

Consolidated Financial Results for 1st Quarter of Fiscal Year Ended March 31, 2024



August 10, 2023

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.

※ Net Sales and Operating Income increased QoQ.

1st Quarter of FYE Mar. 2024 Results

- ◆ New Orders 92.8 Billion yen (QoQ ↘)
- ◆ Net Sales 61.6 Billion yen (QoQ ↗)
- ◆ Operating Income 1.7 Billion yen (QoQ ↗)

FYE Mar. 2024 Forecast

- ◆ New Orders 320 Billion yen (compared to May 15, 2023 →)
- ◆ Net Sales 280 Billion yen (compared to May 15, 2023 →)
- ◆ Operating Income 10 Billion yen (compared to May 15, 2023 →)

Topic

- ◆ Fuel conversion to hydrogen for Container Cranes

※ Turnaround in earnings to get out of the deficit into the steady surplus.

(JPY: Billion)

	FYE Mar. 2023 1Q	FYE Mar. 2024 1Q	Var.
New Orders	106.6	92.8	(13.8)
Net Sales	50.6	61.6	+11.0
Operating Income (Loss)	(6.7)	1.7	+8.4
margin	(13.3%)	2.8%	-
Ordinary Income (Loss)	(4.2)	0.6	+4.8
margin	(8.4%)	0.9%	-
Profit attributable to owners of parent	(1.9)	1.5	+3.4

<Average FX>

USD/JPY	129.97 Yen	138.54 Yen
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Summary of Segment Results

- ※ New Orders in the Marine Propulsion Systems Segment remained firm, although they were lower QoQ. This is because the new orders in the same period of FYE Mar. 2023 were exceptionally higher due to the order delay from the original schedule in FYE Mar. 2022.
- ※ In the Logistics Systems Segment, New Orders increased due to steady demands in the Southeast Asia.
- ※ Profitability improved due to the better business environment for Marine Diesel Engines and Container Cranes.

(JPY: Billion)

	New Orders			Net Sales			Operating Income (Loss)		
	FYE Mar. 2023 1Q	FYE Mar. 2024 1Q	Var.	FYE Mar. 2023 1Q	FYE Mar. 2024 1Q	Var.	FYE Mar. 2023 1Q	FYE Mar. 2024 1Q	Var.
New Business Development	8.2	12.4	+4.2	6.1	8.2	+2.0	0.4	0.4	(0.1)
Marine Propulsion Systems	65.7	46.0	(19.6)	21.2	29.5	+8.3	(0.3)	1.8	+2.1
Logistics Systems	8.2	20.4	+12.2	8.5	7.4	(1.0)	(1.0)	(0.5)	+0.5
Peripheral Business	18.5	13.9	(4.6)	9.5	14.8	+5.3	(0.4)	0.5	+1.0
Others	6.0	0.1	(5.9)	5.3	1.7	(3.7)	(5.4)	(0.5)	+4.9
Total	106.6	92.8	(13.8)	50.6	61.6	+11.0	(6.7)	1.7	+8.4

Summary of FYE Mar. 2024 Forecast

※ FYE Mar. 2024 Forecast remains unchanged from initial plan.

(JPY: Billion)

	Previous Forecast (May 15,2023)
New Orders	320.0
Net Sales	280.0
Operating Income	10.0
Ordinary Income	4.0
Profit attributable to owners of parent	3.0
Free CF	(*1) (43.0)
Debt with interest	171.0

(JPY: Billion)

Previous Forecast by Segment (May 15,2023)	New Orders	Net Sales	Operating Income
New Business Development	40.0	30.0	3.0
Marine Propulsion Systems	160.0	130.0	4.0
Logistics Systems	50.0	50.0	1.0
Peripheral Business	70.0	60.0	2.0
Others	0	10.0	0
Total	320.0	280.0	10.0

(*1) Due to a temporary cash-out for project in Indonesia.

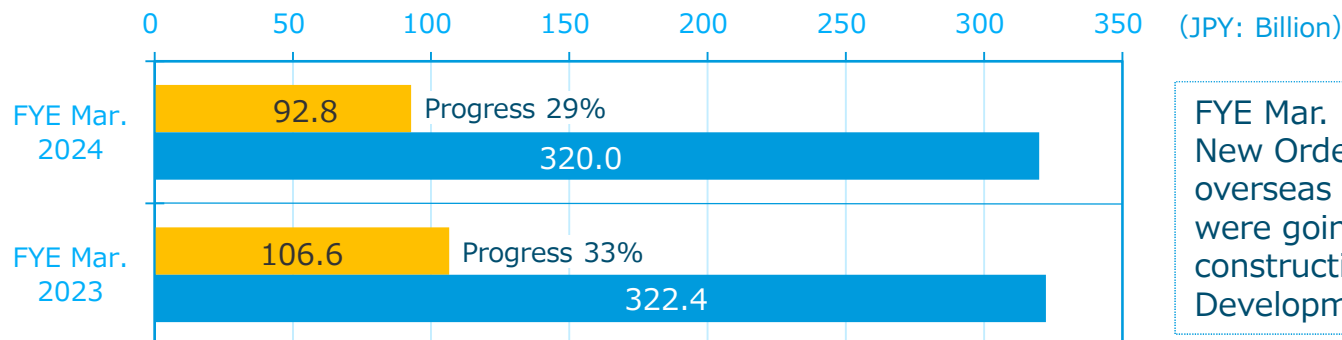
※ Exchange rate assumption: USD/JPY:135

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

FYE Mar. 2024 Forecast Progress

※ Overall, New Orders, Net Sales and Operating Income made a good progress along with the initial plan.

New Orders



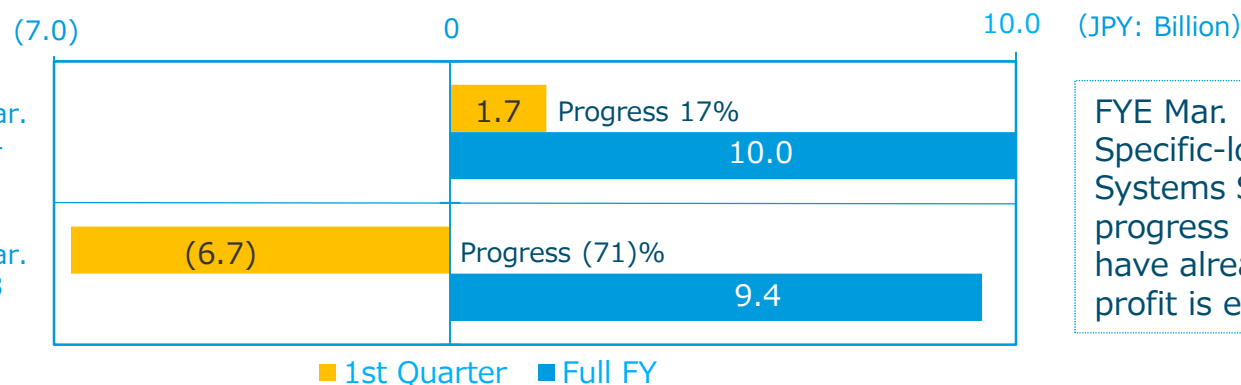
FYE Mar. 2024 1Q:
New Orders of Container Cranes for large overseas projects and Marine Diesel Engines were going strong. New Orders of engines for construction machinery in the New Business Development Segment also had a good start.

Net Sales



FYE Mar. 2024 1Q:
Although the Logistics System Segment started slowly, it is in line with the plan, and sales are expected to increase along with construction progresses.

Operating Income



FYE Mar. 2024 1Q:
Specific-loss making projects of Logistics Systems Segment posted losses along with the progress of construction, but these projects have already reached final phases, so overall profit is expected to improve.

※ Achievement of zero emission Container Cranes funded by a grant from NEDO.

**NEDO : Development of Technologies for Realizing a Hydrogen Society
(Project period: FYE Mar. 2022-FYE Mar. 2026)**

Project to develop RTG powered by a hydrogen fuel cell.

The world's first RTG powered by hydrogen fuel cell was developed, and various verifications were conducted to confirm its applicability to actual operations.

Future plans

Demonstration project for the commercialization of the port hydrogen model at the Port of Los Angeles in North America.

RTG powered by hydrogen fuel cell will be delivered to a terminal in the Port of Los Angeles for feasibility testing in actual operation.



FYE Mar. 2023

Successful development and demonstration of RTG powered by hydrogen fuel cell.

FYE Mar. 2024

Manufacture and transportation of RTG powered by hydrogen fuel cell.

FYE Mar. 2025

Collect data on the stability of operating conditions handling actual cargos at the Port of Los Angeles, and feedback for design improvements.

FYE Mar. 2026

NEDO : New Energy and Industrial Technology Development Organization
RTG : Rubber Tired Gantry crane

※ Contribution to decarbonization of the Port of Tokyo.

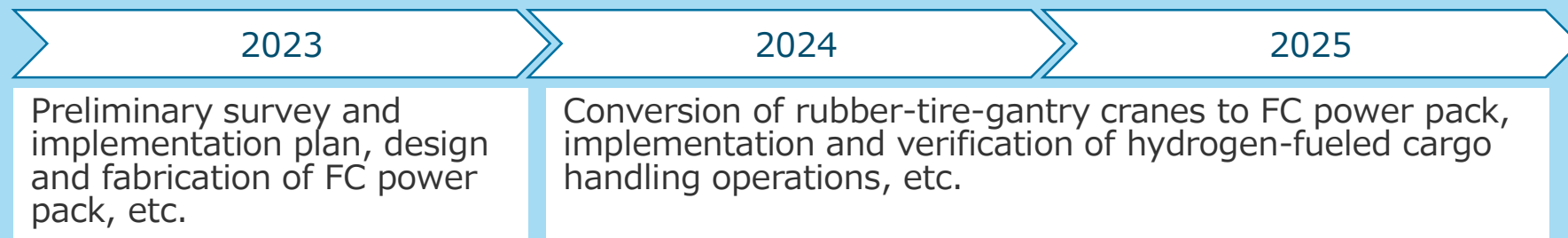
FC Conversion Project for Port Cargo Handling Machinery at the Port of Tokyo.

We have concluded an agreement with Tokyo Metropolitan Government Bureau of Port and Harbor, NYK Line, UNI-X NCT Corporation and Iwatani Corporation to conduct cargo handling operations using hydrogen as fuel.

Location : Ohi Pier No. 6 and No. 7

Scope : Transition to fuel cell of Rubber Tired Gantry cranes

Conversion to hydrogen fuel cell power pack from a conventional diesel fuel.



FC : Fuel Cell

We will continue to work for the decarbonization of ports that provide clean cargo handling equipment as a pioneer of Container Cranes manufacturers.

Appendix) Summary of Income Statement

※ Achieved profitability at all stages of profit.

(JPY: Billion)

	FYE Mar. 2023 1Q	FYE Mar. 2024 1Q	Var.	
Net sales	50.6	61.6	+11.0	
Gross profit	0.3	8.7	+8.4	
Selling, general and administrative expenses	7.0	7.0	0	
Operating income	(6.7)	1.7	+8.4	Profit increased in FYE Mar. 2024. The impact of exchange rates decreased due to the cost settlement progress for project in Indonesia.
Non-operating income	4.6	1.6	(3.0)	
Non-operating expenses	2.1	2.8	+0.7	
Ordinary income	(4.2)	0.6	+4.8	
Extraordinary income	2.4	1.9	(0.5)	1.9 billion yen in FYE Mar. 2024 1Q is a gain on negative goodwill in relation to the acquisition of Mitsui E&S DU shares.
Extraordinary losses	0.3	0.7	+0.4	0.7 billion yen in FYE Mar. 2024 1Q is loss on change in equity due to third-party allotment capital increase executed on MODEC.
Profit before income taxes	(2.2)	1.8	+3.9	
Income taxes	(0.3)	0.3	+0.6	
Profit attributable to non-controlling interests	0	0	0	
Profit attributable to owners of parent	(1.9)	1.5	+3.4	

Appendix) Summary of Balance Sheet

※ Debt with interest increased due to temporary cash-out for project in Indonesia.

(JPY: Billion)

	FYE Mar. 2023	FYE Mar. 2024 1Q	Var.	
Total Assets	440.0	439.6	(0.3)	
(Cash and time deposits)	45.8	40.0	(5.8)	
(Work in progress)	46.8	53.8	+7.0	Increase mainly due to New Orders for Marine Diesel Engines.
(Fixed Assets)	131.3	132.3	+1.1	
(Investment securities)	68.8	64.7	(4.1)	
Total Liabilities	329.3	328.9	(0.3)	
(Trade payables)	54.9	60.8	+5.9	Increase mainly due to consolidation of Mitsui E&S DU.
(Contract liabilities)	25.3	36.4	+11.1	Increase mainly due to New Orders of Marine Diesel Engines.
(Provision for losses on construction contracts)	14.0	11.4	(2.7)	
(Debt with interest)	141.5	170.8	+29.2	Increase mainly due to cash-out for a project in Indonesia.
(Others)	54.5	13.1	(41.5)	Decrease in accrued expenses due to progress in the settlement of various undetermined costs of project in Indonesia.
Total Net Assets	110.7	110.7	0	
(Equity)	106.4	106.5	+0.1	

Shareholders' equity to total assets ratio	24.2%	24.2%		
Net D/E Ratio	0.9	1.2		

※ Steady progress toward FYE Mar. 2024 Forecast.

Marine Diesel Engines

	FYE Mar. 2023 1Q		FYE Mar. 2024 (*1) 1Q		FYE Mar. 2024 (*1) Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	112	233	50	127	—	—
Deliveries	31	60	35	67	—	—
Back logs	102	216	124	242	—	—
Production	33	72	41	78	160	325

(*1) FYE Mar. 2024 includes Mitsui E&S DU



mitsui e&s

Engineering & Services for Evolution & Sustainability

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.