



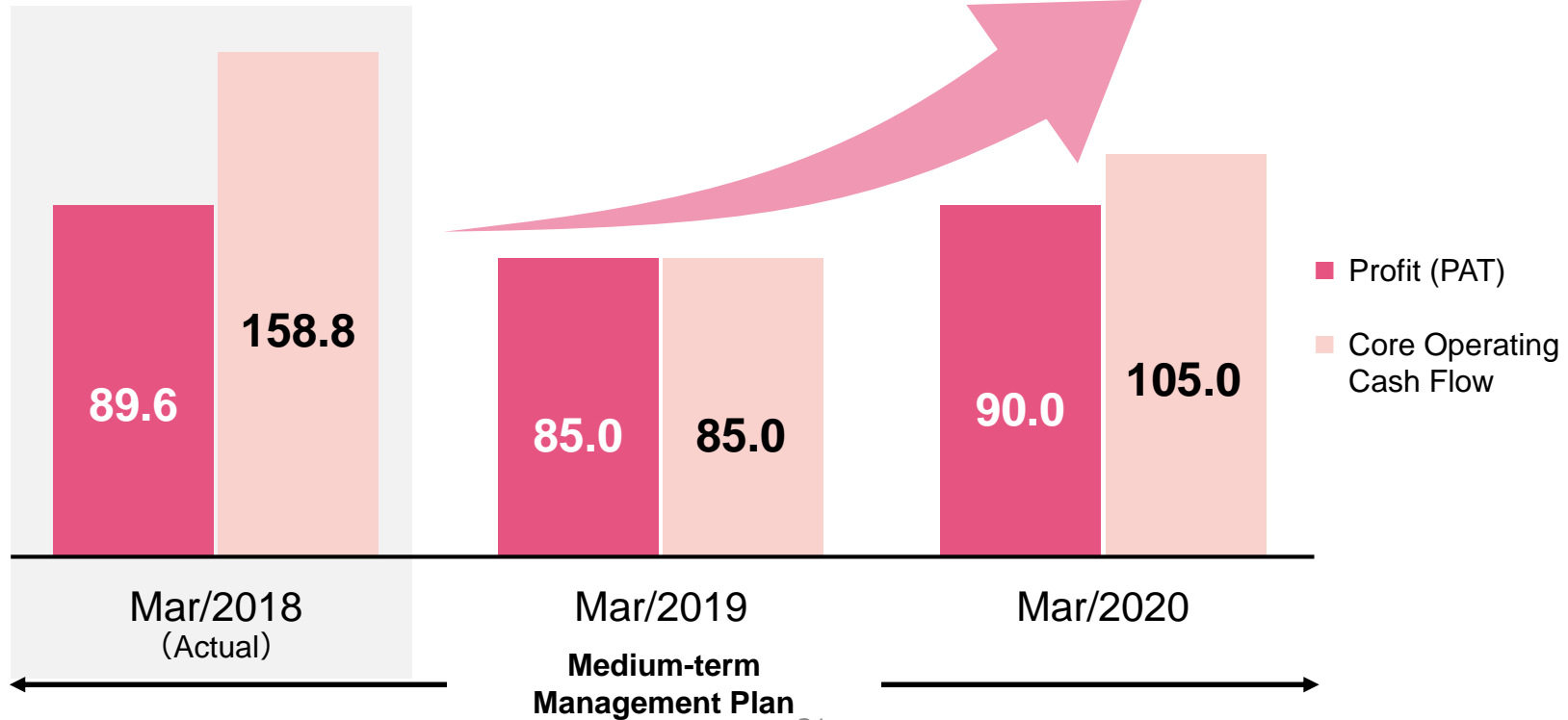
Machinery &
Infrastructure

Shingo Sato

Integrated Transportation Systems Business Unit - I

Quantitative Targets Profit(PAT)/Core Operating Cash Flow

Unit : ¥bn



Competitive Advantages

Developing comprehensive business through extensive customer base and coordination with top-level partners



Coordination with 160 affiliate companies

- Automobiles
- Construction equipment
- Shipping
- Aerospace
- Transportation

Development & Expansion

Competitive Advantages

Existing infrastructure assets backed by stable demand

Increase in value through productivity streamlining, and portfolio optimization through asset recycling



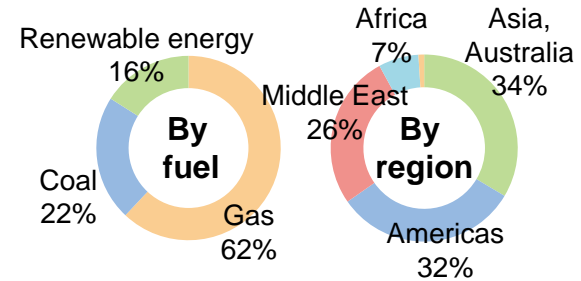
- ◆ Power generation capacity 9.3GW
- ◆ Well-balanced region/fuel portfolio
- ◆ Operatorship



- ◆ Solid cooperative structure with MODEC
- ◆ Proven results with abundance of projects for Brazilian firm Petrobras
- ◆ Stable income from 18 FPSO/FSO vessels (investment scale: ¥80 bn)



- ◆ Strong relationship with Petrobras
- ◆ Approximately 50% share of Brazil gas supply (Operating in 19 of 26 states)



Business Environment



**Low-carbon society
Strengthening of
environmental regulations
New business opportunities**



**Accelerated change
in industrial structure**



**Shift from owning to using
(lease, rental, sharing)**

Basic Strategies

01 Thoroughly reinforce
a sustainable earnings base

02 Implement strategic lifecycle management

03 Enter new business domains
(e.g. automotive sector)



1 Thoroughly reinforce a sustainable earnings base (progress)



Increased stake in Penske Truck Leasing

- Equity holding 20%→30%
¥48.0 bn
- Strengthened ties with Penske Group (70%)



Cameron LNG vessel

- Investment in 2 of 7 long-term charter ships
- Assessing remaining 5 ships



FPSO Charter-in

- Launched operation of 2 FPSO vessels (for Brazil, Ghana)
- Invested in 2 new vessels



FSRU investment

- First FSRU to Pakistan
- Capturing LNG demand in developing nations

©MODEC

1 Thoroughly reinforce a sustainable earnings base



Digital Transformation



**Sky Futures
(UK)**

- Drone inspections to increase safety and decrease downtime
- Improve inspection efficiency of large assets such as ships
- Optimize asset management through accumulated data and AI

“Digital Transformation with KOMATSU/LANDLOG”

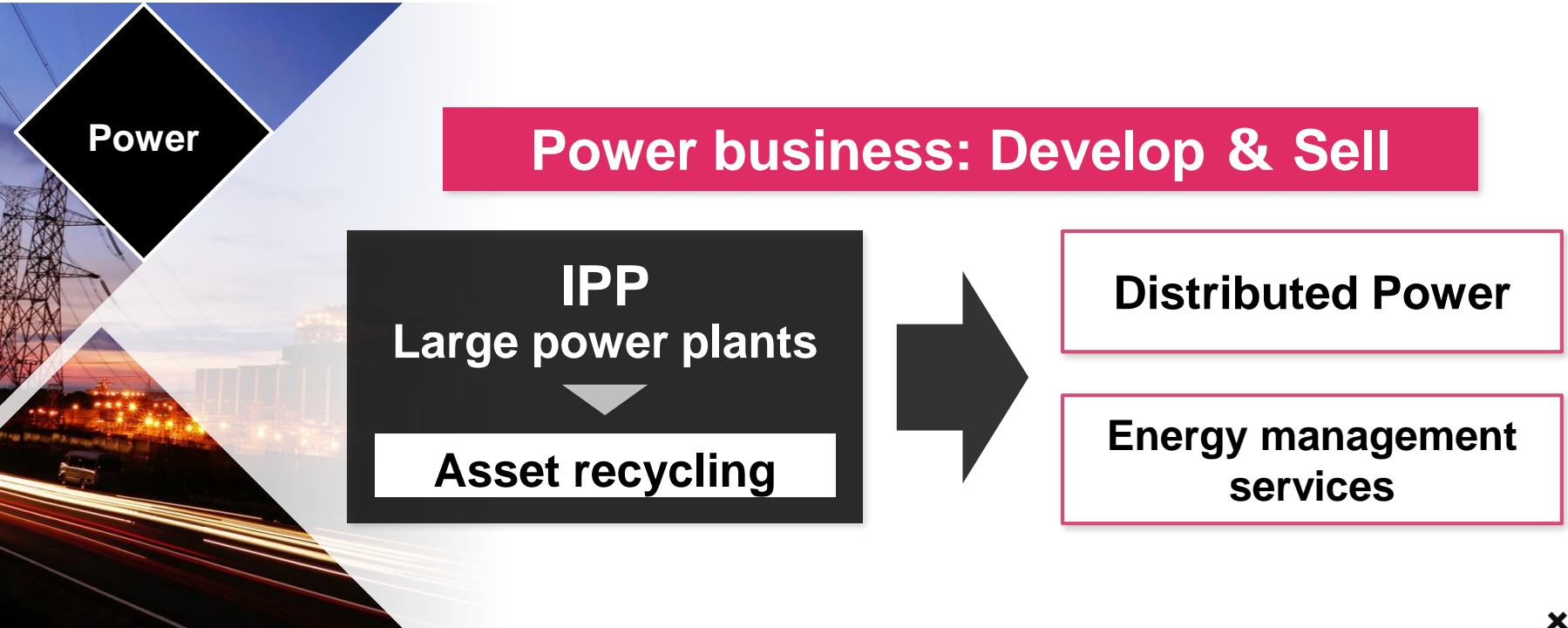
Use construction equipment data and digitalize construction sites

Start fuel supply services as entry point for joint development of new services

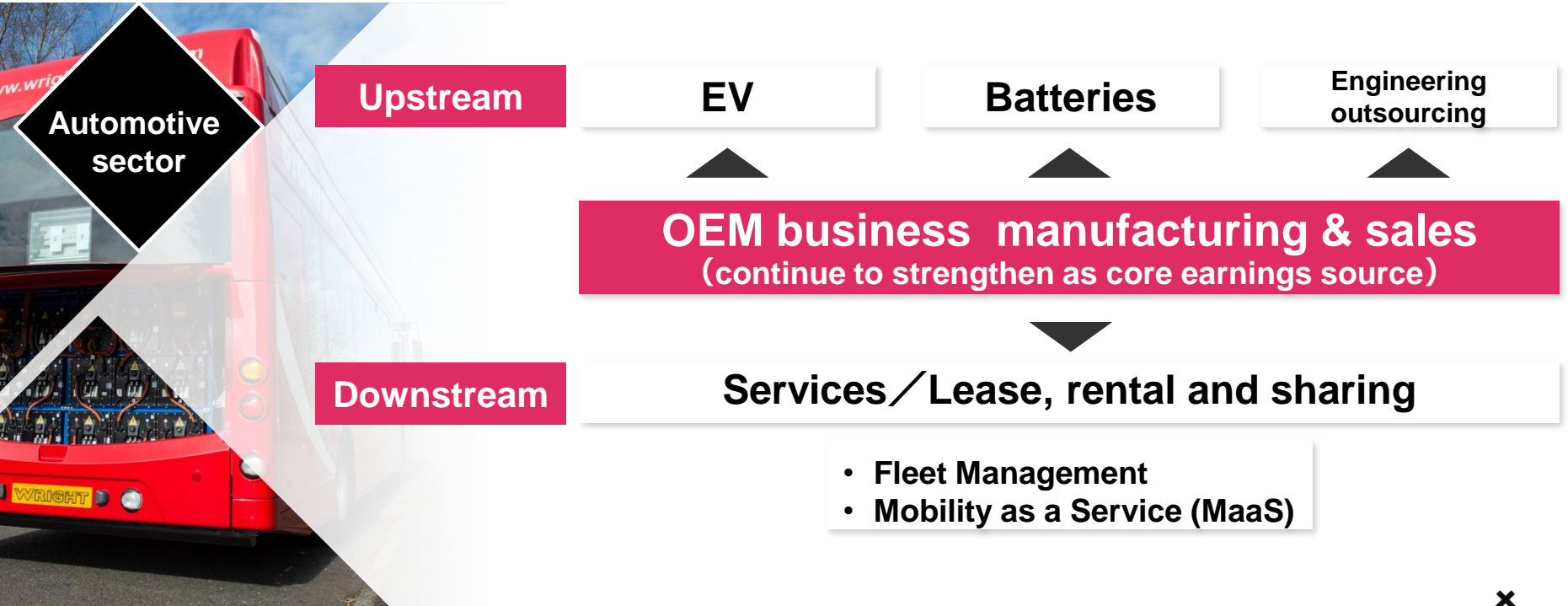
→Reform construction industry and lift efficiency

**Komatsu,
LANDLOG**

2 Strategic lifecycle management (2018 progress)



3 Challenge new business domains (Example: automotive sector)



Individual strategy① Lease, Rental, Sharing



**PTL
(US)**



**Mitta
(Chile)**

Penske Truck Leasing Co., L.P (“PTL”)

- ◆ Together with Penske Automotive Group as international transportation services company
- ◆ Secure new mobility business platforms in US and other regions
- ◆ Grow and horizontally extend full-service truck leasing, truck rental and logistics business

Largest auto lease/rental co. in Chile Inversiones Mitta SpA (49% stake)

- ◆ Leveraging vehicle operating lease (B to B) and rental car businesses (B to C),

expand the value chain to consumer side

Individual strategy② Expand EV and batteries platforms



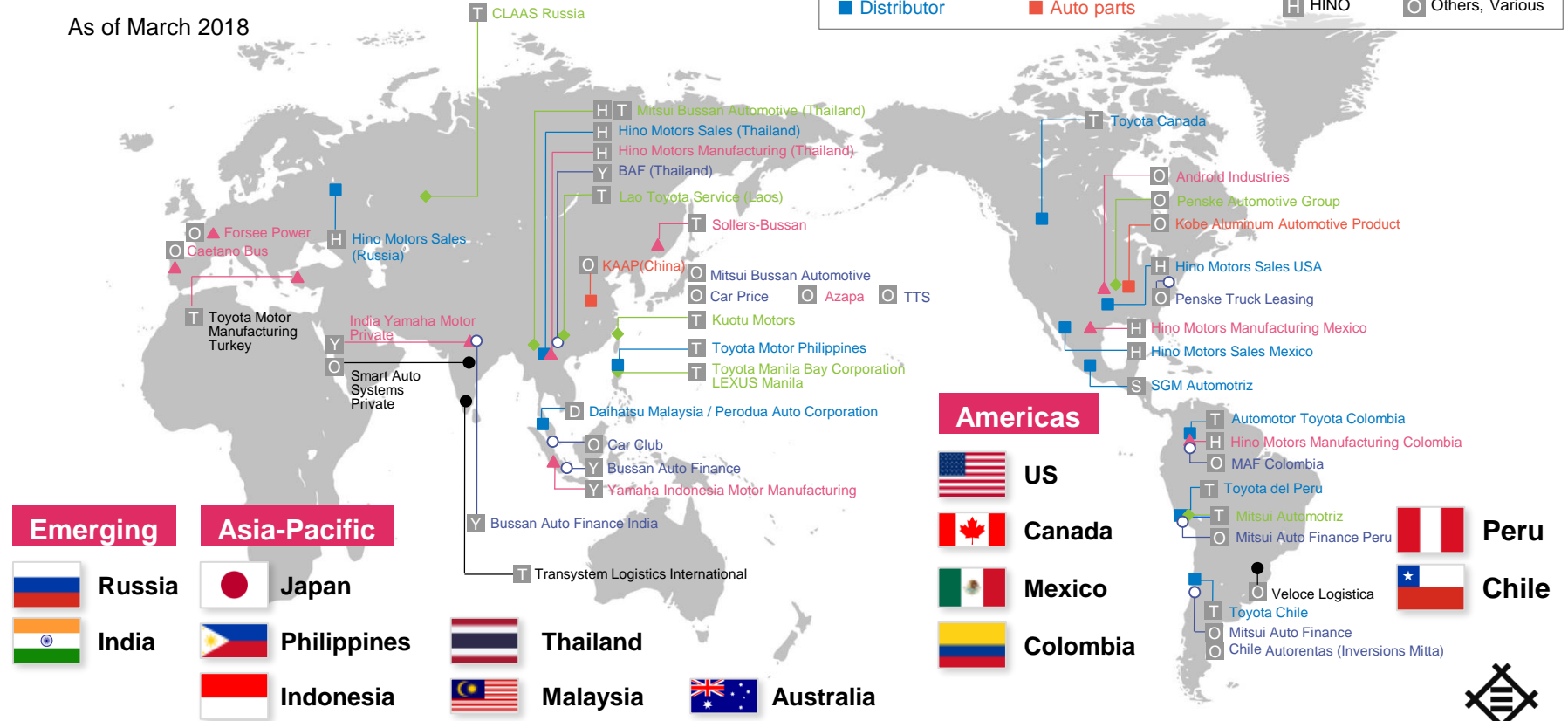
Investing in EV development and manufacturing business to secure development and production capabilities in EVs and core components

- ◆ Caetano Bus (EV bus)
 - Global No.1 in airport passenger buses
 - Aiming to expand EV bus business thru Mitsui network
- ◆ Forsee (Battery system)
 - Battery system technologies incl. battery and related systems
 - Pursue battery lifecycle business incl. leasing, re-use and recycling
- ◆ Lucid Motors (Premium EV)
 - Core EV technologies like batteries, motor and software
 - Targeting 2020 commercial production

Auto industry regional strategy

As of March 2018

● Logistics	◆ Dealer	T TOYOTA	Y YAMAHA
▲ Assembly, mftg	○ Finance, lease, rental	D DAIHATSU	S Subaru
■ Distributor	■ Auto parts	H HINO	O Others, Various



Emerging Asia-Pacific

- Russia**
- India**
- Japan**
- Philippines**
- Indonesia**
- Thailand**
- Malaysia**
- Australia**

- Americas**
- US**
 - Canada**
 - Mexico**
 - Colombia**
 - Peru**
 - Chile**

