

Consolidated Financial Results for Half-year of Fiscal Year Ended March 31, 2021



November 6, 2020



Mitsui E&S Holdings Co., Ltd.

■ Consolidated Financial Results for Half-year of FYE Mar. 2021	Page
➤ Highlights	3
➤ Summary of Results	4
➤ Summary of Balance Sheet	5
➤ Summary of Cash Flow	6
➤ Results Summary by Segment	7-12
➤ Large Coal-fired Power Plant Civil Engineering Construction Projects Overseas	13-14
■ FYE Mar. 2021 Forecast	
➤ Summary of FYE Mar. 2021 Forecast	15
➤ Summary of FYE Mar. 2021 Forecast by Segment	16-17
■ Appendix	
➤ CAPEX, Depreciation, R&D & Employees	18
➤ New Ships & Marine Diesel Engine	19

Half-year of FYE Mar. 2021 Results

- ◆ New Orders 312,8 Billion Yen (QoQ ↓)
- ◆ Net Sales 324.2 Billion Yen (QoQ ↓)
- ◆ Ordinary Income (Loss) (7.9) Billion Yen (QoQ ↑)

FYE Mar. 2021 Forecast

- ◆ New Orders 550~750 Billion yen (→ compared to Previous Release)
- ◆ Net Sales 630 Billion yen (→ compared to Previous Release)
- ◆ Ordinary Income (Loss) (7.0) Billion yen (→ compared to Previous Release)

Topic

- ◆ Coal-fired power plant civil engineering construction projects in Indonesia
 - ✓ Construction has been back on track and is currently underway.

(JPY: Billion)

	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.
New Order	495.0	312.8	(182.2)
Net Sales	356.9	324.2	(32.6)
Operating Income (Loss)	(67.7)	(9.2)	+58.5
OP ratio	(19.0%)	(2.8%)	-
Ordinary Income (Loss)	(64.9)	(7.9)	+57.0
OD ratio	(18.2%)	(2.4%)	-
Profit attributable to owners	(66.5)	(4.1)	+62.4

<Average FX>

USD/JPY	107.78 Yen	107.40 Yen
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■ New Orders

The impact of the COVID-19 resulted in QoQ decrease in total new orders.

■ Net Sales

Net Sales were declined QoQ due to a change in the delivery date of marine diesel engines and the sale of shares in Showa Aircraft Industries, etc.

■ Ordinary Income (Loss)

MODEC, Inc. provisioned additional costs for COVID-19 in the FPSO construction project, but costs for the coal-fired power plant civil engineering projects in Indonesia stayed within the scope of the provision for losses on construction contracts booked up to the previous year, resulting in a significant improvement QoQ.

Summary of Balance Sheet

(JPY: Billion)

	FYE Mar. 2020	FYE Mar. 2021 2Q	Var.	
Total Assets	840.4	806.9	(33.5)	
(Cash)	118.4	118.9	+0.5	
(Receivables)	282.4	263.1	(19.3)	Collection mainly due to progress in construction.
(Fixed Assets)	187.8	167.4	(20.4)	Mainly due to the sale of the Chiba Works
Total Liabilities	735.0	722.8	(12.3)	
(Advances by Customers)	84.0	103.9	+19.9	
(Provision for losses on construction contracts)	98.5	88.1	(10.4)	
(Debt (with interest))	173.9	169.5	(4.4)	
Net Assets	105.4	84.1	(21.3)	Decrease in non-controlling interests
(Own capital)	64.4	52.7	(11.7)	
Capital-to-asset ratio	7.7%	6.5%		
DE Ratio	2.7	3.2		

Summary of Cash Flow

(JPY: Billion)

	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.	
Operating CF	(19.8)	4.9	+24.7	Mainly due to an increase in MODEC's Advances by Customers
Investing CF	37.0	7.3	(29.7)	Decrease due to a large collection of construction loans to SPCs at MODEC Inc. in the QoQ
Free CF	17.2	12.2	(5.0)	
Financial CF	(3.2)	(5.8)	(2.6)	

Results Summary by Segment

(JPY: Billion)

	New Order			Net Sales		
	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.
Ship	27.0	26.2	(0.8)	52.7	43.1	(9.5)
Ocean Development	334.5	167.7	(166.9)	148.6	156.5	+7.9
Machinery	74.9	64.4	(10.5)	81.2	70.1	(11.1)
Engineering	24.0	16.5	(7.4)	25.1	18.9	(6.2)
Other	34.6	38.0	+3.4	49.3	35.6	(13.7)
Total	495.0	312.8	(182.2)	356.9	324.2	(32.6)

Results Summary by Segment

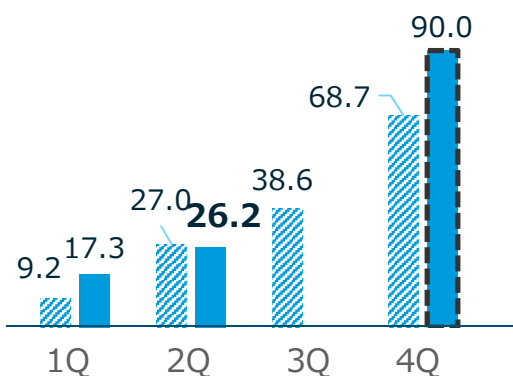
(JPY: Billion)

	Operating Income (Loss)			Ordinary Income (Loss)		
	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.	FYE Mar. 2020 2Q	FYE Mar. 2021 2Q	Var.
Ship	(1.8)	(1.1)	+0.7	(1.9)	0.4	+2.3
Ocean Development	(2.3)	(12.1)	(9.8)	1.4	(9.7)	(11.1)
Machinery	4.3	3.8	(0.6)	4.5	3.8	(0.7)
Engineering	(71.0)	(0.1)	+70.9	(71.3)	(0.2)	+71.1
Other	3.2	0.4	(2.8)	2.4	(2.1)	(4.6)
Total	(67.7)	(9.2)	+58.5	(64.9)	(7.9)	+57.0

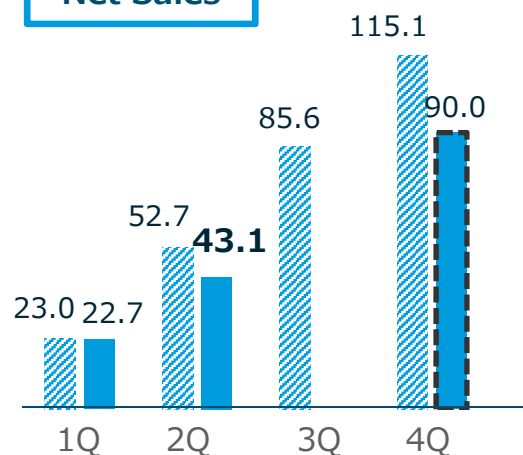
(JPY : Billion)

■ FYE Mar. 2020 ■ FYE Mar. 2021

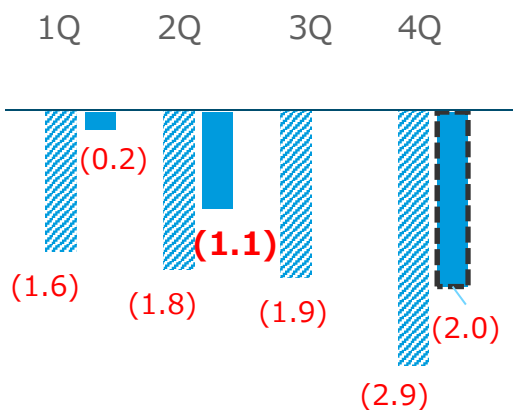
New Order



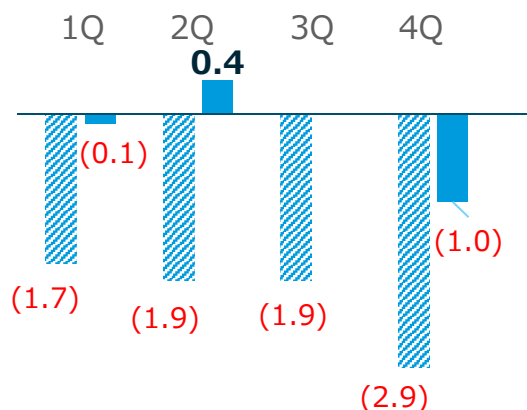
Net Sales



Operating Income(Loss)



Ordinary Income(Loss)



■ New Orders : QoQ (0.8)

The Mitsui E&S group as a whole receives orders for bulk carriers and fishing vessels, but the only one new ship was ordered in the government ship segment of Mitsui E&S Shipbuilding Co., Ltd.

Mitsui E&S Shipbuilding Co., Ltd. is engaged in activities to receive orders for commercial ships for cooperative construction.

■ Net Sales : QoQ (9.5)

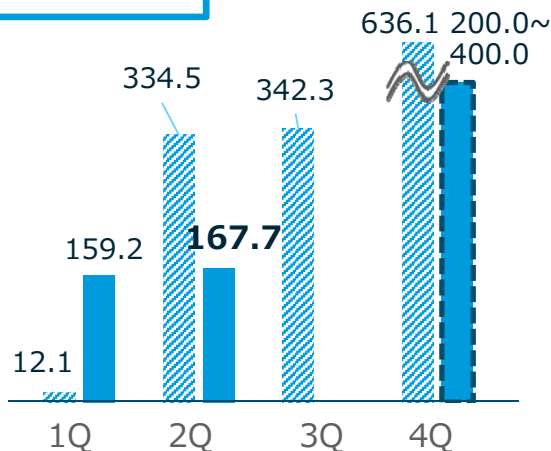
The decline in sales was due to a decline in construction work following the company's withdrawal from the shipbuilding business at its Chiba Works.

■ Ordinary Income (Loss) : QoQ +2.3

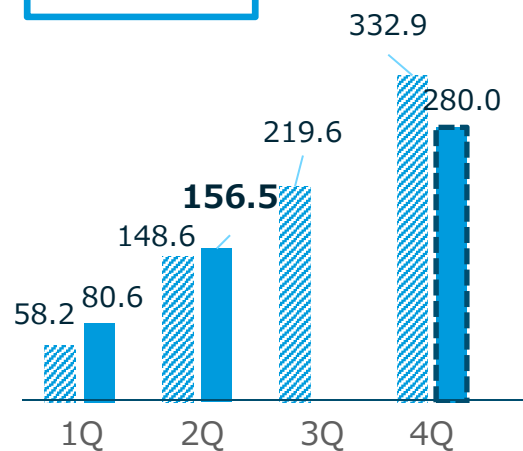
QoQ improvement was seen despite appreciation of the yen because the joint venture(YAMIC) with Yangzijiang Shipbuilding (Holdings)Co., Ltd. and Mitsui Co., Ltd. became an equity-method affiliate.

■ FYE Mar. 2020 ■ FYE Mar. 2021

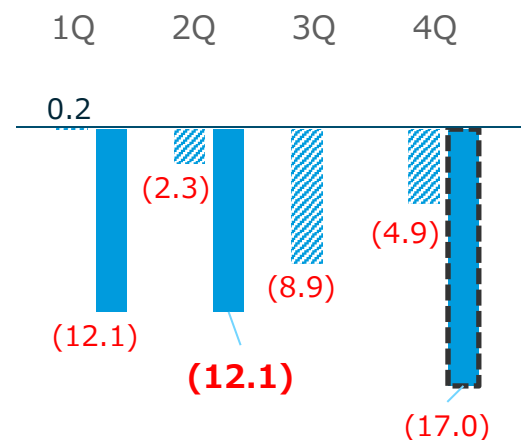
New Order



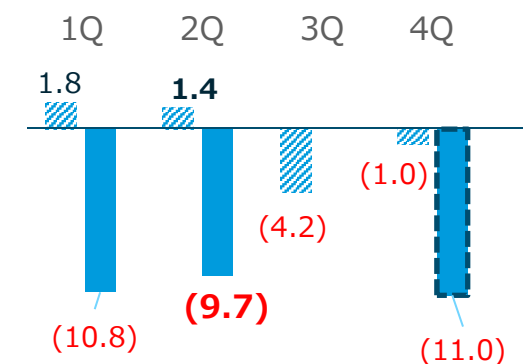
Net Sales



Operating Income(Loss)



Ordinary Income(Loss)



■ New Orders : QoQ (166.9)

(JPY : Billion)

Awarded for two FPSO projects were lower than in QoQ FYE Mar. 2020 due to large FPSO projects in the previous year.

■ Net Sales : QoQ +7.9

Net sales increased QoQ along with progress on construction, mainly of 6 FPSO

■ Ordinary Income (Loss) : QoQ (11.1)

MODEC, Inc. provisioned additional costs for COVID-19 in the FPSO construction project. This resulted in a QoQ decline in ordinary income.

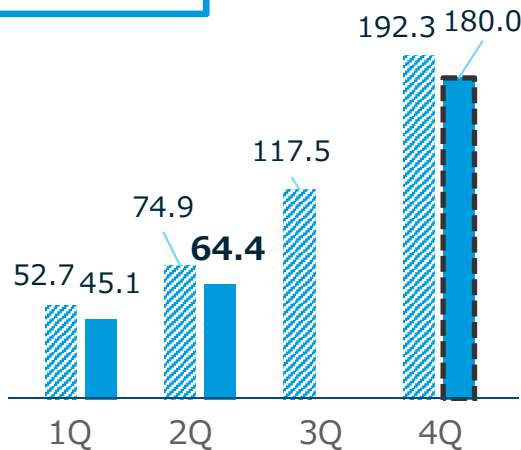
Machinery

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

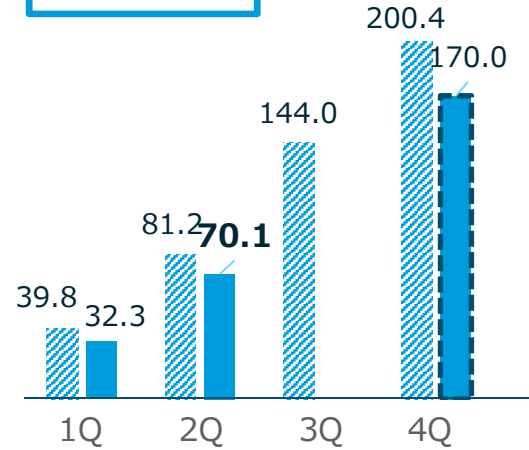
■ FYE Mar. 2020 ■ FYE Mar. 2021

(JPY : Billion)

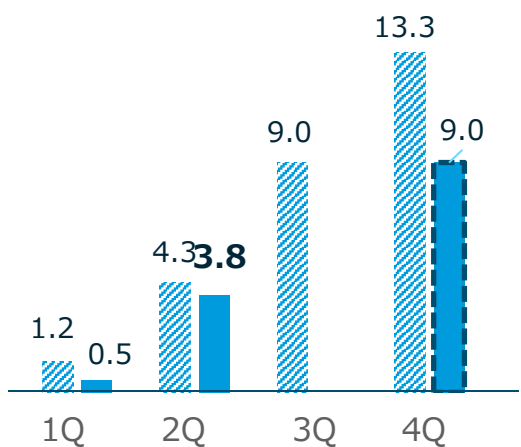
New Order



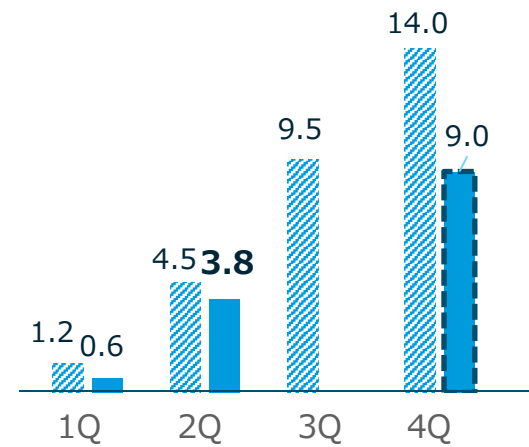
Net Sales



Operating Income(Loss)



Ordinary Income(Loss)



■ New Orders : QoQ (10.5)

Due to the impact of COVID-19, there were a few postponements of projects by customers, resulting in a decrease compared to QoQ.

■ New Sales : QoQ (11.1)

After-sales service performed well, but due to delays in delivery dates due to customers' circumstances for marine diesel engines, Net sales declined compared to the same period last year.

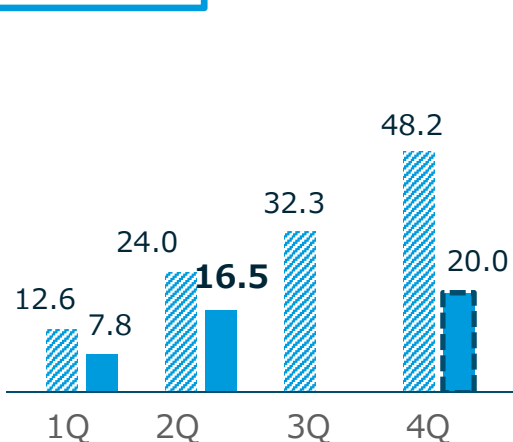
■ Ordinary Income (Loss) : QoQ (0.7)

Ordinary income decreased QoQ despite tough conditions in marine diesel engines due to a delay in the rebound of the ocean shipping market. However, After-sales service continues to perform well.

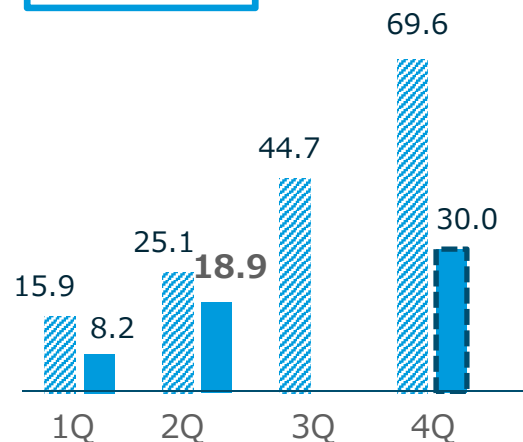
(JPY : Billion)

■ FYE Mar. 2020 ■ FYE Mar. 2021

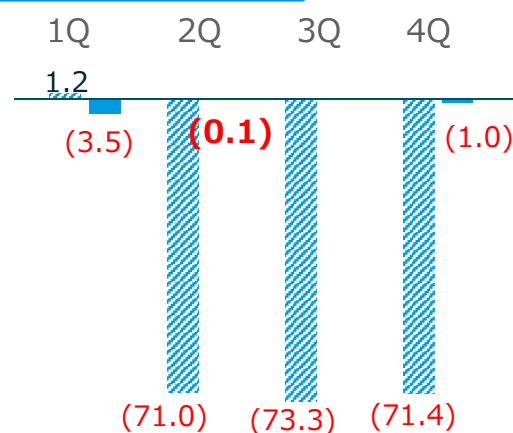
New Order



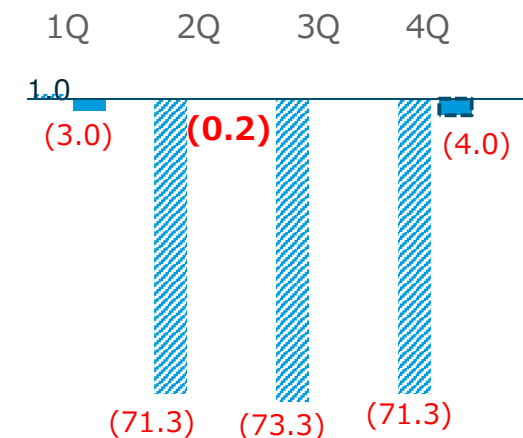
Net Sales



Operating Income(Loss)



Ordinary Income(Loss)



■ New Orders : QoQ (7.4)

In the environment business, results were higher than in QoQ, but total New Orders were low due to the sale of Mitsui E&S Plant Engineering Co., Ltd. shares at the end of FYE Mar. 2020.

■ Net Sales : QoQ (6.2)

Net sales decreased due to the sale of Mitsui E&S Plant Engineering Co., Ltd. shares at the end of the previous fiscal year, in keeping with progress on construction in progress on coal-fired power plant civil engineering construction projects in Indonesia

■ Ordinary Income (Loss) : QoQ +71.1

Costs for the coal-fired power plant civil engineering projects in Indonesia stayed within the scope of the provision for losses on construction contracts booked up to the previous year, resulting in a significant improvement QoQ.

- Status of large coal-fired power plant civil engineering construction projects (Half of FYE Mar. 2021)

Project	Location	Progress toward Completion (%)		Contracted Delivery Date
		4Q FYE Mar. 2020	2Q FYE Mar. 2021	
A	Vietnam	Approx. 99%	100%	FYE Mar. 2021
B	Indonesia	Approx. 79%	Approx. 79%	FYE Mar. 2021
C	Indonesia	Approx. 96%	Approx. 98%	FYE Mar. 2022

- A Remaining work at other companies is ongoing, but work under our control has been completed.
- B Construction has been back on track and is currently underway.
(Trend in reserve balance: 79.8 billion yen in 1Q FYE Mar. 2021
⇒74.6.billion yen in 2Q FYE Mar. 2021)
- C Progress is within the expected range, despite the impact of the COVID-19.

◆ Status of Project B

- With safety measures for COVID-19 now in sight, the decision was made to resume work under our control in September.
- Currently under construction.
- No major problems have arisen in securing the necessary materials and equipment or local workers.

Assessing the detailed impact of the COVID-19

- ➡ Based on the current situation, the amount of impact is expected to be within the scope of the provision for losses on construction contracts booked up to the previous year.

Summary of FYE Mar. 2021 Forecast

(JPY : Billion)

	FYE Mar. 2020 Actual	FYE Mar. 2021 2Q Actual	FYE Mar. 2021 Forecast
New Order	996.8	312.8	550.0~ 750.0
Net Sales	786.5	324.2	630.0
Operating Income (Loss)	(62.1)	(9.2)	(10.0)
Ordinary Income (Loss)	(60.5)	(7.9)	(7.0)
Profit attributable to owners	(86.2)	(4.1)	0
Free Cash Flow	46.9	12.2	(40.0)
Debt (with interest)	173.9	169.5	190.0

- * No change from Previous Forecast
- * Exchange rate assumption: ¥110/USD
- * Impact that a ¥1 appreciation against the USD has on operating income: Positive impact of approximately ¥100 million.

Summary of FYE Mar. 2021 Forecast by Segment

(JPY : Billion)

	New Order			Net Sales		
	Previous Forecast (May 12,2020)	New Forecast (Nov. 6, 2020)	Var.	Previous Forecast (May 12,2020)	New Forecast (Nov. 6, 2020)	Var.
Ship	90.0	90.0	0	90.0	90.0	0
Ocean Development	200.0~ 400.0	200.0~ 400.0	0	280.0	280.0	0
Machinery	180.0	180.0	0	170.0	170.0	0
Engineering	20.0	20.0	0	30.0	30.0	0
Other	60.0	60.0	0	60.0	60.0	0
Total	550.0~ 750.0	550.0~ 750.0	0	630.0	630.0	0

*No change from Previous Forecast

Summary of FYE Mar. 2021 Forecast by Segment

(JPY : Billion)

	Operating Income (Loss)			Ordinary Income (Loss)		
	Previous Forecast (May 12,2020)	New Forecast (Nov. 6, 2020)	Var.	Previous Forecast (May 12,2020)	New Forecast (Nov. 6, 2020)	Var.
Ship	(1.0)	(2.0)	(1.0)	0	(1.0)	(1.0)
Ocean Development	(20.0)	(17.0)	+3.0	(13.0)	(11.0)	+2.0
Machinery	10.0	9.0	(1.0)	10.0	9.0	(1.0)
Engineering	(1.0)	(1.0)	0	(4.0)	(4.0)	0
Other	2.0	1.0	(1.0)	0	0	0
Total	(10.0)	(10.0)	0	(7.0)	(7.0)	0

Appendix) CAPEX・DEP・R&D・Employees

(JPY : Billion)

	FYE Mar. 2020 2Q Actual	FYE Mar. 2020 Actual	FYE Mar. 2021 2Q Actual	FYE Mar. 2021 Forecast
CAPEX	6.8	15.6	5.3	18.6
Depreciation	7.9	15.4	6.3	—
R&D	1.8	3.5	1.1	3.8
Employees	14,050 People	13,408 People	13,644 People	—

New Ship (Mitsui E&S Shipbuilding Co., Ltd.)

(As of Sep.30, 2020)

	New Orders	Deliveries	Backlogs
Commercial Ship	0	6	5
Government Ship· Other Ship	1	1	7
Total	1	7	12

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

	FYE Mar. 2020 2Q Actual		FYE Mar. 2021 2Q Actual		FYE Mar. 2021 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	90	169	68	124	—	—
Deliveries	113	221	76	167	—	—
Back logs	111	210	89	202	—	—
Production	104	196	77	183	165	375



MITSUMI E&S

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To continue working as a company trusted by society and individual through products and services we offer

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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