

Outline of FY2025 First 9 Months Financial Results Ended December 31, 2025 (Consolidated)

(Billions of yen)

	FY2025 First 9 Months 〔 From April 1 to December 31, 2025 〕	FY2024 First 9 Months 〔 From April 1 to December 31, 2024 〕	Changes (%)
Order intake	5,029.1	4,468.1	12.6%
Revenue	3,326.9	3,047.0	9.2%
Profit from business activities	301.2	240.1	25.5%
Profit before income taxes	329.2	254.2	29.5%
Profit	217.9	185.5	17.4%
Profit (loss) attributable to owners of the parent	210.9	172.1	22.6%
Cash flows from operating activities	256.7	(15.7)	
Cash flows from investing activities	(89.0)	(128.0)	
Cash flows from financing activities	(188.4)	237.4	
Earnings per share attributable to owners of the parent	62.81 yen	51.21 yen	22.7%

Note1: Figures in parentheses are negative.

Note2: “Order intake”, “revenue”, “profit from business activities”, and “profit before income taxes” are presented excluding discontinued operations, reflecting amounts for continuing operations only.

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.

February 4, 2026

Consolidated Financial Results for First Nine Months of FY2025 Ended December 31, 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
Scheduled date to commence dividend payments: -
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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	%
Third Quarter of FY2025	3,326,976	9.2	301,271	25.5	329,261	29.5	217,962	17.4
Third Quarter of FY2024	3,047,043	—	240,133	—	254,236	—	185,583	18.9

	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
Third Quarter of FY2025	210,996	22.6	394,483	100.6	62.81	62.79
Third Quarter of FY2024	172,110	24.7	196,633	(21.2)	51.21	51.19

*1 “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 During the nine-month period ended December 31, 2025, the business operations related to Mitsubishi Logisnext Co., Ltd., a consolidated subsidiary of the Company, and its subsidiaries and affiliates, have been classified as discontinued operations. Accordingly, “revenue,” “profit from business activities,” and “profit before income taxes” are presented excluding discontinued operations, reflecting amounts for continuing operations only. Meanwhile, “profit,” “profit attributable to owners of the parent,” and “total comprehensive income” are presented as the total of continuing and discontinued operations. “Basic earnings per share” and “diluted earnings per share” are calculated based on “profit attributable to owners of the parent”. Furthermore, “revenue,” “profit from business activities,” and “profit before income taxes” for the previous nine-month period ended December 31, 2024 consolidated accounting period have been restated in the same manner. Therefore, year-on-year percentage changes for these items are not presented.

(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	%
December 31, 2025	7,393,058	2,785,558	2,653,025	35.9
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	—	12.00	—		
Fiscal year ending March 31, 2026 (Forecast)				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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
From April 1, 2025 to March 31, 2026	4,800,000	10.1	410,000	15.5	410,000	16.5	260,000	5.9	77.38

* Revisions to the estimate of consolidated financial results most recently announced: Yes

MHI revised its guidance for the period ending March 31, 2026, increasing the forecasts for profit from business activities, profit before income tax, and profit attributable to owners of the parent over the announcement made on November 7, 2025, to reflect the progress in business performance during the nine-month period ended December 31, 2025. The year-on-year percentage changes are calculated using figures after retroactive adjustment for the classification of discontinued operations.

* 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 December 31, 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 December 31, 2025	13,520,265 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)

Nine months ended December 31, 2025	3,359,395,939 shares
Nine months ended December 31, 2024	3,361,175,040 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 December 31, 2025
<u>Assets</u>		
Current assets		
Cash and cash equivalents	657,816	686,744
Trade and other receivables	984,684	818,677
Other financial assets	41,959	45,025
Contract assets	791,871	1,106,585
Inventories	1,062,532	1,112,074
Assets held for sale	3,718	556,437
Other current assets	369,048	438,793
Total current assets	3,911,632	4,764,338
Non-current assets		
Property, plant and equipment ("PPE")	935,096	785,221
Goodwill	172,947	137,826
Intangible assets	87,269	74,719
Right-of-use assets	86,996	64,207
Investments accounted for using the equity method	295,172	332,655
Other financial assets	470,907	560,130
Deferred tax assets	259,942	231,758
Other non-current assets	438,960	442,201
Total Non-current assets	2,747,292	2,628,720
Total assets	6,658,924	7,393,058

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
<u>Liabilities and Equity</u>		
Current liabilities		
Bonds, borrowings and other financial liabilities	280,528	264,515
Trade and other payables	930,281	833,327
Income taxes payable	25,282	95,641
Contract liabilities	1,443,983	1,843,494
Provisions	229,032	208,642
Liabilities directly associated with assets held for sale	-	272,054
Other current liabilities	237,191	219,426
Total Current liabilities	3,146,299	3,737,103
Non-current liabilities		
Bonds, borrowings and other financial liabilities	850,746	703,174
Deferred tax liabilities	9,594	11,819
Retirement benefit liabilities	72,042	60,987
Provisions	72,102	56,398
Other non-current liabilities	38,315	38,016
Total non-current liabilities	1,042,801	870,397
Total liabilities	4,189,101	4,607,500
<u>Equity</u>		
Share capital	265,608	265,608
Capital surplus	44,742	51,191
Treasury shares	(16,452)	(15,728)
Retained earnings	1,588,643	1,733,226
Other components of equity	464,159	618,726
Equity attributable to owners of the parent	2,346,702	2,653,025
Non-controlling interests	123,121	132,533
Total Equity	2,469,823	2,785,558
Total Liabilities and Equity	6,658,924	7,393,058

(2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Continuing operations		
Revenue	3,047,043	3,326,976
Cost of sales	2,415,034	2,606,208
Gross Profit	632,008	720,768
Selling, general and administrative expenses	420,881	452,151
Share of profit (loss) of investments accounted for using the equity method	(10,229)	19,813
Other income	49,486	25,565
Other expenses	10,250	12,724
Profit from business activities	240,133	301,271
Finance income	25,339	40,308
Finance costs	11,235	12,318
Profit before income taxes	254,236	329,261
Income taxes	83,601	99,527
Profit from continuing operations	170,635	229,734
Discontinued operations		
Profit (loss) from discontinued operations	14,948	(11,771)
Profit	185,583	217,962
Profit attributable to:		
Owners of the parent	172,110	210,996
Non-controlling interests	13,473	6,966

(yen)

Earnings per share attributable to owners of the parent		
Basic earnings (loss) per share	51.21	62.81
Continuing operations	48.36	67.69
Discontinued operations	2.85	(4.88)
Diluted earnings (loss) per share	51.19	62.79
Continuing operations	48.35	67.67
Discontinued operations	2.85	(4.88)

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Profit	185,583	217,962
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gains from financial assets measured at FVTOCI	(37,505)	75,921
Remeasurement of defined benefit plans	(44)	51
Share of other comprehensive income of entities accounted for using the equity method	655	968
Total	(36,893)	76,941
Items that may be reclassified to profit or loss		
Cash flow hedges	1,055	(3,682)
Exchange differences on translating foreign operations	45,091	85,568
Share of other comprehensive income of entities accounted for using the equity method	1,796	17,693
Total	47,944	99,579
Total other comprehensive income	11,050	176,520
Comprehensive income	196,633	394,483
Comprehensive income attributable to		
Owners of the parent	177,222	379,726
Non-controlling interests	19,411	14,757

(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				172,110		172,110	13,473	185,583
Other comprehensive income					5,112	5,112	5,937	11,050
Comprehensive income	—	—	—	172,110	5,112	177,222	19,411	196,633
Transfer to retained earnings				11,252	(11,252)	—		—
Purchase of treasury shares			(12,173)			(12,173)		(12,173)
Disposal of treasury shares		9	25			34		34
Dividends				(77,321)		(77,321)	(5,134)	(82,455)
Others		3,450	500	197	8	4,155	320	4,476
Total transactions with owners	—	3,459	(11,647)	(77,124)	8	(85,304)	(4,813)	(90,118)
Balance as of Dec. 31, 2024	265,608	44,647	(16,476)	1,539,505	503,253	2,336,538	130,631	2,467,169

(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				210,996		210,996	6,966	217,962
Other comprehensive income					168,729	168,729	7,790	176,520
Comprehensive income	—	—	—	210,996	168,729	379,726	14,757	394,483
Transfer to retained earnings				14,158	(14,158)	—		—
Purchase of treasury shares			(5)			(5)		(5)
Disposal of treasury shares		0	8			8		8
Dividends				(80,615)		(80,615)	(4,999)	(85,615)
Others		6,448	721	43	(3)	7,209	(346)	6,863
Total transactions with owners	—	6,449	724	(80,572)	(3)	(73,402)	(5,345)	(78,748)
Balance as of Dec. 31, 2025	265,608	51,191	(15,728)	1,733,226	618,726	2,653,025	132,533	2,785,558

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Cash flows from operating activities		
Profit before income taxes	254,236	329,261
Profit (loss) from discontinued operations	20,652	(6,428)
Depreciation, amortization and impairment loss	118,120	140,234
Finance income and costs	(6,673)	(61,718)
Share of profit of investments accounted for using the equity method	10,311	(19,735)
Loss (gain) on sale of PPE and intangible assets	(31,560)	(6,864)
Loss on disposal of PPE and intangible assets	3,858	5,734
Decrease (increase) in trade receivables	(27,629)	85,035
Decrease (increase) in contract assets	(126,598)	(299,885)
Decrease (increase) in inventories and advanced payments	(228,694)	(132,457)
Increase (decrease) in trade payables	(59,216)	(43,067)
Increase (decrease) in contract liabilities	209,478	356,974
Increase (decrease) in provisions	(35,509)	(31,693)
Increase (decrease) in retirement benefit liabilities	3,117	2,205
Others	(38,397)	(51,290)
Subtotal	65,495	266,305
Interest received	7,802	9,445
Dividends received	13,099	20,612
Interest paid	(10,068)	(8,691)
Income taxes paid	(92,119)	(30,929)
Net cash provided by operating activities	(15,790)	256,742

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Cash flows from investing activities		
Payments into fixed-term deposits	(24,682)	(16,075)
Proceeds from withdrawal of fixed-term deposits	22,384	16,252
Purchases of PPE, and intangible assets	(171,250)	(148,316)
Proceeds from sales of PPE, and intangible assets	34,042	9,964
Purchases of investments (including investments accounted for using the equity method)	(48,609)	(6,409)
Proceeds from sales and redemption of investments (including investments accounted for using the equity method)	55,082	23,384
Proceeds from sale of businesses (including subsidiaries)	—	4,830
Payments for sale of businesses (including subsidiaries)	(1,474)	—
Payments for acquisition of businesses (including subsidiaries)	(1,509)	(21,020)
Net decrease (increase) in short-term loans	549	887
Disbursement of long-term loans	(227)	(122)
Collection of long-term loans	62	337
Payments for derivative transactions	(73,667)	(32,047)
Proceeds from derivative transactions	83,065	85,023
Others	(1,771)	(5,764)
Net cash provided by (used in) investing activities	(128,005)	(89,077)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	278,978	(11,978)
Repayment of long-term borrowings	(8,115)	(16,590)
Proceeds from issuance of bonds	30,000	10,000
Payment for redemption of bonds	(30,000)	(35,000)
Dividends paid to owners of the parent	(75,943)	(79,352)
Dividends paid to non-controlling interests	(7,534)	(4,676)
Payments for purchase of treasury shares	(12,365)	(180)
Proceeds from factoring agreements	209,568	67,275
Repayment of liabilities under factoring agreements	(126,955)	(94,716)
Repayment of lease liabilities	(19,936)	(21,008)
Others	(288)	(2,205)
Net cash provided by (used in) financing activities	237,406	(188,433)
Effect of exchange rate changes on cash and cash equivalents	17,105	71,981
Net increase (decrease) in cash and cash equivalents	110,716	51,213
Cash and cash equivalents at the beginning of the year	431,287	657,816
Cash and cash equivalents included in assets held for sale	—	(22,285)
Cash and cash equivalents at the end of the period	542,003	686,744

(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	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

During the nine-month period ended December 31, 2025, the Group has classified the business related to Mitsubishi Logisnext Co., Ltd. and its subsidiaries and affiliates, previously included in Logistics, Thermal & Drive Systems, as discontinued operations. Consequently, related amounts have been excluded from both the previous and the current nine-month periods ended December 31, 2024 and 2025, respectively. Accordingly, the segment information for the previous nine-month period ended December 31, 2024 consolidated accounting period has been restated.

(ii) Information about revenue, profit or loss and other items by reporting segment
For FY2024 First 9 Months (From April 1, 2024 to December 31, 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	1,271,124	562,062	461,352	689,165	2,983,704	54,356	3,038,060	8,982	3,047,043
Inter-segment revenue and transfers	7,696	24,355	3,346	515	35,914	1,019	36,934	(36,934)	—
Total	1,278,821	586,417	464,699	689,681	3,019,619	55,376	3,074,995	(27,952)	3,047,043
Segment profit *3	154,539	39,700	17,171	69,783	281,194	1,591	282,786	(42,653)	240,133
Finance income									25,339
Finance costs									11,235
Profit before income taxes									254,236

For FY2025 First 9 Months (From April 1, 2025 to December 31, 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	1,348,398	588,880	433,470	890,800	3,261,549	55,142	3,316,692	10,284	3,326,976
Inter-segment revenue and transfers	6,375	45,031	3,581	481	55,469	1,177	56,646	(56,646)	—
Total	1,354,773	633,911	437,052	891,281	3,317,019	56,319	3,373,339	(46,362)	3,326,976
Segment profit *3	146,774	64,921	18,421	105,392	335,510	16,449	351,959	(50,688)	301,271
Finance income									40,308
Finance costs									12,318
Profit before income taxes									329,261

*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.

➤ Assets Held for Sale

Assets held for sale and liabilities directly associated with assets held for sale are comprised of the following.

(i) Assets held for sale

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Cash and cash equivalents	-	22,285
Trade and other receivables	-	112,897
Contract assets	-	1,892
Inventories	-	118,099
Property, plant and equipment ("PPE")	3,718	186,242
Goodwill	-	34,043
Intangible assets	-	14,039
Right-of-use assets	-	27,457
Investments accounted for using the equity method	-	1,332
Other financial assets	-	10,499
Deferred tax assets	-	11,765
Other assets	-	15,881
Total	3,718	556,437

(ii) Liabilities directly associated with assets held for sale

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Bonds, borrowings and other financial liabilities	-	127,555
Trade and other payables	-	61,327
Income taxes payable	-	1,132
Contract liabilities	-	10,264
Retirement benefit liabilities	-	14,503
Provisions	-	9,134
Deferred tax liabilities	-	4,638
Other current liabilities	-	43,497
Total	-	272,054

Assets held for sale in the previous fiscal year were mainly property, plant and equipment expected to be sold within one year. Assets held for sale and associated liabilities in the current nine-month period ended December 31, 2025 were mainly related to the business of Mitsubishi Logisnext and its subsidiaries and affiliates.

The disposal group classified as held for sale in during the nine-month period ended December 31, 2025, is measured at fair value less costs to sell because the fair value less costs to sell is lower than the carrying amount.

➤ Discontinued Operations

The Company, at the meeting of its board of directors held on September 30, 2025, resolved to enter into the basic transaction agreement concerning the following matters with LVJ Holdings 2 LLC (the “Tender Offeror”), which is wholly owned by JIP Fund VI, for which all the issued shares are held by Japan Industrial Partners, Inc. and the agreement was executed on the same day:

- (a) A non-participation in a tender offer by the Tender Offeror for the Mitsubishi Logisnext shares and stock options.
- (b) A share consolidation to be conducted by Mitsubishi Logisnext in order to make the Tender Offeror and the Company the only shareholders of Mitsubishi Logisnext if the Tender Offeror is unable to acquire all the Mitsubishi Logisnext shares and stock options through the Tender Offer
- (c) Subject to the effectiveness of the share consolidation, a provision of funds to Mitsubishi Logisnext by the Tender Offeror and a reduction in Mitsubishi Logisnext’s capital stock, capital reserves and retained earnings reserves based on Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act for the purpose of securing the funds and distributable amount for Mitsubishi Logisnext to acquire the Mitsubishi Logisnext shares held by the Company (the “Non-Tendered Shares”)
- (d) A share repurchase by Mitsubishi Logisnext of the Non-Tendered Shares, and a series of transactions for the purposes of taking Mitsubishi Logisnext private through (a) to (d)
- (e) The Company to underwrite Class B Preferred Shares and Class D Type Shares issued by the Tender Offeror following the effectiveness of the share repurchase

Through the transaction, Mitsubishi Logisnext shall cease to be a consolidated subsidiary of the Company. Therefore, the businesses related to Mitsubishi Logisnext Co., Ltd. and its subsidiaries and affiliates are classified as discontinued operations in the current nine-month period ended December 31, 2025. The completion of this transaction is scheduled for the first quarter of the fiscal year ending March 31, 2027.

(i) Profit or loss from discontinued operations

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Revenue	505,211	485,502
Expenses	484,558	491,931
Profit (loss) before income taxes from discontinued operations	20,652	(6,428)
Income taxes	5,703	5,342
Profit (loss) from discontinued operations	14,948	(11,771)

Expenses for the current nine-month period ended December 31, 2025 include a write-down of ¥25,086 million resulting from measuring the disposal group constituting discontinued operations at fair value less costs to sell.

(ii) Cash flows from discontinued operations

(Millions of yen)

	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)	FY2025 First 9 Months (From Apr. 1, 2025 to Dec. 31, 2025)
Cash flows from operating activities	41,599	44,619
Cash flows from investing activities	(28,782)	(28,840)
Cash flows from financing activities	(4,574)	(9,343)
Total	8,242	6,435

➤ 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 9 Months of FY2025 (from April 1, 2025 to December 31, 2025) is included in the "Q1-Q3 FY2025 Financial Results Presentation Materials" released today, February 4, 2026. These materials are available on TDnet and the Company's website.