

FY2024 Financial Results

May 9, 2025

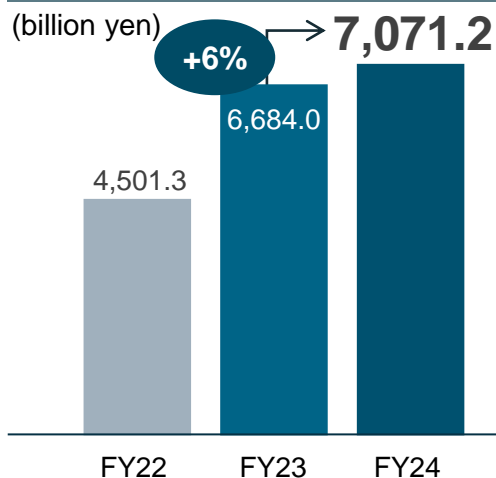
Mitsubishi Heavy Industries, Ltd.

1. Key Takeaways	3-8
2. FY2024 Financial Results	9-20
<ul style="list-style-type: none">• Financial Results Overview• Financial Position, Major Financial Indicators, Cash Flows• Profit Bridge• Financial Results by Segment	
3. FY2025 Earnings Forecast	21-28
<ul style="list-style-type: none">• Earnings Forecast Overview, Highlights• Profit Bridge• Trends in Financial Indicators• Earnings Forecast by Segment	
4. Appendix	29-34

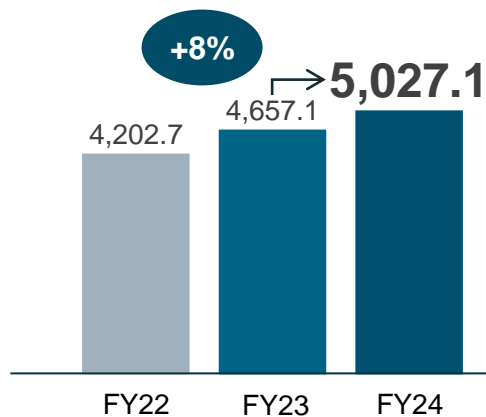
1. Key Takeaways

FY2024 Financial Results

Order Intake



Revenue



EBITDA

541.3
billion yen
(+¥108.7 bn YoY)

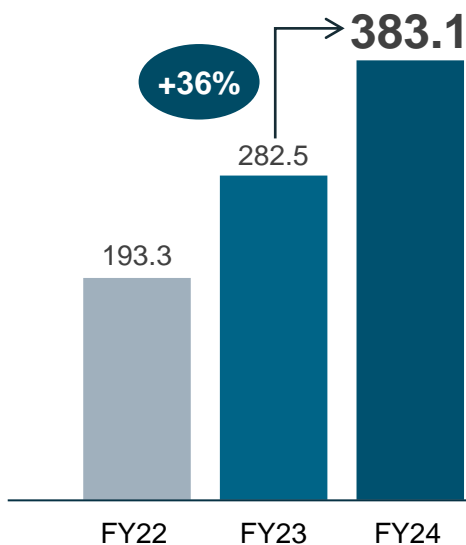
EBITDA Margin
10.8%
(+1.5 pts YoY)

Free Cash Flow

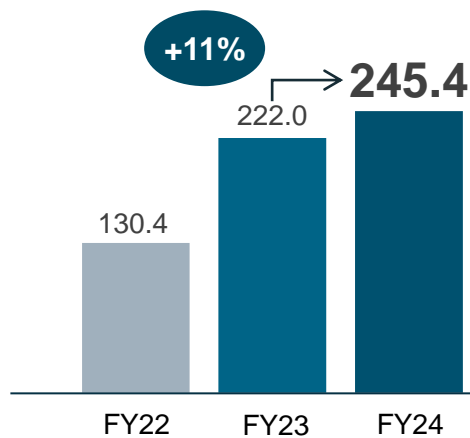
342.7
billion yen
(+¥142.6 bn YoY)

Operating Cash Flow
¥530.4 bn
(+¥199.2 bn YoY)

Business Profit



Net Income



Interest-Bearing Debt

651.3
billion yen
(-¥77.5 bn YoY)

Net Interest-Bearing Debt
-¥6.4 bn
(-¥304.1 bn YoY)

ROE

10.7%
(YoY -0.4 pts)

Dividends

¥23/share
(+¥3/share YoY¹)
DOE 4.28%

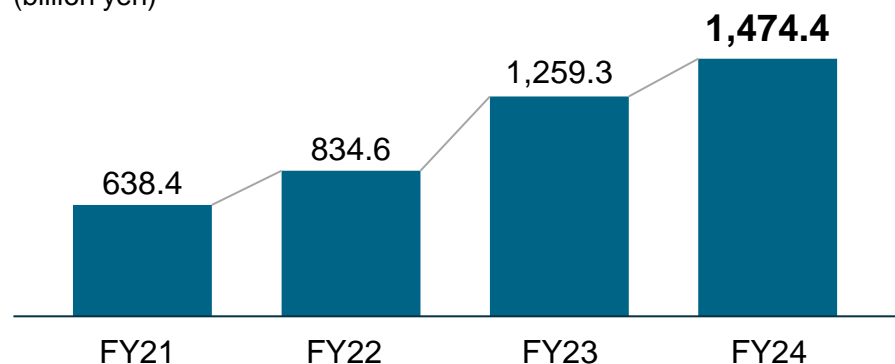
- **Achieved historical highs in order intake, revenue, net income, and free cash flow**
- **Order Intake: ¥7,071.2 bn** (+¥387.2 bn YoY)
Order intake increased YoY in all segments.
Main contributions from Gas Turbine Combined Cycle (GTCC) in Energy Systems and Metals Machinery in Plants & Infrastructure Systems.
- **Revenue: ¥5,027.1 bn** (+¥370.0 bn YoY)
Revenue increased YoY in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space.
Revenue growth especially large in Defense & Space driven by Aircraft & Missile Systems.
- **Business Profit: ¥383.1 bn** (+¥100.6 bn YoY)
Business profit increased YoY in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space.
Revenue growth, improved margins, positive impact of yen depreciation, and gains on fixed asset sales served to increase business profit by 36% YoY to ¥383.1 bn.
- **Net Income: ¥245.4 bn** (+¥23.4 bn YoY)
Growth in business profit caused net income to rise by 11% YoY to ¥245.4 bn
- Free cash flow increased by ¥142.6 bn YoY to **¥342.7 bn**.
Operating cash flow was ¥530.4 bn, and investing cash flow was -¥187.7 bn.
- Planning to increase dividends by ¥1 per share over previous guidance of ¥22 per share to **¥23 per share**, a YoY increase of ¥3 per share.

Financial Results Highlights: GTCC Order Intake and Revenue

- In addition to coal-to-gas conversions and load-following power to compensate for renewable energy intermittency, demand for electricity is also expected to increase, all of which are causing the gas turbine market to expand
- Booked orders for 25 large frame gas turbine units. Order intake surpassed FY2023 actual, which was a record high.
- In many cases, long-term after-sales service contracts are signed at time of new installation order intake, thereby securing future revenue
- Working to increase production capacity for main gas turbine components

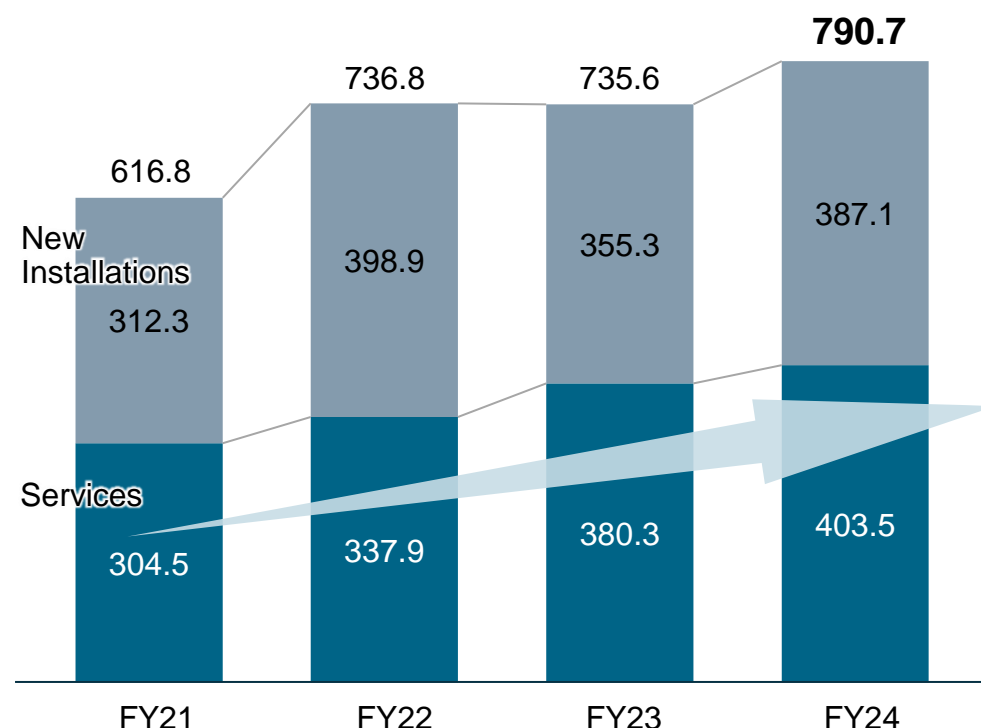
Order Intake

(billion yen)



Revenue

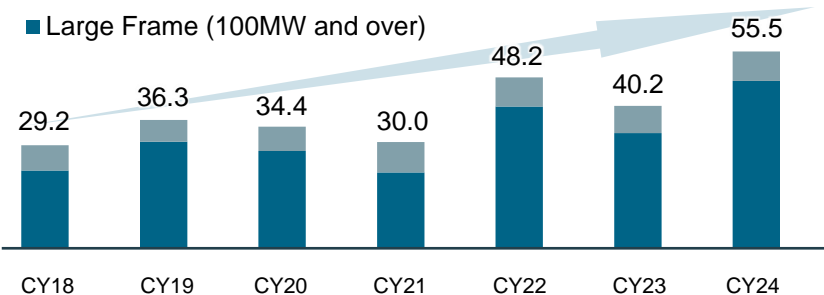
(billion yen)



Gas Turbine Demand*

(GW)

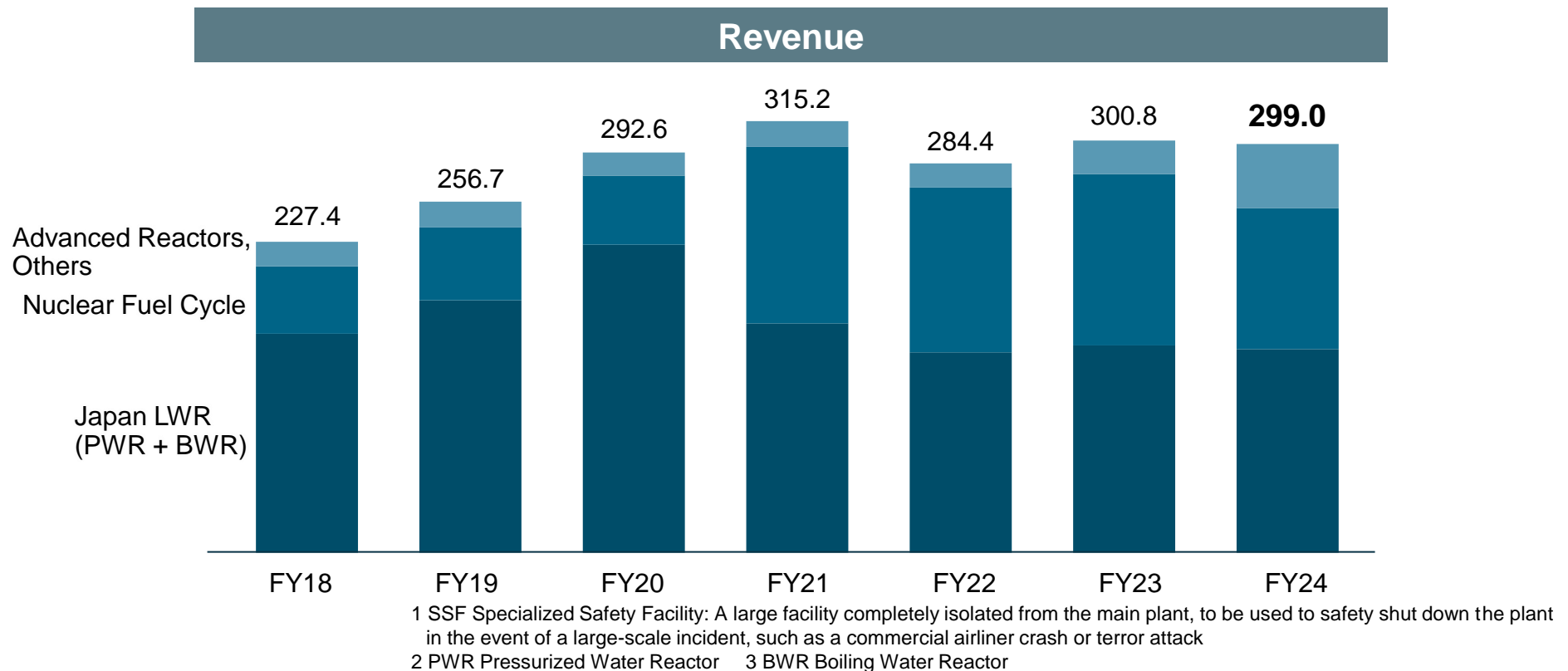
■ Large Frame (100MW and over)



(Courtesy McCoy Power Reports)

Financial Results Highlights: Nuclear Power Revenue

- Revenue growth driven by steady progress in Japan light water reactor (LWR) restarts, SSF¹ construction, and work on nuclear fuel cycle facilities
- Maintaining restarted PWRs²
- In the BWR³ business, scope of work expanding and revenue increasing in plant restarts and SSF construction
- Selected as lead company for development of fast reactor and high-temperature gas-cooled reactor demonstration reactor development. Development and design work to ramp up going forward.

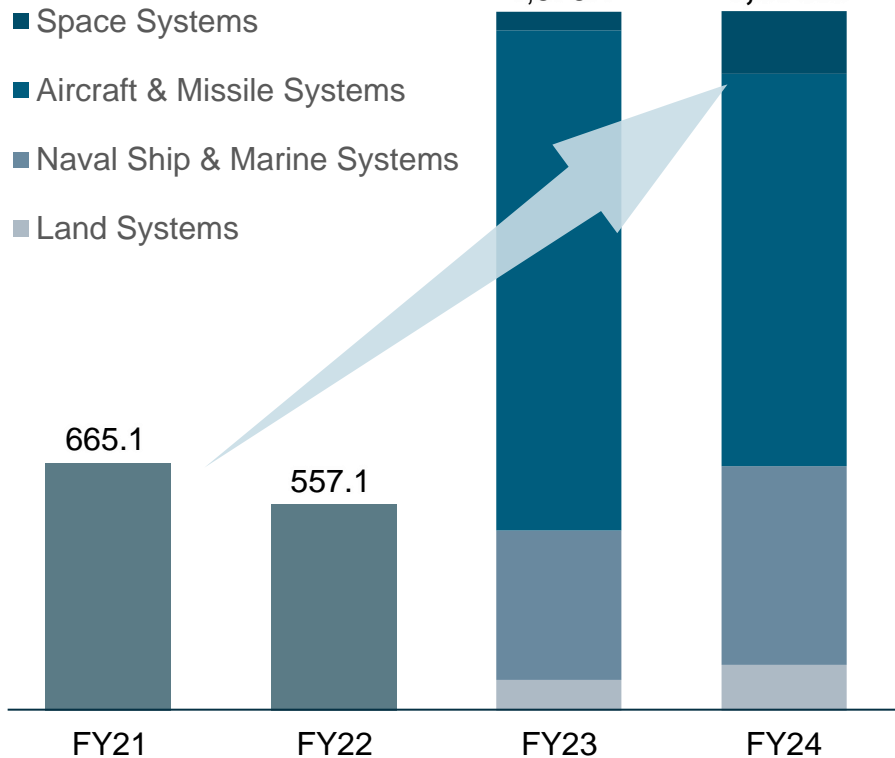


Financial Results Highlights: Defense & Space Order Intake and Revenue

- Booked several large projects including for air defense missile systems. FY2024 order intake nearly same as record high achieved in FY2023.
- Due to large order intake growth since FY2023, revenue increased significantly, mainly in Aircraft & Missile Systems and Naval Ship & Marine Systems

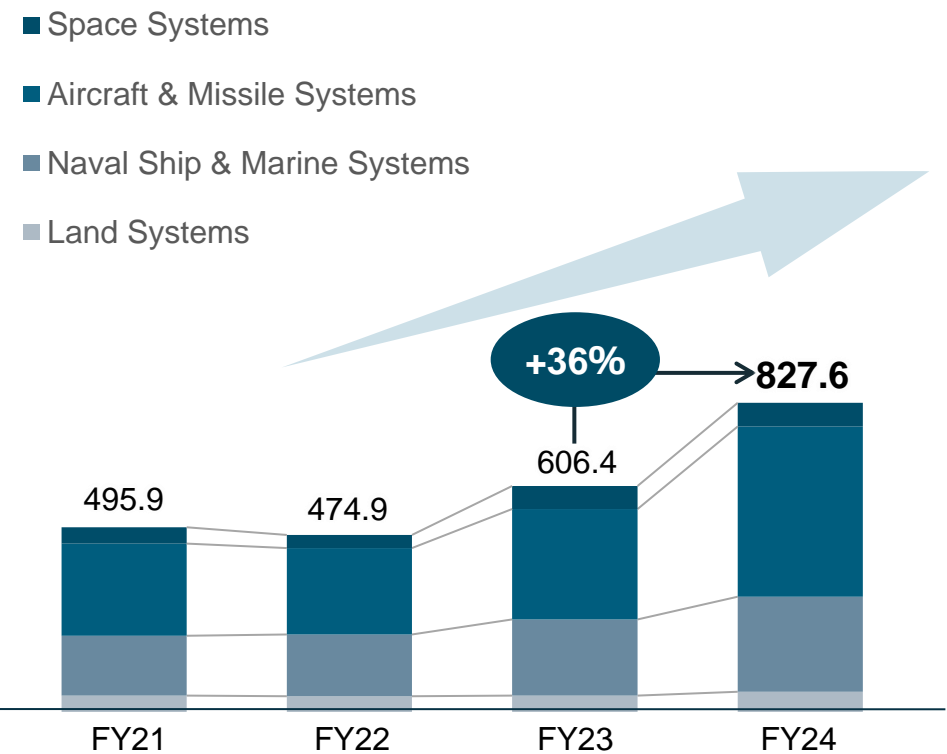
Order Intake

(billion yen)



Revenue

(billion yen)



2. FY2024 Financial Results

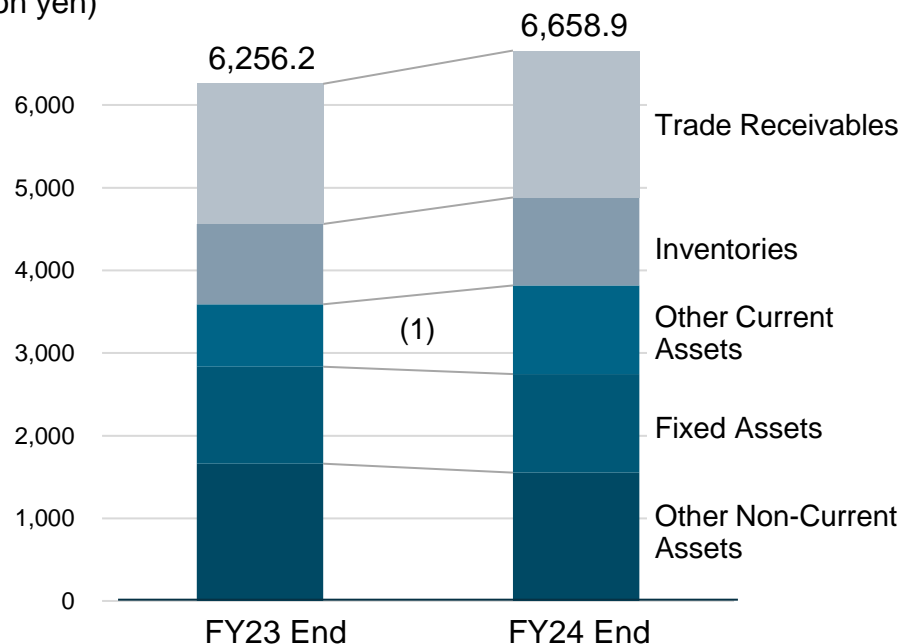
Financial Results Overview

	(billion yen)	FY2023 (Profit Margin)	FY2024 (Profit Margin)	YoY (Profit Margin)	(YoY%)
Order Intake		6,684.0	7,071.2	+387.2	(+5.8%)
Revenue		4,657.1	5,027.1	+370.0	(+7.9%)
Profit from Business Activities		282.5 (6.1%)	383.1 (7.6%)	+100.6 (+1.5 pts)	(+35.6%)
Profit Attributable to Owners of Parent		222.0 (4.8%)	245.4 (4.9%)	+23.4 (+0.1 pts)	(+10.6%)
ROE		11.1%	10.7%	-0.4 pts	
EBITDA		432.6 (9.3%)	541.3 (10.8%)	+108.7 (+1.5 pts)	(+25.1%)
Free Cash Flow		200.1	342.7	+142.6	

Financial Position

Assets

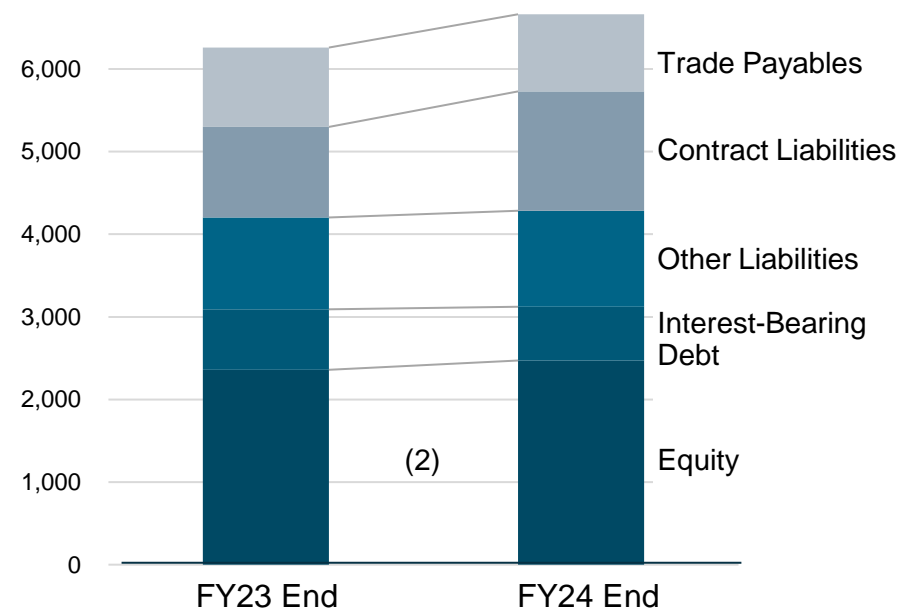
(billion yen)



- Total assets exceeded FY2023 end levels due to an increase in trade receivables and inventories associated with revenue growth, as well as an increase in cash and cash equivalents arising from the receipt of advances received
- Interest-bearing debt decreased by 10% vs. FY2023 end. D/E ratio decreased to 0.26.

Liabilities & Equity

(billion yen)



Breakdown of main items (billion yen):

(1) Cash and cash equivalents +226.5

(2) Profit attributable to owners of parent +245.4, Dividends -77.3, Others -59.0

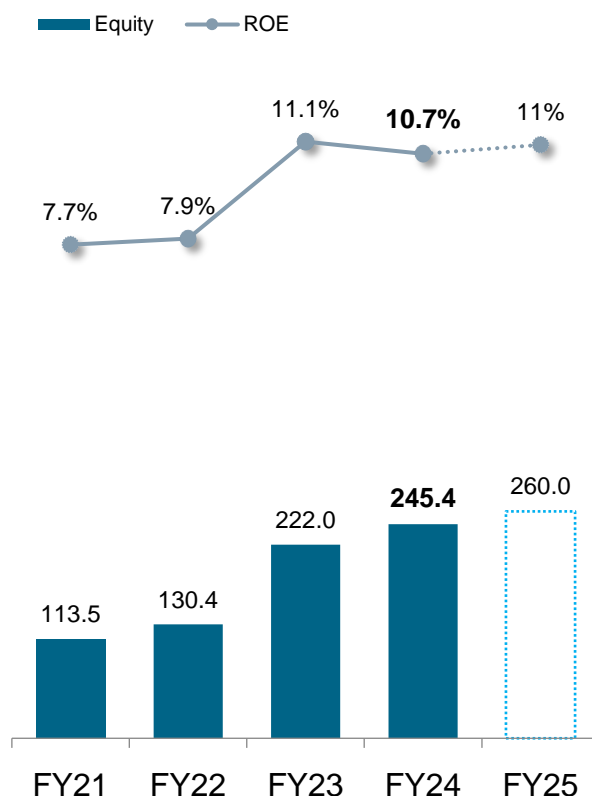
	FY23 End	FY24 End	YoY
Interest-Bearing Debt (billion yen)	728.9	651.3	-77.5
Equity Ratio	35.9%	35.2%	-0.7 pts
D/E Ratio	0.31	0.26	-0.05

Financial Position

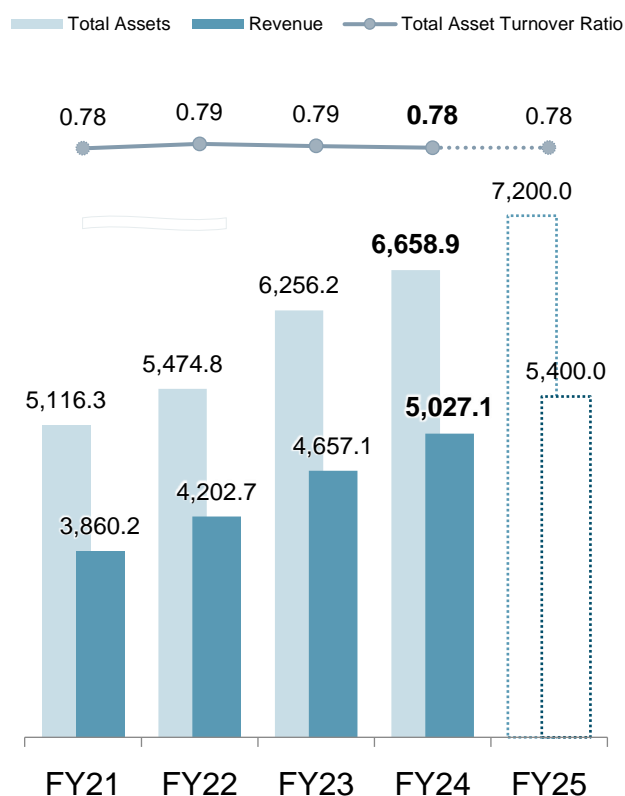
Financial Position (billion yen)	FY23 End	FY24 End	Variance
Trade Receivables and Contract Assets	1,692.4	1,776.5	+84.1
Inventories	974.5	1,062.5	+87.9
Other Current Assets	752.9	1,072.5	+319.5
(Cash and Cash Equivalents)	(431.2)	(657.8)	(+226.5)
Fixed Assets	1,174.7	1,195.3	+20.5
Other Non-Current Assets	1,661.5	1,551.9	-109.6
Total Assets	6,256.2	6,658.9	+402.6
Trade Payables	958.8	930.2	-28.6
Contract Liabilities	1,095.1	1,443.9	+348.8
Other Liabilities	1,112.5	1,163.4	+50.8
Interest-Bearing Debt	728.9	651.3	-77.5
Equity	2,360.6	2,469.8	+109.1
(Equity Attributable to Owners of Parent)	(2,244.6)	(2,346.7)	(+102.0)
Total Liabilities and Equity	6,256.2	6,658.9	+402.6

- ROE and total asset turnover ratio were generally in line with FY2023 results
- Debt/EBITDA ratio fell to record low of 1.2. Improvements in EBITDA as well as a reduction in interest-bearing debt contributed to this.

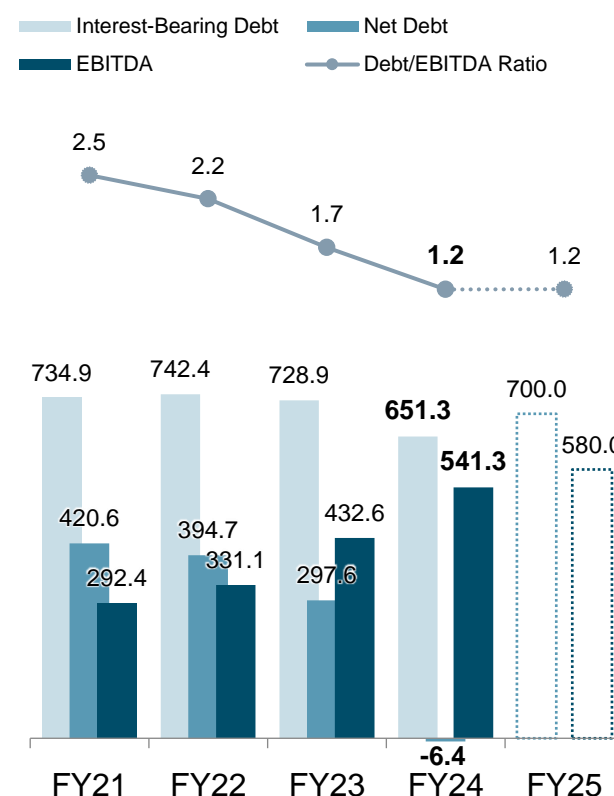
ROE (billion yen)



Total Asset Turnover Ratio (billion yen)

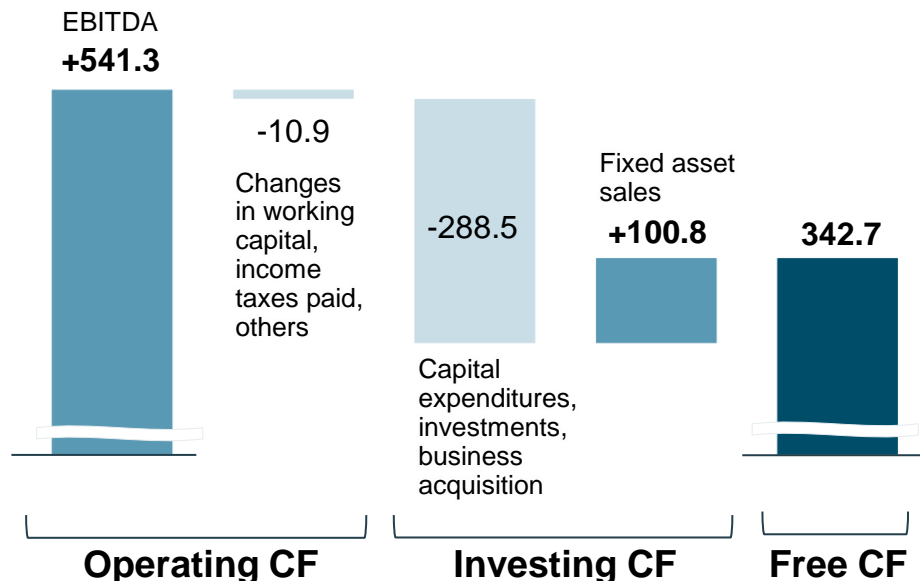


Debt/EBITDA Ratio (billion yen)



Free Cash Flow

(billion yen)



Operating Cash Flow

- In addition to ¥541.3 bn in EBITDA, due to large advances received, operating cash flow was ¥530.4 bn

Investing Cash Flow

- Capital expenditures and investments increased YoY due to cash out from acquisition of Tamachi Tower office building in Tokyo and acquisition of additional equity stake in power plant operating companies (SPC)
- Continued to sell land and strategic shareholdings

(billion yen)

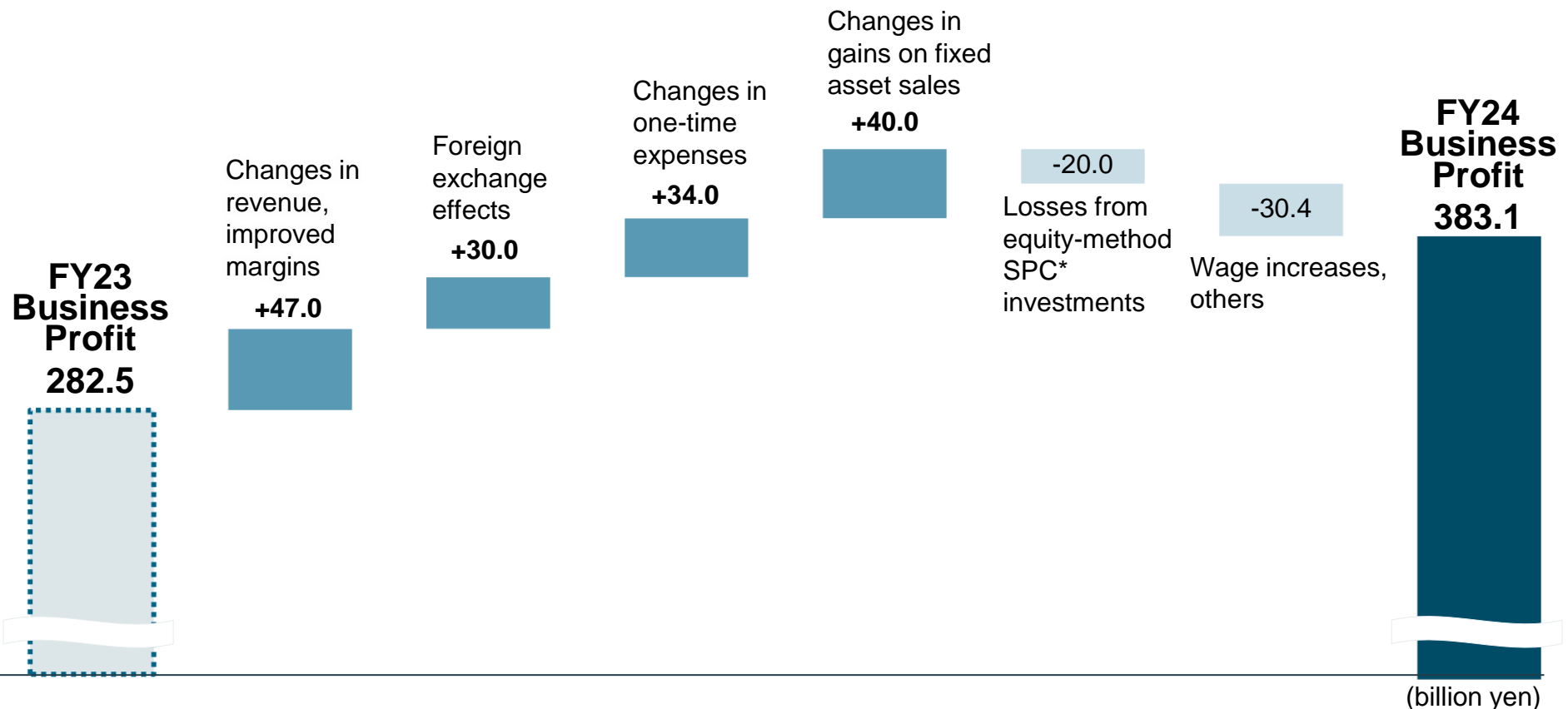
	FY23	FY24	YoY
Operating Cash Flow	331.1	530.4	+199.2
Investing Cash Flow	-131.0	-187.7	-56.6
Free Cash Flow	200.1	342.7	+142.6

Depreciation & Amortization	150.1	158.1	+8.0
EBITDA	432.6	541.3	+108.7
EBITDA (%)	9.3%	10.8%	+1.5 pts

Breakdown of Investing Cash Flow (billion yen)

Capital Expenditures & Investments	-172.3	-304.5	-132.2
Business Acquisition	-73.5	-1.5	+72.0
Sale of Real Estate	+37.2	+76.4	+39.2
Sale of Strategic Shareholdings	+56.2	+24.4	-31.7
Others	+21.4	+17.4	-4.0
Total	-131.0	-187.7	-56.6

- Business profit increased YoY due to improved margins, as well as revenue growth mainly in Energy Systems segment and Defense & Space business
- Rebound from one-time expenses incurred during FY2023 in thermal power businesses related to some international projects as well as in Aero Engines, combined with gain on sale of land at Yokohama Dockyard & Machinery Works also served to increase business profit



Financial Results by Segment

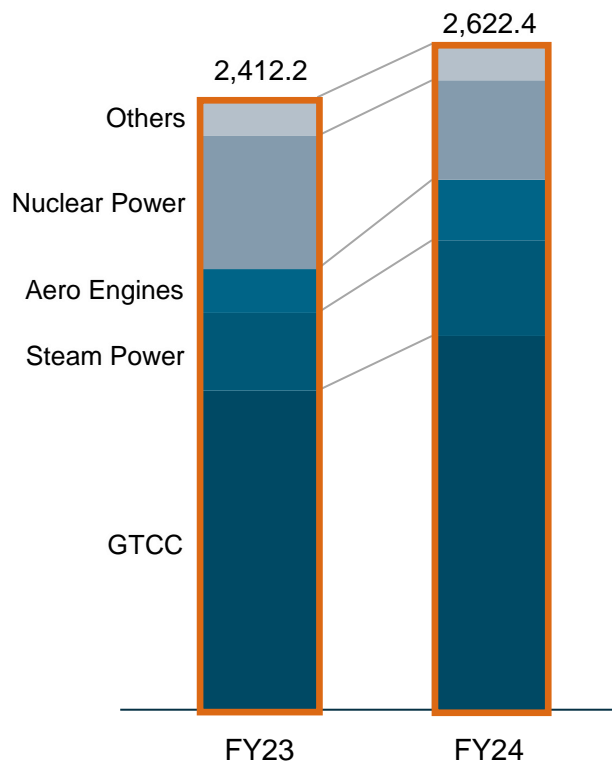
	Order Intake			Revenue			Profit from Business Activities		
	FY23*	FY24	YoY	FY23*	FY24	YoY	FY23*	FY24	YoY
(billion yen)									
Energy Systems	2,412.2	2,622.4	+210.2	1,723.6	1,815.7	+92.1	149.8	205.3	+55.4
Plants & Infrastructure Systems	883.1	1,000.2	+117.0	833.2	852.1	+18.8	44.7	59.6	+14.8
Logistics, Thermal & Drive Systems	1,318.6	1,330.5	+11.8	1,314.5	1,307.1	-7.4	72.8	49.3	-23.4
Aircraft, Defense & Space	2,068.7	2,100.1	+31.4	791.5	1,030.6	+239.0	72.6	99.9	+27.2
Others, Corporate & Eliminations	1.2	17.9	+16.6	-5.8	21.5	+27.3	-57.5	-31.0	+26.4
Total	6,684.0	7,071.2	+387.2	4,657.1	5,027.1	+370.0	282.5	383.1	+100.6

*FY2023 results adjusted retroactively to reflect establishment of GX Solutions on April 1, 2024

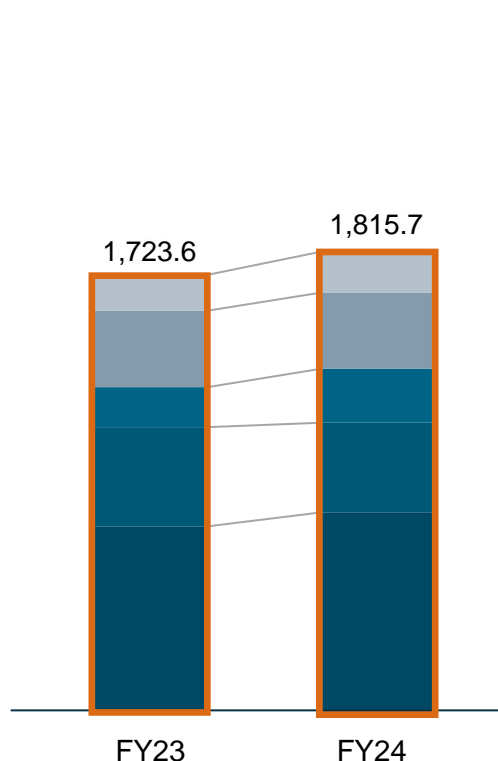
Financial Results: Energy Systems

(billion yen)

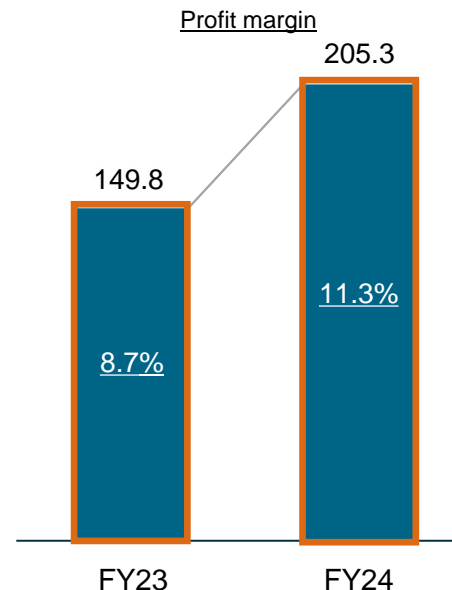
Order Intake*



Revenue*



Business Profit*



YoY Changes in Business Profit

Increase:
- GTCC
- Aero Engines

*FY2023 results adjusted retroactively to reflect establishment of GX Solutions on April 1, 2024

Major Businesses

Order Intake

	FY23	FY24
GTCC	1,259.3	1,474.4
Steam Power	305.4	376.4
Aero Engines	172.7	237.6
Nuclear Power	522.2	390.8

Revenue

	FY23	FY24
GTCC	735.6	790.7
Steam Power	389.8	352.4
Aero Engines	157.4	212.3
Nuclear Power	300.8	299.0

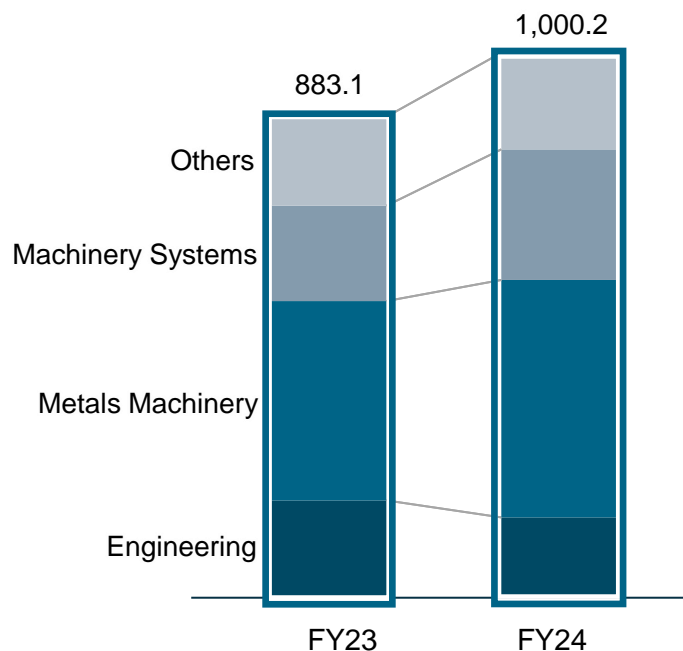
Takeaways

- GTCC order intake significantly increased in Americas and Middle East. Business profit increased due to revenue growth and improved margins.
- Aero Engines business profit increased from combination of revenue growth and rebound from one-time expenses recognized in FY2023
- Steady performance continued in Nuclear Power

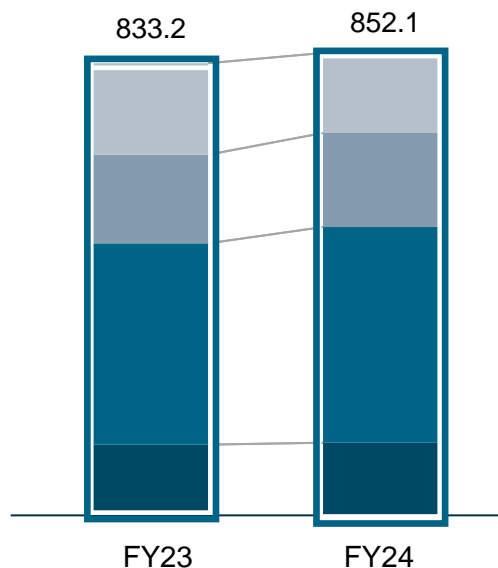
Financial Results: Plants & Infrastructure Systems

(billion yen)

Order Intake*

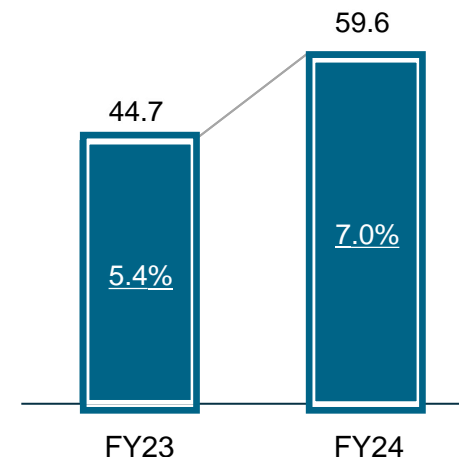


Revenue*



Business Profit*

Profit margin



YoY Changes in Business Profit

Increase:

- Engineering
- Metals Machinery
- Machinery Systems

*FY2023 results adjusted retroactively to reflect establishment of GX Solutions on April 1, 2024

Major Businesses

Order Intake

	FY23	FY24
Engineering	180.2	149.0
Metals Machinery	365.0	435.1
Machinery Systems	174.7	239.0

Revenue

	FY23	FY24
Engineering	134.0	137.8
Metals Machinery	369.4	395.2
Machinery Systems	162.4	172.3

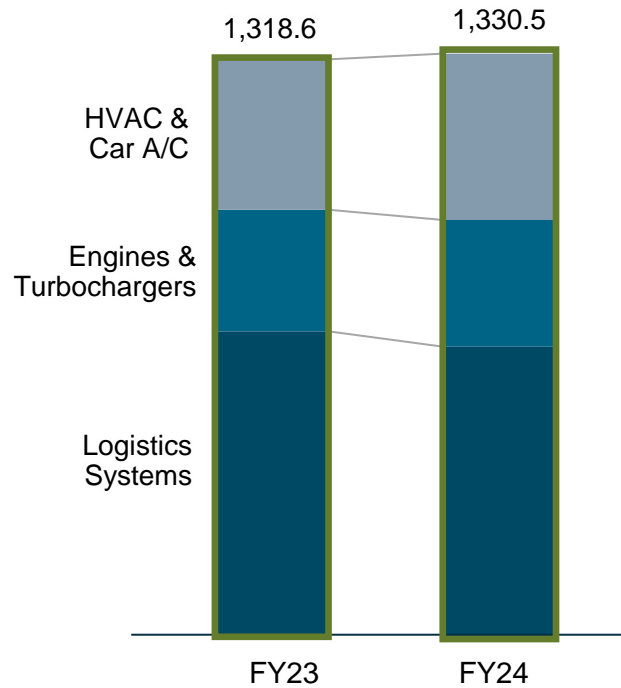
Takeaways

- Order intake increased mainly in Metals Machinery
- Metals Machinery business profit increased due to revenue growth and improved margins
- Machinery Systems business profit increased due to revenue growth

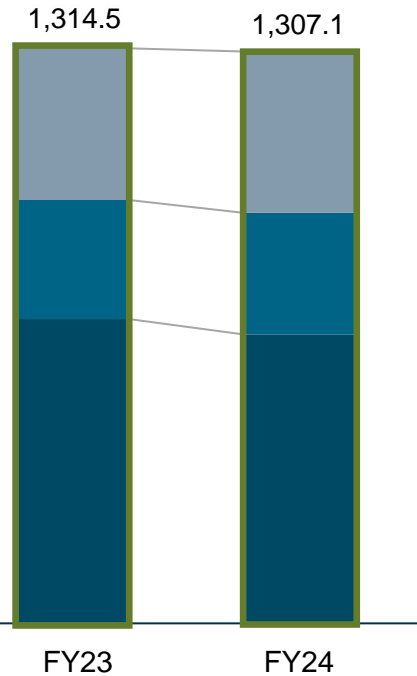
Financial Results: Logistics, Thermal & Drive Systems

(billion yen)

Order Intake

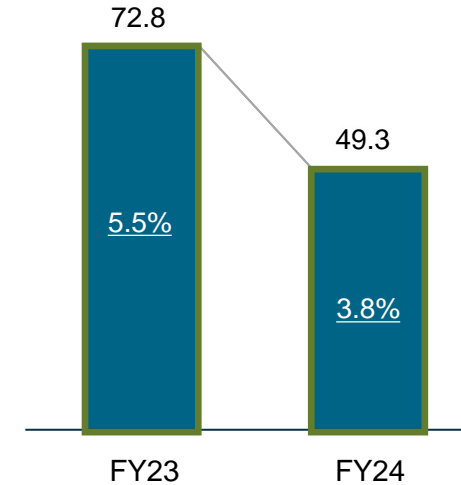


Revenue



Business Profit

Profit margin



YoY Changes in Business Profit

Increase:

- HVAC

Decrease:

- Logistics Systems
- Turbochargers

Takeaways

- Logistics Systems revenue and business profit decreased due to decline in units sold
- Engines order intake increased mainly in China
- Turbochargers business profit decreased due to increased expenses caused by supply chain disruption
- HVAC revenue and business profit increased due to rise in units sold

Major Businesses

Order Intake

	FY23	FY24
Logistics Systems	701.3	666.0
Engines & Turbochargers	278.6	290.7
HVAC & Car A/C	345.3	381.8

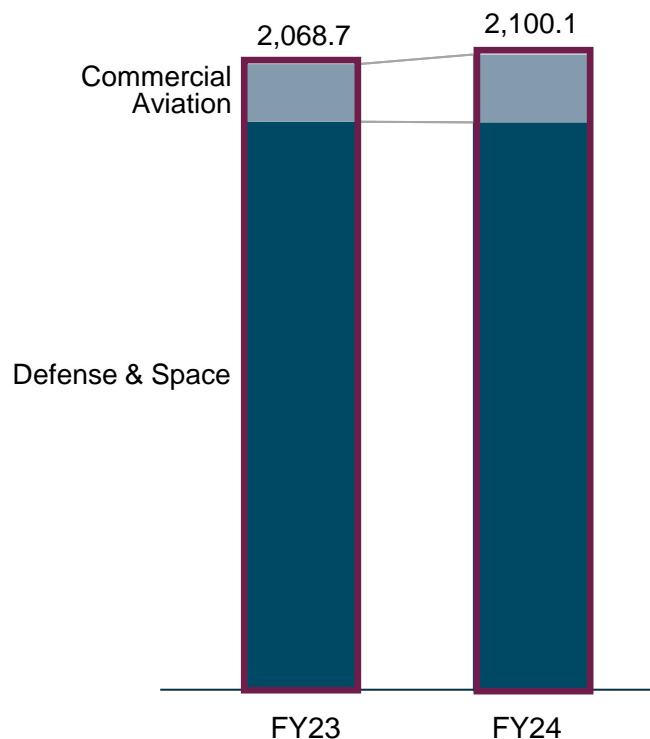
Revenue

	FY23	FY24
Logistics Systems	701.3	666.0
Engines & Turbochargers	273.1	279.1
HVAC & Car A/C	348.1	369.8

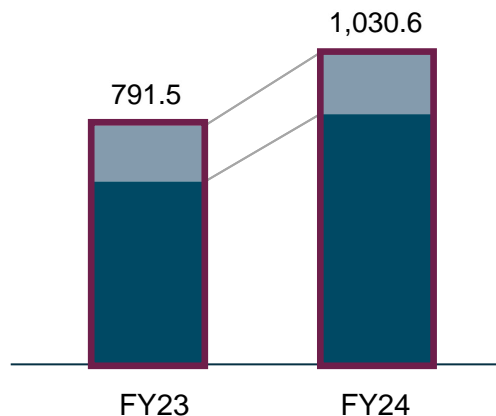
Financial Results: Aircraft, Defense & Space

(billion yen)

Order Intake

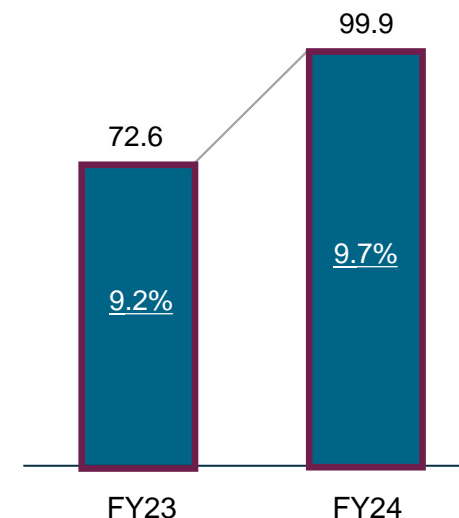


Revenue



Business Profit

Profit margin



YoY Changes in Business Profit

Increase:
- Defense & Space

Major Businesses

	Order Intake	
	FY23	FY24
Defense & Space	1,878.1	1,876.8
Commercial Aviation	190.6	223.2

Revenue

	FY23	FY24
Commercial Aviation	185.1	203.0
Defense & Space	606.4	827.6

Takeaways

- In Defense & Space, order intake increased for Naval Ships and Space Systems. Revenue and business profit increased due to steady progress in project execution and improved margins
- Despite lower 777 unit deliveries, Commercial Aviation revenue increased due to impact of yen depreciation and growth in North American after-sales services business

3. FY2025 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.

Note that the earnings forecast contained herein includes neither upside nor downside risk from US tariff policy impact.

Earnings Forecast Overview

	FY2024 (Profit Margin)	FY2025 (Profit Margin)	YoY (Profit Margin)	(YoY%)
(billion yen)				
Order Intake	7,071.2	5,900.0	-1,171.2	(-16.6%)
Revenue	5,027.1	5,400.0	+372.8	(+7.4%)
Profit from Business Activities	383.1 (7.6%)	420.0 (7.8%)	+36.8 (+0.2 pts)	(+9.6%)
Profit Attributable to Owners of Parent	245.4 (4.9%)	260.0 (4.8%)	+14.5 (-0.1 pts)	(+5.9%)
ROE	10.7%	11%	+0.3 pts	
EBITDA	541.3 (10.8%)	580.0 (10.7%)	+38.6 (-0.1 pts)	(+7.1%)
Free Cash Flow	342.7	-200.0	-542.7	
Dividends	23 yen Interim: 11 yen Year-End: 12 yen	24 yen Interim: 12 yen Year-End: 12 yen	Exchange rate assumptions: USD 1.00 = ¥145 EUR 1.00 = ¥155	

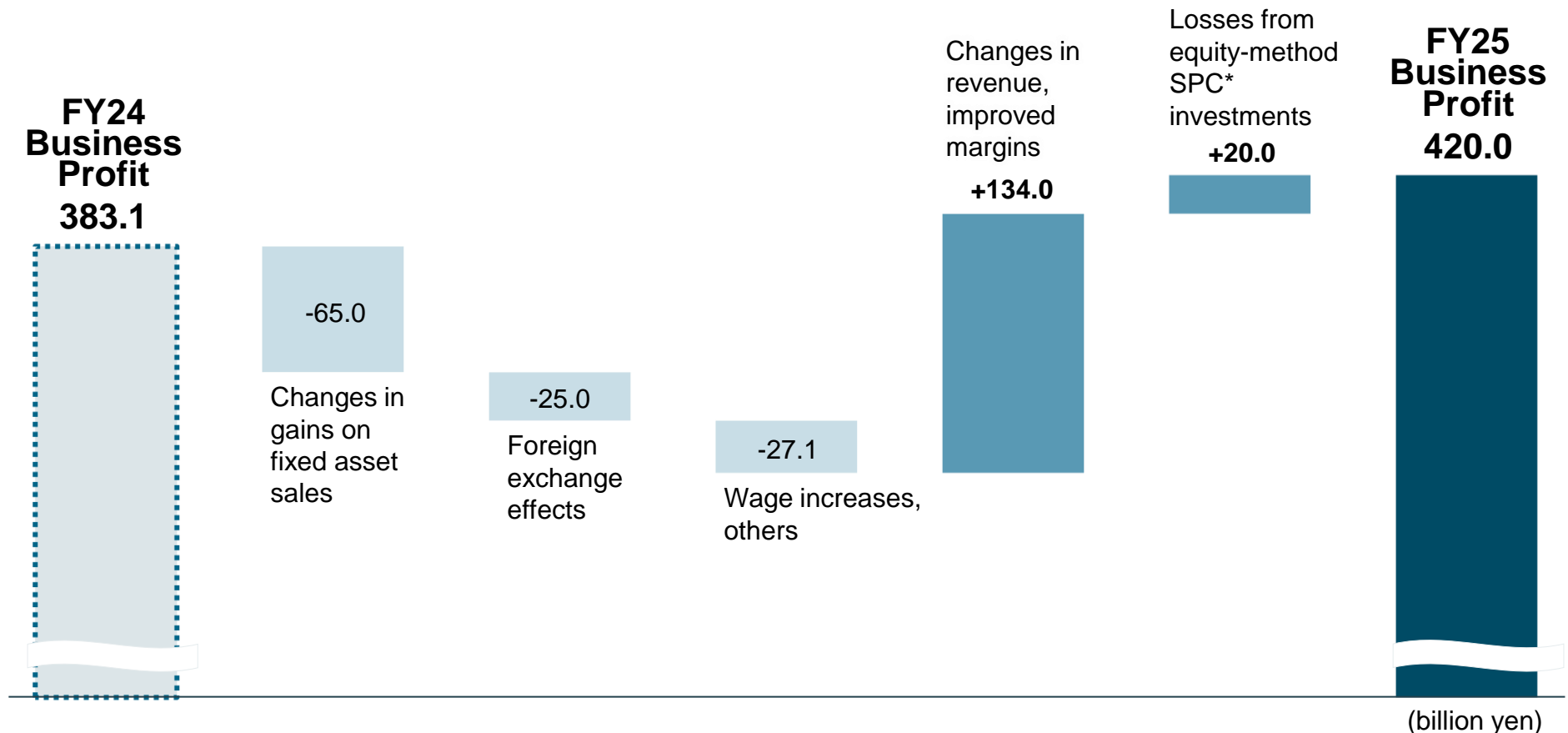
FY2025 Earnings Forecast Highlights

- Order intake: ¥5.9 tr, Revenue: ¥5.4 tr, Business profit: ¥420 bn

	Order Intake	Revenue	Business Profit	Main Points
Energy Systems	¥2.2 tr	¥1.85 tr	¥240 bn	Revenue and business profit to grow mainly in GTCC and Aero Engines
Plants & Infrastructure Systems	¥0.9 tr	¥0.85 tr	¥60 bn	Order intake, revenue, and business profit strong
Logistics, Thermal & Drive Systems	¥1.4 tr	¥1.40 tr	¥70 bn	Forecasting increase in Logistics Systems and HVAC units sold
Aircraft, Defense & Space	¥1.4 tr	¥1.35 tr	¥140 bn	Defense & Space revenue to grow 30% YoY due to extensive order backlog

- Net income to increase YoY, reaching ¥260 bn due to business profit growth
- Total assets forecasted to increase by ¥541.1 bn YoY to ¥7.2 tr as revenue grows
- Planning full-year dividend of ¥24/share, a ¥1/share increase over FY2023's ¥23/share
- Forecast does not include upside or downside risk from US tariff policy impact

- Rebound from gains on land sales and yen depreciation impact in FY2024, as well as wage increases included as negative factors affecting business profit in FY2025
- Revenue growth mainly in Energy Systems and Defense & Space, combined with improved margins and rebound from FY2024 equity-method SPC investment losses, expected to increase business profit



Trends in Financial Indicators

	FY2022	FY2023	FY2024	FY2025
Revenue	¥4.2 tr	¥4.6 tr	¥5.0 tr	¥5.4 tr
Business Profit Margin	4.6%	6.1%	7.6%	7.8%
ROE	7.9%	11.1%	10.7%	11%
Total Assets	¥5.5 tr	¥6.3 tr	¥6.7 tr	¥7.2 tr
Interest-Bearing Debt	¥0.7 tr	¥0.7 tr	¥0.7 tr	¥0.7 tr
Equity	¥1.8 tr	¥2.4 tr	¥2.5 tr	¥2.6 tr
D/E Ratio	0.40	0.31	0.26	0.3
Equity Ratio	32%	36%	35%	35%
Dividends (after stock split)	¥13*	¥20*	¥23	¥24

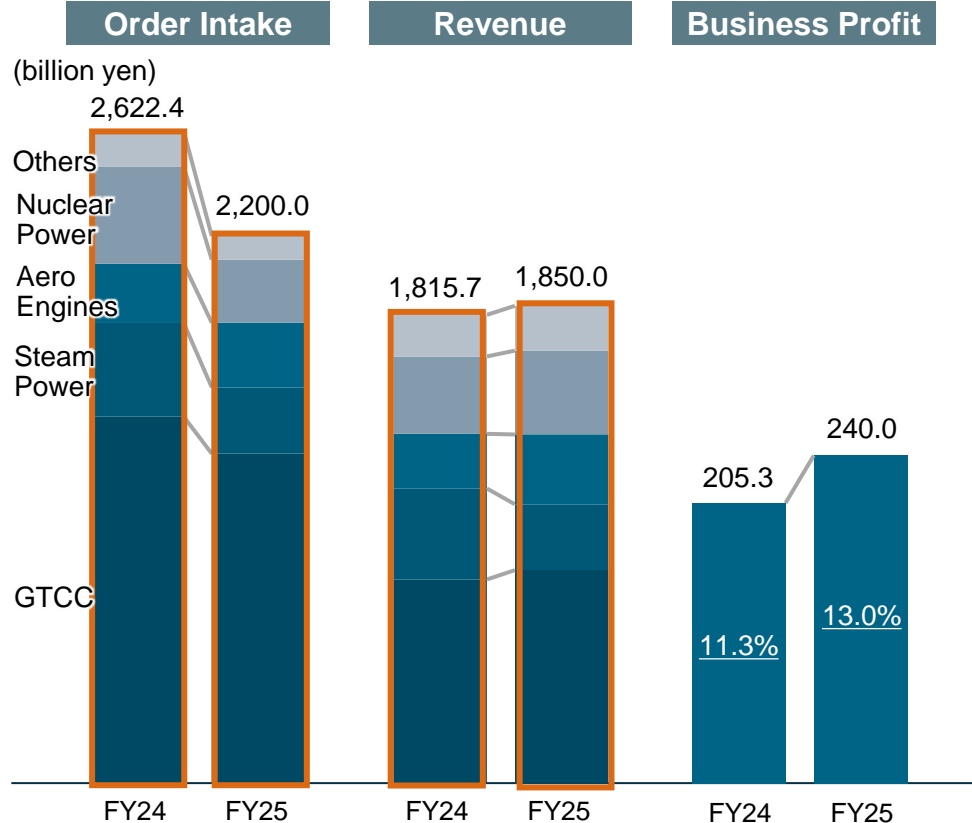
*FY2022-23 dividends (¥130/share and ¥200/share, respectively) shown here adjusted retroactively to 1/10 of actual value to reflect 10-for-1 stock split enacted on April 1, 2024

Earnings Forecast by Segment

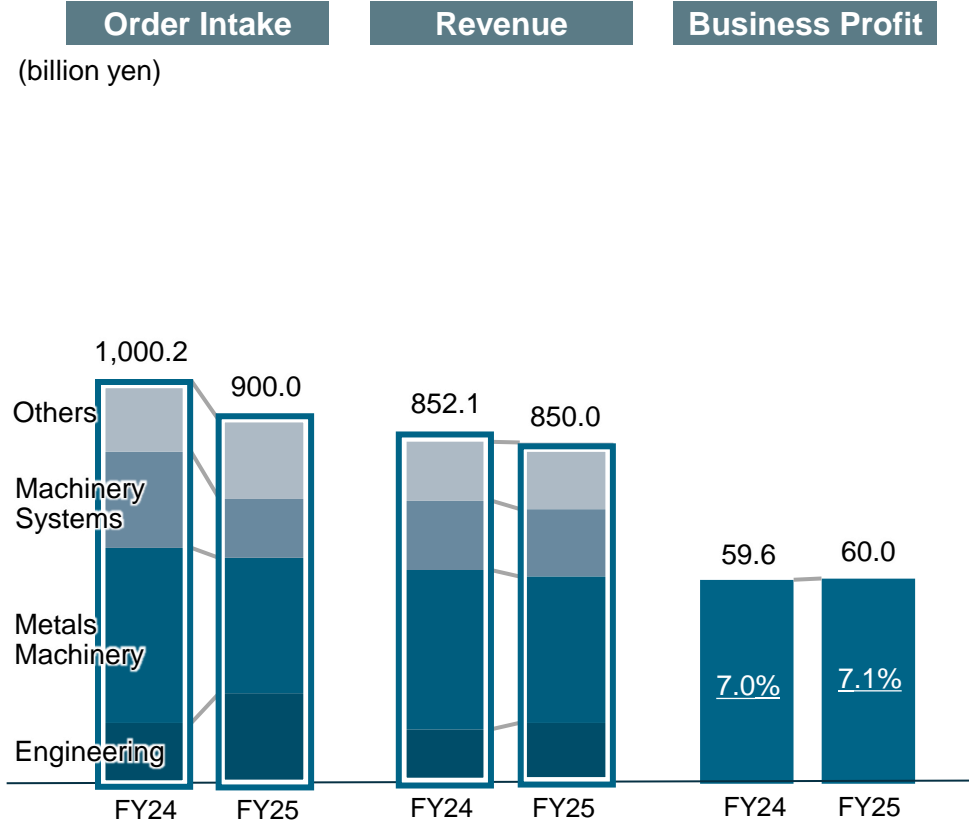
	Order Intake			Revenue			Profit from Business Activities		
	FY24	FY25 Forecast	YoY	FY24	FY25 Forecast	YoY	FY24	FY25 Forecast	YoY
(billion yen)									
Energy Systems	2,622.4	2,200.0	-422.4	1,815.7	1,850.0	+34.2	205.3	240.0	+34.6
Plants & Infrastructure Systems	1,000.2	900.0	-100.2	852.1	850.0	-2.1	59.6	60.0	+0.3
Logistics, Thermal & Drive Systems	1,330.5	1,400.0	+69.4	1,307.1	1,400.0	+92.8	49.3	70.0	+20.6
Aircraft, Defense & Space	2,100.1	1,400.0	-700.1	1,030.6	1,350.0	+319.3	99.9	140.0	+40.0
Others, Corporate & Eliminations	17.9	0	-17.9	21.5	-50.0	-71.5	-31.0	-90.0	-58.9
Total	7,071.2	5,900.0	-1,171.2	5,027.1	5,400.0	+327.8	383.1	420.0	+36.8

Forecast by Segment: Energy Systems and Plants & Infrastructure Systems

Energy Systems



Plants & Infrastructure Systems



Takeaways

- Strong order intake to continue despite YoY decrease
- Revenue in GTCC, Aero Engines, and Nuclear Power to increase due to strong order backlog

Takeaways

- Expected to make steady progress in execution of backlog accumulated over last three years mainly in Metals Machinery

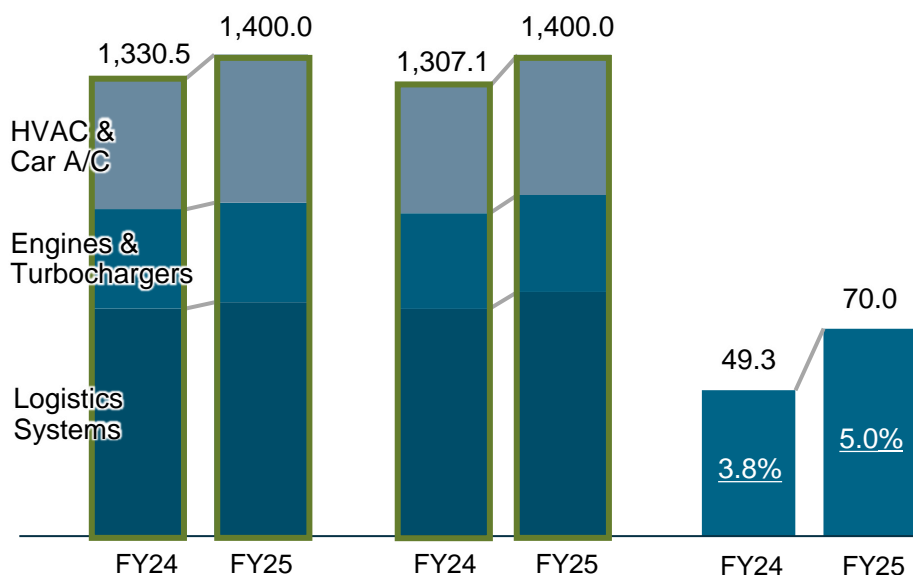
Logistics, Thermal & Drive Systems

Order Intake

Revenue

Business Profit

(billion yen)



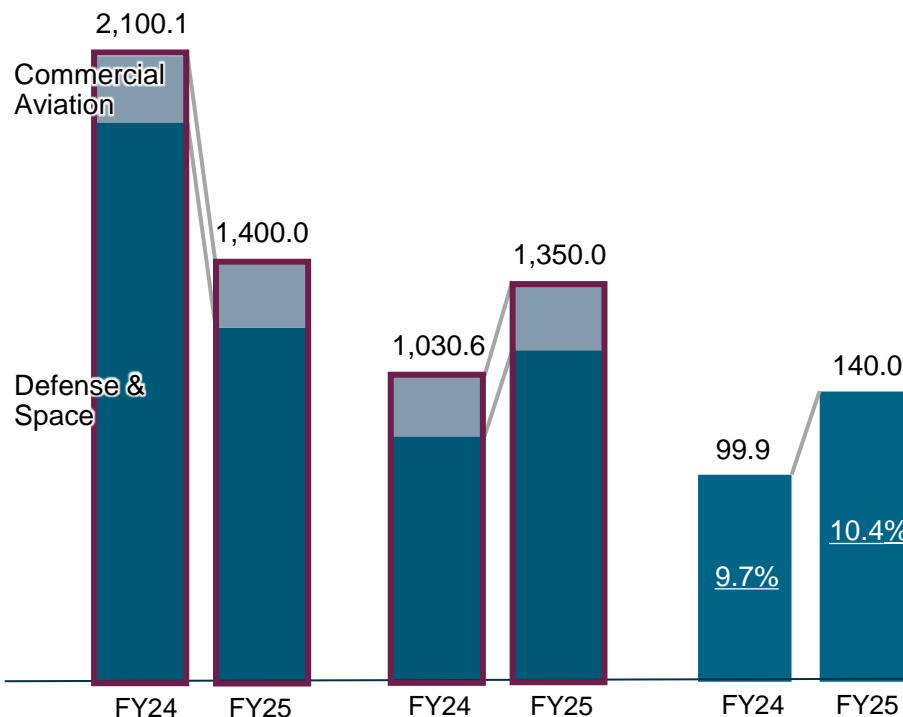
Aircraft, Defense & Space

Order Intake

Revenue

Business Profit

(billion yen)



Takeaways

- Logistics Systems and HVAC expect increases in units sold
- Turbochargers to recover from FY2024 supply chain disruption

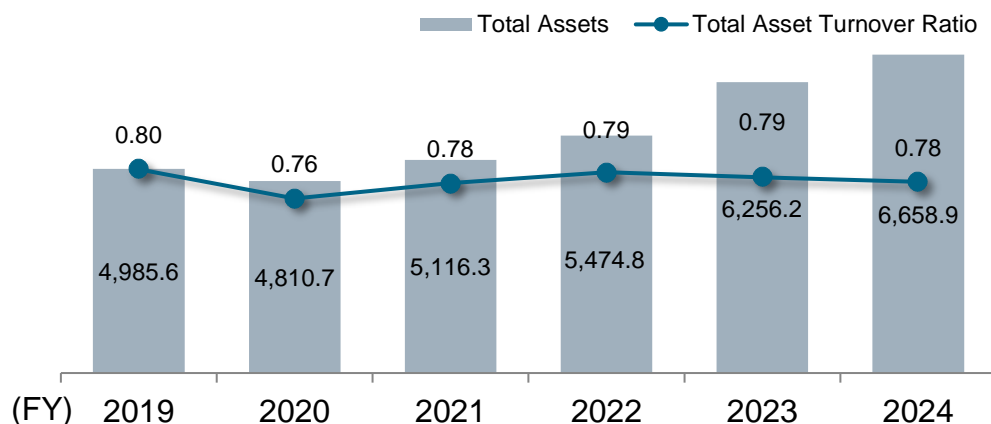
Takeaways

- High order intake level to continue in Defense & Space despite YoY decline. Revenue to increase mainly in Aircraft & Missile Systems.
- Commercial Aviation expecting increase in revenue accompanying uptick in unit deliveries

4. Appendix

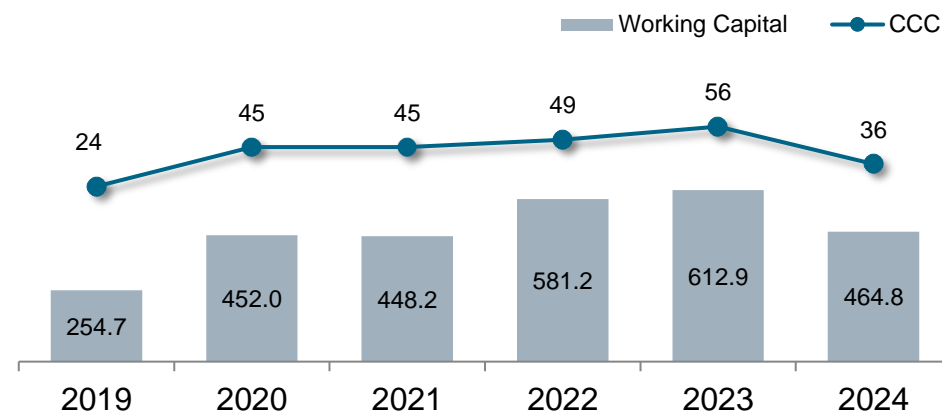
Appendix: Financial Position

Total Assets (billion yen)



Total Asset Turnover Ratio = Revenue / Total assets (average of beginning and end of period)

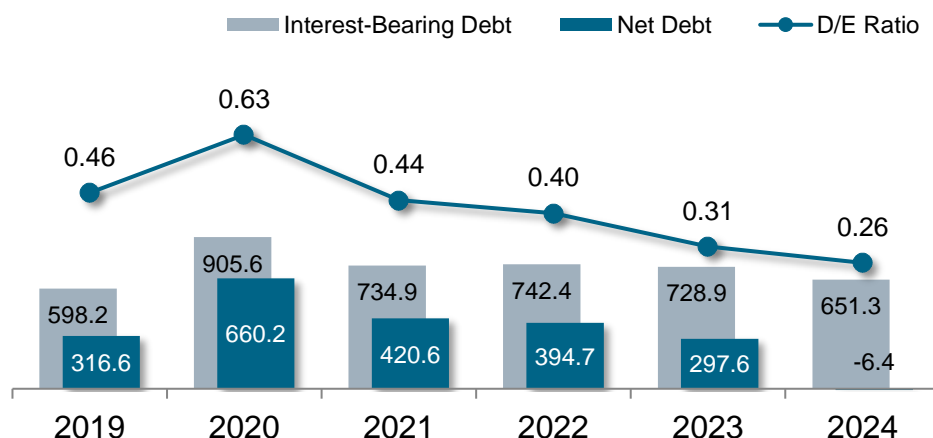
Working Capital (billion yen)



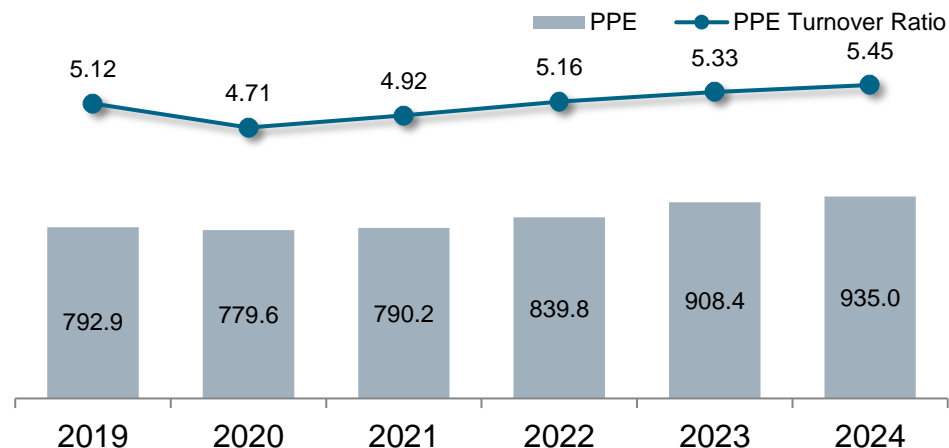
Working Capital = Trade receivables (incl. Contract assets) + Inventories – Trade payables
– Contract liabilities (Advance received)

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 and Contract Backlog (units)

	FY2023	FY2024
Americas	7	11
Asia	9	5
EMEA	-	9
Other Regions	1	-
Order Intake Total	17	25
Contract Backlog	36	48

(Reference) China Licensee Order Intake

	FY2023	FY2024
Order Intake	21	7

Commercial Aviation Deliveries (units)

777	Q1	Q2	Q3	Q4	Total
FY23	7	11	7	5	30
FY24	6	6	2	5	19

777X	Q1	Q2	Q3	Q4	Total
FY23	0	1	3	2	6
FY24	3	3	1	0	7

787	Q1	Q2	Q3	Q4	Total
FY23	9	7	13	14	43
FY24	9	12	12	12	45

Appendix: Reference Data

R&D Expenses, Depreciation & Amortization, and Capital Expenditures

(billion yen)

	FY2022	FY2023	FY2024	FY2025 Forecast
R&D Expenses	127.4	178.3	218.6	330.0
Depreciation & Amortization	137.8	150.1	158.1	160.0
Capital Expenditures	150.7	200.4	194.5	200.0

Selling, General, and Administrative Expenses

(billion yen)

	FY2022	FY2023	FY2024
SG&A	623.6	695.3	716.9

Cash Flows

(billion yen)

	FY2022	FY2023	FY2024	FY2025 Forecast
Operating Cash Flow	80.8	331.1	530.4	-
Investing Cash Flow	-45.5	-131.0	-187.7	-
Free Cash Flow	35.3	200.1	342.7	-200.0
Financing Cash Flow	-18.9	-158.9	-114.1	-

Interest-Bearing Debt and D/E Ratio

	FY2022	FY2023	FY2024	FY2025 Forecast
Interest-Bearing Debt Balance (billion yen)	742.4	728.9	651.3	700.0
D/E Ratio	0.40	0.31	0.26	0.3

Appendix: Reference Data

Order Backlog (billion yen)	FY22 End	FY23 End*	FY24 End
Energy Systems	3,325.6	4,231.1	4,918.4
Plants & Infrastructure Systems	1,509.2	1,622.4	1,705.3
Logistics, Thermal & Drive Systems	54.8	58.3	79.3
Aircraft, Defense & Space	1,171.8	2,474.2	3,514.5
Others, Corporate & Eliminations	0.2	14.4	18.5
Total	6,061.8	8,400.5	10,236.2

*FY2023 results adjusted retroactively to reflect establishment of GX Solutions on April 1, 2024

USD Exchange Rates	FY2022	FY2023	FY2024	FY2025 Forecast
Avg. Rate used for Revenue Recognition	134.9	143.2	152.2	145.0
(Reference) March 31 Rate	133.5	151.4	149.5	-

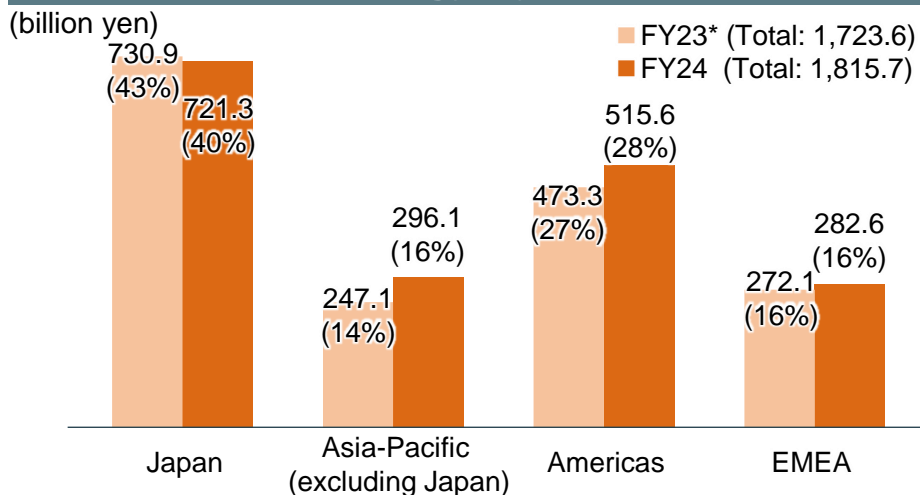
Foreign Currency Amounts Expected to Affect P/L

(billion, except where otherwise stated)	USD	EUR
Amounts to Affect Business P/L	3.0	0.4
Amounts to Affect Finance Income/Costs	0.8	0.1
Exchange Rate Assumptions	¥145.0	¥155.0

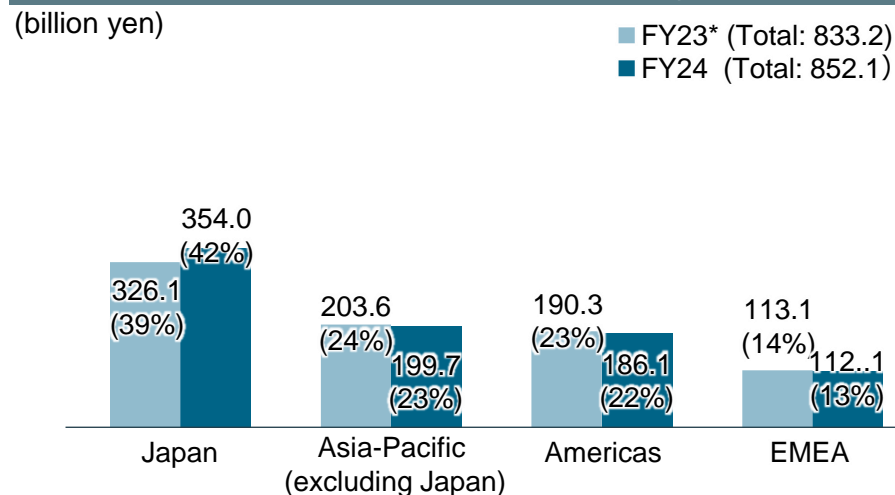
Appendix: Reference Data

Revenue by Region

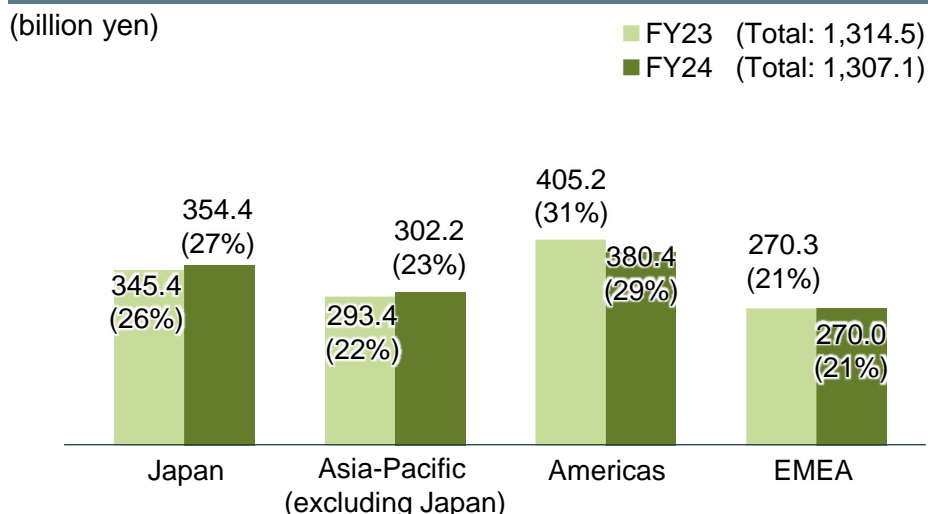
Energy Systems



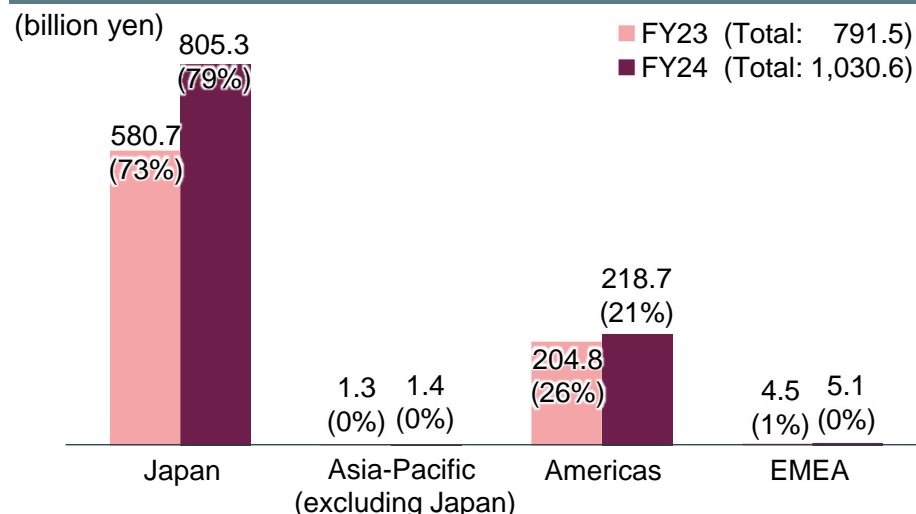
Plants & Infrastructure Systems



Logistics, Thermal & Drive Systems



Aircraft, Defense & Space



*FY2023 results adjusted retroactively to reflect establishment of GX Solutions on April 1, 2024

