MOVE THE WORLD FORWARD MITSUBISHI HEAVY INDUSTRIES GROUP

FY2023 Financial Results

May 8, 2024

Mitsubishi Heavy Industries, Ltd.

Hello, everyone. This is Hisato Kozawa, the CFO of MHI.
Allow me to summarize our FY2023 financial results and FY2024 earnings forecast.

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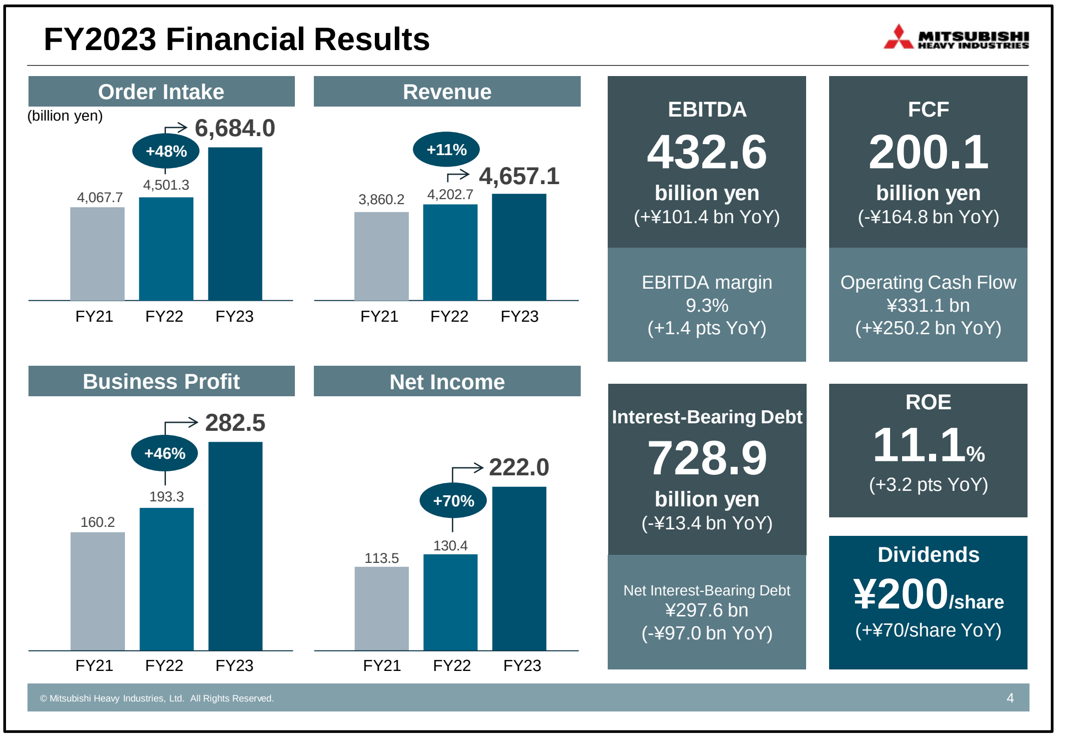
1. Key Takeaways



First, I will provide an overview of our financial results.
This page shows the results in several key financial indicators.

FY2023 Financial Results Highlights

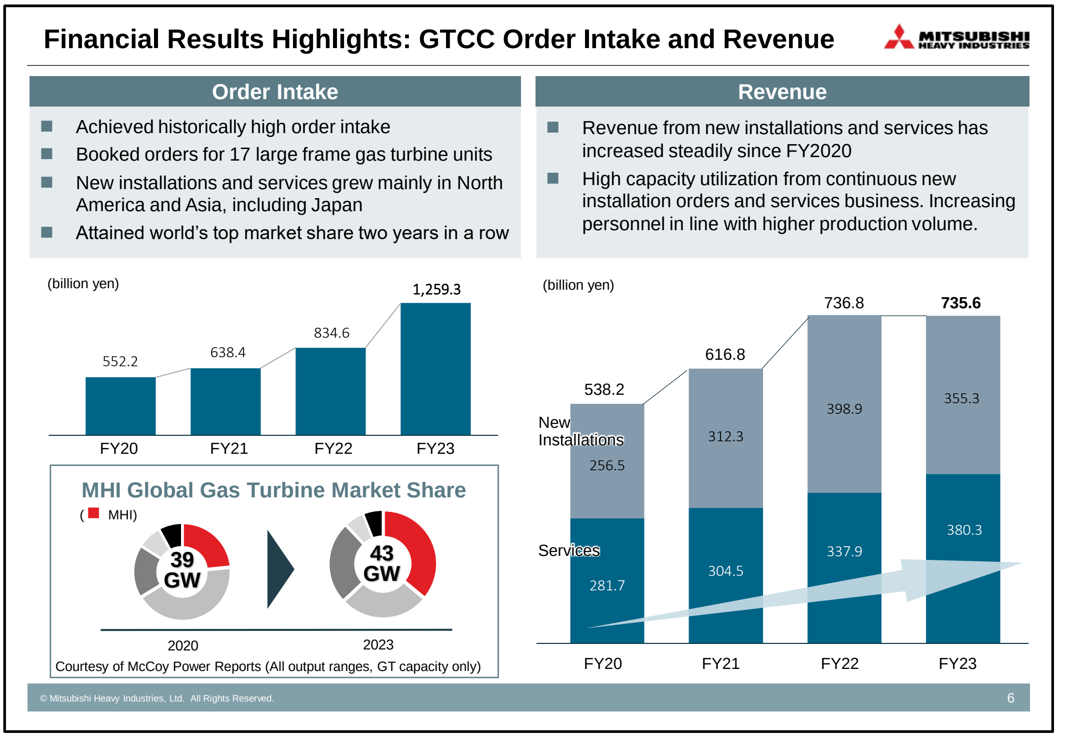
MITSUBISHI HEAVY INDUSTRIES

- Achieved historical highs in order intake, revenue, and net income
- Free cash flow increased by ¥164.8 bn to ¥200.1 bn.
  Operating cash flow was ¥331.1 bn, and investing cash flow was -131.0 bn.
- Order intake: ¥6,684.0 bn (+¥2,182.7 bn YoY)
  Order intake increased YoY in all segments.
  In terms of major businesses, orders significantly grew YoY in Gas Turbine Combined Cycle (GTCC), Nuclear Power, and Defense & Space.
- Revenue: ¥4,657.1 bn (+¥454.3 bn YoY)
  Revenue increased YoY in all segments.
  In terms of major businesses, Metals Machinery, Logistics Systems, and Defense & Space saw large YoY increases in revenue.
- Business Profit: ¥282.5 bn (+89.2 YoY)
  Business profit increased YoY in all segments. Increased revenue, project margin improvements, services business expansion, price optimization, and the weak yen offset losses in some international projects, increasing business profit by 46% YoY to ¥282.5 bn.
- Net Income: ¥222.0 bn (+¥91.5 YoY)
  Higher business profit results and the weak yen served to increase net income by 70.2% YoY to ¥222.0 bn.
- Planning to increase dividends by ¥40 per share over previous guidance of ¥160 per share to ¥200 per share, a YoY increase of ¥70 per share.

This page shows highlights for several key financial indicators.

Order intake, revenue, and net income all increased YoY and reached record highs. Compared to our latest forecast, business profit did not reach our ¥300 billion target, but we exceeded our guidance for other indicators, including order intake, revenue, net income, and free cash flow.

Notably, enabled by an increase in net income, we will increase our year-end dividend by ¥40 above the previous forecast to ¥120 per share, putting the full-year dividend at ¥200 per share. This will be our highest dividend ever.



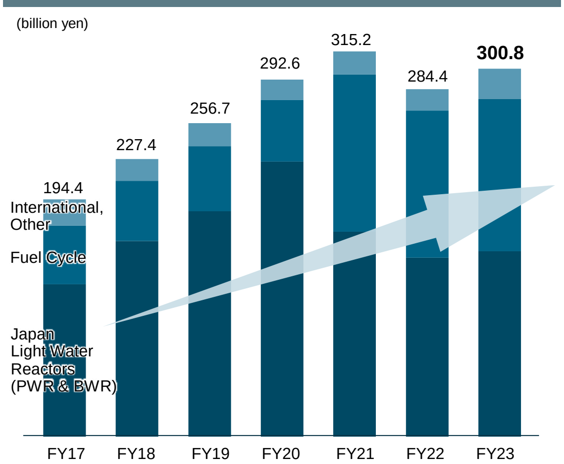
Pages six through eight present some more highlights from our FY2023 financial results.

First is Gas Turbine Combined Cycle (GTCC). Our gas turbines ranked first in the world in terms of order volume on a capacity basis for two years running in CY2022 and CY2023. Large frame gas turbines are a particular strength of ours, and the popularity of the latest JAC series has contributed greatly to this.
Moreover, due to strong order intake in recent years, revenue has been steadily rising and is expected to increase in FY2024 and beyond.

Financial Results Highlights: Nuclear Power Revenue

- Revenue increased driven by steady progress in Japan light water reactor restarts, Specialized Safety Facility[1] construction, and work on nuclear fuel cycle facilities

Revenue



- PWR[2] plant restarts showed steady progress. Contributed to successful restart of Units 1 and 2 at Kansai Electric Power's Takahama Nuclear Power Plan in FY2023.
- Scope of work and revenue from BWR[3] plant restarts and SSF construction increased
- Selected as lead company for development of fast reactor and high-temperature gas cooled reactor technologies. Forecasting increased revenue in the future as development and design work ramp up.

1 Specialized Safety Facility (SSF): A facility completely independent from a nuclear reactor used to safely shut down the reactor during a security incident such as an airplane strike or terrorist attack
2 PWR: Pressurized Water Reactor
3 BWR: Boiling Water Reactor

This page is about our Nuclear Power business.

More than 90% of the revenue in this business comes from within Japan, but in the past, most of our revenue was generated by after-sales services and restart support for PWR reactors.
Recently, restart support for BWR reactors and construction work on nuclear fuel cycle facilities have been increasing. Also, the development and design of advanced reactors are expected to ramp up, so we believe that we can maintain stable revenue levels in this business for the time being. To that end, we are working to ensure the safe and steady execution of our various ongoing projects.

Financial Results Highlights: Defense & Space Order Intake and Revenue

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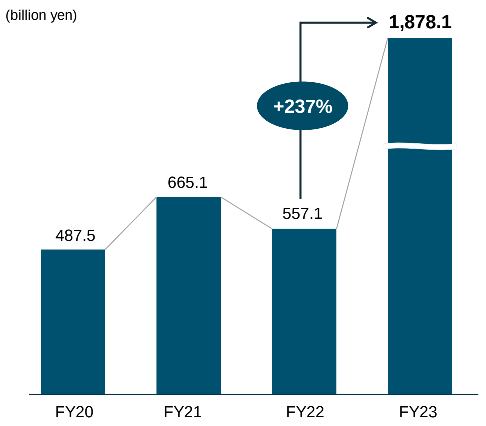
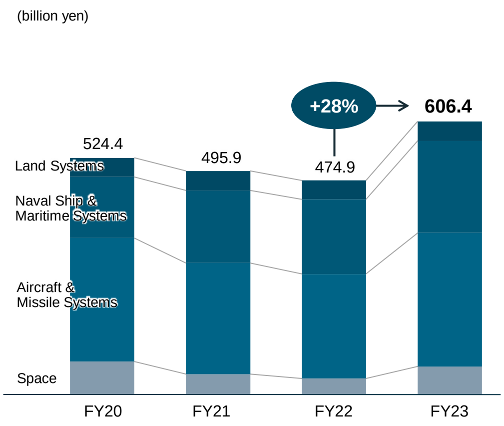
Order Intake	Revenue
■ In response to Japanese government's policy to significantly strengthen country's defense capabilities, received orders for several large projects including those related to stand-off defense capabilities in FY2023	■ Increased by 28% YoY, mainly in Aircraft & Missile Systems and Naval Ship & Maritime Systems





This page shows orders and revenue in the Defense & Space business.

Order intake in FY2023 was the highest ever for this business. Due to the Japanese government's policy to strengthen defense capabilities, we were able to win orders for a number of large projects, including for Aircraft & Missile Systems, which are a specialty of ours.
Because the duration of most of these contracts spans multiple fiscal years, the impact on revenue in FY2023 was limited. However, there was a certain amount of contribution, and revenue also reached a record high.

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2. FY2023 Financial Results

The next few pages provide a little more detail on our financial results.

Financial Results Overview

(billion yen)	FY2022 (Profit Margin)	FY2023 (Profit Margin)	YoY (Profit Margin)	(YoY%)
Order Intake	4,501.3	6,684.0	+2,182.7	(+48.5%)
Revenue	4,202.7	4,657.1	+454.3	(+10.8%)
Profit from Business Activities	193.3 (4.6%)	282.5 (6.1%)	+89.2 (+1.5 pts)	(+46.1%)
Profit Attributable to Owners of Parent	130.4 (3.1%)	222.0 (4.8%)	+91.5 (+1.7 pts)	(+70.2%)
ROE	7.9%	11.1%	+3.2 pts	
EBITDA	331.1 (7.9%)	432.6 (9.3%)	+101.4 (+1.4 pts)	(+30.6%)
FCF	35.3	200.1	164.8	

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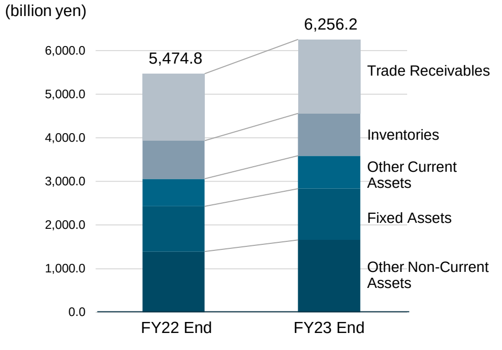
This page includes information already provided, so I will forego an explanation.

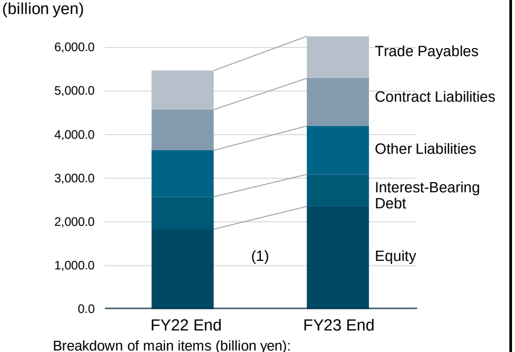
Financial Position

MITSUBISHI HEAVY INDUSTRIES

Assets



Liabilities & Equity



Breakdown of main items (billion yen):
(1) Profit Attributable to Owners of Parent +222.0, dividends -50.3, retirement benefit remeasurement +172.3, foreign currency translation adjustment +103.2

- Total assets exceeded FY2022 end levels from an increase in trade receivables and other non-current assets due to revenue growth and impact of changes in foreign currency-denominated assets' market valuation
- Interest-bearing debt remained at same level as FY2022 end. Equity ratio increased by 4.1 pts, and D/E ratio was 0.31.

	FY22 End	FY23 End	YoY
Interest-Bearing Debt (billion yen)	742.4	728.9	-13.4
Equity Ratio	31.8%	35.9%	+4.1 pts
D/E Ratio	0.40	0.31	-0.09

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The next two pages show the balance sheet.

Total assets increased significantly. Approximately ¥240 billion of this increase was due to currency translation effects related to foreign currency-denominated assets arising from continued depreciation of the yen. Interest-bearing debt remained around the same level as the end of FY2022. However, net interest-bearing debt – interest-bearing debt minus cash and cash equivalents – decreased by approximately ¥100 billion from the end of FY2022 to ¥297.6 billion. This, combined with an improvement in our equity ratio, has served to significantly improve our financial stability.
That said, as a large part of the increase in capital came from foreign exchange effects and other mark-to-market valuation factors, we will not allow ourselves to be content with the current situation and will continue to pursue further improvements.

Financial Position

(billion yen)	FY22 End	FY23 End	YoY
Trade Receivables and Contract Assets	1,536.4	1,692.4	+155.9
Inventories	876.8	974.5	+97.6
Other Current Assets	628.9	752.9	+123.9
(Cash and Cash Equivalents)	(347.6)	(431.2)	(+83.6)
Fixed Assets	1,041.1	1,174.7	+133.5
Other Non-Current Assets	1,391.3	1,661.5	+270.2
Total Assets	5,474.8	6,256.2	+781.4
Trade Payables	895.2	958.8	+63.6
Contract Liabilities	936.7	1,095.1	+158.3
Other Liabilities	1,066.3	1,112.5	+46.2
Interest-Bearing Debt	742.4	728.9	-13.4
Equity	1,833.9	2,360.6	+526.6
(Equity Attributable to Owners of Parent)	(1,740.9)	(2,244.6)	(+503.6)
Total Liabilities and Equity	5,474.8	6,256.2	+781.4

Cash Flows

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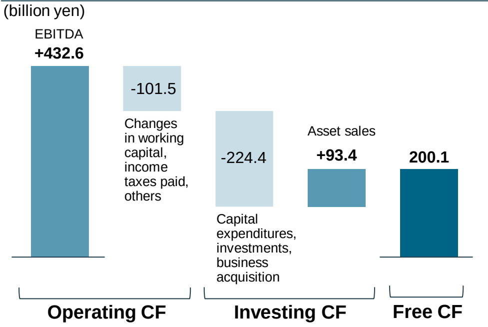
Free Cash Flow



(billion yen)	FY22	FY23	YoY
Operating Cash Flow	80.8	331.1	+250.2
Investing Cash Flow	-45.5	-131.0	-85.4
Free Cash Flow	35.3	200.1	+164.8
Depreciation & Amortization	137.8	150.1	+12.2
EBITDA	331.1	432.6	+101.4
EBITDA (%)	7.9%	9.3%	+1.4 pts

Operating Cash Flow

- EBITDA increased by ¥101.4 bn YoY, resulting in ¥331.1 in operating cash flow

Investing Cash Flow

- Capital expenditures and investments were at same levels as FY2022
- Acquired Concentric, LLC in US to strengthen growth area initiatives

Breakdown of Investing Cash Flow (billion yen)

Capital Expenditures & Investments	-139.6	-172.3	-32.7
Business Acquisition	-4.4	-73.5	-69.1
Sale of Real Estate	+38.0	+37.2	-0.8
Sale of Strategic Shareholdings	+58.1	+56.2	-1.9
Others	+2.4	+21.4	+19.0
Total	-45.5	-131.0	-85.5

This page shows our cash flows.

Free cash flow improved by ¥164.8 billion YoY to ¥200.1 billion. Moreover, this result was an increase of approximately ¥300 billion over our forecast, which had targeted negative ¥100 billion. This significant improvement was due to an increase in inflows from advances received recorded toward the end of the fiscal year, as well as delayed outflows from investments.

Profit Bridge

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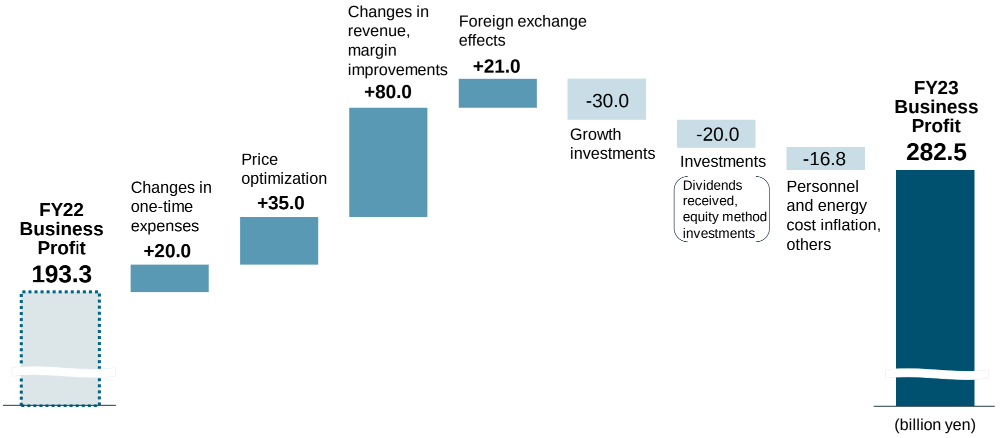
- One-time expenses decreased YoY and were thus a positive factor, despite the booking of expenses related to the PW1100G-JM Engine Program in Aero Engines and losses from international Thermal Power projects
- Price optimization, revenue growth, project margin improvements, services business expansion, and the weak yen were also positive factors.



This page shows factors which caused YoY changes in business profit.

The leftmost bar shows FY2022 business profit, which was ¥193.3 billion.

To the right of this is “Changes in one-time expenses,” which is the difference between one-time gains and losses booked in each fiscal year. In FY2022, we recognized one-time expenses associated with the remediation of issues at our Integrated coal Gasification Combined Cycle (IGCC) projects, organizational transformation expenses related to our European Thermal Power operations, as well as one-time losses from several international projects. In FY2023, in addition to the one-time loss related to an aero engine program incurred in Q2, we also booked expenses related to claims on some international projects.

Regarding “Price optimization,” while cost increases in Logistics Systems and HVAC contracted YoY, price optimization, i.e., the transfer of past cost increases to sales prices, contributed to an increase of ¥35 billion.

Due to the factors shown here, FY2023 business profit was ¥282.5 billion.

Results by Segment

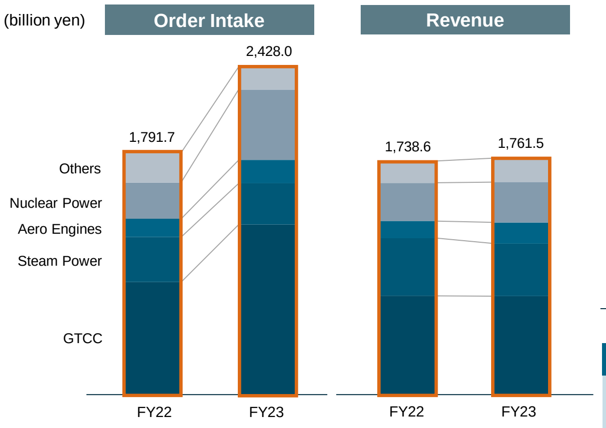
(billion yen)	Order Intake			Revenue			Profit from Business Activities		
	FY22	FY23	YoY	FY22	FY23	YoY	FY22	FY23	YoY
Energy Systems	1,791.7	2,428.0	+636.2	1,738.6	1,761.5	+22.8	85.1	141.5	+56.4
Plants & Infrastructure Systems	845.4	867.3	+21.9	675.6	795.2	+119.6	32.7	54.8	+22.0
Logistics, Thermal & Drive Systems	1,215.0	1,318.6	+103.6	1,203.7	1,314.5	+110.8	38.9	72.8	+33.8
Aircraft, Defense & Space	703.6	2,068.7	+1,365.0	619.4	791.5	+172.1	39.9	72.6	+32.7
Corporate & Eliminations	-54.5	1.2	+55.8	-34.7	-5.8	+28.9	-3.5	-59.3	-55.8
Total	4,501.3	6,684.0	+2,182.7	4,202.7	4,657.1	+454.3	193.3	282.5	+89.2

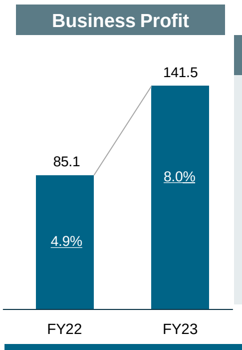
This page shows a summary of order intake, revenue, and business profit by segment.

Over the next few pages, I will explain the situation in each segment.

FY2023 Results: Energy Systems

(billion yen)





YoY variance in business profit

Increase:
- GTCC
- Steam Power

Decrease:
- Aero Engines

Major Businesses	Order Intake FY2022	Order Intake FY2023	Revenue FY2022	Revenue FY2023
GTCC	834.6	1,259.3	736.8	735.6
Steam Power	333.5	305.4	429.3	389.8
Aero Engines	134.2	172.7	126.5	157.4
Nuclear Power	268.7	522.2	284.4	300.8

Takeaways

- GTCC order intake significantly increased mainly in US and Asia, including Japan. Business profit increased from services business expansion.
- Aero Engines revenue increased from market demand recovery. Business profit decreased due to one-time expenses related to PW1100G-JM Engine Program.
- Nuclear Power order intake showed large increase. Strong revenue and business profit performance continued.

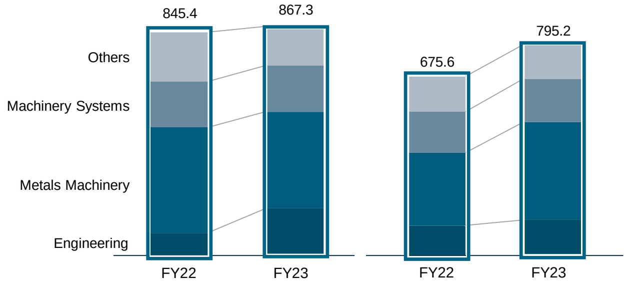
This page shows the situation in the Energy Systems segment.

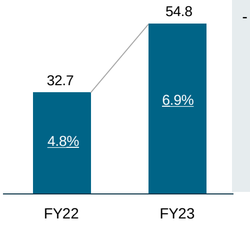
The core businesses in this segment, GTCC and Nuclear Power, performed strongly. Steam Power continued to contract due to headwinds in coal-fired thermal power, but also found opportunities in performance improvements and fuel conversions in the services business.

FY2023 Results: Plants & Infrastructure Systems

(billion yen)

Order Intake | **Revenue** | **Business Profit**





YoY variance in business profit

Increase:
- Engineering
- Metals Machinery

Major Businesses	Order Intake FY2022	Order Intake FY2023	Revenue FY2022	Revenue FY2023
Engineering	87.6	180.2	112.7	134.0
Metals Machinery	398.8	365.0	275.5	369.4
Machinery Systems	173.1	174.7	154.5	162.4

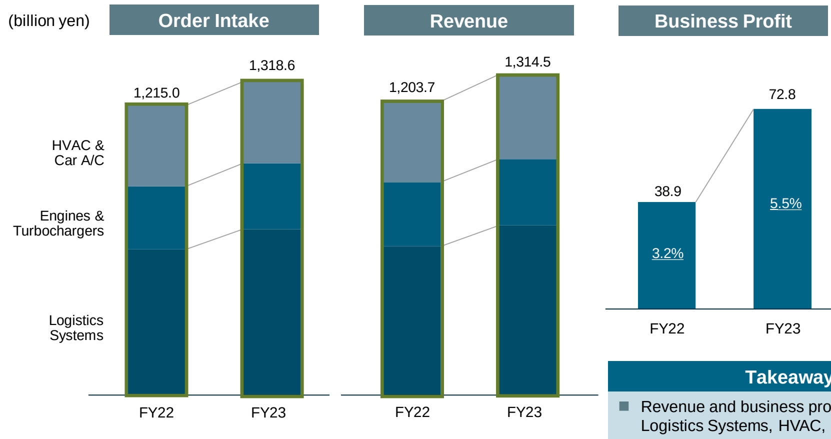
Takeaways

- Metals Machinery business profit increased due to revenue growth and the weak yen
- Engineering revenue and business profit increased from steady progress in projects and project margin improvements
- Strong performance continued in Machinery Systems

This page shows the situation in the Plants & Infrastructure Systems segment.

Revenue in Metals Machinery, which is the core business in this segment, grew beyond ¥350 billion due to strong order intake in recent fiscal years, as well as the weak yen.

FY2023 Results: Logistics, Thermal & Drive Systems



YoY variance in business profit

Increase:
- Logistics Systems
- Engines
- HVAC

Decrease:
- Turbochargers

Major Businesses	Order Intake FY2022	Order Intake FY2023	Revenue FY2022	Revenue FY2023
Logistics Systems	615.2	701.3	615.2	701.3
Engines & Turbochargers	266.7	278.6	264.3	273.1
HVAC & Car A/C	342.0	345.3	332.3	348.1

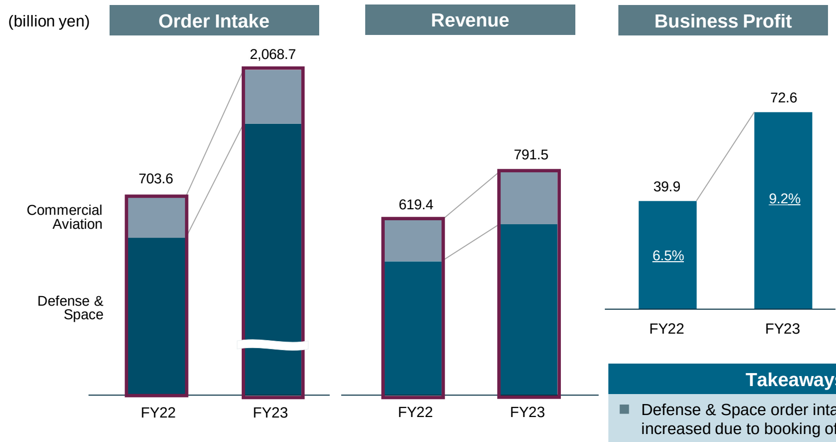
Takeaways

- Revenue and business profit increased in Logistics Systems, HVAC, and Engines from price optimization and the weak yen.

This page shows the situation in the Logistics, Thermal & Drive Systems segment.

In this segment, order intake, revenue, and business profit all increased YoY. The ratio of revenue recognized outside of Japan was high, so the impact of foreign exchange rates was significant. However, revenue and business profit increased even when excluding foreign exchange effects,.

FY2023 Results: Aircraft, Defense & Space



YoY variance in business profit

Increase:
- Defense & Space
- Commercial Aviation

Major Businesses	Order Intake FY2022	Order Intake FY2023	Revenue FY2022	Revenue FY2023
Defense & Space	557.1	1,878.1	474.9	606.4
Commercial Aviation	146.5	190.6	144.5	185.1

Takeaways

- Defense & Space order intake significantly increased due to booking of orders for several large projects, including those related to stand-off defense capabilities.
- Commercial Aviation revenue and business profit increased from higher Aero Structures unit deliveries and the weak yen

This page shows the situation in the Aircraft, Defense & Space segment.

I explained the situation in the Defense & Space business earlier.

In the Commercial Aviation business, an increase in Aero Structures unit deliveries, combined with significant impact from the weak yen, contributed to an increase in overall segment business profit.

3. FY2024 Earnings Forecast

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, these projections involve risks and uncertainties. Investors are recommended not to depend solely on these projections when making investment decisions. Actual results may vary significantly from these projections due to a number of factors, including, but not limited to, economic trends affecting the Company's operating environment, fluctuations in the value of the Japanese yen to the U.S. dollar and other foreign currencies, and trends in Japan's stock markets. The results projected here should not be construed in any way as a guarantee by the Company.

The next few pages show our FY2024 earnings forecast.

Earnings Forecast Overview

(billion yen)	FY2023 (Profit Margin)	FY2024 (Profit Margin)	YoY (Profit Margin)	(YoY%)
Order Intake	6,684.0	5,800.0	-884.0	(-13.2%)
Revenue	4,657.1	4,900.0	+242.8	(+5.2%)
Profit from Business Activities	282.5 (6.1%)	350.0 (7.1%)	+67.4 (+1.0 pts)	(+23.9%)
Profit Attributable to Owners of Parent	222.0 (4.8%)	230.0 (4.7%)	+8.0 (-0.1 pts)	(+3.6%)
ROE	11.1%	10.0%	-1.1 pts	
EBITDA	432.6 (9.3%)	500.0 (10.2%)	+67.3 (+0.9 pts)	(+15.6%)
FCF	200.1	-100.0	-300.1	
Dividends (after stock split)	20 yen* Interim: 8 yen Year-End: 12 yen	22 yen Interim: 11 yen Year-End: 11 yen	Exchange rate assumptions: USD 1.00 = ¥145 , EUR 1.00 = ¥155 Undetermined foreign currency amounts: USD 3.8 bn, EUR 0.7 bn	

*FY2023 dividends (¥200/share) shown here adjusted retroactively to 1/10 of actual value to reflect 10-for-1 stock split effective April 1, 2024

The next two pages provide an overview of our earnings forecast.

We expect total order intake to be as high as nearly ¥6 trillion, although this does represent a YoY decrease. Revenue and profit are expected to increase YoY.

We plan to pay a dividend of ¥22 per share, a YoY increase of 10%.

FY2024 Earnings Forecast Highlights

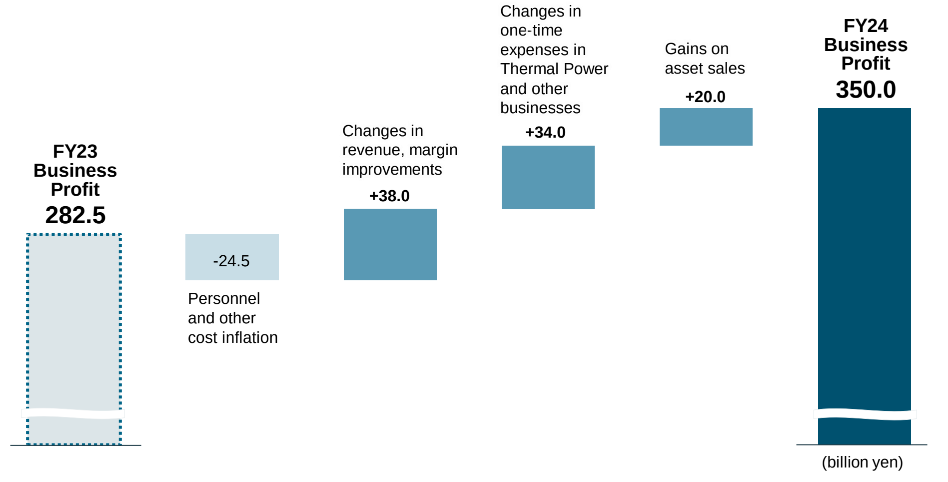
- Order intake: ¥5.8 tr, Revenue: ¥4.9 tr, Business profit margin: 7%, Business profit: ¥350 bn

	Order Intake	Revenue	Business Profit	Main Points
Energy Systems	¥1.85 tr	¥1.75 tr	¥170 bn	Strong order intake, revenue, and business profit performance forecasted
Plants & Infrastructure Systems	¥0.9 tr	¥0.8 tr	¥30 bn	Established GX Solutions. Up-front business development expenses to continue for time being.
Logistics, Thermal & Drive Systems	¥1.35 tr	¥1.35 tr	¥80 bn	Margin improvements to continue due to increased revenue from price optimization and other factors
Aircraft, Defense & Space	¥1.7 tr	¥0.9 tr	¥80 bn	High order intake levels to continue despite YoY decrease

- EBITDA to increase by ¥67.3 bn YoY to ¥500.0 bn from increased business profit
- Net income to surpass FY2023 levels, reaching ¥230.0 bn due to higher business profit
- Planning full-year dividend of ¥22 per share, a ¥2 increase over FY2023's ¥20.
  These values reflect the 10-for-1 stock split effective April 1, 2024.

Profit Bridge

- Forecast includes negative impact from inflation in personnel and other costs
- One-time expenses in Thermal Power and Aero Engines to decrease YoY



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The next few pages show factors causing YoY changes in business profit, as well as a breakdown of the earnings forecast by segment.
Please turn to page 34, and allow me to provide one point of supplemental information.

Trends in Financial Indicators

	FY2021	FY2022	FY2023	FY2024
Revenue	¥3.9 tr	¥4.2 tr	¥4.6 tr	**¥4.9 tr**
Business Profit Margin	4.2%	4.6%	6.1%	**7%**
ROE	7.7%	7.9%	11.1%	**10%**
Total Assets	¥5.1 tr	¥5.5 tr	¥6.3 tr	**¥6.5 tr**
Interest-Bearing Debt	¥0.7 tr	¥0.7 tr	¥0.7 tr	**¥0.9 tr**
Equity	¥1.7 tr	¥1.8 tr	¥2.4 tr	**¥2.5 tr**
D/E Ratio	0.4	0.4	0.3	**0.4**
Equity Ratio	31%	32%	36%	**38%**
Dividends (after stock split)	¥10*	¥13*	¥20*	**¥22**

*FY2021-23 dividends (¥100/share, ¥130/share, and ¥200/share, respectively) shown here adjusted retroactively to 1/10 of actual value to reflect 10-for-1 stock split effective April 1, 2024

Forecast by Segment

(billion yen)	Order Intake			Revenue			Profit from Business Activities		
	FY23*	FY24 Forecast	YoY	FY23*	FY24 Forecast	YoY	FY23*	FY24 Forecast	YoY
Energy Systems	2,412.2	1,850.0	-562.2	1,723.6	1,750.0	+26.3	149.8	170.0	+20.1
Plants & Infrastructure Systems	883.1	900.0	+16.8	833.2	800.0	-33.2	44.7	30.0	-14.7
Logistics, Thermal & Drive Systems	1,318.6	1,350.0	+31.3	1,314.5	1,350.0	+35.4	72.8	80.0	+7.1
Aircraft, Defense & Space	2,068.7	1,700.0	-368.7	791.5	950.0	+158.4	72.6	80.0	+7.3
Corporate & Eliminations	1.2	0	-1.2	-5.8	50.0	+55.8	-57.5	-10.0	+47.5
Total	6,684.0	5,800.0	-884.0	4,657.1	4,900.0	+242.8	282.5	350.0	+67.4

*FY23 results adjusted retroactively to reflect organizational changes effective April 1, 2024, including establishment of GX Solutions. Please refer to p.34 for details.

Forecast by Segment: Energy Systems and Plants & Infrastructure Systems

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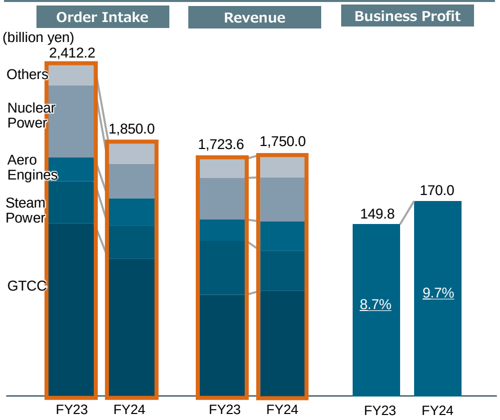
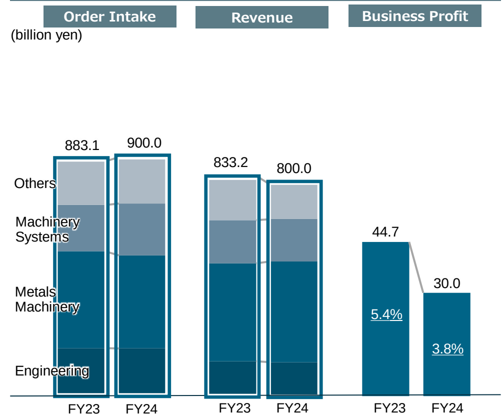
Energy Systems



Plants & Infrastructure Systems



Takeaways

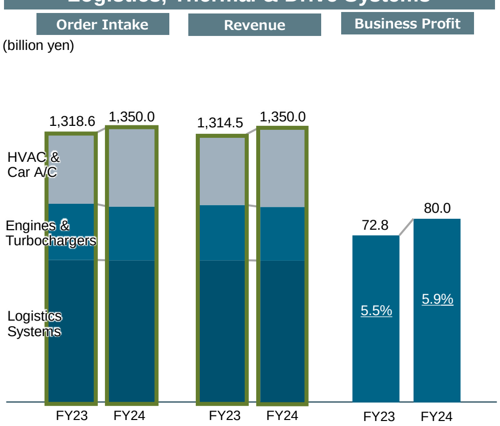
- Strong order intake to continue despite YoY decrease
- GTCC, Aero Engines, and Nuclear Power revenue and business profit to increase
- Steam Power revenue and business profit to decrease due to decline in new installations

Takeaways

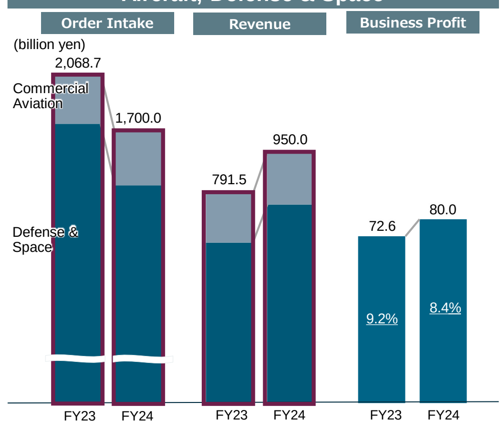
- Segment to steadily execute on backlog, which has increased over last three years, mainly in Metals Machinery
- Established GX Solutions, integrating Energy Transition-related teams in a single organization. Up-front business development expenses to lower business profit.

Forecast by Segment: Logistics, Thermal & Drive Systems and Aircraft, Defense & Space

Logistics, Thermal & Drive Systems



Aircraft, Defense & Space



Takeaways

- Business profit margin to improve due to increased revenue from price optimization and other factors

Takeaways

- High Defense & Space order intake levels to continue despite YoY decrease. Revenue to increase mainly in Aircraft & Missile Systems.
- Commercial Aviation order intake and revenue guidance in line with FY2023 levels

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4. Appendix

Appendix: Financial Position

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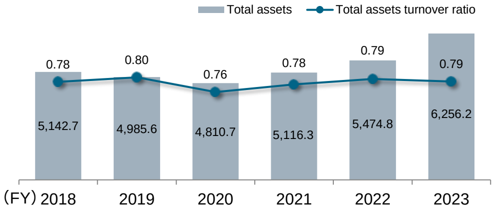
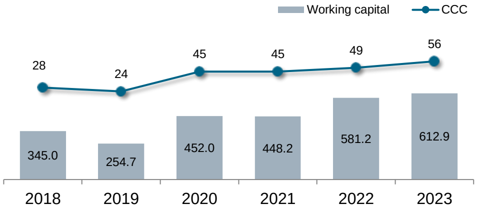
Total Assets (billion yen)



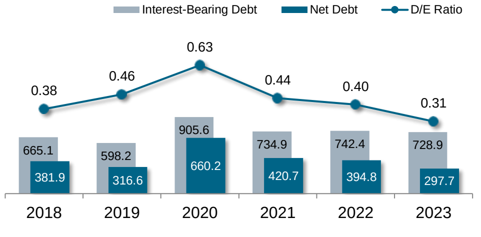
Total asset turnover ratio = Revenue / Total assets (average of beginning and end of period)

Working Capital (billion yen)

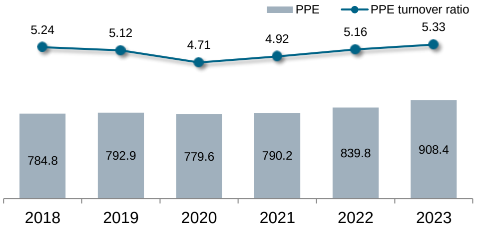


Working capital = Trade receivables (incl. Contract assets) + Inventories – Trade payables
– Contract liabilities (Advance received)
CCC calculated based on segments' working capital (including Advance payments) and Revenue

Interest-Bearing Debt (billion yen)



Property, Plant & Equipment (billion yen)



Appendix: Reference Data

Large Frame Gas Turbine Order Intake/ Contract Backlog (units)

	FY2022	FY2023
Americas	4	4
Asia	7	9
EMEA	1	0
Other Regions	4	4
Order Intake Total	16	17
Contract Backlog	43	36

(Reference) Order Intake through China Licensee

	FY2022	FY2023
Order Intake	27	21

Commercial Aviation Deliveries (units)

777	Q1	Q2	Q3	Q4	Total
FY2022	6	7	7	10	30
FY2023	7	11	7	5	30

777X	Q1	Q2	Q3	Q4	Total
FY2022	1	0	0	0	1
FY2023	0	1	3	2	6

787	Q1	Q2	Q3	Q4	Total
FY2022	5	7	8	5	25
FY2023	9	7	13	14	43

Appendix: Reference Data

(billion yen)

R&D Expenses, Depreciation & Amortization, and Capital Expenditures	FY2021	FY2022	FY2023	FY2024 Forecast
R&D Expenses	113.6	127.4	178.3	220.0
Depreciation & Amortization	132.1	137.8	150.1	150.0
Capital Expenditures	122.8	150.7	200.4	180.0

(billion yen)

Cash Flows	FY2021	FY2022	FY2023	FY2024 Forecast
Operating Cash Flow	285.5	80.8	331.1	-
Investing Cash Flow	16.3	-45.5	-131.0	-
Free Cash Flow	301.8	35.3	200.1	-100.0
Financing Cash Flow	-255.7	-18.9	-158.9	-

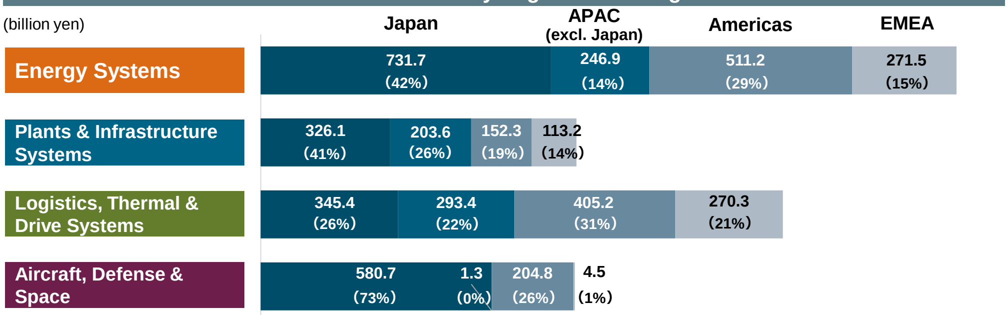
Interest-Bearing Debt and D/E Ratio	FY2021	FY2022	FY2023	FY2024 Forecast
Interest-Bearing Debt Balance (billion yen)	734.9	742.2	728.9	900.0
D/E Ratio	0.44	0.40	0.31	0.4

USD Exchange Rates	FY2021	FY2022	FY2023	FY2024 Forecast
Avg. Rate used for Revenue Recognition	111.6	134.9	143.2	145
(Reference) March 31 Rate	122.4	133.5	151.4	-

Appendix: Reference Data

Order Backlog (billion yen)	FY21 End	FY22 End	FY23 End
Energy Systems	3,114.4	3,325.6	4,283.8
Plants & Infrastructure Systems	1,243.4	1,509.2	1,569.6
Logistics, Thermal & Drive Systems	43.2	54.8	58.3
Aircraft, Defense & Space	1,087.1	1,171.8	2,474.2
Corporate & Eliminations	0.3	0.2	14.4
Total	5,488.5	6,061.8	8,400.5

FY2023 Revenue by Segment and Region



Appendix: Intra-Segment Adjustments from Organizational Changes

FY2023 order intake, revenue, and business profit results when retroactively adjusted to reflect impact of organizational changes effective April 1, 2024, including the establishment of GX Solutions

(billion yen)	Order Intake			Revenue			Business Profit		
	FY23	Adjust-ments	Adj. FY23	FY23	Adjust-ments	Adj. FY23	FY23	Adjust-ments	Adj. FY23
Energy Systems	2,428.0	-15.8	2,412.2	1,761.5	-37.9	1,723.6	141.5	+8.2	149.8
Plants & Infrastructure Systems	867.3	+15.8	883.1	795.2	+37.9	833.2	54.8	-10.0	44.7
Logistics, Thermal & Drive Systems	1,318.6	-	1,318.6	1,314.5	-	1,314.5	72.8	-	72.8
Aircraft, Defense & Space	2,068.7	-	2,068.7	791.5	-	791.5	72.6	-	72.6
Corporate & Eliminations	1.2	-	1.2	-5.8	-	-5.8	-59.3	+1.7	-57.5
Total	6,684.0	-	6,684.0	4,657.1	-	4,657.1	282.5	-	282.5

On April 1, we established GX Solutions as an organization responsible for new businesses related to the Green Transformation (GX). Since this organization is primarily based on the former Engineering business, it is included in the Plants & Infrastructure Systems segment.
This reorganization involves the transfer of some businesses and development activities previously included in the Energy Systems segment as well as Corporate & Eliminations. This page shows retroactively adjusted FY2023 financial results. Please note that the FY2024 earnings forecast shown on page 23 and beyond reflects these adjustments.

This concludes my presentation on the financial results and the earnings forecast. Next, our CEO, Izumisawa, will make some remarks.

Hello, this is Izumisawa, the CEO of MHI. Allow me to provide an overview of our 2021 Medium-Term Business Plan (MTBP) through FY2023.

Looking back on our 2021 MTBP and the time during which is was originally formulated, our operating environment had become increasingly uncertain due to the emergence of tensions between the United States and China, as well as the COVID-19 pandemic. The Plan therefore aimed to strengthen profitability and develop growth areas, rebuilding our business fundamentals while not pursuing topline growth.
Even after the launch of the 2021 MTBP, we faced changes that we had not originally anticipated, such as rising geopolitical risks, including Russia's invasion of Ukraine, and inflation in energy and raw material costs caused by these risks.
Even so, as Kozawa explained earlier, through the concerted efforts of the Group, we generally achieved the Plan initially set forth. My assessment is that the various initiatives that we pursued during the 2021 MTBP have achieved results.
Moreover, order intake has significantly surpassed our initial plan due to rising demand for gas turbines associated with the global move toward an Energy Transition tailored to local conditions in each region, the growth of our Nuclear Power business, and the expansion of our Defense business due to growing momentum in efforts to strengthen Japan’s national security. Going forward, we will work to reliably grow these businesses.

Allow me to summarize the 2021 MTBP.
I believe that our initiatives aiming to strengthen profitability have produced results. Measures to address problem businesses included the reorganization of boiler manufacturing facilities in the Steam Power business and the consolidation of unprofitable bases of operations in the Metals Machinery business.
We have reassigned personnel to growing businesses, including GTCC, Nuclear Power, and Defense. We expanded services in our existing businesses through the sharing of good practices among businesses and the application of AI technologies.
We worked to optimize our portfolio of businesses through the acquisition of another company’s naval and governmental ships business, as well as a North American company active in the electrification area. We also sold our Machine Tools business. We integrated Mitsubishi Power and Mitsubishi Heavy Industries Engineering into MHI in order to prepare for future business development. Furthermore, we formed a Power-Generator System joint venture with Mitsubishi Electric in order to strengthen this business.

In our growth areas, we worked to realize a sustainable, safe, secure, and comfortable society with efforts in both the energy supply and demand areas.
On the energy supply side, we worked on hydrogen and ammonia fuel conversions, CO2 capture, and Nuclear Power utilization, as countries around the world made progress in the Energy Transition in accordance with their local conditions.
In order to build ecosystems to support decarbonization through fuel conversions, we developed and validated technologies at Takasago Hydrogen Park and Nagasaki Carbon Neutral Park, and participated in the first large-scale hydrogen production, storage, and power generation project in the United States.
In light of the situation in hard-to-abate industries, we worked with ExxonMobil and other companies to establish a CO2 solutions ecosystem, and participated in CCS projects including the transportation and storage of CO2 in cooperation with companies in Japan and around the world.
In the field of Nuclear Power, we worked to restart nuclear power plants, to establish the nuclear fuel cycle, and to develop advanced light water reactors.

On the energy demand side, efforts have focused on automation and energy conservation in systems essential for society. We have made progress in the automation of logistics as well as initiatives for data centers.
In the warehouse automation area, we proposed coordination among various autonomous equipment and the optimization of picking tasks with an integrated system to stimulate future demand and expand our business.
We developed next-generation technologies for data centers, which are rapidly expanding with the spread of generative AI. In addition, in order to realize a one-stop solution combining power supply and cooling systems – some of MHI's core strengths – we acquired Concentric, LLC in North America, thereby obtaining a base of operations in the region that includes existing customer relationships. We will further accelerate efforts to launch these businesses during the 2024 MTBP.

In conclusion, I believe that during the 2021 MTBP we successfully built a foundation to enable MHI Group to grow sustainably in the future. Using these achievements as a jumping-off point, the 2024 MTBP will take on the challenge of transforming MHI in order to balance further profitability improvements with business growth.
We are planning to hold a briefing on the 2024 MTBP on May 28 (JST).
This concludes my presentation. Thank you for listening.

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