

News Release
October 19, 2015

Acquisition of 100 percent ownership of Metalúrgica Golden Arts

KITZ Corporation of Japan is pleased to announce it has acquired Metalúrgica Golden Arts or MGA, (Rua Cetulio Vargas, 496, Bairro Renovacao, Veranopolis RS, Brazil) a ball valve manufacturer in Brazil, following the agreement on the transfer of ownership between its founder and business partners, the current owners of the company, and KITZ. The contract was finalized on October 16, 2015. The actual transfer of the shares is expected to be made in early November. The newly acquired company will continue to operate as MGA.

The KITZ Group continues its efforts to expand its business to international markets including recent acquisitions/expansions in China and India, in order to achieve its long term business plan – KITZ Global Vision 2020.

MGA is a locally capitalized manufacturer in Brazil. Brazil accounts for 50% of GDP as well as population in South America and this acquisition allows KITZ to access product development, production, and MGA's sales network in country. As a manufacturer, MGA is similar to KITZ regarding integrated manufacturing from castings to machining, assembling, testing, and finishing. With its technical strength and demonstrated quality, the company has achieved more than 20 percent share in its core market segment. Additionally, MGA has an extensive sales network throughout Brazil contributing to the company's continued and significant growth despite challenging economic conditions.

The acquisition of MGA and the integration of compatible technologies will enable the KITZ Group to accelerate the speed of development of products targeted at Brazilian and other South American markets. With MGA and over 400 dedicated and outstanding employees, KITZ will offer a wide range of products manufactured in country supplemented by additional products manufactured at other KITZ centers. The resulting synergies will cater to any flow control requirement throughout the region.

It is significant for KITZ to establish a presence in South America. We strongly believe the addition of MGA to the KITZ Group will successfully further our international business development strategy.