
Financial Results for Third Quarter FY2021

February, 2022

Hitachi Zosen Corporation

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● 3Q Consolidated Results:

(Billions of yen)

Order intake : 547.7 (+ 217.7 YoY)

Net sales : 288.0 (+ 25.5 YoY)

Operating income : 2.5 (+ 0.2 YoY)

Order backlog exceeded 1 trillion yen.

● Full Year Forecast for FY2021:

(Billions of yen)

Order intake 620.0 (+ 40.0 upward revision)

Net sales 420.0 (+ 20.0 upward revision)

Operating income 15.0 (+ 1.0 upward revision)

(Unit: Billions of Yen)

	FY2020-3Q	FY2021-3Q	Difference
Order intake	330.0	547.7	217.7
Net sales	262.5	288.0	25.5
Operating income	2.3	2.5	0.2
(Ratio to Net sales)	(0.9%)	(0.9%)	
Ordinary income	0.5	-0.3	-0.8
(Ratio to Net sales)	(0.2%)	(- 0.1%)	
Net income	-0.0	-1.3	-1.3
(Ratio to Net sales)	(- 0.0%)	(- 0.5%)	

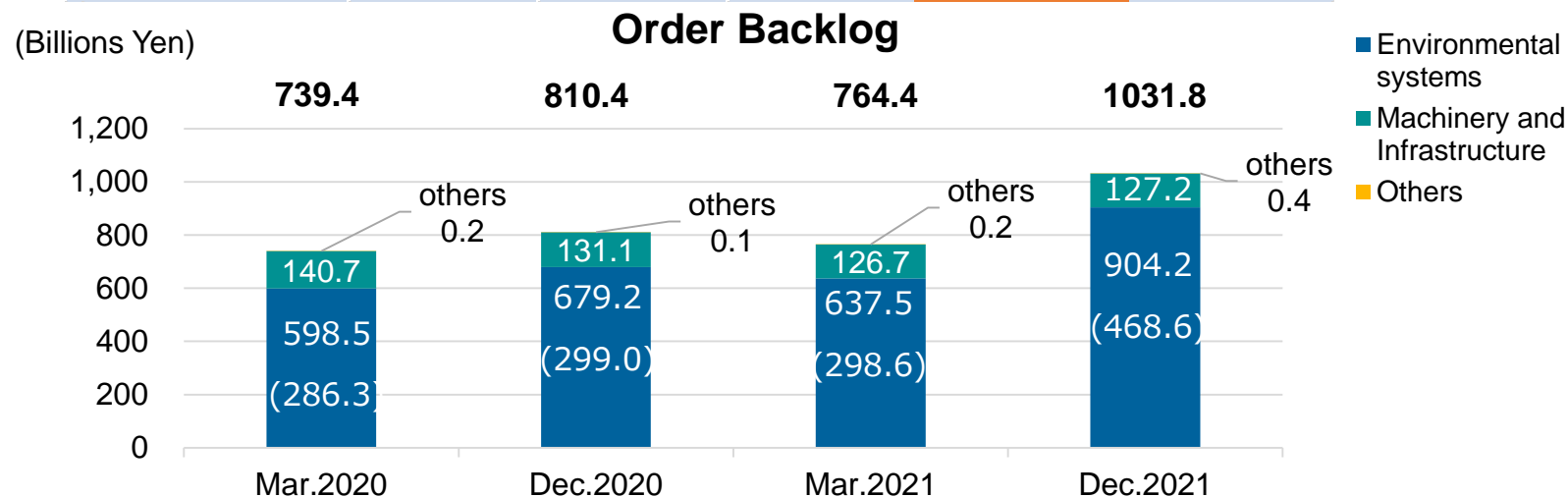
Order Intake, Net Sales, Operating Income (3Q Results)

(Unit: Billions of Yen)

		FY2020 3Q	FY2021 3Q	Difference
Order intake	Enviromental Systems	243.3	448.5	205.2
	Machinery & Infrastructure	80.4	93.0	12.6
	Other	6.3	6.2	-0.1
	Total	330.0	547.7	217.7
Net sales	Enviromental Systems	166.5	195.5	29.0
	Machinery & Infrastructure	89.6	86.4	-3.2
	Other	6.4	6.1	-0.3
	Total	262.5	288.0	25.5
Operating income	Enviromental Systems	1.0	1.8	0.8
	Machinery & Infrastructure	1.2	0.4	-0.8
	Other	0.1	0.3	0.2
	Total	2.3	2.5	0.2

(Unit: Billions of Yen)

	End of Mar. 2020	End of Dec. 2020	End of Mar. 2021 (a)	End of Dec. 2021 (b)	Difference (b)-(a)
Environmental Systems	598.5	679.2	637.5	904.2	266.7
Of which, long-term operation	286.3	299.0	298.6	468.6	170.0
Machinery and Infrastructure	140.7	131.1	126.7	127.2	0.5
Others	0.2	0.1	0.2	0.4	0.2
Total	739.4	810.4	764.4	1,031.8	267.4



(Unit: Billions of Yen)

FY2020-3Q Operating income		2.3
Breakdown of changes in Operating income	• Improvement in Inova Group	+2.8
	• Decrease in highly profitable projects (Water business, Retrofit works)	- 2.0
	• Decrease in profit in Press machine (Due to sales decrease from low order intake in the previous year)	- 0.6
FY2021-3Q Operating income		2.5
		+ 0.2

FY2021 3Q Results – Balance Sheet

(Unit: Billions of Yen)

	End of Mar. 2020 (a)	End of Dec. 2021 (b)	Difference (b)-(a)
Cash and deposits	47.3	53.9	6.6
Operating assets	193.2	170.3	- 22.9
Trade notes and accounts receivable	169.3	147.4	- 21.9
Inventories	23.9	22.9	- 1.0
Tangible & intangible fixed assets	122.8	122.3	- 0.5
Others	66.0	68.0	2.0
Total Assets	429.3	414.5	- 14.8
Operating liabilities	88.3	88.4	0.1
Notes and accounts payable	63.4	58.0	- 5.4
Advances received	24.9	30.4	5.5
Interest bearing debt	98.1	92.5	- 5.6
Others	114.7	109.5	- 5.2
Total Liabilities	301.1	290.4	- 10.7
Shareholders' equity	126.4	122.2	- 4.2
Non-controlling interests	1.8	1.9	0.1
Total Net Assets	128.2	124.1	- 4.1
Total Liabilities and Net Assets	429.3	414.5	- 14.8
Shareholders' equity ratio	29.4%	29.5%	

Cash flows

(Unit: Billions of Yen)

	FY2020-3Q (a)	FY2021-3Q (b)	Difference (b)-(a)
Cash flows from operating activities	8.9	21.8	12.9
Cash flows from investing activities	- 9.5	- 7.0	2.5
Cash flows from financing activities	1.7	- 8.5	- 10.2
Increase in cash and cash equivalents *1	1.3	6.6	5.3
Cash and cash equivalents at beginning	41.5	45.8	4.3
Cash and cash equivalents at end	42.8	52.4	9.6

Interest-bearing debt

(Unit: Billions of Yen)

	End of Mar. 2021 (a)	End of Dec. 2021 (b)	Difference (b)-(a)
Borrowings *2	73.1	62.5	-10.6
Bond	25.0	30.0	5.0
Total	98.1	92.5	-5.6

*1: Including Foreign exchange translation (FY2020-3Q: 0.2, FY2021-3Q:0.3)

*2: Including lease obligation

FY2021 : Full Year Forecast

FY2021 Full Year Forecast – Overview

(Unit: Billions of Yen)

	FY2020	FY2021			Difference	
	Results (a)	Forecast as of May (b)	Forecast as of Nov. (c)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	429.4	450.0	580.0	620.0	190.6	40.0
Net sales	408.5	400.0	400.0	420.0	11.5	20.0
Operating income (Ratio to Net sales)	15.3 (3.8%)	14.0 (3.5%)	14.0 (3.5%)	15.0 (3.6%)	-0.3	1.0
Ordinary income (Ratio to Net sales)	11.7 (2.9%)	9.0 (2.3%)	9.0 (2.3%)	10.0 (2.4%)	-1.7	1.0
Net income (Ratio to Net sales)	4.2 (1.0%)	5.0 (1.3%)	5.0 (1.3%)	5.5 (1.3%)	1.3	0.5

Order Intake, Net Sales, Operating Income (Full year Results and Forecast)

(Unit: Billions of Yen)

		FY2020 Results (a)	FY2021			Difference	
			Initial Forecast	Forecast as of Nov. (b)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	Enviromental Systems	303.7	315.0	445.0	485.0	181.3	40.0
	Machinery & Infrastructure	117.3	125.0	125.0	125.0	7.7	0.0
	Other	8.4	10.0	10.0	10.0	1.6	0.0
	Total	429.4	450.0	580.0	620.0	190.6	40.0
Net sales	Enviromental Systems	269.4	265.0	265.0	285.0	15.6	20.0
	Machinery & Infrastructure	130.8	125.0	125.0	125.0	- 5.8	0.0
	Other	8.3	10.0	10.0	10.0	1.7	0.0
	Total	408.5	400.0	400.0	420.0	11.5	20.0
Operating income	Enviromental Systems	12.6	13.0	13.0	13.0	0.4	0.0
	Machinery & Infrastructure	2.6	1.0	1.0	1.5	- 1.1	0.5
	Other	0.1	0.0	0.0	0.5	0.4	0.5
	Total	15.3	14.0	14.0	15.0	- 0.3	1.0

(Unit: Billions of Yen)

	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Plan
Total assets	429.0	409.5	429.3	430.0
Cash and deposits	35.6	42.9	47.3	48.0
Equity	119.5	118.0	126.4	130.0
Equity ratio	27.8%	28.8%	29.4%	30.0%
ROE	4.6%	1.9%	3.5%	approx .4.3%
Interest-bearing debt	126.3	99.6	98.1	96.5
Capital investment	6.9	10.3	10.8	10.0
Depreciation	8.9	10.1	10.2	11.0

Balance sheet items are as of the end of each year

Supplementary Information (Breakdown by Small Segments)

Order Intake, Net Sales, Operating Income (3Q Results)

(Unit: Billions of Yen)

		FY2018 3Q	FY2019 3Q	FY2020 3Q (a)	FY2021 3Q (b)	Difference (b)-(a)
Order intake	Environmental Systems	198.2	172.1	243.3	448.5	205.2
	Machinery & Infrastructure	90.8	105.6	80.4	93.0	12.6
	Other	9.1	8.3	6.3	6.2	- 0.1
	Total	298.1	286.0	330.0	547.7	217.7
Net sales	Environmental Systems	137.7	164.5	166.5	195.5	29.0
	Machinery & Infrastructure	93.0	91.6	89.6	86.4	- 3.2
	Other	8.4	8.9	6.4	6.1	- 0.3
	Total	239.1	265.0	262.5	288.0	25.5
Operating income	Environmental Systems	- 8.3	2.4	1.0	1.8	0.8
	Machinery & Infrastructure	- 2.1	- 5.8	1.2	0.4	- 0.8
	Other	0.5	0.8	0.1	0.3	0.2
	Total	- 9.9	- 2.6	2.3	2.5	0.2

Order Intake, Net Sales, Operating Income (Full year Results and Forecast)

(Unit: Billions of Yen)

		FY2018	FY2019	FY2020	FY2021			Difference	
		Results	Results	Results (a)	Initial Forecast	Forecast as of Nov. (b)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	Enviromental Systems	314.7	289.4	303.7	315.0	445.0	485.0	181.3	40.0
	Machinery & Infrastructure	128.3	154.0	117.3	125.0	125.0	125.0	7.7	0.0
	Other	12.0	10.7	8.4	10.0	10.0	10.0	1.6	0.0
	Total	455.0	454.1	429.4	450.0	580.0	620.0	190.6	40.0
Net sales	Enviromental Systems	228.3	254.3	269.4	265.0	265.0	285.0	15.6	20.0
	Machinery & Infrastructure	138.4	136.7	130.8	125.0	125.0	125.0	- 5.8	0.0
	Other	11.4	11.4	8.3	10.0	10.0	10.0	1.7	0.0
	Total	378.1	402.4	408.5	400.0	400.0	420.0	11.5	20.0
Operating income	Enviromental Systems	5.6	15.8	12.6	13.0	13.0	13.0	0.4	0.0
	Machinery & Infrastructure	1.0	- 2.8	2.6	1.0	1.0	1.5	- 1.1	0.5
	Other	0.7	0.8	0.1	0.0	0.0	0.5	0.4	0.5
	Total	7.3	13.8	15.3	14.0	14.0	15.0	- 0.3	1.0

Small Segment : Environmental Business (3Q Results)

		FY2018 3Q	FY2019 3Q	FY2020 3Q (a)	FY2021 3Q (b)	Difference (b)-(a)
Order intake	EPC	66.4	78.1	141.7	183.9	42.2
	AOM*	131.8	94.0	101.6	264.6	163.0
	Total	198.2	172.1	243.3	448.5	205.2
Net sales	EPC	65.0	84.1	89.4	111.8	22.4
	AOM*	72.7	80.4	77.1	83.7	6.6
	Total	137.7	164.5	166.5	195.5	29.0
Operating income	EPC	- 11.9	- 1.9	- 2.3	- 1.3	1.0
	AOM*	3.6	4.3	3.3	3.1	- 0.2
	Total	- 8.3	2.4	1.0	1.8	0.8

(Unit: Billions of Yen)

【Of which, Inova Group (consolidated)】

		FY2018 3Q	FY2019 3Q	FY2020 3Q (a)	FY2021 3Q (b)	Difference (b)-(a)
Order intake	EPC	12.2	19.2	79.8	149.3	69.5
	AOM*	6.1	7.5	4.3	157.4	153.1
	Total	18.3	26.7	84.1	306.7	222.6
Net sales	EPC	19.4	33.1	41.3	71.9	30.6
	AOM*	4.9	7.0	7.9	7.8	- 0.1
	Total	24.3	40.1	49.2	79.7	30.5
Operating income	EPC	- 9.8	- 1.4	- 1.4	1.6	3.0
	AOM*	0.1	0.0	0.7	0.5	- 0.2
	Total	- 9.7	- 1.4	- 0.7	2.1	2.8

(Unit: Billions of Yen)

*AOM: After-sales services, Operation, and Maintenance.

Small Segment : Environmental Business (Full year Results and Forecast)

(Unit: Billions of Yen)

		FY2018 Results	FY2019 Results	FY2020 Results (a)	FY2021			Difference	
					Initial Forecast	Forecast as of Nov. (b)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	EPC	148.5	132.9	168.7	195.0	210.0	210.0	41.3	0.0
	AOM	166.2	156.5	135.0	120.0	235.0	275.0	140.0	40.0
	Total	314.7	289.4	303.7	315.0	445.0	485.0	181.3	40.0
Net sales	EPC	107.3	125.8	136.6	140.0	140.0	160.0	23.4	20.0
	AOM	121.0	128.5	132.8	125.0	125.0	125.0	- 7.8	0.0
	Total	228.3	254.3	269.4	265.0	265.0	285.0	15.6	20.0
Operating income	EPC	- 9.3	1.7	1.1	1.5	1.5	1.5	0.4	0.0
	AOM	14.9	14.1	11.5	11.5	11.5	11.5	0.0	0.0
	Total	5.6	15.8	12.6	13.0	13.0	13.0	0.4	0.0

[Of which, Inova Group (consolidated)]

(Unit: Billions of Yen)

		FY2018 Results	FY2019 Results	FY2020 Results (a)	FY2021			Difference	
					Initial Forecast	Forecast as of Nov. (b)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	EPC	63.7	62.5	97.7	124.0	144.0	152.0	54.3	8.0
	AOM	8.4	24.4	7.2	16.0	131.0	160.0	152.8	29.0
	Total	72.1	86.9	104.9	140.0	275.0	312.0	207.1	37.0
Net sales	EPC	33.9	47.2	70.8	77.0	77.0	97.0	26.2	20.0
	AOM	6.1	9.0	11.5	13.0	13.0	13.0	1.5	0.0
	Total	40.0	56.2	82.3	90.0	90.0	110.0	27.7	20.0
Operating income	EPC	- 9.2	0.3	1.8	3.0	3.0	3.0	1.2	0.0
	AOM	1.3	0.3	0.1	0.5	0.5	0.5	0.4	0.0
	Total	- 7.9	0.6	1.9	3.5	3.5	3.5	1.6	0.0

Small Segment : Machinery and Infrastructure Business (3Q Results)

(Unit: Billions of Yen)

		FY2018 3Q	FY2019 3Q	FY2020 3Q (a)	FY2021 3Q (b)	Difference (b)-(a)
Order intake	Marine Diesel Engine	14.4	18.8	15.5	20.8	5.3
	Press Machine	17.9	17.4	7.6	12.1	4.5
	Process Equipment	9.1	8.9	6.7	4.1	-2.6
	Precision Machinery	15.3	15.5	18.7	23.9	5.2
	Other Machinery	13.8	16.2	14.8	19.0	4.2
	Infrastructure	20.3	28.8	17.1	13.1	- 4.0
	Total	90.8	105.6	80.4	93.0	12.6
Net sales	Marine Diesel Engine	12.9	15.0	16.9	17.8	0.9
	Press Machine	18.5	16.7	13.3	10.1	-3.2
	Process Equipment	12.6	8.7	11.1	8.3	-2.8
	Precision Machinery	17.2	15.1	15.9	17.8	1.9
	Other Machinery	11.5	13.1	12.8	13.3	0.5
	Infrastructure	20.3	23.0	19.6	19.1	-0.5
	Total	93.0	91.6	89.6	86.4	- 3.2
Operating income	Marine Diesel Engine	- 1.0	- 0.2	0.2	- 0.1	- 0.3
	Press Machine	0.0	0.5	0.7	0.1	- 0.6
	Process Equipment	- 1.1	- 3.6	- 0.7	- 0.6	0.1
	Precision Machinery	- 0.1	- 0.2	0.4	0.3	- 0.1
	Other Machinery	- 0.3	0.2	0.5	0.4	- 0.1
	Infrastructure	0.4	- 2.5	0.1	0.3	0.2
	Total	- 2.1	- 5.8	1.2	0.4	- 0.8

Small Segment : Machinery and Infrastructure Business (Full Year Results and Forecast)

(Unit: Billions of Yen)

		FY2018 Results	FY2019 Results	FY2020 Results (a)	FY2021			Difference	
					Initial Forecast	Forecast as of Nov. (b)	Forecast as of Feb. (c)	(c)-(a)	(c)-(b)
Order intake	Marine Diesel Engine	21.8	26.7	28.4	19.5	19.5	23.0	- 5.4	3.5
	Press Machine	23.6	21.3	12.7	15.0	15.0	15.0	2.3	0.0
	Process Equipment	12.5	22.1	4.9	18.0	18.0	16.5	11.6	- 1.5
	Precision Machinery	24.9	23.4	24.3	25.5	25.5	25.5	1.2	0.0
	Other Machinery	17.9	20.8	19.2	15.0	15.0	20.0	0.8	5.0
	Infrastructure	27.6	39.7	27.8	32.0	32.0	25.0	- 2.8	- 7.0
	Total	128.3	154.0	117.3	125.0	125.0	125.0	7.7	0.0
Net sales	Marine Diesel Engine	20.3	22.7	24.0	24.5	24.5	24.5	0.5	0.0
	Press Machine	25.3	23.1	16.6	14.0	14.0	14.0	- 2.6	0.0
	Process Equipment	18.9	14.3	18.4	14.0	14.0	14.0	- 4.4	0.0
	Precision Machinery	25.3	23.5	23.9	25.5	25.5	25.5	1.6	0.0
	Other Machinery	16.8	19.6	18.8	17.0	17.0	17.0	- 1.8	0.0
	Infrastructure	31.8	33.5	29.1	30.0	30.0	30.0	0.9	0.0
	Total	138.4	136.7	130.8	125.0	125.0	125.0	- 5.8	0.0
Operating income	Marine Diesel Engine	- 1.2	- 0.4	0.0	0.1	- 0.1	- 0.1	- 0.1	0.0
	Press Machine	- 0.1	0.6	0.3	- 0.5	- 0.3	0.0	- 0.3	0.3
	Process Equipment	- 0.5	- 2.9	- 0.5	- 0.3	- 0.3	- 0.2	0.3	0.1
	Precision Machinery	1.0	0.7	1.0	0.8	0.8	0.8	- 0.2	0.0
	Other Machinery	0.5	0.8	1.0	0.4	0.4	0.5	- 0.5	0.1
	Infrastructure	1.3	- 1.6	0.8	0.5	0.5	0.5	- 0.3	0.0
	Total	1.0	- 2.8	2.6	1.0	1.0	1.5	- 1.1	0.5



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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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