



Financial Results for the 3rd quarter of FY2020

(FY2020: From April 1, 2020 to March 31, 2021)

Feb. 24, 2021

MITSUBISHI LOGISNEXT

Economic Market Trends

- The global economy was on a gradual recovery trend, with people, goods, and money finally starting to move, due to China's quick return to normal economic activity, the lifting of lockdowns in Europe and the United States, and deregulation in the Asian region.
- However, the situation is expected to remain unpredictable in the future, as economic recovery measures have been suspended and re-locked down due to the outbreak and re-spreading of the new COVID-19 variants in various countries.
- In the material handling equipment market, while there was a recovery trend in demand for forklift trucks from around September, mainly in Europe and the United States, a recovery trend in Japan was not so strong.

Summary of FY2020 3Q Results

- Although orders received recovered due to the improvement in the economic environment, it didn't fully realize into sales, resulting in a $\triangle 15.1\%$ YoY decline in sales.
- Operating profit decreased $\triangle 45.3\%$ YoY (before amortization of goodwill, etc.). Despite continued efforts to reduce labor costs and other fixed costs, it was not enough to offset the decrease in gross profit due to the decline in sales.

2. Financial Highlights

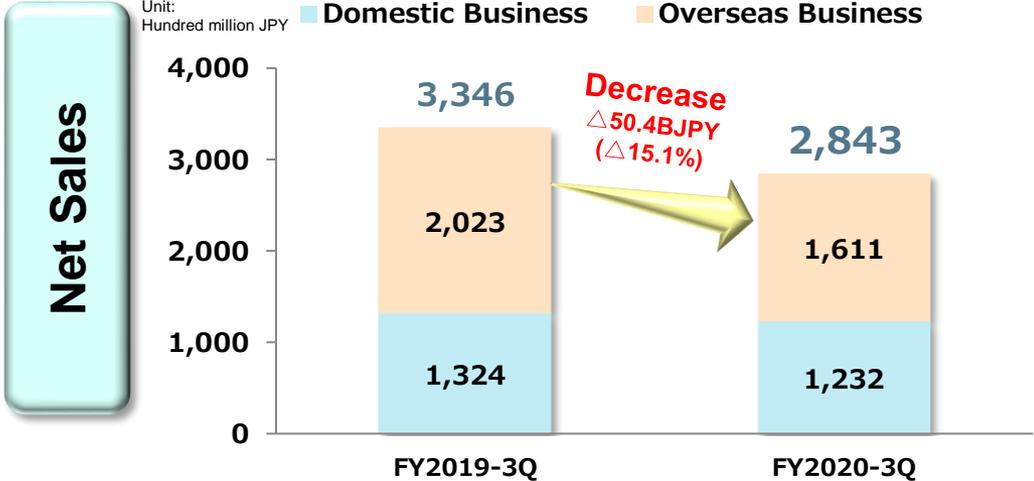
Unit: Hundred million JPY

Profit and Loss Statement	FY2019 3Q	FY2020 3Q	YOY Change	
	Net Sales	3,346.3	2,842.6	△503.7
Operating Profit (Before amortization of goodwill, etc.) (Operating profit margin)	140.5 (4.2%)	76.9 (2.7%)	△63.6	△45.3%
Amortization of Goodwill	72.6	71.6	—	—
Operating Profit (Operating profit margin)	67.9 (2.0%)	5.3 (0.3%)	△62.7	△92.2%
Ordinary Profit (Ordinary profit margin)	65.0 (1.9%)	4.5 (0.2%)	△60.5	△93.1%
Profit Attributable to Owners of Parent (Net income margin)	30.3 (0.9%)	△25.6 (△0.9%)	—	—
Balance Sheet	FY2019	FY2020 3Q	YOY Change	
Total Assets	3,736	3,586	△150	△4.0%
Total Liabilities	3,163	3,052	△112	△3.5%
Net Assets	573	535	△39	△6.8%

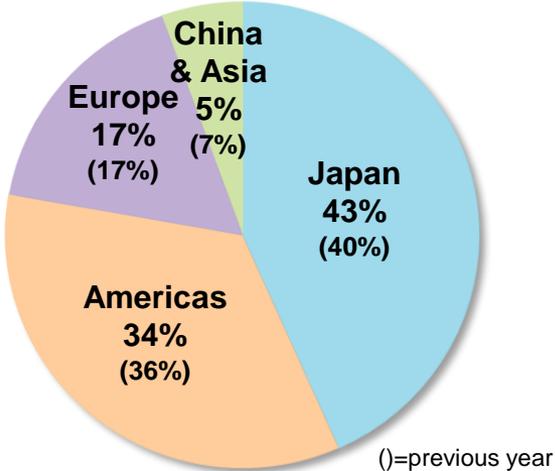
FY2019 3Q actual FX rates: USD = JPY108.67, EUR = JPY121.05, CNY = JPY15.60
 FY2019 actual FX rates: USD = JPY108.74, EUR = JPY120.82, CNY = JPY15.60
 FY2020 3Q actual FX rates: USD = JPY106.12, EUR = JPY122.37, CNY = JPY15.44

3. Business Results by Segment

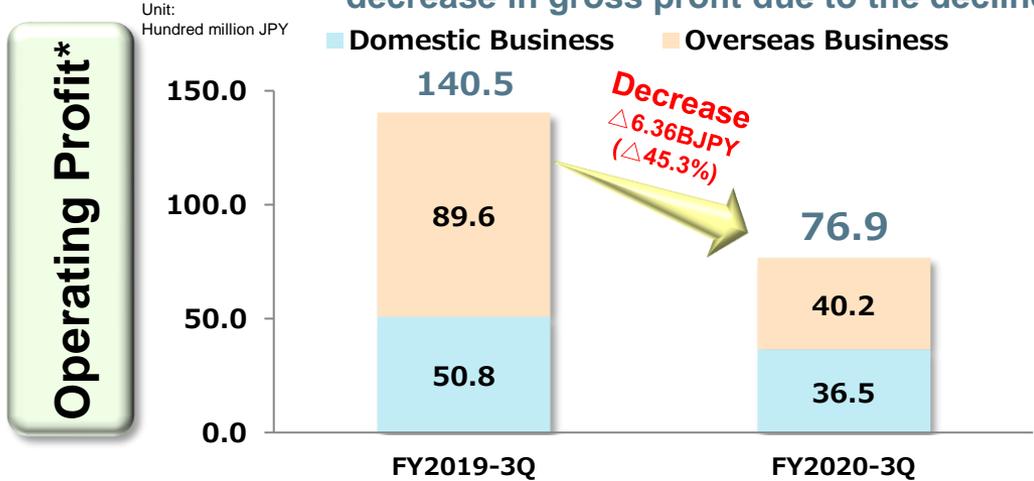
Net Sale: Although net sales declined, domestic sales are relatively constant, and overseas sales are on a recovery trend as the spread of COVID-19 infection calms down.



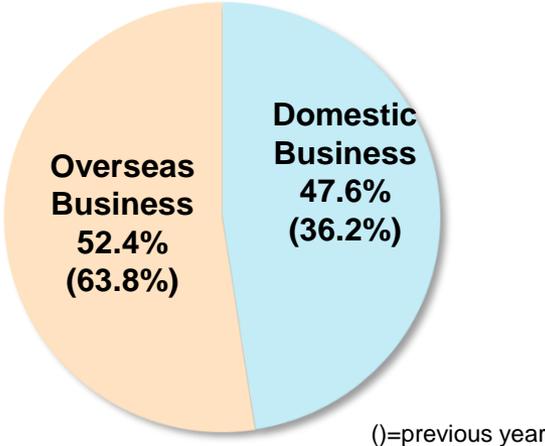
FY2020 3Q Sales by Region



Operating profit (*) : Despite efforts to reduce fixed costs in all regions, it was not enough to offset the decrease in gross profit due to the decline in sales.



FY2020 3Q Operating Profit by Segment

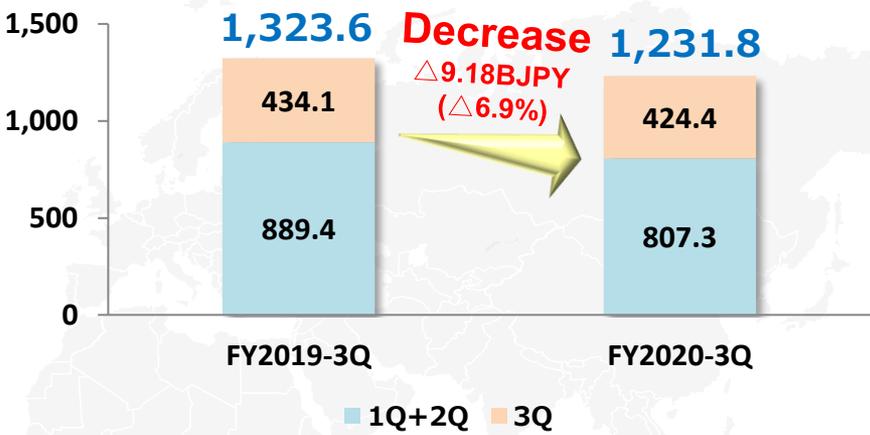


* Operating Profit before amortization of goodwill, etc.

4. Sales by Region

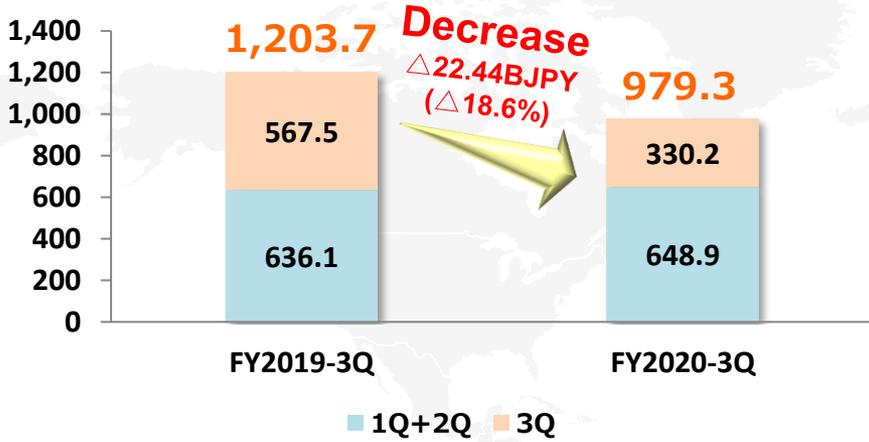
Japan

(Unit: Hundred million JPY)



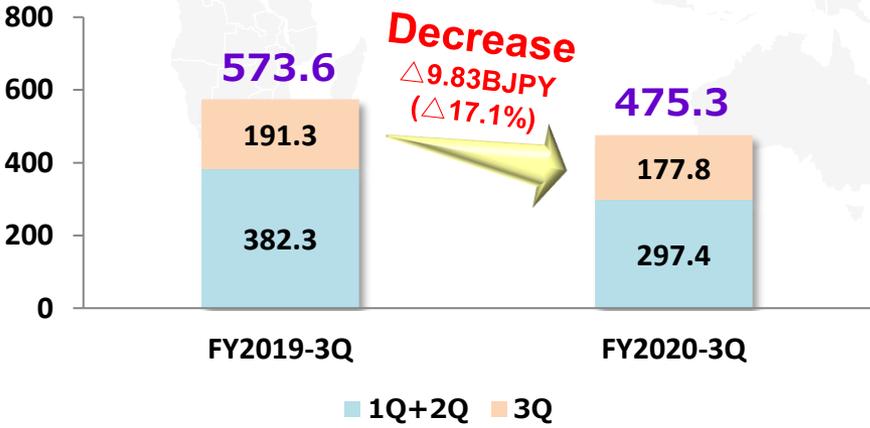
Americas

(Unit: Hundred million JPY) *Newly consolidated EQD: +9.86 BJPY



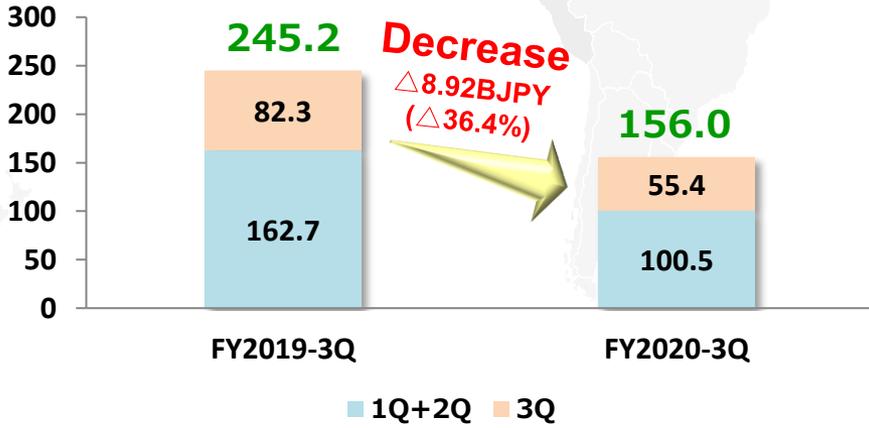
Europe

(Unit: Hundred million JPY)



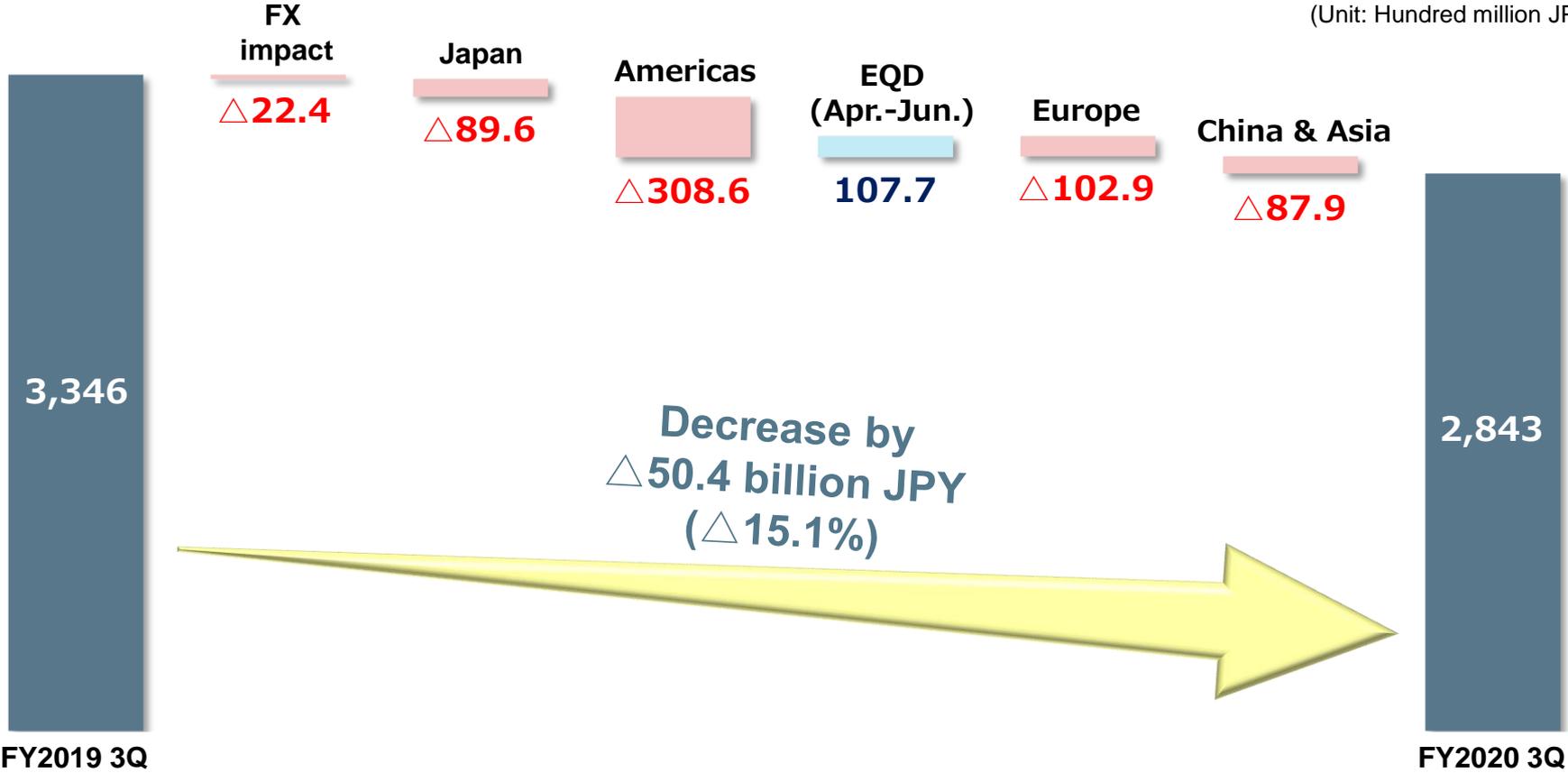
China and Asia

(Unit: Hundred million JPY)



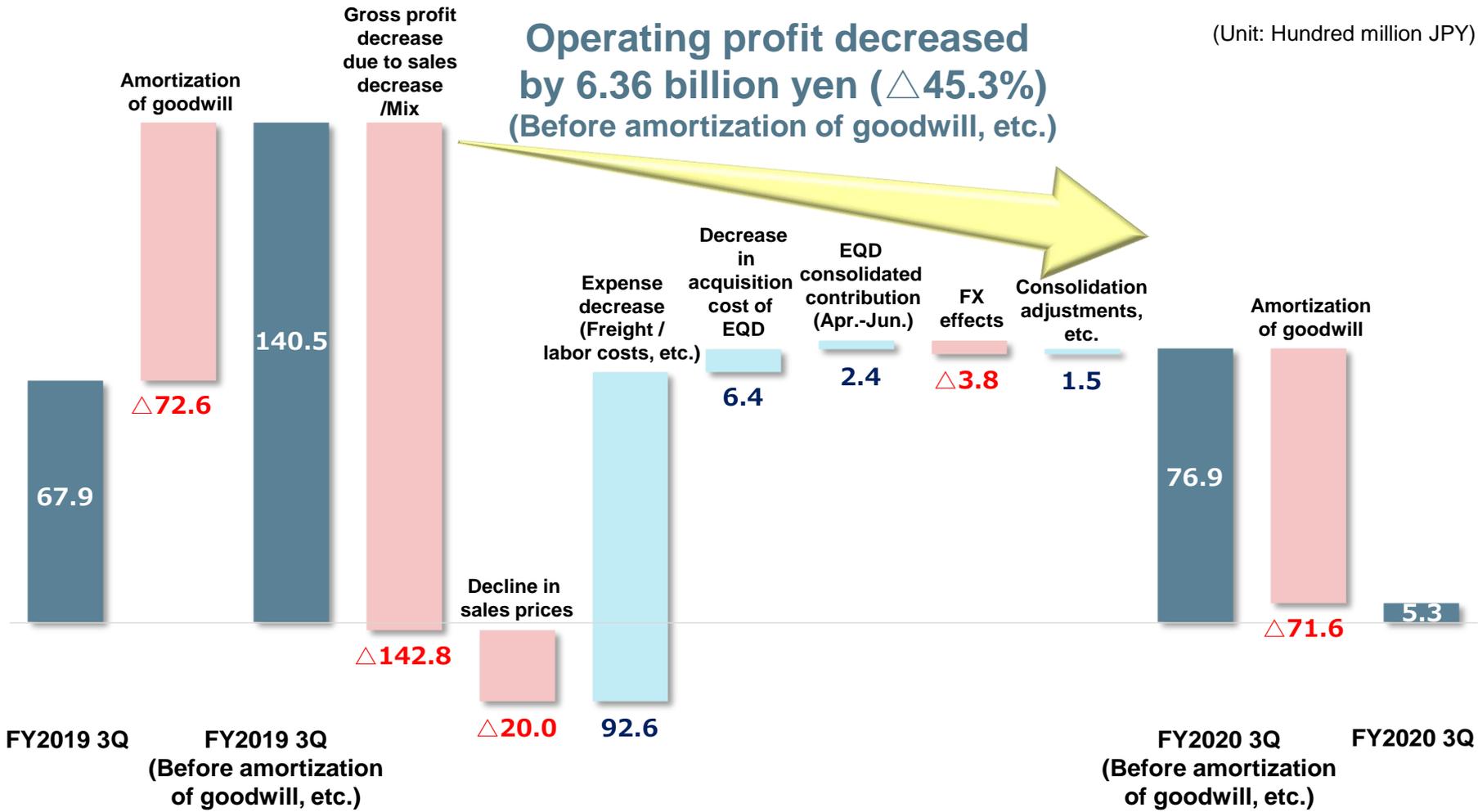
5. Net Sales FY2019 3Q vs FY2020 3Q

Although orders received recovered due to the improvement in the economic environment, it didn't fully realize into sales, resulting in a $\Delta 15.1\%$ YoY decline.
 ※ Excluding the impact of EQD consolidation, net sales decreased by $\Delta 18.3\%$ YoY.



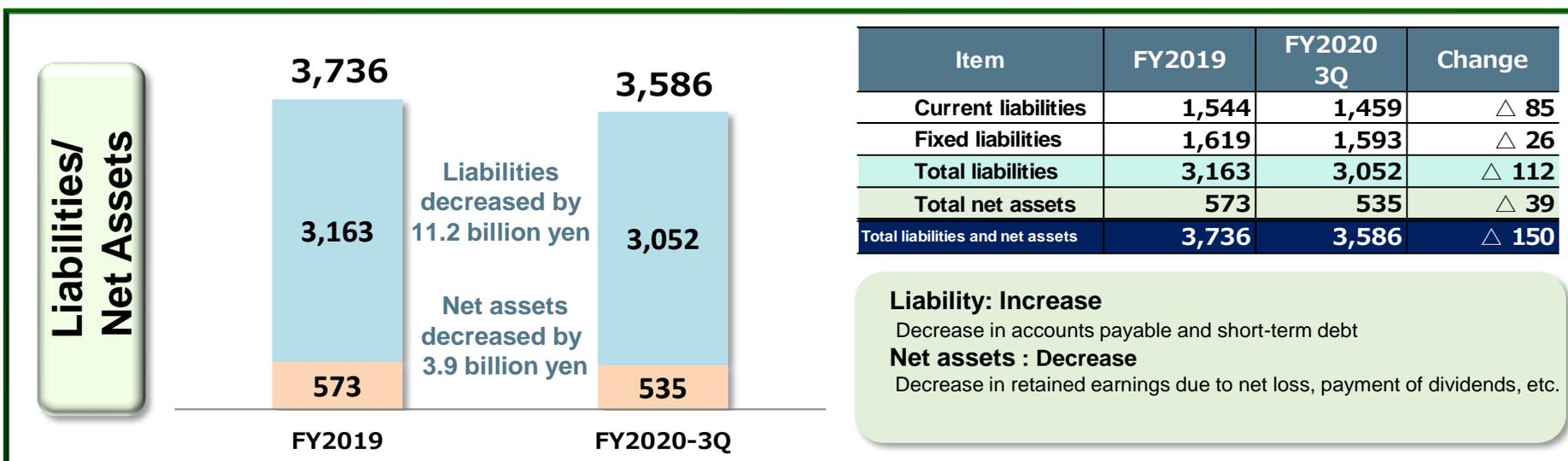
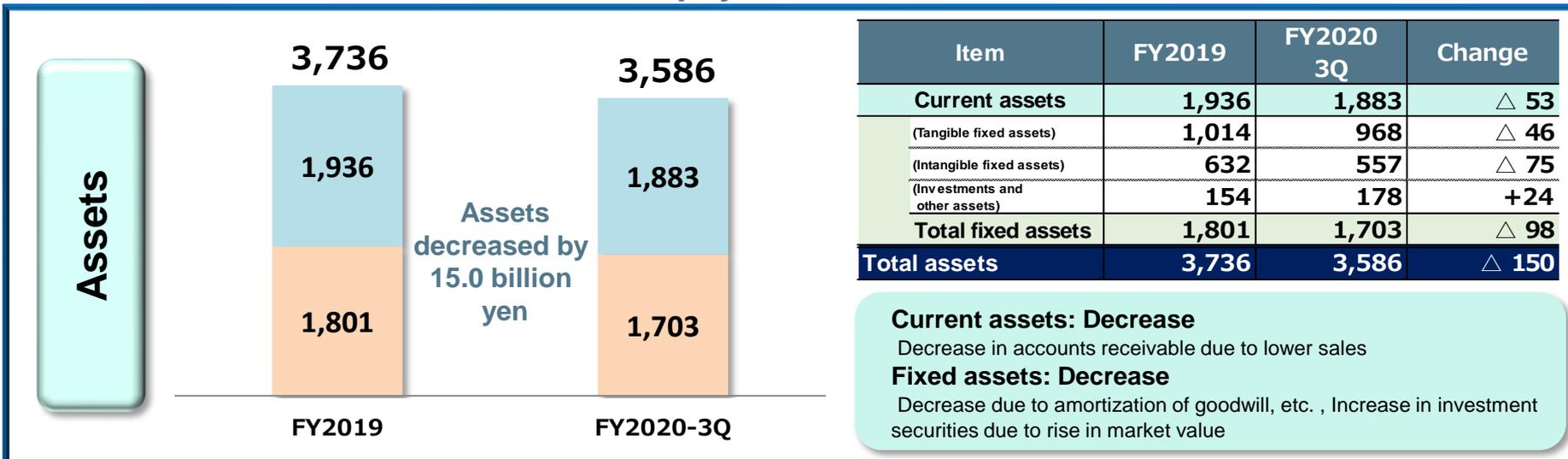
6. Operating Profit FY2019 3Q vs FY2020 3Q **Logisnext**

Operating profit declined by $\Delta 45.3\%$ YoY as the decrease in gross profit due to lower sales was not fully offset by countermeasures such as reducing fixed costs.



7. Consolidated Balance Sheet

Total assets and liabilities decreased due to a lowering in working capital such as accounts receivable and accounts payable as a result of lower sales. (Unit: Hundred million JPY)



8. Financial Forecast for FY2020

On February 4, 2021, our FY2020 financial forecast has been revised because the spread of the COVID-19 infection has shown a certain degree of recovery trend worldwide and the business environment has recovered more than initially expected.

Main reasons for the revised FY2020 financial forecast

- Considering results through 3Q (increase in gross profit due to sales increase compared to the initial forecast and increase in the effect of various cost reductions, etc.) and the recent status of orders.
- Business structure improvement expenses and impairment loss on fixed assets due to the suspension of production at a consolidated subsidiary in China.

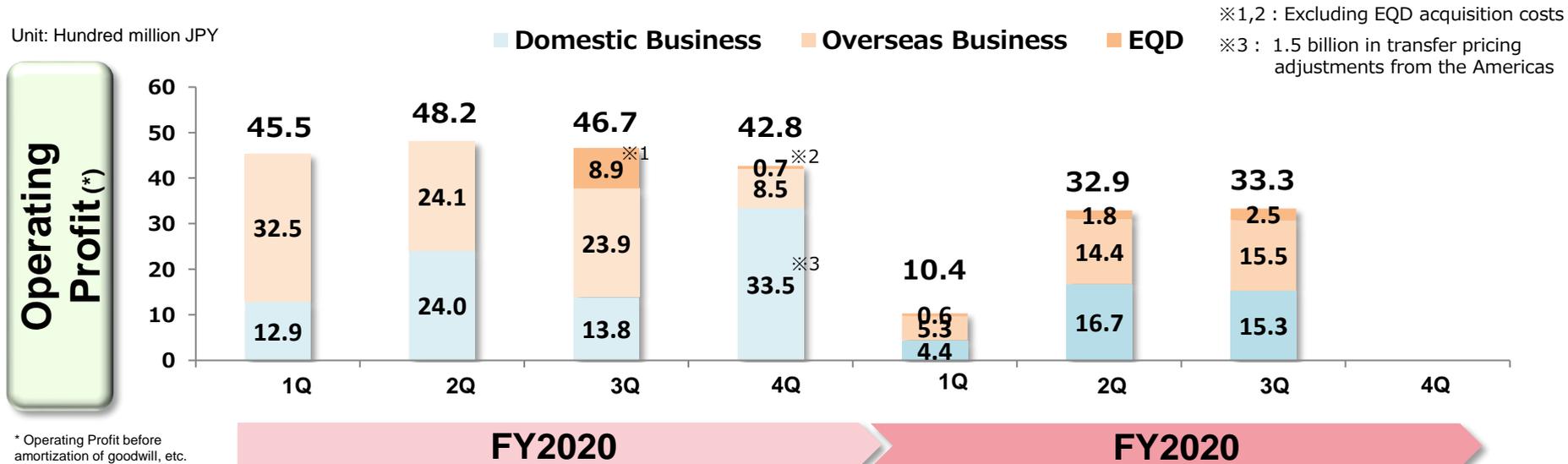
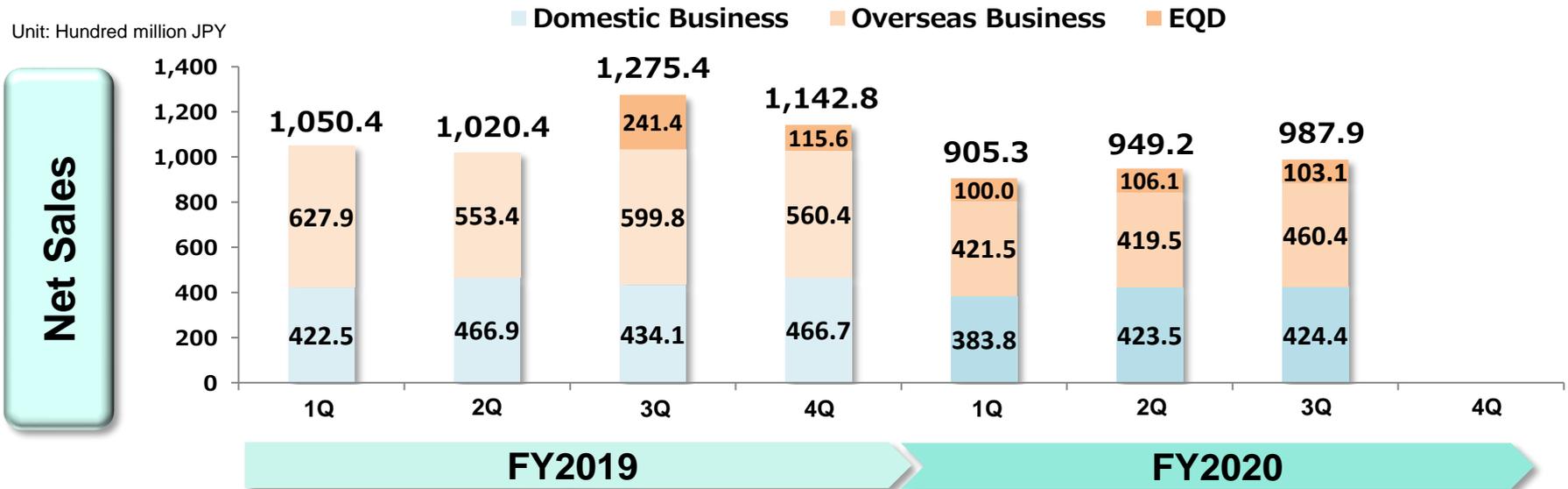
(Unit: Hundred million JPY)

	FY2019 3Q (Results)	FY2019 (Results)	FY2020 3Q (Results)	FY2020 Revised Forecast (Feb. 4, 2021)	FY2020 Original Forecast (Oct. 2020)
Units Sold	79,000 units	103,000 units	61,000 units	86,000 units	83,000 units
Net Sales	3,346	4,489	2,843	3,950	3,900
Operating Profit <small>(Before amortization of goodwill, etc.) (Operating profit margin)</small>	140.5 (4.2%)	183.3 (4.1%)	76.9 (2.7%)	112.0 (2.8%)	70.0 (1.8%)
Amortization of Goodwill	72.6	98.9	71.6	94.0	90.0
Operating Profit (Operating profit margin)	67.9 (2.0%)	84.4 (1.9%)	5.3 (0.3%)	18.0 (0.5%)	△20.0 (△0.5%)
Ordinary Profit (Ordinary profit margin)	65.0 (1.9%)	70.5 (1.6%)	4.5 (0.2%)	15.0 (0.4%)	△250.0 (△0.6%)
Profit Attributable to Owners of Parent (Net income margin)	30.3 (0.9%)	△52.4 (△1.2%)	△25.6 (△0.9%)	△26.0 (△0.7%)	△40.0 (△1.0%)
Dividend per Share	—	JPY13	—	JPY8	JPY8

【Reference】 Key Performance Indicators **Logisnext**

	Indicator	Formula	FY2019		FY2020-3Q		Comments
				(Before amortization of goodwill, etc.)		(Before amortization of goodwill, etc.)	
Performance	Return-on-assets (ROA)	$\frac{\text{Net income}}{\text{Total assets}}$	△ 1.4%	(2.8%)	△ 0.9%	(1.4%)	This index worsened due to a net loss as a result of deteriorating business performance caused the expansion of the COVID-19 pandemic.
		$\frac{\text{Net income}}{\text{Shareholders' equity}}$	△ 8.7%	(12.2%)	△ 6.4%	(6.1%)	
Profitability	Operating profit margin	$\frac{\text{Operating profit}}{\text{Sales}}$	1.9%	(4.1%)	△ 0.2%	(2.7%)	
		$\frac{\text{Net income}}{\text{Sales}}$	△ 1.2%	(2.5%)	△ 0.9%	(1.5%)	
Asset Efficiency	Total asset turnover	$\frac{\text{Sales}}{\text{Total assets}}$	1.2 times		1.0 times		
		$\frac{\text{Sales}}{\text{Accounts receivable}}$	5.8 times		5.5 times		
	Inventory turnover	$\frac{\text{Cost of sales}}{\text{Inventories}}$	5.5 times		4.8 times		
Financial Soundness	Capital adequacy ratio	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$	14.7%		14.2%		The net loss and dividend payment reduced retained earnings and worsened the capital adequacy ratio.
		$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity}}$	3.3 times		3.7 times		
Share	Earnings per share	$\frac{\text{Net income}}{\text{Shares outstanding}}$	JPY △49.24		JPY △32.0		
	Price earnings ratio (PER)	$\frac{\text{Share value}}{\text{Earnings per share}}$	△17.7 times		△37.0 times	Stock prices : End of FY2019 : JPY 874 End of FY2020 3Q : JPY 1,184	
		Price book value ratio (PBR)	$\frac{\text{Share value}}{\text{Book value per share}}$	1.7 times			2.5 times

【Reference】 Quarterly Financial Results **Logisnext**

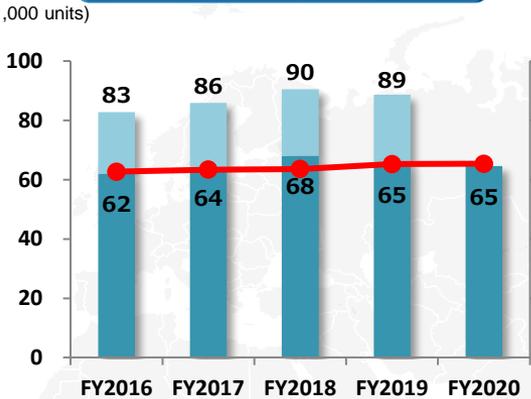


* Operating Profit before amortization of goodwill, etc.

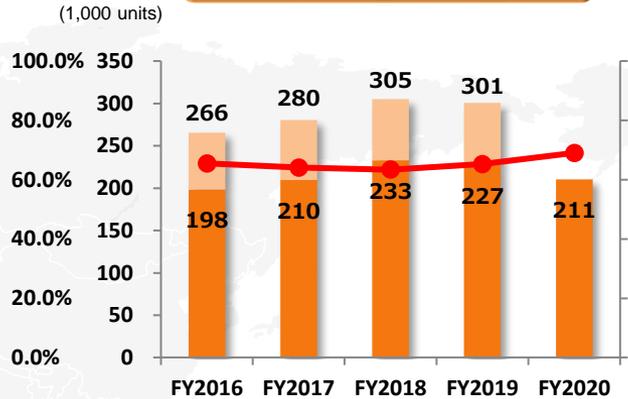
【Reference】 Forklift Market Trends [Shipping](Apr.-Dec.) **Logisnext**

The forklift market through 3Q FY2020, shipments were up 11.9% YoY to 1,241,000 units, driven by the still strong Chinese market, in addition to the recovery trend in economic activities in each region. Excluding China, shipments were down Δ 7.5% YoY to 765,000 units.

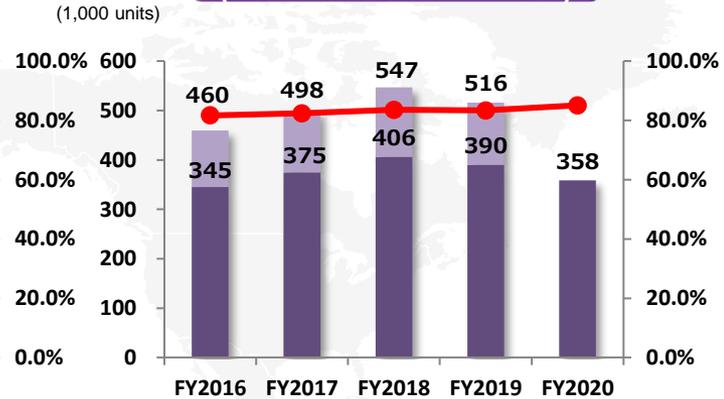
Japan



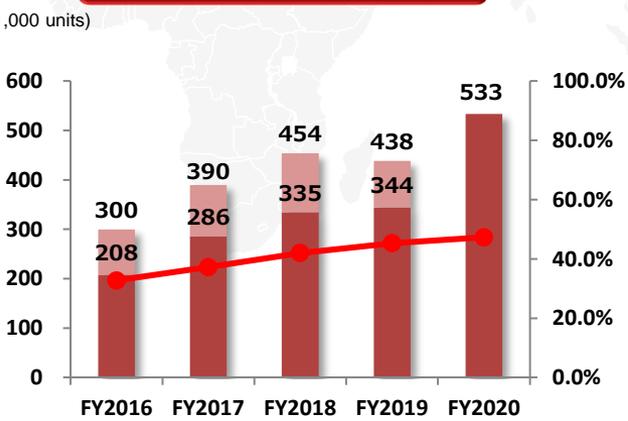
Americas



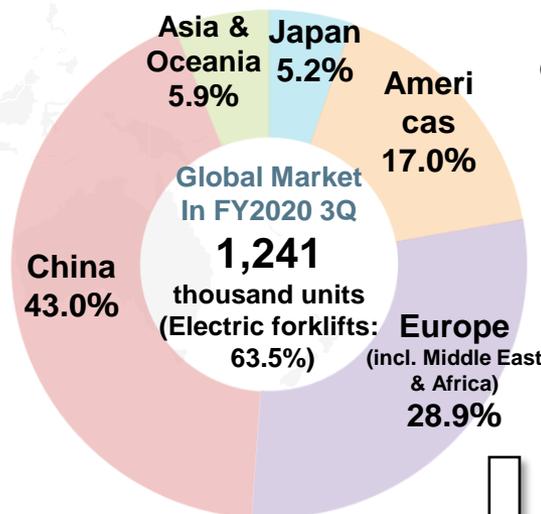
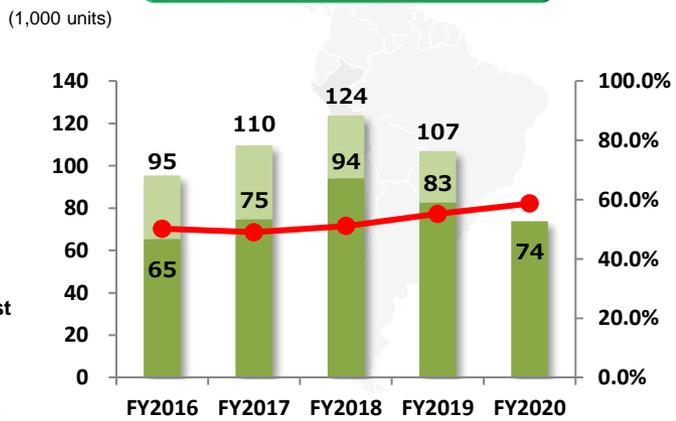
Europe (incl. Middle East & Africa)



China

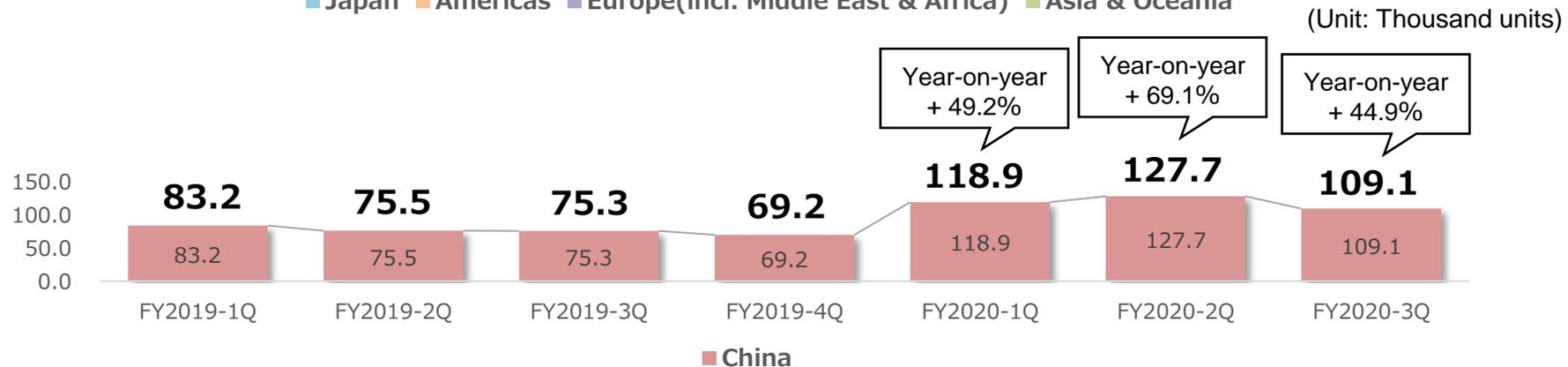
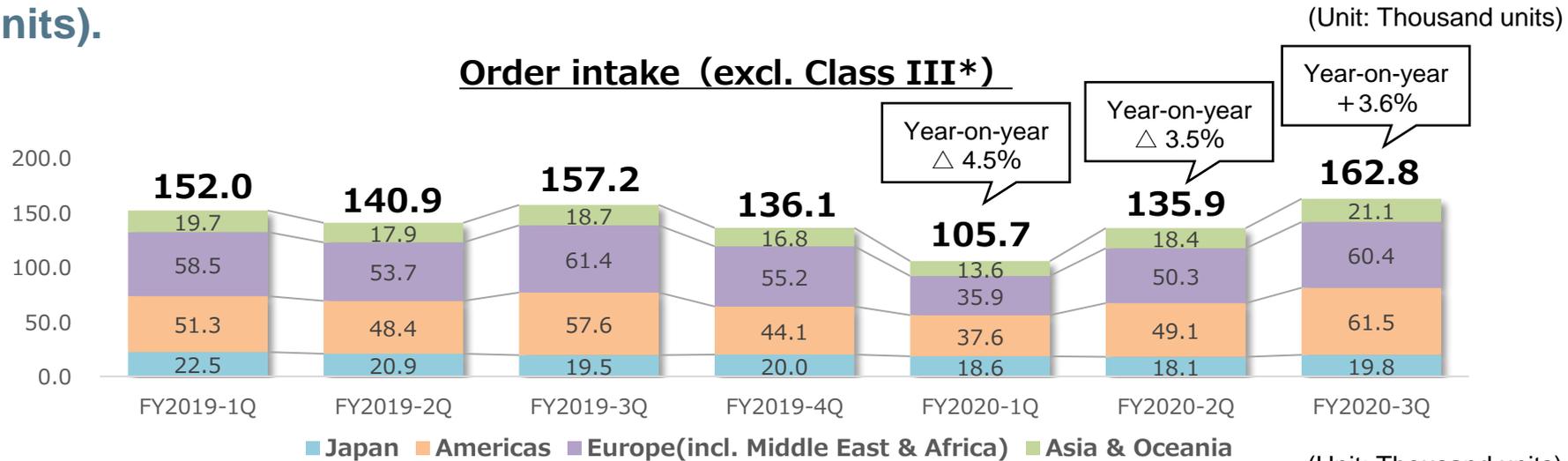


Asia & Oceania



【Reference】 Forklift Market Trends [Orders](Apr.-Dec.)

- Orders have been showing a recovery trend, due to global economic activity resumed (+14.5% YoY to 272,000 units, Excluding the Chinese market : +3.6% YoY to 163 thousand).
- Demand in the Chinese market has continued to grow.(+52.0% YoY to 355,700 units).



※Class III : Self-propelled electric small lift

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