

Consolidated Financial Results for the Fiscal Year March 2019 (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.

May 13, 2019

Company Name: KITZ CORPORATION
 Stock Listing: Tokyo Stock Exchange Stock Code: 6498
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 Date of General Meeting of Shareholders (Planned): June 25, 2019
 Date of Dividend Payment (Planned): June 7, 2019
 Date of Financial Statement Filing (Planned): June 25, 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 – Mar. 31, 2019)

(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 March 2019	136,637	9.7	11,713	15.8	11,883	22.1	5,625	(13.7)
FY March 2018	124,566	9.2	10,117	13.3	9,733	10.6	6,518	20.7

(Note) Comprehensive Income: ¥3,275 million in FY Mar. 2019 (down 56.7%) ¥7,560 million in FY Mar. 2018 (up 86.7%)

	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 March 2019	58.50	—	7.4	9.0	8.6
FY March 2018	65.50	—	8.7	7.7	8.1

(Reference) Gain from investments in subsidiaries and affiliates accounted for by the equity method: FY Mar. 2019: — FY Mar. 2018: —

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY March 2019	131,657	76,829	57.4	793.74
FY March 2018	133,545	77,391	57.1	782.98

(Reference) Equity: ¥75,597 million in FY Mar. 2019 ¥76,217 million in FY Mar. 2018

(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 March 2019	10,069	(9,264)	(9,702)	12,876
FY March 2018	6,941	(7,066)	5,267	22,019

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 2018	—	7.00	—	10.00	17.00	1,679	26.0	2.3
FY March 2019	—	8.00	—	12.00	20.00	1,912	34.2	2.5
FY March 2020 (Planned)	—	10.00	—	14.00	24.00		35.0	

Partial Release

3. Consolidated Financial Forecasts for the Fiscal Year March 2020 (Apr. 1, 2019–Mar. 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
2H FY March 2020	65,000	(4.1)	3,600	(38.1)	3,400	(41.3)	2,200	(44.0)	23.39
FY March 2020	133,000	(2.7)	10,000	(14.6)	9,700	(18.4)	6,400	13.8	68.49

※KITZ Corporation has resolved to acquire up to 2.5 million shares of its common stock from 19th March, 2019 to 18th September, 2019. The above net income per share is calculated based on the average number of shares outstanding during the period, taking into account the expected number of treasury shares scheduled to be acquired.

※ 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: Yes

3. Changes in accounting estimates: Yes

4. Redisplay of revisions: None

(3) Number of shares outstanding (Common stock)

1. Shares issued as of term end (including treasury stock):

FY March 2019	100,396,511 shares	FY March 2018	100,396,511 shares
FY March 2019	5,155,194 shares	FY March 2018	3,053,936 shares
FY March 2019	96,148,840 shares	FY March 2018	99,511,498 shares

2. Treasury stock as of term end:

3. Average during the term:

* The shares held within the BIP trust accounts are included in term-end treasury stocks. (FY March 2019: 329,985 shares, FY March 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. (FY March 2019: 329,985 shares, FY March 2018: 339,932 shares)

Reference: Fiscal Year March 2019 Non-Consolidated Financial Results (Apr. 1, 2018 – Mar. 31, 2019)

(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 March 2019	72,262	12.7	5,985	28.3	7,609	16.9	2,985	(45.2)
FY March 2018	64,118	3.5	4,665	9.9	6,506	27.6	5,445	44.5

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
FY March 2019	31.05	—
FY March 2018	54.72	—

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY March 2019	99,045	54,079	54.6	567.81
FY March 2018	105,903	55,769	52.7	572.91

(Reference) Equity: ¥54,079 million in FY Mar. 2019 ¥55,769 million in FY Mar. 2018

* 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% on consolidated basis. On non-consolidated basis, total asset and liabilities as of March 31, 2018 decreased 494 million yen and equity ratio increased 0.3%