
Financial Results for FY2022 – 3rd Quarter

February 6th, 2023

Hitachi Zosen Corporation

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(Billions of JPY)

	FY2021		FY 2022				
	1-3Q	Full Year	1-3Q		Full Year		Progress on full Yr
	Results	Results	Results	YoY	Forecast	YoY	
Order intake	547.7	677.9	533.0	- 14.7	660.0	- 17.9	80.8%
Net sales	288.0	441.7	331.4	43.4	480.0	38.3	69.0%
Operating income	2.5	15.5	5.8	3.3	20.0	4.5	29.0%
% to net sales	0.9%	3.5%	1.8%		4.2%		
Ordinary income	- 0.3	11.7	3.5	3.8	16.0	4.3	21.9%
Profit attributable to shareholders of Hitachi Zosen	- 1.3	7.8	2.5	3.8	12.0	4.2	20.8%
ROE	6.1%		8.5%				

Full-year forecast revised from the previous announcement made in November 2022.

- Order intake : JPY 580 billion to 660 billion (Environment Business + JPY 80 billion)
- Profit : JPY 10 billion to 12 billion

FY2022 3Q Results - Order Intake, Net sales, Operating Income

(Billions of JPY)

	FY 2021		FY 2022			
	1-3Q	Full Year	1-3Q		Full Year	
	Results	Results	Results	YoY	Forecast	Progress to full yr
Order intake	547.7	677.9	533.0	-14.7	660.0	80.8%
Environment	448.5	529.4	428.3	-20.2	510.0	84.0%
Machinery & Infrastructure	66.9	97.1	68.5	1.6	90.0	76.1%
Carbon Neutral Solution	26.1	43.0	29.0	2.9	52.0	55.8%
Other	6.2	8.4	7.2	1.0	8.0	90.0%
Net sales	288.0	441.7	331.4	43.4	480.0	69.0%
Environment	195.5	307.2	231.9	36.4	337.0	68.8%
Machinery & Infrastructure	59.7	86.3	60.1	0.4	88.0	68.3%
Carbon Neutral Solution	26.7	39.9	32.4	5.7	47.0	68.9%
Other	6.1	8.3	7.0	0.9	8.0	87.5%
Operating income	2.5	15.5	5.8	3.3	20.0	29.0%
Environment	1.8	12.4	3.3	1.5	16.5	20.0%
Machinery & Infrastructure	1.0	2.2	1.3	0.3	2.8	46.4%
Carbon Neutral Solution	-0.6	0.4	0.4	1.0	0.3	133.3%
Other	0.3	0.5	0.8	0.5	0.4	200.0%

(Billions of JPY)

	FY2022			
	Forecast as of:			
	May 2022 a	Nov. 2022	Feb. 2023 b	Difference b-a
Order intake	500.0	580.0	660.0	160.0
Environment	350.0	430.0	510.0	160.0
Machinery & Infrastructure	90.0	90.0	90.0	0.0
Carbon Neutral Solution	52.0	52.0	52.0	0.0
Other	8.0	8.0	8.0	0.0
Net sales	440.0	480.0	480.0	40.0
Environment	300.0	337.0	337.0	37.0
Machinery & Infrastructure	87.0	88.0	88.0	1.0
Carbon Neutral Solution	45.0	47.0	47.0	2.0
Other	8.0	8.0	8.0	0.0
Operating income	20.0	20.0	20.0	0.0
Environment	16.5	16.5	16.5	0.0
Machinery & Infrastructure	2.8	2.8	2.8	0.0
Carbon Neutral Solution	0.3	0.3	0.3	0.0
Other	0.4	0.4	0.4	0.0

(Billions of JPY)

Environment Business (Consolidated)	FY2022				Comment
	Forecast as of:				
	May 2022 a	Nov. 2022	Feb. 2023 b	Difference b-a	
Order intake	350.0	430.0	510.0	160.0	See next page
EPC	210.0	240.0	298.0	88.0	
AOM	140.0	190.0	212.0	72.0	
Net sales	300.0	337.0	337.0	37.0	
EPC	168.0	180.0	180.0	12.0	
AOM	132.0	157.0	157.0	25.0	
Operating income	16.5	16.5	16.5	0.0	
EPC	5.0	5.5	4.5	-0.5	
AOM	11.5	11.0	12.0	0.5	

EPC : Engineering, procurement and construction

AOM: After-sales services, operation and maintenance

FY2022 Revision of Forecast – Environment Business (Breakdown)

(Billions of JPY)

Environment Business (excluding Inova)

	FY2022				Comment
	Forecast as of:				
	May 2022 a	Nov. 2022	Feb. 2023 b	Difference b-a	
Order intake	205.0	255.0	290.0	85.0	
EPC	80.0	95.0	106.0	26.0	Steady progress continues. Expected to exceed the initial forecast.
AOM	125.0	160.0	184.0	59.0	AOM in Japan, electricity sales (fuel cost adjustment, price increase, etc.)
Net sales	185.0	209.0	205.5	20.5	
EPC	65.0	72.0	68.5	3.5	Steady orders and progress, price increase, etc. in electricity sales, JPY depreciation.
AOM	120.0	137.0	137.0	17.0	
Operating income	11.0	10.5	9.6	-1.4	
EPC	0.0	0.0	-1.5	-1.5	Compensation construction costs, delayed progress, etc.
AOM	11.0	10.5	11.1	0.1	

Inova Group

Order intake	145.0	175.0	220.0	75.0	
EPC	130.0	145.0	192.0	62.0	A large order received in 3Q in addition to 2 projects in the 1st half.
AOM	15.0	30.0	28.0	13.0	Increase from Steinmüller and Schmack, etc.
Net sales	115.0	128.0	131.5	16.5	
EPC	103.0	108.0	111.5	8.5	Steady progress from order backlog.
AOM	12.0	20.0	20.0	8.0	Contribution of Steinmüller, which joined the Group in Feb 2022, etc.
Operating income	5.5	6.0	6.9	1.4	
EPC	5.0	5.5	6.0	1.0	Steady progress from order backlog.
AOM	0.5	0.5	0.9	0.4	Improved profitability of after-sales services.

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

FY2022 Revision of Forecast – Machinery & Infrastructure Business

(Billions of JPY)

Machinery & Infrastructure Business	FY2022				Comment
	Forecast as of:				
	May 2022 a	Nov. 2022	Feb. 2023 b	Difference b-a	
Order intake	90.0	90.0	90.0	0.0	
Press machine	17.0	17.0	17.0	0.0	
Precision machinery	32.0	32.0	32.0	0.0	
Other machinery	15.0	15.0	15.0	0.0	
Infrastructure	26.0	26.0	26.0	0.0	
Net sales	87.0	88.0	88.0	1.0	
Press machine	15.0	15.0	15.0	0.0	
Precision machinery	32.0	33.0	33.0	1.0	Steady growth in semiconductor related business.
Other machinery	14.0	12.0	12.0	-2.0	Due to sale of a subsidiary company Nippon Pusnes (Sep. 2022)
Infrastructure	26.0	28.0	28.0	2.0	Shield machine (shift from FY21). Bridges increase order intake.
Operating income	2.8	2.8	2.8	0.0	
Press machine	0.3	0.4	0.4	0.1	Cost reduction in production, fixed cost, etc.
Precision machinery	1.5	1.6	1.6	0.1	Steady growth in semiconductor related business.
Other machinery	0.5	0.3	0.3	-0.2	Increase in pressure vessels oversea, etc.
Infrastructure	0.5	0.5	0.5	0.0	

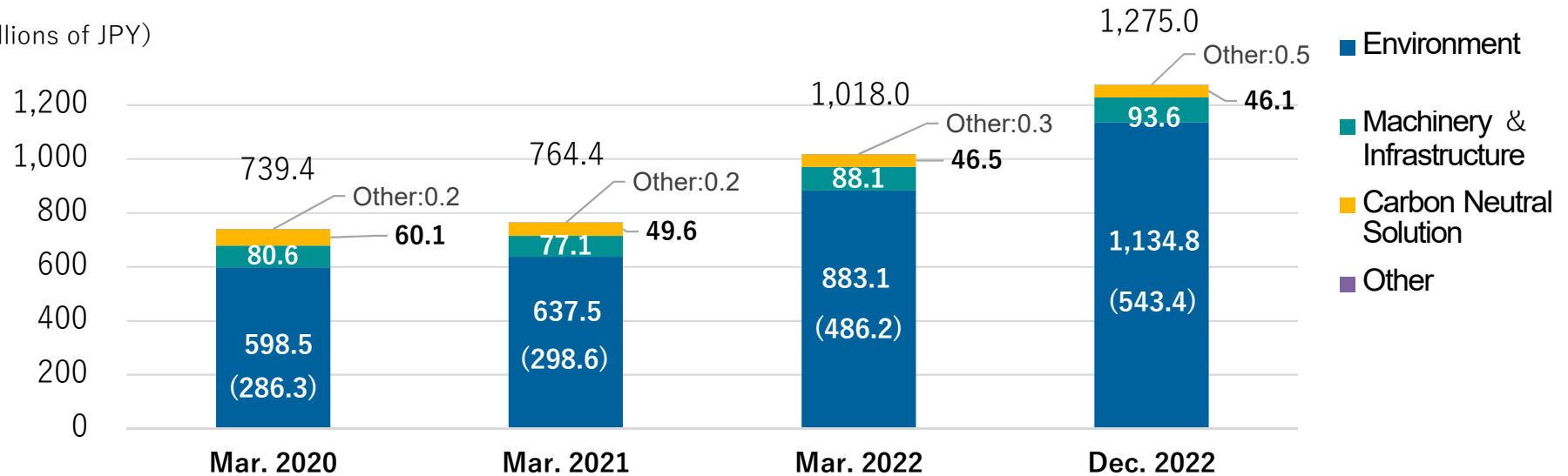
FY2022 Revision of Forecast – Carbon Neutral Solution Business

(Billions of JPY)

Carbon Neutral Solution Business	FY2022				Comment
	Forecast as of:				
	May 2022 a	Nov. 2022	Feb. 2023 b	Difference b-a	
Order intake	52.0	52.0	52.0	0.0	
Engine	20.0	20.0	20.0	0.0	
Process equipment	15.0	15.0	15.0	0.0	
PtG	3.0	3.0	3.0	0.0	
Wind power	14.0	14.0	14.0	0.0	
Net sales	45.0	47.0	47.0	2.0	
Engine	24.0	24.0	24.0	0.0	
Process equipment	18.0	20.0	20.0	2.0	Steady growth in pressure vessels, effects of JPY depreciation.
PtG	2.0	2.0	2.0	0.0	
Wind power	1.0	1.0	1.0	0.0	
Operating income	0.3	0.3	0.3	0.0	
Engine	0.0	-0.7	-0.7	-0.7	Increasing cost of materials. Improve the profitability through collaboration with Imabari Shipbuilding Co., Ltd.
Process equipment	0.2	0.9	0.9	0.7	Increase in pressure vessels oversea, etc.
PtG	0.1	0.1	0.1	0.0	
Wind power	0.0	0.0	0.0	0.0	

Order Backlog

(Billions of JPY)



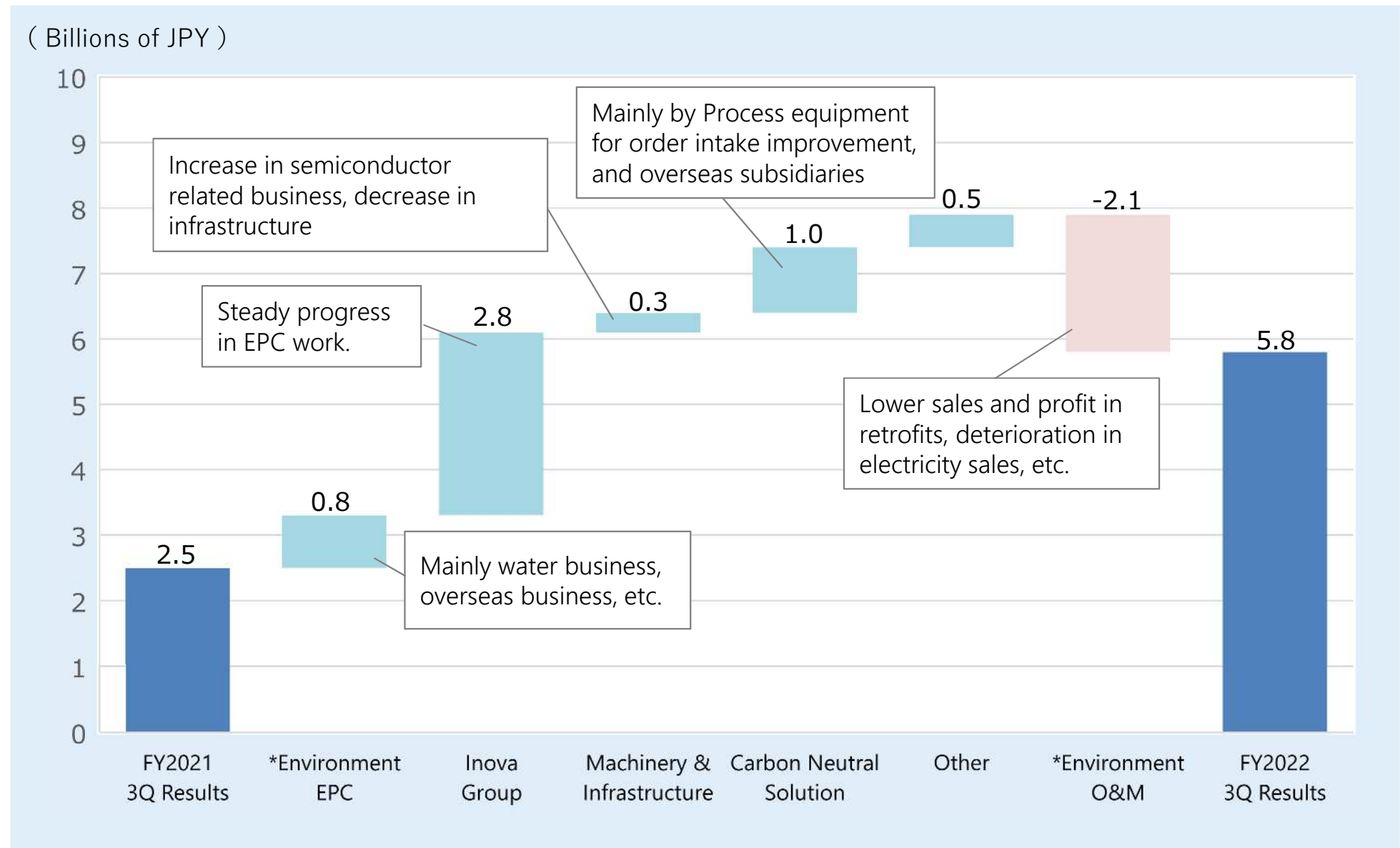
In parentheses indicate long-term operations included in the Environment

Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)

	Order backlog	FY2022 (FY2021)	FY2023 (FY2022)	FY2024 (FY2023)	FY2025 (FY2024)
End of Dec. 2022	1,275.0	148.5	329.5	211.2	585.8
End of Dec. 2021	1,031.8	(140.5)	(234.7)	(144.6)	(512.0)
Amount of increase	243.2	8.0	94.8	66.6	73.8

FY2022 3Q Results – Breakdown of Changes in Operating income



* Excluding Inova Group

FY2022 3Q Results – Consolidated Balance Sheet

(Billions of JPY)

	As of end of Mar. 2022	As of end of Dec. 2022	Difference
Cash and deposits (a)	67.2	84.0	16.8
Operating assets	204.3	172.1	- 32.2
Trade notes and accounts receivable	189.8	146.8	- 43.0
Inventories	14.5	25.3	10.8
Tangible & intangible fixed assets	122.0	116.4	- 5.6
Others	67.6	67.0	- 0.6
Total Assets	461.1	439.5	- 21.6
Operating liabilities	100.9	107.9	7.0
Notes and accounts payable, Electronically recorded obligations - Advances received/ Contract assets	71.8	61.5	- 10.3
Interest bearing debt (b)	91.9	89.1	- 2.8
Bank borrowings (incl. lease obligations)	61.9	59.1	- 2.8
Bonds payable	30.0	30.0	0.0
Others	135.4	113.1	- 22.3
Total Liabilities	328.2	310.1	- 18.1
Shareholders' equity	131.3	127.8	- 3.5
Non-controlling interests	1.6	1.6	0.0
Total Net Assets	132.9	129.4	- 3.5
Total Liabilities and Net Assets	461.1	439.5	- 21.6
Shareholders' equity ratio	28.5%	29.1%	
Net interest bearing debt (b)-(a)	24.7	5.1	- 19.6

FY2022 3Q Results – Consolidated Cash Flows

(Billions of JPY)

	FY2021-3Q a	FY2022-3Q b	Difference b - a
Cash flows from operating activities	21.8	25.6	3.8
Cash flows from investing activities	- 7.0	- 6.4	0.6
Cash flows from financing activities	- 8.5	- 3.7	4.8
Increase in cash and cash equivalents	6.6	16.7	10.1
Cash and cash equivalents at beginning	45.8	65.9	20.1
Cash and cash equivalents at end	52.4	82.6	30.2

*Including foreign currency translation differences

(FY2021 3Q : JPY 0.3 Billion, FY2022 3Q : JPY 1.2 Billion)

(Billions of JPY)

	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Forecast
Total assets	409.5	429.3	461.1	480.0
Cash and deposits	42.9	47.3	67.2	77.0
Equity	118.0	126.4	131.3	141.0
Equity ratio	28.8%	29.4%	28.5%	29.4%
ROE	1.9%	3.5%	6.1%	8.5%
Interest-bearing debt	99.6	98.1	91.9	87.0
R&D expenses	6.9	6.6	6.1	8.0
Capital investment	10.3	10.8	8.0	10.0
Depreciation	10.1	10.2	10.7	10.0

Balance sheet items are as of the end of each year



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.



Hitachi Zosen Corporation

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