Logistics evolution for a changing world

As a comprehensive manufacturer of logistics equipment, we provide forklift trucks, logistics systems, and port cargo handling systems. We support the logistics industry around the world by providing our customers with optimal logistics solutions in both hardware and software form.
As a comprehensive manufacturer of logistics equipment, we create value for society by providing solutions in the global logistics market.

- **Financial Capital**
  - Total assets: 405.6 billion yen
  - Net assets: 63.7 billion yen

- **Human Capital**
  - Number of employees (consolidated): 11,775

- **Intellectual Capital**
  - Number of patents held
    - In Japan: 942
    - Outside Japan: 293
  - R&D Expenditures: 4.65 billion yen

- **Manufacturing Capital**
  - Production bases
    - In Japan: 6 plants
    - Outside Japan: 8 plants in 6 countries

- **Social and Related Capital**
  - In Japan: More than 400 sales and service locations
  - Outside Japan: Sold to more than 100 countries from 35 locations in 16 countries

- **Natural Capital**
  - Water consumption (Kyoto, Shiga, and Azuchi Plants): 85,000 m³

In Japan
- Sales volume: 29,000 units
- Net sales: 173.95 billion yen
- Operating Profit: 1.54 billion yen
- Operating Profit before amortization of goodwill, etc.: 6.36 billion yen

Outside Japan
- Sales volume: 74,000 units
- Net sales: 291.45 billion yen
- Operating Profit: 2.06 billion yen
- Operating Profit before amortization of goodwill, etc.: 6.66 billion yen

**Logisnext SolutionS 2023**

**Growth Strategy**

- With an integrated system encompassing upstream and downstream operations, we can respond to issues arising in the global logistics market in a timely and agile manner.

**A Foundation for Sustainable Growth**

**Environmental/Social/Governance (ESG)**
- Reducing environmental impacts and improving the social environment for sustainability
- Relationship with society (Customers, business partners, employees, local communities, and shareholders)
- Corporate governance, compliance, and risk management

**CO₂ emissions**
- (Kyoto, Shiga, and Azuchi Plants): 13,877 tonnes

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

- Reducing the burden on workers with safe and secure logistics equipment
- Contributing labor-saving solutions through automation technology
- Contributing to energy efficiency and reduced CO₂ emissions with environment-friendly products
- Contributing to achievement of the SDGs through our business operations
A 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.

- **PLATTER** reach-type forklift
- **ALESIS** electric counter-balanced forklift
- **Electric counter-balanced forklift**
- **EDA** electric counter-balanced forklift
- **PREMA** pallet trucks
- **Pallet trucks**
- **EPSIS** engine-powered forklift
- **MR4531-3 reach stacker**
- **PLATTER Auto H type automated guided forklift**
- **Automated guided forklift**
- **Mujin-car automated guided vehicle**
- **MR4G4C-8A rubber-tired gantry crane**
- **PLATTER Auto H type automated guided forklift**
- **Automated guided forklift**
- **Mujin-car automated guided vehicle**
- **MR4G4C-8A rubber-tired gantry crane**

**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.

- **CAS PACK** automated warehouse
- **LVS forklift operation management system**
- **L-SAS Service-based troubleshooting system**
- **Picker Ace order picker**
- **ELEVA lateral stacking truck**

**Management**

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

- **L-VS** forklift operation management system
- **L-SAS Service-based troubleshooting system**
- **Picker Ace order picker**
- **ELEVA lateral stacking truck**
Our technological platform is derived from multiple logistics manufacturers that have created many “Japan firsts” and “world firsts.”

**Advantage 2: Our Robust Technological Platform**

**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.

**Our Technological Advantage**

- **Technology for automation and unmanned operation**
  - 2SyX autonomous and intelligent solutions

- **Environmental performance**
  - New rubber-tired gantry crane

- **Key components of our in-house group development**
  - Environment-friendly clean engines, Models D04EG and GA21DE

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

- **Incorporating development and design innovations targeting enhanced functionality and ease of use**
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**
A Stable and Secure Market

We have established a strong sales and service network that is positioned as a stable and secure market because it rests on a stable business base, with high reliability and high customer recognition of our products.

- Optimization of operations through reorganization of direct sales companies
- Expansion of AGF and other solutions businesses

**Americas**
Our Most Important Markets

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.

- Expanding our Americas sales with improved coverage through Equipment Depot Inc. and well aligned independent partner dealers
- Expanding our solutions business targeting logistics warehouses

**Europe**
Maintenance & Information Markets

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.

- Promoting the development of AGF and warehousing systems
- Expanding the territories of direct sales companies in major countries

**APAC (Asia and the Pacific)**
Markets with Potential

The Asia-Pacific region is expected to exhibit a high growth rate in the future due to the supply chain transition away from China. We will position ourselves to capture market growth in these promising markets.

- Strengthening our response to the supply chain transition away from China and toward the markets of the Asia-Pacific
- Promoting a review of the sales systems and brands in each country

**China**
A Market Undergoing Strategic Restructuring

China’s material handling equipment market is expanding rapidly. Amid the rise of local manufacturers who use low prices as a weapon, we will rebuild our sales network by reviewing our strategies.

- Restructuring our sales network, including direct lines
- Selling models that meet market needs and strengthening product support
Net sales were 465.4 billion yen as a result of the recovery of demand for forklifts, mainly in the Americas, Europe, and Asia, following the COVID-19 pandemic. Sales by segment in FY 2021 were 173.9 billion yen in Japan and 291.4 billion yen Outside Japan.

Despite the impact of soaring raw materials and shipping rates, sales increased and fixed costs were contained, resulting in an operating profit of 3.5 billion yen, for an operating profit margin of 0.8%. Excluding the impact of goodwill amortization, operating profit was 13.0 billion yen, for an operating profit margin of 2.8%.

Profit attributable to owners of parent was 0.7 billion yen and earnings per share were 6.73 yen due to an increase in operating profit.

Our capital investments of 26.71 billion yen, or 29.94 billion yen on an acquisition book value basis, were calculated as follows: 9.733 billion yen was attributable to our business in Japan, mainly investments in forklift vehicles by sales subsidiaries for leasing and rental, while 20.207 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.

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.
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.

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.”

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.

The company employed 5,391 in its businesses in Japan and 6,384 employees in its businesses outside Japan, for an international employee ratio of 54.2%. Compared to the numbers for the previous fiscal year, the number of employees in Japan decreased by 73, while the number of employees outside Japan increased by 432.

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.”

Looking to our R&D activity for fiscal 2021 under our medium-term management plan, Logisnext Solutions 2023, while maximizing the strengths of our Engineering Headquarters, we worked closely with our development bases outside Japan to launch new products onto the market as planned. R&D expenses by segment were 2,573 million yen for our business in Japan and 2,076 million yen for our business outside Japan.

In fiscal 2021, CO2 emissions totaled 3,231 tonnes-CO2 from the Kyoto Plant, 7,201 tonnes-CO2 from the Shiga Plant, and 3,445 tonnes-CO2 from the Azuchi Plant. CO2 emissions increased at all three plants due to increased production and higher emission factors.

The amount of water consumed in fiscal 2021 increased at the Kyoto Plant due to increased production and the effects of water leaks; decreased significantly at the Shiga Plant due to a reduction in the amount of water discharged from fire prevention water tanks; and decreased at the Azuchi Plant due to a reduction in treated water resulting from the introduction of a sewage system.
Chapter 2

Our Value Creation Strategy

The ALESIS is the first integrated model introduced by Mitsubishi Logisnext. Integrating the strengths of the Group’s four constituent companies, this forklift supports the future of logistics by setting a new standard for the Nichiyu Electric Forklift brand, the pioneer in electric forklifts.
As a global material handling equipment and service company, we aim to achieve sustainable growth by providing a well-considered response to the changing needs of society.
Diversity, nurtured through the fusion of different cultures, can be a significant strength

As stated in our corporate philosophy, Mitsubishi Logisnext is committed to “Moving the world forward as the leading provider of innovative logistics and material handling solutions.” We have posted steady growth as a comprehensive manufacturer of material handling equipment, and we aim to continue this record of stable growth by providing optimal logistics solutions to customers not only in Japan but throughout the Americas, Europe, Asia, China, and other parts of the world.

The strength of our group lies in its diversity, which can be defined as the ability to welcome different cultures with flexibility and build on our respective strengths. As shown in the diagram below, our company was established in 2017 through the integration of four long-established Japanese manufacturers of material handling equipment. In the lead-up to this integration, the four respective companies had experience dealing with various mergers, acquisitions, and partnerships in Japan, Europe, and the Americas. Through these earlier experiences, we have all learned to respect the cultures and individuality of other parties to the utmost within our own broad culture. We actively incorporate the most advantageous elements, which leads to the further evolution of the entire group. The ability to fuse diverse cultures on a global level is a unique and significant strength of our Group that has not been duplicated in other global companies in the industry.

In the business environment of the future, which is changing in the direction toward reduced CO2 emissions, or “decarbonization,” we proactively offer such solutions to our customers.

Our future growth will be driven by our keen focus on both automation and decarbonization

Our economy and society are reliant on logistics for the movement of goods. In that sense, it can be said that the logistics business has ongoing needs. However, the nature of these needs continuously changes and evolves with the times, and material handling equipment manufacturers are required to push the evolution of their products, services, and solutions continually in order to meet these demands.

One of the changes surrounding current logistics is the growing need for automation. Against the backdrop of Japan’s declining birthrate, the number of workers involved in the logistics industry is decreasing and the population is aging. On the other hand, the growing adoption of e-commerce has led to smaller lot shipments, and the attendant labor shortages and increased workloads at logistics centers have become common challenges. Automated logistics equipment such as automated guided forklifts and automated warehouses are contributing to these solutions. In the past, some customers were hesitant to invest in automation because it would make their work systems less flexible. However, automated logistics equipment has undergone a remarkable evolution in recent years. The resulting demand is rapidly expanding in the Americas as well, following on the heels of the great progress achieved in automation in Europe in recent times. We view this as a major opportunity for future business growth, and our policy going forward is to proactively offer such solutions to our customers.

Another transition can be seen in the movement toward reduced CO2 emissions, or “decarbonization,” against the background of climate change and energy resource issues. As is the case in other industries, demand is growing for products and services that emit less carbon dioxide. We are also a pioneer in offering electric forklift trucks in Japan, and by actively offering a variety of environment-friendly products that support the decarbonization of logistics to markets both inside and outside Japan, we are contributing to reduced environmental impacts even as we take steps to grow our business.

Yet another key to our future growth lies with the direct distribution and service network, which entails the establishment of contact points with customers in each region through our Group, and the establishment of an integrated system ranging from product solutions to maintenance services as well as the provision of ancillary services. This system has already been established in Japan. Going forward, we are strengthening direct sales in the
Our Value Creation Strategy

Our Perspective on Value Creation

Value Creation in Practice

The Foundation of Our Value Creation

Corporate Data

Message from the President

Americas since the Americas accounts for more than one third of our global sales. We will continue to grow through well aligned independent dealer partners through two sales channels, as well as through direct distribution and service network to large corporate customers and Equipment Depot, a major U.S. dealer acquired by ML in 2019.

Using the recovery in demand as a springboard to strengthened profitability

Our company launched “Logisnext SolutionS 2023,” our new medium-term management plan, in 2021. Under this plan, we have formulated three basic strategies: strengthening corporate resilience, accelerating our growth strategy, and developing our global and regional brand strategies. As a result, we aim to achieve the following by fiscal 2023: consolidated sales of 500 billion yen; operating profit before amortization of goodwill, etc., of 30 billion yen (for an operating profit ratio of 6%); and a minimum capital adequacy ratio of 20%.

In our consolidated results for fiscal 2021, the first year of this medium-term management plan, we recorded a record high in sales (465.4 billion yen), and our final profit and loss was in the black for the first time in three years, demonstrating our path to a recovery from the preceding fiscal year, which had been greatly impacted by the effects of the COVID-19 pandemic. In particular, the markets of the Americas, Europe, and Asia recovered to a level that surpassed the pre-COVID level. On the other hand, throughout the year, soaring material and transportation costs, constraints on the supply of raw materials, and supply chain disruptions continued, all of which had a major impact on our production. Market demand itself was generally strong, but it is becoming difficult to manufacture according to plan, and manufacturing costs are rising, forcing us to make a significant effort to maintain stability of production.

In order to deal with this situation in fiscal 2022, we will focus on streamlining the parts supply network and recovering from production delays. At the same time, we will seek to steadily improve our cost structure by optimizing order backlogs and inventories. In short, our policy is to increase sales and strengthen our profitability. Consolidated results for fiscal 2022 are expected to reach 540 billion yen in sales, 17.5 billion yen in operating profit before amortization of goodwill, etc., (8.0 billion yen in operating profit after amortization of goodwill, etc.), and 2.5 billion yen in profit attributable to owners of parent.

Improving employees’ satisfaction and elevating our corporate brand

In our quest for sustainable growth in collaboration with society at large, our company adopted four basic policies in 2020 in support of the sustainable development goals: conservation of the global environment; development of local communities; development of human resources; and strengthening of corporate governance. Among these, we are placing particular emphasis on initiatives related to human resources.

Taking advantage of the opportunities that arose as a result of the COVID-19 pandemic, our company introduced a wide range of business process innovations, including support for working from home, promotion of remote meetings, and adoption of paperless offices. In light of these work-style reforms, I would like to implement additional work reforms targeting employees’ satisfaction. We seek to create a workplace in which each employee can think independently, attempt new challenge, and take the risk of making mistakes without fear of failure, while growing day by day.

The growth of each employee leads to the growth of the company, which in turn leads to greater employees’ satisfaction among our employees. I wholeheartedly support the adoption of this cycle. To that end, it is important to improve the corporate brand recognition and brand power in the eyes of the public while upgrading our training program and personnel system, revitalizing internal communications, and taking other such steps. When many people in Japan and around the world can say “Mitsubishi Logisnext is a great company,” a greater sense of group unity is fostered, increasing the motivation of each employee.

Under this approach, we will focus on improving our brand power as set forth in our medium-term management plan. As a comprehensive manufacturer of material handling equipment, we provide value around the world and support various jobs within our Group in which employees can play an active role. Likewise, our colleagues are actively engaged while exhibiting their own unique personalities. By strengthening our public relations capabilities, we can disseminate such information not only to customers and investors, but also to a wide range of stakeholders, including our employees, students considering career with our Group, and their families. Going forward, our Group will continue to enhance its corporate value in a sustainable manner by leveraging the advantage offered by our diversity. We invite you to look ahead to the increasingly bright future of Mitsubishi Logisnext as we take on these challenges.
We are currently focused on implementing Logisnext SolutionS 2023, our three-year medium-term management plan, which spans the period from fiscal 2021 to fiscal 2023. Logisnext SolutionS 2023 is Mitsubishi Logisnext’s first medium-term management plan, and it is positioned to cover the extremely important three-year period in which the Mitsubishi Logisnext Group plans to embark on a new leap forward.

The capital “S” at the end of SolutionS is intended not only to reflect our desire to sell forklifts as individual devices, but also to emphasize that we provide solutions to our customers’ logistics challenges. Moreover, by offering solutions to both our customers and society at large, we are demonstrating our intent to foster a new corporate culture.

Basic Policy

1. **Build up business resilience**
   - Improve variable and fixed cost
     - In addition to reducing procurement and transportation costs, we will promote comprehensive cost reductions by producing parts in-house and re-examining labor costs.
   - Strengthen the existing business
     - In addition to increasing both sales and profits in all territories, we will strengthen our ability to withstand major economic fluctuations by reorganizing our businesses and reducing fixed costs.

2. **Accelerate growth strategy**
   - Expand our solutions portfolio to meet the growing market requirements
     - In addition to providing manned forklifts, we have expanded our offerings to include solutions to our customers’ logistics challenges in terms of both hardware and software. This approach responds to specific needs in the areas of automation and unmanned vehicles, particularly on AGVs/AGFs.
   - Improve our profitability via enhancements to the distribution networks
     - We are maximizing the benefits of consolidation by devising regional strategies for Japan, the Americas, Europe, China, and Asia and the Pacific.
   - Grow market share with an expanded product and service portfolio
     - Through collaboration with Mitsubishi Heavy Industries, Ltd., we have implemented rapid development of products and technologies.

3. **Further develop our global and regional branding strategies**
   - Utilize “Logisnext” brand and improve brand awareness for all of our brands
     - Taking advantage of the strengths of our category brands*, we aim to raise awareness of Logisnext as a comprehensive manufacturer of logistics solutions.
   - Create a new corporate culture under “Logisnext”
     - We will strengthen the sense of unity and organizational strength of the entire company by focusing on the development of our Group’s human resources. As the driving force behind our sustainable growth, this approach will lead to the strengthening of our corporate culture. We intend to contribute to the achievement of the SDGs while enhancing our corporate value and contributing to the emergence of a society committed to sustainability.

* Mitsubishi Forklift Trucks, Nichiyu Electric Forklift Trucks, Nichiyu Logistics Systems, TCM Forklift Trucks, TCM Specialized Transport Vehicles, and UniCarriers Forklift Trucks

Sales and Profit Target

<table>
<thead>
<tr>
<th>Sales</th>
<th>500 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit (Before goodwill amortization)</td>
<td>30 billion yen</td>
</tr>
<tr>
<td>Profit ratio</td>
<td>6%</td>
</tr>
<tr>
<td>Capital adequacy ratio</td>
<td>&gt;20%</td>
</tr>
</tbody>
</table>

Fiscal 2022, the second year of our medium-term management plan, is positioned as our “growth and expansion phase.”

As the material handling equipment market continues to recover, we remain committed to strengthening our earnings foundation by establishing a system to deal with the effects of soaring material and transportation costs and supply chain disruptions.
Responding to Change by Strengthening Our Financial Foundation and Investing in Growth

Striking an essential balance between offense and defense in our management decision-making

As CFO, my duties span a wide range of areas, including formulating and organizing profit and loss plans, cash flow plans, and other financial plans. I am also involved in financial accounting, management accounting, investor relations, and tax affairs. Moreover, in light of societal changes arising from the COVID-19 pandemic, I am also working to promote the digital transformation in matters of finance. We intend to institute high-value-added operations by fundamentally transforming our finance and accounting operations through digital technology.

Although my duties are wide-ranging, I believe my most important responsibilities are the following two.

The first is to optimally allocate our cash resources. With our finite management resources, it is of course essential that we adopt a defensive stance, but we realize that an aggressive stance is also necessary to maintain growth. I am currently focused on actively supporting investment and development that will strengthen the company’s management foundation for sustainable growth.

My second responsibility is to remain deeply involved in important aspects of management from a financial perspective in order to make appropriate management decisions. For that reason, a clear understanding of business conditions through daily financial analysis is necessary as a means of ensuring our decisions prepare us for the future.

As CFO, I remain highly involved in both optimal cash allocation and management decisions and remain committed to ensuring a balance between offense and defense in my management approach.

Fostering a corporate resilience that is responsive to change

As we promote Logisnext SolutionS 2023, our medium-term management plan, we are committed to reducing fixed costs and improving asset efficiency in order to strengthen our financial foundation.

Our company, which was established in 2017 through the integration of the former Mitsubishi Nichiyu Forklift Co., Ltd., and the former UniCarriers Corporation, has developed to such an extent that we now enjoy economies of scale. On the other hand, we have also had to deal with the issue of streamlining the increase in total assets while reducing our large amount of interest-bearing debt.

To resolve these financial challenges, we must balance our defensive management approach with an aggressive one, which poses some difficulties in navigation. We must focus on our Profit and Loss Statement to expand sales, reduce fixed costs, improve the break-even point, and enter new growth areas while addressing our Balance Sheet and Cash Flow Statement. In short, we believe it is necessary to secure free cash flow, improve asset efficiency, and strengthen our capital adequacy ratio.

Under our current medium-term management plan, we have set specific numerical targets of an operating profit ratio before amortization of goodwill, etc., of 6% and a minimum capital adequacy ratio of 20% in fiscal 2023. However, the socioeconomic environment in which we operate has changed significantly, marked by the impact of the COVID-19 pandemic and Russia’s invasion of Ukraine, so achieving our numerical targets is not easy now. As uncertainty increases, how will global economic and social trends track in the years ahead? Although we cannot foresee the future, it is essential that we foster our corporate resilience so that we can
Message from the CFO

Defensive management provides an important foundation for offensive management; it simply means that we must establish a proper financial foundation. That is why we will intend to work even harder to strengthen our corporate resilience. As a result of the acquisition of the former UniCarriers and the North American distributor Equipment Depot, the company recorded a large amount of goodwill and other amortization expenses. By showing operating profit before amortization of assets such as goodwill, which represents this excess earning power, we can evaluate management results with a multifaceted perspective.

Numerical Targets and Results under Our Medium-term Management Plan

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2021 (results)</th>
<th>Fiscal 2022 (est.)</th>
<th>Fiscal 2023 (targets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>4,654</td>
<td>5,400</td>
<td>5,000</td>
</tr>
<tr>
<td>Operating Profit (Before amortization of goodwill, etc.)</td>
<td>130</td>
<td>175</td>
<td>300</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>36</td>
<td>80</td>
<td>—</td>
</tr>
<tr>
<td>Operating Profit Margin (Before amortization of goodwill, etc.)</td>
<td>2.8%</td>
<td>3.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>15.6%</td>
<td>—</td>
<td>&gt;20%</td>
</tr>
</tbody>
</table>

Note: Value announced on May 12, 2022

Promoting growth strategies through expedient investment decisions

Our current medium-term management plan entails three basic strategies: strengthening our corporate resilience, promoting growth strategies, and improving our brand power. Among these, promoting growth strategies requires that we make investment for both of facility and business. Specifically, we will invest heavily in promoting our solutions business and expanding and strengthening our sales networks.

On the other hand, from the perspective of investing in development, the development of integrated models, which we have been focusing on until recently, came full circle with the development of the ALESIS electric forklift and the compact ER5S engine-powered forklift. I am therefore confident that we must continue to invest in the development of new products that meet market needs. We will focus on investing in development related to unmanned and automated vehicle technologies, carbon neutrality, advanced logistics, and safety technologies to meet the needs of society and address customer challenges.

Of course, it is important to strike a balance between offense and defense in investment, and I believe we must make bold investment decisions after thoroughly examining and counteracting risks in the face of promising opportunities for profit and growth.

Moreover, regarding our funding policy, I will concentrate on balancing our Group’s internal and external procurement without harming minority shareholder interests in our relationship with our parent company, Mitsubishi Heavy Industries, Ltd.

Operating Cash Flow, Investing Cash Flow, and Free Cash Flow

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>308</td>
<td>219</td>
<td>420</td>
<td>335</td>
<td>206</td>
</tr>
<tr>
<td>Investing Cash Flow</td>
<td>-290</td>
<td>-69</td>
<td>-490</td>
<td>-225</td>
<td>-192</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>17</td>
<td>151</td>
<td>-69</td>
<td>110</td>
<td>14</td>
</tr>
</tbody>
</table>

Maintaining a stable dividend through dividend rates for shareholder equity

While striving to strengthen our financial foundation, we believe it is important to maintain stable shareholder returns that are not affected by our profitability, even in a rapidly changing environment. It is common to use the Dividend Payout Ratio, which indicates the amount of dividends to net income, as an indicator of the dividend level. In our company, however, amortization of goodwill is a significant amount, which results in wide fluctuations in net income. For this reason, we use Dividend on Equity (DOE) as an important indicator to calculate the dividend the company pays relative to shareholder equity.

Trend in Dividend on Equity

<table>
<thead>
<tr>
<th></th>
<th>Dividend per share (yen)</th>
<th>DOE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>11</td>
<td>1.4</td>
</tr>
<tr>
<td>2018</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>2021 (FY)</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Note: Percentages are rounded to the second decimal place.
Solving Our Customers’ Logistics Challenges Through Technological Development

Our technology development policy

Logistics can be likened to a circulatory system that supports industrial and economic activities from production to consumption. Our company provides forklifts as well as associated logistics equipment and services that support the continuous and apparently unstoppable functioning of logistics networks, which society takes for granted.

Our technological development is grounded in our maintaining an accurate grasp of medium- and long-term management plans, technology trends, market trends, and the unique demands associated with each region. We also consider resources inside and outside the company while continuously updating our product development path as outlined in the diagram below. We are formulating and implementing specific product development plans for the medium term.

Through these efforts, we intend to apply our corporate philosophy of “Moving the world forward as the leading provider of innovative logistics and material handling solutions.”

Using the strength of our diversity to build a technology development system

The greatest feature of our development system is our emphasis on diversity. In Japan, the technical departments of our four companies, which were long involved in the same material handling equipment sector but differed in their main product lines and advantages, have come together to hone their respective dominance in products and services through friendly rivalry. Outside Japan, our development departments in Europe (Finland and Sweden) and in North America (the cities of Houston and Marengo), which focus on major markets, are developing technologies while taking advantage of their advantageous locations.

Direction of Product Development

Logisnext Solutions 2023, Our Medium-term Management Plan

SEEDS
- Electric system
- Software
- AGV/AGF
- MHI’s advanced tech.

Development of Advanced Technology
- Reducing environmental impacts, improving safety, enhancing efficiency of distribution
- Utilizing artificial intelligence and the Internet of things

Product Development Focus
1. Innovative electric truck
2. IC truck meeting the exhaust emission regulations
3. Product consolidation and rationalization by region
4. Logistics solution with AGV/AGF as a core product
5. Expand Telematics business

Technology Development Focus
1. Developing innovative electric vehicles, our mainstay product for earnings
2. Introducing labor-saving innovations and automated products developed around our core AGV/AGF products
3. Developing safety technologies

NEEDS
- Energy efficiency
- Safety
- Logistics efficiency
- Automation

Masataka Shinya
Director
Senior Vice President
CTO
Head of Engineering Headquarters In charge of Product Planning Office
In charge of Information Systems Office
close to local customers and suppliers. In keeping with our “glocal” strategy that has been in effect since our founding, we have refined our product strengths by dividing our technological strengths into areas where we can globally integrate and reap the benefits and areas that meet the needs of customers in the various regions in which we operate.

In Japan and North America, we are accommodating calls for unique specifications by supplying products that are carefully matched to individual customer needs. Moreover, we will strongly reflect the results of on-site surveys of how major customers use our products to develop new products, such as customer experience methods in Europe. In this way, we are maximizing our proximity to customers, which is one of the advantages of our global system.

In a broad sense, our Engineering Headquarters as well as many of our divisions within the company develop technology and employ it as part of our business operations. In addition to the Engineering Headquarters, the Product Planning Office and the Information Systems Office in particular are the responsibility of the CTO. However, I believe that the role of the CTO is to eliminate waste and optimally allocate resources from a management perspective by compiling and sharing information related to technology for the entire global business in a timely manner without being bound by this framework.

In particular, in order to continuously improve efficiency within logistics nodes such as factories, distribution centers, and ports, our core technology must efficiently transport globally standardized goods, such as palletized cargo and containers, horizontally and vertically within these nodes. In recent years, the meaning of “efficiency” has shifted to automation and reduced manpower needs. We are therefore working closely with the Shared Technology Division of Mitsubishi Heavy Industries, Ltd. to develop AGVs and AGFs, which represent the core of our solutions business, as well as the hardware and software technologies that support them as key technologies. As we do not maintain a research center, the Shared Technology Division of Mitsubishi Heavy Industries, Ltd. has been an indispensable partner for the development of basic and advanced technologies and their application to products. As has been the case in the past, we will continue to deepen our collaboration with them in the future.

**Improving efficiency within logistics nodes as a core technology**

Logistics equipment, which is centered on forklifts, our main business line, is required to constantly increase its efficiency, as it serves as the circulatory system that supports industrial and economic activities from production to consumption.

In addition to these labor-saving and automation technologies for logistics, we are focusing on electrification technologies that contribute to a decarbonized society.

In the global market, about 70% of forklift shipments are electric forklifts, although this varies by country and by region. At the same time, we cannot deny that strong demand remains for engine-powered forklifts. We intend to develop electric forklifts, and the components required by these forklifts, that will satisfy the needs of such customers. In Europe, we introduced the EDIA XL in April 2021. It was developed as a mid-sized forklift (4.0 to 5.5 tonnes) for the EDIA series, with the “auto boost” function being the most important feature. This is a software feature that temporarily increases the driving force when the vehicle is climbing or accelerating. In addition, it features advanced new functions such as vibration reduction control when the mast is lowered and torque control of the left and right wheels to minimize slipping on low-traction surfaces. It is also compatible with the usage environment of engine-powered forklifts that require power, and it meets the need for a transition to electric forklifts in the interests of achieving a carbon-neutral society.

Safety improvement is another important area of technology that we should continue to focus on as a manufacturer of material handling equipment. Approximately 2,000 forklift accidents occur annually in Japan alone, and we believe it is our mission as a manufacturer to reduce the risk of accidents and further improve safety.

At Mitsubishi Logisnext, we will continue to provide solutions for our customers’ logistics challenges through ongoing technological development.

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**Addressing the critical technologies of decarbonization and improved safety**

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Establishing Basic Policies to Support the Sustainable Development Goals and Identify Material Issues

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

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. As interest in sustainability and climate change issues is growing, we believe that contributing to the resolution of societal issues through our business operations will lead to our sustainability as a company.

To further promote initiatives targeting sustainable growth, we established a basic policy for SDGs in October 2020 on the themes of environment, society, and governance in line with our corporate philosophy and management policy.

Identifying Material Issues

We have identified 14 material issues in consideration of their relevance to our business and their influence on and interest to our stakeholders.

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.

Policies related to the SDGs

As a comprehensive manufacturer of logistics 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. Development of local communities
   We will establish good relationships with stakeholders, offer solutions to societal issues through our business operations, and contribute to the continuous development of local communities.

3. Human resource development
   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.

Issues of Material Interest to Our Group

Our Priority SDGs

We have identified eight material items of particular relevance to our circumstances.
Establishment of Our Sustainability System

In 2021, we established our Sustainability Council with the aim of enabling management to oversee all internal sustainability initiatives. This was intended to enhance the effectiveness of our initiatives through intensive discussion and consideration. We identify material issues; approve policies and responses to issues; formulate, promote, and follow up on company-wide initiatives related to sustainability; and report the results to our Board of Directors. We have also established subcommittees for each field of activity to address the various material issues.

In December 2021, the Sustainability Council confirmed the subcommittee’s activity policies and procedures. Moreover, the Carbon Neutrality Committee met to adopt policies for their initiatives and discussed issues related to climate change and our CO₂ reduction targets.

At the Sustainability Council held in May 2022, we began considering the business environment for 2035 as a first step in examining medium- and long-term strategies in order to determine, through a backcasting approach, the kind of presence we want to have in the society of the future. By examining the prospects and scenarios for the material handling equipment market, we will formulate possible risks and opportunities to achieve our “Vision for 2035.”

Moreover, our Carbon Neutrality Committee has compiled our CO₂ emissions for fiscal 2021 as well as our initiatives for fiscal 2022.
Chapter 3

Value Creation in Practice

Part of our laser-guided AGF product line is manufactured by Mitsubishi Logisnext Europe Oy, our Group company in Finland. They develop products that combine functionality and beauty with unique European design in pursuit of the optimal user experience.
Employing Advanced Technology to Enhance the Safety and Security of Logistics Equipment

We develop safe and secure logistics equipment and offer safety awareness training in an effort to prevent forklift accidents.

Industrial accidents involving forklifts put operators and workers at risk; the number of forklift accidents in Japan has remained at the relatively high level of about 2,000 annually, with fatal accidents totaling between 20 and 30 per year. Collisions and other accidents involving drivers that occur due to lack of safety checks, and entanglement accidents occurring during turns, are not uncommon, and a need exists to create safer work environments.

On the hardware side, we build on our track record and expertise with vehicles by installing safety support systems that incorporate artificial intelligence and other advanced technologies as well as various other safety features. On the software side, we provide safety awareness training through safety seminars and by providing safety tools.

We are committed to eliminating forklift accidents and contributing to safer working environments for our customers.

**Background**

**Trend in Number of Forklift Injuries and Fatalities in Japan**

<table>
<thead>
<tr>
<th>Year</th>
<th>Accidents resulting in injury or fatality</th>
<th>Fatal accidents</th>
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</thead>
<tbody>
<tr>
<td>2006</td>
<td>34</td>
<td>196</td>
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<tr>
<td>2007</td>
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<td>28</td>
<td>215</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>215</td>
</tr>
</tbody>
</table>

**Source:** Occupational accident statistics released by Japan’s Ministry of Health, Labour and Welfare

**Application Examples**

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**“Good Finder” AI human detection system for large forklift trucks jointly developed with Mitsubishi Heavy Industries**

Large forklifts, which are used mainly at ports and steel mills, have many blind spots due to the structure of the vehicle body. Although they are equipped with mirrors and cameras to compensate for this deficiency, these are not sufficiently effective unless the driver makes an effort to pay close attention to them.

Good Finder, which was introduced onto the market in September 2021, is an artificial-intelligence-based human detection system that combines our superior vehicle technology and expertise with technology from Mitsubishi Heavy Industries, Ltd., which is renowned for its advanced image processing and detection.

Using images from the surveillance cameras installed on the forklift, the system discerns images only of personnel at high speed and with high accuracy. When it detects the approach of a person, it notifies the driver with a warning sound and LED lighting. By combining this technology with the adoption of safety checks by workers, we are confident we can reduce the frequency of forklift accidents while contributing to safer workplaces.

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**The LVS forklift operation management system makes it possible to visualize the work site**

By incorporating a dedicated communications device in a forklift, this system can store and manage on a cloud server the mileage and cargo handling performance data for each vehicle operating at a customer’s site. By quantifying invisible information, this system makes it possible for employees to monitor the operating status of each vehicle and each workplace and use that information to improve the logistics site.

In addition, by monitoring instances of dangerous driving, the system can reflect the level of operator driving skill. This makes it possible to train employees better and provide guidance on safe driving. Furthermore, when linked to the optional drive recorder, the system can be used to investigate the cause of an accident soon after it occurs, thus contributing to improved safety.

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**Conceptual Diagram of the LVS System**

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**Background Application Examples**

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**The Foundation of Our Value Creation**

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**Our Perspective on Value Creation**

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**Our Value Creation Strategy in Practice**
Meeting the Need for Labor-saving Innovations in the Field with Proprietary Automation Technologies

We employ our unique automation technology to promote the development of products and solutions. At the same time, we are contributing solutions to societal issues such as the increasingly pressing labor shortage in the logistics industry.

Background

While the demand for logistics is increasing along with the ongoing expansion of e-commerce and other factors, chronic labor shortages at workplaces and high workloads on employees have become serious challenges to society. The environment surrounding logistics is changing dramatically in light of the demand for high-quality logistics; small-lot, increasingly segmented, and faster delivery; and the increase in the flow of goods. Logistics sites are now required to improve work efficiency as well as the work environment while addressing the labor shortage.

Indoor logistics in factories and warehouses is gradually becoming automated, but the outdoor loading and unloading of trucks is still mainly done by hand.

As a pioneer in the development of the world’s first Automated Guided Forklift (AGF) in 1971, we have responded to the need for unmanned systems in factories and warehouses with the latest technology. In the future, we intend to further promote the automation of logistics in order to ensure that machines operate in greater harmony with humans across a wider range of application.

Application Examples

Mitsubishi Heavy Industries and Konoike Transport participate in our demonstration of automated cargo handling on trucks

In March 2022, we demonstrated an Automated Guided Forklift (AGF) loading and unloading cargo from a truck as part of a collaboration we undertook with Mitsubishi Heavy Industries, Ltd. and Konoike Transport Co., Ltd. In the future, we intend to confirm the range of capabilities and safety features in the run up to actual deployment in March 2024.

Currently, cargo handling work is performed in factories and warehouses mainly with manned forklifts. By automating this work through the adoption of AGF, we aim to reduce the burden on forklift operators and reduce the dwell time* of trucks.

In the years ahead, we are committed to expanding the scope of application of AGFs in order to accommodate the reduction in available manpower.

* The time span before a truck is cleared to leave the grounds of a factory or logistics center

Our AGF accommodates freezer warehouses in temperatures as low as −25°C, a first in Japan

Working in collaboration with Nichirei Logistics Group Inc., which is engaged in innovative operations for freezer warehouses, we have developed a laser-guided AGF for use in freezer warehouses. This unit has been on the market since June 2022.

With this innovation, we are providing a solution that reduces the burden on workers in low-temperature environments and minimizes anxiety about business operations due to chronic labor shortages, both of which have been presenting long-term challenges.

Automated guided vehicle Demo Center opens in Finland

Mitsubishi Logisnext Europe Oy (MLFI), our production base in Finland, has opened a new Demo Center for automated guided vehicles (AGVs). This center has constructed a mock warehouse environment in which AGVs and forklifts operate together to demonstrate how packages can be automatically brought in, stored on shelves, and retrieved and shipped.

We are now promoting the emergence of the “mixed fleet solution,” a single solution that provides control of manned forklifts and AGVs to enable collaboration between the two at logistics sites.
In light of the growing interest in the climate change issue, the movement toward carbon neutrality is accelerating around the world. In the logistics industry, demand continues to increase for more environment-friendly products and services that contribute to decarbonization and reduced CO2 emissions. As a Japanese pioneer in the manufacture of electric forklift trucks, we have been active in the development of a wide range of eco-friendly products that contribute to decarbonization both in Japan and around the world. In an effort to popularize clean and energy-efficient electric forklifts, we are working to reduce electricity costs and power consumption and expand our electric forklift product line in order to meet the demand for alternatives to engine-powered forklifts. On the other hand, we recognize that engine-powered forklifts remain indispensable at many logistics sites. We will continue to develop and provide engine-powered forklifts that comply with current exhaust gas regulations.

In order to serve diverse logistics markets such as ports, warehouses, and factories, we will continue to develop and market products that offer the advantages of energy efficiency and decarbonization.

The EDiA XL, a high-performance electric forklift that meets the demand for an alternative to engine-powered forklift, is introduced on the European market

In April 2021, we introduced a new electric forklift for the European market to meet the demand for alternatives to engine-powered forklift. This was developed as a mid-size electric forklift (4.0 to 5.5-tonne capacity) in the EDiA series for the European market. This represents the first counterbalanced mid-sized electric forklift developed in-house in Europe, and we developed this model while directly monitoring the needs of our customers. Our European plant also handles the manufacturing of this product line. The EDiA XL is equipped with an Auto Boost software feature that temporarily increases the driving force when the vehicle is accelerating or climbing a slope. This makes it suitable for operating environments that typically call for an engine-powered forklift.

Introducing the new engine-powered ERSIS model, featuring a clean engine developed in-house

The new engine-powered ERSIS forklift, introduced in March 2022 and designed for the Japanese market, is equipped with an environment-friendly clean engine manufactured in-house. By utilizing and optimizing the technologies cultivated in passenger cars and applying them to industrial vehicles, we can support cargo handling operations that achieve both high environmental friendliness and excellent ease of use. We will utilize key components developed in-house to benefit the environment.

Contributing to the carbon-neutral goals of ports with a new Rubber-Tired Gantry Crane

We have developed a new model of Rubber-Tired Gantry Crane (RTG) as an initiative to reduce CO2 emissions at ports. Compared to conventional units, this model reduces fuel consumption by more than 15% while also reducing emissions of CO2, nitrogen oxides, and particulate matter, the latter two of which are air pollutants. This paves the way for the introduction of hydrogen fuel cells in the future. This innovation contributes to the realization of carbon-neutral ports*, an initiative being promoted by Japan’s Ministry of Land, Infrastructure, Transport and Tourism.

* A policy intended to contribute to the emergence of a decarbonized society through the advancement of decarbonized port operations. This policy is being considered for ports in six regions across Japan.
Sales in Japan

Sales in Japan

Share of Sales by Segment

Sales in Japan

37.4%

Overview of Sales in Japan

Sales in Japan

Demand for forklifts was stable, having returned to pre-COVID levels, resulting in net sales of 173,954 million yen (up 3.2% year-on-year) in the domestic business segment.

Segment profit was 1,537 million yen (an increase of 122.5% year-on-year). Sales of after-sales services, spare parts, and industrial engines contributed largely to this result.

Excluding amortization of goodwill, segment profit totaled 6,358 million yen (up 12.3% year-on-year).

Forklift sales totaled approximately 29,000 units, an increase of about 2,000 units year-on-year.

On the production side, despite delays in the supply of semiconductors and other components and the impact of the COVID-19 pandemic, production remained stable.

In Focus: Initiatives to Drive Growth

In March 2022, we introduced the ERSIS integrated model, a new compact engine-powered forklift. We aim to increase domestic sales by highlighting its ease of operation and exceptional safety features and building on our excellent eco-friendly features and technologies. We also showcase our many years of success offering exhaust engines developed in-house that meet the latest emissions standards.

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Sales in the Japanese forklift market are expected to be slightly higher than in fiscal 2021.

We expect to normalize production of electric forklifts by eliminating delays in the supply of semiconductors and other components in fiscal 2021, but shipments of engine-powered forklifts are expected to decline.

Under these circumstances, we will focus on increasing our corporate value over the medium and long terms by working to overcome societal challenges by addressing the following priority issues.

- Adopting measures to address soaring material costs and freight charges
- Improving employee engagement by strengthening internal brand awareness
- Instituting business reforms by accelerating initiatives to accelerate the digital transformation
- Supporting lithium-ion development
- Expanding our solutions business by offering Automated Guided Forklifts (AGFs) and port cargo handling machinery

Business Strengths

With more than 400 sales and service bases nationwide, we provide our customers with optimal solutions through our extensive product line of logistics equipment covering everything from cargo handling equipment for ports to warehousing products. In 2019, we established our Logistics Testing Center in the Takasago District where the Research & Innovation Center of Mitsubishi Heavy Industries, Ltd. is located. In 2020, we opened our Technology Development Center at our Shiga Plant, where we are focused on strengthening our development expertise.

Summary of Fiscal 2021 Results

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Major Initiatives for Fiscal 2022

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- Implementing structural improvements to increase production, including a rapid response to procure parts that are in short supply

Review of Fiscal 2021

<table>
<thead>
<tr>
<th>Sales (Million yen)</th>
<th>FY2021</th>
<th>FY2020</th>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>173,954</td>
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<td>Segment profit</td>
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<td>690</td>
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<td>FY2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Overview of Sales Outside Japan

Business Strengths
We have established a sales and service network that spans more than 100 countries around the world. Specifically, we operate 13 production centers in the Americas, Europe, Asia, China, and Japan.

In Japan, the U.S.A., and Europe, we promote local production for local consumption by developing products suitable for each region on a development basis. We produce at production bases in each region and sell our products locally.

Summary of Fiscal 2021 Results
Demand for forklifts remained higher than pre-pandemic levels. Net sales were 291,451 million yen (up 30.7% year-on-year). Segment profit was 2,055 million yen (up 127.4% year-on-year), reflecting an increase in net sales despite factors such as soaring raw material prices and transportation freight rates.

Excluding the amortization of goodwill, segment profit totaled 6,655 million yen (up 24.9% year-on-year).

Forklift sales totaled approximately 74,000 units, an increase of about 16,000 units year-on-year.

As we continue to help resolve various societal issues going forward, we will also address the following priority topics in order to increase our corporate value over the medium and long terms.

- Implementing structural improvements to increase production, including a rapid response to procure parts that are in short supply
- Adopting measures to address soaring material costs and freight charges
- Improving employee engagement by strengthening internal brand awareness
- Strengthening sales network and expanding our solutions business in the U.S. market
- Promoting our brand strategy in Europe
- Supporting lithium-ion battery development in the Asia-Pacific region and developing our solutions business
- Reviewing our production and sales structure in China

The Americas

Summary of Fiscal 2021 Results
Against the backdrop of increased demand arising from the post-COVID recovery, net sales for this region were 179.63 billion yen, an increase of 45.03 billion yen year-on-year. Production declined below forecasts due to supply chain disruptions and delays in the supply of semiconductors and other essential components.

Major Initiatives for Fiscal 2022
We aim to expand our market share by increasing our sales to major customers, strengthening the rental business operated by Equipment Depot, and launching a solutions business division. At the same time, we will steadily accelerate ordering, production, and shipments. In terms of production, we expect to significantly increase manufacturing by improving our supply chain and reducing the vehicle order backlog.

Forklift Market Outlook for Fiscal 2022
Sales are expected to be lower than in fiscal 2021 due to the rapid increase in demand in fiscal 2021, the longer lead times, and the effects of an increased order backlog.
We launched EQ Solutions as our business solutions division within Equipment Depot, our direct sales company in the U.S.A. EQ Solutions is expanding its line of automation equipment, which includes material handling products such as racks and conveyors, unmanned forklifts, and automated warehouses. With its particular focus on reach-type forklifts and rack forks for logistics warehouses, the company offers comprehensive solutions to customers across a wide range of industries, including distribution warehousing as well as manufacturing, wholesale, and the food and beverage industries.
Chapter 4

The Foundation of Our Value Creation

The “TCM forklift” and “TCM special transport vehicle” brands have an overwhelming presence in port logistics and special environments. The new rubber-tired gantry crane (RTG) reduces greenhouse gas emissions and can be retrofitted with a hydrogen fuel cell in the future.
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.

We intend to reduce our global Scope 1 and 2* CO₂ emissions to Net Zero by 2040. As an interim target, we will reduce emissions by 40% by 2030 (relative to fiscal 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. 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 will also take steps to achieve this goal by providing appropriate products and services in the logistics segment.

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.

In addition, as forests are believed to play a key role in achieving carbon neutrality, we will consider additional initiatives to address the need for forest conservation and afforestation.

In order to promote such initiatives, we have established a Carbon Neutrality Committee under the guidance of the president as a climate change subcommittee under the Sustainability Council. Through such efforts, we are working together with our Environmental Management Committee to promote these initiatives with greater urgency.

CO₂ Emissions Reduction Targets

<table>
<thead>
<tr>
<th>Target year</th>
<th>Our reduction of CO₂ emissions from business activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2030</td>
<td>~40% (relative to fiscal 2017)</td>
</tr>
<tr>
<td>2040</td>
<td>Net Zero</td>
</tr>
</tbody>
</table>

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

Focused on Developing Environment-friendly Products

Developing decarbonized 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.

Sales of our new ALESIS electric forklift series, introduced in 2019, continue to grow outside Japan. In 2021, we began production of this model in China.

The series incorporates an environment-friendly Eco mode that contributes to extended operation. By enabling a reduction in power consumption, this innovation contributes to economical and eco-friendly operation.

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.

At the same time, in order to meet the needs of customers who use engine forklifts in a variety of environments, we continue to develop engine-powered forklifts that comply with emissions regulations even as they are becoming increasingly stringent every year across all our territories.

Our new ERSIS engine-powered forklift, introduced in March 2022, can be equipped with a variety of engines manufactured by the Group. It exhibits excellent environmental performance that satisfies the latest emissions standards as well as outstanding economy thanks to its fuel efficiency.

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.
Our new rubber-tired gantry crane, scheduled for introduction in the fall of 2022, will meet the emissions regulations (4th standard value) of Japan’s Ministry of Land, Infrastructure, Transport and Tourism by incorporating diesel generators offering optimal and efficient combustion control. This innovation is expected to reduce emissions of carbon dioxide, nitrogen oxides, and black smoke particulate matter (CO₂, NOₓ, and PM) while improving fuel efficiency. We are also collaborating with Mitsubishi Heavy Industries on surveys and research to select a zero-emissions fuel cell suitable for replacing the diesel generator of this new model.

Reducing Environmental Load

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 four groups — the Environmental Preservation Group, Environmental Products 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 intend to raise awareness about the environment, such as waste reduction and recycling, as well as community support activities.

The Environmental Products Group focuses on the development of environment-friendly products and green procurement, such as promoting energy efficiency and the management of chemical substances contained in our products.

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.

Our “3R” initiatives
As part of the 3R initiatives concerned with reducing, reusing, and recycling, all our departments are committed to ensuring that equipment that is surplus to our needs within the company is put to good use elsewhere. We continue to work in the belief that such efforts will reduce the environmental impact of waste incineration and the disposal of waste in landfills while contributing to the emergence of a society committed to recycling and the effective use of resources.

Introduction of a consolidated communications billing service
We have compiled billing for communications costs for all fixed-line telephones, data communications, mobile phones, and other mobile communications device bills at all our companies in Japan through a consolidated billing service. As a result, we have reduced internal accounting processes by 90% while reducing the amount of paper used for invoices from telecommunications companies.

Planned environmental investments
Mercury lamps and fluorescent lamps in the plant are gradually being replaced with LED fixtures offering high luminous efficiency. In addition, in fiscal 2021, we are working to reduce CO₂ emissions by updating our air compressors for enhanced energy efficiency.
Recycling/Remanufacturing

Utilizing recycled raw materials
As a result of the wood shortage that made it very difficult to procure lumber and presented logistics challenges, we transitioned to reinforced corrugated cardboard packaging as a means of reducing the environmental impact of marine transportation. In fiscal 2021, we changed the packaging specifications so that this method could withstand multi-layer stacking while simultaneously improving container loading efficiency.

Sales of used vehicles
With regard to trade-in vehicles and off-lease and rental vehicles, we collaborate with other companies to promote the reuse of resources and are improving the image of recycled products by selling and renting out used vehicles.

In addition, instead of utilizing vehicle appraisers who rely on a wealth of work experience, we are creating a system that employs artificial intelligence to assess used vehicles. These systems use vehicle data as well as past price data. We continue to improve our operational efficiency as we work to establish a system that does not depend entirely on human expertise.
Environmental Initiatives

Burnable waste (domestic solid waste) generated

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>1,000 kWh</td>
<td>9,017</td>
<td>10,337</td>
<td>4,388</td>
</tr>
<tr>
<td>City Gas</td>
<td>1,000 m³</td>
<td>418</td>
<td>1,389</td>
<td>587</td>
</tr>
<tr>
<td>Bunker A</td>
<td>m³</td>
<td>30</td>
<td>188</td>
<td>—</td>
</tr>
<tr>
<td>Kerosene</td>
<td>m³</td>
<td>20</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Diesel Oil</td>
<td>m³</td>
<td>43</td>
<td>46</td>
<td>—</td>
</tr>
<tr>
<td>Gasoline</td>
<td>m³</td>
<td>16</td>
<td>17</td>
<td>—</td>
</tr>
<tr>
<td>LPG</td>
<td>m³</td>
<td>—</td>
<td>5,587</td>
<td>—</td>
</tr>
<tr>
<td>Water</td>
<td>1,000 m³</td>
<td>27</td>
<td>48</td>
<td>10</td>
</tr>
</tbody>
</table>

Water consumption

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical energy</td>
<td>(kW)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Water</td>
<td>(m³)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Summary of environmental impact (fiscal 2021)

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂</td>
<td>Tonnes</td>
<td>3,231</td>
<td>7,201</td>
<td>3,445</td>
</tr>
<tr>
<td>Chemical substances (transferred to Shiga Plant)</td>
<td>Tonnes</td>
<td>38</td>
<td>83.8</td>
<td>8.5</td>
</tr>
<tr>
<td>General waste</td>
<td>Tonnes</td>
<td>16</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>Industrial waste</td>
<td>Tonnes</td>
<td>108</td>
<td>853</td>
<td>204</td>
</tr>
<tr>
<td>Chemical substances (transferred to Shiga Plant)</td>
<td>Tonnes</td>
<td>35</td>
<td>50.6</td>
<td>5.9</td>
</tr>
</tbody>
</table>

CO₂ emissions

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical energy</td>
<td>(kW)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Water</td>
<td>(m³)</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

Compliance with Laws and Ordinances

Water quality

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH</td>
<td>5-7</td>
<td>7.1</td>
<td>7.0</td>
<td>6.6</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>600</td>
<td>230</td>
<td>—</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>600</td>
<td>67</td>
<td>5</td>
</tr>
<tr>
<td>N-hexane-extracts</td>
<td>mg/L</td>
<td>5</td>
<td>Less than 1</td>
<td>—</td>
</tr>
<tr>
<td>Oil</td>
<td>mg/L</td>
<td>2</td>
<td>Less than 0.05</td>
<td>—</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>6.5–8.0</td>
<td>7.2</td>
<td>—</td>
</tr>
<tr>
<td>Suspended solids (COD)</td>
<td>mg/L</td>
<td>30</td>
<td>64</td>
<td>—</td>
</tr>
<tr>
<td>Chemical oxygen demand (COD)</td>
<td>mg/L</td>
<td>10</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Suspended solids (SS)</td>
<td>mg/L</td>
<td>70</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>mg/L</td>
<td>1.2</td>
<td>3.3</td>
<td>—</td>
</tr>
<tr>
<td>Phosphorous</td>
<td>mg/L</td>
<td>1.2</td>
<td>Less than 0.1</td>
<td>—</td>
</tr>
<tr>
<td>N-hexane-extracts</td>
<td>mg/L</td>
<td>3.0</td>
<td>Less than 0.5</td>
<td>—</td>
</tr>
<tr>
<td>pH</td>
<td>5.2</td>
<td>7.2</td>
<td>7.5</td>
<td>—</td>
</tr>
<tr>
<td>Biochemical oxygen demand (BOD)</td>
<td>mg/L</td>
<td>30</td>
<td>40</td>
<td>—</td>
</tr>
<tr>
<td>Suspended solids (COD)</td>
<td>mg/L</td>
<td>600</td>
<td>880</td>
<td>—</td>
</tr>
<tr>
<td>Chemical oxygen demand (COD)</td>
<td>mg/L</td>
<td>10</td>
<td>4.4</td>
<td>—</td>
</tr>
</tbody>
</table>

Atmosphere

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warm air heating unit (dry air)</td>
<td>m³/hr</td>
<td>100</td>
<td>150</td>
<td>250</td>
</tr>
<tr>
<td>CO₂</td>
<td>ppm</td>
<td>0.10</td>
<td>0.20</td>
<td>0.028</td>
</tr>
<tr>
<td>SO₂</td>
<td>ppm</td>
<td>10</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>NOₓ</td>
<td>ppm</td>
<td>150</td>
<td>150</td>
<td>25</td>
</tr>
</tbody>
</table>

Noise

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Kyoto Plant</th>
<th>Shiga Plant</th>
<th>Azuchi Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warm air heating unit (dry air)</td>
<td>m³/hr</td>
<td>100</td>
<td>150</td>
<td>250</td>
</tr>
</tbody>
</table>

Measurement dates: September 21, 2021 (Kyoto Plant); July 29, 2021 (Shiga Plant); November 25, 2021 (Azuchi Plant)
Pursuit of Customer Satisfaction

Developing 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. The laser guidance technology used in the AGF greatly reduces environmental impacts from unnecessary floor construction. It also enables AGFs to be introduced in locations where modifications to the building are not permitted, such as rented warehouses. In addition, we are developing AGFs offering the same throughput and small turn radius as our manned forklifts. Moreover, we are working to introduce these AGFs at logistics sites where manned forklifts have been the mainstay so far, contributing to the ongoing automation of logistics operations.

In particular, demand for AGFs is increasing at logistics warehouses that are serving the growing e-commerce market in light of the COVID-19 pandemic and the associated increasing need for non-contact operations and automation.

In August 2021, in response to these needs, we introduced the PLATTER Auto H Type, a product that increases work efficiency to a greater extent than is possible with conventional models. This AGF eliminates the issues associated with conventional manned forklifts, such as slower cargo handling and running speeds, as well as the larger passage width they require for loading and unloading. As a result, this product is designed to play an active role at logistics sites.

Safety is also taken into consideration in order to create a workplace where people can work in harmony with machines. In addition to installing obstacle sensors that monitor the entire circumference of the vehicle, we have provided four-color LED lighting that clearly indicates the vehicle status — whether in standby, in abnormal stoppage, or charging — to nearby workers.

We are also collaborating with Mitsubishi Heavy Industries to develop an AGF incorporating the autonomy and intelligence solution concept “Σ SynX” developed by Mitsubishi Heavy Industries. Σ SynX consists of various core technologies, such as a technology for efficiently linking AGVs and AGFs, and technology for detecting and avoiding people and objects. In the future, the core technologies being verified in the SynX-Vehicle, a new AGF concept vehicle applied with Σ SynX, will gradually be incorporated in our AGF vehicles so that we can provide solutions directly linked to customer issues.

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.
Prioritizing safety through operator training courses
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.

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.

In 2021, we launched Good Finder, an AI-powered human detection system for forklifts. This system uses artificial intelligence to detect the presence of people and to warn drivers of large forklifts that people are nearby. Large forklift trucks have significant blind spots, and although they are equipped with mirrors and cameras to compensate for this, they don’t provide their full benefit if the driver is not paying close attention. Consequently, about 2,000 forklift accidents occur annually in Japan. In response, we developed Good Finder by combining our technology with the innovations developed by Mitsubishi Heavy Industries, which has developed advanced image-processing and detection technology.

Moreover, we offer two additional options offering enhanced safety features: the Good Running System, which reduces vibrations and impacts when traveling over bumps, and the Logistics Vehicle Support, a forklift operation management system, known as LVS, which contributes to safe and efficient vehicle operation and visualization of the worksite.
Going forward, we intend not only to improve forklift ease of use, but also to reduce forklift accidents while contributing to safer work environments.

**Maintaining good customer communication**
As a means of establishing and maintaining good relationships with our customers over the medium and long term, we implement the following initiatives on a regular basis in order to support our sales companies’ efforts to maintain open communication with their customers.

- Conducting our Customer Questionnaire
- Publishing monogram, our promotional magazine
- Launching the Logisnext Expo online showroom

In fiscal 2020, as a new initiative in response to the COVID-19 pandemic, we introduced Logisnext Expo, our online showroom, to publicize a variety of information about the solutions and services we offer. This represents a new type of exhibition that allows visitors to tour a virtual space on the Internet and avoid the risk of infection associated with visiting an actual venue in person.

Through this and other such efforts to enhance our contact with customers, we remain focused on ensuring customer satisfaction by monitoring market needs in a timely and conscientious manner.

### Ensuring Product Quality and Safety

**Quality Policy**
In fiscal 2021, 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 Month**
In order to raise awareness of the need for quality and encourage the widespread adoption of quality control initiatives, the month of November has been designated Quality Month nationwide. As part of our quality month activities, we post Quality Month posters and banners and hold Quality Morning Meetings in each department in an effort to raise awareness of quality.

November is also the month we provide instrument workshops and hold an instrument skills competition to reacquaint our employees with the basics of manufacturing through training in the use of measuring instruments. Moreover, we convene our company-wide quality improvement report meeting to share initiatives that have led to quality and performance improvements in our various departments. We also present our Defective Parts Exhibition to provide an opportunity for employees to gain direct knowledge of customer complaints with detailed displays of the defects and actual products that may have inconvenienced our customers.

Through these quality month activities and our daily quality improvement efforts, we continue to implement our management policy of "pursuing world-class quality."

In fiscal 2022, we will incorporate our newly established Quality Assurance Center within the Shiga Plant as a symbolic location for informing people inside and outside our company about our initiatives.
Supply Chain Management

Selecting highly rated suppliers and providing guidance on improvements through supplier evaluations

We conduct supplier evaluations once a year that evaluate aspects related to quality, delivery time, price, and management (including the environment). Suppliers found to have low evaluations in terms of quality and delivery time are informed of the evaluation results and are given specific requests for improvement. The progress of their improvement efforts is monitored regularly.

The results of these initiatives are incorporated in our supplier selection criteria when we develop and introduce new models. We consolidate orders among those who are identified as potential core suppliers after they have maintained a consistently high evaluation status and successfully completed factory audits.

Recently, supply problems related to semiconductors and electronic components have been occurring with some frequency, which has increased production risks. However, we are taking steps to reduce such risks by sharing information closely with our core suppliers. We will continue to strengthen our collaborations and cooperation efforts with core suppliers in order to respond to the crises that have resulted from the COVID-19 pandemic.

Prioritizing local procurement

At our production facilities outside Japan, we aim to reduce imports from Japan and contribute to the emergence of a society committed to recycling by promoting increased local procurement from local suppliers to achieve “local production for local consumption.” Furthermore, we have harmonized the quality control standards of these suppliers with those in effect in Japan and are promoting double-tracking of the supply chain at a global level by exploiting the advantages of producing identical models in multiple regions. Through these efforts, we aim to build a resilient global supply chain that enables us to maintain stable procurement even in the face of significant geopolitical supply risks.

Briefing sessions for suppliers

Each of our production sites holds regular briefing sessions for the core suppliers who play a central role in the supply chain. By having our executives discuss the current business situation, business environment, and policies, we seek a deeper understanding and greater cooperation with our initiatives.

Although the COVID-19 pandemic has made it difficult to hold in-person briefings, releasing these briefings in the form of on-line videos has enabled us to provide more detailed and more useful information. In addition, to gain cooperation with our initiatives, we conduct surveys following the release of our videos in order to make ongoing improvements.

We also distribute explanatory materials on the sustainability and procurement policies of the MHI Group in order to raise awareness of the objectives of our corporate social responsibility initiatives.

Ensuring Diversity of Human Resources

In light of Japan’s declining birthrate, aging population, and shrinking working population, companies whose personnel embody diverse perspectives and values as well as different experiences, skills, and attributes benefit from strengths that contribute to the company’s sustainable growth. We are therefore working to achieve greater diversity, which includes an effort to promote the active participation of women.

Human Resource Development

In-house training system

We have developed a curriculum that provides rank-based training whenever an employee at any grade is promoted. In addition, since we believe it is important for young people to foster a global mindset at an early stage and accumulate a range of experiences — such as achieving success in a different language, culture, or social system — we have established a trainee system for employees in Japan that...
dispatches employees mainly to facilities outside Japan for a period of about three months. In fiscal 2021, due to the impact of the COVID-19 pandemic, we were unable to assign employees outside Japan. Instead, we conducted online workshops with native speakers and undertook interviews and presentations with Group companies outside Japan.

**Service workshop**

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

**Service technician certification system outside Japan**

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 technicians in improving their skills and capabilities.

There is a high level of understanding of the qualification system among management at our distributors, and many distributors are using this system to promote the training of their service technicians.

**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. 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.

In terms of hygiene, we are particularly focused on mental health, and we monitor the mental health of our employees to reduce absenteeism as much as possible. Likewise, we conduct stress checks through group analysis to improve the workplace environment.

**Health and Safety Philosophy and Policies**

- **Health and Safety Philosophy of the Mitsubishi Logisnext Group**
  “Safety is the foundation of all that we do.”
  We promise the safety of people and our products is the foundation of our success.

- **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.
Societal Initiatives

Corporate Data

The Foundation of Our Value Creation

Value Creation in Practice

Our Value Creation Strategy

Our Perspective on Value Creation

Job Satisfaction and Labor Productivity

Creating Comfortable Workplaces

We are working to create comfortable workplaces that enable all our employees to gain greater satisfaction from their work.

We are taking steps to ensure that our employees take five days of paid leave per year as stipulated by law, and that each employee makes plans to take their allotted paid leave. We regularly follow up on the status of their use to improve the take-up rate of paid leave.

To enable the adoption of more flexible work styles, we have established systems that support telecommuting, flextime, and hourly paid leave. Our short-time work and leave systems for childcare and nursing care incorporate provisions that exceed those stipulated by law.

In this way, by making it possible for all individuals to choose a workstyle that matches their lifestyle, we will improve labor productivity and employee satisfaction while employing a greater diversity of personnel.

Introducing Robotic Process Automation

In order to deal with labor shortages and improve productivity, we are promoting increased operational efficiency by incorporating Robotic Process Automation (RPA), which is the adoption of robots to automate business processes. We conduct interviews on the operations of each department and consider the introduction of RPA, starting with those where such innovations would be most effective. We intend to gradually expand the scope of application of RPA.

Status of occupational accidents

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2019</th>
<th>Fiscal 2020</th>
<th>Fiscal 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyoto Plant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents with lost</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents without</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>lost time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Azuchi Plant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents with lost</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents without</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>lost time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shiga Plant</td>
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<td></td>
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<tr>
<td>Accidents with lost</td>
<td>5</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents without</td>
<td>9</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>lost time</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Take-up rate for paid leave

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2019</th>
<th>Fiscal 2020</th>
<th>Fiscal 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>days taken per</td>
<td>13.0 days</td>
<td>12.1 days</td>
<td>12.9 days</td>
</tr>
<tr>
<td>company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Average of all</td>
<td>9.4 days</td>
<td>10.1 days</td>
<td>10.1 days</td>
</tr>
<tr>
<td>companies according</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to statistics of the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Health,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour and Welfare)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Average for the</td>
<td>11.0 days</td>
<td>11.9 days</td>
<td>11.4 days</td>
</tr>
<tr>
<td>manufacturing industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>according to statistics of the Ministry of Health, Labour and Welfare)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Take-up rate (%)</td>
<td>61.6%</td>
<td>56.9%</td>
<td>60.1%</td>
</tr>
<tr>
<td>among employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Average of all</td>
<td>52.4%</td>
<td>56.3%</td>
<td>56.6%</td>
</tr>
<tr>
<td>companies according</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to statistics of the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Health,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour and Welfare)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Average for the</td>
<td>59.2%</td>
<td>64.1%</td>
<td>61.6%</td>
</tr>
<tr>
<td>manufacturing industry</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>according to statistics of the Ministry of Health, Labour and Welfare)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,849</td>
<td>1,828</td>
<td>1,833</td>
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<tr>
<td>(labor union members)</td>
<td></td>
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</tbody>
</table>

Contributing to Society and Local Communities

We engage in a variety of social initiatives with the aim of contributing to sustainable growth and problem-solving in local communities and throughout society at large.

We are actively engaged in sponsoring cultural and sporting activities, including the Kyoto Philharmonic Chamber Orchestra, the Kyoto Sanga Football Club, and the Mitsubishi Heavy Industries Sagamihara DynaBoars Rugby Team.

Furthermore, we are a supporter of "A Dream a Day in Tokyo," which provides support for children with intractable diseases, and we actively cooperate with volunteer events in the local communities where our plants and offices are located.

We invite you to visit our website to obtain more detail on these initiatives (www.logisnext.com/sponsorship).

We also contribute to the education of future generations by assisting with the training of maintenance engineers.

Nissan Automobile Technical College is working on a project to encourage its students to participate as staff members of a professional racing team, and we are supporting this initiative. We are also contributing to the development of maintenance engineers by supporting collaborations between industry and academia. This includes initiatives such as holding job fairs for students and exhibiting vehicles at school festivals.

Mitsubishi Heavy Industries Sagamihara DynaBoars
Governance Initiatives

Governance Reform

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 the effectiveness assessment undertaken in fiscal 2021, it was deemed necessary to expand efforts to discuss medium- and long-term strategies, enhance internal controls, and undertake risk management. In fiscal 2022, 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 enhance our internal controls and risk management, we continue to hold regular liaison meetings between the Audit and Supervisory Board and the Internal Control Division. Moreover, we are strengthening supervision of the Board of Directors regarding the development of our internal control systems. Moreover, the Nominating and Compensation Committee is working to establish an operational system to handle succession planning for the president and executives.

Introduction of the Electronic Contract System

We have introduced an Electronic Contract System that enables us to conclude contracts with suppliers electronically. In the past, we signed contracts with suppliers using paper and personal seals, but by digitizing the process we are able to enhance operational efficiency and reduce various costs. By centrally managing contracts in the cloud, we can minimize the loss of documents, omission of updates, falsification, and other tampering with originals, all of which contributes to stronger compliance security.

We will continue to expand the use of our Electronic Contract System while also taking more flexible approaches to work.

Convening of the Risk Management and Compliance Committee

We established our Risk Management and Compliance 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 and Compliance 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, as shown in the diagram on the next page.

Risk Management System
Mitsubishi Logisnext Group Compliance Guidelines

1. Relationships with customers
   [1] We should respect the opinions of our customers and treat each customer fairly and honestly.
   [2] We should provide attractive and safe products and services to our customers.
   [3] We should conduct our domestic and overseas business activities in fair competition with other companies in accordance with relevant laws and social norms.

2. Relationships with shareholders and investors
   We should communicate with our shareholders and other investors to fairly disclose corporate information for our business activities.

3. Relationships with business partners
   [1] We should maintain fair relationships with our business partners and conduct transactions in accordance with objective principles.
   [2] We should exchange business courtesies, such as gifts, meals, and entertainment, within socially acceptable limits.

4. Relationships with employees
   [1] We should strive to ensure efficient use of resources and to protect the global environment.
   [2] We should respect basic human rights and strive not to take any discriminatory actions.
   [3] We should comply with relevant labor laws and strive to maintain a safe and friendly working environment.

5. Relationships with law and society
   [1] We should strive to ensure efficient use of resources and to protect the global environment.
   [2] We should conduct our domestic and overseas business activities in fair competition with other companies in accordance with relevant laws and social norms.

6. Acknowledgement regarding compliance
   We should firmly resist and not enter into engagements with anti-social activities or forces.
   [1] We should not use inside information, from either internal or external sources, to buy or sell stock or other securities, and we should not disclose inside information to any other persons, including family members and friends.
   [2] We should maintain fair relationships with our business partners and conduct transactions in accordance with objective principles.

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 2021, the Group in Japan received 93 whistleblowing reports in total. We have appropriately investigated each instance, implementing appropriate responses and formulating measures to prevent any recurrence.

Inquiry and Reporting Procedures for Contacts with Competitors and Government Procurement Agencies

With the aim of ensuring compliance with the Antimonopoly Law and other laws and regulations intended to maintain fair competition, we have established internal rules as well as policies and procedures for engaging with competitors and government procurement agencies.

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 effort to raise awareness of information system security, we published an information security handbook on our internal portal site as well as processes for identifying targeted attack e-mails.

As part of our regular educational opportunities, we also offer a training program for new employees and managers regarding information system security. We also provide Group employees located inside and outside Japan with an annual training program in information security offered through e-learning. In addition, we send training emails simulating targeted attacks to email users twice a year. This offers an opportunity to alert employees to the presence of such emails while providing training in appropriate measures for dealing with such emails.

Implementing Countermeasures against Vulnerabilities
We regularly monitor information on vulnerabilities affecting the security of servers and applications, take necessary measures, and conduct vulnerability assessments to highlight defects in servers and applications. By taking measures promptly, we are reducing the risks of information leaks, system outages, and other cyberattacks.

Responding to Security Incidents
In preparing responses to the eventuality of a security breach, we have established a reporting and response system to minimize any damage that may occur. In order to minimize the risk of secondary damage, we have established a communication system throughout the Group and are working to ensure that instructions and precautions are thoroughly made known to all. We intend to continue strengthening our system in the future so that our initial response is as fast as possible.

Transitioning to Cloud Computing
Information and communications technologies have become indispensable in today's society. In order to minimize the impact of cyberattacks, natural disasters such as earthquakes and tsunamis; and events such as declarations of a state of emergency due to the COVID-19 pandemic while continuing to operate our businesses, we are instituting countermeasures such as migrating on-premises systems to the cloud and storing backup data in remote locations. In addition, systems that have been migrated to the cloud can be assigned the optimal resources only when they are needed (allowing for a powered-down state when not in use), which leads to a reduction in power consumption.

<table>
<thead>
<tr>
<th>Trend in the transition to cloud computing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition to the cloud (%)</td>
</tr>
</tbody>
</table>
Governance Initiatives

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 2021, we utilized the results of the fiscal 2020 survey to evaluate the effectiveness of the Board of Directors, conducted in April 2021, 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.

In June 2022, as part of the sixth evaluation of the effectiveness of the Board of Directors, we conducted a survey titled “Progress and Current Issues Related to Initiatives in Fiscal 2021” that covers the seven themes listed below, debated its results at the Board of Directors, and determined the effectiveness of the Board of Directors in fiscal 2021 and the action policies for fiscal 2022.

Progress on the initiatives undertaken in fiscal 2022 will be reported in next year’s report.

Fiscal 2021 Policies and Progress

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enhancing discussions on medium- and long-term strategies, including sustainability</td>
<td>We organized the current operation so that the Board of Directors could fulfill all its roles and responsibilities, and changed the operation centered on organizing and reviewing agenda items. Additionally, we established a sustainability system and instituted a system to regularly report the status of initiatives to the Board of Directors.</td>
</tr>
<tr>
<td>2. Adopting measures to protect minority shareholders</td>
<td>We adopted rules on in-house operations regarding transactions with our parent company, Mitsubishi Heavy Industries. In addition, we appointed a lead independent external director to strengthen the supervisory function of external directors.</td>
</tr>
<tr>
<td>3. Ensuring appropriate time for deliberation by allowing for flexibility in the dates and times of Board of Directors Meetings</td>
<td>We allocated adequate time and allowed for adjustments according to the number of items on the agenda and their nature in order to improve the efficiency of deliberations.</td>
</tr>
<tr>
<td>4. Improving the quality of materials and securing sufficient time for prior examination</td>
<td>We enhanced the supplementary information provided in materials submitted to our Board of Directors and took steps to improve the overall quality of these materials. With the aim of accelerating the distribution of materials, we reviewed the schedule of the Board of Directors meetings and worked to secure time for preliminary examination of these materials.</td>
</tr>
<tr>
<td>5. Enhancing the provision of information to external officers and establishing regular exchanges between external directors and members of the Management Committee</td>
<td>In addition to enhancing the provision of information to external officers by providing inspections of our plants, seminars for officers, and explanations of the action plans of each division, we regularly interact with our external officers through individual interviews with members of the Internal Management Committee, meetings with the Chairman of the Board and the President of the Board, and liaison meetings with the Internal Control Division.</td>
</tr>
<tr>
<td>6. Involving the Nominating and Compensation Committee in succession planning</td>
<td>The Nominating and Compensation Committee was involved in the formulation of our succession plan. It decided to supervise the development of successors and undertook a concrete examination of the implementation of the succession plan. Furthermore, the implementation status of the plan is regularly reported to the Board of Directors, which itself also monitors it.</td>
</tr>
</tbody>
</table>

Fiscal 2022 Survey and Policies

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Themes of the Survey Evaluating the Effectiveness of the Board of Directors (conducted in April 2022) (Spanning July 2021 to April 2022)</td>
<td>1. Operation of the Board of Directors 2. Composition of the Board of Directors 3. Management decision-making and supervision by the Board of Directors 4. Roles of directors and auditors 5. Initiatives for reforming the Board of Directors 6. Provision of information to directors and auditors 7. Voluntary Nominating and Compensation Committee</td>
</tr>
</tbody>
</table>

Fiscal 2022 Policies

<table>
<thead>
<tr>
<th>Policy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Providing a forum for discussion of business strategies</td>
<td>Discussion of business strategies, enhancement of sustainability reports, and other issues</td>
</tr>
<tr>
<td>2. Taking steps to enhance and revitalize discussions</td>
<td>Securing time for advanced deliberation: Ensuring timely delivery of materials and accepting questions in advance</td>
</tr>
<tr>
<td>3. Responding to the sophistication of internal controls and risk management</td>
<td>Promoting understanding of agenda materials: Compiling easy-to-understand materials and explanations that capture the main points</td>
</tr>
<tr>
<td>4. Providing information and interacting with external officers</td>
<td>Proceedings that encourage discussion: Allocating time appropriately, devising points of order, and creating an appropriate atmosphere</td>
</tr>
<tr>
<td>5. Implementing the succession plan</td>
<td>Continuation of regular liaison meetings between the Audit and Supervisory Board and the Internal Control Division (with the participation of external directors)</td>
</tr>
<tr>
<td></td>
<td>Strengthening the supervision by the Board of Directors regarding the development of internal control systems</td>
</tr>
<tr>
<td></td>
<td>Providing information requested in surveys and information on company issues and providing regular opportunities for exchange</td>
</tr>
</tbody>
</table>
Board of Directors

Representative Director and Chairman
Takashi Mikogami

Representative Director and President
Yuichi Mano

Director
Masataka Shinya

Director
Takatoshi Uno

Director
Masayuki Suematsu

Ap. 1986: Joined Mitsubishi Heavy Industries, Ltd.
Ap. 2017: 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
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 Sagemihara 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
Oct. 2017: President and CEO, the Company
Apr. 2020: 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)

Ap. 1986: Joined Mitsubishi Heavy Industries, Ltd.
Jul. 1986: 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 (to present)

Ap. 1986: Joined Mitsubishi Heavy Industries, Ltd.
Jul. 1986: 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, in charge of Sagemihara Business Headquarters, Head of Sagemihara Business Headquarters, Deputy Head of Engineering Headquarters, the Company
Jun. 2015: Resigned as Director, the Company
Jun. 2016: Executive Officer, Deputy Head of Engineering Headquarters, the Company
May 2016: Senior Executive Officer, Head of Engineering Headquarters, Division Head, General Manager, Product Planning Division, the Company
May 2018: Senior Executive Officer, Head of Engineering Headquarters, Division Head, General Manager, Product Planning Division, the Company
Oct. 2017: Senior Executive Officer, Division Head, General Manager, Product Planning Office, the Company
Feb. 2019: Division Head, General Manager, Quality Management Office, the Company
Apr. 2020: Senior Executive Officer, Head of Engineering Headquarters, the Company
Apr. 2021: Senior Vice President, CTO, Head of Engineering Headquarters, in charge of Product Planning Office, the Company
Apr. 2022: Senior Vice President, CTO, Head of Engineering Headquarters, in charge of Product Planning Office, the Company (to present)
Jun. 2022: Director, the Company (to present)

Ap. 1986: Joined Mitsubishi Heavy Industries, Ltd.
May 2001: Controller, Mitsubishi Caterpillar Forklift Europe B.V.
Jan. 2002: 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. 2018: Senior Vice President, Mitsubishi Heavy Industries, Ltd. (to present)
Jan. 2019: Director, the Company (to present)
Apr. 2021: Head of Business Strategy Office, Mitsubishi Heavy Industries, Ltd. (to present)
Apr. 2022: Vice President, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd. (to present)

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

Biographies

Experience and Skills

<table>
<thead>
<tr>
<th>Category</th>
<th>Osamu Ando</th>
<th>Kyoko Kobayashi</th>
<th>Fumio Kobayashi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Management</td>
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<td>●</td>
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<tr>
<td>Financial Accounting</td>
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<td>Legal</td>
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<td>Marketing</td>
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<td>Research &amp; Development</td>
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<tr>
<td>International Experience</td>
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<td></td>
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<tr>
<td>Sustainability</td>
<td></td>
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</tr>
</tbody>
</table>

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

Jun. 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, C&S, and Information Systems, Shimadzu Corporation
Apr. 2013 In charge of Production and C&S 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
Apr. 1999 Joined Inokawa Legal Office (currently Inokawa Legal Professional Corporation)
Sep. 2009 Seconded to Legal Affairs Office, Sharp Corporation
Sep. 2014 Returned to Inokawa Law Office
Jun. 2018 Partner, Inokawa Law Office
Feb. 2018 External Audit and Supervisory Board Member, KanwaÔÇôpaint Manufacturing Co., Ltd. (to present)
Jun. 2020 Partner, Inokawa Legal Professional Corporation (to present)
Jun. 2020 Director, the Company (to present)
Jun. 2021 External Director, Nippon Pillar Packing Co., Ltd. (to present)

Apr. 1970 Joined Daikoku Co., Ltd.
Apr. 1997 General Manager, Metropolitan Area Sales Division, Daikoku Co., Ltd.
Jun. 1998 Director, General Manager, Regional Business Division, Daikoku Co., Ltd.
Apr. 2003 Managing Director, Chief Operating Officer (COO), Sales and Marketing Operations, Daikoku Co., Ltd., Deputy General Manager, FAIDA Operations General Manager, Sales Division, FAIDA Operations, Daikoku Co., Ltd.
Apr. 2004 Representative Director, Senior Managing Officer, Sales and Marketing Operations, General Manager, FAIDA Operations, Daikoku Co., Ltd.
Apr. 2005 Representative Director, Senior Managing Officer, Sales and Marketing Operations, COO, FAIDA Operations, General Manager, FAIDA Operations, Daikoku Co., Ltd.
Apr. 2006 Executive Vice President, COO, Daikoku Co., Ltd.
Apr. 2015 Director, Adviser, Daikoku Co., Ltd.
Jun. 2015 Adviser, Daikoku 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)

Biographies

Audit and Supervisory Board Member

Koji Baba

Apr. 1981 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)
May 2007 General Manager of Johannesburg Representative Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
Dec. 2010 Joined the Company
Apr. 2011 General Manager of Business Planning Office, Sales and Marketing Headquarters, the Company
Jun. 2014 Executive Officer, Division Head, General Manager of Overseas Business Planning Division, Overseas Sales and Marketing Headquarters, the Company
Oct. 2017 Member of the Executive Team, Deputy Head of Overseas Sales and Marketing Headquarters and Division Head, General Manager of Overseas Business Planning Division, the Company
Jun. 2019 Audit and Supervisory Board Member, the Company (to present)
Jun. 2022 Outside Director, Dai Nippon Tokyo Co., Ltd. (to present)

Shinji Ichihara

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 Sagamihara 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.
Jun. 2018 Head of Administration Headquarters, the Company
Jun. 2020 Audit and Supervisory Board Member, the Company (to present)

Biographies

General Manager, Human Resources Division, GS Yuasa Corporation
Jun. 2015 Audit and Supervisory Board Member, the Company (to present)
Jun. 2017 Managing Director, GS Yuasa International Ltd.
Jun. 2018 Managing Director, GS Yuasa Corporation
Jun. 2020 Adviser, GS Yuasa Corporation

Biographies

External Audit and Supervisory Board Member

Masahide Kuragaki

Apr. 1979 Joined Japan Storage Battery Co., Ltd. (currently GS Yuasa International Ltd.)
Jul. 2007 Corporate Officer, GS Yuasa Power Supply, Ltd. (currently GS Yuasa International Ltd.)
Apr. 2008 General Manager, Human Resources Division, GS Yuasa Corporation
Jun. 2015 Director, GS Yuasa Corporation
Jun. 2015 Audit and Supervisory Board Member, the Company (to present)
Jun. 2017 Managing Director, GS Yuasa International Ltd.
Jun. 2018 Managing Director, GS Yuasa Corporation
Jun. 2020 Adviser, GS Yuasa Corporation

Biographies

Yasuyuki Fukuoka

Apr. 1984 Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
Feb. 2005 General Manager of Okayama Branch, The Mitsubishi Trust and Banking Corporation
Jun. 2009 Deputy General Manager of Kyoto Branch and Kyoto Chuo Branch, Mitsubishi UFJ Trust and Banking Corporation
Oct. 2011 General Manager of Saitama Branch, Mitsubishi UFJ Trust and Banking Corporation
Apr. 2013 Associate Director, Mitsubishi UFJ Trust and Banking Corporation
Jun. 2013 Full-time Corporate Auditors, Dai Nippon Tokyo Co., Ltd.
Jun. 2015 Audit and Supervisory Board Member, the Company (to present)
Jun. 2021 Auditor, D&T LIGHTING Co., Ltd. (to present)

Biographies

Shigeru Yoshimura

Apr. 1976 Joined Mitsubishi Heavy Industries, Ltd.
May 1997 President, Mitsubishi Caterpillar Forklift Asia Inc.
Apr. 2006 Deputy Manager of Industrial Vehicles Sales Department, General Machinery & Special Vehicles Business Headquarters, Mitsubishi Heavy Industries, Ltd.
Jun. 2003 Director, Mitsubishi Caterpillar Forklift America Inc.
Jun. 2007 Director, General Manager, Fleet Sales Department, Mitsubishi Heavy Industries Forklift Sales Co., Ltd.
Mar. 2008 President, Mitsubishi Heavy Industries (Thailand) Ltd.
May 2013 Adviser, Domestic Corporate Sales Office, Global Strategy Headquarters, Mitsubishi Heavy Industries, Ltd.
Jun. 2020 Audit and Supervisory Board Member, the Company (to present)
Message from Our External Directors

Employing My Experience in Global Management to Fulfill My Duties

Osamu Ando
External Director

Two years have passed since I was appointed as an external director. In this role, I remain committed to supervising the execution of business operations in an appropriate manner while further increasing my understanding of the business, its organization, and its people. In addition to contributing my own knowledge, I intend to help strengthen corporate governance and enhance corporate value. I believe that my essential role is to improve corporate value and protect the interests of minority shareholders.

Mitsubishi Logisnext has succeeded in becoming one of the top five companies in this global industry as a result of a business integration, but as the section disclosing the performance for the domestic and overseas business segments indicates, forklifts currently account for most of the sales and profits. Overall, I have the impression that the profit margin and capital adequacy ratio are somewhat unsatisfactory relative to the sales volume.

As a result of the measures taken following the integration, the company benefits from the comprehensive sales and service network it has established in Japan. Outside Japan, the company is expanding its business globally, mainly in the Americas and Europe, in terms of development, manufacturing, and sales. We believe that we exhibit particular strengths in the U.S.A. On the other hand, the contribution of sales from the Chinese market, which is quite large, is extremely small. Moreover, it seems that the diverse product brands of each company that existed before the integration still remain. While this situation is advantageous in terms of sales because the brands are well known, one cannot deny that this circumstance is inefficient in terms of development and manufacturing, and it may become necessary to consider reorganizing these brands.

In light of this situation, I believe it is important to provide solutions not only with forklifts but also with general logistics to achieve further development in the future. As stated in the company’s medium-term management plan, it is already working to expand the scope of its business, and I hope that in the future it will create businesses of a scale large enough to be displayed as their own business segments. Moreover, as interest in decarbonization grows, I hope the company will also use its forklift technology to improve corporate value through environmental measures. In order to improve profit margins and strengthen the financial structure through efficient management that demonstrates the effects of corporate integration, I expect that the company will further deepen its internal integration and develop into a business that effectively applies the parent company’s technology and other resources.

Speaking from a Lawyer’s Perspective

Kyoko Kobayashi
External Director

During my legal practice of more than 20 years, I have provided legal consultations and handled lawsuits for companies in a variety of industries. I have also been involved in legal and compliance work as a company employee in the position of in-house lawyer. At Mitsubishi Logisnext, the general affairs division plays the central role in terms of legal and compliance work. Despite its limited number of staff, they are appropriately handling contract reviews, litigations, and compliance with laws and regulations such as the Subcontract Act and the Construction Business Act.

Mitsubishi Logisnext has to date been preoccupied with the integration of its four companies. Its sales subsidiaries have also been reorganized, and an appropriate system is in place. Further development of its forklift business and the solutions business can be expected from now on. As part of this process, it is desirable to prevent future disputes and problems by reviewing contracts, checking for compliance violations, and appropriately resolving and minimizing disputes. I hope that the legal functions will be enhanced to deal with these matters. Looking ahead to further developments, I would like the company to proceed with development of its internal systems in the future.

Two years have passed since I was appointed an external director at Mitsubishi Logisnext, and I have come to better understand not only the nature of the business, but also the state of the forklift industry and the various issues that need to be addressed. In this context, I believe my role is to present examples of initiatives at other companies as needed, including their decarbonization and the digital transformation, and consider their appropriateness from a legal and compliance perspective. Currently, I think that the participating members tend to speak frankly at meetings of the Board of Directors and the Nomination and Compensation Committee. Moreover, they communicate their awareness of issues to the company and actively engage in exchanges of opinion. I recognize that one of the roles of an external director is to stimulate discussions at Board of Directors meetings, so I will continue to offer opinions that are useful to the company.
Offering Advice Grounded in My Marketing Experience in the Logistics Equipment Industry

External Director
Fumio Kobayashi

I was appointed as an external director in June 2022. Having been involved in the logistics equipment industry for many years, I believe that Mitsubishi Logisnext’s strength lies in its forklifts, the industrial vehicles that represent the core, or “baseload,” of its business. Starting with the PLATTER, which is synonymous with reach-type forklifts, the company sells a wide range of products with excellent technologies that its competitors do not offer, ranging from warehouse logistics equipment such as rack forklifts and unmanned forklifts to port cargo handling equipment. The company is currently among the top five in the world in terms of sales, but I believe it can eventually aim to become the global leader.

Looking at Mitsubishi Logisnext’s sales by region, compared to the strength of sales in the Americas, I think there remains room for the Japanese market to demonstrate the advantages of its corporate integration. In addition, market structures and requirements around the world vary by country and by region. The geopolitical risks emerging in the Chinese market are one example. Generally, it is necessary to devise business policies and allocate people, goods, and money optimally for each country and region. The company is committed to refining its ability to offer logistics solutions — which it has established over the 80 years since the Nippon Yusoki era — and incorporate them in its solutions businesses that are not limited to forklifts alone. I trust that such a commitment will lead to increased income, improved profit margins, and a stronger financial structure.

While the primary responsibility of an external director is to monitor the Board of Directors in accordance with the Corporate Governance Code, I am also aware that the Board of Directors expects me to provide advice based on my own marketing experience. In order to improve the corporate value of Mitsubishi Logisnext, I will continue to provide appropriate and useful advice to the Board of Directors, specifically making proposals for improving business profitability and the direction of the material handling solutions business, which is outlined in the medium-term management plan.
<table>
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<tr>
<th>Category</th>
<th>Material Issue</th>
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<th>Fiscal 2021 Initiatives</th>
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<th>Fiscal 2021 Results</th>
<th>Fiscal 2022 Initiatives</th>
<th>Corresponding SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing environment-friendly products</td>
<td>Development and provision of decarbonized and low-carbon products</td>
<td>1. To develop electric forklifts offering lower electricity consumption</td>
<td>To grow sales of the new ALEESS electric forklift outside Japan</td>
<td>1. Introduced the ALEESS Series in the Chinese market</td>
<td>★★★★★</td>
<td>1. Introduced the EDIA XL in the European market</td>
<td></td>
<td>2. To introduce the EDIA XL in the North American market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. To expand the lineup of electric forklifts to replace engine-powered forklifts</td>
<td>To develop new electric forklifts</td>
<td>2. Introduced the EDIA XL in the European market</td>
<td>★★★★★</td>
<td>2. To develop new models that comply with exhaust gas regulations</td>
<td></td>
<td>2. To develop models in compliance with local emissions regulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. To develop engine-powered forklifts in compliance with emissions regulations</td>
<td>To develop models in compliance with local emissions regulations</td>
<td>3. Now developing models that comply with exhaust gas regulations</td>
<td>★★★★★</td>
<td>3. Now developing models that comply with exhaust gas regulations</td>
<td></td>
<td>3. To develop models in compliance with local emissions regulations</td>
</tr>
<tr>
<td></td>
<td>Development of carbon-neutral rubber-tired gantry cranes</td>
<td>1. To help achieve the carbon-neutral ports policy being promoted by the Ministry of Land, Infrastructure, Transport and Tourism</td>
<td>To participate in a study group to form a carbon-neutral port hosted by the Ministry of Land, Infrastructure, Transport and Tourism and local governments</td>
<td>1. Participated in the Port of Kobe CNP Study Group, the Port of Yokohama and Port of Kawasaki CNP Formation Meeting, and the Osaka “Mirai” CNP Study Group</td>
<td>★★★★★</td>
<td>1. Participated in the Port of Kobe CNP Study Group and the Port of Tokyo CNP Study Group</td>
<td>2. To receive orders for four units of our rubber-tired gantry cranes equipped with diesel generators in compliance with the fourth emissions regulation and to adjust, verify, and improve fuel efficiency</td>
<td>2. To develop the fourth emissions regulation targeting the future replacement of fuel cells with diesel generators in compliance with the fourth emissions regulation and to adjust, verify, and improve fuel efficiency</td>
</tr>
<tr>
<td>Reduction of environmental load</td>
<td>Initiatives of our special environmental groups and the entire company</td>
<td>To upgrade the environmental initiatives of Group companies</td>
<td>To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
<td>★★★★★</td>
<td>1.8%</td>
<td>To improve the accuracy of environmental data acquired from sales companies and locations outside Japan</td>
<td></td>
<td>2. To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To improve our waste and emissions intensity</td>
<td>To achieve a 0.5% improvement in waste and emissions intensity (excluding resources) relative to fiscal 2020</td>
<td>★★★★★</td>
<td>1.0%</td>
<td>To improve the waste and emissions intensity (excluding resources) by 1.0% relative to the results for fiscal 2020</td>
<td>1. To improve the waste and emissions intensity (excluding resources) by 1.0% relative to the results for fiscal 2020</td>
<td>2. To improve the waste and emissions intensity (excluding resources) by 1.0% relative to the results for fiscal 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To increase our recycling rate</td>
<td>To improve the recycling rate relative to the results for fiscal 2020</td>
<td>★★★★★</td>
<td>2.7%</td>
<td>To improve the recycling rate relative to the results for fiscal 2020</td>
<td></td>
<td>2. To improve the recycling rate relative to the results for fiscal 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To improve our VOC emissions intensity</td>
<td>To improve the VOC emissions intensity relative to the results for fiscal 2020</td>
<td>★★★★★</td>
<td>3%</td>
<td>To improve the VOC emissions intensity relative to the results for fiscal 2020</td>
<td></td>
<td>3. To improve the VOC emissions intensity relative to the results for fiscal 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To ensure the costs of environmental protection are calculated and clearly disseminated in-house</td>
<td>To develop a procedural manual for calculating the contribution to CO2 emissions reduction</td>
<td>★★★★★</td>
<td>0.5%</td>
<td>To develop a procedural manual for calculating the contribution to CO2 emissions reduction</td>
<td>1. To develop a procedural manual for calculating the contribution to CO2 emissions reduction</td>
<td>1. To develop a procedural manual for calculating the contribution to CO2 emissions reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To calculate reduction in CO2 emissions attributable to product use</td>
<td>To develop models in compliance with local emissions regulations</td>
<td>★★★★★</td>
<td>1.0%</td>
<td>To calculate the contribution to CO2 emissions reduction of vehicles in development</td>
<td>1. To calculate the contribution to CO2 emissions reduction of vehicles in development</td>
<td>1. To calculate the contribution to CO2 emissions reduction of vehicles in development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce CO2 emissions attributable to use of forklift and logistics solution vehicles in development</td>
<td>To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
<td>★★★★★</td>
<td>2.0%</td>
<td>To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
<td>1. To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
<td>1. To promote initiatives in keeping with the MHI Group’s Environmental Activity Policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce the amount of environmentally hazardous substances contained in products</td>
<td>To list environmentally hazardous substances and identify the parts that incorporate them</td>
<td>★★★★★</td>
<td>1.1%</td>
<td>To list environmentally hazardous substances and identify the parts that incorporate them</td>
<td>1. To list environmentally hazardous substances and identify the parts that incorporate them</td>
<td>1. To list environmentally hazardous substances and identify the parts that incorporate them</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To strengthen compliance with laws and regulations in each country and provide support for suppliers</td>
<td>To continue requiring suppliers to submit SVHC surveys and establish systems ensuring compliance with laws and regulations in all countries</td>
<td>★★★★★</td>
<td>0.0%</td>
<td>To continue requiring suppliers to submit SVHC surveys and establish systems ensuring compliance with laws and regulations in all countries</td>
<td>1. To continue requiring suppliers to submit SVHC surveys and establish systems ensuring compliance with laws and regulations in all countries</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>To improve our energy intensity</td>
<td>To improve energy intensity by 1% relative to fiscal 2020 levels</td>
<td>★</td>
<td>2.7%</td>
<td>To improve energy intensity by 2% relative to fiscal 2020 levels</td>
<td></td>
<td>2. To improve energy intensity by 2% relative to fiscal 2020 levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce water intensity</td>
<td>To improve water intensity by 0.5% relative to fiscal 2020 levels</td>
<td>★★★★</td>
<td>1.1%</td>
<td>To reduce water intensity by 1% relative to fiscal 2020 levels</td>
<td></td>
<td>1. To reduce water intensity by 1% relative to fiscal 2020 levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce wood pallet waste</td>
<td>To achieve a 1% improvement in pallet waste intensity (1.12 kg/million yen max.) compared to the fiscal 2020 level</td>
<td>★★★★</td>
<td>1.8%</td>
<td>To reduce pallet waste intensity by 1% compared to fiscal 2021 levels</td>
<td></td>
<td>1. To reduce pallet waste intensity by 1% compared to fiscal 2021 levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To reduce the weight of packaging material purchased per unit of sales</td>
<td>To reduce the weight of packaging materials purchased for parts shipment compared to the fiscal 2020 level (18.18 kg/million yen max.)</td>
<td>★</td>
<td>2.0%</td>
<td>To reduce the weight of packaging materials purchased for parts shipment by 1% compared to the fiscal 2021 level</td>
<td>1. To reduce the weight of packaging materials purchased for parts shipment by 1% compared to the fiscal 2021 level</td>
<td>1. To reduce the weight of packaging materials purchased for parts shipment by 1% compared to the fiscal 2021 level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To improve the usage rate for returnable containers</td>
<td>To promote the adoption of returnable containers</td>
<td>★★★★</td>
<td>2.0%</td>
<td>To promote the adoption of returnable containers</td>
<td>1. To promote the adoption of returnable containers</td>
<td>1. To promote the adoption of returnable containers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To determine product shipments (by tonnage-kilometer) and maintain or improve management methods</td>
<td>To determine product shipments (by tonnage-kilometer) in an appropriate manner and reduce energy intensity related to transportation</td>
<td>★★★★★</td>
<td>3.0%</td>
<td>To determine product shipments (by tonnage-kilometer) in an appropriate manner and reduce energy intensity related to transportation</td>
<td>1. To determine product shipments (by tonnage-kilometer) in an appropriate manner and reduce energy intensity related to transportation</td>
<td>1. To determine product shipments (by tonnage-kilometer) in an appropriate manner and reduce energy intensity related to transportation</td>
</tr>
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<tr>
<td>E</td>
<td>Environmental investment</td>
<td>Reduction of environmental load</td>
<td>To reduce CO2 emissions through energy efficiency</td>
<td>1. To update the air conditioner (gas heat pump) in the cafeteria (9.9-tonne reduction) 2. To update the air conditioner (gas heat pump) in the Kyoto Plant (2.0-tonne reduction) 3. To introduce LED lighting at the Kyoto Plant (9.8-tonne reduction) 4. To update the compressors (1.9-tonne reduction). 5. To update the sheet shutters at the Azuchi Plant (3.2-tonne reduction) 6. To convert to LED lighting on the 2nd floor of the Office Building of the Azuchi Plant (9.8-tonne reduction) 7. To update the steam boiler (8.2-tonne reduction) 8. To purchase a compressor for Shiga Plant No. 1 Assembly Unit (7.2-tonne reduction) 9. To install an inverter for the main booth exhaust fan (4.6-tonne reduction) 10. To convert the air hols to electric models (0.5-tonne reduction) 11. To convert the heavy of compressors to electric models (6.0-tonne reduction)</td>
<td>★★★</td>
<td>Reduced CO2 emissions by 139.3 tonnes/year Three initiatives were added during the period in addition to those listed at left 1. Updated the gas heat pump air conditioner for the frame plant (10.2-tonne reduction) 2. Updated the compressors at the Azuchi Plant (1.2-tonne reduction) 3. Installed a high-efficiency powder motor (0.6-tonne reduction)</td>
<td>To reduce CO2 emissions by 246 tonnes/year 1. To introduce LED lighting at the Kyoto Plant (7.7-tonne reduction) 2. To update the air conditioner (gas heat pump) in the Kyoto Plant (3.7-tonne reduction) 3. To update the air conditioner (gas heat pump) in the Kyoto Plant (9.1-tonne reduction) 4. To convert to LED lighting on the 3rd floor of the Office Building of the Azuchi Plant (12.6-tonne reduction) 5. To convert to LED lighting at the Shiga Plant (11.1-tonne reduction) 6. To convert to LED lighting in the Azuchi Plant painting booth (12.0-tonne reduction) 7. To convert the ceiling fixtures at the Azuchi Plant to LED lighting (4.6-tonne reduction) 8. To convert the heaters in the most plant to gas (23.6-tonne reduction) 9. To introduce LED lighting at the Shiga Plant (11.1-tonne reduction) 10. To update the cylinder coating boiler (1.7-tonne reduction) 11. To update the transformer at the Shiga Plant (3.0-tonne reduction) 12. To convert equipment and vehicles at the Shiga Plant to electric power (5.3-tonne reduction)</td>
<td>To ensure stability of supply amid logistical disruptions and achieve appropriate inventory management</td>
</tr>
<tr>
<td>Global inventory management and optimization of spare parts</td>
<td>To achieve global inventory optimization</td>
<td></td>
<td>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</td>
<td></td>
<td>★★★</td>
<td>Reduced inventory by about 8% compared to the level at the introduction of global inventory management in August 2018</td>
<td>To promote timely internal notification to ensure surplus items end up at departments in need</td>
<td></td>
</tr>
<tr>
<td>3 R initiatives</td>
<td>To promote effective use of resources by reusing surplus items</td>
<td>To hold waste collection events twice annually in spring (May) and autumn (October)</td>
<td>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</td>
<td></td>
<td>★★★</td>
<td>Implemented at a reduced scale to reduce spread of the COVID-19 virus 1. May: 29 participants 2. October: 35 participants</td>
<td>To hold waste collection events twice annually in spring (May) and autumn (October)</td>
<td></td>
</tr>
<tr>
<td>Zero waste movement</td>
<td>To hold waste collection events twice annually in spring (May) and autumn (October)</td>
<td></td>
<td>1. To increase the environmental awareness of employees 2. To promote environmental conservation in local communities</td>
<td></td>
<td>★★★</td>
<td>Volunteers participated only in weeding of the Sammyo River and Shiga Prefecture forest projects. The other events were canceled due to the COVID-19 pandemic</td>
<td>To promote timely internal notification to ensure surplus items end up at departments in need</td>
<td></td>
</tr>
<tr>
<td>Participation in community cleanup activities</td>
<td>To promote awareness of recycling</td>
<td></td>
<td>1. To participate in the Lake Iba-naiko Yoshi Reed-Harvesting project 2. To participate in the Oiso Cleanup Initiative 3. To participate in weeding of the Sammyo River 4. To participate in Shiga Prefecture Forest Maintenance Volunteer Activities</td>
<td></td>
<td>★★★</td>
<td>Additional improvements have been implemented, such as changes to specifications to enable multi-level stacking of containers.</td>
<td>To consider the start of trial operation of an artificial-intelligence-based appraisal system for used vehicles at domestic direct sales companies beginning in fiscal 2023</td>
<td></td>
</tr>
<tr>
<td>Recycling / Remanufacturing</td>
<td>To reduce the use and disposal of wood packaging materials</td>
<td>To switch from wooden crate packaging to reinforced corrugated cardboard packaging</td>
<td>1. To switch from wooden crate packaging to reinforced corrugated cardboard packaging 2. To reconsider a return to returnable pallets</td>
<td></td>
<td>★★★</td>
<td>Consided for introduction</td>
<td>To promote a switch to reinforced corrugated cardboard packaging and increase the number of suppliers</td>
<td></td>
</tr>
<tr>
<td>Used car sales</td>
<td>To promote the reuse of resources</td>
<td>To introduce an artificial-intelligence-based appraisal system for used vehicles and to link it to used vehicle purchase sites to speed up appraisals</td>
<td>1. To improve the image of recycled products 2. To promote the reuse of resources</td>
<td></td>
<td>★★★</td>
<td></td>
<td>To research the development of returnable plastic containers 3. To address the chronic shortage of returnable pallets</td>
<td></td>
</tr>
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<td>Customers</td>
<td>Pursuing customer satisfaction</td>
<td>Development of labor-saving and unmanned products</td>
<td>To reduce the environmental impact of AGVs/AGFs</td>
<td>1. To develop a laser guidance method for AGFs</td>
<td>★★★ Introduction of the PLATTER Auto H type, an AGF with a laser-guidance method</td>
<td>To improve the laser guidance method of our AGFs</td>
<td>1. To introduce a vehicle with a -25°C in-cabin specification</td>
<td>3. To comply with the JIS D6793 (2022) standard for functional safety</td>
</tr>
<tr>
<td>Safety awareness initiatives (safety seminars, safety awareness DVDs, calendars, etc.)</td>
<td></td>
<td>To increase our customers’ safety awareness</td>
<td>1. To present safety seminars (4,591 seminars with 40,404 participants)</td>
<td>1. Presented safety seminars (5,591 seminars with 40,404 participants) Note: The number of participants at each seminar was restricted due to the COVID-19 pandemic</td>
<td>1. To distribute safety awareness DVDs: 3,000 copies</td>
<td>1. To distribute safety awareness DVDs: 3,000 copies</td>
<td>2. To distribute safety awareness posters: 25,000 copies</td>
<td></td>
</tr>
<tr>
<td>Operator qualification training for forklifts, shovel loaders, etc.</td>
<td>Ensuring the safety of operators of forklifts and shovel loaders</td>
<td>To provide safe and secure forklifts and other logistics equipment</td>
<td>1. To prepare for installation in new vehicles under development</td>
<td>1. Provided safety-related pages in the catalog</td>
<td>1. To provide examples of specialized specifications to sales companies in Japan</td>
<td>2. To provide a video introducing case studies of our UVS (Logistics Value Support), a forklift operation management system</td>
<td></td>
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</tr>
<tr>
<td>Offering product options (safety equipment) and special features</td>
<td></td>
<td>To strengthen support for special features to meet special-order requests from customers</td>
<td>1. To develop a laser guidance method for AGFs</td>
<td></td>
<td>To improve the laser guidance method of our AGFs</td>
<td>1. To introduce a vehicle with a -25°C in-cabin specification</td>
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<tr>
<td></td>
<td></td>
<td>To visualize the degree of customer satisfaction and dissatisfaction through testimonials for rapid response and case sharing</td>
<td>To conduct the questionnaire in July 2021</td>
<td></td>
<td>Products from the Shiga Plant were included in the questionnaire</td>
<td>To distribute two or more surveys in a year</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>To provide examples of optimal logistics solutions provided by the Company as well as information on logistics topics and the like</td>
<td>To also produce a web edition in response to the COVID-19 pandemic</td>
<td></td>
<td>We published a booklet and web edition</td>
<td>To publish a booklet and web edition</td>
<td>1. September 2022 Vol. 14</td>
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<tr>
<td></td>
<td></td>
<td>To provide customers with solutions, tips, and knowledge to improve logistics</td>
<td>To present “Logisnext Expo” online events</td>
<td></td>
<td>In addition to exhibiting at the International Logistics Exhibition 2022 in September 2022, we will present “Logisnext Expo 3.0” at the same time</td>
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<td></td>
<td></td>
<td>To establish communication with customers with whom we cannot follow-up at any of the international logistics exhibitions and similar events</td>
<td>To complete 30 analysis proposals</td>
<td></td>
<td>Completed 34 analysis proposals</td>
<td>We proposed optimization of the work site according to the model, number of units owned, and operating status</td>
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<tr>
<td></td>
<td></td>
<td>To improve logistics quality</td>
<td>To increase sales through comprehensive proposals</td>
<td></td>
<td>We actively pursued public relations through the Web</td>
<td>1. To increase sales through comprehensive proposals</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>To improve storage efficiency</td>
<td>To raise awareness by utilizing digital content</td>
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<td></td>
<td>2. To raise awareness by utilizing digital content</td>
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</tr>
</tbody>
</table>
# ESG Summary of Activities

## Customers

<table>
<thead>
<tr>
<th>Category</th>
<th>Material Issue</th>
<th>Activity</th>
<th>Objective</th>
<th>Fiscal 2021 Initiatives</th>
<th>Achievement Rating</th>
<th>Fiscal 2021 Results</th>
<th>Fiscal 2022 Initiatives</th>
<th>Corresponding SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening weak points through reciprocal implementation of plant process audits</td>
<td>To identify the quality level at each plant and implement improvements</td>
<td>To increase quality through expansion of audit areas and repetition</td>
<td>★★★</td>
<td>1. Kyoto Plant: Introduced process audits</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>2. Shiga Plant: Expanded plant target processes</td>
<td></td>
<td>1. Kyoto Plant: To expand target processes</td>
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<td></td>
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<td></td>
<td>3. Established links with Logisnext Handling System Corporation</td>
<td></td>
<td>2. Shiga Plant: To transfer production from the Kyoto Plant</td>
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<td></td>
<td>3. Azuchi Plant: To introduce process audits</td>
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</tr>
<tr>
<td>Ensuring product quality and safety</td>
<td>To raise awareness of quality and quality status</td>
<td>1. To hold quality improvement report meetings and the Defective Parts Exhibition</td>
<td>★★★</td>
<td>1. Company-wide: Held quality morning meetings and quality improvement report meetings</td>
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<td></td>
<td>2. Kyoto Plant &amp; Shiga Plant: Held a Defective Parts Exhibition</td>
<td></td>
<td>2. To expand the skills competition to the Kyoto Plant and Azuchi Plant</td>
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<td></td>
<td>3. Shiga Plant: Held a Skills Competition covering welding, painting, assembly, and measurement</td>
<td></td>
<td>3. To provide training on tightening torque (June)</td>
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<td>4. Dollan: Held a quality rally as well as production &amp; quality exchange meetings</td>
<td></td>
<td>4. To establish links with Logisnext Handling System Corporation</td>
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</tr>
<tr>
<td>Providing improvement guidance through supplier evaluations and identification of highly rated suppliers</td>
<td>To establish a quality culture</td>
<td>Establish a Quality Assurance Center and relocate the Quality Dojo</td>
<td>★★★</td>
<td>Establish a Quality Assurance Center at the Shiga Plant</td>
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<td></td>
<td></td>
<td>1. To discuss initiatives and improvements at meetings of representatives of each department (monthly)</td>
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<td>2. To provide training on tightening torque (June)</td>
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<td>3. To stage a measurement skills competition and the Defective Parts Exhibition (November)</td>
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<td>4. To establish a new Quality Dojo at the Kyoto Plant (December)</td>
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<tr>
<td>Promotion of local procurement</td>
<td>To undertake supplier evaluations regarding delivery date, quality, and price</td>
<td>1. To monitor the ratio of orders to core suppliers of existing models and further promote consolidation of orders</td>
<td>★★★</td>
<td>In order to assign top priority to stable procurement in an extremely severe procurement environment marked by soaring raw material prices and logistics disruptions, we temporarily suspended the consolidation of orders to core suppliers</td>
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<td></td>
<td>1. To focus on monitoring the ratio of orders to core suppliers and accelerate order consolidation</td>
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<td>2. To lower costs through a consolidation of transportation companies</td>
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<tr>
<td>Holding supplier briefings</td>
<td>To hold supplier briefings for core suppliers</td>
<td>1. To provide explanatory materials to suppliers and explanatory videos from executives</td>
<td>★★★</td>
<td>Delivered explanatory materials and explanatory videos from executives to 175 companies in April and 180 companies in October</td>
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<td></td>
<td>To deliver explanatory materials to suppliers and explanatory videos from executives (in April and October)</td>
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<tr>
<td>Participation by females</td>
<td>To hire employees, retain them, and increase employee motivation by creating a workplace environment in which female employees can continue to work while developing their skills</td>
<td>To maintain a minimum ratio of 20% female employees in personal recruitment efforts</td>
<td>★★★</td>
<td>Female employee ratio: 24.39% (Fiscal 2021: 15 out of 41 hires)</td>
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<td>Note: Includes mid-career and part-time hires</td>
<td></td>
<td>To maintain a minimum ratio of 20% female employees in personal recruitment efforts</td>
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</tr>
<tr>
<td>Diversity training</td>
<td>To secure personnel in an aging society with a declining birth rate by promoting the active participation of a diverse range of personnel</td>
<td>To provide training in female empowerment initiatives for managers and female employees</td>
<td>★Postponed for reconsideration of the target of participation and the content of the lectures</td>
<td>To re-examine the target audience and the content of the lectures and to invite an external lecturer to deliver a presentation</td>
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</tr>
<tr>
<td>Promoting employment of people with disabilities</td>
<td>To create an environment in which anyone can live an independent life by finding employment suitable to their abilities and aptitudes, regardless of whether or not they have a disability</td>
<td>To achieve the statutory employment rate of at least 2.3% for people with disabilities as of the end of fiscal 2021</td>
<td>★★★</td>
<td>The ratio of people with disabilities to all employees at the end of fiscal 2021: 2.37%</td>
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</tr>
</tbody>
</table>

*SDGs: Sustainable Development Goals*
### Human Resource Development

<table>
<thead>
<tr>
<th>Material Issue</th>
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</tr>
</thead>
</table>
| **Trainee system for employees outside Japan** | To foster personnel who can communicate both inside and outside Japan in a world of rapid progressing globalization | To examine the training system in light of the COVID-19 pandemic | ★★★ | Conducted online  
1. Number of participants: 4  
2. Period: January 20–March 30 | | | |
| | | To expand and enhance rank-specific training | ★★★ | Conducted training for promoted employees | | | |
| **In-house training (rank-specific training)** | 1. To train personnel in order to implement our vision  
2. To raise the status of the entire company and improve motivation | 1. To train new service technicians  
2. To implement a forklift mechanic certification system  
3. To implement user-response training  
4. To conduct a service support exchange meeting  
5. To conduct a large forklift reach stacker technical liaison committee | ★★★ | 1. New service technician training: 6 sessions with 49 participants  
2. Forklift mechanic certification system  
3. User-response training  
4. Service support exchange meeting: 2 meetings with 152 participants  
5. Large forklift reach stacker technical liaison committee | | | |
| **Service workshop (in Japan)** | 1. To improve maintenance technology for service technicians  
2. To improve the user-response skills of service technicians  
3. To improve product knowledge  
4. To share information on defects | 1. To improve service technicians’ acquire the technical knowledge and technical skills required for maintenance and fault diagnosis  
2. To confer qualifications on service technicians commensurate with the technical knowledge and skills they have acquired  
3. To visualize the skill level of individual service technicians  
4. To improve the motivation of service technicians by confirming appropriate qualifications | ★★★ | Half of the roughly 100 service technicians were either new applicants or had obtained certification for advanced qualifications | | | |
| **Service technician certification system outside Japan** | 1. To improve safety, hygiene, and the “5 S” principle | 1. To conduct online stress checks  
2. To decrease the rate of high stressors to less than the fiscal 2020 rate  
3. To increase the examination rate | ★ | 1. Conducted a web-based test  
2. The rate of highly stressed employees deteriorated by 0.4 percentage points from 13.8% to 14.0%  
3. The testing rate improved by 1.3 points from 98% to 99.3% | | | |
| **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 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 “5 S” patrols twice a year | ★★★ | Implemented | | | |
| **Conducting health and safety patrols** | To improve safety, hygiene, and the “5 S” principle | 1. To provide the following training online:  
1. Self-care training  
2. Line care training  
3. Workplace care manager training  
4. Executive briefing session  
5. Workplace revitalization interviews | ★★★ | 1. Provided self-care training in September to 98 participants  
2. Provided line care training twice to 135 participants in total  
3. Provided workplace care manager training to 92 participants in November  
4. Held executive briefing session in December.  
5. Provided workplace revitalization interviews for 3 days at 13 workplaces | Implemented | | |
| **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 | To be implemented on an ongoing basis | ★★★ | Number of individuals who underwent counseling (total)  
Fiscal 2019: 213  
Fiscal 2020: 225  
Fiscal 2021: 263 | | | |
| **Counselling rooms opened** | To improve mental health care capabilities | | | | | | |
| **Occupational health and safety** | | | | | | | |
| **Job satisfaction and labor productivity** | 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 60.1% | | | |
| | | To achieve a childcare leave take-up rate of 9.4% among male employees (Double the rate of fiscal 2018–2020) | ★★★ | Percentage of male employees who took childcare leave: 12.9% | | | |
| **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 | | | | | | |

### Note:
- Fiscal 2021 results are based on the fiscal year from April 2020 to March 2021.
- Fiscal 2022 results are projected and subject to change based on future developments.
- The rate of highly stressed employees is calculated based on the rate of employees who report high stressors.
- The testing rate is calculated as the percentage of employees who complete the examination.
- The rate of highly stressed employees is calculated as the percentage of employees who report high stressors or mental health issues.
- The percentage of childcare leave takers is calculated based on the number of male and female employees who took childcare leave.
<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Job satisfaction and labor productivity</td>
<td>Implementing a nursing care leave system / Reducing working hours for those providing nursing care</td>
<td>1. To promote continuous work for employees providing nursing care 2. To promote employee welfare</td>
<td>To be implemented on an ongoing basis</td>
<td>-</td>
<td>No records available</td>
<td>To be implemented on an ongoing basis</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Formulating and implementing an action plan for work-style reforms</td>
<td>To improve employee job satisfaction and purposeful living and maximize work output while improving customer satisfaction</td>
<td>To implement on an ongoing basis in each department based on the results of the fiscal 2020 employee awareness survey</td>
<td>★★★</td>
<td>Continued to implement initiatives in all departments</td>
<td>To implement action plans for all departments and check the progress of implementation</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Sponsorship of the Mitsubishi Heavy Industries Sagamihara Dynaboars</td>
<td>1. To promote sports 2. To contribute to society by supporting the sound development of young people</td>
<td>To provide sponsorship as a Platinum Partner</td>
<td>★★★</td>
<td>Implemented</td>
<td>To continue our sponsorship as a Platinum Partner</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Sponsorship of the Kyoto Sanga F.C.</td>
<td>1. To pursue regional revitalization through sports 2. To contribute to society by supporting the sound development of young people</td>
<td>To continue our sponsorship by advertising at the home stadium in Kameoka, Kyoto prefecture</td>
<td>★★★</td>
<td>Implemented</td>
<td>To continue our sponsorship by advertising at the home stadium in Kameoka, Kyoto prefecture</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Sponsorship of the Kyoto Philharmonic Chamber Orchestra</td>
<td>1. To pursue regional revitalization through music 2. To promote cultural and artistic initiatives</td>
<td>To support the orchestra as a corporate sponsor</td>
<td>★★★</td>
<td>Implemented</td>
<td>To continue our participation as a corporate sponsor</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Supporting the hospitality guesthouse of “A Dream a Day in Tokyo”</td>
<td>1. To donate to the project to support children with intractable diseases 2. To invite children with intractable diseases and their families to travel 3. To provide support for travel through volunteer activities</td>
<td>To continue supporting the cause through donations</td>
<td>★★★</td>
<td>Implemented</td>
<td>To continue supporting the cause through donations</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Providing support for charities</td>
<td>To support local charitable organizations providing medical care and support for children in poverty through donations from Mitsubishi Logisnext Asia Pacific (Singapore)</td>
<td>Made donations only to JAS and JCCI</td>
<td>★</td>
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<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Sponsorship of the Super GT (Nissan Automobile Technical College)</td>
<td>To provide training for maintenance engineers by supporting student development projects at the Nissan Automobile Technical College</td>
<td>1. To participate as a race sponsor 2. To provide employment guidance</td>
<td>★</td>
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<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>Offering workplace experience to elementary and junior high school students</td>
<td>1. To support local school education 2. To promote career training</td>
<td>This initiative was discontinued to prevent the spread of the COVID-19 pandemic</td>
<td>★</td>
<td>This initiative was discontinued to prevent the spread of the COVID-19 pandemic</td>
<td>Offering students work experience in cooperation with elementary and junior high schools</td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>Community and social contribution</td>
<td>To provide factory tours to high school students</td>
<td>To provide information that helps high school students choose a career and improve their skills</td>
<td>This initiative was discontinued to prevent the spread of the COVID-19 pandemic</td>
<td>★</td>
<td>This initiative was discontinued to prevent the spread of the COVID-19 pandemic</td>
<td>To continue supporting school curricula and corporate research for students seeking employment</td>
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<tr>
<td>Category</td>
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<tr>
<td>Governance reform</td>
<td></td>
<td></td>
<td>1. To improve the effectiveness of the Board of Directors 2. To reform the Board of Directors 3. To promote diversity 4. To enhance discussions on business strategies 5. To provide information to external officers 6. To strengthen supervisory functions</td>
<td>1. To enhance discussions on medium- and long-term strategies, including sustainability 2. To develop measures to protect minority shareholders 3. To improve the quality of the management methods employed by the Board of Directors 4. To enhance information provision to external officers and regular exchanges between external directors and members of the Management Committee 5. To involve the Nominating and Compensation Committee in succession plans</td>
<td>★★★</td>
<td>Implemented</td>
<td>1. To provide a forum for discussion of business strategies 2. To enrich and enrich discussion 3. To respond to the increasing sophistication of internal controls and risk management 4. To provide information and interaction with external officers 5. To address the need for succession plans</td>
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<tr>
<td>Introduction of an electronic contract system</td>
<td></td>
<td></td>
<td>1. To digitize procedures for concluding various contracts that have been undertaken conventionally with paper media 2. To reduce various expenses previously incurred to conclude contracts and to increase operational efficiency 3. To strengthen compliance and security 4. To support various new work styles, such as teleworking, and to improve employee motivation</td>
<td>1. To promote the use of the Electronic Contract System 2. To hold in-house briefing sessions 3. To respond to inquiries from internal users 4. To provide explanations to suppliers</td>
<td>★★★</td>
<td>Introduced at our sales companies</td>
<td>1. To promote the use of the Electronic Contract System 2. To respond to inquiries from internal users 3. To provide explanations to suppliers 4. To use together with RPA</td>
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<tr>
<td>Convening of the Risk Management and Compliance Committee</td>
<td></td>
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<td>1. To ensure the permanent development of our business operations by establishing a risk management system and continuously implementing risk management activities 2. To minimize risk by identifying serious risks 3. To minimize risk, recover quickly, and prevent any recurrence 4. To avoid harming the interests of customers, society, shareholders, officers, and employees 5. To improve the risk awareness and risk management capabilities of officers and employees to respond to societal needs</td>
<td>1. To formulate a manual for initial disaster response 2. To review risk assessment standards to strengthen Group risk management 3. To share risk assessments of Group companies 4. To conduct risk surveys at major sites 5. To introduce an initiative to formulate a business continuity plan</td>
<td>★★★</td>
<td>Implemented</td>
<td>To continue the initiative to formulate a business continuity plan in 2023</td>
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<tr>
<td>Establishment of an Internal Reporting Helpdesk</td>
<td></td>
<td></td>
<td>To ensure prompt discovery of compliance violations</td>
<td>1. To accept reports and consultations regarding acts that violate laws, regulations, and corporate ethics 2. To accept reports from external stakeholders</td>
<td>★★★</td>
<td></td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>Inquiry and reporting procedures regarding contact with competitors and government procurement agencies</td>
<td></td>
<td></td>
<td>To comply with the Anti-Monopoly Law and Competition Laws</td>
<td>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</td>
<td>★★★</td>
<td>Implemented</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>Compliance check related to order optimization</td>
<td></td>
<td></td>
<td>To ensure appropriate order acceptance</td>
<td>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</td>
<td>★★★</td>
<td>Implemented</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>Anti-fraud procedures</td>
<td></td>
<td></td>
<td>To prevent bribery and fraudulent conduct</td>
<td>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</td>
<td>★★★</td>
<td>Implemented</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td>Compliance training</td>
<td></td>
<td></td>
<td>To increase awareness of compliance</td>
<td>1. New employee training 2. Training for promoted managers 3. e-learning training</td>
<td>★★★</td>
<td></td>
<td>1. To provide new employee training 2. To provide training for promoted managers 3. To provide training for new general managers</td>
<td></td>
</tr>
</tbody>
</table>
## ESG Summary of Activities

<table>
<thead>
<tr>
<th>Category</th>
<th>Material Issue</th>
<th>Activity</th>
<th>Objective</th>
<th>Fiscal 2021 Initiatives</th>
<th>Achievement Rating</th>
<th>Fiscal 2021 Results</th>
<th>Fiscal 2022 Initiatives</th>
<th>Corresponding SDGs</th>
</tr>
</thead>
</table>
| G        | Corporate governance, compliance, and risk management | Information system security training | To raise awareness of information system security | 1. To provide new employee training once a year  
2. To provide training for new managers once a year  
3. To provide training by e-learning (for group employees inside and outside Japan) once a year  
4. To provide training related to targeted attack e-mails twice a year | ★★★ | Implemented | To improve the quality of educational content |
| Conducting vulnerability assessments | To institute countermeasures for vulnerabilities | 1. To diagnose the vulnerability of corporate websites and institute countermeasures  
2. To diagnose the vulnerability of the websites of direct sales companies and institute countermeasures  
3. To diagnose the vulnerability of externally accessible servers and web systems and institute countermeasures | ★★★ | Implemented | To increase the frequency of diagnosis |
The EDIA XL Series is a mid-sized electric forklift designed for the European market. With ample load-handling, acceleration, and slope-climbing power, it accommodates the work environment typically served by an engine-powered forklift. It also contributes to the emergence of a decarbonized society.
## Financial Data

<table>
<thead>
<tr>
<th>Financial Data</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (Millions of yen)</td>
<td>433,092</td>
<td>448,381</td>
<td>448,918</td>
<td>391,496</td>
<td>465,406</td>
</tr>
<tr>
<td>Operating Profit (Before amortization of goodwill, etc.) (Millions of yen)</td>
<td>19,132</td>
<td>21,981</td>
<td>18,182</td>
<td>10,990</td>
<td>13,013</td>
</tr>
<tr>
<td>Operating Profit (Millions of yen)</td>
<td>9,280</td>
<td>13,156</td>
<td>8,437</td>
<td>1,594</td>
<td>3,592</td>
</tr>
<tr>
<td>Ordinary Profit (Millions of yen)</td>
<td>8,425</td>
<td>13,714</td>
<td>6,896</td>
<td>2,014</td>
<td>3,240</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (Millions of yen)</td>
<td>2,941</td>
<td>7,077</td>
<td>-5,392</td>
<td>-2,683</td>
<td>717</td>
</tr>
<tr>
<td>R&amp;D expenses (Millions of yen)</td>
<td>5,081</td>
<td>5,528</td>
<td>5,292</td>
<td>4,362</td>
<td>4,649</td>
</tr>
<tr>
<td>Capital expenditure (Millions of yen)*</td>
<td>17,407</td>
<td>17,844</td>
<td>27,084</td>
<td>18,128</td>
<td>26,710</td>
</tr>
<tr>
<td>Depreciation and amortization (Millions of yen)</td>
<td>18,383</td>
<td>18,669</td>
<td>23,367</td>
<td>23,522</td>
<td>23,956</td>
</tr>
</tbody>
</table>

## Cash Flows

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities (Millions of yen)</td>
<td>30,789</td>
<td>21,925</td>
<td>42,004</td>
<td>33,480</td>
<td>20,621</td>
</tr>
<tr>
<td>Cash flows from investing activities (Millions of yen)</td>
<td>-29,047</td>
<td>-6,862</td>
<td>-48,953</td>
<td>-22,475</td>
<td>-19,243</td>
</tr>
<tr>
<td>Cash flows from financing activities (Millions of yen)</td>
<td>-7,191</td>
<td>-16,189</td>
<td>9,600</td>
<td>-11,931</td>
<td>-4,601</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year (Millions of yen)</td>
<td>14,549</td>
<td>13,273</td>
<td>15,335</td>
<td>15,000</td>
<td>12,562</td>
</tr>
</tbody>
</table>

## Financial position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (Millions of yen)</td>
<td>374,940</td>
<td>367,662</td>
<td>373,492</td>
<td>363,357</td>
<td>405,601</td>
</tr>
<tr>
<td>Net Assets (Millions of yen)</td>
<td>62,390</td>
<td>68,503</td>
<td>57,178</td>
<td>55,394</td>
<td>63,737</td>
</tr>
<tr>
<td>Interest-bearing debt (Millions of yen)</td>
<td>182,984</td>
<td>167,424</td>
<td>183,267</td>
<td>182,695</td>
<td>188,182</td>
</tr>
</tbody>
</table>

## Per share amounts

<table>
<thead>
<tr>
<th>Per share amounts</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share (yen)</td>
<td>27.64</td>
<td>66.48</td>
<td>-50.63</td>
<td>-25.19</td>
<td>6.73</td>
</tr>
<tr>
<td>Net assets per share (yen)</td>
<td>566.65</td>
<td>619.85</td>
<td>513.77</td>
<td>514.70</td>
<td>592.02</td>
</tr>
<tr>
<td>Dividend per share (yen)</td>
<td>11</td>
<td>13</td>
<td>13</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

## Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin (Before amortization of goodwill, etc.) (%)</td>
<td>4.4</td>
<td>4.9</td>
<td>4.1</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Operating profit margin (%)</td>
<td>2.1</td>
<td>2.9</td>
<td>1.9</td>
<td>0.4</td>
<td>0.8</td>
</tr>
<tr>
<td>ROA (Return on assets) (%)</td>
<td>0.8</td>
<td>1.9</td>
<td>-1.5</td>
<td>-0.7</td>
<td>0.2</td>
</tr>
<tr>
<td>ROE (Return on equity) (%)</td>
<td>5.0</td>
<td>11.2</td>
<td>-8.9</td>
<td>-4.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Current ratio (%)</td>
<td>116.2</td>
<td>127.1</td>
<td>125.5</td>
<td>129.4</td>
<td>131.5</td>
</tr>
<tr>
<td>Capital adequacy ratio (%)</td>
<td>16.1</td>
<td>18.0</td>
<td>14.7</td>
<td>15.1</td>
<td>15.6</td>
</tr>
<tr>
<td>DOE (Dividend on Equity Ratio) (%)</td>
<td>2.0</td>
<td>2.2</td>
<td>2.3</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>D/E ratio (times)</td>
<td>3.0</td>
<td>2.5</td>
<td>3.4</td>
<td>3.3</td>
<td>3.0</td>
</tr>
</tbody>
</table>

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

**Nippon Yusoki Co., Ltd.**

- **1937**: Established Nippon Yusoki Co., Ltd., inheriting entire business from Nippon Yusoki Seisakujyo Co., Ltd. (founded in 1921 in Nishiyodogawa-ku, Osaka)
- **1939**: Delivered Japan’s first electric forklift to the Yawata Works (currently Nippon Steel Corporation)
- **1937**: Established Nippon Yusoki Seisakujyo Co., Ltd. (founded in 1921)

**Forklift Division, Mitsubishi Heavy Industries, Ltd.**

- **1930s**
  - **1939**: Delivered Japan’s first electric forklift to the Yawata Works (currently Nippon Steel Corporation)
- **1958**: Developed Japan’s first electric reach forklift “Platter”
- **1970**: Introduced the Mujin-car, Japan’s first automated guided vehicle
- **1971**: Developed and presented the world’s first automatic guided forklift trucks
- **1997**: Established Shanghai Lizhouy Forklift Manufacture Limited Company as a production subsidiary in Shanghai, China

**TCM Corporation**

- **1954**: Change of company name to Toyo Umpanki Co., Ltd.
- **1970**: Completed Sagamihara Plant phase 1 construction, started production of forklift trucks
- **1993**: Established Anhui TCM Forklift Co., Ltd., which produces forklifts locally in China
- **1997**: Shiga Plant obtains ISO 9001 certification
- **1999**: Shiga Plant obtains ISO 14001 certification

**Nissan Forklift Co., Ltd.**

- **1949**: Established Toyo Carriers Manufacturing Co., Ltd., followed by the 1st forklift made in Japan
- **1954**: Change of company name to Toyo Umpanki Co., Ltd.
- **1961**: Shinnikkokukogyo Co., Ltd. (current Nissan Shatai Co., Ltd.) commissioned to design and manufacture forklifts
- **1975**: Research and development (R&D) manufacturing and sales are consolidated at Nissan Motor’s Murayama Plant; all-inclusive and in-house operations are established
- **1988**: Acquired Barrett Industrial Trucks Inc. of the USA and began local manufacture of forklifts
- **1993**: Established Nissan Forklift Corporation, North America which coordinates Nissan Forklift manufacturing and sales activities
- **1995**: Established Nissan Forklift Espana in Spain
### Chronology

#### 2000s

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Strengthened the capital and business alliance with MHI</td>
</tr>
<tr>
<td>2009</td>
<td>Integrated domestic forklift truck sales and service operations with MHI and jointly established Nichiyu MHI Forklift Co., Ltd. along with nine domestic sales subsidiaries in Japan</td>
</tr>
<tr>
<td>2011</td>
<td>Established Nichiyu Forklift (Thailand) Co., Ltd. as a production plant in Thailand</td>
</tr>
</tbody>
</table>

#### 2010s

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Established Mitsubishi Heavy Industries Forklift (Dalian) Co., Ltd. in Dalian, China and began local production of forklift trucks in China</td>
</tr>
<tr>
<td>2009</td>
<td>Integrated domestic sales business of forklifts in Japan with Nippon Yusoki</td>
</tr>
<tr>
<td>2012</td>
<td>Started the sales of world’s first hybrid forklift trucks (4-5 ton)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Celebrated 50th anniversary for the 1st Nissan forklift</td>
</tr>
<tr>
<td>2008</td>
<td>Established Mitsubishi Heavy Industries Forklift (Dalian) Co., Ltd. in Dalian, China and began local production of forklift trucks in China</td>
</tr>
<tr>
<td>2009</td>
<td>Integrated domestic sales business of forklifts in Japan with Nippon Yusoki</td>
</tr>
<tr>
<td>2010</td>
<td>The 1st domestic forklift truck certified as “Mechanical Engineering Heritage” by The Japan Society of Mechanical Engineers</td>
</tr>
<tr>
<td>2011</td>
<td>Established TCM Forklift (M) Sdn. Bhd., a joint venture of forklift sales &amp; service in Malaysia</td>
</tr>
<tr>
<td>2012</td>
<td>Acquired Daily Equipment Company in Mississippi and made it as a dealer in North America</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Both companies integrated their businesses and established a new company Mitsubishi Nichiyu Forklift Co., Ltd.</td>
</tr>
<tr>
<td>2014</td>
<td>The new factory specialized for electric forklift trucks completed at MCFA</td>
</tr>
<tr>
<td>2016</td>
<td>Started the production of engine-powered forklift trucks at Kyoto Plant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
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<tr>
<td>2017</td>
<td>Made UniCarriers Corporation a wholly owned subsidiary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Established UniCarriers Corporation</td>
</tr>
<tr>
<td>2012</td>
<td>TCM Corporation and Nissan Forklift Co., Ltd. joined UniCarriers Group, each becoming a 100% subsidiary of UniCarriers Corporation</td>
</tr>
<tr>
<td>2013</td>
<td>Integrated of TCM Corporation and Nissan Forklift Co., Ltd. Started operation as UniCarriers Corporation</td>
</tr>
<tr>
<td>2014</td>
<td>Acquired the Konosu Plant from UD Trucks Corporation, and established the Konosu Plant of Global Component Technologies Corporation</td>
</tr>
<tr>
<td>2015</td>
<td>Introduced a system for offering certified pre-owned vehicles</td>
</tr>
<tr>
<td>2016</td>
<td>Acquired 70% of equity stake in Anhui Hecha Forklift Co., Ltd. production and sales company of China</td>
</tr>
<tr>
<td>2017</td>
<td>Made UniCarriers Corporation a wholly owned subsidiary</td>
</tr>
</tbody>
</table>

### The Foundation of Our Value Creation

#### Our Perspective on Value Creation

- Value Creation Strategy
- Value Creation in Practice
- The Foundation of Our Value Creation

#### Corporate Data

- Mitsubishi Nichiyu Forklift Co., Ltd.
- UniCarriers Corporation
- Nippon Yusoki Co., Ltd.
- TCM Corporation
- Nissan Forklift Co., Ltd.
**Corporate Profile** (as of September 30, 2022)

**Scope of Business**
Development, design, manufacture and sale of logistics system products such as electric forklifts, engine-powered 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: Service depots at more than 400 locations across Japan
International locations: U.S.A., Netherlands, Finland, Sweden, Spain, China, Thailand, and Singapore

**Company**
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**
4,924 million yen (as of March 31, 2022)
(Standard Market, Tokyo Stock Exchange)

**Net Sales**
465,406 million yen (as of March 31, 2022)

**Employees**
11,775 (as of March 31, 2022)

**Networks** (as of September 30, 2022)
- Production bases
- Major sales bases
- Regional HQ

- Konosu Plant (Global Component Technologies Corporation)
- Azuchi Plant
- Hanyu Plant
- On-site Training Center
- Shiga Plant
- Onomichi Plant (Logisnext Handling System Corporation)
- Head Office & Kyoto Plant

**Networks** (as of September 30, 2022)

**Corporate Data**

- **Company Name**
  Mitsubishi Logisnext Co., Ltd.

- **Head Office**
  1-1, 2-Chome, Higashikotari, Nagaokakyo-shi, Kyoto 617-8585 JAPAN

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  (Standard Market, Tokyo Stock Exchange)

- **Net Sales**
  465,406 million yen (as of March 31, 2022)

- **Employees**
  11,775 (as of March 31, 2022)

**Directors and Audit and Supervisory Board Members**

- Takashi Mikogami
  Representative Director and Chairman
  Executive Vice President, President and CEO, Logistics, Thermal & Drive Systems, Mitsubishi Heavy Industries, Ltd.

- Yuichi Mano
  Representative Director and President
  Director

- Masataka Shinya
  Director

- Takatoshi Uno
  Director

- Masayuki Suematsu
  Director

- Osamu Ando
  External Director
  President, Shimadzu Access Corporation

- Kyoko Kobayashi
  External Director
  External Director

- Fumio Kobayashi
  External Director
  Advisor, Japan Material Flow Institute

- Koji Baba
  Audit and Supervisory Board Member
  External Director, Dai Nippon Toryo Company, Limited

- Shinji Ichihara
  Audit and Supervisory Board Member
  External Audit and Supervisory Board Member

- Masahide Kuragaki
  Audit and Supervisory Board Member
  External Audit and Supervisory Board Member

- Yasuyuki Furak activities
  Audit and Supervisory Board Member
  External Audit and Supervisory Board Member

- Shigeru Yoshimura
  Audit and Supervisory Board Member
  External Audit and Supervisory Board Member

- Mitsubishi Logisnext Co., Ltd.
  Mitsubishi Logisnext Europe B.V.
  Mitsubishi Logisnext Europe AB
  Mitsubishi Logisnext Europe Oy
  Mitsubishi Logisnext Europe S.A.
  Logisnext Manufacturing (Thailand) Co., Ltd.
  Shanghai Nichiyu Forklift Manufacturing Co., Ltd.
  Mitsubishi Logisnext Asia Pacific Pte. Ltd.
  Equipment Depot, Inc.
  Mitsubishi Logisnext Americas (Marengo) Inc.
  Mitsubishi Logisnext Americas (Houston) Inc.
  Mitsubishi Logisnext Americas, Inc.