
Financial Results for FY2022

May 15, 2023

Hitachi Zosen Corporation

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Financial Information

**Senior Managing Executive Officer
Corporate Planning Headquarters
Satoshi Kimura**

High level of orders continuing in Japan and overseas

Sales and OP increased YoY in all the segments

Order intake:	JPY 737.5 billion	(YoY + 8.8%)
Net sales:	JPY 492.6 billion	(YoY + 11.5%)
Operating income:	JPY 20.0 billion	(YoY + 29.0%)

High level of orders continuing in Japan and overseas
Sales and OP increased YoY in all the segments

(Billions of JPY)

	FY2021	FY2022					
	Results	Forecast		Results	Difference		
		as of May	as of Feb.				
	(a)	(b)		(c)	(c)-(a)	(c)-(b)	
Order intake	677.9	500.0	660.0	737.5	59.6	+8.8%	237.5
Net sales	441.7	440.0	480.0	492.6	50.9	+11.5%	52.6
Operating income	15.5	20.0	20.0	20.0	4.5	+29.0%	0.0
% to net sales	3.5%	4.5%	4.2%	4.1%			
Ordinary income	11.7	16.0	16.0	17.8	6.1	+52.1%	1.8
Profit attributable to shareholders of Hitachi Zosen	7.8	10.0	12.0	15.5	7.7	+98.7%	5.5
ROE	6.1%	7.4%	8.5%	11.5%			

FY2022 Results - Order Intake, Net sales, Operating income

(Billions of JPY)

	FY2021	FY2022					
	Results	Forecast		Results	Difference		
		as of May	as of Feb.		(c)-(a)	(c)-(b)	
		(a)	(b)				(c)
Order intake	677.9	500.0	660.0	737.5	59.6	+8.8%	237.5
Environment	529.4	350.0	510.0	561.2	31.8		211.2
Machinery & Infrastructure	97.1	90.0	90.0	90.2	-6.9		0.2
Carbon Neutral Solution	43.0	52.0	52.0	76.2	33.2		24.2
Other	8.4	8.0	8.0	9.9	1.5		1.9
Net sales	441.7	440.0	480.0	492.6	50.9	+11.5%	52.6
Environment	307.2	300.0	337.0	348.1	40.9		48.1
Machinery & Infrastructure	86.3	87.0	88.0	88.2	1.9		1.2
Carbon Neutral Solution	39.9	45.0	47.0	46.6	6.7		1.6
Other	8.3	8.0	8.0	9.7	1.4		1.7
Operating income	15.5	20.0	20.0	20.0	4.5	+29.0%	0.0
Environment	12.4	16.5	16.5	15.0	2.6		-1.5
Machinery & Infrastructure	2.2	2.8	2.8	3.4	1.2		0.6
Carbon Neutral Solution	0.4	0.3	0.3	0.4	0.0		0.1
Other	0.5	0.4	0.4	1.2	0.7		0.8

FY2022 Results - Environment Business (Consolidated)

(Billions of JPY)

Environment Business (Consolidated)	FY2021	FY2022					
	Results (a)	Forecast		Results (c)	Difference		
		as of May	as of Feb.				
		(b)			(c)-(a)	(c)-(b)	
Order intake	529.4	350.0	510.0	561.2	31.8	+6.0%	211.2
EPC	224.7	210.0	298.0	317.9	93.2		107.9
AOM	304.7	140.0	212.0	243.3	-61.4		103.3
Net sales	307.2	300.0	337.0	348.1	40.9	+13.3%	48.1
EPC	165.3	168.0	180.0	183.5	18.2		15.5
AOM	141.9	132.0	157.0	164.5	22.6		32.5
Operating income	12.4	16.5	16.5	15.0	2.6	+21.0%	-1.5
EPC	0.2	5.0	4.5	2.2	2.0		-2.8
AOM	12.2	11.5	12.0	12.8	0.6		1.3

EPC : Engineering, procurement and construction

AOM : After-sales services, operation and maintenance

FY2022 Results - Environment Business (Breakdown)

(Billions of JPY)

Environment Business (excluding Inova)	FY2021	FY2022					
	Results (a)	Forecast		Results (c)	Difference		
		as of May (b)	as of Feb.				
					(c)-(a)	(c)-(b)	
Order intake	211.6	205.0	290.0	316.8	105.2	+49.7%	111.8
EPC	68.8	80.0	106.0	115.0	46.2		35.0
AOM	142.8	125.0	184.0	201.7	58.9		76.7
Net sales	195.5	185.0	205.5	208.6	13.1	+6.7%	23.6
EPC	64.6	65.0	68.5	65.1	0.5		0.1
AOM	130.9	120.0	137.0	143.4	12.5		23.4
Operating income	9.7	11.0	9.6	8.0	-1.7	-17.5%	-3.0
EPC	-2.9	0.0	-1.5	-3.8	-0.9		-3.8
AOM	12.6	11.0	11.1	11.8	-0.8		0.8

Inova Group

Order intake	317.8	145.0	220.0	244.3	-73.5	-23.1%	99.3
EPC	155.9	130.0	192.0	202.8	46.9		72.8
AOM	161.9	15.0	28.0	41.5	-120.4		26.5
Net sales	111.7	115.0	131.5	139.4	27.7	+24.8%	24.4
EPC	100.7	103.0	111.5	118.4	17.7		15.4
AOM	11.0	12.0	20.0	21.0	10.0		9.0
Operating income	2.7	5.5	6.9	7.0	4.3	+159.3%	1.5
EPC	3.1	5.0	6.0	6.0	2.9		1.0
AOM	-0.4	0.5	0.9	1.0	1.4		0.5

EPC : Engineering, procurement and construction

AOM : After-sales services, operation and maintenance

FY2022 Results - Machinery & Infrastructure Business

(Billions of JPY)

Machinery & Infrastructure Business	FY2021	FY2022					
	Results	Forecast		Results	Difference		
		as of May	as of Feb.		(c)-(a)	(c)-(b)	
	(a)	(b)	(c)				
Order intake	97.1	90.0	90.0	90.2	-6.9	-7.1%	0.2
Press machine	17.6	17.0	17.0	21.6	4.0		4.6
Precision machinery	35.1	32.0	32.0	30.4	-4.7		-1.6
Other machinery	16.9	15.0	15.0	11.6	-5.3		-3.4
Infrastructure	27.5	26.0	26.0	26.4	-1.1		0.4
Net sales	86.3	87.0	88.0	88.2	1.9	+2.2%	1.2
Press machine	14.5	15.0	15.0	15.6	1.1		0.6
Precision machinery	31.5	32.0	33.0	32.5	1.0		0.5
Other machinery	13.9	14.0	12.0	13.8	-0.1		-0.2
Infrastructure	26.4	26.0	28.0	26.2	-0.2		0.2
Operating income	2.2	2.8	2.8	3.4	1.2	+54.6%	0.6
Press machine	- 0.0	0.3	0.4	0.5	0.5		0.2
Precision machinery	1.4	1.5	1.6	2.2	0.8		0.7
Other machinery	- 0.1	0.5	0.3	0.3	0.4		-0.2
Infrastructure	0.9	0.5	0.5	0.4	-0.5		-0.1

Reorganized the segment structure in FY2022 due to the establishment of Carbon Neutral Solution Business HQ.

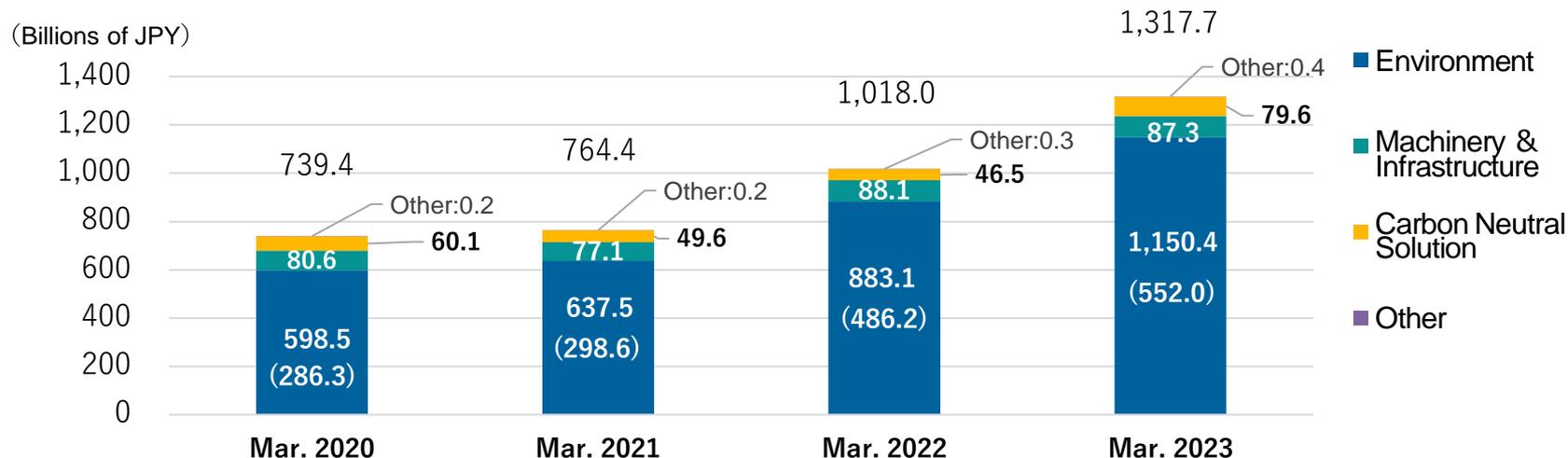
FY2022 Results - Carbon Neutral Solution Business

(Billions of JPY)

Carbon Neutral Solution Business	FY2021	FY2022					
	Results	Forecast		Results	Difference		
		as of May	as of Feb.		(c)-(a)	(c)-(b)	
	(a)	(b)	(c)				
Order intake	43.0	52.0	52.0	76.2	33.2	+77.2%	24.2
Engine	25.6	20.0	20.0	23.8	-1.8		3.8
Process equipment	15.2	15.0	15.0	23.7	8.5		8.7
PtG	1.2	3.0	3.0	3.3	2.1		0.3
Wind power	1.0	14.0	14.0	25.4	24.4		11.4
Net sales	39.9	45.0	47.0	46.6	6.7	+16.8%	1.6
Engine	23.0	24.0	24.0	24.7	1.7		0.7
Process equipment	13.4	18.0	20.0	18.8	5.4		0.8
PtG	1.9	2.0	2.0	2.0	0.1		0.0
Wind power	1.6	1.0	1.0	1.0	-0.6		0.0
Operating income	0.4	0.3	0.3	0.4	0.0	±0.0%	0.1
Engine	0.1	0.0	-0.7	-0.7	-0.8		-0.7
Process equipment	-0.1	0.2	0.9	1.0	1.1		0.8
PtG	0.3	0.1	0.1	0.2	-0.1		0.1
Wind power	0.1	0.0	0.0	-0.1	-0.2		-0.1

Carbon Neutral Solution Business HQ is newly established in FY2022 by reorganization.

Order Backlog



In parentheses indicate long-term operations included in the Environment

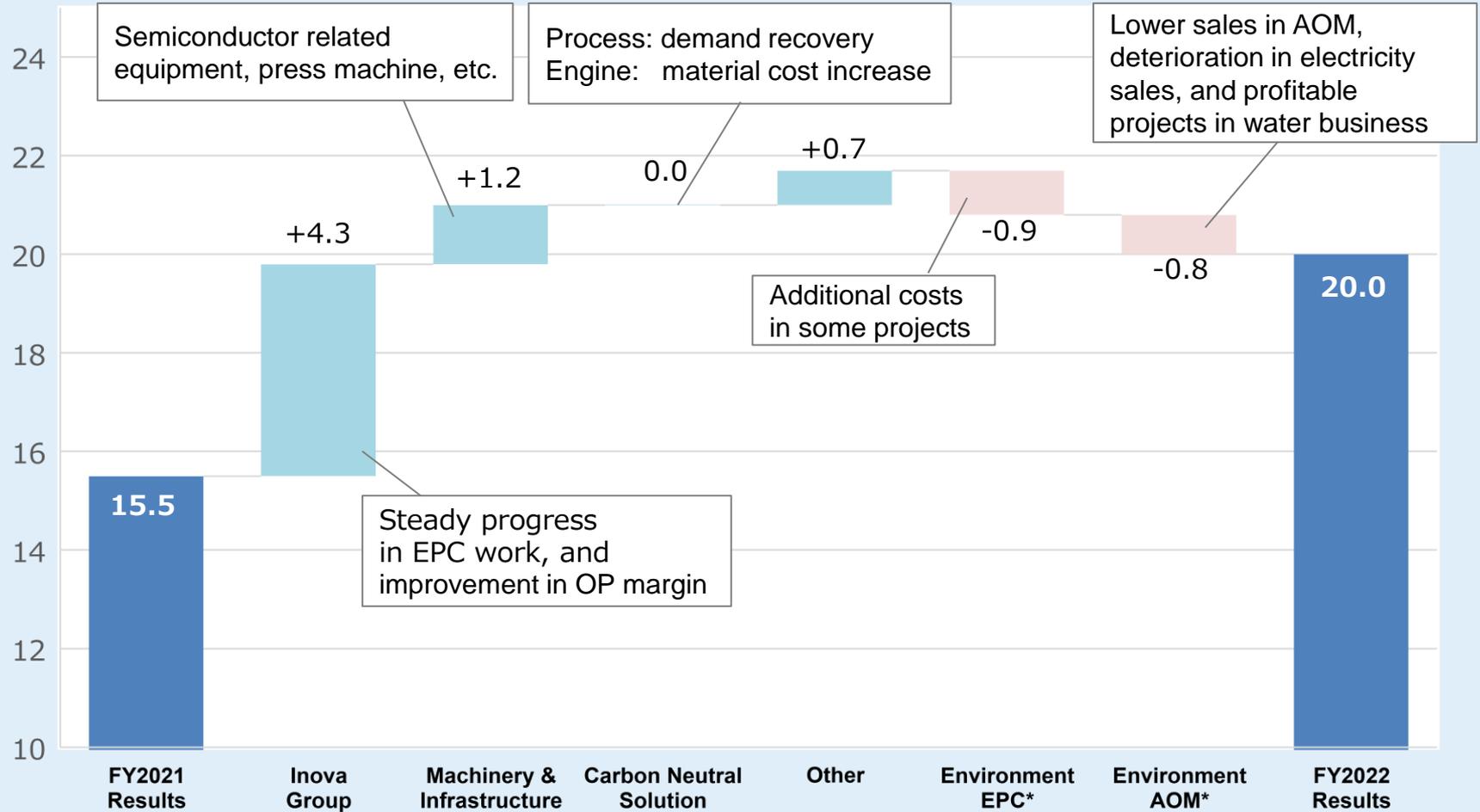
Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)

	Order backlog	FY2023 (FY2022)	FY2024 (FY2023)	FY2025 (FY2024)	FY2026 (FY2025)
End of Mar. 2023	1,317.7	405.5	252.9	114.9	544.4
End of Mar. 2022	1,018.0	(302.8)	(169.3)	(109.0)	(436.9)
Amount of increase	299.7	102.7	83.6	5.9	107.5

FY2022 Results - Breakdown of Changes in Operating income

(Billions of JPY)



* Excluding Inova Group

FY2022 Results - Non-Operating Income and Loss Extraordinary Profit and Loss

(Billions of JPY)

		FY2021	FY2022	Difference
Non-operating income and loss	Net interest expense	-0.7	-0.3	0.4
	Gain and loss on investment by equity method	0.2	0.4	0.2
	Foreign exchange gain and loss	-0.9	-0.1	0.8
	Others	-2.4	-2.2	0.2
	Total	-3.8	-2.2	1.6

(Billions of JPY)

		FY2021	FY2022	Difference
Extraordinary profit and loss	Extraordinary profit	3.8	4.2	0.4
	Extraordinary loss	-3.7	-3.5	0.2
	Total	0.1	0.7	0.6

FY2022 Results - Consolidated Balance Sheet

(Billions of JPY)

	End of Mar. 2022	End of Mar. 2023	Difference
Cash and deposits (a)	67.2	86.4	19.2
Operating assets	204.3	215.5	11.2
Trade notes and accounts receivable	189.8	198.3	8.5
Inventories	14.5	17.2	2.7
Tangible & intangible fixed assets	122.0	109.4	- 12.6
Others	67.6	68.3	0.7
Total Assets	461.1	479.6	18.5
Operating liabilities	100.9	114.6	13.7
Notes and accounts payable, Electronically recorded obligations - operating	71.8	73.2	1.4
Advances received/ Contract assets	29.1	41.4	12.3
Interest bearing debt (b)	91.9	86.5	- 5.4
Bank borrowings (incl. lease obligations)	61.9	56.5	- 5.4
Bonds payable	30.0	30.0	0.0
Others	135.4	137.2	1.8
Total Liabilities	328.2	338.3	10.1
Shareholders' equity	131.3	139.6	8.3
Non-controlling interests	1.6	1.7	0.1
Total Net Assets	132.9	141.3	8.4
Total Liabilities and Net Assets	461.1	479.6	18.5
Shareholders' equity ratio	28.5%	29.1%	
Net interest bearing debt (b)-(a)	24.7	0.1	- 24.6

FY2022 Results - Consolidated Cash Flows

(Billions of JPY)

	FY2021	FY2022	Difference
Cash flows from operating activities	26.8	28.0	1.2
Cash flows from investing activities	0.9	- 2.5	- 3.4
Cash flows from financing activities	- 8.7	- 7.8	0.9
Increase in cash and cash equivalents*	20.1	18.9	- 1.2
Cash and cash equivalents at beginning	45.8	65.9	20.1
Cash and cash equivalents at end	65.9	84.8	18.9

*Including foreign currency translation differences (FY2021 : JPY 1.1 billion, FY2022 : JPY 1.2 billion)

(Billions of JPY)

	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	429.4	677.9	737.5	530.0	-207.5 -28.1%
Net sales	408.5	441.7	492.6	520.0	27.4 +5.6%
Operating income	15.3	15.5	20.0	22.0	2.0 +10.0%
% to net sales	3.8%	3.5%	4.1%	4.2%	
Ordinary income	11.7	11.7	17.8	18.0	0.2 +1.1%
Profit attributable to shareholders of Hitachi Zosen	4.2	7.8	15.5	12.0	-3.5 -22.6%
ROE	3.5%	6.1%	11.5%	8.3%	

FY2023 Forecast - Order intake, Net sales, Operating income

(Billions of JPY)

	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	429.4	677.9	737.5	530.0	-207.5 -28.1%
Environment	303.7	529.4	561.2	391.0	-170.2
Machinery & Infrastructure	80.4	97.1	90.2	86.0	-4.2
Carbon Neutral Solution	36.9	43.0	76.2	51.5	-24.7
Other	8.4	8.4	9.9	1.5	-8.4
Net sales	408.5	441.7	492.6	520.0	27.4 +5.6%
Environment	269.4	307.2	348.1	376.5	28.4
Machinery & Infrastructure	83.8	86.3	88.2	85.0	-3.2
Carbon Neutral Solution	47.0	39.9	46.6	57.0	10.4
Other	8.3	8.3	9.7	1.5	-8.2
Operating income	15.3	15.5	20.0	22.0	2.0 +10.0%
Environment	12.6	12.4	15.0	18.0	3.0
Machinery & Infrastructure	2.4	2.2	3.4	2.6	-0.8
Carbon Neutral Solution	0.2	0.4	0.4	1.2	0.8
Other	0.1	0.5	1.2	0.2	-1.0

FY2023 Forecast - Environment Business (Consolidated)

(Billions of JPY)

Environment Business (Consolidated)	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	303.7	529.4	561.2	391.0	-170.2 -30.3%
EPC	168.7	224.7	317.9	229.0	-88.9
AOM	135.0	304.7	243.3	162.0	-81.3
Net sales	269.4	307.2	348.1	376.5	28.4 +8.2%
EPC	136.6	165.3	183.5	212.5	29.0
AOM	132.8	141.9	164.5	164.0	-0.5
Operating income	12.6	12.4	15.0	18.0	3.0 +20.0%
EPC	1.1	0.2	2.2	4.85	2.65
AOM	11.5	12.2	12.8	13.15	0.35

EPC : Engineering, procurement and construction

AOM : After-sales services, operation and maintenance

FY2023 Forecast - Environment Business (Breakdown)

(Billions of JPY)

Environment Business (excluding Inova)	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	198.8	211.6	316.8	199.0	-117.8 -37.2%
EPC	71.0	68.8	115.0	67.0	-48.0
AOM	127.8	142.8	201.7	132.0	-69.7
Net sales	187.1	195.5	208.6	208.5	-0.1 -0.0%
EPC	65.8	64.6	65.1	72.5	7.4
AOM	121.3	130.9	143.4	136.0	-7.4
Operating income	10.7	9.7	8.0	8.8	0.8 +10.0%
EPC	- 0.7	- 2.9	- 3.8	- 1.65	2.15
AOM	11.4	12.6	11.8	10.45	-1.35

Inova Group

Order intake	104.9	317.8	244.3	192.0	-52.3 -21.4%
EPC	97.7	155.9	202.8	162.0	-40.8
AOM	7.2	161.9	41.5	30.0	-11.5
Net sales	82.3	111.7	139.4	168.0	28.6 +20.5%
EPC	70.8	100.7	118.4	140.0	21.6
AOM	11.5	11.0	21.0	28.0	7.0
Operating income	1.9	2.7	7.0	9.2	2.2 +31.4%
EPC	1.8	3.1	6.0	6.5	0.5
AOM	0.1	- 0.4	1.0	2.7	1.7

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

FY2023 Forecast - Machinery & Infrastructure Business

(Billions of JPY)

Machinery & Infrastructure Business	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	80.4	97.1	90.2	86.0	-4.2 -4.7%
Press machine	12.7	17.6	21.6	19.0	-2.6
Precision machinery	29.8	35.1	30.4	32.0	1.6
Other machinery	10.8	16.9	11.6	9.0	-2.6
Infrastructure	27.1	27.5	26.4	26.0	-0.4
Net sales	83.8	86.3	88.2	85.0	-3.2 -3.6%
Press machine	16.6	14.5	15.6	18.0	2.4
Precision machinery	28.0	31.5	32.5	30.0	-2.5
Other machinery	11.7	13.9	13.8	11.0	-2.8
Infrastructure	27.5	26.4	26.2	26.0	-0.2
Operating income	2.4	2.2	3.4	2.6	-0.8 -23.5%
Press machine	0.3	- 0.0	0.5	0.35	- 0.15
Precision machinery	1.3	1.4	2.2	1.2	-1.0
Other machinery	0.4	- 0.1	0.3	0.6	0.3
Infrastructure	0.4	0.9	0.4	0.45	0.05

FY2023 Forecast - Carbon Neutral Solution Business

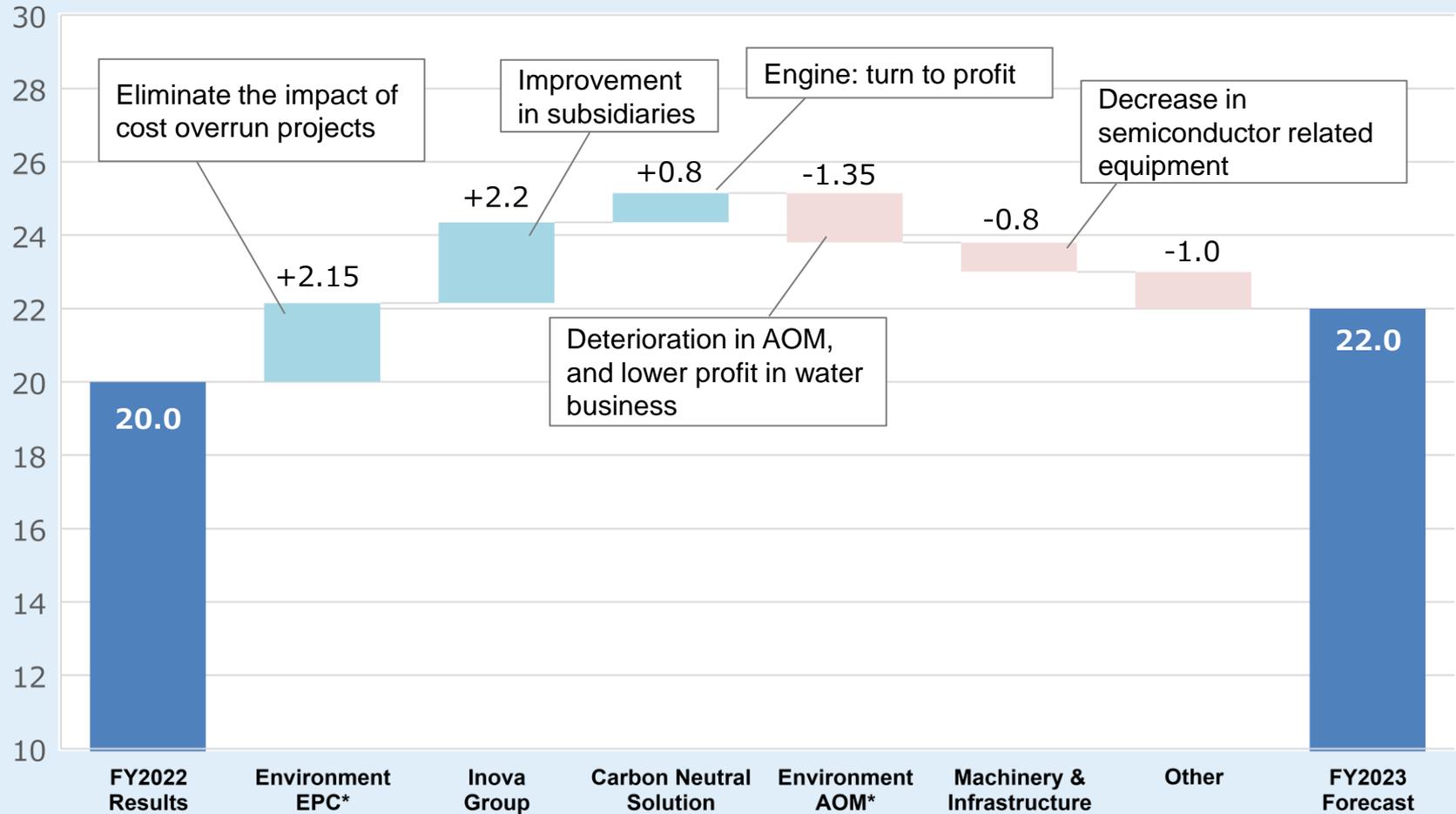
(Billions of JPY)

Carbon Neutral Solution Business	FY2020	FY2021	FY2022	FY2023	
	Results	Results	Results (a)	Forecast (b)	Difference (b)-(a)
Order intake	36.9	43.0	76.2	51.5	-24.7 -32.4%
Engine	27.8	24.6	22.9	22.0	-0.9
Process equipment	4.9	15.2	23.7	24.0	0.3
Decarbonization (PtG) (Note)	3.5	2.2	4.2	5.0	0.8
Wind power	0.7	1.0	25.4	0.5	-24.9
Net sales	47.0	39.9	46.6	57.0	10.4 +22.3%
Engine	23.7	22.1	23.5	23.5	0.0
Process equipment	18.4	13.4	18.8	21.0	2.2
Decarbonization (PtG) (Note)	3.3	2.8	3.2	4.5	1.3
Wind power	1.6	1.6	1.0	8.0	7.0
Operating income	0.2	0.4	0.4	1.2	0.8 +200.0%
Engine	0.1	- 0.1	- 0.9	0.2	1.1
Process equipment	- 0.5	- 0.1	1.0	0.7	-0.3
Decarbonization (PtG) (Note)	0.2	0.5	0.4	0.3	-0.1
Wind power	0.4	0.1	- 0.1	0.0	0.1

Note: Changed the segment name from 'Electrolysis and PtG' to "Decarbonization system".
 Some products (SCR NOx Removal System) included in "Engine" have been transferred to "Decarbonization systems (former: PtG)" from FY2023.
 The figures for the past years above are reference on such basis. See the Fact sheet (Excel) for details.

FY2023 Forecast - Breakdown of Changes in Operating Income

(Billions of JPY)



* Excluding Inova Group

(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	62.0
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	92.0
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 year

Management and Business Information

President and CEO
Sadao Mino

Major Orders received during 2nd half of FY2022 (Japan)

Order received	Project	Outline	Specifications etc.	Schedule
Dec.	Waste to Energy plant Hiroshima City, Minami-ku Hiroshima Pref.	Design-Build-Operate (for 19 years 6 months after completion)	300 t/day Units: 2	Completion Sep. 2028 Operation Oct.2028 - Mar.2048
Feb.	Waste to Energy plant Osaka City, Tsurumi-ku Osaka Pref.	Design, build and operation for 20 years after completion	620 t/day Units: 2	Completion Mar. 2029 Operation Apr. 2029 - Mar. 2049
Feb.	Waste to Energy plant Higashiosaka City Osaka Pref.	Design and build a new plant to replace a plant	238 t/day Units: 2	Completion Mar. 2031
Mar.	Waste to Energy plant Hashima City Gifu Pref.	Design-Build-Operate (for 20 years after completion)	130 t/day Units: 2	Completion Mar. 2027 Operation Apr. 2027 - Mar. 2047
Mar.	Wind power Mutsu-Ogawara wind farm Aomori Pref.	Development and EPC of onshore wind farms	57,000kW Units: 15	Completion Mar. 2026

Major Orders received during 2nd half of FY2022 (Global)

Order received	Project	Outline	Specifications etc.	Schedule
Oct.	Waste to Energy plant Finland Main equipment of rotary kiln boiler (HZI Steinmüller)	Scope: Design of plant, main equipment and SV Customer: Vantaa Energia Oy Site: Pitkäsuontie, Vantaa City, Finland	40,000 t/year Unit:1 11.9MW -17.5MW	Completion Summer 2025
Dec.	Waste to Energy plant UK Riverside 2 (Inova)	Scope: EPC Customer: Riverside Energy Park Ltd. Site: Belvedere, London, UK	654,000 t/year Units: 2 Over 61MW	Completion Aug. 2026
Feb.	Waste to Energy plant Taiwan (Hitachi Zosen)	Scope: Design of plant, main equipment and SV Customer: HDEC Construction Corporation Site:Tainan, Taiwan	900 t/day Units: 2 38MW	Completion Feb. 2026



Waste to Energy plant, UK (Conceptual drawing)



Waste to Energy plant, Tainan, Taiwan (Conceptual drawing)

Ref. : Major Orders received during 1st half of FY2022 (Japan)

Order received	Project	Outline	Specifications etc.	Schedule
May	Water treatment Gobo City, Wakayama Pref.	Construction of a new sludge recycling treatment center and demolition of existing aging facilities	122kl/day	Completion Mar. 2027
Sept.	Waste to Energy plant Kuki City, Saitama Pref.	Design-Build-Operate operation for 20 years after completion	155t/day Units: 2	Completion Mar.2029 (Including demolition of existing facilities) Operation 2027- 2047



Sludge recycling treatment center
Gobo City, Wakayama Prefecture
(Conceptual drawing)



Waste to Energy plant
Kuki City, Saitama Prefecture
(Conceptual drawing)

Ref. : Major Orders received during 1st half of FY2022 (Global)

Order received	Project	Outline	Specifications etc.	Schedule
April	Waste to Energy plant	Main equipment chute to stack Customer: Acciona Industrial UK (Ultimate customer: North London Waste Authority) Site: Enfield, North London, UK	700,000 t/year	Completion Sep. 2026
	North London UK (Inova)			
April	Pressure vessels	EO Reactor Customer: Shell Canada Site: Scotford, Alberta, Canada	Units: 2 Weight : 700t/unit	Completion Q1 2024
	EO Reactor (Hitachi Zosen)			
May	Waste to Energy plant	EPC Customer: Indaver NV Site: Rivenhall, Essex, UK	595,000 t/year	Completion Mar. 2026
	Rivenhall UK (Inova)			
July	Waste to Energy plant	Main equipment Customer: Fortum Glasgow Ltd. Site: Glasgow, Scotland, UK South Clyde Energy Centre	350,000 t/year 45MW	Completion Q4 2025
	South Clyde UK (HZI Steinmüller)			

Environment Business - Major Projects (excluding Inova)

	Place	Order	Completion	Formation	Scope	Calendar year						
						2020	2021	2022	2023	2024	2025	2026
						Construction						
Japan	Shiga	Mar.2017	Mar.2023*	JV	DBO	[Construction: Mar 2017 - Mar 2023] [O&M: Mar 2023 - Mar 2026]						
	Shiga	Mar.2017	Jun.2022	JV	DBO	[Construction: Mar 2017 - Jun 2022] [O&M: Jun 2022 - Mar 2026]						
	Gunma	Jun.2018	Jan.2025	Sole	EPC	[Construction: Jun 2018 - Jan 2025]						
	Hokkaido	Nov.2019	Jul.2024	JV	EPC	[Construction: Nov 2019 - Jul 2024]						
	Chiba	Feb.2020	Mar.2023	JV	DBO	[Construction: Feb 2020 - Mar 2023] [O&M: Mar 2023 - Mar 2026]						
	Niigata	Mar.2020	Mar.2024	JV	BTO	[Construction: Mar 2020 - Mar 2024] [O&M: Mar 2024 - Mar 2026]						
	Kumamoto	Jul.2020	Mar.2024	JV	DBO	[Construction: Jul 2020 - Mar 2024] [O&M: Mar 2024 - Mar 2026]						
	Saga	Aug.2020	Mar.2024	Sole	DBO	[Construction: Aug 2020 - Mar 2024] [O&M: Mar 2024 - Mar 2026]						
	Tokyo	Sep.2020	May.2027	JV	EPC	[Construction: Sep 2020 - May 2027]						
	Kagoshima	Feb.2021	Aug.2024	JV	DBO	[Construction: Feb 2021 - Aug 2024] [O&M: Aug 2024 - Mar 2026]						
	Akita	Nov.2021	Mar.2026	JV	DBO	[Construction: Nov 2021 - Mar 2026] [O&M: Mar 2026 - Mar 2026]						
	Osaka	Feb.2022	Mar.2026	JV	DBO	[Construction: Feb 2022 - Mar 2026] [O&M: Mar 2026 - Mar 2026]						
	Saitama	Sep.2022	Mar.2029*	JV	DBO	[Construction: Sep 2022 - Mar 2029]						
	Hiroshima	Dec.2022	Sep.2028	JV	DBO	[Construction: Dec 2022 - Sep 2028]						
	Osaka	Feb.2023	Mar.2029	JV	EPC+O	[Construction: Feb 2023 - Mar 2029]						
	Osaka	Feb.2023	Mar.2031	JV	EPC	[Construction: Feb 2023 - Mar 2031]						
Gifu	Mar.2023	Mar.2027	JV	DBO	[Construction: Mar 2023 - Mar 2027]							
International	Shanghai, China	Jul.2019	Aug.2023	Sole	EP+SV	[Construction: Jul 2019 - Aug 2023]						
	Bidadi, India	Dec.2020	Sep.2023	Consortium	EP+SV	[Construction: Dec 2020 - Sep 2023]						
	Changhua, Taiwan	Jul.2021	Jun.2024	Sole	EP+SV	[Construction: Jul 2021 - Jun 2024]						
	Moshi, India	Sep.2021	Jun.2023	Consortium	EP+SV	[Construction: Sep 2021 - Jun 2023]						
	Tainan, Taiwan	Feb.2023	Feb.2026	Sole	EP+SV	[Construction: Feb 2023 - Feb 2026]						

*Including demolition work, etc.

Environment Business - Major Projects (Inova)

Project (country)	Order	Completion	Formation	Inova's Scope	Calendar year						
					2020	2021	2022	2023	2024	2025	2026
											
Istanbul, Turkey	Sep.2017	Oct.2021	JV	EP+O&M(1 yr)	█	█	█				
Ivery, France	Nov.2018	May.2024	Consortium	EP+SV	█	█	█	█	█		
Moscow1-4, Russia* ¹	Nov.2019	Jun.2023* ²	Consortium	EP+SV	█	█	█	█			
Rockingham, Australia	Jan.2020	Dec.2022* ³	Consortium	EP+SV+O&M(20 yrs)	█	█	█	█	█	█	█
Newhurst, UK	Feb.2020	Mar.2023	Sole	EPC	█	█	█	█			
Emmenspitz, Swiss	Feb.2020	Oct.2025	Sole	EP+SV	█	█	█	█	█	█	
Slough, UK	Dec.2020	Nov.2024	Sole	EPC		█	█	█	█	█	
Dubai, UAE	Jun.2021	Jul.2024	Consortium	EP+SV+O&M(35 yrs)		█	█	█	█	█	█
Skelton Grange, UK	Jul.2021	Jul.2025	Sole	EPC		█	█	█	█	█	
Westfield, UK	Dec.2021	Apr.2025	Sole	EPC+O&M(25 yrs)			█	█	█	█	█
North London, UK	Apr.2022	Sep.2026	Sole	EP			█	█	█	█	█
Rivenhall, UK	May.2022	Mar.2026	Sole	EPC			█	█	█	█	█
Riverside2, UK	Dec.2022	Aug.2026	Sole	EPC				█	█	█	█

*1 Order for Moscow 1 received in 2019, Moscow 2-4 in 2020

*2 Significant delay expected

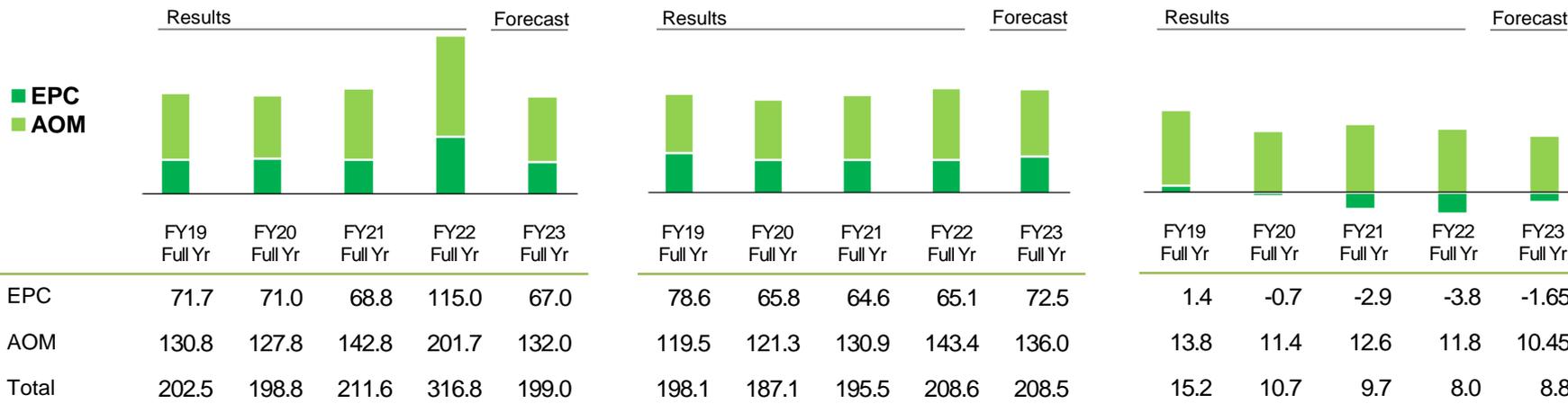
*3 Delay for more than 12 months

Update of Business - Environment Business (excluding Inova)

(Billions of JPY) 【Order intake】

【Net sales】

【Operating income】



EPC in Japan (Waste treatment facilities, etc.)

Both market order volume and our market share were high in FY2022

- Market order volume: Over 4,000 tons/day in FY22. Forecast to be less than 3,000 tons in FY23, and 2,000-5,000 tons per year thereafter.
- Our market share: Estimated mid-30% range in FY22 (around 10-20% in the past years)

AOM in Japan (Waste treatment facilities, etc.)

- High level of orders awarded in FY22 due to increased DBO projects.
- Demand for retrofit works has slowed.

Water business

- 50% share of orders for sludge reclamation treatment centers in FY22.
- Increased orders in retrofit.

Electricity sales

- Loss in retail electricity business narrowed due to a control of supply and demand balance, lower JEPX market prices, and fuel cost adjustment.
- Expected to reach break-even in FY23.

Initiatives

- Inflation control, reduction of defect costs
- DX: automation through AI, remote monitoring, etc.
- Business expansion: sewage sludge incineration, industrial waste, etc.

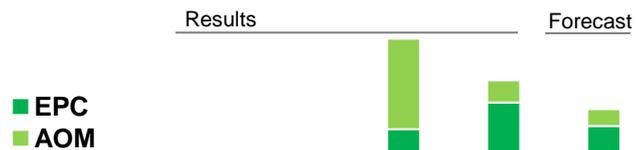
EPC: Engineering, procurement and construction AOM: After-sales services, operation and maintenance.

Update of Business - Environment Business (Inova Group)

(Billions of JPY) 【Order intake】

【Net sales】

【Operating income】



	Results		Forecast		
	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr
EPC	61.2	97.7	155.9	202.8	162.0
AOM	25.7	7.2	161.9	41.5	30.0
Total	86.9	104.9	317.8	244.3	192.0

	Results		Forecast		
	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr
EPC	47.2	70.8	100.7	118.4	140.0
AOM	9.0	11.5	11.0	21.0	28.0
Total	56.2	82.3	111.7	139.4	168.0

	Results		Forecast		
	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr
EPC	0.3	1.8	3.1	6.0	6.5
AOM	0.3	0.1	-0.4	1.0	2.7
Total	0.6	1.9	2.7	7.0	9.2

Continuing market leadership

Expansion of new markets outside UK and EU
Diversification of revenue sources (O&M, biogas)

Waste treatment facilities

- EPC : Orders incl. 3 large projects in UK, etc. in FY22
JPY200 billion+ is a record high
- Moderate growth in the future due to high level of market share

HZI Steinmüller (Joined the Group in Feb. 2022)

- Steady orders in main equipment for WtE plants, etc.
- Profitability achieved in FY22 (1 year ahead of plan)

Biogas plants

- Orders received in FY22 doubled year-on-year to approx. JPY15 billion
- In response to EU's plan REPowerEU to huge increase the number of biogas facilities, Inova will expand its own ownership and operation of biogas plants.

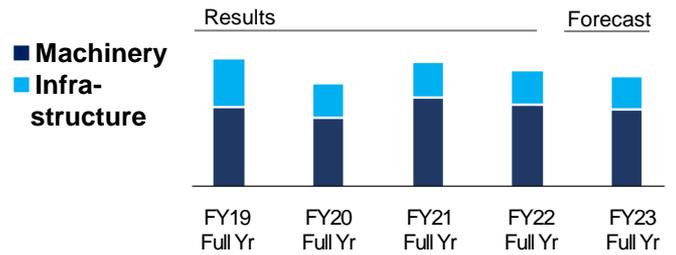
Initiatives

- Strengthening synergies in the Hitachi Zosen Group
- Risk management for expansion of own biogas business
- Manage inflation, supply chain and other risks

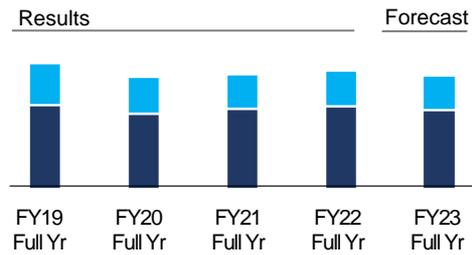
EPC: Engineering, procurement and construction AOM: After-sales services, operation and maintenance.

Update of Business - Machinery & Infrastructure Business

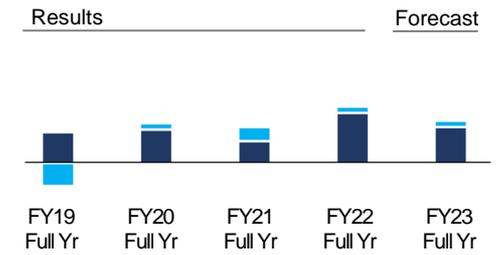
(Billions of JPY) 【Order intake】



【Net sales】



【Operating income】



	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr
Machinery	61.9	53.3	69.6	63.6	60.0	62.6	56.3	59.9	61.9	59.0	1.9	2.0	1.3	3.0	2.15
Infra-structure	38.0	27.1	27.5	26.4	26.0	31.7	27.5	26.4	26.2	26.0	-1.4	0.4	0.9	0.4	0.45
Total	99.9	80.4	97.1	90.2	86.0	94.3	83.8	86.3	88.2	85.0	0.5	2.4	2.2	3.4	2.6

Press machine

- Market orders, incl. large machine: JPY155 billion expected in FY23, the same as the previous year (1.7 times higher than in FY20).
(Source: Japan Forming Machinery Association)
- Our results: Pre-Covid level orders (JPY20 billion level) received in FY22. Operating profit back in black.
- Overseas orders expected to recover in the future.

Precision machinery, System machinery

- Semiconductor manufacturing equipment expected to increase again after levelling off from FY22/2H to 23.
- The Group's small valves and lapping plates for semiconductors remain firm.

Infrastructure

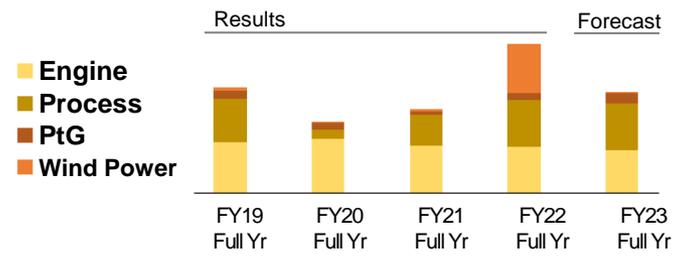
- Bridges: With progress in National Resilience Plan, FY23's market volume expected to the same level as the previous year (180k tonnes).
- Water gate: Redevelopment of existing dams will be activated in the future. Will promote proposal of water gate monitoring and diagnosis system.
- Steel stacks: New construction reduced, but demolition work expected to continue to increase.

Initiatives

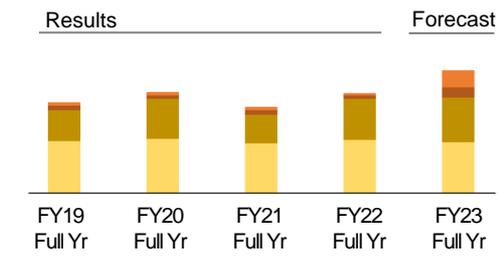
- Press machine: Responding to the shift to EV.
- Development of standard machines for profitability.
- Water gate: South-east Asia and other overseas countries expansion with a focus on ODA projects in the future.

Update of Business - Carbon Neutral Solution Business

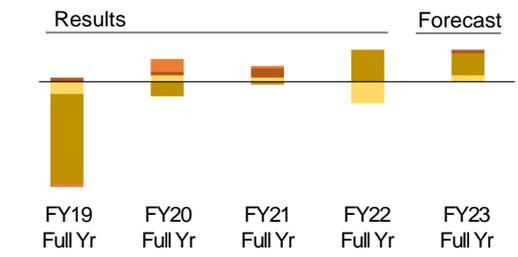
(Billions of JPY) 【Order intake】



【Net sales】



【Operating income】



	Results			Forecast		Results			Forecast		Results			Forecast	
	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr	FY19 Full Yr	FY20 Full Yr	FY21 Full Yr	FY22 Full Yr	FY23 Full Yr
Engine (Note)	28.2	29.8	25.6	23.8	22.0	24.3	25.3	23.0	24.7	23.5	-0.4	0.2	0.1	-0.7	0.2
Process	22.1	4.9	15.2	23.7	24.0	14.3	18.4	13.4	18.8	21.0	-2.9	-0.5	-0.1	1.0	0.7
PtG (Note)	2.1	1.5	1.2	3.3	5.0	2.0	1.7	1.9	2.0	4.5	0.1	0.1	0.3	0.2	0.3
Wind Power	1.7	0.7	1.0	25.4	0.5	1.8	1.6	1.6	1.0	8.0	-0.1	0.4	0.1	-0.1	0.0
Total	54.1	36.9	43.0	76.2	51.5	42.4	47.0	39.9	46.6	57.0	-3.3	0.2	0.4	0.4	1.2

Note: Figures for FY23 include some products (SCR NOx Removal System) which were included in "Engine" and have been replaced with "PtG". See factsheet (Excel) for details.

Engine

- Started cooperation with Imabari Shipbuilding, Hitachi Zosen Marine Engine Co., Ltd. in Apr. 23.
- Develop clean energy compatible products
- Expect to return to profitability in FY23.

Process equipment

- Capex in LNG/hydrogen/ammonia expected to recover.
- Responding to demand for nuclear power-related equipment in Japan and abroad.
- Started JV with TEPCO to manufacture decommissioning-related products in Fukushima (Oct. 22)

PtG (New name: Decarbonization systems)

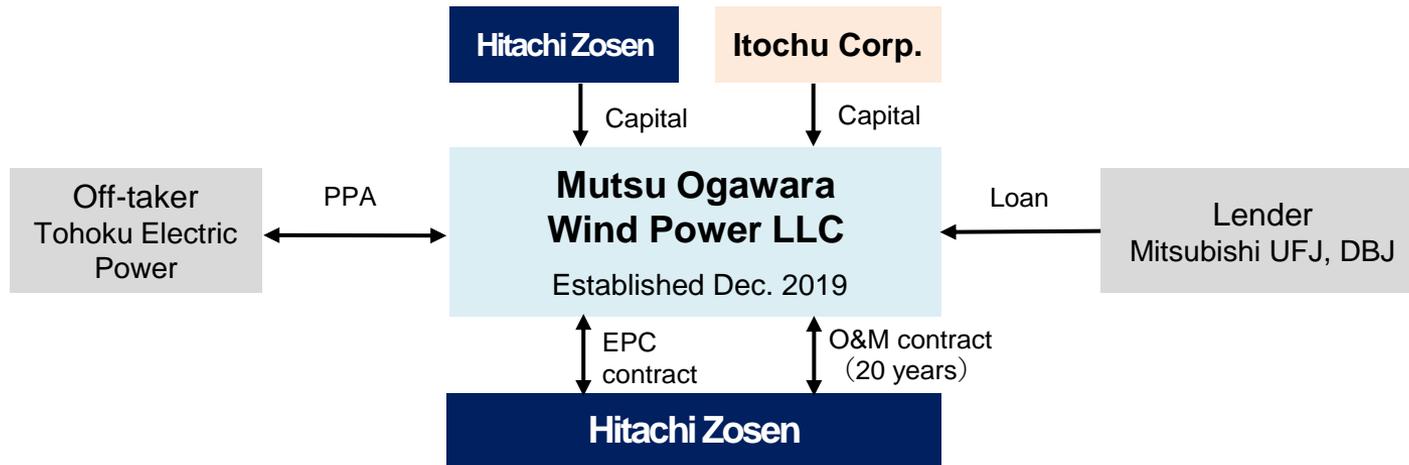
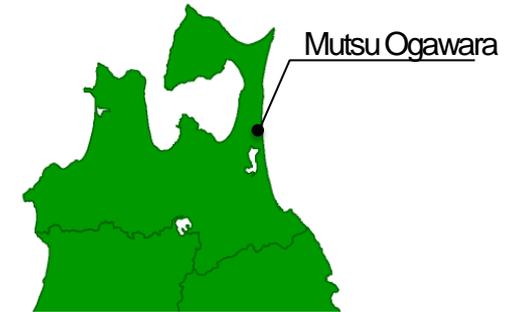
- Reviewed some product segments and changed its name in Apr. 23.
- Participating in various demonstration projects, for product development for social implementation
- Responding to orders for demonstration equipment from public and private sector clients.

Wind power

- Onshore wind project (Mutsu Ogawara, Aomori) EPC order received.
- Offshore wind project (North-West, Aomori) is currently selected as a "promising area".

Project outline

- Business : Onshore wind power plants' installation, operation and wholesale power supply
- Project site : Rokkasho Village, Kamikita District, Aomori Prefecture
- Installed units : 15
- Power output : 57MW
- Project period : Design/construction May 2023 – Mar 2026 (Plan)
Operation Apr. 2026 – Mar. 2046 (Plan)



The Group's wind power generation business

- Onshore wind power** Conduct integrated operations from business development to construction and operation.
- Offshore wind power** Develop and test technologies for both bottom-fixed and floating wind turbines, and in the future develop its business mainly through the manufacture of foundation structures.

Acquired US-based integrated low-level radioactive waste management company (Jan. 2023)

Name: NAC Philotechnics, Ltd.
Location: Tennessee
Shareholder: A wholly-owned subsidiary of NAC International Inc.
(indirectly wholly-owned subsidiary of Hitachi Zosen Corporation)
Employees: 20 approx.
Principal assets: Licensed facilities to handle radioactive waste
Radioactive waste transport trucks
Radioactive Materials Licenses in California and Tennessee

【 Synergy of the Acquisition 】

- Business areas: Expansion to low-level radioactive waste and mixed waste
- Technology: Acquisition of comprehensive management know-how, including determination of waste properties and management for final disposal.
(NAC's business: consulting, design and transport services for high-level radioactive waste transport/storage containers.)

Radioactive waste management workflow



Enable to provide integrated services

Watt d'Or award to a power-to-gas project using a methanation reactor from our Group, HZI Schmack

Watt d'Or 2023

Award to innovative Swiss companies and organizations taking on the challenges of the energy future (since 2006)

Award-winning project :

Europe's first industrial Power-to-Gas plant based on biological methanation. The green gas produced can save the CO₂ emissions of around 2,000 households.

(See Schmack's news release dated 25 May 2022)

Project owner :

Limeco Regiowerk, Swiss Power

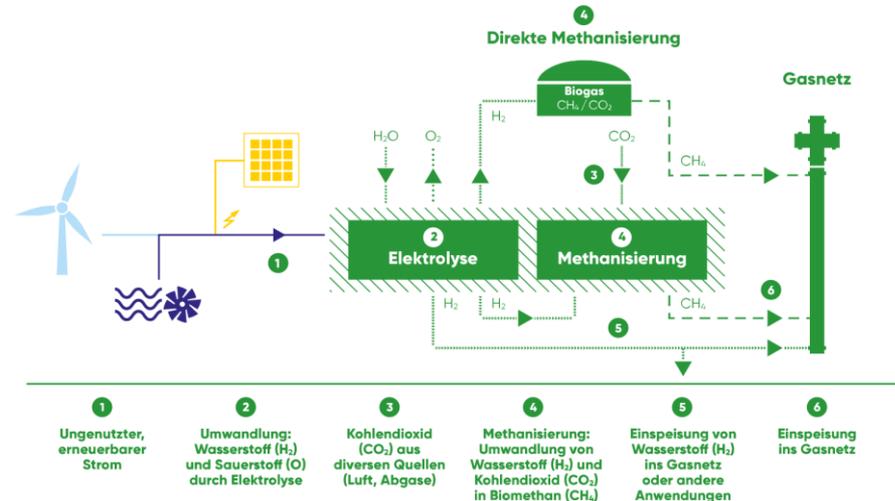
Hitachi Zosen Inova Schmack

Location: Schwandorf, Germany

A wholly-owned subsidiary of Hitachi Zosen Inova (indirectly wholly-owned subsidiary of Hitachi Zosen Corporation)

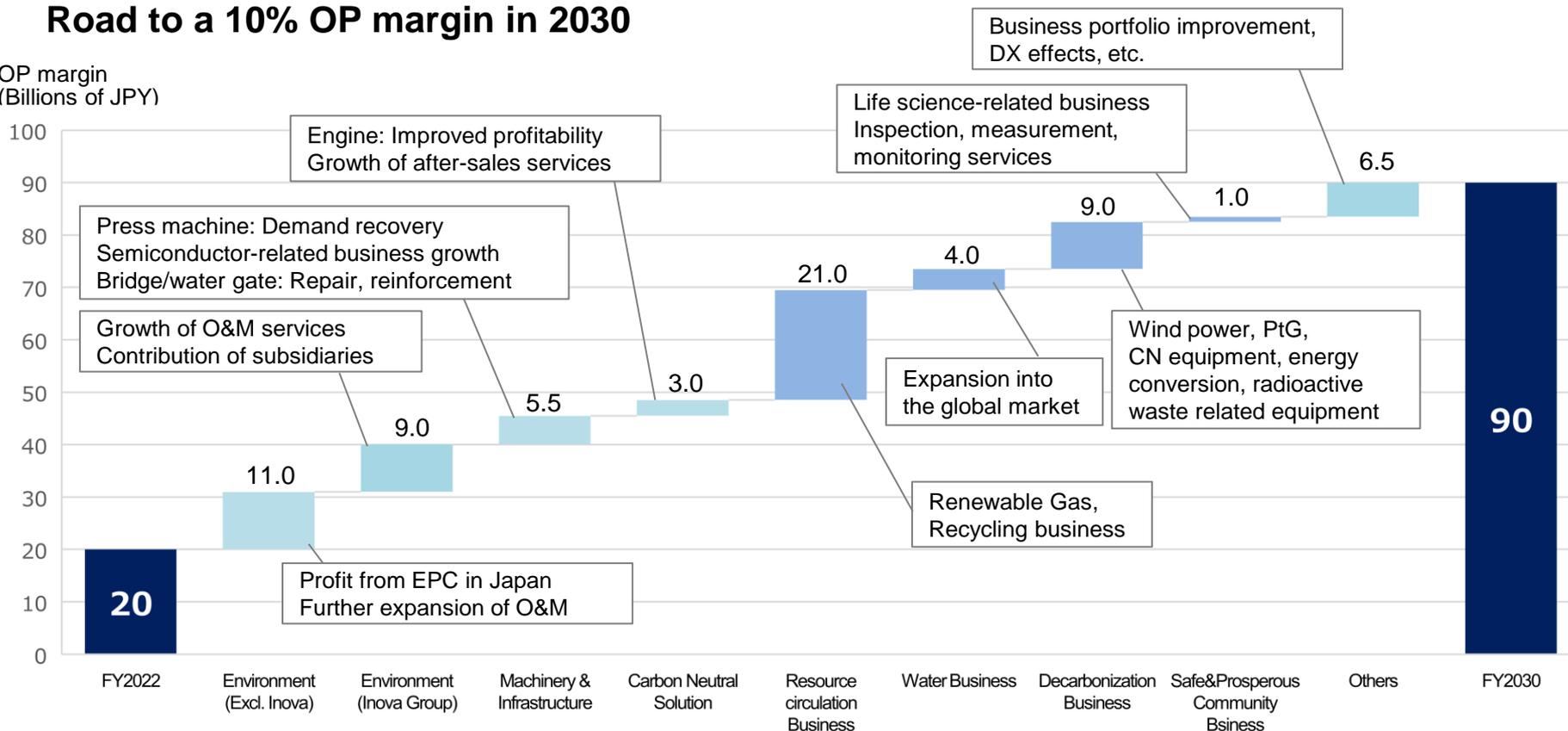


Awards ceremony in Bern, Switzerland (Jan 2023)



Road to a 10% OP margin in 2030

OP margin
(Billions of JPY)



Sustainable growth of existing businesses
Net sales: JPY 570 billion

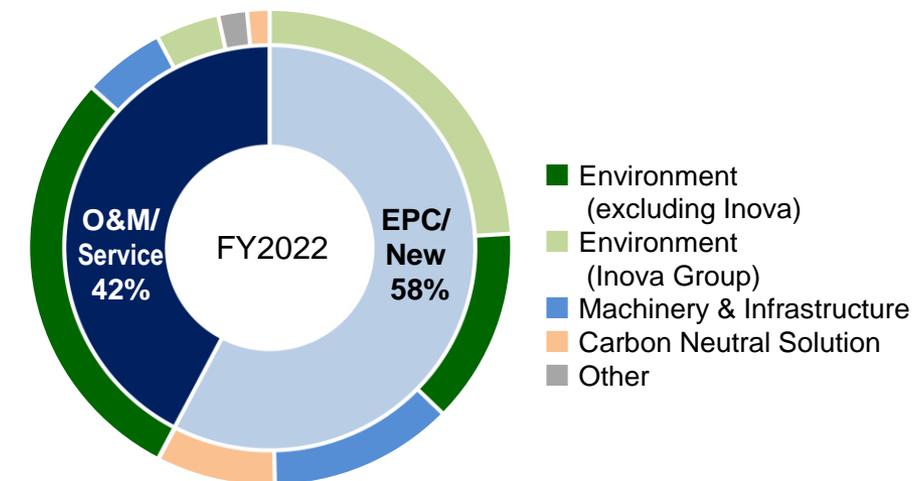
Creation and expansion of growth businesses
Net sales: JPY 335 billion

JPY approx. 900 billion

- Growth of overseas businesses (50% of sales and profits)
- Expansion of ongoing businesses and improvement of profitability of newly established businesses
- Accelerate the shift of management resources to growth areas
- Investment in growth to enhance future corporate value

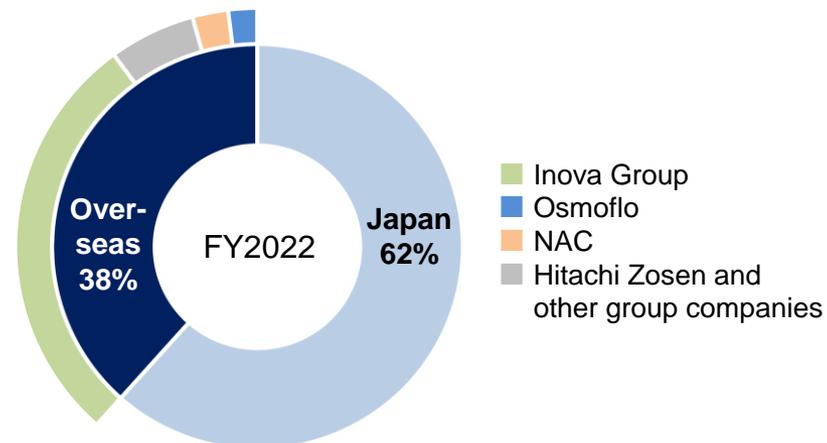
Expanding O&M/Service

KPI (2025) 50% of O&M/Service in sales



Expanding overseas businesses

KPI (2025) 40% of Group's sales from overseas



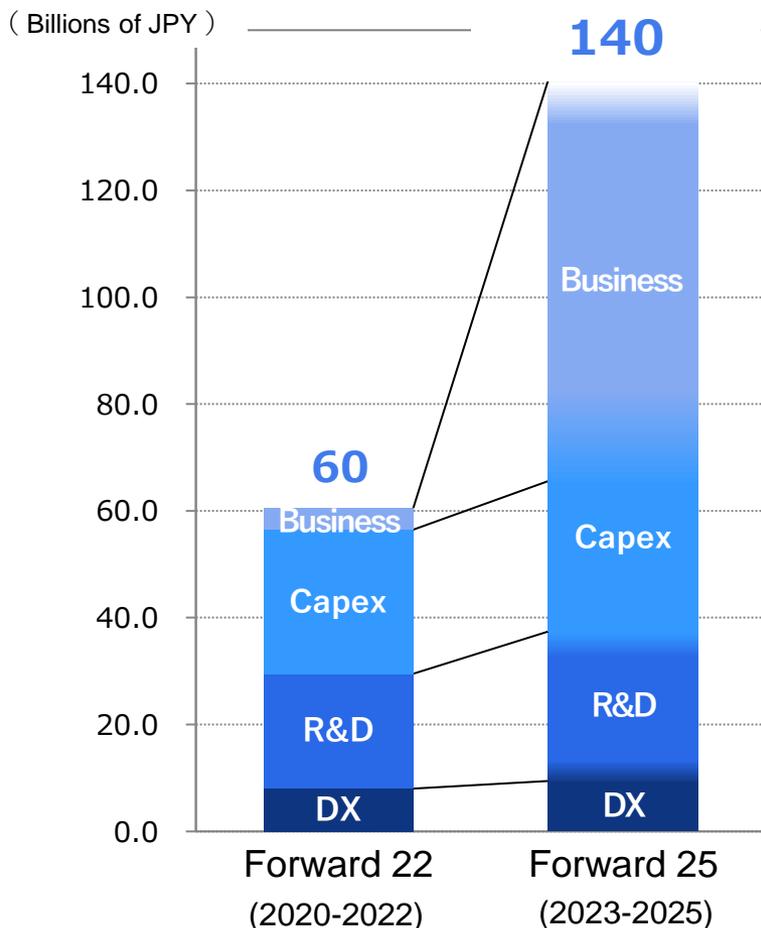
(Billions of JPY)

Percentage by segment	FY2022		
	Net sales	EPC/New	O&M/Service
Environment(excluding Inova)	208.6	31%	69%
Environment(Inova Group)	139.4	85%	15%
Machinery & Infrastructure	88.2	69%	31%
Carbon Neutral Solution	46.6	84%	16%
Other	9.7	2%	98%
Total	492.6	58%	42%

(Billions of JPY)

Percentage of sales by region	FY2022	
	Net sales	Percentage
Japan	303.4	62%
Europe	106.5	22%
Asia	20.7	4%
North America	21.9	4%
Middle East	31.0	6%
Other	9.1	2%

Investment: Actual and Plan



Investment in Business : approx. JPY75 billion

Waste to X (about JPY40 billion)

- Biogas business in Europe and US
- Investment in Waste to Energy project in overseas
- Recycling business (incl. Industrial waste treatment)

Wind Power Generation : JPY 5 to 10 billion

- Investment in projects

Others : approx. JPY25 billion

- e.g. M&A to expand water, nuclear-related businesses

Capex : approx. JPY28 billion

- Rationalization/renewal of aging facilities to improve productivity
- For new products/businesses, increase of production

R&D : approx. JPY28 billion

- Next generation WtE, incl. post-combustion
- Offshore wind power's base structure, Larger water electrolyzer, LNG ship's methane slip reduction (w/Green Innovation Fund)
- Life sciences related business
- Smart factory conversion

DX :

- DX investment in line with business expansion

【Cash Flow Allocation】

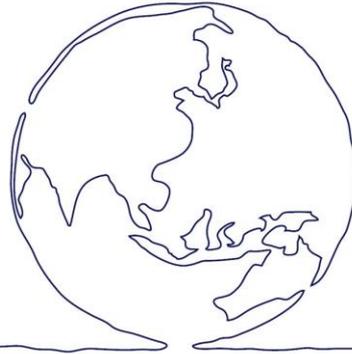
- With the aim of increasing shareholder value over the medium to long term, the Company will focus on investment for future business growth over the next three years.
- The company aims to pay continuous and stable dividends.

【Shareholder Return Policy】

The Company intends to continuously and stably distribute dividends, while working to strengthen financial position and the management base through growth investment, R&D investment and capital investment in order to enhance the long-term shareholder's value.

【Dividend amount】

	<u>Net profit per share</u>	<u>Dividend per share</u>	<u>Payout Ratio</u>
FY2022	JPY92.4	JPY18 (initial plan: JPY15)	19.5%
FY2023(Expected)	JPY71.2	JPY18	25.3%



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

<https://www.hitachizosen.co.jp/english/>