

Consolidated Financial Statements [IFRS]

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
As of April 1, 2018 / March 31, 2019 / March 31, 2020

ASSETS	Millions of yen			Thousands of U.S. dollars
	As of April 1, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2020
Current assets:				
Cash and cash equivalents	¥ 299,237	¥ 283,235	¥ 281,626	\$ 2,587,760
Trade and other receivables	759,902	717,414	611,976	5,623,228
Other financial assets	27,591	25,180	28,539	262,234
Contract assets	744,707	625,749	576,061	5,293,218
Inventories	748,574	739,820	726,228	6,673,049
Indemnification asset for South African projects	445,920	546,098	407,800	3,747,128
Other current assets	214,962	222,390	206,261	1,895,258
Total current assets	3,240,895	3,159,890	2,838,493	26,081,898
Non-current assets:				
Property, plant and equipment	770,163	777,228	792,920	7,285,858
Goodwill	121,563	121,117	124,500	1,143,986
Intangible assets	103,003	113,131	78,908	725,057
Right-of-use assets	55,195	90,335	96,201	883,956
Investments accounted for using the equity method	205,198	209,929	177,569	1,631,618
Investments in securities and other financial assets	485,047	447,888	391,538	3,597,702
Deferred tax assets	133,703	133,511	382,729	3,516,760
Other non-current assets	198,673	187,320	102,827	944,840
Total non-current assets	2,072,550	2,080,463	2,147,196	19,729,817
Total assets	¥5,313,445	¥5,240,353	¥4,985,690	\$45,811,724

LIABILITIES AND EQUITY	Millions of yen			Thousands of U.S. dollars
	As of April 1, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2020
Liabilities				
Current liabilities:				
Bonds, borrowings and other financial liabilities	¥ 531,206	¥ 459,548	¥ 769,099	\$ 7,066,976
Trade and other payables	801,154	862,174	824,030	7,571,717
Income taxes payable	27,251	27,024	28,994	266,415
Contract liabilities	914,697	875,294	835,465	7,676,789
Provisions	202,797	215,475	199,496	1,833,097
Other current liabilities	188,121	157,273	151,657	1,393,522
Total current liabilities	2,665,228	2,596,790	2,808,742	25,808,527
Non-current liabilities:				
Bonds, borrowings and other financial liabilities	734,621	637,204	601,770	5,529,449
Deferred tax liabilities	6,738	4,012	7,318	67,242
Retirement benefit liabilities	142,242	154,105	145,890	1,340,531
Provisions	20,546	47,583	58,173	534,530
Other non-current liabilities	79,334	71,964	73,718	677,368
Total non-current liabilities	983,483	914,870	886,871	8,149,140
Total liabilities	3,648,711	3,511,660	3,695,614	33,957,677
Equity				
Share capital	265,608	265,608	265,608	2,440,577
Capital surplus	185,937	185,302	49,667	456,372
Treasury shares	(4,081)	(5,572)	(5,374)	(49,379)
Retained earnings	801,838	869,238	886,307	8,143,958
Other components of equity	117,968	96,987	22,133	203,372
Equity attributable to owners of the parent	1,367,271	1,411,564	1,218,343	11,194,918
Non-controlling interests	297,462	317,128	71,732	659,119
Total equity	1,664,733	1,728,693	1,290,076	11,854,047
Total liabilities and equity	¥5,313,445	¥5,240,353	¥4,985,690	\$45,811,724

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Profit	¥137,388	¥ 107,284	\$ 985,794
Items that will not be reclassified to profit or loss :			
Net gain (loss) from financial assets measured at FVTOCI	(12,753)	(50,873)	(467,453)
Remeasurement of defined benefit plans	(6,996)	(23,201)	(213,185)
Share of other comprehensive income (loss) of entities accounted for using the equity method	(178)	(24)	(220)
Total	(19,928)	(74,098)	(680,860)
Items that may be reclassified to profit or loss :			
Cash flow hedges	(893)	(1,713)	(15,740)
Hedge cost	(242)	(639)	(5,871)
Exchange differences on translating foreign operations	4,724	(25,106)	(230,690)
Share of other comprehensive income (loss) of entities accounted for by the equity method	(8,828)	941	8,646
Total	(5,239)	(26,517)	(243,655)
Total other comprehensive income (loss)	(25,167)	(100,616)	(924,524)
Comprehensive income	¥112,220	¥6,668	\$ 61,269
Comprehensive income attributable to:			
Owners of the parent	¥ 85,577	¥ (8,201)	\$ (75,356)
Non-controlling interests	26,642	14,869	136,625

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen							
	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of April 1, 2018	¥265,608	¥ 185,937	¥(4,081)	¥830,057	¥118,015	¥1,395,537	¥ 298,327	¥1,693,865
Cumulative effect of changes in accounting policies				¥ (28,219)	¥(47)	¥(28,266)	¥ (865)	¥ (29,131)
Restated balance	¥265,608	¥ 185,937	¥(4,081)	¥801,838	¥117,968	¥1,367,271	¥ 297,462	¥1,664,733
Profit				110,271		110,271	27,117	137,388
Other comprehensive income (loss)					(24,693)	(24,693)	(474)	(25,167)
Comprehensive income (loss)				110,271	(24,693)	85,577	26,642	112,220
Transfer to retained earnings				(3,712)	3,712	—		—
Purchase of treasury shares			(2,116)			(2,116)		(2,116)
Disposal of treasury shares		22	1			24		24
Dividends				(41,974)		(41,974)	(6,348)	(48,323)
Put options held by non-controlling shareholders		689				689	548	1,238
Transactions with non-controlling interests		33				33	(60)	(27)
Other		(1,381)	623	2,816		2,059	(1,115)	943
Total transactions with owners	—	(635)	(1,491)	(39,157)	—	(41,284)	(6,976)	(48,261)
Balance as of March 31, 2019	¥265,608	¥ 185,302	¥(5,572)	¥869,238	¥ 96,987	¥1,411,564	¥ 317,128	¥1,728,693
Profit				87,123		87,123	20,161	107,284
Other comprehensive income (loss)					(95,324)	(95,324)	(5,291)	(100,616)
Comprehensive income (loss)				87,123	(95,324)	(8,201)	14,869	6,668
Transfer to retained earnings				(22,287)	22,287	—		—
Purchase of treasury shares			(14)			(14)		(14)
Disposal of treasury shares		57	467			524		524
Dividends				(47,016)		(47,016)	(5,866)	(52,883)
Put options held by non-controlling shareholders		11,214				11,214	8,912	20,127
Transactions with non-controlling interests		(146,568)			(1,816)	(148,385)	(259,449)	(407,835)
Other		(337)	(253)	(750)		(1,341)	(3,862)	(5,204)
Total transactions with owners	—	(135,634)	198	(47,766)	(1,816)	(185,019)	(260,265)	(445,285)
Balance as of March 31, 2020	¥265,608	¥ 49,667	¥(5,374)	¥886,307	¥ 22,133	¥1,218,343	¥ 71,732	¥1,290,076

	Thousands of U.S. dollars							
	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of March 31, 2019	\$2,440,577	\$ 1,702,673	\$(51,199)	\$7,987,117	\$ 891,178	\$12,970,357	\$ 2,913,975	\$15,884,342
Profit				800,542		800,542	185,252	985,794
Other comprehensive income (loss)					(875,898)	(875,898)	(48,617)	(924,524)
Comprehensive income (loss)				800,542	\$(875,898)	(75,356)	136,625	61,269
Transfer to retained earnings				(204,787)	204,787	—		—
Purchase of treasury shares			(128)			(128)		(128)
Disposal of treasury shares		523	4,291			4,814		4,814
Dividends				(432,013)		(432,013)	(53,900)	(485,922)
Put options held by non-controlling shareholders		103,041				103,041	81,889	184,939
Transactions with non-controlling interests		\$(1,346,761)			(16,686)	(1,363,456)	(2,383,984)	(3,747,450)
Other		(3,096)	(2,324)	(6,891)		(12,321)	(35,486)	(47,817)
Total transactions with owners	—	(1,246,292)	1,819	(438,904)	(16,686)	(1,700,073)	(2,391,482)	(4,091,564)
Balance as of March 31, 2020	\$2,440,577	\$ 456,372	\$(49,379)	\$8,143,958	\$ 203,372	\$11,194,918	\$ 659,119	\$11,854,047

CONSOLIDATED STATEMENT OF CASH FLOWS

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2019 and 2020

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
Cash flows from operating activities:			
Profit (loss) before income tax	¥ 195,059	¥ (32,660)	\$ (300,101)
Depreciation, amortization and impairment loss	202,789	323,967	2,976,817
Finance income and costs	7,234	2,324	21,354
Share of profit of investments accounted for using the equity method	(10,937)	(12,898)	(118,515)
Loss (gain) on sale of property, plant and equipment, and intangible assets	(41,218)	(978)	(8,986)
Loss on disposal of property, plant and equipment, and intangible assets	6,519	7,842	72,057
Decrease (increase) in trade receivables	34,863	65,082	598,015
Decrease (increase) in contract assets	115,185	46,447	426,784
Decrease (increase) in inventories and advanced payments	17,229	39,162	359,845
Increase (decrease) in trade payables	51,014	(27,859)	(255,986)
Increase (decrease) in contract liabilities	(33,589)	(34,185)	(314,113)
Increase (decrease) in provisions	45,522	(12,559)	(115,400)
Increase (decrease) in retirement benefit liabilities	2,162	(126)	(1,157)
Decrease (increase) in indemnification asset of South African projects	(110,615)	131,777	1,210,851
Others	(15,464)	8,715	80,079
Subtotal	465,759	504,051	4,631,544
Interest received	5,149	7,218	66,323
Dividends received	15,232	14,903	136,938
Interest paid	(8,074)	(10,444)	(95,966)
Income taxes paid	(57,718)	(63,164)	(580,391)
Net cash provided by operating activities	420,349	452,564	4,158,448
Cash flows from investing activities:			
Purchases of property, plant and equipment and intangible assets	(224,263)	(246,291)	(2,263,080)
Proceeds from sales of property, plant and equipment and intangible assets	43,509	31,133	286,070
Purchases of investments (including investments accounted for using equity method)	(8,547)	(13,924)	(127,942)
Proceeds from sales and redemption of investments (including investments accounted for using equity method)	26,975	23,981	220,352
Payments for acquisition of subsidiaries	—	(28,733)	(264,017)
Proceeds from sale of subsidiaries	—	1,652	15,179
Net decrease (increase) in short-term loans receivable	(417)	201	1,846
Disbursement of long-term loans	(2,669)	(807)	(7,415)
Collection of long-term loans	1,165	237	2,177
Others	2,377	(7,015)	(64,458)
Net cash provided by (used in) investing activities	(161,869)	(239,566)	(2,201,286)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(60,613)	(19,800)	(181,935)
Proceeds from long-term borrowings	7,039	65,341	600,395
Repayment of long-term borrowings	(68,439)	(45,506)	(418,138)
Payment for redemption of bonds	(30,000)	(65,000)	(597,261)
Proceeds from issuance of stock to non-controlling interests	1,749	19	174
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(13,908)	(127,795)
Dividends paid to owners of the parent	(41,888)	(46,933)	(431,250)
Dividends paid to non-controlling interests	(7,781)	(5,837)	(53,634)
Proceeds from factoring agreements	169,271	145,264	1,334,779
Repayment of liabilities under factoring agreements	(218,519)	(192,502)	(1,768,832)
Repayments of lease liabilities	(17,135)	(23,256)	(213,691)
Others	(4,684)	(2,332)	(21,427)
Net cash provided by (used in) financing activities	(271,002)	(204,452)	(1,878,636)
Effect of exchange rate changes on cash and cash equivalents	(3,478)	(10,153)	(93,292)
Net increase (decrease) in cash and cash equivalents	(16,001)	(1,608)	(14,775)
Cash and cash equivalents at the beginning of the year	299,237	283,235	2,602,545
Cash and cash equivalents at the end of the year	¥ 283,235	¥ 281,626	\$ 2,587,760