

Consolidated Financial Results for the 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.

February 12, 2021

Company Name: KITZ CORPORATION
 Stock Listing: Tokyo Stock Exchange Stock Code: 6498
 URL <https://www.kitz.co.jp/english/index.html>
 President and Chief Executive Officer: Yasuyuki Hotta
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 Date of General Meeting of Shareholders (Planned): March 30, 2021
 Date of Dividend Payment (Planned): March 12, 2021
 Date of Financial Statement Filing (Planned): March 30, 2021
 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, 2020 – Dec. 31, 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	%
FY December 2020	84,245	-	3,751	-	3,169	-	2,113	-
FY March 2020	127,090	(7.0)	6,950	(40.7)	7,241	(39.1)	4,937	(12.2)

(Note) Comprehensive Income: ¥1,468 million in FY Dec. 2020 (-%) ¥4,409 million in FY Mar. 2020 (up 34.6%)

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
FY December 2020	23.38	—	2.8	2.3	4.5
FY March 2020	53.06	—	6.5	5.4	5.5

(Reference) Gain from investments in subsidiaries and affiliates accounted for by the equity method: FY Dec. 2020: — FY Mar. 2020: —

At the 106th Annual General Meeting of Shareholders held on June 29, 2020, the company changed 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 were made for consolidated subsidiaries whose fiscal year ends in March.

The fiscal year ended December 31, 2020, the transitional period for the change in the fiscal year-end, is the nine-month period from April 1, 2020 to December 31, 2020. Accordingly, year-on-year changes are not presented.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY December 2020	140,681	75,167	52.8	828.76
FY March 2020	135,063	76,879	56.0	819.49

(Reference) Equity: ¥74,292 million in FY Dec. 2020 ¥75,574 million in FY Mar. 2020

(3) Consolidated Cash Flows

	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Fiscal Year
	Million Yen	Million Yen	Million Yen	Million Yen
FY December 2020	10,024	(2,379)	7,497	33,364
FY March 2020	13,329	(8,040)	(167)	17,920

Partial Release

2. Dividends

	Annual Dividend					Total Dividends from Surplus (Annual)	Payout Ratio (Consolidated)	Dividends to Net Assets Ratio (Consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
FY March 2020	—	10.00	—	10.00	20.00	1,859	37.7	2.5
FY December 2020	—	5.00	—	4.00	9.00	811	38.5	1.1
FY December 2021 (Planned)	—	5.00	—	9.00	14.00		36.9	

3. Consolidated Financial Forecasts for the Fiscal Year December 2021 (Jan. 1, 2021–Dec. 31, 2021)

(% 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
2H FY December 2021	56,250	-	1,600	-	1,450	-	950	-	10.59
FY December 2021	117,000	-	5,700	-	5,400	-	3,400	-	37.92

(Note)

At the 106th Annual General Meeting of Shareholders held on June 29, 2020, the company changed the fiscal year ending March 31 to December 31 from FY2020, based the approval of the Partial Change in the Articles of Incorporation. Similar changes were made for consolidated subsidiaries whose fiscal year ends in March.

The fiscal year ended December 31, 2020, the transitional period for the change in the fiscal year-end, is the nine-month period from April 1, 2020 to December 31, 2020. Accordingly, year-on-year changes are not presented.

(Reference)

Adjusted year-on-year change of Consolidated Financial Forecasts for the Fiscal Year December 2021 (Jan. 1, 2021–Dec. 31, 2021)

(% 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	%
2H FY December 2021	56,250	(5.7)	1,600	(49.3)	1,450	(59.3)	950	(54.6)
FY December 2021	117,000	1.6	5,700	7.0	5,400	0.5	3,400	1.0

The percentages shown above (adjusted year-on-year change) are the rates of increase or decrease based on the FY2020 consolidated results adjusted for the 12-month period (January 1, 2020 to December 31, 2020) and compared with the FY2021 consolidated results forecasts. Consolidated financial results for FY2020, adjusted for 12 months (January 1, 2020 to December 31, 2020), are not subject to audit procedures.

※ Annotation

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

Newly consolidated: None

Removed from consolidation: None

(2) 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

(3) 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:

FY December 2020	90,396,511 shares	FY March 2020	100,396,511 shares
FY December 2020	753,057 shares	FY March 2020	8,174,608 shares
FY December 2020	90,397,812 shares	FY March 2020	93,049,511 shares

* The shares held within the BIP trust accounts are included in term-end treasury stocks. (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. (FY December 2020: 493,594 shares, FY March 2020: 442,051 shares)

Partial Release

Reference: Fiscal Year December 2020 Non-Consolidated Financial Results (Apr. 1, 2020 – Dec. 31, 2020)

(1) Non-Consolidated Operating Results

(% figures represent year-over-year change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY December 2020	41,786	-	755	-	1,868	-	1,436	-
FY March 2020	64,137	(11.2)	2,220	(62.9)	4,681	(38.5)	3,645	22.1

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
FY December 2020	15.89	—
FY March 2020	39.17	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY December 2020	110,478	51,878	47.0	578.72
FY March 2020	102,569	52,962	51.6	574.29

(Reference) Equity: ¥51,878 million in FY Dec. 2020 ¥52,962 million in FY Mar. 2020

* 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 are expected to be published on our corporate website on or after March 2, 2021.