

## **To our shareholders**

We would like to express our sincere gratitude to our shareholders for their continued support.

To realize our Long-term Management Vision “Beyond New Heights 2030 - Change the Flow,” in FY2025, the first fiscal year of the Second Medium-term Management Plan, “SHIN Global 2027 (FY2025 to FY2027),” the KITZ Group strived to maximize group synergies and achieve both profitability and growth. As a result, we achieved fifth consecutive terms of sales and profits growth.

From FY2025, we have reorganized our organization into a market-focused Strategic Business Units structure. We have also consolidated our Group companies into the Head Office building and strengthened the group synergies as “Global One KITZ.” In addition, through the promotion of DE&I and further enhancement of human capital development, we are working to create a work environment where each and every employee can work energetically.

To further accelerate these trends, in FY2026, we will further invest in the Growth Markets and will work on initiatives with a strong will described on the KITZ Group Strong Will Sheet that outlines our targets and key performance indicators (KPIs) designed to advance the realization of the Group’s materialities (key management themes) announced in November 2025, while further promoting sustainability management for sustained improvement in corporate value.

We will continue to aim to be an enterprise trusted by society through the realization of efficient, fair, and transparent management. To this end, we ask for the continued support of our shareholders.

March 2026,

Makoto Kohno  
Director,  
Representative Executive Officer and President  
CEO

Note: This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities identification code: 6498

(The date of issue) March 10, 2026

(Date of commencing the provision of information in electronic format) March 3, 2026

To our shareholders:

Makoto Kohno  
Director,  
Representative Executive Officer and President  
**KITZ Corporation**  
Tokyo Shiodome Building,  
1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo

## NOTICE OF THE 112TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby announce the 112th Ordinary General Meeting of Shareholders of KITZ Corporation (the “Company”), which will be held as described below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing (by mail) or via the internet. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders no later than 6:00 p.m., Wednesday, March 25, 2026 (Japan Standard Time).

**1. Date and Time:** Thursday, March 26, 2026 at 10:00 a.m. (Japan Standard Time)  
(Reception start time: 9:00 a.m.)

**2. Venue:** Dai-ichi Hotel Tokyo, 5F, LA ROSE  
1-2-6 Shimbashi, Minato-ku, Tokyo

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 112th Term (from January 1, 2025 to December 31, 2025), as well as the results of audit of the Consolidated Financial Statements by the Financial Auditor and the Audit Committee
2. Non-Consolidated Financial Statements for the 112th Term (from January 1, 2025 to December 31, 2025)

#### **Items to be resolved:**

**Proposal 1:** Election of Ten (10) Directors

**Proposal 2:** Election of Financial Auditor

- ☉ Shareholders who require sign language interpretation or assistance may attend the meeting with a single interpreter or assistant. However, please note that interpreters and assistants may not exercise voting rights or ask questions.
- ☉ There will be a dedicated space for wheelchair users in the venue.

### **Information disclosure on websites**

For the convocation of the General Meeting of Shareholders, the Company takes measures to provide information contained in the reference documents for the general meeting of shareholders, etc., in electronic format (matters related to the measures to provide information electronically), and the information is listed on the following websites. Please confirm by accessing one of the websites.

[The Company's website]

[https://www.kitz.co.jp/investor\\_ir/stock-information/meetings/](https://www.kitz.co.jp/investor_ir/stock-information/meetings/) (in Japanese)

[Websites in which the reference documents for the general meeting of shareholders are listed]

<https://d.sokai.jp/6498/teiji/> (in Japanese)

### **Contact for the Electronic Provision System for the materials for the General Meeting of Shareholders**

Dedicated Dial for the Electronic Provision System, Stock Transfer Agent Department,  
Mitsubishi UFJ Trust and Banking Corporation: 0120-696-505

(Office hours: 9:00 to 17:00 weekdays except Saturdays, Sundays and public holidays)

Please refer to the site below for frequently asked questions regarding the Electronic Provision System.

<https://www.tr.mufg.jp/daikou/denshi.html>

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Election of Ten (10) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all ten (10) existing Directors will expire. Therefore, based on the decision of the Nominating Committee, the Company requests the election of ten (10) Directors including seven (7) Outside Directors. The candidates for Directors are as follows. Please refer to the main expertise and area of the candidates for Directors and the committee member planned to be appointed.

Candidate No.	Name			Current position and responsibilities		Attendance at Board of Directors' meetings
1	Reelection Male	Yasuyuki Hotta		Chairman of the Board	Chair of the Board of Directors Nominating Committee member Compensation Committee member Risk Committee member	16/16 meetings 100%
2	Reelection Male	Makoto Kohno		Director	Representative Executive Officer and President	16/16 meetings 100%
3	Reelection Male	Toshiyuki Murasawa		Director	Standing Audit Committee member Risk Committee member	16/16 meetings 100%
4	Reelection Female	Yukino Kikuma	Outside Independent	Outside Director	Risk Committee Chairperson	16/16 meetings 100%
5	Reelection Female	Ayako Kobayashi	Outside Independent	Outside Director	Audit Committee member Risk Committee member	16/16 meetings 100%
6	Reelection Male	Toichi Maeda	Outside Independent	Outside Director	Nominating Committee member Risk Committee member	15/16 meetings 93%
7	Reelection Male	Yasunobu Suzuki	Outside Independent	Outside Director	Compensation Committee member	16/16 meetings 100%
8	New candidate Male	Tomoharu Suseki	Outside Independent	-	-	-
9	New candidate Male	Yoshihide Hata	Outside Independent	-	-	-
10	New candidate Female	Yumiko Hosoi	Outside Independent	-	-	-

Main expertise and area									Committee member planned to be appointed			
Corporate management	Global experience	Legal matters/risk management	Sustainability (ESG)	Capital efficiency management/accounting/finance	Manufacturing/quality	Innovation/DX/technological development	Sales/marketing	Personnel affairs/human resource development	Nominating Committee member	Audit Committee member	Compensation Committee member	Risk Committee member
												 Chair
										 Chair		
									 Chair			
											 Chair	

A “CHRYSANTHEMUM-HANDLE®” is a symbol of KITZ, the brand of valve reliability.

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
1	Yasuyuki Hotta (June 18, 1955)  Reelection  Tenure as Director: 18 years and 9 months  Attendance at Board of Directors' meetings: 16/16 meetings (100%)  Attendance at Nominating Committee meetings 6/6 meetings (100%)  Attendance at Compensation Committee meetings 5/5 meetings (100%)  Attendance at Risk Committee 3/3 meetings (100%)	<p>Mar. 1978      Joined the Company</p> <p>Jan. 1997      Branch Manager, Chubu Branch, Sales Division of the Company</p> <p>Apr. 2001      Plant Manager, Nagasaka Plant of the Company</p> <p>Oct. 2001      Managing Executive Director, KITZ SCT Corporation</p> <p>June 2004      Representative Director and President, KITZ SCT Corporation</p> <p>Apr. 2006      Managing Executive Officer, General Manager, Flow Control Business Division of the Company</p> <p>Apr. 2007      Senior Executive Officer, General Manager, Flow Control Business Division of the Company</p> <p>June 2007      Director, Senior Executive Officer, General Manager, Flow Control Business Division of the Company</p> <p>June 2008      President and Chief Executive Officer, General Manager, Flow Control Business Division of the Company</p> <p>Apr. 2009      President and Chief Executive Officer of the Company</p> <p>Mar. 2021      Chairman and Representative Director, Chair of the Board of Directors of the Company</p> <p>June 2021      Chairman of KITAZAWA MUSEUM OF ART (present position)</p> <p>Mar. 2024      Chairman of the Board, Chair of the Board of Directors, Nominating Committee member, Compensation Committee member, Risk Committee member of the Company (present position)</p> <p>June 2025      Chairman of Kitazawa Ikuei Foundation (present position)</p> <p>[Significant concurrent positions] Chairman of KITAZAWA MUSEUM OF ART Chairman of Kitazawa Ikuei Foundation</p>	230,803 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>As President and Chief Executive Officer from FY2008, Yasuyuki Hotta was at the forefront of overall management of the Group and made great efforts to achieve globalization of the Group and to realize sound and highly transparent management. In addition, as Chairman and Representative Director since FY2021, he has focused on the management of the Board of Directors and the strengthening of corporate governance, etc. Furthermore, following the transition to a company with a Nominating Committee in March 2024, he served as the Chair of the Board of Directors and a member of the Nominating Committee, Compensation Committee, and Risk Committee, and led the smooth transition to the new organizational design.</p> <p>The Nominating Committee has judged that the use of his extensive experience and insight will continue to contribute to strengthening management supervision and important decision-making functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group as the Chairman of the Board and therefore has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
2	<p>Makoto Kohno (March 10, 1966)</p> <p>Reelection</p> <p>Tenure as Director: 6 years and 9 months</p> <p>Attendance at Board of Directors' meetings: 16/16 meetings (100%)</p>	<p>Apr. 1988      Joined the Company</p> <p>Aug. 2008      General Manager, Project Sales Dept., International Sales Division, Flow Control Business Division of the Company</p> <p>Dec. 2011      General Manager, Project Division of the Company</p> <p>Apr. 2013      General Manager, Production Control Dept., Production Division, Flow Control Business Unit of the Company</p> <p>Apr. 2015      General Manager, Business Planning Dept., Flow Control Business Unit of the Company</p> <p>Apr. 2016      Executive Officer, Division Manager, Corporate Planning Division, in charge of related businesses (Brass Bar Manufacturing Business, Service Business) of the Company</p> <p>Apr. 2017      CEO &amp; Managing Director, KITZ Corporation of Asia Pacific Pte. Ltd., Managing Director, KITZ Valve &amp; Actuation Singapore Pte. Ltd.</p> <p>Apr. 2019      Managing Executive Officer, Division Manager, Flow Control Business Unit of the Company</p> <p>June 2019      Director, Managing Executive Officer, Division Manager, Flow Control Business Unit of the Company</p> <p>Mar. 2021      President and Chief Executive Officer of the Company</p> <p>Mar. 2024      Director, Representative Executive Officer and President (present position)</p> <p>[Significant concurrent positions] None</p>	88,865 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Makoto Kohno was in charge of sales and production operations in the Valve Manufacturing Business, and later served as Executive Officer in charge of corporate planning and CEO &amp; Managing Director of an overseas Group company. From FY2019, he made great efforts for planning and execution of the Valve Manufacturing Business strategy as Executive Officer in charge of the Flow Control Business Unit, and since FY2021, he has been at the forefront of overall management of the Group as President and Chief Executive Officer of the Company. The Nominating Committee has judged that he will continue to provide leadership in the execution of operations to realize the Long-term Management Vision and achieve the Second Medium-term Management Plan "SHIN Global 2027" as a Director concurrently serving as the Representative Executive Officer and President, and that use of his extensive experience and insight will contribute to strengthening management supervision and important decision-making functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group, and therefore has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
3	Toshiyuki Murasawa (February 9, 1959)  Reelection  Tenure as Director: 9 years and 9 months  Attendance at Board of Directors' meetings: 16/16 meetings (100%)  Attendance at Audit Committee meetings 17/17 meetings (100%)  Attendance at Risk Committee meetings 3/3 meetings (100%)	<p>Mar. 1981      Joined the Company</p> <p>Apr. 2001      General Manager, Corporate Planning Dept. of the Company</p> <p>Apr. 2009      Executive Officer, General Manager, Corporate Planning Dept., in charge of Publicity and IR Promotion Office and related businesses of the Company</p> <p>Oct. 2011      Executive Officer, Division Manager, Corporate Planning Division of the Company</p> <p>Apr. 2014      Executive Officer, Division Manager, Corporate Planning Division, in charge of related businesses (Brass Bar Manufacturing Business, Service Business) of the Company</p> <p>Apr. 2016      Executive Officer, Division Manager, Corporate Administration Division, in charge of Internal Audit Office and Group's risk management of the Company</p> <p>June 2016      Director, Executive Officer, Division Manager, Corporate Administration Division, in charge of Internal Audit Office and Group's risk management of the Company</p> <p>June 2017      Director, Executive Officer, Division Manager, Corporate Administration Division, in charge of Internal Audit Office, internal controls, and Group's risk management of the Company</p> <p>Apr. 2019      Director, Managing Executive Officer, Division Manager, Corporate Administration Division, in charge of Internal Audit Office, internal controls, ESG and Group's risk management of the Company</p> <p>Jan. 2021      Director, Managing Executive Officer, Division Manager, Corporate Administration Division, in charge of Internal Audit Office and internal controls of the Company</p> <p>Jan. 2022      Director, Managing Executive Officer, Division Manager, Corporate Planning Division, in charge of related businesses (Brass Bar Manufacturing Business, Service Business), ESG, Internal Audit Office and internal controls of the Company</p> <p>Mar. 2024      Director, Standing Audit Committee member, Risk Committee member of the Company (present position)</p> <p>[Significant concurrent positions] None</p>	100,355 shares
<p>[Reasons for nomination as candidate for Director] Toshiyuki Murasawa was in charge of 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 made great efforts to strengthen corporate governance and promote sustainability management. Additionally, following the transition to a company with a Nominating Committee in March 2024, he has been serving as a Standing Audit Committee member and Risk Committee member. The Nominating Committee has judged that the use of his extensive experience and insight as Director, who is not concurrently serving as a Senior Executive Officer, will contribute to strengthening management supervision and important decision-making functions of the Board of Directors, and ultimately to enhancing the corporate value of the Group, and therefore has nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
4	<p data-bbox="392 517 552 573">Yukino Kikuma (March 5, 1972)</p> <p data-bbox="416 600 528 678">Reelection Outside Independent</p> <p data-bbox="336 705 608 761">Tenure as Outside Director: 5 years and 9 months</p> <p data-bbox="360 788 584 900">Attendance at Board of Directors' meetings: 16/16 meetings (100%)</p> <p data-bbox="368 927 576 1039">Attendance at Risk Committee meetings 3/3 meetings (100%)</p>	<p data-bbox="635 322 1267 378">Apr. 1995      Joined Fuji Television Network, Inc. (retired in Dec. 2007)</p> <p data-bbox="635 383 1267 416">Dec. 2011      Registered as an attorney at law</p> <p data-bbox="635 421 1267 454">Jan. 2012      Joined MATSUO &amp; KOSUGI</p> <p data-bbox="635 459 1267 515">Dec. 2014      Outside Director, Noevir Holdings Co., Ltd. (retired in Dec. 2017)</p> <p data-bbox="635 519 1267 575">June 2018      External Director, KOSÉ Corporation (present position)</p> <p data-bbox="635 580 1267 658">May 2020      Outside Director (member of the audit and supervisory committee), Takihyo Co., Ltd. (retired in May 2024)</p> <p data-bbox="635 663 1267 719">June 2020      Outside Director, ALCONIX CORPORATION (present position)</p> <p data-bbox="635 723 1267 779">June 2020      Outside Director of the Company (present position)</p> <p data-bbox="635 784 1267 840">Jan. 2022      Managing Partner, MATSUO &amp; KOSUGI (present position)</p> <p data-bbox="635 844 1267 900">Feb. 2024      External Director, Money Forward, Inc. (present position)</p> <p data-bbox="635 904 1267 960">Mar. 2024      Risk Committee Chairperson of the Company (present position)</p> <p data-bbox="635 965 1267 1021">June 2024      Outside Auditor of Tokio Marine Nichido Life Insurance Co., Ltd. (present position)</p> <p data-bbox="635 1048 1267 1234">[Significant concurrent positions] Managing Partner, MATSUO &amp; KOSUGI External Director, KOSÉ Corporation Outside Director, ALCONIX CORPORATION External Director, Money Forward, Inc. Outside Auditor, Tokio Marine Nichido Life Insurance Co., Ltd.</p>	9,198 shares
<p data-bbox="327 1240 1209 1274">[Reasons for nomination as candidate for Outside Director and overview of expected roles]</p> <p data-bbox="327 1274 1474 1375">Yukino Kikuma has been active as a Managing Partner of a legal professional corporation and has a broad and high level of 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. Additionally, as the Risk Committee Chairperson, she leads the oversight of the group's risk management.</p> <p data-bbox="327 1375 1474 1485">Although she has not been involved in corporate management other than as an Outside Director, the Nominating Committee 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 expertise, and therefore has nominated her as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
5	<p>Ayako Kobayashi (October 14, 1975)</p> <p>Reelection Outside Independent</p> <p>Tenure as Outside Director: 2 years</p> <p>Attendance at Board of Directors' meetings: 16/16 meetings (100%)</p> <p>Attendance at Audit Committee meetings 17/17 meetings (100%)</p> <p>Attendance at Risk Committee meetings 3/3 meetings (100%)</p>	<p>Oct. 2000 Registered as an attorney at law</p> <p>Oct. 2000 Joined Kataoka &amp; Kobayashi (currently KATAOKA &amp; KOBAYASHI LPC)</p> <p>Jan. 2009 Partner, Kataoka &amp; Kobayashi (present position)</p> <p>Sept. 2013 Part-time Instructor, Keio University Law School (retired in Mar. 2020)</p> <p>June 2019 Outside Auditor of the Company</p> <p>June 2021 Outside Director, The Musashino Bank, Ltd. (present position)</p> <p>Apr. 2023 Professor, Keio University Law School (present position)</p> <p>Mar. 2024 Outside Director, Audit Committee member, Risk Committee member of the Company (present position)</p> <p>[Significant concurrent positions] Partner, KATAOKA &amp; KOBAYASHI LPC Outside Director, The Musashino Bank, Ltd. Professor, Keio University Law School</p>	10,598 shares
<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles] Ayako Kobayashi has been active as an attorney-at-law for a long time and has a broad and high level of insight into corporate legal affairs, including dispute resolution in various types of litigation, compliance, risk management, and governance. As an Outside Auditor, she has also properly supervised the Group's management from an objective and fair standpoint since June 2019. Additionally, following the Company's transition to a company with a Nominating Committee, she has been serving as an Outside Director and Audit Committee member since March 2024, auditing and supervising Directors and business execution. She has also been serving as the Risk Committee member. Although she has not been involved in corporate management other than as an Outside Director, the Nominating Committee has judged that she will be able to fulfill the role appropriately by making active and useful statements, leveraging her expertise, and therefore has nominated her as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
6	Toichi Maeda (December 24, 1955)  Reelection Outside Independent  Tenure as Outside Director: 2 years  Attendance at Board of Directors' meetings: 15/16 meetings (93%)  Attendance at Nominating Committee meetings 6/6 meetings (100%)  Attendance at Risk Committee meetings 3/3 meetings (100%)	Apr. 1981      Joined EBARA CORPORATION Apr. 2007      Executive Officer, EBARA CORPORATION Apr. 2010      Managing Executive Officer, EBARA CORPORATION June 2011      Director, EBARA CORPORATION Apr. 2012      Director, President, Fluid Machinery & Systems Company, EBARA CORPORATION Apr. 2013      President and Representative Director, EBARA CORPORATION June 2015      President, Representative Executive Officer, EBARA CORPORATION Mar. 2019      Chairman & Director, EBARA CORPORATION (retired in Mar. 2025) Mar. 2024      Outside Director, Nominating Committee member, Risk Committee member of the Company (present position) June 2025      President, THE EBARA HATAKEYAMA MEMORIAL FOUNDATION (present position) June 2025      Outside Director, TEIJIN LIMITED (present position)  [Significant concurrent positions] President, THE EBARA HATAKEYAMA MEMORIAL FOUNDATION Outside Director, TEIJIN LIMITED	4,798 shares
<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles] Toichi Maeda was long active as a manager of EBARA CORPORATION and, in addition to rich experience as a corporate manager, he has broad and high level of insight into manufacturing and technological development, etc. Additionally, as a Nominating Committee member, he contributes to the Committee's activities, including the selection of candidates for Directors and planning for the development of the next generation of managers. He also serves as a Risk Committee member. The Nominating Committee 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 expertise, and therefore has nominated him as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]		Number of the Company's shares owned
7	Yasunobu Suzuki (September 23, 1958)  Reelection Outside Independent  Tenure as Outside Director: 2 years  Attendance at Board of Directors' meetings: 16/16 meetings (100%)  Attendance at Compensation Committee meetings 5/5 meetings (100%)	Apr. 1982	Joined Mitsubishi Metal Corporation (currently Mitsubishi Materials Corporation)	4,798 shares
		June 2011	Executive Director, Vice President, Copper Business Company, and General Manager, Sales Division, Mitsubishi Materials Corporation	
		Apr. 2015	Managing Executive Officer, General Manager, Corporate Strategy Division, Mitsubishi Materials Corporation	
		June 2016	Director, Senior Managing Executive Officer, General Manager, Corporate Strategy Division, Mitsubishi Materials Corporation	
		Oct. 2018	Director, Senior Managing Executive Officer, President, Advanced Product Company, Mitsubishi Materials Corporation	
		June 2019	Senior Managing Executive Officer, President, Advanced Product Company, Mitsubishi Materials Corporation	
		Apr. 2020	Executive Vice President, President, Advanced Product Company, Mitsubishi Materials Corporation	
		Apr. 2023	Advisor for Metal Business, Mitsubishi Materials Corporation (retired in Feb. 2024)	
		Mar. 2024	Outside Director, Compensation Committee member of the Company (present position)	
		[Significant concurrent positions] None		
[Reasons for nomination as candidate for Outside Director and overview of expected roles] Yasunobu Suzuki was long active as a Director and Executive Officer of Mitsubishi Materials Corporation and he has broad and high level of insight into management strategy, global business development, and sales/marketing, etc. Additionally, as a Compensation Committee member, he contributes to the activities of the Compensation Committee, including deliberations related to the remuneration system and determination of remuneration levels for the Company's Directors and Senior Executive Officers. The Nominating Committee 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 expertise, and therefore has nominated him as a candidate for Outside Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
8	<p>Tomoharu Suseki (February 18, 1957)</p> <p>New candidate Outside Independent</p> <p>Tenure as Outside Director: –</p> <p>Attendance at Board of Directors' meetings: –</p>	<p>Apr. 1979      Joined Sumitomo Electric Industries, Ltd.</p> <p>Jan. 1997      Director, Raychem Corporation</p> <p>Nov. 2001      Representative Director, Tyco Electronics Raychem K.K.</p> <p>Apr. 2003      Executive Officer, D&amp;M Holdings Inc.</p> <p>Nov. 2004      Representative Director, President and CEO, OCC Corporation</p> <p>Mar. 2007      Executive Officer and COO, SUMIDA Corporation</p> <p>Sept. 2010     Representative Executive Officer and President, SUMIDA Corporation</p> <p>Mar. 2020      Director, SUMIDA Corporation (retired in Mar. 2023)</p> <p>June 2021     Outside Director, MISUMI Group Inc. (present position)</p> <p>[Significant concurrent positions] Outside Director, MISUMI Group Inc.</p>	0 shares
	<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles] Tomoharu Suseki held corporate management positions in multiple global companies and has rich experience and broad insight as a corporate manager. The Nominating Committee 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 expertise, and therefore has nominated him as a candidate for Outside Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]	Number of the Company's shares owned
9	Yoshihide Hata (May 20, 1958)  New candidate Outside Independent  Tenure as Outside Director: -  Attendance at Board of Directors' meetings: -	<p>Apr. 1981      Joined NH Foods Ltd.</p> <p>Apr. 2008      General Manager of Accounting &amp; Finance Department, NH Foods Ltd.</p> <p>Apr. 2009      Executive Officer; General Manager of Accounting &amp; Finance Department, NH Foods Ltd.</p> <p>Apr. 2011      Executive Officer; General Manager of Accounting &amp; Finance Department and in charge of IT Planning Department, NH Foods Ltd.</p> <p>June 2011      Director and Executive Officer; General Manager of Accounting &amp; Finance Department and in charge of IT Planning Department, NH Foods Ltd.</p> <p>Apr. 2012      Director (and Managing Executive Officer); General Manager of Corporate Management Division, in charge of Accounting &amp; Finance Department and IT Strategy Department, NH Foods Ltd.</p> <p>Apr. 2015      Vice President and Representative Director (and Executive Vice President and Executive Officer) and General Manager of Corporate Management Division, NH Foods Ltd.</p> <p>Jan. 2018      President and Representative Director (and President and Executive Officer), NH Foods Ltd.</p> <p>Apr. 2023      Director, NH Foods Ltd.</p> <p>June 2023      Corporate Advisor, NH Foods Ltd. (retired in June 2024)</p> <p>[Significant concurrent positions] None</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles] Yoshihide Hata was long active as a manager of NH Foods Ltd. and, in addition to his rich experience as a corporate manager, he is well versed in IT and digital transformation and has a considerable amount of expertise in finance and accounting. The Nominating Committee 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 expertise, and therefore has nominated him as a candidate for Outside Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities [Significant concurrent positions outside the Company]		Number of the Company's shares owned
10	Yumiko Hosoi (January 1, 1967)	Oct. 1993	Joined Asahi & Co. (currently KPMG AZSA LLC)	0 shares
	New candidate Outside Independent	Apr. 1997	Registered as Certified Public Accountant	
		July 2010	Partner, KPMG AZSA LLC (retired in June 2025)	
Tenure as Outside Director: -	June 2025	Outside Director (Audit and Supervisory Committee Member), ISUZU MOTORS LIMITED (present position)		
Attendance at Board of Directors' meetings: -	[Significant concurrent positions] Outside Director (Audit and Supervisory Committee Member), ISUZU MOTORS LIMITED			
<p>[Reasons for nomination as candidate for Outside Director and overview of expected roles]</p> <p>Yumiko Hosoi was long active as a Certified Public Accountant and she has a considerable amount of expertise in finance and accounting as well as a broad and high level of insight into financial audit and risk management. Although she has not been involved in corporate management other than as an Outside Director, the Nominating Committee has judged that she will be able to fulfill the role appropriately by making active and useful statements, leveraging her expertise, and therefore has nominated her as a candidate for Outside Director.</p>				

- Notes: 1. There is no special interest between the candidates and the Company.
2. Outside Directors Yukino Kikuma, Ayako Kobayashi, Toichi Maeda, Yasunobu Suzuki, Tomoharu Suseki, Yoshihide Hata, and Yumiko Hosoi satisfy the “Independence Criteria for Outside Officers” stipulated by the Tokyo Stock Exchange and the Company’s “Independence Standards for Outside Directors,” and all of these candidates will be independent officers if they are elected as Directors.
  3. Yukino Kikuma concurrently serves as a Managing Partner of MATSUO & KOSUGI (legal professional corporation), which has entered into a legal advisory agreement with the Company. The total amount of advisory fees, legal consultation fees, etc. paid by the Group to the law firm is less than 2% of the average annual net sales of the law firm for the past three fiscal years and less than 1% of the annual consolidated net sales of the Company for the fiscal year under review.
  4. The Company has, according to the stipulations of Article 427, paragraph (1) of the Companies Act, provisions in the Articles of Incorporation stating that an agreement can be concluded with Directors (excluding those who concurrently serve as Senior Executive Officers) limiting their liability under Article 423, paragraph (1) of the same Act if that Director has undertaken his/her duties in good faith and does not commit any gross errors. Based on the concerned agreements, the amount of liability is limited to ¥5 million or the amount prescribed by laws and regulations, whichever is higher. The Company has concluded this agreement with Yasuyuki Hotta, Toshiyuki Murasawa, Yukino Kikuma, Ayako Kobayashi, Toichi Maeda, and Yasunobu Suzuki, and if each candidate is elected as Directors, the Company intends to continue this agreement with them, and to newly enter into the agreement with Tomoharu Suseki, Yoshihide Hata, and Yumiko Hosoi.
  5. The Company has concluded a Directors and Officers liability insurance contract with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. A Director shall take responsibility for the exercise of his/her duties and the contract shall cover damages which may arise from a claim in relation to pursuing the responsibility. However, there are some exemptions applied to such deeds as when the Director acts while knowing that his/her conduct violates laws and regulations. The Company plans to renew the said contract in July 2026, under which each of the candidates is insured if they are elected.
  6. Yukino Kikuma concurrently holds the position of Outside Director of ALCONIX CORPORATION. ALCONIX CORPORATION has formulated and been working on measures centered on strengthening its internal control system in response to the improper accounting procedure at its consolidated subsidiary that was detected in November 2020. Although Yukino Kikuma had not recognized the fact before the improper accounting procedure was revealed, she had made comments about the importance of compliance at Board of Directors meetings of ALCONIX CORPORATION even before the incident. After the fact was disclosed, she made proposals about investigating the fact, looking into the cause, and preventing the recurrence.
  7. Ayako Kobayashi concurrently holds the position of Outside Director of The Musashino Bank, Ltd. The bank is implementing measures to improve operations to avoid recurrence of administrative disciplinary action (a business improvement order) imposed by the Kanto Finance Bureau in June 2023 for the issue related to investor protection in financial instruments intermediary services concerning the solicitation and sales of structured bonds. Although Ayako Kobayashi had not recognized the fact before it was revealed, she had made comments about reinforcement of the business administration structure and control before the incident. After the fact was disclosed, she made proposals about investigating the fact, looking into the cause, and preventing recurrence.
  8. Toichi Maeda concurrently held the position of Chairman & Director of EBARA CORPORATION until March 2025. EBARA CORPORATION received a recommendation based on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors from the Japan Fair Trade Commission in February 2025. Although Toichi Maeda had not recognized the fact before it was revealed, he had been making proposals, etc. from the perspective of legal compliance at the Board of Directors meetings before that time. After the fact was recognized, he made proposals, etc. about looking into the incident immediately, and strengthening the internal control systems and ensuring thorough compliance with a mind to preventing recurrence.
  9. Yukino Kikuma is scheduled to retire from her position as External Director of KOSÉ Corporation on March 27, 2026 due to expiration of her term of office.
  10. Ayako Kobayashi’s name on her family register is Ayako Nakajima.
  11. Yumiko Hosoi’s name on her family register is Yumiko Ando.

(Reference)

## **Independence Standards for Outside Directors**

We determine that a candidate for an Outside Director is independent if the candidate satisfies the requirements for the outsideness stipulated by the Companies Act and does not fall under any of the following items (i) through (xii).

- (i) A person who has been an Executive (Note 1) of the Company or its subsidiaries (hereinafter referred to as the “KITZ Group”) or a person who has been an executive of the KITZ Group within the past 10 years (Note 2)

(Note 1) “Executive” shall mean an executive set forth in Article 2, paragraph 3, item 6, of the Regulations for Enforcement of the Companies Act, and includes an Executive Director, Senior Executive Officer, and other employees, as well as an Executive Officer, advisor, consultant, or any other person in a position equivalent to that of an officer.

(Note 2) “Past 10 years” shall mean the 10 years prior to the appointment as an Outside Director. However, if the person has served as a Non-Executive Director or an Auditor of the KITZ Group at any time within the past 10 years, this means the 10 years prior to the appointment as such position.

- (ii) A person whose main business partner is the KITZ Group (Note 3) or an executive thereof

(Note 3) “A person whose main business partner is the KITZ Group” shall mean a business partner who provides products or services to the KITZ Group and whose transaction amount (the amount paid by the KITZ Group to that person) in the most recent business year is 2% or more of that person’s annual consolidated gross sales.

- (iii) A main business partner of the KITZ Group (Note 4) or an executive thereof

(Note 4) “A main business partner of the KITZ Group” shall mean a business partner to whom the KITZ Group provides products or services and whose transaction amount (the amount paid by that person to the KITZ Group) in the most recent business year is 2% or more of the KITZ Group’s annual consolidated gross sales.

- (iv) A main financial institution (Note 5) from which the KITZ Group borrows money or an executive thereof

(Note 5) “A main financial institution” shall mean a financial institution or its parent company or subsidiary that lends to the KITZ Group an amount of 2% or more of the consolidated assets of the KITZ Group as of the end of the most recent business year.

- (v) A person who is a legal expert such as a lawyer, an accounting expert such as a certified public accountant or tax accountant, or a consultant who receives a large amount of money or other property in addition to executive remuneration (Note 6) from the KITZ Group (however, if the party receiving the property benefit is an organization, such as a corporation or association, the person means one who is a director or other executive of the organization)

(Note 6) “A large amount of money or other property” shall mean, if the party receiving the property is an individual, monetary or other property benefits exceeding 10 million yen in the most recent business year, or if the party receiving the property is an organization such as a corporation or association, monetary or other property benefits equal to or exceeding an amount of 2% of the organization’s consolidated gross sales or total revenue on average over the past three business years.

- (vi) A certified public accountant who serves as an auditor of the KITZ Group, or a member, partner, or employee of an audit firm engaged as such an auditor

(vii) A person who receives large donations or subsidies (Note 7) from the KITZ Group (however, if the party receiving such donations or subsidies is an organization, such as a corporation or association, a director or other executive of the party is the person described in this paragraph)

(Note 7) "Large donations or subsidies" shall mean donations or subsidies of money or other property exceeding 10 million yen in the most recent business year.

(viii) A main shareholder of the Company (Note 8) or, if the shareholder is a corporation, an executive of the corporation

(Note 8) "A main shareholder of the Company" shall mean a shareholder who owns 5% or more of voting rights at the end of the most recent business year, regardless of direct or indirect ownership.

(ix) A person in which the KITZ Group is a major investor (Note 9) or an executive thereof

(Note 9) "A major investor" shall mean a party to which the KITZ Group has invested 5% or more of the voting rights of that party at the end of the most recent business year.

(x) A company that accepts a Director (full-time or part-time) from the KITZ Group, or the executive of its parent company or subsidiary

(xi) A person who has fallen under any of the items (ii) through (x) above in the past three years

(Note 10) However, item (vi) above applies only to individuals who were actually responsible for providing audit services to the KITZ Group, including those who have already resigned or left their organization.

(xii) A close relative (Note 12) of a person who falls under any of the following (limited to a person in an important position (Note 11))

(1) A person who is currently the executive or Non-Executive Director of the KITZ Group

(2) A person who has been the executive of the KITZ Group in the past three years

(3) A person who falls under any of the items (ii) through (xi) above

(Note 11) "A person in an important position" shall refer to a Director, Senior Executive Officer, Executive Officer, advisor, consultant, or any other person in a position equivalent to an officer, or an employee in a senior management position equivalent to department manager or above. However, for the purposes of item (3), the term "Director" in "A person in an important position" refers only to an Executive Director and excludes a Non-executive Director.

(Note 12) "A close relative" shall refer to a spouse or a relative within the second degree of kinship.

**Proposal 2: Election of Financial Auditor**

At the conclusion of this General Meeting of Shareholders, Ernst & Young ShinNihon LLC, which is the Financial Auditor of the Company, will retire due to the expiration of term of office. Therefore, based on the decision of the Audit Committee, the Company requests the election of new Financial Auditor.

The Audit Committee nominated KPMG AZSA LLC as a candidate for Financial Auditor because the Committee determined KPMG AZSA LLC to be the most appropriate in a comprehensive consideration of the facts that an audit from new perspectives can be expected with change of Financial Auditor as the existing Financial Auditor has served for a continuous long period, that it has an audit structure suitable for the Company's global business deployment and governance system, that it has the expertise, independence, quality control structure, and a reasonableness of audit fees, all of which are required in line with the Company's Financial Auditor Selection and Evaluation Standards.

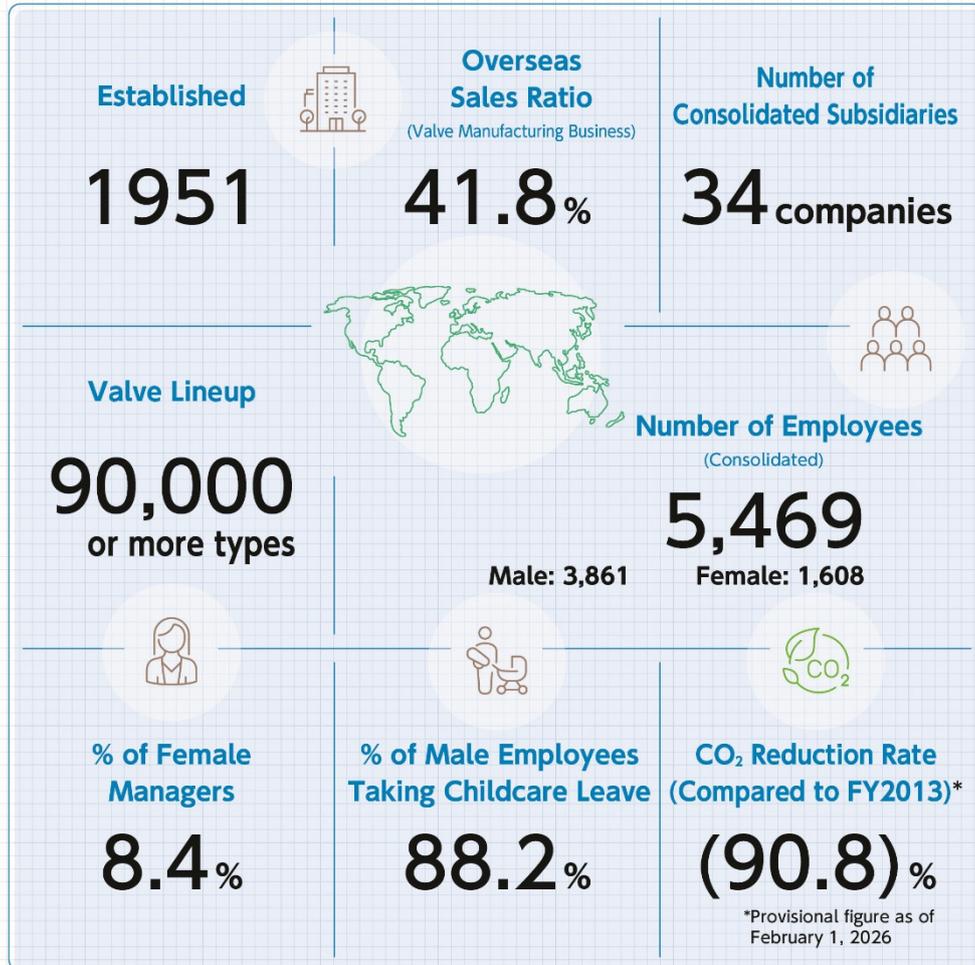
The candidate for Financial Auditor is as follows.

(As of June 30, 2025)

Name	KPMG AZSA LLC		
Main office	1-2, Tsukudo-cho, Shinjuku-ku, Tokyo		
History	July 1969	Established Asahi & Co.	
	July 1985	Asahi Shinwa & Co. was established through the merger of Asahi & Co. and Shinwa Audit Corp. (established in December 1974)	
	Oct. 1993	Asahi Audit Corp. was established through the merger of Asahi Shinwa & Co. and Inoue Saito Eiwa Audit Corp. (established in April 1978)	
	Jan. 2004	KPMG AZSA LLC was established through the merger of Asahi & Co. and AZSA & Co. (established in February 2003)	
	July 2010	Changed into a limited liability auditing corporation with the name of KPMG AZSA LLC.	
Overview	Capital		¥3,000 million
	Composition of staff	Certified public accountants:	3,011
		Newly certified and Junior CPAs:	1,537
		Professionals:	2,013
		Administration:	801
		Total:	7,362
Number of audit clients		3,255 companies	

(Reference)

## The KITZ Group in Numbers (As of December 31, 2025)



<p>Net Sales </p> <p>¥ <b>176.6</b> billion</p>	<p>Operating Profit</p> <p>¥ <b>15.4</b> billion</p>	<p>Ordinary Profit</p> <p>¥ <b>16.0</b> billion</p>
<p>Profit Attributable to Owners of Parent</p> <p>¥ <b>11.4</b> billion</p>	<p>Return on Equity (ROE)</p> <p><b>10.1</b> %</p>	<p>Consolidated Dividend Payout Ratio</p> <p><b>40.2</b> %</p> <p><small>Dividend Policy: At least 40% of profit attributable to owners of parent</small></p>

Per-Share Information		
<p>Net Assets (BPS)</p> <p>¥ <b>1,358.57</b></p>	<p>Profit (EPS) </p> <p>¥ <b>131.85</b></p>	<p>Dividend</p> <p>¥ <b>53</b></p>

(Reference)

# TOPICS The KITZ Group in a Year

January to December, 2025

**Jan.** Shimizu Alloy Mfg., a Group company, changed its name to KITZ SGS Corporation, a name combining "KITZ" with the inherited registered trademark "SGS"



**Jan.** Implemented an absorption-type merger of Toyo Valve Co., Ltd., a Group company, aiming to enhance marketing and to achieve greater efficiency in internal operations. "Toyo Valve" brand will persist



**May** Published Corporate Report 2025 (the Group's integrated report)



**Aug.** Introduced dress guidelines called "SHIN shiodome Style" for a more relaxed dress code at work, aiming to promote more diverse values and work styles



**2024 Dec.** KITZ's first production site in Vietnam was established, starting operation. Expanding stainless steel valve production capacity to meet the expected high demand



**Mar.** KITZ was recognized as an Outstanding Organization of Health for the fourth consecutive year since 2022

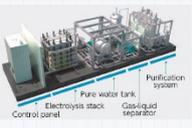


**July** Revised its personnel systems, such as introducing KITZ style "Job-type" scheme, to create an environment where the employees can bring their skills, abilities, and experiences fully into play, aiming to "empower our workforce to lead the way to the future," one of the Group's materialities

**July** Formulated and disclosed the Group's Declaration of Partnership Building, as it has endorsed the intent of the Council on Promoting Partnership Building for Cultivating the Future, being promoted by the Cabinet Office and the Small and Medium Enterprise Agency, aiming to "establish sustainable supply chain," one of the Group's materialities



**Sept.** Launched Proton Exchange Membrane (PEM) water electrolysis hydrogen generation unit that enables low-environmental-impact hydrogen supply



**Nov.** Decided to construct a new factory building at KITZ (Thailand) Ltd., a Group company, with the aim of increasing production of butterfly valves for the data center market



Conceptual drawing at completion

**Sept.** Consolidated the Group company offices, which are scattered throughout Tokyo Metropolitan Area, into the Tokyo Shiodome Building, where KITZ is headquartered, aiming to maximize its group synergies



**Nov.** Formulated KitZ Group Strong Will Sheet, which outlines the Group's targets and KPIs designed to advance the realization of its materialities



Sept. Oct. Nov. Dec.

**Sept.** Launched a new brand page (in Japanese only) on the Group's website, aiming to enhance its brand awareness



**Nov.** KITZ Engineering Service, a Group company, entered into an agreement on a business alliance with Edogawa Valve Protection, aiming to strengthen its engineering services

**Oct.** Acquired Horizon Polymer Engineering Private Limited in India, with the aim of expanding business in the fine chemicals market, one of our targeted markets



**Dec.** Yui Susaki, an athlete representing Kitz, achieved a victory in the women's 50 kg category at the 2025 Emperor's Cup All-Japan Wrestling Championships, marking her fourth title at this tournament for the first time in three years



## **Business Report for the 112th Term** (from January 1, 2025 to December 31, 2025)

### **1. Status of the Corporate Group**

#### (1) Progress and results of operations

##### (i) Progress and outcomes of business activities

During the fiscal year ended December 31, 2025, the global economy remained subject to future uncertainty amid factors that included the Russia-Ukraine war, situations in the Middle East, and other such geopolitical risks, a prolonged slump in China's real estate market, concerns of a worldwide economic downturn triggered by U.S. tariff measures, escalation of U.S.-China trade friction, and foreign exchange market volatility. The Japanese economy remained susceptible to adverse conditions such as a persisting scenario of rising prices driven by hikes in policy interest rates, surging energy resource and raw material prices as well as exchange rate fluctuations, despite continuance of robust inbound demand, record high Nikkei Stock Average and other such factors.

Under these circumstances, total net sales increased by 2.7% year on year to ¥176,682 million in the fiscal year under review. The increase was a result of higher revenue in the Valve Manufacturing Business, mainly reflecting higher sales volume in the overseas market and effects of price revisions, more than offsetting a decline in sales for semiconductor manufacturing equipment. The increase was also attributable to higher revenue in the Brass Bar Manufacturing Business mainly due to higher sales volume.

In terms of profit and loss, operating profit increased by 8.7% year on year to ¥15,454 million, mainly due to the increased revenue from higher sales volume in the Valve Manufacturing Business. Ordinary profit increased by 5.2% year on year to ¥16,071 million, and profit attributable to owners of parent was down 3.0% year on year to ¥11,465 million, mainly due to a decrease in gain on sale of investment securities from the sale of cross-shareholdings.

The result of each business segment is as follows.

#### **Valve Manufacturing (Composition ratio 80.0%)**

In the Valve Manufacturing Business, net sales to external customers increased by 1.3% year on year to ¥141,415 million, mainly reflecting higher sales volume in the overseas market and effects of price revisions, more than offsetting a decline in sales for semiconductor manufacturing equipment. Operating profit increased by 8.4% year on year to ¥18,886 million, mainly due to the increased revenue from higher sales volume.

#### **Brass Bar Manufacturing (Composition ratio 18.4%)**

In the Brass Bar Manufacturing Business, net sales to external customers increased by 9.0% year on year to ¥32,514 million, mainly due to higher sales volume. Operating profit decreased by 2.4% year on year to ¥865 million, mainly due to higher repair expenses.

#### **Other (Composition ratio 1.6%)**

In Other Businesses, net sales to external customers increased by 4.0% year on year to ¥2,752 million, mainly due to the strong performance of the hotel business. Operating profit increased by 17.0% year on year to ¥171 million, mainly due to the increase in net sales.

Net sales by business segment of the corporate group

(Units: Millions of yen)

Business Segment	111th term (FYE December 2024)		112th term (FYE December 2025)		Year-on-year	
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	Amount	Rate of change (%)
Valve Manufacturing	139,556	81.1	141,415	80.0	1,859	1.3
Brass Bar Manufacturing	29,838	17.3	32,514	18.4	2,675	9.0
Other	2,647	1.6	2,752	1.6	105	4.0
Total	172,042	100	176,682	100	4,639	2.7

Operating income or loss by business segment of the corporate group

(Units: Millions of yen)

Business Segment	111th term (FYE December 2024)		112th term (FYE December 2025)		Year-on-year	
	Amount		Amount		Amount	Rate of change (%)
Valve Manufacturing		17,419		18,886	1,466	8.4
Brass Bar Manufacturing		886		865	(21)	(2.4)
Other		146		171	24	17.0
Adjustments		(4,232)		(4,467)	(235)	–
Total		14,220		15,454	1,234	8.7

(ii) Capital expenditures

The total capital investment was ¥13,435 million (including intangible assets) for the current fiscal year as KITZ Corporation of Vietnam Co., Ltd., the Company's subsidiary, constructed a new plant for manufacturing valves for semiconductor equipment, and other companies in the Group invested in the renewal of production facilities in the Valve Manufacturing Business.

(iii) Financing activities

The balance of interest-bearing debt (including lease obligations) increased by ¥924 million from the end of the previous fiscal year to ¥37,013 million.

(iv) Status of Significant Reorganization

Effective January 1, 2025, the Company merged with Toyo Valve Co., Ltd., which was a wholly owned subsidiary of the Company, through absorption-type merger with the Company as the surviving company and assumed all the rights and obligations of Toyo Valve Co., Ltd.

(2) Assets and profit and loss in the last three fiscal years preceding the fiscal year under review

(i) Assets and profit and loss of the corporate group

(Units: Millions of yen)

Category	109th term (FYE December 2022)	110th term (FYE December 2023)	111th term (FYE December 2024)	112th term (FYE December 2025)
Net sales	159,914	166,941	172,042	176,682
Ordinary profit	12,045	14,452	15,276	16,071
Profit attributable to owners of parent	8,549	10,591	11,824	11,465
Basic earnings per share (yen)	95.35	118.07	132.64	131.85
Total assets	152,569	166,693	172,406	184,325
Net assets	91,042	102,207	109,809	119,790
Net assets per share (yen)	1,002.69	1,124.39	1,246.16	1,358.57

Notes:

1. Basic earnings per share is calculated based on the average number of shares outstanding during the term. Net assets per share is calculated based on total number of shares outstanding at the end of the term. The number of shares outstanding as aforementioned does not include treasury shares.
2. The Company adopted a Board Incentive Plan (BIP) trust, and the number of the Company's shares held in the trust is recorded as treasury shares in the consolidated financial statements. Therefore, for the calculation of basic earnings per share, the said number is included in the treasury shares deducted in the calculation of the average number of outstanding shares for the term, and for the calculation of the net assets per share, the said number is included in the treasury shares deducted in the calculation of the number of shares outstanding at the end of the term.

(ii) Assets and profit and loss of the Company

(Units: Millions of yen)

Category	109th term (FYE December 2022)	110th term (FYE December 2023)	111th term (FYE December 2024)	112th term (FYE December 2025)
Net sales	69,338	72,169	72,591	79,929
Ordinary profit	4,657	7,251	7,958	8,853
Profit	4,120	6,957	7,628	8,982
Basic earnings per share (yen)	45.95	77.56	85.57	103.30
Total assets	107,706	111,108	113,777	115,878
Net assets	55,645	59,616	59,996	64,986
Net assets per share (yen)	620.13	664.50	689.80	747.21

Note:

For notes of assets and profit and loss of the Company, please refer to notes of (i) Assets and profit and loss of the corporate group.

(3) Ongoing challenges for the corporate group

(i) Progress of the Second Medium-term Management Plan

The KITZ Group has set a target of 13% ROE in 2030 and is working towards realizing its Long-term Management Vision “Beyond New Heights 2030 - Change the Flow.” Under the First Medium-term Plan 2024 (FY2022-2024), we have aggressively executed investments in growth fields such as the semiconductor market while strengthening our core business, which is our business foundation. “SHIN Global 2027” was announced in the Second Medium-term Plan (FY2025-2027), with the Group aiming to become a true global company by yielding results of investments made under the First Medium-term Plan while further advancing investments in growth fields and areas.

As the first year of the Second Medium-term Plan, the Group aimed to deepen its market and area strategy in 2025 by taking efforts such as investing in the expansion of its US sales offices and increasing capacity at its Thai production bases, amid the growing demand for data centers. In addition, we reorganized the internal organization into a market-focused Strategic Business Units (“SBUs”) structure to quickly and accurately grasp the market and customer needs, putting in place a system to meet those expectations. We have also consolidated the offices of domestic Group companies and strengthened the group synergies as “Global One KITZ.”

In FY2026, in order to accelerate such initiatives, we will make further investment into growth markets and work with a strong will on initiatives described on the KITZ Group Strong Will Sheet that outlines our targets and key performance indicators (KPIs) designed to advance the realization of the Group’s materialities (key management themes), while further promoting sustainability management for sustained improvement in corporate value.

SHIN Global 2027	
<b>Aiming to become a true (“shin”) global company through the three “SHIN”</b>	<b>FY2027 Consolidated Target</b>
<b>1.</b> Unify all employees and Group companies through trust (SHIN-rai)	<b>Net sales:</b> ¥200.0 billion
<b>2.</b> Increase new (SHIN-ki) markets, products, and channels	<b>Operating profit:</b> ¥20.0 billion
<b>3.</b> Continue to evolve (SHIN-ka)	<b>ROE:</b> at least 11%

(ii) Business Strategies

a) Valve Manufacturing Business

In the Valve Manufacturing Business, we have divided our target markets into eight categories and are developing business initiatives based on the market. In the core markets, we will further strengthen the foundations that form the core of the KITZ Group, backed by growing demand for data centers primarily in the U.S. and for urban development and next-generation energy projects. In the Growth markets, on the back of the global rise of the semiconductor market and with our entry into the hydrogen supply chain with a view towards a decarbonized society, we will convert our investments based on the growth strategy into results. We will also work to further transform our revenue structure by developing and launching products for growth markets.

b) Metal Solutions Business (the segment name changed from the Brass Bar Manufacturing Business from the 113th term)

In the Metal Solutions Business, we are progressing with transformation of the business portfolio through initiatives including taking on the challenge of new materials and strengthening the processing business, as well as material recycling. As part of this transformation, we have decided to reflect the details of these businesses in the name of the SBU and operating segment. We will work to further improve profitability through continuous cost reductions, in addition to expanding sales of high value-added products in growth fields.

c) Transition to Strategic Business Units (SBUs) Organization

In order to achieve further business growth, the KITZ Group reformed its organization from the conventional function-based organization to a market-focused SBU structure effective January 2025. Under the SBUs, manufacturing, sales, and technology are integrated, enabling us to accelerate the execution of our business strategies by responding swiftly to customer needs in each market. The business and markets under the jurisdiction of each SBU is as follows.

Valve Manufacturing		Building & Facilities/ Machinery & Equipment BU	Industrial BU	Semiconductor BU	Environmental Solutions BU	Hydrogen BU	Metal Solutions BU
Core	Building & Facilities	●	—	—	—	—	○
	Petrochemicals	—	●	—	—	—	—
	Water Treatment	○	—	—	●	—	○
	Machinery & Equipment	●	—	—	—	—	—
Growth	Semiconductor Equipment	—	—	●	—	—	—
	Semiconductor Materials(Filters)	—	—	●	—	—	—
	Fine Chemicals	—	●	—	—	—	—
	Hydrogen & Clean Energy	—	○	—	—	●	—
Metal Solutions		—	—	—	—	—	●

●:Target Market ○:Applicable Market

(Reference)

## Strategic Business Units: Key Strategies

### Building Facilities and Machine Equipment Business Unit

We offer valves for air conditioning and sanitation in buildings and facilities, such as offices and factories. We also handle the valves incorporated into production equipment used at production and processing lines for machine equipment.

Market	Building & Facilities	Machinery & Equipment		
×				
Area	Japan	Americas	China	ASEAN

#### Message from the Head of the Business Unit



**Takaaki Kobayashi**

**Focus on numbers and win through costs. We will further strengthen the KITZ' core business.**

Our BU, which is responsible for a core business of the KITZ Group, has its clear role. We focus on the numbers in sales, thoroughly reduce costs in production, and generate stable profits. Under the Second Medium-term Plan, we will transform the manufacturing structure itself while considering production site changes, in addition to increasing the production of valves and raising plant operation. We will continue to support the Group's growth investments by enhancing our competitiveness through improvement initiatives and building a solid revenue foundation. We are determined to strengthen our core business and are committed to steadily execute our initiatives.

#### Outcomes from the 112th Term

We developed new products with high cost competitiveness with an aim to expand our shares in the ASEAN market. In addition, we relocated and expanded a warehouse at our local sales company in the US to enhance our ability to meet delivery timelines in response to the anticipated growth of US data center market. On production front, we resolved to expand a plant at a Group subsidiary in Thailand to increase production capacity. In Japan, in addition to data center-related orders, we started to take actions to acquire more market shares by identifying market needs in details through the enhanced dialogues with the distributors.



Warehouse at our US sales company; relocated and expanded

#### Initiatives for the 113th Term

We will expand sales of new products for the overseas markets at full-scale and strengthen our cost competitiveness through optimization of production locations and maximization of plant operations. Additionally, we will enhance our supply capabilities for data center market through the expansion of a plant at our Thai subsidiary. We will fully leverage our business structure that integrates manufacturing, sales, and technologies to optimize our operations from marketing to development and production in a comprehensive manner, aiming to achieve both expansion of sales and higher profitability.



Enhance supply capabilities for data center market

## Strategic Business Units: Key Strategies

### Industrial Business Unit

We offer products with excellent resistance to corrosion and wear, focusing on the valves used in pipelines for petrochemicals and LNG. In recent years, we have been addressing market demand as it shifts toward energy transition.

Market X	Petrochemicals	Fine Chemicals			
Area	Japan	Americas	Europe	India	Middle East

#### Message from the Head of the Business Unit



Yasunori Sugita

#### Profitability re-engineering through business restructuring and transformation to a brand selected by customers with combination of focus areas and segments

Industrial Business Unit targets a wide range of fields and its business operation is significantly affected by the market environment of various areas both in Japan and abroad. We will gradually shift our business focus from the petrochemical market, our existing target market, and strive to expand the focus market areas, aiming to achieve further business expansion. We will reform ourselves to be a company that is selected and relied upon by customers.

#### Outcomes from the 112th Term

We expanded our business fields into the fine chemical market such as high-performance materials and life-science. We also started full-scale efforts for the instrumentation field, striving to build a foundation to offer high-value-added products.

In the severe-service field, we enhanced the range of highly reliable products that fully perform under severe conditions. In addition, we built a system to offer a wide variety of choices by strengthening our customization ability to individual process.



For fine chemicals field:  
Diaphragm valve



For severe service field:  
Low-leakage valve for ammonia

#### Initiatives for the 113th Term

We will create technology synergy through the enforcement of the KITZ Group R&D functions and the Company-wide collaboration across the Business Units.

In the North American market, we will expand the lineup of specialty materials, special valves, and products for the fine chemical market, and will also aim to expand our customer base by utilizing our production capacity and supply capabilities. In the Indian market, we will leverage our locational advantages of four Group companies (nine sites), including those acquired through M&A last year, to enhance our competitive strengths further.



KITZ Group Innovation Center where the R&D functions are concentrated (Chino-shi)

## Strategic Business Units: Key Strategies

### Semiconductor Business Unit

We offer the valves, fittings, and units used in semiconductor manufacturing processes and facilities, as well as the precision filters used to produce resists.

Market ×	Semiconductor Equipment	Semiconductor Materials	
Area	Japan	Americas	China

#### Message from the Head of the Business Unit



**Tomoya Maekawa**

**Aiming to be a company with presence that continues to be chosen by society and customers, we will continue to take on challenges.**

We strive to provide society and customers with values through the creation of new products and services by utilizing our core technologies: super-clean technology, ultra-precision processing technology, and separation technology. We will strengthen our competitiveness by accurately identifying the market need and offering high-value-added products promptly. We will contribute to the development of semiconductor industry and sustainable manufacturing around the world with our fluid control devices and precision filters suited to the latest semiconductor processes.

#### Outcomes from the 112th Term

Having positioned the vacuum valves for semiconductor manufacturing equipment as strategic growth products, we increased our production capacity to approximately three times the previous level, while reducing costs, shortening lead times, and stabilizing quality, to strengthen our supply capabilities and profitability. In addition, in order to respond to further miniaturization and higher integration of semiconductors, we developed a high-purity chemical filter with filtration accuracy of sub 1 nm and introduced equipment for production expansion and cleaning and analysis and evaluation technologies to build a supply system in anticipation of future demands.



Vacuum valves, our strategic growth products, (left) and high-purity chemical filters (right)

#### Initiatives for the 113th Term

For the valves, we will focus on stable operation of our new plant in Vietnam to expand the production capacity to meet the market growth. In addition, we will expand the operation of facilities for manufacturing hollow-fiber membranes, assembling filters, and cleaning at KITZ Micro Filter Chino Plant with an eye toward business growth. Furthermore, we will enhance our ability to support customers and competitive strengths through the establishment of development, production, sales, and after-sales service sites in Japan and abroad and the product development with consideration of regional characteristics.



New plant producing valves for semiconductor manufacturing equipment (Vietnam)

## Strategic Business Units: Key Strategies

### Environmental Solutions Business Unit

We leverage our technologies for membrane filtration systems and advanced oxidation treatment systems, together with the know-how we have developed from our experience, to provide comprehensive solutions that help our customers solve their water treatment issues.

Market	Water Treatment	
× Area	Japan	ASEAN

#### Message from the Head of the Business Unit



**Toshiaki Kobayashi**

#### Solutions to social issues of water infrastructure

#### Achieve effective utilization of limited water resources and a recycling-based society

We at the KITZ Group take on challenges to realize a daily life where everyone can access safe water. We offer water supply valves and products for water distribution equipment, addressing the social issues of water infrastructure, such as the aging of equipment and seismic reinforcement needs. With these efforts, we are dedicated to continuing to support the reliable infrastructure that society takes for granted where people can live safely and with peace of mind. Moreover, for effective utilization of limited water resources, we are committed to providing values aimed at realizing a recycling-based society based on the water treatment technologies we have cultivated. Working based on these missions, we aim to achieve sales of ¥10 billion by FY2030.

#### Outcomes from the 112th Term

We established an engineering division and, as a result, we now have a system to provide comprehensive solutions covering from planning and consultation to construction to meet the needs to upgrade aged water purification equipment. In addition, in order to maximize the group synergies, we integrated sales departments responsible for water supply valves and products for water distribution equipment that had previously existed in each Group company. This has resulted in bringing knowledge and technological expertise together and has enabled us to make more effective proposals in a speedy manner to customers.



Aqua MF, a micro filter membrane filtration water purifier for small-size water supply facilities

#### Initiatives for the 113th Term

We will pursue higher reliability both through our small-size membrane filtration unit technologies and with after-sales support service system, and will also work on securing stable water infrastructure at the normal times and immediate recovery after a disaster, thereby contributing to ensuring local communities' peace of mind and achieving a sustainable society with our products. In addition, to address the demands for water neutrality, zero liquid discharge, etc., we will work on a project in which we utilize our water treatment technologies for water treatment such as ozone treatment we have cultivated.



Aqua Rescue, a portable membrane filtration device and Pureculaser, a sterilization and water treatment system

## Strategic Business Units: Key Strategies

### Hydrogen Business Unit

We contribute to decarbonization through engineering services based on the technology we have developed in high-pressure hydrogen gas and liquid hydrogen valves. These services include proposals for an optimal hydrogen supply chain and local energy production and consumption, as well as equipment selection, layout design, piping design, and unit design and manufacturing.

Market	Hydrogen & Clean Energy
×	
Area	Japan

#### Message from the Head of the Business Unit



Osamu Watanabe

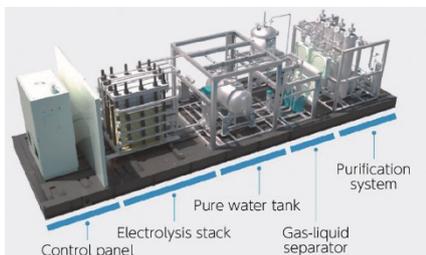
**We will make hydrogen business one of our next business pillars, by building trust with our technologies.**

As a growth business leading the KITZ Group businesses in the future, the Hydrogen Business Unit has worked on expanding business fields and building technology foundation. Going forward, we will enter the next phase where we make these efforts lead to higher profitability and enhanced business values. In order to achieve sustained growth in the hydrogen field, it is essential to become a company chosen for its solutions and trust with its technologies, not just through providing its products. To achieve this goal, we will evolve into a business unit that offers a whole supply chain of hydrogen, through enhancing our products, engineering, and collaboration with partners.

#### Outcomes from the 112th Term

We actively made investments and conducted R&D in order to expand our business fields and develop in-house technological capabilities.

In addition, we built a structure that enables us to offer the processes of producing, storing and transporting, and utilizing hydrogen in a comprehensive manner by acquiring technologies, collaborating with partners, and strengthening engineering capabilities with a view to launching a full-scale entry into the hydrogen production equipment business field.



Launched Proton Exchange Membrane (PEM) water electrolysis hydrogen generation unit

#### Initiatives for the 113th Term

We will enhance our competitiveness in terms of delivery timelines and costs centered on water electrolysis equipment to make a full-scale effort to acquire a total engineering project that includes on-site construction. We also aim to enhance added value by combining equipment sales with on-site construction and engineering services at hydrogen stations and mass transportation and storage facilities. By strengthening these business foundations, we aim to achieve sales of ¥10 billion by FY2030.



Hydrogen station at our Nagasaka Plant, having a testing function for hydrogen valves (Hokuto-shi)

## Strategic Business Units: Key Strategies

### Metal Solutions Business Unit

We manufacture and sell brass bars and other fabricated brass products (cut and forged brass products) used in valves, machinery, construction materials, and other applications. We also focus on development of new materials that are environmentally friendly, such as lead-free brass bars.

Market	Brass Bars	Cut and Forged Brass Products
×		
Area	Japan	

#### Message from the Head of the Business Unit



Takaoki Nakajima

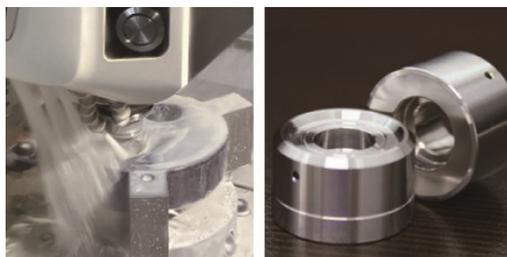
**From brass bars to metals. We will transform our business structure to achieve sustained growth.**

The name of Business Unit was changed to the Metal Solutions Business Unit in the 113th term. In addition to the brass bar market, our target market, we will take on challenges of processing a wide variety of new materials, not limited to copper alloy, and expand to the growth markets. Every one of us will take initiative to work to achieve sustained growth and evolve into a high-profit structure by utilizing the processing technologies and sales network we have developed. We aim to achieve an operating profit of ¥1.5 billion by FY2027, the final year of the Second Medium-term Plan.

#### Outcomes from the 112th Term

Through the manufacturing cost reductions, we have successfully transformed our profit structure to be more stable. In addition, we made investments that enable us to engage in processing of new materials including copper bars, for which the demand is expected to grow, thereby increasing the production ratio of other materials than brass bars.

Furthermore, to address the semiconductor market, a growing field, we reviewed our production system and took measures such as expanding the precision processing facilities.



Inside of an equipment for processing new materials and samples of processed products

#### Initiatives for the 113th Term

We will further increase the production ratio of other new materials than brass bars in order to respond to the changing times and diversifying needs. Moreover, we will enhance the production efficiency through the introduction of a cutting-edge forging machine and the promotion of material recycling, and will strive to transform our business portfolio by increasing sales of processed products with high added-value.



Kitz Metal Work, which conducts Metal Solutions BU businesses

(iii) Financial Strategy and Capital Policy

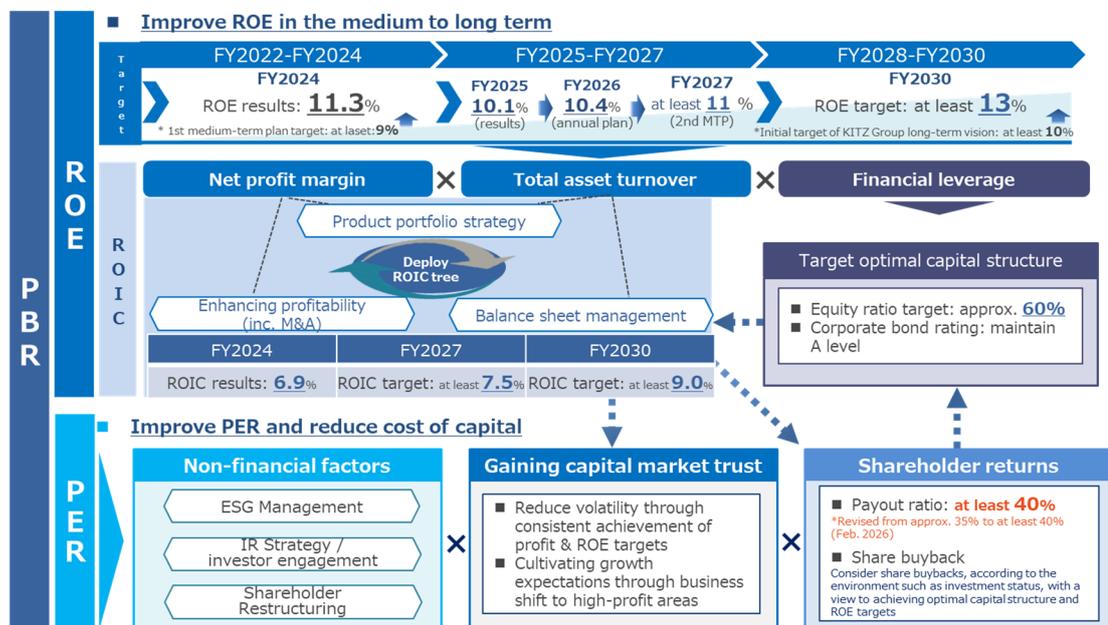
The Company will aim to continuously enhance shareholder value (PBR) by focusing on increasing our ROE and improving our PER, while also placing emphasis on shareholder returns.

To increase our ROE, by engaging in ROIC-focused business management and maintaining an optimal capital structure, we will work to improve return on invested capital in the medium to long term. We will make improvements from the perspectives of both profitability and ROIC by conducting profit management through product portfolio management and the SBUs structure, as well as optimizing cash and deposit levels and reducing non-business assets, while also improving CCC\* through inventory optimization. Moreover, taking the ideal equity-to-asset ratio to be around 60%, we will strive to maintain an appropriate level through measures such as conducting additional borrowing for growth investment and considering share buybacks.

To improve our PER, we will aim to mitigate volatility in our financial results through the ongoing achievement of our profit and ROE targets. This is in addition to strengthening our initiatives relating to non-financial factors such as ESG management, IR strategy and investor engagement, and shareholder restructuring. By cultivating growth expectations through a business shift toward highly lucrative sectors, we aim to gain the trust of the capital markets.

With regard to shareholder returns, we consider the return of profits to be an important management priority. In addition, we will also aim to realize shareholder returns through the increase in share price over the medium to long term. From the fiscal year ended December 31, 2025, we lifted the ideal dividend payout ratio (consolidated) from approximately 35% to at least 40%, giving overall consideration to factors such as strengthening shareholder returns, changes in the business environment, and the impact on optimal capital structure and ROE targets. Accordingly, the dividend per share for the fiscal year ended December 31, 2025 was ¥53, a new record high. We will consider conducting share buybacks according to the environment such as investment status, with a view to achieving optimal capital structure and ROE targets, and taking into consideration financial stability and liquidity on hand.

(Note) \*cash conversion cycle



(iv) The KITZ Group materialities

In formulating the Second Medium-term Management Plan, “SHIN Global 2027,” announced in February 2025, the KITZ Group reviewed the materialities (key management themes) defined in the Long-term Management Vision and compiled them into the KITZ Group’s Strong Will Sheet.

Each and every employee of the KITZ Group will contribute to the creation of a sustainable future by engaging in business activities with an awareness of these materialities.

\*For more information about the KITZ Group’s Strong Will Sheet, please refer to the following URL.  
<https://www.kitz.com/en/cms/wp-content/uploads/kitz-group-strong-will-sheet.pdf>

**SDGs Related to the KITZ Group’s Materiality**

Materiality	ROIC x ESG Issues	ROIC	E	S	G	Related SDGs
<b>Digital</b> Contribute to the advancement of digital society	Tech development and product supply to support the manufacture of increasingly advanced semiconductors	●		●		
	Strengthen products and services using the IoT	●		●		
	Promote a data-driven approach using AI	●				
	Use digital technology to automate operations and save labor			●		
	Prevent information leakage and ensure cybersecurity					●
<b>Green</b> Contribute to environmental conservation	Establish technologies to help achieve a hydrogen society	●	●			
	Help secure social infrastructure through water treatment tech	●	●			
	Reduce environmental impact through our products	●	●			
	Climate action (CO <sub>2</sub> reduction)		●			
	Resource recycling (water resources and waste)		●			
<b>Evolution</b> Contribute to a prosperous life through evolution	Action on hazardous chemicals in our products		●			
	Expand the engineering business	●		●		
	Address the evolving functional materials market and chemical shift	●		●		
	Create new businesses and strengthen portfolio management	●		●		
	Strengthen product development and supply tailored to each global region	●		●		
<b>Human resource</b> Empower our workforce to lead the way to the future	Adapt to high copper prices	●		●		
	Formulate and use HR portfolios			●		
	Improve employee engagement			●		
	Promote DE&I and gender equality			●		
	Promote human rights initiatives			●	●	
<b>Supply chain</b> Establish sustainable supply chain	Enhance workplace safety and health			●		
	Increase the number of global suppliers to optimize local procurement	●		●	●	
	Manage demand to shorten lead times and optimize inventories	●		●	●	
<b>Governance</b> Implement more active governance	Promote CSR procurement			●	●	
	Active growth investment through sound risk-taking				●	
	Reinforce product safety and quality assurance	●		●	●	
	Strengthen corporate governance	●		●	●	
	Address geopolitical risks	●	●		●	
	Increase resiliency to natural disasters and pandemics	●			●	

## (4) Status of major subsidiaries (as of December 31, 2025)

Name	Capital stock	Investment ratio (%)	Major business
KITZ SGS Corporation	90 million JPY	100	Manufacturing and sales of valves
KITZ SCT Corporation	300 million JPY	100	Manufacturing and sales of fittings for semiconductor manufacturing equipment
KITZ Micro Filter Corporation	90 million JPY	100	Manufacturing and sales of fluid separation products for filters and related products
KITZ (Thailand) Ltd.	503 million THB	92	Manufacturing and sales of valves
KITZ Corporation of Taiwan	200 million TWD	100	Manufacturing and sales of valves
KITZ Corporation of Jiangsu Kunshan	49 million CNY	100	Manufacturing and sales of valves
KITZ Corporation of Kunshan	62 million CNY	100 (100)	Manufacturing and sales of valves
KITZ SCT Corporation of Kunshan	22 million CNY	100 (100)	Manufacturing and sales of fittings for semiconductor manufacturing equipment
KITZ Corporation of Lianyungang	42 million CNY	100	Manufacturing and sales of valves
KITZ Corporation of Shanghai	10 million CNY	100	Sales, marketing and distribution of valves
KITZ Corp. of America	3,000 thousand USD	100	Sales, marketing and distribution of valves
Metalúrgica Golden Art's Ltda.	64,000 thousand BRL	100	Manufacturing and sales of valves
KITZ Corp. of Europe, S.A.	421 thousand EUR	100	Manufacturing and sales of valves
Perrin GmbH	500 thousand EUR	100	Manufacturing and sales of valves
KITZ Corp. of Asia Pacific Pte. Ltd.	11,142 thousand USD	100	Sales, marketing and distribution of valves
KITZ Corp. of Korea	2,910 million KRW	100	Manufacturing and sales of valves
KITZ Corp. of Vietnam Co., Ltd.	1,163 billion VND	100	Manufacturing and sales of valves
KITZ Valve & Actuation India Private Limited.	90 million INR	100 (1)	Sales, marketing and distribution of valves
KITZ Metal Works Corporation	2,240 million JPY	100	Manufacturing and sales of brass bar products
Hotel Beniya Co., Ltd.	50 million JPY	100	Operation of hotel and restaurants

## Notes:

1. The parenthesized figures indicate the investment ratio of the subsidiary concerned.
2. As of the end of the fiscal year under review, there are no specified wholly owned subsidiaries.
3. Toyo Valve Co., Ltd. was dissolved as of January 1, 2025 through absorption-type merger with the Company as the surviving company and Toyo Valve Co., Ltd. as the absorbed company.
4. Shimizu Alloy Mfg. Co., Ltd. changed its company name to KITZ SGS Corporation as of April 1, 2025.
5. KITZ Corporation of Taiwan changed its company name as of June 17, 2025, but the English notation was not changed.
6. KITZ Corporation of Jiangsu Kunshan changed its company name as of May 21, 2025, but the English notation was not changed.
7. KITZ Corporation of Kunshan changed its company name as of April 3, 2025, but the English notation was not changed.
8. KITZ SCT Corporation of Kunshan changed its company name as of June 18, 2025, but the English notation was not changed.
9. KITZ Corporation of Lianyungang changed its company name as of April 25, 2025, but the English notation was not changed.

## (5) Major businesses (as of December 31, 2025)

## Major products and businesses of the Company Group

Business segment	Major products and businesses
Valve Manufacturing Business	Manufacturing and sales of bronze valves, steel valves, and other valve-related products, filtering-related products and accessories
Brass Bar Manufacturing Business	Manufacturing and sales of brass bar products and processed brass bar products
Other	Operation of hotel and restaurants

## 2. Status of the Company

### (1) Matters regarding shares (as of December 31, 2025)

Shares granted to Officers as consideration for their execution of duties during the fiscal year under review

	Number of shares granted	Number of grantees
Directors (excluding Outside Directors)	20,308 shares	2 persons
Outside Directors	17,024 shares	7 persons
Senior Executive Officers	37,948 shares	6 persons

Notes:

- The details of the Company's stock remuneration are referred to in "2. Status of the Company (2) Officers of the Company (iii) Remuneration, Etc. for Directors and Senior Executive Officers."
- Directors (excluding Outside Directors) excludes one (1) Director who concurrently serves as a Senior Executive Officer.

### (2) Officers of the Company (as of December 31, 2025)

#### (i) Status of Directors

Name	Position and area of responsibility in the Company	
Yasuyuki Hotta	Chairman of the Board	Chair of the Board of Directors Nominating Committee member, Compensation Committee member, Risk Committee member
Makoto Kohno	Director	Representative Executive Officer and President
Toshiyuki Murasawa	Director	Standing Audit Committee member, Risk Committee member
Minoru Amoh	Outside Director	Nominating Committee Chairperson
Yutaka Fujiwara	Outside Director	Compensation Committee Chairperson
Yukino Kikuma	Outside Director	Risk Committee Chairperson
Shuhei Sakuno	Outside Director	Audit Committee Chairperson
Ayako Kobayashi	Outside Director	Audit Committee member, Risk Committee member
Toichi Maeda	Outside Director	Nominating Committee member, Risk Committee member
Yasunobu Suzuki	Outside Director	Compensation Committee member

Notes:

- The Company has registered Outside Directors Minoru Amoh, Yutaka Fujiwara, Yukino Kikuma, Shuhei Sakuno, Ayako Kobayashi, Toichi Maeda, and Yasunobu Suzuki as independent officers with the Tokyo Stock Exchange as prescribed by the Securities Listing Regulations of the same Exchange.
- Director Makoto Kohno concurrently serves as Senior Executive Officer.
- Director Toshiyuki Murasawa has been appointed as a Standing Audit Committee member in order to ensure the effectiveness of audits.
- Director Toshiyuki Murasawa, a Standing Audit Committee member, has experience in the corporate planning and administration departments and a considerable amount of expertise in finance and accounting.
- Outside Director, Shuhei Sakuno, the Audit Committee Chairperson, has broad experience in corporate administration, supervising the Yokogawa Electric Corporation group companies, and possesses a considerable amount of expertise in financial and accounting operations.
- Minoru Amoh serves as the Lead Independent Outside Director.
- Ayako Kobayashi's name on her family register is Ayako Nakajima.

(ii) Status of Senior Executive Officers

Name	Position and area of responsibility in the Company	
Makoto Kohno	Representative Executive Officer and President	Overall Management
Takaaki Kobayashi	Senior Executive Officer	Head of Building & Facilities and Machinery & Equipment Business Unit, Supervisor of Production and Sales Center and Environmental Solutions Business Unit
Yasunori Sugita	Senior Executive Officer	Head of Industrial Business Unit, Supervisor of Hydrogen Business Unit
Shuji Takei	Senior Executive Officer	Division Manager, Human Resources and General Administration Division; Supervisor of Legal, Intellectual Property and Risk Management Division, Internal Control and Internal Audit Office
Kenichi Bessho	Senior Executive Officer	Division Manager, Corporate Finance Division
Tomoya Maekawa	Senior Executive Officer	Head of Semiconductor Business Unit, President of KITZ SCT Corporation

Note:

Major changes in responsibilities of Senior Executive Officers effective after the end of the fiscal year

Name	After change	Before change	Effective Date
Yasunori Sugita	Head of Industrial Business Unit, Supervisor of Technical Center and Hydrogen Business Unit	Head of Industrial Business Unit, Supervisor of Hydrogen Business Unit	January 1, 2026

(iii) Remuneration, Etc. for Directors and Senior Executive Officers

a. Total Remuneration paid to Officers in the fiscal year under review

Position	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of eligible officers (persons)
		Fixed remuneration	Short-term incentive compensation	Mid- to long-term incentive compensation		
				Base compensation	Bonuses	
Directors (excluding Outside Directors)	121	98	–	23	–	2
Outside Directors	113	92	–	21	–	7
Senior Executive Officers	272	144	72	28	28	6
Total	507	334	72	72	28	15

Notes:

1. Directors listed above do not include one (1) Director who serves concurrently as a Senior Executive Officer.
2. The amount of remuneration, etc. includes ¥72 million in officer bonuses recorded as provision for bonuses for directors (and other officers), and ¥100 million in stock compensation recorded as expenses in the current fiscal year.

b. Policy for determining the individual remuneration for Directors and Senior Executive Officers

Based on the resolutions of Compensation Committee, the Company establishes a “Policy for Determining the Individual Remuneration for Directors and Senior Executive Officers” (hereinafter “the Policy”) and also determines the content of individual remuneration for Directors and Senior Executive Officers in accordance with the Policy.

The remuneration for Directors and Senior Executive Officers is set at a level commensurate with the Company’s performance, with the main aim of serving as an incentive to achieve the Long-term Management Vision and Medium-term Management Plan and to increase the corporate value of the KITZ Group, taking into account the remuneration levels of other companies.

The amount and content of individual remuneration for Directors and Senior Executive Officers based on the Policy will be examined every year using objective remuneration survey data from external institutions and with reference to the executive remuneration levels of other companies in the same industry, of the same size, and in other industries, as well as the remuneration levels of the Company’s employees, and will be set at an appropriate level from the perspective of responsibilities and securing human resources and determined by the Compensation Committee.

(a) Remuneration System

(i) Directors

Considering that the position is independent from business execution, remuneration for Directors will consist of basic remuneration (fixed remuneration) and stock remuneration (non-performance-linked).

(ii) Senior Executive Officers

So that Senior Executive Officers can fulfill their responsibilities with the aim of improving performance in each business year and increasing corporate value over the medium to long term; remuneration for Senior Executive Officers will consist of basic remuneration (fixed remuneration) and incentive remuneration (variable remuneration), and the incentive remuneration (variable remuneration) will consist of three kinds of remuneration of bonuses (performance-linked, short-term incentive remuneration), stock remuneration (non-performance-linked remuneration), and stock remuneration

(performance-linked, medium- to long-term incentive remuneration).

The composition of remuneration, etc. for each Director and Senior Executive Officer position is as follows:

Position	Composition of remuneration, etc. paid to Directors and Senior Executive Officers			Total
	Fixed remuneration	Short-term incentive	Mid- to long-term incentive	
	Base compensation	Performance-linked compensation	Performance-based stock compensation	
Directors (including Outside Director)	80%	–	20%	100%
Representative Executive Officers and Presidents	50%	25%	25%	100%
Senior Executive Officers	60%	20%	20%	100%

Notes:

1. Directors listed above do not include one (1) Director who serves concurrently as a Senior Executive Officer.
2. Separate from the position-specific standard amounts, additions may include a “chair of the Board of Directors allowance,” “lead independent outside director allowance” and “committee chairperson allowance.”

i) Fixed remuneration [Base compensation]

“Base compensation” is fixed remuneration to encourage steady performance of duties and is a cash remuneration paid at a fixed amount according to the position and responsibilities of Directors and Senior Executive Officers.

ii) Short-term incentive [Performance-linked compensation (bonuses)]

“Performance-linked compensation (bonuses)” will be paid if the following requirements are met because we believe that it is desirable to link them to the same indicator as the dividend payout ratio to shareholders.

- Annual dividends to shareholders (12 months) of at least ¥10 can be paid out.
- Profit attributable to owners of parent has not been secured by a large amount of extraordinary income.
- Profit attributable to owners of parent of ¥2,800 million or more is secured.

The amount of individual bonuses for Senior Executive Officers will be determined by the Compensation Committee based on the degree of target achievement of profit attributable to owners of parent in each business year, evaluation of individual performance targets, and evaluation of performance (the amount is variable within a range of 0% to 200% of the bonus standard amount for each position).

The target and actual results of indicators used to calculate the performance-linked compensation (bonuses) are as follows:

Key indicators for performance-linked compensation	Target for FYE December 2025 (Announced February 2025)	Actual results for FYE December 2025
Profit attributable to owners of parent	¥11,200 million	¥11,465 million

iii) Mid- to long-term incentive [Performance-based stock compensation (restricted share awards and post-hoc performance-based stock compensation)]

The purpose of our stock remuneration system is to further share value with our shareholders by owning our shares, and to provide incentives for sustainable improvement of the corporate value of the KITZ Group. Shares will be granted as restricted share awards based on positions and as post-hoc performance-based stock compensation based on the degree of achievement of performance targets by Senior Executive Officers.

The post-hoc performance-based stock compensation will be evaluated based on pre-determined indicators and will be paid for three years at the end of the three-year Medium-term Management Plan.

Evaluation Category	Evaluation Indicators	Actual Results	Evaluation Method	Weight	
Financial targets	Consolidated net sales	¥176,682 million	Evaluated based on the degree of achievement of performance targets	80%	
	Consolidated operating profit	¥15,454 million			
	Consolidate ROE	10.1%			
Non-financial targets	CO <sub>2</sub> reduction rate	(90.8)%		20%	
	Employee-engagement scores	Engagement			–
		Enablement			–
		Feedback indicator			3.36
	% of female employees	24.6%			
	% of female managers	8.4%			
% of male employees taking childcare leave	88.2%				

Notes:

1. The CO<sub>2</sub> reduction rate is a provisional figure as of February 1, 2026 (compared to FY2013).
2. The Company believes that the establishment of feedback culture directly leads to employee engagement and enablement. Therefore, from FY2026, the evaluation indicators for employee engagement have been changed to a feedback indicator measuring cultivation and establishment of feedback culture (the full score is 5.0 points). As the Company switched engagement survey companies, the questionnaire items were changed. Accordingly, the FY2025 scores for comparison are not included in the scope of statement because they cannot be calculated.

(b) Determination of Compensation

After confirming that the content of individual remuneration for Directors and Senior Executive Officers for each business year is in accordance with the Policy, the

Compensation Committee will discuss and determine the validity of such remuneration. The Compensation Committee has determined the remuneration for individual Directors and Senior Executive Officers for the fiscal year under review, confirming that it is in line with the Policy.

c. Matters regarding non-monetary remuneration

The non-monetary remuneration consist of the Company's shares and conditions for allotment are in accordance with "b. Policy for determining the individual remuneration for Directors and Senior Executive Officers." The status of allotment for the fiscal year under review is described in "2. (1) Shares granted to Officers as consideration for their execution of duties during the fiscal year under review."

### **3. Matters concerning the Basic Policy on the Control of the Company**

The Company has not introduced a basic policy regarding the governance of those who control decision-making on the Company's financial and business policies. The Company aims for continuous growth and further enhancement of corporate value by striving for further improvement in performance. Additionally, by actively engaging in IR activities, we are working to disclose information regarding our management policies, strategies, and performance in a timely manner.

On the other hand, we believe that we need to take the most appropriate action in response to any attempts to acquire large amounts of the Company's shares that do not contribute to the Company's corporate value and the common interests of shareholders. We will carefully consider these actions while also monitoring future social trends.

### **4. Policy on Decisions on Dividends and Other Appropriation of Surplus**

The Company regards the return of profits to shareholders in the form of dividends as a key management priority. The Company's basic policy is to pay dividends commensurate with current business trends as well as its various financial needs for repayment of debts, and redemption of bonds in addition to funding for capital investments for future business expansion, research and development expenditure, or M&A and other activities. In paying dividends, the Company also aims to secure adequate internal reserves while also taking into full consideration the need for continuous and stable payment of dividends.

The Company believes that the ideal dividend payout ratio (consolidated) is at least 40% of profit attributable to owners of parent.

Regarding the timing of dividends, there are two dividend payments each year in principle, an interim dividend, and a year-end dividend. In order to expeditiously handle dividends and other appropriation of surplus, the Board of Directors acts as the decision-making body for dividends and other appropriation of surplus.

The Company will consider share buybacks as appropriate, taking into consideration the amount of investment required for medium- to long-term growth, and assessing trends in the stock market and the share price of the Company's stock, cash on hand, the optimal capital structure, ROE target, and investment status.

Guided by the aforementioned policy, the Company resolved to pay a year-end dividend ¥32 per share for the fiscal year ended December 2025. Accordingly, the Company paid ¥53 per share as cash dividends for the fiscal year ended December 2025, including the interim payment (¥21 per share), and the consolidated dividend payout ratio came to 40.2%.

Based on profit attributable to owners of parent as per the current consolidated financial forecasts, we forecast annual dividend for the next fiscal year to be ¥59 per share.

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Note: The monetary figures in this business report are rounded down to the nearest whole unit.

## Consolidated Financial Statements

Consolidated Balance Sheet (as of December 31, 2025)

(Units: Millions of yen)

Item	Amount	Item	Amount
<i>Assets</i>		<i>Liabilities</i>	
<b>Current assets</b>	<b>110,281</b>	<b>Current liabilities</b>	<b>27,232</b>
Cash and deposits	28,239	Notes and accounts payable - trade	9,927
Notes and accounts receivable - trade, and contract assets	24,102	Current portion of bonds payable	135
Electronically recorded monetary claims - operating	12,539	Short-term borrowings	568
Merchandise and finished goods	17,601	Current portion of long-term borrowings	2,616
Work in process	9,061	Income taxes payable	2,475
Raw materials and supplies	15,318	Accrued consumption taxes	316
Other	3,499	Provision for bonuses	3,358
Allowance for doubtful accounts	(81)	Provision for bonuses for directors (and other officers)	268
		Other	7,566
<b>Non-current assets</b>	<b>74,044</b>	<b>Non-current liabilities</b>	<b>37,302</b>
<b>Property, plant and equipment</b>	<b>61,566</b>	Bonds payable	20,000
Buildings and structures	20,455	Long-term borrowings	10,573
Machinery, equipment and vehicles	18,480	Lease liabilities	2,413
Tools, furniture and fixtures	6,796	Deferred tax liabilities	1,008
Land	10,003	Provision for retirement benefits for directors (and other officers)	254
Leased assets	3,774	Provision for share awards for directors (and other officers)	158
Construction in progress	2,039	Retirement benefit liability	866
Other	15	Asset retirement obligations	1,135
		Other	892
<b>Intangible assets</b>	<b>2,167</b>	<b>Total liabilities</b>	<b>64,535</b>
Other	2,167	<i>Net assets</i>	
<b>Investments and other assets</b>	<b>10,310</b>	<b>Shareholders' equity</b>	<b>104,119</b>
Investment securities	5,677	Share capital	21,207
Retirement benefit asset	672	Capital surplus	5,740
Deferred tax assets	1,904	Retained earnings	77,668
Other	2,067	Treasury shares	(497)
Allowance for doubtful accounts	(11)	<b>Accumulated other comprehensive income</b>	<b>14,038</b>
		Valuation difference on available-for-sale securities	1,837
		Foreign currency translation adjustment	11,877
		Remeasurements of defined benefit plans	323
		<b>Non-controlling interests</b>	<b>1,633</b>
<b>Total assets</b>	<b>184,325</b>	<b>Total net assets</b>	<b>119,790</b>
		<b>Total liabilities and net assets</b>	<b>184,325</b>

**Consolidated Statement of Income** (From January 1, 2025 to December 31, 2025) (Units: Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>176,682</b>
<b>Cost of sales</b>		<b>129,720</b>
<b>Gross profit</b>		<b>46,961</b>
<b>Selling, general and administrative expenses</b>		<b>31,506</b>
<b>Operating profit</b>		<b>15,454</b>
<b>Non-operating income</b>		
Interest and dividend income	397	
Gain from insurance claims	421	
Subsidy income	169	
Other	574	1,563
<b>Non-operating expenses</b>		
Interest expenses	339	
Loss on sale of notes receivable - trade	97	
Foreign exchange losses	248	
Losses on derivatives	115	
Other	146	947
<b>Ordinary profit</b>		<b>16,071</b>
<b>Extraordinary income</b>		
Gain on sale of property, plant and equipment	23	
Gain on sale of investment securities	391	
Other	1	416
<b>Extraordinary losses</b>		
Loss on sale and retirement of property, plant and equipment	64	
Other	4	69
<b>Profit before income taxes</b>		<b>16,418</b>
Income taxes - current	4,837	
Income taxes - deferred	(126)	4,710
<b>Profit</b>		<b>11,707</b>
Profit attributable to non-controlling interests		241
<b>Profit attributable to owners of parent</b>		<b>11,465</b>

## Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (as of December 31, 2025)

(Units: Millions of yen)

Item	Amount	Item	Amount
<i>Assets</i>		<i>Liabilities</i>	
<b>Current assets</b>	<b>48,731</b>	<b>Current liabilities</b>	<b>21,181</b>
Cash and deposits	12,013	Accounts payable - trade	7,462
Electronically recorded monetary claims - operating	7,914	Current portion of bonds payable	135
Accounts receivable - trade	12,225	Short-term borrowings	6,429
Contract assets	279	Current portion of long-term borrowings	1,932
Merchandise and finished goods	3,753	Income taxes payable	1,090
Work in process	2,898	Provision for bonuses	1,531
Raw materials and supplies	2,153	Provision for bonuses for directors (and other officers)	72
Short-term loans receivable	6,162	Other	2,527
Other	1,333	<b>Non-current liabilities</b>	<b>29,710</b>
Allowance for doubtful accounts	(3)	Bonds payable	20,000
<b>Non-current assets</b>	<b>67,147</b>	Long-term borrowings	8,109
<b>Property, plant and equipment</b>	<b>18,452</b>	Provision for share awards for directors (and other officers)	158
Buildings	4,258	Other	1,441
Structures	418	<b>Total liabilities</b>	<b>50,891</b>
Machinery and equipment	4,541		
Tools, furniture and fixtures	4,893	<i>Net assets</i>	
Land	3,315	<b>Shareholders' equity</b>	<b>63,160</b>
Construction in progress	698	<b>Share capital</b>	<b>21,207</b>
Other	325	<b>Capital surplus</b>	<b>5,729</b>
<b>Intangible assets</b>	<b>1,299</b>	Legal capital surplus	5,715
<b>Investments and other assets</b>	<b>47,395</b>	Other capital surplus	13
Investment securities	3,894	<b>Retained earnings</b>	<b>36,721</b>
Shares of subsidiaries and associates	40,204	Other retained earnings	36,721
Long-term loans receivable	1,251	Retained earnings brought forward	36,721
Deferred tax assets	564	<b>Treasury shares</b>	<b>(497)</b>
Other	1,481	<b>Valuation and translation adjustments</b>	<b>1,826</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,826</b>
<b>Total assets</b>	<b>115,878</b>	<b>Total net assets</b>	<b>64,986</b>
		<b>Total liabilities and net assets</b>	<b>115,878</b>

**Non-Consolidated Statement of Income** (From January 1, 2025 to December 31, 2025)

(Units: Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>79,929</b>
<b>Cost of sales</b>		<b>59,323</b>
<b>Gross profit</b>		<b>20,606</b>
<b>Selling, general and administrative expenses</b>		<b>15,152</b>
<b>Operating profit</b>		<b>5,454</b>
<b>Non-operating income</b>		
Interest and dividend income	3,635	
Gain from insurance claims	128	
Foreign exchange gains	11	
Other	174	3,949
<b>Non-operating expenses</b>		
Interest expenses	385	
Loss on sale of notes receivable - trade	78	
Other	86	551
<b>Ordinary profit</b>		<b>8,853</b>
<b>Extraordinary income</b>		
Gain on sale of property, plant and equipment	1	
Gain on sale of investment securities	379	
Gain on extinguishment of tie-in shares	1,453	
Other	0	1,834
<b>Extraordinary losses</b>		
Loss on sale and retirement of property, plant and equipment	11	
Other	1	13
<b>Profit before income taxes</b>		<b>10,674</b>
Income taxes - current	1,722	
Income taxes - deferred	(30)	1,691
<b>Profit</b>		<b>8,982</b>

## Auditor's Reports

### Accounting Audit Report on the Consolidated Financial Statements

#### Independent Auditor's Report

February 19, 2026

To the Board of Directors  
KITZ Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Takashi Yoshikawa Certified Public Accountant  
Designated and Engagement Partner  
Chiho Muto Certified Public Accountant  
Designated and Engagement Partner

#### *Audit Opinion*

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements of KITZ Corporation (the "Company") applicable to the fiscal year from January 1, 2025, through December 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended December 31, 2025, in accordance with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other Descriptions*

Other descriptions are the business report and its annexed detailed statement. The management is responsible for preparing and disclosing other descriptions. Also, the Audit Committee is responsible for auditing the execution of the duties of the senior executive officers and directors in preparation and maintenance and operation of the reporting process of other descriptions.

Other descriptions are not included in the scope of our audit opinions on Consolidated Financial Statements. We do not express any opinions on other descriptions.

Our responsibility in auditing the Consolidated Financial Statements is to read through the other descriptions, examine whether or not there are any material differences between the other descriptions and the Consolidated Financial Statements or the knowledge we obtained in the course of the audit in the process of reading them through and pay attention to whether or not there are any signs of important errors in other descriptions other than such material differences.

If it is judged that there is any important error in other descriptions based on the work carried out, we are required to report that fact.

There are no matters to be reported on other descriptions by us.

#### *Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan,

matters related to going concern.

The Audit Committee is responsible for overseeing the Senior Executive Officers' and Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- We plan and conduct an audit of the consolidated financial statement to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its subsidiaries, which serves as the basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them on matters that may reasonably be thought to bear on our independence, and where applicable, details of whether measures are taken to eliminate obstruction factors or whether safeguards are applied in order to mitigate obstruction factors to an acceptable level.

#### *Conflicts of Interest*

We have no interest in the Company or its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

## Accounting Audit Report on the Non-Consolidated Financial Statements

### Independent Auditor's Report

February 19, 2026

To the Board of Directors  
KITZ Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Takashi Yoshikawa Certified Public Accountant  
Designated and Engagement Partner  
Chiho Muto Certified Public Accountant  
Designated and Engagement Partner

#### *Audit Opinion*

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the accompanying financial statements, which comprise the Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Equity, Notes to the Non-Consolidated Financial Statements and the related supplementary schedules (the "Non-Consolidated Financial Statements") of KITZ Corporation (the "Company") applicable to the 112th fiscal year from January 1, 2025, through December 31, 2025.

In our opinion, the Non-Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended December 31, 2025, in accordance with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Non-Consolidated Financial Statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other Descriptions*

Other descriptions are the business report and its annexed detailed statement. The management is responsible for preparing and disclosing other descriptions. Also, the Audit Committee is responsible for auditing the execution of the duties of the senior executive officers and directors in preparation and maintenance and operation of the reporting process of other descriptions.

Other descriptions are not included in the scope of our audit opinions on Non-Consolidated Financial Statements. We do not express any opinions on other descriptions.

Our responsibility in auditing the Non-Consolidated Financial Statements is to read through the other descriptions, examine whether or not there are any material differences between the other descriptions and the Non-Consolidated Financial Statements or the knowledge we obtained in the course of the audit in the process of reading them through and pay attention to whether or not there are any signs of important errors in other descriptions other than such material differences.

If it is judged that there is any important error in other descriptions based on the work carried out, we are required to report that fact.

There are no matters to be reported on other descriptions by us.

#### *Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the Non-Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Non-Consolidated Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Non-Consolidated Financial Statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan,

matters related to going concern.

The Audit Committee is responsible for overseeing the Senior Executive Officers' and Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the Non-Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the Non-Consolidated Financial Statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the Non-Consolidated Financial Statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Non-Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the Non-Consolidated Financial Statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the Non-Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the Non-Consolidated Financial Statements or, if the notes to the Non-Consolidated Financial Statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Non-Consolidated Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Non-Consolidated Financial Statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the Non-Consolidated Financial Statements, including the related notes thereto, and whether the Non-Consolidated Financial Statements fairly represent the underlying transactions and accounting events.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them on matters that may reasonably be thought to bear on our independence, and where applicable, details of whether measures are taken to eliminate obstruction factors or whether safeguards are applied in order to mitigate obstruction factors to an acceptable level.

#### *Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## Audit Report of the Audit Committee

### Audit Report

The Audit Committee has audited the performance of duties by the Directors and Senior Executive Officers during the 112th business year from January 1, 2025 to December 31, 2025. The method and results of the audit are as follows.

#### 1. Method and Contents of Audit

The Audit Committee received regular reports from Directors, Senior Executive Officers, and employees on the status of the construction and operation of systems (internal control systems) established based on the resolutions of Board of Directors regarding the matters listed in Article 416, Paragraph (1), Item 1 of the Companies Act. Additionally, the Audit Committee requested explanations and expressed opinions as necessary and conducted audits using the following methods.

- (i) In accordance with the audit policy and the division of duties established by the Audit Committee, we attended important meetings, received reports on the executions of duties from Directors and Senior Executive Officers, requested explanations as necessary, reviewed important approval documents, and investigated the status of operations and assets at the Head Office and major business locations.
- (ii) We regularly held opportunities for exchanging opinions with the Representative Executive Officer and President, reported audit results, and exchanged opinions. Additionally, we received reports from Directors, Senior Executive Officers, and employees as necessary.
- (iii) The Standing Audit Committee member and the Audit Committee Office staff jointly served as auditors for domestic subsidiaries and audited the execution of duties by Directors of subsidiaries. Additionally, they attended the Board of Directors meetings of subsidiaries, including overseas subsidiaries, and received reports on the status of operations, assets, and the construction and operation of internal control systems.
- (iv) We received reports from the Internal Audit Office on the results of business audits and the results of audits regarding the construction and operation of internal control systems at the Head Office and subsidiaries.
- (v) We invited the Financial Auditor and the General Manager of the Internal Audit Office to our regular meetings and made efforts to facilitate tripartite collaboration in audits and enhance the effectiveness and efficiency of each audit.
- (vi) Through communicating with the Financial Auditor, we monitored and verified whether the Financial Auditor maintained its independence and properly conducted its audit, received a report regularly from the Financial Auditor on its audit plan and the status of its performance of duties, and the results thereof, and requested explanations as necessary. We reviewed the appropriateness of the audit procedures and audit results by the Financial Auditor. In addition, we received notice from the Financial Auditor that “System for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Regulations on Corporate Accounting) is organized in accordance with the “Quality Management Standards Regarding Audits” (Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, Audit Committee examined the business report and the accompanying detailed statements, the non-consolidated financial statements (balance sheet, statement of income, statement of changes in equity, and notes to non-consolidated financial statements) and the related supplementary schedules as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the fiscal year under review.

#### 2. Results of Audit

##### (1) Results of Audit of Business Report and Other Relevant Documents

- (i) We confirm that the business report and the accompanying detailed statements fairly represent the Company’s conditions in accordance with the related laws and regulations and the Articles of Incorporation.

- (ii) We have found no significant evidence of wrongful act or violation of related laws and regulations, nor the Articles of Incorporation with regard to the execution of duties by the Directors and Senior Executive Officers.
  - (iii) We confirm that the content of the resolution of the Board of Directors regarding the Internal Control System is proper. In addition, we have found no matters on which to remark in regard to the description of the business report and the execution of duties by the Directors and Senior Executive Officers.
- (2) Result of the Audit of the Non-Consolidated Financial Statements and the Related Supplementary Schedules  
We confirm that the methods and results of the audit conducted by the Financial Auditor, Ernst & Young ShinNihon LLC are proper.
- (3) Result of the Audit of the Consolidated Financial Statements  
We confirm that the methods and results of the audit conducted by the Financial Auditor, Ernst & Young ShinNihon LLC are proper.

February 20, 2026

Audit Committee of KITZ Corporation  
Audit Committee Member  
Shuhei Sakuno  
Audit Committee Member  
Ayako Kobayashi  
Audit Committee Member  
Toshiyuki Murasawa

Note: Audit Committee members Shuhei Sakuno and Ayako Kobayashi are Outside Directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.