

2023-05-10

Outline of FY2022 Financial Results (Consolidated)

(billions of yen)

	FY2022	FY2021	Changes (%)
Orders Received	4,501.3	4,067.7	10.7
Revenue	4,202.7	3,860.2	8.9
Profit from business activities	193.3	160.2	20.6
Profit Before Income Taxes	191.1	173.6	10.0
Profit (loss) Attributable to Owners of Parent	130.4	113.5	14.9
Operating Cash Flow	80.8	285.5	/
Investment Cash Flow	(45.5)	16.3	/
Financing Cash Flow	(18.9)	(255.7)	/
Profit (loss) Attributable to Owners of Parent Per Share	388.43 yen	338.24 yen	14.8

Figures in parentheses are negative.

Consolidated financial results (continued)

Revenue by Operational Segment

(billions of yen)

	FY2022	FY2021
Energy Systems	1,738.6	1,651.0
Plants & Infrastructure	675.6	651.8
Logistics, Thermal & Drive Systems	1,203.7	986.5
Aircraft, Defense & Space	619.4	605.2
Corporate and Eliminations	(34.7)	(34.5)
TOTAL	4,202.7	3,860.2

Profit (Loss) From Business Activities by Operational Segment

(billions of yen)

	FY2022	FY2021
Energy Systems	85.1	86.2
Plants & Infrastructure	32.7	23.6
Logistics, Thermal & Drive Systems	38.9	30.6
Aircraft, Defense & Space	39.9	24.0
Corporate and Eliminations	(3.5)	(4.3)
TOTAL	193.3	160.2

Figures in parentheses are negative.

Estimate of Consolidated Financial Results for FY 2023

For the fiscal year 2023 ending March 31, 2024, MHI is expecting 4,300 billion yen in revenue, 300 billion yen in Profit from business activities, 290 billion yen in profit before income tax, and 190 billion yen in profit attributable to owners of parent. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥130 and €1.00 = ¥140 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, 2022	As of Mar. 31, 2023
<u>Assets</u>		
Current assets		
Cash and cash equivalents	314,257	347,663
Trade and other receivables	744,466	804,613
Other financial assets	70,952	35,382
Contract assets	654,972	731,820
Inventories	798,601	876,878
Other current assets	219,875	245,943
Total current assets	2,803,126	3,042,302
Non-current assets		
Property, plant and equipment	790,204	839,813
Goodwill	128,690	131,181
Intangible assets	70,400	70,161
Right-of-use assets	98,255	86,295
Investments accounted for using the equity method	212,828	227,045
Investments in securities and other financial assets	487,430	521,135
Deferred tax assets	352,261	358,758
Other non-current assets	173,144	198,117
Total Non-current assets	2,313,214	2,432,509
Total assets	5,116,340	5,474,812
<u>Liabilities and Equity</u>		
Current liabilities		
Bonds, borrowings and other financial liabilities	304,651	349,075
Trade and other payables	863,281	895,286
Income taxes payable	28,784	19,661
Contract liabilities	886,551	936,765
Provisions	203,585	229,582
Other current liabilities	193,865	193,791
Total Current liabilities	2,480,720	2,624,163
Non-current liabilities		
Bonds, borrowings and other financial liabilities	773,622	843,359
Deferred tax liabilities	6,217	10,465
Retirement benefit liability	76,824	76,146
Provisions	62,218	60,817
Other non-current liabilities	54,207	25,874
Total non-current liabilities	973,090	1,016,663
Total liabilities	3,453,810	3,640,827
<u>Equity</u>		
Share capital	265,608	265,608
Capital surplus	45,061	41,256
Treasury shares	(5,946)	(5,385)
Retained earnings	1,099,158	1,218,180
Other components of equity	172,728	221,314
Equity attributable to owners of parent	1,576,611	1,740,974
Non-controlling interests	85,918	93,010
Total Equity	1,662,529	1,833,984
Total Liabilities and Equity	5,116,340	5,474,812

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

(Millions of Yen)

	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)
Revenue	3,860,283	4,202,797
Cost of sales	3,204,371	3,437,779
Gross Profit	655,911	765,017
Selling, general and administrative expenses	556,727	623,638
Share of profit of investments accounted for using the equity method	16,861	13,502
Other income *	68,972	103,710
Other expenses	24,777	65,267
Profit from business activities	160,240	193,324
Finance income	31,907	28,984
Finance cost	18,463	31,181
Profit before income taxes	173,684	191,126
Income taxes	48,029	44,818
Profit	125,654	146,308
Profit attributable to:		
Owners of parent	113,541	130,451
Non-controlling interests	12,113	15,857

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	338.24	388.43
Diluted earnings per share	338.05	388.26

*Other income includes dividend income. The amount of dividends of FY 2021 is 17,286 Million Yen, and the amount of FY2022 is 20,627 Million Yen.

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

(Millions of Yen)

	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)
Profit	125,654	146,308
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Net gains and losses from financial assets measured at FVTOCI	18,700	3,436
Remeasurement of defined benefit plans	50,140	18,208
Share of other comprehensive income (loss) of entities accounted for by the equity method	232	815
Total	69,074	22,459
Items that may be reclassified to profit or loss		
Cash flow hedges	12	2,094
Hedging cost	(178)	185
Exchange differences on translating foreign operations	67,088	41,345
Share of other comprehensive income (loss) of entities accounted for by the equity method	6,889	7,061
Total	73,812	50,688
Total other comprehensive income (loss)	142,886	73,148
Comprehensive income	268,540	219,456
Comprehensive income (loss) attributable to		
Owners of parent	248,891	201,231
Non-controlling interests	19,649	18,225

*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			
Balance as of Apr. 1 ,2021	265,608	47,265	(4,452)	952,528	105,393	1,366,342	73,047	1,439,390
Profit				113,541		113,541	12,113	125,654
Other comprehensive income (loss)					135,349	135,349	7,536	142,886
Comprehensive income (loss)	-	-	-	113,541	135,349	248,891	19,649	268,540
Transfer to retained earnings				67,792	(67,792)	-		-
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
Total transactions with owners	-	(2,203)	(1,494)	(34,703)	(221)	(38,622)	(6,778)	(45,401)
Balance as of Mar. 31 ,2022	265,608	45,061	(5,946)	1,099,158	172,728	1,576,611	85,918	1,662,529
Profit				130,451		130,451	15,857	146,308
Other comprehensive income (loss)					70,780	70,780	2,367	73,148
Comprehensive income (loss)	-	-	-	130,451	70,780	201,231	18,225	219,456
Transfer to retained earnings				26,883	(26,883)	-		-
Purchase of treasury shares			(16)			(16)		(16)
Disposal of treasury shares		29	97			127		127
Dividends				(38,616)		(38,616)	(6,304)	(44,920)
Transactions with non-controlling interests		(958)			4,689	3,731	(3,735)	(4)
Other		(2,877)	480	303		(2,093)	(1,093)	(3,187)
Total transactions with owners	-	(3,805)	560	(38,312)	4,689	(36,868)	(11,133)	(48,001)
Balance as of Mar. 31 ,2023	265,608	41,256	(5,385)	1,218,180	221,314	1,740,974	93,010	1,833,984

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

(Millions of Yen)

	FY2021 (From Apr. 1, 2021 to Mar. 31, 2022)	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	173,684	191,126
Depreciation, amortization and impairment loss	135,787	148,549
Finance income and costs (profit)	1,645	(2,147)
Share of loss (profit) of investments accounted for using equity method	(16,861)	(13,502)
Loss (gain) on sale of property, plant and equipment	(37,532)	(29,018)
Loss on disposal of property, plant and equipment, and intangible assets	5,328	7,154
Decrease (increase) in trade receivables	(51,031)	(32,978)
Decrease (increase) in contract assets	(58,722)	(64,500)
Decrease (increase) in inventories and advanced payments	(89,963)	(65,690)
Increase (decrease) in trade payables	73,101	(55,676)
Increase (decrease) in contract liabilities	132,985	32,436
Increase (decrease) in provisions	(1,120)	27,285
Increase (decrease) in retirement benefit liabilities	21,969	(3,102)
Others	(20,527)	(4,691)
Subtotal	268,744	135,244
Interest received	5,537	7,755
Dividends received	23,627	26,898
Interest paid	(10,559)	(13,114)
Income taxes refund (paid)	(1,786)	(75,894)
Net cash provided by operating activities	285,563	80,888
Cash flows from investing activities		
Payments into time deposits	(16,742)	(26,067)
Proceeds from withdrawal of time deposits	12,385	28,809
Purchases of property, plant and equipment and intangible assets	(129,256)	(131,905)
Proceeds from sales of property, plant and equipment and intangible assets	51,744	38,062
Purchases of investments (including investments accounted for using equity method)	(11,193)	(7,788)
Proceeds from sales and redemption of investments (including investments accounted for using equity method)	99,214	59,111
Payments for sale of subsidiaries (including subsidiaries)	(1,258)	(944)
Proceeds from sales of businesses (including subsidiaries)	11,756	-
Payments for acquisition of businesses (including subsidiaries)	-	(4,420)
Proceeds from acquisition of businesses (including subsidiaries)	4,799	1,863
Net decrease (increase) in short-term loans	1,660	(1,932)
Disbursement of long-term loans	(60)	(48)
Collection of long-term loans	204	711
Payments for derivative transactions	(20,754)	(38,918)
Proceeds from derivative transactions	15,490	42,268
Others	(1,683)	(4,375)
Net cash used in investing activities	16,306	(45,575)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(182,326)	(4,532)
Proceeds from long-term borrowings	22,330	50,966
Repayment of long-term borrowings	(31,338)	(97,656)
Proceeds from issuance of bonds	55,000	20,000
Payment for redemption of bonds	(45,000)	(10,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,000)	(24,473)
Purchase of treasury shares	(2,550)	(16)
Dividends paid to owners of the parent	(40,224)	(38,531)
Dividends paid to non-controlling interests	(5,501)	(6,769)
Proceeds from factoring agreements	140,608	200,235
Repayment of liabilities under factoring agreements	(133,226)	(80,738)
Repayment of lease liabilities	(28,154)	(26,850)
Others	(3,389)	(534)
Net cash provided by (used in) financing activities	(255,774)	(18,902)
Effect of exchange rate changes on cash and cash equivalents	22,740	16,995
Net increase (decrease) in cash and cash equivalents	68,836	33,406
Cash and cash equivalents at the beginning of the year	245,421	314,257
Cash and cash equivalents at the end of period	314,257	347,663

2023-05-10

Outline of FY2022 Financial Results (Non-Consolidated)

(billions of yen)

	FY2022	FY2021	Changes (%)
Orders Received	1,557.9	1,358.5	14.7
Net Sales	1,549.4	1,233.4	25.6
Operating Income	11.3	2.1	431.2
Ordinary Income	90.3	84.0	7.6
Income Before Income Taxes	101.7	178.6	(43.0)
Net Income	98.5	112.7	(12.6)
Net Income Per Share	293.48 yen	335.85 yen	(12.6)
Dividend Per Share	130.00 yen	100.00 yen	

Figures in parentheses are negative.