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# Financial Results for Second Quarter FY2020

**November, 2020**  
**Hitachi Zosen Corporation**

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## **1. Overview of Second Quarter FY2020 Consolidated Financial Results**

- **Order intake exceeded 200 billion yen in 1st half, for the second consecutive year**
  - 10% increase year on year
  
- **Profit recovered significantly from the same period of the previous year**
  - Hitachi Zosen Inova turned to black
  - FY2019 1st half had negative items

(Unit: Billions of yen)

	FY2019-2Q (a)		FY2020-2Q (b)		Difference (b)-(a)
	(Ratio to Net sales)		(Ratio to Net sales)		
<b>Order intake</b>		<b>200.2</b>		<b>221.2</b>	<b>21.0</b>
<b>Net sales</b>		<b>168.2</b>		<b>166.8</b>	<b>-1.4</b>
<b>Operating income</b>	(- 3.8%)	<b>-6.3</b>	(- 0.8%)	<b>-1.3</b>	<b>5.0</b>
<b>Ordinary income</b>	(- 4.1%)	<b>-6.8</b>	(- 1.5%)	<b>-2.4</b>	<b>4.4</b>
<b>Extraordinary loss</b>		<b>-7.2</b>		<b>0.0</b>	<b>7.2</b>
<b>Net income</b>	(- 6.3%)	<b>-10.6</b>	(- 1.2%)	<b>-1.9</b>	<b>8.7</b>

(Unit: Billions of yen)

	FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	115.4	166.3	50.9
Machinery	55.6	40.9	-14.7
Infrastructure	23.7	9.8	-13.9
Others	5.5	4.2	-1.3
<b>Total</b>	<b>200.2</b>	<b>221.2</b>	<b>21.0</b>

(Unit: Billions of yen)

	FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	106.4	106.3	-0.1
Machinery	43.0	44.3	1.3
Infrastructure	13.3	12.1	-1.2
Others	5.5	4.1	-1.4
<b>Total</b>	<b>168.2</b>	<b>166.8</b>	<b>-1.4</b>

(Unit: Billions of yen)

	FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Environmental Systems and Industrial Plants	- 0.5	- 1.3	- 0.8
Machinery	- 3.2	0.1	3.3
Infrastructure	- 3.0	- 0.1	2.9
Others	0.4	0.0	- 0.4
<b>Total</b>	<b>- 6.3</b>	<b>- 1.3</b>	<b>5.0</b>



(Unit: Billions of yen)

<b>FY2019-2Q Operating income</b>			<b>- 6.3</b>
<b>Breakdown Changes in Operating Income</b>	•Improvement in profitability of Inova	<b>+2.3</b>	<b>+ 5.0</b>
	•Improvement in profitability of Process Equipment	<b>+2.0</b>	
	•Recovery from compensation cost for new products of Infrastructure recorded in previous term	<b>+1.7</b>	
	•Others	<b>- 1.0</b>	
<b>FY2020-2Q Operating income</b>			<b>- 1.3</b>

## Net Non-operating income & expenses

(Unit: Billions of yen)

	FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Net interest expense & dividend	- 0.2	- 0.1	0.1
Equity in net income of affiliates	0.3	- 0.2	- 0.5
Others	- 0.6	- 0.8	- 0.2
<b>Total</b>	<b>- 0.5</b>	<b>- 1.1</b>	<b>- 0.6</b>

## Extraordinary profit and loss

(Unit: Billions of yen)

		FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Extraordinary profit	-	-	-	-
Extraordinary loss	Loss on overseas business	- 7.2	-	7.2
<b>Total</b>		<b>- 7.2</b>	<b>-</b>	<b>7.2</b>

# FY2020 2Q Results - Balance Sheets

(Unit: Billions of yen)

	End of Mar. 2020 (a)	End of Sep. 2020 (b)	Difference (b)-(a)
<b>Cash and deposits</b>	42.9	40.5	- 2.4
<b>Operating assets</b>	183.4	153.6	- 29.8
Trade notes and accounts receivable	160.0	121.6	- 38.4
Inventories	23.4	32.0	8.6
<b>Tangible &amp; intangible fixed assets</b>	124.7	124.2	- 0.5
<b>Others</b>	58.5	65.3	6.8
<b>Total Assets</b>	409.5	383.6	- 25.9
<b>Operating liabilities</b>	88.7	84.3	- 4.4
Notes and accounts payable	65.9	52.5	- 13.4
Advances received	22.8	31.8	9.0
<b>Interest bearing debt</b>	99.6	93.0	- 6.6
<b>Others</b>	101.7	90.1	- 11.6
<b>Total Liabilities</b>	290.0	267.4	- 22.6
<b>Shareholders' equity</b>	118.0	114.7	- 3.3
<b>Non-controlling interests</b>	1.5	1.5	0.0
<b>Total Net Assets</b>	119.5	116.2	- 3.3
<b>Total Liabilities and Net Assets</b>	409.5	383.6	- 25.9
<b>Shareholders' equity ratio</b>	28.8%	29.9%	1.1%

## Cash flows

(Unit: Billions of yen)

	FY2019-2Q (a)	FY2020-2Q (b)	Difference (b)-(a)
Cash flows from operating activities	25.4	12.4	- 13.0
Cash flows from investing activities	- 7.6	- 5.6	2.0
Cash flows from financing activities	- 25.9	- 9.5	16.4
Increase in cash and cash equivalents*1	- 8.6	- 2.5	6.1
Cash and cash equivalents at beginning	34.3	41.5	7.2
Cash and cash equivalents at end	25.7	39.0	13.3

## Interest-bearing debt

(Unit: Billions of yen)

	End of Mar. 2020 (a)	End of Sep. 2020 (b)	Difference (b)-(a)
Bank borrowings*2	74.6	68.0	-6.6
Bond	25.0	25.0	0.0
Total	99.6	93.0	-6.6

\*1: Including Foreign exchange translation, (FY2019-2Q: -0.5, FY2020-2Q:0.2) \*2: Including lease obligation

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## 2. Forecast of FY2020

(Unit: Billions of yen)

	FY2019		FY2020				Difference	
	Results		Forecast as of May	Forecast as of Aug.	Forecast as of Nov.		(c) - (a)	(c) - (b)
	(a)		(b)	(c)				
	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)	(Ratio to Net sales)			
<b>Order intake</b>	454.1	410.0	410.0	410.0	410.0	-44.1	0.0	
<b>Net sales</b>	402.4	400.0	400.0	400.0	400.0	-2.4	0.0	
<b>Operating income</b>	(3.5%) 13.8	(2.8%) 11.0	(2.8%) 11.0	(2.8%) 11.0	(2.8%) 11.0	-2.8	0.0	
<b>Ordinary income</b>	(2.3%) 9.4	(1.6%) 6.5	(1.6%) 6.5	(1.6%) 6.5	(1.6%) 6.5	-2.9	0.0	
<b>Net income</b>	(0.5%) 2.1	(1.0%) 4.0	(1.0%) 4.0	(1.0%) 4.0	(1.0%) 4.0	1.9	0.0	

(Unit: Billions of yen)

	FY2019	FY2020			Difference	
	Results (a)	Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	289.4	280.0	280.0	280.0	-9.4	0.0
Machinery	114.3	85.0	85.0	85.0	-29.3	0.0
Infrastructure	39.7	35.0	35.0	35.0	-4.7	0.0
Others	10.7	10.0	10.0	10.0	-0.7	0.0
<b>Total</b>	<b>454.1</b>	<b>410.0</b>	<b>410.0</b>	<b>410.0</b>	<b>-44.1</b>	<b>0.0</b>

(Unit: Billions of yen)

	FY2019	FY2020			Difference	
	Results (a)	Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	254.3	265.0	265.0	265.0	10.7	0.0
Machinery	103.2	95.0	95.0	95.0	-8.2	0.0
Infrastructure	33.5	30.0	30.0	30.0	-3.5	0.0
Others	11.4	10.0	10.0	10.0	-1.4	0.0
<b>Total</b>	<b>402.4</b>	<b>400.0</b>	<b>400.0</b>	<b>400.0</b>	<b>-2.4</b>	<b>0.0</b>



# FY2020 Forecast - Operating Income

(Unit: Billions of yen)

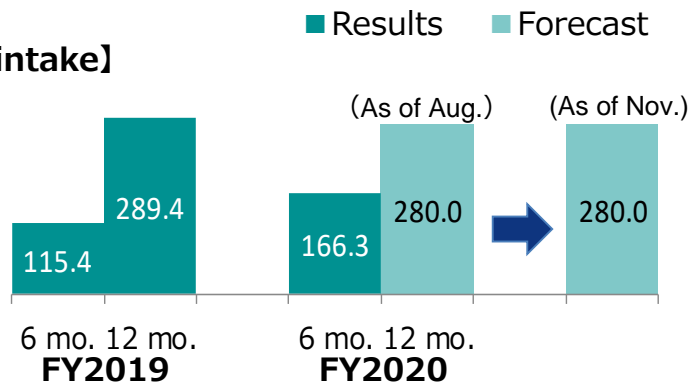
	FY2019	FY2020			Difference	
	Results (a)	Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)	(c)-(a)	(c)-(b)
Environmental Systems and Industrial Plants	15.8	11.0	11.0	11.0	-4.8	0.0
Machinery	-1.2	0.0	0.0	0.0	1.2	0.0
Infrastructure	-1.6	0.0	0.0	0.0	1.6	0.0
Others	0.8	0.0	0.0	0.0	-0.8	0.0
<b>Total</b>	<b>13.8</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>-2.8</b>	<b>0.0</b>

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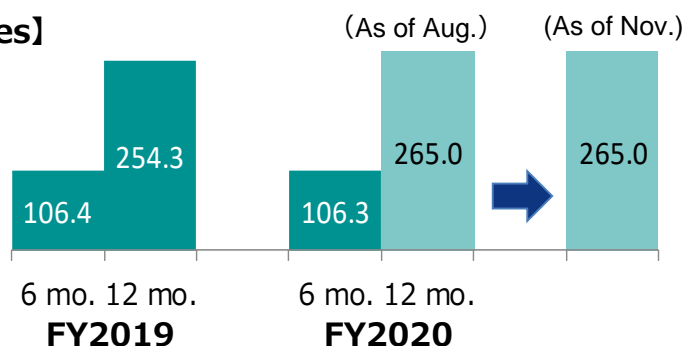
## 3. Details by Segments

( Unit: Billions of yen )

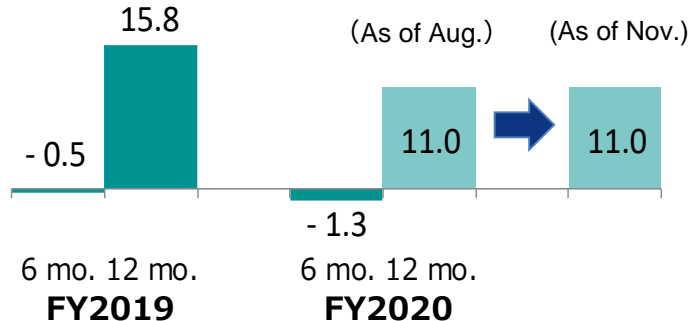
## 【Order intake】



## 【Net sales】



## 【Operating income】



## Order intake

### ■ FY2020 2Q results (vs. FY2019 2Q)

166.3 (+50.9)

- Orders for EfW plants overseas and after-sales and O&M in Japan

### ■ FY2020 revised forecast (vs. as of Aug.)

280.0 (±0)

- Pay attention to the impact of COVID-19 on overseas projects

## Net sales

### ■ FY2020 2Q results (vs. FY2019 2Q)

106.3 (-0.1)

- Progress in Inova EPC projects
- Decrease in large-scale projects in Japan

### ■ FY2020 revised forecast (vs. as of Aug.)

265.0 (±0)

## Operating income

### ■ FY2020 2Q results (vs. FY2019 2Q)

-1.3 (-0.8)

- Inova's improvement, decline in domestic after-sales O&M, cost increase in new technology in EPC project in Japan

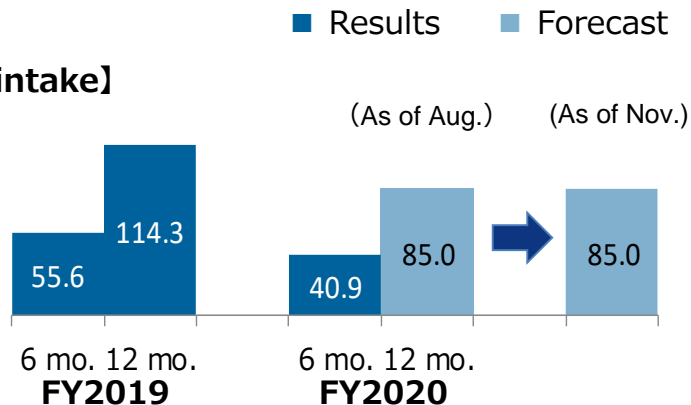
### ■ FY2020 revised forecast (vs. as of Aug.)

11.0 (±0)

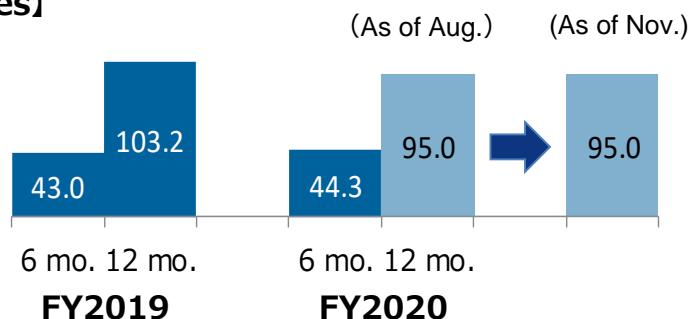
- Covering the decline in domestic EPC profits with Stable Business

( Unit: Billions of yen )

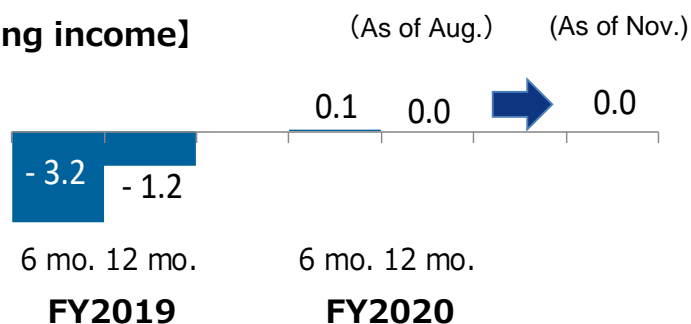
## 【Order intake】



## 【Net sales】



## 【Operating income】



## Order intake

### ■ FY2020 2Q results (vs. FY2019 2Q)

40.9 (-14.7)

- Decrease in press machine and marine diesel engine

### ■ FY2020 revised forecast (vs. as of Aug.)

85.0 (±0)

- Pay attention to the impact of COVID-19

## Net sales

### ■ FY2020 2Q results (vs. FY2019 2Q)

44.3 (+1.3)

- Increase in marine diesel engine

### ■ FY2020 revised forecast (vs. as of Aug.)

95.0 (±0)

## Operating income

### ■ FY2020 2Q results (vs. FY2019 2Q)

0.1 (+3.3)

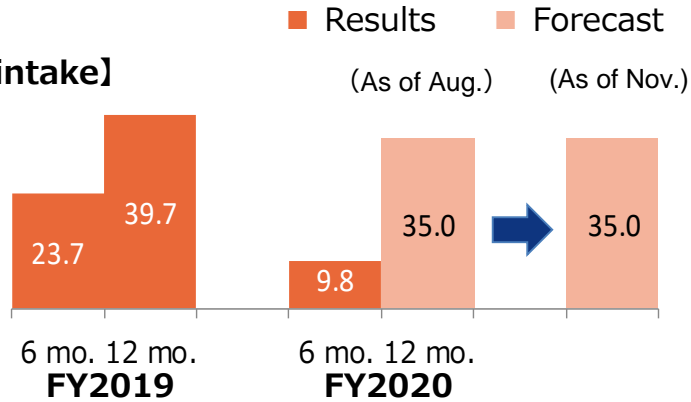
- Improved profitability at process equipment

### ■ FY2020 revised forecast (vs. as of Aug.)

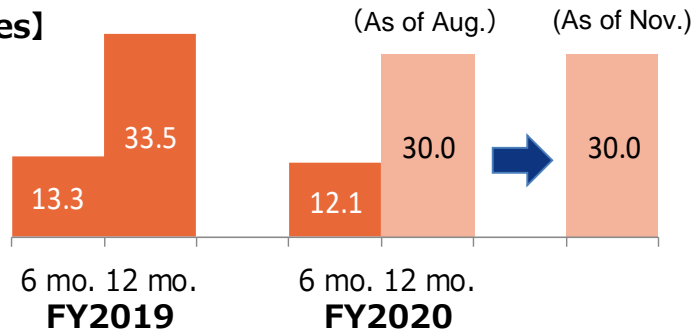
0.0 (±0)

( Unit: Billions of yen )

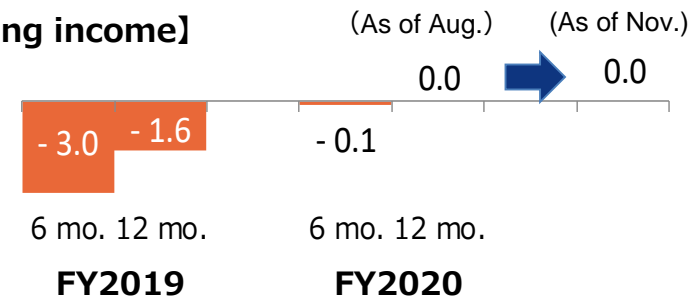
## 【Order intake】



## 【Net sales】



## 【Operating income】



## Order intake

### ■ FY2020 2Q results (vs. FY2019 2Q)

9.8 (-13.9)

- Decrease in large-scale order of bridges and steel stacks

### ■ FY2020 revised forecast (vs. as of Aug.)

35.0 (±0)

- Large-scale order in shield machine expected in the second half

## Net sales

### ■ FY2020 2Q results (vs. FY2019 2Q)

12.1 (-1.2)

- Decrease in large-scale order in bridges

### ■ FY2020 revised forecast (vs. as of Aug.)

30.0 (±0)

## Operating income

### ■ FY2020 2Q results (vs. FY2019 2Q)

-0.1 (+2.9)

- Absence of compensation cost for new products recorded in previous term

### ■ FY2020 revised forecast (vs. as of Aug.)

0.0 (±0)

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## 4. Second Quarter FY2020 Topics

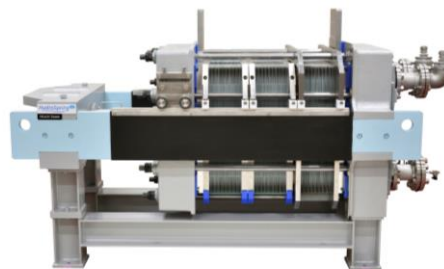
## Order Intake (Domestic Market)

Order received	Project	Outline	Performance
May 2020	<b>Hydrogen Generation System</b> Proton Exchange Membrane(PEM) type hydrogen generation system ordered by Yamanashi Prefectural Enterprise Bureau	For the research of "Technology development of P2G system aiming for the CO2 free hydrogen society" from FY2016 to FY2020-end.	Supply of 400Nm <sup>3</sup> /h of hydrogen by using 1.5MW fluctuating power from solar PV
July 2020	<b>Energy from Waste plant</b> Uki Wide Area Union's Project	DBO (design-build-operate) project with O&M services for 20 years after completion of the facility.	95t/day
August 2020	<b>Energy from Waste plant</b> Eastern Saga Prefecture's Project	DBO (design-build-operate) project with O&M services for 30 years. Recycling of the ash.	172 t/day, 3800 kW
September 2020	<b>Energy from Waste plant</b> Edogawa Incineration Plant	Highly efficient power generation using heat from incineration. Power to be used on-site as well as sold outside.	600 t/day, about 21,000kW

Energy from Waste plant in Uki



Hydrogen Generation System



Energy from Waste plant in Saga



## Order Intake (Overseas Market)

Order received	Project	Outline	Performance
Apr/Sept 2020	<p><b>Energy from Waste plant</b></p> <p>Moscow, 3 plants</p>	Design and supply main equipment such as waste cranes, grates, and flue gas treatment equipment, and dispatch supervisors during installation and commissioning period	0.7 mil. t/year (each plant)
August 2020	<p><b>Fiber filtration system</b></p> <p>Large-scale fiber filtration system for combined sewage system overflow in China: Our first order intake</p>	One-third area and less than a half cost compared to rainwater stagnant ponds.	0.5 mil. m3/day
August 2020	<p><b>Energy from Waste plant</b></p> <p>Supply of major equipment to the EfW plant in Shanghai, China constructed by a local licensee</p>	Supply major equipment to a plant with a capacity of 3,000 t/day	3,000 t/day

Energy from Waste plant in Moscow



Large-scale fiber filtration system



Energy from Waste plant in Shanghai





Execution O&M Forecast

Project (country)		Order	Formation	HZI's Scope	Calendar year							
					2017	2018	2019	2020	2021	2022	2023	
Backlog	Istanbul(Turkey)	2017/ 9	JV	EP+O&M(1-year)								
	Ivery(France)	2018/11	Sole	EP+SV								
	Rookery(UK)	2019/ 3	Sole	EPC								
	Moscow1-4(Russia)*	2019/11	Consortium	EP+SV								
	Rockingham(Australia)	2020/ 1	Consortium	EP+SV+O&M(long term)								
	Newhurst(UK)	2020/ 2	Sole	EPC								
	Emmenspitz(Swiss)	2020/ 2	Sole	EP+SV								
Fore-cast	Slough(UK)	-	Sole	EPC								
	Dubai(UAE)	-	Consortium	EP+SV+O&M(long term)								

\*Orders were received for Moscow 1 in FY2019 and Moscow 2-4 in FY2020.

- Received all of 4 orders for Moscow EfW project
- Partnership with local companies mitigates risks in new markets (Turkey, Russia, Australia, UAE)

(Billions of yen)

## ■ Service/O&M and Biogas business

- Expansion of service and biogas businesses to build up a stable earning structure.
- Order intake steadily increase supported by reinforcement of human resources (increase, recruiting) and active service menus expansion.

		2017 Actual	2018 Actual	2019 Actual	2020 Forecast
Service	Order Intake	6.0	10.2	24.7	15.5
	Net Sales	6.3	7.5	10.5	13.3
Biogas	Order Intake	4.5	7.3	7.6	14.2
	Net Sales	5.6	4.9	5.8	9.0

## Istanbul (Turkey)

### ■ Project outline

- 1st project in Turkey
- Scope : EPC of EfW + 1 year O&M
- Capacity : 3,000 t/d (1,000 t/d×3 lines)
- Delivery : Sep. 2021 (5.5 months behind schedule)

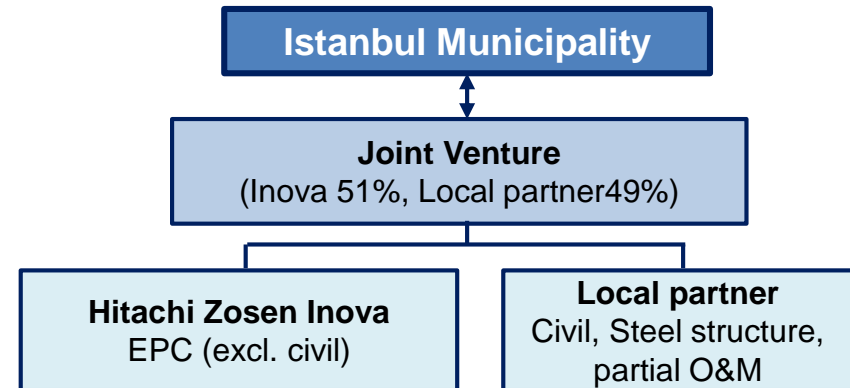
### ■ Risk management

- Inflation risk : Contract incl. escalation clause
- FX risk (EUR-TRY) : Borne by local partner
- Credit risk : Trade insurance provided by SERV (Swiss Export Credit Agency, equivalent to NEXI in Japan)

### ■ Project status

- Construction progress rate is about 80%
- The cause of the delay is the influence of COVID-19 and civil engineering work (the partner's scope)  
Will ask the customer to extend the delivery date

### ■ Contract diagram



As of October 2020

## ■ Methane Fermentation plant - built, owned and operated by Inova in Sweden (Scheduled to start operation in Dec. 2020)

- Our Group contributes to reducing greenhouse gas emissions through our business activities
- Sweden aims for carbon neutrality by 2045, and an important component of this ambition is a shift from fossil to green fuels with public transportation
- Inova's second own methane fermentation facility following San Luis Obispo, California, USA

## ■ Inova's Kompogas® technology

- Generate biogas from organic waste by microorganisms reaction, and treated residue can be used as compost and fertilizer for agriculture, etc.
- Purified methane has almost the same composition as natural gas.
- Trademark registration in more than 30 countries around the world



## ■ Project overview

Investment / construction / operation	Hitachi Zosen Inova AG
Methane gas purifying equipment	HZI BioMethan (Inova's wholly-owned subsidiary)
Location	Jönköping, southern Sweden
Operation period	From December 2020, 20 years
Waste type and suppliers	Food waste and green waste from multiple public and private suppliers (40,000 t / year)
Methane gas off-takers	Multiple private bus companies and fuel companies for transportation fuel (35Gwh / year)
Financing	Co-financing by Japan Bank for International Cooperation and private bank

## Building a carbon cycle model through methanation using CO<sub>2</sub> from EfW Plants

### ■ Ministry of the Environment consignment business

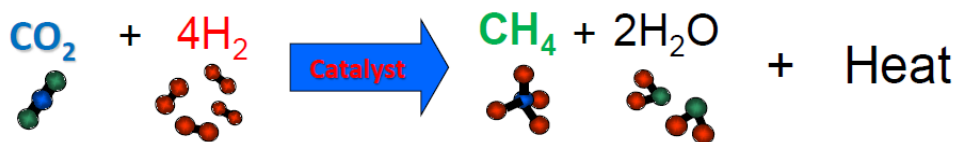
The generated methane will be used as fuel for power generator at the plant.

Period: 2018 to 2022

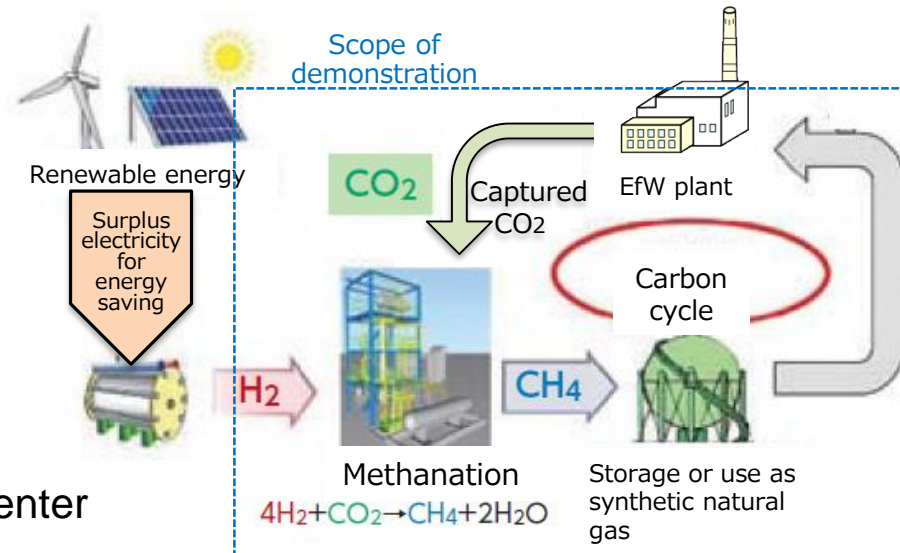
Place: Odawara City Environment Business Center

### ■ Methanation

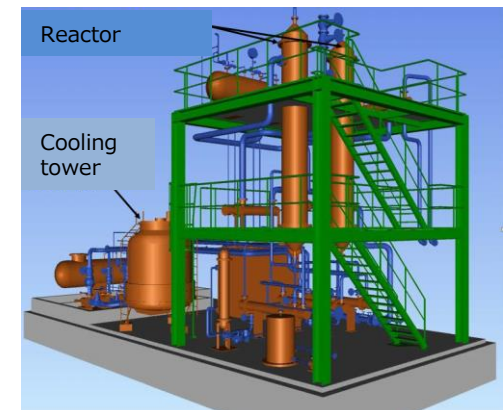
Technology for synthesizing methane, main component in natural gas by chemical reaction between hydrogen and CO<sub>2</sub> in a reactor vessel filled with catalyst.



Carbon Cycle Society Model Image



Methanation facility at Odawara City Environment Business Center (Conceptual Design)



## ■ Background of development

- Continuous spread of the novel coronavirus (COVID-19)
- Developed a new product, looking ahead to the “with COVID-19/after COVID-19”
- Contribution to the society leveraging our Company’s expertise in sterilization technology and fluid/optical technologies developed for pharmaceutical equipment

## ■ Features of our deep UV LED air sterilizer

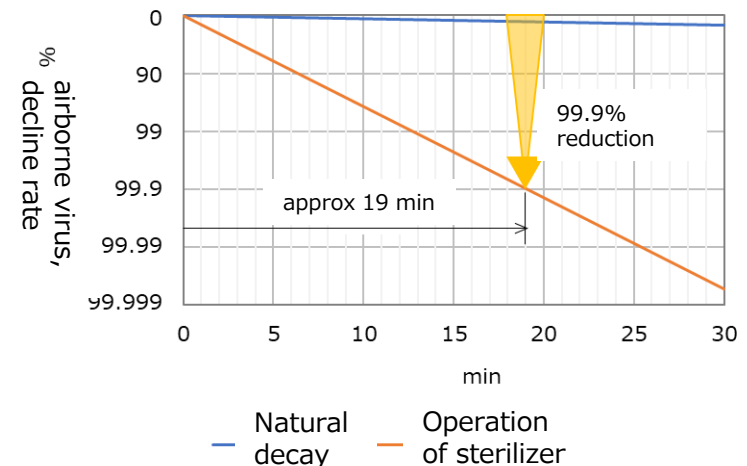
- Built-in deep UV LED inactivates 99.9% of viruses in 100m<sup>2</sup> within 3 hours on condition of maximum air volume (12m<sup>3</sup>/min)
- Long-life LEDs enable 24 hour operation for approximately two years

## ■ Device outline

- Dimensions: W600 mm × D600 mm × H1900 mm
- Weight: Approx. 180 kg
- Power supply: 100 V
- Applicable floor area: ~100m<sup>2</sup>
- Release: November 2020



**Our deep ultraviolet LED air sterilizer**



**Our ultrasonic phased array inspection system using AI won Grand Prize in the 2nd “Deep Learning Business Utilization Award” sponsored by Nikkei XTREND and Nikkei XTECH.**

**Initiatives in line with our strategy such as “active use of AI” and “expansion of after-sale service business in all business segments”**

**“Ultrasonic phased array inspection system using AI”**

- Developed for non-destructive inspection of heat exchangers used in petrochemical plants and power plants.

Jointly developed with Nichizo Tech Inc., our subsidiary leveraging its expertise in the heat exchanger Manufacture and inspection.  
Demonstrates the Group’s comprehensive strength.

- Introduced AI to non-destructive inspection of pipe end welds, enabling to judge automatically.
- It took about 300 hours of judgment time and labor, but the development of this system has greatly improved work efficiency and inspection accuracy.



Award ceremony



Inspection system

With the full-scale operation of new ERP system installed last year and the utilization of various ICT tools, we took smooth actions for remote work, telecommuting, etc. in a long distance.

## ■ Business activities

### (1) Impact on sales activities

- Some delay in order intake timing due to constraints on customer visits and face-to-face negotiations
- Some decrease in order intake due capital investment slow down in the private sector

### (2) Impact on production activities

Item	Status	
Offices	Japan	<ul style="list-style-type: none"> <li>• Continuing remote working and staggered working hours targeting 30% attendance.</li> </ul>
	Over-seas	<ul style="list-style-type: none"> <li>• Offices: Due to spread of the infection in countries concerned, some offices temporarily returned all expatriates to Japan, but remote-sales activities continue with local customers and staff from Japan.</li> <li>• Subsidiaries: Full remote working during lock-down period. Currently remote working and other measures on-going following the guidance of each country's government.</li> </ul>
Manufacturing facilities and on-site construction	Japan	<ul style="list-style-type: none"> <li>• Thoroughly implement measures to prevent spread of the infection, e.g. increasing the number of worker rest rooms. No significant impact seen.</li> </ul>
	Over-seas	<ul style="list-style-type: none"> <li>• Occurrence of infections in several construction sites in Europe and the Middle East.</li> <li>• Partially suspended or delayed in press machine (Gradually resuming from August)</li> <li>• Other businesses utilize remote supervisors and support local construction.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Some delays in delivery occurred in procurement from China, but the impact on the construction schedule is minimal.</li> <li>• Implementation of remote inspection support using photographs and videos for quality control.</li> </ul>	

## ■ with Corona/after Corona Initiatives

Keeping and expanding business opportunities

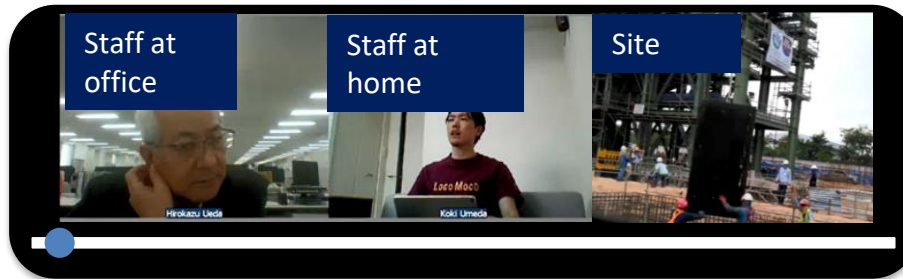
- Promotion of digital-marketing (Dissemination of information through SNS, virtual exhibitions, etc.)
- Promotion of “remote supervisor” and “remote inspection” from remote areas using ICT

Work style reform

- Flexible operations such as remote working, staggered working hour, and shift work
- Improved productivity from operational efficiency by ICT use such as online conferences

## ➤ About Remote Supervisors

Using smart glass to support a distance construction site overseas while business trip is unable.



Construction site photo taken with a smart glass camera



Smart Glass



Site staff with smart glass  
(Thai, RDF Power Plant Project)



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## **5. Supplementary Material (Details by Small Segments)**

( Unit: Billions of yen )

		FY2017 2Q	FY2018 2Q	FY2019 2Q (a)	FY2020 2Q (b)	Difference (b)-(a)
Order intake	EPC	66.2	43.0	54.8	85.5	30.7
	After-sales O&M	91.8	80.4	60.6	80.8	20.2
	Total	158.0	123.4	115.4	166.3	50.9
Net sales	EPC	54.5	42.8	55.1	57.4	2.3
	After-sales O&M	46.5	45.1	51.3	48.9	- 2.4
	Total	101.0	87.9	106.4	106.3	- 0.1
Operating income	EPC	- 5.5	- 9.7	- 2.6	- 2.3	0.3
	After-sales O&M	1.8	1.6	2.1	1.0	- 1.1
	Total	- 3.7	- 8.1	- 0.5	- 1.3	- 0.8

\*After-sales O&M: Operation and Maintenance (AOM) and other post-completion services.

# Results and Forecast (by Small Segment of Environmental Systems & Industrial Plants)

( Unit: Billions of yen )

		FY2017 Results	FY2018 Results	FY2019 Results (a)	FY2020			Difference (c)-(a)	Difference (c)-(b)
					Forecast as of May	Forecast as of Aug. (b)	Forecast as of Nov. (c)		
Order intake	EPC	99.1	148.5	132.9	160.0	160.0	160.0	27.1	0.0
	After-sales O&M	158.1	166.2	156.5	120.0	120.0	120.0	- 36.5	0.0
	Total	257.2	314.7	289.4	280.0	280.0	280.0	- 9.4	0.0
Net sales	EPC	110.0	107.3	125.8	140.0	140.0	140.0	14.2	0.0
	After-sales O&M	121.8	121.0	128.5	125.0	125.0	125.0	- 3.5	0.0
	Total	231.8	228.3	254.3	265.0	265.0	265.0	10.7	0.0
Operatng income	EPC	- 13.3	- 9.3	1.7	0.0	0.0	- 1.0	- 2.7	- 1.0
	After-sales O&M	14.6	14.9	14.1	11.0	11.0	12.0	- 2.1	1.0
	Total	1.3	5.6	15.8	11.0	11.0	11.0	- 4.8	0.0

## 2Q Results (by Small Segment of Machinery)

( Unit: Billions of yen )

		FY2017 2Q	FY2018 2Q	FY2019 2Q (a)	FY2020 2Q (b)	Difference (b)-(a)
Order intake	Marine Diesel Engine	9.0	5.2	15.2	10.5	- 4.7
	Press Machine	13.1	13.4	12.9	4.8	- 8.1
	Process Equipment	2.1	4.0	6.9	3.7	- 3.2
	Systematic Machinery	12.4	10.5	8.9	11.3	2.4
	Others	7.5	9.4	11.7	10.6	- 1.1
	Total	44.1	42.5	55.6	40.9	- 14.7
Net sales	Marine Diesel Engine	7.5	8.0	8.0	10.3	2.3
	Press Machine	11.5	12.5	11.3	9.7	- 1.6
	Process Equipment	7.3	7.9	5.7	6.7	1.0
	Systematic Machinery	12.0	12.1	9.8	9.5	- 0.3
	Others	6.5	6.7	8.2	8.1	- 0.1
	Total	44.8	47.2	43.0	44.3	1.3
Operating income	Marine Diesel Engine	- 0.5	- 0.9	- 0.1	0.0	0.1
	Press Machine	0.5	0.3	0.2	0.5	0.3
	Process Equipment	- 0.1	0.3	- 2.8	- 0.7	2.1
	Systematic Machinery	0.7	0.2	- 0.4	0.0	0.4
	Others	- 0.3	- 0.4	- 0.1	0.3	0.4
	Total	0.3	- 0.5	- 3.2	0.1	3.3

# Results and Forecast (by Small Segment of Machinery)

( Unit: Billions of yen )

		FY2017 Results	FY2018 Results	FY2019 Results (a)	FY2020		Forecast as of Nov. (c)	Difference (c)-(a)	Difference (c)-(b)
					Forecast as of May	Forecast as of Aug. (b)			
Order intake	Marine Diesel Engine	17.7	21.8	26.7	21.0	21.0	21.0	- 5.7	0.0
	Press Machine	22.9	23.6	21.3	16.0	16.0	16.0	- 5.3	0.0
	Process Equipment	15.1	12.5	22.1	16.0	16.0	16.0	- 6.1	0.0
	Systematic Machinery	27.0	24.9	23.4	16.0	16.0	16.0	- 7.4	0.0
	Others	15.7	17.9	20.8	16.0	16.0	16.0	- 4.8	0.0
	Total	98.4	100.7	114.3	85.0	85.0	85.0	- 29.3	0.0
Net sales	Marine Diesel Engine	20.4	20.3	22.7	23.0	23.0	23.0	0.3	0.0
	Press Machine	24.4	25.3	23.1	18.0	18.0	18.0	- 5.1	0.0
	Process Equipment	13.7	18.9	14.3	18.0	18.0	18.0	3.7	0.0
	Systematic Machinery	27.0	25.3	23.5	18.0	18.0	18.0	- 5.5	0.0
	Others	15.1	16.8	19.6	18.0	18.0	18.0	- 1.6	0.0
	Total	100.6	106.6	103.2	95.0	95.0	95.0	- 8.2	0.0
Operating income	Marine Diesel Engine	- 0.3	- 1.2	- 0.4	- 0.2	- 0.2	- 0.2	0.2	0.0
	Press Machine	1.0	- 0.1	0.6	0.0	- 0.2	- 0.2	- 0.8	0.0
	Process Equipment	0.3	- 0.5	- 2.9	0.0	0.0	0.0	2.9	0.0
	Systematic Machinery	1.5	1.0	0.7	0.2	0.2	0.2	- 0.5	0.0
	Others	0.0	0.5	0.8	0.0	0.2	0.2	- 0.6	0.0
	Total	2.5	- 0.3	- 1.2	0.0	0.0	0.0	1.2	0.0



# 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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