



May 14, 2024

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(Securities code: 7003, TSE Prime Market)  
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**Notice Regarding Recording of Prior Service Costs (Gain) in Consolidated and Non-Consolidated Results, Recording of Share of Profit of Entities Accounted for Using Equity Method and Deferred Tax Assets in Consolidated Results, and Differences between Consolidated Forecasts and Actual Results for the Current Fiscal Year Ended March 31, 2024**

MITSUI E&S Co., Ltd. (the “Company”) hereby announces that the Company has recorded prior service costs (gain) in its consolidated and non-consolidated financial results for the current fiscal year ended March 31, 2024. Also, the Company announces the recording of share of profit of entities accounted for using equity method and deferred tax assets in its consolidated financial results, and the differences between its consolidated forecasts and actual results for the current fiscal year.

**1. Recording of prior service costs in consolidated and non-consolidated financial results**

Effective April 1, 2024, the Company has made changes to its retirement benefit system in conjunction with the extension of the retirement age from 60 to 65. As a result of this change, the retirement benefit obligation decreased by 2.5 billion yen, and of the 2.0 billion yen of the prior service costs (gain) incurred was recorded in operating income in the non-consolidated financial results. The same amount was also recorded in the consolidated financial results.

**2. Recording of share of profit of entities accounted for using equity method in consolidated financial results**

Mainly due to favorable results of MODEC, Inc. (Securities code: 6269), our affiliate accounted for using equity method, for the fiscal year ended December 31, 2023, the Company recorded share of profit of entities accounted for using equity method of 7.7 billion yen in non-operating income for the fiscal year ended March 31, 2024.

**3. Recording of deferred tax assets in consolidated financial results**

As a result of careful consideration of the recoverability of deferred tax assets based on actual consolidated results for the current fiscal year and future business forecasts, the Company decided to record deferred tax assets to the extent that their recovery is expected.

Accompanying the recording of deferred tax assets, the Company recorded income taxes-deferred (gain) of 8.6 billion yen.

#### 4. Differences between consolidated financial forecasts and actual results for the current fiscal year ended March 31, 2024

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
Previous Forecast (A) (announced on Feb. 14, 2024)	Millions of yen 300,000	Millions of yen 17,000	Millions of yen 16,000	Millions of yen 17,000	Yen 174.60
Actual Results (B)	301,875	19,630	20,711	25,051	255.73
Change (B - A)	1,875	2,630	4,711	8,051	—
Change ratio (%)	0.6	15.5	29.4	47.4	—

##### Reason for the differences

Operating income and ordinary income increased mainly due to an increase in sales in the after-sales service, recording of one-time gains such as reversal of provision for losses on construction contracts and prior service costs (gain) in conjunction with the extension of the retirement age, as well as higher performances than expected at some subsidiaries, and affiliates accounted for using equity method. Profit attributable to owners of parent increased mainly due to the above reasons as well as the recording of income taxes-deferred (gain) stated in "3. Recording of deferred tax assets in consolidated financial results".

#### 5. Impact on consolidated financial results

The aforementioned prior service costs (gain), share of profit of entities accounted for using equity method, and deferred tax assets are reflected in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)" released today.