

*News Release***KITZ CORPORATION**

1-10-1 Nakase, Mihama-ku, Chiba, Japan
Tokyo Stock Exchange Prime Market (6498)

**Notice Regarding Dissolution of Capital Alliance and
Continuation of Business Alliance with TVE Co., Ltd.**

KITZ Corporation (hereinafter refer to as “KITZ”) announces that it resolved, at a meeting of the Board of Directors held on March 13, 2023, to dissolve the capital alliance with TVE Co., Ltd. (former TOA Valve Engineering Inc., hereinafter referred to as “TVE”).

The business alliance with TVE will continue after the dissolution of the capital alliance.

1. Reason for Dissolution of Capital Alliance

As disclosed in the notice regarding "Acquisition of Shares in TOA Valve Engineering Inc. and Agreement of Capital and Business Alliance" dated February 12, 2016, KITZ, TVE have been aiming to enhance the corporate value of both companies by combining their strengths and cooperating for their competitiveness in the global market.

KITZ has decided to dissolve the capital alliance, having determined that it is possible to accomplish the aforementioned goals by continuing the business alliance without the capital alliance relationship after carefully reviewing the alliance in light of its cross-shareholdings policy under the revised Corporate Governance Code.

Meanwhile, the business alliance agreement between TVE and KITZ will remain in force, and the both companies will keep cooperating to improve their corporate value.

2. Description of Dissolution of Capital Alliance

KITZ is scheduled to sign a contract of share transfer with Seika Corporation on March 13, 2023, and transfer all 302,200 shares of TVE stock held by KITZ to Seika Corporation. The share transfer will be executed on March 15, 2023.

3. Overview of Dissolution of Capital Alliance

(1)	Name	TVE Co., Ltd.	
(2)	Location	5-12-1, Nishitachibana-cho, Amagasaki-shi, Hyogo, Japan	
(3)	Representative	Koumei Sasano, CEO and Representative Director	
(4)	Description of Business	Manufacturing and sale of various valves; maintenance, manufacturing and sale of various cast products	
(5)	Capital	1,739 million yen	
(6)	Date of Establishment	March 16, 2000	
(7)	Major Shareholder and Shareholding Ratio ※Ratio excluding treasury stock (as of September 30, 2022)	KITZ Corporation Seika Corporation UH Partners 2, Inc. HIKARI TSUSHIN, Inc. TOA Trading partner shareholding association Custody Bank of Japan, Ltd.(trust account) UH Partners 3, Inc. NCSN-SHOKORO LIMITED System Integrating Laboratory Co.,Ltd. Takashi Maejima	12.95% 8.71% 7.87% 7.34% 4.26% 3.59% 3.33% 3.26% 2.34% 2.04%
(8)	Relationship of Companies	Capital relationship	TVE owns 436,000 shares of KITZ. KITZ owns 302,200 shares of TVE.
		Personnel relationship	There is no personal relationship to be noted.
		Business relationship	KITZ conducts business transactions with TVE, such as purchases of cast products and sales of cast parts
		Applicability to a related party	There is no applicability to a related party to be noted.
(9)	Consolidated Operating Results and Financial Conditions for the past 3 years (Unit: millions of yen otherwise indicated)		
	Fiscal Year	September 2020	September 2021
		September 2022	
	Net Assets	8,804	9,366
	Total Assets	12,084	12,340
	Net Assets Per Share	3,845.59 yen	4,083.02 yen
	Net Sales	8,824	10,451
	Operating Income (Loss)	885	696
	Ordinary Income	962	773
	Net Income (Loss)	678	455
	Net Income (Loss) Per Share	296.56 yen	198.75 yen
	Dividend per share	45.00 yen	40.00 yen

4. Schedule

Date of the Board of Directors' Resolution	March 13, 2023 (today)
Date of the Agreement to Dissolve the Capital Alliance	March 13, 2023 (today)
Date of the Dissolution of the Capital Alliance	March 15, 2023

5. Future Outlook

The effects of the dissolution on KITZ's consolidated financial results for the current fiscal year will be minor.