

Consolidated Financial Results for the Fiscal Year December 2021 (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 10, 2022

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: Makoto Kohno
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 Date of General Meeting of Shareholders (Planned): March 29, 2022
 Date of Dividend Payment (Planned): March 11, 2022
 Date of Financial Statement Filing (Planned): March 29, 2022
 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 (Jan. 1, 2021 – Dec. 31, 2021)

(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 2021	135,790	-	8,990	-	8,975	-	4,954	-
FY December 2020	84,245	-	3,751	-	3,169	-	2,113	-

(Note) Comprehensive Income: ¥7,384 million in FY Dec. 2021 (-%) ¥1,468 million in FY Dec. 2020 (-%)

	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 2021	55.26	—	6.4	6.3	6.6
FY December 2020	23.38	—	2.8	2.3	4.5

(Reference) Gain from investments in subsidiaries and affiliates accounted for by the equity method: FY Dec. 2021: — FY Dec. 2020: —

(Note) At the 106th Annual General Meeting of Shareholders held on June 29, 2020, the company changed our fiscal year-end from March 31 to December 31 in fiscal 2020, 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.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY December 2021	143,419	81,253	56.0	896.55
FY December 2020	140,681	75,167	52.8	828.76

(Reference) Equity: ¥80,369 million in FY Dec. 2021 ¥74,292 million in FY Dec. 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 2021	8,280	(3,236)	(11,527)	27,658
FY December 2020	10,024	(2,379)	7,497	33,364

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 December 2020	—	5.00	—	4.00	9.00	811	38.5	1.1
FY December 2021	—	9.00	—	11.00	20.00	1,802	36.2	2.3
FY December 2022 (Planned)	—	11.00	—	14.00	25.00		35.6	

Partial Release

3. Consolidated Financial Forecasts for the Fiscal Year December 2022 (Jan. 1, 2022–Dec. 31, 2022)

(% 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 2022	69,400	10.0	4,280	9.7	4,145	4.7	2,700	30.8	30.12
FY December 2022	143,000	5.3	10,000	11.2	9,700	8.1	6,300	27.2	70.28

(Reference)

Adjusted year-on-year change of Consolidated Financial Results 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	%
FY December 2021	135,790	17.9	8,990	68.7	8,975	67.1	4,954	47.2

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 2021	90,396,511 shares	FY December 2020	90,396,511 shares
FY December 2021	753,976 shares	FY December 2020	753,057 shares
FY December 2021	89,643,016 shares	FY December 2020	90,397,812 shares

(Note) The shares held within the BIP trust accounts are included in term-end treasury stocks. (FY December 2021: 477,535 shares, FY December 2020: 477,535 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 2021: 477,535 shares, FY December 2020: 493,594 shares)

(Reference) Fiscal Year December 2021 Non-Consolidated Financial Results (Jan. 1, 2021 – Dec. 31, 2021)

(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 2021	60,041	-	2,262	-	5,015	-	2,662	-
FY December 2020	41,786	-	755	-	1,868	-	1,436	-

	Net Income per Share	Net Income per Share (Diluted)
	Yen	Yen
FY December 2021	29.70	—
FY December 2020	15.89	—

(Note) The company changed our fiscal year-end from March 31 to December 31 in fiscal 2020. 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) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million Yen	Million Yen	%	Yen
FY December 2021	110,065	53,584	48.7	597.75
FY December 2020	110,478	51,878	47.0	578.72

(Reference) Equity: ¥53,584 million in FY Dec. 2021 ¥51,878 million in FY Dec. 2020

Partial Release

(Reference)

Adjusted year-on-year change of Non-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	%
FY December 2021	60,041	3.9	2,262	70.2	5,015	99.6	2,662	95.7

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

* 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 February 16, 2022.