

Establishment of a Joint Venture in China for the Marine Diesel Engine Manufacturing Business

Hitachi Zosen Corporation recently established a joint venture with Shanghai Zhouji (Group) Co., Ltd. (SZG) of China as a manufacturing company for marine diesel engines. An agreement between the companies was reached through capital investment, and a contract was signed for the joint venture. This contract must be approved by the authorities in China, after which it will officially go into effect.

In conjunction with the capital investment, Hitachi Zosen Corporation will be engaged in the operation of the joint venture through Hitachi Zosen Diesel & Engineering Co., Ltd. (Nagasaki, Tamana-gun, Kumamoto Prefecture, President: Kenji Sawada), a 100%-owned subsidiary of Hitachi Zosen Corporation.

The following is an overview of this joint venture.

- (1) Company name: Zhoushan Zhongji Hitachi Zosen Diesel Engine Co., Ltd. (Abbreviated: ZHD)
- (2) Capital: 200 million Chinese Yuan (approx. ¥3,100 million)
- (3) Ratio of Investment: SZG: 75% (150 million Yuan = ¥2,325 million)
Hitachi Zosen Corporation: 25 % (50 million Yuan = ¥775 million)
- (4) Location: Zhoushan City, Zhejiang Province in China
- (5) Start of Manufacturing: Around June 2009