

**Financial Results Briefing
First Half of the Fiscal Year Ending
March 31, 2024**

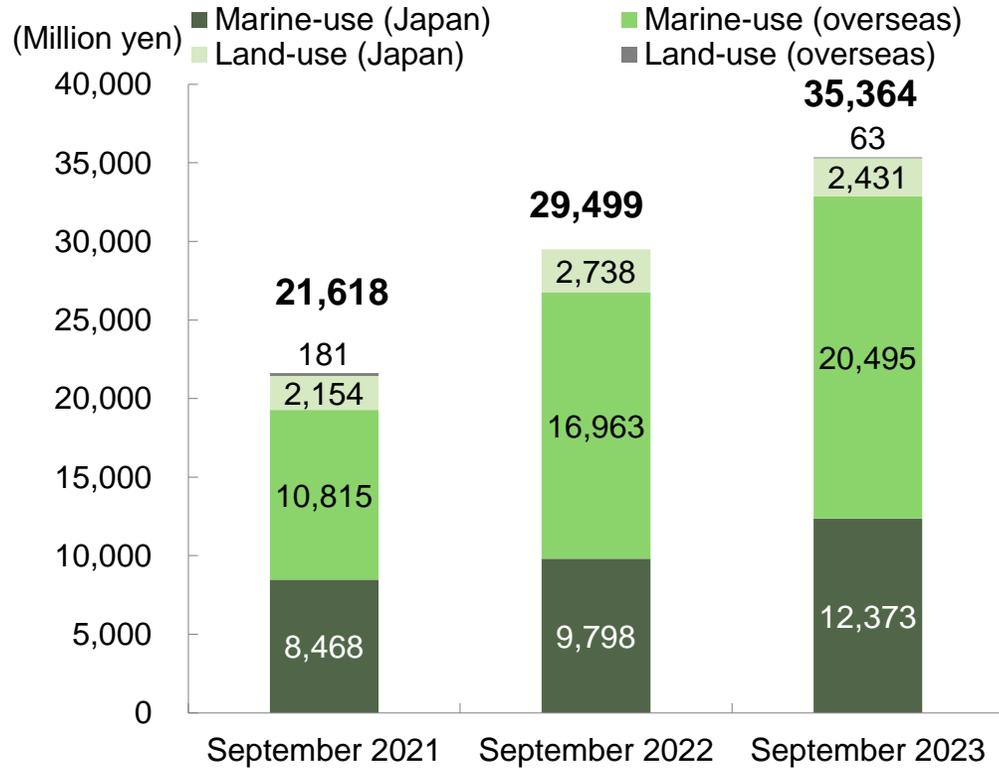
- With a high level of order backlog, both engines and maintenance remained strong. Both net sales and profit increased.
- Sales for overseas locations contributed to earnings as the yen depreciated more than expected.
- Extraordinary income was recorded as a result of a sale of shares of OMT S.P.A. (Italy).

(Million yen)	FY2023 September 2022 Results	FY2024 September 2023 Results	YoY difference	
			Increase/Decrease	(%)
Net sales	31,584	37,220	5,635	17.8
Operating income	667	938	270	40.6
Ordinary income	832	1,171	338	40.6
Net income	756	1,888	1,132	149.8
Basic earnings per share (yen)	23.94	59.79	35.85	149.7
Total assets	91,184	96,049	4,864	5.3
Equity ratio (%)	47.7	48.8	-	-

Net Sales and Earnings for the Internal Combustion Engine Section

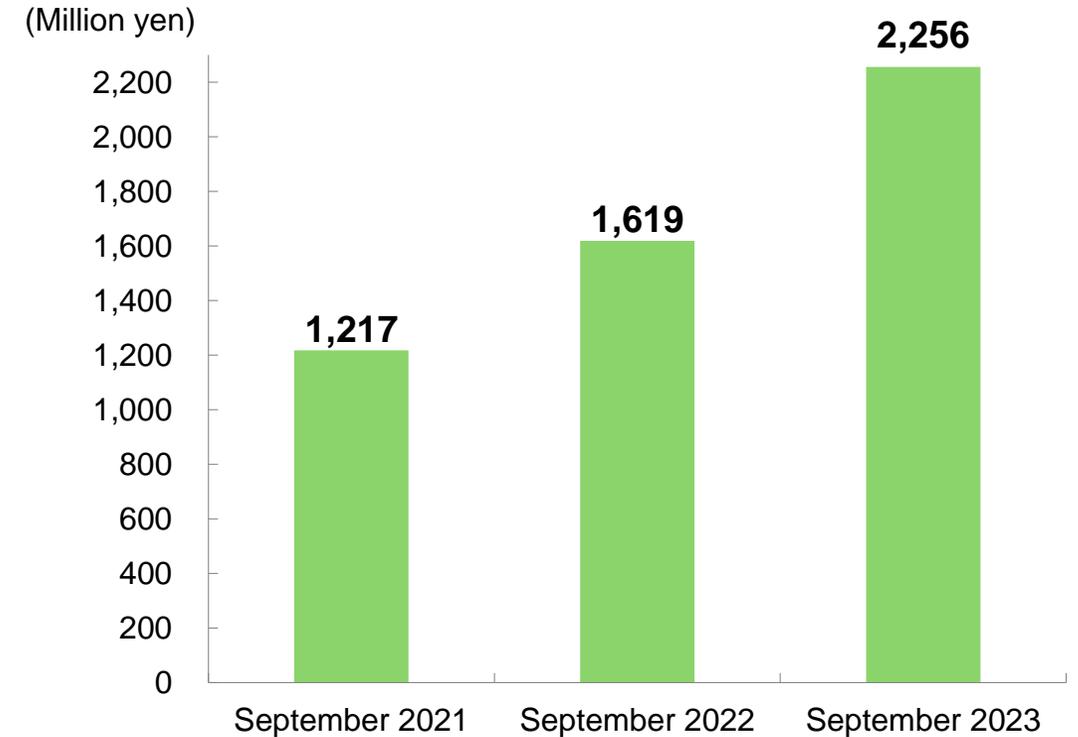
- Sales of small and medium-sized engines for bulk carriers and tankers rose in addition to sales of large engines (for container ships and car carriers).
- There was a rise in terms of unit in the composition ratio of large engines and dual-fuel engines for environmental burden reduction-type vessels.

Net sales



*Including maintenance related

Earnings for the internal Combustion engine section

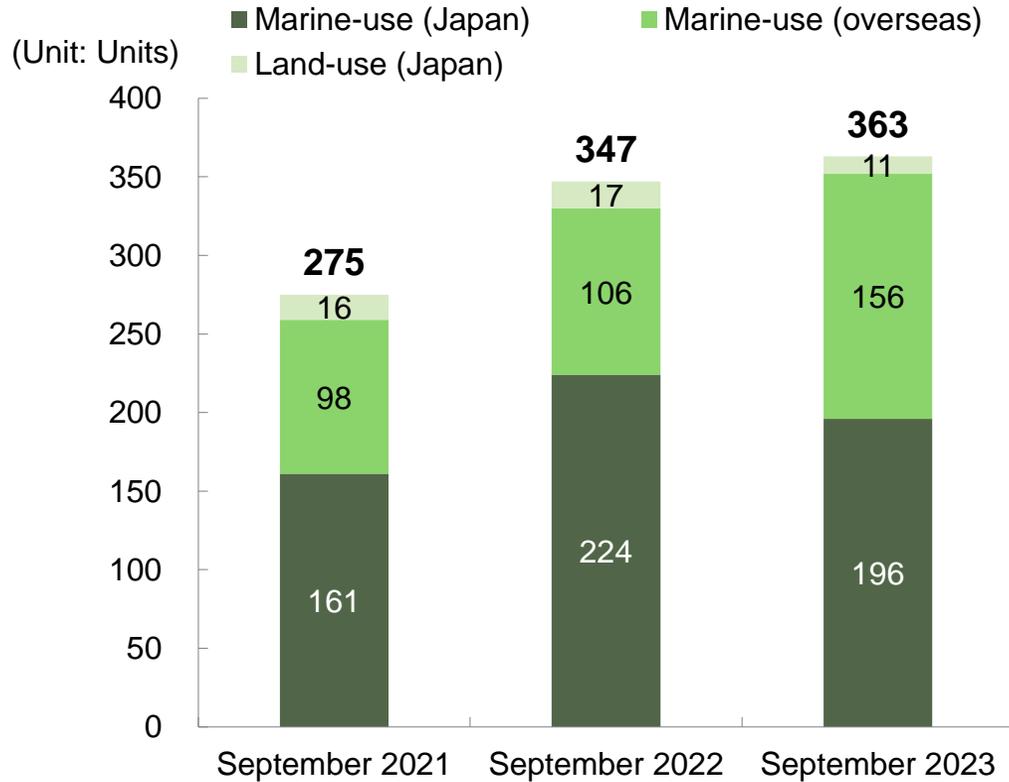


*Including maintenance related

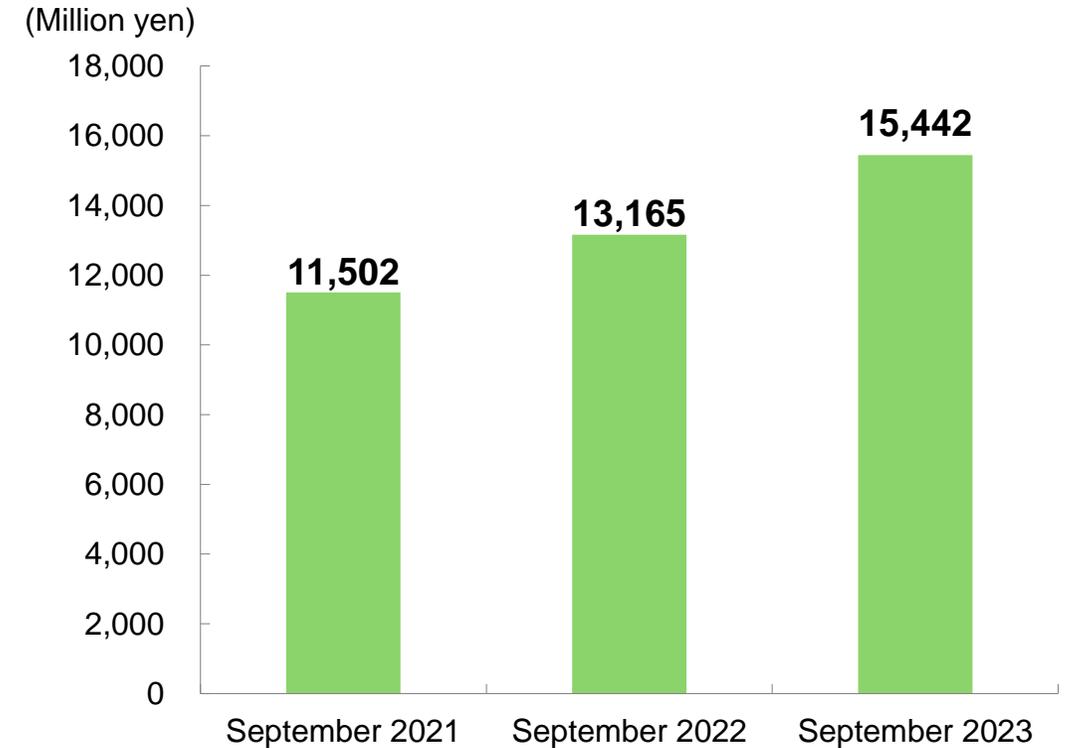
Unit Sales and Maintenance-related Net Sales

- The composition of large engines increased mainly for overseas, leading Himeji Factory to maintain its high operational rate.
- Maintenance-related net sales maintained double-digit growth year on year as demand continued to be brisk from the previous fiscal year.

Units sold



Maintenance-related net sales



Earnings Forecasts

- Demand grew for small and medium-sized engines mainly for bulk carriers and tankers, in addition to large engines and dual-fuel engines.
- We assume that sales of engines and maintenance will remain strong.

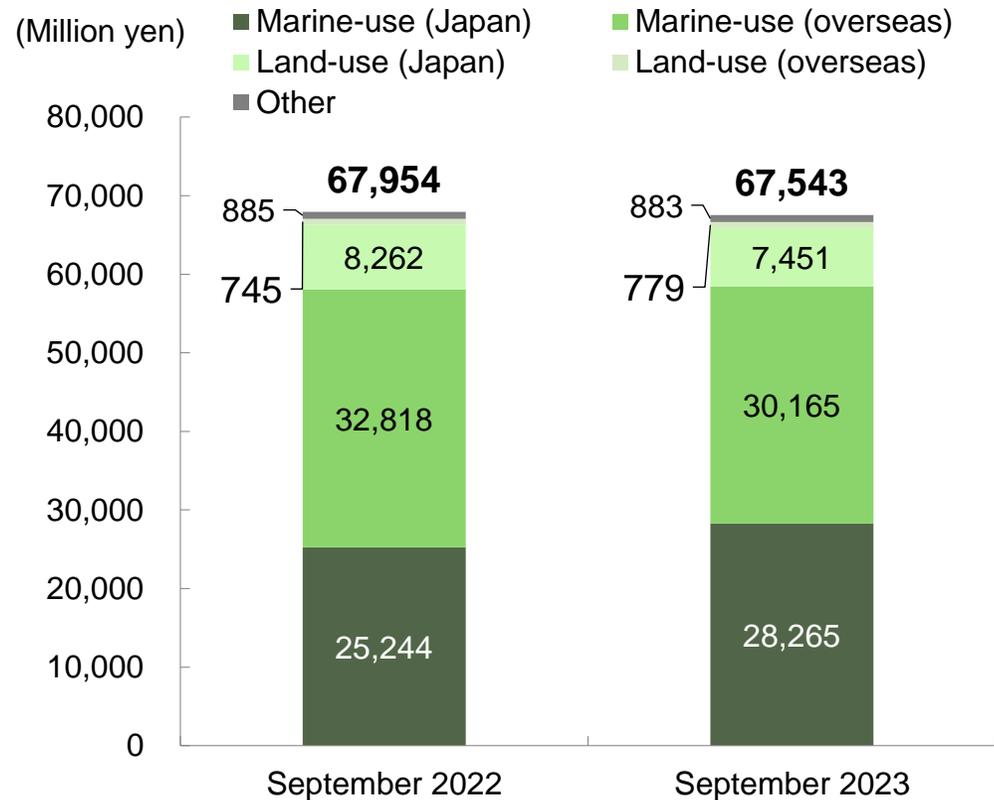
(Million yen)	FY2023 Full-year results	FY2024 Full-year forecast	YoY difference	
			Increase/Decrease	(%)
Net sales	72,113	78,000	5,886	8.2
Operating income	3,601	3,600	-1	-0.0
Ordinary income	3,660	3,800	139	3.8
Net income	2,948	3,500	551	18.7
Basic earnings per share (yen)	93.37	109.89	16.52	17.7
Annual dividend (yen)	28.00	33.00	5	17.9
Payout ratio (%)	30.0	30.0	-	-

Exchange rates: First half of FY2024 (result): ¥136.26 and second half of FY2024 (estimate): ¥135.00

Order backlog

- We have secured an amount of work on hand, enough for two-year production of engines.
- In the order backlog for engines, the main portion of orders received shifted from large engines to small and medium-sized ones, centered on bulk carriers and tankers, as a surge in the construction of container ships calmed down.

Change in order backlog



*Including maintenance related

Proportion of order backlog by model as of September 2023

