KITZ Group
Long-term Management Vision
Beyond New Heights 2030
Change the ‘Flow’
I. Corporate Mission and Management Vision
Corporate Mission

KITZ’ Statement of Corporate Mission

We strive to build a robust global environment and sustainable future by supporting societal infrastructure through our advancements in fluid control technologies and materials.

On the occasion of the 70th anniversary of our founding last year, we discussed the significance of our existence as a company and our contribution to society, and decided to revise our corporate mission, "KITZ’ Statement of Corporate Mission," as we announce our Long-term management vision. We recognize that our mission to society is to create a prosperous global environment and a sustainable future, and we have a strong desire to continue to support social infrastructure by further refining the fluid control technology and materials development that we have cultivated since our founding.
Beyond New Heights 2030
Change the ‘Flow’

Our aspirations for 2030

**Technology/Solutions**
KITZ will continue to challenge in Stream, Block and Squeeze by leveraging its one-of-a-kind technology and exceeding the user’s expectations through its powerful proposal capability.

**Core Business/Growth Business**
KITZ will strengthen the foundations of its core business for the information and sustainable society, while also accelerating its entry into growth businesses without fear of risk.

**Environmental conservation through business**
KITZ will garner favor with society by contributing to a sustainable future, pursuing environmentally friendly product and material development and production processes.

**Diverse human resources**
KITZ will ensure each and every employee, regardless of gender, age, nationality or culture, can work in high spirits at maximum performance as professionals.
Corporate Philosophy Structure

KITZ’ Statement of Corporate Mission

Long-term Management Vision

Guidelines for Action

Beyond New Heights 2030
Change the ‘Flow’

We strive to build a robust global environment and sustainable future by supporting societal infrastructure through our advancements in fluid control technologies and materials.

Do it KITZ Way
Do it True
Do it Now
Do it New
II. Management Structure and Quantitative Targets
Management structure and financial targets

Management Structure

Business domain

Expansion into growth areas based on core businesses

- Building facilities
- Petrochemicals and general chemistry

Business model

Management with both growth potential and return on investment

Revenue Growth

- Semiconductor
- Fine chemicals
- Hydrogen
- New business

Return on Investment

- Market Sector Area Product
- Maintenance Service
- Key Account Marketing
- Product Lifecycle Management

FY2030 Financial Targets

Average sales growth rate
4% or more
(FY2030: consolidated sales scale of 200 billion yen)

ROE
10% or more
(FY2030: consolidated net income of 10 billion yen)
III. Business structure targeted for 2030 - Shift in Business Domains
Business structure targeted for 2030
Shift in business domains

Aim for two-sided management that can generate earnings in core businesses and growth areas

- Proactively allocate resources to growth fields and regions against the backdrop of digitalization and de-carbonization
- Business development with emphasis on return on invested capital (ROIC)

**Digital × KITZ**
- Semiconductor
- Data Center
- Water treatment (pure water)

**Green × KITZ**
- Hydrogen
- LNG
- Water treatment (hygiene and health)

**Core Business**
(Current main business field)
Building facilities / Petroleum and general chemistry

- **2021**
- **2030**
- **2050**

- Achieving Carbon neutrality
- SDGs target
Business structure targeted for 2030
Long-term strategic investment policy

Total investment budget (9 years): 80 billion yen
- Approximately 60% of this amount will be allocated to strategic investment in growth and new fields (including DX and M&A)
- Focused allocation of management resources to shift business from core businesses

Total investment budget: 80 billion yen (9-year cumulative total)
IV. Basic Sustainability Policy
Basic Policy and Slogan on Sustainability

Basic Policy on Sustainability
To realize “KITZ‘ Statement of Corporate Mission”, which expresses the KITZ Group's corporate philosophy, we will work toward the following:

1. Strive to increase both corporate value and social value by delivering solutions to social challenges through our businesses
2. Be an enterprise that deserves society's trust, through realizing efficient, fair, and transparent, highly ethical corporate management
3. Build unshakeable relations of trust through dialogue with all stakeholders

Slogan on Sustainability

Create the Future
The KITZ Group will act and take on challenges without fear of change and create a new future aimed at realizing a recycling-based society which is friendly to the earth and people.

Preserve the Future
The KITZ Group will continuously protect the earth’s finite resources and people’s lives and will work to realize a society in which we can preserve things for the next generation.
Sustainability management will be placed at the core of management strategy in the Long-term strategy toward 2030.

**KITZ’ Statement of Corporate Mission**

**Long-term Management Vision**

**Guidelines for action**

---

**Our aspirations for 2030**

- Technology/Solutions
- Shifting the focus of our business
- Environmental conservation through business
- Activities of diverse human resources

---

**Basic Policy on Sustainability**

**Key Themes for Sustainability Management**

- Environment
  - Carbon-neutral / Resource recycling
  - Innovation

- Social
  - Sustained improvement in employee engagement
  - Building a sustainable supply chain

- Governance
  - Corporate governance
  - Risk management
  - Compliance
<table>
<thead>
<tr>
<th>Key Themes for Sustainability Management</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E</strong> Carbon Neutral / Resource recycling</td>
<td>Deployment of KPI targets to achieve “triple zero” (CO2 reduction rate / water resource discharge / waste landfill disposal rate)</td>
</tr>
<tr>
<td><strong>S</strong> Sustained improvement in employee engagement</td>
<td>Development of fluid control technology to support a decarbonized/hydrogen-powered society, Development of materials that contribute to reducing environmental impact</td>
</tr>
<tr>
<td><strong>S</strong> Building a sustainable supply chain</td>
<td>Penetration of corporate philosophy and long-term vision, Promote D&amp;I and foster a culture of collaboration, Human resource development and system reforms to support global management, Realizing workplace environments in which employees can work with vitality</td>
</tr>
<tr>
<td><strong>G</strong> Corporate Governance Risk management Compliance</td>
<td>Emphasis on CSR procurement, Establishment of a structure for stable procurement of raw materials and parts</td>
</tr>
<tr>
<td><strong>G</strong></td>
<td>Further enhancement of transparency in management decision-making, Risk management that focuses on both risk reduction and opportunity creation, Global compliance conducive to sustainable management</td>
</tr>
</tbody>
</table>
ESG Initiatives: Environment

We will promote triple-zero (“zero CO2,” “zero environmental impact,” and “zero risk”) initiatives aiming to create a sustainable, recycling-oriented society in 2050.

### Long-term environmental vision 3 ZERO

<table>
<thead>
<tr>
<th>NET Zero CO2 emissions</th>
<th>Zero environmental impact</th>
<th>Zero risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of de-carbonization</td>
<td>Promotion of resource recycling</td>
<td>Prevention of 3 (Environmental Pollution, Occupational Accidents, Fires)</td>
</tr>
<tr>
<td>2030 -90%*</td>
<td>-Water Neutral</td>
<td>-Zero environmental accidents</td>
</tr>
<tr>
<td>2050 -100%</td>
<td>Promote water conservation, circulation, and recharge</td>
<td>Environmental pollution: 0 incidents (wastewater, VOCs, etc.)</td>
</tr>
<tr>
<td>Carbon neutrality</td>
<td>-Zero Emissions</td>
<td>-Zero occupational accidents</td>
</tr>
<tr>
<td></td>
<td>Promotion of the 3Rs</td>
<td>Serious accidents: 0 incidents</td>
</tr>
<tr>
<td></td>
<td>Promotion of recycling of casting sand</td>
<td>Disabling injury frequency rate: less than 0.10</td>
</tr>
<tr>
<td></td>
<td>Consideration for packaging materials</td>
<td>-Zero fire accidents</td>
</tr>
<tr>
<td></td>
<td>Promotion of paperless system</td>
<td>Fire and explosion accidents: 0</td>
</tr>
<tr>
<td></td>
<td>Promoting Green Procurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Pollution Prevention</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Elimination of VOC (paints, chlorine solvent)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Main KPI</th>
<th>FY2030 Targets (* Compared to FY2013, in Japan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 reduction rate</td>
<td>-90%</td>
</tr>
<tr>
<td></td>
<td>*-50% including overseas</td>
</tr>
<tr>
<td>Waste landfill disposal rate</td>
<td>Less than 1.0%</td>
</tr>
<tr>
<td>Water resource discharge</td>
<td>-100%</td>
</tr>
</tbody>
</table>
### ESG Initiatives: Society

**Activities of Diverse Human Resources**

Regardless of Age, Disability, Gender, National Origin, Race, Religion or Culture, KITZ employees are dedicated to being professional and work vigorously to achieve their best performance and common goals.

<table>
<thead>
<tr>
<th>KPI</th>
<th>KPI Driver</th>
<th>Specific measures/expected effects</th>
</tr>
</thead>
</table>
|     | Values     | - Fostering a culture and opportunities for direct dialogue between management and employees  
|     |            | - Synchronization of organizational and individual goals underpinned by empathy |
|     | Job responsibility | - Providing flexible and reversible career choice opportunities  
|     |            | - Improving the mobility of human resources within the Group and finding human resources  
|     |            | - Realization of treatment that is comparable to industry standards |
|     | Diversity  | - Medium- to Long-term development and promotion of female leaders  
|     |            | - Promotion of overseas national staff to management positions  
|     |            | - Global collaboration for the right person in the right place |
|     | Autonomy and personal growth | - Studying and passing on the skills that support manufacturing  
|     |            | - Support for diverse and autonomous career development and relearning  
|     |            | - Raising the level of global response capabilities, including multilingual and cross-cultural support |
|     | Health and safety | - Active use of external indicators such as the “White 500”  
|     |            | - Improving the workplace environment in factories  
|     |            | - Development of a work environment that is not restricted by work location |
|     | Social responsibility | - Development of supplier guidelines and green procurement standards  
|     |            | - Harmonious coexistence and communication with local communities as a good corporate citizen |

---

To be a company that continues to be chosen

**Employee engagement**

- Values
- Job responsibility
- Diversity
- Autonomy and personal growth
- Health and safety
- Social responsibility

---

© KITZ CORPORATION All Rights Reserved
## ESG Initiatives: Governance

<table>
<thead>
<tr>
<th>Corporate Governance</th>
<th>Risk Management</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Further enhancement of transparency in management decision-making</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Strengthen portfolio management by incorporating a cost-of-capital evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Enhance the monitoring function and strengthen the implementation system by establishing the Sustainability Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk management that focuses on both risk reduction and opportunity creation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Identification, evaluation, implementation and verification of risks throughout the KITZ Group, and continuous updates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Uncovering new business opportunities by turning the risks associated with social needs and market changes into ideas</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Global compliance conducive to sustainable management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Transition to a compliance program that meets the needs of society (Strengthening our response to human rights, labor, the environment, anti-corruption, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Spreading autonomous compliance throughout the Group, with each employee taking it as his or her own responsibility</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
V. Towards DX
(Business Transformation by Digitalization)
Transformation scenarios for DX
Business transformation (BX) through business innovation activities

To realize the Long-term Management Vision, we aim to thoroughly streamline existing businesses, visualize and mobilize management resources, and transform into a customer-oriented and agile organization.

Stage 1
- Strengthen existing businesses
  - Thorough operational efficiency and automation
  - Major review of customer contact points

Stage 2
- Change in management structure
  - Resource Visualization
  - Resource mobilization

Stage 3
- New Business Models
  - Realization of
    - Business portfolio reform
    - Value proposition /business model shift

- New business model

- Pursuit of added value
- Solution-oriented
- Hypothesis testing
  (Trial & Error)

- Thorough elimination of waste
- Dramatic increase in productivity and speed
- Generate profit & resources (spare capacity)

Existing business model