2026-11-6

Outline of FY2026 First 6 Months Financial Results Ended September 30, 2026 (Consolidated)

(Billions of yen)

	FY2026 First 6 Months From April 1 to September 30, 2026	FY2025 First 6 Months From April 1 to September 30, 2025	Changes (%)
Order intake	**3,612.5**	3,314.7	9.0%
Revenue	**2,523.2**	2,113.7	19.4%
Profit from business activities	**249.3**	171.5	45.3%
Profit before income taxes	**263.2**	173.7	51.5%
Profit	**207.2**	115.9	78.7%
Profit (loss) attributable to owners of the parent	**203.2**	114.9	76.9%
Cash flows from operating activities	**394.5**	207.9	
Cash flows from investing activities	**73.8**	(56.8)	
Cash flows from financing activities	**(133.2)**	(95.3)	
Earnings per share attributable to owners of the parent	**60.49 yen**	34.21 yen	76.8%

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.

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MOVE THE WORLD FORWARD MITSUBISHI HEAVY INDUSTRIES GROUP

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.

November 6, 2026

Consolidated Financial Results for First Six Months of FY2026 Ended September 30, 2026 [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:	December 4, 2026
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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(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 Half of FY2026	2,523,269	19.4	249,304	45.3	263,214	51.5	207,255	78.7
First Half of FY2025	2,113,717	7.3	171,572	2.1	173,720	15.3	115,986	0.1

	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 FY2026	203,291	76.9	174,355	(2.7)	60.49	60.47
First Quarter of FY2025	114,912	7.3	179,253	219.4	34.21	34.20

*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 Beginning with the interim consolidated accounting period ended September 30, 2025, the business operations related to Mitsubishi Logisnext Co., Ltd. (currently Logisnext Co., Ltd), 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”.

(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	%
September 30, 2026	8,314,295	3,280,771	3,217,056	38.7
March 31, 2026	8,269,711	3,228,400	3,088,566	37.3

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, 2026	-	12.00	-	13.00	25.00
Fiscal year ending March 31, 2027	-	14.00			
Fiscal year ending March 31, 2027 (Forecast)			-	15.00	29.00

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

3. Estimate of Consolidated Financial Results for FY 2026 ending March 31, 2027

(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, 2026 to March 31, 2027	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	6,000,000	20.6	600,000	38.8	600,000	26.4	440,000	32.5	130.91

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

MHI revised its guidance for the period ending March 31, 2027, increasing the forecasts for revenue, profit from business activities, profit before income tax, and profit attributable to owners of the parent over the announcement made on May 12, 2026, to reflect the progress in business performance during the first six months of FY2026.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None

Newly excluded: 46 companies (Mitsubishi Logisnext Co., Ltd. (currently Logisnext Co., Ltd.). and 45 other companies)

Please refer to "(6) Notes to Condensed Quarterly Consolidated Financial Statements - Discontinued Operations" on page 12 of the Attachments for the details.

(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 September 30, 2026	3,373,647,810 shares
As of March 31, 2026	3,373,647,810 shares

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

As of September 30, 2026	12,163,580 shares
As of March 31, 2026	13,438,470 shares

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

Six months ended September 30, 2026	3,360,961,163 shares
Six months ended September 30, 2025	3,359,031,976 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

* 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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	1,334,874	1,706,718
Trade and other receivables	1,108,557	843,465
Other financial assets	56,836	45,385
Contract assets	1,019,196	1,173,344
Inventories	1,041,899	1,214,140
Assets held for sale	548,409	—
Other current assets	330,652	439,177
Total current assets	**5,440,426**	**5,422,231**
Non-current assets		
Property, plant and equipment ("PPE")	794,467	809,607
Goodwill	106,394	105,190
Intangible assets	77,471	73,668
Right-of-use assets	62,849	73,135
Investments accounted for using the equity method	326,932	324,454
Other financial assets	489,341	535,894
Deferred tax assets	84,810	87,681
Other non-current assets	887,018	882,432
Total Non-current assets	**2,829,285**	**2,892,064**
Total assets	**8,269,711**	**8,314,295**

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities and Equity		
Current liabilities		
Bonds, borrowings and other financial liabilities	255,067	284,876
Trade and other payables	1,000,863	948,465
Income taxes payable	86,557	45,607
Contract liabilities	2,161,881	2,573,339
Provisions	244,851	213,682
Liabilities directly associated with assets held for sale	281,931	—
Other current liabilities	230,058	204,181
Total Current liabilities	**4,261,212**	**4,270,153**
Non-current liabilities		
Bonds, borrowings and other financial liabilities	621,173	535,596
Deferred tax liabilities	11,099	11,054
Retirement benefit liabilities	56,701	57,831
Provisions	54,905	123,841
Other non-current liabilities	36,218	35,045
Total non-current liabilities	**780,098**	**763,370**
Total liabilities	**5,041,310**	**5,033,523**
Equity		
Share capital	265,608	265,608
Capital surplus	48,274	49,769
Treasury shares	(12,915)	(11,373)
Retained earnings	1,880,339	2,042,752
Other components of equity	907,258	870,299
Equity attributable to owners of the parent	3,088,566	3,217,056
Non-controlling interests	139,834	63,715
Total Equity	**3,228,400**	**3,280,771**
Total Liabilities and Equity	**8,269,711**	**8,314,295**

(2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep. 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Continuing operations		
Revenue	2,113,717	2,523,269
Cost of sales	1,668,288	1,978,853
Gross Profit	**445,428**	**544,415**
Selling, general and administrative expenses	298,349	334,110
Share of profit of investments accounted for using the equity method	14,989	14,557
Other income	20,477	34,181
Other expenses	10,973	9,739
Profit from business activities	**171,572**	**249,304**
Finance income	10,821	20,680
Finance costs	8,673	6,771
Profit before income taxes	**173,720**	**263,214**
Income taxes	47,666	61,279
Profit from continuing operations	**126,054**	**201,934**
Discontinued operations		
Profit (loss) from discontinued operations	**(10,067)**	**5,321**
Profit	**115,986**	**207,255**
Profit attributable to:		
Owners of the parent	114,912	203,291
Non-controlling interests	1,073	3,964

(yen)

Earnings per share attributable to owners of the parent		
Basic earnings (loss) per share	34.21	60.49
Continuing operations	37.58	59.24
Discontinued operations	(3.37)	1.25
Diluted earnings (loss) per share	34.20	60.47
Continuing operations	37.57	59.22
Discontinued operations	(3.37)	1.25

(3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep. 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Profit	115,986	207,255
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gains from financial assets measured at FVTOCI	39,232	8,000
Remeasurement of defined benefit plans	66	175
Share of other comprehensive income of entities accounted for using the equity method	213	795
Total	39,511	8,971
Items that may be reclassified to profit or loss		
Cash flow hedges	(3,555)	2,753
Exchange differences on translating foreign operations	19,969	(42,544)
Share of other comprehensive income of entities accounted for using the equity method	7,341	(2,080)
Total	23,754	(41,872)
Total other comprehensive income	63,266	(32,900)
Comprehensive income	179,253	174,355
Comprehensive income attributable to		
Owners of the parent	177,175	170,576
Non-controlling interests	2,077	3,778

(4) Condensed Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
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				114,912		114,912	1,073	115,986
Other comprehensive income					62,263	62,263	1,003	63,266
Comprehensive income	**-**	**-**	**-**	**114,912**	**62,263**	**177,175**	**2,077**	**179,253**
Transfer to retained earnings				**6,509**	**(6,509)**	**-**		**-**
Purchase of treasury shares			(2)			(2)		(2)
Disposal of treasury shares		(0)	6			6		6
Dividends				(40,292)		(40,292)	(4,362)	(44,654)
Share-based payment transactions		6,554	718			7,273		7,273
Transactions with non-controlling interests		30			(3)	26	(26)	0
Others				43		43	194	238
Total transactions with owners	**-**	**6,584**	**722**	**(40,249)**	**(3)**	**(32,945)**	**(4,193)**	**(37,139)**
Balance as of Sep. 30, 2025	**265,608**	**51,326**	**(15,729)**	**1,669,817**	**519,909**	**2,490,932**	**121,005**	**2,611,937**

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total Equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance as of Apr. 1, 2026	**265,608**	**48,274**	**(12,915)**	**1,880,339**	**907,258**	**3,088,566**	**139,834**	**3,228,400**
Profit				203,291		203,291	3,964	207,255
Other comprehensive income					(32,714)	(32,714)	(185)	(32,900)
Comprehensive income	-	-	-	203,291	(32,714)	170,576	3,778	174,355
Transfer to retained earnings				4,536	(4,536)	-		-
Purchase of treasury shares			(3)			(3)		(3)
Disposal of treasury shares		10	15			25		25
Dividends				(43,683)		(43,683)	(3,579)	(47,262)
Change in scope of consolidation		(359)		288		(71)	(74,818)	(74,890)
Share-based payment transactions		6,054	1,530			7,584		7,584
Transactions with non-controlling interests		(4,109)			291	(3,818)	(1,758)	(5,576)
Others		(100)	0	(2,019)		(2,120)	259	(1,861)
Total transactions with owners	**-**	**1,495**	**1,541**	**(45,415)**	**291**	**(42,087)**	**(79,897)**	**(121,984)**
Balance as of Sep. 30, 2026	**265,608**	**49,769**	**(11,373)**	**2,042,752**	**870,299**	**3,217,056**	**63,715**	**3,280,771**

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep. 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Cash flows from operating activities		
Profit before income taxes	173,720	263,214
Profit (loss) from discontinued operations	(9,193)	(5,665)
Depreciation, amortization and impairment loss	93,401	57,679
Finance income and costs	(21,427)	(25,563)
Share of loss (profit) of investments accounted for using the equity method	(14,972)	(14,557)
Loss (gain) on sale of PPE and intangible assets	(5,980)	(10,630)
Loss on disposal of PPE and intangible assets	3,058	3,247
Decrease (increase) in trade receivables	110,710	281,242
Decrease (increase) in contract assets	(150,756)	(159,127)
Decrease (increase) in inventories and advanced payments	(139,716)	(252,608)
Increase (decrease) in trade payables	(63,365)	(41,573)
Increase (decrease) in contract liabilities	252,366	429,221
Increase (decrease) in provisions	(10,358)	40,186
Increase (decrease) in retirement benefit liabilities	794	1,669
Others	(11,322)	(103,706)
Subtotal	206,957	463,028
Interest received	5,938	11,468
Dividends received	16,088	20,552
Interest paid	(5,974)	(3,779)
Income taxes paid	(15,107)	(96,751)
Net cash provided by operating activities	**207,901**	**394,518**

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep. 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Cash flows from investing activities		
Payments into fixed-term deposits	(11,265)	(13,599)
Proceeds from withdrawal of fixed-term deposits	13,382	9,636
Purchases of PPE, and intangible assets	(94,958)	(67,414)
Proceeds from sales of PPE, and intangible assets	9,090	11,241
Purchases of investments (including investments accounted for using the equity method)	(3,311)	(36,974)
Proceeds from sales and redemption of investments (including investments accounted for using the equity method)	11,654	12,882
Proceeds from sale of businesses (including subsidiaries)	4,603	146,460
Net decrease (increase) in short-term loans	(834)	1,554
Disbursement of long-term loans	(121)	(6,983)
Collection of long-term loans	300	39
Payments for derivative transactions	(18,721)	(27,749)
Proceeds from derivative transactions	35,733	46,952
Others	(2,372)	(2,221)
Net cash provided by (used in) investing activities	**(56,820)**	**73,825**
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,779)	8,876
Repayment of long-term borrowings	(2,998)	(16,272)
Proceeds from issuance of bonds	10,000	-
Payment for redemption of bonds	(10,000)	(25,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(5,520)
Dividends paid to owners of the parent	(40,209)	(43,686)
Dividends paid to non-controlling interests	(4,038)	(3,368)
Proceeds from factoring agreements	47,448	34,318
Repayment of liabilities under factoring agreements	(66,790)	(69,765)
Repayment of lease liabilities	(13,615)	(12,640)
Others	(2,395)	(213)
Net cash provided by (used in) financing activities	**(95,379)**	**(133,272)**
Effect of exchange rate changes on cash and cash equivalents	**21,708**	**15,423**
Net increase (decrease) in cash and cash equivalents	**77,409**	**350,494**
Cash and cash equivalents at the beginning of the year	**657,816**	**1,334,874**
Net increase (decrease) in cash and cash equivalents included in assets held for sale	**(19,130)**	**21,350**
Cash and cash equivalents at the end of the period	**716,096**	**1,706,718**

(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. Accordingly, MHI determines its reporting segments by aggregating these business domains and segments based on similarities in customer and product characteristics

As of April 1, 2026, the Group has reorganized its corporate structure. Consequently, the previous four reporting segments - "Energy Systems," "Plant & Infrastructure Systems," "Logistics, Thermal & Drive Systems," and "Aircraft, Defense & Space" - have been restructured into four new segments: "Energy Systems," "Plant & Infrastructure Systems," "Industrial Solutions," and "Aircraft, Defense & Space."

Main products and services in each reporting segment are as follows. Segment information for six-month period ended September 30, 2025 has been restated based on the revised reporting segment classification.

Energy Systems	Thermal power systems (GTCC* and Steam power), Nuclear power systems (Light-water reactors, Nuclear fuel cycle & Advanced solutions), Aero engines, Compressors, Marine machinery * Gas turbine combined cycle
Plants & Infrastructure Systems	Metal machinery, Commercial ships, Engineering (Transportation systems, Chemical plants), Environmental systems, Machinery systems (paper converting machinery, ITS*, Test equipment) * Intelligent Transport Systems
Industrial Solutions	Air-conditioning & refrigeration systems, Engines, Turbochargers, Automotive thermal systems, Data center & energy management
Aircraft, Defense & Space	Commercial aircraft, Defense aircraft, Missile systems, Naval ships, Maritime systems (torpedoes), Special vehicles, Space systems

The Data center & energy management business, which was previously excluded from the reporting segments, has been included in the "Industrial Solutions" from the current fiscal year due to a review of the Group's internal management structure. The segment information for the six-month period ended September 30, 2025 is restated to reflect these changes.

As described in the notes (discontinued operations), in the previous fiscal year, the Group classified the business operations related to Mitsubishi Logisnext Co., Ltd. (currently Logisnext Co., Ltd.) and its subsidiaries and affiliates, which had been included in the "Logistics, Thermal & Drive Systems," as discontinued operations. Consequently, related amounts have been excluded from the amounts for the six-month periods ended September 30, 2025 and 2026, respectively.

(ii) Information about revenue, profit or loss and other items by reporting segment

For FY2025 First 6 Months (From April 1, 2025 to September 30, 2025)

(Millions of yen)

	Reporting segment					Others *1	Total	Corporate & Eliminations *2	Consolidated
	Energy Systems	Plants & Infrastructure Systems	Industrial Solutions	Aircraft, Defense & Space	Total				
Revenue									
Revenue from external customers	867,703	384,518	311,510	538,549	2,102,282	4,057	2,106,339	7,377	2,113,717
Inter-segment revenue and transfers	3,312	31,434	2,654	282	37,684	148	37,833	(37,833)	-
Total	871,016	415,953	314,165	538,832	2,139,966	4,205	2,144,172	(30,455)	2,113,717
Segment profit *3	80,793	44,601	6,723	60,382	192,500	15,005	207,505	(35,933)	171,572
Finance income									10,821
Finance costs									8,673
Profit before income taxes									173,720

For FY2026 First 6 Months (From April 1, 2026 to September 30, 2026)

(Millions of yen)

	Reporting segments					Others *1	Total	Corporate & Eliminations *2	Consolidated
	Energy Systems	Plants & Infrastructure Systems	Industrial Solutions	Aircraft, Defense & Space	Total				
Revenue									
Revenue from external customers	1,119,458	410,765	349,001	633,308	2,512,533	3,367	2,515,901	7,368	2,523,269
Inter-segment revenue and transfers	3,067	19,036	3,691	148	25,943	218	26,161	(26,161)	-
Total	1,122,525	429,801	352,693	633,456	2,538,477	3,585	2,542,063	(18,793)	2,523,269
Segment profit *3	145,129	41,452	14,788	76,361	277,732	14,939	292,672	(43,367)	249,304
Finance income									20,680
Finance costs									6,771
Profit before income taxes									263,214

*1 "Others" includes asset businesses and other 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, 2026	As of September 30, 2026
Cash and cash equivalents	21,350	-
Trade and other receivables	113,043	-
Contract assets	1,261	-
Inventories	109,256	-
Property, plant and equipment ("PPE")	196,356	-
Goodwill	27,186	-
Intangible assets	16,673	-
Right-of-use assets	28,567	-
Investments accounted for using the equity method	1,439	-
Other financial assets	10,767	-
Deferred tax assets	7,998	-
Other assets	14,509	-
Total	548,409	-

(ii) Liabilities directly associated with assets held for sale

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Bonds, borrowings and other financial liabilities	129,843	-
Trade and other payables	70,500	-
Income taxes payable	2,011	-
Contract liabilities	11,759	-
Retirement benefit liabilities	12,655	-
Provisions	10,010	-
Deferred tax liabilities	1,831	-
Other current liabilities	43,318	-
Total	281,931	-

As described in the notes (discontinued operations), assets held for sale and associated liabilities in the previous fiscal year were mainly related to the business of Mitsubishi Logisnext Co., Ltd. (currently Logisnext Co., Ltd.) and its subsidiaries and affiliates.

The disposal group classified as held for sale in the previous fiscal year is measured at fair value less costs to sell because the fair value less costs to sell is lower than the carrying amount. The fair value is measured based on the share price as of March 31, 2026, and is categorized within Level 1 of the fair value hierarchy.

➢ 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 shares of Mitsubishi Logisnext Co., Ltd. ("Mitsubishi Logisnext") and share subscription rights
(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 and its subsidiaries and affiliates are classified as discontinued operations from the previous fiscal year. This transaction was completed on May 1, 2026.

(i) Profit or loss from discontinued operations

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep. 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Revenue	318,803	49,904
Expenses	327,996	55,569
Profit (loss) before income taxes from discontinued operations	(9,193)	(5,665)
Income taxes	873	(10,986)
Profit (loss) from discontinued operations	(10,067)	5,321

Expenses for the previous six-month period ended September 30, 2025 include a write-down of ¥13,881 million resulting from measuring the disposal group constituting discontinued operations at fair value less costs to sell.
Expenses for the current six-month period ended September 30, 2026 include a loss of 34,806 million on the transfer of shares, as well as a gain of ¥24,535 million resulting from the realization of foreign currency translation adjustments related to foreign operations. In addition, an income tax benefit of ¥12,461 million has been recognized in connection with the share transfer.

(ii) Cash flows from discontinued operations

(Millions of yen)

	FY2025 First 6 Months (From Apr. 1, 2025 to Sep 30, 2025)	FY2026 First 6 Months (From Apr. 1, 2026 to Sep. 30, 2026)
Cash flows from operating activities	30,638	21,304
Cash flows from investing activities	(19,655)	103,669
Cash flows from financing activities	(7,307)	(622)
Total	3,675	124,351

Cash flows from investing activities during the current six-month period ended September 30, 2026 include proceeds of ¥74,468 million from the transfer of Mitsubishi Logisnext shares, as well as funds raised by the subsidiary subject to the transfer through borrowings from the transferee and a third-party allotment of shares. A substantial portion of such financing was used to repay borrowings owed to the Company and to settle the consideration for the acquisition of treasury shares. As a result, ¥138,210 million was recognized as proceeds from sale of businesses (including subsidiaries) in connection with the transaction.

The assets and liabilities at the time of the share transfer of the subsidiary for which control was lost were as follows: cash and cash equivalents of ¥116,446 million, other current assets of ¥231,374 million, non-current assets of ¥300,741 million, current liabilities of ¥319,541 million, and non-current liabilities of ¥98,416 million.

- Subsequent Events

Share Repurchase and Cancellation of Treasury Shares

The Company announced today that its Board of Directors passed a resolution on November 6, 2026, to repurchase shares, pursuant to the provision of Article 156 of the Companies Act, as applied pursuant to the provision of Article 165, paragraph 3 thereof, and to cancel treasury shares pursuant to the provision of Article 178 of the Companies Act, as described below.

(i) Reason for Share Repurchase and Cancellation of Treasury Shares

The Company will repurchase shares and cancel treasury shares to improve capital efficiency.

(ii) Details of Share Repurchase

(a)	Class of Shares to be Repurchased	Common shares
(b)	Total Number of Shares to be Repurchased	Up to 120,000,000 shares (representing 3.6% of issued shares [excluding treasury shares])
(c)	Aggregate Repurchase Amount	Up to 300 billion yen
(d)	Repurchase Period	From November 9, 2026 to November 8, 2027
(e)	Repurchase Method	Market purchase on the Tokyo Stock Exchange

(iii) Details of Treasury Share Cancellation

(a)	Class of Shares to be Cancelled	Common shares
(b)	Total Number of Shares to be Cancelled	All shares to be repurchased according to 2. above
(c)	Scheduled Date of Cancellation	The final day of the fiscal quarter in which the completion date of the share repurchase described in 2. above falls.

2. Outline of Financial Results

An outline of the financial results for the first 6 Months of FY2026 (from April 1, 2026 to September 30, 2026) is included in the "1H FY2026 Financial Results Presentation Materials" released today, November 6, 2026. These materials are available on TDnet and the Company's website.