

April 23, 2021

Notice regarding recording of extraordinary loss and revision of earnings forecast

Hitachi Zosen Corporation announces that it records an extraordinary loss in the fiscal year ended March 2021 as follows. On the other hand, due to improvements in operating income and recurring income, it also announces that the earnings forecast announced on February 9, 2021 is revised as follows.

1. Recording of impairment loss (extraordinary loss)

In the electric power wholesale business, including our Ibaraki Works, we have determined that there are signs of impairment of fixed assets due to a significant deterioration in the business environment, triggered by the termination of a contract accompanying the application for the Corporate Rehabilitation Law of a major customer. By considering the future recoverability, we reduce the book value of the assets to the recoverable amount and record an impairment loss of JPY 4.5 billion as an extraordinary loss in the fiscal year ended March 2021.

The amount of the impact on consolidated profit and loss is the same.

2. Financial forecast

Regarding the forecast for the fiscal year ended March 2021, while recording the above extraordinary loss, operating income and recurring income improve due to progress in reducing fixed costs and construction costs. The consolidated financial results for the fiscal year ended March 2021 are currently in the closing process, but the forecasts are to be revised as follows.

There is no change in the year-end dividend forecast.

Revision of consolidated earnings forecast for the fiscal year ended March 2021

(April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Recurring income	Profit attributable to shareholders of Hitachi Zosen	Net income per share
	JPY billion	JPY billion	JPY billion	JPY billion	JPY
Previous forecast (A)	400.0	13.5	7.5	4.5	26.70
New forecast (B)	405.0	15.0	11.5	4.0	23.73
Change (B)-(A)	5.0	1.5	4.0	-0.5	
Change (%)	1.3	11.1	53.3	-11.1	
Results for FYE Mar.20	402.450	13.891	9.429	2.197	13.04

* The above forecasts are based on the information we have at the moment and certain assumptions that we judge to be reasonable, and actual business results may differ due to various factors.