

Consolidated Financial Results for 3rd Quarter of Fiscal Year Ending March 31, 2025



February 12, 2025

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.

※ Performance in the three main business segments remained strong.

3rd Quarter of
FYE Mar. 2025
Results

- ◆ New Orders 257.4 Billion yen (YoY )
- ◆ Net Sales 218.7 Billion yen (YoY )
- ◆ Operating Income 13.8 Billion yen (YoY )

FYE Mar. 2025
Forecast

- ◆ New Orders 330 Billion yen (compared to Nov. 12, 2024 )
- ◆ Net Sales 300 Billion yen (compared to Nov. 12, 2024 )
- ◆ Operating Income 17 Billion yen (compared to Nov. 12, 2024 )

Topics

- ◆ **Ordinary and net income forecast revised upward.**
- ◆ **Revisions to Dividend Forecasts. (Dividend Increase)**
- ◆ Started test operation of Large-bore Low-Speed Ammonia dual fuel engine.
- ◆ Obtained a third-party statement on Green House Gas emissions.

Summary of Results

※ Improved non-operating income/expenses led to increase in ordinary income margin.

(JPY: Billion)

	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.
New Orders	227.9	257.4	+29.5
Net Sales	215.4	218.7	+3.4
Operating Income	13.5	13.8	+0.3
margin	6.3%	6.3%	-
Ordinary Income	11.7	19.3	+7.6
margin	5.4%	8.8%	-
Profit attributable to owners of parent	11.0	35.2	+24.2

<Average FX>

	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q
USD/JPY	145.94 Yen	151.21 Yen

Results Summary by Segment

※ Both sales and income increased due to strong progress in manufacturing mainly in the Logistics Systems segment.

(JPY: Billion)

	New Orders			Net Sales			Operating Income		
	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.
New Business Development	37.2	34.4	(2.9)	29.2	27.0	(2.2)	3.5	4.1	+0.7
Marine Propulsion Systems	85.7	115.0	+29.3	99.7	98.8	(1.0)	5.0	6.2	+1.2
Logistics Systems	58.7	59.1	+0.3	30.2	41.3	+11.1	1.0	4.1	+3.1
Peripheral Business	46.2	48.8	+2.7	52.6	50.2	(2.4)	2.0	(0.8)	(2.8)
Others	0.1	0.1	0	3.7	1.6	(2.2)	1.9	0.1	(1.9)
Total	227.9	257.4	+29.5	215.4	218.7	+3.4	13.5	13.8	+0.3

Summary of Cash Flow

※ Operating CF is steadily increasing because the company has accomplished the transforming its business portfolio.

(JPY : Billion)

	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.	
Operating CF	(38.4)	8.4	+46.8	Operating CF remained positive despite the negative impact of approx. 5.3 billion yen from the shortening of sight period of trade notes with new guidance from government agencies.
Investing CF	(0.4)	62.9	+63.3	Increased mainly due to the sale of MODEC shares (Income of the sale: approx. 70 billion yen).
Free CF	(38.7)	71.3	+110.0	Excluding the impact of the sale of MODEC shares, FCF remained positive.
Financial CF	29.5	(67.9)	(97.4)	Decreased mainly due to repayment of short-term borrowings.

Summary of FYE Mar. 2025 Forecast

- ※ • An improvement of non-operating income/expenses contributes to make an upward revision to our profit forecast.
- Operating CF decreased mainly due to an increase in working capital resulting from a high level of construction work.

(JPY: Billion)

	Previous Forecast (Nov. 12, 2024)	Revised Forecast (Feb. 12, 2025)	Var.
New Orders	330.0	330.0	0
Net Sales	300.0	300.0	0
Operating Income	17.0	17.0	0
Ordinary Income	18.0	22.0	+4.0
Profit attributable to owners	35.0	38.0	+3.0
Free CF	76.0	70.0	(6.0)
(Operating CF)	17.0	11.0	(6.0)
Debt (with interest)	100.0	100.0	0

※ Exchange rate assumption: USD/JPY:145

※ The USD/JPY exchange rate fluctuation has almost no impact on Operating Income.

Summary of FYE Mar. 2025 Forecast by Segment

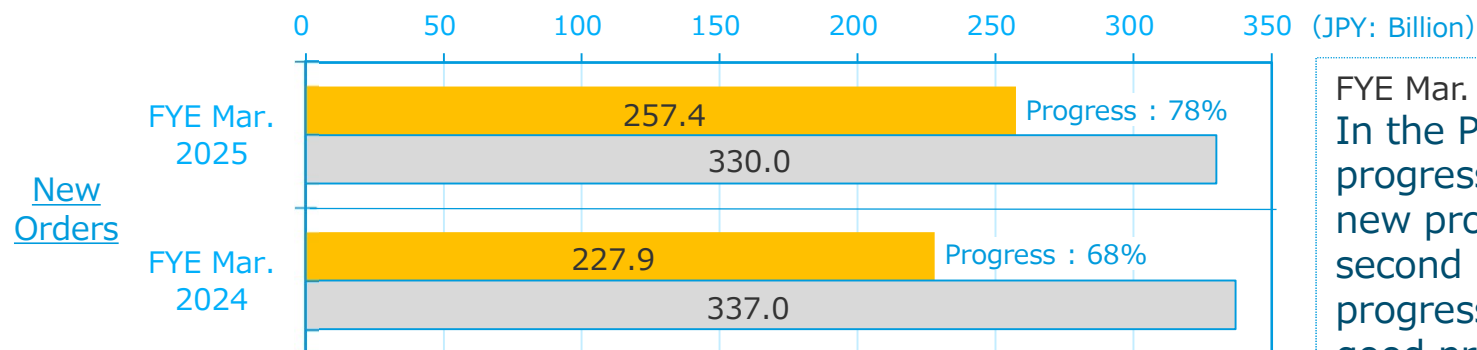
※ As strong core business compensated for the decline in the Peripheral Business segment, full-year forecast for overall Operating Income remains unchanged.

(JPY : Billion)

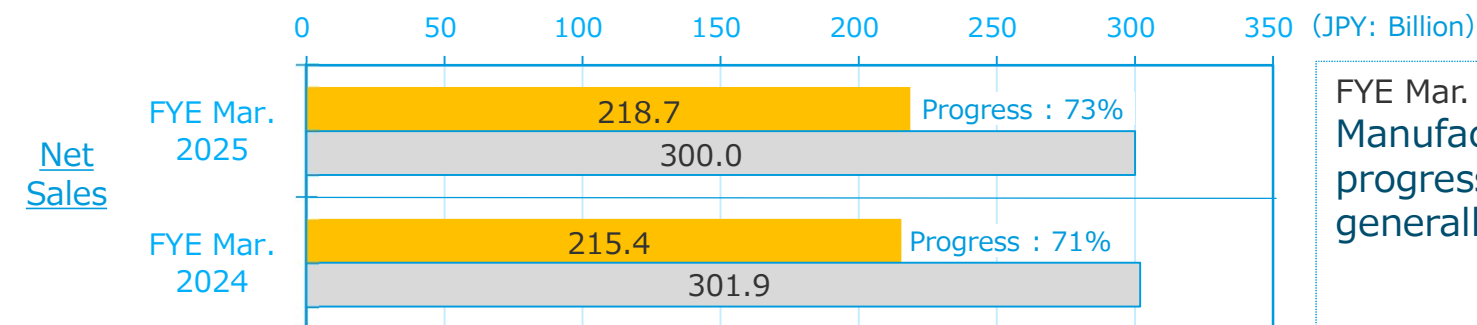
	New Orders			Net Sales			Operating Income		
	Previous Forecast Nov. 12, 2024	Revised Forecast Feb. 12, 2025	Var.	Previous Forecast Nov. 12, 2024	Revised Forecast Feb. 12, 2025	Var.	Previous Forecast Nov. 12, 2024	Revised Forecast Feb. 12, 2025	Var.
New Business Development	40.0	40.0	0	40.0	40.0	0	5.0	5.0	0
Marine Propulsion Systems	140.0	140.0	0	130.0	130.0	0	6.0	7.0	+1.0
Logistics Systems	70.0	70.0	0	60.0	60.0	0	3.0	5.0	+2.0
Peripheral Business	80.0	80.0	0	70.0	70.0	0	3.0	0.0	(3.0)
Others	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0
Total	330.0	330.0	0	300.0	300.0	0	17.0	17.0	0

FYE Mar. 2025 Forecast Progress

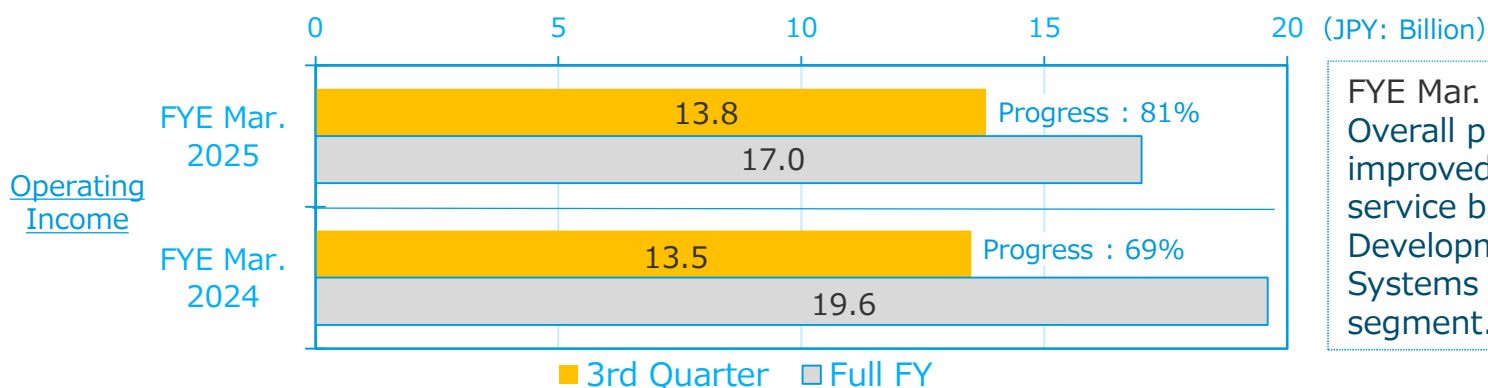
※ Reflecting strong performance, each progress generally exceeded initial expectations.



FYE Mar. 2025 3Q:
In the Peripheral Business segment, progress has been slow because some new projects are expected mainly in the second half of the year, but the overall progress rate has been strong with the good progress in other segments.



FYE Mar. 2025 3Q:
Manufacturing works in all segments are progressing well, and overall net sales are generally in line.



FYE Mar. 2025 3Q:
Overall progress was strong, mainly due to improved profitability of products and After-sales service business in the New Business Development segment, Marine Propulsion Systems segment, and Logistics Systems segment.

※ Dividend Forecast for FYE Mar. 2025

Common stock	FYE Mar. 2024	FYE Mar. 2025	
	Actual results	Previous forecast	Revised forecast
Annual dividend	5yen per share	18yen per share	20yen per share

※ Dividend payout ratio

“MITSUI E&S Rolling Vision 2024” shows the return of profits to stockholders.

	FY2024	FY2025	FY2026	...	FY2030
Dividend payout ratio	5%	15%	20%	...	30%

The annual dividend will be increased due to the upward revision of “Profit attributable to owners of parent” .

※ World's First Test Operation of Large-bore Low-Speed Ammonia dual fuel engine.

- The development of peripheral equipment other than engine is being carried out with the support of NEDO^(*1) as a part of "Integrated project for development and social implementation of ammonia fueled ships".
- This world's first engine and our originally developed fuel supply system will be delivered to a 200,000 deadweight ton class bulk carrier to be built under the above project.

(*1)NEDO : New Energy and Industrial Technology Development Organization

As a marine propulsion system supplier, we will contribute to the realization of a sustainable carbon-neutral society in the field of maritime logistics.

- ◆ We have started to calculate greenhouse gas emissions (Scope3) in our supply chain for FYE Mar. 2024, in order for creating a decarbonized society, which is one of the material issues for the company.
- ◆ Obtained a Verification Opinion from SGS Japan Inc., the Japanese subsidiary of SGS SA, an international certification organization, regarding our Green House Gas emissions for FYE Mar. 2024.

CO₂ emissions in FYE Mar. 2024 on a non-consolidated basis (1,000t-CO₂)

Scope categorization	Emission category	Our total
Scope1	Direct emissions from the activities of an organization	41.6
Scope2	Indirect emissions from electricity purchased and used by the organization	34.8
Scope3	Indirect emissions that result from activities in a company's value chain but for which it does not directly control.	2,205.6
	1. Purchased Goods & Services	752.0
	2. Capital Goods	18.6
	3. Fuel and energy related Activities	4.5
	4. Upstream transportation and distribution	1.2
	5. Waste Generated in Operations	1.6
	6. Business Travel	0.3
	7. Employee Commuting	1.0
	9. Downstream transportation and distribution	16.9
	11. Use of Sold Products	1,409.5

For details on the scope of verification, please refer to the Verification Opinion posted on our website.
https://www.mes.co.jp/sustainable/uploads/SGS25_122.pdf

We aim to have further enhancement on our corporate value by appropriate disclosure with high transparency and reliability.

Appendix) Summary of Income Statement

※ Non-operating income/expenses improved mainly due to lower financial costs.

(JPY: Billion)

	FYE Mar. 2024 3Q	FYE Mar. 2025 3Q	Var.	
Net sales	215.4	218.7	+3.4	
Gross profit	34.2	34.3	+0.1	
Selling, general and administrative expenses	20.8	20.6	(0.2)	
Operating income	13.5	13.8	+0.3	
Non-operating income	5.0	8.4	+3.4	Increase mainly due to investment income from MODEC.
Non-operating expenses	6.8	2.9	(4.0)	Decrease in financial expenses.
Ordinary income	11.7	19.3	+7.6	
Extraordinary income	3.4	24.2	+20.8	The gain on sales of subsidiaries and affiliates' stocks mainly due to the sale of MODEC shares.
Extraordinary losses	1.7	4.4	+2.7	
Profit before income taxes	13.3	39.1	+25.8	
Income taxes	2.1	3.9	+1.8	
Profit attributable to non-controlling interests	0.2	0	(0.2)	
Profit attributable to owners of parent	11.0	35.2	+24.2	

Appendix) Summary of Balance Sheet

※ Debt with interest has remained lower than the level of equity capital.

(JPY : Billion)

	FYE Mar. 2024	FYE Mar. 2025 3Q	Var.	
Total assets	467.1	439.3	(27.8)	
(Cash and time deposits)	35.6	38.9	+3.3	
(Notes and accounts receivables - trade, and contract assets)	96.3	93.1	(3.2)	
(Inventory)	67.7	76.0	+8.3	
(Fixed Assets)	131.6	131.3	(0.3)	
(Investment securities)	76.1	27.4	(48.8)	Decrease mainly due to the sale of MODEC shares.
Total liabilities	320.6	275.8	(44.8)	
(Trade payables)	64.7	57.4	(7.4)	
(Provision for losses on construction contracts)	30.8	37.1	+6.3	
(Debt with interest)	162.0	105.9	(56.1)	Decrease mainly due to repayment of short-term borrowings.
Total net assets	146.5	163.5	+17.0	
(Equity)	142.0	159.2	+17.2	Increase mainly due to accumulation of retained earnings.
(Equity capital ratio)	30.4%	36.2%	-	
Working capital (*)	67.3	70.3	+3.0	
D/E ratio	1.1	0.7		

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

※ New Orders are strong as the shift to dual-fuel engines continues.

	FYE Mar. 2024 3Q		FYE Mar. 2025 3Q		FYE Mar. 2025 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	72	199	81	233	—	—
Deliveries	115	232	108	219	—	—
Backlog	66	149	93	245	—	—
Production	115	232	99	200	146	304



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In this document, performance forecasts, targets, plans, strategies, etc. of the Company in regard to the future contain forward-looking statements. These are forecasts that the Company reasonably determined based on information available at the present time and include both known and unknown risks and uncertainties. Accordingly, actual results or developments of our company in the future could differ significantly.