

Consolidated Financial Results for Fiscal Year Ended March 31, 2022



May 13, 2022



Mitsui E&S Holdings Co., Ltd.

■ Consolidated Financial Results

for FYE Mar. 2022

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FYE Mar. 2022 Results

◆ New Orders	511.1 Billion yen	(YoY ↓)
◆ Net Sales	579.4 Billion yen	(YoY ↓)
◆ Ordinary Income (Loss)	(25.7) Billion yen	(YoY ↓)

FYE Mar. 2023 Forecast

◆ New Orders	270 Billion yen	(↓ compared to FYE Mar. 2022)
◆ Net Sales	250 Billion yen	(↓ compared to FYE Mar. 2022)
◆ Ordinary Income (Loss)	3 Billion yen	(↑ compared to FYE Mar. 2022)

Topic

- ◆ Formulate the Mid-Term Business Plan 2023

JPY: Billion

	FYE Mar. 2021	FYE Mar. 2022	Var.
New Orders	576.7	511.1	(65.6)
Net Sales	644.7	579.4	(65.3)
Operating Income (Loss)	(12.2)	(10.0)	+2.2
OP ratio	(1.9%)	(1.7%)	
Ordinary Income (Loss)	(8.2)	(25.7)	(17.5)
OD ratio	(1.3%)	(4.4%)	
Profit attributable to owners	0.1	(21.8)	(22.0)

<Average FX>

USD/JPY	104.49Yen	113.22Yen
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■ New Orders

Business of Container cranes was steady. However decreased compared YoY due to Reorganization of Shipbuilding Business and the event that MODEC has been removed from consolidated subsidiary from 4Q of FYE Mar. 2022.

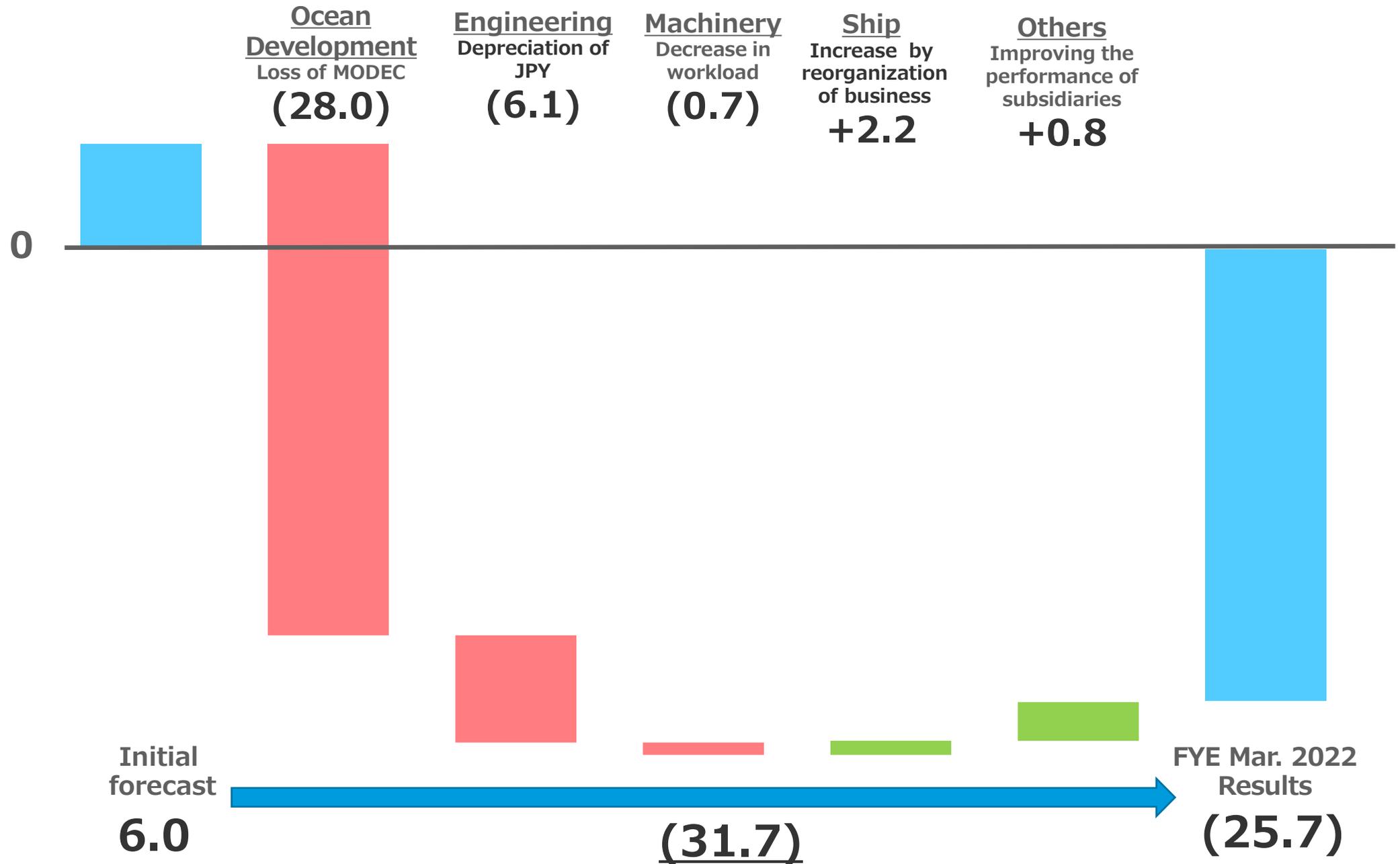
■ Net Sales

Machinery segment were same level as the previous year. Due to progress of Business Revival Plan, Ship segment and Engineering segment decreased YoY.

■ Ordinary Income (Loss)

Due to large loss of MODEC and affection by depreciation of Japanese yen to Engineering segment, Ordinary Income(Loss) decreased YoY.

Ordinary Income (Loss) Comparison of Initial Forecast and FYE Mar. 2022 Results



Summary of Balance Sheet

(JPY : Billion)

	FYE Mar. 2021	FYE Mar. 2022	Var.	
Total Assets	759.0	409.2	(349.9)	
(Cash and deposits)	137.6	51.8	(85.9)	
(Trade receivables)	234.0	78.6	(155.4)	Decrease mainly due to the removal of MODEC from concatenation.
(Fixed Assets)	158.5	134.4	(24.2)	
Total Liabilities	670.5	346.2	(324.3)	
(Trade payables)	215.2	48.7	(166.5)	Decrease mainly due to the removal of MODEC from concatenation.
(Advances from customers)	94.3	31.2	(63.1)	
(Provision for losses on construction contracts)	77.0	59.6	(17.4)	
(Debt with interest)	164.5	142.4	(22.2)	
Total Net Assets	88.5	62.9	(25.5)	
(Own capital)	64.2	57.1	(7.1)	
Capital-to-asset ratio	8.5%	14.0%		
Net D/E Ratio	0.4	1.6		

Summary of Cash Flow

(JPY : Billion)

	FYE Mar. 2021	FYE Mar. 2022	増減	
Operating CF	7.5	(20.3)	(27.7)	Decrease mainly due to increase in trade receivables.
Investing CF	21.1	(70.9)	(92.0)	Decrease mainly due to deduction of cash and deposit balance (approx. 60 billion yen) of MODEC.
Free CF	28.6	(91.2)	+119.8	
Financial CF	(6.8)	0.8	+7.6	

Results Summary by Segment

(JPY: Billion)

	New Orders			Net Sales		
	FYE Mar. 2021	FYE Mar. 2022	Var.	FYE Mar. 2021	FYE Mar. 2022	Var.
Ship	37.8	19.5	(18.3)	60.1	28.1	(32.0)
Ocean Development	320.8	270.7	(50.1)	290.8	323.3	+32.5
Machinery	125.3	148.8	+23.4	159.0	153.7	(5.3)
Engineering	22.5	1.7	(20.8)	38.2	7.6	(30.6)
Others	70.3	70.4	+0.2	96.6	66.6	(30.0)
Total	576.7	511.1	(65.6)	644.7	579.4	(65.3)

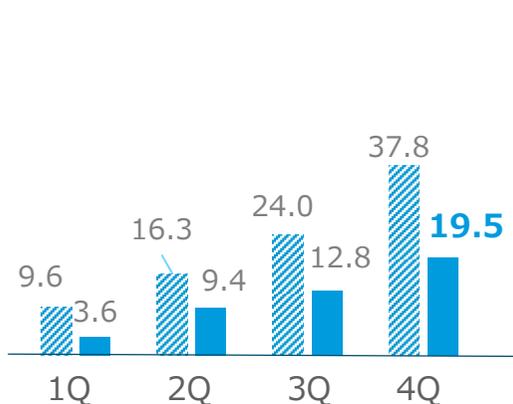
Results Summary by Segment

(JPY: Billion)

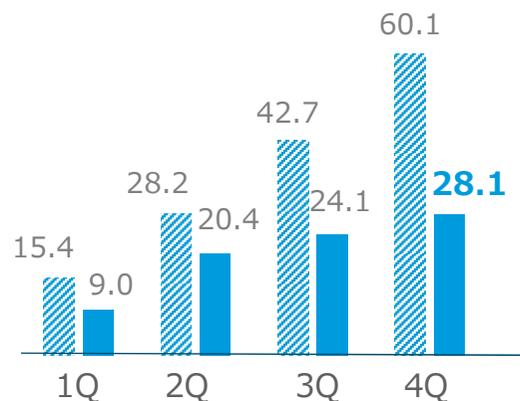
	Operating Income (Loss)			Ordinary Income (Loss)		
	FYE Mar. 2021	FYE Mar. 2022	Var.	FYE Mar. 2021	FYE Mar. 2022	Var.
Ship	(1.9)	(0.4)	+1.5	(0.5)	0.2	+0.7
Ocean Development	(21.8)	(8.1)	+13.7	(15.0)	(22.0)	(7.0)
Machinery	9.8	8.2	(1.7)	10.2	8.3	(1.9)
Engineering	0.5	(10.8)	(11.3)	0.2	(10.1)	(10.3)
Others	1.2	1.1	0.0	(3.1)	(2.2)	+0.9
Total	(12.2)	(10.0)	+2.2	(8.2)	(25.7)	(17.5)

▨ FYE Mar. 2021 ■ FYE Mar. 2022

New Orders



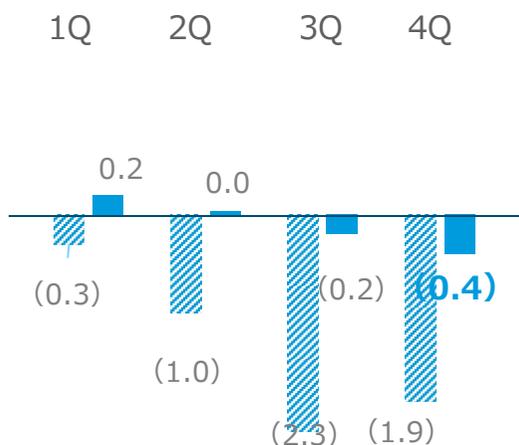
Net Sales



■ New Orders : YoY (18.3)

New Orders decreased YoY. Mitsui E&S Shipbuilding Co., Ltd. stopped to accept new shipbuilding orders and shifted to fables engineering as a new business.

Operating Income(Loss)



Ordinary Income(Loss)



■ Net Sales : YoY (32.0)

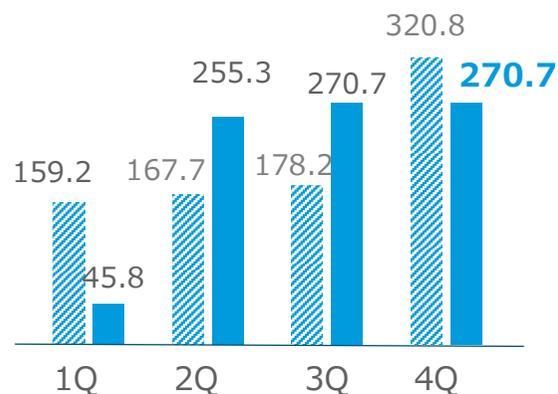
Net Sales decreased YoY. Due to a decrease in ship construction volume caused by reorganization of the shipbuilding business.

■ Ordinary Income (Loss) : YoY +0.7

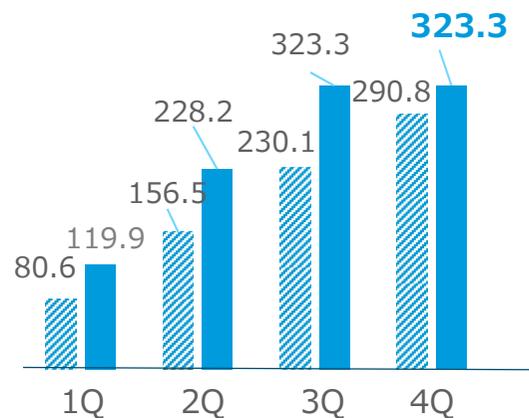
Ordinary Income increased YoY due to focus on fables business that capitalizes on strength in design and development capabilities.

▨ FYE Mar. 2021 ■ FYE Mar. 2022

New Orders



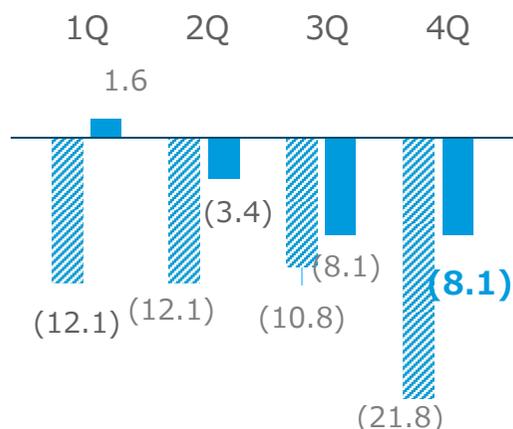
Net Sales



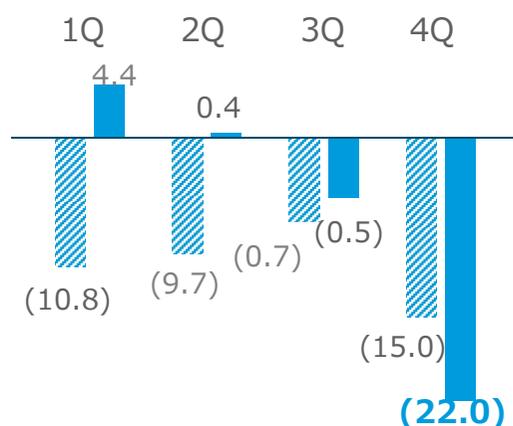
■ New Orders : YoY (50.1)

Due to the partial sale of MODEC shares, MODEC was removed from consolidated subsidiary. As a result, New Orders decreased YOY.

Operating Income(Loss)



Ordinary Income(Loss)



■ Net Sales : YoY +32.5

Net sales increased YoY due to construction progress of several FPSO units, although MODEC was removed from consolidated subsidiary.

■ Ordinary Income (Loss) : YoY (7.0)

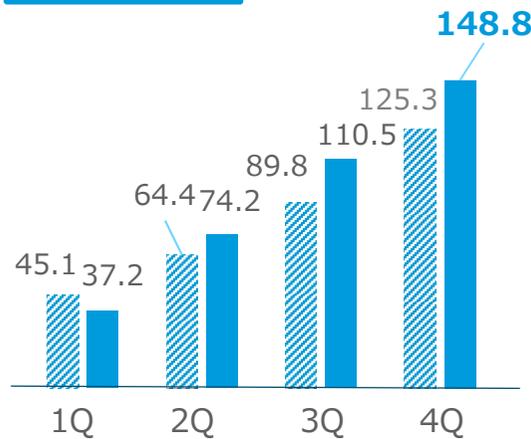
Ordinary Income(Loss) decreased YoY caused by allowance by countermeasure costs due to prevent the delay of FPSO construction work and provisions by conservatively estimating future costs related to FPSO operating services in Brazil etc.

Machinery

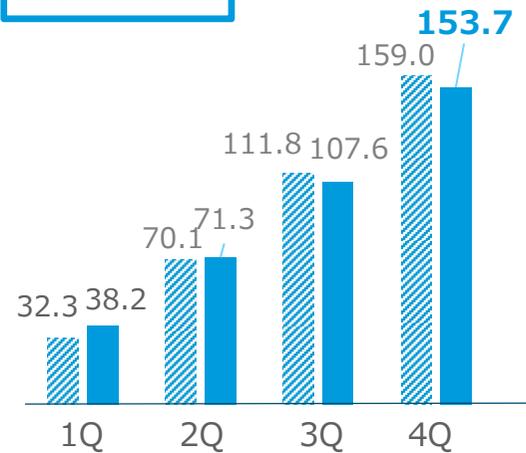
Main products : Marine diesel engine, Container Crane,
Industrial Machinery,
These after-sales service

▨ FYE Mar. 2021 ■ FYE Mar. 2022

New Orders



Net Sales



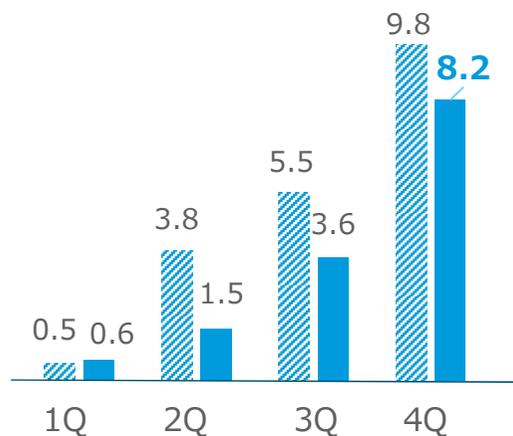
■ New Orders : YoY +23.4

New Orders increased YoY due to recovery of container cranes market in North America and Asia.

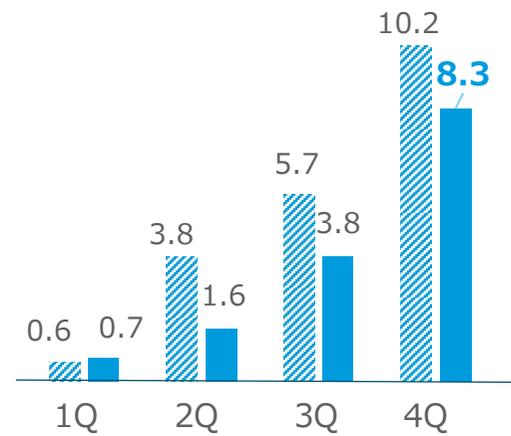
■ Net Sales : YoY (5.3)

Net sales decreased YOY, mainly due to low workload of marine diesel engines.

Operating Income(Loss)



Ordinary Income(Loss)

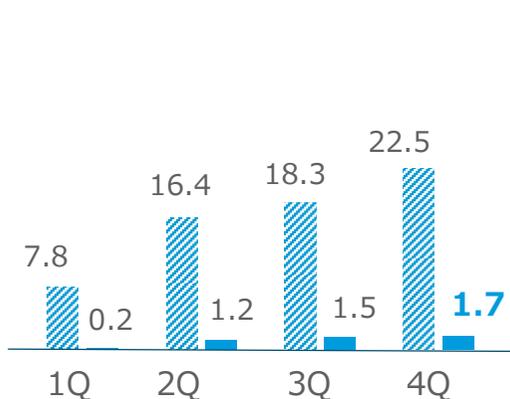


■ Ordinary Income (Loss) : YoY (1.9)

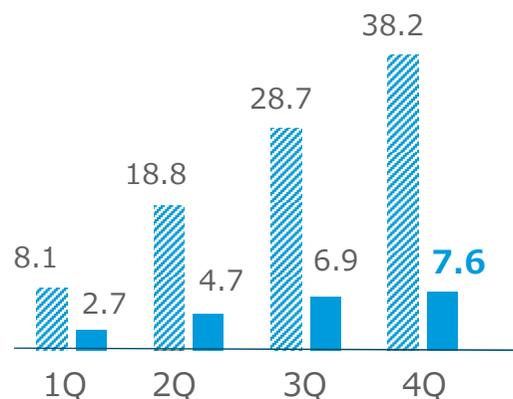
Although after-sales service business were steady, Ordinary Income(Loss) of Machinery segment decreased YoY due to low workload of manufacturing marine diesel engines.

▨ FYE Mar. 2021 ■ FYE Mar. 2022

New Orders



Net Sales



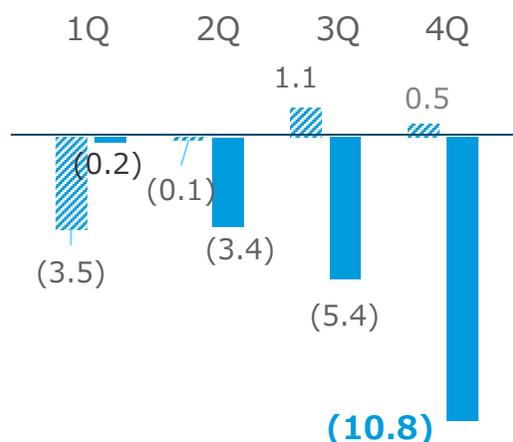
■ New Orders : YoY (20.8)

New Orders decreased YoY due to selling Environments-related business. Mitsui E&S Engineering Co., Ltd. stopped to accept new orders without additional orders of ongoing project.

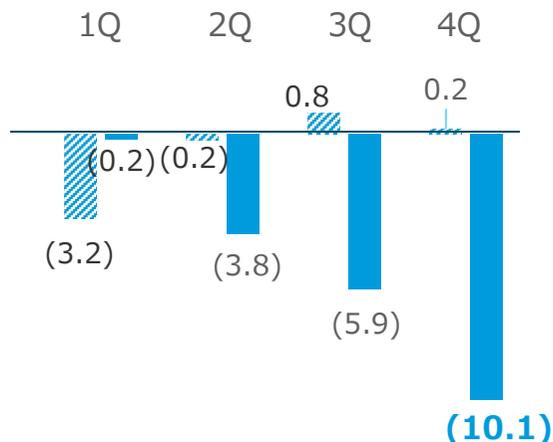
■ Net Sales : YoY (30.6)

Net Sales decreased YoY due to selling Environments-related business and temporary slow down in construction progress caused by COVID-19.

Operating Income(Loss)



Ordinary Income(Loss)



■ Ordinary Income (Loss) : YoY (10.3)

Ordinary Income(Loss) decreased YoY due to an increase in cost of sales caused by the rapid depreciation of Japanese yen.

Status of large coal-fired power plant civil engineering construction projects

Project	Location	Progress toward Completion	
		FYE Mar.2019 (at the start of Business Revival Plan)	FYE Mar.2022
1	Indonesia	approx. 67%	approx.90%
	Trend in reserve balance	51.4 Billion Yen	58.4 Billion Yen
2	Indonesia	approx.71%	approx.100%
3	Vietnam	approx.98%	completion

<Status of each project>

1. Profit and loss is within the scope of the provision for additional loss recorded in 2Q of FYE Mar.2020 (Excluding the effects of foreign exchange rate fluctuations).
2. Some remaining works only are being implemented.
3. Completed and handed over in July 2020.

Two out of three coal-fired power plant civil engineering construction projects have been almost completed and the risk is reduced.

Summary of FYE Mar. 2023 Forecast

(JPY : Billion)

	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast	Var.
New Orders	511.1	270.0	(241.1)
Net Sales	579.4	250.0	(329.4)
Operating Income	(10.0)	5.0	+15.0
Ordinary Income	(25.7)	3.0	+28.7
Profit attributable to owners	(21.8)	2.0	+23.8
Free CF	(91.2)	(50.0)	+41.2
Debt (with interest)	142.4	175.0	+32.6

※ Exchange rate assumption: USD/JPY:125

※ Impact for JPY1 appreciation against USD1 on operating income :
Positive impact of approx. JPY 0.2 billion

Summary of FYE Mar. 2022 Forecast by Segment

(JPY : Billion)

	New Orders			Net Sales		
	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast	Var.	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast	Var.
Ship	19.5	10.0	(9.5)	28.1	10.0	(18.1)
Ocean Development	270.7	—	(270.7)	323.3	—	(323.3)
Machinery	148.8	200.0	+51.2	153.7	170.0	+16.3
Engineering	1.7	0.0	(1.7)	7.6	20.0	+12.4
Others	70.4	60.0	(10.4)	66.6	50.0	(16.6)
Total	511.1	270.0	(241.1)	579.4	250.0	(329.4)

Summary of FYE Mar. 2022 Forecast by Segment

(JPY : Billion)

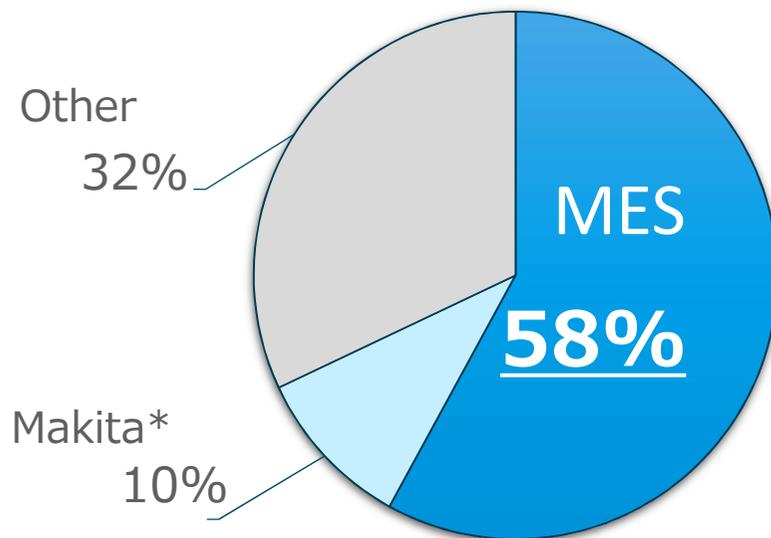
	Operating Income (Loss)			Ordinary Income (Loss)		
	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast	Var.	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast	Var.
Ship	(0.4)	(1.0)	(0.6)	0.2	(1.0)	(1.2)
Ocean Development	(8.1)	—	+8.1	(22.0)	1.0	+23.0
Machinery	8.2	8.0	(0.2)	8.3	8.0	(0.3)
Engineering	(10.8)	(3.0)	+7.8	(10.1)	(4.0)	+6.1
Others	1.1	1.0	(0.1)	(2.2)	(1.0)	+1.2
Total	(10.0)	5.0	+15.0	(25.7)	3.0	+28.7

Appendix) CAPEX・DEP・R&D・Employees

(JPY : Billion)

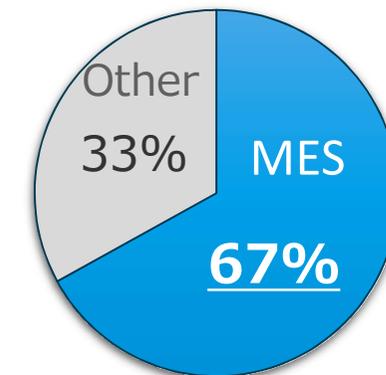
	FYE Mar. 2021 Actual	FYE Mar. 2022 Actual	FYE Mar. 2023 Forecast
CAPEX	12.7	9.0	10.3
Depreciation	12.7	10.6	—
R&D	3.4	2.1	3.0
Number of Employees	12,703	6,665	—

Jan. to Dec. 2021
Marine Diesel Engines share in Japan

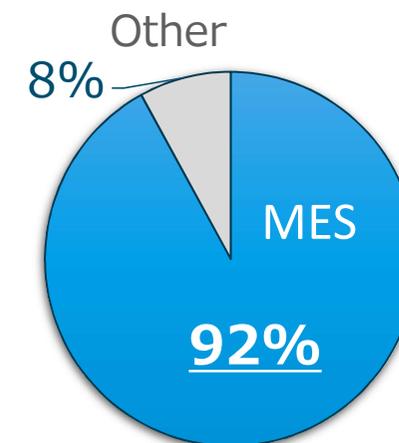


*Makita : Sub-licensee of MES
Source: KP data (2 stroke engine)

From April, 2021 to March, 2022
Domestic Order share of Gantry Crane(PORTAINER®) in Japan



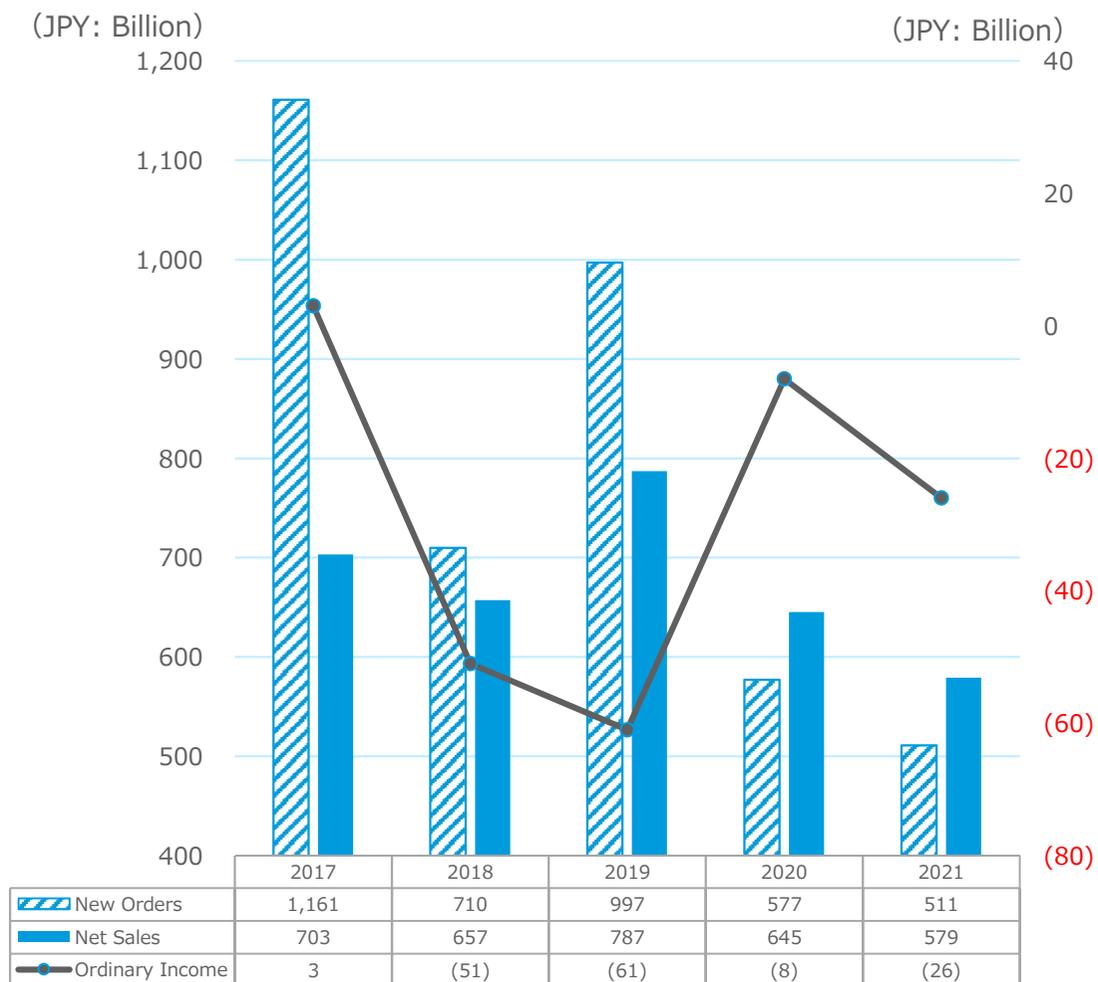
From April, 2021 to March, 2022
Domestic Order share of Transfer Crane(TRANSTAINER®) in Japan



Marine Diesel Engines (Mitsui E&S Machinery Co., Ltd.)

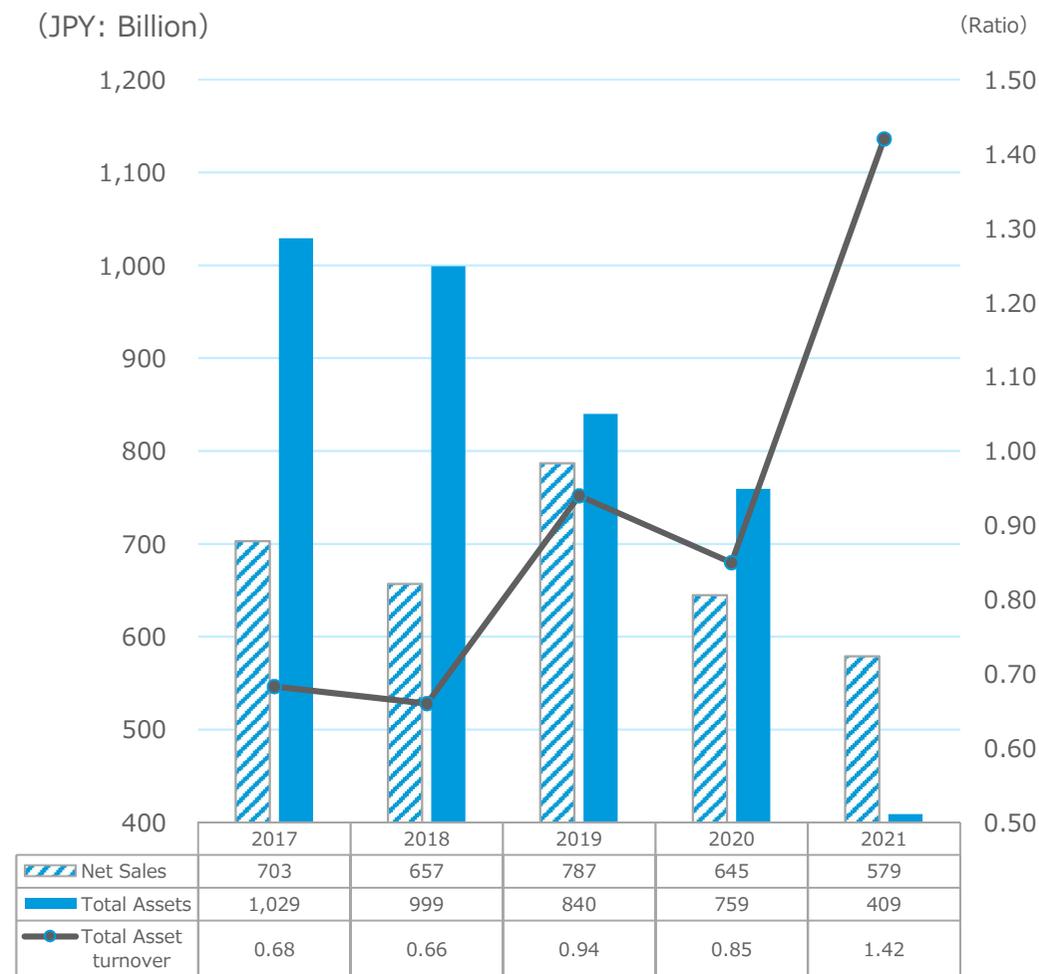
	FYE Mar. 2021 Actual		FYE Mar. 2022 Actual		FYE Mar. 2023 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	119	208	73	196	—	—
Deliveries	148	331	120	274	—	—
Back logs	68	121	21	43	—	—
Production	152	357	122	267	135	300

<New Orders·Net Sales·Ordinary Income >



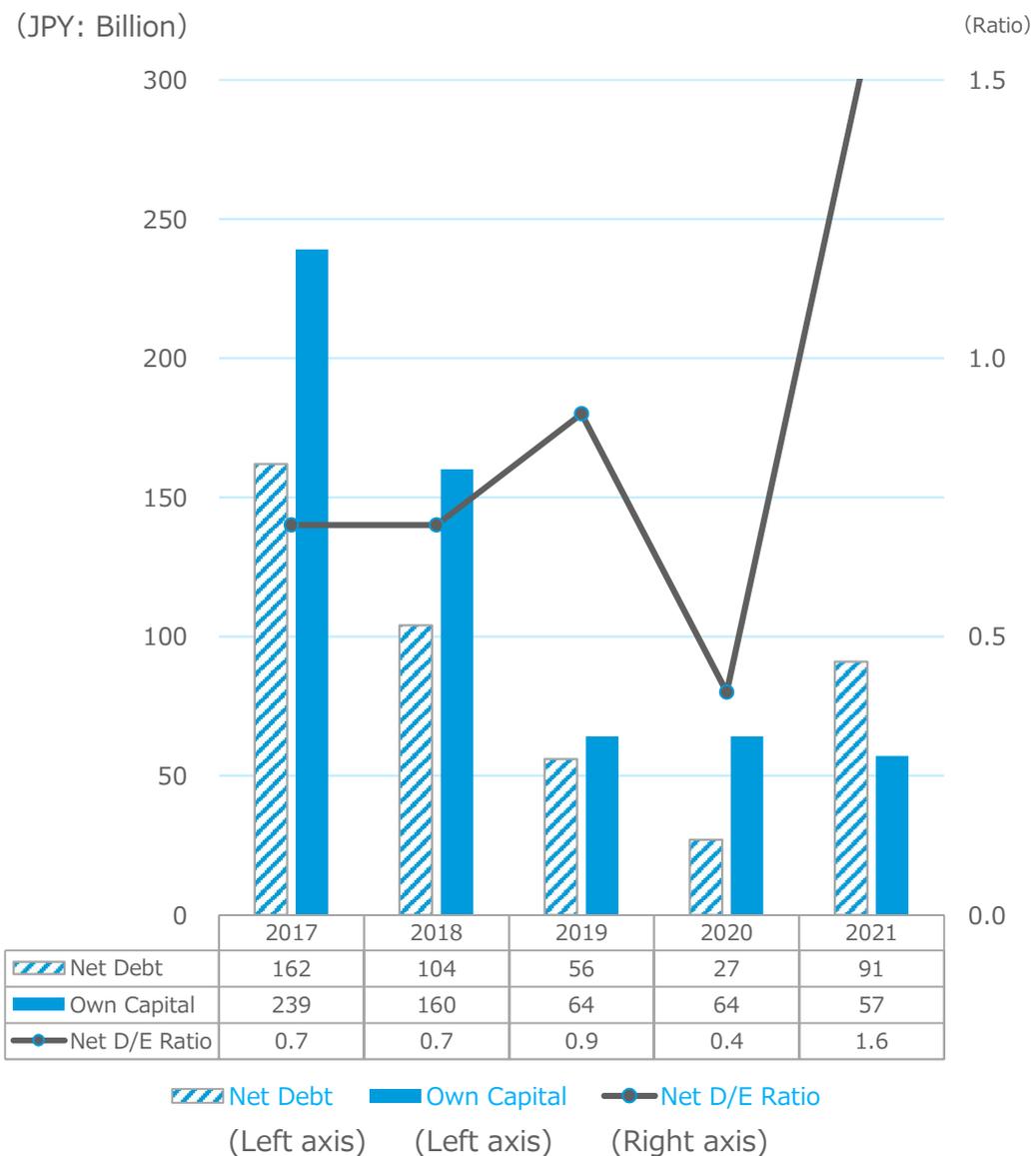
(Left axis) (Left axis) (Right axis)
 New Orders Net Sales Ordinary Income

<Net Sales·Total Assets·Total Asset turnover >

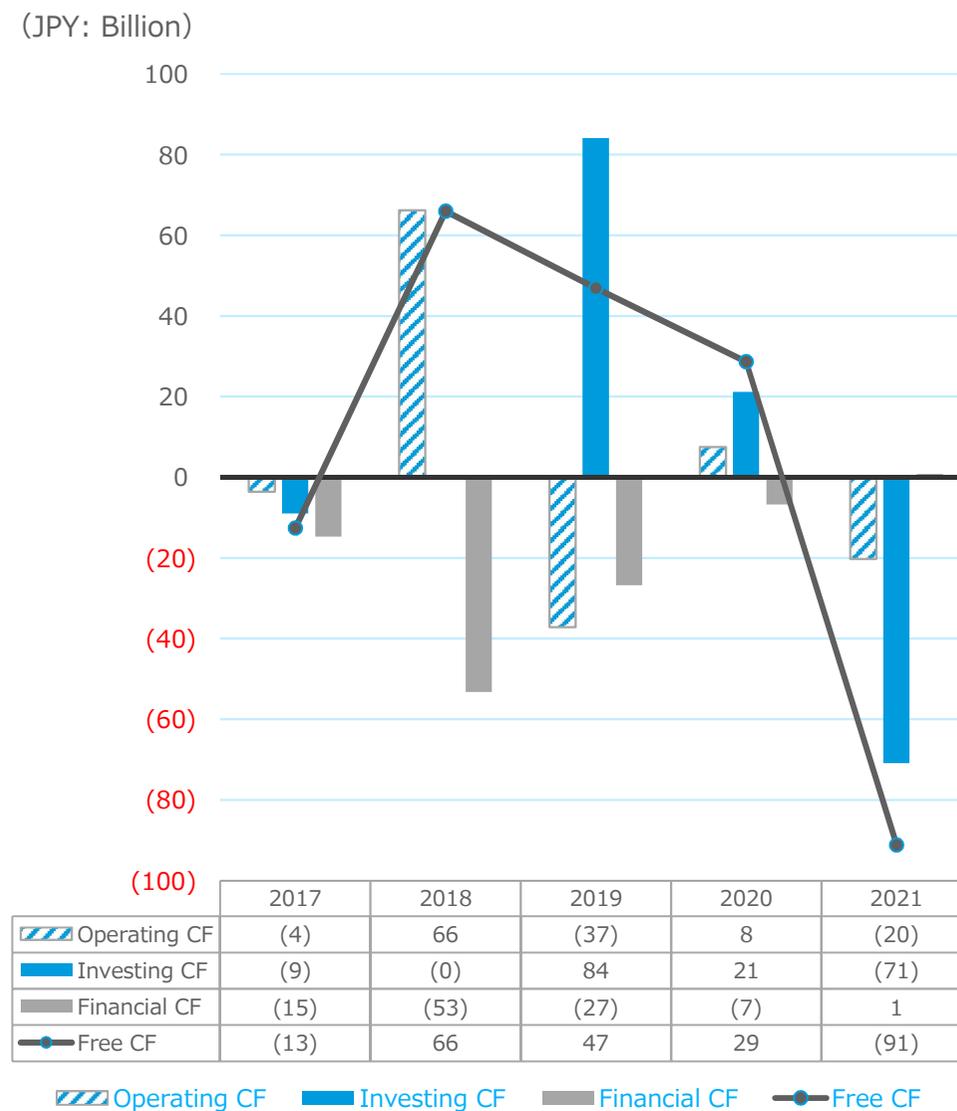


Net Sales Total Assets Total Asset turnover
 (Left axis) (Left axis) (Right axis)

<Net Debt·Own Capital·Net D/E ratio>



<Cash Flow>





MITSUBI E&S

In this document, performance forecasts, targets, plans, strategies, etc. of the Company in regard to the future contain forward-looking statements. These are forecasts that the Company reasonably determined based on information available at the present time and include both known and unknown risks and uncertainties. Accordingly, actual results or developments of our company in the future could differ significantly.

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