

Consolidated Financial Results for the Three Months Ended June 30, 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.

August 11, 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): August 12, 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, 2020 – Jun. 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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2020	28,745	(6.9)	1,580	30.8	1,363	12.6	839	(0.4)
June 30, 2019	30,879	(5.7)	1,208	(54.4)	1,210	(52.2)	842	(50.8)

(Note) Comprehensive Income: Three months ended June 30, 2020 : (¥443) million (-%)

Three months ended June 30, 2019 : ¥921 million up 44.8%

	Net Income per Share	Net Income per Share (Diluted)
Three months ended	Yen	Yen
June 30, 2020	9.17	—
June 30, 2019	8.94	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of June 30, 2020	131,782	74,539	55.9	810.68
As of March 31, 2020	135,063	76,879	56.0	819.49

(Reference) Equity: As of June 30, 2020 : ¥73,675 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	—	—	—	—	—
FY December 2020 (Planned)	—	4.00	—	3.00	7.00

Revisions to dividends recently announced: Yes

3. Consolidated Financial Forecasts for the Fiscal Year 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
2 nd quarter-end (six months)	55,300	(11.1)	2,400	(14.8)	2,100	(23.2)	1,300	(36.1)	14.31
Full year (nine months)	81,500	-	3,200	-	2,800	-	1,700	-	18.71

(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	%
81,500	(13.4)	3,200	(36.1)	2,800	(42.2)	1,700	(51.3)

※ 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: None

3. Changes in accounting estimates: None

4. Redisplay of revisions: None

- (4) 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:

As of June 30, 2020	100,396,511 shares	As of March 31, 2020	100,396,511 shares
As of June 30, 2020	9,516,576 shares	As of March 31, 2020	8,174,608 shares
As of June 30, 2020	91,457,930 shares	As of June 30, 2019	94,195,717 shares

* The shares held within the BIP trust accounts are included in term-end treasury stocks. (As of June 30, 2020: 509,654 shares, As of March 31, 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. (As of June 30, 2020: 509,654 shares, As of June 30, 2019: 329,985 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 are expected to be published on our corporate website on or after August 21, 2020.