

Q1 FY2025 Financial Results

August 5, 2025

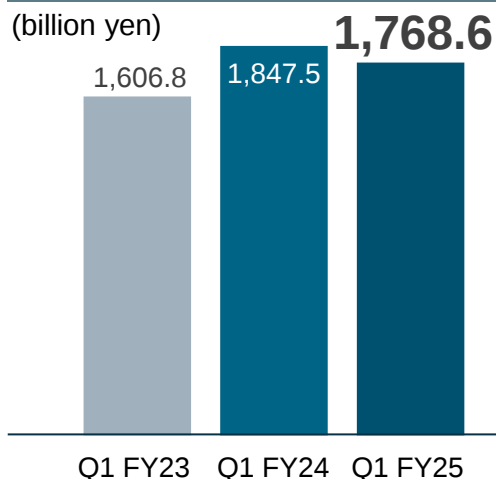
Mitsubishi Heavy Industries, Ltd.

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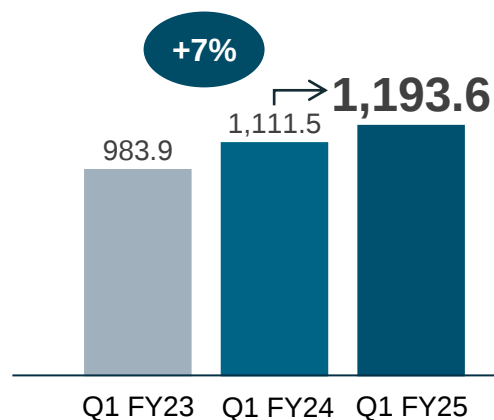
1. Key Takeaways

Q1 FY2025 Financial Results

Order Intake



Revenue



EBITDA

143.2
billion yen
(+¥20.9 bn YoY)

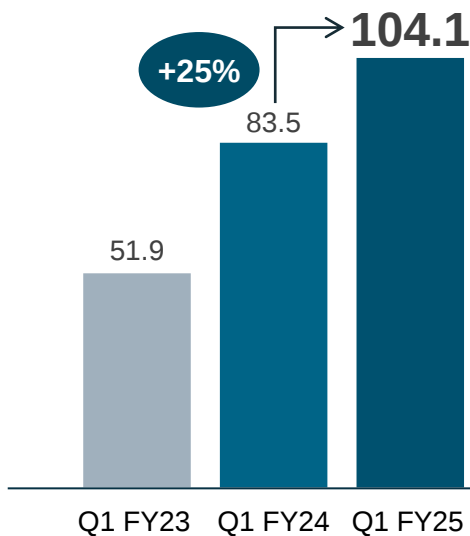
EBITDA Margin
12.0%
(+1.0 pt YoY)

Free Cash Flow

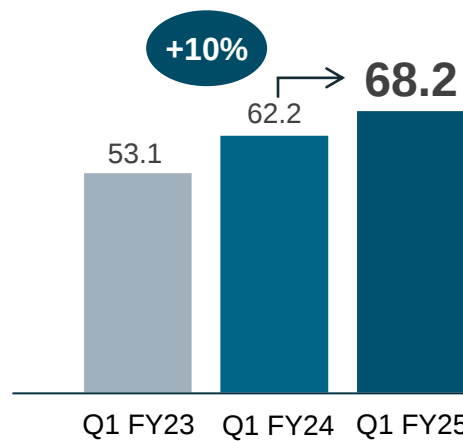
64.3
billion yen
(+¥190.6 bn YoY)

Operating Cash Flow
¥89.6 bn
(+¥157.4 bn YoY)

Business Profit



Net Income



Interest-Bearing Debt

650.3
billion yen
(-¥386.9 bn YoY)

Net Interest-Bearing Debt
-¥21.4 bn
(-¥479.4 bn YoY)

D/E Ratio

0.26
(-0.16 YoY)

Equity Ratio

35.2%
(+0.1 pts YoY)

Q1 FY2025 Financial Results Highlights

- **Order Intake: ¥1,768.6 bn** (-¥78.8 bn [-4%] YoY)
Order intake grew in Energy Systems and Plants & Infrastructure Systems.
Order intake declined in Defense & Space compared to Q1 FY2024 – during which several large projects were booked – but a generally high level was achieved.
Order backlog increased by ¥536.6 billion to ¥10,772.9 billion from end FY2024.
- **Revenue: ¥1,193.6 bn** (+¥82.0 bn [+7%] YoY)
Revenue increased YoY in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space.
Revenue growth especially large in Gas Turbine Combined Cycle (GTCC), Nuclear Power, Metals Machinery, and Defense & Space.
- **Business Profit: ¥104.1 bn** (+¥20.6 bn [+25%] YoY)
Business profit increased YoY in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space driven by revenue growth and improved margins
- **Net Income: ¥68.2 bn** (+¥5.9 bn [+10%] YoY)
Booked gain on foreign exchange in Q1 FY2024. Despite negative impact from stronger yen, higher business profit served to raise net income YoY in Q1 FY2025.

2. Q1 FY2025 Financial Results

Financial Results Overview

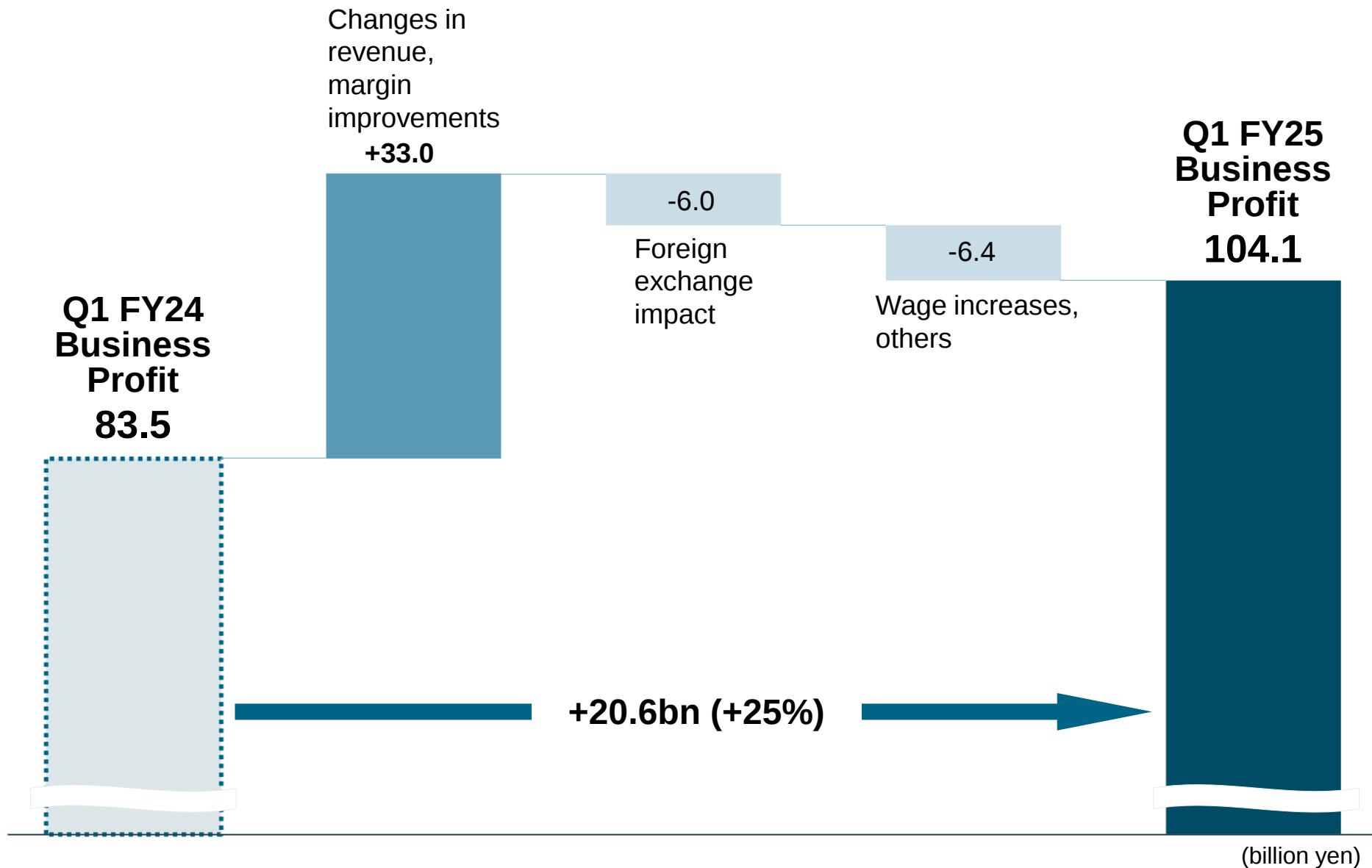
	Q1 FY2024 (Profit Margin)	Q1 FY2025 (Profit Margin)	YoY (Profit Margin)	(YoY%)
(billion yen)				
Order Intake	1,847.5	1,768.6	-78.8	(-4.3%)
Revenue	1,111.5	1,193.6	+82.0	(+7.4%)
Profit from Business Activities	83.5 (7.5%)	104.1 (8.7%)	+20.6 (+1.2 pts)	(+24.7%)
Profit Attributable to Owners of Parent	62.2 (5.6%)	68.2 (5.7%)	+5.9 (+0.1 pts)	(+9.5%)
EBITDA	122.3 (11.0%)	143.2 (12.0%)	+20.9 (+1.0 pt)	(+17.1%)
Free Cash Flow	-126.2	64.3	+190.6	
Operating Cash Flow	-67.8	89.6	+157.4	
Investing Cash Flow	-58.4	-25.3	+33.1	

Financial Position

(billion yen)	FY24 End	Q1 FY25 End	Variance
Trade Receivables and Contract Assets	1,776.5	1,697.7	-78.8
Inventories	1,062.5	1,128.2	+65.7
Other Current Assets	1,072.5	1,181.2	+108.6
(Cash and Cash Equivalents)	(657.8)	(671.8)	(+14.0)
Fixed Assets	1,195.3	1,183.0	-12.2
Other Non-Current Assets	1,551.9	1,561.7	+9.7
Total Assets	6,658.9	6,752.0	+93.1

Trade Payables	930.2	848.0	-82.2
Contract Liabilities	1,443.9	1,572.9	+128.9
Other Liabilities	1,163.4	1,182.5	+19.0
Interest-Bearing Debt	651.3	650.3	-0.9
Equity	2,469.8	2,498.1	+28.3
(Equity Attributable to Owners of Parent)	(2,346.7)	(2,376.0)	(+29.3)
Total Liabilities and Equity	6,658.9	6,752.0	+93.1

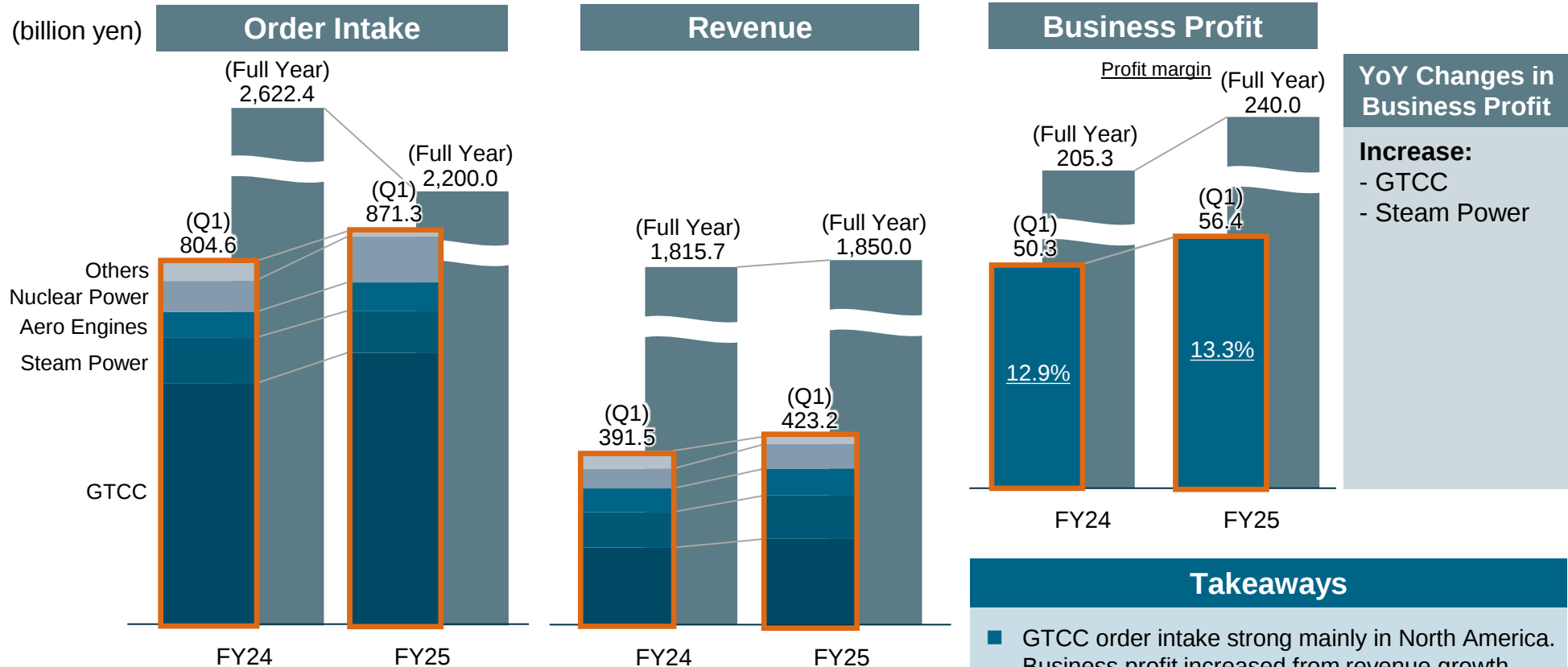
Profit Bridge



Financial Results by Segment

	Order Intake			Revenue			Profit from Business Activities		
	Q1 FY24	Q1 FY25	YoY	Q1 FY24	Q1 FY25	YoY	Q1 FY24	Q1 FY25	YoY
(billion yen)									
Energy Systems	804.6	871.3	+66.7	391.5	423.2	+31.7	50.3	56.4	+6.0
Plants & Infrastructure Systems	228.4	239.5	+11.1	175.1	207.9	+32.8	7.6	18.5	+10.9
Logistics, Thermal & Drive Systems	329.6	304.1	-25.4	320.9	299.2	-21.6	14.6	10.9	-3.7
Aircraft, Defense & Space	476.0	350.8	-125.2	211.7	260.5	+48.8	23.6	28.8	+5.1
Others, Corporate & Eliminations	8.7	2.7	-6.0	12.2	2.6	-9.5	-12.8	-10.5	+2.2
Total	1,847.5	1,768.6	-78.8	1,111.5	1,193.6	+82.0	83.5	104.1	+20.6

Financial Results: Energy Systems



Major Businesses	Order Intake	
	Q1 FY24	Q1 FY25
GTCC	534.4	602.5
Steam Power	110.5*	92.9
Aero Engines	56.9	62.8
Nuclear Power	68.6	101.4

	Revenue	
	Q1 FY24	Q1 FY25
	177.6	196.8
	90.1*	96.2
	52.4	59.4
	43.0	53.7

Takeaways	
■	GTCC order intake strong mainly in North America. Business profit increased from revenue growth and improved margins.
■	Steam Power revenue and business profit increased due to growth in services business
■	Nuclear Power order intake strong. Both revenue and business profit stable.

*FY24 actual figures shown here retroactively adjusted to reflect organizational changes within Energy Systems effected April 1, 2025

Financial Results: Plants & Infrastructure Systems

(billion yen)

Order Intake

Revenue

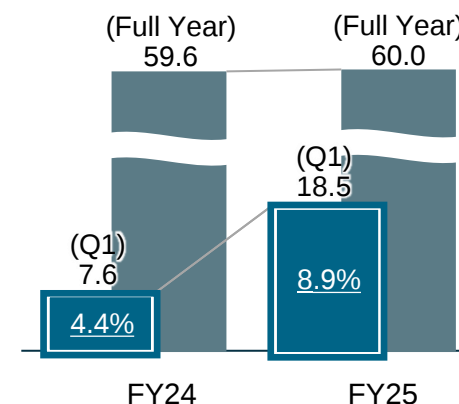
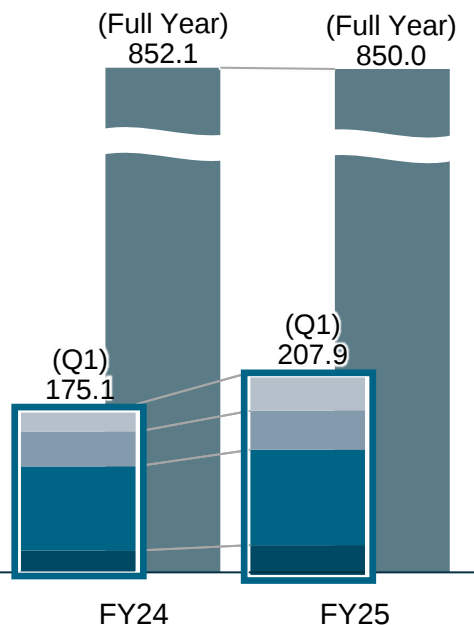
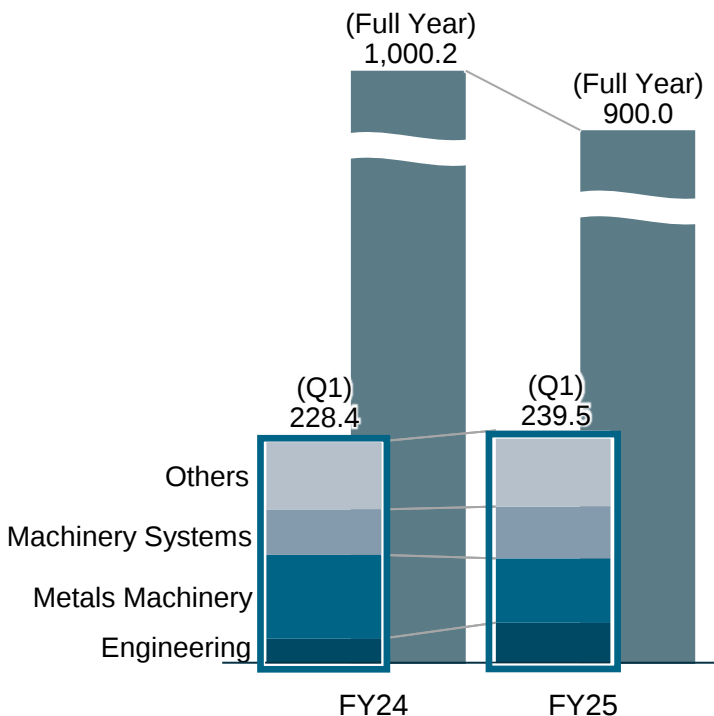
Business Profit

Profit margin

YoY Changes in Business Profit

Increase:

- Engineering
- Metals Machinery
- Machinery Systems



Takeaways

- Engineering order intake strong. Business profit increased due to revenue growth.
- Metals Machinery order intake declined, while revenue and business profit increased
- Machinery Systems order intake, revenue, and business profit increased
- In the Others category, order intake in Waste-to-Energy Systems strong

Major Businesses

Order Intake

Q1 FY24

Q1 FY25

Engineering

25.5

42.1

Metals Machinery

86.0

65.8

Machinery Systems

46.7

53.3

Revenue

Q1 FY24

Q1 FY25

25.1

30.4

86.2

97.9

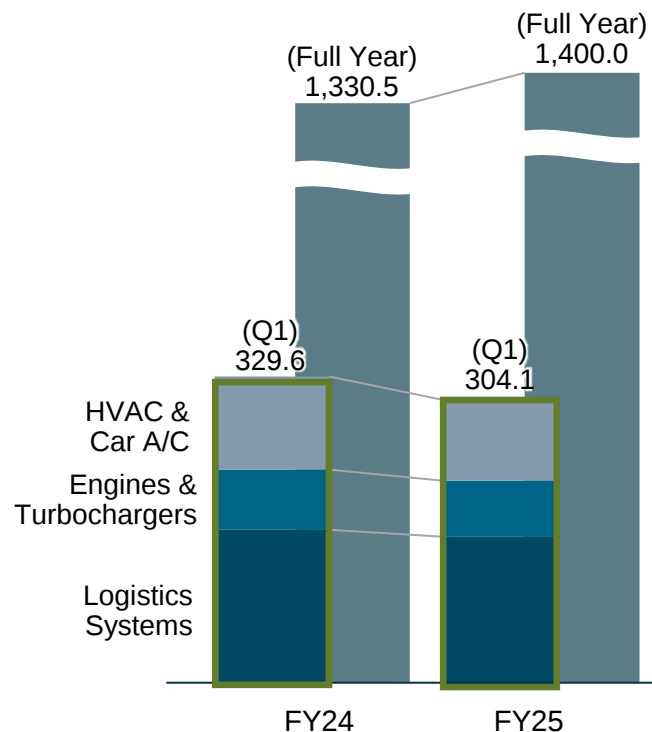
35.4

40.3

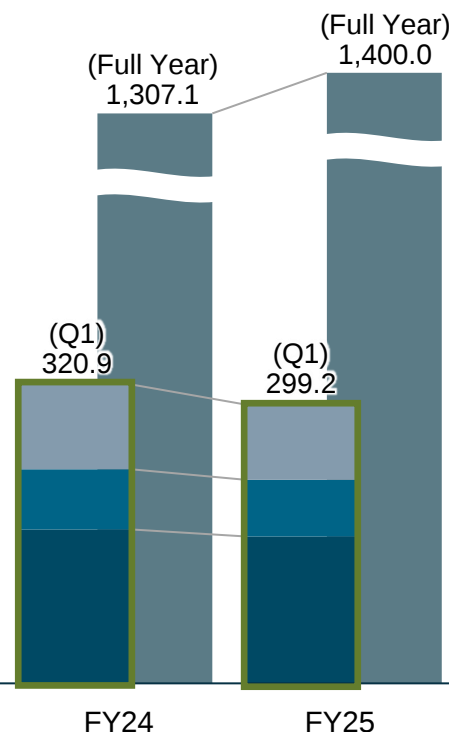
Financial Results: Logistics, Thermal & Drive Systems

(billion yen)

Order Intake

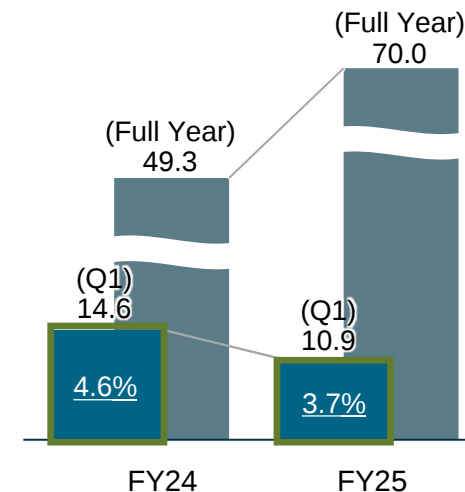


Revenue



Business Profit

Profit margin



YoY Changes in Business Profit

- Increase:**
- Engines
 - Turbochargers
- Decrease:**
- Logistics Systems
 - HVAC

Major Businesses

Order Intake

	Q1 FY24	Q1 FY25
Logistics Systems	167.0	159.4
Engines & Turbochargers	64.7	60.2
HVAC & Car A/C	99.9	86.5

Revenue

	Q1 FY24	Q1 FY25
Logistics Systems	167.0	159.5
Engines & Turbochargers	64.6	60.7
HVAC & Car A/C	91.2	81.0

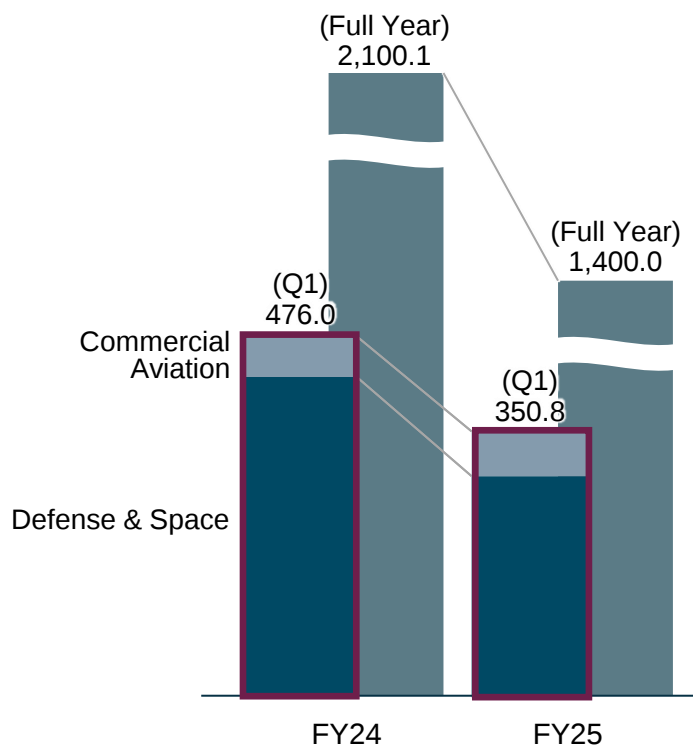
Takeaways

- Logistics Systems revenue and business profit decreased due to higher cost of sales in Americas and negative impact from stronger yen
- Engines order intake and revenue strong mainly in Asia
- Turbochargers business profit increased due to resolution of supply chain disruptions, despite decline in units sold
- HVAC revenue and business profit decreased due to decline in units sold and negative impact from stronger yen

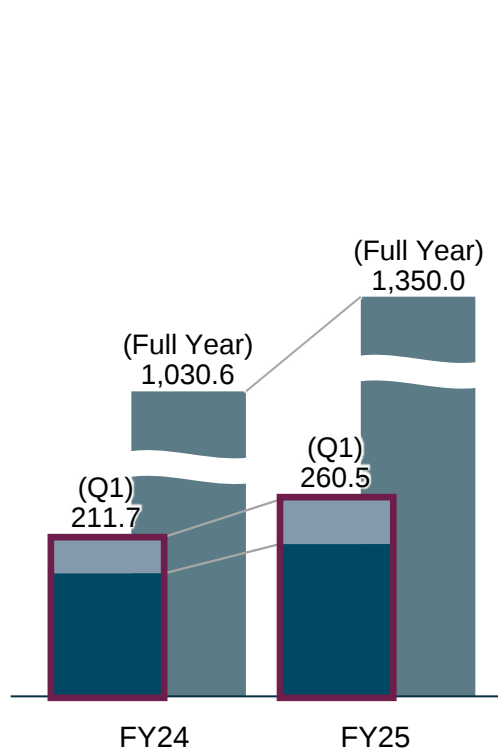
Financial Results: Aircraft, Defense & Space

(billion yen)

Order Intake

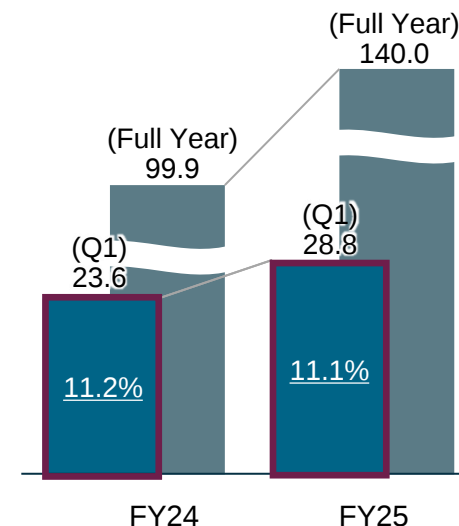


Revenue



Business Profit

Profit margin



YoY Changes in Business Profit

Increase:

- Defense & Space
- Commercial Aviation

Major Businesses

	Order Intake	
	Q1 FY24	Q1 FY25
Defense & Space	422.3	291.8
Commercial Aviation	53.6	59.0

Revenue

	Q1 FY24	Q1 FY25
Defense & Space	163.4	202.1
Commercial Aviation	48.2	58.4

Takeaways

- Defense & Space revenue and business profit increased due to steady progress in project execution
- Commercial Aviation revenue and business profit increased mainly due to higher 787 unit deliveries, despite negative impact from stronger yen

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 US dollar and other foreign currencies, and trends in Japan's stock markets. The earnings projected here should not be construed in any way as a guarantee by the Company.

In response to US tariff policy, the Company is pursuing mitigation strategies focused on cost passthroughs. As of the date of this release, the Company expects any impact on performance to be limited in nature.

Earnings Forecast Overview

Unchanged from forecast announced May 9, 2025.

	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	

Earnings Forecast by Segment

Unchanged from forecast announced May 9, 2025.

	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	+372.8	383.1	420.0	+36.8

4. Appendix

Appendix: Reference Data

Large Frame Gas Turbine Order Intake and Contract Backlog (units)

	Q1 FY24	FY24	Q1 FY25
Americas	4	11	6
Asia	2	5	2
EMEA	-	9	-
Other Regions	-	-	-
Order Intake Total	6	25	8
Contract Backlog	38	48	53

(Reference) China Licensee Order Intake

	Q1 FY24	FY24	Q1 FY25
Order Intake	-	7	3

Commercial Aviation Deliveries (units)

777	Q1	Q2	Q3	Q4	Total
FY24	6	6	2	5	19
FY25	6	/	/	/	6

777X	Q1	Q2	Q3	Q4	Total
FY24	3	3	1	0	7
FY25	0	/	/	/	0

787	Q1	Q2	Q3	Q4	Total
FY24	9	12	12	12	45
FY25	18	/	/	/	18

Appendix: Reference Data

Order Backlog

(billion yen)	FY24 End	Q1 FY25
Energy Systems	4,918.4	5,301.3
Plants & Infrastructure Systems	1,705.3	1,764.1
Logistics, Thermal & Drive Systems	79.3	66.0
Aircraft, Defense & Space	3,514.5	3,620.5
Others, Corporate & Eliminations	18.5	20.7
Total	10,236.2	10,772.9

Foreign Currency Amounts Expected to Affect P/L

(billion, except where otherwise stated)	USD	EUR
Amounts to Affect Business P/L	2.3	0.3
Amounts to Affect Finance Income/Costs	1.3	0.0
Exchange Rate Assumptions	¥145.0	¥155.0

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

(billion yen)	Q1 FY24	Q1 FY25	FY25 Forecast
R&D Expenses	41.4	47.6	330.0
Depreciation and Amortization	38.8	39.0	160.0
Capital Expenditures	45.0	36.1	200.0

Selling, General, and Administrative Expenses

(billion yen)	Q1 FY24	Q1 FY25
SG&A	175.0	176.2

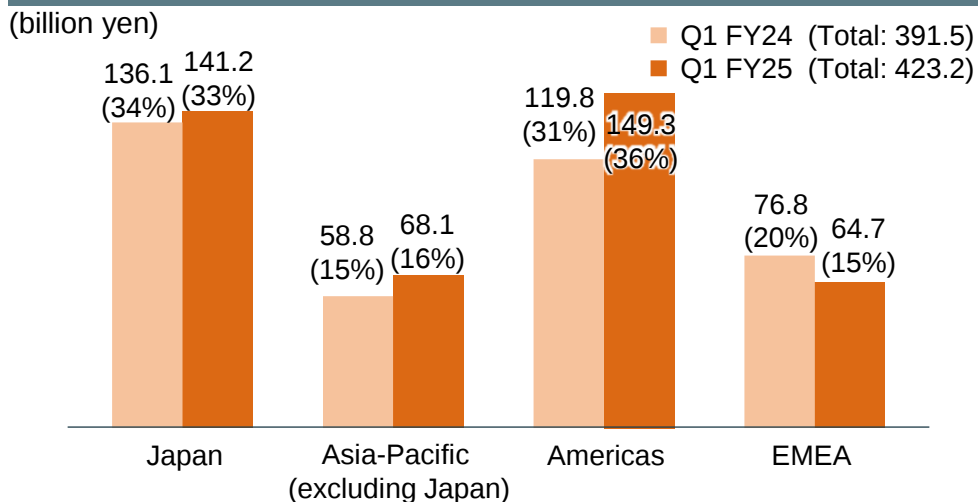
Foreign Exchange Rates (Average Rates Used for Revenue Recognition)

	Q1 FY24	Q1 FY25
US Dollar (JPY/USD)	152.5	145.8
Euro (JPY/EUR)	166.1	162.3

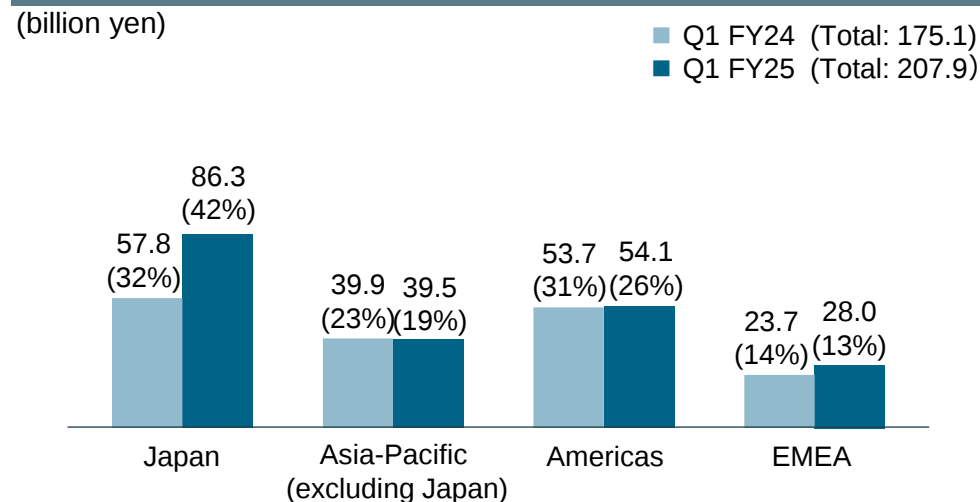
Appendix: Reference Data

Revenue by Region

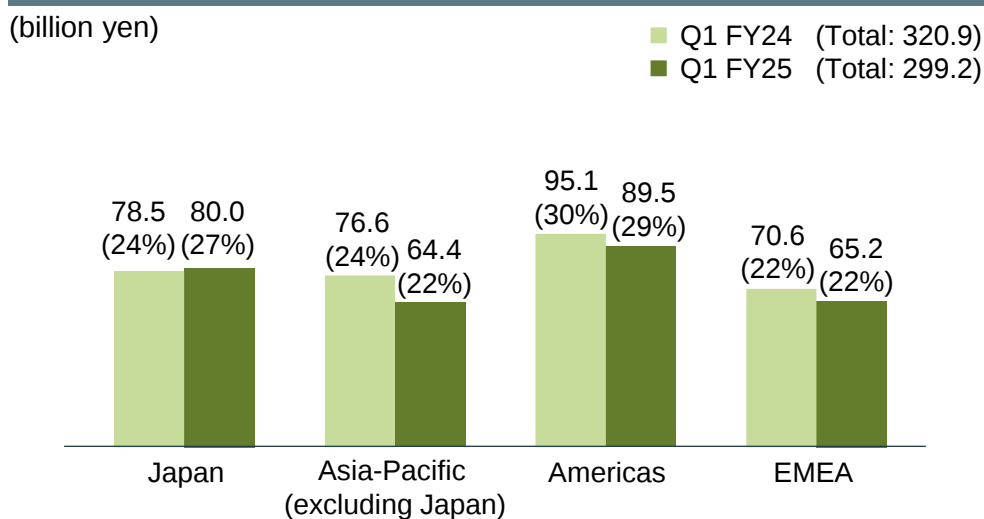
Energy Systems



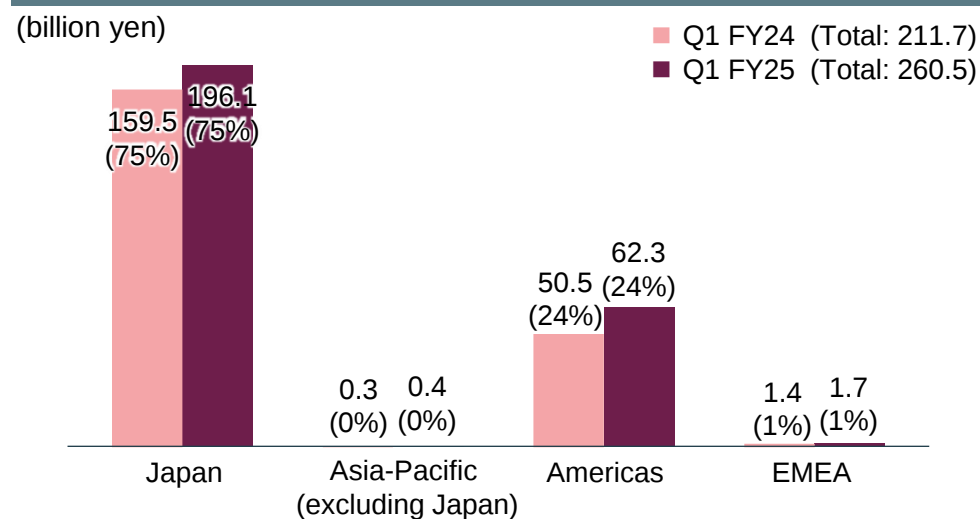
Plants & Infrastructure Systems



Logistics, Thermal & Drive Systems



Aircraft, Defense & Space



Main Locations in US as of April 2025

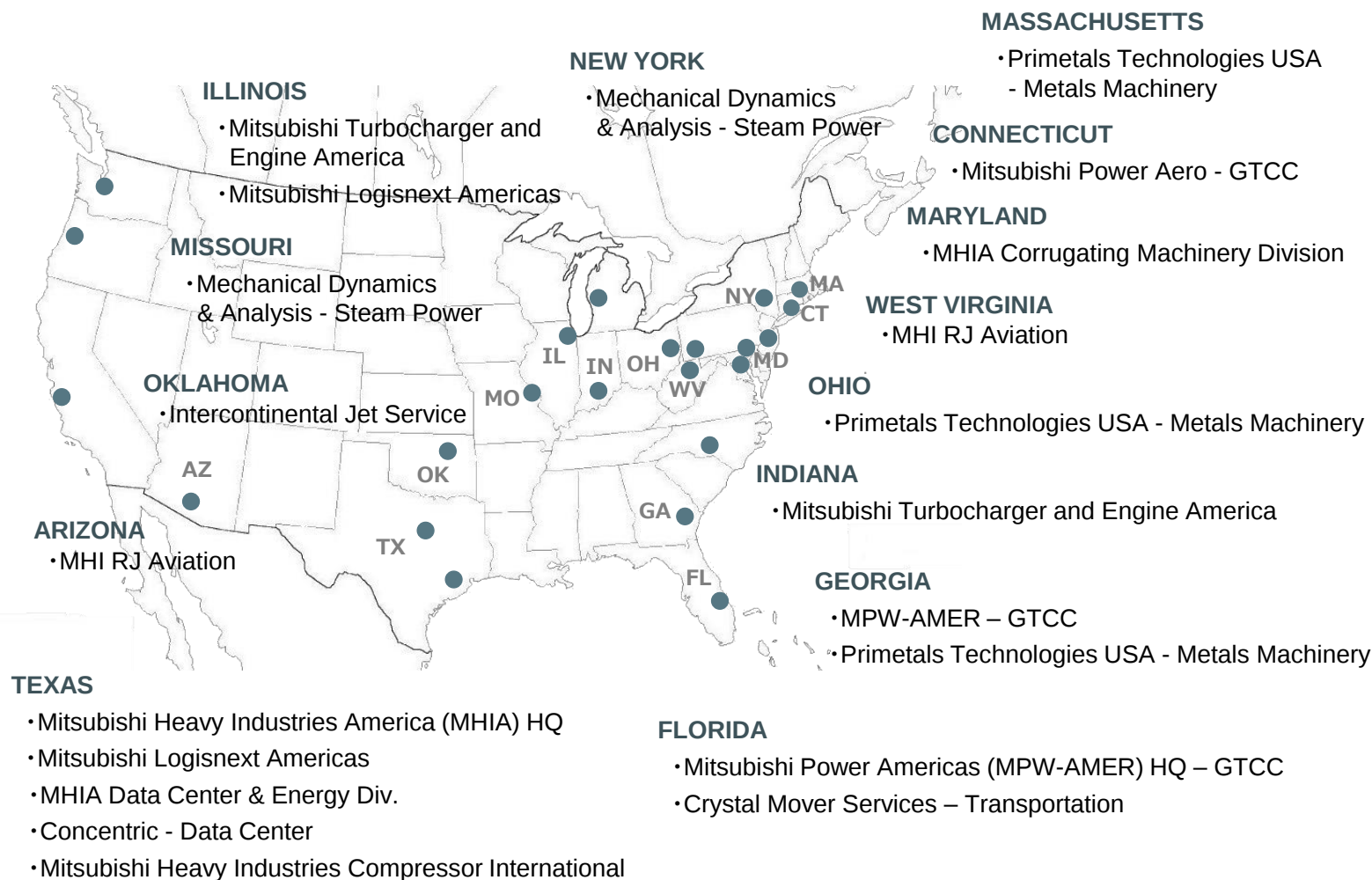
MHI in North America

 **10,000+**
EMPLOYEES

 **56**
CONSOLIDATED
COMPANIES

 **3,500+**
PATENTS

¥1,111 BN*
IN REVENUE
*FY24 revenue in USA



In response to US tariff policy, MHI is pursuing mitigation strategies focused on cost passthroughs.
As of the date of this release, we expect any impact on performance to be limited in nature.

