We are accepting orders from Kirin Beverage Company, Ltd. and Kirin Group Logistics Co., Ltd. of the Kirin Group, with full-scale operations scheduled to begin in December 2024 at their Ebina Distribution Center.

Strengths demonstrated

- Reduction in the number of transfers and pickings
- Improving the working environment, such as by addressing the shortage of logistics operators, heavy-weight picking, and night work



We strive to establish a financial structure that enables flexible and timely responses to environmental changes.



Takatoshi Uno

Director,
Senior Executive Officer, CFO, Division Head, General Manager, Corporate Strategy and Planning Office, in charge of Corporate Finance and Accounting Headquarters

Achievement of All Financial Targets in the Previous Medium-Term Business Plan

In fiscal 2023, the Group achieved record-high net sales, operating profit, ordinary profit, and earnings, successfully meeting all the financial targets outlined in the previous medium-term business plan, Logisnext SolutionS 2023 (LS23).

The strong performance was also supported by the rapid depreciation of the yen. Additionally, disruptions in the supply chain, caused by the global shortage of materials and logistics delays from the pandemic, began to ease in the second half of fiscal 2022. This allowed us to make progress in decreasing the backlog of orders, which significantly impacted our performance in fiscal 2023. While the external environment provided a boost, looking back over the past three years, it is clear that the company overcame numerous challenges as a unified team under the difficult conditions of the pandemic. We successfully recovered our business and achieved the high goals we set, and as a member of the management team, I am extremely pleased with this accomplishment.

I particularly value the company's ability to effectively address the unexpected rise in material costs and the ongoing

inflation in labor and other expenses by adjusting prices to reflect these increased costs, especially in the European and American markets. This not only helped us improve profitability, which is a key priority for our company, but also allowed us to delve deep into the needs of our customers and markets in each region and meet them. I believe this experience has been invaluable and will contribute to the strengthening of our business in the future.

Promoting Financial Stabilization and Strengthening Earning Power

Over the three years of the new medium-term business plan, Logisnext Transform 2026 (LT26) (FY2024–2026), the ongoing challenge will be to enhance the business's profitability.

In fiscal 2023, free cash flow became positive for the first time in two periods due to an increase in operating cash flow, though it remains at a moderate level. Moving forward, we will continue to streamline and enhance production and sales in our core business areas while working to transform our business structure to generate more cash. Additionally, we will focus on driving growth in our high-value-added Solutions Business

Progress on achieving the financial targets of LS23 (Billions of yen)

	Targets	Fiscal 2023	Progress
Net sales	500	701.7	Achieved
Operating profit (before amortization of goodwill, etc.)	30	52.8	Achieved
Operating profit margin (before amortization of goodwill, etc.)	6%	7.5%	Achieved
Capital adequacy ratio	More than 20%	22%	Achieved

Cash flow

(Billions of yen)

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Operating cash flow	42.0	33.4	20.6	28.7	64.5
Investing cash flow	-48.9	-22.4	-19.2	-40.2	-56.8
Free cash flow	-6.9	11.0	1.3	-11.4	7.7

across global markets. From a risk management perspective, as CFO and head of the Corporate Strategy and Planning Office, I also prioritize addressing regional disparities in earnings and creating a structure capable of generating balanced, global income.

Another financial challenge is to enhance the soundness and stability of our finances. By accumulating retained earnings, the capital adequacy ratio at the end of fiscal 2023 surpassed the LS23 target of 20%, reaching 22%. However, this remains relatively low compared to our competitors. Over the three years of LT26, we aim to increase the capital adequacy ratio to 30% by improving cash flow, reducing interest-bearing debt, and further growing retained earnings.

The completion of goodwill asset amortization from the acquisition of the former UniCarriers Corporation in fiscal 2025 will have a significant positive impact on our finances. By increasing earnings through reduced amortization and streamlined tax expenses, we aim to achieve the new LT26 target of an ROE of 20% or higher, while also contributing to the growth of retained earnings.

Aiming for Sustainable Growth through Flexible Investment Decisions

We view the core of our financial strategy as effectively allocating cash to support corporate growth, utilizing the cash generated from business activities while maintaining a strong financial foundation. However, we have not yet outlined a specific cash allocation plan for strategic or growth investments totaling several hundred million yen. Our approach is to implement flexible cash allocation, continuously evaluating changes in the business environment.

In a business environment vastly different from what we anticipated when we developed the LS23 plan, our ability to respond quickly and effectively to the rapid pace of change

played a key role in achieving strong results, a perspective shared by the management team, myself included. In LT26, we may make significant strategic investments if we identify a major opportunity, while also prioritizing financial soundness depending on the situation. Through such flexible management decisions, we aim to achieve optimal cash allocation.

The largest growth investment is expected to be in the forklift truck rental business across Japan, the United States, and Europe. In this sector, we will actively focus on replacing current engine-powered vehicles with battery-operated ones, in line with the trend toward electrification and the expansion of our fleet with new vehicles.

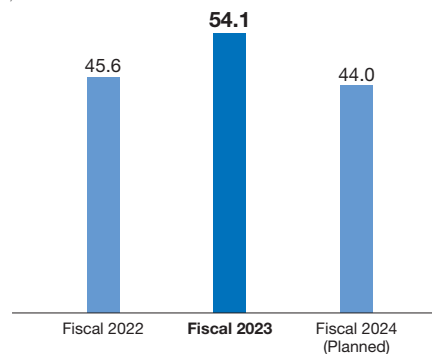
At the same time, we will intensify our efforts toward sustainability management. We recognize that advancing initiatives that contribute to environmental, social, and economic sustainability is crucial for realizing our long-term vision and fulfilling the purpose we established in fiscal 2023. In addition to investing in equipment to reduce CO₂ emissions at our facilities both inside and outside Japan, we will also focus on transitioning production lines from engine-powered vehicles to battery-operated ones. By contributing more than ever to the decarbonization of our customers, we aim to address

sustainability, a shared global challenge.

As outlined above, we aim to contribute to the realization of a decarbonized society through both our business activities and products, while achieving sustainable growth for our company.

Capital investment

(Billions of yen)



We are advancing sustainability initiatives to fulfill our purpose.

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.

In order to implement our corporate philosophy of “Moving the world forward as the leading provider of innovative logistics and material handling solutions,” we must not only grow our company but also address environmental and societal issues at the same time.

To clarify our company’s *raison d’être*, we have formulated our stated purpose according to our corporate philosophy and our approach to addressing societal and environmental issues.

Establishing Basic Policies to Support the Sustainable Development Goals (SDGs)

To further advance our efforts toward sustainable growth, we have established Basic Policies on the SDGs, grounded in our corporate philosophy and management policies. These policies focus on the themes of environment, society, and governance, while aligning with our commitment to purpose.

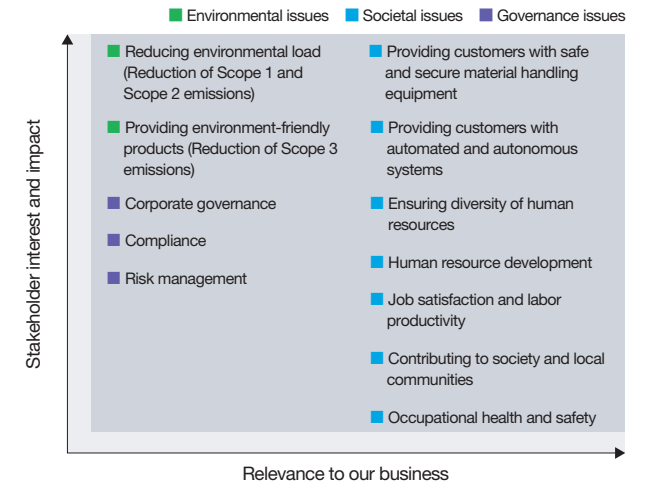
Policies related to the SDGs

As a comprehensive manufacturer of material handling equipment that supports logistics operations around the world, we support the objectives of the SDGs advocated by the United Nations, offer solutions to societal issues through our business operations, and contribute to the sustainable development of the planet and society at large while helping to build a better future.

- 1. Conservation of the global environment**
We will strive to protect the environment with a global perspective.
- 2. Promoting customer safety and security as well as automation and autonomous operation**
We will provide safe and secure products and services to our customers, address societal issues through our business operations, and contribute to continuous development.
- 3. Diversity and engagement**
We will respect the human rights, individuality, and creativity of each and every employee, provide a rewarding work environment, support personal growth, and develop personnel who are capable of supporting our global society.
- 4. Strengthening corporate governance**
We will implement an effective corporate governance system to ensure fair and honest business practices while fulfilling our social commitments as a good corporate citizen.

For each material issue, we have set key performance indicators (KPIs) by which we can evaluate and publicize our performance at the end of each fiscal year. However, we will also introduce initiatives during the period that are difficult to evaluate with KPIs, such as R&D and product-related initiatives.

Issues of material interest to our group



Our priority SDGs

We have identified and organized the key issues related to our material interests, and have selected eight main areas to focus on particularly.



Identifying Material Issues

We have identified material issues in consideration of their relevance to our business and their influence on and interest to our stakeholders.

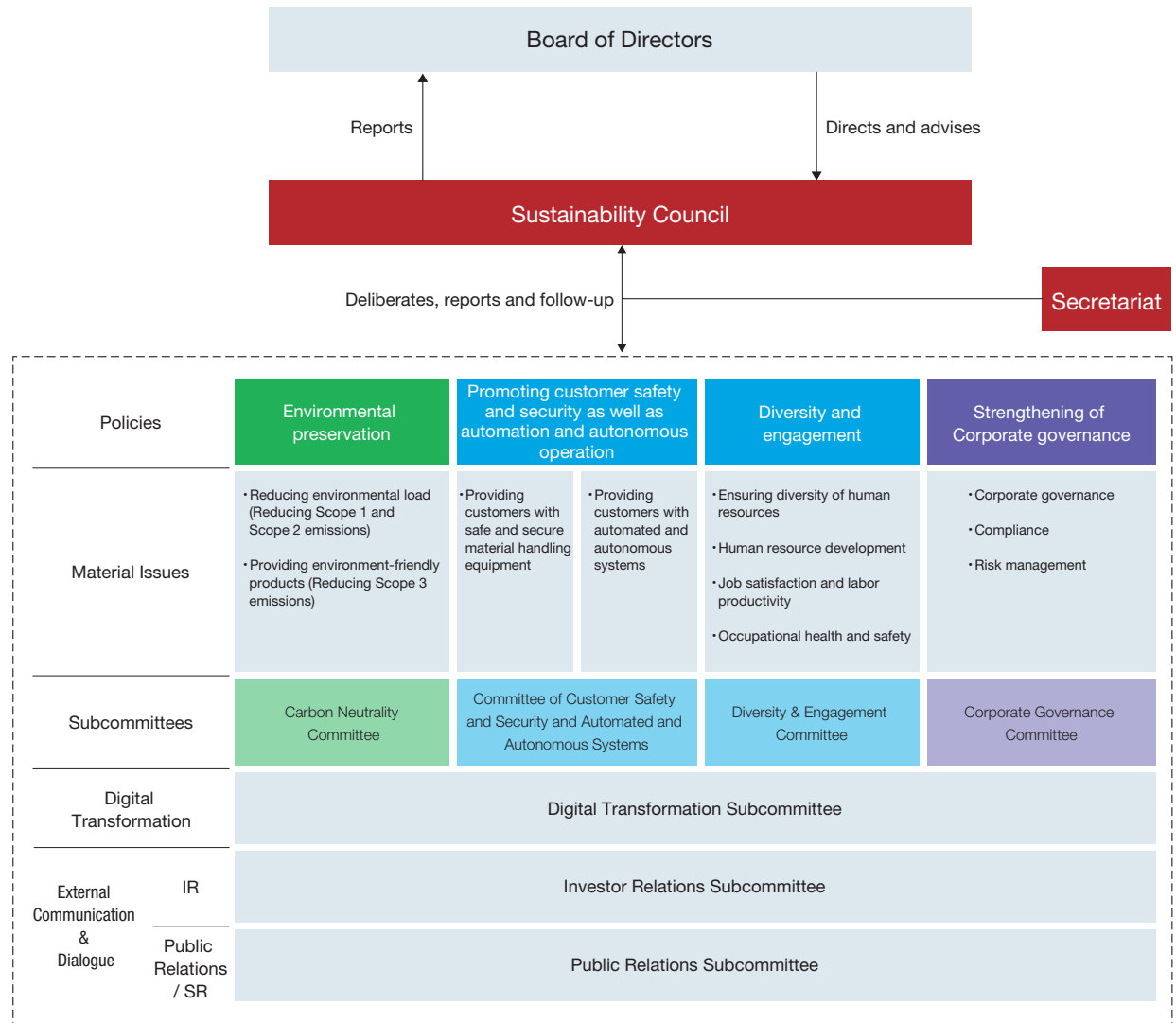
Establishment of Our Sustainability System

To further advance our sustainability management, we have maintained a promotion system led by the Sustainability Council, established in 2021. This council, through the management team, oversees internal initiatives, enhances the effectiveness of various measures through focused discussions and reviews, and ensures progress. The company's sustainability management is organized, promoted, and reviewed three times a year in meetings aligned with our material interests from a medium- to long-term perspective. The results of these discussions are reported to the Board of Directors.

In May 2023, we held discussions on the direction of our medium- to long-term strategy, incorporating proposals from a team primarily composed of young managers. At the same time, during the Carbon Neutrality Committee meeting, we presented our actual CO₂ emissions for fiscal 2022 and outlined our initiatives for fiscal 2023.

At the Sustainability Council held in November 2023, we focused on further strengthening human capital management. We discussed reforms to work satisfaction based on employee awareness surveys and stress checks, enhanced human resource development programs, the promotion of participation and advancement of female employees as a non-financial goal, and the securing of workforce diversity. Additionally, we reviewed the direction and strategy of the business to address each of these issues, prioritizing safety and security, automation and autonomy, and decarbonization as the key areas. The goal was to shape the next medium-term business plan starting from fiscal 2024.

The outcomes of these discussions are incorporated into the three-year medium-term business plan, Logisnext Transform 2026, which started in April 2024.



Chapter 3

Our Value Creation in Practice

The PLATTER Auto H Type is a highly efficient unmanned forklift that rivals the capabilities of manned forklift trucks. With increased travel and lift speeds, it significantly reduces cargo handling time. Our proprietary operation control technology enables simultaneous operation of multiple units. By integrating manned and unmanned forklift trucks through our human-machine cooperation system, we deliver customized logistics solutions tailored to the needs of our customers.



We are committed to strengthening our team unity and embracing the challenge of creating new value.



Hiroyuki Sugiura

Head of Engineering Headquarters
Executive Officer

Reaffirming the Essence of Technological Development Through Connecting with the Customer

Our Engineering Headquarters serves as the cornerstone of value creation in manufacturing. This value extends beyond developing new products—it encompasses enhancing existing products and systems, reducing costs, and ensuring quality stability. My role is to oversee technical challenges and information related to the creation of this value, and to drive cross-company management.

Since taking charge of the Engineering Headquarters, I have encouraged the team to actively engage with our customers. Engineers often remain focused on their specific tasks, working within their own spaces. While individual skill development is undoubtedly important, my goal extends beyond assembling a group of outstanding individuals; I envision an organization where each person's abilities, knowledge, and experience are interconnected, creating a cohesive team capable of delivering exceptional performance together.

To build such a team, it is essential for all members to share common goals and a unified understanding of the challenges we face. This is why I continue to encourage my staff to go meet our customers. At its core, the purpose of technological development is to create value that meets the needs of customers and society. By engaging directly with customers and listening to their opinions, I hope we can refocus on this shared objective, which can sometimes be overlooked. The creation of the Product Planning Division during the April 2023 organizational reform was driven by this same principle.

These efforts have gradually transformed the division's atmosphere. We are now aligning on common goals and sharing in challenges, creating an autonomous mentality to leverage each other's abilities and knowledge to amplify our collective impact. With increased opportunities to collaborate in planning,

design, and development, communication has become much smoother, and I can genuinely feel a growing sense of unity within the division.

Advancing Technology Development Aligned with the Key Concepts of the Medium-Term Business Plan

The new medium-term business plan, Logisnext Transform 2026 (LT26), launched in fiscal 2024, is built around three core concepts: safety and security, automation and autonomy, and decarbonization. These concepts also define the direction of our product strategy, driving our research and development efforts as we prioritize resource allocation to each focus area.

For instance, in the area of decarbonization, we are significantly expanding our range of electric forklift trucks. Traditionally, logistics operations have relied on a division of labor between internal combustion and electric trucks, with each type tailored to specific tasks based on their characteristics. However, as the global push for decarbonization accelerates, demand for electric trucks is rising even in areas historically dominated by internal combustion models. To meet these shifting market demands, we are collaborating with our bases in Europe and the Americas to develop new models and series tailored to the needs of diverse regions worldwide.

Regarding automation and autonomy, we are actively advancing the development of labor-saving and automated products, with a focus on automated guided vehicles and automated guided forklift trucks, to address the growing market demand. Additionally, as automation evolves, the need for seamless interaction between humans and machines—what we call human-machine cooperation—is becoming increasingly important. To support this, we are prioritizing investments in software development. For example, in collaboration with our

base in Finland, we are developing a mixed-fleet solution, an integrated control system that unifies the work management of manned forklift trucks and unmanned equipment, delivering optimal work instructions for both humans and machines.

Developing Solutions Aligned with Customer Operations Through a New Development Approach

Among the key concepts of LT26, I am particularly focused on the initiatives related to safety and security. In this area, we are pioneering a new approach to product and solution development through collaborative efforts with our customers, centered around the LogiS project activities led by the Engineering Headquarters, set to begin at the end of 2023.

Even when we talk about “safety and security,” the priorities

vary depending on the customer. In the past, we developed products that addressed these needs through years of trial and error within the company. However, with the rapid pace of change in recent years, this approach often leads to products being out of sync with market needs by the time they are released. To address this, in the LogiS project, we are collaborating closely with customers who have long-term relationships with our company, working alongside the Domestic Sales and Marketing Headquarters and other headquarters. We are visiting their operational centers to directly listen to their concerns and requests for improvements in safety and security, and working together with them to develop new functions and systems.

The key focus was speed. Our approach was to prioritize getting things done quickly. If something didn’t work, we simply started over. This allowed us to develop functions that met each individual need in a fraction of the time it would have taken before.



In addition, some of the functions developed here are highly versatile. By extracting their core elements and packaging them, they can be incorporated into general-purpose products. For instance, the regenerative brake control linked to the human detection system using AI cameras (see p. 41) was created by integrating LogiS activities with the AI camera-based human detection system, which has been supported as a special specification.

This is an example of a feature that was already offered as an option on the ALESIS and was developed with a sense of urgency. If such initiatives extend to other areas, we can leverage our diverse technological assets—one of our key strengths—along with strong customer relationships. I anticipate this will enable us to create even more competitive products and solutions that set us apart from other companies.

Safety and security, automation and autonomy, and decarbonization are not only the key concepts of LT26, but also the direction of future product development, and we recognize that the Engineering Headquarters must create the underlying value. In order to continue to take on the industry with high competitiveness, we will actively incorporate new technologies, change our thinking and methods, and create value with a speed.

Product and Technology Development Policy for LT26

LT26 key concepts			
Safety / Security	Automation / Autonomy	Decarbonization	Secure Existing Earnings
Product/Technology Development Directions			
Development of functions that contribute to safety and security <ul style="list-style-type: none"> Reduction collision risk between people and vehicles Development of assist functions to solve logistics issues <ul style="list-style-type: none"> Development of customer collaborative solutions Utilization of Mitsubishi Heavy Industries, Ltd. and external resources 	Development of automation products centered on AGV/AGF <ul style="list-style-type: none"> Application of ΣSynX (Sigma SynCs) technology and in-house production Unmanned forklift trucks based on manned forklift trucks Development of human-machine cooperation systems for improving productivity <ul style="list-style-type: none"> Development and expansion of mixed fleet solutions 	Development of innovative electric vehicles <ul style="list-style-type: none"> Research and development of advanced components and Proof of Concept Development of low-cost electric vehicles <ul style="list-style-type: none"> Utilization of development bases Expansion of low-cost lithium-ion battery powered trucks <ul style="list-style-type: none"> Global sourcing and efficiency improvement of application verification 	Maintain and streamline model lines and improve competitiveness <ul style="list-style-type: none"> Control investment through efficient development

Fostering a Culture of Taking Up New Challenges and Enhancing Work Satisfaction



Kazuki Tanaka

Executive Officer
Head of Administration Headquarters

Creating a Workplace that Combines a Great Environment with Work Satisfaction

For companies, people are their most valuable resource. To achieve sustainable growth, it is essential to create an environment where every employee can work with satisfaction and feel the joy of growth while they work with enthusiasm.

To date, we have implemented a flexible work-from-home system, removed core hours under the flextime system, and introduced various other reforms to support flexible work styles tailored to individual lifestyles and life stages. Stemming from the degree of success of these measures to improve working conditions, the new medium-term business plan, Logisnext Transform 2026 (LT26), identifies “improving work satisfaction” as a key non-financial target. The entire Group is driving reforms centered on three pillars: Increased engagement, Ensuring

diversity, and Creating a comfortable work environment.

We recognize that the role of the Administration Headquarters is to establish a clear overarching direction to ensure that the initiatives undertaken by each department are not merely one-off efforts. At the same time, we will develop systems and structures that empower each department to implement measures that are both sustainable and effective, driving the Group’s growth from a medium- to long-term perspective.

Building a Culture That Inspires People to Embrace New Challenges

As reflected in the name ‘Transform’ for LT26, we are striving for transformation and change across various areas. In the realm of human resources, our medium- to long-term goal is to shift our company culture from being predominantly methodical and focused to one that embraces taking on challenges.

To drive a transformation in corporate culture, we are advancing the establishment of systems that support employees to take ownership of their career plan and ensure fair evaluation of individual efforts. One such initiative is the Career Challenge System, introduced in fiscal 2022 ahead of LT26. This system enables employees to transfer to their preferred departments, providing opportunities to broaden their perspectives and gain diverse experiences in other departments. Additionally, by facilitating career interviews where employees can articulate their career vision, including transfer requests, we aim to enhance motivation and foster skill development.

To cultivate a culture of getting outside and learning from external sources, we actively promote visits and interactions with external organizations, including related offices and sales companies. Engaging with these entities helps broaden perspectives, spark new insights, and build valuable networks. Additionally, we encourage active participation in collaboration

Measures Geared to Improve Work Satisfaction

	Indicator	Fiscal 2026 objectives
Engagement / Motivation	<ul style="list-style-type: none"> Job motivation Number of active workplaces 	52 deviation value 32 workplaces
Work-satisfaction reform	<ul style="list-style-type: none"> Take-up rate of paid leave 	80%
Promoting the participation and advancement of female employees	<ul style="list-style-type: none"> Ratio of female managers 	5%
	<ul style="list-style-type: none"> Take-up rate of childcare leave for male employees 	60%
Ensuring diversity of human resources	<ul style="list-style-type: none"> Ratio of female hires 	30%
	<ul style="list-style-type: none"> Ratio of mid-career hires 	40%

with external research institutions.

We are also exploring the introduction of a system that permits employees to dedicate approximately 15% of their working hours to side projects outside their regular responsibilities. This initiative aims to generate innovation, drive improvements in work, and support career development by encouraging collaboration among members from various departments to complete projects together. Additionally, cross-departmental teamwork also offers the advantage of enhancing employee understanding of other departments and the organization as a whole, providing insights into areas they may not typically engage with in their day-to-day roles.

Through these initiatives, we aim to inspire a company-wide drive to embrace new challenges while enhancing overall work satisfaction.

Embracing Diversity as the Catalyst for Corporate Growth

Ensuring diversity is a key priority in our effort to become a company where our employees feel work satisfaction.

Traditionally, this industry has had a low representation of women, and our company has faced challenges in recruiting female talent. However, initiatives such as enhancing recruitment outreach, revising personnel policies to offer tailored support for balancing work with child-rearing and caregiving, and encouraging take-up of childcare leave for male employees have significantly increased the proportion of women among new hires in recent years. Furthermore, through positive actions to support the career advancement of mid-career female employees, the percentage of women in managerial positions has also been steadily rising.

From a growth perspective, we place significant emphasis on expanding mid-career recruitment. As our company was

formed through the merger of four distinct businesses, we have cultivated a strong acceptance of different cultures. In fact, being a mid-career recruit is not viewed as a disadvantage here; many of our officers and department heads who play pivotal roles within the company joined through this pathway. I, too, joined the company as a mid-career recruit.

We will continue to actively promote recruitment efforts that prioritize diversity, leveraging the knowledge, experience, and values gained across various industries and sectors to drive new innovation and business transformation.

Collaborating Company-Wide to Enhance Human Resource Development and Work Satisfaction

Developing future leaders and transforming corporate culture are not solely the responsibility of the Administration Headquarters but are challenges that the entire Group must address collectively.

For instance, in the area of human resource development, the Administration Headquarters is focused on creating new training programs and designing systems aligned with company-wide policies. These initiatives provide a common framework for the entire company. Alongside these efforts, each department and office spearheads the implementation of tailored initiatives to address unique challenges and operational needs. Examples include improvement presentations by young employees, study sessions led by internal instructors, and site visits to other locations to foster exchange.

These unique activities are thoroughly reported during the semi-annual management review, which brings together all headquarters heads and office heads. By sharing information on initiatives and best practices, we can further refine our efforts.

Currently, all departments are collaborating on initiatives

such as employee training and engagement enhancement, creating a strong momentum for company-wide transformation. As the Administration Headquarters, we aim to support this effort by developing new systems that empower departmental activities and implementing measures to foster cross-departmental communication, all while aligning with these broader organizational movements to enhance employee satisfaction.



Work Satisfaction Reforms for Sustainable Growth of Employees and the Company

Our company is committed to work satisfaction reforms, driven by the belief that the growth of each individual employee fuels the sustainable growth of the organization as a whole. By fostering this approach, we aim to create a virtuous cycle where enhanced employee engagement leads to greater autonomous productivity.



The Work Satisfaction Reforms Our Company Strives to Achieve

In recent years, work styles have undergone significant changes due to various legal revisions and the effects of the coronavirus pandemic. While our company has been advancing work style reforms through internal system improvements, we have taken it a step further by focusing on work satisfaction reforms. Our goal is to foster a workplace environment where employees can work with enthusiasm, emphasizing personal growth and a sense of accomplishment.

Building on the ease of working achieved through past work style reforms, we are now focusing on cultivating work satisfaction as its own reward, driving sustainable growth for both employees and the company.

The Three Pillars of Work Satisfaction Reform

We are developing specific measures for each of the following three pillars.

I Increased engagement	II Ensuring diversity	III Creating a comfortable work environment
Expanding human resource development programs, including encouraging employees' self-directed skill improvement and training global talent, while fostering a corporate culture that values external learning and collaboration	Promoting women's participation, recruiting new graduates with a focus on women's participation, strengthening mid-career hiring, expanding recruitment of foreign nationals, and hiring individuals with disabilities	Introducing a flexible work system that addresses challenges such as housework, childcare, and business globalization, strengthening and promoting health management initiatives, and updating workplace equipment
· Achieving diverse and flexible work styles	· Promoting the efforts and learning of all employees	· Revitalizing the workplace through the inclusion of diverse talent



Sustainable Growth for Both the Company and Our Employees

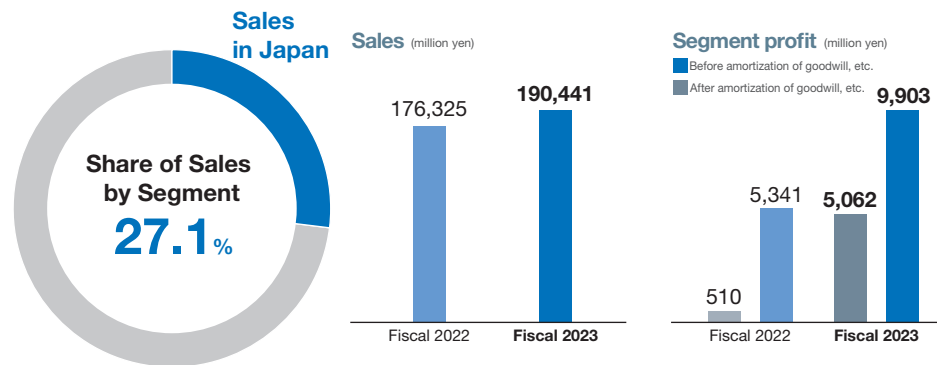
Sales in Japan

Summary of Fiscal 2023 Results

Net sales in Japan were 190,441 million yen (up 8.0% year on year) as orders remained steady, components shortages have been abating, and the effects of price optimization are also starting to contribute. Segment profit was 5,062 million yen (up 891.5% year on year) due to the increase in net sales, the settling of increase in marine transportation costs and the impact of yen depreciation in the export business despite the persistent high-cost environment.

Segment profit before amortization of goodwill was 9,903 million yen (up 85.4% year on year).

Review of Fiscal 2023



Major Initiatives for Fiscal 2024

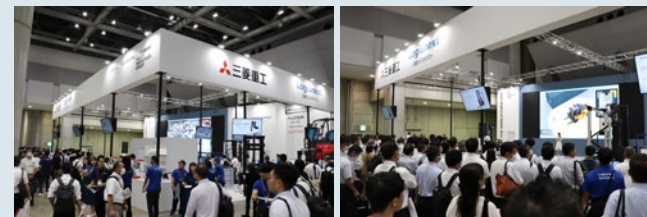
The logistics equipment market in fiscal 2024 is projected to remain strong, maintaining levels seen before the coronavirus pandemic. While price optimization in Japan will benefit our company, we anticipate rising expenses, including labor and material costs, due to inflation. As a result, we will also focus on cost reduction efforts.

In Focus: Initiatives to Drive Growth

Exhibit at the 3rd INNOVATION EXPO, International Logistics General Exhibition 2023

In September 2023, we exhibited at the International Logistics General Exhibition 2023, 3rd INNOVATIONEXPO held at Tokyo Big Sight, in collaboration with Mitsubishi Heavy Industries, Ltd.

We showcased our next-generation high-performance, high-efficiency unmanned forklift truck, making its debut at the exhibition, alongside our concept car featuring the ΣSynX (Sigma Syncs) system. Additionally, we introduced support options designed to enhance safety and ease of work, as well as forklift trucks powered by Li-ion (lithium-ion) batteries, offering sustainable solutions. In addition to our booth at the venue, we also streamed videos online, presenting our solutions to customers across the country.



Exhibition day



We demonstrated the AGF-X, a next-generation unmanned forklift truck featuring the LiDAR SL AM guidance system, and the DECCO, a concept unmanned forklift truck, both equipped with the ΣSynX system, making its exhibition debut.

AGF-X

DECCO

Sales Outside Japan

Summary of Fiscal 2023 Results

In fiscal 2023, overseas operations saw sales rise to 511,329 million yen, a 16.5% increase compared to the previous fiscal year. This growth was driven by expanded price optimization effects, higher sales volumes in the Americas, and favorable currency conversion due to yen depreciation. Segment income surged to 37,541 million yen, up 164.4%, largely thanks to the substantial impact of increased sales.

Excluding the impact of goodwill amortization and related factors, segment income reached 42,972 million yen, marking a 118.6% year-on-year increase. In the first half of the previous fiscal year, overseas operations struggled to offset high production costs in the post-COVID inflationary environment despite price optimization efforts. However, the gradual resolution of parts shortages has since enabled increased production and shipments, driving substantial growth in sales and segment income for the overseas business.

The extended lead times caused by the coronavirus pandemic have been addressed through production streamlining, significantly reducing delays. While delivery times remain lengthy in the United States, they have reached acceptable levels in other regions. Additionally, we have improved business performance by optimizing prices under inflationary conditions. However,

concerns about supply chain stability persist, requiring ongoing efforts to secure reliable procurement and transportation.

Major Initiatives for Fiscal 2024

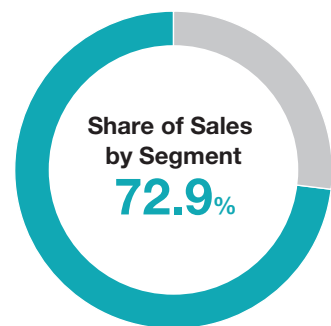
The logistics equipment market in the Americas, including forklift trucks, showed signs of recovery following the temporary surge in demand after the coronavirus pandemic but has since softened. For fiscal 2024 in the Americas, we anticipate a decline in performance compared to fiscal 2023, primarily due to inventory adjustments by distributors.

Even in the European market, where the downward trend has been curbed due to easing inflationary pressures, economic recovery remains elusive.

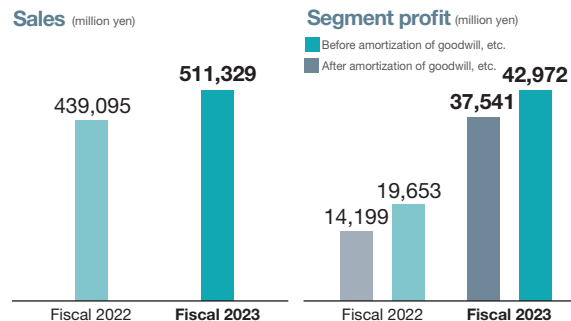
In the Asian market, demand remained strong even after the post-pandemic surge subsided but has recently started to weaken. In China, the logistics equipment market is undergoing significant changes as a result of the prolonged real estate slump and ongoing economic stagnation.

Furthermore, Chinese-made electric forklift trucks equipped with domestically produced lithium-ion batteries are starting to penetrate Asian and global markets, presenting a significant competitive challenge. In response, we will focus on strengthening our management structure and revamping our product and sales strategies. Amid this evolving market landscape, we aim to align our efforts with the shift toward electric trucks, striving to boost sales and further expand our market share.

Review of Fiscal 2023



Sales Outside Japan



In Focus: Initiatives to Drive Growth

The Americas Addressing the Demand for Electric Trucks

To address the increasing demand for electric trucks in the Americas, we are constructing a new factory at the Houston Plant of our group company, Mitsubishi Logisnext Americas, Inc., in the United States. Spanning approximately 6,800 m², the facility will primarily manufacture reach forklift trucks, order picking trucks, and stand-up counterbalanced forklift trucks for warehouse logistics. The factory is designed with advanced features to enhance efficiency and productivity, including semi-automatic painting processes and robotic welding systems to streamline operations and shorten lead times. Additionally, the layout of production lines and equipment has been carefully planned to prioritize employee safety and comfort, ensuring an optimal working environment.



Mitsubishi Logisnext Americas Inc.

The construction of the new factory will involve reorganizing the layout of the existing factory next door, with the aim of improving production efficiency and expanding sales of electric trucks in the US market. The new factory is scheduled to begin operations in 2025.



New factory under construction



* Including Middle East and Africa

Europe* ACT Wins International Design Award

The ACT (Automated Compact Truck), an unmanned transport vehicle developed and sold by Mitsubishi Logisnext Europe Oy, a group company in Finland, has won both the prestigious Red Dot Design Award and the iF Design Award, two of the world's three major design honors.



ACT

ACT began accepting orders in March 2023 and is currently available for sale in Europe, North America, and Asia. This highly mobile unmanned transport vehicle can efficiently move heavy loads in tight spaces and is equipped with a range of safety and practical features, including a 360-degree monitoring system and a dedicated touch screen.

The ACT is built on the concept of collaboration. It works seamlessly and safely with other unmanned transport vehicles and manned forklift trucks, optimizing the overall capacity of the logistics operation. During the judging process for these design awards, it was highly praised for its ability to enhance both safety and efficiency in logistics.



Ceremony for the Red Dot Design Award



Ceremony for the iF Design Award

Chapter 4

The Foundation of Our Value Creation

The FC70 is a specialized truck designed for transporting empty containers, further enhancing efficiency and safety in port logistics. It is powered by an engine equipped with an emission purification system, meeting the latest environmental standards. To accommodate the growing adoption of larger containers, a new long-wheelbase model with improved front-to-rear stability has been launched. Additionally, the truck features improved safety and comfort with a well-equipped entryway and the Good Viewer all-around monitor system a 360-degree monitoring system giving the operator a good view.



E Environmental Issues

Targeting Carbon Neutrality by 2040

The need to achieve carbon-neutrality is a global challenge. Our corporate philosophy is “to move the world forward as the leading provider of innovative logistics and material handling solutions.” Consequently, preserving the global environment, as the very foundation of this philosophy, remains our top priority.

As a member of the Mitsubishi Heavy Industries Group, which boasts a proven track record in decarbonization, we believe it is our mission to take the lead in implementing countermeasures to fight climate change. In order to achieve carbon neutrality by 2040, the goal of the Mitsubishi Heavy Industries Group, we will contribute to the decarbonization, electrification, and enhancement of intelligence across all its businesses, products, and services.

will also take steps to achieve this goal by providing appropriate products and services in the logistics segment.

*2 Under the GHG Protocol, Scope 1 and 2 emissions are the international standard for calculating and reporting greenhouse gas (GHG) emissions.

Initiatives and Systems for Achieving the Goals

Our initiatives to reduce CO₂ emissions associated with our business operations include the following:

1. increasing productivity;
2. promoting energy efficiency; and
3. introducing innovative decarbonization technologies from within the Mitsubishi Heavy Industries Group.

We will develop the following innovations for incorporation into our products and services in order to help reduce our customers’ CO₂ emissions:

1. energy-efficient electric forklifts;
2. energy-efficient cargo-handling equipment that contributes to the decarbonization of port logistics; and
3. logistics solutions that improve logistics efficiency.

To expedite these initiatives, we have formed a Carbon Neutrality Committee, chaired by the president, as a subcommittee focused on climate change under the Sustainability Council, and are actively driving its activities.

CO₂ Emissions Reduction Targets (Versus 2017)

Scope 1 and 2	Scope 3 (Category 11)
2026: -33% 2030: -40%	2026: -29%
2040: Net Zero	2035: -75%* (electric trucks account for over 90% of the total)

We intend to reduce our global Scope 1 and 2^{*2} CO₂ emissions to Net Zero by 2040. As an interim target, we will reduce emissions by 40% by 2030 (relative to 2017 levels). We are taking this approach to reduce CO₂ emissions from our plants and offices in light of our Group’s production-centered business operations.

In addition, we are contributing to our customers’ efforts to reduce their CO₂ emissions through our products and services. By 2035, we will increase the ratio of electric forklifts to at least 90% of the forklifts we offer and reduce CO₂ emissions in Scope 3 (Category 11) by at least 75%. The Mitsubishi Heavy Industries Group has declared that the entire Group will reduce CO₂ emissions throughout its value chain to Net Zero by 2040. We

*1 This does not include the adoption of new fuels or improvements in engine fuel efficiency.

Environmental Policy and Environmental Action Guidelines

Environmental Policy

We are committed to protecting the global environment from an international perspective and contributing to the ongoing development of local communities.

Environmental Action Guidelines

Mitsubishi Logisnext Co., Ltd. and its affiliates are committed to proactively implementing the following action guidelines through our business operations, which encompass the development, manufacture, sales, and servicing of forklifts and other industrial vehicles, distribution systems, and logistics products. In keeping with our Environmental Policy, we aim to reduce our environmental impact and improve society on a sustainable basis as an essential part of our business.

1. We recognize that preserving the environment and maintaining harmony with the global ecosystem are among the most important management issues, and we shall continue to systematically promote environmental initiatives through our business operations.
2. We shall strive to control environmental pollution and promote environmental preservation activities by accurately monitoring the environment impact of our business operations.
3. We shall strictly comply with all environmental laws, regulations, and ordinances as well as all agreements and other requirements to which we are party; adopt voluntary standards; and takes steps to preserve the environment.
4. In acknowledging the environmental impact of our business operations, we shall adopt the following important initiatives.
 - (1) We shall manufacture eco-friendly products.
 - (2) We shall reduce, recycle, and properly dispose of all industrial waste resulting from our business operations.
 - (3) We shall become more efficient and reduce our consumption of raw materials, fuel, and energy, and we shall promote environmental preservation in our manufacturing activities.
 - (4) We shall improve the transportation efficiency of our product and parts distribution, reduce the use of packing materials, and decrease our environmental load.
5. We shall implement in-house training sessions and awareness campaigns to inform all our employees and trading partners of our environmental action guidelines and shall disclose them to the public.

In order to implement the above action guidelines, we shall establish environmental goals and targets within our technical and economic scope and periodically review our progress. We shall remain committed to continuously improving our environmental management system and environmental performance.

Providing Environment Friendly Products (Reducing Scope 3 Emissions)

Developing and providing cutting-edge decarbonization and low-carbon products

To contribute to the emergence of a decarbonized society, we are working to reduce our electricity costs (through reduced energy consumption) and are expanding our line of electric forklift products as replacements for our engine-powered forklifts. This effort is intended to popularize our clean and energy-efficient electric forklifts.

With growing customer demand for logistics equipment that supports CO₂ emission reduction to achieve carbon neutrality, we have expanded our lineup of flagship products—the reach-type forklift PLATTER and the counterbalance forklift ALESIS—to include lithium-ion battery-powered models.

The PLATTER, introduced in 1958 by Nippon Yusoki Co., Ltd., our company's predecessor, was Japan's first reach-type battery forklift, designed to meet the logistics demands of the

rapid economic growth era. For over 65 years, it has remained a trusted choice for many customers.

ALESIS was introduced to the Japanese market in 2019 as the first integrated model following the establishment of the company in October 2017. Both the PLATTER and ALESIS are also being developed for international markets, including Asia and China.

Lithium-ion batteries enable significantly shorter charging times through rapid charging, making them ideal for logistics sites requiring extended operation—an area traditionally dominated by engine-powered vehicles. Additionally, since lithium-ion batteries eliminate the need for battery acid (dilute sulfuric acid), tasks like topping up with purified water are no longer necessary, leading to cost savings. Furthermore, these batteries avoid the use of environmentally hazardous materials like cadmium or lead, thereby reducing environmental risks.

The PLATTER and ALESIS models equipped with lithium-ion batteries are available for rental through Mitsubishi Logisnext's domestic sales network, providing customers with a more accessible introduction to these advanced vehicles.

In 2021, we introduced the EDiA XL, a high-performance mid-sized electric forklift, in the European market, where such electric forklifts are becoming increasingly popular. This model boasts lowest-in-class electricity costs while delivering power and performance comparable to those of engine-powered forklifts. As a result, the EDiA XL can accommodate the work environment of a comparable engine-powered forklift truck. In 2022, we introduced this model onto the North American market.

In addition, this model won the Red Dot Design Award, a German international design award in July 2023. This unit earned high praise for its modern design and excellent performance from customers.



PLATTER electric forklift (Lithium-ion battery powered model)

ALESIS electric forklift (Lithium-ion battery powered model)

Depiction of charging (ALESIS)

EDiA XL electric forklift

Decarbonization of cargo-handling equipment in ports and coastal facilities

In order to help achieve the goal of carbon neutrality, we have launched an initiative with Mitsubishi Heavy Industries to reduce CO₂ emissions at ports. We are thus contributing to the carbon neutrality of ports by developing new models of cargo handling equipment and converting existing equipment to hydrogen fuel cells with the goal of achieving zero carbon emissions in the future.

The new F-ZERO (Future-Zero) rubber-tired gantry crane (RTG), introduced in September 2022, has achieved a 15% reduction in fuel consumption compared to conventional models, along with significant decreases in CO₂ emissions and air pollutants such as NO_x and PM. Additionally, it is designed for future compatibility with hydrogen fuel cells.



Rubber-tired gantry crane

Reducing Environmental Load (Reducing Scope 1 and 2 Emissions)

EMS (Environmental management system)

We conduct internal audits twice a year and undergo an external examination by a certification body once a year to confirm that we are effectively using the ISO international standards as a tool for improving our business by maintaining and continuously improving our environmental management system.

In addition, to secure an adequate number of internal auditors and maintain their high level of competence, we regularly conduct ISO Internal Auditor Skill Improvement Training and Internal Auditor Training.

Establishment of our special environmental groups

Initiatives to reduce environmental load—such as reducing waste, increasing energy efficiency, and developing products that improve the environment—typically entail a cross-organizational effort. Tangible progress can be difficult to achieve in this area without collaboration across the entire company, or at least across multiple departments. Toward this end, we have identified important issues to be addressed in our Environmental Action Guidelines and have established three groups—the Environmental Preservation Group, Energy Efficiency Group, and Logistics & Packing Group—to promote our environmental initiatives.

Company-wide initiatives of our special environmental groups

The Environmental Preservation Group is engaged mainly in initiatives intended to raise awareness about the environment, such as waste reduction and recycling, as well as community support activities. The Energy Efficiency Group is concerned with enhancing the efficiency of our consumption of energy, water, and raw materials and actively promotes eco-friendly

production. The Logistics & Packing Group is concerned with improving transportation efficiency and reducing the use of packaging materials. We are engaged in a wide variety of environmental impact reduction efforts through the activities of each of these groups.

Moreover, our Environmental Management Committee manages and summarizes the progress of the activities of the three subcommittees and conducts management reviews on a regular basis.

Planned environmental investments

Mercury lamps and fluorescent lamps in the plant are gradually being replaced with LED fixtures offering high luminous efficiency. In fiscal 2023, we took steps to reduce CO₂ emissions further through increased energy efficiency achieved by updating our gas heat pump air conditioners and installing insulation in drying furnaces to reduce heat loss.



Renewal of GHP (Kyoto Plant)



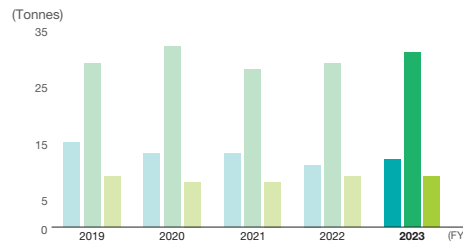
Plant upgraded with new LED lighting fixtures (Azuchi Plant)

Environmental Initiatives

■ Kyoto Plant ■ Shiga Plant ■ Azuchi Plant

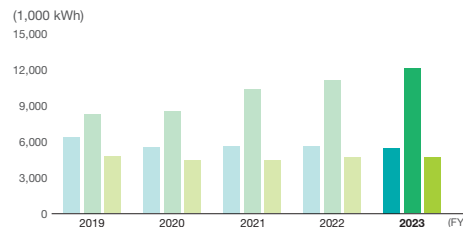
Burnable waste (domestic solid waste) generated

While there is decreased production at the Kyoto Plant, a slight recovery was observed due to an increase in employee attendance. The Shiga and Azuchi Plants are showing an increase due to increased production.



Electricity consumption

Production at the Kyoto Plant decreased due to a drop in output. In contrast, the Shiga Plant saw an increase, driven by higher production levels, the electrification of compressors, and a greater load on air conditioning equipment. Meanwhile, the Azuchi Plant experienced a slight increase, despite a rise in production.

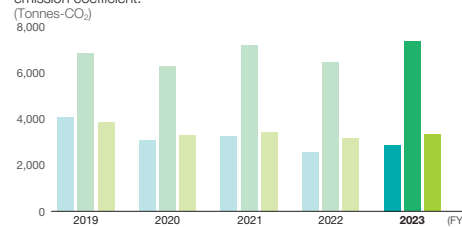


Summary of environmental impact (fiscal 2023)

Item	Unit	Kyoto Plant	Shiga Plant	Azuchi Plant
Electricity	1,000 kWh	5,449	12,077	4,641
City Gas	1,000 m ³	399	1,212	656
Bunker A	kℓ	—	5	56
Kerosene	kℓ	—	24	—
Diesel Oil	kℓ	—	40	—
Gasoline	kℓ	—	14	—
LPG	m ³	—	5,772	—
Water	1,000 m ³	24	45	10

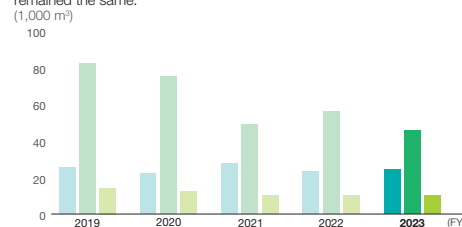
CO₂ emissions

Although production at the Kyoto Plant decreased, emissions increased due to a rise in the emission coefficient. At the Shiga Plant, both production levels and the emission coefficient increased, leading to higher emissions. Meanwhile, at the Azuchi Plant, while energy consumption decreased, emissions still rose due to an increase in the emission coefficient.



Water consumption

Although there was decreased production at the Kyoto Plant, there was a slight increase in water consumption. At the Shiga Plant, there was increased production, but water consumption saw a significant decrease due to the suspension of discharge from fire protection water tanks and the shutdown of cogeneration power generators. At the Azuchi Plant, there was increased production, but water consumption remained the same.



Output

Item	Unit	Kyoto Plant	Shiga Plant	Azuchi Plant
CO ₂	Tonnes	2,875.0	7,371.0	3,325.0
Chemical substances (emissions under PRTR)	Tonnes	33.8	73.7	3.7
General waste	Tonnes	12.0	31.0	9.0
Industrial waste	Tonnes	486.0	877.0	212.0
Chemical substances (transferred under PRTR)	Tonnes	33.4	53.8	9.4

Mitsubishi Logisnext Co., Ltd.

Compliance with Laws and Ordinances

Water quality

At the Shiga Plant, we installed wastewater treatment tanks to treat sewage and wastewater from factory processes before it is discharged from the plants. This treated wastewater is discharged into the tributaries of neighboring rivers. At the Kyoto and Azuchi Plants, drainage water is discharged into the drainage system after appropriate treatment.

Plant	Measured item	Unit	Regulated value	Observed value
Kyoto Plant	pH		5.0-9.0	7.5
	Biochemical oxygen demand (BOD)	mg/L	600	230
	Suspended solids (SS)	mg/L	600	62
	N-hexane extracts	mg/L	5.0	Less than 5.0
Shiga Plant	pH		6.0-8.5	7.1
	Biochemical oxygen demand (BOD)	mg/L	20.0	2.0
	Chemical oxygen demand (COD)	mg/L	20.0	2.7
	Suspended solids (SS)	mg/L	30.0	1.6
	Nitrogen	mg/L	12.0	0.8
Azuchi Plant	Phosphorus	mg/L	1.2	Less than 0.1
	N-hexane extracts	mg/L	3.0	Less than 0.5
	pH		5.0-9.0	7.2
	Biochemical oxygen demand (BOD)	mg/L	600	31
	Suspended solids (SS)	mg/L	600	67
Azuchi Plant	Nitrogen	mg/L	60.0	20.8
	Phosphorus	mg/L	10.0	2.3

Measurement dates: January 17, 2024 (Kyoto Plant); February 6, 2024 (Shiga Plant); March 27, 2024 (Azuchi Plant)

Odor

We undertake periodic odor measurements at the site boundary.

Plant	Measured item	Unit	Regulated value	Observed value
Kyoto Plant	Toluene	ppm	10.0	Less than 0.1
	Xylene	ppm	1.0	Less than 0.1
Shiga Plant	Toluene	ppm	10.0	Less than 1.0
	Xylene	ppm	1.0	Less than 0.1
Azuchi Plant	Toluene	ppm	10.0	Less than 1.0
	Xylene	ppm	1.0	Less than 0.1

Measurement dates: September 13, 2023 (Kyoto Plant); July 26, 2023 (Shiga Plant); November 14, 2023 (Azuchi Plant)

Noise

We undertake periodic noise measurements at the site boundary.

Plant	Measured item	Unit	Regulated value	Observed value
Kyoto Plant	8:00-18:00	dB	70	64
	18:00-22:00	dB	60	59
Shiga Plant	8:00-18:00	dB	70	66
	18:00-22:00	dB	65	62
Azuchi Plant	8:00-18:00	dB	70	55
	18:00-22:00	dB	70	54

Measurement dates: February 8, 2024 (Kyoto Plant); January 29, 2024 (Shiga Plant); November 14, 2023 (Azuchi Plant)

Atmosphere

We periodically undertake measurement of the concentrations of particulates in the atmosphere around warm air heating units. We also measure for hazardous substances as stipulated under local ordinances.

Plant	Measured item	Unit	Regulated value	Observed value	
Kyoto Plant	Warm air heating unit (city gas)	Particulate	g/m ³ N	0.100	0.003
		NOx	ppm	150	25
Shiga Plant	Boiler (city gas)	Particulate	g/m ³ N	0.100	0.015
		SOx	m ³ /h	—	—
	Cogeneration power generation equipment	NOx	ppm	150	26
		Particulate	g/m ³ N	0.050	0.004
Azuchi Plant	Warm air heating unit (Bunker oil)	SOx	m ³ /h	—	—
		NOx	ppm	600	270
		Particulate	g/m ³ N	0.200	0.029
	SOx	m ³ /h	1,200	0.035	
	NOx	ppm	180	72	

Measurement dates: January 18, 2024 (Kyoto Plant); July 19, and October 11, 2023 (Shiga Plant); November 17, 2023 (Azuchi Plant)

S Societal Issues

Providing Automation Systems for Customers

Providing unmanned and labor-saving products

Against the backdrop of rapidly growing labor shortages, we are developing safe, eco-friendly, and high-performance automated guided vehicles (AGVs) and automated guided forklifts (AGFs) to meet the need for automation at logistics sites.

In fiscal 2022, we jointly developed the PLATTER Auto Forklift with a freezer warehouse specification (for 1.5 to 3.0 tonne models). This laser-guided automated forklift (laser-guided AGF), jointly developed with Nichirei Logistics Group Inc., can operate in freezer warehouses at temperatures as low as -25°C.



PLATTER Auto forklift featuring the freezer warehouse specification (1.5–3.0 tonnes)

Because fog and condensation can be obstacles to laser-guided AGFs in the -30°C class when operating in refrigerated warehouses, we incorporated specialized components: those that can accommodate a refrigerated environment, which we developed for our conventional AGFs; and electrical components and sensors appropriate for -30°C class equipment. After conducting demonstration tests with vehicles incorporating corrosion-resistance features, we

achieved the commercialization of Japan's first laser-guided AGF that does not require the laying of magnetic guides on the floor along the operating route.

Responding to global demand for automation

The AGV ACT (Automated Compact Truck), developed by Mitsubishi Logisnext Europe Oy in Finland, a European Group company, began accepting orders in March 2023 and is now available in Europe, North America, and Asia. Recognized for its exceptional design, it has won two of the world's top three design accolades: the Red Dot Design Award and the iF Design Award for fiscal 2024.



ACT

The ACT offers exceptional mobility, enabling efficient transport of heavy loads even in confined spaces. It features advanced safety and usability enhancements, including the Good Viewer all-around monitor system and a dedicated touch screen interface. Designed with a focus on efficiency, safety, and intelligence, the ACT seamlessly collaborates with other AGVs and manned forklifts to optimize the overall logistics workflow.

In September 2023, Rocrich AGV Solutions (Rocrich) commenced operations as a joint venture in the AGV business for the North American market. This new company was established through an equal partnership between Mitsubishi

Logisnext Americas Inc., a U.S.-based Group company, and Jungheinrich AG, a German manufacturer specializing in general logistics equipment. Leveraging the extensive expertise of both companies in automated logistics solutions, Rocrich aims to enhance support and satisfaction for existing customers while accelerating the acquisition of new clients in the region.

Using collaborations and alliances to promote and accelerate the digital transformation

In order to meet the growing need for automation, we are actively collaborating and forming business alliances with other companies.

In fiscal 2023, we established a business partnership with Rapyuta Robotics Co., Ltd. By integrating their advanced automated control devices into our electric forklifts, we enhanced our ability to deliver high-precision products and services to a broader range of customers.



Our products incorporate an automatic control system produced by Rapyuta Robotics Co., Ltd.

Providing Customers with Safe and Secure Logistics Equipment

Quality management system

We are working to improve the quality of our operations through the ISO 9001 quality management system (QMS) and other such systems. We conduct internal audits twice a year and undergo an external examination by a certification body once a year to confirm whether ISO standards are being effectively used as a tool for business improvement by maintaining and improving the QMS and continuously improving it.

In addition, we regularly conduct ISO Internal Auditor Skill Improvement Training to support the competence of internal auditors and provide Internal Auditor Training as a means of securing internal auditors.

Quality policy

In fiscal 2023, we formulated the following four quality policies and made them known to all employees working at our company. In keeping with this policy, we strive to ensure the continual improvement of the quality of all our operations as well as the development and manufacture of our products.

1. We will provide safe and secure products and services to customers and strive to improve customer satisfaction.
2. We will strive to eliminate non-conforming products and will always take prompt and effective action should such an instance arise.
3. We will raise the quality awareness of all our employees and work together with related parties to ensure the highest levels of quality.
4. We will continuously improve our quality management system.

Initiatives for quality improvement

Each November, during Quality Month, we undertake a variety of initiatives designed to enhance awareness of quality and

encourage the adoption of comprehensive quality control practices.

We held the Measurement Skills Competition and the Vehicle Inspection Competition to evaluate current practices, assess proficiency in vehicle inspections, and promote skill enhancement. Additionally, we conducted the Comprehensive Skills Competition at the Shiga Plant, with the aim being the acquisition of foundational knowledge and high-quality skills by workers in welding, mechanics, painting, assembly, and measurement to be deployed in the production of better products.

In addition, we strive to cultivate an environment that promotes human resource development and skill enhancement through these competitions.



Comprehensive Skills Competition Written examination

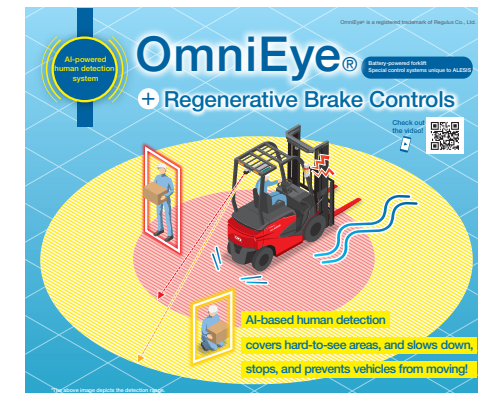
Product options contributing to enhanced safety

In the belief that all operations can be performed safely and that anyone can easily operate our equipment, we provide products incorporating features carefully selected for safety and security.

The S-Assist system, available as an optional feature on the ALESIS Counterbalanced Electric Forklift, improves operator comfort and safety during operations. It includes a Hill Stop Assist function, which prevents the vehicle from rolling back when both the accelerator and brake pedals are pressed simultaneously, ensuring smoother and safer starts on slopes. Additionally, the system features a Speed Control Assist function, which maintains a consistent speed with minimal accelerator input, providing greater control and ease of operation.

Additionally, we have developed a human collision prevention support system for forklifts by integrating our regenerative brake control technology with the OmniEye AI human detection system, created in collaboration with Regulus. OmniEye features an AI-based human detection function that differentiates between two zones: a warning area and a danger area. When a person is detected in the warning area, the regenerative brake controls activate, automatically reducing the vehicle's speed to a preset level through the regenerative brake control function. When the vehicle enters the danger area, the regenerative brake engages more forcefully, slowing the vehicle safely and preventing acceleration to avoid collisions with people.

Two additional enhanced safety features are also available as options: the Good Running System, which reduces shock and vibration during bump operation; and the LVS Forklift Operation Management System, which contributes to efficient vehicle operation and safety visualization.



OmniEye® + Regenerative Brake Controls

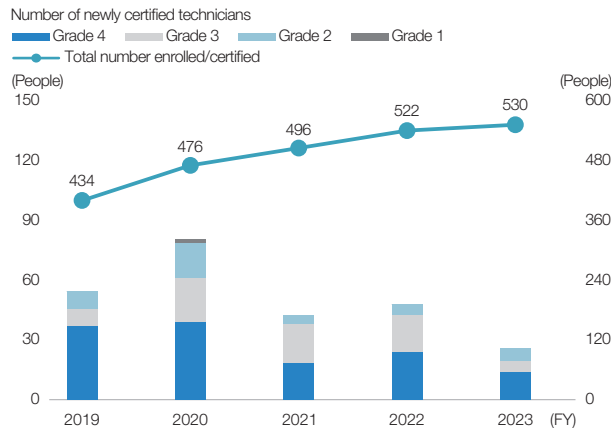
Providing a complete selection of services

In order to provide our customers with safe, secure, and reliable services, we hold training sessions for our Group service technicians in Japan and outside Japan.

In Japan, the curriculum includes rank-based training targeted to specific careers and experience levels as well as technical training that coincides with product launches. We also hold meetings for the sharing of defect information and countermeasures in order to accommodate the increasing sophistication of technology along with the increasing complexity of vehicle control systems.

We operate a service technician certification system to certify the service personnel of our distributors outside Japan. These service technicians can learn step-by-step at all levels from basic to advanced, which enables these individuals to acquire the necessary maintenance technical skills with assurance. Service technicians who meet the knowledge and skill requirements are granted new qualifications, which leads to increased motivation. The number of certified service technicians is increasing year by year (see graph), supporting our service

Trend in number of certified service technicians

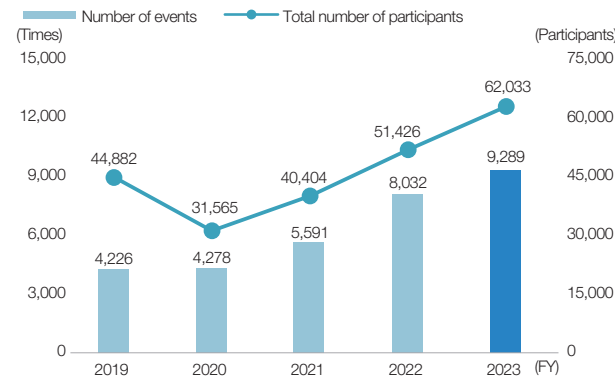


technicians in improving their skills and capabilities.

Safety awareness initiatives

Our sales companies provide safety awareness and safety enhancement training to our customers in order to prevent accidents involving forklifts in industrial settings. We have made available a variety of tools, including our own self-produced safety DVDs, to promote safety initiatives. In addition, we are working to increase safety awareness throughout society by holding safety seminars tailored to customer needs and distributing safety awareness posters in conjunction with the National Safety Week campaign sponsored by Japan’s Ministry of Health, Labour and Welfare.

Safety seminars held



Holding driving lessons

Those engaged in the operation of forklifts with a capacity of 1 tonne are required by the Industrial Health and Safety Act to complete an operator skills course. As a manufacturer of forklifts and shovel loaders that is registered as a training organization under the Director of Japan’s Labour Bureau, we hold seminars at two locations in Japan and place the highest priority on driver safety.

Ensuring Diversity of Human Resources, Human Resource Development

Support a diversity of work styles

(Providing support for raising future generations)

We strive to create a workplace where all employees can work comfortably and feel a sense of work satisfaction. To support flexible work styles, we have implemented systems such as remote work, flexible hours, and hourly paid leave. Additionally, we offer childcare and nursing care leave, as well as shorter working hours, exceeding legal requirements to accommodate diverse needs.

In recognition of these efforts to support childcare, the Japanese Ministry of Health, Labour and Welfare awarded us “Kurumin” Mark certification in July 2023.



Supporting women’s participation and advancement in the workplace

We view the promotion of women’s involvement as a crucial aspect toward fostering human resource diversity. To achieve this, we have set targets of 3.4% for the percentage of female managers and 20% or more for the percentage of female recruits. We are actively pursuing these goals through the implementation of action plans.

In August 2024, we were awarded the second-level “Eruboshi” certification by the Ministry of Health, Labour and Welfare in recognition of our outstanding efforts in promoting such initiatives.



Work satisfaction reforms

We are working on the work satisfaction reform, which is a further development of the work styles reform and are developing measures to make work more rewarding.

Strengthening human resource development programs

We seek to foster an organizational and corporate culture in which all employees can develop their careers autonomously while enjoying a sense of growth. We also offer a system that enables employees to take courses at the Mitsubishi Heavy Industries, Ltd. training center.

Improving management skills and on-site skills

In order to improve the management skills and on-site skills of employees, we have introduced rank-based training and management training programs.

Supporting career development

We introduced the Career Interview System that encourages employees to share their career aspirations with their superiors as they consider their medium-term and long-term growth strategies. In addition, we also continue to promote the “Career Challenge System” introduced in fiscal 2022 for the purpose of promoting autonomous career development and personnel exchange, leading to an expansion of horizons and experience, motivation, and skill development.

Improving inner brand power

The president has been convening a series of townhall meetings with the aim of eliciting the candid opinions of employees. In fiscal 2023, a total of 20 townhall meetings were held for managers and general employees.

Moving forward, we will continue our ongoing activities while also introducing measures to further enhance work satisfaction.

Occupational Health and Safety

“Safety is the foundation of all that we do.” represents the Group-wide health and safety philosophy we have established in concert with our three basic policies.

Health and Safety Philosophy and Policies of the Mitsubishi Logisnext Group

1. Health and Safety Policy of the Mitsubishi Logisnext Group
 “Safety is the foundation of all that we do.”
 We remain committed to putting safety first, in keeping with our philosophy that “safety is the foundation of all that we do.”
2. Health and Safety Policy of the Mitsubishi Logisnext Group
 - 1) We will make safety awareness a priority.
 We remain actively engaged in health and safety initiatives and strive to raise safety awareness.
 - 2) We will enforce the policies we have formulated and implement the initiatives we have approved.
 In addition to complying with laws and regulatory requirements, we will adhere to all internal rules and regulations.
 - 3) We will maintain safe and secure workplaces.
 We value human health and will remain actively engaged in providing safe and secure workplaces.

In keeping with this philosophy and our policies, we carry out a variety of initiatives with the aim of creating a safe and secure workplace.

In terms of safety, we conduct workplace checks, such as the workplace health and safety patrols we conduct almost every month.

Regarding physical and mental health, we are implementing a health management approach that monitors employee job satisfaction and employees’ physical and mental health from a management perspective.

Guidelines for Our Health and Productivity Management Initiatives

1. Promoting employee-directed health maintenance (improvement of health literacy)
2. Creating a workplace where our employees can work with enthusiasm
3. Collaborating with the Health Insurance Society

Supporting mental health

The company continues to conduct stress checks on its employees, including those assigned to Group companies outside Japan. The purpose of this program is to monitor the levels of stress that employees are experiencing and to enhance self-care and create a comfortable working environment.

We strive to provide appropriate work environments through counseling; workplace care; self-care and self-care training; workplace revitalization interviews and interviews with high-stress employees; and explanations of the results of group analyses of stress checks.

Promoting safety activities at sales companies

To further enhance safety initiatives at our sales companies, we established a Safety (and Compliance) Promotion Office at each of the nine direct sales companies in May 2024. At the same time, Safety Management Specialists were appointed to oversee safety operations and drive the creation of safe workplaces.

We will continue to foster the development of healthy, safe, and secure workplaces across the entire group, aiming for zero occupational accidents.



Safety Management Specialists in training

Work Satisfaction and Labor Productivity

Health management

We have established the “Health Management Declaration” and are committed to management that values employee work satisfaction and mental and physical health. As a result, we have formulated specific key performance indicators under the ML Health and Productivity Management Plan (Action 5) and are deploying a variety of policies.

In March 2024, the company was recognized as a 2024 Outstanding Organization for Health & Productivity Management (Large Corporation Category) for its exceptional efforts in health guidance by public health nurses or doctors, promotion of work satisfaction reforms, and initiatives addressing passive smoking.



Poster Promoting the Health and Productivity Management Declaration



Human Rights

Mitsubishi Logisnext Group Human Rights Policy

Mitsubishi Logisnext Group formulated the Mitsubishi Logisnext Group Human Rights Policy in order to respect the human rights of stakeholders involved in our business activities and contribute to the development of a sustainable society.

This policy clearly demonstrates our stance of respecting the human rights of all and clarifies guidelines for fulfilling our corporate social responsibilities related to human rights. This approach is grounded in the understanding that our Group’s operations in countries and regions around the world may directly or indirectly affect local human rights.

Contributing to Society and Local Communities

We engage in a variety of social initiatives with the aim of contributing to sustainable growth and the nurturing of the next generation in local communities and throughout society at large.

We are actively engaged in sponsoring cultural and sporting activities, including the Kyoto Hannaryz, the Shiga Lakes, the Kyoto Sanga Football Club, the Kyoto Philharmonic Chamber Orchestra, the Mitsubishi Heavy Industries Sagamihara DynaBoars Rugby Team, and female professional golfer Ayaka Furue. In fiscal 2023, together with the Kyoto Hannaryz and Shiga Lakes, professional basketball teams that we sponsor, we donated basketballs to elementary schools in Nagaokakyo City, Kyoto Prefecture and Omihachiman City, Shiga Prefecture.

Additionally, in fiscal 2023, we signed a partnership agreement with the Next Generation Robotics Engineer Support Organization: Scramble, with the aim to contribute to the revitalization of the Japanese manufacturing sector and culture

as well as to support the development of future engineers who will drive Japan’s manufacturing industry. By supporting this organization, which trains the engineers who will lead Japan in the future, we are contributing to the realization of a sustainable society.

In addition, we are actively involved in cooperating with a project to support children with intractable diseases (A Dream a Day IN TOKYO), accepting elementary and junior high school students for factory tours, and cooperating with local community volunteers and events at our factories and business sites.

We invite you to visit our website to obtain more detail on these initiatives. <https://www.logisnext.com/jp/sustainability/society/community/>

We are also a sponsor of the Theme Week for the Expo 2025 Osaka/Kansai. As a general sponsor of the Theme Week, we will support the overall project, including the promotion of the Theme Week, and will participate in the business planning of the Agenda 2025 Theme Week program, which will be organized and implemented by the Japan International Exposition 2025 Association.

We will contribute to addressing global challenges and to the theme projects’ goal of “Designing a Future Society for Our Lives.”



Donating basketballs

G Governance Issues

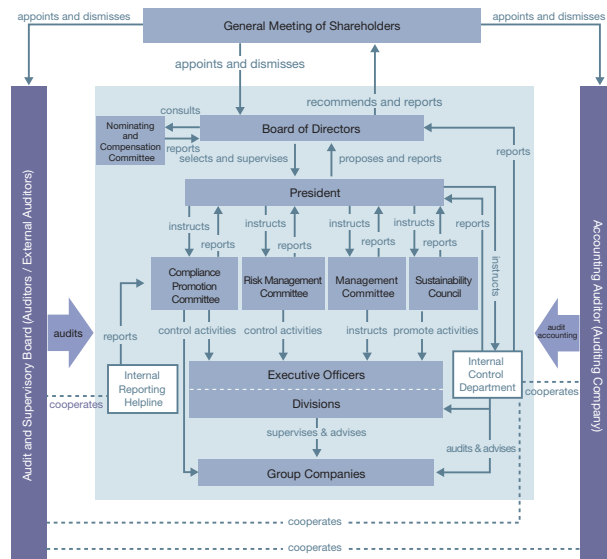
Board of Directors

Every fiscal year, we continuously strive to improve the effectiveness of the Board of Directors by evaluating its effectiveness and formulating policies on addressing issues related to the Board.

In fiscal 2023, the effectiveness of the Board of Directors steadily improved due to various initiatives being implemented as planned. At the same time, issues and expectations for improvement were identified in relation to the dissemination of information on human capital, sustainability, and succession planning, as well as the discussion of the cost of capital. In fiscal 2024, we are promoting initiatives to address these issues.

Specifically, as part of our discussions of medium- and long-term strategies, we are working to enhance discussions on business strategies and reports related to sustainability. To

Corporate Governance Structure



enhance our internal controls and risk management, we are strengthening supervision of the Board of Directors regarding the development of our internal control systems by holding regular liaison meetings between the Audit and Supervisory Board and the Internal Control Division. As well, the Board of Directors meets annually at a business-related facility and conducts inspections as a means of providing data to external officers.



Visits to the Solution Center (formerly the On-Site Training Center) and the Kasukabe Office of the Saitama Branch of Logisnext Tokyo, inspection of Global Component Technologies Corporation, and convening of a board of directors meeting at the same location.

Nominating and Compensation Committee

In order to ensure the objectivity and appropriateness of the compensation of our officers as well as the appointment, we have established a voluntary Nominating and Compensation Committee as an advisory body to the Board of Directors. Comprising the Director and Chairman of the Board, the Director and President of the Board, and three external directors, this committee deliberates issues and comes to decisions regarding personnel affairs and compensation for the company's officers and reports its decision to the Board of Directors. In fiscal 2023, the Nominating and Compensation Committee met a total of seven times and deliberated on the matters outlined below.

Main Undertakings in Fiscal 2023

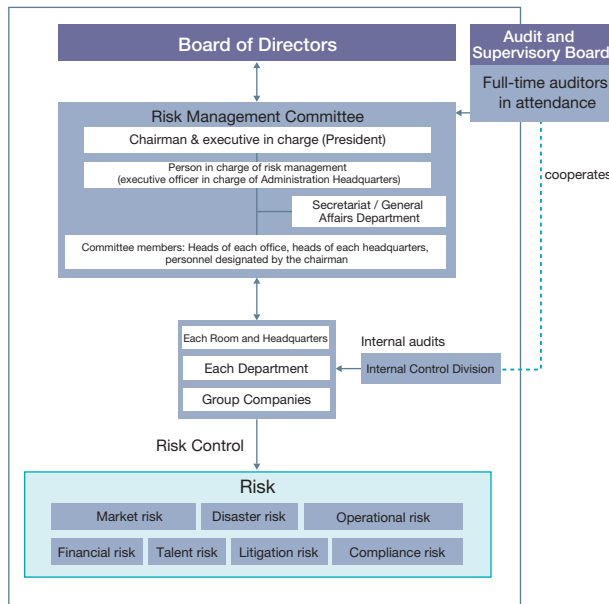
- Review of current compensation level and ratio
- Deliberation of payment rates and amounts of annual bonuses for officers
- Deliberation of the details of director compensation
- Deliberation of officer personnel affairs
- Review and discuss the content and progress of succession planning

Risk Management Committee

We established our Risk Management Committee as the lead entity responsible for risk management in order to avoid risks with the potential to significantly impact management and to minimize such risks when they become apparent. We established a system to centralize and aggregate risk information and manage it in a uniform manner for the entire Group, as shown in the diagram below. Each division identifies risks every

six months and analyzes and evaluates these risks to determine which are considered serious. We have prepared an action plan for critical risks that are assigned a particularly high priority and are developing risk reduction initiatives on a daily basis. Each of our Group companies assigns a risk management supervisor to undertake risk management in a process similar to that adopted by the parent company. The status of these activities is reported to the Risk Management Committee, which convenes quarterly, and the status of serious risks and the effectiveness of countermeasures are evaluated; the results are then reported to the Board of Directors.

Risk Management System



Policy for Determining the Amounts and Calculation Method of Officers' Compensation

Individual compensation, etc. (excluding performance-linked compensation and non-monetary compensation)

The compensation provided to directors (excluding external directors) is based on the basic compensation (fixed monthly salary), which is the total amount of compensation for the position according to the categories outlined below, as compensation for fulfilling the roles and responsibilities associated with the execution of duties, which includes managerial supervision and decision-making. This is paid from funds as a fixed salary.

Composition of basic compensation

Representative compensation	Compensation for fulfilling the roles and responsibilities associated with representation rights (company representation, conclusion of important contracts)
Director compensation	Compensation for fulfilling the roles and responsibilities associated with the execution of duties, including managerial supervision and decision-making
CXO compensation	Compensation for the role and responsibilities of the Chief Officer (CXO)
Chairman compensation	Compensation for fulfilling the roles and responsibilities associated with management and supervision of business execution and serving as chairperson of the board of directors.
President and executive officer compensation	Compensation for fulfilling the roles and responsibilities associated with business execution

Details of performance indicators for performance-linked compensation

Performance-linked compensation is an annual bonus paid to directors (excluding part-time directors and external directors) with the aim of contributing to the achievement of performance targets for a single fiscal year. Payment is 100% performance-based and is determined by evaluating performance for that period from both a company (company-wide evaluation) and individual (personnel evaluation) perspective, and is paid in cash in July of each year.

Stock compensation

In terms of non-monetary compensation, in fiscal 2023, we introduced a restricted stock compensation system to incentivize directors (excluding part-time and outside directors) to continuously enhance the company's corporate value and strengthen value sharing with shareholders. Allocations under this system are made annually in July. The number of shares allocated to each individual is determined based on a standard amount designated for each position, with final approval provided through a resolution passed by the Board of Directors.

Enhancing Internal Discussions on Business Strategy

In addition to holding Board of Directors' meetings, the company convenes regular Business Strategy Discussions to enhance internal discussions about the company's business strategies and management issues. In fiscal 2023, a total of 8 Business Strategy Discussions were held to discuss 9 themes, including medium- to long-term strategies, information security, and procurement environmental analysis.

Adhering to Our Compliance Guidelines

To ensure all officers and employees of the Mitsubishi Logisnext Group adhere to compliance in their daily business activities and to further strengthen compliance with laws, regulations, and corporate ethics, the Mitsubishi Logisnext Group has compiled Compliance Guidelines covering particularly important items and published them on wallet cards. The card has been translated into 11 languages and is distributed to employees within Group companies around the world.

Establishment of Our Internal Reporting Helpline

In order to strengthen compliance management and promptly detect and correct any misconduct, such as violations of laws and regulations and corporate ethics, the company has established a helpline to provide contact points for whistleblowers within the Group. These contact points are established both internally and at external law firms to ensure independence. As for Group companies outside Japan, all subsidiaries have established their own whistleblowing hotlines.

In fiscal 2023, the Group in Japan received 97 whistleblowing reports in total. We have appropriately investigated each instance, implementing appropriate responses and formulating measures to prevent any recurrence.

Compliance Checks Related to Order Optimization

We strive to deter any inappropriate order-acceptance activities

while promoting fair transactions. Consequently, we have established compliance check guidelines to be followed when an order is sought or lost by the company or submitted by a government entity for a public demand project in Japan, public demand project outside Japan, or construction project.

Anti-fraud and Anti-bribery Procedures

In order to prevent fraud and suspected acts of bribery, we have prepared detailed procedures for examining offers of entertainment and gifts, offers of donations, invitations, and appointment of agents and trading companies.

Compliance Training

To ensure all officers and employees carry out their corporate activities in a fair and appropriate manner, we provide regular training intended to impart the necessary knowledge while raising compliance awareness.

Adoption of Our Information Security Policy

We established the Information System Security Policy for the ML Group in order to ensure information security across the business operations of the Mitsubishi Logisnext Group. This policy applies to intellectual property, technical information, sales information, and personal information.

In order to respond to the risks arising from the increasing sophistication and diversification of cyberattacks, we are

constantly strengthening our information security measures with the goal of improving the security of our information systems.

Protecting Our Information Systems with a Security System

We established the IT Security Management System of the Mitsubishi Logisnext Group to clarify roles and responsibilities associated with IT security management.

In formulating our security regulations, we conduct annual security audits of each Group company. The results of these audits and the status of corrections are reported to the presidents of Mitsubishi Logisnext and its Group companies. Any deficiencies detected through the audits are corrected at an early stage.

Raising Awareness of Secure Information Systems

As part of our efforts to raise awareness about information system security, we have published an Information Security Handbook and guidelines for identifying targeted attack emails on our internal portal site. Regular educational opportunities include incorporating information system security training into programs for new employees and newly appointed managers.

Additionally, we conduct biannual e-learning training programs for Group employees in Japan and abroad. Furthermore, twice a year, we send training emails simulating targeted attacks to alert employees to such threats and provide practical guidance on responding appropriately.

Evaluating the Effectiveness of the Board of Directors

To ensure the Board of Directors effectively fulfills its roles and responsibilities, the company regularly verifies whether the Board as a whole is functioning appropriately through an effectiveness evaluation, addresses any issues, strengthens the Board's capabilities, and continuously improves the Board's functions.

In fiscal 2023, we utilized the results of the fiscal 2022

survey to evaluate the effectiveness of the Board of Directors, conducted in April 2023, to determine a policy for initiatives for the current fiscal year and promoted initiatives to enhance the effectiveness of the Board of Directors. The progress of these efforts is outlined below.

For the eighth evaluation of the effectiveness of the Board of Directors, a questionnaire was conducted from March to April 2024 through a third-party organization. The survey asked directors and auditors about the progress of initiatives for fiscal 2023 and current issues. The questionnaire consisted of 24

questions across five themes, including both multiple-choice and open-ended questions.

Based on its results, we discussed at the Business Strategy Discussion in May and at the Board of Directors meeting in June, and determined the effectiveness of the Board of Directors in fiscal 2023 and the action policies for fiscal 2024.

Progress on the initiatives undertaken in fiscal 2024 will be reported in next year's report.

Fiscal 2023 Policies and Progress

1. Enhancing discussions on business strategy	In formulating the medium-term management plan, the Board of Directors discussed the progress of LS23 and the development of the next plan during a business strategy meeting. Based on these discussions, the Board finalized the new medium-term business plan. Additionally, we provided regular updates on specific initiatives and plan progress related to sustainability, which had been requested by many.
2. Taking steps to deepen understanding of details of the agenda	To secure sufficient time for preliminary deliberation and discussion, we took steps to distribute all reference materials to the Board of Directors as early as possible and succeeded in moving up the delivery date sooner than expected. Furthermore, by compiling an executive summary, we were able to provide easy-to-understand explanations that were to the point. As a result, more time was allocated to discussions, and we were able to ensure enriched and energized discussion through the proceedings prepared by the chairperson.
3. Responding to the increasing sophistication of internal controls and risk management	We continued to hold regular liaison meetings between the Audit and Supervisory Board and the Internal Control Division, while external directors also participated in these liaison meetings. We also strengthened supervision of the Board of Directors by regularly reporting to the Board of Directors the operating status of the internal control system.
4. Providing information and interacting with external officers	In response to the significant requests made in the questionnaire, we explained our analysis of our competitors and technological trends. Additionally, the Board of Directors meeting was held at the Konosu Plant of the Global Component Technologies Corporation, in conjunction with site visits to the On-Site Training Center and the Kasukabe Office of the Saitama Branch of Logisnext Tokyo Co., Ltd., offering external officers a variety of information relevant to our business.
5. To follow up on the status of succession planning	At the Nomination and Compensation Committee, we reported on and discussed the carrying out of a survey to identify candidates for the successor plan, which commenced in fiscal 2023, along with its results.

Fiscal 2023 Survey and Fiscal 2024 Policies

Themes of the Survey Evaluating the Effectiveness of the Board of Directors

(Period covered: July 2023–April 2024)

1. Operation and Composition of the Board of Directors
2. Discussion of Management and Business Strategies at the Board of Directors
3. Risk Management Discussion at the Board of Directors
4. Report on the Activities of the Nomination and Compensation Committee at the Board of Directors
5. Dialogue with Shareholders, etc.

Results of Fiscal 2023 Evaluation

The Board of Directors was evaluated as generally effective, with various initiatives to enhance its performance implemented as planned. Key strengths identified included the balanced composition of internal and external members, the openness of discussions, and the leadership role of the chairperson. However, areas requiring improvement were also highlighted, such as advancing human capital initiatives, incorporating feedback from shareholder dialogues, and providing more comprehensive information on sustainability. These were recognized as on-going priority issues for further enhancement. In light of the above results, we will continue to take steps to improve the effectiveness of the Board of Directors in fiscal 2024 according to the following policies.

Fiscal 2024 Policies

1. Enhancing discussions on business strategy
 - Enhancing discussions on company-wide strategies: Conducting discussions under Business Strategy Discussions
 - Enhancing shareholder dialogue reports: Reviewing "feedback from shareholders and investors"
 - Sustainability-related reporting: Enhancing "human capital", reviewing the content and frequency of reporting
 - Reporting on measures to promote management that is conscious of capital costs and stock prices
 - Updating data on industry competition and industry trends
2. Efforts to enhance discussions
 - Securing time for preliminary discussions: Distributing reference materials at an early date and continuing to accept questions submitted in advance
 - Promoting understanding of agenda materials: Continuing executive summaries and securing time for a question-and-answer session
3. Responding to the sophistication of internal controls and risk management
 - Strengthening the supervision by the Board of Directors regarding the development of internal control systems
 - Enhancing report contents
 - Domestic and overseas group companies' status report
4. Providing information and interacting with external officers
 - Enhancing information provision: Providing information based on the survey results (including visits to other bases)



Back row (from left):

Shinji Ichihara

Audit and Supervisory
Board Member

Kazuhiro Fukuoka

External Audit and Supervisory
Board Member

Masayuki Suematsu

Director

Takatoshi Uno

Director

Hideki Sugiura

External Audit and Supervisory
Board Member

Katsutoshi Yuasa

Audit and Supervisory
Board Member

Front row (from left):

Kyoko Kobayashi

External Director

Yuichi Mano

Representative Director
and President

Takashi Mikogami

Representative Director
and Chairman

Osamu Ando

External Director

Fumio Kobayashi

External Director



Takashi Mikogami
Representative Director and Chairman



Yuichi Mano
Representative Director and President



Takatoshi Uno
Director



Masayuki Suematsu
Director

Biographies

Apr. 1981 Joined Mitsubishi Heavy Industries, Ltd.
Apr. 2011 General Manager of Turbocharger Business Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2012 Deputy Head of General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2013 Director, the Company Senior Vice President, Mitsubishi Heavy Industries, Ltd.
Apr. 2014 Senior General Manager of Quality Control Division, Deputy Head of the Machinery, Equipment & Infrastructure Domain, Mitsubishi Heavy Industries, Ltd.
Apr. 2015 Head of Sagamihara Machinery Works, Mitsubishi Heavy Industries, Ltd.
Apr. 2016 Executive Vice President, Mitsubishi Heavy Industries, Ltd.
Jun. 2016 Resigned as Director, the Company
Jun. 2017 Representative Director, Senior Executive Vice President, Assistant to the President, the Company President and CEO, the Company
Oct. 2017 Executive Vice President, President and CEO, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd. (to present)
Jun. 2020 Resigned as President and CEO, the Company
Jun. 2021 Representative Director and Chairman, the Company (to present)

Apr. 1986 Joined Mitsubishi Heavy Industries, Ltd.
Jul. 1996 Assistant to General Manager of Product Support, Mitsubishi Caterpillar Forklift America Inc.
Apr. 2003 Chief of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2004 Chief of Business Strategy Group, Material Handling Equipment Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2009 Deputy General Manager of Material Handling Equipment Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Oct. 2011 General Manager of Forklift Sales Department, Forklift Business Division, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2013 Director, Senior Executive Officer, Head of Corporate Planning Office, the Company
Jul. 2014 Representative Director and President, Mitsubishi Caterpillar Forklift Europe B.V.
Jun. 2017 Resigned as Director, the Company
Jun. 2018 Senior Executive Officer, Deputy General Manager, Strategic Planning Office, the Company
Apr. 2019 Senior Executive Officer, General Manager, Strategic Planning Office, the Company
Apr. 2020 Senior Executive Officer, Head of Overseas Sales and Marketing Headquarters, the Company
Jul. 2020 Senior Executive Officer, Head of Overseas Business Headquarters, the Company
Apr. 2022 Senior Executive Officer, Division Head, General Manager, Corporate Strategy and Planning Office, the Company
Jun. 2022 Representative Director and President, Division Head, General Manager, Corporate Strategy and Planning Office, the Company
Apr. 2023 Representative Director and President, the Company (to present)

Jul. 2006 Joined the Company
Jul. 2009 Vice President, Shanghai Nichiyu Forklift Manufacturing Co., Ltd.
Oct. 2012 Executive Vice President, Nichiyu Forklift (Thailand) Co., Ltd.
Feb. 2015 Division Head, General Manager, Corporate Finance and Accounting Division, Administration Headquarters, the Company
Jun. 2018 Assistant to Head of Administration Headquarters, the Company
May 2019 Member of the Executive Team, Head of Corporate Finance and Accounting Headquarters, the Company
Apr. 2021 Executive Officer, CFO, Head of Corporate Finance and Accounting Headquarters, Division Head, General Manager, Corporate Finance Planning Division, the Company
Apr. 2022 Executive Officer, CFO, Head of Corporate Finance and Accounting Headquarters, the Company
Jun. 2022 Director, the Company (to present)
Apr. 2023 Executive Officer, CFO, Division Head, General Manager, Corporate Strategy and Planning Office, in charge of Corporate Finance and Accounting Headquarters, the Company
Apr. 2024 Director, Senior Executive Officer, CFO, Division Head, General Manager, Corporate Strategy and Planning Office, in charge of Corporate Finance and Accounting Headquarters, the Company (to present)

Apr. 1986 Joined Mitsubishi Heavy Industries, Ltd.
May 2001 Controller, Mitsubishi Caterpillar Forklift Europe B.V.
Jan. 2009 Deputy General Manager of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Apr. 2011 Deputy General Manager of Planning & Administration Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Jan. 2012 Managing Director, Mitsubishi Agricultural Machinery Co., Ltd.
Apr. 2014 Deputy General Manager of Planning & Administration Department, Business Strategy Division, the Machinery, Equipment & Infrastructure Domain, Mitsubishi Heavy Industries, Ltd.
Jan. 2016 CEO, President, Mitsubishi Mahindra Agricultural Machinery Co., Ltd.
Apr. 2019 Senior Vice President, Head of Business Strategy Office and Senior General Manager of Corporate Planning Department, Mitsubishi Heavy Industries, Ltd.
Jun. 2019 Director, the Company (to present)
Apr. 2021 Head of Business Strategy Office, Mitsubishi Heavy Industries, Ltd.
Apr. 2022 Vice President, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd.
Apr. 2023 Executive Vice President and CSO, Mitsubishi Heavy Industries, Ltd.
Apr. 2024 Executive Vice President and CSO, Head of Business Strategy Office and Senior General Manager of Corporate Planning Department, Mitsubishi Heavy Industries, Ltd. (to present)

Experience and Skills

Corporate Management / Business Management	✓	✓	✓	✓
Financial Accounting			✓	✓
Legal				
Marketing		✓		
Research & Development	✓			
International Experience	✓	✓	✓	✓
Sustainability		✓	✓	✓

Note: As the above list is not comprehensive, it does not represent all the knowledge and experience of our directors.



Osamu Ando
External Director



Kyoko Kobayashi
External Director



Fumio Kobayashi
External Director

Biographies

Apr. 1979 Joined Shimadzu Corporation
 Apr. 1999 Technical Manager, Analytical Instrument Division, Shimadzu Corporation
 Apr. 2000 President, Shimadzu Scientific Instruments, Inc.
 Jun. 2007 Director, General Manager, Analysis and Measurement Division, Shimadzu Corporation
 Jun. 2011 Managing Director, in charge of Production, CS, and Information Systems, Shimadzu Corporation
 Apr. 2013 In charge of Production and CS; General Manager, Aircraft Equipment Division, Shimadzu Corporation
 Jun. 2013 Senior Managing Executive Officer, Shimadzu Corporation
 Jun. 2017 President, Shimadzu Access Corporation (to present)
 Jun. 2020 Director, the Company (to present)

Apr. 1999 Registered as Attorney Joined Irokawa Law Office (currently Irokawa Legal Professional Corporation)
 Sep. 2009 Seconded to Legal Affairs Office, Sharp Corporation
 Sep. 2014 Returned to Irokawa Law Office
 Jan. 2018 Partner, Irokawa Law Office
 Feb. 2018 External Audit and Supervisory Board Member, Kawakami Paint Manufacturing Co., Ltd. (to present)
 Jan. 2020 Partner, Irokawa Legal Professional Corporation (to present)
 Jun. 2020 Director, the Company (to present)
 Jun. 2021 External Director, Nippon Pillar Packing Co., Ltd. (currently PILLAR Corporation) (to present)

Apr. 1970 Joined Daifuku Co., Ltd.
 Apr. 1997 General Manager, Metropolitan Area Sales Division, Daifuku Co., Ltd.
 Jun. 1998 Director, General Manager, Regional Business Division, Daifuku Co., Ltd.
 Apr. 2003 Managing Director, Chief Operating Officer (COO), Sales and Marketing Operations, Daifuku Co., Ltd. Deputy General Manager, FA&DA operations General Manager, Sales Division, FA&DA Operations, Daifuku Co., Ltd.
 Apr. 2004 Representative Director, Senior Managing Officer, Sales and Marketing Operations, General Manager, FA&DA Operations, Daifuku Co., Ltd.
 Apr. 2005 Representative Director, Senior Managing Officer, Sales and Marketing Operations, COO, FA&DA, DTS Operations, General Manager, FA&DA Operations, Daifuku Co., Ltd. Representative Director and President, Daifuku Logistic Technology Co., Ltd.
 Apr. 2006 Executive Vice President, COO, Sales and Marketing Operations, COO, FA&DA, DTS Operations, Daifuku Co., Ltd.
 Apr. 2015 Director, Adviser, Daifuku Co., Ltd.
 Jun. 2015 Adviser, Daifuku Co., Ltd.
 Nov. 2016 Managing Director, Japan Material Flow Institute
 Oct. 2017 Senior Managing Director, Japan Material Flow Institute
 Jun. 2022 Director, the Company (to present)
 Aug. 2022 Adviser, Japan Material Flow Institute (to present)

Experience and Skills

Corporate Management / Business Management	✓		✓
Financial Accounting			
Legal		✓	
Marketing			✓
Research & Development			
International Experience	✓		✓
Sustainability			

Note: As the above list is not comprehensive, it does not represent all the knowledge and experience of our directors.



Shinji Ichihara
Audit and Supervisory Board Member



Katsutoshi Yuasa
Audit and Supervisory Board Member



Kazuhiro Fukuoka
External Audit and Supervisory Board Member



Hideki Sugiura
External Audit and Supervisory Board Member

Biographies

Apr. 1981 Joined Mitsubishi Heavy Industries, Ltd.
Jan. 2009 General Manager of Planning & Accounting Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Jun. 2011 Deputy Head of Sagamihiro Machinery Works, Mitsubishi Heavy Industries, Ltd.
Apr. 2013 Deputy Head of General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Jan. 2014 CEO, Mitsubishi Heavy Industries Europe, Ltd.
Apr. 2017 Assistant to Head of Administration Headquarters, the Company
Jun. 2017 Senior Executive Officer, Deputy Head of Administration Headquarters, the Company
Jun. 2018 Head of Administration Headquarters, the Company
Apr. 2020 Assistant to President, the Company
Jun. 2020 Audit and Supervisory Board Member, the Company (to present)

Apr. 1986 Joined Nissan Motor Co., Ltd.
Apr. 2013 Manager, Business Development Department, UniCarriers Corporation
Apr. 2016 Manager, Mitsubishi Heavy Industries Forklift, Engine & Turbocharger Holdings, Ltd.
Mar. 2017 Joined the Company
Oct. 2017 Chief, PMI Promotion Office, the Company
Jul. 2020 Fellow, Deputy General Manager, Corporate Strategy and Planning Office, the Company
Apr. 2021 Member of the Executive Team, Division Head, General Manager, Corporate Strategy and Planning Office, the Company
Apr. 2022 Member of the Executive Team, Division Head, General Manager, Product Planning Office, the Company
Apr. 2023 Member of the Executive Team, Assistant to President, the Company
Jun. 2023 Audit and Supervisory Board Member, the Company (to present)

Apr. 1982 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Apr. 2004 General Manager, Corporate Strategic Planning Office (Information Systems), GS Yuasa Corporation
Apr. 2008 General Manager, Corporate Strategic Planning Office (Strategic Planning), GS Yuasa Corporation
Aug. 2008 Executive Vice President, Siam GS Battery Co., Ltd.
Jul. 2011 Associate General Manager, Human Resources Division, GS Yuasa International Ltd.
Jun. 2015 Officer, GS Yuasa International Ltd.
Jun. 2017 General Manager, Human Resources Division, GS Yuasa International Ltd. (to present)
Jun. 2019 Senior Officer, GS Yuasa International Ltd.
Apr. 2020 Director, GS Yuasa International Ltd. (to present)
Jun. 2020 Director, GS Yuasa Corporation
Jun. 2023 Audit and Supervisory Board Member, the Company (to present)

Apr. 1989 Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
Feb. 2012 Deputy General Manager, Corporate Advisory Service Division, Mitsubishi UFJ Trust and Banking Corporation
Oct. 2013 Deputy General Manager, Credit Supervisory Division, Mitsubishi UFJ Trust and Banking Corporation
Aug. 2014 General Manager, Real Estate Finance Credit Division, Mitsubishi UFJ Trust and Banking Corporation
Apr. 2017 Deputy General Manager, Real Estate Trust Division, Mitsubishi UFJ Trust and Banking Corporation
Apr. 2018 Deputy General Manager, Group Real Estate Business Division, Mitsubishi UFJ Trust and Banking Corporation
Apr. 2021 Seconded to MU Trust Apple Planning Company, Ltd.
Jun. 2021 Full-time Corporate Auditor, Dai Nippon Toryo Co., Ltd. (to present)
Jun. 2024 Audit and Supervisory Board Member, the Company (to present)

As an external director, I am committed to sharing my candid perspectives and actively contributing to the sustainable growth of the organization.



Kyoko Kobayashi

Independent External Director
Member of Nominating and Compensation Advisory Committee

Overseeing Management through a Risk Management Lens: Leveraging My Legal Expertise

I have over 20 years of experience in corporate legal affairs, including my time as a lawyer at a law firm and five years in the legal department of a listed company. The legal work I have handled encompasses many topics frequently discussed at board meetings, such as M&A, corporate partnerships, business withdrawals, and maintenance of company rules and regulations. Drawing on this extensive experience, I provide candid input with a strong focus on legal risks and compliance.

As external directors of a listed subsidiary, we serve as representatives of the shareholders. To ensure management transparency, we actively ask questions and express candid opinions during deliberations on transactions with our parent company, Mitsubishi Heavy Industries, Ltd., which is also publicly listed. By providing an external perspective, we aim to highlight key issues within the company and apply them into daily operations.

Enhancing Company Insight and Strengthening Business Execution Oversight

As I enter my fifth year as an external director of Mitsubishi Logisnext, I have observed that the deliberations at board meetings have grown increasingly substantive in recent years.

Each year, we have the opportunity to hold a board meeting at a plant or office, during which all directors visit the site. Seeing the operations firsthand and deepening our understanding is invaluable in fulfilling our responsibilities as external directors. Additionally, we have an annual opportunity

for one-on-one interviews between external directors and executives at the general manager level. These interviews are a highly valuable opportunity, allowing us to address a wide range of issues that executives encounter in their daily work.

In addition to these measures, the materials sent to the board meetings in advance also include relevant documents, such as those from management meetings, providing access to a wealth of information. Furthermore, by sharing directors' questions in advance, comprehensive answers and explanations are provided on the day of the meeting.

As outlined above, our company has implemented measures to ensure that external directors can fully express their opinions, resulting in more effective board meetings and a strengthened governance system.

Clarifying the Path to the Future through a Long-Term Vision

In March 2024, we introduced our new medium-term business plan, "Logisnext Transform 2026." Prior to this, we began developing our "Long-Term Business Vision 2035," alongside discussions on our Business Strategy Discussions. By setting long-term goals with a 10-year horizon, we can clearly define the direction and path forward. While we successfully achieved the numerical targets of the previous medium-term business plan, which concluded in its final year, we must continue to improve our capital adequacy ratio. The Long-Term Business Vision 2035 outlines our next goals, and I encourage each business unit to focus on steadily achieving the objectives set in Logisnext Transform 2026.

The two other external directors, in addition to myself, bring over 40 years of business experience from other companies. During Business Strategy Discussions, they offered valuable insights from a broad perspective. They emphasized that the

medium-term business plan should serve as a bridge between the present and 2035, and suggested that the person responsible for the logistics solutions business should be appointed only after sharing a clear business vision with the entire company.

In addition to the board meetings, we also have a meeting called the Business Strategy Discussions where we exchange opinions on business strategies, particularly future plans, which are neither matters for resolution nor matters for reporting, and I feel that this is both a unique feature and a strength of our company. It was through these Business Strategy Discussions that I was able to form a more concrete image of the future that our company is aiming for.

Driving Sustainable Growth and Enhanced Corporate Value through Work Satisfaction Reforms

Finally, I would like to highlight our company's initiatives to promote the active participation of women. Diversity is crucial for the sustainable growth of any organization, and we are committed to work satisfaction reforms. Promoting the active participation of women is a key focus in our efforts to enhance workforce diversity. As a result, the proportion of female new hires has increased, and we are seeing more female employees across the company.

With a growing number of female employees, we can expect decision-making and business execution to reflect a wider range of values. We aim to foster a virtuous cycle where female employees are entrusted with more responsibility, allowing them to grow, gain trust both inside and outside the company, and progressively advance higher in their careers. As more role models emerge, we hope to lower the barriers for appointing female managers and create greater opportunities for

leadership roles.

With the aspiration of enabling more female employees to take on active roles, I will continue to make proposals at board meetings and other forums.

Reason for appointment

Osamu Ando

Mr. Ando offers excellent insight and is experienced in global business management with a manufacturer of measuring and medical instruments. Building on his track record and insight, he has provided constructive opinions and suggestions and continues to supervise management as appropriate from an objective and neutral standpoint as an Independent Director. We have therefore determined that he is suitably qualified and have appointed him as an external director.

Kyoko Kobayashi

Ms. Kobayashi has an extensive track record as an attorney providing insights mainly related to corporate legal affairs. She has worked for a listed company and served as an Independent Director at another listed company. Using her experience and insight, she has provided constructive opinions and suggestions and supervised management appropriately from an objective and neutral standpoint as Independent Director. Therefore, we have appointed her as an external director.

Fumio Kobayashi

Mr. Kobayashi has gained extensive experience in management and offers excellent insights in the material handling equipment industry. In light of his expertise and insight, the company believes he will provide constructive opinions and suggestions and supervise management appropriately from an objective and neutral standpoint as an Independent Director. We have therefore appointed him as an external director.

Initiatives Intended to Maximize the Effectiveness of External Directors




Specific Measures	Frequency	Details
Preliminary explanation of proposals for the board meetings	Prior explanations: Irregular Prior questions: Monthly	Prior explanations of proposals to the board meetings are provided to external directors as necessary. In addition, prior questions on bills are accepted and answered at the board meetings.
Convening of a forum for discussion of business strategies	Monthly	In our Business Strategy Discussions, we address medium- and long-term strategies as well as other themes.
Regular debriefing session with the Internal Control Division	Monthly	External directors also attend regular debriefing sessions between the Audit & Supervisory Board and Internal Controls Division to share information on internal controls.
Meeting with the chairman and president	4 times a year	External directors also participate in an exchange of opinions between the Audit & Supervisory Board members, the chairman, and the president, openly exchanging frank opinions.
Implementation of officer seminars	About 3 times a year	Seminars by external lecturers are held regularly as officer training events that contribute to the effective functioning of the board meetings.
Site visits and the board meetings held outside the head office	About once a year	Management interviews are conducted with executives and the results are fed back to the chairman and president.
Interviews of senior management by external directors	Annually	Management interviews are conducted with executives and the results are fed back to the chairman and president.
Appointment of a lead independent external director	-	With the aim of strengthening the supervisory functions of the external directors and improving the effectiveness of the board meetings, the lead independent external director is appointed to handle the leading role and duties in a dialogue with executives and in cooperation with the Audit & Supervisory Board and the board meetings Secretariat.





Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
E	Development and provision of decarbonized and low-carbon products	<ol style="list-style-type: none"> To develop electric forklifts offering lower electricity consumption To expand the lineup of electric forklifts to replace internal combustion forklifts To develop internal combustion forklifts in compliance with emissions regulations 	<ol style="list-style-type: none"> To introduce electric models powered by lithium-ion batteries in the Japanese market To develop a pilot post-ICE vehicle and new mid-sized electric forklifts To introduce models in compliance with local emissions regulations 	★★★	<ol style="list-style-type: none"> Introduced ALESIS lithium-ion electric forklift trucks to the domestic market Explored post-internal combustion truck options and initiated the development of a new medium-sized electric forklift truck Developed a model that meets emissions regulations (forklift truck for empty containers) 	<ol style="list-style-type: none"> To expand the lineup of lithium-ion battery powered trucks and boost sales To explore post-internal combustion truck options and develop new medium-sized electric forklifts To develop models that comply with local emissions regulations 	
	Development of carbon-neutral rubber-tired gantry cranes	<ol style="list-style-type: none"> To help achieve the carbon-neutral ports policy being promoted by the Ministry of Land, Infrastructure, Transport and Tourism To reduce CO₂ emissions attributable to ports 	<ol style="list-style-type: none"> To participate in CNP study groups To select vehicles for real-world fuel consumption testing in the market To consider systems capable of supporting further progress toward carbon neutrality 	★★★	<ol style="list-style-type: none"> Participated in the Osaka Minato CNP Study Group Vehicle selection had not yet been carried out. However, we had requested cooperation from specific customers who were currently using RTGs. Activities had commenced for the selection of FC modules and basic FC bench testing. 	<ol style="list-style-type: none"> To participate in each CNP study group [ongoing] To select vehicles for evaluating actual fuel efficiency in the market and examination of measurement methods To implement basic FC bench tests and selection of systems 	
	Initiatives of our special environmental groups and the entire company	To improve our waste and emissions intensity	To continue monitoring of final disposal and recycling volumes with a target of 1% improvement relative to fiscal 2020 levels.	★★★	Achieved a 11.9% improvement in waste and emissions intensity at the Kyoto, Shiga, Azuchi, and Hanyu plants relative to fiscal 2020 levels	To continue monitoring the amount sent for final disposal and recycling in addition to focusing on improving waste and emissions intensity	
		To increase our recycling rate	To achieve a recycling rate that exceeds fiscal 2020 results by practicing sorting awareness and conducting patrols as necessary	★★	Posted improvements at the Kyoto, Shiga, and Hanyu plants, but the results deteriorated at the Azuchi Plant.	It has remained at a set level, with no target set for fiscal 2024.	
		To improve our VOC emissions intensity	To maintain the improvement trend relative to fiscal 2020 through facility improvements and other measures	★★★	Posted improvements at the Kyoto, Shiga, and Azuchi plants by a total of 8.5% relative to fiscal 2020	No target set for fiscal 2024	
		To gain an appropriate understanding of environmental related costs	To continue monitoring costs related to waste disposal and energy consumption	★★	The costs associated with waste disposal have been calculated for the entire company and will be used for future environmental education initiatives.	Continue to compile costs related to waste disposal	
		To establish methods and standards for calculating CO ₂ emissions reductions attributable to product usage	To conduct environmental assessments of vehicles in development	★★★	Established targets at each stage of development and verified the results of the evaluation	To be implemented on an ongoing basis	
		To reduce the amount of environmentally hazardous substances contained in products	To implement management of chemical substances contained in products, and complying with laws and regulations regarding substance restrictions in each country and region	★★★	In accordance with the guidelines for the management of chemical substances contained in products, we have <ul style="list-style-type: none"> continued to request suppliers to submit a Declaration of Non-Use and Non-Inclusion of Prohibited Substances continued to request suppliers to investigate the substances contained in the parts they deliver that are subject to management 	To be implemented on an ongoing basis	
		To improve our energy intensity	To continue implementing energy-efficiency initiatives such as capital investments and reduction of workhours with a target of 3% improvement from fiscal 2020	★★★	To improve energy intensity by 8.4% relative to fiscal 2020 levels	To ensure that planned environmental investments are carried out	
		To improve water intensity	To conduct daily inspections intended to detect water leaks at an early stage	★★★	Achieved a 51.5% improvement compared to fiscal 2020 on a production-per-unit basis	To continue to make efforts to detect water leaks early through daily inspections, and to promote the replacement to water-saving equipment	
		To reduce wood pallet waste	1.10 kg/million-yen max.	★★★	0.936 kg/million-yen	Set numerical targets and continue activities	
		To reduce the weight of packaging material purchased per unit of sales	18.0 kg/million-yen max.	★★★	11.88 kg/million-yen	Set numerical targets and continue activities	
		To improve the usage rate for returnable containers	To investigate suppliers posting a low rate of returnable containers and promote the reduction of packaging materials and wood waste	★★★	Implemented changes to delivery methods, such as switching the packaging to a fixed-type dedicated box and unloading only with forks	To continue supplier surveys and increase the number of projects that help reduce packaging materials and wood waste	
	To determine product shipments (by tonne-kilometer) and maintain or improve management methods	To continue accommodating the Energy Conservation Law (Specified Shippers)	★★★	Carried out as planned	To continue accommodating the Energy Conservation Law (Specified Shippers)		


















Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
E	Environmental investment	To reduce CO ₂ emissions through energy efficiency	To achieve a CO ₂ emissions reduction of 52 tonnes/year through the following measures: 1. Updating of compressors at the Kyoto Plant (3.8-tonne reduction) 2. Replacement of gas heat pump in cafeteria (2.1-tonne reduction) 3. Updating of gas heat pumps at the Electric Components Factory (9.9-tonne reduction) 4. Replacement of air conditioners at parts inspection sites (1.1-tonne reduction) 5. Reduction of LED ceiling lighting at Azuchi Plant (19.3-tonne reduction) 6. Installation of thermal insulation in drying equipment at the Attachment Production Factory (12.7-tonne reduction) 7. Updating of air conditioners at the headguard powder coating facility (3.1-tonne reduction)	★★★	To achieve a CO ₂ emissions reduction of 49.68 tonnes/year through the following measures: Updating of compressors at the Kyoto Plant (4.6-tonne reduction) Replacement of gas heat pump in cafeteria (2.1-tonne reduction) Updating of gas heat pumps at the Electric Components Factory (9.9-tonne reduction) Replacement of air conditioners at parts inspection sites (1.3-tonne reduction) Replacement of gas heat pump at Frame Factory (1.6-tonne reduction) Installation of thermal insulation in drying equipment at the Attachment Production Factory (3.25-tonne reduction) Updating of air conditioners at the headguard powder coating facility (3.73-tonne reduction) Reduction of LED ceiling lighting at Azuchi Plant (23.2-tonne reduction)	Air conditioning work on the second floor of the frame factory Renewal of the air conditioning in the vehicle painting booth Worked to increase the capacity of the extra-high-voltage power receiving equipment Renewal of the boiler in the equipment factory Conversion to LED lighting in the main building	
	Global inventory management and optimization of spare parts	1. To reduce environmental load by controlling the amount of goods by reducing global inventory on a consolidated basis 2. To increase efficiency through operation of a common platform	To reduce inventory by streamlining logistics and strengthening global inventory management	★★★	Although the logistics disruption has subsided and operations are returning to normal, inventory has increased due to higher sales and business expansion (inventory up 9% compared to the previous fiscal year)	To reduce inventory by strengthening global inventory management	
	3R initiatives	1. To ensure effective use of resources by reusing surplus items 2. To reduce waste disposal volume	To be implemented on an ongoing basis	★★★	Provided sixteen in-house announcements as information on the "3R" giveaway initiative.	To be implemented on an ongoing basis	
	Zero waste movement	1. To cooperate in local government initiatives (530 campaign) 2. To contribute to a society in which everyone seeks to take ownership of the waste issue by cultivating the practice of picking up waste and not littering	To hold waste collection events twice annually in spring (May) and autumn (October)	★★★	1. May: 160 participants 2. October: 137 participants	To hold waste collection events twice annually in spring (May) and autumn (October)	
	Participation in community cleanup activities	1. To increase the environmental awareness of employees 2. To promote environmental conservation in local communities	1. Community cleanup activities in collaboration with neighborhood associations (July) 2. Forest Maintenance Volunteer Activities (October) 3. Nagaokakyo City Environmental Fair (November) 4. Nishiyama Forest Volunteers (November) 5. The Lake Iba-naiko Yoshi Reed-Harvesting project (December)	★★★	1. Community cleanup activities in collaboration with neighborhood associations (July) 2. Forest Maintenance Volunteer Activities (October) 3. Nagaokakyo City Environmental Fair (November) 4. Nishiyama Forest Volunteers (November) 5. The Lake Iba-naiko Yoshi Reed-Harvesting project (December) 6. The Lake Biwa, West Lake Harvesting project (February)	1. Community cleanup activities in collaboration with neighborhood associations (July) 2. Forest Maintenance Volunteer Activities (October) 3. Nagaokakyo City Environmental Fair (November) 4. Nishiyama Forest Volunteers (November) 5. The Lake Iba-naiko Yoshi Reed-Harvesting project (December)	
	Encouraging use of returnable pallets	1. To reduce the use and disposal of wood packaging materials 2. To improve loading efficiency by pallet stacking and reducing the number of containers used	1. To introduce additional iron racks for transporting engines 2. To continue reducing the use of wooden crates as a packaging material	★★★	Continued promoting the transition from wooden frames for large parts to reinforced cardboard Implemented measures to address shortages by strengthening follow-up for returnable items	1. To promote a switch to reinforced corrugated cardboard packaging 2. New addition of steel pallets for engines	
	Used car sales	1. To improve the image of recycled products 2. To promote the reuse of resources	As fiscal 2023 marks the final year of system development, a relearning function will be installed to improve the accuracy of appraisal pricing	★★★	Development of the used car AI appraisal system has been completed	Used car AI appraisal system goes live, leading to an increase in the number of cars coming in for inspection. Reduce the disposal of vehicles and strengthening used car sales	
S Customers	Development of labor-saving and unmanned products	1. To reduce the environmental impact of AGVs/AGFs 2. To improve the safety of AGVs/AGFs 3. To increase the throughput of AGVs/AGFs 4. To promote the introduction of AGFs to manned forklift sites 5. To promote autonomous control systems for AGVs/AGFs	1. To improve the function of laser-guided automated forklifts (1) To commence actual operation of the wing-body truck (2) To start sales of equipment compliant with the JIS D6802 (2022) standard for functional safety 2. To develop a next-generation AGF system	★★★	1. Improved the functions of laser-guided automated vehicles (1) Start of practical operation for a system compatible with wing-body truck (March 2024) (2) Launch of sales for JIS D6802 (2022) functional safety standard (September 2023) 2. Full-scale development of next-generation AGF systems began, with the development policy determined in October 2023	1. To improve the functions of laser-guided automated vehicles (1) Apply lithium-ion batteries to AGFs (2) Introduce Mixed Fleet Solutions to the Japanese market 2. To launch the next-generation AGF system-equipped vehicle on the market (at the 2024 Logistics Exhibition)	







Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
S Customers	Safety awareness initiatives (safety seminars, safety awareness DVDs, calendars, etc.)	<ol style="list-style-type: none"> To increase our customers' safety awareness To raise awareness of and prevent occupational accidents 	<ol style="list-style-type: none"> To present safety seminars (5,500 seminars with 45,000 participants) To distribute safety awareness videos To distribute safety awareness posters: 23,000 copies To distribute KYT hazard prediction training calendars: 9,800 copies 	★★★	<ol style="list-style-type: none"> Presented safety seminars (9,289 seminars with 62,033 participants) Produced safety awareness videos available via download Distributed safety awareness posters: 23,000 copies Distributed KYT hazard prediction training calendars: 9,810 copies 	<ol style="list-style-type: none"> Presented safety seminars (8,000 seminars with 50,000 participants) To produce safety awareness videos Distributed safety awareness posters: 23,000 copies Distributed KYT hazard prediction training calendars: 9,800 copies 	
	Operator qualification training for forklifts, shovel loaders, etc.	Ensuring the safety of operators of forklifts and shovel loaders	<ol style="list-style-type: none"> Number of scheduled sessions Shiga Plant: 37 sessions / On-site Training Center: 14 sessions Estimated number of participants at the Shiga Plant: 430 / On-site Training Center: 162 	★★★	<ol style="list-style-type: none"> Number of sessions held Shiga Plant: 35 sessions / On-site Training Center: 14 sessions Number of participants: Shiga Plant: 383 / On-site Training Center: 151 	<ol style="list-style-type: none"> Number of scheduled sessions Shiga Plant: 37 sessions / On-site Training Center: 14 sessions Estimated number of participants Shiga Plant: 400 	
	Offering product options (safety equipment) and special features	<ol style="list-style-type: none"> To provide forklifts and other material handling equipment with product capabilities focused on safety and security To offer a variety of options for safety equipment To strengthen support for special features to meet special-order requests from customers 	<ol style="list-style-type: none"> Specification features: Acrylic guard in front of levers, hydraulic operation lock when operated (brake pedal interlock), driver's seat pipe guard (on PLATTER model), cargo-handling interlock when operated, interlocked buzzer sounding during overload (ALESIS) Forklift safety support equipment is available as an option, (S-Assist, OmniEye®, etc.) and will be exhibited and demonstrated at "Logis-Tech Tokyo 2023 & The 3rd INNOVATION EXPO" 	★★★	<ol style="list-style-type: none"> S-Assist released in April, OmniEye + regenerative brake control specification_ALESIS released in December, and OmniEye + Regenerative Brake Controls specification_PLATTER released in March Exhibited and gave a demonstration at the International Logistics Exhibition 2023 INNOVATION EXPO. Notified domestic sales companies of special specification cases (special specification topics posted on domestic sales portal: FY2023: 44 cases, cumulative total: 190 cases) 	<ol style="list-style-type: none"> OmniEye + Engine Brake Control Specification_ERISIS (first half of the year) launched Promoted demonstrations of OmniEye + brake control specifications, etc. Continued to inform domestic sales companies of special specification cases (special specification topics posted on domestic sales portal: 48 cases in fiscal 2024) 	 
	Customer questionnaire	To visualize the degree of customer satisfaction and dissatisfaction through testimonials for rapid response and case sharing	To distribute the questionnaire twice during the fiscal year as before; to consider distributing questionnaires through CRM software	★★★	Distributed twice during the fiscal year (September 2023 and March 2024)	To distribute the questionnaire twice during the fiscal year as before	
	Publication of the promotional magazine monogram	To provide examples of optimal logistics solutions provided by the Company as well as information on logistics topics and the like	We published a booklet and web edition <ol style="list-style-type: none"> September 2023 Vol. 17 March 2024 Vol. 18 	★★★	<ol style="list-style-type: none"> Published on schedule Published on schedule 	To publish a booklet and web edition <ol style="list-style-type: none"> September 2024 Vol. 19 March 2025 Vol. 20 	
	Staging of the Logistics Solutions Fair	<ol style="list-style-type: none"> To provide customers with solutions, tips, and knowledge to improve logistics To revitalize communication with customers with whom we cannot follow-up at any of the international logistics exhibitions and similar events 	To hold "Logisnext Expo 4.0" on the ML online showroom (concurrently with "Logis-Tech Tokyo 2023 & The 3rd INNOVATION EXPO" in September 2023)	★★★	Logistics Solution Fair held in February, 2024	To exhibit at the International Logistics Exhibition 2024 in September 2024	
	Strengthening weak points through implementation of plant process audits	Strengthening weak points through reciprocal implementation of plant process audits	<ol style="list-style-type: none"> Kyoto Plant: To increase the number of audits by 2, to 13 audits Shiga Plant: To start audits for audits not yet implemented (planned 53 times) Azuchi Plant: To audit jointly with Kyoto Plant, but to lead the audit Onomichi Plant: To conduct audit once every 4 months (KPI) 	★★★	<ol style="list-style-type: none"> Kyoto Plant: Implemented 13 of 13 planned audits Shiga Plant: Implemented 53 of 53 planned audits Azuchi Plant introduced audits jointly with Kyoto Plant and Shiga Plant. Onomichi Plant: Implemented 3 of 3 planned audits 	<ol style="list-style-type: none"> Kyoto Plant: To increase the number of audits by 1, to 14 audits Shiga Plant: To introduce audits of unimplemented processes (43 audits planned) Azuchi Plant: To conduct audits jointly with the Kyoto and Shiga Plant (8 audits) Onomichi Plant: To conduct audit once every 4 months (KPI) Global Quality Management Division: To conduct audits at domestic bases. 	
	Implementing Quality Month initiatives	<ol style="list-style-type: none"> To raise awareness of quality To recognize the company's quality status To introduce our quality control initiatives To promote quality improvements by reflecting on our own work 	Ongoing Initiatives <ol style="list-style-type: none"> To develop additional initiatives intended to raise quality awareness To expand skills competitions to include the Kyoto and Azuchi plants 	★★★	Japan: Quality Month initiatives in November • Company-wide: Quality Morning Meetings, Quality Improvement Report Meetings • Shiga & Kyoto plants: Presented the Defective Parts Exhibition • Shiga Plant: Skills Competitions (Manufacturing Department) * Welding, painting, assembly, measurement and product inspection • Shiga Plant: Product / Measuring Instrument Skills Competition (Kyoto, Azuchi Plants participating) • Raised awareness by encouraging the wearing of badges	Ongoing Initiatives <ol style="list-style-type: none"> To develop additional initiatives intended to raise quality awareness 	

Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
Customers	Utilizing the Quality Dojo for recurrence prevention activities	<ol style="list-style-type: none"> To establish a quality culture To visualize quality data by posting it To implement quality training 	<ol style="list-style-type: none"> To display training materials using actual products alongside regular updates of bulletin boards Tightening torque training Measuring instrument skills competition / Defective Parts Exhibition To hold meetings of administrators every month. To rotate departments in charge of bulletin boards and consider publishing a web bulletin board 	★★★	<p>Shiga Plant:</p> <ol style="list-style-type: none"> Displayed defective products from the market and implemented activities to prevent the recurrence of similar defects. Updated twice. Torque tightening education not conducted. Measuring instrument skills competition and the Defective Parts Exhibition (November) Held meetings of administrators every month. Web posting not yet implemented Held Complete Vehicle Evaluation Meetings (April, June, September, October, December 2023, January, March 2024) Defective Parts Exhibition (November) Quality morning meetings held by the manufacturing departments (once every three months) Conducted wrap-ups for internal process audits <p>Kyoto Plant:</p> <ol style="list-style-type: none"> Displayed training materials using real products and posted materials regularly updated Held meetings of administrators every other month 	<p>Shiga Plant:</p> <ol style="list-style-type: none"> To continue 1 thru 6 To continue 1 and 4 (Additional to 4) Post web version of Quality Dojo news 	
	ML group-wide initiatives to achieve World-class Quality	To strengthen quality improvement activities as a united ML group	<ol style="list-style-type: none"> To quantify "World-class Quality" and establish Key Goal Indicators To commit to local targets with each production base and reflect them in the quality policy To follow up on bases by resuming in-person World-Wide Quality Meetings (WWQM) To raise the quality level by implementing process audits at overseas production bases 	★★★	<ol style="list-style-type: none"> The global KGI was set to achieve a PP100 of 8.0 by 2030 for defects per 100 vehicles. Local KGIs to achieve the global KGI were set and agreed upon at each base, and reflected in the ML quality policy. The WWQM was resumed twice a year, with GCT also participating as an observer Process audits (scoring) were conducted at all overseas production bases with the aim of improving process quality at the company level. 	<ol style="list-style-type: none"> To continue 1 and 2 To make GCT a regular member and add GCT claim expenses to consolidated claim expenses for overall management and follow-up To revise the audit system and scoring method to better differentiate scores, highlight focus areas, and raise the level of quality 	
Suppliers	Providing improvement guidance through supplier evaluations and identification of highly rated suppliers	<ol style="list-style-type: none"> To undertake supplier evaluations regarding delivery date, quality, and price To submit improvement requests and provide support for suppliers with low evaluations in terms of quality and delivery times To undertake factory audits of suppliers To build a strong supply chain by consolidating orders among suppliers that have passed factory audits and achieved high evaluations 	<ol style="list-style-type: none"> To regularly monitor the ratio of orders placed with core suppliers and accelerate initiatives for the integrated ERSIS and ALESIS models. To continue our efforts in sustainability and CSR procurement, and to conduct a survey of domestic suppliers in February 2024 and a web survey of overseas suppliers in March 2024. To continue monthly monitoring, identifying aggravating factors, and promoting improvement initiatives. As a countermeasure to challenges in 2024, to establish a relay transportation system and proceed with consolidation work while assessing the suitability of road freight carriers. 	★★★	<ol style="list-style-type: none"> We are monitoring the ratio of orders placed with core suppliers, and despite extremely difficult procurement conditions, including rising labor costs, raw materials, and energy costs, as well as the impact of disruptions to logistics, we have achieved the targets for the integrated models ERSIS (FY2022: 89.6% → FY2023: 99.3%) and ALESIS (FY2022: 94.8% → FY2023: 95.8%), and confirmed that order consolidation is steadily progressing. In addition, as a member of the MHI Group, as part of our sustainability and CSR procurement initiatives, we conducted a preliminary web survey of specific overseas suppliers in December 2023, and when they visited Japan, we conducted face-to-face interviews, and in February 2024, we conducted on-site surveys of specific domestic suppliers to confirm that they were taking positive initiatives. Continued monthly monitoring to identify factors that increase transportation costs and reduce them (non-consolidated transportation costs: 10.13 billion yen in fiscal 2022, 7.83 billion yen in fiscal 2023). For road freight carriers, we introduced 26-tonne semi-trailers for relay transport of completed vehicle bodies, achieving greater efficiency and cost reductions through mass transport, and consolidated two companies. 	<ol style="list-style-type: none"> To regularly monitor the ratio of orders placed with core suppliers and further promote initiatives for integrated models ERSIS and ALESIS. To establish initiatives for sustainability and CSR procurement, formulate a plan, and conduct on-site surveys throughout the year. To continue monthly monitoring to identify factors causing worsening conditions and promote improvement activities. In response to the 2024 logistics issue, we will establish a stable transportation network by consolidating the three relay points for completed vehicles in the Saitama area, which are currently located at manufacturing plants and by vehicle type, into one location. Additionally, we will increase the number of vehicles to be relayed, while considering the working hours of drivers. 	  
	Promotion of local procurement	<ol style="list-style-type: none"> To minimize shipping from Japan by promoting local production for local consumption To establish a global supply chain by promoting local procurement To explain our local procurement promotion approach to domestic suppliers in Japan 	<ol style="list-style-type: none"> To promote local procurement of global parts at plants in China To promote local procurement of global parts at plants in the U.S.A. 	★★★	<ol style="list-style-type: none"> The German-made mast rail and Japanese-made lift cylinder for global parts have already been locally sourced from a Chinese supplier. We were collaborating with a supplier to locally procure Chinese-made counterweights for global parts at a newly established factory in the US, but the plan to establish the factory was canceled. As a result, we revised the plan to transfer the work to a newly established factory in Mexico, operated by a different supplier. 	<ol style="list-style-type: none"> To promote local procurement of global parts and tires (Sri Lankan-made → Chinese-made) To promote local procurement of counterweights for global parts (made in China → made in Mexico) 	

Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
Suppliers	Holding supplier briefings	<ol style="list-style-type: none"> To hold supplier briefings for core suppliers To share information through business overview presentations by executives To strengthen the supply chain by requesting cooperation with our initiatives 	<p>First half: To distribute videos to the most important BP172 companies, as was done in fiscal 2022</p> <p>Second half: To continue distributing videos that have become established as a new form of information-sharing and that have been largely well received</p>	★★★	<p>First half: Distributed videos to the most important BP172 companies on April 21 with which we have signed a confidentiality agreement in advance. These videos covered the Mitsubishi Heavy Industries Group's sustainability and CSR procurement initiatives; called for stabilization of supply by strengthening supply chains, a critical issue; and called for optimization of backlogs and inventories through "One Logisnext."</p> <p>Second half: Distributed videos to the most important BP173 companies on October 20, 2023, as in the first half of the year.</p>	<p>First half: Starting from fiscal 2024, based on the Long-Term Business Vision 2035 and the medium-term business plan LT26, focus will be put on providing products and services that promote safety and security, automation and autonomy, and decarbonization. To distribute, in April, a video to the 175 most important BP companies.</p> <p>Second half: To continue video distribution, which has become established as a new way of sharing information and is also popular with suppliers.</p>	  
	Diversity	<ol style="list-style-type: none"> To secure personnel in an aging society with a declining birth rate by promoting the active participation of a diverse range of personnel To strengthen our ability to respond to diversifying market needs and varied risks 	<ol style="list-style-type: none"> To achieve a ratio of female employees (clerical and technical positions, new graduates) of 20% or more To implement lectures (seminars) to promote the active participation of women To achieve an employment rate of people with disabilities in fiscal 2023 of 2.3% or more 	<ol style="list-style-type: none"> ★★★ ★★★ ★ 	<ol style="list-style-type: none"> The female employment ratio (clerical and technical positions, new graduates) was secured at 23% Career management training was implemented The employment rate of people with disabilities was 2.21% 	<ol style="list-style-type: none"> To achieve the following diversity promotion targets <ul style="list-style-type: none"> Female employment ratio (clerical and technical positions, new graduates): 20% or more Female management ratio: 4.2% or more Male childcare leave acquisition ratio: 50% or more Employment ratio of people with disabilities: 2.5% or more To plan and implement diversity training <ul style="list-style-type: none"> To respect diversity and strengthen the work environment so that employees from various backgrounds can work together (Training themes: Basic concepts of diversity and inclusion, prevention of discrimination and harassment, gender diversity, dealing with people with disabilities, etc.) 	
Employees	Global human resource development	To foster personnel who can communicate both inside and outside Japan in a world of rapid progressing globalization	Depending on the COVID-19 pandemic situation, we will determine whether to dispatch participants to other countries or opt for online training	★★★	Dispatched 5 trainees to overseas offices (Americas and Europe)	To plan and implement global human resource development measures <ul style="list-style-type: none"> Continuation of overseas trainee program Global mindset training for all employees Expansion of pre-departure training for overseas postings 	   
	In-house training (rank-specific training)	<ol style="list-style-type: none"> To develop personnel trained to achieve the company's vision by assigning them to the roles expected of them by the company To raise the status of the entire company and improve motivation 	To provide training for newly appointed general managers	★★★	<p>Date of the event: October 4, 2023</p> <p>Participants: 10</p> <p>President's Townhall Meeting (Discussion topics: Initiatives in the next medium-term business plan, risk management and compliance, DX-driven corporate reform and advancement points)</p>	To plan and implement training programs that promote work satisfaction and spirit of challenge set out in LT26	
	Service workshop (in Japan)	<ol style="list-style-type: none"> To improve maintenance technology for service technicians To improve the user-response skills of service technicians To improve product knowledge To share information on defects 	To merge the large forklift reach stacker technical liaison meeting into the service support exchange meeting (held simultaneously beginning in the second half of 2022)	★★★	<ol style="list-style-type: none"> Service skills training: 10 classes with a total of 153 participants Forklift mechanic certification exam 123rd term completed (509 people for the written exam, 20 people for the practical exam) Service support exchange meeting: 2 meetings with 500 participants 	<ol style="list-style-type: none"> To improve maintenance technology for service technicians To improve product knowledge To share information on defects 	
	Service technician certification system outside Japan	<ol style="list-style-type: none"> To ensure service technicians acquire the technical knowledge and technical skills required for maintenance and fault diagnosis To confer qualifications on service technicians commensurate with the technical knowledge and skills they have acquired To visualize the skill level of individual service technicians To improve the motivation of service technicians by conferring appropriate qualifications 	To increase the number of participants in the certification system and the number of applicants for the exam (Target number of overseas regional participating distributors in the group: 6 companies)	★★★	<p>Number of participating distributors: 7</p> <p>42 people applied to take the written exam after distance learning, of which 35 passed. 32 people applied to take the practical exam from all 5 distributors that were subject to the practical exam, of which 28 passed. The pass rate was 88%, maintaining the same pass rate as previous years.</p>	To provide necessary transition support for distributor training to shift to a program that is more locally-oriented and that involves local sales offices	

Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
S Employees	Conducting stress checks	1. To raise awareness of stress and ways of dealing with it 2. To foster a safe and comfortable working environment 3. To improve the workplace environment by conducting group analysis	1. To reduce the rate of high-stress employees to the fiscal 2022 rate or lower 2. To improve the stress check examination rate 3. To reduce the overall health risks to the fiscal 2022 rate or lower	★★	1. High stress rate: 11.8% → 12.6% (0.8 points increase) 2. Examination rate: 98.3% → 99.9% (1.6 points improvement) 3. Overall health risk: 97 → 96 (1.0 points improvement)	1. To reduce the rate of people with high stress (fiscal 2023 or later) 2. To maintain the rate of people taking the test 3. To reduce the overall health risk (fiscal 2023 or later)	    
	Conducting health and safety patrols	To improve safety, hygiene, and the "5S" principle	1. To have the health and safety committee members conduct patrols 9 times a year according to a monthly theme 2. To have labor and management executives conduct "5S" patrols twice a year	★★★	Implemented. Feedback of results to the workplace	1. To have the health and safety committee members conduct patrols 9 times a year according to a monthly theme 2. To have labor and management executives conduct "5S" patrols twice a year	
	Providing mental health training	1. To encourage employees to become aware of their own state and learn appropriate response measures 2. To encourage managers to acquire knowledge and coping methods related to mental disorders 3. To improve the workplace based on results of group analysis	The following training will be held: 1. Executive briefing session on group analysis results 2. Self-care training 3. Workplace care manager training session 4. Workplace revitalization interviews 5. Line care training	★★★	1. Executive briefing session: Held September 11, 2023, with 15 participants 2. Self-care training: Held September 13, 2023, with 88 participants 3. Workplace care manager training: Held September 19, 2023, with 138 participants 4. Workplace revitalization interviews: Held September 20 to December 15, 2023, at 31 workplaces 5. Line-care training: Held December 12, 2023, with 62 participants	The following training will be held online: 1. Executive briefing session on group analysis results 2. Self-care training 3. Workplace care manager training session 4. Workplace revitalization interviews 5. Line-care training	
	Counseling rooms opened	To improve mental health care capabilities	To be implemented on an ongoing basis	★★★	Number of individuals who underwent counseling (total) Fiscal 2020: 225 Fiscal 2021: 263 Fiscal 2022: 229 Fiscal 2023: 216	To be implemented on an ongoing basis	
	Increasing the take-up rate of paid leave	To establish a comfortable workplace and promote a healthy work-life balance	To achieve a paid leave take-up rate of at least 70%	★★★	Achieved a paid leave take-up rate of 78.9%	To achieve a paid leave take-up rate of at least 75%	
	Implementing a childcare leave system / Reducing working hours for those providing childcare	1. To promote continuous work for employees providing childcare 2. To promote employee welfare	To achieve a take-up rate of at least 50% for childcare leave for male employees	★★★	Percentage of male employees who took childcare leave: 68%	To achieve a take-up rate of at least 50% for childcare leave for male employees	
	Implementing a nursing care leave system / Reducing working hours for those providing nursing care	1. To promote continuous work for employees providing nursing care 2. To promote employee welfare	To be implemented on an ongoing basis	★★★	Shortened working hours for nursing care: 1	To be implemented on an ongoing basis	
Community	Formulation and implementation of Action Plans for Work Satisfaction Reform	Formulation and implementation of a human resources strategy with three pillars: increased engagement, ensuring diversity, and creating a comfortable work environment to make the company a place where employees feel work satisfaction	Work motivation deviation value: 50 Number of active workplaces: 20	★	Work motivation deviation value: 48 Number of active workplaces: 15	To be implemented on an ongoing basis	
	Sponsorship of the Mitsubishi Heavy Industries Sagamihiro DynaBoars	1. To promote sports 2. To contribute to society by supporting the sound development of young people	To provide sponsorship as a Platinum Partner	★★★	Implemented	To provide sponsorship as a Platinum Partner	
	Sponsorship of the Kyoto Sanga F.C.	1. To pursue regional revitalization through sports 2. To contribute to society by supporting the sound development of young people	To continue our sponsorship by advertising at the home stadium in Kameoka, Kyoto prefecture	★★★	Implemented	To continue our sponsorship by advertising at the home stadium in Kameoka, Kyoto prefecture	
	Sponsorship of the Kyoto Philharmonic Chamber Orchestra	1. To pursue regional revitalization through music 2. To promote cultural and artistic initiatives	To support the orchestra as a corporate sponsor	★★★	Implemented	To support the orchestra as a corporate sponsor	
	Sponsorship of female professional golfer Ayaka Furue	To promote sports	Sponsorship information posted on billboards and in advertisements	★★★	Implemented	Sponsorship information posted on billboards and in advertisements	 

Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
S Community	Supporting the hospitality guesthouse of "A Dream a Day in Tokyo"	<ol style="list-style-type: none"> To donate to the project to support children with intractable diseases To invite children with intractable diseases and their families to travel To provide support for travel through volunteer activities 	To continue the support provided since fiscal 2020. We previously contributed as a Bronze Partner, but in order to support their social contribution initiatives to a greater extent, we will make a donation as a Gold Partner in fiscal 2023.	★★★	Implemented	To provide sponsorship as a Gold Partner	
	Sponsorship of the Super GT (Nissan Automobile Technical College)	To provide training for maintenance engineers by supporting student development projects at the Nissan Automobile Technical College	<ol style="list-style-type: none"> To participate as a race sponsor To exhibit at school festivals To participate in employment guidance 	★★★	<ol style="list-style-type: none"> Continued with race sponsorship Resumed participation in three school festivals and participated in exhibitions Continued to provide employment guidance Conducted a class on forklift mechanics 	<ol style="list-style-type: none"> To participate as a race sponsor To exhibit at school festivals To participate in employment guidance To conduct a course on forklift mechanics 	
	Offering workplace experience to elementary and junior high school students through our On-site Training Center	<ol style="list-style-type: none"> To support local school education To promote career training 	Although the Japanese government has reclassified COVID-19 as Class 5, cancellations continued in order to minimize the spread of the infection.	★★	Sugito Elementary School requested cancellation, so this was canceled.	To be implemented upon request	
	Offering workplace experience to elementary and junior high school students	<ol style="list-style-type: none"> To support local school education To promote career training 	<ol style="list-style-type: none"> To offer work experience to junior high school students To provide teaching materials about our business to elementary school students To provide online factory tours to elementary school students 	★★★	Implemented	<ol style="list-style-type: none"> To provide work experience to junior high school students To provide teaching materials about our business to elementary school students To provide job hunting support book to high school students 	 
	To provide factory tours to high school students	To provide information that helps high school students choose a career and improve their skills	<ol style="list-style-type: none"> Provided company tours to high school students Offered internships Provided workplace tours before employment Provided practical training at high schools for persons with disabilities 	★★★	Implemented	<ol style="list-style-type: none"> To provide company tours to high school students To offer internships To provide workplace tours before employment To provide practical training at high schools for persons with disabilities 	
	Governance reforms	<ol style="list-style-type: none"> To improve the effectiveness of the Board of Directors To reform the Board of Directors To promote diversity To enhance discussions on business strategies To provide information to external officers To strengthen supervisory functions 	<ol style="list-style-type: none"> To enhance discussions on business strategies To deepen understanding of the details of the agenda To respond to the increasing sophistication of internal controls and risk management To provide information and interaction with external officers To follow up on the status of succession planning 	★★★	Implemented	<ol style="list-style-type: none"> To enhance discussions on issues in business strategy To make efforts to enhance discussions To respond to the increasing sophistication of internal controls and risk management To provide information and interaction with external officers To follow up on the status of succession planning 	
G	Introduction of an electronic contract system	<ol style="list-style-type: none"> To digitize procedures for concluding various contracts that have been undertaken conventionally with paper media To reduce various expenses previously incurred to conclude contracts and to increase operational efficiency To strengthen compliance and security To support various new work styles, such as teleworking, and to improve employee motivation 	Ongoing initiatives To further promote the use of the Electronic Contract System by responding to inquiries from internal departments, providing explanations to suppliers, and using Robotic Process Automation (RPA) in combination	★★★	Implemented	Ongoing initiatives To continue promoting the use of the Electronic Contract System by responding to inquiries from internal departments, providing explanations to suppliers, and using RPA in combination	
	Convening meetings of the Risk Management Committee	<ol style="list-style-type: none"> To ensure the permanent development of our business operations by establishing a risk management system and continuously implementing risk management activities To minimize risk by identifying serious risks To minimize risk, recover quickly, and prevent any recurrence To avoid harming the interests of customers, society, shareholders, officers, and employees To improve the risk awareness and risk management capabilities of officers and employees to respond to societal needs 	<ol style="list-style-type: none"> To provide practical exercises for the purpose of confirming the effectiveness of the business continuity plan forms prepared by each department To engage management in conducting tabletop exercises for events that require management decisions when the business continuity plan is invoked To ensure each of our nine direct sales companies in Japan establishes a business continuity guideline in alignment with the company's business continuity plan with the aim of improving the business continuity capabilities of these sales companies in the event of a disaster To prepare forms for the purpose of minimizing the impact of business suspension by the company in the event of a disaster 	★★★	<ol style="list-style-type: none"> Conducted on-site BCP training at factories Conducted BCP desk-top training for management Developed BCP-related regulations at domestic affiliates Created an enhancement plan to minimize business stoppages in the event of a disaster based on issues identified through training 	<ol style="list-style-type: none"> To improve risk management To review BCP-related documents As the continuity of the supply chain is the most important issue in BCP, to conduct a survey of the status of BCP development at major suppliers To conduct exercises and training, including for domestic affiliates 	

Category	Activity	Objective	Fiscal 2023 Initiatives	Achievement Rating ★★★	Fiscal 2023 Results	Fiscal 2024 Initiatives	Corresponding SDGs
G	Establishment of an Internal Reporting Helpline	To ensure prompt discovery of compliance violations	Ongoing Initiatives 1. To accept reports and consultations regarding acts that violate laws, regulations, and corporate ethics 2. To accept reports from external stakeholders 3. To accommodate the revised Whistleblower Protection Act	★★★	Implemented	Ongoing Initiatives 1. To accept reports and consultations regarding acts that violate laws, regulations, and corporate ethics 2. To accept reports from external stakeholders 3. To accommodate the revised Whistleblower Protection Act	
	Inquiry and reporting procedures regarding contact with competitors and government procurement agencies	To comply with the Anti-Monopoly Law and Competition Laws	Ongoing Initiatives To have the company and Group companies compile a monthly report on the content of and number of contacts with competitors and government procurement agencies and submit it to the department in charge	★★★	Implemented	Ongoing Initiatives To have the company and Group companies compile a monthly report on the content of and number of contacts with competitors and government procurement agencies and submit it to the department in charge	
	Compliance check related to order optimization	To ensure appropriate order acceptance	Ongoing Initiatives To have the company and Group companies compile a monthly report on the content of and number of compliance checks conducted and submit it to the department in charge	★★★	Implemented	Ongoing Initiatives To have the company and Group companies compile a monthly report on the content of and number of compliance checks conducted and submit it to the department in charge	
	Anti-fraud procedures	To prevent bribery and fraudulent conduct	Ongoing Initiatives To undertake examinations and various other procedures each time a targeted gift is proffered and submit it to the head of the department in charge for approval	★★★	Implemented	Ongoing Initiatives To undertake examinations and various other procedures each time a targeted gift is proffered and submit it to the head of the department in charge for approval	
	Compliance training	To increase awareness of compliance	1. Training for new employees: To be provided once a year for 39 employees of the company and 26 employees of Group companies in Japan 2. Training for those promoted to managerial positions (section manager): To be provided once a year for 24 employees of the company 3. Training through e-learning: To provide follow-up to ensure that 100% of employees, including those of Group companies, take part in training, and to actively encourage employees to take the voluntary training	★★★	Implemented * Provided training for newly appointed general managers * Provided training for all employees, including employees of group companies • Global Code of Conduct • The Subcontract Act • Discussion-style training * Other various training for practitioners Antitrust law, anti-bribery, competition law, export controls, construction law	* Provided training for newly appointed general managers * Provided training for all employees, including employees of group companies (to provide follow-up to ensure that 100% of employees take part in training) • Global Code of Conduct • The Subcontract Act • Human rights due diligence • Discussion-style training * Other training for practitioners (Actively promote participation in training by Group employees)	
	Information system security training	To raise awareness of information system security	In addition to continuing the initiatives from fiscal 2023, to review our security education program to prepare for the increasing sophistication and diversification of cyber attacks	★★★	Incorporating recent examples of accidents and sophisticated methods, we improved the content of information security education and targeted email attack training through e-learning. Number of people completing information security education: Regions: Number of people who took the course / Number of people eligible to take the course ----- Americas: 2,676/2,891 (approx. 93%) Europe: 897/1,402 (approx. 64%) Japan-China-Asia: 6,040/6,040 (100%) Total: 9,613/10,333 (approx. 93%) Results of targeted email attack training: Click rate 3.9% (2nd half of fiscal 2023)	Security training attendance rate of 95% or more (twice a year) Targeted email training click rate of 3.5% or less	
	Conducting vulnerability assessments	To institute countermeasures for vulnerabilities	In addition to continuing the efforts of fiscal 2023, to increase the frequency of diagnostic vulnerability assessments for devices other than VPNs from an annual basis	★★★	The rules were reviewed by October 2023 and were implemented by March 2024, including overseas companies. Web diagnosis: 77 cases, platform diagnosis: 202 cases * What is platform diagnosis? It is a security vulnerability check for the entire information system, including the OS, applications, and network.	June: To follow-up on the results of vulnerability assessments conducted by each company October: To start of monthly reporting format	
	Strengthening the Information Security Risk Monitoring System	To focus on early detection of unauthorized intrusions and minimization of damage, as it is becoming difficult to prevent 100% of the damage caused by cyberattacks due to their increasing sophistication and diversity	To establish a system for early detection of unauthorized intrusions caused by increasingly sophisticated and diverse cyberattacks and to minimize their damage	★★★	A Security Operation Center (SOC) was introduced to continuously monitor abnormal behavior and establish a system for immediate response, and it has already been implemented in Japan.	June: To implement Microsoft Defender for Endpoint, a system to block ransomware September: To implement firewall monitoring March: To consider and implement improvements to other functions	

Chapter 5

Corporate Data

The Eletruck is an electric powered in-premises transfer vehicle used in wholesale markets throughout Japan. A newly developed motor is used to achieve excellent hill climbing speed even under conditions of high cargo weight. By simply operating a mode switch, the operator can select between a power mode for high-speed hill climbing and a normal mode for reduced battery consumption. For improved safety, a regenerative brake is provided as standard equipment for smooth deceleration on hills.



		FY2019	FY2020	FY2021	FY2022	FY2023
Financial data	Net sales (millions of yen)	448,918	391,496	465,406	615,421	701,770
	Operating profit (before amortization of goodwill) (millions of yen)	18,182	10,990	13,013	24,995	52,876
	Operating profit (millions of yen)	8,288	1,594	3,592	14,709	42,603
	Ordinary profit (millions of yen)	6,896	2,014	3,240	11,646	37,479
	Profit attributable to owners of parent (millions of yen)	(5,392)	(2,683)	717	6,913	27,520
	R&D expenses (millions of yen)	5,292	4,362	4,649	5,040	6,523
	Capital expenditure (millions of yen)*	27,084	18,128	26,710	45,698	54,168
	Depreciation and amortization (millions of yen)	23,367	23,522	23,956	25,844	29,549
Cash flows	Cash flows from operating activities (millions of yen)	42,004	33,480	20,621	28,743	64,563
	Cash flows from investing activities (millions of yen)	(48,953)	(22,475)	(19,243)	(40,233)	(56,828)
	Cash flows from financing activities (millions of yen)	(6,949)	11,005	1,378	(11,490)	7,735
	Cash and cash equivalents at end of year (millions of yen)	9,600	(11,931)	(4,601)	11,729	(1,978)
Financial position	Total assets (millions of yen)	373,492	363,357	405,601	475,432	531,495
	Net assets (millions of yen)	57,178	55,394	63,737	76,027	117,333
	Interest-bearing debt (millions of yen)	183,627	182,695	188,182	229,665	240,971
Per share amounts	Earnings per share (yen)	(50.63)	(25.19)	6.73	64.82	258.06
	Net assets per share (yen)	513.77	514.70	592.02	707.19	1,094.53
	Dividend per share (yen)	13	8	8	9	20
Key performance indicators	Operating profit margin (before amortization of goodwill) (%)	4.1	2.8	2.8	4.1	7.5
	Operating profit margin (%)	1.8	0.4	0.8	2.4	6.1
	ROA (return on assets) (%)	(1.5)	(0.7)	0.2	1.6	5.5
	ROE (return on equity) (%)	(8.9)	(4.9)	1.2	10.0	28.6
	Current ratio (%)	125.5	129.4	131.5	126.8	136.3
	Capital adequacy ratio (%)	14.7	15.1	15.6	15.9	22.0
	DOE (dividend on equity ratio) (%)	2.3	1.6	1.4	1.4	2.2
	D/E ratio (times)	3.4	3.3	3.0	3.0	2.1

* Includes forklifts for leases and rental business. It also includes intangible assets.

Nippon Yusoki Co., Ltd.

Established a Strong Foothold in the Japanese Market

As the pioneers of Japan's first electric forklift, this company established their business primarily in Japan and across Asia, focusing on small to medium-sized electric forklifts and logistics systems. They also led the industry in developing eco-friendly storage and transportation technologies, consistently striving to contribute to environmental improvements.



Forklift Division, Mitsubishi Heavy Industries, Ltd.

Expanded with a Focus on the North American and European Markets

This division excelled in producing internal combustion forklifts of all sizes and were involved in the production and sales of vehicles under both the Mitsubishi and Caterpillar brands, focusing their business primarily on overseas markets such as North America and Europe. They responded to a wide range of customer needs with their advanced technological capabilities, including the independent development of key components like diesel engines and transmissions.



1937

Established Nippon Yusoki Co., Ltd.

1970

Mitsubishi Heavy Industries, Ltd. began forklift production

2013

Established Mitsubishi Nichiyu Forklift Co., Ltd.

1940

1950

1960

1970

1980

1990

2000

2010

1949

Established Toyo Carriers Manufacturing Co., Ltd.

1957

Nissan Motor Co., Ltd. began forklift production

1999

Changed its name to TCM Corporation

2010

Spun off from Nissan Motor Co., Ltd. as a separate firm

2013

UniCarriers Corporation began operation

In 2011, the Innovation Network Corporation of Japan (INCJ) established UniCarriers Corporation; in 2012, TCM and Nissan Forklift joined UniCarriers Group, each becoming a 100% subsidiary of UniCarriers Corporation. In 2013, TCM and Nissan Forklift were integrated as UniCarriers Corporation.

TCM Corporation

Advantages in Large Vehicles for Handling Specialized Cargoes

A trailblazer in the industry, this company introduced Japan's first internal combustion forklift in 1949, establishing foundational mechanisms and equipment that remain widely utilized in forklifts today. Beyond internal combustion forklifts—particularly large models with load capacities exceeding 10 tonnes—their expertise extended to bucket-type vehicles, including shovel loaders and skid steer loaders, as well as specialized transport vehicles designed for use in ports, steel mills, shipyards, and other industrial settings.



Nissan Forklift Co., Ltd.

Strengths in Product Development Leveraging Automotive Technology and In-House Engine Innovation

Founded in 1957 as the Industrial Machinery Division of Nissan Motor Co., Ltd., the company was spun off as Nissan Forklift in 2010. They excelled in technological development, leveraging automotive technology not only for vehicle manufacturing but also for the external sales of engine units. Even after rebranding as UniCarriers and later Mitsubishi Logisnext, the company continues to produce and sell products through its group company, GCT (Global Component Technologies Corporation).





2017
Established
Mitsubishi Logisnext
Co., Ltd.

October 1, 2017 Established Mitsubishi Logisnext Co., Ltd.

April 2018 Mitsubishi Logisnext Europe B.V. and Mitsubishi Logisnext Americas Inc. established as regional headquarters for Europe and the Americas

November 2018 Sales begin for the RACKFORK Auto, a laser-guided automated vehicles

April 2019 Nichiyu Forklift (Thailand) Co., Ltd. changed trade name to Logisnext Manufacturing (Thailand) Co., Ltd.

July 2019 Mitsubishi Logisnext Americas Inc. (a U.S. group company) acquires all shares of Pon Material Handling, NA, Inc. (now Equipment Depot, Inc.) and makes it a subsidiary

November 2019 Logistics Test Center, a facility for testing advanced and newly developed technologies on full-scale equipment, set up in the Takasago District of the Mitsubishi Heavy Industries, Ltd. Research and Innovation Center

Transfer of the winding machine business to The Japan Steel Works, Ltd.

Sales begin for the ALESIS electric forklift

April 2020 Trade names of European group companies Rocla Oy, UniCarriers Europe A.B., and UniCarriers Manufacturing SPAIN S.A. changed to Mitsubishi Logisnext Europe Oy, Mitsubishi Logisnext Europe A.B., and Mitsubishi Logisnext Europe S.A., respectively

The Technology Development Center, a key base for technological development, begins operations at the Shiga Plant

October 2020 Reorganization of 11 domestic direct sales companies into 9 companies

Domestic group company UniCarriers Handling Systems Corporation changes trade name to Logisnext Handling System Corporation

Electric forklift ALESIS wins the Good Design Award for 2020

April 2021 Sales begin of the EDIA XL medium-sized counterbalanced electric forklift truck in the European market

Trade names of the U.S. group companies Mitsubishi Caterpillar Forklift America Inc. and UniCarriers Americas Corporation changed to Mitsubishi Logisnext Americas (Houston) Inc. and Mitsubishi Logisnext Americas (Marengo) Inc., respectively

June 2021 Joint development of Japan's first refrigerated warehouse-type laser-guided unmanned forklift

August 2021 Sales begin of the PLATTER Auto H type, a laser-guided unmanned forklift

March 2022 AGV Demonstration Center established at Mitsubishi Logisnext Europe Oy (Finland)

Sales begin for the ERSIS internal combustion forklift

June 2022 US group company Equipment Depot, Inc. acquires all shares of material handling equipment sales agent Norlift of Oregon, Inc. (now Equipment Depot Northwest, Inc.) and turns it into a subsidiary

AI-driven and automated picking solutions demonstration tests begin for warehouse logistics using the Mitsubishi Heavy Industries Group's ΣSynX

Sales begin of Japan's first laser-guided unmanned forklift for use in -25°C freezer warehouses

January 2023 AGV Demonstration Center opens at Mitsubishi Logisnext Americas (Marengo) Inc. (USA)

April 2023 Organizational structure in the North American market is reorganized. The trade name of the US regional headquarters company Mitsubishi Logisnext Americas Inc. is changed to Mitsubishi Logisnext Americas Group Inc. The two existing companies under its umbrella are merged to establish Mitsubishi Logisnext Americas Inc.

Collaboration begins with Rapyuta Robotics Co., Ltd. in the domestic automatic forklift business

September 2023 New unmanned forklift equipped with ΣSynX unveiled at the International Logistics Exhibition 2023, 3rd INNOVATION EXPO

Rocrich AGV Solutions, a joint venture between Mitsubishi Logisnext Americas, Inc. and Jungheinrich AG of Germany, is established
Strengthens automated guided vehicle (AGV) business in the North American market

Company Name Mitsubishi Logisnext Co., Ltd.
Head Office 1-1, 2-Chome, Higashikotari, Nagaokakyo-shi, Kyoto 617-8585 JAPAN
Establishment August 1937
Representative Yuichi Mano, President
Capital 4,949 million yen (as of March 31, 2024) (Standard Market, Tokyo Stock Exchange)
Net Sales 701,770 million yen (fiscal 2023)
Employees 12,043 (as of March 31, 2024)

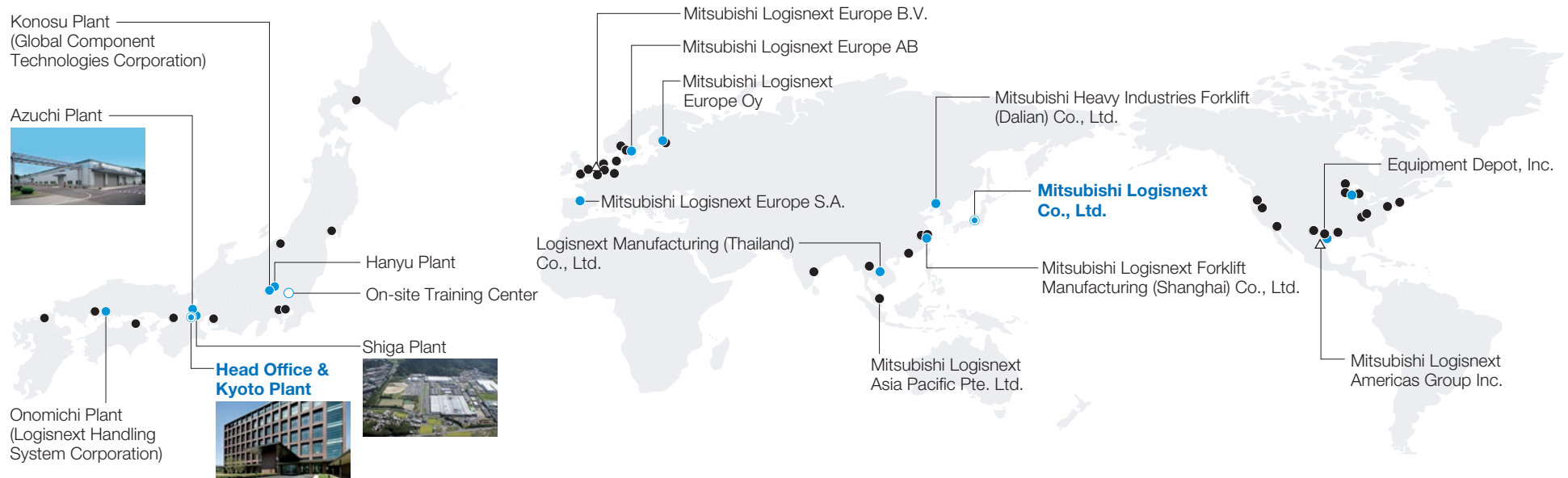
Scope of Business Development, design, manufacture and sale of logistics system products such as electric forklifts, internal combustion forklifts, container carriers, transfer cranes, transport robots, automated warehouses, and warehouse management systems (WMS)
Locations Head Office and Kyoto Plant, Shiga Plant, Azuchi Plant, Tokyo Office, On-site Training Center, Hanyu Plant
 Sales & Service: approximately 400 Service Depots nationwide
 International locations: U.S.A., Netherlands, Finland, Sweden, Spain, China, Thailand, and Singapore

Directors and Audit and Supervisory Board Members

Takashi Mikogami	Representative Director and Chairman
Yuichi Mano	Representative Director and President
Takatoshi Uno	Director
Masayuki Suematsu	Director
	Executive Vice President and CSO, Head of Business Strategy Office and Senior General Manager of Corporate Planning Department, Mitsubishi Heavy Industries, Ltd.
Osamu Ando	External Director
	President, Shimadzu Access Corporation
Kyoko Kobayashi	External Director
	Partner, Irokawa Legal Professional Corporation, Attorney External Audit and Supervisory Board Member, KAWAKAMI PAINT MANUFACTURING CO., LTD. External Director, PILLAR Corporation
Fumio Kobayashi	External Director
	Adviser, Japan Material Flow Institute
Shinji Ichihara	Audit and Supervisory Board Member
Katsutoshi Yuasa	Audit and Supervisory Board Member
Kazuhiro Fukuoka	External Audit and Supervisory Board Member
	Director, General Manager, Human Resources Division, GS Yuasa International Ltd.
Hideki Sugiura	External Audit and Supervisory Board Member
	Audit and Supervisory Board Member, Dai Nippon Toryo Co., Ltd.

Networks (as of September 30, 2024)

● Production bases ● Major sales bases ▲ Regional HQ



Logisnext

Logistical Equipment & System Solutions Next

Editorial Policy

The purpose of this report is to create opportunities for dialogue by communicating the Group's sustainable growth initiatives to a wide range of stakeholders.

Reporting Period

This report spans the period from April 1, 2023 to March 31, 2024.

* Some initiatives undertaken before and after this period are also reported.

Organizational Scope

This report covers Mitsubishi Logisnext Co., Ltd., but some articles make reference to other group companies.

Reference Guidelines

This publication adheres to the Integrated Reporting Framework of the Value Reporting Foundation.

Cautionary Note on Future Prospects

The plans, strategies, earnings forecasts, and other forward-looking statements described in this report are based on currently available information and involve risks and uncertainties. Note that actual results may differ significantly from the company's forecasts due to changes in economic conditions, market trends, and other factors.