

Outline of FY2024 First 3 Months Financial Results
Ended June 30, 2024 (Consolidated)

(billions of yen)

	FY2024 First 3 Months 〔 From April 1 to June 30, 2024 〕	FY2023 First 3 Months 〔 From April 1 to June 30, 2023 〕	Changes (%)
Order intake	1,847.5	1,606.8	15.0
Revenue	1,111.5	983.9	13.0
Profit from business activities	83.5	51.9	60.7
Profit before income taxes	101.3	75.7	33.8
Profit (loss) attributable to owners of parent	62.2	53.1	17.1
Cash flows from operating activities	(67.8)	(160.1)	/
Cash flows from investing activities	(58.4)	19.8	/
Cash flows from financing activities	251.1	76.8	/
Earnings per share attributable to owners of parent	18.53 yen	15.83 yen	17.0

Note1: Figures in parentheses are negative.

Note2: 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 FY2023.

Consolidated financial results (continued)

Revenue by Operational Segment

(billions of yen)

	FY2024 First 3 Months 〔 From April 1 to June 30, 2024 〕	FY2023 First 3 Months 〔 From April 1 to June 30, 2023 〕
Energy Systems	391.5	359.1
Plants & Infrastructure	175.1	172.7
Logistics, Thermal & Drive Systems	320.9	310.1
Aircraft, Defense & Space	211.7	145.5
Others	19.3	1.1
Corporate and Eliminations	(7.1)	(4.7)
Total	1,111.5	983.9

Profit (Loss) From Business Activities by Operational Segment

(billions of yen)

	FY2024 First 3 Months 〔 From April 1 to June 30, 2024 〕	FY2023 First 3 Months 〔 From April 1 to June 30, 2023 〕
Energy Systems	50.3	26.8
Plants & Infrastructure	7.6	3.9
Logistics, Thermal & Drive Systems	14.6	17.4
Aircraft, Defense & Space	23.6	9.2
Others	2.8	6.6
Corporate and Eliminations	(15.6)	(12.2)
Total	83.5	51.9

Note1: Figures in parentheses are negative.

Note2: In order to further strengthen its Energy Transition initiatives, MHI established Green Transformation (GX) Solutions as a new business domain and reorganized some other businesses at the beginning of FY2024. GX Solutions includes Engineering and other businesses and is included within the Plants & Infrastructure reporting segment. Additionally, revisions were made to the positioning and management structures of the businesses based on the new medium-term business plan. As a result of these changes, some products and services previously included within the Corporate & Eliminations line have become revenue-making businesses in their own right, which will be managed similarly to other businesses. Starting with this report, these businesses are now reported on the Others line. The segment breakdown for Q1 FY2023 is restated here adjusted to reflect these changes.

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, 2024	As of Jun. 30, 2024
<u>Assets</u>		
Current assets		
Cash and cash equivalents	431,287	579,383
Trade and other receivables	916,011	889,345
Other financial assets	39,771	46,323
Contract assets	776,399	767,212
Inventories	974,577	1,104,176
Other current assets	281,895	388,584
Total current assets	3,419,942	3,775,025
Non-current assets		
Property, plant and equipment	908,448	933,570
Goodwill	172,493	177,167
Intangible assets	93,786	96,708
Right-of-use assets	93,496	94,353
Investments accounted for using the equity method	268,978	280,361
Investments in securities and other financial assets	538,126	542,595
Deferred tax assets	297,017	303,829
Other non-current assets	463,969	454,447
Total Non-current assets	2,836,316	2,883,033
Total assets	6,256,259	6,658,058
<u>Liabilities and Equity</u>		
Current liabilities		
Bonds, borrowings and other financial liabilities	379,210	687,438
Trade and other payables	958,891	806,375
Income taxes payable	55,228	40,262
Contract liabilities	1,095,138	1,231,782
Provisions	216,220	201,411
Other current liabilities	235,829	237,072
Total Current liabilities	2,940,518	3,204,341
Non-current liabilities		
Bonds, borrowings and other financial liabilities	763,754	789,329
Deferred tax liabilities	9,987	11,024
Retirement benefit liability	73,165	75,599
Provisions	79,747	81,447
Other non-current liabilities	28,429	37,377
Total non-current liabilities	955,085	994,779
Total liabilities	3,895,604	4,199,121
<u>Equity</u>		
Share capital	265,608	265,608
Capital surplus	41,187	40,916
Treasury shares	(4,828)	(4,626)
Retained earnings	1,433,267	1,459,013
Other components of equity	509,385	573,352
Equity attributable to owners of parent	2,244,620	2,334,264
Non-controlling interests	116,034	124,672
Total Equity	2,360,654	2,458,936
Total Liabilities and Equity	6,256,259	6,658,058

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

(Millions of Yen)

	FY2023 (From Apr. 1, 2023 to Jun. 30, 2023)	FY2024 (From Apr. 1, 2024 to Jun. 30, 2024)
Revenue	983,980	1,111,555
Cost of sales	791,141	871,025
Gross Profit	192,838	240,529
Selling, general and administrative expenses	156,391	175,088
Share of profit of investments accounted for using the equity method	(202)	6,717
Other income	15,951	13,731
Other expenses	219	2,360
Profit from business activities	51,975	83,528
Finance income	28,654	23,196
Finance cost	4,928	5,418
Profit before income taxes	75,701	101,306
Income taxes	17,128	33,859
Profit	58,573	67,446
Profit attributable to:		
Owners of parent	53,187	62,286
Non-controlling interests	5,385	5,159

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	15.83	18.53
Diluted earnings per share	15.82	18.52

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

(Millions of Yen)

	FY2023 (From Apr. 1, 2023 to Jun. 30, 2023)	FY2024 (From Apr. 1, 2024 to Jun. 30, 2024)
Profit	58,573	67,446
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Net gains and losses from financial assets measured at FVTOCI	20,130	(676)
Remeasurement of defined benefit plans	(608)	(83)
Share of other comprehensive income (loss) of entities accounted for by the equity method	197	452
Total	19,719	(307)
Items that may be reclassified to profit or loss		
Cash flow hedges	(1,954)	(301)
Exchange differences on translating foreign operations	61,569	66,040
Share of other comprehensive income (loss) of entities accounted for by the equity method	8,200	7,322
Total	67,815	73,061
Total other comprehensive income (loss)	87,535	72,753
Comprehensive income	146,108	140,199
Comprehensive income (loss) attributable to		
Owners of parent	136,074	128,873
Non-controlling interests	10,033	11,325

*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 ,2023	265,608	41,256	(5,385)	1,243,565	195,929	1,740,974	93,010	1,833,984
Profit				53,187		53,187	5,385	58,573
Other comprehensive income (loss)					82,887	82,887	4,647	87,535
Comprehensive income (loss)	-	-	-	53,187	82,887	136,074	10,033	146,108
Transfer to retained earnings				15,612	(15,612)	-		-
Purchase of treasury shares			(5)			(5)		(5)
Disposal of treasury shares		1	4			6		6
Dividends				(23,512)		(23,512)	(2,246)	(25,759)
Other		(436)	229	(1,561)	(7)	(1,776)	(1,023)	(2,799)
Total transactions with owners	-	(435)	229	(25,074)	(7)	(25,287)	(3,270)	(28,557)
Balance as of Jun. 30 ,2023	265,608	40,821	(5,156)	1,287,291	263,196	1,851,761	99,773	1,951,535
Balance as of Apr. 1 ,2024	265,608	41,187	(4,828)	1,433,267	509,385	2,244,620	116,034	2,360,654
Profit				62,286		62,286	5,159	67,446
Other comprehensive income (loss)					66,586	66,586	6,166	72,753
Comprehensive income (loss)	-	-	-	62,286	66,586	128,873	11,325	140,199
Transfer to retained earnings				2,628	(2,628)	-		-
Purchase of treasury shares			(1)			(1)		(1)
Disposal of treasury shares		3	7			11		11
Dividends				(40,331)		(40,331)	(2,596)	(42,928)
Other		(274)	195	1,162	8	1,091	(91)	1,000
Total transactions with owners	-	(271)	202	(39,168)	8	(39,229)	(2,688)	(41,917)
Balance as of Jun. 30 ,2024	265,608	40,916	(4,626)	1,459,013	573,352	2,334,264	124,672	2,458,936

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

(Millions of Yen)

	FY2023 First 3 Months (From Apr. 1 to Jun. 30, 2023)	FY2024 First 3 Months (From Apr. 1 to Jun. 30, 2024)
Cash flows from operating activities		
Profit before income taxes	75,701	101,306
Depreciation, amortization and impairment loss	33,278	38,617
Finance income and costs (profit)	(22,498)	(17,125)
Share of loss (profit) of investments accounted for using equity method	202	(6,717)
Loss (gain) on sale of property, plant and equipment	(6,985)	(3,590)
Loss on disposal of property, plant and equipment, and intangible assets	638	924
Decrease (increase) in trade receivables	12,994	54,389
Decrease (increase) in contract assets	49,659	24,664
Decrease (increase) in inventories and advanced payments	(114,080)	(164,897)
Increase (decrease) in trade payables	(61,826)	(100,096)
Increase (decrease) in contract liabilities	(14,410)	123,972
Increase (decrease) in provisions	(20,132)	(17,463)
Increase (decrease) in retirement benefit liabilities	48	1,809
Others	(74,503)	(62,586)
Subtotal	(141,915)	(26,793)
Interest received	3,966	3,993
Dividends received	6,423	4,496
Interest paid	(2,523)	(3,240)
Income taxes refund (paid)	(26,138)	(46,284)
Net cash provided by operating activities	(160,187)	(67,828)
Cash flows from investing activities		
Payments into time deposits	(3,926)	(10,011)
Proceeds from withdrawal of time deposits	3,890	7,859
Purchases of property, plant and equipment and intangible assets	(38,535)	(88,783)
Proceeds from sales of property, plant and equipment and intangible assets	7,684	7,046
Purchases of investments (including investments accounted for using equity method)	(2,497)	(3,580)
Proceeds from sales and redemption of investments (including investments accounted for using equity method)	39,216	17,309
Net decrease (increase) in short-term loans	614	301
Disbursement of long-term loans	(2)	(0)
Collection of long-term loans	22	33
Payments for derivative transactions	(7,027)	(8,838)
Proceeds from derivative transactions	20,128	20,636
Others	266	(391)
Net cash used in investing activities	19,834	(58,419)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	140,692	307,636
Repayment of long-term borrowings	(469)	(3,022)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,024)	-
Dividends paid to owners of the parent	(22,419)	(38,825)
Dividends paid to non-controlling interests	(1,396)	(1,180)
Proceeds from factoring agreements	47,665	81,941
Repayment of liabilities under factoring agreements	(79,470)	(87,757)
Repayment of lease liabilities	(6,271)	(7,124)
Others	(462)	(511)
Net cash provided by (used in) financing activities	76,844	251,156
Effect of exchange rate changes on cash and cash equivalents	27,245	23,187
Net increase (decrease) in cash and cash equivalents	(36,262)	148,095
Cash and cash equivalents at the beginning of the year	347,663	431,287
Cash and cash equivalents at the end of period	311,400	579,383