Partial Release

Consolidated Financial Results for the Nine Months Ended December 31, 2018
(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.

January 31, 2019

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): February 13, 2019
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, 2018 – Dec. 31, 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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2018	103,207	12.6	9,545	31.7	9,609	37.8	4,009	(14.6)
December 31, 2017	91,667	9.7	7,250	7.5	6,973	6.3	4,694	35.5

(Note) Comprehensive Income: Nine months ended December 31, 2018 : ¥2,289 million (down 60.7%)
Nine months ended December 31, 2017 : ¥5,820 million (-%)

	Net Income per Share	Net Income per Share (Diluted)
Nine months ended	Yen	Yen
December 31, 2018	41.58	—
December 31, 2017	46.91	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of December 31, 2018	130,870	75,936	57.1	783.68
As of March 31, 2018	133,545	77,391	57.1	782.98

(Reference) Equity: As of December 31, 2018 : ¥74,717 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)				12.00	20.00

(Note) Revisions to dividend forecasts recently announced: Yes

3. Consolidated Financial Forecasts for the Fiscal Year 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	136,000	9.2	11,700	15.6	11,600	19.2	5,300	(18.7)	55.12

(Note) Revisions to consolidated financial forecasts recently announced: Yes

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※ 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) Number of shares outstanding (Common stock)

1. Shares issued as of term end (including treasury stock):	As of December 31, 2018	100,396,511 shares	As of March 31, 2018	100,396,511 shares
2. Treasury stock as of term end:	As of December 31, 2018	5,054,871 shares	As of March 31, 2018	3,053,936 shares
3. Average shares during the term:	As of December 31, 2018	96,423,480 shares	As of December31, 2017	100,077,480 shares

* The shares held within the BIP trust accounts are included in term-end treasury stocks. (As of December 31, 2018: 329,985 shares, As of March 31, 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. (As of December 31, 2018: 329,985 shares, As of December 31, 2017: 341,909 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.