

MITSUI E&S Rolling Vision 2025

~ Revised concept for our mid- and long-term plan ~



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MITSUI E&S Co., Ltd.

M **MITSUI E&S**

株式会社三井E&S

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1. MITSUI E&S Group Management Concept

MITSUI E&S Engineering & Services for Evolution & Sustainability

➤ Our mission

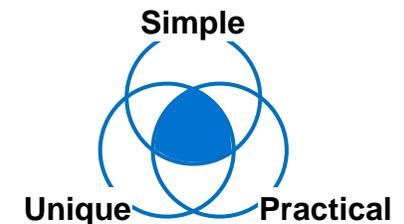
We build trust and contribute to society through our engineering and services.
Implement resolute management in core business domains

➤ Vision in 2030

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

➤ 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

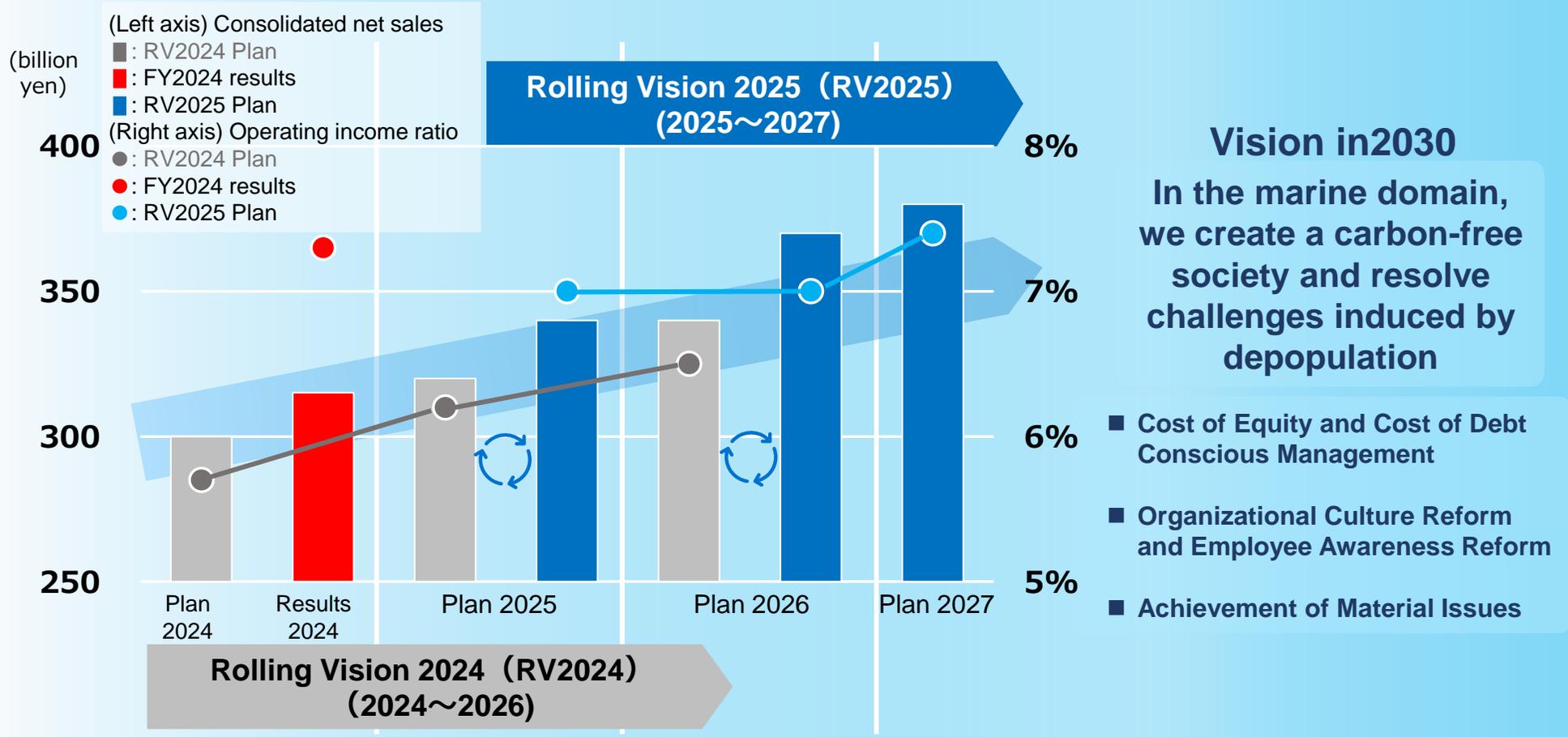
Endeavor to provide simple, unique and practical products and services
We always focus on customer-centric products and services that fulfill three kinds of value, develop healthy businesses and bring them into the world to serve society.

➤ **Creating a carbon-free society and resolving challenges induced by depopulation have been set as materiality issues.**

2. MITSUI E&S Rolling Vision

Flexibly Responding to Changes in our Business Environment

We update our targets for the next three years on a rolling basis every year.



➤ FY2024 performance exceeded RV2024 plan. We aim for further growth and expansion through RV2025.

3. Rolling Vision 2024 Review

FY2024 was a year of stepping stone toward achieving our vision

Status of Initiatives in FY2024

Vision

| Status of Initiatives in FY2024 | | Vision |
|--|--|--|
| Functional strategies Finance | <p>Significant improvement in BS through the partial sale of shares in MODEC</p> <p>Converted short-term borrowings to long-term borrowings</p> <p>Revision of year-end dividend forecast (dividend increase)</p> | <p>Cost of Equity and Cost of Debt Conscious Management</p> <ul style="list-style-type: none"> ● Achieving ROIC > WACC ● Profit return to stakeholders (dividend payout ratio of 30%) |
| Human Resource | <p>Continue to strengthen the recruitment of women and foreign nationals</p> <p>Started management courses planned in-house</p> <p>Introduction of Support system of Doctoral Talent</p> | <p>Organizational Culture Reform and Employee Awareness Reform</p> <ul style="list-style-type: none"> ● Revitalizing the organization through the active participation of diverse human resources Female ratio: 10%, Foreigner ratio: 5% ● Realizing an environment and education system to support diverse talents in thriving |
| Business Strategy | <p>Test operation of ammonia dual-fuel engine started.</p> <p>Received order for near-zero-emission RTGC for the U.S. market</p> <p>Obtained a third-party statement on Green House Gas emissions</p> | <p>Achievement of Material Issues</p> <ul style="list-style-type: none"> ● CO₂ reductions through sales and operation units of environmentally friendly products : ▲ 10 million t-CO₂/year or more ● Cumulative units (Automation, system) : 1,000 units or more |

➤ Significantly improve financial position, Strengthen human resources, and strengthen core businesses.

4-1. Rolling Vision 2025 Functional Strategy: Finance

Cost of Equity and Cost of Debt Conscious Management

(The numbers in brackets are RV2024)

| | | FY2024 | FY2025 | FY2026 | FY2027 |
|--------------------------------------|------------------------|--|--------------------------------------|--------------------------------------|------------------------|
| Performance trends (consolidated) | Net sales | 315.1 billion yen (300 billion yen) | 340 billion yen (320 billion yen) | 370 billion yen (340 billion yen) | 380 billion yen |
| | Operating income ratio | 7.3% (5.7%) | 7.0% (6.2%) | 7.0% (6.5%) | 7.4% |
| | Equity ratio | 37.8% (37%) | 39% (39%) | 40% (40%) | 42% |
| Performance indicators | ROIC (※1) | 9.9% (6%) | 9% (8%) | 9% (8%) | 9% |
| | WACC (※2) | 7.0% (-) | — (-) | — (-) | — |
| | ROE | 25.1% (24%) | 11% (10%) | 11% (10%) | 11% |
| | Dividend payout ratio | 5.2% (5%) | 15% (15%) | 20% (20%) | 25% |

(※1) ROIC=(Operating income – Total taxes) / (Average Shareholder's equity and Interest-bearing debt at the end of the previous period)

(※2) WACC is calculated based on the stock price at the end of March 2025 (1,644 yen)

➤ **Aiming for Return On Invested Capital(ROIC) that exceeds Weighted Average Cost of Capital (WACC).**

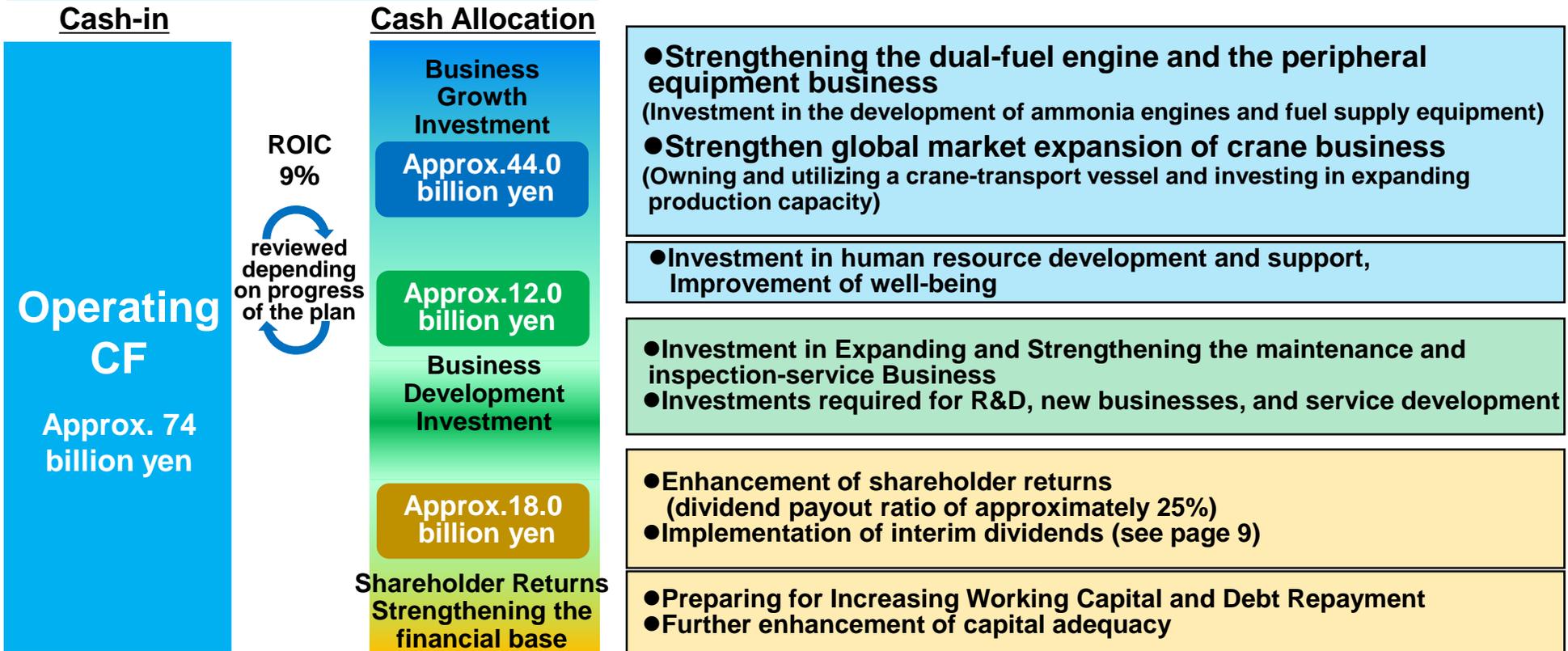
4-1. Rolling Vision 2025 : Functional Strategies(Finance)

Cash Flow Allocation

✓ While enhancing the soundness of our financial position, we will invest in growth for sustainable growth and promote returns to shareholders.

FY2025~2027 (3-year total)

Cash allocation that contributes to the enhancement of corporate value

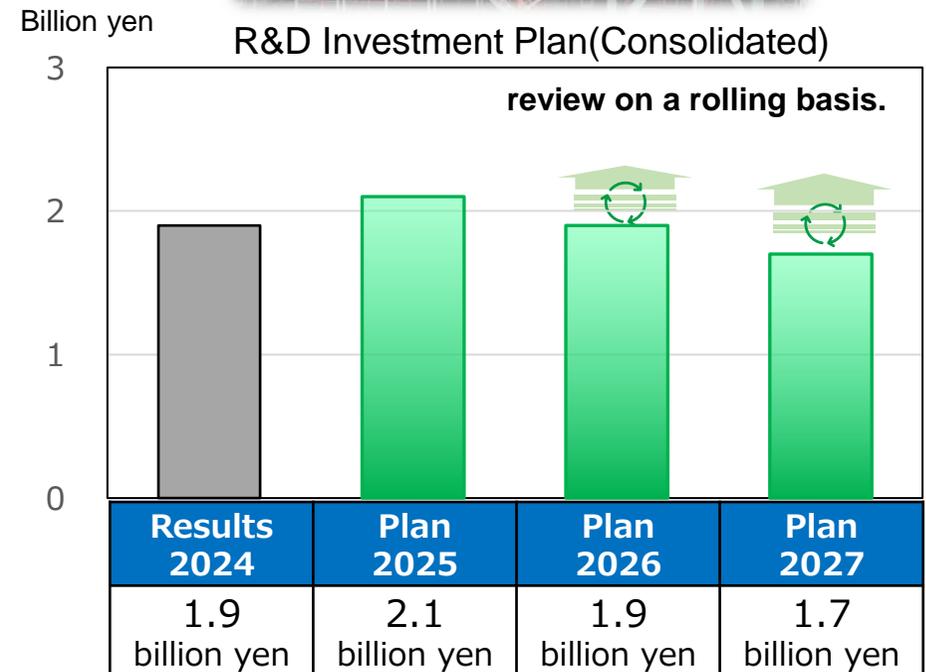
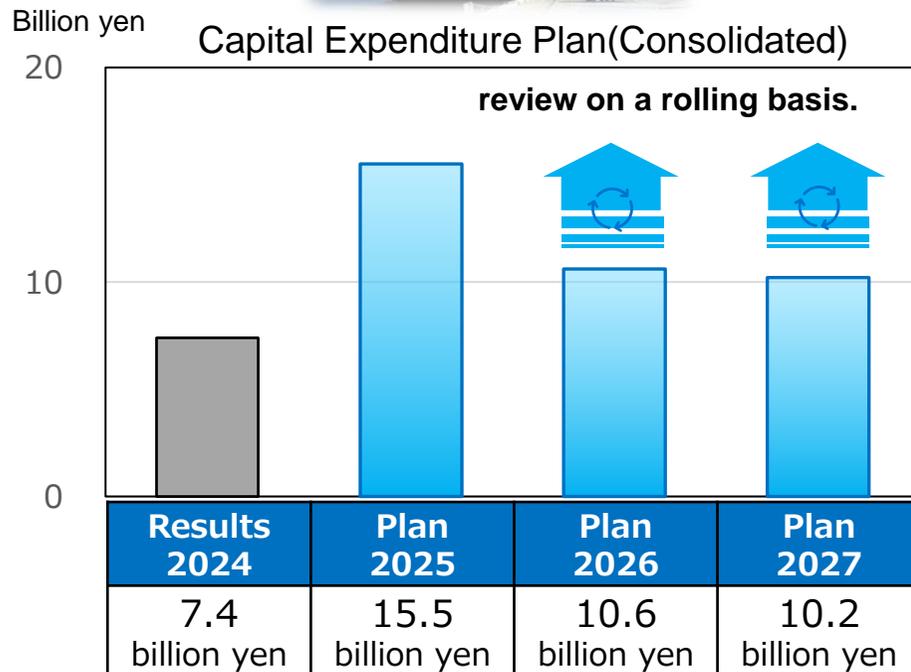


➤ Approximately 74 billion yen in cash will be allocated to growth and development, and 25% will be allocated to shareholder returns and strengthening the financial base.

4-1. Rolling Vision 2025 : Functional Strategies(Finance)

Capital Expenditure and R&D Plans

✓ Investing in equipment and R&D to strengthen our production system and expand our business.

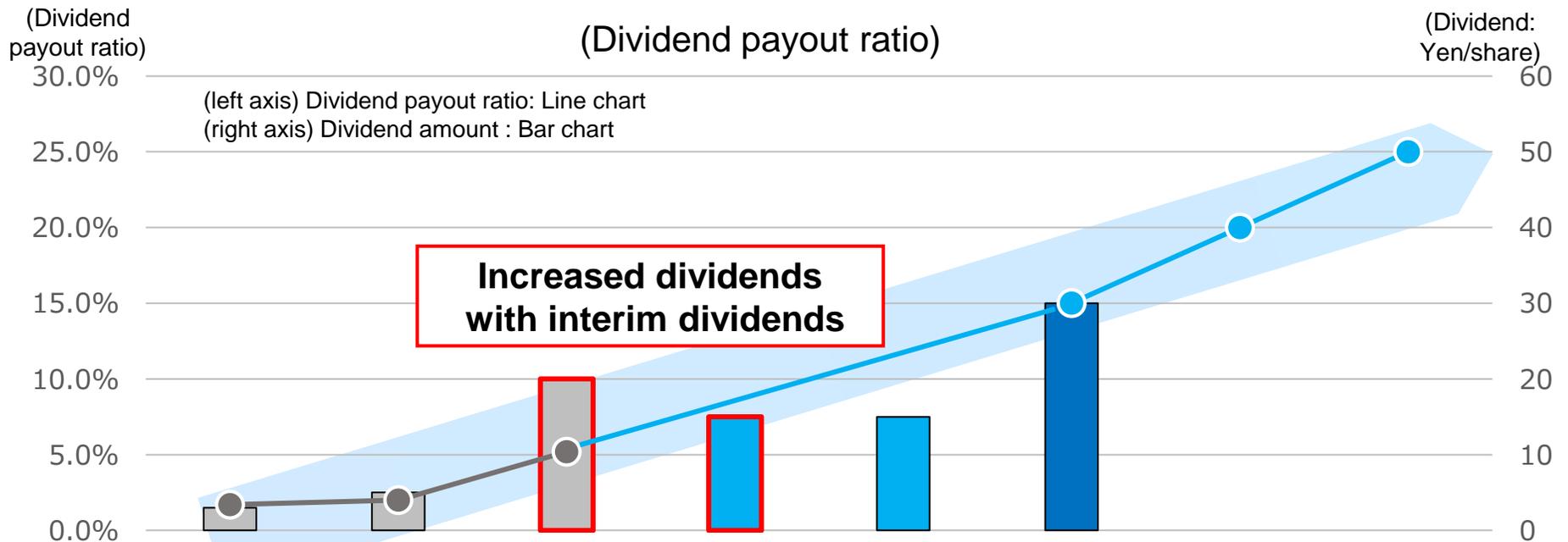


➤ We will invest appropriately in facilities and R&D to promote sustainable growth.

4-1. Rolling Vision 2025 : Functional Strategies(Finance)

Resumption of interim dividend payments

✓In FYE Mar. 2026, the company will reinstate interim dividends for the first time in 32 years.



| | FYE Mar. 2023 | FYE Mar. 2024 | FYE Mar. 2025 | FYE Mar. 2026 | | | FYE Mar. 2027 Forecast | FYE Mar. 2028 Forecast |
|--------------------------------------|---------------|---------------|---------------|------------------|-------------------|----------------------|------------------------|------------------------|
| | | | | Interim Forecast | Year-end forecast | Fiscal Year Forecast | | |
| Dividend payout ratio (consolidated) | 1.7% | 2.0% | 5.2% | – | – | 15% | 20% | 25% |
| Dividends per share | JPY 3 | JPY 5 | JPY 20 | JPY 15 | JPY 15 | JPY 30 | | |

➤ We will strengthen shareholder returns in order for shareholders to be able to stay for the long term.

4-2. Rolling Vision 2025 : Functional Strategies(Human Resources)

Promoting diversity in human resources

(*) Mitsui E&S only.

(*) Results and plans as of April 1 of each year, and "Career" refers to the results and plans for the entire year from April to March of each year.

Female Employee Ratio ✓ Empower mid-career recruitment

| Aggregation range | | 2024 | 2025 | 2025 | 2026 | 2027 | 2030 |
|----------------------|----------------------------------|------|------|------|------|------|------|
| Management positions | | 3.2% | 3.9% | 4.0% | 4.0% | 4.2% | |
| Overall employees | | 7.4% | 7.7% | 8.0% | 8.4% | 8.6% | 10% |
| Hiring ratio | New graduate technical positions | 13% | 13% | 7% | 13% | 13% | |
| | Mid-career hire | 17% | 10% | | 10% | 10% | |

Foreign Employee Ratio ✓ Strengthen recruitment publicity for overseas university students

| Aggregation range | | 2024 | 2025 | 2025 | 2026 | 2027 | 2030 |
|----------------------|----------------------------------|------|------|------|------|------|------|
| Management positions | | 0.3% | 0.6% | 0.6% | 0.8% | 0.8% | |
| Overall employees | | 1.9% | 3.2% | 3.2% | 3.5% | 4.0% | 5% |
| Hiring ratio | New graduate technical positions | 3% | 3% | 29% | 7% | 7% | |
| | Mid-career hire | 5% | 3% | | 5% | 5% | |

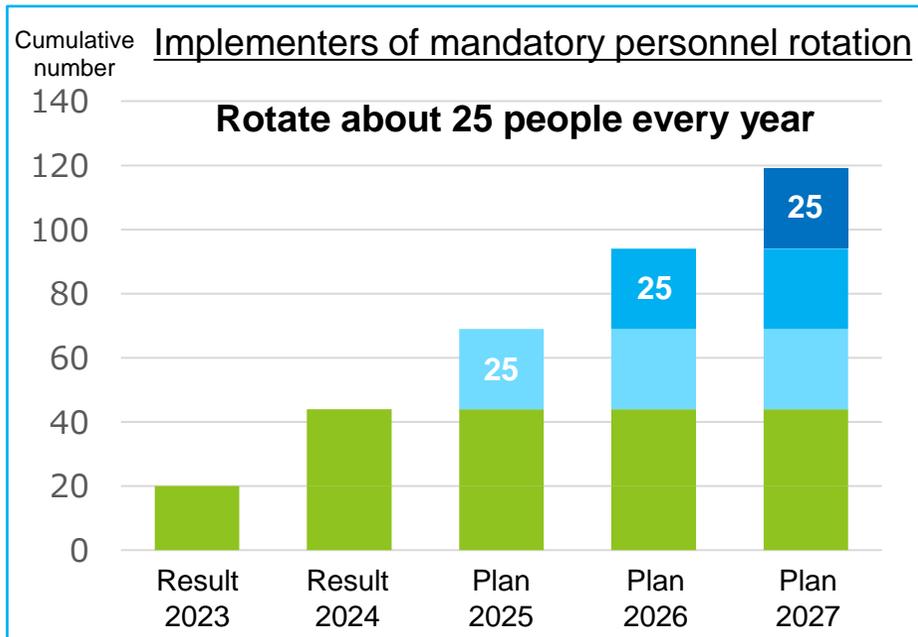
➤ **Strengthening mid-career recruitment, Recruit overseas university students, and Promote diversity in human resources.**

4-2. Rolling Vision 2025 : Functional Strategies(Human Resources)

Promoting investment in human resource development and human capital

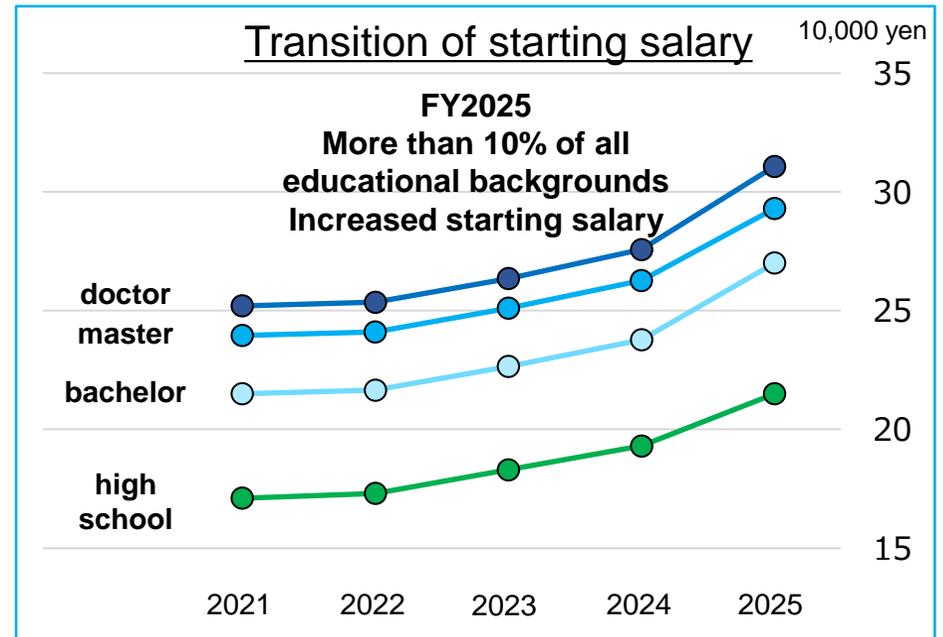
Human resource development that promotes diverse growth

- **Planned job rotation for employees.**
- Started management course planned in-house.
- Planning selective training for the development of management personnel.



Investment in human capital (Creating a supportive work environment)

- **Increase in starting salary and average base salary due to wage improvements.**
- Development and Support of Doctoral Talent.
- Introduction of Housing Support (Rent Subsidy System)



(*) The number of personnel rotations and starting salaries are both figures for Mitsui E&S on a non-consolidated basis.

➤ **Promoting diverse growth and invest in the creation of a supportive work environment.**

4-3. Rolling Vision 2025 : Business Strategy

RV2025 Focus Areas

✓ Investment in facilities and R&D to improve financial soundness, further growth of core businesses and expansion of new businesses to resolve materiality

| | | | |
|-----------------|---------------------------|---|--|
| Core Businesses | Marine propulsion systems | Development of ammonia-fired engines and peripheral equipment | ➤ Contributing to the realization of a carbon-neutral society through the development of new fuel engines and peripheral equipment |
| | | Enhancement of dual-fuel engine facilities | ➤ Strengthening the supply system by investing in commissioning-related equipment |
| | | Strengthening the parts-related business | ➤ Strengthen the maintenance and inspection-service business by investing in parts production facilities and utilizing overseas subsidiaries |
| | Logistics Systems | Ownership and utilization of a crane-transport vessel | ➤ Contributing to the global expansion of our cranes, including the U.S. and Southeast Asia, and improving transportation efficiency |
| | | Expansion of crane production capacity | |
| New Businesses | New Business Development | Expand the maintenance and inspection-service business | ➤ Expand and strengthen the maintenance and inspection-service business of industrial machinery products |
| | | Creation of businesses as the third pillar | ➤ Development of new services such as Drone Inspection Service, Hull Fouling Control, Digital Solutions for Marine terminal, etc. |

➤ In order to achieve our vision, we will strengthen our core businesses and expand new businesses.

4-4. Rolling Vision 2025 : Topics in Business Strategy

Development of ammonia dual-fuel engines and strengthening the peripheral equipment business

✓ The prototype test is the world's first test run with an ammonia fuel on a large-bore, low-speed, two-stroke commercial engine.



ammonia dual-fuel engine 7S60ME-C10.5-LGIA-HPSCR Appearance

Tamano Plant Ammonia fuel test run starts February 10, 2025

- 7S60ME-C10.5-LGIA-HPSCR
- Maximum continuous output (7cyl. machine, L1 point)
- 17,430kW(23,700 BHP) x 105min-1

[LNG fuel compatible]
High Pressure LNG Pumps and
Expand sales of high-pressure
BOG compressors



High Pressure LNG Pump



High Pressure BOG Compressor

➤ Contributing to the realization of a carbon-neutral society in the field of maritime logistics through the development of new fuel engines and peripheral equipment

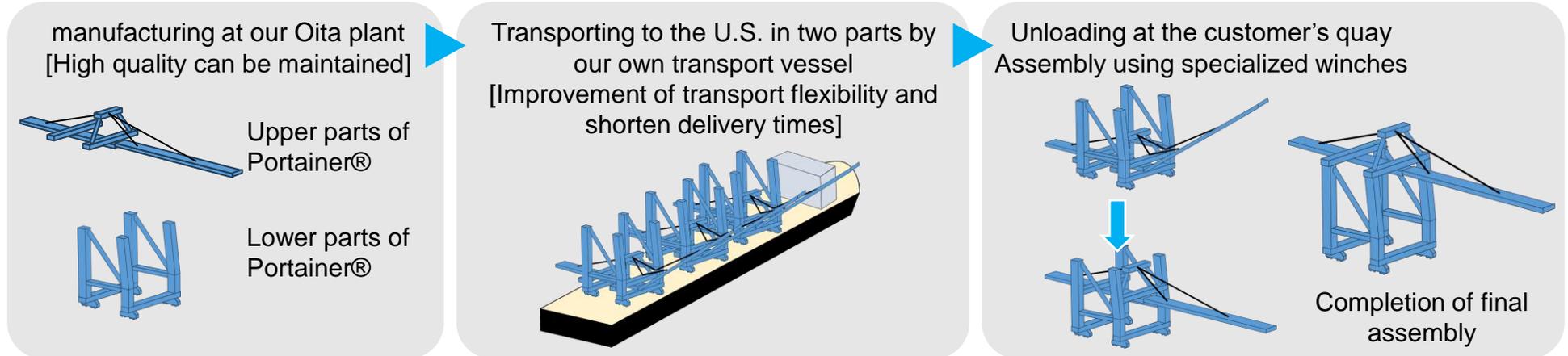
4-4. Rolling Vision 2025 : Topics in Business Strategy

Ownership and utilization of a crane-transport vessel for global market development

Evaluating manufacturing and transportation schemes that achieve high quality, short delivery times.



Strengthening of response to the U.S. Phase 1: Manufacturing and Transportation Schemes Evaluation

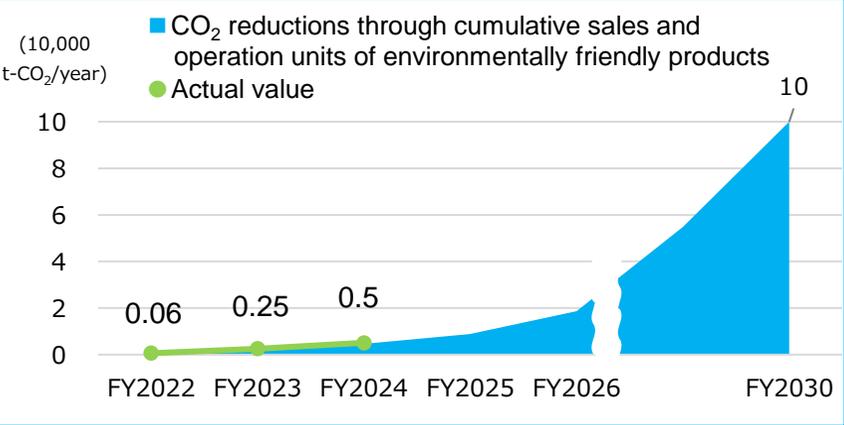
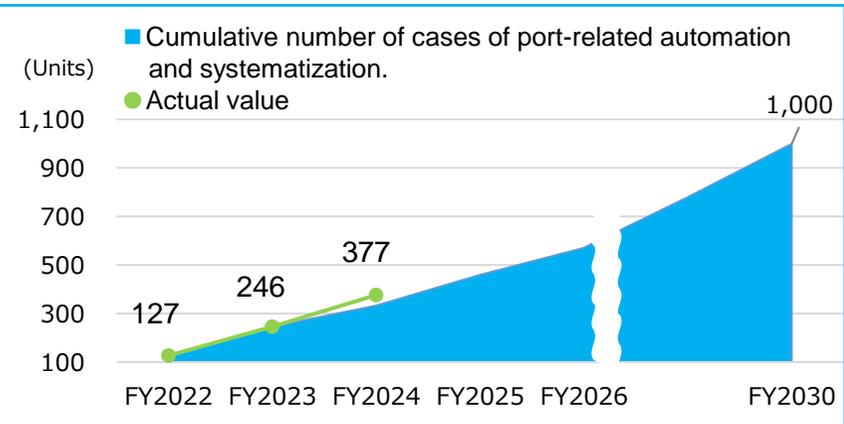


➤ **Contributing to the efficiency of marine transportation and the global expansion of our cranes**

5. Initiatives on Sustainability Issues

Reviewed and reset the indicators and targets to measure the penetration into society

✓ January 17, 2025 Obtained a third-party statement on Green House Gas emissions

| Material issues | FY2030 Target | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-------------|--------------|--------|--------|------|---|--------|------|---|--------|-----|---|--------|---|---|--------|---|---|--------|---|-------|
| <p>Creating a decarbonized society</p>  | <ul style="list-style-type: none"> ● Through cumulative sales and operation units from 2022 to 2030 of environmentally friendly products onto the market CO₂ reductions : <ul style="list-style-type: none"> ▲ 10 million t-CO₂/year or more. *1 *1 Comparison with emissions from conventional specifications (heavy oil/light oil-fired) products of the same quantity. ● CO₂ emissions reductions from production activities through expansion of green power : <ul style="list-style-type: none"> ▲ 10 thousand t-CO₂/year or more. |  <table border="1"> <caption>CO₂ Reductions (10,000 t-CO₂/year)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Actual Value</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>0.06</td> <td>-</td> </tr> <tr> <td>FY2023</td> <td>0.25</td> <td>-</td> </tr> <tr> <td>FY2024</td> <td>0.5</td> <td>-</td> </tr> <tr> <td>FY2025</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY2026</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY2030</td> <td>-</td> <td>10</td> </tr> </tbody> </table> | Fiscal Year | Actual Value | Target | FY2022 | 0.06 | - | FY2023 | 0.25 | - | FY2024 | 0.5 | - | FY2025 | - | - | FY2026 | - | - | FY2030 | - | 10 |
| Fiscal Year | Actual Value | Target | | | | | | | | | | | | | | | | | | | | | |
| FY2022 | 0.06 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2023 | 0.25 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2024 | 0.5 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2025 | - | - | | | | | | | | | | | | | | | | | | | | | |
| FY2026 | - | - | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | - | 10 | | | | | | | | | | | | | | | | | | | | | |
| <p>Resolving issues of a society with a shrinking population</p>  | <p>Cumulative sales and operation units of port-related products automation and systematization from 2022 to 2030: 1,000 units or more.</p> <p>Various systems such as remote control Transteiner®, remote control Portainer®, CTMS, etc.</p> |  <table border="1"> <caption>Cumulative Port-related Automation and Systematization (Units)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Actual Value</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>FY2022</td> <td>127</td> <td>-</td> </tr> <tr> <td>FY2023</td> <td>246</td> <td>-</td> </tr> <tr> <td>FY2024</td> <td>377</td> <td>-</td> </tr> <tr> <td>FY2025</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY2026</td> <td>-</td> <td>-</td> </tr> <tr> <td>FY2030</td> <td>-</td> <td>1,000</td> </tr> </tbody> </table> | Fiscal Year | Actual Value | Target | FY2022 | 127 | - | FY2023 | 246 | - | FY2024 | 377 | - | FY2025 | - | - | FY2026 | - | - | FY2030 | - | 1,000 |
| Fiscal Year | Actual Value | Target | | | | | | | | | | | | | | | | | | | | | |
| FY2022 | 127 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2023 | 246 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2024 | 377 | - | | | | | | | | | | | | | | | | | | | | | |
| FY2025 | - | - | | | | | | | | | | | | | | | | | | | | | |
| FY2026 | - | - | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | - | 1,000 | | | | | | | | | | | | | | | | | | | | | |

➤ **Resetting indicators and targets based on the actual state of the business and addressing sustainability issues.**

6. Conclusion

MITSUI E&S Rolling Vision 2025

| | | |
|---|----------------------------------|--|
| <p>MITSUI Rolling Vision 2nd year after introduction</p> | | <ul style="list-style-type: none"> ● Performance for FY2024 progressed ahead of Rolling Vision 2024 plans. ● Formulation a new "Rolling Vision 2025" that focuses on growth over the next three years. |
| <p>Functional strategies</p> | <p>finance</p> | <ul style="list-style-type: none"> ● Business management that also pays attention to cost of equity and cost of debt. ● Aiming for ROIC > WACC. ● Balance sheet management monitoring PBR, ROE and dividend payout ratio. |
| | <p>Human resource</p> | <ul style="list-style-type: none"> ● Revitalizing the organization through the active participation of diverse human resources. ● Promote a rotation system and develop human resources to promote diverse growth. ● Increasing investment in our human capital, focusing on not only salary but also talent development and housing support such as employee benefit programs. |
| <p>Business Strategy</p> | | <ul style="list-style-type: none"> ● Further growth of the core businesses with a focus on green and digital strategy. ● Providing decarbonization-related products and developing new businesses. |

➤ **Striving to further enhance corporate value through MITSUI E&S Rolling Vision.**



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