



Financial Results for the 3rd quarter of FY2019

(FY2019: From April 1, 2019 to March 31, 2020)

February. 20, 2020

MITSUBISHI LOGISNEXT CO., LTD.

Economic Market Trends

- **The worldwide economy is an increasingly worried situation for reasons such as U.S.-China trade frictions, Brexit of the United Kingdom, and geopolitical threats centered on the Middle East.**
- **The global stagnation of the manufacturing industry has not shown any signs of abatement, and the capital investment with the exception of the system investment has been greatly restrained. Although various indicators of Japan's economy remain solid, investment has been remarkably moderate due to the economic slump of the manufacturing industry, and the sluggishness is evident.**
- **Given the above economic conditions, the logistics equipment market is facing a strong headwind worldwide, and concerns about future market trends are increasing.**

Summary of 3Q FY2019 Results

- **Net sales increased +1.3% year-on-year, due to the consolidation of EQD in the Americas.**
- **Operating profit decreased ▲23.6% year-on-year, due to lower sales in the Americas and China.**
- **As the closing date of Equipment Depot, Inc. (hereinafter "EQD"), of which all the shares were acquired by us on July 1, 2019, was changed from December 31 to March 31, we consolidated the results for the six months from July 1, 2019 to December 31, 2019 in the third quarter consolidation statement of income.**

2. Financial Highlights

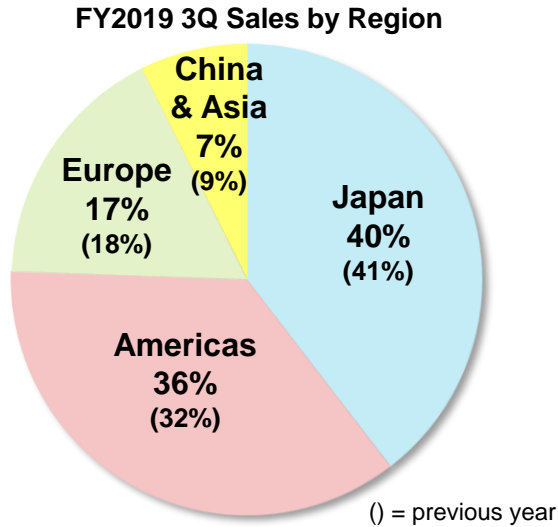
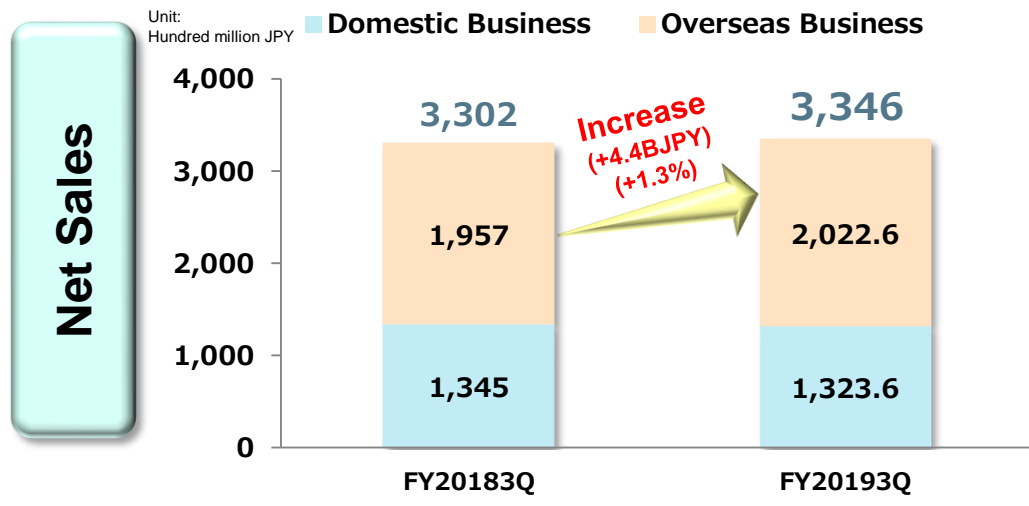
Unit: Hundred million JPY

Profit and Loss Statement	FY2018 3Q	FY2019 3Q	YOY Change	
	Net Sales	3,302.4	3,346.3	+43.9
Operating Profit <small>(Before amortization of goodwill) (Operating profit margin)</small>	155.0 (4.7%)	140.5 (4.2%)	▲14.5	▲9.4%
Amortization of Goodwill	66.1	72.6	—	—
Operating Profit <small>(Operating profit margin)</small>	88.8 (2.7%)	67.9 (2.0%)	▲20.9	▲23.6%
Ordinary Profit <small>(Ordinary profit margin)</small>	94.2 (2.9%)	65.0 (1.9%)	▲29.2	▲31.0%
Profit Attributable to Owners of Parent <small>(Net income margin)</small>	50.5 (1.5%)	30.3 (0.9%)	▲20.2	▲39.9%
Balance Sheet	FY2018	FY2019 3Q	YOY Change	
Total Assets	3,677	3,771	+140	+3.8%
Total Liabilities	2,992	3,124	+141	+4.7%
Net Assets	685	647	▲1	▲0.1%

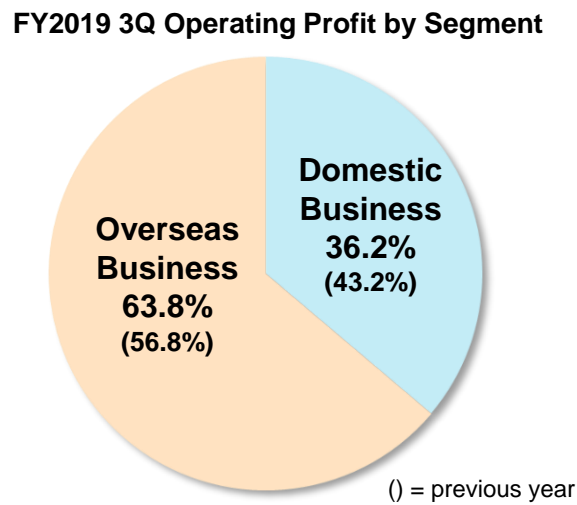
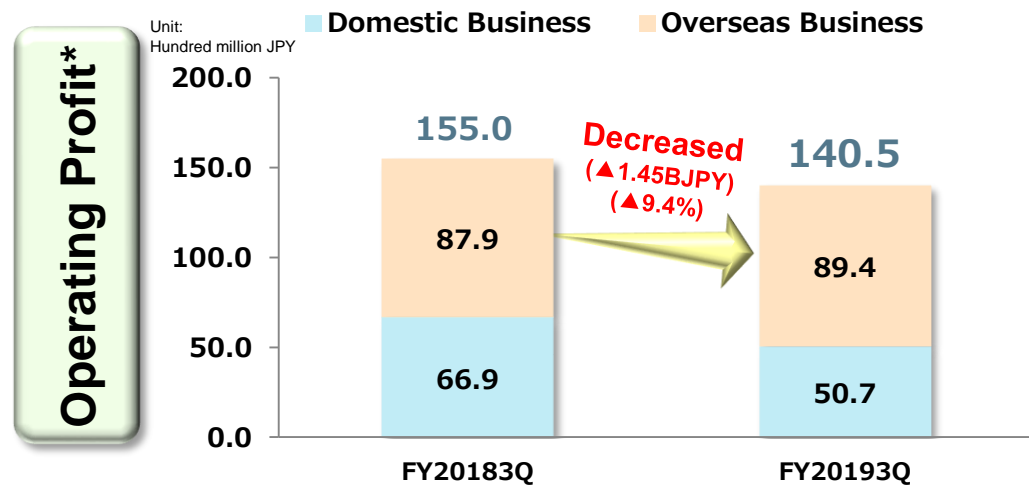
FY2018 3Q actual FX rates: USD = JPY111.14, EUR = JPY129.49, CNY = JPY16.61
 FY2019 3Q actual FX rates: USD = JPY108.67, EUR = JPY121.05, CNY = JPY15.60

3. Business Results by Segment

Net Sale: Increased by +1.3% (YoY) due to the contribution of the consolidation of EQD in the Americas.



Operating profit () : Decreased by ▲9.4%(After amortization of goodwill ▲23.6%) (YoY) due to lower sales in the Americas and China.

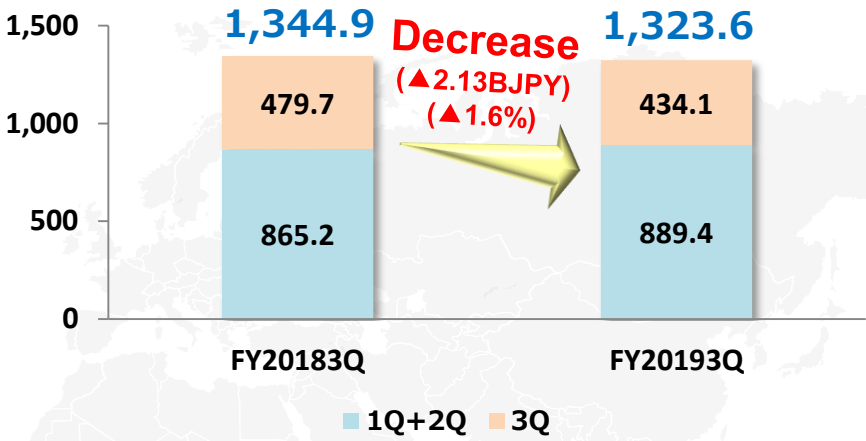


* Operating Profit before amortization of goodwill

4. Sales by Region

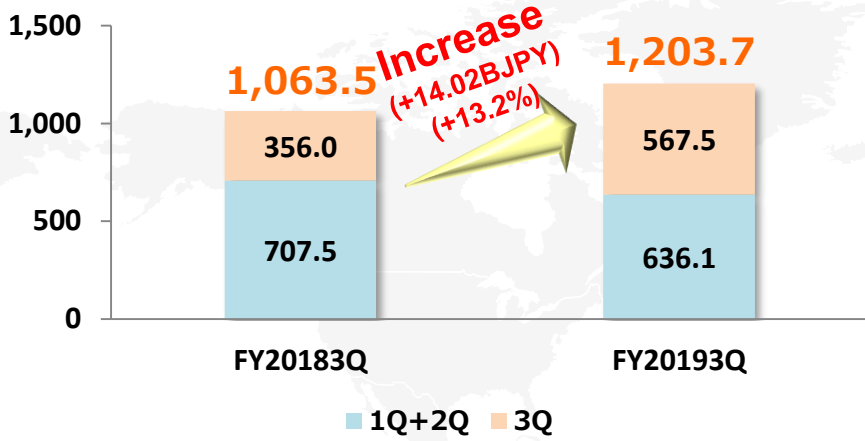
Japan

(Unit: Hundred million JPY)



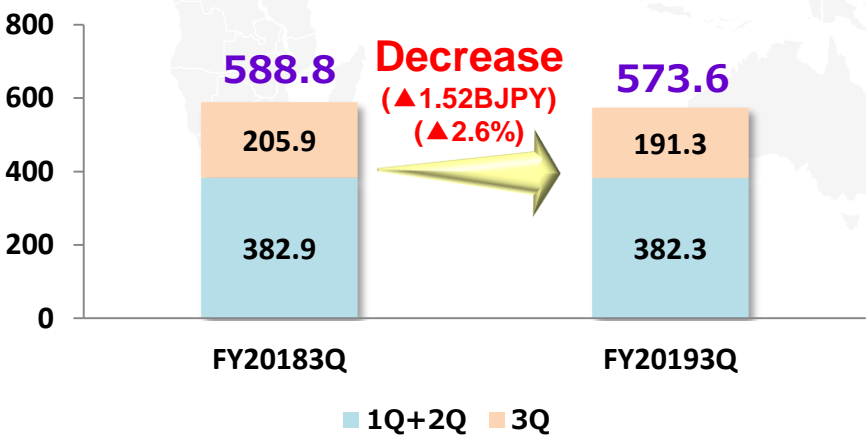
Americas

(Unit: Hundred million JPY)



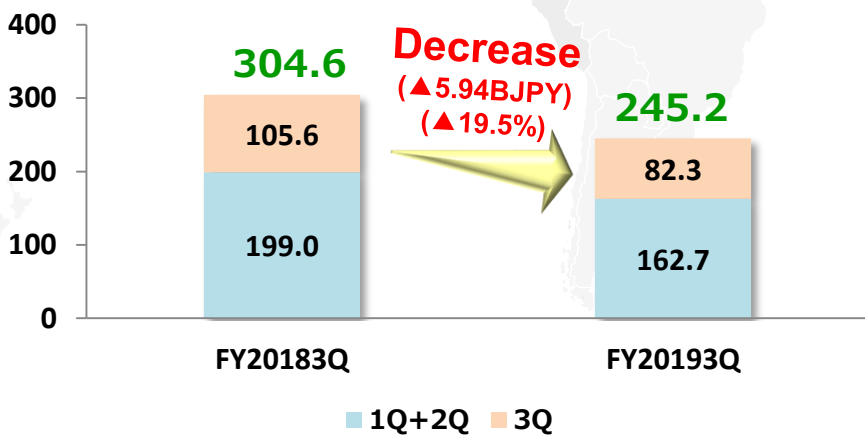
Europe

(Unit: Hundred million JPY)



China and Asia

(Unit: Hundred million JPY)

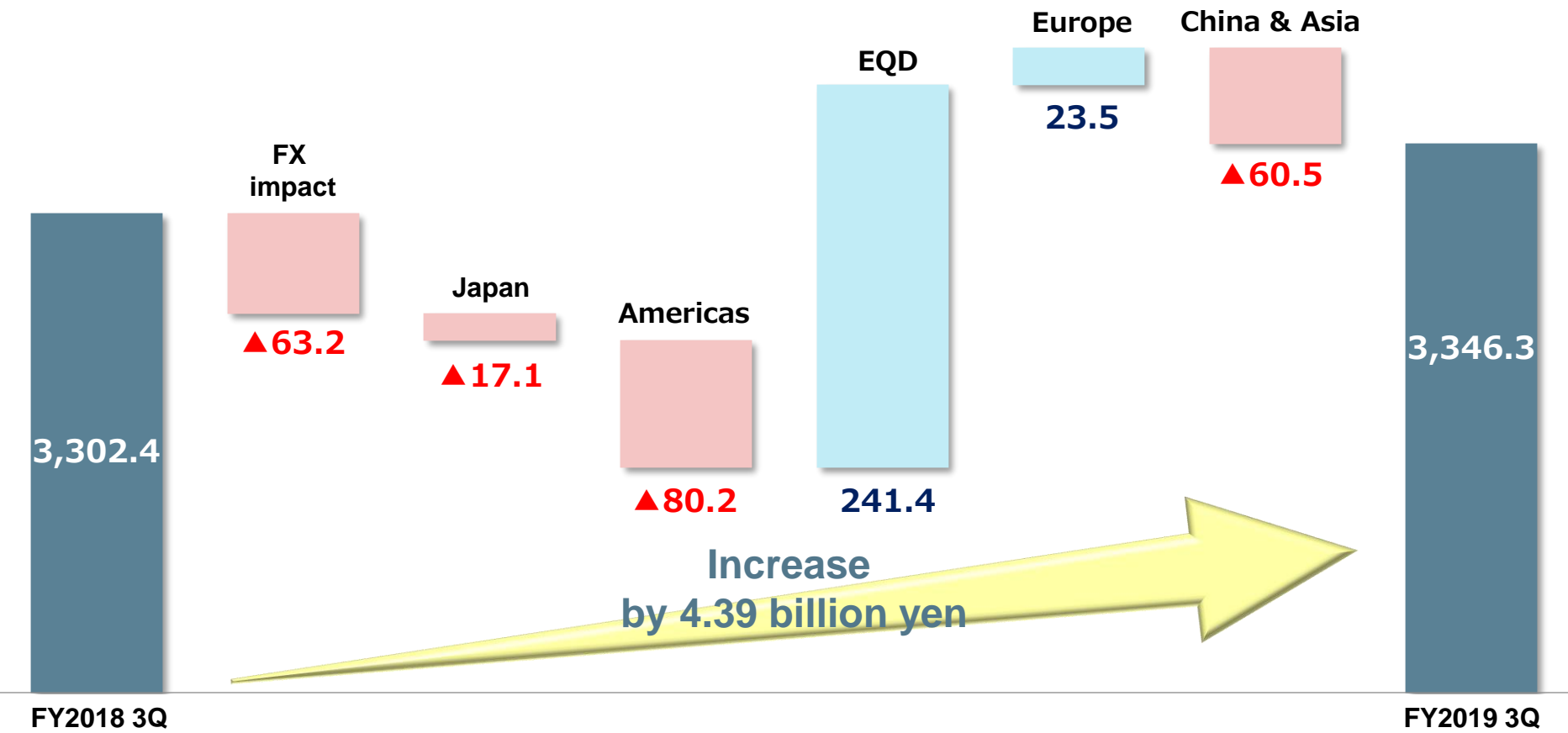


5. Net Sales FY2018 3Q vs FY2019 3Q

Increased by +1.3% (YoY) as a result of the contribution of the consolidation of EQD in the Americas.

※ Excluding the impact of the consolidation of EQD, sales decreased ▲6.0% (YoY) as a result of lower sales in the Americas and China.

(Unit: Hundred million JPY)

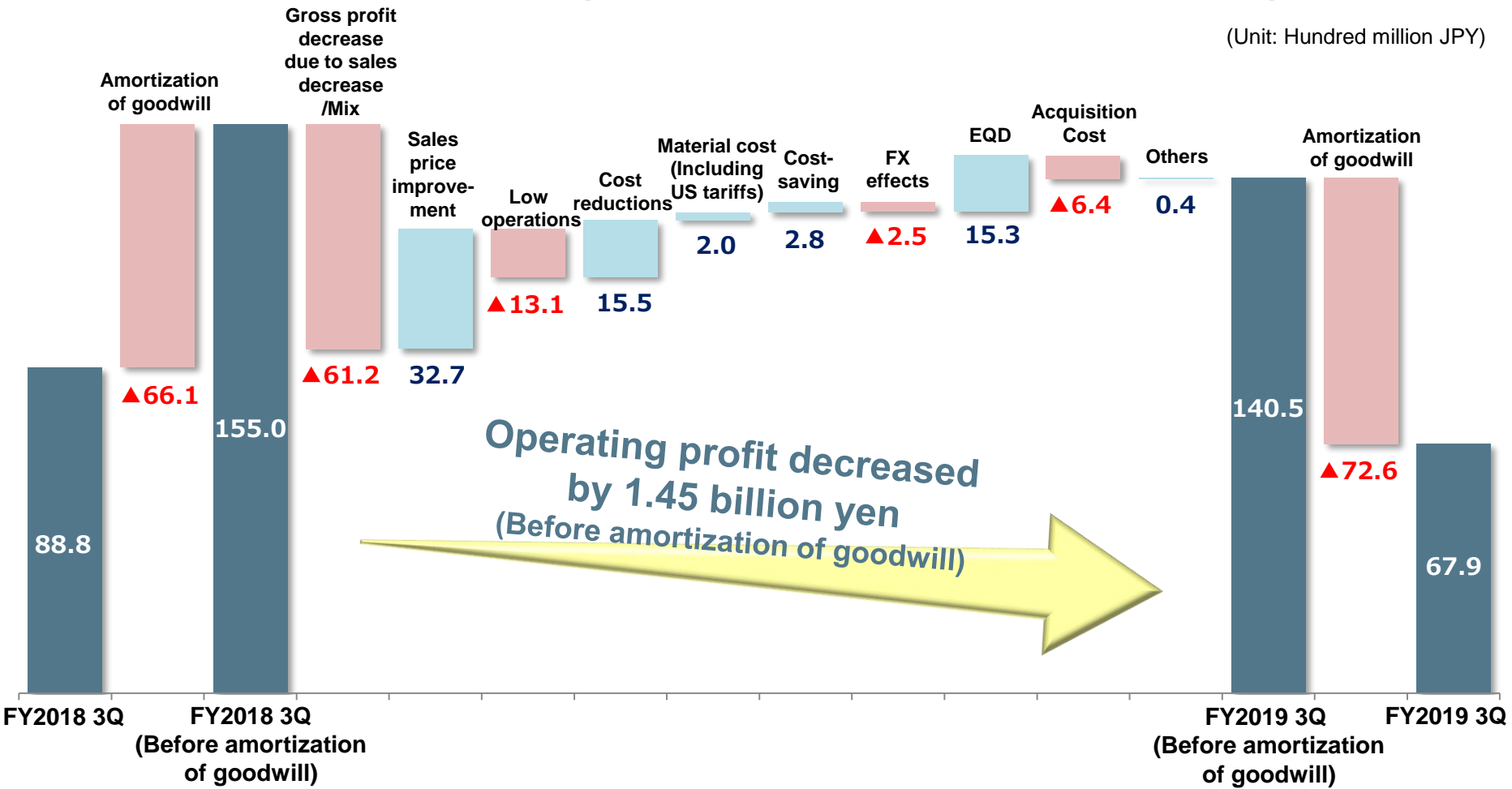


6. Operating Profit FY2018 3Q vs FY2019 3Q

Sales price improvement and cost improvement covered the impact of lower sales in the Americas and China, and lowering operations.

YoY \uparrow 9.4%(Before amortization of goodwill) / \uparrow 23.6%(After amortization of goodwill)

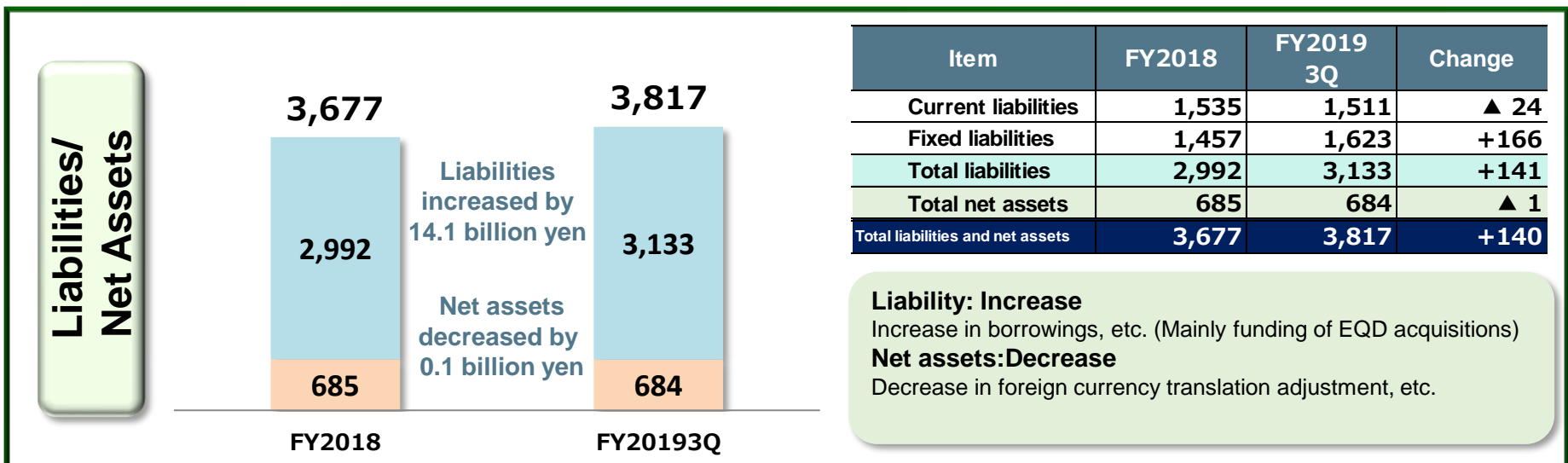
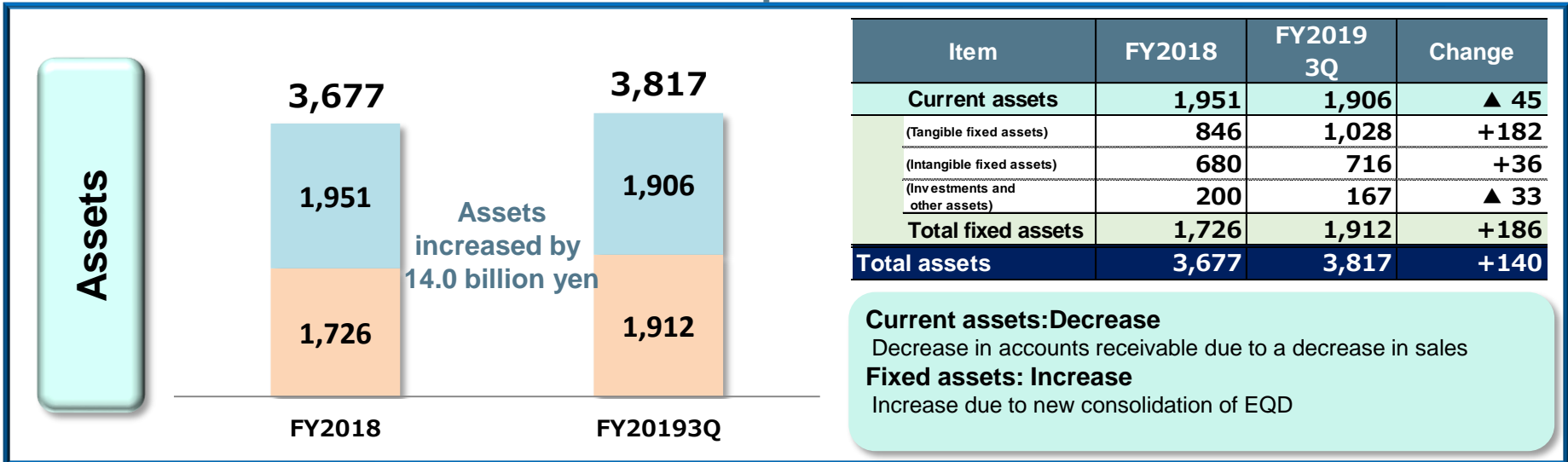
(Unit: Hundred million JPY)



7. Consolidated Balance Sheet

Total assets and liabilities increased owing increase in borrowings for new consolidation of EQD and acquisition of EQD.

(Unit: Hundred million JPY)



8. Financial Forecast for FY2019

On February 6, 2020, our FY2019 financial forecast have revised in view of the shrinking global forklift market because of a decrease in capital investment, mainly in the manufacturing industry. The direct impact of the spread of coronavirus infections has not been factored into the revised forecast.

Main reasons for the revised FY2019 financial forecast

- Considering the recent status of orders, it is judged that it is difficult to accumulate results in 4Q as in the past.
- Impact of lower sales mainly in the Americas and China could not be covered by improved sales costs and cost reductions.

(Unit: Hundred million JPY)

Item	FY2018 3Q (Results)	FY2018 (Results)	FY2019 3Q (Results)	FY2019 Revised Forecast (Feb. 6, 2020)	FY2019 Original Forecast (August 2019)
Units Sold	87,000 units	116,000 units	78,000 units	105,000 units	119,000 units
Net Sales	3,302	4,484	3,346	4,500	4,900
Operating Profit <small>(Before amortization of goodwill)</small> (Operating profit margin)	155.0 (4.7%)	219.8 (4.9%)	140.5 (4.2%)	190.0 (4.2%)	250.0 (5.1%)
Amortization of Goodwill	66.1	88.2	72.6	98.0	110.0
Operating Profit (Operating profit margin)	88.8 (2.7%)	131.6 (2.9%)	67.9 (2.0%)	92.0 (2.0%)	140.0 (2.9%)
Ordinary Profit (Ordinary profit margin)	94.2 (2.9%)	137.1 (3.1%)	65.0 (1.9%)	87.0 (1.9%)	130.0 (2.7%)
Profit Attributable to Owners of Parent (Net income margin)	50.5 (1.5%)	70.8 (1.6%)	30.3 (0.9%)	42.0 (0.9%)	70.0 (1.4%)
Dividend per Share	—	JPY13	—	JPY13	JPY13

【Reference】 Key Performance Indicators Logisnext

	Indicator	Formula	FY2018		FY20193Q		Comments
				(Before amortization of goodwill)		(Before amortization of goodwill)	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	1.9%	(4.2%)	1.1%	(3.3%)	Index deteriorated due to lower net income resulting from revision of financial forecast
Performance	Return-on-equity (ROE)	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	11.2%	(20.4%)	6.3%	(14.6%)	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	2.9%	(4.9%)	2.0%	(4.2%)	
Profitability	Net income margin	$\frac{\text{Net income}}{\text{Sales}}$	1.6%	(3.5%)	0.9%	(3.0%)	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.2 times		1.2 times		
	Receivable turnover	$\frac{\text{Sales}}{\text{Accounts receivable}}$	5.8 times		6.0 times		
Asset Efficiency	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	5.6 times		5.4 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	18.0%		17.2%		Increase in borrowings resulting from the EQD acquisition.
Financial Soundness	D/E ratio	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	2.5 times		2.8 times		
Share	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	JPY 66.48		JPY 38		
	Price earnings ratio (PER)	$\frac{\text{Share value}}{\text{Earnings per share}}$	18.1 times		36.6 times		
Share	Price book value ratio (PBR)	$\frac{\text{Share value}}{\text{Book value per share}}$	1.9 times		2.2 times		

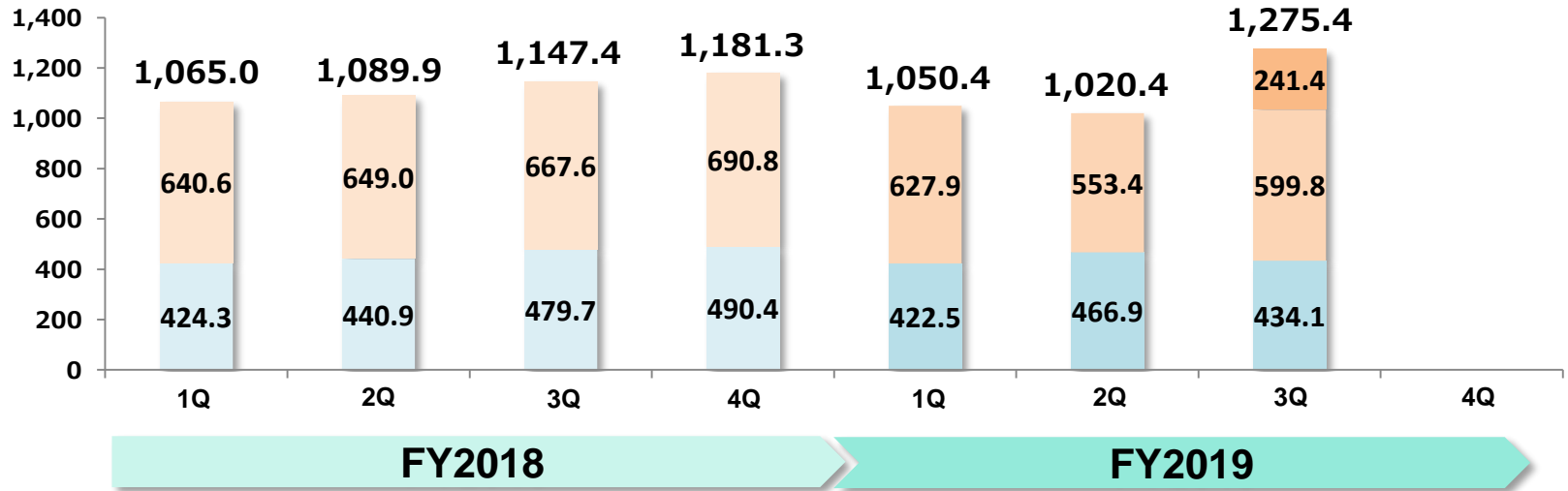
※ "Performance" and "Profitability" indicators are calculated based on the forecasts for the fiscal year ending March 31, 2020 (revised on February 6)

【Reference】 Quarterly Financial Results **Logisnext**

Unit: Hundred million JPY

Domestic Business Overseas Business EQD

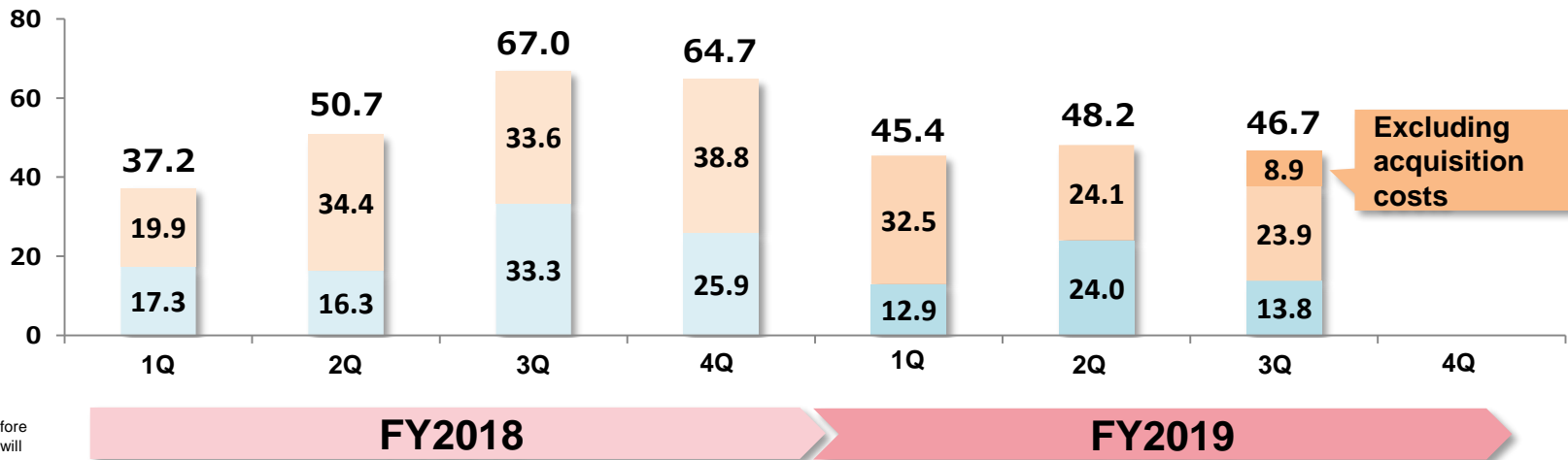
Net Sales



Unit: Hundred million JPY

Domestic Business Overseas Business EQD

Operating Profit (*)

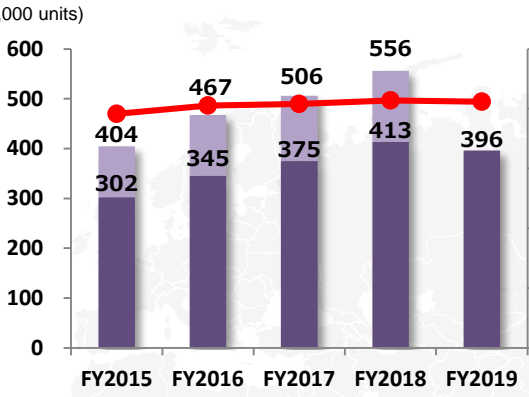


* Operating Profit before amortization of goodwill

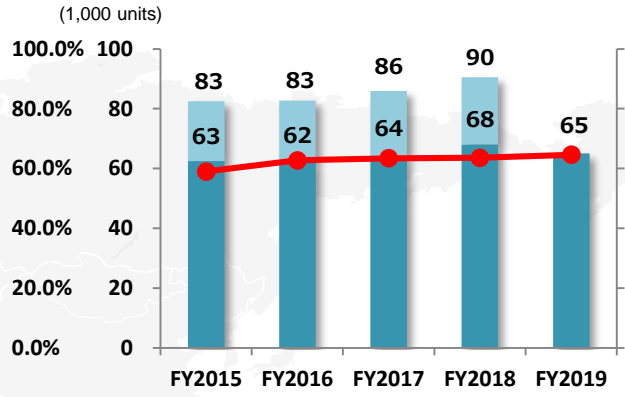
【Reference】 Forklift Market Trends [Shipping] (Apr-Dec) Logisnext

Due to restrained capital expenditures resulting from the stagnation in the world manufacturing industry, the global market in FY2019 3Q decreased ▲2.4% (YOY) to 1,109 thousand units.

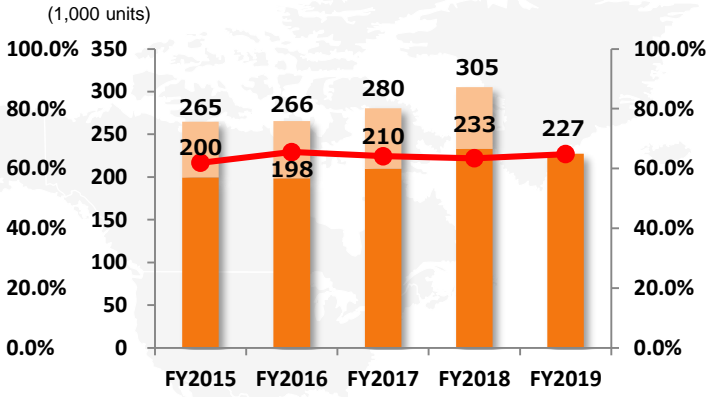
Europe (incl. Middle East & Africa)



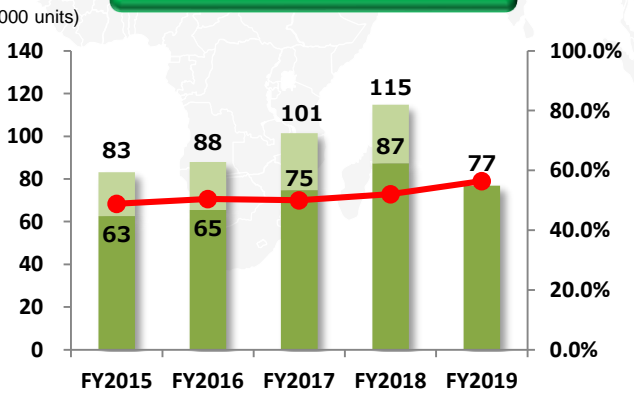
Japan



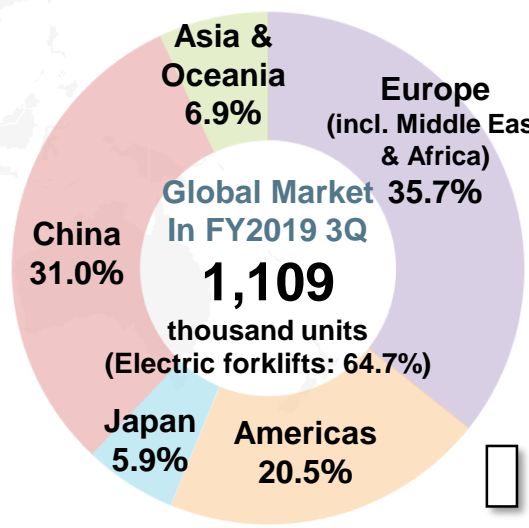
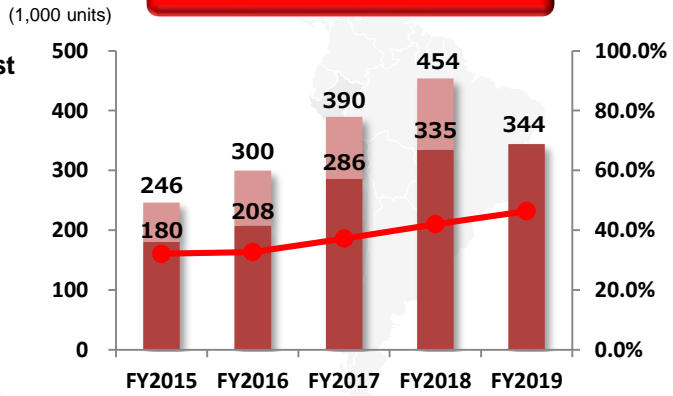
Americas



Asia & Oceania



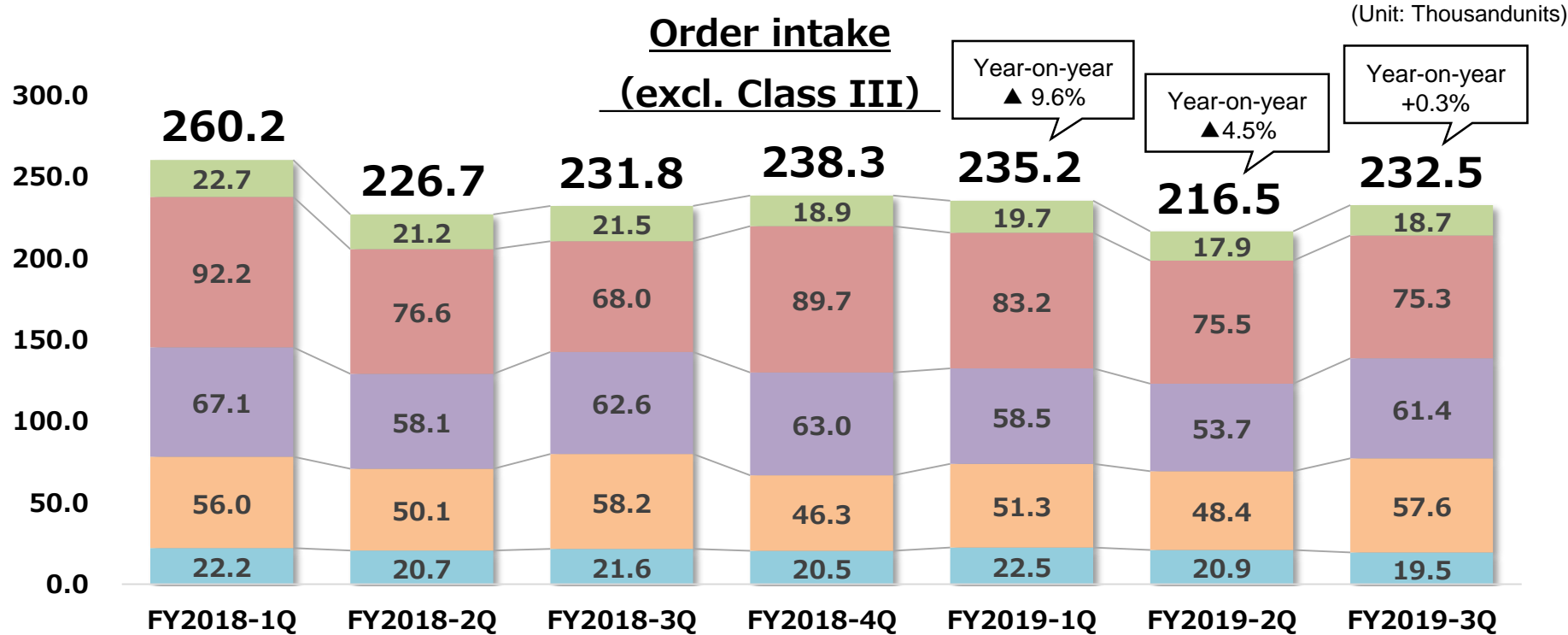
China



Markets units
 Percent electric forklifts

Forklift Market Trends Analysis

- Japan : The market, which was performing strong, has been modulated since the consumption tax hike, was to fall in year-on-year terms.
- Americas : Although Market conditions continue to deteriorate due to trade friction between the U.S. and China, recently it appears to have bottomed out.
- Europe : Orders for engine vehicles continue to deteriorate. Electric vehicles are relatively strong.
- China: The high-end market remains bad. More severe due to the spread of coronavirus infection.
- Asia and Oceania: The market continued to deteriorate due to the drop in business sentiment in China.



※Class III : Self-propelled electric small lift ■ Japan ■ Americas ■ Europe (incl. Middle East & Africa) ■ China ■ Asia & Oceania

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