

Consolidated Financial Results for the First Half Fiscal Year March 2019 (Japanese Accounting Standards)

This document has been prepared as a guide for non-Japanese investors and contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. This document is a translation of excerpts taken from the Japanese language original. All numbers are rounded down to the nearest until in accordance with standard Japanese practice. Please be advised that the Company cannot accept responsibility for investment decisions made based on the information contained in this report.

October 30, 2018

Company Name: KITZ CORPORATION
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 6498
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 Date of Financial Statement Filing (Planned): November 12, 2018
 Date of Dividend Payment (Planned): December 6, 2018
 Availability of Financial Results Supplementary Presentation Materials: Yes
 Financial Results Presentation Meeting: Yes (For institutional investors and analysts)

(Figures of less than one million yen are rounded down to the nearest decimal)

1. Consolidated Financial Results (Apr. 1 – Sept. 30, 2018)

(1) Consolidated Operating Results

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY March 2019	67,781	13.7	5,813	34.7	5,788	42.7	3,926	48.6
1H FY March 2018	59,592	8.5	4,314	0.5	4,057	(0.7)	2,641	(1.0)

(Note) Total Comprehensive Income: ¥2,353 million in 1H FY March 2019 (-23.4%), ¥3,071 million in 1H FY March 2018 (-%)

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
1H FY March 2019	40.49	—
1H FY March 2018	26.38	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of September 30, 2018	132,756	76,770	57.0	793.25
As of March 31, 2018	133,545	77,391	57.1	782.98

(Reference) Equity: As of September 30, 2018 : ¥75,630 million

As of March 31, 2018 : ¥76,217 million

2. Dividends

	Annual Dividend				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY March 2018	—	7.00	—	10.00	17.00
FY March 2019	—	8.00	—	—	—
FY March 2019(Planned)	—	—	—	11.00	19.00

(Note) Revisions to dividend forecasts recently announced: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 2019 (Apr. 1, 2018 - Mar. 31, 2019)

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of the parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY March 2019	132,000	6.0	11,200	10.7	10,900	12.0	7,100	8.9	73.84

(Note) Revisions to consolidated financial forecasts recently announced: None

Partial Release

※ Annotation

(1) Changes in significant subsidiaries (Changes in subsidiaries affecting the scope of consolidation): None

Newly consolidated: None

Removed from consolidation: None

(2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Yes

(3) Changes in accounting methods, procedures and presentations concerning preparation of consolidated financial statements

1. Changes accompanying revisions in accounting standards: None

2. Other changes: Yes

3. Changes in accounting estimates: Yes

4. Redisplay of revisions: None

(4) Shares issued (Common stock)

1. Shares issued as of term end (including treasury stock):

2. Treasury stock as of term end:

3. Average during the term:

1H FY March 2019	100,396,511 shares	FY March 2018	100,396,511 shares
1H FY March 2019	5,054,728 shares	FY March 2018	3,053,936 shares
1H FY March 2019	96,964,388 shares	1H FY March 2018	100,137,711 shares

※ The shares held within the BIP trust accounts are included in term-end treasury stocks.

(1H FY March 2019 : 329,985 shares, FY March 2018 : 329,985 shares)

Furthermore, the shares held within the BIP trust accounts are included in treasury stocks that are deducted in the calculation of the average number of shares for the period.

(1H FY March 2019 : 329,985 shares, 1H FY March 2018 : 343,233 shares)

※ This document is not subject to audit procedures.

※ Explanations regarding the appropriate uses of our earnings projections and other information:

The future prospects of the business results, etc., described in this document are based on currently available information and certain premises that are judged to be rational at the time of writing, and are not intended as a guarantee that the Company will achieve these targets. Actual performance and other results may differ significantly due to various factors.

※KITZ Corporation has implemented the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No.28, February 16, 2018) and relevant Guidance effective from the beginning of the first quarter under review. Accordingly, deferred tax assets were presented under “Investments and other assets” and deferred tax liabilities were presented under “Non-current liabilities”.

As a result, the amount of total asset and liabilities as of March 31, 2018 decreased 642 million yen and equity ratio increased 0.3% respectively.