● Regarding the front cover

Since FY2023, when we started publishing the Integrated Report, we have adopted a motif of a butterfly for the front cover. This is because we thought it is indispensable to keep “growth and departure from the status quo” in order to realize Mitsubishi Kakoki Group’s Management Vision for 2050.

In addition, beginning with the FY2024 Integrated Report, we are using a newly commissioned artwork by an artist from the Shougaisha Jiritsu Suishin Kikou Association (operated by Paralym Art), which we have been supporting as a partner since April 2024.



Integrated Report 2023



Integrated Report 2024


三菱化工機株式会社様

こんにちは。
この度は、描き下ろしの
ご依頼を下さいまして、
誠にありがとうございます。
とても楽しい ひとときでした。
本当に、描いているとき、
わたしも、蝶になっているような、
まるで、踊って楽しんでいるような
気持ちで描きました。
また、これからもがんばっていこうと
いう、活力を持つことができました。
ありがとうございます。
貴社様の、ますますのご繁栄、ご活躍
心よりお祈り申し上げております。

泉 里彩

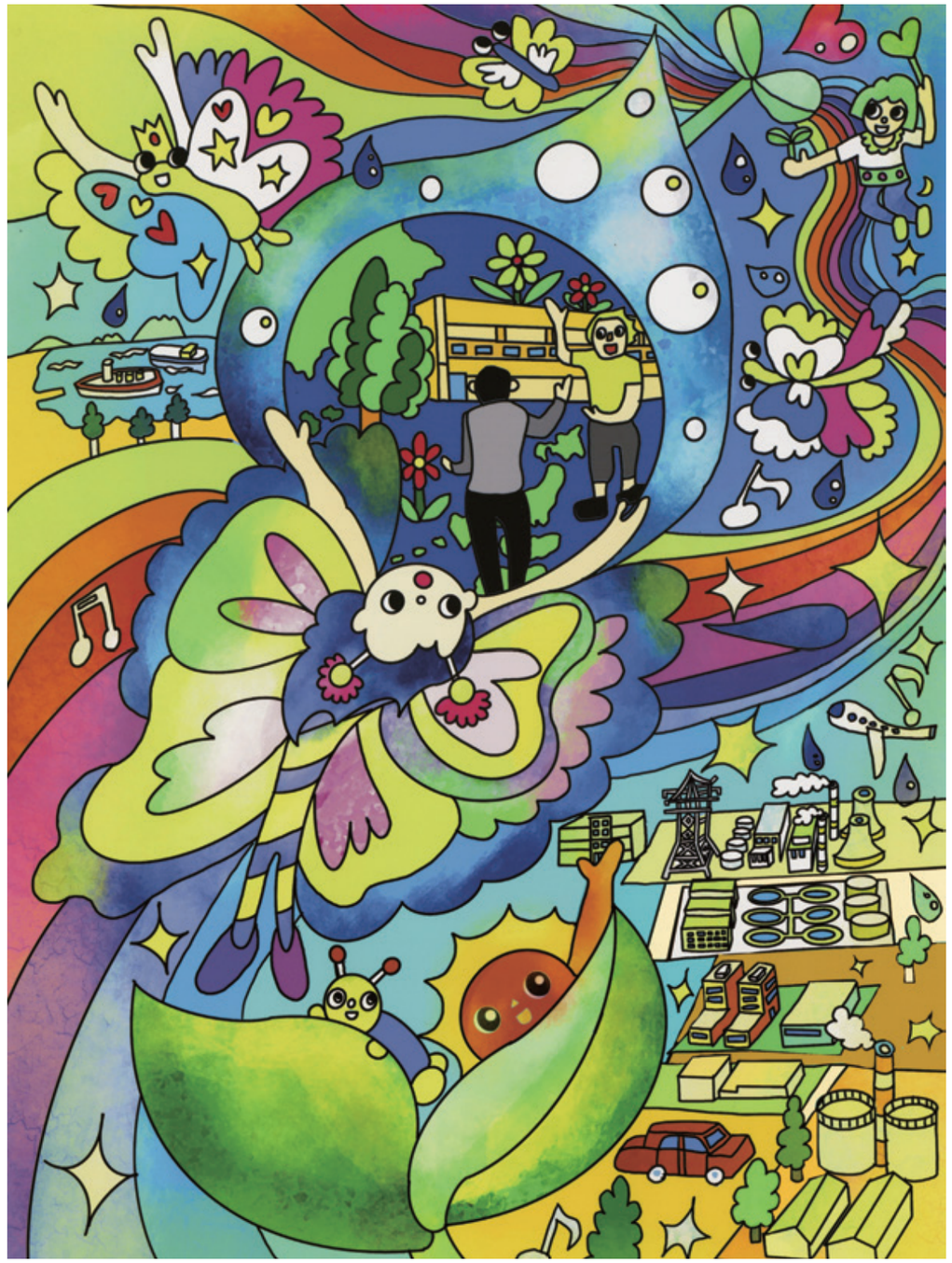
● Message from the artist (Risa Izumi)

MITSUBISHI KAKOKI KAISHA

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Issued in November2025

MITSUBISHI KAKOKI Group Integrated Report 2025



MITSUBISHI KAKOKI KAISHA

Corporate Philosophy of Mitsubishi Kakoki

Guided by its corporate philosophy, the Mitsubishi Kakoki Group contributes to the ongoing development of society by providing high quality products and facilities based on solid technologies rooted in its manufacturing expertise and strict quality management skills. As we work to meet the needs of the new age, we remain committed to taking on the challenge of venturing into new business fields, and offering products, technologies and services that address the needs of our customers.



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Editing policy

"Integrated Report 2025" is positioned as a communication tool for introducing various activities for realizing a sustainable society as well as our corporate group's management policy, business strategy, and financial information to all kinds of stakeholders, including shareholders, investors, business partners, local communities, and employees, to deepen their understanding of our corporate value and growth potential.

Our corporate group will make continuous efforts to further enrich our integrated reports, so that stakeholders will gain a deeper understanding of our corporate group.

Reporting period and scope

- Reporting period: April 1, 2024 to March 31, 2025 (including some information outside the reporting period)
- Reporting scope: Mitsubishi Kakoki Kaisha, Ltd. and all group companies

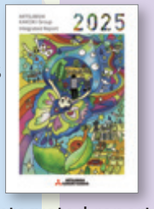
Guidelines we referred to

- International integrated reporting framework of the International Integrated Reporting Council (IIRC)
- Guidance for integrated corporate disclosure and company-investor dialogue for collaborative value creation

Note regarding forward-looking statements

The current plans, predictions, strategies, etc. included in this integrated report include our future outlook based on information available as of the production of this report. Actual results may be significantly different from the outlook due to various factors.

Mitsubishi Kakoki's information disclosure framework

	Financial information	Non-financial information
Reports	Shareholder newsletters Financial results briefing materials Financial results Annual report Annual securities report	 Integrated report Corporate governance report
WEB	Investor information 	Sustainability 

On the publication of the Integrated Report 2025

Since 2023, we have been publishing an integrated report to help our stakeholders better understand our company and to foster more active communication.
The Integrated Report 2025 marks a milestone year for the Mitsubishi Kakoki Group, as it marks the conclusion of the first medium-term management plan since the establishment of the Mitsubishi Kakoki Group Management Vision for 2050 in 2021 and the start of a new medium-term management plan, which is positioned as a three-year leap forward toward the realization of that vision. Accordingly, we have endeavored to clearly show progress toward the realization of the management vision. We are also further enhancing the description of non-financial information.
We hope that this report will help our stakeholders deepen their understanding of our efforts to enhance our corporate value and sustainable growth potential (sustainability), and that your feedback will be reflected in our management to further enhance our corporate value.



Tomoki Nakatani
General Manager of Planning Department, Planning & Administrative Division

History of Value Creation

Our company was established in 1935 as a manufacturer specializing in chemical machinery to meet the demand for domestic production of such machinery. Since then, we have carried out the development, design, manufacturing, and construction of equipment and facilities that meet the needs of the era in a wide range of fields, including environmental fields such as water and air pollution control, marine and industrial machinery, as well as city gas, petrochemical, semiconductor, electronics, food, and pharmaceutical industries, and have a long track record of achievement. Through the accumulation of these achievements, we have established our core technology of "separating solids, liquids, and gases."

Vision Statement 2050

Endeavoring to achieve sustainable development and realizing a comfortable society

MORE Sustainable, **K**EEP Innovating for a **K**INDHEARTED Society

Engineering Business

Gas Technology



●1936: Delivered PGC gas purification furnaces.



●Since 1954, orders for carbureted water gas plants have been coming in.

●1963: Received an order for a large-scale hydrogen production equipment.

●Since 1970, we have kept receiving orders for Wellman Lord flue gas desulfurization equipment.



●1983: First received order for LNG Satellite Station.



●1976: First delivered landfill leachate wastewater treatment plant.

●Since 2003, efforts to construct hydrogen stations have been strengthened, and our performance has increased.



●2004: Installed ultra-fast sedimentation equipment.

●2013: Developed and launched HyGeia-A.



Water Treatment Technology

●In the 1960s, we entered the sewage treatment market. Since then, we have delivered a large number of products.



●1957: Delivered polyethylene production equipment, and started our engineering business.



●2012: Developed technology for thermal solubilization of sludge.

Plant Construction

●Since 1976, overseas plant construction performance has increased.





●2002: Adopted Desmet-type oil and fat production technology.

●Since 2010, we have strengthened overseas bases and increased construction performance overseas.

2035
100.0
billion yen

Net sales
(million yen)
100,000

Industrial Machinery Business

Marine Machinery Manufacturing



●1940: Developed and started manufacturing OP.

●1955: Developed and started manufacturing SJ.





●1984: Launched the SJ-E series.



●1996: Launched the SJ-F series.

●2013: Launched the SJ-H series.



50,000

●Since 2010, we have been strengthening development and sales of equipment compliant with environmental regulations for ships.

Industrial Machinery Manufacturing

●1952: Launched Mitsubishi Young Filter.



●1963: Launched Mitsubishi KM Peeler Centrifuge (HZ).

●1950: Developed and released Mitsubishi Side Entering Mixer.

●1962: Adopted the technology for screening equipment and began production.

●1973: Launched Mitsubishi Schneider Filter (pressure filter).



●The technical tie-up for screening equipment was terminated, and we established our own technology. 1983: Delivered the first machine.



●1998: Launched the GMP-compatible horizontal peeler centrifuge (HZ-Ph).

●2012: Developed and released Mitsubishi Dynafilter.



2030- 2050

1930s-40s

Prewar - Postwar Responding to requests for adoption of overseas technologies in Japan

Initially, we imported technology from overseas for manufacturing, but due to the influence of World War II, we gradually began to develop equipment based on our own technology. This laid the foundation for our current core products, which include hydrogen generation technology and oil purifier manufacturing.



●1935 Started business as Kakoki Seisaku, Ltd.
●1938 Changed the corporate name to the present name: Mitsubishi Kakoki Kaisha, Ltd.

1950s-60s

Period of rapid economic growth Addressing the demand for equipment associated with a rapid increase in consumer demand

We supported economic growth through the development and manufacturing of carbureted water gas plant technology introduced from the UK, as well as the development and manufacturing of an oil purifier. In addition, our company introduced many industrial machinery technologies and entered the water treatment business.



●1961 Completed Yokkaichi Factory (currently, Yokkaichi Business Works).
●1963 Established the engineering department, and then started receiving more orders in the engineering business.

1970s-80s

Promoting overseas business development while responding to pollution prevention needs due to worsening pollution

We entered the industrial wastewater treatment field and brought dust collectors for air pollution control to market. The flue gas desulfurization equipment we adopted from the U.S. helped solidify our position as a manufacturer of pollution control equipment. In addition, we have constructed many chemical plants overseas.



●1972 Completed Kashima Factory.
●1972 Established Kakoki Kankyo Service, KK. (currently, Mitsubishi Kakoki Advance, Ltd.)

1990s-2000s

Growing awareness of environmental protection Support for clean energy facilities

We developed a high-purity compact hydrogen generator and delivered the first unit to a hydrogen station. In 2007, the cumulative deliveries of hydrogen generators reached 100 units. Regarding oil purifiers, we launched the SJ-G series in 2002, and in 2008, the cumulative shipment amount exceeded 80,000 units.



●1995 Established MKK EUROPE B.V.
●2008 Established Ryoka Trading (Shanghai) Co., Ltd. (currently, Ryoka Mechanical Technology (Shanghai) Co., Ltd.)

2010-

Contributing to the realization of a sustainable society through technology and product development

In 2013, we launched HyGeia-A, a high-efficiency, space-saving system designed for the popularization of hydrogen as a next-generation energy source, and subsequently, we became the first company in the world to generate hydrogen from sewage biogas on a commercial scale. In the environmental field, we participated in a PFI* project for biogas facilities in 2011.



●2012 Completed SJ Factory.
●2021 Established our head office at Solid Square East tower, and relocated there together with Mitsubishi Kakoki Advance.

※PFI: *Private Finance Initiative*

At a Glance

Since its foundation, our corporate group has solved various social issues through its engineering business and industrial machinery business, and supported social infrastructure and the foundations of many industries. In addition, the Mitsubishi Kakoki Group's Management Vision for 2050 sets five social issues for 2050 and the establishment of a new business portfolio by developing four strategic business fieldsto solve these issues. We will continue to be a company that addresses social issues through our business.

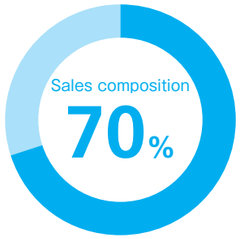


We will promote the exertion of synergy among divisions, the pursuit of existing businesses, and the development of new businessfields, and help realize our management vision.

Hiroyuki Kishida
Executive Officer and Division Director, Sales Division

In order to establish a business portfolio aiming for consolidated net sales of 100.0 billion yen by 2035, the 100th anniversary of our founding, we established the Sales Division in FY2024 to promote sales activities across our businesses. With the green transformation (GX) business newly disclosed as a segment from this fiscal year, we will fully leverage our accumulated know-how and further expand external alliances to accelerate the creation of synergies both internally and externally.

Engineering Business



Net sales
41.17 billion yen

Operating profit
1.92 billion yen

Plant engineering

- Petrochemicals
- Semiconductors
- Electronic materials
- Pharmaceuticals
- Food-related plant construction



Environment, hydrogen, and energy

- Hydrogen generators
- Hydrogen stations
- City gas-related plants
- Water treatment facilities
- Waste treatment facilities
- Biogas plants



Green Transformation (GX) Business

Business for realizing a sustainable recycling society





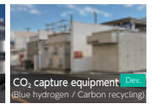
- CO_2 liquefaction devices (Carbon recycling) — Dev.
- Methanation (Carbon recycling / Effective use of hydrogen) — Dev.
- Hydrogen generation from biogas (Effective use of biogas)

Business of saving labor and energy utilizing digital technology



Hydrogen-based clean energy business





- Hydrogen stations
- Hydrogen absorbing alloy delivery system — Dev.
- Hydrogen compressor using hydrogen storage alloy (Hydrogen absorbing alloy) — Dev.
- Ammonia decomposition (Effective use of hydrogen) — Dev.
- Water electrolysis hydrogen generator (Green hydrogen) — Dev.

Business of developing next-generation technologies for solving issues related to water, food, natural disasters



Align with strategic business fields that contribute to solving social issues as stated in the management vision through the development of new technologies, the improvement of existing technologies and products, and the development of new applications

Industrial Machinery Business

- Centrifuges
- Filters
- Agitators
- Screening equipment
- Oil purifiers
- Marine equipment compliant with environmental regulations
- Other industrial equipment

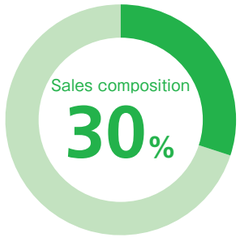












Net sales
18.03 billion yen

Operating profit
3.77 billion yen



1 LNG-related plants
We design and construct facilities to supply imported LNG (liquefied natural gas) as city gas.



2 Sewage treatment plants
In addition to manufacturing and constructing equipment used in water and sewage sludge treatment, we also utilize digestion gas generated in the treatment process as clean energy.



3 Semiconductor plants
We contribute to the distribution of electronic equipment by delivering "HyGeia," a series of hydrogen generators, and constructing plants for raw materials of semiconductors.

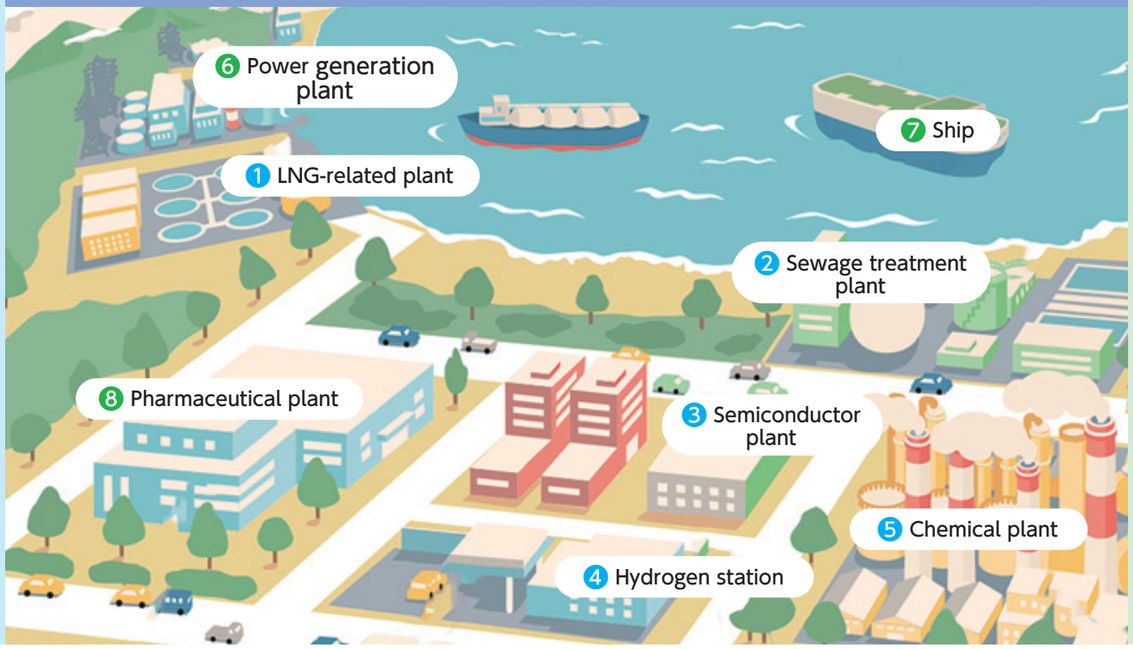


4 Hydrogen stations
Expecting a hydrogen society, we design and manufacture hydrogen generators and construct hydrogen stations for supplying hydrogen to fuel cell vehicles.



5 Chemical plants
We combine technologies for reaction, synthesis, extraction, separation, purification, etc. to design and construct plants and other production facilities.

Mitsubishi Kakoki products that create value for society



6 Power generation plants
We manufacture and install equipment to remove unnecessary materials (seaweed, jellyfish, etc.) from seawater used for cooling power generation plants.



7 Ships
We support the shipping industry by manufacturing and supplying "oil purifiers" that remove impurities from fuel oil and lubricating oil used in ship engines.



8 Pharmaceutical plants
We provide precision filters and dryers for the manufacturing process of raw materials for pharmaceuticals in order to support the health and wellness in society.



Material Issues

Our corporate group holds up a vision statement, “Endeavoring to achieve sustainable development and realizing a comfortable society,” in our management vision. Specifically, it means that we settle social issues in our four strategic business fieldsby making the most of the core technology we have developed. Creation of social value is essential for achieving our corporate philosophy and management vision, and the keys to value creation are development of the strategic businessfields, reconsideration of the business portfolio, and strengthening of the management base supporting our business activities by utilizing our corporate group’s strengths and know-how. We believe that the ability to create value and the formation of a more solid management base are vital for our corporate group’s sustainable growth and improvement of our corporate value.

In May 2023, our group identified six material issues by taking into account the business environment and issues (including risks and opportunities) that we are facing, expected social and environmental issues, and major stakeholders.

The material issues identification process can be found here.
https://www.kakoki.co.jp/en/sustainability/materiality.html

Corporate philosophy
The Mitsubishi Kakoki Group contributes to the ongoing development of society by providing high quality products and facilities based on solid technologies rooted in its manufacturing expertise and strict quality management skills

Management Vision for 2050

- Vision statement: Endeavoring to achieve sustainable development and realizing a comfortable society
- Five social issues: Ⅰ CO_2 emissions and climate change; Ⅱ Circulation of resources; Ⅲ Water and food; Ⅳ Natural disaster; Ⅴ Labor shortage

Initiatives for our four strategic business fields

1. Business for realizing a sustainable recycling society
2. Hydrogen-based clean energy business
3. Business of saving labor and energy utilizing digital technology
4. Business of developing next-generation technologies for solving issues related to water, food, natural disasters

Material issues for realizing the vision

Enhancement of value creation abilities

Creation of social value related to four strategic business fields

1. Realization of a recycling society
   - Use of waste plastics, etc.
2. Promotion of the spread of clean energy
   - Production of blue and green hydrogen, etc.
3. Contribution to the saving of labor and energy
   - Promotion of plant maintenance through digital transformation (DX)
4. Mitigation and avoidance of water and food risks
   - Contribution to water and food stability

Base that supports business activities

- Establishment of stronger trusting relationships with customers (quality and safety)
- Promotion of development and use of personnel while valuing diversity
- Reduction of environmental burdens resulting from business activities
- Formulation and promotion of manufacturing strategy
- Enhancement of corporate governance

→ Material issues

Material Issues and KPIs

With regard to the material issues our company identified in June 2023, we have set the issues to be addressed and KPIs in our new medium-term management plan (FY2025-FY2027). By monitoring our efforts and progress toward achieving KPIs, we will promote the enhancement of value creation abilities and establish a solid base that supports business activities.

In addition, we will continue to address social issues, enhance corporate value, and achieve sustainable growth to realize the Mitsubishi Kakoki Group's Management Vision for 2050.

	Material issues	Outline	Related SDGs	Challenges to address	KPIs
Enhancement of value creation abilities	**1** Creation of social value related to the four strategic business fields	● Realization of a recycling society: We contribute to a recycling-based society by recycling waste plastics and capturing CO_2 by utilizing our strengths, such as the separation technology and the filtration technology. ● Promotion of the spread of clean energy: We produce and generalize a wide variety of clean energy sources by developing a technology for producing blue and green hydrogen, which will be the core, and promoting the use of biogas and biofuel. ● Contribution to the saving of labor and energy: We contribute to saving labor and energy for customers and society by promoting maintenance services for facilities and equipment we delivered, by utilizing such technology as digital diagnosis. ● Mitigation and avoidance of water and food risks: We contribute to the improvement of the water quality and effective water use, based on the technology of water treatment and sludge disposal, which we have developed.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	**a)** Ample resource allocation to the green transformation (GX) business **b)** Business expansion by acquiring businesses/technologies through M&As/investments	**a)** Net sales from the GX business in the 3rd year: **23.0 billion yen or more** **b)** M&A/Investment plans carried out: **At least 1 plan**
Base that supports business activities	**2** Establishment of stronger trusting relationships with customers (quality and safety)	We make strenuous efforts to eliminate risks of losing customers' trust due to such reasons as poor quality and defects and take all possible measures. We forge strong trusting relationships with customers by accurately grasping their changing needs as well as providing them with high-quality and highly safe products and services, thereby making our corporate base sounder.	6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**a)** Higher levels of occupational safety and health **b)** Product quality assurance	**a)** Accidents requiring at least 4 days off from work: **0***1 **b)** Ratio of the cost of quality (loss) to net sales: **Lower than the previous medium-term plan period***2
	3 Promotion of development and use of personnel while valuing diversity	Transfer of technology forms the bedrock of our corporate group's development. At the same time, we promote the development of human capital capable of meeting customers' needs that change constantly by making the most of our employees' diversity, including experience, skills, and values, without being bound by their attributes.	11 SUSTAINABLE CITIES AND COMMUNITIES 14 LIFE BELOW WATER	**a)** Greater employee engagement **b)** Pursuit of diversity in the workplace	a) Average employee engagement score: **Up at least 3 points***3 b) Ratio of female employees: **At least 20%**
	4 Reduction of environmental burdens resulting from business activities	We strive to use energy and resources effectively so that the impact that our corporate group's business activities have on the environment will be as minimal as possible.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**a)** Reduction of our own emissions **b)** Visualization of supply chain emissions	**a)** Emissions from Scopes 1 and 2: **Levels below the targets for 2030 maintained***1 **b)** Emissions from Scope 3: **Figures calculated and disclosed**
	5 Formulation and promotion of manufacturing strategy	In order to formulate a strategy contributing to strengthening of our management base, we promote energy conservation, decarbonization, and zero-emission plants, make our manufacturing more sophisticated and efficient based on digital transformation (DX), and enhance our production system. Furthermore, we promote the development of products compatible with the strategic business fields using the know-how we have acquired through our manufacturing.	15 LIFE ON LAND 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**a)** Pursuit of DX in plants **b)** Development of sustainable supply chains	**a)** DX in plants: **Technologies adopted by the Group's plants, including Kawasaki Works** **b)** Material procurement risk management: **Supply chain management**
	6 Enhancement of corporate governance	Bold risk-taking based on proper governance functions and proper risk management is essential for enhancing corporate value. Risk-taking is crucial for business and corporate transformation, and we improve the transparency of our management by separating supervision by the Board of Directors from business execution, and promote proactive dialogue with our stakeholders.	1 NO POVERTY 17 PARTNERSHIPS FOR THE GOALS	Fully functioning governance	Efforts to meet KPIs supported

Efforts to meet KPIs supported
*1 Target throughout the period for this medium-term management plan in any time frames
*2 Target as the average over the three years for this medium-term management plan compared to the average over the three years for the previous medium-term management plan
*3 Target during the final fiscal year (FY2027) of this medium-term management plan compared to that of the previous medium-term management plan (FY2024)

Strengths and Capabilities

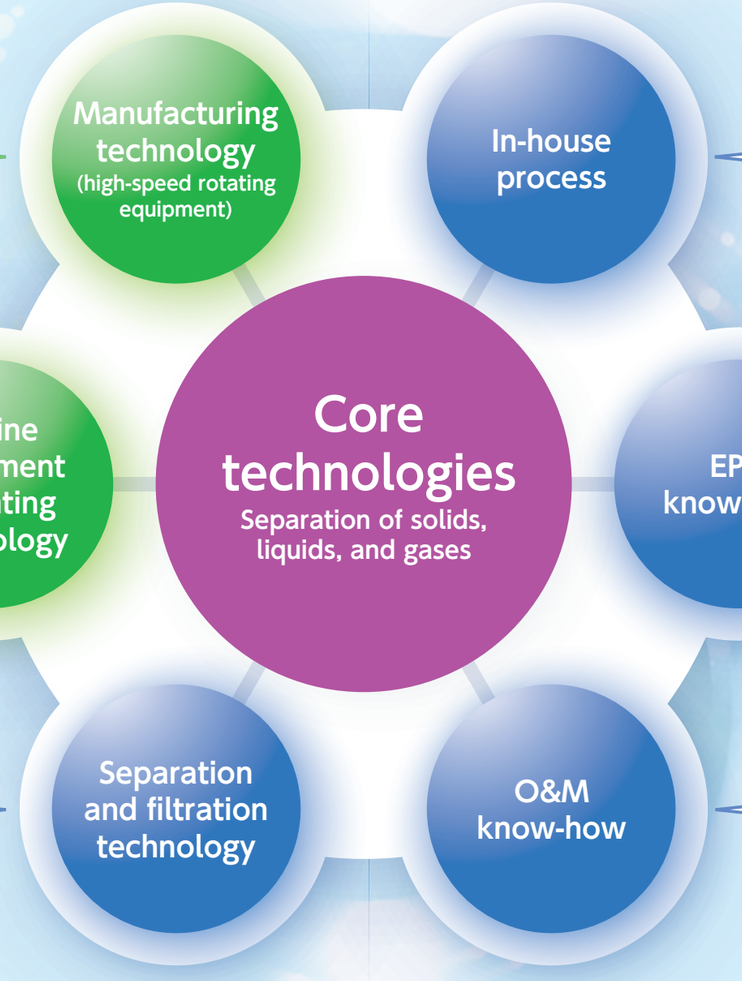
We have grown by leveraging our core technology of “separating solids, liquids, and gases,” providing value through “manufacturing” and “engineering,” and solving various social issues in line with the changes of the times. Leveraging capabilities we have cultivated, we will pursue new business fieldsand deepen existing businesses to achieve our management vision.

Implementation of corporate philosophy
Realizing the Mitsubishi Kakoki Group’s Management Vision for 2050

While responding to requests for domestic production of machinery and equipment, we refined **manufacturing technology** into proprietary technologies and laid the groundwork for **marine equipment mounting technology**

We have deployed our strength in manufacturing technology developed through the manufacture of machinery and equipment into the engineering business

We have refined our **separation and filtration technology** and **in-house process** in response to environmental regulations and changing lifestyles, and provide a full range of solutions from **EPC** to **O&M**, rather than merely supplying equipment



Manufacturing technology, which began with the manufacture of chemical machinery, is the starting point for modern manufacturing technology for high-speed rotating equipment and other products.



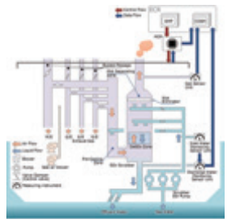
With a track record of over 80 years of delivering oil purifiers, we are well versed in the requirements of shipboard equipment.



We support a variety of customer needs, such as solid-liquid separation technology including filters, as well as purification and separation in chemical plants.



We have our in-house processes in various fields such as gas purification centered on hydrogen, and wastewater and sludge treatment.



We have know-how in EPC (Engineering, Procurement, and Construction) in a wide range of regions and fields, mainly in Southeast Asia.



In addition to maintenance and servicing of industrial machinery such as oil purifiers and other plant facilities that have been constructed, we also provide operation and maintenance services for wastewater treatment facilities such as sewage plants.



Value Creation Process

The Mitsubishi Kakoki Group shall “endeavor to achieve sustainable development and realize a comfortable society” by realizing the “Mitsubishi Kakoki Group’s Management Vision for 2050” announced in November 2021.

Social issues recognized by our company

- CO_2 emissions and climate change
- Circulation of resources
- Water and food
- Natural disaster
- Labor shortage

Input

Financial capital
- Equity ratio: 57.8%
- Total assets: 66,174 million yen
- Order backlog: 103,751 million yen

Intellectual capital
- R&D expenses: 510 million yen
- No. of patents we hold: 89 patents in Japan, 25 patents overseas

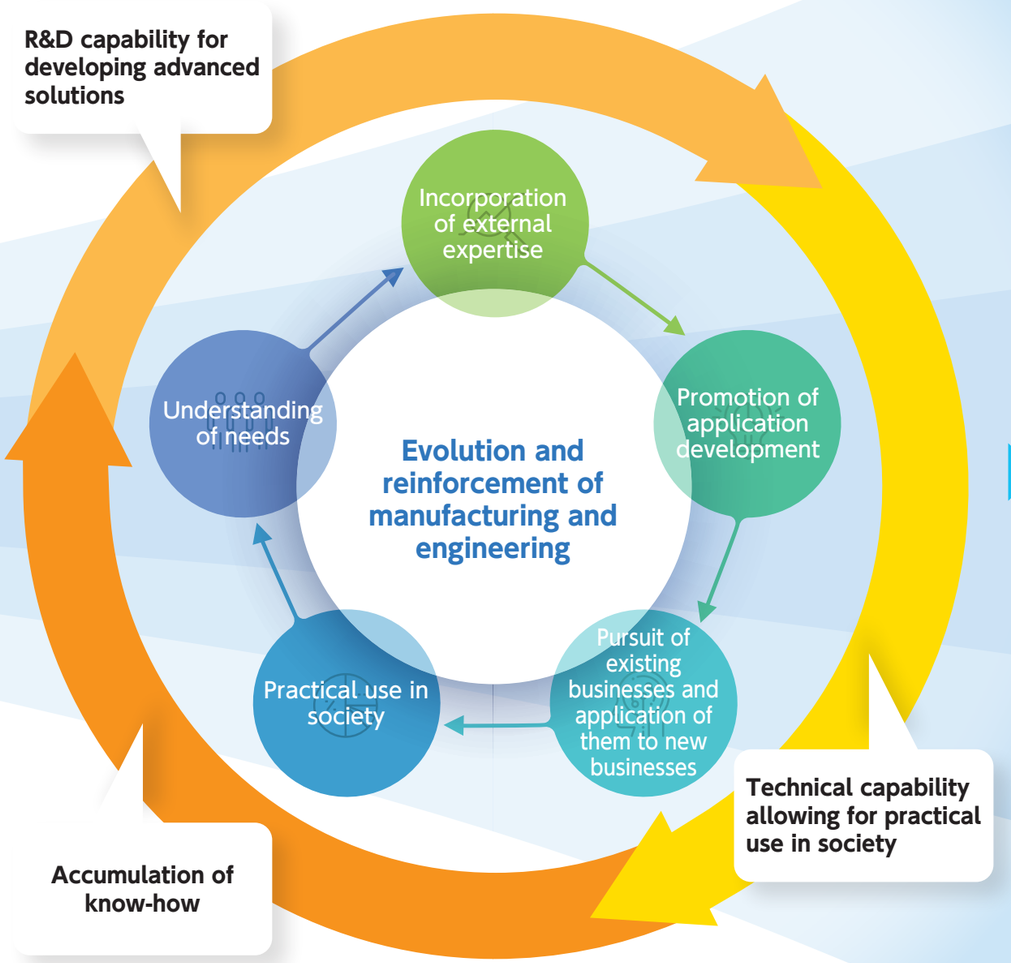
Manufactured capital
- Investment in facilities: 501 million yen
- Depreciation and amortization cost: 862 million yen
- Tangible fixed assets: 5,331 million yen

Human capital
- Number of employees (consolidated): 1,017
- Ratio of mid-career recruits in managerial positions: About 49.4%

Social and relationship capital
- Number of operational bases in Japan: 15
- Number of operational bases overseas: 6

Natural capital
- Energy consumption (crude oil equivalent): 1,364 kL
- Water consumption: 16 megaliters

Characteristic business model



Enhancement of value creation abilities — For details, see pages → 07-10

Base that supports business activities — For details, see pages → 07-10

Output

Realization of the medium-term management plan FY2025 to FY2027

Goals in this medium-term management plan

Expand the lines of our products and services in our green transformation (GX) business mostly in the areas of realizing a recycling society and clean energy, thereby serving as a partner in customers’ efforts toward decarbonization.

- Net sales: 90.0 billion yen
  From GX: 23.0 billion yen
- Operating profit ratio: 9% or higher
- ROE: 12% or higher
- PBR: Above 1

Key point 1 Evolution of our business portfolio
- Establishing the GX business
- Boosting the competitiveness of our fundamental businesses
- Implementing our business expansion strategies

Key point 2 Establishment of management conscious of cost of capital and stock prices
- Making growth investments
- Enhancing capital efficiency
- Increasing shareholder return / publishing information that boosts growth expectations

Key point 3 Stronger human and technical capital
- Pursuing our human capital strategy
- Implementing our manufacturing strategy

Key point 4 Improved transparency of corporate governance
- Managing our business portfolio / practicing ROIC-oriented management
- Pursuing sustainability

For details, see pages → 25-28

Realizing the Mitsubishi Kakoki Group’s Management Vision for 2050

Endeavoring to achieve sustainable development and realizing a comfortable society

MORE Sustainable,
KEEP Innovating for a
KINDHEARTED Society

Initiatives for our four strategic business fields

1. Business for realizing a sustainable recycling society
2. Hydrogen-based clean energy business
3. Business of saving labor and energy utilizing digital technology
4. Business of developing next-generation technologies for solving issues related to water, food, natural disasters

For details, see pages → 21-22

Message from the President



Leveraging the technologies we have nurtured since our founding as one of our greatest strengths, we achieved the medium-term management plan.
In the second stage of our "Evolution and Transformation," we are dedicating ourselves to the green transformation (GX) business and working as a united group to realize our long-term vision.

Toshikazu Tanaka

Representative Director,
President and CEO

Looking back on the history of Mitsubishi Kakoki and how it has created value

Our company was founded in 1935. At that time, the state-of-the-art chemical machinery that was so vital for Japanese society was being imported from Europe and the United States. Our company was launched out of a desire to manufacture the machinery here in Japan.

During the war, importing goods into Japan became difficult, so we began developing oil purifiers. We delivered our first oil purifier in 1940. Our oil purifiers then came to be used not only in Japan but overseas as well, and we have continued manufacturing oil purifiers to this very day, commanding the top market share for these devices.

In the post-war recovery period, as Japan struggled with energy shortages, we constructed energy-related plants such as gas purification plants. In the period of rapid economic growth, we built numerous chemical plants and other facilities to meet strong demand. At the time, pollution was a major problem facing society. Our flue gas desulfurization technologies and factory wastewater and sewage treatment technologies were used to produce cleaner air and water. We dedicated ourselves to environmental conservation and achieved great results.

Since our company was founded, we have carefully cultivated our core technologies for "separating solids, liquids, and gases." We have kept a close eye on the dramatically changing social environment and developed and launched new products that use our core technologies to meet society's needs. We have maintained this business model throughout our 90-year history.

The business we do supports society's infrastructure, and much of it also assists with environmental measures, so our business activities themselves contribute to the SDGs. We also happen to have a long history of practicing CSV (Creating Shared Value) management, which sees social issues as business opportunities.

In 2035, we will be celebrating the 100-year anniversary of our company. In preparation for that, in 2021 we formulated the Mitsubishi Kakoki Group's Management Vision for 2050.

In formulating this vision, we placed the employees who will be responsible for the management of the next generation in a central position in order to lay out the path for long-term development with an eye toward 2035 and 2050 as its final year of achievement. As part of the formulation process, we administered a questionnaire to all employees. We foresaw five social issues as being social issues in 2050: CO_2 emissions and climate change, circulation of resources, water and food, natural disasters, and labor shortage.

What can we do to address these issues? Through discussions, we identified four strategic business fields: "business for realizing a recycling society," "clean energy business," "business of saving labor and energy," and "business of

Message from the President

developing next-generation technologies." In these new business fields, we can develop new applications and provide greater added value using the technologies we have nurtured through our long history.

By combining our existing businesses with a business based primarily on these new business fields, we aim to double net sales from the 2021 level by 2035 to 100.0 billion yen and achieve an operating profit ratio of 7 to 8%. The plan's ambitious vision is to reach our targets by generating half of our net sales from these new business fields and by pursuing our existing businesses. Our vision statement is "endeavoring to achieve sustainable development and realizing a comfortable society," and these targets truly embody this statement. We see them as important benchmarks in growing and achieving our ideal state for 2050.



Changing our corporate climate and achieving tremendous growth

We live in an age of increasing political, economic, and geopolitical uncertainty, facing issues such as US tariffs and the situations in Ukraine and the Middle East. To maintain sustainable growth in the midst of this environment, it is important that we prepare for every eventuality. We see these changes in the business environment as being positive ones. The heightened interest in the environment, in particular, presents major business opportunities, and there is a movement of further fleshing out our four strategic business fields.

The previous medium-term management plan (FY2022-FY2024) was positioned as a period of building the foundations of our efforts to realize our management vision. We worked to establish a new business portfolio and management base.

Turning to individual businesses, in the industrial machinery business, we saw increases in both orders received and sales for oil purifiers and equipment compliant with environmental regulations, reflecting the brisk shipbuilding industry. Because of these, we were able to achieve our plan's numerical targets. We were also able to develop new applications through activities such as delivering oil purifiers for use in large-scale equipment for the demonstration of SAF (sustainable aviation fuel).

In the engineering business, capital investment within Japan remained strong, and we achieved both our order and sales targets. Orders from Nippon Steel Corporation of large hydrogen production equipment for the demonstration of hydrogen reduction-based steelmaking were particularly large contributors, and our orders received reached new records in the second year of the medium-term management plan. We also received orders from JFE Steel Corporation for seven HyGeia-A compact on-site hydrogen generators. The hydrogen generated with the HyGeia-A is used to convert CO_2 in exhaust from steelmaking blast furnaces into methane. These units were supplied for use in demonstration equipment that performs carbon recycling by using this methane in blast furnaces as a reducing reagent.

In the development field, the pace of new product and new technology launches was slower than anticipated, which is an issue that must be addressed, but we have achieved some success in developing new applications and pursuing our existing businesses.

In the fiscal year ended March 2025, orders received were 64.9 billion yen, net sales were 59.2 billion yen, and the operating profit ratio was 9.6%. We surpassed all of the targets of the third year of our medium-term management plan, including ROE, payout ratio, and dividend amount. We also built up a large order backlog, so there is high potential for sales growth during the new medium-term management plan period. This has been an unprecedented success, so I think that the medium-term management plan is one deserving of recognition.

Having completed the previous medium-term management plan and looking back on it now, we can see that we have achieved tremendous growth as we feel a sense of accomplishment by achieving the targets we predicted would be hard to reach. I believe that part of this is because of our efforts to transform our corporate climate, which we spent a large amount of time on.

We established the Committee for the Promotion of Organizational Climate Reform in 2014, and this committee has engaged in countless activities already. In the past, our company's climate was one that prioritized closely guarding our current position over taking on new challenges. Our corporate culture was not very conducive to the bottom-up sharing of ideas, and divisions were very inward-looking, with few people being interested in the work being done by other divisions.

We knew that we needed to change this first, so we created opportunities for dialogue, such as "workplace meetings." We implemented multiple measures for creating a more frank and open corporate climate—a climate that revitalized communication, in which people did not blame others, and in which people felt safe reporting failures.

One concrete example would be the "Sanzuke (call people by name-san) Campaign," which we started roughly three years ago. Instead of calling people by their job titles, such as general manager or president, everyone calls each other by their names with "-san," the Japanese honorific. This has become ingrained throughout our company, and almost nobody in our company calls me by my title of "president."

I also think we started to show signs of change with the opening of the head office in 2021. Prior to that, we had three sites in the Kawasaki area, and every day people would travel to and from between them as needed. We consolidated that in two sites: Kawasaki Works, where our company was founded,



and the head office. Many of the employees who were transferred to the head office had been working in the Kawasaki Works since they were hired, so there were a good number who expressed hesitation about the move.

However, the head office was relocated near JR Kawasaki Station to provide greater mobility, which shortened commuting times and changed the daily lives of employees, leading to a change in their perspectives and mentalities. Consolidating sites increased interaction between divisions, which eliminated the sense of awkwardness and standoffishness between them. This new organizational structure came to be seen as normal. I think that this was one of the factors behind the change in our corporate climate.

We are also a B2B engineering and manufacturing company, so except for a business support perspective, we have not been carrying out public relations activities to raise the company's profile. However, we have recently begun stepping up our efforts to increase Mitsubishi Kakoki's brand value, including improvements related to recruiting, IR, employee motivation, and employee engagement.

In 2024, we signed an official sponsorship agreement with Kawasaki Brave Thunders, a professional basketball team based in Kawasaki. Our goal is to revitalize the community and increase the value of sports culture through basketball, co-creating a better society.

Promoting our new medium-term management plan, "Evolution and Transformation," through "3 years for a leap forward" with the aim of realizing our vision

We recently announced our new medium-term management plan (FY2025-FY2027). We established a green transformation (GX) business, positioned the plan period as "3 years for a leap forward" toward realizing the management vision, and set numerical targets of 90.0 billion yen in net sales, an operating profit ratio of 9% or higher, an ROE of 12% or higher, and a PBR of above 1. These targets are the highest we have ever set.

As measures to accomplish this, we have defined four key points: the evolution of our business portfolio, the establishment of management conscious of cost of capital and stock prices, stronger human and technical capital, and improvements in the transparency of corporate governance.

With respect to the "evolution of our business portfolio," we brought together the strategic fields

Message from the President

of the management vision—realizing a recycling society, clean energy, saving labor and energy, and developing next-generation technologies—to create a new reporting segment, the GX business segment.

Until now, our engineering business and industrial machinery business were siloed, and each business division conducted their sales activities separately. In 2024, we established our Sales Division, and since then we have taken a unified Mitsubishi Kakoki group approach to our customers. The GX business is not siloed, but instead has a sales structure that spans both the engineering business and industrial machinery business.

For example, the technologies we have long used to manufacture hydrogen can also be applied to new applications, like methanation or hydrogen reduction-based steelmaking in the steelmaking field. The approach used by our GX business is one of applying technologies in all kinds of areas, developing new applications, and contributing to the creation of a carbon neutral society. There is no focus on parent company or subsidiary, or on direct division or indirect division. We are all working together, sharing the same values and working toward the same ambitious targets.

We will focus particularly on the "business for realizing a sustainable recycling society," which includes effective use of biogas and CO_2 capture, and "hydrogen-based clean energy business," which includes leveraging hydrogen, as fields for quick wins. By investing 3.0 billion yen in R&D, we are aiming to create 23.0 billion yen in net sales in the GX segment during the new medium-term management plan period, and we are actively promoting business operations to turn GX business into a core business that accounts for over half of our net sales by 2035, the 100th anniversary of our company's establishment.

At the same time, we have positioned the engineering business and the industrial machinery business, which are our fundamental businesses, as mature businesses in which we will leverage differentiation and competitiveness to improve profitability. In addition, we have adopted ROIC as a profitability indicator and we are reviewing and rebuilding our low profitability businesses. Even for businesses we have been engaged in for many years, if profit levels are low, at some point we must reassess them. We set standards and, every six months, use them as filters to make decisions and reallocate resources.

Solid governance and the rich daily lives of our employees are the foundation for sustainable growth

With respect to the "establishment of management conscious of cost of capital and stock prices," we will further intensify our IR and SR activities, promote more accurate assessments of our company, and raise expectations for our growth.

For example, I personally try to accept as many media interviews and reporting requests as possible. Comparing the information presented in various media gives me an objective understanding of how our approach is being received and provides me with new insights. For businesses such as our hydrogen-based clean energy business, in particular, there is a great deal of interest in our technologies and development work that contribute to the realization of a recycling society. I get a true sense of the height of society's expectations for us.



Tasks before us in increasing our capital efficiency are addressing the build-up of cash reserves and improving our cash conversion cycle (CCC). Going forward, we will strive to increase our capital efficiency by improving our CCC, creating funds through the reduction of non-business assets, and borrowing funds to further enhance our financial leverage.

We are currently prioritizing growth investment as we work toward the 2035 targets we have set as benchmarks in the Mitsubishi Kakoki Group's Management Vision for 2050. We will increase shareholder return while keeping a close eye on the balance of investment and financial soundness. We have set a payout ratio target of 40% for the final fiscal year of the plan, with a DOE of 3.5% as a minimum dividend level.

To create "stronger human and technical capital," we will reinforce our human resource portfolio management and our development of human resources who contribute to the promotion of the GX business. To promote employee diversity, we have set a target of having 20% or higher of employees be women, and we are actively hiring women and appointing them to management positions.

The percentage of our workforce that is made up of women is steadily rising, but women in our company primarily work in indirect divisions. We plan to increase the number of women active in our direct divisions, such as our industrial machinery business and engineering business, and eventually have them take on management positions.

We aim to improve our employee engagement score by three points or higher compared to the previous medium-term management plan. But quantitative improvements are not the only thing that is important. It is also important that the people who work here live rich daily lives. We will provide even more opportunities for face-to-face discussions with employees, such as town hall meetings. Through this, we hope to provide them with a solid understanding of the new medium-term management plan and to deepen communications in order to foster a rich corporate climate and build our workplace environments together.



The previous town hall meeting held in FY2022

Of the four key measures of the new medium-term management plan, I believe that "improvements in the transparency of corporate governance" is especially important. There are countless examples that show that no matter how good a company's business results may be, a single scandal can cause the tables to turn completely. We must fulfill our governance functions by ensuring that each internal control system, such as our Board of Directors, operates effectively and by performing monitoring.

During the previous medium-term management plan period, we increased the number of External Director positions by one to bring in even more outside perspectives. Furthermore, we increased the number of women on the Board of Directors, which numbers 11 people in total, from one to three, creating a system with a greater focus on balance and diversity.



The head office and Kawasaki Works, scheduled for completion in February 2027

Doing our utmost to realize our vision and making steady progress toward "Evolution and Transformation"

We are currently carrying out construction work in preparation for the restructuring of our head office and the Kawasaki Works. This work is progressing steadily, and we expect to finish it in February 2027. The site is an important one. It is the soul of our company, the place where we have been developing and manufacturing our diverse products since our company's foundation in 1935.

This new construction will not simply consist of the rebuilding of an aging facility. Instead, we see the new facility as becoming the heart of our corporate group, a place where we carry out R&D focused primarily on the GX business field, appointed with substantial equipment, where we can create exceptional new technologies.

The factory experimentation building will be our site for developing existing and new technologies. It will combine multi-purpose experimentation and research fields for co-creation and synergy with external institutions. The office and research building will use distinctive designs for spaces that promote diverse workstyles and support voluntary, autonomous, self-motivated activities, the building's cafeteria, meeting rooms, and other facilities. Our goal is to create a place where employees can relax and where they can engage in rich communication that produces diverse new ideas.

I joined our company roughly 40 years ago, during a period when it was really struggling, and there have been a lot of twists and turns as we have come to where we are today. Even in the context of that background, I feel that these next few years will be our company's greatest period of transformation. In today's society, if you stop for even a moment, you could be left far behind. Starting from zero requires a lot of courage. That is why the most important thing in this society is the endurance to keep pushing forward without stopping.

We are putting our words into practice. The ambitious targets we have set in the new medium-term management plan, which we launched this fiscal year, are based on this. I am confident that we will continue to grow, and this year will be the first year of that dramatic growth. We invite you to look forward to our future endeavors.

Mitsubishi Kakoki Group's Management Vision for 2050

Amid the significant change in the business environment surrounding the Mitsubishi Kakoki Group, we established the "Mitsubishi Kakoki Group's Management Vision for 2050" in 2021 under the vision statement of "endeavoring to achieve sustainable development and realizing a comfortable society," in order to continue our sustainable growth. We will endeavor to realize the vision by clarifying five social issues our corporate group should solve, pursuing four strategic business fields, and establishing a new business portfolio for addressing social issues.

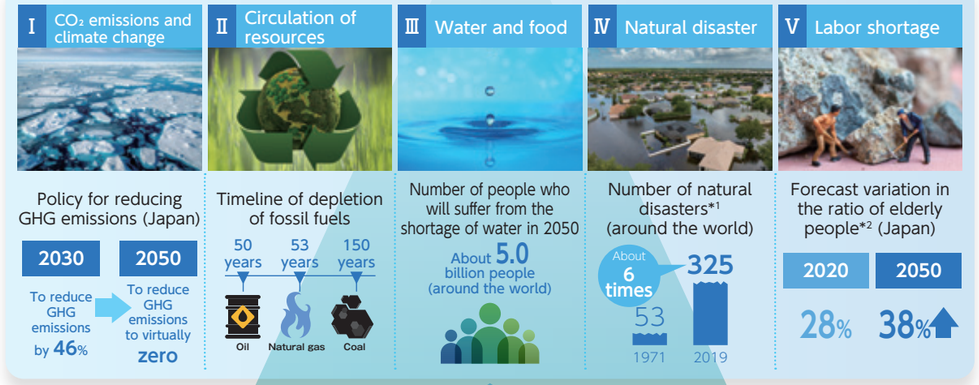
Ideal state for the Mitsubishi Kakoki Group

Vision Statement

Endeavoring to achieve sustainable development and realizing a comfortable society

MORE Sustainable,
KEEP Innovating *for a*
KINDHEARTED Society

Mitsubishi Kakoki Kaisha, Ltd.



*Operation & Maintenance

Four strategic business fields

In order to address the five social issues, we aim to establish four strategic businessfields: "business for realizing a sustainable recycling society," "hydrogen-based clean energy business," "business of saving labor and energy utilizing digital technology," and "business of developing next-generation technologies for solving issues about water, food, natural disasters" by pursuing existing businesses and acquiring new business.

Core businesses in 2035

1 Business for realizing a sustainable recycling society
Business of recycling waste including CO_2 discharged from the industrial sector and general households

Major technologies
- To recycle organic waste
- To recycle carbon
- To recycle valuables

2 Hydrogen-based clean energy business
Business of generating and utilizing hydrogen-based clean energy that would reduce CO_2 emissions

Major technologies
- Hydrogen production
- Energy creation
- Hydrogen supply chain

3 Business of saving labor and energy utilizing digital technology
E&M*3 and O&M business that would help minimize energy consumption and waste at factories by utilizing digital technology

Major technologies
- Environmentally-friendly E&M*3 and O&M
- Remote intelligence

*3: Engineering & Manufacturing

New growing business

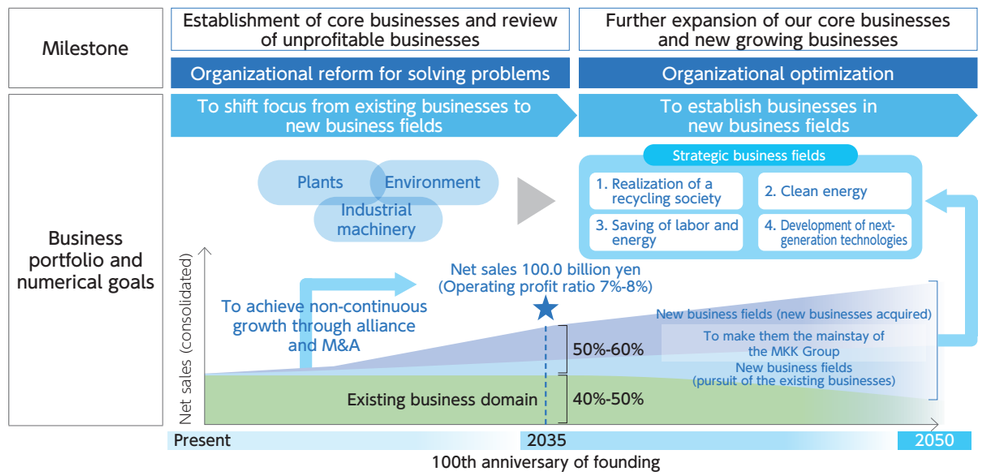
4 Business of developing next-generation technologies for solving issues related to water, food, natural disasters
To enter the fields of water, food, natural disaster, environmental conservation, local communities, etc. by improving existing technologies and developing new technologies

Major technologies
- Development of next-generation technologies

Reform of the business portfolio and an ideal revenue structure

Until 2035
Establishment of core businesses and review of unprofitable businesses
- We aim to establish (1) a business for realizing a sustainable recycling society, (2) a hydrogen-based clean energy business, and (3) a business of saving labor and energy utilizing digital technology as strategic core businesses by 2035.
- We will pursue existing businesses with the aim of entering new business fields.
- We will review the unprofitable existing businesses and reconstruct them to maintain our business scale with the aim of improving profitability.

From 2035 to 2050
Further expansion of our core businesses and new growing businesses
- We will add the new growing business "(4) next-generation technologies" to the core businesses to be established by 2035, with the aim of expanding our business further.
- We aim to continue the existing businesses, which will remain in demand after 2035, while improving their profitability.



Review of the Previous Medium-Term Management Plan

In the fiscal year ended March 2025, the final fiscal year of the previous medium-term management plan, all key numerical targets were achieved, including orders received, net sales, operating profit ratio, ROE, and payout ratio. Under the previous medium-term management plan, we positioned the period as preparation phase toward the realization of the management vision, centered on the two key points of the establishment of a new business portfolio and the establishment of a management base. We were able to make steady progress with necessary measures such as adopting ROIC as a business evaluation indicator and shifting to management emphasizing capital efficiency, and executing our first M&A in our 90-year history. However, we were not able to make as much progress as expected in bringing new products to market through new development and deepening existing products, and their commercialization, and this leaves us with a number of challenges to overcome.

- We made steady progress in restructuring of the existing businesses and improvement in profitability, promotion of group management, and improvement in corporate value.
- On the other hand, we had to carry over the creation of new business, and the implementation of a strategy and measures to maximize the effects of plant restructuring into the new medium-term management plan.

Previous medium-term plan's key point 1: Establishment of a new business portfolio

Detail	Evaluation
Creation of new business	✔ Outcome 1: Orders steadily received for hydrogen generators for the use of hydrogen and demonstration ✔ Outcome 2: Promotion of technology development for CO_2 capture and carbon recycling in progress ☐ Challenge: We did not make as much progress as we expected in product launch and commercialization
Restructuring of the existing businesses and improvement in profitability	✔ Outcome 1: ROIC adopted; transition to management that focuses on capital efficiency ✔ Outcome 2: Restructuring carried out within the Group (e.g., withdrawal from low-growth business) ✔ Outcome 3: Ownership of Tohsoh Corporation (present MKK TOHOKU Corporation) acquired to boost group synergy and profitability



CO_2 capture demonstration unit being installed at our Kawasaki Works (June 2024)



MKK TOHOKU's new plant completed in February 2025

Previous medium-term plan's key point 2: Establishment of a management base

Detail		Evaluation
Formulation of manufacturing strategy		✔ Outcome: Restructuring launched to make the Head Office and Kawasaki Works our development and production hubs ☐ Challenge: We didn't reach to a phase to implement a strategy and measures to maximize the effects of the restructuring
Promotion of group management		✔ Outcome: Restructuring carried out within the group and a shared service subsidiary established
Improvement in corporate value	Enhancement of disclosure of non-financial information	✔ Outcome 1: Information disclosure tools enhanced (e.g., launch of the integrated report) ✔ Outcome 2: Targets set to address climate change
	Promotion of diversity	✔ Outcome: Progress in hiring female employees, and appointing women, mid-career professionals, and foreign nationals to managerial positions ☐ Challenge: We could have made a better progress to foster a workplace culture that will enable diverse employees to achieve their full potential in their jobs
	Strengthening of capital policies	✔ Outcome 1: The ROE target (7.0%) achieved over the whole period ✔ Outcome 2: Continuous increase in dividend per share achieved



Scheduled to be completed in February 2027

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

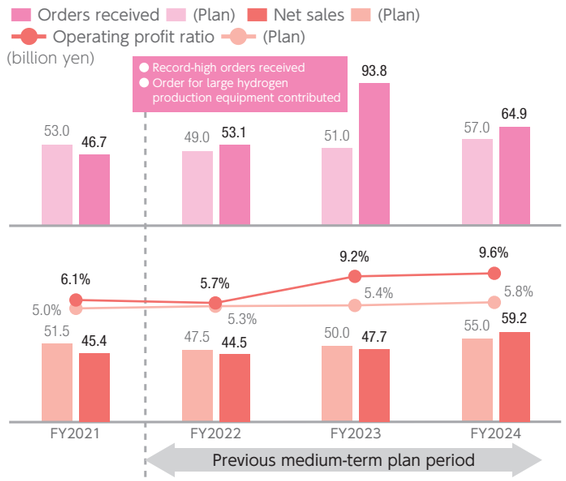
Endorsement of the recommendations of TCFD

Policy of the Medium-Term Management Plan (April 2022 to March 2025)

In order to realize the management vision, we will enhance strategic investment and secure a foothold for creating new business as the first step toward evolution and transformation.

- In summary, we achieved the business goals (e.g., net sales and operating profit ratio) and financial goals (e.g., ROE and payout ratio) set for the final fiscal year.
  In the fiscal year ended March 2024, the amount of orders received reached a record high, largely due to an order for large hydrogen production equipment for the demonstration of hydrogen reduction-based steelmaking.

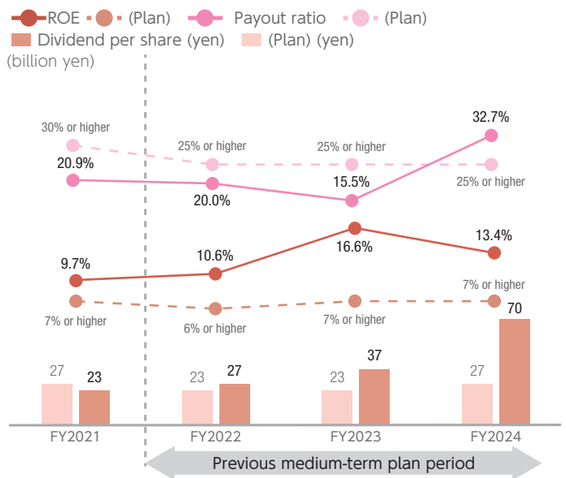
Business indicators and targets over the previous medium-term plan period



Achievement of all business-related indicator targets in the final fiscal year

During the first two years of the previous medium-term management plan, although orders received and operating profit ratio achieved the plan, net sales fell short of the plan. This was mainly due to the fact that sales did not grow as planned because the construction work for which orders were received did not progress as planned, partly due to the external environment. However, we were able to exceed the plan for all figures in the final fiscal year.
Several large projects for which orders were received in the fiscal years ended March 2023 and 2024 have contributed significantly to the increase in net sales in the fiscal year ended March 2025.

Financial-related indicators and targets over the previous medium-term plan period



Achievement of all financial-related indicator targets in the final fiscal year

During the period of the previous medium-term management plan, ROE and dividend per share exceeded the plan for all three years. The payout ratio was lower than initially planned in the fiscal years ended March 2023 and 2024, partly due to a large increase in net profit due to the posting of extraordinary profit mainly from the sale of strategically-held shares. However, in the fiscal year ended March 2025, our company exceeded its initial plan by implementing the enhanced shareholder return set forth in the new medium-term management plan ahead of schedule.

*The company carried out a three-for-one stock split of its common shares effective April 1, 2025. The dividend per share was calculated considering the stock split.

Outline of the New Medium-Term Management Plan (April 2025 to March 2028)

The Mitsubishi Kakoki Group has positioned the new medium-term management plan period as the second stage of "Evolution and Transformation" toward the realization of our management vision, and as such, we have positioned it as a period of three years for a leap forward. In order to achieve the record-high numerical management targets, we will strongly promote the green transformation (GX) business as a growth driver, which has been newly designated as an independent segment after carving out strategic business fieldsin our management vision. We will also fully communicate our company's appeal while enhancing shareholder return and improving capital efficiency.

The Medium-Term Management Plan (FY2025-FY2027)

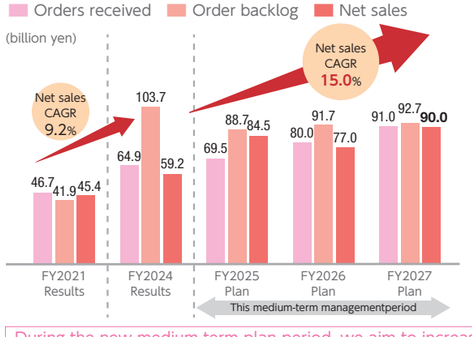
Evolution and Transformation 2.0

	Preparation	Growth phase	Where we aim to be
	Previous medium-term plan period (up to FY2024)	3 years for a leap forward New medium-term plan period (FY2025-FY2027)	FY2035
Our visions	The company explores businesses and promotes R&D to contribute to decarbonization by working collaboratively with customers, while supporting the industry through its engineering and manufacturing.	The company expands the lines of its products and services in its GX business mostly in the areas of realizing a recycling society and clean energy, thereby serving as a partner in customers' efforts toward decarbonization.	The company supports the sustainable development of society as a professional in the areas of realizing a recycling society, clean energy, and saving labor and energy, which are the core of the GX business.
Business portfolio	Strategic business fields Engineering / Industrial machinery	Actively allocate resources and speed up product development to commercialize the business as soon as possible GX Develop technologies and markets to lay a firm foundation for these businesses Engineering / Industrial machinery	Taking advantage of market growth, the business will grow to the point where its sales make up more than 50% GX Expand our operation into peripheral/new markets and ensure differentiation to maintain business scale while improving profitability Engineering / Industrial machinery

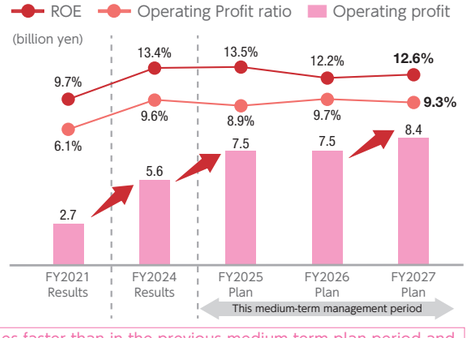
Planned figures in the new medium-term plan

Based on the order backlog in the final period for the previous medium-term management plan, we aim to increase net sales to over 80.0 billion yen in the fiscal year ending March 2026, and then to achieve net sales of 90.0 billion yen, an operating profit ratio of 9% or higher, and ROE of 12% or higher in the fiscal year ending March 2028.

Business scale targets over the new medium-term plan period



Targets for profitability indicators over the new medium-term plan period



During the new medium-term plan period, we aim to increase sales faster than in the previous medium-term plan period and further raise the operating profit ratio.

Financial targets in the new medium-term plan

To achieve PBR above 1 during an early period of the new medium-term management plan, we plan to boost net sales to 90.0 billion yen (out of which 23.0 billion yen from the GX business, improve profitability and efficiency, and increase shareholder return.

	Indicator	FY2024 (Targets in the previous medium-term plan)	FY2024 (Results)	FY2027 (Targets in this medium-term plan)
Market appraisal	New PBR	—	0.81 times	Above 1
Growth	Net sales	55.0 billion yen	59.2 billion yen	Final FY 90.0 billion yen
	New Net sales from GX business	—	—	Final FY 23.0 billion yen
Profitability	Operating profit ratio	5.0% or higher	9.6%	Final FY 9.0% or higher
	ROE	7.0% or higher	13.4%	12% or higher
	New ROIC	—	10.7%	11% or higher
Shareholder return	Payout ratio	25% or higher	32.7%	Final FY 40%
	New DOE	—	4.4%	Lowest 3.5%
Financial health	New Equity ratio	—	57.8%	About 50%

Key Points of the New Medium-Term Management Plan

There are four key points of the new medium-term management plan: evolution of our business portfolio, establishment of management conscious of cost of capital and stock prices, stronger human and technical capital, and improvements in the transparency of corporate governance. We will improve profitability by ensuring differentiation and competitive advantages in our fundamental businesses. The green transformation (GX) business is positioned as a growing business, and we will allocate resources adequately to it to accelerate product development and business expansion. We will also evolve our business portfolio by strengthening our GX business, promoting digital transformation (DX), and considering M&As to expand our business. In addition, we will implement measures that contribute to the enhancement of corporate value in order to stabilize the management base.

The Medium-Term Management Plan (FY2025-FY2027)

Evolution and Transformation 2.0

MKK

Goals

Expand the lines of our products and services in our GX business mostly in the areas of realizing a recycling society and clean energy, thereby serving as a partner in customers' efforts toward decarbonization.

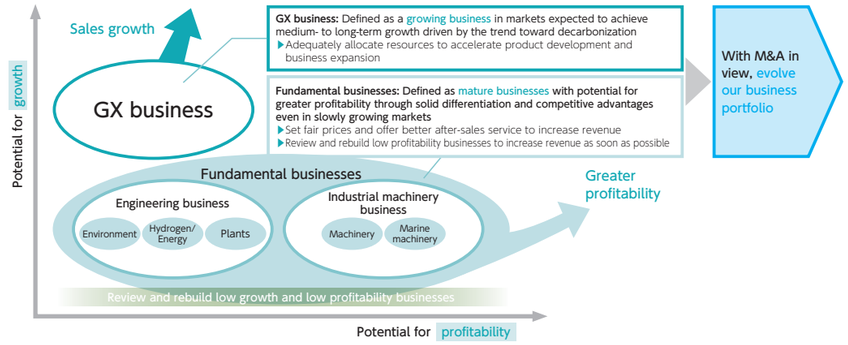
Achieve net sales of 90.0 billion yen, operating profit ratio of 9% or higher, PBR above 1, and ROE of 12% or higher

Business and financial strategies

Key point 1 Evolution of our business portfolio

■ Establishing the GX business ■ Boosting the competitiveness of our fundamental businesses ■ Implementing our business expansion strategies

- We will increase sales of the GX business and improve the profitability of our fundamental businesses to achieve both sales growth and greater profitability of the whole company.

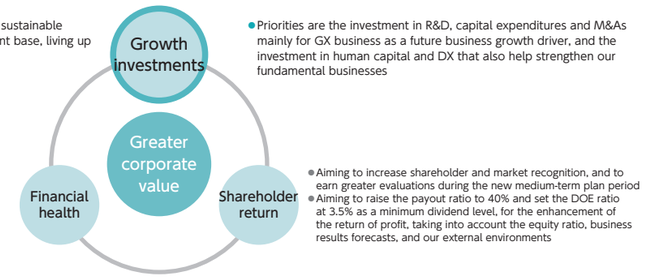


Key point 2 Establishment of management conscious of cost of capital and stock prices

■ Making growth investments ■ Enhancing capital efficiency
■ Increasing shareholder return / Publishing information that boosts growth expectations

- To realize our management vision, we give the highest priority to growth investments in our capital allocation plan.
- We will work to increase shareholder return to improve PBR while ensuring that the return, growth investments, and financial health remain in balance.

Capital policies presented in the new medium-term management plan



Stronger management base

Key point 3 Stronger human and technical capital

■ Pursuing our human capital strategy ■ Implementing our manufacturing strategy

Challenges	Building a stronger human resources portfolio for our GX business to achieve the purposes of our business strategies	Technology succession and recruitment	Employee engagement	
Policy	Hire and train GX human resources in alignment with our business strategies Ensure greater employee engagement			
Key measures	**HR portfolio** ●Continue HR portfolio management that focuses both on business and expertise ●Shift resources to the GX business	**Employment** ●Continue active employment of new graduates ●Continue active employment of mid-career professionals ●Collaborate with external organizations, etc.	**Training and allocation** ●Provide more GX-related training sessions and programs ●Facilitate younger employees' success	**Greater engagement** ●Establish our vision as a shared goal ●Change systems to create workplaces that enable work-life balance ●Support internal reforms of organizational culture
Targets (compared to the indicators for FY2024)	■Ratio of GX human resources: Up 3 points or more ■Net sales per technical human resources in the GX segment: 100 million yen or more	■New graduates and mid-career professionals hired (including those hired in collaboration with external organizations): 150 or more employees	■Training hours: Up 20% ■Number of employees with professional qualifications: Up 10%	■Engagement score: Up 3 points or more ■Ratio of female employees: 20% or more

*GX human resources: "Human resources who engage in our green transformation (GX) business" by our definition

Key point 4 Improvements in the transparency of corporate governance

■ Managing our business portfolio / practicing ROIC-oriented management
■ Pursuing sustainability

Key items for monitoring		Person in charge	Primary internal monitoring process	
For greater ROIC	ROIC			
Capital cost	WACC	●Corporate division manager	Quarterly (Management Committee and Board of Directors)	What to report ●Beginning of period: Measures to achieve goals ●Regular reporting: Review of progress toward the goals and status of the measures — If the goals seem increasingly unattainable, share the cause and how it has occurred, and put together recovery measures for discussion ●End of period: Analysis of how the goals have been achieved/not achieved Continued from the previous medium-term plan; This new plan will monitor ROIC-related KPIs as well
Asset efficiency	CCC Non-business assets Cash reserves			
Increased sales securing the right profit	Sales Sales growth rate	●Whole company: — President ●Businesses: — Business division manager	Monthly (Monthly follow-up meeting, Management Committee and Board of Directors)	
Steady cost-cutting efforts	Reduced cost			
Greater operating profit	Operating profit Operating profit ratio			

*We plan to externally disclose only the primary KPIs semiannually.

Message from an Executive in Charge of Financial Affairs

Promoting the evolution and transformation of our group leaping towards sustainable growth



Tomonari Miyamoto
Director and Managing Executive Officer

Looking back on our previous medium-term management plan from a financial perspective

In FY2024, we brought our previous three-year medium-term management plan to a close. We far surpassed our performance targets of 57.0 billion yen in orders received, 55.0 billion yen in net sales, operating profit ratio of 5.0% or higher, and ROE of 7.0% or higher.

In FY2023, with the acquisition of a large-scale order for hydrogen production equipment, we reached a record high of 93.8 billion yen in orders received. In FY2024 as well, we maintained a high level of orders, with 64.9 billion yen in orders received. As a result of this, our current order backlog as of the end of the period has accumulated to 103.7 billion yen. Net sales were 59.2 billion yen, up 23.9% year on year, operating profit was 5.6 billion yen, up 29.1% year on year. Operating profit ratio rose over three years from 6.1% (FY2021) to 9.6%, and ROE rose from 9.7% to 13.4%. ROE was affected by the sale of strategically-held shares, but we achieved a certain level of results by reinforcing our profitability and improving our capital efficiency. With respect to our financial standing, we have maintained an equity ratio of over 50% and a healthy balance sheet.

Turning to cash inflow during the previous medium-term management plan period, the cumulative total of operating cash flow over the three-year period was only 1.3 billion yen due to the impact of an increase in accounts receivable and a decrease in accounts payable resulting from the shortening of payment terms. However, we secured 8.2 billion yen through the sale of idle assets and strategically-held shares, the transfer of businesses, and other activities, so together with the 11.2 billion yen in cash reserves at the beginning of the period, that has left us with 20.7 billion yen in capital. For cash outflow, we recorded 4.8 billion yen in strategic investment, 2.4 billion yen in shareholder return, 2.6 billion yen in business maintenance and expansion, and 0.2 billion yen in other cash outflow, leaving 10.8 billion yen in cash reserves at the end of the period. Of these, we had initially planned for 4.0 billion yen in strategic investment, but the actual investment amount exceeded that.

Overall, our grounded efforts produced solid results over the three years of the previous medium-term management plan.

Financial policies and measures supporting the new medium-term management plan

In our new three-year medium-term management plan (FY2025-FY2027), named Evolution and Transformation 2.0, we have set the following performance targets for the final fiscal year of the plan: 90.0 billion yen in net sales, operating profit ratio of 9% or higher, and ROE of 12% or higher. To serve as a partner to customers' efforts toward decarbonization, we aim to expand our green transformation (GX) business mostly in the areas of realizing a recycling society and clean energy. Of our mentioned target of 90.0 billion yen in net sales, we have set a target of 23.0 billion yen in net sales in the GX business, which has been made into its own new segment.

Our net sales CAGR (compound average growth rate) during the previous medium-term management plan period was 9.2%, and we envision a growth rate of CAGR 15.0% during the new plan period, aiming to achieve a very aggressive rate of growth. As I mentioned earlier, our recent order backlog as of the end of the previous fiscal year has accumulated to 103.7 billion yen. We will use this to drive sales growth through the second year of the new medium-term management plan (FY2025 and FY2026), but we must bring in new orders to contribute to sales growth in FY2027. With regard to market environments, we anticipate a growth in demand for semiconductor-related business and new shipbuilding, and decarbonization efforts are continuing, so further growth in orders can be expected.

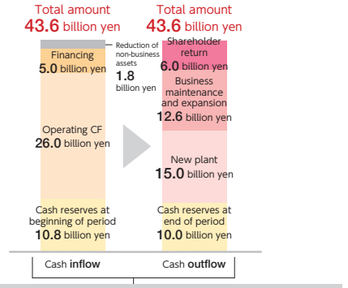
Meanwhile, for profitability and capital efficiency, although we are laying the groundwork for future growth through growth investments centered on the GX business and investments in the restructuring of Kawasaki Works, our targets are set to maintain current levels.

The period covered by the new medium-term management plan is positioned as the "three years for a leap forward," and we will utilize financial leverage, such as financing using interest-bearing debt, secure and invest over twice as much business capital as during the previous medium-term management plan, and accelerate our growth. With regard to the D/E ratio, we will pursue its soundness and strive to optimize capital efficiency with a target equity ratio of roughly 50%.

Specifically, in our cash allocation, we expect to secure a cumulative total of 26.0 billion yen from operating cash flow over the three-year period, to procure 5.0 billion yen in funds, and to sell off 1.8 billion yen of idle assets and strategically-held shares. Together with the 10.8 billion yen in cash reserves at the beginning of the period, this amounts to a total of 43.6 billion yen in capital. We will allocate 6.0 billion yen of this to shareholder return, 12.6 billion yen to business maintenance and expansion, and 15.0 billion yen to new plant-related spending.

From financial management perspective, in preparation for major investments, we are making steady progress with the sale of remaining strategically-held shares and the reduction of non-business assets. At the same time, we are shortening cash conversion cycles to help generate funds. We will be actively implementing these initiatives from the first fiscal year of the plan.

Cash allocation



Cumulative total over the current medium-term plan period

Management that is conscious of stock price and capital efficiency

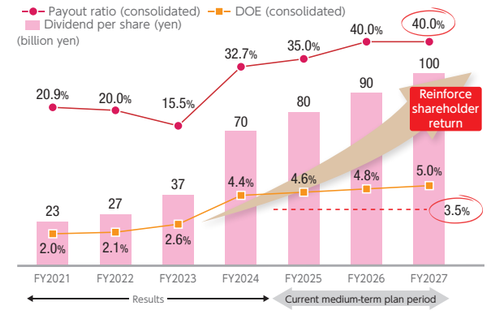
Our Price Book-value Ratio (PBR) used to be below 1 for a long time, but with our disclosure of financial results for FY2024 and the announcement of the new medium-term management plan on May 15, 2025, our stock price began rising. As of the end of June, our PBR had risen to roughly 1.2, surpassing the new medium-term management plan target of 1. We believe this is due not only to the contents of the FY2024 financial results and the significant increase in year-end dividend, but also factors such as our clearly setting out our intended path to sustainable growth focusing on the GX business, which has been separated into its own new reporting segment, and our announcement of a policy of further reinforcing shareholder return in the new medium-term management plan. These have been positively received by the stock market.

We will continue to steadily make progress in the growth strategies set forth in the new medium-term management plan while also reinforcing our IR and SR activities to foster greater recognition and penetration within the stock market of our business and its future potential.

With regard to improving capital efficiency, for the final fiscal year of the new medium-term management plan, we have set an ROE target of 12% or higher and a return on invested capital (ROIC) target of 11% or higher. We will continue the ROIC-oriented management we have been carrying out so far, and perform tree analysis, set KPIs and monitor them to improve ROIC for each business. Through this, we will increase capital efficiency as a whole.

Turning to shareholder return, our target during the final fiscal year of the plan is a payout ratio of 40%, and our dividend policy newly sets a minimum dividend on equity ratio (DOE) of 3.5%. We will improve our dividend levels, of course, for reinforcing and enhancing our shareholder return, but we will also stay conscious of its effect to curb increases in equity and contribute to ROE increase, and work on it as part of our capital efficiency improvement measures.

Results of shareholder return and plan for the new medium-term plan period



*The company carried out a three-for-one stock split of its common shares effective April 1, 2025. The figures before the fiscal year ended March 2025 were calculated, reflecting the stock split for comparison purpose.

My mission as the Director in charge of the Planning & Administrative Division

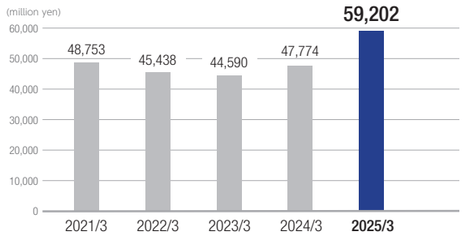
Since June 2025, I have been the Director in charge of the Planning & Administrative Division, overseeing not only the financial division but also the overall administration operations, including general administration and human resources.

Our corporate group's new medium-term management plan, Evolution and Transformation 2.0, is an extremely important milestone in our roadmap for achieving our ideal state for FY2035 and the Management Vision for 2050. These three years will be a turning point in our journey toward sustainable growth. As the Director in charge of the Planning & Administrative Division, I see my own mission to consist of accurately identifying changes in the external and internal environment and promoting the evolution and transformation of our group by implementing the best management and financial measures. I will do my utmost to achieve the goals of our plan.

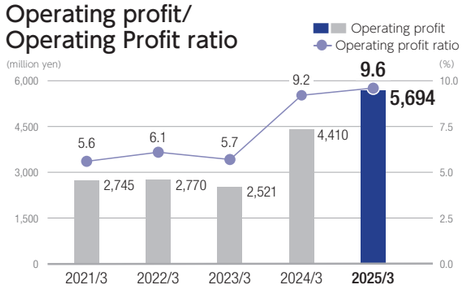
Financial and Non-Financial Highlights

Financial Highlights

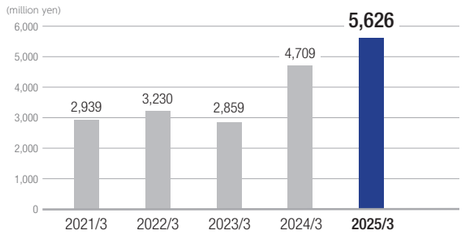
Net sales



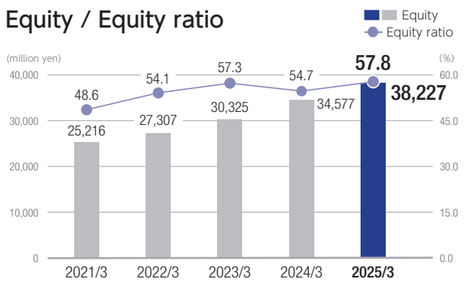
Operating profit/ Operating Profit ratio



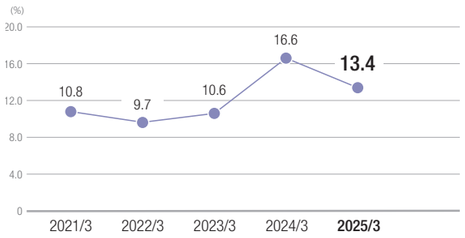
Ordinary profit



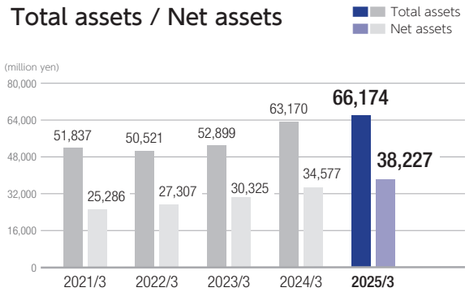
Equity / Equity ratio



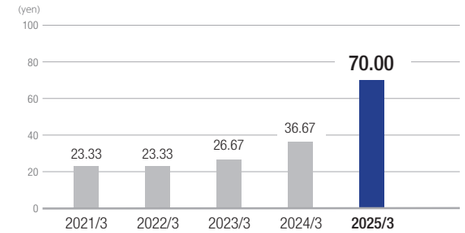
Return on equity (ROE)



Total assets / Net assets

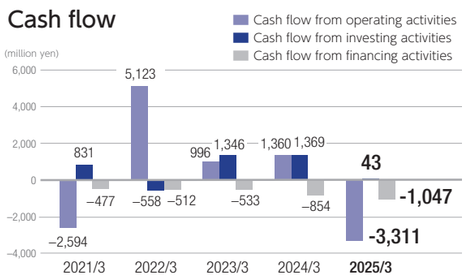


Dividend per share



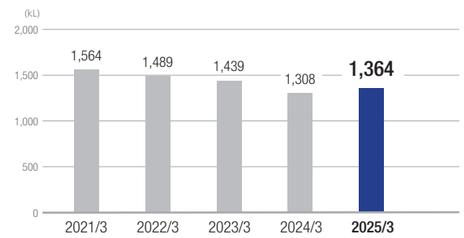
*The company carried out a three-for-one stock split of its common shares effective April 1, 2025. The figures before the fiscal year ended March 2025 were calculated considering the stock split.

Cash flow

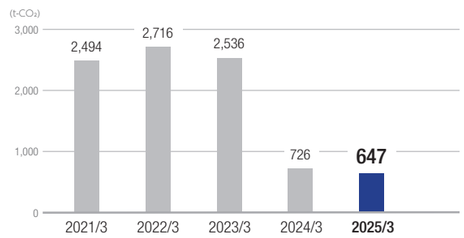


Non-Financial Highlights

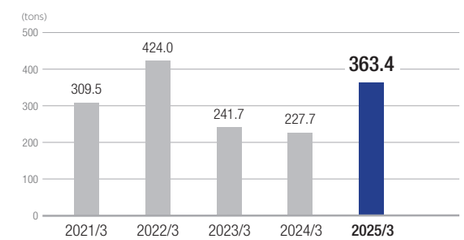
Energy consumption (crude oil equivalent)



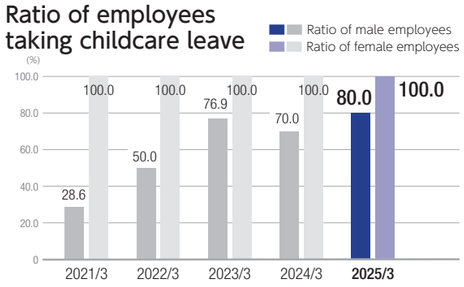
Scopes 1 and 2 CO_2 emissions



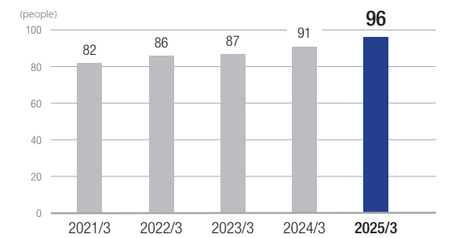
Waste generated



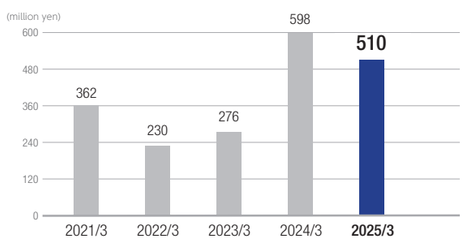
Ratio of employees taking childcare leave



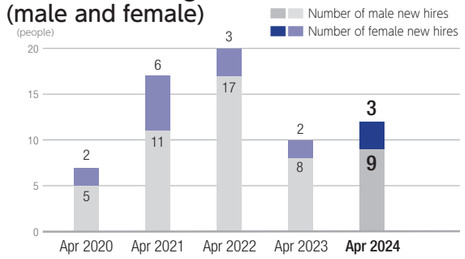
Number of female employees



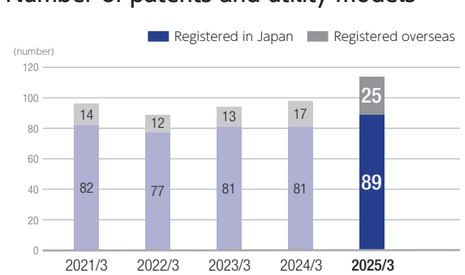
R&D expenses



Number of new graduates hired (male and female)



Number of patents and utility models



Investment Strategy: Restructuring of the Head Office and Kawasaki Works

Purpose of the plan

Since our founding in 1935, our current head office and Kawasaki Works have served as our core manufacturing plant. However, with the facilities deteriorating and the need to build the business foundation to realize the Mitsubishi Kakoki Group's Management Vision for 2050, we decided to implement a restructuring plan. This plan is a strategic business investment for reforming our business portfolio with the aim of developing four strategic business fields and implementing new manufacturing strategies.



The office and research building (Image)

Outline of the plan

According to this plan, we will dismantle the buildings of the head office and Kawasaki Works, excluding SJ Factory and the hydrogen station, and rebuild factories, offices, and research facilities required for our business.

❶ The office and research building

By integrating the functions of offices and research facilities, we will strive to optimize the spaces required for these functions and ancillary facilities, such as a cafeteria and meeting rooms.

❷ The factory experimentation building

Under the concept of an environmentally-friendly cutting-edge factory, this building, as a manufacturing hub driving energy saving, decarbonization and digital transformation (DX), will function to assemble industrial machines, such as existing centrifuges, filtering devices, and filters, and equipment compliant with environmental regulations for ships, and to manufacture next-generation products.



The factory experimentation building (Image)

Structure and type of the buildings

Name	Structure type	The number of stories	Maximum height	Total area	Scheduled completion date
The office and research building	A steel structure	Four stories above the ground (including a one-story penthouse)	About 20 m	About 7,900 m²	February 2027
The factory experimentation building	A steel structure	Three stories above the ground (including a one-story penthouse)	About 16 m	About 5,800 m²	February 2027

Environmental considerations and process control

- In this plan, we need to construct each building and transfer the functions of existing offices and factories to the new buildings without suspending them. To do so, we will deliberate on each process to a sufficient degree so that our business activities will not be affected by the delay in the restructuring process.
  In addition, we will pay attention to the ambient environment, and take sufficient measures to ensure safety and prevent noise and vibration during the restructuring work.
- We will discuss the possibility of adopting the latest energy-saving and energy-generating technologies, which are listed in the right table, and execute plans with the aim of obtaining the ZEB* Ready certification and with a view to obtaining the Nearly ZEB certification.

*ZEB stands for Net Zero Energy Building, which is aimed at achieving zero annual balance of primary energy consumption in the building while realizing a comfortable indoor environment. The four grades (ZEB Oriented, ZEB Ready, Nearly ZEB, and ZEB) were defined.

Primary energy reduction item	Energy saving	Sunlight blocking by a rooftop terrace (heat load reduction)	ZEB Ready Primary energy consumption Down 50.0% or over
		Improvement in outer surface performance with high-performance heat-insulating materials	
		Reduction of power consumption with LED lamps	
		Reduction of power consumption through sensor-based lighting control (luminance, human presence, and time schedules)	
		Reduction of power consumption with high-efficiency transformers (top-runner transformers)	
		Reduction of energy consumption for air-conditioning through highly efficient individual air conditioning	
		Reduction of energy consumption for air-conditioning through the installation of human-presence sensors in air-conditioning and ventilation systems	
		Reduction of energy consumption of air-conditioning through the controlled operation of outdoor air handling units	
		Reduction of heat loss through the ventilation with outdoor air handling units equipped with total heat exchangers	
		Optimization of outdoor air intake through ventilation with outdoor air handling units that can change the air flow rate	
		Prevention of unnecessary operations through the temperature control of ventilation fans	
		Reduction of energy consumption for cooling through a natural draft system	
		Reduction of energy consumption for heating water with gas water heaters equipped with latent heat recovery devices	
		Reduction of power consumption through the regenerative control of elevators	
	Energy generation	Energy generation with hydrogen	
		Energy generation with sunlight	
Primary energy increase item		Increase of primary energy with water heaters and kitchen instruments	
		Increase of primary energy with gas heat pumps (GHPs)	

Progress of the plan

After the announcement of this plan in August 2024, the demolition of the former No. 2 Factory began in October, and the work was completed.

Going forward, in order to construct a new office and research building and a factory experimentation building, work such as foundation work and steel frame erection will be carried out sequentially.



Site of the former No. 2 Factory where the new facilities will be built

Work style reform project team

Since 2019, we have run a project team for reforming workstyles to improve productivity, enhance each employee's occupational skills, and improve motivation. As we proceed with the restructuring of the head office and Kawasaki Works, we have decided to resume the activities of this team with the aim of designing workspaces that will suit diverse work styles for the future. Activities include the following:

1. Conduct a survey of the current situation: Consider the optimal design and layout of the office area based on factors such as the current layout of the office area and the amount of documents stored.
2. Conduct a web survey: Conduct a survey on employees working at the head office and Kawasaki Works about their working conditions and satisfactionfor one week, and consider improvement measures for issues based on the results of the survey.
3. Conduct interviews with the President and Division Directors: Conduct interviews with senior management to ensure that the concept is aligned with management policies.
4. Conduct workshops: Hold group discussions among project members on our company's strengths and ideal working styles, and gather ideas that can be reflected in the design of the office area. Based on the concept formulated through these activities, we will proceed with detailed designs for office areas that enable employees to generate innovation and collaboration.

Concept of the work style reform project team



President Tanaka being interviewed



Discussion among Division Directors



Workshop being held

Environmentally-friendly cutting-edge factory, and improved employee engagement are the themes



Genta Nagamori
Manager of General Affairs Section, General Affairs & Personnel Department

This plan is the largest capital investment since our founding and is one of the strategic business investments to realize our management vision. To this end, we will install diverse R&D functions that enable close collaboration with external partners and assembly functions that embody new technologies, and build an "environmentally-friendly cutting-edge factory" that supports our manufacturing.

Those of us working here, guided by the concept of "achieving open, flexible, and innovative offices" formulated through the activities of the work style reform project team, will foster voluntary, autonomous, self-motivated activities, build spaces and environments that support each person's work style, and improve employee engagement.

As the plan enters a highlight phase for these objectives, we intend to firmly support everyone so that no one is left behind and all move forward in the same direction.

Research and Development, Technology Development and Production Strategy

Technology Development & Production Division



We will work on the development of technologies and production activities, involving all business units, and take the initiative in creating new products and businesses.

Technology Development & Production Division is pursuing element technologies and developing new technologies and products, while taking full advantage of the excellent technologies accumulated for many years, enriched testing equipment, and the mobility of division staff. To realize our management vision and achieve the new medium-term management plan, we will conduct R&D related to the newly established green transformation (GX) business and lead the restructuring plan as the main division in charge of R&D and manufacturing in the renewal of Kawasaki Works that started in FY2024.

Akiyoshi Yamazaki **Executive Officer and Division Director, Technology Development & Production Division**

Promotion of manufacturing strategies for realizing our management vision

Our mission is to implement group-wide initiatives in order to accelerate product development for strategic business fields, thereby realizing the Management Vision for 2050. While responding sensitively to trends such as decarbonization and the SDGs, we will advance and realize product development for the four strategic business fields: “business for realizing a sustainable recycling society,” “hydrogen-based clean energy business,” “business of saving labor and energy utilizing digital technology,” and “business of developing next-generation technologies for solving issues related to water, food, natural disasters.” These business fields address the five social issues set forth in the Management Vision for 2050, specifically, CO_2 emissions and climate change, circulation of resources, water and food, natural disasters, and labor shortage.

The new Kawasaki Works, scheduled for completion in February 2027, is positioned as the product development and production hub (mother factory) for the GX business, leading the entire group in manufacturing.

Policy	Focus on the restructuring of head office and Kawasaki Works By advancing and optimizing manufacturing, development, and supply chain management, we will transform the site into our group’s manufacturing hub that supports the expansion of the GX business beyond our conventional product mix.	
Key measures	Equipment renewal ■ Enhance experimental fields ■ Integrate manufacturing and R&D ■ Promote communication in interaction areas ■ Consider introduction of energy-saving and energy-creating technologies	Utilization of DX ■ Network linkage of manufacturing elements within our corporate group Sales information / Procurement / Production schedule / Quality control
Targets	Improve innovation creation capabilities as a source of co-creation	Improve labor productivity through higher employee engagement
	Strengthen production efficiency through DX promotion in plants	Achieve CO_2-reduction targets by promoting the realization of zero-emission plants

Technology Development & Production Division

Research & Development Department

- Development Planning Section
- Research & Test Section
- Material Development Section
- Intellectual Property Management Section
- Development & Implementation Section

- Seeking research themes from a medium- to long-term perspective and outside of existing frameworks, and promoting development
- Promoting material development, material testing, and applied testing operations that contribute to research and development
- Raising awareness about the importance of intellectual property and actively promoting intellectual property creation, protection and applications. Patent research and patent infringement prevention
- Promoting the development of equipment for putting development technologies into practical use

Technology Development Office

- Devising themes to realize the management vision, searching for collaboration with business units
- Facilitating development projects across multiple divisions and steering the projects in an efficient manner
- Pursuing higher added value by combining basic technologies
- Developing a business model for commercialization (monetization)

Manufacturing Department

- Production Engineering Section
- Industrial Machinery Manufacturing Section
- Selfjector Manufacturing Section
- Kashima Manufacturing & Technical Section
- Kashima Administration Section

- Comprehensive management of production sites (Kawasaki Works and Kashima Factory, etc.)
- Promoting production control and operational reform as a manufacturing coordinating division
- Achieving accident-free and disaster-free operations by ensuring safety in each factory and properly inspecting equipment
- Reducing quality costs (implementing target setting and follow-up)
- Formulating manufacturing strategies for realizing our management vision

Topics of Research and Development

Development of algae cultivation technology



Hiroki Ogata
Development Planning Section
Research & Development Department

Kojiro Sota
Development Planning Section
Research & Development Department

In 2020, our corporate group installed an urban photobioreactor at the head office and Kawasaki Works and has been developing algae cultivation technology. Algae have long been used in supplements due to its abundant nutrients, and research is now advancing on its use as an alternative fuel for aircraft and as a raw material for various chemical products.

Q When did Mitsubishi Kakoki begin its algae-related business?

Sota: We have a track record of constructing cultivation facilities since the 1990s. Since delivering the first rotary cell extractor in 1958, we have accumulated technical know-how through the supply of oil and fat extraction equipment and refining equipment.

Q What kind of research is currently underway?

Ogata: We are conducting cultivation tests using a photobioreactor installed at the Kawasaki Works. We are developing cultivation equipment that incorporates labor-saving and energy-saving technologies for cultivation, which are essential for the industrialization of algae.



Installed photobioreactor

Q What are the characteristics of photobioreactors?

Sota: Cultivation takes place in sealed glass tubes, which prevents contamination and enables high productivity. It also incorporates a mechanism that efficiently dissolves injected CO_2, a pigging system that easily cleans the inside of the glass tubes, and a vibration-isolation structure. Mitsubishi Kakoki Advance, a subsidiary of our company, sells the equipment, including AlgaCube®, a portable, unit-type device designed for indoor testing and research.

Q Do you already have a delivery track record?

Ogata: Yes, deliveries include a research facility in Saga City, Saga Prefecture, established by Kumagai Gumi Co., Ltd. to advance the practical and industrial applications of sustainable, environmentally-friendly hybrid agriculture, and inquiries continue to increase.

Q How does this align with Mitsubishi Kakoki’s existing business?

Sota: In our industrial machinery business, we can perform separation and concentration using Mitsubishi Disc Separators, and we can also extract lipids and high-value-added substances for biofuels using a Nutsche filter dryer. As commercialization is expected in the future, we can leverage our engineering business’s overseas plant-construction know-how when building large-scale cultivation and extraction facilities.



Mitsubishi Disc Separator



Small filter dryer

Q What other characteristics do algae have?

Ogata: Because algae grow by absorbing CO_2, we are also conducting a demonstration in which CO_2 generated from our small hydrogen generator is sent to a photobioreactor to absorb CO_2. Algae are expected to play a role in simultaneously addressing energy issues and absorbing greenhouse gases.

Q How do you plan to conduct your research in the future?

Sota: We will continue exploring various possibilities for algae through industry-academia-government collaboration and create synergies with our accumulated know-how. We intend to grow this business into one that can play a major role in realizing our management vision.

Digital Transformation (DX) Strategy and Its Progress

Digital Transformation Department



In addition to the promotion of digital transformation (DX) inside our company, we aim to offer solutions that help clients solve issues, such as labor shortages.

As we consider digitalization and DX to be indispensable for realizing the Mitsubishi Kakoki Group's Management Vision for 2050, we have formulated the Mitsubishi Kakoki Group's DX Strategy with the objective of boosting our DX activities and promoting DX in all group companies, and the whole group has been engaging in the promotion of digital transformation.

Hideaki Aikawa
General Manager of Digital Transformation Department
Planning & Administrative Division

Mitsubishi Kakoki Group's DX strategy

Our company has upheld three concepts—"Sustainable Innovation DX," "Business Creation DX," and "Society Contribution DX" —as a step toward the realization of the management vision. In order to achieve these concepts, we have subdivided them into eight themes and have been engaging in respective measures.

DX in our corporate group	Apart from streamlining business operations, we will create businesses and spur the reform into a sustainable organization, creating new value to solve social issues, through the utilization of digital technologies and data.

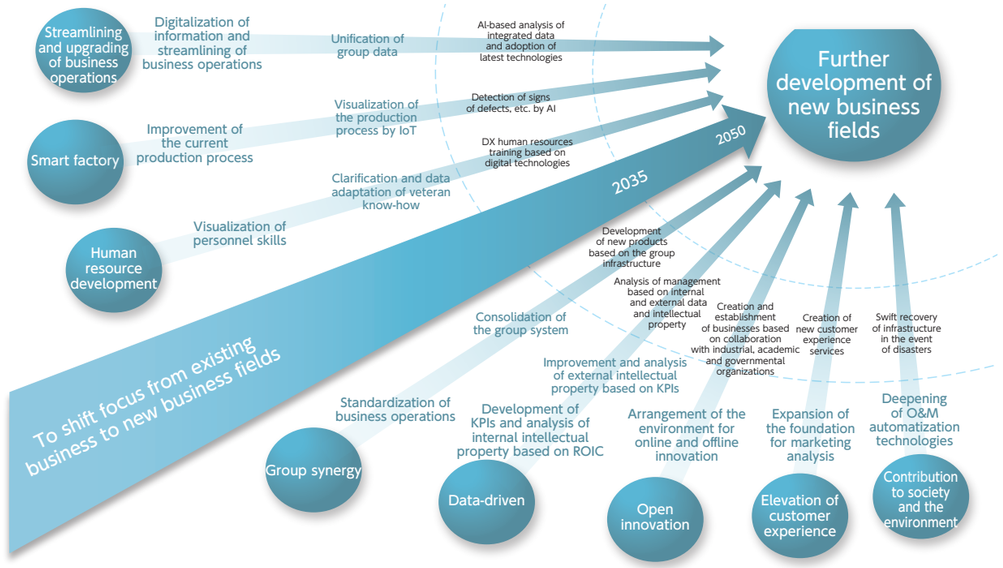
DX theme	Streamlining and upgrading of business operations	Smart factory	Human resource development	Data-driven	Group synergy	Open innovation	Elevation of customer experience	Contribution to society and the environment

	Sustainable Innovation DX Transform manufacturing and engineering expertise into a sustainable form	Business Creation DX Create new businesses through government-industry-academia collaboration and group synergy	Society Contribution DX Improve levels of satisfaction and create value throughout each product lifecycle, thereby contributing to social development
Key measures	▶ Streamline and upgrade business operations: Launch the use of a design database ▶ Optimize inventory, process, and procurement management: Implement supply chain management ▶ Train our group's DX human resources	▶ Integrate key systems: To be initiated by our group's corporate division ▶ Launch data analysis projects	▶ Set up services for customers ▶ Incorporate DX into green transformation (GX) business projects
Targets	● Centralized management of information about engineering operations ● Advancement of DX in plants ● Well-trained DX human resources as the growth driver for our GX business	● Integrated business base to create group synergy ● Development of a structure for data analysis established by introducing a data warehouse	● Increased capability for customer proposals through advanced CRM ● Improved product value through DX in GX business projects

*DX human resources: "Human resources equipped with knowledge of business and digital expertise and capable of making innovative changes in businesses," by our definition
*CRM: Customer relationship management (a process of managing information about and relations with customers to develop and facilitate good relationships with customers)

DX roadmap

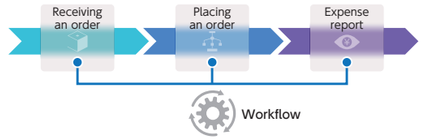
We implement initiatives in accordance with the DX roadmap, which was produced while specifying the order of priority so that they would progress in tandem with the initiatives toward the Management Vision for 2050. The DX roadmap is reflected in concrete processes, and we regularly check the progress of DX strategies.



Main initiatives to date

Sustainable Innovation DX

Added a workflow function to the core system and started operation



We centrally manage a variety of figures by handling ordering operations of receiving and placing orders and expense aggregation within our core system. By integrating workflow functions into the core system, we have promoted a paperless work environment and established a system that accommodates various work styles.

Sustainable Innovation DX

Introduction and operation of a video manual creation tool

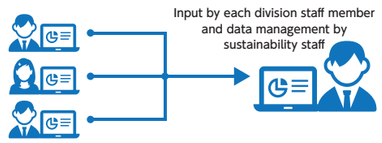


We have introduced a video manual creation tool to efficiently pass on experiencedemployees' experience, know-how, and various work procedures to younger employees.

In addition to accommodating diversified work styles, the new tool can also support individualized learning. We also promote the tool's use in business activities, such as in the explanation of the handling of various products.

Society Contribution DX

Introduction and operation of a GHG emissions visualization tool



We are advancing various disclosures to meet social demands for sustainability-related disclosures. Since calculating GHG emissions requires collecting figures from multiple divisions and consolidation was a complicated task, we introduced a visualization tool to improve efficiency and have started operating it.

Green Transformation (GX) Business

We launched the green transformation (GX) business to accelerate the realization and promotion of the four strategic business fields in the Mitsubishi Kakoki Group's Management Vision for 2050: "business for realizing a sustainable recycling society," "hydrogen-based clean energy business," "business of saving labor and energy utilizing digital technology," and "business of developing next-generation technologies for solving issues related to water, food, natural disasters." The newly established Green Transformation Business Office will play a central role in this effort and work to accelerate and expand business development while coordinating with the business divisions. By establishing the GX business as a new reportable segment, we have created a framework that enables the quantitative monitoring of progress in business plans across strategic business fields . During the new medium-term management plan period, we designate two businesses, "business for realizing a sustainable recycling society" and "hydrogen-based clean energy business," as quick-win fields, and plan to achieve 23.0 billion yen in net sales from the GX business by the final year of the medium-term management plan period. To this end, we will make a growth investment of 8.0 billion yen centered on the GX business to advance technology development and social implementation, and to expand our operations and business scale through enhancing M&As and alliances.

Green Transformation (GX) Business



We need to establish four strategic business fields to realize our management vision. The Green Transformation Business Office will play a central role in putting great efforts into promoting this.

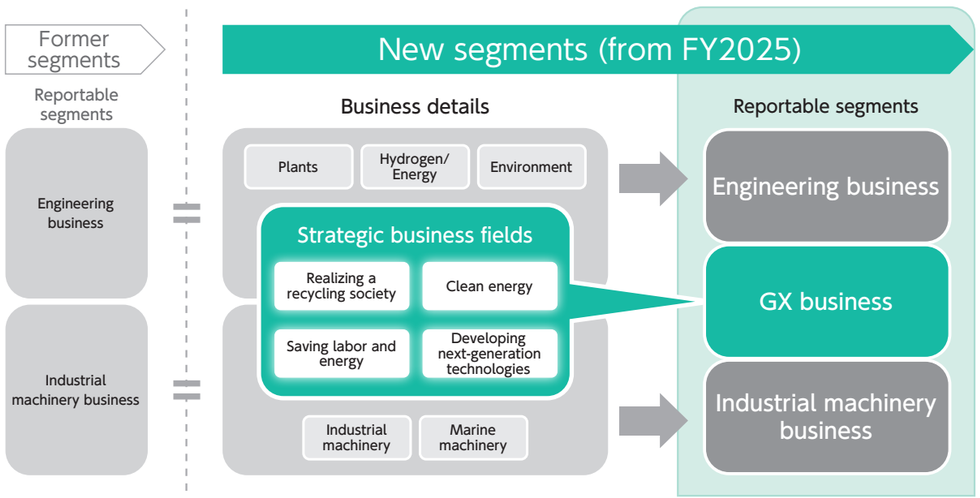
Takashi Inoue
Director and Managing Executive Officer, General Manager of Green Transformation Business Office

Main businesses

Business for realizing a recycling society, clean energy business, business of saving labor and energy, business of developing next-generation technologies

Reportable segments changed

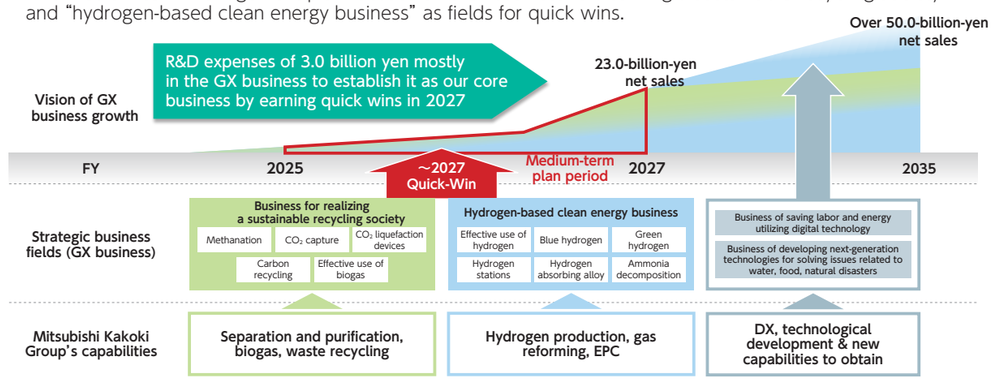
- It is essential that we achieve growth in the strategic business fields in order to realize our management vision.
- We set up the GX business as our new reportable segment to transition to a framework for quantitative monitoring so that we can further promote and expand the strategic businessfields.



*The GX business falls into the strategic business fields. It consists of new businesses as well as existing technologies and products that have been developed or refined for specific uses.

Sketch of our GX business

- Our GX business revolves around the strategic business fields that contribute to the resolution of social issues, which we include in our management vision.
- This medium-term management plan focuses on the "business for realizing a sustainable recycling society" and "hydrogen-based clean energy business" as fields for quick wins.



Products and services for GX business

- We will expand the business by introducing main products such as hydrogen production equipment to meet the growing demand for hydrogen.
- We will promote R&D to bring low-carbon hydrogen (blue/green hydrogen), which is expected to grow in the future, and carbon recycling, such as CO_2 capture, to market during the period of this medium-term management plan.

1 Business for realizing a sustainable recycling society

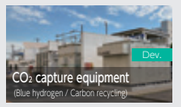




Methanation Dev.
(Carbon recycling / Effective use of hydrogen)
CO2 liquefaction devices Dev.
(Carbon recycling)
Hydrogen generation from biogas
(Effective use of biogas)

2 Hydrogen-based clean energy business



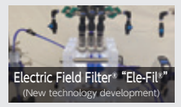


Hydrogen stations
Hydrogen absorbing alloy delivery system Dev.
Hydrogen compressor using hydrogen storage alloy Dev.
(Hydrogen absorbing alloy)
Ammonia decomposition Dev.
(Effective use of hydrogen)
Water electrolysis hydrogen generator Dev.
(Green hydrogen)

3 Business of saving labor and energy utilizing digital technology



4 Business of developing next-generation technologies for solving issues related to water, food, natural disasters



Our GX business's goals and strategy

- We aim to accelerate and expand business promotion under the newly established Green Transformation Business Office.
- We will contribute to the realization of a decarbonized society by proposing and providing our GX-related technologies, products, and services.

Goals

Clearly present our roles and establish our status geared to carbon neutrality

Contribute to local economies by following a decarbonization model centered on local production for local consumption

Strategy

1 Setting up the new Green Transformation Business Office and accelerating our efforts to establish our GX business
- Develop a company-wide strategy and policy leveraging our products and processes.
- Identify and resolve issues as early as possible to facilitate the processes of commercialization and productization.
- Advance and establish planning-and-proposal-based business activities.

2 Engaging in a solution business geared to carbon neutrality
- Find needs for GX among customers of our fundamental businesses.
- Propose solutions and create projects to help customers resolve issues related to the environment.

3 Creating a decarbonization model centered on local production for local consumption and projects for effective use of hydrogen
- Create projects in collaboration with municipalities.
- Create projects for effective use of hydrogen, with the use of public assistance programs in view.

4 Developing value chains using our technologies and products
- Offer our technologies and products in all supply chains for production, transportation/storage, and/or use of hydrogen.
- Create systems that incorporate our products to facilitate decarbonization.

5 Boosting market communication
- Increase our brand recognition through trade fairs and digital marketing.
- Establish the Mitsubishi Kakoki brand awareness so that the public will associate GX and hydrogen with us.

6 Partnering for reinforcement and expansion
- Expand our business areas and acquire technologies through M&As.
- Boost our technological capabilities and expand the lineup of our products and services through strategic partnerships.

Engineering Business

In our engineering business, we construct plants in a wide range of fields, from chemical materials, semiconductor-related products, and electronic materials, forming the foundation of industry, to city gas and wastewater treatment,supporting essential lifelines, and even hydrogen, which is currently attracting significant attention as a new energy source. We strive to build a sustainable and comfortable society by meeting customer needs through long years of experience and technical expertise, forcusing on construction quality, delivery management, and safety measures.

Plant Engineering Business



We will proactively exchange information with clients, grasp needs, and actively cultivate new business fields.

Satoki Nakashima
Executive Officer and Division Director, Plant Project Business Division

Main businesses

Petrochemicals, semiconductors, electronic materials, pharmaceuticals, food-related plant construction, etc.

SWOT analysis of the plant engineering business

Strengths
- Engineering capabilities applicable to a wide range of fields
- A large customer base established through years of experience
- Overseas EPC know-how based in Southeast Asia

Weaknesses
- Limited capacity for projects caused by human resources constrains
- Volatility in sales due to project progress

Opportunities
- Customers returning to construction sites in Japan due to geopolitical risks, etc.
- Increased capital investment in new fields by customers' carbon neutrality initiatives
- Achiving synergies through increased collaboration opportunities with internal and external parties

Threats
- Increase in raw material and labor costs
- Capital investment stagnation caused by US tariff policy

Business strategy in the current medium-term management plan

In the medium-term management plan, the plant engineering business needs to secure more stable earnings as a core business, and we will explore customer needs to develop new applications, advance EPC by leveraging digital technologies, and manage project intake efficiently. In particular, in anticipation of a decreasing labor force, we will promote digital transformation (DX) and strengthen external alliances to maintain strong internal operational capabilities. We will also adopt modular construction methods and promote vendor development to shorten onsite schedules and reduce costs, and establish a framework to meet diverse customer needsincluding capital investments that comply with environmental regulations.

Main initiatives and achievements

Order received for a complete set of extraction equipment for one of the world's largest microalgae production facilities

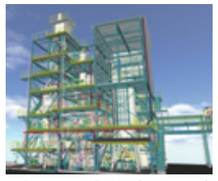
We received an order for a complete extraction system from CHITOSE Group (CEO: Tomohiro Fujita), which is a family of companies promoting the bio-economy, for a project commissioned by New Energy and Industrial Technology Development Organization (NEDO) in Malaysia. In addition to delivering our filters, we will leverage our overseas EPC know-how to advance construction.



Source: Chitose Laboratory / Facilities of New Energy and Industrial Technology Development Organization (NEDO)
*The plant engineering business received the order in FY2024, and the green transformation (GX) business has taken over its management since this fiscal year.

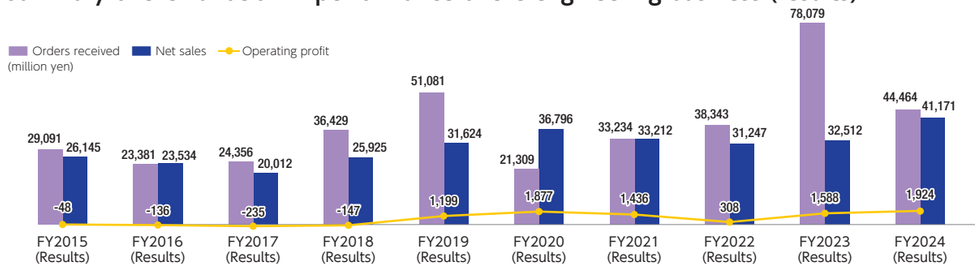
Many plant construction projects are progressing smoothly

Many plant facilities have started or completed construction against a backdrop of strong capital investment demand in Japan. We ensure the delivery schedules and quality that meet customers' expectations through robust safety measures and effective management of construction and project progress.



Promoting DX in design work as well

Summary of the variation in performance of the engineering business (results)



Environment, Hydrogen, and Energy Business



We are implementing blue/green hydrogen generation technologies, resource circulation systems, and technologies for the effective utilization of biogas to create new value and addressthe growing demand for hydrogen.

Hideki Miyajima
Executive Officer and Division Director, Environmental & Hydrogen & Energy Business Division

Main businesses

Hydrogen generators, hydrogen stations, city gas-related plants, water treatment facilities, waste treatment facilities, biogas plants, etc.

SWOT analysis of the environment, hydrogen, and energy businesses

Strengths
- Over 60 years of history and a track record of nearly 200 deliveries of hydrogen production equipment and accumulated technical know-how
- A large customer base in the gas and energy fields dating back to our founding
- Biogas production technologies cultivated through sludge treatment including sewage systems

Weaknesses
- Manufacturing capacity limited by human resources and production capacity
- Insufficient track record in Public Private Partnership (PPP) business

Opportunities
- Growing demand for clean energy, including hydrogen, for carbon neutrality initiatives
- Growing demand for effective utilization of hydrogen in the steel industry and other industrial fields
- Capital investment increase due to aging public infrastructure. Utilizationof the private sector to address customer staffing shortages

Threats
- Rising costs of raw materials and labor
- Delays in energy transition due to the US and other countries' retreat from global warming policies
- Decrease in public capital investment due to a shortage of financial resources

Business strategy in the current medium-term management plan

Hydrogen is attracting significant attention as a clean energy source as we move toward carbon neutrality by 2050. We have been delivering hydrogen production equipment for more than 60 years and expect to expand the use of hydrogen not only for industrial applications but also for the development of technologies aimed at decarbonization. We are conducting demonstrations of biogas utilization technology in Japan and overseas and will accelerate its commercialization. We construct wastewater treatment facilities, including sewage treatment plants, and have technologies such as thermal sludge solubilization technology, for efficient biogas production.

By promoting early practical application of our CO_2 capture equipment, currently under development, we aim to contribute to the realization of a sustainable society in fields that support infrastructure, such as gas energy and sewage treatment.

Main initiatives and achievements

Started demonstration testing of CO_2 capture equipment

We installed CO_2 capture equipment adjacent to the compact hydrogen generator HyGeia-A at Kawasaki Works and started demonstration testing in June 2024. We aim for the early commercialization of equipment that can capture CO_2 with high efficiency to achieve both cost-effective hydrogen production and blue hydrogenation.



CO_2 capture demonstration unit (front), compact hydrogen generator HyGeia-A (center)

Our water treatment equipment (rotary drum screen) received the Japan Society of Industrial Machinery Manufacturers President's Award

Our rotary drum screen won the Japan Society of Industrial Machinery Manufacturers President's Award at the 50th Excellent Environmental Equipment Awards hosted by the Japan Society of Industrial Machinery Manufacturers. It is mainly used in sewage treatment plants to remove foreign materials from sludge.



Takashi Inoue, then Division Director of Environmental & Hydrogen & Energy Division, receiving the certificate of commendation

Industrial Machinery Business

Out of our core technologies of “separating solids, liquids, and gases,” mainly based on the “solid-liquid separation technology” cultivated since our foundation, we develop, design, manufacture, and sell a wide variety of industrial machinery such as filters, centrifuges, and screening equipment. The business is broadly divided into the marine machinery field and the industrial machinery field. In the marine machinery field, we manufacture and sell our flagship oil purifier and equipment compliant with environmental regulations for ships, , and provide a worldwide after-sales service network. In the industrial machinery field, we provide customers with complete support in various fields including pharmaceuticals, food, and chemicals, from the selection of an optimum model, the delivery of the equipment to after-sales services.

Industrial Machinery Business



Out manufacturing technology, we have cultivated since our founding, brings new value to the production process.

Koji Nagane
Executive Officer and Division Director, Machinery Business Division

Major products

Marine machinery: Oil purifier, equipment compliant with the environmental regulations for ships
Industrial machinery: Filters, Centrifuges, Screening equipment, Agitators, etc.

SWOT analysis of the industrial machinery business

Strengths

- **Marine machinery:** Strong brand power and top share of oil purifiers (domestic: approx. 90%, global: approx. 40%), backed by sales of more than 120,000 units, as well as a robust global after-sales service network
- **Industrial machinery:** A wide lineup of filters and centrifuges with an extensive delivery record

Weaknesses

- **Marine machinery:** Compared to marine applications, the share of oil purifiersfor non-marine applications is low and the track record is weak
- **Industrial machinery:** Having a broad lineup and many custom-made products means some products are not as competitively priced as those offered by specialized manufacturers

Opportunities

- **Marine machinery:** Increased demand for oil purifiers and equipment compliant with the environmental regulations for ships, driven by growing demand for new shipbuilding
- **Industrial machinery:** Automation and labor-saving needs due to labor shortages. GX economic transition bond issued to stimulate investment in the next-generation battery and SAF fields. Subsidized investment to ensure stable supply of pharmaceuticals from the standpoint of economic security

Threats

- **Common: Increase in raw material and labor costs**
- **Marine machinery:** Weaker price competitiveness in the Chinese market due to yen appreciation and stagnation in the new shipbuilding market caused by U.S. government policies
- **Industrial machinery:** Stagnant capital investment due to the US tariff policy

Business strategy in the current medium-term management plan

In the medium-term management plan, the business policy for the industrial machinery business is to further stabilize earnings from main products such as oil purifiers as a fundamental business, develop new products for iFactory®, etc., implement Electric Field Filter (Ele-file®) in society, and promote application development of existing models. For oil purifiers, we will promote the development of non-marine applications, in addition to our existing strength in marine applications. For marine applications, we will also work to expand our share in China’s world-leading shipbuilding market and strengthen our structure in anticipation of increased after-sales service demand. In industrial machinery, we will differentiate existing products, such as Nutsche filters, by reflecting customer needs in our target fields to promote higher value-added products and strengthen our price competitiveness. We will establish manufacturing sites that meet the needs of the future era by promoting the use of digital technology, including the adoption of digital transformation (DX) at Kawasaki Works, our core plant that is undergoing restructuring.

Main initiatives and achievements

Cooperation on a project for long-term use of marine biodiesel fuel

We are cooperating on risk assessment using oil purifiers in Project LOTUS, a six-month performance evaluation project using a mixed fuel of biodiesel (FAME) made from mainly used cooking oil and conventional very low sulfur fuel oil (VLSFO), that is being conducted by Nippon Yusen Kabushiki Kaisha and others.



Automobile carrier (image)

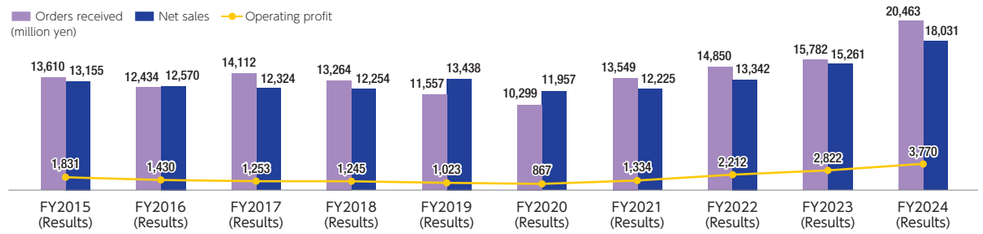
Launch of oil-purifier components compatible with marine biodiesel fuel

These components can be used with biodiesel fuel, which is attracting attention as a promising means of reducing greenhouse gas (GHG) emissions, by swapping in the kit components without changing the operation or structure of existing oil purifiers.



Biodiesel fuel compatible components

Summary of variation in performance of the industrial machinery business (results)



Main production and after-sales service bases

Kawasaki Works

Major products

- Oil purifiers
- Wastewater treatment equipment for EGR engine systems
- Centrifuges, filters, agitators, etc.



Kashima Factory

Major products

- Screeing equipment
- Pressure vessels, etc.



Yokkaichi Business Office

Major business

- Management of spare parts of oil purifiers for after-sale services, order placement, shipping, etc.



Mitsubishi Kakoki Advance, Ltd. Kitakyushu Factory

Major products

- Pressure vessels, etc.



Topics of **New Products**

Development of a metal non-contact Nutsche filter (NF)

In response to the growing need to reduce metal contamination in electronic material applications mainly for the semiconductor industry, we developed a new “metal non-contact Nutsche filter” with a non-contact agitator seal and received an order for the first unit of this filter.



Compact filter dryer (Nutsche filter) with a non-metal-contact version released

Expanded lineup of compact tabletop testing machine

Our lineup of compact tabletop testing machine includes the mini CURUPO continuous vacuum filter, the DyF ceramic membrane concentrator, and the Nutsche filter pressurized filter dryer. We will further expand our product lineup in the future, including centrifugal filters, to meet the diversification of our customers’ testing methods and the non-exposure requirements of test operators.



Mini CURUPO continuous vacuum filter

Donated Mitsubishi Selfjector to the Japan Agency of Maritime Education and Training for Seafarers

We donated three Mitsubishi Selfjector SJ-H series oil purifiers to the Japan Agency of Maritime Education and Training for Seafarers for use in education and training, and received a letter of appreciation for our donation. The donated equipment will be used to enhance and strengthen the seafarer education business.



Certificate of appreciation presentation ceremony held at the head office

Toward the social implementation of the Electric Field Filter®

The new Electric Field Filter® “Ele-FilTM,” a new technology announced in November 2023, has received a lot of positive feedback. For social implementation, we are developing applications through application tests and aim to start selling test units in 2025.



Testing equipment to be released (image)

Business Strategy (Subsidiaries)

Overview of Subsidiaries and Their Business Strategies

MITSUBISHI KAKOKI ADVANCE, LTD.

Engineering
Industrial Machinery

Mitsubishi Kakoki Advance, Ltd.

Business activities: Engineering, manufacturing, constructing, after-sales service, maintenance and management of plants, environmental measurement, temporary staffing, etc.

Solid Square East tower 20F, 580 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 212-0013, Japan

Business strategy in the current medium-term management plan

- Mitsubishi Kakoki Advance, a major subsidiary of Mitsubishi Kakoki, will expand its Operation & Maintenance (O&M) business and improve the profitability of its EPC(engineering, procurement and construction) business for plant and environment business, aiming to establish highly profitable and stable management.
- In the green transformation (GX) business, which is our group's focus domain, the company will strengthen sales of photobioreactors (closed microalgae cultivation systems) and aim to expand its operations and business scale by increasing the size of its equipment from research and demonstration use to commercialization use.
- The company will strengthen cooperation with Mitsubishi Kakoki and expand the O&M business with a view to responding to the water PPP (public-private partnership in the water treatment field) field, where an increase in projects is anticipated in the future, including PFI and DBO businesses.
- At the Kitakyushu Factory, it will strengthen coordination among production hubs within our group and deepen group synergies.





MKT

Engineering

MKK TOHOKU Corporation

Business activities: Manufacture and sale of products using fiber-reinforced plastic (FRP) (Plastics Business Division), maintenance and management of equipment (Plant Business Division)

1-58, Arayayutakamachi, Akita, Akita 010-1612, Japan

Business strategy in the current medium-term management plan

- Along with the core businesses of plastics business (FRP) and plant business (maintenance), the company will create projects in GX-related fields to contribute to the GX business as one of our group's focus fields. In addition, it will promote the creation of synergies, such as collaboration among production hubs, to maximize the manufacturing function within our group.



MKK

Engineering

MKK Asia Co., Ltd.

Business activities: EPC for plants and facilities and maintenance of existing plants in Southeast Asia

12 Fl., Alma Link Building, 25 Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok, 10330

Business strategy in the current medium-term management plan

- MKK Asia has traditionally focused on EPC in Thailand, but it will now strengthen its engagements in the projects in neighboring countries to expand business. In addition, as our group's base in Asia, it will conduct sales expansion activities and project creation across the GX, engineering, and industrial machinery business divisions.



MITSUBISHI SELFJECTOR MKK EUROPE B.V.

Industrial Machinery

MKK EUROPE B.V.

Business activities: Sales, maintenance, repair and other services for marine equipment and parts in Europe

Spinnerij 41, 1185zs Amstelveen, The Netherlands

Business strategy in the current medium-term management plan

- With the motto "delivering safety and peace of mind" to SJ users in Europe, the company will enhance brand credibility by providing high-quality and timely services. It will also serve as an information dissemination hub for new shipbuilding, fuel conversion, and other GX-related trends in the European shipbuilding and maritime transportation industry.



Other Subsidiaries

In-Group Services	MKK BUSINESS PLUS Co., Ltd.	Business activities: Mitsubishi Kakoki Group internal business service 2-1, Okawa-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-8560, Japan
In-Group Services	MKKi Co., Ltd.	Business activities: Exploration of new business forms and development of business model design, innovative human resource development, etc. 15 Fl., Kawasaki Tech Center, 580-16 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 212-0013, Japan
Industrial Machinery	RYOKA MECHANICAL TECHNOLOGY (SHANGHAI) CO., LTD.	Business activities: Sales of and technical support, maintenance, repairs and other after-sales services for oil purifiers (SJ and OP series), marine equipment and a wide range of centrifuges and filters including the supply of spare parts. RM. 1006, Orient International Plaza Part (C), No.85 Lou Shan Guan Road, Shanghai, China

Special Feature

Launch of MKK Project by Mitsubishi Kakoki



From left: Tetsuya Horie (Professor, Faculty of Economics, Sophia University) ; Toshikazu Tanaka (Representative Director, President and CEO of Mitsubishi Kakoki); Yasuhide Hayashi (Managing Executive Officer in charge of Innovation Promotion of Mitsubishi Kakoki); Nobuo Motozawa (Chairman of the Kawasaki Brave Thunders)

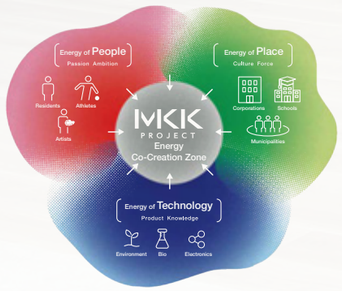
MKK Project by Mitsubishi Kakoki

—Turning Kawasaki into an Energy Co-Creation Zone—

The MKK Project by Mitsubishi Kakoki (the "Project") aims to create solutions to social issues and business models by utilizing and integrating Mitsubishi Kakoki's environmentally-friendly and energy-creating technologies with the assets and know-how of its co-creation partners. Together with a wide variety of co-creation partners, mainly companies and organizations located in Kanagawa Prefecture including Kawasaki City, the Project will advance both the development and supply of local circular energy systems using hydrogen and biomass, and the development of demand (business design), with the aim of building a new business model in a recycling society, and thereby solving social issues.



Five activity fields of the project



Project structure image

Held a press conference for the project launch

We held a press conference on July 3, 2025 to announce the start of the Project. The press conference was attended by a large number of media, reflecting the high level of interest in the Project. We also held a panel discussion with Chairman Motozawa of the Kawasaki Brave Thunders, Professor Horie of Sophia University, and our Managing Executive Officer Hayashi to discuss topics such as themes that the three parties would like to pursue in collaboration in the future.



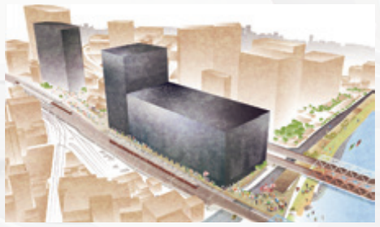
Panel discussion being held

MKK Project logo

Project 1

Aiming to install new social value in the new stadium arena

In the Kawasaki! Arena City Project led by the Kawasaki Brave Thunders, we aim to realize the world's most cutting-edge, environmentally-advanced arena mainly through the supply of clean energy, which we have cultivated since our founding.



Kawasaki! Arena City Project aiming to open in 2030

Project 2

Signed a memorandum of understanding with Sophia University to establish a social collaboration course

In this social collaboration course, Mitsubishi Kakoki plans to be in charge of research and development of production facilities for agricultural crops based on biogas, a renewable energy source, with a view to utilizing hydrogen and ammonia, as well as the building of on-site local circular energy systems through bio-food recycling using food waste and livestock manure, etc.



Promotion of Sustainability

Basic sustainability policy

For Mitsubishi Kakoki Kaisha, Ltd. and its group of companies (the MKK Group), “sustainability” means increasing enterprise value by maintaining and improving solid and favorable relations with all stakeholders through the realization of the motto that the MKK Group has steadfastly adhered to since its foundation: Providing high quality products and facilities based on solid technologies rooted in its manufacturing expertise and strict quality management skills.

Basic approach to sustainability

The MKK Group recognizes that the business activities of the MKK Group have an impact on the global environment and local communities and as such conducts its activities in line with the following sustainability approach: Strict observance of business ethics and full compliance with relevant laws and regulations; Improving customer satisfaction; Environmental consideration; Ensuring workplace safety; Transparent disclosure of information; and contributing to society.

Procurement policy

Our group conducts procurement activities based on the following principles.

- Adherence to legal requirements & socially accepted norms
- Fair & transparent transactions
- Building partnerships
- Consideration for sustainability

In addition, we established the Mitsubishi Kakoki Group Procurement Guidelines in 2025

Mitsubishi Kakoki Group Procurement Guidelines
https://www.kakoki.co.jp/en/assets/images/MitsubishiKakokiKaishaProcurementGuidelines.pdf

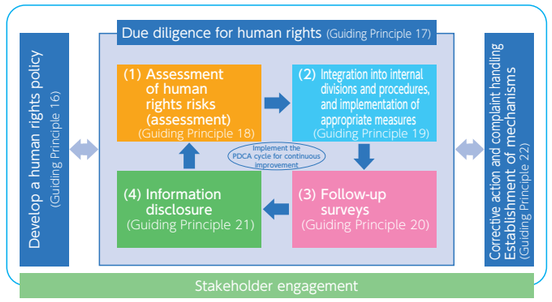
Environmental policy

Our group contributes to the preservation of the environment by designing, manufacturing, and installing equipment for industrial use and the improvement of the environment. Recognizing that environmental conservation is one of the most important issues facing mankind today, we work together as a group to continuously reduce our environmental impact while contributing to the realization of an economically sustainable society.

- Being aware of the environmental impact of its activities, products and services, our group will work to prevent environmental pollution and to improve its environmental management systems.
- Our group strictly observes applicable environmental protection laws, regulations and ordinances, as well as other agreements and requirements pertaining to its business activities, products and services.
- Our group will promote initiatives aimed at the environmental preservation, including measures to mitigate climate change and ensure the sustainable use of resources through our products and services.
- To achieve the goals of this policy, we sets company-wide goals, with each division working toward environmental improvements. These objectives and targets are periodically reassessed and revised as necessary.

Due diligence for human rights

Our group is introducing “due diligence for human rights” to continuously identify, prevent and mitigate, address, and share information on negative impacts on human rights through its business activities. In order to secure human rights and realize a sustainable society and economic development, it is necessary not only for governments and large corporations, but also for all players, including SMEs, consumers, and civil society, to join hands and build a strong partnership. We will promote the penetration of this philosophy among employees and business partners.



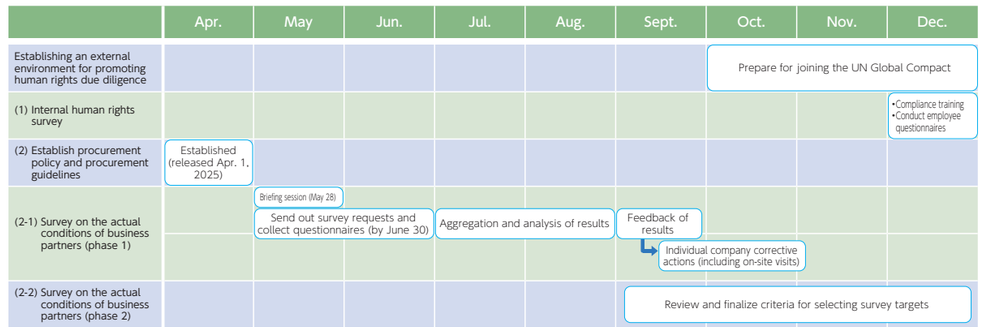
From Keidanren’s “Handbook for Management that Respects Human Rights”

Conducting surveys on business partners based on procurement guidelines

To strengthen sustainable procurement, in April 2025, Mitsubishi Kakoki revised its procurement policy and compiled “the Mitsubishi Kakoki Group Procurement Guidelines”, which set out items to be observed in procurement activities, so that our group and our business partners can work on these matters to jointly fulfill social responsibilities.

In May 2025, we explained Mitsubishi Kakoki’s basic policy on sustainability and the procurement guidelines established in April of the same year with the cooperation of the suppliers cooperation association (Ryokokai), which consists of about 30 primary suppliers mainly involved in the manufacture of Mitsubishi oil purifiers. Subsequently, questionnaires were distributed to the participating companies mentioned above for the purpose of surveying the actual conditions of each company in the supply chain. After collecting the questionnaires in July, we analyzed the results of the actual conditions of each company and provided individual feedback.

Following this phase 1 survey, for the phase 2 survey on the actual conditions of business partners, selection of the target business partners is underway based on past order amounts, frequency, and other factors, and we plan to conduct the survey starting in FY2026. We will continue to periodically survey actual conditions and promote appropriate procurement activities in line with the guidelines.



Schedule for human rights due diligence promotion



Briefing sessions for business partners held in May 2025

Response to Climate Change

Climate change-related information disclosure

Regarding international climate-related disclosure frameworks, we make disclosures in line with the TCFD recommendations, and since 2022 we have been publishing and disclosing information through the platforms of rating organizations such as CDP.

As we enhanced our initiatives for coping with climate change, the score of CDP improved from B- in FY2023 to B in FY2024.

Governance structure

The Company's Board of Directors recognizes that addressing climate change is one of the most important management issues and makes decisions on important measures not only from the perspective of risk management, but also from the perspective of business creation and supervises the execution of such measures.

In addition, we have identified "creation of social value related to four strategic businessfields" and "reduction of environmental burdens resulting from business activities," both related to climate change, as material issues, and we are monitoring progress under a promotion system centered on the "Sustainability Committee".

Overview of the Sustainability Committee

Chairperson	President and CEO
Frequency of meetings	Regular meetings: semi-annual (twice a year) Extraordinary meetings: held as needed at the discretion of the chairperson

Strategy (scenario analysis)

Our group has analyzed the impact of climate change on each business in 2030 under two scenarios: a scenario in which we aim to achieve economic growth while keeping the global average temperature increase below 1.5°C in 2100 compared to pre-industrial times ("1.5°C Scenario")*1 and a scenario in which we aim to achieve economic growth using fossil fuel as the main source of energy based on the current state and the global average temperature will increase 4.0°C in 2100 compared to pre-industrial times ("4°C Scenario")*2.

In the 1.5°C scenario, transition risks include the augmentation of material and energy costs due to the introduction of a carbon tax, resulting in a decline in demand for less energy-efficient equipment and demand from fossil resource-related industries and products for equipment using fossil fuels. On the other hand, demand for products and technologies that meet the decarbonization needs is expected to increase further. We believe that the elemental technologies we have developed are our strengths, and that they can be applied to products and technologies related to hydrogen and the cultivation and utilization of algae in response to decarbonization. We also believe that there are significant business opportunities in this area.

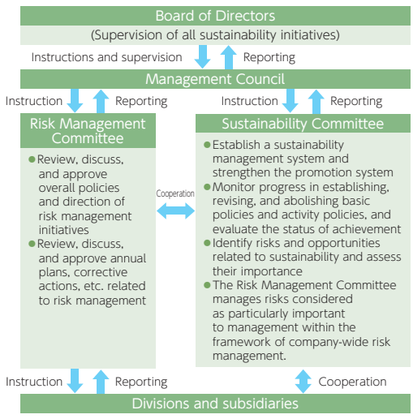
In the 4°C scenario, we believe there will be opportunities to provide our group's existing products and technologies to meet the needs for resilient equipment and facilities to cope with the risk of severe natural disasters caused by climate change. However, we believe that the physical risk of flooding, sea level rise, and other factors affecting supply chains, such as suppliers and transportation networks, process delays, and reduced work efficiency due to higher average temperatures will be greater.

*1 Reference: IEA NET Zero by 2050-A Roadmap for the Global Energy Sector, IPCC Sixth Report SSP1-1.9 climate impact information disclosed by the Ministry of the Environment and the Japan Meteorological Agency.
*2 Reference: IPCC Sixth Report SSP5-8.5 scenario, information disclosed by the Ministry of the Environment and Japan Meteorological Agency.

Risk management

With regard to the management of risks related to climate change, we cooperate with the existing Risk Management Committee as shown in the chart on the right. Regarding the division of roles, the Sustainability Committee, a standing committee, is responsible for identifying and assessing risks, while the Risk Management Committee determines and monitor the progress of policies for addressing these risks.

While declaring that risks related to climate change are considered subject to company-wide risk management, "the Risk Management Committee" manages risks deemed important by "the Sustainability Committee" as significant company-wide risks and regularly reports on how these risks are addressed to the Board of Directors.



Through these activities, we extract and evaluate short-, medium- and long-term company-wide and discuss countermeasures, and the Board of Directors supervises them.

Risks posed by climate change

Category	Classification	Item	Details	Impact*3	Evaluation axis*4	Our response
Transition risk	Policies / Legal regulations	Introduction and strengthening of taxes and regulations related to CO_2 emission reduction*5	Introduction of carbon tax (materials)	Large	Medium to long term	●Reduce material usage through innovated product design and substitution with low CO_2 emissions materials (including engagement with suppliers) ●Further adoption of more efficient energy use processes and energy-saving facilities ●Install renewable energy facilities ●Promote labor and energy conservation through digital E&M*6
			Increased electricity costs due to the spread of renewable energy sources	Medium	Medium to long term	
	Products and services	Changes in social demands	Decrease in demand for energy-inefficient facilities	Small	Short to medium term	●Continue to develop and sell energy-efficient products
			Decrease in demand for fossil fuel-related facilities	Large	Short to medium term	●Promote development and sales of CCUS equipment
			Decrease in demand for industrial machinery, centered on oil purifiers and its parts	Large	Short to medium term	●Promote development of new applications for solid-liquid separation technology for renewable energy, etc.
Physical risk	Acute	Severe wind and flood damage	Process delays and supply chain disruptions due to severe natural disasters	Small	Medium to long term	●Setting a construction schedule with risk considerations ●Establishment of temperature control facilities in the workspace ●Strengthen BCP
	Chronic	Climate change	Rising average temperatures will reduce work efficiency in plant construction and equipment manufacturing	Small	Medium to long term	
			Long-term changes in rising sea levels and rainfall patterns (heavy rains and droughts) will increase business continuity risks for our business sites and business partners and result in costs for disaster prevention and for relocation to suitable sites	Small	Short to medium term	

Opportunities presented by climate change

Category	Classification	Item	Details	Impact*3	Evaluation axis*4	Our response
Transition opportunity	Products and services	Changes in social demands	Increased demand for resilient/energy-saving plants and facilities	Medium	Medium to long term	[Strategic business domain] Initiatives for a business of developing next-generation technologies for solving issues related to water, food, natural disasters ●Promote R&D related to plants and facilities
			Increased demand for biogas	Medium	Short to medium term	[Strategic business domain] Initiatives for a business for realizing a sustainable recycling society ●Continue efforts to generate biogas power ●Enter a new business related to waste plastic recycling ●Enter a new business related to CCUS (engineering, recovery from hydrogen production, etc.) [Strategic business domain] Initiatives for a hydrogen-based clean energy business ●Strengthen the hydrogen business ●Development of algae-based SAF technology

*3 [Evaluation of impact] Large: Net sales of 5.0 billion yen or more / Medium: Net sales of 1.0 billion yen to less than 5.0 billion yen / Small: Net sales of less than 1.0 billion yen
*4 [Time axis evaluation] Long-term: Impact by 2050 / Medium-term: Impact by 2030 / Short-term: Impact by 2025
*5 Assuming that profit margin is 10%, the impact of the increase in the procurement cost of materials and electricity (decreased profit) is evaluated by using the equation: Impact amount ÷ 10% = Sales amount.
*6 Engineering & Manufacturing

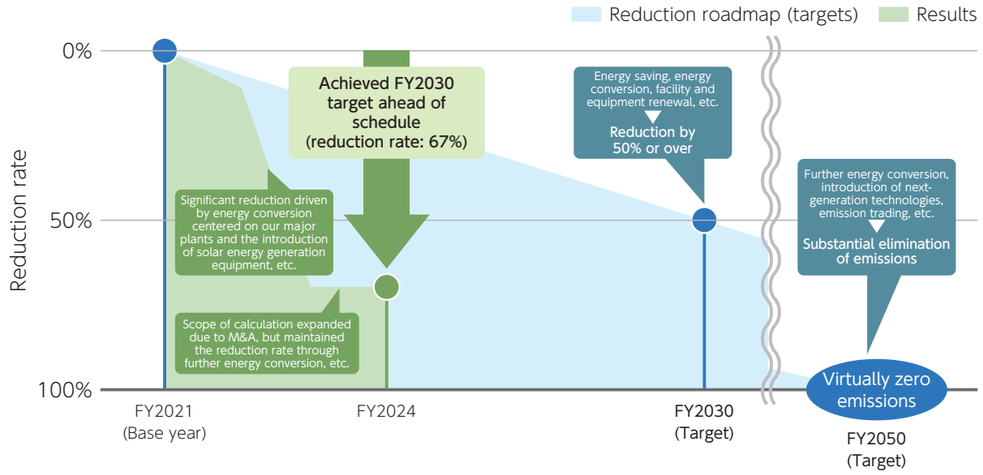
Response to Climate Change

Metrics and targets

We will calculate and grasp the greenhouse gas (GHG) emissions in our value chain, set two targets and forge ahead with initiatives as a step toward the realization of a carbon-neutral society.

(1) To achieve net zero GHG emissions in our corporate group (Scopes 1 and 2) by 2050

We will reduce GHG emissions from the plants and offices of our corporate group to virtually zero by 2050. As a step toward achieving this long-term target, we will strive to reduce GHG emissions by 50% or more in comparison with FY2021 by 2030 by generating part of the power used at our major plants from renewable energy based on the solar energy PPA model, etc. in addition to concluding contracts for receiving power originating from renewable energy with a non-fossil fuel certificate.



(2) To boost the growth of new business fieldsthat would help solve social issues

Upholding the Mitsubishi Kakoki Group's Management Vision for 2050, we have identified five social issues such as CO_2 emissions and climate change or circulation of resources and set four strategic business fieldsas a step toward the realization of a comfortable society, endeavoring to achieve sustainable growth.

Three of these strategic businessfields—(1) Business for realizing a sustainable recycling society, (2) Hydrogen-based clean energy business and (3) Business of saving labor and energy utilizing digital technology—shall lead to the reduction of CO_2 emissions in the whole value chain of our group and we are forging ahead with these initiatives by positioning them as core businesses to be established by 2035.

(1) is a business of recycling waste produced by industry and households, for example, by collecting biogas from organic waste, recycling plastic waste as part of valuable material recycling or collecting CO_2 as part of carbon recycling. We will work toward developing this business by utilizing and improving our technologies such as solubilization technologies, biogasification technologies and separation technologies, including adsorption separation technology and membrane separation technology.

(2) is a business related to the generation, use and application of hydrogen-based clean energy that contributes to decreasing CO_2 emissions, such as the production of green hydrogen and blue hydrogen, transport, storage and supply in the hydrogen supply chain and creation of energy originating from living organisms such as algae. We will work toward developing this business by utilizing and improving our technologies such as renewable energy generation technologies, hydrogen production technologies, high-efficiency hydrolysis technologies, hydrogen storage alloy technologies, and cultivation and extraction technologies.

(3) are E&M and O&M businesses that utilize digital technology to contribute to the minimization of energy consumption and waste at plants, and we aim to demonste the value of our technologies, those that automate and enhance the efficiency of engineering, procurement and construction (EPC), 3D engineering and RPA, by utilizing and improving them across the company in a cross-functional manner. We will strengthen the business of saving labor and energy by centering on the newly established "Technology Development & Production Division" and "Digital Transformation Department", through company-wide collaboration.

In addition to treating these businesses as our mainstay businesses, we will work toward the establishment of a new business portfolio and forge ahead with our initiatives in order to achieve net sales of 100.0 billion yen coupled with the existing businessfields by 2035.

Environment initiatives

The Mitsubishi Kakoki Group has been contributing to the preservation of the environment by designing, manufacturing, and installing equipment for the improvement of the environment in the fields of prevention of water pollution, atmospheric pollution, etc. since the start of the chemical industry in Japan. Recognizing that environmental conservation is one of the most important issues facing mankind today, we will continue to work to reduce our environmental impact on a company-wide basis while contributing to the realization of an economically sustainable society.

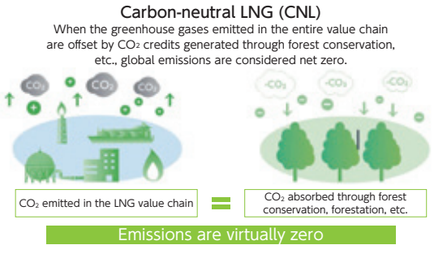
Adoption of electric power with a non-fossil certificate and in-house power generation using solar panels

Kawasaki Works, Kashima Factory, Yokkaichi Business Office, and dormitories for employees have introduced electric power with a non-fossil certificate, and we are improving the self-sufficiency rate of electric power by installing solar panels at SJ Factory of Kawasaki Works and Yokkaichi Business Office. This introduction of clean electricity has contributed significantly to the reduction of CO_2 emissions from our corporate group's electricity use. We are promoting the realization of zero-emission plants in our current restructuring of the head office and Kawasaki Works.



Adoption of carbon-neutral city gas

We started using the carbon-neutral city gas supplied by Tokyo Gas Co., Ltd. in Kawasaki Works. In addition, we have joined the Carbon Neutral LNG Buyers Alliance and are committed to achieving a carbon neutral society by 2050.



Source: Website of Carbon-neutral LNG

Calculation of Scope 3 emissions

Based on the TCFD recommendations, we began calculating Scope 3 emissions in FY2024 and have calculated Categories 2, 3, 4, 6, and 7. We will continue to expand and refine the scope of our calculations and consider specific measures to reduce emissions in order to further reduce supply chain emissions for the entire corporate group.

Scope3 Category		Emissions (t-CO_2)
1	Purchased goods and services	Under calculation
2	Capital goods	2,313
3	Fuel- and energy-related activities not included in Scope 1 and 2	198
4	Upstream transportation and distribution	3,979
5	Waste generated in operations	Under calculation
6	Business travel	133
7	Employee commuting	292
8	Upstream leased assets	—

Scope3 Category		Emissions (t-CO_2)
9	Downstream transportation and distribution	—
10	Processing of sold products	—
11	Use of sold products	—
12	End-of-life treatment of sold products	Under calculation
13	Downstream leased assets	—
14	Franchises	—
15	Investments	—

Investment in environmental measures

We contribute to the realization of a sustainable society, by continuing the investment in SDG-related bonds. In FY2021 we first made such an investment, and have an investment record of a total of eight kinds of bonds.

Status of acquisition of certification system

We are promoting registration in the SDG-related certification system of each municipality. At present, our company is registered as "Kawasaki SDGs Gold Partner"(the most highly ranked) in Kawasaki City and as "Y-SDGs superior" (the second most highly ranked) in Yokohama City.

Measures for Preserving Quality and Safety

Safety, Quality & Environmental Management Division



Koji Yamamoto
Executive General Manager of Safety, Quality & Environmental Management Division

We will fortify the two bases: quality and safety, and then promote the realization of our management vision.

In order to make quality as consistent as possible, we established the standards called “Kakoki Standards (KS)” and promote all employees to follow the KS. To respond to business changes and issues inside and outside our company, we continuously develop and improve standards. Quality and safety are also KPIs of material issues in our medium-term management plan, and we will strengthen relationships of trust with customers through the achievement of these KPIs.

Quality policy

“We always satisfy the requests from clients, laws, regulations, and standards, and offer reliable, economical, safe, and worry-free products and services by each deadline.”

Our corporate group set the above quality policy based on the ISO9001, a certification for quality assurance management systems, and conducts group-wide activities, including order receipt, design, purchase, production, construction, tests, inspection, after-sales services, and development, with the aim of living up to the trust of clients under the policy of putting importance on clients and satisfying them.

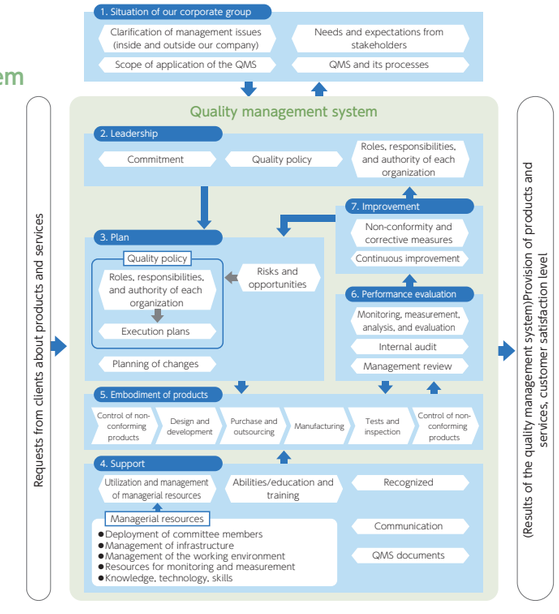
Quality/Environment assurance management

Responsibility and management system

The management systems for quality assurance and the environment of our corporate group are managed by the Safety, Quality & Environmental Management Division, which is directly controlled by the president as a secretariat, under the leadership and commitment of the president and the senior management.

We set group-wide policies for quality and the environment and performance indicators (KPIs) for each fiscal year, and each business division sets KPIs and concrete measures in management programs, with the aim of maximizing our performance. We adopted a system in which the secretariat and quality/environment managers monitor and evaluate our business performance on a quarterly basis. Based on the evaluation results, we hold a meeting of the Quality/Environment Committee with the president serving as general manager, to share the situation with respect to annual KPIs (quality: costs for dealing with non-conformity and the customer satisfaction level: environment: sales from orders related to SDGs and technological development), information on non-conformity, the status of compliance with environment-related laws and regulations, the evaluation report on activities of quality and environment management programs, etc. as well as to deliberate how to respond to serious complaints about products or services and improve quality. Group companies, too, attend the meeting to share information and unify our measures.

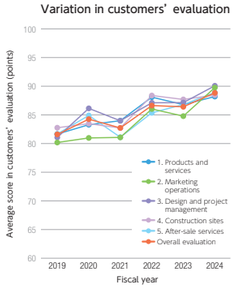
Chart of processes of the quality management system (QMS)



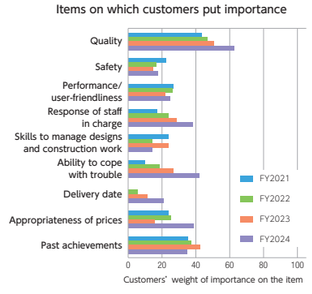
Analysis and utilization of the results of surveys on customer satisfaction level

After delivering products and equipment, our company surveys customer satisfaction levels, and conducts the evaluation and analysis of the results. This reflects our commitment to constantly improving quality so that we deliver products and services that satisfy customers and that are safe and worry-free. The purpose of this initiative is also to provide feedback on important items such as quality and response to issues to improve order receiving activities for future product development.

Variation in customers’ evaluation

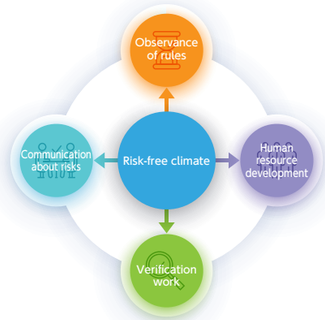


Items on which customers put importance

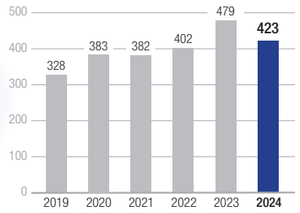


Education of employees about quality

Our company conducts systematic education about the KS and documents for quality/environment management systems. In November, which is the nationwide quality month, we hold an online session about management systems for all employees, contractors, temporary workers, and part-timers, to deepen their understanding of the importance of “observance of rules,” “human resource development,” “verification work,” and “documents and records” for fostering the risk-free climate and further enhancing the awareness of quality and the importance of rules.



Education about quality/environment management systems



*No. of views of the message board in the Intranet

Risk assessment for products

Our company reforms our business portfolio under the management vision. Various risks can be assumed in new business fields and the development of new products.

Our company makes company-wide efforts to reduce and prevent risks through the strategy for rationalization before receiving orders and the management of serious risks based on the control of trial products and changes after receiving orders. In addition, we adopted the phase-gate process in development meetings in 2021. We carry out risk assessments and environmental impact assessments to judge whether or not to release products and evaluate them, and support the realization of the management vision.

Role of the Safety & Health Management Office

The Safety & Health Management Office believes that the creation of a safe and hygienic work environment and the maintenance and promotion of health by employees are essential for corporate activities to provide customers with safe and reliable products and services, and that promoting safety, hygiene, and health management activities and striving for prevention are important foundations supporting our business activities and our responsibility.

Code of conduct

- To realize a working environment where employees can work safely without worry, and strive to maintain and improve the health of each employee

Major tasks

- Group-wide education on safety for all employees (June every year)
- Meetings regarding safety measures (once a quarter)
- Safety and health patrol by executives
- Efforts to make National Safety Week and Health Week known to all employees
- Items regarding the operation of clinics and occupational health

Examples of our measures

❶ During Safety and Health Weeks, we encourage employees and their family members to submit slogans and posters about safety, and commend those who have submitted excellent works. Excellent works are displayed in a space around the entrance of Kawasaki Works, and introduced in in-house newsletters, message boards, etc. to attract attention from employees and raise their awareness of safety.



❷ We are working to raise awareness about taking regular health checkups and to improve the stress check participation rate in order to maintain and improve employee health.
- Regular health checkups (FY2023: 92.7%, FY2024: 96.5%)
- Participation in stress checks (FY2023: 83.5%, FY2024: 84.6%)



❸ We strive to improve occupational safety as an important foundation supporting our corporate activities to provide customers with safe and reliable products and services.
- Reduce the number of accidents requiring at least 4 days off from work to 0 per year. (FY2023: 0, FY2024: 1)
- Maintain the number of serious accidents (fatal accidents) at 0 per year. (FY2023: 0, FY2024: 0)

Human Resources Strategy

Planning & Administrative Division



Takaharu Negi
Executive Officer and Division Director, Planning & Administrative Division

We will help realize our management vision and complete our medium-term management plan by executing human resources strategies.

We support each business division in attaining respective goals, in order to realize our management vision and complete our medium-term management plan, and strive to fortify our base as a core division for supporting the group-wide business administration system. In order to secure and train human resources, which are managerial resources, we will adopt new systems and reform existing systems, to realize a working environment or workplace where employees can have a good work-life balance.

Principles for personnel affairs

We believe that employees are the most important managerial resources for realizing the corporate philosophy of the Mitsubishi Kakoki Group: "to contribute to the ongoing development of society by providing high-quality products and facilities based on solid technologies rooted in its manufacturing expertise and strict quality management skills." We aim to realize our corporate philosophy through the following principles for personnel affairs.

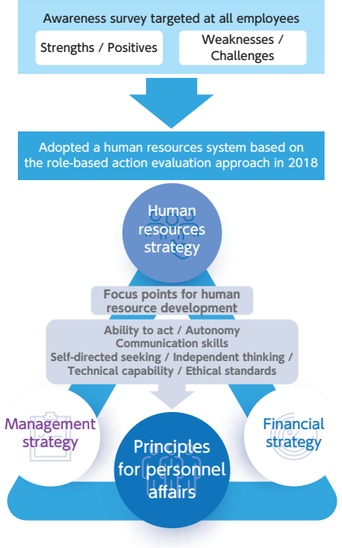
❶ Develop personnel who possess advanced skills and professionalism and put importance on the harmony with other people and the observance of rules
❷ Foster a work climate with a sense of unity
❸ Develop a working environment where employees can work safely and healthily with peace of mind

Basic policy for human resources strategies

Based on the principles for personnel affairs mentioned above, we adopted a new human resources system based on the role-based action evaluation approach in 2018, in which activities (processes) for producing expected results for respective roles are evaluated and linked to treatment, and are promoting the development of autonomous human resources capable of responding to changes in the environment.

With regard to the development of next-generation management personnel, we have also formulated a human resource pool and training plan with an eye toward succession, and we run a pooled human resource training program tailored to evolving business and organizational needs.

Through continuous efforts with this system, we aim to realize our management vision, broadly implement human resources strategies in parallel with other measures, including the reform of our corporate culture, and link them with our management strategy and financial strategy.



Improving labor productivity and creating a comfortable workplace environment through the workstyle reform

- To enhance employee satisfaction and productivity, we have introduced systems for teleworking, electronic approval, and online meetings to create a workplace environment that enables more efficient work execution.
- In the restructuring of the head office and Kawasaki Works, a workplace consultant has been engaged to examine new ways of working, with younger employees taking the lead in further improving employee engagement.
- We have maintained better systems than those specified in law, such as a system for allowing employees to take paid special leave when their spouses give birth to a child and paid nursing-care or nursing leave by using untaken annual paid holidays, a shortened working hours system for childcare and nursing-care, and other childcare and nursing-care systems.

We seek to create a comfortable workplace environment for all demographics, regardless of gender.

Initiatives for securing diversity

In the VUCA*1 environment, we strive to grow our corporate group sustainably by actively hiring diverse personnel and complementing each other. We are primarily engaged in the following as part of these efforts.

*1 VUCA = Volatility, Uncertainty, Complexity, and Ambiguity

Promoting the active participation of women

We recognize that this is an issue due to the low ratio of women in our business category, and in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, we will work to increase the ratio of women to all employees and continue to focus on hiring women and promoting them to management positions.

Recruitment of new graduates

We aim to be a vibrant company by hiring at least ten new graduates each year through continuous new graduate recruitment activities.

Recruitment of mid-career workers/foreign national employees

We recruit necessary personnel for business operations who can immediately work on actual tasks, regardless of nationality, gender, age, etc.

Employment of people with disabilities

In order to fulfill our social responsibility, we promote the employment of people with disabilities by engaging them in rewarding work that makes use of their strengths.

Return-to-work system

We established a "return-to-work system" for former employees who resigned for a compelling reason, such as child rearing and nursing care for family members, which are inevitable in life.

	Target	Actual (FY2024)
Ratio of women to new full-time employees	20% or higher	14.4%
Number of female managers	Greater than the figure in FY2022 (three)	5
Ratio of mid-career managers	Greater than the figure in FY2022 (48%)	49.4%
Ratio of foreign national managers	Greater than the figure in FY2022 (one)	1
Ratio of employees with disabilities	Statutory employment rate (2.5%) or higher (Special case of group-wide calculation)	2.38%

Human resource development and strengthening of organizational capabilities

Education and training systems

In order to develop independent personnel who can recognize their roles proactively and exert their creativity, we make continuous efforts to offer opportunities to exert abilities through business operations while operating the education/training system shown in the right table. In addition, we support each division and each employee in honing their capabilities on a daily basis in accordance with the education and training plans, which are formulated for each fiscal year.

Training of new employees

New employees undergo group training and on-site practice for four months after joining our company, and then they are assigned to the appropriate sections while taking into account their preferences. With this system, we close the gap among sections, and enhance employee engagement.

In-house job posting

To encourage employees to take on new challenges within the organization, in FY2022, we introduced an in-house job posting system that supports employees in proactively choosing their careers. This system allows employees to maximize their abilities and gain opportunities to experience diverse roles. The system also positively impacts organizational strength by enabling employees to work in the roles they want.

Reform of the organizational climate

We have established the Committee for the Promotion of Organizational Climate Reform to promote the corporate philosophy and management vision among all employees, regularly grasp employees' awareness through an awareness survey (engagement survey) targeted at all employees, and discuss and implement measures necessary for cultivating a better organizational climate.

(1) Education for each class	Training of new employees Follow-up training for younger employees Follow-up training and step-up training* *Training according to the roles and grades in the HR system
(2) Education on selected skills (correspondence course)	Correspondence course according to the roles and grades in the HR system and the following skill category ●Management skill ●Conceptual skill ●Interpersonal skill ●Technical skill
(3) Education for the entire company or a specific class	Training for skills, knowledge, and mindsets conducted when necessary Career design training
(4) Education at each workplace	●Education on occupational abilities ●OJT
(5) Self-education	●Correspondence course ●Support for self-education ●System for encouraging employees to obtain qualifications

Female External Director × Female employee

Roundtable Discussion by Female External Directors and Female Employees



Female employees are active in a variety of roles at our company. We conducted a roundtable discussion with female External Directors, focusing on feedback from female employees playing active roles in our company, including field operations, while also dealing with parenting and nursing care, along with the support currently being offered to them by our corporate culture and the issues that must be tackled in the future.

With no role models to follow, we are paving our own paths

Itoi As a manager of the Personnel Section, I am responsible for hiring, labor affairs, social insurance, life planning support, and other related tasks, aiming for the creation of a comfortable working environment for employees. Before being appointed as manager of the Personnel Section in 2024, I had spent many years in a construction-related department, providing operational support for construction sites. In 2018, the Business Support Section was established to increase efficiency and reduce costs, by consolidating office operations spread across divisions. My appointment to the position of manager of the Business Support Section marked my first time in a management position. What motivates me in my personnel-related work is seeing new employees and mid-career recruits develop their capabilities and tell me that they are glad they joined our company. I am now focusing on building a foundation to improve employee engagement at the center of the Culture Reform Committee.

In our industries, the construction and manufacturing industries, there are few female employees. When I joined the company, most female employees in our company were involved in clerical work, but around 20 years ago, the company changed course to primarily focus on career-track positions. This caused the number of women working here to decline for a time. That said, the work we are doing now is becoming deeper and is intertwined with the management of the company.

I have not raised children myself, but I spent most years in my thierties providing nursing care. The flexibility of our workstyles, such as our flex time system and paid leave, was a great support. At that time, the company did not have a nursing care leave system yet, and there was still a strong assumption that women were responsible (for nursing care), but the people in our company were very understanding.



As for manager positions, there were almost no female manager role models, so when I accepted the promotion, I did so with an awareness that I would be paving a new path. There was not as much training for managers as there is now, and I had concerns about my understanding of systems and my knowledge regarding laws and regulations, but I learned about these through the course of my work, supported by my supervisors and colleagues.

When I look at women joining the company now in career-track positions, I would like them to actively aim for becoming managers or general managers. We are actively working to promote women throughout the company, such as by enriching our training for managerial positions. I can already see things changing. For example, the number of female managers in our corporate division is already rising. The challenges that still lie before us are creating a system in which talented people, whether male or female, can be promoted fairly and equally, and changing employees' awareness.

Katono For the 20 years since I joined the company, I have been a member of the Finance Section of the Accounting & Finance Department, where I have primarily been in charge of payment. One of the things I find appealing about it is that I get to work with other departments and feel a sense of achievement with my team through my work involving coordinating payments to partner companies, confirming delivery dates, dealing with changes to laws and regulations, and the like. Dealing with legal and regulatory changes and deploying new systems are handled by teams, so these provide me with opportunities to rediscover the qualities of my colleagues.



Women account for an especially large percentage of employees in the Finance Section, with two-thirds of the members being female. I am married and have children myself, and I have taken maternity and parenting leave twice. This was before smartphones and remote work systems, but I maintained contact with the company through in-house newsletters and personal contact with colleagues, so I was able to smoothly rejoin the workplace. The understanding and support of colleagues and supervisors were especially important. They reallocated duties and coordinated work operations, so I was able to keep working without overtaxing myself.

I am now using the flextime system to send my children off to school before coming to work, and sometimes adjusting my finishing time as needed. It enables me to balance work and my home life. It is not just the systems, either. The culture of understanding throughout the company, and its updated system design, provide me with a tremendous feeling of security in my work. When I first started taking childcare leave, there were no precedents in my department. I think that by returning to work with the assistance of people around me, I helped contribute to the system becoming thoroughly ingrained. Then, male employees have also begun taking childcare leave, even if only for a short period, and gradually, awareness within the company has begun to change.

The creation of these systems is one major factor that contributes to staying in the company for so long, but another is the corporate culture that makes these systems easy to use. Going forward, I think that if we provided female managers with opportunities to talk about their own views on work, such as through in-house newsletters, so that people could come into contact with potential role models in other departments, it would provide more women with a positive outlook on their careers.

Systems and workplace understanding that enable employees to balance work and parenting

Hazumi I was hired in 2018, and I am involved in developing new products and technologies for marine equipment in the Selfjector Design Section of the Marine Machinery Design Department. I do not just work on designs, but also do a lot of field work, such as testing, on-site work, and checking actual equipment on the ships. As a student, I had not studied machinery but instead I studied biology and marine environments, so although I had experienced riding on a ship, when I joined the company, I was leaping into a totally new field, mechanical design. I find it very rewarding when I see products which I was involved in actually start operating.

There were very few women in technical positions, and when I was first assigned to the Marine Machinery Design Department, there were only a few female employees, and I was the only one out in the field. Then in 2022, I gave birth and took maternity and childcare leave. I had some health issues when I was pregnant, so I also used the outpatient leave system. Being able to comfortably take leave was a big weight off my mind. However, there were very few precedents of women taking childcare leave in my department, so one time I even found myself explaining the system to my own supervisor. But my supervisor actively communicated with me to gain a better understanding of the system, and that consideration really helped me out.



I was anxious about my career, but my supervisor encouraged me, saying that they wanted to see me become a role model. The feeling of being trusted also provided great emotional support. Since returning to work, there are times when work does not go as smoothly as planned, due, for example, to high work volume or the need to take care of a sick child. But I

Female External Director × Female employee

Roundtable Discussion by Female External Directors and Female Employees

can use the flex time system and, together with my husband, balance work and home life.

If you clearly convey your ambitions, Mitsubishi Kakoki will give you opportunities to take on those challenges, so people of all genders can grow as professionals. In my case, for example, I asked to be given work that is generally considered difficult for women, such as working in hot ship engine rooms, and they put me in those positions. Now, field work is an everyday part of my job. One of the highlights of this company, for me, is its environment, which allows you to develop your own career as you wish.

Machida I joined the company in 2022, and I work in the Water Environmental Sales Department, selling equipment and facilities for use in wastewater treatment plants and issuing business proposals. Our customers are mainly local governments, so I visit city halls and treatment plants to issue proposals. When I was a student, I was interested in the energy field, but I had the opportunity to experience the atmosphere of this workplace, and I asked to be placed here because I found the interpersonal relationships and the work so appealing.

As a salesperson, what I find rewarding is the sense of satisfaction that comes when, after engaging in close communications with customers and our technical divisions, my proposal is adopted. I conduct interviews with customers in which I delve deeply into their issues and goals, decide how to go forward, and convince the customers that this is the right direction to take. That process is the real charm of sales. By steadily building a relationship of trust with a customer, I have been able to smoothly implement even a long-term project, and I can feel how much I have grown.



The Water Environmental Sales Department at the head office has eight sales members, and I am the only woman. There are few women in the industry as a whole, and customers are often older men, so due to differences in attitudes and ways of thinking, convincing them can sometimes be a struggle. The work also involves accompanying people on-site and long-distance travel, so there are times when you need to pay special attention to your health, but the flexibility of a sales position, in which you can plan your own daily activities, is a great help.

In the future, I may experience major life events like childbirth and parenting. If I do, I want to leverage the flexibility of sales in a workstyle that balances work and home life. Even when there are systems in place, there are times when you do not fully know how to use them. Having more opportunities to hear explanations and share opinions regarding the usage of these systems would enable people to feel more at ease as they make their plans for the future.

In our company, if you declare your desire to do something, you will be given that opportunity, regardless of your gender. Sometimes I have explained the potential in a project to my supervisor and the technical division, and I have laid out the direction it will take, and they have let me lead the project. One of the truly appealing things about our company is that you can polish skills that you will use for years to come and build up your career.

A corporate climate in which systems and workplace reality are tightly linked

Kamei As an accountant, I use my expertise in finance to audit operations by the Board of Directors as an External Director. Today, I am deeply impressed by hearing many real voices of female employees working in the field. What has really stood out to me is people talking about how they have been supported by their supervisors and colleagues, and about the climate of understanding within the company. These reflect my own impressions of Mitsubishi Kakoki having a modest corporate culture of sincerity.

I have seen a lot of different companies, and in a good number of them, the systems they have are in name only and difficult to use—there is a gulf between what they look like from the outside and what the reality is like on the inside. In Mitsubishi Kakoki, on the other hand, the systems are operated in line with the reality of the workplace.

Colleagues and supervisors are understanding about personal life events such as parenting and nursing care. There is a culture of flexibly dealing with these kinds of issues, which I think is wonderful. Another great strength of the company is that it fully supports people's ambitions, regardless of gender, age, or experience. From the comments made by the women gathered here today, I reaffirmed our company's open corporate culture and that an environment is well established where everyone can work with pride. The fact that both the system and the culture are functioning is a major attraction of our company.



Mitsubishi Kakoki is also a company with a bright future, doing business in fields related to renewable energy and clean technologies. I am confident that the voices of each employee that have been shared with us at this roundtable discussion are contributing to the sustainable growth of our company. I believe that valuing these kinds of opportunities for frank dialogue and engaging in highly transparent communication, both inside and outside the company, will help increase our corporate value.

Nakayama My background is in manufacturing, and I have primarily been involved in intellectual property operations. In the latter half of my career, I have also been involved in corporate planning, diversity promotion, and sustainability, and I have served as an executive officer. This is my second year as an External Director at Mitsubishi Kakoki. Although I imagined a conservative culture typical of the manufacturing industry at first, after hearing the female employees speak on this occasion, my impression was greatly overturned in a positive way.



In my own career, I have also consistently been working in environments without precedents. I have been the first female general manager in the company and the first female officer. But at that time, even in meetings and organizations which were mostly made up of men, I never really thought of myself as being different. However, when I turned my attention to the world at large and learned about the rising tide of diversity, I realized how unusual my environment was. In this regard, the fact that the female employees of Mitsubishi Kakoki have contributed to the company with high engagement from the beginning, even though their numbers are small, is very encouraging.

In promoting diversity, it is important not merely to increase the ratio of women, but also to consider how actively female employees already with the company can participate. A company in which skilled, ambitious women work energetically, even if there are few of them, is one that is truly appealing, even looking at the company from the outside. I think these women will serve as good role models for young women considering joining the company.

Mitsubishi Kakoki's president and management team actively try new things, and the company maintains a steady course. In the future, changing the way of thinking of middle management, especially general managers, will be the key. I think if we have opportunities like this to directly share the voices of people in the field, we can further accelerate the evolution of the company as a whole.

Expectations for a corporate culture that is both flexible and capable

Kawaguchi I worked for many years in a securities company-affiliated think tank, and since the late 1990s I have been emphasizing the importance of environmental management and CSR. Initially, it was unusual for a securities company to talk about environmental issues at all, so it was hard to earn the understanding of people inside the company or out. However, I have always believed that you cannot really change society without changing companies, investors, and consumers—all three. Led by that belief, I have been conducting studies, giving recommendations, and presenting lectures. Needless to say, the advancement of women has been one of the essential topics I have been focused on.

Today, I was deeply impressed by directly hearing the stories of our female employees. Each has dealt with their own personal situations and life events, taking on their work autonomously, and they have talked about the company environment being one that provides opportunities when people express their desire to do something. This is extremely strong evidence of a corporate DNA of open communication and freedom. I think Mitsubishi Kakoki is an excellent example of a company whose systems are not just there for appearance's sake, but instead function effectively.

What particularly stood out to me was when Ms. Hazumi, who is involved in Selfjector development, discussed building up a track record in a technical field with ties to the marine environment. Protecting our seas is growing in importance, from a global perspective as well. This is a field which will gain strategic significance both in terms of the company's environmental strategies and also in terms of ESG. Mitsubishi Kakoki's products and technologies are helping address issues in the field of marine ecosystem conservation around the world, and I strongly feel that this needs to be communicated more widely.



A corporate attitude of listening to the true feelings of employees and advancing reforms that match actual conditions is an indispensable element of sustainable management. Today's discussion has made it clear that at Mitsubishi Kakoki, employees naturally support each other, across gender lines, and the company flexibly carries out unprecedented initiatives. This "pressure-free support" and "climate conducive to taking on new challenges without overburdening yourself" are ideals that all companies should work toward in the future. As an External Director, this roundtable discussion has provided me with deep insights.

Promotion of Social Contribution Activities

Our corporate group promotes a variety of social contribution activities at each of its business sites where we have operations. Coexistence and mutual prosperity with local communities are indispensable to our business activities. We aim to be a company that contributes to society in our business activities by deepening our collaboration with local communities and building better relationships with them.

Implementation of activities to preserve forests

We endorse the “Kanagawa 50-Year Scheme for Forest Restoration” set by Kanagawa Prefecture and have been supporting the activities for passing an abundance of natural blessings in forests to the next generation as a partner in forest restoration since April 2023. The forest we have supported was named “The Mitsubishi Kakoki Forest We Make Together,” based on ideas submitted by our employees. In addition, since the last fiscal year, we have been conducting forest restoration partner activities in the “Yadoriki Watershed Forest” in Matsuda Town, Kanagawa Prefecture, as on-site practice for new employees. Through this activity, participants experience the forest restoration activities that we support and learn about the blessings of nature and the activities needed to enjoy them.





Participation in a Wakkanai City environmental beautification campaign

Wakkanai City conducts a city-wide environmental beautification campaign called “Clean-Up Wakkanai”, and we took part in the “Koetoi Coast Clean-Up Campaign”. In Wakkanai City, we have constructed an intermediate food waste treatment facility, and we are also involved in its operation.





Donation of reusable PCs

Our Thailand subsidiary, MKK Asia, donated the PCs used at the site office during the local construction period, after formatting the data, to the Association of Persons with Physical Disability International, a non-profit organization that supports people with disabilities in Thailand. The organization refurbishes the PCs donated by the company or selects usable parts and converts them into cash, etc., which will be used as funds necessary to support people with disabilities.



Supporting single-parent families

Our company and Kawasui Kawasaki Aquarium (“Kawasui”) concluded an official supporter contract in 2020. When discussing possible methods for utilizing the complimentary tickets provided to employees as benefits of official supporters for supporting families and children in each region, as the contract period will be extended until July 2026, we decided to support the activities of “Koala-no-kai,” a member of Kawasaki City Council for Single Parents and Children’s Welfare Associations “Tsukushi-kai,” through the introduction by Kawasui.



Support for “activities promoting independence for people with disabilities”

We agree with the ethos of Shougaisha Jiritsu Suishin Kikou Association (operated by Paralym Art): “to create a world where people with disabilities can realize their dreams through fine arts,” and have supported its activities as a partner since 2024.

In addition, the art work created as a partner company’s benefitprogram was used for the front cover of the integrated report and displayed at our office entrance.





Blood donation drives

A large number of employees at Kawasaki Works participate in a blood donation drive twice a year, in June and October, during Safety Week and Health Week. We received commendations from the Mayor of Kawasaki City in 2010 for a contributor to the city’s blood donation initiatives, and another from the Minister of Health, Labour and Welfare in 2021 for our significant contributions to Kanagawa Prefecture’s blood donation programs. We continue to be proactive in our ongoing efforts.



Sports sponsorship

Since August 2024, we have entered an official sponsorship agreement with Kawasaki Brave Thunders, a team in Japan’s professional men’s basketball league, B.LEAGUE.

Sharing the Kawasaki Brave Thunders’ mission to create the future of basketball from our birthplace of Kawasaki, we will help revitalize the local community and enhance the value of sports cultural facilities by co-creating a better society through basketball. We also strive to improve employee engagement by holding game-viewing events for employees and their families.



Corporate Governance

Basic policy

Our corporate group believes that the basis of corporate governance is to establish an efficient management structure and conduct fair and highly transparent management, in order to further strengthen the trusting relationships with our shareholders and all other stakeholders. In addition, we recognize our corporate social responsibility and will promote efficient business activities to become a more trustworthy company by ensuring compliance with laws and regulations as well as conduct based on corporate ethics.

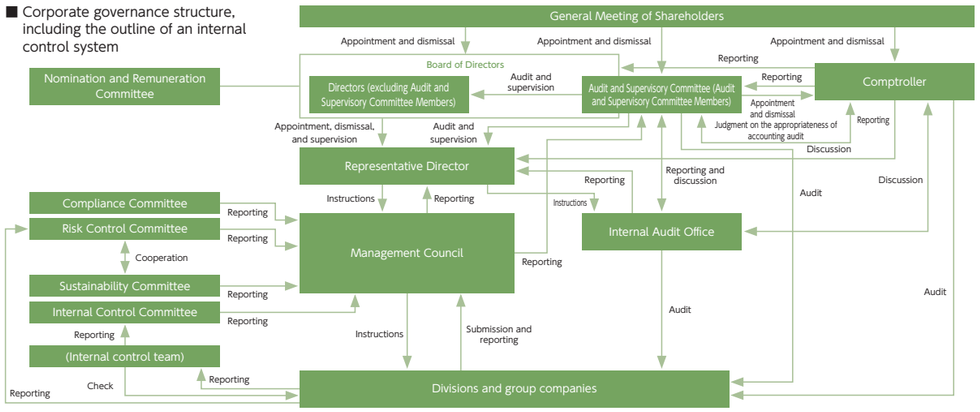
Characteristics of our corporate governance structure

We are a company with an audit and supervisory committee, the majority of which is made up of External Directors. Directors who are Audit and Supervisory Committee Members have voting rights at the Board of Directors' meetings and are involved in the selection of Representative Directors and overall decision-making regarding business operations.

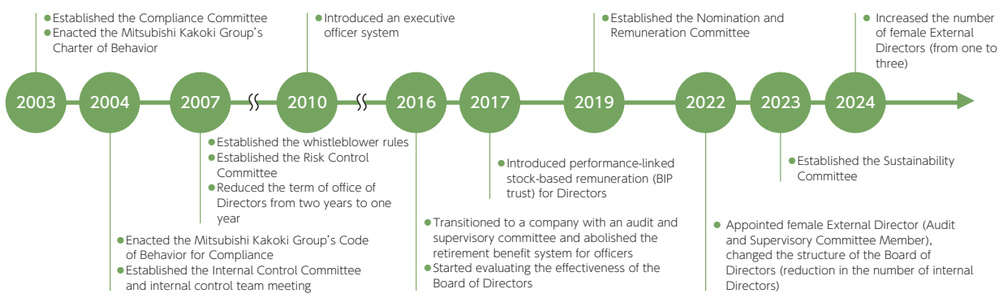
- The Board of Directors meets at least once a month to decide on basic management policies, matters stipulated by laws and regulations, and other important matters related to management, and supervises the execution of operations and confirms the progress of management plans.
- In June 2016, we transitioned to a company with an audit and supervisory committee. The Audit and Supervisory Committee consists of four Directors, three of whom are External Directors. The Audit and Supervisory Committee Members are supposed to attend major internal meetings, including the Board of Directors' meetings, browse important documents, investigate each division and subsidiary, and supervise the execution of business by the Representative Directors and other Directors.
- We have adopted an executive officer system to ensure swift and appropriate decision-making and efficient organizational management.

Chart showing the relation between corporate governance and internal control

■ Corporate governance structure, including the outline of an internal control system



Initiatives to enhance corporate governance



Progress in the development of an internal control system

In line with its commitment to risk management and entrenched compliance, our corporate group is broadening and strengthening the internal control system to ensure the reliability of our company's financial reporting and the lawful, proper, and efficient execution of business activity at each division and subsidiary.

The Internal Control Committee serves as an auxiliary function to the Board of Directors (with the internal control team as a subordinate organization), while the Internal Audit Office operates directly under the president. These organizations not only monitor the management of the internal control system for the group as a whole, but also confirm the appropriateness of individual business operations and the efficiency of checks within divisions.

This system allows appropriate corrective action to be taken whenever an internal control problem is detected.

Operation of the Board of Directors

Structure	Internal Directors: 5 External Directors: 6
Chairperson	President
Number of meetings held	17
Attendance rate	97%

The Board of Directors is positioned as an organization that determines the basic policy for business administration, items set forth in laws and regulations, and other important items regarding business administration and oversees business execution. Through reporting on business conditions and deliberating on individual projects, Directors in charge of respective businesses report and share information with the Board of Directors, and the Board makes decisions about important matters regarding business administration and also has discussions based on questions and opinions about each issue with our company from External Directors.

■ Main discussion items

- Formulation of the medium-term management plan
- Review and deliberation of institutional design, etc.
- Deliberation on R&D, investment, etc.
- Reports on business status
- Reports on portfolio evaluation results
- Senior management personnel matters

Operation of the Audit and Supervisory Committee

Structure	Internal Directors: 1 External Directors: 3
Chairperson	Chairperson of the Audit and Supervisory Committee
Number of meetings held	14
Attendance rate	100%

The Audit and Supervisory Committee is an organization that audits the legality and appropriateness of the execution of business by Directors. It enhances the effectiveness of audits through improved information gathering and adequate cooperation with the internal audit division.

The Audit and Supervisory Committee Members attend major meetings in our company, browse important documents, survey divisions and subsidiaries, audit the business execution of the Representative Director and Directors, and report audit results at a meeting of the Audit and Supervisory Committee.

■ Main discussion items

- Auditing the execution of duties by Directors and preparing audit reports
- Appointment and dismissal of the comptroller and determination of the content of related proposals
- Determination of opinions on the appointment, dismissal, and remuneration of Executive Directors

Operation of the Nomination and Remuneration Committee

Structure	Internal Directors: 2 External Directors: 5
Chairperson	Independent External Director
Number of meetings held	9
Attendance rate	96%

Our company has established the Nomination and Remuneration Committee as a discretionary advisory organ of the Board of Directors, in order to further enrich the corporate governance structure by further improving the objectivity and transparency of procedures for nominating Directors and determining their remuneration amounts. This committee is composed of three or more Directors or external experts selected through a resolution of the Board of Directors. A majority of its members are independent External Directors, and the chairperson is appointed through a resolution of the Board of Directors.

■ Main discussion items

- Confirmation of basic policy on management remuneration
- Review of remuneration system
- Monitoring the development of candidates for the next President, Directors, and Executive Officers
- Review of human resource pool and training plan for senior management
- Proposals for appointment and dismissal of Directors and Executive Officers

Operation of the Management Council

Structure	Internal Directors: 5 External Directors: 1 Executive Officers, etc.: 9
Chairperson	President
Number of meetings held	14
Attendance rate	96%

Our company has established the Management Council, which is composed of Directors, Executive Officers, and others. This council deliberates and makes decisions on the items to be discussed by the Board of Directors and other important matters, streamlining decision making and business operations.

The Management Council is composed of full-time Directors, Executive Officers, and General Managers related to the items to be discussed.

■ Main discussion items

- Formulation of the medium-term management plan
- Deliberation on R&D, investment, etc.
- Reports on business status
- Reports from the Internal Control Committee
- Reports on portfolio evaluation results
- Personnel transfers

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

Since FY2016, our company has been analyzing and evaluating the effectiveness of the Board of Directors, and checking for improvements where needed. For evaluation, we conduct a questionnaire survey targeting all Directors, including Directors who are Audit and Supervisory Committee Members, regarding the composition, operation, etc. of the Board of Directors, and the results are reported and discussed at meetings of the Board of Directors.

We entrust an external consultant with the collection and summarization of answers to each questionnaire, in order to gather candid opinions and secure an objective analysis.

■ Evaluation process



■ Questionnaire items

1. Composition and operation of the Board of Directors
2. Management and business strategies
3. Corporate ethics and risk control
4. Monitoring of business performance, evaluation and remuneration of management staff
5. Dialogue with shareholders and others

Summary of evaluation results for the fiscal year ended March 2025

As a result of the evaluation, it was confirmed that the Board of Directors is appropriately operated, securing its effectiveness. Among the items recognized as issues in the evaluation for the previous fiscal year, the efforts for improvement were evaluated positively, but there were some opinions calling for further improvement. In particular, we recognize the following as issues and efforts are underway to improve these areas: (1) improving operations of the Board of Directors to support robust debate (ensuring deliberation time, further advance distribution of materials, etc.), (2) dialogue with shareholders (building frameworks to facilitate dialogue, etc.), and (3) monitoring medium- to long-term strategies (business execution plans, etc.).

Succession planning

In order to ensure our sustainable growth and management stability, we are systematically selecting and training successors for key positions.

A pool of candidates for President, Directors, and Executive Officers is formulated, a training plan is made, and the status is monitored by the Nomination and Remuneration Committee for further training planning.

We have also built a pool of general manager and section manager candidates for senior management positions in the future, and we are training them in a planned manner.

Compliance

■ Code and charter of behavior

Our company enacted the Mitsubishi Kakoki Group's Charter of Behavior and the Mitsubishi Kakoki Group's Code of Behavior for Compliance to follow laws and regulations, distributed them to all Directors and all employees of our corporate group, including employees of affiliated companies, and holds lectures on compliance regularly to disseminate them.

In addition, through the Internal Control Committee, we implement measures to establish a compliance system for Directors and employees of group companies and maintain and improve their mindsets.

Risk management

■ Situation of the development of the risk management structure

Our company strives to prevent risks that would seriously affect the business of our corporate group and minimize their impact. The Risk Management Committee was established under the Board of Directors, to assess risks while roughly classifying the risks in our corporate group into law-related risks and business risks, discuss concrete measures, and report the progress of each measure to the Management Council and the Board of Directors.

For example, in order to follow the Act on the Protection of Personal Information and the law concerning the use of numbers for identifying individuals, etc., we set a policy for protecting personal information, information on certain individuals, etc. (privacy policy), and disseminate it among all employees. Regarding information security, which is indispensable for following the privacy policy, we have set the Mitsubishi Kakoki Group's regulations for information security management and other regulations for using information assets safely and properly in the entire group, and make efforts to control the risks of leakage, destruction, and loss of information assets. We also established the Information Security Committee for risk control, realizing a system for improving items related to information security swiftly.

For the management of evident risks, we have a system in place to establish a crisis management headquarters and take swift and appropriate measures in emergency circumstances.

Strengthening of group governance

In order to realize the Mitsubishi Kakoki Group's Management Vision for 2050, we are proceeding with group management. In order to support the mutual business development and corporate value improvement of group companies, we reviewed the management structure for affiliated companies and are striving to streamline business operations for affiliated companies and optimize management.

In detail, we set and share internal control policies, including compliance, risk control, and crisis management. At the same time, we clarified our policy for involvement in group-wide business in the regulations for managing affiliated companies and defined business-related management and governance-related management. On this basis, we share information on planning, execution, follow-up, and results of business plans as well as matters related to overall corporate governance and provide necessary guidance and support.

Regarding internal control and risk management, the Internal Control Committee and the Risk Management Committee, which take central roles in conducting related activities, include staff from major group companies. These committees monitor the status of development and operation of internal control systems in the entire corporate group, the extraction and analysis of risks, and countermeasures, to improve governance further.

Executive remuneration system

■ Basic policy

For Director remuneration, so as to contribute to "endeavoring to achieve sustainable development and realizing a comfortable society" as set in the Mitsubishi Kakoki Group's Management Vision for 2050, which we formulated with the aim of becoming a corporate group that solves social issues, our two basic policies are (1) to set a remuneration amount comparable to those of other companies, and (2) to provide appropriate incentives to increase corporate value over the medium to long term. Specifically, remuneration for Directors in charge of business execution consists of basic remuneration as fixed remuneration, corporate business performance-linked remuneration (executive bonuses), and corporate business performance-linked stock-based remuneration as non-monetary remuneration, while External Directors who are responsible for supervisory functions are paid only the basic remuneration in consideration of their duties.

- Our policy for determining the amount of basic remuneration (monetary remuneration) for each individual (including the policy for determining the timing or conditions for paying remuneration): Basic remuneration for our Directors is a monthly fixed remuneration that is determined comprehensively by taking into consideration market standards, our business performance, and employees' salary levels as a means to encourage the execution of duties in accordance with their position and responsibilities.
- Policy for determining the details of corporate business performance-linked remuneration and non-monetary remuneration, as well as the calculation method (including the policy for determining the timing and conditions for paying remuneration): Corporate business performance-linked remuneration (executive bonuses) is positioned as an incentive for achieving performance targets for each fiscal year, and the amount is determined according to the consolidated operating profit forecast for the full fiscal year at the beginning of each fiscal year, the qualitative evaluation by the target management system, and the degree of achievement of the evaluation of future financial value (specific initiatives for growth in the four strategic business fields), and is paid in cash once a year.
  The ratio among the above indicators is as follows. Consolidated operating profit : Qualitative evaluation by the target management system : Degree of achievement of the evaluation of future financial value = 70 : 20 : 10. The target corporate business performance indicators and their values are set at the time of the formulation of the medium-term management plan so as to be consistent with the plan, and are reviewed when necessary based on the report of the Nomination and Remuneration Committee in response to changes in the business environment.
  Non-monetary remuneration is corporate business performance-linked stock-based remuneration based on a system called the BIP (Board Incentive Plan) trust for executive remuneration and is positioned as an incentive to support the improvement of medium- to long-term corporate value and the achievement of the medium-term management plan, with the company's shares being granted after retirement in proportion to the degree of achievement of the medium-term management plan. The number of shares granted as non-monetary remuneration (corporate business performance-linked stock-based remuneration) varies within the range of 0-150%, depending on the achievement of the target values (consolidated operating profit and ROE) of the medium-term management plan in each fiscal year, assuming the number of shares for the standard achievement of performance is 100%.
  The ratio between the types of remuneration is as follows: Basic remuneration : Corporate business performance-linked remuneration (executive bonuses) : Non-monetary remuneration, etc. (performance-linked stock-based remuneration) = 70 : 10 : 20.
  Individual remuneration amounts are determined by a resolution of the Board of Directors based on the remuneration policy discussed and confirmed by the Nomination and Remuneration Committee and the amounts set according to each position and responsibility.

Corporate Governance

■ Total amount of remuneration, etc. by Director classification (FY2024)

Director classification	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc. by type (million yen)			Number of applicable Directors
		Fixed remuneration	Performance-linked remuneration (executive bonuses)	Non-monetary remuneration (performance-linked stock-based remuneration)	
Directors (excluding Audit and Supervisory Committee Members) (excluding External Directors)	171	107	21	41	4
Directors (Audit and Supervisory Committee Members) (excluding External Directors)	17	17	—	—	2
External Director	57	57	—	—	7

Regarding shareholding

❶ Criteria and mindset for classification of investment shares and reduction policy

All shares held by our company are classified as investment shares (strategically-held shares) held for purposes other than pure investment (to earn profit from changes in the value of the shares or from the receipt of dividends).

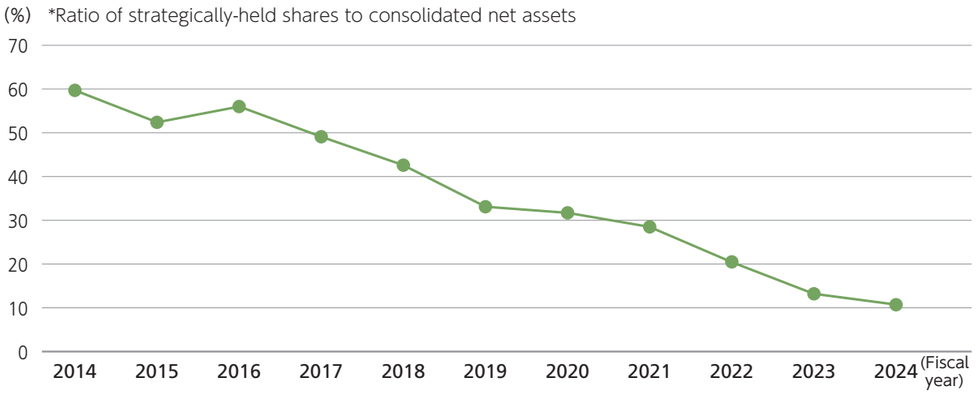
In light of the recent trend toward eliminating cross-shareholdings, we have also established a reduction policy and have been steadily reducing our cross-shareholdings since FY2015.

❷ Strategically-held shares

We hold listed shares while comprehensively considering economic rationality and the necessity for business activities, such as maintaining and strengthening business relationships.

Each fiscal year, we discuss whether the benefits and risks in holding each issue are commensurate with the cost of capital, and then examine the appropriateness of holding the shares based on whether they are in line with the objectives of holding the shares, such as maintaining medium- to long-term relationships, expanding transactions, and exerting synergies. For shares that are not deemed appropriate as a result of the examination, we will work to improve profitability and reduce holdings of shares that are difficult to improve.

■ Variation in the ratio of strategically-held shares



Dialogue with shareholders and investors

■ Basic policy

The Mitsubishi Kakoki Group strives to earn the understanding and trust of shareholders and investors, and to promote SR and IR activities that contribute to the improvement in corporate value. By disclosing information in a timely and appropriate manner, we promote dialogue with shareholders and investors, visualize our company's challenges through dialogue, and reflect the visualized challenges in our management, which is a cycle that will maximize our corporate value.

■ Major activities in FY2024

Activities	Results	Details
Financial results briefing	Held twice	Held for analysts, institutional investors, and the media for respective half-year financial results. The Director and President and an executive in charge of IR take to the stage to explain the details of the financial results.
Company information session for individual investors	Held once	Held an online briefing session for individual investors in December 2024. It is scheduled to be held annually in the future.
Individual meetings with analysts and institutional investors	77 meetings	Such meetings, including online ones, are held when necessary.
General meeting of shareholders	Held once	Held to report important matters concerning the company to the shareholders for their resolution. We hold our annual general meeting of shareholders in late June each year.
Report for shareholders	Issued twice	We prepare reports twice a year to provide our shareholders with information on our business performance and management policies.
Information provided on our website	—	We provide useful information for shareholders and investors, such as reference material on IR, integrated reports, and videos of financial results briefings, on our website. In addition, in accordance with the fair disclosure rule, financial results-related documents have been disclosed simultaneously in both Japanese and English since FY2024.



Financial results briefing



Company information session for individual investors

Corporate Governance

Board of Directors and the List of Directors (As of June 27, 2025)

Internal Directors



Toshikazu Tanaka
Representative Director / President and CEO

April 1985 Joined the Company
April 2015 Executive Officer, Division Director, Administrative Division and General Manager, General Affairs & Personnel Department
June 2016 Director and Division Director, Administrative Division
June 2021 Director and President (current position)



Shiro Yajima
Director / Managing Executive Officer

April 1986 Joined the Company
April 2019 Executive Officer and Division Director, Machinery Business Division
June 2022 Director in charge of Technology Development & Production Division and Machinery Business Division
June 2025 Director, Managing Executive Officer in charge of Technology Development & Production Division and Machinery Business Division (current position)



Takashi Inoue
Director / Managing Executive Officer

April 1991 Joined the Company
April 2022 Executive Officer and General Manager, Hydrogen & Energy Project Center
April 2025 Executive Officer and Division Director, Environmental & Hydrogen & Energy Business Division, and General Manager, Green Transformation Business Office
June 2025 Director, Managing Executive Officer in charge of Sales Division, Plant Project Business Division, and Environmental & Hydrogen & Energy Business Division, and General Manager, Green Transformation Business Office (current position)



Tomonari Miyamoto
Director / Managing Executive Officer

April 1996 Joined the Japan Association for Employment of Persons with Disabilities (currently the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers)
January 2008 Joined the Company
April 2024 Executive Officer, Division Director, Planning & Administrative Division and General Manager, General Affairs & Personnel Department
June 2025 Director, Managing Executive Officer in charge of Sustainability and Planning & Administrative Division (current position)

External Directors



Masaaki Kusunoki
External Director

April 1985 Joined Mitsubishi Heavy Industries, Ltd.
April 2020 Executive Officer and Deputy Domain Head of Plant and Infrastructure Domain at Mitsubishi Heavy Industries
June 2020 Director of the Company (current position)
April 2024 Fellow Advisor at Mitsubishi Heavy Industries (current position)



Mika Nakayama
External Director

August 1984 Joined Japan Synthetic Rubber Co., Ltd. (currently JSR Corporation)
June 2020 Director, Senior Officer, General Manager of Sustainability Promotion Dept., JSR Corporation (resigned in June 2022)
June 2022 Outside Director, Audit & Supervisory Committee Member, Astellas Pharma Inc. (current position)
June 2024 Director of the Company (current position)



Mariko Kawaguchi
External Director

April 1986 Joined Daiwa Securities Co., Ltd.
April 2020 Specially Appointed Professor of Graduate School of Social Design Studies, Rikkyo University (current position)
April 2023 ESG Advisor of Fuji Oil Holdings Inc. (current position)
April 2024 Director of the Company (current position)

Skills matrix

Post	Name	Business administration	Finance and accounting	Legal affairs and risk management	Personnel/ labor affairs and personnel development	Environment, safety, and quality	Technology, development, and information	Experience in business related to our company	Status of attendance at the meetings of the Board of Directors
Representative Director, President and CEO	Toshikazu Tanaka	○	○	○	○				17/17
Directors, Managing Executive Officers	Shiro Yajima	○				○	○	○	17/17
	Takashi Inoue					○	○	○	—/—
	Tomonari Miyamoto		○	○	○	○			—/—
External Directors	Masaaki Kusunoki	○					○	○	17/17
	Mika Nakayama	○		○			○		12/12
	Mariko Kawaguchi				○	○	○		12/12
Audit and Supervisory Committee Members (Full-time)	Junichi Masuda	○	○	○	○				—/—
	Shinichi Sakemi					○	○	○	12/12
Audit and Supervisory Committee Members (Part-time)	Tomohiro Kikkawa			○					17/17
	Junko Kamei		○						16/17

Audit and Supervisory Committee Members (Full-time)



Junichi Masuda
External Director, Audit and Supervisory Committee Member (Full-time)

April 1987 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
June 2016 Managing Director, General Manager, Investment Group I of Mitsubishi UFJ Capital Co., Ltd.
June 2018 Full-time Auditor of JALCARD, Co., Ltd.
June 2025 External Director (Audit and Supervisory Committee Member (Full-time)) of the Company (current position)



Shinichi Sakemi
Director, Audit and Supervisory Committee Member (Full-time)

April 1991 Joined the Company
April 2011 General Manager of Environmental Technology Division
April 2023 Executive Officer and Division Director, Technology Development & Production Division
June 2024 Director (Audit and Supervisory Committee Member (Full-time)) (current position)

Audit and Supervisory Committee Members (Part-time)



Tomohiro Kikkawa
External Director, Audit and Supervisory Committee Member

April 1993 Registered as an attorney, joined Kita and Kimura Law Office
April 1998 Founded Kikkawa Law Office
June 2015 Auditor of the Company
June 2016 Director (Audit and Supervisory Committee Member) (current position)



Junko Kamei
External Director, Audit and Supervisory Committee Member

September 1986 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
March 1990 Registered as a certified public accountant in Japan
June 2022 Director (Audit and Supervisory Committee Member) of the Company (current position)
September 2024 Comptroller, National University Corporation, the University of Tokyo (current position)

Executive Officers

Name	Post
Yasuhide Hayashi	Managing Executive Officer (in charge of Innovation Promotion)
Takaharu Negi	Executive Officer Division Director, Planning & Administrative Division
Akiyoshi Yamazaki	Executive Officer Division Director, Technology Development & Production Division
Hiroyuki Kishida	Executive Officer Division Director, Sales Division
Satoki Nakashima	Executive Officer Division Director, Plant Project Business Division
Hideki Miyajima	Executive Officer Division Director, Environmental & Hydrogen & Energy Business Division
Koji Nagane	Executive Officer Division Director, Machinery Business Division and Deputy Division Director, Technology Development & Production Division

Skill items and reasons for selection

Skill items	Reasons for selection
Business administration	"Business administration" was selected because we believe it is a skill item necessary to supervise management in order to determine various goals, policies, and directions for the realization and achievement of our corporate group's management vision and medium-term management plan.
Finance and accounting	"Finance and accounting" was selected because we believe it is a skill item necessary to supervise management in order to establish a sound financial base for our corporate group, improve capital efficiency, and promote investments for growth.
Legal affairs and risk management	"Legal affairs and risk management" was selected because we believe it is a skill item necessary to supervise management in order to establish an appropriate governance structure for our corporate group and conduct sound corporate activities under strong internal controls.
Personnel/labor affairs and personnel development	"Personnel/labor affairs and personnel development" was selected because we believe it is a skill item necessary to supervise management in order to strengthen human capital, an important management resource, and to produce human resources for future management and implement a human resources strategy with a diverse perspective.
Environment, safety, and quality	"Environment, safety, and quality" was selected because we believe it is a skill item necessary for reducing the environmental impact of our business activities, implementing sound safety measures, and ensuring quality control in the construction and manufacturing industries, which are the business fields of our corporate group.
Technology, development, and information	"Technology, development, and information" was selected because we believe it is a skill item necessary to promote DX-based corporate management in order to provide new social value centered on our core technology of "separating solids, liquids, and gases."
Experience in business related to our company	"Experience in business related to our company" was selected because we believe it is a skill item necessary to promote the business activities of our corporate group, as market trends and knowledge in related industries are necessary and we make growth investment decisions mainly based on such knowledge.

Roundtable Discussion by Business Directors and External Directors

The Mitsubishi Kakoki Group has started its new medium-term management plan, Evolution and Transformation 2.0. External Director Kusunoki, External Director Kikkawa, Director Inoue, and Director Yajima discussed their expectations for the medium-term management plan and the challenges the company will face as it enters the “three years for a leap forward,” which seek to grow the green transformation (GX) business, increase sales, and realize our management vision.



Could you please provide a summary of the previous medium-term management plan, which ended in FY2024?

Inoue During the previous medium-term management plan, I was responsible for the promotion of the hydrogen energy segment and the environment segment, and for the development of new business based on these two business segments. In the second year of the medium-term management plan period, we combined our hydrogen energy and environment segments to give them greater momentum, and I think these efforts proved successful to some degree, as we brought in orders for a steel company for large hydrogen production equipment and from the Tokyo Metropolitan Government for a large biogas equipment. At the same time, in terms of new business, while we carried out a variety of demonstration tests, we unfortunately did not have enough time to bring these efforts to commercialized phase. That is something we now plan to accomplish in the new medium-term management plan.

Yajima I was responsible for the industrial machinery segment, the marine machinery segment, and technology development. One of the key points of our previous medium-term management plan was the establishment of a manufacturing strategy. While we have launched a plant restructuring plan to make the head office and Kawasaki Works into our development and production hubs, we have not yet been able to assemble and implement a strategy for maximizing the benefits of this restructuring. In addition to that, we have also planned to change the way we think about manufacturing, but ultimately, we have not been able to achieve that, which is another area that I think we need to reflect on.

Kusunoki These last three years could be considered a period of exploring what kinds of changes could be made to our business portfolio to create the next three years of growth. I think it was extremely difficult to steadily work through our backlog of orders while at the same time making dramatic changes to the company’s direction. However, as a result of these efforts, we have produced solid business results while at the same time launching our green transformation (GX) business. Now, we will begin taking on the new challenges of how to raise these numbers and meet the expectations of the capital market and how to put the GX business on its own two feet.

Kikkawa In our existing businesses, we have mostly reached our ambitious quantitative targets, and we have made progress in management conscious of cost of capital and stock prices. Based on these efforts, I would say we have been steadily succeeding in securing a foothold and taking the first step toward evolution and transformation, which were goals we defined in the previous medium-term management plan. Nonetheless, as Director Inoue said, although we produced some results in our new businesses, such as through M&As, overall, there is no denying that we have not been able to do our best. As our resources are limited, if we are to launch a new business, it is vital that we identify and make necessary decisions for non-profitable businesses. I hope that we do this at a somewhat faster pace in the future.

Could you share your thoughts on the state of new business development, through the previous medium-term management plan and into the new one, and its future prospects?

Yajima There are many options for potential new businesses, but frankly, it is taking some time to evaluate and verify which seeds in our current development areas have the actual feasibility to become a business that will bring in new revenue.

Kusunoki Since there are many elements for development, I hope the company will try one after another. If actual development does not end up going as initially planned, we can just engage in further discussions when making changes. There is no need to fear failure.

Inoue Development expenses and the number of development themes have increased significantly compared to three years ago. The discussions in development meetings have also become extremely rich and fruitful. The environment surrounding development, and our attitudes toward it, are greatly changing for the better direction. So I want us to control these changes and create as many new products as possible for the new business.

Kikkawa From what I have heard, the number of R&D requests has risen considerably. I hope that over the next three years, the company will produce results by leveraging this climate and culture of trying new things.

The Mitsubishi Kakoki Group has started the new medium-term management plan (FY2025-FY2027), Evolution and Transformation 2.0. From an outside perspective, what do you see as the most important point of this new management plan?

Kusunoki The company launched the GX business as a starting point for the business portfolio reforms. While there are now concerns that global moves

Since the company defined the vision statement in 2021, I have felt strongly that the company has been making major, positive changes.

(External Director Kikkawa)



Roundtable Discussion by Business Directors and External Directors

toward the use of renewable energy are slightly slowing down, the GX business consists of two components: realizing a recycling society and clean energy. I believe it will be possible to advance the realization of a recycling society as a core pillar of business. In addition, the new medium-term management plan has four key points: evolution of our business portfolio, establishment of management conscious of cost of capital and stock prices, stronger human and technical capital, and improvements in the transparency of corporate governance. Implementing each of these will play an important part of our approach to establishing a sustainable management base.

Kikkawa As I mentioned earlier, I strongly believe that we should first produce tangible results in new businesses over the next three years, and I would like to highly evaluate the fact that a net sales target of 23.0 billion yen in the GX business has been set for the final fiscal year of the new medium-term management plan. I stated that although we were not able to do our best in new business development during the previous three-year period, we have sown the seeds, and this foundation is why the new medium-term management plan has set a GX business sales target of 23.0 billion yen. I have high expectations for this plan period. Whether or not results can be achieved here will affect the success or failure of the new medium-term management plan and the future path toward FY2035, when our company will celebrate its 100th anniversary. What is more, as Director Yajima touched on earlier, the restructuring of the head office and Kawasaki Works will also be a major pillar supporting the company. I hope that the site connects new technologies and new businesses and becomes a hub that links our past and future as a manufacturing company that places great value on technology.

Developing new business, such as the GX business, also involves some level of risk. What are your thoughts on taking on new businesses and risks to face?

Kikkawa If they are tolerable risks—risks that the company can weather at the time—then I think that is fine. You cannot produce results without taking risks. As a Director, I want to identify these risks, properly manage the risks that result from the overall lack of resources due to the success of existing businesses, and support a new business endeavor.

Kusunoki The new medium-term management plan also includes "improvements in the transparency of corporate governance" as one of its key points. This is predicated on always examining whether what is rational within the company is in line with the norms outside the company, and I want us to consider reexamining our existing processes to ensure that we respect the courage and efforts to enter new fields.

Inoue By its nature, GX will be involved in all of the strategic business fields of our long-term vision. Also, with new plants, equipment, and facilities, it is essential to carry out extensive demonstration tests to minimize risks, which require a certain time. Given this, to fulfill my responsibility as the general manager of the Green Transformation Business Office, I will fully promote our GX business. Our industrial machinery business has also been involved in numerous GX-related projects, and we plan to maintain this same direction. With respect to overseas chemical business, we expect customer capital investment to rise, so the number of GX-related projects will naturally rise as a consequence even in overseas chemical business. We will prioritize these projects and use them to expand our GX business.



Yajima As far as risk goes, as Director Kikkawa mentioned, we are going to be focusing on personnel issues. Developing new business, whether it is done in-house or through collaboration with other companies, requires human resources, and I see this as our major management focus area going forward.

What are your thoughts on the future business structure and human resource development?

Yajima If it were not for the walls between the different business divisions, the resource control that Director Kikkawa was discussing would go more smoothly, but in our company, where this business division structure remains strong, this presents a bottleneck.

Kusunoki The GX business has been launched almost as an adhesive between the engineering business and the industrial machinery business within the overall portfolio. I hope that it will provide opportunities to break through the walls between the business divisions.

Inoue In FY2024, we launched the Sales Division, which consolidated our different marketing sections, and we have made a lot of progress in sharing various information. The processes involved in orders for local government projects and for private sector projects are different, so there are certain parts that cannot be unified. However, it is possible to divide roles and provide services to the same client. I hope we will flexibly extend that collaborative framework across division lines.

Yajima Going forward, we would like to try to mobilize and stimulate human resources within the company through the process of reforming and evolving our business portfolio.

Kusunoki Ambidextrous management—or, rather, people who have experience in both strengthening existing businesses and launching new ones, and can handle both—are important. When you consider what we should be aiming for in terms of our business structure, I think it would be fair to say that now is the time to more actively carry out collaborations and M&As.

Kikkawa The number of collaborations has risen a lot over the last three years. Over the three years to come, we need to carry on, significantly expanding our collaborations and M&As.

Lastly, could you please share a message with stakeholders?

Yajima Recently, accompanying President Tanaka, I visited our domestic and overseas business partners that supply us with components and other products. Everywhere we went, they asked us if there was something they could do to support us with our new business. I found it quite grateful. We cannot make all the products on our own. The cooperation of our suppliers is vital for us to create products. We and our suppliers share a common destiny. In our journey of Evolution and Transformation 2.0, as well, I want us to work hand-in-hand with suppliers as we head together into a future of sustainable growth.

Inoue I think that outside stakeholders cannot see clearly what kind of features plants, facilities, and equipment that we provide have, and how they contribute to solving social issues. I consider that our company can make better efforts on this point. As stated in the key points of the new medium-term management plan, by striving to disseminate information that suppresses the gap between intrinsic value and external evaluation and raises growth expectations, we hope to obtain a correct understanding of our business activities and understanding and agreement regarding our management. I look forward to the ongoing support and understanding of our stakeholders.



Kikkawa I have been with Mitsubishi Kakoki since 2015. Over this past decade, I feel like the company's atmosphere has changed tremendously since 2021, when we formulated our current vision statement, "Endeavoring to achieve sustainable development and realizing a comfortable society." Each and every one of our employees is thinking about how we should change ourselves to realize this vision, and how our company can contribute to society. I look forward to seeing the success all employees will achieve, and I will also contribute to the improvement of our corporate value by leveraging my own knowledge in my fields of specialization to provide advice and supervise management.

Kusunoki I agree with Director Kikkawa. I want to support decisive changes and bold action to realize our vision statement as a member of the Board of Directors. Going forward, I also hope that we will firmly maintain our corporate culture that highly values compassionate communication at the sites and offices. Personally, I see this as one of our company's unique strengths, and if we can apply it to new strategic business fields, such as the GX business, our company will become a truly distinctive one. I look forward to our implementation of Evolution and Transformation 2.0 and the advancement of our company.



Financial and Non-Financial Information

(Unit: million yen)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial highlights										
Orders received	42,702	35,816	38,469	49,693	62,639	31,609	46,783	53,194	93,861	64,927
Order backlog	22,852	22,564	28,697	40,207	57,784	40,640	41,985	50,589	96,676	103,751
Net sales	39,300	36,104	32,336	38,179	45,062	48,753	45,438	44,590	47,774	59,202
Operating profit (loss)	1,782	1,294	1,018	1,097	2,222	2,745	2,770	2,521	4,410	5,694
Ordinary profit (loss)	1,557	1,352	1,300	1,267	2,412	2,939	3,230	2,859	4,709	5,626
Net profit attributable to owners of parent	1,150	976	2,949	1,110	1,860	2,511	2,547	3,043	5,397	4,879
Engineering business consolidated net sales	26,145	23,534	20,012	25,925	31,624	36,796	33,212	31,247	32,512	41,171
Engineering business consolidated operating profit	-48	-136	-235	-147	1,199	1,877	1,436	308	1,588	1,924
Industrial machinery business consolidated net sales	13,155	12,570	12,324	12,254	13,438	11,957	12,225	13,342	15,261	18,031
Industrial machinery business consolidated operating profit	1,831	1,430	1,253	1,245	1,023	867	1,334	2,212	2,822	3,770
Capex	412	397	359	1,069	349	416	721	412	1,849	501
Depreciation	614	609	587	564	573	575	593	643	663	862
R&D expenses	343	584	290	305	249	362	230	276	598	510
Year-end financial position										
Current assets	27,080	27,220	27,089	29,681	33,789	36,690	35,301	39,029	48,260	50,839
Current liabilities	13,516	13,269	11,338	14,068	18,588	17,771	15,451	15,627	20,902	21,813
Working capital	13,563	13,951	15,751	15,612	15,201	18,918	19,850	23,401	27,358	29,025
Tangible fixed assets	4,822	4,757	4,807	5,141	4,995	4,786	4,969	4,964	6,389	5,331
Total assets	41,211	42,733	44,355	46,217	48,545	51,837	50,521	52,899	63,170	66,174
Short-term borrowing	0	0	0	500	0	0	0	0	0	0
Long-term borrowing (including long-term borrowing due within one year)	2,800	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Net assets	15,813	17,374	22,197	22,326	21,259	25,286	27,307	30,325	34,577	38,227
Net worth	15,813	17,374	22,197	22,326	21,217	25,216	27,307	30,325	34,577	38,227
Cash flow										
Cash flow from operating activities	1,041	860	-392	-865	6,510	-2,594	5,123	996	1,360	-3,311
Cash flow from investing activities	-407	-367	800	-416	75	831	-558	1,346	1,369	43
Cash flow from financing activities	-3,340	87	-524	19	-1,373	-477	-512	-533	-854	-1,047
Cash and cash equivalents at end of period	4,733	5,254	4,951	4,077	9,262	7,046	11,226	13,114	15,182	10,822

Financial and Non-Financial Information

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Key management indicators										
ROA (%)	3.6	3.2	3.0	2.8	5.1	5.9	6.3	5.5	8.1	8.7
ROE (%)	7.1	5.9	14.9	5.0	8.5	10.8	9.7	10.6	16.6	13.4
Net profit per share (Yen)*5	48.52	41.18	124.82	47.09	79.52	110.34	111.69	133.22	236.23	213.79
Dividend per share (Yen)*5	16.67	16.67	16.67	16.67	20.00	23.37	23.37	26.67	36.67	70.00
Payout ratio (%)	34.4	40.5	13.4	35.4	25.2	21.1	20.9	20.0	15.5	32.7
Net profit to net sales (%)	2.9	2.7	9.1	2.9	4.1	5.2	5.6	6.8	11.3	8.2
Operating margin or operating loss ratio (%)	4.5	3.6	3.1	2.9	4.9	5.6	6.1	5.7	9.2	9.6
Equity ratio (%)	38.4	40.7	50.0	48.3	43.7	48.6	54.1	57.3	54.7	57.8
Return on equity (%)	7.1	5.9	14.9	5.0	8.5	10.8	9.7	10.6	16.6	13.4
ESG data										
Employees (People)*1	543	544	564	575	555	576	608	625	641	665
Female employees (People)*1	58	61	64	73	83	82	86	87	91	96
New members (People)*1	4	14	12	13	9	7	17	20	10	12
Average age (Years old)*1	44.1	44.2	44.6	45.0	45.4	45.4	45.8	45.9	46.3	46.7
Average years of service (Years)*1	16.4	16.7	16.5	16.6	16.6	16.7	16.7	16.4	16.8	16.8
Number of employees taking childcare /nursing care leave (People)*1	–	–	6	9	7	5	10	13	17	10
Monthly average working hours (Hrs)*1	–	–	162.53	168.09	169.85	167.66	167.17	166.28	163.83	167.02
Energy consumption (crude oil equivalent) (kL)*2	1,045	1,079	1,626	1,539	1,483	1,564	1,489	1,439	1,308	1,364
Scope1 and 2 CO_2 emissions (t-CO_2)*2*3	2,257	2,267	3,134	2,964	2,691	2,494	2,716	2,536	726	647
Water consumption (m^3)*2	27,471	26,104	27,049	26,543	20,783	17,916	17,293	18,019	15,204	15,527
Waste generated (t)*2	389.1	356.8	316.9	374.1	304.0	309.5	424.0	241.7	227.7	363.4
Electricity usage (kWh)*2	3,745,600	3,835,855	4,840,593	5,026,841	5,006,045	5,148,802	5,062,669	4,961,228	4,932,189	5,316,806
Frequency rate (%)*4	0	0	0	0	0	0	0	0	0	0
Intensity rate (%)*4	0	0	0	0	0	0	0	0	0	0

*1 Figures on non-consolidated basis
*2 Figures from FY2015 to FY2016 are for Kawasaki Works only; figures from FY2017 onward are for company-wide operations.
*3 Figures from FY2024 are those reflected a revision in the calculation method to reflect the effect of reducing CO_2 emissions through the introduction of virtually renewable energy.
*4 Figures for Kawasaki Works only; frequency and intensity rates are units for representing the frequency and severity of accidents in a workplace.
*5 Net profit per share and dividends per share are calculated based on the assumption that the stock split was conducted at the beginning of FY2015.

Corporate Information / Stock Information

Corporate profile

Company name	Mitsubishi Kakoki Kaisha, Ltd.
Founded	May 1, 1935
Established	September 1, 1949
Capital	3,956,975,000 yen
Stock listings	Tokyo Stock Exchange Prime
Industry type	Machinery
Ticker code	6331

Offices and factories (As of April 2025)

Registered office	2-1, Ohkawa-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-8560, Japan TEL: +81-44-333-5354
Head office	Solid Square East tower, 580 Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa 212-0013, Japan TEL: +81-44-333-5354
Osaka Branch Office	Trade Pier Yodoyabashi Building, 2-5-8, Imabashi, Chuo-ku, Osaka 541-0042, Japan TEL: +81-6-6231-8001
Kawasaki Works	2-1, Ohkawa-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-8560, Japan TEL: +81-44-333-5386
Kashima Factory	8, Sunayama, Kamisu, Ibaraki 314-0255, Japan TEL: +81-479-46-1151
Yokkaichi Business Office	3-3-48, Obata, Yokkaichi, Mie 510-0875, Japan TEL: +81-59-349-3601
Domestic sales offices	Tohoku, Yokohama, Nagoya, Hiroshima, Kyushu, Okinawa
Overseas branch	Taiwan
Overseas sales office	Malaysia
Overseas representative office	Indonesia



Please check our website for offices, factories, and subsidiaries.
https://www.kakoki.co.jp/en/company/office.html



Stock information

Number of shares issued	23,741,850 shares
Number of shareholders	9,671
Name of the financial instruments exchange on which the company is listed	Tokyo Stock Exchange
Administrator of shareholder register	Mitsubishi UFJ Trust and Banking Corporation
Administrative office location	Stock Transfer Agency Department 1-1, Nikko-cho, Fuchu, Tokyo 183-0044, Japan

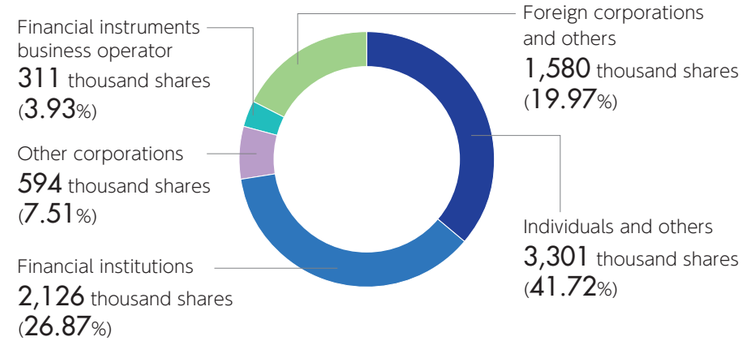
Major shareholders (As of March 31, 2025)

(Notes)
1. The company, which holds 224,741 shares of treasury shares, is not included in the list on the right of major shareholders.
2. The shareholding (%) is calculated after deducting the above treasury shares. These treasury shares do not include 68,634 shares of the company held by the BIP (Board Incentive Plan) Trust for executives' remuneration and 10,742 shares of the company held by the ESOP (Employee Stock Ownership Plan) Trust.
3. Of the shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), 436 thousand shares are held in an investment trust and five thousand shares are held in a pension trust.
4. Of the shares held by Custody Bank of Japan, Ltd. (Trust Account), 244 thousand shares are held in an investment trust and 12 thousand shares are held in a pension trust.
5. The company carried out a three-for-one stock split of its common shares effective April 1, 2025; however, the number of shares owned is stated based on the number of shares prior to the stock split.

Name	Shares owned (1,000)	Ratio of shares owned to the total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	999	13.00
Meiji Yasuda Life Insurance Company	416	5.42
Custody Bank of Japan, Ltd. (Trust Account)	335	4.37
Mitsubishi Kakoki Client Stock Ownership	322	4.19
Mitsubishi Kakoki Employee Stock Ownership	181	2.37
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	173	2.26
MSIP CLIENT SECURITIES	151	1.97
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE–AC)	147	1.92
The Bank of Yokohama, Ltd.	125	1.63
DFA INTL SMALL CAP VALUE PORTFOLIO	112	1.47

Shareholder distribution by type of owner

(Notes)
1. The segment "Other corporations" includes trading units and shares held under the name of the Japan Securities Depository Center, Inc.
2. Treasury shares are included in the "Individuals and others" segment. Such treasury shares do not include shares held by the BIP Trust for executives' remuneration and shares held by the ESOP Trust.



Editorial postscript



Thank you for reading the MITSUBISHI KAKOKI Group Integrated Report 2025. This year marks the third year of our corporate group's integrated report, which was first published in FY2023. Gradually, we have expanded coverage on both financial and non-financial information, and are trying to make it easier to understand our initiatives, from business strategies to social contribution activities, including interaction with local communities. We, the editorial team, will continue to make every effort to make this report useful as a communication tool for conveying the know-how and growth strategies that have been developed by our corporate group.