

Message from Director in Charge of Sustainability



We will continue to proactively take on the challenge of new things with the aim to become a 100-year company.

Toshiyuki Murasawa

Director, Managing Executive Officer, Division Manager, Corporate Planning Division

Promoting Sustainability Management

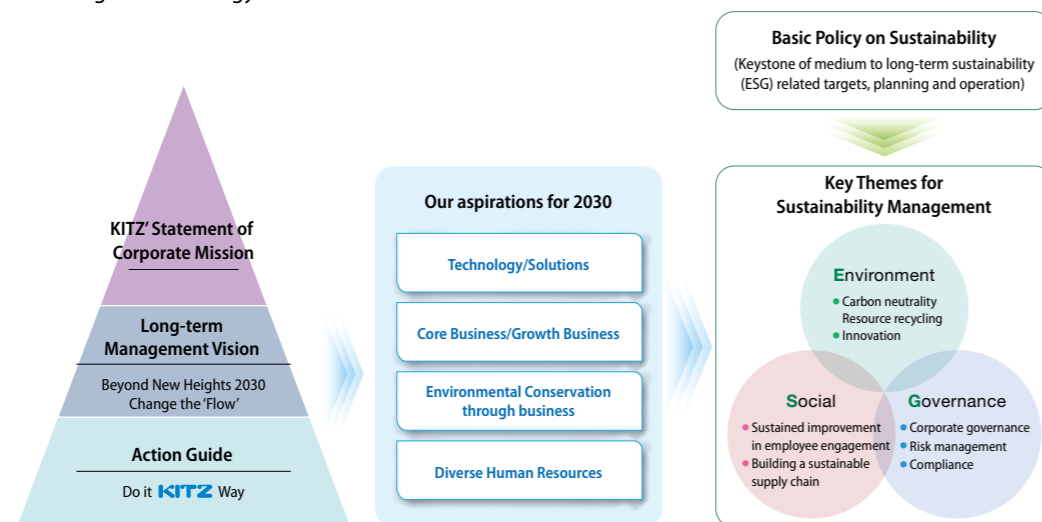
Since its founding in 1951, the KITZ Group has championed regional development in the places it does business and also pursued environmental conservation activities to fulfill its corporate social responsibility (CSR).

We are now in the midst of a great swell, with changes to the global environment never experienced in the past, and phenomenal advances in technology. To continue being a sustainable company under these conditions, we must sustainably grow and enhance corporate value, while at the same time solving social issues and creating social value. Managing these two essential dimensions in tandem are what is expected of us. We believe that this creation of shared value (CSV) is linked with the trust of society. This is what we see as sustainability management.

In the Long-term Management Vision unveiled in February 2022, we placed sustainability management at the core of our management strategy. To coincide with the

Long-term Management Vision, we have formulated key sustainability management themes, and in December 2021, a Group-wide Sustainability Promotion Committee was established following a resolution by the Board of Directors. The committee will share priority themes and key performance indicators (KPIs) on a group-wide basis and manage progress toward the achievement of targets.

In our bid to become a 100-year company that achieves growth and development a decade from now, we will continue to actively pursue challenges rather than remaining content with the status quo. We will further evolve the fluid control technologies we have cultivated with valves and aspire to "Beyond New Heights" with a sense of speed and a willingness to take on challenges and build a "New Flow." As a member of the global community, we will continue to be a company that strides boldly toward 2030 to help shape a society that can be left in the hands of future generations.



Basic Policy and Slogan on Sustainability

The Basic Policy on Sustainability is the keystone of sustainability management, and the Slogan on Sustainability is a guide for employees to recognize and embody the

importance of what will change and what will be protected in a rapidly changing world.

● 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 / 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 Promotion Structure

● Group-wide Sustainability Promotion Committee

In December 2021, the KITZ Group established the Group-wide Sustainability Promotion Committee to promote integrated sustainability management throughout the Group. The committee shares the key themes and KPIs for sustainability management and exchanges information on issues and their measures at each company and section, thus managing progress toward the targets. The Board of Directors receives reports on the progress and results and deliberates on improvement measures as deemed necessary.

Goals	(1) Promoting integrated sustainability management group-wide
	(2) Ensuring sustainability management takes root in individual companies and sections
	(3) Sharing priority themes and measures for sustainability management, formulating KPIs for individual companies and sections and revising plans
Chairperson	General Manager, Corporate Planning Division
Membership	Executive Officers, presidents of KITZ Group companies
Administrative office	Sustainability Promotion Office
Frequency of meetings	Twice a year

In Focus

Disseminating Sustainability Management and the SDGs Internally Running KITZ Group Sustainability Month 2022

Since FY2021, KITZ has run internal events to promote an understanding of sustainability management and the SDGs as well as provide an opportunity to think about them as their own. In FY2022, KITZ Group Sustainability Month 2022 took place in November. Based on the concept of "learning about sustainability in fun and exciting ways," the committee members, openly recruited internally, spent four months from organizing ideas to making preparations and operating the event. The highlight of the Month, "Sustainability Site Bus Tours," offered employees and their families chances to visit different facilities producing energy for in-house use, including a nearby hydroelectric power plant and hydrogen production facility. Another event to promote knowledge about the 17

SDGs was the "SDGs Quiz Stamp Rally." Participants scanned QR codes on the SDGs icons placed at various locations around offices and plants and took quizzes about each goal, deepening their understanding in a fun way.

Through Disseminating awareness of the SDGs internally, we will promote human resources development that enables each employee to link the company's sustainability management to their own work, and then think and act accordingly.



Environmental

Key Themes for Sustainability Management

In February 2022, the KITZ Group announced its Long-term Management Vision. At the same time, we established five key themes for sustainability management and quantitative targets up to FY2030. Each year, the Group-wide Sustainability Promotion Committee checks progress toward these targets.

E(Environmental)

KITZ has declared carbon neutrality and resource recycling as one of its key themes for sustainability management and promotes CO₂ emission reductions as well as efficient energy and resource usage in an effort to take on the challenge. We will further strengthen our Long-term Environmental Vision "3 ZERO" and disclose information in line with the TCFD recommendations. We are creating innovations with the key concepts of decarbonization and water resources, based on the fluid control technologies and material development that we have cultivated over many years.

*For information about KITZ's Long-term Environmental Vision and disclosures consistent with the TCFD recommendations, see pages 38 and 41, respectively.

S(Social)

In our Long-term Management Vision, we aim to ensure

that each and every employee, regardless of gender, age, nationality, or culture, can work in high spirits at maximum performance as professionals. To that end, one of our key themes for sustainability management is continuous improvement in employee engagement. In addition, we work to develop sustainable systems that take into account human rights, the environment, labor, and other concerns not only internally but also in the supply chain.

*For information about KITZ's employee engagement and supply chain management, see pages 43 and 42, respectively.

G(Governance)

KITZ has declared "Do it True" as one of the elements in its Action Guide and engages in fair and equitable corporate activities to meet the expectations and trust of society. Moreover, to "be an enterprise that deserves society's trust, through realizing efficient, fair, and transparent, highly ethical corporate management" as declared in the second item of our Basic Policy on Sustainability, we conduct management that emphasizes corporate governance, risk management, and compliance.

*For information about KITZ's governance, see page 50.

	Key Themes for Sustainability Management	Social Issues	Specific Initiatives	FY2030 Quantitative Targets	Relationship with the SDGs
E Environmental	Carbon neutrality Resource recycling	Transition to a decarbonized society Depletion of resources Increase in waste	Initiatives for realization of Long-term Environmental Vision "3 ZERO" (1) Net zero CO ₂ emissions (2) Zero environmental impact • Water neutrality (Promote water saving, circulation, and recharge) • Zero emissions (Promotion of the 3Rs, recycling of casting sand, etc.) (3) Zero risk • Zero environmental accidents (Environmental pollution) • Zero occupational accidents (Serious accidents and LTIF rate) • Zero fire accidents (accidents involving fire or explosions)	CO ₂ reduction rate -90% Waste landfill disposal rate Less than 1.0% Water resource usage -100%*1 (Compared to FY2013)	6 7 9 11 12
	Innovation	Economic growth through innovation Transition to a decarbonized society Depletion of water resources	Development of fluid control technology to support decarbonization/hydrogen society Development of materials that contribute to reducing environmental impact Initiatives to solve social issues related to limited water and fluids		13 17
S Social	Sustainable improvement of employee engagement	Decline in the working-age population Respect for human rights Active role played by diverse human resources System and environment for a better workplace A rewarding work culture	Permeation of corporate philosophy and long-term management vision Promotion of D&I and fostering of a culture of collaboration Human resource development and system reforms to support global management Realization of a workplace environment in which employees can work with vitality	Employee engagement score*2 "Rewarding work culture" 56 pt "Better work environment" 55 pt % of female managers: 20%*3 Total working hours: 1,870 hours % of male employee taking childcare leave: 100%	5 8
	Building a sustainable supply chain	Responsibilities in the supply chain surrounding the Company	Emphasis on CSR procurement Establishment of a structure for stable procurement of raw materials and parts		10
G Governance	Corporate governance Risk management Compliance	Sustainable corporate management Corporate fraud and scandals	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		16

*1 Scope: Process water used in the manufacture of valves, etc. *2 FY2024 target *3 Employees of the department manager

The KITZ Group has established targets for environmental conservation on a global scale based on its Principle of Environmental Activities and Environmental Action Policy. The Group is making a united effort to achieve a sustainable society.

KITZ Group Principle of Environmental Activities

KITZ Group companies aspire to become operations worthy of society's confidence through the supply of environmentally friendly products and services and promotion of environment-responsive corporate activities.

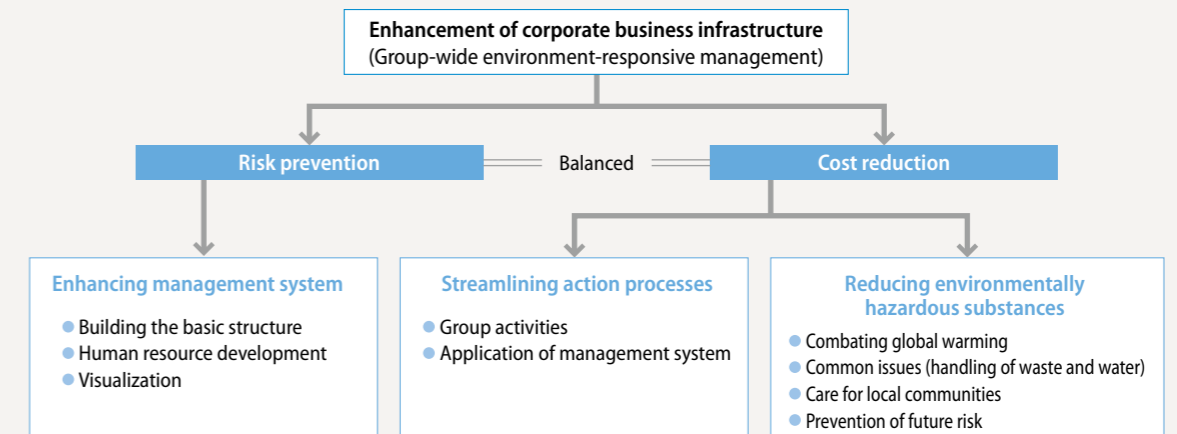
KITZ Group Environmental Action Policy

KITZ Group companies shall recognize environmental issues as an essential perspective of corporate management and every employee shall positively participate in the following activities.

1. Development and supply of environmentally friendly products and services
2. Effective use of resources
3. Promotion of reduction, reuse and recycle of waste
4. Prevention of environmental contamination

Philosophy and Initiatives for Environment-Responsive Management

KITZ will conduct activities in accordance with the aforementioned principle and action policy on the basis of achieving a balance between risk prevention and cost reduction. This balance is based on our philosophy that preventing environmental risks such as soil contamination through proactive environmental conservation activities minimizes potential future costs; and that we can reduce other costs and make a broad contribution to society by thoroughly reducing waste generated by our business activities.



Long-term Environmental Vision

It is because manufacturing that takes the environment and safety into account is essential that we formulated our Long-term Environmental Vision "3 ZERO" and tackle three key issues.

Under Net Zero CO₂ Emissions, the first key issue, by having all domestic Group companies switch to renewable energy for their electricity by the end of FY2024, KITZ will work toward achieving the mid-term environmental goal of at least 90% CO₂ reduction from 2013 levels by 2030, and the long-term environmental goal of becoming carbon neutral by 2050.

Under Zero Environmental Impact, the second key issue, we are working on three themes: effective use of water resources that are closely related to valves; reduction of waste

Long-term Environmental Vision 3 ZERO		
NET Zero CO₂ emissions Promotion of de-carbonization	Zero environmental impact Promotion of resource recycling	Zero risk Prevention of 3 (Environmental Pollution, Occupational Accidents, Fires)
<p>2030 -90%*</p> <p>2050 -100% Carbon neutrality</p> <p>*Compared to 2013, Domestic Group Companies/Offices</p>	<p>-Water Neutral Promote water conservation, circulation, and recharge</p> <p>-Zero Emissions Promotion of the 3Rs Promotion of recycling of casting sand Consideration for packaging materials Promotion of paperless system Promoting Green Procurement</p> <p>-Pollution Prevention Elimination of VOC (paints, chlorine solvent)</p>	<p>-Zero environmental accidents Environmental pollution: 0 incidents (wastewater, VOCs, etc.)</p> <p>-Zero occupational accidents Serious accidents: 0 incidents Disabling injury frequency rate: less than 0.10</p> <p>-Zero fire accidents Fire and explosion accidents: 0</p>

generated by plants and offices; and promotion of manufacturing without organic solvents to minimize not only air and soil pollution but also the impact on the health of employees.

Under the third key issue, Zero Risk, we are working to maintain safe and secure manufacturing and stable operations through activities to prevent occupational accidents, environmental pollution, and fires.

Initiatives toward a Decarbonized Society

● Switching to 100% CO₂-free Electricity at Main Manufacturing Facilities in Japan

Starting in April 2022, KITZ has adopted CO₂-free Shinshu Green Denki electricity and makes maximum use of the abundant water resources in Nagano Prefecture in Japan, where many of the KITZ Group's manufacturing facilities are located. KITZ has also adopted CO₂-free electricity utilizing the environmental value of hydroelectric and solar power (non-feed-in-tariff/non-fossil-fuel certified) at eight business sites in Japan. As a result, 100% of the electricity used at these sites is CO₂-free. Going forward, we will continue to systematically introduce these changes to switch more of the electricity used by our main business sites in Japan to CO₂-free electricity.



● Conversion to LNG Fuels at Ina Plant

At the Ina Plant, Bunker A and LPG (liquefied petroleum gas) were previously used as energy for boilers and heaters. In October 2022, a storage tank for LNG (liquefied natural gas) was constructed in the plant, and fuel conversion started in January 2023.



By switching to CO₂-free electricity and converting to LNG fuel, CO₂ emissions by domestic Group companies in FY2022 amounted to 22,220t*, a CO₂ reduction rate of 66.2% compared with FY2013 levels. KITZ will continue to reduce CO₂ to achieve the targets of its Long-term Environmental Vision.

*Provisional figures as of March 29, 2023

Developing and Providing Environmentally Friendly Products and Services

Based on the KITZ Group Environmental Action Policy, we focus on the development of eco-friendly products aimed at environmental innovation while enhancing Group synergy. In addition to implementing evaluations from the technological development phases in accordance with the Guidelines for Environmental Impact Reduction Evaluation Standards, we carry out score-based evaluations of technological development activity items (material development, process development, design development) in terms of environmental impact reduction as well as the necessary quality, functionality, and economic rationalization. In the future, we will build mechanisms to consider CO₂ reductions during evaluations in the technological development phase.

Environmentally Friendly Products

Valves for hydrogen stations
Ultra-high pressure valves used in hydrogen stations



Lead-free products
Valves for water and heated water supply made from lead-free copper alloy materials that clear lead leaching standards for tap water



RoHS Directive-compliant products
Products that comply with harmful chemical substance regulations such as the RoHS Directive



Sterilization, purification and water treatment device (Pureculaser)
Water treatment device that sterilizes and purifies water through the synergistic effects of ozone, UV rays and photocatalysts



Portable membrane filtration device (Aqua Rescue)
Temporary equipment for the repair or renovation of existing filtration facilities and as emergency treatment equipment for the sudden deterioration of water sources

KISMOS (KITZ SMART MONITORING SYSTEM)
Preventive solution for valve problems using solar panels



Environmental News

● KITZ Concludes Basic Agreement on Green Hydrogen with Yamanashi Prefecture

KITZ signed a basic agreement with Yamanashi Prefecture to collaborate on the use and the wide adoption of green hydrogen as part of demonstration and research into a P2G system* in order to develop a hydrogen society.

Under the agreement, green hydrogen produced with a P2G system at the Komekurayama P2G Demo Site (Kofu City), which is a NEDO-commissioned project, is transported to the Nagasaka Plant and used as fuel for fuel cell-driven forklifts and other equipment at a hydrogen station located in the plant.

* A technology using electricity from renewable energy, etc., to produce hydrogen through water electrolysis.



● Development of Water Treatment Equipment for the Effective Use of Water Resources

KITZ operates KITZ Water Solutions as an activity to comprehensively utilize the water-related technologies, products, and services of the KITZ Group companies and propose solutions to customers. As a result of these activities, KITZ has developed water treatment equipment that purifies groundwater to drinkable levels. The equipment makes use of the technologies of the membrane filtration type water purification system of Shimizu Alloy Mfg. Co., Ltd. and the sterilization and purification treatment equipment of Toyo Valve Co., Ltd., which are KITZ Group companies. Even when the water supply is cut off in emergencies, it is possible to supply groundwater and industrial water as safe and secure water in combination with in-house power generation equipment.



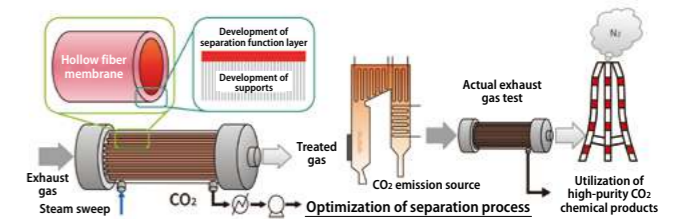
● Joint Participation in Research and Development of CO₂ Separation and Capture Technologies

KITZ Group company KITZ Micro Filter Corporation is jointly participating in "Research and development of an effective CO₂ capture process with novel CO₂ separation membrane modules"*2 as a subcontractor to Tosoh Corporation in a NEDO project*1.

The project is designed to develop technologies for a CO₂ separation membrane for process gases and exhaust gases with a CO₂ concentration of more than 10%, and KITZ Micro Filter is responsible for the development of hollow fiber membrane supports that are ideal for this use, as well as the manufacturing and development of hollow fiber membrane modules.

*1 Project Name: Development of Technologies of Carbon Recycling and Next-Generation Thermal Power Generation, etc. / Development of Technology for CO₂ Separation, Capture, etc.

*2 Research and development is being jointly conducted by three parties, Kyoto Institute of Technology, TOSOH Corporation and Tokyo Institute of Technology.



● Expansion of Solar Power Generating System at Thai Production Site

Group company KITZ (Thailand) Ltd. has expanded its solar power generating system as an effort to achieve Net Zero CO₂ Emissions, and began operation in September 2022. Solar panels have been installed at the main Bangplee Plant since 2016, but the latest expansion of 2,112 panels brought the total to 3,612 panels.

The power generated by the solar panels accounts for 10.3% of the average monthly power usage at the Bangplee Plant in 2021, with CO₂ emissions reductions equivalent to 753 tons* annually.

*Estimated by KITZ based on Japanese standards





TCFD Recommendations

In order to phase in the disclosure of information about the financial impact of climate change, KITZ indicated its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2021. Future scenarios were formulated in line with the recommendations to analyze the impact of climate change on KITZ. The following summary has been disclosed in accordance with the four categories in the TCFD recommendations (governance, strategy, risk management, and metrics and targets).



●Governance

The Management Conference made up of executive officers confirms the progress and results of major items in our Long-term Environmental Vision, and makes decisions regarding direction, issues, and necessary matters. Matters of particular importance are referred to the Board of Directors for deliberation and decision. In addition, at the Group-wide Sustainability Promotion Committee meetings held twice a year, key themes and KPIs related to sustainability management including climate change are shared, and issues and measures to deal with them are implemented.

●Strategy

Regarding our strategy on climate change, based on the socioeconomic scenarios indicated in a report issued by the IPCC*, we have identified major risks, opportunities, and other factors and conducted a financial impact analysis. The following are the pillars of our strategy accordingly. We pursue initiatives based on this strategy.

*IPCC: The Intergovernmental Panel on Climate Change

●Risk Management

We are taking action to continually reduce climate change risks based on the KITZ Group's basic policy and evaluation standards for risk evaluation.

We follow a process where potential risks, including climate change risks in the business activities of the Group companies, are identified, with the Board of Directors deliberating over and making decisions regarding response policies.

Please refer to the website for details about our response to climate change (disclosures consistent with the TCFD recommendations) ▶



●Metrics and Targets

Under Strategic Pillar (1), we promote our Long-term Environmental Vision "3 ZERO" with the aim of reducing our CO₂ emissions by at least 90% compared with FY2013 levels by FY2030, and achieving carbon neutrality by FY2050.

Base Year	CO ₂ Emissions	Target Year	Reduction Rate	Target Business Sites	Scope of Calculation
FY2013	65,933 tons	FY2030	At least -90%	All business sites in Japan	Scope 1 and 2 Electricity, Kerosene, Light Oil, LPG, LNG, etc.

We will set metrics and targets for strategic pillars (2) and (3) based on the status of future initiatives.

Categories	Details of Risks and Opportunities		Financial Impact*
Transition Risks	Technology	Increased costs of conversion and transition to fluid control technologies and materials that achieve low-carbon performance	Small
	Market	Decline in demand for valves due to a shrinking market in fossil fuel-related fields such as petrochemicals	Small
Physical Risks	Acute	Stagnation in the supply chain due to an increase in natural disasters	Small to Moderate
	Chronic	Increased costs from the operation of air conditioning and cooling equipment due to average temperature increases	Small
Opportunities	Products and Services	Development of valves for the supply chains of hydrogen, NH ₃ , etc.	Large
		Development of valve business for LNG plants	Large

*Expected financial impact is categorized as "small," "moderate" or "large"

Strategic Pillars

- (1) Contribute to climate change mitigation through the reduction of KITZ's CO₂ emissions and the efficient use of resources and energy
- (2) Contribute to climate change mitigation by promoting CO₂ emission reductions through KITZ products
- (3) Contribute to the creation of a sustainable future by working with local communities on climate change mitigation measures

Social

The KITZ Group aims to be an organization in which each employee can work with vitality and demonstrate the highest levels of performance as a professional, regardless of attributes, such as gender, age, nationality, and culture. We are also making progress on the development of environments to support our human resources as they continue proactively taking on challenges with a sense of urgency and ambition, demonstrating the creativity that is inherent in each and every employee.

Respect for Human Rights

●Basic Concept of Respect For Human Rights and Code of Conduct

The KITZ Group supports the Universal Declaration of Human Rights, an international standard concerning human rights, and has also expressed its support for the United National Global Compact (UNGC). The spirit of the UNGC conforms to the spirit of the KITZ Group's corporate philosophy, and we strive to put the Ten Principles of the UNGC into practice going forward.

Under the KITZ Group Compliance Code of Conduct, which calls for respecting the individuality and human rights of all individuals, we do our utmost to enable each and every KITZ Group employee to act based on thinking in line with the relevant guidelines, conscious of their roles as members of a global society.



Supply Chain Management

●Implementing Supplier Due Diligence

Initiatives on respecting human rights are something we cannot realize alone. To have our business partners understand KITZ's vision and values and to implement initiatives throughout the entire supply chain, we have formulated Supplier Guidelines and Green Procurement Standards that incorporate items on respect for human rights.

In FY2022, KITZ conducted a survey (self-assessment) of its major suppliers based on these guidelines.

From FY2023 onwards, we will phase in these initiatives at Group companies and develop procurement activities to build a robust global environment and sustainable future as declared in our Corporate Mission.

[Survey Outline and Results]

- Applicable suppliers: 214 key domestic and overseas suppliers selected based on KITZ criteria from among major suppliers related to manufacturing
- Survey details: A total of 21 questions were set based on the Guidelines and the Procurement Standards
- Assessment method: Verification of compliance or non-compliance for each question, and responses to questions pertaining to key issues for FY2022
- Number of respondents (response rate): 203 of 214 companies (response rate of 95%)

Please visit the website for details about KITZ's supply chain management ▶



Initiatives Supporting Human Resources

●Desired Personnel

Through its investments in human resources, the KITZ Group aims to be a company that continues to be the choice of prospective employees.



"Do it True" (referring to sincerity and the truth) is the first Action Guide at KITZ. Being sincere, being serious, and complying with the rules and morals of society are the values that the KITZ Group considers to be the most important. We also consider these values to be the essence of KITZ's outstanding corporate culture. The Action Guides that follow these are "Do it Now" (referring to speed and timeliness) and "Do it New" (referring to creative ability and challenges). To swiftly respond to a world that is rapidly changing, we need agile business expansion and the ability to come up with and act on ideas that fall outside conventional thinking. We aim to be a professional group that boldly takes on new challenges and where employees can deploy their own latent creative powers.

●Human Resource Development

In human resource development, KITZ promotes two themes, displaying human resources competency and displaying organizational capacity. To achieve these themes, we support the development of motivation, skills, and opportunities to demonstrate potential through a wide range of in-house educational programs.

Basic Concept for Human Resource Development

1. We will provide support to those who seek to improve themselves based on self-development.
2. Supervisors will conduct systematic on-the-job training (OJT) with the aim of having employees gain the practical skills and knowledge necessary to properly carry out their duties in the workplace.
3. Education (group training) outside the workplace will be provided to supplement and accelerate OJT.
4. Ongoing human resource development will be pursued by incorporating human resource development into challenge goals (personal goals).



Initiatives toward Enhancing Employee Engagement

KITZ regards constant improvements to employee engagement as one of the key themes of sustainability management and conducts engagement surveys for ascertaining the current state of our organizational culture. In FY2022, these surveys were rolled out to the domestic Group companies in addition to KITZ. Along with being reported to management, the results are provided as feedback to individual workplaces and also utilized to verify and analyze the current state of the organizational culture. Accordingly, we set specific action plans and target figures to improve employee engagement.

		FY2021 Results	FY2022 Results	FY2024 Targets
Employee engagement score	Rewarding work culture	48pt	48pt	56pt
	Better work environment	43pt	44pt	55pt

• Non-consolidated basis

Initiatives at Main Divisions

Production Division

Theme: Enable employees to feel that "I can do my best for the company" and "Do our best for employees"

- Holding forums for employees to engage in dialogue with the Division Manager of Production Division
- Establishment of a project for working style and workplace environment improvement
- Drafting plans, allocating budgetary funds, and disclosing information on the intranet portal

National Sales Division

Theme: Instill employees with the company vision and improve the human resource development environment

- Having managers share development issues and solutions specific to employee tiers
- Conducting training on coaching, time management, etc.

Engineering Division

Theme: Join forces as "collective wisdom" and instill the idea of "working as a team" to solve issues toward a common goal

- Conducting training on the concept of "working as a team"

Diversity and Inclusion Initiatives

KITZ promotes diversity and inclusion as an important management strategy.

We have declared targets for the percentage of female employees and percentage of female managers to be achieved by FY2030. We are pursuing specific initiatives aimed at achieving these targets.

Qualitative Targets	Main KPIs	FY2021 Results	FY2022 Results	FY 2024 Targets	FY 2027 Targets	FY 2030 Targets
Women in the workplace	% of female employees	21.7%	22.0%	23%	24%	25%
	% of female managers	3.4%	3.4%	10%	16%	20%
LGBTQ understanding	Earning Pride Index	Preparing training programs	Conducting e-learning for managers	Earning Gold rating in Pride Index	—	—
Employment of people with disabilities	% of employees with disabilities	2.4%	2.4%	2.5%	2.7%	3.0%

• Non-consolidated basis
 • Managers refers to employees who are in the position of department head or higher.
 • Pride Index is an external index based on assessment of LGBTQ initiatives.

LGBTQ Inclusion

KITZ respects diversity in gender identities, sexual orientations, and values. To develop a comfortable environment that allows each employee to fully demonstrate their abilities in their own way, we are striving to foster a corporate culture that is understanding and accepting of sexual diversity among all Group employees. We have started activities to make improvements to our systems and environments for LGBTQ employees and to raise awareness of LGBTQ issues. In FY2022, we conducted an e-learning program to instill an understanding of LGBTQ issues among managers, and in FY2023, we will expand these efforts to regular employees.

Promoting a Healthy Work-Life Balance

To ensure that employees can continue working with peace of mind, the KITZ Group has set targets to enhance work-life balance, support employees with childcare and family care responsibilities, and promote health and productivity management. Through these efforts, we will develop an environment in which employees can achieve harmony between work and private life.

Qualitative Targets	Main KPIs	FY2021 Results	FY2022 Results	FY2024 Targets	FY2027 Targets	FY2030 Targets
Enhancing work-life balance	Shortening total working hours	2,012 hours	1,944 hours	1,990 hours	1,930 hours	1,870 hours
Support for employees with child and family care	% of male employees taking childcare leave	29.0%	35.3%	50%	100%	100%
Health Management	Certified Health & Productivity Management Outstanding Organization	Certified in 2022	Certified in 2023	—	Certified as "White 500"	—

• Non-consolidated basis

Conducting Briefing Sessions on Childcare Leave

KITZ has worked to develop a range of systems to allow employees to continue working with peace of mind and fully demonstrate their abilities while raising children. We have set a goal of having 100% of eligible male employees taking childcare leave by FY2027. In FY2022, we conducted briefing sessions to give managers a general understanding of our childcare leave systems so that they can become leaders supporting employees who are raising children. Articles about the childcare leave system have also been posted to the intranet portal.

Health and Safety Activities

We promote efforts to ensure zero accidents based on the KITZ Group Safety and Health Fundamental Philosophy and the Safety and Health Fundamental Policies. We have established safety and health committees and we bolster efforts to prevent injuries and illness, promote the development of comfortable workplace environments, engage in healthcare and work to prevent traffic accidents.

KITZ Group Safety and Health Fundamental Philosophy

KITZ places the highest priority on safety and health in all of its activities based on the principle of showing respect for people. Group companies conduct extensive safety and health programs with the goal of zero accident.

KITZ Group Safety and Health Fundamental Policies

1. KITZ maintains stimulating and pleasant workplaces that contribute to the mental and physical well-being of all employees.
2. KITZ is dedicated to ensuring safety and health of all employees by complying with Japan's Industrial Safety and Health Act and other associated laws and regulations as well as by adhering to internal rules and standards.
3. KITZ improves safety and health management by educating and training all employees with regard to the knowledge and skills needed for safety and health programs.
4. KITZ is dedicated to ensuring the safety of its machinery and equipment so that employees can do their jobs without concern.
5. KITZ reduces exposure to risk factors with the goal of eliminating potential sources of danger and harm to employees in workplaces.

KITZ Group Safety and Health Activities Approach and Initiatives

The company will address safety from two directions: "Enhancement of safety activities and systematic incorporation of prevention measures into production lines" and "Promotion of volunteer activities at workplaces (bottom-up approach via small group activities)." Through this two-pronged approach, the company will encourage a change in every employee's mindset and increase employees' awareness with regard to safety, thereby reforming the corporate culture.

KITZ has formulated the following key actions as measures for employee safety and health with the aim of taking preventive steps for safety and improving safety awareness.

- Develop a management system (comply with safety and health related laws and regulations)
- Implement safety measures for machines, equipment and people (prevent similar accidents)
- Create a workplace culture (promote zero accidents)



Enhancement of Health and Safety Management Systems

To promote occupational health and safety management compliance with international standards, in January 2022, KITZ obtained certification under the ISO 45001 standard for Occupational Health and Safety Management Systems for plants in Nagasaka, Ina, and Chino, followed by certification for all production sites in Japan in November 2022.

Education on Health and Safety

With the aim of eliminating occupational accidents, we conducted tiered health and safety training delivered by occupational health and safety consultants. The training is divided into content for employees with limited experience, newly appointed managers and supervisors, and veteran employees who are familiar with the workplace. The training is designed to underscore the importance of safety management and foster a strong awareness of safety.

Reciprocal Audits by Group Companies

Mutual audits regarding the environment, health, and safety of KITZ's eight Group domestic companies are conducted. Audits are carried out to identify and assess risks, and briefing sessions are held for the officer and the managers of each site. These efforts lead to activities that reduce the spread of and eliminate risks.

In addition, to cultivate personnel who will be responsible for the environment and safety in the future, we conduct training related to the environment, health, and safety.

Health Management

KITZ has been certified as a Health & Productivity Management Outstanding Organization, which is conferred by the Ministry of Economy, Trade and Industry to companies engaging in outstanding health and productivity management activities.



Diverse Human Resources in the KITZ Group

We introduce how employees work to create value at their own posts.

We aim to supply KITZ products to realize a carbon neutral society.

Longtian Piao
Hydrogen Supply & Unit Group, Hydrogen Division,
KITZ Corporation



I am responsible for work that covers everything from the development of hydrogen-related products and technology proposals to product delivery. In the course of following one project through to completion, I have accumulated a wide range of experience, and each time I realize that I have achieved personal growth. In the future, I will aim to supply KITZ products across the entire hydrogen supply chain to help realize a carbon neutral society.

I try to convey my experience to other employees for their own development.

Maria Luisa Ribas Steegmann
Managing Director & President
KITZ Corporation of Europe, S.A.



I feel especially pleased when our team manages to overcome a major challenge to help other people so we can satisfy the needs of a customer. The trust placed in me to put me in charge of the management of one of its companies has helped me to grow professionally and improve in other areas during the past 15 years, and I try to convey my experience also to other employees for their own development.

I hadn't even imagined being posted overseas, and with every new experience I feel personal growth.

Tomoya Nakagomi
Production Control Department Section Chief
KITZ Corporation of Taiwan



When I joined KITZ, working overseas was the last thing I expected. But when I actually began working in Taiwan, I had opportunities to experience many new things, and each time I gained a sense of personal growth. Moving forward, I will keep working to maintain a broad view of the world.

I feel proud to be improving people's lives.

Marina Tedesco
Chemical Engineer, Environmental Department
Metalúrgica Golden Arts Ltda.



I work to improve each process and consider the environment in the areas of chemical engineering, environmental management, and occupational safety. Through involvement with sustainability management, I can contribute to the mission of improving the quality of life of future generations, and I feel proud to work in the KITZ Group.

I will adapt to the increasingly diverse roles expected of an accounting department.

Yoshie Suzuki
Manager of Business Transformation and New Business, Corporate Finance
Division, KITZ Corporation

Times have changed from the role of accounting as a safe keeper. I hope to respond to the diversification of the roles now expected of an accounting department, including data analysis and support for management decisions, along with taking on the challenge of reforming workstyles in the back office.



I feel happy to be facing new challenges together with fellow KITZ Group colleagues.

Takashi Takagi
Managing Director
KITZ Valve & Actuation (Thailand) Co., Ltd.

I feel happy to be facing new challenges together with fellow colleagues who share the same common philosophy: the KITZ' Statement of Corporate Mission. Looking ahead, we will continue to engage in new challenges in order to enable us to evolve into a stronger company in the global marketplace, and to contribute to society through our activities.



I hope to fulfill my role with an employee-first spirit.

Yuka Yoshihara
Plant General Affairs and Accounting Section, Administrative
Department, KITZ SCT Corporation

In addition to general affairs, accounting, and human resource management duties, I am the contact point for consultations with employees, and I feel the need to acquire a wide range of knowledge in this role. I hope to embrace a mindset of compassion and gratitude with an employee-first attitude while fulfilling a role as a bridge between employees and the company.



I want to help a "culture of learning about technology" take root through technical training for salespeople.

Masanao Takatsuka
Manager, Sales Engineering Department, Flow Control Business Unit, KITZ
Corporation

Through involvement in employee training related to technology, I feel that I have improved my own knowledge and understanding, and when I receive words of thanks for providing technical support, it fills me with happiness. I hope to instill a "culture of learning about technology" through the technical training curriculum for salespeople.



Having been entrusted with a role of responsibility, I feel a sense of growth and motivation.

Naoki Kira
Manager, Digital Transformation Promotion Group, Production Planning
Department, Production Division, Flow Control Business Unit, KITZ
Corporation



Employees are now working together on activities aimed at the company's digital transformation, and I am responsible for promoting this at our plants. Although I am still short on experience, being entrusted with this role of responsibility gives me a sense of growth and motivation on a regular basis. I will continue to work hard to make KITZ better for customers, employees and society.

I want to connect KITZ with customers from the standpoint of sales administration.

Kaori Kikumoto
Osaka Sales Office 2, Osaka Branch, National Sales Division, Flow Control
Business Unit, KITZ Corporation



Using my perspective of sales administration, I have been involved in various business activities from the launch of a new IT system to the introduction of order placement systems for our customers. Moving forward, I hope to continue doing work that connects KITZ with its customers in a wide range of ways.

I listen to requests from customers and sales companies and support our global sales structure.

Rika Miyasawa
Sales Company Support Group, International Business Development
Department, Flow Control Business Unit, KITZ Corporation



From Japan, I support KITZ's overseas sales companies in managing their sales activities locally and independently. I make a point of sharing the requests from sales companies and their customers and aligning them with the direction we need to take in the future. I hope to keep contributing to the global sales of KITZ products.

I aim to establish quality assurance practices that are trusted by customers.

Kumi Shimizu
Manager, QA Operational Improvement Group, Quality Assurance Department,
Customer Satisfaction Division, KITZ Corporation



I carry out business improvement activities that observe compliance requirements and combine practical experience with business transformation. With the goal of establishing quality assurance operations that are trusted by customers, I want to develop an organization that can go about its tasks with enthusiasm.

Social Contribution Activities

KITZ focuses its various social contribution activities on areas including regional development (regional contribution), environment preservation, social and international contribution, and culture development.

Participation in the Multi-Organizational Disaster Relief Drill

Environmental Solutions Division participated in the 2022 Multi-Organizational Disaster Relief Drill (organized by Peace Winds Japan) conducted in Aki District, Kochi Prefecture, in December 2022, as part of KITZ Water Solutions' activities.

At the water supply area of a field hospital set up on the banks of a river, Aqua Rescue portable membrane filtration device by Shimizu Alloy Mfg. were installed to supply water for general use such as showers, saunas and hand washing. In addition, using KITZ Micro Filter's Super Delios portable water purifiers that can be easily carried around, we purified water taken from the river and promoted that the water could be used to clean wounds or as drinking water.

Participants offered feedback, including "Having Aqua Rescue would offer peace of mind because we would be able to secure sufficient amounts of water for daily use in shelters at evacuation points."



Comprehensive Partnership Agreement with Chino City and the Graduate School of Project Design to Achieve a "City Chosen by Young People"

In July 2022, KITZ Corporation, together with Chino City, Nagano Prefecture, and Advanced Academic Agency, The Graduate School of Project Design signed an agreement on comprehensive cooperation to realize a "city chosen by young people" based on 2nd Chino City Comprehensive Strategy for Regional Development. To coincide with the agreement, "Project Research into a City Chosen by Young People" through collaboration between industry, academia, and government was launched. Ten researchers, including three from KITZ, worked on a business concept to realize Chino as a livable future city through collaboration transcending corporations and partners for seven months starting in September.



Support for Kitazawa Museum of Art

KITZ supports the activities of the Kitazawa Museum of Art located on the shores of Lake Suwa. KITZ founder Toshio Kitazawa established the museum in 1983 as an incorporated foundation with the aim of contributing to the promotion and development of the regional culture. The museum became a public interest incorporated foundation in 2013 and observed its 40th anniversary in May 2023. The Kitazawa Museum of Art permanently displays excellent pieces of artwork, including some of the world's best French glassworks made during the art nouveau era at the end of the 19th century and modern Japanese paintings. These works are highly acclaimed both in Japan and overseas.



In Focus

Special supporting site



Yui Susaki

Gold medalist in the women's freestyle 50 kilograms wrestling competition at the Tokyo 2020 Olympics



Yui Susaki took up wrestling at the age of seven under the influence of her father, who had experience with the sport. In her second year of junior high school, she entered JOC Elite Academy. She achieved victory at the Tokyo 2020 Olympic Games competing while a student of Waseda University. In April 2022, she joined KITZ Corporation. The following is a summary of her achievements since joining.

2022

June: Competed at the Meiji Cup All Japan Invitational Championships
September: Won the World Championships in September
October: Won the U23 World Championships
December: Won the Emperor's Cup All Japan Championships
With her victory at the U23 World Championships, she achieved a world-first "grand slam," a clean sweep of five tournaments, including the Olympics.

2023

February: Won the UWW Ranking Series Zagreb Open
She is currently ranked No.1 in the world. (as of March 31, 2023)

(Upcoming Schedule)

She is expected to compete at the Meiji Cup All Japan Invitational Championships in June to earn the right to represent Japan at the Paris 2024 Olympic Games.

Profile

Sport/Class	Wrestling/50kg
Date of Birth	June 30, 1999
Origin	Matsudo, Chiba Prefecture
University	Waseda University

Relationships with Local Communities: Promoting Sports in Communities with KITZ Business Locations



Ventforet Kofu

KITZ supports the training academy for (U-18) developing future players as a uniform sponsor.



Matsumoto Yamaga F.C.

In addition to supporting the Academy development organization (Ladies U-15) as a uniform sponsor, KITZ also displays a stadium banner with its company name in the wheelchair seats on the back-stand side of Sunpro Alwin stadium, which is the team's home ground.



VC Nagano Tridents

KITZ's logo has been displayed on the back (leg) of the team's uniform and on training attire. Horizontal banners are also displayed at away match venues.



Stakeholder Engagement

KITZ engages in the timely, appropriate, and fair disclosure of information with all shareholders and investors, as well as with other stakeholders including customers, business partners, employees, and society. During the fiscal year under review (FY2022), we were impacted by the COVID-19 pandemic and accordingly, responded by proactively creating opportunities for dialogue utilizing online solutions. We feed back opinions and requests obtained by constructive communication to the management team, and reflect the outcomes in efforts to improve the efficiency and transparency of management.

Dialogue with Shareholders

We seek to disclose information at an early stage, wherein we send the notice of the ordinary general meeting of shareholders earlier than the legal requirement, and the contents are posted on the website prior to sending. The English version can also be read on the website. We are preparing a system that enables our shareholders to exercise voting rights online for their convenience.



Dialogue with Investors

We hold financial results presentations for institutional investors and analysts on a quarterly basis. The president or executive officer explains the achievements and the medium and long-term strategy.

Additionally, for the purpose of getting more people interested in becoming a KITZ shareholder, we have taken part in online IR events for individual investors.



Dialogue with Employees

The management team including the president regularly visits manufacturing sites and promotes better understanding through communication with employees. We stream video of internal results presentations and messages from management via our intranet portal so that employees at offices in Japan and overseas as well as those employees working from home can participate.

KITZ continues to conduct events promoting dialogue between top management and employees to help instill the Long-term Management Vision.



Dialogue with Business Partners

A meeting of presidents of domestic general distributors is held annually, in which we promote mutual understanding and further deepen our partnership with distributors.

While these meetings were postponed due to the COVID-19 pandemic, in July 2022, an "Appreciation Gathering" was held to mark our 70th anniversary.



Governance

The KITZ Group understands the effective functioning of corporate governance to help fulfill our corporate social responsibility and contribute to increasing management efficiency and transparency, as well as sustained increases in corporate value. For this reason, we aim to realize effective corporate governance through maintenance and continuous operation of top management and business execution systems capable of responding to changing business conditions in swift and appropriate ways while also rewarding the trust of all stakeholders and fulfilling our social missions and responsibility.

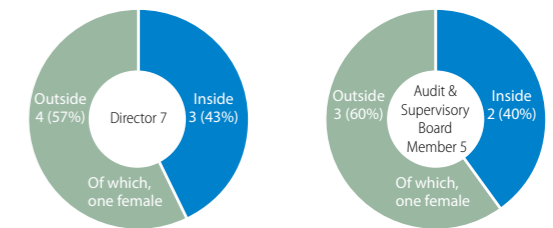
Organizational Design

KITZ employs as its organizational design for corporate governance the structure of a company with an Audit & Supervisory Board, under which authority and responsibility for decision-making on important matters concerning business administration and for oversight of business execution are centered in the Board of Directors and the Audit & Supervisory Board, and its members provide highly effective oversight of the Board of Directors from independent and objective perspectives, thus ensuring the effectiveness of corporate governance. Additionally, an executive officer system has been adopted to facilitate swift decision-making regarding business execution.

Audit & Supervisory Board and its Members

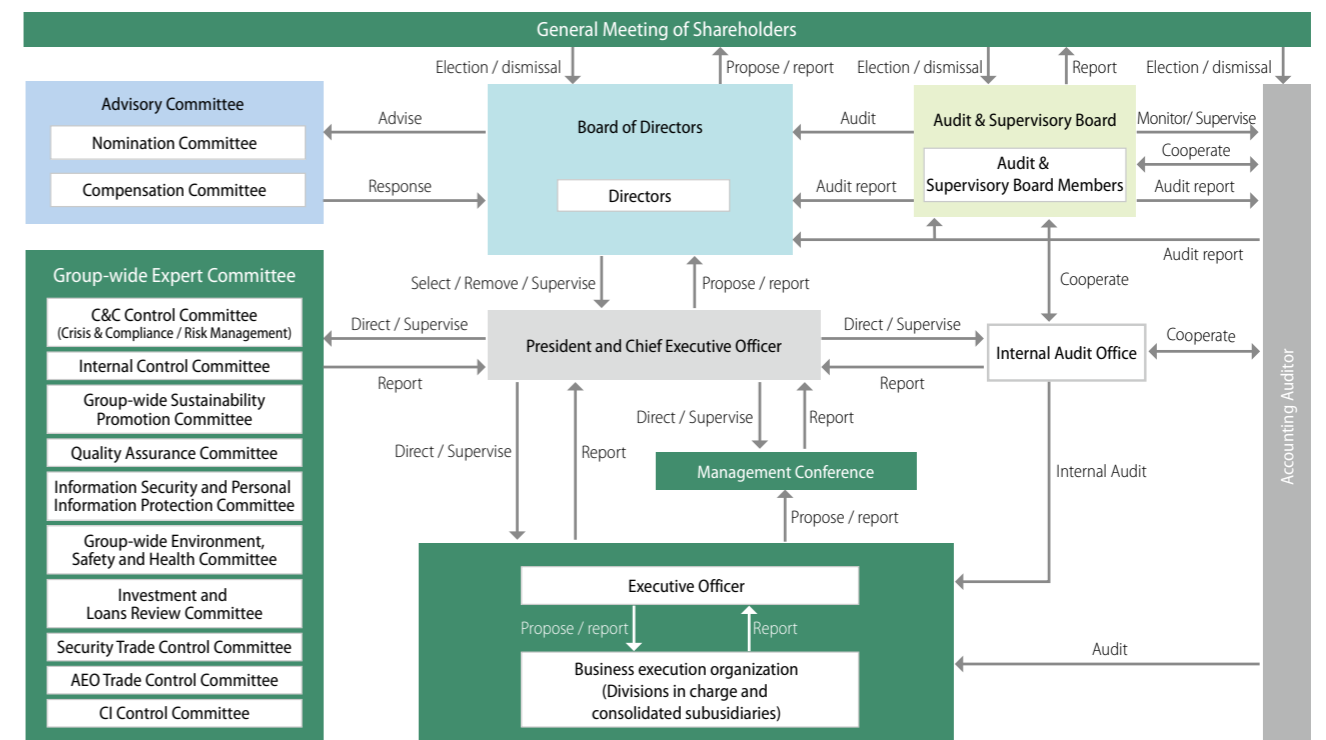
The Audit & Supervisory Board comprises five members, three of whom are outside (independent) Audit & Supervisory Board members in order to facilitate highly effective auditing and strengthen oversight functions. In addition, to ensure diversity on the Audit & Supervisory Board, one female Audit & Supervisory Board member (outside Audit & Supervisory Board member) has been appointed.

Composition of Directors and Audit & Supervisory Board Members (as of end of March 2023)



Board of Directors and Directors

The Board of Directors comprises seven members. Four of these members, which make up the majority of the board, are independent outside directors to enhance the management oversight functions. In addition, to ensure diversity on the Board of Directors, one female director (outside director) has been appointed.



Nomination Committee and Compensation Committee

To strengthen the oversight functions of the Board of Directors and enhance corporate governance, the Board of Directors has established an optional Nomination Committee and Compensation Committee regarding candidates for director, candidates for Audit & Supervisory Board member, personnel matters concerning executive officers, and the compensation of directors and executive officers, as advisory bodies whose members comprise a majority of independent outside directors.

Nomination Committee and Compensation Committee

Chairperson: Independent Outside Director Kazuyuki Matsumoto
 Members: Independent Outside Director Minoru Amoh
 Independent Outside Director Yutaka Fujiwara
 Independent Outside Director Yukino Kikuma
 Chairman Yasuyuki Hotta

Ensuring the Effectiveness of the Board of Directors

To improve the effectiveness of the functions of the Board of Directors, a questionnaire survey on the effectiveness of the Board of Directors is conducted among directors and auditors each year.

In the questionnaire survey conducted in February 2023, formulation and implementation of management strategy, sustainability initiatives, constitution of the Board of Directors, appointment and compensation of directors and officers, audits, outside directors, vitalization of discussion at Board meetings, and response to shareholders, investors, and other stakeholders were asked. Feedback regarding discussions at Board meetings was also collected.

The result of the evaluation says that the effectiveness of the Board of Directors is ensured in general. Constructive feedback was also obtained regarding enhanced employee engagement, business portfolio management, improvements to the price-book value ratio, and other matters. In light of these evaluation results, the Board of Directors will share these issues and consider improvement measures in an effort to ensure greater effectiveness.

Executive Officer System and the Management Conference

The Group employs an executive officer system for cross-functional business execution regarding Group companies in Japan and around the world to focus the Group's comprehensive strengths on corporate strategy. Thirteen executive officers, including those serving concurrently as executive directors, are appointed. In addition, the Management Conference consisting of executive officers, meets monthly for broad-ranging discussions of important management topics and decides on important matters related to business execution.

Establishment of Various Committees

To enhance the effectiveness of the internal control system operation, KITZ operates various dedicated committees. Through these committees, KITZ implements necessary controls such as evaluation, check and balance, and improvements on important matters related to appropriate and lawful decision-making in Group management.

Executive Compensation

KITZ's policy regarding the details of compensation given to individual directors is to determine compensation amounts consistent with business performance while also taking into account factors such as compensation levels at other companies, the main objective of which is to increase motivation toward achieving the Long-term Management Vision and Medium-term Management Plan, and enhancing the corporate value of the KITZ Group.

As for the structure of compensation, it comprises monetary compensation in the form of "base compensation" and "performance-linked compensation (bonuses)," and non-monetary compensation in the form of "performance linked stock-based compensation."

Base compensation is paid as a fixed amount and is set based on the position and responsibilities of each director. Performance-linked compensation (bonuses) is paid out of an amount equivalent to 1% of net income attributable to owners of the parent (the total amount of bonuses) when certain requirements are met, and is paid based on the position and individual performance target achievement level for each director.

Performance-linked stock-based compensation involves a portion of compensation being granted as stock in the Company based on an amount calculated according to the position of each director and performance indicators, with the aim of increasing the awareness of contribution to KITZ's medium to long-term business performance and improved corporate value, and promoting greater sharing of value between directors and shareholders.

Outside directors are only paid base compensation, in light of the fact that they are in positions independent from the execution of business.

Each fiscal year, the Board of Directors determines details including the compensation of individual directors based on deliberations and reports from the Compensation Committee in order to ensure the objectivity and transparency of executive compensation.

Also note that the compensation of Audit & Supervisory Board members comprises only base compensation as fixed amounts, and the payment amounts are determined through discussions by the Audit & Supervisory Board.

Total amounts of compensation for directors and Audit & Supervisory Board members concerning the fiscal year ended December 2022

Classification	Number of members	Total amounts of compensation	Total amounts of compensation by type		
			Base compensation	Performance-linked compensation	
				Bonuses	Stock-based compensation
Directors (outside directors)	8 (4)	249 (43)	143 (43)	76 (-)	28 (-)
Audit & Supervisory Board members (outside Audit & Supervisory Board members)	5 (3)	71 (28)	71 (28)	- (-)	- (-)
Total (total for outside officers)	13 (7)	320 (72)	215 (72)	76 (-)	28 (-)

* Amounts recorded as the accrued bonuses to directors and accrued stock-based benefits to directors and officers stock benefits in the fiscal year ended December 2022 are listed.

Sale and Reduction of Cross-Shareholdings

KITZ basic policy is to not maintain cross-shareholdings for the purposes of securing stable shareholders.

In addition, the Board of Directors annually verifies and reviews cross-shareholdings from the perspectives of both economic rationality (quantitative perspectives) and the qualitative significance of such holdings, and share issues judged not to satisfy the Policy on Cross-Shareholdings are sold.

Internal Control System

To establish sound and strong Group management foundations, KITZ has established a Basic Policy on Internal Control. KITZ has built and currently operates an internal control system in accordance with laws and regulations.

In addition, the Internal Audit Office conducts business audits and internal control audits of KITZ and the KITZ Group companies, as well as monitoring the group-wide state of internal control and appropriateness of business processes. The results of the audits are communicated to the president, Audit & Supervisory Board members, and related sections, and follow-up is conducted regarding corrective measures.

Matrix and History of Corporate Governance

	1990	2000	2010	2020
Separation of Supervision and Execution	20 members of the Board of Directors as prescribed by the Articles of Incorporation	1999 Decreased to 12	2005 Decreased to 9	
Number of Outside Directors		2001 One	2011 Two	2017 Three 2020 Four (Of which, one female)
Number of Outside Audit & Supervisory Board Members	One	2000 Two		2019 Three (Of which, one female)
Operation of the Board of Directors			2006 Term of office for Directors: 1 year	2016 Implemented evaluations on the effectiveness of the Board of Directors
Various Committees		1999 Established the Investment and Loans Review Committee 2002 Established the C&C Control Committee	2007 Established the Internal Control Committee	2017 Established the Nomination Committee and the Compensation Committee 2021 Established the Group-wide Sustainability Promotion Committee
Compensation System		2004 Abolished the system for retirement bonuses for Executive Officers		2016 Introduced a performance-linked stock-based compensation plan 2022 Introduced a new stock-based compensation system*
Integrated Report				2016 Published the integrated report <i>Corporate Report</i>
Corporate Philosophy	1991 Formulated the KITZ Statement of Corporate Mission	2001 Revised KITZ Statement of Corporate Mission	2006 Reviewed KITZ Statement of Corporate Mission	2022 Revised KITZ Statement of Corporate Mission

* Program for Restricted Stock Compensation and Post-paid Performance-Linked Stock Compensation for Directors (Not including Outside Directors)



These are reviewed closely by the Internal Control Committee and reported to the Board of Directors periodically. In addition, we identify the inherent risks by conducting audits regarding the serious risks that each Group company is facing. We also provide support for improving operations and building structures for legal and regulatory compliance to avoid and mitigate risks.

Promotion of Compliance Management

KITZ recognizes compliance management as a fundamental and essential condition of continued corporate growth. This is expressed in the topmost element of the Action Guide for the realization of KITZ' Statement of Corporate Mission, which expresses the Group's corporate philosophy: "Do it True."

● Compliance Management Promotion Structure

In the KITZ Group, both KITZ and each Group company have established a Crisis and Compliance (C&C) Control Committee chaired by the president. It also is building structures to prevent various management risks, such as those associated with legal, regulatory, and compliance violations, and to respond swiftly and appropriately to any crises that may arise.

● Initiatives Related to Promotion of Compliance Management

The C&C Control Committee at KITZ and each Group company deliberates on the following matters related to promotion of compliance, formulates necessary policies, and implements specific measures.

- 1 Formulation of basic policies on development and operation of the compliance promotion program
- 2 Formulation of basic policies on preparation and maintenance of the Compliance Guidebook
- 3 Formulation of basic policies on implementing compliance education
- 4 Responding to any compliance violations that have occurred (including investigation of related facts, investigation of their causes, formulation and implementation of measures to prevent their reoccurrence, and checking on the countermeasures implemented)
- 5 Establishment, amendment, and abolition of rules and regulations necessary for compliance promotion
- 6 Other necessary matters related to compliance promotion

● Whistleblowing System (Compliance Helpline)

To promote compliance management, KITZ and each Group company have established compliance helplines as a contact point for reporting and consultation concerning information about any acts in violation of laws, regulations, or compliance identified by management or employees.

The management and employees of KITZ and each

Group company may use their own companies' compliance helplines, compliance helplines set up by outside law firms, and the compliance helpline of the parent company, KITZ. We secure a structure that the management and employees can use with peace of mind, by setting up multiple routes for consultation and reporting.

Each compliance helpline is managed and operated by the C&C Control Committee of the Company or the Group company. Reports and consultations received are investigated swiftly while strictly protecting the confidentiality of the reporting party, and timely and appropriate corrective measures are implemented in response.

● Compliance Education

KITZ distributes a group-wide Compliance Guidebook to the management and employees of KITZ and Group companies. The guidebook describes the thinking of Group top management regarding compliance management, the importance of compliance management, the compliance promotion structure, the compliance code of conduct, the whistleblowing system, and other matters related to compliance. In FY2022, the guidebook was revised to enhance descriptions of social issues such as human rights, labor, the environment, and anti-corruption. The revised edition was translated into the languages of each country in which the KITZ Group operates and thoroughly informed throughout the Group. Japanese and English editions were also published on the KITZ website.

We also hold seminars on compliance education systematically each year and individual seminars focusing on the details of the operations of each section when so requested by a section of KITZ or a Group company. Furthermore, we also strive proactively to foster a culture of compliance, raise awareness, and convey related knowledge through various other means, such as preparing and distributing educational and awareness-raising tools and, recently, deployment of digital content using online tools.



● Compliance Survey

To check the degree to which compliance management has taken root in KITZ and each Group company and visualize potential compliance risks, KITZ surveys employees on compliance.

The risks identified through this survey are utilized in such efforts as business process improvements and employee education in accordance with their degrees of importance.

Risk Management

To control various risks that could have severe impacts on corporate management, KITZ carries out risk management in KITZ and each Group company.

● Risk Management Structure

In the KITZ Group, the executive officer in charge of risk management, who also serves concurrently as a member of the C&C Control Committee, promotes risk management at KITZ and each Group company based on basic policies decided on by the committee under the supervision of the Board of Directors.

● Risk Analysis and Evaluation

In the KITZ Group, the importance of anticipated risks related to business activities (totaling 128 risk items) is judged quantitatively along the two axes of their frequency of occurrence and their impact on management based on the basic policy and evaluation standards for risk evaluation formulated by the C&C Control Committee. Specifically, risks are graded by each evaluation item under the standards for determining their frequency of occurrence and their impact (consisting of the items of human injury, physical damage, liability, loss of profit, loss of trust, and environmental damage), and each is grouped into one of the four zones of high-damage/high-frequency, low-damage/high-frequency, high-damage/low-frequency, or low-damage/low-frequency based on a four-quadrant risk-mapping scale.

● Risk Management Implementation Flow

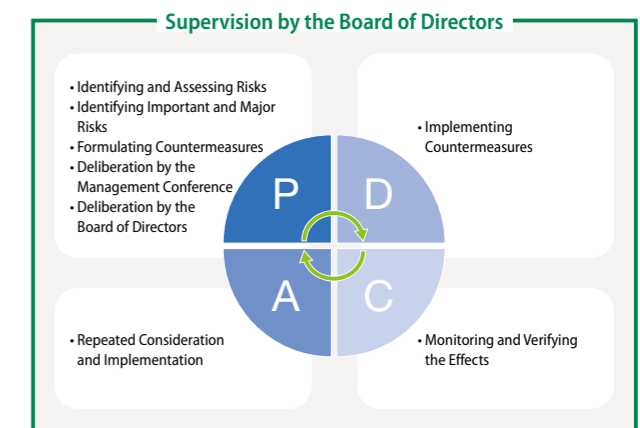
Based on the results of risk evaluation by each organization and through the Management Conference, the KITZ Group identifies important risks and key risks that have a particularly high possibility of significantly impacting management among the important risks, chooses whether to address each risk through avoidance, transfer, mitigation, or retention in light of its importance, and drafts and implements necessary countermeasures under the responsibility of the individual executive officers and Group company presidents.

Particularly in recent years, the Group has been identifying and taking action flexibly on key risks in accordance

with social conditions, such as control measures for supply chains in light of geopolitical risks as well as information security risks.

Important risks and key risks thus identified, and countermeasures drafted for them, are shared with the Internal Audit Office. The Internal Audit Office evaluates the state of development and operation of risk management from an independent perspective through means that include checking on the progress and results of related countermeasures through business auditing and other activities.

In addition, based on reports on such matters as priority risks identified in the Management Conference and countermeasures drafted for them, as well as the results of evaluation by the Internal Audit Office, the Board of Directors carries out necessary deliberation and checks on the ultimate results of implementing countermeasures, among other activities involved in final decision-making on and oversight of risk management in the Group.



● Information Security and Personal Information Protection

To minimize the impact of cyber-attacks or information leakage from insiders on business continuity, the KITZ Group has considered information security governance as a key management issue. Accordingly, we have formulated KITZ Group Information Security and Personal Information Protection Policy, established an Information Security and Personal Information Protection Committee, and undertaken various measures for information security and personal information protection.

Please visit the website for details about KITZ's risk management activities ▶



Board of Directors, Corporate Auditors and Executive Officers

(as of March 31, 2023)

Directors



Chairman **Yasuyuki Hotta**

Born: June 18, 1955
 Mar. 1978 Joined KITZ
 Jan. 1997 Branch Manager, Chubu Branch, Sales Division
 Apr. 2001 Plant Manager, Nagasaka Plant
 Oct. 2001 Managing Executive Director, KITZ SCT Corporation
 Jun. 2004 Representative Director and President, KITZ SCT Corporation
 Apr. 2006 Managing Executive Officer, Division Manager, Flow Control Business Division
 Apr. 2007 Senior Executive Officer, Division Manager, Flow Control Business Division
 Jun. 2007 Director, Senior Executive Officer, Division Manager, Flow Control Business Division
 Jun. 2008 President and Chief Executive Officer, Division Manager, Flow Control Business Division
 Apr. 2009 President and Chief Executive Officer
 Mar. 2021 Chairman and Representative Director, Chair of the Board of Directors (present position)
 Jun. 2021 Chairman of the Kitazawa Museum of Art (present position)



President **Makoto Kohno**

Born: March 10, 1966
 Apr. 1988 Joined KITZ
 Aug. 2008 General Manager, Project Sales Department, International Sales Division, Flow Control Business Unit
 Dec. 2011 General Manager, Project Management Department
 Apr. 2013 General Manager, Production Control Department, Production Division, Flow Control Business Unit
 Apr. 2015 General Manager, Business Planning Department, Flow Control Business Unit
 Apr. 2016 Executive Officer, Division Manager, Corporate Planning Division
 Apr. 2017 CEO & Managing Director, KITZ Corporation of Asia Pacific Pte. Ltd., Managing Director, KITZ Valve & Actuation Singapore Pte. Ltd.
 Apr. 2019 Managing Executive Officer, General Manager, Flow Control Business Unit
 Jun. 2019 Director, Managing Executive Officer, General Manager, Flow Control Business Unit
 Mar. 2021 President and Chief Executive Officer (present position)



Director **Toshiyuki Murasawa**

Born: February 9, 1959
 Mar. 1981 Joined KITZ
 Apr. 2001 General Manager, Corporate Planning Department
 Apr. 2009 Executive Officer, General Manager, Corporate Planning Department
 Oct. 2011 Executive Officer, Division Manager, Corporate Planning Division
 Apr. 2016 Executive Officer, Division Manager, Corporate Administration Division
 Jun. 2016 Director, Executive Officer, Division Manager, Corporate Administration Division
 Apr. 2019 Director, Managing Executive Officer, Division Manager, Corporate Administration Division
 Jan. 2022 Director, Managing Executive Officer, Division Manager, Corporate Planning Division (present position)



Outside Director **Kazuyuki Matsumoto**

Born: September 21, 1945
 Apr. 1970 Joined Teijin Seiki Co., Ltd. (currently Nabtesco Corporation)
 Jun. 2001 Director
 Sep. 2003 Executive Officer, Nabtesco Corporation
 Jun. 2004 Director
 Jun. 2005 Representative Director, President & CEO
 Jun. 2011 Chairman
 Jun. 2013 Outside Director, TOPCON CORPORATION (present position), Outside Director of KITZ (present position)



Outside Director **Minoru Amoh**

Born: December 9, 1951
 Apr. 1979 Joined Du Pont Far East, Inc. Japan Representative Office (currently DuPont Kabushiki Kaisha)
 Mar. 2000 Director
 Mar. 2002 Managing Executive Director
 Mar. 2004 Senior Executive Director, Regional Director, Asia-Pacific Region, Engineering Polymer Business Division
 Jul. 2005 Director, Vice President
 Sep. 2006 Representative Director, President
 Jan. 2013 Representative Director, Chairman, DuPont Kabushiki Kaisha, President, DuPont Asia Pacific Limited
 Sep. 2014 Honorary Chairman, DuPont Kabushiki Kaisha
 Jun. 2015 Outside Director of KITZ (present position)
 Mar. 2016 Statutory Auditor, Otsuka Chemical Co., Ltd.
 Mar. 2019 Outside Director (present position)
 Dec. 2020 Outside Director of HEXEL Works, Inc.
 Jun. 2021 Outside Director of Enplas Corporation (present position)



Outside Director **Yutaka Fujiwara**

Born: April 20, 1951
 Apr. 1974 Joined MODEC, Inc.
 Nov. 1987 Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
 Aug. 1994 Deputy General Manager, New York Branch
 Jun. 1996 General Manager, Chicago Branch
 Aug. 1998 Joined OMRON Corporation
 Jun. 2005 Executive Officer, General Manager, Financial IR Department
 Mar. 2007 Executive Officer, General Manager, Group Strategy Department
 Jun. 2008 Managing Officer and General Manager, Group Strategy Department
 Dec. 2008 Managing Officer, General Manager, IR & Corporate Information Department
 Jun. 2013 Outside Director, Nabtesco Corporation
 Jun. 2017 Outside Director of KITZ (present position)
 Jul. 2020 Outside Audit & Supervisory Board Member of Konoike Transport Co., Ltd. (present position)



Outside Director **Yukino Kikuma**

Born: March 5, 1972
 Apr. 1995 Joined Fuji Television Network, Inc.
 Dec. 2011 Registered as an attorney at law
 Jan. 2012 Joined MATSUO & KOSUGI
 Dec. 2014 Outside Director, Noevir Holdings Co., Ltd.
 Jun. 2018 External Director, KOSE Corporation (present position)
 May 2020 Outside Director, Takihyo Co., Ltd. (present position)
 Jun. 2020 Outside Director, ALCONIX Corporation (present position), Outside Director of KITZ (present position)
 Jan. 2022 Representative attorney (managing partner), MATSUO & KOSUGI (present position)

Audit & Supervisory Board Members



Standing Audit & Supervisory Board Member

Masahiko Kondo

Born: September 8, 1952
 Aug. 1977 Joined KITZ
 Jul. 2000 General Manager, General Administration and Human Resource Department
 Apr. 2004 Executive Officer, General Manager, General Administration and Human Resource Department
 Apr. 2010 Executive Officer, Deputy Division Manager, Corporate Administration Division
 Apr. 2011 Executive Officer, Division Manager, Corporate Administration Division
 Jun. 2012 Director, Executive Officer, Division Manager, Corporate Administration Division
 Apr. 2014 Director, Managing Executive Officer, Division Manager, Corporate Administration Division
 Jun. 2016 Standing Audit & Supervisory Board Member (present position)



Standing Audit & Supervisory Board Member

Taro Kimura

Born: August 4, 1959
 Dec. 1991 Joined KITZ
 Jun. 2001 General Manager, Accounting and Finance Department
 Apr. 2010 General Manager, Accounting Supervisory Department, Corporate Administration Division
 Apr. 2011 Executive Officer, Deputy Division Manager, Corporate Administration Division
 Jun. 2017 Standing Audit & Supervisory Board Member (present position)



Outside Audit & Supervisory Board Member

Tatsuhiko Takai

Born: February 3, 1952
 Jul. 1974 Joined Mitsui Mining & Smelting Co., Ltd.
 Jun. 2004 Executive Officer, General Manager, Finance Department, Mitsui Mining & Smelting Co., Ltd., Outside Audit & Supervisory Board Member, MESCO, Inc.
 Jun. 2007 Chief Financial Officer, Senior Executive Officer, General Manager, Finance Department
 Jun. 2008 Standing Audit & Supervisory Board Member
 Jun. 2011 Outside Audit & Supervisory Board Member, Nakabohtec Corrosion Protecting Co., Ltd.
 Jun. 2015 Outside Audit & Supervisory Board Member of KITZ (present position)



Outside Audit & Supervisory Board Member

Shuhei Sakuno

Born: February 17, 1954
 Apr. 1977 Joined Yokogawa Electric Works Ltd. (currently Yokogawa Electric Corporation)
 Oct. 1999 General Manager, Affiliated Company Supervision Office
 Apr. 2005 Vice President, General Manager, Accounting & Treasury Center, Corporate Administration Headquarters
 Jun. 2008 Senior Vice President, General Manager, Audit and Compliance Headquarters
 Jun. 2016 Audit & Supervisory Board Member, Yokogawa Solution Service Corporation
 Jun. 2017 Outside Audit & Supervisory Board Member of KITZ (present position)
 Oct. 2019 Outside Audit & Supervisory Board Member, Japaniace Co., Ltd. (present position)



Outside Audit & Supervisory Board Member

Ayako Kobayashi

Born: October 14, 1975
 Oct. 2000 Registered as an attorney at law
 Jan. 2009 Partner, Kataoka & Kobayashi
 Sep. 2013 Part-time lecturer, Keio University Law School
 Apr. 2018 Partner, KATAOKA & KOBAYASHI LPC (present position)
 Jun. 2019 Outside Audit & Supervisory Board Member of KITZ (present position)
 Jun. 2021 Outside Director of Musashino Bank, Ltd. (present position)

Reasons for Appointment of Directors and Skills Matrix

Name	Reason for Appointment	Years in Office	Attendance Status for FY2022		Main specialized knowledge/area								
			Board of Directors Meetings		Corporate management	Global experience	Legal matters/ risk management	Sustainability (ESG)	Capital efficiency management/ financial strategy	Manufacturing/ quality	Innovation/DX/ technological development	Sales/marketing	Personnel affairs/ human resource development
Chairman Yasuyuki Hotta	Yasuyuki Hotta has boldly promoted globalization and sound, highly transparent management, while focusing on tasks including the management of the Board of Directors and strengthening of corporate governance. The Company has judged that the use of his extensive experience and insight will contribute to strengthening the important decision-making and management supervision functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group.	15 years 9 months	15/15 times		○	○						○	
President Makoto Kohno	Makoto Kohno was involved with sales and production in the Valve Manufacturing Business, and later served as Executive Officer in charge of corporate planning and CEO & Managing Director of an overseas Group company. In addition, as Executive Officer in charge of the Valve Manufacturing Business, he boldly promoted the formulation and execution of Valve Manufacturing Business strategy, and as President and Chief Executive Officer has been at the forefront of the overall management of the Group. The Company has judged that the use of his extensive experience and insight will contribute to strengthening the important decision-making and management supervision functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group.	3 years 9 months	15/15 times		○	○						○	
Director, Managing Executive Officer Toshiyuki Murasawa	Toshiyuki Murasawa was involved with duties including the Group companies' business administration division, and served as Executive Officer in charge of the corporate planning and administration divisions, as well as director of a domestic Group company. In addition to planning and executing the Group business and human resource strategies for globalization, he has boldly promoted the strengthening of corporate governance and sustainability management. The Company has judged that the use of his extensive experience and insight will contribute to strengthening the important decision-making and management supervision functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group.	6 years 9 months	15/15 times					○	○				○
Outside Director Kazuyuki Matsumoto	Kazuyuki Matsumoto was long active as a manager of Nabtesco Corporation, and in addition to extensive experience as a corporate manager, he has broad and high-level insight into technological development, manufacturing and other areas. The Company has judged that he will be able to fulfill the role of supervising and providing appropriate advice from an objective and fair standpoint by utilizing his experience.	9 years 9 months	15/15 times		○					○	○		
Outside Director Minoru Amoh	Minoru Amoh was long active as a manager of DuPont Kabushiki Kaisha and has broad and high-level insight into corporate management, global business development, technological development and other areas. The Company has judged that he will be able to fulfill the role of supervising and providing appropriate advice from an objective and fair standpoint by utilizing his experience.	7 years 9 months	15/15 times		○	○					○		
Outside Director Yutaka Fujiwara	Having held branch general manager's positions at overseas branches of a financial institution, Yutaka Fujiwara was active as Executive Officer in charge of finance, IR and group strategy at OMRON Corporation, and has broad and high-level insight into business administration from a global perspective, financial strategy, governance and so on. The Company has judged that he will be able to fulfill the role of supervising and providing appropriate advice from an objective and fair standpoint by utilizing his experience.	5 years 9 months	15/15 times			○		○	○				
Outside Director Yukino Kikuma	Yukino Kikuma has been active as a representative attorney (managing partner) of a law firm and has broad, high-level insight into corporate legal affairs, including dispute resolution in various types of litigation, labor, compliance, risk management and governance, as well as other specialized fields. The Company has judged that she will be able to fulfill the role of supervising and providing appropriate advice from an objective and fair standpoint by utilizing her experience.	2 years 9 months	15/15 times					○	○				○

* The main areas in which each director is expected to demonstrate specialized knowledge based on past experience are indicated with up to three marks. This does not indicate all knowledge and experience that each director possesses.

Reason for Appointment of Audit & Supervisory Board Members

Name	Reason for Appointment	Years in Office	Attendance Status for FY2022	
			Board of Directors Meetings	Audit & Supervisory Board Meetings
Standing Audit & Supervisory Board Member Masahiko Kondo	He is involved in management of the Company as a director in charge of the corporate administration areas which bring the Group companies together and has sought to strengthen management infrastructure and has built and pushed for the strengthening of the Group's risk management system. The Company has judged that he will be able to fulfill the role of reflecting his knowledge and experience in business management, labor, accounting and finance in the audits of the Company.	6 years 9 months	15/15 times	15/15 times
Standing Audit & Supervisory Board Member Taro Kimura	He has many years of experience in managing the Company's accounting and financial operations. As an executive officer in charge of corporate administrative divisions that oversee Group companies, he has developed the Company's internal control system, strengthened its internal audit function and promoted the building of its risk management system. The Company has judged that he will be able to reflect his knowledge and experience in risk management as well as in accounting and finance in the audits of the Company.	5 years 9 months	15/15 times	15/15 times
Outside Audit & Supervisory Board Member Tatsuhiko Takai	He served as Chief Financial Officer and executive officer in charge of finance as well as a corporate auditor for Mitsui Mining & Smelting Co., Ltd. for many years, and has accumulated advanced and wide-ranging insight into finance and accounting. The Company has judged that he will be able to fulfill an appropriate role, including using his knowledge to provide proactive and useful comments at meetings of the Board of Directors and Audit & Supervisory Board.	7 years 9 months	15/15 times	15/15 times
Outside Audit & Supervisory Board Member Shuhei Sakuno	He served for many years as the executive officer in charge of corporate administration at Yokogawa Electric Corporation, and possesses advanced and wide-ranging insight into finance and accounting, internal control, risk management and the development of internal audit systems. The Company has judged that he will be able to fulfill an appropriate role, including using his knowledge to provide proactive and useful comments at meetings of the Board of Directors and Audit & Supervisory Board.	5 years 9 months	15/15 times	15/15 times
Outside Audit & Supervisory Board Member Ayako Kobayashi	She has been active as an attorney for many years and possesses advanced and wide-ranging insight into corporate legal affairs including resolution of disputes including various litigation, compliance, risk management and governance. The Company has judged that she will be able to fulfill an appropriate role, including using her knowledge to provide proactive and useful comments at meetings of the Board of Directors and Audit & Supervisory Board.	3 years 9 months	15/15 times	15/15 times

Executive Officers

President and Chief Executive Officer

Makoto Kohno

Managing Executive Officer

Toshiyuki Murasawa



Executive Officer **Yukinari Koide**

Born: January 15, 1959
 Mar. 1982 Joined KITZ
 Aug. 1999 Managing Director, Miyoshi Valve Co., Ltd.
 Dec. 2004 Branch Manager, Chubu Branch, National Sales Division
 Apr. 2008 General Manager, Sales Planning Department, National Sales Division
 Apr. 2013 General Manager, Business Planning Department, Flow Control Business Unit
 Apr. 2015 Executive Officer, Division Manager, IT Control Division
 Mar. 2021 Executive Officer, General Manager, Flow Control Business Unit (present position)



Executive Officer **Kazuhiko Hirabayashi**

Born: August 6, 1959
 Mar. 1982 Joined KITZ
 Apr. 2004 General Manager, Production Planning Department, Production Division
 Apr. 2012 Deputy Division Manager, Production Division
 Apr. 2013 Executive Officer, Division Manager, Production Division
 Apr. 2017 Executive Officer, Division Manager, Production Division ; In charge of NEW KICS Center (present position)



Executive Officer **Kenji Kato**

Born: January 21, 1962
 Mar. 1991 Joined KITZ
 Apr. 2006 Manager, Kyushu Branch, National Sales Division
 Apr. 2008 Manager, Tokyo Branch, National Sales Division
 Apr. 2015 President & Representative Director, Hotel Beniya Co., Ltd.
 Apr. 2020 Executive Officer, Division Manager, National Sales Division (present position)



Executive Officer **Takashi Ishijima**

Born: October 1, 1967
 Apr. 1990 Joined Nissan Motor Co., Ltd.
 Apr. 2011 Chief IT Architect, Enterprise Architecture Department, Global IT Headquarters
 Apr. 2017 Chief IT Architect, IT Architecture and Production Service Department, Global IT Headquarters
 Sep. 2018 Joined KITZ
 Apr. 2020 Deputy Division Manager, IT Control Division
 Mar. 2021 Executive Officer, Division Manager, IT Division (present position)



Executive Officer **Yoriyuki Koyama**

Born: March 9, 1959
 Mar. 1984 Joined KITZ
 Apr. 2007 General Manager, Production Engineering Department, Production Division
 Oct. 2008 General Manager, SC Manufacturing Department, Production Division
 Apr. 2013 General Manager, Production Engineering Center, Production Division
 Apr. 2015 Executive Officer, Division Manager, Customer Support Division (present position)



Executive Officer **Masaru Takusagawa**

Born: October 4, 1962
 Mar. 1991 Joined KITZ
 Apr. 2004 General Manager, Development Department 3, Engineering Division
 Apr. 2007 General Manager, Research Department, Engineering Division
 Apr. 2008 General Manager, Engineering Department 2, Engineering Division
 Apr. 2010 General Manager, Product Development Department, Engineering Division
 Apr. 2015 General Manager, Production Engineering Center, Production Division
 Apr. 2017 Executive Officer, General Manager, Product Management Center
 Jan. 2022 Executive Officer, General Manager, Product Management Center, Flow Control Business Unit (present position)



Executive Officer **Shuji Takei**

Born: September 16, 1968
 Apr. 1991 Joined KITZ
 Apr. 2015 Manager, Human Resources Department, Corporate Administration Division
 Jan. 2022 Executive Officer, Division Manager, General Affairs and Human Resources Division (present position)



Executive Officer **Yasunori Sugita**

Born: May 6, 1974
 Apr. 1997 Joined KITZ
 Apr. 2008 KITZ Corporation of Europe, S. A. Director
 Apr. 2014 Manager, Quarter-Turn Valve Business Promotion Office, Flow Control Business Unit
 Jan. 2016 Metalúrgica Golden Art's Ltda. Chairman
 Jan. 2022 Executive Officer, General Manager, Business Promotion Center, Flow Control Business Unit
 Jan. 2023 Executive Officer, General Manager, Business Promotion Center; In charge of Hydrogen Division (present position)



Executive Officer **Takahito Hirashima**

Born: September 10, 1959
 Mar. 1985 Joined KITZ
 Jul. 2002 Plant Manager, Suwa Plant, Production Division
 Apr. 2004 Director, KITZ Micro Filter Corporation
 Apr. 2006 President and Chief Executive Officer, KITZ Micro Filter Corporation
 Apr. 2011 Executive Officer, Division Manager, Engineering Division
 Jun. 2012 Director, Executive Officer, Division Manager, Engineering Division
 Apr. 2017 Executive Officer, Division Manager, Engineering Division
 Feb. 2018 Division Manager, Engineering Division
 Apr. 2019 Executive Officer, Division Manager, Engineering Division
 Jan. 2022 Executive Officer, General Manager, New Business Development Office
 Jan. 2023 Executive Officer, General Manager, New Business Development Office; In charge of Environmental Solutions Division (present position)



Executive Officer **Kazunori Okimura**

Born: September 5, 1959
 Apr. 1983 Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
 Apr. 2009 General Manager, Legal Department
 Apr. 2012 General Manager of Legal and Compliance Department
 Jun. 2013 Executive Officer, General Manager of Legal and Compliance Department
 Apr. 2016 Executive Officer, General Manager, Legal Department
 Jun. 2018 Joined KITZ
 Apr. 2019 Executive Officer, General Manager, Legal Department,
 Jan. 2021 Executive Officer, Division Manager, Legal, Intellectual Property and Risk Management Division (present position)



Executive Officer **Kenichi Bessho**

Born: October 27, 1964
 Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
 Apr. 2003 Director, Matsushita Industrial Corp. Sdn. Bhd.
 Apr. 2017 President and Representative Director, Panasonic Finance Solutions Co., Ltd.
 Oct. 2020 Joined KITZ
 Apr. 2021 Manager, Accounting Supervisory Department, Corporate Administration Division
 Jan. 2022 Deputy Division Manager, Corporate Finance Division
 Jan. 2023 Executive Officer, Division Manager, Corporate Finance Division (present position)

Messages from Outside Directors

KITZ appoints outside directors who have extensive experience and insight regarding corporate management to further enhance its corporate governance. Of the seven company directors, four of them, more than half, have been outside directors since June 2020.



Enhance corporate value by achieving the Long-term Management Vision!

Kazuyuki Matsumoto Outside Director

Already a year has passed since the excellent Long-term Management Vision and Medium-term Management Plan were announced. As the systems to implement them and the necessary investments have also been given full consideration, let's achieve the Long-term Management Vision for 2030 and enhance the corporate value of the KITZ Group. I also encourage the Group to fully consider the technology roadmap, place a greater emphasis on the customer perspective while regularly revising it, and steadily implement technological development that actively reflects points of contact with the outside.

The business of KITZ is deeply connected with the growth markets of water, energy, and information and is essential to

people's daily lives, both directly and indirectly. That is why we should look forward to exceptional growth in the future.

I hope to work together to make the KITZ Group an organization that all stakeholders see as attractive in the long term, with the aim of putting into practice the KITZ Action Guide of "Do it True," "Do it Now," and "Do it New" and achieving remarkable growth.

As an outside director, I intend to pose high-quality questions regarding various management issues and follow up on those issues to contribute to the realization of the Long-term Management Vision and Medium-term Management Plan.

I will contribute to sustainable growth to enhance corporate value.

Minoru Amoh Outside Director

I believe that an outside director has important roles to play in offering differing opinions and approaches, driving tough decision-making, and contributing to the selection of successors for important positions. To ensure these roles function effectively, it is important to closely communicate with inside and outside officers, understand the logic behind actions on the execution side, and have a good knowledge of the corporate culture. To enhance corporate value, which is the greatest responsibility of a company, I will be involved in medium to long-term strategy and contribute to sustainable growth.

KITZ is currently in the process of establishing global management foundations and is striving to harness world-class technologies and production innovations to deliver solutions

to customers while pursuing sustainable management, adapting to energy shifts and a recycling-oriented society, and establishing a solid position in growth markets. KITZ is also working to visualize global supply chains, invest in labor savings, and boost labor productivity while pursuing workstyle reforms and striving to become a company where employees can work in better health and safety.

KITZ is also promoting a structure of company officers that takes into account diversity, specialization, and overall balance, important elements for further enhancing corporate governance, and at the same time is thoroughly implementing risk management and global compliance and making every effort to ensure management transparency.

I will continue to take on challenges.

Yutaka Fujiwara Outside Director

In FY2022, business performance rebounded, and ROE, an indicator of capital efficiency, also returned to a level above 8% expected by the market.

In April 2022, KITZ moved to the Prime Market of the Tokyo Stock Exchange. About a year and a half since then, while still having some way to go, KITZ has made steady strides to becoming a company befitting the Prime Market, namely a "company committed to achieving sustainable growth and improving corporate value over the medium to long term as well as maintaining appropriate levels of market capitalization (liquidity) to be investment instruments for

many institutional investors."

To continue improving ROE going forward, KITZ has been working not only to expand its business but also to revise unprofitable products, slim down its assets, and improve capital efficiency from the front lines up with the adoption of ROIC.

At the same time, KITZ has been making company-wide efforts to create a company that fulfills the dreams of employees and all stakeholders, one that is friendly to the environment and respects diversity. As a member of the Board of Directors, I also hope to be actively involved in taking on these challenges.

An organization in which each person can shine

Yukino Kikuma Outside Director

As work isn't something you can do alone but a team effort, it naturally demands cooperation. But if that is taken to mean that "people should be malleable," an organization will not grow. Always looking to hire people with the potential to surpass you and steadily giving opportunities to that junior talent is essential for sustainable growth.

KITZ regularly reports on the progress of its talent management system. This shows what management wants each employee to experience at any given time and where it wants them to end up. While KITZ has not yet produced a female officer internally, the progress of female employees succeeding in each department can be monitored through

these reporting sessions.

However, the results of KITZ's employment engagement survey showed some room for improvement in terms of positive attitudes toward work and expectations of the organization. There may be a disconnect between what senior management wants and how that is received by employees. I believe it will be necessary to pursue further reforms in order to properly accept honest feedback from employees, develop an environment in which each employee can fully realize their potential, and offer a fulfilling work experience for the employees who have chosen to work at the KITZ Group.