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IR Day 2026: Marine Vessel Equipment Business Q&A

Date: Monday, September 7, 2026, 10:00–11:00

No	Q	A
1	Please explain the key drivers behind the growth in sales. Sales are expected to grow from ¥10.7 billion in 2020 to ¥31.2 billion in 2026, nearly tripling over the period. Could you elaborate on the factors underpinning this growth? Specifically, how much of the increase can be attributed to higher product content per vessel, increased installation volumes, pricing improvements, or other structural growth drivers?	Sales growth in the Marine Vessel Equipment business is being driven by the electrification of fuel injection systems and the shift to dual-fuel engines using alternative fuels in response to GHG regulations. The number of main engine remote control systems installed per vessel has remained broadly unchanged, while the number of fuel injection components has increased. Conventional fuel control systems use one electronic governor per engine. With electronic control, however, two electronically controlled hydraulic valves are required per cylinder. A mainstream seven-cylinder engine therefore uses 14 valves, substantially increasing the number of units supplied compared with conventional systems. With the transition to new fuels, three electronically controlled hydraulic valves will be required per cylinder, which is expected to support further sales growth and increase the added value of our products. In addition, growth in shipbuilding volumes in China is benefiting the Marine Vessel Equipment business.
2	While the marine vessel equipment business has a stable 40% share, who are the competitors? Are there any changes in the competitive environment due to the shift to new fuels in the future?	In the global market, Kongsberg is the leading competitor, based in Europe. In Japan, there is also one competitor that manufactures similar products. We do not expect the competitive environment to change significantly as the industry shifts to new fuels. Main engine remote control systems serve a niche market with high barriers to entry, including the need to obtain marine classification society approvals.

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3	Industry data indicate that the projected number of vessels built will remain broadly unchanged from 2025 to 2030. Against this backdrop, do you expect sales in the Marine Vessel Equipment business to continue growing at a double-digit rate, as it did from 2020 to 2025?	Please wait for the announcement of our next medium-term management plan for specific figures. Global shipbuilding demand is expected to continue growing at a CAGR of 2.4% on a DWT bases based on industrial data. We aim to achieve sales growth that outpaces the market, supported in part by the transition to new fuels.
4	You have indicated plans to increase production capacity 1.5 times in 2026 compared with 2024 levels. Given the current capacity, what level of demand can you accommodate today? In addition, how do you view future capacity expansion?	Production capacity has not kept pace with the expansion in sales. We are therefore continuing to expand capacity in Japan, China, and South Korea. In China, we have expanded capacity by leasing additional buildings and established a second production plant. In Japan, we have also added production space and are expanding capacity. Through these measures, we are building a production framework capable of supporting increasing demand.
5	What is the percentage of sales for 2-stroke and 4-stroke engines?	Although we do not disclose a specific breakdown, our products are used primarily in vessels with 2-stroke engines, therefore sales to large vessels account for the majority.
6	Is it correct to assume that, in the Marine Vessel Equipment business, MRO accounts for approximately 40% of sales, valves for 20%, and remote control systems for 20%? Given the growing demand for valves, has the sales mix changed?	Those figures are broadly representative of the current sales mix. However, the proportion of sales attributable to valves is expected to increase.
7	Do you expect the sales mix to change by around 2030 as the market grows and engines transition to new fuels?	As the number of valves per cylinder increases with the shift to alternative fuels, the proportion of sales attributable to valves is expected to increase.

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8	Autonomous navigation has significant long-term potential. To what extent do you expect it to contribute to future earnings? The Marine Vessel Equipment business currently partners with Tokyo Keiki Inc. Will additional alliances with other companies be necessary going forward?	We expect autonomous navigation to begin contributing to earnings in five to ten years. The addition of equipment required for autonomous navigation is also expected to change the product mix. As autonomous navigation advances, integration with a wider range of onboard equipment will become necessary. We therefore believe that we will need to develop products in collaboration not only with Tokyo Keiki Inc., our current partner, but also with other companies.
9	Is autonomous navigation technology likely to be adopted first on coastal vessels or oceangoing vessels? Also, is initial adoption more likely to occur on newbuilds or existing vessels?	We believe that coastal vessels, which face a particularly acute shortage of crew members, will adopt the technology first. Fully autonomous navigation technology is also likely to be introduced first on newbuilds.