

Consolidated Financial Results for the First Half Fiscal Year December 2020 (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.

November 12, 2020

Company Name: KITZ CORPORATION

Stock Listing: Tokyo Stock Exchange

Stock Code: 6498

URL <https://www.kitz.co.jp/english/index.html>

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Date of Financial Statement Filing (Planned): November 13, 2020

Date of Dividend Payment (Planned): December 17, 2020

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, 2020)

(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 December 2020	55,799	(10.3)	2,728	(3.1)	2,439	(10.8)	1,676	(17.6)
1H FY March 2020	62,199	(8.2)	2,816	(51.6)	2,733	(52.8)	2,033	(48.2)

(Note) Comprehensive Income: ¥179 million in 1H FY December 2020 (-86.1%), ¥1,298million in 1H FY March 2020 (-44.8%)

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
1H FY December 2020	18.46	—
1H FY March 2020	21.75	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of September 30, 2020	139,925	74,331	52.5	819.75
As of March 31, 2020	135,063	76,879	56.0	819.49

(Reference) Equity: As of September 30, 2020 : ¥73,485 million

As of March 31, 2020 : ¥75,574 million

2. Dividends

	Annual Dividend				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY March 2020	—	10.00	—	10.00	20.00
FY December 2020	—	5.00	—	—	—
FY December 2020(Planned)	—	—	—	3.00	8.00

(Note) Revisions to dividend forecasts recently announced: Yes

Partial Release

3. Consolidated Financial Forecasts for the Fiscal Year Ending December 2020 (Apr. 1, 2020 - Dec. 31, 2020)

(% 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 December 2020	82,500	(-)	3,300	(-)	3,000	(-)	2,000	(-)	22.17

(Note)

- Revisions to consolidated financial forecasts recently announced: Yes
- At the 106th Annual General Meeting of Shareholders on June 29, 2020, the company decided to change the fiscal year ending March 31 to December 31 from FY2020, based on the approval of the Partial Change in the Articles of Incorporation. Similar changes have been made for consolidated subsidiaries whose fiscal year ended in March.

Therefore, the Company announces the forecast of consolidated financial results for the fiscal year ending December 2020, which is the transitional period for the change in fiscal year-end, for the nine months from April 1, 2020 to December 31, 2020.

Profit during January 1, 2020 and March 31, 2020 of consolidated subsidiaries whose fiscal year end in December is adjusted at consolidated retained earnings.

(Reference)

As described above, FY2020 is the transitional period, nine months from April 1, 2020 to December 31, 2020. Year-over-year change below shows change compared with accumulated PL in third quarter in FY2019 from April 1, 2019 to December 31, 2019.

Net Sales		Operating Income		Ordinary Income		Net Income attributable to owners of the parent	
Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
82,500	(12.3)	3,300	(34.1)	3,000	(38.0)	2,000	(42.8)

※ Annotation

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

Newly consolidated: None

Removed from consolidation: None

- Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Yes

- Changes in accounting methods, procedures and presentations concerning preparation of consolidated financial statements

1. Changes accompanying revisions in accounting standards: None

2. Other changes: None

3. Changes in accounting estimates: None

4. Redisplay of revisions: None

- Number of shares outstanding (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 December 2020	100,396,511 shares	FY March 2020	100,396,511 shares
1H FY December 2020	10,752,927 shares	FY March 2020	8,174,608 shares
1H FY December 2020	90,774,950 shares	1H FY March 2020	93,474,127 shares

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

(1H FY December 2020 : 477,535 shares, FY March 2020 : 509,654 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 December 2020 : 501,624 shares, 1H FY March 2020 : 374,447 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.

※ Investor presentation materials relating to our financial results for the six months ended September 30, 2020 are expected to be published on our corporate website on or after November 20, 2020.