

**Logisnext**

# **FY2021 Financial Results Briefing**

**(FY2021: From April 1, 2021 to March 31, 2022)**



**May 25, 2022**  
**mitsubishi LOGISNEXT CO., LTD.**



# **FY2021 Financial Results**

**(FY2021:From April 1, 2021 to March 31, 2022)**

**mitsubishi** **LOGISNEXT**

**Takashi Kubo, President**

## Economic Market Trends

- The global economy continues to recover trend from COVID-19. However, the rapid recovery phase has not been able to keep up with demand, and increasing material and transportation costs, supply chain disruptions, and rising inflation in the U.S. are having a significant impact on production and costs.
- In Japan, the material handling equipment market has remained steady pre-COVID-19 levels. Overseas, although the elevated demand related to COVID-19 in some areas has slowed, the market has remained above the level prior to COVID-19 due to growing material handling needs.
- Although orders for material handling equipment remain strong, delays in the supply of various assembly components have resulted in longer lead times and higher costs for us as well.

## Summary of FY2021 Results

- Net sales increased by 18.9% YoY due to the recovery of forklift demand after COVID-19.
- Operating profit increased 18.4% YoY (before amortization of goodwill, etc.) due to sales increases and efforts to reduce fixed costs, despite the impact of increasing material and transportation costs.

# 2. Financial Highlights

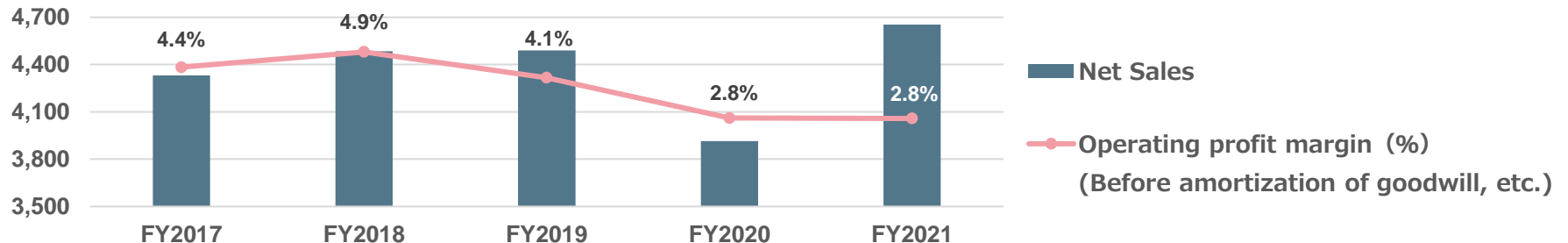
Net sales increased by 18.9% YoY to 465.4B JPY, achieving a record high. On the other hand, operating profit margin (before amortization of goodwill, etc.) remained flat due to the impact of increased material costs and other factors.

Profit and Loss Statement Unit: Hundred million JPY	FY2020	FY2021	YOY Change	
<b>Net Sales</b>	3,915.0	<b>4,654.1</b>	<b>+739.1</b>	<b>+18.9%</b>
<b>Operating Profit</b> (Before amortization of goodwill, etc.) (Operating profit margin)	109.9 (2.8%)	<b>130.1</b> (2.8%)	<b>+20.2</b>	<b>+18.4%</b>
<b>Amortization of Goodwill</b>	94.0	<b>94.2</b>	—	—
<b>Operating Profit</b> (Operating profit margin)	15.9 (0.4%)	<b>35.9</b> (0.8%)	<b>+20.0</b>	<b>+125.3%</b>
<b>Ordinary Profit</b> (Ordinary profit margin)	20.1 (0.5%)	<b>32.4</b> (0.7%)	<b>+12.3</b>	<b>+60.9%</b>
<b>Profit Attributable to Owners of Parent</b> (Net income margin)	△26.8 (△0.7%)	<b>7.2</b> (0.2%)	<b>+34.0</b>	—

Unit:  
Hundred million JPY

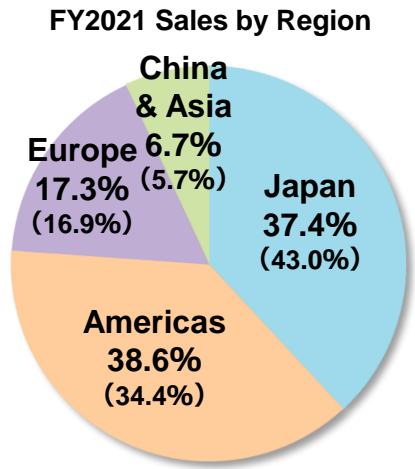
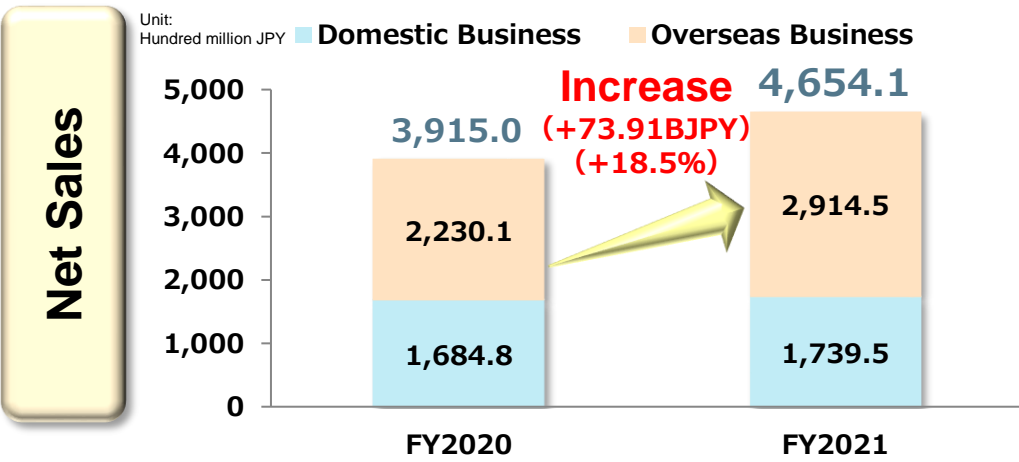
## Change of Business Record

FY2020 actual FX rates: USD = JPY106.06, EUR = JPY123.70, CNY = JPY15.67  
 FY2021 actual FX rates: USD = JPY112.38, EUR = JPY130.56, CNY = JPY17.51



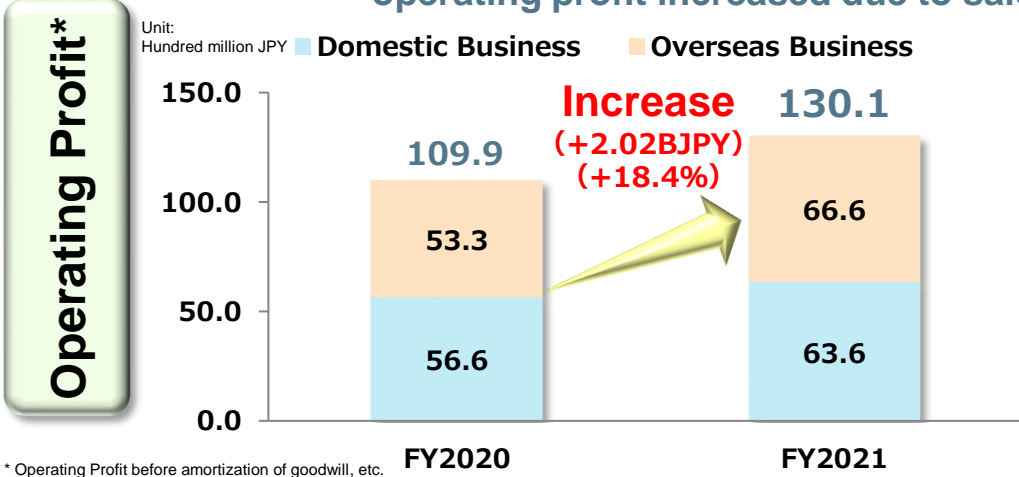
# 3. Business Results by Segment

**Net Sales :** Net sales increased due to the recovery of forklift demand mainly in Americas, Europe and Asia.

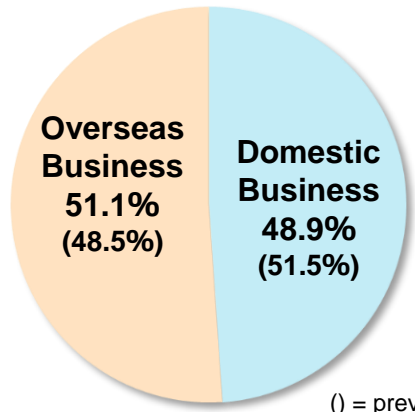


( ) = previous year

**Operating profit (\*):** Despite the impact of the sharp rise of material and transportation costs, operating profit increased due to sales increase and efforts to reduce fixed costs.



**FY2021 Operating Profit by Segment**



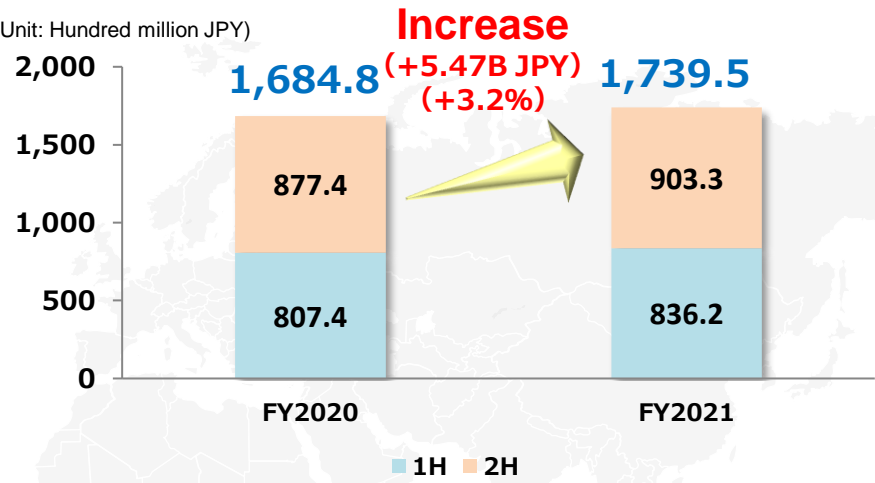
( ) = previous year

\* Operating Profit before amortization of goodwill, etc.

# 4. Sales by Region

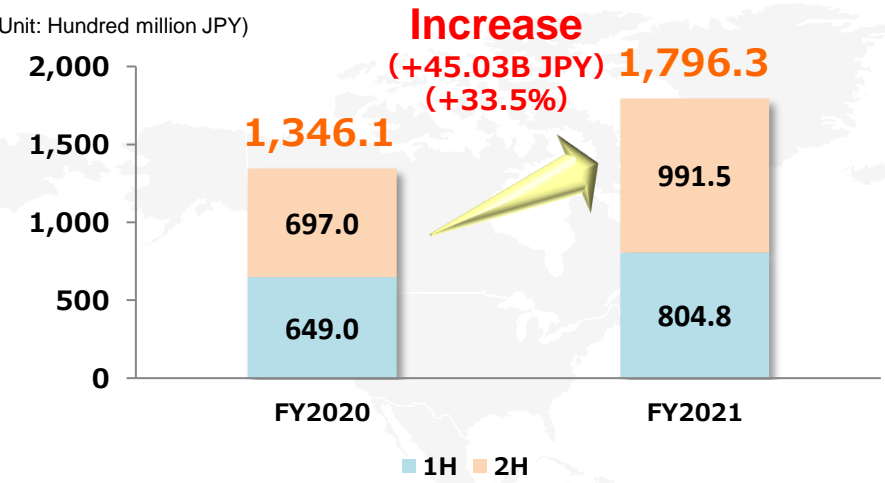
## Japan

(Unit: Hundred million JPY)



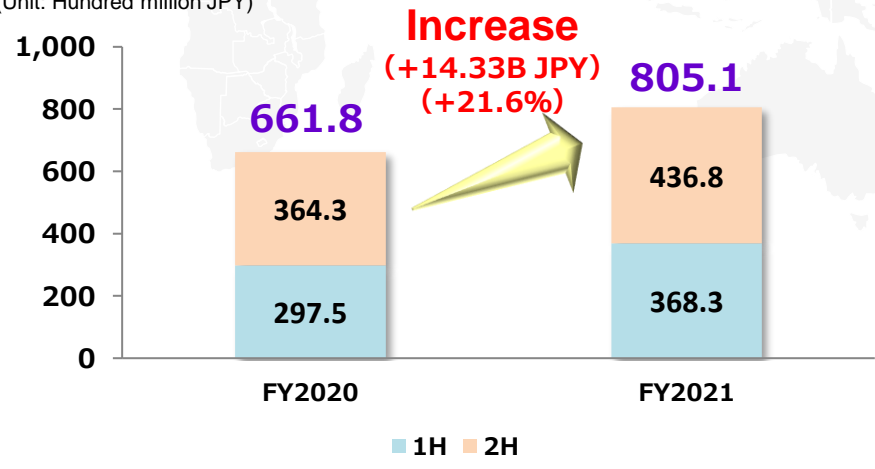
## Americas

(Unit: Hundred million JPY)



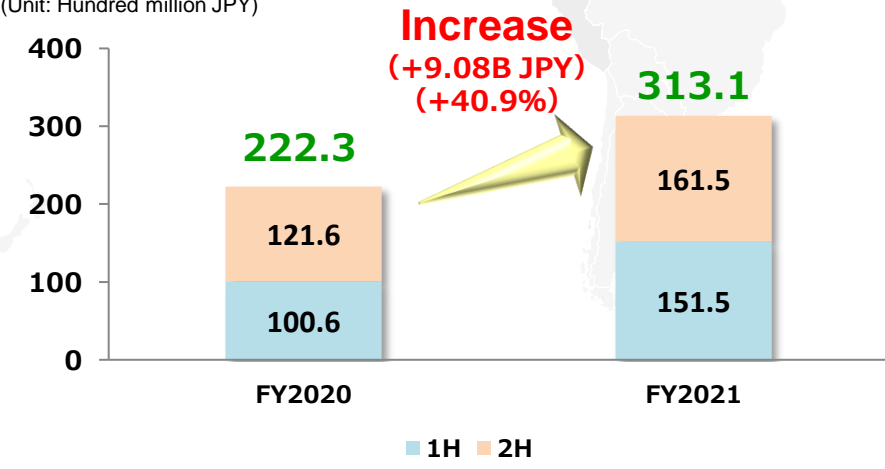
## Europe

(Unit: Hundred million JPY)



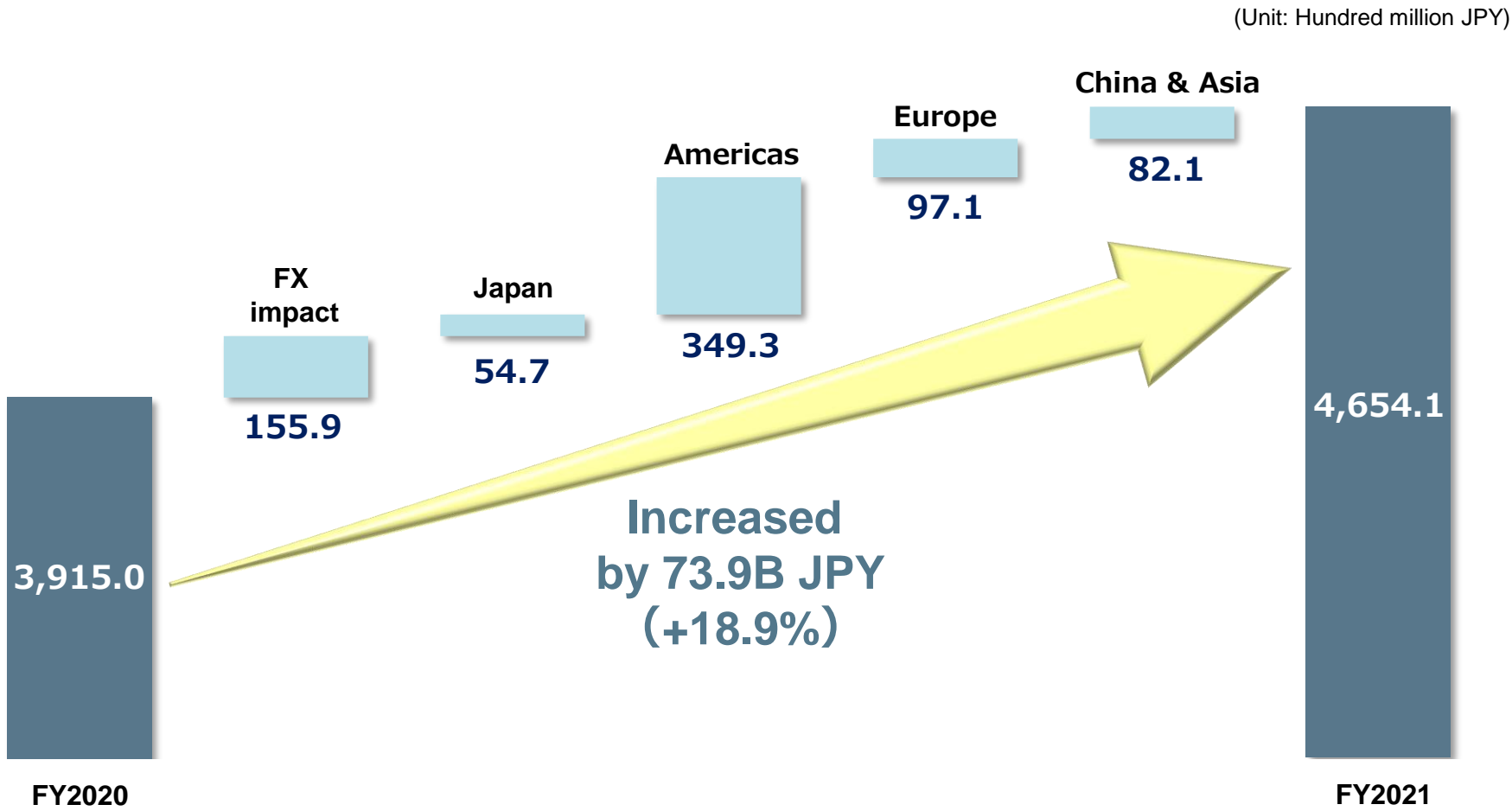
## China and Asia

(Unit: Hundred million JPY)



# 5. Net Sales FY2020 vs FY2021

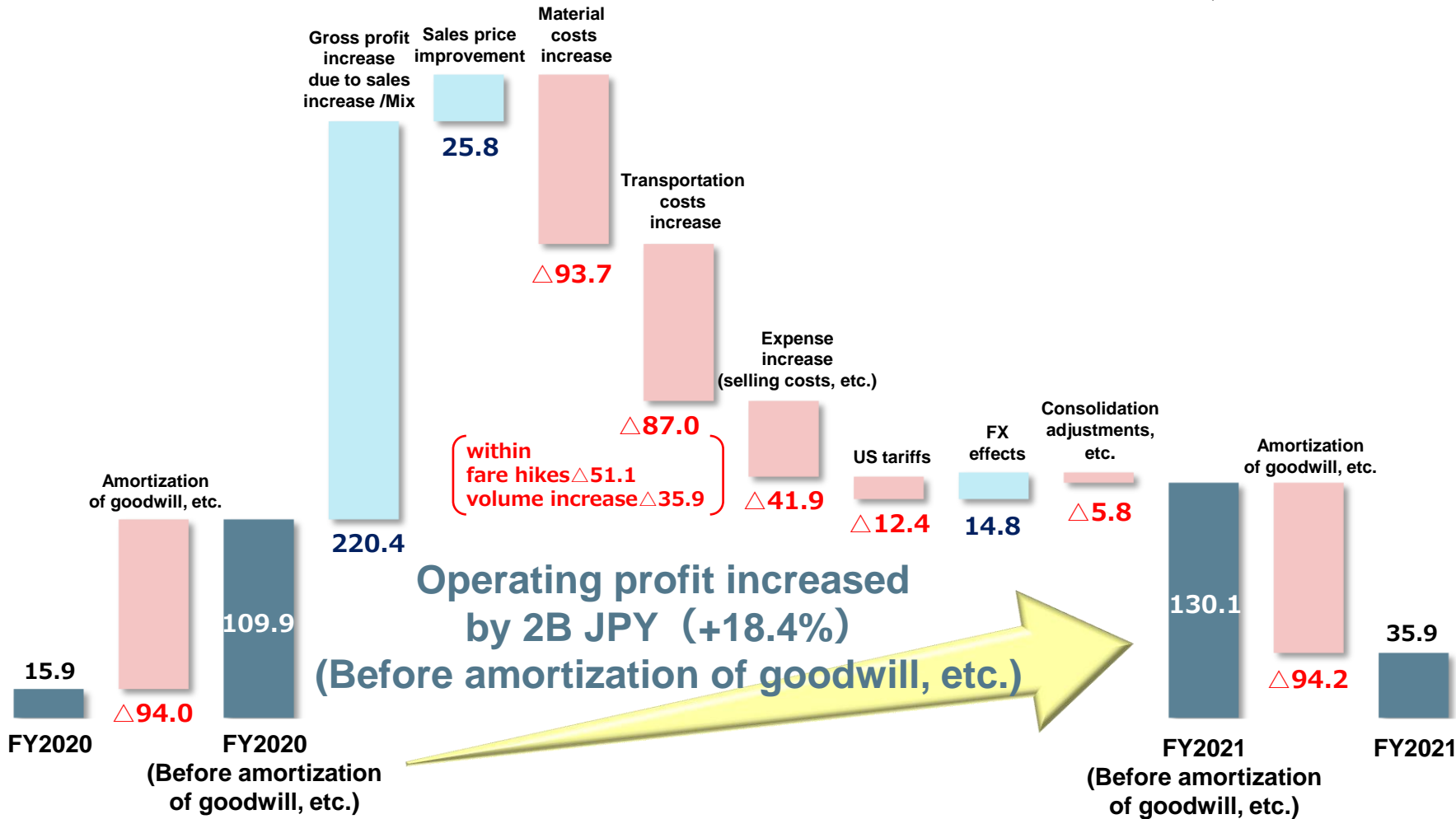
Net sales increased by 18.9% YoY due to increased post-COVID-19 demand. However, because of production and shipment delays caused by supply chain disruptions, sales were failing to keep up with the increase in orders, and the financial forecast of 470B JPY not being achieved.



# 6. Operating Profit FY2020 vs FY2021

Operating profit (before amortization of goodwill, etc.) increased by 18.4% YoY due to increased sales spurred by the market recovery, despite the impact increasing of material and transportation costs.

(Unit: Hundred million JPY)

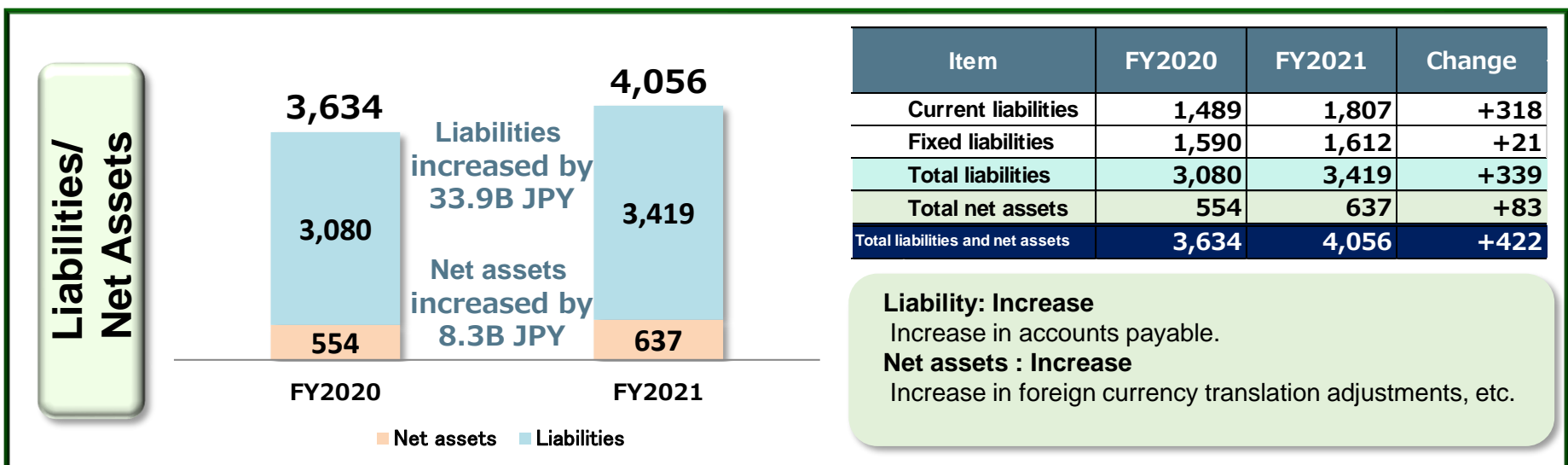
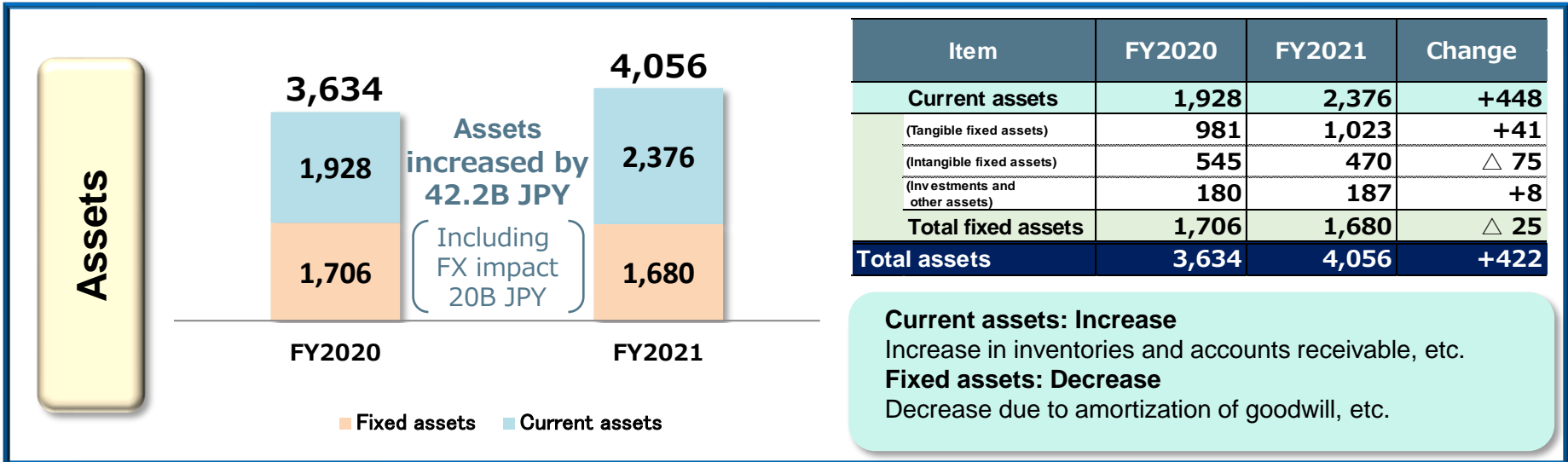




# 7. Consolidated Balance Sheet

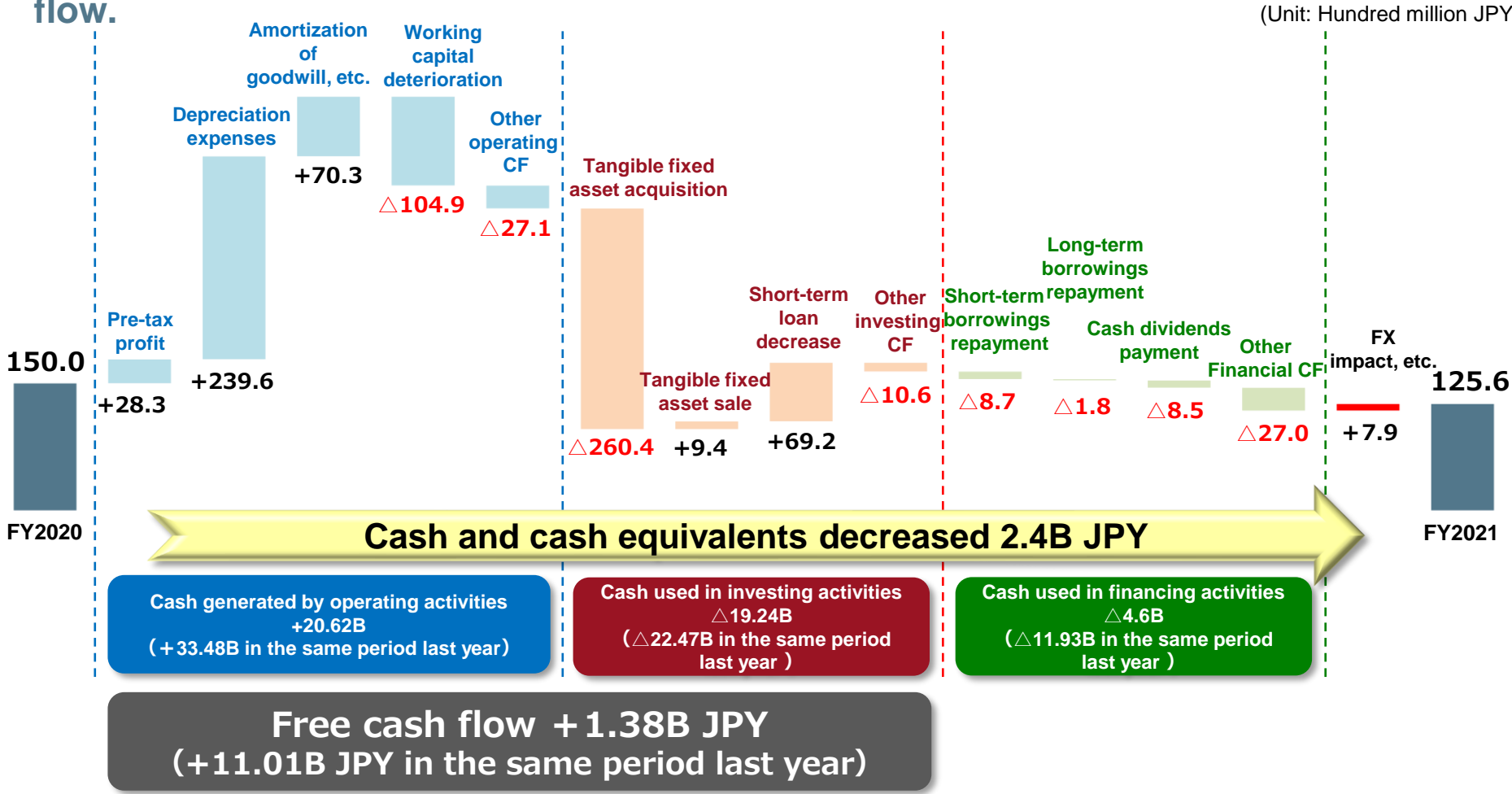
Total assets increased YoY to 42.2B JPY due to an increase in working capital such as inventory and accounts receivable.

(Unit: Hundred million JPY)



# 8. Cash Flow

- Operating C/F decreased by 12.86B JPY (33.48B JPY in the same period last year).
- Working capital increased due to the increase in inventories caused by production and shipment delays.
- Free cash flow was decreased to YoY 9.63B JPY due to declines in operating cash flow.



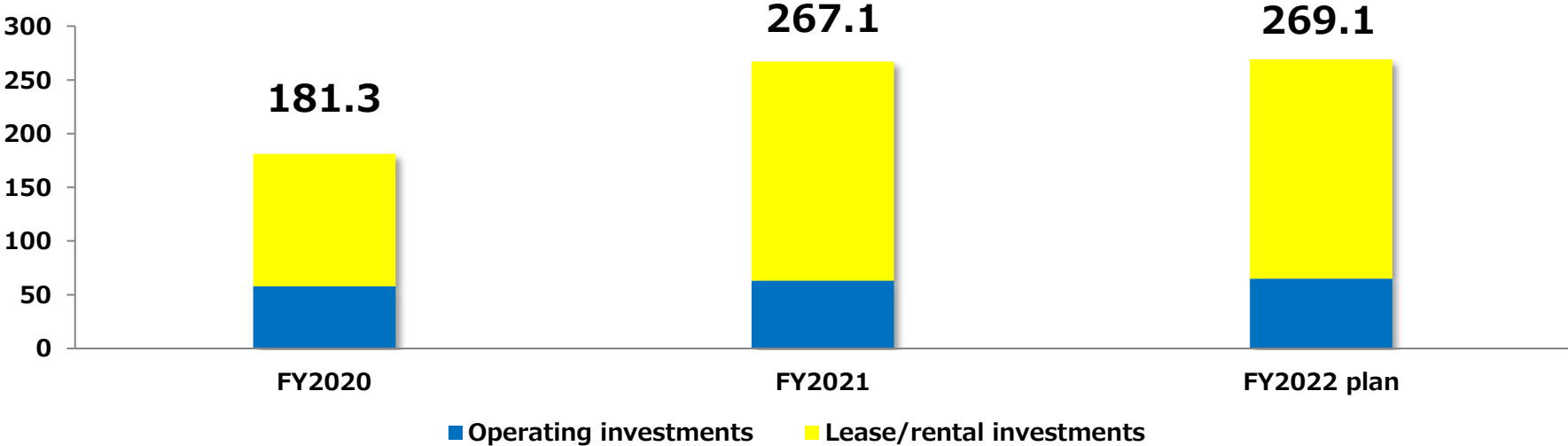
# 【Reference】 Key Performance Indicators **Logisnext**

	Indicator	Formula	FY2020		FY2021		Comments
				(Before amortization of goodwill, etc.)		(Before amortization of goodwill, etc.)	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	△ 0.7%	(1.5%)	<b>0.2%</b>	<b>(2.2%)</b>	The index improved due to turnaround in line with business performance.
	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	△ 4.9%	(6.4%)	<b>1.2%</b>	<b>(8.6%)</b>	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	0.4%	(2.8%)	<b>0.8%</b>	<b>(2.8%)</b>	The index improved due to the recovery of business performance as indicated by increased sales.
	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	△ 0.7%	(1.6%)	<b>0.2%</b>	<b>(2.1%)</b>	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.1 times		<b>1.2 times</b>		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	5.4 times		<b>6.0 times</b>		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	4.9 times		<b>4.6 times</b>		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	15.1%		<b>15.6%</b>		Capital adequacy ratio improved due to the increase foreign currency translation adjustments resulting from the depreciation of the yen.
	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.3 times		<b>3.0 times</b>		
Share	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	JPY △25.19		<b>JPY 6.73</b>	<b>(JPY 89.52)</b>	
	Price earnings ratio (PER)	$\frac{\text{Share value}}{\text{Earnings per share}}$	-		<b>138.5 times</b>	<b>(10.4 times)</b>	Stock prices : End of FY2020 : JPY 1,296 End of FY2021 : JPY 932
	Price book value ratio (PBR)	$\frac{\text{Share value}}{\text{Book value per share}}$	2.5 times		<b>1.6 times</b>		

# 【Reference】 Capital Expenditure and R&D Expenses **Logisnext**

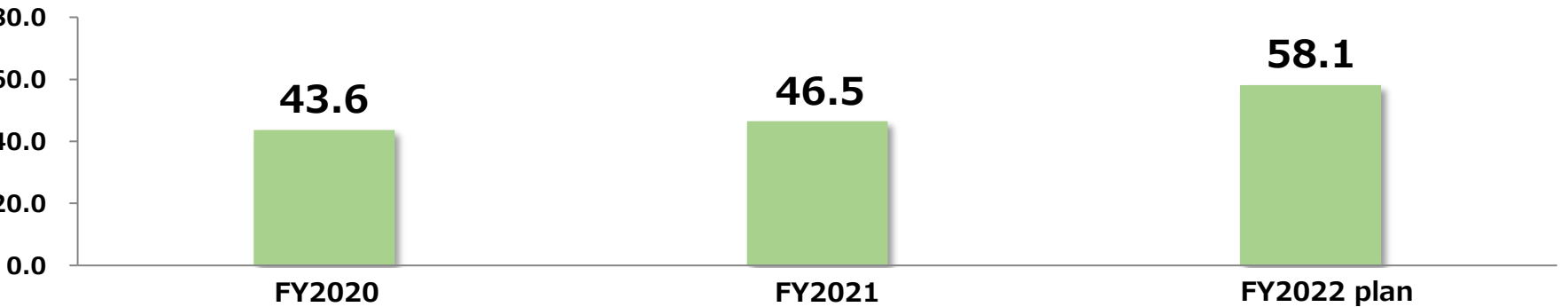
## ■ Capital Expenditure

Unit: Hundred million JPY



## ■ R&D Expenses

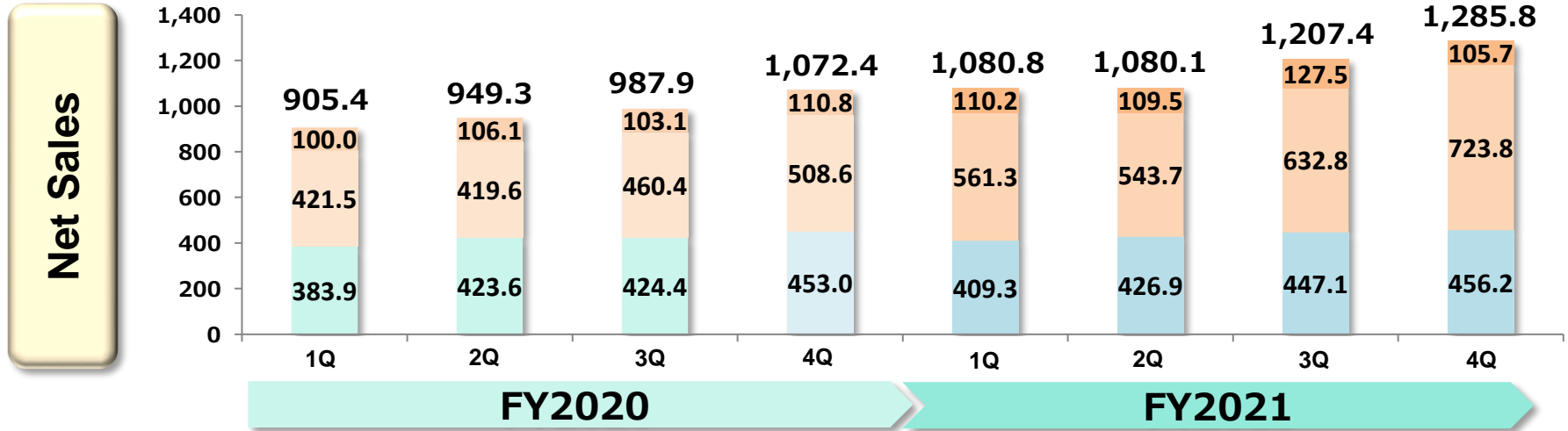
Unit: Hundred million JPY



# 【Reference】 Quarterly Financial Results Logisnext

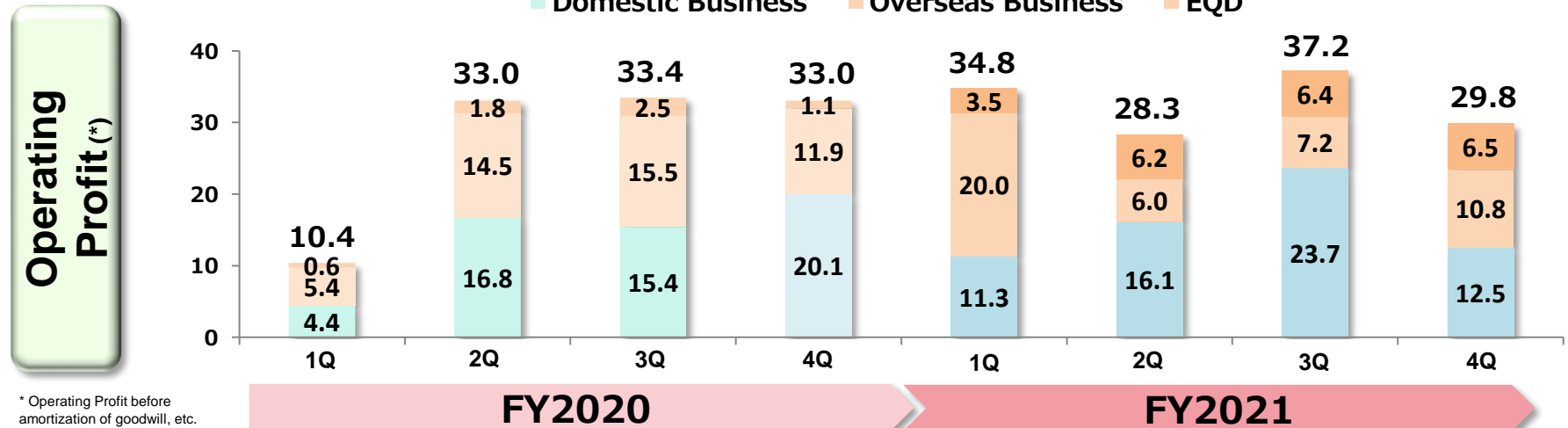
Unit: Hundred million JPY

Domestic Business Overseas Business EQD (Equipment Depot, Inc.)



Unit: Hundred million JPY

Domestic Business Overseas Business EQD

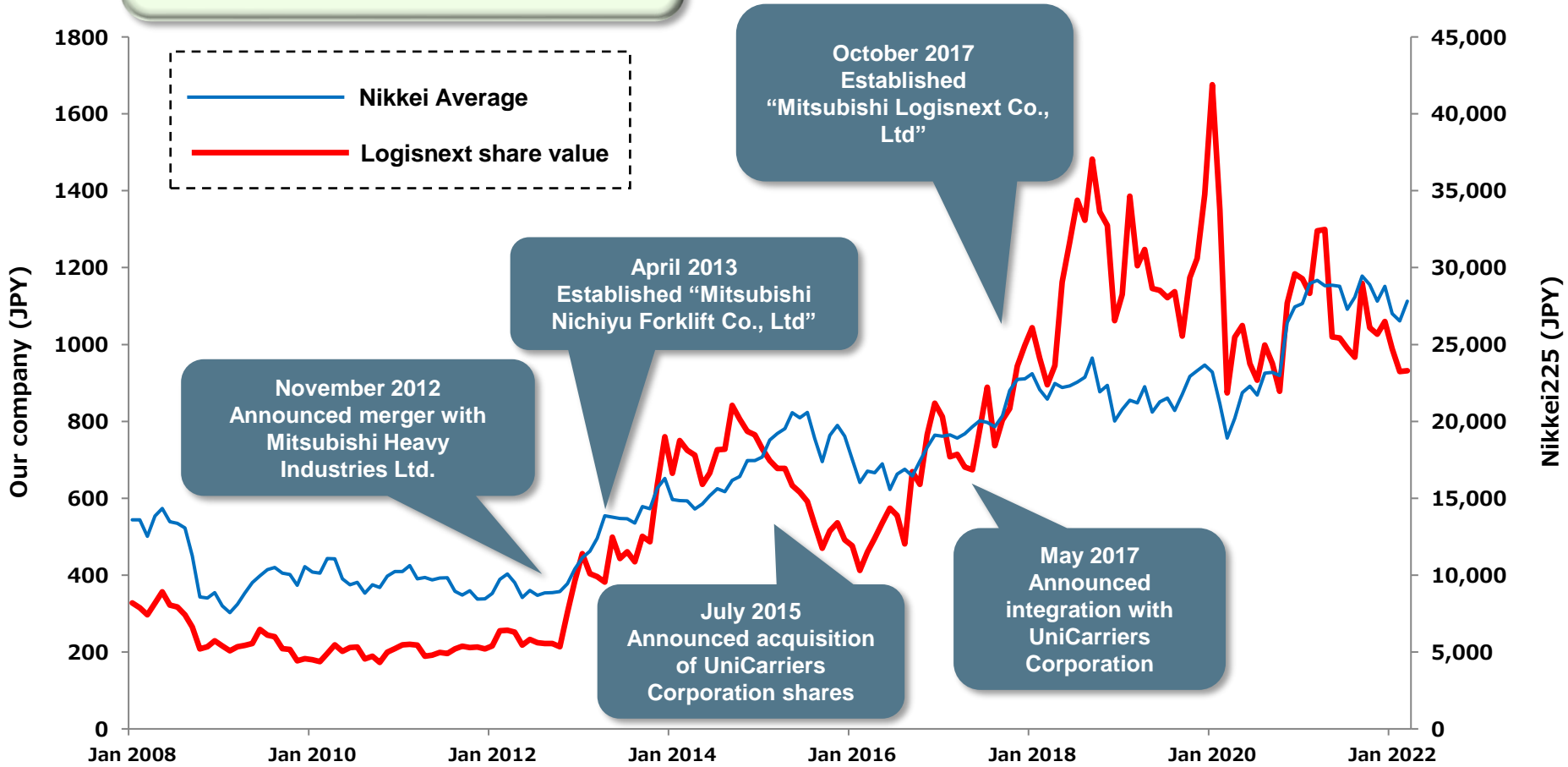


\* Operating Profit before amortization of goodwill, etc.

# 【Reference】 Stock Price Trend

in 2022  
 Year high value: 1,155 JPY (Jan 12)  
 Year low value: 710 JPY (Apr 27)  
 (as of May 24, 2022)

Closing price  
 on May 24  
 822JPY



**Logisnext**

**FY2022 Business Plan  
and  
Progress of Mid-Term Management Plan**

**mitsubishi logisnext**  
**Takashi Kubo, President**

# 1. Message from the President

We are now in the second year of our medium-term management plan, entering the growth and expansion phase. In addition to the current important issues of rectifying the parts supply network and recovering from production delays, the optimization of order backlogs and inventories is an urgent task for our group this fiscal year, and we are currently working as a unified group to quickly resolve these issues while strengthening our financial base and promoting our growth strategy.

Furthermore, we will make a full-fledged effort to manage our company with a strong awareness of sustainability, and strive to achieve sustainable growth of our company and increase our corporate value. As a comprehensive manufacturer of logistics equipment that supports social infrastructure, the entire group will do its utmost to meet your expectations.

Takashi Kubo, President



My name is Mano, and I will take over Kubo's position as President. We would like to build a strong business foundation that will provide stable performance despite the recent drastic changes in the business environment. At the same time, we would like to actively work on our growth strategy, which is focused on future logistics needs.

We will unite and work together to achieve our mid-term management plan, Logisnext SolutionS 2023. At the same time, we will strive to realize our corporate philosophy of moving the world forward as the leading provider of innovative logistics and material handling solutions. We ask for your continued support.

Yuichi Mano

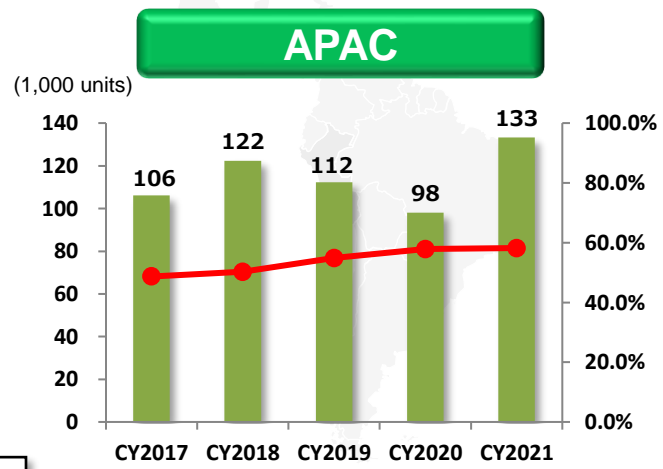
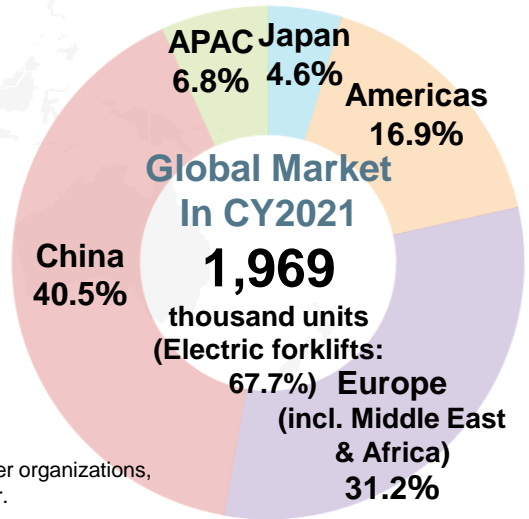
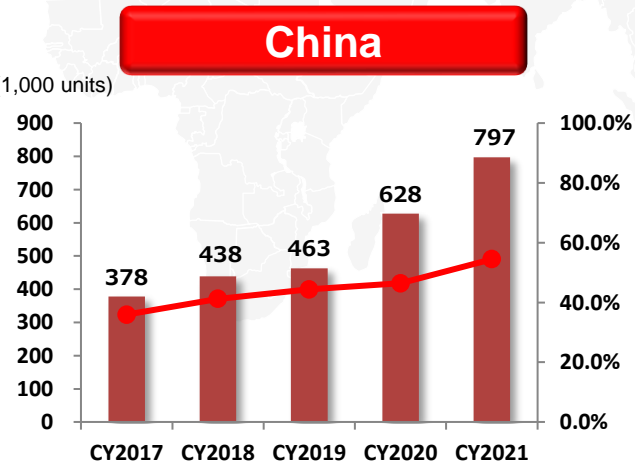
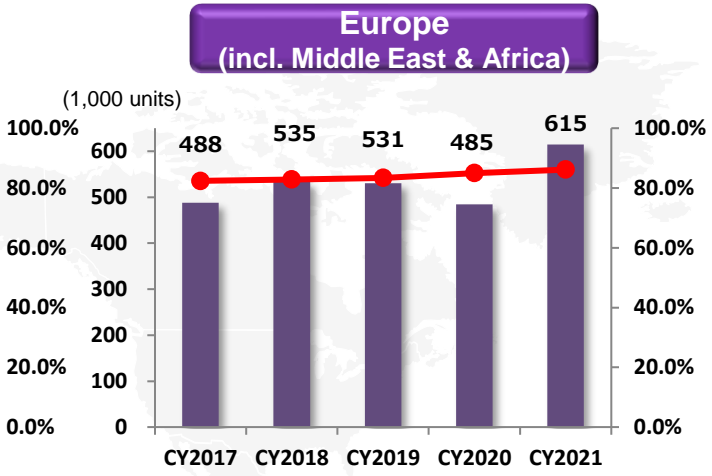
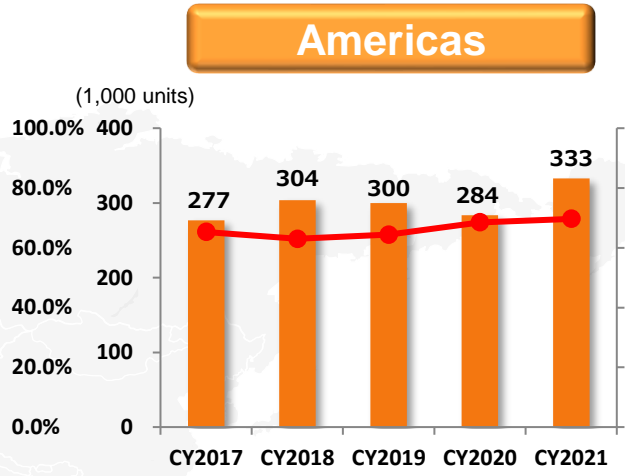
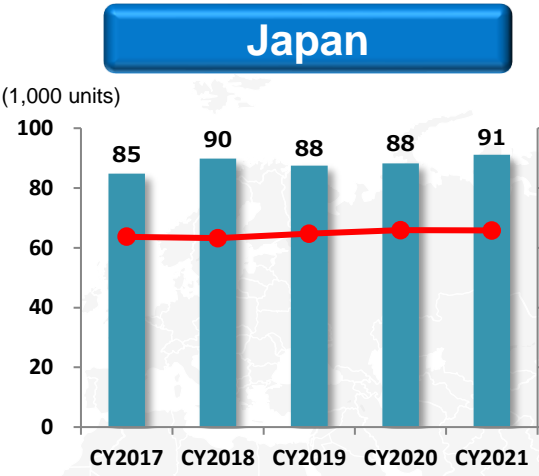
( Scheduled to become president on June 24.)





# 2. Forklift Market Trends [Shipping](Jan. - Dec.) **Logisnext**

Shipments were up 24.4% YoY to 1,969,000 units in the forklift market for the January to December 2021 period, driven by the strong Chinese market, in addition to the strong economic recovery in Europe, Americas, and Asia.



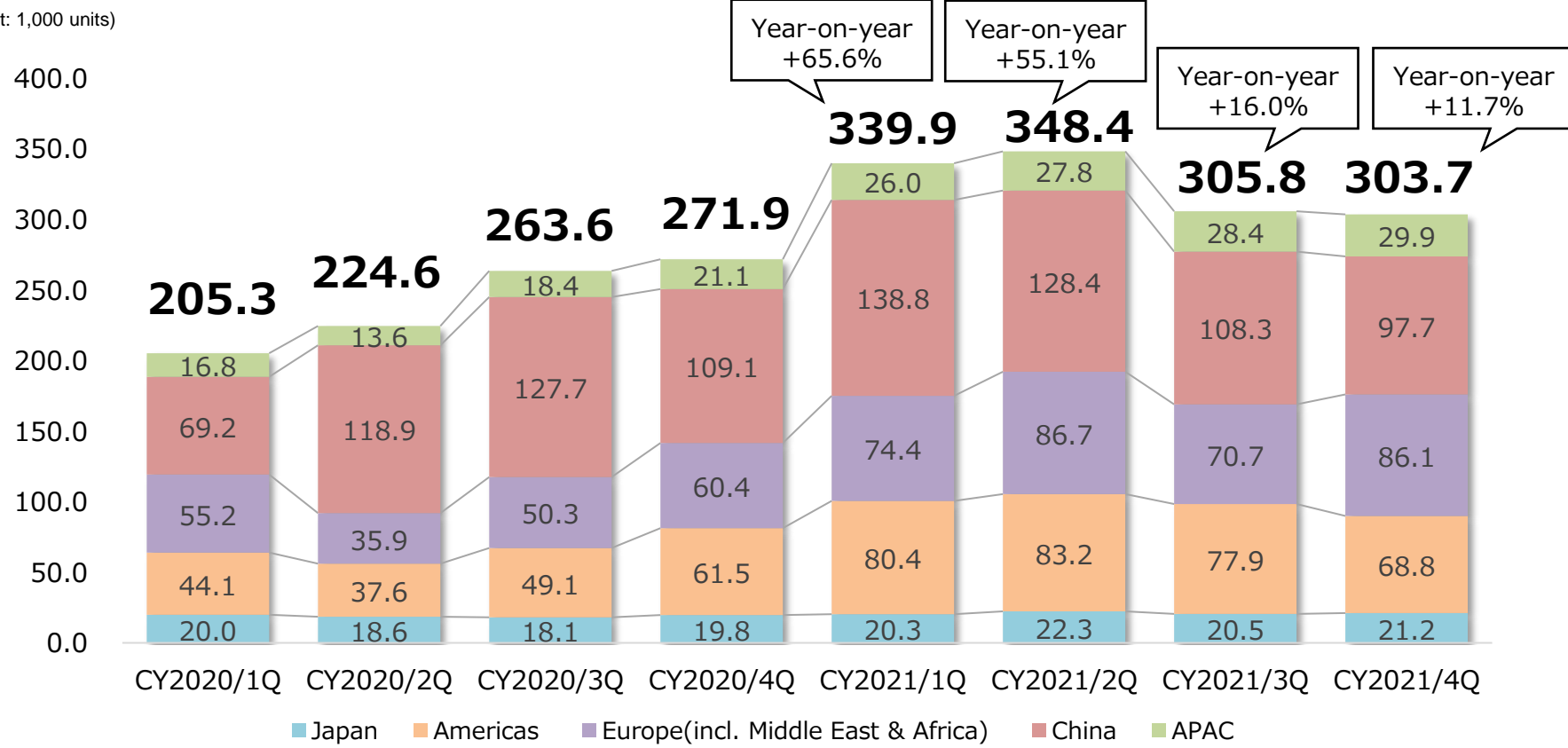
Note: Due to a change in the statistical disclosure policy of WITS member organizations, the figures are based on calendar year from January to December.

# 3. Forklift Market Trends [Orders](Quarterly)

Although the post-COVID-19 growth surge is normalizing, demand remains strong. (+11.7% YoY to 304,000 units, excluding the Chinese market +26.5% YoY to 206,000 units)

## Order intake (excl. Class III\*)

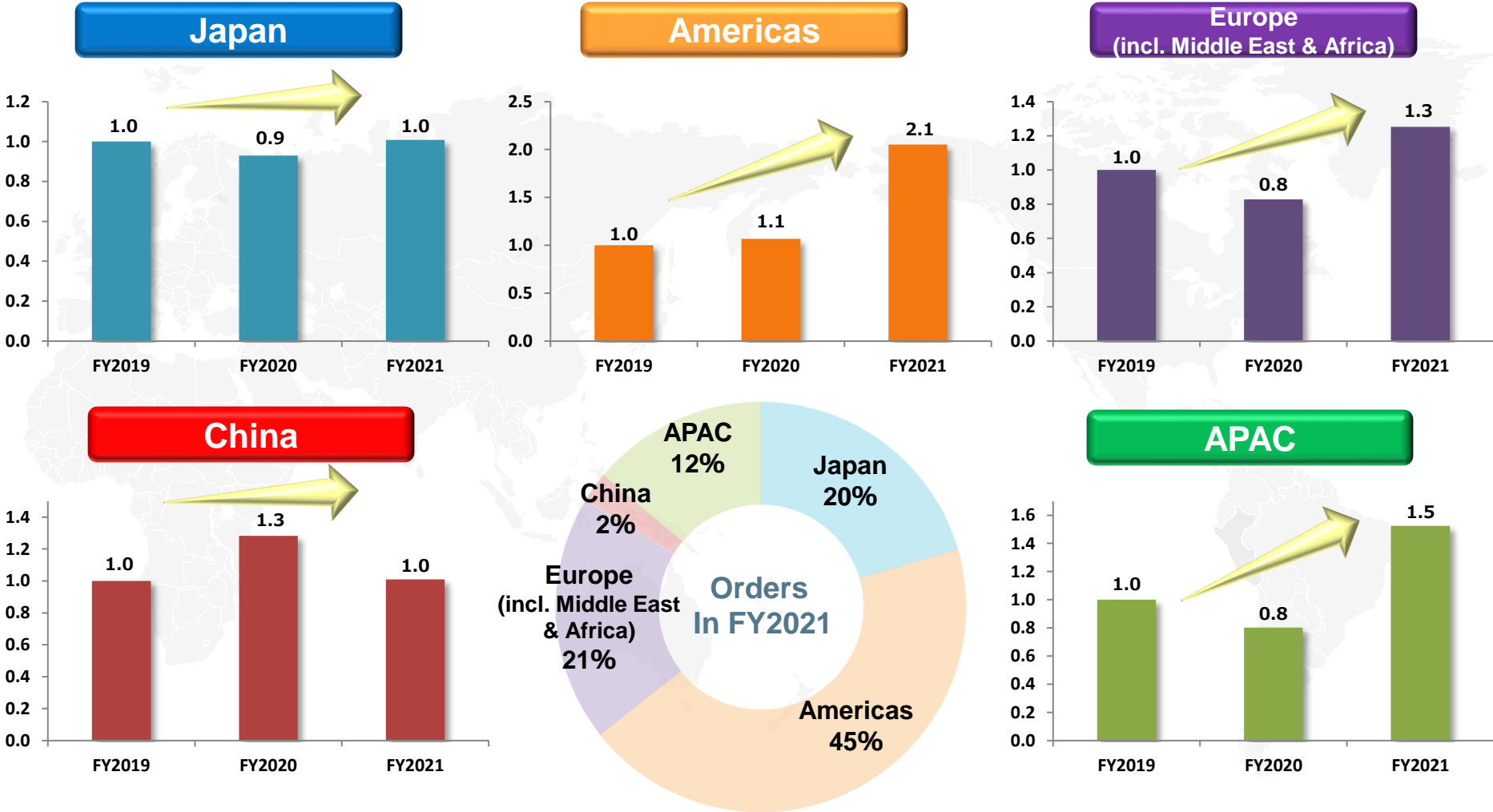
(Unit: 1,000 units)



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

# 4. Our Order Results (Apr. - Mar.)

Orders in FY2021 were strong, up 55% YoY. Strong orders continue in the Americas, Europe, and Asia due to post-COVID-19 growth surge.













Note: As FY2019=1 indexation. Even if it is the same number notation, by the decimal difference, a difference may occur to the height of the graph in an appearance.

# 5. Forklift Market Forecast and Sales Strategy **Logisnext**

<p><b>Japan</b></p>	<ul style="list-style-type: none"> <li>• The market is expected to be slightly higher than FY2021 levels.</li> <li>• The market share of electric forklifts is expected to increase due to the normalization of production as a result of the elimination of delays in the supply of semiconductors, etc. in FY2021, but market share is expected to decrease slightly due to a decline in shipments caused by the launch of the new small engine vehicle, “ERSIS”.</li> </ul>
<p><b>Americas</b></p>	<ul style="list-style-type: none"> <li>• The market is expected to be lower than FY2021 due to a reactionary decline from the rapid increase in demand order backlog in FY2021 caused by longer lead time.</li> <li>• We aim to increase the market share by strengthening our sales approach for large customers, strengthening rental business at EQD company, and launching a business solution division, as well as steadily focusing on accelerated orders, production, and shipments.</li> </ul>
<p><b>Europe (incl. Middle East &amp; Africa)</b></p>	<ul style="list-style-type: none"> <li>• The market is expected to be due to a reactionary decline from the rapid increase in demand in FY2021 and the impact of the prolonged problems in Russia and Ukraine.</li> <li>• In addition to expanding sales of Class I products through the introduction of the new electric forklifts “EDiA XL”, we aim to increase market share through sales promotion activities to customers at its European direct sales companies by utilizing its system, and by strengthening its response to customers by transferring production of compact engine forklifts to Spain.</li> </ul>
<p><b>China</b></p>	<ul style="list-style-type: none"> <li>• The market is expected to be slightly lower than FY2021 due to the impact of COVID-19.</li> <li>• We will enhance our demo program and strengthen our sales promotion tools for renewal of new models for customers who have been using old models to increase demand for a long time.</li> </ul>
<p><b>APAC</b></p>	<ul style="list-style-type: none"> <li>• The market is expected to be lower than FY2021 due to a reactionary decline in related to replenishing distributors' new forklift inventory because of longer lead times in the second half of FY2021.</li> <li>• We will maintain and strengthen our market share by steadily capturing new forklift demand.</li> </ul>

# 6. Production

	FY2021 Production (Compared to plan)	FY2022 Production forecast (YoY)	FY2021 Production	FY2022 Production forecast
Japan			<ul style="list-style-type: none"> <li>• Production was steady despite supply delays of semiconductors, etc., and the impact of COVID-19.</li> <li>• Production of “GRENDA” and “FOZE”, compact engine forklifts, was discontinued.</li> </ul>	<ul style="list-style-type: none"> <li>• Aim to maintain the shipment volume of the new compact engine forklift "ERSIS" by ensuring a timely production start.</li> </ul>
Americas			<ul style="list-style-type: none"> <li>• Delays due to supply chain disruptions and delays in the supply of parts for semiconductors, etc., have been impacted.</li> </ul>	<ul style="list-style-type: none"> <li>• Expect to significantly increase production by improving the supply chain and aiming to reduce the order backlog.</li> </ul>
Europe (incl. Middle East & Africa)			<ul style="list-style-type: none"> <li>• The impact of COVID-19, supply chain disruptions due to the problems in Russia and Ukraine, as well as parts supply delays led to a significant decline.</li> </ul>	<ul style="list-style-type: none"> <li>• Expect to increase production volume by reducing the order backlog and by transferring production of compact engine forklifts (from Dalian plant to Spain plant) in April FY2022.</li> </ul>
China			<ul style="list-style-type: none"> <li>• Production volume increased from FY2020 due to strong orders from Asia.</li> </ul>	<ul style="list-style-type: none"> <li>• Production volume is expected to decrease due to the transfer of production of compact engine forklifts in April 2022.</li> </ul>
APAC			<ul style="list-style-type: none"> <li>• Record production in its 10th year in business.</li> </ul>	<ul style="list-style-type: none"> <li>• Aim to Increase production and promote shipments by improving supply chain.</li> </ul>

# 7. Financial Forecast for FY2022

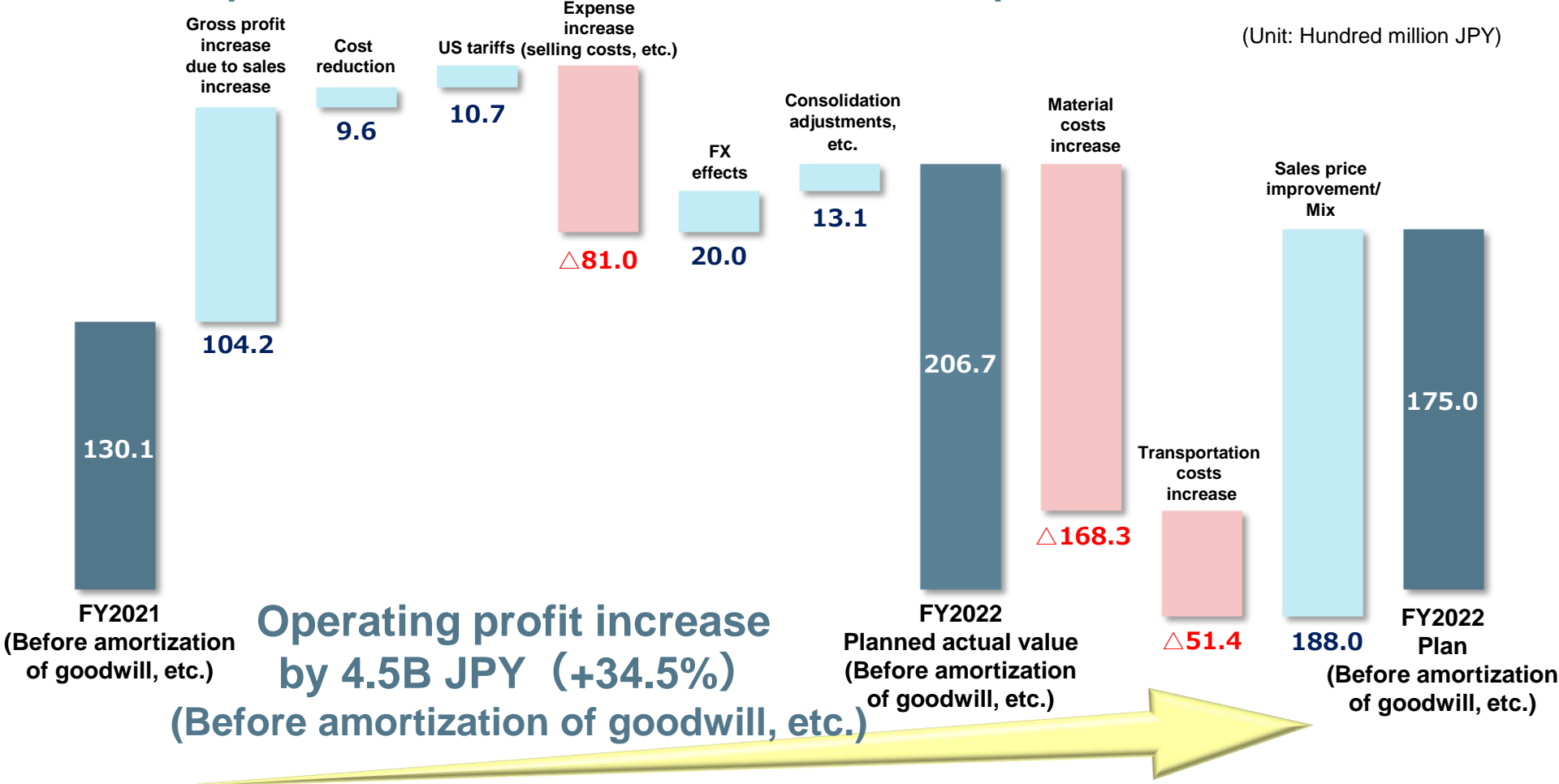
## Key factors related to the financial forecast:

- Production delays due to shortages in the supply of electronic components used in semiconductors, and Continuous escalation of materials, transportation costs.
- Optimization of order backlogs and reduction of long delivery times should be assisted by rectifying parts supply network issues and recovering production and shipment levels.
- In Japan, the material handling equipment market remains steady at the same level as before COVID-19. Overseas, remain above the pre-COVID-19 level.
- Emergence of geopolitical risks, and negative impacts on the economy due to rising inflation in many countries must be considered.

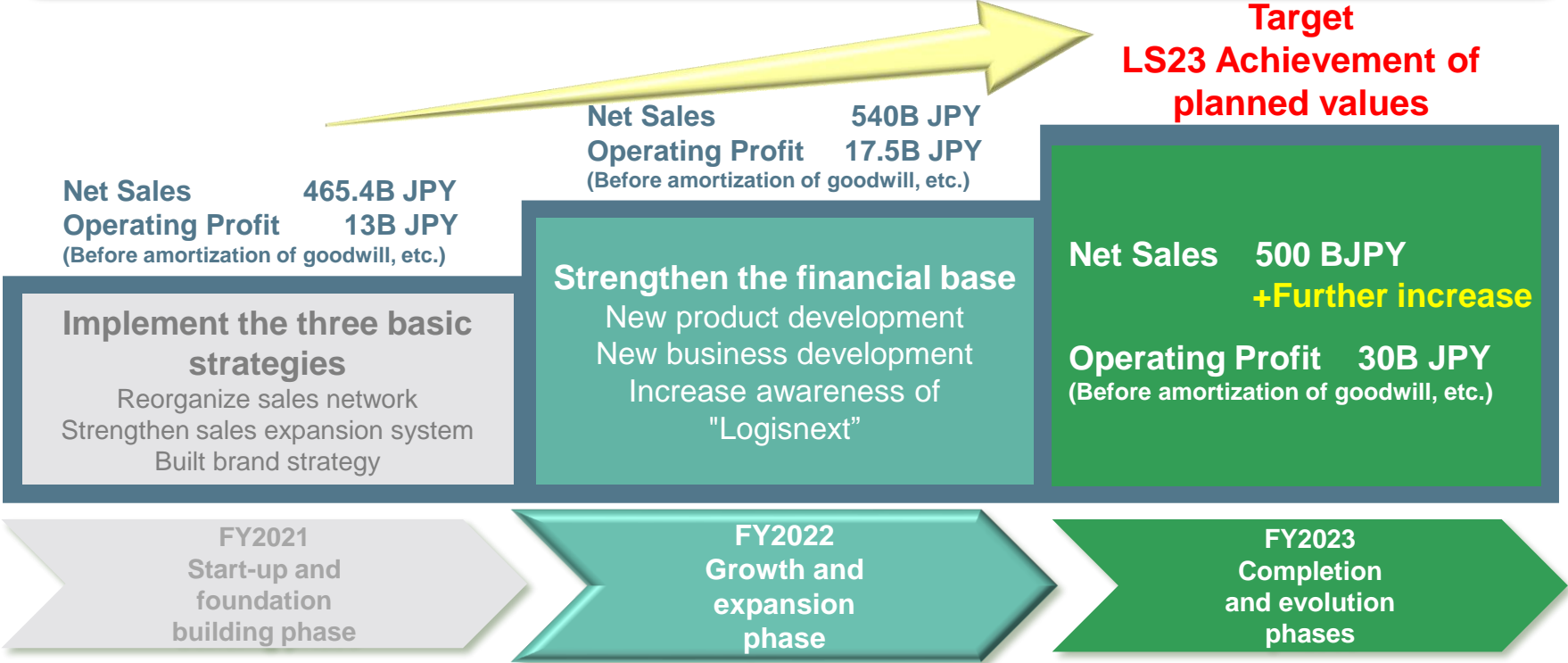
(Unit: Hundred million JPY)	FY2021	FY2022	YoY Change	
Units Sold	103,000 units	<b>118,000 units</b>	<b>+15,000 units</b>	<b>+14.6%</b>
Net Sales	4,654.1	<b>5,400.0</b>	<b>+745.9</b>	<b>+16.0%</b>
Operating Profit <small>(Before amortization of goodwill, etc.) (Operating profit margin)</small>	130.1 (2.8%)	<b>175.0</b> (3.2%)	<b>+44.9</b>	<b>+34.5%</b>
Amortization of Goodwill, etc.	94.2	<b>95.0</b>	–	–
Operating Profit (Operating profit margin)	35.9 (0.8%)	<b>80.0</b> (1.5%)	<b>+44.1</b>	<b>+122.7%</b>
Ordinary Profit (Ordinary profit margin)	32.4 (0.7%)	<b>70.0</b> (1.3%)	<b>+37.6</b>	<b>+116.0%</b>
Profit Attributable to Owners of Parent (Net income margin)	7.2 (0.2%)	<b>25.0</b> (0.5%)	<b>+17.8</b>	<b>+248.7%</b>
Dividend per Share	8 yen	<b>9 yen</b>	–	–

# 8. Operating Profit FY2021 vs FY2022 Plan **Logisnext**

Operating profit (before amortization of goodwill, etc.) is expected to increase only 34.5% YoY due to longer lead times caused by delays in the supply of various components, including semiconductors, and the accompanying delay in mark up, as well as increased material and transportation costs.



# 9. FY2022 Business Plan



- **The second year of “Logisnext SolutionS 2023”, the “growth and expansion phase”.**
- **Promptly resolve the problems related to longer lead time due to increasing material and transportation costs and delays in parts supply.**
- **Generate cash, strengthen the financial base, and make appropriate investments, including in our sales expansion system.**

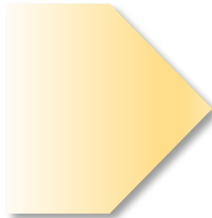


10. Build up Business Resilience -Strengthen the existing business-

■ New Product Launch for the domestic market

➤ Integrated model of compact engine forklifts

- New small engine forklift truck, "ERSIS" launched in March 2022, is integrated model combines the strengths of engine forklifts "GRENDiA" and "FOZE".



**ERSIS**

**Features**

**Superb environmental impact levels**

- Equipped with in-house engines that meet the latest emission standards

**High workability**

- Mast ascent speed in top of class
- Powerful climbing ability

**Full range of safety functions**

- Integrated vehicle management system equipped on all models

# 11. Build up Business Resilience -Strengthen the existing business-

## ■ New Product Launch for the overseas market

### ➤ Introduced new electric forklifts for the European market

- Developed “EDiA XL”, a high-performance mid-size (4.0-5.5tons) electric forklift, designed to meet the demand for combustion engine forklift replacements, was launched for the European market in April 2021.



### Features

#### Superb environmental impact levels

- Best-in-class energy efficiency

#### High workability

- Auto-boost function increases driving power as needed

#### Stable handling

- Superior ability to reduce vibration when lowering the mast

#### Comfortable operability

- Compact steering wheel for security and safe driving
- Ergonomic dual joysticks

**Aim to expand sales in the European market,  
where advanced carbon-neutral initiatives are strong**

## 12. Build up Business Resilience -Strengthen the existing business-

### ■ Sales expansion in Asia and Oceania

#### ➤ Strong sales of new electric forklifts launched in Asia and Oceania markets

- “FB-80” (ALESIS in Japan), a compact electric forklift manufactured at the Thailand plant (Logisnext Manufacturing(Thailand) Co., Ltd.) seen the addition of a 3 tons class edition, receiving high praise in the Asia and Oceania regions and is selling well.
- We contributed to achieving the highest annual production volume ever last year in FY2021, the 10th year since the Thailand plant was established.



**Logisnext Manufacturing(Thailand) Co., Ltd.**



**FB-80**

# 13. Accelerate growth strategy -Expand our solutions portfolio-

## ■ Expansion of Solution Business

### ➤ Launched Solution Business Division in the U.S. EQD company

- Established “EQ SOLUTIONS” as a business solutions division of EQD company, a direct sales company.
- In addition to solutions for distribution warehouses, such as material handling products and warehouse products, “EQ SOLUTIONS” has expanded its offerings, including automated equipment such as unmanned forklifts and automated warehouses.
- We offer total solutions to customers across a wide range of industries, including not only distribution warehouses, but also manufacturing, beverage, food, and wholesale operations.

**EQUIPMENT  
DEPOT®**

**EQ SOLUTIONS**

Material handling and automation equipment

Unmanned forklifts

Warehouse products



**Rocla**



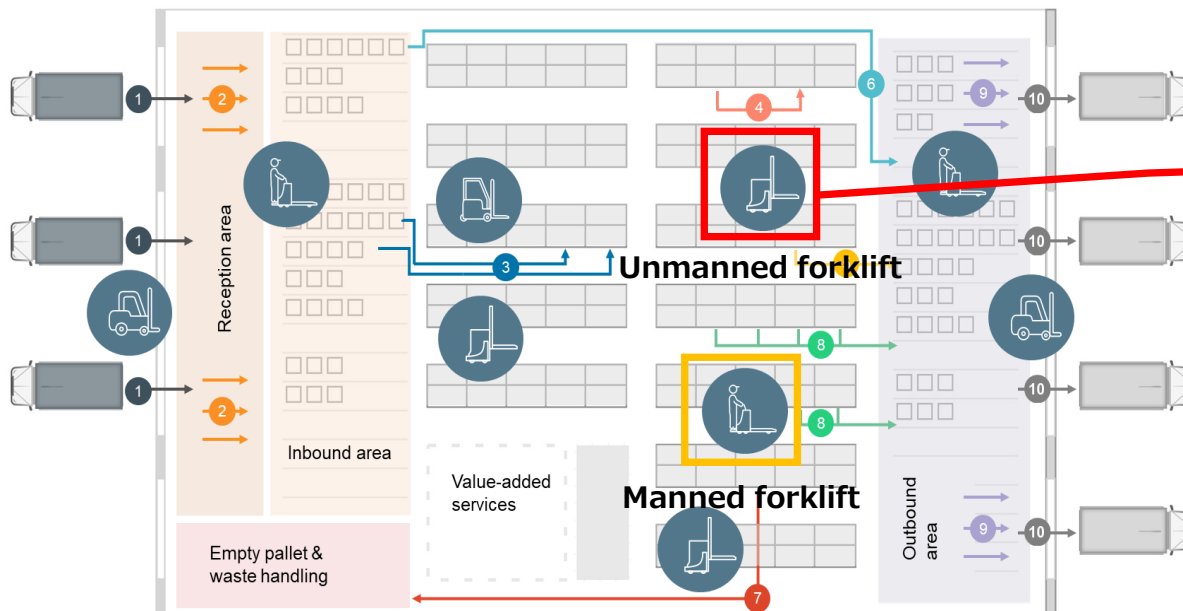
**JUNGHEINRICH**

# 14. Accelerate growth strategy -Expand our solutions portfolio-

## ■ Development of New Technology

### ➤ Development of a “mixed fleet solution”

- We have developed a “mixed fleet solution” at our European base, which is a comprehensive solution of middleware, software, and material handling equipment that enables manned and unmanned forklift trucks to coexist.
- Operations commenced at a customer warehouse in Belgium with DHL, a major European logistics company, as the pilot customer.



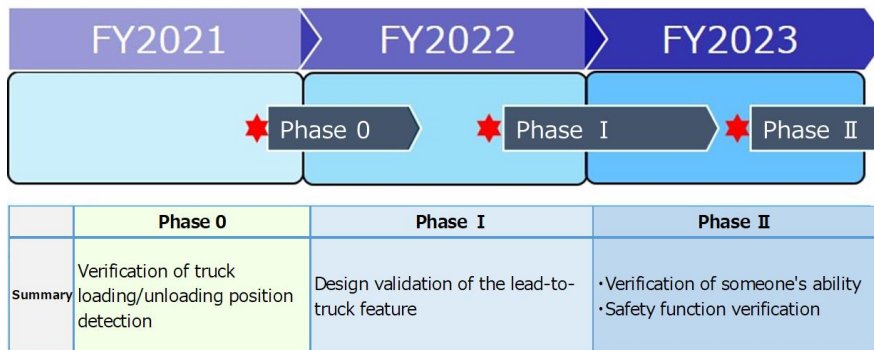
Mixed fleet solution (Image)

15. Accelerate growth strategy -Expand our solutions portfolio-

■ Use of Unmanned Transport Technology

- Start of demonstration experiment to automate the loading and unloading of trucks outdoors
  - The unmanned forklifts demonstration experiment for loading and unloading is to be conducted with Konoike Transport Co., Ltd. and Mitsubishi Heavy Industries by March 2024.
  - We aim to reduce the workload of forklift operators and reduce truck dwell time, thereby contributing to manpower and labor savings in the logistics field.

Road map



Image

16. Further develop our global and regional branding strategies -ESG-

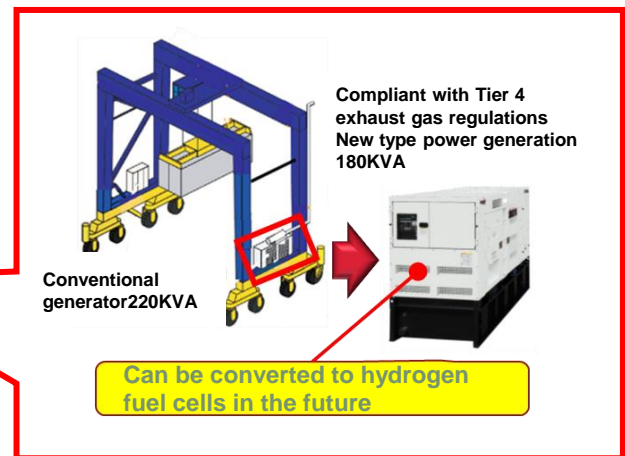
■ Efforts toward the realization of Carbon Neutrality

➤ Orders received for new tire-type gantry crane (RTG)

- Received orders from Kamigumi Co., Ltd. for RTGs that can reduce CO2 emissions and be converted to hydrogen fuel cell technology in the future. Two units will be installed during FY2022 and a total of 18 units by the end of FY2027.
- We aim for zero greenhouse gas emissions at ports, striving to realize the goal of carbon neutral ports (CNP).



SUSTAINABLE DEVELOPMENT GOALS



# 17. Further develop our global and regional branding strategies

## ■ Published “Mitsubishi Logisnext SDGs Report 2021”

### ➤ Achieving towards the carbon neutrality by 2040

- Formulated our global CO2 emissions (Scope 1 and 2) reduction targets. **“40% reduction by 2030 (relative to fiscal 2017 levels), net zero by 2040”**

### ➤ Establishment of Sustainability Promotion Structure

- The sustainability council was established as the supreme body for promotion and management of sustainability activities.
- Under the sustainability council, subcommittees are established for each materiality activity area.
- Each subcommittee sets its own policies and targets for each materiality and promotes its own initiatives.

### ➤ Integrated with Environmental Report

- Integrated environmental reports, which were previously published separately, into this SDGs report.
- Integrated information on environmental initiatives and achievements.





## ■ Transition to Standard Market

### ➤ Efforts to achieve listing maintenance criteria

- We selected the "Standard Market" based on the overall judgment that maintaining the current capital relationship with Mitsubishi Heavy Industries and continuing to utilize and strengthen cooperation with the comprehensive strengths of Mitsubishi Heavy Industries as well as conducting independent management as a listed company would be optimal.
- As a result of efforts to achieve the 25% listing maintenance criteria, we have achieved standardization at 25.6% as of March 31, 2022.

#### Compliance with listing maintenance criteria in standard market

	Number of shareholders	Number of tradable units of stock	Total market capitalization of tradable shares	Tradable share ratio
Our status June 30, 2021 (as of the transition reference date)	12,014 people	242,746 units	27.4B JPY	22.7%
Our status March 31, 2022	21,257 people	272,582 units	26.4B JPY	25.6%
Listing maintenance criteria	400 people	2,000 units	1B JPY	25%
Plan period as stated in the original plan				March 31, 2023

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### **Please direct inquires regarding this material to the following:**

Mr. Kariya or Ms. Mitsuyuki  
Corporate Finance Planning Division  
Mitsubishi Logisnext Co., Ltd.

1-1, 2-chome, Higashikotari, Nagaokakyo-shi, Kyoto 617-8585  
TEL: 075-956-8610 FAX: 075-951-4038  
URL: [www.logisnext.com](http://www.logisnext.com)

# Logisnext

**MITSUBISHI LOGISNEXT**