
New Mid-Term Management Plan

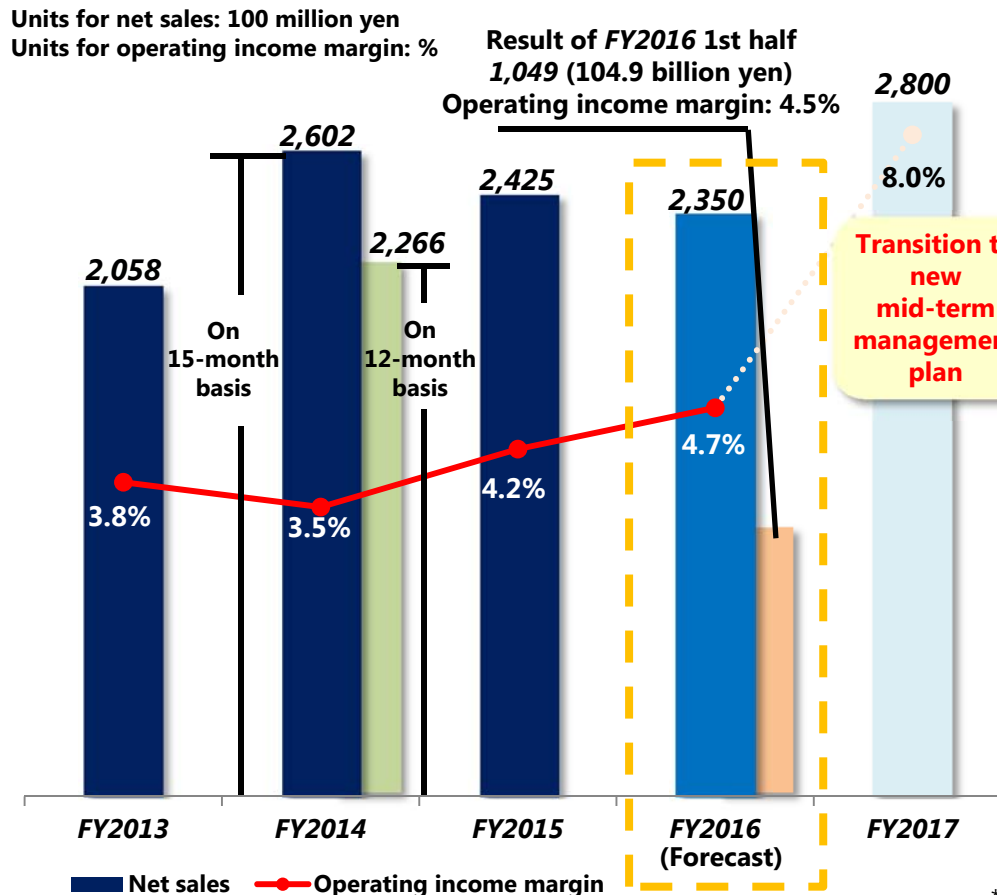
“Perfect Integration 2020”

December 8, 2016

mitsubishi nichiyu forklift co., ltd.

1. Achievements of Former Mid-Term Management Plan "Best Integration 2017"

The mid-term management plan "Best Integration 2017" that we aimed for the business integration of former Nippon Yusoki Co., Ltd. and the former Forklift Trucks section of Mitsubishi Heavy Industries, Ltd. achieved certain results and profits despite the changing environment and unpredictable political and economic situations. However, we could not reach to the level we targeted.



Main achievements

Reinforcement of production capacity and cost reduction through optimal global SCM

- Reduced cost and achieved localized production by expanding local sourcing at Dalian Plant in China

Development and release of new products for different local needs

- Release of reach-type forklifts in Japan, Europe, etc.
- Released diesel engine-powered forklifts compliant with Tier 4 emission regulations for non-road diesel engines

Establishment of optimal sales, service & logistics networks

- Reinforced the service network for the markets in China
- Reorganized the sales networks in Asia and Australia

Expansion of business scale through M&A and alliances

- Acquired UniCarriers Corporation
- Reinforced alliances with Daifuku Co., Ltd. and Jungheinrich AG

*FY2014 accounts for the 15-month period for overseas subsidiaries (except NFT).

2. Environments and Challenges Surrounding Our Company

We develop the new mid-term management plan “**Perfect Integration 2020**” for FY2017-FY2020 according to the management integration with UniCarriers Corporation and big changes in the environments surrounding our company.

Economy

- Although the global economic trends are comparatively steady globally, uncertainties over the future persist because of volatile stock market and exchange rate movements.

Environment and regulations

- Raising of environmental awareness in a global scale after the Paris Agreement entered into force in Nov. 2016
- Drastic reform of production sites and logistics

Technology

- Advancement of IT technologies such as AI, IoT, Industry 4.0, etc.
- Practical realization of forklifts for new types of fuel such as fuel cells, lithium ion, etc.

To a new phase

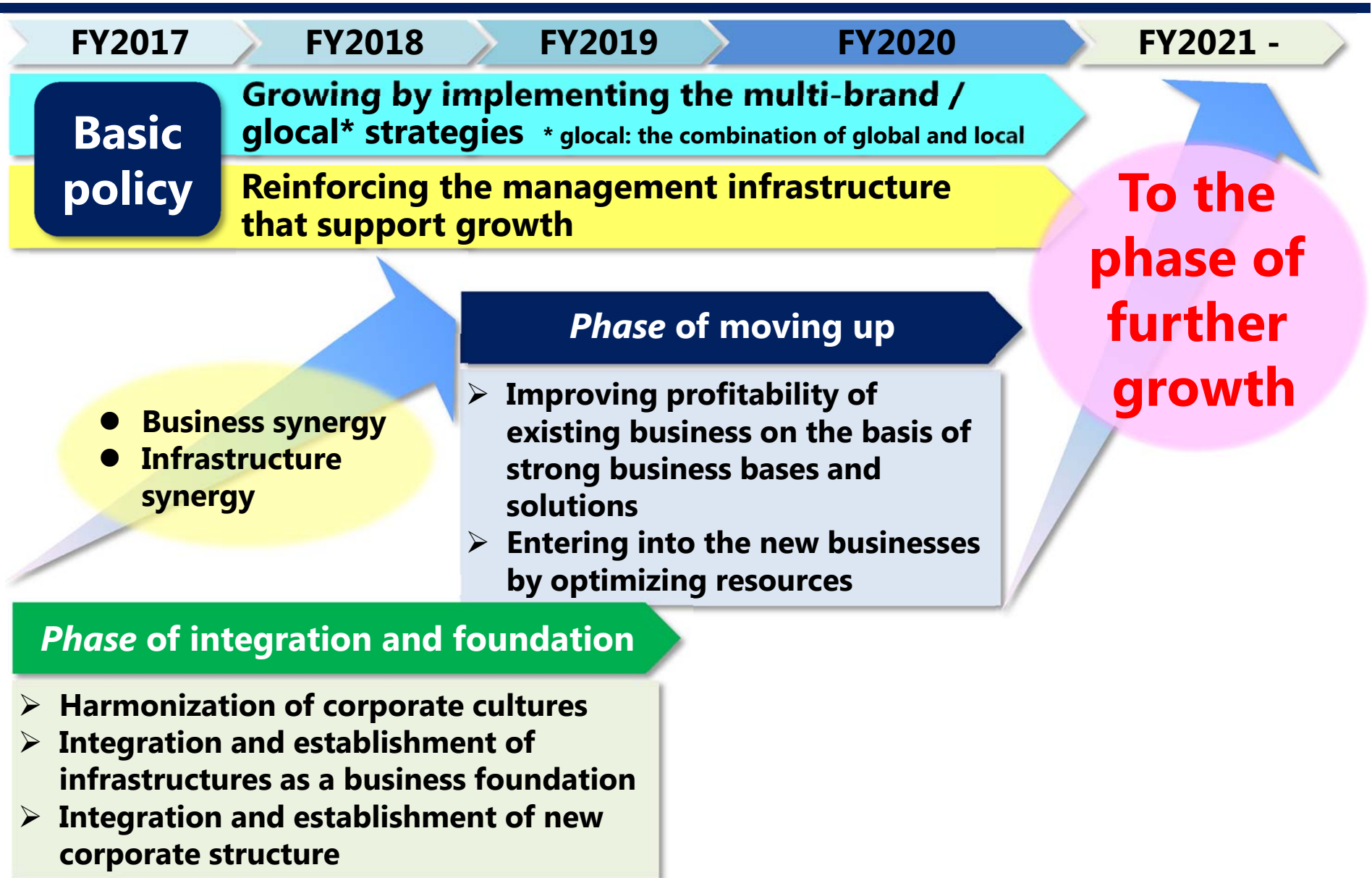
Aiming to be the world's top-class general logistics equipment manufacturer

Mitsubishi Nichiyu Forklift

- **Resolving the remaining issues related to integration of Nippon Yusoki and the Forklift Trucks section of Mitsubishi Heavy Industries**
- **Strongly advancing the PMI* activities for management integration with UniCarriers Corporation**

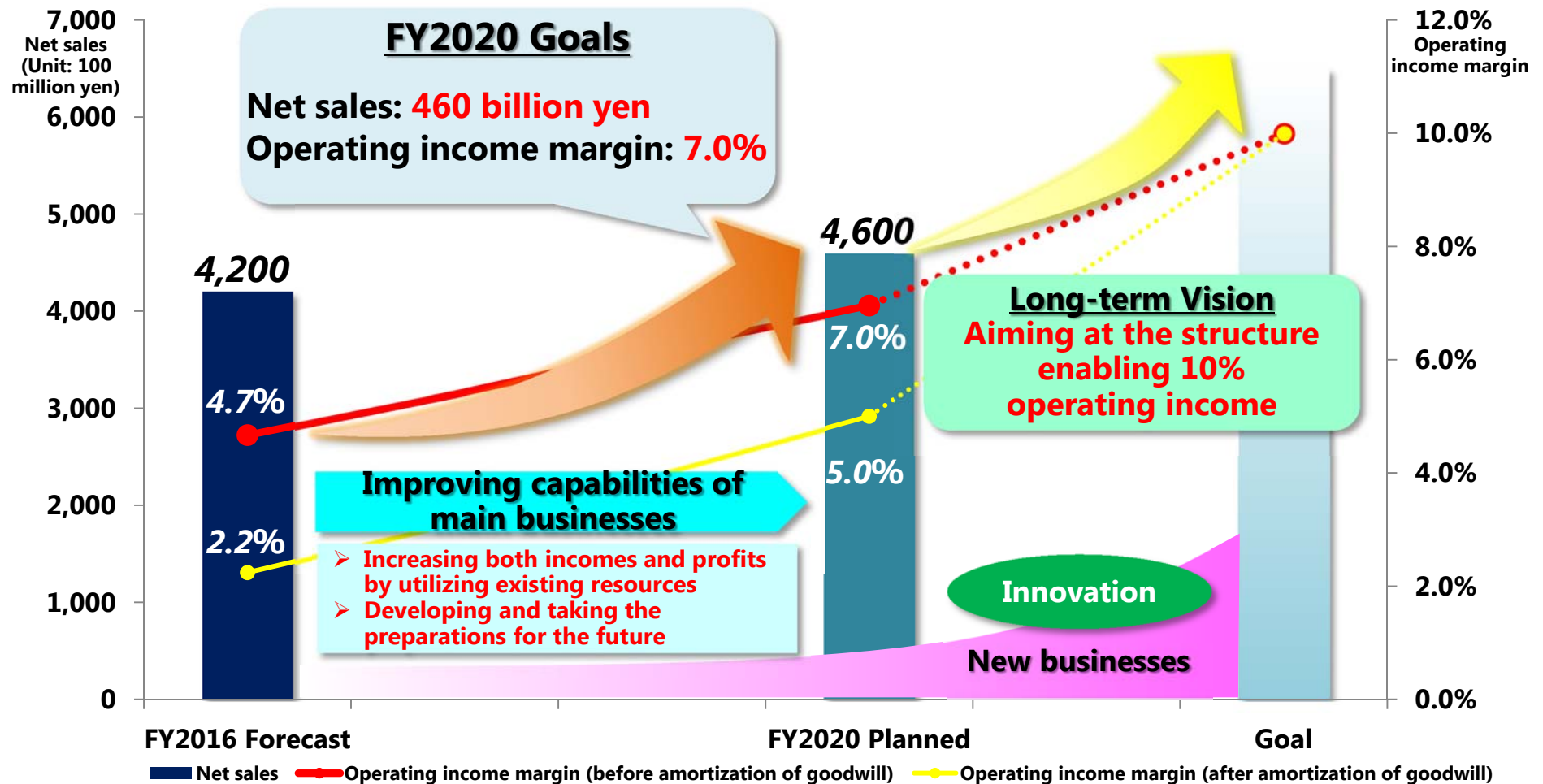
*PMI: Post Merger Integration

3. Concept of “*Perfect Integration 2020*”



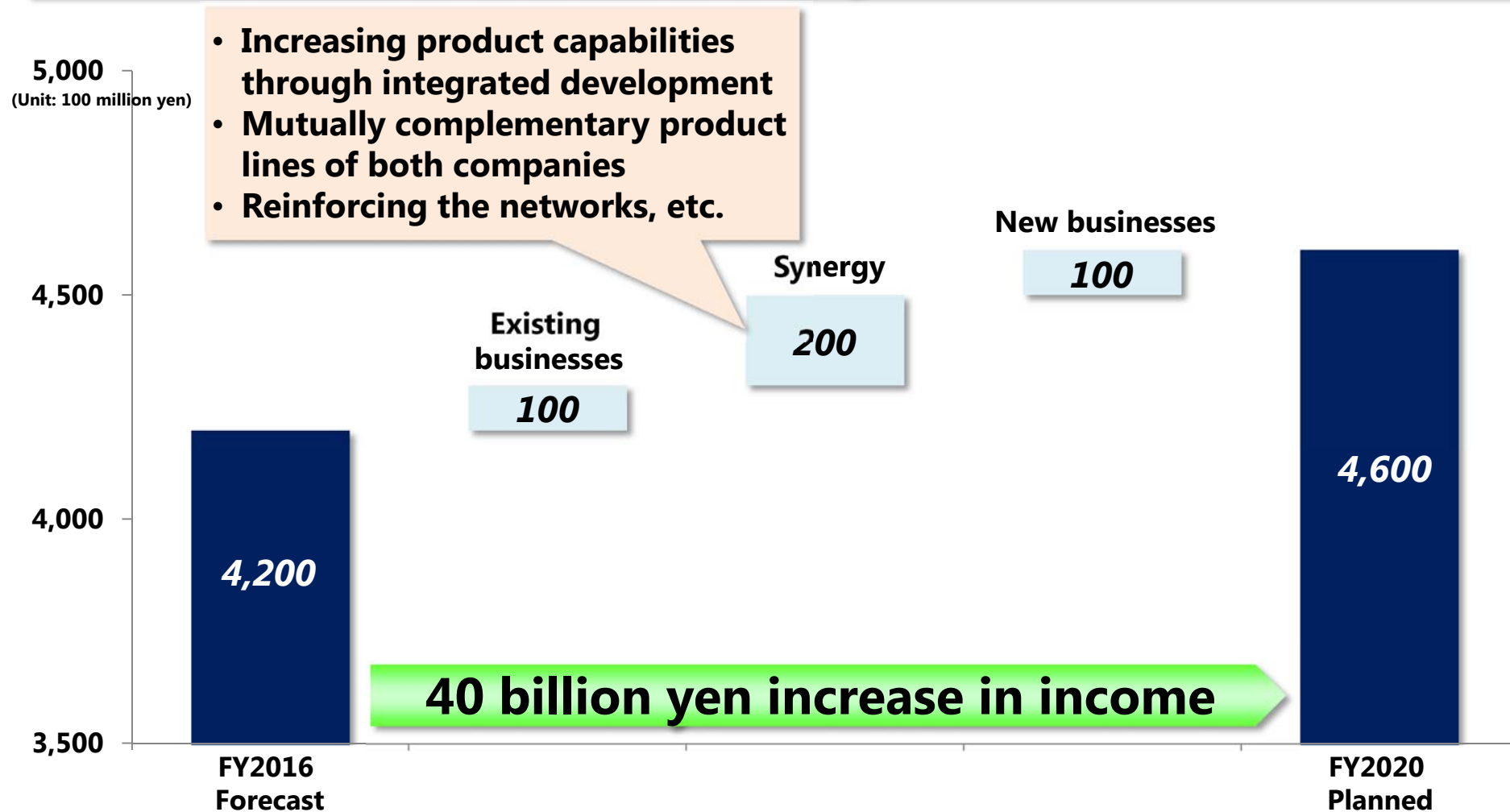
4. FY 2020 Goals (Estimated Consolidated Figures) - Reinforcement of Profitability -

Realizing “**460 billion yen consolidated net sales and 7.0% consolidated operating profit ratio**” in FY2020 by strengthening the business foundation and capabilities



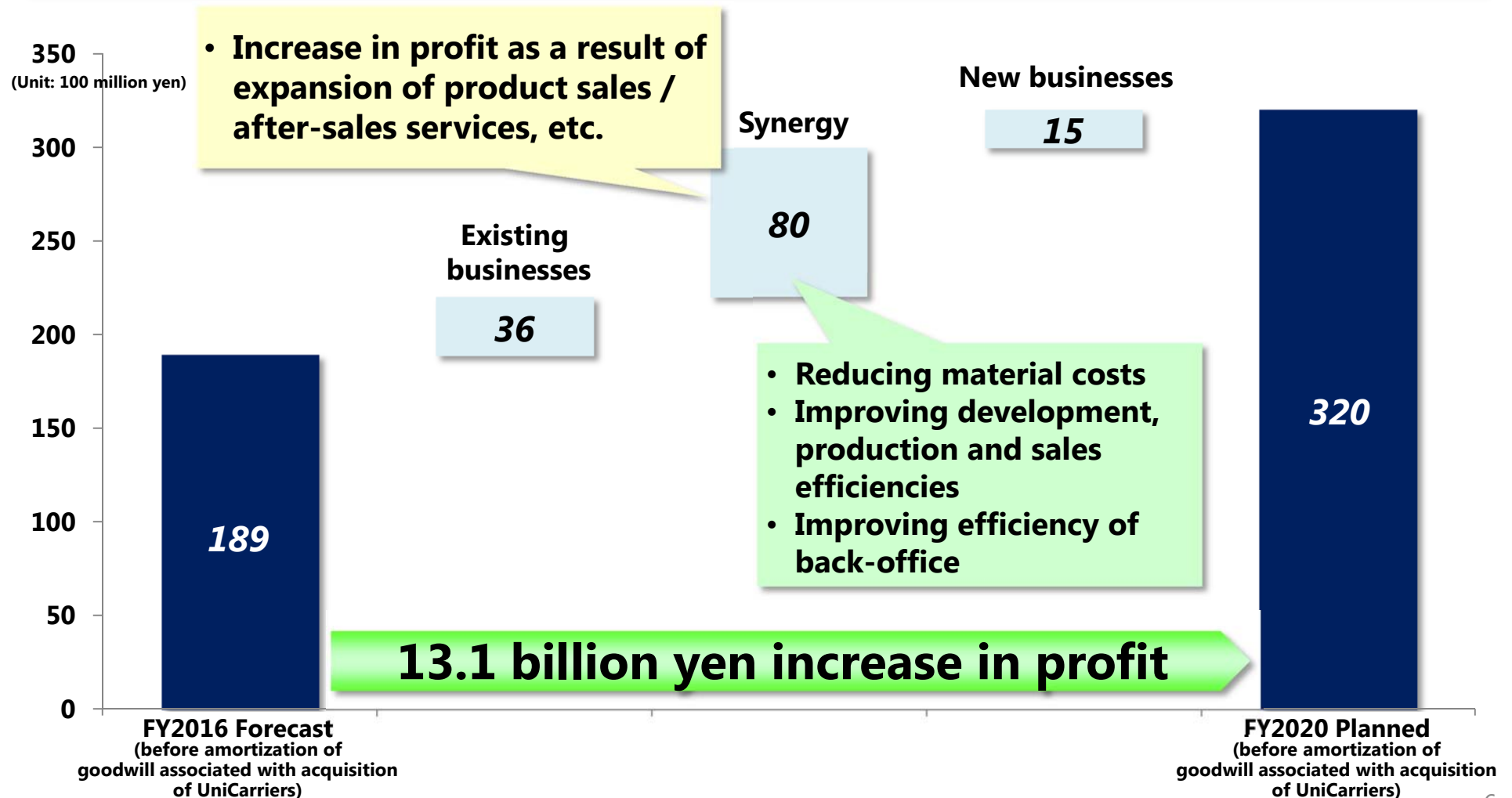
4. FY 2020 Goals (Estimated Consolidated Figures) - Net Sales -

Achieving 460 billion yen consolidated net sales in FY2020 by entering new businesses and gaining from the synergy centering around the existing businesses



4. FY 2020 Goals (Estimated Consolidated Figures) - Operating Income -

Create new business by using the increased profit through the expansion of the existing business and synergy effort as well as realizing the cost and expense reduction



5. Growth Strategies - Concept -

Aiming at sustained growth from three points of view

Markets in advanced countries

- **Maximizing strengths of UniCarriers and Mitsubishi Nichiyu Forklift and differentiating thoroughly**
- **Not only concentrate on outright sales of trucks but also provide more solutions to the clients' logistic problems**

Emerging markets

- **Expansion of businesses through development, production and sales of the brands / products meeting the specific needs in relevant regions**






New businesses

- **Establishment of the next-generation business model by foreseeing the future needs and trends**

5. Growth Strategies

- Markets in matured countries / emerging countries -

Realizing increase of the business scale by implementing the strategies appropriate for the local needs

Markets in matured countries	Japan <ul style="list-style-type: none"> ➤ Establishing the strong sales and service networks through integration ➤ Reinforcing the lineup by supplementing with the strong models ➤ Reinforcing the solution and engineering functions 		Reach-type forklift for Japanese market "Platter"
	Americas <ul style="list-style-type: none"> ➤ Maintaining and reinforcing the each brand's networks ➤ Responding to the growing market of electric forklifts by sophisticating the development know-hows ➤ Expanding the product lineup by utilizing mutual supplementation 		Medium-size diesel engine-powered forklift for North American market
	Europe <ul style="list-style-type: none"> ➤ Optimizing networks by establishing the regional management function ➤ Expanding the logistics solution business centering around AGV ➤ Reinforcing the warehouse-related models as a measure for logistics in Europe 		Reach-type forklift for European market "SENSiA"
	China <ul style="list-style-type: none"> ➤ Expanding local production of the products meeting local needs for local sales ➤ Reinforcing the lineup as a measure for Europeanizing logistics 		Engine-powered forklift for Chinese market "C-ONE" manufactured by UniCarriers
Markets in emerging countries	Asia and other emerging countries <ul style="list-style-type: none"> ➤ Utilizing to the maximum extent the NFT (Thai Plant) and the brands and the sales networks existing in our company and UniCarriers and taking a measure for the markets' demands for electric forklifts ➤ Improving efficiency of and reinforcing the sales and service networks through integration of operations 		Reach-type forklift manufactured in Thai Plant

5. Growth Strategies - New businesses -

Realizing the future needs by
 “utilizing the advanced technologies” and “optimizing resources”

Reinforcement of electric forklifts development capabilities

- Practical realization of forklifts for next-generation energies such as fuel cells, lithium-ion batteries, etc.



Forklift powered by fuel cell

Expansion of solution business

- Expanding the businesses that provide high additional value by utilizing the technologies such as AGV, unmanned forklifts, etc.



AGV



Automatic warehouse "CASPACK"

Utilization of advanced technologies

- Entering the cutting-edge logistics system field combined with IoT, AI, etc.



Image of resource optimization

Improving efficiency thoroughly by eliminating overlaps

Resources for new businesses

Resources for existing businesses



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Resources of Mitsubishi Nichiyu

Resources of UniCarriers

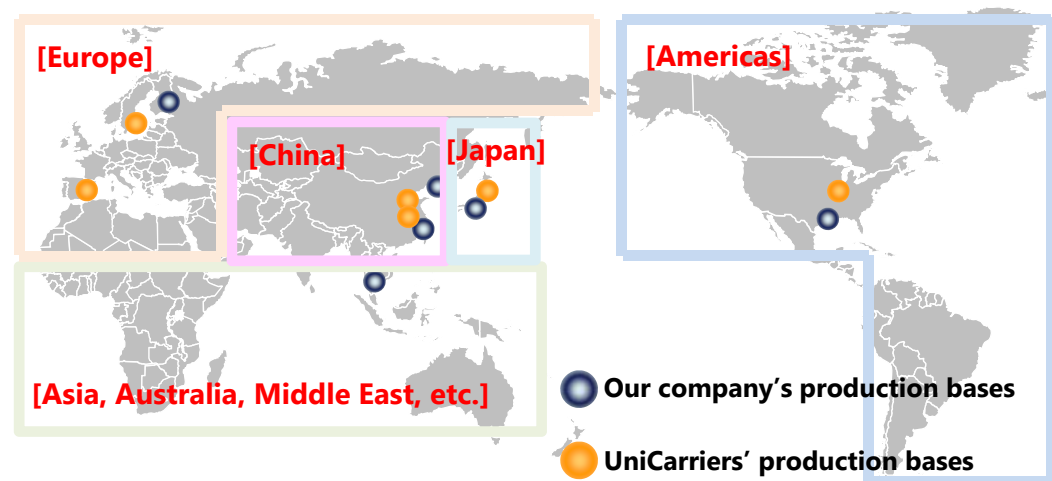
Resources after integration

Creating new businesses by optimizing resources

6. Reinforcement of Management Foundation Supporting Growth Strategies

■ Optimization of supply chains

- Improving production efficiency by segregating the produced models for each region
→ **Restructuring and optimizing the plant operation rate**
- Pursuing scale economy by utilizing the global joint procurement activities
→ **Reducing the material costs globally**



■ Improving efficiency of and reinforcing the corporate functions

- Reinforcing significantly the headquarters' corporate functions and supporting development of the glocal / multi-brand management through the management integration

