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August 10, 2023

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: MITSUI E&S Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7003  
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 Scheduled date to file quarterly securities report: August 10, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	61,556	21.7	1,720	-	552	-	1,497	-
June 30, 2022	50,575	(72.8)	(6,701)	-	(4,235)	-	(1,877)	-

Note: Comprehensive income For the three months ended June 30, 2023: (¥ 289) million [ -% ]  
 For the three months ended June 30, 2022: ¥ 7,112 million [ (51.9%) ]

	Earnings per share		Earnings per share (diluted)	
	Yen		Yen	
Three months ended				
June 30, 2023	14.90		14.74	
June 30, 2022	(22.96)		-	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2023	439,630	110,682	24.2
March 31, 2023	439,959	110,686	24.2

Reference: Equity As of June 30, 2023: ¥ 106,478 million  
 As of March 31, 2023: ¥ 106,404 million

### 2. Dividends

Common stock	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2023	-	0.00	-	3.00	3.00
March 31, 2024	-				
March 31, 2024 (Forecast)		0.00	-	3.00	3.00

Note 1: Revisions to the most recently announced dividends forecast: None

Note 2: The above "2. Dividends" shows dividends for Common stock. For details of dividends for Preferred shares (unlisted), the rights of which are different from those of Common stock issued by the Company, please refer to "Reference: Dividends for Preferred Shares" below.

### 3. Forecast of Financial Results (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

Fiscal year ending	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2024	280,000	6.7	10,000	6.7	4,000	(68.1)	3,000	(80.7)	25.90

Note: Revisions to the most recently announced forecast of financial results: None

Reference: Estimate is based on exchange rate of USD1.00 = JPY135.0

#### \* Notes

##### (1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: -

Excluded: 2 companies (Mitsui E&S Machinery Co., Ltd. / Mitsui E&S Business Service Co., Ltd.)

##### (2) Application of specific accounting treatment for preparing the quarterly consolidated financial statements: Yes

##### (3) Changes in accounting policies, changes in accounting estimates, and restatement

i) Changes in accounting policies due to revisions of accounting standards: None

ii) Changes in accounting policies due to other reasons: None

iii) Changes in accounting estimates: None

iv) Restatement: None

##### (4) Number of issued shares (common stock)

###### i) Number of issued shares at the end of the period (including treasury stock)

As of	shares
June 30, 2023	92,267,517
March 31, 2023	89,737,117

###### ii) Number of treasury stock at the end of the period

As of	shares
June 30, 2023	2,227,276
March 31, 2023	2,226,686

###### iii) Average number of shares outstanding during the period (cumulative quarterly consolidated period)

Three months ended	shares
June 30, 2023	88,727,789
June 30, 2022	81,855,569

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

#### \* Proper use of earnings forecasts, and other special matters

(Notice regarding forward-looking statements)

The forecasts for financial results are based on information available at the time this report was released. These forecasts and other forward-looking statements are not guarantees of future performance. Actual operating results may differ from the above forecasts due to known and unknown risks, uncertainties, and other factors. Please refer to "1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2023, (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Statements" on page 4 (attached materials) for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts, etc.

(Where to get the supplementary explanatory materials)

Supplementary material is planned to be posted on our web site.

#### Reference: Dividends for Preferred Shares

Dividend per share for Class-A Preferred shares are as follows:

Class-A Preferred Shares	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2023	-	-	-	29.38	29.38
March 31, 2024	-	-	-	-	-
March 31, 2024 (Forecast)	-	-	-	39.00	39.00

Note: Each dividend per share is rounded to the nearest thousandths place, and then converted to units of yen which are rounded to the nearest hundredth place.

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## 1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2023

### (1) Explanation of Operating Results

The global economy during the three months ended June 30, 2023 slowed down moderately due to persistently high inflation and the resulting monetary tightening despite the normalization of socioeconomic activities. Furthermore, the outlook is uncertain due to prolonged monetary tightening policies in the U.S. and Europe, as well as geopolitical risks such as the situation in Ukraine. On the other hand, the domestic economy is on the road to a gradual recovery due to various factors such as solid consumer spending, corporate earnings and capital expenditures that remain high.

In the shipbuilding industry, which is closely related to the Company, in addition to the movement to reduce the environment impact, ship owners are placing orders with the aim of resolving the shortage of vessels due to building berths being fully booked in the near term and in anticipation of higher ship prices, and shipyards in Japan have secured sufficient work on hand. In addition, for the port logistics industry, demands of port crane are strong in Southeast Asia and others regions overseas, and demands also continue to be strong in Japan mainly due to new construction and expansion of existing facilities as well as renewal of existing facilities due to aging. Overall, the Company recognizes that the environment for orders is steadily recovering, despite the risks from the ongoing fluctuations in the foreign exchange and financial markets and price fluctuations in materials procurement.

Under such circumstances, the Company transitioned to an operating holding company with an Audit Committee on April 1, 2023, and was reborn with the new corporate name of "MITSUI E&S Co., Ltd." Due to the completion of the "Mitsui E&S Group Business Revival Plan," which established various measures such as the restructuring and withdrawing of unprofitable businesses and strengthening of the financial structure, any events or conditions that may cast significant doubts regarding the premise of going concern have been dissolved. Furthermore, as we have determined that we are well-positioned to achieve stable dividends, we resumed dividends for the first time in six fiscal years. In addition, to mark the start as a new company, the Company renewed the personnel system to ensure that we have personnel and an organizational culture that can create new value, and in the spring wage discussions, the Company improved wages to raise employee motivation to stage a turnaround and bring growth strategies to fruition as the new "MITSUI E&S."

Meanwhile, in light of the significant changes in the business environment surrounding us, we have already started the "Mid-Term Business Plan 2023," one year ahead of schedule. The expansion of the core businesses of marine propulsion and port logistics through "green" and "digital" strategies has been set as the pillar of the strategy of the Mid-Term Business Plan 2023.

In the marine propulsion business, we made the necessary capital expenditure to handle new green fuels, as well as acquired IHI Power Systems Co., Ltd.'s businesses related to marine large bore engines and its associated products and commenced sales as Mitsui E&S DU Co., Ltd. on April 1, 2023. Mitsui E&S DU Co., Ltd. excels in technology for dual-fuel engines and digital remote maintenance systems, which will lead to the enhancement of competitiveness through the strengthening of development and production capabilities and after-sales service for the Group's marine engines.

In the port logistics business, we developed the first Rubber Tired Gantry crane (RTG) that uses fuel cells (FCs) as a power source in the world through collaboration with New Energy and Industrial Technology Development Organization (NEDO). Furthermore, we proceeded with the decarbonization of products, such as by mounting FCs in RTG and concluding an agreement with Bureau of Port and Harbor Tokyo and three other companies to carry out cargo handling operations using hydrogen as fuel. In addition, we actively worked on automation and remote maintenance of port facilities.

Moreover, we have positioned businesses that promote new products and services in peripheral areas of core businesses as growth businesses, and will work to further enhance corporate value by focusing on development of new products and services that takes decarbonization into consideration.

Orders received during the three months ended June 30, 2023 decreased by 13,788 million yen (down 12.9%) year on year to 92,796 million yen. Net sales were 61,556 million yen, an increase of 10,980 million yen (up 21.7%) year on year due to favorable deliveries of marine diesel engines in Marine Propulsion Systems and the inclusion of Mitsui E&S DU Co., Ltd. in the scope of consolidation. Operating income was 1,720 million yen (same period of the previous fiscal year was operating loss of 6,701 million yen) mainly due to improved profitability in Marine Propulsion Systems. Ordinary income was 552 million yen (same period of the previous fiscal year was ordinary loss of 4,235 million yen) mainly due to the recording of interest expenses and commission expenses. Profit attributable to owners of parent was 1,497 million yen (same period of the previous fiscal year was loss attributable to owners of parent of 1,877 million yen) mainly due to the recording of gain on bargain purchase.

The overview by reportable segment is as follows. From the 1st quarter of FY2023, the Company changed the reportable segment classifications, and the year-on-year comparison shown is based on the reportable segment classifications after the change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (3) Notes to Quarterly Consolidated Financial Statements (Segment Information)."

(New Business Development)

Compared with the same period of the previous fiscal year, orders received and net sales increased by 4,222 million yen (up 51.7%) to 12,386 million yen and by 2,038 million yen (up 33.2%) to 8,185 million yen, respectively, mainly due to an increase in orders for diesel engines for construction equipment. Operating income was 378 million yen, almost same level as the same period of the previous fiscal year.

(Marine Propulsion Systems)

Orders for the same period of the previous fiscal year included the delayed orders for marine diesel engines from FY2021. Mainly due to this factor, orders received decreased by 19,644 million yen (down 29.9%) to 46,028 million yen from the same period of the previous fiscal year. Net sales totaled 29,490 million yen, increased by 8,323 million yen (up 39.3%) year on year. This is mainly due to favorable deliveries of marine diesel engines and the inclusion of Mitsui E&S DU Co., Ltd. in the scope of consolidation. Operating income improved from a loss of 276 million yen to a profit of 1,788 million yen due to the increased net sales.

(Logistics Systems)

Orders received was 20,387 million yen, increased by 12,183 million yen (up 148.5%) year on year, mainly due to a series large orders in Southeast Asia. Net sales decreased by 1,033 million yen (down 12.2%) to 7,422 million yen, mainly due to more cranes being scheduled to be delivered in the second half of the fiscal year as well as the slower progress for large works. Operating loss was 451 million yen, improved by 535 million yen year on year, mainly due to the shrunk impacts of provision for losses on construction contracts.

(Peripheral Businesses)

Orders for the same period of the previous fiscal year included large orders for Fuel Gas Supply systems (FGS) for East Asia. Mainly due to the impact of this decrease, orders received decreased by 4,600 million yen (down 24.8%) to 13,922 million yen. Net sales totaled 14,799 million yen, increased by 5,329 million yen (up 56.3%) year on year. This is mainly due to steady sales especially in Japanese subsidiaries. Thanks to the favorable net sales, operating income improved from a loss of 443 million yen to a profit of 511 million yen.

(Ocean Development)

Share of profit (loss) of entities accounted for using equity method was improved from a loss of 1,047 million yen to a profit of 171 million yen. This improvement is mainly due to the revenue recognized from the progress of construction projects at MODEC, Inc. and its related companies, which are affiliates accounted for using equity method of the Company, despite the lowering effect of profit from the improvement costs of asset integrity incurred for the FPSOs and FSO operating in Brazil.

## (2) Explanation of Financial Position

Total assets at the end of the 1st quarter of the current fiscal year were 439,630 million yen, decreased by 329 million yen from the end of the previous fiscal year. This was mainly due to increases of 6,998 million yen in work in progress and 5,529 million yen in others in current assets, respectively, while there were decreases of 5,787 million yen in cash and time deposits and 6,510 million yen in notes and accounts receivables - trade, and contract assets.

Total liabilities were 328,947 million yen, decreased by 325 million yen from the end of the previous fiscal year. This was mainly due to increases in short-term borrowings and contract liabilities by 29,389 million yen and 11,123 million yen, respectively, while others in current liabilities decreased by 41,457 million yen.

Total net assets were 110,682 million yen, decreased by 3 million yen from the end of the previous fiscal year. This was mainly due to the exercise of the 1st series of share acquisition rights with an exercise price amendment clause, the recording of profit attributable to owners of parent, dividend payments, and a decrease in unrealized gains on hedging derivatives.

### (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Statements

Our forecasts of consolidated financial results and of financial results by segment for FY2023 are the same as those announced on May 15, 2023. Forecasts are based on an exchange rate of 1 US dollar to 135 yen.

[Forecast of consolidated financial results for FY2023 (From April 1, 2023 to March 31, 2024)]

(Billions of yen)

Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
280.0	10.0	4.0	3.0	25.90 yen

[Forecast of consolidated financial results by segment for FY2023 (From April 1, 2023 to March 31, 2024)]

(Billions of yen)

	New Business Development	Marine Propulsion Systems	Logistics Systems	Peripheral Businesses	Ocean Development	Others	Total
Net sales	30.0	130.0	50.0	60.0	-	10.0	280.0
Operating income	3.0	4.0	1.0	2.0	-	0.0	10.0

Notes 1: Ocean Development consists of affiliates accounted for using equity method, and it does not affect net sales and operating income. In addition, MODEC, Inc. has implemented a third-party allotment of new shares on June 30, 2023, reducing the Group's equity interest from 49.10% to 40.52%. The forecast for this segment for FY2023 is approximately 2.0 billion yen in shares of profit of entities accounted for using equity method based on the equity interest after the capital increase.

2: Above forecasts are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from the above figures due to various factors in the future.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and time deposits	45,803	40,016
Notes and accounts receivables - trade, and contract assets	81,850	75,340
Merchandise and finished goods	6,095	6,290
Work in progress	46,799	53,797
Raw materials and supplies	6,136	10,326
Others	26,295	31,825
Allowance for doubtful accounts	(353)	(369)
Total current assets	212,628	217,227
Non-current assets		
Property, plant and equipment		
Land	68,544	68,475
Others, net	47,223	47,781
Total property, plant and equipment	115,767	116,256
Intangible assets		
Goodwill	7,626	8,003
Others	7,876	8,073
Total intangible assets	15,502	16,076
Investments and other assets		
Investment securities	68,802	64,682
Others	27,544	25,516
Allowance for doubtful accounts	(285)	(127)
Total investments and other assets	96,061	90,070
Total non-current assets	227,330	222,402
Total assets	439,959	439,630

(Millions of yen)

As of March 31, 2023 As of June 30, 2023

Liabilities		
Current liabilities		
Trade payables	54,939	60,808
Short-term borrowings	115,245	144,634
Current portion of long-term borrowings	9,375	9,410
Current portion of bonds	5,000	5,000
Accrued income taxes	796	758
Contract liabilities	25,300	36,423
Provision for losses on construction contracts	14,025	11,363
Provision for bonuses	4,059	2,103
Other provisions	3,726	4,099
Others	54,511	13,054
Total current liabilities	286,980	287,657
Long-term liabilities		
Long-term borrowings	11,927	11,740
Provision for business restructuring	853	853
Other provisions	747	699
Net defined benefit liabilities	5,048	5,255
Asset retirement obligations	1,728	1,730
Others	21,986	21,010
Total long-term liabilities	42,293	41,290
Total liabilities	329,273	328,947
Net assets		
Shareholders' equity		
Share capital	3,829	4,728
Capital surplus	10,552	10,778
Retained earnings	42,292	42,982
Treasury stock	(4,632)	(4,632)
Total shareholders' equity	52,042	53,856
Accumulated other comprehensive income		
Net unrealized holding gains on securities	48	316
Unrealized gains on hedging derivatives	8,309	5,668
Revaluation reserve for land	27,601	27,618
Foreign currency translation adjustments	10,691	11,015
Remeasurements of defined benefit plans	7,710	8,004
Total accumulated other comprehensive income	54,362	52,622
Subscription rights to shares	132	125
Non-controlling interests	4,148	4,077
Total net assets	110,686	110,682
Total liabilities and net assets	439,959	439,630



**(2) Quarterly Consolidated Statements of Operations and Comprehensive Income**  
**Quarterly Consolidated Statements of Operations**

(Millions of yen)

	April 1, 2022 to June 30, 2022	April 1, 2023 to June 30, 2023
Net sales	50,575	61,556
Cost of sales	50,299	52,871
Gross profit	275	8,684
Selling, general and administrative expenses	6,977	6,964
Operating income (loss)	(6,701)	1,720
Non-operating income		
Interest income	108	51
Dividend income	180	47
Share of profit of entities accounted for using equity method	-	237
Foreign currency exchange gains	4,011	800
Others	298	482
Total non-operating income	4,599	1,619
Non-operating expenses		
Interest expenses	693	1,005
Commission expenses	187	1,545
Share of loss of entities accounted for using equity method	834	-
Others	417	235
Total non-operating expenses	2,133	2,786
Ordinary income (loss)	(4,235)	552
Extraordinary income		
Gain on bargain purchase	-	1,944
Gain on sales of subsidiaries and affiliates' stocks	2,407	-
Total extraordinary income	2,407	1,944
Extraordinary losses		
Loss on change in equity	-	715
Provision for losses on sales of subsidiaries and affiliates' stocks	227	-
Loss on liquidation of business	107	-
Total extraordinary losses	335	715
Profit (loss) before income taxes	(2,163)	1,781
Income taxes	(260)	320
Profit (loss)	(1,902)	1,461
Loss attributable to non-controlling interests	(25)	(36)
Profit (loss) attributable to owners of parent	(1,877)	1,497

## Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	April 1, 2022 to June 30, 2022	April 1, 2023 to June 30, 2023
Profit (loss)	(1,902)	1,461
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(77)	266
Unrealized gains (losses) on hedging derivatives	(406)	291
Foreign currency translation adjustments	1,540	1,504
Remeasurements of defined benefit plans	(289)	322
Share of other comprehensive income of affiliates accounted for using equity method	8,248	(4,135)
Total	9,015	(1,750)
Comprehensive income	7,112	(289)
Comprehensive income attributable to		
Owners of parent	7,126	(258)
Non-controlling interests	(14)	(31)

### (3) Notes to Quarterly Consolidated Financial Statements

#### (Notes on Going Concern Assumption)

Not applicable.

#### (Notes in the Event of Significant Changes in Stockholders' Equity)

During the three months ended June 30, 2023, share capital increased by 898 million yen and legal capital surplus increased by 224 million yen, respectively, due to the exercise of the 1st series of share acquisition rights with an exercise price amendment clause. As a result of the above, share capital was 4,728 million yen and capital surplus was 10,778 million yen as of June 30, 2023.

#### (Application of Specific Accounting Treatment for Preparing Quarterly Consolidated Financial Statements)

After applying tax effect accounting to profit before income taxes for the fiscal year, which includes the 1st quarter under review, the Company makes a reasonable estimate of the effective tax rate and multiplies the profit before income taxes by that estimated effective tax rate. If the estimated effective tax rate is unavailable, the amount of the significant difference, other than temporary differences, etc. is added to or deducted from profit before income taxes, and the result is multiplied by the statutory effective tax rate. Income taxes - deferred are included in the presentation of income taxes.

#### (Segment Information)

I For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information about sales and segment income or loss for each reportable segment

(Millions of yen)

	New Business Development	Marine Propulsion Systems	Logistics Systems	Peripheral Businesses	Ocean Development	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:										
Outside customers	6,147	21,167	8,456	9,469	-	45,240	5,334	50,575	-	50,575
Inter segment	155	90	74	2,340	-	2,660	17	2,678	(2,678)	-
Total	6,303	21,257	8,530	11,809	-	47,901	5,352	53,253	(2,678)	50,575
Segment income (loss)	429	(276)	(987)	(443)	(1,047)	(2,325)	(5,423)	(7,749)	1,047	(6,701)

Notes 1: Segment income (loss) in "New Business Development," "Marine Propulsion Systems," "Logistics Systems," "Peripheral Businesses" and "Others" represents "Operating income (loss)," and in "Ocean Development" represents "Share of profit (loss) of entities accounted for using equity method."

2: "Others" is the segment which is not included in Reportable Segment and includes Engineering businesses, etc.

3: Segment income (loss) is adjusted with operating loss in Quarterly Consolidated Statements of Operations.

2. Information about loss on impairment of non-current assets, goodwill, etc. for each reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

II For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information about sales and segment income or loss for each reportable segment

(Millions of yen)

	New Business Development	Marine Propulsion Systems	Logistics Systems	Peripheral Businesses	Ocean Development	Sub total	Others	Total	Adjustments	Consolidated
Net Sales:										
Outside customers	8,185	29,490	7,422	14,799	-	59,898	1,657	61,556	-	61,556
Inter segment	251	73	465	2,995	-	3,786	(0)	3,786	(3,786)	-
Total	8,437	29,563	7,888	17,794	-	63,684	1,657	65,342	(3,786)	61,556
Segment income (loss)	378	1,788	(451)	511	171	2,399	(507)	1,891	(171)	1,720

Notes 1: Segment income (loss) in "New Business Development," "Marine Propulsion Systems," "Logistics Systems," "Peripheral Businesses" and "Others" represents "Operating income (loss)," and in "Ocean Development" represents "Share of profit (loss) of entities accounted for using equity method."

2: "Others" is the segment which is not included in Reportable Segment and includes Engineering businesses, etc.

3: Segment income (loss) is adjusted with operating income in Quarterly Consolidated Statements of Operations.

2. Changes in Reportable Segment, etc.

(Changes in Classification of Reportable Segment)

Effective from this 1st quarter of FY2023, the Company has changed the classification of its Reportable Segment from the previous 4 segments (Ship, Ocean Development, Machinery and Engineering) to 5 new segments (New Business Development, Marine Propulsion Systems, Logistics Systems, Peripheral Businesses and Ocean Development). This change was implemented to clarify the positioning of each business and to expand sales and profits mainly in the core business in accordance with the policy in "Mid-Term Business Plan 2023."

Comparative segment information for the 1st quarter of the previous fiscal year has been restated to reflect the changes.

3. Information about loss on impairment of non-current assets, goodwill, etc. for each reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Gain on bargain purchase was recognized in "Marine Propulsion Systems" due to the acquisition of all shares of Mitsui E&S DU Co., Ltd., making it our consolidated subsidiary. The amount of the gain from the said event is 1,944 million yen in the 1st quarter of FY2023. Gain on bargain purchase is an extraordinary income and is not included in the segment income. This is a provisional amount as the purchase price allocation has not been completed as of the end of the 1st quarter of FY2023.

**(Significant Subsequent Events)**

Not applicable.

### 3. Supplementary Information

Information about new orders and sales

(Percentages in FY2022 and FY2023 indicate composition ratio.)

#### New Orders

	1st quarter of FY2022 (from April 1, 2022 to June 30, 2022 )		1st quarter of FY2023 (from April 1, 2023 to June 30, 2023 )		Increase/Decrease		Change ratio		FY2022 (from April 1, 2022 to March 31, 2023 )	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%		
New Business Development	8,164	7.7	12,386	13.3	4,222	51.7	42,192	13.1		
Marine Propulsion Systems	65,673	61.6	46,028	49.6	(19,644)	(29.9)	139,575	43.3		
Logistics Systems	8,203	7.7	20,387	22.0	12,183	148.5	49,441	15.3		
Peripheral Businesses	18,523	17.4	13,922	15.0	(4,600)	(24.8)	74,303	23.1		
Ocean Development	-	-	-	-	-	-	-	-		
Others	6,019	5.6	71	0.1	(5,947)	(98.8)	16,838	5.2		
<b>Total</b>	<b>106,584</b>	<b>100.0</b>	<b>92,796</b>	<b>100.0</b>	<b>(13,788)</b>	<b>(12.9)</b>	<b>322,351</b>	<b>100.0</b>		

#### Sales

	1st quarter of FY2022 (from April 1, 2022 to June 30, 2022 )		1st quarter of FY2023 (from April 1, 2023 to June 30, 2023 )		Increase/Decrease		Change ratio		FY2022 (from April 1, 2022 to March 31, 2023 )	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%		
New Business Development	6,147	12.2	8,185	13.3	2,038	33.2	34,865	13.3		
Marine Propulsion Systems	21,167	41.9	29,490	47.9	8,323	39.3	97,693	37.2		
Logistics Systems	8,456	16.7	7,422	12.1	(1,033)	(12.2)	41,653	15.9		
Peripheral Businesses	9,469	18.7	14,799	24.0	5,329	56.3	57,356	21.9		
Ocean Development	-	-	-	-	-	-	-	-		
Others	5,334	10.5	1,657	2.7	(3,677)	(68.9)	30,733	11.7		
<b>Total</b>	<b>50,575</b>	<b>100.0</b>	<b>61,556</b>	<b>100.0</b>	<b>10,980</b>	<b>21.7</b>	<b>262,301</b>	<b>100.0</b>		

#### Order Backlogs

	FY2022 (as of March 31, 2023)		1st quarter of FY2023 (as of June 30, 2023)		Increase/Decrease		Change ratio		1st quarter of FY2022 (as of June 30, 2022)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%		
New Business Development	28,879	9.3	33,131	9.2	4,252	14.7	23,464	7.5		
Marine Propulsion Systems	61,595	19.7	87,339	24.3	25,743	41.8	64,172	20.6		
Logistics Systems	58,715	18.8	73,207	20.4	14,492	24.7	50,416	16.1		
Peripheral Businesses	156,215	50.1	160,761	44.7	4,546	2.9	143,826	46.1		
Ocean Development	-	-	-	-	-	-	-	-		
Others	6,411	2.1	4,909	1.4	(1,501)	(23.4)	30,216	9.7		
<b>Total</b>	<b>311,817</b>	<b>100.0</b>	<b>359,350</b>	<b>100.0</b>	<b>47,532</b>	<b>15.2</b>	<b>312,096</b>	<b>100.0</b>		