

INDUSTRIAL INFRASTRUCTURE GROUP

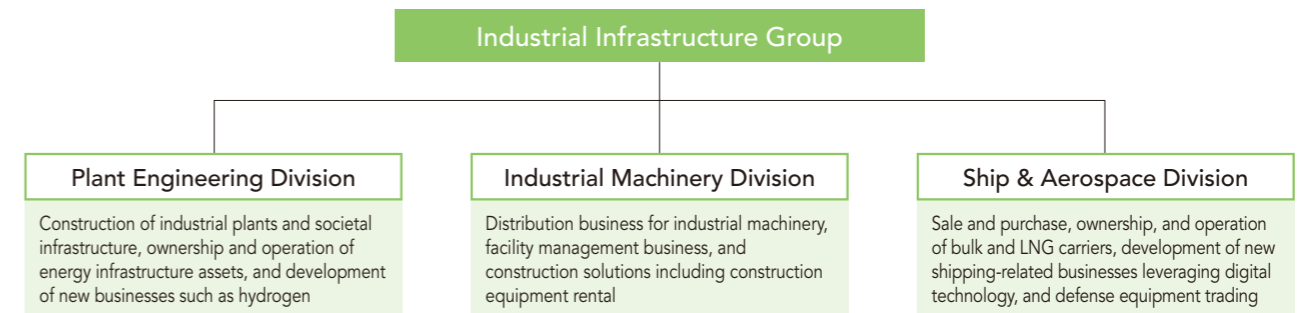


Our Vision



Koji Ota
Executive Vice President
Group CEO,
Industrial Infrastructure Group

Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We will refine our own functions and strengths, solve problems in the industries we serve, build and expand new industrial and social infrastructure platforms, and aim to create a prosperous future society.



Materiality (Material Issues)

Related Material Issues



Relevance of Material Issues to the Business

Responding to fast-paced changes in the external environment, including societal issues such as decarbonization and industry structural changes based on digitalization, is not only an urgent challenge for companies, but also a business opportunity. In particular, our Group, which serves a wide range of industries, is working to resolve issues in each industry by providing services and solutions that meet the needs of each, while leveraging our deep industrial knowledge and collective capabilities.

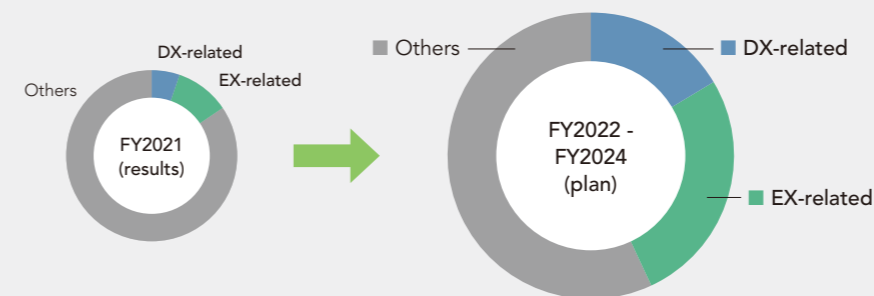
We are aiming to build a hydrogen supply chain for the next generation of energy, develop electric propulsion ships and autonomous operation support systems for next-generation shipping, promote the facility management business that adds value—such as labor and energy saving—to the operation and management of office and other buildings, and promote our comprehensive rental business to further the sharing economy. Through these efforts, we will work together with our customers to realize a sustainable society by contributing to the decarbonization of each industry and addressing regional and societal challenges, and by actively promoting the development of new businesses with adjacent industries.

Group Strengths and Strategy

Group Strengths	<ul style="list-style-type: none"> • Connections with, and industry knowledge of, various industries such as manufacturing, construction, agriculture, shipping, transportation and power infrastructure, oil & gas, etc. • A foundation for conceiving new businesses that leverage our ownership of numerous business models • Strong partnerships in each business area cultivated through the provision of functions to key players in the industry
Summary of Midterm Corporate Strategy 2021	In existing businesses, we supported the revitalization of Chiyoda Corporation and implemented the optimization of the fleet size of owned bulk carriers. In new businesses, we entered the facility management business and worked to build a hydrogen value chain. We also made steady progress in strengthening our business portfolio across the entire Group's businesses.
Strategies Under Midterm Corporate Strategy 2024	With the Value-Added Cyclical Growth Model in mind, we will promote the consolidation and re-profiling of management resources while refining functions and strengths that clearly differentiate us from competitors. In addition, we will work to complete the revitalization of Chiyoda Corporation, increase earnings in the facility management business, and materialize the autonomous vessel and maritime digital service businesses. We aim to achieve sustainable growth by continuing to develop businesses that have the potential to grow beyond the Group's framework, such as the hydrogen value chain development business and the construction solutions business.
Forecast for Future Growth	We will strengthen collaboration beyond the framework of the Group and concentrate management resources in business areas that are expected to grow at a reasonable scale by 2030. We will create sustainable value with partners that go beyond the traditional industries in which we operate, while addressing societal challenges through decarbonization and innovation.

Major Growth Drivers

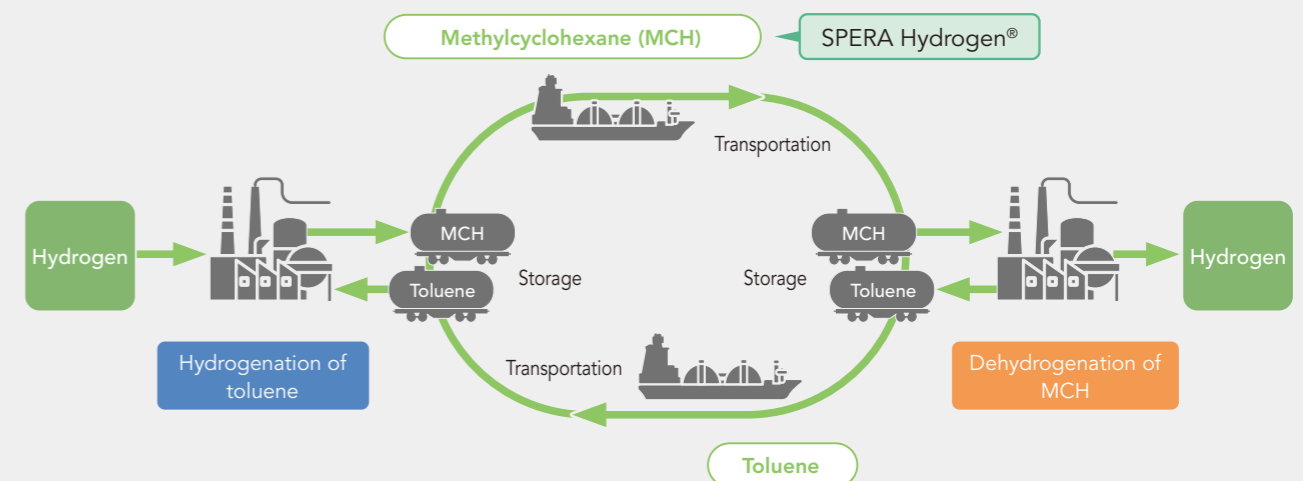
Breakdown of New Investments



Our Group, which boasts extensive connections to various industries, also aims to promote DX and EX-related investments in each of our business areas in order to grow our business. The main investment targets for DX include construction solutions, facility management, ships, and plant engineering, and for EX include hydrogen and other energy infrastructure, and next-generation fuel carriers. We will use DX and EX as tools to achieve growth by solving issues in each of the industries we serve.

Business Examples

Our Group is promoting the development of a hydrogen value chain to realize a decarbonized society. In 2020, our Group signed a memorandum of understanding with five local partners* in Singapore for mutual cooperation in realizing a sustainable hydrogen economy there, and in 2021, our Group reached an agreement with the Port of Rotterdam Authority and Koole Terminals to conduct a joint study on the establishment of an international supply chain with the Port of Rotterdam as a hydrogen import hub. Chiyoda Corporation's hydrogen storage and transportation technology (SPERA Hydrogen®) is expected to play an important role in promoting these initiatives, and we are evaluating and studying the technical and commercial aspects with an eye to realizing a business in Japan for importing and using hydrogen derived from renewable energy.



*City Gas Pte Ltd, Jurong Port Pte Ltd, PSA Corporation Limited, Sembcorp Industries Ltd., Singapore LNG Corporation Pte Ltd