

Mitsui E&S Group Business Revival Plan

FY2020 ('19/4 - '20/3) – FY2023 ('22/4 - '23/3)

The Mitsui E&S Group (the "Group") recognizes the urgent need to recover from the significant damage to its financial base caused by losses on several large-scaled overseas EPC projects in the engineering business. The earnings from existing businesses such as shipbuilding and engineering have also been declining, forcing the Group to exit from unprofitable businesses and develop growth businesses that will be its new primary sources of profit. Given this situation, the Group positions 4 years from FY2020 ('19/4 - '20/3) as business revival period for restructuring business foundation and regaining energy for the future, and will build management structure which is strong against unfavorable winds.

Outline of the Mitsui E&S Group Business Revival Plan	Major policies for business revitalization	Quantitative Target FY2024/03 Consolidated
Reinforcement of financial and profit structure <ul style="list-style-type: none"> Disposal of assets Reduction of fixed cost (personnel and other expenses) Reforming the business structure <ul style="list-style-type: none"> Disposal and exit from unprofitable businesses Concentration of resources in growth businesses 	Shifting to a balance-sheet-oriented management (aiming to reduce interest-bearing debt & effective use of the assets)	Net sales ordinary income ratio (%) ¥650 billion (4%)
		Total asset turnover ratio More than 0.8
	Breaking from the sales-first principle to emphasis on profit	Ratio of interest-bearing debt to EBITDA Within 5.0x

Measures for disposal and exit from unprofitable businesses

[Engineering business]

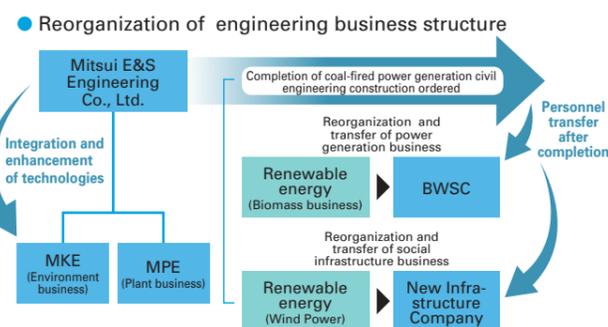
Reorganization plan for engineering business

- Consolidate the resources dispersed to Mitsui E&S Engineering Co., Ltd.(MES-E) and its subsidiaries, and integrate and enhance the technological capabilities.
- Consolidate the resources related to chemical plant into Mitsui E&S Plant Engineering Co, Ltd.(MPE).
- Consolidate the resources related to environmental recycling and biogas into Mitsui E&S Environment Engineering Corporation (MKE).

Reorganization of coal-fired power generation civil engineering business structure

- To complete the construction ordered with full force, coal-fired power generation civil engineering business shall be directly under the control of MES-E president to gather strength.
- After completion of construction ordered, we will not accept new orders and exit from coal-fired power generation civil engineering business. (planned FY2023 ('22/4 - '23/3))

MES-E will focus on the operation of MKE / MPE (including collaboration with companies outside the group) and the completion of coal-fired power generation civil engineering construction ordered. After the completion of construction ordered, we will shift and reallocate the resources from coal-fired power generation civil engineering business to the renewable energy business and social infrastructure business.



[Shipbuilding Business]

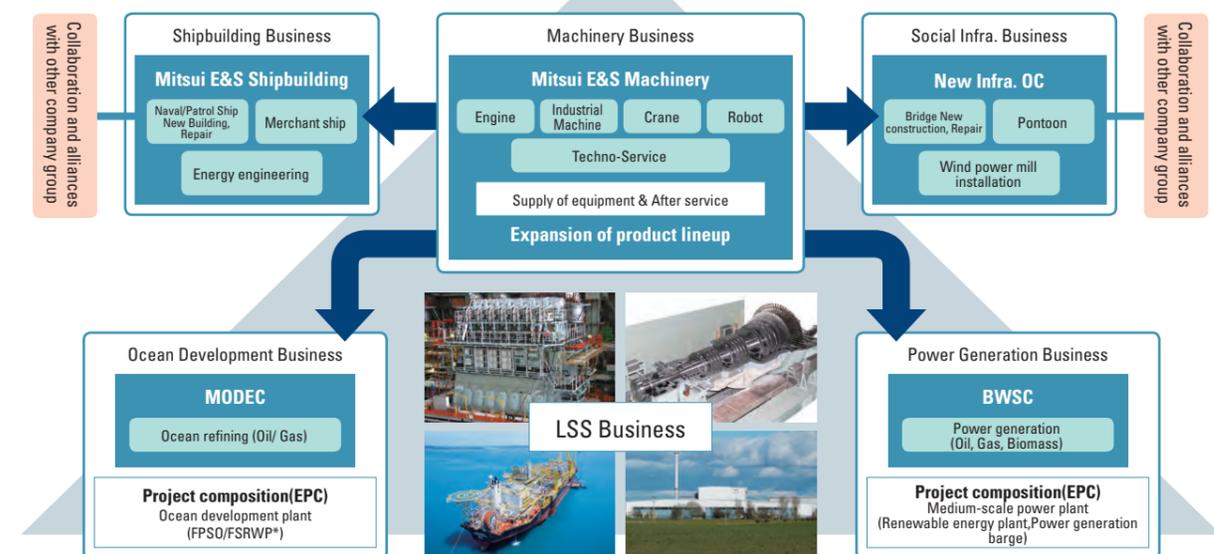
Business portfolio change at Chiba Shipyard

- After delivery of the ships ordered so far (planned FY2021 ('20/4 - '21/3)), the new merchant shipbuilding business at Chiba Shipyard will be scaled down. By stages, shift to a structure that focuses on the businesses of energy engineering and construction of large steel structures.

Concentration of resources in growth businesses

While the businesses will remain in the three segments of "Environment & Energy," "Marine Logistics & Transportation," and "Social & Industrial Infrastructure" set forth in the MES Group 2025 Vision, the Group will position the machinery and systems, ocean development, and power generation businesses as its core while enhancing collaborations within the Group and concentrating resources. Meanwhile, the Group plans to aim for the further growth of the shipbuilding and social infrastructure businesses through collaborations and alliances with companies outside the Group.

Business structure after structural reform FY2023 ('22/4 - '23/3)



* FSRWP: Floating Storage, Regasification, Water-Desalination & Power-Generation

Further Measures

Expand the product lineup of Machinery Business Expand product lineup centered on marine & industrial machinery with the strong points of quality, price competitiveness and networks, and develop LSS business.	Reorganization of Power Generation Business The biomass power generation business of MES-E should be integrated into BURMEISTER & WAIN SCANDINAVIAN CONTRACTOR A/S (BWSC). BWSC Japan* should expand the markets to Southeast Asia in the future, after the Japanese market.
Reorganization of Shipbuilding Business Establish a new organization to promote energy engineering business field (offshore FPSO, gas business, etc.). Cooperate with companies outside the group to enhance the competitiveness.	Reorganization of Social Infrastructure Business Consolidate the resources related to social infrastructure should be integrated to Mitsui E&S Steel Structures Engineering Co., Ltd.(MSE) in order to launch a new company for the social infrastructure businesses. As the large-scaled structure construction business, the wind power mill installation business of MES-E should be integrated to the new company. Considering collaboration with companies outside the group to enhance the competitiveness and expand the business.

* BWSC Japan: BWSC's subsidiary in Japan