

News Release

December 11, 2013

Acquisition of Micro Pneumatics Private Limited

We are pleased to inform you that KITZ Corporation of Asia Pacific Pte. Ltd. ("KAP", Singapore), subsidiary of KITZ Corporation ("KITZ", Japan) as regional head quarter of ASEAN region, has recently entered into share purchase agreement on November 15, 2013 to purchase 99% share of Micro Pneumatics Private Limited ("MICRO", India), Indian valve manufacturer, from the founders who are existing shareholders.

KITZ Corporation will purchase the rest of 1 % share of MICRO. Closing, transferring of all the sales share, is expected to be done by the end of February 2014.

1. Reason of this acquisition

KITZ Group are expanding oversea business to achieve 2nd mid-term management plan (FY2013-FY2015, Released on May 13, 2013) which is based on long term plan called "KITZ Global Vision 2020" (FY2010-FY2020).

MICRO is a valve manufacturer with development, production and sales base of industrial and ball valve in India and has strength in engineering to produce high quality products and sales to main markets in India.

Through this acquisition, KITZ Group is able to have a production facility and sales network in India, one of our strategic markets. We can accelerate development of products for Indian Market with synergy of production engineering between KITZ Group and MICRO. We also able to meet customer needs for various products by suggesting KITZ products to the sales network of MICRO.

For potential production facilities of Japanese companies, we provide high quality products by keeping same level of quality and service of Japan.

2. Company overview of MICRO

(1) Name	Micro Pneumatics Private Limited
(2) Location	Plot no. 133-134, Vasai Municipal Industrial Area, Dhovali Village, Umela Phata, Papydy, Vasai East - 401 207, Dist. Thane, Maharashtra, India
(3) Management	Robert Menezes, Managing Director
(4) Business	Manufacturing and Sales of Industrial Valve, Ball Valve, Butterfly Valve and other related products
(5) Capital	519,200 INR (About 1 million JPY)
(6) Established	1986
(7) Number of Employees	88
(8) Net Sales	【31 st March, 2013】 217,523,475 INR (About 357 million JPY)

(Currency rate: 1 INR = 1.64 JPY)

3. Future outlook

Influence to consolidated financial statements and financial statements of KITZ Corporation is limited through this acquisition.