



Feb. 5, 2024

Company name: Hitachi Zosen Corporation
Representative: Sadao Mino, President & CEO
(Securities code: 7004; Prime Market, Tokyo Stock Exchange)
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Notice Concerning Absorption-Type Merger (Simplified Merger) of Consolidated Subsidiary

Hitachi Zosen Corporation (hereinafter the “Company”) hereby announces that the Board of Directors held today has resolved an absorption-type merger (hereinafter the “Merger”) of its wholly-owned subsidiary HITACHI-ZOSEN PLANT TECHNO-SERVICE CORPORATION (hereinafter “HPT”), effective as of April 1, 2024. The details are described below.

As the Merger is a simplified absorption-type merger with a wholly-owned subsidiary, certain disclosure items and details have been omitted.

1. Purpose of the Merger

HPT is a wholly-owned subsidiary of the Company and has been mainly engaged in the sale of after-sales service parts for various overseas plants, including the desalination plants delivered by the Company. From the viewpoint of management efficiency, the Company has decided to merge HPT in order to consolidate management resources within the group for integrated business operations.

2. Summary of the Merger

(1) Schedule for the Merger

Date of resolution at the meeting of the Board of Directors	February 5, 2024
Date of conclusion of the agreement	February 5, 2024
Implementation (Effective date)	April 1, 2024 (Tentative)

(Note) Since this merger falls under the category of a simplified merger under Article 796, Paragraph 2 of the Companies Act for the Company and a short-form merger under Article 784, Paragraph 1 of the Companies Act for HPT, it will be conducted without obtaining approval by a resolution of a general meeting of shareholders of both companies.

(2) Form of the Merger

HPT will be dissolved in an absorption-type merger with the Company as the surviving company.

(3) Details of allotment related to the Merger

Since this is a merger with a wholly-owned subsidiary, there will be no allocation of stocks or any other money as a result of this merger.

(4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Merger

Not Applicable

3. Overview of companies involved in the Merger

	Surviving Company in the absorption-type merger	Dissolved Company in the absorption-type merger
(1) Trade name	Hitachi Zosen Corporation	HITACHI-ZOSEN PLANT TECHNO-SERVICE CORPORATION
(2) Head office	7-89, Nankokita 1-chome, Suminoe-ku, Osaka 559-8559, Japan	6-33, Edobori 2-chome, Nishi-ku, Osaka 550-0002, Japan
(3) Representative	Representative Director, President & CEO, Sadao Mino	Representative Director, President, Hiroshi Morishita
(4) Business description	Environmental business, machinery & infrastructure business, carbon neutral solution business, etc.	Sales of after-sales service parts for various plants, and sales of equipment, materials, and parts
(5) Share capital	45,442 million yen	60 million yen
(6) Date of establishment	May 29, 1934	November 21, 1986
(7) Number of issued shares	170,214,843 shares	1,200 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratios (as of September 30, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.51% Custody Bank of Japan, Ltd. (Trust Account) 5.63% STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/ C UK LONDON BRANCH CLIENTS- UNITED KINGDOM 3.83% MUFG Bank, Ltd. 3.14% HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND 2.72%	Hitachi Zosen Corporation 100%
(10) Operating results and financial positions for the previous fiscal year		
As of / Fiscal year ended	March 31, 2023 (consolidated)	March 31, 2023 (non-consolidated)
net assets	141,311 million yen	276 million yen
total assets	479,682 million yen	598 million yen
net assets per share	828.47 yen	230,572 yen
net sales	492,692 million yen	612 million yen
operating income	20,056 million yen	22 million yen
ordinary income	17,834 million yen	24 million yen
Profit attributable to owners of parent	15,577 million yen	14 million yen
earnings per share	92.43 yen	12,335 yen

(Note) Shareholding ratios are calculated excluding treasury stock.

4. Status after the Merger

There will be no change in the Company's trade name, head office address, business description, share capital, or fiscal year end after the merger. The Company's Representative will be changed to “Representative Director, President & COO, Michi Kuwahara” as of April 1, 2024. (Please refer to the “Announcement on Change of Representative Director” disclosed today.)

5. Future Outlook

Since the Merger is a merger with a wholly-owned subsidiary, the impact on consolidated results of operations is immaterial.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on February 5, 2024) and actual consolidated results for the previous fiscal year

(Million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecast for the Fiscal Year ending March 31, 2024	540,000	23,000	20,000	15,000
Results for the Fiscal Year ended March 31, 2023	492,692	20,056	17,834	15,577

End