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MITSUI E&S

August 3, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: MITSUI E&S Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 7003
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Representative: Takeyuki Takahashi, President, Representative Director, and CEO
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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, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	91,712	13.0	10,178	14.4	11,657	14.9	8,160	13.1
June 30, 2025	81,151	15.8	8,896	106.9	10,148	17.2	7,214	(74.9)

Note: Comprehensive income
For the three months ended June 30, 2026: (¥ 895) million [-%]
For the three months ended June 30, 2025: ¥ 9,550 million [(62.2%)]

	Earnings per share	Earnings per share (diluted)
Three months ended	Yen	Yen
June 30, 2026	80.87	80.86
June 30, 2025	71.50	71.48

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	464,257	228,624	48.2
March 31, 2026	494,554	233,819	46.3

Reference: Equity
As of June 30, 2026: ¥ 223,873 million
As of March 31, 2026: ¥ 229,074 million

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2026	-	15.00	-	42.00	57.00
March 31, 2027	-				
March 31, 2027 (Forecast)		30.00	-	30.00	60.00

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

3. Forecasts for Financial Results (from April 1, 2026 to March 31, 2027)

(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, 2027	370,000	4.8	34,000	(9.7)	39,000	(13.1)	31,000	(19.4)	307.23

Note: Revisions to the most recently announced forecasts for financial results: Yes

Reference: Estimate is based on exchange rate of USD1.00 = JPY158.0

*** 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, 2026	103,098,717
March 31, 2026	103,098,717

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

As of	shares
June 30, 2026	2,195,722
March 31, 2026	2,196,032

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

Three months ended	shares
June 30, 2026	100,902,826
June 30, 2025	100,892,502

* 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) on 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, 2026

The global economy during the three months ended June 30, 2026, maintained moderate growth overall, primarily backed by solid capital investment and consumer spending centered in the U.S., despite ongoing conflicts in some regions. The domestic economy is also gradually recovering, supported by a recovery in consumer spending backed by improvements in the employment and income environment and solid results in corporate profitability.

On the other hand, geopolitical risks surrounding the U.S. and Iran have yet to be fully resolved, leaving lingering uncertainty about the future, including price trends in each country around the world, the direction of monetary policy, trends in the Chinese economy, and the impact that fluctuations in interest rates may have on corporate activities.

In the shipbuilding industry, which is closely related to the Group's Marine Propulsion Systems business, initiatives aimed at the expansion of shipbuilding capacity and the improvement of productivity are accelerating, driven by the promotion of the "Shipbuilding Industry Revitalization Roadmap." Additionally, shipyards in Japan continue to maintain a high volume of work on hand, with some shipyards having received orders for new ships with delivery dates in 2030.

In Logistics Systems business, the Group continues to maintain its competitive edge in the U.S. market, while demand remains strong in the Asian region and Japan, mainly due to new construction, the expansion of existing facilities, and the replacement of aging facilities. The order environment for the Group's core businesses is expected to remain favorable for the time being.

While attention must be paid to factors such as developments in the international situation 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.

Under such a management environment, the Group is promoting further growth for its core businesses and expansion of its new business domains, based on the "MITSUI E&S Rolling Vision 2026" announced in May 2026. Under the plan, by utilizing both marketing and innovation, we are working to strengthen the competitiveness of our core businesses, the Marine Propulsion Systems and Logistics Systems businesses, and to expand the maintenance and service business utilizing digital technology and to create new growth opportunities. Additionally, under management conscious of the cost of shareholders' equity and the cost of debt, the Group will advance business operations with a focus on ROIC and aggressive growth investments, aiming for sustainable improvement of its corporate value.

In Marine Propulsion Systems business, the Group is expanding its dual fuel engines, such as LNG, LPG and methanol dual fuel engines, as well as peripheral equipment businesses based on green technology, in addition to promoting the enhancement of development and production systems to accommodate ammonia fuel, which is expected to be a zero-emission fuel in the future. Additionally, in the after-sales service field, the Group is working to expand its earnings base against a background of high demand.

In Logistics Systems business, the Group is promoting the expansion of its production capabilities and the enhancement of its supply system to respond to strong demand mainly in the U.S. and Asia regions. Additionally, the Group is promoting the expansion of its product lineup by utilizing green and digital technologies, including remotely controlled and automated cranes, as well as environmentally friendly cranes, in addition to working to further expand its market share and strengthen its profitability in the global market.

In New Business Development business, the Group will strengthen the maintenance and inspection-service areas using digital technology. The Group is working to build a medium- to long-term earnings base by expanding businesses such as equipment inspection solutions and remote monitoring services, in addition to acquiring new business opportunities in the energy conversion field.

Orders received during the three months ended June 30, 2026 increased by 16,231 million yen (up 18.3%) year on year to 105,029 million yen. Net sales were 91,712 million yen, an increase of 10,561 million yen (up 13.0%) year on year, mainly due to the steady progress in the construction of blast furnace blowers for steelworks and the after-sales service in New Business Development, as well as the steady progress of domestic ship block manufacturing projects and construction projects at overseas subsidiaries in Peripheral Businesses. Operating income increased by 1,282 million yen (up 14.4%) year on year to 10,178 million yen mainly due to an increase in net sales, and improved profitability in New Business Development and Peripheral Businesses. Ordinary income was 11,657 million yen, an increase of 1,509 million yen (up 14.9%) year on year, mainly due to an increase in operating income. Profit attributable to owners of parent was 8,160 million yen, an increase of 946 million yen (up 13.1%) year on year.

The overview by reportable segment is as follows.

(New Business Development)

Orders received increased by 849 million yen (up 9.3%) year on year to 10,003 million yen, mainly due to an increase in construction equipment engines. Net sales increased by 3,414 million yen (up 42.0%) year on year to 11,547 million yen, driven by steady progress in the construction of blast furnace blowers for steelworks and in the after-sales service business. Operating income increased by 1,040 million yen (up 102.7%) year on year to 2,052 million yen, mainly due to improved profitability of construction projects.

(Marine Propulsion Systems)

Orders received increased by 25,805 million yen (up 62.4%) year on year to 67,141 million yen. Net sales increased by 2,563 million yen (up 6.7%) year on year to 40,571 million yen, mainly due to growth in methanol-fueled engines. Operating income decreased by 287 million yen (down 7.0%) year on year to 3,828 million yen, mainly due to the impact of rising material and equipment costs.

(Logistics Systems)

Orders received decreased by 9,551 million yen (down 45.6%) to 11,395 million yen, mainly due to the receipt of a large-scale project in the same period of the previous fiscal year. Net sales increased by 1,336 million yen (up 8.4%) year on year to 17,194 million yen, mainly due to the steady progress of large-scale construction projects. Despite the impact of rising material and equipment costs, operating income increased by 112 million yen (up 3.8%) year on year to 3,051 million yen, mainly due to an increase in net sales.

(Peripheral Businesses)

Orders received decreased by 860 million yen (down 5.0%) year on year to 16,442 million yen, mainly due to the receipt of a large-scale construction project in the same period of the previous fiscal year. Net sales increased by 3,256 million yen (up 17.0%) year on year to 22,363 million yen, mainly due to the steady progress of domestic ship block manufacturing projects and construction projects at overseas subsidiaries. Operating income increased by 725 million yen (up 82.9%) year on year to 1,600 million yen, mainly due to an increase in net sales.

(2) Overview of Financial Position for the Three Months Ended June 30, 2026

i) Assets, Liabilities and Net Assets

Total assets as of June 30, 2026, were 464,257 million yen, decreased by 30,296 million yen from the end of the previous fiscal year. This was mainly due to decreases in cash and time deposits by 18,790 million yen and investment securities by 13,724 million yen.

Total liabilities were 235,633 million yen, decreased by 25,101 million yen from the end of the previous fiscal year. This was mainly due to decreases in short-term borrowings by 12,000 million yen and trade payables by 3,253 million yen.

Total net assets were 228,624 million yen, decreased by 5,195 million yen from the end of the previous fiscal year. This was mainly due to dividends paid and a decrease in net unrealized holding gains on securities despite the recording of profit attributable to owners of parent.

ii) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) as of June 30, 2026, were 35,706 million yen, decreased by 18,883 million yen from the end of the previous fiscal year.

The summary of cash flows during the three months ended June 30, 2026 were as follows.

(Cash flows from operating activities)

Net cash used in operating activities during the three months ended June 30, 2026 was 1,375 million yen (14,539 million yen was provided in the same period of the previous fiscal year). This was mainly due to outflows from a decrease in other liabilities and income taxes paid, despite inflows from the recording of profit before income taxes and an increase in contract liabilities.

(Cash flows from investing activities)

Net cash used in investing activities during the three months ended June 30, 2026 was 860 million yen (5,458 million yen was provided in the same period of the previous fiscal year). This was mainly due to outflows from capital expenditure.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 16,788 million yen during the three months ended June 30, 2026 (3,130 million yen was used in the same period of the previous fiscal year). This was mainly due to outflows from repayments of short-term borrowings and dividends paid.

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

The Company revised the forecasts for consolidated financial results for the current fiscal year as stated in "Notice Concerning Revisions to Full-Year Consolidated Financial Results Forecasts for FY2026" which was announced on August 3, 2026.

i) Reasons for revisions

The consolidated results for the first quarter of FY2026 progressed steadily, as projects proceeded smoothly across each segment.

In addition, while procurement and cost escalation risks related to the situation in the Middle East had been conservatively incorporated into the Company's assumptions, actual developments have remained within its expectations. Following a detailed review of the potential impact, the Company has decided to revise its forecasts upward for Operating income, Ordinary income, and Profit attributable to owners of parent for Logistics Systems segment for the fiscal year ending March 31, 2027.

With respect to the dividend payout ratio, the Company's policy of maintaining a target dividend payout ratio of 20% remains unchanged. Accordingly, any revision to the dividend forecasts will be announced at an appropriate time.

In addition, the foreign exchange rate assumption underlying these forecasts has been revised from 150 yen to 158 yen per U.S. dollar.

ii) Forecasts for consolidated financial results for FY2026 (From April 1, 2026 to March 31, 2027)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	370,000	32,000	37,000	30,000	297.33
Revised forecasts (B)	370,000	34,000	39,000	31,000	307.23
Change (B-A)	-	2,000	2,000	1,000	
Change ratio (%)	-	6.3	5.4	3.3	
(Reference) Actual results for FY2025	353,196	37,641	44,892	38,456	381.15

iii) Forecasts for consolidated financial results by segment for FY2026 (From April 1, 2026 to March 31, 2027)

(Millions of yen)

	Previous forecasts		Revised forecasts		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
New Business Development	45,000	8,000	45,000	8,000	-	-
Marine Propulsion Systems	160,000	12,000	160,000	12,000	-	-
Logistics Systems	70,000	8,000	70,000	10,000	-	2,000
Peripheral Businesses	95,000	4,000	95,000	4,000	-	-
Others	0	0	0	0	-	-
Total	370,000	32,000	370,000	34,000	-	2,000

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, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and time deposits	57,055	38,265
Notes and accounts receivables - trade, and contract assets	90,925	91,743
Electronically recorded monetary claims - operating	4,329	4,216
Merchandise and finished goods	10,311	10,508
Work in progress	60,337	59,998
Raw materials and supplies	7,207	6,838
Others	16,580	16,410
Allowance for doubtful accounts	(506)	(504)
Total current assets	246,241	227,478
Non-current assets		
Property, plant and equipment		
Land	58,561	58,232
Others, net	49,685	49,663
Total property, plant and equipment	108,247	107,896
Intangible assets		
Goodwill	6,196	5,976
Others	7,597	7,390
Total intangible assets	13,793	13,367
Investments and other assets		
Investment securities	55,005	41,280
Others	72,383	75,351
Allowance for doubtful accounts	(1,116)	(1,116)
Total investments and other assets	126,272	115,515
Total non-current assets	248,313	236,779
Total assets	494,554	464,257

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Trade payables	45,557	42,303
Electronically recorded obligations - operating	5,963	6,487
Short-term borrowings	49,040	37,040
Current portion of long-term borrowings	6,232	6,131
Accrued income taxes	5,248	3,947
Contract liabilities	42,911	46,963
Provision for bonuses	8,490	2,468
Provision for losses on construction contracts	3,729	3,838
Provision for demolition and removal	1,315	1,315
Other provisions	6,598	6,144
Others	22,236	16,293
Total current liabilities	197,324	172,933
Long-term liabilities		
Long-term borrowings	37,449	37,362
Provision for business restructuring	1,026	1,026
Provision for contract losses	3,376	3,248
Other provisions	395	275
Net defined benefit liabilities	4,083	4,095
Asset retirement obligations	1,059	1,061
Others	16,020	15,629
Total long-term liabilities	63,410	62,699
Total liabilities	260,734	235,633
Net assets		
Shareholders' equity		
Share capital	8,846	8,846
Capital surplus	2,793	2,793
Retained earnings	143,060	147,194
Treasury stock	(4,566)	(4,567)
Total shareholders' equity	150,132	154,266
Accumulated other comprehensive income		
Net unrealized holding gains on securities	26,329	16,714
Unrealized gains on hedging derivatives	3,193	3,434
Revaluation reserve for land	21,793	21,580
Foreign currency translation adjustments	10,341	11,134
Remeasurements of defined benefit plans	17,283	16,743
Total accumulated other comprehensive income	78,941	69,607
Subscription rights to shares	30	29
Non-controlling interests	4,714	4,720
Total net assets	233,819	228,624
Total liabilities and net assets	494,554	464,257

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

(Millions of yen)

	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Net sales	81,151	91,712
Cost of sales	65,042	73,083
Gross profit	16,108	18,629
Selling, general and administrative expenses	7,212	8,450
Operating income	8,896	10,178
Non-operating income		
Interest income	64	72
Dividend income	84	71
Share of profit of entities accounted for using equity method	1,792	2,112
Others	127	52
Total non-operating income	2,069	2,309
Non-operating expenses		
Interest expenses	527	374
Foreign currency exchange losses	142	343
Others	146	111
Total non-operating expenses	816	829
Ordinary income	10,148	11,657
Extraordinary income		
Gain on disposal of non-current assets	16	65
Gain on sales of subsidiaries and affiliates' stocks	276	-
Total extraordinary income	293	65
Extraordinary losses		
Loss on disposal of non-current assets	52	13
Total extraordinary losses	52	13
Profit before income taxes	10,389	11,710
Income taxes	3,166	3,476
Profit	7,222	8,233
Profit attributable to non-controlling interests	8	72
Profit attributable to owners of parent	7,214	8,160

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Profit	7,222	8,233
Other comprehensive income		
Net unrealized holding gains (losses) on securities	4,144	(9,616)
Unrealized gains (losses) on hedging derivatives	229	(24)
Foreign currency translation adjustments	(377)	192
Remeasurements of defined benefit plans	(355)	(548)
Share of other comprehensive income of affiliates accounted for using equity method	(1,312)	868
Total	2,328	(9,128)
Comprehensive income	9,550	(895)
Comprehensive income attributable to		
Owners of parent	9,541	(961)
Non-controlling interests	9	65

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Cash flows from operating activities		
Profit before income taxes	10,389	11,710
Depreciation and amortization	1,959	2,023
Amortization of goodwill	262	284
Decrease of allowance for doubtful accounts	(2)	(3)
Increase in net defined benefit liabilities	76	153
Decrease (increase) in net defined benefit assets	(340)	148
Increase (decrease) in provision for losses on construction contracts	(356)	122
Interest and dividend income	(149)	(143)
Interest expenses	527	374
Share of profit of entities accounted for using equity method	(1,792)	(2,112)
Foreign currency exchange losses (gains)	(0)	423
Gain on sales of subsidiaries and affiliates' stocks	(276)	-
Loss (gain) on disposal of non-current assets	36	(52)
Decrease (increase) in trade receivables and contract assets	13,542	(692)
Decrease (increase) in inventories	(2,238)	521
Decrease in trade payables	(2,408)	(2,446)
Increase in contract liabilities	9,495	3,997
Decrease (increase) in other assets	(956)	735
Decrease in other liabilities	(11,938)	(13,697)
Others, net	1,924	(1,036)
Sub-total	17,751	311
Interest and dividend received	1,252	2,900
Interest paid	(421)	(361)
Payments for loss on litigation	-	(36)
Income taxes paid	(4,043)	(4,190)
Net cash provided by (used in) operating activities	14,539	(1,375)

(Millions of yen)

	April 1, 2025 to June 30, 2025	April 1, 2026 to June 30, 2026
Cash flows from investing activities		
Net increase in time deposits	(32)	(49)
Capital expenditure	(1,628)	(1,445)
Proceeds from sales of non-current assets	2,972	403
Proceeds from sales of shares of subsidiaries and affiliates	4,197	-
Subsidies received	-	253
Others, net	(51)	(23)
Net cash provided by (used in) investing activities	5,458	(860)
Cash flows from financing activities		
Net decrease in short-term borrowings	(570)	(12,000)
Repayments of long-term borrowings	(253)	(187)
Repayments of lease obligations	(477)	(480)
Cash dividends	(1,797)	(4,059)
Dividends paid to non-controlling interests	(41)	(59)
Others, net	9	(1)
Net cash provided by (used in) financing activities	(3,130)	(16,788)
Effect of exchange rate changes on cash and cash equivalents	(277)	140
Net increase (decrease) in cash and cash equivalents	16,589	(18,883)
Cash and cash equivalents at beginning of period	33,376	54,589
Increase due to changes in scope of consolidation	1	-
Cash and cash equivalents at end of period	49,967	35,706

(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, 2026, 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, 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 consistent with operating income shown on 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, 2026 (from April 1, 2026 to June 30, 2026)

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	11,547	40,571	17,194	22,363	91,676	36	91,712	-	91,712
Inter segment	494	286	6	3,306	4,094	-	4,094	(4,094)	-
Total	12,041	40,857	17,201	25,669	95,770	36	95,807	(4,094)	91,712
Segment income (loss)	2,052	3,828	3,051	1,600	10,533	(355)	10,178	-	10,178

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

2: Segment income (loss) is consistent with operating income shown on 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.

(Notes on Significant Subsequent Events)

Not applicable.

3. Supplementary Information

Information about new orders and net sales

(Percentages in FY2025 and FY2026 indicate composition ratio.)

New Orders

	1Q FY2025 (from April 1, 2025 to June 30, 2025)		1Q FY2026 (from April 1, 2026 to June 30, 2026)		Increase/Decrease	Change ratio	FY2025 (from April 1, 2025 to March 31, 2026)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
New Business Development	9,153	10.3	10,003	9.5	849	9.3	43,285	13.7
Marine Propulsion Systems	41,335	46.5	67,141	63.9	25,805	62.4	131,051	41.5
Logistics Systems	20,946	23.6	11,395	10.9	(9,551)	(45.6)	66,558	21.1
Peripheral Businesses	17,302	19.5	16,442	15.7	(860)	(5.0)	74,780	23.7
Others	60	0.1	48	0.0	(11)	(19.9)	128	0.0
Total	88,798	100.0	105,029	100.0	16,231	18.3	315,804	100.0

Net Sales

	1Q FY2025 (from April 1, 2025 to June 30, 2025)		1Q FY2026 (from April 1, 2026 to June 30, 2026)		Increase/Decrease	Change ratio	FY2025 (from April 1, 2025 to March 31, 2026)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
New Business Development	8,132	10.0	11,547	12.6	3,414	42.0	43,757	12.4
Marine Propulsion Systems	38,008	46.8	40,571	44.2	2,563	6.7	149,737	42.4
Logistics Systems	15,858	19.5	17,194	18.8	1,336	8.4	65,185	18.4
Peripheral Businesses	19,106	23.6	22,363	24.4	3,256	17.0	94,333	26.7
Others	45	0.1	36	0.0	(8)	(19.2)	182	0.1
Total	81,151	100.0	91,712	100.0	10,561	13.0	353,196	100.0

Order Backlogs

	FY2025 (as of March 31, 2026)		1Q FY2026 (as of June 30, 2026)		Increase/Decrease	Change ratio	1Q FY2025 (as of June 30, 2025)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
New Business Development	39,150	8.5	37,591	7.9	(1,558)	(4.0)	41,081	8.4
Marine Propulsion Systems	142,295	30.8	168,947	35.5	26,651	18.7	163,806	33.4
Logistics Systems	97,726	21.1	91,970	19.4	(5,755)	(5.9)	99,197	20.3
Peripheral Businesses	183,461	39.6	176,996	37.2	(6,465)	(3.5)	185,760	37.9
Others	84	0.0	105	0.0	20	24.4	128	0.0
Total	462,718	100.0	475,611	100.0	12,893	2.8	489,973	100.0