



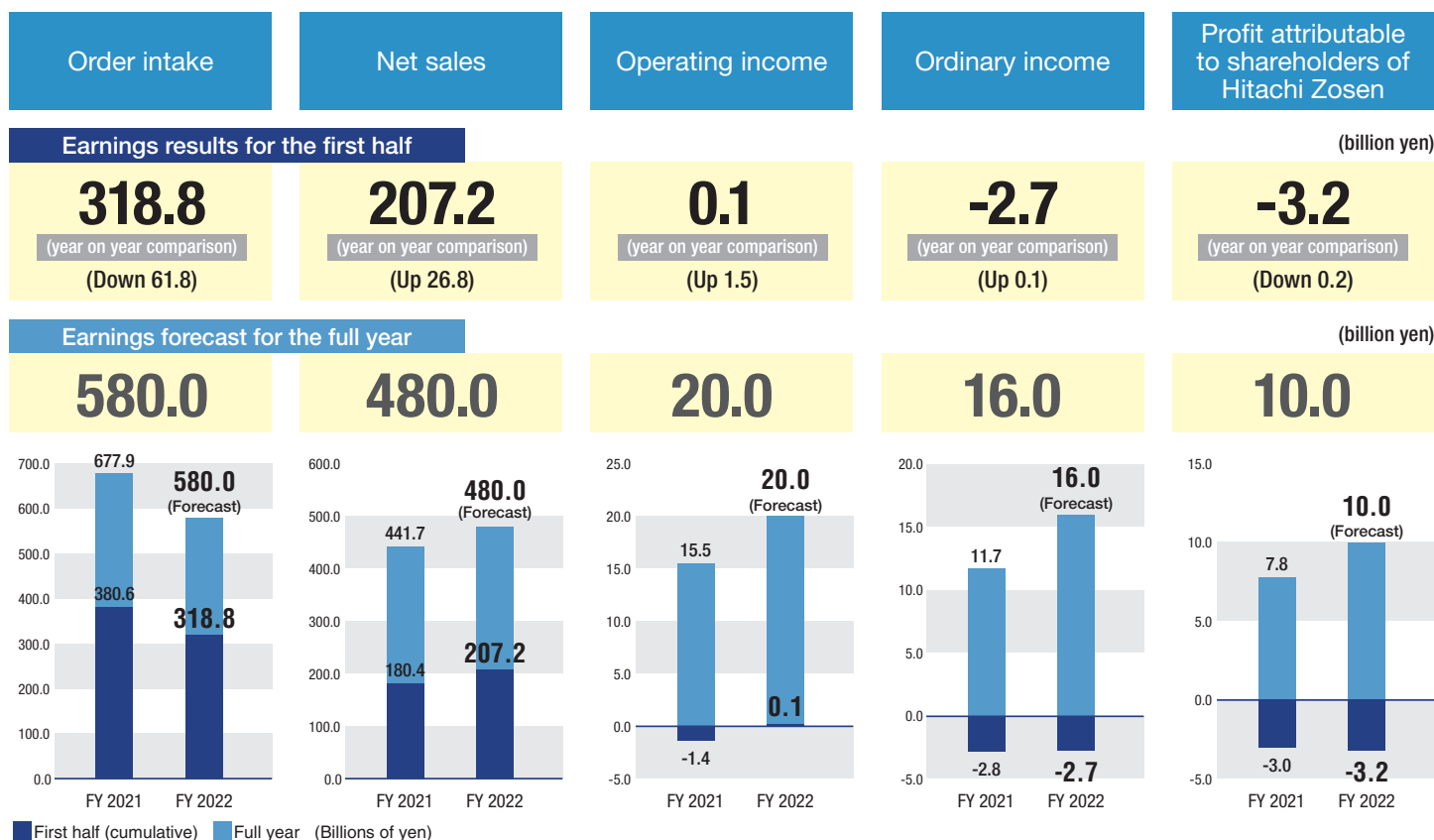
I hereby deliver the Interim Business Report for the 126th Fiscal Year and provide an overview of the business activities of Hitachi Zosen Corporation (“the Company”).

President and Chief Executive Officer  
**Sadao Mino**

### Earnings results for the first half of fiscal year 2022

Although the impact of the novel coronavirus disease (COVID-19) on socioeconomic activities is diminishing, the economy is stagnating, hampered mainly by shortages in the supply of resources, energy and food resulting from the prolonging invasion of Ukraine by Russia. In this environment, the consolidated financial results for the six months ended September 30, 2022 of the Hitachi Zosen Group (“the Group”) were as follows. Compared to the same period of the previous fiscal year, order intake was 318.8 billion yen, due to a decrease in orders in the Environmental Systems Business, while net sales were 207.2 billion yen, mainly due to an increase in the Environmental Systems Business. In addition, operating income was 0.1 billion yen, due to returning to

black in the Machinery & Infrastructure Business. Since our profits are concentrated in the second half under our Group’s business structure, we expect to achieve full-year earnings results as initially forecast. Furthermore, we will transfer our marine engine business to a new company, and have concluded a basic agreement on receiving capital participation from Imabari Shipbuilding Co., Ltd. Through these actions, we aim to rebuild our business structure in anticipation of further changes in the business environment in the future, and we view this alliance as an important strategy that will lead to strengthening profitability. We would like to ask for the continued support of our shareholders.



(Notes)  
1. Under the full-year earnings forecasts, the full-year forecasts for order intake and net sales were revised upward. Meanwhile, there is no change in the full-year forecasts for income line items.  
2. We would like to ask for your understanding in that we have decided not to pay an interim dividend for the current fiscal year.

# Summary by business segment

## Environmental Systems

(Net sales composition: 69%)

Order intake:  
**244.3** billion yen  
Year on year comparison  
(down 75.5 billion yen)

Net sales:  
**143.1** billion yen  
Year on year comparison  
(up 19.6 billion yen)

Operating income:  
**-0.1** billion yen  
Year on year comparison  
(up 0.6 billion yen)

Total order intake was 244.3 billion yen, mainly due to orders received for building and operating a new waste treatment facility for Kuki City, Saitama Prefecture, improvement of core facilities of Togari Clean Center for Toyota City, Aichi Prefecture, and construction of sludge recycling centers in Tokushima Prefecture and in Wakayama Prefecture in Japan, as well as one order received for construction of an Energy-from-Waste (EfW) plant and two orders received for supplying equipment in the UK.

Net sales increased from the same period of the previous fiscal year to 143.1 billion yen, mainly due to construction of a waste treatment facility (North Clean Center) for Otsu City, Shiga Prefecture, in Japan and completion of supplying the incinerator equipment for an EfW plant for Hangzhou City, Zhejiang Province, in China.

Operating income improved from the same period of the previous fiscal year to negative 0.1 billion yen, mainly due to improved earnings at overseas subsidiaries.



Waste treatment facility (North Clean Center) for Otsu City

## Machinery and Infrastructure

(Net sales composition: 19%)

Order intake:  
**46.6** billion yen  
Year on year comparison  
(up 4.2 billion yen)

Net sales:  
**39.1** billion yen  
Year on year comparison  
(up 2.4 billion yen)

Operating income:  
**0.3** billion yen  
Year on year comparison  
(up 0.9 billion yen)

Total order intake increased from the same period of the previous fiscal year to 46.6 billion yen, mainly due to increased orders for press machines for the automotive industry and penstocks for power plants.

Net sales increased from the same period of the previous fiscal year to 39.1 billion yen mainly due to increases in sales for precision machinery for semiconductors and press machines for the automotive industry.

Operating income was 0.3 billion yen, returning to black mainly due to improvement in precision machinery for semiconductors and press machines for the automotive industry.



Seabed-type Flap-Gate for Hyogo Prefecture

## Carbon Neutral Solution

(Net sales composition: 10%)

Order intake:  
**23.4** billion yen  
Year on year comparison  
(up 9.0 billion yen)

Net sales:  
**20.7** billion yen  
Year on year comparison  
(up 4.5 billion yen)

Operating income:  
**-0.5** billion yen  
Year on year comparison  
(down 0.2 billion yen)

Total order intake increased significantly from the same period of the previous fiscal year to 23.4 billion yen due to increases in orders for process equipment and electrolyzers, despite a decrease in orders for marine diesel engines.

Net sales increased from the same period of the previous fiscal year to 20.7 billion yen due to increases in sales for marine diesel engines and process equipment.

Operating income decreased from the same period of the previous fiscal year to negative 0.5 billion yen due to the decrease for marine diesel engines caused by the impact of the weak yen, despite an increase for process equipment.



Concrete casks in Three Mile Island in the United States  
\*U.S. subsidiary NAC International was in charge of engineering, while the Company was in charge of canister manufacturing

## Topics

### The world's first methanation project using CO<sub>2</sub> emitted from incineration plants

The Company built a methanation (a technique that synthesizes methane gas from the catalytic reaction of carbon dioxide and hydrogen) facility at the Environmental Business Center in Odawara City, Kanagawa Prefecture, and ran demonstration experiments from May to August in 2022. This demonstration is a project commissioned by the Ministry of the Environment, and is the world's first methanation using CO<sub>2</sub> emitted from incineration plants. Because the methane gas synthesized from methanation is a main component of town gas, the production can be used in existing facilities, and that's one of the advantages.

The Company will actively contribute to the reduction of greenhouse gas emissions by building a new carbon circulation model at incineration plants.



Methanation demonstration facility

### Construction of a hydrogen production facility in Switzerland

In June 2022, our group company, Hitachi Zosen Inova AG (HZI) started a project in collaboration with the association of waste disposal in Aarau-Lenzburg area (Switzerland). The joint project in Buchs, Aargau, northern Switzerland, looks to produce hydrogen using electricity generated by Energy-from-Waste (EfW) plants. Switzerland promotes the use of hydrogen as part of the transition to renewable energy to achieve carbon neutrality. The hydrogen produced by this project will be supplied for industrial use and as fuel for public transportation and private vehicles. In this project, HZI is responsible for the facility construction and operation.

The facility is currently under construction and full operation will commence in spring 2023.



EfW plant used for this project

### Joint venture with TEPCO and management of the plant that manufactures decommissioning-related products

The Company and Tokyo Electric Power Company Holdings, Incorporated (TEPCO) established a joint venture, Tousou Mirai Manufacturing, Inc. in October, 2022. The new company will manufacture products that are necessary for decommissioning, including casks for spent fuel and debris storage containers. This plant to manufacture decommissioning-related products will be built as one of the measures to centralize decommissioning industries and achieve TEPCO's "Balancing Recovery with Decommissioning" goal in the Hamadori area of Fukushima Prefecture. The Company will participate in plant operations by taking advantage of its cask manufacturing technology. The Company will look to streamline production processes through collaboration of users and vendors. Meanwhile, it will collaborate tightly with local businesses, and contribute to the local economy, employment and human resource development.



Tousou Mirai Manufacturing Logo

### Selected as a DX-certified operator by the Ministry of Economy, Trade and Industry

The Company has obtained a certification as a "DX-certified operator" under the DX (Digital Transformation) Certification System established by the Ministry of Economy, Trade and Industry (METI) in April 2022. The Company promotes DX as a measure to achieve "Increase of the Added Value of Products and Services," a key principle of our medium-term management plan "Forward 22." The METI evaluated the facts that those initiatives met certification criteria set by the ministry, and that the Company disclosed appropriate information to stakeholders. Please access and view the special site within our corporate website, where our DX strategies as well as actual examples of our initiatives are available.

<https://www.hitachizosen.co.jp/company/dx/>



Hitz DX Logo

(Notes)  
1. In "others" segment, order intake was 4.5 billion yen, net sales were 4.3 billion yen, and operating income amounted to 0.4 billion yen.  
2. The segments were changed in fiscal year 2022. In accordance with this, order intake, net sales, and operating income for the first half of the previous fiscal year were reclassified and are restated based on the segments after the change.

## Corporate data (as of September 30, 2022)

Date of founding	April 1, 1881
Capital	45,442,365,005 yen
Number of employees	4,075 (consolidated: 11,721)
Website	<a href="https://www.hitachizosen.co.jp/english/">https://www.hitachizosen.co.jp/english/</a>

### IR mail delivery (Japanese Only)

We deliver IR-related information and news releases, etc. by email.

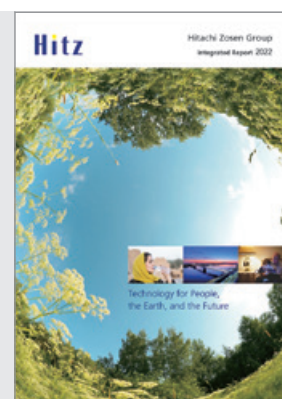
If you wish to receive IR mails, please subscribe to "RIMSNET" IR mail delivery service (free of charge) operated by Mitsubishi UFJ Trust and Banking Corporation in the following site:

<https://rims.tr.mufg.jp/?sn=7004>



## Integrated Report 2022

We are issuing an integrated report that contains the management plan, financial information, and ESG information to explain to our stakeholders the measures we are taking to realize value creation in line with our Group's long-term vision. Please refer to our website.



## YouTube Channel



Hitachi Zosen Group Channel has been created on "YouTube" video sharing site to present our Group's business, history and other information.



## Stock data (as of September 30, 2022)

Total number of shares authorized to be issued.....400,000,000 shares

Total number of issued shares .....170,214,843 shares

Number of shareholders.....77,459

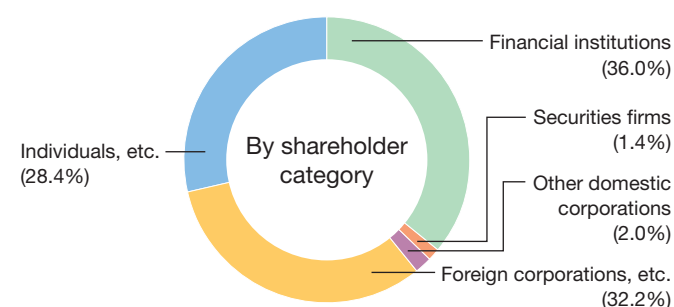
Number of shares constituting one unit of shares .....100 shares

### Major shareholders

Name of shareholders	Numbers of shares held (Thousands of shares)	Holding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,829	17.6
Custody Bank of Japan, Ltd. (Trust Account)	14,757	8.7
MUFG Bank, Ltd.	5,291	3.1
STATE STREET BANK AND TRUST COMPANY 505019	4,387	2.6
Hitachi Zosen Employee Shareholding Association	2,668	1.5
Sompo Japan Insurance Inc.	2,358	1.3
STATE STREET BANK AND TRUST COMPANY 505001	2,343	1.3
STATE STREET BANK WEST CLIENT - TREATY 505234	2,285	1.3
JP MORGAN CHASE BANK 385632	2,252	1.3
JP MORGAN CHASE BANK 385781	2,178	1.2

(Note) The holding ratio does not include treasury stock (1,686,534 shares).

### Distribution of shareholdings



## Shareholder information

Fiscal year	April 1 to March 31
Public notices	Via Company's website ( <a href="https://www.hitachizosen.co.jp/">https://www.hitachizosen.co.jp/</a> ) If we are unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices may be given in the "The SANKEI" newspaper.
Shareholder registry administrator and special account custodian	Mitsubishi UFJ Trust and Banking Corporation
Contact	3-6-3 Fushimimachi, Chuo-ku, Osaka, 541-8502, Japan Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Division Telephone: 0120-094-777 (toll free in Japan)
Stock listing	Tokyo Stock Exchange

### ■ Procedures concerning shares

For procedures of address change or request for sale/additional purchase of shares less than one unit, etc., please contact the securities company or other financial institution where your account has been opened. If shares are registered in a special account because you have not opened with a securities company, etc., please contact the above address of Mitsubishi UFJ Trust and Banking Corporation, which is the special account custodian.

### ■ Individual number ("My Number")

For procedures on shares and other tax related affairs, notification of your "My Number," which people who have a certificate of residence in Japan are notified of by their municipality, is required. We request you to notify your individual number in a securities company, etc. where your account has been opened, if you have not done so yet.