

**Logisnext**

**FY2023 Q1**  
**Financial Results**  
(April 1 to June 30, 2023)

Aug. 10, 2023

**MITSUBISHI LOGISNEXT**

## Economic Market Trends

- The global economy has seen inflation persist despite the continuing monetary tightening by central banks in various countries to control inflation and, with Russia's prolonged aggression in Ukraine showing no end in sight, its growth is slowing. Although the increase in transport costs has subsided, inflation is driving not only higher labor costs but also higher costs in a wide range of areas including fuel and components costs, which is having a growing impact.
- The domestic market for material handling equipment remained firm at pre-COVID-19 levels. Overseas demand in the Americas has continued to exceed pre-COVID-19 levels, as it did in the previous fiscal year, due to stable logistics needs despite economic slowdowns. Europe's economy has stagnated, in part due to the impacts of inflation. Although demand is trending downward, it is remaining at pre-COVID-19 levels. Asia has weakened slightly because of inflation and increasing interest rates. China is showing signs of recovery due to the lifting of the zero-COVID policy but behind market expectations.
- At Mitsubishi Logisnext, the problem of longer lead times due to delays in the supply of various components is gradually abating but high costs persist. The Group as a whole secured sufficient orders and worked on achieving production improvements by eliminating components shortages in Japan and overseas, accelerating shipments.

## Summary of FY2023 Q1 Results

- Net sales increased by 22.8% YoY due to an increase in units sold mainly in Japan and the Americas, as well as the effects of price optimization.
- Operating profit before amortization of goodwill increased 1,077.3% YoY despite inflationary cost increases because net sales increased contribute to the acceleration of shipments and the effects of price optimization.

## 2. Financial Highlights

Unit: Hundred million JPY

Profit and Loss Statement	FY2022 Q1		FY2023 Q1		YoY Change	
Net Sales	1,352.9		1,661.2		+308.3	+22.8%
Operating Profit (Before amortization of goodwill) (Operating profit margin)	10.8 (0.8%)		128.2 (7.7%)		+117.4	+1,077.3%
Amortization of Goodwill	26.8		25.0		—	—
Operating Profit (Operating profit margin)	-15.9 —		103.2 (6.2%)		+119.2	—
Ordinary Profit (Ordinary profit margin)	-14.7 —		96.2 (5.8%)		+111.0	—
Profit Attributable to Owners of Parent (Net income margin)	-15.3 —		66.0 (4.0%)		+81.4	—

FY2022 Q1 actual FX rates: USD=JPY129.57 EUR=JPY138.12 CNY=JPY19.58

FY2022 Q4 actual FX rates: USD=JPY135.47 EUR=JPY140.97 CNY=JPY19.75

FY2023 Q1 actual FX rates: USD=JPY137.37 EUR=JPY149.47 CNY=JPY19.56

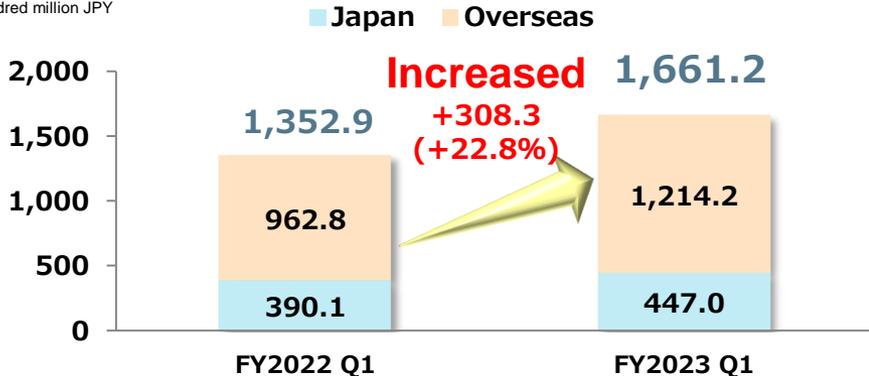
Balance Sheet	FY2022 Q4		FY2023 Q1		YoY Change	
Total Assets	4,754.3		5,087.6		+333.3	+7.0%
Total Liabilities	3,994.0		4,188.9		+194.8	+4.9%
Net Assets	760.2		898.7		+138.4	+18.2%

# 3. Business Results by Segment

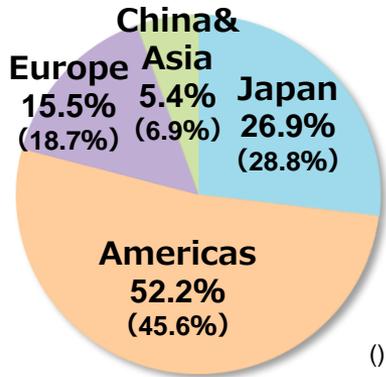
Net sales increased by 22.8% YoY, due to an increase in units sold in Japan and the Americas, the contribution of the effects of price optimization and the tailwind from the impact of yen depreciation.

Net Sales

Unit:  
Hundred million JPY



FY2023 Q1 Sales by Region

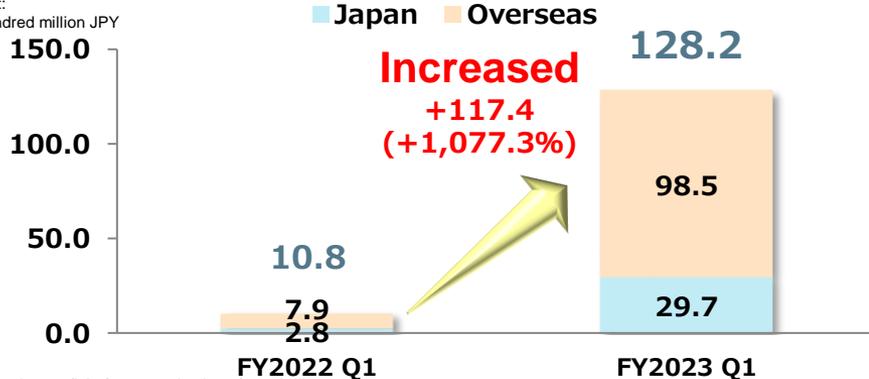


() = previous year

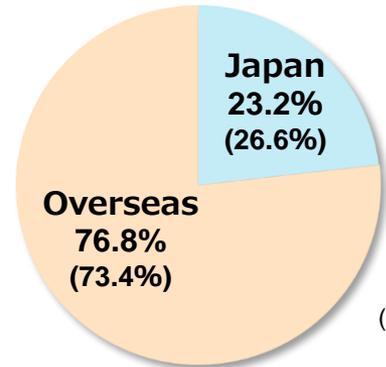
Operating Profit\*

Operating profit increased by 1,077.3% YoY. In Japan, export business contributed due to the impact of yen depreciation despite higher costs, while overseas businesses contributed significantly due to the increase in units sold in the Americas, the effects of price optimization, and the yen depreciation.

Unit:  
Hundred million JPY



FY2023 Q1 Operating Profit by Segment



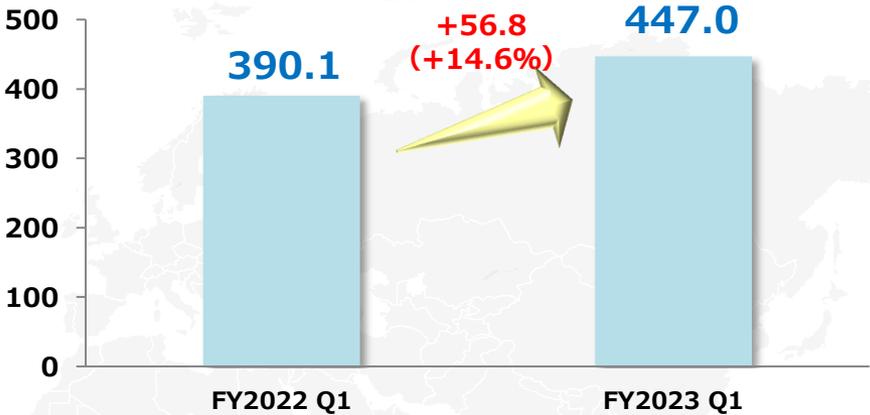
() = previous year

\* Operating profit before amortization of goodwill

# 4. Net Sales by Region (including FX impacts)

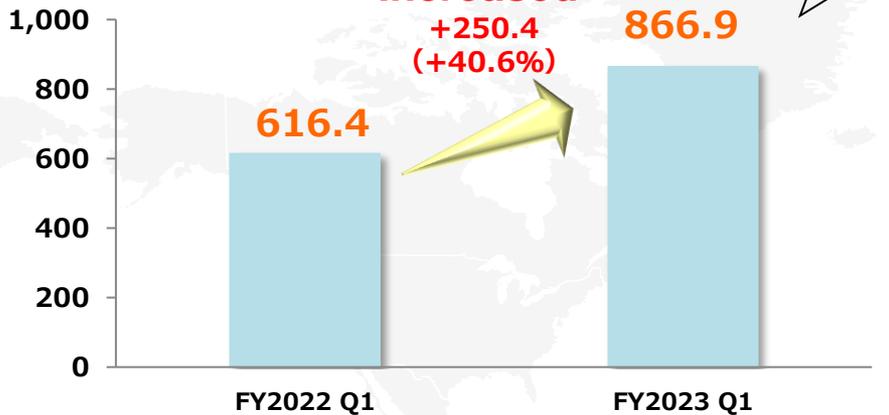
## Japan

(Unit: Hundred million JPY)



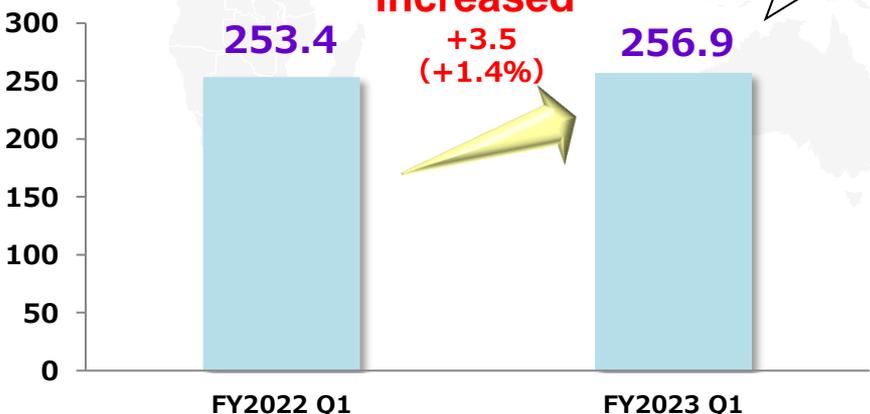
## Americas

(Unit: Hundred million JPY)



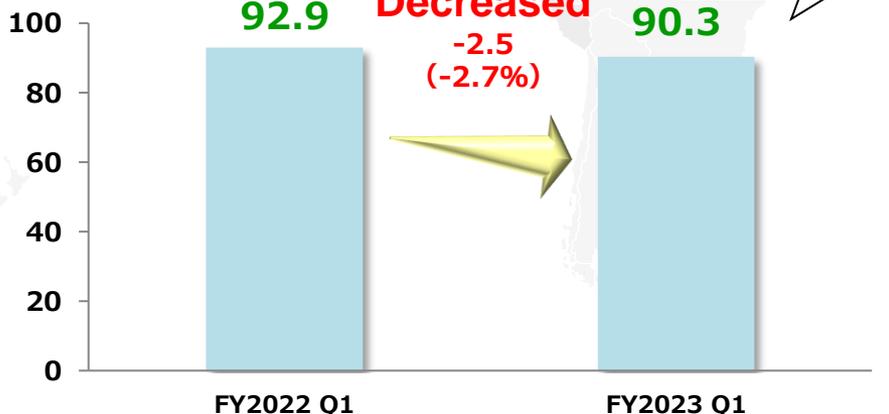
## Europe

(Unit: Hundred million JPY)



## China & Asia

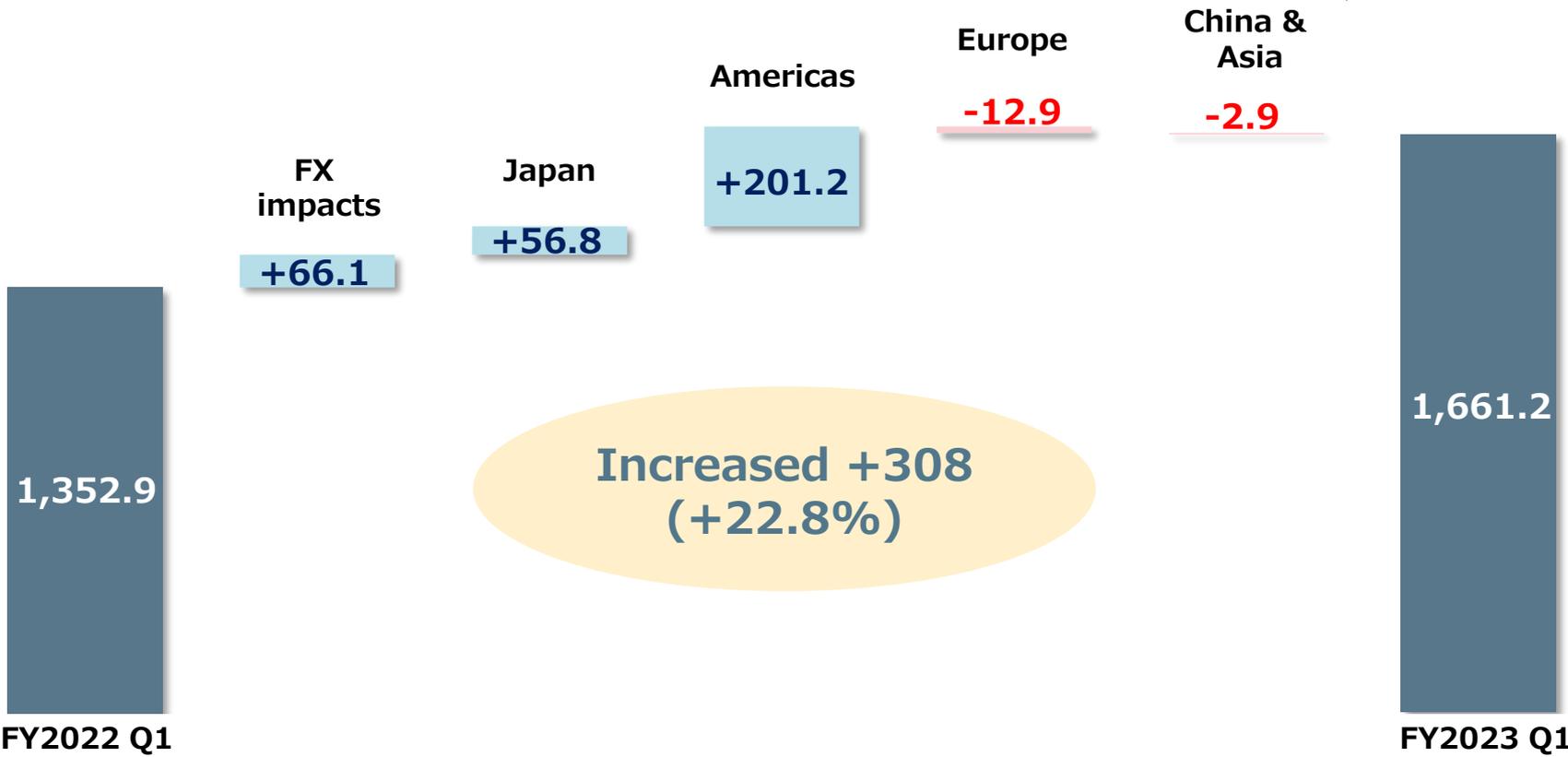
(Unit: Hundred million JPY)



# 5. Net Sales – FY2022 Q1 vs FY2023 Q1 Logisnext

- Japan: Net sales increased as components shortages have been abating, and the effects of price optimization are also starting to contribute.
- Overseas: Net sales increased due to an increase in units sold in the Americas, continued strong performance of EQD\*, the effect of price optimization, and the impact of yen depreciation. Sales in Europe and Asia decreased excluding FX impacts.

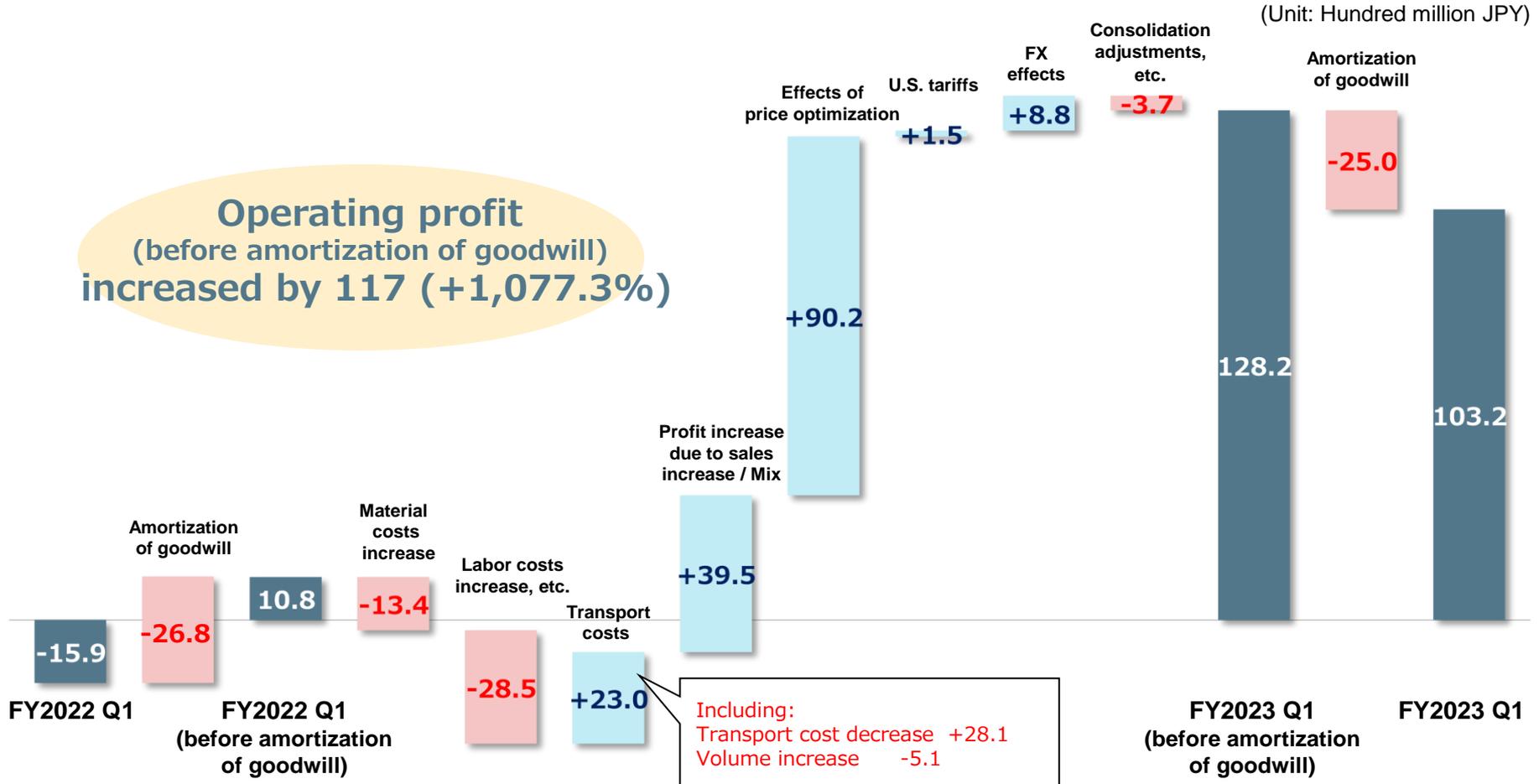
(Unit: Hundred million JPY)



\* Equipment Depot, Inc.

# 6. Operating Profit – FY2022 Q1 vs FY2023 Q1 Logisnext

- Material cost increases have passed the peak in the Americas, but continue to increase in Japan. Labor costs also remain high due to inflation.
- Operating profit before amortization of goodwill increased 1,077.3% YoY due to higher sales, the effects of price optimization, and reduction of transport costs.

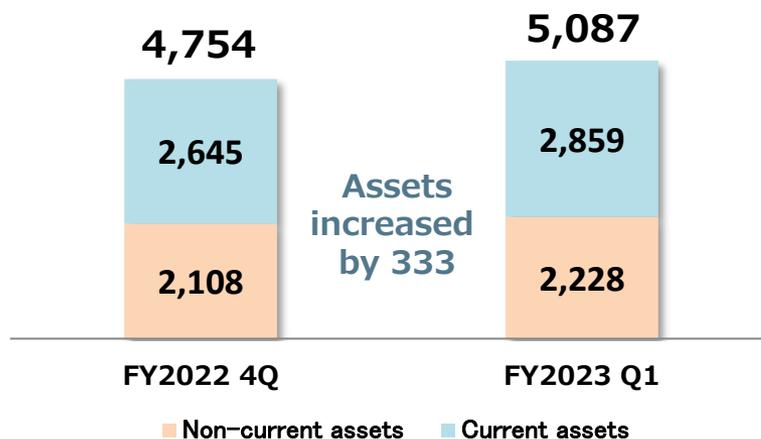


# 7. Consolidated Balance Sheet

- Net assets increased due to an increase in retained earnings and in foreign currency translation adjustment. The capital adequacy ratio improved from 15.9 to 17.6%.

(Unit: Hundred million JPY)

## Assets



Item	FY2022 Q4	FY2023 Q1	Change
<b>Current assets</b>	<b>2,645</b>	<b>2,859</b>	<b>+214</b>
Property, plant and equipment	1,489	1,592	+103
Intangible assets	411	408	-3
Investments and other assets	208	226	+18
<b>Total non-current assets</b>	<b>2,108</b>	<b>2,228</b>	<b>+119</b>
<b>Total assets</b>	<b>4,754</b>	<b>5,087</b>	<b>+333</b>

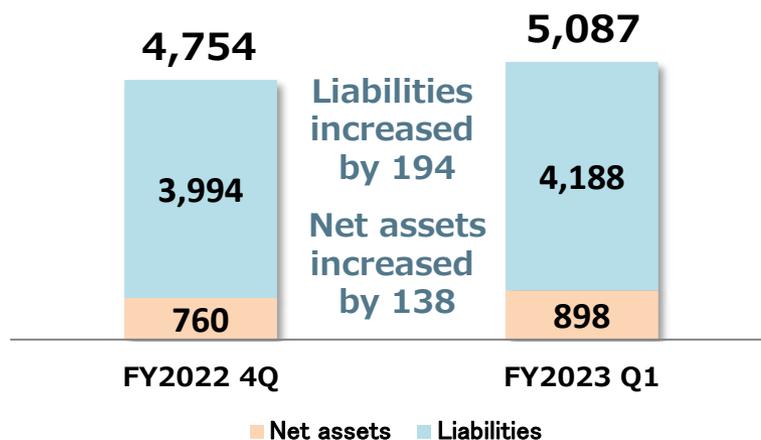
### Current assets: Increased

Increased due to exchange rate conversion effects and inventories, etc.

### Non-current assets: Increased

Increased due to exchange rate conversion effects and lease assets, etc.

## Liabilities/ Net Assets



Item	FY2022 Q4	FY2023 Q1	Change
<b>Current liabilities</b>	<b>2,087</b>	<b>2,131</b>	<b>+44</b>
<b>Non-current liabilities</b>	<b>1,906</b>	<b>2,057</b>	<b>+150</b>
<b>Total liabilities</b>	<b>3,994</b>	<b>4,188</b>	<b>+194</b>
<b>Total net assets</b>	<b>760</b>	<b>898</b>	<b>+138</b>
<b>Total liabilities and net assets</b>	<b>4,754</b>	<b>5,087</b>	<b>+333</b>

### Liabilities: increased

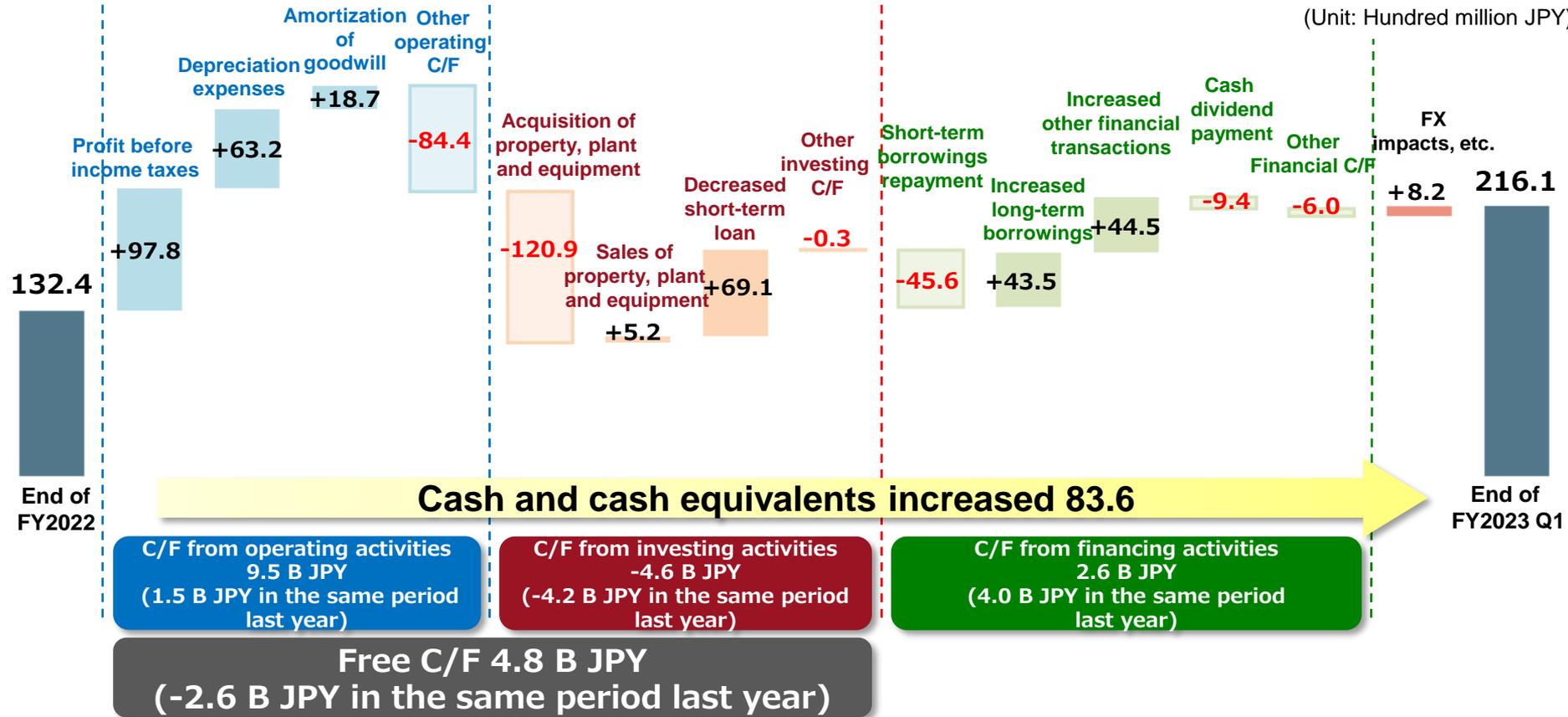
Increased due to exchange rate conversion effects and Long-term borrowings, etc.

### Net assets: Increased

Increased due to an increase in retained earnings and in foreign currency translation adjustment

# 8. Cash Flow

- C/F from operating activities increased 7.9 B JPY YoY due to an increase in profit before income taxes despite rise in working capital such as inventories.
- C/F from investing activities remained slightly -0.4 B JPY YoY due to the acquisition of a subsidiary in the Americas in the same period of the last year, despite a decrease in collection of short-term loan receivables and an increase in CAPEX.
- Free C/F increased 7.5 B JPY YoY due to improved C/F from operating activities.



# Reference: Key Performance Indicators

	Indicator	Formula	FY2022 Q4		FY2023 Q1*1		Comments
				Before amortization of goodwill *2		Before amortization of goodwill *2	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	1.6%	3.3%	5.4%	6.4%	Each indicator improved as a result of a recovery in performance due to a significant increase in sales, the effects of price optimization, and the impact of JPY depreciation.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	10.0%	12.6%	32.1%	23.8%	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	2.4%	4.1%	6.2%	7.7%	
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	1.1%	2.7%	4.0%	5.4%	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.4 times		1.4 times		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	6.8 times		6.9 times		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	4.7 times		4.2 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	15.9%		17.6%		
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.0 times		2.7 times		
Shares	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	64.82 JPY	155.12 JPY	247.84 JPY	609.04 JPY	Stock prices: End of FY2022: 941 JPY End of FY2023 Q1: 1,330 JPY
	Price earnings ratio (PER)	$\frac{\text{Stock price}}{\text{Earnings per share}}$	14.5 times	6.1 times	5.4 times	2.2 times	
	Price book value ratio (PBR)	$\frac{\text{Stock price}}{\text{Book value per share}}$	1.3 times		1.6 times		

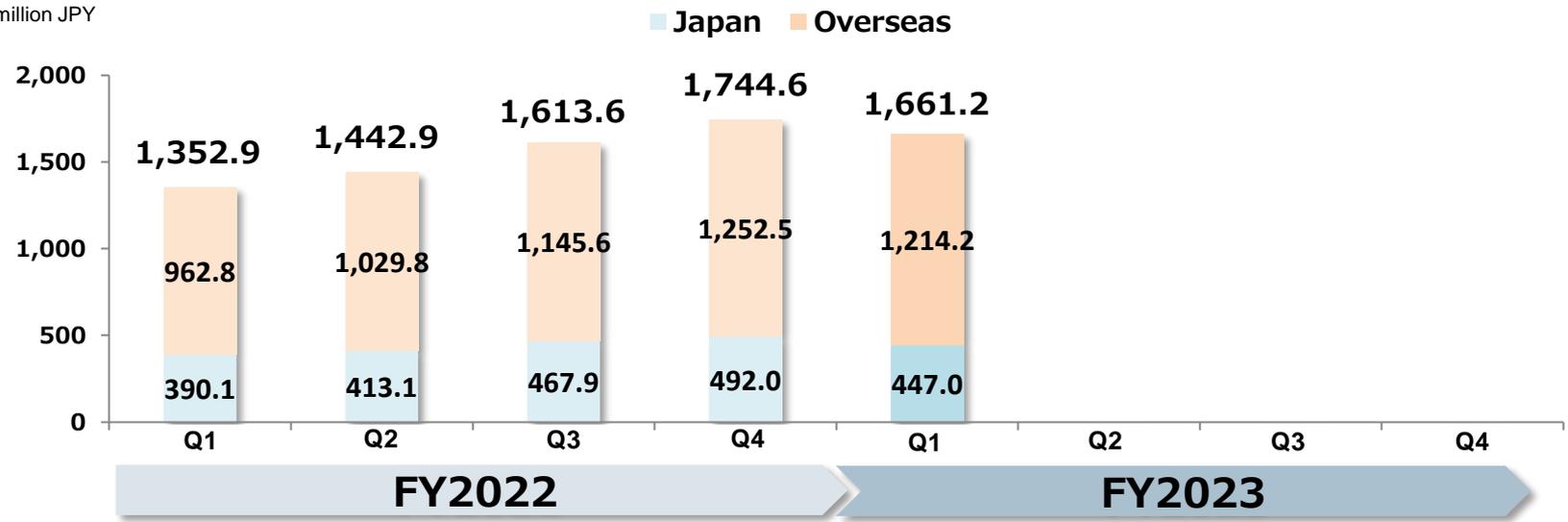
\*1 P/L items are calculated on an annualized basis

\*2 For reference purposes

# Reference: Quarterly Financial Results (By Segment) **Logisnext**

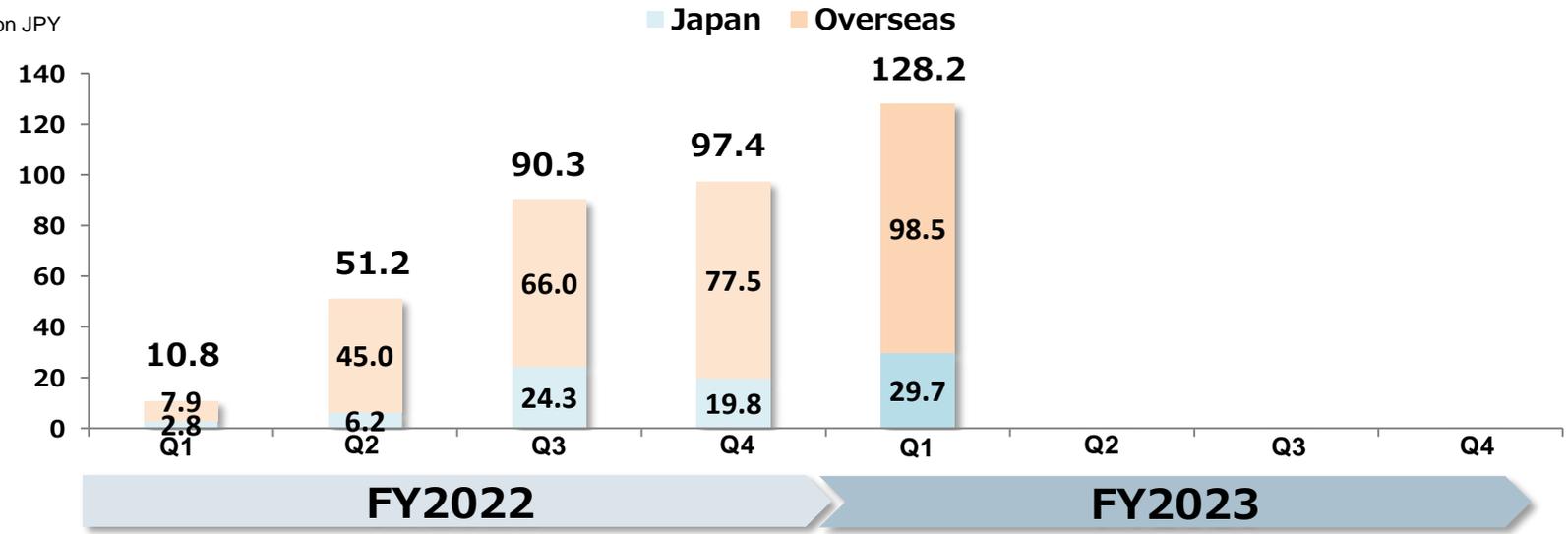
Unit: Hundred million JPY

**Net Sales**



Unit: Hundred million JPY

**Operating Profit\***

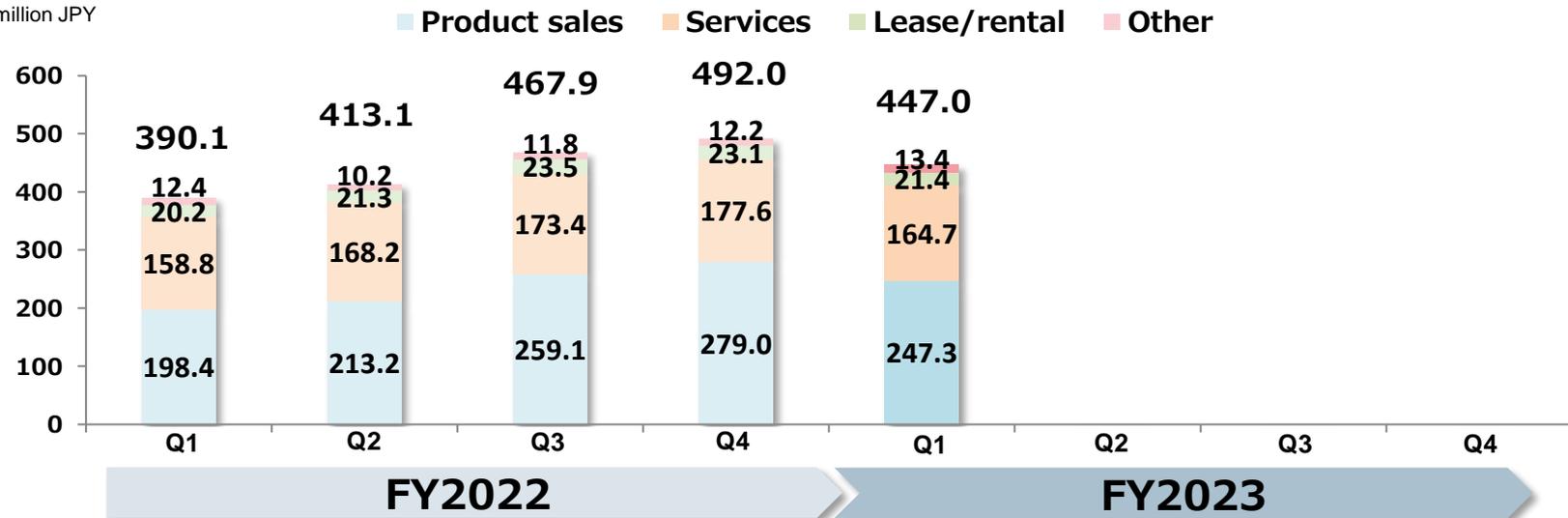


\* Operating profit before amortization of goodwill

# Reference: Quarterly Financial Results (By Category) **Logisnext**

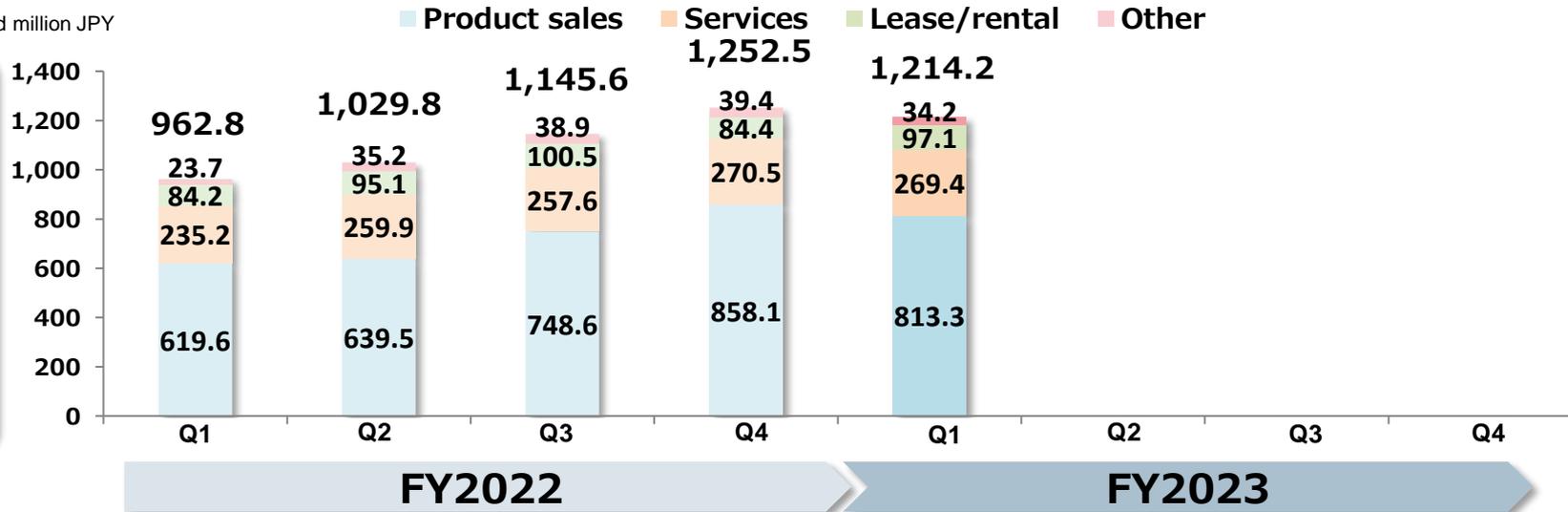
Unit: Hundred million JPY

**Net Sales/  
Japan**



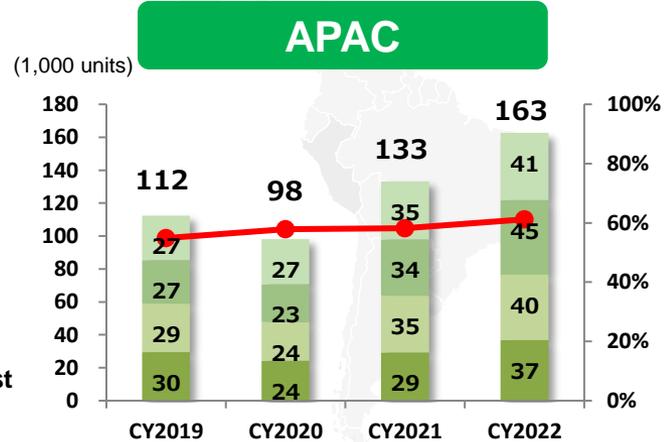
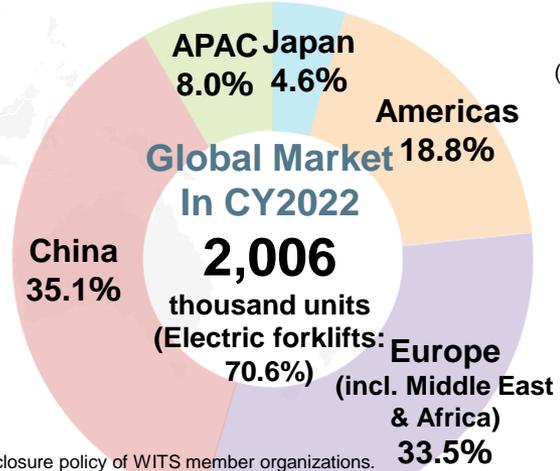
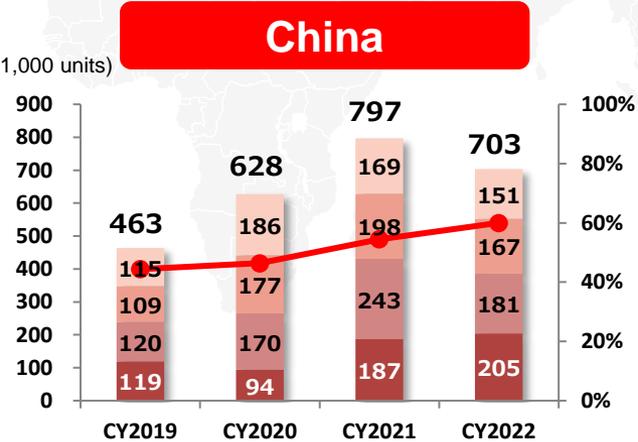
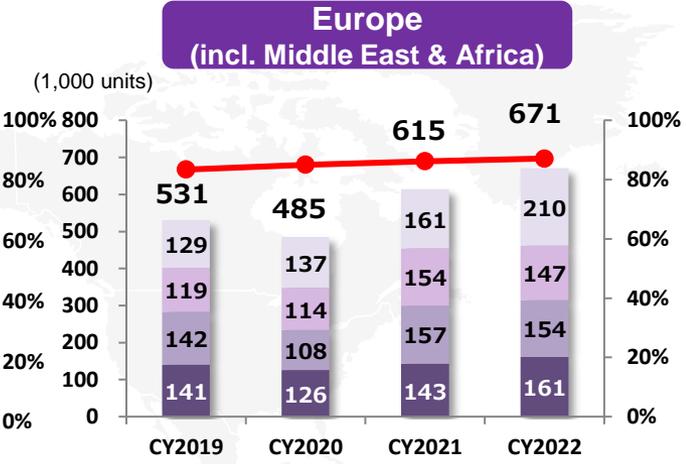
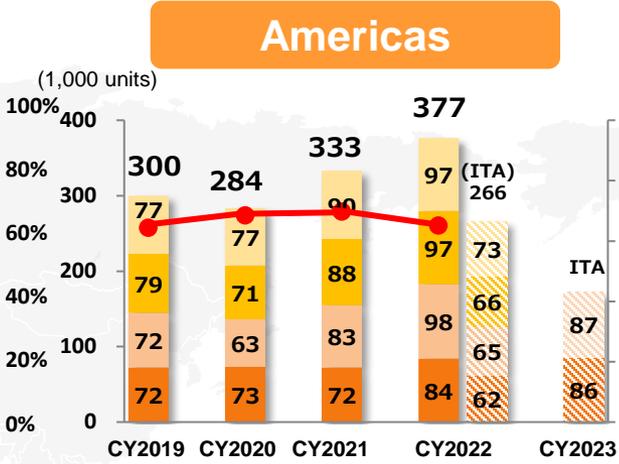
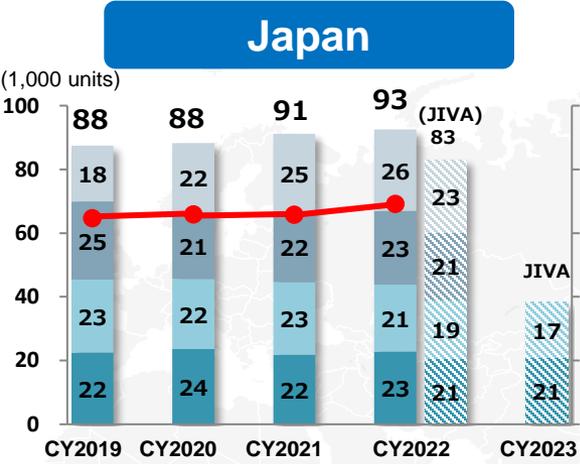
Unit: Hundred million JPY

**Net Sales/  
Overseas**



# Reference: Forklift Market Trends – Shipments

■ During January to June 2023, shipments in Japan (JIVA statistics) remained at the same level as the previous year, while demand in the Americas (ITA statistics) continued to exceed the previous year levels because the material handling equipment market remained strong despite the economic slowdowns.



Note: Calculated in CY from January to December due to changes in statistical disclosure policy of WITS member organizations. Due to the above delay in the disclosure of WITS statistics, JIVA data was used to calculate Japan values and ITA data for the Americas. Other regions are blank after CY2023, because national statistical data has not been published. Due to different standards for JIVA and WITS, some models are not included. ITA does not include sales volumes of Chinese and Korean manufacturers.

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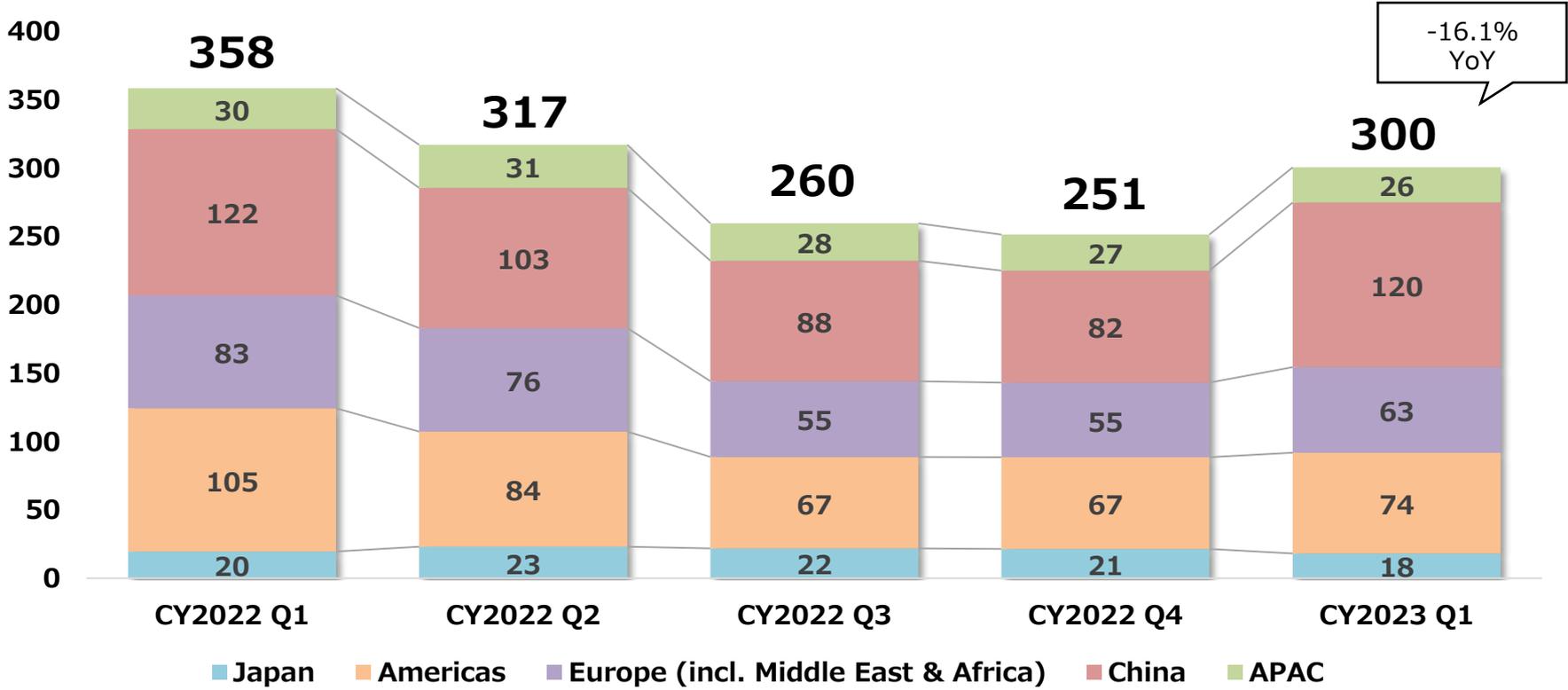
Legend:   
 Market units   
 Percent electric forklifts

# Reference: Forklift Market Trends – Orders (Quarterly) **Logisnext**

■ Orders in all regions decreased YoY due to the global economic slowdowns, but demand is still higher than pre-COVID-19 levels.

## Purchase Orders (excl. Class III\*)

(Unit: 1,000 units)



\*Class III: Self-propelled electric small lifts

Note: Due to changes in the statistical disclosure policy of WITS member organizations, the figures are based on the calendar year from January to December.

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