

August 22, 2018  
(Securities Code 7004)  
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### **Osmoflo to become wholly owned subsidiary of Hitachi Zosen**

Hitachi Zosen announced that it acquired additional shares of Osmoflo Holdings Pty Ltd (hereinafter referred to as Osmoflo), a global desalination and water treatment subsidiary based in Australia, making the company a wholly-owned subsidiary of Hitachi Zosen.

#### ■ Rationale for the transaction

In February 2017, Hitachi Zosen acquired 70% of the outstanding shares of Osmoflo, making it an affiliated company. With the intension of strengthening the water treatment business which is positioned as the core business at the long term business plan "Hitz 2030 Vision", Hitachi Zosen acquired the remaining 30 % of Osmoflo shares from Marubeni Corporation (Head Office: Tokyo, Japan / President and CEO, Director: Fumiya Kokubu).

1. Transferor	Marubeni Corporation
2. Number of shares held before acquisition	1,096,517 stocks (Shareholder Voting Rights: 70%)
3. Number of acquired shares	469,937 stocks (Shareholder Voting Rights: 30%)
4. Acquisition price	undisclosed
5. Date of acquisition	Aug 21, 2018
6. Number of shares held after acquisition	1,566,454 stocks (Shareholder Voting Rights: 100%)

#### ■ Future perspective

Hitachi Zosen Group aims to expand its water business by integrating Osmoflo's advanced technologies focused principally on the reverse osmosis membrane technology with own plant engineering technology and experience accumulated in the Multi-stage Flash method and aspire to make contribution to the world water supply.