

Mitsui E&S Group 2025 Vision

We are an engineering team that creates social value to realize a better society.

The Mitsui E&S Group 2025 Vision outlines the Mitsui E&S Group's long-term direction for the period between fiscal 2017 and fiscal 2026. To achieve the Mitsui E&S Group company philosophy of "To continue working as a company trusted by society and individuals through our products and services," we outlined the direction of our future initiatives based on an evaluation of our rapidly changing external environment.

Ideal Situation of the Mitsui E&S Group

An engineering team that creates social value

Realizing a better society

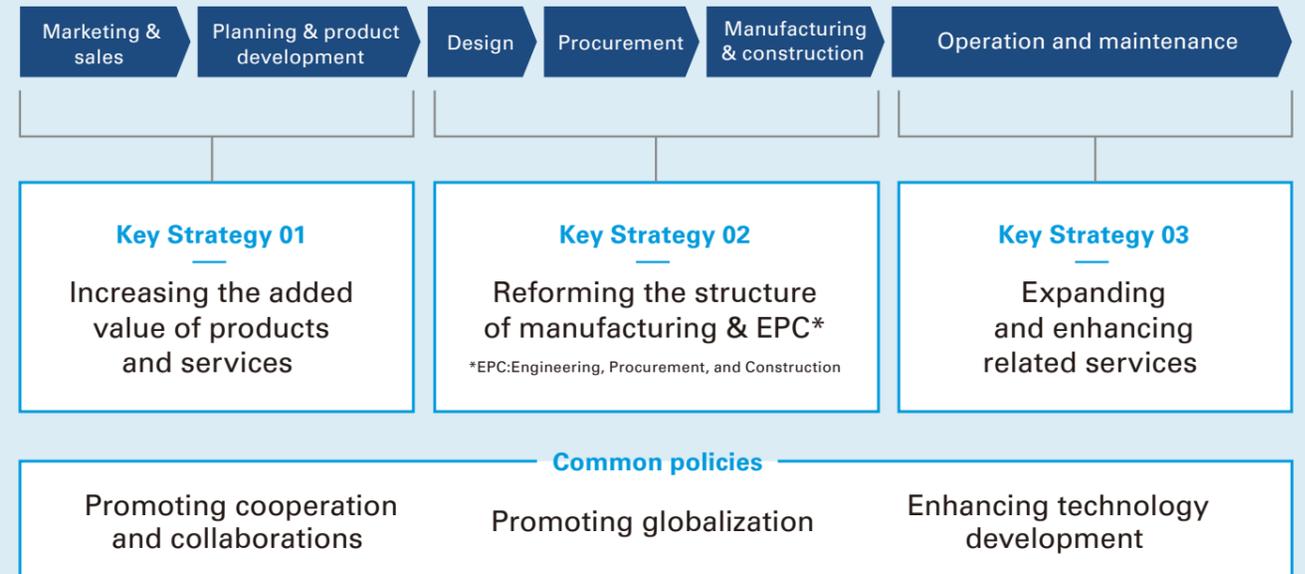
Focusing Our Strengths



Social problems and needs

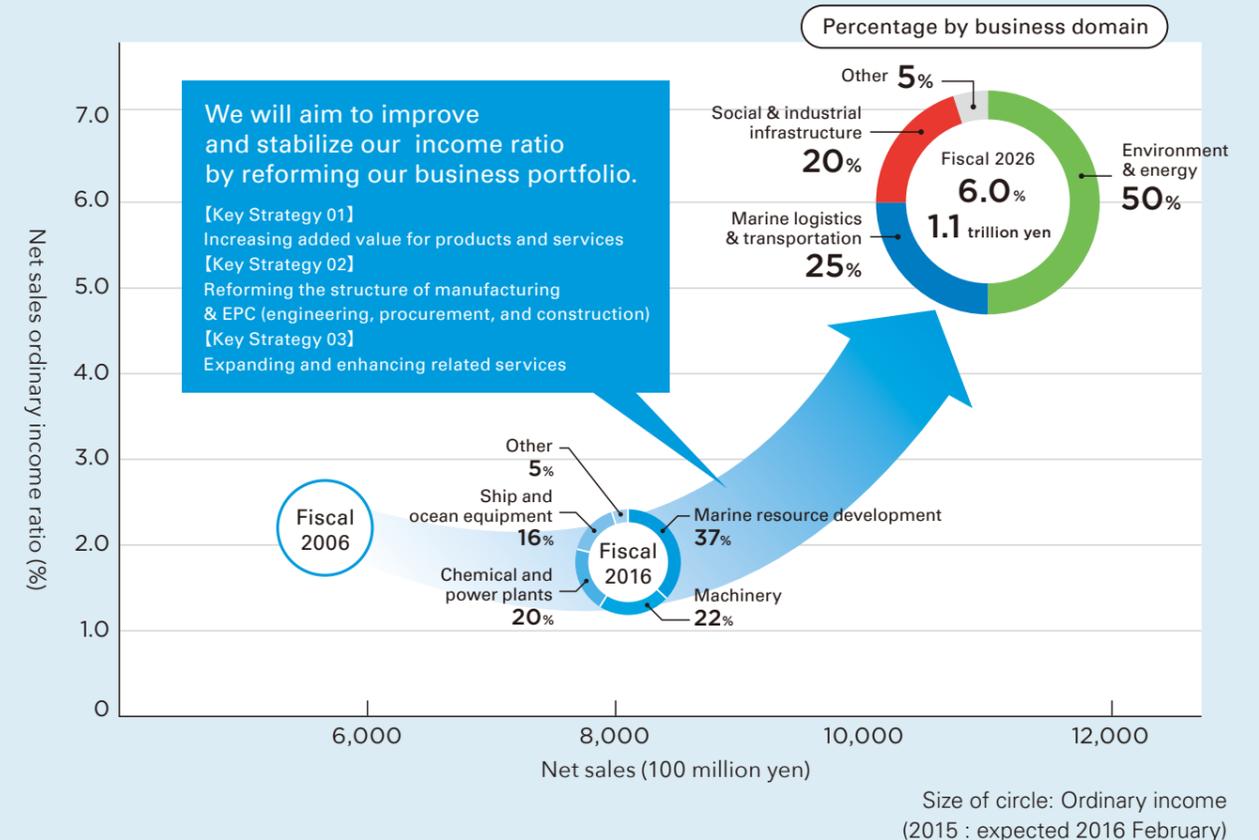
Key Strategy and Common Policies

To achieve our Ideal Situation, we established a Key Strategy that divides our administrative workflow into three stages.



Quantitative Target

Achieving net sales of ¥1.1 trillion and ordinary income rate of 6% in FY2026 (Year ending March 31, 2026)



Mid-term Business Plan 2017

Our key strategy is to improve profitability. We are working on various innovations to achieve our goal.

The Mid-Term Business Plan 2017 will be followed by the Mid-Term Business Plan 2020 and the Mid-Term Business Plan 2023. This series of our medium-term business plans constitute a long-term strategy for achieving our 2025 Vision. Under the vision of "Maximize Mitsui E&S Group strengths collectively to improve profitability and stabilize earnings," we will make best use of the Mitsui E&S Group's network and resources, in our efforts to achieve stable earnings and improve our corporate value.

Our Ideal Future by 2020 (Year ending March 31, 2020)

Maximize Mitsui E&S Group strengths collectively to improve profitability and stabilize earnings

Numerical targets

Net sales	¥920 billion	ROIC	6.5%
Ordinary income	¥37 billion	Interest-bearing debt	¥270 billion or less
Ordinary income rate	4%		

Key strategy

01
Improving added value of products & services

Improving our planning ability and capability of making proposals

- Formulating a strategy for creating value for society based on the three domains
- Increasing our competitiveness in the service domain by strengthening intra-group cooperation and alliances with other companies

02
Reforming structure of manufacturing & EPC*

Improving our product development capability

- Enhancing technology and product development in view of the future market (energy-saving/ labor-saving/ environmental performance)
- Strengthening technologies for increasing the competitiveness of our core products

Building a dynamic, flexible production system

- Enhancing the system for production in optimal overseas locations/building a global production base
- Improving the productivity of domestic bases by applying IoT and robotics

Establishing a system for flexible EPC

- Promoting collaboration within the Group in the field of ocean business
- Strengthening cooperation within the Group in the field of renewable energy/gas power generation

03
Expanding & enhancing ancillary services

Enhancing domains and areas of services we provide

- Enhancing after-sales services
- Expanding FPSO charter business, power generation business, and other businesses that result in constant profits based on medium- or long-term contracts

Evolving services by applying IoT

- Enhancing maintenance and services based on remote monitoring
- Provision of preventive maintenance services (remaining life assessment and suggestion of optimal maintenance)

Common policies

Robust group management

Organization and human resources

- Strategic use of Group companies (clarifying the positions of operating companies and subsidiaries)
- Effective utilization of human resources in the Group (increasing the mobility of human resources)

Financial affairs

- Maximizing consolidated earnings of the Group

Reinforced business foundation

Common strategies

- Improving the risk management capability (elimination of excessive loss)
- Selection and concentration of businesses based on growth potential and investment effect

Organization and human resources

- Building and implementing a human resources rotation program (other departments/ subsidiaries)

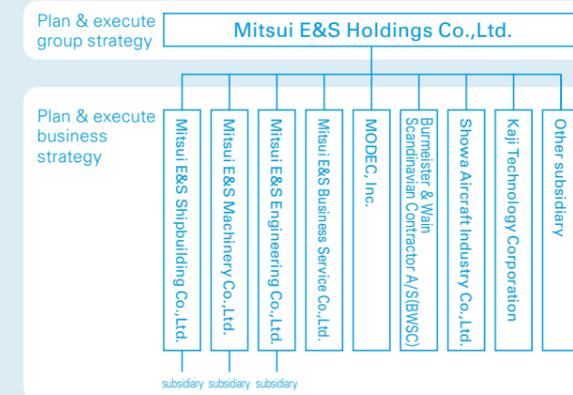
*EPC:Engineering, Procurement, and Construction

Our Action Initiatives of FY 2018

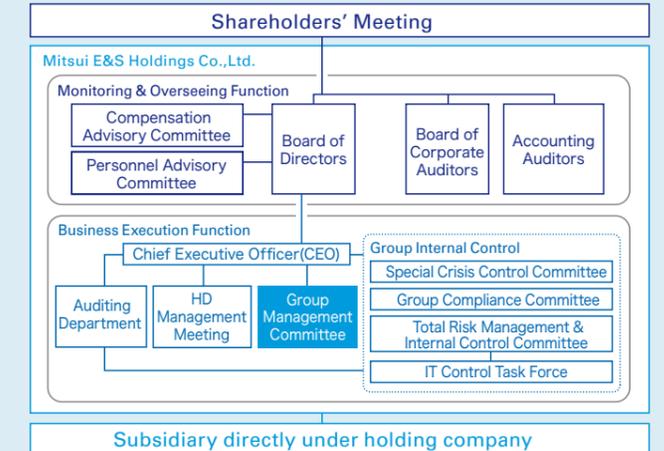
● Reinforced business foundation

Our Action Shifting to a holding company system

To separate group management and business management with the clear definition of each organization, function, role and responsibility



To establish "Group Management Committee" to discuss and make decisions on the management strategy of the entire group



● Group synergy

	Core technology of group companies	Alliances with companies inside & outside of the group	Our Action
Environment & Energy	EPC / O&M know-how in domestic and overseas plants	× Expand collaboration with Mitsui E&S Engineering, BWSC, MAN Energy Solutions*	= Participate in O&M project at renewable energy & power sector ● Started biomass power generation business
	Know-how on offshore power generation, Gas technology	× Build value chain with strengths of BWSC, TGE Marine Gas Engineering GmbH(TGE), MAN Energy Solutions*	= Participate in new power generation domain ● Completed detailed design of 60-150 MW gas power generation barge
	Hydrate related technology, Comprehensive technical capabilities of marine structures	× Participate in national projects with subsea drilling companies, resource energy companies etc.	= Create new ocean projects in sub-sea ● Confirmed the feasibility of surface type Methane Hydrate (MH) recovery
Marine Logistics & Transportation	Comprehensive engineering capability, Ship development capability, Gas technology	× Alliances with other company's shipbuilding domain	= Promote collaboration for construction of merchant ships ● Started negotiations for business alliance
	Environmental technology, Production technology, Gas technology	× Acceleration of collaboration between Mitsui E&S Shipbuilding and TGE	= Expand engineering business in shipbuilding field ● Received orders for engineering business
	Remote operation & automatic operation technology, Terminal control technology	× Enhance collaboration between Kaji Technology Corporation, Mitsui E&S Shipbuilding and TGE	= Provide total solutions for gas fuel engines ● Started sales of high pressure pump for FGSS
Social & Industrial Infrastructure	Ship model development capacity, Proposal and development capacity of special ship, Production technology	× Cooperation with domestic terminals and overseas mega terminals	= Construction of automated terminal ● Received orders for automated cranes
	Repair and reinforcement technology, radar exploration technology	× Build a supply chain with companies inside & outside of the group	= Promote LSS business for special ships ● Received orders for new construction & repair works of special ships
		× Enhance cooperation with PC / steel bridge manufacturers & inspection companies among group	= Increase maintenance business ● Received orders for construction works on replacing slabs of highways
		× Developed composite search vehicle, combined with laser measurement technology of other companies	

*alliance partner