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Company Hitachi Zosen Corporation
Representative Sadao Mino, President & COO
(Securities code 7004; 1st Section, Tokyo Stock Exchange)
Inquiry Hiroshi Miyazaki, General Manager
Corporate Planning Department
(Telephone +81-6-6569-0005)

**Notice Concerning Impact of the Situation in
Russia and Ukraine on Our Group Business**

Hitachi Zosen Group is deeply concerned about the situation in Russia and Ukraine and hopes for an early and peaceful resolution.

The following is an update on the current impact of the situation in Russia and Ukraine on our Group.

1. Hitachi Zosen Group's Operations in Russia and Ukraine

Our group company Hitachi Zosen Inova (Switzerland) has been awarded a contract for the basic design and delivery of key equipment for the construction of new waste incineration and power generation facilities for the citizens' living infrastructure at four locations near Moscow from November 2019 ('the Project'). Our Group has no operations in Ukraine.

2. Current status

The project is not subject to any economic sanctions designated by the US, EU, Switzerland or Japan. Currently, construction work is continuing after confirming that there are no related parties subject to sanctions at customers, suppliers, etc.

The project accounts for less than 3% of our Group's consolidated net sales in the current fiscal year's estimated results.

In addition, the Swiss Public Trade Insurance (SERV) policy is used for the contract for the Project to cover international trade risks including war and sanctions.

At present, changes in the situation in Russia and Ukraine are not expected to have a significant impact on our Group's results for the fiscal year ending March 2022. We will continue to monitor the situation closely and take appropriate measures. Should we anticipate any significant impact on our performance as a result of changes in the situation, we will make an announcement as soon as possible.

(Note) Consolidated forecast for the fiscal year ending 31 March 2022
(announced on February 7, 2022)

	(Billions of JPY)
Net Sales	420.0
Operating income	15.0
Ordinary income	10.0
Profit attributable to shareholders of Hitachi Zosen	5.5