

**Outline of FY2023 First 6 Months Financial Results**  
**Ended Sep 30, 2023 (Consolidated)**

(billions of yen)

	<b>FY2023 First 6 Months (From April 1 to September 30, 2023)</b>	<b>FY2022 First 6 Months (From April 1 to September 30, 2022)</b>	<b>Changes (%)</b>
Orders Received	3,137.0	2,018.4	55.4
Revenue	2,069.2	1,875.2	10.3
Profit from business activities	100.9	54.8	84.1
Profit Before Income Taxes	133.7	91.3	46.3
Profit (loss) Attributable to Owners of Parent	91.9	54.1	69.8
Operating Cash Flow	(181.2)	(92.8)	/
Investment Cash Flow	(0.0)	(8.5)	/
Financing Cash Flow	96.0	74.2	/
Profit (loss) Attributable to Owners of Parent Per Share	273.64 yen	161.20 yen	69.7

Figures in parentheses are negative.

## Consolidated financial results (continued)

### Revenue by Operational Segment

(billions of yen)

	<b>FY2023</b> <b>First 6 Months</b> <b>(From April 1 to</b> <b>September 30, 2023)</b>	<b>FY2022</b> <b>First 6 Months</b> <b>(From April 1 to</b> <b>September 30, 2022)</b>
Energy Systems	777.2	769.0
Plants & Infrastructure	350.7	292.1
Logistics, Thermal & Drive Systems	633.3	563.4
Aircraft, Defense & Space	318.9	262.3
Corporate and Eliminations	(10.9)	(11.7)
<b>TOTAL</b>	<b>2,069.2</b>	<b>1,875.2</b>

### Profit (Loss) From Business Activities by Operational Segment

(billions of yen)

	<b>FY2023</b> <b>First 6 Months</b> <b>(From April 1 to</b> <b>September 30, 2023)</b>	<b>FY2022</b> <b>First 6 Months</b> <b>(From April 1 to</b> <b>September 30, 2022)</b>
Energy Systems	35.3	19.6
Plants & Infrastructure	20.3	10.6
Logistics, Thermal & Drive Systems	36.7	8.4
Aircraft, Defense & Space	27.4	19.7
Corporate and Eliminations	(18.9)	(3.6)
<b>TOTAL</b>	<b>100.9</b>	<b>54.8</b>

Figures in parentheses are negative.

## Estimate of Consolidated Financial Results for FY 2023

For the fiscal year 2023 ending March 31, 2024, MHI is expecting 4,300 billion yen in revenue, 300 billion yen in Profit from business activities, 290 billion yen in profit before income tax, and 190 billion yen in profit attributable to owners of parent. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥140 and €1.00 = ¥150 for the portion yet to be fixed.

We have decided to voluntarily adopt IFRS from beginning with the first quarter ending June 30, 2018 onward, so estimate of consolidated financial results have been made based on IFRS.

Please note that this estimate has been projected with currently available information and data. As such, these projections involve risks and uncertainties. For this reason, investors are recommended not to depend solely on these projections for making investment decisions. The actual results, therefore, may diverge broadly with the influence of a variety of outside factors such as economics surrounding MHI, currency movement of the yen 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.

**(1) Condensed Consolidated Statement of Financial Position [IFRS]**

(Millions of Yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
<b><u>Assets</u></b>		
Current assets		
Cash and cash equivalents	347,663	299,612
Trade and other receivables	804,613	832,951
Other financial assets	35,382	36,465
Contract assets	731,820	761,661
Inventories	876,878	1,006,035
Other current assets	245,943	299,657
<b>Total current assets</b>	<b>3,042,302</b>	<b>3,236,384</b>
Non-current assets		
Property, plant and equipment	839,813	843,750
Goodwill	131,181	134,537
Intangible assets	70,161	72,979
Right-of-use assets	86,295	92,163
Investments accounted for using the equity method	227,045	268,410
Investments in securities and other financial assets	521,135	491,041
Deferred tax assets	358,758	373,836
Other non-current assets	198,117	248,055
<b>Total Non-current assets</b>	<b>2,432,509</b>	<b>2,524,775</b>
<b>Total assets</b>	<b>5,474,812</b>	<b>5,761,160</b>
<b><u>Liabilities and Equity</u></b>		
Current liabilities		
Bonds, borrowings and other financial liabilities	349,075	538,271
Trade and other payables	895,286	843,199
Income taxes payable	19,661	27,793
Contract liabilities	936,765	919,870
Provisions	229,582	207,704
Other current liabilities	193,791	187,995
<b>Total Current liabilities</b>	<b>2,624,163</b>	<b>2,724,835</b>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	843,359	818,513
Deferred tax liabilities	10,465	11,756
Retirement benefit liability	76,146	77,355
Provisions	60,817	74,939
Other non-current liabilities	25,874	31,296
<b>Total non-current liabilities</b>	<b>1,016,663</b>	<b>1,013,861</b>
<b>Total liabilities</b>	<b>3,640,827</b>	<b>3,738,696</b>
<b><u>Equity</u></b>		
Share capital	265,608	265,608
Capital surplus	41,256	41,844
Treasury shares	(5,385)	(4,894)
Retained earnings	1,218,180	1,306,204
Other components of equity	221,314	305,872
Equity attributable to owners of parent	1,740,974	1,914,636
Non-controlling interests	93,010	107,827
<b>Total Equity</b>	<b>1,833,984</b>	<b>2,022,463</b>
<b>Total Liabilities and Equity</b>	<b>5,474,812</b>	<b>5,761,160</b>

## **(2) Condensed Consolidated Statement of Profit or Loss [IFRS]**

i) First six months FY2022 and FY2023

(Millions of Yen)

	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)	FY2023 First 6 Months (From Apr. 1 to Sep. 30, 2023)
Revenue	1,875,267	2,069,272
Cost of sales	1,549,268	1,675,214
<b>Gross Profit</b>	<b>325,998</b>	<b>394,057</b>
Selling, general and administrative expenses	293,592	311,876
Share of profit of investments accounted for using the equity method	8,374	1,317
Other income	35,636	27,157
Other expenses	21,573	9,707
<b>Profit from business activities</b>	<b>54,844</b>	<b>100,948</b>
Finance income	47,065	39,928
Finance cost	10,518	7,162
<b>Profit before income taxes</b>	<b>91,391</b>	<b>133,714</b>
Income taxes	31,001	29,155
<b>Profit</b>	<b>60,389</b>	<b>104,558</b>
Profit attributable to:		
<b>Owners of parent</b>	<b>54,132</b>	<b>91,944</b>
Non-controlling interests	6,257	12,614

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	161.20	273.64
Diluted earnings per share	160.97	273.44

**(2) Condensed Consolidated Statement of Profit or Loss [IFRS]**

ii) For three months ended Sep.30, 2022 and 2023 (FY2022Q2 &amp; FY2023Q2)

(Millions of Yen)

	FY2022 Q2 (From Jul. 1 to Sep. 30, 2022)	FY2023 Q2 (From Jul. 1 to Sep. 30, 2023)
Revenue	1,003,934	1,085,292
Cost of sales	821,099	884,072
<b>Gross Profit</b>	<b>182,835</b>	<b>201,219</b>
Selling, general and administrative expenses	150,684	155,485
Share of profit of investments accounted for using the equity method	3,490	1,519
Other income	11,921	11,206
Other expenses	7,649	9,487
<b>Profit from business activities</b>	<b>39,912</b>	<b>48,972</b>
Finance income	21,502	11,274
Finance expenses	5,584	2,234
<b>Profit before income taxes</b>	<b>55,831</b>	<b>58,012</b>
Income taxes	16,979	12,027
<b>Profit</b>	<b>38,851</b>	<b>45,985</b>
Profit attributable to:		
<b>Owners of parent</b>	<b>34,939</b>	<b>38,756</b>
Non-controlling interests	3,912	7,229

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	104.04	115.32
Diluted earnings per share	103.90	115.28

### **(3) Condensed Consolidated Statement of Comprehensive Income [IFRS]**

i) First six months FY2022 and FY2023

(Millions of Yen)

	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)	FY2023 First 6 Months (From Apr. 1 to Sep. 30, 2023)
<b>Profit</b>	<b>60,389</b>	<b>104,558</b>
<b>Other comprehensive income (loss)</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net gains and losses from financial assets measured at FVTOCI	(29,420)	19,244
Remeasurement of defined benefit plans	292	(619)
Share of other comprehensive income (loss) of entities accounted for by the equity method	1,445	217
<b>Total</b>	<b>(27,682)</b>	<b>18,842</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	(1,806)	(1,694)
Hedging cost	28	-
Exchange differences on translating foreign operations	88,265	83,808
Share of other comprehensive income (loss) of entities accounted for by the equity method	7,641	10,476
<b>Total</b>	<b>94,129</b>	<b>92,589</b>
<b>Total other comprehensive income (loss)</b>	<b>66,446</b>	<b>111,431</b>
<b>Comprehensive income</b>	<b>126,836</b>	<b>215,990</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of parent	113,391	196,384
Non-controlling interests	13,445	19,606

\*FVTOCI means "Fair Value Through Other Comprehensive Income".

**(3) Condensed Consolidated Statement of Comprehensive Income [IFRS]**

ii) For three months ended Sep.30, 2022 and 2023 (FY2022Q2 &amp; FY2023Q2)

(Millions of Yen)

	FY2022 Q2 (From Jul. 1 to Sep. 30, 2022)	FY2023 Q2 (From Jul. 1 to Sep. 30, 2023)
<b>Profit</b>	<b>38,851</b>	<b>45,985</b>
<b>Other comprehensive income (loss)</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net gains and losses from financial assets measured at FVTOCI	(10,391)	(886)
Remeasurement of defined benefit plans	165	(11)
Share of other comprehensive income (loss) of entities accounted for by the equity method	(26)	20
<b>Total</b>	<b>(10,252)</b>	<b>(877)</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	409	259
Hedging cost	152	-
Exchange differences on translating foreign operations	24,796	22,238
Share of other comprehensive income (loss) of entities accounted for by the equity method	1,433	2,275
<b>Total</b>	<b>26,792</b>	<b>24,773</b>
<b>Total other comprehensive income (loss)</b>	<b>16,540</b>	<b>23,896</b>
<b>Comprehensive income</b>	<b>55,391</b>	<b>69,882</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of parent	50,037	60,309
Non-controlling interests	5,354	9,572



#### **(4) Condensed Consolidated Statement of changes in equity [IFRS]**

(Millions of Yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
<b>Balance as of Apr. 1 ,2022</b>	<b>265,608</b>	<b>45,061</b>	<b>(5,946)</b>	<b>1,099,158</b>	<b>172,728</b>	<b>1,576,611</b>	<b>85,918</b>	<b>1,662,529</b>
Profit				54,132		54,132	6,257	60,389
Other comprehensive income (loss)					59,258	59,258	7,188	66,446
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,132</b>	<b>59,258</b>	<b>113,391</b>	<b>13,445</b>	<b>126,836</b>
<b>Transfer to retained earnings</b>				<b>(2,089)</b>	<b>2,089</b>	<b>-</b>		<b>-</b>
Purchase of treasury shares			(9)			(9)		(9)
Disposal of treasury shares		13	29			42		42
Dividends				(18,463)		(18,463)	(1,290)	(19,754)
Other		(2,804)	468	(2,238)	(6)	(4,581)	(1,762)	(6,343)
<b>Total transactions with owners</b>	<b>-</b>	<b>(2,791)</b>	<b>488</b>	<b>(20,702)</b>	<b>(6)</b>	<b>(23,011)</b>	<b>(3,053)</b>	<b>(26,065)</b>
<b>Balance as of Sep. 30 ,2022</b>	<b>265,608</b>	<b>42,270</b>	<b>(5,458)</b>	<b>1,130,499</b>	<b>234,070</b>	<b>1,666,990</b>	<b>96,310</b>	<b>1,763,301</b>
<b>Balance as of Apr. 1 ,2023</b>	<b>265,608</b>	<b>41,256</b>	<b>(5,385)</b>	<b>1,218,180</b>	<b>221,314</b>	<b>1,740,974</b>	<b>93,010</b>	<b>1,833,984</b>
Profit				91,944		91,944	12,614	104,558
Other comprehensive income (loss)					104,440	104,440	6,991	111,431
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,944</b>	<b>104,440</b>	<b>196,384</b>	<b>19,606</b>	<b>215,990</b>
<b>Transfer to retained earnings</b>				<b>19,875</b>	<b>(19,875)</b>	<b>-</b>		<b>-</b>
Purchase of treasury shares			(15)			(15)		(15)
Disposal of treasury shares		3	6			10		10
Dividends				(23,512)		(23,512)	(3,807)	(27,320)
Other		584	500	(281)	(7)	795	(981)	(186)
<b>Total transactions with owners</b>	<b>-</b>	<b>588</b>	<b>491</b>	<b>(23,794)</b>	<b>(7)</b>	<b>(22,722)</b>	<b>(4,788)</b>	<b>(27,511)</b>
<b>Balance as of Sep. 30 ,2023</b>	<b>265,608</b>	<b>41,844</b>	<b>(4,894)</b>	<b>1,306,204</b>	<b>305,872</b>	<b>1,914,636</b>	<b>107,827</b>	<b>2,022,463</b>

**(5) Condensed Consolidated Statement of Cash Flows [IFRS]**

(Millions of Yen)

	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)	FY2023 First 6 Months (From Apr. 1 to Sep. 30, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	91,391	133,714
Depreciation, amortization and impairment loss	67,227	68,116
Finance income and costs (profit)	(14,995)	(29,803)
Share of loss (profit) of investments accounted for using equity method	(8,374)	(1,317)
Loss (gain) on sale of property, plant and equipment	(11,536)	(7,678)
Loss on disposal of property, plant and equipment, and intangible assets	2,019	1,603
Decrease (increase) in trade receivables	35,255	30
Decrease (increase) in contract assets	(17,357)	(9,797)
Decrease (increase) in inventories and advanced payments	(115,073)	(121,433)
Increase (decrease) in trade payables	(119,801)	(63,177)
Increase (decrease) in contract liabilities	53,456	(46,511)
Increase (decrease) in provisions	(1,342)	(13,481)
Increase (decrease) in retirement benefit liabilities	637	(407)
Others	(25,349)	(79,574)
Subtotal	(63,843)	(169,719)
Interest received	3,609	4,779
Dividends received	16,418	9,784
Interest paid	(4,673)	(3,996)
Income taxes refund (paid)	(44,337)	(22,079)
<b>Net cash provided by operating activities</b>	<b>(92,826)</b>	<b>(181,232)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(13,501)	(12,535)
Proceeds from withdrawal of time deposits	12,810	10,201
Purchases of property, plant and equipment and intangible assets	(54,460)	(72,316)
Proceeds from sales of property, plant and equipment and intangible assets	20,850	9,972
Purchases of investments		
(including investments accounted for using equity method)	(4,200)	(6,219)
Proceeds from sales and redemption of investments		
(including investments accounted for using equity method)	26,108	48,845
Payments for acquisition of businesses (including subsidiaries)	(4,073)	-
Proceeds from acquisition of businesses (including subsidiaries)	1,863	-
Net decrease (increase) in short-term loans	(2,625)	188
Disbursement of long-term loans	(37)	(9)
Collection of long-term loans	70	65
Payments for derivative transactions	(7,606)	(27,933)
Proceeds from derivative transactions	16,995	50,303
Others	(712)	(606)
<b>Net cash used in investing activities</b>	<b>(8,518)</b>	<b>(45)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	58,691	151,231
Proceeds from long-term borrowings	17,156	12
Repayment of long-term borrowings	(4,788)	(11,422)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(1,024)
Proceeds from issuance of bonds	20,000	25,000
Payment for redemption of bonds	(10,000)	(15,000)
Dividends paid to owners of the parent	(18,418)	(23,460)
Dividends paid to non-controlling interests	(3,898)	(4,001)
Proceeds from factoring agreements	70,796	98,790
Repayment of liabilities under factoring agreements	(38,969)	(107,407)
Repayment of lease liabilities	(16,237)	(15,757)
Others	(68)	(935)
<b>Net cash provided by (used in) financing activities</b>	<b>74,264</b>	<b>96,025</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>38,696</b>	<b>37,200</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,615</b>	<b>(48,051)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>314,257</b>	<b>347,663</b>
<b>Cash and cash equivalents at the end of period</b>	<b>325,873</b>	<b>299,612</b>