

September 26, 2022

Hitachi Zosen Corporation

Notice of Transfer of Shares in Consolidated Subsidiary

Hitachi Zosen Corporation announces that its Board of Directors has resolved today to enter into a share transfer agreement under which Hitachi Zosen will transfer all shares it holds in its consolidated subsidiary Nippon Pusnes Co., Ltd. (hereinafter “Nippon Pusnes”) to Imabari Shipbuilding Co. Ltd. (hereinafter “Imabari Shipbuilding”).

1. Reason for the share transfer

The Company aims to be a 'solutions partner' that contributes to the realisation of a sustainable, safe and secure society, and is committed to solving customers' problems. To achieve this, we are working to strengthen our earning power under our medium-term management plan “Forward 22”, which covers the three-year period from fiscal 2020, and one of our basic policies is to select and concentrate our businesses and shift resources to areas of growth.

Under these circumstances, the Company and Imabari Shipbuilding have entered into a share transfer agreement under which the Company will transfer all shares of Nihon Pusnes held by the Company to Imabari Shipbuilding.

As for Nihon Pusnes, the Company has judged that, with Imabari Shipbuilding becoming the parent company of Nihon Pusnes, it will be able to utilise Imabari Shipbuilding's corporate management know-how and network, and expect to further increase its business efficiency and competitiveness with the aim of increasing its corporate value.

2. Outline of the Subsidiary Subject to Transfer

(1) Name	Nippon Pusnes Co. Ltd.
(2) Address	Shimonoseki-City, Yamaguchi Prefecture
(3) Representative	Masato Hori, President
(4) Business Activities	Manufacture and sale of deck machinery

	Supply and after-sales service of deck machinery parts								
(5) Paid-in capital	JPY 450 million								
(6) Incorporation	July 28, 1976								
(7) Major shareholders	Hitachi Zosen Corporation 8,145 shares (90.5%)								
(8) Business results (Fiscal year ended March 2022)	<table border="0"> <tr> <td>Net sales</td> <td>JPY 3,931million</td> </tr> <tr> <td>Operating loss</td> <td>248</td> </tr> <tr> <td>Ordinary loss</td> <td>214</td> </tr> <tr> <td>Net loss</td> <td>319</td> </tr> </table>	Net sales	JPY 3,931million	Operating loss	248	Ordinary loss	214	Net loss	319
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(Note) As a result of this share transfer, Nippon Pusnes' wholly-owned subsidiary, Setozaki Ironworks Co., Ltd. will also be excluded from the scope of consolidation of Hitachi Zosen Corporation.

3. Outline of The Counterparty to The Share Transfer

(1) Name	Imabari Shipbuilding Co. Ltd.
(2) Address	Imabari-City, Ehime Prefecture
(3) Representative	Yukito Higaki, President
(4) Business Activities	Manufacture of vessels
(5) Paid-in capital	JPY 30,000 million
(6) Incorporation	January 15, 1942

4. Number of Shares Transferred and Shares Held before and after The Change

(1) Number of shares held before change	8,145 shares (Voting rights held : 90.5%)
(2) Number of shares to be transferred	8,145 shares
(3) Number of shares held after change	0 shares (Voting rights held : 0%)

5. Transfer Price

The transfer price of the shares will not be disclosed due to discussions with the counterparty. In calculating the transfer price, appropriate due diligence is carried out and a reasonable amount is calculated and determined through mutual consultation.

6. Schedule

Resolution of the Board of Directors September 26, 2022

Signing of share transfer agreement September 26, 2022

Share transfer execution date October 31, 2022 (Tentative)

7. Future Prospects

At present, the impact of this transaction on the financial results for the current fiscal year is not material. We will promptly disclose any matters that should be disclosed in the future.