

**Outline of FY2024 First 9 Months Financial Results**  
**Ended Dec. 31, 2024 (Consolidated)**

(Billions of yen)

	FY2024 First 9 Months 〔 From April 1 to December 31, 2024 〕	FY2023 First 9 Months 〔 From April 1 to December 31, 2023 〕	Changes (%)
Order intake	4,968.9	4,496.6	10.5%
Revenue	3,547.7	3,260.6	8.8%
Profit from business activities	264.7	191.6	38.2%
Profit before income taxes	274.8	207.5	32.4%
Profit	185.5	156.1	18.9%
Profit (loss) attributable to owners of the parent	172.1	138.0	24.7%
Cash flows from operating activities	(15.7)	(302.1)	/
Cash flows from investing activities	(128.0)	(111.1)	/
Cash flows from financing activities	237.4	347.0	/
Earnings per share attributable to owners of the parent	51.21 yen	41.08 yen	24.6%

Note1: Figures in parentheses are negative.

Note2: On April 1, 2024, the Company executed a ten-for-one stock split of its common shares. Earnings per share attributable to owners of the parent are calculated assuming that the stock split was conducted at the beginning of FY2023.

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.

## Consolidated Financial Results for First Nine Months of FY2024 Ended December 31, 2024 [IFRS]

### 1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

#### (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 FY2024	3,547,758	8.8	264,787	38.2	274,889	32.4	185,583	18.9
Third Quarter of FY2023	3,260,667	11.0	191,625	82.0	207,599	82.6	156,144	102.5

	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 FY2024	172,110	24.7	196,633	(21.2)	51.21	51.19
Third Quarter of FY2023	138,050	107.8	249,490	117.2	41.08	41.06

\*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 On April 1, 2024, the Company executed a ten-for-one stock split of its common shares. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the stock split was conducted at the beginning of FY2023.

#### (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
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2024	6,825,215	2,467,169	2,336,538	34.2
March 31, 2024	6,256,259	2,360,654	2,244,620	35.9

### 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, 2024	—	80.00	—	120.00	200.00
Fiscal year ending March 31, 2025	—	11.00			
Fiscal year ending March 31, 2025 (Forecast)			—	11.00	22.00

\*1 Revisions to the forecast of cash dividends most recently announced: None

\*2 For the fiscal year ended March 2024, the actual dividends before the stock split are shown. When adjusted retroactively to reflect the stock split, the interim dividend per share for the fiscal year ended March 2024 was ¥8, and the annual dividend per share was ¥20.

### 3. Estimate of Consolidated Financial Results for FY 2024 ending March 31, 2025

(Percentages indicate year-on-year changes.)

From April 1, 2024 to March 31, 2025	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
	5,000,000	7.4	380,000	34.5	370,000	17.4	240,000	8.1	71.40

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

MHI revised its guidance for the period ending March 31, 2025, 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 8, 2024, to reflect the progress in business performance during the first nine months of FY2024.

\* 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, 2024	3,373,647,810 shares
As of March 31, 2024	3,373,647,810 shares

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

As of December 31, 2024	16,061,556 shares
As of March 31, 2024	12,750,817 shares

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

Nine months ended December 31, 2024	3,361,175,040 shares
Nine months ended December 31, 2023	3,360,237,172 shares

\* "Number of shares issued at the end of the period," "Number of treasury shares at the end of the period" and "Average number of shares outstanding during the period" are calculated assuming that the stock split was conducted at the beginning of FY2023.

\* 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, 2024	As of December 31, 2024
<b><u>Assets</u></b>		
Current assets		
Cash and cash equivalents	431,287	542,003
Trade and other receivables	916,011	992,542
Other financial assets	39,771	47,969
Contract assets	776,399	872,125
Inventories	974,577	1,176,272
Other current assets	281,895	381,303
<b>Total current assets</b>	<b>3,419,942</b>	<b>4,012,218</b>
Non-current assets		
Property, plant and equipment ("PPE")	908,448	935,150
Goodwill	172,493	175,899
Intangible assets	93,786	93,000
Right-of-use assets	93,496	91,219
Investments accounted for using the equity method	268,978	280,869
Other financial assets	538,126	470,285
Deferred tax assets	297,017	330,445
Other non-current assets	463,969	436,125
<b>Total Non-current assets</b>	<b>2,836,316</b>	<b>2,812,997</b>
<b>Total assets</b>	<b>6,256,259</b>	<b>6,825,215</b>

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b><u>Liabilities and Equity</u></b>		
Current liabilities		
Bonds, borrowings and other financial liabilities	379,210	679,997
Trade and other payables	958,891	847,275
Income taxes payable	55,228	63,855
Contract liabilities	1,095,138	1,310,100
Provisions	216,220	185,779
Other current liabilities	235,829	252,974
<b>Total Current liabilities</b>	<b>2,940,518</b>	<b>3,339,983</b>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	763,754	820,074
Deferred tax liabilities	9,987	9,971
Retirement benefit liabilities	73,165	76,683
Provisions	79,747	75,958
Other non-current liabilities	28,429	35,373
<b>Total non-current liabilities</b>	<b>955,085</b>	<b>1,018,062</b>
<b>Total liabilities</b>	<b>3,895,604</b>	<b>4,358,045</b>
<b><u>Equity</u></b>		
Share capital	265,608	265,608
Capital surplus	41,187	44,647
Treasury shares	(4,828)	(16,476)
Retained earnings	1,433,267	1,539,505
Other components of equity	509,385	503,253
Equity attributable to owners of the parent	2,244,620	2,336,538
Non-controlling interests	116,034	130,631
<b>Total Equity</b>	<b>2,360,654</b>	<b>2,467,169</b>
<b>Total Liabilities and Equity</b>	<b>6,256,259</b>	<b>6,825,215</b>

## (2) Condensed Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2023 First 9 Months (From Apr. 1, 2023 to Dec. 31, 2023)	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)
Revenue	3,260,667	3,547,758
Cost of sales	2,615,431	2,792,535
<b>Gross Profit</b>	<b>645,235</b>	<b>755,223</b>
Selling, general and administrative expenses	477,934	520,175
Share of profit of investments accounted for using the equity method	334	(10,311)
Other income	38,520	53,032
Other expenses	14,530	12,981
<b>Profit from business activities</b>	<b>191,625</b>	<b>264,787</b>
Finance income	28,101	25,864
Finance costs	12,128	15,763
<b>Profit before income taxes</b>	<b>207,599</b>	<b>274,889</b>
Income taxes	51,454	89,305
<b>Profit</b>	<b>156,144</b>	<b>185,583</b>
Profit attributable to:		
Owners of the parent	138,050	172,110
Non-controlling interests	18,093	13,473

		(yen)
Earnings per share attributable to owners of the parent		
Basic earnings per share	41.08	51.21
Diluted earnings per share	41.06	51.19

\* On April 1, 2024, the Company executed a ten-for-one stock split of its common shares. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split was conducted at the beginning of FY2023.

## (3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2023 First 9 Months (From Apr. 1, 2023 to Dec. 31, 2023)	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)
<b>Profit</b>	<b>156,144</b>	<b>185,583</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Net gains from financial assets measured at FVTOCI	39,196	(37,505)
Remeasurement of defined benefit plans	(579)	(44)
Share of other comprehensive income of entities accounted for using the equity method	(71)	655
<b>Total</b>	<b>38,545</b>	<b>(36,893)</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedges	(2,159)	1,055
Exchange differences on translating foreign operations	48,169	45,091
Share of other comprehensive income of entities accounted for using the equity method	8,790	1,796
<b>Total</b>	<b>54,800</b>	<b>47,944</b>
Total other comprehensive income	93,346	11,050
<b>Comprehensive income</b>	<b>249,490</b>	<b>196,633</b>
<b>Comprehensive income attributable to</b>		
Owners of the parent	226,668	177,222
Non-controlling interests	22,822	19,411

\* FVTOCI means "Fair Value Through Other Comprehensive Income".



## (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		
<b>Balance as of Apr. 1, 2023</b>	<b>265,608</b>	<b>41,256</b>	<b>(5,385)</b>	<b>1,243,565</b>	<b>195,929</b>	<b>1,740,974</b>	<b>93,010</b>	<b>1,833,984</b>
Profit				138,050		138,050	18,093	156,144
Other comprehensive income					88,617	88,617	4,729	93,346
<b>Comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>138,050</b>	<b>88,617</b>	<b>226,668</b>	<b>22,822</b>	<b>249,490</b>
<b>Transfer to retained earnings</b>				<b>21,478</b>	<b>(21,478)</b>	<b>—</b>		<b>—</b>
Purchase of treasury shares			(20)			(20)		(20)
Disposal of treasury shares		8	24			33		33
Dividends				(50,398)		(50,398)	(4,584)	(54,982)
Others		583	514	(291)	(7)	798	(975)	(177)
<b>Total transactions with owners</b>	<b>—</b>	<b>592</b>	<b>518</b>	<b>(50,689)</b>	<b>(7)</b>	<b>(49,586)</b>	<b>(5,560)</b>	<b>(55,147)</b>
<b>Balance as of Dec. 31, 2023</b>	<b>265,608</b>	<b>41,848</b>	<b>(4,867)</b>	<b>1,352,404</b>	<b>263,061</b>	<b>1,918,055</b>	<b>110,272</b>	<b>2,028,328</b>

(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		
<b>Balance as of Apr. 1, 2024</b>	<b>265,608</b>	<b>41,187</b>	<b>(4,828)</b>	<b>1,433,267</b>	<b>509,385</b>	<b>2,244,620</b>	<b>116,034</b>	<b>2,360,654</b>
Profit				172,110		172,110	13,473	185,583
Other comprehensive income					5,112	5,112	5,937	11,050
<b>Comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>172,110</b>	<b>5,112</b>	<b>177,222</b>	<b>19,411</b>	<b>196,633</b>
<b>Transfer to retained earnings</b>				<b>11,252</b>	<b>(11,252)</b>	<b>—</b>		<b>—</b>
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
<b>Total transactions with owners</b>	<b>—</b>	<b>3,459</b>	<b>(11,647)</b>	<b>(77,124)</b>	<b>8</b>	<b>(85,304)</b>	<b>(4,813)</b>	<b>(90,118)</b>
<b>Balance as of Dec. 31, 2024</b>	<b>265,608</b>	<b>44,647</b>	<b>(16,476)</b>	<b>1,539,505</b>	<b>503,253</b>	<b>2,336,538</b>	<b>130,631</b>	<b>2,467,169</b>

## (5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023 First 9 Months (From Apr. 1, 2023 to Dec. 31, 2023)	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	207,599	274,889
Depreciation, amortization and impairment loss	105,357	118,120
Finance income and costs	(24,470)	(6,673)
Share of profit of investments accounted for using the equity method	(334)	10,311
Loss (gain) on sale of PPE and intangible assets	(10,760)	(31,560)
Loss on disposal of PPE and intangible assets	2,689	3,858
Decrease (increase) in trade receivables	(32,165)	(27,629)
Decrease (increase) in contract assets	(129,056)	(126,598)
Decrease (increase) in inventories and advanced payments	(153,254)	(228,694)
Increase (decrease) in trade payables	(52,936)	(59,216)
Increase (decrease) in contract liabilities	(78,896)	209,478
Increase (decrease) in provisions	(29,560)	(35,509)
Increase (decrease) in retirement benefit liabilities	696	3,117
Others	(77,406)	(38,397)
Subtotal	(272,497)	65,495
Interest received	7,121	7,802
Dividends received	14,131	13,099
Interest paid	(7,025)	(10,068)
Income taxes paid	(43,917)	(92,119)
<b>Net cash provided by operating activities</b>	<b>(302,187)</b>	<b>(15,790)</b>

(Millions of yen)

	FY2023 First 9 Months (From Apr. 1, 2023 to Dec. 31, 2023)	FY2024 First 9 Months (From Apr. 1, 2024 to Dec. 31, 2024)
<b>Cash flows from investing activities</b>		
Payments into fixed-term deposits	(21,222)	(24,682)
Proceeds from withdrawal of fixed-term deposits	14,785	22,384
Purchases of PPE, and intangible assets	(113,096)	(171,250)
Proceeds from sales of PPE, and intangible assets	13,896	34,042
Purchases of investments (including investments accounted for using the equity method)	(7,111)	(48,609)
Proceeds from sales and redemption of investments (including investments accounted for using the equity method)	52,994	55,082
Payments for sale of businesses (including subsidiaries)	—	(1,474)
Payments for acquisition of businesses (including subsidiaries)	(71,839)	(1,509)
Net decrease (increase) in short-term loans	1,540	549
Disbursement of long-term loans	(155)	(227)
Collection of long-term loans	69	62
Payments for derivative transactions	(44,413)	(73,667)
Proceeds from derivative transactions	64,804	83,065
Others	(1,410)	(1,771)
<b>Net cash provided by (used in) investing activities</b>	<b>(111,159)</b>	<b>(128,005)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	445,446	278,978
Repayment of long-term borrowings	(22,398)	(8,115)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,024)	—
Proceeds from issuance of bonds	25,000	30,000
Payment for redemption of bonds	(15,000)	(30,000)
Dividends paid to owners of the parent	(49,212)	(75,943)
Dividends paid to non-controlling interests	(8,440)	(7,534)
Payments for purchase of treasury shares	(220)	(12,365)
Proceeds from factoring agreements	135,346	209,568
Repayment of liabilities under factoring agreements	(139,583)	(126,955)
Repayment of lease liabilities	(22,163)	(19,936)
Others	(723)	(288)
<b>Net cash provided by (used in) financing activities</b>	<b>347,028</b>	<b>237,406</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>30,795</b>	<b>17,105</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(35,522)</b>	<b>110,716</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>347,663</b>	<b>431,287</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>312,141</b>	<b>542,003</b>

(6) Notes to Condensed Quarterly Consolidated Financial Statements

➤ Notes to Going Concern Assumption: None

➤ Changes in Accounting Estimates: 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, Air Quality Control System ["AQCS"], Marine machinery
Plants & Infrastructure Systems	Metals machinery, Commercial ships, Engineering, Environmental systems, Mechatronics systems
Logistics, Thermal & Drive Systems	Material handling equipment, Turbochargers, Engines, Air-conditioning & refrigeration systems, Automotive thermal systems
Aircraft, Defense & Space	Commercial aircraft, Defense aircraft, Missile systems, Naval ships, Special vehicles, Maritime systems (torpedoes), Space systems

In order to further strengthen its Energy Transition initiatives, MHI established Green Transformation (GX) Solutions as a new business domain and reorganized some other businesses at the beginning of FY2024. GX Solutions includes Engineering and other businesses and is included within the Plants & Infrastructure Systems reporting segment. Additionally, based on the new medium-term business plan, revisions were made to the positioning and management structures of the businesses and some products and services previously included within the "Corporate & Eliminations" column have become the businesses of which financial results should be assessed and managed as revenue-making businesses. As a result, these businesses are reported on the "Others" column.

The segment information for the first nine months of FY2023 is restated to reflect these changes.

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

For FY2023 First 9 Months (From April 1, 2023 to December 31, 2023)

(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				
<b>Revenue</b>									
Revenue from external customers	1,192,174	560,857	953,588	526,136	3,232,757	18,464	3,251,221	9,445	3,260,667
Inter-segment revenue and transfers	5,233	24,935	2,613	800	33,584	220	33,804	(33,804)	—
<b>Total</b>	<b>1,197,408</b>	<b>585,793</b>	<b>956,201</b>	<b>526,937</b>	<b>3,266,341</b>	<b>18,684</b>	<b>3,285,026</b>	<b>(24,359)</b>	<b>3,260,667</b>
Segment profit *3	86,637	27,025	58,849	53,648	226,161	(3,327)	222,833	(31,207)	191,625
Finance income									28,101
Finance costs									12,128
Profit before income taxes									207,599

For FY2024 First 9 Months (From April 1, 2024 to December 31, 2024)

(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				
<b>Revenue</b>									
Revenue from external customers	1,271,124	562,062	962,077	689,165	3,484,429	54,356	3,538,786	8,972	3,547,758
Inter-segment revenue and transfers	7,696	24,355	3,351	515	35,918	1,019	36,938	(36,938)	—
<b>Total</b>	<b>1,278,821</b>	<b>586,417</b>	<b>965,428</b>	<b>689,681</b>	<b>3,520,348</b>	<b>55,376</b>	<b>3,575,725</b>	<b>(27,966)</b>	<b>3,547,758</b>
Segment profit *3	154,539	39,700	42,331	69,783	306,355	1,591	307,946	(43,159)	264,787
Finance income									25,864
Finance costs									15,763
Profit before income taxes									274,889

\*1 “Others” includes the businesses categorized in growth areas such as electrification and data center 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

(i) 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.

(ii) Transfer of PPE

On February 28, 2024, the Board of Directors of MHI approved an ownership transfer of one of its PPE as described below.

- Reasons for the transfer  
To make effective use of management resources and strengthen its financial position.
- Asset designated for transfer  
Description: Plant land (a part of the Honmoku Plant)  
Location: 38-8, Nishikicho, Naka-ku, Yokohama, Kanagawa
- Transfer schedule  
Contract signed: February 29, 2024  
Transfer date: September 30, 2024 and March 31, 2025(planned)  
\* MHI sets up a trust for the transferred asset and transfers the trust beneficiary right based on the trust. The transfer date is the date of the transfer of the trust beneficiary right for the transferred asset. The asset is planned to be transferred in two parts, and the first transfer was completed on September 30, 2024.
- Impact of the transfer on financial results  
As a result of the above mentioned transfer of the PPE, approximately ¥50 billion of gain on sale of PPE will be recognized for the fiscal year ending March 31, 2025.

## **2. Outline of Financial Results**

An outline of the financial results for the first 9 Months of FY2024 (from April 1, 2024 to December 31, 2024) is included in the "Q1-Q3 FY2024 Financial Results Presentation Materials" released today, February 4, 2025. These materials are available on TDnet and the Company's website.