Half-Year Financial Results Briefing FY2024

(First 6 Months of the Fiscal Year Ending Mar. 31, 2025)

Nov. 26, 2024

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MITSUBISHI KAKOKI KAISHA

Tokyo Stock Exchange : 6331

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Summary

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Fiscal (FY2024-Q2)

Interim Results	Net sales	**26,623** Millions of yen （YoY ＋20％）	（＋）Completed the construction of a medium-size hydrogen generator "M-HyGeia" to Toho Gas in the first half of the year （＋）Sales of marine oil purifiers and environmentally compliant equipment for ships have been performing well
	Operating income	**2,265** Millions of yen （YoY ＋4％）	（＋）Gross profit is increased due to the increase in net sales （－）The cost ratio increased as profits generated by high profitable projects in the previous period fell off in the FY2024
Annual Forecasts	Net sales	**58,000** Millions of yen （YoY ＋21％）	（＋）Steadily fulfilled the backlog of orders acquired up to the previous fiscal year （＋）Sales of marine oil purifiers and environmentally compliant equipment for ships will increase steadily
	Operating income	**4,800** Millions of yen （YoY ＋9％）	（＋）Gross profit is increased due to the increase in net sales （－）Fixed costs such as personnel and R&D expenses are expected to increase, restraining a growth of operating income by 9% from the same period of the previous year
	Annual dividends	**110** Yen / share （YoY ±0 Yen）	● Interim dividend of ¥50, and expecting a year-end dividend of ¥60 ● Continuing stable dividends

Non-fiscal (FY2024)

Topics	M&A	**Consolidation of Tohsoh Corporation as a subsidiary aiming for creating synergy effects** • Utilizing glass fiber reinforced plastic (FRP) properties in the development of our equipment • Collaborating FRP business to increase sales revenue for both companies and reducing costs in terms of cost and sales • Sharing knowledge about maintenance and management of public works projects between the two companies, and enhance their capabilities • Utilizing the group's manufacturing expertise in Tohsoh to improve production management and quality control
	CAPEX	**Reorganizing our head office and Kawasaki Works** • Position the new facilities as strategic business investments to promote the reform of our business portfolio and new manufacturing strategies • Aiming to establish an R&D hub as a core for open innovation, including experimental facilities for industry-academia collaboration

MITSUBISHI KAKOKI KAISHA

Ⅰ. Business Overview

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By Segment

Engineering Business



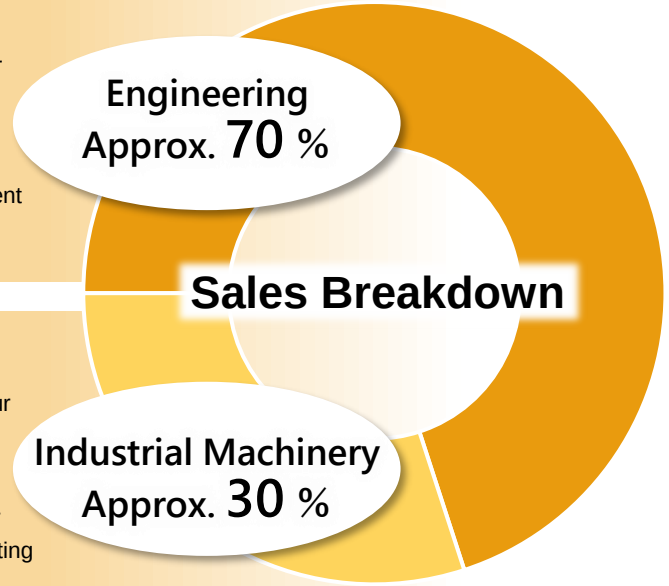
Small On-Site Hydrogen Generator, HyGeia series

- Developing businesses in a wide range of industries, such as lifeline infrastructure including city gas, hydrogen and sewage systems, chemical plants (e.g. semiconductor materials and petrochemicals) and pharmaceutical manufacturing
- Established the top market share in the field of hydrogen production equipment
- Actively deploying low-carbon hydrogen utilization from early stage such as management of hydrogen station which utilizing hydrogen generated from renewable sewage biogas

Industrial Machinery Business

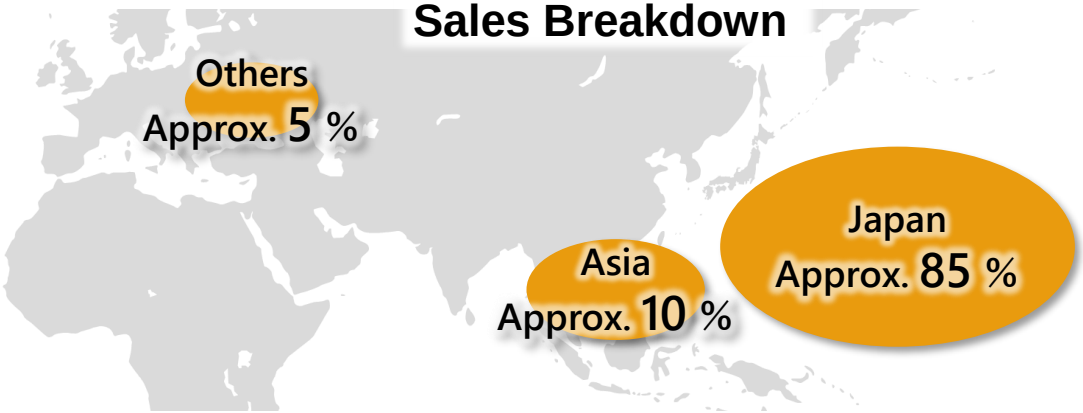

Oil purifier, Mitsubishi Selfjector (SJ) series

- We have developed and manufactured many centrifugal separators and filters using our core technology of "separation and filtration", including oil purifies with the top market share.
- In recent years, we have focused on nanotechnology and precision filtration, aiming for further innovation by utilizing the technology we have cultivated as an "Industry supporting the entire industrial sector."



By Region

- Since the 1970s, we have accumulated a track record in plant construction, mainly in Southeast Asia, along with the overseas expansion of our client companies.
- Along with the amounts of orders of large overseas projects, our overseas sales ratio develops from 10% to 30%.



Macro Environment and Changes Surrounding Our Company

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■ Growing demand in low-carbon products that contribute to GHG emission reductions, and the energy transition to clean energy sources including hydrogen, are directly linked to our business opportunities.

Need for Balancing of

Decarbonization & **Reinforcement of Energy Security**

- The utilization of clean energy including hydrogen, has been accelerating.
- The attention on renewable energy sources such as biogas, algae biomass and biofuels is raising.
- The demand for low-carbon products contributing to GHG emissions reduction is growing.
- Against the backdrop of government support and the depreciation of yen, the return to plant construction in Japan is accelerating.

Directly linked to our business opportunities

Hydrogen Supply Chain	**Plastic Waste Recycling**	**Precision Filtration**
Biogas	**Biofuels**	**Algae**
Pharmaceutical Manufacturing	**Chemical Plant**	**Electronic Materials (Semiconductor) related plant**

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Engineering Business : Plant Engineering

Business Environment	Future Strategies
● Chemical plant construction in Japan is expected in high demand due to reshoring is continued in the background of supply chain disruptions during the pandemic of covid-19, and yen's depreciation makes to procure the law materials in Japan. ● Investment on semiconductor field project is continued but certain area and/or scale of the project is reviewed and/or postponed.	– Pursuing new elements and new business fields with strengthening of high added-value services and taking care upgrading of existing facilities to meet client's requirements. – Aiming to know clients' intention and focusing on the projects which our service meet to their requirements
● Material prices are remaining at high level and overtime restriction the so-called 2024 issue comes into effect.	– Sharing latest market prices and schedule with client and propose our plan to achieve client's project.

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Engineering Business : Environment, Hydrogen and Energy

Business Environment	Future Strategies
● With increasing of carbon neutrality projects, utilizing Hydrogen which is clean energy and contribute to the reduction of CO_2 emissions is in high demand.	– Develop hydrogen generator for blue hydrogen and green hydrogen and CO_2 capture equipment. – Develop CO_2 utilization technologies as methanation.
● In transition to a decarbonized society, private companies are interested in utilizing biogas.	– Enhancing to treat various selection of hydrogen generator from small to large to expand the production of hydrogen and fuel gas by utilizing biogas under local production for local consumption method.
● The demand of sewage related projects is continued mainly in renovation works. Large-scale renovation projects are tended to increase based on the proposals such as Public-Private Partnerships(PPP).	– Enforce to accumulate the experience of PPP and PFI (Private Finance Initiatives) through the group as a whole.

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Industrial Machinery business

Business Environment	Future Strategies
● Production volume and upgrading of existing facilities are increasing in Japan.	– Address business activities focusing on strong demand business field as chemicals, fine chemicals, pharmaceuticals, energy/power generator and environmental facilities.
● Realizing Investment in equipment for decarbonization and improvement of productive efficiency.	– Focus on expanding sales on energy-efficient pharmaceutical production manufacturing facility (iFactory®) and continuous-rotation filtering machines (CURUPO®) developed to improve productive efficiency in the pharmaceutical industry.
● EGR engine systems for the ship following NOx Tier III regulations is in high demand. ● The demand for dual-fuel EGR for low carbon fuel as LNG, methanol or others and heavy oil has been increasing.	– As the only manufacture in Japan that produces wastewater treatment equipment for EGR engine systems complying with NOx Tier III regulations, we will focus on order-receiving activities, including the development of new sales channels to ship engine manufacturers in Japan. – Focus on future demand of middle and large sized wastewater treatment equipment complying with dual-fuel EGR engine systems using low-carbon fuel and heavy oil.
● Acceleration of fuel decarbonization in the shipping and aviation industry.	– Focus on clean energy and address to develop marine machinery in compliance with new fuels as biodiesel, ammonia and others. – Focus on clean energy and we participate the large-scale production process demonstration of Japanese-made aviation fuel (SAF).

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Ⅱ. Financial Results

Consolidated Statements of Income and Comprehensive Income

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- Net sales increased by 20.2% from the same period of the previous year.
- Operating profit increased by 4.0% from the same period of the previous year.
  - Gross profit is increased due to the increase in net sales.
  - On the other hand, the high profitable projects were completed in the previous years and the cost ratio is increased in this year. (The above is the main reason for this mitigated increasing in operation profit)

(Unit: Millions of yen)

	24/03-Q2 (FY2023-Q2)		25/03-Q2 (FY2024-Q2)					
			Forecasts as of July 2024				YoY change	
	Amount	Ratio to sales	Forecasts	Ratio to sales	**Amount**	**Ratio to sales**	Inc/Dec amount	Inc/Dec ratio
Net sales	22,145	–	26,500	–	**26,623**	**–**	+4,477	+20.2%
Cost of sales	16,393	74.0%	–	–	**20,843**	**78.3%**	+4,449	+27.1%
Selling, general and administrative expenses	3,574	16.1%	–	–	**3,514**	**13.2%**	▲59	▲1.7%
Operating income	2,177	9.8%	1,950	7.4%	**2,265**	**8.5%**	+88	+4.0%
Ordinary income	2,396	10.8%	1,850	7.0%	**2,207**	**8.3%**	▲189	▲7.9%
Interim profit attributable to owners of parent	1,602	7.2%	1,250	4.7%	**1,463**	**5.5%**	▲138	▲8.6%
Interim basic earnings per share (Unit : Yen)	210.39	–	164.28	–	**192.43**	**–**	▲17.96	▲8.5%

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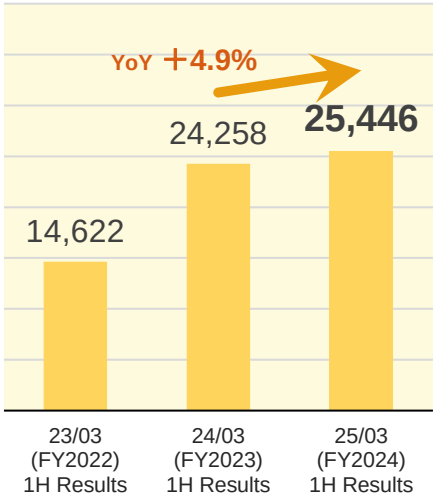
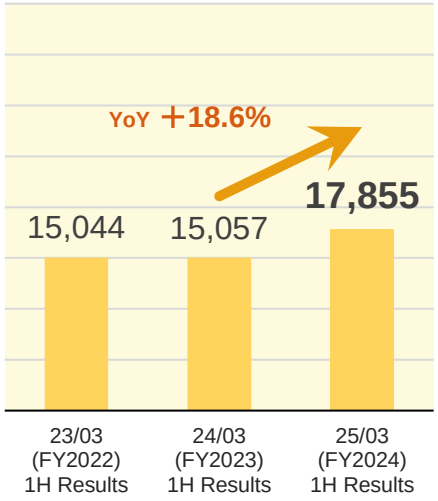
Financial Results : Engineering Business

(Unit : Millions of Yen)

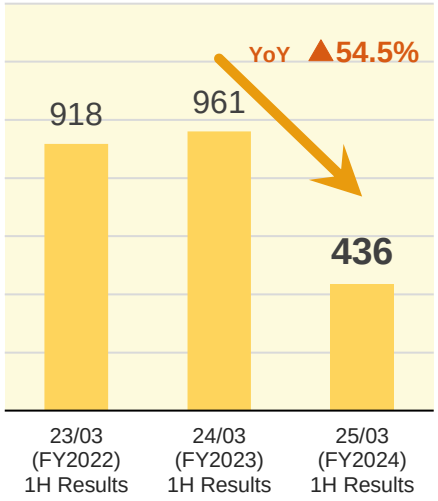
Orders received



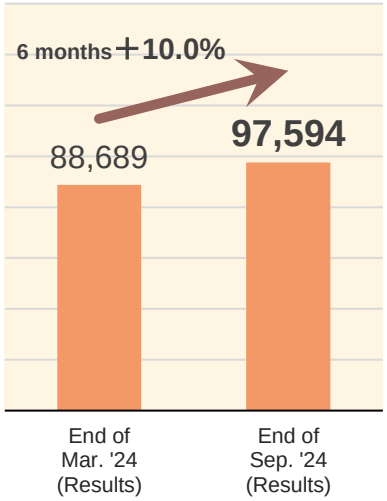
Net sales



Segment profit



Order backlog



Key points

- **Orders received** > Orders received is continuously in high level driven by Chemical plant construction in Japan.
- **Net sales** > Net sales is increased by the completion of projects which order received by previous periods (mainly chemical plant projects in Japan, hydrogen production equipment, and sewage treatment facility).
- **Segment profit**
  - > Gross profit is increased due to the increase in net sales.
  - > Profits generated by high profitable large-scale plant projects in prior periods fell off in the FY2024.
  - > Decrease in cost estimating design fee and research and development expenses compared to the same period of previous year. On the other hand, fixed costs such as labor cost, consulting fees for M&A, and rental fee for expanding the head office are increased.

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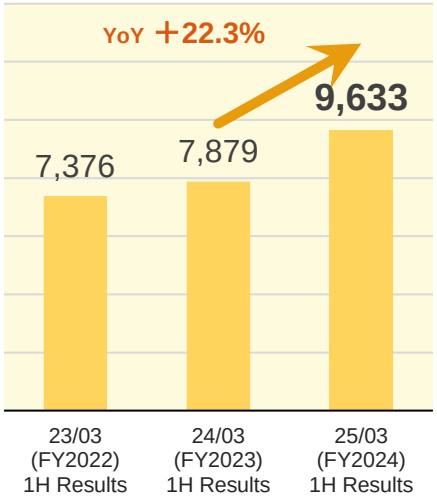
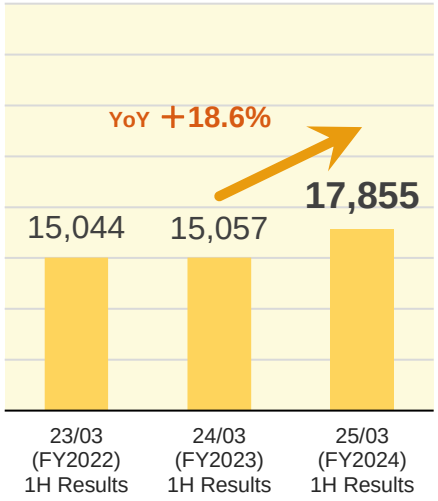
Financial Results : Industrial Machinery Business

(Unit : Millions of Yen)

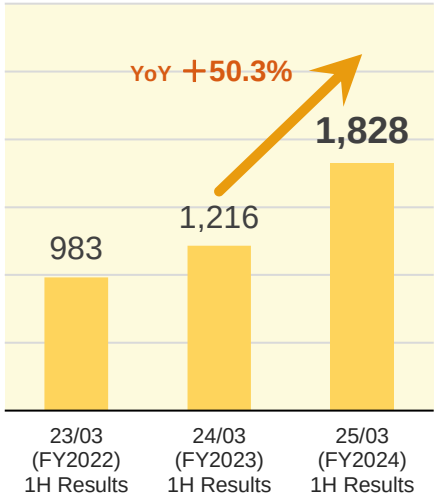
Orders received



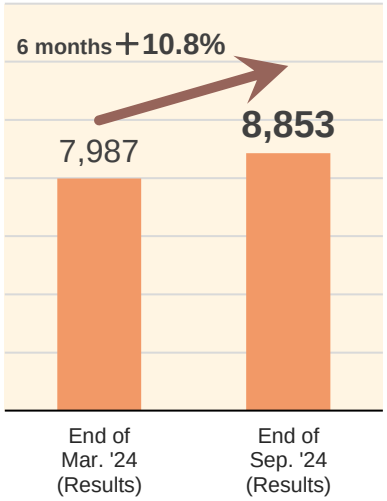
Net sales



Segment profit



Order backlog



Key points

- **Orders received** > Orders received of Oil purifiers and its components, and equipment complying with ship environmental regulations are in positive trend.
- **Net sales** > Sales of Oil purifiers and its' components, and equipment complying with ship environmental contributed to the increase in net sales.
- **Segment profit** > Gross profit is increased due to the increase in net sales.
  > Sales of after-sales services with low-cost ration is increased.
  > Decrease in selling, general and administrative expenses, including research and development expenses.

Selling, General and Administrative Expenses (Overview)

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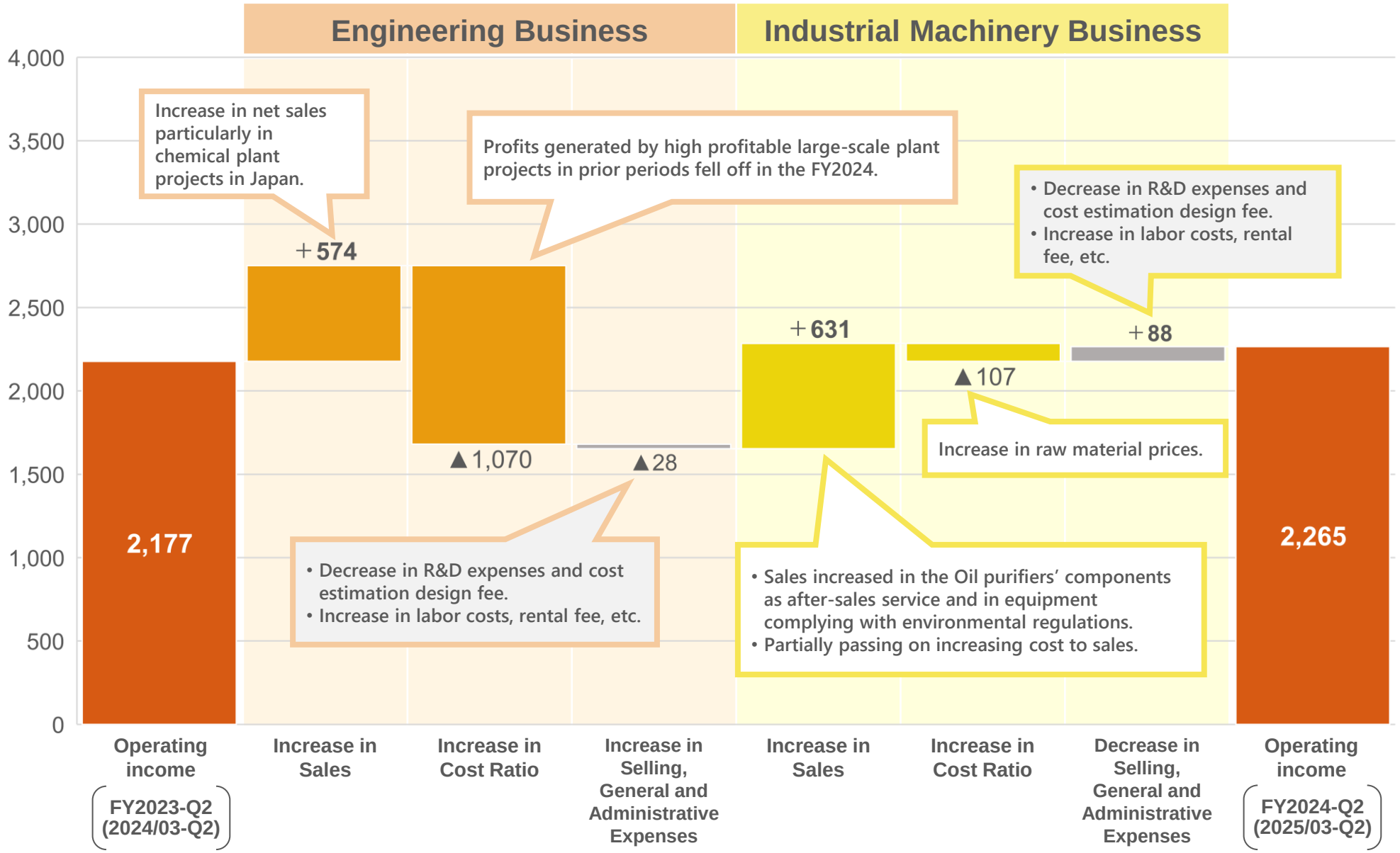
- Selling, general and administrative expenses decreased by 1.7% from the same period of the previous year.
  - Decrease in cost estimation design fee and research and development expenses compared to the same period of previous year.
  - On the other hand, increasing in fixed costs as labor cost, consulting fees for M&A, and rental fee for expanding the head office.

(Unit: Millions of yen)

	24/03-Q2 (FY2023-Q2)		25/03-Q2 (FY2024-Q2)			
					YoY Change	
	Results	Ratio to sales	**Results**	**Ratio to sales**	Inc/Dec amount	Inc/Dec ratio
Salaries & bonuses	1,206	5.5%	**1,264**	**4.7%**	+57	+4.8%
Estimation cost	639	2.9%	**421**	**1.6%**	▲217	▲34.0%
Depreciation	66	0.3%	**75**	**0.3%**	+8	+12.7%
R&D expenses	393	1.8%	**200**	**0.8%**	▲193	▲49.1%
Others	1,267	5.7%	**1,552**	**5.8%**	+285	+22.5%
Total	3,574	16.1%	**3,514**	**13.2%**	▲59	▲1.7%

Factors behind changes in operating profit

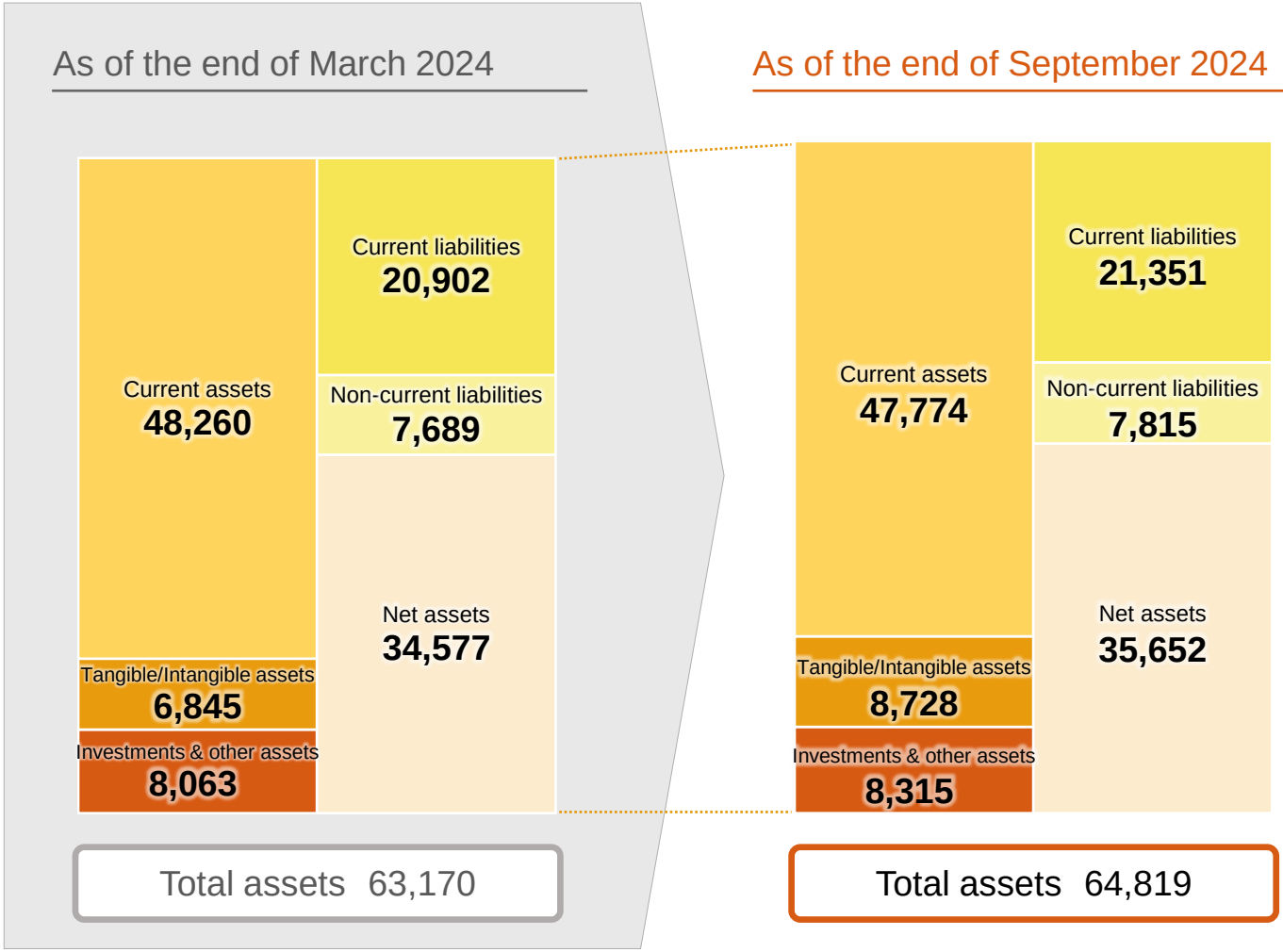
(Unit: Millions of yen)



Consolidated Balance Sheets

- Total assets increased due to an increase in electronic recorded receivables, work in progress and advance payment.
- Slightly increased in liabilities, but net assets increased with recognition of interim net profit. As a result, the equity ratio increase to 55% from the same period of the previous year (54.7% in previous period).

(Unit : Millions of yen)

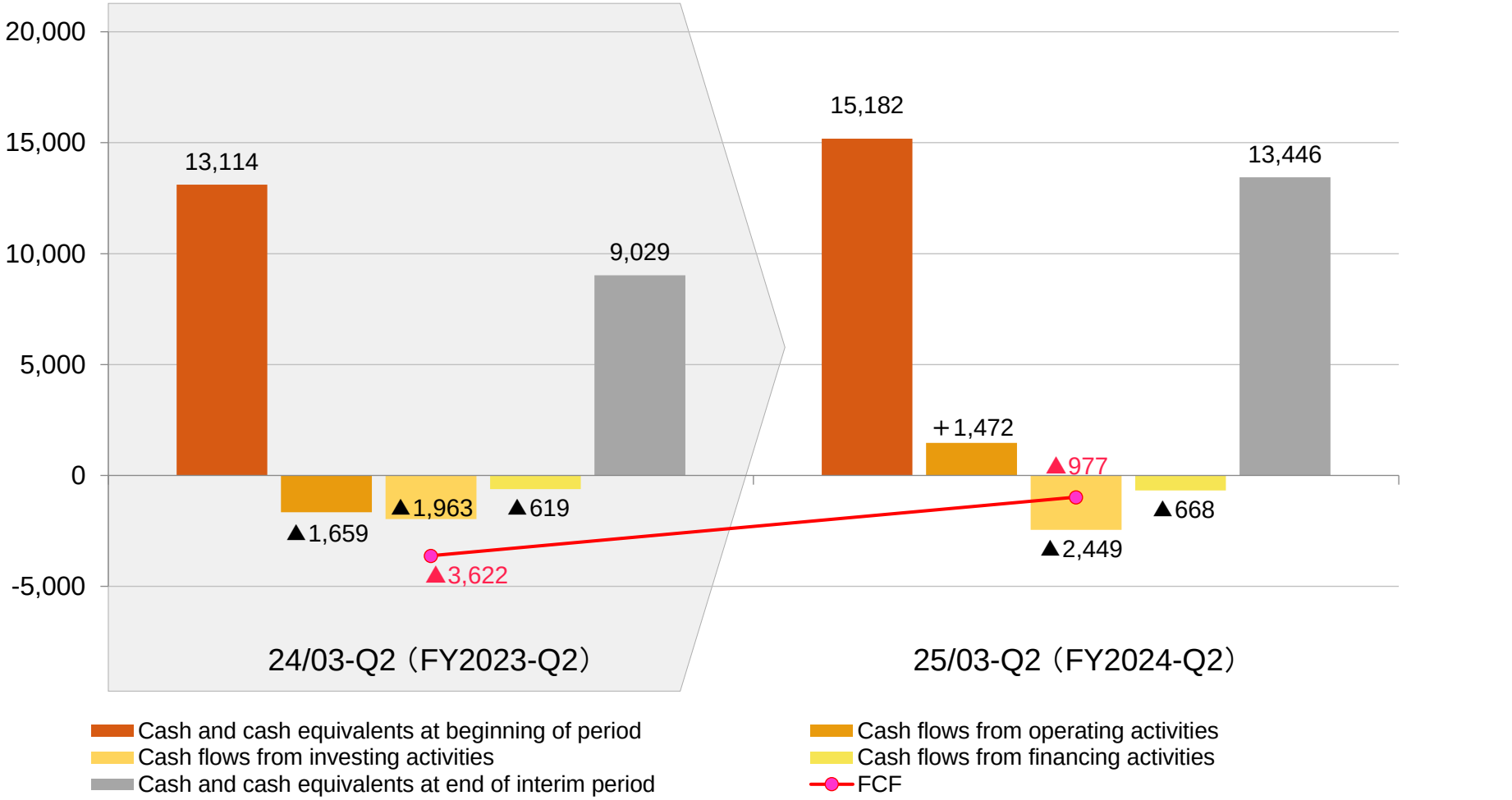


6 months	
Current assets	▲485
Cash and bank deposits	▲1,736
Notes receivable, Accounts receivable and Contract assets	▲1,830
Electronically recorded monetary claims	+1,564
Tangible/Intangible assets	+1,883
Investments & other assets	+251
Investment securities	+323
Current liabilities	+449
Accrued income taxes	▲1,215
Contract liabilities	+2,429
Accrued bonuses	▲234
Non-current liabilities	+125
Net assets	+1,074
Retained earnings	+849
Unrealized gain on available-for-sale securities	+213

Consolidated Statements of Cash Flows

- Operating cash flow was positive due to the recognition of interim net income before tax and an increase in contract liabilities.
- Investing cash flow was negative due to the acquisition of shares in Tohsoh Corporation and the acquisition of fixed assets.
- Free cash flow was negative, but it increased by 2,645 million yen from the same period last year.

(Unit: Millions of yen)



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Ⅲ. Earnings Forecasts

Consolidated Performance Forecast

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- Sales are expected to reach 58 billion yen, driven by a high level of order backlog.
- Net profit attributable to shareholders of the parent may be decreased by 40.7 percent from the previous fiscal year, due to special gains are anticipated not to accounted in fiscal year ending in March 2025.

(Unit: Millions of yen)

	24/03（FY2023）		25/03（FY2024） *forecasts as of Oct. 2024					
			Q2		Q4			
							YoY Change	
	Results	Ratio to sales	Results	Ratio to sales	**Forecasts**	**Ratio to sales**	Inc/Dec amount	Inc/Dec ratio
Net sales	47,774	—	26,623	—	**58,000**	—	＋10,225	＋21.4%
Cost of sales	36,414	76.2%	20,843	78.3%	—	—	—	—
Selling, general and administrative expenses	6,948	14.5%	3,514	13.2%	—	—	—	—
Operating income	4,410	9.2%	2,265	8.5%	**4,800**	**8.3%**	＋389	＋8.8%
Ordinary income	4,709	9.9%	2,207	8.3%	**4,550**	**7.8%**	▲159	▲3.4%
Profit attributable to owners of parent	5,397	11.3%	1,463	5.5%	**3,200**	**5.5%**	▲2,197	▲40.7%
Basic earnings per share (Unit : Yen)	708.69	—	192.43	—	**420.16**	—	▲288.53	▲40.7%

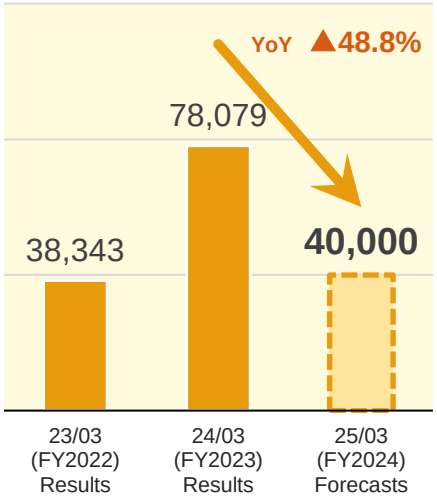
(Note: The performance forecast above was prepared based on available information as of the announcement date. The actual performance may differ due to various factors in the future.)

Segment Performance Forecast ① Engineering Business

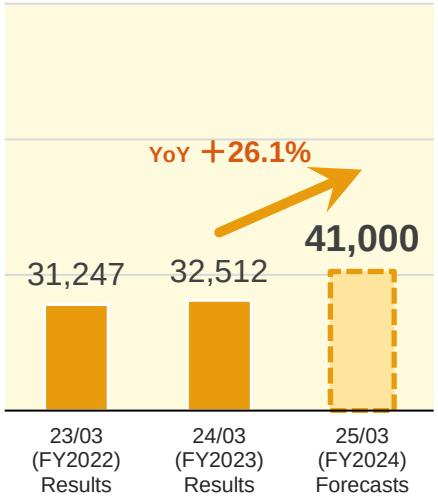
Performance Outlook (Forecast) : Engineering Business

(Unit：Millions of Yen)

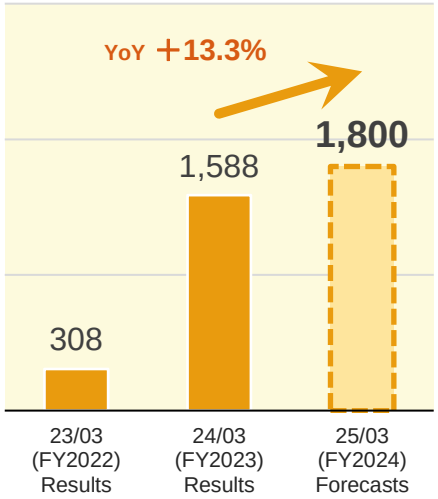
Orders received



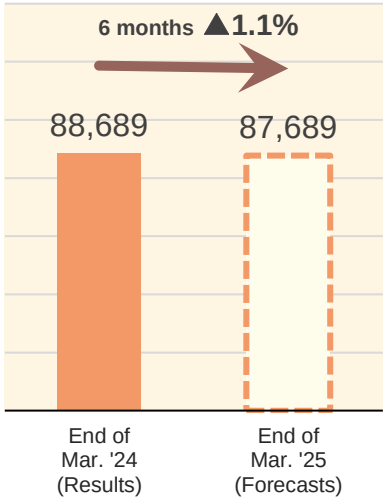
Net sales



Segment profit



Order backlog



Key points

- **Orders received** > Although orders received decreased due to large-scale projects received in the previous year, we expected it is continuously in high level driven by Chemical plant projects in Japan.
- **Net sales** > Net sales is expected to increase compared to the previous year due to the completion of projects which order received by previous periods (mainly chemical plant projects in Japan, hydrogen production equipment, and sewage treatment facility).
- **Segment profit** > Although gross profit is increased due to the increase in net sales, we expected that segment profit is smaller increased compared to the increase in gross profit. This is the background of prediction that the raise in the cost ratio and increasing in fixed cost such as labor cost and research and development expenses.

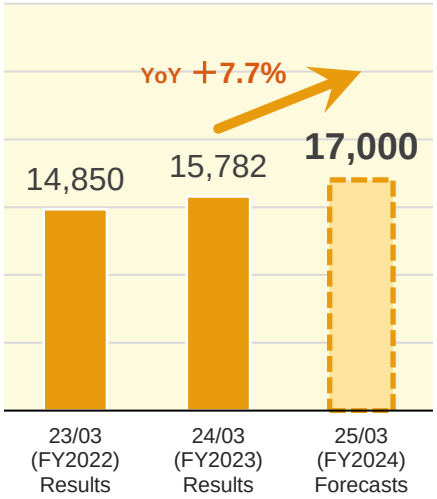
(Note: The performance forecast above was prepared based on available information as of the announcement date. The actual performance may differ due to various factors in the future.)

Segment Performance Forecast ② Industrial Machinery Business

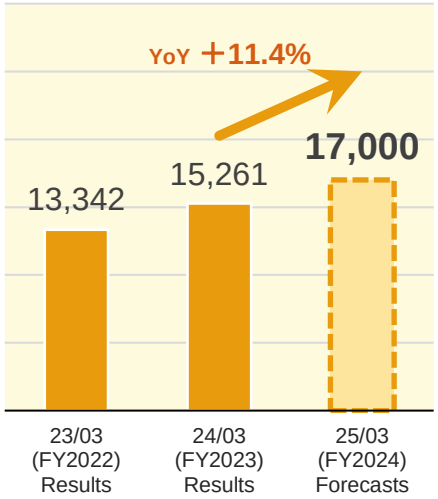
Performance Outlook (Forecast) : Industrial Machinery Business

(Unit：Millions of Yen)

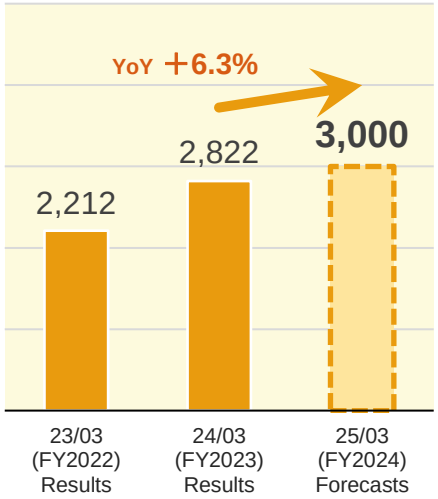
Orders received



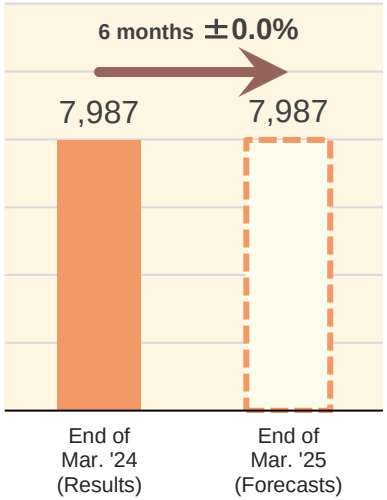
Net sales



Segment profit



Order backlog



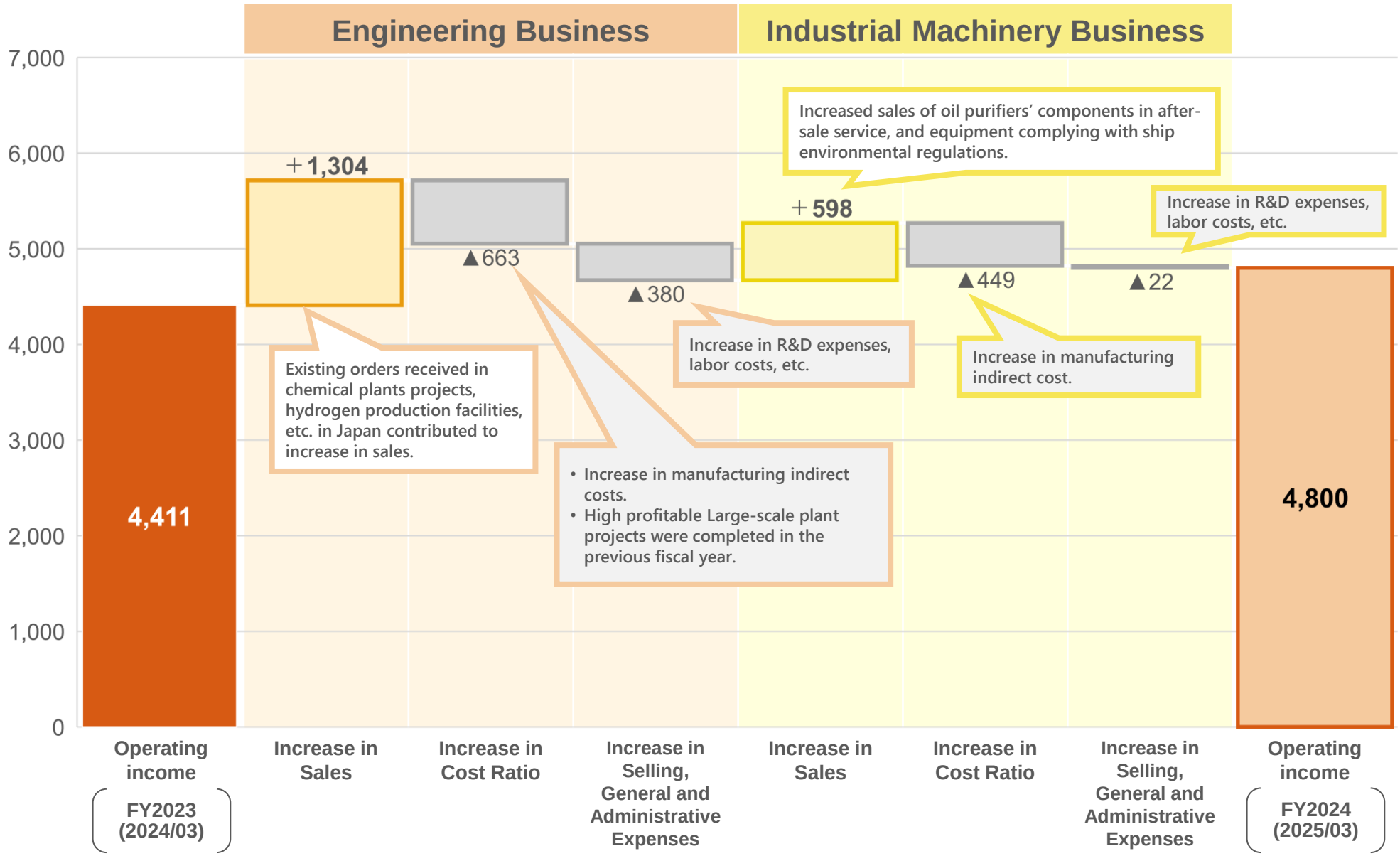
Key points

- **Orders received** > We expected orders received is increase compared to the previous year driven by the oil purifiers for Chinese market, its' components and equipment complying with ship environmental regulations.
- **Net sales** > We expected net sales is increase compared to the previous year due to the increasing in sales of the oil purifiers for Chinese market, its' components and equipment complying with ship environmental regulations.
- **Segment profit** > Although gross profit is increased due to the increase in net sales, we expected that segment profit is smaller increased compared to the increase in gross profit. This is the background of prediction increasing in fixed cost such as labor cost and research and development expenses.

(Note: The performance forecast above was prepared based on available information as of the announcement date. The actual performance may differ due to various factors in the future.)

Factors Impacting the Forecasted Operating Income

(Unit: Millions of yen)



(Note: The performance forecast above was prepared based on available information as of the announcement date. The actual performance may differ due to various factors in the future.)

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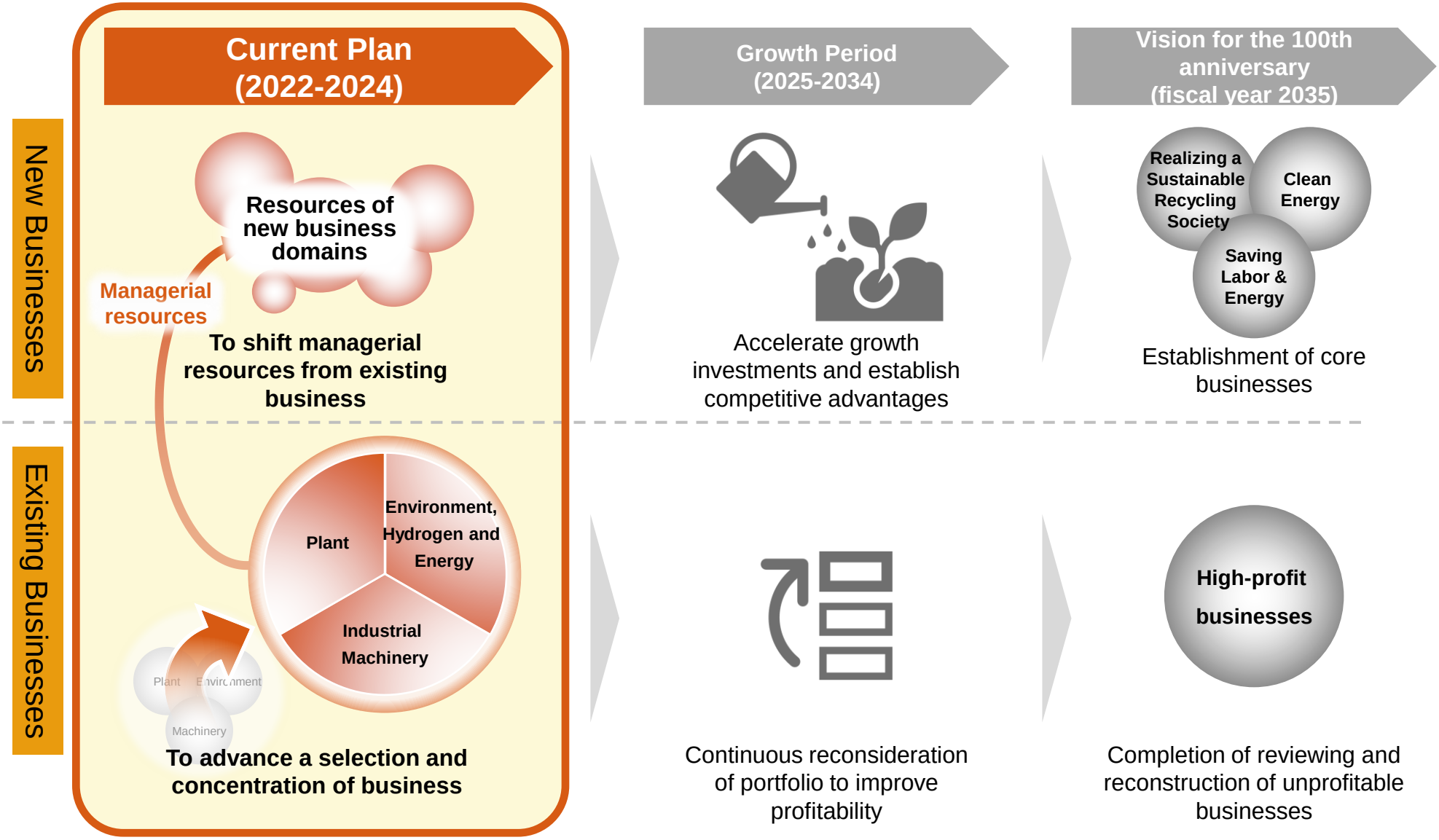
Ⅳ. Medium-Term Management Plan

- Progress of the plan -

Position of the ongoing Medium-term Management Plan

- The current medium-term management plan is positioned as a period to consolidate growth towards achieving the management vision.



Policy & Key Point of the Medium-Term Management Plan (Overview)

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Policy

In order to realize the management vision, we will enhance strategic investment and secure a foothold for creating new business as the first step toward evolution and transformation.

Key Point ① Establishment of a New Business Portfolio

Creation of new business

4 strategic business fields

① Business for realizing a sustainable recycling society

② Hydrogen-based clean energy business

③ Business of saving labor and energy utilizing digital technology

④ Business of developing next-generation technologies for solving issues related to water, food, natural disaster

In the current mid-term management plan, we aim to establish new businesses in fields related to the above items ① and ②

Restructuring of the existing business and improvement in profitability

- Reevaluate businesses from the perspective of growth and profitability
- Leverage or withdraw as necessary to proceed with selection and concentration

Key Point ② Establishment of a Management Base

Setting of manufacturing strategy

Promotion of group management

Improvement in corporate value

Progress of the Medium-term Management Plan ①

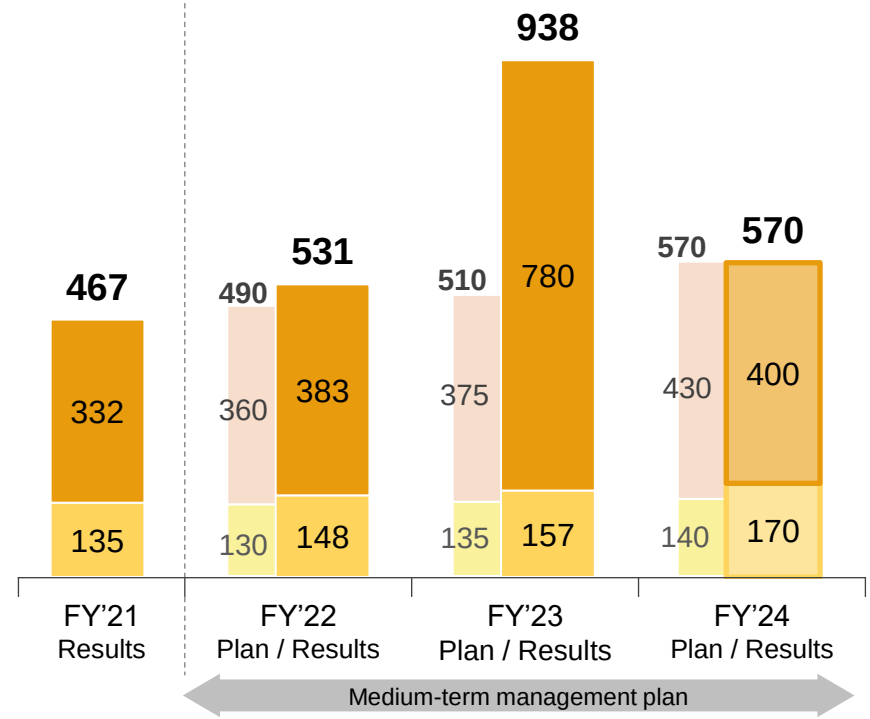
MITSUBISHI KAKOKI KAISHA

- In the final period, we are aiming to achieve 57 billion yen orders received, 55 billion yen sales, over 5.0% operating profit, and over 7.0% ROE.

【Consolidated】Orders received

Engineering; Results/Forecasts
Engineering; Plan
Machinery; Results/Forecasts
Machinery; Pan

(Unit: 100 Millions of Yen)

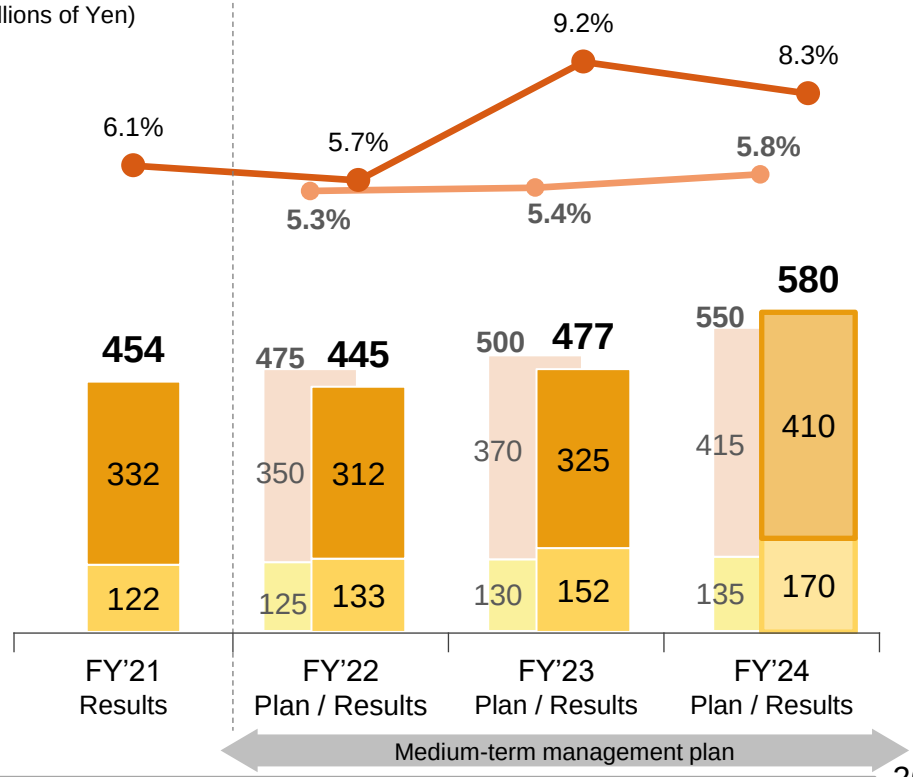


【Consolidated】Net sales, Operating income & ROE

Engineering; Results/Forecasts
Engineering; Plan
Machinery; Results/Forecasts
Machinery; Plan
Operating Profit Ratio ; Results/Forecasts
Operating Profit Ratio; Plan

		FY'21 Results	FY'22 Plan	FY'22 Results	FY'23 Plan	FY'24 Plan
ROE	Plan	-	6.0% or more		6.0% or more	7.0% or more
	Results/ Forecasts	**9.7%**		**10.6%**	**16.6%**	- %

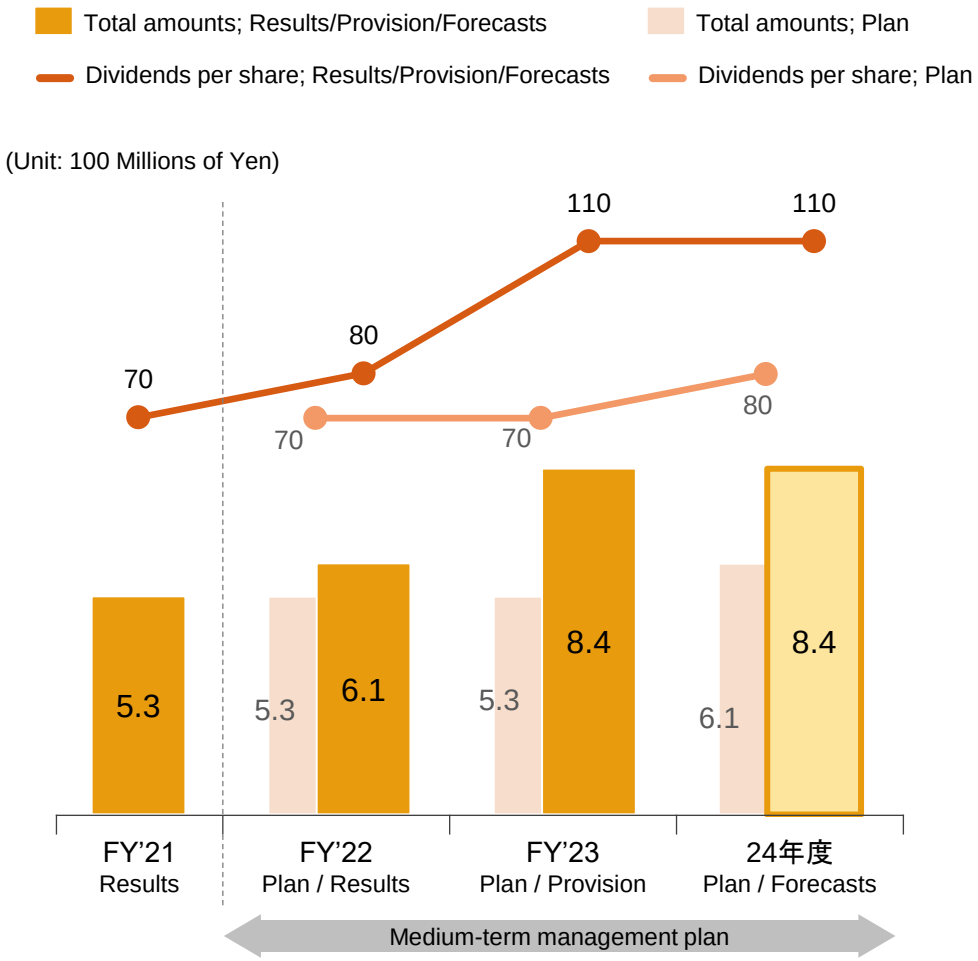
(Unit: 100 Millions of Yen)



Progress of the Medium-term Management Plan ②

■ We are aiming to achieve stable profit and ensure stable dividends over 70-yen.
(General principal, dividend payout ratio of around 25% over)

【Consolidated】Total dividend amounts, Dividends per share



【Consolidated】Payout ratio

	FY'21	FY'22	FY'23	FY'24
		Medium-term management plan		
	Results	Plan/ Results	Plan/ Provision	Plan/ Forecasts
Plan	—	25.0 %	25.0 %	25.0 %
Results/ Provision/ Forecasts	20.9 %	20.0 %	15.5 %	26.2 %

Supplementary information on Dividend Payout Ratio

Temporary dividend payout ratio is felled in the year of recording extraordinary profits as selling in fixed assets, cross-shareholdings, etc. These extraordinary profits are planned to be used for M&A, reconstruction of Kawasaki Works, and other "strategic investments" to realize our management vision.
The dividend payout ratio without the consideration of extraordinary profits is exceeded the target level (25%) in each fiscal year.

We aim to enhance medium to long term corporate value and increase shareholder returns through strategic investments to be realized the management vision.

Dividend Policy

To provide returns to our shareholders is our most important policy and our basic dividend policy is to distribute the result with maintaining stable management base and internal reserves over a long period.

Leading initiatives in Strategic Business Fields ①

MITSUBISHI KAKOKI KAISHA

Clean Energy

Initiatives	Progresses
■ Development of hydrogen generators compatible with blue hydrogen (Related business) "HyGeia" series of hydrogen generators	● Installed a demonstration machine of a CO_2 capture equipment using the PSA (Pressure Swing Adsorption) method at Kawasaki Works. ➜ Started verification testing in July for aiming practical use of a high-efficient CO_2 capture equipment as soon as possible. ● Started verification research on CO_2 recovery using membrane separation method (NEDO project) from April.  CO_2 capture equipment undergoing a demonstration test at Kawasaki Works
■ Research and development related to cultivation of microalgae (Related business) Photobioreactor, urban microalgae cultivation equipment by Mitsubishi Kakoki Advance Co., Ltd.	● Mitsubishi Kakoki Advance Co., Ltd., a consolidated subsidiary, delivered the glass tube type photobioreactor to the laboratory of environmental protection hybrid agriculture, for microalgae cultivation. ➜ Aiming technological development of stable and mass production of microalgae by using the CO_2 generated from incineration plant. ● Planning supply of our separation and extraction technology to the microalgae in the "MATSURI" project of the Chitose Group.  Photobioreactor

Leading initiatives in Strategic Business Fields ②

MITSUBISHI KAKOKI KAISHA

Realizing a sustainable recycling society

Initiatives	Progresses
■ Development of applications for oil purifiers (Related business) "Mitsubishi Selfjector" series of oil purifiers  Image of a pure car carrier equipped with Mitsubishi Selfjectors at Project LOTUS	● Decided to cooperate with Nippon Yusen Kabushiki Kaisha and others in the long-term usage project of biodiesel fuel on ships (Project LOTUS) starting from June 2024. ➜ Currently working on supporting investigations on the separation performance of oil purifiers, their effect on the engines, and their maintenance capabilities ● Started to sell a set of oil purifiers components for biodiesel fuel ➜ It is possible to fix existing ships compatible with biodiesel fuel by replacing parts without changing the operation or structure of the current oil purifiers
	● Participating in the first large-scale production verification of SAF (Sustainable Aviation Fuel) from waste cooking oil ● Considering the use of SAF and biodiesel fuel for production ● Accelerating the development of applications for processes such as algae concentration

Leading initiatives in Strategic Business Fields ③

MITSUBISHI KAKOKI KAISHA

Next-Generation Technology Development

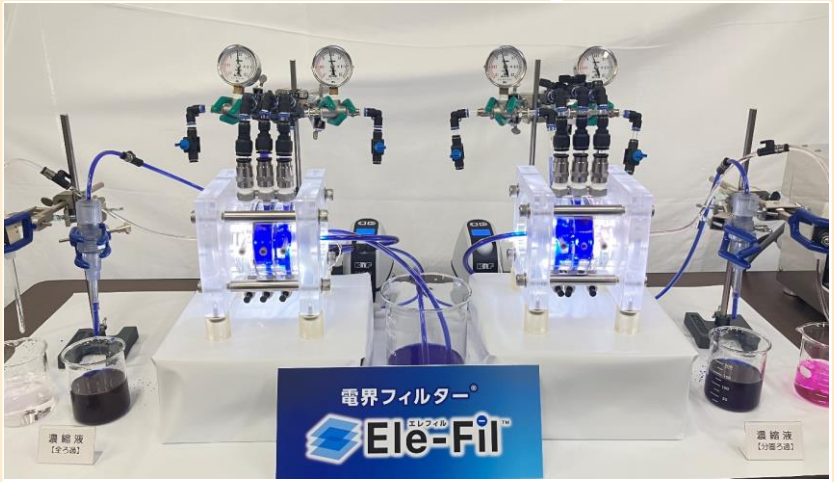
Initiatives

- Development of the world's first filtration technology using electric field filtration method

  (Related business)
  Electric Field Filter® "Ele-Fil®"

Progresses

- Currently conducting sample tests to develop usage in the business field which client have a lot of interest (e.g., semiconductors and water treatment).
  - ➜ Toward the development of further applications, we made presentations on electric field filtration method at the meeting of Membrane and Separation Research Circle of Food, Edible Processing Oils and Fats Technical Research Society, and Chemical Industry Association.



Electric Field Filter® "Ele-Fil®"



Presentation on electric field filtration method

Other leading initiatives in business ①

MITSUBISHI KAKOKI KAISHA

Engineering Business

Business Descriptions

■ Hydrogen Generator



HyGeia-A :
Small-Scale On-Site Hydrogen Generator

■ Hydrogen Storage Alloy Compressor and Hydrogen Absorption Alloy Delivery System



Display of Hydrogen Absorption Alloy Delivery System

Leading achievements & initiatives

- The on-site hydrogen generator “HyGeia” series remain steadily ship for the use in the semiconductor, electronic materials, and carbon neutral fields.
- Trend of the HyGeia series shipment quantity

FY2021	FY2022	FY2023	FY2024 (Forecasts)
6 units	2 units	6 units	11 units

- Manufactured and shipped seven units of the hydrogen production equipment "HyGeia-A" for carbon recycling test blast furnaces

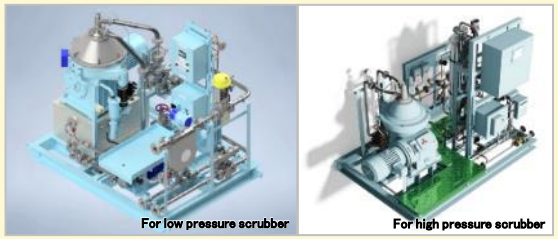
- Executed test operations the hydrogen storage alloy compressor
  - ➜ Executed demonstration test with the improved machines in April 2024 and we continue to develop a new system using a low temperature waste heat.

- Executed the hydrogen storage alloy delivery system demonstration test using for the power supply at various events (planned to be executed six(6) demonstration test in the first half of the fiscal year 2024)
  - ➜ Aiming to start commercial use in fiscal year 2025 we continue to accumulate demonstration test results.

Other leading initiatives in business ②

MITSUBISHI KAKOKI KAISHA

Machinery Business

Business Descriptions	Leading achievements & initiatives
■ Oil Purifier : Mitsubishi Selfjector (SJ) series  Oil purifier, Mitsubishi Selfjector (SJ-H) series	● Orders received is strong in the maintaining market share in Japan and expanding share in China, driven by the increasing demand in slow steaming aiming decarbonization and new shipbuilding using LNG and methanol fuel. ● In the medium to long term, aim to develop the engines addressing decarbonization fuel as ammonia, hydrogen, etc. and place it on new shipbuilding will be expected, while the dual-fuel engine may be ma and the demand of oil purifiers for processing oil fuel will be continued.
■ Wastewater Treatment Equipment for EGR Engine Systems 	● Orders received is strong due to the increasing of NOx Tier III compliant ships and the growing demand of EGR engines. ● We developed a new model complying with using low-carbon fuel engines such as LNG and methanol and entered the industrial field of the wastewater treatment equipment for EGR engine systems.

Acquisition of Tohsoh Corporation as a Consolidated Subsidiary

Outline of expecting synergy effects

Main Technologies/Know-hows for Synergy	Expecting Synergy
■ Fiber Reinforced Plastics (FRP) product business > Tohsoh's main products	➜ Strengthen the ability to respond to demand in growth areas by utilizing the acquired FRP business for product development activities in strategic business areas ➜ Increase sales revenue for both companies and reduction of costs in terms of cost and sales by collaborating
■ Know-how in public facility maintenance business > Public facility (wastewater treatment etc.) maintenance businesses held by both companies	➜ Contribution to the overall group's profitability and sharing of knowledge
■ Know-how in manufacturing > Capability of the company being developed since its establishment	➜ Improvement of production and quality management at Tohsoh

Realizing our Management Vision

Outline of Tohsoh Corporation

- Company name: Tohsoh Corporation
- Location: 1-58 Arayayutaka-machi, Akita-shi, Japan
- Representative: President: Takaharu Negi
  Vice President: Shunji Fukui
- Business area: 1. Manufacture and sales of fiber-reinforced plastic (FRP) products, and sales of materials (Plastic Business Division).
  2. Maintenance and management of equipment (Plant Business Division).
- Capital stock: 50 million yen
- Date of establishment: May 10, 1967

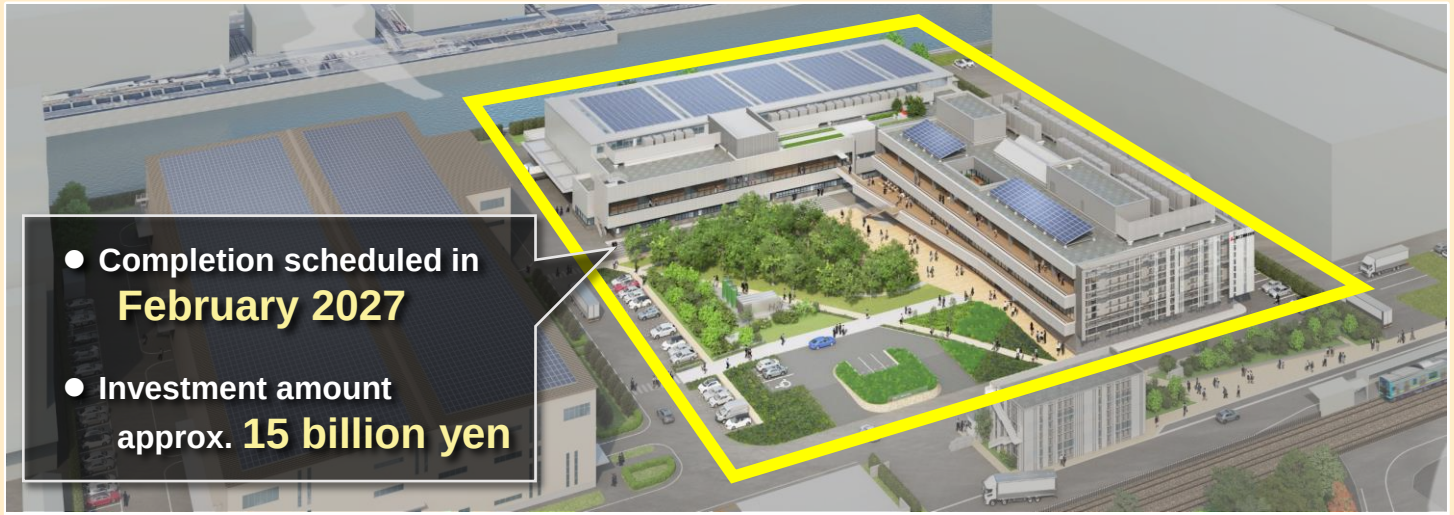


FRP manufacturing equipment (Mandrel)

Developing a business base

MITSUBISHI KAKOKI KAISHA

Restructuring of the Head Office and Kawasaki Works



Exterior Design of New Head Office and Kawasaki Plant (Image) *The area within the yellow frame represents the scope of the reorganization.

● Purpose

- Strategic business investments for the reform of the business portfolio, aiming to establish the four strategic business areas outlined in the management vision
- Establishing R&D facilities as the core of open innovation, including experimental facilities practicing industry-academia collaboration
- Applying optimal design (e.g., green belts and communication terraces) to enhance employee engagement and productivity
- BCP(Business Continuity Plan) measures for aging facilities (mainly those built shortly after the end of the war)

● Environmental Consideration

- Examining the potential of renewable energy through solar and hydrogen power generation and energy conservation through energy control using sensors
- Aiming to obtain ZEB Ready certification (Considering the acquisition of Nearly ZEB certification in the future)

Our action towards ESG

MITSUBISHI KAKOKI KAISHA

E Environment

Delivered by DHL GOGREEN PLUS

- **Started implementing DHL Express's "GoGreenPlus" to support CO_2 emissions reduction**
  - > Applying low-emission GHG services in international air transportation starting in June
  - > Potential to reduce (inset) CO_2 emission by the equivalent of 30% from air transportation through the use of Sustainable Aviation Fuel (SAF)

S Social

- **Signed an official sponsorship agreement with Kawasaki Brave Thunders**
  - > Aiming for co-creation of a better society through basketball
    - ➜ Making an effort to realize our management vision of “Challenging sustainable development and achieving a comfortable society“
    - ➜ Collaborating with Kawasaki Brave Thunders to generate value in community revitalization and sports culture facilities
- **Supplying hydrogen-derived power to event through the hydrogen absorption alloy delivery system**
  - > Supporting 17 events starting with August 2023 in cooperation with Nasu Electric Tekko Co., Ltd. and NIPPON FILCON CO., LTD.

三菱化工機 KAWASAKI BRAVE THUNDERS



A flower bed with water circulating using the electric power by hydrogen

G Governance

- **Three female directors were appointed at the General Shareholders' Meeting in June 2024, raising the ratio of female directors to 27% (Ratio of 10% before the election of directors)**
  - > Increased gender diversity on the Board of Directors

Towards Management Conscious of Cost of Capital and Stock Price ①

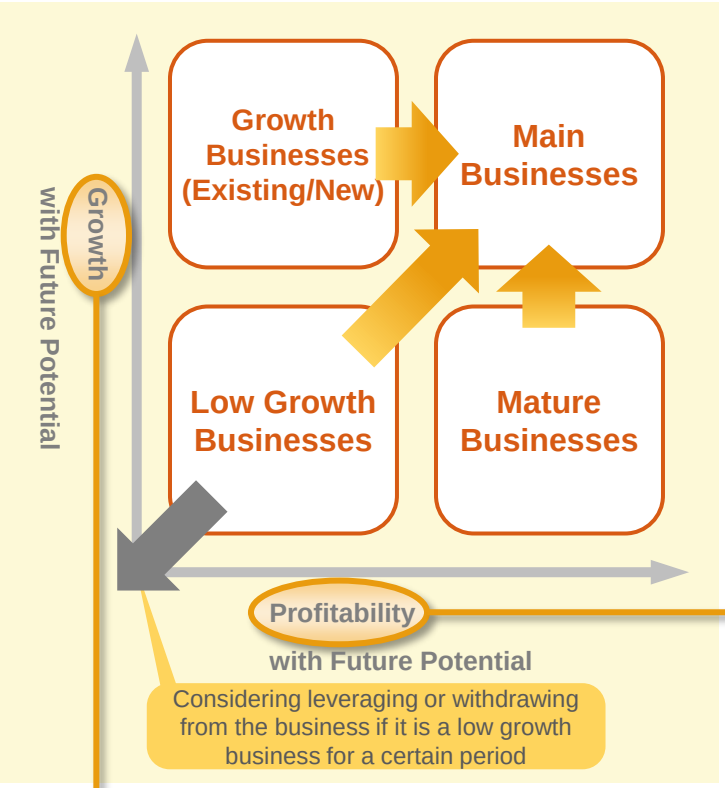
MITSUBISHI KAKOKI KAISHA

1 Capital cost

Initiative Policy

Maximizing Corporate Value through Creation of New Businesses and Improvement of Existing Business Profitability

Measures Aiming to improve profitability by deploying the ROIC (Return on Invested Capital) Tree, which breaks down ROIC factors, to each business unit



Adopting ROIC as a performance evaluation indicator

> Setting WACC as a threshold

Deployment of "ROIC Tree", that breaks down ROIC elements, to each business division → **Aim to improve capital efficiency**

Setting annual sales growth rate as an indicator for evaluating growth
(Setting the medium-term growth rate as the threshold)

Conduct comprehensive analysis to evaluate the business portfolio, based on two evaluation indicators: "Profitability" and "Growth."

MITSUBISHI KAKOKI KAISHA

2 Stock Price (PBR)

Initiative Policy **Enhancing Disclosure of Non-Financial Information**

Measures

> Formulated “Mitsubishi Kakoki Group’s Policy for Human Rights” in April 2024
> Issued "Integrated Report 2024"
> Held "IR Briefing for Individual Investors" (the next briefing is planned in Dec. 2024)
> Launched the new corporate website in April 2024 …and more.

	End of Mar. 2022	End of Mar. 2023	End of Mar. 2024	End of Sep. 2024
Stock Price	¥ 2,007	¥ 2,237	¥ 4,125	**¥ 3,535**
PBR	0.56	0.56	0.91	**0.75**

- Stock price rose
- PBR improved

Further enhancing disclosure of non-financial information, especially focusing on sustainability-related information

Disclose in English
- Financial statements
- Website, etc.

Human Rights
- Human rights due diligence
- Risk assessment, etc.

Climate Change
- GHG emissions
- Emission reduction efforts, etc.

MITSUBISHI KAKOKI KAISHA

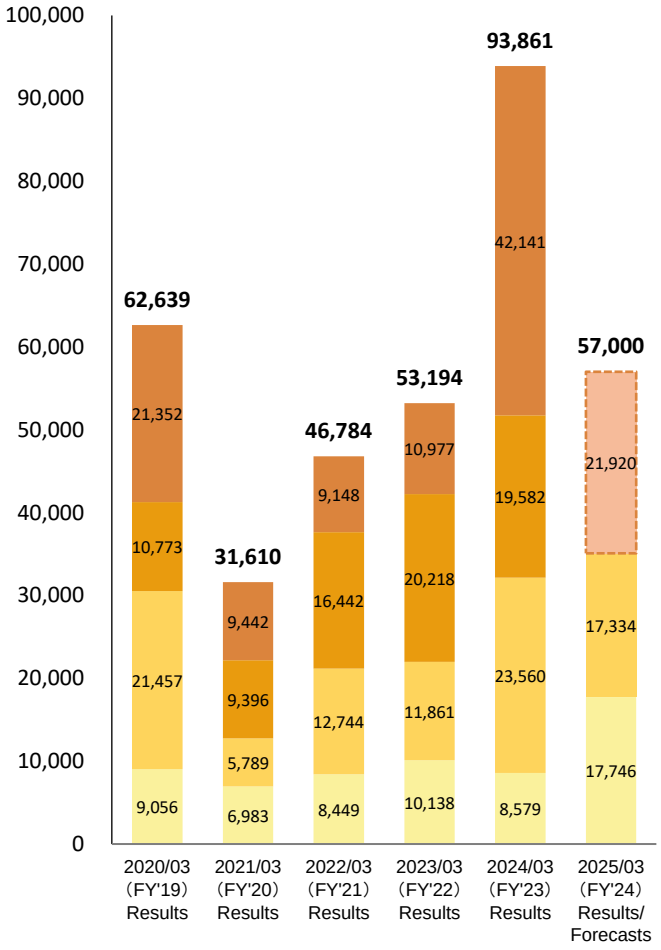
Appendix 1.

Performance Trends

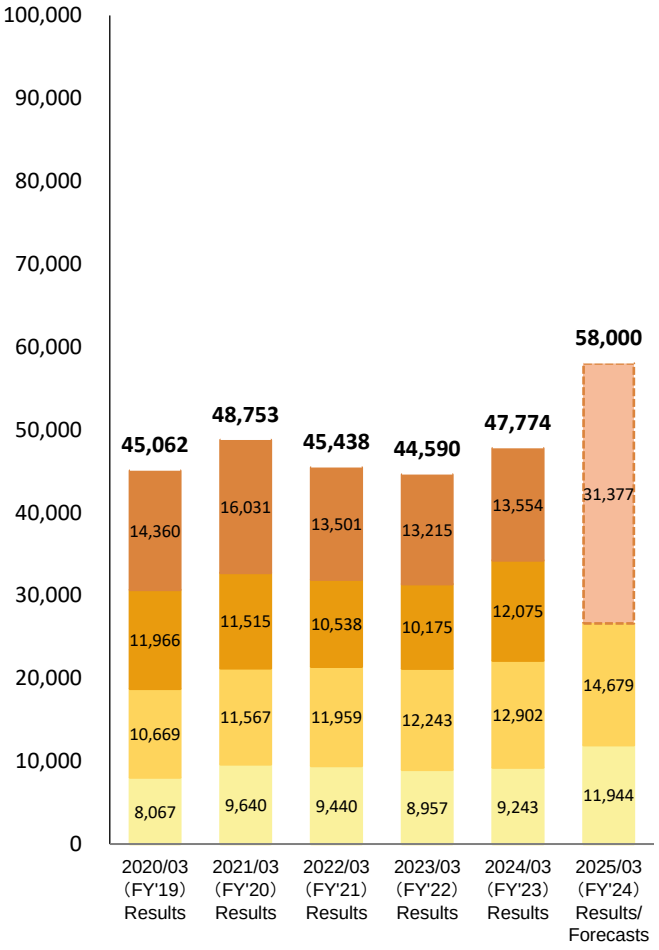
Performance Trend

MITSUBISHI KAKOKI KAISHA

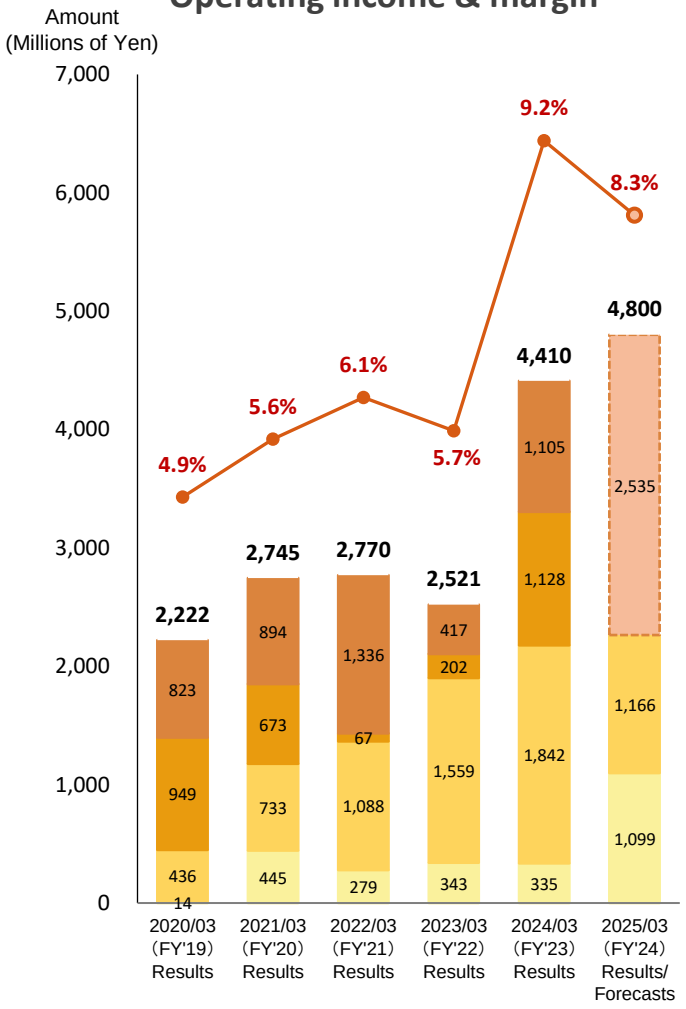
Orders received



Net sales



Operating income & margin

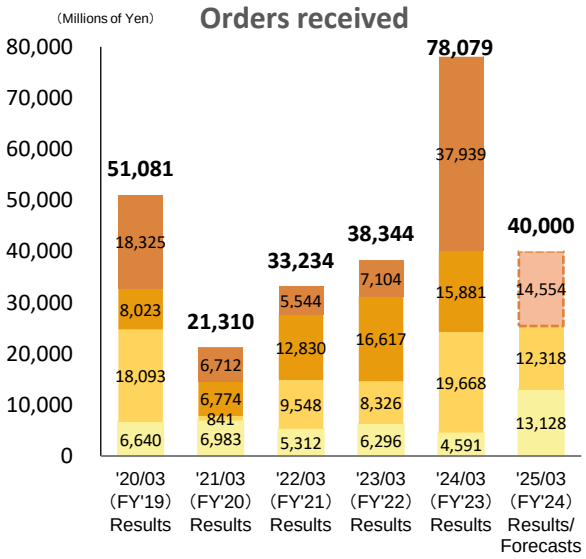


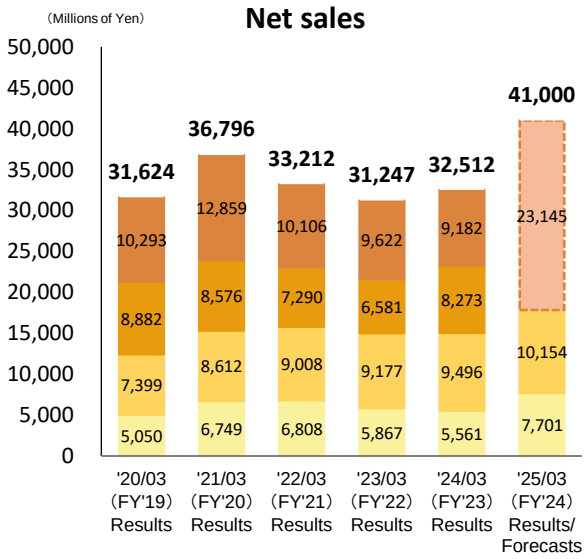
Q1 Results　Q2 Results　Q3 Results　Q4 Results　Q3+Q4 Forecasts　Operating income margin (per year)

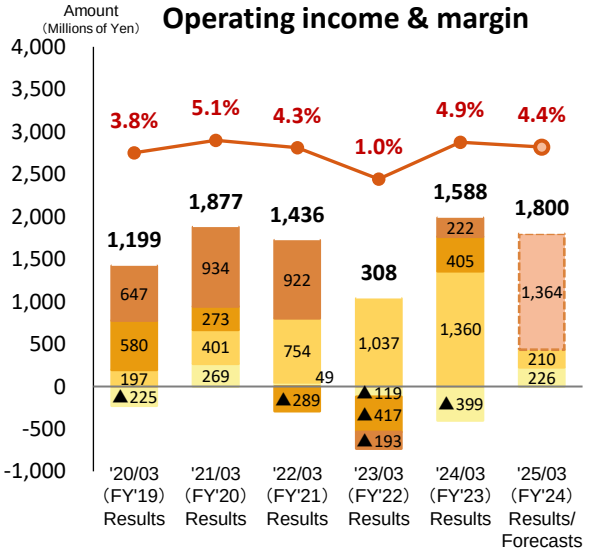
Performance Trend (by Segment)

MITSUBISHI KAKOKI KAISHA

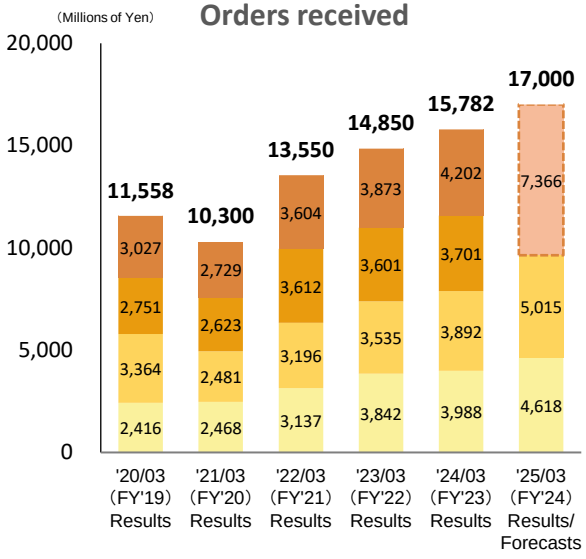
Engineering business

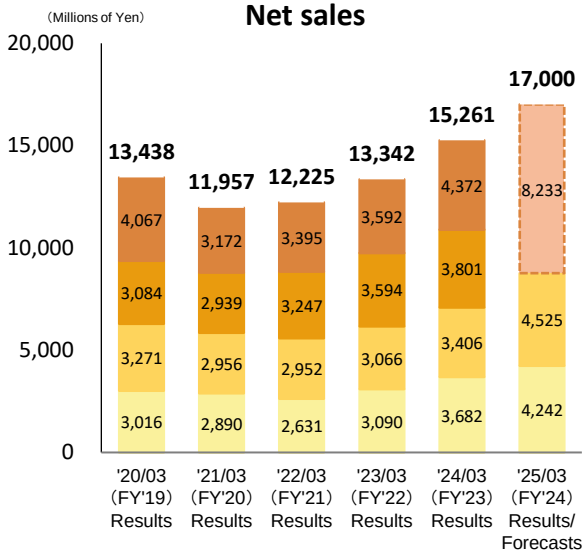


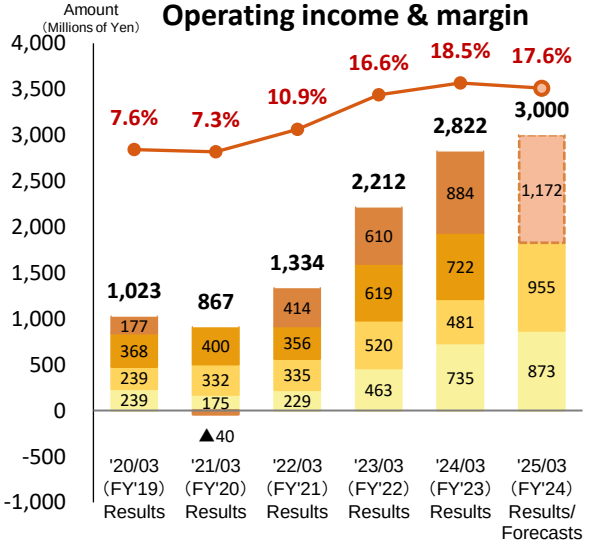




Industrial Machinery business

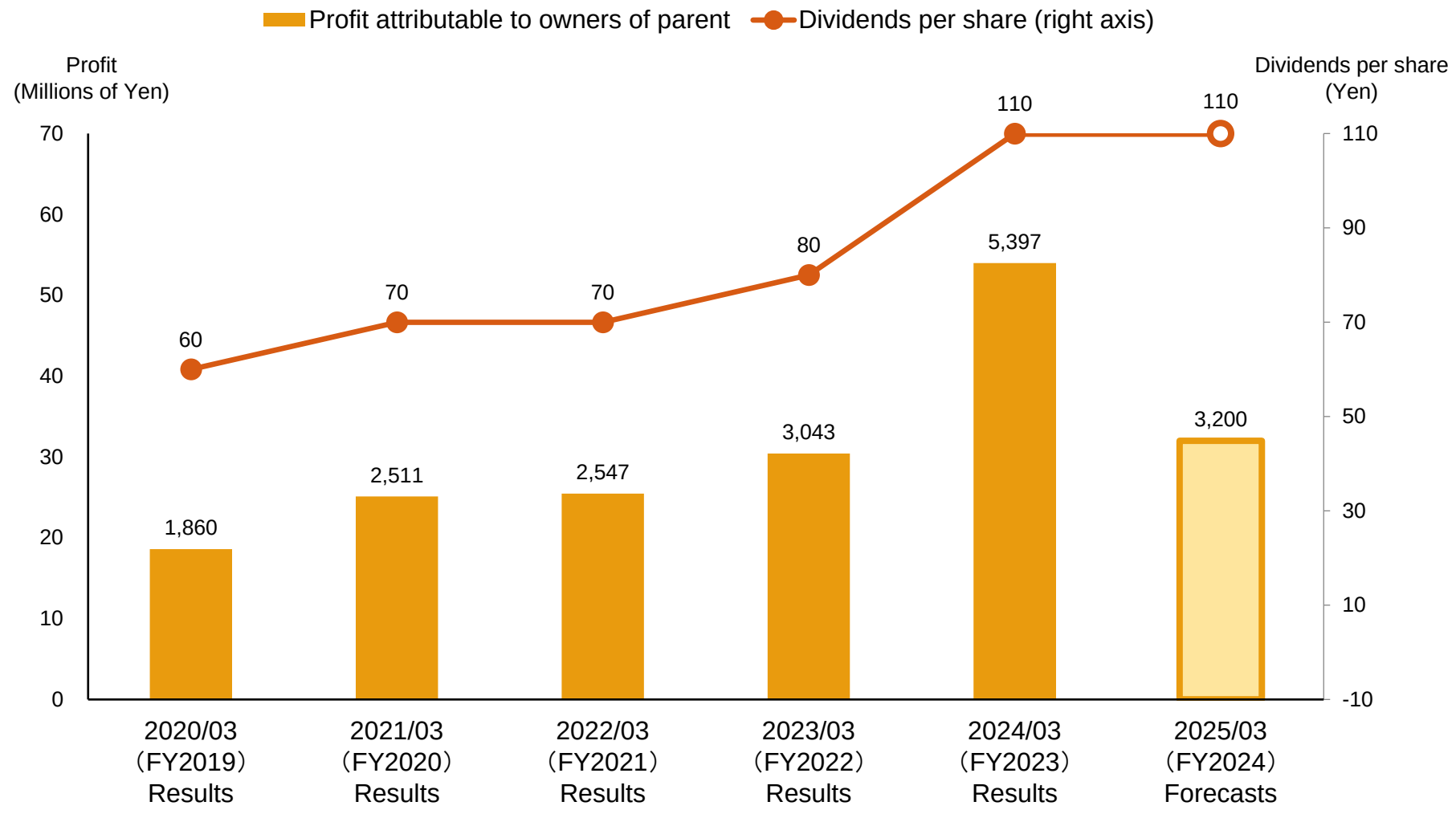






Q1 Results Q2 Results Q3 Results Q4 Results Q3+Q4 Forecasts Operating income margin (per year)

(Reference) Dividends Trend



Total dividend amounts (Millions of Yen)	461	537	537	614	845	845
Payout ratio	25.2%	21.1%	20.9%	20.0%	15.5%	26.2%

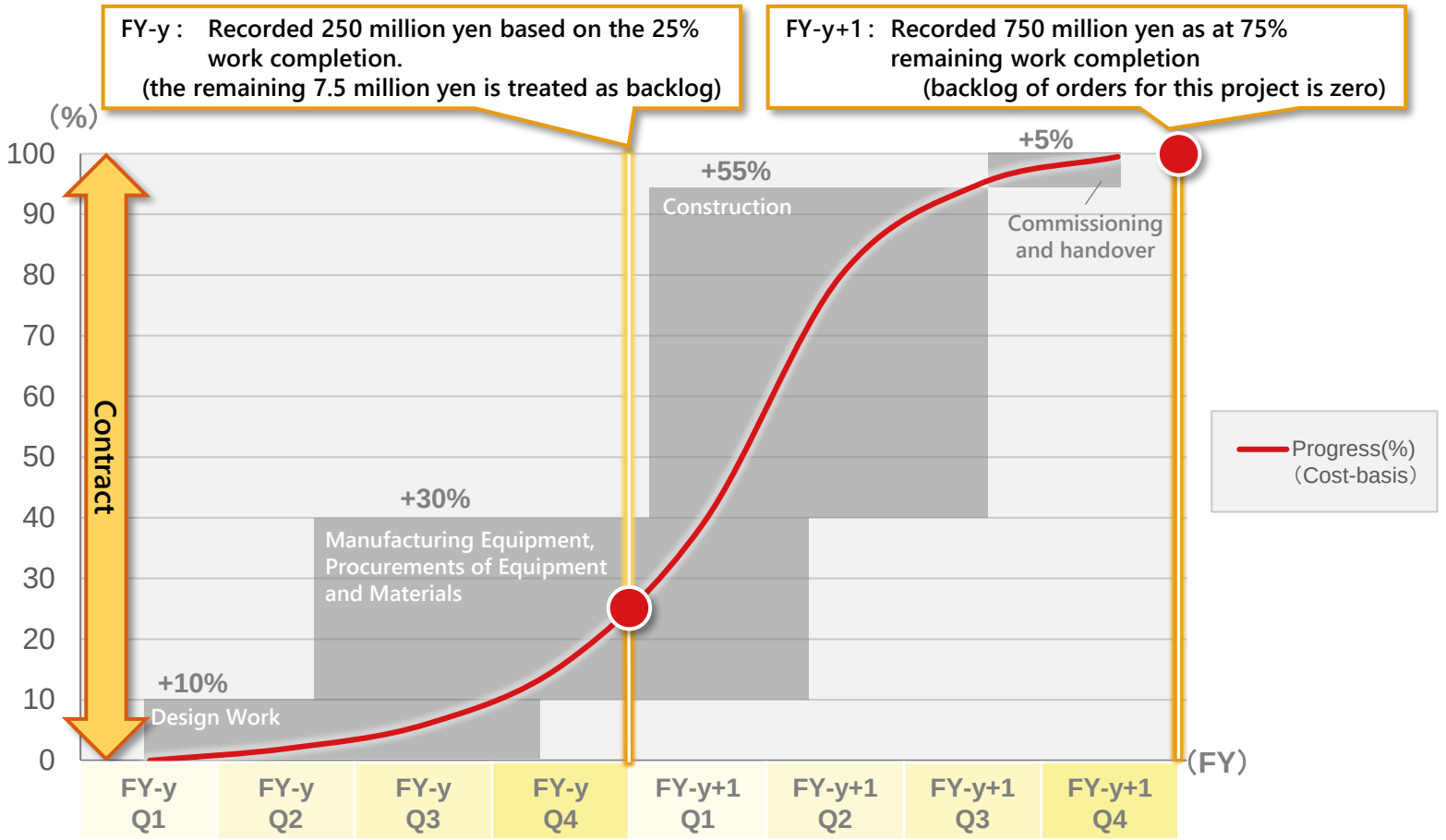
Recognition Criteria for Revenue and Expenses

- Most of plant engineering construction contract's revenue are recognized based on the percentage of work completed (as shown in the diagram below).
- Various equipment's revenue is recognized at the time of goods delivered.

Image of Revenue Recognition for Construction Projects (Percentage of Completion method)

Example of revenue recognition for construction contract in following condition

- **Contract amount : 1 billion yen**
- **Construction period : 2 years**



MITSUBISHI KAKOKI KAISHA

Appendix 2.

Corporate Profile

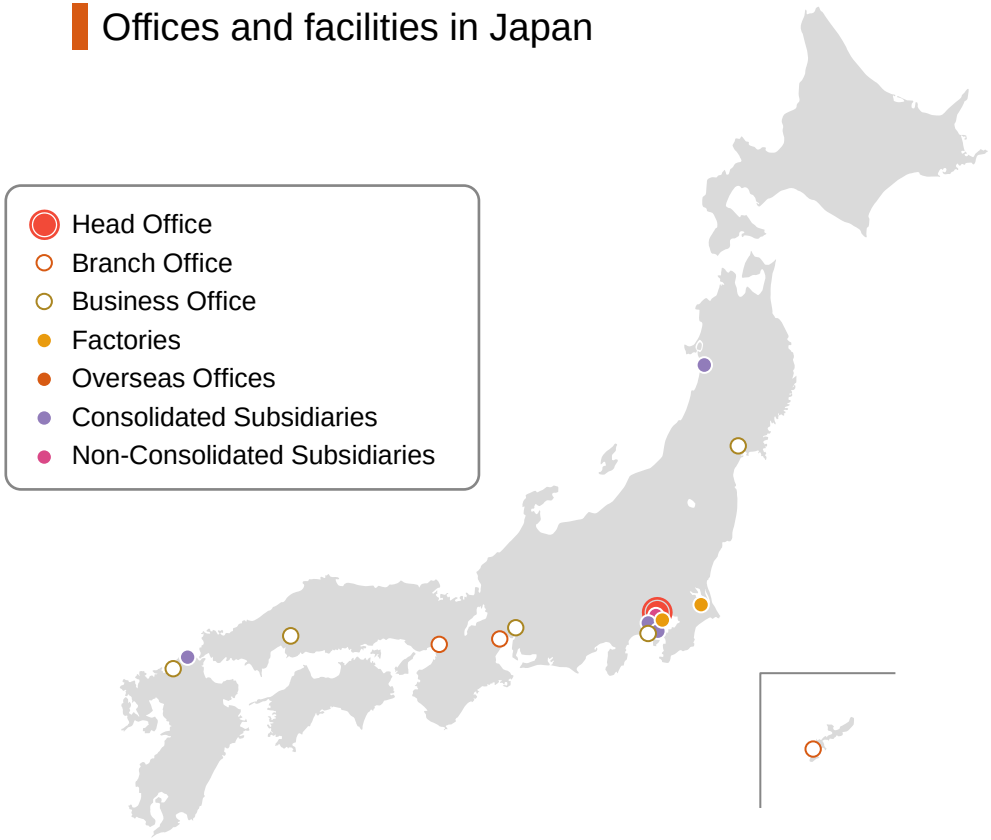
Company Overview (As of March 31, 2024)

Company Name	Mitsubishi Kakoki Kaisha, Ltd.
Representative Director	Toshikazu Tanaka President and Representative Director Masahiko Saito Managing Director and Representative Director
Head Office	**Registered Office:** 2-1, Ohkawa-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-8560, Japan **Head Office:** Solid Square East tower 580 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 212-0013, Japan
Established	September of 1949 (Founded: May of 1935)
Capital	¥ 3,956,975,000
Number of Employees (Consolidated)	957
Business area	- Engineering, procurement and construction of industrial and chemical plants and environmental control facilities. - Manufacturing and sales of industrial machineries and equipments.

Listing category	Tokyo Stock Exchange Prime Market
Ticker code	6331
Industry classification	Machinery
Total Number of Shares Issued	16,000,000 shares
Total Number of Shares Issued	7,913,950 shares
Number of shares per unit	100 shares
Major shareholders	The Master Trust Bank of Japan, Ltd. (Trust Account) Meiji Yasuda Life Insurance Company Mitsubishi Kakoki Client Stock Ownership Mitsubishi Heavy Industries, Ltd. Custody Bank of Japan, Ltd. (Trust Account) Mitsubishi Kakoki Employee Stock Ownership JP Morgan Securities Japan Co., Ltd. The Bank of Yokohama, Ltd. Tokio Marine & Nichido Fire Insurance Co., Ltd. CENTRAL TANSHI Co. Ltd.

Office Locations (As of November 2024)

Offices and facilities in Japan



Overseas offices



Head office	Registered Office Head Office	Business Office	Business Office (Tohoku, Yokohama, Nagoya, Hiroshima, Kyushu, Okinawa)
		Factories	Kawasaki Works Kashima Factory
Branch Office	Osaka Branch Office Yokkaichi Business Office	Overseas Representative Offices	Taiwan Branch Malaysia Sales Office Indonesia Representative Office

Subsidiaries	Consolidated Subsidiaries	Mitsubishi Kakoki Advance, Ltd. Kitakyushu Factory KAKOKI TRADING CO., LTD. Tohsoh Corporation*1 MKK Asia Co., Ltd. (Thailand) MKK EUROPE B.V. (Netherlands)
	Non-Consolidated Subsidiaries	MKK BUSINESS PLUS CO., Ltd.*2 RYOKA MECHANICAL TECHNOLOGY (SHANGHAI) CO., LTD. (China)

*1 Tohsoh Corporation became a consolidated subsidiary on June 28, 2024. 。 *2 MKK BUSINESS PLUS CO., Ltd. was established as a non-consolidated subsidiary on November 1, 2024.

Business Structure in Consolidated Subsidiaries

MITSUBISHI KAKOKI KAISHA

Clients

Consolidated Subsidiaries

- MKK Asia Co., Ltd.
- Mitsubishi Kakoki Advance, Ltd.
- Tohsoh Corporation
- MKK EUROPE B. V.
- KAKOKI TRADING CO., LTD.

Design, construction, installation

Design, construction, installation

Equipment manufacturing

Equipment sales and after-sales services

Industrial chemical supply

Sales of products

Mitsubishi Kakoki Kaisha, Ltd

Engineering Business



Industrial Machinery Business



Appendix 3.

Business Overview

MITSUBISHI KAKOKI KAISHA

- We engage in the construction and engineering of chemical and electronic material-related plants, hydrogen and energy plants, and environmental facilities, as well as manufacturing various industrial machineries.

Engineering Business

Plant Engineering

- Chemical plants
- Electronic materials (Semiconductor) related plants
- Fine chemical plants
- Vegetable oil plants
- Food and biopharmaceutical plants





Environment, Hydrogen and Energy

- Hydrogen generator
- Hydrogen supply chain-related equipment
- Biogas-related equipment
- Waste treatment facilities
- Renewable energy-related equipment
- Sewage treatment facilities
- Landfill leachate wastewater treatment facilities
- Deodorization equipment
- LNG and city gas related equipment
- Petroleum refining-related equipment










Industrial Machinery Business

- Oil purifiers and centrifuges
- Filters
- Mixers, agitators
- Machineries compliant with naval environmental regulations
- Dust removal equipment for seawater intake







History of Top Share Products and Core Technologies

MITSUBISHI KAKOKI KAISHA

- Along with the development of Japan's chemical industry, we have responded to the social issues and needs of the times in the fields such as environmental, energy, marine and industrial machinery fields and more, by combining new technologies from Japan and abroad with our expertise.

Segment / Business Division		Main Products / Service Areas	1930~40s Responding to requests for adoption of overseas technologies in Japan	1950~60s Responded to the demand for equipment associated with a rapid increase in consumer demand	1970~80s Promoting overseas business development while responding to pollution prevention needs due to worsening pollution	1990~2000s Support for clean energy facilities	2010s~ Contributing to the realization of a sustainable society through technology and product development
Engineering Business	Plant	Chemical Plant Construction					
		Overseas Plant Construction					
	Environment, Hydrogen, and Energy	Sewage Treatment Facility					
		Industrial Wastewater Treatment Facility					
		Air Pollution Control Technology					
		Hydrogen Generator					
		LNG Facility					
Industrial Machinery Business		**Oil Purifier**					
		Equipment for compliance with ship environmental Regulations					
		Filtration Equipment					
		Centrifugal Separator					
		Screening Equipments and mixers					



On-Site Hydrogen Generator : **HyGeia series**

$CH_4 + 2H_2O \rightarrow 4H_2 + CO_2$

Raw gas (e.g., methane gas) → Separation by gas reforming method (HyGeia) → Hydrogen

Established the top market share



Oil purifier : **"Mitsubishi Selfjector (SJ) series"**

Crude Oil + hydraulic fluid → SJ → Separ-ation → Clean Oil / Water / Impurities

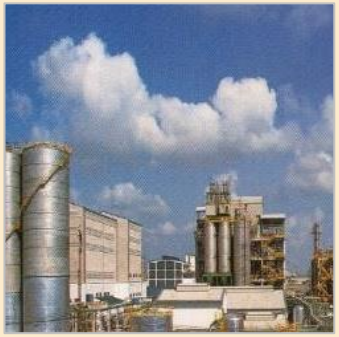
Established the top market share

Through the accumulation of these achievements, we have developed our core technology for "separating solids, liquids, and gases."

Business model overview ① Engineering Business

MITSUBISHI KAKOKI KAISHA

Engineering Business



▶ Chemical plant construction



▶ Hydrogen generator



▶ Biogas systems

Feasibility studies → Proposals → Inquiries → Quotations → Contracts → Design → Equipment manufacturing, material procurement → Construction → Commissioning, delivery → Operation, maintenance

Clients

Energy companies, Chemical companies, Food companies, Semiconductor manufacturers, Sewage treatment plants, etc.

Facilities

Hydrogen production systems,
LNG-related facilities,
Electronic material (semiconductor) related plants,
Waste treatment facilities, etc.

Business model overview ② Industrial Machinery Business

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Industrial Machinery Business



In-house factoriy (Kawasaki Works)



▶ Marine machinery



▶ Industrial machinery

Product development → Proposals → Inquiries → Quotations → Order receive → Design → Material procurement → Manufacturing → Inspections, shipping → Maintenance

Clients

Shipyards, Chemical companies, Food companies, Pharmaceutical companies, Non-ferrous metal companies, Energy companies, etc.

Facilities

Oil purifiers, Centrifugal separators, Filtration machines, Dust collectors, Marine environmental compliance equipment, etc.

Initiatives for Strategic Business Fields (Overview)

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■ Promoting initiatives in strategic business areas, that are directly linked to efforts to realize a sustainable society, to establish them as a core business by FY2035.

		~FY2022 (2023/03)	~FY2023 (2024/03)	~Present (~2024/11)
Realizing a Sustainable Recycling Society	Recycling waste plastics	■ Participation in the first project in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol	■ The first gas reform demonstration test in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol	■ Continuing the gas reform demonstration test in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol
	Biofuels	■ Cooperating in onboard testing of biodiesel fuel for use on ships by providing Mitsubishi Selfjector	■ Receiving order for Mitsubishi Disc Separator for large-scale demonstration for producing SAF from waste cooking oil ■ Support for the ship demonstration operation using straight vegetable oil (SVO) in Japan	■ Cooperation on project to develop long-term use of biodiesel fuel for marine use has started ■ Started selling oil purifier parts compatible with biodiesel fuel for marine use
	Biogas	■ The 1st unit of the thermal sludge solubilizer, which enables the reduction of dehydration sludge and the increase of recovered biogas in sewage treatment facilities, was completed	■ Our technology for thermal solubilization of sludge received the Award of the Chairman of New Energy Foundation at New Energy Award in 2023.	
	Capturing CO_2			■ Study on the technology of hydrogen generator which enables CO_2 separation and capture by membrane separation method has adopted by NEDO ■ Started demonstration of CO_2 capture using PSA method
Clean Energy Business	Hydrogen generation	■ Joined the council to promote the widespread use of hydrogen which made from sewage-derived biogas ■ Improving the generating process of low carbon hydrogen ■ Increasing number of deliveries to projects aiming for carbon neutrality	■ Delivered hydrogen generators to Toyota Group's biogas-derived hydrogen production project in Thailand	■ Received an order for large-scale hydrogen production equipment for demonstration to reduce CO_2 emission in the steelmaking process
	Hydrogen supply chain	■ Developing the hydrogen absorbing alloy compressor	■ Initiatives underway to contribute to hydrogen transportation ・ Conducted a demonstration of a hydrogen delivery system by hydrogen absorbing alloy ・ Started collaboration on ammonia application development	■ Delivered equipment for "SPERA Hydrogen™" to Singapore
	Algae	■ Demonstrating cultivation and harvesting of algae, and, component extraction from algae ■ Joined the "MATSURI" led by CHITOSE GROUP	■ Invested in CHITOSE GROUP to accelerate joint development towards large-scale algae production	■ The subsidiary delivers algae production equipment to research project aiming for stable and mass production of microalgae
Saving Labor & Energy	Pharmaceutical production	■ Delivered equipment for demonstration of "iFactory®," an Energy-efficient pharmaceuticals manufacturing facility ■ Started demonstration of continuous operation of "iFactory®"	■ Completed demonstration of continuous operation of "iFactory®" ■ Succeeded in proving "iFactory®" and won NEDO Chairman's Award of Energy Conservation Technology Development Award, as the best business operators	
Developing Next-GEN Techs	Microfiltration / Measure to water and natural disaster	■ Invested in WOTA Corp., which pursues to solve global water issues	■ Developed the World's first filtration Technology using the electric field filtration method (Electric field filter® "Ele-Fil®")	■ Promoting needs exploration by holding lectures, etc. (Electric field filter® "Ele-Fil®")

IR Contact

MITSUBISHI KAKOKI KAISHA

Inquiries related to IR

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Contact: www.kakoki.co.jp/en/inquiry/

Forward Looking Statements

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