



**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

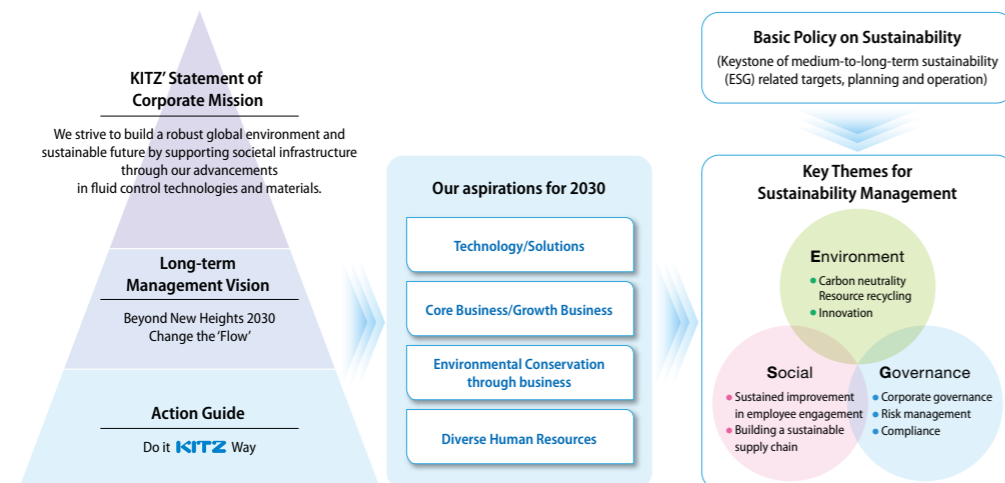
In 2021, the KITZ Group celebrated its 70th anniversary. Since our founding in 1951, we have championed regional development and environmental conservation activities to fulfill our corporate social responsibility (CSR).

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 as a company. 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 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 groupwide 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, three decades on and beyond we will continue to actively challenge new things rather than remaining tied to what is old and normal.

We will further evolve the fluid control technologies we have cultivated with valves, surpass even the lofty heights to which we aspire 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 was formulated as the keystone of sustainability management and approved by resolution of the Board of Directors in December 2021.

The slogan 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 as an organization to assist the Board of Directors in promoting integrated sustainability management groupwide. It will promote sustainability management powerfully throughout the entire group by sharing priority themes and key performance indicators (KPIs) on sustainability management and deploying groupwide measures targeting issues, KPIs and other topics from individual companies and sections.

<b>Goals</b>	(1) Promoting integrated sustainability management groupwide
	(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
<b>Chairperson</b>	General Manager, Corporate Planning Division
<b>Membership</b>	Executive Officers, presidents of KITZ Group companies
<b>Administrative office</b>	Sustainability Promotion Office
<b>Frequency of meetings</b>	Twice a year

Plans call for the establishment of subcommittees to promote coordination with Group companies around the world as organizations under the umbrella of the Group-wide Sustainability Promotion Committee.

### Participation in External Initiatives

#### ● United Nations Global Compact (UNGC)



On August 23, 2021, the KITZ Group became a registered signatory of the United Nations Global Compact (UNGC). The UNGC is an initiative launched at the Davos World Economic Forum in 1999 to build healthy global societies through collaboration between the United Nations and private-sector businesses and organizations. UNGC signatories carry out activities along the axes of the Ten Principles in the four categories of human rights, labor, the environment and anti-corruption. We plan from now on to report annually on the state of our initiatives in this regard.

#### ● Task Force on Climate-Related Financial Disclosures (TCFD)

KITZ has announced its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and has also joined the TCFD Consortium, a collection of business enterprises, financial institutions and other entities that support the TCFD recommendations. Going forward, we will make steady progress on data-driven analysis to ascertain the risks and opportunities associated with climate change, and will enhance the quality and quantity of disclosures in line with the TCFD recommendations. Please check the KITZ website to learn more about our response to climate change (disclosures consistent with the TCFD recommendations).



# Corporate Governance

## Key Themes for Sustainability Management

### E (Environmental)

The Environment Safety Department and Sustainability Promotion Office will make a united effort to further strengthen the “triple zero” initiatives of the Long-term Environmental Vision. Particularly with regard to the important “Zero CO<sub>2</sub> emissions” issue, by making progress in shifting the electric power used by domestic Group companies to renewable energies by the end of FY2024, we aim to reduce emissions by more than 90% compared with FY2013 levels by 2030 as an interim environmental target, and reach carbon neutrality as a long-term environmental target by 2050.

### S (Social)

In its Long-term Management Vision, the KITZ Group mentions human resource development and system reforms to support global management, and realizing workplace environments in which employees can work with vitality. With the aim of ascertaining the current state of this organizational climate, we introduced and began operating an Employee Engagement Survey in FY2021. Through the

survey, we objectively evaluate employee work fulfillment and self-directed growth, and pursue initiatives to continually improve the scores further. This endeavor creates an organization in which each employee can realize his or her maximum performance as a professional, and also aims to ensure the company is always chosen by stakeholders, including employees.

### G (Governance)

In terms of corporate governance, we pursue the development of a management structure that enables fair, prompt and resolute management decision-making, and endeavor to disclose information that is highly useful to all stakeholders, including non-financial information. On the risk management front, we seek to avoid or mitigate threats by treating risks as future uncertainties and also implement initiatives focused on potential opportunities. In addition, with regard to compliance, we will also concentrate on social issues, such as human rights and anti-corruption, and will make unified groupwide efforts to develop systems to a global standard.

	Key Themes for Sustainability Management	Social Issues	Specific Initiatives	FY2030 Quantitative Targets	Relationship with the SDGs
E Environmental	Carbon neutrality Resource recycling	<ul style="list-style-type: none"> <li>Transition to a decarbonized society</li> <li>Depletion of resources</li> <li>Increase in waste</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives for realization of Long-term Environmental Vision “Triple Zero”</li> <li>(1) Zero CO<sub>2</sub> emissions</li> <li>(2) Zero environmental impact                             <ul style="list-style-type: none"> <li>Water neutrality (Promote water saving, circulation, and recharge)</li> <li>Zero emissions (Promotion of the 3Rs, recycling of casting sand, etc.)</li> </ul> </li> <li>(3) Zero risk                             <ul style="list-style-type: none"> <li>Zero environmental accidents (Environmental pollution)</li> <li>Zero occupational accidents (Serious accidents and LTIF rate)</li> <li>Zero fire accidents (accidents involving fire or explosions)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> reduction rate (90%)</li> <li>Waste landfill disposal rate Less than 1.0%</li> <li>Water resource discharge (100%)*1 (Compared to FY2013)</li> </ul>	<ul style="list-style-type: none"> <li>6 CLEAN WATER AND SANITATION</li> <li>7 AFFORDABLE AND CLEAN ENERGY</li> <li>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</li> <li>11 SUSTAINABLE CITIES AND COMMUNITIES</li> <li>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</li> <li>13 CLIMATE ACTION</li> <li>17 PARTNERSHIPS FOR THE GOALS</li> </ul>
	Innovation	<ul style="list-style-type: none"> <li>Economic growth through innovation</li> <li>Transition to a decarbonized society</li> <li>Depletion of water resources</li> </ul>	<ul style="list-style-type: none"> <li>Development of fluid control technology to support a decarbonized/hydrogen-powered society</li> <li>Development of materials that contribute to reducing environmental impact</li> <li>Initiatives to solve social issues related to limited water and fluids</li> </ul>		
S Social	Sustainable improvement of employee engagement	<ul style="list-style-type: none"> <li>Decline in the working-age population</li> <li>Respect for human rights</li> <li>Active role played by diverse human resources</li> <li>System and environment for a better workplace</li> <li>A rewarding work culture</li> </ul>	<ul style="list-style-type: none"> <li>Permeation of corporate philosophy and long-term management vision</li> <li>Promotion of D&amp;I and fostering of a culture of collaboration</li> <li>Human resource development and system reforms to support global management</li> <li>Realization of a workplace environment in which employees can work with vitality</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement score*2</li> <li>“Rewarding work culture” 56 pt</li> <li>“Better work environment” 55 pt</li> <li>Percentage of women managers: 20%*3</li> <li>Total working hours: 1,870 hours</li> <li>Percentage of paternity leave: 100%</li> </ul>	<ul style="list-style-type: none"> <li>5 GENDER EQUALITY</li> <li>8 DECENT WORK AND ECONOMIC GROWTH</li> <li>10 REDUCED INEQUALITIES</li> </ul>
	Building a sustainable supply chain	<ul style="list-style-type: none"> <li>Responsibilities in the supply chain surrounding the Company</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on CSR procurement</li> <li>Establishment of a structure for stable procurement of raw materials and parts</li> </ul>		
G Governance	Corporate governance Risk management Compliance	<ul style="list-style-type: none"> <li>Sustainable corporate management</li> <li>Corporate fraud and scandals</li> </ul>	<ul style="list-style-type: none"> <li>Further enhancement of transparency in management decision-making</li> <li>Risk management that focuses on both risk reduction and opportunity creation</li> <li>Global compliance conducive to sustainable management</li> </ul>		<ul style="list-style-type: none"> <li>16 FAIR WORK AND TRADE INCLUDING EMPLOYEES</li> </ul>

\*1 Scope: Process water used in the manufacture of valves, etc.

\*2 FY2024 target

\*3 Employees of the department manager

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

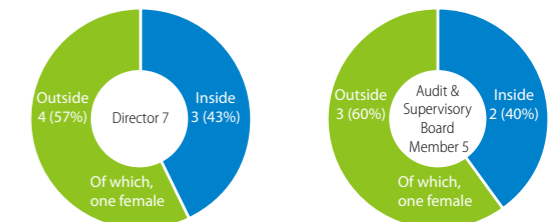
KITZ employs as its organizational design for corporate governance the structure of a company with an Audit & Supervisory Board, under which authority and responsibility for decision-making on important matters concerning business administration and for oversight of business execution are centered in 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 Audit & Supervisory Board 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.

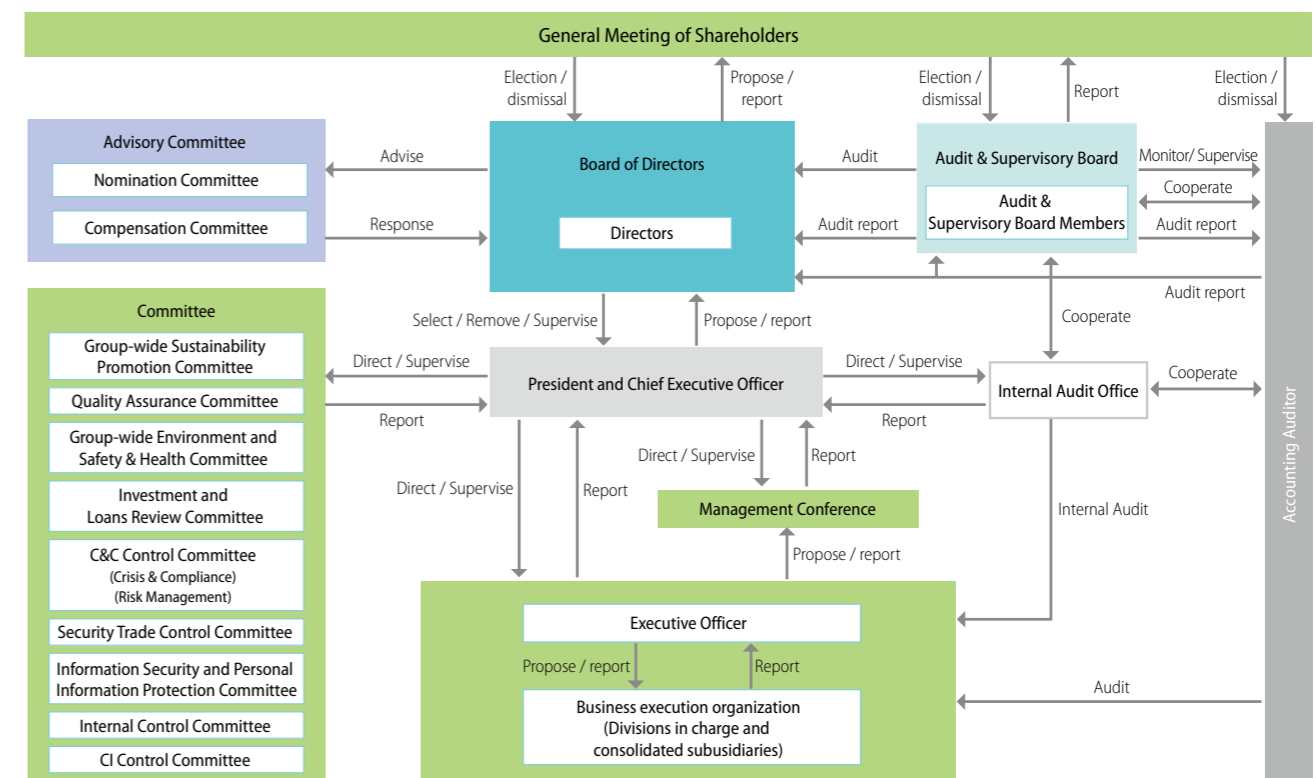
## Composition of Directors and Audit & Supervisory Board Members (as of end of March 2022)



## Board of Directors and Directors

The Board of Directors comprises seven members, four of whom are independent outside directors (at least one third of the Board of Directors) in order to strengthen the management oversight functions of the board.

In addition, to ensure diversity on the Board of Directors, one female director (outside director) has been appointed.



## Nomination Committee and Executive 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 Executive 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 Executive Compensation Committee

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

## Ensuring of 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 2022, formulation and implementation of management strategy, sustainability initiatives, constitution of the Board of Directors, appointment and compensation for directors, roles expected for outside directors, vitalization of discussion at Board meetings and response to shareholders, investors and other stakeholders were asked. The result of the evaluation says that the effectiveness of the Board of Directors is ensured in general.

Constructive feedback was also obtained regarding sustainability initiatives, the promotion of non-financial information disclosures and about organizational design, including points for improvement. The Board of Directors will take up these issues for discussion in the future in an effort to ensure greater effectiveness.

## Executive Officer System and the Management Conference

The Group employs an executive officer system as a system for cross-functional business execution responsibility 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, whose membership consists of executive directors and 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 internal control system operation, KITZ operates various dedicated committees. Through these committees, KITZ evaluates, checks and balances, improves and implements other necessary controls regarding important matters related to appropriate and lawful decision making in Group management.

### Executive Compensation

KITZ' 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 the position and performance target achievement level for each director, with the aim of increasing the awareness of contribution to KITZ' 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 Executive 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 2021

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)	233 (43)	159 (43)	45 (-)	28 (-)
Audit & Supervisory Board members (outside Audit & Supervisory Board members)	5 (3)	71 (28)	71 (28)	- (-)	- (-)
Total (total for outside officers)	13 (7)	305 (72)	231 (72)	45 (-)	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 2021 are listed.

### Sale and Reduction of Cross-Shareholdings

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

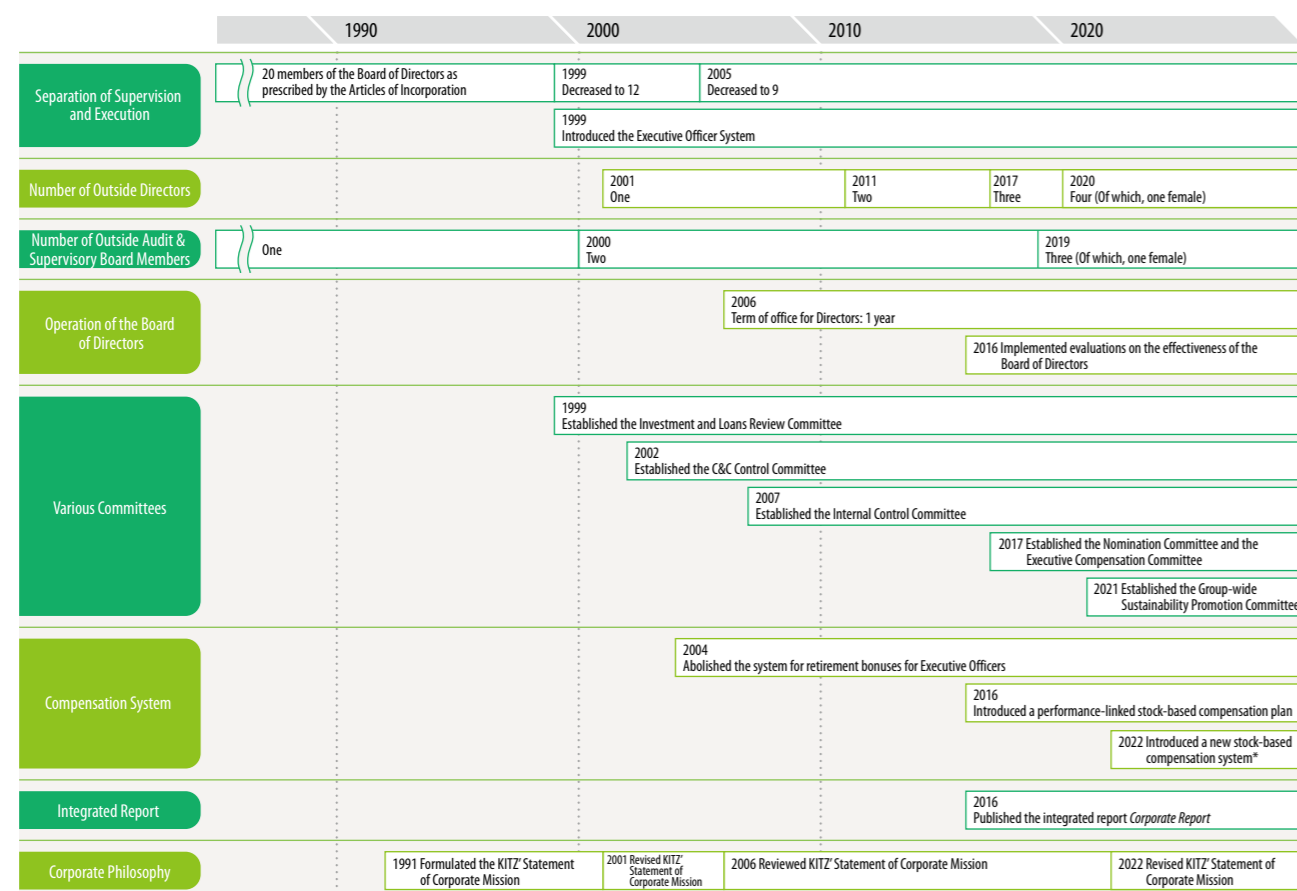
In addition, the Board of Directors annually verifies and reviews cross-shareholdings from the perspectives of both economic rationality (quantitative perspectives) and the qualitative significance of such holdings, and share issues judged not to satisfy the Policy on Cross-Shareholdings are sold.

### 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 KITZ Group companies, as well as monitoring the groupwide 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

## Matrix and History of Corporate Governance



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

follow-up is conducted regarding corrective measures. These are reviewed closely by the Internal Control Committee and reported to the Board of Directors periodically. In addition, auditing is conducted regarding the important risks faced by each Group company to elucidate the risks inherent in each section of the Group company and to avoid and mitigate risks and thus to provide support for business improvements and building structures for legal and regulatory compliance.

### 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 has 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 directors, Audit & Supervisory Board members, executive officers and employees.

Directors, Audit & Supervisory Board members, executive officers 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. In this and other ways, we secure a structure that directors, Audit & Supervisory Board members, executive officers 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 groupwide Compliance Guidebook to the officers 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, and is designed to educate and raise awareness concerning compliance and to publicize how to use the contact point for whistleblowing reports (compliance helpline).

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.

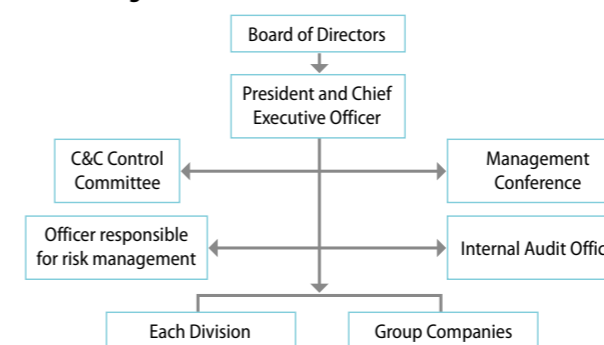
### Risk Management

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.

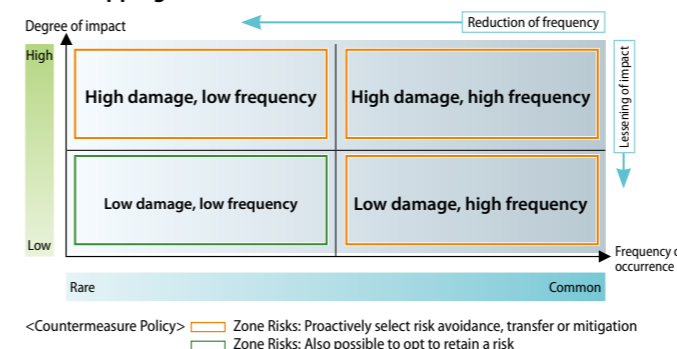
#### Risk Management Structure



#### ● 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

#### Risk-mapping scale



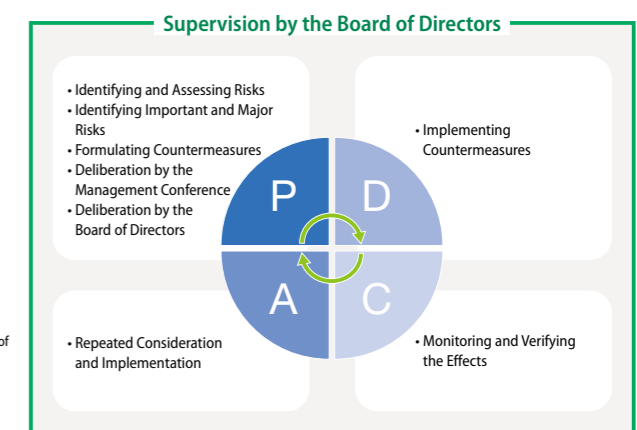
the basic policy and evaluation standards for risk evaluation formulated by the C&C Control Committee. Specifically, risks are graded by each evaluation item under the standards for determining their frequency of occurrence and their impact (consisting of the items of human injury, physical damage, liability, 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.

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.



# Board of Directors, Corporate Auditors and Executive Officers

(as of March 31, 2022)

## 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. (present position)  
 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 (present position)  
 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, Japanice 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 FY2021		Main specialized knowledge/area								
			Board of Directors Meetings	Audit & Supervisory Board 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.	14 years 9 months	16/16 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 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.	2 years 9 months	16/16 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.	5 years 9 months	16/16 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.	8 years 9 months	16/16 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.	6 years 9 months	16/16 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.	4 years 9 months	16/16 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.	1 year 9 months	16/16 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 FY2021	
			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.	5 years 9 months	16/16 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.	4 years 9 months	16/16 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.	6 years 9 months	16/16 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.	4 years 9 months	16/16 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.	2 years 9 months	16/16 times	14/15 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 (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 **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 **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 **Kenji Katsuragi**

Born: October 31, 1956  
 Jun. 1999 Finance Director, Panasonic Australia Pty. Ltd.  
 May. 2006 Group Manager, Overseas Department System Group, Panasonic Corporation  
 Jan. 2008 Vice President, Panasonic Consumer Electronic Company, a division of Panasonic North America Corp.  
 Oct. 2009 Auditor, Audit Department, Panasonic Corporation  
 Apr. 2011 General Manager, Overseas Finance Center, Panasonic Corporation  
 Jan. 2012 Director, CFO, Panasonic Europe Ltd.  
 Aug. 2016 Joined KITZ  
 Apr. 2017 Executive Officer, Deputy Division Manager, Corporate Administration Division  
 Jan. 2022 Executive Officer, Division Manager, Corporate Finance 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 Control Division (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 **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 **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 (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 (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.**



## I will contribute to sustainable growth to enhance corporate value.

**Kazuyuki Matsumoto** Outside Director

The innovative technological advances in IT and AI have been a catalyst, spurring innovation and causing major changes in various fields, and those changes have picked up speed due to the COVID-19 pandemic. In February 2022, KITZ announced an excellent Long-term Management Vision and Medium-term Management Plan. As the systems and investments needed to implement these have been fully considered, let's be constantly mindful of KITZ' Statement of Corporate Mission and the Action Guide, hone our human resources, maintain an interest in change and a healthy sense of urgency, and work to realize the Long-term Management Vision for 2030.

Additionally, with KITZ' inclusion in the Prime Market of the Tokyo Stock Exchange, there are expectations from many stakeholders, including global investors, to produce sustainable and profitable growth, and since stakeholders evaluate us

with a keen eye, achieving the Long-term Management Vision and Medium-term Management Plan is more important than ever. To accomplish these goals, we must work through close communication with customers and markets to realize what truly troubles them and solve those issues, thereby ensuring trust and a competitive advantage, striking a balance between existing and new businesses, and translating that into lasting and profitable growth.

Fortunately, KITZ' business of energy and water is essential to people's lives, both directly and indirectly. As an outside director, I will contribute to the realization of the company's plans by posing quality questions and following up on them, and have great hopes that the KITZ Group will be a company that appeals to all stakeholders for many years.

## I will be involved in the challenge to make KITZ a truly global company.

**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 contribute to sustainable growth to enhance corporate value.

**Yutaka Fujiwara** Outside Director

Starting April 2022, the Tokyo Stock Exchange was reborn. KITZ moved from the previous First Section of the exchange to the newly created Prime Market. To borrow from the words of the Tokyo Stock Exchange, the Prime Market is "a market for companies with a market capitalization (liquidity) large enough to be targeted by many institutional investors, which are committed to sustainable growth and enhancing corporate value in the medium to long term."

Against the backdrop of this market reorganization, I understand that stock exchanges and market participants harbor a great sense of crisis. The corporate governance systems

of Japanese companies still compare unfavorably to those of European and American companies, and more than anything, if the overwhelming difference in capital efficiency remains this way, Japan Inc. could sink.

Perhaps a further sifting out of companies will occur in the near future. It is not an easy road. But KITZ has boldly opted to take on challenges. To shine as a truly global company in the near future, KITZ is prepared to assume a united posture in taking on the Prime Market, where even greater challenges await. As a member of the Board of Directors, I will actively take part in this challenge.

## I look forward to KITZ taking a positive attitude toward solving social issues.

**Yukino Kikuma** Outside Director

The Long-term Management Vision and Medium-term Management Plan that were recently announced were formulated after roughly six months of discussions by the Board of Directors. They clarified President Kohno's desire for KITZ's future direction, to accelerate initiatives related to existing businesses and boldly take on the challenge of new businesses. I think President Kohno has demonstrated outstanding leadership in embracing the sincere attitude of objectively analyzing the company's own strengths and weaknesses without turning away from reality and drawing up concrete measures to ensure success in this uncertain world.

In the Medium-term Management Plan, KITZ has laid out strategies specific to each market and area, but the basis for all of these strategies is, as stated in the Basic Policy on Sustainability, striving to solve social issues through business activities and enhancing both corporate and social value. To accomplish these goals, we need to adopt an attitude of seeking out social issues actively, not passively. I hope that having each and every employee feel personally invested in every business of KITZ and working together on them as one will lead to greater motivation and well-being.



# Environmental Activities

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.

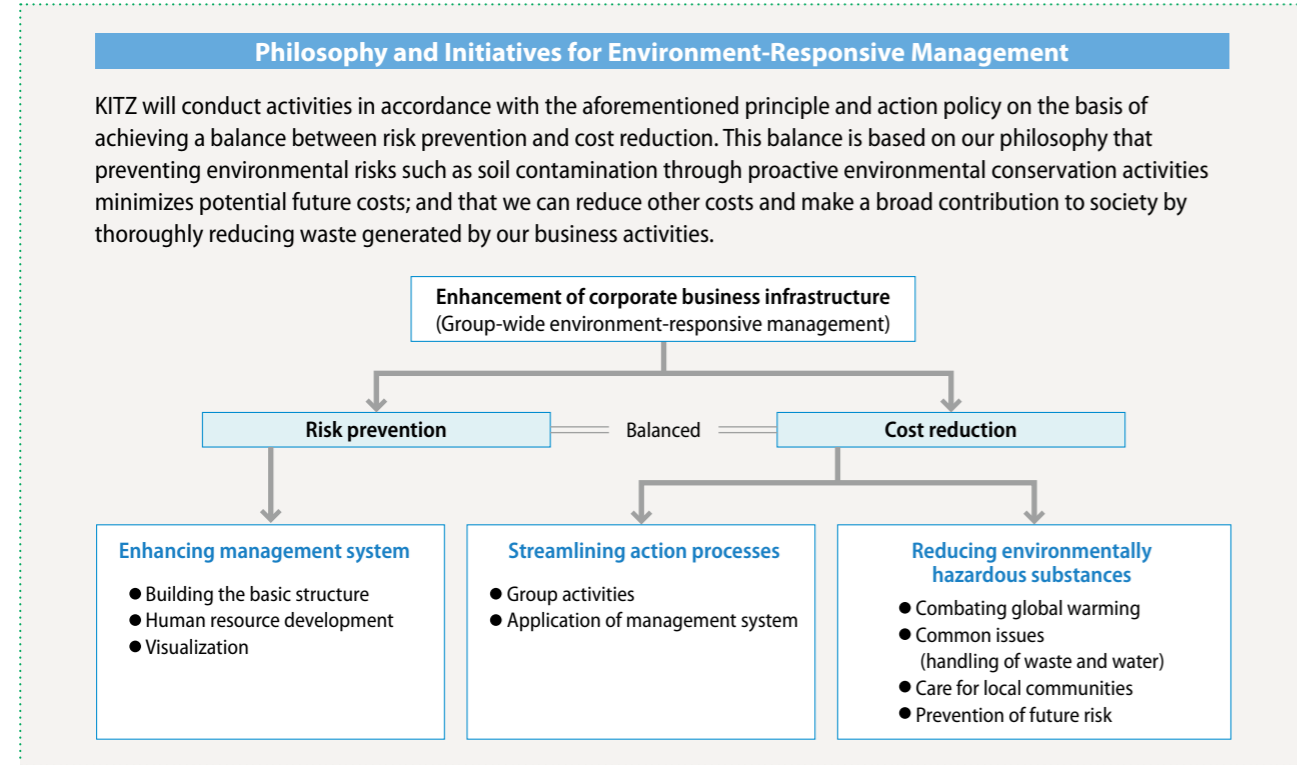
**KITZ Group Principle of Environmental Activities**

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 Companies: 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



**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 of "3 ZERO (triple zero)."

An especially important issue is the CO<sub>2</sub> Zero initiative. By having all domestic group companies use renewable energy for their electricity by the end of FY2024, KITZ will work toward achieving the mid-term environmental goal of a 90%

or more reduction from 2013 levels by 2030, and the long-term environmental goal of becoming carbon neutrality by 2050.

The second important issue is Zero Environmental Impact. To this end, we are tackling three themes: effective use of water resources, a resource closely related to valves; reduction of waste 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.

The third important issue is Zero Risk. We are working to maintain safe and secure manufacturing and stable operations through activities to prevent occupational accidents, environmental pollution and fires.

Long-term Environmental Vision 3 ZERO		
<b>NET Zero CO<sub>2</sub> emissions</b> Promotion of de-carbonization	<b>Zero environmental impact</b> Promotion of resource recycling	<b>Zero risk</b> Prevention of 3 (Environmental Pollution, Occupational Accidents, Fires)
<b>2030 (90%)*</b> <b>2050 (100%)</b> Carbon neutrality	<b>-Water Neutral</b> Promote water conservation, circulation, and recharge <b>-Zero Emissions</b> Promotion of the 3Rs Promotion of recycling of casting sand Consideration for packaging materials Promotion of paperless system Promoting Green Procurement <b>-Pollution Prevention</b> Elimination of VOC (paints, chlorine solvent)	<b>-Zero environmental accidents</b> Environmental pollution: 0 incidents (wastewater, VOCs, etc.) <b>-Zero occupational accidents</b> Serious accidents: 0 incidents Disabling injury frequency rate: less than 0.10 <b>-Zero fire accidents</b> Fire and explosion accidents: 0

\*Compared to 2013, Domestic Group Companies/Offices

**Initiatives toward a Decarbonized Society**

● **Switching to 100% CO<sub>2</sub>-free Electricity at Main Manufacturing Facilities in Japan.**

Starting in April 2022, KITZ has adopted CO<sub>2</sub>-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 CO<sub>2</sub>-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 will be CO<sub>2</sub>-free. This is projected to reduce CO<sub>2</sub> emissions by the equivalent of 35,693 tons a year, representing a reduction of more than 80% compared with 2013 levels. Going forward, we will continue to systematically introduce these changes to switch more of our main business sites in Japan to CO<sub>2</sub>-free electricity.

**Developing and Providing Environmentally Friendly Products and Services**

Based on its Environmental Action Guidelines, the KITZ Group focuses 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 CO<sub>2</sub> reductions during evaluations in the technological development phase.

**Valves for hydrogen stations**  
Valves used for station equipment in the field of hydrogen energy

**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

**Hydrogen Station Package Unit Wins Award of Excellence at Yamanashi Industrial Grand Prize**

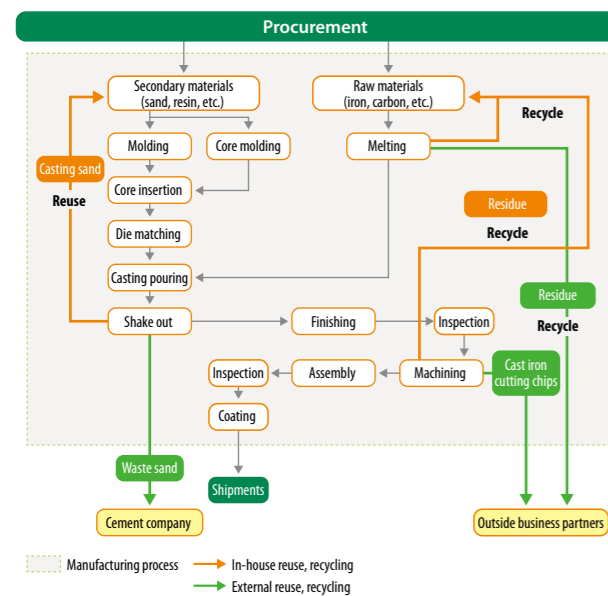
The hydrogen station package unit has won an award of excellence as part of the Yamanashi Industrial Grand Prize. The award is given by Yamanashi Prefecture to companies that have contributed to the development of industry and revitalization of local economies, and this product was recognized for its high level of uptake due to the packaging of innovative technologies. The product not only reduces initial costs due to the innovative design and equipment selection that take into account usage environment, but also reduces the length of time and costs of maintenance, which requires facility shut-down. As a result, it helps to significantly reduce the operations costs of customers that use the product for extended periods. The product also features minimal operating noise, making it a hydrogen station package unit that is suitable for use in all kinds of environments, and was recognized for being a product that puts customers first.

# Human Resource Management

## Effective Use of Resources

The main materials of valves are metals, which are natural resources. KITZ utilizes used scrap metal as part of raw materials for valves. KITZ also strives to recycle scrap and cutting chips generated in the production process by utilizing the know-how it has accumulated over many years. In addition, for casting sand to be used in the casting process, chunks are crushed, sorted and processed in the sand process for recycling. If casting sand is used repeatedly and becomes smaller than the standard particle diameter, it will become waste. However, casting sand that is disposed of will be used as auxiliary materials for cement. In this way, KITZ aims to achieve coexistence with the global environment and promotes the effective use of limited resources.

## Flow Chart of Recycling and Reuse in Production Process of Cast Iron Valves



## Reduction of Waste, Promotion of Recycling and Reuse

We are working to properly dispose of materials that we are unable to reduce (no generation or bringing in of waste), reuse (recyclable waste materials are returned to the production lines for reuse) or recycle (sort and recycle as resources). By thoroughly sorting waste material and recycling it as valuable resources, we are curbing the amount of waste materials generated.

In its production divisions, based on surveys and analyses of the volume of waste generated, KITZ is stepping up efforts to reduce and reuse industrial waste materials, which consist mostly of waste materials generated by the KITZ Group's production activities. Moreover, the Waste Material Management System, which manages the KITZ Group's environment and safety-related information, enables KITZ to ascertain on a timely basis the entire waste-handling process, from the

generation of waste to final disposal, and allows this information to be shared within the Group. For its waste handling system, KITZ has established a framework under which the waste disposal route is determined in advance and waste cannot be processed using any route other than the route specified in the consignment agreements.

## Prevention of Environmental Contamination

Metal resources and casting sand, which are raw materials of valves, contain many Pollutant Release and Transfer Register (PRTR) target substances\* such as lead, manganese, chrome, nickel and chromium oxide. The main types of substances discharged into the atmosphere are xylene and toluene from paints, thinners and stored gasoline while the main substance transferred externally is chromium oxide contained in casting sand. To prevent environmental contamination caused by dangerous and toxic substances contained in chemical products, in addition to preventing contamination from PRTR target substances\*, KITZ built the Chemical Substance Management System. KITZ is working to identify chemical products containing toxic substances and to use alternative substances as it strives to improve the safety of its valve products and reduce environmental impacts.

\* PRTR target substances: These are substances recognized as being persistent in the environment over a wide area and that meet one of the following conditions that include "being harmful to human health and ecosystems," "chemical substances that may easily form hazardous chemical substances through a naturally occurring chemical transformation" and "ozone layer destroying substances."

## Strengthening Environmental Management Systems

The KITZ Group regards the promotion of environmental management as a key aspect of strengthening our management foundations. We have obtained ISO 14001 certification at all plants in Japan and overseas, and are making efforts to establish global environmental management.

## Business Offices That Have Acquired Integrated ISO 14001 Certification

KITZ Corporation Nagasaki Plant	KITZ Corporation of Taiwan
KITZ Corporation Ina Plant	KITZ (Thailand) Ltd. Bangplee Plant
KITZ Corporation Chino Plant	KITZ (Thailand) Ltd. Amatanakorn Plant
KITZ Metal Works Corporation	KITZ Corporation of Kunshan
KITZ Micro Filter Corporation	KITZ Corporation of Jiangsu Kunshan
KITZ SCT Corporation	KITZ Corporation of Europe, S.A.
Shimizu Alloy Mfg. Co., Ltd.	Cephas Pipelines Corp.
Hokutoh Giken Kogyo Corporation (Yamanashi Plant, Minowa Business Office)	Filcore Co., Ltd.
	Metalúrgica Golden Art's Ltda.
	KITZ SCT Corporation of Kunshan

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 will 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 advance initiatives 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.

### Human Rights Initiatives

Swift relief and corrective measures are taken in the event that the KITZ Group's business activities are found to have negatively impacted human rights or to be involved in such negative impacts. We have installed a Compliance Helpline to build a structure where employees can consult over these matters at any time with peace of mind.

Additionally, as initiatives to raise employee awareness, we run compliance surveys and conduct harassment training, as part of efforts to promote the development of an open workplace by responding to visualized risks and conducting educational activities.

### Formulation of Supplier Guidelines

We recognize that initiatives on respecting human rights are something we cannot realize alone. To have our business partners understand KITZ' vision and values and to implement initiatives throughout the entire supply chain, in FY2021 we formulated Supplier Guidelines that incorporate items on respect for human rights. Through our procurement activities, we will focus on the requirements listed in these guidelines to encourage their permeation and comprehensive compliance, strengthen coordination with suppliers, fulfill our social responsibilities across the supply chain and strive to provide new value and contribute to society.

## Desired Personnel

"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 to 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. In FY2021 we have started conducting an engagement survey with the aim of ascertaining the current state of our organizational culture.

In addition to reporting to management on the results of the engagement survey, we also provide feedback to individual workplaces to verify and analyze the current state of the organizational culture, as well as setting specific action plans and target figures, and deploying these activities in each workplace. We will endeavor to improve employee engagement by conducting the survey on a regular basis in the future.

		FY2021 Results	FY2024 Targets
Employee engagement score	Job satisfaction	48pt	56pt
	Positive work environment	43pt	55pt

### ● Holding the KITZ Group Engagement Forum 2022

To have the Long-term Management Vision that was announced in February 2022 take root internally and have all employees achieve its goals together, the KITZ Group Engagement Forum 2022 was held as an event for top management and employees to engage in dialogue. At the forum, the president and other members of top management engage in discussions with a small number of employees in a conversational format. The forum is designed to have employees receive messages from top management directly and feel that they have a personal stake, have top management listen directly to employee feedback and reflect that in management, and to foster shared values through cross-dialogue. Staff from managers at KITZ and Group companies to regular employees are eligible.



### ● Diversity and Inclusion\* Initiatives

Since FY2015, KITZ has promoted diversity and inclusion as an important management strategy.

In our Long-term Management Vision and the first Medium-term Management Plan, we have declared targets for the percentage of women employees and percentage of women managers to be achieved by FY2030. We are pursuing initiatives aimed at achieving each of these targets.

\* Diversity & Inclusion:  
Accepting, mutually acknowledging and utilizing individual diversity

Qualitative goal	Main KPIs	FY2021 Results	FY 2024 Targets	FY 2027 Targets	FY 2030 Targets
Women in the workplace	Percentage of women employees	21.7%	23%	24%	25%
	Percentage of women managers	3.4%	10%	16%	20%
LGBTQ understanding	Earning Pride designation	Preparing training programs	Earning Gold Pride designation	—	—
Employment of people with disabilities	Percentage of employees with disabilities	2.4%	2.5%	2.7%	3.0%

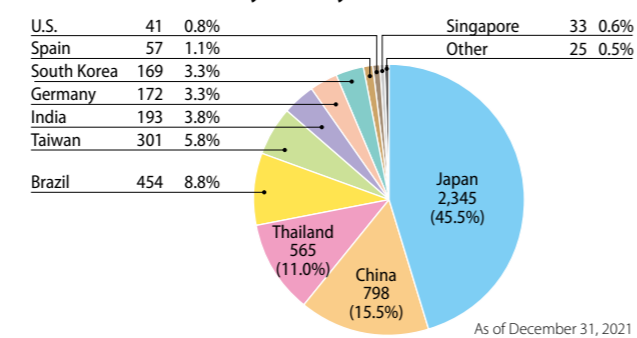
• Managers refers to employees who are in the position of department head or higher.  
• Percentage of women employees and percentage of women managers are figures for KITZ on a nonconsolidated basis.  
• Pride designation is an external designation based on assessment of LGBTQ initiatives.

### ● Promoting Further Globalization

The KITZ Group maintains sites in 18 countries around the world, and employees working in countries outside Japan (including seconded employees) account for 54.5% of the total (as of December 31, 2021). The KITZ Group is made up of employees from a diverse range of nationalities and backgrounds, and to make it stronger as a corporate group, we have established the KITZ Global HR\* Policy and pursued various personnel measures and leader development initiatives based on a shared Groupwide personnel philosophy.

\*HR: Human resources

### Personnel Structure by Country



### ● Health Management Initiatives

In FY2021, the KITZ Group established a Health Management Statement under which we aim by 2030 to be a company in which employee can work more safely, in better health and with greater vitality, in accordance with fair and transparent rules. To strategically promote the physical and mental health of employees and create a vibrant organization, we have worked on a variety of measure, including measures to deal with lifestyle-related diseases and mental health, based on our Policy on Health Management Initiatives. In March 2022, we were accredited by the Ministry of Economy, Trade and Industry under the Certified Health & Productivity Management Outstanding Organizations Recognition Program.



### 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

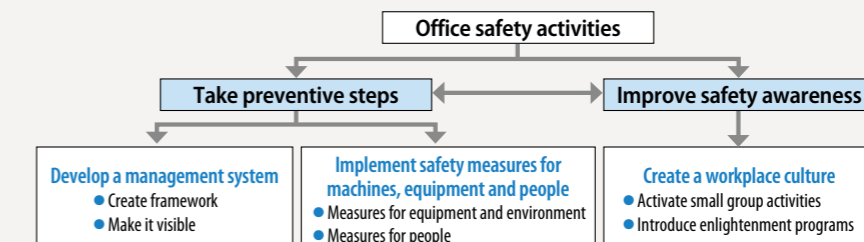
1. KITZ maintains stimulating and pleasant workplaces that contribute to the mental and physical well-being of all employees.
2. KITZ is dedicated to ensuring safety and health for all employees by complying with Japan's Industrial Safety and Health Act and other associated laws and regulations as well 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 aims 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. Going forward, we will seek the certification for Group companies in Japan as well.

### ● 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 experienced 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' eight Group domestic companies are conducted. To identify and assess risks, once a year internal auditing personnel conduct on-site inspections regarding 20 evaluation items, and a briefing session is held for the officer and the managers of each site. These efforts lead to activities that reduce the spread of and eliminate risks. In the future, KITZ is also considering the introduction of on-site inspections by an outside organization.

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 and while also actively creating opportunities to experience actual on-site inspections.

# Diverse Human Resources in the KITZ Group

We introduce how employees work creating value at their own posts.

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

**Longtian Piao**

Hydrogen Station Group, Hydrogen Department, Business Promotion Center, Flow Control Business Unit, 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 will adapt to the increasingly diverse roles expected of an accounting department.**

**Yoshie Suzuki**

Deputy Center Manager, Accounting and Finance Center, 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.

**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 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 have a sense of satisfaction in serving as a bridge between two different cultures.**

**Shizuka Mita**

Chief Accounting Officer  
KITZ Corporation of America



I oversee all administrative, accounting and inventory-related functions. My position is very interesting as it involves so many different areas. I am often asked to assist with communication between KITZ Japan and KCA management. It is extremely important to understand one another correctly. I find this the most challenging and rewarding part of my job. Successfully coping with the economic and social challenges has also been very satisfying.

**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 from 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 Engineer Training Group, 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.



**There is a positive corporate culture of entrusting people with important work regardless of their history at the company.**

**Yuichi Sasaki**

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



I joined the company as a mid-career hire and immediately after I was tasked with the North America region, we won a major project order. I think the practice of entrusting people with important jobs regardless of their length at the company is one of the great things about KITZ. I want to use the experience I have gained to date to contribute to the global sales of KITZ products going forward.

**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.

# 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 (FY2021), 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 annual 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 briefings for institutional investors and analysts on a quarterly basis. The president or executive officer explains the achievements and the medium- and long-term strategy.

In September 2021, we created opportunities for dialogue between outside directors and institutional investors.

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



## Dialogue with Employees

The management team including the president regularly visits manufacturing sites and promotes better understanding through communication with employees. From FY2020, we have streamed video of internal results briefings and messages from company officers via our internal portal site so that employees at offices in Japan and overseas as well as those employees working from home could participate.

In addition, from February 2022 we launched the KITZ Group Engagement Forum 2022 as an event 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. We promote mutual understanding and further deepen our partnership with distributors. (In FY2020 and FY2021 under review this meeting was postponed due to the COVID-19 pandemic.)

# As a Leading Company in the Valve Industry

As a leading company in the valve industry, KITZ has cultivated advanced technology and a wealth of experience over the course of many years. KITZ utilizes these to provide a wide range of services regarding valves to meet the diverse needs of customers.

## Completion of Construction of the KITZ Group Innovation Center

As a part of the project to celebrate the 70th anniversary of KITZ, construction of the KITZ Group Innovation Center that was being built on the grounds of the Chino Plant is now complete. The facility will be utilized to develop the human resources that will form the backbone of development at the KITZ Group, for creative and innovative technological development, and as a place to enhance information dissemination capabilities inside and outside the Group. The facility will supersede the KITZ Training Center that was constructed in 1981 and has for many years contributed to employee training and the cultivation of human resources related to the valve industry. The Innovation Center will meet a wide range of internal and external training needs and will also function as an evacuation facility for local residents in the event of a disaster.



KITZ Group Innovation Center

## Valve Meister System

KITZ introduced the Valve Meister System for certifying employees who have reached a certain level of skills and knowledge regarding automated valves and metal materials for valves as Valve Meisters. Our 58 certified Valve Meisters who have passed the certification test (as of March 2022) act as concierges who respond to requests for customer consultations, propose specific solutions and solve various issues together with customers.

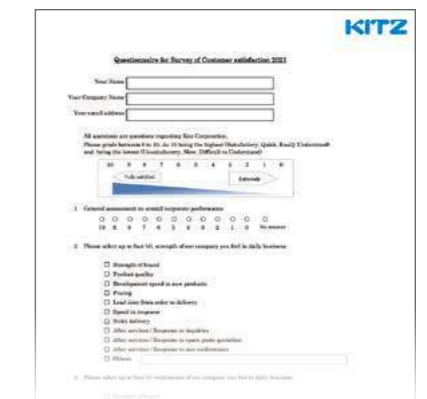
From FY2022, the system was revised into a new technical training curriculum in an effort to further enhance knowledge levels. By enhancing the valve-related technical skills of each employee, we provide greater value to customers and help improve knowledge and skills across the entire industry.



The certification mark is displayed on the business cards of employees who are certified Valve Meisters.

## Customer Satisfaction Survey

To provide better products and services, KITZ has conducted a customer satisfaction survey targeting more than 1,000 companies annually since 1997. Based on the results of the responses collected from customers and analyzed, we work toward additional improvements to further enhance customer satisfaction.



Customer feedback leads to improvements.

# 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.

## Collaboration with Local Communities Where Our Business Sites are Located

The KITZ Group maintains many business sites including the Ina and Chino plants in Nagano Prefecture. As part of collaboration with local communities, KITZ has entered into agreements with governmental bodies to provide the employee cafeterias of the Ina and Chino plants as emergency evacuation points during a disaster.



## 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.

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 19th century and modern Japanese paintings. These works are highly acclaimed both in Japan and overseas.



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



### Ventforest 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.



## News

### Tokyo 2020 Olympic Games Gold Medalist Yui Susaki joined KITZ

Yui Susaki is an athlete from Chiba Prefecture, where the head office of KITZ Corporation is located. After overcoming injury and competing in the difficult environment of the Tokyo Olympic Games that had been postponed a year due to the COVID-19 pandemic, she boldly took on the competition, earned her place to compete in Tokyo and won the gold medal without giving up a point in any of her bouts, providing great inspiration around Japan. KITZ decided to support her competitive activities out of a respect for her attitude to always aim high, even in the face of adversity.



In FY2024, which will be the final year of the first Medium-term Management Plan created to achieve our Long-term Management Vision, the Paris Olympic Games will be held. The sight of Susaki making an all-out effort to achieve her main goal of clinching gold at the Paris Olympic Games resonates with KITZ' vision to aspire to greater heights. KITZ will continue to take on challenges while supporting Susaki in her activities.

#### Comments from Yui Susaki

I joined KITZ Corporation from this April, giving me the opportunity to continue with wrestling as a full-time employee. KITZ is from my birthplace of Chiba Prefecture and is active around the world. There are many things to learn from its philosophies, beliefs and passion, and I have a strong desire for both KITZ and myself to compete and be successful on the world stage. KITZ has put a lot of effort into supporting sport, and I felt that it was the best environment for me to pursue my next goal of securing a second straight gold medal at the Paris Olympic Games. In addition, KITZ' head office is located in Makuhari, close to Makuhari Messe where I fulfilled my dreams at the Tokyo Olympic Games, which also gives me a sense that this partnership was meant to be.

I would like to express my heartfelt gratitude for the opportunity to continue with wrestling in this fantastic environment, and vow to work even harder to achieve success in Japan, the world and at the Olympic Games while remaining aware of my role as a full-fledged member of society. I will spread my wings around the world together with KITZ. Thank you for your support!

#### Profile of Yui Susaki

Sports	Wrestling
Date of Birth	June 30, 1999
Origin	Matsudo City, Chiba Prefecture
University	Waseda University

#### Main Results

2017	World Championship 48 kilogram-class victory
2018	World Championship 50 kilogram-class victory
2019	50 kilogram-class championship at the Meiji Cup All Japan Selected Championships
2019	Emperor's Cup All Japan Championships 50 kilogram-class victory
2021	Winner of Tokyo Olympic Asian Qualifiers, 50 kilogram-class
2021	Winner of Tokyo 2020 Olympic Games in the 50 kilogram class



At KITZ Group Innovation Center where the induction ceremony was held