



# Industrial Infrastructure Group



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Summary

- Construction and supply of industrial plants and social and energy infrastructure, and investments in related businesses; ship ownership, operation, and trading; space-related businesses; defense equipment trading, etc.
- Distribution business for industrial machinery such as machine tools, agricultural machinery and elevators, a facility management business, and a construction solutions business including construction equipment rental

## Group Strengths

- Connections with, and industry knowledge of, various industries such as manufacturing, construction, agriculture, shipping, transportation and power infrastructure, as well as oil & gas
- 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 industry players



## Relevance of Material Issues to the Business

Focused Material Issues	Details/Action Plans
<p>Contributing to Decarbonized Societies</p>	<p>Contributing to the stable supply of primary energy to support the transition to a decarbonized society</p> <ul style="list-style-type: none"> <li>• Stable operation of existing energy plants</li> <li>• Stable transport of LNG</li> </ul>
<p>Promoting Stable, Sustainable Societies and Lifestyles</p>	<p>Constructing and transforming industrial infrastructure to realize a decarbonized society</p> <ul style="list-style-type: none"> <li>• Decarbonizing industrial plants</li> </ul>
<p>Utilizing Innovation to Address Societal Needs</p>	<p>Contributing to labor-saving and decarbonization in the entire shipping industry by promoting DX/EX</p> <ul style="list-style-type: none"> <li>• Developing businesses for the transport of next-generation energy and CO<sub>2</sub></li> <li>• Developing electric propulsion vessels and autonomous operation support systems for shipping as well as promoting the decarbonization of existing vessels</li> </ul>
<p>Addressing Regional Issues and Growing Together with Local Communities</p>	<p>Creating new businesses that utilize new technologies to address societal challenges</p> <ul style="list-style-type: none"> <li>• Private sector utilization of advanced technologies in the field of aerospace</li> </ul> <p>Contributing to local communities and economies through the provision of sustainable and stable services in industrial sectors such as construction and manufacturing</p> <ul style="list-style-type: none"> <li>• Providing solutions to issues such as labor-saving and decarbonization in the industries in which we operate</li> </ul>

## Awareness of the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>• Decreasing profitability of existing contracts due to soaring raw material and transportation costs, etc., and rising interest rates</li> <li>• Impact of geopolitical risks, such as the situation in Russia and Ukraine, on existing businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Providing services and solutions to meet increasingly diversifying and complex needs in the industries in which we operate, such as technological innovation, digitalization, and lowering environmental impact</li> </ul>

## 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
- We will work to complete the revitalization of Chiyoda Corporation
- Accelerate the development of businesses that have the potential to grow beyond the Group, such as the construction solutions business, next-generation shipping business, and space-related business

## Progress Under Midterm Corporate Strategy 2024

### Promotion of the Next-Generation Shipping Business

#### • Decarbonization of maritime transport

Promote decarbonization of the shipping industry by introducing the latest technologies such as installing fuel-saving devices on existing ships and considering fuels for ships other than heavy fuel oil

#### • Maritime transport network development for the introduction of next-generation energy and CC(U)S\*

Participate in the design and development of next-generation energy and CO<sub>2</sub> carriers and ports from the initial stage, contributing to the establishment of a maritime transport network that is essential for realizing a decarbonized society

#### • Promotion of maritime DX

Promote initiatives for autonomous operations, crew well-being, labor-saving, etc.

\* CC(U)S: Carbon Capture (Utilization) and Storage. Effective utilization (CCU) or storage (CCS) of captured CO<sub>2</sub>



Ammonia carrier which is also expected to be a next-generation energy source

## Major Growth Drivers

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, and plant engineering, and for EX includes next-generation shipping business, etc. We will use EX and DX as tools to achieve growth by addressing challenges in each of the industries in which we operate.

### Breakdown of new investments

