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Notice Regarding Recording of Gains on Sale of Affiliate Shares (on Non-Consolidated Basis)

Mitsui E&S Co., Ltd. (the “Company”) hereby announces that it expects to submit an Extraordinary Report, in connection with its sale of affiliate shares that was resolved at the Board of Directors’ meeting held today, to report an event which may have an effect on the Company’s non-consolidated financial statements as set forth in Article 19.(2).(xii) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Summary of the Extraordinary Report to Be Submitted

The Company expects to record gains of approximately 5 billion yen on the sale of its shares in affiliate SOFEC, Inc. (“SOFEC”) to SOFEC as extraordinary gains in its non-consolidated financial statements for the fiscal year ending March 2025.

SOFEC is a subsidiary of MODEC International, Inc., a U.S. subsidiary of MODEC, Inc. (“MODEC”), which is an affiliate of the Company, and provides services related to the design, construction, and installation of various mooring systems including FPSOs. Since SOFEC holds key fundamental technologies in FPSOs, the Company has decided to transfer its shares in SOFEC to MODEC to strengthen the business of the MODEC group. As a result, SOFEC will become a wholly owned subsidiary of MODEC International, Inc.

The gains on sale will be partially eliminated in the consolidated financial statements and the impact on the consolidated results of the Company will be negligible.