

The MES Group 2025 Vision outlines the MES Group's long-term direction for the period between fiscal 2016 and fiscal 2025. To achieve the MES Group company philosophy of "To continue working as a company trusted by society and individuals through products and services we offer", we outlined the direction of our future initiatives based on an evaluation of our rapidly changing external environment.

We will share this throughout the Group and incorporate this Vision into the specific action plans outlined in our next three Mid-term Business Plans (MBP17, MBP20, MBP23). In fiscal 2007, the year of our 90th anniversary, we

outlined our long-term vision in the "100th Anniversary Vision (2007-2017)". We were able to achieve a certain level of success through the objectives outlined in that Vision. Looking ahead to our 100th anniversary, we achieved the steady growth of the marine resource development as one of our core businesses and increased sales for gantry cranes and after-sales services, which were marked as potential growth segments.

We want to share the MES Group 2025 Vision as the path we understand and mutually embrace towards concentrating our collective strengths and establishing a level of profitability that is not

influenced by market fluctuations.

Position of this Vision



Thinking about the World 30 Years from Now

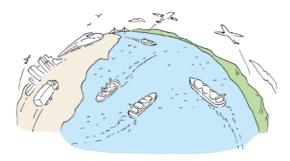
What will the world in which we live be like 30 years from now? To envision our ideal situation, first we must imagine our future living environment.

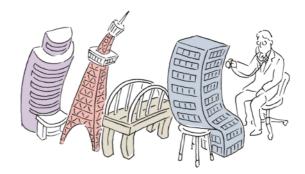


In Developing Countries



In Japan and Advanced Economies





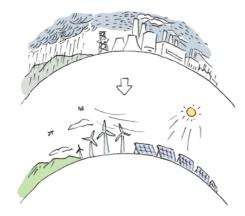
By 2045, the global population will exceed 9 billion people. Nearly 80% of those will be the people of developing countries in Asia (including China and India) and Africa.

With economic development in these developing countries, the energy consumption, marine transportation volume, and infrastructure needs will grow on a global scale. For example, the size of the global market for public transportation infrastructure (airports, railway, roads, and ports) was 38 trillion yen (yearly average) in 2014, and this is projected to nearly double in the next 30 years.

Although Japan and other advanced economies are facing declining workforces, women, retired workers, and foreign labor supplement work forces and support society. The use of robots is also advancing, not only in the industrial workplace, but also reception and other areas of the service industry and nursing care as labor-saving and streamlining initiatives are gaining ground in the workplace.

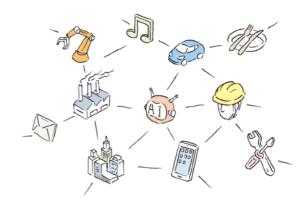
In contrast with developing countries that are developing social and industrial infrastructure, Japan is now faced with the aging of existing infrastructure. This is creating demand for preventative maintenance, replacement and renewal work.

3 Global Environment



The destruction of the environment is a growing problem. As global awareness concerning climate change, and air and water pollution grows, society is desperately searching for the technology and schemes that will resolve these problems. We also are seeing intensifying global competition for resources and energy, leading to increased demand for unconventional resources such as methane hydrate and ocean bed mine resources, and renewable energy such as wind power, solar power, and biomass.

4 Impact of IT



IoT, big data, and Al (artificial intelligence) have permeated every industry, and this has led to significant changes in how business is being conducted. Beyond internal partnership with group companies, with growing frequency we are seeing collaborations between industry competitors as well as cross-segment cooperation. Globally, we are seeing the advancement of economic and financial integration, particularly in Asia, and continued innovation in IT technology will lead to the further globalization of corporate activities.

Strengths We Must Apply towards the Future

Thirty years from now, what value can we continue to offer society? We must offer value that is more than just products and technology.



Diverse Products and Services



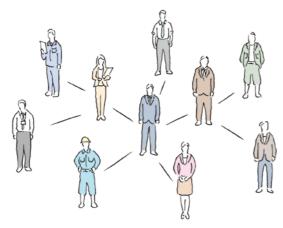
With what began from a shipbuilding company, MES Group products and technology now span a wide range of fields. From shipbuilding to chemical and environmental engineering, machinery, IT, and services, we have developed our business to become a global comprehensive heavy machinery manufacturer. It is because of our history of challenging ourselves to various segments and industries that we are able to take on the massive challenge of solving the problems facing society.





Our engineering prowess, the strengths we have cultivated through various project experiences accumulated over our nearly 100-year history. It is the ability to manage the various aspects of a project, including quality, schedule, cost, and compliance management while organizing the various technology and equipment as well as the partner corporations and staff involved in a project. The engineering prowess provided by the MES Group is vital to society.

3 Connecting with Customers and Partner Corporations



Solving the problems of society is not something we can achieve by ourselves. It is through cooperation and collaboration with Group companies, partner corporation, and our customers that we are able to provide the products and services that benefit society and people, and in doing so address the problems of society. One of our greatest strengths is the connections we have built over our nearly 100-year history.



Commitment to Manufacturing and Engineering



One example is the Super-Kamiokande, a research facility that achieved research results that led to the receipt of a Nobel Prize in Physics. For the construction of this facility, we held discussions with university professors many times in order to ascertain the optimal design for the facility. We have garnered the trust of customers and partners around the world through our professional approach to quality and schedule. In manufacturing as well as in product development and plant engineering, our customers trust the commitment we show through to the end of each project. We believe our dedication to manufacturing and engineering to be one of our invaluable assets.

Focusing Our Strengths

As we envision the future 30 years from now, what initiatives should be undertaken for the next 10 years? The areas in which we will focus our strengths will be fields in which the needs of society overlap with our strengths and resources.

Needs of society

- Increased energy consumption
- Diversification of energy sources
- Application of unconventional energy
- Increased marine transportation volume
- Expanding environmental conservation needs
- Increased infrastructure and industrial facility needs
- Expanding need for preventative conservation, replacement and renewal for existing infrastructure and industrial facility
- Life in safety and peace

Environment & Energy

Marine
Logistics
&
Transportation

Social & Industrial Infrastructure

MES Group strengths and resources

- Diverse products & services
- Engineering prowess
- Connections with customers and partner corporations
- Commitment to manufacturing and engineering
- Human resources to make the above possible

Environment & Energy

How can we contribute to each of our core domains? Let's first look at environment & energy.

Asia and Africa are projected to experience dramatic population growth.

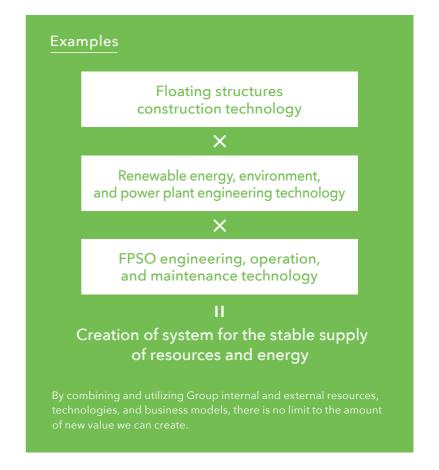
How will we support the subsequent increase in global energy consumption?

We have reached a point in time where the MES Group must make even greater contributions to energy creation.

The MES Group is already widely involved in energy creation, including the development of renewable energies such as wind power, bio-gas, and biomass power plants, and we are participating in the ocean resource development sector by constructing FPSO (floating production, storage, and offloading) system for offshore oil and gas producing. Moving forward, we will further concentrate and strengthen our know-how and resources.

Environment conservation and energy creation will become vital themes for society.

We will aggressively utilize external resources to speed up the development of these segments into core businesses.



We will contribute to the future of a sustainable earth through the effective utilization of ocean resources, energy and waste products.

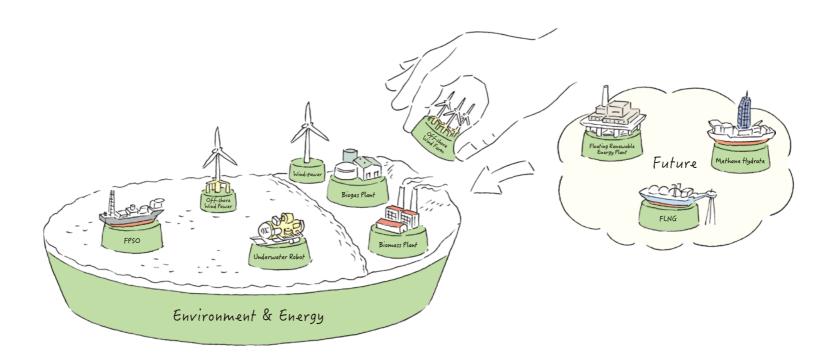
Needs of society

- Increased energy consumption
- Diversification of energy sources
- Application of unconventional energy
- Expanding environmental conservation needs

Environment & Energy

- Ocean development
 & submerged equipment
- Renewable energy
- Environment plants
- Power plants

MES Group products & services





Marine Logistics & Transportation

Not only providing ships and cranes, but also the marine logistics and transportation domain involves the entire supply chain.

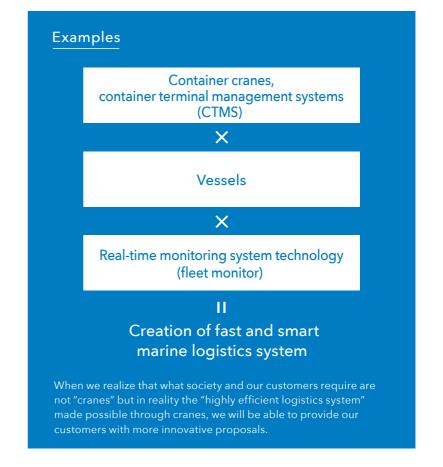
The economic development of developing countries is expected to result in an increase in marine transportation volume.

Not only providing shipbuilding, the MES Group's involvement in port logistics includes container cranes and other structures, and as such the market expects the MES Group to serve as a marine logistics professional with expertise in every aspect of the global supply chain.

The MES Group excels not only at manufacturing hardware, but also at the development of related software. From IT-based engine control to container terminal management, by combining our strengths in both hardware and software we can achieve even greater innovation in the field of marine logistics and transportation

Expanding beyond technology, if we effectively utilize our network diverse global partner corporations, we will also be able to coordinate new businesses.

As a marine logistics solutions provider, we will further increase our ability to address all types of consultations.



We will contribute to social development by providing energy-saving and environmental performance, fuel diversity, and labor-saving equipment.

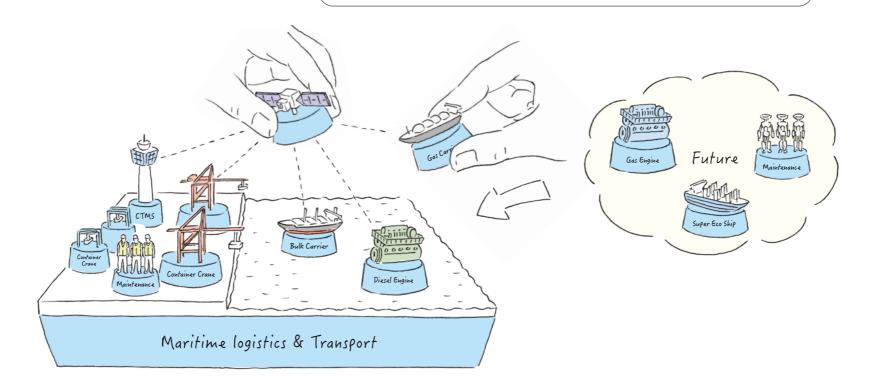
Needs of society

- Increased marine transportation volume
- Expanding environmental conservation needs
- Increased energy consumption
- Diversification of energy sources

Marine Logistics & Transportation

- Gantry cranes
- Vessels
- Marine Diesel engines

MES Group products and services





Social & Industrial Infrastructure

In the social and industrial infrastructure domain, we will create new value by fusing technologies from both inside and outside the Group.

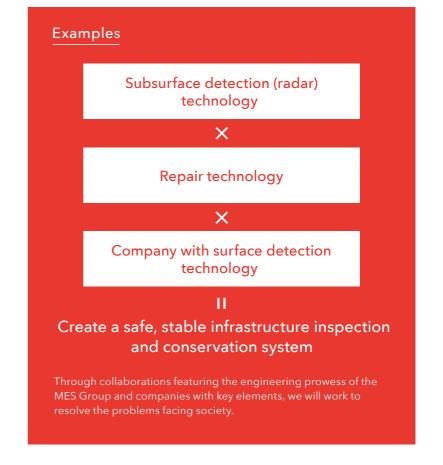
Developing countries in Asia and Africa require social and industrial infrastructure and facilities.

From bridge construction in China and Vietnam to power plant construction in Indonesia and chemical plant construction in the Middle East and Southeast Asia, we are heavily involved in developing countries. Now is the time for us to fuse the various product technologies available to us to provide new solutions.

In Japan and other advanced economies, the need for our conservation technology as a measure against aging infrastructure will only grow stronger.

We can provide new solutions in these segments as well by fusing technologies such as radar and robotics-based safety management.

Our efforts in these domains will be supported by proactively utilizing collaborations with external groups in addition to development conducted within the Group. Companies working to complement each other will be able to provide customers with packaged products and services that offer new value.



We will contribute to creating a safe and comfortable living environment by providing the plant facilities and public transportation infrastructure vital to the development of developing countries and the conservation services necessary for infrastructure in Japan and other advanced economies.

Needs of society

- Increased infrastructure and industrial facility needs
- Expanding need for preventative conservation, replacement and renewal for existing infrastructure and industrial facility
- Increased need for environment conservation
- Life in safety and peace

Social & Industrial Infrastructure

- Infrastructure conservation
- BridgesChemical plants
- Industrial machinery
- National defense

MES Group products & services



Our Ideal Situation

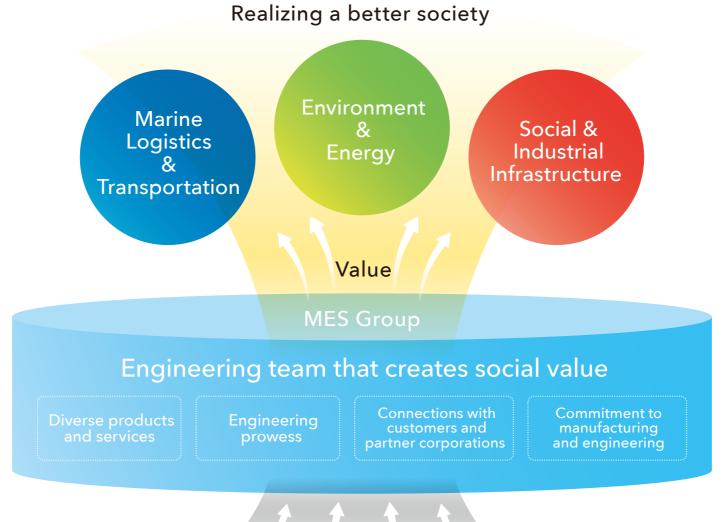
Moving ahead, how should the MES Group position itself in these three core domains? We define this as our Ideal Situation.

The MES Group will evolve into an engineering team that creates social value.

Engineering prowess. This is the ability to transcend organizational and corporate boundaries to utilize a diverse range of resources and technology within the Group as well as proactively cooperating with new partners to work collectively towards resolving social needs and problems.

Teamwork. This is the ability for each of the more than 12,000 people working in more than 50 Group companies to conceptualize and act on a scale that is not limited to any specific product or organization in order to work collectively towards maximizing the value we offer our customers.

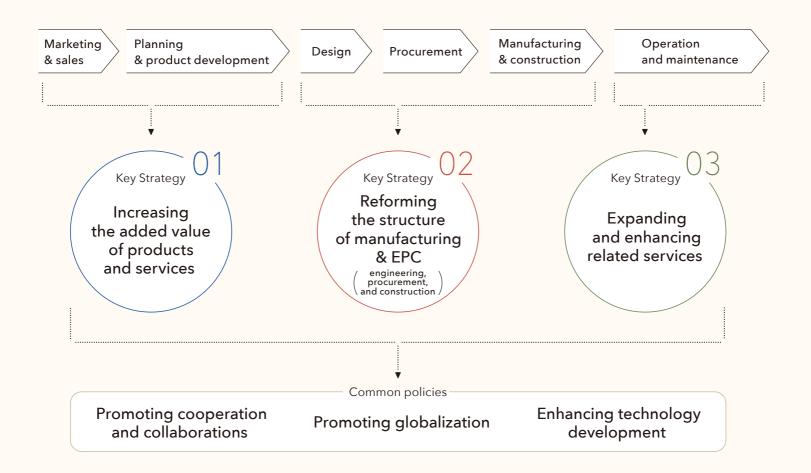
The future of the MES Group is to unite in our goal of realizing a better society by existing as an engineering team that creates social value.



Social problems and needs

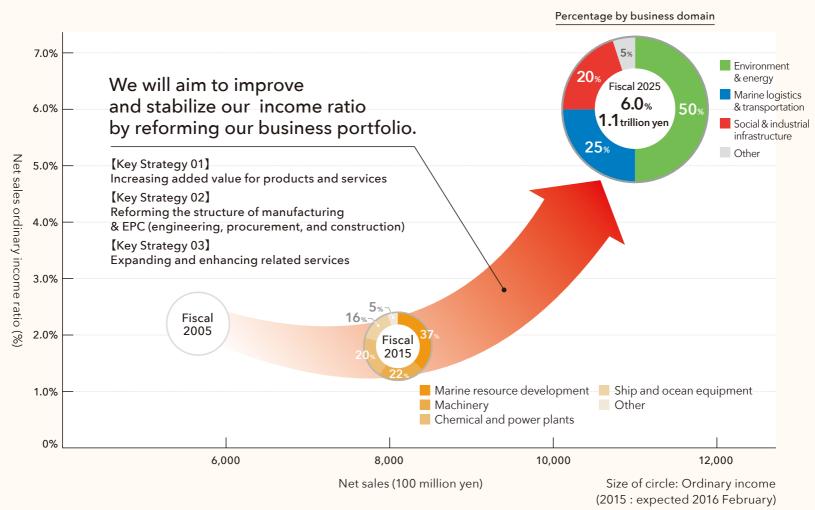
Key Strategy and Common Policies

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



Quantitative Target

We are aiming to achieve net sales of 1.1 trillion yen and an ordinary income rate of 6% by fiscal 2025.



2025 Actions

Our three actions aimed at achieving the MES Group 2025 Vision



Switching our perspective from "external to internal"

Looking at social issues and needs to evaluate what is necessary to address those needs.



Proactively promoting internal and external collaborations

To achieve our goals, promote internal and external collaboration without fixating on internal innovation



Focus on increasing profit margin

Evaluating which product values and business models will create profit



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Be your best partner for next century.

