
Basic Agreement with Imabari Shipbuilding Co. Ltd.

Hitachi Zosen Corporation

September 26, 2022

**Senior Managing Executive Officer
General Manager of Corporate
Planning Headquarters
Satoshi Kimura**

Hitachi Zosen spins off its marine diesel engine business to establish a new company, in which Imabari Shipbuilding Co. Ltd. takes a 35% stake.

(Please see our press release dated September 26, 2022 and TD-net voluntary disclosure documents.)

■ About the New Company

- Business Activities: Manufacture of marine diesel engines and after-sales service operations
- Ownership : Hitachi Zosen 65%, Imabari Shipbuilding 35%
- Start of Operation : April 2023 (Tentative)

■ Aim of the cooperation

- Expand sales by strengthening the sales and supply network.
- Improve profitability of engine business
(Procurement synergies and productivity improvements)
- Contribution to GHG reduction through development and supply of next-generation fuel-compatible engines

Hitachi Zosen

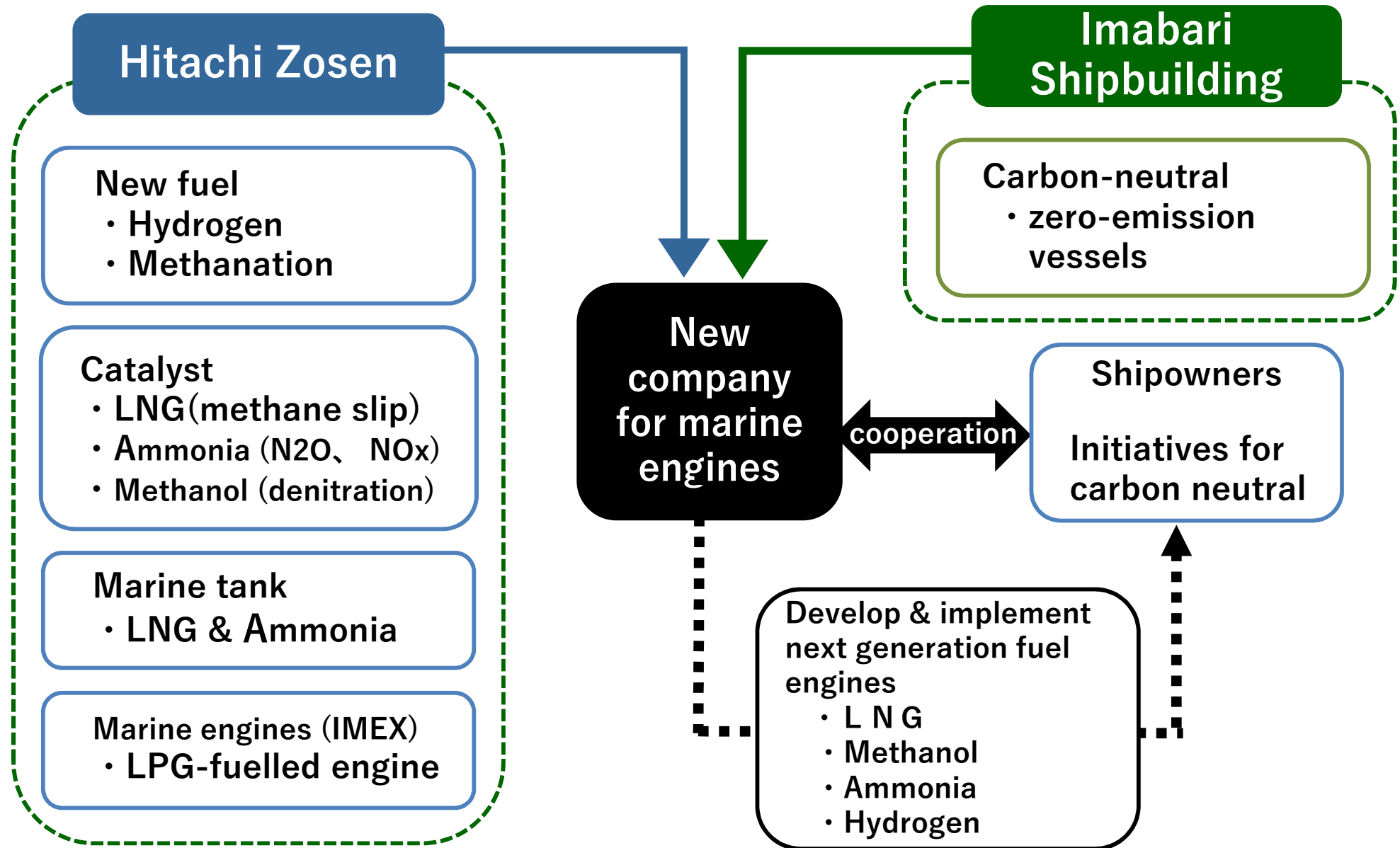
- Urgent need to resolve carbon neutrality issues in shipping and shipbuilding industry, and to strengthen provision of our relevant technologies in terms of manufacturing and new technologies
(new fuel engines, catalyst technology, Marine tanks and other equipment)

Imabari Shipbuilding

- Urgent need to develop zero-emission ships, next-generation fuel engines essential
➔ Implemented by the new company

(Reference) Initiatives for international shipping to become carbon neutral by 2050

(Ministry of Land, Infrastructure, Transport and Tourism, Maritime Bureau)

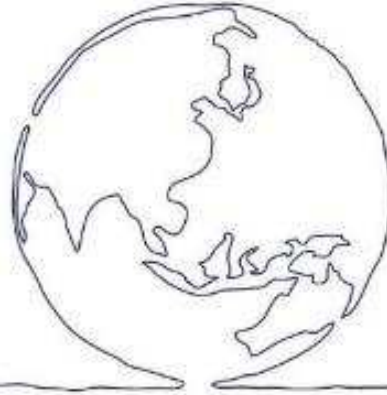


Transfer of all shares (90.5%) held by the Company in Nippon Pusnes, a consolidated subsidiary of the Company, to Imabari Shipbuilding Co. Ltd.

■ About Nippon Pusnes

- Business Activities: Manufacture and sale of deck machinery, and
Supply and after-sales service of deck machinery parts
- Headquarter: Shimonoseki City, Yamaguchi Prefecture
- Major shareholder: Hitachi Zosen Corporation (90.5%)
- Financial results: Sales JPY 3,931 million, Operating loss JPY 248 million
(fiscal year ended March 2022)

■ Purpose of Transfer: Selecting businesses, and shifting our management resources to priority areas



Technology for People, the Earth, and the Future

Hitachi Zosen creates links between mother nature and our future

Cautionary Statement

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 and/or exchange rate fluctuation.



Hitachi Zosen Corporation

<https://www.hitachizosen.co.jp/english/>