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May 22, 2025

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## Notice Concerning the Formulation of “MITSUI E&S Rolling Vision 2025”

In August 2024, MITSUI E&S Group (the "Group") announced a Brand-new mid-term business plan, "MITSUI E&S Rolling Vision 2024".

MITSUI E&S Rolling Vision is a medium-term business plan that envisions continued growth by continuing to update targets for the next three years using a rolling method.

Based on the financial results for FY2024 and changes in the business environment, we are pleased to announce that we have formulated the "MITSUI E&S Rolling Vision 2025", which includes updated functional strategies (finance and human resources) and business strategies until 2027, three years from now.

In order to achieve sustainable growth toward the Group's vision for 2030, we will make necessary business investments, return profits to shareholders through an appropriate dividend policy, and strive to improve corporate value by balancing the cost of equity and the cost of liabilities.

### 1. Overview of MITSUI E&S Rolling Vision 2025

	Actual results FY2024	Numerical target for FY2025	Numerical target for FY2027
	Billions of yen	Billions of yen	Billions of yen
New Orders intake	421.7	300.0	370.0
Net sales	315.1	340.0	380.0
Operating income	23.1	24.0	28.0
Operating income ratio	7.3%	7.0%	7.4%
Interest-bearing debt	97.8	95.0	95.0
Equity ratio	37.8%	39%	42%

### 2. Growth Scenario for FY2027

Taking into account the uncertainty of the business environment in the U.S. market, we will carefully monitor trends and promote the further growth of our core businesses and expansion of new businesses in order to achieve the numerical target of our rolling vision.

- New Business Development:  
We will strengthen the maintenance and inspection-service business using DX technology.
- Marine Propulsion Systems:  
We will expand the engine and peripheral equipment business based on the GX strategy.
- Logistics & Systems:  
We will promote the effective use of transport vessels and the expansion of production capacity in anticipation of global market expansion.

For details, please refer to "MITSUI E&S Rolling Vision 2025".

# MITSUI E&S Rolling Vision 2025

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



May 22, 2025

MITSUI E&S Co., Ltd.



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.**

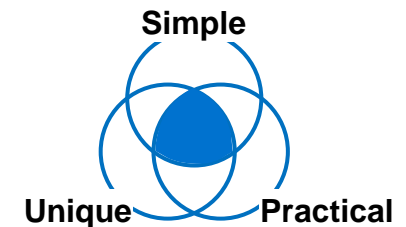
### ➤ Management Policy

- **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.

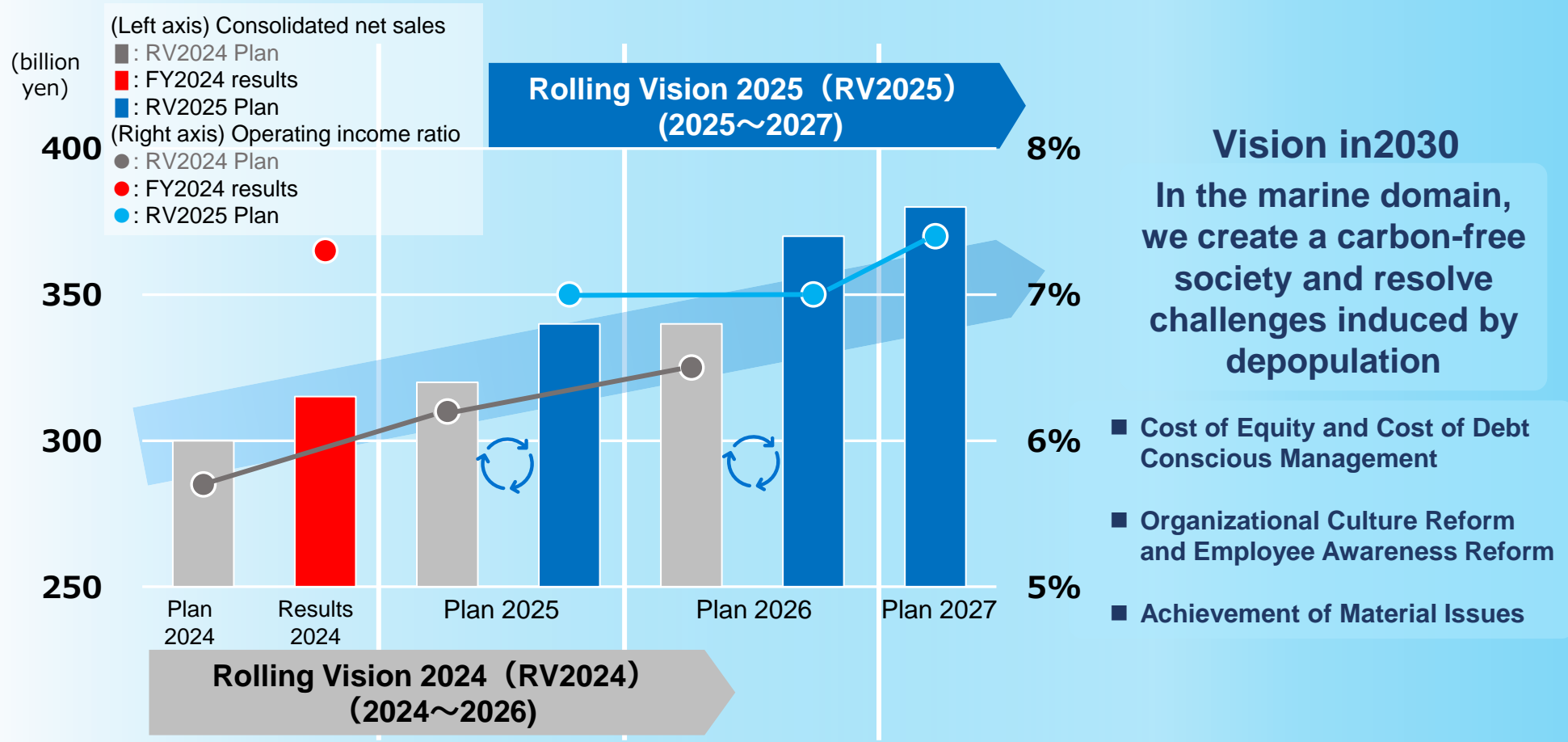
- **Creating a carbon-free society and resolving challenges induced by depopulation have been set as materiality issues.**



## 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

Status of Initiatives in FY2024		Vision
Functional strategies	Significant improvement in BS through the partial sale of shares in MODEC	<b>Cost of Equity and Cost of Debt Conscious Management</b> <ul style="list-style-type: none"> <li>● Achieving ROIC &gt; WACC</li> <li>● Profit return to stakeholders (dividend payout ratio of 30%)</li> </ul>
Finance	Converted short-term borrowings to long-term borrowings Revision of year-end dividend forecast (dividend increase)	
Human Resource	Continue to strengthen the recruitment of women and foreign nationals Started management courses planned in-house Introduction of Support system of Doctoral Talent	<b>Organizational Culture Reform and Employee Awareness Reform</b> <ul style="list-style-type: none"> <li>● Revitalizing the organization through the active participation of diverse human resources Female ratio: 10%, Foreigner ratio: 5%</li> <li>● Realizing an environment and education system to support diverse talents in thriving</li> </ul>
Business Strategy	Test operation of ammonia dual-fuel engine started. Received order for near-zero-emission RTGC for the U.S. market Obtained a third-party statement on Green House Gas emissions	<b>Achievement of Material Issues</b> <ul style="list-style-type: none"> <li>● CO<sub>2</sub> reductions through sales and operation units of environmentally friendly products : ▲ 10 million t-CO<sub>2</sub>/year or more</li> <li>● Cumulative units (Automation, system) : 1,000 units or more</li> </ul>

➤ 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)	<b>380 billion yen</b>
	Operating income ratio	7.3% (5.7%)	7.0% (6.2%)	7.0% (6.5%)	<b>7.4%</b>
	Equity ratio	37.8% (37%)	39% (39%)	40% (40%)	<b>42%</b>
Performance indicators	<b>ROIC</b> (※1)	9.9% (6%)	9% (8%)	9% (8%)	<b>9%</b>
	<b>WACC</b> (※2)	7.0% ( - )	— ( - )	— ( - )	—
	ROE	25.1% (24%)	11% (10%)	11% (10%)	<b>11%</b>
	Dividend payout ratio	5.2% (5%)	15% (15%)	20% (20%)	<b>25%</b>

(※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**

**Cash-in**

**Cash Allocation**

**Operating  
CF**

Approx. 74  
billion yen

ROIC  
9%

reviewed  
depending  
on progress  
of the plan

Business  
Growth  
Investment

Approx.44.0  
billion yen

Approx.12.0  
billion yen

Business  
Development  
Investment

Approx.18.0  
billion yen

Shareholder Returns  
Strengthening the  
financial base

- **Strengthening the dual-fuel engine and the peripheral equipment business**  
(Investment in the development of ammonia engines and fuel supply equipment)
- **Strengthen global market expansion of crane business**  
(Owning and utilizing a crane-transport vessel and investing in expanding production capacity)

- **Investment in human resource development and support, Improvement of well-being**

- **Investment in Expanding and Strengthening the maintenance and inspection-service Business**
- **Investments required for R&D, new businesses, and service development**

- **Enhancement of shareholder returns**  
(dividend payout ratio of approximately 25%)
- **Implementation of interim dividends (see page 9)**

- **Preparing for Increasing Working Capital and Debt Repayment**
- **Further enhancement of capital adequacy**

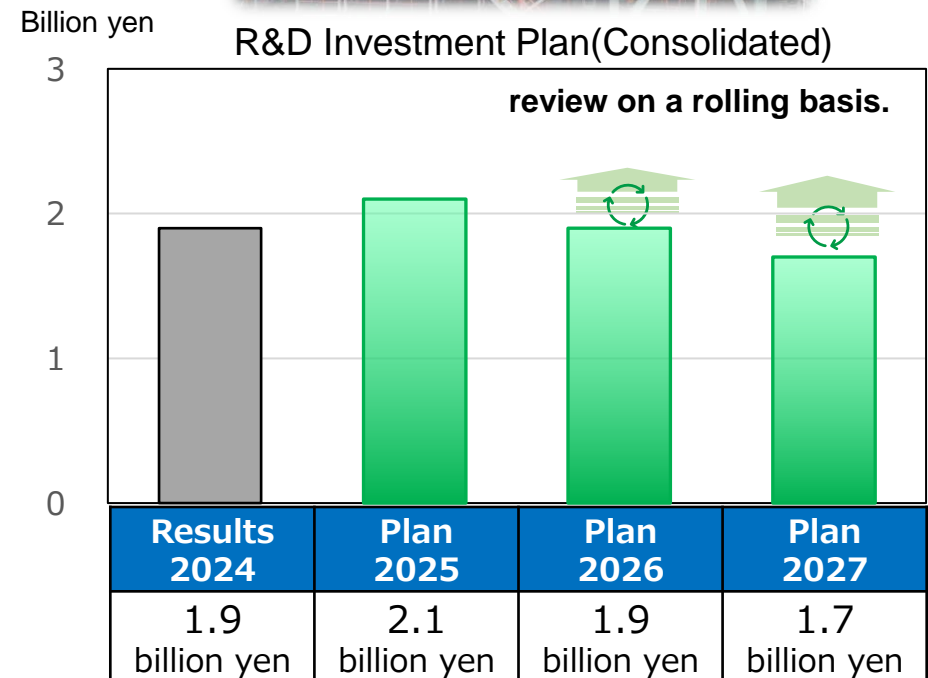
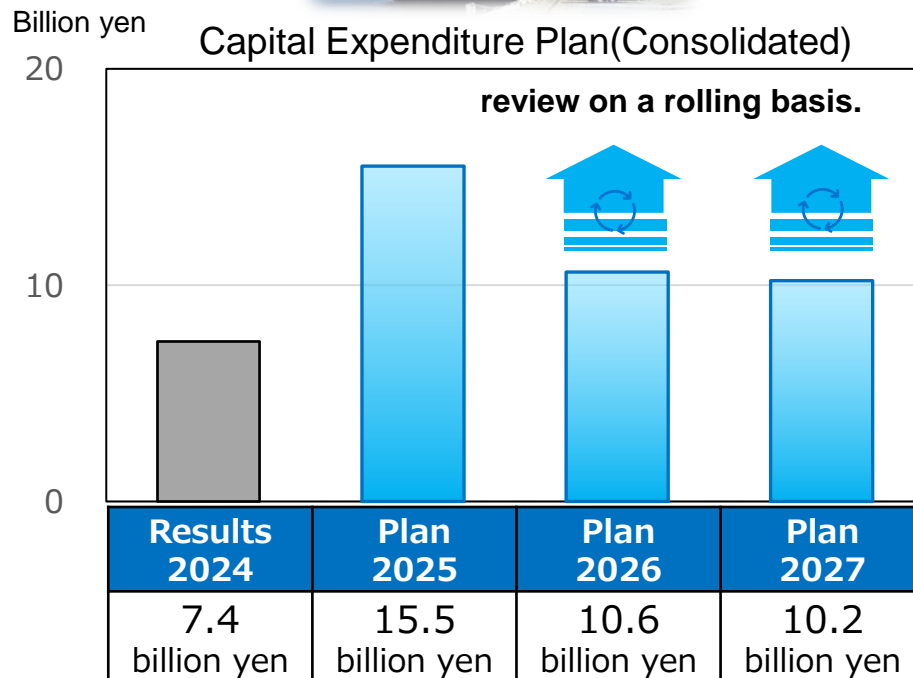
➤ Approximately 74 billion yen in cash will be allocated to growth and development, and 25% will be allocated to shareholder returns and strengthening the financial base.



## 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.

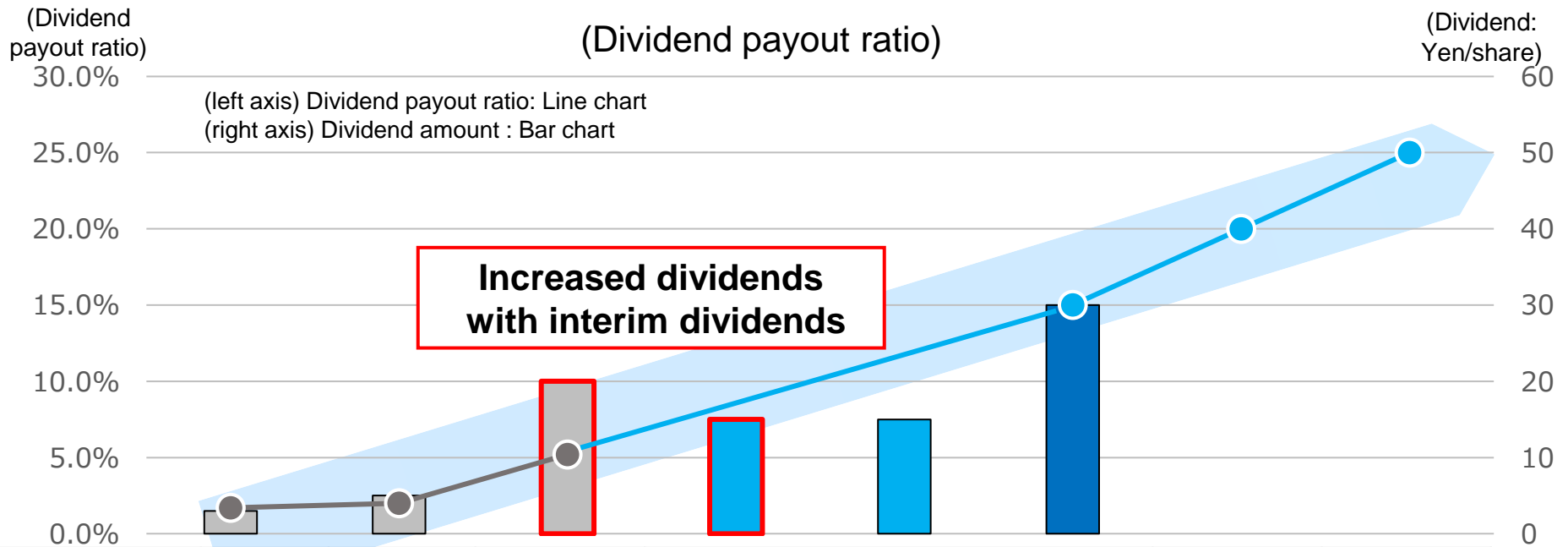


➤ We will invest appropriately in facilities and R&D to promote sustainable growth.

## 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.



➤ 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%	

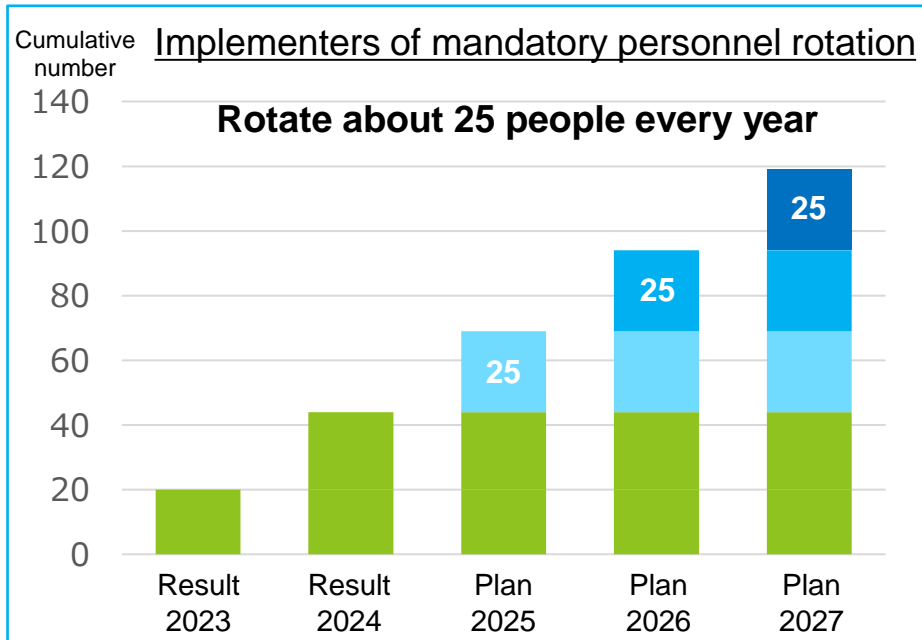
➤ **Strengthening mid-career recruitment, Recruit overseas university students, and Promote diversity in human resources.**

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

### Promoting investment in human resource development and human capital

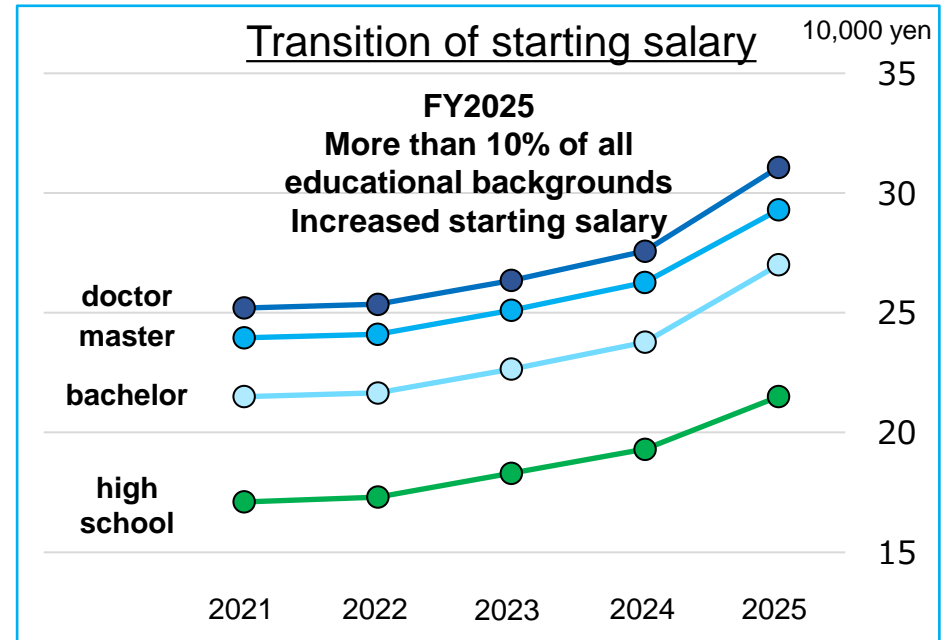
#### Human resource development that promotes diverse growth

- **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



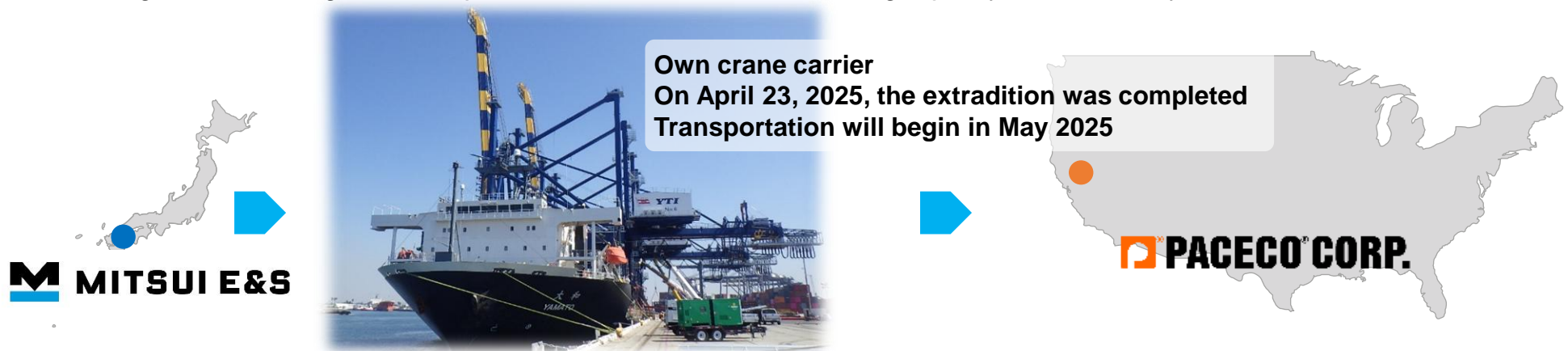
High Pressure BOG Compressor

➤ 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

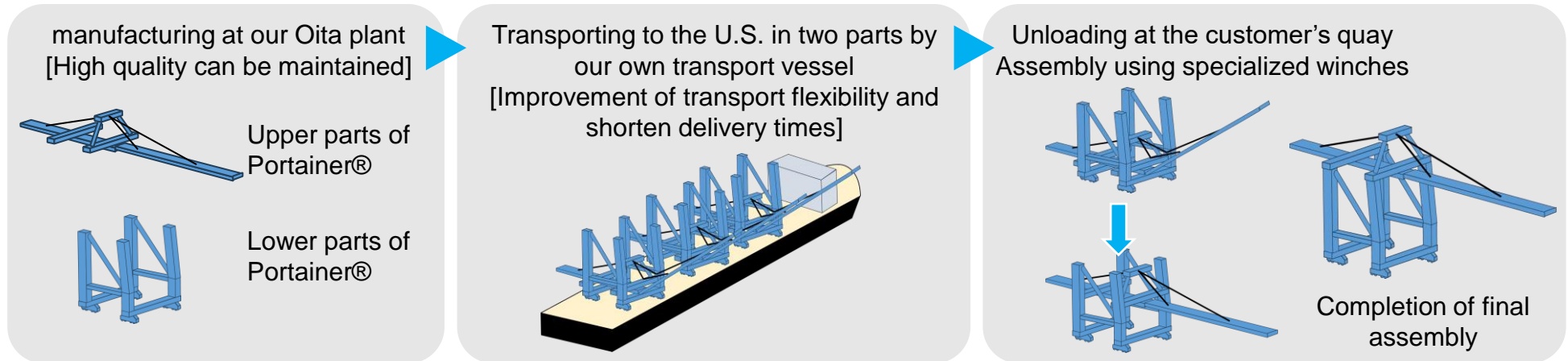
## 4-4. Rolling Vision 2025 : Topics in Business Strategy

### 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





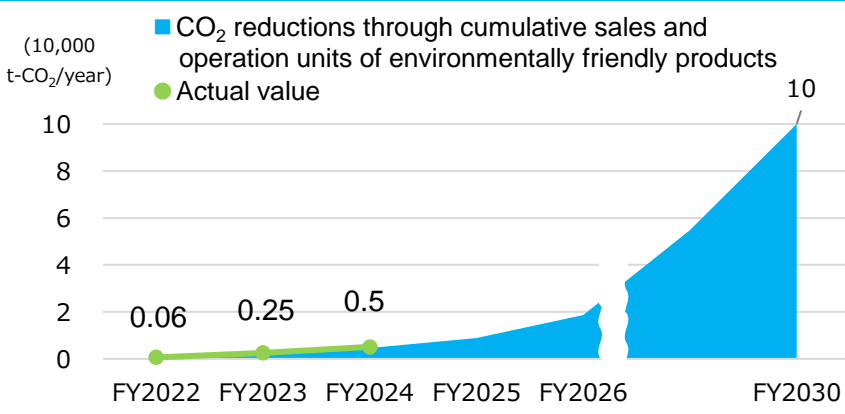


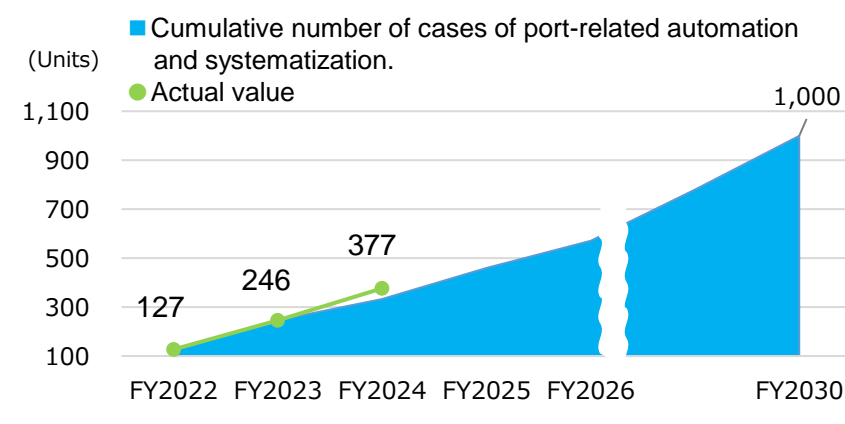
➤ **Contributing to the efficiency of marine transportation and the global expansion of our cranes**



# 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															
<div>Creating a decarbonized society</div> <div></div>	<div>● Through cumulative sales and operation units from 2022 to 2030 of environmentally friendly products onto the market CO<sub>2</sub> reductions : ▲ 10 million t-CO<sub>2</sub>/year or more. *1</div> <div>*1 Comparison with emissions from conventional specifications (heavy oil/light oil-fired) products of the same quantity.</div> <div>● CO<sub>2</sub> emissions reductions from production activities through expansion of green power : ▲ 10 thousand t-CO<sub>2</sub>/year or more.</div>	<div><p>(10,000 t-CO<sub>2</sub>/year)</p><p>■ CO<sub>2</sub> reductions through cumulative sales and operation units of environmentally friendly products ● Actual value</p><table><tr><th>Fiscal Year</th><th>CO<sub>2</sub> reductions (10,000 t-CO<sub>2</sub>/year)</th></tr><tr><td>FY2022</td><td>0.06</td></tr><tr><td>FY2023</td><td>0.25</td></tr><tr><td>FY2024</td><td>0.5</td></tr><tr><td>FY2025</td><td>-</td></tr><tr><td>FY2026</td><td>-</td></tr><tr><td>FY2030</td><td>10</td></tr></table></div>	Fiscal Year	CO <sub>2</sub> reductions (10,000 t-CO <sub>2</sub> /year)	FY2022	0.06	FY2023	0.25	FY2024	0.5	FY2025	-	FY2026	-	FY2030	10
Fiscal Year	CO <sub>2</sub> reductions (10,000 t-CO <sub>2</sub> /year)															
FY2022	0.06															
FY2023	0.25															
FY2024	0.5															
FY2025	-															
FY2026	-															
FY2030	10															
<div>Resolving issues of a society with a shrinking population</div> <div></div>	<div>Cumulative sales and operation units of port-related products automation and systematization from 2022 to 2030: 1,000 units or more.</div> <div>Various systems such as remote control Transteiner®, remote control Portainer®, CTMS, etc.</div>	<div><p>(Units)</p><p>■ Cumulative number of cases of port-related automation and systematization. ● Actual value</p><table><tr><th>Fiscal Year</th><th>Cumulative number of cases (Units)</th></tr><tr><td>FY2022</td><td>127</td></tr><tr><td>FY2023</td><td>246</td></tr><tr><td>FY2024</td><td>377</td></tr><tr><td>FY2025</td><td>-</td></tr><tr><td>FY2026</td><td>-</td></tr><tr><td>FY2030</td><td>1,000</td></tr></table></div>	Fiscal Year	Cumulative number of cases (Units)	FY2022	127	FY2023	246	FY2024	377	FY2025	-	FY2026	-	FY2030	1,000
Fiscal Year	Cumulative number of cases (Units)															
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

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

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



**MITSUMI E&S**

Engineering & Services for Evolution & Sustainability