

**Outline of FY2022 First 6 Months Financial Results**  
**Ended September 30, 2022 (Consolidated)**

(billions of yen)

	<b>FY2022 First 6 Months (From April 1 to September 30, 2022)</b>	<b>FY2021 First 6 Months (From April 1 to September 30, 2021)</b>	<b>Changes (%)</b>
Orders Received	<b>2,018.4</b>	1,534.1	31.6
Revenue	<b>1,875.2</b>	1,663.7	12.7
Profit from business activities	<b>54.8</b>	26.2	109.2
Profit Before Income Taxes	<b>91.3</b>	26.5	244.4
Profit (loss) Attributable to Owners of Parent	<b>54.1</b>	12.0	348.1
Operating Cash Flow	<b>(92.8)</b>	(132.4)	/
Investment Cash Flow	<b>(8.5)</b>	(5.5)	/
Financing Cash Flow	<b>74.2</b>	152.0	/
Profit (loss) Attributable to Owners of Parent Per Share	<b>161.20 yen</b>	35.99 yen	347.9

Figures in parentheses are negative.

## Consolidated financial results (continued)

### Revenue by Operational Segment

(billions of yen)

	<b>FY2022 First 6 Months (From April 1 to September 30, 2022)</b>	<b>FY2021 First 6 Months (From April 1 to September 30, 2021)</b>
Energy Systems	<b>769.0</b>	673.8
Plants & Infrastructure	<b>292.1</b>	301.7
Logistics, Thermal & Drive Systems	<b>563.4</b>	454.4
Aircraft, Defense & Space	<b>262.3</b>	247.3
Corporate and Eliminations	<b>(11.7)</b>	(13.6)
<b>TOTAL</b>	<b>1,875.2</b>	1,663.7

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

(billions of yen)

	<b>FY2022 First 6 Months (From April 1 to September 30, 2022)</b>	<b>FY2021 First 6 Months (From April 1 to September 30, 2021)</b>
Energy Systems	<b>19.6</b>	0.1
Plants & Infrastructure	<b>10.6</b>	7.0
Logistics, Thermal & Drive Systems	<b>8.4</b>	14.6
Aircraft, Defense & Space	<b>17.6</b>	7.6
Corporate and Eliminations	<b>(1.5)</b>	(3.3)
<b>TOTAL</b>	<b>54.8</b>	26.2

Figures in parentheses are negative.

## Estimate of Consolidated Financial Results for FY 2022

For the fiscal year 2022 ending March 31, 2023, MHI is expecting 4,100 billion yen in revenue, 200 billion yen in Profit from business activities, 190 billion yen in profit before income tax, and 120 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 = ¥140 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, 2022	As of Sep. 30, 2022
<b><u>Assets</u></b>		
Current assets		
Cash and cash equivalents	314,257	325,873
Trade and other receivables	744,466	736,055
Other financial assets	70,952	64,589
Contract assets	654,972	692,249
Inventories	798,601	929,650
Other current assets	219,875	238,695
<b>Total current assets</b>	<b>2,803,126</b>	<b>2,987,113</b>
Non-current assets		
Property, plant and equipment	790,204	799,456
Goodwill	128,690	133,605
Intangible assets	70,400	75,570
Right-of-use assets	98,255	112,246
Investments accounted for using the equity method	212,828	229,337
Investments in securities and other financial assets	487,430	509,702
Deferred tax assets	352,261	369,179
Other non-current assets	173,144	160,528
<b>Total Non-current assets</b>	<b>2,313,214</b>	<b>2,389,624</b>
<b>Total assets</b>	<b>5,116,340</b>	<b>5,376,738</b>
<b><u>Liabilities and Equity</u></b>		
Current liabilities		
Bonds, borrowings and other financial liabilities	304,651	425,130
Trade and other payables	863,281	780,898
Income taxes payable	28,784	15,499
Contract liabilities	886,551	967,283
Provisions	203,585	203,349
Other current liabilities	193,865	186,365
<b>Total Current liabilities</b>	<b>2,480,720</b>	<b>2,578,527</b>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	773,622	824,597
Deferred tax liabilities	6,217	7,358
Retirement benefit liability	76,824	79,707
Provisions	62,218	67,799
Other non-current liabilities	54,207	55,446
<b>Total non-current liabilities</b>	<b>973,090</b>	<b>1,034,909</b>
<b>Total liabilities</b>	<b>3,453,810</b>	<b>3,613,436</b>
<b><u>Equity</u></b>		
Share capital	265,608	265,608
Capital surplus	45,061	42,270
Treasury shares	(5,946)	(5,458)
Retained earnings	1,099,158	1,130,499
Other components of equity	172,728	234,070
Equity attributable to owners of parent	1,576,611	1,666,990
Non-controlling interests	85,918	96,310
<b>Total Equity</b>	<b>1,662,529</b>	<b>1,763,301</b>
<b>Total Liabilities and Equity</b>	<b>5,116,340</b>	<b>5,376,738</b>

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

### i) First six months FY2021 and FY2022

(Millions of Yen)

	FY2021 First 6 Months (From Apr. 1 to Sep. 30, 2021)	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)
Revenue	1,663,747	1,875,267
Cost of sales	1,395,968	1,549,268
<b>Gross Profit</b>	<b>267,778</b>	<b>325,998</b>
Selling, general and administrative expenses	266,829	293,592
Share of profit of investments accounted for using the equity method	8,628	8,374
Other income *	26,648	35,636
Other expenses	10,013	21,573
<b>Profit from business activities</b>	<b>26,211</b>	<b>54,844</b>
Finance income	8,600	47,065
Finance cost	8,277	10,518
<b>Profit before income taxes</b>	<b>26,534</b>	<b>91,391</b>
Income taxes	8,062	31,001
<b>Profit</b>	<b>18,471</b>	<b>60,389</b>
Profit attributable to:		
<b>Owners of parent</b>	<b>12,081</b>	<b>54,132</b>
Non-controlling interests	6,389	6,257

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	35.99	161.20
Diluted earnings per share	35.97	160.97

\*Other income includes dividend income. The amount of dividends of FY 2021 first 6 Month is 8,639 Million Yen, and the amount of FY2022 First 6 Months is 12,767 Million Yen.

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

ii) For three months ended Sep.30, 2021 and 2022 (FY2021Q2 & FY2022Q2)

(Millions of Yen)

	FY2021 Q2 (From Jul. 1 to Sep. 30, 2021)	FY2022 Q2 (From Jul. 1 to Sep. 30, 2022)
Revenue	812,031	1,003,934
Cost of sales	690,496	821,099
<b>Gross Profit</b>	<b>121,535</b>	<b>182,835</b>
Selling, general and administrative expenses	130,271	150,684
Share of profit of investments accounted for using the equity method	4,567	3,490
Other income *	15,283	11,921
Other expenses	6,370	7,649
<b>Profit from business activities</b>	<b>4,743</b>	<b>39,912</b>
Finance income	5,103	21,502
Finance expenses	4,397	5,584
<b>Profit before income taxes</b>	<b>5,449</b>	<b>55,831</b>
Income taxes	4,354	16,979
<b>Profit</b>	<b>1,094</b>	<b>38,851</b>
Profit attributable to:		
<b>Owners of parent</b>	<b>(570)</b>	<b>34,939</b>
Non-controlling interests	1,665	3,912

(Yen)

Earnings per share attributable to owners of parent		
Basic earnings per share	(1.69)	104.04
Diluted earnings per share	(1.69)	103.90

\*Other income includes dividend income. The amount of dividends of FY2021Q2 is 3,300 Million Yen, and the amount of FY2022Q2 is 3,276 Million Yen.

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

i) First six months FY2021 and FY2022

	(Millions of Yen)	
	FY2021 First 6 Months (From Apr. 1 to Sep. 30, 2021)	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)
<b>Profit</b>	<b>18,471</b>	<b>60,389</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	19,957	(29,420)
Remeasurement of defined benefit plans	29	292
Share of other comprehensive income (loss) of entities accounted for by the equity method	599	1,445
<b>Total</b>	<b>20,586</b>	<b>(27,682)</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	(240)	(1,806)
Hedging cost	8	28
Exchange differences on translating foreign operations	(127)	88,265
Share of other comprehensive income (loss) of entities accounted for by the equity method	587	7,641
<b>Total</b>	<b>228</b>	<b>94,129</b>
<b>Total other comprehensive income (loss)</b>	<b>20,815</b>	<b>66,446</b>
<b>Comprehensive income</b>	<b>39,286</b>	<b>126,836</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of parent	32,412	113,391
Non-controlling interests	6,873	13,445

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

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

ii) For three months ended Sep.30, 2021 and 2022 (FY2021Q2 &amp; FY2022Q2)

	(Millions of Yen)	
	FY2021 Q2 (From Jul. 1 to Sep. 30, 2021)	FY2022 Q2 (From Jul. 1 to Sep. 30, 2022)
<b>Profit</b>	<b>1,094</b>	<b>38,851</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	22,365	(10,391)
Remeasurement of defined benefit plans	66	165
Share of other comprehensive income (loss) of entities accounted for by the equity method	55	(26)
<b>Total</b>	<b>22,487</b>	<b>(10,252)</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	(410)	409
Hedging cost	(120)	152
Exchange differences on translating foreign operations	(993)	24,796
Share of other comprehensive income (loss) of entities accounted for by the equity method	(272)	1,433
<b>Total</b>	<b>(1,797)</b>	<b>26,792</b>
<b>Total other comprehensive income (loss)</b>	<b>20,689</b>	<b>16,540</b>
<b>Comprehensive income</b>	<b>21,784</b>	<b>55,391</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of parent	19,844	50,037
Non-controlling interests	1,939	5,354



#### **(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 ,2021</b>	<b>265,608</b>	<b>47,265</b>	<b>(4,452)</b>	<b>952,528</b>	<b>105,393</b>	<b>1,366,342</b>	<b>73,047</b>	<b>1,439,390</b>
Profit				12,081		12,081	6,389	18,471
Other comprehensive income (loss)					20,331	20,331	483	20,815
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,081</b>	<b>20,331</b>	<b>32,412</b>	<b>6,873</b>	<b>39,286</b>
<b>Transfer to retained earnings</b>				<b>10,278</b>	<b>(10,278)</b>	<b>-</b>		<b>-</b>
Purchase of treasury shares			(2,547)			(2,547)		(2,547)
Disposal of treasury shares		8	77			86		86
Dividends				(25,211)		(25,211)	(4,130)	(29,342)
Other		(156)	694	5,457	16	6,012	794	6,807
<b>Total transactions with owners</b>	<b>-</b>	<b>(147)</b>	<b>(1,774)</b>	<b>(19,753)</b>	<b>16</b>	<b>(21,659)</b>	<b>(3,336)</b>	<b>(24,996)</b>
<b>Balance as of Sep. 30 ,2021</b>	<b>265,608</b>	<b>47,117</b>	<b>(6,227)</b>	<b>955,134</b>	<b>115,462</b>	<b>1,377,095</b>	<b>76,584</b>	<b>1,453,680</b>
<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>

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

(Millions of Yen)

	FY2021 First 6 Months (From Apr. 1 to Sep. 30, 2021)	FY2022 First 6 Months (From Apr. 1 to Sep. 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	26,534	91,391
Depreciation, amortization and impairment loss	65,529	67,227
Finance income and costs (profit)	1,832	(14,995)
Share of loss (profit) of investments accounted for using equity method	(8,628)	(8,374)
Loss (gain) on sale of property, plant and equipment	(7,177)	(11,536)
Loss on disposal of property, plant and equipment, and intangible assets	2,836	2,019
Decrease (increase) in trade receivables	68,722	35,255
Decrease (increase) in contract assets	(48,003)	(17,357)
Decrease (increase) in inventories and advanced payments	(93,865)	(115,073)
Increase (decrease) in trade payables	(81,320)	(119,801)
Increase (decrease) in contract liabilities	(31,313)	53,456
Increase (decrease) in provisions	(20,203)	(1,342)
Increase (decrease) in retirement benefit liabilities	4,078	637
Others	(33,200)	(25,349)
Subtotal	(154,179)	(63,843)
Interest received	2,519	3,609
Dividends received	11,493	16,418
Interest paid	(5,583)	(4,673)
Income taxes refund (paid)	13,268	(44,337)
<b>Net cash provided by operating activities</b>	<b>(132,481)</b>	<b>(92,826)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(4,818)	(13,501)
Proceeds from withdrawal of time deposits	5,033	12,810
Purchases of property, plant and equipment and intangible assets	(59,701)	(54,460)
Proceeds from sales of property, plant and equipment and intangible assets	10,171	20,850
Purchases of investments		
(including investments accounted for using equity method)	(4,774)	(4,200)
Proceeds from sales and redemption of investments		
(including investments accounted for using equity method)	35,144	26,108
Proceeds from sales of businesses (including subsidiaries)	11,567	-
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	883	(2,625)
Disbursement of long-term loans	(37)	(37)
Collection of long-term loans	73	70
Payments for derivative transactions	(5,237)	(7,606)
Proceeds from derivative transactions	6,213	16,995
Others	(97)	(712)
<b>Net cash used in investing activities</b>	<b>(5,581)</b>	<b>(8,518)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	158,806	58,691
Proceeds from long-term borrowings	1,424	17,156
Repayment of long-term borrowings	(6,299)	(4,788)
Proceeds from issuance of bonds	55,000	20,000
Payment for redemption of bonds	(45,000)	(10,000)
Dividends paid to owners of the parent	(25,133)	(18,418)
Dividends paid to non-controlling interests	(4,295)	(3,898)
Purchase of treasury shares	(2,547)	(9)
Proceeds from factoring agreements	55,465	70,796
Repayment of liabilities under factoring agreements	(21,194)	(38,969)
Repayment of lease liabilities	(12,621)	(16,237)
Others	(1,541)	(59)
<b>Net cash provided by (used in) financing activities</b>	<b>152,061</b>	<b>74,264</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>198</b>	<b>38,696</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,197</b>	<b>11,615</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>245,421</b>	<b>314,257</b>
<b>Cash and cash equivalents at the end of period</b>	<b>259,618</b>	<b>325,873</b>