



Machinery & Infrastructure

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Infrastructure Projects Business Unit

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Integrated Transportation Systems Business Unit I

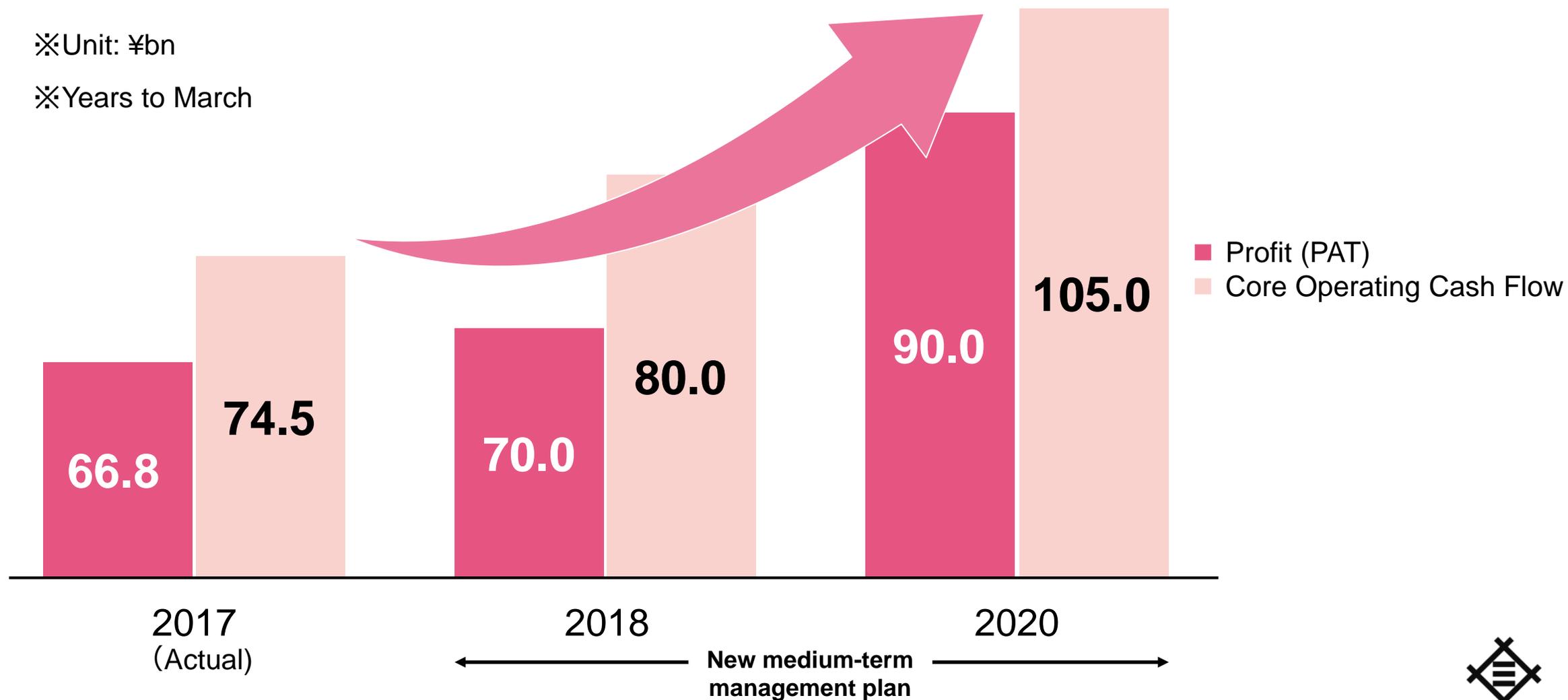


Machinery & Infrastructure Segment

Quantitative Targets Profit (PAT) / Core Operating Cash Flow

※Unit: ¥bn

※Years to March





Infrastructure Projects Business Unit

Core businesses: Highlights

Power

Balanced portfolio of
10 GW of power generation
Capacity in 21 countries

Offshore oil & gas Infrastructure

MODEC collaboration
5 countries
16 FPSO vessels
2 million bbd production

Gas distribution

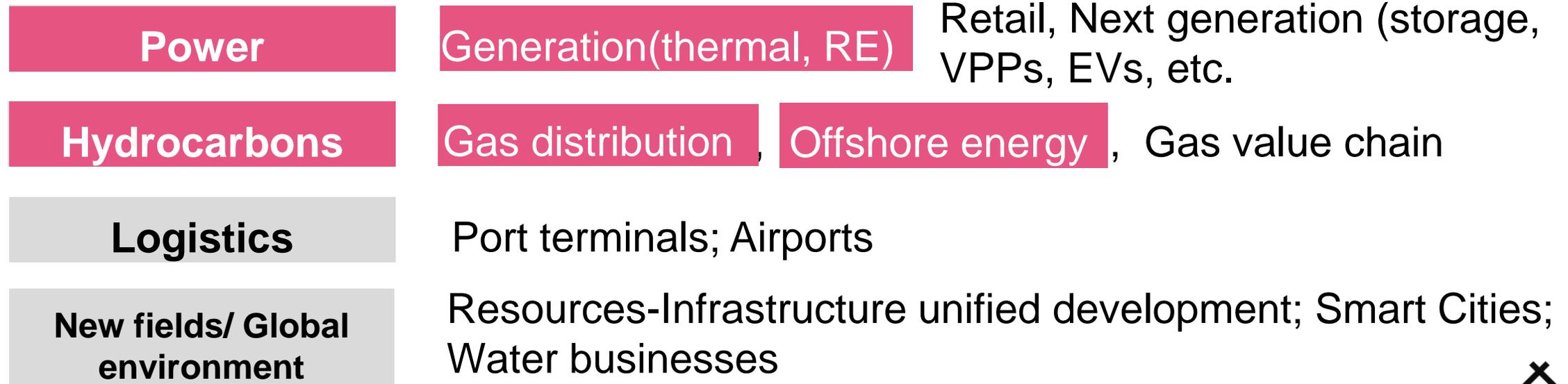
Brazil: approx. 3 million m³/d
capacity (roughly 50%
of domestic supply total)

Business environment

Infrastructure Projects Business Unit - Major changes in business environment -

- Shift to **low-carbon society** as climate change awareness grows
- **Low oil prices** associated with end of resources supercycle
- Shift in industrial structures due to **tech revolution, digitalization**

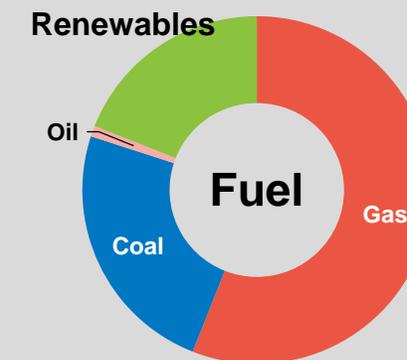
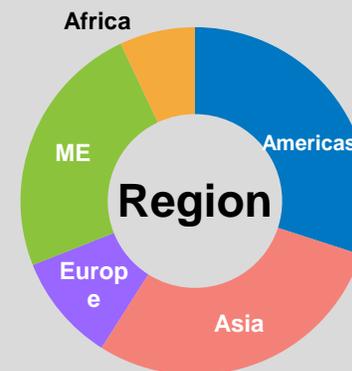
Basic strategy



Initiative 1 Power

Strengths

- Approx. 10GW capacity
- Portfolio well-balanced in terms of fuel geography
- Operatorship



Growth initiatives

- Enhance asset values (operational improvement; Use digital technology such as IoT / AI)
- Accelerate cycle from development to sale (Pursue Develop and Sell model)
- Enhance portfolio with ESG awareness (expand RE* business)

*RE: Renewable Energy



MITSUI & CO.



Initiative2 Offshore oil & gas infrastructure

Strengths

- Strong collaborative framework with MODEC
- Abundant project achievements for Petrobras (Brazil)
- Stable earnings from 16 FPSO*/FSO



Growth initiatives

- Raise operating rates, lower costs
- Win new orders for FPSO
- Extend offshore energy domains (subsea* business, etc.)

*FPSO: Floating Production, Storage & Offloading System

*Subsea business: Service business for subsea oil and gas production equipment





Integrated Transportation Systems Business Units I and II

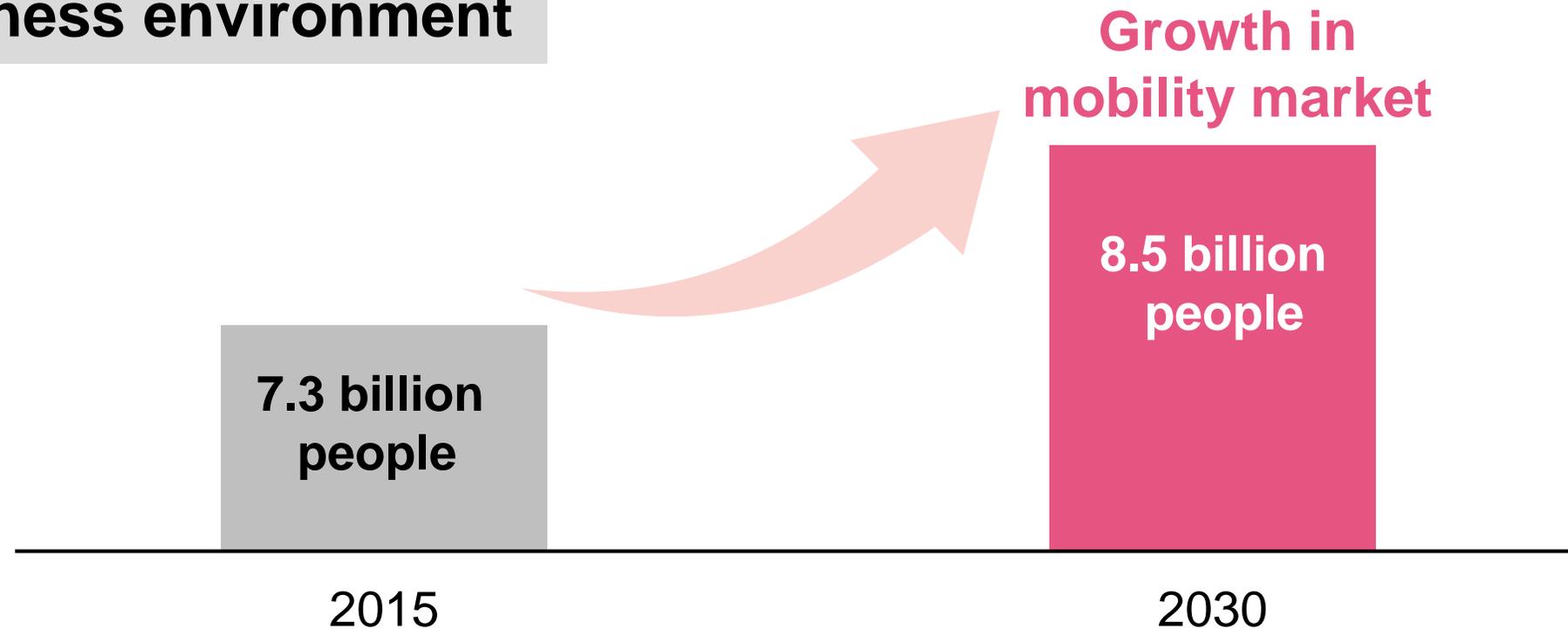
Strengths

**Broad business domain
- First-rate partners -**



Develop and expand business domains

Business environment



- **Suppression of global warming**
- **Need for safe and dependable transportation**
- **Shift in industrial structure to raise economic efficiency**

Basic strategy

1

Sustained expansion of revenue base

2

Business lifecycle management

Action Plan

Thoroughly strengthen existing businesses, bolt-on investments

Automotive (OEM business, Penske, etc.)
 Construction (Komatsu, etc.)
 Transportation (cargo / passenger transportation, locomotive/wagon lease)
 Ships (trading of commercial ships, LNG ships, etc.)
 Aircraft (aircraft/engine lease business, etc.)

Enter new growth frontiers

Technological innovation, sharing economy, robotics, station business etc.

Collaboration with third-party capital

New Business Strategy Office/
 Cross-functional innovation function

Approach 1 Bolster earnings base of existing businesses (automotive)

Core business

OEM (automotive)



Enhance value

by leading entry into promising new markets, and so forth

Growth measures

Together with Penske Automotive Group (PAG) as International Transportation Services Company

- Made a first investment in PAG in 2001 (currently holds 18.1%)
- Became a limited partner in Penske Truck Leasing (PTL) in 2015 (currently holds 20%)
- Provide full-service truck leasing, truck rental and logistics business through 3,000 points of sale and more than 700 service points in North America

Integrated
Transportation
Systems





Approach 2 Bolster earnings base of existing businesses (railways)

Lease

**Mitsui Rail Capital
(Europe, U.S., Brazil, etc.)**

Freight

**VLI (Brazil)
DFC (India)**

Passenger

East Anglia (UK)