
Financial Results for FY2024 – 1st Quarter

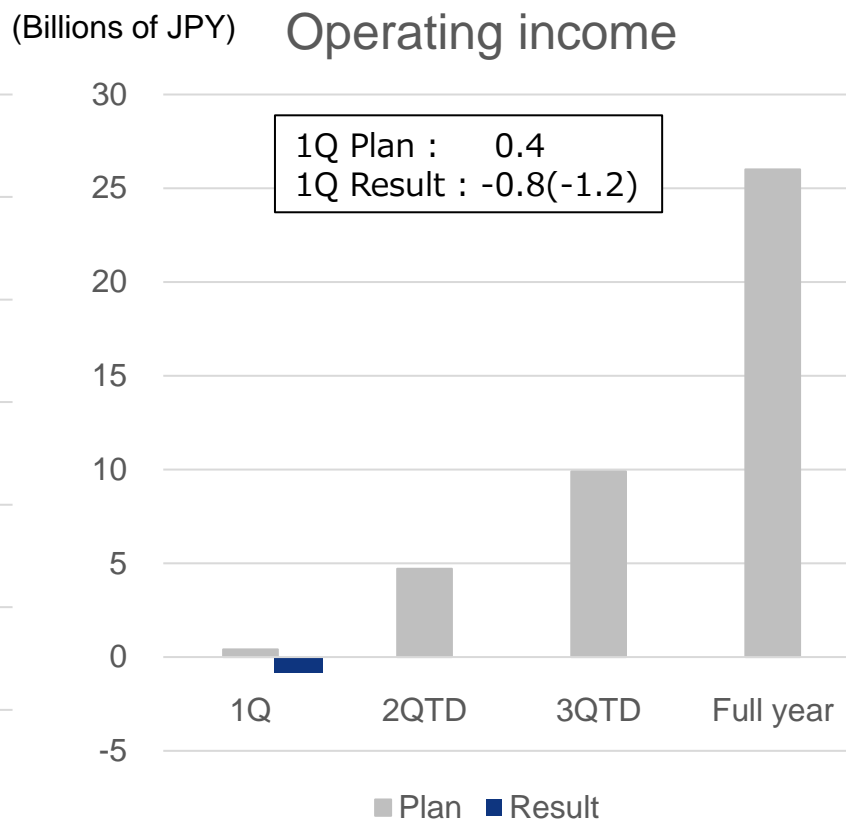
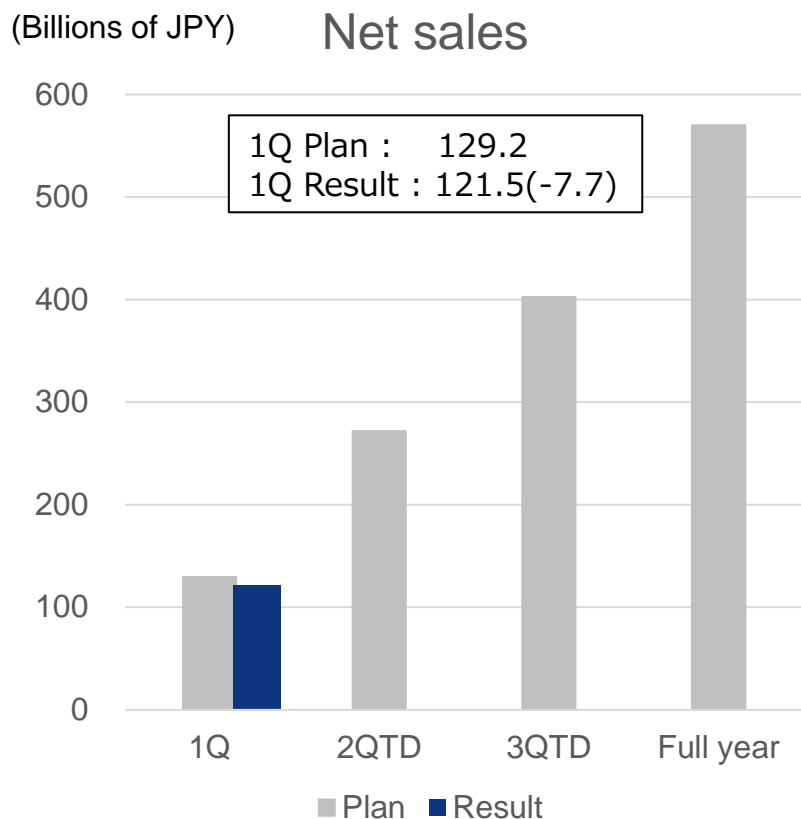
August 5th , 2024

Hitachi Zosen Corporation

- **First quarter : YoY increase in revenue and earnings (operating income and ordinary income)**
- **Full-year : order forecast revised upward (steady overseas business)**

FY2024 1Q Results - Overview

(Billions of JPY)	FY2023		FY2024					
	1Q	Full Year	1Q		Full Year Forecast			Progress (a)/(b)
			Results (a)	YoY	Initial	as of Aug. (b)	YoY	
Order intake	222.2	715.1	204.2	-18.0	620.0	660.0	-55.1	30.9%
Net sales	102.4	555.8	121.5	19.1	570.0	570.0	14.2	21.3%
Operating income	-3.3	24.3	-0.8	2.5	26.0	26.0	1.7	—
% to net sales	-3.2%	4.4%	-0.7%	+2.5pt	4.6%	4.6%	+0.2pt	—
Ordinary income	-2.1	25.6	-2.0	0.1	22.0	22.0	-3.6	—
Profit attributable to shareholders of Hitachi Zosen	-1.8	18.9	-2.8	-1.0	16.0	16.0	-2.9	—
ROE		12.6%			9.5%	9.5%		
ROIC		7.4%			7.0%	7.0%		
Dividends per share (JPY)		23			23	23		



FY2024 1Q Results - Order intake, Net sales, Operating income

	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results (a)	YoY	Initial	as of Aug. (b)	Progress (a)/(b)
(Billions of JPY)							
Order intake	222.2	715.1	204.2	-18.0	620.0	660.0	30.9%
■ Environment	184.2	558.8	175.3	-8.9	470.0	510.0	34.4%
■ Machinery & Infrastructure	21.7	80.8	21.9	0.2	84.0	84.0	26.1%
■ Carbon Neutral Solution	15.8	72.6	6.2	-9.6	63.5	63.5	9.8%
■ Others	0.5	2.9	0.8	0.3	2.5	2.5	32.0%
Net sales	102.4	555.8	121.5	19.1	570.0	570.0	21.3%
■ Environment	72.0	407.3	87.9	15.9	410.0	413.0	21.3%
■ Machinery & Infrastructure	20.4	91.0	16.4	-4.0	83.0	80.0	20.5%
■ Carbon Neutral Solution	9.5	55.2	16.6	7.1	75.0	75.0	22.1%
■ Others	0.5	2.3	0.6	0.1	2.0	2.0	30.0%
Operating income	-3.3	24.3	-0.8	2.5	26.0	26.0	—
■ Environment	-2.9	19.1	0.7	3.6	22.0	23.5	3.0%
■ Machinery & Infrastructure	0.1	3.0	-1.2	-1.3	2.4	0.9	—
■ Carbon Neutral Solution	-0.5	1.8	-0.5	0.0	1.3	1.3	—
■ Others	0.0	0.4	0.2	0.2	0.3	0.3	66.7%

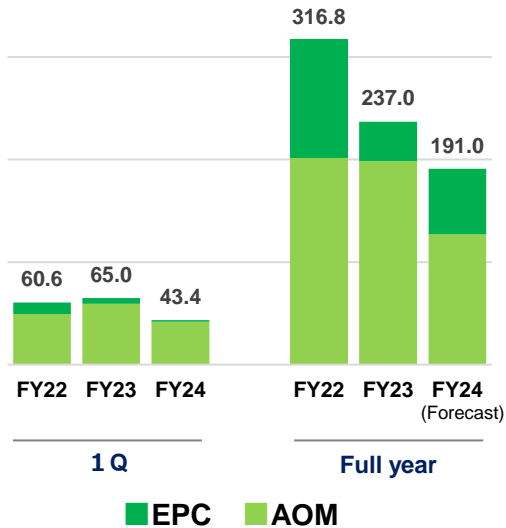
Environment Business

(Consolidated)

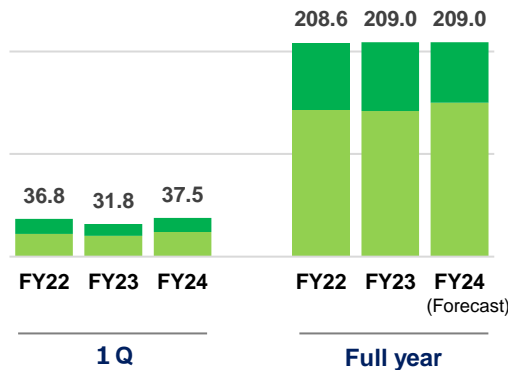
(Billions of JPY)	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results	YoY	Initial	as of Aug.	Difference
Order intake	184.2	558.8	175.3	-8.9	470.0	510.0	40.0
EPC	12.1	194.8	43.2	31.1	251.0	271.0	20.0
AOM	172.1	364.0	132.1	-40.0	219.0	239.0	20.0
Net sales	72.0	407.3	87.9	15.9	410.0	413.0	3.0
EPC	44.8	232.5	51.4	6.6	215.0	208.0	-7.0
AOM	27.2	174.8	36.5	9.3	195.0	205.0	10.0
Operating income	-2.9	19.1	0.7	3.6	22.0	23.5	1.5
EPC	-2.6	1.5	0.0	2.6	3.9	3.9	0.0
AOM	-0.3	17.6	0.7	1.0	18.1	19.6	1.5

EPC : Engineering, procurement and construction
AOM : After-sales services, operation and maintenance

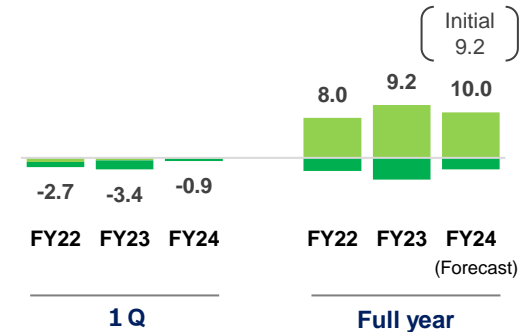
Order intake (Billions of JPY)



Net sales (Billions of JPY)



Operating income (Billions of JPY)



* The numbers in each graph represent the total amount. For a breakdown, please refer to the next page.

1Q Results (YoY)

Order intake JPY43.4bn (-21.6)

- Decrease in retrofit project and operation project, respectively. (FY24/1Q: Orders of Retrofit 1, Operation 1. FY23/1Q: 2 and 3, respectively)

Net sales JPY37.5bn (+5.7) / Operating income JPY-0.9bn (+2.5)

- Contribution of retrofit projects ordered in FY23.
- Profitability recovered in EPC (from FY23 with cost overrun in biomass power projects) .

Full year forecast (vs. initial forecast)

Order intake JPY191.0bn (±0)

- No change from the initial forecast.

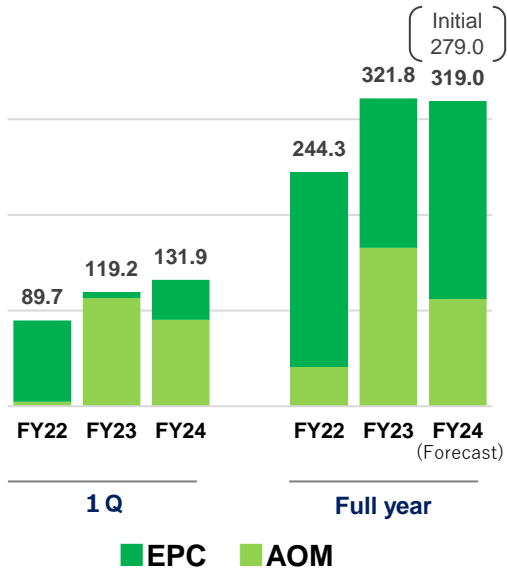
Net sales 209.0bn (±0) / Operating income JPY10.0bn (+0.8)

- Profit improvement in O&M incl. retrofit.

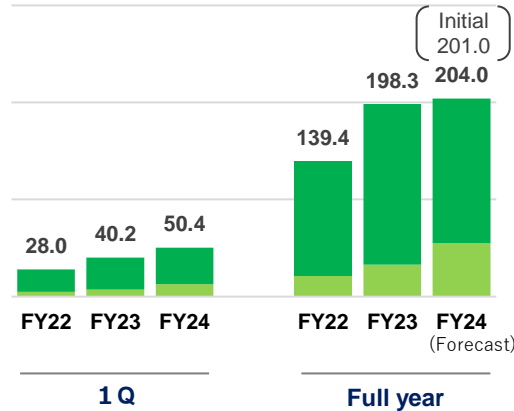
Environment Business (excluding Inova)

(Billions of JPY)	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results	YoY	Initial	as of Aug.	Difference
Order intake	65.0	237.0	43.4	-21.6	191.0	191.0	0.0
EPC	5.8	38.6	1.5	-4.3	64.0	64.0	0.0
AOM	59.2	198.4	41.9	-17.3	127.0	127.0	0.0
Net sales	31.8	209.0	37.5	5.7	209.0	209.0	0.0
EPC	11.6	67.1	13.7	2.1	59.0	59.0	0.0
AOM	20.2	141.9	23.8	3.6	150.0	150.0	0.0
Operating income	-3.4	9.2	-0.9	2.5	9.2	10.0	0.8
EPC	-2.7	-6.4	-0.7	2.0	-3.4	-3.4	0.0
AOM	-0.7	15.6	-0.2	0.5	12.6	13.4	0.8

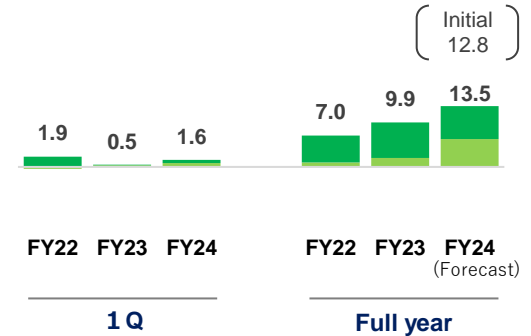
Order intake (Billions of JPY)



Net sales (Billions of JPY)



Operating income (Billions of JPY)



* The numbers in each graph represent the total amount.
For a breakdown, please refer to the next page.

1Q Results (YoY)

Order intake JPY131.9bn (+12.7)

- Steinmüller awarded a large project.
- O&M for Abu Dhabi WtE project.

Net sales JPY50.4bn (+10.2) / Operating income JPY1.6bn (+1.1)

- Steady progress in ongoing projects.
- Growth in revenue and earnings in Steinmüller and other subsidiaries.

※CHF conversion rate (FC : 160、1Q result : 172.77)

Full year forecast (vs. initial forecast)

Order intake JPY319.0bn (+40.0)

- Steady progress in both EPC and O&M businesses.
- O&M : Incorporating the orders of a Danish A/S business company that HZI acquired in late June.

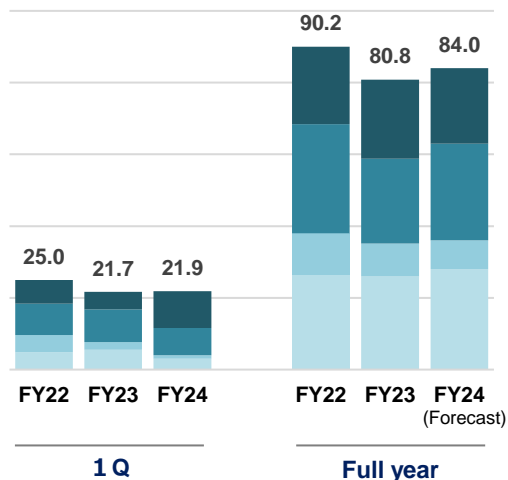
Net sales JPY204.0bn (+3.0) / Operating income JPY13.5bn (+0.7)

- EPC: Expect lower sales due to delay in new project orders.
- O&M : Incorporating the orders of a Danish A/S business company that HZI acquired in late June.

Environment Business (Inova Group)

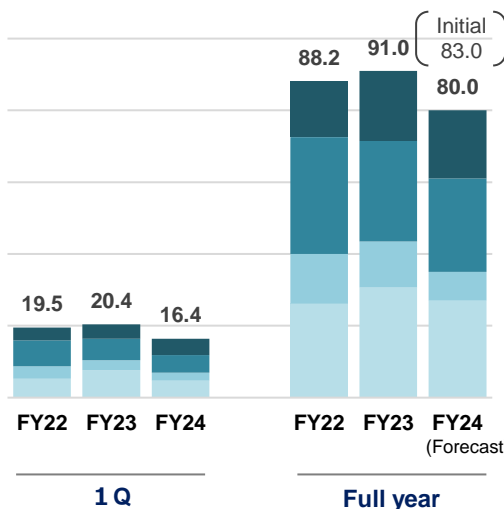
(Billions of JPY)	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results	YoY	Initial	as of Aug.	Difference
Order intake	119.2	321.8	131.9	12.7	279.0	319.0	40.0
EPC	6.3	156.2	41.7	35.4	187.0	207.0	20.0
AOM	112.9	165.6	90.2	-22.7	92.0	112.0	20.0
Net sales	40.2	198.3	50.4	10.2	201.0	204.0	3.0
EPC	33.2	165.4	37.7	4.5	156.0	149.0	-7.0
AOM	7.0	32.9	12.7	5.7	45.0	55.0	10.0
Operating income	0.5	9.9	1.6	1.1	12.8	13.5	0.7
EPC	0.1	7.9	0.7	0.6	7.3	7.3	0.0
AOM	0.4	2.0	0.9	0.5	5.5	6.2	0.7
Exchange rate (CHF/JPY)	153.80	163.47	172.77		160.00	160.00	

Order intake (Billions of JPY)

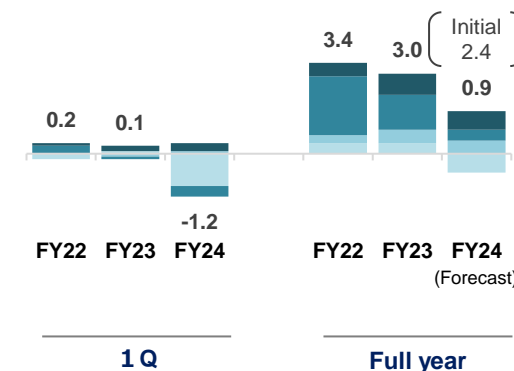


■ Press machine
 ■ Precision machinery
 ■ Other machinery
 ■ Infrastructure

Net sales (Billions of JPY)



Operating income (Billions of JPY)



* The numbers in each graph represent the total amount. For a breakdown, please refer to the next page.

1Q Results (YoY)

Order intake JPY21.9bn (+0.2)

- Press : Strong orders for after-sales service.
- Precision machinery : Down from FY22/1Q with large orders (food and medical machinery).
- Infrastructure : Down from FY22/1Q with large orders (water gates, marine civil engineering).

Net sales 16.4bn (-4.0) / Operating income JPY-1.2bn (-1.3)

- Precision machinery : Decrease in revenue and earnings due to slowdown in orders.
- Infrastructure : Deterioration of profitability of a ongoing project.

Full year forecast (vs. initial forecast)

Order intake JPY84.0bn (± 0)

- No change from the initial forecast.

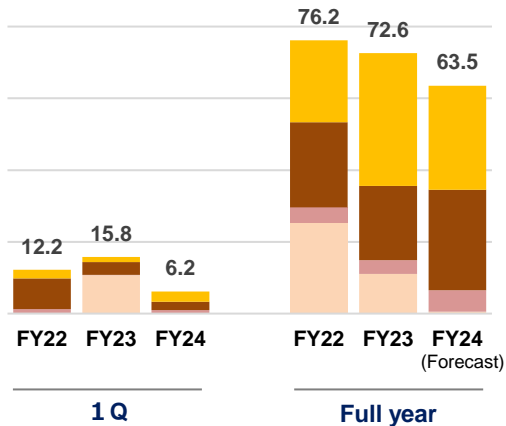
Net sales JPY80.0bn (-3.0) / Operating income JPY0.9bn (-1.5)

- Revised sales and operating income full year forecast downward due to weak orders in precision machinery as well as deterioration of profitability of an ongoing project in Infrastructure business.

Machinery & Infrastructure Business

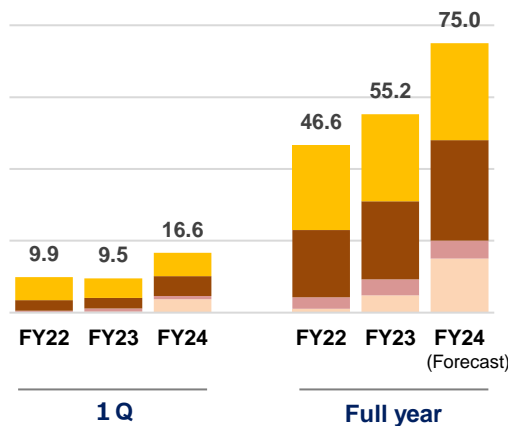
(Billions of JPY)	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results	YoY	Initial	as of Aug.	Difference
Order intake	21.7	80.8	21.9	0.2	84.0	84.0	0.0
Press machine	4.9	22.0	10.3	5.4	21.0	21.0	0.0
Precision machinery	9.1	23.7	7.6	-1.5	27.0	27.0	0.0
Other machinery	2.2	9.1	1.0	-1.2	8.0	8.0	0.0
Infrastructure	5.5	26.0	3.0	-2.5	28.0	28.0	0.0
Net sales	20.4	91.0	16.4	-4.0	83.0	80.0	-3.0
Press machine	4.0	19.5	4.6	0.6	19.0	19.0	0.0
Precision machinery	6.0	28.0	4.9	-1.1	29.0	26.0	-3.0
Other machinery	2.8	12.9	2.2	-0.6	8.0	8.0	0.0
Infrastructure	7.6	30.6	4.7	-2.9	27.0	27.0	0.0
Operating income	0.1	3.0	-1.2	-1.3	2.4	0.9	-1.5
Press machine	0.2	0.8	0.3	0.1	0.7	0.7	0.0
Precision machinery	-0.1	1.3	-0.4	-0.3	1.0	0.4	-0.6
Other machinery	-0.1	0.5	0.1	0.2	0.5	0.5	0.0
Infrastructure	0.1	0.4	-1.2	-1.3	0.2	-0.7	-0.9

Order intake (Billions of JPY)



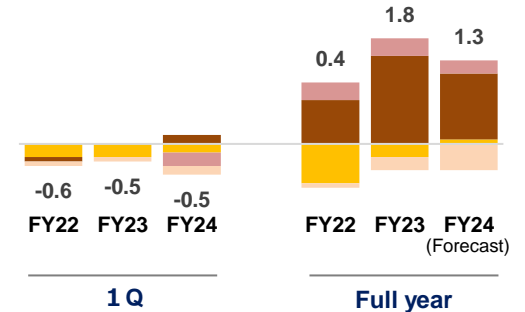
■ Engine
 ■ Process equipment
■ Decarbonization system
 ■ Wind power

Net sales (Billions of JPY)



* The numbers in each graph represent the total amount. For a breakdown, please refer to the next page.

Operating income (Billions of JPY)



1Q Results (YoY)

Order intake JPY6.2bn (-9.6)

- Wind power : Down from a large order in FY23 (long-term O&M of onshore wind power).

Net sales JPY16.6bn (+7.1) / Operating income JPY-0.5bn (± 0)

- Process : Contribution of Canadian spent fuel container manufacturer that NAC acquired in FY23.
- Wind power : Contribution of the Mutsu Ogawara wind power EPC project ordered in FY23.

Full year forecast (vs. initial forecast)

Order intake JPY63.5bn (± 0)

- No change from the initial forecast.

Net sales JPY75.0bn (± 0) / Operating income JPY1.3bn (± 0)

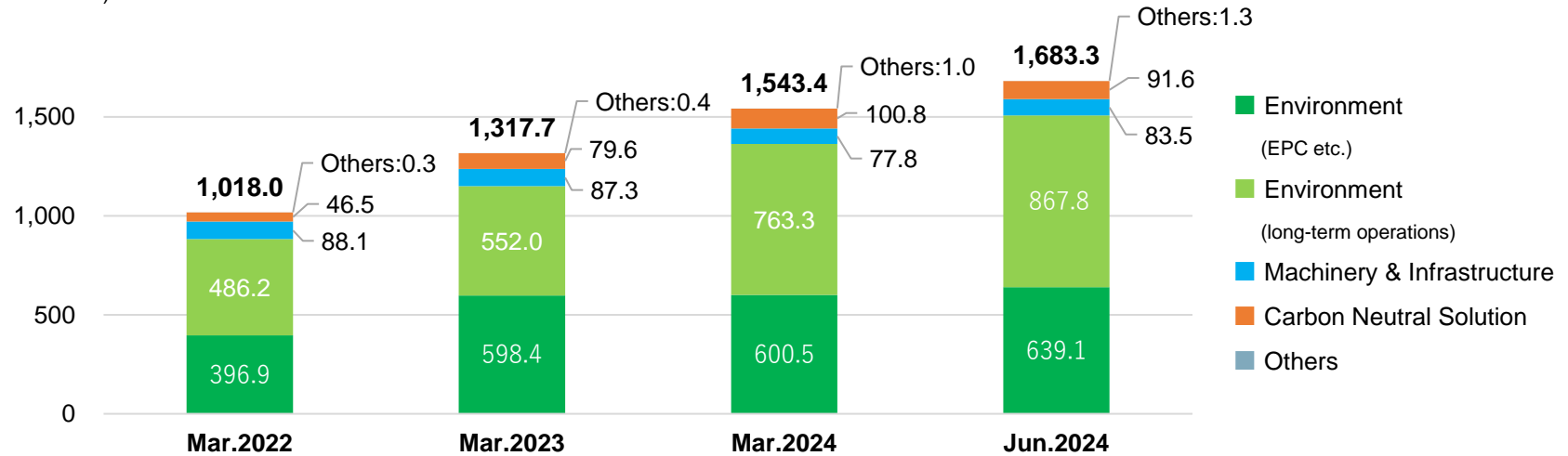
- No change from the initial forecast.

Carbon Neutral Solution Business

(Billions of JPY)	FY2023		FY2024				
	1Q	Full Year	1Q		Full Year Forecast		
			Results	YoY	Initial	as of Aug.	Difference
Order intake	15.8	72.6	6.2	-9.6	63.5	63.5	0.0
Engine	1.4	37.0	2.9	1.5	29.0	29.0	0.0
Process equipment	3.6	20.7	2.3	-1.3	28.0	28.0	0.0
Decarbonization systems	0.1	3.8	0.9	0.8	6.0	6.0	0.0
Wind power	10.7	11.1	0.1	-10.6	0.5	0.5	0.0
Net sales	9.5	55.2	16.6	7.1	75.0	75.0	0.0
Engine	5.4	24.2	6.5	1.1	27.0	27.0	0.0
Process equipment	3.0	21.8	5.5	2.5	28.0	28.0	0.0
Decarbonization systems	0.9	4.4	0.9	0.0	5.0	5.0	0.0
Wind power	0.2	4.8	3.7	3.5	15.0	15.0	0.0
Operating income	-0.5	1.8	-0.5	0.0	1.3	1.3	0.0
Engine	-0.3	-0.3	-0.2	0.1	0.1	0.1	0.0
Process equipment	-0.0	2.0	0.2	0.2	1.5	1.5	0.0
Decarbonization systems	-0.0	0.4	-0.3	-0.3	0.3	0.3	0.0
Wind power	-0.1	-0.3	-0.2	-0.1	-0.6	-0.6	0.0

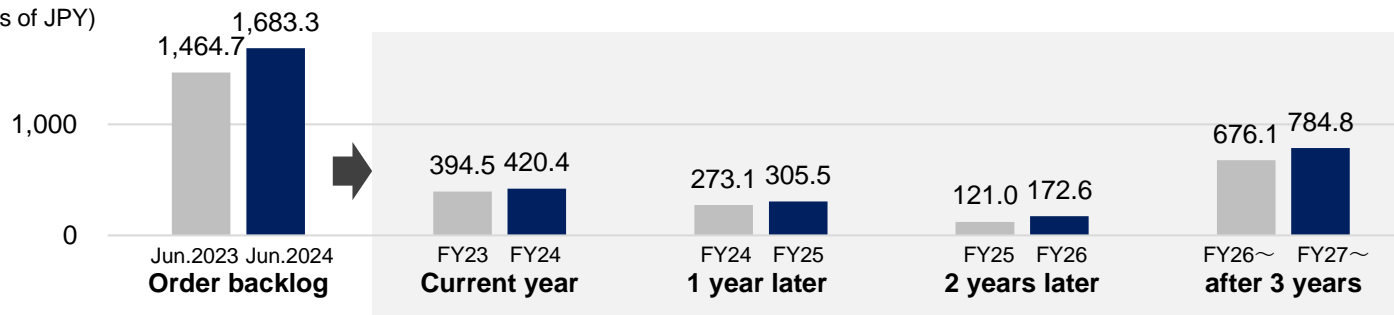
Order Backlog

(Billions of JPY)



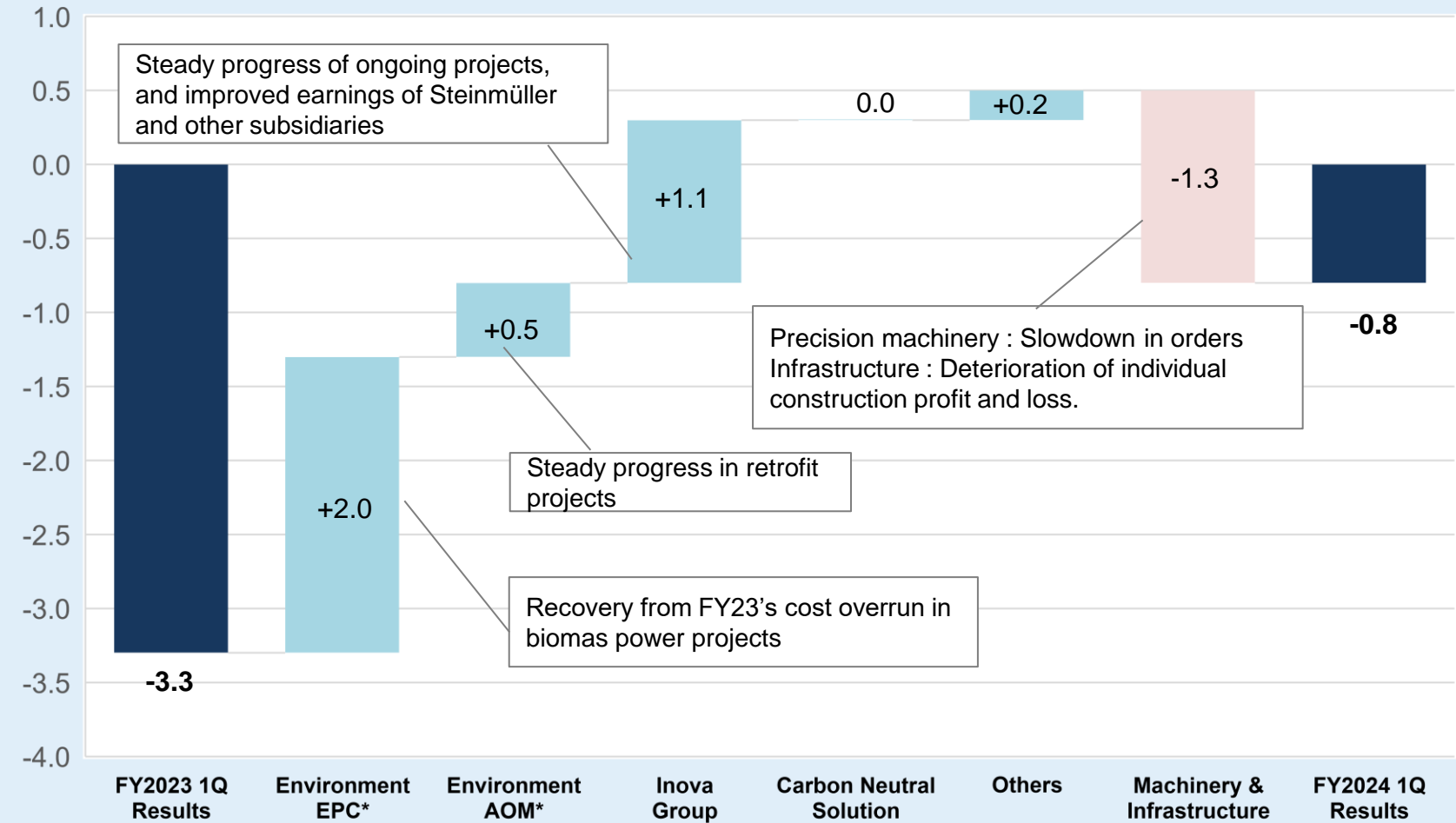
Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)



FY2024 1Q Results - Breakdown of Changes in Operating income

(Billions of JPY)



* Excluding Inova Group

(Billions of JPY)

		FY2023 1Q	FY2024 1Q	Difference
Non-operating income and expense	Net interest income / expense, etc.	0.1	0.2	0.1
	Gain and loss on investment by equity method	0.9	-1.1	-2.0
	Foreign exchange gain and loss	0.4	0.1	-0.3
	Others	-0.2	-0.4	-0.2
	Total	1.2	-1.2	-2.4

FY2024 1Q Results - Consolidated Balance Sheet

(Billions of JPY)

	End of June 2023	End of Mar. 2024 (a)	End of June 2024 (b)	Difference (b)-(a)
Cash and deposits (a)	101.1	71.6	89.5	17.9
Operating assets	176.0	254.7	191.1	-63.6
Trade notes and accounts receivable	152.9	234.8	166.3	-68.5
Inventories	23.1	19.9	24.8	4.9
Tangible & intangible fixed assets	115.6	123.7	138.6	14.9
Others	73.4	83.5	91.1	7.6
Total Assets	466.1	533.5	510.3	-23.2
Operating liabilities	111.0	106.6	111.6	5.0
Notes and accounts payable, Electronically recorded obligations - operating	53.8	57.9	55.8	-2.1
Advances received/ Contract assets	57.2	48.7	55.8	7.1
Interest bearing debt (b)	87.6	91.4	85.3	-6.1
Bank borrowings (incl. lease obligations)	57.6	61.4	55.3	-6.1
Bonds payable	30.0	30.0	30.0	0.0
Others	127.1	166.5	145.7	-20.8
Total Liabilities	325.7	364.5	342.6	-21.9
Shareholders' equity	134.8	162.7	161.2	-1.5
Non-controlling interests	5.6	6.3	6.5	0.2
Total Net Assets	140.4	169.0	167.7	-1.3
Total Liabilities and Net Assets	466.1	533.5	510.3	-23.2
Shareholders' equity ratio	28.9%	30.5%	31.6%	+1.1pt
Net interest bearing debt (b)-(a)	-13.5	19.8	-4.2	-24.0

FY2024 1Q Results -Consolidated Cash Flows

(Billions of JPY)

	FY2023 1Q	FY2024 1Q	Difference
Cash flows from operating activities	21.8	46.8	25.0
Cash flows from investing activities	-16.3	-21.2	-4.9
Cash flows from financing activities	-3.5	*1 -10.5	-7.0
Foreign currency translation differences	1.8	2.9	1.1
Increase in cash and cash equivalents	3.8	18.0	14.2
Cash and cash equivalents at beginning	84.8	69.7	-15.1
Increase in cash equivalents resulting from inclusion of subsidiaries in consolidation	*2 3.5	-	-3.5
Cash and cash equivalents at end	92.1	87.7	-4.4

*1 Repayment of loan payable : JPY -6.3 billion , Payment of dividends: JPY -3.8 billion

*2 Third-party allotment from Imabari Shipbuilding Co., Ltd. to Hitachi Zosen Marine Engine Co., Ltd.

(Billions of JPY)

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Forecast
Total assets	461.1	479.6	533.5	586.0
Cash and deposits	67.2	86.4	71.6	60.0
Equity	131.3	139.6	162.7	174.7
Shareholders' equity ratio	28.5%	29.1%	30.5%	29.7%
Interest-bearing debt	91.9	86.5	91.4	120.0
R&D expenses	6.1	8.6	11.2	12.0
Capital investment	8.0	7.9	9.6	13.0
Depreciation	10.7	10.5	11.1	11.5
ROE	6.1%	11.5%	12.6%	9.5%
ROIC	4.8%	6.2%	7.4%	7.0%

Balance sheet items are as of the end of each year

(Reference) Environment Business - Major Projects (excluding Inova)

Construction O&M

	Place	Order	Completion	Formation	Scope	Calendar year				
						2023	2024	2025	2026	2027
J a p a n	Gunma	Jun. 2018	Jan. 2025	Sole	EPC	[Construction bar from 2023 to 2024]				
	Tokushima	Feb. 2019	Dec. 2023	JV	EPC+O	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Ibaraki	Oct. 2019	Sep. 2023	JV	EPC	[Construction bar from 2023 to 2023]				
	Hokkaido	Nov. 2019	Jul. 2024	JV/Sole	EPC/O&M*1	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Niigata	Mar. 2020	Mar. 2024	JV	BTO	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Kumamoto	Jul. 2020	Mar. 2024	JV	DBO	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Saga	Aug. 2020	Mar. 2024	Sole	DBO	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Tokyo	Sep. 2020	May. 2027	JV	EPC	[Construction bar from 2023 to 2027]				
	Kagoshima	Feb. 2021	Aug. 2024	JV	DBO	[Construction bar from 2023 to 2024, O&M bar from 2024 to 2027]				
	Akita	Nov. 2021	Mar. 2026	JV	DBO	[Construction bar from 2023 to 2026, O&M bar from 2026 to 2027]				
	Osaka	Feb. 2022	Mar. 2026	JV	DBO	[Construction bar from 2023 to 2026, O&M bar from 2026 to 2027]				
	Hiroshima	Feb. 2022	Apr. 2025	JV	EPC+O	[Construction bar from 2023 to 2025, O&M bar from 2025 to 2027]				
	Saitama	Sep. 2022	Mar. 2029 * 2	JV	DBO	[Construction bar from 2023 to 2029]				
	Hiroshima	Dec. 2022	Sep. 2028	JV	DBO	[Construction bar from 2023 to 2028]				
	Osaka	Feb. 2023	Mar. 2029	JV	EPC+O	[Construction bar from 2023 to 2029]				
	Osaka	Feb. 2023	Mar. 2031	JV	EPC	[Construction bar from 2023 to 2031]				
	Gifu	Mar. 2023	Mar. 2027	JV	DBO	[Construction bar from 2023 to 2027, O&M bar from 2027 to 2027]				
Ibaraki	Mar. 2024	Mar. 2028	JV	DBO	[Construction bar from 2024 to 2028]					
O v e r s e a	Shanghai, China	Jul. 2019	Dec. 2024	Sole	EP+SV	[Construction bar from 2023 to 2024]				
	Bidadi, India	Dec. 2020	Oct. 2024	Consortium	EP+SV	[Construction bar from 2023 to 2024]				
	Changhua, Taiwan	Jul. 2021	Jul. 2025	Sole	EP+SV	[Construction bar from 2023 to 2025]				
	Moshi, India	Sep. 2021	Oct. 2024	Consortium	EP+SV	[Construction bar from 2023 to 2024]				
	Tainan, Taiwan	Feb. 2023	Feb. 2026	Sole	EP+SV	[Construction bar from 2023 to 2026]				

*1 JV received EPC, Hitachi Zosen received O&M

*2 Construction period, including dismantling of existing incinerators

(Reference) Environment Business - Major Projects (Inova Group)

Construction O&M

Project (country)	Order	Completion	Formation	Inova's Scope	Calendar year				
					2023	2024	2025	2026	2027
Ivery, France	Nov. 2018	Mar. 2025	Consortium	EP+SV					
Moscow1-4, Russia	Nov.2019 *1	Jun.2023 *2	Consortium	EP+SV					
Rockingham, Australia	Jan. 2020	*3	Consortium	EP+SV+O&M(20 yrs)	(O&M after completion)				
Newhurst, UK	Feb. 2020	May 2023	Sole	EPC					
Emmenspitz, Swiss	Feb. 2020	Oct. 2025	Sole	EP+SV					
Slough, UK	Dec. 2020	Nov. 2024	Sole	EPC+O&M(25 yrs)*4					
Dubai, UAE	Jun. 2021	Jul. 2024	Consortium	EP+SV+O&M(35 yrs)					
Skelton Grange, UK	Jul. 2021	Jul. 2025	Sole	EPC					
Westfield, UK	Dec. 2021	Apr. 2025	Sole	EPC+O&M(25 yrs)					
North London, UK	Apr. 2022	Oct. 2026	Sole	EP					
Rivenhall, UK	May. 2022	Mar. 2026	Sole	EPC					
Riverside2, UK	Jan. 2023	Aug. 2026	Sole	EPC					
Earls Gate, UK	Jun. 2023	-	Solo	O&M(25 yrs)*5					
Walsall, UK	Dec. 2023	Oct. 2027	Solo	EPC					
Abu Dhabi, UAE	Mar. 2024 *6	Jun. 2027	Consortium	EP+SV+O&M(30 yrs)					
Schwandorf, Germany	Jun. 2024	Sep. 2031	Solo	Lot					

*1 Order for Moscow 1 received in FY2019, Moscow 2-4 in FY2020

*2 Significant delay expected

*3 Under adjustment with the customers due to local works delayed by the impact of Covid-19

*4 Received 25 years of O&M after completion of construction

*5 25 years O&M from Dec. 2023 (EPC is within the responsibility of other companies)

*6 O&M order is expected in June 2024



Technology for People, the Earth, and the Future

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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