

# 2019/03 Third Quarter Financial Results



7 February, 2018



Mitsui E&S Holdings Co., Ltd.

<p>2019/03 3rd Quarter Result</p>	<ul style="list-style-type: none"> <li>◆ Order Intake 374.3 Billion Yen (YoY ↓ )</li> <li>◆ Net Sales 479.4 Billion Yen (YoY ↓ )</li> <li>◆ Ordinary Income ▲22.0 Billion Yen (YoY ↓ )</li> </ul>
<p>2019/03 Forecast</p>	<ul style="list-style-type: none"> <li>◆ Order Intake 750.0 Billion Yen (V.S. Previous – )</li> <li>◆ Net Sales 660.0 Billion Yen (V.S. Previous → )</li> <li>◆ Ordinary Income ▲20.0 Billion Yen (V.S. Previous → )</li> </ul>
<p>The loss of Engineering</p>	<ul style="list-style-type: none"> <li>◆ Project subject to Loss, We are making efforts to complete construction.</li> <li>◆ Considering reorganization of the entire Mitsui E&amp;S group</li> </ul> <div style="text-align: center; margin: 10px 0;">  </div> <p style="text-align: center;">Development of Organization and measures will be disclosed within May,2019</p>
<p>Topics</p>	<ul style="list-style-type: none"> <li>◆ Started the Japan's first offshore wind farm business</li> <li>◆ Awarded the 3,900-ton type Destroyer</li> <li>◆ Developed Transtainer® * and its driving test area</li> </ul>

# 2019/03 3rd Quarter Summary of Results

(JPY : Billion)

	2017/12	2018/12	Var.
Order intake	402.2	374.3	▲27.9
Sales	519.9	479.4	▲40.5
Operating Income	▲1.6	▲27.1	▲25.5
(OP ratio)	(▲0.3)	(▲5.6%)	(▲5.3)
Ordinary Income	4.0	▲22.0	▲26.0
(OD ratio)	(▲0.8)	(▲4.5%)	(▲5.3)
Profit attributable to owners	▲3.6	▲47.3	▲43.7

<Average FOREX Rate >

US\$/Yen	112.41 Yen/US\$	113.00 Yen/US\$
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# 2019/03 3rd Quarter Results Summary by Segment

(JPY : Billion)

	Order intake			Sales			Operating Income			Ordinary Income
	17/12	18/12	Var.	17/12	18/12	Var.	17/12	18/12	Var.	18/12 (*)
Ship	54.1	83.2	+29.1	86.4	69.5	▲16.9	▲6.2	▲6.6	▲0.4	▲6.8
Ocean Development	101.4	66.0	▲35.4	146.9	167.1	+20.2	9.5	11.9	+2.4	17.6
Machinery	119.6	122.6	+3.0	130.2	135.8	+5.6	9.0	7.5	▲1.5	8.0
Engineering	66.4	49.7	▲16.7	91.6	49.8	▲41.8	▲15.4	▲40.8	▲25.4	▲41.0
Other	60.7	52.8	▲7.9	64.9	57.1	▲7.8	1.5	1.0	▲0.5	0.2
<b>Total</b>	<b>402.2</b>	<b>374.3</b>	<b>▲27.9</b>	<b>519.9</b>	<b>479.4</b>	<b>▲40.5</b>	<b>▲1.6</b>	<b>▲27.1</b>	<b>▲25.5</b>	<b>▲22.0</b>

(\*) No audit. Our internal amount.

## ■ Coal-fired power plant civil engineering construction work in Indonesia

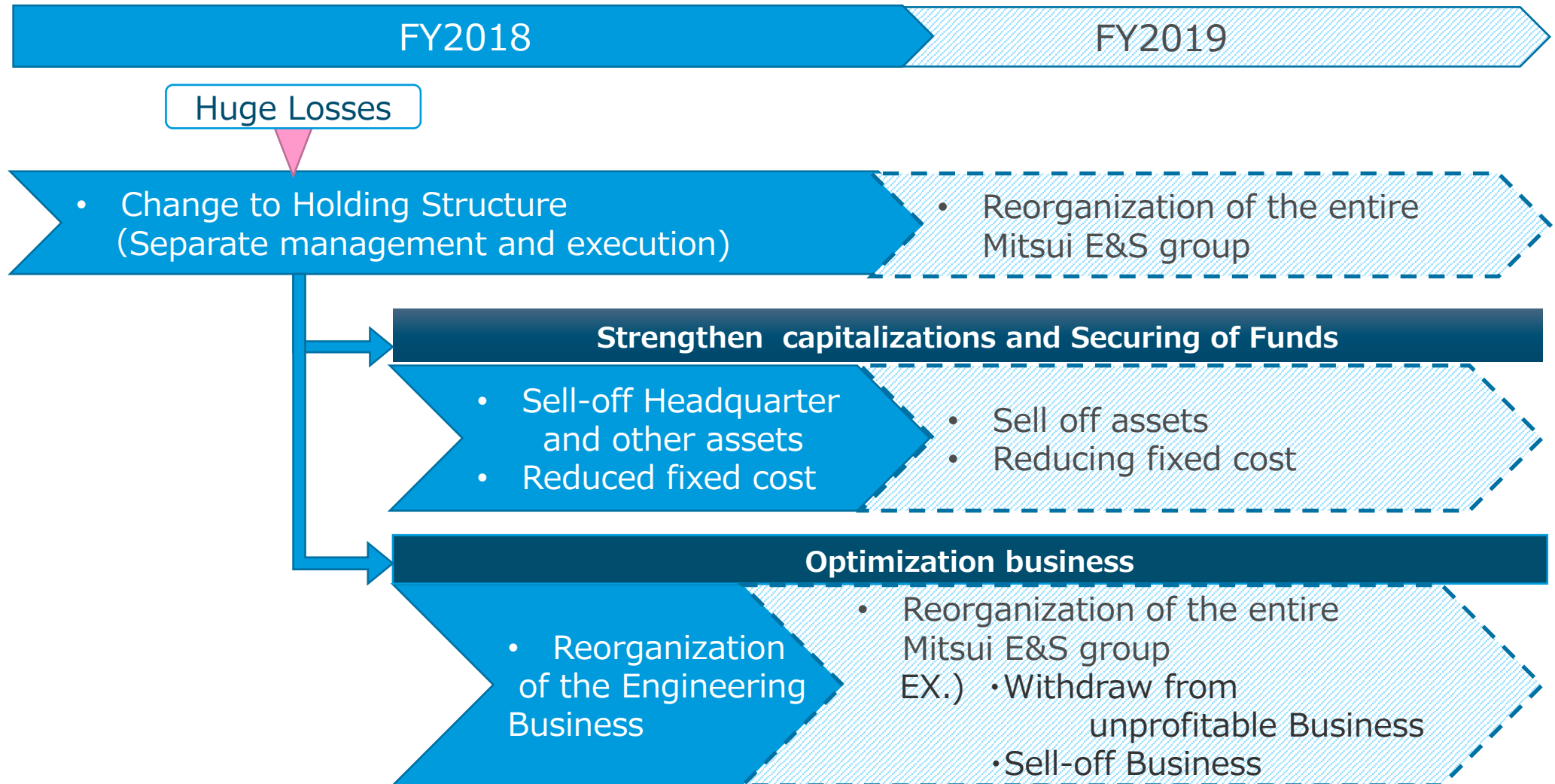
### <Construction progress >

- The initially installed CW pipe (material : GRP) has been removed and the material is currently changed. It is under construction in a steel pipe and will be buried after March 2019.
- Regarding the delay, we are recovering with the provisioned construction cost.
- Partial flooding due to torrential rain (Declared Force Majour)

## ■ list of Coal-fired power plant civil engineering construction

Projects	Area	Progress (18/09 ⇒18/12)	Delivery date
A	Vietnam	95%⇒97%	2019
B	Indonesia	40%⇒47%	2020
C	Indonesia	45%⇒56%	2021

- A Construction has progressed steadily, This Project will be completed next fiscal year.
- B Focus on completion of construction. Provision has been posted by 183 Q
- C Construction has progressed.



✓ Development of Organization and measures will be disclosed within May, 2019

(JPY : Billion)

	Previous Forecast (2018/11/8)	Current Forecast (2019/03)	Var.
Order intake	700~ 900	750	—
Sales	660	660	0
Operating Income	▲28	▲28	0
Ordinary Income	▲20	▲20	0
Profit attributable to owners	▲43	▲43	0

※ Forecast Rate US\$/Yen 110

※ Effect to foreign exchange rates by currency on operating profit  
1 yen per US\$ corresponds to 0.2 billion yen.

# 2019/03 Forecast Summary by Segment

(JPY: Billion)

	Order intake			Sales			Operating Income		
	Previous Forecast (8 Nov., 2018)	New Forecast (2019/03)	Var.	Previous Forecast (8 Nov., 2018)	New Forecast (2019/03)	Var.	Previous Forecast (8 Nov., 2018)	New Forecast (2019/03)	Var.
Ship	110	110	0	90	90	0	▲8	▲9	▲1
Ocean Development	200~ 400	250	—	220	220	0	12	15	+3
Machinery	170	170	0	180	180	0	7	8	+1
Engineering	120	120	0	80	80	0	▲43	▲43	0
Other	100	100	0	90	90	0	4	1	▲3
Total	700~ 900	750	—	660	660	0	▲28	▲28	0

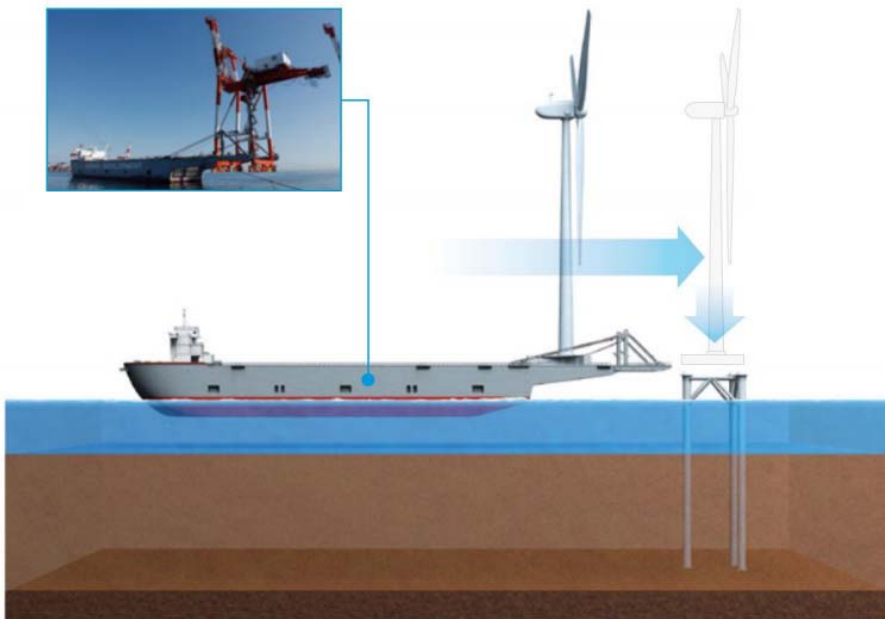


## Started the Japan's first offshore wind farm business

Mitsui E&S Engineering Co., Ltd. and Wenty Japan Co., Ltd. decided to promote the offshore wind power generation project planned at Irizen town, Toyama Prefecture.

We will construct and operate an offshore wind power plant with 100% of private funds as the first effort in Japan.

The plan is to install 4 (four) 2,000 kW class wind turbines in Toyama prefecture. We plan to sell electricity to Hokuriku Electric Power Company using the "entire renewable energy fixed price purchase system (FIT)".



Image

## Awarded the 3,900-ton type Destroyer for Ministry of Defense from Mitsubishi heavy Industries Co., Ltd.

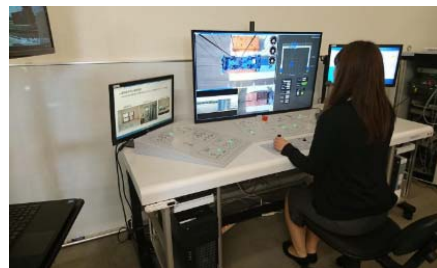
Mitsui E&S Shipbuilding Co., Ltd is awarded the 3,900-ton type Destroyer for Ministry of Defense from Mitsubishi heavy Industries Co., Ltd.(MHI) . We are working with MHI in collaboration with detailed design work. In the future, both companies have agreed to cooperate in the project. In addition, both companies will consider this collaboration individually for peripheral areas and future projects widely on occasion.



Image



Transtainer® for development & test areas



Remote operation

## Developed Transtainer® \* and its driving test area

Mitsui E&S Machinery Co., Ltd., has developed Transtainer® \* (container handling crane) in the Oita factory and a driving test area of 100 m in total length. We will operate this crane as a test machine for development of remote control and automatic operation.

We will develop a total solution package product that can collaborate with all the elements constituting the automated container terminal.

\* Transtainer® is a registered trademark of PACECO CORP. in the United States.

# 2019/03 3rd Quarter Summary of Income Statement

(JPY: Billion)

	2017/12	2018/12	Var.	
Sales	519.9	479.4	▲40.5	
<b>Gross Profit</b>	<b>37.5</b>	<b>12.0</b>	<b>▲25.5</b>	Profitability goes down by Indonesian EPC
SG&A	39.1	39.1	0	
<b>Operation Income</b>	<b>▲1.6</b>	<b>▲27.1</b>	<b>▲25.5</b>	
Other Income	10.3	10.1	▲0.2	
Other Expenses	4.6	5.0	+0.4	
<b>Ordinary Income</b>	<b>4.0</b>	<b>▲22.0</b>	<b>▲26.0</b>	
Extraordinary Gains	6.4	1.0	▲5.4	Previous year, gains on sales of investment securities and fix assets are set aside
Extraordinary Losses	0.4	1.7	+1.3	
<b>Profit Before Taxes</b>	<b>10.1</b>	<b>▲22.7</b>	<b>▲32.8</b>	
Income Taxes	9.4	19.9	+10.5	Increase due to reversal of deferred tax assets
Non-Controlling Interest	4.3	4.7	+0.4	Mainly MODEC minority interests
<b>Profit attributable to owners of parent</b>	<b>▲3.6</b>	<b>▲47.3</b>	<b>▲43.7</b>	

# 2019/03 3rd Quarter Summary of Balance Sheet

(JPY: Billion)

	2017/12	2018/12	増減	
<b>Total Assets</b>	<b>1,029.2</b>	<b>1,035.8</b>	<b>+6.6</b>	
(Cash)	93.7	103.6	+9.9	
(Receivables)	243.8	241.3	▲2.5	
(Fixed Assets)	382.3	382.9	+0.6	
(Differed Tax Assets)	18.1	5.1	▲13.0	Reversed deferred tax assets
<b>Total Liabilities</b>	<b>672.4</b>	<b>724.6</b>	<b>+52.2</b>	
(Advances by Customers)	56.9	81.6	+24.7	
(Provision for losses on construction contracts)	10.3	33.2	+22.9	Increased due to profitability goes down by Indonesian EPC
(Debt (with interest))	255.3	273.7	+18.4	
<b>Net Assets</b>	<b>356.8</b>	<b>311.3</b>	<b>▲45.5</b>	Significantly decrease due to lowest ever losses
(Own capital)	239.2	191.6	▲47.6	
Capital-to-asset ratio	23.2%	18.5%	▲4.7	
DE Raito	1.1	1.4	+0.3	

New Ship (Mitsui E&S shipbuilding Co., Ltd) (1 Apr., 2018 - 31 Dec., 2018)

	New Orders	Deliveries	Backlogs
Commercial Ship	9	7	22
Government Ship· Other Ship	2	-	8
Total	11	7	30

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

	2017/12		2018/12	
	Unit	House Power (10Kps)	Unit	House Power (10Kps)
New Orders	27	52	60	110
Deliveries	106	280	121	311
Back logs	60	187	72	151
Production	112	288	118	297



# 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, forward-looking statements, targets, plans, strategies, etc. of the Company contain forward-looking statements. These are forecasts that the Company rationally determined based on information that can be grasped at the present time and include known and unknown risks and uncertainties. Accordingly, there is a possibility that actual results or achievements of our company in the future may be significantly different.

The translation of English is merely created for reference and this does not detain any parties.