

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

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

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

1. Reason for Dissolution of Capital Alliance

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

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

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

2. Description of Dissolution of Capital Alliance

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

3. Overview of Dissolution of Capital Alliance

| | | | | |
|-----|---|--|--|----------------|
| (1) | Name | TVE Co., Ltd. | | |
| (2) | Location | 5-12-1, Nishitachibana-cho, Amagasaki-shi, Hyogo, Japan | | |
| (3) | Representative | Koumei Sasano, CEO and Representative Director | | |
| (4) | Description of Business | Manufacturing and sale of various valves; maintenance, manufacturing and sale of various cast products | | |
| (5) | Capital | 1,739 million yen | | |
| (6) | Date of Establishment | March 16, 2000 | | |
| (7) | Major Shareholder and Shareholding Ratio ※Ratio excluding treasury stock (as of September 30, 2022) | KITZ Corporation | | 12.95% |
| | | Seika Corporation | | 8.71% |
| | | UH Partners 2, Inc. | | 7.87% |
| | | HIKARI TSUSHIN, Inc. | | 7.34% |
| | | TOA Trading partner shareholding association | | 4.26% |
| | | Custody Bank of Japan, Ltd.(trust account) | | 3.59% |
| | | UH Partners 3, Inc. | | 3.33% |
| | | NCSN-SHOKORO LIMITED | | 3.26% |
| (8) | Relationship of Companies | Capital relationship | TVE owns 436,000 shares of KITZ. KITZ owns 302,200 shares of TVE. | |
| | | Personnel relationship | There is no personal relationship to be noted. | |
| | | Business relationship | KITZ conducts business transactions with TVE, such as purchases of cast products and sales of cast parts | |
| | | Applicability to a related party | There is no applicability to a related party to be noted. | |
| (9) | Consolidated Operating Results and Financial Conditions for the past 3 years (Unit: millions of yen otherwise indicated) | | | |
| | Fiscal Year | September 2020 | September 2021 | September 2022 |
| | Net Assets | 8,804 | 9,366 | 9,389 |
| | Total Assets | 12,084 | 12,340 | 12,974 |
| | Net Assets Per Share | 3,845.59 yen | 4,083.02 yen | 4,022.75 yen |
| | Net Sales | 8,824 | 10,451 | 8,514 |
| | Operating Income (Loss) | 885 | 696 | (86) |
| | Ordinary Income | 962 | 773 | 27 |
| | Net Income (Loss) | 678 | 455 | (60) |
| | Net Income (Loss) Per Share | 296.56 yen | 198.75 yen | (26.20 yen) |
| | Dividend per share | 45.00 yen | 40.00 yen | 50.00 yen |

4. Schedule

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

5. Future Outlook

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