



## Strengthening Cooperation with Lawson

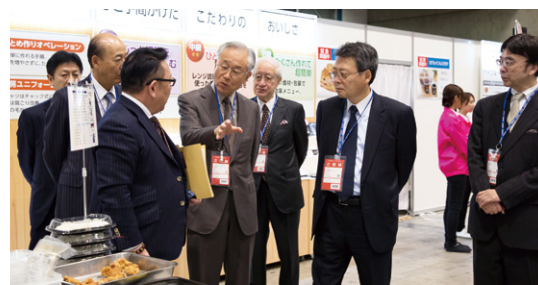
Living Essentials Group

In February 2017, MC made a takeover bid (TOB) for Lawson to raise its share from 33.47% to 50.11%, making Lawson its consolidated subsidiary.

Since the signing of a business alliance agreement in 2000, MC and Lawson have been collaboratively working to generate synergy effects in various fields. As promotion of consumer-driven business is becoming increasingly vital to the growth of the company, MC sees its retail business as the most important interface with consumers. Realizing this, MC will strengthen collaboration with Lawson to increase each corporate value.

Through this deepened relationship with Lawson, which is connected to many consumers at approximately 13,000 retail outlets across the country, MC will enhance the ability to offer products and services which meet the needs of consumers. At the same time, MC will contribute to the realization of the growth strategy of Lawson,

taking advantage of the diverse resources MC possesses in Japan and overseas.



MC's outside directors visited the "Lawson Seminar." \* After the visit, they made dialog with Lawson management.

\*This is an event that Lawson hosts every year to share company policy with Lawson store owners.

## MC Participated in Belgium's Largest Offshore Wind Farm Project

Global Environmental & Infrastructure Business Group

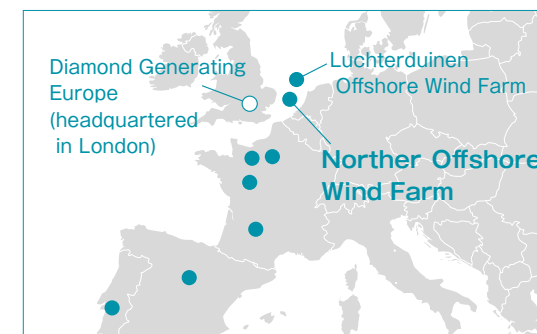
In December 2016, MC decided to participate in the Norther Offshore Wind Farm Project, one of the largest offshore wind farms in Belgium. With operations set to start around the summer of 2019, the offshore wind farm will be constructed jointly by Diamond Generating Europe (DGE), MC's wholly owned subsidiary based in the UK, Eneco, an integrated energy company based in the Netherlands, and Elicio, a fully owned subsidiary of the Nethys Group, an energy and technology services provider based in Belgium.

The Norther offshore wind farm will be constructed approximately 23km off the coast of Belgium at a total project cost of 150 billion JPY. This wind farm with a maximum capacity of

approximately 370MW, will be the largest scale in the country, generating enough energy to supply nearly 400,000 households.

MC's participation in this project is based on a Long-Term-Partnership Agreement on European offshore wind power projects entered into with Eneco in 2012. The project is their second collaborative effort after the Luchterduinen offshore wind farm in the Netherlands, with a total electric generation capacity of approximately 130MW.

Toward the realization of a low-carbon society, MC is focusing more on renewable energy, and involvement in this project is part of that process. MC is set to pursue more offshore wind farm projects mainly in Europe.



### Diamond Generating Europe

With the aim of rapidly promoting power generation business in Europe, the Middle East and Africa, MC consolidated existing power generation assets in the region mainly for renewable energy, and DGE was incorporated in 2012 to control MC's power generation business in Europe. Today, DGE is holding shares of many joint projects such as solar power projects in France, Portugal and Spain, offshore wind farm projects in the Netherlands, onshore wind farm projects in France, thermal power generation projects in Jordan and Qatar, etc.



Image of the wind turbine to be built in the Norther Offshore Wind Farm



LNG bunkering vessel "ENGIE ZEEBRUGGE"

## World's First Purpose-Built LNG Bunkering Vessel Delivered for Widespread Use of LNG as Marine Fuel

Energy Business Group

In February 2017, the world's first purpose-built liquefied natural gas (LNG) bunkering vessel (LBV), "ENGIE ZEEBRUGGE," was completed at a shipyard in Busan, South Korea. The owner of the vessel is an LBV holding company that MC established jointly with Engie SA (France), Fluxys SA (Belgium) and NYK Line. The vessel will be based at the Zeebrugge LNG terminal in Belgium to supply LNG to vessels operating in Northern Europe, including pure car and truck carriers.

As international regulations on emissions for ships tighten, LNG with a low environmental impact is expected to become an important alternative fuel to heavy fuel oil.

Although the potential demand for LNG as marine fuel is high, the lack of supply infrastructure has been a major bottleneck for widespread use. The emergence of this vessel, which will enable LNG

bunkering at any offshore location that a customer may specify, is anticipated to provide opportunities for the widespread use of LNG as marine fuel.

Through the global expansion of ship-to-ship LNG supply and distribution services, MC, in cooperation with its partners, will proactively create innovations in the field of marine fuel, contributing to the development of environmental protection measures in the marine industry.

### ENGIE ZEEBRUGGE

- Length overall : 107.60m
- Breadth : 18.40m ● Depth : 9.00m
- Gross tonnage : 7,403tons
- LNG capacity : 5,100m<sup>3</sup>
- Country flag : Belgium

## MC Participates in Housing Development Project in the Philippines

Industrial Finance, Logistics & Development Group



Image of some residential houses

In November 2016, MC jointly participated in a housing development project in the Philippines with Century Properties Group, Inc., one of the leading real estate enterprises in the country. Located in Tanza in the province of Cavite, south of Metro Manila, the project will cover an area of approximately 26 hectares and supply approximately 2,800 housing units.

Given the sharp increase and an influx of population in Metro Manila, the Government of the Philippines positions creating better living environment in the metropolitan area as an urgent issue. MC believes this project will help the Government to address the challenge. Through the involvement in real estate development projects, MC will continue to contribute to urban development and improvement of living environments across the region.

## MC Starts Mobile Crane Rental Business in Thailand

Machinery Group

In November 2016, MC and its wholly owned subsidiary Nikken Corporation established a new joint venture company with T.S.K. Crane Service Co., Ltd. (TSK), one of the largest crane rental companies in Thailand, to start a mobile crane rental business in the country. The joint venture company owns as many as 300 units, the largest in scale in Thailand.

By taking advantage of the broad MC network in the ASEAN region, the knowledge it has developed through various plant construction projects and the solid business foundation of TSK in the domestic market, MC will strive to expand this crane rental business in the region where construction demand is increasing, backed by strong economic growth. In Thailand, MC also plans to start the rental service business of construction equipment other than cranes with support from Nikken Corporation.



Mobile crane at work