

# Consolidated Financial Statements [IFRS]

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries  
As of April 1, 2019 / March 31, 2020 / March 31, 2021

ASSETS	Millions of yen			Thousands of U.S. dollars
	As of April 1, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2021
<b>Current assets:</b>				
Cash and cash equivalents	¥ 283,235	¥ 281,626	¥ 245,421	\$ 2,216,791
Trade and other receivables	717,414	611,976	655,181	5,917,992
Other financial assets	25,180	28,539	30,677	277,093
Contract assets	625,749	576,061	578,936	5,229,301
Inventories	739,820	726,228	713,498	6,444,747
Indemnification asset for South African projects	546,098	407,800	—	—
Other current assets	222,390	206,261	230,955	2,086,125
<b>Total current assets</b>	<b>3,159,890</b>	<b>2,838,493</b>	<b>2,454,670</b>	<b>22,172,071</b>
<b>Non-current assets:</b>				
Property, plant and equipment	777,228	792,920	779,696	7,042,688
Goodwill	121,117	124,500	124,500	1,124,559
Intangible assets	113,131	78,908	74,722	674,934
Right-of-use assets	90,335	96,201	93,321	842,931
Investments accounted for using the equity method	209,929	177,569	182,897	1,652,036
Investments in securities and other financial assets	447,888	391,538	560,213	5,060,184
Deferred tax assets	133,511	382,729	378,338	3,417,378
Other non-current assets	187,320	102,827	162,365	1,466,579
<b>Total non-current assets</b>	<b>2,080,463</b>	<b>2,147,196</b>	<b>2,356,056</b>	<b>21,281,329</b>
<b>Total assets</b>	<b>¥5,240,353</b>	<b>¥4,985,690</b>	<b>¥4,810,727</b>	<b>\$43,453,409</b>

LIABILITIES AND EQUITY	Millions of yen			Thousands of U.S. dollars
	As of April 1, 2019	As of March 31, 2020	As of March 31, 2021	As of March 31, 2021
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Bonds, borrowings and other financial liabilities	¥ 459,548	¥ 769,099	¥ 445,147	\$ 4,020,838
Trade and other payables	862,174	824,030	763,731	6,898,482
Income taxes payable	27,024	28,994	12,237	110,532
Contract liabilities	875,294	835,465	731,814	6,610,188
Provisions	215,475	199,496	207,876	1,877,662
Other current liabilities	157,273	151,657	184,453	1,666,091
Total current liabilities	2,596,790	2,808,742	2,345,260	21,183,813
<b>Non-current liabilities:</b>				
Bonds, borrowings and other financial liabilities	637,204	601,770	790,862	7,143,546
Deferred tax liabilities	4,012	7,318	6,597	59,588
Retirement benefit liabilities	154,105	145,890	124,432	1,123,945
Provisions	47,583	58,173	50,485	456,011
Other non-current liabilities	71,964	73,718	53,699	485,042
Total non-current liabilities	914,870	886,871	1,026,076	9,268,141
Total liabilities	3,511,660	3,695,614	3,371,337	30,451,964
<b>Equity</b>				
Share capital	265,608	265,608	265,608	2,399,132
Capital surplus	185,302	49,667	47,265	426,926
Treasury shares	(5,572)	(5,374)	(4,452)	(40,213)
Retained earnings	869,238	886,307	952,528	8,603,811
Other components of equity	96,987	22,133	105,393	951,973
Equity attributable to owners of the parent	1,411,564	1,218,343	1,366,342	12,341,631
Non-controlling interests	317,128	71,732	73,047	659,804
Total equity	1,728,693	1,290,076	1,439,390	13,001,445
Total liabilities and equity	¥5,240,353	¥4,985,690	¥4,810,727	\$43,453,409

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries  
For the fiscal years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars
	2020	2021	2021
<b>Revenue</b>	¥4,041,376	<b>¥3,699,946</b>	<b>\$33,420,160</b>
Cost of sales	3,331,339	<b>3,116,464</b>	<b>28,149,796</b>
<b>Gross profit</b>	710,036	<b>583,482</b>	<b>5,270,364</b>
Selling, general and administrative expenses	583,874	<b>531,383</b>	<b>4,799,774</b>
Share of profit of investments accounted for using the equity method	12,898	<b>15,158</b>	<b>136,916</b>
Other income*	67,751	<b>167,698</b>	<b>1,514,750</b>
Other expenses	236,350	<b>180,873</b>	<b>1,633,754</b>
<b>Profit (loss) from business activities</b>	(29,538)	<b>54,081</b>	<b>488,492</b>
Finance income	11,616	<b>11,677</b>	<b>105,473</b>
Finance costs	14,738	<b>16,404</b>	<b>148,170</b>
<b>Profit (loss) before income taxes</b>	(32,660)	<b>49,355</b>	<b>445,804</b>
Income taxes	(139,945)	<b>6,153</b>	<b>55,577</b>
<b>Profit</b>	107,284	<b>43,202</b>	<b>390,226</b>
<b>Profit attributable to:</b>			
Owners of parent	87,123	<b>40,639</b>	<b>367,076</b>
Non-controlling interests	¥ 20,161	<b>¥ 2,562</b>	<b>\$ 23,141</b>

	Yen		U.S. dollars
	2020	2021	2021
<b>Earnings per share attributable to owners of parent</b>			
Basic earnings per share	¥ 259.39	<b>¥ 120.92</b>	<b>\$ 1.092</b>
Diluted earnings per share	259.06	<b>120.83</b>	<b>1.091</b>

\* Other income includes dividend income.  
The amount of dividends in fiscal years ended March 31, 2020 and 2021 were 12,096 million yen and 10,644 million yen (\$96,323 thousand) respectively.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries  
For the fiscal years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars
	2020	2021	2021
Profit	¥ 107,284	¥ 43,202	\$ 390,226
<b>Items that will not be reclassified to profit or loss :</b>			
Net gain (loss) from financial assets measured at FVTOCI	(50,873)	37,943	342,724
Remeasurement of defined benefit plans	(23,201)	56,097	506,702
Share of other comprehensive loss of entities accounted for using the equity method	(24)	(163)	(1,472)
Total	(74,098)	93,878	847,963
<b>Items that may be reclassified to profit or loss :</b>			
Cash flow hedges	(1,713)	(271)	(2,447)
Hedge cost	(639)	874	7,894
Exchange differences on translating foreign operations	(25,106)	37,962	342,895
Share of other comprehensive income of entities accounted for using the equity method	941	5,970	53,924
Total	(26,517)	44,535	402,267
Total other comprehensive income (loss)	(100,616)	138,413	1,250,230
Comprehensive income	¥ 6,668	¥181,616	\$1,640,466
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥ (8,201)	¥173,635	\$1,568,376
Non-controlling interests	14,869	7,980	72,080

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries  
For the fiscal years ended March 31, 2020 and 2021

	Millions of yen							
	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
<b>Balance as of April 1, 2019</b>	¥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 loss					(95,324)	(95,324)	(5,291)	(100,616)
<b>Comprehensive income (loss)</b>				87,123	(95,324)	(8,201)	14,869	6,668
<b>Transfer to retained earnings</b>				(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)
<b>Total transactions with owners</b>	—	(135,634)	198	(47,766)	(1,816)	(185,019)	(260,265)	(445,285)
<b>Balance as of March 31, 2020</b>	¥265,608	¥49,667	¥(5,374)	¥886,307	¥22,133	¥1,218,343	¥71,732	¥1,290,076
Profit				40,639		40,639	2,562	43,202
Other comprehensive income					132,995	132,995	5,418	138,413
<b>Comprehensive income</b>	—	—	—	40,639	132,995	173,635	7,980	181,616
<b>Transfer to retained earnings</b>				49,668	(49,668)	—		—
Purchase of treasury shares			(5)			(5)		(5)
Disposal of treasury shares		83	364			447		447
Dividends				(25,188)		(25,188)	(5,073)	(30,261)
Transactions with non-controlling interests		(1,611)			(67)	(1,678)	(1,380)	(3,058)
Other		(874)	563	1,100		789	(212)	576
<b>Total transactions with owners</b>	—	(2,402)	921	(24,087)	(67)	(25,636)	(6,665)	(32,302)
<b>Balance as of March 31, 2021</b>	¥265,608	¥47,265	¥(4,452)	¥952,528	¥105,393	¥1,366,342	¥73,047	¥1,439,390

	Thousands of U.S. dollars							
	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
<b>Balance as of March 31, 2020</b>	\$2,399,132	\$448,622	\$(48,541)	\$8,005,663	\$199,918	\$11,004,814	\$647,927	\$11,652,750
Profit				367,076		367,076	23,141	390,226
Other comprehensive income					1,201,291	1,201,291	48,938	1,250,230
<b>Comprehensive income</b>	—	—	—	367,076	1,201,291	1,568,376	72,080	1,640,466
<b>Transfer to retained earnings</b>				448,631	(448,631)	—		—
Purchase of treasury shares			(45)			(45)		(45)
Disposal of treasury shares		749	3,287			4,037		4,037
Dividends				(227,513)		(227,513)	(45,822)	(273,335)
Transactions with non-controlling interests		(14,551)			(605)	(15,156)	(12,464)	(27,621)
Other		(7,894)	5,085	9,935		7,126	(1,914)	5,202
<b>Total transactions with owners</b>	—	(21,696)	8,319	(217,568)	(605)	(231,559)	(60,202)	(291,771)
<b>Balance as of March 31, 2021</b>	\$2,399,132	\$426,926	\$(40,213)	\$8,603,811	\$951,973	\$12,341,631	\$659,804	\$13,001,445

## CONSOLIDATED STATEMENT OF CASH FLOWS

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries  
For the fiscal years ended March 31, 2020 and 2021

	Millions of yen		Thousands of U.S. dollars
	2020	2021	2021
<b>Cash flows from operating activities:</b>			
Profit (loss) before income tax	¥ (32,660)	¥ 49,355	\$ 445,804
Depreciation, amortization and impairment loss	323,967	238,258	2,152,091
Finance income and costs	2,324	(5,369)	(48,496)
Share of profit of investments accounted for using the equity method	(12,898)	(15,158)	(136,916)
Gain on sale of shares of subsidiaries and affiliates	—	(83,041)	(750,076)
Gain on sale of property, plant and equipment, and intangible assets	(978)	(45,570)	(411,615)
Loss on disposal of property, plant and equipment, and intangible assets	7,842	6,912	62,433
Decrease (increase) in trade receivables	65,082	(27,739)	(250,555)
Increase in contract assets	46,447	4,308	38,912
Increase in inventories and advanced payments	39,162	57,222	516,863
Decrease in trade payables	(27,859)	(68,731)	(620,820)
Decrease in contract liabilities	(34,185)	(124,703)	(1,126,393)
Decrease in provisions	(12,559)	(11,011)	(99,458)
Increase (decrease) in retirement benefit liabilities	(126)	3,496	31,577
Decrease in indemnification asset of South African projects	131,777	—	—
Others	8,715	5,094	46,012
Subtotal	504,051	(16,677)	(150,636)
Interest received	7,218	5,407	48,839
Dividends received	14,903	14,968	135,200
Interest paid	(10,444)	(9,543)	(86,198)
Income taxes paid	(63,164)	(89,102)	(804,823)
Net cash provided by operating activities	452,564	(94,948)	(857,628)
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment and intangible assets	(246,291)	(146,212)	(1,320,675)
Proceeds from sales of property, plant and equipment and intangible assets	31,133	43,956	397,037
Purchases of investments (including investments accounted for using equity method)	(13,924)	(15,796)	(142,679)
Proceeds from sales and redemption of investments (including investments accounted for using equity method)	23,981	12,521	113,097
Payments for acquisition of subsidiaries	(28,733)	—	—
Proceeds from sale of subsidiaries	1,652	775	7,000
Payments for acquisition of businesses	—	(71,082)	(642,055)
Net decrease in short-term loans receivable	201	708	6,395
Disbursement of long-term loans	(807)	(8,482)	(76,614)
Collection of long-term loans	237	222	2,005
Others	(7,015)	1,138	10,279
Net cash provided by (used in) investing activities	(239,566)	(182,249)	(1,646,183)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term borrowings	(19,800)	96,778	874,157
Proceeds from long-term borrowings	65,341	212,500	1,919,429
Repayment of long-term borrowings	(45,506)	(58,146)	(525,210)
Proceeds from issuance of bonds	—	65,000	587,119
Payment for redemption of bonds	(65,000)	(10,000)	(90,326)
Proceeds from issuance of stock to non-controlling interests	19	—	—
Payments for acquisition of interests in subsidiaries from non-controlling interests	(13,908)	(22,549)	(203,676)
Dividends paid to owners of the parent	(46,933)	(25,667)	(231,839)
Dividends paid to non-controlling interests	(5,837)	(5,144)	(46,463)
Proceeds from factoring agreements	145,264	139,315	1,258,377
Repayment of liabilities under factoring agreements	(192,502)	(145,045)	(1,310,134)
Repayments of lease liabilities	(23,256)	(22,667)	(204,742)
Others	(2,332)	(2,633)	(23,782)
Net cash provided by (used in) financing activities	(204,452)	221,737	2,002,863
Effect of exchange rate changes on cash and cash equivalents	(10,153)	19,255	173,922
<b>Net decrease in cash and cash equivalents</b>	<b>(1,608)</b>	<b>(36,205)</b>	<b>(327,025)</b>
Cash and cash equivalents at the beginning of the year	283,235	281,626	2,543,817
<b>Cash and cash equivalents at the end of the year</b>	<b>¥ 281,626</b>	<b>¥ 245,421</b>	<b>\$ 2,216,791</b>