

# Report of Consolidated Financial Results

For the Three Months Ended June 30, 2024

August 5, 2024

Name of Company: Hitachi Zosen Corporation  
Code Number: 7004 URL: <https://www.hitachizosen.co.jp/>  
Stock Exchange Listing: Tokyo  
Representative: Michi Kuwahara, President & Chief Operating Officer  
Contact Person: Shunji Kimura, General Manager of Accounting Department

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This "Consolidated Financial Results" has been prepared in accordance with accounting principles generally accepted in Japan.

(Figures are rounded down to the nearest million yen.)

## 1. Business results and financial position for the three months ended June 30, 2024 (April 1 - June 30, 2024)

### (1) Results of operations (Accumulated)

(Percentages show rates of increase or decrease from the period a year earlier.)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of Hitachi Zosen	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
3 months ended June 30, 2024	121,563	18.6	-878	—	-2,062	—	-2,813	—
3 months ended June 30, 2023	102,475	6.4	-3,324	—	-2,137	—	-1,886	—

	Net income per share	Net income per share-diluted
	(yen)	(yen)
3 months ended June 30, 2024	-16.70	—
3 months ended June 30, 2023	-11.19	—

### (2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets
	(million yen)	(million yen)	(%)
As of June 30, 2024	510,320	167,678	31.6
As of March 31, 2024	533,593	168,946	30.5

(Note) Shareholders' equity: Yen 161,207 million (June 30, 2024), Yen 162,658 million (March 31, 2024)

## 2. Dividends

Record Date	Dividends per share (yen)		
	Interim	Year-end	Annual
Year ended March 31, 2024	0.0	23.0	23.0
Year ending March 31, 2025	0.0		
Year ending March 31, 2025 (Forecast)		23.0	23.0

(Note) Revisions to the dividends forecast most recently announced : None

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentages show rates of increase or decrease from the period a year earlier.)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of Hitachi Zosen		Net income per share – basic (yen)
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
Year ending March 31, 2025	570,000	2.5	26,000	6.9	22,000	-14.2	16,000	-15.8	94.94

(Note) Revisions to the forecast of consolidated earnings most recently announced : None

4. Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Specific accounting policies applied in the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and restatements
  - (i) Changes in accounting policies as per the revision of accounting standards: None
  - (ii) Changes in accounting policies other than (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatements: None
- (4) Number of shares issued and outstanding (common stock)
  - (i) Number of shares issued and outstanding (including treasury stock)
 

June 30, 2024	170,214,843 shares
March 31, 2024	170,214,843 shares
  - (ii) Number of shares held in treasury
 

June 30, 2024	1,693,713 shares
March 31, 2024	1,692,716 shares
  - (iii) Average number of shares during the respective periods
 

Three months ended June 30, 2024	168,521,349 shares
Three months ended June 30, 2023	168,527,168 shares
- (5) Review for attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
- (6) 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.

5. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	71,605	89,526
Notes and accounts receivable - trade, and contract assets	234,806	166,262
Merchandise and finished goods	2,297	2,412
Work in process	7,039	10,845
Raw materials and supplies	10,568	11,550
Other	21,808	22,711
Allowance for doubtful accounts	△1,049	△1,058
Total current assets	347,076	302,251
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,392	29,394
Land	40,257	40,304
Other, net	34,828	37,646
Total property, plant and equipment	104,478	107,345
Intangible assets		
Goodwill	4,259	16,212
Other	14,999	15,043
Total intangible assets	19,258	31,255
Investments and other assets		
Other	63,444	70,172
Allowance for doubtful accounts	△705	△741
Total investments and other assets	62,738	69,431
Total non-current assets	186,475	208,032
Deferred assets	41	35
<b>Total assets</b>	<b>533,593</b>	<b>510,320</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	48,945	46,726
Electronically recorded obligations - operating	8,988	9,044
Short-term borrowings	19,588	13,681
Current portion of bonds payable	10,000	10,000
Lease liabilities	1,746	1,717
Accrued expenses	84,084	64,748
Income taxes payable	2,681	2,252
Contract liabilities	48,741	55,826
Provision for construction warranties	18,587	18,513
Provision for loss on construction contracts	6,490	6,442
Provision for demolition and removal	568	568
Other	23,260	21,484
Total current liabilities	273,682	251,007
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	34,443	33,956
Lease liabilities	5,664	5,898
Deferred tax liabilities	449	1,047
Retirement benefit liability	20,985	21,169
Provision for retirement benefits for directors (and other officers)	53	45
Provision for loss on business liquidation	729	729
Provision for loss on litigation	946	946
Provision for demolition and removal	290	290
Asset retirement obligations	3,097	3,101
Other	4,304	4,449
Total non-current liabilities	90,964	91,634
Total liabilities	364,647	342,642
<b>Net assets</b>		
Shareholders' equity		
Share capital	45,442	45,442
Capital surplus	7,805	7,805
Retained earnings	100,651	93,961
Treasury shares	△1,034	△1,035
Total shareholders' equity	152,865	146,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,114	1,181
Deferred gains or losses on hedges	737	1,341
Revaluation reserve for land	△7	△7
Foreign currency translation adjustment	2,194	3,617
Remeasurements of defined benefit plans	5,755	8,899
Total accumulated other comprehensive income	9,792	15,032
Non-controlling interests	6,288	6,470
Total net assets	168,946	167,678
Total liabilities and net assets	533,593	510,320

6. Consolidated Profit and loss statements

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	102,475	121,563
Cost of sales	87,454	102,223
Gross profit	15,021	19,340
Selling, general and administrative expenses	18,345	20,218
Operating loss	△3,324	△878
Non-operating income		
Interest income	189	283
Dividend income	35	135
Share of profit of entities accounted for using equity method	875	—
Foreign exchange gains	429	128
Other	203	199
Total non-operating income	1,733	746
Non-operating expenses		
Interest expenses	153	222
Share of loss of entities accounted for using equity method	—	1,079
Other	393	628
Total non-operating expenses	546	1,930
Ordinary loss	△2,137	△2,062
Loss before income taxes	△2,137	△2,062
Income taxes	△202	712
Loss	△1,935	△2,775
Profit (loss) attributable to non-controlling interests	△48	38
Loss attributable to owners of parent	△1,886	△2,813

## 7. Supplementary Information

### (1) Consolidated Information by segments

#### i) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended June. 30, 2023	Fiscal year ended June. 30, 2024	Difference	Order backlog as of June. 30, 2024
Environment	184.2	175.3	-8.9	1,506.9
Machinery & Infrastructure	21.7	21.9	0.2	83.5
Carbon Neutral Solution	15.8	6.2	-9.6	91.6
Other	0.5	0.8	0.3	1.3
<b>Total</b>	<b>222.2</b>	<b>204.2</b>	<b>-18.0</b>	<b>1,683.3</b>

#### ii) Statements of Operations

(Unit: billion yen)

		Fiscal year ended June. 30, 2023		Fiscal year ended June. 30, 2024		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating Income & Net sales &	Environment	72.0	-2.9	87.9	0.7	15.9	3.6
	Machinery & Infrastructure	20.4	0.1	16.4	-1.2	-4.0	-1.3
	Carbon Neutral Solution	9.5	-0.5	16.6	-0.5	7.1	0.0
	Other	0.5	0.0	0.6	0.2	0.1	0.2
	<b>Total</b>	<b>102.4</b>	<b>-3.3</b>	<b>121.5</b>	<b>-0.8</b>	<b>19.1</b>	<b>2.5</b>
Ordinary Income		-2.1		-2.0		0.1	
Profit attributable to shareholders of Hitachi Zosen		-1.8		-2.8		-1.0	

iii) Consolidated Balance Sheet

(Unit: billion yen)

	As of Mar. 31, 2024	As of Jun. 30, 2024	Difference
Cash and time deposits	71.6	89.5	17.9
Trade notes and accounts and contract assets	234.8	166.3	-68.5
Inventories	19.9	24.8	4.9
Tangible & intangible fixed assets	123.7	138.6	14.9
Others	83.5	91.1	7.6
Total Assets	533.5	510.3	-23.2
Notes and accounts payable	57.9	55.8	-2.1
Interest bearing debt	91.4	85.3	-6.1
Others	215.2	201.5	-13.7
Total Liabilities	364.5	342.6	-21.9
Shareholders' equity	152.9	146.2	-6.7
Accumulated other comprehensive income	9.8	15.0	5.2
Non controlling interests	6.3	6.5	0.2
Total Net Assets	169.0	167.7	-1.3
Total Liabilities and Net Assets	533.5	510.3	-23.2

iv) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended Jun. 30, 2023	Fiscal year ended Jun. 30, 2024	Difference
Cash flows from operating activities	21.8	46.8	25.0
Cash flows from investing activities	-16.3	-21.2	-4.9
Cash flows from financing activities	-3.5	-10.5	-7.0
Foreign exchange translation	1.8	2.9	1.1
Increase/decrease in cash & cash equivalents	3.8	18.0	14.2
Cash & cash equivalents at beginning of year	84.8	69.7	-15.1
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	3.5	—	-3.5
Cash & cash equivalents at end of year	92.1	87.7	-4.4

(2) Forecast of Consolidated Information by segments for fiscal year ending March 31, 2025

i) Order Intake (Unit: billion yen)

Business Segment	Forecast Released on May. 10, 2024	Forecast Released on August. 5, 2024	(Forecast) Difference
Environment	470.0	510.0	40.0
Machinery & Infrastructure	84.0	84.0	0.0
Carbon Neutral Solution	63.5	63.5	0.0
Other	2.5	2.5	0.0
Total	620.0	660.0	40.0

ii) Statements of Operations (Unit: billion yen)

		Forecast Released on May. 10, 2024		Forecast Released on August. 5, 2024		(Forecast) Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operational Income	Environment	410.0	22.0	413.0	23.5	3.0	1.5
	Machinery & Infrastructure	83.0	2.4	80.0	0.9	-3.0	-1.5
	Carbon Neutral Solution	75.0	1.3	75.0	1.3	0.0	0.0
	Other	2.0	0.3	2.0	0.3	0.0	0.0
	Total	570.0	26.0	570.0	26.0	0.0	0.0
Ordinary Income		22.0		22.0		0.0	
Profit attributable to shareholders of Hitachi Zosen		16.0		16.0		0.0	



(Notes)

Order intake is expected to improve from that released on May. 10, 2024 due to an improvement of oversea environment business order intake.

Sales, and profit items unchanged from those released on May. 10, 2024.

The impact of Notice of Inappropriate Conduct in the Marine Engine Business released on 5th July on the financial results is currently under review.

If any impact is anticipated based on further investigation results, the Company will immediately make an announcement.