

Consolidated Financial Results for 3rd Quarter of Fiscal Year Ended March 31, 2024



February 14, 2024




MITSUI E&S Co., Ltd.






Note: This document has been translated from Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

※ Our core business is still steady and expected to be better ahead.

3rd Quarter of FYE Mar. 2024 Results

- ◆ New Orders 227.9 Billion yen (QoQ )
- ◆ Net Sales 215.4 Billion yen (QoQ )
- ◆ Operating Income 13.5 Billion yen (QoQ )

FYE Mar. 2024 Forecast

- ◆ New Orders 330 Billion yen (compared to Dec. 22, 2023 )
- ◆ Net Sales 300 Billion yen (compared to Dec. 22, 2023 )
- ◆ Operating Income 17 Billion yen (compared to Dec. 22, 2023 )

Topics

- ◆ Forecast revised upward.
- ◆ Completion of the Moving Strike Warrant.
- ◆ Facility expansion for Marine Engines to alternative fuel.

Summary of Results

※ Profits increased stably due to favorable business environment.

(JPY: Billion)

	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q	Var.
New Orders	214.0	227.9	+13.9
Net Sales	173.2	215.4	+42.2
Operating Income (Loss)	(2.5)	13.5	+16.0
margin	(1.5%)	6.3%	-
Ordinary Income (Loss)	(0.4)	11.7	+12.1
margin	(0.3%)	5.4%	-
Profit attributable to owners of parent	2.2	11.7	+9.4

<Average FX>

	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q
USD/JPY	138.28 Yen	145.94 Yen

Summary of Segment Results

※ Many New Orders for Container Cranes in the Southeast Asia.

※ Sales expansion improved profitability in all segments.

(JPY: Billion)

	New Orders			Net Sales			Operating Income (Loss)		
	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q	Var.	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q	Var.	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q	Var.
New Business Development	31.5	37.2	+5.7	22.3	29.2	+6.8	1.8	3.5	+1.7
Marine Propulsion Systems	91.0	85.7	(5.3)	70.1	99.7	+29.6	1.4	5.0	+3.6
Logistics Systems	39.5	58.7	+19.3	28.2	30.2	+1.9	(0.5)	1.0	+1.5
Peripheral Business	40.5	46.2	+5.7	38.0	52.6	+14.5	(0.2)	2.0	+2.2
Others	11.6	0.1	(11.5)	14.5	3.7	(10.7)	(5.0)	1.9	+7.0
Total	214.0	227.9	+13.9	173.2	215.4	+42.2	(2.5)	13.5	+16.0

Summary of FYE Mar. 2024 Forecast

※ FYE Mar. 2024 forecast revised upward, reflecting good business circumstances.

(JPY: Billion)

	Previous Forecast (Dec. 22, 2023)	Revised Forecast (Feb. 14, 2024)	Var.
New Orders	320.0	330.0	+10.0
Net Sales	280.0	300.0	+20.0
Operating Income	12.0	17.0	+5.0
Ordinary Income	9.0	16.0	+7.0
Profit attributable to owners	8.0	17.0	+9.0
Free CF (*1)	(43.0)	(43.0)	0
Debt (with interest)	168.0	164.0	(4.0)

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

* Exchange rate assumption: ¥140/USD

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

Summary of FYE Mar. 2024 Forecast by Segment

※ FYE Mar. 2024 forecast of each segment is updated based on progress.

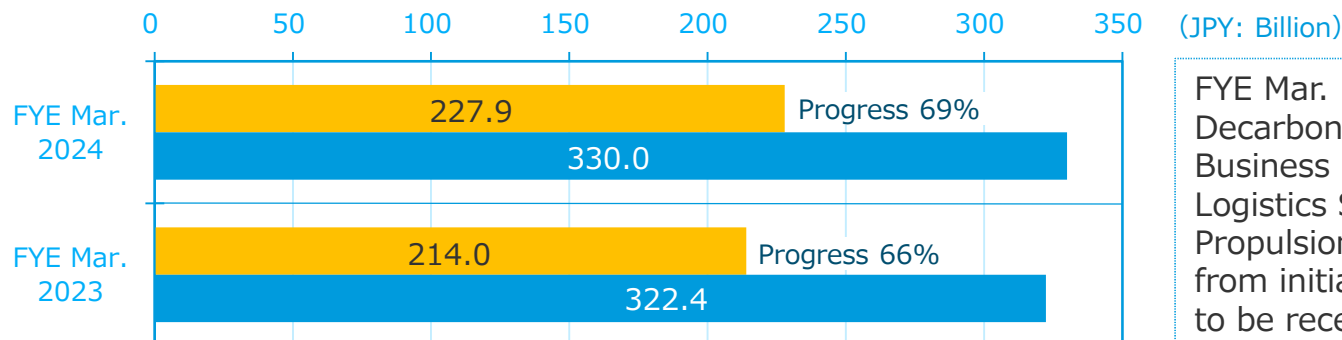
(JPY : Billion)

	New Orders			Net Sales			Operating Income (Loss)		
	Previous Forecast Dec. 22, 2023	Revised Forecast Feb. 14, 2024	Var.	Previous Forecast Dec. 22, 2023	Revised Forecast Feb. 14, 2024	Var.	Previous Forecast Dec. 22, 2023	Revised Forecast Feb. 14, 2024	Var.
New Business Development	40.0	50.0	+10	30.0	40.0	+10	3.0	4.0	+1.0
Marine Propulsion Systems	160.0	160.0	0	130.0	130.0	0	5.0	6.0	+1.0
Logistics Systems	50.0	60.0	+10	50.0	50.0	0	2.0	3.0	+1.0
Peripheral Business	70.0	60.0	(10)	60.0	70.0	+10	2.0	2.0	0
Others	0	0	0	10.0	10.0	0	0	2.0	+2.0
Total	320.0	330.0	+10	280.0	300.0	+20	12.0	17.0	+5.0

FYE Mar. 2024 Forecast Progress

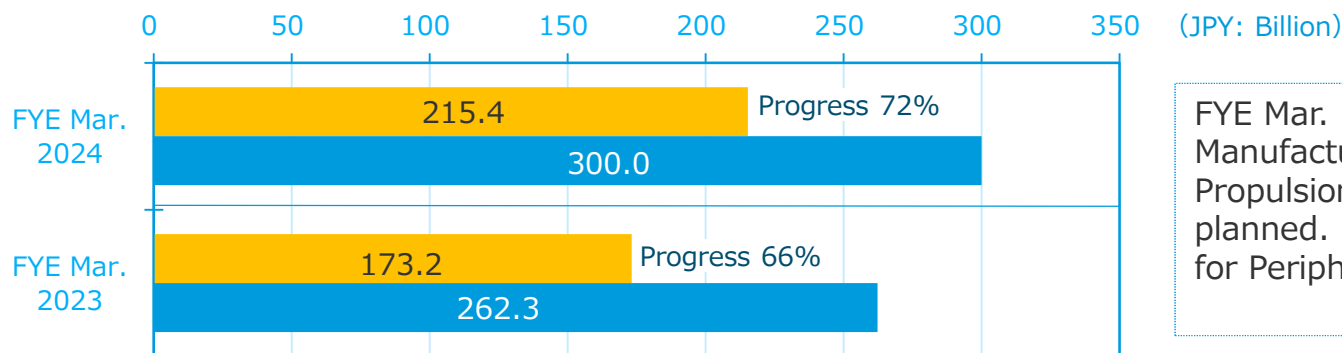
※ Good progress rate even after the upward revision of FYE Mar.2024 forecast.

New Orders



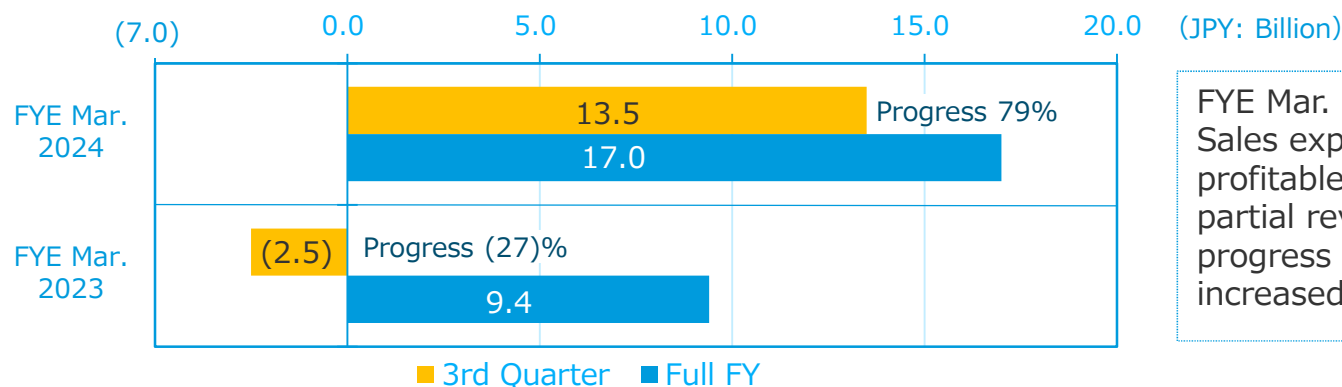
FYE Mar. 2024 3Q:
Decarbonization projects are increasing in New Business Development segment and demands for Logistics Systems segment remain strong. Marine Propulsion Systems segment remains unchanged from initial plan since many orders are expected to be received in FYE Mar. 2024 4Q.

Net Sales



FYE Mar. 2024 3Q:
Manufacturing of Marine Engines in Marine Propulsion Systems segment progressed as planned. Net Sales by almost all of subsidiaries for Peripheral Businesses segment increased.

Operating Income



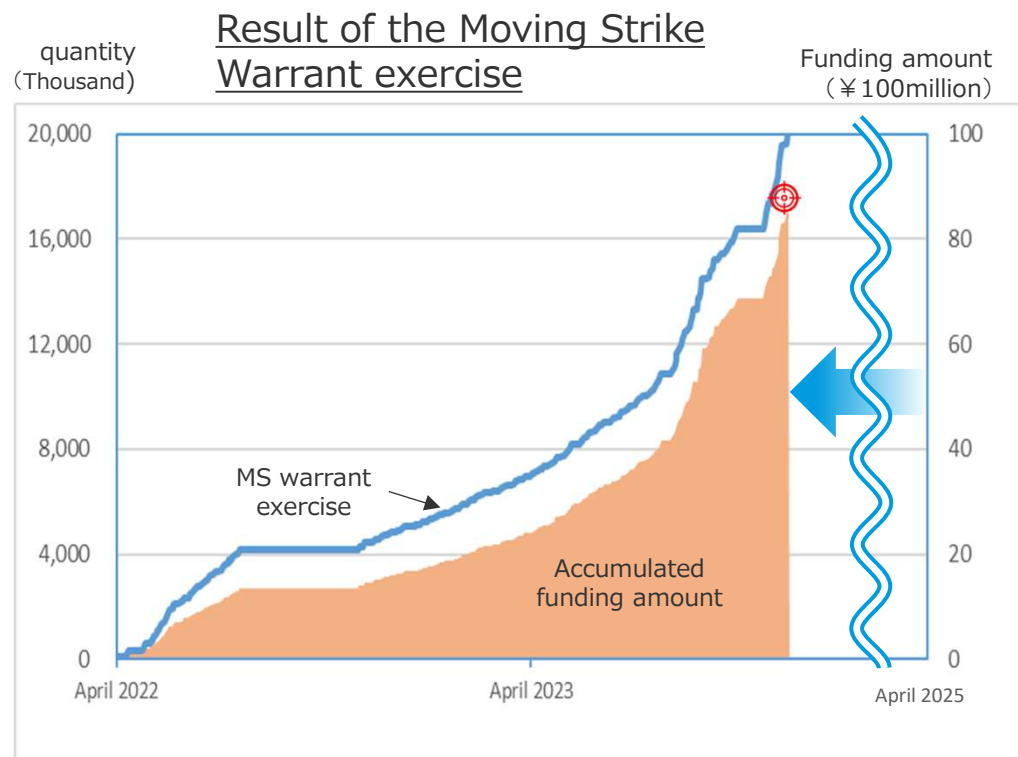
FYE Mar. 2024 3Q:
Sales expansion made our core segments more profitable. In Others segment, there was a partial reversal of the provision for losses due to progress in construction. As a result, profits increased in all segments.

■ 3rd Quarter ■ Full FY

Completion of the Moving Strike Warrant

※ Business revival plan has been completed in FY22 and business performance is getting on a track to sound recovery.

※ Stock prices are on an upward trend.



	Start	Completion
	April 18,2022	November 29,2023
Number of shares (Thousand share)	20,000	20,000
Funding amount of MS warrant exercise (JPY 100 million)	81 (plan)	85 (actual)
Stock price (JPY)	366	551

Point

- Completion was on November 29th,2023 well in advance of the end-of-term validity; April 30th,2025.
- Funding amount is increased from ¥8.1 billion to ¥8.5 billion. As a result, capital reinforcement is achieved, well ahead of initial schedule.

Facility expansion for Marine Engines to alternative fuel.

◆ IMO Green House Gas (GHG) reduction targets.

Target is moved up and the switch to alternative fuels is accelerated.

reach net-zero GHG emissions close to 2050 (as of Jul. 2023)

phase out GHG emissions as soon as possible in this Century (as of Apr. 2018)



◆ Our action to GHG Regulation

Shift to dual-fuel engine as main product to respond to zero GHG emissions in the future.

- ✓ Expanded manufacturing facilities for various types of dual-fuel engines.
- ✓ Develop of ammonia fuel engine, ammonia fuel supply system and hydrogen combustion technology.

◆ Progress of manufacturing facilities expansion

- Facilities already completed
 - Expansion of dual-fuel engine test stand
 - Construction of dual-fuel engine test stand to support large engines
 - Installed hydrogen supply facilities
- Facilities to be completed by FYE Mar. 2024
 - Expansion of LNG fuel supply facilities
 - Installation of ammonia supply facilities



Marine Engine on test stand

Timely expansion of fuel supply facilities in line with market trends

Appendix) Summary of Income Statement

※ Although financial costs temporarily increased, profits increased due to sales expansion.

(JPY: Billion)

	FYE Mar. 2023 3Q	FYE Mar. 2024 3Q	Var.	
Net sales	173.2	215.4	+42.2	Increase mainly due to consolidation of Mitsui E&S DU and increase in manufacturing of Marine Engines.
Gross profit	18.5	34.2	+15.8	
Selling, general and administrative expenses	21.0	20.8	(0.3)	
Operating income	(2.5)	13.5	+16.0	
Non-operating income	7.5	5.0	(2.5)	Decrease mainly due to smaller impact of foreign exchange.
Non-operating expenses	5.4	6.8	+1.4	Increase mainly due to finance costs.
Ordinary income	(0.4)	11.7	+12.1	
Extraordinary income	4.8	4.0	(0.8)	
Extraordinary losses	1.4	1.7	+0.3	
Profit before income taxes	2.9	14.0	+11.0	
Income taxes	0.8	2.1	+1.3	
Profit attributable to non-controlling interests	(0.1)	0.2	+0.3	
Profit attributable to owners of parent	2.2	11.7	+9.4	

Appendix) Summary of Balance Sheet

※ Equity increased due to accumulation of profits and the completion of exercise of stock acquisition rights.

(JPY: Billion)

	FYE Mar. 2023	FYE Mar. 2024 3Q	Var.	
Total Assets	440.0	467.0	+27.1	
(Cash and time deposits)	45.8	38.3	(7.5)	
(Notes, accounts receivables and contract assets)	81.9	90.4	+8.6	
(Inventory)	59.0	75.1	+16.1	Increase mainly due to increase in manufacturing of Marine Engines.
(Fixed Assets)	131.3	133.0	+1.7	
(Investment securities)	68.8	77.9	+9.1	
Total Liabilities	329.3	328.9	(0.4)	
(Trade payables)	54.9	66.4	+11.4	Increase mainly due to consolidation of Mitsui E&S DU.
(Contract liabilities)	25.3	28.4	+3.1	
(Provision for losses on construction contracts)	14.0	5.7	(8.3)	
(Debt with interest)	141.5	166.9	+25.4	Increase mainly due to cash-out for a project in Indonesia.
(Others)	54.5	21.5	(33.0)	Decrease in accrued expenses due to progress in the settlement of various undetermined costs of project in Indonesia.
Total Net Assets	110.7	138.2	+27.5	
(Equity)	106.4	133.8	+27.4	Increase due to accumulation of retained earnings and the completion of exercise of stock acquisition rights.
(Shareholders' equity to total assets ratio)	24.2%	28.6%		
Working Capital (*1)	52.6	64.6	+12.0	Increase mainly due to expansion of New Orders and Net Sales.
Net D/E Ratio	0.9	1.0		

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

※ Progressed as planned, expanding manufacturing facilities.

	FYE Mar. 2023 3Q		FYE Mar. 2024 (*1) 3Q		FYE Mar. 2024 (*1) Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	123	269	72	199	—	—
Deliveries	98	204	115	232	—	—
Back logs	46	108	66	149	—	—
Production	100	211	115	232	160	325

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



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Engineering & Services for Evolution & Sustainability

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