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MITSUI E&S

November 10, 2026

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Notice Concerning the Execution of an Agreement Relating to a Tender Offer for Shares of a Subsidiary (KAJI TECHNOLOGY CORPORATION) and a Planned Change in the Status of a Consolidated Subsidiary

MITSUI E&S Co., Ltd. (the "Company") hereby announces that, at its Board of Directors meeting held on November 10, 2026, the Company resolved to enter into an agreement (the "Non-Tender Agreement") with CSRI 17 Inc.(the "Tender Offeror") concerning, among other matters: (i) the Company's agreement not to tender any of the shares of common stock of its consolidated subsidiary, KAJI TECHNOLOGY CORPORATION ("KAJI"; such shares, the "KAJI Shares"), held by the Company in the tender offer to be conducted by the Tender Offeror for the KAJI Shares (the "Tender Offer"); (ii) the implementation, following the successful completion of the Tender Offer, of procedures to make the Company and the Tender Offeror the only shareholders of KAJI, including a consolidation of the KAJI Shares (the "Share Consolidation"); and (iii) the transfer of all KAJI Shares held by the Company (844,546 shares; share ownership ratio (Note): 51.06%; the "Shares to Be Sold by the Company") through an acquisition of treasury shares to be conducted by KAJI (the "Share Buyback"), subject to the Share Consolidation becoming effective. The Company entered into the Non-Tender Agreement on the same date, as described below.

As a result of the series of transactions contemplated by the Non-Tender Agreement (the "Transaction"), KAJI is expected to cease to be a consolidated subsidiary of the Company. For details of the Transaction, please refer to KAJI's press release dated November 10, 2026, entitled "Notice Concerning Expression of Opinion in Support of the Tender Offer for the Company's Shares by CSRI 17 Inc. and Recommendation to Tender Shares."

(Note) "Share ownership ratio" means

the ratio to 1,654,149 shares, calculated by deducting the 63,851 treasury shares held by KAJI from its total number of issued shares of 1,718,000 as of September 30, 2026, as stated in KAJI's "Semi-annual Securities Report for the 94th Fiscal Year," filed on November 10, 2026 (the "KAJI Semi-annual Report"), rounded to two decimal places. The same calculation method applies to share ownership ratios below.

1. Purpose and Background of the Transaction

In May 2026, the Company formulated "MITSUI E&S Rolling Vision 2026." Under its long-term vision looking ahead to 2030, the Company has identified "realizing a decarbonized society" and "resolving challenges in a society with a shrinking population" as its material issues, positioned the Marine Propulsion Systems Business and the Logistics Systems Business as its core businesses, and intends to promote its functional and business strategies in an integrated manner.

After becoming KAJI's largest shareholder and entering into a capital and business alliance agreement in January 2015, the Company made KAJI a consolidated subsidiary in March 2017. The Company currently holds 51.06% of KAJI's shares, and KAJI belongs to the New Business Development segment.

Since its founding in 1905, KAJI has engaged primarily in the manufacture and sale of air and gas compressors and other equipment. In 2014, it commenced the manufacture and sale of ultra-high-pressure compressors for hydrogen stations for fuel cell vehicles (FCVs), and has established a leading position in Japan as a manufacturer of compressors for hydrogen stations. KAJI also possesses proprietary technologies and a business foundation centered on high-pressure and ultra-high-pressure compressors. Under its long-term management plan toward 2030, "KAJI 2030VISION," and its "2026 Medium-Term Management Plan" covering the three years starting in fiscal 2026, KAJI is working to strengthen its focus on after-sales services, develop the next generation of its compressor business, and evolve its management foundation.

In light of these circumstances, the Company has repeatedly considered the optimal allocation of management resources and the appropriate structure of its listed subsidiaries from the perspective of enhancing the corporate value of the Company's group as a whole. As a result, the Company concluded that, in order for KAJI to further develop its distinctive business foundation centered on high-pressure and ultra-high-pressure compressors and achieve medium- to long-term growth, establishing a business environment that enables KAJI to implement growth initiatives, including investment in human resources, overseas expansion and M&A, more flexibly based on its own management decisions would contribute to enhancing KAJI's medium- to long-term corporate value. The Company also concluded that transferring all KAJI Shares held by the Company to a third party, eliminating the potential conflicts of interest arising from the listing of both a parent company and its subsidiary, and focusing the Company's management resources on further growth in its core businesses and expansion of new businesses would enhance the corporate value of both KAJI and the Company's group. Following the Transaction, the Company will continue and strengthen its initiatives toward realizing a decarbonized society, including addressing next-generation energy sources such as hydrogen fuel cells, with a focus on its core businesses.

After comprehensively considering the transaction terms proposed by the Tender Offeror, its policy for supporting KAJI's growth, business continuity, the feasibility of the Transaction, and the impact on the Company's business relationships, among other factors, the Company determined that the Transaction by the Tender Offeror would contribute to enhancing the corporate value of KAJI and the Company's group.

In the Transaction, in view of the expectation that the provisions of the Corporation Tax Act concerning the exclusion of deemed dividends from taxable income will apply to the Company in connection with the Share Buyback, the terms have been set so that the amount calculated as the Company's after-tax proceeds if the Share Buyback is implemented will be equivalent to the after-tax proceeds that the Company would receive if it were to tender its shares in the Tender Offer at the tender offer price (the "Tender Offer Price"). Accordingly, the Company will not be afforded an advantage over KAJI's general shareholders. This pricing ensures that the interests of the Company and KAJI's general shareholders are fairly and appropriately realized, enhances the fairness and certainty of execution of the Transaction, and serves the interests of the Company and its shareholders. On this basis, the parties have agreed to set the repurchase price per KAJI Share prior to the Share Consolidation becoming effective (the "Share Buyback Price") at JPY 5,988 and the Tender Offer Price at JPY 7,957.

2. Overview of KAJI

(1) Name	KAJI TECHNOLOGY CORPORATION
(2) Address	6 Bodai, Mihara-ku, Sakai-shi, Osaka, Japan
(3) Representative's title and name	Katsunori Matsuoka, President and Representative Director
(4) Business activities	Manufacture and sale of water-cooled and air-cooled compressors; lubricated, oil-free and oil-less compressors; compressors for petrochemical and industrial gases; compressors for PET bottle molding; compressors for natural gas vehicle fueling; compressors for fuel cell vehicle fueling; and various gas recovery and purification systems
(5) Capital	JPY 1,440 million
(6) Date of incorporation	February 1, 1934
(7) Major shareholders and shareholding ratios (As of March 31, 2026)	MITSUI E&S Co., Ltd. 51.06% Kaji Business Partners' Shareholding Association 2.18% Naoki Hayakawa 0.91% Shoichi Sakurai 0.86% Tokyo Tanshi Co., Ltd. 0.79% Nomura Securities Co., Ltd. 0.76% SBI SECURITIES Co., Ltd. 0.72% JP JPMSE LUX RE CITIGROUP GLOBAL MARKET L EQ CO 0.65% Kuniko Soyama 0.64% Kaji Technology Officers' Shareholding Association 0.61%

(8) Relationship between KAJI and the Company

Capital relationship	The Company holds 51.06% of KAJI's shares.
Personnel relationship	Nine employees of the Company are seconded to KAJI, including employees serving as full-time directors of KAJI.
Business relationship	There are transactions with the Company involving the purchase and sale of products and parts, and the deposit of funds.
Related-party status	KAJI is a consolidated subsidiary of the Company and constitutes a related party.

(9) Financial Position and Operating Results for the Most Recent Three Fiscal Years

Fiscal year ended	March 31, 2024	March 31, 2025	March 31, 2026
Net assets (JPY thousand)	7,306,320	7,818,377	8,475,189
Total assets (JPY thousand)	11,809,910	11,559,375	12,300,858
Net assets per share (JPY)	4,415.99	4,725.93	5,123.55
Net sales (JPY thousand)	7,261,065	7,003,943	7,799,533
Ordinary profit (JPY thousand)	818,325	769,505	977,815
Profit (JPY thousand)	578,356	578,915	723,661
Earnings per share (JPY)	349.55	349.92	437.46
Dividends per share (JPY)	40.00	40.00	60.00

3. Overview of the Tender Offeror

(1) Name	CSRI 17 Inc.
(2) Address	Shin-Otemachi Building, 2-2-1 Otemachi, Chiyoda-ku, Tokyo, Japan
(3) Representative's title and name	Taku Maeda, Representative Director
(4) Business activities	Acquisition and holding of shares and other securities of KAJI, and control and management of KAJI's business following the Tender Offer
(5) Capital	JPY 10,000
(6) Date of incorporation	October 8, 2026
(7) Major shareholder and shareholding ratio	CSRI 16 Inc. 100%
(8) Relationship between the Tender Offeror and the Company	
Capital relationship	Not applicable.
Personnel relationship	Not applicable.
Business relationship	Not applicable.
Related-party status	Not applicable.

4. Number of Shares to Be Transferred, Total proceeds and Shareholdings Before and After the Transaction

Shares held before the Transaction	844,546 shares (Number of voting rights: 8,445; percentage of voting rights held: 51.42%)
Shares to be transferred	Shares to Be Sold by the Company: 844,546 shares (Number of voting rights: 8,445; percentage of voting rights held: 51.42%)
Total proceeds (planned)	JPY 5,057 million
Shares to be held after the Transaction	0 shares (Number of voting rights: 0; percentage of voting rights held: 0%)

(Note 1) The "percentage of voting rights held" is stated as a ratio to the total number of voting rights held by all shareholders (16,425) as of September 30, 2026, as stated in the KAJI Semi-annual Report.
(Note 2) The number of shares to be transferred through the Share Buyback will be the number of Shares to Be Sold by the Company less the shares to be purchased by KAJI as fractional shares resulting from the Share Consolidation.
(Note 3) The total proceeds is expected to be the amount obtained by multiplying the Share Buyback Price by the number of Shares to Be Sold by the Company immediately before the Share Consolidation becomes effective, less the total amount to be received by the Company as consideration for the shares corresponding to the fractions of less than one share resulting from the Share Consolidation. The amount stated above is a reference amount calculated by multiplying the Share Buyback Price by the number of Shares to Be Sold by the Company.

5. Schedule

(1) Execution of the Non-Tender Agreement	Tuesday, November 10, 2026
(2) Tender Offer period	Wednesday, November 11, 2026 to Wednesday, December 23, 2026
(3) Announcement of Tender Offer results	Thursday, December 24, 2026
(4) Share Consolidation	March 2027 (planned)
(5) Share Buyback	March 2027 (planned)

6. Outlook

If the Tender Offer is successfully completed and the Transaction is completed during the fiscal year ending March 31, 2027, KAJI will cease to be a consolidated subsidiary of the Company.

The impact of the Transaction on the Company's consolidated earnings is expected to be immaterial. However, if it becomes clear that the Transaction will have a material impact, the Company will promptly disclose such information.