

News Release
May 12, 2021

**Announcement of Revised Financial Forecast and
Dividend Forecast for Fiscal Year December 2021**

KITZ Corporation (hereinafter “KITZ”) hereby announces revised 6 months and full-year Forecast and Dividend Forecast for Fiscal Year December 2021 as follows.

1. 6 Months Forecast

6 months forecast for Fiscal Year December 2021 (January 1, 2021 to June 30, 2021)
(million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income per share (Yen)
Previously announced forecast (A)	56,250	1,600	1,450	950	10.59
Revised forecast (B)	62,900	3,600	3,550	2,100	23.42
Change (B-A)	6,650	2,000	2,100	1,150	—
Rate of change	11.8	125.0	144.8	121.1	—
(Reference) Result of adjusted same period last year					
Result of 6 months from January 1 to June 30 in 2020	59,637	3,158	3,566	2,091	22.72

Result of adjusted same period last year above shows adjusted P&L figures from January 1, 2020 to June 30, 2020. (Not subject to audit procedures.)

2. Full-year Forecast

Full-year forecast for Fiscal Year December 2021 (January 1, 2021 to December 31, 2021)
(million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income per share (Yen)
Previously announced forecast (A)	117,000	5,700	5,400	3,400	37.92
Revised forecast (B)	129,500	7,700	7,500	4,400	49.08
Change (B-A)	12,500	2,000	2,100	1,000	—
Rate of change	10.7	35.1	38.9	29.4	—
(Reference) Result of adjusted same period last year					
Result of 12 months from January 1 to December 31 in 2020	115,138	5,328	5,372	3,366	37.01

Result of adjusted same period last year above shows adjusted P&L figures from January 1, 2020 to December 31, 2020. (Not subject to audit procedures.)

3. Background

With regard to net sales, in our mainstay valve manufacturing business, demand for semiconductors continues to be strong in line with rising global demand for semiconductors. In Americas and Europe, sale volume has increased. In addition, in brass bar manufacturing business, raw material prices, which have an impact on selling prices are expected to remain high and sales volume continued to increase due to a recovery in market conditions.

With regard to profit and loss, the Company has revised 6 months and full-year forecast as described above, as it expects an increase in profits due to the above-mentioned increase in sales.

4. Dividend forecast

(Yen)

	Annual Dividend		
	Interim	Year-end	Total
Previously announced dividend forecast	5.00	9.00	14.00
Revised dividend forecast	9.00	9.00	18.00
Actual dividend	-	-	-
(Reference) Previous Term Results of Fiscal Year December 2020	5.00	4.00	9.00

Previous term was 9 months from April 1, 2020 to December 31, 2020 due to change of fiscal year end.

5. Background

Returning profits to shareholders by cash dividend is one of the highest priorities of KITZ. The Company's stance is to place importance on the consistency and stability of the dividend while taking into account a number of factors. These factors include current results of operations and the need for funds for capital investment, development, M&A and other activities needed for growth. Another factor is the need to increase retained earnings to provide funds for repaying loans and redeeming bonds. At present, based on the above-stated considerations KITZ believes that a dividend payout ratio of about 35% of net income attributable to owners of the parent is appropriate.

Regarding the dividend forecast for the fiscal year ending December 31, 2021, based on the consolidated financial results forecast and the dividend forecast described above, the Company has decided to announce an annual dividend forecast of 18.00 yen (Interim dividend : 9.00 yen, Year-end dividend : 9.00 yen) per share. In that case, consolidated dividend ratio would be 36.7% of net income attributable to owners of the parent.

(Note) The above figures are forecasts based on the information available to management as of the date here of. Actual results may differ from these forecasts due to various factors.