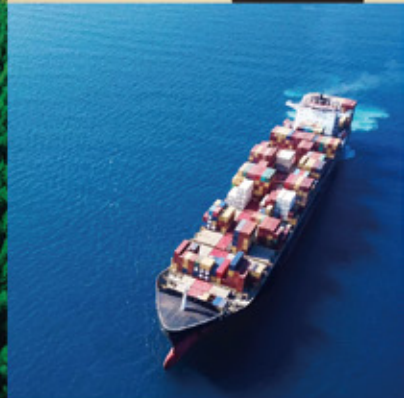


# Integrated Report 2023

Year ended March 31, 2023



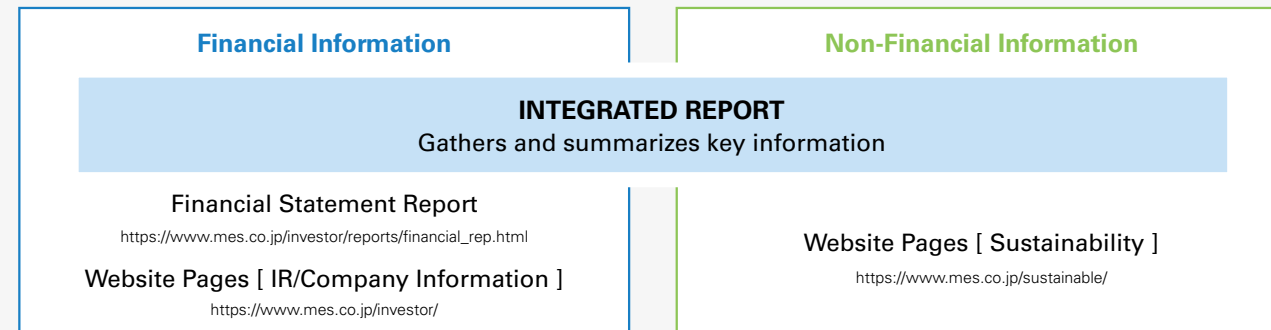
*Engineering & Services  
for Evolution & Sustainability*



## Editorial Policy

We started creating the “MITSUI E&S Group Integrated Report” (the report) from 2019 (‘19/4 - ‘20/3), aiming to provide our stakeholders with a deeper understanding of our business model and the process of realizing long-term sustainable corporate value improvement. The report focuses on information that has a significant impact on corporate value. A wide range of IR information and ESG-related information is disclosed comprehensively on our website, aiming for further improvement so that various stakeholders in Japan and overseas can understand our unique business model.

### Positioning of “MITSUI E&S Group Integrated Report”



**Scope** MITSUI E&S, Ltd. and major companies of the MITSUI E&S Group  
However, the applicable scope of reporting is specified on a case-by-case basis if it differs from the above.

**Period** This report covers the period from April 2022 to March 2023.  
(However, some sections include information for April 2022 and thereafter.)

**Reporting frequency** Once a year in principle

**Publication date** January 2024

**Reference Guidelines**

- “Sustainability Reporting Standards issued” Global Reporting Initiative (GRI)
- “International Integrated Reporting Framework” IFRS Foundation
- “Guidance for Collaborative Value Creation” METI of Japan

**Inquiries** MITSUI Co., Ltd. Public Relations Sect, Corporate Planning Dept Contact form  
<https://www.mes.co.jp/contact.html>

**Disclaimers** This report contains plans and forecasts that were current as of the date of publication, as well as descriptions about our future business activities based on our management plans. Please note that this information is based on the currently available information, and the actual contents of our business activities may differ from the contents of this report due to future circumstances or the environment, or due to unanticipated events that may occur after the publication of this report.



MITSUI E&S agrees with the SDGs (Sustainable Development Goals), an international goal set by the United Nations to solve global issues.

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## New Group Strategic Goals

Mid-Term Business Plan 2023 redefined the MITSUI E&S Group's Strategic Goals (Company Philosophy, Vision, Management Policy, Standards of Conduct), in accordance with the quick shift to a sustainable society, environmental change and the transformation of the Group. All employees share a new the meaning of the MITSUI E&S Group's existence and work together to move forward.

### Our mission

**We build trust and contribute to society through our engineering and services**

The mission conveys the meaning of our existence (purpose), namely expanding our operations beyond the scope of conventional manufacturing, and contributing to the achievement of a sustainable society through our engineering and services.

### Vision in 2030

**In the marine domain, we create a carbon-free society and resolve challenges induced by depopulation**

Regarding our strengths in the marine domain that is the core of our operations, we will implement resolute management.

### Management Policy

**Create new value together with customers**

Business development  
(Commitment to customers and suppliers)

Conduct business through needs-oriented marketing and innovation in relevant technologies

**Seek a sound financial structure and steady profit**

Finance & Corporate Planning  
(Commitment to shareholders and financial institutions)

Manage and operate our group through the timely evaluation of marginal profit and fixed costs

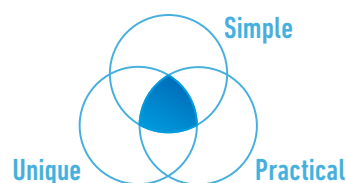
**Accelerate the resolution of sustainability issues**

Personnel and general affairs  
(Commitment to employees and society)

Address climate change, population decline and diversity in consideration of employees' health and safety

### Standards of Conduct

**Endeavor to provide simple, unique and practical products and services**



**We always focus on customer-centric products and services that fulfill three kinds of value, develop healthy businesses and bring them into the world to serve society**

## History

In April 1, 2023, the MITSUI E&S Group ceased to be a pure holding company and made a fresh start as a business holding company named MITSUI E&S.

To ensure our growth and profitability in the future, we will bring our operations and management closer together, unite and transition to a new structure to accelerate the formulation and implementation of strategies.

### 1917- Established as the Shipbuilding Division of the Former Mitsui & Co.

In 1917, Teijiro Kawamura, who was the General Manager of the Ship Division of former Mitsui & Co. at the time, was acutely aware of the need to have a shipyard and a repair factory and submitted a petition to the president. The Mitsui E&S Group commenced from his passion.

1937- Separated from Former Mitsui & Co. to become Tama Shipyard Co., Ltd.

1942- Changed company name to Mitsui Shipbuilding & Engineering Co., Ltd.



Teijiro Kawamura



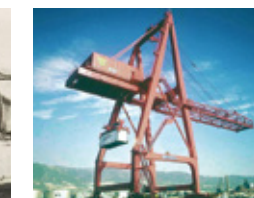
Salt field before factory construction

### 1960- Evolving into a comprehensive heavy engineering company

Since the 1960s, we have expanded into the land sector, including iron structures such as bridges, and construction and mining equipment. While promoting technical partnerships, we expanded our business domains to include container cranes, rotary machinery, plant construction, etc., and we grew into a comprehensive heavy engineering company.



Our first open-cycle marine gas turbine with 2,000 horsepower



Japan's first quayside container crane is completed

### 2018 Transitions to a pure holding company

The Group shifted to a holding company structure to accelerate efforts to deepen the level of Group management. At the same time the company name was changed to Mitsui E&S Holdings, marking a new step forward for the new MITSUI E&S Group.



MITSUI E&S unified logo

### 2019 Formulates and implements a Business Revival Plan

Because of the significant damage to our financial foundation, the Mitsui E&S Group Business Revival Plan was formulated in May 2019 (and partly revised in November 2019) and 120 billion yen in assets and businesses were sold to improve our financial structure.



2021-Transfer of Naval Ship Business

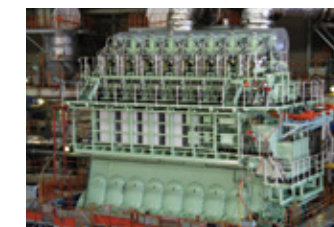


2022-Virtually withdraws from the merchant ship business

### 2022 Mid-Term Business Plan 2023 starts one year earlier

With our growth strategy as its core, Mid-Term Business Plan 2023 was started one year earlier. A stock transfer agreement is concluded regarding the large marine engines of IHI Power Systems Co., Ltd. and its incidental businesses in September 2022.

And in March 2022, we announced a financing plan totaling approximately 17 billion yen as a capital measure, and began laying the groundwork for a turnaround offensive.



### 2023 We cease to be a pure holding company and are renamed MITSUI E&S. Transitioning to a new structure to accelerate the formulation and implementation of strategies

**Transitioning to a new structure to accelerate the formulation and implementation of strategies**

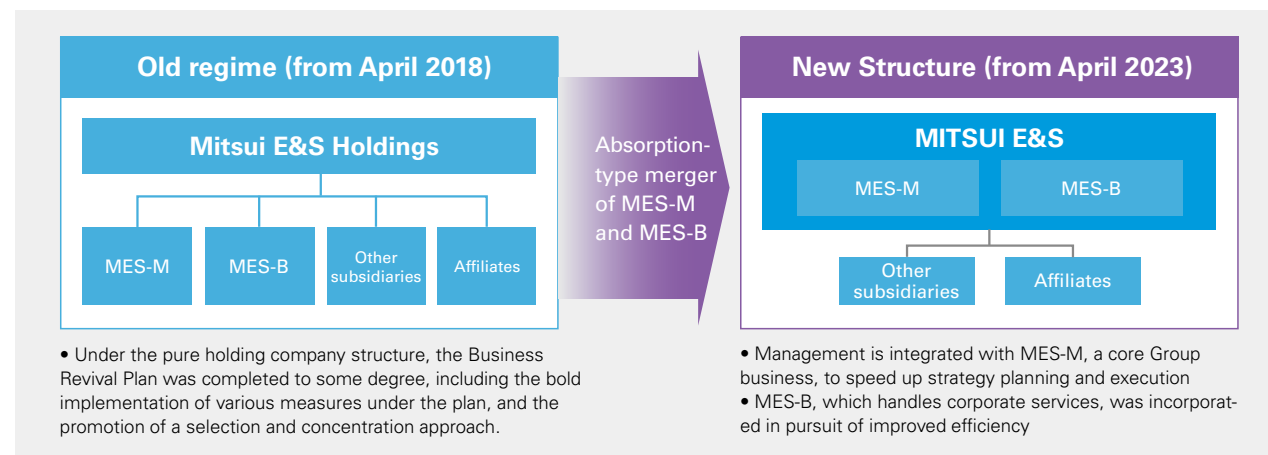
We will cease to be a pure holding company and transition to a business holding company. Mitsui E&S Machinery and Mitsui E&S Business Service (the former being the core of our future growth strategy and the latter handling our corporate activities) are merged into MITSUI E&S to structurally integrate their business management. In this way, we seek to promote our growth strategy and streamline our business management.

# Transition to a Business Holding Company The New MITSUI E&S

To complete its Business Revival Plan, adopt a new corporate name and ensure future growth and improved profitability, the MITSUI E&S Group will transition to a new structure designed to shorten the distance between management and business operations, and speed up strategy planning and execution.

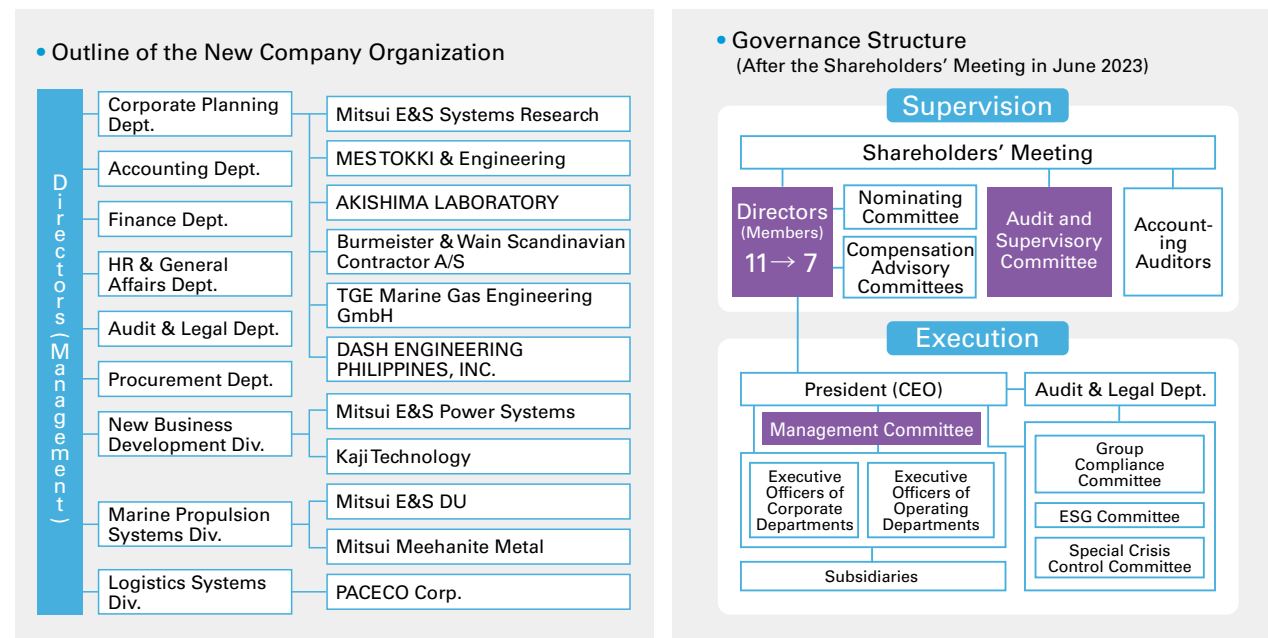
## Absorption Merger of Mitsui E&S Machinery and Mitsui E&S Business Service

Since April 2018, the Group has been working to boost Group competitiveness and promote growth under a pure holding company. To complete the Mitsui E&S Group Business Revival Plan that was launched in FY2019, and to ensure the future growth and improved profitability of the Group, two of the Group's companies, namely Mitsui E&S Machinery(MES-M), the Group's core business, and Mitsui E&S Business Service(MES-B), which handles corporate services, were merged into MITSUI E&S by absorption-type merger. By shifting from a pure holding company structure to a businessn operating holding company structure, we aim to shorten the distance between management and business operations, increase the speed of strategy planning and execution, promote growth strategies and streamline management.



## Outline of the New Company Organization

Three operating divisions, the New Business Development Division, Marine Propulsion Systems Division and Logistics Systems Division were placed directly under management, building a structure that integrates with the management layer and drives growth strategies with a greater sense of speed. In addition, to establish a compact management structure in line with the organizational consolidation and reorganization, we transitioned to a company with an audit and supervisory committee. As a result, we put in place an environment enabling the Board of Directors to engage in more in-depth discussions on matters of business strategy and projects that involve risk.



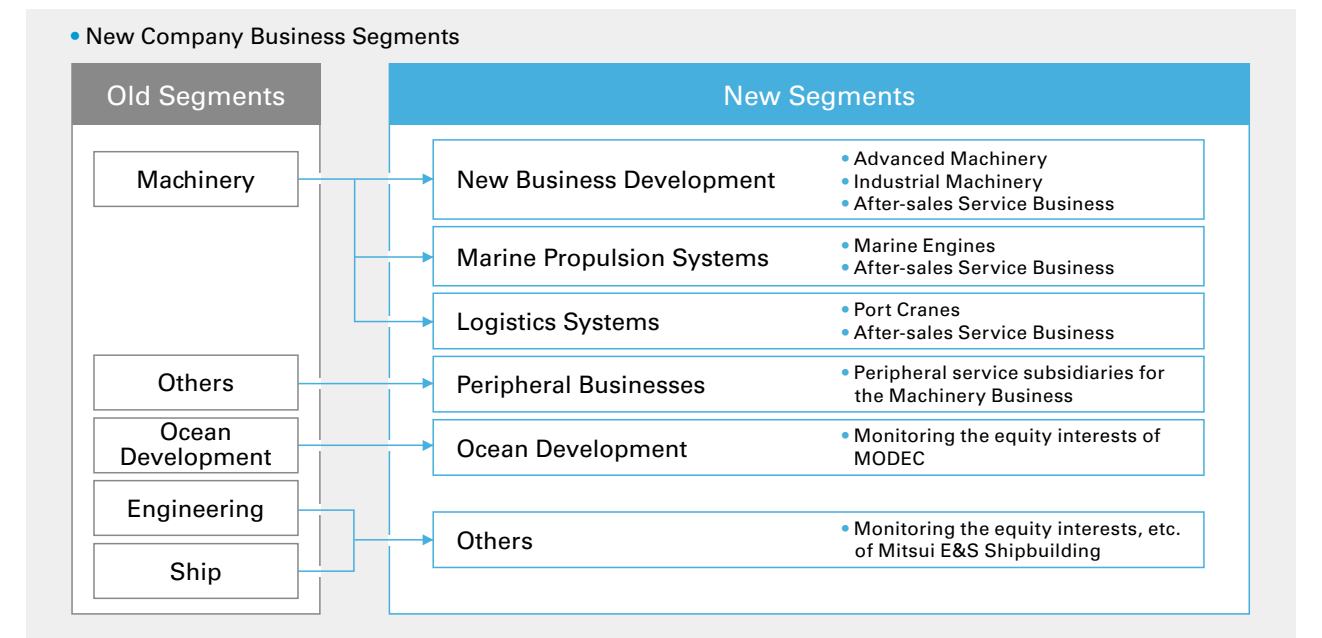
## Key Points of the Organizational Changes

The new organization has been built while demonstrating an awareness of management policy, namely to "create new value together with customers," "seek a sound financial structure and steady profit," and "accelerate the resolution of sustainability issues."

Key Points of the Organizational Changes	1. Consolidation and strengthening of corporate functions 2. Shortening the distance between core operations and management 3. Integrated management of new manufacturing and after-sales services (AS) 4. Focus on green and digital technology fields
Create new value together with customers	<ul style="list-style-type: none"> <li>Integrate Group and management layers and build a structure to drive the implementation of growth strategies with a greater sense of speed.</li> <li>Place the three operating divisions directly under management.</li> <li>Build a consistent structure for new manufacturing and AS, and conduct marketing based on the potential needs of customers.</li> </ul>
Seek a sound financial structure and steady profit	<ul style="list-style-type: none"> <li>Split the Finance &amp; Accounting Department into mission-specific organizations, with an Accounting Department responsible for ascertaining the profitability of business, and a Finance Department responsible for strengthening external financing.</li> </ul>
Accelerate the resolution of sustainability issues	<ul style="list-style-type: none"> <li>Focus on the two areas of green and digital technology and newly establish the New Business Development Division to implement those business operations.</li> <li>Drive the implementation of a green strategy aimed at creating a decarbonized society, and a digital strategy aimed at resolving issues of a society with a shrinking population.</li> <li>To integrate digitalization companywide, bring together distributed systems under the IT Control Section of the Corporate Planning Department.</li> </ul>

## To Coincide with the Organizational Restructuring, the Business Segments were Changed from FY2023

The former Machinery Business was reorganized into the New Business Development Division, Marine Propulsion Systems Division and Logistics Systems Division. New product manufacturing and the after-sales service business were reorganized into an integrated organization in an effort to improve services. Additionally in the Ocean Development business, we will monitor the equity interests of MODEC.





# Material Issues

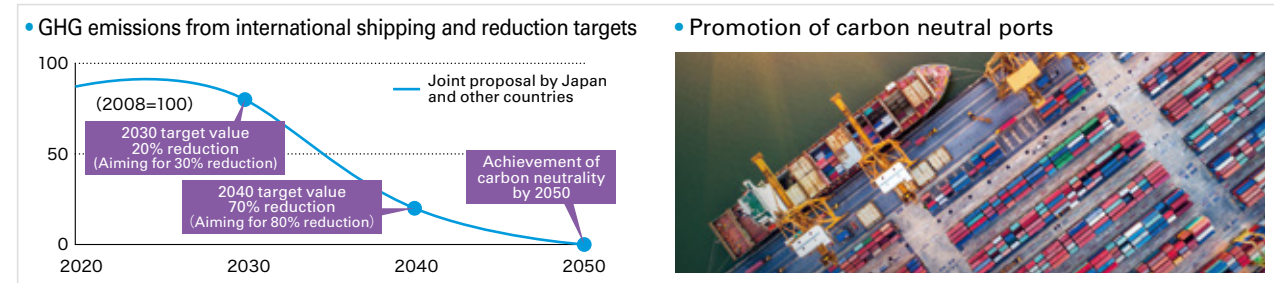
The MITSUI E&S Group seeks to enhance its corporate value by contributing to solutions to social issues through its business activities. By setting key sustainability issues (material issues) and medium- to long-term targets, we will accelerate activities aimed at solving social issues.

## Material issue 1 Creating a decarbonized society



### Social Background

Amid the worldwide trend toward decarbonization, in July 2023 the International Maritime Organization (IMO), an agency of the United Nations, officially designated “net zero greenhouse gas emissions by around 2050” as its reduction target for greenhouse gas (GHG) emissions from international shipping. Similarly in Japan, the Ministry of Land, Infrastructure, Transport and Tourism is promoting the formation of Carbon Neutral Ports (CNP). These CNPs are designed to bring greater sophistication to port functions with decarbonization in mind and improve the environment for the acceptance of hydrogen and other materials, in order to boost competitiveness and contribute to a decarbonized society through ports that serve as nodes between land and sea.



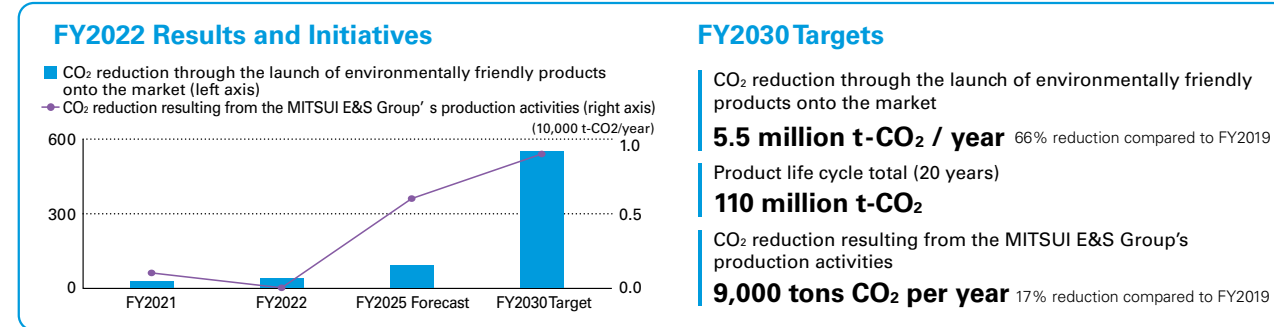
### Our Initiatives

As part of its responsibility as a leading company boasting a top domestic market share in marine engines and port cranes, MITSUI E&S has been promoting environmental action for many years. Today, We have been developing LNG dual-fuel engines, which are currently being adopted as marine engines for decarbonization, for more than 30 years and have accumulated a great deal of know-how. Currently, we are developing marine engines fueled by ammonia, which emits no greenhouse gases, and manufacturing cranes powered by hydrogen fuel cells. We will supply all types of dual-fuelled engine in response to customer needs in order to realize a low-carbon, decarbonized society.

- Marine engines**
  - 2015 Completed the world's first methanol dual fuel engine
  - 2015 Completed the Japan's first LNG dual fuel engine
  - 2016 Completed the world's first ethane dual fuel engine
  - 2022 Completed LPG dual-fuel engine
  - 2024 Testing of the world's first ammonia dual fuel engine planned



- Port cranes**
  - 2010 Completed hybrid Transtainer (container transport cranes) equipped with large batteries that reduces fuel consumption by 60%
  - 2021 Completed near-zero-emission Transtainer that reduces fuel consumption by 20-30% over hybrid Transtainers
  - 2023 Development of the world's first Transtainer that achieves zero emissions by utilizing hydrogen fuel cells as its power source



Regarding indicators and targets, we are currently examining and reviewing them in line with the reality of our business.

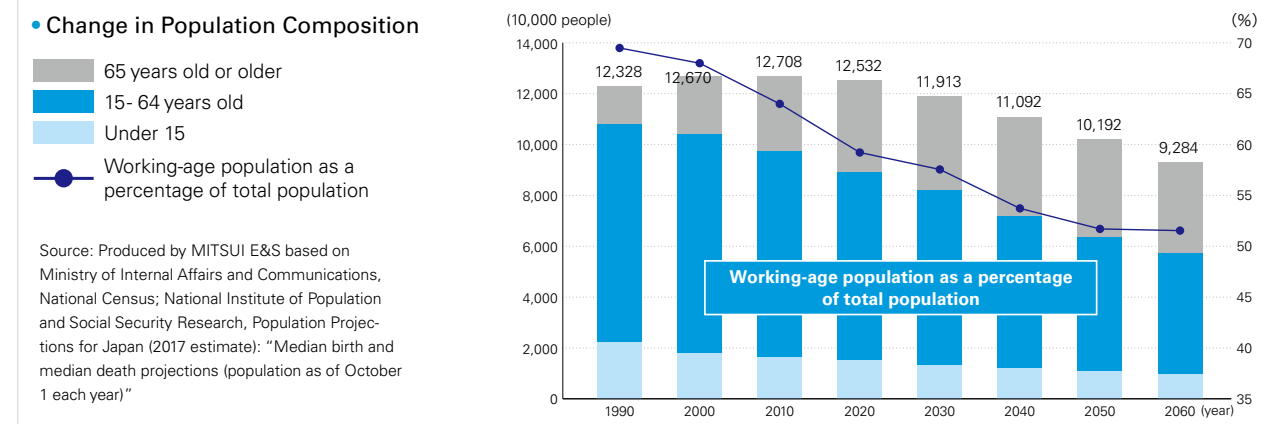


## Material issue 2 Resolving issues of a society with a shrinking population



### Social Background

Japan relies on shipping for more than 99% of its trade volume on a weight basis, making container terminals an important part of social infrastructure. However, with the declining birthrate and aging population occurring in Japan, the working-age population (15 to 64 years of age) has continued to decline. According to population estimates released by the Ministry of Internal Affairs and Communications, Japan's total population is projected to drop below 100 million in the 2050s, with the working-age population set to drop to around 50% of the total population in the future. For this reason, to maintain production activities it will be necessary to promote the active participation of women, elderly people, and foreigners in society, further utilize artificial intelligence (AI), robotics and similar technologies, and pursue initiatives to automate tasks. Given these circumstances, in 2019 the Ministry of Land, Infrastructure, Transport and Tourism created the Support Scheme to Promote the Introduction of Remote Controlled Rubber Tired Gantry Cranes (RTGC:Product name "Transtainer") in order to provide support for remote controlled RTGC adoption.



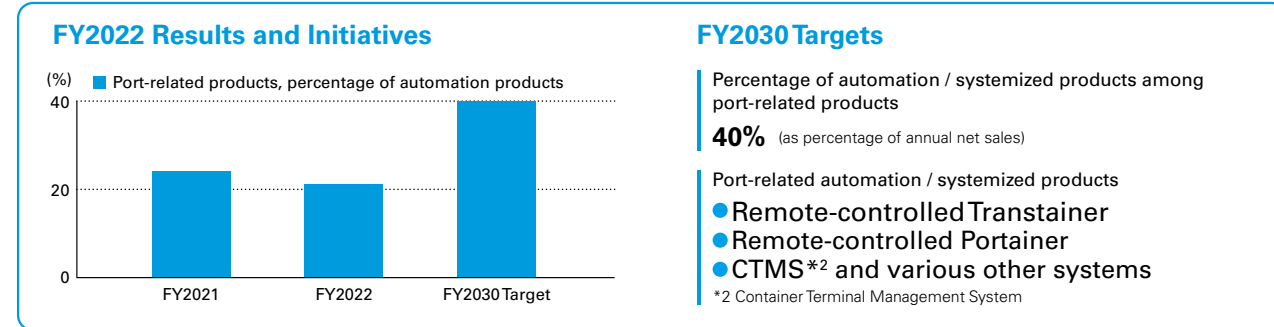
### Our Initiatives

In anticipation of a society with a dwindling birthrate and aging population, since 2018 MITSUI E&S has been developing port crane remote control and automation solutions. MITSUI E&S has a leading domestic market share not only for hardware in the form of cranes, but also in the area of software to operate container terminals (Container Terminal Management System). We provide customers with optimum systems that combine the latest hardware with software solutions based on years of experience. We are also working to resolve the issues of a society with a shrinking population, such as the recent establishment of crane inspection technologies based on self-flying drones.



- 2018 Completed Transtainer and test area for the development of remote and automated operations at the Oita Factory
- 2021 Developed remote-controlled Transtainer and began in-factory adjustment operation
- 2022 Established port crane remote inspection technology based on remote-controlled self-flying drones

Transtainer for development purposes at the Oita Factory



Regarding indicators and targets, we are currently examining and reviewing more appropriate indicators and targets, looking at consistency with the business model of our digital strategy.

## Top Message



### Resumed dividends after completing Business Revival Plan Now focusing on implementing growth strategies to solve social issues!

President, Representative Director  
CEO, CCO \*1,  
and in charge of General Control and Auditing & Legal Dept.

**Takeyuki Takahashi**

\*1 CCO : Chief Compliance Officer

### Making a fresh start as a business holding company, with the machinery business as our core business.

FY2022 was the final year of the “Mitsui E&S Group Business Revival Plan” which started in FY2019. Under the Business Revival Plan, although there were some painful restructurings of the shipbuilding business, reorganization and/or withdrawal of unprofitable businesses, we moved forward with the transformation of our business portfolio, concentrating our resources on growth areas. Largely thanks to the untiring efforts of every single employee, we succeeded in completing the Business Revival Plan at the end of FY2022 as planned.

In the process of implementing the Business Revival Plan, we developed a business portfolio with the machinery as our core business, prompting us to switch from the previous pure holding company structure to a business holding company structure and

make a fresh start under the new trade name MITSUI E&S Co., Ltd. effective April 1, 2023. Under the new structure, we will integrate business with management to increase cohesiveness and we will also speed up the formulation and execution of strategies to accelerate the implementation of growth strategies.

I feel that now we are a business holding company with the machinery business as our core business, our direction is clearer and there is a stronger sense of unity and corporate governance across the group. The change in our mindset from a product-out to a market-in is also steadily progressing, and we have formulated growth strategies for sustainable development and corporate value enhancement and are working together to implement them.

Review of Business Revival Plan  
➡ P19

Transition to a Holding Company System  
➡ P5-6

### Seizing the opportunity to shake up the company and overhauling various structures and systems

I see the timing of the transition to a business holding company as an opportunity to shake up the company and am working to transform various structures and systems.

In June 2023, we transitioned to a company with an Audit & Supervisory Committee with the goal of making management more compact and agile. By making the management team more compact, we have increased the speed and flexibility of decision-making and created an environment for more in-depth discussions about business strategies and high-risk projects. Since the structural changes in June, I feel that discussions at Board meetings are livelier than before.

I am also focusing on HR system reforms. We overhauled the HR system for the first time in about 20 years (for the first time since 2004). The need to adopt an HR system that reflects the rapid changes in the world over the last decade and dramatically changing work styles was also a major impetus behind the reform.

In this latest round of reform, we have

replaced our old HR system that was still characterized by seniority-based HR practices with a job-based HR system. Under the new HR system, we will develop mechanisms for clarifying how the output of the work done by an individual employee is connected to groupwide strategy and for fairly evaluating the results achieved, thus clearly showing how the results of work done by individual employees helps them to progress to the next career stage. I believe that the personal growth of individual employees will help us to grow as a company.

Furthermore, from FY2023, we will also introduce a job rotation system. I myself have often learned by changing jobs and putting myself in a different environment and I have experienced how an individual's true ability is put to the test when he or she is put in a different environment. We will aim to develop human resources who are not only experts in their own right but can also gain experience and prove themselves in different environments.

Human capital  
➡ P29-34



## Completion of Business Revival Plan Achievement of operating profitability

In response to losses incurred on the coal-fired thermal power plant in Indonesia, we instituted measures in line with the Mitsui E&S Group Business Revival Plan, including reorganizing and withdrawing from unprofitable businesses and also effectively withdrawing from the shipbuilding business, which was our founding business and, from FY2019 to FY2022, we resolutely sold off businesses and assets in around 20 transactions totaling more than 120 billion yen. In addition, we implemented capital measures to improve our financial position and make growth investments, proceeded to raise capital totaling around 17 billion yen through the issuance of Class A Preferred Shares through a third-party allotment and the issuance of the 1st series of share acquisition rights with exercise price amendment clause through a third-party allotment.

The civil construction work at the large coal-fired thermal power plant in Indonesia, which was the biggest cause for concern under the Business Revival Plan, has already begun commercial operation and this construction project will have almost no impact going forward.

Given that we successfully completed the Business Revival Plan and achieved operating, ordinary and final income for the first time in



six fiscal years in FY2022, there are no longer any events or conditions that may cast significant doubt on our ability to continue as a going concern. Believing that we were well-positioned to achieve stable dividends, we were able to resume dividends on common stock, although it was a small amount of 3 yen per share. Given that it is a listed company's responsibility to pay dividends, it was our dearest wish to resume the payment of dividends. Going forward, we will continue steadily generating revenue to maintain stable dividends.

## Focusing on growth strategies with green and digital approaches to create a decarbonized society and resolve the issues of a society with a shrinking population

In view of the dramatic changes in our business environment, we began executing Mid-Term Business Plan 2023 in FY2022, one year ahead of schedule. Our first priority under this plan is to further increase our strength in marine engines and port cranes. To this end, we will develop the product structure and also strengthen our lineup of added value products through green and digital approaches.

As part of this strategy, we concluded a stock transfer agreement regarding succession to the business related to the marine

large bore engines of IHI Power Systems Co., Ltd. and its incidental businesses and established Mitsui E&S DU Co., Ltd. as a new company in April 2021.

Through succession to IHI's engine business, we have combined the production capacity of the Aioi Factory with production at Tamano, giving us more flexibility in the production structure, and we have strengthened our supply chain at a time when domestic demand is rising. We have also successfully expanded our engineering resources in terms of the development and manufacture

Growth Strategy  
→ P23~26

of engines that can run on next-generation fuels such as methanol and ammonia, which we are promoting as part of our green strategy.

Moreover, we now have a double licensing structure for MAN B&W engines and WinGD engines, putting us in a position to propose diverse solutions to the market and broadening our product lineup, which will also help strengthen our marine engine business.

Similarly for port cranes, we are developing

and commercializing the zero emission Transtainer as part of our green strategy and we are putting effort into automating terminals as part of our digital strategy. We have identified realization of a carbon-neutral society and addressing the challenges of a society with a shrinking population as our material issues (materiality) and we are adopting a digital strategy in the belief that automation technologies will be essential in the future due to labor shortages as port workers grow older.

## Improving the wellbeing of every single employee to become a company with the potential for sustainable growth

In FY2022, we resumed dividends for the first time in six fiscal years. We will continue to move forward aiming to become a company with the potential for sustainable growth that can pay stable dividends to its stakeholders.

I believe that improving the personal growth and happiness (wellbeing) of every single employee is essential in order to achieve sustainable growth as a company. When every single employee is both mentally and physically healthy and uses our technological resources to help solve social issues, that is, create a decarbonized society and resolve

the issues of a society with a shrinking population, with strong motivation, a challenging spirit and a sense of mission, then this will provide the momentum behind our sustainable growth.

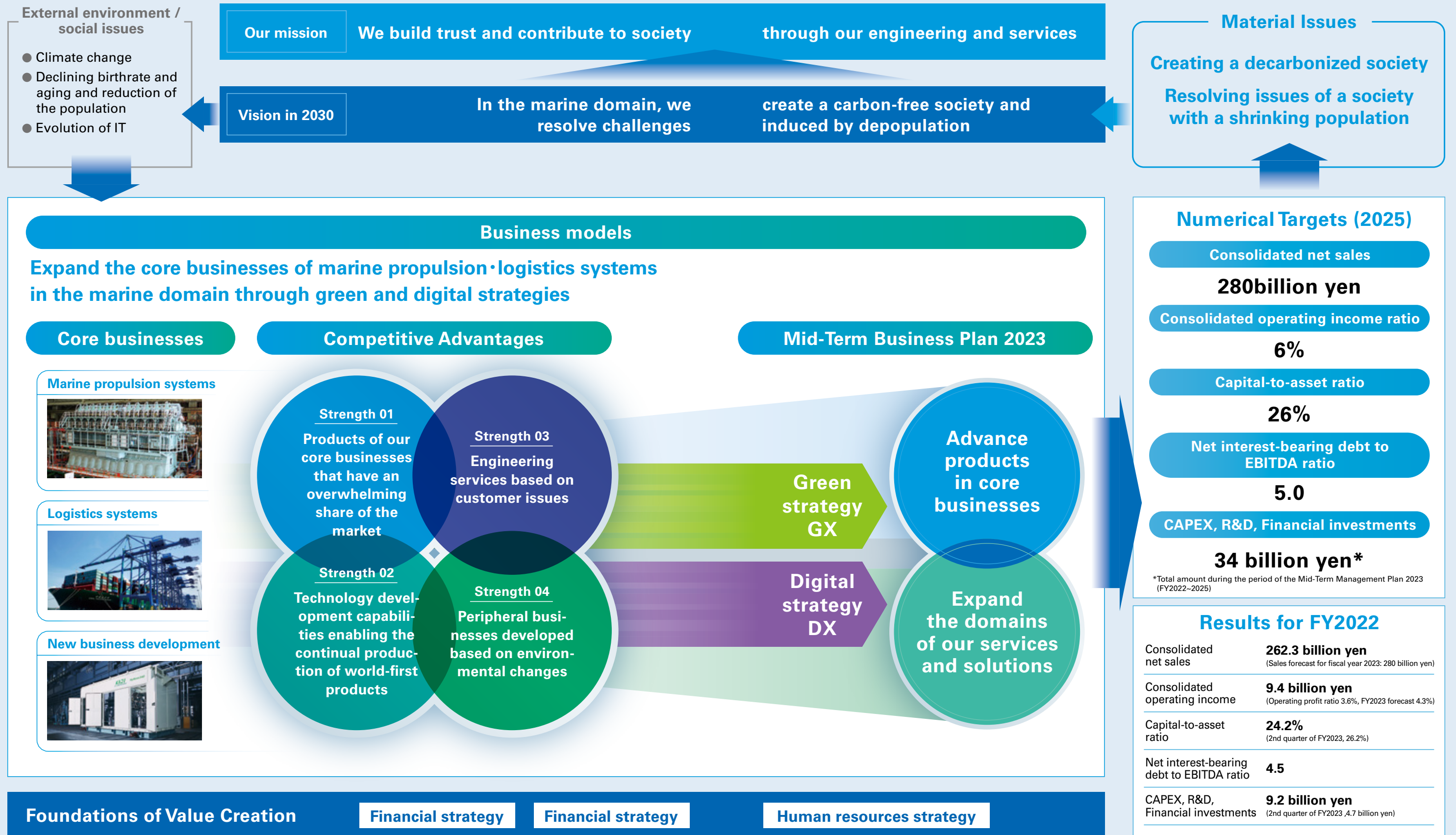
By increasing wellbeing, earning people's trust and contributing to society through engineering and services based on green and digital approaches, we aim to achieve sustainable growth.

We invite you to stay tuned to find out what the MITSUI E&S Group has to offer in the future.



# Value Creation Process

The MITSUI E&S Group contributes to solving social issues by providing products, services and engineering in pursuit of sustainable growth and the creation of corporate value.





## Competitive Advantages

The products of our core businesses enjoy large market shares and we provide engineering services to facilitate maximum utilization of these products. This fusion of hardware and software to realize comprehensive capabilities is a strength of MITSUI E&S. We also work to expand our business domains by working on businesses peripheral to our core products.

### Strength 01 Products of our core businesses that have an overwhelming share of the market

#### Marine engines

Since we signed a technical alliance with B&W (currently MAN Energy Solutions) in 1926, we have been engaged in engine manufacturing under the Mitsui-MAN B&W brand. Additionally, in April 2023 Mitsui E&S DU Co., Ltd. was newly established to take over operations of the large engine division of IHI Power Systems Co., Ltd. and the WinGD brand was added. We will strive to grow further in the marine engine business under this double-license structure.



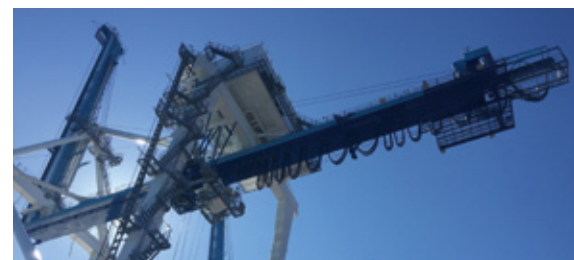
Domestic market share (FY2022)

**70%**

Combined figures for production by Mitsui E&S DU and sub-licensee Makita Corporation.

#### Port Cranes

Since we delivered Japan's first container crane to the Port of Kobe in 1968, we have delivered more than 430 gantry cranes (Portainer) and 1,600 yard cranes (Trantainer) to domestic and overseas terminals. As the top manufacturer of industrial cranes, automated cranes and environmentally friendly cranes in Japan, we have an established track record of production and experience.



Gantry crane Domestic market share (FY2022)

**73%**

Yard crane Domestic market share (FY2022)

**81%**

### Strength 02 Technology development capabilities enabling the continual production of world-first products

Development and market launch of marine engines designed for new fuels ahead of the competition

**First in the world**  
2015 Methanol  
2016 Ethane

**First in Japan**  
2015 LNG



Ammonia dual fuel marine engine is currently under development

**First in the world**  
2024 Prototype test planned



Developed Transtainer that uses fuel cells (FC) as a power source

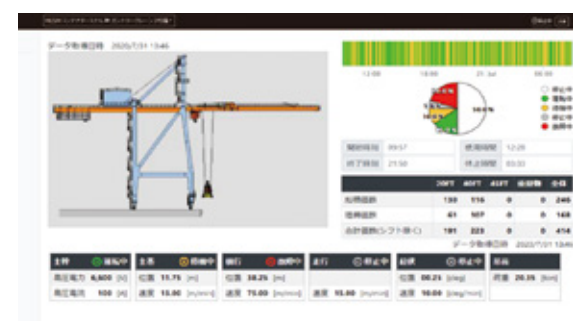
**First in the world**  
Successfully completed demonstration testing



### Strength 03 Engineering services based on customer issues

#### Port operation and crane preventive maintenance systems

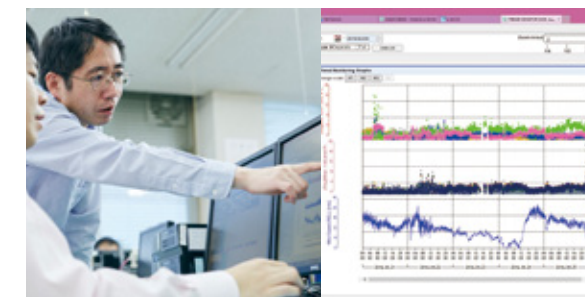
With Container Terminal Management Systems (CTMS) to optimally manage the operation of container terminals and next-generation Crane Advanced Remote Monitoring Systems (CARMS) that collect, analyze and visualize all manner of crane-related data, we provide total solutions that combine software leveraging the group's comprehensive capabilities in addition to physical hardware.



Remote monitoring system  
CARMS (Crane Advanced Remote Monitoring System)

#### After-sales services

We continually support customers over the lifecycle of our products, utilizing AI and IoT with the e-GICS Advance remote maintenance system for marine engines and LC-A from Mitsui E&S DU. We have set up after-sales service centers in Japan and overseas to swiftly attend to inspection, maintenance and troubleshooting needs. In addition, recently we have rolled out services that incorporate cutting-edge technologies, such as the use of remote-controlled self-flying drones for port crane inspections, in an effort to improve safety and streamline inspection tasks.



### Strength 04 Peripheral businesses developed based on environmental changes

#### Development of equipment compatible with new fuels for marine engines

MITSUI E&S has to date established an extensive track record in the manufacturing and delivery of various industrial equipment such as reciprocating compressors for the petrochemical industry and many other industries. To apply this extensive experience in industrial machinery to the marine sector, we have worked with our group company KAJI TECHNOLOGY to develop and market pumps for LNG fuel supply and high-pressure boil off gas (BOG) compressors.



#### Installation of hydrogen supply equipment in the Tamano Factory

Aiming to launch a hydrogen-related business at an early stage, hydrogen gas supply equipment (liquefied hydrogen tank, hydrogen gas compressor, etc.) was installed in the Tamano Factory. Reciprocating compressors, which play a core role in the equipment, are supplied from KAJI TECHNOLOGY, a group company that boasts a top domestic market share in compressors for hydrogen stations.





## Interviews with Director

### Creating a solid financial structure and organizational culture of thorough preparation for everything

Vice President, Representative Director  
Assistant to President, CFO\*1, CIO\*2,  
and in charge of Corporate Services Div.\*3

#### Taketsune Matsumura

\*1 CFO : Chief Financial Officer  
\*2 CIO : Chief Information Officer  
\*3 Corporate Services Div. : Corporate Planning Dept., HR & General Affairs Dept., Finance Dept., and Accounting Dept.



### Changing our financial structure and organizational culture to achieve the goals of the 2023 Mid-Term Business Plan

Under the Business Revival Plan formulated in FY2019, I have taken a leading role in frantically advancing various measures, including the full settlement of the issues with the civil engineering / construction work on a thermal power plant for the Republic of Indonesia, which incurred significant losses, capital measures to restore a sound financial structure, the sale of unprofitable businesses and assets, and personnel reductions. Despite various obstacles, we were able to declare the completion of the Business Revival Plan in May 2023, and also achieved profitability in FY2022 under Mid-Term Business Plan 2023, which was started one year ahead of schedule. We were even able to make an upward revision to the forecast for the fiscal year in the second quarter of FY2023, giving us a solid sense of achievement with regard to the Mid-Term Business Plan 2023.

In order to achieve the goals of Mid-Term Business Plan 2023, we need to address three major issues. The first issue is how we can make growth businesses as the third pillar of our Group's

operations. When we start something new, there is a tendency to talk only about dreams and positive aspects. However, in order to cultivate growth businesses as a solid pillar of our operations, we have to make strict assessments and hold discussions from various perspectives; such as how much new value our customers will find in the businesses we propose, and whether we can really bring those proposals to life.

The second issue is to improve our financial structure. We must find ways to reduce interest-bearing debt, which has increased due to past loss-making projects, and the associated financial cost burden, while striking a balance between investments for growth and return of profits to shareholders, employees, and other stakeholders. The third issue is to reform our organizational culture. In addition to improving the workplace environment for employees, we will aim to create an organizational culture so that every employee has the fighting and resolutely prepared mindset to make the company grow.

Business Revival Plan  
➡ P20

### Strengthening equity capital through capital measures

We have implemented capital measures to improve our financial position and made growth

investments, raising capital totaling around 17 billion yen, through the issuance of Class A

Financial strategy  
➡ P27-28

Preferred Shares and share acquisition rights. With share acquisition rights, there is normally a risk that issuing share acquisition rights may drive down the share price. Fortunately, we were able to raise more than the target amount in a much shorter period of time than expected without any significant drop in the share price due to the progress and completion of the Business Revival Plan, which coincided with a growth trend in the share price. This delivered a good result not only in terms of recapitalization, but also in terms of a quick recovery of the share price. In addition to the funds raised through Class A preferred stock, we are conducting R&D and capital investment in the green and digital fields. We expect capital investment to peak in 2023 and 2024, but we are rushing to build a foundation

that will enable us to provide new value to our customers. On the other hand, as of the end of the second quarter of FY2023, our shareholders' equity amounted to approximately 120 billion yen, and our capital adequacy ratio has achieved the target of the Mid-Term Business Plan 2023. Going forward, we will focus on increasing shareholders' equity by building up retained earnings through solid business development. At the same time, we will aim to reduce financial costs, redeem preferred stock, and repay interest-bearing debt as soon as possible. As for management, we intend to promote management reforms that are conscious of the cost of capital, the return on invested capital, and price book-value ratio while balancing investment and repayment.

### Creating an organizational culture in which every employee is resolutely prepared for work to compete in the international community

As the phrase "Mitsui of the People" suggests, for better or worse, our Group has a corporate culture of diligence and hard work. This is, of course, something that should be respected, but I also feel that it is not enough for us to compete in these changing times. We need to have the mindset and preparedness to "fight through," or perhaps I should say the survivability of surviving aggressively in tough times. I, myself, experienced serious negotiations with people outside the company as I pushed for the sale of businesses as part of the Business Revival Plan, and I keenly felt the need for such a mindset. It is with the strong desire to cut out weak links—from the management team down to employees on the front line—that we overhauled our HR system in April 2023. We have placed a conscious emphasis on creating a meritocratic and job-based system as well as personnel rotation as a new mechanism to broaden our perspective, rather than the traditional seniority system. We have also established a new requirements for promotion in terms of accounting knowledge, English language proficiency, and IT knowledge—which are basic subjects in business and essential abilities for the execution of growth strategies. In particular, with regard to English language proficiency, I am making efforts to improve

English language skills throughout the company, such as by holding English courses for some employees who are not proficient and teaching them myself. Employees who were reluctant to learn English at first are now actively engaged. In this way, we will continue to develop a tough, wild, and international organizational culture by acquiring a higher level of "global mindset" in our group. In order to achieve this, it is essential to increase the diversity of the Group, from the Board of Directors to each employee. To achieve this, we will set target figures for the ratios of women and non-Japanese employees, and aim to secure diverse human resources through various schemes, including overseas recruitment, and hiring from both sciences and humanities backgrounds. Finally, I always value the word kakugo. In English, it means- be-prepared. In other words, it means being resolutely prepared for your work. It means that we've done everything we can, anticipated all the worst-case scenarios, and are fine with them. This is kakugo. From the management team to each and every employee, we will make changes to ensure that we are resolutely prepared, and can take steady steps on the right path.

Human resources strategy  
➡ P29-30

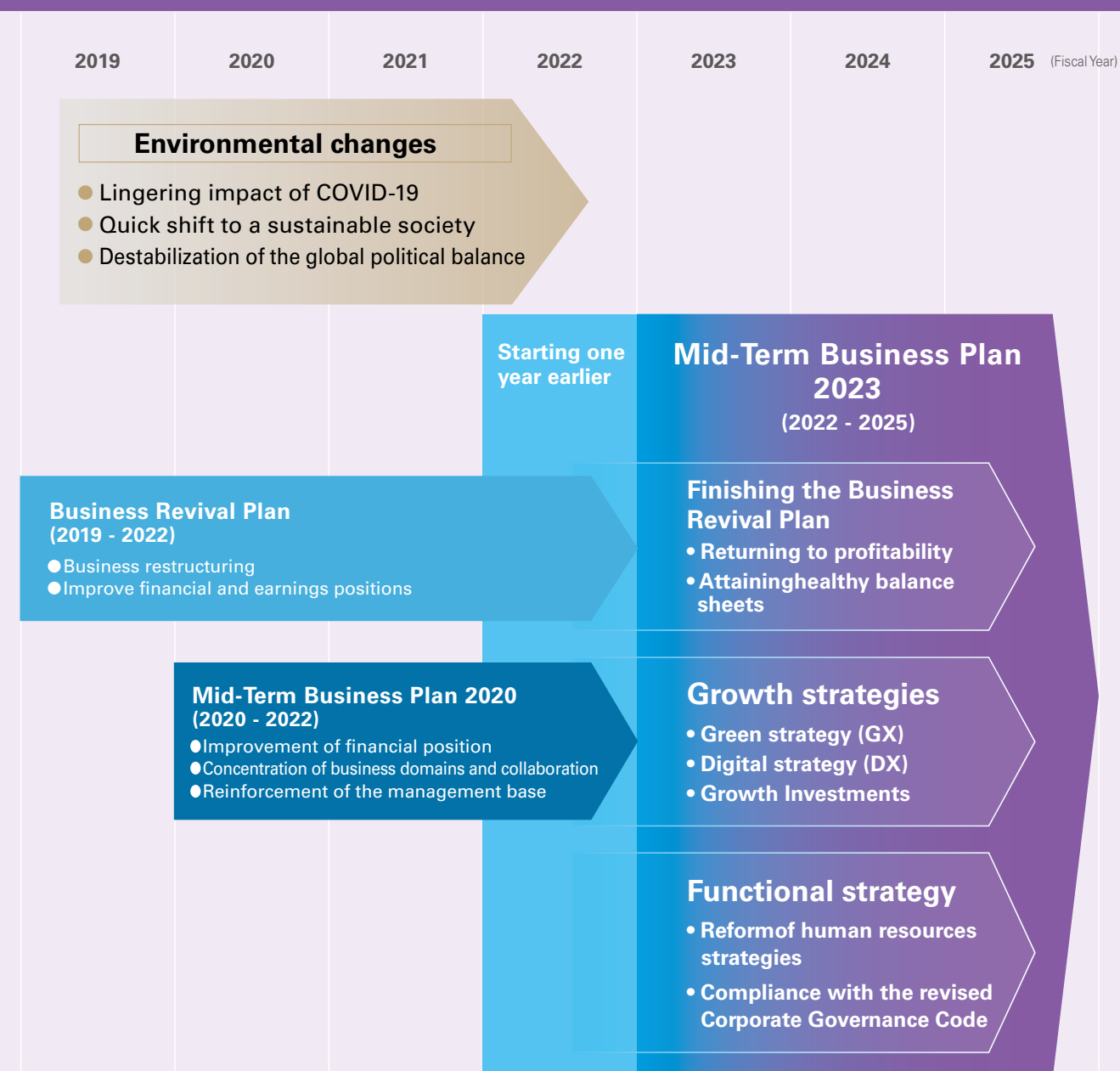


## Progress of the Mid-Term Business Plan 2023

# Completion of the Business Revival Plan, and work on the Mid-Term Business Plan 2023 centered on growth strategies.

### Mid-Term Business Plan Strategies

Fiscal 2022 is the final year of the Business Revival Plan which started in fiscal 2019. This is also a huge turning point for us as we take the first step toward a new phase. Due to the uncertain future, the Mid-Term Management Plan 2023 was started one year ahead of schedule. We are working to solidify the foundation of our growth strategy.



## Business Revival Plan

### Completion of the Business Revival Plan, dissolution of significant events related to the premise of going concern, and resumption of dividend payments

#### Review of Business Revival Plan

By FY2022, we had carried out plans to sell off businesses and assets worth over 120 billion yen in total under around 20 such transactions including subsidiaries, real estate and so on. We also effectively withdrew from the shipbuilding business that was the founding business of the company. We have also reduced risks significantly with all major overseas power generation civil engineering projects, a previous source of concern, having entered commercial operation.

Business Revival Plan		Achievements
1. Implement business restructuring	Liquidate and withdraw unprofitable businesses	<ul style="list-style-type: none"> <li>● Completed share transfer of naval ship business and merchant ship business</li> <li>● Began commercial operation of all overseas power generation civil engineering projects and improved project profitability</li> </ul>
	Focus resources on growing businesses	<ul style="list-style-type: none"> <li>● Reformed the business structure focusing on the Machinery Business. Focused resources on marine engines and port cranes</li> <li>● Aimed to secure growth funding of 17 billion yen as capital measures. Improved the equity ratio at the same time</li> </ul>
2. Improve financial and earning structure	Sell off businesses and assets	<ul style="list-style-type: none"> <li>● Sales of approx. 20 businesses and assets worth over 120 billion yen were finished</li> </ul>
	Reduce fixed costs (personnel and other expenses)	<ul style="list-style-type: none"> <li>● Streamlined by selling and reorganizing businesses</li> <li>No. of employees (consolidated): 13,000 (FY2019) → 6,000 (FY2022)</li> </ul>

#### Dissolution of Important Events Related to the Premise of Going Concern

Up to the fiscal year ended March 2022, operating losses were posted for five consecutive years due to losses from power plant engineering work in Indonesia, among other factors

From the fiscal year ended March 2019 onwards, we were aware that significant doubts had arisen concerning the premise of going concern

Fiscal year ended March 2023 onwards

- All projects related to power plant engineering work in Indonesia began commercial operation. Uncertainty was eliminated, in part by finalizing unconfirmed expenses
- The Business Revival Plan was completed. For the fiscal year ended March 2023 we posted an operating profit. We also expect to post an operating profit for the fiscal year ending March 2024.
- Maintain close ties with main banks and other financial institutions with which we do business. We expect to receive continual support for future funding needs.

Events and situations causing significant doubts related to the premise of going concern have been eliminated

#### Resumption of Dividends for Common Stock

Due to the severe difficult business results produced to date, we had continued to suspend dividend payments for the past five fiscal periods, but as shown below, we have made progress in strengthening our financial and earnings structure and completed the Business Revival Plan.

- Strong promotion of the Business Revival Plan
- Significant reduction of risks associated with projects of concern in Indonesia

Based on the FY2022 results and future business expansion, we have determined that a structure to achieve stable dividends has been put in place, and will resume dividends for common stock (at 3 yen per share).

In light of improvements to the financial and earning structure, the companywide improvement in business results and other factors, we will resume dividends for the first time in six fiscal periods. We will focus on completing our growth strategies towards increasing dividends in the future

## Interviews with Director



### Accelerating our strategy on new business development Expanding the scope of our operation to service and solutions business And entry into new market

Director  
Assistant to President, and in charge of Business Div.\*1 and Procurement Dept.  
General Manager of New Business Development Div.

**Ichiro Tanaka**

\*1 Business Div. : Marine Propulsion Systems Div., Logistics Systems Div., New Business Development Div.

### Sophisticated core business product and Expansion of the scope of service and solution

We have three actions through “Green” and “Digital” approach to achieve the Mid-Term Business Plan 2023. The first action is to sophisticate our core business products: marine engines and port cranes, to create a decarbonized society and resolve the issues of a society with a shrinking population. This action can secure a stronger competitive position in the markets. In marine engines business, we are focusing on the development of next generation engines. According to tightening the regulations on GHG emissions\* every year in maritime industry the market requests to shift from heavy fuel to methanol or LNG, which are low carbon fuel. The demands on dual-fueled engines (DF) that can not only fuel oil but also burn methanol or LNG are increasing. We are already receiving many orders for DF engines, and are newly developing ammonia, which is zero-emission fuel, -fueled engines. In April 2023, Mitsui E&S DU Co., Ltd. was established as a new company through

M&A. We have had double license and two factories. We would like to maximize synergistic effects on human resources and capital investment to accelerate the commercialization of next generation engines. In port cranes business, in April 2023, we developed the world’s first rubber tired gantry-type port crane (Transtainer) powered by a fuel cell. Demonstration test has already been completed at Oita Factory, and the commercial crane is now being manufactured for delivery to Los Angeles in 2024. Our second action is to expand the scope of our services and solutions business. We have just been an equipment manufacture such as engines and cranes. Going forward, we will expand the scope of our products and become a system supplier. For example, in marine engines business, we will supply not only engine but also fuel gas supply system, fuel tank as marine propulsion system supplier.

Growth Strategy  
➡ P23~26

\*GHG:  
Greenhouse Gas

In the future, it is expected that ports will function not only as container terminals but also as bases for receiving hydrogen, ammonia, and other fuels. Our goal is to provide not only cranes, but also

fuel supply equipment, as well as management systems to improve the efficiency of cargo handling operations and optimize energy consumption for carbon-neutral port.

### Developing a new market and creating a third pillar of our operations after marine engines and port cranes

Our third action is to develop a third pillar of our operations after marine engines and port cranes. In April 2023, we have newly established the New Business Development Division. This division, focuses on green and digital business with adding value products for our clients. The challenge in new business development is how to break out of existing markets and enter new markets as quickly as possible. For example, we had been delivering reciprocating compressors—one of our mainstay products—mainly to chemical plants. Going forward, in place of the existing market, which is facing fierce price competition, we intend to leverage the group’s overall capabilities to enter the hydrogen supply chain market, which contributes to a zero-emission society. In Europe, there is currently a growing movement to produce green hydrogen from renewable

energy sources such as wind power, to shift away from dependence on fossil fuels and avoid geopolitical risks. Actually, several commercial-based plants are under construction. The generated hydrogen will be transported as compressed gas mainly for consuming it within the European region. We developed the compressors by using the high-pressure technology of Kaji Technology Corporation, a group company. By combining Kaji Technology’s high-pressure technologies with our large-scale compressor technologies, we believe that we can supply more attractive products to customers. The plant is already in operation, and we plan to bring these products to the European market from next year. With this compressor as the core, we will entry into the global hydrogen supply chain market.

Outline of the New Company Organization  
➡ P5

### Responding to the needs of customers and society with a market-in mindset

The most important thing is the market research. Our company has been a manufacturing company. We had a misunderstanding that our products should be attractive for the customers because we had such advanced technologies. Even if we developed and manufactured products based on our technologies, only few products were sold on the market. We often found that they were out of touch with market needs. As we are facing a society with a shrinking population, we are also working on social infrastructure development projects and maintenance business for various products through monitoring by utilizing our digital technology. In this context, we are committed to listening to our customers, picking up their needs, and developing products that meet them. Changing mindset in this way is a major challenge, and we have established a Marketing Department

within the New Business Development Division. This department maintains communication with customers on a daily basis, visiting them frequently, listening to their needs, and making proposals in response to those needs. One of our key strengths is that we have continued to provide solutions to customers’ various problems, in the areas of both marine engines and port cranes. This has enabled us to cultivate trust and gain repeat customers, and has led to our current high market share, mainly in Japan. Customer needs have changed dramatically in recent years. By appropriately responding to these needs, we will continue to further develop our strengths, drive new business development, and push ahead to achieve the goals of Mid-Term Business Plan 2023.

Competitive Advantages  
➡ P15~16



## Pillars of Growth Strategy 01 Green strategy

Increase development and production capacity through M&A activities  
Steadily implement next-generation fuel initiatives to decarbonize

In the marine engine market, in April 2023, we succeeded the business related to the marine large bore engines of IHI Power Systems, and strengthened R&D, production, sales, and after-sales service. We are also steadily working on ammonia dual fuel engines, the next generation fuel for ships, and developing the world's first port crane powered by fuel cells (FC).



### Our initiatives in FY2022 and 2023

#### Increase R&D and production capacity through M&A activities and broaden the product lineup

Completed the succession of business related to marine large bore engines and its incidental business with IHI Power Systems Co., Ltd and a new company was established in April 2023.

To reinforce the R&D, production and after-sales services provided in our core business of marine engines, we reached a final agreement on the succession of business related to marine large bore engine and its incidental business and concluded a share purchase agreement with IHI Power Systems Co., Ltd. on September 27, 2022. We will boost our R&D and production capacity under a double license organization with MAN-ES\*1 and Win-GD\*2, and will advance commercialization of new fuel engines.

Effects of Business Succession

**Establishment of a double licensing organization, MAN-ES and WinGD**

**Domestic market share including Mitsui E&S DU is approximately 70%**

**Improve competitiveness by increasing resources for R&D → production → sales → after-sales service**

• Jan-Dec 2022 Marine Engine Production

Domestic market share approximately **70%**

MITSUI E&S

Makita\*

Mitsui E&S DU

\*Makita is sub-licensee of MITSUI E&S

#### • Widening of Product Lineup



MAN B&W 8S70ME-C8.2-GI LNG dual fuel engine



MAN B&W 7S50ME-B9.3-LGIM methanol dual fuel engine



WinGD 6X72DF dual fuel engine



S.E.M.T. 12PC2.6BV medium-speed four-stroke engine

#### New fuel engine initiatives

##### Received basic design approval for an ammonia-fueled ship

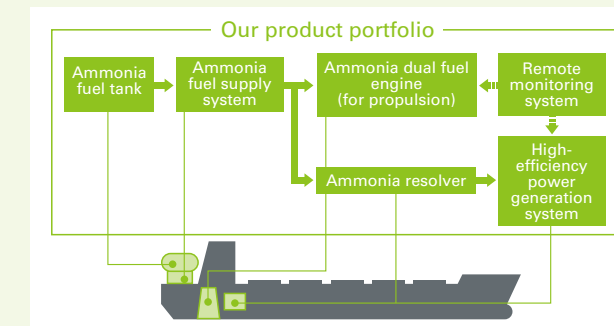
We obtained basic design approval in November 2022 jointly with ITOCHU Corporation, NIHON SHIPYARD Co. Ltd., KAWASAKI KISEN KAISHA, Ltd.,- and NS United Kaiun Kaisha, Ltd.

This is a part of the Integrated Project for the Development and Social Implementation of Ammonia Fueled Ships selected by NEDO for its Green Innovation Fund Project/Development of Next Generation Ships/Development of Ammonia Fueled Ships.

The vessel is scheduled for delivery and start of implementation in 2026.

##### • The role of MITSUI E&S

We will supply the world's first propulsion system to include an ammonia dual fuel engine, fuel tank and fuel supply system.

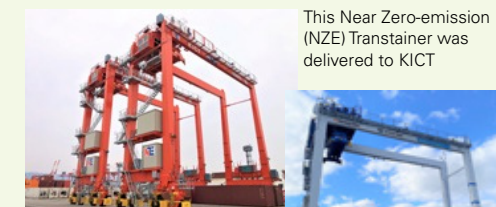


#### Port Crane Decarbonization Initiatives

##### Development of zero-emission port cargo handling crane

In August 2022, we delivered the first Near Zero-emission (NZE) Transtainer to Kobe International Container Terminal (KICT). The diesel engine generator set is minimized by maximizing the reuse of regenerative energy during loading and unloading.

In April 2023, we also developed the world's first rubber-tired gantry crane (RTGC) powered by a fuel cell (FC) in collaboration with NEDO. Demonstration tests were successfully conducted. It is equipped with a hydrogen fuel-based FC power pack and loads only with electricity supplied by large-capacity storage batteries. We are planning to undertake a demonstration project at the Port of Los Angeles in the US.



This Near Zero-emission (NZE) Transtainer was delivered to KICT

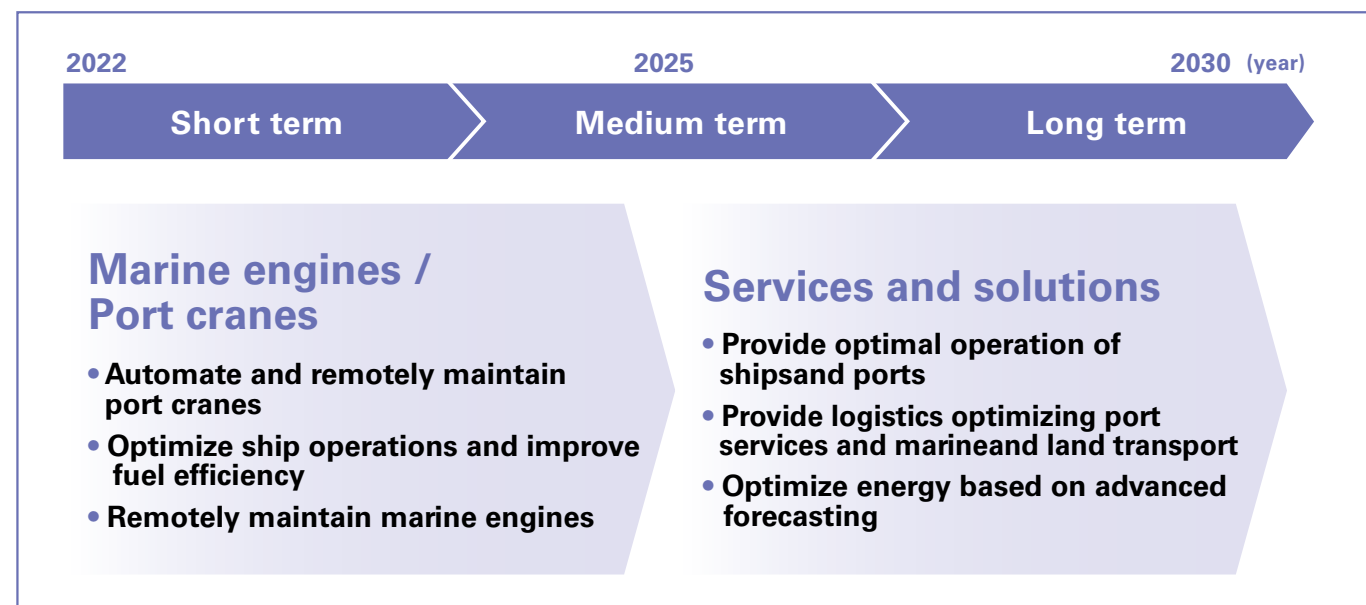
Transtainer with FC power pack



## Pillars of Growth Strategy 02 Digital strategy

Realize Automation and remotely maintainance of port cranes  
Promoting efficiency at port terminals and upgrading remote maintenance of marine engines

Regarding the automation of port cranes, we have begun testing the application of local 5G communications to re-otely operated Transtainers. For remote maintenance, we have established inspection technology using automated drones. We are also developing systems and services that contribute to advanced preventive maintenance of cranes and engines.



**Value to customers and society**

Providing services utilizing digital technology necessary to cope with a shrinking population

**Goals of Social Issues**

Resolving issues of a society with a shrinking population

Annual sales of Transtainers Percentage of automated Transtainers: **40%**

As for the indicators and targets, we are currently examining and reviewing more appropriate indicators and targets, looking at consistency with the business model of our digital strategy.

### Our initiatives in FY2022 and 2023

#### Port crane automation initiatives

##### Started testing the application of local 5G communications to the Remote Control Transtainer.

The first Remote Control Transtainer (5G compatible) has already started operating at the Nagoya United Terminal in October 2021. In June 2022, we also began testing local 5G communications equipment used with the Remote Operation Transtainer, which has been ordered by Suzuyo Co. To provide high-speed, high-capacity, low-latency communications, we have developed local 5G communications equipment in collaboration with Mitsui Information Systems, Inc. to build its own dedicated communications network. After testing in our Oita factory, a 5G communication network will be constructed and tested at Shimizu Port's Shinjinjin Container Terminal, and then it will be put into operation.

- Diagram of the local 5G communication equipment configuration at the container terminal

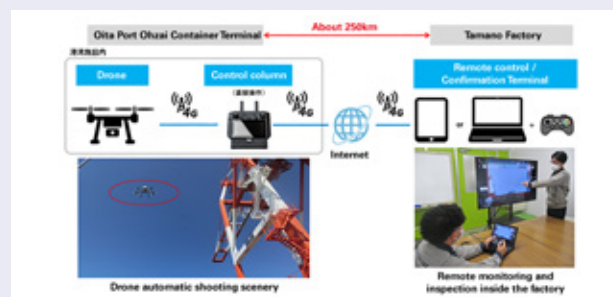


#### Approaches for the remote maintenance of port cranes

##### Establishment of remote inspection technology using remote-flying drones

In October 2022, in collaboration with Zenrin Datacom, Inc. and Oita Prefecture, an inspector from Okayama Prefecture Tamano Machinery factory will remotely operate a drone to inspect a port crane at Oita Port, which is about 250 km away. The drone's flight and filming of inspection points are all done automatically, enabling stable filming that does not depend on pilot skill. This will contribute to further streamlining and manpower saving in port crane inspection work.

- Diagram of the demonstration experiment



#### Efforts to improve port terminal efficiency

##### CARMS / CTMS

We provide a comprehensive system that contributes to port terminal efficiency, combining our hardware (Transtainer, Portainer) with our own software (CARMS, CTMS).

- CARMS (Next Generation Crane Advanced Remote Monitoring Systems) provide a system that collects, analyzes and visualizes all kinds of data related to cranes. The system can provide an understanding of equipment life and signs that are predictive of failure to enable advanced preventive maintenance.
- CTMS (Container Terminal Management System) provide a comprehensive solution at port terminals with a simulation system that accurately reproduces the movement of cargo handling equipment.

- Overall picture of port terminal efficiency improvement

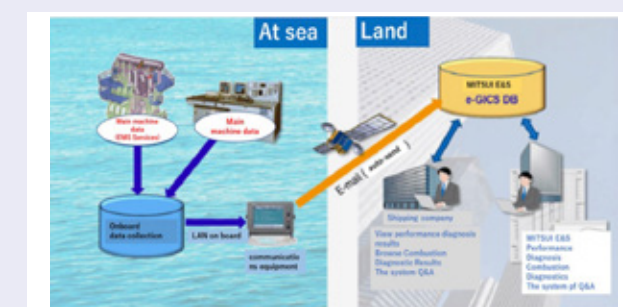


#### Initiatives for the advanced preventive maintenance of marine engines

##### e-GICS Advance / LC-A

Our product, e-GICS Advance, a marine engine performance diagnostic service, and Mitsui E&S DU's LC-A will work together to enhance the services that contribute to preventive maintenance.

- e-GICS Advance automatically collects operational data from engines at sea and provides performance and combustion diagnostics via a land-based database.
- LC-A conducts performance diagnostics that are completed on board.





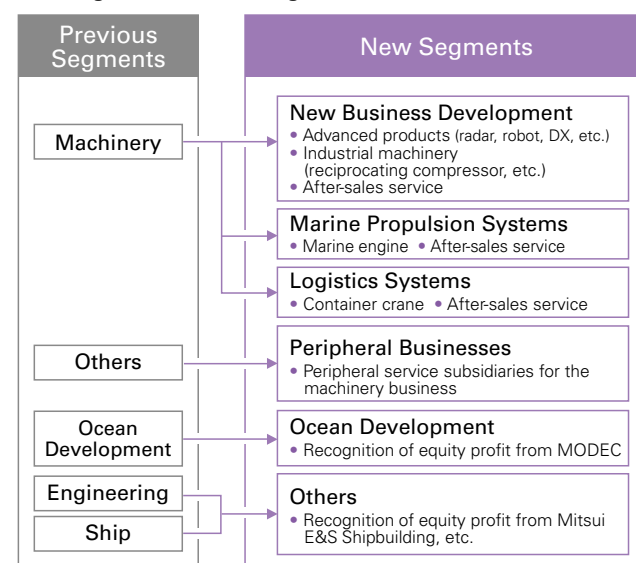
# Financial strategy

## Our policy and goals in Mid-Term Business Plan 2023

In accordance with the "Mitsui E&S Group Business Revival Plan," the Group has executed a series of measures as planned, including the restructuring and withdrawal from unprofitable businesses. As a result of the sale of assets and other businesses such as real estates and subsidiaries, we accomplished the Business Revival Plan in FY2022. Going forward, under the Mid-Term Business Plan 2023, which started in FY2022, one year ahead of schedule, we will pursue steady profits to maintain the profitability, as well as work to improve the strengthening of our balance sheet. We will increase sales and profit mainly in such businesses as marine propulsion, port logistics, and after-sales services. This includes market expansion through investment in growth, M&A and other initiatives. Its goal is to achieve targets such as consolidated net sales of 280 billion yen, consolidated operating income ratio of 6% and capital-to-asset ratio of 26% in FY2025. To further ensure the achievement of these targets, we seek to identify problems and weaknesses in our profit structure

and financial position in a timely and prompt manner from multiple perspectives and move toward solutions. Real-time management decisions are required for reallocation of resources in order to build up profits steadily while swiftly responding to rapid changes in the management environment. Therefore, we will continue to focus on the timely evaluation of marginal profit and fixed costs, and will analyze the management figures for each product with emphasis on speed, which will lead to improvements. Effective April 1, 2023, the Group shifted to an operating holding company. Taking this opportunity, we have reclassified our business segments into five; "New Business Development," "Marine Propulsion Systems," "Logistics Systems," "Peripheral Businesses" and "Ocean Development." Objectives of this decision are to clarify the positioning of each business and to expand sales and profits mainly in our core businesses. Under the new structure, we will continue to manage and operate each business and subsidiary solidly.

### Change in business segment



### New Segment Results

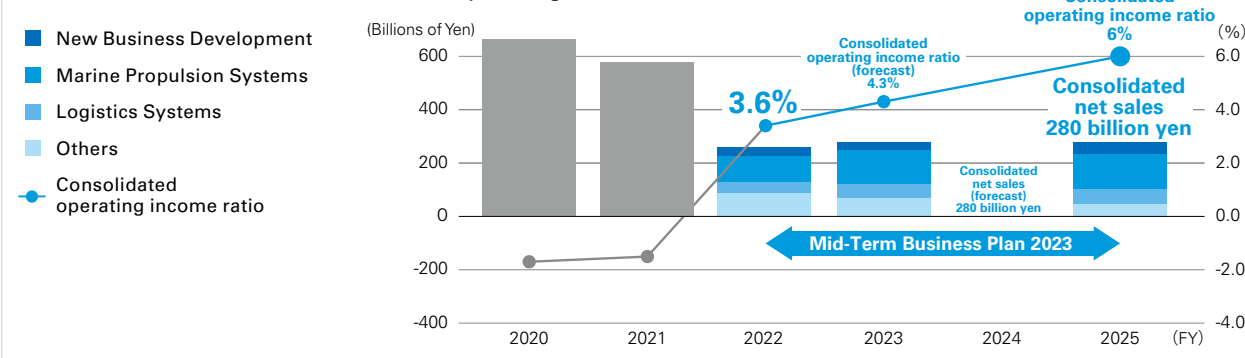
	FY2022 Results		FY2023 Outlook	
	Net Sales	Operating income	Net Sales	Operating income
New Business Development	34.9	4.3	30.0	3.0
Marine Propulsion Systems	97.7	2.6	130.0	5.0
Logistics Systems	41.7	1.4	50.0	2.0
Peripheral Businesses	57.4	0.7	60.0	2.0
Ocean Development	-	-	-	-
Others	30.7	0.4	10.0	0
<b>Total</b>	<b>262.3</b>	<b>9.4</b>	<b>280.0</b>	<b>12.0</b>

### Numerical Targets

Item	Targets (FY2025)	Concept
Consolidated net sales	280 billion yen	<ul style="list-style-type: none"> <li>Expand core businesses through growth investing and M&amp;A activities</li> <li>Capture market share in GX products</li> </ul>
Consolidated operating income ratio	6%	<ul style="list-style-type: none"> <li>Focus resources on core businesses and reduce fixed costs</li> <li>Build a new profit model using DX</li> </ul>
Capital-to-asset ratio	26%	<ul style="list-style-type: none"> <li>Enhance the financial foundation through capital measures and the accumulation of profits</li> <li>Complete overseas engineering projects to reduce risks</li> </ul>
Net interest-bearing debt to EBITDA ratio	5.0	<ul style="list-style-type: none"> <li>Reduce interest-bearing debt with created cash flows</li> </ul>
CAPEX, R&D Financial investments	34 billion yen*	<ul style="list-style-type: none"> <li>Take capital measures to procure funds for growth</li> <li>Allocate investments to core businesses</li> </ul>

\*Total amount during the period of the Mid-Term Business Plan 2023(FY2022- FY2025) Increased from 30 billion yen to 34 billion yen in May 2023

### Trends in consolidated net sales and operating income

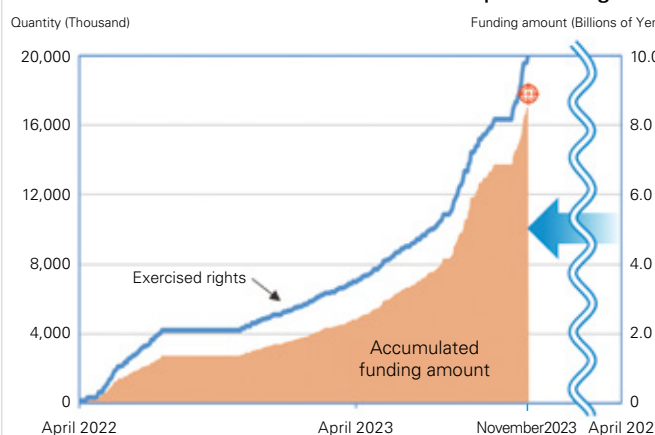


### Capital measures to improve our financial soundness and to invest in growth businesses

In FY2022, the capital-to-asset ratio at the end of FY2022 recovered to 24.2% from 7.7% at the end of FY2019 due to the increase of capital totalling approximately 11.3 billion yen resulting from the 9 billion yen issuance of Class A preferred shares through third-party allocation and the exercise of the 1st series of share acquisition rights with an exercise price amendment clause of approximately 2.3 billion yen. In addition, approximately 4 billion yen of share acquisition rights were exercised in the first half of FY2023 and added to shareholders' equity, resulting in a capital-to-asset ratio of 26.3% as of the end of September 2023, achieving the target

of the Mid-Term Business Plan 2023 ahead of schedule. The share acquisition rights are exercisable during three years, from April 2022 to April 2025. The rights of approximately 2.2 billion yen were additionally exercised in October and November 2023, and this has led the rights been fully exercised as of November 29, 2023, significantly ahead of the original schedule. The funding amounts also increased to approximately 8.5 billion yen from originally expected 8.1 billion yen.

### Results for the exercise of the share acquisition rights



	Issued	Completion
	April 18, 2022	November 29, 2023
Number of shares (Thousand share)	20,000	20,000
Funding amount of exercised rights (Billions of Yen)	8.1 (planned)	8.5 (actual)
Stock price (JPY)	366	551

### Details of use of funds from Class A preferred shares

Specific use of capital	Amount (Billions of Yen)	Expenditure scheduled during the period:
Funds for R&D related to the green and digital transformation of our marine propulsion and port logistics businesses, future M&A activities and alliances, etc.	528.5	from July 2022 to March 2026
Funds for capital expenditure related to ammonia and LNG supply equipment	340.0	from July 2022 to March 2026

### Details of the use of funds from the 1st series of share acquisition rights with an exercise price amendment clause

Specific use of capital	Amount (Billions of Yen)	Expenditure scheduled during the period:
Investment related to the green transformation in our marine propulsion system business	390.0	from April 2022 to March 2026
Redemption of bonds payable	419.9	from September 2022 to September 2023

Human capital

# Human resources strategy

The MITSUI E&S Group's engineering and services are provided by the Group's human resources. Therefore, we believe that our human resources are our most important management resource for the manifestation of our company philosophy and the achievement of our growth strategy.



## Approach to human resources strategy

Press ahead with the diversification of accelerate the reform of thinking among personnel, change the organizational culture and employees with a view towards growth.

**The human resources and organizational culture we aspire to cultivate**

	Vision
Organizational culture	<ul style="list-style-type: none"> <li>A sense of unity and a perspective for the spread of comprehensive optimization across the organization</li> <li>Orientation toward reforms based on an absolute evaluation with the future vision as a goal</li> <li>Emphasis on the close monitoring of customers' needs and on swiftly responding to them</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>Respond beyond the existing framework to customers' latent needs</li> <li>Continuously learn new things and gain experience that will lead to the growth of the company</li> <li>Interested extensively in social trends to properly understand changes in the environment</li> </ul>

**Cultivate human resources able to adapt to the fast-changing times and create new value together with customers**

**Measures**

- Redesign of the personnel system (for the first time in around two decades): Shift from seniority system to job-based system, make English and accounting aptitude a requirement for advancement, implement a job rotation system
- Improvement of employee compensation: Strive to increase employee motivation even under a harsh operating environment
- Promotion of diversity: Set numerical targets for growth-oriented diversity

**Goals for Human Resource Diversity**

	New company (April 2023)		FY2025 outlook		FY2030 Targets	
	Percentages of female employees	Percentages of foreign national employees	Percentages of female employees	Percentages of foreign national employees	Percentages of female employees	Percentages of foreign national employees
Managers	3.4%	0%	4%	0%	5%	3%
Employees	6.7%	2.2%	7%	2%	10%	5%
New graduates for engineer	9.4%	6.3%	10%	6%	10%	20%

Specific initiatives

**Measure (1) Redesign of the personnel system**

**Aims of the new personnel system**

- Strengthen consistent human resources and organizational management to reflect companywide policies**  
Shift away from the previous seniority-based system and incorporate job-based elements that clearly define duties
- Promote diverse growth based on the characteristics of each job category**

**Administrative and engineering employees:**

- Introduce mandatory personnel rotation after a certain period
- Introduce English ability and accounting / IT knowledge as requirements for advancement

**Skilled employees:**

- Emphasize individual and safety-related skills
- Establish a system for promotion into administrative and engineering management positions

**Overview of the new personnel system**

Human resource category and qualification system	<ul style="list-style-type: none"> <li>Managerial positions: Carry out organizational mission indicated by management</li> <li>Other: Separate job types based on characteristics and the human resources required</li> </ul>
Evaluation system	<ul style="list-style-type: none"> <li>Develop a simple evaluation system that makes growth issues visible</li> </ul>
Training system	<ul style="list-style-type: none"> <li>Cultivate the skills necessary to implement growth strategies (below diagram)</li> <li>Introduce mandatory personnel rotations (administrative and engineering employees)</li> </ul>
Wage system	<ul style="list-style-type: none"> <li>Eliminate seniority-based elements</li> </ul>

**Requirements for advancement of administrative and engineering employees**

Technical capabilities: Provision of decarbonization-related products

English skills: Global market expansion

Accounting knowledge: Skills necessary to implement growth strategies

IT utilization capabilities: Provision of services utilizing digital technologies

Skills necessary to implement growth strategies

**Require all employees to acquire English skills, accounting knowledge and IT knowledge**

**Create human resources and an organizational culture capable of creating new value**

**Measure (2) Improved employee compensation**

- Average base salary over the past five years has gradually improved as a result of salary raises and wage improvements.
- (This includes some fluctuations due to changes in the composition of personnel.)

**Change in average base salary of employees (excluding senior positions)**

FY	Percentage (%)
2019	100
2020	101
2021	103
2022	105
2023	109

2023 figures are for MITSUI E&S on a non-consolidated basis. Figures for 2019-2022 are for three companies - Mitsui E&S Holdings, Mitsui E&S Machinery and Mitsui E&S Business Service

**Measure (3) Initiatives to ensure human resource diversity**

Percentages of female employees	Managers	While there are currently few managers in the eligible age groups, this is expected to increase due to the promotion of junior personnel under the new personnel system.
	New graduates hired for engineer positions:	There is an increasing trend in women seeking engineer positions. We are focusing on securing applicants by expanding our approach to job seekers
Percentages of foreign national employees	To date the scope of our hiring activities has been limited to foreign national students. Going forward, we will focus on securing applicants with a broader approach to foreign nationals looking to work at Japanese companies	



### Measure (3)-2 Promotion of diversity

We aim to enable employees to maximize their abilities according to the circumstances of their life events. For employees taking maternity or childcare leave, we are also committed to providing educational support to ensure that the leave period does not become a career gap.

#### Diverse work, vacation, and holidays

System to make effective use of limited time and realize well-balanced work

Telecommuting system	Employees who can work outside the company can work from home or a place designated by the company if necessary.
Flexible Working Hours System	Employees determine working hours by themselves to perform their work efficiently
Annual Leave	All employees are eligible for 22 days of annual leave per year from the first year of employment
Leave for Refreshment	Up to two consecutive weeks of special leave and assistance payments for every 10 years of employment
Memorial Leave	Promote planned acquisition of at least 5 days per year
Promotion of Taking Annual Leave	Promote taking at least one day off per month and set aside a day to encourage employees to take annual leave.
Half-day Leave	Employee can take half-day leave instead of full one day in using annual leave
Hourly annual leave	Up to 2 days of annual leave can be taken in units of 1 hour
Accumulated Annual Leave	The forfeited unused annual leave is accumulated and can be used in case of sickness, childcare, nursing care and some activities such as volunteer activity.
Designated No Overtime Days	Employees are encouraged to leave the office on time at least once a week

#### Support for Balancing of Work Life and Personal Life

Systems to support balancing of childcare or nursing care and work

Childcare	<ul style="list-style-type: none"> <li>Childcare leave (Male employees also are encouraged to take Childcare Leave.)</li> <li>Short-time working hours for childcare (application of flex-time system also allowed)</li> <li>Maternity leave (for marital partners at childbirth)</li> <li>Nursing leave (to take care a child)</li> </ul>
Family Caregiving	<ul style="list-style-type: none"> <li>Nursing care leave (shorter working hours, etc. are available if leave is not taken)</li> <li>Nursing care leave</li> </ul>

#### Formulation of a General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Based on the Act on Advancement of Measures to Support Raising Next-Generation Children\*, MITSUI E&S Group companies have formulated the following General Employer Action Plans so that employees can achieve their full potential in accordance with the status of their respective life events while balancing work and family.

\*A law to support the sound development of children who will play roles in the next generation of society, in response to Japan's rapidly declining birthrate

**Plan Period** 2 years (plan period depends on the planning time of each company)

#### Goals and details of initiatives (Example: MITSUI E&S )

1. Improvement of employment environments to support a balance between work and family life for pregnant workers and workers raising children

<b>Targets 1</b>	Increase the percentages of employees taking childcare leave, etc., to at least the following levels within the planned period <ul style="list-style-type: none"> <li>Male employees: Increase the percentage of employees taking childcare leave, accumulated / reserve annual leave for childcare purposes and maternity leave to at least 80%</li> <li>Female employees: Increase the percentage of employees taking childcare leave to 100%</li> </ul>
<b>Details of initiatives</b>	April 2023~ <ul style="list-style-type: none"> <li>Disseminate information regarding internal schemes and information to create a workplace environment that makes it easy to take childcare leave</li> <li>Increase the number of male employees taking childcare leave through individual approaches to superiors and individuals</li> </ul>

**Targets 2** Fostering a workplace culture that makes it easy for employees to make use of internal schemes

<b>Details of initiatives</b>	April 2021~ <ul style="list-style-type: none"> <li>We will make employees aware of leave and extended leave of absence schemes that can be used for childcare, and work schemes that are useful for balancing work and family life (hourly incremented annual leave scheme, flextime scheme, telecommuting scheme)</li> </ul>
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2. Development of diverse working conditions that contribute to the review of work styles

**Targets 1** We will continue efforts to reduce overtime work and encourage employees to take annual paid leave, aiming to create work styles that offer a healthy work-life balance.

<b>Details of initiatives</b>	April 2023~ <ul style="list-style-type: none"> <li>Continue to disseminate information within the company on initiatives to reduce overtime work and improve productivity, and thoroughly implement initiatives</li> <li>Encourage employees to take annual paid leave and seek to increase employee awareness of the memorial leave system (scheme for taking planned individual annual leave)</li> </ul>
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## Initiatives for Human Rights

Each and every employee in the workplace is absolutely essential to the corporate activities of the Group and a work environment where human rights are respected enables employees to take satisfaction in the life and their job. It maximizes employees' capabilities and leads to greater productivity.

Based on this idea, the MITSUI E&S Group has established its Basic Policy for Enlightening People about Human Rights. In addition to the organization of training programs to increase all executives' awareness of human rights, we are committed to a range of human rights enlightenment activities at every level of the workforce. In this way, we strive to create an equal and non-discriminatory workplace environment that respects human rights.

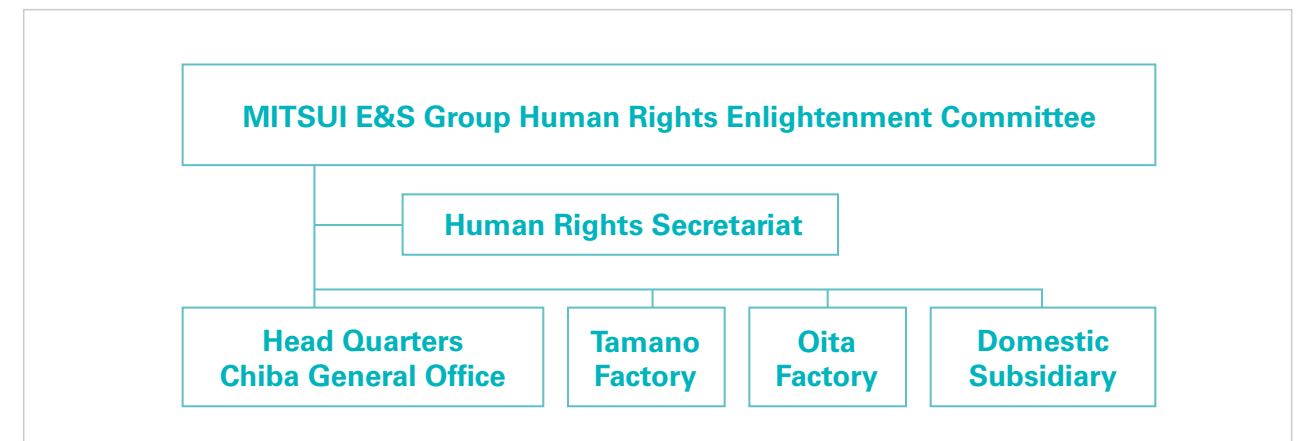
### Basic Policy for Enlightening People about Human Rights

The MITSUI E&S Group is aware of its social responsibilities as a corporate entity. To create a truly discrimination-free corporate culture, it positions the ending of discrimination against Buraku people, sexual discrimination, racial discrimination and other human rights problems as important issues and strives to solve these problems through its everyday business activities under the principle of respecting human rights.

### Organizations and systems for promoting training

In line with the Basic Policy for Enlightening People about Human Rights whose formulation was patterned after the UN Guiding Principles on Business and Human Rights, the MITSUI E&S Group Human Rights Enlightenment Committee has been established with the goal of formulating policies and measures to increase awareness of human rights. Through the formulation and implementation of plans for facilitating an increased awareness of human rights, and following up on these plans, we stay properly up to date on risks and the impact of human rights issues and work to continually improve.

- Organization (for the promotion of human rights enlightenment)



### Human rights enlightenment activities

To increase officers and employees' understanding of human rights, the MITSUI E&S Group seeks to build an equal, discrimination-free workplace environment that respects human rights by encouraging people's participation in in-house and external training programs, providing relevant information and organizing related events. In staff training, we consider the many different forms that work takes on such as telecommuting and on-site work, and have introduced online training in addition to face-to-face training in an effort to provide employees with more opportunities to participate in training programs. We also share information related to human rights periodically to provide opportunities to think about human rights and increase understanding of them.

#### Specific Activities

- Conduct human rights training for executives and employees, including new hires
- Social topics related to human rights are posted on the intranet
- Annual internal call for human rights awareness terminology, with the excellent entries published internally.

Human capital

# Health, Safety and Health Management

In line with the MES Occupational Safety and Health Management System Manual, the employer (president) announced the basic policy on occupational safety and health. Accordingly, our Company-wide Occupational Safety and Health Management Plan has been formulated and implemented. Even after we became a business holding company on April 1, 2023, the pre-existing basic policy on occupational safety and health was preserved as the principles the entire MITSUI E&S Group should uphold. At the same time, the policy has continued to evolve to bring us closer in our efforts to prevent occupational accidents in ways that are more meticulous than ever. In addition, in line with our Health Management Declaration issued in July 2023, we are actively promoting various health measures for the workplace and employees.

## MITSUI E&S Group Plan on Health and Safety Management

### 1. Basic policy

We will achieve the followings by instilling a safety culture in each workplace and fostering human assets:  
 (1) Safety first principle, for manufacturing and engineering practices as top priority to safety  
 (2) Creating a comfortable workplace by proactively working on physical and mental health management

### 2. Targets

#### Safety Targets:

Deaths, serious injuries, or lost-worktime accidents:	0
Accident frequency rate:	0.6 or less (Goal: 5 or less accidents without lost-worktime)

#### Health Targets:

Work-related illnesses:	0
Non work-related injuries and illnesses:	Days off work frequency rate of 0.38% or less (Of which, mental health disorders are 0.11% or less)

### 3. High-priority issues

#### (1) Safety

① **Prevention of severe occupational accidents**  
 Based on lessons learned from past cases of severe occupational accidents (especially at our own workplaces), it is the responsibility of managers to implement and disseminate risk assessment (RA) to ensure that serious accidents do not happen again.

#### ② Thoroughly implement “facility maintenance and upkeep management.”

Ensure that periodic inspections are performed and that “preventive maintenance” to repair or replace equipment is thoroughly carried out. Maintain the surrounding facilities, equipment, and environment to ensure safe facility operation.

#### ③ Creating a Safe Working Environment

The health and safety manager is responsible for the workplace environment and for guiding safe work. Everyone in the workplace builds trust through good communication. Establish a safe working environment for both parties.

#### (2) Health

##### ① Promote health management

Think about health from a management perspective and understand health issues, strategically putting health management into practice.

##### ② Promote mental health care

Create a good place to work by promoting these 4 types of care: 1. Self-care, 2. Line-care, 3. Care from occupational health staff, and 4. Care from resources outside of the workplace.

##### ③ Promotion of “work-life balance” and measures to prevent overwork

Ensure the implementation of systems and measures to optimize working hours, and achieve a work-life balance by reducing mental and physical fatigue.

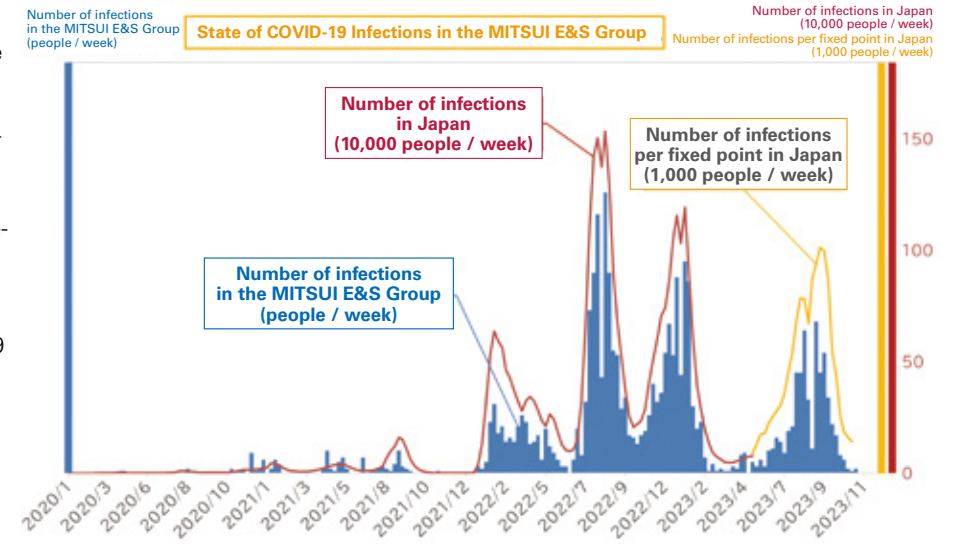
## MITSUI E&S Group Health Management Declaration

The MITSUI E&S Group accelerate the resolution of sustainability issues, climate change, population decline and diversity in consideration of employees’ health and safety, based on our mission “We build trust and contribute to society through our engineering and services”

We will promote efforts to maintain and improve the health of our employees so that the strengths of each individual can be the source of corporate vitality and maximized, and we will actively engage in health management to create healthy and comfortable workplaces.

## Initiatives to Deal with Infectious Diseases

Regarding measures to deal with COVID-19, even after the disease was reclassified as a Category 5 infectious disease, we have continued to monitor the number of cases and compared it to the number of infections in Japan to predict trends and implement preventive measures. In addition, in anticipation of the need to pay large amounts if an employee becomes infected with COVID-19 while traveling overseas on business, we take out insurance at the corporate level and otherwise endeavor to create an environment in which employees can work with peace of mind.



## Overseas Safety Initiatives

### • Safety Measures at Overseas Factories and Sites

At the factories and local overseas construction sites of MITSUI E&S Group subsidiaries located overseas, we have developed safety management systems in compliance with local laws. In the event of a major disaster or serious accident, MITSUI E&S receives reports, takes appropriate measures after determining the cause, and works to prevent similar incidents from happening again.

### • Safety Measures for Employees Traveling Overseas

#### (Initiatives to Ensure the Safety of Employees Stationed Overseas or on Overseas Business Trips)

The MITSUI E&S Group has established overseas work approval standards based on the overseas travel advice and warning levels issued by Japan’s Ministry of Foreign Affairs, and for travel to regions and countries with Level 3 and higher travel warnings in particular, approval from the corporate officer in charge is required, with the requirement that the safety of the traveling employee can be ensured.

In addition, employees of the MITSUI E&S Group traveling overseas are monitored using the company’s own Overseas Traveler Monitoring System, and when information is received about an emergency situation or sudden incident in an overseas destination, we confirm the safety of any employees traveling overseas in those locations and issue warnings to them, either directly or through their managers.

We are also contracted with outside companies to provide medical assistance and security assistance to employees traveling overseas and have put in place systems where employees and their accompanying family members can receive expert support in terms of medical care and safety while overseas, thus fulfilling our obligations to consider the safety of our employees while they are traveling overseas.

## Health Management Initiatives

To promote health management across the entire MITSUI E&S Group, the company (as the employer) is working together with the health insurance society to develop a variety of health promotion measures.

### • Utilization of periodic health checkup results

Based on the results of periodic health checkups, MITSUI E&S Group companies provide specific health guidance to employees at risk of any lifestyle-related diseases, and personal guidance to those individuals at high risk to prevent any increase in severity.

### • Mental health measures

We systematically conduct mental health training seminars, and stress checks, issue mental health news and hold interviews with counselors. The EAP service (Employee Assistance Program) provides health, mental health, and legal consultations 24 hours a day, by telephone, online, fax, and in person, with strict privacy. From 2023, we have added a second opinion service and a secondary examination arrangement service from the perspective of supporting the balance between illness treatment and work.



Mental health training sessions held at headquarters in 2022



Manufactured capital

# Supply chain management

Contributing to society through engineering and services, the MITSUI E&S Group works to fulfill its social responsibility by seeking coexistence and shared prosperity based on fair, equitable and transparent transactions with partner companies in the procurement of materials and parts, with the goal of providing sustainable products and services. We will advance digitalization for the visualization of our production and procurement processes and continually improve in cooperation with our partner companies, seeking to optimize our production processes.

## Initiatives for supply chain management

**• Build fair and equitable trust-based relationships**

MITSUI E&S has made the following declaration: As a basic principle, we fairly select business partners by providing all companies that desire to be our business partners with equal and fair opportunities for participation. Based on our thorough commitment to preventing corruption, we strive to build fair and equitable trust-based relationships with our partner companies. On April 1, 2023, we made a “Declaration of Partnership Building”.

**• Achieve a sustainable society**

Addressing the risks of overseas procurement today, our procurement of materials is based on a global perspective. We also are engaged in green procurement that considers the reduction of environmental impact in pursuit of a sustainable society.

**• Digital strategy**

We are pursuing the shift to smart factories through the construction of a digitally integrated platform that encompasses development, design, sales, procurement, manufacturing and other data. This will start with the improvement of data connections with partner companies.

Manufactured capital

# Quality control

As a corporate group that is trusted by people and contributes to society through its engineering and services, the MITSUI E&S Group aims to offer high-quality products. Always thinking from the customer’s perspective and acting quickly, we ensure that the specifications agreed upon with customers and all applicable laws, regulations and standards are met. Further, we operate a quality management system that enhances the quality of our manufacturing processes. We also develop and operate digital technologies such as failure prediction via remote monitoring systems and data analysis and drone-based inspections to maintain and improve quality during the use of a product.

## Initiatives for quality control

**• Quality management system**

Both Tamano Works and Oita Works have acquired ISO 9001 certification, are regularly reviewed and effectively and properly operate a quality management system.

**• Quality inspection and prevention of recurrence**

In the manufacturing stage, the design division leads continuing the activities to develop and establish the quality of products at an early stage. This involves, for example, the sharing of construction-related information and risks with the departments and companies involved to engage in array of verification activities beforehand. After product delivery, the after-sales service division takes the lead in the gathering of a variety of information about problems that occur after a product begins operation and the provision of feedback for upstream processes, mainly design. In this way, we implement a PDCA cycle as we strive to continually improve the quality of our products.

**• Digitalization of the monitoring of product operating conditions**

Our products can be equipped with systems to monitor their operating conditions. This enables users to analyze the monitoring data, predict failures before they occur, share data with our engineers and ensure they are able to quickly recover following a failure.

Natural capital

# Environmental Preservation

In 1999, the MITSUI E&S Group established the Environment Charter consisting of the Global Environment Philosophy and the Global Environmental Action Guidelines, and it has positioned the environment as an important part of the management of its business. Mid-Term Business Plan 2023 specifies the realization of a decarbonized society as a material issue as we accelerate efforts to conserve the global environment.

## MITSUI E&S Group Global Environmental Philosophy

The MITSUI E&S Group views protecting the global environment as one of the most important issues given to it by society. Through our corporate activities, we give care and consideration to maintaining human health and conserving the global environment, and seek to contribute to the creation of an affluent society that is in harmony with the environment.

## MITSUI E&S Group Global Environmental Action Guidelines

**1. Complying with Environmental Regulations and Reducing Environmental Impact**

The Group observes and complies with environment-related laws and agreements, etc., and creates its own voluntary standards where necessary. It also gives care and consideration to reducing the environmental impact at each stage of its business operations, from the research, development and design of its technologies and products to their production, distribution, use, and ultimate disposal as waste.

**2. Promoting of Resource Conservation, Energy Saving and Recycling, and Reducing of Waste**

The Group seeks to promote the conservation of resources, energy saving and recycling in all areas of its corporate activities, and endeavors to reduce waste output.

**3. Contributing to Environmental Conservation through the Development of New Technologies and Products**

The Group works proactively to develop technologies and products that contribute to environmental conservation, and to provide them to society.

**4. Caring and Consideration for the Environment in Overseas Business Activities**

The Group also gives sufficient care and consideration to environmental conservation in the countries where it is engaged in overseas business activities.

**5. Promoting PR Activities and Contributing to Social Activities**

In addition to engaging in proactive PR activities with regard to environmental conservation, the group also contributes to local communities and society as a whole through the provision of appropriate technologies and information.

**6. Raising Awareness through Environmental Education and Participating in Social Activities**

The Group seeks to increase employee awareness of environmental issues such as by providing environmental education and conducting internal PR activities. Through voluntary participation in environmental conservation activities, employees endeavor to build trusting relationships with local communities and wider society.

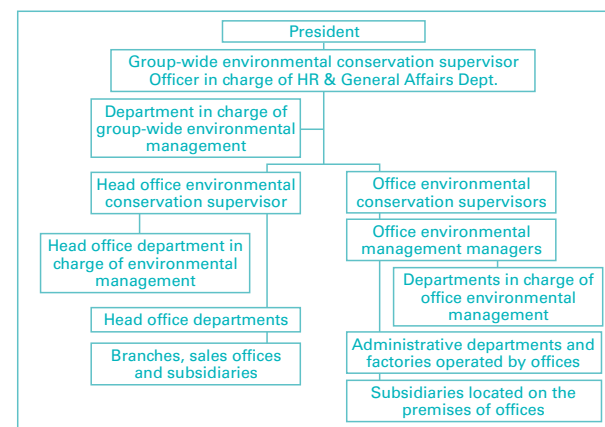
**7. Establishing an Environmental Administrative Organization and Building an Environmental Management System**

The Group endeavors to improve its environmental conservation efforts by establishing an environmental administrative organization, and by building and maintaining an environmental management system.

**8. Coordinating and Collaborating with Affiliate Companies**

The Group endeavors to instill its environmental philosophy and action guidelines at each of its affiliate companies, and promotes their comprehensive implementation, aiming to further increase the effectiveness of its environmental conservation activities.

## Environmental management system



## Improving the Environmental Management System

The Company acquired ISO 14001 certification at the Tamano Works in October 2000 and at the Chiba and Oita Works in September 2001. In FY2018 ('17/4-'18/3), all factory works moved to the ISO 14001:2015 standard.

Renewal inspections were conducted and certifications renewed at Tamano Works in August 2021 and Oita Works in July 2022.

Periodic surveillance is carried out at each factory works twice a year by an external auditing body, checking the operational conditions of the systems.



Renewal audit at the Oita Works

Natural capital

# Addressing Climate Change (Information Disclosure Based on the TCFD Recommendations)

The MITSUI E&S Group recognizes that climate change is an important social issue that needs to be solved. One of the characteristics of our core business is that the Group's products emit more CO2 when in use than during their manufacturer. In light of this reality, we identify the issue of climate change as one of our material issues, and endeavor to contribute to the realization of a decarbonized society by including climate change in our business issues and focusing on the development of products to help reduce CO2 emissions.

## Strategy

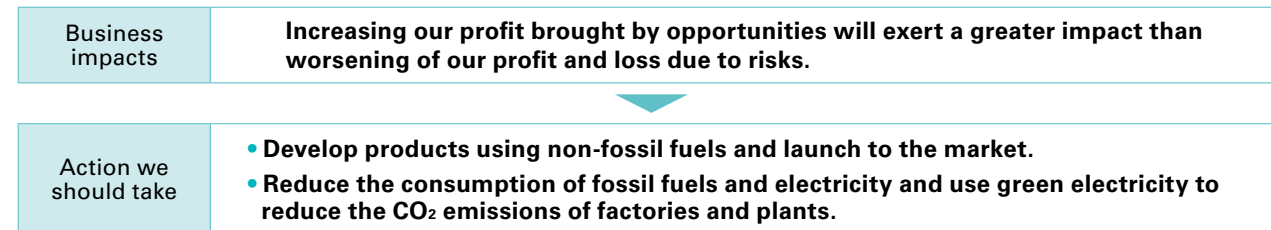
When formulating our 2023 Mid-Term Business Plan, we conducted a scenario analysis of risks and opportunities related to climate change, set material issues directly related to the business and management foundations of the MITSUI E&S Group, and incorporated those issues into our business strategy.

### 1-1 Results of Scenario Analysis

Scenario	Results	Impacts
2°C scenario	<ul style="list-style-type: none"> <li>Increase in manufacturing costs due to introduction of carbon tax, CO<sub>2</sub> emission regulations, etc. (risk)</li> <li>Increased demand for products that use non-fossil fuels due to the promotion of a shift to low carbon (opportunity)</li> </ul>	Increased risks < Increased opportunities
4°C scenario	<ul style="list-style-type: none"> <li>Failure to promote CO<sub>2</sub> emissions control and other related policies increases the severity of abnormal weather (risk)</li> <li>MITSUI E&amp;S has developed a BCP* and the risks are limited</li> </ul>	Limited

\* BCP : Business Continuity Plan

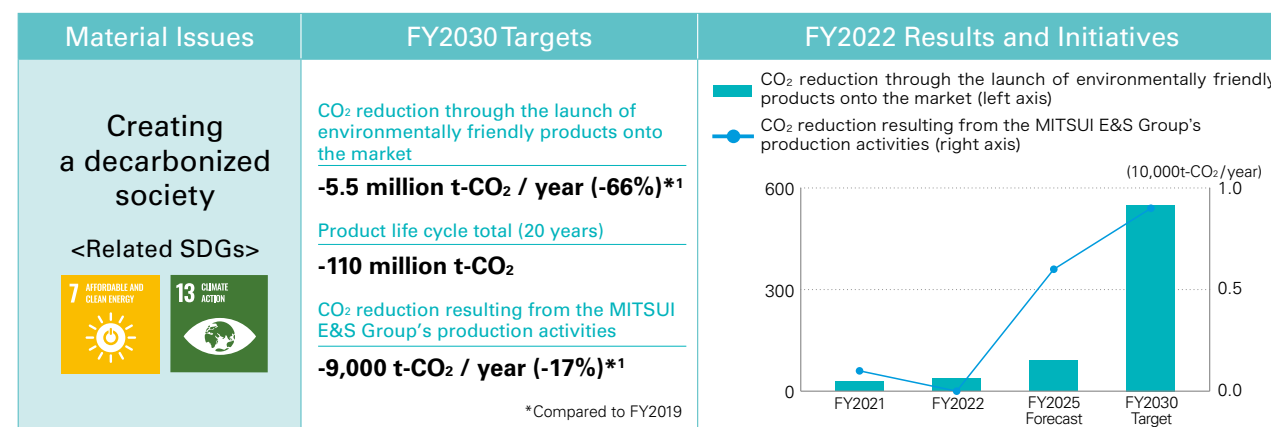
### 1-2 Business Impacts and Action We Should Take



### 1-3 Setting of Material Issues

Material Issues	Initiatives
Creating a decarbonized society	Development and sale of green fuel-fired marine engines and near-zero emission Transtainers
	Reduction of the CO <sub>2</sub> emissions of the production activities of the companies of the MITSUI E&S Group

## 2. Indicators and targets



Regarding indicators and targets, we are currently examining and reviewing them in line with the reality of our business.

## 3. Governance

We regard SDG-related risks including climate change as business risks, and endeavor to prevent those risks from materializing. We have established an ESG Control Committee chaired by the corporate officer in charge of the Corporate Planning Department. The committee monitors risks related to management including climate change-related issues, and reports any important matters to the Board of Directors.



## 4. Risk management

The aforementioned ESG Control Committee will take the steps below to follow up on the MITSUI E&S Group's efforts to address the material issues.

	Short- and mid-term		Long term
	Matters to follow up on	Follow up method	
1) Grasp of actual condition (annual CO <sub>2</sub> emissions reduction survey)	Progress in the development of low-carbon products	Comparison with the development schedule for the period of Mid-Term Business Plan 2023.	1) Conduct scenario reanalyses
	Reduction of the CO <sub>2</sub> emissions of the MITSUI E&S Group's products	Confirmed with data calculated from production horsepower, number of products sold, and fuel efficiency at the time of measurement during internal factory trial operation.	
	Reduction of the CO <sub>2</sub> emissions of the production activities of the companies of the MITSUI E&S Group	Check annual energy consumption.	2) Check if material issues need to be revised
2) Evaluation	Evaluate any deviation from fiscal year targets.		
3) Management	If any deficiencies are identified, notify the our operating divisions, our corporate divisions (Corporate Planning Dept. or HR & General Affairs Dept.) and the operating companies to formulate an improvement plan.		

## 5. Future challenges

To date, some issues have not been addressed in the information disclosed in line with the TCFD Recommendations.

- (1) Quantitative evaluation of financial risks
- (2) Calculating and collecting Scope 3 data and formulation and implementation of CO<sub>2</sub> reduction measures

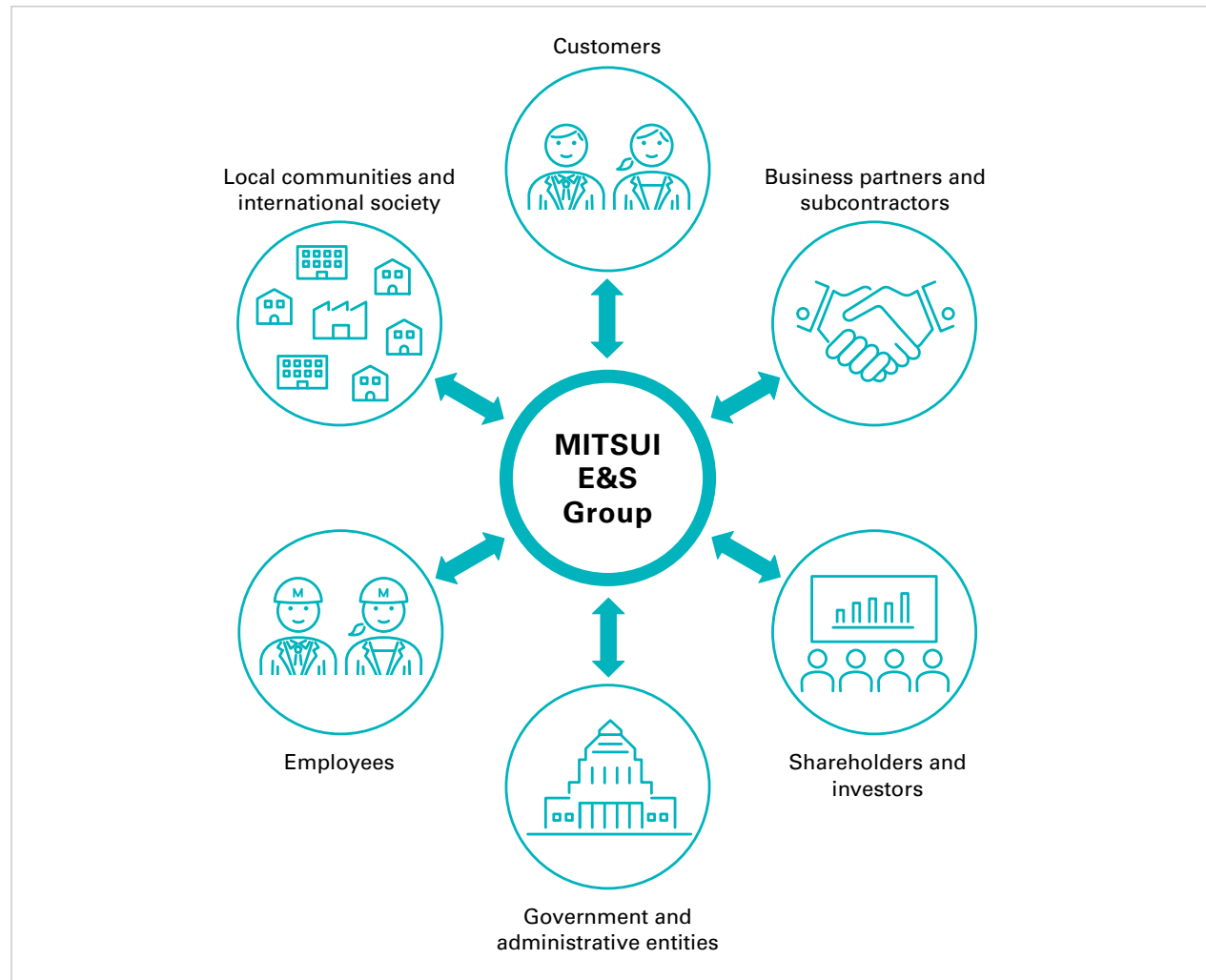
We will discuss measures to address these issues. Note that we plan to start calculating and collecting Scope 3 data starting FY2023.



Social and relationship capital

# Stakeholder Engagement

The MITSUI E&S Group defined its mission as “We build trust and contribute to society through our engineering and services.” To achieve our company mission, we engage in ongoing communication with various stakeholders, strive to foster understanding and trust toward the Group through appropriate information disclosures, and help to shape a sustainable society.



<b>Customers</b>	One of our management policies to support the mission is to “create new value together with customers.” We will contribute value creation for customers by understanding their latent needs and employing a market-in approach.
<b>Shareholders and investors</b>	MITSUI E&S regards IR activities as parts of long-term management and financial strategy by top management, and by proactively and fairly disclosing company information, we work to provide shareholders and investors with a more in-depth understanding of the business activities of the MITSUI E&S Group.
<b>Business partners</b>	We aim to provide high-quality products and services that are cost-competitive, and in the procurement of the materials and equipment that make up our products, we fulfill our social responsibility by ensuring co-existence and co-prosperity with business partners through fair trade with them.
<b>Local communities</b>	MITSUI E&S believes that communication with local communities is important and it seeks to create a sustainable society through the environmental conservation activities and CSR activities of our employees.

Social and relationship capital

# Contributing to Society and Local Communities

The MITSUI E&S Group believes that communication with local communities is important and it seeks to create a sustainable society through the environmental conservation activities of our employees and local CSR activities.

## Community Contribution Activities

### New industrial department established for nurturing engineering human resources in cooperation with Tamano City

Founded in Tamano City, Okayama Prefecture in 1917, the Company, working together with Tamano City, has developed the Tamano Human Resource Regional Development Project centered on the establishment of a new industrial department at Tamano Shoko (Commercial and Industrial) High School for the purpose of nurturing young people to support the manufacturing industry. In addition to providing funds for the establishment of the school’s mechanical engineering department, which was established in April 2018, Mitsui E&S provided a total of ¥100 million in support for training facilities and sending technical instructors, etc. Tamano City and the Company’s efforts in this project were highly praised with both recently receiving the Ministerial Commendation for Local Revitalization Support Tax System (hometown tax for enterprises) established by the Cabinet Office. The school’s mechanical engineering department is attracting attention as the first department in Japan to use a mechanical engineering training facility in a company, with students coming to learn not only from Tamano City but also from nearby Okayama and Kurashiki cities.



Practical training on the lathe

### Dispatching instructors to conduct work experience classes for elementary school students

As a work experience class for sixth-year elementary school students in the vicinity of the Tamano Factory, employees of MITSUI E&S Group companies served as instructors, introducing students to business-related activities including cause of failure investigations for mechanical components, the measurement of hazardous substances in the air, and noise measurement. At the Oita Works, our employees are also dispatched to junior high schools as instructors for young career advisors organized by Oita City. Four of our employees gave lectures at a total of six junior high schools in Oita City, and the students enjoyed learning about our business and work through quizzes at each lecture.



### Acceptance of elementary school students for factory tours

Elementary school students in the vicinity of the Tamano Factory are regularly accepted for factory tours.



### Participating in community cleanups

The Oita Factory designates each June as environment month, during which it conducts mass garbage collection activities. The Oita Factory continued these activities in FY2023, conducting community cleanup activities on the footpaths and median strips that run an industrial road in front of the factory, in addition to cleanup activities inside the factory premises.



Governance

# Corporate Governance

We redefined the Group's Company Philosophy and Vision in view of the quick shift to a sustainable society and other environmental changes. Based on this, we have established a system to enable transparent, fair, prompt, and decisive decision making, and are working to continuously improve and enhance our corporate governance.

<Our mission>

We build trust and contribute to society through our engineering and services

<Vision>

In the marine domain, we create a carbon-free society and resolve challenges induced by depopulation by 2030

<Management policy>

Create new value together with customers/ Seek a sound financial structure and steady profit/ Accelerate the resolution of sustainability issues

Regarding the improvement of corporate governance, we shall follow the principles below.

- (1) Ensure shareholders' substantial rights and the equality of shareholders
- (2) Properly collaborate with stakeholders, including shareholders
- (3) Ensure the appropriate and independent-minded disclosure of corporate information and transparency
- (4) Clarify the roles and responsibilities of the Board of Directors and the Audit and Supervisory Committee
- (5) Engage in dialogue with shareholders to facilitate sustainable growth and the enhancement of medium- and long-term corporate value

## Our FY2023 Corporate Governance Structure

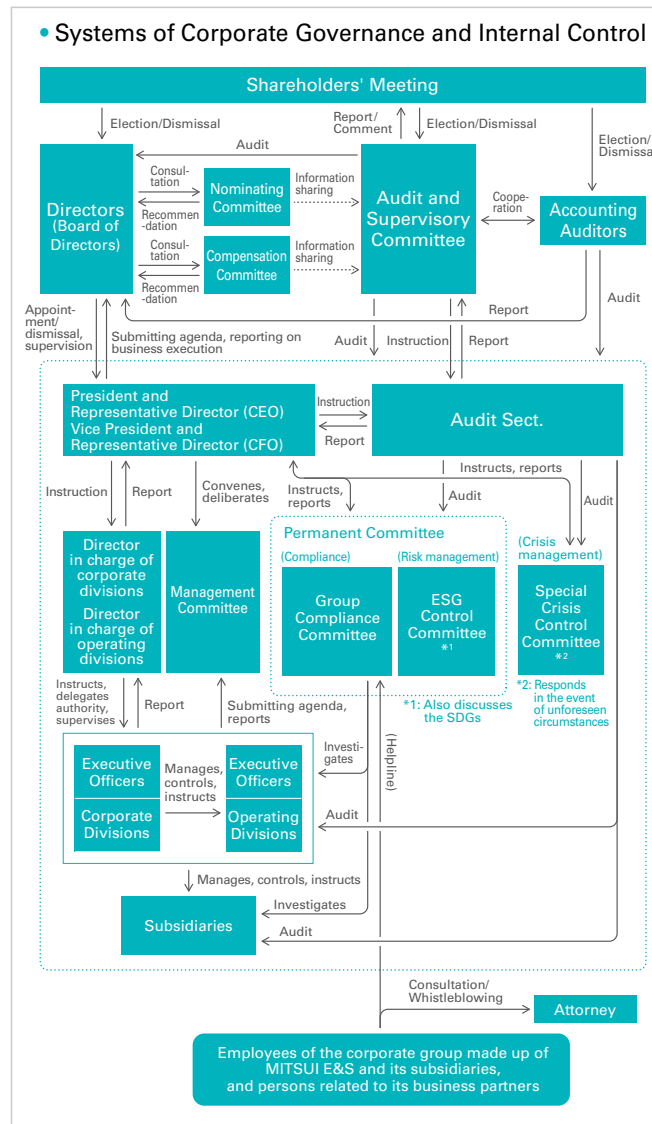
MITSUI E&S drove implementation of the Mitsui E&S Group Business Revival Plan formulated in 2019 to restore the financial base damaged due to large-scale losses in the past, and has managed to follow the plan through to completion. With the aim of speeding up the planning and execution of strategy by shortening the distance and integrating business operations with management, on April 1, 2023 the company eliminated its pure holding company structure and transitioned to an business holding company structure, and changed its corporate name to MITSUI E&S Co., Ltd. in the process.

In addition, to pursue sustainable improvements to the corporate value of the MITSUI E&S Group through the promotion of future growth strategy and management streamlining, we chose to adopt the structure of a company with an Audit and Supervisory Committee, with the following aims.

- (1) Shift to a compact management structure based on organizational consolidation and restructuring
- (2) Put in place an environment enabling management to engage in more in-depth discussions on matters of business strategy and projects that involve risk

MITSUI E&S transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee following approval for changes to its Articles of Incorporation at the 120th Ordinary General Meeting of Shareholders held on June 28, 2023.

We have also introduced an executive officer system to strengthen important decision making and supervisory functions in the Board of Directors and improve the efficiency of business execution. Under the system, executive officers appointed by the Board of Directors are delegated authority over business execution, and under the supervision of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the executive officers undertake their assigned responsibilities at the direction of the directors in charge of corporate divisions and directors in charge of operating divisions.



## Risk Management

MITSUI E&S systematically ascertains and assesses a variety of risks related to its overall management activities, practices total risk management to conduct business operations within appropriate risk-bearing limits, and promotes initiatives that span the MITSUI E&S Group under the ESG Control Committee, which is chaired by the corporate officer responsible for the Corporate Planning Dept.

For risks related to business operations, risk checks are performed by the related departments of the company based on internal regulations.

In accordance with the company's approval criteria, in the divisions of MITSUI E&G and major subsidiaries, each division and subsidiary conducts independent risk checks. Additionally, with regard to information security risks, working under the direction of the Chief Information Security Officer (CISO) the IT Control Sect. of the Corporate Planning Dept. plays a central role in formulating security policies, obtaining the latest information in coordination with outside organizations, monitoring networks and IT equipment, countering external attacks, and implementing specific measures including education and training. Also note that in the event of unforeseen circumstances, a swift response is initiated by the Special Crisis Control Committee, which is chaired by the Representative Director or a director responsible for the matter at hand.

## Evaluation of the effectiveness of the Board of Directors

This section describes the situation in FY2022, before the transition to a company with an Audit and Supervisory Committee was made on June 28, 2023.

We analyzed and evaluated the effectiveness of the Board of Directors as a whole in FY2022 by examining the opinions of outside directors and outside corporate auditors for the self-appraisal results of all directors and corporate auditors. In the analysis and review of the self-appraisals of all of the directors and corporate auditors, the Board of Directors analyzed and evaluated the results, directly responding to the outside organizations for the purpose of securing greater anonymity and considering the results reported.

### 1. Results of analysis and evaluation related to the effectiveness of the Board of Directors for FY2022

It is evaluated that generally, the Board of Directors operates properly and the effectiveness of the Board of Directors is largely ensured. In addition, compared with the previous fiscal year, the results show a trend of improvement overall, and active discussions by the small number of talented members of the Board of Directors are recognized to have become much more substantial. In the operation of the Board of Directors, we will continue with improvement efforts regarding deadlines for the submission of meeting materials which are designed to secure time for deliberation by having meetings run more smoothly and shorten overall meeting times, as these efforts have already shown some positive effects.

### 2. Issues raised in the analysis and evaluation of the effectiveness of the Board of Directors in FY2022

Based on the results of this analysis and evaluation, the Board has recognized the following items as issues to be addressed in the future, and will make renewed efforts at improvements.

- (1) The Board believes it is necessary to continue the discussion and consideration of the diversity of members of the Board of Directors, particularly in terms of aspects such as gender and internationality.
- (2) Regarding follow-ups on the progress of management plans (analysis, explanation to shareholders, reflection in subsequent plans), the Board recognizes that efforts to promote more in-depth discussions in future follow-ups to the Short-Term Business Plan 2023, etc. are an issue to be addressed.
- (3) The Board recognizes that there is a high level of interest in basic sustainability policies and efforts to improve such, such as ESG action and SDG initiatives, and believes there is a need to actively work on these issues.
- (4) Efforts to make improvements to the volume of meeting materials in the operation of the Board of Directors have been made, and the Board recognizes the need to continue promoting improvement measures.

### 3. Business performance in FY2022

FY2022 was a year in which the finishing touches were put on the Business Revival Plan, and measures to maintain adequate capital have been implemented.

While the business performance marked a significant improvement over the previous fiscal year, to further solidify the management structure, for its part the Board of Directors will engage in more in-depth discussions while working to enhance its supervisory functions, in order to create and expand new businesses and promote the further advancement of the marine and logistics businesses.



Governance

Officers



**Takeyuki Takahashi**

President, Representative Director  
CEO, CCO\*<sup>1</sup>,  
and in charge of General Control  
and Auditing & Legal Dept.



**Taketsune Matsumura**

Vice President, Representative  
Director  
Assistant to President, CFO\*<sup>2</sup>,  
CIO\*<sup>3</sup> and in charge of Corporate  
Services Div.\*<sup>4</sup>



**Ichiro Tanaka**

Director  
Assistant to President,  
and in charge of Business Div.\*<sup>5</sup>  
and Procurement Dept.  
General Manager of New Business  
Development Div.



**Haruyuki Nagata**

Director\*<sup>6</sup>



**Yuichi Shiomi**

Director, Full-time Audit and  
Supervisory Committee Member



**Koichi Tanaka**

Director\*<sup>6</sup> Audit and  
Supervisory Committee Member



**Koichi Kawasaki**

Director\*<sup>6</sup> Audit and  
Supervisory Committee Member

\*1 CCO : Chief Compliance Officer  
\*2 CFO : Chief Financial Officer  
\*3 CIO : Chief Information Officer  
\*4 Corporate Services Div.: Corporate Planning Dept., HR & General Affairs Dept.,  
Finance Dept., and Accounting Dept.  
\*5 Business Div.: Marine Propulsion Systems Div., Logistics Systems Div., New  
Business Development Div.  
\*6 Outside Director

• Skills and areas of expertise specifically expected from respective candidates for Directors

In selecting director candidates, we reach out to outside directors with abundant experience in other business categories to meet the needs of the times regarding diversity while securing a certain number of internal directors who are familiar with the MITSUI E&S Group's operations and business management. By doing so, we try to balance the knowledge, experience and skills of the Board of Directors as a whole and ensure their diversity. In particular, we expect that our directors are skilled and have specialized in the following six areas.

- (1) Corporate management (2) International experience (3) Financial affairs and M&A (4) Legal affairs and auditing (5) Marketing (6) Technology and IT

The table below visualizes, in a skill matrix, the areas in which each of the directors is expected to be particularly skilled and to have specialized in.

Name	Corporate management	International experience	Finance/ M&A	Legal affairs/ auditing	Marketing	Technologies/ IT
Takeyuki Takahashi	●	●		●	●	
Taketsune Matsumura	●	●	●			●
Ichiro Tanaka	●	●			●	●
Haruyuki Nagata	●		●	●		
Yuichi Shiomi	●		●	●		
Koichi Tanaka	●	●	●	●		
Koichi Kawasaki	●	●				●

\*The above does not show all of the knowledge possessed by the directors or corporate auditors.

• Executive Officer(effective June 28, 2023)

Fujihara Masaki	General Manager of Corporate Planning Dept.	Yusuke Sakimoto	General Manager of Marine Propulsion Systems Div.
Koichi Watanabe	General Manager of Finance Dept.	Takeshi Iizuka	General Manager of Tamano Factory and Tamano General Office
Masaharu Kawasaki	General Manager of HR & General Affairs Dept.	Teruyuki Yamashita	General Manager of Procurement Dept.
Ritsuko Senbon	General Manager of Audit & Legal Dept.		
Akihiko Akaeda	General Manager of Logistics Systems Div. and Oita Factory		

Governance

Compensation for Directors and Corporate Auditors

• Matters regarding policy for the determination of or the method for calculating directors' compensation, etc.

At the Board of Directors meeting held on March 25, 2021, the Board made a resolution on the policy for determining details regarding the compensation, etc. of individual directors, and in place of an advisory committee on compensation, on April 1, 2022 a non-statutory Compensation Committee was established. In conjunction with this, the details of the policy for determining compensation were partially amended by resolution of the Board of Directors on May 26, 2022. The Board of Directors also confirms that the methods for determining the details of compensation and the determined compensation, etc., for individual directors for the current fiscal year are consistent with the policy agreed by the Board of Directors, and that reports from the Compensation Committee are respected, and believes that compensation, etc. is in line with the policy.

Basic Policy

The basic policy is that compensation for the Company's Directors shall be a compensation system linked to shareholder returns to fully function as an incentive for the sustained enhancement of the corporate value and shall be set at an appropriate level in light of the job responsibilities of individual Directors when determining compensation for them. Specifically, compensation for full-time Directors consists of monthly compensation as fixed compensation, and performance-linked compensation (stock price-linked and profit-linked compensation). Outside Directors responsible for supervisory functions shall be paid only monthly compensation in light of their responsibilities.

• Total compensation, etc., for each classification of executives, and total compensation, etc., by compensation type and the number of eligible executives (FY2022 results)

Executive classification	Total compensation, etc. (million yen)	Total compensation, etc. (million yen)			Number of eligible executives (persons)
		Fixed compensation	Profit-linked compensation	Non-monetary compensation, etc. of the compensation at left	
Director (except outside directors)	110	110	-	-	4
Corporate auditor (except outside corporate auditors)	48	48	-	-	2
Outside officers	45	45	-	-	5
Total	203	203	-	-	11

(Note)

- The total compensation, etc. of directors does not include the employee salaries of the directors who are also employees.
- The 107th Ordinary General Meeting of Shareholders held on June 25, 2010 passed a resolution to limit the annual compensation directors to 630 million yen or less (excluding employee salaries) and to limit the annual compensation of corporate auditors to 90 million yen or less.
- At the 120th Ordinary General Meeting of Shareholders held on June 28, 2023, the Company resolved that the upper limit for compensation of directors (excluding directors who are members of the Audit and Supervisory Committee) is 320 million yen a year (excluding employee salaries), and the upper limit for compensation of directors who are Audit and Supervisory Committee members is 50 million yen a year.
- It was also resolved that the compensation of directors who are Audit and Supervisory Committee members is fixed compensation.
- The individual amounts of compensation for Audit and Supervisory Committee members is determined by discussion among the committee members, with the monthly compensation of directors who are not Audit and Supervisory Committee members serving as a reference.
- Stock price-linked compensation for directors in office is not included in the above amounts of compensation, etc.,. Outside directors are not eligible for stock price-linked compensation.
- The Board of Directors entrusts decisions regarding the monthly compensation of directors to the President and Representative Director Takeyuki Takahashi.
- This is because president is deemed to be the right person to appraise directors' performance while considering the company's overall situation.
- Preliminarily, the Compensation Committee checks the appropriateness of the decisions entrusted to the president.
- In addition to the above, six retired directors have been paid a stock price-linked compensation of 6 million yen during his or her time in office.

**governance**

# Message from Outside Director



**Holding more in-depth discussions at Board meetings with a more compact management team  
Implementing growth strategies and adopting a more offensive style of management**

Outside Director (Audit and Supervisory Committee Member)  
**Koichi Tanaka**

## Corporate governance

In 2018, the Group took steps to achieve management autonomy in each business domain and clarify responsibility by spinning off the Ship & Ocean Project segment, the Machinery & Systems segment and the Engineering segment into operating companies, reorganizing into a holding company structure and changing its name to Mitsui E&S Holdings Co., Ltd.

Through this reorganization, the Group aimed to clarify the challenges facing each business domain and to speed up decision-making with the delegation of authority. Initially, the Group adopted a structure whereby the President of each of the three operating companies concurrently served as Director of the holding company but it subsequently unlocked the interlocks and further clarified the affiliation and role of each Director.

Whilst sometimes struggling to strike a balance between the devolution of power to each operating company and the holding company's grasp on power, the Group has implemented a radical Business Revival Plan, transforming its business portfolio

through business alliances and M&A and improving its financial standing.

In April 1, 2023, with the end of plan implementation in sight, operating companies (Mitsui E&S Machinery and Mitsui E&S Business Service) were integrated back into MITSUI E&S to form a business holding company with the machinery business as its core business. The business holding company then made a fresh start under the new trade name MITSUI E&S Co., Ltd. Then in June, we also changed the design of the company's organs to expedite more in-depth discussions and transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. We also now have an effectively functioning Nomination Committee and Compensation Committee and we will aim for more fruitful Board meetings under the new structure to enable the Group to adapt more efficiently to the changing environment.

## Evaluation of effectiveness of the Board of Directors

Back in 2018, Board meetings consisted of a total of 14 members, 10 Directors and 4 Audit & Supervisory Board members; however, we have gradually sought to streamline meetings and now, as a company with an Audit & Supervisory Committee, we have a much more compact management team, having halved the number of Board members to 7 Directors (3 of whom are Audit & Supervisory Committee Members).

Meanwhile, lively discussions have been held from a company-wide perspective on matters such as our response to lossmaking construction projects overseas, business restructuring and the sale of businesses amounting to 120 billion yen and these discussions have steadily been translated into action. Generally

speaking, I think the overall effectiveness of the Board of Directors has been improved and secured. On the other hand, there is still room for improvement in areas such as timely information sharing and a great deal of consideration needs to be given to such improvements as well as to ensuring diversity. I myself am now in a new position, having switched from being an Audit & Supervisory Board Member to being a Director and Audit & Supervisory Committee Member with voting rights and, as one of the Company's Outside Directors, all of whom have different backgrounds, I intend to contribute to multifaceted discussions at Board meetings.

## Evaluation of the progress of Mid-Term Business Plan 2023 and my expectations

Mid-Term Business Plan 2023 (Mid-Term Business Plan through to March 31, 2026) announced last year reflects our determination to finish implementing the Business Revival Plan and to use this structural reform as a basis for beginning to implement growth strategies, that is, for shifting to a more offensive style of management.

The Business Revival Plan was completed last fiscal year; however, the business environment surrounding the company is constantly changing and hopefully, under our new HR system that encourages a challenging spirit, employees and officers will work together to increase added value, including pushing ahead

with engineering and services incidental to products. In addition to reinforcement of our technological and sales capabilities, enhancement of the corporate foundations that support them, such as legal affairs, finance and accounting, internal audits and HR, is also as important as ever. A healthy tension, including revenue optimization, balance-sheet conscious management and internal control, will create a better company. Action on climate change, the environment and social issues is also a mission we take seriously. I recognize that appropriate capital investment, the utilization of M&A, and a cash flow conscious management approach will also be vital.

**Governance**

# Compliance

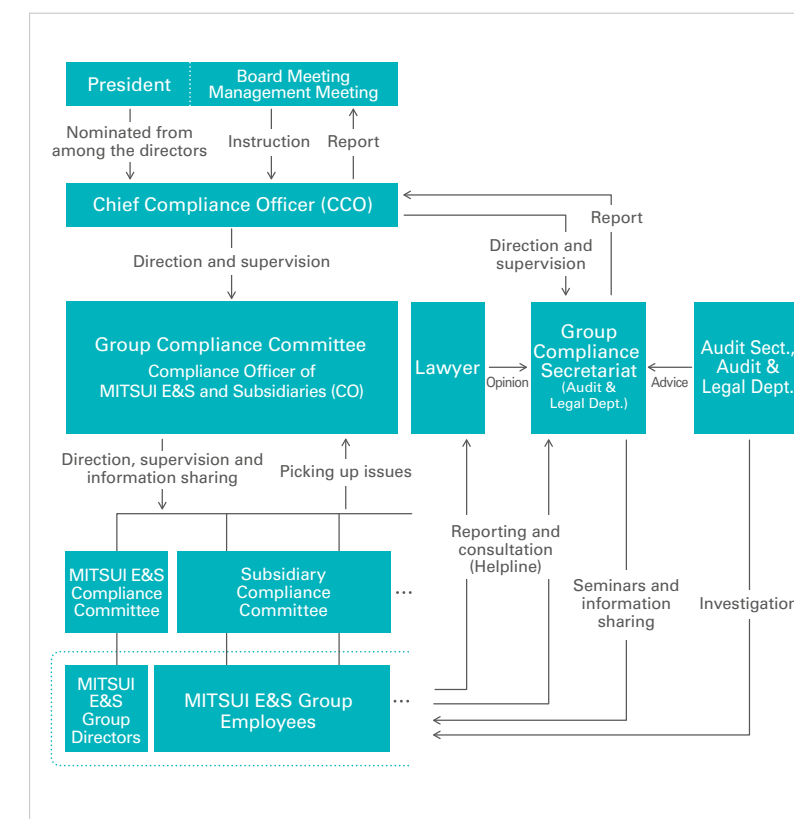
We position compliance as one of our most important management issues. All of our executives and employees are aware of the social responsibilities of the corporation and act in accordance with the Corporate Code of Conduct which was formulated with the goal of ensuring a compliance-based perspective in all situations in our business activities. In this way, we live up to the expectations and demands of many different stakeholders.

## Compliance structure

We have a Group Compliance Committee chaired by the Chief Compliance Officer appointed from among the directors of MITSUI E&S. The Committee is an organization that ensures that compliance measures are sufficiently known throughout the corporate group and that supervises the group for the compliance measures. The Committee also monitors and raises awareness regarding compliance with antitrust laws.

Based on the Group Compliance Management Regulations, the Group Compliance Committee met twice in FY2022 to exchange information in a cross-sectional manner throughout the corporate group with the goal of strengthening the compliance of the Company and its subsidiaries.

### • Compliance system



## Initiatives for encouraging compliance

### • Compliance with the Corporate Code of Conduct

Copies of the Corporate Code of Conduct are distributed to all executives and employees of the corporate group consisting of MITSUI E&S and its domestic subsidiaries. Further, structurally we enable each employee to refer to guidebooks and examples at any time in their work every day. The English version of the Corporate Code of Conduct is distributed to our overseas subsidiaries and, in accordance with the local situation, we talk with the presidents of the subsidiaries about their compliance systems and the status of their implementation of compliance.

### • Helpline (internal whistleblowing system)

In order to detect legal violations and other compliance issues at an early stage, we have established a helpline (internal reporting system) so that all executives and employees of the Company and its subsidiaries, as well as their business partners, may directly seek advice or report any issue. Based on our rules regarding the system for reporting compliance issues in accordance with the Whistleblower Protection Act, we will respond appropriately in the event of any reports.

### • Compliance training

We conduct compliance training for new employees and other MITSUI E&S Group's employees, and provide employees of the Company and its subsidiaries with e-learning on compliance. In this way, we continue education and awareness-raising activities for the executives and employees of the Company and its subsidiaries.

### • Number of employees who participated in compliance training

FY2018	FY2019	FY2020	FY2021	FY2022
489	1,547	2,016	4,040	5,357



## Message from Executive Officer



**Establishing audit and legal operations that will contribute to growth strategies and risk hedging  
Expecting diverse employees, including women, to play active roles!**

Executive Officer, General Manager of Audit & Legal Dept.  
**Ritsuko Senbon**

### Challenges facing auditing and legal divisions

The mission of audit and legal divisions is primarily to establish auditing and legal operations that contribute to growth strategies and risk hedging. Over the past few years, the MITSUI E&S Group has been reeling from large project losses and caught up in transforming its business portfolio; however, now that there is light at the end of the tunnel, it has entered the phase of getting growth strategies on track. The Group is often placed in a difficult position when negotiating order contracts. And there are times when, to get its growth strategies on track, the Group advances into new business areas and is confronted with unknown risks. Nonetheless, to avoid incurring large losses like those incurred in the past, the Group must insist on appropriate contract terms and if it fails to secure these terms, it must properly project the worst-case risk and decide whether to

proceed on this basis. By visualizing the legal knowledge required in such scenarios and making it available to the relevant people, I will strengthen our preventative law and litigation capabilities more than ever before. Meanwhile, our Audit divisions will carry out internal audits that contribute to management in order to earn the trust of our stakeholders. Lately, there has been much discussion on the subject of knowledge management in corporate legal affairs, with claims that audit and legal operations will be done by AI in the future. However, I believe that analysis and judgments based on the specific circumstances of each case have to be left to human beings for the foreseeable future and I intend to develop auditing and legal operations that can support the Group's business in such an era.

### My impression of the Group's corporate culture

I joined the MITSUI E&S Group as a mid-career professional after practicing as a lawyer at a law firm that dealt with maritime cases, corporate legal affairs and domestic and international contract disputes. Since joining the Group, I have been involved in contracts and dispute resolution, compliance operations, and shareholder meeting and board meeting operations. I feel the Group's corporate culture is down-to-

earth, honest and persevering and that employees have more free rein than at other companies. While these qualities can be positive, the Group has a great many modest employees and I sometimes think it should do more to present its hard-won technologies, knowledge and ideas to stakeholders. Also, for some work situations that might be challenging for a woman, I feel that people often offer help in casual manner.

### The Group's first female Executive Director

The MITSUI E&S Group does not have many female employees but I believe that a high proportion of them are talented women who are capable of doing indispensable operations on their own initiative. I became an Executive Officer due to the Group's current status and the nature of its operations but there are many other female employees who are also

suited to the role of director and I hope that they will "go for it" I would also like to see all current employees and all individuals who join the Group in the future, regardless of their gender or nationality, given the free rein to play an active part in the Group, as there are many opportunities to become actively involved in diverse operations.

## New Business Development

**Main products and services** Compressors, blowers, process equipment, manipulators, after-sales services, etc.

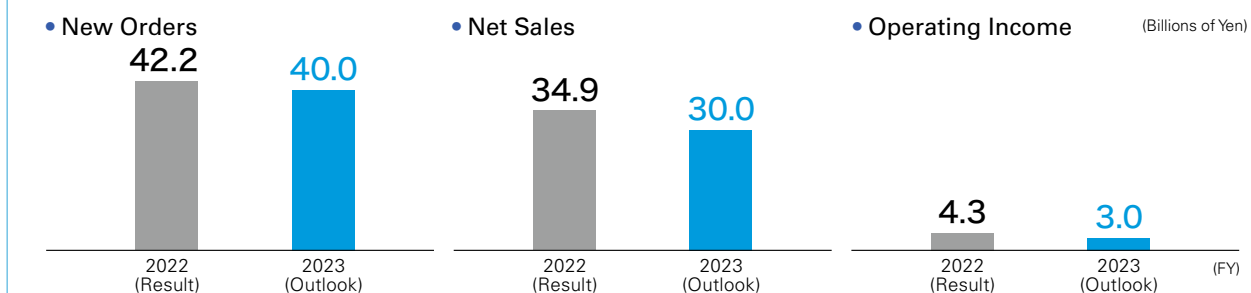


### FY2022 Overview

The business environment for industrial machinery remained challenging for reciprocating compressors as well as axial compressors and top pressure recovery turbines for steel mills. However, orders remained solid mainly in process equipment, where we received orders for large projects from domestic customers with proven track records and orders for special equipment, an area in which we excel.

Going forward, we strengthen our efforts in the hydrogen-related market to respond to the trend toward rapid decarbonization in the industrial world. Regarding the solutions business, in addition to radars, manipulators and robotics, we focused on hydraulic model testing equipment such as large wave generators, large mobile structures, and equipment and machinery.

### Results



## Marine Propulsion Systems

**Main products and services** Marine engines, after-sales services

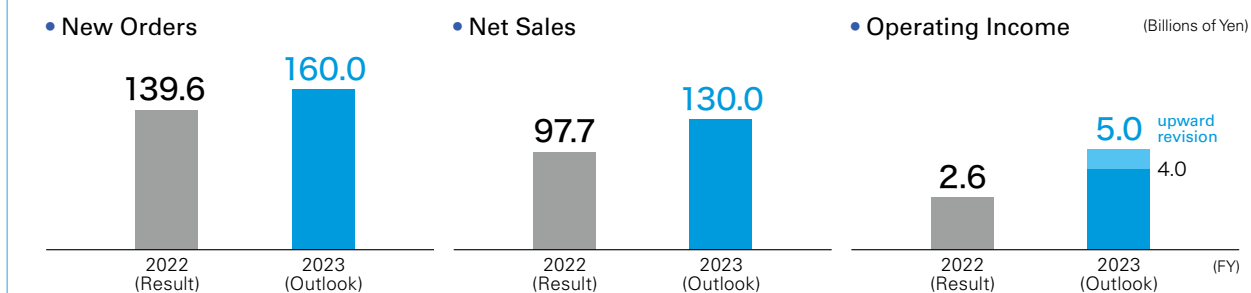


### FY2022 Overview

The environment for marine engine orders is recovering, with production of 136 units/2.83 million horsepower in FY2022 and 160 units/3.25 million horsepower expected in FY2023. In addition, orders and inquiries for dual-fuel engines including methanol-fuel ones are growing rapidly, and we have begun to expand our facilities to handle these demands. We are also proceeding the proactive research and development on ammonia-fuelled engines.

Going forward, we leverage the benefits of taking over the marine large bore engine businesses of IHI Power Systems Co., Ltd. to create synergies through a double licensing structure for MAN B&W engines and WinGD engines. After-sales services are performing strongly, with positive factors such as depreciation of the yen and demand for regulatory compliance for vessels in service.

### Results



## Logistics Systems

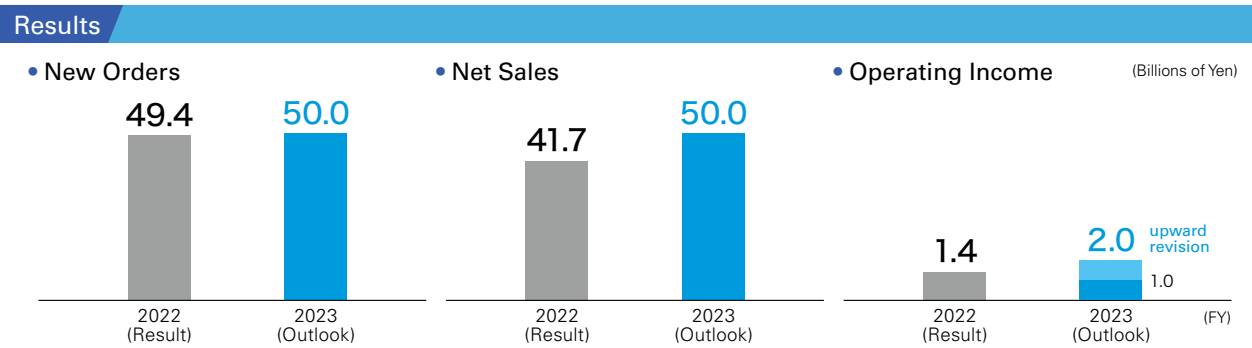
**Main products and services** Port cranes, after-sales service



### FY2022 Overview

With regard to cranes, overseas orders have remained strong due to continued orders especially for large projects in Southeast Asia. Domestic demands have also been strong for new construction and expansion of existing facilities as well as renewal of existing facilities due to aging. We also succeeded with demonstration testing of the world's first zero emission Transtainer (a Transtainer driven by hydrogen fuel cell power packs) in a joint project with the New Energy and Industrial Technology Development Organi-

zation (NEDO), and will accelerate the future commercialization of the technology. In the area of after-sales services, overseas performance has shown a recovery trend due to high willingness to invest in repairs of cargo handling equipment, and domestic performance was also strong thanks to close sales efforts. In the future we will promote expanded sales of new services such as drone-based inspection and crane remote monitoring.



## Peripheral Businesses

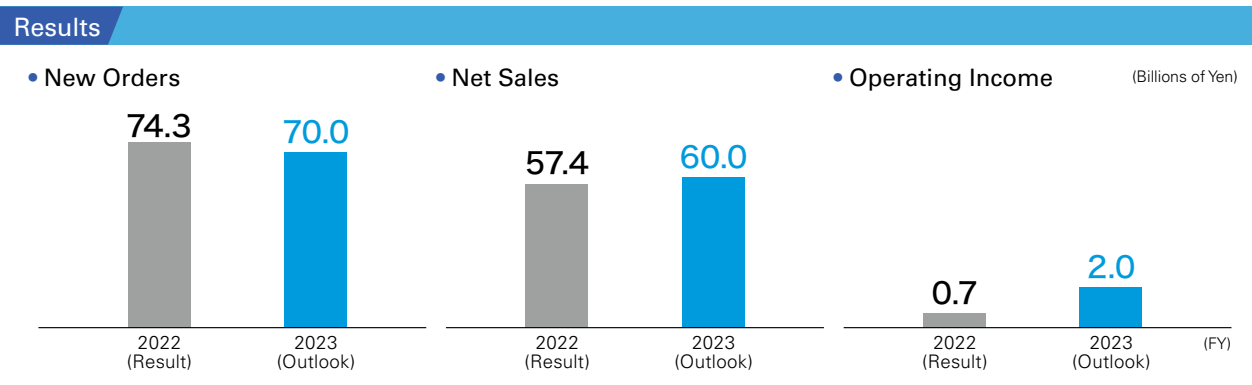
**Main products and services** Information and communication-related equipment, system development, gas-related engineering business, stationary diesel power plant, steel structures, ship blocks, mechanical and electrical equipment maintenance business



### FY2022 Overview

In the peripheral businesses, each subsidiaries achieved strong results overall. In the system development business in particular, the scale of the marine engine control system business has expanded mainly due to the recovery in marine engine production. The IT infrastructure-related business also performed well, including the building of development platforms for the automotive

industry. Additionally, in the steel structures and ship block manufacturing business, both orders and sales were solid. This was mainly resulted from large orders for steel structures for caissons or naval vessels, as well as equipment orders from Ministry of Defense.



## Ocean Development

**Main products and services** Design, construction, installation, sale, lease, charter, operation, etc. of floating offshore oil and gas production facilities



### FY2022 Overview

Crude oil prices temporarily rose to the low USD 120-per-barrel range due to the perception that supply shortages would intensify, triggered by the EU's introduction of an embargo on Russian crude oil, but later fell to the USD 70-per-barrel range due to the growing perception that energy demand would decrease because of a downturn in the Chinese economy and concerns about an economic recession caused by monetary tightening in major developed countries. As a result, while coexisting with the trend toward decarbon-

ization, maintaining a stable energy supply remains an important issue, and deep-water oil field development projects by oil companies are expected to continue, with stable growth expected for large projects in Ultra-deepwater, an area in which our Group has an advantage. Since Ocean Development consists of affiliates accounted for using equity-method, it does not affect orders received, net sales and operating income.

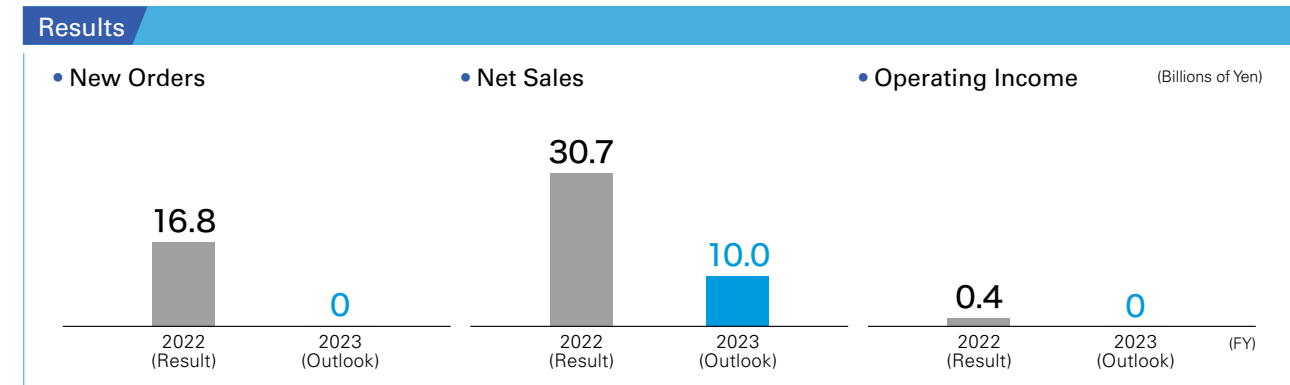
## Others

**Main products and services** Overseas civil engineering construction projects, ships, design engineering service of ships, etc.

### FY2022 Overview

Regarding civil engineering construction projects for thermal power plants in the Republic of Indonesia, the customer has begun commercial operation of the power plants. The remaining work is limited to parts that do not directly affect its operation, and is being carried out in an orderly manner that accommodates commercial operation. As a result of the settlement of costs with related companies and the conclusion of forward foreign exchange contracts, we are now able to conclude that the uncertainties have been resolved.

Since Mitsui E&S Shipbuilding Co., Ltd. and its two subsidiaries became affiliates accounted for using equity-method from the third quarter of FY2022 due to a decrease in equity interest, orders received, net sales, and operating income (loss) are recognized only through the first half of FY2022 when they were consolidated subsidiaries.

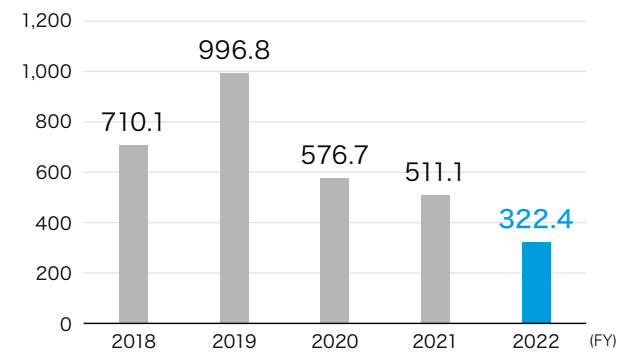




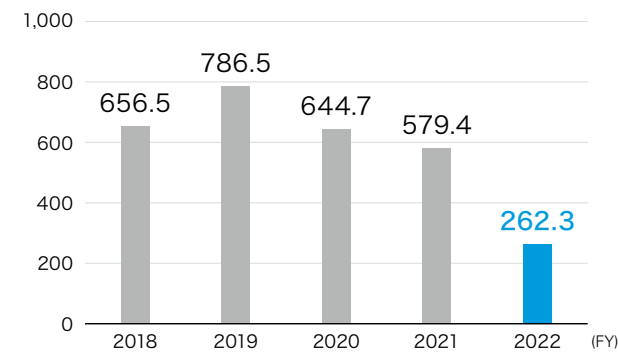
# Financial / Non-financial Highlights

## Financial Highlights

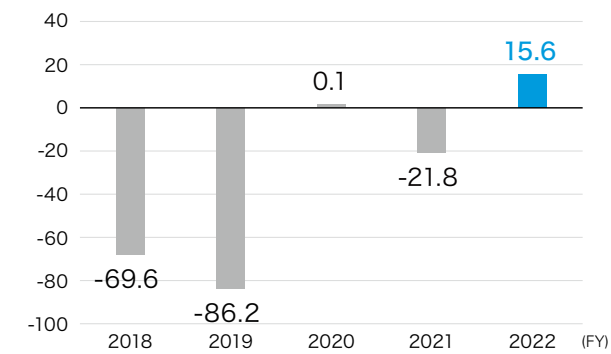
**New Orders** (Billions of Yen)



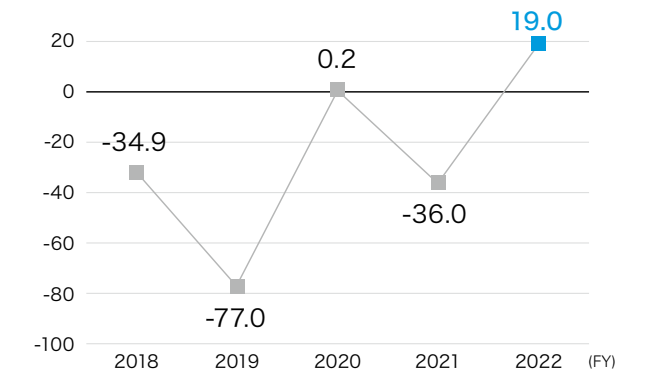
**Net Sales** (Billions of Yen)



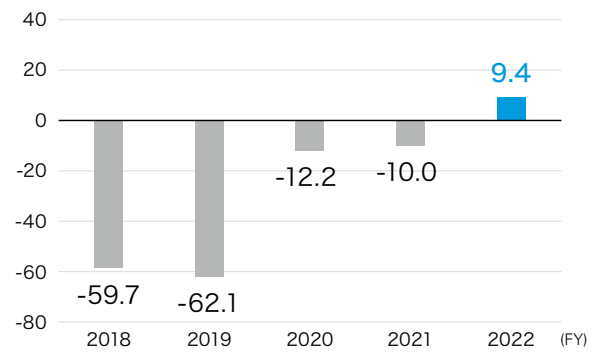
**Net Income** (Billions of Yen)



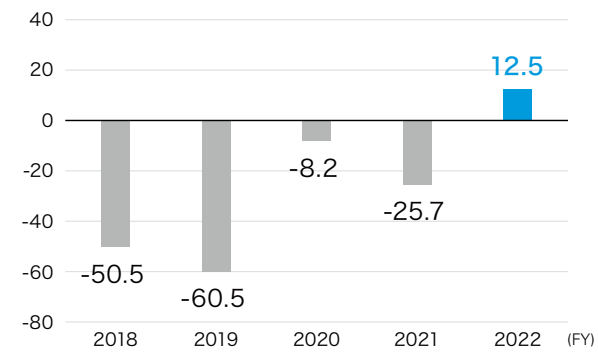
**ROE (Return on Equity)** (%)



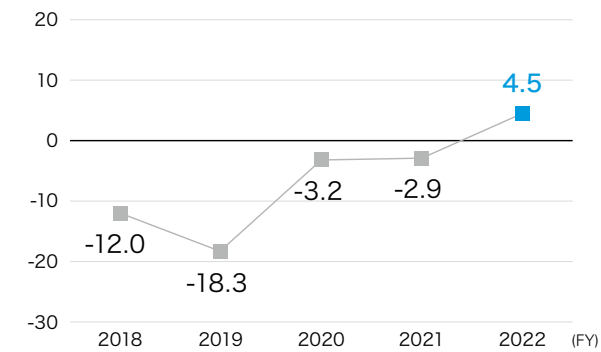
**Operating Income** (Billions of Yen)



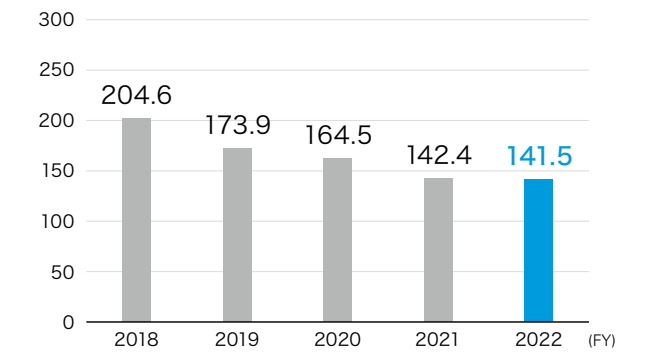
**Ordinary Income** (Billions of Yen)



**ROIC (Return on Invested Capital)** (%)

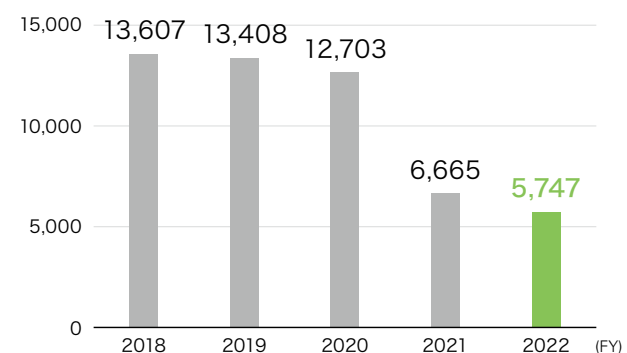


**Interest-bearing Debt** (Billions of Yen)

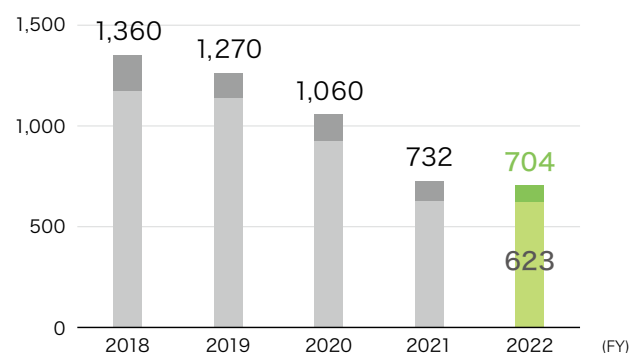


## Non-financial Highlights

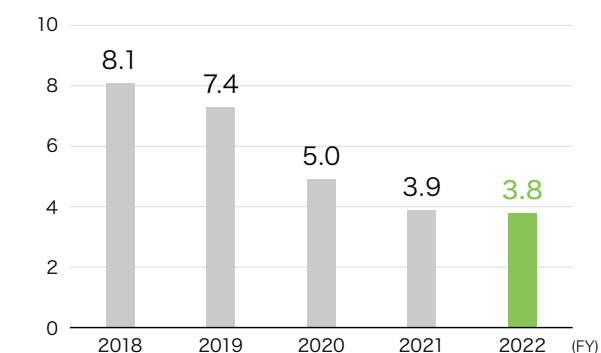
**Employees (Consolidated)** (People)



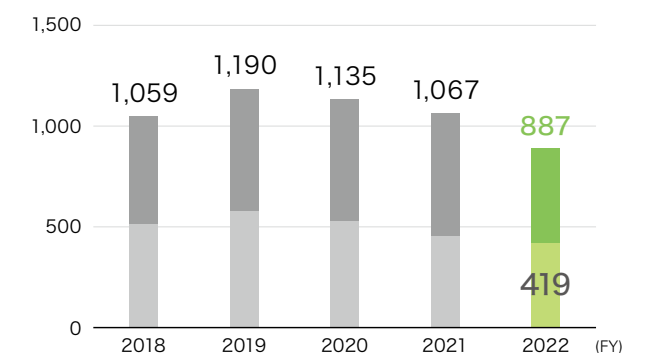
**Total energy consumption\*1** (TJ)\*3



**CO<sub>2</sub> emissions\*1,2** (10,000 t)



**Water consumption\*1** (1,000m<sup>3</sup>)



\*1 Figures for Total energy consumption, CO<sub>2</sub> emissions and water consumption come from main domestic factories of MES (Tamano, Oita and Chiba) \*2 Calculation of CO<sub>2</sub> emission follows the 'Guidelines on Supply Chain Greenhouse Gas Emission Accounting' issued by the Ministry of the Environment. CO<sub>2</sub> emissions from electric power were calculated by using the adjusted CO<sub>2</sub> emission factor for each electric provider, which was also announced by the Ministry of the Environment. \*3 TJ: Tera Joule (=10<sup>12</sup>J)

# 11-Year Financial Performance

(Millions of Yen)

(FY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Financial Results</b>											
New Orders Received	662,556	1,107,750	959,784	609,621	516,577	1,160,662	710,127	996,848	576,668	511,089	322,351
Net Sales	577,093	670,067	816,520	805,413	731,464	703,216	656,504	786,477	644,686	579,363	262,301
Operating Income (loss)	24,001	19,969	13,298	11,813	8,304	(5,224)	(59,703)	(62,079)	(12,243)	(10,029)	9,376
Ordinary Income(loss)	26,162	26,179	14,899	15,078	14,859	3,061	(50,502)	(60,457)	(8,223)	(25,742)	12,532
Net Income(loss)*1	(8,207)	42,854	9,463	7,599	12,194	(10,137)	(69,599)	(86,210)	134	(21,825)	15,554
<b>Cash Flow</b>											
Operating Cash Flow	47,182	14,499	15,167	29,802	(7,843)	(3,555)	66,176	(37,213)	7,478	(20,265)	(15,043)
Investing Cash Flow	(12,100)	(37,312)	(32,385)	(34,599)	(28,753)	(9,046)	(130)	84,125	21,115	(70,923)	(2,999)
Free Cash Flow	35,081	(22,813)	(17,218)	(4,797)	(36,596)	(12,602)	66,045	46,912	28,593	(91,189)	(18,043)
Financing Cash Flow	(4,793)	15,531	(4,374)	48,216	19,401	(14,813)	(53,340)	(26,825)	(6,813)	806	9,515
Cash and Cash Equivalents	106,192	111,926	94,664	135,747	115,620	86,311	97,408	116,691	135,482	50,818	43,468
<b>Financial Position</b>											
Net Assets	207,313	323,608	347,305	343,853	367,608	356,837	280,239	105,355	88,480	62,949	110,686
Total Assets	660,397	932,896	1,074,563	1,094,042	1,096,735	1,029,222	999,100	840,380	759,029	409,150	439,959
Interest-bearing Debt*2	148,257	187,833	188,314	239,873	265,176	255,276	204,617	173,934	164,531	142,374	141,547
<b>Per Share Information(yen)*3</b>											
Earnings per share*4	(99.14)	517.98	116.26	94.03	150.87	(125.42)	(861.09)	(1,066.47)	1.67	(269.94)	177.47
Net Assets per share	2,122.39	2,666.42	2,928.59	2,904.80	3,097.79	2,958.83	1,973.91	796.36	793.54	706.06	1,107.02
Dividends per share	30.00	20.00	20.00	40.00	30.00	-	-	-	-	-	3.00
Closing price at the fiscal year end	1,660	2,180	2,050	1,680	1,720	1,730	1,044	521	557	366	417
<b>Key Financial Indicator</b>											
Shareholders' Equity to Total Assets (%)	26.6	23.6	22.0	21.5	22.8	23.2	16.0	7.7	8.5	14.0	24.2
ROE (Return of Equity) (%)	(4.6)	21.6	4.1	3.2	5.0	(4.1)	(34.9)	(77.0)	0.2	(36.0)	19.0

\*1 Profit (losses) attributable to owners of parent

\*2 Borrowings + Bonds payable

\*3 The Company consolidated every 10 shares into 1 share with an effective date of October 1, 2017. Per Share Information before FY2017 has been calculated on the assumption that the said share consolidation was conducted at the beginning of each fiscal year.

\*4 Net income (loss) per share (after adjustment for consolidation of shares)



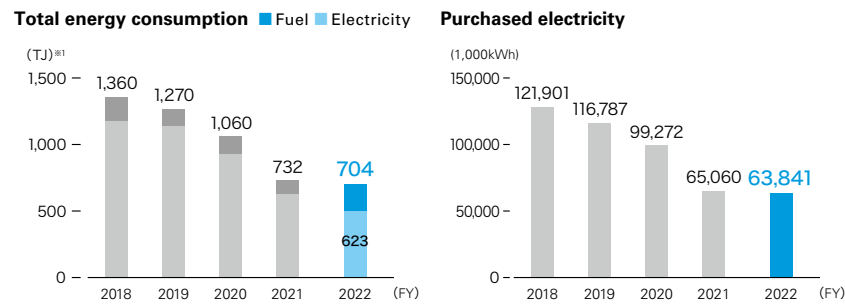
# Non-Financial Key Data

## Environmental

**Sources** The following data are from our major domestic works (Tamano Works, Oita Factory and Chiba Works). Data from other sources are specified wherever applicable.

### Energy consumption and CO<sub>2</sub> emissions

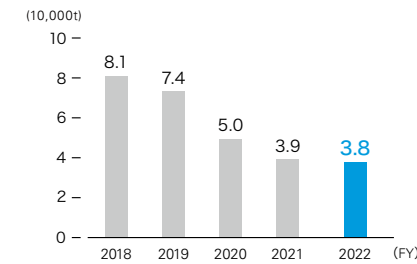
The data depicts change of our performance over time in terms of the environmental indicators of Mitsui E&S Holdings. The reform of our business structure has compressed our production system, which has impacted us. These actions combined with the replacement of welding machines and lights with energy-saving LED lighting, and the electricity contract change of main office's to green power led to a nearly 4% decrease of our total energy consumption in fiscal 2022 YOY. CO<sub>2</sub> emissions were reduced nearly 4% YOY.



\*1 TJ: Tera Joule (=10<sup>12</sup>J)

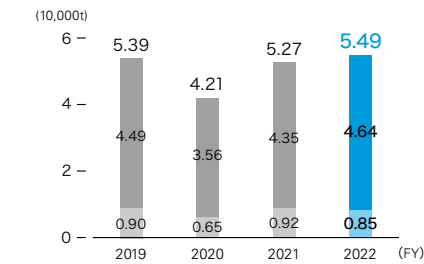
### CO<sub>2</sub> emissions<sup>#2</sup>

Domestic main factories



### CO<sub>2</sub> emissions<sup>#2</sup>

Scope1 and 2 emissions from the Machinery business have been calculated<sup>#3</sup>

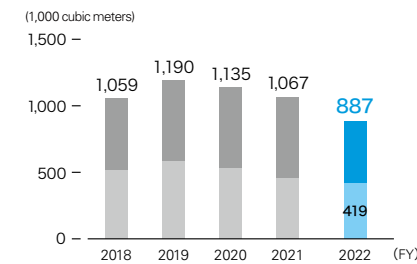


\*2 CO<sub>2</sub> emissions were calculated by following the Guidelines for Calculating Corporate Greenhouse Gases Emissions issued by the Ministry of the Environment. CO<sub>2</sub> emissions from electric power were calculated by using the adjusted CO<sub>2</sub> emission coefficient for designated electric enterprises that was also published by the Ministry of the Environment.

\*3 Emissions from each business site related to the machinery business of the Company and major domestic group companies. Scope1: Direct emissions from combustion of fuel, etc. Scope2: Indirect emissions from use of electricity, etc.

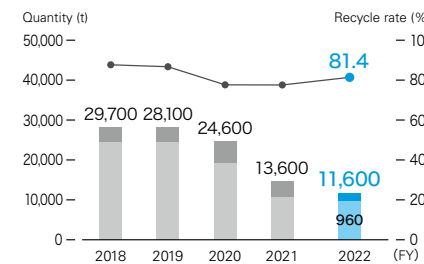
### Water consumption

Service water Industrial water

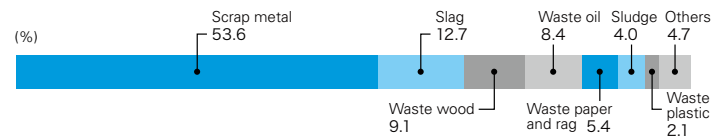


### Total waste amount and recycle rate

Recycled amount Disposed amount



### Breakdown of waste



### Environmental preservation cost (= sum of investment and cost: 1,293 million yen) (JPY million)

Categories corresponding to business activities	Investment	Cost	Major initiatives and effects
1. Business Area Cost			
(1) Pollution prevention cost	-	80.2	Exhaust gas measures, Wastewater treatment, Soil contamination countermeasures, Noise countermeasures, etc.
(2) Global environmental conservation cost	23.5	88.5	Substitution to energy-saving equipment
(3) Resource circulation cost	-	-65.7	Waste treatment, Recycle
2. Upstream / downstream cost	-	-0.2	Green purchasing
3. Administration cost	-	62.7	Environmental management system implementation, Factory greening, Integrated reports, Environmental education
4. Research & development cost	191.2	910.6	Development of various environmentally friendly products
5. Social activity cost	-	1.8	Road cleaning, Activities of the Environmental Conservation Association, Green donation, Seminar sponsorship, etc.
6. Environmental remediation cost	-	-	
<b>Total</b>	<b>214.7</b>	<b>1,077.9</b>	

### Water consumption

The graph shows our consumption of service water over the last five years. We use clean water (pure water) and industrial water (recycled water). We worked to conserve water throughout fiscal 2022 and, as a result, our total consumption of clean water and industrial water dropped nearly 17% YOY.

### Amount of waste generated and waste recycling rate

The illegal dumping of industrial waste has become a major social issue and we do everything to fulfill our responsibility as a waste generator. We rigorously control manifests and visit waste disposers regularly to conduct on-site inspections. More importantly, we are thoroughly committed to the segregated collection and recycling of waste to reduce the amount of waste. The graph to the right shows the amounts of waste we generated and our waste recycling rates over the last five years and a breakdown of waste in fiscal 2022. By changing our business structure, we worked to compress our production system and reduce our generation of waste. As a result, we reduced waste generation by nearly 15% YOY. At the same time, advances in slag, papers and cloth scraps recycling achieved an approx. 2.8% increase in the recycling rate, increasing it to 81.4%. We will stay committed to reducing the amount of waste we generate and increasing the waste recycling rate. Further, we will continue our rigorous control to ensure the proper disposal of waste.

### Environmental management data

Investments and costs related to its environmental preservation efforts that MES spent was 1,292.6 million yen in total. The environmental preservation cost categories are based on the Environmental Conservation Cost Categories in the Environmental Accounting Guidelines 2005.

## Human capital

**Sources** Figures through FY2022 cover five companies: Mitsui E&S Holdings, Mitsui E&S Shipbuilding, Mitsui E&S Machinery, Mitsui E&S Engineering and Mitsui E&S Business Service. Data from other sources are specified wherever applicable.

### Ratio of male employees to female employees and average years of service

	Unit	2019	2020	2021	2022	2023
Number of employees	People	3,640	3,591	3,044	2,346	2,188
Male	People	3,373	3,315	2,848	2,178	2,042
Percentage of employees that are male	%	92.7	92.3	93.6	92.8	93.3
Average years of service for men	Years	14.1	14.3	14.2	14.5	13.5
Female	People	267	276	196	168	146
Percentages of female employees	%	7.3	7.7	6.4	7.2	6.7
Average years of service for women	Years	11.9	11.9	12.3	12.8	10.8

\*Scope of coverage: Figures for FY2023 after integration of the three companies \*Figures as of April 1 of each year

### Ratio of men to women by age group

	Unit	2019	2020	2021	2022	2023	
Under 30	Total	1,096	1,035	853	598	563	
	Number of men	1,037	963	790	547	513	
	Percentage of employees that are male	%	94.6	93.0	92.6	91.5	91.1
	Number of women	59	72	63	51	50	
30 - 39	Total	1,139	1,182	1,036	774	724	
	Number of men	1,076	1,131	996	742	700	
	Percentage of employees that are male	%	94.5	95.7	96.1	95.9	96.7
	Number of women	63	51	40	32	24	
40 - 49	Total	880	850	727	572	505	
	Number of men	810	777	674	525	469	
	Percentage of employees that are male	%	92.0	91.4	92.7	91.8	92.9
	Number of women	70	73	53	47	36	
50 - 59	Total	525	524	428	402	396	
	Number of men	450	444	388	364	360	
	Percentage of employees that are male	%	85.7	84.7	90.7	90.5	90.9
	Number of women	75	80	40	38	36	

\*Scope of coverage: Figures for FY2023 after integration of the three companies

### Number of new graduate recruits

	Scope	Unit	2019	2020	2021	2022	2023
Number of employees	Non-consolidated/ all job types	People	82	116	69	48	60
Male		People	72	103	63	45	53
Female		People	10	13	6	3	7
Ratio of female hires		%	12.2	11.2	8.7	6.3	11.7
Number of administrative staff recruits		People	19	20	9	2	9
Number of administrative staff recruits that are women		People	9	9	4	0	4
Percentage of administrative staff recruits that are women		%	47.4	45.0	44.4	0.0	44.4
Number of engineer recruits		People	31	50	33	31	32
Number of engineer recruits that are women		People	0	3	1	1	3
Percentage of engineer recruits that are women		%	0.0	6.0	3.0	3.2	9.4
Number of administrative staff / engineer recruits	Non-consolidated/ administrative/ technical staff	People	50	70	42	33	41
Number of administrative staff / engineer recruits that are women		People	9	12	5	1	7
Percentage of administrative staff / engineer recruits that are women		%	18.0	17.1	11.9	3.0	17.1
Number of administrative staff / engineer recruits that are non-Japanese		People	6	17	7	7	2
Percentage of administrative staff / engineer recruits that are non-Japanese		%	12.0	24.3	16.7	21.2	4.9
Number of skilled workers recruits		People	32	46	27	15	19
Number of skilled workers recruits that are women	People	1	1	1	0	0	

\*Scope of coverage: Figures for FY2023 after integration of the three companies

## Non-Financial Key Data

### Number of mid-career recruits

(FY)

	Unit	2018	2019	2020	2021	2022
Male	People	36	69	38	20	38
Female	People	18	16	9	4	4
Total	People	54	85	47	24	42

### Number and percentage of employees with disabilities

(FY)

	Unit	2018	2019	2020	2021	2022	
Mitsui E&S Holdings	Number of workers used to calculate the statutory number of employment of people with disabilities	People	176.5	169	49	49	2,319
	Number of employees	People	2	2	1	1	41
	Employment ratio	%	1.13	1.18	2.04	2.04	1.77
Mitsui E&S Shipbuilding	Number of workers used to calculate the statutory number of employment of people with disabilities	People	2,012.5	2,112.5	2,180	2,145	-
	Number of employees	People	46	48	50	44	-
	Employment ratio	%	2.29	2.27	2.29	2.05	-
Mitsui E&S Machinery	Number of workers used to calculate the statutory number of employment of people with disabilities	People	134.5	91	100.5	112.5	-
	Number of employees	People	3	1	1	1	-
	Employment ratio	%	2.23	1.10	1.00	0.89	-
Mitsui E&S Engineering	Number of workers used to calculate the statutory number of employment of people with disabilities	People	4,105	3,912.5	3,297.5	2,519	2,319
	Number of employees	People	86	84	75	51	41
	Employment ratio	%	2.10	2.15	2.27	2.02	1.77
Mitsui E&S Business Service	Number of workers used to calculate the statutory number of employment of people with disabilities	People	103.5	134.5	91	100.5	112.5
	Number of employees	People	2	3	1	1	1
	Employment ratio	%	1.93	2.23	1.10	1.00	0.89
Total	Number of workers used to calculate the statutory number of employment of people with disabilities	People	4,375	4,105	3,912.5	3,297.5	2,519
	Number of employees	People	92	86	84	75	51
	Employment ratio	%	2.10	2.10	2.15	2.27	2.02

\*Figures as of June 1 of each year

### Monthly average overtime hours

(FY)

	Unit	2018	2019	2020	2021	2022
Monthly average overtime hours	Hours	26.1	26.7	21.6	21.0	22.1

\*Except managerial-level employees

### Average number of annual paid leave days used

(FY)

	Unit	2018	2019	2020	2021	2022
Average number of annual paid leave days used	Days	17.4	17.9	19.2	18.2	20.0

\*Except managerial-level employees

### Frequency rate of lost-worktime accidents

(FY)

	Unit	2018	2019	2020	2021	2022
MITSUI E&S Group	%	0.22	0.24	0.3	0.15	0.28
Manufacturers <sup>1</sup>	%	1.20	1.20	1.21	1.31	1.25
The Shipbuilders' Association of Japan <sup>2</sup>	%	0.86	1.00	1.13	0.80	0.75

\*1 Occupational accident statistics of Japan Advanced Information Center of Safety and Health \*2 Statistic data from The Shipbuilders' Association of Japan

### Number of employees taking childcare leave

(FY)

	Unit	2018	2019	2020	2021	2022
Male	People	2	3	5	14	25
Female	People	19	22	8	19	4

### Number of employees taking caregiving leave and volunteering leave

(FY)

	Unit	2018	2019	2020	2021	2022
Male	People	6	2	2	3	3
Female	People	0	1	2	1	0

### Total number of training session attendees and duration of session

(FY)

		Unit	2018	2019	2020	2021	2022
Introductory training for new employees	Number of attendees	People	184	155	225	141	101
	Duration	Hours	7,644	6,768	9,544	3,736	2,832
Self management and team building training	Number of attendees	People	Not held	Not held	Not held	103	62
	Duration	Hours				1,648	1,240
Section management training	Number of attendees	People	68	77	52	53	45
	Duration	Hours	3,264	3,696	1,664	1,696	1,440
Senior management training (biennial)	Number of attendees	People	-	16	-	10	-
	Duration	Hours	-	1,792	-	1,040	-
Business skills training							(FY)
Marketing fundamentals	Number of attendees	People	Not held	31	14	23	16
	Duration	Hours		434	196	322	224
Strategic planning	Number of attendees	People	Not held	35	28	26	21
	Duration	Hours		490	392	364	294
Strategic negotiation skills	Number of attendees	People	Not held	13	4	29	41
	Duration	Hours		182	56	406	574
Problem solving and decision making	Number of attendees	People	50	19	7	53	48
	Duration	Hours	700	266	98	742	672
Global communication training	Number of attendees	People	44	38	Not held	25	28
	Duration	Hours	616	532		350	392

### Technical training

(FY)

		Unit	2018	2019	2020	2021	2022
Lecture-type technical training	Number of attendees	People	106	297	151	234	127
	Number of courses	courses	16	17	12	17	14
e-learning (technical and skill improvement courses)	Number of attendees	People	153	138	177	135	85



## Company Profile (As of March 31, 2023)

Company Name	MITSUI E&S Co., Ltd.	Number of shares authorized to be issued	150,000,000 Shares Common Stock 150,000,000 Shares Class A preferred share 18,000,000 Shares
Head Office Location	6-4, Tsukiji 5-Chome, Chuo-ku, Tokyo 104-8439, Japan	Number of outstanding shares	89,737,117 Shares Common Stock 89,737,117 Shares Class A preferred share 18,000,000 Shares (Capital stock ¥3,829,616,968)
Founded in	November 14, 1917	Number of shareholders	Common Stock 48,928 Class A preferred share 1
Established in	July 31, 1937		
Capital	¥3,829 million		
Employees	5,747 (Consolidated)		

## Stock and Bonds

### Shareholding situation by each category of shareholders

	Number of shareholders	Number of Shares Held	Shareholding Ratio (%)
Financial institutions	39	22,782,899	25.4
Stock companies	56	2,976,010	3.3
Corporations other than financial institutions or stock companies	361	11,282,384	12.6
Foreign nationals	245	20,796,406	23.2
Individuals, etc.	48,227	31,899,418	35.5

### Major 10 shareholders

#### 1) Common Stock

Name	Number of Shares' Held (Thousand Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,619	13.27
Imabari Shipbuilding Co., Ltd.	3,864	4.41
Custody Bank of Japan, Ltd. (Trust Account)	3,306	3.77
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	2,986	3.41
Mitsui & Co., Ltd.	2,550	2.91
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE CLIENTS NON-TREATY ACCOUNT	2,386	2.72
Custody Bank of Japan, Ltd. (Trust Account for the retirement allowance for Sumitomo Mitsui Trust Bank, Limited)	2,331	2.66
Toshiaki Ootake	2,270	2.59
TAIJU LIFE INSURANCE COMPANY LIMITED	1,600	1.82
CITIBANK HONG KONG PBG CLIENTS H.K.	1,448	1.65

Notes:

- The Company owns 2,239,251 shares of treasury stock which is excluded from the major shareholders listed above. The treasury stock includes 400 shares that are not actually owned by the Company, although they are in the name of the Company on the shareholder registry.
- The shareholding ratio is calculated excluding treasury stock.
- Company shares held by Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. Retirement Benefit Trust Account) are the retirement benefit trust assets entrusted by Sumitomo Mitsui Trust Bank, Limited.

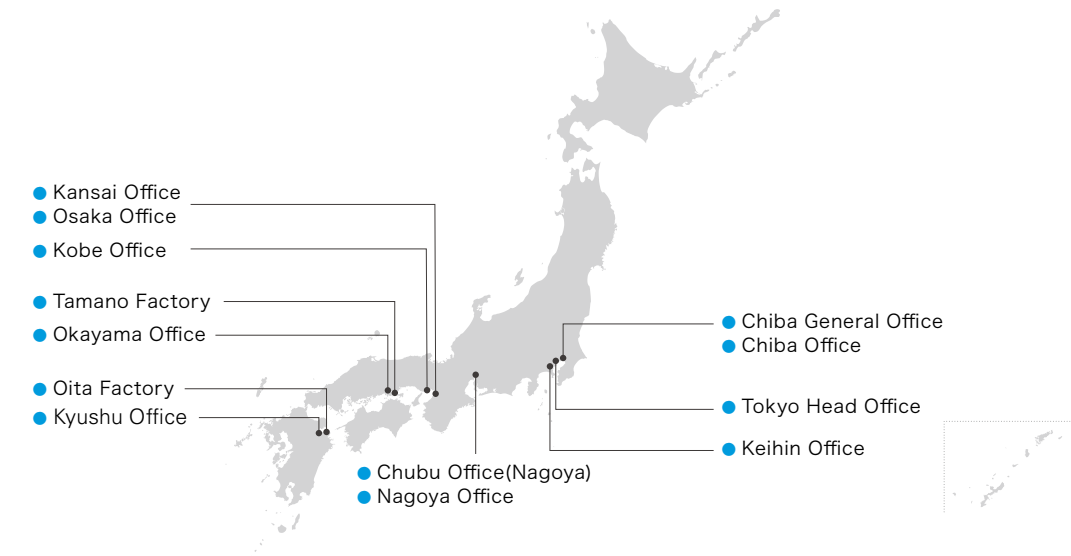
#### 2) Class A preferred share

Name	Number of Shares' Held (Thousand Shares)	Shareholding Ratio (%)
SMBC Capital Partners Co., Ltd. Investment Limited Partnership 1,	18,000	100.00

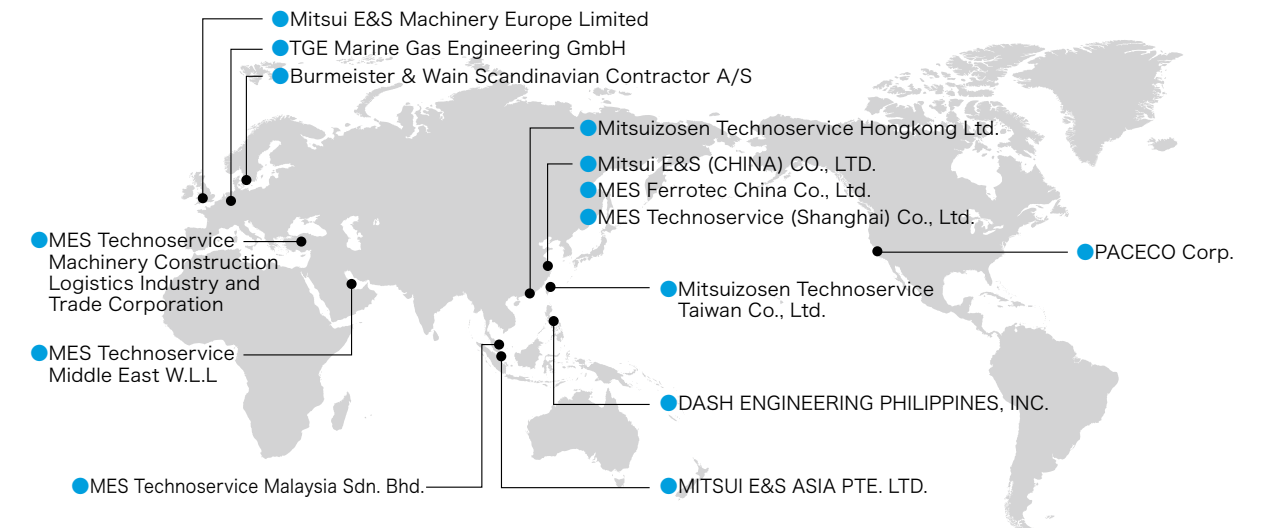
\* Class A preferred shares are preferred shares and have no voting rights.

## Offices and Works

### Domestic



### Overseas



### Major group company

#### Domestic

Mitsui E&S Engineering Co., Ltd.  
Mitsui E&S Systems Research Inc.  
MODEC, Inc.  
KAJI TECHNOLOGY CORPORATION  
Akishima Laboratories (Mitsui Zosen) Inc.  
MES TOKKI & ENGINEERING CO., LTD.  
Mitsui E&S DU Co., Ltd.  
Mitsui E&S Power Systems Co., Ltd.  
MITSUI MEEHANITE METAL CO.,LTD.  
SANZO MANUFACTURING & CONSTRUCTION CO. LTD.  
Mitsui E&S Technical Research Co., Ltd.  
AZUMA MACHINERY CO.,LTD.

#### Overseas

Burmeister & Wain Scandinavian Contractor A/S  
Mitsui E&S (CHINA) CO., LTD.  
MITSUI E&S ASIA PTE. LTD.  
DASH ENGINEERING PHILIPPINES, INC.  
TGE Marine Gas Engineering GmbH  
Mitsui E&S Machinery Europe Limited  
MES Ferrotec China Co., Ltd.  
MES Technoservice (Shanghai) Co., Ltd.  
Mitsui Zosen Technoservice Hongkong Ltd.  
Mitsui Zosen Technoservice Taiwan Co., Ltd.  
MES Technoservice Middle East W.L.L.  
MES Technoservice Machinery Construction Logistics Industry and Trade Corporation  
MES Technoservice Malaysia Sdn. Bhd.  
PACECO Corp.

