

Consolidated Financial Results for 3rd Quarter of Fiscal Year Ended March 31, 2021



February 10, 2021



Mitsui E&S Holdings Co., Ltd.

3rd Quarter of FYE Mar. 2021 Results

- ◆ New Orders 369.1 Billion Yen (QoQ ↓)
- ◆ Net Sales 484.7 Billion Yen (QoQ ↓)
- ◆ Ordinary Income (Loss) (3.1) Billion Yen (QoQ ↑)

FYE Mar. 2021 Forecast

- ◆ New Orders 620 Billion yen (→ compared to Previous Release)
- ◆ Net Sales 660 Billion yen (↑ compared to Previous Release)
- ◆ Ordinary Income (Loss) (8.0) Billion yen (↓ compared to Previous Release)

Topic

- ◆ Progress of the 2020 Mid-term business Plan
 - ✓ Reduce business size and domains
 - ✓ Create markets through alliances
 - ✓ Shift to stock-type business model

Summary of Results

(JPY: Billion)

	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.
New Order	571.9	369.1	(202.8)
Net Sales	547.7	484.7	(63.0)
Operating Income (Loss)	(72.4)	(5.1)	+67.3
OP ratio	(13.2%)	(1.1%)	–
Ordinary Income (Loss)	(69.7)	(3.1)	+66.6
OD ratio	(12.7%)	(0.7%)	–
Profit attributable to owners	(70.0)	(2.5)	+67.5

<Average FX>

USD/JPY	108.23Yen/US\$	105.42Yen/US\$
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Results Summary by Segment

(JPY: Billion)

	New Order			Net Sales		
	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.
Ship	38.6	36.4	(2.2)	85.6	66.6	(19.0)
Ocean Development	342.3	178.2	(164.1)	219.6	230.1	+10.5
Machinery	104.3	89.8	(14.5)	123.3	111.8	(11.5)
Engineering	32.3	18.4	(13.9)	44.7	28.9	(15.8)
Other	54.5	46.3	(8.2)	74.5	47.4	(27.1)
Total	571.9	369.1	(202.8)	547.7	484.7	(63.0)

Results Summary by Segment

(JPY: Billion)

	New Order			Net Sales		
	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.
Ship	(1.9)	(2.2)	(0.3)	(1.9)	(0.4)	+1.5
Ocean Development	(8.9)	(10.8)	(1.9)	(4.2)	(7.0)	(2.8)
Machinery	7.7	5.5	(2.2)	8.2	5.7	(2.5)
Engineering	(73.3)	1.0	+74.3	(73.5)	0.7	+74.2
Other	4.1	1.3	(2.8)	1.8	(2.1)	(3.9)
Total	(72.4)	(5.1)	+67.3	(69.7)	(3.1)	+66.6

- Status of large coal-fired power plant civil engineering construction projects (3Q of FYE Mar. 2021)

Project	Location	Progress toward Completion (%)		Contracted Delivery Date
		2Q FYE Mar. 2021	3Q FYE Mar. 2021	
1	Indonesia	Approx. 79%	Approx. 79.4%	FYE Mar. 2021
	Trend in reserved balance	74.6 Billion Yen	71.2 Billion Yen	
2	Indonesia	約98%	約99.1%	FYE Mar. 2022

* In Indonesia, where the construction site is located, the impact of the COVID-19 infection is still continuing, but construction work is being carried out with appropriate measures.

Summary of FYE Mar. 2021 Forecast

(JPY : Billion)

	Previous Forecast (Nov. 6,2020)	New Forecast	Var.
New Order	550.0~ 750.0	620.0	-
Net Sales	630.0	660.0	+30.0
Operating Income (Loss)	(10.0)	(12.0)	(2.0)
Ordinary Income (Loss)	(7.0)	(8.0)	(1.0)
Profit attributable to owners	0	0	0
Free Cash Flow	(40.0)	0	+40.0
Debt (with interest)	190.0	170.0	(20.0)

* Exchange rate assumption: ¥105/USD

* Impact that a ¥1 appreciation against the USD has on operating income:
Negative impact of approximately ¥100 million.

Summary of FYE Mar. 2021 Forecast by Segment

(JPY : Billion)

	New Order			Net Sales		
	Previous Forecast (Nov. 6,2020)	New Forecast	Var.	Previous Forecast (Nov. 6,2020)	New Forecast	Var.
Ship	90.0	60.0	(30.0)	90.0	90.0	0
Ocean Development	200.0~ 400.0	320.0	-	280.0	310.0	+30.0
Machinery	180.0	160.0	(20.0)	170.0	170.0	0
Engineering	20.0	20.0	0	30.0	30.0	0
Other	60.0	60.0	0	60.0	60.0	0
Total	550.0~ 750.0	620.0	-	630.0	660.0	+30.0

Summary of FYE Mar. 2021 Forecast by Segment

(JPY : Billion)

	New Order			Net Sales		
	Previous Forecast (Nov. 6,2020)	New Forecast	Var.	Previous Forecast (Nov. 6,2020)	New Forecast	Var.
Ship	(2.0)	(2.0)	0	(1.0)	(1.0)	0
Ocean Development	(17.0)	(22.0)	(5.0)	(11.0)	(15.0)	(4.0)
Machinery	9.0	9.0	0	9.0	9.0	0
Engineering	(1.0)	2.0	+3.0	(4.0)	(1.0)	+3.0
Other	1.0	1.0	0	0	0	0
Total	(10.0)	(12.0)	(2.0)	(7.0)	(8.0)	(1.0)

■ Reduce business size and domains

- ✓ Concluded an agreement to transfer all shares of a subsidiary that handles environmental recycling and biogas-related businesses

■ Create markets through alliances

- ✓ Transferred 70% of the shares of a subsidiary in the social infrastructure (bridges, bridge maintenance, coastal) business
- ✓ Continued discussions on the transfer of the naval business and a portion of the Commercial ship business

■ Shift to stock-type business model

- ✓ Development of “CARMS”, a Next-generation Remote Monitoring System for Port Cranes
- ✓ Joined the Hydrogen Value Chain Promotion Council

Appendix) Summary of Income Statement

(JPY: Billion)

	FYE Mar. 2020 3Q	FYE Mar. 2021 3Q	Var.	
Sales	547.7	484.7	(63.0)	
Gross Profit (Loss)	(35.0)	26.7	+61.7	
SG&A	37.3	31.9	(5.4)	
Operation Income (Loss)	(72.4)	(5.1)	+67.3	Cost of civil engineering and construction work for coal-fired thermal power plants remained within the scope of provisions made in the previous fiscal year.
Other Income	8.0	9.3	+1.3	
Other Expenses	5.4	7.3	+1.9	
Ordinary Income (Loss)	(69.7)	(3.1)	+66.6	
Extraordinary Gains	1.5	5.0	+3.5	
Extraordinary Losses	1.7	6.0	+4.3	
Profit (Loss) Before Taxes	(69.9)	(4.1)	+65.8	
Income Taxes	2.6	2.6	0	
Non-Controlling Interest	(2.5)	(4.1)	(1.6)	
Profit (Loss) attributable to owners of parent	(70.0)	(2.5)	+67.5	

Appendix) Summary of Balance Sheet

(JPY: Billion)

	FYE Mar. 2020	FYE Mar. 2021 3Q	Var.	
Total Assets	840.4	776.0	(64.4)	
(Cash)	118.4	132.1	+13.7	
(Receivables)	282.4	225.2	(57.2)	Mainly due to progress in construction
(Fixed Assets)	187.8	160.7	(27.1)	Decrease mainly due to the sale of land for the Chiba Plant
Total Liabilities	735.0	688.0	(47.0)	
(Advances by Customers)	84.0	90.2	+6.2	
(Provision for losses on construction contracts)	98.5	80.6	(17.9)	
(Debt (with interest))	173.9	172.0	(1.9)	
Net Assets	105.4	88.0	(17.4)	
(Own capital)	64.4	55.9	(8.5)	
Capital-to-asset ratio	7.7%	7.2%	-	
DE Raito	2.7	3.1	-	

New Ship (Mitsui E&S Shipbuilding Co., Ltd.)

(As of Dec. 31, 2020)

	New Orders	Deliveries	Backlogs
Commercial Ship	0	7	4
Government Ship· Other Ship	1	2	6
Total	1	9	10

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

(As of Dec. 31, 2020)

	FYE Mar. 2020 3Q		FYE Mar. 2021 3Q		FYE Mar. 2021 Forecast	
	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)	Unit	Horse Power (10Kps)
New Orders	93	173	75	140	—	—
Deliveries	166	321	113	251	—	—
Back logs	61	114	59	133	—	—
Production	156	299	118	276	165	375



MITSUMI E&S

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To continue working as a company trusted by society and individual through products and services we offer

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