

Consolidated Financial Results for Fiscal Year Ended March 31, 2024



May 14, 2024

MITSUI E&S Co., Ltd.



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※ FYE Mar. 2024 : Increase in sales and profit.

FYE Mar. 2025 : Increase in profit, except for temporary factors.

FYE Mar. 2024 Results

| | |
|--------------------------|----------------------------|
| ◆ New Orders | 337.0 Billion yen(YoY ↗) |
| ◆ Net Sales | 301.9 Billion yen(YoY ↗) |
| ◆ Operating Income | 19.6 Billion yen |
| Except temporary factors | 15.4 Billion yen(YoY ↗) |

FYE Mar. 2025 Forecast

| |
|--|
| 330.0 Billion yen(compared to FYE Mar. 2024 →) |
| 300.0 Billion yen(compared to FYE Mar. 2024 →) |
| 17.0 Billion yen(compared to FYE Mar. 2024 ↗) |

Temporary Factors :

- Gain on reversal of provision for loss on overseas civil engineering construction
- Positive difference in past service cost due to the extension of retirement

Topics

- ◆ Plan of increasing dividend for Common stock
- ◆ History of Container Cranes Business
- ◆ Regarding Partial Sale of MODEC Shares

(JPY: Billion)

| | FYE Mar. 2023 | FYE Mar. 2024 | Var. |
|--|------------------|------------------|-------|
| New Orders | 322.4 | 337.0 | +14.6 |
| Net Sales | 262.3 | 301.9 | +39.6 |
| Operating Income | 9.4 | 19.6 | +10.3 |
| (margin) | 3.6% | 6.5% | |
| Ordinary Income | 12.5 | 20.7 | +8.2 |
| (margin) | 4.8% | 6.9% | |
| Profit attributable to owners of parent | 15.6 | 25.1 | +9.5 |

<Average FX>

| | FYE Mar. 2023 | FYE Mar. 2024 |
|----------------|------------------|------------------|
| USD/JPY | 133.18Yen | 146.16Yen |

■ New Orders

Increased YOY due to New Orders of Container Cranes resulting at highest record in the background of many port development projects in emerging countries and stable business of Marine Engines.


■ Net Sales

Increase from the previous fiscal year due to stable production of Marine Engines and reducing negative impact of COVID-19.


■ Operating Income

Increased YOY mainly due to higher profits from our core products, namely Marine Engines and Container Cranes.

Plan of increasing dividend for Common stock

- FYE Mar. 2023: An achievement of Business Revival Plan and risk reduction of overseas civil engineering construction project has enabled us to resume dividend for Common stock.
- 
- FYE Mar. 2024: Slight increase of dividend for Common stock. For stable dividend, we are focussing on saving financial expenses by reducing interest-bearing debt.

| Type of stock | Details of dividend at the FYE Mar. 2024 |
|-------------------------|---|
| Common stock | <u>3.0yen</u> → <u>5.0yen</u> per share Total common stock dividends - approx. JPY0.5billion |
| Class-A Preferred stock | Total Class-A Preferred stock dividends - approx. JPY0.7billion |

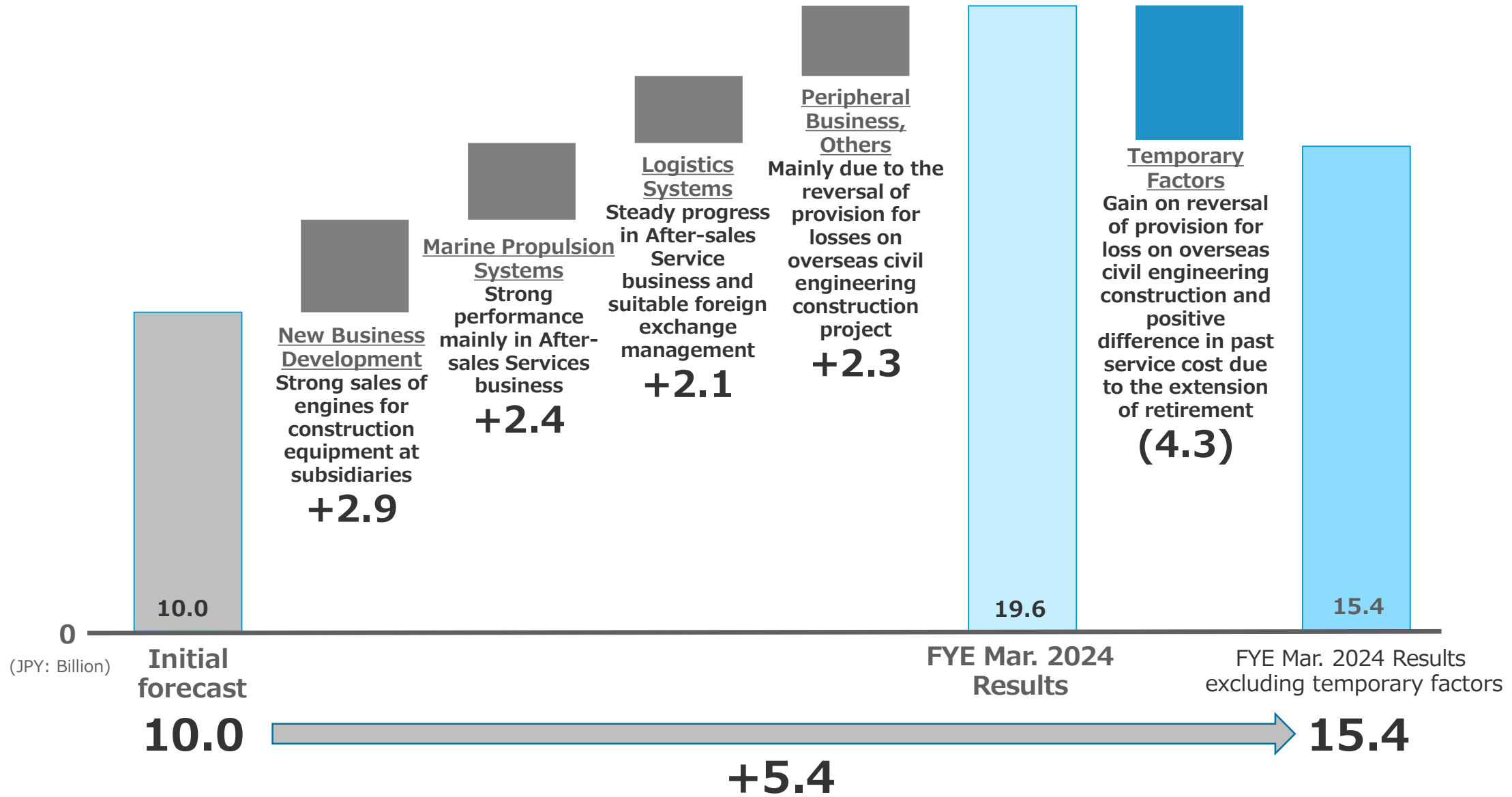


- FYE Mar. 2025: Planning of early redemption of Class-A Preferred shares and further increase of dividend for common stock at fiscal year-end.

Meeting the expectations of shareholders and investors by increasing our corporate value through execution of our growth strategies.

Operating Income comparison between initial forecast and results for FYE Mar. 2024.

※ Due to favorable performance in all segments, income increased compared to initial forecast.



Summary of Balance Sheet

※ Equity capital ratio has recovered to 30%, mainly due to accumulation of retained earnings.

(JPY : Billion)

| | FYE Mar. 2023 | FYE Mar. 2024 | Var. | |
|---|------------------|------------------|--------------|---|
| Total assets | 440.0 | 467.1 | +27.2 | |
| (Cash and time deposits) | 45.8 | 35.6 | (10.2) | |
| (Notes and accounts receivables - trade, and contract assets) | 81.9 | 96.3 | +14.4 | |
| (Inventory) | 59.0 | 67.7 | +8.7 | Increased mainly due to high operation in manufacturing of Marine Engines and consolidation of Mitsui E&S DU. |
| (Fixed Assets) | 131.3 | 131.6 | +0.3 | |
| (Investment securities) | 68.8 | 76.1 | +7.3 | |
| Total liabilities | 329.3 | 320.6 | (8.6) | |
| (Trade payables) | 54.9 | 64.7 | +9.8 | Increase mainly due to growing backlog orders for Marine Engines and consolidation of Mitsui E&S DU. |
| (Contract liabilities) | 25.3 | 30.8 | +5.5 | |
| (Provision for losses on construction contracts) | 14.0 | 4.3 | (9.7) | Decreased mainly due to near completion of overseas civil engineering construction project. |
| (Debt with interest) | 141.5 | 162.0 | +20.5 | |
| (Others) | 54.0 | 16.1 | (37.9) | Decreased in accrued expenses mainly due to progress in a settlement of costs of overseas civil engineering construction project. |
| Total net assets | 110.7 | 146.5 | +35.8 | |
| (Equity) | 106.4 | 142.0 | +35.6 | Increased due to accumulation of retained earnings and exercise of stock acquisition rights. |
| (Equity capital ratio) | 24.2% | 30.4% | | |
| Working capital (*) | 52.6 | 67.3 | +14.7 | Increased in trade receivables mainly due to growing New Orders and Sales. |
| Net D/E ratio | 0.9 | 0.9 | | |

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

Summary of Cash Flow

※ Cash out related to overseas civil engineering construction project is almost completed in FYE Mar. 2024.

(JPY : Billion)

| | FYE Mar. 2023 | FYE Mar. 2024 | 増減 | |
|--------------|------------------|------------------|--------|--|
| Operating CF | (15.0) | (34.4) | (19.4) | Mainly due to a settlement of costs for overseas civil engineering construction project. |
| Investing CF | (3.0) | (0.4) | +2.6 | |
| Free CF | (18.0) | (34.8) | (16.7) | Assumed positive free CF in FYE Mar. 2024, without an impact of overseas civil engineering construction project. |
| Financial CF | 9.5 | 24.1 | +14.6 | Restraining of new borrowings with improvements of cash-operation efficiency. |

Results Summary by Segment

※ Progress of profitability to be stabilized with sustainable growth by an increase of New Orders, Net Sales and Operating Income in three main business segments.

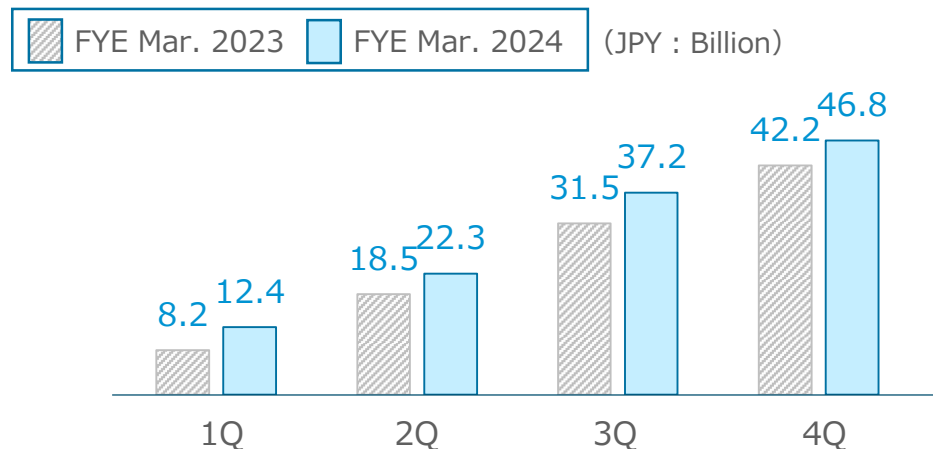
(JPY: Billion)

| | New Orders | | | Net Sales | | | Operating Income | | |
|---------------------------|---------------|---------------|--------|---------------|---------------|--------|------------------|---------------|-------|
| | FYE Mar. 2023 | FYE Mar. 2024 | Var. | FYE Mar. 2023 | FYE Mar. 2024 | Var. | FYE Mar. 2023 | FYE Mar. 2024 | Var. |
| New Business Development | 42.2 | 46.8 | +4.6 | 34.9 | 40.8 | +5.9 | 4.3 | 5.9 | +1.6 |
| Marine Propulsion Systems | 139.6 | 147.7 | +8.1 | 97.7 | 134.0 | +36.3 | 2.6 | 6.4 | +3.8 |
| Logistics Systems | 49.4 | 70.6 | +21.1 | 41.7 | 47.6 | +6.0 | 1.4 | 3.1 | +1.7 |
| Peripheral Business | 74.3 | 71.6 | (2.7) | 57.4 | 74.1 | +16.8 | 0.7 | 2.4 | +1.6 |
| Others (*) | 16.8 | 0.3 | (16.5) | 30.7 | 5.3 | (25.5) | 0.4 | 1.9 | +1.5 |
| Total | 322.4 | 337.0 | +14.6 | 262.3 | 301.9 | +39.6 | 9.4 | 19.6 | +10.3 |

(*) Shipbuilding business has been removed from consolidation since 3Q of FYE Mar. 2023.

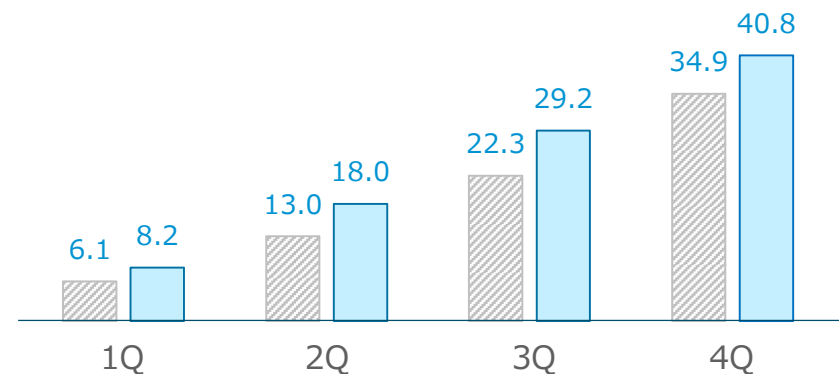
■ **New Orders** : YoY +4.6 Billion yen

Increased YOY due to stable business of top pressure recovery turbines, axial flow compressors for steelworks and After-sales Service business for gas turbines.



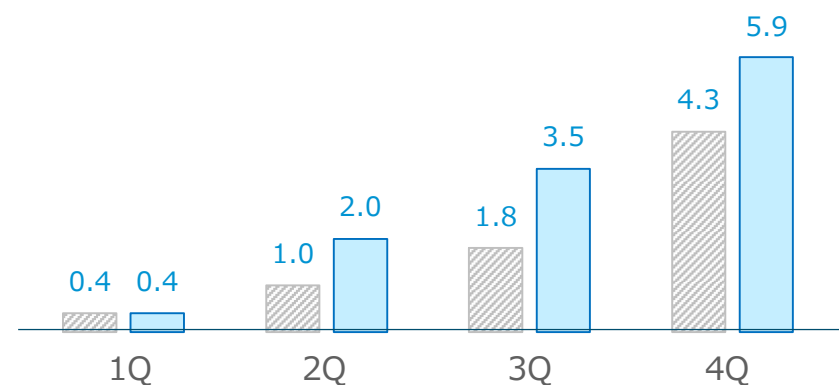
■ **Net Sales** : YoY +5.9 Billion yen

Increase from the previous year mainly due to strong After-sales Service business (supply of parts mainly for steelworks and petrochemical plants).



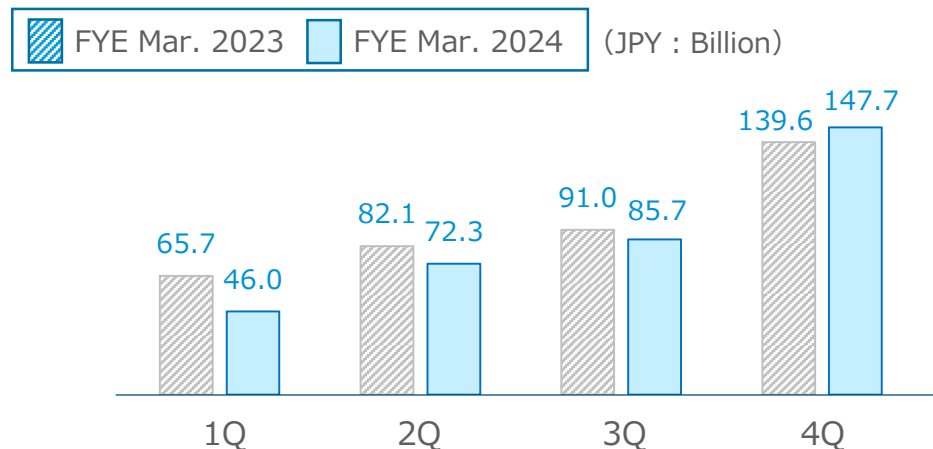
■ **Operating Income** : YoY +1.6 Billion yen

Increased YOY due to improved profitability of industrial machinery products and stable performance of subsidiaries.



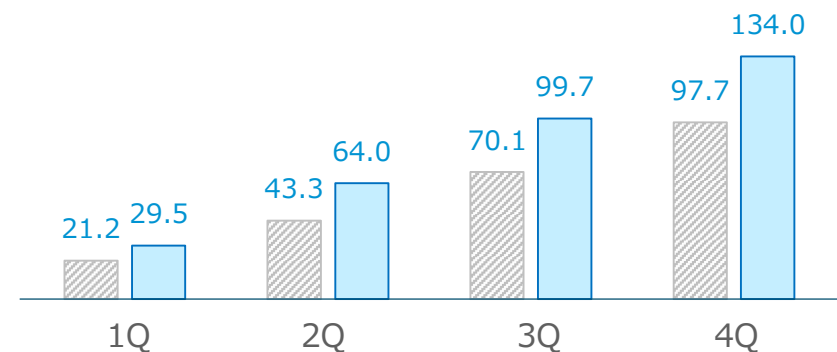
■ **New Orders** : YoY +8.1 Billion yen

Increased YoY due to strong demands for traditional heavy oil Engines and environmental dual-fuel Engines.



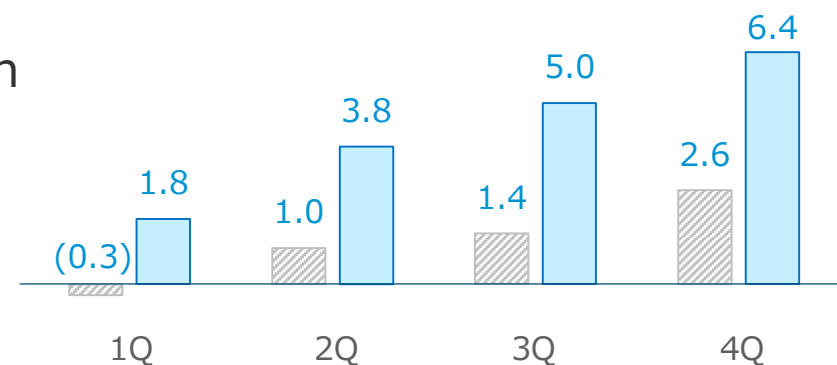
■ **Net Sales** : YoY +36.3 Billion yen

Increase from the previous year due to high operation of manufacturing new engines and stable After-sales Service business.



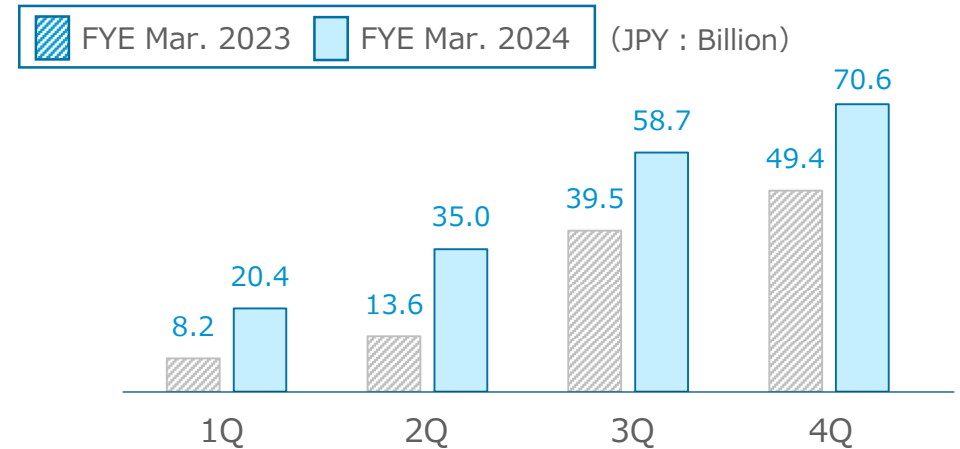
■ **Operating Income (Loss)** : YoY +3.8 Billion yen

Increased YOY due to manufacturing business and After-sales Service business progressed stably from the start of fiscal year.



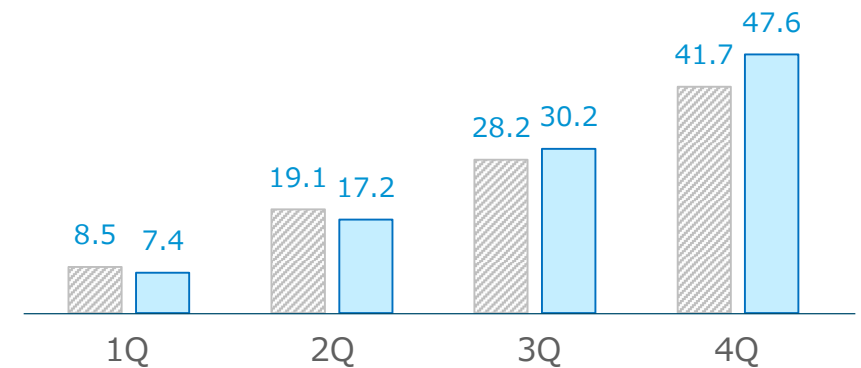
■ **New Orders** : YoY +21.1 Billion yen

Resulting at highest record due to strong demand in Southeast Asia, such as New Orders for Electric Rubber Tired Transtainer (48 units for Malaysia and 24 units for Vietnam).



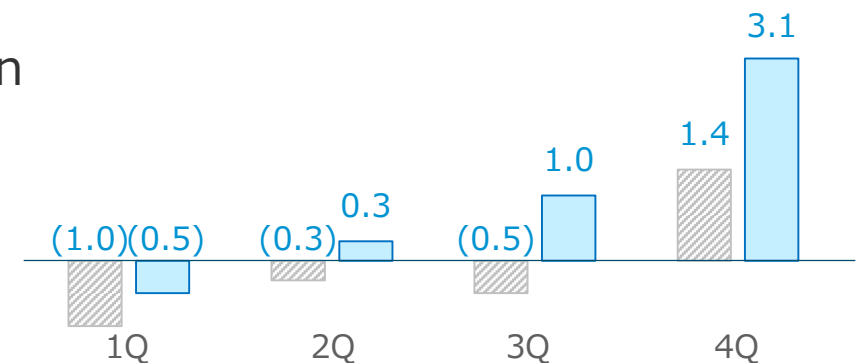
■ **Net Sales** : YoY +6.0 Billion yen

Increase of marine cargo shipping has lead to the sales growth at highest record.



■ **Operating Income (Loss)** : YoY +1.7 Billion yen

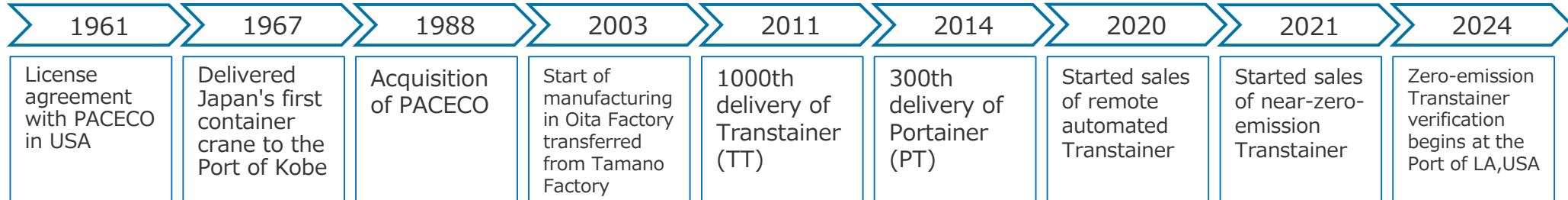
Increased YoY due to higher profit margins from variable cost reduction measures such as in-house production and suitable foreign exchange management.



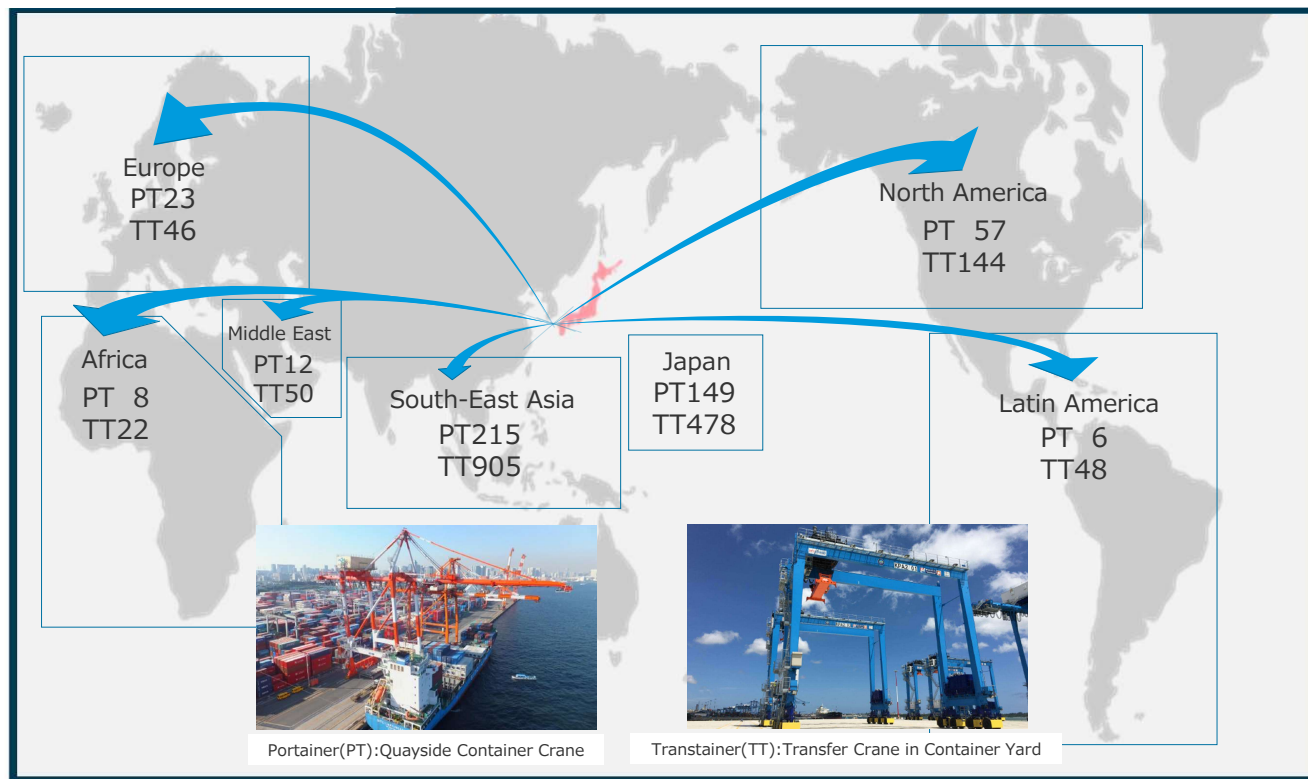
History of Container Cranes Business

※ Long-term relationship with customers due to superior technology, quality and full After-sales Service.

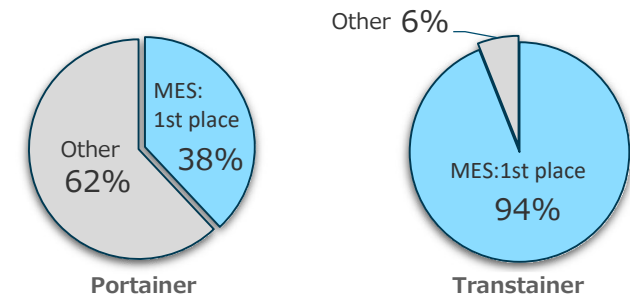
History



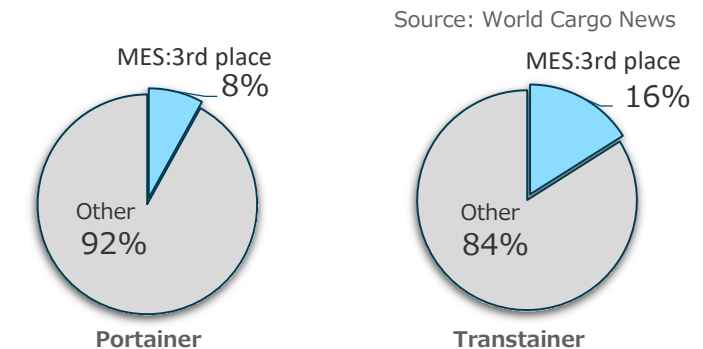
Cumulative delivery record : PT470, TT1,693 (As of April 1, 2024)



Japan share : From April, 2023 to March, 2024 (order base)



world share : Jan. to Dec. 2023 (delivered base)



Summary of FYE Mar. 2025 Forecast

※ Continued strong performance in FYE Mar. 2025 following FYE Mar. 2024.

(JPY : Billion)

| | FYE Mar. 2024 Actual | FYE Mar. 2025 Forecast | Var. |
|------------------------------|-------------------------|---------------------------|-------|
| New Orders | 337.0 | 330.0 | (7.0) |
| Net Sales | 301.9 | 300.0 | (1.9) |
| Operating Income | 19.6 | | (2.6) |
| without temporary factors | 15.4 | 17.0 | +1.6 |

Temporary Factors :

- Gain on reversal of provision for loss on overseas civil engineering construction
- Positive difference in past service cost due to the extension of retirement

※ Exchange rate assumption: USD/JPY:145

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

Summary of FYE Mar. 2025 Forecast by Segment

※ In Logistics Systems segment, New Orders in FYE Mar. 2024 will lead to Net Sales in FYE Mar. 2025.

(JPY : Billion)

| | New Orders | | | Net Sales | | | Operating Income | | | |
|---------------------------|----------------------|------------------------|-------|----------------------|------------------------|-------|----------------------|---------------------------|------------------------|--------------------------------|
| | FYE Mar. 2024 Actual | FYE Mar. 2025 Forecast | Var. | FYE Mar. 2024 Actual | FYE Mar. 2025 Forecast | Var. | FYE Mar. 2024 Actual | without temporary factors | FYE Mar. 2025 Forecast | Var. without temporary factors |
| New Business Development | 46.8 | 40.0 | (6.8) | 40.8 | 40.0 | (0.8) | 5.9 | 5.6 | 5.0 | (0.6) |
| Marine Propulsion Systems | 147.7 | 140.0 | (7.7) | 134.0 | 130.0 | (4.0) | 6.4 | 5.4 | 6.0 | +0.6 |
| Logistics Systems | 70.6 | 70.0 | (0.6) | 47.6 | 60.0 | +12.4 | 3.1 | 2.5 | 3.0 | +0.5 |
| Peripheral Business | 71.6 | 80.0 | +8.4 | 74.1 | 70.0 | (4.1) | 2.4 | 2.4 | 3.0 | +0.6 |
| Others | 0.3 | 0 | (0.3) | 5.3 | 0 | (5.3) | 1.9 | (0.5) | 0 | +0.5 |
| Total | 337.0 | 330.0 | (7.0) | 301.9 | 300.0 | (1.9) | 19.6 | 15.4 | 17.0 | +1.6 |

Regarding Partial Sale of MODEC Shares

- We have decided to sell a portion of MODEC's shares through a secondary offering. (*1) (*2)
- The proceeds to be gained through the secondary offering will be used in stages for following three perspectives.
 - Business strategy: Investment for the expansion and operation of the port-logistics business in the global market including the US, and for the technical development and manufacturing of key components related to the marine propulsion business
 - Financial strategy: Reduction of interest-bearing debt, and early redemption of Class-A preferred shares
 - Returns to stakeholders: Return profits to common shareholders, and further invest in our human capital
- MODEC's free float ratio is also expected to improve as a result of this secondary offering; we believe this will contribute to maintaining the listing requirements for the TSE Prime Market.
- Even after the secondary offering is completed, MES, Mitsui & Co., Ltd., and Mitsui O.S.K. Lines, Ltd. will together continue to own more than one third of MODEC's total shares outstanding, and the three companies each intend to continue to hold these shares over the medium to long term.
- Consolidated earnings forecast for FY 2025 will be disclosed as soon as it becomes available.

To enhance our corporate value by concentrating the management resources on the core businesses and strengthening the corporate governance.

(*1) Number of shares held by MES before change (% of total number of shares issued) : 27,697,000 shares (40.52%)

(*2) Secondary Offering and Secondary Offering by way of Over-Allotment (OA).

Number of shares for Secondary Offering : 21,908,400 shares (32.05%). Number of shares for Secondary Offering by OA : 3,286,200 shares (4.80%)

Appendix) CAPEX・R&D・Employees

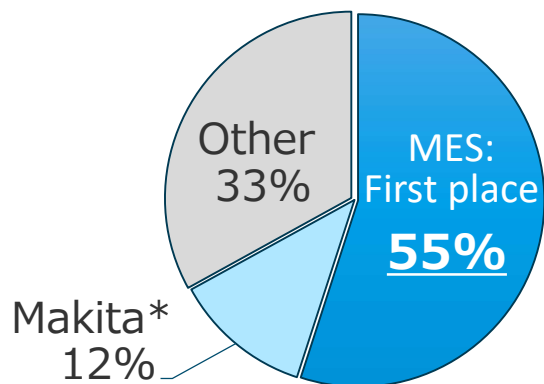
※ Number of Employees increased mainly due to Mitsui E&S DU newly consolidated as a subsidiary.

| | FYE Mar. 2023 Actual | FYE Mar. 2024 Actual | FYE Mar. 2025 Forecast |
|-----------------------|-------------------------|-------------------------|---------------------------|
| CAPEX (JPY : Billion) | 7.4 | 7.2 | 11.9 |
| R&D (JPY : Billion) | 1.8 | 2.0 | 2.5 |
| Number of Employees | 5,747 | 5,952 | — |

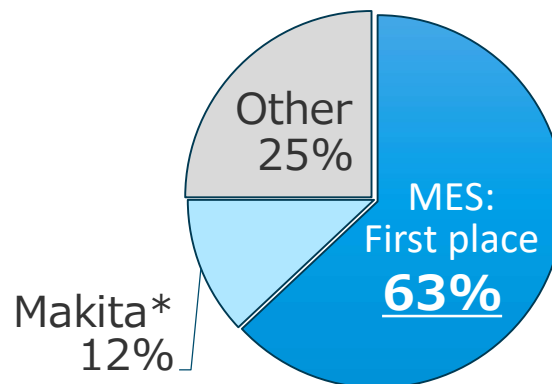
Appendix) Status of Marine Engines

※ MITSUI E&S Group + Makita = 75%: Maintains top share in Japan

Jan. to Dec. 2022
Marine Engines share in Japan



Jan. to Dec. 2023
Marine Engines share in Japan



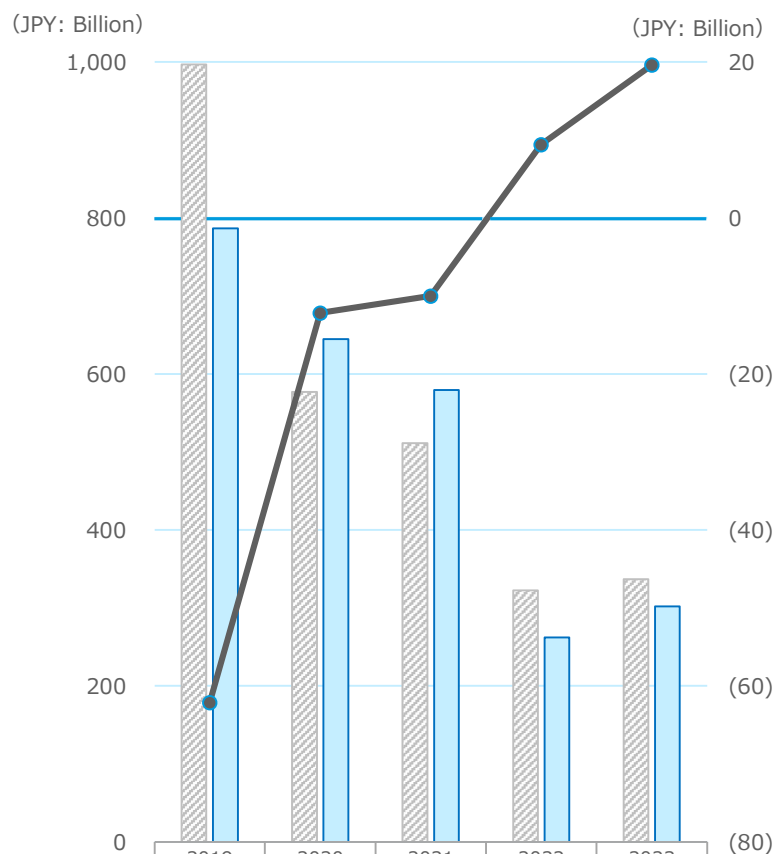
*Makita is sub-licensee of MES
Source: KP data (2 stroke engine)

| | FYE Mar. 2022 Actual | | FYE Mar. 2023 Actual (*1) | | FYE Mar. 2024 Forecast (*1) | |
|------------|----------------------|---------------------|---------------------------|---------------------|-----------------------------|---------------------|
| | Unit | Horse Power (10Kps) | Unit | Horse Power (10Kps) | Unit | Horse Power (10Kps) |
| Orders | 198 | 392 | 165 | 359 | — | — |
| Deliveries | 129 | 280 | 154 | 310 | — | — |
| Back logs | 90 | 154 | 120 | 231 | — | — |
| Production | 136 | 283 | 155 | 316 | 146 | 304 |

(*1) Includes Mitsui E&S DU

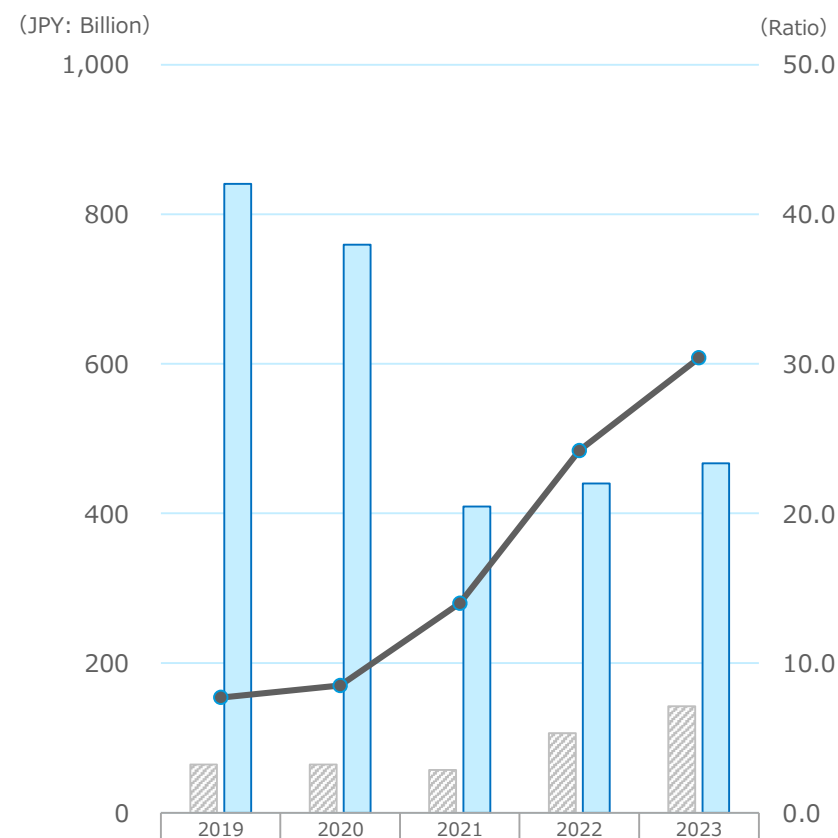
※ Achieved positive Operating Income for 2 consecutive fiscal years.

<New Orders·Net Sales·Operating Income >



(Left axis) New Orders(Byen)
 (Left axis) Net Sales(Byen)
 (Right axis) Operating Income(Byen)

<Equity·Total Assets·Shareholders' Equity to Total assets ratio >

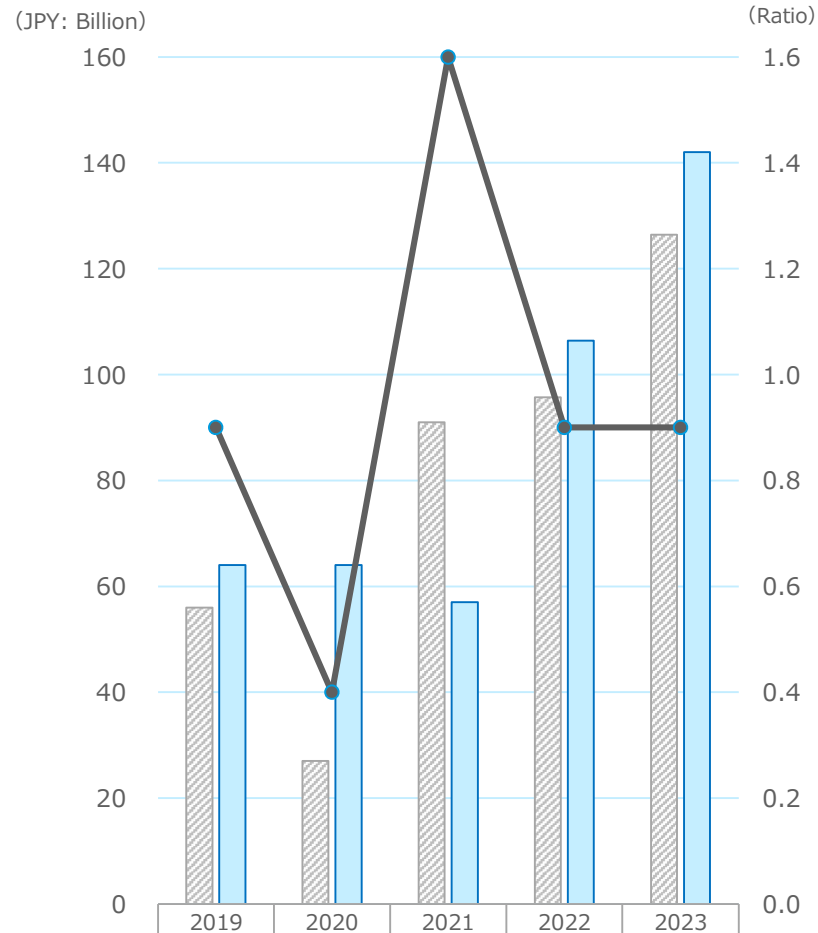


(Left axis) Equity(Byen)
 (Left axis) Total assets(Byen)
 (Right axis) Ratio

Appendix) Historical data

※ In FYE Mar. 2024, Operating CF was negative, in addition to increase in debt due to temporary expenditures for overseas civil engineering construction project.

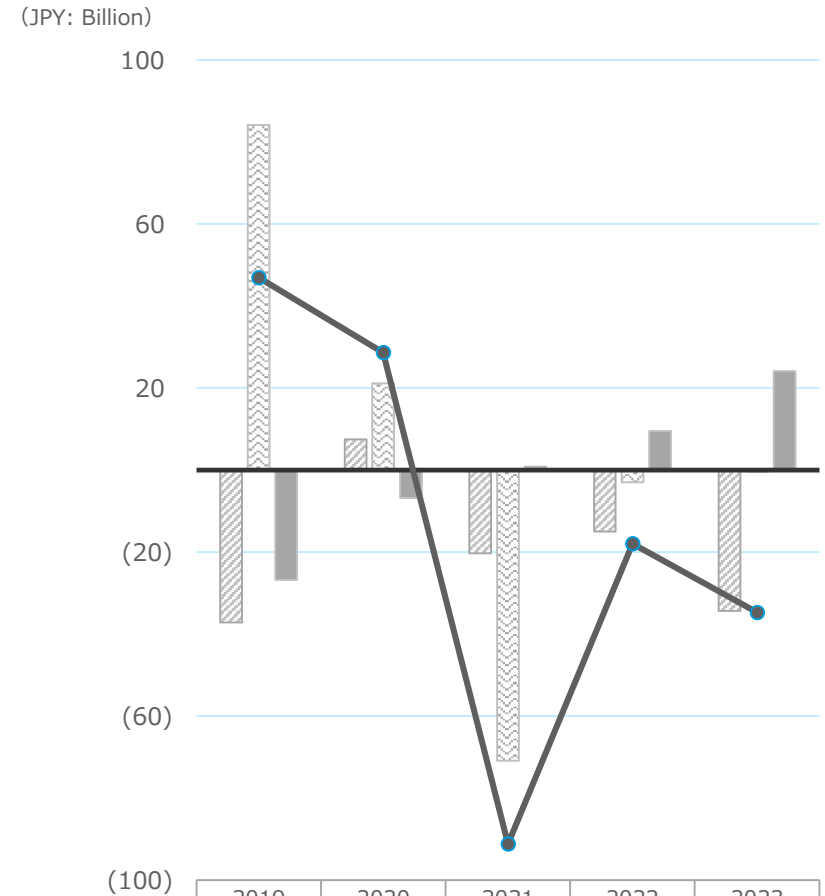
<Net Debt・Equity・Net D/E ratio>



(Left axis)
(Left axis)
(Right axis)

| | | | | | |
|----------------|-----|-----|-----|-----|-----|
| Net Debt(Byen) | 56 | 27 | 91 | 96 | 126 |
| Equity(Byen) | 64 | 64 | 57 | 106 | 142 |
| Net D/E Ratio | 0.9 | 0.4 | 1.6 | 0.9 | 0.9 |

<Cash Flow>



| | | | | | |
|--------------------|------|-----|------|------|------|
| Operating CF(Byen) | (37) | 8 | (20) | (15) | (34) |
| Investing CF(Byen) | 84 | 21 | (71) | (3) | (0) |
| Financial CF(Byen) | (27) | (7) | 1 | 10 | 24 |
| Free CF(Byen) | 47 | 29 | (91) | (18) | (35) |



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.