
Financial Results for Second Quarter FY2019

November, 2019
Hitachi Zosen Corporation

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1. Overview of Second Quarter FY2019 Consolidated Financial Results

- **Order intake exceeded 200.0 billion yen**
- **Hitachi Zosen Inova's deficit improved**
- **Extraordinary loss due to a settlement of lawsuit related to US shield construction**

Results for Second Quarter FY2019- Overview

(Unit: Billion Yen)

	FY2018-2Q (a)		FY2019-2Q (b)		Difference (b)-(a)
	(Ratio to Net sales)		(Ratio to Net sales)		
Order intake		185.5		200.2	14.7
Net sales		153.2		168.2	15.0
Operating income	(- 5.5%)	-8.4	(- 3.8%)	-6.3	2.1
Ordinary income	(- 5.6%)	-8.6	(- 4.1%)	-6.8	1.8
Extraordinary loss		—		-7.2	-7.2
Net income	(- 5.0%)	-7.6	(- 6.6%)	-10.6	-3.0

Results for Second Quarter FY2019- Order intake

(Unit: Billion Yen)

	FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	123.4	115.4	-8.0
Machinery	42.5	55.6	13.1
Infrastructure	13.6	23.7	10.1
Others	6.0	5.5	-0.5
Total	185.5	200.2	14.7

Results for Second Quarter FY2019- Net sales

(Unit: Billion Yen)

	FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	87.9	106.4	18.5
Machinery	47.2	43.0	-4.2
Infrastructure	12.7	13.3	0.6
Others	5.4	5.5	0.1
Total	153.2	168.2	15.0

Results for Second Quarter FY2019- Operating income

(Unit: Billion Yen)

	FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	- 8.1	- 0.5	7.6
Machinery	- 0.5	- 3.2	- 2.7
Infrastructure	- 0.1	- 3.0	- 2.9
Others	0.3	0.4	0.1
Total	- 8.4	- 6.3	2.1

(Unit: Billion Yen)

FY2018-2Q Operating income			- 8.4
Breakdown of changes in Operating income	•Improvement in deficit at HZI	+5.1	2.1
	•Improvement in profitability and others at Environmental Systems in Japan	+2.0	
	•Deterioration in profit at Process Equipment	- 3.1	
	•Compensation cost for new products	- 1.9	
FY2019-2Q Operating income			- 6.3

Results for Second Quarter FY2019- Non-operating income and Extraordinary profit and loss

Net Non-operating income & expenses

(Unit: Billion Yen)

	FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Net interest expense & dividend	- 0.2	- 0.2	0.0
Equity in net income of affiliates	0.2	0.3	0.1
Others	- 0.2	- 0.6	- 0.4
Total	- 0.2	- 0.5	- 0.3

Extraordinary profit and loss

(Unit: Billion Yen)

		FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Extraordinary profit	—	—	—	—
Extraordinary loss	Loss on overseas business	—	-7.2	-7.2
Total		—	-7.2	-7.2

Results for Second Quarter FY2019- Balance Sheet

(Unit: Billion Yen)

	End of Mar. 2019 (a)	End of Sep. 2019 (b)	Difference (b)-(a)
Cash and deposits	35.6	26.9	- 8.7
Operating assets	203.5	158.7	- 44.8
Trade notes and accounts receivable	172.7	125.3	- 47.4
Inventories	30.8	33.4	2.6
Tangible & intangible fixed assets	129.9	133.8	3.9
Others	60.0	64.1	4.1
Total Assets	429.0	383.5	- 45.5
Operating liabilities	90.0	88.2	- 1.8
Notes and accounts payable	68.5	56.6	- 11.9
Advances received	21.5	31.6	10.1
Interest bearing debt	126.3	104.7	- 21.6
Others	92.3	84.0	- 8.3
Total Liabilities	308.6	276.9	- 31.7
Shareholders' equity	119.5	105.7	- 13.8
Non-controlling interests	0.9	0.9	0.0
Total Net Assets	120.4	106.6	- 13.8
Total Liabilities and Net Assets	429.0	383.5	- 45.5
Shareholders' equity ratio	27.8%	27.6%	- 0.2%

Cash flows

(Unit: Billion Yen)

	FY2018-2Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Cash flows from operating activities	- 0.0	25.4	25.4
Cash flows from investing activities	- 4.1	- 7.6	- 3.5
Cash flows from financing activities	0.4	- 25.9	- 26.3
Increase in cash and cash equivalents	*1 - 4.1	*1 - 8.6	- 4.5
Cash and cash equivalents at beginning	32.7	34.3	1.6
Cash and cash equivalents at end	28.6	25.7	- 2.9

Interest-bearing debt

(Unit: Billion Yen)

	FY2018-4Q (a)	FY2019-2Q (b)	Difference (b)-(a)
Borrowings	*2 101.3	*2 79.7	-21.6
Bond	25.0	25.0	0.0
Total	126.3	104.7	-21.6

*1: Including Foreign exchange translation, (FY2018-2Q: -0.4, FY2019-2Q:-0.5) *2: Including lease obligation

2. Forecast of FY2019

(Unit: Billion Yen)

	FY2018		FY2019				Difference	
	Results		Forecast as of May	Forecast as of Aug.	Forecast as of Oct. 4	Forecast as of Nov.	(c) - (a)	(c) - (b)
	(a)			(b)	(c)			
	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)			
Order intake	455.0	400.0	400.0	400.0	400.0	400.0	-55.0	0.0
Net sales	378.1	380.0	380.0	380.0	380.0	395.0	16.9	15.0
Operating income	(1.9%) 7.3	(3.2%) 12.0	(3.2%) 12.0	(3.2%) 12.0	(3.0%) 12.0	12.0	4.7	0.0
Ordinary income	(1.8%) 6.7	(2.1%) 8.0	(2.1%) 8.0	(2.1%) 8.0	(2.0%) 8.0	8.0	1.3	0.0
Net income	(1.4%) 5.4	(1.3%) 5.0	(1.3%) 5.0	(0.3%) 1.0	(0.3%) 1.0	1.0	-4.4	0.0

FY2019 Forecast-Order intake

(Unit: Billion Yen)

	FY2018	FY2019				Difference	
	Results (a)	Forecast as of May	Forecast as of Aug.	Forecast as of Oct. 4 (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	314.7	240.0	240.0	240.0	240.0	-74.7	0.0
Machinery	100.7	110.0	110.0	110.0	110.0	9.3	0.0
Infrastructure	27.6	40.0	40.0	40.0	40.0	12.4	0.0
Others	12.0	10.0	10.0	10.0	10.0	-2.0	0.0
Total	455.0	400.0	400.0	400.0	400.0	-55.0	0.0

(Unit: Billion Yen)

	FY2018	FY2019				Difference	
	Results (a)	Forecast as of May	Forecast as of Aug.	Forecast as of Oct. 4 (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	228.3	240.0	240.0	240.0	255.0	26.7	15.0
Machinery	106.6	100.0	100.0	100.0	100.0	-6.6	0.0
Infrastructure	31.8	30.0	30.0	30.0	30.0	-1.8	0.0
Others	11.4	10.0	10.0	10.0	10.0	-1.4	0.0
Total	378.1	380.0	380.0	380.0	395.0	16.9	15.0

FY2019 Forecast-Operating income

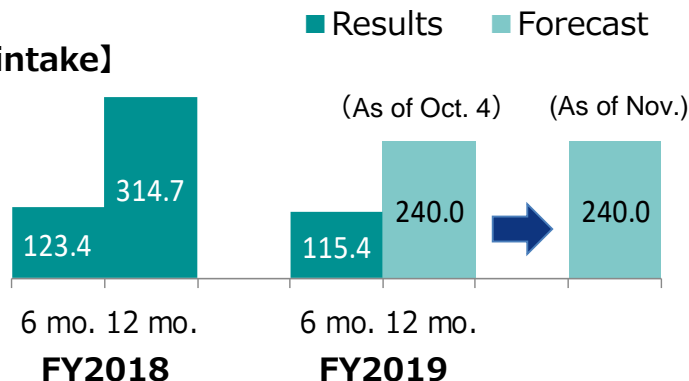
(Unit: Billion Yen)

	FY2018	FY2019				Difference	
	Results (a)	Forecast as of May	Forecast as of Aug.	Forecast as of Oct. 4 (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	5.6	10.0	10.0	10.0	13.0	7.4	3.0
Machinery	-0.3	1.0	1.0	1.0	0.0	0.3	-1.0
Infrastructure	1.3	0.5	0.5	0.5	-1.5	-2.8	-2.0
Others	0.7	0.5	0.5	0.5	0.5	-0.2	0.0
Total	7.3	12.0	12.0	12.0	12.0	4.7	0.0

3. Details by Segments

(Unit: Billion Yen)

【Order intake】



Order intake

■ FY2019 2Q results (vs. FY2018 2Q)

115.4 (-8.0)

- Decrease in large-scale construction of domestic EfW

■ FY2019 revised forecast (vs. as of Oct. 4)

240.0 (±0)

- Expect orders for large-scale construction of overseas EfW

Net sales

■ FY2019 2Q results (vs. FY2018 2Q)

106.4 (+18.5)

- Steady progress in large-scale projects of domestic and foreign EfW

■ FY2019 revised forecast (vs. as of Oct. 4)

255.0 (+15.0)

- Progress in Inova EPC projects
- Increase in large EfW projects in Japan

Operating income

■ FY2019 2Q results (vs. FY2018 2Q)

-0.5 (+7.6)

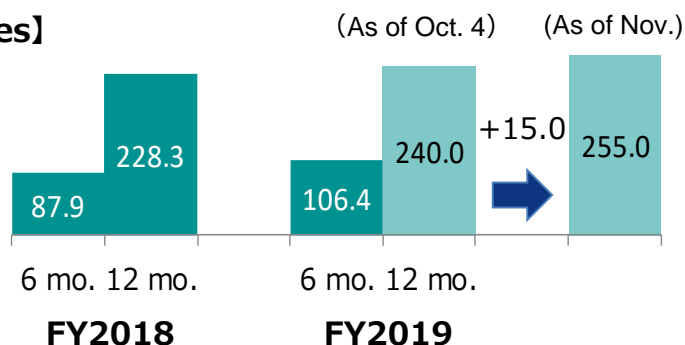
- Inova's deficit project close to completion.
- Improvement of profitability in EfW plants in Japan

■ FY2019 revised forecast (vs. as of Oct. 4)

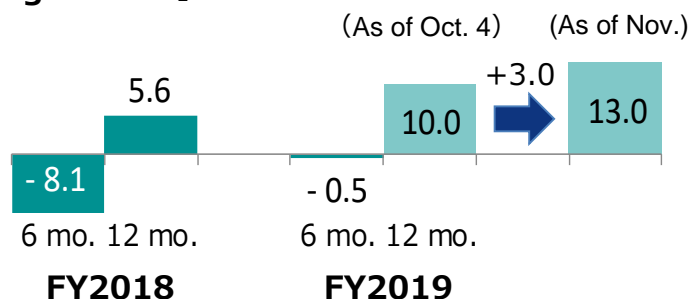
13.0 (+3.0)

- Profit from increased sales and further cost reduction in individual projects

【Net sales】

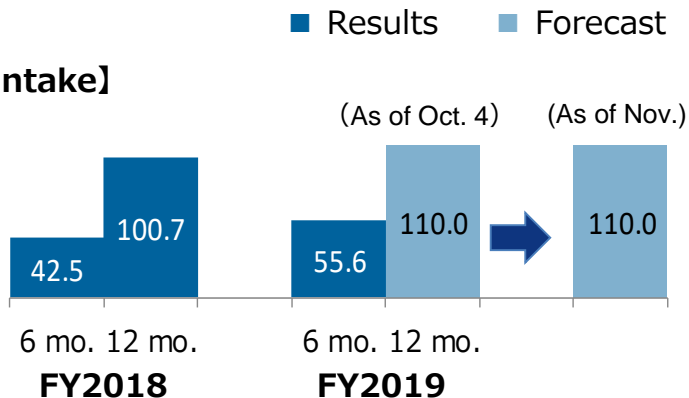


【Operating income】

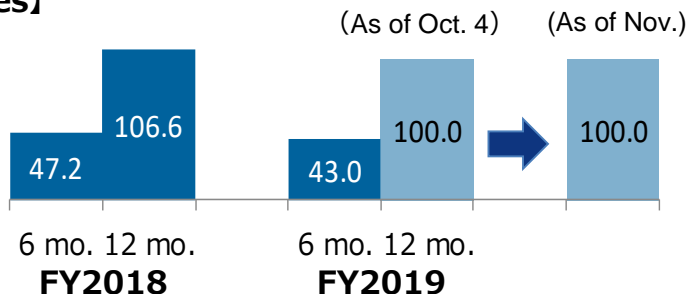


(Unit: Billion Yen)

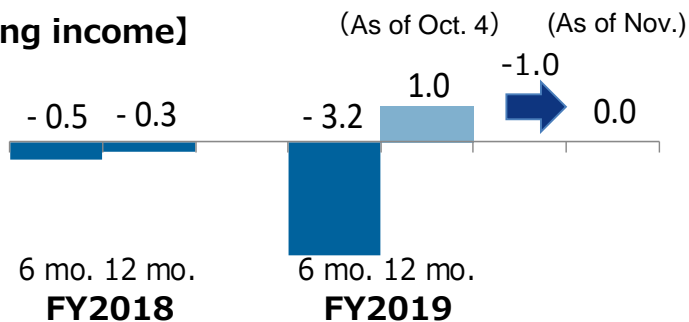
【Order intake】



【Net sales】



【Operating income】



Order intake

■ FY2019 2Q results (vs. FY2018 2Q)

55.6 (+13.1)

- Increase in Marine Diesel Engine
- Large nuclear project

■ FY2019 revised forecast (vs. as of Oct. 4)

110.0 (±0)

Net sales

■ FY2019 2Q results (vs. FY2018 2Q)

43.0 (-4.2)

- Decrease in Process Equipment and Precision Machinery

■ FY2019 revised forecast (vs. as of Oct. 4)

100.0 (±0)

Operating income

■ FY2019 2Q results (vs. FY2018 2Q)

-3.2 (-2.7)

- Deteriorating profitability in Process Equipment

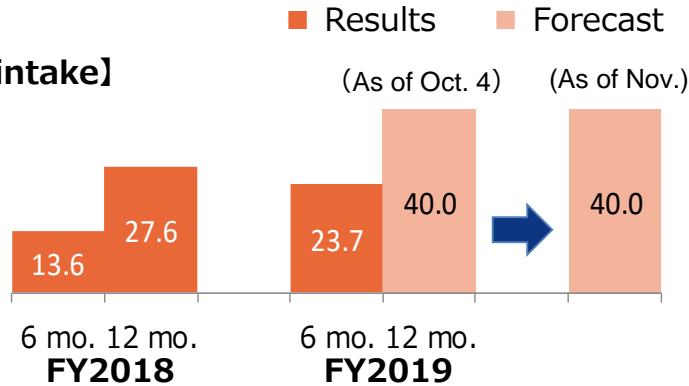
■ FY2019 revised forecast (vs. as of Oct. 4)

0.0 (-1.0)

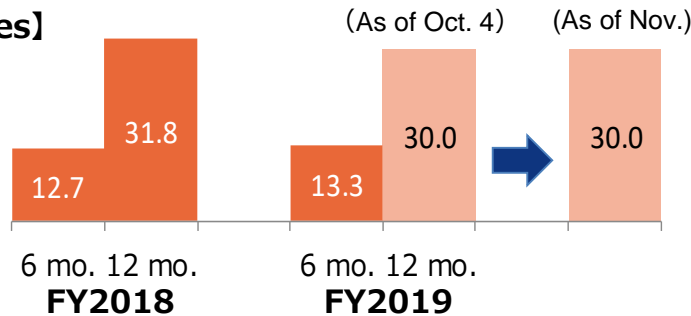
- Deteriorating profitability in Process Equipment

(Unit: Billion Yen)

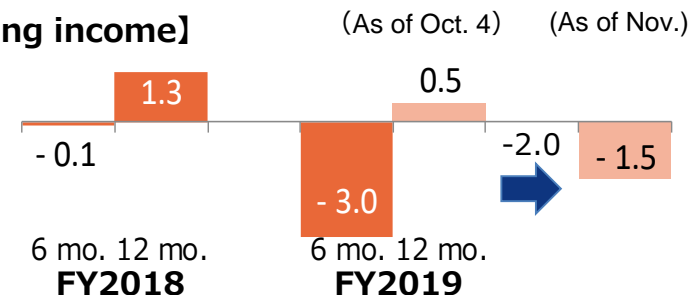
【Order intake】



【Net sales】



【Operating income】



Order intake

- **FY2019 2Q results (vs. FY2018 2Q)**
23.7 (+10.1)
- Large projects of bridges and steel stacks
- **FY2019 revised forecast (vs. as of Oct. 4)**
40.0 (±0)

Net sales

- **FY2019 2Q results (vs. FY2018 2Q)**
13.3 (+0.6)
- Progress of large-scale construction of shield machine
- **FY2019 revised forecast (vs. as of Oct. 4)**
30.0 (±0)

Operating income

- **FY2019 2Q results (vs. FY2018 2Q)**
-3.0 (-2.9)
- Cost increase in individual bridge projects
- Compensation cost for new products
- **FY2019 revised forecast (vs. as of Oct. 4)**
-1.5 (-2.0)
- Compensation cost for new products

4. Second Quarter FY2019 Topics

■ EPC Projects

■ Execution
 ■ O&M
 ■ Forecast
 ☆ O/I FY19
 ★ O/I FY20 onward

Project (Country)		Scope	FY						
			2016	2017	2018	2019	2020	2021	2022
B a c k l o g	Edinburgh (UK)	Full Turnkey	[2019/4 Delivered]						
	Ferrybridge2(UK)	Full Turnkey	[2019/11 Delivery]						
	Istanbul(Turkey)	JV(local partner)	[Execution from FY18 to FY21]						
	Ivery(France)	EP	[Execution from FY19 to FY23]						
	Rookery(UK)	Full Turnkey	[Execution from FY19 to FY21]						
F o r e c a s t	Moscow1(Russia)☆	Consortium(local partner)	[Forecast from FY20 to FY22]						
	New project(UK)☆	Full Turnkey	[Forecast from FY20 to FY22]						
	Moscow2,3(Russia)☆	Consortium(local partner)	[Forecast from FY20 to FY23]						
	Moscow4(Russia)★	Consortium(local partner)	[Forecast from FY20 to FY23]						
	Dubai(UAE)★	JV(local partner)	[Forecast from FY20 to FY23]						

- Moscow and a new project in UK cover Dubai's slippage to FY20.
- Loss making project (Ferrybridge2) completion prepares the recovery from next year onward.
- Risk diversification by collaboration with local partners (Turkey, Russia, UAE).

■ Service and Biogas business

- Service and Biogas business expansion to build up a stable profitable base with lower risk profile.
- Order intake increase is supported by human resource reinforcement and active service menu expansion.

		(Billion JPY)		
		2017	2018	2019
Service	Order Intake	6.0	10.2	15.0
	Revenue	6.3	7.5	10.6
Biogas	Order Intake	4.5	7.3	9.5
	Revenue	5.6	4.9	6.2

2019 is forecast.

① Ferrybridge 2 (FM2)

■ Project description

- Scope : EfW EPC
- Capacity : 2,030t/d (1,015t/d×2lines)
- Delivery : 2019/11



■ 2019/1st half Cost increase and mitigation measures

- 2019/1Q Due to the delay of EIC work, 1.9 Billion JPY additional cost booked.
- Dispatched Hitz Japan commissioning support team (7 engineers) and agreement with customer on power bonus scheme and accelerated completion contributes to reverse part of the additional costs.
- Commissioning completion tests are ongoing.
On track to meet the delivery in November.

② Istanbul

■ Project description

- 1st Project in Turkey
- Scope : EfW EPC + 1 year O&M
- Capacity : 3,000t/d (1,000t/d×3 lines)
- Delivery : 2021/3 (Original 2020/10)

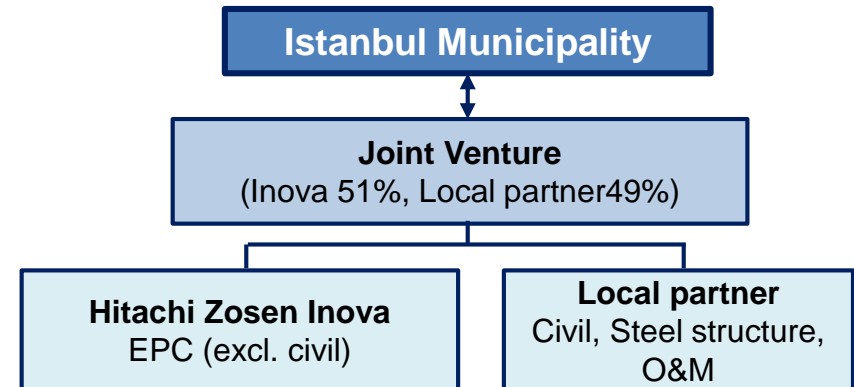
■ Risk hedge

- With escalation clause
- Currency risk borne by local partner
- Trade insurance (SERV) covers credit risk

■ Project status

- Mechanical delivery and installation is ongoing.

■ Contract diagram

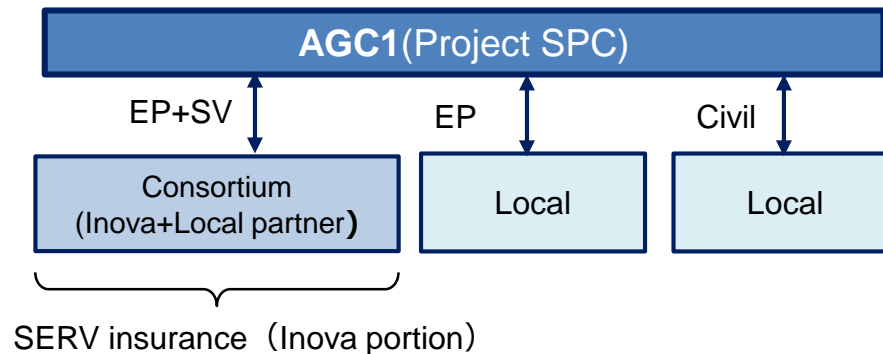


③ Moscow1

■ Project description

- 1st Project in Russia
- Scope : EP+SV
- Capacity : 2,100t/d (700t/d×3 lines)
- Delivery : 2022

■ Contract diagram



■ Risk hedge

- Local partner takes local scope.
- Excludes civil work.
- Contract currency: EUR & CHF
- SERV covers trade credit risk.

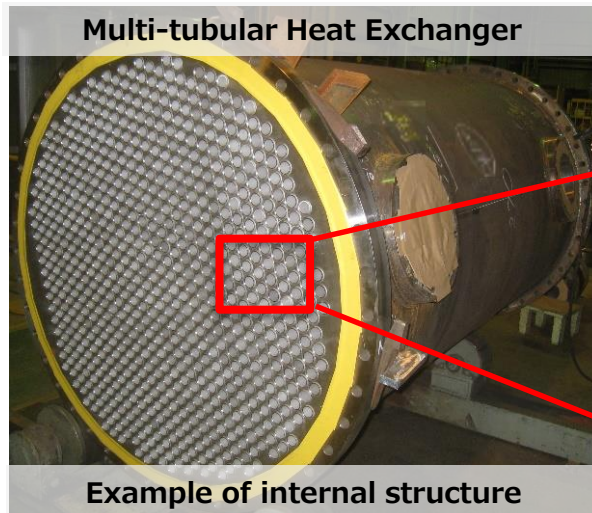
Moscow EfW Project

- Supply contract of four duplicate plants in Moscow region signed in July.
- This is a part of Moscow Government's waste management plans.



■ Development of Only-One technology for inspection of multi-tubular heat exchanger:

- 1) Technology : Phased Array UT (PA-UT) technology
- 2) Target : Oil and chemical plants, etc.
- 3) Background :
 - ① Growing demand of the life extension of aged plant equipment
 - ② Growing demand of facility upgrading and enhancement due to tightened environmental regulations
- 4) Issues : Visual inspection and UT technology are conventional inspection technologies for welded zone of pipes, which cannot find defects inside pipes
➔ In the worst case, plant shutdown due to leakage of inside fluid



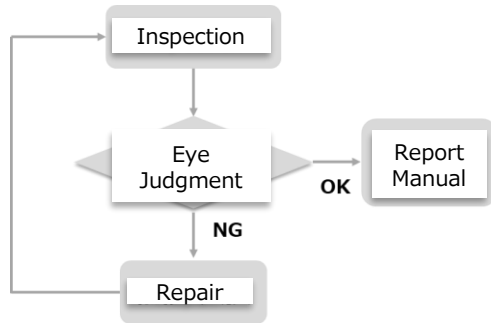
Pipes welded zone is the most critical part in heat exchanger maintenance.

- 5) Aim : Orders for replacement / new production and establishment of service business
➔ World's 1st PA-UT technology in 2016 and market launch jointly with Nichizo Tech Inc.

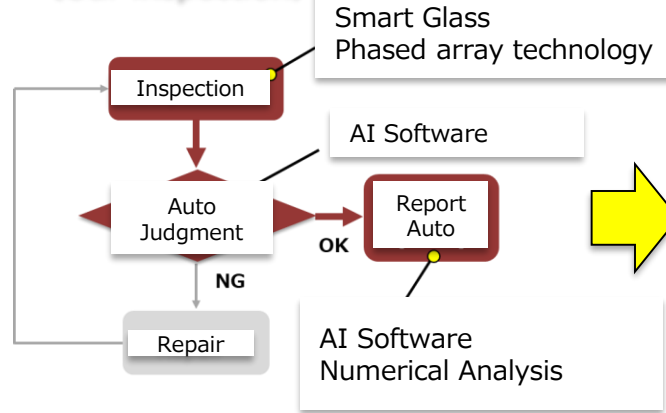
■ Sep. 2019 : Largely upgraded PA-UT technology

- Developed own unique AI software.
(Automatic judgment of flaw detection data + report making)
- Inspection image shared with multiple-inspectors and distant supporters via smart glasses.

(Normal inspection)



(Our inspection)

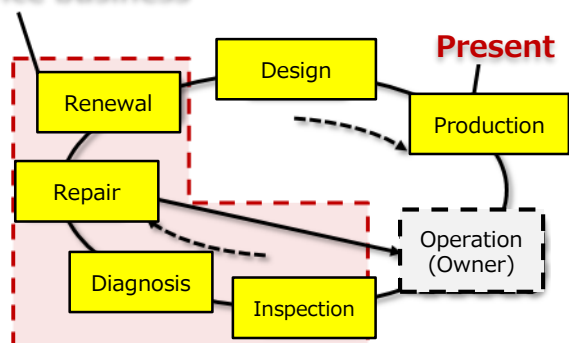


◆ **Effect**

- 1/4 inspection time
- 1/100 decision time
- Overnight report issue

■ Strengthen service business of process equipment by market launch of this technology.

Service business



Process equipment life cycle

- For existing products, spec-in for new/replacement projects
- Service biz enhancement leads to close customer relationships and new and replacement orders.



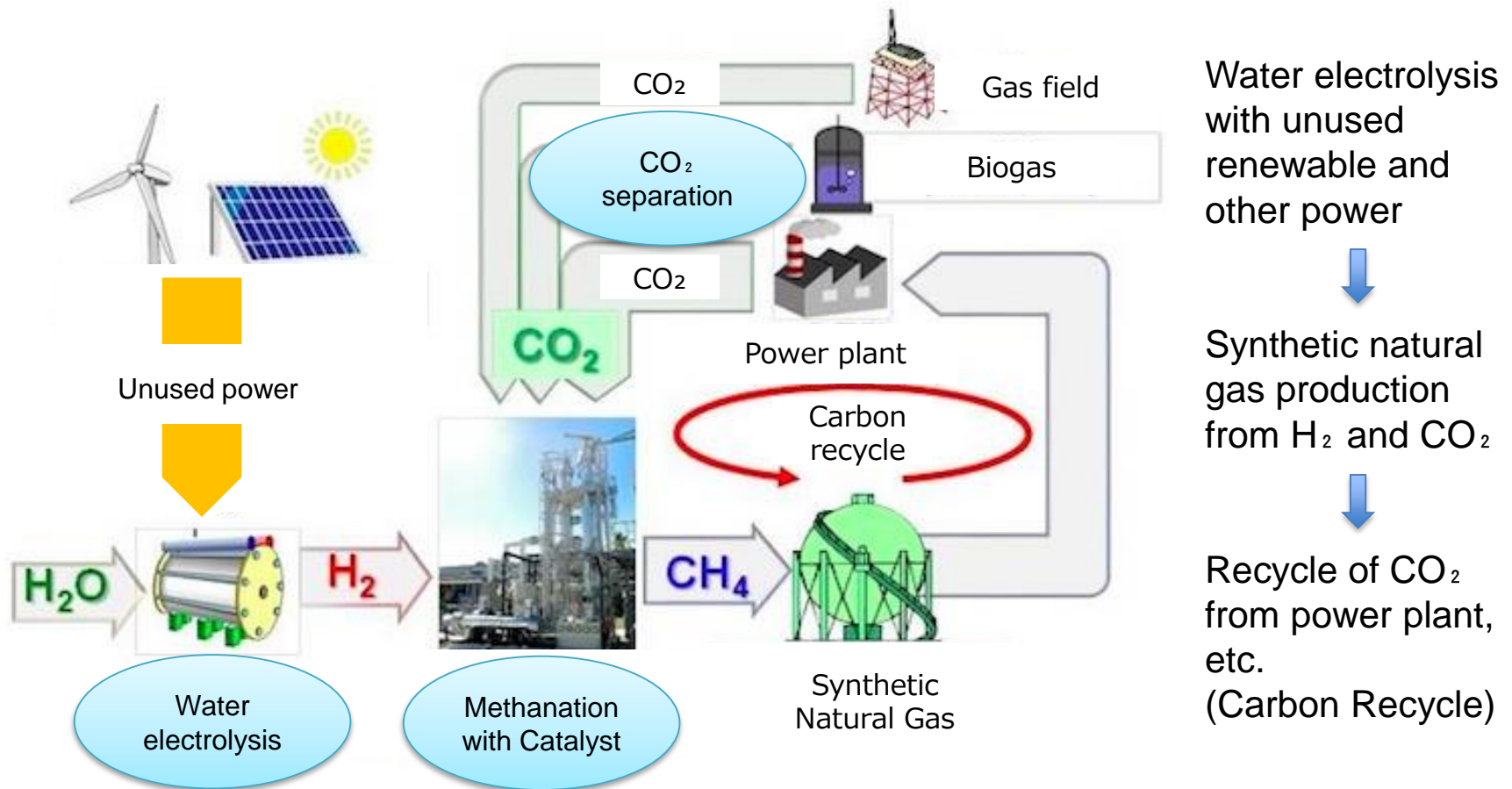
Smart glasses



Order intake target: JPY3bn/year

Our technology development: Since 1993. First demonstration in the world proving CO₂ recycle is technically possible.

Future CO₂ Recycle Cycle



■ Methanation test plant Joint development with NEDO and INPEX

- Co-work with New Energy and Industrial Technology Development Organization (NEDO) and INPEX Corporation
- Our scope: design and production of test plant
- Completed and started commissioning in October 2019



Built at Koshijihara Plant site of INPEX Nagaoka Mine

■ Development in Lao PDR

- Partnership agreement with Lao Ministry of Energy and Mines (MEM) in environment and green energy area in December 2016
- In 2018, made feasibility study on the methanation using unused hydropower (NEDO's public offering business)



Lao Deputy Prime Minister's visit (June 2019)
From left: Lao- MD of EDL/Deputy Minister of MEM/Ambassador in Japan/Deputy Prime Minister, Hitz EVP/ Managing Director/Executive Officer

■ Bridge maintenance (seismic reinforcement, anti-aging measures, etc.)

- Many achievements in seismic reinforcement work
 - Long bridges; Minato Bg, Tenpozan Bg, etc.
 - Tanaka Award (Japan Society of Civil Engineers) with Katashinagawa Bg (Kan-Etsu Expressway)
- Earthquake restoration work
 - Kumamoto Earthquake (Kuwazuru Bg, Ogirihata Bg)



Katashinagawa Bridge

■ Order for bridge earthquake resistance reinforcement work for Hanshin Hanshin Expressway No. 3 Kobe Line

- (1) Customer: Hanshin Expressway Co., Ltd.
- (2) Location: Osaka Prefecture Expressway
Osaka Nishinomiya Route (No. 3 Kobe Line)
- (3) Delivery : March 2023
- (4) Scope: Bridge girder connection with rubber-coated chains and PC cables, installation of support reinforcement devices, widening of piers and beams
- (5) Contract amount: Yen 5.25 billion
 - 40% of Hanshin Expressway has been in service for over 40 years. Large-scale renewals and repairs are expected continuously.



Bridge girder connection with rubber-coated chain

■ Outline

- 1 shield tunneling machine for road tunneling in Seattle, US
- Customer: Seattle Tunnel Partners (STP), JV of local construction companies
- After 2 year suspension, tunneling completed in April 2017
- 2 lawsuits filed related to the tunneling suspension

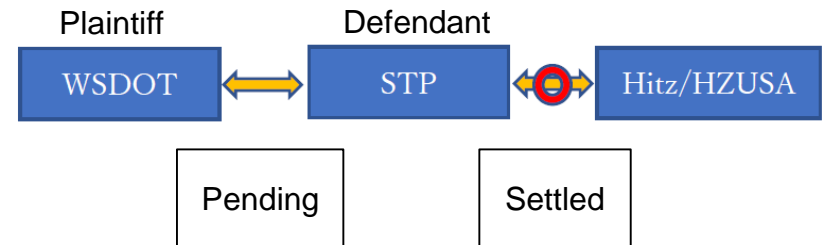


① Lawsuit in Thurston County (Damage Claim)

- Lawsuit by Washington State Department of Transportation (WSDOT) for damages against STP
- Participated in lawsuit due to third party withdrawal filed by STP against our Company
- Reached settlement with STP in early October, and exited from lawsuit

Outline of settlement and financial impact

- Our company pays \$5m to STP for settlement
- Repairing costs incurred by Hitz and STP respectively shall be borne by each
- Extraordinary loss JPY7.2bn for this FY

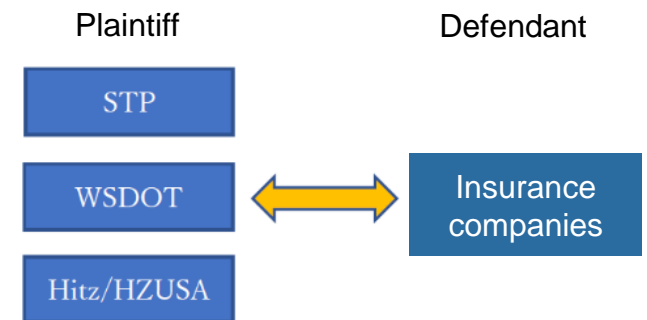


② Lawsuit in King County (Insurance Claim)

- Insurance coverage claim by STP, WSDOT and our Company against 9 insurance companies

Future Actions

- Continue to make claims against insurance companies



5. Support Documentation (Details by small Segments)

(Unit: Billion Yen)

		FY2016 2Q	FY2017 2Q	FY2018 2Q (a)	FY2019 2Q (b)	Difference (b)-(a)
Order intake	EPC	61.5	59.5	33.4	48.3	14.9
	Stable Business*	62.9	98.5	90.0	67.1	- 22.9
	Total	124.4	158.0	123.4	115.4	- 8.0
Net sales	EPC	61.7	50.5	38.5	50.4	11.9
	Stable Business*	47.2	50.5	49.4	56.0	6.6
	Total	108.9	101.0	87.9	106.4	18.5
Operating income	EPC	- 1.9	- 4.9	- 9.4	- 2.3	7.1
	Stable Business*	2.3	1.2	1.3	1.8	0.5
	Total	0.4	- 3.7	- 8.1	- 0.5	7.6

*Stable Business: After-sales services, Operation, and Maintenance (AOM) and other post-completion services.

Results and Forecast (By Small Segment of Environmental Systems & Industrial Plants)

(Unit: Billion Yen)

		FY2016 Results	FY2017 Results	FY2018 Results (a)	FY2019			Difference (c)-(a)	Difference (c)-(b)
					Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)		
Order intake	EPC	117.0	86.8	132.3	124.0	124.0	124.0	- 8.3	0.0
	Stable Business	123.6	170.4	182.4	116.0	116.0	116.0	- 66.4	0.0
	Total	240.6	257.2	314.7	240.0	240.0	240.0	- 74.7	0.0
Net sales	EPC	130.0	97.4	93.3	103.0	103.0	115.0	21.7	12.0
	Stable Business	124.6	134.4	135.0	137.0	137.0	140.0	5.0	3.0
	Total	254.6	231.8	228.3	240.0	240.0	255.0	26.7	15.0
Operatng income	EPC	- 4.9	- 12.6	- 8.4	- 2.5	- 2.5	- 0.5	7.9	2.0
	Stable Business	16.2	13.9	14.0	12.5	12.5	13.5	- 0.5	1.0
	Total	11.3	1.3	5.6	10.0	10.0	13.0	7.4	3.0

Results for Second Quarter (By Small Segment of Machinery)

(Unit: Billion Yen)

		FY2016 2Q	FY2017 2Q	FY2018 2Q (a)	FY2019 2Q (b)	Difference (b)-(a)
Order intake	Marine Diesel Engine	12.2	9.0	5.2	15.2	10.0
	Press Machine	13.0	13.1	13.4	12.9	- 0.5
	Process Equipment	4.6	2.1	4.0	6.9	2.9
	Precision Machinery	12.8	12.4	10.5	8.9	- 1.6
	Others	8.0	7.5	9.4	11.7	2.3
	Total	50.6	44.1	42.5	55.6	13.1
Net sales	Marine Diesel Engine	11.0	7.5	8.0	8.0	0.0
	Press Machine	11.8	11.5	12.5	11.3	- 1.2
	Process Equipment	6.9	7.3	7.9	5.7	- 2.2
	Precision Machinery	8.0	12.0	12.1	9.8	- 2.3
	Others	6.9	6.5	6.7	8.2	1.5
	Total	44.6	44.8	47.2	43.0	- 4.2
Operating income	Marine Diesel Engine	- 0.2	- 0.5	- 0.9	- 0.1	0.8
	Press Machine	1.4	0.5	0.3	0.2	- 0.1
	Process Equipment	- 0.7	- 0.1	0.3	- 2.8	- 3.1
	Precision Machinery	- 0.5	0.7	0.2	- 0.4	- 0.6
	Others	- 0.4	- 0.3	- 0.4	- 0.1	0.3
	Total	- 0.4	0.3	- 0.5	- 3.2	- 2.7

Results and Forecast (By Small Segment of Machinery)

(Unit: Billion Yen)

		FY2016 Results	FY2017 Results	FY2018 Results (a)	FY2019			Difference (c)-(a)	Difference (c)-(b)
					Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)		
Order intake	Marine Diesel Engine	20.8	17.7	21.8	25.0	25.0	25.0	3.2	0.0
	Press Machine	23.6	22.9	23.6	22.0	22.0	22.0	- 1.6	0.0
	Process Equipment	18.3	15.1	12.5	20.0	20.0	20.0	7.5	0.0
	Precision Machinery	28.7	27.0	24.9	25.0	25.0	25.0	0.1	0.0
	Others	15.5	15.7	17.9	18.0	18.0	18.0	0.1	0.0
	Total	106.9	98.4	100.7	110.0	110.0	110.0	9.3	0.0
Net sales	Marine Diesel Engine	25.5	20.4	20.3	22.0	22.0	22.0	1.7	0.0
	Press Machine	24.1	24.4	25.3	22.0	22.0	22.0	- 3.3	0.0
	Process Equipment	16.4	13.7	18.9	15.0	15.0	15.0	- 3.9	0.0
	Precision Machinery	21.8	27.0	25.3	22.0	22.0	22.0	- 3.3	0.0
	Others	15.9	15.1	16.8	19.0	19.0	19.0	2.2	0.0
	Total	103.7	100.6	106.6	100.0	100.0	100.0	- 6.6	0.0
Operating income	Marine Diesel Engine	- 0.4	- 0.3	- 1.2	- 0.5	- 0.5	- 0.5	0.7	0.0
	Press Machine	2.3	1.0	- 0.1	0.5	0.5	0.5	0.6	0.0
	Process Equipment	0.0	0.3	- 0.5	0.5	0.5	- 0.5	0.0	- 1.0
	Precision Machinery	0.2	1.5	1.0	0.5	0.5	0.5	- 0.5	0.0
	Others	0.1	0.0	0.5	0.0	0.0	0.0	- 0.5	0.0
	Total	2.2	2.5	- 0.3	1.0	1.0	0.0	0.3	- 1.0



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Hitachi Zosen creates links between mother nature and our future

Cautionary Statement

Forward-looking statements are based on information currently available to Hitachi Zosen Corporation. Therefore those forward-looking statements include unknown risks and uncertainties. Accordingly, you should note that the actual results could differ materially from those forward-looking statements. Risks and uncertainties that could influence the ultimate outcome include, but are not limited to, the economic conditions surrounding Hitachi Zosen Corporation and/or exchange rate fluctuation.



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