
Financial Results for FY2023 – 1st Quarter

August 1st , 2023

Hitachi Zosen Corporation

- **Received long-term operation & maintenance orders for waste-to-energy plants overseas, and revised up the full-year forecast for order intake. (+JPY 90.0 billion)**
- **Full-year forecasts for sales and operating income remain unchanged.**

(Billions of JPY)

	FY2022		FY2023				Progress on full yr
	1Q Results	Full Year Results	1Q		Full Year		
			Results	YoY	Forecast	YoY	
Order intake	189.6	737.5	222.2	32.6	620.0	-117.5	35.8%
Net sales	96.3	492.6	102.4	6.1	520.0	27.4	19.7%
Operating income	- 0.9	20.0	- 3.3	- 2.4	22.0	2.0	—
% to net sales	-1.0%	4.1%	-3.2%		4.2%		
Ordinary income	- 1.7	17.8	- 2.1	- 0.4	18.0	0.2	—
Profit attributable to shareholders of Hitachi Zosen	- 2.0	15.5	- 1.8	0.2	12.0	-3.5	—
ROE	11.5%		8.3%				

Full-year forecast revised from the previous announcement made in May 2023.

- Order intake : JPY 530.0 billion to 620.0 billion (Environment Business + JPY 79.0 billion, Carbon Neutral Solution + JPY10.5 billion, Others + JPY 0.5 billion)

FY2023 1Q Results - Order Intake, Net sales, Operating Income

(Billions of JPY)

	FY2022		FY2023			
	1Q	Full Year	1Q		Full Year	
	Results	Results	Results	YoY	Forecast	Progress to full yr
Order intake	189.6	737.5	222.2	32.6	620.0	35.8%
Environment	150.3	561.2	184.2	33.9	470.0	39.2%
Machinery & Infrastructure	25.0	90.2	21.7	-3.3	86.0	25.2%
Carbon Neutral Solution	12.2	76.2	15.8	3.6	62.0	25.5%
Other	2.1	9.9	0.5	-1.6	2.0	25.0%
Net sales	96.3	492.6	102.4	6.1	520.0	19.7%
Environment	64.8	348.1	72.0	7.2	376.5	19.1%
Machinery & Infrastructure	19.5	88.2	20.4	0.9	85.0	24.0%
Carbon Neutral Solution	9.9	46.6	9.5	-0.4	57.0	16.7%
Other	2.1	9.7	0.5	-1.6	1.5	33.3%
Operating income	-0.9	20.0	-3.3	-2.4	22.0	—
Environment	-0.8	15.0	-2.9	-2.1	18.0	—
Machinery & Infrastructure	0.2	3.4	0.1	-0.1	2.6	3.8%
Carbon Neutral Solution	-0.6	0.4	-0.5	0.1	1.2	—
Other	0.3	1.2	0.0	-0.3	0.2	—

FY2023 Revision of Forecast (summary)

(Billions of JPY)

	FY2023		
	Forecast		
	as of May	as of Aug.	Difference
Order Intake	530.0	620.0	90.0
Environment	391.0	470.0	79.0
Machinery & Infrastructure	86.0	86.0	0.0
Carbon Neutral Solution	51.5	62.0	10.5
Other	1.5	2.0	0.5
Net Sales	520.0	520.0	0.0
Environment	376.5	376.5	0.0
Machinery & Infrastructure	85.0	85.0	0.0
Carbon Neutral Solution	57.0	57.0	0.0
Other	1.5	1.5	0.0
Operating Income	22.0	22.0	0.0
Environment	18.0	18.0	0.0
Machinery & Infrastructure	2.6	2.6	0.0
Carbon Neutral Solution	1.2	1.2	0.0
Other	0.2	0.2	0.0

(Billions of JPY)

Environment Business (Consolidated)	FY2023			Comment
	Forecast			
	as of May	as of Aug.	Difference	
Order Intake	391.0	470.0	79.0	See next page
EPC	229.0	218.0	-11.0	
AOM	162.0	252.0	90.0	
Net Sales	376.5	376.5	0.0	
EPC	212.5	212.5	0.0	
AOM	164.0	164.0	0.0	
Operating Income	18.0	18.0	0.0	
EPC	4.85	4.85	0.0	
AOM	13.15	13.15	0.0	

EPC : Engineering, procurement and construction

AOM: After-sales services, operation and maintenance

FY2023 Revision of Forecast – Environment Business (Breakdown)

(Billions of JPY)

Environment Business (excluding Inova)

	FY2023				Comment
	Forecast				
	as of May	as of Aug.	Difference		
Order Intake	199.0	199.0	0.0		
EPC	67.0	67.0	0.0		—
AOM	132.0	132.0	0.0		—
Net Sales	208.5	208.5	0.0		
EPC	72.5	72.5	0.0		—
AOM	136.0	136.0	0.0		—
Operating Income	8.8	8.8	0.0		
EPC	-1.65	-1.65	0.0		—
AOM	10.45	10.45	0.0		—

Inova Group

Order Intake	192.0	271.0	79.0		
EPC	162.0	151.0	-11.0		Reviewed the prospects
AOM*	30.0	120.0	90.0		Received O&M orders for waste to energy plants overseas
Net Sales	168.0	168.0	0.0		
EPC	140.0	140.0	0.0		—
AOM*	28.0	28.0	0.0		—
Operating Income	9.2	9.2	0.0		
EPC	6.5	6.5	0.0		—
AOM*	2.7	2.7	0.0		—

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

(Billions of JPY)

Machinery & Infrastructure Business	FY2023			
	Forecast			Comment
	as of May	as of Aug.	Difference	
Order Intake	86.0	86.0	0.0	
Press Machine	19.0	19.0	0.0	—
Precision Machinery	32.0	32.0	0.0	—
Other Machinery	9.0	9.0	0.0	—
Infrastructure	26.0	26.0	0.0	—
Net Sales	85.0	85.0	0.0	
Press Machine	18.0	18.0	0.0	—
Precision Machinery	30.0	30.0	0.0	—
Other Machinery	11.0	11.0	0.0	—
Infrastructure	26.0	26.0	0.0	—
Operating Income	2.6	2.6	0.0	
Press Machine	0.35	0.35	0.0	—
Precision Machinery	1.2	1.2	0.0	—
Other Machinery	0.6	0.6	0.0	—
Infrastructure	0.45	0.45	0.0	—

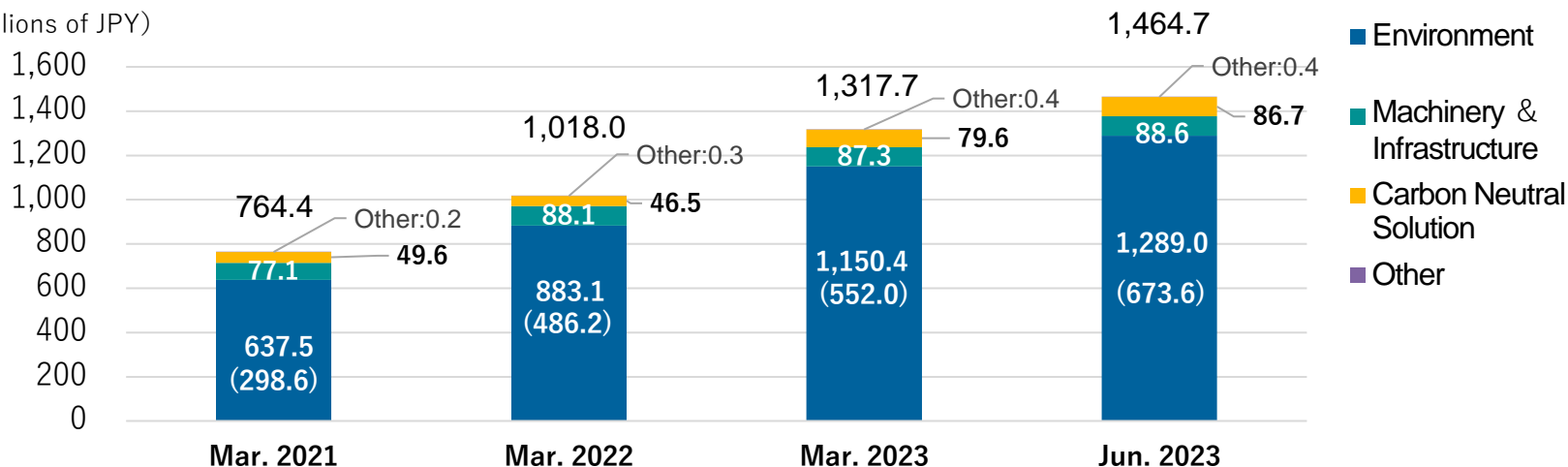
FY2023 Revision of Forecast – Carbon Neutral Solution Business

(Billions of JPY)

Carbon Neutral Solution Business	FY2023			
	Forecast			Comment
	as of May	as of Aug.	Difference	
Order Intake	51.5	62.0	10.5	
Engine	22.0	22.0	0.0	—
Process Equipment	24.0	24.0	0.0	—
Decarbonization system	5.0	5.0	0.0	—
Wind Power	0.5	11.0	10.5	Received a 20-year O&M order for the onshore wind project in Aomori Prefecture
Net Sales	57.0	57.0	0.0	
Engine	23.5	23.5	0.0	—
Process Equipment	21.0	21.0	0.0	—
Decarbonization system	4.5	4.5	0.0	—
Wind Power	8.0	8.0	0.0	—
Operating Income	1.2	1.2	0.0	
Engine	0.2	0.2	0.0	—
Process Equipment	0.7	0.7	0.0	—
Decarbonization system	0.3	0.3	0.0	—
Wind Power	0.0	0.0	0.0	—

Order Backlog

(Billions of JPY)



In parentheses indicate long-term operations included in the Environment

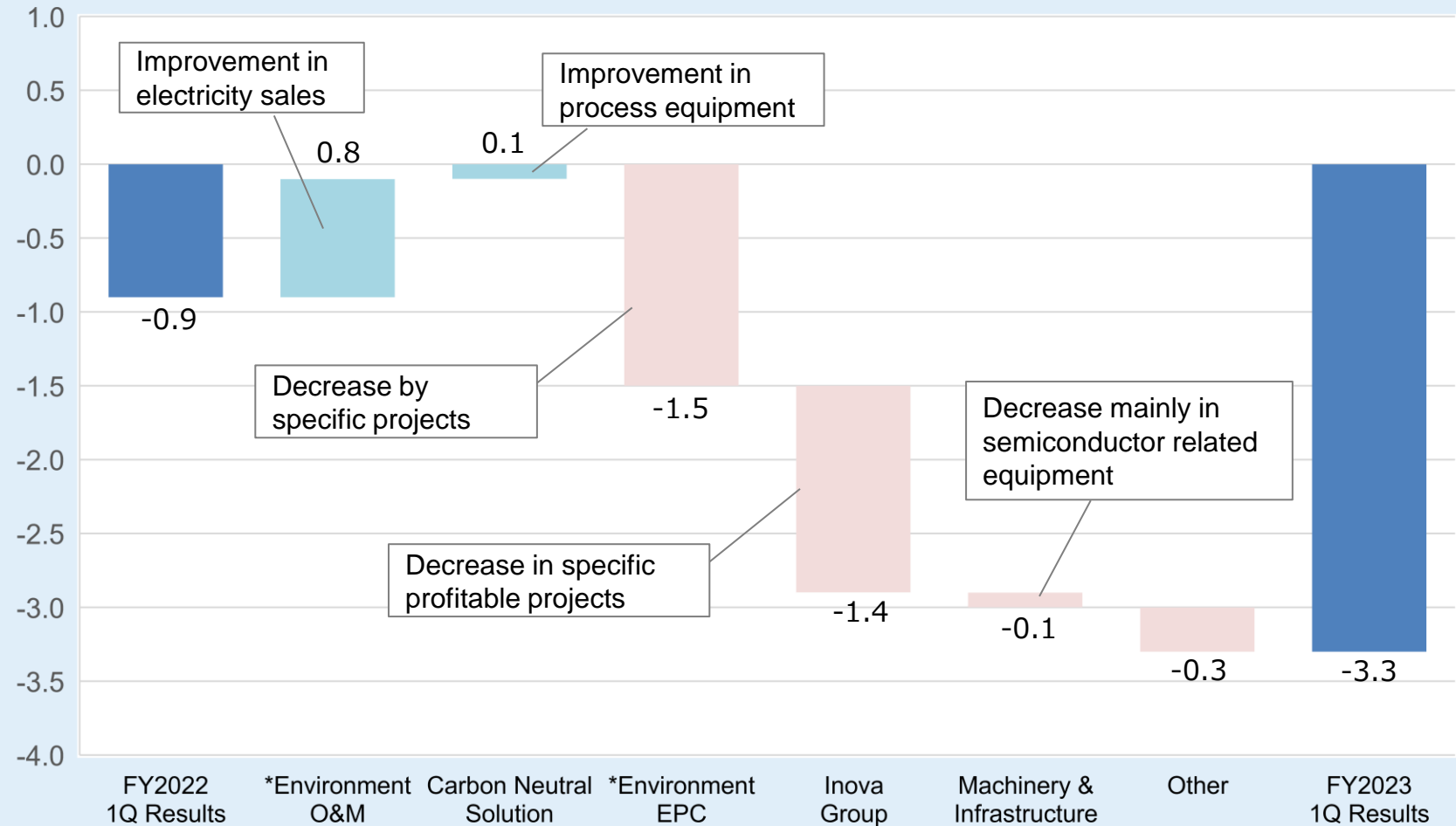
Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)

	Order backlog	FY2023 (FY2022)	FY2024 (FY2023)	FY2025 (FY2024)	FY2026 - (FY2025 -)
End of Jun. 2023	1,464.7	394.5	273.1	121.0	676.1
End of Jun. 2022	1,156.2	(311.1)	(246.6)	(153.1)	(445.3)
Amount of increase	308.5	83.4	26.5	-32.1	230.8

FY2023 1Q Results – Breakdown of Changes in Operating income

(Billions of JPY)



* Excluding Inova Group

FY2023 1Q Results – Consolidated Balance Sheet

(Billions of JPY)

	End of Mar. 2023	End of June 2023	Difference
Cash and deposits (a)	86.4	101.1	14.7
Operating assets	215.5	176.0	- 39.5
Trade notes and accounts receivable	198.3	152.9	- 45.4
Inventories	17.2	23.1	5.9
Tangible & intangible fixed assets	109.4	115.6	6.2
Others	68.3	73.4	5.1
Total Assets	479.6	466.1	- 13.5
Operating liabilities	114.6	111.0	- 3.6
Notes and accounts payable, Electronically recorded obligations - operating	73.2	53.8	- 19.4
Advances received/ Contract assets	41.4	57.2	15.8
Interest bearing debt (b)	86.5	87.6	1.1
Bank borrowings (incl. lease obligations)	56.5	57.6	1.1
Bonds payable	30.0	30.0	0.0
Others	137.2	127.1	- 10.1
Total Liabilities	338.3	325.7	- 12.6
Shareholders' equity	139.6	134.8	- 4.8
Non-controlling interests	1.7	5.6	3.9
Total Net Assets	141.3	140.4	- 0.9
Total Liabilities and Net Assets	479.6	466.1	- 13.5
Shareholders' equity ratio	29.1%	28.9%	
Net interest bearing debt (b)-(a)	0.1	-13.5	- 13.6

(Billions of JPY)

	FY2022-1Q	FY2023-1Q	Difference
Cash flows from operating activities	40.5	*1 21.8	- 18.7
Cash flows from investing activities	- 3.3	*2 - 16.3	- 13.0
Cash flows from financing activities	- 2.9	- 3.5	- 0.6
Foreign currency translation differences	1.2	1.8	0.6
Increase in cash and cash equivalents	35.5	3.8	- 31.7
Cash and cash equivalents at beginning	65.9	84.8	18.9
Increase in cash equivalents resulting from inclusion of subsidiaries in consolidation	—	*3 3.5	3.5
Cash and cash equivalents at end	101.4	92.1	- 9.3

*1 Partial abolition of promissory notes: Approx. -JPY 13.0 billion

*2 Payments for business acquisition of NIAGARA ENERGY PRODUCTS: -JPY 6.0 billion

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

(Billions of JPY)

	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Forecast
Total assets	429.3	461.1	479.6	500.0
Cash and deposits	47.3	67.2	86.4	67.0
Equity	126.4	131.3	139.6	148.6
Equity ratio	29.4%	28.5%	29.1%	29.7%
ROE	3.5%	6.1%	11.5%	8.3%
Interest-bearing debt	98.1	91.9	86.5	86.5
R&D expenses	6.6	6.1	8.6	10.0
Capital investment	10.8	8.0	7.9	10.0
Depreciation	10.2	10.7	10.5	10.0

Balance sheet items are as of the end of each fiscal year



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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.



Hitachi Zosen Corporation

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