



August 6, 2025

## Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: MITSUI E&S Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7003  
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 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

#### (1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

|                                  | Net sales       |      | Operating income |       | Ordinary income |      | Profit attributable to owners of parent |        |
|----------------------------------|-----------------|------|------------------|-------|-----------------|------|---|--------|
|                                  | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %    | Millions of yen                         | %      |
| Three months ended June 30, 2025 | 81,151          | 15.8 | 8,896            | 106.9 | 10,148          | 17.2 | 7,214                                   | (74.9) |
| June 30, 2024                    | 70,062          | 13.8 | 4,299            | 150.3 | 8,656           | -    | 28,793                                  | -      |

Note: Comprehensive income For the three months ended June 30, 2025: ¥ 9,550 million [ (62.2%) ]  
 For the three months ended June 30, 2024: ¥ 25,283 million [ -% ]

|                                  | Earnings per share | Earnings per share (diluted) |
|----------------------------------|--------------------|------------------------------|
|                                  | Yen                | Yen                          |
| Three months ended June 30, 2025 | 71.50              | 71.48                        |
| June 30, 2024                    | 283.69             | 283.56                       |

#### (2) Consolidated Financial Position

|                     | Total assets    | Net assets      | Shareholders' equity to total assets ratio |
|---------------------|-----------------|-----------------|--|
|                     | Millions of yen | Millions of yen | %  |
| As of June 30, 2025 | 450,976         | 181,645         | 39.3                                       |
| March 31, 2025      | 449,212         | 174,154         | 37.8                                       |

Reference: Equity As of June 30, 2025: ¥ 177,327 million  
 As of March 31, 2025: ¥ 169,792 million

### 2. Dividends

|   | Annual dividend per share |                    |                   |                 |       |
|---|---------------------------|--------------------|-------------------|-----------------|-------|
|   | First quarter-end         | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
|   | Yen                       | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended/ending March 31, 2025 | -                         | 0.00               | -                 | 20.00           | 20.00 |
| March 31, 2026                          | -                         |                    |                   |                 |       |
| March 31, 2026 (Forecast)               |                           | 15.00              | -                 | 15.00           | 30.00 |

Note: Revisions to the most recently announced dividends forecasts: None

### 3. Forecasts for Financial Results (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

|                    | Net sales       |     | Operating income |     | Ordinary income |        | Profit attributable to owners of parent |        | Earnings per share |
|--------------------|-----------------|-----|------------------|-----|-----------------|--------|---|--------|--------------------|
| Fiscal year ending | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %      | Millions of yen                         | %      | Yen                |
| March 31, 2026     | 340,000         | 7.9 | 24,000           | 3.8 | 23,000          | (17.1) | 20,000                                  | (48.8) | 198.23             |

Note: Revisions to the most recently announced forecasts for financial results: None

Reference: Estimate is based on exchange rate of USD1.00 = JPY140.0

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: -

Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

i) Changes in accounting policies due to revisions of accounting standards and other regulations: None

ii) Changes in accounting policies due to other reasons: None

iii) Changes in accounting estimates: None

iv) Restatement: None

(4) Number of issued shares (common stock)

i) Number of issued shares at the end of the period (including treasury stock)

| As of          | shares      |
|----------------|-------------|
| June 30, 2025  | 103,098,717 |
| March 31, 2025 | 103,098,717 |

ii) Number of treasury stock at the end of the period

| As of          | shares    |
|----------------|-----------|
| June 30, 2025  | 2,204,142 |
| March 31, 2025 | 2,210,318 |

iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| Three months ended | shares      |
|--------------------|-------------|
| June 30, 2025      | 100,892,502 |
| June 30, 2024      | 100,881,800 |

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

(Notice regarding forward-looking statements)

The forecasts for financial results are based on information available at the time this report was released. These forecasts and other forward-looking statements are not guarantees of future performance. Actual operating results may differ from the above forecasts due to known and unknown risks, uncertainties, and other factors. Please refer to "1. Overview of Operating Results and Others, (3) Explanation of Forecasts for Consolidated Financial Results and Other Forward-Looking Statements" on page 4 (attached materials) for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts, etc.

(Where to get the supplementary explanatory materials)

Supplementary material was posted on TDnet (Timely Disclosure Network) the same day and is also available on our website.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results for the Three Months Ended June 30, 2025

The global economy during the three months ended June 30, 2025, maintained moderate growth overall, although some areas showed signs of weakness. On the other hand, regarding the future of the global economy, there are concerns about downward pressure on the economy due to the tariff policies of the U.S. Taking into account economic headwinds, major countries and regions such as the EU and China are planning to implement economic stimulus measures accompanied by fiscal expansion. However, the outlook is highly uncertain, and it is assumed that the downside risks are relatively significant. Additionally, the domestic economy is also gradually recovering due to various factors such as a rebound in consumer spending and solid corporate performance, while the uncertainty surrounding U.S. policies cannot be ignored.

In the shipbuilding industry, which is closely related to the Group's Marine Propulsion Systems business, a future decrease in maritime cargo movement is anticipated due to U.S. policies. However, for the time being, building berths are fully booked up to four years ahead, and shipyards in Japan have secured sufficient volumes of work on hand. Similarly, in Logistics Systems business, although a decrease in cargo movement is anticipated, the Group continues to maintain its competitive edge in the U.S. market. The order environment for the Group's core businesses is favorable for the time being as demand remains strong in the Asian region and Japan, mainly due to new construction and the expansion of existing facilities, as well as the replacement of existing facilities due to aging.

However, the situation allows no room for complacency due to factors such as the response of each country to U.S. policies and sudden fluctuations in interest and exchange rates. The Group is dealing with each risk appropriately through measures such as maintaining interest-bearing debt at an appropriate level and using forward exchange contracts.

To achieve sustainable growth in light of the uncertain and rapidly changing external environment, the Group has adopted a rolling mid-term business plan, that will constantly update its goals rather than commit to fixed ones for the next three years. Based on the financial results for FY2024, the Group has formulated the "MITSUI E&S Rolling Vision 2025" in May 2025, which includes updated functional strategies (finance and human resources) and business strategies until FY2027, three years from now. In this plan, the Group will make business investments to further grow the Group's core businesses and expand new business towards the Group's vision for 2030, as well as returning profits to shareholders through an appropriate dividend policy and striving to improve corporate value by balancing the cost of equity and the cost of liabilities.

In Marine Propulsion Systems business, the Group will strengthen the development and manufacturing of dual fuel engines, such as ammonia dual fueled engines, based on the Group's green strategy, as well as expand related peripheral equipment businesses. As a marine propulsion system supplier, the Group will continue to contribute to the realization of a decarbonized society in the field of marine logistics.

In Logistics Systems business, the Group received the delivery of the crane transport vessel "YAMATO" in April 2025. By owning this vessel, the Group has strengthened its maritime transportation capacity. This has established a foundation for expanding into the global market, and the Group is also advancing investments to increase its production capacity in the future. Through these efforts, the Group aims to make a greater contribution to the container terminal operations of its domestic and international customers.

In New Business Development business, the Group will strengthen the maintenance and inspection-service areas using digital technology. Specifically, the Group is developing new services such as "FALCONS (Fouling Advanced Lifecycle Control Service)" for managing hull fouling, offering drone inspection and maintenance services for various facilities, including port cranes and industrial plants, and providing solutions to improve the operational efficiency of port terminals.

In addition, the Company received a BBB+ rating, a two-notch upgrade, from Japan Credit Rating Agency, Ltd. (JCR) for its long-term issuer rating on July 18, 2025.

Orders received during the three months ended June 30, 2025 increased by 2,912 million yen (up 3.4%) year on year to 88,798 million yen. Net sales were 81,151 million yen, an increase of 11,088 million yen (up 15.8%) year on year mainly due to an increase in the number of dual fuel engines delivered in Marine Propulsion Systems and the steady progress in large projects in Logistics Systems. Operating income increased by 4,596 million yen (up 106.9%) year on year to 8,896 million yen mainly due to an increase in net sales and improved profitability in Marine Propulsion Systems and Logistics Systems. Ordinary income was 10,148 million yen, an increase of 1,492 million yen (up 17.2%) year on year, mainly due to an increase in operating income. Profit attributable to owners of parent was 7,214 million yen, a decrease of 21,579 million yen (down 74.9%) year on year, mainly due to a decrease in gain on sales of subsidiaries and affiliates' stocks.

The overview by reportable segment is as follows. From the first quarter of FY2025, the Group changed the reportable segment classifications, and the year-on-year comparison shown is based on the reportable segment classifications after the change. For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes, (4) Notes to Quarterly Consolidated Financial Statements (Notes on Segment Information, etc.)."

(New Business Development)

Orders received was 9,153 million yen, the same level as the same period of the previous fiscal year, 9,325 million yen. Net sales increased by 651 million yen (up 8.7%) year on year to 8,132 million yen, mainly due to an increase in industrial machinery products. Instead, operating income totaled 1,012 million yen, remained at the same level as the same period of the previous fiscal year, 1,039 million yen, mainly due to a decrease in profitable projects.

(Marine Propulsion Systems)

Orders received decreased by 15,114 million yen (down 26.8%) to 41,335 million yen compared to the same period of the previous fiscal year, mainly due to receipt of bulk orders for multiple large engines in the previous fiscal year. Net sales increased by 5,188 million yen (up 15.8%) year on year to 38,008 million yen, mainly due to an increase in the number of dual fuel engines delivered. Operating income increased by 1,681 million yen (up 69.1%) year on year to 4,116 million yen, mainly due to an increase in net sales and strong performance in the after-sales service.

(Logistics Systems)

Orders received increased by 10,117 million yen (up 93.4%) to 20,946 million yen compared to the same period of the previous fiscal year, mainly due to an increase in orders for large projects in Southeast Asia. Net sales increased by 2,702 million yen (up 20.5%) year on year to 15,858 million yen, mainly due to steady progress in large projects. Operating income increased by 2,149 million yen (up 271.9%) year on year to 2,939 million yen, mainly due to an increase in net sales and improved profitability of large projects.

(Peripheral Businesses)

Orders received increased by 8,069 million yen (up 87.4%) to 17,302 million yen compared to the same period of the previous fiscal year, mainly due to an increase in orders for large projects. Net sales increased by 2,796 million yen (up 17.1%) year on year to 19,106 million yen, mainly due to increases at overseas subsidiaries. Operating income increased by 617 million yen (up 239.6%) year on year to 874 million yen, mainly due to an increase in net sales.

## **(2) Overview of Financial Position for the Three Months Ended June 30, 2025**

i) Assets, Liabilities and Net Assets

Total assets as of June 30, 2025, were 450,976 million yen, increased by 1,763 million yen from the end of the previous fiscal year. This was mainly due to an increase of 16,518 million yen in cash and time deposits despite a decrease of 14,515 million yen in notes and accounts receivables - trade, and contract assets.

Total liabilities were 269,330 million yen, decreased by 5,727 million yen from the end of the previous fiscal year. This was mainly due to decreases in trade payables by 1,844 million yen, provision for bonuses by 4,444 million yen and others in current liabilities by 5,668 million yen despite an increase of 9,588 million yen in contract liabilities.

Total net assets were 181,645 million yen, increased by 7,490 million yen from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent and an increase in net unrealized holding gains on securities despite dividends paid and a decrease in foreign currency translation adjustments.

ii) Cash Flows

Cash and cash equivalents (hereinafter, "cash") as of June 30, 2025, were 49,967 million yen, increased by 16,590 million yen from the end of the previous fiscal year.

The summary of cash flows during the three months ended June 30, 2025 were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities during the three months ended June 30, 2025 was 14,539 million yen (2,385 million yen was used in the same period of the previous fiscal year). This was mainly due to inflows from the recording of profit before income taxes, a decrease in trade receivables and contract assets, and an increase in contract liabilities despite outflows from a decrease in other liabilities and income taxes paid.

(Cash flows from investing activities)

Net cash provided by investing activities during the three months ended June 30, 2025 was 5,458 million yen (69,573 million yen was provided in the same period of the previous fiscal year). This was mainly due to proceeds from sales of shares of subsidiaries and affiliates.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 3,130 million yen during the three months ended June 30, 2025 (57,011 million yen was used in the same period of the previous fiscal year). This was mainly due to outflows from dividends paid.

### (3) Explanation of Forecasts for Consolidated Financial Results and Other Forward-Looking Statements

Our forecasts of consolidated financial results for FY2025 are the same as those announced on May 13, 2025. Forecasts are based on an exchange rate of 1 US dollar to 140 yen.

[Forecasts for consolidated financial results for FY2025 (From April 1, 2025 to March 31, 2026)]

(Billions of yen)

| Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Earnings per share |
|-----------|------------------|-----------------|---|--------------------|
| 340.0     | 24.0             | 23.0            | 20.0                                    | 198.23 yen         |

[Forecasts for consolidated financial results for FY2025 by segment (From April 1, 2025 to March 31, 2026)]

(Billions of yen)

|                  | New Business Development | Marine Propulsion Systems | Logistics Systems | Peripheral Businesses | Others | Total |
|------------------|--------------------------|---------------------------|-------------------|-----------------------|--------|-------|
| Net sales        | 40.0                     | 150.0                     | 65.0              | 85.0                  | 0.0    | 340.0 |
| Operating income | 6.0                      | 9.0                       | 6.0               | 3.0                   | 0.0    | 24.0  |

Note : Above forecasts are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from the above figures due to various factors in the future.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| <b>Assets</b>  |                      |                     |
| Current assets   |                      |                     |
| Cash and time deposits   | 35,353               | 51,872              |
| Notes and accounts receivables - trade,<br>and contract assets | 102,955              | 88,439              |
| Electronically recorded monetary claims - operating            | 4,987                | 5,366               |
| Merchandise and finished goods                                 | 10,625               | 10,732              |
| Work in progress   | 52,473               | 54,381              |
| Raw materials and supplies                                     | 6,829                | 7,042               |
| Others   | 27,427               | 28,584              |
| Allowance for doubtful accounts                                | (1,006)              | (994)               |
| Total current assets   | 239,646              | 245,424             |
| Non-current assets   |                      |                     |
| Property, plant and equipment                                  |                      |                     |
| Land   | 65,728               | 63,298              |
| Others, net  | 50,421               | 48,204              |
| Total property, plant and equipment                            | 116,149              | 111,503             |
| Intangible assets  |                      |                     |
| Goodwill   | 6,477                | 6,517               |
| Others   | 7,661                | 7,653               |
| Total intangible assets  | 14,138               | 14,171              |
| Investments and other assets                                   |                      |                     |
| Investment securities  | 29,674               | 30,565              |
| Others   | 49,730               | 49,441              |
| Allowance for doubtful accounts                                | (126)                | (130)               |
| Total investments and other assets                             | 79,278               | 79,876              |
| Total non-current assets                                       | 209,566              | 205,551             |
| Total assets   | 449,212              | 450,976             |

(Millions of yen)

As of March 31, 2025    As of June 30, 2025

|   |         |         |
|---|---------|---------|
| <b>Liabilities</b>                              |         |         |
| Current liabilities                             |         |         |
| Trade payables                                  | 45,610  | 43,765  |
| Electronically recorded obligations - operating | 13,526  | 13,220  |
| Short-term borrowings                           | 47,854  | 47,280  |
| Current portion of long-term borrowings         | 6,166   | 6,100   |
| Accrued income taxes                            | 5,120   | 5,217   |
| Contract liabilities                            | 44,187  | 53,776  |
| Provision for bonuses                           | 6,171   | 1,726   |
| Provision for losses on construction contracts  | 4,837   | 4,437   |
| Provision for demolition and removal            | 1,142   | 838     |
| Other provisions                                | 4,705   | 3,862   |
| Asset retirement obligations                    | 106     | 106     |
| Others  | 21,362  | 15,693  |
| Total current liabilities                       | 200,792 | 196,026 |
| Long-term liabilities                           |         |         |
| Long-term borrowings                            | 43,829  | 43,642  |
| Provision for business restructuring            | 1,110   | 1,110   |
| Provision for contract losses                   | 3,845   | 3,690   |
| Other provisions                                | 284     | 294     |
| Net defined benefit liabilities                 | 4,565   | 4,545   |
| Asset retirement obligations                    | 1,481   | 1,482   |
| Others  | 19,149  | 18,538  |
| Total long-term liabilities                     | 74,265  | 73,304  |
| Total liabilities                               | 275,058 | 269,330 |
| <b>Net assets</b>                               |         |         |
| Shareholders' equity                            |         |         |
| Share capital                                   | 8,846   | 8,846   |
| Capital surplus                                 | 2,792   | 2,793   |
| Retained earnings                               | 104,494 | 110,343 |
| Treasury stock                                  | (4,590) | (4,577) |
| Total shareholders' equity                      | 111,543 | 117,405 |
| Accumulated other comprehensive income          |         |         |
| Net unrealized holding gains on securities      | 6,890   | 11,038  |
| Unrealized gains on hedging derivatives         | 2,723   | 2,718   |
| Revaluation reserve for land                    | 25,438  | 24,782  |
| Foreign currency translation adjustments        | 9,085   | 7,820   |
| Remeasurements of defined benefit plans         | 14,111  | 13,561  |
| Total accumulated other comprehensive income    | 58,249  | 59,921  |
| Subscription rights to shares                   | 58      | 48      |
| Non-controlling interests                       | 4,303   | 4,270   |
| Total net assets                                | 174,154 | 181,645 |
| Total liabilities and net assets                | 449,212 | 450,976 |



## (2) Quarterly Consolidated Statements of Operations and Comprehensive Income

## Quarterly Consolidated Statements of Operations

(Millions of yen)

|   | April 1, 2024 to<br>June 30, 2024 | April 1, 2025 to<br>June 30, 2025 |
|---|-----------------------------------|-----------------------------------|
| Net sales   | 70,062                            | 81,151                            |
| Cost of sales   | 58,768                            | 65,042                            |
| Gross profit  | 11,294                            | 16,108                            |
| Selling, general and administrative expenses                  | 6,994                             | 7,212                             |
| Operating income  | 4,299                             | 8,896                             |
| Non-operating income  |                                   |                                   |
| Interest income   | 80                                | 64                                |
| Dividend income   | 44                                | 84                                |
| Share of profit of entities accounted for using equity method | 4,607                             | 1,792                             |
| Foreign currency exchange gains                               | 432                               | -                                 |
| Others  | 496                               | 127                               |
| Total non-operating income                                    | 5,661                             | 2,069                             |
| Non-operating expenses  |                                   |                                   |
| Interest expenses   | 899                               | 527                               |
| Foreign currency exchange losses                              | -                                 | 142                               |
| Others  | 404                               | 146                               |
| Total non-operating expenses                                  | 1,304                             | 816                               |
| Ordinary income   | 8,656                             | 10,148                            |
| Extraordinary income  |                                   |                                   |
| Gain on disposal of non-current assets                        | 177                               | 16                                |
| Gain on sales of subsidiaries and affiliates' stocks          | 25,332                            | 276                               |
| Total extraordinary income                                    | 25,509                            | 293                               |
| Extraordinary losses  |                                   |                                   |
| Loss on disposal of non-current assets                        | 219                               | 52                                |
| Loss on change in equity                                      | 1,124                             | -                                 |
| Total extraordinary losses                                    | 1,344                             | 52                                |
| Profit before income taxes                                    | 32,822                            | 10,389                            |
| Income taxes  | 4,003                             | 3,166                             |
| Profit  | 28,818                            | 7,222                             |
| Profit attributable to non-controlling interests              | 25                                | 8                                 |
| Profit attributable to owners of parent                       | 28,793                            | 7,214                             |

# Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | April 1, 2024 to<br>June 30, 2024 | April 1, 2025 to<br>June 30, 2025 |
|--|-----------------------------------|-----------------------------------|
| Profit   | 28,818                            | 7,222                             |
| Other comprehensive income   |                                   |                                   |
| Net unrealized holding gains on securities   | 3,652                             | 4,144                             |
| Unrealized gains on hedging derivatives  | 242                               | 229                               |
| Foreign currency translation adjustments   | 1,582                             | (377)                             |
| Remeasurements of defined benefit plans  | (392)                             | (355)                             |
| Share of other comprehensive income of affiliates<br>accounted for using equity method | (8,620)                           | (1,312)                           |
| Total  | (3,535)                           | 2,328                             |
| Comprehensive income   | 25,283                            | 9,550                             |
| Comprehensive income attributable to   |                                   |                                   |
| Owners of parent   | 25,240                            | 9,541                             |
| Non-controlling interests  | 43                                | 9                                 |

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

|   | April 1, 2024 to<br>June 30, 2024 | April 1, 2025 to<br>June 30, 2025 |
|---|-----------------------------------|-----------------------------------|
| Cash flows from operating activities                          |                                   |                                   |
| Profit before income taxes                                    | 32,822                            | 10,389                            |
| Depreciation and amortization                                 | 1,858                             | 1,959                             |
| Amortization of goodwill                                      | 266                               | 262                               |
| Decrease of allowance for doubtful accounts                   | (5)                               | (2)                               |
| Increase in net defined benefit liabilities                   | 111                               | 76                                |
| Increase in net defined benefit assets                        | (146)                             | (340)                             |
| Decrease in provision for losses on construction contracts    | (1,052)                           | (356)                             |
| Interest and dividend income                                  | (124)                             | (149)                             |
| Interest expenses   | 899                               | 527                               |
| Share of profit of entities accounted for using equity method | (4,607)                           | (1,792)                           |
| Foreign currency exchange losses (gains)                      | 57                                | (0)                               |
| Gain on sales of subsidiaries and affiliates' stocks          | (25,332)                          | (276)                             |
| Loss on disposal of non-current assets                        | 42                                | 36                                |
| Loss on change in equity                                      | 1,124                             | -                                 |
| Decrease in trade receivables and contract assets             | 9,278                             | 13,542                            |
| Increase in inventories                                       | (1,628)                           | (2,238)                           |
| Decrease in trade payables                                    | (9,917)                           | (2,408)                           |
| Increase in contract liabilities                              | 499                               | 9,495                             |
| Decrease (increase) in other assets                           | 526                               | (956)                             |
| Decrease in other liabilities                                 | (4,833)                           | (11,938)                          |
| Others, net   | (582)                             | 1,924                             |
| Sub-total   | (745)                             | 17,751                            |
| Interest and dividend received                                | 400                               | 1,252                             |
| Interest paid   | (872)                             | (421)                             |
| Income taxes paid   | (1,167)                           | (4,043)                           |
| Net cash provided by (used in) operating activities           | (2,385)                           | 14,539                            |

|  | (Millions of yen)                 |                                   |
|--|-----------------------------------|-----------------------------------|
|  | April 1, 2024 to<br>June 30, 2024 | April 1, 2025 to<br>June 30, 2025 |
| Cash flows from investing activities   |                                   |                                   |
| Net decrease (increase) in time deposits   | 360                               | (32)                              |
| Capital expenditure  | (1,404)                           | (1,628)                           |
| Proceeds from sales of non-current assets  | 586                               | 2,972                             |
| Proceeds from sales of shares of subsidiaries<br>resulting in change in scope of consolidation | 330                               | -                                 |
| Proceeds from sales of shares of subsidiaries and<br>affiliates                                | 69,828                            | 4,197                             |
| Others, net  | (127)                             | (51)                              |
| Net cash provided by (used in) investing activities  | 69,573                            | 5,458                             |
| Cash flows from financing activities   |                                   |                                   |
| Net decrease in short-term borrowings  | (55,300)                          | (570)                             |
| Repayments of long-term borrowings   | (187)                             | (253)                             |
| Repayments of lease obligations  | (514)                             | (477)                             |
| Cash dividends   | (994)                             | (1,797)                           |
| Dividends paid to non-controlling interests  | (37)                              | (41)                              |
| Others, net  | 22                                | 9                                 |
| Net cash provided by (used in) financing activities  | (57,011)                          | (3,130)                           |
| Effect of exchange rate changes on cash and cash<br>equivalents                                | 514                               | (277)                             |
| Net increase in cash and cash equivalents  | 10,690                            | 16,589                            |
| Cash and cash equivalents at beginning of period   | 33,516                            | 33,376                            |
| Increase due to changes in scope of consolidation  | -                                 | 1                                 |
| Cash and cash equivalents at end of period   | 44,207                            | 49,967                            |

**(4) Notes to Quarterly Consolidated Financial Statements****(Notes on Going Concern Assumption)**

Not applicable.

**(Notes in the Event of Significant Changes in Shareholders' Equity)**

Not applicable.

**(Notes on Application of Specific Accounting Treatment for Preparing Quarterly Consolidated Financial Statements)**

(Tax expense calculation)

After applying tax effect accounting to profit before income taxes for the fiscal year, which includes the three months ended June 30, 2025, the Group makes a reasonable estimate of the effective tax rate and multiplies the profit before income taxes by that estimated effective tax rate. If the estimated effective tax rate is unavailable, the amount of the significant difference, other than temporary differences, etc. is added to or deducted from profit before income taxes, and the result is multiplied by the statutory effective tax rate. Income taxes - deferred are included in the presentation of income taxes.

**(Notes on Segment Information, etc.)**

I For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information about sales and segment income or loss for each reportable segment

(Millions of yen)

|                       | New Business<br>Development | Marine<br>Propulsion<br>Systems | Logistics<br>Systems | Peripheral<br>Businesses | Sub total | Others | Total  | Adjustments | Consolidated |
|-----------------------|-----------------------------|---------------------------------|----------------------|--------------------------|-----------|--------|--------|-------------|--------------|
| Net Sales:            |                             |                                 |                      |                          |           |        |        |             |              |
| Outside customers     | 7,480                       | 32,819                          | 13,155               | 16,310                   | 69,766    | 295    | 70,062 | -           | 70,062       |
| Inter segment         | 209                         | 150                             | 23                   | 3,161                    | 3,545     | -      | 3,545  | (3,545)     | -            |
| Total                 | 7,690                       | 32,970                          | 13,179               | 19,472                   | 73,312    | 295    | 73,608 | (3,545)     | 70,062       |
| Segment income (loss) | 1,039                       | 2,434                           | 790                  | 257                      | 4,522     | (222)  | 4,299  | -           | 4,299        |

Notes 1: "Others" is the segment which is not included in reportable segment and includes Engineering businesses, etc.

2: Segment income (loss) is adjusted with operating income in Quarterly Consolidated Statements of Operations.

2. Information about loss on impairment of non-current assets, goodwill, etc. for each reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

II For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information about sales and segment income or loss for each reportable segment

(Millions of yen)

|                       | New Business<br>Development | Marine<br>Propulsion<br>Systems | Logistics<br>Systems | Peripheral<br>Businesses | Sub total | Others | Total  | Adjustments | Consolidated |
|-----------------------|-----------------------------|---------------------------------|----------------------|--------------------------|-----------|--------|--------|-------------|--------------|
| Net Sales:            |                             |                                 |                      |                          |           |        |        |             |              |
| Outside customers     | 8,132                       | 38,008                          | 15,858               | 19,106                   | 81,106    | 45     | 81,151 | -           | 81,151       |
| Inter segment         | 409                         | 214                             | 18                   | 3,478                    | 4,120     | -      | 4,120  | (4,120)     | -            |
| Total                 | 8,542                       | 38,223                          | 15,876               | 22,585                   | 85,227    | 45     | 85,272 | (4,120)     | 81,151       |
| Segment income (loss) | 1,012                       | 4,116                           | 2,939                | 874                      | 8,943     | (47)   | 8,896  | -           | 8,896        |

Notes 1: "Others" is the segment which is not included in reportable segment and includes Engineering businesses, etc.

2: Segment income (loss) is adjusted with operating income in Quarterly Consolidated Statements of Operations.

2. Changes in Reportable Segment, etc.

(Changes in Classification of Reportable Segment)

In the previous consolidated fiscal year, MODEC, INC. and its related companies, which constituted "Ocean Development," were excluded from the scope of application of the equity method due to a partial sale of MODEC, INC. shares. As a result, effective from the first quarter of FY2025, the Group has changed the classification of its reportable segment to 4 segments: "New Business Development," "Marine Propulsion Systems," "Logistics Systems," and "Peripheral Businesses."

Segment information for the first quarter of the previous fiscal year has been presented based on the reportable segments after the changes.

3. Information about loss on impairment of non-current assets, goodwill, etc. for each reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

(Notes on Significant Subsequent Events)

Not applicable.

### 3. Supplementary Information

Information about new orders and sales

(Percentages in FY2024 and FY2025 indicate composition ratio.)

#### New Orders

|                           | 1Q FY2024<br>(from April 1, 2024<br>to June 30, 2024) |       | 1Q FY2025<br>(from April 1, 2025<br>to June 30, 2025) |       | Increase/Decrease | Change<br>ratio | FY2024<br>(from April 1, 2024<br>to March 31, 2025) |       |
|---------------------------|---|-------|---|-------|-------------------|-----------------|---|-------|
|                           | Millions of yen                                       | %     | Millions of yen                                       | %     | Millions of yen   | %               | Millions of yen                                     | %     |
| New Business Development  | 9,325   | 10.9  | 9,153   | 10.3  | (171)             | (1.8)           | 45,953  | 10.9  |
| Marine Propulsion Systems | 56,449  | 65.7  | 41,335  | 46.5  | (15,114)          | (26.8)          | 212,932   | 50.5  |
| Logistics Systems         | 10,829  | 12.6  | 20,946  | 23.6  | 10,117            | 93.4            | 76,112  | 18.1  |
| Peripheral Businesses     | 9,232   | 10.7  | 17,302  | 19.5  | 8,069             | 87.4            | 86,562  | 20.5  |
| Others                    | 49  | 0.1   | 60  | 0.1   | 11                | 22.4            | 137   | 0.0   |
| Total                     | 85,886  | 100.0 | 88,798  | 100.0 | 2,912             | 3.4             | 421,699   | 100.0 |

#### Sales

|                           | 1Q FY2024<br>(from April 1, 2024<br>to June 30, 2024) |       | 1Q FY2025<br>(from April 1, 2025<br>to June 30, 2025) |       | Increase/Decrease | Change<br>ratio | FY2024<br>(from April 1, 2024<br>to March 31, 2025) |       |
|---------------------------|---|-------|---|-------|-------------------|-----------------|---|-------|
|                           | Millions of yen                                       | %     | Millions of yen                                       | %     | Millions of yen   | %               | Millions of yen                                     | %     |
| New Business Development  | 7,480   | 10.7  | 8,132   | 10.0  | 651               | 8.7             | 40,017  | 12.7  |
| Marine Propulsion Systems | 32,819  | 46.8  | 38,008  | 46.8  | 5,188             | 15.8            | 135,506   | 43.0  |
| Logistics Systems         | 13,155  | 18.8  | 15,858  | 19.5  | 2,702             | 20.5            | 62,767  | 19.9  |
| Peripheral Businesses     | 16,310  | 23.3  | 19,106  | 23.6  | 2,796             | 17.1            | 75,193  | 23.9  |
| Others                    | 295   | 0.4   | 45  | 0.1   | (250)             | (84.8)          | 1,626   | 0.5   |
| Total                     | 70,062  | 100.0 | 81,151  | 100.0 | 11,088            | 15.8            | 315,112   | 100.0 |

#### Order Backlogs

|                           | FY2024<br>(as of March 31, 2025) |       | 1Q FY2025<br>(as of June 30, 2025) |       | Increase/Decrease | Change<br>ratio | 1Q FY2024<br>(as of June 30, 2024) |       |
|---------------------------|----------------------------------|-------|------------------------------------|-------|-------------------|-----------------|------------------------------------|-------|
|                           | Millions of yen                  | %     | Millions of yen                    | %     | Millions of yen   | %               | Millions of yen                    | %     |
| New Business Development  | 40,124                           | 8.2   | 41,081                             | 8.4   | 956               | 2.4             | 36,843                             | 9.1   |
| Marine Propulsion Systems | 161,819                          | 33.3  | 163,806                            | 33.4  | 1,986             | 1.2             | 107,970                            | 26.6  |
| Logistics Systems         | 95,884                           | 19.7  | 99,197                             | 20.3  | 3,312             | 3.5             | 80,178                             | 19.8  |
| Peripheral Businesses     | 188,789                          | 38.8  | 185,760                            | 37.9  | (3,029)           | (1.6)           | 179,369                            | 44.2  |
| Others                    | 104                              | 0.0   | 128                                | 0.0   | 24                | 23.0            | 1,346                              | 0.3   |
| Total                     | 486,722                          | 100.0 | 489,973                            | 100.0 | 3,250             | 0.7             | 405,707                            | 100.0 |