

# FYE 2025/3 Financial Results Briefing

Jun. 9, 2025

MORE Sustainable, KEEP Innovating for a KINDHEARTED Society

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# I. Summary/Business Overview

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# Summary

## Financial Summary FYE 2025/3

FYE 2025/3 Results	Net sales	59,202 Mil Yen (YoY +24 %)	(+) Contribution of the large-scale order backlogs in Engineering Business (+) Positive sales trend for Oil purifiers and its components, and ship equipment compliant with environmental regulations in Industrial Machinery Business
	Operating Profit	5,684 Mil Yen (YoY +29 %)	(+) Gross profit increased due to the increase in net sales
	Annual Dividend	70 Yen/share (YoY +33 yen)	● Interim dividend 17 Yen, and year-end dividend 53 yen per share … stock split considered basis ※annual dividend 210 yen without stock split considered basis, increased by 100 yen from previous fiscal year
FYE 2026/3 Forecasts	Net sales	84,500 Mil Yen (YoY +43 %)	(+) Contribution of the large-scale orders in Engineering and GX Business (+) Maintains the positive trend for Oil purifiers and components, and ship equipment compliant with environmental regulations in Industrial Machinery Business (+) High probability based on the order backlogs(103.7 bil yen as of Mar 2025)
	Operating Profit	7,500 Mil Yen (YoY +32 %)	(+) Gross profit will be increase due to the increase in net sales (-) Operating profit ratio will be decreased by 0.7 point, due to the increase of fixed cost such as labor cost
	Annual Dividend	80 Yen/share (YoY +10 yen)	● Increase of dividend payout ratio to 35%, to increase shareholders' return ● Establishment of a minimum DOE (Dividend on equity ration) ratio as 3.5%

## Non-financial Summary FYE 2025/3

Topics	M&A	Consolidation of TOHSOH Corporation (name change to MKK TOHOKU in Apr 2025)	● Creation of synergy with MKK, in product development/production, know-how of manufacturing strategy, quality control and business promotion
	Capital Investment	Decision of the restructuring of head office and Kawasaki works	● Promotion of product development/production in Strategic business fields ● Profitability increase, by more efficient and advanced production process

# Business Overview and Sales Composition

## By Segment

### Engineering Business

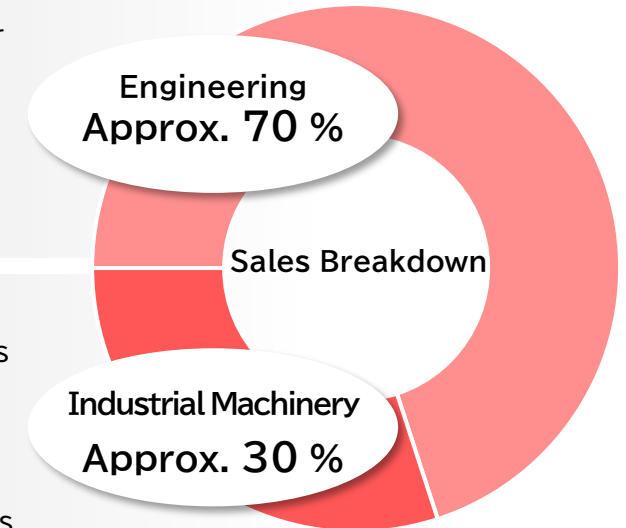


- Developing businesses in a wide range of industries, such as lifeline infrastructure including city gas, hydrogen and sewage systems, chemical plants (e.g. semiconductor materials and petrochemicals) and pharmaceutical manufacturing plant.
- Established the top market share in the field of hydrogen production equipment
- Actively deploying low-carbon hydrogen utilization from early stage such as management of hydrogen station which utilizing hydrogen generated from renewable sewage biogas.

### Industrial Machinery Business

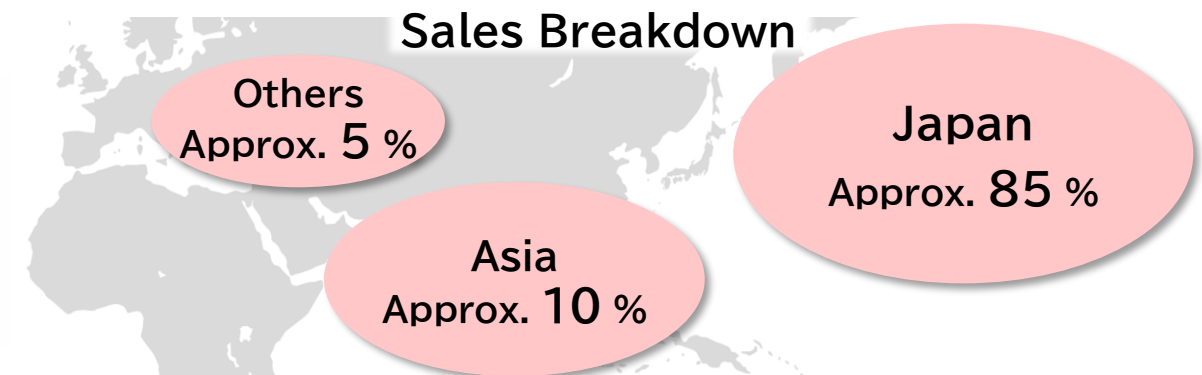


- We have developed and manufactured many centrifugal separators and filters using our core technology of "separation and filtration", including oil purifiers with the top market share.
- In recent years, we have focused on nanotechnology and precision filtration, aiming for further innovation by utilizing the technology we have cultivated as an "Industry supporting the entire industrial sector."



## By Region

- Since the 1970s, we have accumulated a track record in plant construction, mainly in Southeast Asia, along with the overseas expansion of our client companies.
- Overseas sales ratio ranges from 10% to 30% along with the amounts of orders of large overseas projects.



## II. Financial Results

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# Consolidated Statements of Income and Comprehensive Income

- **Net sales increased by 23.9%:** Order received by previous fiscal year period contributed to increase in sales.
- **Operating profit increased by 29.1%:** While selling, general and administrative expenses increased, gross profit increased due to the increase in net sales.
- **Profit decreased by 9.6%:** Special gains slightly decreased from previous fiscal year.

(Unit: Millions of yen)

	FYE 24/3 (FY 2023)		FYE 25/3 (FY 2024)					
	Results	Ratio to sales	*Forecasts as of Jan 2025		Results	Ratio to sales	YoY Change	
			Forecasts	Ratio to sales			Inc/Dec amount	Inc/Dec ratio
Net sales	47,774	—	58,000	—	59,202	—	+11,428	+23.9%
Cost of sales	36,414	76.2%	—	—	45,995	77.7%	+9,580	+26.3%
Selling, general and administrative expenses	6,948	14.5%	—	—	7,511	12.7%	+563	+8.1%
Operating income	4,410	9.2%	4,800	8.3%	5,694	9.6%	+1,284	+29.1%
Ordinary income	4,709	9.9%	4,550	7.8%	5,626	9.5%	+916	+19.5%
Profit attributable to owners of parent	5,397	11.3%	3,200	5.5%	4,879	8.2%	−517	−9.6%
Net income per share (Unit: yen)	236.23	—	140.21	—	213.79	—	−22.44	—

Note: The Company carried out a three-for-one stock split of its common shares effective April 1, 2025.

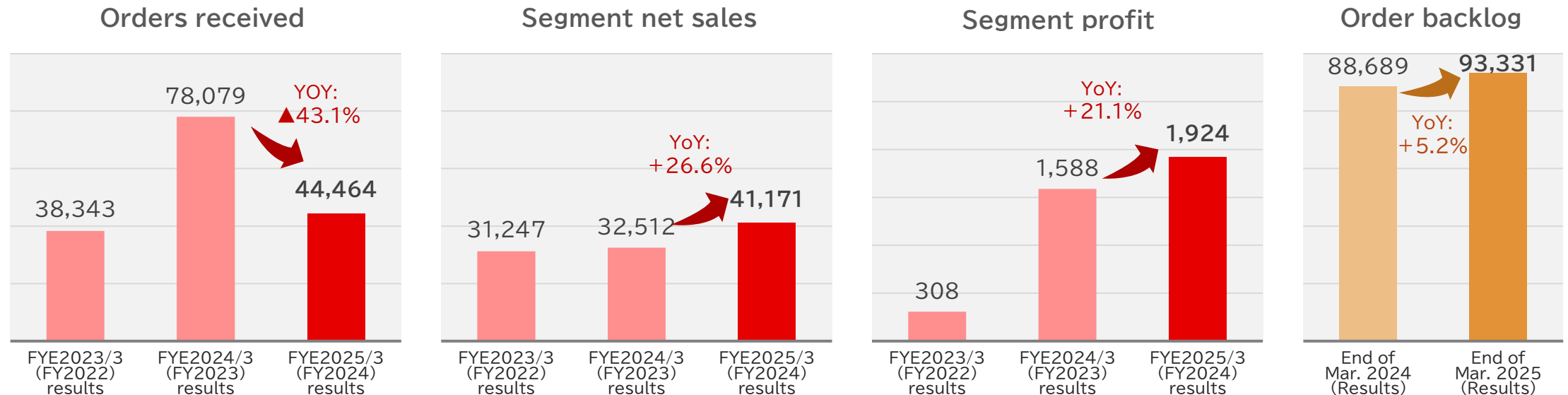
Consequently, net income per share for the current fiscal year have been calculated assuming the stock split was conducted at the beginning of the previous consolidated fiscal year.

# Segment breakdown 1) Engineering Business

## Points of financial Results

<b>Orders received</b>	> Orders received is continuously in high level, despite a decrease in large projects orders in the previous fiscal year
<b>Segment net sales</b>	> Net sales increased due to the project orders, mainly chemical plant projects in Japan, hydrogen production equipment, and sewage treatment facility, received in previous fiscal year
<b>Segment profit</b>	> Gross profit increased due to the increase in net sales. > While segment profit ratio decreased compared to the previous fiscal year due to an increase in fixed costs, such as labor costs, the profit amount increased compared to the previous fiscal year.

## Performance Results (Unit: Millions of yen)



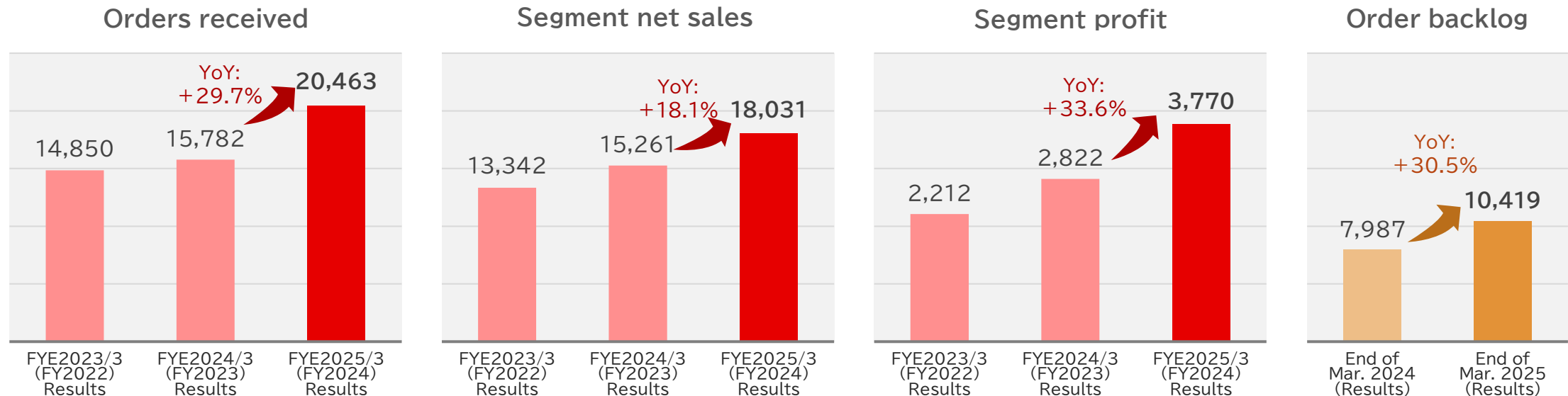


## Segment breakdown 2) Industrial Machinery Business

### Points of financial Results

<b>Orders received</b>	> Following the previous fiscal year, orders received of oil purifiers and its components, and equipment compliant with ship environmental regulations are increased, due to positive trend in the shipping market.
<b>Segment net sales</b>	> Net sales increased due to the orders of oil purifiers and its components, and equipment compliant with ship environmental regulations.
<b>Segment profit</b>	> Segment profit increased significantly due to an increase in gross profit from higher sales, as well as an increase in sales of highly profitable after-sales services.

### Performance Results (Unit: Millions of yen)



## Selling, General and Administrative Expenses (Overview)

- **8.1% increased in value terms:** While estimation cost and research and development expenses decreased, “other costs” such as labor costs, outsourcing expenses, sales commissions, and advertising expenses increased.
- **1.8 point decreased in net sales ratio:** Sales SG&A ratio is decreased to 12.7% from 14.5%.

(Unit: Millions of yen)

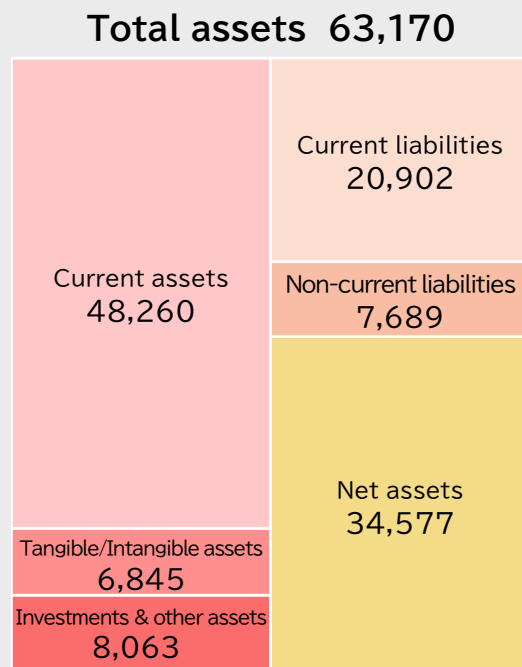
	FYE 24/3 (FY 2023)		FYE 25/3 (FY 2024)			
	Results	Ratio to sales	Results	Ratio to sales	YoY Change	
					Inc/Dec amount	Inc/Dec ratio
Salaries & bonuses	2,524	5.3%	2,674	4.5%	+150	+6.0%
Estimation cost	1,099	2.3%	851	1.4%	−247	−22.5%
Depreciation	140	0.3%	163	0.3%	+23	+16.6%
R&D expenses	598	1.3%	510	0.9%	−87	−14.7%
Other costs	2,585	5.4%	3,311	5.6%	+725	+28.1%
<b>Total SG&amp;A</b>	<b>6,948</b>	<b>14.5%</b>	<b>7,511</b>	<b>12.7%</b>	<b>+563</b>	<b>+8.1%</b>

# Consolidated Balance Sheets

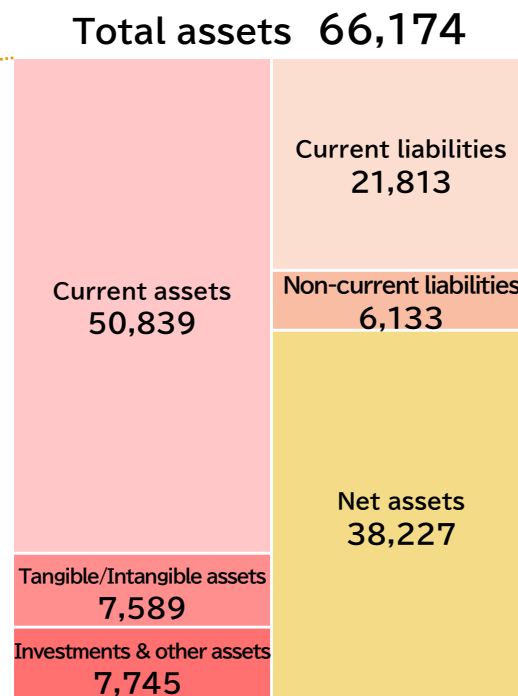
- **Total assets increased:** While cash and deposits decreased, accounts receivable increased.
- **Slightly decreased in liabilities:** While contract liabilities increased, accounts payable decreased.
- **Equity ratio increased:** Equity ratio increased to 57.8% from the end of the previous fiscal year due to an increase in net assets. (54.7% at the end of the previous fiscal year)

(Unit: Millions of yen)

End of Mar. 2024



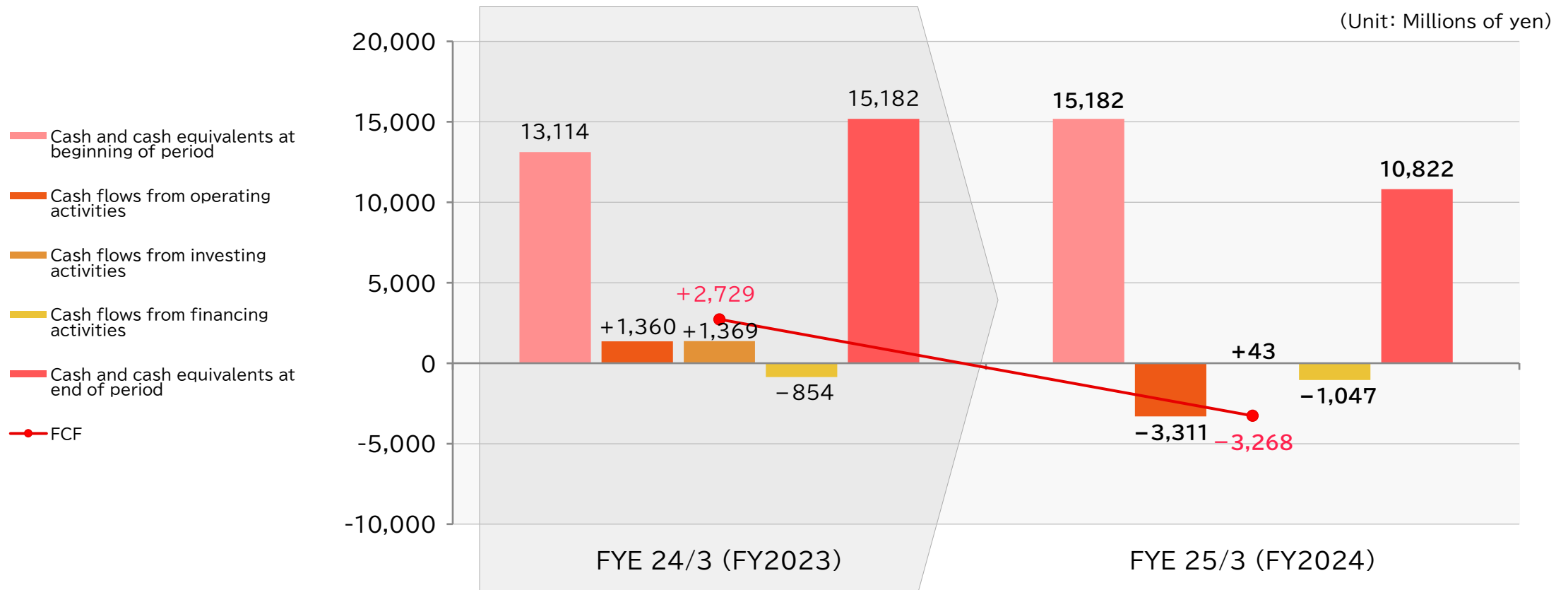
End of Mar. 2025



YoY	
Current assets	+2,578
Cash and bank deposits	-4,359
Accounts receivable	+5,821
Tangible/Intangible assets	+744
Tangible assets	-1,057
Intangible assets	+1,801
Investments & other assets	-318
Current liabilities	+911
Electronically recorded obligations	-2,821
Current portion of long-term borrowings	+1,600
Contract liabilities	+2,410
Accrued income taxes	-700
Non-current liabilities	-1,555
Long-term debt	-1,600
Net assets	+3,649
Retained earnings	+3,827

# Consolidated Statements of Cash Flows

- **Operation cash flow is negative:** Increase in account receivable due to an increase in sales, and decrease in accounts payable due to an increase in downpayment and shortening the payment terms.
- **Investing cash flow is positive:** The difference between the expenditure for M&A and fixed assets acquisitions, and the sales of investment securities is positive.
- **Free cash flow is negative:** Free cash flow is negative due to the negative operation cash flow.



# Cross-held shares reduction policy / Execution of stock split

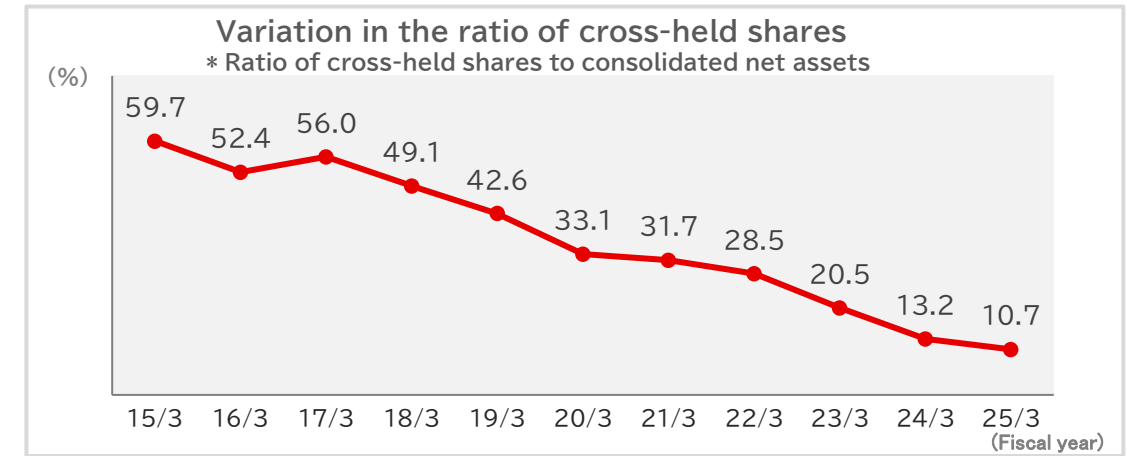
## Cross-held shares reduction policy

### □ Holding policy

- Hold listed shares while comprehensively considering economic rationality and the necessity for business activities, such as maintaining and strengthening business relationships.

### □ Reduction policy

- Verify the benefits and risks of holding each individual stock are commensurate with the cost of capital and the objective of holding the shares.
  - ... Reduce holdings of shares, if not deemed appropriate as a result of the examination.



## Execution of stock split

### □ Purpose: Increase liquidity of shares

- Aim to improve stock liquidity by lowering the minimum purchase amount and increasing the number of shares in circulation.
- Respect the request from the stock exchange to reduce the investment unit

### Overview of the stock split

Split Ratio

1 for 3

Effective Date

April 1, 2025

(Record date of split: March 31, 2025)

### Increase in stock liquidity

Funds required  
to purchase  
our shares

Pre-split

406,500yen

Post-split

135,500yen

\*Calculated at closing price as of March 31, 2025

## Ⅲ. Medium-term Management Plan

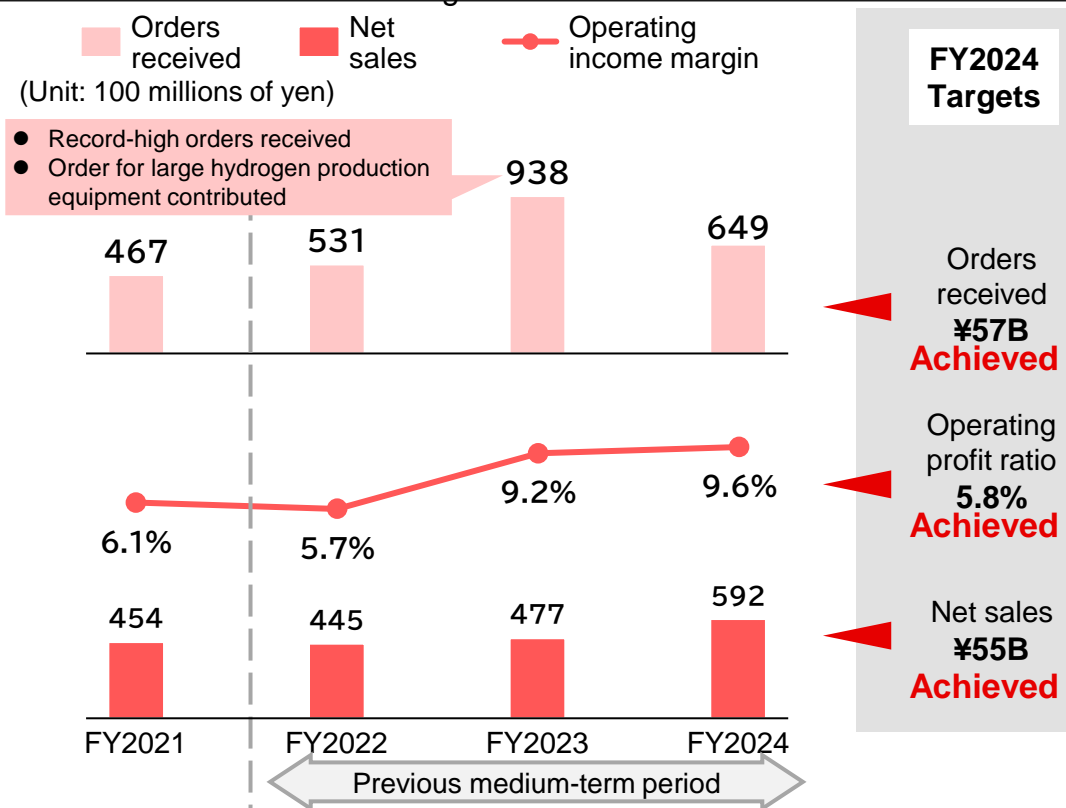
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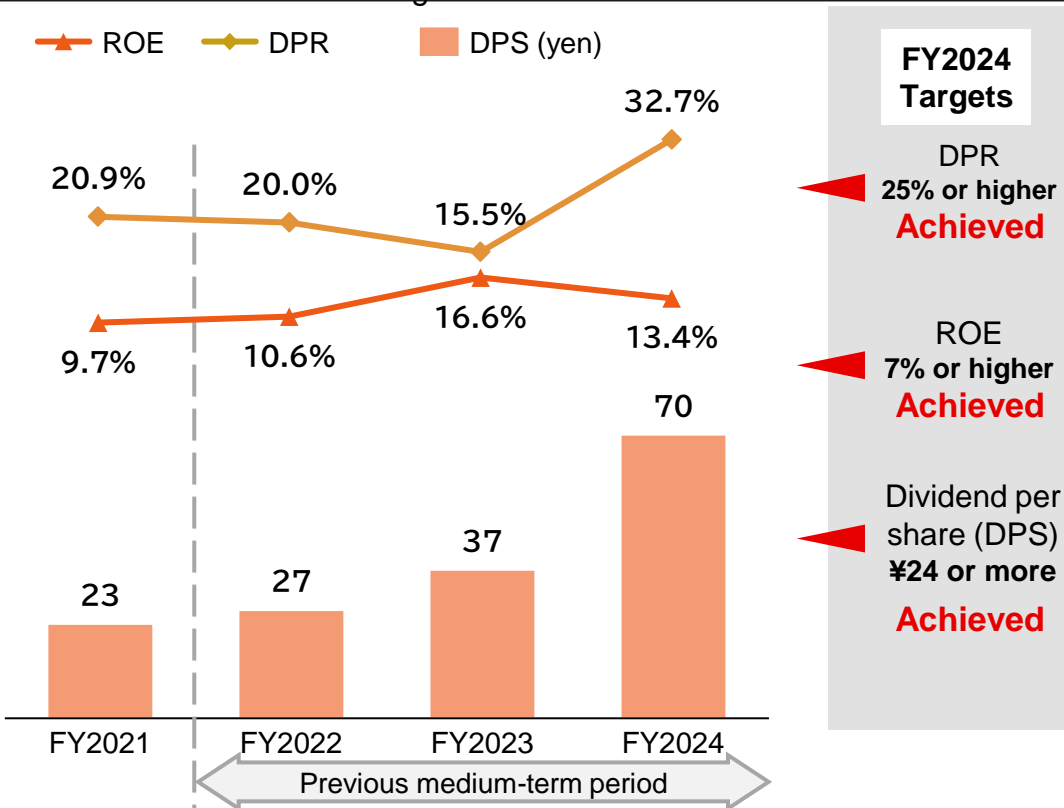
## Review of the previous medium-term management plan 1) Performance trend

- We achieved the business goals (e.g., net sales and operating income margin) and financial goals (e.g., ROE and dividend payout ratio (DPR)) set for the final year.
- In FY2023, the amount of orders received reached a record high, largely due to an order for large hydrogen production equipment for demonstration of hydrogen reduction-based steelmaking.

Business Indicators and Targets over the Previous Medium-term Period



Financial Indicators and Targets over the Previous Merium-term Period



\* On April 1, 2025, we conducted a 3-for-1 stock split. The dividend per share have been calculated considering the stock split.



Order backlog from orders received in FY2023 and FY2024 are expected to contribute to sales increase during this medium-term management period.

### III. Medium-term Management Plan






## Review of the previous medium-term management plan 2) Key points

- We made steady progress in restructuring of the existing business and improvement in profitability, promotion of group management, and improvement in corporate value.
- On the other hand, we had to carry over the creation of new business, and the implementation of a strategy and measures to maximize the effects of plant restructuring into the current medium-term management plan.

#### Preceding Plan's Key Point 1: Establishment of a New Business Portfolio

Detail	Evaluation
<b>Creation of new business</b>	 <ul style="list-style-type: none"> <li>✓ Outcome 1: Orders steadily received for hydrogen production equipment for the use of hydrogen and demonstration</li> <li>✓ Outcome 2: Promotion of technology development for CO<sub>2</sub> capture and carbon recycling in progress</li> <li>□ Challenge: We did not make as much progress as we expected in product launch and commercialization.</li> </ul>
<b>Restructuring of the existing business and improvement in profitability</b>	 <ul style="list-style-type: none"> <li>✓ Outcome 1: ROIC adopted; transition to management that focuses on capital efficiency</li> <li>✓ Outcome 2: Restructuring carried out within the Group (e.g., withdrawal from low-growth business)</li> <li>✓ Outcome 3: Ownership of Tohso Corporation (present MKK TOHOKU Corporation) acquired to boost group synergy and profitability</li> </ul>

#### Preceding Plan's Key Point 2: Establishment of a Management Base

Detail	Evaluation
<b>Formulation of manufacturing strategy</b>	 <ul style="list-style-type: none"> <li>✓ Outcome: Restructuring launched to make the Head Office and Kawasaki Works our development and production hubs</li> <li>□ Challenge: We need to implement a strategy and measures to maximize the effects of the restructuring.</li> </ul>
<b>Promotion of group management</b>	 <ul style="list-style-type: none"> <li>✓ Outcome: Restructuring carried out within the Group and a shared service subsidiary established</li> </ul>
<b>Improvement in corporate value</b>	 <ul style="list-style-type: none"> <li>✓ Outcome 1: Information disclosure tools enhanced (e.g., launch of the integrated report)</li> <li>✓ Outcome 2: Targets set to address climate change</li> </ul>
	 <ul style="list-style-type: none"> <li>✓ Outcome: Progress in hiring female employees, and appointing women, mid-career professionals, and foreign nationals to managerial positions</li> <li>□ Challenge: We need to foster workplace culture that will enable diverse employees to achieve their full potential in their jobs.</li> </ul>
	 <ul style="list-style-type: none"> <li>✓ Outcome 1: The ROE target (7%) achieved over the whole period</li> <li>✓ Outcome 2: Continuous increase in dividend per share achieved</li> </ul>



### III. Medium-term Management Plan

## Review of the previous medium-term management plan 3) Strategic business fields

		FY2022	FY2023	FY2024
Realizing a Sustainable Recycling Society	Recycling waste plastics	<ul style="list-style-type: none"> <li>Participation in the first project in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol</li> </ul>	<ul style="list-style-type: none"> <li>The first gas reform demonstration test in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol</li> </ul>	<ul style="list-style-type: none"> <li>Continuing the gas reform demonstration test in Japan for extracting synthesis gas from miscellaneous waste plastics and synthesizing methanol</li> </ul>
	Biofuels	<ul style="list-style-type: none"> <li>Cooperating in onboard testing of biodiesel fuel for use on ships by providing Mitsubishi Selfjector</li> </ul>	<ul style="list-style-type: none"> <li>Receiving order for Mitsubishi Disc Separator for large-scale demonstration for producing SAF from waste cooking oil</li> <li>Support for the ship demonstration operation using straight vegetable oil (SVO) in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Cooperation on project to develop long-term use of biodiesel fuel for marine use has started</li> <li>Started selling oil purifier parts compatible with biodiesel fuel for marine use</li> </ul>
	Biogas	<ul style="list-style-type: none"> <li>The 1st unit of the thermal sludge solubilizer, which enables the reduction of dehydration sludge and the increase of recovered biogas in sewage treatment facilities, was completed</li> </ul>	<ul style="list-style-type: none"> <li>Our technology for thermal solubilization of sludge received the Award of the Chairman of New Energy Foundation at New Energy Award in 2023.</li> <li>Received order of reconstruction facility work which effectively utilize digestion gas from Japan's largest sewage treatment plant (Morigasaki Water Reclamation Center, Tokyo).</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruction facility work of Morigasaki Water Reclamation Center is in progress.</li> </ul>
	Capturing CO <sub>2</sub>	<ul style="list-style-type: none"> <li>Conducted adsorbent laboratory evaluation tests for a CO<sub>2</sub> capture system using the PSA method.</li> </ul>	<ul style="list-style-type: none"> <li>Completed design and started manufacture of a CO<sub>2</sub> recovery demonstration unit using the PSA method.</li> </ul>	<ul style="list-style-type: none"> <li>Study on the technology of hydrogen generator which enables CO<sub>2</sub> separation and capture by membrane separation method has been adopted by NEDO</li> <li>Started demonstration of CO<sub>2</sub> capture using PSA method</li> </ul>
Clean Energy Business	Hydrogen generation	<ul style="list-style-type: none"> <li>Joined the council to promote the widespread use of hydrogen made from sewage-derived biogas</li> <li>Improving the generating process of low-carbon hydrogen</li> <li>Increasing number of deliveries to projects aiming for carbon neutrality</li> </ul>	<ul style="list-style-type: none"> <li>Delivered hydrogen generators to Toyota Group's biogas-derived hydrogen production project in Thailand</li> <li>Received an order for large-scale hydrogen production equipment for demonstration to reduce CO<sub>2</sub> emission in the steelmaking process</li> </ul>	<ul style="list-style-type: none"> <li>Construction of equipment for demonstration to reduce CO<sub>2</sub> emission in the steelmaking process is in progress.</li> </ul>
	Hydrogen supply chain	<ul style="list-style-type: none"> <li>Developing the hydrogen absorbing alloy compressor</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives underway to contribute to hydrogen transportation <ul style="list-style-type: none"> <li>Conducted a demonstration of a hydrogen delivery system by hydrogen absorbing alloy</li> <li>Started collaboration on ammonia application development</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Delivered equipment for "SPERA Hydrogen®" to Singapore</li> </ul>
	Algae	<ul style="list-style-type: none"> <li>Demonstrating cultivation and harvesting of algae, and component extraction from algae</li> <li>Joined the "MATSUMI" led by CHITOSE GROUP</li> </ul>	<ul style="list-style-type: none"> <li>Invested in CHITOSE GROUP to accelerate joint development towards large-scale algae production</li> </ul>	<ul style="list-style-type: none"> <li>The subsidiary delivers algae production equipment to research project aiming for stable and mass production of microalgae</li> </ul>
Saving Labor & Energy	Pharmaceutical production	<ul style="list-style-type: none"> <li>Delivered equipment for demonstration of "iFactory®," an Energy-efficient pharmaceuticals manufacturing facility</li> <li>Started demonstration of continuous operation of "iFactory®"</li> </ul>	<ul style="list-style-type: none"> <li>Completed demonstration of continuous operation of "iFactory®"</li> <li>Succeeded in proving "iFactory®" and won NEDO Chairman's Award of Energy Conservation Technology Development Award as the best business operator</li> </ul>	
Developing Next-GEN Techs	Microfiltration / Measure to water and natural disaster	<ul style="list-style-type: none"> <li>Invested in WOTA Corp., which pursues solutions to global water Issues</li> </ul>	<ul style="list-style-type: none"> <li>Developed the World's first filtration Technology using the electric field filtration method (Electric field filter "Ele-Fil®")</li> </ul>	<ul style="list-style-type: none"> <li>Promoting needs exploration by holding lectures, etc. (Electric field filter "Ele-Fil®")</li> </ul>

# Current External Environment

- We anticipate that the movement toward decarbonization will continue, and that the demand will increase in semiconductor-related market.
- We need to put company-wide efforts into improving capital efficiency and ensuring stronger human capital.

## Topics we will focus on in the external environment

### Transition to clean energy and a recycling society

#### Greater demand for clean energy, e.g., hydrogen

Target usage of hydrogen in Japan: From 2 million tons in 2020 to **20 million tons in 2050**

#### More requests to establish hydrogen supply chains

Public and private investments in building supply chains in Japan:

**15 trillion yen in total from 2023 to 2038**

#### Advancement of carbon recycling

The largest volume of recycled CO<sub>2</sub> (equivalent to products for carbon recycling used in Japan):

**0.1 to 0.2 billion tons/year in 2050**

#### Pursuit of a circular economy

Circular economy market size in Japan: From 50 trillion yen in 2020 to **120 trillion yen in 2050**

#### Reduction of environmental impact in the shipping industry

\*Source of the data: The Ministry of Economy, Trade and Industry (2023)

#### Aging infrastructure and labor shortage

#### Greater demand for semiconductor materials

#### Growing awareness of capital cost and stock prices

#### Growing demand for newly built ships

\* PPP: Public-private partnership as a collaborative effort between the public and private sectors

\* NOx regulations: Simplified name for regulations on nitrogen oxide (NOx) emissions from ships

## Effects on the Group

### Across the Group

- ▶ **The major challenge is business growth by meeting green-transformation-related demand across our businesses.**
- ▶ Increasing investments for semiconductor-related equipment and creating a need for collaborative work across our businesses.
- ▶ Climate action continues to be our priority.
- ▶ Greater capital efficiency and shareholder return are required.
- ▶ Strengthening in human capital is urgently needed to address the issues of labor shortage and technology succession.
- ▶ Efforts toward digital transformation (DX) should gain speed for greater operational efficiency and added value.

### Engineering Business

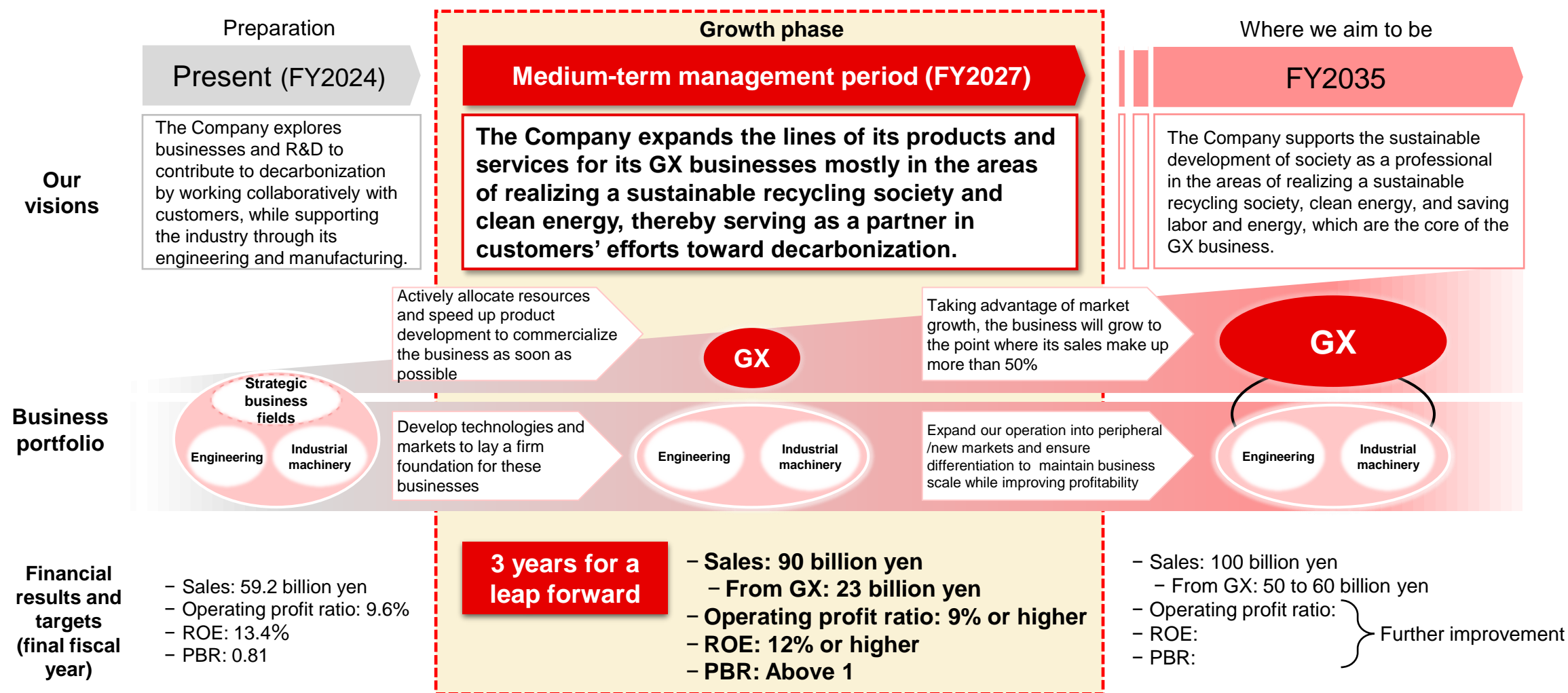
- ▶ Greater demand for upgraded infrastructure in the field of saving of labor and energy, and decarbonization.
- ▶ Actions for PPP projects (mostly for sewerage) are urgently needed.

### Industrial machinery business

- ▶ Greater demand for marine machinery
- ▶ Favorable Conditions to the Group which offering lines of equipment that meet the NOx regulations

# The Medium-term Plan on Our Road Map

- The period covered by the medium-term management plan is positioned as the “3 years for a leap forward” to facilitate the growth of our GX business, achieve higher sales, and thereby realize our management vision.



# Key Points and Measures in the Medium-term Plan

- We will evolve our business portfolio and establish management conscious of the cost of capital and stock prices, which will be supported by a stronger and sustainable management.

## Goals

**Expand the lines of our products and services for our GX businesses mostly in the areas of realizing a sustainable recycling society and clean energy, thereby serving as a partner in customers' efforts toward decarbonization.**

**Achieve the sales of 90 billion yen, 9% or higher operating profit ratio, PBR above 1.0 times, and 12% or higher ROE**

## Business and financial strategies

### Key Point 1

#### Evolution of our business portfolio

- ❑ Establishing the GX business
- ❑ Boosting the competitiveness of our fundamental businesses
- ❑ Implementing our business expansion strategies

### Key Point 2

#### Establishment of management conscious of cost of capital and stock prices

- ❑ Making growth investments
- ❑ Enhancing capital efficiency
- ❑ Increasing shareholder return / Publishing information that boosts growth expectations

## Stronger management base

### Key Point 3

#### Stronger human and technical capital

- ❑ Pursuing our human capital strategy
- ❑ Implementing our manufacturing strategy

### Key Point 4

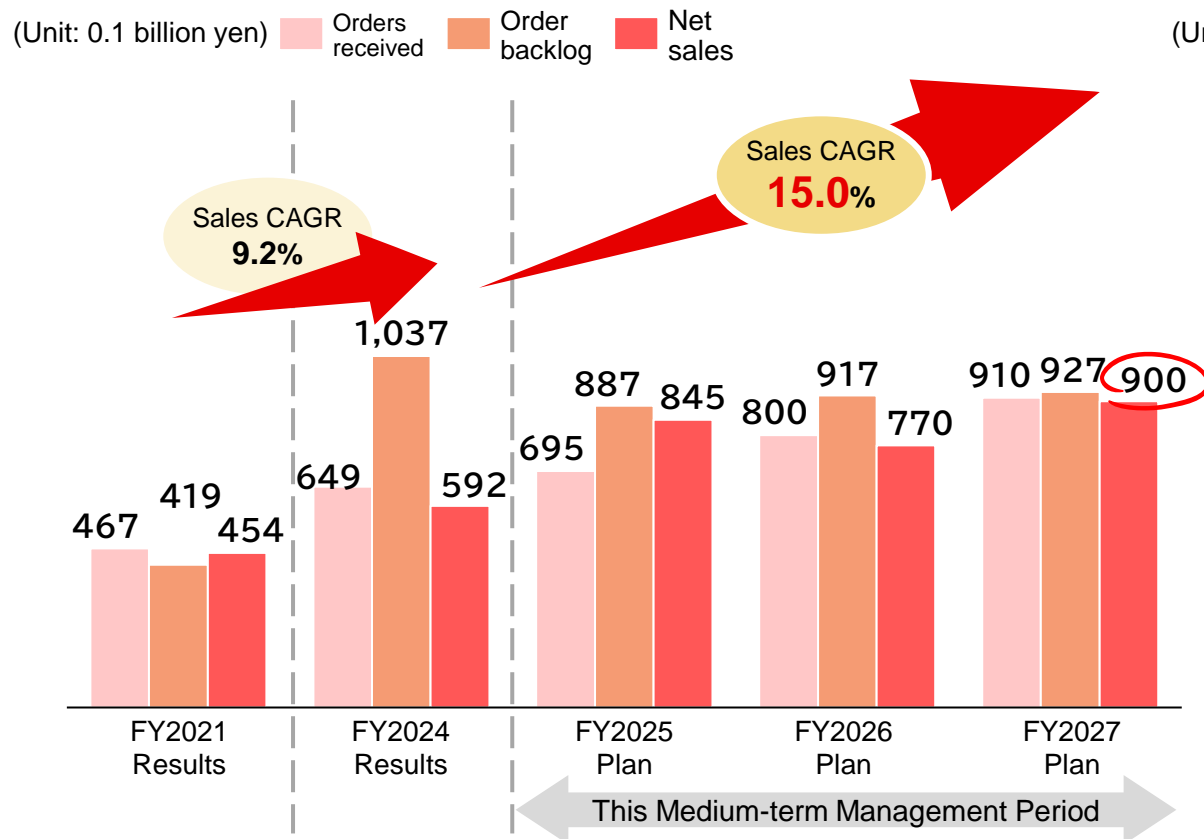
#### Improved transparency of corporate governance

- ❑ Managing our business portfolio / Practicing ROIC-oriented management
- ❑ Pursuing sustainability

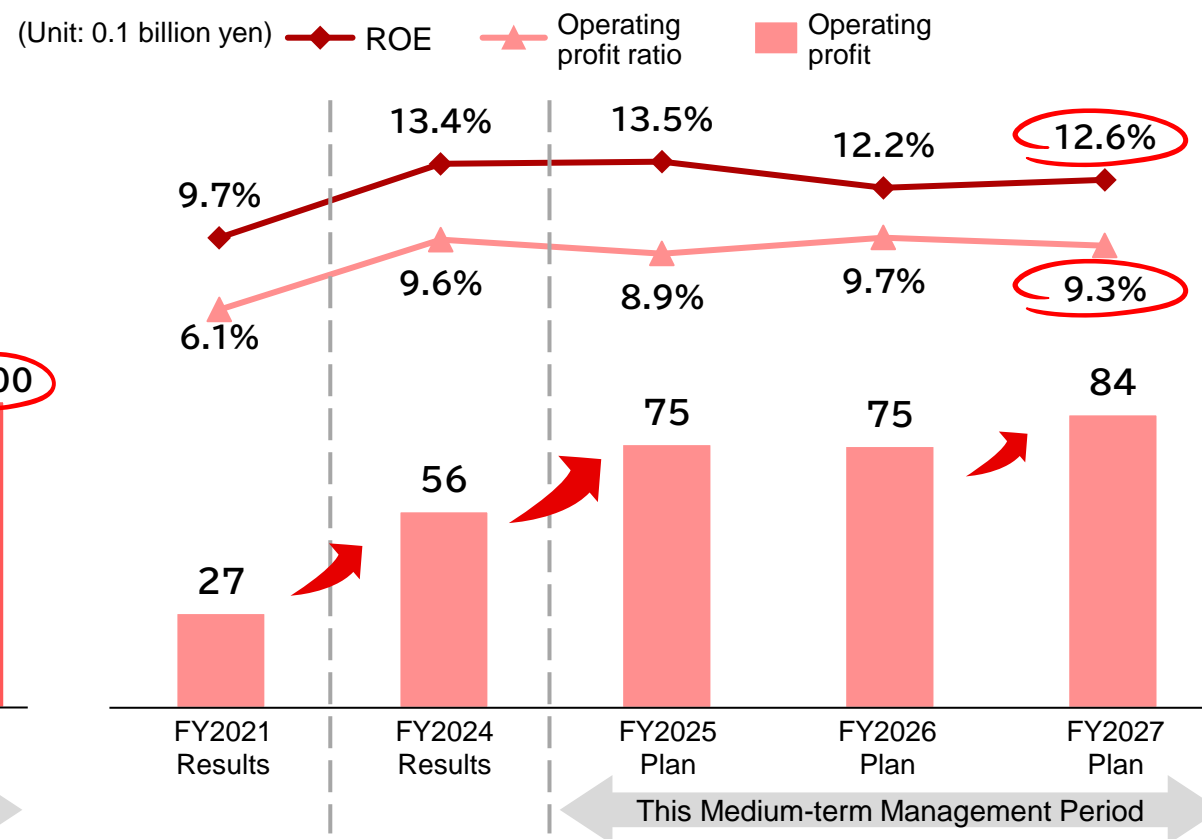
## Planned Figures in the Medium-term Plan

- Based on the order backlog in the final period for the preceding medium-term management plan, we aim to increase net sales exceeding 80 billion yen in FY2025 and then achieve net sales of 90 billion yen, 9% or higher operating profit ratio, and 12% or higher ROE in FY2027.

Business Scale Targets over this Medium-term Management Period



Targets for Profitability Indicators over this Medium-term Management Period



During this medium-term management period, we aim to increase sales faster than in the previous period and further raise the profit ratio.

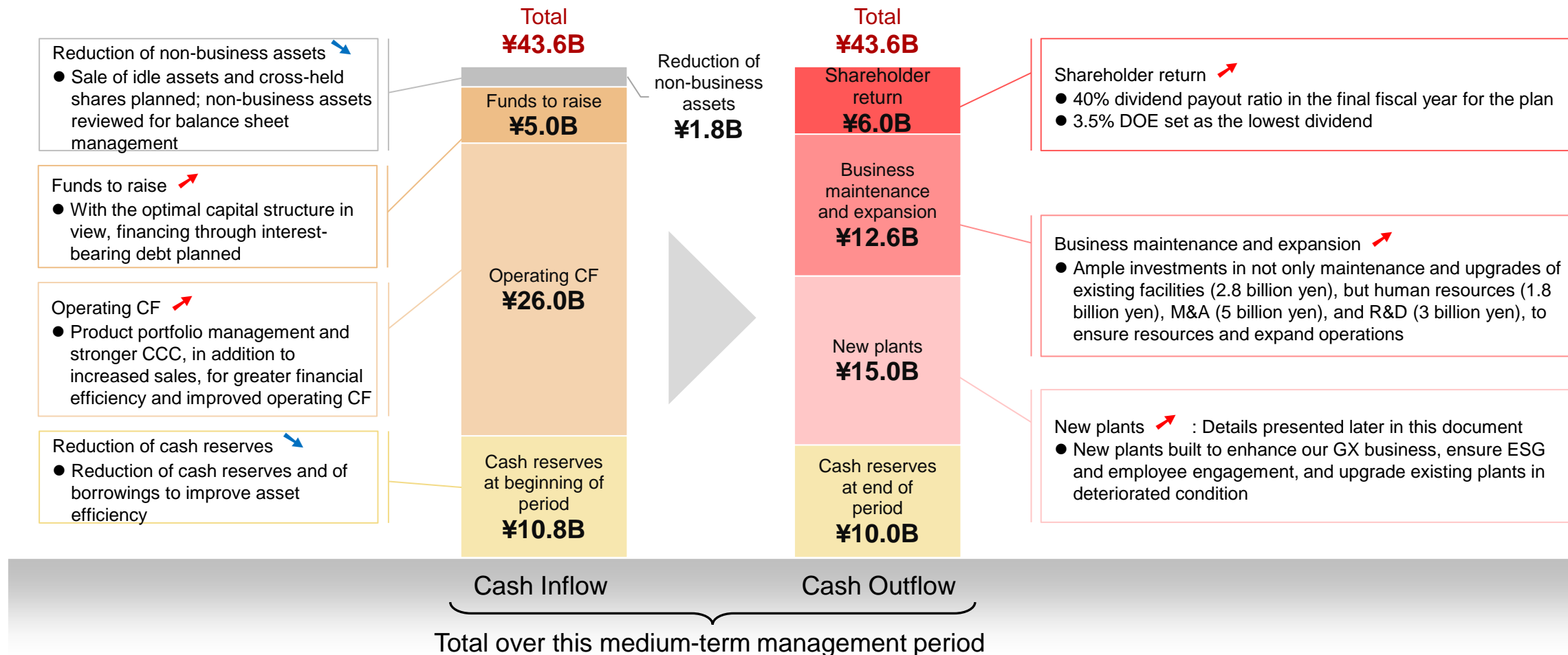
# Financial Targets in the Medium-term Plan

- To achieve PBR above 1 during an early period of the medium-term management plan, we plan to boost net sales to 90 billion yen (out of which 23 billion yen from the GX business, improve profitability and efficiency, and increase shareholder return.

	Indicator	25/03 (Targets in preceding medium-term plan)	25/03 (Results)	28/03 (Targets in the medium-term plan)
Market appraisal	New PBR	—	0.81	Above 1
Growth	Net sales	55 billion yen	59.2 billion yen	Final FY 90 billion yen
	New Net sales from GX businesses	—	—	Final FY 23 billion yen
Profitability	Operating profit ratio	5.0% or higher	9.6%	Final FY 9.0% or higher
	ROE	7.0% or higher	13.4%	12% or higher
	New ROIC	—	10.7%	11% or higher
Shareholder return	DPR	25% or higher	32.7%	Final FY 40%
	New DOE	—	4.4%	Lowest 3.5%
Financial health	New Equity ratio	—	57.8%	About 50%

# Cash Allocation

- We plan to invest 15 billion yen in new plants, 5 billion yen in M&A, and 3 billion yen in R&D to enhance our GX business and ensure solid shareholder return.
- We will raise funds for these investments from operating cash flow (CF), and through asset reduction and the use of interest-bearing debt.

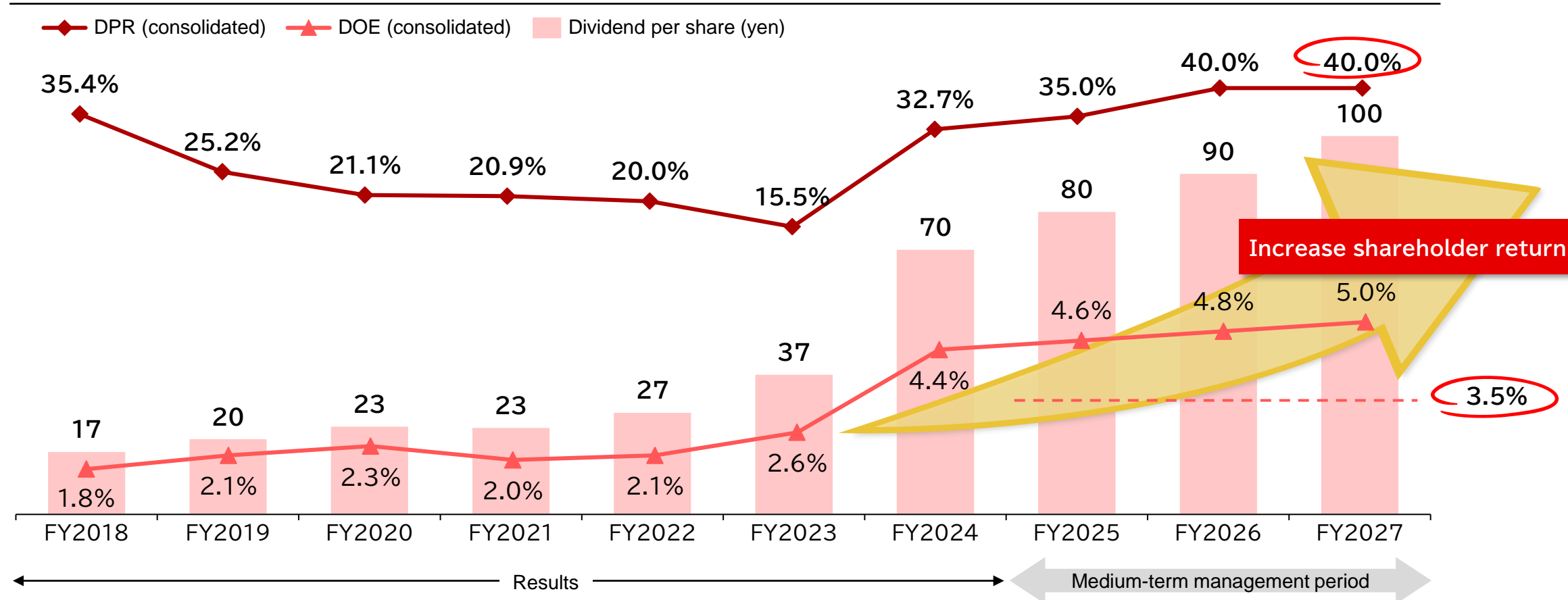




# Dividend Trends

- For this medium-term management period, we aim to raise the dividend payout ratio (DPR) to 40%.
- The lowest dividend on equity (DOE) ratio is set at 3.5%.

Results of Shareholder Return and Planned Return for the Medium-term Management Plan Period

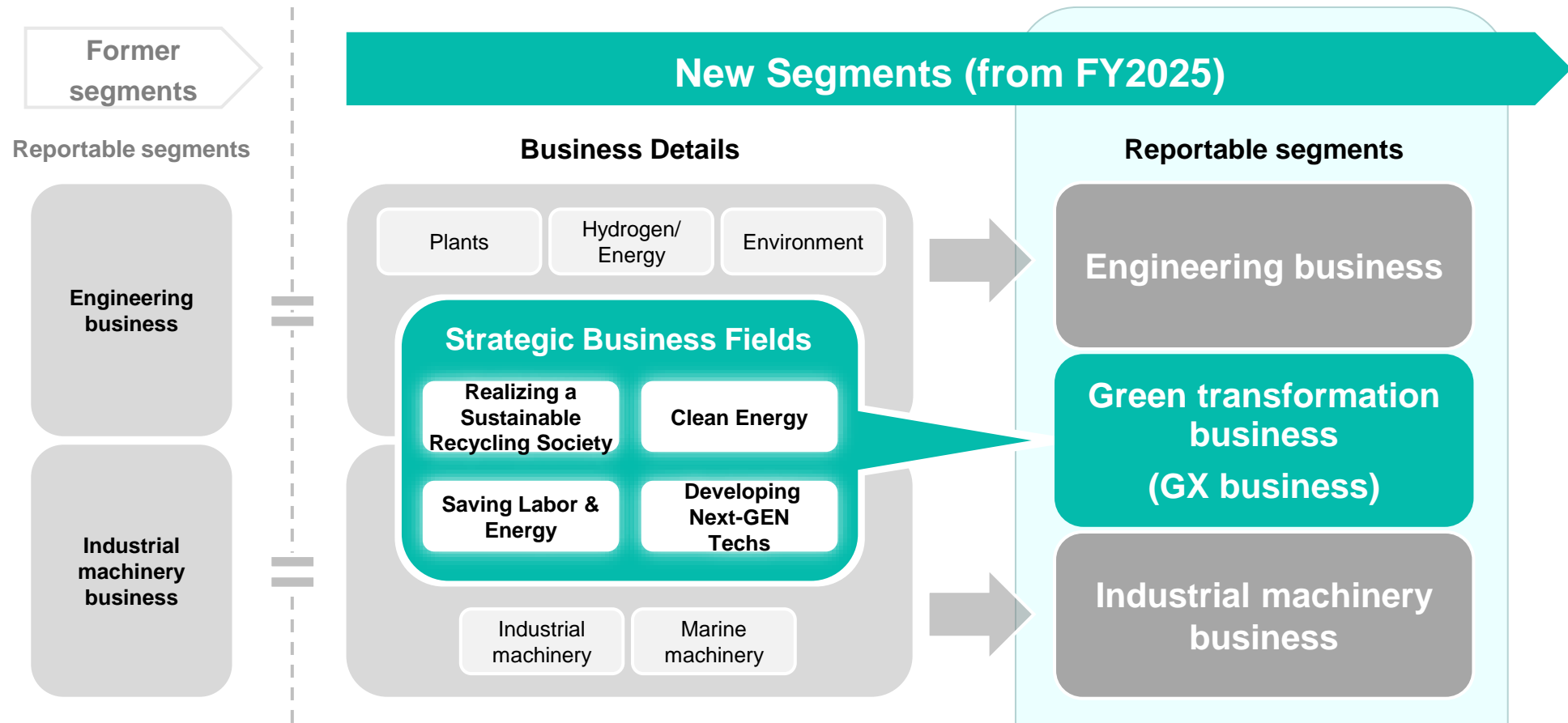


\* On April 1, 2025, we conducted a 3-for-1 stock split. The figures before FY2024 have been calculated considering the stock split.



## Reportable Segments Changed

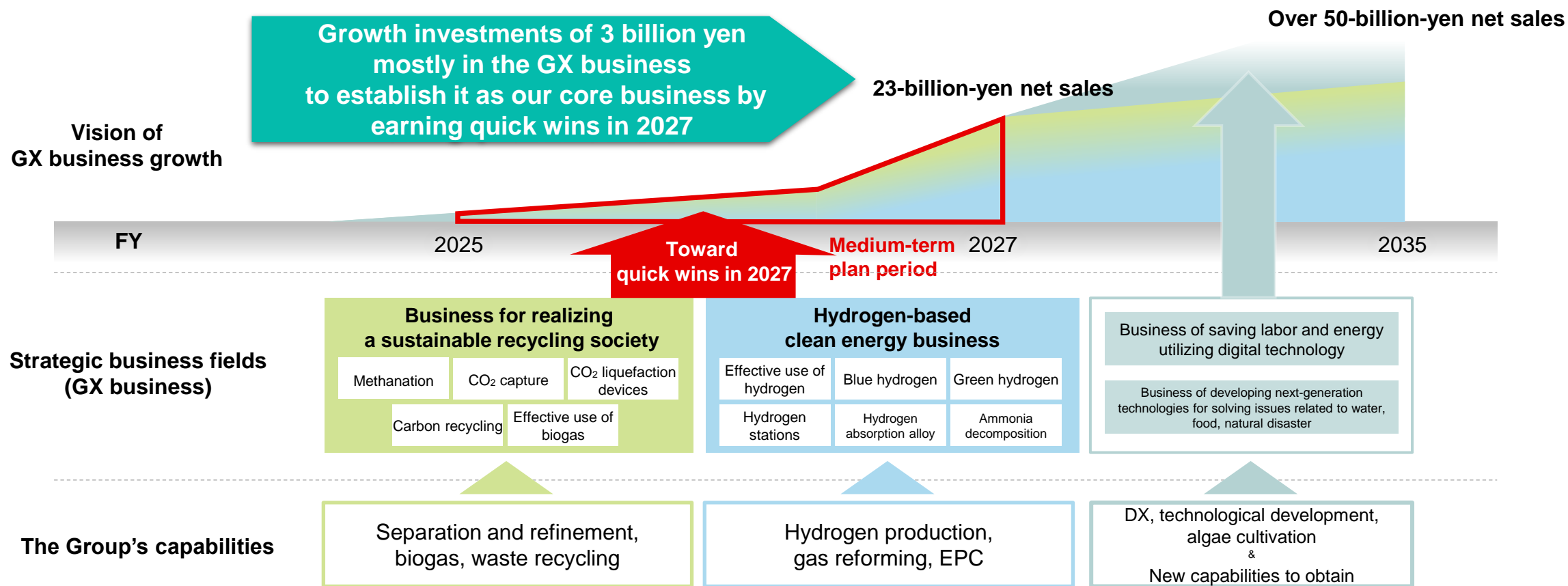
- It is essential that we achieve growth in the strategic business fields in order to make our management vision a reality.
- We set up the GX business as our new reportable segment to transition to a framework for quantitative monitoring so that we will further promote and expand the strategic business fields.



\* The GX business falls into the strategic business fields. It consists of new businesses as well as existing technologies and products that have been developed or refined for specific uses.

# Sketch of Our Green Transformation Business (GX business)

- Our GX business revolves around the strategic business fields that contribute to the resolution of social issues, which we include in our management vision.
- The medium-term management plan focuses on the “business for realizing a sustainable recycling society” and “hydrogen-based clean energy business” as fields for quick wins.



\* EPC: Outsourcing of engineering, procurement, and construction to one contractor

# Products and Services for GX businesses

- Expand the business by introducing main products such as hydrogen production equipment to meet the recent growth in demand for hydrogen.
- Promote R&D to bring low-carbon hydrogen (blue/green hydrogen), which is expected to grow in the future, and carbon recycling, such as CO<sub>2</sub> capture, to market during the period of this medium-term management plan

## 1 Sustainable business for realizing a recycling society



Methanation  
(Carbon recycling / Effective use of hydrogen) Dev.

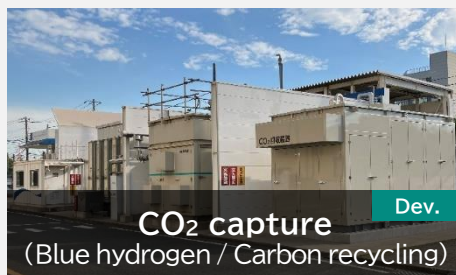
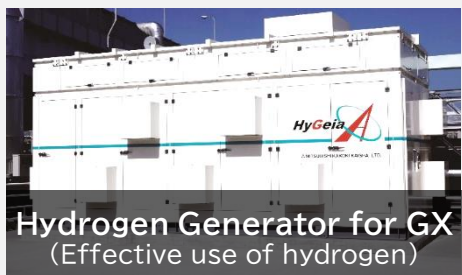
CO<sub>2</sub> liquefaction devices  
(Carbon recycling) Dev.

Hydrogen generation from biogas  
(Effective use of biogas)

## 3 Business of saving labor and energy utilizing digital technology



## 2 Hydrogen-based clean energy business



Hydrogen stations

Hydrogen absorption alloy  
delivery system Dev.

Hydrogen Storage Alloy  
Compressor (Hydrogen absorption alloy) Dev.

Ammonia decomposition  
(Effective use of hydrogen) Dev.

Water electrolysis hydrogen  
production equipment  
(Green hydrogen) Dev.

## 4 Business of developing next- generation technologies for solving issues related to water, food, natural disaster



Dev. : Businesses in development stage

## IV. Earnings Forecasts

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# Consolidated P/L forecast for FYE 2026/3

- Net sales increased by 42.7%: Contribution of high order backlogs
- Profit attributable to owners of parent increased by 9.8%: The lower increase ratio compared to Net sales or Operating profit, will be due to the decrease of special profit realized in FYE 2025/3

(Unit: Millions of yen)

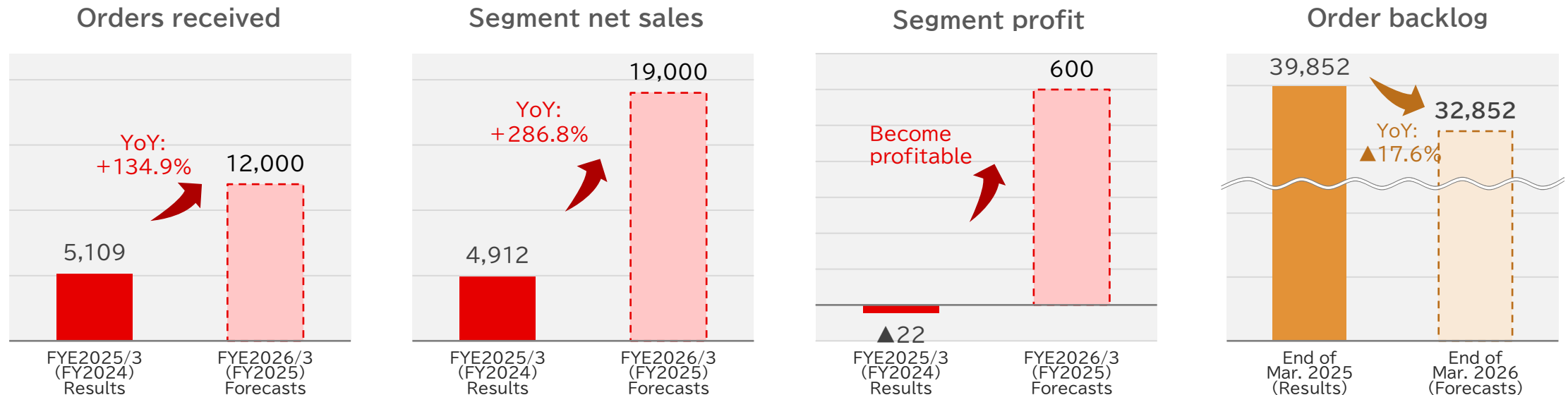
	FYE 25/3 (FY 2024)		FYE 26/3 (FY 2025) *Forecasts as of May 2025					
	Results	Ratio to sales	Forecasts (6 months ending)	Ratio to sales	Forecasts (Full year)	Ratio to sales	YoY Change	
							Inc/Dec amount	Inc/Dec ratio
Net sales	59,202	—	37,500	—	84,500	—	+25,297	+42.7%
Cost of sales	45,995	77.7%	—	—	—	—	—	—
Selling, general and administrative expenses	7,511	12.7%	—	—	—	—	—	—
Operating income	5,694	9.6%	3,000	8.0%	7,500	8.9%	+1,805	+31.7%
Ordinary income	5,626	9.5%	3,100	8.3%	7,500	8.9%	+1,873	+33.3%
Profit attributable to owners of parent	4,879	8.2%	2,150	5.7%	5,360	6.3%	+480	+9.8%
Net income per share (unit: yen)	213.79	—	94.20	—	234.84	—	+21.05	+9.8%

# Segment business forecast for FYE 2026/3 1) GX Business

## Points of forecast

Orders received	> Expect to acquire orders relevant to the hydrogen utilization and biogas plant, based on the continuation of decarbonization momentum
Segment net sales	> Expect to significantly increase, contributed by the order backlogs in previous fiscal years
Segment profit	> Expect to become profitable, as a result of net sales and gross profit increase

## Performance outlook (Forecasts) (Unit: Millions of yen)

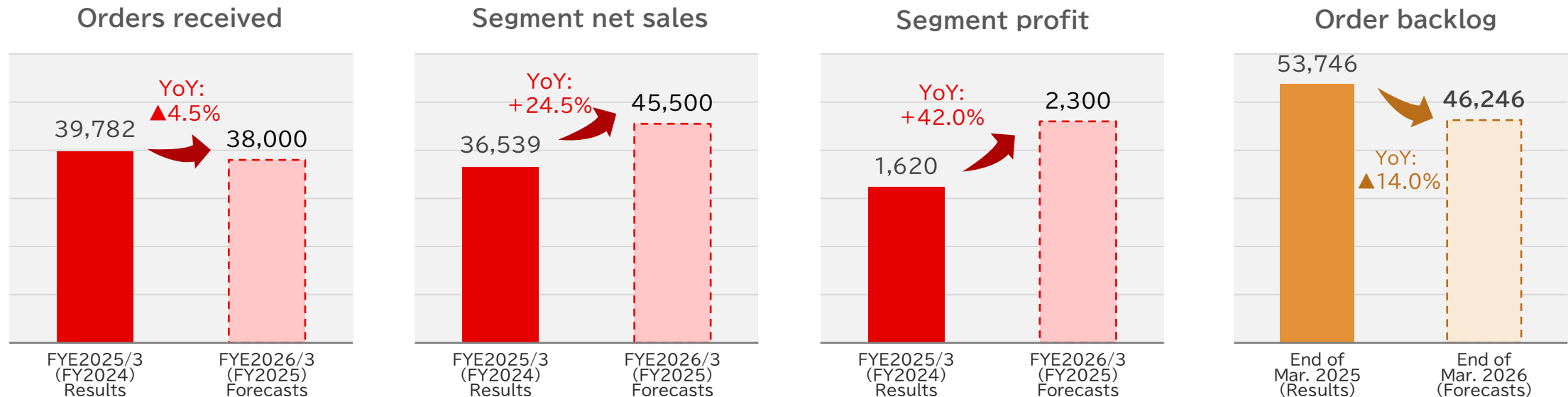


# Segment business forecast for FYE 2026/3 2) Engineering Business

## Points of forecast

<b>Orders received</b>	> Expect to continuously acquire high level of orders mainly in domestic chemical business
<b>Segment net sales</b>	> Expect to significantly increase, contributed by the order backlogs in previous fiscal years
<b>Segment profit</b>	> Expect a significant profit increase, as a result of net sales and gross profit increase

## Performance outlook (Forecasts) (Unit: Millions of yen)



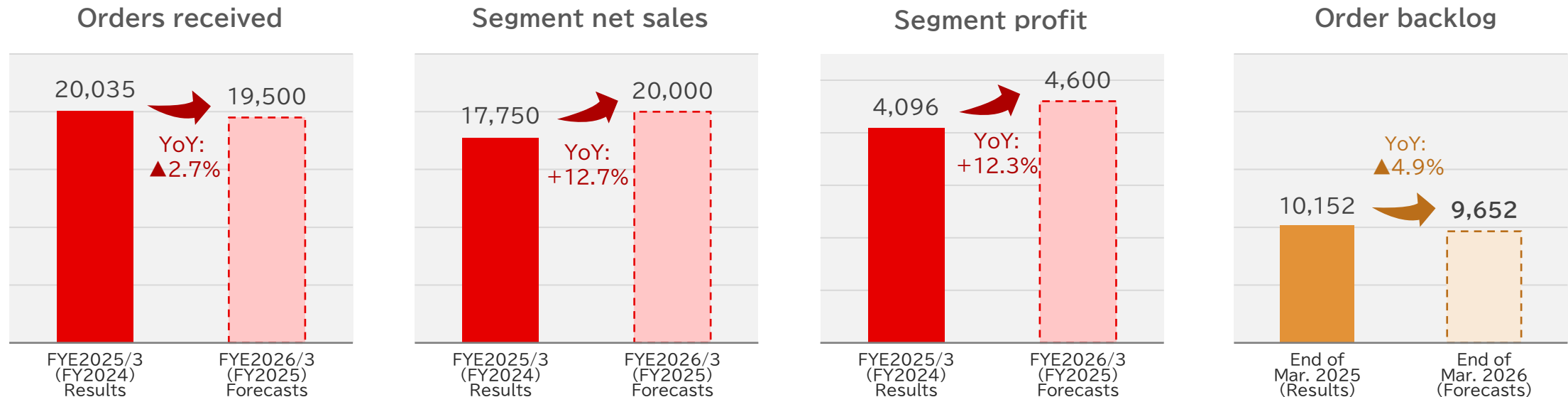


# Segment business forecast for FYE 2026/3 3) Industrial Machinery Business

## Points of forecast

<b>Orders received</b>	> Expected to continuously acquire high level of orders, based on the robust shipping market
<b>Segment net sales</b>	> Expect to increase, by steadily acquiring orders for Oil purifiers and its components, and ship equipment compliant with ship environmental regulations
<b>Segment profit</b>	> Expect a profit increase, as a result of net sales and gross profit increase

## Performance outlook (Forecasts) (Unit: Millions of yen)





## V. Business Topics / Improvement in corporate value

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# Business Topics 1)

## Topics

### Hydrogen generator



HyGeia-A : Small-Scale On-Site Hydrogen Generator

## Major achievements and progresses

- Shipment of the on-site hydrogen generator “HyGeia” series remain steadily
  - For the use in the semiconductor, electronic materials, and carbon neutral fields.

### Trend of the HyGeia series shipment numbers

FY2022	FY2023	FY2024	FY2025 (forecast)
2 units	6 units	11 units	4 units

## Main reporting segments

- GX business
- Engineering business

### Oil purifier

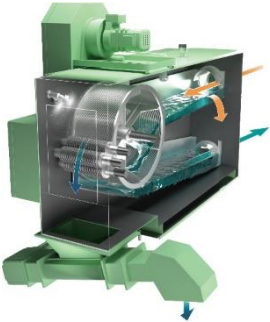




Oil purifier, Mitsubishi Selfjector (SJ) series

- Strong orders received
  - High demand for new buildings against a backdrop of demand for ships operating at reduced speed for decarbonization and demand for dual fuel-fired ships fueled by LNG, methanol, and heavy oil
- In the medium to long term, a continued demand of oil purifiers for processing fuel oil is expected
  - Although there is a trend toward the widespread use of engines that are compatible with decarbonized fuels (ammonia, hydrogen, etc.), dual-fuel engines are expected to remain the mainstream for the time being, and demand for processing fuel oil is also expected to continue
- Aiming to expand market share in China while maintaining the top share in Japan
- Donation oil purifiers to Japan agency of Maritime Education and Training for Seafarers; contributing to enhance and strengthen the seafarer education business

- GX business
- Industrial Machinery business

## Business Topics 2)

Topics	Major achievements and progresses	Main reporting segments
<p><b>Scum treatment equipment (Sewage treatment)</b></p>  <p>Self-clean Swing Disc Screen (SC-SDS)</p>	<ul style="list-style-type: none"> <li>Self-clean Swing Disc Screen (SC-SDS) received “The Japan Society Of Industrial Machinery Manufacturers Chairman’s award”                             <ul style="list-style-type: none"> <li>Evaluated for “originality,” “performance,” “economic efficiency,” and “future potential” as a device related to environmental preservation</li> </ul> </li> <li>Launched “Self-clean Swing Disc Screen with Dewatering Mechanism” for night soil in 2023, promoting the expansion of applications</li> </ul>  <p>At the award ceremony</p>	<ul style="list-style-type: none"> <li>Engineering business</li> </ul>
<p><b>MKK TOHOKU new factory started its operation</b></p>  <p>MKK TOHOKU new factory</p>	<ul style="list-style-type: none"> <li>New plant for FRP manufacturing to start operation in April 2025</li> <li>Aim to improve production efficiency and increase production capacity                             <ul style="list-style-type: none"> <li>Achieving efficient manufacturing processes through mechanization and labor saving</li> <li>Responding to various needs and improving quality through a structure that enables response to rapid changes in demand                                     <ul style="list-style-type: none"> <li>Started water treatment equipment assembly (wastewater treatment equipment for EGR engine systems) for specialized engines installed on ships compliant with Tier III NOx emission regulations for ships</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>GX business</li> <li>Engineering business</li> </ul>

# Improvement in corporate value

## Invested “Hydrogen Fund” for supporting hydrogen supply chain building

### Invested in Japan Hydrogen Fund, L.P., a fund specializing in investments in hydrogen-related fields

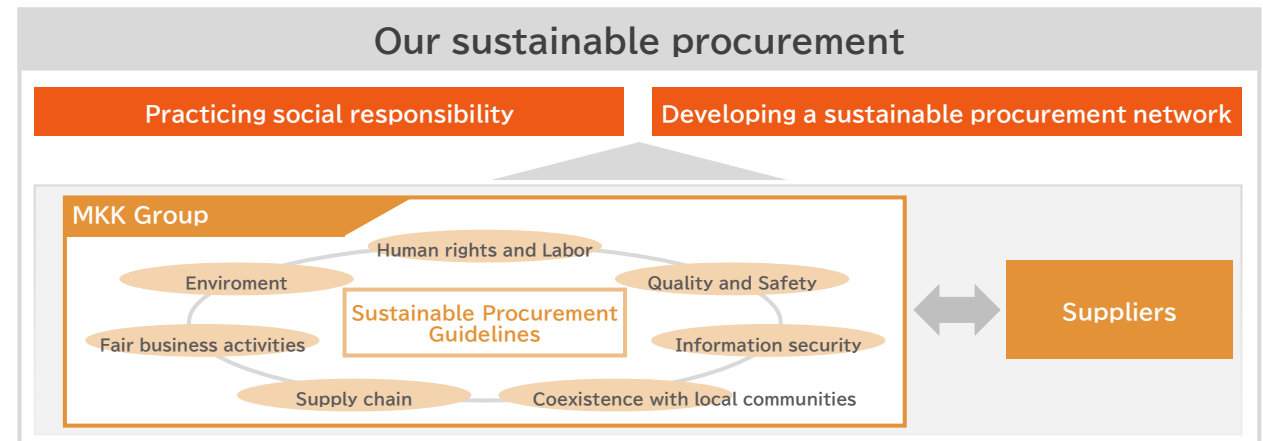
- The hydrogen fund established by the Japan Hydrogen Value Chain Association (JH2A), of which we are a member of the board.
- Aim to contribute to the establishment of a global hydrogen value chain by providing business capital for the entire hydrogen value chain, including production, transportation, storage, and utilization.

## Procurement guidelines

### – Our commitment to responsible procurement

#### Establishment of “Mitsubishi Kakoki Kaisha Group Procurement guidelines”

- The guidelines outlining items that the Group and its business partners should work on together to fulfill social responsibilities.
- Fulfill social responsibility in procurement activities and develop a sustainable procurement network through due diligence and ESG risk reduction for each supplier.



## Collaboration of Sumo and cutting-edge technology

### – Promoting the Potential and Familiarity of Hydrogen Energy to Local Communities by sustainable “Hydrogen chanko (chicken soup)” event

- Invested in Japan Hydrogen Fund, L.P., a fund specializing in investments in hydrogen-related fields
- Cooking meals using electricity generated at the venue by the “Hydrogen Absorption Alloy Delivery System” jointly developed with NASU DENKI-TEKKO and NIPPON FILCON
- Enhancing engagement for local communities



A sumo wrestler serving food at the event

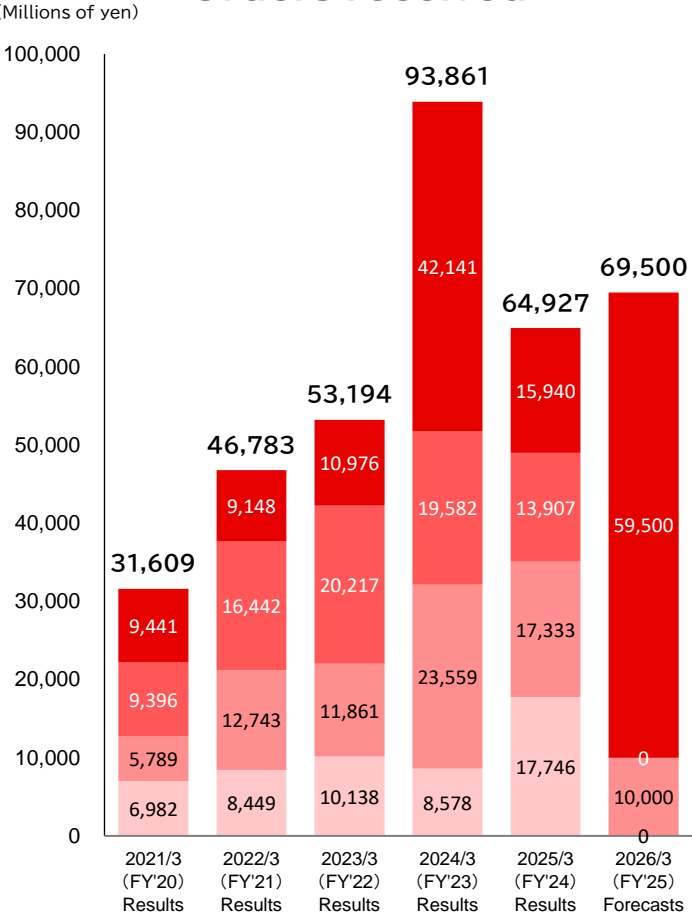
# Appendix 1. Performance Trends

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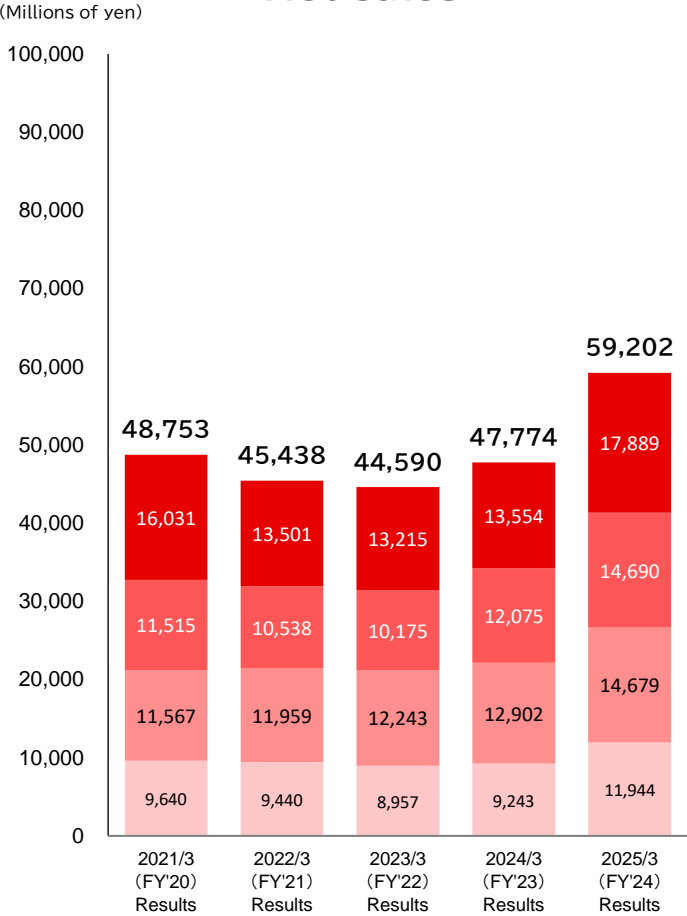




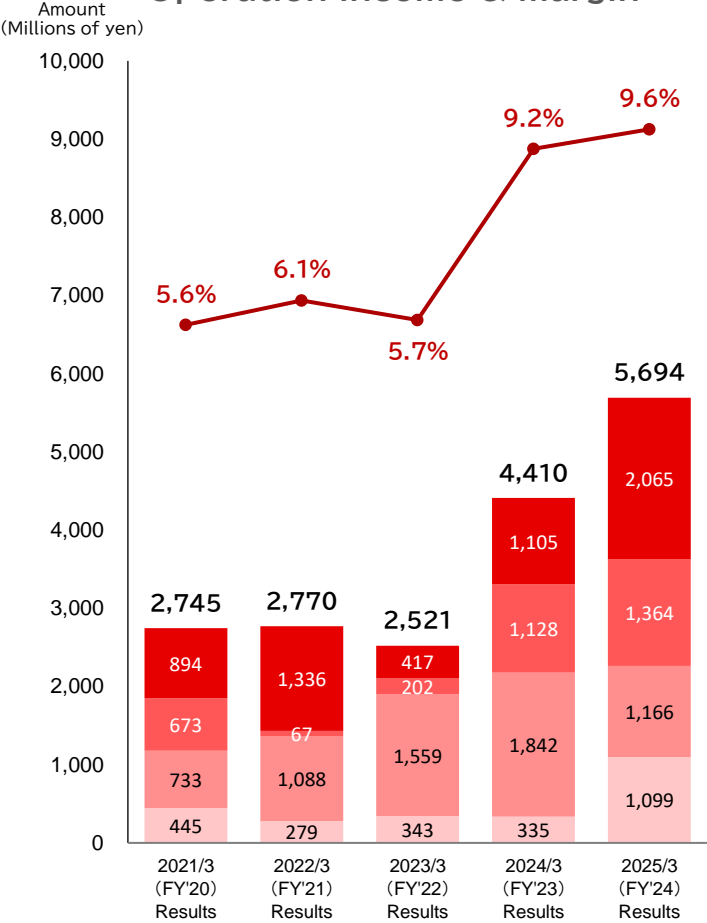
Orders received



Net sales



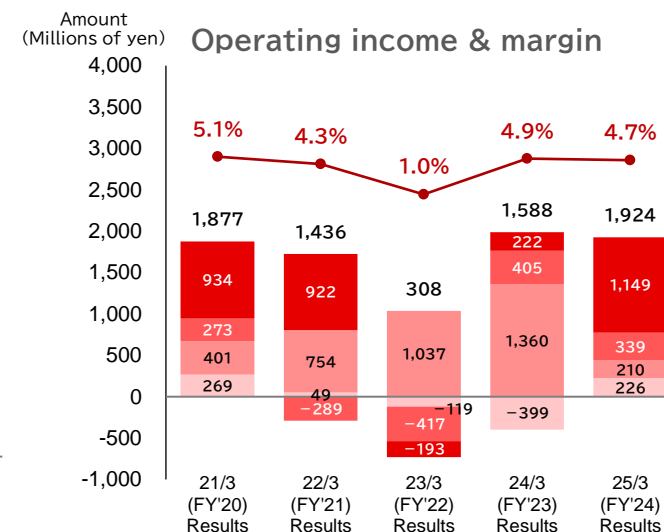
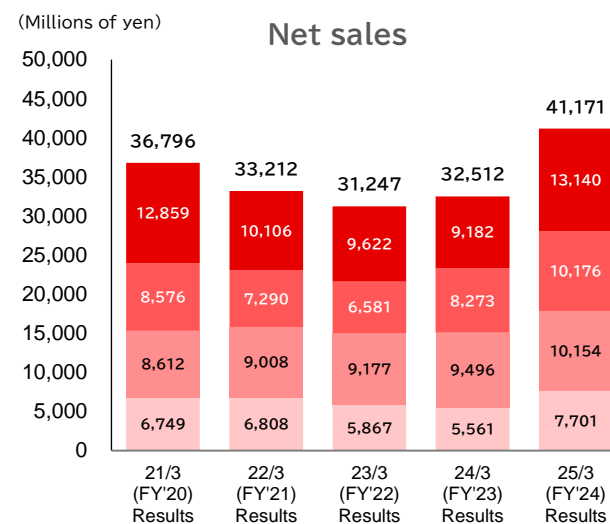
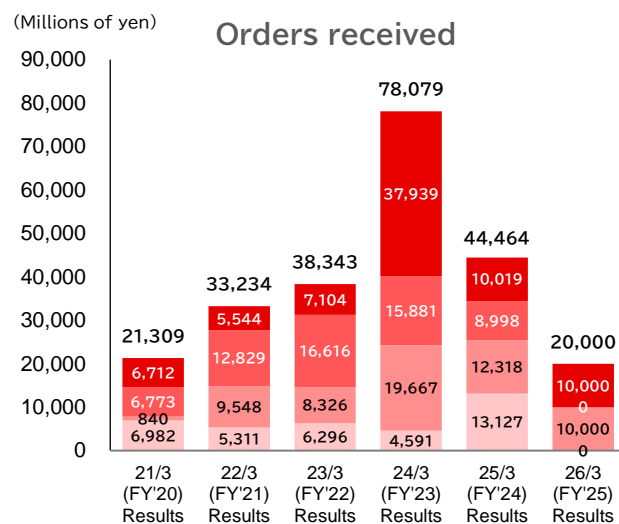
Operation income & margin



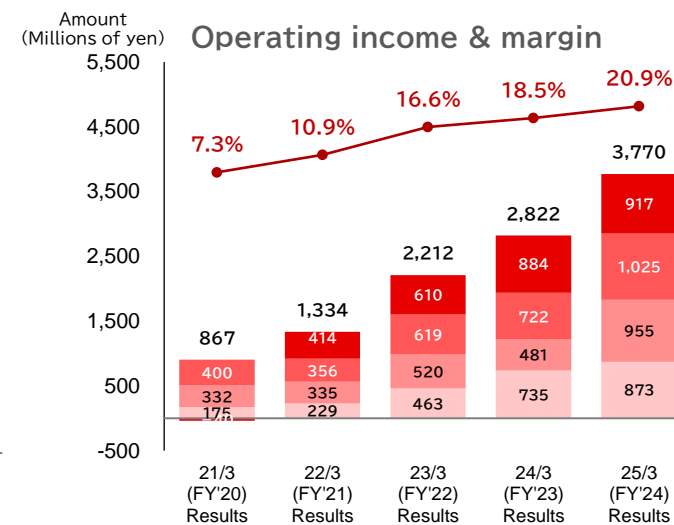
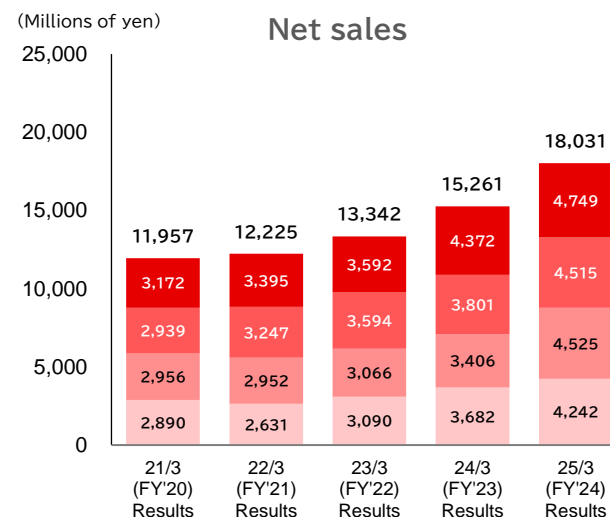
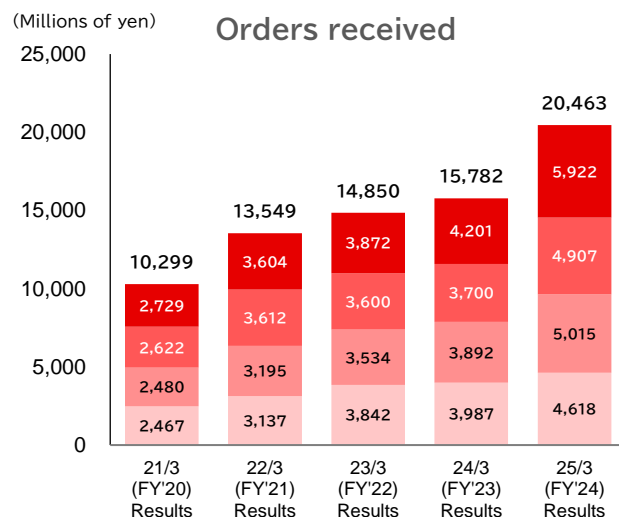
Q1 Results    Q2 Results    Q3 Results    Q4 Results    Operating income margin (per year)

# Performance Trends (by Segment)

## Engineering



## Industrial Machinery



Q1 Results

Q2 Results

Q3 Results

Q4 Results

Operating income margin (per year)

## Appendix 2. Corporate Profile

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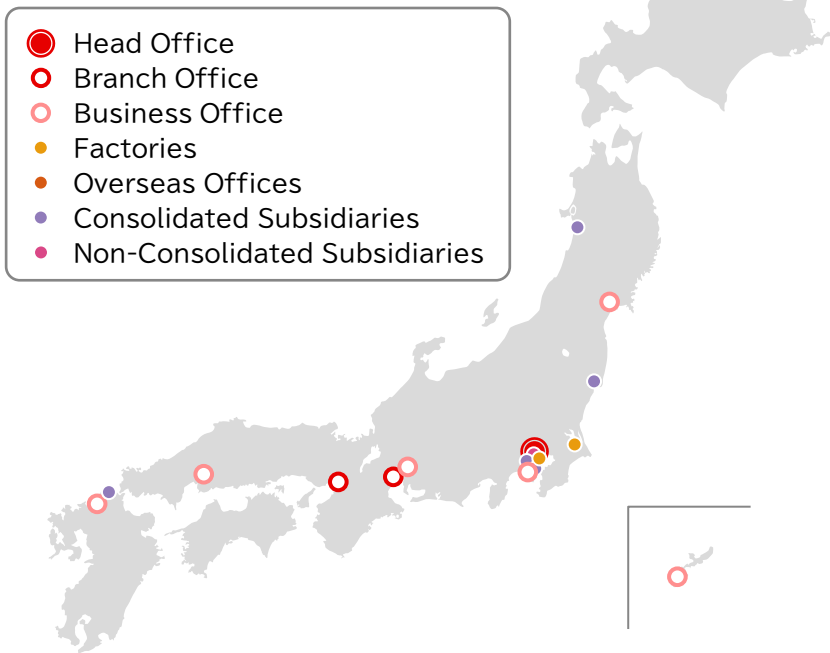
# Company Overview (As of March 31, 2025)

Company Name	Mitsubishi Kakoki Kaisha, Ltd.
Representative Director	Toshikazu Tanaka President and Representative Director Masahiko Saito Managing Director and Representative Director
Head Office	<b>Registered Office:</b> 2-1, Ohkawa-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-8560, Japan
	<b>Head Office:</b> Solid Square East tower 580 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 212-0013, Japan
Established	September of 1949 (Founded: May of 1935)
Capital	3,956,975,000 yen
Number of Employees (Consolidated)	1,017
Business area	<ul style="list-style-type: none"><li>- Engineering, procurement and construction of industrial and chemical plants and environmental control facilities.</li><li>- Manufacturing and sales of industrial machineries and equipments.</li></ul>

Listing category	Tokyo Stock Exchange Prime Market
Security code	6331
Industry classification	Machinery
Total Number of Shares Authorized to be issued	48,000,000 shares ※ The stock split effective April 1, 2025 is taken into account
Total Number of Shares issued	23,741,850 shares ※ The stock split effective April 1, 2025 is taken into account
Number of shares per unit	100 shares
Major shareholders	The Master Trust Bank of Japan, Ltd. (Trust Account) Meiji Yasuda Life Insurance Company Custody Bank of Japan, Ltd. (Trust Account) Mitsubishi Kakoki Client Stock Ownership Mitsubishi Kakoki Employee Stock Ownership NOMURA PB NOMINESS LIMITED OMNIBUS-MARGIN (CASHPB)  MSIP CLIENT SECURITIES BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) The Bank of Yokohama, Ltd. DFA INTL SMALL CAP VALUE PORTFOLIO

# Office Locations (As of May 2025)

## Offices and facilities in Japan



Head Office	<ul style="list-style-type: none"><li>Registered Office</li><li>Head Office</li></ul>	Business Office	<ul style="list-style-type: none"><li>Business Office (Tohoku, Yokohama, Nagoya, Hiroshima, Kyushu, Okinawa)</li></ul>
		Factories	<ul style="list-style-type: none"><li>Kawasaki Works</li><li>Kashima Factory</li></ul>
Branch Office	<ul style="list-style-type: none"><li>Osaka Branch Office</li><li>Yokkaichi Business Office</li></ul>	Overseas Offices	<ul style="list-style-type: none"><li>Taiwan Branch</li><li>Malaysia Sales Office</li><li>Indonesia Representative Office</li></ul>

## Overseas offices



Subsidiaries	Consolidated Subsidiaries	<ul style="list-style-type: none"><li>Mitsubishi Kakoki Advance, Ltd.<ul style="list-style-type: none"><li>Kitakyushu Factory</li></ul></li><li>MKK TOHOKU Corporation (Registered office / Akita Factory)<ul style="list-style-type: none"><li>Iwaki Factory</li></ul></li><li>MKK Asia Co., Ltd. (Thailand)</li><li>MKK EUROPE B.V. (Netherlands)</li></ul>
	Non-Consolidated Subsidiaries	<ul style="list-style-type: none"><li>MKK BUSINESS PLUS CO., Ltd.</li><li>KAKOKI TRADING CO., LTD.</li><li>RYOKA MECHANICAL TECHNOLOGY (SHANGHAI) CO., LTD. (China)</li></ul>

## Appendix 2. Corporate Profile

# Group Companies

			Main Reporting Segments		
			GX Business	Engineering business	Industrial Machinery Business
Business segment / Subsidiaries			Business Activities		
<b>Mitsubishi Kakoki Kaisha, Ltd.</b>	Plant / Hydrogen and Energy / Environment	Petrochemical, semiconductor, electronic materials, pharmaceutical and food-related plant construction / Hydrogen generator, hydrogen stations, city gas-related plants / Various water treatment facilities, waste treatment facilities, biogas plants	●	●	
	Industrial Machinery / Marine machinery	Centrifuges, filters, agitators, dust removal equipment, environmental regulation-compliant equipment for marine vessels	●		●
<b>Consolidated Subsidiaries</b>	Mitsubishi Kakoki Advance, Ltd.	Planning, designing, manufacturing, constructing, after-sales service, maintenance and management of plants and sewage treatment facilities, environmental measurement, temporary staffing, etc.	●	●	●
	MKK TOHOKU Corporation	Manufacture and sales of products using FRP(Fiber-Reinforced Plastic) / Maintenance and management of sewage facilities	●	●	
	MKK Asia Co., Ltd (Thailand)	Design and EPC for plants and facilities and maintenance, conversions of existing plant in Southeast Asia.		●	
	MKK EUROPE B. V. (Netherlands)	Sales, maintenance, repair and other services for marine equipment and parts in Europe			●
<b>Major Non-consolidated Subsidiaries</b>	MKK BUSINESS PLUS CO., Ltd.	Internal business service for companies in Mitsubishi Kakoki Kaisha Group			
	RYOKA MECHANICAL TECHNOLOGY (SHANGHAI) CO., LTD.	Sales of and technical support, maintenance, repairs and other after-sales services for oil purifiers marine equipment and centrifuges and filter including supply of spare parts in China region			

## Appendix 3. Our Strength and Business Model

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# Business Overview

- Engineering business: EPC (Engineering, Procurement and Construction) of chemical and electronic material plants, hydrogen and energy plants, and environmental facilities
- Industrial Machinery business: Manufactures various types of equipment such as centrifuges and filtration equipment using our core separation and filtration technologies
- GX business: Contributing to solving the social issues of “CO<sub>2</sub> emissions and climate change,” “Circulation of resources,” “water and food,” “Shortage of manpower,” and “Natural disaster,” as stated in our management vision.

## GX business



- Hydrogen supplychain-related equipment
- Hydrogen station
- Hydrogen Generator for GX
- Microalgae production technology
- GX-related plant
- Equipment for effective use of biogas
- Thermal sludge solubilizer
- Centrifuge for SAF
- iFactory®
- Electric field filter
- GX-related equipment

### In development

- CO<sub>2</sub> capture equipment
- Methanation
- Water electrolysis hydrogen production equipment
- CO<sub>2</sub> liquefaction devices
- Hydrogen storage alloy compressor
- Ammonia decomposition equipment

## Engineering Business

### Plant



- Chemical plant
- Plant related to electronic materials (semiconductors)
- Fine chemical plant
- Vegetable oil plant
- Pharmaceuticals and food-related plant

### Hydrogen / Energy



- Hydrogen generator
- LNG and city gas-related equipment
- Petroleum refining-related equipment

### Environment



- Sewage treatment facility
- Waste treatment facility
- Deodorization equipment
- Landfill leachate wastewater treatment equipment

## Industrial Machinery Business

### Industrial Machinery



- Centrifuge
- Filter
- Agitator
- Dust removal equipment for seawater intake

### Marine Machinery



- Oil purifier
- Equipment compliant with environmental regulations for marine vessels

Sustainable  
recycling society  
Saving labor and  
energy

Clean energy  
Developing  
next-generation  
technologies

Align with strategic business areas that contribute to solving social issues as stated in the management vision through the development of new technologies, improvement of existing technologies and products, and development of new applications

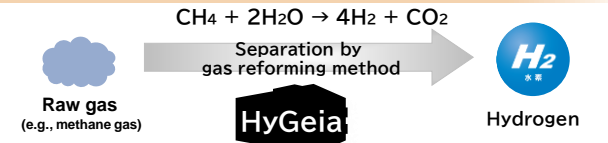
# History of Top Share Products and Core Technologies

- Along with the development of Japan's chemical industry, we have corresponded to the social issues and needs of the times in the fields such as environmental, energy, marine and industrial machinery fields and more, by combining new technologies from Japan and abroad with our expertise.

			1930~40s	1950~60s	1970~80s	1990~2000s	2010s~
			Responding to requests for adoption of overseas technologies in Japan	Responded to the demand for equipment associated with a rapid increase in consumer demand	Promoting overseas business development while responding to pollution prevention needs due to worsening pollution	Support for clean energy facilities	Contributing to the realization of a sustainable society through technology and product development
Engineering	Plant	Chemical Plant Construction					
		Overseas Plant Construction					
	Hydrogen and Energy	<b>Hydrogen Generator</b>					Established the top market share
		LNG Facility					
	Environment	Sewage Treatment Facility					
		Industrial Wastewater Treatment Facility					
		Air Pollution Control Technology					
Industrial Machinery	Machinery	Filtration Equipment					
		Centrifugal Separator					
		Screening Equipments and mixers					
	Marine Machinery	Equipment for compliance with ship environmental Regulations					
		<b>Oil Purifier</b>					Established the top market share



On-Site Hydrogen Generator : HyGeia series



Oil purifier : "Mitsubishi Selfjector (SJ) series"



Through the accumulation of these achievements, we have developed our core technology for "separating solids, liquids, and gases."



# Business model overview 1) Engineering

## Mitsubishi Kakoki Kaisha Group

### Engineering

Feasibility studies

Proposals

Inquiries

Quotations

Contracts

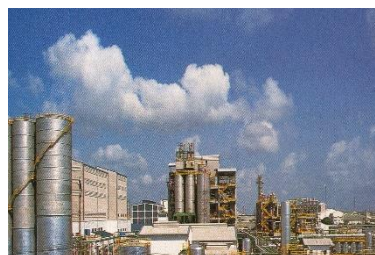
Design

Equipment manufacturing,  
material procurement

Construction

Commissioning, delivery

Operation, maintenance



▶ Chemical plant construction



▶ Hydrogen generator



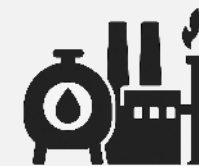
▶ Biogas systems

For example,

- Hydrogen production systems,
- LNG-related facilities,
- Electronic material (semiconductor) related plants,
- Sewage treatment facility
- Waste treatment facilities,

...etc.

## Clients



Energy companies



Chemical companies



Food companies



Semiconductor manufacturers



Sewage plants

# Business model overview 2) Industrial Machinery

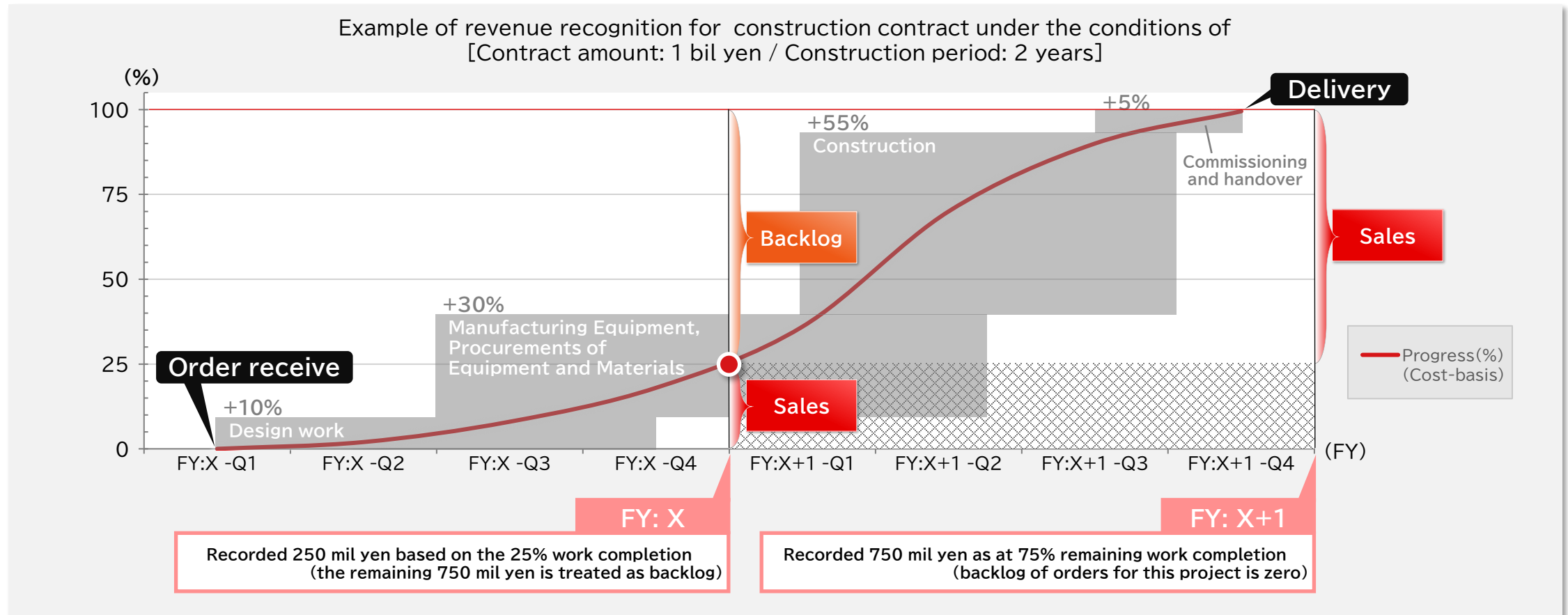




# Recognition Criteria for Revenue and Expenses

- Most of plant engineering construction contract's revenue are recognized based on the percentage of work completed (as shown in the diagram below).
- Various equipment's revenue is recognized at the time of goods delivered

## Image of Revenue Recognition for Construction Projects (Percentage of Completion method)



# Note

MKK

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# IR Contact

## Inquiries related to IR

Planning Department,  
Mitsubishi Kakoki Kaisha, Ltd.

Contact: [ir\\_team@kakoki.co.jp](mailto:ir_team@kakoki.co.jp)

## Forward Looking Statements

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