MOVE THE WORLD FORWARD MITSUBISHI HEAVY INDUSTRIES GROUP

FASF MEMBERSHIP

Financial Results for FY2018

May 9, 2019

MITSUBISHI HEAVY INDUSTRIES, LTD.

MITSUBISHI HEAVY INDUSTRIES

This presentation is an overview of MHI's financial results for the fiscal year 2018, covering the period from April 2018 through March 2019.

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MHI Group has adopted International Financial Reporting Standards (IFRS) from FY2018.
Actual financial numbers for FY2017 are also shown here in accordance with IFRS.

MOVE THE WORLD FORW>RD MITSUBISHI HEAVY INDUSTRIES GROUP

I. Financial Results for FY2018

FY2018 Results Highlights

- Orders received and revenue were generally unchanged from FY2017.

➡ p.6(Financial Results for FY2018 by Segment), p.9 (Orders Received & Order Backlog), p.10(Revenue)

- Profit from business activities increased in all segments.
  (Power Systems +¥45.2 billion YoY, Industry & Infrastructure +¥29.1 billion YoY,
  Aircraft, Defense & Space +¥26.1 billion YoY)

➡ p.6(Financial Results for FY2018 by Segment), p.11(Profit from Business Activities)

- Financial position is solid.
  Free cash flow increased year-on-year, to the highest level on record.(¥243.0 billion)
  Interest-bearing debt was the lowest level on record. (¥665.1 billion)

➡ p.7(Financial Position Overview), p.8(Main Financial Measures, Cash Flows)

- Full-year payout increased ¥10 YoY, to ¥130.

➡ p.22(Summary of Forecast for FY2019)

- Cash flows increased thanks to reduction of working capital (management efficiency enhancement), and profits trended upward.
- Efficiency of current assets steadily improved; going forward, challenge will be to improve efficiency (reutilization, securitization) of fixed assets.
- "Grow/Maintain" businesses, which account for 50% of total assets, achieved TOP(*); going forward, focus will be on reforming and improving "Reform/Downscale" and "New" (MRJ) SBUs.

➡ p.12~(Analysis of Financial Position and Business Performance Based on FY2018 Results)

(*)TOP (Triple One Proportion) is a concept under which the managerial goal (proportion) is: Net sales : Total assets : Market capitalization = 1 : 1 : 1.

Summary of Financial Results for FY2018

MITSUBISHI HEAVY INDUSTRIES

(JGAAP) (In billion yen)

	FY2017 (JGAAP)		FY2017		FY2018		Change	
Orders received		3,875.7		3,868.7		3,853.4	- 15.3	(- 0.4%)
Revenue		4,110.8		4,085.6		4,078.3	- 7.3	(- 0.2%)
Profit from business activities	(3.1%)	(Operating income) 126.5	(1.4%)	58.1	(4.6%)	186.7	+128.5	(+221.0%)
Profit attributable to owners of parent	(1.7%)	70.4	(-0.2%)	-7.3	(2.5%)	101.3	+108.6	-
ROE		3.9%		- 0.5%		7.2%	+7.7pt	
EBITDA	(7.8%)	319.1	(5.7%)	231.7	(7.6%)	311.6	+79.8	(+34.5%)
Free cash flow		207.9		167.5		243.0	+75.4	-

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From fiscal 2018, MHI has adopted International Financial Reporting Standards (IFRS). To enable year-on-year comparisons, financial results for fiscal 2017 are shown here calculated in accordance with both Japanese generally accepted accounting principles (JGAAP) and IFRS. Indicated changes, however, refer to changes on an IFRS basis.

Orders received totaled 3,853.4 billion yen, and revenue 4,078.3 billion yen. Both results were little changed from the previous fiscal year. Profit from business activities reached 186.7 billion yen, making for a margin of 4.6%, and profit attributable to owners of parent finished at 101.3 billion yen, calculating to a margin of 2.5%. Both results registered improvements of more than 100 billion yen year-on-year.

ROE finished the year at 7.2%, and EBITDA at 311.6 billion yen. Free cash flow reached 243.0 billion yen, up 75.4 billion yen from the preceding year and significantly above our forecast.

Summary of Financial Results for FY2018

(In billion yen)

FY2018	Fundamental business		MRJ	Total	
Orders received		3,853.4	-		3,853.4
Revenue		4,078.3	-		4,078.3
Profit from business activities	(6.7%)	271.9	-85.1	(4.6%)	186.7
Profit attributable to owners of parent	(4.5%)	184.8	-83.4	(2.5%)	101.3
EBITDA	(9.7%)	396.4	-84.8	(7.6%)	311.6
Free cash flow		352.2	-109.2		243.0

In terms of fundamental business—in other words, results excluding impact from MRJ investments—profit from business activities finished at 271.9 billion yen, profit attributable to owners of parent at 184.8 billion, EBITDA at 396.4 billion yen, and free cash flow at 352.2 billion yen. All of these figures were significant improvements over the results of fiscal 2017.

Financial Results for FY2018 by Segment

MITSUBISHI HEAVY INDUSTRIES

(In billion yen)

	Orders received				Revenue				Operating income	Profit from business activities		
	FY2017 (JGAAP)	FY2017	FY2018	Change	FY2017 (JGAAP)	FY2017	FY2018	Change	FY2017 (JGAAP)	FY2017	FY2018	Change
Power Systems	1,437.5	1,437.5	1,426.5	- 11.0	1,493.9	1,482.4	1,525.1	+42.6	108.9	87.6	132.8	+45.2
Industry & Infrastructure	1,711.3	1,711.3	1,852.0	+140.6	1,898.9	1,890.0	1,907.8	+17.7	40.8	41.0	70.1	+29.0
Aircraft, Defense & Space	721.5	714.6	610.6	- 103.9	722.9	718.3	677.5	- 40.7	-15.1	-63.5	- 37.4	+26.0
Others	113.5	113.5	73.3	- 40.1	120.8	120.7	71.6	- 49.0	5.0	4.4	35.9	+31.5
Eliminations or Corporate	- 108.3	- 108.3	- 109.1	- 0.8	- 125.9	- 125.9	- 103.8	+22.0	- 13.2	- 11.4	- 14.8	- 3.3
Total	3,875.7	3,868.7	3,853.4	- 15.3	4,110.8	4,085.6	4,078.3	- 7.3	126.5	58.1	186.7	+128.5

On a Companywide basis, orders received were little changed from the previous year, but results by segment were mixed. While the Industry & Infrastructure segment recorded a yearly increase by approximately 140.0 billion yen, orders received in the Aircraft, Defense & Space segment decreased year-on-year, and the Power Systems segment finished almost unchanged from fiscal 2017.

Revenue, Companywide, also ended close to the year-earlier level; by segment, however, revenue was down in the Aircraft, Defense & Space segment, but up in the Power Systems and Industry & Infrastructure segments. Revenue undershot our forecast of 4,200.0 billion yen by roughly 120.0 billion yen; this owed largely to construction work deferred from fiscal 2018 to fiscal 2019.

Profit from business activities increased year-on-year in all segments.

Financial Position Overview

MITSUBISHI HEAVY INDUSTRIES

(In billion yen)

	As of March 31, 2018 (JGAAP)	As of March 31, 2018	As of March 31, 2019	Change
Trade receivables	1,232.7	1,504.6	1,343.1	-161.4
Inventories	1,212.8	748.5	739.2	-9.3
Other current assets	*1,133.6	* 987.7	*1,076.9	+89.1
Total fixed assets	1,080.6	997.7	1,013.7	+15.9
Other non-current assets	827.7	1,010.0	969.6	-40.4
Total assets	5,487.6	5,248.7	5,142.7	-106.0
Trade payables	878.2	801.1	862.1	+61.0
Contract liabilities	899.6	914.6	875.2	-39.4
Other current liabilities	732.0	1,025.8	991.3	-34.5
Interest-bearing debt	813.1	813.1	665.1	$\boxed{-148.0}$
Equity	2,164.4	1,693.8	1,748.8	+54.9
Equity attributable to owners of parent	1,824.7	1,395.5	1,430.8	$\boxed{+35.3}$
Total liabilities and Equity	5,487.6	5,248.7	5,142.7	-106.0

* Including indemnification asset for South African project
(Mar. 31, 2018: 445.9 billion yen
Mar. 31, 2019: 546.0 billion yen)

Borrowings -118.0
Bonds -30.0

Dividend -41.9
Profit attributable to owners of parent +101.3
Other comprehensive income -24.1 etc.
(Unrealized holding gain on investment securities, etc.)

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To boost our profitability evenly amid a severe business environment, we have placed improvement of our balance sheets and free cash flow at the center of our Business Plans.

Our total assets decreased by approximately 100.0 billion yen from the level at the end of fiscal 2017, finishing at 5,142.7 billion yen. Considering that we recorded an increase from assets related to the South Africa project, working capital appears to have decreased by around 200.0 billion yen.

As a result, interest-bearing debt decreased by 148.0 billion yen, to 665.1 billion yen, demonstrating progress in trimming our balance sheets.

Main Financial Measures, Cash Flows

MITSUBISHI HEAVY INDUSTRIES

Main Financial Measures

	As of Mar.31, 2018	As of Mar.31, 2019	Change
Equity ratio	26.6%	27.8%	+1.2pt
Interest-bearing debt (In billion yen)	813.1	665.1	-148.0
D/E ratio	48%	38%	-10pt

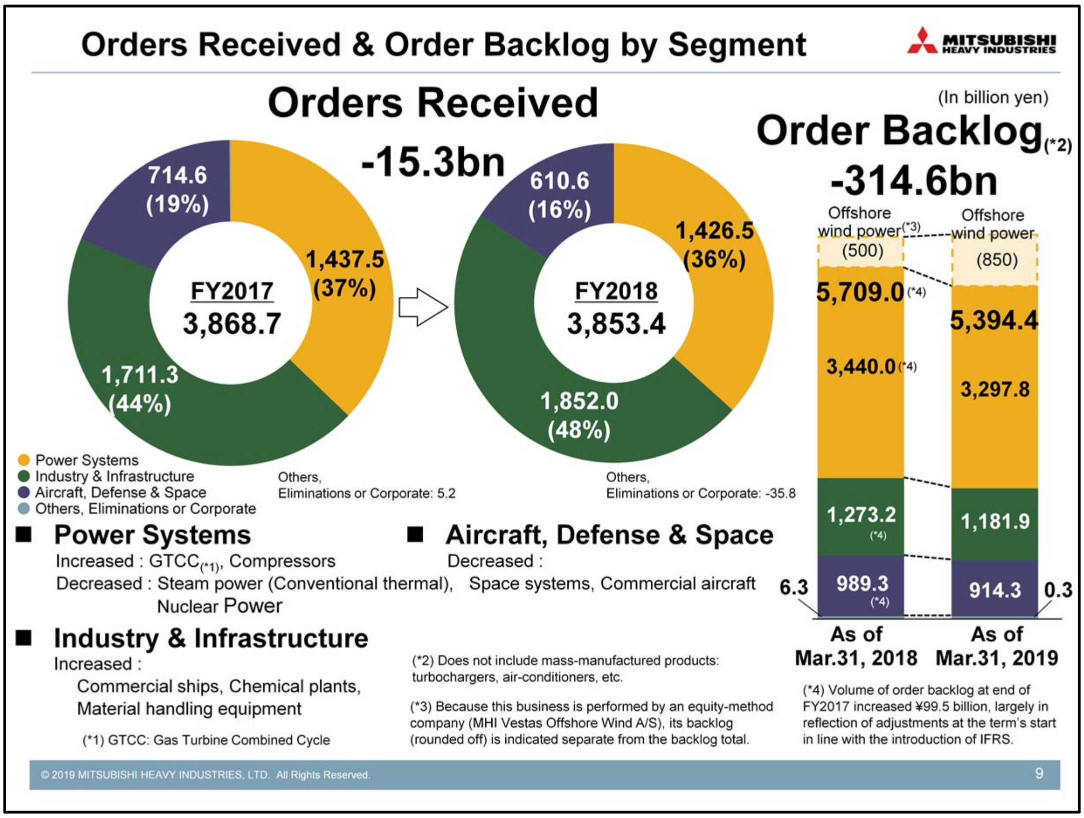
Cash Flows

(In billion yen)

	FY2017	FY2018	Change
Cash flows from operating activities	405.7	404.9	-0.8
Cash flows from investing activities	-238.1	-161.8	+76.3
Free cash flows	167.5	243.0	+75.4

Our equity ratio finished the fiscal year at 27.8%. Although the ratio undershot 30% as a result of having squeezed MRJ-related assets at the start of the term in conjunction with the shift to IFRS, we believe it is holding at a sound level. Interest-bearing debt ended the fiscal year at 665.1 billion yen, the lowest level on record, attributable to progress in debt repayment in tandem with increased free cash flow.

Free cash flow reached an unprecedented high of 243.0 billion yen, with cash flows from operating activities finishing at 404.9 billion yen, while cash flows from investing activities ended at minus 161.8 billion yen. The latter figure marked a decrease of 76.3 billion yen year-on-year, due mainly to investment into AREVA carried out in fiscal 2017 and the sale of land at the Kanazawa Plant in fiscal 2018. Excluding those two major undertakings, we believe investments are being made at an appropriate level.



Turning to orders received by segment, the Power Systems segment reached the level of fiscal 2017 despite severe market conditions and thanks to solid performance primarily by gas turbines.

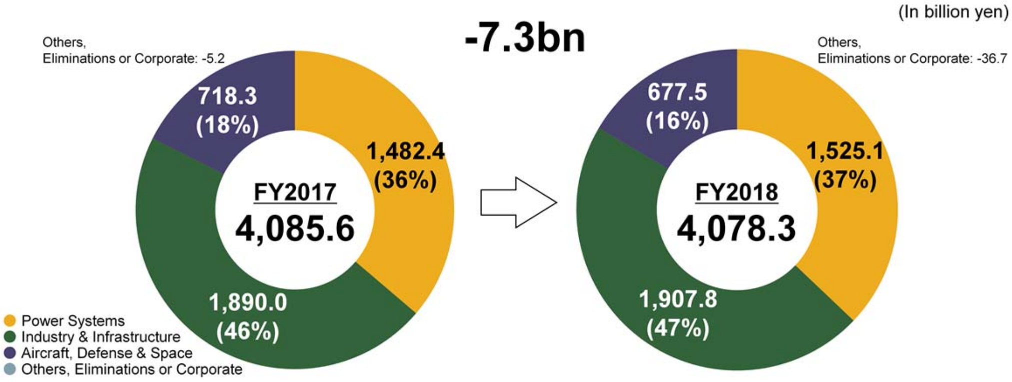
Orders received in the Industry & Infrastructure segment performed solidly, especially medium-lot manufactured products.

The Aircraft, Defense & Space segment posted decreased orders for commercial aircraft and space systems.

Because revenue continues to exceed orders received, the order backlog is decreasing. However, when the order backlog in offshore wind turbines handled by MHI Vestas Offshore Wind (MVOW), our joint venture with Vestas, is added in, the order backlog is the same level as at the end of fiscal 2017. Since MVOW is an equity-method company, its order backlog serves as a reference, but when MHI Group is seen as a whole, it appears that the decrease in the backlog for steam power systems is being offset by offshore wind turbines, which are a renewable energy source.

Revenue by Segment

(In billion yen)



- **Power Systems**
  Increased :
  Nuclear power, GTCC
- **Industry & Infrastructure**
  Increased :
  Metals machinery, Material handling equipment
  Decreased :
  Chemical plants, Commercial ships
- **Aircraft, Defense & Space**
  Decreased :
  Commercial aircraft, Space systems

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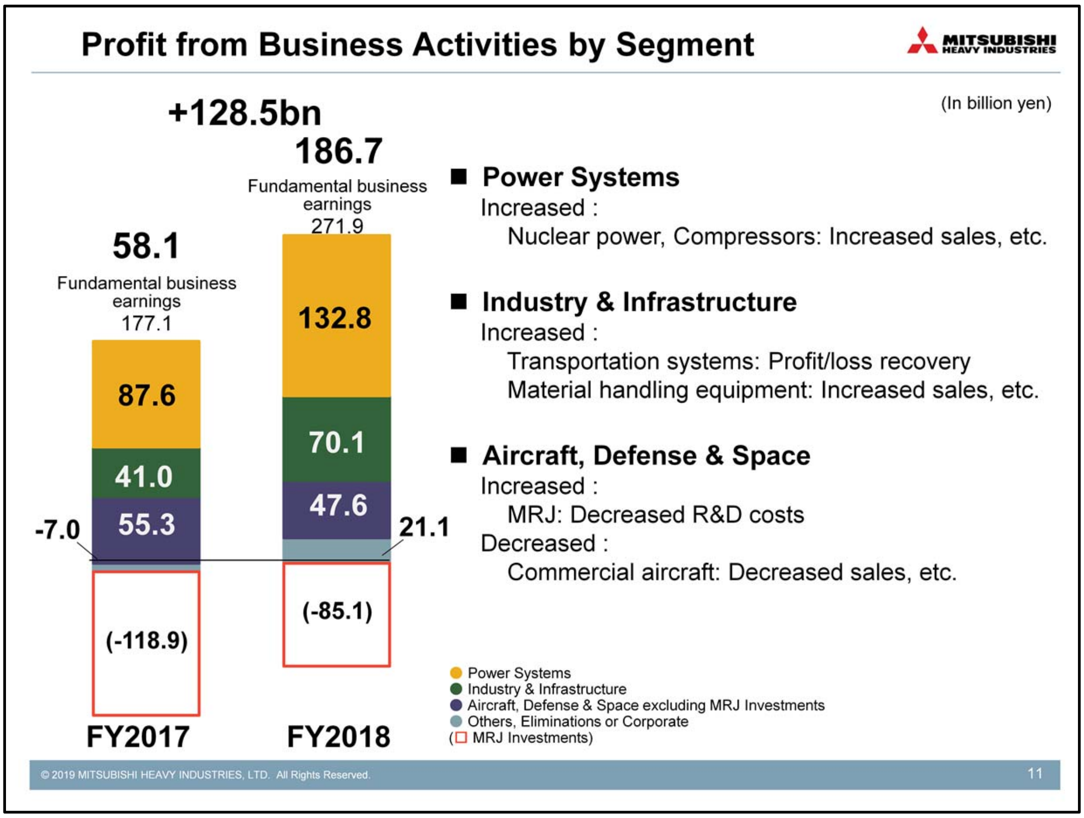
Here we see the year's segment-based revenue figures.



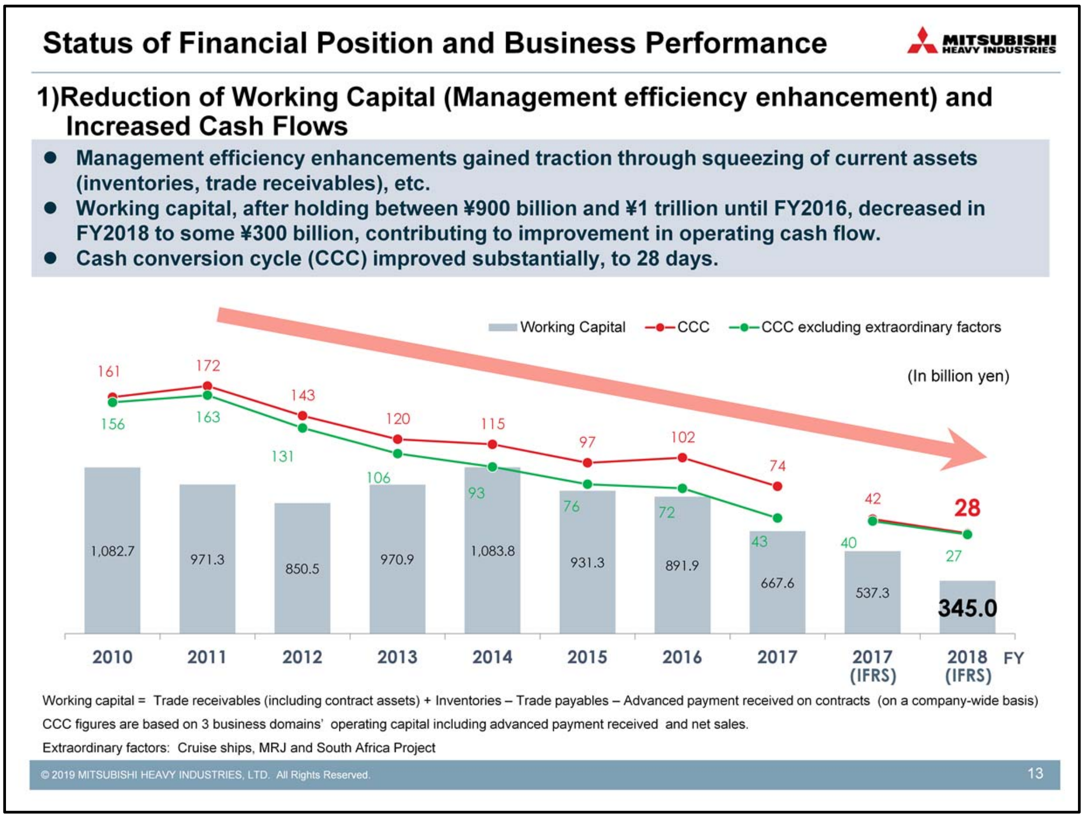
Profit from business activities increased year-on-year in all segments.

In the Power Systems segment, the profit expansion was driven by increased sales of nuclear power and compressors.

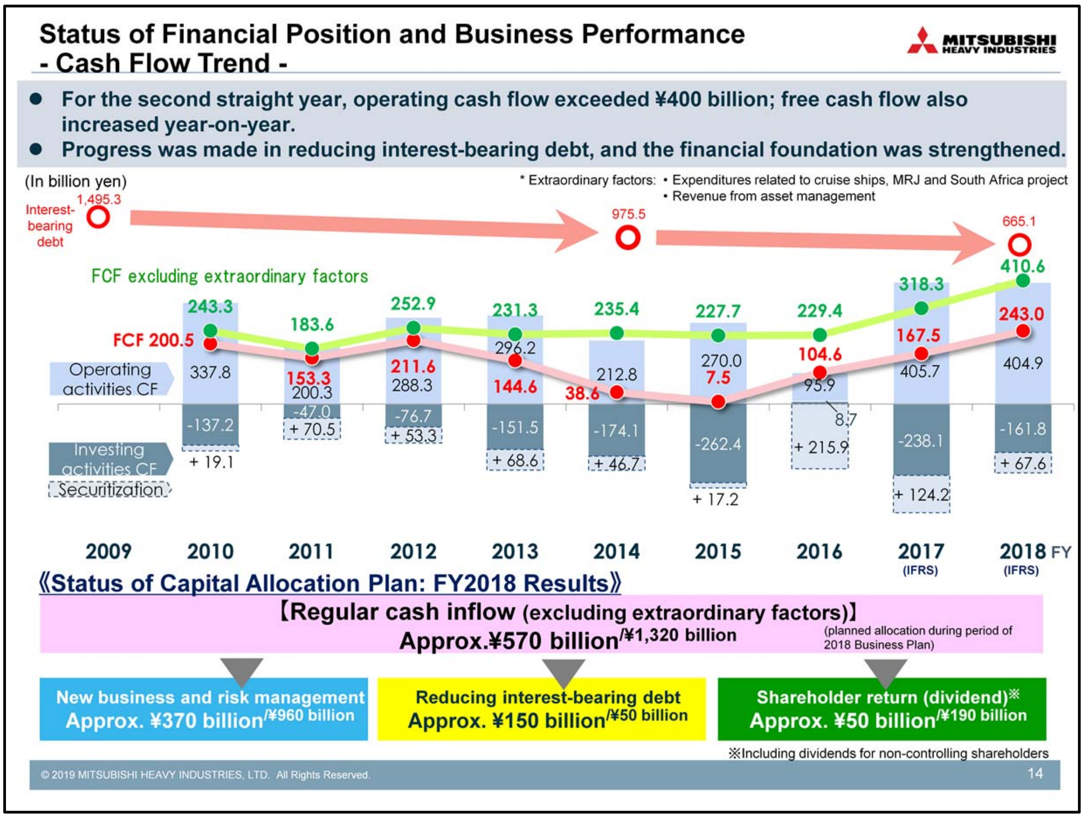
Profit growth in the Industry & Infrastructure segment owed mainly to increased sales of material handling equipment and to profit/loss recovery of transportation systems, an area in which a provision had been set aside in fiscal 2017.

In the Aircraft, Defense & Space segment, the profit gain was attributable largely to decreased MRJ investment costs. Segment profit was eroded by decreased sales of commercial aircraft; however, productivity is improving and, overall, the picture here is relatively firm.

II. Analysis of Financial Position and Business Performance Based on FY2018 Results



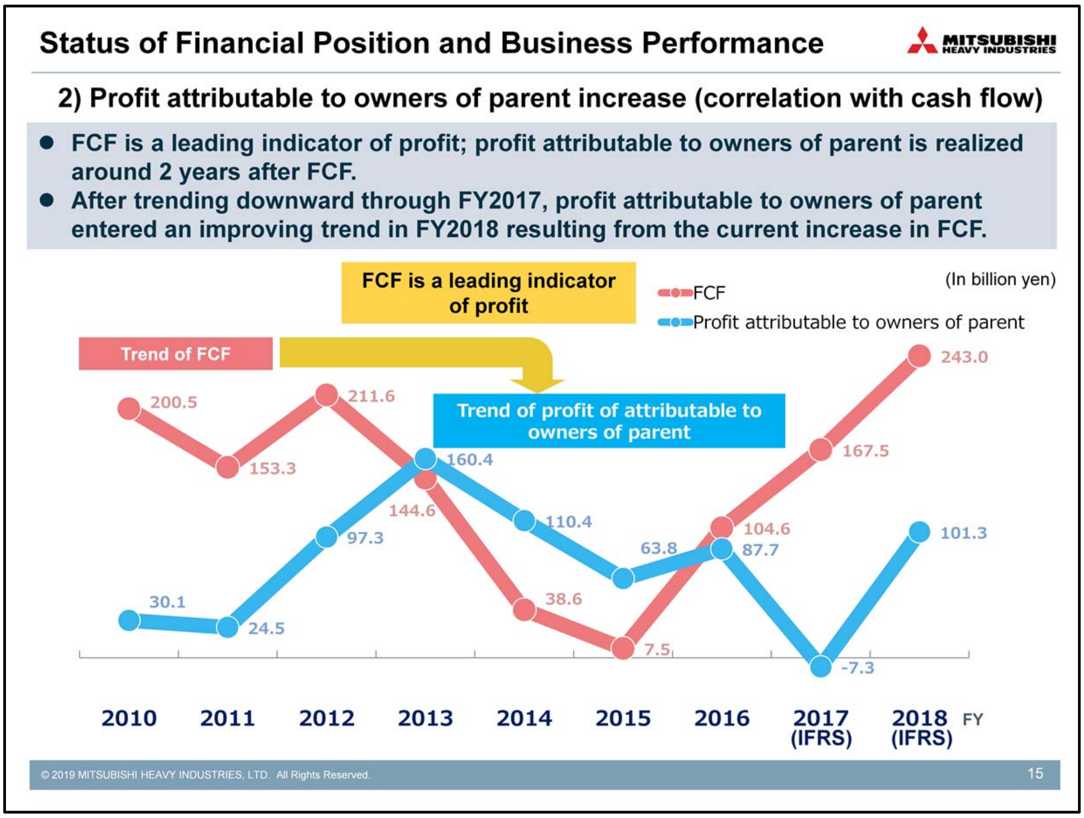
In fiscal 2018, the Company succeeded in reducing working capital to 345.0 billion yen, the result of productivity improvement and management focused on increasing cash flows. Remarkable progress was also achieved in trimming back the cash conversion cycle, which had topped 100 days just a few years ago, to only 28 days in fiscal 2018.



In this graph, the light green line indicates free cash flow from operating activities—excluding the year's extraordinary factors: namely, expenditures related to the cruise ship business, the MRJ, and the project in South Africa, and revenue from asset management. For some time it had been fluctuating above 200.0 billion yen, until fiscal 2016, when it began rising substantially. Earlier, with input of roughly 1,000 billion yen, business scale had held near 3,000 billion yen. Then, in fiscal 2018, a business scale close to 4,000 billion yen was sustained with 345.0 billion yen in working capital; moreover, a free cash flow in excess of 240.0 billion yen was obtained. These circumstances should suffice to illustrate, as noted earlier, that working capital is improving substantially.

Within the scope of our 2018 Medium-Term Business Plan, we are looking for a regular cash inflow of 1,320 billion yen—again excluding extraordinary factors. In fiscal 2018, the first year under the plan, cash inflow reached 570 billion yen.

As interest-bearing debt was reduced more than had been assumed, going forward we will invest in new businesses. We will also carry out shareholder returns as originally planned.



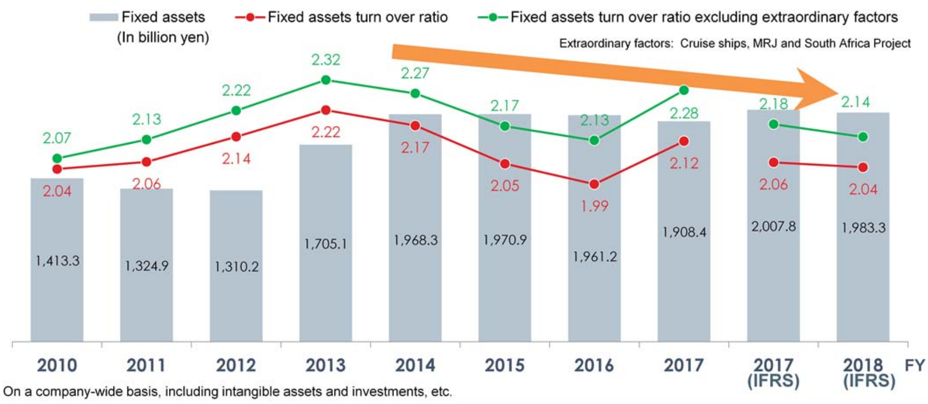
Inherently, the aim of management focused on cash flows is to raise the level of net profit: i.e. profit attributable to owners of parent. At MHI, net profit accrues approximately two years after free cash flow. As such, the improvement seen in free cash flow, which serves as a leading indicator of net profit, is expected to lead to increased earning capacity in the years ahead.

Status of Financial Position and Business Performance

MITSUBISHI HEAVY INDUSTRIES

3) Deterioration in Fixed Assets Turnover

- **Balance of fixed assets has remained near ¥2 trillion since FY2014**
- **As no significant growth is occurring in business scale, fixed assets turnover is gradually deteriorating.**



On a company-wide basis, including intangible assets and investments, etc.

- **Efficiency of current assets is improving steadily and significantly.**
- **Promote reuse and securitization of low-performing fixed assets while making new investments to improve overall efficiency.**

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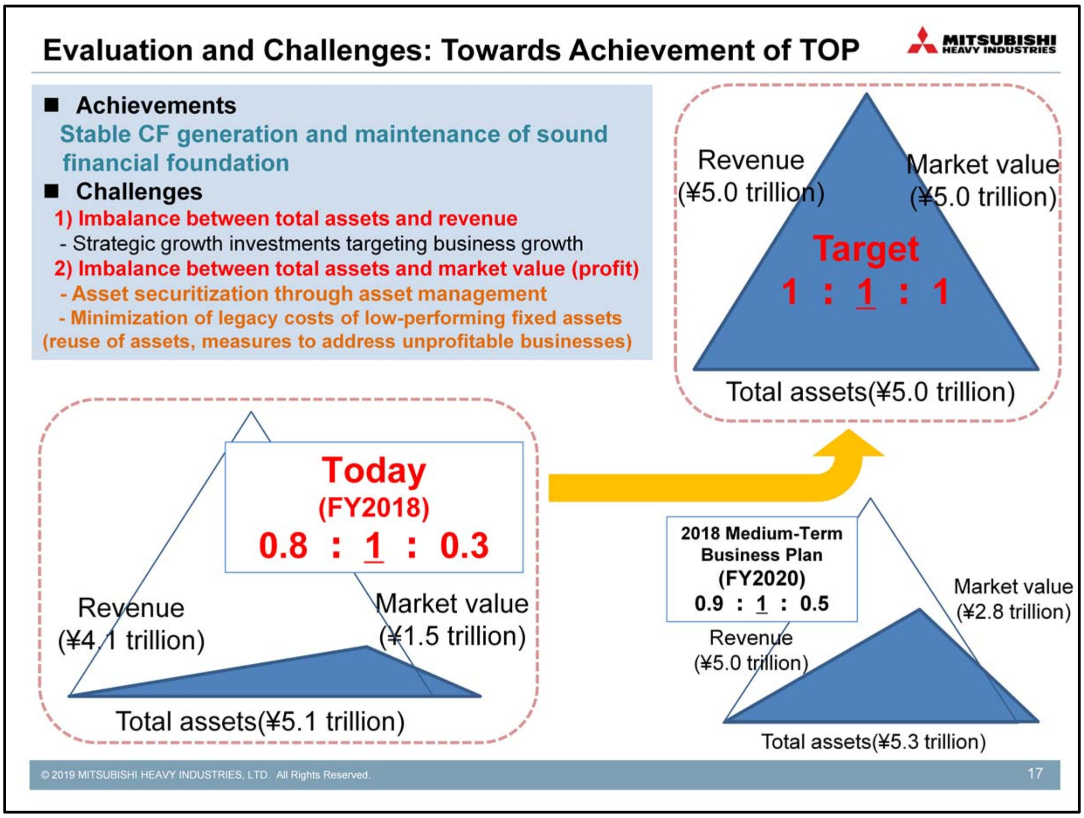
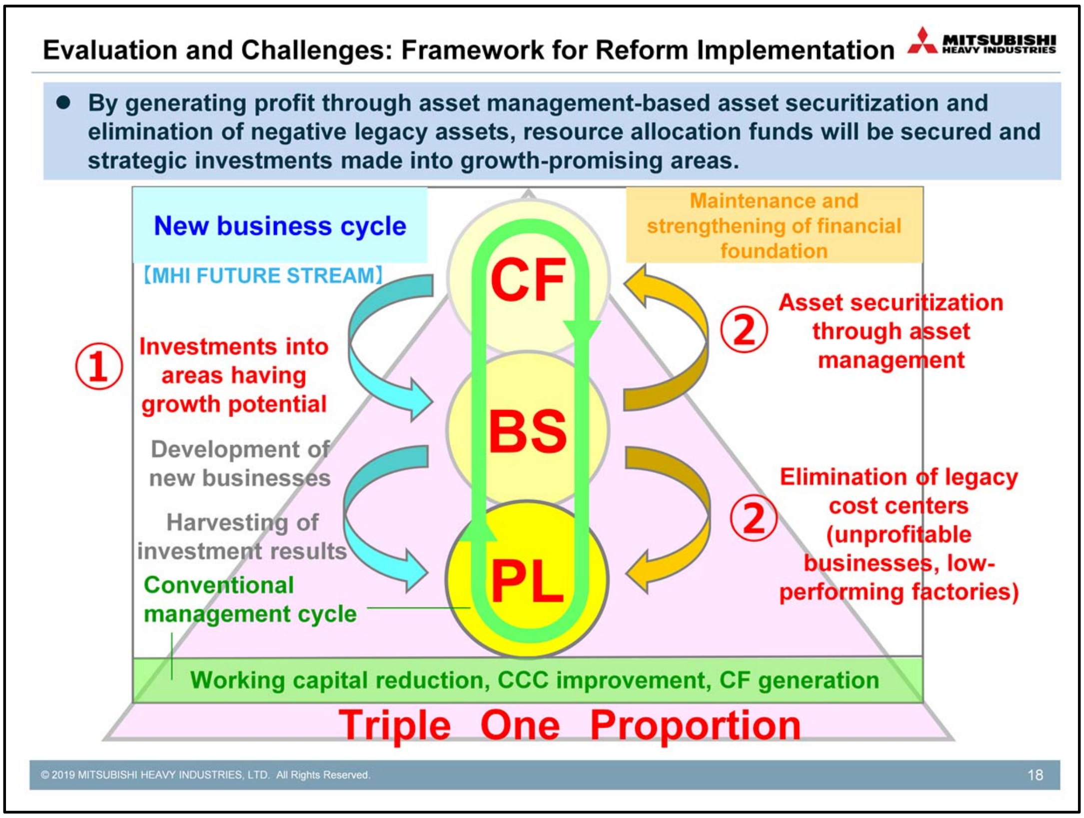
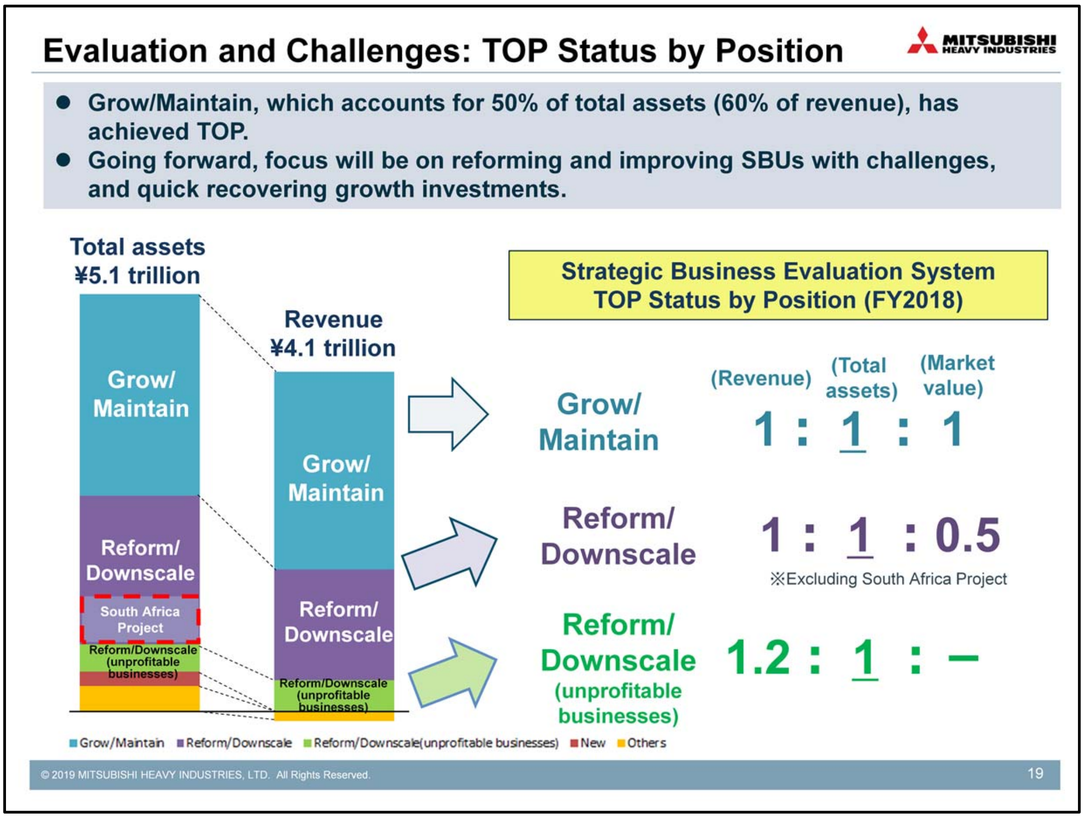
While on the one hand, fairly solid improvement has been achieved in raising the efficiency of our current assets, initiatives to improve the efficiency of our fixed assets have been inadequate. Going forward, we aim to promote the reuse and securitization of low-performing fixed assets and to recalibrate from hard assets to soft assets, as ways of improving the quality of our fixed assets and boosting our earning capacity.



MHI has its sights set on the achievement of TOP: Triple One Proportion, an equal balance between revenue, total assets and market value. Through implementation of our various management reforms, we have succeeded in securing the capacity to generate stable cash flows, and in building a sound financial foundation. Nevertheless, we still labor under imbalances between total assets and revenue, and between total assets and market value. In fiscal 2020, the final year of our 2018 Medium-Term Business Plan, we are targeting a relationship of revenue 0.9, total assets 1, and market value 0.5.



As noted earlier, our next major challenge will be to improve the efficiency of our fixed assets. Through asset management-based asset securitization, we will seek to generate direct cash flow from our balance sheets, take steps to eliminate low-performing assets and unprofitable businesses from our balance sheets which are the causes behind the gap between booked profit and free cash flow; and by minimizing legacy costs, we will strive to improve our bottom line. Also, by investing the cash flows to be generated by these initiatives into areas having growth potential, we will cyclically develop new businesses.



Our Grow/Maintain businesses, which account for 50% of our total assets and 60% of our revenue, have already achieved Triple One Proportion. Meanwhile, our Reform/Downscale businesses still have a low profit level. Also, because unprofitable businesses still exist, going forward we intend to focus on reforming these challenged SBUs and to achieve quick returns from our growth investments.

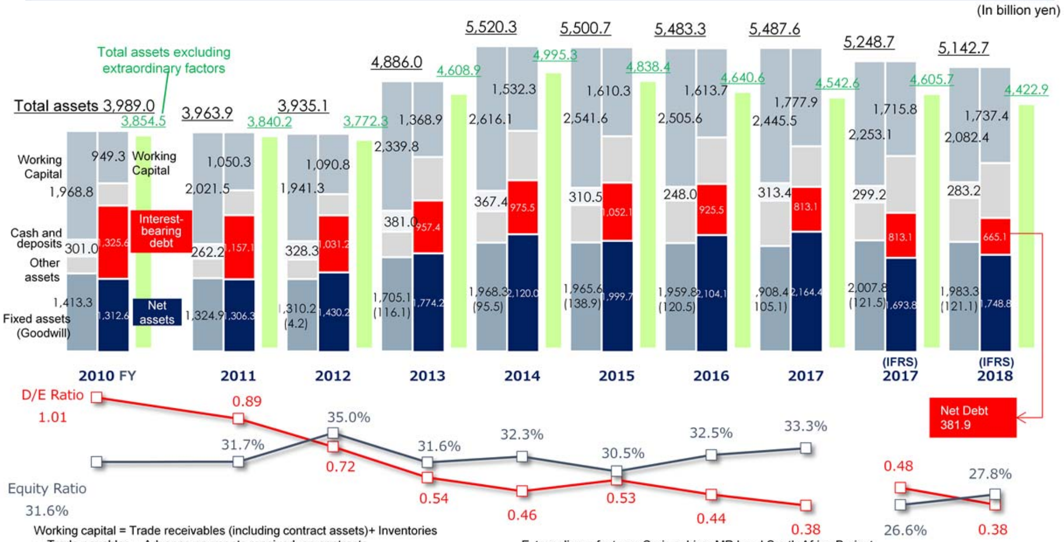
Generally speaking, the portfolio management and cash flow management efforts we have made until now have achieved fairly good results. Now, we have entered a phase in which we must address how to grow new businesses.

Financial Position

Balance Sheets

- **Further reduction of interest-bearing debt, improvement of financial soundness**
- **Continuing squeezing of total assets, toward achieving TOP. Debt/equity ratio the lowest level on record.**

(In billion yen)



Working capital = Trade receivables (including contract assets)+ Inventories – Trade payables – Advance payments received on contracts

Extraordinary factors: Cruise ships, MRJ and South Africa Project

III. Forecast for FY2019

Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. As such, those projections involve risks and insecurity. For this reason, investors are recommended not to depend solely on these projections for making investment decisions. It is possible that actual results may vary significantly from these projections due to a number of factors. These include, but are not limited to, economic trends affecting the Company's operating environment, currency movements of the yen value to the U.S. dollar and other foreign currencies, and trends of stock markets in Japan. Also, the results projected here should not be construed in any way as being guaranteed by the company.

Summary of Forecast for FY2019

MITSUBISHI HEAVY INDUSTRIES

(In billion yen)

	FY2018 (Actual)		FY2019 (Forecast)		Change	
Orders received		3,853.4		4,300.0	+446.5	(+11.6%)
Revenue		4,078.3		4,300.0	+221.6	(+5.4%)
Profit from business activities	(4.6%)	186.7	(5.1%)	220.0	+33.2	(+17.8%)
Profit attributable to owners of parent	(2.5%)	101.3	(2.6%)	110.0	+8.6	(+8.5%)
ROE		7.2%		8%	–	
EBITDA	(7.6%)	311.6	(8.1%)	350.0	+38.3	(+12.3%)
Free cash flow		243.0		50.0	-193.0	–
Dividend		130.0yen Interim: 65.0yen year-end: 65.0yen		150.0yen Interim: 75.0yen year-end: 75.0yen		

Undetermined foreign currency amount
US$: 2.4 billion
Euro: 0.4 billion

Assumed exchange rate
US$ 1.00 = ¥110
Euro 1.00 = ¥125

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In fiscal 2019, we are targeting 4,300.0 billion yen in both orders received and revenue, 222.0 billion yen in profit from business activities, and 110.0 billion yen in profit attributable to owners of parent. We are forecasting ROE of 8% and EBITDA of 350.0 billion yen. Free cash flow has improved significantly in the past several years, and in fiscal 2019 we are projecting 50.0 billion yen, keeping in mind our planned investments into areas with growth potential. Concerning dividends, in view of our results posted in fiscal 2018 and our forecasts for fiscal 2019, we expect to increase our annual dividend by 20 yen compared to fiscal 2018, to 150 yen per share.

This completes our review of the financial results of fiscal year 2018.

Summary of Forecast for FY2019

(In billion yen)

FY2019 (Forecast)	Fundamental business		MRJ	Total	
Orders received		4,300.0	–		4300.0
Revenue		4,300.0	–		4300.0
Profit from business activities	(7.0%)	300.0	−80.0	(5.1%)	220.0
Profit attributable to owners of parent	(4.4%)	190.0	−80.0	(2.6%)	110.0
ROE		8%	–		8%
EBITDA	(10.0%)	430.0	−80.0	(8.1%)	350.0
Free cash flow		150.0	−100.0		50.0

- TOP(*1) for fundamental business 0.8 : 1 : 0.6
  (Revenue ¥4.3 trillion / Total assets ¥5.2 trillion / Market value ¥3.2 trillion(*2))

(*1) TOP (Triple One Proportion) is a concept under which the managerial goal (proportion) is: Net sales : Total assets : Market capitalization = 1 : 1 : 1.
(*2) Market value is assumed as 16.7 times profit attributable to owners of parent, i.e. capital cost as 6%.

Forecast for FY2019 by Segment

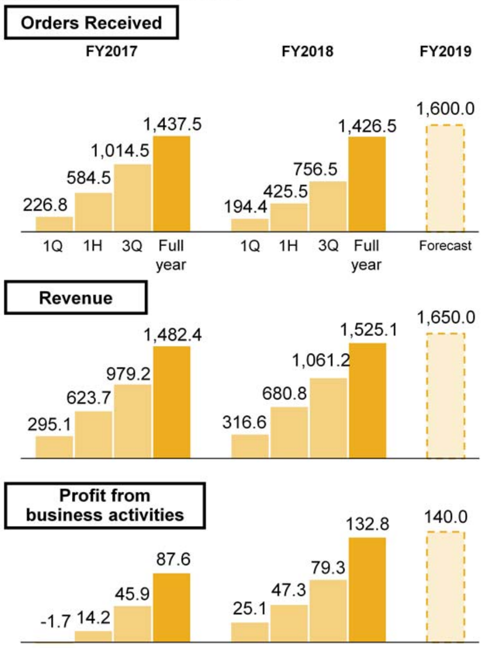
(In billion yen)

	Orders received			Revenue			Profit from business activities		
	FY2018 (Actual)	FY2019 (Forecast)	Change	FY2018 (Actual)	FY2019 (Forecast)	Change	FY2018 (Actual)	FY2019 (Forecast)	Change
Power Systems	1,426.5	1,600.0	+173.4	1,525.1	1,650.0	+124.8	132.8	140.0	+7.1
Industry & Infrastructure	1,852.0	2,000.0	+147.9	1,907.8	1,950.0	+42.1	70.1	110.0	+39.8
Aircraft, Defense & Space	610.6	700.0	+89.3	677.5	700.0	+22.4	- 37.4	- 20.0	+17.4
Others	73.3	100.0	+26.6	71.6	70.0	- 1.6	35.9	5.0	- 30.9
Eliminations or Corporate	- 109.1	- 100.0	+9.1	- 103.8	- 70.0	+33.8	- 14.8	- 15.0	- 0.1
Total	3,853.4	4,300.0	+446.5	4,078.3	4,300.0	+221.6	186.7	220.0	+33.2

IV. Supplementary Information

Supplementary Information (1) Financial Results by Business Segment
< Power Systems >

(In billion yen, accumulated amount)



Orders received : Down ¥11.0 billion YoY

- Increased : GTCC, Compressors
- Decreased : Steam power (Conventional thermal), Nuclear Power

Gas turbine orders received

		North America	Asia	Japan	Others	Total
FY2017	Large size	2	2	-	2	6
	Small to medium size	-	-	1	1	2
	Total	2	2	1	3	8
FY2018	Large size	3	8	-	2	13
	Small to medium size	7	10	1	-	18
	Total	10	18	1	2	31

Backlog of Gas turbine orders received

	Large size	Small to medium size	Total
As of Mar. 31, 2018	38	6	44
As of Mar. 31, 2019	43	16	59

Revenue : Up ¥42.6 billion YoY

- Increased : Nuclear power, GTCC

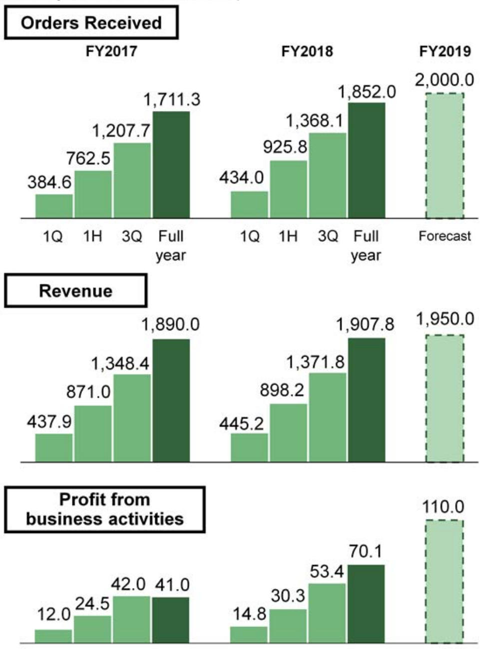
Profit from business activities : Up ¥45.2 billion YoY

- Increased :
  Nuclear power, Compressors : Increased sales, etc.

Supplementary Information (1) Financial Results by Business Segment
< Industry & Infrastructure >

MITSUBISHI HEAVY INDUSTRIES

(In billion yen, accumulated amount)



Orders received : Up ¥140.6 billion YoY

- Increased : Commercial ships, Chemical plants, Material handling equipment

Revenue : Up ¥17.7 billion YoY

- Increased : Metals machinery, Material handling equipment
- Decreased : Chemical plants, Commercial ships

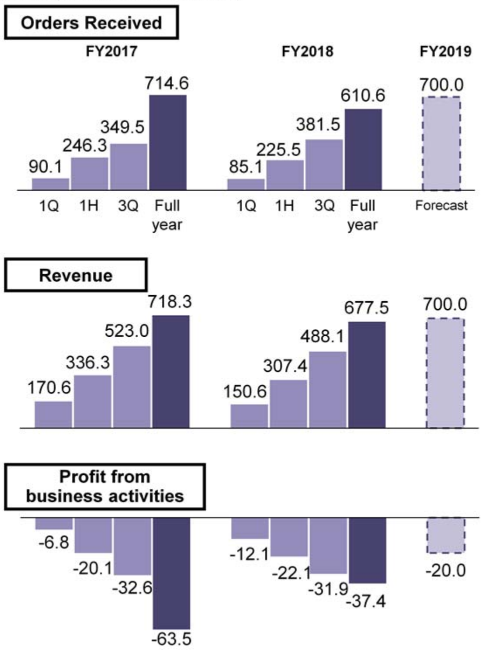
Profit from business activities : Up ¥29.0 billion YoY

- Increased :
  Transportation systems : Profit/loss recovery
  Material handling equipment : Increased sales, etc.

Supplementary Information (1) Financial Results by Business Segment
< Aircraft, Defense & Space >

MITSUBISHI HEAVY INDUSTRIES

(In billion yen, accumulated amount)



Orders received : Down ¥104.0 billion YoY

- Decreased : Space systems, Commercial aircraft

Accumulated number of MRJ orders received: 387
(firm orders: 213 / options and purchase rights: 174)
[As of Mar 31, 2019]

Revenue : Down ¥40.7 billion YoY

- Decreased : Commercial aircraft, Space systems

Number of B777s delivered
FY2017 (actual) : 58 (1Q: 17, 2Q: 15, 3Q: 16, 4Q: 10)
FY2018 (actual) : 48 (1Q: 11, 2Q: 11, 3Q: 11, 4Q: 15)

Number of B787s delivered
FY2017 (actual) :141 (1Q: 36, 2Q: 36, 3Q: 33, 4Q: 36)
FY2018 (actual) :148 (1Q: 37, 2Q: 36, 3Q: 33, 4Q: 42)

Profit from business activities :
Up ¥26.0 billion YoY

- Increased :
  MRJ: Decreased R&D costs
- Decreased :
  Commercial aircraft: Decreased sales, etc.

Supplementary Information (2) Reference Data

MITSUBISHI HEAVY INDUSTRIES

1. R&D Expenses, Depreciation and Capital Expenditure

(In billion yen)

	FY2015	FY2016	FY2017	FY2017 (IFRS)	FY2018 (IFRS)	FY2019 (Forecast, IFRS)
R&D Expenses	150.6	160.7	176.8	176.8	152.1	160.0
Depreciation	158.7	172.7	176.1	176.1	124.9	130.0
Capital Expenditure	175.5	204.4	158.4	158.4	147.3	170.0

2. Cash Flows

(In billion yen)

	FY2015	FY2016	FY2017	FY2017 (IFRS)	FY2018 (IFRS)	FY2019 (Forecast, IFRS)
Cash flows from operating activities	270.0	95.9	345.1	405.7	404.9	-
Cash flows from investing activities	-262.4	8.7	-137.1	-238.1	-161.8	-
Free cash flows	7.5	104.6	207.9	167.5	243.0	50.0
Cash flows from financing activities	-23.1	-162.0	-152.1	-112.3	-255.5	-

3. Interest-Bearing Debt, D/E ratio

	FY2015	FY2016	FY2017	FY2017 (IFRS)	FY2018	FY2019 (Forecast, IFRS)
Interest-bearing debt (In billion yen)	1,052.1	925.5	813.1	813.1	665.1	600.0
D/E ratio	53%	44%	38%	48%	38%	30%

4. Foreign Exchange Rates

(¥/US$)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Assumed)
Average rates for recording sales	109.4	119.7	108.2	111.1	110.7	110.0
(Reference)Rates at end of period	120.2	112.7	112.2	106.2	111.0	-

Supplementary Information (2) Reference Data

5. Employees

(Number of employees)

(Consolidated)	FY2014	FY2015	FY2016
Energy & Environment	26,855	25,887	25,326
Commercial Aviation & Transportation Systems	7,129	7,428	7,417
Integrated Defense & Space Systems	6,022	6,281	6,389
Machinery, Equipment & Infrastructure	33,277	36,244	36,383
Others	8,562	8,092	7,213
Total	81,845	83,932	82,728
(Non-Consolidated)	(21,117)	(19,357)	(16,824)

(Number of employees)

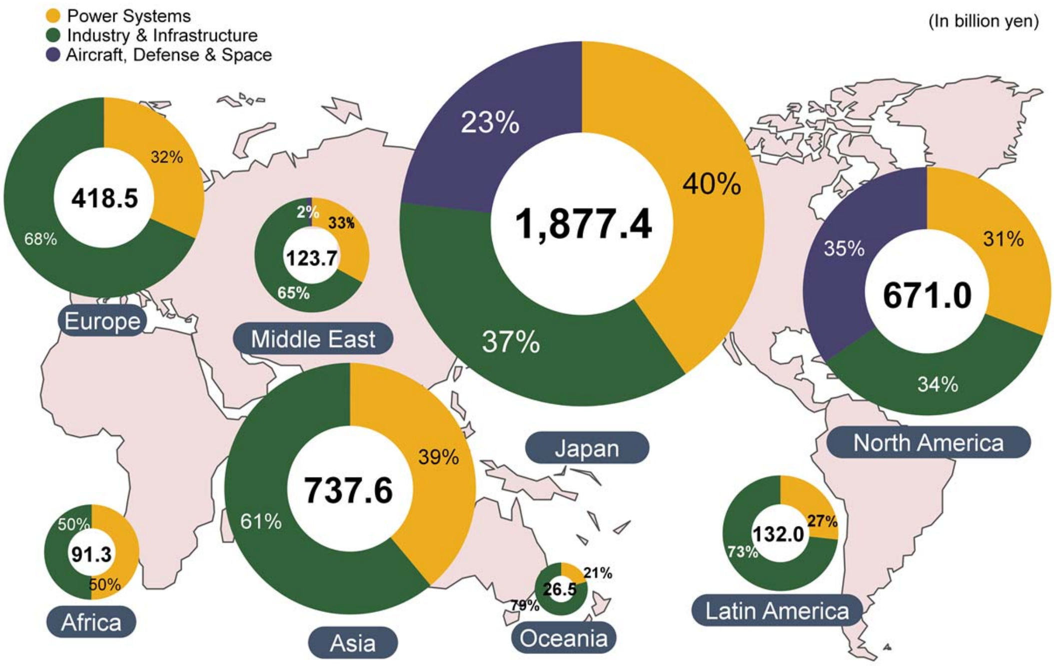
(Consolidated)	FY2017	FY2018
Power Systems	24,922	24,576
Industry & Infrastructure	38,886	39,692
Aircraft, Defense & Space	10,762	10,795
Others	6,082	5,681
Total	80,652	80,744
(Non-Consolidated)	(14,717)	(14,534)

6. Overseas Sales by Region

(In billion yen)

	FY2015		FY2016		FY2017		FY2017 (IFRS)		FY2018 (IFRS)	
North America	786.1	(19.4%)	684.5	(17.5%)	674.6	(16.4%)	663.2	(16.2%)	671.0	(16.5%)
Asia	721.9	(17.8%)	618.0	(15.8%)	693.0	(16.9%)	687.3	(16.8%)	737.6	(18.1%)
Europe	352.7	(8.7%)	395.6	(10.1%)	440.3	(10.7%)	432.2	(10.6%)	418.5	(10.3%)
Central & South America	126.9	(3.1%)	110.1	(2.8%)	146.8	(3.6%)	184.5	(4.5%)	132.0	(3.2%)
The Middle East	115.7	(2.9%)	117.2	(3.0%)	144.3	(3.5%)	149.1	(3.7%)	123.7	(3.0%)
Africa	110.6	(2.7%)	135.6	(3.5%)	99.5	(2.4%)	104.7	(2.6%)	91.3	(2.2%)
Oceania	27.7	(0.7%)	31.6	(0.8%)	30.7	(0.7%)	31.3	(0.8%)	26.5	(0.7%)
Total	2,241.8	(55.4%)	2,092.9	(53.5%)	2,229.6	(54.2%)	2,252.7	(55.1%)	2,200.8	(54.0%)

Supplementary Information (2) Reference Data
Revenue by Geographic Area & Segment



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