

2022-05-12

## Outline of FY2021 Financial Results (Consolidated)

(billions of yen)

	FY2021	FY2020	Changes (%)
Orders Received	<b>4,067.7</b>	3,336.3	21.9
Revenue	<b>3,860.2</b>	3,699.9	4.3
Profit from business activities	<b>160.2</b>	54.0	196.3
Profit Before Income Taxes	<b>173.6</b>	49.3	251.9
Profit (loss) Attributable to Owners of Parent	<b>113.5</b>	40.6	179.4
Operating Cash Flow	<b>285.5</b>	(94.9)	/
Investment Cash Flow	<b>16.3</b>	(182.2)	/
Financing Cash Flow	<b>(255.7)</b>	221.7	/
Profit (loss) Attributable to Owners of Parent Per Share	<b>338.24 yen</b>	120.92 yen	179.7

Figures in parentheses are negative.

## Consolidated financial results (continued)

### Revenue by Operational Segment

(billions of yen)

	FY2021	FY2020
Energy Systems	1,651.0	1,546.0
Plants & Infrastructure	651.8	637.2
Logistics, Thermal & Drive Systems	986.5	860.3
Aircraft, Defense & Space	605.2	702.1
Corporate and Eliminations	(34.5)	(45.7)
<b>TOTAL</b>	<b>3,860.2</b>	<b>3,699.9</b>

### Profit (Loss) From Business Activities by Operational Segment

(billions of yen)

	FY2021	FY2020
Energy Systems	86.2	127.6
Plants & Infrastructure	23.6	(10.2)
Logistics, Thermal & Drive Systems	30.6	15.6
Aircraft, Defense & Space	20.0	(94.8)
Corporate and Eliminations	(0.3)	15.8
<b>TOTAL</b>	<b>160.2</b>	<b>54.0</b>

Figures in parentheses are negative.

## Estimate of Consolidated Financial Results for FY 2022

For the fiscal year 2022 ending March 31, 2023, MHI is expecting 3,900 billion yen in revenue, 200 billion yen in Profit from business activities, 190 billion yen in profit before income tax, and 120 billion yen in profit attributable to owners of parent. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥120 and €1.00 = ¥130 for the portion yet to be fixed.

We have decided to voluntarily adopt IFRS from beginning with the first quarter ending June 30, 2018 onward, so estimate of consolidated financial results have been made based on IFRS.

Please note that this estimate has been projected with currently available information and data. As such, these projections involve risks and uncertainties. For this reason, investors are recommended not to depend solely on these projections for making investment decisions. The actual results, therefore, may diverge broadly with the influence of a variety of outside factors such as economics surrounding MHI, currency movement of the yen to the U.S. dollar and other foreign currencies, and trends of stock markets in Japan. Also, the results projected here should not be construed in any way as being guaranteed by the company.

**(1) Condensed Consolidated Statement of Financial Position [IFRS]**

(Millions of Yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b><u>Assets</u></b>		
Current assets		
Cash and cash equivalents	245,421	314,257
Trade and other receivables	655,181	744,466
Other financial assets	30,677	70,952
Contract assets	578,936	654,972
Inventories	713,498	798,601
Other current assets	230,955	219,875
<b>Total current assets</b>	<b>2,454,670</b>	<b>2,803,126</b>
Non-current assets		
Property, plant and equipment	779,696	790,204
Goodwill	124,500	128,690
Intangible assets	74,722	70,400
Right-of-use assets	93,321	98,255
Investments accounted for using the equity method	182,897	212,828
Investments in securities and other financial assets	560,213	487,430
Deferred tax assets	378,338	352,261
Other non-current assets	162,365	173,144
<b>Total Non-current assets</b>	<b>2,356,056</b>	<b>2,313,214</b>
<b>Total assets</b>	<b>4,810,727</b>	<b>5,116,340</b>
<b><u>Liabilities and Equity</u></b>		
Current liabilities		
Bonds, borrowings and other financial liabilities	445,147	304,651
Trade and other payables	763,731	863,281
Income taxes payable	12,237	28,784
Contract liabilities	731,814	886,551
Provisions	207,876	203,585
Other current liabilities	184,453	193,865
<b>Total Current liabilities</b>	<b>2,345,260</b>	<b>2,480,720</b>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	790,862	773,622
Deferred tax liabilities	6,597	6,217
Retirement benefit liability	124,432	76,824
Provisions	50,485	62,218
Other non-current liabilities	53,699	54,207
<b>Total non-current liabilities</b>	<b>1,026,076</b>	<b>973,090</b>
<b>Total liabilities</b>	<b>3,371,337</b>	<b>3,453,810</b>
<b><u>Equity</u></b>		
Share capital	265,608	265,608
Capital surplus	47,265	45,061
Treasury shares	(4,452)	(5,946)
Retained earnings	952,528	1,099,158
Other components of equity	105,393	172,728
Equity attributable to owners of parent	1,366,342	1,576,611
Non-controlling interests	73,047	85,918
<b>Total Equity</b>	<b>1,439,390</b>	<b>1,662,529</b>
<b>Total Liabilities and Equity</b>	<b>4,810,727</b>	<b>5,116,340</b>

## **(2) Condensed Consolidated Statement of Profit or Loss [IFRS]**

(Millions of Yen)

	FY2020 (From Apr. 1, 2020 to Mar. 31, 2021)	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)
Revenue	3,699,946	3,860,283
Cost of sales	3,116,464	3,204,371
<b>Gross Profit</b>	<b>583,482</b>	<b>655,911</b>
Selling, general and administrative expenses	531,383	556,727
Share of profit of investments accounted for using the equity method	15,158	16,861
Other income *	167,698	68,972
Other expenses	180,873	24,777
<b>Profit from business activities</b>	<b>54,081</b>	<b>160,240</b>
Finance income	11,677	31,907
Finance cost	16,404	18,463
<b>Profit before income taxes</b>	<b>49,355</b>	<b>173,684</b>
Income taxes	6,153	48,029
<b>Profit</b>	<b>43,202</b>	<b>125,654</b>
Profit attributable to:		
<b>Owners of parent</b>	<b>40,639</b>	<b>113,541</b>
Non-controlling interests	2,562	12,113

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	120.92	338.24
Diluted earnings per share	120.83	338.05

\*Other income includes dividend income. The amount of dividends of FY 2020 is 10,664 Million Yen, and the amount of FY2021 is 17,286 Million Yen.

**(3) Condensed Consolidated Statement of Comprehensive Income [IFRS]**

(Millions of Yen)

	FY2020 (From Apr. 1, 2020 to Mar. 31, 2021)	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)
<b>Profit</b>	<b>43,202</b>	<b>125,654</b>
<b>Other comprehensive income (loss)</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net gains and losses from financial assets measured at FVTOCI	37,943	18,700
Remeasurement of defined benefit plans	56,097	50,140
Share of other comprehensive income (loss) of entities accounted for by the equity method	(163)	232
<b>Total</b>	<b>93,878</b>	<b>69,074</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	(271)	12
Hedging cost	874	(178)
Exchange differences on translating foreign operations	37,962	67,088
Share of other comprehensive income (loss) of entities accounted for by the equity method	5,970	6,889
<b>Total</b>	<b>44,535</b>	<b>73,812</b>
<b>Total other comprehensive income (loss)</b>	<b>138,413</b>	<b>142,886</b>
<b>Comprehensive income</b>	<b>181,616</b>	<b>268,540</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of parent	173,635	248,891
Non-controlling interests	7,980	19,649

\*FVTOCI means "Fair Value Through Other Comprehensive Income".

#### **(4) Condensed Consolidated Statement of changes in equity [IFRS]**

(Millions of Yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
<b>Balance as of Apr. 1 ,2020</b>	<b>265,608</b>	<b>49,667</b>	<b>(5,374)</b>	<b>886,307</b>	<b>22,133</b>	<b>1,218,343</b>	<b>71,732</b>	<b>1,290,076</b>
Profit				40,639		40,639	2,562	43,202
Other comprehensive income (loss)					132,995	132,995	5,418	138,413
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,639</b>	<b>132,995</b>	<b>173,635</b>	<b>7,980</b>	<b>181,616</b>
<b>Transfer to retained earnings</b>				<b>49,668</b>	<b>(49,668)</b>	<b>-</b>		<b>-</b>
Purchase of treasury shares			(5)			(5)		(5)
Disposal of treasury shares		83	364			447		447
Dividends				(25,188)		(25,188)	(5,073)	(30,261)
Transactions with non-controlling interests		(1,611)			(67)	(1,678)	(1,380)	(3,058)
Other		(874)	563	1,100		789	(212)	576
<b>Total transactions with owners</b>	<b>-</b>	<b>(2,402)</b>	<b>921</b>	<b>(24,087)</b>	<b>(67)</b>	<b>(25,636)</b>	<b>(6,665)</b>	<b>(32,302)</b>
<b>Balance as of Mar. 31 ,2021</b>	<b>265,608</b>	<b>47,265</b>	<b>(4,452)</b>	<b>952,528</b>	<b>105,393</b>	<b>1,366,342</b>	<b>73,047</b>	<b>1,439,390</b>
Profit				113,541		113,541	12,113	125,654
Other comprehensive income (loss)					135,349	135,349	7,536	142,886
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,541</b>	<b>135,349</b>	<b>248,891</b>	<b>19,649</b>	<b>268,540</b>
<b>Transfer to retained earnings</b>				<b>67,792</b>	<b>(67,792)</b>	<b>-</b>		<b>-</b>
Purchase of treasury shares			(2,550)			(2,550)		(2,550)
Disposal of treasury shares		25	142			167		167
Dividends				(40,313)		(40,313)	(7,880)	(48,194)
Transactions with non-controlling interests		(1,682)			(221)	(1,904)	69	(1,834)
Other		(545)	914	5,610		5,978	1,032	7,011
<b>Total transactions with owners</b>	<b>-</b>	<b>(2,203)</b>	<b>(1,494)</b>	<b>(34,703)</b>	<b>(221)</b>	<b>(38,622)</b>	<b>(6,778)</b>	<b>(45,401)</b>
<b>Balance as of Mar. 31 ,2022</b>	<b>265,608</b>	<b>45,061</b>	<b>(5,946)</b>	<b>1,099,158</b>	<b>172,728</b>	<b>1,576,611</b>	<b>85,918</b>	<b>1,662,529</b>

## **(5) Condensed Consolidated Statement of Cash Flows [IFRS]**

(Millions of Yen)

	FY2020 (From Apr. 1, 2020 to Mar. 31, 2021)	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	49,355	173,684
Depreciation, amortization and impairment loss	238,258	135,787
Finance income and costs (profit)	(5,369)	1,645
Share of loss (profit) of investments accounted for using equity method	(15,158)	(16,861)
Loss (gain) on sale of shares of subsidiaries and associates	(83,041)	-
Loss (gain) on sale of property, plant and equipment	(45,570)	(37,532)
Loss on disposal of property, plant and equipment, and intangible assets	6,912	5,328
Decrease (increase) in trade receivables	(27,739)	(51,031)
Decrease (increase) in contract assets	4,308	(58,722)
Decrease (increase) in inventories and advanced payments	57,222	(89,963)
Increase (decrease) in trade payables	(68,731)	73,101
Increase (decrease) in contract liabilities	(124,703)	132,985
Increase (decrease) in provisions	(11,011)	(1,120)
Increase (decrease) in retirement benefit liabilities	3,496	21,969
Others	5,094	(20,527)
Subtotal	(16,677)	268,744
Interest received	5,407	5,537
Dividends received	14,968	23,627
Interest paid	(9,543)	(10,559)
Income taxes refund (paid)	(89,102)	(1,786)
<b>Net cash provided by operating activities</b>	<b>(94,948)</b>	<b>285,563</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(9,244)	(14,033)
Proceeds from withdrawal of time deposits	13,161	9,677
Purchases of property, plant and equipment and intangible assets	(146,212)	(129,256)
Proceeds from sales of property, plant and equipment and intangible assets	43,956	51,744
Purchases of investments		
(including investments accounted for using equity method)	(15,796)	(11,193)
Proceeds from sales and redemption of investments		
(including investments accounted for using equity method)	12,521	99,214
Payments for sale of subsidiaries (including subsidiaries)	(1,696)	(1,258)
Proceeds from sales of businesses (including subsidiaries)	987	11,756
Payments for acquisition of businesses (including subsidiaries)	(71,082)	-
Proceeds from acquisition of businesses (including subsidiaries)	-	4,799
Net decrease (increase) in short-term loans	708	1,660
Disbursement of long-term loans	(8,482)	(60)
Collection of long-term loans	222	204
Payments for derivative transactions	(3,658)	(20,754)
Proceeds from derivative transactions	4,625	15,490
Others	(2,260)	(1,683)
<b>Net cash used in investing activities</b>	<b>(182,249)</b>	<b>16,306</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	96,778	(182,326)
Proceeds from long-term borrowings	212,500	22,330
Repayment of long-term borrowings	(58,146)	(31,338)
Proceeds from issuance of bonds	65,000	55,000
Payment for redemption of bonds	(10,000)	(45,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(22,549)	(2,000)
Purchase of treasury shares	(5)	(2,550)
Dividends paid to owners of the parent	(25,667)	(40,224)
Dividends paid to non-controlling interests	(5,144)	(5,501)
Proceeds from factoring agreements	139,315	140,608
Repayment of liabilities under factoring agreements	(145,045)	(133,226)
Repayment of lease liabilities	(22,667)	(28,154)
Others	(2,627)	(3,389)
<b>Net cash provided by (used in) financing activities</b>	<b>221,737</b>	<b>(255,774)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>19,255</b>	<b>22,740</b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(36,205)</b>	<b>68,836</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>281,626</b>	<b>245,421</b>
<b>Cash and cash equivalents at the end of period</b>	<b>245,421</b>	<b>314,257</b>

## Outline of FY2021 Financial Results (Non-Consolidated)

(billions of yen)

	FY2021	FY2020	Changes (%)
Orders Received	<b>1,358.5</b>	849.4	59.9
Net Sales	<b>1,233.4</b>	916.7	34.5
Operating Income	<b>2.1</b>	24.5	(91.3)
Ordinary Income	<b>84.0</b>	144.3	(41.8)
Income Before Income Taxes	<b>178.6</b>	97.5	83.1
Net Income	<b>112.7</b>	104.9	7.4
Net Income Per Share	<b>335.85 yen</b>	312.23 yen	7.6
Dividend Per Share	<b>100.00 yen</b>	75.00 yen	

Figures in parentheses are negative.