

> Financial and Non-Financial Highlights

INPUT	OUTPUT		
As of March 31, 2018			
<p>Total assets</p> <p>¥ 5,248.7 billion</p> <p>Total equity</p> <p>¥ 1,693.8 billion</p> <p>Interest-bearing debt</p> <p>¥ 813.1 billion</p> <p>Number of employees</p> <p>80,652 people</p> <p>Number of patents held</p> <p>24,487</p>	<p>(Year-on-year change)</p> <p>Research and development expenses</p> <p>¥ 152.1 billion 14.0% DOWN ↓</p> <p>Capital investment</p> <p>¥ 147.3 billion 7.0% DOWN ↓</p> <p>Energy input*</p> <p>4,522 TJ 12.7% DOWN ↓</p> <p>Number of overseas employees</p> <p>28,875 people 3.3% UP ↑</p>		<p>Orders received</p> <p>¥ 3,853.4 billion 0.4% DOWN ↓</p> <p>Revenue</p> <p>¥ 4,078.3 billion 0.2% DOWN ↓</p> <p>Profit from business activities</p> <p>¥ 186.7 billion 221.0% UP ↑</p>
<p>MHI Group has adopted the International Financial Reporting Standards (IFRS) from fiscal 2018. Actual financial numbers for FY2017 are also shown here in accordance with IFRS.</p>			

FOCUS

Efforts toward the Task Force on Climate-related Financial Disclosures

Offering solutions to address the issue of climate change is MHI Group's contribution and responsibility to society. Efforts to do so are part of the Group's business strategy and determined after Groupwide discussion. Reducing environmental burden is an issue that spans across the entire Group. However, we conducted the analysis below centered on the energy-related products business, which has the biggest impact on the environment.

1 Climate scenario for the Under 2°C Increase Goal

Global growth in electricity demand
 United States and Europe: Shift to no carbon → Progression of electrification
 Southeast Asia: Increase in electricity demand due to economic growth

- Global growth in the ratio of renewable energy
- Discontinuation of thermal power (coal) in the United States and Europe, but continued use of thermal power as a primary energy source in Southeast Asia
- Steady demand for thermal (gas) and nuclear power

2 Climate-related risks and opportunities

Downward trend in the market for new coal-fired thermal power facilities
Meanwhile, continued need for the introduction of coal-fired thermal power with low environmental burden from the perspective of national energy security

- Operation of existing power facilities to ensure stable supply. Remodeling needs to promote the shift to low carbon (Response to SOx, NOx, dust regulations)

Solid medium- to long-term demand in market for new gas power facilities following growth in the LNG market

Growth in offshore wind turbine market

Expansion from the United States and Europe into greater North America and Asia (approx. 4–6 GW per year)

3 Business strategies and risk management

Optimization of resources with a view to the market after 2021 (reorganization, personnel shifts, etc.)

Provision of solutions for low-carbon needs

- Expansion of AQCS adoption
- Introduction of state-of-the-art technologies (IGCC, highly efficient USC, CCS/CCUS)
- Provision of AI/IoT technology solutions

Maintaining and expanding market share by further strengthening orders received, centered on large-scale gas turbines

Co-existence with renewable energy and shift to a carbon-free society in the future (hydrogen-powered gas turbines, etc.)

Response to expanding markets by bolstering mass production structure

- Introduction of 174-9.5 MW turbine with world's largest output

4 Financial impact

Reflection and disclosure of financial impact within business forecast, etc.

Proposals of high-quality energy infrastructure using not just numerical figures but also the Key Index Approach (QoEn Index).

OUTCOME

EBITDA

¥ **311.6** billion 34.5% UP

EBITDA margin

7.6 % 1.9 POINTS UP

Greenhouse gas (CO₂) emissions*²

242 kilotons 10.4% DOWN

Profit attributable to owners of the parent

¥ **101.3** billion ¥108.6 billion UP

Free cash flows

¥ **243.0** billion 45.1% UP

ROE

7.2 % 7.7 POINTS UP

Dividend payments (for FY2018)

¥ **43.7** billion 8.4% UP

Reduction in CO₂ from using MHI's products*³ (Compared with fiscal 1990 levels)

65,331 kilotons

As of March 31, 2019

Total assets (Compared with fiscal 2017)

¥ **5,142.7** billion 2.0% DOWN

Total equity

¥ **1,748.8** billion 3.2% UP

Interest-bearing debt

¥ **665.1** billion 18.2% DOWN

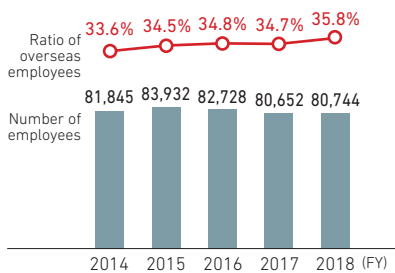
Number of employees

80,744 people 0.1% UP

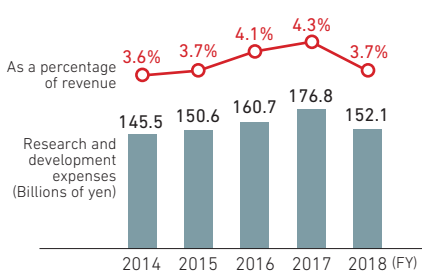
Number of patents held

26,613 8.7% UP

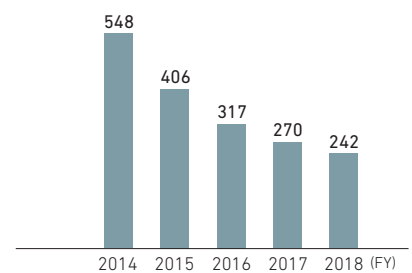
Number of Employees/ Ratio of Overseas Employees



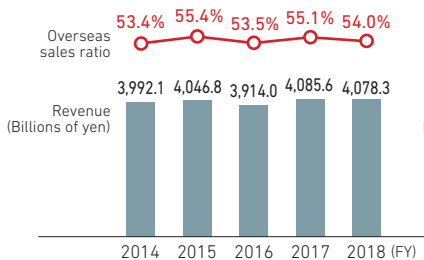
Research and Development Expenses/ As a Percentage of Revenue*⁴



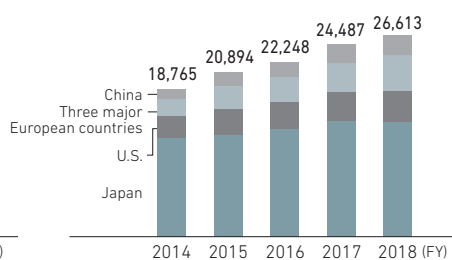
Greenhouse Gas (CO₂) Emissions*² (Kilotons)



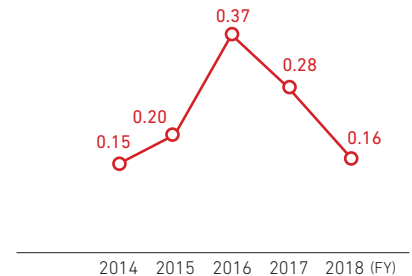
Revenue/Overseas Sales Ratio*⁴



Number of Patents Held*⁵



Industrial Accident Frequency Rate*⁶



*1 Data is for MHI on a non-consolidated basis (production plants and offices).

*2 Data is for MHI on a non-consolidated basis. However, figures for fiscal 2013 include the Nagasaki, Takasago, and Yokohama plants of Mitsubishi Hitachi Power Systems, Ltd.

*3 Base lines were determined (base year/comparison target) in accordance with the characteristics of each product. Using these base lines, the amount of CO₂ reduced through product use was calculated in accordance with such factors as the number of products in operation and the number of units sold in the relevant fiscal year.

*4 In regard to revenue, the figures up until fiscal 2016 are net sales (JGAAP).

*5 Data is for MHI and major consolidated subsidiaries. The three major European countries are the United Kingdom, Germany, and France.

*6 In principle, figures are for MHI on a non-consolidated basis and Mitsubishi Hitachi Power Systems, Ltd.