

September 28, 2015

Notice of Acquisition of Shares in TGE Marine AG

On September 28, 2015, the Board of Directors of Mitsui Engineering and Shipbuilding Co., Ltd. ("MES") has approved the acquisition of 99.36% of the outstanding ordinary shares in TGE Marine AG ("TGE") from Caledonia Investments plc, Gasfin Investment S.A. and Dr. Küver GbR, the partnership belonging to the CEO of TGE. TGE will be a consolidated subsidiary of MES post-acquisition.

1. Purpose of Acquisition

With the demand for small-to-medium sized carriers for liquefied natural gas ("LNG"), ethane and ethylene gas ("LEG"), and liquefied petroleum gas ("LPG") expected to increase in the foreseeable future, MES is currently engaged in the development and sale of medium sized multi-gas carriers (neo-GC). In addition, with tightening environmental regulations and increasing focus on environmentally friendly marine fuel, MES has been engaging in the development and sale of electronically-controlled dual fuel gas injection diesel engine ("ME-GI") and high-pressure compressors for fuel gas supply systems ("FGSS") that can use not just heavy oil, but also natural gas as fuel.

TGE, headquartered in Bonn, Germany, is an engineering, procurement, and construction supervision provider that, among many services, designs type-C pressurized gas tanks and gas handling systems, procures raw materials and components, and supervises construction for small-to-medium sized gas carriers. TGE already boasts strong market positions in both the small LNG carrier and small ethylene carrier markets, with more than 50% share in each market, and in the LPG carrier market, with approximately 30% share. In addition, TGE is expanding its business in the engineering and construction supervision of FGSS and floating storage & regasification unit for LNG ("FSRU").

As such, the technology and the engineering and construction know-how, along with the strong customer bases at both MES and TGE are expected to be highly compatible with each other and by bringing all of this together, MES believes the two companies will be able to establish excellent market position in the global small-to-medium sized gas carrier market and offer high value-added solutions to their customers. Furthermore, MES offering its core gas fuel products, such as engines and high-pressure compressors, is expected to produce significant synergies with TGE's FGSS.

As TGE is of significant strategic importance to achieving the mid-to-long term growth strategy for the MES group and will be an integral driver to increasing enterprise value, the Board of Directors of MES has approved this acquisition.

2. Transaction Overview

On September 28, 2015, MES is to acquire 1,209,489 ordinary shares in TGE from TGE's main shareholders for a total consideration of approximately €164 million (approximately ¥22 billion). From this acquisition, MES will have 99.36% ownership in TGE (on voting power basis).

MES will acquire the TGE ordinary shares listed above via a special purpose vehicle ("SPV"), which will be incorporated by MES for the sole purpose of acquiring these TGE ordinary shares.

In addition, after closing of this transaction, MES will conduct the necessary procedures under German law to make TGE a 100% consolidated subsidiary.

Note: This press release assumes a €1 = ¥135 conversation rate.