
Financial Results for FY2022 – 1st Quarter

August 1st, 2022

Hitachi Zosen Corporation

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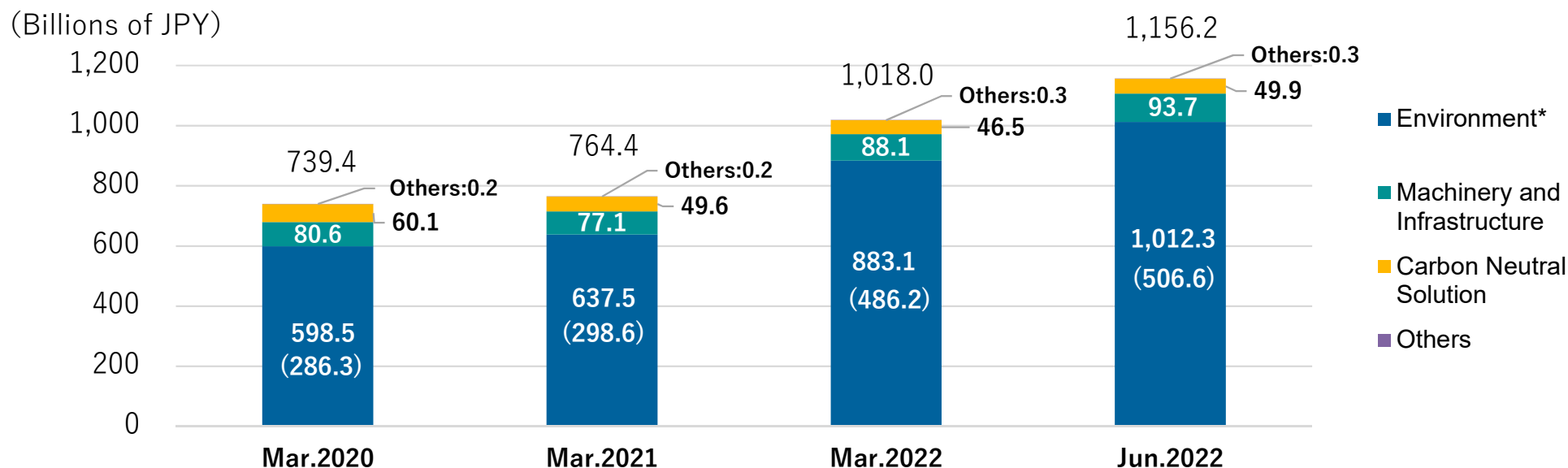
(Billions of JPY)

	FY2021-1Q	FY2022-1Q	Difference
Order intake	157.3	189.6	32.3
Net sales	80.4	96.3	15.9
Operating income	-2.0	-0.9	1.1
(Ratio to Net sales)	(- 2.5%)	(- 1.0%)	
Ordinary income	-2.6	-1.7	0.9
(Ratio to Net sales)	(- 3.3%)	(- 1.8%)	
Net income	-2.6	-2.0	0.6
(Ratio to Net sales)	(- 3.3%)	(- 2.1%)	

Order Intake, Net Sales, Operating Income (1Q Results)

		FY2019 1Q	FY2020 1Q	FY2021 1Q (a)	FY2022 1Q (b)	Difference (b)-(a)	(Billions of JPY)
Order intake	Environment	45.6	46.7	123.9	150.3	26.4	
	Machinery & Infrastructure	30.7	16.4	20.1	25.0	4.9	
	Carbon Neutral Solution	13.2	5.1	11.4	12.2	0.8	
	Other	2.8	2.1	1.9	2.1	0.2	
	Total	92.3	70.3	157.3	189.6	32.3	
Net sales	Environment	43.5	46.8	55.3	64.8	9.5	
	Machinery & Infrastructure	18.1	18.9	16.2	19.5	3.3	
	Carbon Neutral Solution	6.4	7.7	7.1	9.9	2.8	
	Other	2.9	2.1	1.8	2.1	0.3	
	Total	70.9	75.5	80.4	96.3	15.9	
Operating income	Environment	- 3.6	- 3.5	- 1.4	- 0.8	0.6	
	Machinery & Infrastructure	- 1.2	0.0	- 0.5	0.2	0.7	
	Carbon Neutral Solution	- 1.9	- 0.6	- 0.2	- 0.6	- 0.4	
	Other	0.3	0.1	0.1	0.3	0.2	
	Total	- 6.4	- 4.0	- 2.0	- 0.9	1.1	

Order Backlog



* In parentheses indicate long-term operations included in the Environment

Breakdown of Order Backlog by Sales Recognition Year (Billions of JPY)

	Order Backlog	Breakdown of order backlog by sales recognition year			
		FY2022	FY2023	FY2024	FY2025 -
End of June 2022	1,156.2	311.1	246.6	153.1	445.4
End of June 2021	838.6	248.0	187.8	104.5	298.3
Amount of increase	317.6	63.1	58.8	48.6	147.1

FY2022 1Q - Operating Income Y-o-Y Comparison

(Billions of JPY)

FY2021-1Q Operating income		- 2.02
Breakdown of changes in operating income	• Environment Domestic O&M (Highly profitable project in the previous year, Tentative increase in procurement cost of electricity sales)	- 0.61
	• Inova Group (EPC : Steadily progress of construction, Steinmüller with initial loss expected to improve from 2Q)	+1.00
	• Machinery and Infrastructure (Press Machine : Due mainly to recovery in order intake, Precision Machinery : Mainly by semiconductor-related products)	+0.74
	• Carbon Neutral Solution (Engine : increase in steel prices, Process Equipment : recovery in order intake, improvements at US subsidiary)	- 0.44
	• Others	+0.41
	FY2022-1Q Operating income	- 0.92

Balance Sheet (End of June 2022)

(Billions of JPY)

	End of Mar. 2022	End of Jun. 2022	Difference
Cash and deposits (a)	67.2	102.8	35.6
Operating assets	204.3	155.8	- 48.5
Trade notes and accounts receivable	189.8	138.6	- 51.2
Inventories	14.5	17.2	2.7
Tangible & intangible fixed assets	122.0	121.7	- 0.3
Others	67.6	63.1	- 4.5
Total Assets	461.1	443.4	- 17.7
Operating liabilities	100.9	107.3	6.4
Notes and accounts payable, Electronically recorded obligations - operating	71.8	67.6	- 4.2
Advances received/ Contract assets	29.1	39.7	10.6
Interest bearing debt (b)	91.9	91.6	- 0.3
Bank borrowings (incl. lease obligations)	61.9	61.6	- 0.3
Bonds payable	30.0	30.0	0.0
Others	135.4	118.6	- 16.8
Total Liabilities	328.2	317.5	- 10.7
Shareholders' equity	131.3	124.2	- 7.1
Non-controlling interests	1.6	1.7	0.1
Total Net Assets	132.9	125.9	- 7.0
Total Liabilities and Net Assets	461.1	443.4	- 17.7
Shareholders' equity ratio	28.5%	28.0%	
Net interest bearing debt (b)-(a)	24.7	-11.2	- 35.9

(Billions of JPY)

	FY2021 1Q	FY2022 1Q	Difference
Cash flows from operating activities	40.0	40.5	0.5
Cash flows from investing activities	1.2	-3.3	-4.5
Cash flows from financing activities	-11.4	-2.9	8.5
Increase in cash and cash equivalents *	30.0	35.5	5.5
Cash and cash equivalents at beginning	45.8	65.9	20.1
Cash and cash equivalents at end	75.8	101.4	25.6

*Including foreign currency translation differences (FY2021 : JPY 0.2 Billion, FY2022 : JPY 1.2 Billion)

FY2022 Full Year Forecast

FY2022 Full Year Forecast - Overview

(Billions of JPY)

	FY2021 Results	FY2022		Difference	
	(a)	Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	677.9	500.0	500.0	-177.9	0.0
Net sales	441.7	440.0	460.0	18.3	20.0
Operating income (% to net sales)	15.5 (3.5%)	20.0 (4.5%)	20.0 (4.3%)	4.5	0.0
Ordinary income (% to net sales)	11.7 (2.7%)	16.0 (3.6%)	16.0 (3.5%)	4.3	0.0
Net income (% to net sales)	7.8 (1.8%)	10.0 (2.3%)	10.0 (2.2%)	2.2	0.0
ROE	6.1%	7.4%	7.4%		

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

(Billions of JPY)

		FY2019 Results	FY2020 Results	FY2021 Results (a)	FY2022		Difference	
					Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	Environment	289.4	303.7	529.4	350.0	350.0	- 179.4	0.0
	Machinery & Infrastructure	99.9	80.4	97.1	90.0	90.0	- 7.1	0.0
	Carbon Neutral Solution	54.1	36.9	43.0	52.0	52.0	9.0	0.0
	Other	10.7	8.4	8.4	8.0	8.0	- 0.4	0.0
	Total	454.1	429.4	677.9	500.0	500.0	- 177.9	0.0
Net sales	Environment	254.3	269.4	307.2	300.0	320.0	12.8	20.0
	Machinery & Infrastructure	94.3	83.8	86.3	87.0	87.0	0.7	0.0
	Carbon Neutral Solution	42.4	47.0	39.9	45.0	45.0	5.1	0.0
	Other	11.4	8.3	8.3	8.0	8.0	- 0.3	0.0
	Total	402.4	408.5	441.7	440.0	460.0	18.3	20.0
Operating income	Environment	15.8	12.6	12.4	16.5	16.5	4.1	0.0
	Machinery & Infrastructure	0.5	2.4	2.2	2.8	2.8	0.6	0.0
	Carbon Neutral Solution	- 3.3	0.2	0.4	0.3	0.3	- 0.1	0.0
	Other	0.8	0.1	0.5	0.4	0.4	- 0.1	0.0
	Total	13.8	15.3	15.5	20.0	20.0	4.5	0.0

(Billions of JPY)

	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Forecast
Total assets	409.5	429.3	461.1	471.0
Cash and deposits	42.9	47.3	67.2	77.0
Equity	118.0	126.4	131.3	139.0
Equity ratio	28.8%	29.4%	28.5%	29.5%
ROE	1.9%	3.5%	6.1%	7.4%
Interest-bearing debt	99.6	98.1	91.9	87.0
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

Supplementary Information (Breakdown by Small Segments)

Small Segment : Environmental Business (1Q Results)

		FY2019 1Q	FY2020 1Q	FY2021 1Q (a)	FY2022 1Q (b)	Difference (b)-(a)	(Billions of JPY)
Order intake	EPC	17.3	14.5	81.0	96.5	15.5	
	AOM*	28.3	32.2	42.9	53.8	10.9	
	Total	45.6	46.7	123.9	150.3	26.4	
Net sales	EPC	22.2	25.4	32.7	37.8	5.1	
	AOM*	21.3	21.4	22.6	27.0	4.4	
	Total	43.5	46.8	55.3	64.8	9.5	
Operating income	EPC	- 3.7	- 2.4	- 1.0	1.1	2.1	
	AOM*	0.1	- 1.1	- 0.4	- 1.9	- 1.5	
	Total	- 3.6	- 3.5	- 1.4	- 0.8	0.6	

【Of which, Inova Group (consolidated)】

		FY2019 1Q	FY2020 1Q	FY2021 1Q (a)	FY2022 1Q (b)	Difference (b)-(a)	(Billions of JPY)
Order intake	EPC	1.0	10.4	63.7	85.1	21.4	
	AOM*	1.5	1.8	2.5	4.6	2.1	
	Total	2.5	12.2	66.2	89.7	23.5	
Net sales	EPC	5.4	11.5	23.2	23.1	- 0.1	
	AOM*	2.3	2.8	2.3	4.9	2.6	
	Total	7.7	14.3	25.5	28.0	2.5	
Operating income	EPC	- 3.2	- 0.7	0.5	2.3	1.8	
	AOM*	0.2	0.2	0.5	- 0.4	- 0.9	
	Total	- 3.0	- 0.5	1.0	1.9	0.9	

*AOM: After-sales services, operation and maintenance.

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

(Billions of JPY)

		FY2019 Results	FY2020 Results	FY2021 Results (a)	FY2022		Difference	
					Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	EPC	132.9	168.7	224.7	210.0	210.0	- 14.7	0.0
	O&M	156.5	135.0	304.7	140.0	140.0	- 164.7	0.0
	Total	289.4	303.7	529.4	350.0	350.0	- 179.4	0.0
Net sales	EPC	125.8	136.6	165.3	168.0	175.0	9.7	7.0
	O&M	128.5	132.8	141.9	132.0	145.0	3.1	13.0
	Total	254.3	269.4	307.2	300.0	320.0	12.8	20.0
Operating income	EPC	1.7	1.1	0.2	5.0	5.5	5.3	0.5
	O&M	14.1	11.5	12.2	11.5	11.0	- 1.2	- 0.5
	Total	15.8	12.6	12.4	16.5	16.5	4.1	0.0

【Of which, Inova Group (consolidated)】

(Billions of JPY)

		FY2019 Results	FY2020 Results	FY2021 Results (a)	FY2022		Difference	
					Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	EPC	62.5	97.7	155.9	130.0	130.0	- 25.9	0.0
	O&M	24.4	7.2	161.9	15.0	15.0	- 146.9	0.0
	Total	86.9	104.9	317.8	145.0	145.0	- 172.8	0.0
Net sales	EPC	47.2	70.8	100.7	103.0	103.0	2.3	0.0
	O&M	9.0	11.5	11.0	12.0	20.0	9.0	8.0
	Total	56.2	82.3	111.7	115.0	123.0	11.3	8.0
Operating income	EPC	0.3	1.8	3.1	5.0	5.5	2.4	0.5
	O&M	0.3	0.1	- 0.4	0.5	0.5	0.9	0.0
	Total	0.6	1.9	2.7	5.5	6.0	3.3	0.5

Small Segment : Machinery and Infrastructure Business (1Q Results)

(Billions of JPY)

		FY2019 1Q	FY2020 1Q	FY2021 1Q (a)	FY2022 1Q (b)	Difference (b)-(a)
Order intake	Press Machine	7.8	3.0	3.1	6.6	3.5
	Precision Machinery	6.0	7.3	7.6	8.8	1.2
	Other Machinery	5.1	2.8	3.9	4.8	0.9
	Infrastructure	11.8	3.3	5.5	4.8	- 0.7
	Total	30.7	16.4	20.1	25.0	4.9
Net sales	Press Machine	5.4	5.2	2.7	3.6	0.9
	Precision Machinery	4.3	5.1	6.0	7.2	1.2
	Other Machinery	2.7	2.5	2.5	3.5	1.0
	Infrastructure	5.7	6.1	5.0	5.2	0.2
	Total	18.1	18.9	16.2	19.5	3.3
Operating income	Press Machine	0.1	0.1	- 0.0	0.1	0.1
	Precision Machinery	- 0.6	- 0.0	- 0.0	0.3	0.3
	Other Machinery	- 0.0	0.0	- 0.1	0.0	0.1
	Infrastructure	- 0.7	- 0.1	- 0.4	- 0.2	0.2
	Total	- 1.2	0.0	- 0.5	0.2	0.7

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

(Billions of JPY)

		FY2019 Results	FY2020 Results	FY2021 Results (a)	FY2022		Difference	
					Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	Press Machine	21.3	12.7	17.6	17.0	17.0	- 0.6	0.0
	Precision Machinery	27.1	29.8	35.1	32.0	32.0	- 3.1	0.0
	Other Machinery	13.5	10.8	16.9	15.0	15.0	- 1.9	0.0
	Infrastructure	38.0	27.1	27.5	26.0	26.0	- 1.5	0.0
	Total	99.9	80.4	97.1	90.0	90.0	- 7.1	0.0
Net sales	Press Machine	23.1	16.6	14.5	15.0	15.0	0.5	0.0
	Precision Machinery	27.5	28.0	31.5	32.0	32.0	0.5	0.0
	Other Machinery	12.0	11.7	13.9	14.0	14.0	0.1	0.0
	Infrastructure	31.7	27.5	26.4	26.0	26.0	- 0.4	0.0
	Total	94.3	83.8	86.3	87.0	87.0	0.7	0.0
Operating income	Press Machine	0.6	0.3	- 0.0	0.3	0.3	0.3	0.0
	Precision Machinery	0.9	1.3	1.4	1.5	1.5	0.1	0.0
	Other Machinery	0.4	0.4	- 0.1	0.5	0.5	0.6	0.0
	Infrastructure	- 1.4	0.4	0.9	0.5	0.5	- 0.4	0.0
	Total	0.5	2.4	2.2	2.8	2.8	0.6	0.0

Small Segment : Carbon Neutral Solution Business (1Q Results)

(Billions of JPY)

		FY2019 1Q	FY2020 1Q	FY2021 1Q (a)	FY2022 1Q (b)	Difference (b)-(a)
Order intake	Engine	8.3	3.1	9.7	2.6	- 7.1
	Process Equipment	3.4	1.5	1.2	8.5	7.3
	PtG	0.4	0.4	0.4	0.9	0.5
	Wind Power	1.1	0.1	0.1	0.2	0.1
	Total	13.2	5.1	11.4	12.2	0.8
Net sales	Engine	4.0	4.4	4.8	6.6	1.8
	Process Equipment	2.2	2.9	2.0	2.9	0.9
	PtG	0.1	0.3	0.2	0.3	0.1
	Wind Power	0.1	0.1	0.1	0.1	0.0
	Total	6.4	7.7	7.1	9.9	2.8
Operating income	Engine	- 0.1	- 0.2	0.0	- 0.3	- 0.3
	Process Equipment	- 1.6	- 0.3	- 0.3	- 0.1	0.2
	PtG	- 0.1	- 0.0	- 0.1	- 0.1	0.0
	Wind Power	- 0.1	- 0.1	0.2	- 0.1	- 0.3
	Total	- 1.9	- 0.6	- 0.2	- 0.6	- 0.4

Small Segment : Carbon Neutral Solution Business (Full Year Results and Forecast)

(Billions of JPY)

		FY2019	FY2020	FY2021	FY2022		Difference	
		Results	Results	Results (a)	Initial Forecast (b)	Forecast as of Aug. (c)	(c)-(a)	(c)-(b)
Order intake	Engine	28.2	29.8	25.6	20.0	20.0	- 5.6	0.0
	Process Equipment	22.1	4.9	15.2	15.0	15.0	- 0.2	0.0
	PtG	2.1	1.5	1.2	3.0	3.0	1.8	0.0
	Wind Power	1.7	0.7	1.0	14.0	14.0	13.0	0.0
	Total	54.1	36.9	43.0	52.0	52.0	9.0	0.0
Net sales	Engine	24.3	25.3	23.0	24.0	24.0	1.0	0.0
	Process Equipment	14.3	18.4	13.4	18.0	18.0	4.6	0.0
	PtG	2.0	1.7	1.9	2.0	2.0	0.1	0.0
	Wind Power	1.8	1.6	1.6	1.0	1.0	- 0.6	0.0
	Total	42.4	47.0	39.9	45.0	45.0	5.1	0.0
Operating income	Engine	- 0.4	0.2	0.1	0.0	- 0.2	- 0.3	- 0.2
	Process Equipment	- 2.9	- 0.5	- 0.1	0.2	0.4	0.5	0.2
	PtG	0.1	0.1	0.3	0.1	0.1	- 0.2	0.0
	Wind Power	- 0.1	0.4	0.1	0.0	0.0	- 0.1	0.0
	Total	- 3.3	0.2	0.4	0.3	0.3	- 0.1	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.



Hitachi Zosen Corporation

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