



August 6, 2025

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

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 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
Assets		
Current assets		
Cash and time deposits	35,353	51,872
Notes and accounts receivables - trade, 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

Liabilities		
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
Net assets		
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 June 30, 2024	April 1, 2025 to 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 June 30, 2024	April 1, 2025 to 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 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 June 30, 2024	April 1, 2025 to 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 June 30, 2024	April 1, 2025 to 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 resulting in change in scope of consolidation	330	-
Proceeds from sales of shares of subsidiaries and 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 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 Development	Marine Propulsion Systems	Logistics Systems	Peripheral 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 Development	Marine Propulsion Systems	Logistics Systems	Peripheral 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 (from April 1, 2024 to June 30, 2024)		1Q FY2025 (from April 1, 2025 to June 30, 2025)		Increase/Decrease	Change ratio	FY2024 (from April 1, 2024 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 (from April 1, 2024 to June 30, 2024)		1Q FY2025 (from April 1, 2025 to June 30, 2025)		Increase/Decrease	Change ratio	FY2024 (from April 1, 2024 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 (as of March 31, 2025)		1Q FY2025 (as of June 30, 2025)		Increase/Decrease	Change ratio	1Q FY2024 (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