

Outline of FY2023 Financial Results (Consolidated)

(billions of yen)

	FY2023 〔 From April 1 to March 31, 2024 〕	FY2022 〔 From April 1 to March 31, 2023 〕	Changes (%)
Order intake	6,684.0	4,501.3	48.5
Revenue	4,657.1	4,202.7	10.8
Profit from business activities	282.5	193.3	46.1
Profit before income taxes	315.1	191.1	64.9
Profit attributable to owners of parent	222.0	130.4	70.2
Cash flows from operating activities	331.1	80.8	/
Cash flows from investing activities	(131.0)	(45.5)	/
Cash flows from financing activities	(158.9)	(18.9)	/
Earnings per share attributable to owners of parent	66.07 yen	38.84 yen	70.1

Note 1: Figures in parentheses are negative.

Note 2: On April 1, 2024, the Company executed a ten-for-one stock split of its common shares. Earnings per share attributable to owners of parent shown here assumes that the stock split occurred at the beginning of FY2022.

Revenue by Operational Segment

(billions of yen)

	FY2023 〔 From April 1 to March 31, 2024 〕	FY2022 〔 From April 1 to March 31, 2023 〕
Energy Systems	1,761.5	1,738.6
Plants & Infrastructure	795.2	675.6
Logistics, Thermal & Drive Systems	1,314.5	1,203.7
Aircraft, Defense & Space	791.5	619.4
Corporate and Eliminations	(5.8)	(34.7)
Total	4,657.1	4,202.7

Profit (Loss) From Business Activities by Operational Segment

(billions of yen)

	FY2023 〔 From April 1 to March 31, 2024 〕	FY2022 〔 From April 1 to March 31, 2023 〕
Energy Systems	141.5	85.1
Plants & Infrastructure	54.8	32.7
Logistics, Thermal & Drive Systems	72.8	38.9
Aircraft, Defense & Space	72.6	39.9
Corporate and Eliminations	(59.3)	(3.5)
Total	282.5	193.3

Note 1: Figures in parentheses are negative.

Estimate of Consolidated Financial Results for FY 2024

For the fiscal year 2024 ending March 31, 2025, MHI is expecting 4,900 billion yen in revenue, 350 billion yen in Profit from business activities, 330 billion yen in profit before income tax, and 230 billion yen in profit attributable to owners of parent. This estimate is based on a currency exchange rate assumption of US\$ 1.00 = ¥145 and €1.00 = ¥155 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 Mar. 31, 2024
<u>Assets</u>		
Current assets		
Cash and cash equivalents	347,663	431,287
Trade and other receivables	804,613	916,011
Other financial assets	35,382	39,771
Contract assets	731,820	776,399
Inventories	876,878	974,577
Other current assets	245,943	281,895
Total current assets	3,042,302	3,419,942
Non-current assets		
Property, plant and equipment	839,813	908,448
Goodwill	131,181	172,493
Intangible assets	70,161	93,786
Right-of-use assets	86,295	93,496
Investments accounted for using the equity method	227,045	268,978
Investments in securities and other financial assets	521,135	538,126
Deferred tax assets	358,758	297,017
Other non-current assets	198,117	463,969
Total Non-current assets	2,432,509	2,836,316
Total assets	5,474,812	6,256,259
<u>Liabilities and Equity</u>		
Current liabilities		
Bonds, borrowings and other financial liabilities	349,075	379,210
Trade and other payables	895,286	958,891
Income taxes payable	19,661	55,228
Contract liabilities	936,765	1,095,138
Provisions	229,582	216,220
Other current liabilities	193,791	235,829
Total Current liabilities	2,624,163	2,940,518
Non-current liabilities		
Bonds, borrowings and other financial liabilities	843,359	763,754
Deferred tax liabilities	10,465	9,987
Retirement benefit liability	76,146	73,165
Provisions	60,817	79,747
Other non-current liabilities	25,874	28,429
Total non-current liabilities	1,016,663	955,085
Total liabilities	3,640,827	3,895,604
<u>Equity</u>		
Share capital	265,608	265,608
Capital surplus	41,256	41,187
Treasury shares	(5,385)	(4,828)
Retained earnings	1,243,565	1,433,267
Other components of equity	195,929	509,385
Equity attributable to owners of parent	1,740,974	2,244,620
Non-controlling interests	93,010	116,034
Total Equity	1,833,984	2,360,654
Total Liabilities and Equity	5,474,812	6,256,259

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

(Millions of Yen)

	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)	FY2023 (From Apr. 1, 2023 to Mar. 31, 2024)
Revenue	4,202,797	4,657,147
Cost of sales	3,437,779	3,727,034
Gross Profit	765,017	930,112
Selling, general and administrative expenses	623,638	695,342
Share of profit of investments accounted for using the equity method	13,502	2,149
Other income	103,710	63,595
Other expenses	65,267	17,973
Profit from business activities	193,324	282,541
Finance income	28,984	49,945
Finance cost	31,181	17,298
Profit before income taxes	191,126	315,187
Income taxes	44,818	71,622
Profit	146,308	243,565
Profit attributable to:		
Owners of parent	130,451	222,023
Non-controlling interests	15,857	21,542

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	38.84	66.07
Diluted earnings per share	38.83	66.04

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

(Millions of Yen)

	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)	FY2023 (From Apr. 1, 2023 to Mar. 31, 2024)
Profit	146,308	243,565
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Net gains and losses from financial assets measured at FVTOCI	3,436	58,624
Remeasurement of defined benefit plans	18,208	173,848
Share of other comprehensive income (loss) of entities accounted for by the equity method	815	329
Total	22,459	232,803
Items that may be reclassified to profit or loss		
Cash flow hedges	2,094	(1,488)
Hedging cost	185	-
Exchange differences on translating foreign operations	41,345	99,394
Share of other comprehensive income (loss) of entities accounted for by the equity method	7,061	13,641
Total	50,688	111,547
Total other comprehensive income (loss)	73,148	344,350
Comprehensive income	219,456	587,916
Comprehensive income (loss) attributable to		
Owners of parent	201,231	556,434
Non-controlling interests	18,225	31,482

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

(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			
Balance as of Apr. 1 ,2022	265,608	45,061	(5,946)	1,099,158	172,728	1,576,611	85,918	1,662,529
Cumulative effects of changes in accounting policies				44,394	(44,394)	-		-
Restated balance	265,608	45,061	(5,946)	1,143,553	128,333	1,576,611	85,918	1,662,529
Profit				130,451		130,451	15,857	146,308
Other comprehensive income (loss)					70,780	70,780	2,367	73,148
Comprehensive income (loss)	-	-	-	130,451	70,780	201,231	18,225	219,456
Transfer to retained earnings				7,873	(7,873)	-		-
Purchase of treasury shares			(16)			(16)		(16)
Disposal of treasury shares		29	97			127		127
Dividends				(38,616)		(38,616)	(6,304)	(44,920)
Transactions with non-controlling interests		(958)			4,689	3,731	(3,735)	(4)
Other		(2,877)	480	303		(2,093)	(1,093)	(3,187)
Total transactions with owners	-	(3,805)	560	(38,312)	4,689	(36,868)	(11,133)	(48,001)
Balance as of Mar. 31 ,2023	265,608	41,256	(5,385)	1,243,565	195,929	1,740,974	93,010	1,833,984
Profit				222,023		222,023	21,542	243,565
Other comprehensive income (loss)					334,411	334,411	9,939	344,350
Comprehensive income (loss)	-	-	-	222,023	334,411	556,434	31,482	587,916
Transfer to retained earnings				20,937	(20,937)	-		-
Purchase of treasury shares			(39)			(39)		(39)
Disposal of treasury shares		22	96			118		118
Dividends				(50,398)		(50,398)	(6,898)	(57,296)
Transactions with non-controlling interests		(208)			(18)	(226)	(1,631)	(1,857)
Other		117	499	(2,860)		(2,243)	71	(2,171)
Total transactions with owners	-	(68)	557	(53,258)	(18)	(52,788)	(8,458)	(61,246)
Balance as of Mar. 31 ,2024	265,608	41,187	(4,828)	1,433,267	509,385	2,244,620	116,034	2,360,654

(5) Condensed Consolidated Statement of Cash Flows [IFRS] (1/2)

(Millions of Yen)

	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)	FY2023 (From Apr. 1, 2023 to Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	191,126	315,187
Depreciation, amortization and impairment loss	148,549	155,899
Finance income and costs (profit)	(2,147)	(32,582)
Share of loss (profit) of investments accounted for using equity method	(13,502)	(2,149)
Loss (gain) on sale of property, plant and equipment	(29,018)	(29,028)
Loss on disposal of property, plant and equipment, and intangible assets	7,154	7,594
Decrease (increase) in trade receivables	(32,978)	(60,305)
Decrease (increase) in contract assets	(64,500)	(29,697)
Decrease (increase) in inventories and advanced payments	(65,690)	(70,402)
Increase (decrease) in trade payables	(55,676)	20,734
Increase (decrease) in contract liabilities	32,436	118,637
Increase (decrease) in provisions	27,285	(3,445)
Increase (decrease) in retirement benefit liabilities	(3,102)	14,938
Others	(4,691)	(38,908)
Subtotal	135,244	366,472
Interest received	7,755	9,630
Dividends received	26,898	15,467
Interest paid	(13,114)	(11,181)
Income taxes refund (paid)	(75,894)	(49,201)
Net cash provided by operating activities	80,888	331,186
Cash flows from investing activities		
Payments into time deposits	(26,067)	(25,556)
Proceeds from withdrawal of time deposits	28,809	18,728
Purchases of property, plant and equipment and intangible assets	(131,905)	(160,486)
Proceeds from sales of property, plant and equipment and intangible assets	38,062	37,263
Purchases of investments		
(including investments accounted for using equity method)	(7,788)	(11,892)
Proceeds from sales and redemption of investments		
(including investments accounted for using equity method)	59,111	63,174
Payments for acquisition of businesses (including subsidiaries)	(4,420)	(73,589)
Proceeds from acquisition of businesses (including subsidiaries)	1,863	-
Net decrease (increase) in short-term loans	(1,932)	1,420
Disbursement of long-term loans	(48)	(417)
Collection of long-term loans	711	102
Payments for derivative transactions	(38,918)	(52,232)
Proceeds from derivative transactions	42,268	76,619
Others	(5,320)	(4,181)
Net cash used in investing activities	(45,575)	(131,048)

(5) Condensed Consolidated Statement of Cash Flows [IFRS] (2/2)

(Millions of Yen)

	FY2022 (From Apr. 1, 2022 to Mar. 31, 2023)	FY2023 (From Apr. 1, 2023 to Mar. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,532)	9,284
Proceeds from long-term borrowings	50,966	23,000
Repayment of long-term borrowings	(97,656)	(64,649)
Proceeds from issuance of bonds	20,000	25,000
Payment for redemption of bonds	(10,000)	(15,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(24,473)	(1,024)
Dividends paid to owners of the parent	(38,531)	(50,289)
Dividends paid to non-controlling interests	(6,769)	(8,511)
Proceeds from factoring agreements	200,235	171,544
Repayment of liabilities under factoring agreements	(80,738)	(215,845)
Repayment of lease liabilities	(26,850)	(30,380)
Others	(551)	(2,030)
Net cash provided by (used in) financing activities	(18,902)	(158,903)
Effect of exchange rate changes on cash and cash equivalents	16,995	42,388
Net increase (decrease) in cash and cash equivalents	33,406	83,623
Cash and cash equivalents at the beginning of the year	314,257	347,663
Cash and cash equivalents at the end of period	347,663	431,287

Outline of FY2023 Financial Results (Non-Consolidated)

(billions of yen)

	FY2023 〔 From April 1 to March 31, 2024 〕	FY2022 〔 From April 1 to March 31, 2024 〕	Changes (%)
Order intake	3,490.4	1,557.9	124.0
Net Sales	1,729.6	1,549.4	11.6
Operating Income	73.5	11.3	548.2
Ordinary Income	120.2	89.3	34.7
Income Before Income Taxes	166.7	101.7	63.9
Net Income	153.0	98.5	55.3
Net Income Per Share	45.55 yen	29.35 yen	55.2
Dividend Per Share	200.00 yen	130.00 yen	

Note 1: Figures in parentheses are negative.

Note 2: On April 1, 2024, the Company executed a ten-for-one stock split of its common shares. Net income per share shown here assumes the stock split occurred at the beginning of FY2022.

Note 3: Dividend per share shown here is the actual figure before the stock split came into effect.