

Notice Concerning Extraordinary Loss

Hitachi Zosen Corporation (hereinafter, the “Company”) hereby announces that, for the fiscal year ending in March 31, 2020, the Company recognizes losses on devaluation of investment securities.

1. Extraordinary Loss (Loss on Devaluation of Investment Securities)

Our Company posted an extraordinary loss JPY6,500 million due to the devaluation of its investment securities for stocks of Japan Marine United Corporation (hereinafter, “JMU”) in our third quarter of the consolidated fiscal year ending in March 2020 due to JMU’s financial deterioration and devaluation of the value of its stocks. However, JMU’s earnings continued to deteriorate after the end of the third quarter of the fiscal year ending March 31, 2020, and the market value of JMU’s stock was expected to fall significantly further at the end of the fiscal year ending March 31, 2020, an additional impairment loss of JPY2,600 million will be posted. As a result, a total of JPY9,100 million in devaluation loss on investment securities is recorded as an extraordinary loss for the fiscal year ending March 31, 2020.

2. Impact on Consolidated Financial Results

Regarding the full-year consolidated financial forecast for the fiscal year ending 31 March, 2020, the above-mentioned extraordinary loss has already been factored into, and the gain on sale of fixed assets announced on March 26, 2020 will be posted as extraordinary income. Therefore, the previous forecast figures (announced on 3 February, 2020) will be unchanged.

(For reference) Forecasts for Consolidated Financial Results, announced on 3 February, 2020
(Millions of JPY)

	Sales	Operating Income	Ordinary Income	Profit attributable to shareholders of Hitachi Zosen
Forecasts of FY ending March 2020	395,000	12,000	8,000	1,000
Results of FY ended March 2019	378,140	7,358	6,720	5,445

Note: The above forecasts are based on the information currently available to the Company and certain assumptions that are judged to be reasonable, and actual results may differ due to various factors.