Consolidated Financial Results for Half-year of Fiscal Year Ending March 31, 2025

November 12, 2024

MITSUI E&S Co., Ltd.

MITSUI E&S

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Highlights

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※ An increase trend in sales and profit.

Half-year of FYE Mar. 2025 Results	◆ New Orders	170.7 Billion yen	(YoY ↗)
	◆ Net Sales	145.0 Billion yen	(YoY ↗)
	◆ Operating Income	9.2 Billion yen	(YoY ↗)

FYE Mar. 2025 Forecast	◆ New Orders	330 Billion yen	(compared to May 14, 2024 ➡)
	◆ Net Sales	300 Billion yen	(compared to May 14, 2024 ➡)
	◆ Operating Income	17 Billion yen	(compared to May 14, 2024 ➡)

Topics	◆ Significant reduction in non-operating expenses and improvement in current ratio ◆ Overseas civil engineering and construction project has been completed

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Summary of Results

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(JPY: Billion)

	FYE Mar. 2024 2Q	FYE Mar. 2025 2Q	Var.
New Orders	154.8	170.7	+15.8
Net Sales	135.5	145.0	+9.5
Operating Income	6.6	9.2	+2.6
(margin)	4.9%	6.4%	
Ordinary Income	5.9	13.3	+7.4
(margin)	4.4%	9.2%	
Profit attributable to owners of parent	4.0	32.3	+28.3

<Average FX>

	FYE Mar. 2024 2Q	FYE Mar. 2025 2Q
USD/JPY	146.95Yen	150.32Yen

■ New Orders

In FYE Mar. 2025 2Q, Marine Engines and Container Cranes increased YoY due to good market background of shipbuilding and port logistics industry.

■ Net Sales

Sales increased YoY due to steady production of Container Cranes in Logistics Systems segment, which is based on the highest New Orders in the previous fiscal year.

■ Operating Income

Improved profitability in Container Cranes construction.

※ Ordinary Income

Increase mainly due to reduced financial costs and an increase in equity method investment income.

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Summary of Balance Sheet

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※ Improved financial position through sales of investment securities and a reduction of interest-bearing debt.

(JPY : Billion)

	FYE Mar. 2024 4Q	FYE Mar. 2025 2Q	Var.	
Total assets	**467.1**	**429.3**	**(37.9)**	
(Cash and time deposits)	35.6	39.3	+3.7	
(Notes and accounts receivables - trade, and contract assets)	96.3	89.7	(6.6)	
(Inventory)	67.7	71.8	+4.1	
(Fixed Assets)	131.6	130.2	(1.4)	
(Investment securities)	76.1	26.5	(49.7)	Decrease mainly due to sale of MODEC shares.
Total liabilities	**320.6**	**266.5**	**(54.2)**	
(Trade payables)	64.7	53.4	(11.3)	
(Contract liabilities)	30.8	35.2	+4.4	
(Provision for losses on construction contracts)	4.3	1.7	(2.6)	
(Debt with interest)	162.0	106.0	(56.1)	Dropped sharply on account of the sale of MODEC shares.
Total net assets	**146.5**	**162.8**	**+16.3**	
(Equity)	142.0	158.7	+16.7	Accumulation of retained earnings and decrease in capital surplus due to cancellation of Class A preferred stock (9.0 billion yen).
(Equity capital ratio)	30.4%	37.0%	-	

Working capital (*)	67.3	70.6	+3.3	
D/E ratio	1.1	0.7	-	

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

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Summary of Cash Flow

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※ Operating CF turned positive thanks to steady core business.

(JPY : Billion)

	FYE Mar. 2024 2Q	FYE Mar. 2025 2Q	Var.	
Operating CF	(32.9)	4.1	+37.0	Increase mainly due to completion of overseas civil engineering and construction project.
Investing CF	(1.9)	66.2	+68.1	Increase mainly due to sale of MODEC shares (Income of sale: approx. 70 billion yen).
Free CF	(34.8)	70.3	+105.1	
Financial CF	26.8	(67.5)	(94.3)	Decrease mainly due to repayment of short-term borrowings.

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Summary of Segment Results

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※ Steady core businesses such as marine propulsion and port logistics are on a strong uptrend.

(JPY: Billion)

	New Orders			Net Sales			Operating Income		
	FYE Mar. 2024 2Q	**FYE Mar. 2025 2Q**	**Var.**	FYE Mar. 2024 2Q	**FYE Mar. 2025 2Q**	**Var.**	FYE Mar. 2024 2Q	**FYE Mar. 2025 2Q**	**Var.**
New Business Development	22.3	**17.9**	(4.4)	18.0	**15.2**	(2.8)	2.0	**1.7**	(0.3)
Marine Propulsion Systems	72.3	**89.4**	+17.1	64.0	**67.4**	+3.4	3.8	**4.2**	+0.5
Logistics Systems	35.0	**36.7**	+1.8	17.2	**26.8**	+9.6	0.3	**2.4**	+2.1
Peripheral Business	25.2	**26.5**	+1.4	33.6	**34.1**	+0.4	1.4	**0.5**	(0.9)
Others	0.1	**0.1**	0	2.7	**1.5**	(1.1)	(0.8)	**0.4**	+1.2
Total	154.8	**170.7**	+15.8	135.5	**145.0**	+9.5	6.6	**9.2**	+2.6

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Main business : Industrial Machinery(compressors, rotary machinery), After-sales Services

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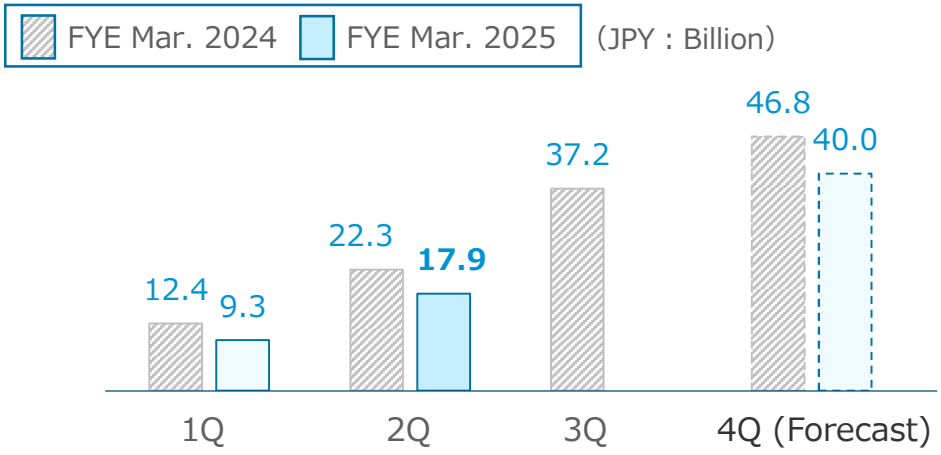
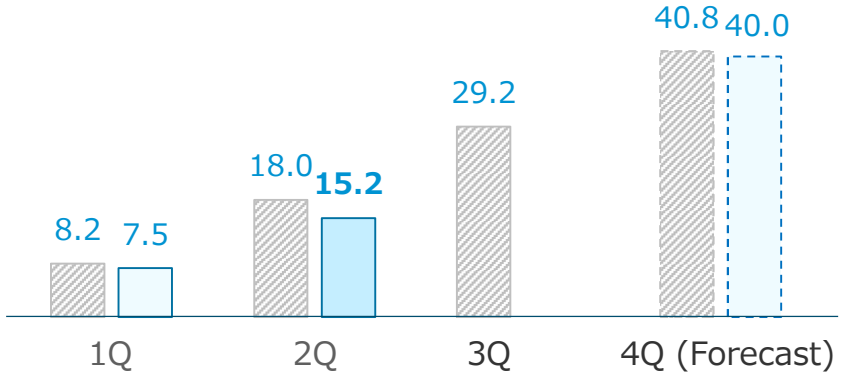
■ New Orders : YoY (4.4) Billion yen

Decreased by a slight delay of order-intakes of Industrial Machinery products and a reduced orders for engines for construction machinery.



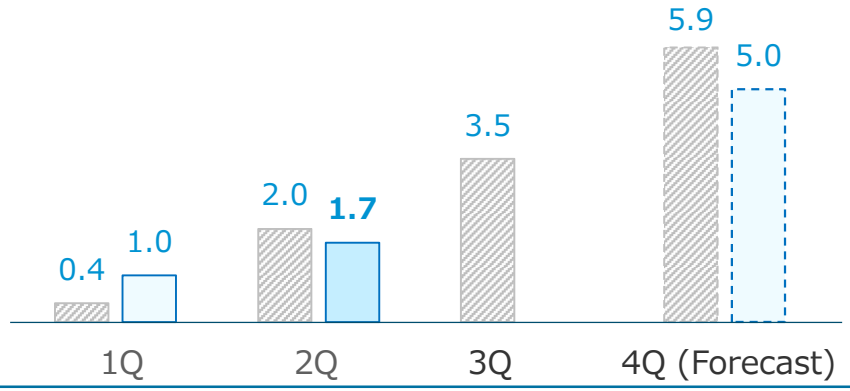
■ Net Sales : YoY (2.8) Billion yen

After-sales Services business is still steady, but revenue decreased because of the reduction of large-scale projects.



■ Operating Income : YoY (0.3) Billion yen

Profitability of Industrial Machinery products has been on improving trend, but profits decreased due to lower sales.



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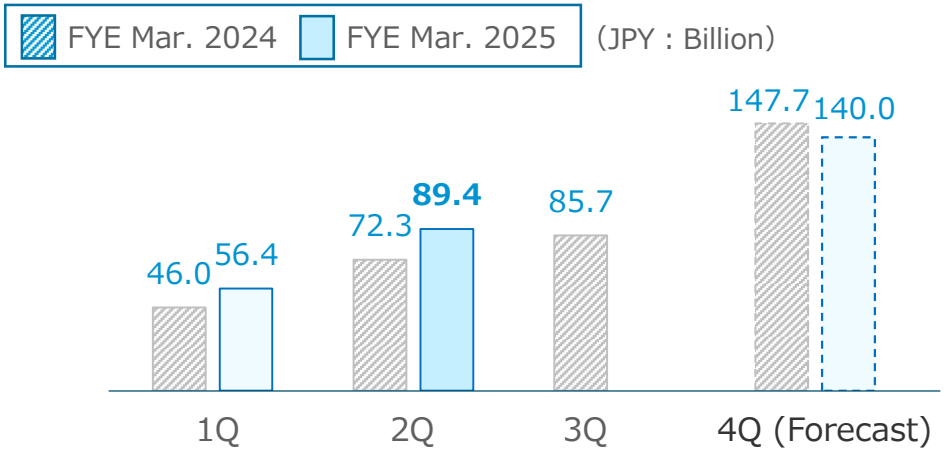
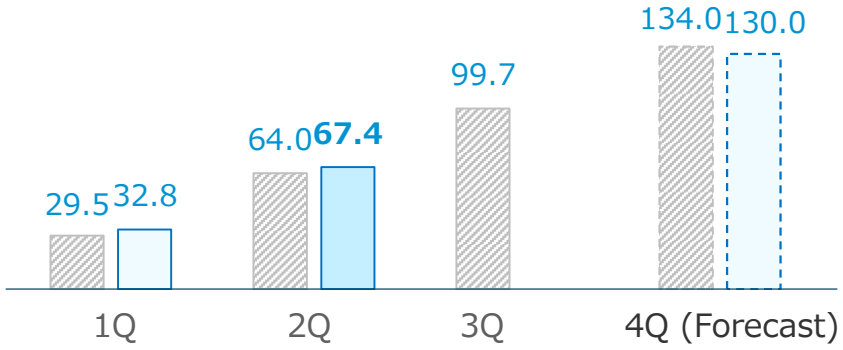
■ New Orders : YoY +17.1 Billion yen

Steady demand for diesel engines and dual-fuel engines (fueled by diesel and LNG or methanol) which emit less CO2.



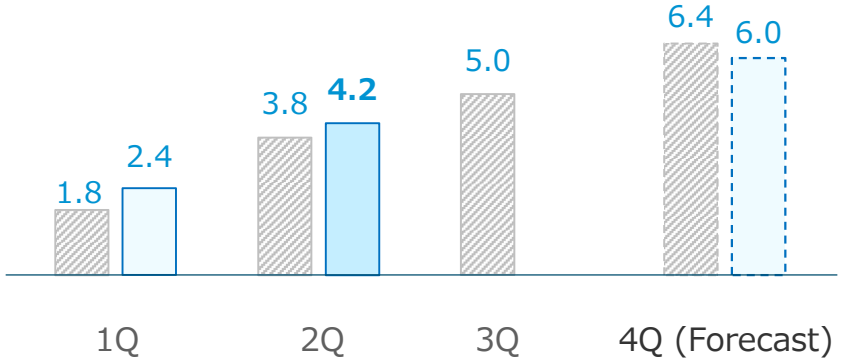
■ Net Sales : YoY +3.4 Billion yen

High manufacturing operations in our factory and strong performance in After-sales Services business.



■ Operating Income : YoY +0.5 Billion yen

Despite impacts of material and equipment price inflation, both manufacturing new engines and After-sales Services business remain strong in profit and sales.



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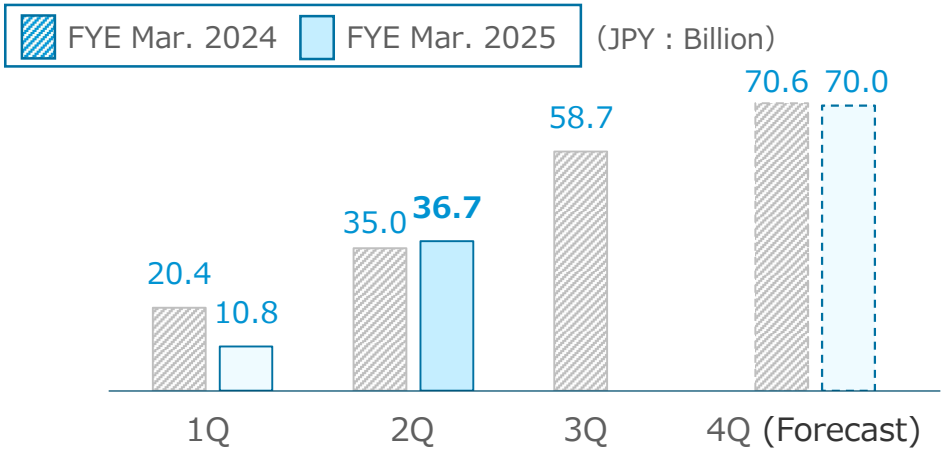
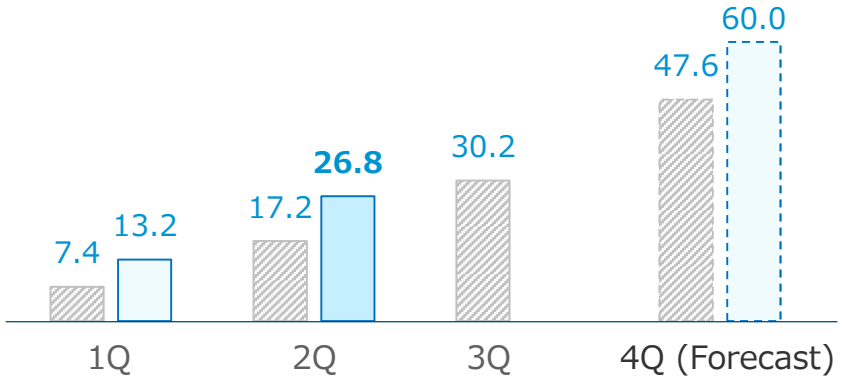
■ New Orders : YoY +1.8 Billion yen

Strong demands for container cranes in the Southeast Asian region continued, and the company received an order for a large-scale project of "21 units for Vietnam," resulting in an increase YoY in FYE Mar. 2025 2Q.



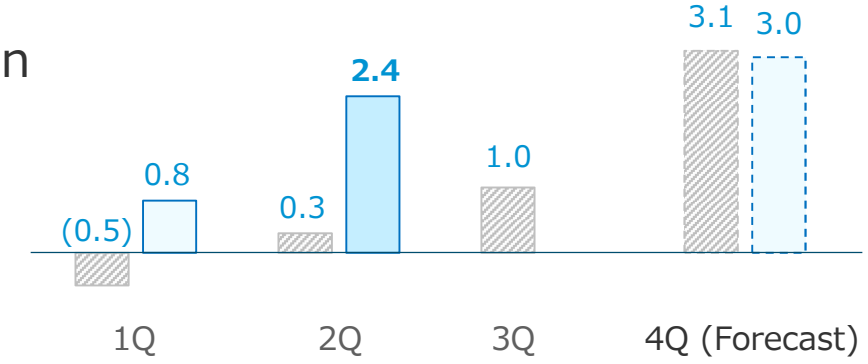
■ Net Sales : YoY +9.6 Billion yen

A highest record for New Orders in FYE Mar. 2024 contributes to a Net Sales increase YoY.



■ Operating Income (Loss) : YoY +2.1 Billion yen

Profits increased due to improved profitability in Container Cranes and steady performance of the After-sales Services business.



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Summary of FYE Mar. 2025 Forecast

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※ No change in FYE Mar. 2025 forecast, progressing within the plan.

(JPY: Billion)

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

(JPY: Billion)

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

※ Exchange rate assumption: USD/JPY:145
※ The USD/JPY exchange rate fluctuation has almost no impact on Operating Income.

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FYE Mar. 2025 Forecast Progress

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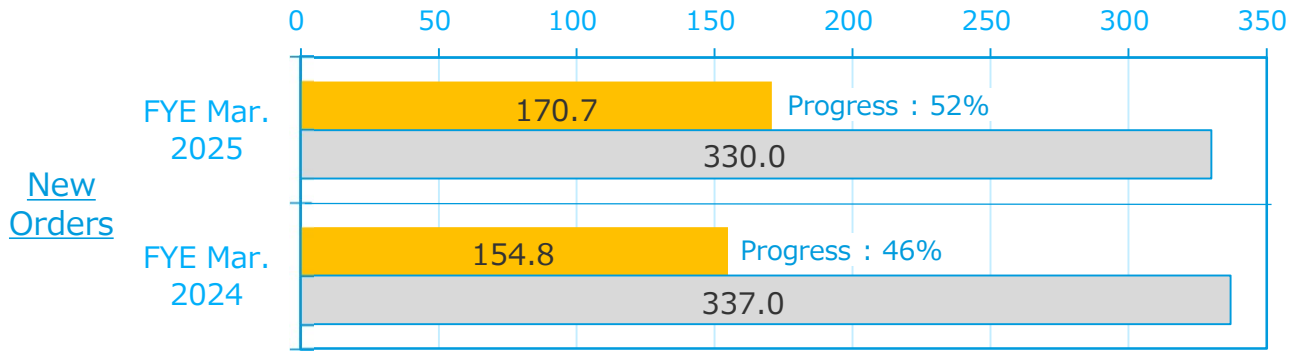
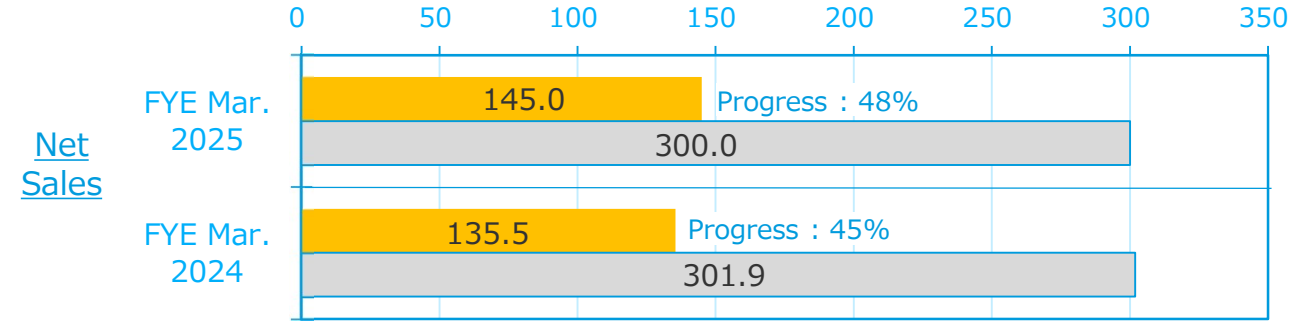
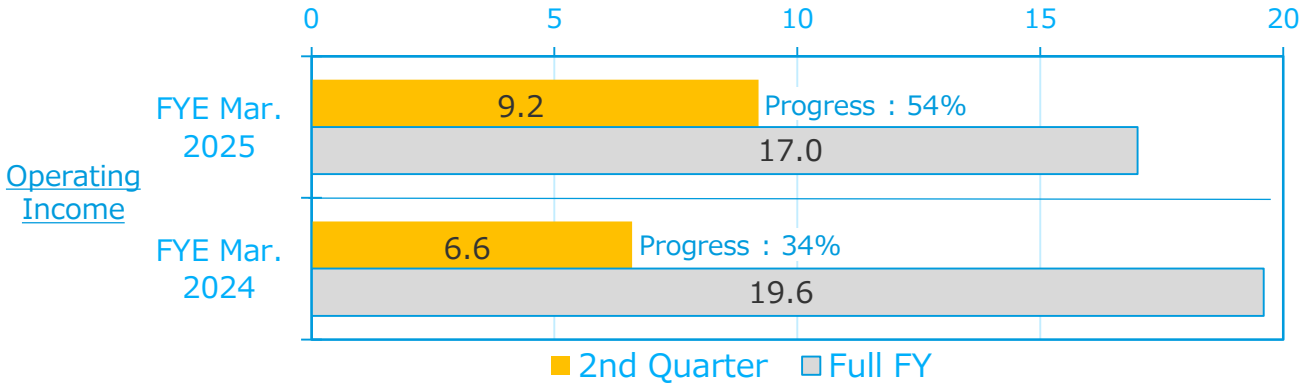
※ Progress within the plan.



FYE Mar. 2025 2Q :
The core business is progressing well, while most of the projects in New Business Development segment and Peripheral Business segment are expected to be realized in the second half of the fiscal year, and overall is generally in line.



FYE Mar. 2025 2Q :
Since many projects in the New Business Development segment are completed and delivered in the second half of the fiscal year, each segment is expected to remain in planned line at the end of fiscal year.



FYE Mar. 2025 2Q :
The core business performed well and overall progressed within the plan. In the New Business Development segment, higher profit and revenue are also expected in the second half of the fiscal year.

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Significant reduction in non-operating expenses and improvement in current ratio

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※ The P/L and B/S were fundamentally improved by reducing interest-bearing debt and rebalancing between long- and short-term balance of borrowings.

- Financial costs (interest expenses + commission expenses) were significantly reduced by paying off short-term borrowings increased by overseas civil engineering and construction project.

- Refinancing of short-term borrowings to long-term borrowings has improved the financial position.

(JPY: Billion)

	FYE Mar. 2024 2Q	FYE Mar. 2025 2Q	Var.
financial costs	4.1	1.9	(2.1)
Interest expenses	2.1	1.6	(0.6)
Commission expenses	1.9	0.4	(1.6)

	FYE Mar. 2024 4Q	FYE Mar. 2025 2Q	Var.
Total current assets	223.2	223.8	+0.6
Total current liabilities	280.4	193.0	(87.3)
current ratio	80%	116%	-

Debt with interest	162.0	106.0	(56.1)
Short-term borrowings*1)	151.2	60.4	(90.8)
Long-term borrowings	10.8	45.5	+34.7

*1) Including current portion of long-term borrowings

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Overseas civil engineering and construction project has been completed

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※ Loss-making project, which had caused serious negative cash flow since FYE Mar. 2019, has finally been completed.

- Overseas civil engineering and construction project has been completely finished.
- As a result of cost-reduction efforts, gain of 0.7 billion yen on reversal of provision for losses on construction contracts was recorded in 2Q FYE Mar. 2025.

	FYE Mar. 2024 4Q	FYE Mar. 2025 2Q
Construction Progress	almost complete	**completion**
Provision for losses on construction contracts（JPY: Billion）	2.1	**0**

- We will continue to focus on the growth of the core businesses and development of new businesses.

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Appendix) CAPEX・R&D・Employees

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※ Number of employees has increased mainly due to extension of the retirement age.

	FYE Mar. 2024 2Q	FYE Mar. 2024	FYE Mar. 2025 2Q	FYE Mar. 2025 Plan
CAPEX (JPY : Billion)	3.8	7.2	**3.4**	11.9
R&D (JPY : Billion)	0.9	2.0	**0.6**	2.5
Number of Employees	5,972	5,952	**6,078**	–

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Appendix） Marine Engines

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※ Steady progress in expansion of trial operation facilities for dual-fuel engine.

	FYE Mar. 2024 2Q		FYE Mar. 2025 2Q		FYE Mar. 2025 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	66	188	**62**	**197**	–	–
Deliveries	75	153	**75**	**156**	–	–
Back logs	100	217	**107**	**273**	–	–
Production	79	156	**64**	**131**	146	304

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