

# Consolidated Financial Results for 1st Quarter of Fiscal Year Ending March 31, 2025



August 8, 2024

**MITSUI E&S Co., Ltd.**



Note: This document has been translated from Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## ※ Steady start increased in Net Sales and Operating Income.

1st Quarter of  
FYE Mar. 2025  
Results

- ◆ New Orders 85.9 Billion yen ( QoQ ↘ )
- ◆ Net Sales 70.1 Billion yen ( QoQ ↗ )
- ◆ Operating Income 4.3 Billion yen ( QoQ ↗ )

FYE Mar. 2025  
Forecast

- ◆ New Orders 330 Billion yen (compared to May 14, 2024 → )
- ◆ Net Sales 300 Billion yen (compared to May 14, 2024 → )
- ◆ Operating Income 17 Billion yen (compared to May 14, 2024 → )

Topics

- ◆ Revision of Dividend Forecast (Dividend Increase)
- ◆ Sell-out of Affiliated Company Shares
- ◆ Newly released “MITSUI E&S Rolling Vision 2024”

# Summary of Results

※ A substantial increase in bottom-line profits due to gain on sales of affiliated company shares.

(JPY: Billion)

	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.
<b>New Orders</b>	92.8	85.9	(6.9)
<b>Net Sales</b>	61.6	70.1	+8.5
<b>Operating Income (Loss)</b>	1.7	4.3	+2.6
<b>margin</b>	2.8%	6.1%	-
<b>Ordinary Income (Loss)</b>	0.6	8.7	+8.1
<b>margin</b>	0.9%	12.4%	-
<b>Profit attributable to owners of parent</b>	0.9	28.8	+27.9

<Average FX>

<b>USD/JPY</b>	138.54 Yen	156.70 Yen
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# Results Summary by Segment

※ Although a little bit decreased QoQ, in the Logistics Systems segment, New Orders have progressed steadily with the first large order from Bangladesh.

(JPY: Billion)

	New Orders			Net Sales			Operating Income		
	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.
New Business Development	12.4	<b>9.3</b>	(3.1)	8.2	<b>7.5</b>	(0.7)	0.4	<b>1.0</b>	+0.7
Marine Propulsion Systems	46.0	<b>56.4</b>	+10.4	29.5	<b>32.8</b>	+3.3	1.8	<b>2.4</b>	+0.6
Logistics Systems	20.4	<b>10.8</b>	(9.6)	7.4	<b>13.2</b>	+5.7	(0.5)	<b>0.8</b>	+1.2
Peripheral Business	13.9	<b>9.2</b>	(4.7)	14.8	<b>16.3</b>	+1.5	0.5	<b>0.3</b>	(0.3)
Others	0.1	<b>0</b>	0	1.7	<b>0.3</b>	(1.4)	(0.5)	<b>(0.2)</b>	+0.3
Total	92.8	<b>85.9</b>	(6.9)	61.6	<b>70.1</b>	+8.5	1.7	<b>4.3</b>	+2.6

# Summary of Cash Flow

※ The cash-out of overseas civil engineering and construction project has almost ended, and Free Cash Flow has considerably improved with some restructuring of assets.

(JPY : Billion)

	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.	
Operating CF	(36.4)	(2.4)	+34.0	Operating CF was slightly negative due to an impact of the shortening of sight period of trade notes with new guidance from government agencies. Positive if this impact had been excluded.
Investing CF	0.5	69.6	+69.0	Increase mainly due to sale of MODEC shares.
Free CF	(35.8)	67.2	+103.0	
Financial CF	29.2	(57.0)	(86.2)	Decrease mainly due to repayment of short-term borrowings.

# Summary of FYE Mar. 2025 Forecast

※ Forecast of Free Cash Flow and Debt with interest (newly disclosed).

(JPY: Billion)

	FYE Mar. 2025 Forecast
New Orders	330.0
Net Sales	300.0
Operating Income	17.0
Ordinary Income	18.0
Profit attributable to owners of parent	35.0
Free CF	76.0
(Operating CF)	17.0
Debt with interest	100.0

(JPY: Billion)

FYE Mar. 2025 Forecast by Segment	New Orders	Net Sales	Operating Income
New Business Development	40.0	40.0	5.0
Marine Propulsion Systems	140.0	130.0	6.0
Logistics Systems	70.0	60.0	3.0
Peripheral Business	80.0	70.0	3.0
Others	0	0	0
<b>Total</b>	<b>330.0</b>	<b>300.0</b>	<b>17.0</b>

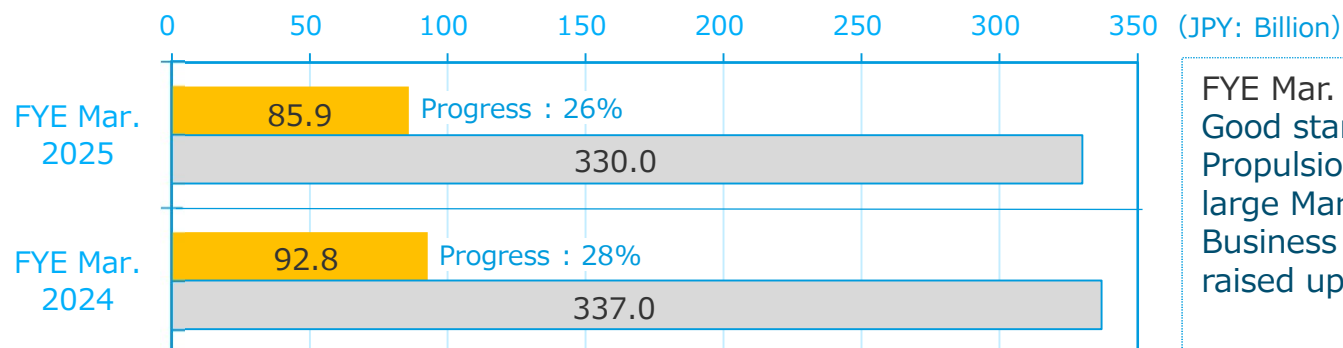
※ Exchange rate assumption: USD/JPY:145

※ The US\$/JPY exchange rate fluctuation has almost no impact on Operating Income.

# FYE Mar. 2025 Forecast Progress

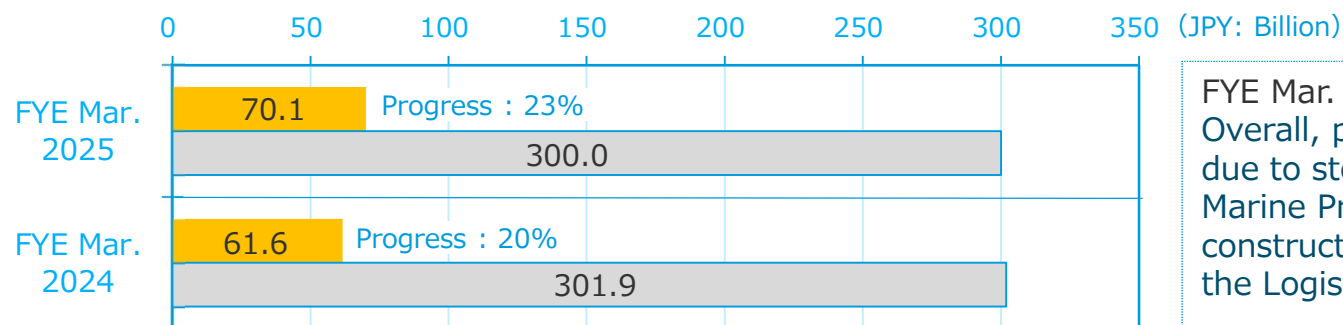
※ Progress within plan for full-year forecasts.

New Orders



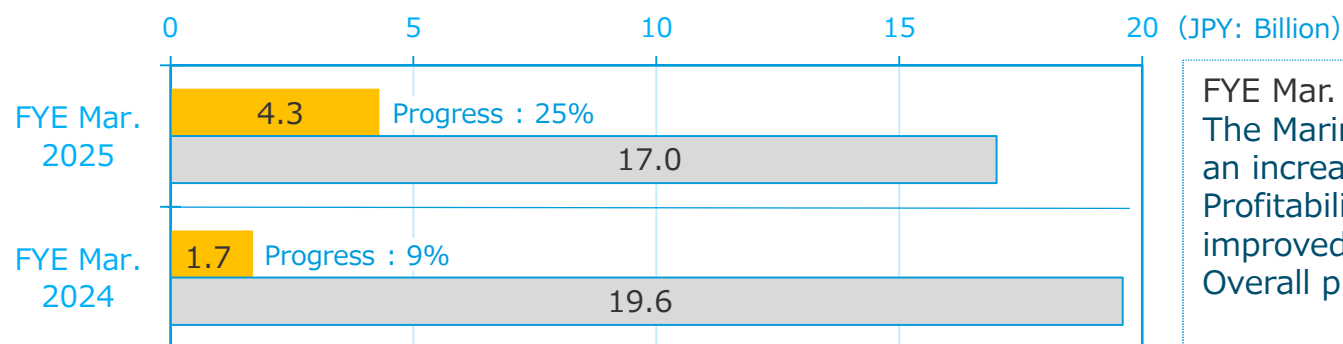
FYE Mar. 2025 1Q:  
Good start mainly due to in the Marine Propulsion Systems segment. We received many large Marine Engine orders. In the Peripheral Business segment, projects are expected to be raised up from the 2nd quarter onward.

Net Sales



FYE Mar. 2025 1Q:  
Overall, progress was generally in line with plans due to steady delivery of Marine Engines in the Marine Propulsion System segment. Large-scale construction works are progressing steadily in the Logistics Systems segment.

Operating Income



FYE Mar. 2025 1Q:  
The Marine Propulsion System segment posted an increase in profit on higher revenues. Profitability of large-scale construction projects improved in the Logistics Systems segment. Overall progress was favorable.

■ 1st Quarter ■ Full FY

## ※ Dividends forecast for FYE Mar. 2025

Common stock	FYE Mar. 2024	FYE Mar. 2025	
	Actual results	Previous Forecast	<b>Revised Forecast</b>
Annual dividend	5yen per share	12yen per share	<b>18yen per share</b>

## ※ Key Management Issues

- We will enhance returns to shareholders, while taking account of capital investment, R&D investment and shareholders' equity in a comprehensive manner.

## ※ Background of dividend increase

- Given the steady execution of our business and financial strategies, we studied and revised our approach to dividend.



	Sale period	shareholding ratio		total funds (Billion yen)	gain on sale (Billion yen)
		Before sale	After sale		
MODEC Inc.	May~June 2024	40.53%	3.66%	approx. 70.0	approx. 25.0
SOFEC Inc. *1)	May 2024	20.00%	0.00%		

\*1) Company provides services related to the design, construction and installation of various mooring systems including FPSOs.

## ※ Main use of funds

- Repayment of short-term borrowings of 55.3 billion yen.
- All of the Class A preferred shares (approx. 9.2 billion yen \*2)) were acquired on July 10, 2024 and retired on the same day.
- Investments in Container Cranes business in the global market including the US.
- Investments for technical development and manufacturing of key components related to the Marine Engines business.
- Investment in human capital, such as human resource development along with the institutional reforms.

\*2) Includes amount equivalent to accrued dividends

# Appendix) Summary of Income Statement

※ In connection with the sale of MODEC shares, the company's investment income was recognized by the end of the 1st Quarter of FYE Mar. 2025.

(JPY: Billion)

	FYE Mar. 2024 1Q	FYE Mar. 2025 1Q	Var.	
<b>Net sales</b>	<b>61.6</b>	<b>70.1</b>	<b>+8.5</b>	
Gross profit	8.7	11.3	+2.6	
Selling, general and administrative expenses	7.0	7.0	0	
<b>Operating income</b>	<b>1.7</b>	<b>4.3</b>	<b>+2.6</b>	
Non-operating income	1.6	5.7	+4.0	Increase mainly due to investment income from MODEC.
Non-operating expenses	2.8	1.3	(1.5)	Decrease in financial expenses mainly due to decrease in debt with interest.
<b>Ordinary income</b>	<b>0.6</b>	<b>8.7</b>	<b>+8.1</b>	
Extraordinary income	1.3	25.5	+24.2	Increase in gain on sales of subsidiaries and affiliates' stocks mainly due to sale of MODEC shares.
Extraordinary losses	0.7	1.3	+0.6	
Profit before income taxes	1.2	32.8	+31.7	
Income taxes	0.3	4.0	+3.7	
Profit attributable to non-controlling interests	0	0	0	
<b>Profit attributable to owners of parent</b>	<b>0.9</b>	<b>28.8</b>	<b>+27.9</b>	

# Summary of Balance Sheet

※ Equity capital ratio improved due to a reduction of debt with interest as a consequence of selling assets, in addition to profit earned.

(JPY : Billion)

	FYE Mar. 2024	FYE Mar. 2025 1Q	Var.	
<b>Total assets</b>	<b>467.1</b>	<b>431.6</b>	<b>(35.5)</b>	
(Cash and time deposits)	35.6	46.0	+10.5	
(Notes and accounts receivables - trade, and contract assets)	96.3	87.8	(8.5)	
(Fixed Assets)	131.6	130.9	(0.7)	
(Investment securities)	76.1	26.0	(50.1)	Decrease mainly due to sale of MODEC shares.
<b>Total liabilities</b>	<b>320.6</b>	<b>262.7</b>	<b>(58.0)</b>	
(Trade payables)	64.7	55.4	(9.3)	
(Provision for losses on construction contracts)	4.3	3.3	(1.1)	
(Debt with interest)	162.0	106.5	(55.5)	Decrease mainly due to repayment of short-term borrowings.
<b>Total net assets</b>	<b>146.5</b>	<b>169.0</b>	<b>+22.5</b>	
(Equity)	142.0	164.5	+22.5	Increase mainly due to accumulation of retained earnings.
(Equity capital ratio)	30.4%	38.1%		
Working capital (*)	67.3	69.2	+1.9	
Net D/E ratio	0.9	0.4		

(\*) Trade receivables(except Advances from customers) + Inventory - Trade payables

# Appendix) Marine Engines

※ Steady delivery of Marine Engines in the 1st Quarter of FYE Mar. 2025.

	FYE Mar. 2024 1Q		FYE Mar. 2025 1Q		FYE Mar. 2025 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	50	127	<b>42</b>	<b>148</b>	—	—
Deliveries	35	67	<b>38</b>	<b>80</b>	—	—
Back logs	124	242	<b>124</b>	<b>300</b>	—	—
Production	41	78	<b>32</b>	<b>65</b>	146	304



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