

**KITZ Group**

**Long-term Management Vision**

**Beyond New Heights 2030**

**Change the 'Flow'**

# I. Corporate Mission and Management Vision

## 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.

## Long-term Management Vision

### 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.

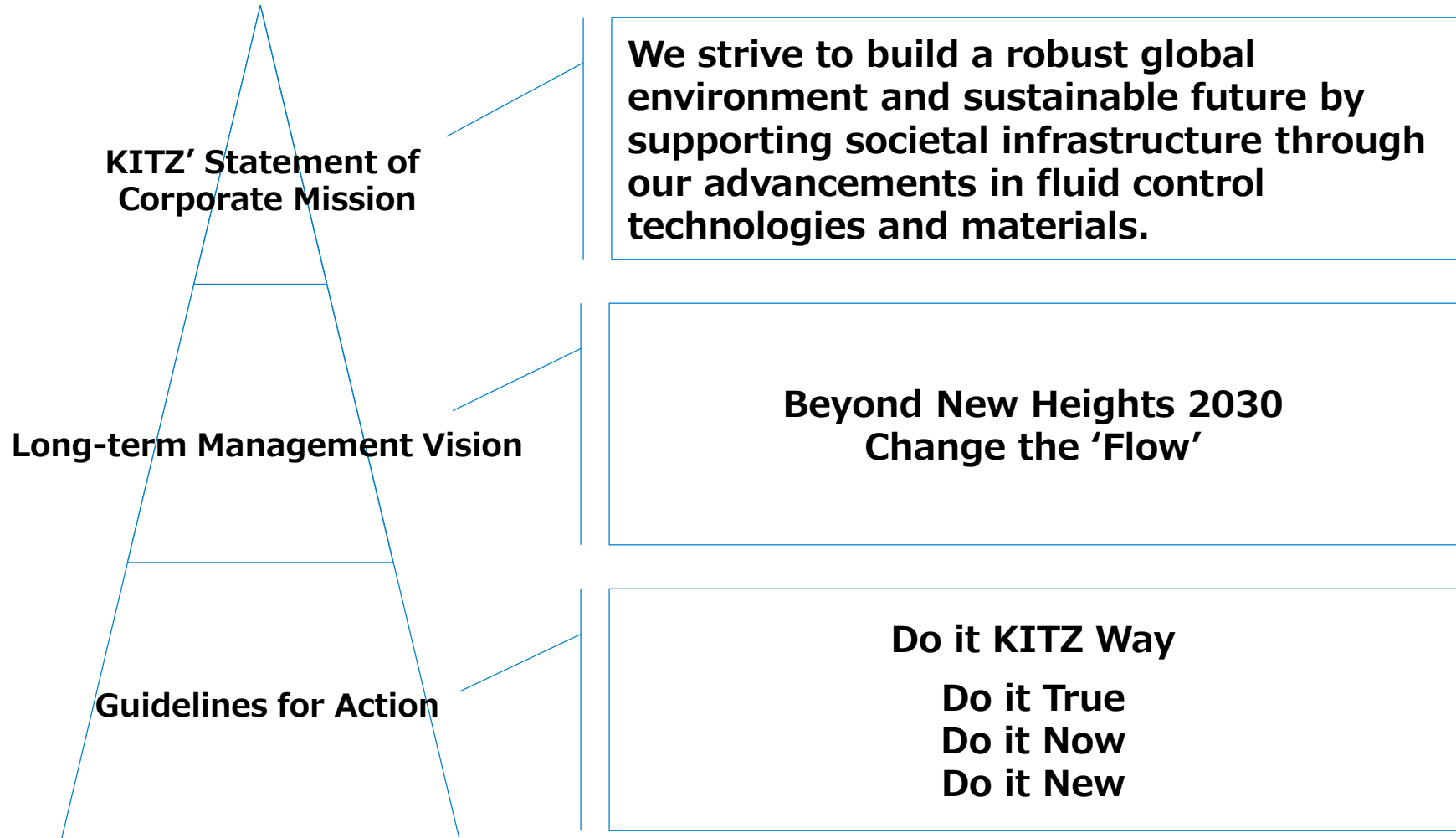
##### **Environmental conservation through business**

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



## **II. Management Structure and Quantitative Targets**

## Management Structure

### Business domain



### Business model

Expansion into growth areas based on core businesses

Building facilities

Petrochemicals and general chemistry



Semiconductor

Fine chemicals

Hydrogen

new business

Management with both growth potential and return on investment

Revenue Growth

Market Sector  
Area  
Product



Return on Investment

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**

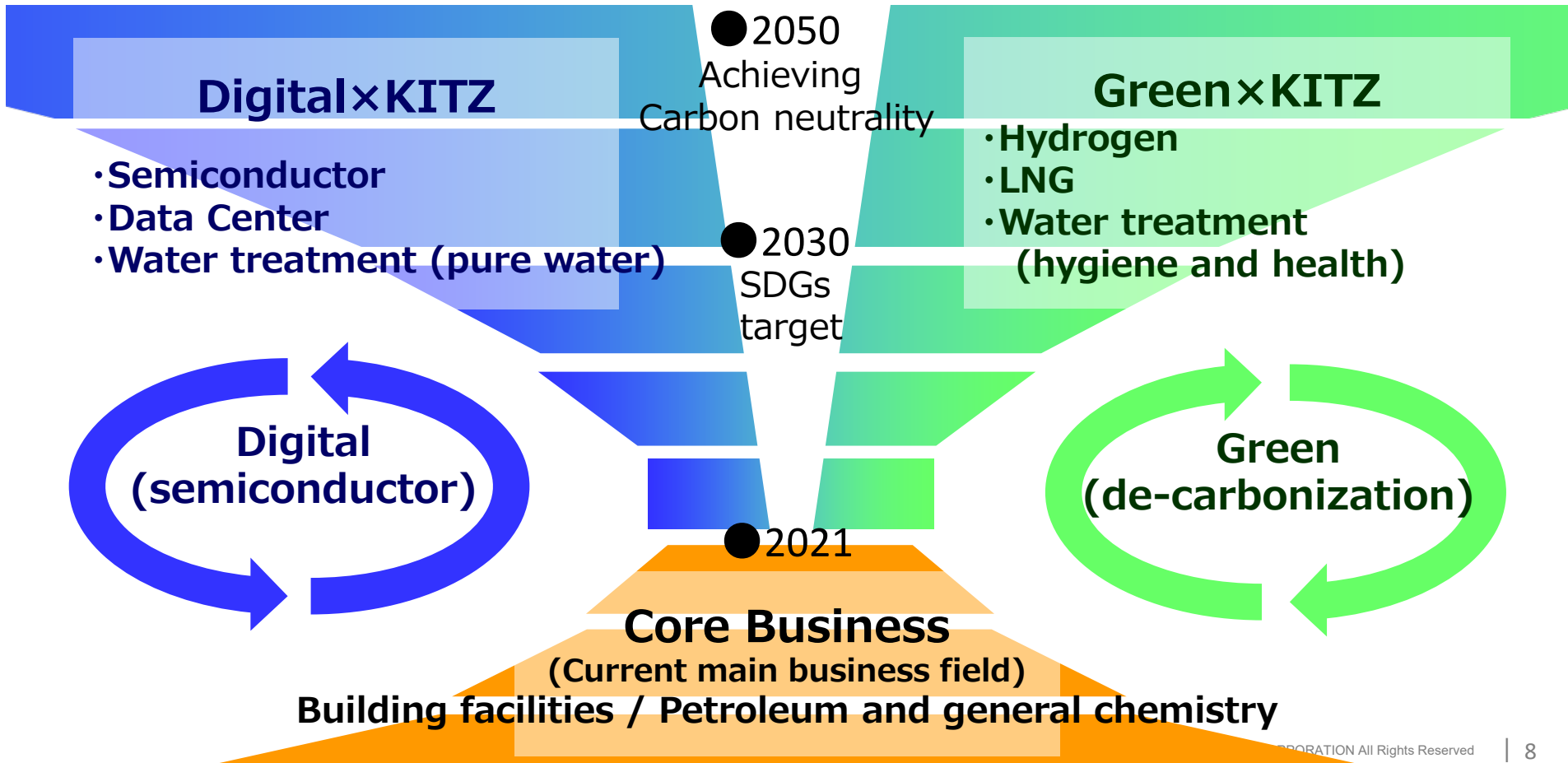


# Business structure targeted for 2030

## 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)



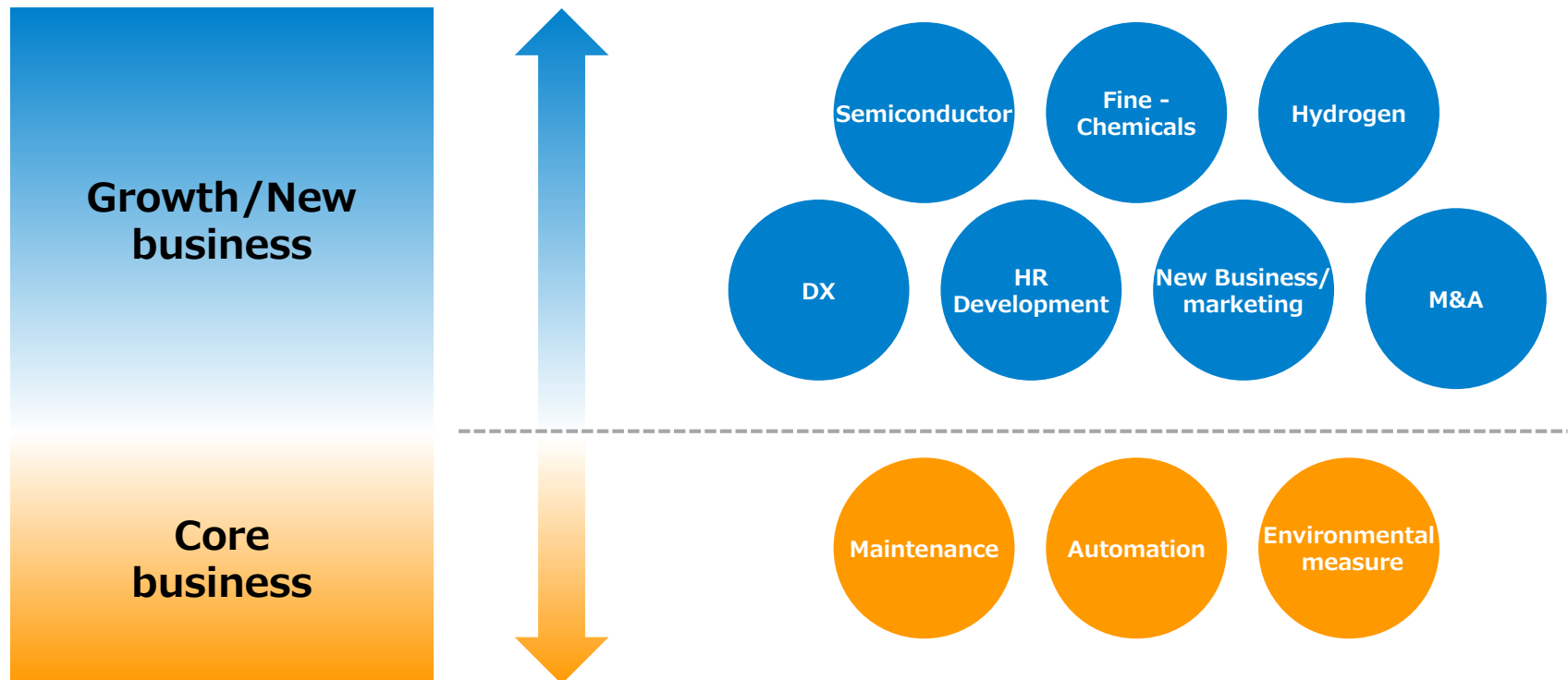
# Business structure targeted for 2030

## 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 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

つくる未来 のこす未来

**Create the Future /  
Preserve the Future**

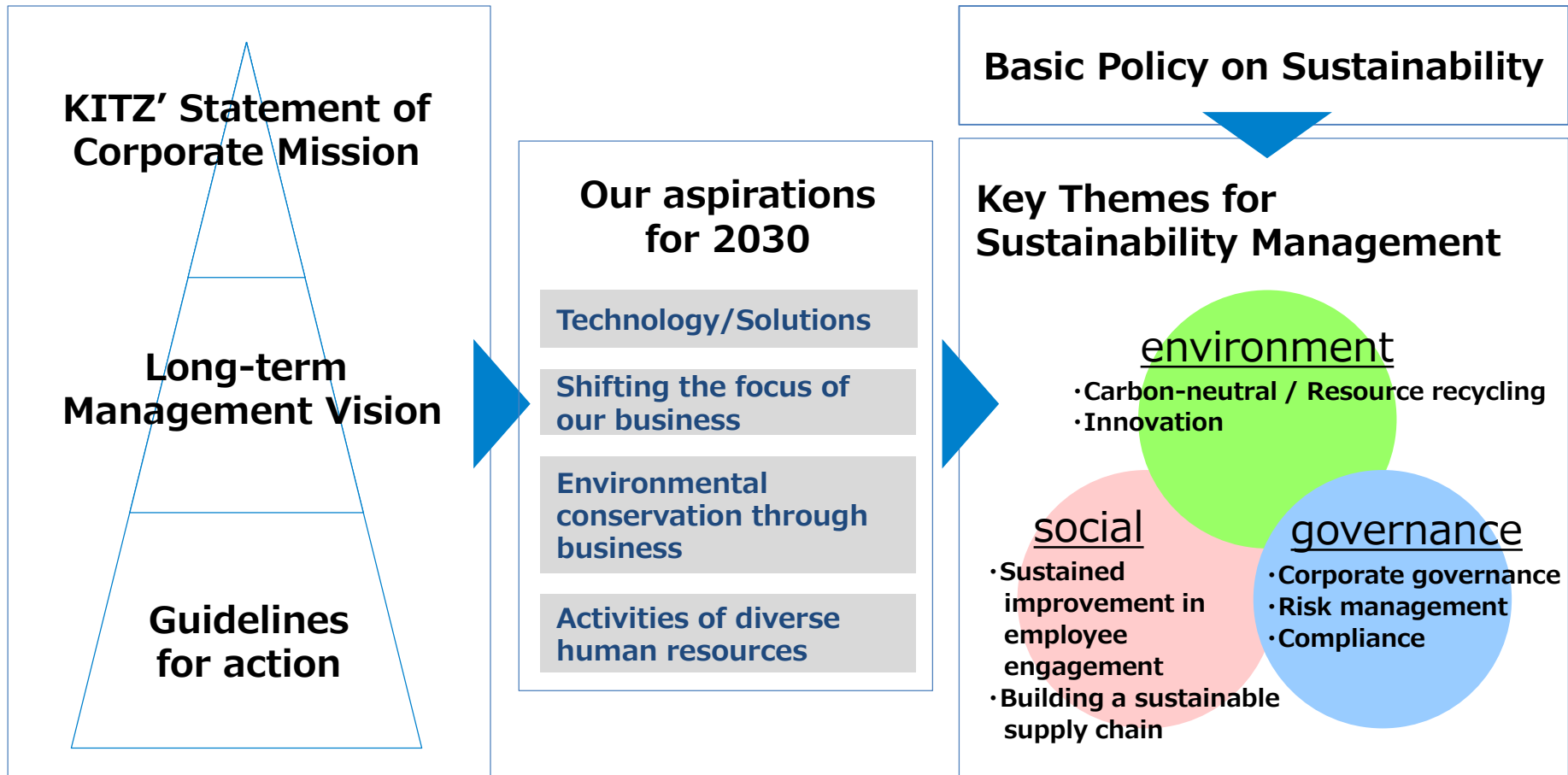
### Create the Future

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.



# Key Themes for Sustainability Management

Key Themes for Sustainability Management	Initiatives	
E	Carbon Neutral / Resource recycling	<ul style="list-style-type: none"> <li>■ Deployment of KPI targets to achieve "triple zero" (CO2 reduction rate / water resource discharge / waste landfill disposal rate)</li> </ul>
	Innovation	<ul style="list-style-type: none"> <li>■ Development of fluid control technology to support a decarbonized/hydrogen-powered society</li> <li>■ Development of materials that contribute to reducing environmental impact</li> </ul>
S	Sustained improvement in employee engagement	<ul style="list-style-type: none"> <li>■ Penetration of corporate philosophy and long-term vision</li> <li>■ Promote D&amp;I and foster a culture of collaboration</li> <li>■ Human resource development and system reforms to support global management</li> <li>■ Realizing workplace environments in which employees can work with vitality</li> </ul>
	Building a sustainable supply chain	<ul style="list-style-type: none"> <li>■ Emphasis on CSR procurement</li> <li>■ Establishment of a structure for stable procurement of raw materials and parts</li> </ul>
G	Corporate Governance Risk management Compliance	<ul style="list-style-type: none"> <li>■ Further enhancement of transparency in management decision-making</li> <li>■ Risk management that focuses on both risk reduction and opportunity creation</li> <li>■ Global compliance conducive to sustainable management</li> </ul>

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

### NET Zero CO2 emissions

Promotion of de-carbonization

2030                      2050  
**-90%\***                      **-100%**  
 Carbon neutrality

Compared to 2013,  
 Domestic Group Companies/Offices

### Zero environmental impact

Promotion of resource recycling

#### -Water Neutral

Promote water conservation, circulation, and recharge

#### -Zero Emissions

Promotion of the 3Rs  
 Promotion of recycling of casting sand  
 Consideration for packaging materials  
 Promotion of paperless system  
 Promoting Green Procurement

#### -Pollution Prevention

Elimination of VOC (paints, chlorine solvent)

### Zero risk

Prevention of 3(Environmental Pollution, Occupational Accidents, Fires)

#### -Zero environmental accidents

Environmental pollution: 0 incidents  
 (wastewater, VOCs, etc.)

#### -Zero occupational accidents

Serious accidents: 0 incidents  
 Disabling injury frequency rate:  
 less than 0.10

#### -Zero fire accidents

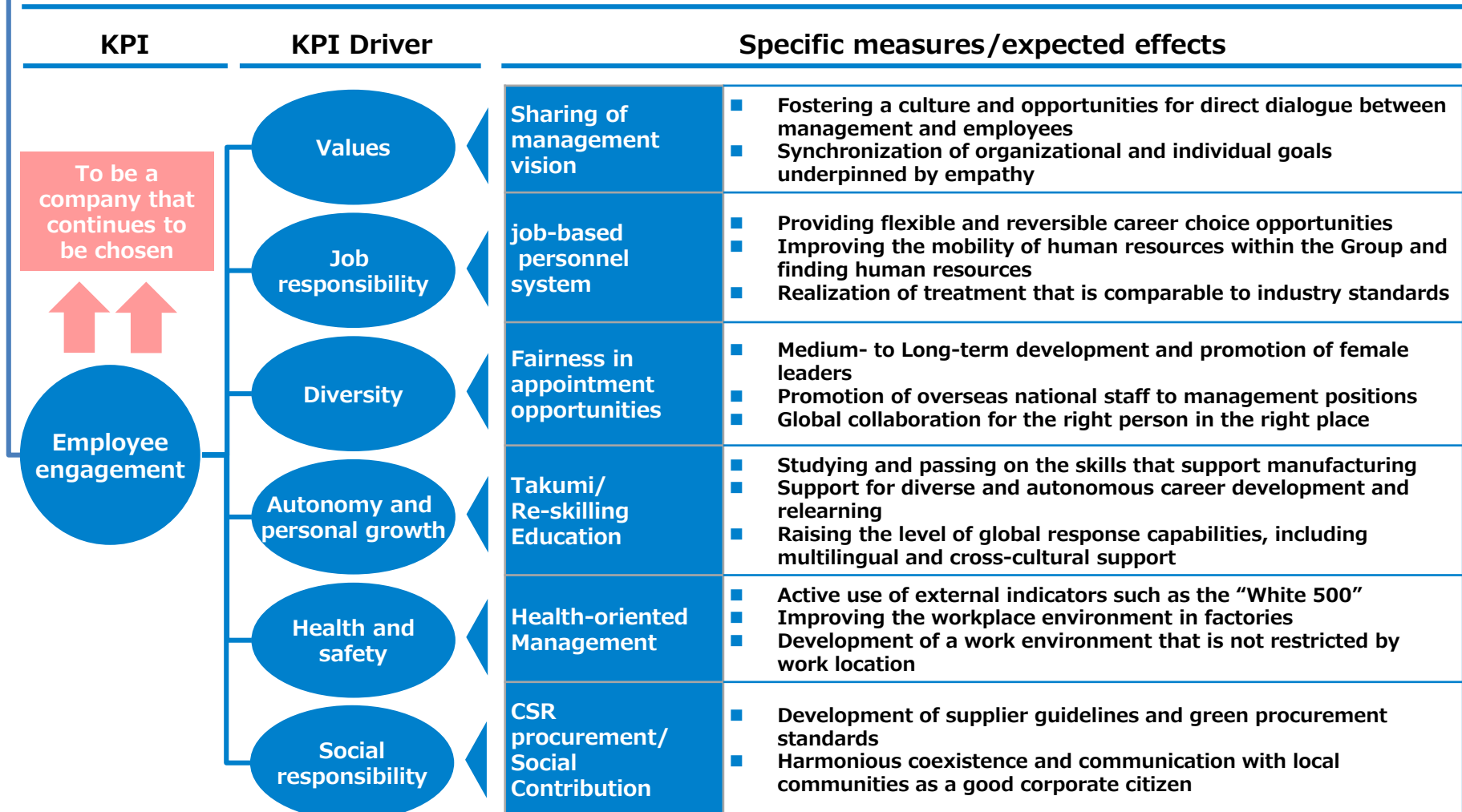
Fire and explosion accidents: 0

Main KPI	FY2030 Targets (* Compared to FY2013, in Japan)
CO2 reduction rate	-90% *-50% including overseas
Waste landfill disposal rate	Less than 1.0%
Water resource discharge	-100%

# 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.





<b>Corporate Governance</b>	<ul style="list-style-type: none"><li>■ <b>Further enhancement of transparency in management decision-making</b><ul style="list-style-type: none"><li>➢ Strengthen portfolio management by incorporating a cost-of-capital evaluation</li><li>➢ Enhance the monitoring function and strengthen the implementation system by establishing the Sustainability Committee</li></ul></li></ul>
<b>Risk Management</b>	<ul style="list-style-type: none"><li>■ <b>Risk management that focuses on both risk reduction and opportunity creation</b><ul style="list-style-type: none"><li>➢ Identification, evaluation, implementation and verification of risks throughout the KITZ Group, and continuous updates</li><li>➢ Uncovering new business opportunities by turning the risks associated with social needs and market changes into ideas</li></ul></li></ul>
<b>Compliance</b>	<ul style="list-style-type: none"><li>■ <b>Global compliance conducive to sustainable management</b><ul style="list-style-type: none"><li>➢ Transition to a compliance program that meets the needs of society (Strengthening our response to human rights, labor, the environment, anti-corruption, etc.)</li><li>➢ Spreading autonomous compliance throughout the Group, with each employee taking it as his or her own responsibility</li></ul></li></ul>

## **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.

