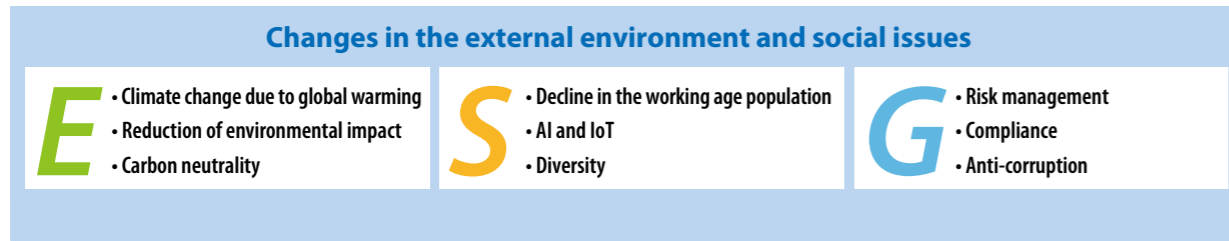


# The KITZ Group's Value Creation

## Value Creation Process



## キッツ宣言

*KITZ' Statement of Corporate Mission*

わたしたちは、  
流体制御技術と材料開発で社会インフラを支え、  
ゆたかな地球環境と持続可能な未来を創造していきます

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

## 行動指針

*Action Guide*

### Do it **KITZ** Way

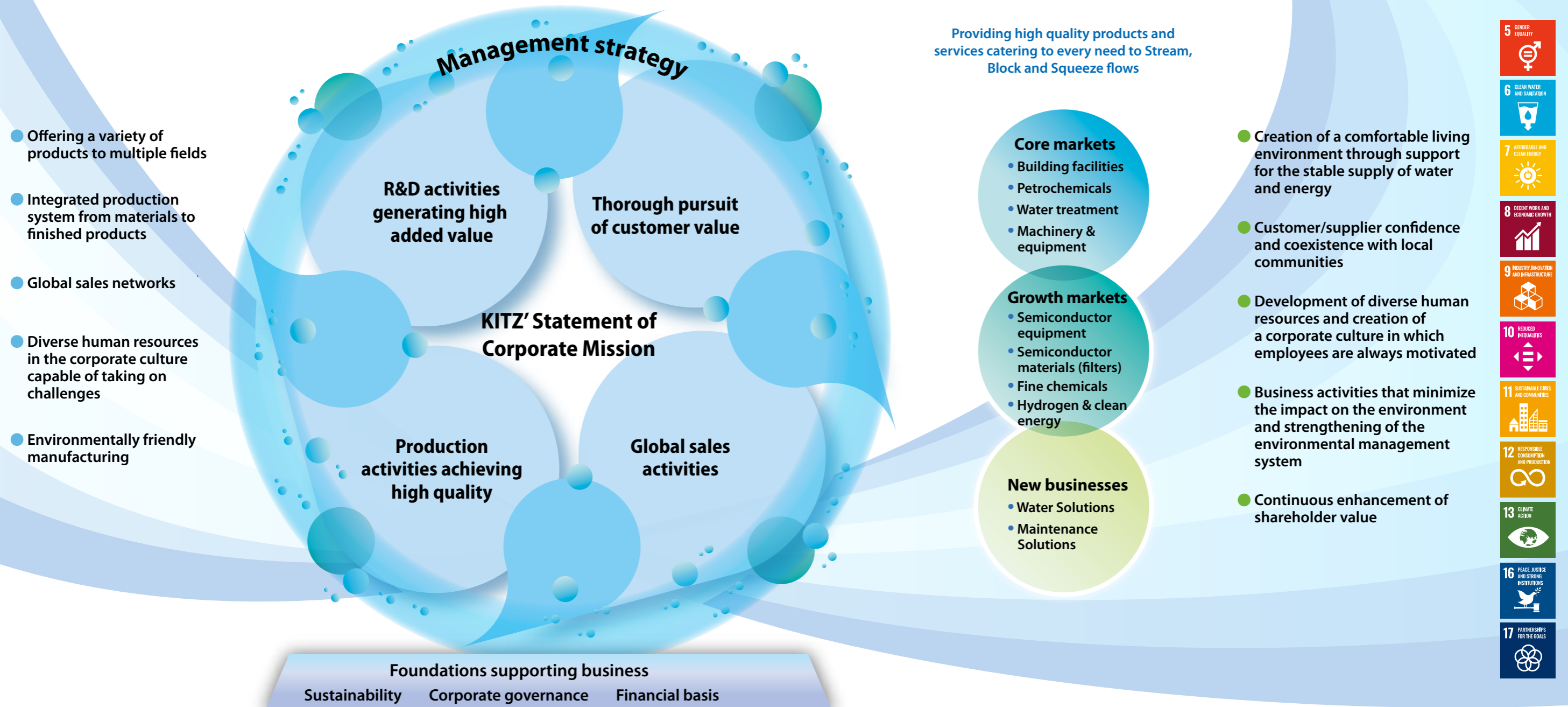
- Do it True (誠実・真実)
- Do it Now (スピード・タイムリー)
- Do it New (創造力・チャレンジ)

### Management resources supporting the value creation process

### Value Creation Process

### Output

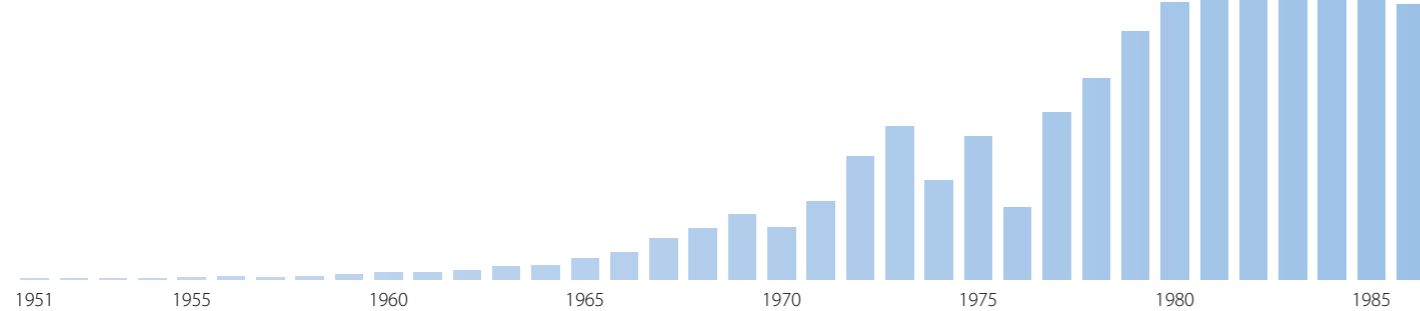
### Value Delivery



# KITZ Group's Growth Trajectory

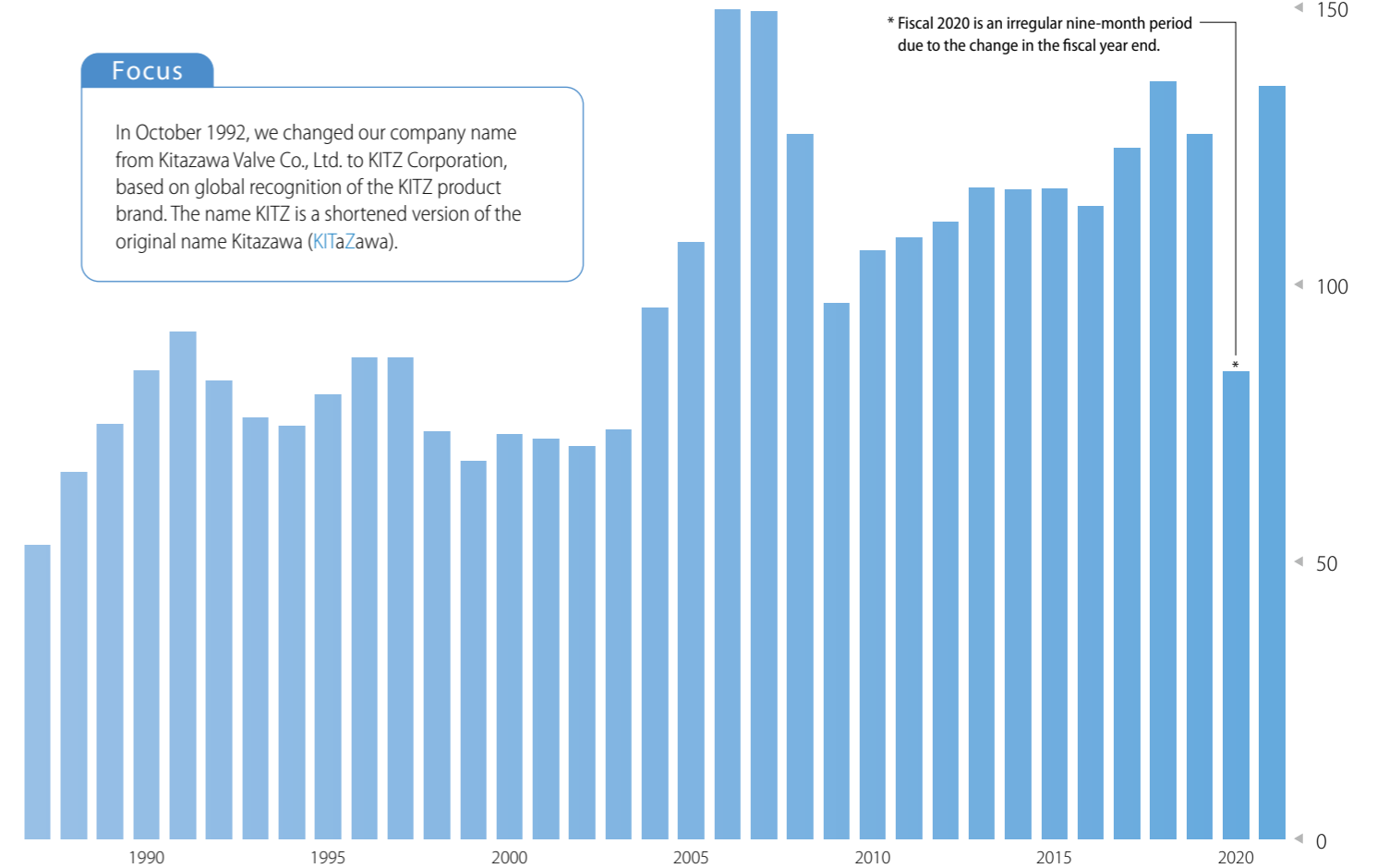
The Kitazawa Factory (now KITZ Corporation) was founded in 1951 when Japan was in the transition period from the chaotic aftermath of the postwar era to the approaching era of high growth. Guided by the founding principle of Toshio Kitazawa (1917-1997), the Company positioned integrated production as the basis of its operations, in which all processes are carried out under one roof, from materials to finished products and from casting through machining, assembly, inspection and shipment. Furthermore, the Company has built a structure that provides customers with meticulous service and post-sale follow-up. This insistence on "better quality" has been upheld and passed down as the cornerstone of the KITZ Group's activities. The Group has grown to become one of the world's pre-eminent corporate groups, developing a solid position as an all-round valve manufacturer that provides a wide variety of products to multiple fields.

\* Sales from 1951 to 1976: Non-consolidated



## Focus

In October 1992, we changed our company name from Kitazawa Valve Co., Ltd. to KITZ Corporation, based on global recognition of the KITZ product brand. The name KITZ is a shortened version of the original name Kitazawa (KITaZawa).



**Toshio Kitazawa**  
(Term of office:  
1951 to 1985)



**Yusuke Shimizu**  
(Term of office:  
1985 to 2001)



**Kimio Kobayashi**  
(Term of office:  
2001 to 2008)



**Yasuyuki Hotta**  
(Term of office:  
2008 to 2021)



**Makoto Kohno**  
(Term of office:  
2021-)

### Initial founding, and building a production and sales network

- 1951
  - Toshio Kitazawa founded the Kitazawa Mfg. Works Co., Ltd.
  - The Nagasaka Plant was completed and the manufacture and sales of cast bronze valves started.
- 1952
  - Nationwide distributors' association was organized, marking the establishment of a distribution system for the domestic market.
- 1959
  - Started manufacturing brass rods.

### Expansion of product range and growth into an all-round valve manufacturer

- 1962
  - Company name was changed to Kitazawa Valve Co., Ltd.
- 1967
  - Started manufacturing and selling ductile cast iron valves and stainless steel valves.
- 1968
  - Started manufacturing and selling butterfly valves.
- 1969
  - Started manufacturing and selling cast iron valves.
- 1974
  - Started manufacturing and selling cast steel valves.
- 1977
  - Listed on the Second Section of the Tokyo Stock Exchange.
- 1978
  - KITZ** became a registered trademark.

### Establishment of the trusted KITZ brand

- 1989
  - The Nagasaka and Ina plants obtained ISO 9001 quality management system certification, making KITZ the first Japanese company to receive this certification.
- 1991
  - Spanish ball valve manufacturer ISO S.A. (currently KITZ Corporation of Europe, S.A.) joined the KITZ Group.

- 1992
  - Changed name to KITZ Corporation and moved the head office to the Makuhari district of Chiba City.
- 1995
  - Shimizu Alloy Mfg. Co., Ltd. joined the KITZ Group, enabling the group to begin supplying products for water supply systems.

### Accelerating selection and concentration, and promoting globalization

- 2001
  - Purchased the semiconductor related business from the former Benkan Group.
- 2002
  - Carried out impairment of assets and reconstructed poorly performing business operations.
- 2004
  - Separated and reestablished the brass bar manufacturing and microfilter (MF) business as separate entities.
- 2009
  - Perrin GmbH, a ball valve manufacturer in Germany, joined the KITZ Group.
- 2015
  - Indian industrial valve manufacturer Micro Pneumatics Pvt. Ltd. joined the KITZ Group.
  - Brazilian industrial ball valve manufacturer Metalúrgica Golden Art's Ltda. joined the KITZ Group.
- 2018
  - Korean industrial butterfly valve manufacturer Cephas Pipelines Corp. joined the KITZ Group.

## History



1951  
The Nagasaka Plant begins operation in Japan with just 11 employees in a small workshop, not a full factory.



1962  
Japan's first forged brass valves called FH and FS introduced.



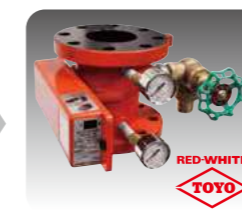
1980  
Introduced a cast bronze valves designed handwheel, "CHRYSANTHEMUM-HANDLE"® (See page 28 Focus).



1984  
Listed on the First Section of the Tokyo Stock Exchange.



1999  
KEEPALLOY environmentally friendly lead-free dezincification-resistant brass bars are developed and announced.



2004  
Toyo Valve Co., Ltd., another well-known Japanese valve manufacturer, joined the KITZ Group.



2012  
Launched ultra-high pressure ball valves for hydrogen stations.

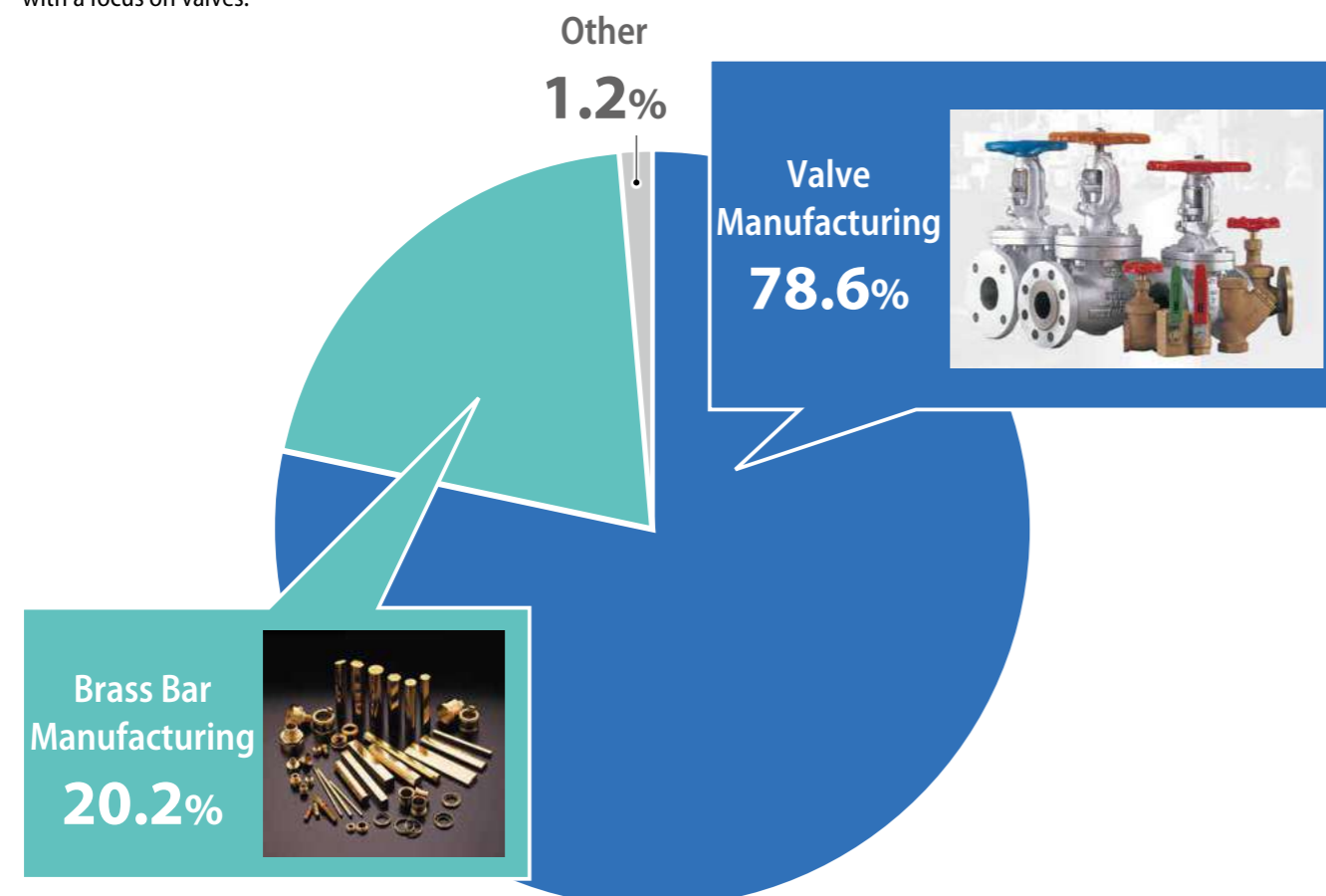


2019  
Consolidated operating income for the fiscal year ended March 2019 was a record-high ¥11,713 million.

# Business Segments

The KITZ Group operates a valve manufacturing business that involves the manufacturing and sale of joints, purifiers and industrial filters with a focus on valves as a type of fluid control device, brass bar manufacturing business that involves the manufacturing and sale of brass bars used as faucet fittings, gas equipment and materials for home appliance components, and other businesses including the operation of hotels.

Moving forward, the KITZ Group will continue to pursue further growth as an all-round fluid control device manufacturer with a focus on valves.



(Sales by segments for the fiscal year ended December 31, 2021)

Consolidated Net Sales: ¥135,790 million  
 Overseas Sales Ratio: 30.4%  
 Number of Employees (consolidated): 5,153 (Gender Ratio: Male 72.7% Female 27.3%)  
 Number of Consolidated Subsidiaries: 36  
 Global Network: 18 countries  
 (as of December 31, 2021)

## Valve Manufacturing

Sales by segments **78.6%**

### Strengths

#### Providing a Wide Range of Products as an All-Round Valve Manufacturer

With a large number of valve manufacturers specializing in limited markets and fields and narrowing down the manufacturing and sale of valves to particular materials and shapes, the KITZ Group maintains a lineup of valves featuring an array of shapes in various materials including bronze, brass, stainless steel, cast iron and cast steel. As an all-round valve manufacturer, we offer products that span numerous fields covering every area from our daily lives to industry.

#### KITZ Brand as a Mark of High Quality

The KITZ Group maintains casting equipment designed for the main materials of valves. We manufacture our products on the basis of an integrated production system that covers everything from material selection to casting, machining, assembly and inspection. By developing a quality assurance system that extends back to the materials we use, we have established the position of KITZ as a brand that stands for reliability.

#### High Market Share

In the domestic market, we have established a strong sales network that can quickly respond to customer feedback through a network of distributors that covers all of Japan. Moreover, we maintain a particularly high market share in brass, bronze and stainless steel valves.



### What Are Valves?

Valves are a general term for fluid control devices that have the function of flowing and stopping fluids (water, air, oil, gas, etc.) in pipes and controlling the flow.

The origin of valves dates back to woodcocks that were excavated from ancient Egyptian ruins dating from around 1000 BC. Around the mid-1800s, when boilers for spinning were imported, metal valves were used for the first time in Japan. At the start of the Meiji era, when water service and town gas service commenced, valve manufacture began in Japan.

Today, valves are connected with diverse pipes in a wide range of fields from those close to our daily life, such as water and sewage, hot-water supply, gas and air conditioning, to the production processes in industrial fields, such as oil, chemical and pharmaceutical products and food. Valves play an extremely important role. Although we are rarely aware of their existence in our daily life, valves strongly support our life behind the scenes.



## Brass Bar Manufacturing

Sales by segments **20.2%**

### Strengths

#### Development of New Materials based on Alloy Technologies Cultivated over Many Years

Our business began with the manufacturing of brass bars, which is a main material of valves. Today, we respond to market needs by actively developing and selling new materials that are friendly toward people and the environment, including dezincified corrosion-resistant brass bars and lead-free brass bars.

## Other

Sales by segments **1.2%**

### Strengths

#### Operating One of the Largest Hotels in the Kamisuwa Onsen Hot Springs District

Our business is service-related operations, focusing on Hotel Beniya, located in Suwa, Nagano Prefecture. In addition to the hotel business, we also operate two service areas: the Suwako service area located along the Chuo Expressway (outbound) and the Tobu Yu-no-maru service area located along the Joshin-etsu Expressway (inbound).