

2025-8-5

Outline of FY2025 First 3 Months Financial Results

Ended June 30, 2025 (Consolidated)

(Billions of yen)

	FY2025 First 3 Months From April 1 to June 30, 2025 〔 〕	FY2024 First 3 Months From April 1 to June 30, 2024 〔 〕	Changes (%)
Order intake	1,768.6	1,847.5	(4.3%)
Revenue	1,193.6	1,111.5	7.4%
Profit from business activities	104.1	83.5	24.7%
Profit before income taxes	94.9	101.3	(6.3%)
Profit	71.4	67.4	5.9%
Profit (loss) attributable to owners of the parent	68.2	62.2	9.5%
Cash flows from operating activities	89.6	(67.8)	/
Cash flows from investing activities	(25.3)	(58.4)	/
Cash flows from financing activities	(47.8)	251.1	/
Earnings per share attributable to owners of the parent	20.32 yen	18.53 yen	9.6%

Figures in parentheses are negative.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 5, 2025

Consolidated Financial Results for First Three Months of FY2025 Ended June 30, 2025 [IFRS]

Company name: Mitsubishi Heavy Industries, Ltd.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
 Securities code: 7011
 URL: <https://www.mhi.com>
 Representative: Eisaku Ito, President and CEO
 Inquiries: Kentaro Ikeda, Senior General Manager of Financial Planning Division
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors, financial analysts, and media)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Profit from business activities		Profit before income taxes		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of FY2025	1,193,652	7.4	104,162	24.7	94,963	(6.3)	71,425	5.9
First Quarter of FY2024	1,111,555	13.0	83,528	60.7	101,306	33.8	67,446	15.1

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First Quarter of FY2025	68,227	9.5	70,709	(49.6)	20.32	20.31
First Quarter of FY2024	62,286	17.1	140,199	(4.0)	18.53	18.52

* “Profit from business activities” on the consolidated statement of profit or loss is presented as a measure that enables continuous comparison and assessment of the Group’s business performance. “Profit from business activities” is calculated by subtracting “cost of sales,” “selling, general and administrative expenses,” and “other expenses” from “revenue” and adding “share of profit (loss) of investments accounted for using the equity method” and “other income” to the resulting amount. “Other income” and “other expenses” consist of dividend income, gains or losses on sales of fixed assets, impairment losses on fixed assets, and others.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	6,752,049	2,498,165	2,376,083	35.2
March 31, 2025	6,658,924	2,469,823	2,346,702	35.2

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	11.00	—	12.00	23.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		12.00	—	12.00	24.00

* Revisions to the forecast of cash dividends most recently announced: None

3. Estimate of Consolidated Financial Results for FY 2025 ending March 31, 2026

(Percentages indicate year-on-year changes.)

	Revenue		Profit from business activities		Profit before income tax		Profit attributable to owners of the parent		Basic earnings per share
From April 1, 2025 to March 31, 2026	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	5,400,000	7.4	420,000	9.6	400,000	6.8	260,000	5.9	77.43

* Revisions to the estimate of consolidated financial results most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) The number of shares issued (Common Stock)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2025	3,373,647,810 shares
As of March 31, 2025	3,373,647,810 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	15,248,778 shares
As of March 31, 2025	15,980,024 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	3,358,271,260 shares
Three months ended June 30, 2024	3,361,691,639 shares

* The Japanese-language originals of the attached consolidated quarterly financial statements are not subject to certified public accountants' or an audit firm's review: None

* Proper use of earnings forecasts, and other special matters

Note regarding forward looking statements:

Forecasts regarding future performance outlined in these materials are based on judgments made in accordance with information available at the time they were prepared. As such, these projections include risk and uncertainty. 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.

How to obtain supplementary materials regarding the financial results:

Supplementary materials regarding the financial results are available on the Company's website.

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1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<u>Assets</u>		
Current assets		
Cash and cash equivalents	657,816	671,876
Trade and other receivables	984,684	860,202
Other financial assets	41,959	43,062
Contract assets	791,871	837,531
Inventories	1,062,532	1,128,255
Other current assets	372,766	466,290
Total current assets	3,911,632	4,007,218
Non-current assets		
Property, plant and equipment ("PPE")	935,096	929,888
Goodwill	172,947	169,956
Intangible assets	87,269	83,218
Right-of-use assets	86,996	84,598
Investments accounted for using the equity method	295,172	299,895
Other financial assets	470,907	486,250
Deferred tax assets	259,942	258,296
Other non-current assets	438,960	432,723
Total Non-current assets	2,747,292	2,744,830
Total assets	6,658,924	6,752,049

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<u>Liabilities and Equity</u>		
Current liabilities		
Bonds, borrowings and other financial liabilities	280,528	359,896
Trade and other payables	930,281	848,043
Income taxes payable	25,282	29,145
Contract liabilities	1,443,983	1,572,929
Provisions	229,032	221,561
Other current liabilities	237,191	250,349
Total Current liabilities	3,146,299	3,281,925
Non-current liabilities		
Bonds, borrowings and other financial liabilities	850,746	786,439
Deferred tax liabilities	9,594	10,725
Retirement benefit liabilities	72,042	73,843
Provisions	72,102	61,155
Other non-current liabilities	38,315	39,794
Total non-current liabilities	1,042,801	971,958
Total liabilities	4,189,101	4,253,883
<u>Equity</u>		
Share capital	265,608	265,608
Capital surplus	44,742	44,486
Treasury shares	(16,452)	(16,236)
Retained earnings	1,588,643	1,619,379
Other components of equity	464,159	462,845
Equity attributable to owners of the parent	2,346,702	2,376,083
Non-controlling interests	123,121	122,082
Total Equity	2,469,823	2,498,165
Total Liabilities and Equity	6,658,924	6,752,049

(2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2024 First 3 Months (From Apr. 1, 2024 to June 30, 2024)	FY2025 First 3 Months (From Apr. 1, 2025 to June 30, 2025)
Revenue	1,111,555	1,193,652
Cost of sales	871,025	927,457
Gross Profit	240,529	266,194
Selling, general and administrative expenses	175,088	176,295
Share of profit of investments accounted for using the equity method	6,717	3,426
Other income	13,731	15,684
Other expenses	2,360	4,847
Profit from business activities	83,528	104,162
Finance income	23,196	4,055
Finance costs	5,418	13,254
Profit before income taxes	101,306	94,963
Income taxes	33,859	23,537
Profit	67,446	71,425
Profit attributable to:		
Owners of the parent	62,286	68,227
Non-controlling interests	5,159	3,198

(yen)

Earnings per share attributable to owners of the parent		
Basic earnings per share	18.53	20.32
Diluted earnings per share	18.52	20.31

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024 First 3 Months (From Apr. 1, 2024 to June 30, 2024)	FY2025 First 3 Months (From Apr. 1, 2025 to June 30, 2025)
Profit	67,446	71,425
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gains from financial assets measured at FVTOCI	(676)	10,923
Remeasurement of defined benefit plans	(83)	61
Share of other comprehensive income of entities accounted for using the equity method	452	132
Total	(307)	11,117
Items that may be reclassified to profit or loss		
Cash flow hedges	(301)	(1,798)
Exchange differences on translating foreign operations	66,040	(13,230)
Share of other comprehensive income of entities accounted for using the equity method	7,322	3,195
Total	73,061	(11,833)
Total other comprehensive income	72,753	(715)
Comprehensive income	140,199	70,709
Comprehensive income attributable to		
Owners of the parent	128,873	69,488
Non-controlling interests	11,325	1,221

(4) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
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					66,586	66,586	6,166	72,753
Comprehensive income	—	—	—	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)
Others		(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 June 30, 2024	265,608	40,916	(4,626)	1,459,013	573,352	2,334,264	124,672	2,458,936

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of Apr. 1, 2025	265,608	44,742	(16,452)	1,588,643	464,159	2,346,702	123,121	2,469,823
Profit				68,227		68,227	3,198	71,425
Other comprehensive income					1,261	1,261	(1,977)	(715)
Comprehensive income	—	—	—	68,227	1,261	69,488	1,221	70,709
Transfer to retained earnings				2,564	(2,564)	—		—
Purchase of treasury shares			(1)			(1)		(1)
Disposal of treasury shares		0	0			0		0
Dividends				(40,292)		(40,292)	(2,386)	(42,679)
Others		(256)	216	236	(10)	186	126	312
Total transactions with owners	—	(255)	215	(40,056)	(10)	(40,107)	(2,260)	(42,367)
Balance as of June 30, 2025	265,608	44,486	(16,236)	1,619,379	462,845	2,376,083	122,082	2,498,165

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 First 3 Months (From Apr. 1, 2024 to June 30, 2024)	FY2025 First 3 Months (From Apr. 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Profit before income taxes	101,306	94,963
Depreciation, amortization and impairment loss	38,617	39,319
Finance income and costs	(17,125)	(500)
Share of profit of investments accounted for using the equity method	(6,717)	(3,426)
Loss (gain) on sale of PPE and intangible assets	(3,590)	(5,398)
Loss on disposal of PPE and intangible assets	924	1,296
Decrease (increase) in trade receivables	54,389	123,822
Decrease (increase) in contract assets	24,664	(47,134)
Decrease (increase) in inventories and advanced payments	(164,897)	(118,991)
Increase (decrease) in trade payables	(100,096)	(58,255)
Increase (decrease) in contract liabilities	123,972	126,515
Increase (decrease) in provisions	(17,463)	(18,269)
Increase (decrease) in retirement benefit liabilities	1,809	1,584
Others	(62,586)	(38,895)
Subtotal	(26,793)	96,631
Interest received	3,993	2,790
Dividends received	4,496	8,638
Interest paid	(3,240)	(2,802)
Income taxes paid	(46,284)	(15,595)
Net cash provided by operating activities	(67,828)	89,661

(Millions of yen)

	FY2024 First 3 Months (From Apr. 1, 2024 to June 30, 2024)	FY2025 First 3 Months (From Apr. 1, 2025 to June 30, 2025)
Cash flows from investing activities		
Payments into fixed-term deposits	(10,011)	(2,592)
Proceeds from withdrawal of fixed-term deposits	7,859	4,844
Purchases of PPE, and intangible assets	(88,783)	(42,108)
Proceeds from sales of PPE, and intangible assets	7,046	7,927
Purchases of investments (including investments accounted for using the equity method)	(3,580)	(2,301)
Proceeds from sales and redemption of investments (including investments accounted for using the equity method)	17,309	5,010
Payments for sale of businesses (including subsidiaries)	—	4,574
Net decrease (increase) in short-term loans	301	(132)
Disbursement of long-term loans	(0)	(23)
Collection of long-term loans	33	242
Payments for derivative transactions	(8,838)	(14,378)
Proceeds from derivative transactions	20,636	14,522
Others	(391)	(895)
Net cash provided by (used in) investing activities	(58,419)	(25,309)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	307,636	(999)
Repayment of long-term borrowings	(3,022)	(472)
Dividends paid to owners of the parent	(38,825)	(39,051)
Dividends paid to non-controlling interests	(1,180)	(1,156)
Proceeds from factoring agreements	81,941	45,186
Repayment of liabilities under factoring agreements	(87,757)	(44,217)
Repayment of lease liabilities	(7,124)	(6,979)
Others	(511)	(196)
Net cash provided by (used in) financing activities	251,156	(47,886)
Effect of exchange rate changes on cash and cash equivalents	23,187	(2,405)
Net increase (decrease) in cash and cash equivalents	148,095	14,060
Cash and cash equivalents at the beginning of the year	431,287	657,816
Cash and cash equivalents at the end of the period	579,383	671,876

(6) Notes to Condensed Quarterly Consolidated Financial Statements

➤ Notes to Going Concern Assumption: None

➤ Operating Segment

(i) Overview of reporting segments

The reporting segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by MHI's Board of Directors to make decisions about resource allocation and assess their performance.

The Group manages its businesses by business domains and segments. Each business domain and segment engages in its business activities by formulating comprehensive strategies on products and services which are provided in both domestic and overseas markets. Therefore, MHI aggregates its business domain segments into four reportable segments, "Energy Systems", "Plants & Infrastructure Systems", "Logistics, Thermal & Drive Systems", and "Aircraft, Defense & Space", by considering similarities of each business domain's and segment's customers and product characteristics.

Main products and services belonging to each reporting segment are as follows:

Energy Systems	Thermal power generation systems (Gas turbine combined cycle ["GTCC"] and Steam power), Nuclear power generation system (Light-water reactors, Nuclear fuel cycle & Advanced solutions), Wind power generators, Engines for aircrafts, Compressors, Marine machinery
Plants & Infrastructure Systems	Metals machinery, Commercial ships, Engineering, Environmental systems, Mechatronics systems
Logistics, Thermal & Drive Systems	Material handling equipment, Air-conditioning & refrigeration systems, Engines, Turbochargers, Automotive thermal systems
Aircraft, Defense & Space	Commercial aircraft, Defense aircraft, Missile systems, Naval ships, Maritime systems (torpedoes), Special vehicles, Space systems

(ii) Information about revenue, profit or loss and other items by reporting segment
For FY2024 First 3 Months (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reporting segment					Others *1	Total	Corporate & Eliminations *2	Consolidated
	Energy Systems	Plants & Infrastructure Systems	Logistics, Thermal & Drive Systems	Aircraft, Defense & Space	Total				
Revenue									
Revenue from external customers	389,115	168,908	319,951	211,597	1,089,574	19,012	1,108,587	2,968	1,111,555
Inter-segment revenue and transfers	2,397	6,198	1,024	148	9,768	305	10,074	(10,074)	—
Total	391,513	175,107	320,976	211,745	1,099,342	19,318	1,118,661	(7,106)	1,111,555
Segment profit *3	50,378	7,640	14,691	23,641	96,352	3,032	99,385	(15,856)	83,528
Finance income									23,196
Finance costs									5,418
Profit before income taxes									101,306

For FY2025 First 3 Months (From April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reporting segments					Others *1	Total	Corporate & Eliminations *2	Consolidated
	Energy Systems	Plants & Infrastructure Systems	Logistics, Thermal & Drive Systems	Aircraft, Defense & Space	Total				
Revenue									
Revenue from external customers	421,484	195,021	297,882	260,443	1,174,832	16,036	1,190,869	2,782	1,193,652
Inter-segment revenue and transfers	1,737	12,922	1,405	112	16,178	342	16,520	(16,520)	—
Total	423,222	207,943	299,288	260,556	1,191,010	16,379	1,207,390	(13,737)	1,193,652
Segment profit *3	56,402	18,550	10,933	28,812	114,698	8,157	122,855	(18,693)	104,162
Finance income									4,055
Finance costs									13,254
Profit before income taxes									94,963

*1 “Others” includes the businesses categorized in growth areas such as data center & energy management and asset businesses, which are not included in the reporting segments.

*2 “Corporate & Eliminations” includes revenues and expenses which are not included in any of the reporting segments. Specifically, corporate research and development expenses and dividends on shares concerning corporate overall businesses, neither of which are linked to any specific segment.

*3 Segment profit represents profit from business activities.

➤ Others

Major Lawsuits

There was a temporary dispute between a consortium composed of MHI and Daewoo Engineering & Construction Co., Ltd. ("MHI and Daewoo") and El Sharika El-Djazairia El-Omania Lil Asmida SPA ("AOA") regarding a chemical fertilizer plant construction contract in Algeria whose orders had been received by MHI and Daewoo, but a settlement was reached in 2017 (the "Settlement Agreement"), and the consortium delivered the plant to AOA. However, AOA subsequently refused to make some of the outstanding payment under the Settlement Agreement. Therefore, MHI and Daewoo filed for arbitration against AOA and one of its shareholders, Societe Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures SPA ("SONATRACH"). In March 2021, MHI and Daewoo received a counterclaim from AOA which mainly consists of the cancellation of the Settlement Agreement and the refund of the payment already made under the Settlement Agreement. In October 2022, the arbitral tribunal decided to exclude SONATRACH from participants of arbitration. MHI and Daewoo will assert that there are no reasonable grounds for AOA's refusal to make the outstanding payment and that the counterclaim should be dismissed.

2. Outline of Financial Results

An outline of the financial results for the first 3 Months of FY2025 (from April 1, 2025 to June 30, 2025) is included in the "Q1 FY2025 Financial Results Presentation Materials" released today, August 5, 2025. These materials are available on TDnet and the Company's website.